

PROJECT ACTION MEMO

Port of Tacoma Commission



Item No: 6A
Meeting Date: 7/16/26

DATE: July 7, 2026
TO: Port of Tacoma Commission
FROM: Eric Johnson, Executive Director
Sponsor: Jason Jordan, Sr. Director, Environmental & Planning Services
Project Manager: Melisa Kegans, Environmental Project Manager I
SUBJECT: Parcel 103 Steam Plant Environmental Clean Up (Project ID #101243.01)

A. ACTION REQUESTED

Request project authorization in the amount of \$870,000 for a total authorized amount of \$3,525,000 to finalize the Remedial Investigation and prepare the Feasibility Study and Cleanup Action Plan for the Parcel 103 Steam Plant property (Project ID #101243.01).

Strategic Plan Initiative:

EL 1: Remediate contaminated Port properties in a manner that ensures protection of human health and the environment while enabling economic development.

B. SYNOPSIS

The Port of Tacoma and Tacoma Power are jointly advancing cleanup planning for the Parcel 103 Steam Plant Site. Since the 2023 Commission authorization, the remedial investigation (RI) has been completed, and a draft RI report has been submitted to Ecology for review. This request authorizes the next phase of cleanup planning: finalization of the RI report, preparation of the Feasibility Study (FS), and subsequent draft Cleanup Action Plan (dCAP), which will evaluate cleanup alternatives and identify a preferred cleanup approach for Ecology review and future implementation.

C. BACKGROUND

In October 2020, Commission authorized a settlement and cost-sharing agreement with Tacoma Power. Tacoma Power paid the Port \$661,263 for reimbursement of past costs and agreed to fund 84% of future project costs through implementation of the cleanup.

In August 2021, the Commission authorized \$200,000 to complete pre-remedial investigation tasks, including an environmental database management system, screening-level technical memorandum, data gaps analysis, and preparation of the RI work plan.

In July 2023, the Commission authorized additional funding to implement the RI. The investigation evaluated soil, groundwater, and shoreline conditions to characterize impacts from historical steam plant operations.

The investigation confirmed that contamination is present but generally limited in extent and concentrated in specific areas, primarily associated with historical site activities and shoreline materials. Identified contaminants include metals and petroleum-related compounds, with some localized impacts to groundwater and sediment exceeding regulatory benchmarks. However, these impacts are manageable, largely stable, and in some cases improving as a result of prior cleanup actions, providing a clear basis to advance cleanup planning.

The Site is currently enrolled in Ecology’s Voluntary Cleanup Program for regulatory feedback. The draft RI report was submitted to Ecology in June 2026, with review anticipated to take up to six months, a typical conservative estimate for this stage. To maintain project momentum and the overall cleanup schedule, staff recommend proceeding with development of the Feasibility Study (FS) during this review period. Tacoma Power supports this authorization request and, consistent with the cost-sharing agreement, will fund 84% of future project costs as the project advances through cleanup planning and implementation. The property is currently leased to TOTE.

D. PROJECT DETAILS

Scope of Project:

- Remedial Investigation
- Feasibility Study
- Draft Cleanup Action Plan

Scope of Work for This Request:

- Finalize the RI Report based on pending Ecology comments
- Develop the Feasibility Study
- Develop the Draft Cleanup Action Plan
- Continue coordination with Tacoma Power on final remedy implementation

Schedule:

Finalize Feasibility Study	Q2 2027
Finalize Cleanup Action Plan	Q4 2027
Return to Commission for Cleanup Implementation Authorization	2028

E. FINANCIAL SUMMARY

Estimated Cost for This Request

Additional funds in the amount of \$870,000 are requested to complete the RI and develop the FS and dCAP. In accordance with the settlement and cost sharing agreement, Tacoma Power will pay 84% of consultant costs, plus a flat fee of \$20,000 a year to compensate the Port for project management. Costs for cleanup implementation are not currently estimable.

Source of Funds

The 2026-2030 Capital Investment Plan allocates \$1,225,000 for this project, with the total expected cost estimated at \$1,505,000. The budget will be updated as needed to reflect changes in project scope.

Consistent with the cost-sharing agreement, Tacoma Power will fund 84% of future project costs as the project advances through cleanup planning and implementation. To date, Tacoma Power has reimbursed a total of \$2,200,000 to the Port.

Financial Impact

Project costs associated with the environmental and cleanup investigations (Project ID #101243.01) reduced by settlement proceeds, will be capitalized as a land (Environmental). There will be no depreciation since this will be a land asset.

F. ECONOMIC INVESTMENT/JOB CREATION

Environmental cleanup of the property will clear obstacles for future site redevelopment by addressing environmental liabilities and identifying the appropriate corrective actions. This phase does not directly create jobs, but it supports future redevelopment and long-term productive use of the property.

G. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS

Alternative 1) Do nothing.

Alternative 2) This request. Advancing the FS and dCAP is the next necessary step to move the project from investigation to remedy selection and keep cleanup planning on schedule.

Alternative 2 is the recommended course.

H. ENVIRONMENTAL IMPACTS/REVIEW

Permitting: The Port’s Comprehensive Mitigated Maintenance Programmatic permits will cover any additional sampling needed. No other permits are anticipated for this cleanup planning phase.

Remediation: This is a remediation project. The completed RI will be used to evaluate cleanup alternatives in the FS and support preparation of the dCAP.

Stormwater: Not applicable for this phase of the work.

Air Quality: Not applicable for this phase of work.

I. PREVIOUS ACTIONS OR BRIEFINGS

Date	Action	Amount
May 20, 2010	Contract Authorization – Cleanup Investigation	\$427,000
March 10, 2015	Project Authorization Increase – Cleanup Investigation	\$298,000
April 19, 2018	Authorization of change in scope from Cleanup Investigation to Cost Recovery	\$0
October 15, 2020	Settlement Agreement and Additional Project Authorization	\$30,000
August 19, 2021	Project Authorization Increase – pre-RI tasks	\$200,000
July 18, 2023	Project Authorization Increase – Remedial Investigation	\$1,700,000
TOTAL		\$2,655,000

J. **NEXT STEPS**

Staff will initiate development of the FS while awaiting Ecology's review of the draft RI, allowing progress to continue without delay. Following receipt of Ecology's comments, staff will finalize the RI, advance the FS and draft Cleanup Action Plan, and continue to coordinate with Tacoma Power and Ecology on remedy selection. Staff will return to Commission for authorization prior to moving into cleanup implementation.