



**TO:** T.C. Broadnax, City Manager  
**FROM:** Thomas Rutherford, P.E., Project Manager  
Kurtis D. Kingsolver, P.E., Interim Public Works Director/City Engineer/*KDK*  
**COPY:** City Council and City Clerk  
**SUBJECT:** Request for Resolution: Approval of Interlocal Agreement with the Port of Tacoma for the Port of Tacoma Road Design and Rehabilitation project – September 24, 2013  
**DATE:** August 30, 2013

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**SUMMARY:**

This memorandum provides information on an Interlocal Agreement (ILA) between the City of Tacoma and the Port of Tacoma for the Port of Tacoma Road Design and Rehabilitation Project. The Port Commission recently approved the ILA that will provide \$500,000 in matching funds towards the project. The Public Works Department requests the City Council approve and accept \$500,000 from the Port of Tacoma for the design and future replacement of pavement surface on the Port of Tacoma Road.

**BACKGROUND:**

Port of Tacoma Road is the major arterial and heavy haul corridor serving the Port of Tacoma. The road surface has deteriorated to the point it needs to be replaced. In 2012, the Port and the City jointly applied for Surface Transportation Program (STP) grant funding in the amount of \$6.2 million for the design and replacement of the roadway surface from East 11<sup>th</sup> Street to south of Marshall Avenue. In the grant application, the City and the Port agreed to provide \$337,000 and \$500,000, respectively, as the local agency match for the grant funding. The City is the lead agency for managing the rehabilitation project.

In February 2013, the City and Port were awarded STP funding in the amount of \$429,000 for the design portion of the project. The design is scheduled to be completed this winter enabling the project to be constructed during the 2014 construction season, contingent on the award of construction funding. The project is high on the Pierce County Prioritized Contingency List to receive STP funding for construction. Notification of whether or not the project is awarded STP funds for construction will likely occur in February 2014. In August 2013, the City applied for Transportation Improvement Board (TIB) funding for construction. TIB grant awards typically occur in November. If the City receives TIB funding for construction, the ILA will likely need to be amended to reflect revised project funding and match requirements.

The ILA between the City and the Port details and approves the contribution match of each party and the responsibilities of the parties during the project. The ILA was approved by the Port Commission at their Board meeting on August 22, 2013.

**ISSUE:**

Port of Tacoma Road has deteriorated to the point it needs to be replaced. Failure to replace the road surface will result in increased City street maintenance costs, increased maintenance costs for vehicles that drive the road, decreased efficiency of Port operations, and eventual failure of the road surface.



**ALTERNATIVES:**

The City and the Port explored alternatives to funding replacement of the road surface. This led to the decision to jointly apply to funding agencies to optimize scoring on grant applications. No other viable funding mechanism is available for the project other than the grants that are being pursued. The City funding match comes from Heavy Haul Industrial Corridor permit fees, established for the repair of pavements damaged by heavy truck use. This amount is budgeted and available.

**RECOMMENDATION:**

The Public Works Department recommends approving the ILA with the Port for the Port of Tacoma Road Rehabilitation Project. The agreement with the Port provides \$500,000 to meet the local agency match required by the grant funds.

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Port of Tacoma	PWK-G0003	4337110	\$500,000
TOTAL			\$500,000

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$500,000**

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

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