

# COMMISSION AGENDA

Item No: 6C

Meeting: 9/15/22

**DATE:** September 2, 2022

**TO:** Port Commission

**FROM:** Eric D. Johnson, Executive Director

Sponsor:

Project Manager: Rob Healy, Environmental Senior Project Manager

**SUBJECT:** EPA Brownfields Grant Acceptance and Project Authorization: Strategic Property Acquisition Support

## A. ACTIONS REQUESTED

1. Request authorization to enter into a grant agreement with the U.S. Environmental Protection Agency for \$500,000 for Site assessment work in the Tacoma Tidelands.
2. Request project authorization in the amount \$550,000 for a total authorized amount of \$550,000, for the project Strategic Property Acquisition Support, Master Identification No. 101603.01.

## B. SYNOPSIS

The Port of Tacoma was selected to receive a \$500,000 Brownfields Assessment Grant by the EPA to assist in efforts to bring brownfields and other high-priority sites within the Tacoma Tidelands back into productive use. This grant will be used to support property acquisition, environmental due diligence, and cleanup planning at strategic properties in the Tacoma Tidelands.

## C. BACKGROUND

In May 2022, the EPA selected the Port of Tacoma for a \$500,000 Brownfields Assessment grant. This assessment grant can be used for developing inventories of brownfield sites, prioritizing sites, conducting community involvement activities, conducting planning, conducting site assessments, developing site-specific cleanup plans, and developing reuse plans related to brownfield sites. A portion of the Assessment Grant funding must be used to conduct site assessments. Assessment Grant funds may not be used to conduct cleanup activities. The cost of assessment activities carried out at each approved, eligible site may not exceed \$200,000 per grant.

The Port applied for this grant in December 2021. The target area for the grant is the Tacoma Tidelands Manufacturing Industrial Center. The Port's application highlighted three priority areas due to their underutilization, suspected contamination, potential to stimulate economic growth, and opportunities for habitat protection and enhancement. While these priority areas demonstrate need, grant funding may be used for any property within the target area provided the Site is determined to be eligible.

**Central Peninsula Site:** The Port has prioritized a cluster of smaller vacant/underutilized brownfields in the heart of the target area for assembly into the 244-acre Central Peninsula Site due to their underutilization and strategic central location for expanding Port capacity, attracting new business, and spurring job creation. The past and current uses of these properties along the 11<sup>th</sup> Street corridor include metal fabrication, engine servicing, warehousing, outdoor storage, and materials loading and distribution on a rail line that bisects the area. Suspected contaminants include metals, solvents, and petroleum as well as asbestos and lead paint in buildings.

**459 E 15<sup>th</sup> Street** (aka Wheeler Osgood, proposed Port Maritime Campus): The vacant 3.5-acre 459 E 15<sup>th</sup> Street brownfield is a priority due to residual contamination that is a barrier to the Port's plan to reuse the site as the Port's future Maritime Center campus with associated habitat restoration. Petroleum contamination has been identified in soil and groundwater from past fuel storage and distribution, but additional assessment is needed to evaluate the extent of impacts. Heavy metals are suspected from industrial slag used in rail beds and foundry operations. Asbestos and lead paint are suspected in aging dilapidated structures on the site.

**Marc Avenue Area:** A third high priority brownfield is the Marc Avenue Area, a 70-acre cluster of vacant/underutilized waterfront and upland brownfields with contamination suspected to include metals, fuels/petroleum, and solvents from a former landfill, food processing operations, materials storage and distribution, asbestos and lead paint in buildings, and an adjacent rail line. In addition to its potential to spur economic development, the Marc Avenue Area is a high priority due to suspected contaminants in groundwater that may be impacting the adjacent Puyallup River, as well as opportunities to restore riparian habitat.

The EPA Brownfield Grant will enable the Port to foster new business and job opportunities, enhance environmental quality and access to open spaces, and address environmental justice (EJ) disparities in the surrounding community.

#### **D. SUMMARY OF GRANT TERMS AND PROJECT DETAILS**

As an applicant the Port was required to describe how funding will help the EPA achieve environmental outputs and outcomes relative to the ranking criteria. Following the award notification, Port and EPA staff began negotiating a workplan to identify specific deliverables that will be used to report progress to the EPA during the project performance period. The identified deliverables are organized by the following four project tasks.

**Task 1 - Project Management:** Project management requirements of the grant include quarterly progress reports, regular updates of EPA's Assessment, Cleanup & Redevelopment Exchange System (ACRES) database, three Disadvantaged Business Enterprise and three (3) Federal Financial Reports, and a Final Performance Report.

**Task 2 - Community Engagement:** As part of Community Engagement requirements of the grant, the Port must prepare a Public Involvement Plan (PIP) and form a Brownfield Advisory Committee (BAC), inviting various organizations to join to expand the community's ability to participate in brownfield revitalization. The BAC is required to meet quarterly. Other community engagement activities include press releases, fact sheets, and regular social media posts.

**Task 3 – Site Inventory and Phase I and II Environmental Site Assessments:** Deliverables for this task include a Tidelands Brownfields Inventory Report, eligibility forms for each proposed

site, quality assurance plans, sampling plans, access agreements, health and safety plans, and Phase I and II Environmental Site Assessment Reports.

**Task 4 – Cleanup and Reuse Planning:** Deliverables for this task include site specific brownfield cleanup and/or reuse plans.

The period of performance for this grant is four years: October 1, 2022, through September 30, 2026.

**E. FINANCIAL SUMMARY**

**Estimated Cost of Project**

The total project cost is estimated at \$550,000. This includes \$500,000 in grant reimbursable expenses including consulting and Port staff time, and an additional \$50,000 for non-reimbursed Port staff time.

**Estimated Cost for This Request**

The total estimated cost for this project is \$550,000. If the cost of this estimate is anticipated to exceed the authorized amount, additional Commission authorization will be requested.

**Cost Details**

Item	This Request	Total Previous Requests	Total Request	Total Project Cost	Cost to Date	Remaining Cost
<b>TOTAL</b>	<b>\$550,000</b>	<b>\$0</b>	<b>\$550,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Source of Funds**

The current Capital Investment Plan (CIP) doesn't currently allocate any budget for this project. It will be updated during the 2023 budget process.

**Financial Impact**

Project costs will be expensed as incurred. Grant funds will be recorded as non-operating grant income when reimbursement is requested.

The Port's portion of \$50,000 will be recorded as operating expense to cover staff time.

**F. ECONOMIC INVESTMENT/JOB CREATION**

Bringing Tidelands brownfields back into productive use is critical for the economic health of the Port and region. Tacoma's demand for industrial space continues to exceed its supply. Using grant funds to prepare brownfields for reuse will fill the demand for industrial land and leverage the Port's multiplier effect on job creation. Every job in the Port directly related to cargo movement supports an additional 2.9 jobs in the state. In addition to stimulating new businesses and jobs, redevelopment of Tidelands brownfields will expand this tax base and the community services the state can provide.

**G. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS**

Alternative 1: Do not accept this grant.

Alternative 2: Accept this grant.

**Alternative 2 is the recommended course.**

**H. ENVIRONMENTAL IMPACTS/REVIEW**

Permitting: Not applicable

Remediation: This grant will support property acquisition due diligence, and possibly site assessment and cleanup planning of current Port properties.

Stormwater: Not applicable

Air Quality: Not applicable

**I. PREVIOUS ACTIONS OR BRIEFINGS:** None.

**J. ATTACHMENTS TO THIS REQUEST:** Slide presentation

**K. NEXT STEP:** Procure a consultant to support the management and execution of the grant.