

PROJECT ACTION MEMO

Port of Tacoma Commission



Item No: 6B
Meeting Date: 10/20/26

DATE: October 12, 2026
TO: Port of Tacoma Commission
FROM: Eric Johnson, Executive Director
Sponsor: Patrick Patterson, Director, Facilities Maintenance
Project Manager: Mathew Busch, Engineering Project Manager II
SUBJECT: Banana Yard Turnout Replacement Project Construction Authorization (Project ID #102015)

A. ACTION REQUESTED

Request project authorization in the amount of \$1,060,000 for a total authorized amount of \$1,135,000, for work associated with the Banana Yard Turnout Replacement Project, Project ID #102015.

Strategic Plan Initiative:

EV 2: Invest in assets that support living-wage job creation throughout Pierce County.

OS 2: Protect the public's investment by maintaining existing assets and positioning them for future growth.

B. SYNOPSIS

Port Maintenance has identified three turnout rail switches that need replacing. The aging infrastructure has reached its useful life, and repairs are no longer able to be made. Replacing the three rail switches will improve mobility through this section of track. Without replacing these switches, the railyard will have limited capacity and may not be able to efficiently accommodate trains.

C. BACKGROUND

Rail transportation accounts for approximately 60% of all containerized cargo moving through the Tacoma Harbor, making the efficiency and reliability of rail infrastructure critical to maintaining freight mobility and supply chain fluidity. The Banana Yard, named for its distinctive shape, serves as the Port of Tacoma's primary rail classification yard for international container cargo. In addition to handling nearly all international containerized cargo moving by rail into and out of the Tacoma Harbor, the Banana Yard also supports automobile rail cargo and other commercial rail customers operating at the Port.

The yard plays a vital role in assembling and disassembling trains serving the national rail network. For import cargo, containers are transferred from marine terminals to the Banana Yard, where they are sorted and consolidated with other shipments destined for similar inland markets,

including domestic intermodal cargo originating from the South Intermodal Yard (SIM). These consolidated unit trains are then dispatched to Chicago and other destinations across the eastern United States. For export cargo, inbound unit trains are broken down into shorter train segments and distributed to on-dock rail facilities and the South Intermodal Yard for further processing and shipment.

Rail switches are essential components of yard operations, enabling trains to move safely and efficiently between tracks. When switches malfunction, the tracks they serve can become unavailable, resulting in reduced yard capacity, operational delays, and increased maintenance and operating costs.

Three switches within the Banana Yard have reached the end of their useful service life and require replacement. These switches have reached their end of service life, requiring lengthy repairs when maintenance is required. In some instances, inoperable switches have reduced the operational capacity of the Banana Yard by as much as 50%. Replacing these switches is necessary to restore reliability, preserve yard capacity, and ensure the continued efficient movement of freight through the Tacoma Harbor.

D. PROJECT DETAILS

Scope of Project:

- Remove and replace three (3) No. 9 turnouts (track switches)
- Replace and re-grade existing ballast
- Construction and Project Closeout
- Project and Construction Management

Scope of Work for This Request:

- Construction and Project Closeout
- Project and Construction Management

Schedule:

Advertise for Bid	October 28, 2026
Open Bids	November 18, 2026
Notice of Award	December 8, 2026
Substantial Completion	June 30, 2027
Final Completion	August 31, 2027

E. FINANCIAL SUMMARY

Estimated Cost of Project

The total project cost including all stages is estimated at \$1,135,000.

Estimated Cost for This Request

The total estimated cost of the Design/Construction for this project is \$1,135,000. If the cost of this estimate is anticipated to exceed the authorized amount, additional Commission authorization will be requested.

Estimated Sales Tax

The total estimated sales tax to be paid to local and state governments for this project is \$72,000.

Cost Details

Item	This Request	Total Previous Requests	Total Request	Total Project Cost	Cost to Date	Remaining Cost
DESIGN	\$0	\$75,000	\$75,000	\$75,000	\$63,500	\$11,500
CONSTRUCTION	\$1,060,000	\$0	\$1,060,000	\$1,060,000	\$0	\$1,060,000
TOTAL	\$1,060,000	\$75,000	\$1,135,000	\$1,135,000	\$63,500	\$1,071,500

Source of Funds

The 2026-2030 Capital Investment Plan allocates \$1,220,000 for this project. The CIP budget will be updated accordingly upon approval of the additional authorization, and as construction commences.

Financial Impact

Project costs will be capitalized and depreciated over an estimated useful life of 15 years, resulting in annual depreciation of \$76,000.

F. ENVIRONMENTAL IMPACTS/REVIEW

Permitting: The project is exempt from SEPA under WAC 197-11-800(3). NEPA is not applicable to the project as there is no federal funding or other trigger.

Remediation: N/A

Stormwater: Construction Stormwater Pollution Prevention plan will be developed and used as part of the work.

Air Quality: N/A

G. PREVIOUS ACTIONS OR BRIEFINGS

Date	Action	Amount
5/5/2026	Executive Authorization	\$75,000

H. NEXT STEPS

Complete construction.