

Item: 6B

Date: 6/16/26

Arkema Manufacturing Area

Project Authorization Increase

Brett Ozolin, P.E.

Engineering Project Manager II

Port of Tacoma Commission Meeting

Date: June 16, 2026



Action Requested

Request project authorization in the amount of \$2,000,000 for a total authorized amount of \$12,862,000, for work associated with the Arkema Manufacturing Area, Project ID #101585.01.

The former Arkema Manufacturing Property is regulated under a 2011 Ecology Agreed Order requiring completion of an RI/FS/CAP under MTCA. An Interim Action Work Plan (IAWP) has been developed to:

- Install a **containment wall around the Penite Pits** (highest contamination area)
- Construct a **site-wide asphalt cap (~24 acres)** to reduce exposure and infiltration

The containment wall's performance will directly influence future remedial requirements.

The previous commission action included two requests:

- Authorization to enter the first amendment to the Agreed Order No. DE 5668 with the Washington Department of Ecology
- Project authorization to construct the containment wall

Estimated construction cost for the containment wall has increased by \$2,000,000 due to shifting scope of work from site capping phase to containment wall phase.

Planned Phasing

- **Phase 1 (2026):** Containment wall construction
- **Phase 2:** Asphalt cap (24 acres)
- **Phase 3:** NBA area integration (~6 acres)
- **Phase 4:** Source control within wall (TBD approach)
- **Phase 5:** Final capping of wall area (~9 acres)

IAWP
Elements

Background



Demolition Scope Expansion (Primary Driver)

- Phase 1 and Phase 2 designs were **developed separately**, with incomplete cost integration
- Key demolition costs (foundations, slab, pavement) were **not transferred** into the Phase 1 estimate
- Initial estimate only included demolition within the **wall corridor**, not the full **9-acre work area**

Updated Requirement:

- Remove obstructions inside the wall for grading and drainage
- Remove adjacent structures to enable construction access and stormwater grading

Impact:

- ~60–75% of Phase 2 demolition scope shifts into Phase 1
- Demolition costs increased by **~\$1.2M (base)** and **~\$1.4M with contingency**

Unit Cost Escalation

- External project (Occidental Site) identified underestimated demolition difficulty
- Field verification (core drilling, March 2026) confirmed foundations up to **3x thicker than assumed**

Impact:

- Demolition unit rates increased **~4x**
- Significant increase in calculated volumes and total costs

Backfill Cost Shift

- Additional \$300k increase due to:
- Required import of high-quality backfill for storm trenches
- Material previously assumed to be available during Phase 2

Background

Looking Towards Hylebos



Looking Towards Taylor Way



- Site Contains Historic Remnant Concrete Foundations, Asphalt Pavement and Gravel Surface

Remains of Manufacturing Area

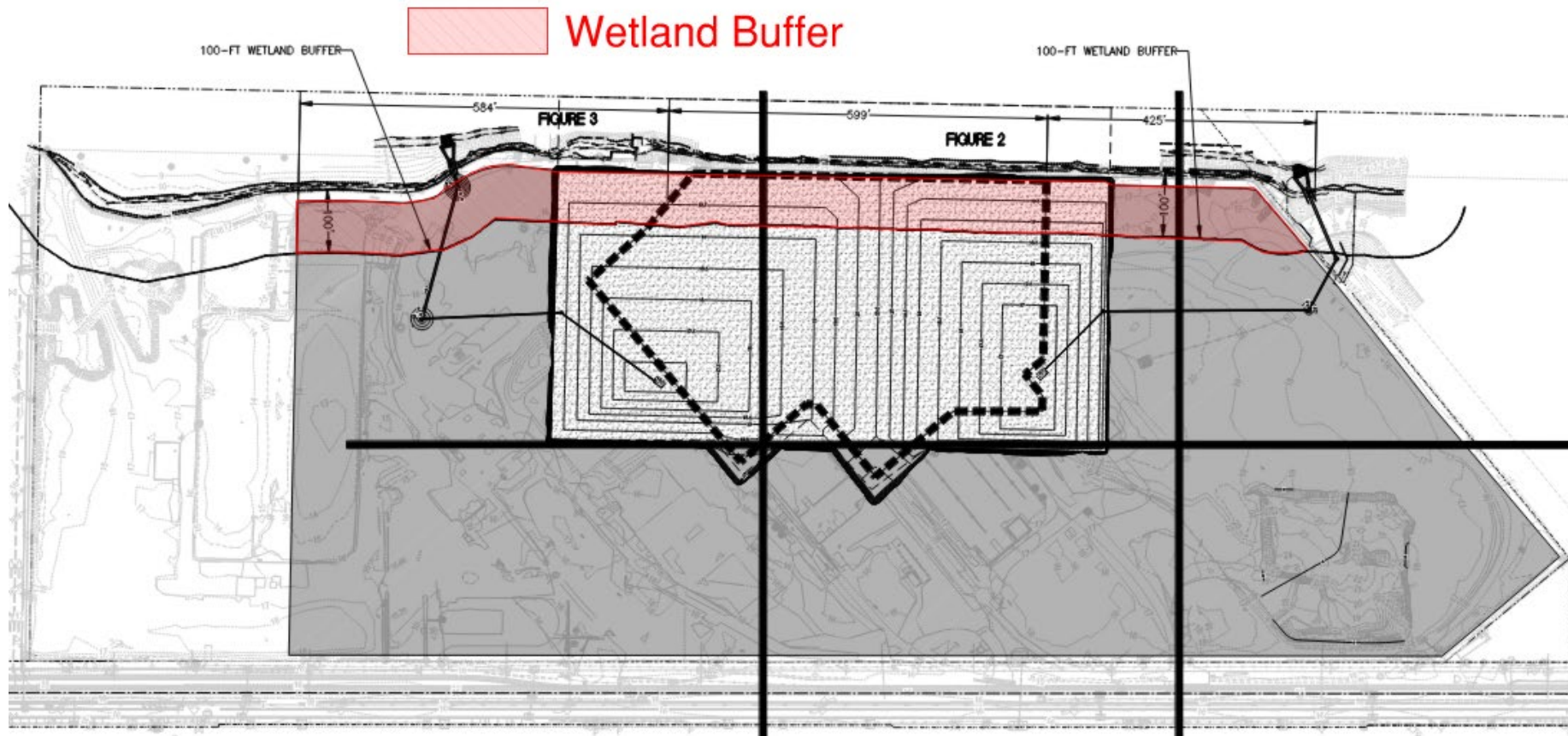


First Person View of Foundations



Project Risk

- MTCA related work is not permitted by City of Tacoma, but follows permit requirements to the extent possible
- Ecology has NOT made a final decision on City shoreline permit comments
- Mitigating for shoreline vegetation or adjust design would increase project costs



Activity	Timeframe
Advertise for Bid	June 23, 2026
Open Bids	August 4, 2026
Notice of Award	August 14, 2026
Substantial Completion	October 15, 2027
Final Completion	November 15, 2027

Financial Summary (Current)

Item	This Request	Total Previous Requests	Total Request	Total Project Cost	Cost to Date	Remaining Cost
Design	\$0	\$2,542,000	\$2,542,000	\$2,542,000	\$1,900,000	\$642,000
Construction Wall	\$2,000,000	\$8,320,000	\$10,320,000	\$10,320,000	\$0	\$10,320,000
Construction Capping	\$0	\$0	\$0	\$28,600,000	\$0	\$28,600,000
Project Total	\$2,000,000	\$10,862,000	\$12,862,000	\$41,462,000	\$1,900,000	\$39,562,000

Financial Summary (Previous)

Item	This Request	Total Previous Requests	Total Request	Total Project Cost	Cost to Date	Remaining Cost
Design	\$0	\$2,542,000	\$2,542,000	\$2,542,000	\$1,448,000	\$1,094,000
Construction Wall	\$8,320,000	\$0	\$8,320,000	\$8,320,000	\$0	\$8,320,000
Construction Capping	\$0	\$0	\$0	\$30,000,000	\$0	\$30,000,000
Project Total	\$8,320,000	\$2,542,000	\$10,862,000	\$40,862,000	\$1,448,000	\$39,414,000

- Permitting – Substantive permits through City of Tacoma, Army Corps Permit for Outfall installation
 - Subsequent phases to require City Work Order permits
- Remediation – Interim action to decrease arsenic transport to surface water and sediments prior to final clean up action
- Stormwater – Construction stormwater permit acquired, design includes treatment and site will fall under Port's MS4
- Air Quality – No significant air quality issues

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Thank You

Questions & Discussion



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