

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No.	4c
Date of Meeting	January 26, 2016

DATE: January 6, 2016
TO: Ted Fick, Chief Executive Officer
FROM: Stephanie Jones Stebbins, Director, Maritime Environmental
Paul Meyer, Manager, Maritime Environmental
SUBJECT: Memorandum of Agreement for Permitting Support between Port of Seattle and
Seattle Department of Construction and Inspections (SDCI)SDCI.

Est. Total Contract Cost: \$360,000 for up to 3 years
Source of Funds: Annual operating Budget and future individual project
authorizations

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to enter into a new memorandum of agreement with Seattle Department of Construction and Inspections (SDCI), to fund city staff that will provide liaison services to expedite permitting and land use actions under the jurisdiction of the City in an amount not to exceed \$360,000 over three years. Costs are covered in project funding. No new funding is requested.

SYNOPSIS

The proposed agreement is consistent with similar agreements between agencies and has been done before between the Port and Seattle. It provides funding for city staff from the Seattle Department of Construction and Inspectionsto expedite the evaluation of Port permits under the jurisdiction of the City of Seattle. In addition, the agreement will result in having city staff familiar with needs and issues of our working waterfront. The agreement sets out the respective responsibilities of the parties for the acceptance and expenditure of funds contributed by the Port.

A closer relationship between the city permitting and land use agency and the Port of Seattle is needed to expedite permit processing as the volume and complexity of permitting actions have increased over the past year and a half. Currently there are 10 actions in front of the agency for review and approval with at least three more scheduled in the coming months.

The Port previously was authorized by the Commission in 2010 to enter into an agreement with the City Seattle Department of Construction and Inspectionsfor similarly scoped liaison staff support. When our permitting needs declined, we allowed the MOU to lapse.

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BACKGROUND

The Port of Seattle Commission has authorized the CEO to enter into agreements with federal and local agencies to fund or provide additional staff resources at federal and local regulatory agencies charged with the enforcement of federal and local law regarding, but not limited to, the Clean Water Act, the Endangered Species Act (ESA), and local land use, construction, and zoning regulations. The Port previously was authorized by the Commission in 2010 to enter into an agreement with the City of Seattle Seattle Department of Construction and Inspections for similarly scoped liaison staff support. This earlier agreement was in effect between 2010 through a portion of 2013; the agreement was canceled as the number of Port sponsored major construction projects were reduced and additional support was not needed.

A variety of factors have recently arisen that have complicated the regulatory process for marine construction projects. These factors include:

- 1) an increase in the number, complexity, and scope of pending construction project actions in the last year. Currently there are 10 pending actions with the city with three or four new actions considered over the next three to six months. A large project with many community and land use such as Terminal Modernization draws time and attention from both City and Port staff.
- 2) a major change in the underlying shoreline regulations with the City's recent adoption of the new shoreline master plan. The new shoreline regulations are difficult to apply and the city and port have already had discussions as to their application to several projects already. Having persons at the city with deeper knowledge of the regulations and a working knowledge of maritime activities should decrease permitting review time.
- 3) a heightened community scrutiny of port projects, particularly with regard to the Terminal 5 modernization project. The city encourages public participation of permit reviews. Having persons at SDCI with more detailed knowledge of Port projects will make it easier for city staff to communicate with the public and defend their permitting decisions.
- 4) a rise in questions from the community and SDCI regarding appropriate uses of Port maritime property. Educating city staff of the implicit and explicit uses of working waterfront property may avoid costly extended negotiations over allowed uses which will avoid permitting delays.

Executing a formal agreement with the City that provides direct staff liaisons within the Seattle Department of Construction and Inspections has shown in the past to be an effective tool to improve the timeliness of permit acquisition.

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REQUEST JUSTIFICATION AND DETAILS

Objectives

The agreement provides support of a Senior Land Use Planner, Senior Zoning Reviewer, and a Project Facilitator in consideration of Port funding. Early and meaningful collaboration on permitting and land use planning between the Port and SDCI reduces infrastructure project schedule and cost risk as the time required to obtain permits from SDCI should decrease. Additional benefits from close coordination with SDCI along the permitting process is reduction of costly and time consuming design changes, advanced planning for appropriate mitigation requirements associated with construction activity, and early guidance to changes in City code. Expedited review improves Port competitiveness by virtue of more timely permit decision making.

Scope of work

The City's SDCI will provide the following services as part of the agreement:

- Facilitate scheduling timely pre-submittal conferences and permit intake appointments;
- Provide timely and accurate information on application submittal requirements;
- Respond to questions and provide follow-up in a timely manner;
- Facilitate coordinated review of projects with other departments;
- Identify process and code issues early in the pre-application and review process;
- Facilitate timely resolution of code and process issues within the Seattle Department of Construction and Inspections and across department lines;
- Provide a timely and predictable process to raise and resolve code and permitting issues;
- Review projects within agreed upon timelines identified in the project schedule; and
- Provide a single point of contact for project facilitation of Port projects.

Schedule

The agreement is for up to three years renewable on the signed anniversary of the agreement. Either party can choose not to maintain the agreement after a thirty day notification allowing the Port flexibility to choose whether to continue the agreement if permitting project loads decrease suddenly.

FINANCIAL IMPLICATIONS

Source of Funds

No new funding is requested. Sixty percent of the funding for the city staff resources on specific projects will come from capital projects approved by the Commission. The remainder of the annual costs will come from programmatic planning funds that will be provided from the

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Maritime Environmental operating expense budget. Costs for projects needing local approvals that are under Northwest Seaport Alliance (NWSA) management will be from capital and expense project design approved by the NWSA Managing Members.

Costs

Costs for permit liaison support will be approximately \$101,400 per year to reimburse the city for a 0.5 full-time-equivalent staff support position. Cost will increase by a Consumer Price Index inflator if the agreement is extended beyond the original one-year term. Estimating a 3% inflator, the value of the contract over three years is estimated at \$315,000.

Duration

The contract duration is for one year from the date of execution. The Port may propose annual extension up to a maximum of two years by providing 60-day notice to the Department of Planning and Development. Either party may cancel the agreement with 30 days' written notice.

STRATEGIES AND OBJECTIVES

In order to position the Puget Sound region as a premier logistics hub the Port will need to maintain and grow its infrastructure investments. Timely acquisition of permits and authorizations necessary for Port maintenance operations and capital projects is a requirement to meet schedule and budget. The services acquired from SDCI through this agreement will reduce review timelines through a coordinated process with Port environmental project managers. Expedited review improves Port competitiveness by virtue of more timely permit decision making.

ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS

The following alternatives were considered for accomplishing the work described above:

Alternative 1 – Do not authorize the agreement between the Port of Seattle and City of Seattle Seattle Department of Construction and Inspections as described above. **This alternative is not recommended.**

Pros:

- Cost savings from not funding agreement.

Cons:

- Permitting time will not decrease resulting in potential project delays.
- There is no certainty of expedited information of pending changes in regulations.
- The likelihood of unanticipated new and costly mitigation and monitoring will increase.

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Alternative 2 – Authorize a memorandum of agreement between the Port of Seattle and City of Seattle Seattle Department of Construction and Inspections as described above. **This is the recommended alternative.**

Pros:

- Pre-determined SDCI staffing with institutional knowledge of industrial marine development.
- Permitting time will decrease, facilitating project timelines.
- Pending regulatory changes will be foreseen, allowing for adequate planning to meet new requirements.
- mitigation and monitoring activities will be identified early in the permitting process..

Cons:

- Extra cost associated with SDCI staffing support.

ATTACHMENTS TO THIS REQUEST

- None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- December 1, 2010 – Commission authorized the CEO to continue interagency agreements with Department of the Army to fund staff resources at that agency and enter an agreement with City of Seattle Department of Planning and Development.