



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-1086 for SR-509 Track Improvements between Alexander Avenue and Taylor Way – October 7, 2014
DATE: September 12, 2014

SUMMARY:

Tacoma Rail requests authorization to enter into a Loan Agreement with the Washington State Department of Transportation to upgrade a segment of railroad track paralleling SR-509 between Alexander Avenue and Taylor Way.

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 \$1,037,012.00, less a one-percent (1%) administrative fee, over a ten (10) year term.

The Loan Agreement requires Tacoma Rail to contribute a minimum of \$259,254.00 in matching funds, and complete the project by December 31, 2015. Repayment terms require ten annual payments be made in the amount of \$103,701.20 each, beginning November 1, 2016.

ISSUE:

Tacoma Rail’s freight rail infrastructures in the Tidelands area are heavily used and in need of periodic upgrade to support current, and attract new, freight railroad customers. This project will remove approximately 4,200 feet of old and worn 85-pound rail and other deteriorated components, and replace the new 115-pound rail, switches, cross ties, and other associated components in addition to related track renewal activities.

This segment of track is the primary rail access route for Tacoma Rail’s freight rail customers located on the Blair Peninsula and along Marine View Drive.

ALTERNATIVES:

There are no other practical alternatives.

RECOMMENDATION:

Tacoma Rail recommends City Council authorization to enter into the Loan Agreement with the Washington State Department of Transportation. This project will enhance safety, efficiency, and ensure there are no service interruptions to the freight rail customers that are served via this segment of track.



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-00067		\$1,037,012.00
TOTAL			\$1,037,012.00

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
WSDOT Loan	RAL-00067		\$1,037,012.00
TOTAL			\$1,037,012.00

POTENTIAL POSITION IMPACT:

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

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: \$1,037,012.00

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

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