



TO: T.C. Broadnax, City Manager
FROM: Kurtis D. Kingsolver, P.E., Public Works Director/City Engineer /KDK
Chris E. Larson, P.E., Engineering Division Manager, Public Works
Tom Rutherford, P.E., Project Manager, Public Works Engineering
COPY: City Council and City Clerk
SUBJECT: Resolution – Approval of Updated Interlocal Agreement with Port of Tacoma for the Port of Tacoma Road Rehabilitation project – February 24, 2015
DATE: February 2, 2015

SUMMARY:

The Public Works Department requests approval of an updated Interlocal Agreement (ILA) between the City of Tacoma and the Port of Tacoma (Port) for the Port of Tacoma Road Rehabilitation project. The new ILA supersedes and replaces two earlier ILAs for the Port of Tacoma Road Rehabilitation project. On January 22, 2015, the Port Commission approved the replacement ILA, which increases the City contribution to the project from \$581,000 to \$870,769, and the Port contribution from \$616,000 to \$865,969. Tacoma Rail will contribute \$59,400 to the project 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. Pedestrian access is also provided for the length of the project.

BACKGROUND:

Port of Tacoma Road is the major arterial and heavy haul corridor serving the Port of Tacoma. 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 11th Street to south of Marshall Avenue. The local match contributions for this grant were detailed in the original ILA between the City and the Port, which was approved by Resolution No. 38735 on September 24, 2013. In February 2013, the City and Port were awarded STP funding in the amount of \$429,040 for the design portion of the project.

In the spring of 2014, the Port and the City applied for STP construction funding of the project. Subsequent to the initial ILA, additional scope was added to the project including infrastructure to support a future Intelligent Transportation System in the Port, traffic signal interconnect conduit, a new traffic signal, and rail crossing upgrades. This additional scope, coupled with increases in construction costs, increased the cost of the project. These increased costs were reflected in the spring 2014 STP grant application, which resulted in corresponding increases in the total match required. The second ILA between the City and the Port updated the local match contribution of both the Port and the City to reflect the increased construction costs. The ILA was approved by the Port Commission at their Board meeting on April 3, 2014, and was subsequently approved by City Resolution No. 38903 on May 13, 2014.

Although the Port and the City were unsuccessful on the STP construction grant application, the City was awarded \$1,000,000 in construction grant funding from the Freight Mobility Strategic Investment Board



(FMSIB) in June 2014 and \$5,940,700 from the Washington Transportation Improvement Board (TIB) in November 2014. Because both FMSIB and TIB require larger local matches than required for STP funding, the current ILA needs to be revised to increase both the City and the Port grant funding match.

The design is scheduled to be completed in February 2015 allowing the project to be constructed during the 2015 construction season.

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 and meet the required local agency match requirements. 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 approval of an updated Interlocal Agreement (ILA) between the City of Tacoma and the Port of Tacoma (Port) for the Port of Tacoma Road Rehabilitation project. The new ILA supersedes and replaces two earlier ILAs for the Port of Tacoma Road Rehabilitation project. The new ILA increases the City contribution to the project from \$581,000 to \$870,769, and the Port contribution from \$616,000 to \$865,969. Tacoma Rail will contribute \$59,400 to the project as their match for improving three rail crossings of Port of Tacoma Road.



FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Transportation Capital Fund 1060	PWK-G0003	5600000	\$9,165,878
TOTAL			\$9,165,878

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Port of Tacoma	PWK-G0003	4345221	\$865,969
Federal Grant (STP)	PWK-G0003	4333240	\$429,040
State Grant (FMSIB)	PWK-G0003	4334270	\$1,000,000
State Grant (TIB)	PWK-G0003	4334280	\$5,940,700
Heavy Haul Permit Revenue	PWK-G0003	4322000	\$870,769
Tacoma Rail Contribution	PWK-G0003	6311000	\$59,400
TOTAL			\$9,165,878

POTENTIAL POSITION IMPACT: N/A

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
N/A			
TOTAL			

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: \$9,165,878

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

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

N/A