



RESOLUTION NO. 40416

1 A RESOLUTION relating to the Department of Public Utilities, Beltline Division,
2 (d.b.a. "Tacoma Rail"); authorizing Tacoma Rail to enter into two interest-
3 free Loan Agreements with the Washington State Department of
4 Transportation to accept the total amount of \$640,000 for deposit into the
5 Tacoma Rail Fund, for the purpose of partially funding the upgrade of
6 1,550 feet of existing railroad track for the Mazda Siding project and
7 1,900 feet of railroad track for the TOTE Yard project; and authorizing City
8 matching funds in the total amount of \$714,119.

9 WHEREAS the City of Tacoma, through its Department of Public Utilities,
10 Beltline Division (d.b.a. "Tacoma Rail"), was awarded two interest-free loans, in
11 the total amount of \$640,000, through a competitive call for projects initiated by
12 the Washington State Department of Transportation ("WSDOT"), and

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

17 WHEREAS Loan Agreement No. RRB-1225 – Mazda Siding, in the principal
18 amount of \$240,000, less a one percent administrative fee, requires City matching
19 funds in the amount of \$109,572, budgeted from the Tacoma Rail Fund, with loan
20 repayment terms requiring 10 annual payments of \$24,000 each, beginning
21 October 1, 2021, and will partially finance the upgrade of approximately 1,550 feet
22 of old and worn 90-pound rail with new 115-pound rail, to include select crosstie
23 replacement and other associated railroad track components, and

24 WHEREAS Loan Agreement No. RRB-1226 – TOTE Yard, in the amount
25 of \$400,000, less a 1 percent administrative fee, requires City matching funds in
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1 the amount of \$604,547, budgeted from the Tacoma Rail Fund, with loan
2 repayment terms requiring 10 annual payments of \$40,000 each, beginning
3 October 1, 2021, and will partially finance the upgrade of approximately 1,900 feet
4 of old and worn 90-pound rail with new 115-pound rail, to include select crosstie
5 replacement and other associated railroad track components, and

6 WHEREAS both Loan Agreements require project completion by June 30,
7 2021, and

8 WHEREAS Section 4.11 of the Tacoma City Charter requires that all
9 matters relating to the "incurring of indebtedness . . . shall be initiated by the
10 Board, subject to approval by the Council, and executed by the Board," prior to
11 acceptance of the Agreement, and

12 WHEREAS, by adoption of Public Utility Board Resolution No. U-11097 on
13 August 14, 2019, the proposed Loan Agreements were approved, pending
14 confirmation from the City Council; Now, Therefore,
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17 BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

18 Section. 1. That the City of Tacoma, Department of Public Utilities,
19 Beltline Division (d.b.a. "Tacoma Rail"), is approved to enter into Loan
20 Agreement Nos. RRB-1225, in the principal amount of \$240,000, and RRB-1226,
21 in the principal amount of \$400,000, with the Washington State Department of
22 Transportation ("WSDOT"), to partially fund the upgrade of 1,550 feet of railroad
23 track for the Mazda Siding project and 1,900 feet of railroad track for the TOTE
24 Yard project, and to deposit said funding into the Tacoma Rail Fund; and
25 authorizing City matching funds in the total amount of \$714,119.
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Section 2. That the Superintendent of Rail is authorized to execute the
Loan Agreements with the WSDOT for the administration of the state funding
accepted pursuant to Section 1, said documents to be substantially in the form of
the proposed Loan Agreements on file in the office of the City Clerk.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Chief Deputy City Attorney

Requested by Public Utility Board
Resolution No. U-11097