COMMISSION
AGENDA MEMORANDUM **Item No.** 8l

ACTION ITEM **Date of Meeting** November 17, 2026

DATE : October 30, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Sarah Ogier, Director - Maritime Environment & Sustainability
Sarah Cox, Director - Aviation Environment & Sustainability
Joanna Florer, Sr. Manager - Maritime Environmental Programs
Megan King, Sr. Manager - Aviation Environmental Programs

SUBJECT: 2027 – 2031 Environmental Remediation Liability Program for Cleanup and Investigation of Historical Contamination

Amount of this request: $17,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) spend up to $17,000,000 in remediation funds in 2027, and (2) approve a five-year spending plan for $265,000,000 for the Environmental Remediation Liability program for 2027-2031.

EXECUTIVE SUMMARY

Projects within the Port's Environmental Remediation Liability (ERL) program address potential threats to human health and the environment caused by contamination resulting from historical industrial operations on Port properties and/or prior Port or Port tenant operations. As a major industrial landowner, the Port has significant environmental cleanup obligations, the costs of which are accounted for in accordance with the Government Accounting Standards Board (GASB) Statement No. 49.

The $17,000,000 requested annual spending authorization for 2027 will allow continuation of ongoing environmental investigations, testing, analysis, design, cleanup, and monitoring for projects in the Port's ERL portfolio, including the projects described below. The $265,000,000 five-year spending plan is the anticipated budget needed over the next five years for ERL activities and projects. This five-year spending plan is used to support contract procurement for work spanning multiple years. Executing contract obligations for longer durations minimizes the need to rework contracts and service directives each year and is appropriate as most of these efforts are multi-year in nature. The approval of the ERL five-year spending plan also provides greater visibility regarding the Port's projected ERL spending over a longer time horizon and aligns with the objectives of the Century Agenda, Long Range Plan, and Maritime, Aviation, Economic Development Division and Storm Water Utility Business Plans.

JUSTIFICATION

Environmental investigation and remediation activities under the ERL Program are generally required under state or federal law. Port activities associated with ERL projects may include:

(1) Perform investigative and remediation work in accordance with state and federal requirements in consideration of current and potential future uses of the sites.
(2) Maintain robust project controls and contract systems.
(3) Facilitate public participation to identify and consider community input.
(4) Research and identify innovative cleanup techniques.

Diversity in Contracting

Procurement for consultants to support this work is covered under separate Executive and/or Commission authorizations. Diversity in contracting will be included in any future procurements to determine the appropriate women and minority owned business Enterprise utilization goal for each new contract.

DETAILS

The following remediation sites or projects listed below are included in the annual budget and the 5-year spending plan.

Maritime Sites/Projects

South Park Marina – Ecology identified the South Park Marina as a potential source control site (a contaminated site that may be a source of contamination to the adjacent waterbody) on the Lower Duwamish Waterway (LDW) in 2004. The Department of Ecology (Ecology) identified the Port as a Potentially Liable Person (PLP) for the cleanup of this site, due to the Port's historical ownership of an upland portion of the marina. Other PLPs include the City of Seattle and South Park Marina. In March 2019, the three parties signed a preliminary cost-sharing agreement and an Ecology order to perform a Remedial Investigation (RI). The RI was completed on September 1, 2026. A new order to perform a Feasibility Study (FS) and a Cleanup Action Plan (CAP) was executed in August 2026. The work is anticipated to begin in 2027 after selecting a contractor and take five years to complete. The contracting process is currently being led by the City of Seattle.

Terminal 108 – Ecology identified Terminal 108 as a potential source control site on the LDW in 2004 and referred the site to Environmental Protection Agency (EPA). In early 2020, the Port, City of Seattle, and King County agreed to an order with EPA to prepare an Engineering Evaluation/Cost Analysis (EE/CA) along with a preliminary cost-sharing agreement. A draft EE/CA report was submitted to EPA in 2026. Remedial design is anticipated to begin in 2027 and take two years to complete. Construction contracting led by the Port is expected to begin in 2030.

Terminal 115/Plant 1 – Ecology identified Terminal 115, the site of the historic Boeing Plant 1, as a potential source control site on the LDW in 2004. Ecology identified the Port (current owner) and Boeing (historical owner) as PLPs. In 2010, Boeing and the Port entered an order with Ecology to perform an RI/FS and agreed to a preliminary cost sharing agreement. The RI report was submitted to Ecology in 2026. The FS and CAP is expected to begin in 2027 and to be completed

within two years. Remedial Design is expected to begin in 2029, and construction contracting led by the Port is expected to begin in 2030.

Terminal 115 North –Terminal 115 North is located adjacent to Glacier Bay, a high-priority cleanup area within the LDW. Under a 2010 order with Ecology, the Port completed an RI in 2024 and began working on the FS in 2025. The draft FS will be submitted to Ecology in 2027. A final FS is anticipated for 2028, the CAP is anticipated for 2029, Remedial Design is anticipated for 2030, and construction contracting led by the Port is anticipated for 2031.

Harbor Island Superfund Site East Waterway Sediments Operable Unit – In 2006, the Port signed an order with EPA to conduct a Supplemental RI/FS and signed a cost sharing agreement with the City of Seattle and King County. EPA approved the final RI in January 2014 and the final FS in June 2019. In May 2024, EPA issued an interim Record of Decision that identifies the selected cleanup approach. In October 2025, the Port, City of Seattle, and King County signed a new cost-sharing agreement and order with EPA to perform the Remedial Design work that began in April 2026 and is anticipated to take six years to complete.

Terminal 25 South – This site is adjacent to and partially within the East Waterway Sediments Operable Unit of the Harbor Island Superfund Site. Contamination at the site was identified in 2021. In 2022, the Port signed an order with EPA to conduct an EE/CA, which was completed in June 2026. The cleanup is being coordinated with the creation of a habitat site. Design and permitting authorization were approved under a separate Commission action but funding is approved through the annual ERL authorization. Cleanup and habitat construction led by the Port is expected to begin in 2029 and to be completed by 2031.

Terminal 10/Lockheed – Lockheed Martin previously performed the upland and sediment cleanup required by EPA. As the current property owner, the Port has continuing obligations to: maintain the upland cap and the habitat restoration area, manage any contaminated soil and groundwater encountered or removed during redevelopment or maintenance activities, and protect Lockheed's groundwater monitoring wells. Long-term monitoring of the site is ongoing.

Terminal 91 – Investigation and cleanup of this site is being administered by Ecology under a State Dangerous Waste Permit and Model Toxics Control Act (MTCA) orders. Upland and in-water (i.e., sediments) areas are being addressed under separate orders with Ecology.

T-91 Upland: The upland cleanup work was completed in mid-2015 and long-term groundwater monitoring and maintenance has been ongoing.

T-91 In-water (Sediment): The site sediments are particularly complicated due to the presence discarded military munitions from the Navy's use of the site during the World War II era. In 2016, under an Ecology order, the Port conducted a preliminary sediment investigation. In 2020, under an Ecology order, the Port conducted an RI of the sediments, which was completed in 2024. In 2023, an order amendment was signed to perform an FS and prepare a Cleanup Action Plan (CAP). The FS began in 2025 and is expected to be completed in 2027. The CAP will be prepared after the FS and is anticipated to be completed by 2029. The Port is also

implementing an Interim Action that is required when conducting maintenance dredging in MTCA cleanup sites.

Lower Duwamish Waterway Superfund Site – The LDW riverbed (sediments) is a federal Superfund site under CERCLA and a state-listed cleanup site under MTCA. Together the Port, the City of Seattle, King County, and Boeing completed a Remedial Investigation and Feasibility Study (RI/FS) under a 2000 order with EPA and Ecology. Under amendments to the 2000 order, the parties completed additional studies to evaluate the potential effectiveness of using carbon amendment in the cleanup; to identify and categorize human uses of the river including for fishing; and to complete pre-design baseline monitoring; and to design the cleanup of the upper and middle thirds of the LDW.

On September 21, 2026 the LDW Consent Decree (CD) was entered. The CD requires the City, County, and Boeing – not the Port – to implement the LDW cleanup, and marks completion of the Port's obligation to reimburse 25% of ongoing design costs. Once the Port reimburses its share of costs accrued prior to the date the CD was entered, the Port has no further regulatory obligation for the LDW sediments cleanup.

Completed/Longterm Monitoring Sites

Terminal 30 – Terminal 30 is a former Chevron bulk petroleum product storage site under an Ecology order. Since the 1990s, the Port has removed significant amounts of petroleum product from the groundwater and conducted an extensive groundwater-monitoring program. The Port signed a CD in early 2017 to perform the cleanup using an air sparging system, which was completed in 2019. The Port currently operates the air sparging system, removes contamination, and performs long-term groundwater monitoring. The successful cleanup performance has the Port and Ecology considering a reduced long-term monitoring scope that may include discontinuation of air sparge operations, reducing frequency of monitoring, and completing hydraulic recovery events. No changes in the budget are being made until Ecology formally approves the reduced scope.

Terminal 5 Ecology State Cleanup Sites – As part of the past Terminal 5 Southwest Harbor redevelopment in the 1990s, the Port completed remediation at four sites under consent decrees with Ecology, including installation of an environmental cap and a methane collection system at the site of the former West Seattle Landfill. Current obligations related to those cleanups include on-going cap inspection and maintenance of the cap areas. Targeted cleanup was performed in 2021. Additional investigation was completed in 2022 that determined no additional cleanup actions are warranted. Long-term monitoring of the site is ongoing.

Terminal 5 Pacific Sound Resources Superfund Site – This site cleanup was completed under an EPA order as part of the Terminal 5 Southwest Harbor redevelopment project. Ongoing obligations include performing cap inspection and maintenance, product recovery, and monitoring EPA activities related to the groundwater and the offshore sediments. In 2021, the Port completed upland cap maintenance consisting of pavement repairs and reapplication of pavement seal coat. Long-term monitoring of the site and cap maintenance is ongoing.

Harbor Island Superfund Site Soil and Groundwater Operable Unit – Cleanup of this Superfund site was performed under a CD with EPA that requires 30 years of long-term groundwater monitoring following completion of the cleanup action in 2007. Terminal 18 is within this site and requires ongoing long-term monitoring and cap maintenance.

Aviation Sites/Projects

Lora Lake Apartments – In 2009, the Port and Ecology an order that required the Port to conduct an RI/FS for the cleanup of the Lora Lake Apartments Property. A subsequent Consent Decree (CD) was executed in 2015 for remediation of the site, which completed in 2019. Post-remediation monitoring work was completed in 2024. Ecology has not yet initiated a 5-year periodic review process. In the meantime, the Port is conducting long-term monitoring based on recommendations proposed in the 2024 Annual Monitoring Report by providing monitoring through 2027. Environmental covenants for the parcels where contaminated soil remains beneath engineered covers require maintaining the integrity of the covers and restricted extraction of groundwater. The soil cover constructed at the Lora Lake Apartments parcel was designed as a temporary cover. The future redeveloped surface of the property will provide the final cover, as required by the CD. The final redeveloped surface cover completion has been extended with Ecology's approval to fall of 2033. Redevelopment of the property is in planning phases by Aviation Real Estate and Properties.

SeaTac Airport PFAS - In 2018, the Port initiated a voluntary investigation of soil and groundwater at SEA associated with historical use of aqueous film-forming foam that contained per- and polyfluoroalkyl substances (PFAS). Results were submitted to the Ecology in 2023. Ecology identified the site for potential cleanup in 2025; the Port accepted PLP status on February 18, 2025. After this date, actions associated with PFAS at SEA are considered ERL costs. The Port and Ecology are negotiating a cleanup order, anticipated to be effective in 2027. Ongoing activities are anticipated to include groundwater monitoring and development of a RI work plan.

Schedule

Schedules are outlined in the various legal agreements for individual sites.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not approve funding authorization and spending plan and do not complete the associated work.

Pros:

(1) Could save money in the short-term, until the regulator decided to enforce the already signed agreements.

Cons:

(1) Could result in the regulators, including Ecology or EPA, taking enforcement action that could lead to state or federal agency implementing the work at the expense of the Port. In this case, the Port would be liable for three times the costs incurred by the regulator.
(2) The Port would lose the opportunity to employ the flexibility contained in the controlling regulations, to define and direct the work, and to manage costs.
(3) Would not comply with Port's obligations to remediate the sites.
(4) Would not honor our cost sharing agreements for multiple sites.
(5) Would delay work previously agreed to under existing regulatory orders or under voluntary programs.

(6) Would erode trust between the Port, regulators, and the public, and may affect other projects and other agencies.

This is not the recommended alternative.

Alternative 2 – Approve funding authorization and spending plan and complete the associated work.

Pros:

(1) Meets our commitments under existing orders and cost sharing agreements.
(2) Provides the opportunity to employ flexibility under the regulations with respect to current and future uses of Port property under the agreements.
(3) Provides for use of trained workforce with specific technical expertise.
(4) Provides consistent reporting and documentation.
(5) Allows for technical development of Port staff.
(6) Keeps in-house historical knowledge of Port-owned sites.

Cons:

(1) Requires staff time.
(2) Port fronts some of the upfront costs for legacy contamination on our properties until future cost recovery occurs.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The following table summarizes 2027 through 2031 forecasted budget for environmental remediation projects, which is based on the scope described under the "Details" section of this memorandum.

Five-Year Budget

	2027	2028	2029	2030	2031	**2027-2031 (Total)**
Project Spending	**17,000,000**	34,000,000	56,000,000	86,000,000	72,000,000	**265,000,000**

Annual Budget Status and Source of Funds

Environmental cleanup projects have multiple funding sources: (1) Maritime and Economic Development ERL projects are funded by the Port's Tax Levy via the Environmental Liability Fund; (2) Airport projects are funded by the Airport Development Fund. Additionally, there are supplementary outside sources of funding, including the following:

- Contributions from other potentially responsible parties (payment from cost-sharing or contribution agreements);
- Settlements with other parties;
- Insurance recoveries; and
- Department of Ecology grants.

ADDITIONAL BACKGROUND

The Port has identified several contaminated sites that must be investigated and remediated in compliance with federal and state environmental laws and regulations. In some cases, the Port has been designated by the federal government as a "Potentially Responsible Person" (PRP), and/or by the state government as a "Potentially Liable Party" (PLP) for the investigation and cleanup of properties owned by the Port or where the Port may have contributed to site contamination.

Although the Port may not ultimately bear all or even most of the liability for the contamination, under federal and state law, the Port is presumptively liable as the property owner, and it is often practically and financially beneficial for the Port to take initial responsibility to manage and pay for the cleanup, and later seek proportional recovery of its costs from other liable parties.

In many cases, the Port has successfully recovered and/or will seek recovery from other responsible parties for Port-incurred investigation and cleanup costs. The Port also has been successful in receiving MTCA grant funds to pay part of the cleanup costs. The Port's goals are to cost-effectively complete this work and to maximize recoveries from responsible parties.

To manage such environmental expenditures, the Port also encourages, coordinates with, and oversees the investigation and cleanup of sites by other potentially responsible parties, to assure that legal requirements are met and that Port liabilities are minimized. Regardless of whether the Port conducts the investigation and remediation directly or oversees the proper performance of that work by other responsible parties, the Port provides a valuable public benefit by acting as a catalyst in expediting appropriate environmental management of these sites.

Accounting rules require that the Port "book" or establish a liability on its balance sheet for environmental remediation when the Port's obligation meets specified definitions of certainty, and the liability amount can be reasonably estimated. When an environmental remediation liability is booked, an expense is also recorded in the current period for the future expenditures. The Port develops its environmental remediation liability forecasts in compliance with GASB Statement No. 49 "Accounting and Financial Reporting for Pollution Remediation Obligations".

Environmental liability expenditures are authorized in one of two ways:

(1) If incremental ERL costs are incurred during a construction project, the Commission authorization occurs as part of an authorization for the overall construction project and is not included in this annual ERL authorization. Examples of this include asbestos removal, off-site soil disposal during construction, or upland dredge material disposal.
(2) If the environmental cost is not associated with a capital construction project or maintenance (including asbestos and lead), but is a stand-alone pollution remediation project, the expenditure is authorized through annual ERL Commission approval

Since 1993, the Commission has approved annual ERL expenditures. In addition, Commission authorization is obtained prior to entering legal commitments for investigation or cleanup actions, such as an Agreed Order, Administrative Order on Consent (AOC), or Administrative

Settlement Agreement and Order on Consent (ASAOC) (collectively referred to as "orders"). Under such orders, the Port may be required to pay agency oversight costs, which are included where appropriate in the 2027 budget and 5-year spending plan. Further, to the extent required by the General Delegation of Authority, Central Procurement Office contract actions in support of approved environmental projects may require additional Commission authorization, e.g. construction contracts.

Since 1993, the Port has booked liabilities to recognize these obligations. While Port environmental cleanup projects typically span several years, more complex projects are often active for over 15 years or more.

ATTACHMENTS TO THIS REQUEST

(1) Map of ERL Sites Aviation
(2) Map of ERL Sites North Maritime
(3) Map of ERL Sites South Maritime

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

November 11, 2025 - The Commission approved (1) spend environmental remediation funds for 2026 in the amount of $30,000,000 and (2) approve a five-year spending plan for $259,000,000 for the environmental remediation liability program for 2026-2030.

November 1, 2024 - The Commission approved (1) spend environmental remediation funds for 2025 in the amount of $19,700,000 and (2) approve a five-year spending plan for $211,000,000 for the environmental remediation liability program for 2025-2029, of which an estimated not-to-exceed amount of $50,000,000 will be obligated during 2025 to be spent in future years.

November 21, 2023 – The Commission approved (1) spend environmental remediation funds for 2024 in the amount of $11,400,000 and (2) approve a five-year spending plan for $148,000,000 for the environmental remediation liability program for 2024-2028, of which an estimated not-to-exceed amount of $20,000,000 will be obligated during 2024 to be spent in future years.

November 29, 2022 – The Commission approved (1) spend environmental remediation funds for 2023 in the amount of $11,000,000 and (2) approve a five-year spending plan for $103,000,000 for the environmental remediation liability program for 2023-2027, of which an estimated not-to-exceed amount of $30,000,000 will be obligated during 2023 to be spent in future years.

November 9, 2021 – The Commission approved the 2022 (1) spend environmental remediation funds for 2022 in the amount of $16,000,000 and (2) approve a five-year spending plan for $114,000,000 for the environmental remediation liability program for 2022-2026, of which an amount estimated not to exceed $30,000,000 will be obligated during 2022 to be spent in future years.

November 10, 2020 – The Commission approved the 2021 (1) spend environmental remediation funds for 2021 in the amount of $33,100,000 and (2) approve a five-year spending plan for $106,220,000 for the environmental remediation liability program for 2021-2025, of which an amount estimated not to exceed $30,000,000 will be obligated during 2021 to be spent in future years.

November 19, 2019 - The Commission approved the 2020 (1) spend environmental remediation funds for 2020 in the amount of $28,730,000 and (2) approve a five-year spending plan for $123,312,000 for the environmental remediation liability program for 2020-2024, of which an amount estimated not to exceed $30,000,000 will be obligated during 2020 to be spent in future years.

November 13, 2018 – the Commission approved the 2019 (1) spend environmental remediation liabilities funds for 2018 in the amount of $17,025,000; (2) approving a five-year spending plan of $116,026,000 for the Environmental Remediation Liability (ERL) Program for 2019 to 2023 of which an amount estimated not to exceed $30,000,000 will be obligated during 2019 to be spent in future years.