



RESOLUTION NO. 40841

1 A RESOLUTION relating to the Department of Public Utilities, Rail Division
2 (d.b.a. "Tacoma Rail"); authorizing the execution of three interest-free loan
3 agreements with the Washington Department of Transportation, in the
4 total amount of \$1,651,000, accepting and depositing said sum into the
5 Tacoma Rail Fund, and further authorizing matching City funds in the
6 amount of \$2,958,931, to partially finance three separate railroad
7 improvement projects.

8 WHEREAS the City of Tacoma, through its Department of Public Utilities,
9 Rail Division (d.b.a. "Tacoma Rail"), was awarded interest-free loans through a
10 competitive call for projects initiated by the Washington State Department of
11 Transportation, with subsequent funding appropriated by the State Legislature in
12 the 2021 session, and

13 WHEREAS the loan agreements are for varying amounts, totaling
14 \$1,651,000, as described below:

15 1) Agreement No. RRB-1269, Improvements to Locomotive Maintenance
16 and Fueling Facility in the principal amount of \$868,000 less a 3.23
17 percent administrative fee of \$28,000, with ten annual payments of
18 \$86,800 plus Tacoma Rail must provide a minimum match of \$1,826,264
19 toward the completion of the project prior to June 30, 2023; the loan will
20 partially finance the upgrade of an existing locomotive fueling and
21 servicing facility, by replicating features on an additional track, increasing
22 the fuel storage capacity in support of two value added service contracts,
23 and associated work to enhance operational efficiencies and systems
24 resilience;
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2) Agreement No. RRB-1275, Lincoln Avenue Track Upgrade Project, in a principal amount of \$318,000 less a 2.52 percent administrative fee of \$8,000, with ten payments of \$31,800 plus Tacoma Rail must provide a minimum match of \$369,471 toward completion of the project prior to June 30, 2023; to partially finance the upgrade of approximately 600 lineal feet of railroad track, including the replacement of two track turn-outs, and the removal and replacement of three private crossings; and

3) Agreement No. RRB-1276, Tacoma Rail Yard Tracks Upgrade Project, in a principal amount of \$465,000 less a 3.23 percent administrative fee of \$15,000 with ten annual payments of \$46,500 plus Tacoma Rail must provide a minimum match of \$763,196 towards the completion of the project prior to June 30, 2023; to partially finance the upgrade of approximately 2,400 lineal feet of railroad track, including three track turn-outs, in Tacoma Rail's main rail yard, and

WHEREAS Tacoma Rail's freight infrastructure in the Tideflats area is heavily used and in need of periodic upgrades in order to facilitate the switching of railcars destined for customers in the Port of Tacoma and other outlying areas, and

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

WHEREAS, by adoption of Public Utility Board Resolution No. U-11280 on September 8, 2021, the proposed Agreements were approved, pending confirmation from the City Council, and; Now, Therefore,



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BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That the request of the Department of Public Utilities, Rail Division (d.b.a. "Tacoma Rail"), to enter into three loan agreements in the amount of \$1,651,000, with the Washington State Department of Transportation, to partially finance three (3) separate improvement projects, is hereby approved and the proper officers are authorized to execute said agreements substantially in a form as approved by the City Attorney.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Chief Deputy City Attorney

Requested by Public Utility Board
Resolution No. U-11280