

of September 25, 2013

REQUEST FOR RESOLUTION

Date: September 13, 2013

INSTRUCTIONS: File request in the Office of the Director of Utilities as soon as possible but not later than nine working days prior to the Board meeting at which it is to be introduced. Completion instructions are contained in Administrative Policy POL-104.

1. Summary title for Utility Board agenda: (not to exceed twenty-five words)
Tacoma Rail requests approval to enter into a Loan Agreement with the Washington State Department of Transportation to upgrade a segment of railroad track near Taylor Way.

2. A resolution is requested to: (brief description of action to be taken, by whom, where, cost, etc.)
Tacoma Rail requests approval to enter into an agreement with the Washington State Department of Transportation for an interest free loan in the amount of \$1,105,074.00, less a one-percent (1%) administrative fee, with a ten (10) year term. The loan will be used to partially finance the upgrade of existing railroad tracks, and the extension of another track within the right-of-way to improve operational capacity, flexibility and efficiency near Taylor Way.

The Loan Agreement requires Tacoma Rail to contribute a minimum of \$276,269.00 in matching funds and complete the project tasks defined in the scope of work by June 30, 2015.

3. Summarized reason for resolution:
Tacoma Rail requests approval of this resolution as required by Tacoma City Charter Section 4.11, which stipulates Public Utility Board and City Council approvals are necessary for the incurrence of indebtedness.

4. Attachments:
 - a. Letter from William A. Gaines, Director of Utilities
 - b. Loan Agreement between Tacoma Rail and the Washington State Department of Transportation

5. Funds available Proposed action has no budgetary impact

6. Deviations requiring special waivers:
N/A


Originated by:


Section Head

Requested by:


Division Head

Approved:


Director of Utilities



TACOMA PUBLIC UTILITIES

3628 South 35th Street

Tacoma, Washington 98409-3192

September 13, 2013

To the Chair and members of the Public Utility Board and
Mayor and members of the City Council:

SUBJECT: WSDOT Rail Bank Loan RRB 1054 - Tacoma Rail Taylor Way Track Rehabilitation and
Expansion Project.

Request:

Tacoma Rail requests approval to enter into an agreement for an interest free loan from the Washington State Department of Transportation, in the amount of \$1,105,074.00, less a one percent (1%) administrative fee, over a ten (10) year term. The loan will be used to partially finance the rehabilitation of an existing railroad track, and the extension of another within the existing right-of-way to increase capacity and improve operational flexibility.

Background:

The loan was awarded through a competitive call for projects initiated by WSDOT with the funds having been appropriated by the Washington State Legislature.

The loan agreement requires Tacoma Rail to contribute a minimum of \$276,269.00 in matching funds and complete the project by June 30, 2015. Repayment terms require ten annual payments be made in the amount of \$110,507.40 each, beginning September 1, 2016.

APPROVED:

William A. Gaines
Director of Utilities, CEO

