

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 5c
Date of Meeting July 9, 2013

DATE: July 1, 2013
TO: Tay Yoshitani, Chief Executive Officer
FROM: Darlene Robertson, Director, Harbor Services, Real Estate Division
Tracy McKendry, Senior Manager, Recreational Boating Facilities
Mark Longridge, Capital Project Manager, Capital Development Division
SUBJECT: Shilshole Bay Marina Central Seawall Replacement (CIP #C800088)

Amount of This Request:	\$202,000	Source of Funds:	Tax Levy
Est. Total Project Cost:	\$901,000		
Est. State and Local Taxes:	\$56,000	Est. Jobs Created:	N/A

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to complete design for the rehabilitation of 100' of the Shilshole Bay Marina Central Seawall for an amount not to exceed \$202,000. The total project cost is approximately \$901,000.

SYNOPSIS

Shilshole Bay Marina (SBM) was built in the late 1950's with the first dock opening in 1960. In 2012, SBM celebrated its 50th anniversary. It is the premier marina in the Pacific Northwest and the Seattle area providing more than 1,400 moorage slips, approximately 80% of which are utilized by sailboats (current occupancy is approximately 98%). The moorage provided is primarily for long-term recreational moorage with an additional 8,000 guest moorage visitors to the marina annually. The facility is used not only by recreational vessel owners, both pleasure and commercial but by commercial fishing and Tribal vessel owners, along with the maritime businesses that support them. Size of vessels range from small kayaks to mega-yachts. Shilshole has the largest live-aboard community in the State of Washington. The marina is an important job and revenue generator in Puget Sound's recreational boating sector (additional information is provided below).

The central section of the seawall, approximately 100', at Shilshole Bay Marina is nearing the end of its serviceable life. This 100-foot section of the current seawall was built in 1962 as part of the original marina construction. See attached photos of the seawall. This is a needed infrastructure improvement and there are no incremental revenues associated with this renewal/replacement project. The project was included in the 2013 Real Estate capital budget and Plan of Finance.

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BACKGROUND

This section of the seawall was originally under the central pier of the marina, which has since been removed as part of the redevelopment/replacement of the original docks which was completed in 2008. It is currently the only section of the seawall composed of timber piers and lagging (other sections of the seawall are concrete). The existing lagging is showing signs of distress and needs to be replaced or supplemented. This section of the seawall supports the northern end of the central plaza and garden area of the marina which is the primary access for both the fuel float and guest moorage slips of the central docks and is highly utilized by our tenants, the public and other visitors to the marina. Not replacing this section of the seawall could lead to localized failures of this retaining structure and significant slope instability.

The preferred alternative is to replace the existing timber lagging boards with concrete or composite boards and place steel collars over the existing piles to hold these new lagging boards in place. A discussion of the alternatives follows.

Shilshole Bay Marina is the largest marina in Seattle and plays an important role by supplying a large amount of recreational moorage to the Puget Sound region, by the economic impacts it generates and by its annual positive cash flow to the Port (Income from Operations) of over \$5,600,000. From the Port of Seattle's 2009 Economic Impact Study (conducted by Martin Associates), the Port's recreational boating marinas generated almost 400 jobs (direct, indirect & induced), almost \$8 million in local purchases, \$14 million in business revenues and over \$2million in state and local taxes, the majority of which is from Shilshole Bay Marina. Recreational boaters spend money in various maritime service sectors such as navigational equipment, sails & sail making, engine services, marine repair, fuel, marine clothing, and many more. The recreational boating industry in the State of Washington is an approximately \$4 billion industry which created 1,923 jobs and generated \$31 million in state and local taxes (taken from the NW Marine Trade Association Economic Impact Study of Recreational Boating by Herbert Research dated April 2011).

The overall value of Shilshole Bay Marina is estimated at \$62 million.

PROJECT DETAILS

Project Objectives

- Replace failing or weakened sections of the existing timber seawall.
- Extend the useable life of the central seawall for 30 to 50 years to better match the redevelopment of the harbor/docks.
- Minimize disruption to the marina customers and available moorage during and after construction.

Scope of Work

This project would complete the design and permitting to rebuild the remaining timber step wall section (about 100 feet) of the Shilshole Bay Marina central seawall. The current preliminary

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design calls for the removal of the existing lagging and exposing of the existing timber piles, needed repair and wrapping of the piles and placement of steel collars over the piling. Concrete or composite lagging would then be placed between the piles to complete the installation. The optimal means and methods to construct this work will be assessed during the design phase.

Schedule

The estimated schedule for completing this work is:

Design:	July 2013 - Sep 2013
Permitting:	July 2013 - Oct 2013
Construction:	Dec 2013 - Feb 2014
Closeout:	Feb 2014 - May 2014

FINANCIAL IMPLICATIONS

<i>Budget/Authorization Summary</i>	Capital	Expense	Total Project
Original Budget	0	\$0	\$0
Previous Authorizations	\$50,000	\$0	\$50,000
Current request for authorization	\$152,000	\$0	\$152,000
Total Authorizations, including this request	\$202,000	\$0	\$202,000
Remaining budget to be authorized	\$699,000	\$0	\$699,000
Total Estimated Project Cost	\$901,000	\$0	\$901,000

<i>Project Cost Breakdown</i>	This Request	Total Project
Construction	\$0	\$590,000
Construction Management	\$18,000	\$71,000
Design	\$95,000	\$95,000
Project Management	\$71,000	\$71,000
Permitting	\$18,000	\$18,000
State & Local Taxes (estimated)	\$0	\$56,000
Total	\$202,000	\$901,000

Budget Status and Source of Funds

This project was included in the 2013 Real Estate capital budget and related Plan of Finance under CIP #C800088 SBM Central Seawall Replacement in the amount of \$915,000. The source of funds will be the tax levy.

Financial Analysis and Summary

CIP Category	Renewal/Enhancement
Project Type	Renewal & Replacement

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Risk adjusted discount rate	NA
Key risk factors	Condition of current structure may be worse than preliminary investigation indicated requiring additional work and higher cost.
Project cost for analysis	\$901,000
Business Unit (BU)	Harbor Services Group – Shilshole Bay Marina
Effect on business performance	Annual Depreciation of \$30,000. There are no incremental revenues associated with this project as it is renewal of needed infrastructure.
IRR/NPV	The NPV is the present value of the project cost.

STRATEGIES AND OBJECTIVES

This project provides for the continuation of a functioning facility to Port tenants in support of business plan strategies and objectives that call for maintaining real estate assets, not deferring maintenance, and meeting our customers' expectations. These strategies help to bolster the Port's Century Agenda strategy to advance the region as a leading tourism destination and business gateway.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1) – Replace the existing stepped timber seawall with a steel sheet pile wall. While this option provides a long life, it is considerably more expensive and would present significant access issues for placement of the pile under cantilevered sections of the pier and tying into each end of the existing seawall. This is not the recommended alternative.

Alternative 2) – Encase the existing seawall under a layer of riprap and gravel. While this alternative provides a long life at lower cost, the current slope of the seawall would not allow for this installation at an acceptable slope without impacting the existing floats. The required slopes for this alternative would make the floats ground at extreme low tides without modification of the existing float layout. This is not the recommended alternative.

Alternative 3) – Rebuild the existing seawall using long-life materials. This option offers a balance of cost effectiveness and long life, along with easy site accessibility. It allows the wall to maintain its existing geometry while strengthening it and extending its life.

This is the recommended alternative.

ATTACHMENTS TO THIS REQUEST

- Existing condition and aerial view site photographs.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- None.