



**TO:** Elizabeth Pauli, City Manager  
**FROM:** Jackie Flowers, Director of Utilities  
 Dale W. King, Tacoma Rail Superintendent  
**COPY:** City Council and City Clerk  
**SUBJECT:** Resolution - Approve Department of Ecology Grant Funding Award for Zero Emission Locomotive Project  
**DATE:** April 23, 2024

**SUMMARY AND PURPOSE:**

Tacoma Rail requests authorization to accept \$3,300,000 in grant funding from the Washington State Department of Ecology toward the acquisition of a zero-emission battery-electric switcher locomotive.

**BACKGROUND:** The Grant funds were awarded as a distribution from the State's Volkswagen Settlement Fund after a competitive call for projects from the Department of Ecology. The project will continue TPU-Rail's efforts toward decarbonization by adding a third battery-electric locomotive to the fleet. It is anticipated that the installation of locomotive charging equipment from the initial battery-electric project will be sufficient to support this additional locomotive. This project will eliminate the annual consumption of up to 30,000 gallons by replacing a genset diesel-electric locomotive with a battery-electric locomotive and rendering two diesel engines manufactured between 2008 and 2009 inoperable.

**COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:**

The project will improve air quality in the Port area as well as for residents in identified environmental health disparities areas by reducing diesel exhaust emissions.

**ALTERNATIVES:**

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Reject the project funding opportunity and cancel the project.	None associated with this alternative.	Project is cost prohibitive without grant funding assistance.
2. Proceed with project at a later date without benefit of grant funding assistance.	None associated with this alternative.	Significantly delays other Capital Outlay projects which are currently planned.
3.		

**EVALUATION AND FOLLOW UP:**

Timely progression of project milestones is anticipated given that TPU-Rail staff are currently working through a similar project.

**STAFF/SPONSOR RECOMMENDATION:**

Tacoma Rail recommends that City Council authorize acceptance of the WA. Department of Ecology grant award.



**FISCAL IMPACT:**

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1. Fund 4500, TPU Rail	WBS-00131		\$3,300,000
<b>TOTAL</b>			

**What Funding is being used to support the expense?**

PROJECT IS BUDGETED IN TPU-RAIL'S 2023/24 CAPITAL OUTLAY PROJECTS AND WILL LIKELY EXTEND INTO THE 2025/26 CYCLE.

**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?**

YES

TPU-RAIL WILL BE RESPONSIBLE FOR INSPECTING AND MAINTAINING THE LOCOMOTIVE ONCE RECEIVED.

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

No

**ATTACHMENTS:**