

Item: 6D

Date: 12/17/2024

Authorization to Use Port of Tacoma Advance Mitigation Credit

Tony Warfield

Sr. Manager, Environmental

Port of Tacoma Commission Meeting

December 17, 2024



Staff request Commission authorization for Port of Tacoma and NWSA use of Port of Tacoma Advance mitigation credit from the Place of Circling Waters Advance Mitigation Site to cover mitigation liabilities for the Totem Ocean Trailer Express (TOTE), Pierce County Terminal (PCT), and Middle Blair (Knuckle) maintenance dredges for a total of 0.06 Wetland Acre-Credit and 1.86 Fish credits.

- Place of Circling Waters built larger than originally planned to remove contamination 2010-2012
- Worked with resource agencies to obtain Advance credit for use on Port projects.

Place of Circling Waters



Current POCW Ledger

Action	AC Used	AC Remaining	DSAY Used	DSAY Remaining
Beginning Balance 2012	--	3.52	--	114.23
Arkema Mound Clean Up	0.09	3.43	1.49	112.74
North Lead Tracks	0.02	3.42	0.49	112.26

AC: Wetland Acre Credit

DSAY: Discounted Service Acre Year (Fish credit)

- NMFS 2018 Policy Change
- Ports of Seattle and Tacoma Comprehensive Repair and Maintenance Programs

Credit/Market Value

Project	DSAY	Market Value	Responsibility*
TOTE Maintenance Dredge	0.47	\$66,270	NWSA
PCT Maintenance Dredge	0.90	\$126,900	NWSA
Middle Blair Maintenance Dredge	0.49	\$69,090	Port

* According to the Charter the NWSA is financially responsible for dredging in berth areas and the Homeports are financially responsible for navigation channels.

POCW Ledger Post Dredges

Action	AC Used	AC Remaining	DSAY Used	DSAY Remaining
Original Balance 2012	--	3.52	--	114.23
Arkema Mound Clean Up	0.09	3.43	1.49	112.74
North Lead Tracks	0.02	3.42	0.49	112.26
<i>TOTE Maintenance Dredge</i>	<i>0.01</i>	<i>3.41</i>	<i>0.47</i>	<i>111.79</i>
<i>PCT Maintenance Dredge</i>	<i>0.03</i>	<i>3.38</i>	<i>0.90</i>	<i>110.89</i>
<i>Middle Blair Maintenance Dredge</i>	<i>0.02</i>	3.36	<i>0.49</i>	110.40

AC: Wetland Acre Credit

DSAY: Discounted Service Acre Year (Fish credit)

Italicized text indicates current liability proposed as part of this request

Total Project Cost When Value of Credits Added

Project	DSAY	Market Value	Total Project Cost
TOTE Maintenance Dredge	0.47	\$66,270	\$636,270
PCT Maintenance Dredge	0.90	\$126,900	\$1,611,900
Middle Blair Maintenance Dredge	0.49	\$69,090	\$4,069,090

- The Port will receive payment from the NWSA through an Interlocal Agreement of \$193,170 for the credits associated with the NWSA TOTE and PCT maintenance dredge projects.
- The NWSA will recognize a \$193,170 expense for the use of the credits. Therefore, the Port of Tacoma will net 50% of the value [\$96,585] due to the 50%/50% cost split of NWSA expenses.

- **No Action:** Do not conduct maintenance dredging.
Pros: Save on construction costs and save mitigation credit.
Cons: Port operations continue to degrade
- **Mitigate with Bank Credits:**
Pros: Perfect clarity as to applicability to credits required under ESA.
Cons: Use of an asset that could be sold on open market.
- **Purchase Credits on Open Market:**
Pros: Would save current credit balance
Cons: Would expend current funds when Port is currently well position to cover its current and 10-Year mitigation liabilities.
- **Recommended Action:**
Use Advance credits to cover mitigation liability for all three dredge jobs.

- Complete NWSA/POT ILA. Request ILA authorization at January Managing Members
- Present potential bank sale, total mitigation balance and ten-year use model POT Commission January 2025
- Based on as-built survey, determine final mitigation liability with NMFS
- Update Advance mitigation ledger as necessary

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Thank You

Questions & Discussion



Tony Warfield
Sr. Manager, Environmental
Twarfield@portoftacoma.com