

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**

**Item No.** 6a  
**Date of Meeting** May 5, 2009

**DATE:** April 9, 2009

**TO:** Tay Yoshitani, Chief Executive Officer

**FROM:** Elizabeth Leavitt, Director, Aviation Environmental Programs  
Paul Agid, Environmental Program Supervisor, Aviation Environmental Programs

**SUBJECT:** Authorization to contract for environmental investigation, remediation, and associated regulatory coordination activities for the Lora Lake Apartments property.

**ACTION REQUESTED**

Request for Port of Seattle (Port) Commission authorization for the Chief Executive Officer to procure and execute a contract for consultant services for environmental investigation and remediation of the Lora Lake Apartments property. The estimated cost for the Remedial Investigation / Feasibility Study phase of the Lora Lake Apartments remediation is \$1,000,000.

**SYNOPSIS**

Soil and ground water at the Lora Lake Apartments site was contaminated prior to the Port of Seattle gaining ownership. The contamination is the result of former industrial operations from the 1940s – 1980s. Remediation of the contamination is required by state law, and is necessary for future redevelopment on the site.

Preliminary investigations performed as part of the Third Runway project have defined the general character of the contamination. The Port has used the results of these investigations as a basis for protecting against mobilization of contaminants from the site. The Port is currently negotiating with the Washington Department of Ecology (Ecology) to define the scope of more refined studies that will form the basis for site remediation. The cleanup will be supervised by Ecology pursuant to an Agreed Order. Staff will return to Commission within the next several months to obtain authorization to enter into the negotiated Agreed Order.

Authorization for the Lora Lake Apartments property environmental management activities were previously approved by the Commission in its 2009 Port Environmental Reserve spending authorization of December 15, 2008. No additional authorization of funds is being requested at this time.

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### **BACKGROUND**

The Lora Lake Apartments property was the site of a barrel cleaning facility in the 1940s – 1950s, and an auto wrecking yard in the 1960s – 1980s. Both of these types of industrial uses are known to have had high potential for releasing contaminants to the environment during those periods. During the construction of the apartment complex in 1986-87, the developer conducted environmental investigations and remediation that were approved by Ecology under laws in place at that time.

The Port purchased the Lora Lake Apartments property in 1998 in support of the development of the Seattle Tacoma International Airport (Sea-Tac) Third Runway. By 1999 all residents had vacated the property in anticipation of Port redevelopment for airport and airport-compatible light industrial/commercial use. Prior to demolition, the Port sold the property to the King County Housing Authority (KCHA) for a limited period, for residential use. KCHA sold the property back to the Port in July 2007, at which time the Port demolished a sufficient number of structures to comply with FAA regulations for airport runway operation.

At the same time, using an existing on-call consultant contract, the Port conducted environmental sampling to obtain information about site conditions for future property redevelopment. Sample data indicated significant contamination remained at the site. Further preliminary investigations confirmed the earlier findings.

The Port has entered negotiations with Ecology to complete the necessary remaining detailed site investigations under Ecology supervision pursuant to a Model Toxics Control Act (MTCA) Agreed Order. The Remedial Investigation / Feasibility Study (RI/FS) Agreed Order, when complete, will incorporate a specific scope of work that will include, among other tasks: developing a public participation plan; establishing site protections that minimize the risk of releasing hazardous substances during structure demolition; conducting investigations to fully characterize the nature and extent of on-site and associated off-site contamination; and evaluating appropriate site remediation methods. Ecology is committed to completing the RI/FS Agreed Order on a schedule that supports the Lora Lake Apartments structure demolition project previously authorized by the Commission. Ecology anticipates issuing a second Agreed Order for supervision of final remediation design and implementation.

To date, the Port has used an environmental consulting firm contracted via an on-call professional services agreement. That contract will expire in late 2009. Staff is now requesting authorization to conduct a project-specific procurement process to select and contract with an environmental consultant to perform services required to complete remediation of the Lora Lake Apartments property. Staff will return for further Commission approval in order to obtain authorization to sign the RI/FS Agreed Order.

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### BUSINESS PLAN OBJECTIVES

Procurement of a qualified environmental consulting firm/team is necessary for remediation of the Loral Lake Apartments property. Remediation of the Lora Lake Apartments property will minimize to acceptable levels threats to the environment caused by historical property uses and operations. Completion of site remediation is required for cooperative Port – City of Burien property redevelopment. The product of these efforts, as well as the attendant compliance with regulatory mandates, management of Port liabilities, and support of the local community, aligns with the goals and objectives of the Aviation Division Business Plan.

### ALTERNATIVES CONSIDERED / RECOMMENDED ACTION

The following alternatives were considered for accomplishing the work described in the Scope of Work:

#### Alternative 1

Do not conduct further investigation and remediation of the Lora Lake Apartment property. This alternative could result in the issuance of a unilateral Ecology enforcement order to perform the work, which would eliminate Port control over investigation and remediation activity and cost.

#### Alternative 2

Conduct the investigation and remediation of the property using Port resources, without outside consultant assistance. There are insufficient staff resources and expertise to conduct this remediation without consultant support.

#### Alternative 3

Conduct a competitive procedure to procure and contract with a qualified environmental consultant to conduct Lora Lake Apartments property investigations as defined under the RI/FS Agreed Order now being negotiated, and site remediation under the Remediation Agreed Order to follow. This alternative will result in continuation and completion of remediation of contaminated Port property, as required by state law. **This is the recommended alternative.**

### SCOPE OF WORK

The scope of work that will be performed by the selected consultant will be defined by Agreed Orders negotiated by the Port and Ecology. Although not finalized, we are reasonably certain of the principal elements of the RI/FS Agreed Order scope of work that will be assigned to the selected consultant:

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### Remedial Investigation / Feasibility Study (RI/FS) Phase of Work

- Prepare a Public Participation Plan and support the Port's public involvement efforts.
- Prepare a RI/FS Work Plan.
- Perform a Remedial Investigation as defined in the work plan.
- Perform a Feasibility Study to determine the method of site remediation.

### Remediation Phase of Work (to be completed under the Remediation Agreed Order)

- Prepare a Site Cleanup Action Plan, and support the Port's implementation of that plan, including but not limited to preparation of construction plans and specifications.
- Prepare documentation of site investigation and remediation activities sufficient to achieve site conditions and regulatory status that enable property redevelopment.
- Associated regulatory coordination and negotiation activities.

## **FINANCIAL IMPLICATIONS**

### **Cost Estimate**

Although not part of this Commission authorization, the estimated total project expenditure is \$1,000,000 for the RI/FS phase of work. Actual costs may exceed this estimate due to investigation results. Insufficient information is available at this time to estimate the cost of the Remediation Phase of Work.

### **Source of Funds**

All costs will be accounted for as environmental reserves and charged to expense in accordance with Port Policy AC-9. As such, the Airport Development Fund will be the funding source.

The Lora Lake Apartments property remediation program was included within the Commission's 2009 environmental reserve spending authorization, approved on December 15, 2008. Additional environmental reserve funds may be established as more site-specific information is generated, in compliance with Port Policy AC-9, and will be reported to the Commission via routine environmental reserve reports and spending authorization requests.

## **COMMUNITY/CUSTOMER/ORGANIZATION IMPACTS**

Elimination of unacceptable levels of environmental risk caused by the presence of contaminants in soil and groundwater is not only required by state and federal law, it is the hallmark of responsible environmental stewardship, from the perspectives of both the surrounding residential and business communities and the customers we serve.

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Authorization of a competitive selection process and contract execution with the selected environmental consultant will provide the experience and expertise required to perform remediation of the Lora Lake Apartments property in satisfaction of both regulatory and community interests.

## **PROJECT SCHEDULE**

This authorization enables initiation of a Category 3 procurement process in the second quarter of 2009.

## **Previous Commission Action**

This May 5, 2009 request for Commission authorization is the first request for Commission action specifically focused on the Lora Lake Apartments property remediation.

On December 15, 2008, the Port Commission approved 2009 expenditure of \$10,396,000 from Port Environmental Reserve funds, for environmental remediation of the various Port properties for which funds have been reserved. The Lora Lake Apartments property was included in that authorization request.