

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 4g
Date of Meeting October 10, 2016

DATE: September 19, 2016
TO: Ted Fick, Chief Executive Officer
FROM: Don Robbins, Senior Environmental Program Manager, Environment and Sustainability Department
SUBJECT: Interlocal Agreement (ILA) with the City of Burien

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to execute an interlocal agreement with the City of Burien supporting the relocation of the Lora Lake Apartment stormwater line.

SYNOPSIS

The Port is required by a state consent decree to relocate a stormwater line that crosses through the Lora Lake Apartments remediation site in order to complete necessary contaminated soil excavations and prepare the site for future redevelopment. Under this ILA, the Port will contribute up to \$278,000 towards a City of Burien stormwater retrofit project that will include relocation of the line. The project will enhance water quality in Miller Creek and continue our partnership with the City of Burien.

There is no funding requested with this action. The \$278,000 was included in the Commission's authorized funding on September 13, 2016, for the Lora Lake Apartment remediation project.

BACKGROUND

A stormwater line currently crosses through the Lora Lake Apartment remediation site. The line is within the contaminated soil excavation zone. The line conveys stormwater from 83 acres within the City of Burien upland from the Apartment site and discharges into Lora Lake. The stormwater pipe conveys runoff containing contaminants typical of urban development. The Lora Lake remediation project must have this stormwater line relocated in order to complete the contaminant excavation. Future site redevelopment will also be enhanced by the line relocation.

The Port initially planned to relocate the pipe on-site along the northern edge of the Apartment parcel as part of the Apartment site remedial construction contract. Under this alignment, the stormwater line would continue to discharge into what would be the remediated Lora Lake. Port costs to relocate the pipe on-site as part of the remediation project are estimated at \$278,000. During consent decree negotiations, the Department of Ecology indicated that the Port, as property owner, would be required to monitor stormwater discharges into the future remediated

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Lora Lake and would be held liable for potential future recontamination associated with that stormwater.

In order to address this long-term cost and liability, the Port initiated negotiations with Ecology and the City of Burien. As resolution, Ecology agreed to issue Burien a \$1,455,632 water quality grant funding a project that would treat runoff from the upland 83 acres with a stormwater line relocation that avoids the Apartment site, and would no longer discharge into the Lora Lake parcel. Although this grant would fund construction of the treatment system it is not sufficient to fund construction of the entire stormwater line relocation.

Under this ILA, the Port would pay to the City an amount equal to the difference between the City of Burien's final project cost and the amount provided by the Ecology Water Quality Grant up to a maximum of \$278,000, which is equivalent to the cost the Port would incur if we were to replace the line after the contaminated soil is removed.

PROJECT JUSTIFICATION AND DETAILS

The ILA with the City of Burien provides an effective mechanism to relocate the stormwater line off of the Lora Lake remediation site at a cost not to exceed that which the Port would incur if it were to relocate the pipe itself. Relocating the line off-site, as part of the City water quality retrofit project, moves the pipe off of Port property avoiding any conflicts with future redevelopment, and enhancing the parcel's value. In addition, the relocated stormwater line would not discharge into the future remediated Lora Lake parcel, thereby eliminating long-term monitoring costs and liability associated with potential recontamination. Port funding towards the City effort would not exceed those costs currently in the authorized Lora lake remediation project.

FINANCIAL IMPLICATIONS

There are no costs associated with this requests. Funds associated with this ILA will be paid from the Lora Lake Apartment Site Remediation project. All Lora Lake Apartment Site Remediation project costs will be accounted for as environmental remediation liabilities and charged to expense in accordance with Port Policy AC-9. The Airport Development Fund will be the funding source.

STRATEGIES AND OBJECTIVES

This ILA will support the strategic objective of accomplishing cleanup of the Port's property, with the intent of returning it to productive use. Without incurring additional cost to the Port, this ILA will also support the Port's community partnerships through its support of a regional stormwater retrofit project.

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ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 - Port replaces the existing stormwater line *on* the Lora Lake Apartment site as part of site remediation.

Cost Implications: \$278,000 to replace pipe on site plus additional construction cost associated with water management.

Pros:

- (1) Removes risk of stormwater relocation delaying Apartment site remediation.

Cons:

- (1) Continued risk of recontaminating Lora Lake Parcel along with inherent liabilities.
- (2) Stormwater line and associated easement on Apartment Parcel will inhibit future redevelopment.
- (3) Does not support Burien and Department of Ecology's regional effort to treat stormwater impacting Miller Creek.

This is not the recommended alternative

Alternative 2 - Authorize execution of an ILA with the City of Burien providing a mechanism to fund stormwater trunk line relocation *off* of the Lora Lake Apartment site.

Cost Implications: Up to a maximum of \$278,000

Pros:

- (1) Eliminates the need to manage stormwater entering the site during the remediation project
- (2) Eliminates possibility of recontamination of the Lora Lake Parcel of the cleanup site and inherent liabilities
- (3) Enhances the redevelopment potential of the Apartments Parcel.
- (4) Supports Burien and Department of Ecology's regional effort to treat stormwater impacting Miller Creek, and enhances water quality in Miller Creek.

Cons:

- (1) Burien relocation must occur prior to remediation.

This is the recommended alternative.

ATTACHMENTS TO THIS REQUEST

- Interlocal agreement between the Port of Seattle and City of Burien for relocation of stormwater line.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- September 13, 2016 – The Port Commission authorized advertisement and execution of a major works construction contract for the environmental remediation at the Lora Lake Apartment Site and Lora Lake Property with a total project cost of \$24,300,000, and increase the Environmental Reserve Liability by \$4,800,000.

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- December 8, 2015 – The Port Commission authorized spending of environmental remediation liability funds for 2016 in the amount of \$13,900,000 and approved a five-year spending plan of \$71,700,000 for the Environmental Remediation Liability Program for the Seaport, Real Estate, and Aviation Divisions for 2016-2020, including the Lora Lake Apartment site.
- July 14, 2015 – The Port Commission authorized execution of a revised Consent Decree for the design and implementation of the environmental remediation for the Lora Lake Apartments Site, design of environmental remediation at the site, and amendment of the Floyd|Snider Service Agreement to complete additional design work for an estimated amount of \$985,000.
- December 9, 2014 – The Port Commission authorized a five-year spending plan of \$64,088,000 for the Environmental Remediation Liability (ERL) Program for the Seaport, Real Estate, and Aviation Divisions for 2015-2019; and environmental remediation liabilities funds for 2015 in the amount of \$36,804,000. \$16,804,000 is forecasted to be spent in 2015 and an amount estimated not to exceed \$20,000,000 of the remaining funds approved in the five-year plan will be obligated to be spent 2016. The Lora Lake Apartments Property was included in that authorization request.
- September 24, 2013 – The Port Commission authorized execution of a Consent Decree for design and implementation of the environmental remediation design and preparation of construction documents for Lora Lake Apartment Site and Lora Lake Parcel.
- December 4, 2012 – The Port Commission authorized an amendment to the 2009 Agreed Order, design and preparation of construction documents and amendment of the professional services agreement for environmental remediation at Lora Lake Apartments to \$4.4 million.
- December 4, 2012 – The Port Commission authorized 2013 expenditure of \$44,179,000 from Port Environmental Reserve funds, for environmental remediation including the Lora Lake Apartments Property.
- December 6, 2011 – The Port Commission authorized 2012 expenditure of \$56,500,000 from Port Environmental Reserve funds, for environmental remediation including the Lora Lake Apartments Property.
- June 9, 2009 – The Port Commission authorized execution of an agreed order with Ecology, issued under MTCA, for environmental investigation and remediation of the Lora Lake Apartments Site.

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- May 5, 2009 – The Port Commission authorized procurement of environmental consulting services to support the Port's implementation of the Lora Lake Apartments Property remediation.