

COMMISSION
AGENDA MEMORANDUM

Item No. 8c

ACTION ITEM

Date of Meeting September 22, 2026

DATE : August 17, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Sarah Ogier, Director-Maritime Environment & Sustainability

Joanna Florer, Sr.Manager, Env. Programs, Maritime Environment & Sustainability

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SUBJECT: Terminal 25 South Removal Design/ Removal Action Order

Amount of this request: \$0

Total estimated project cost: \$132,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) sign and execute an Administrative Settlement Agreement and Order on Consent (ASAOC) with EPA requiring removal design and removal action at Terminal 25 South (T-25S).

EXECUTIVE SUMMARY

Soil and sediments at T-25S contain contaminants that include polychlorinated biphenyls (PCBs), arsenic, dioxins/furans and polycyclic aromatic hydrocarbons (PAHs) that pose risk to human health and the environment and need to be addressed.

After completion of a comprehensive environmental investigation and development of cleanup alternatives, the Port has reached agreement with the U.S. Environmental Protection Agency (EPA) to conduct the removal design and removal action for the cleanup of contaminated soil and sediments at the site. Current spending for this work was included in the 2026 Environmental Remediation Liability (ERL) Program authorization, which is funded through the Environmental Liability Fund (ELF) via the tax levy. Additional Funding authorization will be proposed in subsequent annual ERL authorizations. The \$132 million cleanup cost is already identified in the Port's 5-year and long-term ERL plans.

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BACKGROUND

Terminal 25 is located along the East Waterway. The northern two thirds of the property is an active cargo facility, whereas the southern third of the property, known as T-25S, is an underutilized parcel that has primarily been used in recent years for bulk material storage, viaduct demolition material storage, and drayage parking. The eastern half of T-25S is licensed to the Northwest Seaport Alliance (NWSA), and the western half of the site, managed by the Port of Seattle (Port), has been identified as a future habitat restoration site.

The Port discovered a PCB hotspot at the T-25S site in 2020. An environmental investigation was performed with EPA's oversight, to refine the nature and extent of contamination and ensure that the proposed habitat restoration meets EPA cleanup requirements for the East Waterway Superfund site. This investigation was completed with the submittal of the final Engineering Evaluation and Cost Analysis (EE/CA) on June 26, 2026. The cleanup alternative and cost estimates were presented in the EE/CA. EPA selected and memorialized their preferred alternative in their Action Memorandum issued June 24, 2026. The next phase of the cleanup process is to perform the removal design and a removal action, which is the subject of this Commission authorization request.

Although funding is not included for this request, the cost to complete the removal design and removal action is currently estimated to be \$132 million. Current year funding for this work was included in the 2026 Environmental Remediation Liability (ERL) Program authorization, which is funded through the Environmental Liability Fund (ELF) via the tax levy. Additional Funding authorization will be proposed in subsequent annual ERL authorizations. The \$132 million is already identified in the Port's 5-year and long-term ERL plans.

JUSTIFICATION

The Administrative Settlement Agreement and Order on Consent (ASAOC or "EPA Order") is a binding agreement to perform work by the Port; therefore, the signing of the EPA Order requires Commission authorization. The project will formally initiate the process of removal design and removal action for T25S, as necessary and required, to meet EPA's cleanup objectives in its Action Memorandum. By cleaning up the site, the Port advances the long-term protection of human health and the environment, reduces our environmental liability, and enables the advancement of future habitat restoration at the site.

Diversity in Contracting

The removal design effort will utilize consultant services via existing environmental IDIQ contracts developed to serve design and permitting efforts such as those required by this program. The Maritime Environmental Site Management IDIQ contract and Maritime

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Environmental Review Permitting and Sustainability IDIQ contract have WMBE goals of 15% and 23%, respectively.

The removal action effort will utilize a General Contractor/Construction Manager (GC/CM) contract that is currently out for solicitation. The WMBE aspirational goal for the GC/CM contract is 10%.

DETAILS

The Statement of Work detailed in the EPA Order requires that the Port perform the work necessary to complete Removal Design and Removal Action.

Scope of Work

The design scope to be performed under this authorization will include:

- Coordination with EPA, Trustees, NWSA and other stakeholders
- Environmental, land use review and permitting
- Construction permitting
- Preparation of cleanup in conjunction with habitat construction documents
- Preparation of construction cost estimates

The proposed site improvements planned to be performed as a result of the project's design efforts consist of:

- Dredging and disposal of contaminated in-water sediment
- Removal and disposal of existing in-water/shoreline creosote treated timber piles and marine structural remnants
- Excavation and disposal of upland contaminated soils

Schedule

Activity *Estimated Schedule*

Commission Authorization of Order	Q3 – 2026
Removal Design	2027-2028
Removal Action	2029 -2031

Cost Breakdown

	This Request	Total Project
Design	\$4,000,000	\$4,000,000
Construction	\$128,000,000	\$128,000,000
Total	\$132,000,000	\$132,000,000

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ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do Not Authorize Signature of the Order

Cost Implications: Not signing the Order may result in the issuance of an enforcement order by EPA, or EPA may elect to perform this work itself. This would result in EPA recovering the cost of the work from the Port, increasing the Port's estimated costs by 1.5 to 3 times.

Pros:

- (1) May delay the Port's spending by a year or more while EPA prepares the enforcement order.

Cons:

- (1) Increased legal and staff time and efforts and costs to respond to an enforcement order and provide ancillary support to the EPA to carry out the enforcement order (gain access to the site, etc.)
- (2) The ultimate costs of the work will be much higher if EPA elects to perform the work itself.
- (3) Not performing this work could tarnish the Port's reputation with EPA and the community as having a commitment to public health and being a steward of community resources and the environment.

This is not the recommended alternative.

Alternative 2 – Authorize Signature of the Order and begin the required Statement of Work

Cost Implications: \$132,000,000

Pros:

- (1) Avoids potential delays and higher costs associated with an enforcement order (as an alternative to an agreed order) and furthers the Port's collaborative working relationship with EPA.
- (2) Takes the next step leading to T25S cleanup and long-term protection of human health and the environment.
- (3) Demonstrates the Port's value of being responsible stewards of community resources and the environment.
- (4) Allows for habitat restoration.

Cons:

- (1) None, but will cost approximately \$132,000,000 to complete the Order's Statement of Work.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

There is no funding request as part of this authorization. Current year funding for the associated scope of work is included in the annual ERL authorization. Total project costs are anticipated in the ERL 5-year and long-term financial plans.

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Annual Budget Status and Source of Funds

The current year project cost is included in the Annual ERL Authorization. Future year funding will be subject to annual ERL authorizations. The funds for this work come from the ELF via the tax levy.

Financial Analysis and Summary

Project cost for analysis	\$132,000,000
Business Unit (BU)	Maritime Environmental Services
Effect on business performance (NOI after depreciation)	N/A
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

Future Revenues and Expenses (Total cost of ownership)

The Port will pursue cost recovery options (e.g., grants, insurance or payments from other 3rd parties) to help support this work.

Future expenses may include long-term monitoring requirements to ensure that the clean-up remedy is performing as expected.

ATTACHMENTS TO THIS REQUEST

- (1) Administrative Settlement Agreement and Order on Consent for Removal Design and Removal Action (Terminal 25 South, East Waterway Operable Unit, Harbor Island Superfund Site, Seattle, WA)
- (2) PowerPoint

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

November 11, 2025 – Consent Item 8g. The Commission authorized the Environmental Remediation Liability (ERL) Programs fund for 2026 and approved a five-year spending plan for 2026 – 2031

February 8, 2022 - T25 South Restoration program EPA Order approval and Cleanup (106176) and Habitat (105562) ERL projects design authorization. The Commission authorized the Executive Director to (1) execute an Administrative Settlement Agreement and Order on Consent (ASAOC) with the U.S. Environmental Protection Agency (EPA); and (2) authorize completion of design and permitting for the Terminal 25 South Restoration Program Cleanup (106176) and Habitat Restoration (105562) projects