

COMMISSION
AGENDA MEMORANDUM

Item No.

8f

ACTION ITEM

Date of Meeting

October 14, 2025

DATE: October 3, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Arthur Kim, Capital Project Manager III, Waterfront Project Management
Stephanie Jones Stebbins, Managing Director, Maritime

SUBJECT: T18 Maintenance Dredging Additional ERL Funding

Amount of this request: \$1,000,000

Total estimated project cost: \$2,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to increase the total costs not to exceed from \$1,000,000 to \$2,000,000 for additional environmental remediation liability (ERL) funding for upland disposal of additional contaminated sediment from the T18 Maintenance Dredging Project, Master Identification No. N10746.

EXECUTIVE SUMMARY

Project budget authorization increase is requested to dispose of an additional 2,400 cubic yards (CY) of contaminated sediment that is not suitable for open water disposal at an authorized upland disposal facility. Regulatory agencies also require a 9" layer of clean sand over the dredged areas.

JUSTIFICATION

Sediment testing conducted in 2025 determined that all dredged material for the NWSA T18 Maintenance Dredging Project was not suitable for open water disposal and must be disposed of at an approved upland facility. Material unsuitable for open water disposal is classified as legacy contamination and remains the responsibility of the homeport. At the time of initial construction authorization, the project anticipated approximately 3,600 cubic yards of material requiring upland disposal.

During the quality assurance and quality control (QA/QC) phase of final design, a miscalculation of estimated dredge volume was identified by the consultant resulting in an increase of unsuitable material to 6,000 total cubic yards. As a result of this increase of 2,400 cubic yards, additional funding is required to complete the project. After all unsuitable material is removed, regulatory agencies require the placement of a 9-inch clean sand layer over dredged areas.

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Due to the change in volume, we are requesting an additional \$1,000,000 from the Environmental Legacy Fund to fully fund the construction of the NWSA T18 Maintenance Dredging Project (ELF).

Diversity in Contracting

Design is being developed by utilizing consultants on an existing IDIQ. Diversity in Contracting Department will determine participation opportunities and appropriate aspirational goals for WMBE in the construction phase of the project.

DETAILS

This is associated with the T18 Maintenance Dredging Project under the NWSA (N10204 with a total NWSA authorization of \$3,000,000). Because costs associated with legacy contaminated soil are considered a Homeport responsibility per section 3.2(a) of the NWSA Charter, a separate work project (N10746) was created for upland disposal work and is separate from the Northwest Seaport Alliance T18 Maintenance Dredging Project. The costs of upland disposal will be booked as operating expense to Port of Seattle Joint Venture as it is separate from the NWSA T18 Maintenance Dredging Expense Project.

Scope of Work

Additional construction funding is required to perform the following:

- Take approximately an additional 2,400 CY of contaminated sediment that is not suitable for open water disposal and dispose of it upland at an approved facility.
- Place 9" of clean sand cover over the dredged areas as required by the regulatory agencies.

Schedule

Commission construction authorization	August 5, 2025
Construction start	January 2025
In-use date	February 15, 2025

Cost Breakdown

	This Request	Total Project
Design	\$0	\$0,000
Construction	\$1,000,000	\$2,000,000
Total	\$1,000,000	\$2,000,000

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ALTERNATIVES AND IMPLICATIONS CONSIDERED**Alternative 1** – Do nothing.Cost Implications: No additional funds committed.Pros:

- (1) Reduced cost to the Port.

Cons:

- (1) T18 Maintenance Dredging Project will not be fully completed and the lease obligations to the Tenant cannot be fulfilled.

This is not the recommended alternative.

Alternative 2 – Fully fund the ERL portion of the T18 Maintenance Dredging Project.Cost Implications: Additional funding of \$1,000,000 to the project.Pros:

- (1) Complete the project according to the full committed scope of the T18 Maintenance Dredging Project.
- (2) Protects the environment from potential contamination at T18.

Cons:

- (1) Additional funding of \$1,000,000 is required.

This is the recommended alternative.**FINANCIAL IMPLICATIONS*****Project Cost Details - NWSA***

	This Request	Total Project Cost	Cost to Date	Remaining Cost
Procurement	\$0	\$0	\$0	\$0
Pre-Design	\$0	\$100,000	\$100,000	\$0
Design	\$0	\$900,000	\$450,000	\$450,000
Construction	\$0	\$2,000,000	\$0	\$2,000,000
Total	\$0	\$3,000,000	\$550,000	\$2,450,000

Project Cost Details – POS ERL

	This Request	Total Project Cost	Cost to Date	Remaining Cost
Procurement	\$0	\$0	\$0	\$0
Pre-Design	\$0	\$0	\$0	\$0
Design	\$0	\$0	\$0	\$0
Construction	\$1,000,000	\$2,000,000	\$0	\$2,000,000
Total	\$1,000,000	\$2,000,000	\$0	\$2,000,000

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Annual Budget Status and Source of Funds

The Port of Seattle’s Environmental Legacy Fund (ELF) will fund the project Fund.

Financial Analysis and Summary

Project cost for analysis	\$2,000,000
Business Unit (BU)	Joint Venture
Effect on business performance (NOI after depreciation)	N/A
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- August 5, 2025 – The Managing Members (POS only vote) authorized \$1,000,000 in ERL for construction.
- August 5, 2025 – The Managing Members authorized \$2,000,000 of NWSA funds for construction.
- April 21, 2023 – The Managing Members authorized \$900,000 of NWSA funds for design.
- February 2, 2023 – NWSA Executive Authorization of \$100,000 approved for pre-design.