

# Environmental Compliance Assessment Program



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### Environmental Compliance Assessment Program

#### Project Summary

#### **Project Description**

The Environmental Compliance Assessment Program (ECAP) is a tenant environmental compliance evaluation and assistance program currently being implemented by the Port of Seattle. The ECAP program supports the sixth largest Port in the nation in a region with high public expectations and stringent compliance requirements for environmental quality. The Port of Seattle maintains many real estate assets, regional trade, and critical infrastructure facilities. While supporting regional economic development, the Port of Seattle leases property and facilities to hundreds of tenants. These tenants have a high degree of variability in their daily operations and their potential environmental impacts.

#### **Award Criteria**

- 1. Benefits to Environmental Quality:** The ECAP program utilizes a collaborative approach to foster lasting business relationships with tenants while emphasizing the Port of Seattle's green initiatives. By assessing tenant activities the ECAP program minimizes impacts to the environment by Port tenants.
- 2. Independent Involvement and Effort:** The ECAP program has been successfully implemented with a very modest budget utilizing Port of Seattle personnel and a minimal amount of consultation. The ECAP programs success relies on the utilization of Port personnel to promote and implement the program. This allows the Port the opportunity to build lasting business relationships.
- 3. Program Creativity:** The ECAP program has laid the foundation for an effective tenant management tool. The program has enabled to Port of Seattle to take a proactive look at its tenant operations and make educated decisions on appropriate actions as necessary. The ECAP program is constantly evolving and will soon incorporate additional green initiatives such as energy audits, waste conservation tools, and solid waste/recycling efforts.
- 4. Program Results:** Since inception of the ECAP program the Port of Seattle has successfully assisted over 40 tenants with their environmental programs. The program has directly impacted and reduced threats to the environment by identifying certain tenants whose environmental programs did not meet Port expectations. These instances allowed the Port to work with the tenants to establish appropriate environmental management standards and in some cases take appropriate actions as necessary.
- 5. Program Cost Effectiveness:** The ECAP program is managed in house allowing the Port to better track and control expenses related to the program. The ECAP program also effectively assists the Port in managing its potential liabilities as well as providing potential cost saving measures to Port tenants. The Port of Seattle believes it is these benefits that make the program highly cost effective.
- 6. Transferability of the Program to the Port Industry:** The ECAP program is completely transferable to Port Industry of all sizes. The ECAP program can be scaled to meet the needs of any sized Port and has applications to a variety of other landlord based businesses. The program is fundamental to Port Industry due to the proximity to sensitive environmental and the nature of industrial activities found on Port properties.



## **Environmental Compliance Assessment Program**

2010 AAPA Comprehensive Environmental Management Award

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## **I. Introduction – Paper Highlights**

The Port of Seattle is grateful for the opportunity to enter its Environmental Compliance Assessment Program (ECAP) for consideration in the 2010 AAPA Environmental Awards for the Comprehensive Environmental Management category. The Port of Seattle strives to be the cleanest, greenest, most energy efficient port in the country and the ECAP program is just another exciting program that moves the Port of Seattle towards a sustainable future.

The Port of Seattle's ECAP program focuses on collaboratively working with our tenants and educating each tenant on environmental mediums that may impact their operations. The ECAP program serves as a powerful tool to foster lasting relationships with tenants as well as managing and identifying port liabilities. The ECAP program provides an effective way for the Port of Seattle to better manage public monies and assets in a way that promotes healthy business practices throughout the community.

The Port of Seattle has realized a variety of benefits directly related to the ECAP program. The Port has utilized the program to identify potential liabilities associated with tenant activities as well as a sound tool to aid in building relationships with its tenants. The Port aims to implement additional green initiatives to help reduce environmental impacts due to port operations while fostering successful lasting business relationships.

This document provides a detailed overview of the Port of Seattle's ECAP Program and outlines how its success in protecting the environmental while contributing to the success of its customers is completely transferrable at any size and level of Port Industry participation.

## II. Goals and Objectives

The goal of ECAP program is to minimize environmental impacts by Port tenants and maintain regulatory compliance through education, and thorough compliance assessment. While ECAP is not an enforcement program, the ECAP team members must balance the program goals with positive business relationships and the Port's own liability. Important challenges faced by the program have included accommodation of tenants with a wide range of environmental and regulatory knowledge. These challenges have been managed by making ECAP a flexible program and assigning tenant Environmental Impact Codes which determines frequency and intensity of the ECAP assessment. In addition, ECAP must also address non-compliance issues as a non-enforcement agency. This is usually accomplished by providing guidance and education of regulatory programs. The following list of goals and objectives were considered during program development.

- Assure Environmental Compliance
  - ❖ Verify tenant activities are consistent with the active lease
  - ❖ Determine tenants potential impacts to Port compliance
- Reduce Environmental Liability
  - ❖ Through comprehensive assessments identify Port risks and respond accordingly
- Promote Pollution Prevention
  - ❖ Use sound pollution prevention practices to assist tenants in their waste reduction efforts.

- ❖ Reduce tenant operating costs through waste minimization and pollution prevention techniques
- Promote Good Environmental Stewardship
  - ❖ Utilize the assessment process to promote additional key green initiatives as they apply to tenant activities.
  - ❖ Assist tenants in applying green initiatives and tracking cost savings related to green initiative implementation
- Identify Area of Concerns
  - ❖ Determine tenants that may not meet Port standards and take appropriate actions to educate and assist in developing tenant environmental programs.

### **III. Discussion**

#### **A. Program Background**

The ECAP program was developed to assist in managing Port liabilities associated with its tenant operations. The Port of Seattle has embraced this program and has worked diligently to identify new areas of opportunity to grow the program and its success. The Port of Seattle is in the process of completing assessments on its highest risk tenants based on their industrial activities and aims to incorporate additional sustainable measures during the next round of assessments. The Port and its tenants consider the assessment program a valuable program to assure environmental compliance and open up effective lines of communications with tenants and their operations.

B. Objectives and Methodology

i. Assure Environmental Compliance

- a. The Port of Seattle is utilizing its ECAP program to perform comprehensive environmental site assessments on Port Tenants. Through the assessment process the Port is afforded the opportunity of assessing tenant's daily operations. This enables the Port of Seattle to make sound determinations on how tenant operations may potentially impact Port of Seattle compliance programs. This also allows for an opportunity to evaluate those daily activities and confirm that they are consistent with the original lease language. Tenant operations found to be inconsistent with the original lease language may potentially require a lease amendment as necessary.

ii. Reduce Environmental Liability

- a. Through the assessment process the Port can better identify its risks and liabilities based on tenant operations. This information is utilized to make educated decisions that are in line with Port of Seattle's internal policies and green initiatives.

iii. Promote Pollution Prevention

- a. The comprehensive assessments cover all environmental mediums that a facility may encounter due to its operations. ECAP staff members are skilled professionals ready to observe a variety of operations and make recommendations for facilities on how to potentially reduce the amount of

wastes generated. The program identifies simple pollution prevention techniques that can be implemented and reduce the amount of wastes produced by tenant operations. These waste reductions also allow Port of Seattle tenants to realize a reduction in their operating expenses.

iv. Promote Good Environmental Stewardship

- a. The Port of Seattle is dedicated to being the cleanest, greenest, most energy efficient port in the nation. The Port of Seattle is looking forward to utilizing the ECAP program to effectively promote those green initiatives and incorporate a variety of green efforts that reduce port and tenant operations while reducing operating costs. The Port of Seattle is establishing sound environmental metrics to enable both the port and its tenants to document, track, and benefit from these green initiatives. These green initiatives will allow both the Port of Seattle and the tenant to benefit environmentally, socially, and economically. It is the combination of the tenant assessment and green initiatives that give the Port of Seattle's ECAP program a key edge and helps enable its success now and into the future.

v. Identify Area of Concerns

- a. The Port of Seattle realizes that while the majority of its tenant operations are maintaining adequate levels of environmental standards there are always some tenants that may fall below the appropriate level of standards. The ECAP program gives the Port of Seattle the opportunity to identify these



tenants and look at a variety of ways to assist these operations where possible. By identifying these areas of concern the Port can better position itself to make well informed decisions about managing its potential long term liabilities associated with its real estate assets.

### C. Fulfillment of Award Criteria

#### i. Benefits to Environmental Quality

- a. The minimization of impacts to the environment stem from the ECAP's collaborative hands on approach of promoting waste reduction and recycling opportunities, utilization of sound best management practices, and providing precise education and outreach materials. These measures help correct any inefficiency's and promote forward thinking about strategies to reduce impacts to the environment.
- b. The ECAP program provides a unique opportunity to assess tenant operations and identify businesses that are leaders in their industry. These businesses can then be recognized for their exemplary actions in a way that's beneficial to the tenant. This promotional outreach spans throughout the specific industries and helps protect the environment both on and off Port of Seattle property.

ii. Independent Involvement and Effort

- a. The ECAP program uses a cross functional team of professionals to assist in the assessment of tenant facilities. The assessments can be performed with minimal numbers of personnel however it has been determined that a team of 3 individuals with different environmental backgrounds works the best. The assessments are led by Port personnel with minimal use of consultation to fulfill potential gaps in environmental programmatic knowledge.

iii. Program Creativity

- a. While tenant assessment programs have been utilized in industry for years it is important to realize the effort that the Port of Seattle has invested in making the ECAP program a collaborative work environment for both the tenant and the Port of Seattle. The success of the program relies on the ability to make the assessment a two way discussion between the Port and the tenant to assure each parties needs are understood.
- b. The Port of Seattle's ECAP program is constantly evolving with new green initiatives that we can work on together with our tenants. The Port of Seattle is currently planning to incorporate utility assessments at certain tenant facilities. This effort involves reviewing potential strategies to reduce power, water, and natural gas consumption associated with tenant operations at the facility. This process will engage both the tenant and port staff to determine cost benefit analysis of any changes and the best way to proceed in making

the changes that make significant impacts to the reduction of the utilities listed above.

- c. The ECAP program utilizes a rating system that tenants are given during lease reviews to determine the potential risks associated with industrial activities. Tenants with higher risk ratings are targeted for ECAP assessments and are then scheduled for follow-ups based on initial assessment results.
- d. The Port of Seattle has chosen to provide tenants with a detailed electronic report for distribution. The report utilizes a letter of recommendations along with the ECAP form used during the site visit. The ECAP form is embedded and hyperlinked with the appropriate guidance documents suited specifically to the tenants operations. The use of the electronic communication directly reduces paper consumption for each assessment and allows for easy distribution internally for both Port and tenant operations.

#### iv. Program Results

- a. The Port of Seattle has provided over 40 assessment reports since its inception in 2009 and will perform an additional 30 assessments by the end of 2010. The ECAP program has given the Port the opportunity to build lasting relationships with its tenants and provide critical outreach in areas that are sometimes complex and confusing. Overall tenant response to the program has been very positive since beginning the program.

- b. There have been 2 instances in which the Port of Seattle felt certain findings may pose harm to the environment. In each of these cases the Port of Seattle requested information from the tenants in question. One of the tenants was able to provide the requested documentation while the second was unable to meet the requests and has since vacated the leasehold they occupied. The Port of Seattle felt that based on the observations from the ECAP program this was the best for both the tenant and the Port of Seattle.
- v. Program Cost Effectiveness
  - a. The Port of Seattle has invested a minimal amount of budget dollars to the ECAP program over the last couple of years; however a commitment of staff time has been a key factor for the program's success. By developing the program in-house with a minimal amount of outside consultation the Port of Seattle has been able to keep costs at a minimum.
- vi. Transferability of the Program to the Port Industry
  - a. The Port of Seattle strongly believes the ECAP program can be successfully applied on a variety of levels to ports of all shapes and sizes. The program can also be applied across other industries with similar landlord/tenant based relationships. The Port of Seattle presented the ECAP program concept at the Association of Certified Hazardous Material Managers (ACHMM) national conference in 2009 and received excellent reviews and significant interest in the program by other agencies both public and private.

**IV. Conclusion**

The Port of Seattle believes that the ECAP program provides a nexus in which the business units of port operations align with the Port of Seattle's environmental goals and strategies. The ECAP program enables the Port of Seattle to continue its effort to become the cleanest, greenest, most energy efficient port in the nation. The Port of Seattle will continue to develop and enhance the ECAP program to meet the highest standards that are to be expected by the surrounding community and stakeholders.

The Port of Seattle would like to thank for the opportunity to submit its Environmental Compliance Assessment Program for consideration of the 2010 AAPA Comprehensive Environmental Management Award.



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