



TO: Elizabeth Pauli, City Manager
FROM: Steve Victor, Legal Department
Clark Mather, TPU Community and Government Relations
COPY: Infrastructure, Planning and Sustainability Committee
SUBJECT: Intergovernmental MOU regarding Cushman and Adams substations
DATE: May 30, 2018

SUMMARY:

City Council Substitute Resolution No. 39741 directs the City's general government and Tacoma Power to work collaboratively to plan and provide for the future of the Cushman and Adams substation properties following the end of utility operations at Cushman. While Cushman is not yet surplus to utility operations, general government and utility staff have been working together as a collaborative team to develop an intergovernmental Memorandum of Understanding (MOU) which addresses the matters identified by the Council in Resolution 39741.

BACKGROUND:

Substitute Resolution 39741 adopted June 6, 2017, added the exteriors of the Cushman Substation, and adjacent Adams Street Substation to the Tacoma Register of Historic Places ("Properties"). The Cushman substation property and transmission line were previously added to the National Register of Historic Places in 2016. The Properties are of primary historical significance to Tacoma, are significant for their association with the region's growth as a result of hydroelectric power production, and are an excellent example of monumental, neoclassical revival style architecture. The Cushman Substation is also the subject of a 2017 Memorandum of Agreement (MOA) among the US Army Corps of Engineers, the Washington State Historic Preservation Officer, and Tacoma Power calling for the rehabilitation, restoration and preservation of certain historic features Cushman Substation as mitigation for the modernization of the Henderson Crossing portion of the historic Potlatch Transmission line.

Tacoma Power is undertaking the North 21st Street Transmission Line Project which is planned to replace aging lattice towers originally part of the Potlatch Transmission Line with steel poles in the 2018 calendar year. At the completion of the North 21st Street Transmission Line Project, the Cushman Street Substation will continue for a time to serve a number of other purposes for Tacoma Power's ratepayers, including housing a 50-ton capacity crane that is used for heavy equipment repair, large equipment storage, and other uses, and is not currently surplus to utility operations. The adjacent Adams Street Substation was previously determined to be surplus to utility operations by Public Utility Board Resolution No. U-10270 and Tacoma City Council Resolution No. 37730 enacted on January 28, 2009, and February 10, 2009.

Anticipating the time when Cushman would be surplus, City Council Substitute Resolution No. 39741 directs the City's general government and Tacoma Power to work collaboratively to plan and provide for disposition of the Cushman Substation, including winding down of Tacoma Power operations on the site, environmental assessment and remediation, and contemplates a lead role for general government in the future redevelopment of the Cushman and Adams Street Substations.



Resolution 39741 further contemplates that the City's general government and Tacoma power will enter into a Memorandum of Understanding (MOU) addressing matters to include an orderly winding down of utility operations at Cushman Street Substation, a process for assessment and remediation of any environmental issues, consideration of a potential internal transfer of the Substation premises when determined to be surplus to the utility, and community outreach and input in planning future redevelopment of both the Cushman and Adams Street Substations.

The City's general government and Tacoma Power have established a joint staff task force which developed a draft MOU to meet the objectives of Resolution 39741, and which will continue to meet periodically as the contact group to ensure the Parties respective and collective obligations under a finalized MOU are timely and reasonably fulfilled.

ISSUE:

The MOU does not require formal legislative approval, representatives of the intergovernmental staff team desire to review the draft MOU with the IPS Committee and receive their questions and comments before further developing the MOU.

ALTERNATIVES:

This is an information briefing only. There are no alternatives presented.

FISCAL IMPACT:

The fiscal impact of potential future uses for the Cushman and Adams Substation will be analyzed as part of the process outlined in the proposed intergovernmental MOU.

RECOMMENDATION:

This is an information briefing only. There is no recommendation.