



## RESOLUTION NO. U-11280

1 A RESOLUTION authorizing Tacoma Rail to enter into three Loan Agreements  
2 with Washington State Department of Transportation for separate  
improvement projects.

3 WHEREAS the City of Tacoma, Department of Public Utilities, Beltline  
4 Division (d.b.a. "Tacoma Rail"), requests approval to enter into three Loan  
5 Agreements ("Agreements") with Washington State Department of  
6 Transportation ("WSDOT") for separate improvement projects, and  
7

8 WHEREAS loan Agreement No. RRB-1269 (Improvements to  
9 Locomotive Maintenance and Fueling Facility) will partially finance the upgrade  
10 of an existing locomotive fueling and servicing facility, by replicating features on  
11 an additional track, increasing the fuel storage capacity in support of the two  
12 value added service contracts, and associated work to enhance operational  
13 efficiencies and systems resilience, and  
14

15 WHEREAS the construction contract for Agreement No. RRB-1269 was  
16 authorized through Resolution No. U-11273, item 4, on August 25, 2021, and  
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18 WHEREAS the principal amount for Agreement No. RRB-1269 is  
19 \$868,000, less a 3.23 percent administrative fee of \$28,000, and requires ten  
20 annual payments of \$86,800, beginning in December 2022, plus a minimum of  
21 \$1,826,264 toward the completion of the project prior to June 30, 2023, and  
22

23 WHEREAS the second loan Agreement No. RRB-1275 (Lincoln Avenue  
24 Track Upgrade Project), will partially finance the upgrade of approximately 600  
25 lineal feet of railroad track, including the replacement of two track turn-outs, and  
26 the removal and replacement of three private crossings, and



1           WHEREAS the principal amount for Loan Agreement No. RRB-1275, is  
2 \$318,000, less a 2.52 percent administrative fee of \$8,000, requiring ten  
3 payments of \$31,800, beginning in July 2023, in addition to providing a  
4 minimum payment of \$369,471 toward the completion of the project due prior to  
5 June 30, 2023, and  
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7           WHEREAS Loan Agreement No. RRB-1276 (Tacoma Yard Tracks  
8 Upgrade Project), will partially finance the upgrade of approximately 2,400 lineal  
9 feet of railroad track, including three track turn-outs, in Tacoma Rails main rail  
10 yard, and  
11

12           WHEREAS the principal amount for Loan Agreement RRB-1276 is  
13 \$465,000, less a 3.23 percent administrative fee of \$15,000, and requires ten  
14 annual payments of \$46,500, beginning July 2023, in addition to a requirement  
15 that Tacoma Rail provide a minimum of \$763,196 towards the completion of the  
16 project prior to June 30, 2023, and  
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18           WHEREAS the interest-free loans were awarded through a competitive  
19 call for projects initiated by WSDOT, with subsequent funding appropriated by  
20 the state legislature in the 2021 session, and  
21

22           WHEREAS the total amount of the loan agreements are \$1,651,000, less  
23 administrative fees of \$51,000, with ten year repayment terms, and  
24

25           WHEREAS Tacoma Rail's track infrastructure in the Tideland's area is  
26 heavily used and in need of periodic upgrades in order to safely enable the



1 switching of railcars destined for, or originating from, the Port of Tacoma and  
 2 other industrial customers, and

3  
 4 WHEREAS under Article IV, Section 4.11 of the Tacoma City Charter, all  
 5 matters relating to the incurring of indebtedness are initiated by the Board  
 6 subject to approval by the City Council, and

7 WHEREAS it is in the best public interest to approve said Agreements;  
 8 Now, therefore,

9 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

10  
 11 That the three loan Agreements from the Washington State Department  
 12 of Transportation (RRB-1269, RRB-1275, and RRB-1276), in the amount of  
 13 \$1,651,000, less administrative fees of \$51,000, with ten year repayment terms  
 14 are hereby approved, and the City Council is requested to approve and  
 15 authorize said Agreements and the proper officers are authorized to execute  
 16 said Agreements substantially in a form as approved by the City Attorney.

17 Approved as to form:

18 \_\_\_\_\_  
 19 /s/  
 20 Chief Deputy City Attorney

21 Charleen Jacobs  
 22 Clerk

Mark R. Patterson

Chair

Carlos Watson  
 Secretary

Adopted 9-8-21

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 24  
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 26

