

**INTERLOCAL AGREEMENT BETWEEN CITY OF FIFE AND PORT OF TACOMA
REGARDING TRUCK-RELATED TRANSPORTATION IMPACTS, AND WAPATO
CREEK IMPACTS FROM THE BLAIR-HYLEBOS TERMINAL REDEVELOPMENT
PROJECT**

1. Date and Parties. This agreement ("Agreement"), for reference purposes only, is dated the seventh day of April, 2009 ("Agreement Date"), and is entered into by and between the City of Fife ("City") and Port of Tacoma ("Port").

2. Background Information and Agreement Purpose.

2.1 The Port is proposing various construction and redevelopment activities on an approximately 548 acre portion of the approximately 1,200 acre Blair-Hylebos Peninsula. For ease of reference these activities will be collectively referred to as the Blair-Hylebos Terminal Redevelopment Project ("BHTRP").

2.2 A Final Environmental Impact Statement ("FEIS") was prepared for the BHTRP and is dated February 27, 2009.

2.3 The City and Port wish to assure that the cumulative truck-related transportation impacts of the BHTRP, other projects mentioned in the FEIS, and those projects along the Blair Waterway that were within the intent and scope of the document entitled "Cooperation Agreement" entered into between the Port, the Puyallup Tribe of Indians ("Tribe"), Marine View Ventures ("MVV") and SSA Containers, Inc. ("SSA") as well as the Memorandum of Intent entered into by the same parties in February, 2008 (these truck-related transportation impacts being collectively referred to as the "TRTI") are adequately addressed and mitigated.

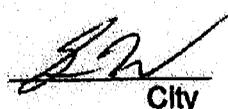
2.4 The City and Port also have a mutual interest in protecting and enhancing Wapato Creek's capability for providing safe passage for migrating fish and habitat value.

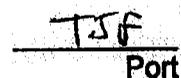
2.5 The purpose of the Agreement is to provide a mechanism for the Port and City to address these two areas of mutual concern as it relates to impacts caused by projects under the Port's control.

3. Authority to Enter into Agreement.

3.1 The Interlocal Cooperation Act, chapter 39.34 RCW, authorizes the City and Port to enter into the Agreement.

3.2 The Port Executive Director was authorized to sign the Agreement pursuant to a vote of the Port Commissioners on April 7, 2009.


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4. TRTI Study to be conducted by the Port

4.1 Prior to call for bids for new construction for the wharf related to the NYK (YTTI) Project on the Blair Hylebos Peninsula, or comparable terminal in the same location, the Port will conduct a new transportation impact study that will develop a holistic approach to identifying and mitigating the TRTI ("TRTI Study"). The TRTI Study will include the SSA Project if and to the extent that SSA information is available. The TRTI Study will consist of two step process.

As a first step, the parties will jointly identify the specifics of the TRTI Study scope. This first step "Scoping" will begin immediately. The parties intend that the TRTI Study shall focus on unrestricted truck routes within the City of Fife ("Fife Truck Routes"), but will also analyze other parts of the City of Fife transportation system that may be significantly adversely affected as well. As the second step, the parties will undertake the actual TRTI Study.

4.2 It is anticipated that the Port's contribution to the costs of TRTI Study shall not exceed \$150,000.00. If the cost estimates for the TRTI Study exceed \$150,000, then the parties shall meet to discuss changing the TRTI Study Scope to reduce the costs of the portions of the TRTI Study not associated with the Fife Truck Routes. In the event the TRTI Study cost exceeds this amount, the parties agree either to revise the Study scope to bring the TRTI Study costs within this limit, and/or the parties will reach agreement for an equitable cost sharing for the over sum. If the parties cannot agree, the costs shall be resolved pursuant to the dispute resolution process of paragraph 8 herein. Provided, however, in no event shall the Port's obligation be less than funding the study of the Fife Truck Routes.

4.3 The parties will work cooperatively to find additional funding sources to assist with funding the TRTI Study.

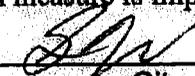
4.4 The Port and City will meet on a regular basis to review the progress of the TRTI Study, and shall share all information relative thereto.

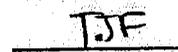
4.5 The parties intend that the TRTI Study shall be completed within two years of the Agreement Date. The parties will work cooperatively to meet that goal.

4.6 In no event will the Port be obligated to fund the truck-related traffic mitigation identified in the TRTI Study prior to the Port's call for bids for construction of the wharf at the NYK terminal on the Blair-Hylebos Peninsula, or comparable terminal in the same location.

5. Incorporation of TRTI Mitigation Measures.

5.1 The Port will incorporate the mitigation measures agreed to by the parties or determined by the arbitrator/mediator, as conditions of development of the NYK (YTTI) Project on the Blair Hylebos terminal so that each mitigation measure is implemented within the


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generally recognized six (6) year concurrency period. The mitigation measures to be implemented for the Fife Truck Route portion of the TRTI Study shall, when fully implemented, result in no appreciable decrease in the actual level of service on City streets nor result in any significant increase in wait times at City street intersections. The Port shall only be responsible for the prorata share of the costs of the mitigation projects attributable to the BHTRP truck related impacts. The Port shall not be responsible for mitigation measures related to non-Port development. The Port and the City shall work cooperatively with other private, state, local and federal agencies to find funding so that the regional mitigation measures identified in the TRTI Study can be addressed as soon as possible.

6. BHTRP improvements not related to TRTI.

6.1 Nothing within the scope of this Interlocal Agreement shall preclude the Port from proceeding with non-NYK permitting and construction process and habitat mitigation projects. Should the non-NYK (YTTI) projects in the EIS give rise to mitigation measures as identified in the TRTI Study, the Port shall assume responsibility for the measures subject to the provisions of paragraph 5.1.

7. Wapato Creek Improvements.

7.1 The Port and City will work cooperatively and collaboratively to obtain grant monies and other funding sources, including Port and City funds, to study and implement ways to improve the mouth of the Wapato Creek to support fish migration. The parties will also work cooperatively and collaboratively in other such ways as they jointly identify to help protect and enhance the Wapato Creek's capability for providing safe passage and habitat value for migrating fish.

8. Dispute Resolution.

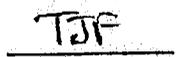
8.1 The parties commit to try and find mutually agreeable solutions wherever possible. If the parties find that they cannot reach agreement on any item, they agree to first seek non-binding mediation using the services and procedures of a neutral third party mediator. Each party shall pay their own expenses associated with this step of the dispute resolution process, as well as one half of the third party neutral/mediator's fees. The mediation shall be governed by the processes set forth in RCW 7.07. If the parties cannot agree on a neutral third party mediator, then one shall be selected using the procedure for selecting an arbitrator in RCW 7.04A.

8.2 If a dispute cannot be resolved using the process identified in paragraph 8.1, then either party may submit the matter to binding arbitration before a mutually agreed upon arbitrator within 14 days after the conclusion of the paragraph 8.1 mediation process. The mediation shall be governed by the processes set forth in RCW 7.04A.

9. Forbearance

9.1 Based on the Agreements contained herein, the City of Fife agrees to forebear from filing, pursuing or participating in any appeal of the Port's BHTRP EIS.


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10. Notices.

10.1 Any notice required to be given by the Agreement shall be given in writing and will be deemed given upon actual receipt of the notice by any person designated by each party, pursuant to state law, to receive service of process, and by mailing the notice, by U.S. mail, postage prepaid, certified mail, to the persons identified below;

For Port:

Timothy Farrell
Executive Director
Port of Tacoma
P.O. Box 1837
Tacoma, WA 98401-1837
(253) 428-8633

For Fife:

Steve Worthington
City Manager
5411 23rd Street East
Fife, WA 98424
(253) 922-2489

11. Governing Law.

10.1 The interpretation and enforcement of this Agreement shall be governed under the laws of the State of Washington.

12. Filing and Effective Date.

12.1 The Agreement shall be filed with the Pierce County Auditor within seven (7) calendar days of being fully executed by the parties.

12.2 The Agreement shall be binding to the parties upon its execution by the parties and shall be effective on the date a fully executed original Agreement is filed with the Pierce County Auditor.

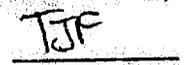
13. Severability.

13.1 The section and paragraph headings contained in this Agreement have been included solely for reference purposes and shall not affect, or be used in connection with, the construction or interpretation of this Agreement. Each separate paragraph shall be treated as severable, meaning if one or more paragraphs is judged or declared invalid, or unenforceable, this Agreement shall be interpreted, and remain in full force and effect, as if the paragraphs had never been contained in this Agreement.

14. All Writings Contained Herein.

14.1 This Agreement, together with all exhibits and appendices attached hereto, contains the entire understanding of the parties, and there are no other agreements, understandings, or representations regarding the subject matter of this Agreement, except as set forth herein. No subsequent modification(s) or amendment(s) of this Agreement shall be of any


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force or effect unless in writing, signed by the authorized representatives of the Port of Tacoma and the City of Fife.

15. Waiver.

15.1 A waiver or failure to enforce any provision of this Agreement, or breach thereof, shall not be construed as a waiver of such provision or breach.

16. Termination.

16.1 This agreement shall terminate upon (1) the Port's fulfillment of its obligations defined as all mitigations associated with EIS projects identified by the TRTI Study and identified as a Port obligation in the Agreement have been constructed, or, in the case of an obligation that will require funding from other sources, the Port has paid its prorata share of the obligation; or (2) upon notice by the Port that it will no longer pursue development actions identified under the EIS, for which this Agreement requires Port funded mitigation.

17. Agreement Administration.

17.1 The Agreement does not establish a separate legal entity. The Executive Director for the Port, or his designee, shall be responsible for administering the Agreement on behalf of the Port. The City Manager for the City, or his designee, shall be responsible for administering the Agreement on behalf of the City.

CITY OF FIFE

PORT OF TACOMA



Steve Worthington, City Manager



Timothy J. Farrell, Executive Director

ATTEST:

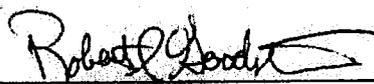

Assistant City Clerk

ATTEST:

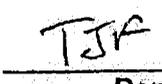

Judith Doremus

APPROVED AS TO FORM:


Loren D. Combs, City Attorney
assistant City Attorney

APPROVED AS TO FORM:


Robert Goodstein, Port General Counsel

 City  Port



August 31, 2009

Brian Mannelly AICP, LEED AP
Director, Planning
Port of Tacoma
PO Box 1837
Tacoma, WA 98401-1837

Council
Richard Godwin
Mayor Barry D. Johnson
Glenn Hull
Cedric "Butch" Brooks
Rob Cerqui
Nancy de Booy
Kim Roscoe

Re: Satisfaction of Interlocal Agreement/Tideflats Area Transportation Study

Steve Worthington
City Manager

Dear Brian:

Loren Combs
City Attorney

Fife staff reviewed the Tideflats Area Transportation Study (TATS) scope as described in the memo from Moffatt and Nichol dated August 7, 2009 and transmitted to us by the Freight Mobility Strategic Investment Board on August 10, 2009. The TATS scope is larger than the scope of the truck related transportation impact study (TRTI) required by the Interlocal Agreement between the City of Fife and Port of Tacoma regarding Truck-Related Transportation Impacts and Wapato Creek Impacts from the Blair-Hylebos Terminal Redevelopment Project, dated April 7, 2009.

Carl Durham
Acting Community
Development Director

Kurt Reuter
Parks, Recreation &
Community Services Director

Stephen Marcotte
City Clerk/Treasurer &
Finance Director

The larger scope of the proposed TATS includes the necessary scope of the required TRTI. If the TATS is completed in accordance with the scope as described in the memo from Moffatt and Nichol dated August 7, 2009, the requirements for the TRTI will have been fulfilled.

Brad Blackburn
Police Chief

Sally Dowty
Court Administrator

Russell Blount
Public Works Director &
City Engineer

Sincerely,

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3725 Pacific Hwy. E
Fife, WA 98424-1135
(253) 922-9315

Russ Blount, P.E.
Public Works Director

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Fife Swim Center
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