



City of Tacoma

City Council Action Memorandum

TO: Hyun Kim, Interim City Manager
FROM: Keri Burchard-Juarez, Tacoma Water Superintendent
Jackie Flowers, Director of Tacoma Public Utilities
Ramiro A. Chavez, P.E. PgMP, Director/City Engineer, Environmental Services
Jeffrey A. Jenkins, Public Works Director
COPY: Tacoma City Council and City Clerk
SUBJECT: Resolution – Requesting Authorization to Apply for State Loan – August 5, 2025
DATE: July 17, 2025

FOR

Initial DS
CMS RACPP
JED

SUMMARY AND PURPOSE:

Tacoma Water, Environmental Services, and Public Works jointly request authorization to apply to the Washington State Public Works Board (PWB) for low-interest construction loans.

- Tacoma Water will apply for \$2,083,720 for two main replacement projects located on Puyallup Avenue.
- Environmental Services will apply for \$10,000,000 to rehabilitate a stormwater main near Puyallup Avenue and 26th Street.
- Public Works will apply for \$2,900,000 in funds for improvements along South 12th Street, from South Cedar Street to South Sprague Street.

Tacoma Water and Environmental Services are coordinating work in the Puyallup Avenue project area for a “dig once” partnership approach. Public Works is partnering with Tacoma Water and Environmental Services to upgrade utilities as part of a project taking place in the Central District of Tacoma.

BACKGROUND:

The Public Works Board Construction Loan Program can provide up to \$10 million in low-interest loans per jurisdictional entity. Staff from Tacoma Water, Environmental Services (ES), and Public Works (PW) have discussed this funding opportunity and see an advantage to applying for an aggregate of \$15 million, with Environmental Services to reduce its award amount if multiple projects are awarded, such that the \$10 million jurisdictional cap is not exceeded. The Public Works Board has confirmed this approach is feasible. The departments plan to submit applications by August 8th, 2025, to the Department of Commerce for consideration.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

Tacoma Water engages with various communities through its capital improvement planning process every two years and provides sufficient notice for construction projects impacts. This request is to apply for funding in partnership with ES and PW. This approach gives the city a competitive advantage primarily by strengthening the application. An enhanced application maximizes resources, demonstrates collaboration, and causes less disruption to the community with a “dig once” project proposal.

ES provides public notice for construction projects impacts. Additionally, specific to this project:

- The construction contractor’s team includes a Public Outreach firm that has developed a Public Outreach Plan.
- ES has a dedicated project website to provide public notice on project background, benefits, and schedule.

A phone number and email address for ES’s Project Manager, Christa Lee, P.E., are posted on the public project website.



PW will manage all community outreach and communication through their standard process. While outreach has already been completed, PW will continue to keep the community informed through updates on the website and mailed postcards.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

Increase positive public perception of safety and overall quality of life.

Improve access and proximity by residents to diverse income levels and race/ethnicity to community facilities, services, infrastructure, and employment.

Economy/Workforce: *Equity Index Score: Very High Opportunity*

Increase the number of infrastructure projects and improvements that support existing and new business developments.

Explain how your legislation will affect the selected indicator(s).

Tacoma Water's mission is to provide clean, reliable water. Making cost-effective, strategic, and timely investments into service areas planned for needed infrastructure improvements ensures Tacoma Water can continue to meet its mission for the long-term and ensure safety and quality of life for the community it serves. ES's project will reduce roadway flooding risk that poses a threat to public health and safety in a Very Low Equity Index census tract, benefitting public perceptions of safety, transportation mobility, and economic access. PW's project will provide funding to support equitable infrastructure investments, including improvements to pedestrian and bicycle facilities, traffic signals, and other transportation infrastructure.

ALTERNATIVES:

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Do not apply for low-interest loan funding opportunity.		Tacoma Water will budget for the \$2 million capital improvement project using operating revenue. ES will use existing capital funds for this urgent project and rely on bonds, which may have less favorable terms than the loan. PW will use existing funds to complete this project.

EVALUATION AND FOLLOW UP:

If Tacoma Water, ES, and/or PW are awarded low-interest loan funds, staff will bring the loan terms and contract(s) back to the Council for approval to enter into a funding agreement(s).

STAFF/SPONSOR RECOMMENDATION:

Staff recommends the approval of the request for authority to apply for the PBW loan through Washington State Department of Commerce.



FISCAL IMPACT:

Fund Number & Name	COST (CC/WBS/ORDER) OBJECT	Cost Element	Total Amount
1. 4301 – ES Stormwater Fund	529700	4300020	(\$10,000,000)
2. 1085 PW Streets Initiative Fund	PWK-00434-32	4300020	(\$2,900,000)
3. 4600-CAPTL	WTR-00688-01 & WTR-00688-04	4300020	(\$2,083,720)
TOTAL			

What Funding is being used to support the expense? N/A

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

YES

Are there financial costs or other impacts of not implementing the legislation?

YES

Will the legislation have an ongoing/recurring fiscal impact?

No

Will the legislation change the City's FTE/personnel counts?

No