



TO: T.C. Broadnax, City Manager
FROM: Dale W. King, Superintendent, Tacoma Rail *DWK*
William A. Gaines, Director Tacoma Public Utilities *WAG*
COPY: City Council and City Clerk
SUBJECT: Enter into an Interlocal Agreement with the Port of Tacoma, - July 22, 2014
DATE: June 27, 2013

SUMMARY:

Tacoma Rail requests City Council approval to enter into an Interlocal Agreement with the Port of Tacoma for the replacement of one switcher locomotive. The Agreement establishes procedures for the Port to reimburse Tacoma Rail for eligible project costs consistent with the terms of EPA Grant numbered 83561701 providing partial funding for this project.

STRATEGIC POLICY PRIORITY:

- Plan for and improve public infrastructure that meets the transportation needs of all Tacoma residents and visitors.

This project reduces diesel engine emissions generated in the Port of Tacoma area.

BACKGROUND:

On April 3, 2014, the Port of Tacoma was awarded a grant by the United States Environmental Protection Agency which provides partial funding toward the replacement of one Tacoma Rail diesel-electric switcher locomotive operated in the Tacoma Tidelands area. The EPA Grant numbered 83561701, provides a maximum not to exceed amount of \$601,949.00 toward the locomotive replacement project. Based on the EPA-DEIRA Application estimate of \$1,504,873.00, Tacoma Rail's anticipated matching contribution will be approximately \$902,924.00 toward completion of the project. Once acquired, the Grant Agreement requires the Tier-III or better locomotive to be operated within the Tacoma-Pierce County non-attainment area. The period of performance for this Agreement shall terminate on September 30, 2016.

The Port of Tacoma Commission approved acceptance of the EPA grant and authorized participation in the Interlocal Agreement with Tacoma Rail on June 5, 2014 (Agenda Item 3-E).

ISSUE:

The Port of Tacoma is situated within the Wapato Hills/Puyallup River Valley non-attainment area for fine particulate matter. This project is consistent with the Port of Tacoma's 2012 – 2022 Strategic Plan and Northwest Ports Clean Air Strategy goals, as well as City of Tacoma and Tacoma Public Utilities environmental stewardship objectives.

ALTERNATIVES:

An alternative would be to only replace the locomotive engine. However, using the existing locomotive as a core for a replacement is preferable, as it will result in a locomotive equipped with all new components which meet all current standards with a 40+ year life cycle.



RECOMMENDATION:

Tacoma Rail recommends City Council approve participation in the Interlocal Agreement with the Port of Tacoma for the replacement of one switcher locomotive utilizing the partial funding toward this project being provided through EPA grant number 83561701.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4500 – TPU Tacoma Rail	RAL-00065		\$1,504,873.00
TOTAL			\$1,504,873.00

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Port of Tacoma ILA – EPA Grant No. 83561701	RAL-00065		\$601,949.00
WA. Dept. of Ecology Grant No. G1400624	RAL-00065		\$200,000.00
TOTAL			\$801,949.00

POTENTIAL POSITION IMPACT: N/A

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

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: \$1,504,873.00

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes.