



**TO:** Elizabeth Pauli, City  
**FROM:** Jackie Flowers, Director of Utilities  
**COPY:** City Council and City Clerk  
**SUBJECT:** Resolution – WSDOT Freight Rail Bank Loan RRB-1225 Mazda Siding Track Upgrade and WSDOT Freight Rail Bank Loan RRB-1226 TOTE Yard Track Upgrade  
August 27, 2019  
**DATE:** August 1, 2019

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**SUMMARY:**

Tacoma Rail requests City Council approval to enter into two (2) Loan Agreements with the Washington State Department of Transportation to partially fund railroad track rehabilitation projects.

**STRATEGIC POLICY PRIORITY:**

- Strengthen and support a safe city with healthy residents.

**BACKGROUND:**

The two (2) interest free loans were awarded through a competitive call for projects initiated by the Washington State Department of Transportation, with funds having been appropriated by the Washington State Legislature. The loans are in the principal amounts of \$240,000.00 for Agreement No. RRB-1225 – Mazda Siding, and \$400,000.00 for Agreement No. RRB-1226 – TOTE Yard, less a 1% administrative fee.

The Loan Agreement numbered RRB-1225, for the Mazda Siding project, requires Tacoma Rail to contribute \$109,572.00 in matching funds with project completion by June 30, 2021. Repayment terms require ten (10) annual payments of \$24,000.00 each beginning October 1, 2021. The loan will partially finance the upgrade of approximately 1,550 feet of old and worn 90-pound rail with new 115-pound rail, to include select crosstie replacement and other associated railroad track components.

Loan Agreement numbered RRB-1226, for the TOTE Yard project, requires Tacoma Rail to contribute \$604,547.00 in matching funds, and have the project completed by June 30, 2021. Repayment terms require 10 annual payments of \$40,000.00 each beginning October 1, 2021. The loan will partially finance the upgrade of approximately 1,900 feet of old and worn 90-pound rail with new 115-pound rail, to include select crosstie replacement and other associated railroad track components.

**ISSUE:**

Tacoma Rail's track infrastructure in the Tideland's area is heavily used and in need of periodic upgrades in order to safely enable the switching of railcars destined for, or originating from, the Port of Tacoma and other industrial customers.

**ALTERNATIVES:**

There are no practical alternatives.

**RECOMMENDATION:**

With the Loan Agreements having been approved by the Tacoma Public Utility Board at their August 14, 2019 meeting, Tacoma Rail recommends City Council authorize execution of the Loan Agreements with the Washington State Department of Transportation. These projects will enhance safety, and help ensure operational continuity.



**FISCAL IMPACT:**

There is no fiscal impact to the General Fund.

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4500 - Tacoma Rail (TPU) Mazda Siding RRB 1225			\$349,572.00
4500 - Tacoma Rail (TPU) TOTE Yard RRB 1226			\$1,004,547.00
<b>TOTAL</b>			<b>\$1,354,119.00</b>

\* General Fund: Include Department

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
WSDOT Loan RRB-1225			\$240,000.00
4500 - Tacoma Rail (TPU)	592302		\$109,572.00
WSDOT Loan RRB-1226			\$400,000.00
4500 - Tacoma Rail (TPU)	592302		\$604,547.00
<b>TOTAL</b>			<b>\$1,354,119.00</b>

**POTENTIAL POSITION IMPACT:**

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
N/A			
<b>TOTAL</b>			

*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: \$1,354,119.00**

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

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

N/A.