



ORDINANCE NO. 28699

1 AN ORDINANCE relating to the Department of Public Utilities; authorizing
2 Tacoma Rail to update the Rail Rate Policy to include a Volume
3 Incentive Fund.

4 WHEREAS Tacoma Rail's Rail Rate Policy was last updated January 1,
5 2016, and

6 WHEREAS due to the variability of the economy and shipping lines, railcar
7 volumes have the potential to deviate significantly from budgeted volumes, and

8 WHEREAS the proposed Rail Rate Policy amendment creates a Volume
9 Investment Fund ("Fund") to provide a repository for operating revenue surpluses
10 due to unanticipated rail volume growth above budget, and

11 WHEREAS the Fund will provide revenue requirement flexibility during
12 times of unanticipated economic downturns or capital spending that may be used
13 to offset the necessity of rate increases, and

14 WHEREAS use of the Fund will be limited to workforce stability during
15 unanticipated economic downturns, locomotive upgrades, rail infrastructure and
16 grant or debt matching opportunities;

17 WHEREAS it is in the best public interest to approve the update to the Rail
18 Rate Policy as recommended, and

19 WHEREAS, by adoption of Public Utility Board Resolution No. U-11214 on
20 October 28, 2020, the proposed amendment was approved, pending confirmation
21 from the City Council; Now, Therefore,
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BE IT ORDAINED BY THE CITY OF TACOMA:

Section 1. That the City Council hereby adopts the Recitals of this Ordinance as its formal legislative findings.

Section 2. That the proposed update to Tacoma Rail’s Rail Rate Policy to create a Volume Investment Fund, for the limited purposes of workforce stability during unanticipated economic downturns, locomotive upgrades, rail infrastructure and grant or debt matching opportunities, is approved in substantially the same form as on file with the Clerk.

Passed _____

Mayor

Attest:

City Clerk

Approved as to form:

Chief Deputy City Attorney

Requested by Public Utility Board

Resolution No. 11214