



TO: Elizabeth Pauli, Tacoma City Manager
FROM: Jackie Flowers, Director of Utilities
COPY: City Council and City Clerk
SUBJECT: Resolution, Loan Agreement Amendment Authorization
DATE: June 27, 2023

SUMMARY AND PURPOSE:

Tacoma Rail requests authorization to execute Amendment No. 1 to WSDOT Rail Bank Loan numbered RRB-1269.

BACKGROUND:

This Department’s Recommendation is Based On: previously approved with resolutions U-11280 and 40841, Amendment No. 1 extends the required project completion date from June 30, 2023, to December 31, 2023.

The existing loan is partially financing the upgrade of an existing locomotive fueling and servicing facility, by replicating features on an additional track, increasing the fuel storage capacity in support of two value added service contracts, and associated work to enhance operational efficiencies and systems resilience.

ISSUE: Tacoma Rail’s freight infrastructures in the Tideland’s area are 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.

ALTERNATIVES:

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Reject the Loan Agreement extension.	None associated with this alternative.	Risk of losing loan.

STAFF/SPONSOR RECOMMENDATION:

Tacoma Rail recommends that City Council authorizes extension of the Loan Agreement completion date to assist with financing the Capital Outlay project planned for this biennial budget cycle.



FISCAL IMPACT:

Please provide a short summary of the fiscal impacts associated with the grant, agreement, policy action, or other action.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1. FUND-4500, TPU Rail	WBS -00087	5320100	\$868,000.00
2.			
TOTAL			\$868,000.00

What Funding is being used to support the expense?

PROJECTS ARE BUDGETED IN TPU-RAIL'S 2023/24 CAPITAL OUTLAY PROJECTS.

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

YES

Click or tap here to enter text.

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 UPGRADES IN A MANNER CONSISTENT WITH THE LOAN AGREEMENT, AND OTHER APPLICABLE REGULATIONS.

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

NO

Click or tap here to enter text.

ATTACHMENTS:

- TPU Board Resolution **U-11280**