

COMMISSION AGENDA

Item No: 3B

Meeting: 12/16/21

DATE: December 10, 2021

TO: Port Commission

FROM: Eric D. Johnson, Executive Director

Sponsor: Jason Jordan, Director, Environmental and Planning Services

Project Managers: David Myers, Engineering Project Manager II, and
Mark Rettmann, Environmental Project Manager II

SUBJECT: Wapato Creek Habitat Project Update

A. BRIEFING

Port staff will provide an update on Wapato Creek Habitat Project. No action is requested.

B. BACKGROUND

The Lower Wapato Creek project is situated on a vacant portion of Port Parcel 14 at the junction of Alexander Avenue, SR 509, and 12th Street. The Port has contemplated the use of this property as a habitat site for many years due to the proximity of Wapato Creek which flows along a portion of the southern boundary adjacent to 12th Street and western boundary adjacent to Alexander Ave.

This project is being developed as an advance mitigation site to generate advance mitigation credits for the use on future Port projects that have unavoidable impacts to wetlands, jurisdictional ditches, or fish habitat in Wapato Creek. In total, the project is anticipated to create an 18.52-acre habitat site with 10 wetland mitigation credits (acre-credits) in close proximity to a number of other habitat restoration sites along Wapato Creek and on the Commencement Bay Tidelands developed by the Port, Tribe, and other agencies for the benefit of fish and wildlife in the area. Wetland mitigation credits are assumed to have an approximate value of \$1.4 million per acre-credit for a total value approximately \$14 million. Staff is also confident that the Wapato Creek bridge crossing will generate enough fish credit to provide for a future crossing of Wapato Creek downstream of the project.

Separately, this project is contributing approximately 170,000 cubic yards of soil material to the future SR 167 completion project. This material has been stockpiled within the future SR 167 ROW on Parcel 14. The Project material in conjunction with the previously placed 29,600 CYs of material will be applied to the Port's \$30 million financial commitment to the SR 167 completion project. It is anticipated that these fill materials along with other physical improvements will have an estimated value to the Port of approximately \$4.5 million.

The project also moved approximately 8,500 cubic yards of duff material (organic laden topsoil) to Port Parcel 88 in support of the planned mine reclamation that will take place there.

Taking this material to Parcel 88 saved the project over \$350,000 in disposal costs and has an anticipated value at Parcel 88 of approximately \$150,000. Combined saving the Port over \$500,000.

Credits to the Port's financial commitment to the SR 167 completion project combined with the wetland mitigation credit value represents a total project value of approximately \$17.9 million. This is based on 9.5 acre-credits rather than the full 10 noted above. Acre credits will be determined at a future date based on site performance. Should the site perform fully as designed the value could reach \$18.6 million.

Construction of the project will be separated into two major construction contracts/phases. The first contract (Phase 1) which is currently under construction will complete the grading, stream meandering, installation of large woody material habitat features, a short span bridge at 12th Street crossing, power pole and line revisions and site stabilization. A second contract (Phase 2) will procure and install the plants, provide necessary irrigation and subsequently maintain the site for approximately 2 years following the installation. A separate request associated with this contract is anticipated in Q1 of 2022.

Another component of the project includes the dedication of 33' (.85 acres) of Right-of-Way (ROW) on the north side of 12th Street to the City of Fife. This dedication of land allows for the future expansion of 12th Street without impacts to the habitat site. This 12th Street ROW dedication area was contemplated during the 2015 Prologis development but was delayed so it would coincide with the development of the habitat site.

The short span bridge crossing of Wapato Creek on 12th Street will also be deeded to the City of Fife upon completion of the bridge. The bridge design has been coordinated with the City of Fife and Puyallup Tribe of Indians, again taking into consideration the future expansion of 12th Street. This bridge crossing also meets all agency and Tribal requirements for the passage of fish and allows for unimpeded flows during rain and tidal events.

In conjunction with the bridge crossing multiple utilities in the area have been relocated. A 2" Puget Sound Energy gas line, a 12" City of Fife watermain, both aerial and buried communications cable and Tacoma Public Utilities (TPU) 12.4 KV aerial distribution lines were temporarily or permanently relocated and reinstalled to accommodate the bridge construction. Costs associated with these relocations are contemplated within the project budget. Considerations for future permanent installation of utilities will be installed in conjunction with the bridge construction and will be located within the new 63' ROW.

In order to re-meander Wapato Creek back onto the site, partially in its historic channel, and to prevent future impacts to the habitat site, modifications had to be made to existing TPU power lines adjacent to Alexander Avenue. The project removed two wood power poles and installed three new steel monopoles, replaced one adjacent wood pole and installed a "push pole" on a second adjacent pole. These new poles allow the 115 KV transmission and 13.8 distribution lines and associated communication cables to clear span the habitat site. These poles are also being designed to take into consideration both Phase 1b and 2 of the SR 167 expansion projects. These poles, conductors and other components will be dedicated to TPU upon completion of the Phase 1 construction project. The existing easement(s)

associated with the current lines have been modified to address the new physical locations of the poles and conductors. No other modifications are being considered.

C. SCOPE OF WORK

- Validation of previous design documents and related reports – complete
- Review of additional collected data and incorporation of Tribal comments – complete
- Permit applications, documents, and drawings – complete
- Finalize design and permitting – complete
- Construction: grading (Phase 1) – in progress
- Planting/irrigation/maintenance (Phase 2)
- Monitoring and stewardship

Activity	Est. Completion Date
Project Authorization & Award design contract	December 2019 (completed)
Finalize design validation & submit permit applications	May 2020 (completed)
Purchase Order for Power Poles	January 2021
Finalize permits, design and bid documents	April 2021
Construction Phase 1 – Grading	February 2022
Construction Phase 2 – Landscaping Authorization	Q1 2022
Purchase Order(s) for plants	Q1 2022
Construction Phase 2 – Landscaping	Q2 2023
Maintenance/Establishment	December 2024
Monitoring and Stewardship	December 2033

D. FINANCIAL SUMMARY

Estimated Cost of Project

The total current project cost estimate including all stages through the Maintenance/Establishment period is estimated at \$16,810,000. This includes escalation for construction in years 2021-2024 and appropriate levels of contingency on the construction estimates. The sum of \$591,026 was spent in 2014 on the initial design of the project. The project cost estimate including that spent in 2014 totals \$17,401,026.

Cost Details

Current Authorizations	\$ 1,325,000
Last Request including Phase I Construction - Grading*	\$ 12,170,000
Construction Phase 2 - Landscaping **	\$ 1,960,000
Construction Phase 2 - Maintenance/Establishment ***	\$ 1,355,000
Estimated Project Total	\$ 16,810,000

\$591,026 was previously spent in 2014 on design associated with this project.

Construction phase estimates above include contingency, consultant and staff time.

** Construction Phase 1 – Grading includes a 4% escalation factor for 2021 construction.*

*** Construction Phase 2 – Landscaping includes a 4% escalation factor for 2022/2023 construction.*

**** Maintenance/Establishment Period includes a 5% escalation factor for 2023/2024 construction.*

Construction phases 1 and 2 will be bid independent of each other. Maintenance/Establishment will be included in the Landscaping phase

Monitoring and Stewardship in out years 2025 thru 2033 is anticipated to cost approximately \$250,000.

Source of Funds

The current Capital Investment Plan (CIP) allocates \$16,810,000 for this project. This amount does not include the \$591,026 that was previously spent on the 2014 project (MID 092861).

Financial Impact

A non-cash write-off of \$112,238 was recorded in 2020 as non-operating expense for the previously completed 2014 design work that cannot be used.

Project costs associated with the power poles and bridge (approximately \$3,300,000) will be recorded as non-operating expense when incurred. These non-operating expenses are included in the 2021 budget.

Remaining project costs, except for monitoring and stewardship, 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 recorded as an operating expense when incurred.

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

The approximately 170,000 cubic yards of soil provided to the SR 167 completion project along with other improvements will result in approximately \$4.5 M credit towards the \$30 M commitment the Port has made towards the construction of SR 167. This is in addition to the value of the land on Parcel 14 that will be transferred to the State for the SR 167 completion project. The \$30 M in expense has been recognized in prior years' financials.

E. ENVIRONMENTAL IMPLICATIONS/REVIEW

Permitting & Habitat: All permits have been received. The habitat benefits and mitigation credits generated from the site are provided in Section B above.

Remediation: Remediation of known contaminants was completed in conjunction with the grading project in 2015. Arsenic removal was completed at the beginning of this construction project.

Stormwater: A storm water line from an adjacent property south of 12th street was encountered during construction. A new storm system is being installed within the ROW of 12th Street to connect this line to the existing Fife owned storm drain system further to the east.

Air Quality: The completed project will have no impact on Air Quality.

F. PREVIOUS ACTIONS OR BRIEFINGS

<u>Date</u>	<u>Action</u>	<u>Amount</u>
March 2012	Port of Tacoma Commission Authorization	\$600,000
September 10, 2019	Port of Tacoma Commission Authorization	\$525,000
July 16, 2020	Port of Tacoma Commission Authorization	\$800,000
January 21, 2021	Port of Tacoma Commission Authorization	12,170,000
TOTAL		\$14,095,000

G. ATTACHMENTS TO THIS REQUEST

- Computer slide presentation.

H. NEXT STEPS

Execute agreements and amend utility easements. Complete Phase 1 construction and return to Commission for Phase 2 construction authorization in Q1 2022.