



City of Tacoma

City Council Action Memorandum

TO: Hyun Kim, City Manager
FROM: Jackie Flowers, Director of Utilities
Alan Matheson, Tacoma Rail Superintendent
COPY: City Council and City Clerk
SUBJECT: Resolution – Approve WSDOT Loan RRC 1011 for McPip Track Upgrades
DATE: October 21, 2025

SUMMARY AND PURPOSE:

Tacoma Rail requests City Council authorization to accept an interest-free loan from the Washington State Department of Transportation (WSDOT), in the amount of \$1,122,000 budgeted from Tacoma Rail Fund 4500, to assist with 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 No. RRC 1011 is in the principal amount of \$1,100,000, requires ten annual payments of \$112,200 beginning January 1, 2028, and includes a \$22,000 administrative fee. Additionally, Tacoma Rail is required to contribute \$469,250 in matching funds toward the completion of the project.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

The project to improve railroad tracks will enhance safety for Tacoma Rail staff, while mitigating potential customer service resulting from deteriorated railroad track conditions.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility: (*Mandatory*)

This request does not correlate with efforts to reduce racial and other inequities, disparities, or discrimination to under-represented communities.

Identify which Tacoma 2025 strategic goals your legislation most relates to, and then identify the [Equity Index Score](#) for those goals in the geography your proposal will affect. Select the indicator(s) this legislation is most related to, then briefly explain how this legislation will impact the selected indicator(s) and/or improve the Equity Index Score. ***Use the dropdowns below and refer to guide for more information.***

Economy/Workforce: *Equity Index Score:* Select Index Score.

Increase the number of infrastructure projects and improvements that support existing and new business developments.

Increase positive public perception related to the Tacoma economy.



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Explain how your legislation will affect the selected indicator(s).

Refurbished railroad tracks, switches, and crossings will help increase safety for Tacoma Rail train staff and public.

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 project funding opportunity and postpone the project.	None associated with this alternative.	This 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 RRC-1011 associated with the planned railroad 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. Tacoma Rail Fund 4500	RAL-00137		\$1,122,000.00
2.			
TOTAL			

What Funding is being used to support the expense?

PROJECT IS BUDGETED IN TPU-RAIL'S 2025/26 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



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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

ATTACHMENTS:

TPU Board Resolution U-XXXXX