

Port of Tacoma Semi-Annual Project Progress Report

July-December 2022



Port of Tacoma Commission

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Executive Director

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Introduction

Created by Pierce County citizens in 1918, the Port of Tacoma is a powerful economic engine in Pierce County and throughout the State of Washington, creating significant private investment and family-wage jobs within the region. Port activities account for more than 29,000 jobs and contribute more than \$223 million each year in state and local taxes that support schools, roads, police, and fire protection.

The intent of this report is to provide Port Commission with high level information on the status of Port's projects.

About the Report

The report will provide general information on the project description, status, significant developments, schedule, cost, and risks. The Port implements a number of different types of projects and not all information may be relevant to a specific report; as such, the reports may vary in detail and content.

The report includes the project name, project number, authorized amount, project phase, current estimate at completion, cost to date, and schedule completion date. The report also includes information on status related to scope, schedule, and budget.

- **Authorization:** Authorization of spending, agreements, administrative actions, real property actions, and other items as outlined by the Master Policy by the Commission or Executive Director or the Executive Director's delegate. Authorizations are frequently phased parallel to specific project stages. For example, the Executive Director may authorize preliminary work up to the delegated signature authority of \$300,000 for assessing the opportunity and conceptual design. Port Commission would typically authorize work, in a phased or staged approach, for design and then construction.
- **Project Cost:** Addresses the total estimated cost of the project and includes information on the overall project cost status, recent Commission authorizations, and any variances such as forecasted overruns or savings.
- **Current Estimate:** The current estimate represents the expected cost of the project at the time the quarterly report is prepared and submitted. It represents the total estimated cost anticipated for completion of the project.
- **Cost to Date:** The cost to date are actual costs that are recorded in the accounting system as project costs. Cost to date represents a specific date, typically the last day of the reporting quarter.

- **Significant Developments:** Covers items such as accomplishments, significant events or milestones, contract advertisements and awards, upcoming activities, environmental issues, and scope changes.
- **Schedule:** Includes information on the project schedule, including variances since the last report such as contract extensions and information on critical dates.
- **Risks:** Describes any significant risk of delay, any significant risk to cost, or any significant change orders.

These reports are intended to meet the reporting requirements of the Port's Master Policy, paragraph IV. C. (1).

Port of Tacoma
Semi-Annual Project Progress Report
January-June 2022



| No. | MID No. | Project Title | Page | Phase | Overall Project Status | Schedule | Budget |
|-----|---|--|-------|--------------|------------------------|----------|--------|
| 1 | 092135, 092134, 101215.01 | Mouth of the Hylebos | 6-7 | M | | ✓ | ✓ |
| 2 | 092819, 092839 | PQ Contamination - 1201 Taylor Way | 8-9 | PL | | | |
| 3 | 094217, 101312.01 | Alexander Avenue Former Tank Facilities AO DE-9835 | 10-11 | RI/FS & DCAP | | ✓ | ✓ |
| 4 | 101287.01, 101287.02, 095208 | Parcel 1B (EBC) Cleanup | 12-13 | D | | ✓ | ✓ |
| 5 | 096201 | Arkema RI/FS/CAP AO DE-5668 - 2901 & 2920 Taylor Way | 14-15 | PL | | | |
| 6 | 101042.01, 101042.02 | Parcel 91 Cleanup Investigation & Cost Recovery | 16-17 | PL | | | |
| 7 | 101082.01 | Taylor Way & Alexander Ave Fill Area (TWAFA) | 18-20 | PL | | | |
| 8 | 101227.01, 096242 | CAP - Former US Rockwool Plant | 16-17 | D | | ☒ | ☒ |
| 9 | 101241.01 | Port of Tacoma Off-Dock Container Support Facility | 21-22 | D | | ☒ | ☒ |
| 10 | 098075, 101243.014, 101243.02 | Parcel 103 Steam Plant Property Cleanup | 23-26 | RI/FS | | ✓ | |
| 11 | 101339.05, 101503.01 | Admin Bldg Physical Security Enhancements and CCTV Expansion | 27-28 | C | | | |
| 12 | 101449.01 | Lower Wapato Creek Habitat | 29-30 | CN | | | |
| 13 | 101486.03 | Parcel 40 Env Cleanup | 31-32 | | | | |
| 14 | 101529.02 | Fabulich Center Envelope Restoration | 33 | C | | | |
| 15 | 101530.01 | Fabulich Center Lighting Upgrade - Floors 3-4 | 34 | CN | | ✓ | |
| 16 | 101531.01 | Parcel 15 Portac | 35-36 | CN | | | |
| 17 | 101532.01 | Building #326 Window Replacement, etc. | 37-38 | CN | | ☒ | |
| 18 | 101541.01 | Port Bldg #532 Structural Repairs | 39-40 | C | | | |
| 19 | 101585.01 | Arkema Interim Action | 41-42 | PD | | | |
| 20 | 101586.01, 101587.01, 101588.01, 101589.01, 101590.01 | NEW Building Demolition Program | 43-44 | D | | ✓ | |

Key Project Status

| | |
|-----------|-------------------------------|
| Completed | Final Report for this Project |
|-----------|-------------------------------|

| | |
|--|---|
| | Project within or ahead of target budget and schedule |
| | Either target schedule or budget is off |
| | Both target schedule and budget are off |

Negative Variance Status

| | |
|---|---------------------|
| ✓ | New Variance |
| ☒ | Previously Reported |

Schedule Completion on the Project Reports refers to:

Beneficial Occupancy or Last Asset In-Use date

Phases

| | |
|-------|--|
| PL | Planning |
| RI/FS | Remedial Investigation/Feasibility Study |
| DCAP | Draft Cleanup Action Plan |
| PD | Preliminary Design |
| D | Design |
| CN | Construction |
| CO | Close Out |
| C | Completed |
| M | Monitoring |
| H | On Hold |

Remediation Glossary

| | |
|---------|--|
| AO | Agreed Order |
| CAP | Cleanup Action Plan |
| DCAP | Draft Cleanup Action Plan |
| DMMP | Dredge Material Management Program |
| FS | Feasibility Study |
| MTCA | Model Toxics Control Act |
| MID Nos | Master Identification Numbers |
| PCB | Polychlorinated Biphenyls |
| RI/FS | Remedial Investigation/Feasibility Study |

Semi-Annual Project Summary

July-December 2022

Mouth of the Hylebos

| | |
|----------------------|---------------------------|
| Project MID Nos: | 092135, 092134, 101215.01 |
| Authorization: | \$2,230,000 |
| Phase: | Monitoring |
| Current Estimate: | \$1,675,000 |
| Cost to Date: | \$1,475,948.92 |
| Start: | 6/30/2013 |
| Schedule Completion: | 12/31/2024 |
| Project Manager: | Rob Healy |



Project Status

Schedule: Delayed

Budget: Forecast Overrun

Significant Developments/Scope Changes

For many years American Construction has been working with the EPA to develop a habitat mitigation area to address American's 1.39-acre and Oxy and the Port's 0.21-acre deficit. Multiple locations have been considered to date, including using the Port's advanced mitigation credits at the Place of Circling Waters. Commission was briefed on this issue in Executive Session in February 2022. While discussions with American Construction, Oxy, the Port and the EPA continue, we have not yet identified an appropriate mitigation site.

MID 092134 is used to track Port staff costs associated with the American Construction habitat area. Compliance monitoring of the environmental cap under Piers 24 and 25, future monitoring for the Slip 1 Confined Disposal Facility, and Mouth of Hylebos sediment quality monitoring are managed

under operating expense MIDs via contract authorization.

The previous sediment sampling event of the Mouth of Hylebos Waterway, concurrent with the Head of the Hylebos occurred the week of June 21, 2021. Sampling results indicated 47 of 50 surface sediment samples met Sediment Quality Objectives chemical criteria. For the three that did not meet criteria, two in front of the Oxy Site exceeded the hexachlorobutadiene criteria, and one in front of the Port's former Navy Bank exceeded polycyclic aromatic hydrocarbons and PCB criteria. Subsequently the EPA has requested an additional sediment monitoring event in 2023 to support the next 5-year review. These sediment sample results have the potential to trigger additional cleanup work in front of the Port's former Navy Bank. Staff will be requesting Commission Authorization in early 2023 to adjust the project scope to include focused sediment sampling and an assessment of potential cleanup alternatives at the Port's former Navy Bank.

Mouth of the Hylebos

Project Schedule

- Cost Recovery – completed
- Baseline monitoring - completed
- American Construction’s habitat area –further stakeholder discussions are needed to find a solution.

Authorization

6/20/2013 – Initial project authorization of \$200,000.

9/19/2013 – Commission Authorization of \$325,000.

2/10/2015 – Commission Authorization of \$1,705,000.

The current authorization is \$2,230,000.

Scope

Remaining scope item under this project includes monitoring the design of American Construction’s habitat area. Authorization for additional project scope will be requested in early 2023 to include focused sediment sampling and an assessment of potential cleanup alternatives at the Port’s former Navy Bank.

Project Cost

The estimated project cost has been increased from \$1,500,000 to \$1,675,000.

Risks

The EPA may request additional work on any of the outstanding issues.

The schedule for American Construction’s habitat area depends on outside stakeholders and may experience continued delays.

Depending on future sediment sampling results there is potential for recontamination issues to require future remedial actions in the Hylebos Waterway.

External Funding

No external grant funding opportunities are forecasted for this project.

Cost Sharing: The Slip 1 Disposal Agreement with Occidental is still in place with Occidental paying 85% of monitoring and reporting costs. Also, under the Hylebos-Andersen Consent Decree, the Department of Justice reimburses 8% of the Port’s ongoing response costs.

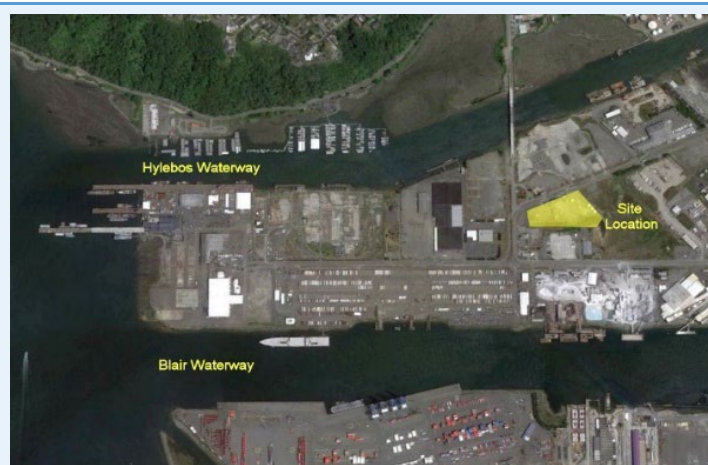
In the 2000s the Port received a \$5.7M MTCA grant through Ecology’s Remedial Action Grant program for the Mouth of Hylebos cleanup implementation. For the duration of this project the Port has received reimbursements totaling \$1,012,536 (\$140,177 from Occidental, \$201,082 from Zidell, and \$671,277 from the Department of Defense).

Semi-Annual Project Summary

July-December 2022

PQ Contamination – 1201 Taylor Way

| | |
|-----------------------------|-----------------------|
| Project MID Nos: | 092819, 092839 |
| Authorization: | \$1,482,000 |
| Phase: | Planning |
| Current Estimate: | \$1,482,000 |
| Cost to Date: | \$1,023,941 |
| Start: | 4/1/2007 |
| Schedule Completion: | 12/31/2023 |
| Project Manager: | Scott Hooton |



Project Status

Schedule: On or Ahead

Budget: On or Within

Significant Developments/Scope Changes

PQ entered into the Interim Cost Sharing Agreement on March 17, 2016, to complete a Remedial Investigation, Feasibility Study (RI/FS) and draft Cleanup Action Plan (CAP). The collaborative process with PQ has resulted in unforeseen schedule delays and cost increases associated with multiple revisions to workplans and reports.

The RI/FS and CAP were submitted to Ecology in July 2020. Ecology issued an Opinion Letter in November 2020 requesting additional investigation and opining that sediment cleanup standards and wetland mitigation requirements are associated with a stormwater ditch. Following an extended period of discussion and information exchange, Ecology allowed that the stormwater ditch is not a wetland in October 2021. A Supplemental Sampling and Analytical Plan (SAP) was submitted in December 2021. Ecology responded in June 2022 and requested more work than was proposed.

The was SAP was ultimately approved by Ecology in August 2022. The field effort was initiated in October and will be completed during 1Q23.

Project Schedule

The revisions to RI/FS and CAP are expected to be submitted to Ecology in late 1Q23 or early 2Q23.

Remediation is expected to occur during 2024 or later. It will also be necessary to amend or renegotiate the terms of the Cost Sharing Agreement to offset remediation costs to be incurred by the Port.

Authorization

On 3/17/2016, Commission authorized Port staff to enter into the agreement with PQ to complete the RI/FS and CAP.

An additional authorization of \$50,000 was approved by the Commission on 11/19/20 to respond to Ecology comments.

Additional authorization of \$595,000 was approved by Commission on 2/17/22 to implement the revised Supplemental Sampling and Analytical Plan submitted to Ecology in December 2021.

PQ Contamination – 1201 Taylor Way

Remediation of remnant contamination will also require additional Commission authorization.

The current authorization is \$1,482,000.

Scope

The scope of this effort consists of:

- PQ and the Port will collaborate in the completion of the RI/FS and CAP
- PQ will pay 60% and the Port will pay 40% of future shared costs

Project Cost

Staff is evaluating whether the current estimated cost of \$1,482,000 is sufficient to complete the authorized scope of work.

Project costs are partially offset with reimbursements from PQ under the Interim Cost Sharing Agreement; PQ remittances to date total \$614,530.

Risks

Scope of work is subject to change depending on direction from Washington State Department of Ecology. Monies received from PQ are potentially subject to reallocation under the agreement.

External Funding

Grant funding will be pursued if needed and as opportunities arise.

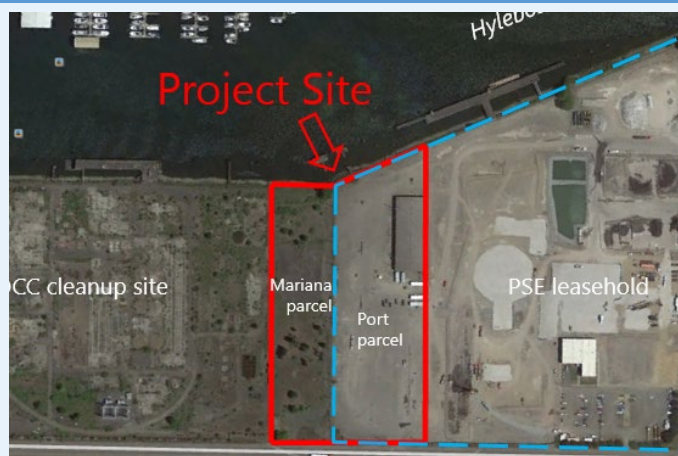
Cost Share: PQ reimburses the Port 60% for consultant, staff, legal and Ecology oversight costs.

Semi-Annual Project Summary

July-December 2022

Alexander Avenue Former Tank Facilities Agreed Order DE-9835

| | |
|----------------------|-------------------|
| Project MID Nos: | 094217, 101312.01 |
| Authorization: | \$2,348,000 |
| Phase: | RI/FS & DCAP |
| Current Estimate: | \$2,348,000 |
| Cost to Date: | \$2,283,568 |
| Start: | 12/3/2007 |
| Schedule Completion: | 12/31/2023 |
| Project Manager: | Sarah Weeks |



Project Status

Schedule: Delayed

Budget: Forecast Overrun

Significant Developments/Scope Changes

The current authorization is not sufficient to complete the authorized scope of work. Additional project authorization to address the expected shortfall will be requested in Q1 2023.

Negotiations over the terms of the draft Cleanup Action Plan (dCAP) have taken longer than anticipated due to turnover of key Ecology staff and resulted in additional project costs. DCAP negotiations have centered around the Site definition (e.g., exclusion of contamination related to the adjacent Occidental Chemical Corporation Site), description of the regulatory framework, termination criteria for the selected remedial technologies, and contingent actions in the event of remedy failure, all of which have implications for the Port's cost recovery case and required support from Port and Ecology legal counsel. Significantly, after working through these issues Ecology has agreed to a consent decree for remedy

implementation. A consent decree, rather than an agreed order, is critical for cost recovery.

The Agreed Order (DE 9835) for the Site includes the Port and Mariana Properties, a subsidiary of Occidental Chemical Corporation. The Port and Mariana share consultant and Ecology oversight costs per the terms of a cooperative agreement, costs are split 60/40 (Port/Mariana). Staff are discussing drafting a new agreement with Mariana as the current agreement terminates after Ecology approval of the dCAP.

The most recent revision to the dCAP was submitted in early December 2022. Staff are hopeful this draft is acceptable to Ecology. Once acceptable, Staff will work with Ecology to negotiate a Consent Decree to implement the remedy.

Project Schedule

Ecology's approval of the DCAP is anticipated in Q1 2023.

Alexander Avenue Former Tank Facilities Agreed Order DE-9835

Authorization

7/10/2013 – Commission Authorization \$626,000

5/27/2014 - Commission Authorization \$1,021,000

12/21/2017 – Commission Authorization \$151,000

12/20/2018 – Commission Authorization \$450,000

11/18/2021 – Commission Authorization \$100,000

The current authorization is \$2,348,000

11/18/2021 – Commission approved to enter into grant agreements with the Washington State Department of Ecology for \$2,421,000 for this project.

Additional project authorization will be requested in Q1 2023.

Scope

The project scope includes the AO commitments (completion of the RI/FS and assisting Ecology in preparing a DCAP), reimbursing Ecology for their oversight costs, and laying the groundwork for cost recovery efforts. AO commitments will be completed upon Ecology approval of the DCAP, and preliminary cost recovery research has been completed.

Project Cost

The estimated project cost is currently \$2,348,000 which will cover the scope tasks presented above. To date Mariana has reimbursed the Port \$533,177, grant reimbursements of \$612,175 have been received from Ecology, bringing the total net costs to the Port to date to \$1,138,216.

Risks

There is potential for additional schedule delay due to Port's limited ability to influence Ecology review times.

External Funding

This project has received three MTCA Ecology Remedial Action Grants appropriated by the State Legislature; \$150K in the 2018-2019 biennium, \$1.27M in the 2019-2021 biennium, and \$1.15M in the 2021-2023 biennium.

Approximately \$1.9M in additional grant funding remains available to offset future remediation costs.

Cost Share: Mariana is funding 40% of consultant and Ecology oversight costs for the Agreed Order activities.

Semi-Annual Project Summary



July-December 2022

Parcel 1B (Earley Business Center) Cleanup

| | |
|-----------------------------|-------------------------------|
| Project MID Nos: | 101287.01, 101287.02, 095208 |
| Authorization: | \$2,363,000 |
| Phase: | Planning |
| Current Estimate: | \$6,996,000 |
| Cost to Date: | \$1,900,840 |
| Start: | 11/29/2018 |
| Schedule Completion: | 12/31/2027 |
| Project Managers: | Sarah Weeks and Stanley Ryter |

Project Status

Schedule: Delayed
Budget: Forecast Overrun

Significant Developments/Scope Changes

Ecology recently submitted a draft addendum to Agreed Order DE 9552 (the Order) and an attached revised scope of work for Port review. Port staff plan to request Commission authorization for two actions in Q1 2023: (1) enter the revised AO and (2) approve additional project authorization to begin executing the revised scope.

The original Order, executed in 2013, requires site investigation and remedy selection (RI, FS and dCAP). By 2018, the Order tasks were completed and in November of 2018 Commission approved entry into the Consent Decree for cleanup implementation and \$595,000 for remedial design. Public comment on the Consent Decree and Order deliverables was delayed due to staffing issues at Ecology. Design work began and the 60% design drawings were complete when Ecology indicated informally that they were conducting additional

technical review on the Order deliverables. In April 2020, Ecology sent a formal letter withdrawing prior approvals of the RI, FS, and dCAP and outlining new concerns. This was unexpected. Since the receipt of the letter the Port has met many times with Ecology to discuss both parties' concerns and potential resolution pathways. There has been substantive discussion over the Site definition and remedial actions planned for the Blair Shoreline.

Due to the additional feedback from Ecology and resulting project delay the design work was shelved and is now largely irrelevant. Roughly 50% of the authorized design budget (\$280,357) has been spent to date and is a sunk cost.

Recently the Port and Ecology have reached a common understanding of the unresolved issues and Port staff are prepared to recommend Commission authorize an amendment to the Order.

Parcel 1B (Earley Business Center) Cleanup

Project Schedule

In Q1 2023 Port staff plan to request Commission authorization to enter the revised AO and additional project budget to complete next steps: procurement, updating the conceptual site model and drafting a supplemental RI work plan.

Once the supplemental RI work plan is complete (anticipated in 2024) Port staff will return to Commission to request authorization to complete the field investigation and deliver the supplemental RI report.

Authorization

Pre 2013 – Previous Actions \$510,000

1/27/2013 – Commission Authorization original \$400,000 (adjusted amount) \$270,000

5/5/2014 – Commission Authorization \$658,000

11/29/2018 – Commission Authorization \$825,000

9/17/2020 – Commission Authorization \$100,000

The current authorization is \$2,363,000.

9/17/2020 – Commission Authorization to enter into a grant agreement with the Washington State Department of Ecology \$1,548,000

Scope

The previous scope of work was to complete the Order commitments, begin cost recovery efforts and complete remedial design. The project has been on hold for the past several years while the Port and Ecology resolve our disagreements. The scope will be updated in the next semi-annual report to reflect the Order amendment and the remedial design scope and budget will be extracted

and reported in a new draft semi-annual report that will be reported when remedial design restarts.

Project Cost

Project costs to date are \$ 1,900,839.54. To date, grant reimbursements come to \$500,843.87, bringing the total net costs to the Port to \$1,398,457.

Total project costs, \$6,996,000, are inclusive of remediation construction, which is currently estimated at \$4,633,000, a high-level estimate based on the 2018 draft cleanup action plan. This estimate will be updated with the revised cleanup action plan.

Risks

If the Port were to refuse Ecology's requests, Ecology could issue an Enforcement Order.

External Funding

This project has received three MTCA Ecology Remedial Action Grants appropriated by the State Legislature; \$300K in the 2012-2013 biennium, \$150K in the 2018-2019 biennium, and \$1.55M in the 2019-2021 biennium.

Reimbursements for the 2013 and 2019 awards have been received in full (\$450K), a reimbursement request for past costs under the 2019-2021 grant agreement was submitted in Q4 2021 for \$50,297.22, bringing total grant reimbursements to \$500,843.87. \$1.5M remains in grant funding for eligible past costs and future costs.

Cost Share: None.

Semi-Annual Project Summary

January-June 2022

Arkema RI/FS/CAP Agreed Order DE-5668 2901 & 2920 Taylor Way

| | |
|-----------------------------|---------------------|
| Project MID No: | 096201 |
| Authorization: | \$5,763,794 |
| Phase: | Planning |
| Current Estimate: | \$5,763,794 |
| Cost to Date: | \$5,557,647 |
| Start: | 5/31/2007 |
| Schedule Completion: | 12/31/2023 |
| Project Manager: | Scott Hooton |



Project Status

Schedule: On or Ahead
Budget: On or Within

Significant Developments/Scope Changes

Delivered a draft Feasibility Study (FS) to Ecology in April 2021. The FS evaluated seven different remedial alternatives with estimated future costs ranging from \$11M to \$196M. The estimated future cost of the recommended alternative (hot-spot soil removal, capping, institutional controls, and monitoring) is \$26M. The restoration timeframes (a MTCA remedy selection criteria) for each remedial alternative were estimated using a sophisticated numerical groundwater and contaminant transport model. The estimated restoration timeframe for each alternative is inordinately long compared to most MTCA cleanups (thousands of years to meet groundwater criteria throughout the site).

Ecology's August 2021 response to the FS raised concerns about the mass of arsenic in the subsurface and migration pathway to surface water. Ecology also requested the evaluation of an

additional alternative that removes, treats, or contains more soil mass to reduce sources of arsenic to surface water and groundwater.

Port staff met with Ecology's Toxics Cleanup Program staff and management in October 2021 to discuss an approach that would accelerate the redevelopment of less contaminated portions of the property for NWSA operations while also installing a containment cell around the most highly contaminated areas of the property as an interim action. With this approach, the FS would be completed in parallel with the interim action and would be structured as a series of contingencies (e.g., additional soil removal within the containment area) based on groundwater monitoring results from wells adjacent to the Hylebos Waterway.

Port staff received Commission authorization for the engineering design of the interim actions in early 2022. This effort is managed by Engineering (with substantial Environmental support) as a separate project and is described under the Semi-Annual Project Summary for MID 101585.01

Arkema RI/FS/CAP Agreed Order DE-5668 2901 & 2920 Taylor Way

Port staff will seek additional Commission authorization for additional work to address Ecology's FS concerns in early 2023.

Project Schedule

The final FS and draft Cleanup Action Plan (DCAP) will be developed in parallel with the implementation of interim actions and will most likely be submitted to Ecology during 2023.

Authorization

Commission authorized a Professional Services Agreement increase for a revised total of \$1,547,434 in January 2008.

Commission authorized staff to enter Ecology Agreed Order DE-5668 in May 2011.

Commission authorized a Professional Services Agreement increase in the amount of \$598,500 in November 2012.

Commission provided project authorization in the amount of \$1,294,807 in March 2014.

Commission increased project authorization in August 2017 by \$2,323,053.

In November 2020, the Commission approved re-programming previously authorized funding to complete the draft FS. Further work to finalize the FS and DACP will require additional reprogramming of previously authorized funding or additional funding.

No new authorizations in this reporting period. The current authorization is \$5,763,794.

Scope

The remaining scope of this effort is anticipated to include:

- Additional assessment of the mass of arsenic in the subsurface and migration pathway to surface water.
- Revise and resubmit the FS Report to address Ecology's concerns.

Project Cost

Estimated project cost is currently \$5,763,794 which is not expected to be enough to complete the RI/FS/CAP.

Risks

Selection of a cost-effective remedial approach that is compatible with an undefined future industrial land use.

External Funding

Source: MTCA grant funding – Ecology's Remedial Action Grant Program

Value: \$3,115,807

Port Match: \$3,115,807

Status: Reimbursements of \$2,386,533 have been received to date.

Cost Share: None.

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July-December 2022

Parcel 91 Cleanup Investigation and Cost Recovery

| | |
|-----------------------------|----------------------|
| Project MID Nos: | 101042.01, 101042.02 |
| Authorization: | \$1,530,000 |
| Phase: | Planning |
| Current Estimate: | \$1,530,000 |
| Cost to Date: | \$1,336,080 |
| Start: | 2/1/2016 |
| Schedule Completion: | 12/31/2024 |
| Project Manager: | Rob Healy |



Project Status

Schedule: On or Ahead
Budget: On or Within

Significant Developments/Scope Changes

In November 2021, the Port received an additional \$7.2M from Pfizer to complete a final settlement, whereby the Port released Pfizer from future environmental claims. In December 2021, Commission authorized execution of an Agreed Order with Ecology to complete a cleanup action plan for the former Sound Mattress Site. Commission also authorized reprogramming the remaining authorized funds to begin preliminary work needed to develop the cleanup action.

Project Schedule

A consultant was procured to develop a conceptual site model and prepare a remedial investigation work plan. The CSM has been submitted to Ecology and the RI work plan will be drafted following Ecology's approval of the CSM

Ecology approval of the work plan is anticipated in 1Q 2023. Staff anticipates returning to Commission for additional authorization in Q1 or Q2 2023, once future project costs are available.

Authorization

1/26/2016 – Executive Authorization of \$125,000

8/3/2016 – Executive Authorization of \$135,000

2/17/2017 – Commission Authorization of \$1,270,000

5/17/2018 – Commission Authorization for Settlement with Sound Mattress and Wyeth

8/19/2021 – Commission Authorization for Final Settlement with Wyeth.

12/16/2021 – Commission Authorization for Agreed Order with Ecology to complete a cleanup action plan.

The current authorization is \$1,530,000.

Parcel 91 Cleanup Investigation and Cost Recovery

Scope

The authorized scope of work including anticipated staff, consulting, and legal time to litigate the claim is complete. The preliminary work needed to complete a cleanup action plan for the Site was authorized and have begun. Future remediation actions are not currently estimable.

Project Cost

The estimated cost is \$1,530,000 with \$1,336,080 spent for litigation preparation, mediation, final settlement execution, Ecology engagement, and preliminary cleanup action planning.

Risks

Ecology is requiring additional investigation activities for the site. However, the details of those investigation activities have not been finalized. This could affect the project scope, schedule, and budget, and has the potential to delay future property redevelopment.

External Funding

Grant funding will be pursued if needed and as opportunities arise.

Cost Share: None.

Final settlements with former property owners, Sound Mattress and Pfizer, total \$12.1M. This less the PCB Building demolition claim and project costs to date, leaves approximately \$8.6M to complete the cleanup action plan and implement the remedy.

Semi-Annual Project Summary



July-December 2022

Taylor Way & Alexander Ave Fill Area (TWAAFA)

| | |
|----------------------|--------------|
| Project MID No: | 101082.01 |
| Authorization: | \$1,367,000 |
| Phase: | Planning |
| Current Estimate: | \$1,367,000 |
| Cost to Date: | \$1,109,160 |
| Start: | 4/10/2017 |
| Schedule Completion: | 12/31/2023 |
| Project Manager: | Scott Hooton |



Project Status

Schedule: On or Ahead
Budget: On or Within

Significant Developments/Scope Changes

Support marketing efforts for a 30.48-acre multi-parcel property (Port Parcels 6, 65, 102, 114, 116, and 117) for redevelopment. This project also stemmed from Ecology requirements to investigate Parcels 95, 111, and 117 for hazardous substances in soil and groundwater under an agreed order (AO) with three other Potentially Liable Parties (PLPs) – General Metals of Tacoma, Occidental Chemical Corporation, and Stericycle Environmental Solutions. Although the Port has implemented most aspects of the Workplan at Port-owned properties, an implementation agreement was not reached with other TWAAFA PLPs. The negotiations reached an impasse when the parties were unable to reach agreement on the allocation of future costs. Under threat of an enforcement order, GMT, Occidental, and Stericycle subsequently agreed to enter the TWAAFA agreed order.

The Port rejected the TWAAFA agreed order because there is no compelling legal basis for the Port to investigate and remediate an abandoned dangerous waste facility and illegal landfill to which the Port has no connection. Ecology responded with a proposed enforcement order on October 6, 2020, and subsequently issued an enforcement order to the Port on December 7. Since then, staff completed an indoor air assessment at 1801 Taylor Way, replaced monitoring wells at 1514 Taylor Way, initiated groundwater monitoring on Port-owned properties and assisted the PLPs in completing an *Aboveground Site Conditions Memorandum* and *Existing Groundwater Monitoring Network Evaluation and Recommendations Memorandum*.

Ecology issued comments to the above-mentioned report in comment letters dated November 9 and December 19. We are awaiting Ecology's response to the workplans submitted in response to those comments. Port staff will request additional funding from Commission after the workplans are finalized during 1H23.

Taylor Way & Alexander Ave Fill Area (TWAAFA)

Port staff briefed Commission in October on a litigation strategy to pursue cost recovery against TWAAFA PLPs. Negotiations for a cost-sharing agreement with Burlington Environmental for costs associated with Port Parcel 111 began in December 2022.

Project Schedule

The current Scope of work is expected to be completed by the end of 2023. Ecology will likely require additional work under the orders during 2023.

Authorization

4/10/2017 – Executive Authorization for \$100,000.

3/13/2018 – Executive Authorization for \$150,000.

7/18/2019 – Commission Authorization for \$212,000 for a revised total of \$462,000.

1/19/2020 – Commission Authorization for \$75,000 for a revised total of \$537,000.

3/18/2021 – Commission Authorization for \$830,000 for a revised total of \$1,367,000.

The current authorization is \$1,367,000.

Scope

The scope of work for this project includes:

- Facilitate execution of a long-term lease agreement at Port Parcel 95 at 1514 Taylor Way by entering an Agreed Order with Ecology for implementation of an Interim Action Plan by Avenue 55 during property redevelopment in 2017. Commission authorized entry into the Agreed Order on June 15, 2017. The property has since been redeveloped.

- Negotiate and execute a Joint Defense, Common Interest Agreement and Cost Sharing Agreement for Pre-Agreed Order Actions between the Port, General Metals of Tacoma (GMT), Occidental Chemical Company (Occidental) and Stericycle Environmental Solutions (Stericycle). This agreement was concluded on May 22, 2017 and cancelled in 2021 after the parties could not reach agreement on an implementation agreement.
- Negotiate an Agreed Order between Ecology, the Port, GMT, Occidental, and Stericycle to prepare a remedial investigation/feasibility study (RI/FS) and draft Cleanup Action Plan (DCAP). As part of that effort, the PLP Group requested a waiver of past costs incurred by Ecology (\$362,132.24). Ecology declined the request.
- Complete a Pre-Agreed Order Data Gaps Work Plan (Work Plan). The Work Plan has been approved by Ecology and incorporated into the Agreed Order signed by the other PLPs and the Enforcement Order issued to the Port. The work will be completed in early 2023.
- Implementation of Work Plan portions relevant to Parcel 117 during 2019 and 2020. The work confirmed that there are no hazardous substances present at actionable concentrations in the soil.
- Develop and implement an investigation of remnant petroleum vapors from the adjacent Clean Earth Dangerous Waste facility into structures located at 1801 Taylor Way. Replace monitoring wells at 1514 Taylor Way. Begin regular sampling of monitoring wells on Port-owned property.

Taylor Way & Alexander Ave Fill Area (TWAAFA)

- Ongoing coordination with other TWAAFA PLPs.
- Completed a litigation strategy memorandum by the Port's outside counsel and briefed Commission in executive session in October 2022. Issued a demand letter to Burlington Environmental in December 2022.

Project Cost

Estimated cost is currently \$1,367,000, which includes contingency to implement work required under the Enforcement Order on Port-owned property alone.

Risks

The Port has been named in an enforcement order and is potentially subject to future penalties. The resolution of potential remediation requirements may complicate and delay property redevelopment.

External Funding

Grant funding will be pursued if needed and as opportunities arise.

Cost Share: None.

Semi-Annual Project Summary

July-December 2022

Cleanup Action Plan – former USG Rock Wool Plant

| | |
|-----------------------------|--------------------------|
| Project MID Nos: | 101227.01, 096242 |
| Authorization: | \$488,000 |
| Phase: | RI/FS |
| Current Estimate: | \$488,000 |
| Cost to Date: | \$416,704 |
| Start: | 2/11/2016 |
| Schedule Completion: | 12/31/2023 |
| Project Manager: | Scott Hooton |



Project Status

Schedule: Delayed
Budget: On or Within

Significant Developments/Scope Changes

The 2301 Taylor Way property is subject to an Ecology order requiring the development of a Remedial Investigation, Feasibility Study (RI/FS) and Cleanup Action Plan (CAP). The Potential Liable Parties named in the order are the former owner who contaminated the property (US Gypsum (USG) and the Port. The Port is indemnified for USG's contamination, as provided in the purchase and sale agreement.

USG and the Port have been unable to resolve a dispute for responsibility for contamination on adjacent Port-owned property (North Boundary of the Arkema Manufacturing Area). In 2013, the Port and USG agreed to a functional boundary to differentiate areas to be addressed in the respective feasibility studies required under the USG and Arkema agreed orders.

A 2017 allocation report prepared on behalf of Port counsel concluded that USG wastes located on the adjacent Port-owned property trigger MTCA remediation requirements and support an indemnification claim under the purchase and sale agreement.

In May of 2020, Port staff requested that Ecology revisit the framework of the 2013 "functional boundary" coinciding with the property boundary, and to incorporate a focused feasibility study for the NBA within the USG FS. In January 2021, Ecology determined that it is in the best interest in moving the USG cleanup forward to incorporate the NBA under the USG order.

Ecology issued comments to the draft CAP by USG in July and December. Ecology issued comments to the Port's focused feasibility study in July and November. The Port will respond to Ecology comments to both deliverables in early 2023.

Future Commission authorization will be required to perform any remediation and pursue cost recovery.

Cleanup Action Plan – former USG Rock Wool Plant

Project Schedule

Staff expects Ecology to approve USG's CAP and the Port's focused feasibility study during 2023.

Project complete December 31, 2023; delayed from original date of December 31, 2021.

Authorization

Commission authorized funding of \$338,000 when this project was approved in March 2014.

Additional funding of \$150,000 was approved by Commission in January 2018.

No new authorizations in this reporting period.

The current authorization is \$488,000.

Scope

The scope of work includes:

- Technical review of ongoing USG deliverables
- Legal Support
- Allocation Report
- Staff Time & Consultant Support
- Consultations with Department of Ecology

Project Cost

The estimated project cost is currently \$488,000 to cover the above scope.

Risks

Compatibility of the selected cleanup action with current land use (subject to a long-term lease expiring in 2054).

Long-term operation and maintenance costs associated with USG's selected remedy and management of USG remnant contamination.

External Funding

While the Port was indemnified by the seller (Thermafiber) for contamination caused by USG, the Port's requests for reimbursement have not been resolved.

Cost Share: None

Semi-Annual Project Summary



July-December 2022

Port of Tacoma Off-Dock Container Support Facility

| | |
|----------------------|----------------|
| Project MID No: | 101241.01 |
| Authorization: | \$2,000,000 |
| Phase: | Design |
| Current Estimate: | \$50,710,000 |
| Cost to Date: | \$1,384,209 |
| Start: | 1/5/2018 |
| Schedule Completion: | 7/31/2024 |
| Project Manager: | Norman Gilbert |



Project Status

Schedule: Delayed
Budget: Forecast Overrun

Significant Developments/Scope Changes

- Permit applications for the wetland fill approval were submitted in October 2021 and are still under review.
- The Port and NWSA have been awarded state and federal grant money to apply to this project. The federal money has triggered the need for a NEPA environmental assessment. This process is anticipated to take up to 8 months and is near completion.
- As part of the NEPA process a Traffic Impact Analysis (TIA) was performed the identified some traffic impacts. To eliminate these impacts, the driveway to the development was realigned causing a small delay to the completion of the design.
- The City of Tacoma has provided the scope of frontage improvements that will be needed as

part of permit approval. The design of the improvements is near completion.

Project Schedule

The Federal and Local permits to fill the wetlands on the site have been the longest lead item and are nearing completion after approximately 26 months. Additionally, NEPA is also nearing completion which will allow for the PIDP grant agreement to be accepted. Project Authorization to include construction funding is anticipated to occur in Q1 2023. Construction will begin shortly after and complete in late Q3 2024.

Authorization

7/15/2021 – Commission approved \$735,000 for a revised total of \$1,385,000.

6/16/2022 – Commission approved \$615,000 for a revised total of \$2,000,000

No new authorizations during this period.

The current authorization is \$2,000,000.

Scope

The overall project includes the following:

Port of Tacoma Off-Dock Container Support Facility

- Design, permit and construct a facility capable of supporting off-dock cargo operations and logistics.

The current authorized scope of work is to complete 100% design level plans, specifications, estimate, schedule, and apply and obtain the necessary environmental and construction permits.

Project Cost

- The estimated cost of the Design for this project is \$2,000,000.
- The estimated budget for this project is \$50,710,000 including the cost of wetland mitigation for the site development.
- The current Capital Investment Plan (CIP) allocates \$35,819,000 for this project.
- The budget will be updated during the 2023 budget process.

Risks

- Not receiving necessary permits on time delaying the project going out to bid.
- Constructing the underground portion of the project during the wet seasons causing the native backfill to be unsuitable. Requiring soil export and backfill import.
- Site operator significantly changes the layout or use of the site causing redesign and permit modifications.
- Cost increases in labor, equipment, and materials.

External Funding

The Port and NWSA are actively applying for grant funding for this project.

Source: 2021 MARAD Port Infrastructure Development Program (PIDP)

Value: \$15.73M

Port Match: \$~26.455M

Status: Notified December 20, 2021; grant agreement in process, expected Q1 2023

Source: Washington State Department of Ecology – 2023 Water Quality Funding

Value: \$2.00M

Port Match: \$0.667M

Status: Notified of award; grant agreement in process, expected Q1 2023

Source: Washington State Supplemental Capital Budget allocation; Department of Commerce Grant

Value: \$1.95M

Port Match: \$0

Status: Notified of award; grant agreement in process, expected Q1 2023

Semi-Annual Project Summary

July-December 2022

Parcel 103 Steam Plant Property Cleanup

| | |
|-----------------------------|------------------------------|
| Project MID Nos: | 098075, 101243.01, 101243.02 |
| Authorization: | \$955,000 |
| Phase: | RI/FS |
| Current Estimate: | \$955,000 |
| Cost to Date: | \$923,288 |
| Start: | 2/12/2016 |
| Schedule Completion: | 12/31/2025 |
| Project Manager: | Sarah Weeks |



Project Status

Schedule: On or Ahead
Budget: On or Within

Significant Developments/Scope Changes

The Site has been enrolled in the VCP and the Remedial Investigation/Feasibility Study Work Plan was submitted for Ecology review in September 2022.

Steam Plant Environmental Cleanup planning was restarted in 2021 after being put on pause to resolve a dispute with Tacoma Power. The Port reached out to Ecology to request their engagement, but Ecology declined due to staff shortages in the Toxics Cleanup Program (TCP). Based on risks associated with proceeding without Ecology engagement, staff recommended to Commission that the property be enrolled Voluntary Cleanup Program (May 2022).

The Work Plan was submitted to the VCP in September 2022. The intent is to receive Ecology feedback on the Work Plan via the VCP while staff

shortages are addressed in TCP and then transfer the project to TCP and enter an Agreed Order for the proceeding tasks (RI field work and reporting, FS, and drafting a cleanup action plan). If Ecology continues to lack the personnel in TCP the Port and Tacoma Power will move forward with the investigation, but cleanup implementation will not begin without an Agreed Order with Ecology.

Project Schedule

Port staff will return to Commission in 2023 to request additional project authorization for subsequent project tasks after receiving Ecology feedback on the Work Plan. The cost of future project tasks are not currently estimable.

Authorization

5/20/2010 Prior Project Authorization \$427,000

3/10/2015 Commission Authorization \$298,000

10/15/2020 Commission Authorization \$30,000

8/19/2021 – Commission Authorization \$200,000

The current authorization is \$955,000.

Parcel 103 Steam Plant Property Cleanup

Scope

Current authorization: Complete Pre-RI tasks:

1. environmental database management system,
2. screening level technical memorandum,
3. data gaps analysis, and
4. RI work plan. In the future, authorization will be requested to complete the RIFS/DCAP and implement the remedy.

Project Cost

Currently, \$31,712 remains in the project budget. Cost-share payments to date from Tacoma Power total \$143,464 (84% of consultant and Ecology oversight costs). Tacoma Power previously reimbursed the Port for past investigation costs per the terms of the settlement agreement in the amount of \$661,263 (payment received in December 2020), bringing total reimbursements to date to \$804,727.

Risks

Transferring of the project from VCP to TCP will include assignment of new Ecology project manager. Staff changes result in inefficiencies and re-work as new staff get up to date, frequently new staff provide different feedback than previous staff.

External Funding

No grant funding is anticipated for this phase of the project. In the event Ecology allows for an Agreed Order, MTCA grant funding would be pursued.

Cost Share: TPU reimburses the Port 84% for consultant and Ecology oversight costs per the terms of the settlement and cost sharing agreement.

Semi-Annual Project Summary

July-December 2022

Administration Building Security Enhancements and CCTV Cameras

| | |
|-----------------------------|--|
| Project MID Nos: | 101339.05-Admin Bldg 101503.01 – CCTV |
| Authorization: | \$920,000 |
| Phase: | Construction |
| Current Estimate: | \$920,000 |
| Cost to Date: | \$691,121 |
| Start: | 9/24/2021 |
| Schedule Completion: | 12/18/2022 |
| Project Manager: | Elly Bulega |



Project Status

Schedule: Delayed
Budget: On or Within

Significant Developments/Scope Changes

THIS IS THE FINAL REPORT.

There are no significant developments or scope changes. The project is complete. The project was delayed due to lead time of materials, but the project finished within budget.

Project Schedule

| Activity | Timeframe |
|---------------------|-------------------|
| Advertise Bids | October 29, 2021 |
| Bid Opening | December 14, 2021 |
| Notice of Award | January 21, 2022 |
| Contract Completion | December 09, 2022 |

Authorization

Admin Bldg – MID No. 101339.05:

1/29/2021 – executive authorization for \$25,000.

5/5/2021 – executive authorization for \$50,000 for a revised total of \$75,000.

7/14/2021 – executive authorization for \$50,000 for a revised total of \$125,000.

9/24/2021 – Commission approved \$265,000 for a revised total of \$390,000.

1/20/2022 – Commission approved \$75,000 for a revised total of \$465,000.

CCTV Cameras – MID No. 101503.01:

1/28/2021 – executive authorization for \$25,000.

4/5/2021 – executive authorization for \$100,000 for a revised total of \$125,000.

9/24/2021 – Commission approved \$205,000 for a revised total of \$330,000.

1/20/2022 – Commission approved \$125,000 for a revised total of \$455,000.

The current authorization is \$920,000.

Scope

The scope of work for this phase includes:

- Installation of 12 cameras inside and outside the Administration Building.

Administration Building Security Enhancements and CCTV Cameras

- Installation of additional lighting at the shoreline of the Administration Building.
- Demolition and removal of the vestibule storefront glass and replacing it with new resistant insulated laminated glass.
- Installation of 7 cameras at TOTE along Alexander Ave and 11th street.
- Installation of 4 cameras at the West Sitcum Gates 1, 2 and 3.

Project Cost

| Location | Design | Construction | Total Project Budget |
|-------------------------------------|-------------------|-------------------|----------------------|
| Admin Building Security Enhancement | \$ 78,687 | \$ 386,313 | \$ 465,000 |
| Port CCTV Camera Expansion | \$ 59,391 | \$ 395,609 | \$ 455,000 |
| Total | \$ 138,078 | \$ 781,922 | \$ 920,000 |

The final cost of the project can't be provided now since all the final invoices haven't been submitted by the contractor and / consultants.

Risks

The project is complete. There are no other significant risks of delay, cost, or any significant change orders.

External Funding

Source: US Department of Homeland Security Fiscal Year 2019 Port Security Grant Program (PSGP) grant

Value: \$448,877

| New Budget After Bid Opening | | | | |
|--|------------------------------|-----------------------------|-----------------|----------------|
| Project Description | New Budget After Bid Opening | Anticipated Port's Share \$ | Federal Grant % | Port's Share % |
| POT Admin Bldg Security Enhancements (MID 101339.05) | \$ 465,000.00 | \$ 211,074.37 | 55% | 45% |
| CCTV Expansion (MID 101503.01) | \$ 455,000.00 | \$ 260,049.37 | 43% | 57% |
| Total | \$ 920,000.00 | \$ 471,123.74 | | |

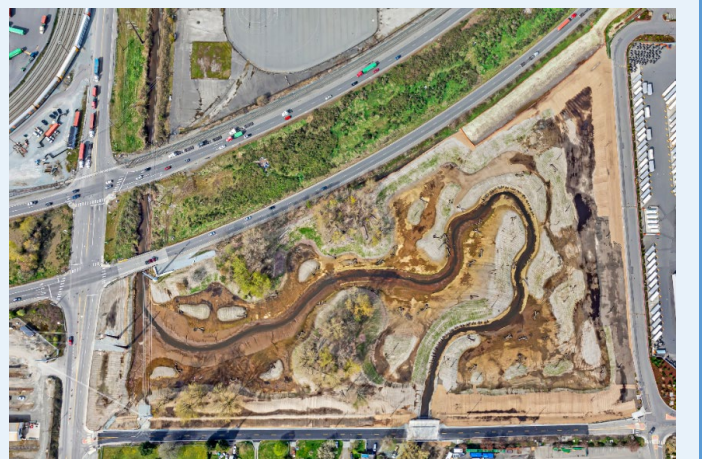
The grant will cover up to 75% of the eligible costs for these projects, but no more than \$448,877.

Semi-Annual Project Summary

July-December 2022

Lower Wapato Creek Habitat

| | |
|----------------------|-------------------|
| Project MID No: | 101449.01, 092861 |
| Authorization: | \$16,395,000 |
| Phase: | Construction |
| Current Estimate: | \$15,800,000* |
| Cost to Date: | \$12,480,223 |
| Start: | 12/19/2019 |
| Schedule Completion: | 12/31/2024 |
| Project Manager: | David Myers |



* Excludes \$591,026 spent in 2014

Project Status

| | |
|-----------|--------------|
| Schedule: | On or Ahead |
| Budget: | On or Within |

Significant Developments/Scope Changes

Phase 1 of the project is complete and Final Completion has been issued to KLB Construction.

Phases 2 and 3 are currently in construction.

Project Schedule

| Activity | Completion Date |
|--|-----------------|
| Awarded design contract | Nov 2019 |
| Validated design & Submitted Permit Applications | May 2020 |
| Steel Power Pole Purchase Order | Jan 2021 |
| Permit approval and Bidding | May/June 2021 |
| Construction Ph I – Grading | May 2022 |
| Construction Ph II – Landscaping | Mar 2023 |
| Maint. & Establishment - Ph III | Dec 2024 |
| Monitoring and Stewardship | Dec 2033 |

Project Authorization for Phase 1 construction occurred in January 2021. Project Authorization for Phase 2 construction occurred in May 2022.

Authorization

9/26/2019 – Commission approved \$525,000 for a total authorization of \$1,125,000 (includes \$591,026 previously spent design funds).

7/16/2020 – Commission approved \$800,000 for a total authorization of \$1,925,000.

1/21/2021 – Commission approved \$12,170,000 for a total authorization of \$14,095,000.

5/19/2022 – Commission approved \$2,300,000 for a total authorization of \$16,395,000.

The current authorization is \$16,395,000.

Scope

The scope of work for this phase includes:

- Validation of previous design documents and related reports – **Complete**
- Review of additional collected data and incorporation of Tribal comments – **Complete**

Lower Wapato Creek Habitat

- Additional monitoring and modeling of groundwater and salinity – **Complete**
- Design and permit steel monopoles – **Complete**
- Design and permit bridge and site – **Complete**
- Finalize design and permitting – **Complete**
- Construction Phase 1 – **Complete**
- Bidding of Phases 2 & 3 - **Complete**
- Construct Phases 2 & 3
 - Perimeter fence - **Complete**
 - Irrigation system - **Installed**
 - Planting – **In progress**
 - Landscape Maintenance - **Ongoing**
- Monitoring and stewardship – *scheduled for completion December 2033*

Project Cost

The total previously spent on design and permitting in 2014 was \$591,026 and is being tracked with the new project costs. The table below provides the updated project costs and estimates.

| | |
|--------------------------------|---------------------|
| 2014 Design and permitting | \$591,000 |
| Design and staff | \$4,091,000 |
| Construction Phase I | \$9,202,000 |
| Construction Phases II & III | \$2,511,000 |
| Estimated Project Total | \$16,395,000 |

Monitoring and Stewardship in years 2023-2033 will be tracked under separate project numbers and have an estimated budget of \$250,000.

Risks

Currently there are no known risks.

External Funding

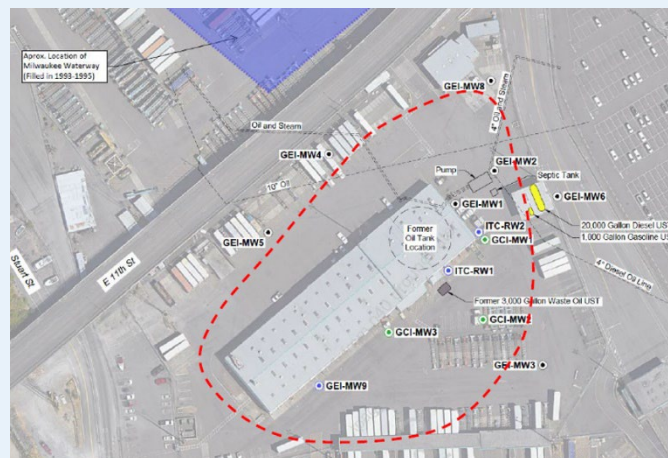
No external funding is associated with this project.

Semi-Annual Project Summary

July-December 2022

Parcel 40 Environmental Cleanup

| | |
|-----------------------------|--|
| Project MID Nos: | 101486.01 (Investigation) 101486.02 (Vapor Mitigation) 101486.03¹ (Insurance Recovery) |
| Authorization: | \$1,274,000 |
| Phase: | Construction and Planning |
| Current Estimate: | \$1,274,000 |
| Cost to Date: | \$490,682 |
| Start: | 3/16/2020 |
| Schedule Completion: | 12/31/2030 |
| Project Managers: | Elly Bulega and Sarah Weeks |



Project Status

Schedule: On or Ahead
Budget: On or Within

Significant Developments/Scope Changes

Environmental cleanup is required at Parcel 40 (West Sitcum Terminal). An interim action, installation of a vapor intrusion (VI) mitigation system in Building 600, has been completed.

Results of a 2020 vapor intrusion assessment at Building 600 indicate that petroleum hydrocarbons in soil and groundwater beneath the building are impacting indoor air quality. Contaminant

concentrations in indoor air, although below OSHA standards, were above acceptable risk levels prescribed by state cleanup law Model Toxics Control Act (MTCA). Building 600 is currently occupied by SSA Marine and is used for marine terminal equipment maintenance.

The vapor mitigation system reverses or mitigates the upward migration of vapors and prevent vapors from entering the building. The VI mitigation system was installed in Q3 and Q4 2021, system startup was completed in Q2 2022. The tenant, SSA Marine, has been kept abreast of sampling results and project development. The VI mitigation system is an interim action, and a complete site

¹ Both the insurance archaeologist and insurance coverage attorney work on a contingency fee of 10% that will only be paid if funds are recovered. If funds are recovered payments will be made as insurance recovery is accrued, up to a cap of \$300,000 for each party.

Parcel 40 Environmental Cleanup

investigation will be necessary to select the appropriate cleanup action.

The Port has contracted an insurance archaeologist and an insurance coverage attorney to explore funding the investigation with historical insurance policies. A notice of tender was sent to the carriers in October 2021. The responses from the carriers thus far have not resulted in coverage for the investigation or reimbursement for the vapor mitigation system.

Project Schedule

Completing the environmental investigation and implementing a cleanup could take up to 10 years. Ecology is aware of the issues at the Site, but this is not an agency priority.

Authorization

3/16/2020 – Initial project authorization of \$30,000

5/21/2020 – Executive authorization of \$130,000

10/5/2020 – Executive authorization of \$128,000

3/18/2021 – Commission Authorization of \$316,000

5/5/2021 – Commission Authorization of \$670,000

The current authorization is \$1,274,000

Scope

Vapor Mitigation System (Interim Action):

1. Installation of the vapor extraction system (completed Q4 2021).
2. Vapor extraction system startup (completed Q2 2022).

Insurance Cost Recovery: Fund the investigation via historical insurance coverage.

1. Obtain a coverage opinion from the insurance coverage attorney (completed Q3 2021).
2. Tender claims to carriers (completed Q4 2021).
3. If the Port decides to proceed based on available coverage, procure an environmental consultant to complete the RIFS and CAP.

Project Cost

Project costs are estimated at \$1,274,000 and will cover the scope tasks presented above:

- Preliminary Investigation and Insurance Recovery = \$830,000
- VI Mitigation (Interim Action) = \$444,000 (actual cost = \$335,680)

Complete investigation and cleanup costs are not currently estimable.

Risks

If site cleanup is not completed the vapor mitigation system may have to be operated and maintained for decades.

If funding the investigation with historical insurance is not successful, the Port of Tacoma will bear the expense of the investigation until cost recovery can be pursued from the other PLPs.

External Funding

Grant funding will be pursued if needed and as opportunities arise. Insurance recoveries are being pursued.

Cost Share: None.

Semi-Annual Project Summary

July-December 2022

Fabulich Center Envelope Restoration

| | |
|----------------------|----------------|
| Project MID No: | 101529.02 |
| Authorization: | \$650,000 |
| Phase: | Completed |
| Current Estimate: | \$645,000 |
| Cost to Date: | \$620,999 |
| Start: | 4/21/2022 |
| Schedule Completion: | 11/28/2022 |
| Project Manager: | Norman Gilbert |



Project Status

Schedule: On or Ahead
Budget: On or Within

Significant Developments/Scope Changes

THIS IS THE FINAL REPORT.

The contractor received Notice to Proceed on July 19, 2022. Work began shortly after and was completed on November 28, 2022.

Project Schedule

| | |
|------------------------|--------------------|
| Advertise for Bid | May 2, 2022 |
| Open Bids | May 26, 2022 |
| Notice of Award | June 1, 2022 |
| Substantial Completion | Mid-October 2022 |
| Final Completion | Late-November 2022 |

Authorization

No new authorizations during this period.

The current authorization is \$650,000.

Scope

Scope of Project: Eliminate water intrusion and future damage to the interior of the building.

Scope of Work:

- Advertise and award the construction contract
- Prepare and re-seal exterior faces of the building
- Replace sealant around window frames
- Repair cracks and spalls on the concrete/plaster faces
- Project and construction management

Project Cost

- The estimated project cost is \$645,000.
- The current authorization is \$650,000.

Risks

- No risks as project is complete.

External Funding

No external funding is associated with, or will be pursued for, this project.

Semi-Annual Project Summary

July-December 2022

Fabulich Center Lighting Upgrade – Floors 3 & 4

| | |
|----------------------|----------------|
| Project MID No: | 101530.01 |
| Authorization: | \$545,000 |
| Phase: | Construction |
| Current Estimate: | \$515,000 |
| Cost to Date: | \$422,932 |
| Start: | 4/21/2022 |
| Schedule Completion: | 2/28/2023 |
| Project Manager: | Norman Gilbert |



Project Status

Schedule: Delayed
Budget: On or Within

Significant Developments/Scope Changes

The contractor received Notice to Proceed in late July. Material orders were placed, and the contractor was informed of extended lead times on materials. The projected timelines fit within the original project schedule. During installation of the new light fixtures, additional fixtures were needed. These new lead times have extended the project substantial and final completion by approximately two months.

Project Schedule

| | |
|------------------------|--------------------|
| Advertise for Bid | May 11, 2022 |
| Open Bids | June 7, 2022 |
| Notice of Award | Mid-June 2022 |
| Substantial Completion | Late February 2023 |

Authorization

No new authorizations during this period.

The current authorization is \$545,000.

Scope

Scope of Project:

- Replace existing fluorescent light fixtures with LED fixtures on floors 3 & 4
- Install new lighting control system on floors 3 & 4
- Retain some existing light fixtures for parts on other floors
- Project and construction management.

Project Cost

The estimated project cost is \$515,000.

The current authorization is \$545,000.

Risks

- Light fixtures are backordered or delayed in arriving on site.

External Funding

This project may be eligible for a partial rebate through Tacoma Power for converting fluorescent lights to LED.

Semi-Annual Project Summary

July-December 2022

Parcel 15 Portac

| | |
|----------------------|----------------|
| Project MID No: | 101531.01 |
| Authorization: | \$4,665,500 |
| Phase: | Design |
| Current Estimate: | \$4,665,500 |
| Cost to Date: | \$1,156,289 |
| Start: | 2/3/2021 |
| Schedule Completion: | 2/22/2023 |
| Project Manager: | Norman Gilbert |



Project Status

Schedule: Delayed
Budget: On or Within

Significant Developments/Scope Changes

- The project was advertised and awarded through the Port's Public Works process.
- The Contractor has mobilized on site and has started the installation of the Permeable Reactive Barrier (PRB).
- Construction start was delayed due to material availability.

Project Schedule

The project bid in late July. The successful bidder experienced delays due to material deliveries. The project is anticipated to be substantially complete in late February.

Authorization

No new authorizations during this period.

The current authorization is \$4,665,500.

Scope

- Develop an engineering design report, including supporting plans – Compliance Monitoring and Contingency Response Plan (CMCRP), Contaminated Media Management Plan (CMMP), and an Operational Monitoring and Maintenance Plan (OMMP) for the existing cap.
- Design and permitting.
- Construction of the permeable reactive barrier and storm drain improvements.
- Development of a Completion Report.
- Contingent remedy components will be evaluated during design but will not be constructed under this project.

Project Cost

The estimated project cost is \$4,665,500.

The current authorization is \$4,665,500.

Parcel 15 Portac

Risks

- Underground obstructions are encountered during the installation of the Permeable Reactive Barrier (PRB).

External Funding

Source: Department of Ecology Toxics Cleanup Remedial Action Grant

Value: \$2,000,000

Port Match: \$1,000,000 (50% Match)

Status: Awarded

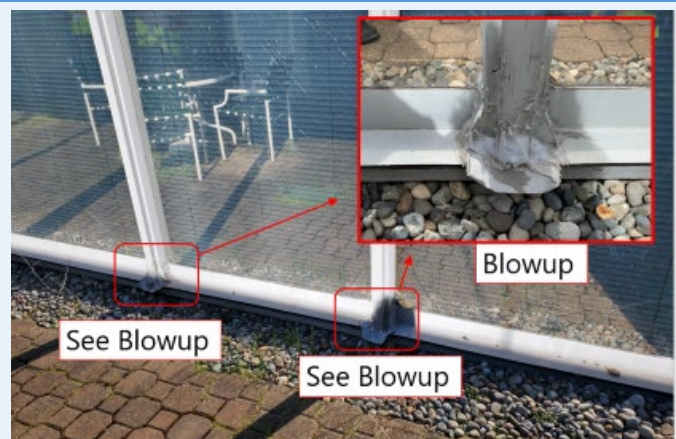
Cost Share: None. However, a 2018 settlement of \$8.6M from the previous tenant will be applied to offset project costs.

Semi-Annual Project Summary

July-December 2022

Building #326 Window Replacement, Partition Bracing, and Isolated Siding Painting

| | |
|----------------------|--------------|
| Project MID No: | 101532.01 |
| Authorization: | \$440,000 |
| Phase: | Construction |
| Current Estimate: | \$340,000 |
| Cost to Date: | \$139,100 |
| Start: | 3/31/2022 |
| Schedule Completion: | 1/13/2023 |
| Project Manager: | Brett Ozolin |



Project Status

Schedule: Delayed
Budget: On or Within

Significant Developments/Scope Changes

Since the last semi-annual report this project has slipped an additional two months behind schedule. Previously we reported a substantial completion date of November 2022 and Final Completion of December 2022. The exterior painting, ceiling grid repairs, partition bracing installation and storefront windows are complete. Longer lead times on doors and glass led to the missed delivery date. The project originally called for exterior sliding doors to match the original construction. To improve schedule and limit tenant impacts, standard swing doors will be installed in lieu of sliding doors. The new doors have been ordered and are scheduled for installation the week of January 9th, 2023. While the overall schedule of this project has been significantly extended beyond the original proposal, the work will be completed within budget.

The updated schedule is shown below.

Project Schedule

| | |
|------------------------|----------------|
| Advertise for Bid | March 22, 2022 |
| Open Bids | April 14, 2022 |
| Notice of Award | May, 2022 |
| Substantial Completion | January 2023 |
| Final Completion | February 2023 |

Authorization

3/22/2021 – executive authorization for \$92,257.

10/21/2021 – Commission approved \$347,743 for a revised total of \$440,000.

The current authorization is \$440,000.

Scope

The scope of project includes:

- Architectural Consultant Time for Scoping, Final Design and Construction Support for contract Drawings and Specifications
- Environmental Consultant Time for ACM Inspections, Final Design and Construction

Building #326 Window Replacement, Partition Bracing, and Isolated Siding Painting

Support to provide and review contract Abatement Drawings and Specifications

- Port staff time for Scoping, ACM Inspections, Final Design and Construction
- Construction Permitting and Inspections

Construction:

- Replacement of approximately 640 SF of existing courtyard glazing and sliding glass doors with new energy code compliant storefront glazing (+/- 80 lineal feet at 8'-0" high):
 - Includes demolition and disposal of existing courtyard glazing, wood stops and related carpentry to be replaced
 - Includes new sheet metal flashing, miscellaneous carpentry, joint sealants, patch and repair of existing drywall
 - Existing sliding glass doors to be replaced with new operable glazing
- Installation of new seismic bracing along approximately 1,100 lineal feet of existing interior partition walls (+/- 270 locations)
- Approximately 880 square feet of corrosion repair and new exterior paint along lower 24" of existing exterior metal wall panels
- Select repair and replacement of up to 50 broken/stained ceiling tiles

Project Cost

The current estimated project cost is \$340,000.

The current project authorization is \$440,000.

Risks

Project is estimated to be approximately 85% complete. We have encountered and addressed anticipated project risks such as dry rot and unexpected structural configurations during demolition. No significant risks remain to project schedule or budget.

External Funding

No external funding is associated with, or will be pursued for, this project.

Semi-Annual Project Summary

July-December 2022

Port Building #532 Structural Repairs

| | |
|-------------------------|-------------|
| Project MID No: | 101541.01 |
| Authorization: | \$1,250,000 |
| Phase: | Completed |
| Current Estimate: | \$995,000 |
| Cost to Date: | \$911,393 |
| Start: | 6/17/2021 |
| Substantial Completion: | 9/16/2022 |
| Project Manager: | David Myers |



Project Status

Schedule: On or Ahead
Budget: On or Within

Significant Developments/Scope Changes

Building #532 was constructed in the 1930s in support of WWII ship building efforts. A fire in 1994 forced the replacement of a large area of the flat roofed portion of the building. In 2016 one of the remaining 7 wood trusses failed and was replaced with a steel beam. Of the 6 remaining wood trusses 1 has failed and 3 are exhibiting signs of failure including top and bottom cord longitudinal cracking.

Six girder trusses in barrel vault portion of the building also exhibiting signs of failure include top, bottom, and diagonal member cracking. Failure of a girder truss could result in the sudden catastrophic failure of the building roof structure(s). The building is approximately 85 years old and is at the end of its useful life.

This project addressed known structural deficiencies. These repairs will provide a safe working environment for Safeboats while a new structure can be built. These repairs are not meant to address a long-term extension of the existing building's use. It should also be noted that while the repairs addressed known structural deficiencies new failures could develop and may need to be addressed before a new facility can be built.

Project Schedule

| | |
|------------------------|----------------|
| Advertise Bids | January 2022 |
| Bid Opening | February 2022 |
| Notice of Award | February 2022 |
| Substantial Completion | September 2022 |
| Final Completion | November 2022 |

Port Building #532 Structural Repairs

Authorization

6/3/2021 – executive authorization for \$150,000.

6/17/2021 – Commission approved \$1,100,000 for a revised total of \$1,250,000.

The current authorization is \$1,250,000.

Scope

Scope of Work included the following:

- Reinforce six trusses with wood glu-lam beams
- Steel support structure including beams and columns to support six girder trusses.
- Concrete foundations for steel supports.
- Install steel straps at cracking columns.
- Other repairs as necessary to maintain a safe working environment.

Project Cost

| Total Project Cost | Cost to Date | Remaining Cost |
|--------------------|--------------|----------------|
| \$995,000 | \$911,393 | \$83,607 |

Risks

Additional structural failures could occur between now and when a new building can be completed.


External Funding

No external funding is associated with, or will be pursued for, this project.

Semi-Annual Project Summary

July-December 2022

Arkema Manufacturing Area Interim Action

| | | |
|-----------------------------|---------------------------|--|
| Project MID No: | 101585.01 |  |
| Authorization: | \$320,000 | |
| Phase: | Preliminary Design | |
| Current Estimate: | \$320,000 | |
| Cost to Date: | \$139,600 | |
| Start: | 4/21/2022 | |
| Schedule Completion: | 3/31/2023 | |
| Project Manager: | Brett Ozolin | |

Project Status

Schedule: Delayed
Budget: On or Within

Significant Developments/Scope Changes

This project is associated with the larger body of work described in the semi-annual project summary for the Arkema RI/FS/CAP Agreed Order DE-5668, 2901 and 2920 Taylor Way.

Task 1: Low Permeability Wall Basis of Design (BOD) Report is essentially complete. Task 1 will be finalized and submitted with Task 2

Task 2: Alternatives Assessment for 24-Acre Capping and Redevelopment is approximately 75% complete. Alternatives and their associated costs will be submitted January 24th, 2023.

Task 3: Work Plan for BOD and 24-Acre Capping and Redevelopment (Task 1 and Task 2) has not been started. Completing Task 3 is contingent on completion of Task 1 and Task 2. Task 3 is an extension of Task 1 and 2 work.

Project Schedule

The commission authorization presentation stated an anticipated start date of May 2022 and completion of September 2022. Negotiations, contracting and preliminary data collection took three months longer than anticipated. The updated schedule is shown below.

| | |
|------------------------------------|-----------|
| Design Contract Award | July 2022 |
| Design Contract Draft Deliverables | Feb 2023 |
| Design Contract Final Deliverables | Mar 2023 |

Following completion of the preliminary design, final design will occur in 2023 with construction taking place in 2024.

Authorization

4/21/2022 – Commission approved \$320,000.

The current authorization is \$320,000.

Scope

- Task 1: Low Permeability Wall Basis of Design (BOD) Report
- Task 2: Alternatives Assessment for 24-Acre

Arkema Manufacturing Area Interim Action

Capping and Redevelopment

- Task 3: Work Plan for BOD and 24-Acre Capping and Redevelopment (Task 1 and Task 2)

Final Design and Construction are not part of the project authorization.

Project Cost

The estimated cost for the preliminary design is \$320,000. These expenditures are reimbursable under the MTCA grants described in the semi-annual project summary for the Arkema RI/FS/CAP Agreed Order DE-5668, 2901 and 2920 Taylor Way.

Cost for Final Design and Construction will be estimated as part of the preliminary design later this year.

Risks

The preliminary design is nearing completion and no notable risks remain to achieving the March submittal date.

External Funding

Source: MTCA grant funding – Ecology’s Remedial Action Grant Program

Additional MTCA grant funding of \$2M was received for the Arkema RI/FS/CAP Agreed Order DE-5668. A portion of this may be applied to this effort after existing grant dollars are expended.

Cost Share: None.

Semi-Annual Project Summary



July-December 2022

Building Demolition Program

| | |
|-----------------------------|--|
| Project MID No/Nos: | 101586.01 101587.01 101588.01 101589.01 101590.01 |
| Authorization: | \$3,381,000 |
| Phase: | Design |
| Current Estimate: | \$3,381,000 |
| Cost to Date: | \$258,109 |
| Start: | 3/1/2022 |
| Schedule Completion: | 8/31/2023 |
| Project Manager: | Elly Bulega |



Project Status

Schedule: Delayed
Budget: On or Within

Significant Developments/Scope Changes

The project has been delayed by more than four months due to permitting issues. The City of Tacoma initially required the Port to install an enhanced stormwater treatment system at the 2302 Ross way and 2202 Port of Tacoma Rd sites. It took four months for the City and the Port to come to an agreement that an enhanced treatment system was not required by Code. Currently the Port is updating project documents to include a basic stormwater treatment system and will resubmit the documents to the City for permitting.

Project Schedule

Currently the project is delayed from its original completion date of December 2022, and is on track for finishing August 2023

| | |
|------------------------|--------------------|
| Advertise for Bid | March 7, 2023 |
| Open Bids | April 5, 2022 |
| Notice of Award | May 1, 2023 |
| Substantial Completion | August 31, 2023 |
| Final Completion | September 30, 2023 |

Authorization

8/18/2022 – Commission approved \$3,041,000 for a revised total of \$3,381,000.

The current authorization is \$3,381,000.

Building Demolition Program

Scope

| Location | Scope |
|--|---|
| 2220 E 11th St (MID 101586.01) | Demolish approximately 4,500-SF of buildings to provide 0.59 acres of leasable yard space. |
| 2302 Ross Way (MID 101587.01) | Demolish approximately 45,000-SF of buildings to provide 1.2 acres of leasable yard space |
| 1110 Alexander (MID 101588.01) | Demolish a 4,000-SF building to provide 1 acre of leasable yard space |
| 2202 Port of Tacoma Rd (MID 101589.01) | Demolish approximately 45,000-SF of buildings to provide 1.65 acres of leasable yard space. |
| 2144 Port of Tacoma Rd (MID) 101590.01 | |

Project Cost

The project will be completed within the current estimate as presented to Commission on 8/18/22.

| Location | MID | Cost to Date |
|------------------------|-----------|----------------------|
| Demo at 2220 E11th | 101586.01 | \$ 47,542.98 |
| Demo at 2302 Ross Way | 101587.01 | \$ 58,673.49 |
| Demo at 1110 Alexander | 101588.01 | \$ 52,057.37 |
| Demo at 2202 PoT Rd | 101589.01 | \$ 54,510.91 |
| Demo at 2144 PoT Rd | 101590.01 | \$ 45,324.47 |
| TOTAL | | \$ 258,109.22 |

Risks

- If the City's permit review process extends past March 1, 2023, there is a risk of delaying the project further.
- If the City rejects the Port's proposed basic stormwater treatment approach, the cost of the project increase and additional authorization will be required.

Grant

No grant funding is associated with this project.