



**TO:** Elizabeth A. Pauli, City Manager  
**FROM:** Jennifer S. Hines, Assistant Division Manager, Public Works  
Kurtis D. Kingsolver, P.E., Public Works Director/City Engineer *KDK*  
**COPY:** City Council and City Clerk  
**SUBJECT:** Ordinance – Pierce Transit Agreement Renewal – October 23, 2018  
**DATE:** October 1, 2018

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**SUMMARY:**

An ordinance approving a five-year renewal of the Right of Use Agreement and Non-Exclusive Franchise between the City of Tacoma and Pierce Transit, extending the expiration from January 1, 2019, to January 1, 2024, for transit-related infrastructure within City rights-of-way.

**STRATEGIC POLICY PRIORITY:**

- Ensure all Tacoma residents are valued and have access to resources to meet their needs.
- Assure outstanding stewardship of the natural and built environment.

Approving the renewal allows Pierce Transit to continue to provide transit-related services to the citizens and businesses within the City of Tacoma.

**BACKGROUND:**

The original agreement was entered into in July 2016, and was retroactive to January 1, 2014. The initial term was for five years, which ends on January 1, 2019. The agreement includes an option to renew for an additional five-year period, which Pierce Transit has requested to exercise. During this five-year renewal period, staff from the City and Pierce Transit will work toward an amendment to the agreement with the intent to establish an extended term and consider any adjustments to current language that either party feel are necessary.

**ISSUE:**

Pursuant to Tacoma Municipal Code 12.02 Franchises, City Council approval is required before the City can proceed with the renewal with Pierce Transit.

**ALTERNATIVES:**

The City Council could elect to not approve the agreement and can instead require Pierce Transit to go through standard City work order processes and obtain permits for all work and facilities (e.g., bus stops) within City rights-of-way. This alternative would increase timelines and costs to Pierce Transit and would substantially increase City staff workloads.

**RECOMMENDATION:**

The Public Works Department recommends City Council approve this request to renew the agreement between the City and Pierce Transit for an additional five-year term.



**FISCAL IMPACT:**

The revenues generated by the non-exclusive franchise contained within this Agreement are variable and dependent upon Pierce Transit’s contract with their advertising agent for bus shelter advertisements. Total funds received by the City in 2017-2018 are roughly \$29,000.00.

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
N/A			
<b>TOTAL</b>			

\* General Fund: Include Department

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Pierce Transit Franchise Fees**	CC 295000	4315551	+/- \$72,000.00
<b>TOTAL</b>			+/- \$72,000.00

\*\*Revenues are a rough estimate based on the last two years of revenue projected forward for this five year term.

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: N/A**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes**

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

N/A