



**TO:** T.C. Broadnax, City Manager  
**FROM:** Kurtis D. Kingsolver, P.E., Public Works Director/City Engineer /KDK:K  
Tom Rutherford, P.E., Project Manager, Public Works Engineering  
**COPY:** City Council and City Clerk  
**SUBJECT:** Request for Resolution: Approval of Updated Interlocal Agreement with Port of Tacoma for the Port of Tacoma Road Rehabilitation project– May 13, 2014  
**DATE:** April 28, 2014

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**SUMMARY:**

The Public Works Department requests approval of an updated Interlocal Agreement (ILA) between the City of Tacoma and the Port of Tacoma for the Port of Tacoma Road Rehabilitation project. The new ILA supersedes and replaces an earlier ILA for the Port of Tacoma Road Rehabilitation project signed by the Port of Tacoma (Port) on October 7, 2013, and by the City on October 21, 2013. The Port Commission recently approved the replacement ILA, which increases the City contribution from the original \$337,000 to \$581,000, and the Port contribution from \$500,000 to \$616,000. Approximately \$60,000 of the City's contribution will be paid by Tacoma Rail as their match for improving three rail crossings of Port of Tacoma Road.

**STRATEGIC POLICY PRIORITY:**

- Foster neighborhood, community, and economic development vitality and sustainability.
- Plan for and improve public infrastructure that meets the transportation needs of all Tacoma residents and visitors.

The Port of Tacoma Road Rehabilitation project replaces deteriorated pavement with new concrete pavement to improve access to Port of Tacoma freight terminals and other businesses located within the Tideflats Area.

**BACKGROUND:**

Port of Tacoma Road is the major arterial and heavy haul corridor serving the Port. The road surface has deteriorated to the point that it needs to be replaced. In 2012, the Port and the City jointly applied for Surface Transportation Program (STP) grant funding for the replacement of the roadway surface from East 11<sup>th</sup> Street to south of Marshall Avenue. In the grant application, the City and the Port agreed to provide \$337,000 and \$500,000, respectively, as the local agency match for the grant funding. These match contributions were detailed in the original ILA between the City and the Port.

In February 2013, the City and Port were awarded STP funding for the design portion of the project. The design is scheduled to be completed this summer enabling the project to be constructed during the 2015 construction season, contingent on the award of construction funding. The City and the Port have applied for construction grant funding to both the Freight Mobility Strategic Investment Board (FMSIB) and the Puget Sound Regional Council (STP funding). Notification on awards for these grant funding programs will be provided in May 2014.

The original ILA was approved by Council Resolution No. 38735 on September 24, 2013. Subsequent to the initial ILA, during the design of the rehabilitation project additional scope including traffic signal interconnect conduit and rail crossing upgrades have been added to the project. This additional scope, coupled with increases in construction costs since the original grants were submitted, have increased the cost of the project. These increased costs are reflected in the current grant applications with corresponding increases in the total match required. The updated ILA between the City and the Port



details the contribution match of each party and the responsibilities of the parties during the project. The City is the lead agency for managing the rehabilitation project. The ILA was approved by the Port Commission at their Board meeting on April 3, 2014.

**ISSUE:**

The Port of Tacoma Road has deteriorated to the point that it needs to be replaced. Failure to replace the road surface will result in increased City street maintenance costs, increased maintenance costs for vehicles that drive the road, decreased efficiency of Port operations, and eventual failure of the road surface.

**ALTERNATIVES:**

The City and the Port explored alternatives to funding replacement of the road surface. This led to the decision to jointly apply to funding agencies to optimize scoring on grant applications. The City funding match comes from Heavy Haul Industrial Corridor permit fees, established for the repair of pavements in the Tideflats Area damaged by heavy truck use.

**RECOMMENDATION:**

The Public Works Department recommends approving the updated ILA with the Port of Tacoma for the Port of Tacoma Road Rehabilitation project. The agreement with the Port leverages money from both agencies to meet the local agency match required by the grant funds.



**FISCAL IMPACT:**

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Transportation Capital Fund – 1060	PWK-G0003	5600000	\$1,197,000
<b>TOTAL</b>			<b>\$1,197,000</b>

\* General Fund: Include Department

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Port of Tacoma	PWK-G0003	4337102	\$616,000
Heavy Haul Permit Revenue	PWK-G0003	4322000	\$521,000
Tacoma Rail Contribution	PWK-G0003	6311000	\$60,000
<b>TOTAL</b>			<b>\$1,197,000</b>

**POTENTIAL POSITION IMPACT: N/A**

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
N/A			
<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: \$1,197,000**

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

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

N/A