



**TO:** Elizabeth A. Pauli, City Manager  
**FROM:** Josh Diekmann, P.E., Public Works Assistant Division Manager  
Kurtis D. Kingsolver, P.E. Public Works Director/City Engineer *KDK*  
**COPY:** City Council and City Clerk  
**SUBJECT:** Resolution – Interlocal Agreement – SR 167 and SR 509 Completion  
Projects – March 5, 2019  
**DATE:** February 12, 2019

**SUMMARY:**

A resolution authorizing the execution of an Interlocal Agreement with the Washington State Department of Transportation, committing the City to provide \$2 million in future City funding to assist the Washington State Department of Transportation in securing federal grants for the estimated \$2 billion Puget Sound Gateway Program – SR 167 and SR 509 Completion projects.

**STRATEGIC POLICY PRIORITY:**

- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.
- Assure outstanding stewardship of the natural and built environment.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

The City’s contribution will be leveraged toward federal grants required to fund the projects providing congestion relief in and out of the Port of Tacoma.

**BACKGROUND:**

As part of the SR 167 Project presentation at the April 3, 2018 Study Session, the Washington State Department of Transportation (WSDOT) shared that in July 2015, the Washington State Legislature and Governor Jay Inslee acted to fund the Puget Sound Gateway Program through the Connecting Washington Revenue Package.

On April 24, 2018, the City Council approved a commitment for the City to provide \$2 million in future funding, under Resolution No. 39995, to assist WSDOT in securing federal grants for the \$2 billion Puget Sound Gateway Program - SR 167 and SR 509 Completion projects.

WSDOT is requesting a City commitment of match funds for two project grants:

- \$500,000 for the 70th Avenue East project
- \$1.5 million for the Port of Tacoma Spur project

On June 19, 2018, the City Council approved the execution of a Memorandum of Understanding (MOU) committing the City to provide \$2 million in future funding, under Resolution No. 40037. The MOU has been fully endorsed and signed by all 18 local agency partners.

**ISSUE:**

This Interlocal Agreement defines the roles and responsibilities between the City and WSDOT, and quantifies the City’s local contribution commitment to be applied toward funding the 70th Avenue East project and the SR 167/I-5 to SR 509 Port of Tacoma Spur project.



**ALTERNATIVES:**

The City Council could decline to approve the Interlocal Agreement. This could put the federal grants required to complete the overall Puget Sound Gateway Program at risk and either delay or defeat the effort to complete much needed transportation improvements regionally and locally at the Port of Tacoma. Additionally, the scope of the proposed project could be modified, potentially removing features that would be beneficial to the City. The congestion issues at the Port of Tacoma require regional solutions due to the need to plan for and tie into existing state highway infrastructure. The City could not develop and implement an equivalent transportation project that would relieve local congestion for \$2 million.

**RECOMMENDATION:**

A resolution authorizing the execution of an Interlocal Agreement with the Washington State Department of Transportation, committing the City to provide \$2 million in future City funding to assist the Washington State Department of Transportation in securing federal grants for the estimated \$2 billion Puget Sound Gateway Program – SR 167 and SR 509 Completion projects.

**FISCAL IMPACT:**

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
3210-REET2 Real Estate Excise Tax 2	814002	5619998	\$ 2,000,000
<b>TOTAL</b>			<b>\$ 2,000,000</b>

\* General Fund: Include Department

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
3210-REET2 Real Estate Excise Tax 2	814002	4317400	\$ 2,000,000
<b>TOTAL</b>			<b>\$ 2,000,000</b>

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$500,000.**

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

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

This fiscal note represents the City’s commitment for grant match. Funds beyond the 2019-2020 Biennium will be considered and budgeted in future years as the project progresses.