

COMMISSION AGENDA

Item No: 6A

Meeting: 8/18/22

DATE: July 22, 2022

TO: Port Commission

FROM: Eric D. Johnson, Executive Director
Sponsor: Jason Jordan, Director, Environmental and Planning Services
Project Manager: Tony Warfield, Environmental Senior Project Manager

SUBJECT: Resolution 2022-09-PT: Port of Tacoma 2022 Habitat Mitigation Strategy – Second Reading

A. ACTION REQUESTED

Adoption of Resolution No. 2022-09-PT, superseding Resolution 2014-02 and establishing an updated Port of Tacoma Habitat Mitigation Strategy – Second Reading.

B. SYNOPSIS

The Port's original Port-Wide Habitat Mitigation Strategy (Habitat Strategy) was adopted in 2012 with minor updates in 2014. That Habitat Strategy called for building the Upper Clear Creek Mitigation Site, establishing a mitigation bank, building the Lower Wapato Creek Mitigation Site, and building out the Saltchuk site as dredge material became available. These sites are all designed to enhance the Puyallup River fisheries as the core of the Habitat Strategy is to improve salmon runs. Most of the actions laid out in that document have been completed (Upper Clear Creek Mitigation Site), are under construction (Lower Wapato Creek Mitigation Site with only irrigation, fencing and planting remaining), or are incorporated into the Tacoma Harbor Deepening Project (Saltchuk). Consistent with Strategy EL-4 of the Port's 2021 Strategic Plan, the updated Habitat Strategy will guide the next 10 years of habitat improvement efforts. Port staff provided an overview of our mitigation efforts and recommended actions included in the 2022 update of the Port's Habitat Strategy to Commission at a study session in December of 2021 and a first reading of the 2022 Resolution April 22, 2022.

C. PURPOSE

The purpose of the Port's updated 2022 Habitat Strategy is to provide a framework that informs:

1. the management of the Port's mitigation credit portfolio,
2. the development of future habitat mitigation sites,
3. the direction the Port will take to collaborate with local partners to develop and/or improve habitat sites independent of regulatory requirements,
4. the stewardship of existing habitat sites, and
5. the advancement of the Port's Strategic Plan Environmental Leadership goal.

This Habitat Strategy supports the Port’s 2021-2026 Strategic Plan and The Northwest Seaport Alliance’s (NWSA) Coordinated Course 2027.

| Projected Wetland Mitigation Credit Portfolio Balance | |
|--|------------------------------------|
| Wetland Credits Starting Balance (2027): | Wetland Credits: 26.00 |
| 5-Year Development Horizon | |
| WSDOT/SR 167 in-kind contribution ¹ | Up to - 2 credits 24.00 balance |
| Thorne Rd/Off-Dock Container Support Facility (Parcels 72, 85, 87) | -8.84 15.16 balance |
| TPU Snail Property (Parcels 6, 114, 117) | -3.09 12.07 balance |
| EBC Ramp Redevelopment (Parcel 1B) | -1.20 10.87 balance |
| Fabulich Center (Parcel 35) | -1.00 9.87 balance |
| Mouth of Hylebos/American Construction EPA Settlement | -1.60 8.27 balance |
| Wheeler-Osgood Redevelopment (Parcels 92, 94) | -0.60 7.67 balance |
| 10-Year Development Horizon | |
| WUT Pier Extension (Parcels 24, 25) | -0.48 7.19 balance |
| Arkema Ramp Redevelopment (Parcel 99) | -0.74 6.45 balance |
| Kaiser Ditch Fill/Crossing (Parcel 99 & 105) | -0.60 5.85 balance |
| Parcel 103 (Steam Plant) Redevelopment | -0.71 5.14 balance |
| Parcel 115 (CanAm) Pier/Redevelopment | -1.80 3.34 balance |

D. GUIDING PRINCIPLES

For almost four decades the Port has relied on three guiding principles to inform its habitat mitigation strategies. These principles derive directly or in part from the Puyallup Land Claims Settlement and include:

1. building large, ecologically important sites that focus on fisheries enhancement,
2. building sites in advance of the development project requiring the mitigation,
3. building sites where they will provide the most ecological good and away from planned future development—view sites as permanent infrastructure.

These guiding principles are meant to provide staff with strategic direction in the development of future mitigation sites. These principals do not bind the Port to future specific actions nor constrain the Port from using a concurrent mitigation approach if deemed necessary for a given development action.

¹ WSDOT has reserved up to two credits for SR 167. The exact amount needed will be determine in their permitting process.

E. 2022 HABITAT STRATEGY RECOMMENDED ACTIONS

Port staff recommend the following actions:

- **Mitigation Bank Portfolio Actions²**
 - Consider selling another 3.5 to 8 existing mitigation bank credits as determined by the Commission³.
 - If the Port expands its mitigation bank wetland credit holdings, the Port may sell additional mitigation bank credits to further support transportation and cargo logistics projects/partners.
 - Amend the Upper Clear Creek Mitigation Bank Instrument to include the following:
 - At a minimum, relocate portions of the existing “paper buffer” to generate/release additional credits.
 - Expand the mitigation bank to include future habitat restoration of additional adjacent properties.
 - The Port should explore partnering with Pierce County to build and/or enhance additional wetland and/or fish habitat on County property to potentially expand the mitigation bank by several dozen acres.
 - Conduct regular reviews of the mitigation credit portfolio balance, anticipated Port credit needs, and potential credit sales to determine the surplus of mitigation bank credits available for sale on an ongoing basis, but at a minimum every five years.
 - The National Marine Fisheries Service (NMFS) policy change requiring mitigation for maintenance work is likely to become permanent, and likely create a much larger market for mitigation credits. As such, the Port should expand the mitigation bank portfolio to include mitigation actions for fish-only conservation credits and make credits available for sale throughout the marine areas of Pierce County including the Key Peninsula and South Sound (south of the Narrows Bridge).
- **Habitat Site Development Actions:**
 - Design and construct the expansion of Upper Clear Creek site after the bank amendment process or as advance mitigation site(s).
 - Build the Saltchuk Beach Area as a fish conservation credit bank.
 - Pursue a conceptual or basis of design for Gog-le-hi-te III in partnership with the Puyallup Tribe of Indians.
 - Look for opportunities for derelict structure removal and habitat improvements to add to a fish conservation credit bank.
 - Continue to evaluate the Port’s Saltchuk Department of Natural Resources (DNR) lease area as a beneficial use restoration project integral to the Tacoma Harbor Deepening Project.

² The Commission established three criteria for sales from the Port’s mitigation bank: 1) only sell credits that are clearly surplus to the Port’s needs, 2) only sell credits to transportation and development partners whose projects support the supply chain and are consistent with the Port’s 2021-2026 Strategic Plan, and 3) sell credits at the market price, but not for less than it would cost to replace those credits.

³ Up to two credits for SR 167 have already been authorized by the Commission for sale.

- **Partnership Opportunity Actions:**
 - Partner with Pierce County on improvements to the Lower Clear Creek Mitigation site (remove old access road to improve connection of Port-constructed wetland to the Clear Creek main channel and its floodplain).
 - Partner with the Puyallup Tribe of Indians to address the fish passage barrier to the upper reaches of Clear Creek.
 - Continue to seek out other no- or low-cost community partnership opportunities focused on fisheries enhancement.
 - Explore partnership(s) with Puyallup Tribe and/or DNR to research/construct/maintain the Saltchuk restoration area.
 - Explore additional partnerships/projects with Pierce County Planning and Public Works – Surface Water Management to combine flood control and habitat improvements near the Port’s Upper Clear Creek site.

- **Stewardship Program Actions⁴:**
 - Perform a cost-benefit analysis on contracting a full-time Washington Conservation Corps (WCC) crew to perform stewardship activities year-round, possibly in partnership with Pierce County or the Port of Seattle.
 - Develop a plan to offer Port habitat sites to local organizations to “adopt a habitat site” to meet stewardship and corporate social responsibility goals.
 - Identify creative ways to reengage the community post-pandemic with the Port’s habitat sites (e.g., tours, volunteer events, other public outreach opportunities, etc.).

Recommended actions will come before the Commission in the form of individual projects, Interlocal Agreements or as part of the annual budget process in the case of the Stewardship program.

F. PREVIOUS ACTIONS OR BRIEFINGS

| Date | Action |
|-------------------|---|
| November 1, 2012 | Commission adopts original Habitat Strategy |
| March 1, 2014 | Commission approves minor amendments to Habitat Strategy |
| December 16, 2021 | Study session on Habitat Strategy status and proposed actions |
| April 21, 2022 | Commission review of Habitat Strategy – first reading |

G. ATTACHMENTS TO THIS REQUEST

- Slide presentation
- Resolution No. 2022-09-PT
- 2022 Habitat Strategy

⁴ All of these actions may require some level of concurrence with Port Maintenance staff.

H. NEXT STEPS

- Develop implementation plan and schedule
- Develop cost estimates and complete Opportunity Assessments and project-specific/ILA Commission actions, as needed