

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5a

Date of Meeting February 8, 2011

DATE: February 1, 2011

TO: Tay Yoshitani, Chief Executive Officer

FROM: Wayne Grotheer, Director Aviation Project Management Group;
Elizabeth Leavitt, Director Aviation Planning & Environmental Services;
Ralph Wessels, Airfield Program Leader, Project Management Group

SUBJECT: Tyee Valley Gold Course Area Mitigation (CIP # C800420)

Amount of This Request: \$ 109,000 **Source of Funds:** Airport Development Fund

State and Local Taxes

expected to be Paid: \$ 52,000 (total project) **Jobs Created:** N/A

Total Estimated Project Cost: \$ 800,000

ACTION REQUESTED:

Request Port Commission to authorize the Chief Executive Officer to proceed with project management, design, environmental support and preparation of 100% design level construction documents for the Tyee Valley Golf Course Area Mitigation. The design will be completed using outside services procured through a Professional Services Indefinite Delivery Indefinite Quantity (IDIQ) Contract previously authorized by the Commission. The estimate for design work is \$109,000. The total estimated project cost is \$800,000.

SYNOPSIS:

This memorandum requests authorization for design of the Tyee Valley Gold Course Area Mitigation project. This project, along with other ongoing projects, will complete the mitigation required by Natural Resource Mitigation Plan for Master Plan Update (MPU) Improvement Projects and as required by the MPU federal 404 and 401 environmental permits. This project will entail removing golf course paths, removing an abandoned culvert, soil amendments as needed, planting approximately 7 acres of new wetland, updating approximately 3 acres of existing wetlands to environmental permit standards, and installing temporary irrigation systems. Temporary irrigation will be installed and wetland planting will include a 1 year warranty period requiring 100% survival. In addition to satisfying environmental permit requirements, this project will convert an open grass field to dense shrub habitat and in doing so significantly reduce an existing wildlife hazard to Airport Operations.

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

February 1, 2011

Page 2 of 5

BACKGROUND:

The Port was issued two environmental permits which allowed for impacts associated with the MPU Projects. The MPU Projects included the Third Runway that is in operation, as well as the South Aviation Support Area which was never constructed. Soil borrow sites that would have impacted wetlands were also not used by the MPU Projects. In order to compensate for planned impacts, the permits required the Port to provide mitigation by enhancing existing and creating new wetlands. This original mitigation package included approximately 15 acres of wetland and wetland buffer site development on the Tyee Golf Course.

The Tyee Golf Course mitigation site was to be constructed in 2006 as part of the overall MPU mitigation program under capital improvement project CIP # C100172. However, the Port requested the Tyee site be eliminated from the MPU mitigation program on account of reduced impacts. After extensive discussions, US Army Corps of Engineers (Corps) concluded that the original planned MPU mitigation site functions were interdependent and the elimination of the Tyee site could only be assessed after extensive study. In lieu of initiating a costly study which contained a high degree of uncertainty in terms of methods and outcome, the Corps, Washington Department of Ecology (Ecology), and Port Staff agreed that a reduced 10 acre wetland development at the Tyee Golf Course would satisfy the MPU Projects' mitigation requirements.

In consideration of this reduced mitigation project, Port staff evaluated the existing wildlife hazard presented by the proposed mitigation site. This area had formerly been used by the Golf Course operator. In September 2009, this area was excluded from the tenant's lease due to conflicts with the Des Moines Creek Basin Committee Regional Detention Facility Projects. The unmaintained open grass area lies directly under aircraft flight path and is frequently used by grazing geese and other water fowl. The conversion of this open grass area to a dense scrub-shrub habitat was seen as a significant benefit to the Airport Operation's Wildlife Hazard Mitigation Program.

PROJECT JUSTIFICATION:

The completion of the Tyee Golf Course Mitigation will fulfill the outstanding Port wetland mitigation permit obligations associated with the MPU Projects. In addition the project would mitigate a significant wildlife attractant by converting an open grass area to a dense scrub-shrub habitat.

PROJECT STATEMENT AND OBJECTIVES:

Project Statement:

The purpose of the project is to design and complete the Tyee Valley Golf Course Area Mitigation which includes removing golf cart paths, removing abandoned culvert, soil amendments as needed, new wetland planting over approximately 7 acres, updating approximately 3 acres of existing wetlands to environmental permit standards, and installing a temporary irrigation system, all as required by Natural Resource Mitigation Plan for the Master Plan Update (MPU) and as required by the MPU 404 and 401 environmental permits and in support of the Airport Operation's Wildlife Hazard Mitigation Program.

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

February 1, 2011

Page 3 of 5

Project Objectives:

In addition to fulfilling the outstanding wetland permit obligations, this project will also serve to significantly reduce the wildlife hazard which is currently presented by the open grass in the area. This wildlife mitigation will present a tangible benefit to the Airport Operation's Wildlife Hazard Mitigation Program. Scrub-shrub vegetation will be selected to match the site specific conditions at the golf course ensuring long-term vegetative cover requiring little or no maintenance once fully established.

PROJECT SCOPE OF WORK AND SCHEDULE:

Scope of Work:

This project will plant approximately 7 acres of new wetlands and update approximately 3 acres of existing wetland plantings within the Tye Golf Course to environmental permit standards. The work will include removal of abandoned golf cart paths and stormwater culverts, soil amendments, and temporary irrigation systems as needed.

Schedule:

90% Design:	March 2011
Commission Authorization to Advertise	June 2011
Advertise	July 2011
Notice to Proceed	August 2011

FINANCIAL IMPLICATIONS:

Budget/Authorization Summary:

Original Budget	\$800,000
Budget Increase	0
Revised Budget	0
Previous Authorization this CIP	0
Current request for authorization	\$109,000
Total Authorizations, including this request	\$109,000
Remaining budget to be authorized	\$691,000

Project Cost Breakdown:

Design	\$109,000
Site Work	\$364,000
POS Direct Costs	\$71,000
PMG and Soft Costs	\$204,000
WA State Sales Taxes	\$52,000
Total	\$800,000

Budget Status and Source of Funds:

This project is included in the 2011-2015 capital budget and plan of finance as a business plan prospective project (CIP # C800420). The funding source will be the Airport Development

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

February 1, 2011

Page 4 of 5

Fund. Due to the extended period of time since construction of the Third Runway and other MPU projects, as well as the benefits to Airfield Operations Safety, this project is budgeted through a new Aviation Division CIP.

Financial Analysis and Summary:

CIP Category	Compliance
Project Type	Health, Safety and Security; Regulatory
Risk adjusted Discount rate	N/A
Key risk factors	N/A
Project cost for analysis	\$800,000
Business Unit (BU)	Airfield
Effect on business performance	NOI after debt service will increase as capital and operating costs will be fully recovered in landing fees.
IRR/NPV	N/A
CPE Impact	CPE impact is less than \$0.01 in 2013, but no change to business plan forecast since this project was included.

Lifecycle Cost and Savings:

The MPU mitigation sites are subject to 15 years of maintenance and monitoring. Invasive weed control is currently performed by the Maintenance department. Associated Maintenance costs are conservatively estimated to increase by \$5,000 per year for 15 years. Monitoring and plant replacement is performed by Aviation Environmental. Associated AV/ENV costs would increase by \$5,000 per year for 15 years.

ENVIRONMENT AND SUSTAINABILITY:

This wildlife mitigation will augment wetland and wetland buffer enhancements provided by earlier projects. In doing so, the wetland will provide improved water quality and aquatic habitat functions to Des Moines Creek. At the same time the project will reduce waterfowl use of the former golf course area, providing a tangible benefit to the Airport Operation's Wildlife Hazard Mitigation Program. Scrub-shrub vegetation will be selected to match the site specific conditions at the site ensuring long-term vegetative cover requiring little or no maintenance once fully established.

STRATEGIC OBJECTIVES:

This project supports and maintains positive relationships with the environmental agencies, Washington Department of Ecology and US Army Corps of Engineers and reduces wildlife hazard to airport operations.

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

February 1, 2011

Page 5 of 5

TRIPLE BOTTOM LINE SUMMARY:

The local economy and community will benefit by this project because it helps to ensure the continued safe operation of the Airport, while meeting permit obligations. Completion of the Tyee Valley Golf Course Mitigation will fulfill all outstanding Port wetland permit obligations associated with the MPU projects. The Airport Operations wildlife hazard will be reduced.

ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:

- 1) Do Nothing – This alternative would entail notifying the agencies that the Port will not complete any additional MPU wetland mitigation and refuse to complete other studies. This alternative would significantly damage ongoing relationships with the Corps and Ecology. It is likely that the Corps and Ecology would maintain their positions and issue an enforcement action under the Clean Water Act. The enforcement action would likely require full mitigation plus penalty. The Port would be required to either comply or appeal the action in courts. Legal fees alone would be substantial relative to the costs associated with Alternative 3. Some degree of mitigation would likely be required. This is not the recommended alternative.
- 2) Complete a Functional Assessment Study and Develop Required Mitigation Bases on the Results. – It is assumed that the Study would cost approximately \$100,000 to complete. Once submitted the report would again be open to Agency review, and interpretation. It is expected that such a study would take up to a year to complete, negotiate and be approved. Given the subjective nature of the study, it is assumed that the Corps would at most accept some reduced mitigation at Tyee. It is also possible that the Corps would add a penalty due to time delays and in the end the Port may end up planning the entire Tyee mitigation. This is not the recommended alternative.
- 3) Construct 7 Acres of New Wetland and Update 3 Acres of Existing Wetland. – The new and updated wetland mitigation would fulfill the Port's MPU wetland mitigation obligations. Relationships with the Agencies would remain positive, which will benefit the Airport as it completes the 15 year wetland monitoring tasks and in future permitting efforts. In addition the project would reduce a wildlife hazard presented by the existing grass field. This is the recommended alternative.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

Map of Tyee Mitigation Site and Vegetation Changes

PREVIOUS COMMISSION ACTION:

The initial work on this project was authorized under CIP #C100172 and performed under the Third Runway Project.