



**TO:** T.C. Broadnax, City Manager  
**FROM:** William A. Gaines, Director of Utilities, Tacoma Public Utilities  
**COPY:** City Council and City Clerk  
**SUBJECT:** Resolution – WSDOT Rail Bank Loan RRB 1053 Tacoma Rail East Loop Track  
Rehabilitation and Expansion – October 8, 2013  
**DATE:** September 16, 2013

---

**SUMMARY:**

Tacoma Rail requests approval to enter into a Loan Agreement with the Washington State Department of Transportation to upgrade a segment of railroad track called the East Loop.

**BACKGROUND:**

This interest free loan was awarded through a competitive call for projects initiated by the Washington State Department of Transportation, with the funds having been appropriated by the Washington State Legislature. The loan is in the principal amount of \$773,070.00, less a one percent (1%) administrative fee, over a ten (10) year term.

The Loan Agreement requires Tacoma Rail to contribute a minimum of \$193,268.00, and complete the project by June 30, 2015. Repayment terms require ten annual payments of \$77,307.00 each beginning August 1, 2016.

The loan will be used to partially finance the upgrade of a segment of existing railroad track, and install a second track within the existing right-of-way to increase capacity and improve operational flexibility.

**ISSUE:**

Tacoma Rail's freight rail infrastructures in the Tideland's area is heavily used and in need of periodic upgrade in order to support current, and attract new, freight railroad customers. This project will remove existing deteriorated 72 and 90-pound rail, track switches, and approximately 30% of the cross ties and replace them with new 115-pound rail, track switches and associated components. Additionally, the project will install a second railroad track, and a cross-over track, within the existing right-of-way to improve operational capacity, flexibility, and efficiency.

**ALTERNATIVES:**

There are no reasonable alternatives.

**RECOMMENDATION:**

Tacoma Rail recommends City Council authorize execution of the Loan Agreement with the Washington State Department of Transportation. The project will enhance safety, improve area freight rail capacity, and operational flexibility.



**FISCAL IMPACT:**

There is no fiscal impact to the City's General Fund.

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4500 - Tacoma Rail (TPU)	RAL-00056		\$966,338.00
<b>TOTAL</b>			

\* General Fund: Include Department

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
WSDOT Loan	RAL-00056		\$773,070.00
4500 - Tacoma Rail (TPU)	RAL-00056		\$193,268.00
<b>TOTAL</b>			\$966,338.00

**POTENTIAL POSITION IMPACT:**

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
<b>TOTAL</b>			

*This section should only be completed if a subsequent request will be made to increase or decrease the current position count.*

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$966,338.00**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes**

**IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.**