

# COMMISSION AGENDA

Item No: 7E

Meeting: 5/19/22

**DATE:** May 4, 2022

**TO:** Port Commission

**FROM:** Eric D. Johnson, Executive Director  
Sponsor: Jason Jordan, Director, Environmental and Planning Services  
Project Manager: Norman Gilbert, Engineering Project Manager II

**SUBJECT:** Project Authorization for work associated with the Parcel 15 (Portac) Cleanup Phase 1

## A. ACTION REQUESTED

*As referenced in Resolution No. 2021-08-PT, Exhibit A, Delegation of Authority Master Policy, Paragraph IV.B.(2), states project costs exceeding \$300,000 require approval from Port Commission.*

Request project authorization in the amount \$3,924,500 for a total authorized amount of \$4,665,500, for work associated with the Parcel 15 (Portac) Cleanup Phase 1, Master Identification No. 101531.01.

## B. SYNOPSIS

The Parcel 15 (Portac) Cleanup Investigation portion of the Project is complete. The Cleanup Action Plan, identifying the Port and Ecology's preferred remedy has been approved. The Agreed Order to implement the cleanup action plan has been executed. The Port's remedial action grant is in place. The Engineering Design Report is under review by Ecology and the Design and Permitting of the project is almost complete.

## C. BACKGROUND

The Site (Port property Parcel 15) is owned by the Port and was leased by Portac (a subsidiary of Mitsui) and operated as a log yard and sawmill from 1974 to 2009. Historically, the northern and eastern portions of the Site include the former Log Yard area with an environmental cap covering metals-containing slag present in soil. The rest of the Site included the former Sawmill area. In June 2013, Ecology issued notice letters to Portac and the Port identifying each entity as a potentially liable party (PLP) under MTCA (Model Toxics Control Act) for contamination at the site.

Between January 2014 and May 2018, the Port and Portac completed the Remedial Investigation and Feasibility Study (RI/FS) under an Agreed Order (AO) with Ecology. In May 2018 Portac settled with the Port, whereby Portac paid the Port a lump sum of \$8,600,000, and the Port agreed to undertake all responsibility for further environmental investigation, cleanup, and remedial action at the Site. In July 2018, the Port amended the Agreed Order

with Ecology to remove Portac from the order, while adding as deliverables an amendment to the Feasibility Study and a draft Cleanup Action Plan. In February 2019 Ecology approved the Feasibility Study amendment, and in July 2020 Ecology approved the draft Cleanup Action Plan.

The remedy will be implemented as two separate cleanup projects. Phase 1 will include design, permitting, and construction of a permeable reactive barrier and storm drain improvements. Contingent remedy components, in Phase 1, consisting of additional storm drain improvements and perched groundwater treatment may be implemented based on future performance groundwater monitoring results. The Phase 2 cleanup project consists of construction of a low-permeability cap that would be implemented at some point in the future as part of a major redevelopment action. Compliance monitoring will be conducted throughout both phases and beyond to ensure that cleanup standards are met.

In January 2021 Port Commission approved authorization to enter into an Agreed Order (AO) with Ecology to implement the cleanup at Parcel 15. That AO was executed on June 23, 2021. The Cleanup Action Plan was finalized by Ecology on July 6, 2021.

Port Commission authorized funding to develop the Engineering Design Report with its supporting plans and the design and permitting to construct the cleanup.

#### **D. PROJECT DETAILS**

##### ***Scope of Project:***

- Develop an engineering design report, including supporting plans – Compliance Monitoring and Contingency Response Plan (CMCRP), Contaminated Media Management Plan (CMMP), and an Operational Monitoring and Maintenance Plan (OMMP) for the existing cap.
- Design and permitting.
- Construction of the permeable reactive barrier and storm drain improvements.
- Development of a Completion Report.
- Contingent remedy components will be evaluated during design but will not be constructed under this project.

##### ***Scope of Work for This Request:***

- Construction of the permeable reactive barrier and storm drain improvements.
- Development of a Completion Report.
- Post construction monitoring.

**Schedule**

Advertise for Bid	June 2022
Open Bids	Late June 2022
Notice of Award	Early July 2022
Substantial Completion	Early October 2022
Final Completion	Early November 2022

**E. FINANCIAL SUMMARY**

**Estimated Cost of Project**

The total project cost including all stages is estimated at \$4,665,500.

**Estimated Cost for This Request**

The total estimated cost of the Construction for this project is \$3,924,500. 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 approximately \$262,000.

**Cost Details**

Item	This Request	Total Previous Requests	Total Request	Total Project Cost	Cost to Date	Remaining Cost
DESIGN	\$0	\$741,000	\$741,000	\$741,000	\$423,862	\$317,138
CONSTRUCTION	\$3,924,500	\$0	\$3,924,500	\$3,924,500	\$0	\$3,924,500
<b>PROJECT TOTAL</b>	<b>\$3,924,500</b>	<b>\$741,000</b>	<b>\$4,665,500</b>	<b>\$4,665,500</b>	<b>\$423,862</b>	<b>\$4,241,638</b>

**Source of Funds**

The current Capital Investment Plan (CIP) allocates \$4,674,000 for this project.

**Financial Impact**

The Portac \$8.6M settlement received April 2018 was recorded as an environmental liability in prior year financials and will offset the project costs. There will be no impact to operating expense.

**F. ECONOMIC INVESTMENT/JOB CREATION**

Phase 1 and a future Phase 2 remediation will facilitate property redevelopment and return to productive use. Employment opportunities will arise during remediation, construction of future improvements and long-term leasing of the property.

**G. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS**

Alternative 1: Do nothing, thereby triggering an enforcement order from Ecology.

Alternative 2: This request, implement the agreed cleanup remedy.

**Alternative 2 is the recommended course.**

**H. ENVIRONMENTAL IMPACTS/REVIEW**

Permitting: USACE permit has been applied for but has not been received. Project bid opening will not occur until after permit is received.

Remediation: This is a remediation project.

Stormwater: Modifications to stormwater infrastructure have been closely coordinated with a water quality manager during design. This coordination will continue through construction.

Air Quality: Temporary emissions from construction equipment will occur.

**I. PREVIOUS ACTIONS OR BRIEFINGS**

<b>Date</b>	<b>Action</b>	<b>Amount</b>
January 21, 2021	Commission Authorization – Port of Tacoma	\$50,000
August 19, 2021	Commission Authorization – Design	\$691,000
	<b>TOTAL</b>	<b>\$741,000</b>

**J. ATTACHMENTS TO THIS REQUEST**

- Slide presentation.

**K. NEXT STEPS**

Advertise Public Works project, award Contract and construct the project.