

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
STAFF BRIEFING

Item No.	<u>7b</u>
Date of Meeting	<u>August 23, 2016</u>

DATE: August 16, 2016
TO: Ted Fick, Chief Executive Officer
FROM: Mike McLaughlin, Director, Cruise and Maritime Operations
Melinda Miller, Director, Portfolio & Asset Management, Economic Dev.
SUBJECT: Pier 66 Facility Exterior and Interior Modernization

SYNOPSIS

This briefing will introduce a program focused on keeping the Port's image along the Seattle waterfront strong while also maintaining the high standard of performance and reputation the Pier 66 facility has garnered over the last two decades in successfully serving multiple maritime and economic development business interests.

There has been expressed interest from the Port commission and senior management to consider improvements to the building façade along with specific requests from the Port's conference and event center manager to update the interior. Collectively this presents an opportunity to modernize Pier 66. In response to these requests, staff has completed some preliminary conceptual ideas, rough order magnitude level of investment needed for the program and consideration of a phasing schedule that would best align with all the great things happening on Seattle's waterfront.

BACKGROUND

In the early 1990s, a visionary Port Commission implemented a plan to revitalize the central waterfront. They stepped up when public and private plans for redevelopment had failed. Several piers, including Pier 66, which was the former location of the Port of Seattle Headquarters, were in a state of decay and obsolescence.

The Central Waterfront Development Project succeeded in revitalizing and bringing much needed development to the waterfront and surrounding areas. Bell Street Pier, the waterside part of this project, opened in 1995 and included a transit shed (future cruise terminal), international conference center, marina, public plaza and roof deck, working apron, and various retail and office uses. The project received national and international design awards for its thoughtful design celebrating the working waterfront and was honored by the City of Seattle with Bell Street Pier Day in 1995.

In the late 90s the cruise terminal was expanded to accommodate the Port's first homeport cruise line, Norwegian Cruise Line.

COMMISSION AGENDA

Ted Fick, Chief Executive Officer

August 16, 2016

Page 2 of 4

The recent 15-year agreement with Norwegian Cruise Line and the related improvements they are making to expand the cruise facility will significantly alter and elevate the operation of the facility for cruise. Furthermore, we use the cruise facilities for conferences and events all year-round when a vessel is not in port, so it is important to add certain elements and upgrades that make them function effectively.

The positive impact of this project on Seattle's central waterfront, both economically and architecturally, cannot be overstated and it is a community asset that deserves ongoing attention and support. The facility has served the Port well over the last 20 years but time has taken its toll, operating needs have evolved, and the adjacent neighborhood is changing. As the seawall and viaduct projects are completed and the Alaskan Way Street improvement plans move forward, it is worthy of consideration to bring the facility up to the standards of the proposed improvements.

PIER 66 MODERNIZATION PROJECT OBJECTIVES

The project's main value lies in enhancing the Port's overall mission and standing, protecting the significant investment already made by the Port, and meeting the evolving market demands. Opportunities to generate new revenue to reduce the tax levy obligation required by this project will be explored in the design development phase of the project. Value can also be garnered by enhancing the environmental footprint of the terminal, enhancing the entire Alaska Way waterfront experience for citizens of Seattle and King County and tourists, and improving the functionality of the facility for both cruise and conferences. The preliminary estimate for the interior and exterior improvements identified to date, at zero percent design, is in the range of \$18 million to \$21 million.

Exterior Façade Improvements: This part of the project must to be sensitive to the community in response to architecture, history, and access.

The work completed in preparing to bring this proposed program forward for consideration, included development of multiple concept sketches of possible building façade treatments. The intent of the initial exercise, which involved review and feedback from commissioners and executive team, was to create a number of ideas to start the creative design process and prepare order of magnitude cost estimates. In review of several façade design alternatives, ranging from minimal to the "Cadillac" version, three of the design concepts stood out as favorites. With estimates between \$5 and \$20 million, one concept became the preferred approach for a possible façade refresh, at a cost around \$13 million.

COMMISSION AGENDA

Ted Fick, Chief Executive Officer

August 16, 2016

Page 3 of 4

From the feedback received a list of priority project elements was identified for a façade re-design to be studied and proposed:

- Environmental enhancements
 - Solar panel power generation
- Landscape improvements
- Efficiency enhancements
 - Identities
 - Signage
- Functional enhancements
 - Canopies
 - Entrances
- Public enhancements to promote tourism
 - Plaza for public gatherings, etc.
- Future building maintenance costs

Interior: When Bell Harbor International Conference Center opened in 1995, it was considered state-of-the-art in technology and layout. It was one of the few stand-alone conference centers not attached to a hotel and its location on the newly developed central waterfront was a unique marketing plus. The facility has been well maintained over the years through a Furniture, Fixture and Equipment (FF&E) fund of 3% of gross revenue that was established at the outset. This allowed Columbia Hospitality, our manager, to pay for the day-to-day requirements and minor upgrades to keep the facility fresh and operating properly. The conference and event industry has to come to the point that the market for premier, high-quality conference and events has evolved dramatically - technology and flexibility are paramount.

The focus of the interior part of the project will be to modernize Bell Harbor International Conference Center itself and to add elements and upgrades to the newly expanded cruise terminal spaces to make them function more effectively as event spaces. The preliminary estimate for interior improvements identified to date is in the range of \$5-\$8 million.

Modernization is critical to protect the significant investment already made by the Port and to generate new revenue for the future. To do this our facility must remain competitive and relevant and respond to the evolving market realities and demands which include:

- demand for high-level technology and audio-visual infrastructure
- more flexible and collaborative event spaces
- expanded networking spaces and work stations adjacent to event spaces
- a fresh, modern look to furnishings and finishes

COMMISSION AGENDA

Ted Fick, Chief Executive Officer

August 16, 2016

Page 4 of 4

The following are elements to be studied and proposed:

Conference Center (Third Floor)

- Add additional rentable area where possible and create more flexible, adaptable and customizable space - visually, audibly, and physically. This may include moveable glass walls and flexible spaces to take advantage of the water views and create larger pre-function areas.
- Refresh the facility so it feels more current but respects its history and established aesthetic
- Celebrate key iconic elements of the original landmark design concept (“working waterfront”)
- Future-proof the technology & audio visual infrastructure investments to support emerging platforms which enable and enhance connectivity, interactivity, and productivity (currently that means video, Skype, and hybrid meetings)
- Consider and evaluate energy efficiency opportunities, for example LED lighting, energy rebates, etc.

Cruise Terminal Spaces (First and Second Floors):

- Enhance design continuity, accessibility, wayfinding and flow between cruise terminal spaces and the conference center.
- Add elements (blackout shades, zoned and dimmable LED lighting, ADA ramp, moveable walls) that allow for effective use for conferences and events.

NEXT STEPS

Staff will return to Commission to request authorization for funding for design development and environmental review to move this program forward.

Two briefings on Seattle’s Waterfront are in planning for the October to November timeframe.

ATTACHMENTS TO THIS BRIEFING

- Computer slide presentation.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- None.