



TO: Hyun Kim, City Manager
FROM: Stephen Atkinson, Assistant Division Manager, Planning and Development Services
Peter Huffman, Director, Planning and Development Services
COPY: City Council and City Clerk
SUBJECT: Resolution – Authorization to Amend an Interlocal Agreement with the Port of Tacoma for Receipt of Grant Funding for the McKinley Overlook Signage – August 18, 2026
DATE: August 3, 2026

SUMMARY AND PURPOSE:

A resolution authorizing an amendment to an interlocal agreement (ILA) with the Port of Tacoma (Port) for the receipt of a Local Economic Development Fund (LEDIF) grant to cover interpretive and wayfinding signage and a viewfinder at the McKinley Overlook. The amended would:

- Revise the reimbursement language related to invoice timing;
- Reduce the Port's contribution from \$30,000 to \$17,412.24 to reflect actual project costs; and
- Update the Port contact for notices.

BACKGROUND:

The City Council authorized the execution of an ILA with the Port of Tacoma on August 20, 2024, to accept \$30,000 in grant funds from the Port LEDIF for two interpretive signs associated with the McKinley Overlook project. The project has been completed but reimbursement requires a revision to the ILA to reflect the actual project cost of \$17,412.24.

COMMUNITY ENGAGEMENT:

The McKinley Overlook project was identified by the community through a deep process of co-creation, with community members asking for activation of a new public space to enjoy the views of Downtown Tacoma, Port, and Commencement Bay. In addition to a desire to see this site celebrated and enhanced, the project responds to the community's concern around illegal dumping and other unsafe and criminal activities at the site, and protects recent plantings and restoration of the adjacent McKinley Slope, a City-managed open space and critical area.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

McKinley is a diverse and historically under-served, underrepresented community, and ranks "very low" on the City of Tacoma's equity index. The McKinley Overlook project aims to reduce criminal activity that has historically negatively impacted the surrounding community, and the interpretive signage will tell a more inclusive history of the site, including the history and presence of the Puyallup Tribe (developed in collaboration with the Tribe) and multicultural history of McKinley Hill, including the displacement of the historic Hawthorne neighborhood. The final project also includes accessibility improvements, including ADA-compliant parking, new sidewalk, and new curb ramps.

Economy/Workforce: *Equity Index Score: Low Opportunity*

Increase positive public perception related to the Tacoma economy.

Civic Engagement: *Equity Index Score: Low Opportunity*

Increase the number of residents who participate civically through volunteering and voting.



Increase the percentage of residents who believe they are able to have a positive impact on the community and express trust in the public institutions in Tacoma.

Livability: *Equity Index Score:* Very Low Opportunity

Improve access and proximity by residents to diverse income levels and race/ethnicity to community facilities, services, infrastructure, and employment.

Increase positive public perception of safety and overall quality of life.

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

Delivering on the community's vision for the McKinley Overlook project – including amenities such as interpretation, wayfinding signage, and a viewfinder – helps to create a new public space in a historically underserved community, increase public safety in a location that has experienced violence, and support civic engagement by building trust with the community by delivering on our promises. New wayfinding signage supports local tourism for visitors to access this new public space, and interpretive signage helps to create a sense of place for visitors and locals.

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)
Deny the amendment to the ILA	N/A	Would result in loss of reimbursement for completed work.

EVALUATION AND FOLLOW UP:

The project has already been completed and has received positive feedback from community members.

STAFF RECOMMENDATION:

Staff recommends approving the amendment to the ILA to receive funding for the interpretive and wayfinding signage and viewfinder.

FISCAL IMPACT:

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1195-PLAN PDS Planning Grants	GRT-00610-01	4337102	\$17,412.24
TOTAL			\$17,412.24

What Funding is being used to support the expense?

The amended ILA will provide \$17,412.24 in LEDIF grant funding from the Port of Tacoma to cover the expense of the completed project.



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

YES

Yes, the expenditures and revenues were planned based on prior City Council authorization of the ILA with the Port of Tacoma in 2024. This amendment revises the ILA to account for the actual expended funds. Upon approval, the City will be reimbursed the project costs.

Are there financial costs or other impacts of not implementing the legislation?

YES

If the amendment to the ILA is not approved, the City will not be eligible to reimburse the associated project costs from the grant.

Will the legislation have an ongoing/recurring fiscal impact?

No

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

No

ATTACHMENTS:

Amended Interlocal Agreement Regarding McKinley Overlook Project

**FIRST AMENDMENT TO
INTERLOCAL AGREEMENT BETWEEN
THE PORT OF TACOMA
AND
THE CITY OF TACOMA
REGARDING MCKINLEY OVERLOOK**

THIS FIRST AMENDMENT (the “First Amendment”) is made and entered into this 16th day of June, 2026, by and between the Port of Tacoma, a public port district organized under the laws of the State of Washington (hereafter, “Port”), and the City of Tacoma, a municipal corporation of the State of Washington (hereafter, “City”), each referred to individually as a “Party” and collectively as “the Parties,” in consideration of the mutual covenants contained herein.

RECITALS

1. The Port is charged by state statute with a mission of furthering economic development. To that end, the Port has adopted a Local Economic Development Policy by which the Port administers its monetary support of economic projects sponsored by local public agencies in Pierce County.
2. The City proposes a new redevelopment plan for the McKinley Overlook area to provide usable public space for tourists and the community (the "Project").
3. The City had requested \$30,700 and the Port had agreed to provide an investment of \$30,000 toward the Project costs, conditioned upon proof of Project expenditures, and as expressly specified herein.
4. The Port finds the requested contribution meets the Port's Local Economic Development Policy criteria as follows:
 - a. This project meets our criteria outlined in section D, "Planning activities or events promoting tourism intended to attract tourists to Pierce County from outside locations.
 - b. This project will promote tourism to Pierce County from outside locations by creating a cohesive wayfinding signage, viewfinders with Port of Tacoma views, and interpretive signage which will help tell the Port of Tacoma story, among others.

5. The Parties entered into the current interlocal agreement (the “2024 Interlocal Agreement”) on August 20, 2024.
6. The City received bids for less than the anticipated cost of the project.
7. The City submitted invoices for the project within twenty-four months of entering into the Agreement per the timeframe stipulated in Section 3 of the Agreement but later than the 90 days from the time goods and services were procured as stipulated in Section 2A of the Agreement.
8. The Parties are authorized, pursuant to the Interlocal Cooperation Act (Chapter 39.34 RCW), to enter into this First Amendment.

NOW, THEREFORE, pursuant to the above recitals that are incorporated herein as if fully set forth below, and in consideration of the mutual promises, benefits, and obligations hereinafter set forth, the Parties agree as follows:

AGREEMENT

1. Timing and amount of reimbursement: Section 2A of the Agreement is amended to read as follows: Subject to the terms herein, the Port agrees to provide reimbursements of an amount not to exceed \$17,412.24 for the Project. The City shall be responsible for timely payment of all invoices submitted by third parties providing goods or services for the Project. The City shall submit to the Port, or its designee, paid project invoices within ninety (90) days of the date of this agreement. The Port or its designee shall review any such invoices and as appropriate make payment to the City within thirty (30) days of receipt of the invoice. The Port shall not be obligated to reimburse the City for invoiced goods or services where invoices are not submitted in a timely fashion. The City shall be solely responsible for compensation of the City's employees, including those employees' salaries, fringe benefits, or any other compensation, including for time spent by those employees related to the Project. The Port shall not be responsible to provide reimbursement for any compensation to the City's employees.

Section 2D is amended to reduce the Port's contribution to the Project from \$30,000 to \$17,412.24.

2. Notices: Section 13 of the Agreement is amended to change the Port's designee for notifications to Leslie Barstow at lbarstow@portoftacoma.com.

3. No Other Amendments. Except as amended by this First Amendment, all the terms and provisions of the 2024 Interlocal Agreement shall remain in full force and effect.
4. First Amendment to Control. In the event of any conflict between the terms and conditions set forth in the 2024 Interlocal Agreement and this First Amendment, the terms and conditions of this First Amendment shall control.
5. Incorporation. This First Amendment sets forth the entire and final agreement and understanding of the Parties with respect to the subject matter of this First Amendment.
6. Amendments. This First Amendment may not be modified or amended except by an instrument in writing executed by the Parties.
7. Severability. Should any word, phrase, clause, sentence, or paragraph of this Agreement or its application be declared invalid or void by a court of competent jurisdiction, the remaining provisions of this Agreement or its applications of those provisions not so declared shall remain in full force and effect.
8. Counterparts. This First Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

CITY OF TACOMA

By: _____

Hyun Kim
Its: City Manager

Date: _____

Attest:

By: _____

Its: City Clerk

Date: _____

PORT OF TACOMA

By:  _____

Eric Johnson
Its: Executive Director

Date: **Jun 18, 2026** _____

Approved as to form:

By:  _____
Heather L. Burgess (Jun 17, 2026 10:57:44 PDT)

Heather Burgess, Dickson Frohlich
Phillips Burgess, PLLC
Port Legal Counsel

Date: **Jun 17, 2026** _____