

COMMISSION AGENDA

Item No: 5D

Meeting: 05/09/2019

DATE: April 11, 2019

TO: Port Commission

FROM: John Wolfe, Chief Executive Officer

Department Head: Sean Eagan, Director Government Affairs

Project Manager: Evette Mason, Manager Government Affairs

SUBJECT: Puyallup River Bridge Interlocal Agreement - City of Tacoma and Port of Tacoma

A. ACTION REQUESTED

Staff requests authorization for the Port of Tacoma's CEO or designee to enter into an Interlocal Agreement (agreement) with the City of Tacoma (City) for an amount not to exceed \$500,000 for the replacement of structures F16A, F16B and F22 of the Puyallup River Bridge per the March 15, 2012 Letter of Intent.

B. BACKGROUND

In 2008, Port Commission and Tacoma City Council authorized an amendment to an existing 2004 Alexander Avenue Interlocal Agreement to cooperatively seek full funding for the Hylebos Bridge Project. At that time, the Port committed an additional \$9.97 million in future right-of-way vacation funding to fill the funding gap for the Hylebos Bridge Project. The amendment was authorized by the Commission on December 18, 2008. Cost sharing for the full bridge rehabilitation was developed as follows:

BRAC	\$11.75 million
City funding	\$ 2.00 million
Port funding for Phase 1	\$ 2.00 million
Port right-of-way vacation funding	\$ 9.97 million
Total Hylebos Bridge Project Estimate	\$25.72 million

In the first quarter of 2012, the City estimated a June 2012 completion date for the Hylebos Bridge Project, and it appeared the Port's commitment to the project would be \$1.8 to \$2.3 million less than the \$11.97 million total contribution. The City asked the Port Commission to consider a \$500,000 contribution toward the rehabilitation of the three westerly bridge sections of the Puyallup River Bridge assuming a minimum of \$1,500,000 remained from the \$11.97 million commitment.

The City hoped to leverage the Port's commitment for additional grants to fill a multi-million dollar funding gap for the estimated \$42 million Puyallup River Bridge project.

Port staff brought the City's partnership request before the Commission in March 2012. The request was based on the following rationale:

- 1 - Prior to the placement of weight restrictions on the bridge, a 2006 study showed approximately five percent of the bridge traffic was destined for or departing from Port of Tacoma facilities (800 of the 16,000 daily vehicles were trucks).
- 2 - The bridge is located midway along the five-mile Puyallup Avenue/Pacific Highway corridor which serves over one hundred manufacturing business and a major commercial sector in the Tacoma/Fife/Port of Tacoma region.
- 3 - There are few alternate routes with sufficient volume and weight capacity that serve Port facilities.
- 4 - Our commitment may leverage partnership dollars with the City of Fife and Burlington Northern Santa Fe Railroad.
- 5 - The new cable-stay bridge design creates the FRA required double-stack rail clearance allowing for the future construction of a north wye connection to the BNSF mainline and direct northerly train departures.

The Port's commitment included the following considerations, deliverables and contingencies:

- 1 - Contribution is contingent upon a minimum of \$1.5 million remaining from the Hylebos Bridge ILA, and the Hylebos Bridge is open and operational to vessel and vehicle traffic.
- 2 - Port payments up to and capped at \$500,000 will be a credit with the City of Tacoma for future ROW purchases by the Port of Tacoma based on our 2010 real estate appraisal.
- 3 - Federal, State, City of Tacoma and private funding contributions will be used first.
- 4 – These specific funds must be allocated by December 31, 2012.

The Commission approved the partnership request and on March 15, 2012, a Letter of Intent was sent to then-Mayor Strickland (attached) conveying the Port's agreement to re-direct \$500,000 of the expected savings from the Port's Hylebos Bridge contribution as a partial match for additional City of Tacoma grant applications for the Puyallup River Bridge Reconstruction. In early 2016, the City obtained sufficient funding to finalize the project budget and advance the design build option.

Funding Source	Amount
BRAC Grant	\$15,628,538
State Legislature via Dept of Commerce	\$ 6,950,000
FHWA (STP) Grant	\$12,200,000
FMSIB	\$ 5,000,000
City of Tacoma	\$ 1,713,510
Port of Tacoma	\$ 500,000
TOTAL FUNDING	\$41,992,048

C. SCOPE OF WORK

The Puyallup River Bridge Project consists of the replacement of structures F16A, F16B and F22 and all structures west of the Puyallup River as depicted in the graphic on page 4.

D. TIMEFRAME/PROJECT SCHEDULE

Reconstruction of bridges F16A, F16B and F22 began in May 2018 with expected completion in June 2019.

E. FINANCIAL SUMMARY

Cost/Source of Funds – The \$500,000 is included in the current Capital Investment Plan.

Financial Impacts – The \$500,000 credit from the City of Tacoma for future ROW purchases will be recorded as a non-depreciating asset, and hence, there is no P&L impact.

F. ECONOMIC INVESTMENT

The bridge is located midway along the five-mile Puyallup Avenue/Pacific Highway corridor which serves over one hundred manufacturing business and a major commercial sector in the Tacoma/Fife/Port of Tacoma region. In addition, re-opening the Puyallup River Bridge will lessen the vehicle traffic on Lincoln Avenue and improve freight mobility through the Tideflats.

G. ENVIRONMENTAL IMPACTS/REVIEW

Re-opening the bridge will improve traffic congestion and reduce vehicle idling times.

H. NEXT STEPS

The City of Tacoma Council will approve the ILA and city staff will submit an invoice with required documentation of expenses.

