



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 1054 Tacoma Rail Taylor Way Track Rehabilitation and Expansion Project – October 8, 2013
DATE: September 16, 2013

SUMMARY:

Tacoma Rail requests approval to enter into a Loan Agreement with the Washington State Department of Transportation to upgrade a segment of railroad track near Taylor Way.

BACKGROUND:

This interest free loan was awarded through a competitive call for projects initiated by the Washington Department of Transportation, with the funds having been appropriated by the Washington State Legislature. The loan is in the principal amount of \$1,105,074.00, less a one percent (1%) administrative fee, over a ten (10) year term.

The loan agreement requires Tacoma Rail to contribute a minimum of \$276,269.00 in matching funds, and complete the project by June 30, 2015. Repayment terms require ten annual payments of \$110,507.40 each beginning September 1, 2016.

The loan will be used to partially finance the rehabilitation of an existing railroad track, and the extension of another within the existing right-of-way to increase capacity and improve operational flexibility.

ISSUE:

Tacoma Rail's freight rail infrastructures in the Tideland's area are heavily used and in need of periodic upgrade in order to support current, and attract new, freight rail customers.

ALTERNATIVES:

There are no reasonable alternatives.

RECOMMENDATION:

Tacoma Rail recommends City Council authorization of the Loan Agreement with the Washington State Department of Transportation. The project will enhance safety, improve area freight rail capacity and operational flexibility.



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-00060		\$1,381,343.00
TOTAL			

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
WSDOT Loan	RAL-00060		\$1,105,074.00
4500 - Tacoma Rail (TPU)			\$276,269.00
TOTAL			\$1,381,343.00

POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
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: \$1,381,343.00

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

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

Explain how expenditures are to be covered and if budget modifications are required.