

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

**COMMISSION AGENDA**

Item No. 6e  
Date of Meeting June 9, 2009

**DATE:** May 1, 2009

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

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

**SUBJECT:** Model Toxics Control Act Agreed Order for remediation of the Lora Lake Apartments property.

**ACTION REQUESTED**

Authorization for the Chief Executive Officer to execute an Agreed Order with the Washington Department of Ecology (Ecology), issued under the Model Toxics Control Act (MTCA), for environmental investigation of and evaluation of remediation methods for the Lora Lake Apartments property.

**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 productive reuse of the site by future redevelopment or other actions.

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 has negotiated with Ecology to define the scope of an Agreed Order under which the Port will protect the site from contaminant migration during demolition of the existing apartment building above-ground structures, and then perform a Remedial Investigation (RI) and Feasibility Study (FS). The results of the RI/FS will form the basis for site remediation.

Authorization of expenditures 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, 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 those findings.

The Port has negotiated with Ecology to complete the necessary remaining detailed site investigations under Ecology supervision pursuant to a MTCA Agreed Order. The RI/FS Agreed Order incorporates a specific scope of work for 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 executing 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, at the conclusion of the work required by the RI/FS Agreed Order, a second Agreed Order, for supervision of final remediation design and implementation. The core elements of the scope of work to be completed under the Remediation Agreed Order will be preparation of a site Cleanup Action Plan, preparation of associated construction documents, and implementation and documentation of the cleanup. The Remediation Agreed Order will be the subject of a future Commission authorization request. Insufficient information is available at this time to estimate the cost or schedule for the Remediation Phase of Work.

Staff today requests that the Commission authorize execution of the RI/FS Agreed Order.

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## **BUSINESS PLAN OBJECTIVES**

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. Returning the property to productive use benefits both the Airport and the local community.

## **ALTERNATIVES CONSIDERED / RECOMMENDED ACTION**

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

### **Alternative 1**

Do not execute the MTCA RI/FS Agreed Order for the Lora Lake Apartments 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**

Execute the MTCA RI/FS Agreed Order and conduct the investigation and evaluation of remedial alternatives appropriate for the property. This alternative will result in performance of the next steps toward completion of remediation of contaminated Port property, as required by state law. **This is the recommended alternative.**

## **SCOPE OF WORK**

The principal elements of the RI/FS Agreed Order scope of work are as follows:

- Conduct an interim action to prevent migration of contaminants from the Lora Lake Apartments property during above-ground structure demolition.
- Prepare a Public Participation Plan.
- 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.

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## **FINANCIAL IMPLICATIONS**

### **Cost Estimate**

The estimated total project expenditure required under the RI/FS Agreed Order is \$1,000,000. Investigation results cannot be predicted, and therefore the resulting actual costs may be above or below this estimate.

### **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 reserves will 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. Execution of the Agreed Order will commit the Port to remediate the Lora Lake Apartments property in satisfaction of both regulatory and community interests.

## **PROJECT SCHEDULE**

Work will begin on the effective date of the Agreed Order, which is the later of the dates on which the Port and Ecology execute the document. The Agreed Order schedule, which is conservative, estimates completion of the RI/FS scope of work by mid-year 2012.

## **PREVIOUS COMMISSION ACTION**

On 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.

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 remediation funds have been reserved. The Lora Lake Apartments property was included in that authorization request.