



RESOLUTION NO. 41732

1 A RESOLUTION relating to the Department of Public Utilities, Belt Line Division
2 (d.b.a "Tacoma Rail"); declaring surplus and authorizing the five-year lease
3 of approximately 15.25 acres of Tacoma Rail property, located at
4 1738 Milwaukee Way, to the Northwest Seaport Alliance as licensee/agent
5 of the Port of Tacoma, for the amount of \$100,000 per month, plus eight
6 percent for operating cost recovery and annual Consumer Price Index
7 adjustments, to operate an intermodal facility, effective September 1, 2025.

8 WHEREAS the City of Tacoma, Department of Public Utilities, Belt Line
9 Division (d.b.a. "Tacoma Rail"), owns 15.25 acres of property located at
10 1738 Milwaukee Way in Tacoma, Pierce, Washington ("Property"), as more fully
11 described in the documents on file in the office of the City Clerk, and was originally
12 acquired in 1944 for the purpose of making certain betterments and extensions of
13 the Municipal Belt Line Railway System, and

14 WHEREAS in 1985 the City Council and Public Utility Board ("PUB")
15 determined the property was not necessary for utility purposes for a limited duration,
16 and therefore approved a 41-year (31-year with two 5-year extension) lease to the
17 Port of Tacoma, which expires in 2025, and

18 WHEREAS Tacoma Rail has negotiated with the Northwest Seaport
19 Alliance as licensee/agent of the Port ("NWSA"), a lease price of \$100,000 per
20 month, plus 8 percent for operating cost recovery and annual Consumer Price
21 Index adjustments, which is considered within the range of fair market value as
22 determined by a third-party appraiser, and

23 WHEREAS, the Director of Public Utilities has determined that the Property
24 is surplus to the Tacoma Rail's needs for the extent and duration of the proposed
25 lease, and
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1 WHEREAS, on July 9, 2025, by adoption of PUB Resolution No. U-11541,
2 the Property was declared surplus to the needs of Tacoma Rail and Tacoma Public
3 Utilities for the extent and duration of the proposed lease, and approved the
4 proposed lease of the Property, pending confirmation from the City Council, and
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6 WHEREAS, on July 29, 2025, pursuant to RCW 35.94.040 and
7 TMC 1.06.280, the City Council conducted a public hearing on the proposed lease
8 of said Property, and
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10 WHEREAS, there being no foreseeable need for continued Tacoma Rail
11 operations on said Property for the term of the proposed lease, the lease of said
12 Property appears to be in the best interests of the City; Now, Therefore,

13 BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

14 Section 1. That the City Council does hereby find and concur with the
15 Tacoma Utility Board's determination and declaration, pursuant to Public Utility
16 Board Resolution No. U-11541, that the land commonly known as 1738 Milwaukee
17 Way, Tacoma, Pierce County, Washington ("Property"), owned by the City of
18 Tacoma, through its Department of Public Utilities, Belt Line Division, is surplus to
19 the needs of Tacoma Rail and Tacoma Public Utilities for the extent and duration
20 of the proposed lease substantially in the form on file with the City Clerk (the
21 "Proposed Lease").
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1 Section 2. That, consistent with RCW 35.94.040, RCW 35.22.020, and
2 Article I, Section 1.2 and Article IX, Section 9.1 of the City Charter, the City
3 Council does hereby find and determine that the Property is not required for, and
4 is not essential to, continued public utility service or continued effective utility
5 service and, pursuant to applicable law, is properly declared surplus property and
6 excess to the needs of Tacoma Rail, Tacoma Public Utilities, and the City for the
7 extent and duration of the Proposed Lease.
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9 Section 3. That the request of the Tacoma Rail, to lease the Property to the
10 Northwest Seaport Alliance, as licensee/agent of the Port of Tacoma ("NWSA"), for
11 the amount of \$100,000 per month, pursuant to the Proposed Lease is hereby
12 approved.
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1 Section 4. That the proper officers of the City are hereby authorized to
2 execute all necessary and convenient documents to lease the Property to NWSA
3 in the amount of \$100,000 per month, plus eight percent for operating cost
4 recovery and annual Consumer Price Index adjustments, to operate an intermodal
5 facility, effective September 1, 2025, said documents to be substantially in the
6 form of those on file in the office of the City Clerk and as approved by the City
7 Attorney's Office.
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10 Adopted _____

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Mayor

13 Attest:
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15 _____
City Clerk

16 Approved as to form:
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18 _____
Chief Deputy City Attorney

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20 Requested by Public Utility Board
Resolution No. U-11541
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