

PROJECT ACTION MEMO

Port of Tacoma Commission



Item No: 6C
Meeting Date: 7/16/24

DATE: July 9, 2024
TO: Port of Tacoma Commission
FROM: Eric Johnson, Executive Director
Sponsor: Debbie Shepack, Real Estate Director
Project Manager: Kyle Smith, Engineering
SUBJECT: 4012 SR 509 Building and Rail Demolition (Master ID # 101650.01)

A. **ACTION REQUESTED**

Request project authorization in the amount \$1,350,000 for a total authorized amount of \$1,700,000, for work associated with the 4012 SR 509 Building and Rail Demolition, Master Identification No. 101650.01.

Strategic Plan Initiative: EV-1.

B. **SYNOPSIS**

Several of the structures on this property are structurally unsound and beyond their useful life. This project will remove the railroad tracks and demolish some of the buildings located at 4012 St Rt 509 to make the site usable for a future tenant.

C. **BACKGROUND**

The property at 4012 SR509 is the former home of Progress Rail and has been vacant since 2021. There are several small structures that would not be usable by new tenants and one large shop building that is structural deficient. By demolishing these buildings and removing the railroad tracks the site can be repurposed to suit another tenant doing business in the tide flats.

D. **PROJECT DETAILS**

Scope of Project:

- Remove all railroad tracks from property and dispose/recycle as appropriate. Port Maintenance has completed this work.
- Demolish structures that are no longer safe for occupancy.
- Decommission utilities associated with demolished buildings.

Scope of Work for This Request:

- Demolish structures that are no longer safe for occupancy.
- Decommission utilities associated with demolished buildings.

Schedule:

Advertise for Bid	September 2, 2024
Open Bids	September 30, 2024
Notice of Award	October 14, 2024
Substantial Completion	December 31, 2024
Final Completion	January 31, 2025

E. FINANCIAL SUMMARY

Estimated Cost of Project

The total project cost including all stages is estimated at \$1,700,000.

Estimated Cost for This Request

The total estimated cost of the Construction for this project is \$1,522,000. If the cost of this estimate is anticipated to exceed the authorized amount, additional Commission authorization will be requested.

Estimated Sales Tax

The total estimated sales tax to be paid to local and state governments for this project is \$88,000.

Cost Details

Item	This Request	Total Previous Requests	Total Request	Total Project Cost	Cost to Date	Remaining Cost
DESIGN	\$ 0	\$ 178,000	\$ 178,000	\$ 178,000	\$ 83,000	\$ 95,000
CONSTRUCTION	\$ 1,350,000	\$ 172,000	\$ 1,522,000	\$ 1,522,000	\$ 193,000	\$ 1,329,000
TOTAL	\$ 1,350,000	\$ 350,000	\$ 1,700,000	\$ 1,700,000	\$ 276,000	\$ 1,424,000

Source of Funds

The current Capital Investment Plan (CIP) allocates \$1,722,000 for this project.

Financial Impact

Project costs will be expensed as incurred.

F. ECONOMIC INVESTMENT/JOB CREATION

Progress Rail paid the Port \$1.7M upon vacating the property to facilitate the demolition of unusable structures and railroad track.

G. ENVIRONMENTAL IMPACTS/REVIEW

Permitting: The project will require SEPA review and potentially review under the City of Tacoma’s Critical Area Ordinance (likely formal exemption)

Remediation: Releases of hazardous substances occurred during prior tenant operations as a locomotive repair facility. The Department of Ecology assigned these releases a finding for “No Further Action” on December 2, 2022.

Stormwater: Construction stormwater best management practices will be implemented during demolition activities.

Air Quality: Recycle/reuse of materials per www.epa.gov/smm/sustainable-management-construction-and-demolition-materials, as feasible.

H. **PREVIOUS ACTIONS OR BRIEFINGS**

Date	Action	Amount
November 1, 2023	Executive Authorization for Design and Rail Removal	\$350,000
TOTAL		\$350,000

I. **NEXT STEPS**

- Obtain the necessary permits.
- Solicit contractor bids and award contract.
- Complete demolition in Q3/Q4 of 2024.