

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No.	<u>6b</u>
Date of Meeting	<u>September 30, 2014</u>

DATE: September 23, 2014
TO: Tay Yoshitani, Chief Executive Officer
FROM: Tracy McKendry, Senior Manager, Recreational Boating
Mark Longridge, Capital Project Manager
SUBJECT: Replacement of Shilshole Bay Marina Restrooms with Multi-use Customer Service Facilities (CIP #C800356)

Amount of This Request: \$632,000 **Source of Funds:** Tax Levy
Est. Total Project Cost: \$5,500,000

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to execute design contracts or service directives, perform design, conduct environmental review, prepare necessary permit submittals, and prepare construction bid documents for the replacement of Shilshole Bay Marina restrooms in the amount of \$632,000 of a total estimated project cost of \$5,500,000.

SYNOPSIS

Five restrooms (M1, M2, M4, M5, and M6) at Shilshole Bay Marina (SBM) were built in 1962 as part of the original marina construction. They are at the end of their serviceable life and, as a result, repair and maintenance requirements and associated costs are increasing. Plumbing and electrical service is failing throughout and repair and maintenance is constrained due to the presence of lead paint and asbestos, with required hazardous materials abatement requirements. Facilities must be removed from service during repair and maintenance activities, with significant negative effects to customers and visitors. Although cleaned regularly, existing finishes are worn and appear unsanitary. Tile grout is heavily deteriorated or stained and none of the windows meet current energy code requirements. Both ventilation and floor drainage are inadequate and the restrooms retain a damp feeling throughout the day. Existing fluorescent lights are unseemly and do not conform to current electrical codes; interior electric wall heaters are inefficient and failing.

The present facilities do not adequately meet the needs of moorage tenants, commercial customers, and marina visitors, who expect efficient, safe, and accessible multi-purpose service facilities consistent with the market moorage rates that they pay. Other competing marinas in the area have modern facilities that are more desirable for recreational boating customers. The

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restrooms, showers, entry vestibules, sink, mirror placement and water fountains are not ADA-compliant.

In order to maintain a high SBM occupancy rate and ensure continuing future value for this asset, staff strongly believes that the restroom facilities should be replaced. Our customers demand and deserve a safe, accessible, high-quality facility that will represent the Port's dedication to the maritime community and to the larger community as a whole.

BACKGROUND

Shilshole Bay Marina is the largest marina in Seattle 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. The vessel size ranges from small kayaks to mega-yachts.

Shilshole Bay Marina was built in the late 1950's with the first dock opening in 1960. There are five 50+ year old restrooms that were initially slated to be replaced during the planning phases for the 2006 to 2008 Shilshole Dock Replacements and Marine Related Projects program. The replacement was removed from the plan due to higher than anticipated costs of the work that was completed.

Not replacing the multi-purpose facilities will lead to continued rising maintenance and repair costs. Although our current occupancy is above 95%, at some point the deterioration of the facilities will affect the bottom line and is already adversely affecting our guest moorage revenue. Contemporary, multi-purpose restroom facilities are typically the number one amenity that boaters look at when choosing marinas to visit.

From the Port of Seattle's 2009 Economic Impact Study, the Port's recreational boating marinas generated almost 400 jobs, almost \$8,000,000 in local purchases, \$14,000,000 in business revenues and over \$2,000,000 in state and local taxes, the majority of which is from Shilshole Bay Marina, which generates gross income of \$5,600,000 annually.

PROJECT JUSTIFICATION AND DETAILS

The current restroom facilities are at the end of their usable life. Replacing these with new customer services buildings will maintain our current occupancy rates and improve the level of service expected at our world class facility and maintain occupancy rates.

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Project Objectives

Replace the current facilities at SBM with new customer services buildings to include restrooms, showers, laundry facilities and other tenant use improvements to provide a level of service at or above that currently provided.

Scope of Work

The site plan work concept completed earlier this year recommended the replacement of the M1 restroom building in its current location and the consolidation of the four remaining restrooms into two customer services buildings, one each to serve the north and south ends of the Marina. The buildings as currently conceived would be approximately 3,200 sf each, and include restrooms, showers, laundry facilities, other tenant services and be ADA accessible for all marina tenants and guests. The construction of these new facilities would include new utility service runs and associated flatwork improvements necessary to integrate them into the existing site. The design effort will include evaluation of sustainable design features such as alternative energy and water saving or recycling features, along with any features or services that might generate additional revenue streams from this project.

The project consists of two phases: 1) first phase will be construction of the new buildings; 2) second phase will be to demolish the existing structures. This allows for the continued use of the existing facilities until the new buildings are available for use.

Schedule

The current schedule for this project is:

Planning, definition and predesign	6 months	Sept 2014 – March 2015
Consultant selection, full design and permitting	12 months	March 2015 – March 2016
Bidding, award submittals and NTP	6 months	March 2016 – Sept 2016
Site Construction	8 months	Sept 2016 – May 2017

FINANCIAL IMPLICATIONS

Budget/Authorization Summary

	Capital	Expense	Total Project
Original Budget	\$5,500,000	\$0	\$5,500,000
Previous Authorizations	\$75,000	\$0	\$75,000
Current request for authorization	\$632,000	\$0	\$632,000
Total Authorizations, including this request	\$707,000	\$0	\$707,000
Remaining budget to be authorized	\$4,793,000	\$0	\$4,793,000
Total Estimated Project Cost	\$5,500,000	\$0	\$5,500,000

Project Cost Breakdown

	This Request	Total Project
Construction	\$0	\$4,191,000
Construction & Contract Management	\$42,000	\$249,000

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Design	\$442,000	\$457,000
Project Management	\$96,000	\$146,000
Permitting	\$52,000	\$62,000
State & Local Taxes (estimated)	\$0	\$395,000
Total	\$632,000	\$5,500,000

Budget Status and Source of Funds

This project was included in the 2014 plan of finance under CIP #C800356 SBM Restroom/Service Buildings Replacement for \$4,800,000. Current estimates show a higher cost of approximately \$5,500,000. The additional funds required to fund this project will be available from below budgeted spending on other capital projects such as FT C15 Building Subsidence and Pier 69 North Apron corrosion Control.

This project will be funded by the tax levy.

Financial Analysis and Summary

CIP Category	Renewal/Enhancement
Project Type	Renewal & Replacement
Risk adjusted discount rate	NA
Key risk factors	<ul style="list-style-type: none">• Project schedule could be delayed due to weather or the need to minimize the impacts of construction to existing tenants.• Costs could exceed estimated costs.
Project cost for analysis	\$5,500,000
Business Unit (BU)	Real Estate – Shilshole Bay Marina
Effect on business performance	Annual Depreciation of \$183,333
IRR/NPV	The NPV is the present value of the project costs.

Lifecycle Cost and Savings

The existing restrooms at Shilshole Bay Marina have been in place for over 50 years. Their useful life has significantly exceeded the original lifespan expectations. The new buildings will not have significant repair costs in the first 10-15 years. The design will take into account the total cost of ownership when making decisions on materials and finishes.

STRATEGIES AND OBJECTIVES

This project supports the Century Agenda strategy of “advancing this region as a leading tourism destination and business gateway” by providing needed facility improvements to Shilshole Bay Marina.

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Environmental Stewardship:

Meet existing environmental water, materials, and energy requirements coincident with providing adequate number of landside restroom, shower and laundry facilities for SBM tenants and visitors.

Business Plan Objectives:

Provide customers with compelling value. To meet the needs of moorage customers who have rated replacement of restrooms as the #1 improvement needed for SBM.

TRIPLE BOTTOM LINE

Economic Development

This project represents an investment in our current facilities and supports the long-term vitality of Shilshole Bay Marina as a key asset in the Port's real estate portfolio.

Environmental Responsibility

This project provides numerous important sustainability opportunities, implementing the Port's commitment to environmental compliance, innovation, and stewardship. These include the potential use of locally sourced, recycled, re-used/refurbished materials, inclusion of alternative energy systems, and storm-water management improvements.

Community Benefits

Updating the customer services building at Shilshole Bay Marina will provide an improved experience for tenants and the general public that use and visit the facility.

Small Business Opportunities

The project manager will coordinate with the Office of Social Responsibility to determine where the opportunities exist for small business participation as direct contracts or through subcontracts opportunities.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1) – Do Nothing. Continue to maintain the existing restroom facilities in their current configurations and location. This would result in continued high maintenance costs and a decreased level of service for marina customers including the lack of ADA compliant facilities. This is not the recommended alternative.

Alternative 2) – Replace all the restrooms in their current locations. This alternative has increased costs due to the duplication of structural and mechanical systems over several buildings and result in significantly larger footprints for each building to maintain the same level of service and be ADA compliant. This is not the recommended alternative.

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Alternative 3) – Replace the current five restrooms with three customer services buildings to include showers, restrooms and laundry facilities. This alternative takes best advantage of consolidating the building shell and mechanical systems within fewer buildings, providing a potential cost savings, along with improved services compared with the existing configuration.

This is the recommended alternative.

ATTACHMENTS TO THIS REQUEST

- PowerPoint

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- None