

COMMISSION AGENDA

Item No: 4C

Meeting: 9/26/19

DATE: September 10, 2019
TO: Port Commission
FROM: Eric D. Johnson, Executive Director
Sponsor: Jason Jordan, Director, Environmental and Planning Services
Project Manager: David Myers, Engineering Project Manager II
SUBJECT: Project Authorization for work associated with the Lower Wapato Creek Habitat

A. ACTION REQUESTED

As referenced in Resolution No. 2018-01-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 of \$525,000 for a total project authorization of \$1,125,000 (including previously spent design funds) for work associated with the Lower Wapato Creek Habitat Project, Master Identification No. 101449.01.

B. SYNOPSIS

The project will develop mitigation habitat/credits to support Port/NWSA development projects. The Port anticipates utilizing most of this project to provide the required concurrent mitigation to support the Thorne Road Property Development which consists of Port Parcels 72, 85, and 87 located between Port of Tacoma Road and Thorne Road. The project will be developed with the flexibility to use the mitigation habitat/credits as concurrent mitigation for the Thorne Road Property Development and/or as advance mitigation for future Port/NWSA development projects.

The project will meander Wapato Creek back onto the site and provide a new open bottom culvert at the 12th street crossing. It will also create tidally influenced and freshwater wetlands surrounded by a scrub shrub and forested buffer. In total, the project will result in a 17-acre habitat site in close proximity to a number of other Port, Puyallup Tribe of Indians (Tribe), and other agency sites for the benefit of fish and wildlife in the area.

C. BACKGROUND

The Lower Wapato Creek project will be situated at the juncture of Alexander Ave., SR 509, and 12th Street on Port Parcel 14. This property has been in the Port property inventory since the late 1950s. From the late 1950s until the recent grading and development by the Port and Prologis, on the adjacent portions of Parcel 14, the site was listed and used as a dredge disposal site. This 17 plus acre portion of the site has been contemplated as a habitat site for some time as Wapato Creek borders two sides of the site.

The Lower Wapato Creek Habitat project began design in March of 2012 in conjunction with the Parcel 14 Grading project with a Commission Authorization of \$1,055,800. This Authorization was increased in February of 2013 by an additional \$559,200. Prior to going to bid staff returned to Commission for a third time with a Project Request in the amount of \$10,300,000. This request allocated \$5,400,000 for the Habitat Project which was to be completed under Master Identification No. 092861, and \$4,900,000 for the Grading project, Master Identification No. 092967.

The grading project was completed successfully at a cost of \$4,727,381 and led to the subsequent lease and development with Prologis. This project also established the layout and base grading for the SR 167/SR 509 Gateway Corridor across the site and the connection point to SR 509.

The Port had incurred \$591,026 to prepare the construction documents and necessary reports and submit for permits under Master Identification No. 092861. This project was closed in a previous year; therefore a new Master Identification is being requested. The Port was unsuccessful in obtaining the necessary federal permits to complete the habitat project due to Tribal concerns and the project was put on hold. Port and Tribal staff and elected officials have worked to address these concerns over the past several years and have agreed upon a mutually acceptable path forward. Due to this collaboration, staff feels that we have greater certainty of obtaining the necessary permits and therefore is recommending advancement of the design at this time.

Due to the time elapsed (2014 to 2019) staff is recommending that the previous Master Identification No. 092861 with a Commission Authorization of \$5,400,000 to be closed out and that a new Master Identification No. 101449.01 with an initial Commission Authorization of \$525,000 to be established to track the Project going forward. The previously spent costs under the former Master Identification No. will be tracked with this new project but not included in the new Master Identification No. nor in the new Commission Authorization.

This request under Master Identification No. 101449.01 will review the previously completed 90% design documents and related reports to ensure compliance with any code or requirement changes and update the design accordingly. The design team will also review the additional collected data from monitoring wells and address requests of the Tribe during this time. Upon completion of the design and permitting for the project, staff will return to Commission for approval to bid and construct the project.

The construction of the project will be separated into two major construction components. The first construction contract will complete the grading, stream meandering, and open bottom culvert at 12th Street. This contract will also stabilize the site in a manner that will support the subsequent planting. A second construction contract will procure and plant the site, provide necessary irrigation and subsequently maintain the plants for approximately 2 years following the installation. Upon completion of maintenance period the Port will continue to monitor and maintain the site under its Stewardship program for approximately another 8 years.

D. PROJECT DETAILS

Scope of Project:

- Validation of previous design documents and related reports
- Review of additional collected data and incorporation of Tribal comments
- Finalize design and permitting
- Construction and maintenance
- Monitoring and stewardship

Scope of Work for This Request:

- Validation of previous design document and related reports
- Review of additional collected data and incorporation of Tribal comments
- Finalize design and permitting

Schedule

Activity	Completion Date
Award design contract	October 2019
Finalize design	March 2020
Permitting	January 2021
Construction Phase I – Grading	November 2021
Construction Phase II – Landscaping	March 2023
Maintenance	December 2024
Monitoring and Stewardship	December 2033

E. FINANCIAL SUMMARY

Estimated Cost of Project

The total project cost including all previous costs and all stages is estimated at \$10,846,026.

Estimated Cost for This Request

The total previously spent on design and permitting is \$591,026. The total estimated cost of this request for the completion of Design and Permitting is \$525,000.

If the cost of this estimate is anticipated to exceed the authorized amount, additional Commission authorization will be requested.

Additional Commission authorization will be requested for the construction and maintenance phases of work.

Estimated Sales Tax

The total estimated sales tax to be paid to local and state governments for this project is \$693,000.

Cost Details

Spent to Date	\$591,026
This Request	\$525,000
Construction Phase I *	\$6,960,000
Construction Phase II *	\$1,400,000
Maintenance *	\$1,120,000
Monitoring and Stewardship	\$250,000
Estimated Project Total	\$10,846,026

* Construction phase estimates above are escalated estimated costs provided to the Port in 2014 to anticipated completion dates. These estimates also include a 30% contingency and anticipate bidding as two separate major construction projects rather than one project.

Source of Funds

The current Capital Investment Plan (CIP) allocates \$10,237,000 for this project. This amount includes what was previously spent. Additional funding will be requested during the 2020 budget cycle.

Financial Impact

The review of the previously completed 90% design may result in a non-cash write off of design work that cannot be used in the future. The maximum amount could be up to the full cost, \$591,026, of the original 90% design. This would only occur, if during the validation of the design, some or all of the design was found to be unusable in the design going forward. The write off would be expensed as non-operating expense in the year identified (2019 or 2020).

Project costs related to finalizing the design, permitting, construction and maintenance will be capitalized as a land improvement. There will be no depreciation since this will be a land asset. Project costs related to monitoring and stewardship will be expensed as incurred.

The value of the mitigation site will be included in any financial analysis that utilizes this site to mitigate for development such as the potential Thorne Road Property Development.

F. ECONOMIC INVESTMENT/JOB CREATION

This project will employ 10 – 20 construction employees during portions of the construction, maintenance and stewardship phases.

G. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS

Alternative 1) Do Nothing.

The site will remain vegetated. Ongoing maintenance and security will be required to maintain vegetation in accordance with local ordinances and ensure safety and security on the site.

Alternative 2) Complete the design and construction of the Habitat Site.

Approximately 17 acres of highly functioning habitat acreage, including improved fish habitat and passage, will be created offsetting impacts for planned and future development of industrial sites on Port owned properties.

Alternative 3) Develop the portion of the site outside of the buffer of Wapato Creek for commercial or industrial use.

Portions of the site will remain vegetated requiring ongoing maintenance and security. Remaining portions of the site could be developed for commercial or industrial use; however, the limited size and site constraints will limit development opportunities.

Alternative 2 is the recommended course.

H. ENVIRONMENTAL IMPACTS/REVIEW

Permitting:

The previously acquired permits have expired. New local, state and federal permits will be acquired. It is anticipated to take 9 to 12 months to obtain these permits.

Remediation:

Remediation of known contaminants was completed in conjunction with the grading project in 2015. No other known contamination is located on the site.

Stormwater:

The creation of the Habitat will have no impact on stormwater. The site is currently vegetated and will remain the same after construction.

Air Quality:

No impact on Air Quality.

I. PREVIOUS ACTIONS OR BRIEFINGS

None.

J. ATTACHMENTS TO THIS REQUEST

- Computer slide presentation.
- Habitat area graphics (3)

K. NEXT STEPS

Complete design and permitting and return to Commission for construction authorization in February 2021.





