



TO: Elizabeth Pauli, City Manager
FROM: Jackie Flowers, Director of Utilities
 Dale W. King, Tacoma Rail Superintendent
COPY: City Council and City Clerk
SUBJECT: Resolution – Approve WSDOT Freight Rail Bank Loan RRB 1286 Alexander Wye & Storage
 Tracks Upgrade Project
DATE: July 26, 2022

SUMMARY AND PURPOSE:

Tacoma Rail requests City Council approval to enter into a Loan Agreement with the Washington State Department of Transportation in the amount of \$606,000.00, budgeted from Tacoma Rail Fund 4500, to partially fund a railroad track rehabilitation project.

BACKGROUND:

This Department’s Recommendation is Based On: This interest free loan was awarded through a competitive call for projects initiated by the Washington State Department of Transportation, with funds having been appropriated by the Washington State Legislature. Loan Agreement RRB-1286 is in the principal amount of \$606,000.00, requires ten annual payments of \$60,600 beginning on July 1, 2023, and includes a \$16,000 administrative fee. Additionally, Tacoma Rail is required to contribute \$261,081 in matching funds toward completion of the project.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

The project to improve railroad tracks will enhance safety for Tacoma Rail staff and motorists, while mitigating potential service and motorist interruptions resulting from deteriorated railroad track.

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 grant funding opportunity, and abandon the project. | None associated with this alternative. | Would delay the completion of the track upgrade project. |
| 2. Proceed with project without benefit of Loan funding assistance. | None associated with this alternative. | Potentially delays other Capital Outlay projects which are currently planned. |
| 3. | | |



EVALUATION AND FOLLOW UP:

Timely progression of project milestones is anticipated given that TPU-Rail staff has partnered with Public Works engineering staff to complete these projects.

STAFF/SPONSOR RECOMMENDATION:

Tacoma Rail recommends that City Council authorize execution of Loan Agreement RRB-1286 associated with the associated planned track upgrade project.

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-00125 | | \$606,000.00 |
| 2. | | | |
| TOTAL | | | |

What Funding is being used to support the expense?

PROJECT IS BUDGETED IN TPU-RAIL'S 2021/22 CAPITAL OUTLAY PROJECTS.

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

YES

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 TRACK IMPROVEMENTS AFTER INSTALLATION.

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

No

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ATTACHMENTS:

N/A