



TO: T.C. Broadnax, City Manager
FROM: Peter Huffman, Director, Planning and Development Services
Ian Munce, Special Assistant to the Director, Planning and Development Services
COPY: City Council and City Clerk
SUBJECT: Resolution – Authorizing Professional Services Contract with Ecology & Environment, Inc. – February 24, 2015
DATE: February 4, 2015

SUMMARY:

The City Council is requested to consider a resolution on February 24, 2015, to authorize the appropriate City officials to execute a contract with Ecology & Environment, Inc., in the amount of \$350,924 for preparation of a Draft and Final Environmental Impact Statement for Puget Sound Energy's proposed Liquefied Natural Gas facility in the Tacoma Tideflats; all funds would be reimbursed by Puget Sound Energy. Because the contract amount exceeds \$200,000 Council action is required.

STRATEGIC POLICY PRIORITY:

- Strengthen and support public safety, human services, public education, and diverse higher learning opportunities in Tacoma.
- Foster neighborhood, community, and economic development vitality and sustainability.

The City of Tacoma has lead agency responsibility for this project under the State Environmental Policy Act. One of the purposes of SEPA is to ensure that this project is developed and operated in a safe and sustainable manner, with limited or adequately mitigated impacts on the environment and the surrounding community. Working with the expertise of the consultant, we can fulfill that responsibility.

BACKGROUND:

Puget Sound Energy (PSE) has proposed a \$275 million Liquefied Natural Gas (LNG) facility to be constructed at the corner of 11th and Taylor Way on land leased from the Port of Tacoma. The facility will serve TOTE vessels as they convert from diesel fuel to LNG for their Alaska-bound trips. In addition, the proposed 8 million gallon tank would act as a "peak-shaving" facility, storing product for local use during times of high utility demand, as well as potentially creating capacity for new LNG customers.

PSE stipulated to an Environmental Determination of Significance in September of 2014. At that time, Planning and Development Services (PDS) entered into a cost-reimbursement agreement with PSE for completing the City's environmental review responsibilities under the State Environmental Policy Act (SEPA). Under this agreement, PSE will pay for the preparation and issuance of the Environmental Impact Statement, and the City will contract with and manage a third-party consultant to assist with the environmental review.

Subsequent to the issuance of the DS and the public scoping period for the EIS, the Planning and Development Services Department issued an RFQ (PL14-0577F) and selected Ecology and Environment, Inc. for consultant services. The Scope of Work includes technical and peer review of PSE's environmental studies and documents, an analysis of historic environmental reviews in the area, and a cumulative effects analysis. Under PDS direction, the consultant will prepare a Draft EIS for public review, manage the commenting and response on the DEIS, and prepare a Final EIS for issuance. The

FEIS is expected to be issued by June, 2015. Due to the constricted timeline, limited work on the project began on January 26, 2015.

ISSUE:

Approval of Professional Services Contract.

The City, under SEPA responsibilities, must issue a Draft and Final Environmental Impact Statement for the PSE LNG facility. This contract enables the pass-through of funds from PSE to the selected consultant, Ecology & Environment, Inc. Due to the level of expertise required for technical and peer review, and due to the magnitude of the work involved, current staffing levels are insufficient to complete the work.

ALTERNATIVES:

There are no specific alternatives being considered at this time.

RECOMMENDATION:

Approval of a resolution on February 24, 2015, to authorize the Professional Services Contract with Ecology and Environment, Inc., with the effective start date of January 26, 2015, in an amount of \$350,924.

FISCAL IMPACT:

If you are making a commitment on the City's behalf to receive or expend funds, then the fiscal impact section should be completed. If this does not apply, enter "There is no fiscal impact" and delete everything below this line. If you are unsure, please contact the Budget Office. If the action is to accept a donation, you do not need to complete the fiscal impact section, just note the estimated value of the donation in the background section.

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4110 Permit Services	40000230810	5195000 & 5330100	\$350,924
TOTAL			

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4110 Permit Services	60000037356	4339000	\$350,924
TOTAL			

POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$0 net

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.

Expenditures are covered by reimbursement from Puget Sound Energy.