



COMMISSION
AGENDA MEMORANDUM

Item No. 6d_Attach_A

ACTION ITEM

Date of Meeting November 14, 2017

DATE: November 7, 2017

Attachment A

SUBJECT: Replacement of Shilshole Bay Marina Restrooms with Multi-use Customer Service Facilities (CIP #C800356)

EXECUTIVE SUMMARY

The Shilshole Bay Marina Restroom project will replace the old, worn restrooms with larger, more efficient and Multi-use Customer Service Facilities that incorporate sustainable design elements. Adding the new customer service buildings will help maintain Shilshole's current occupancy rate and improve the level of service expected at this otherwise first-class Port facility.

JUSTIFICATION

The existing restroom and shower facilities at Shilshole Bay Marina (SBM) were built in 1961 as part of the original marina construction and are at the end of their service life. Evidence of this includes:

- Plumbing and electrical services are failing.
- Ventilation and floor drainage are inadequate.
- Florescent lights do not meet electric codes.
- Electric wall heaters are inefficient and failing.
- Buildings do not meet current energy codes.
- Finishes and tile grout are heavily deteriorated.

In addition, the existing facilities do not meet current ADA standards for showers, doorways, sinks, mirrors, or water fountains.

As a result, maintenance requirements continue to increase while repairs are constrained by the presence of lead paint and asbestos which require hazardous materials abatement. In addition, customers and visitors are negatively impacted since restrooms are closed for frequent repairs. The five, fifty-year-old restrooms were slated for replacement during the 2006-2008 Shilshole Improvements Project. The restrooms were removed from the plan due to higher-than-anticipated overall project cost.

In their current condition, Shilshole's restrooms do not adequately meet the needs of moorage tenants, commercial customers and marina visitors, who expect suitable and accessible

Meeting Date: November 14, 2017

facilities. In fact, deteriorated restrooms put SBM at a competitive disadvantage when compared to other local marinas at a time when the local marina industry anticipates a downturn in boating as baby boomers age out of the pastime. To combat this trend, a long term strategy to create a destination marina with amenities and value for the customer has been pursued by the Port.

Currently, Shilshole Bay Marina is the largest marina in Seattle with more than 1,400 moorage slips and an occupancy rate of approximately 94 percent. Moorage is primarily long-term recreational moorage, with an additional 8,000 guest moorage visitors annually. SBM also serves commercial fishing vessels, tribal vessel owners, and a thriving small cruise line, along with the maritime businesses that support them. Vessels range from small kayaks to mega-yachts; however, sailboats fill about 80 percent of the slips.

From the Port of Seattle's 2013 Economic Impact Study, the Port's recreational boating marinas generated 323 jobs, almost \$7.5 million in local purchases; \$21.6 million in business revenues and \$1.8 million in state and local taxes, the majority of which is from Shilshole Bay Marina, which generates gross income of \$9.4 million annually.

DETAILS

Project Objectives

Replace the current restroom facilities at SBM with new customer services buildings that include restrooms, showers, laundry facilities, and other tenant-use improvements to provide a level of service above what is currently provided. Incorporate the feedback received from moorage and business tenants during the individual and public outreach meetings to provide the best user experience possible.

Scope of Work

The project consists of the construction of three new buildings. Two large, multi-use buildings (restroom, shower and laundry) will be located in the south and central areas of the marina, plus a smaller restroom/shower only building at the north end of the facility. As part of the project, two of the older restroom structures would be repurposed for storage (M2 and M5) and two will be demolished ((M4 and M6).

The South and Central buildings would have a footprint of approximately 2,800 square feet and include separate ADA accessible men's and women's restrooms with toilet, sink and shower areas, along with two family unisex restrooms with shower facilities and will also be ADA accessible. These larger buildings also incorporate tenant laundry areas larger than the existing facilities, with room for further expansion as needed.

The North building would be approximately 800 square feet and include six individual unisex restroom and shower facilities (three each). Although consolidated into fewer buildings, the

Meeting Date: November 14, 2017

new facilities will significantly increase the number of showers over the existing configuration, and more than double the current laundry capacity, both top priorities in outreach feedback.

Sustainability

The design incorporates sustainable features including radiant heated floors, water saving fixtures, onsite stormwater management bioswales and rooftop photovoltaic panel arrays on the two larger buildings. These solar arrays will offset an estimated 70% of the restrooms’ electrical use.

The South and Central buildings will also include geothermal heat pumps as the primary heating and cooling system for the building, the first such system the Port has built. These systems will use approximately seven, 300-foot deep wells per building, to exchange heat pulled from the ground to heat and cool the building spaces much like an air conditioner does with outside air. The geothermal heat pumps are expected to handle over 70% of the buildings heating and cooling needs without requiring outside fossil fuels.

Community Outreach

During the design phase, Port staff conducted extensive project outreach including 18 group and individual meetings with moorage customers, tenants, liveaboards and dock captains. Additional feedback was also collected via a number of surveys, and through a project email. Staff responded to more than 110 individual emails submitted through this outreach email account.

Small Business

The project team will coordinate with the Port’s small business group to maximize opportunities for small business participation either as direct contracts or through subcontract opportunities.

Schedule

The project consists of two phases: 1) Construction of the new buildings; 2) Demolition and repurposing of existing structures. This schedule will allow for the continued use of the existing facilities until the new buildings are available.

The current schedule for this project is:

Commission design authorization	September 2016
Design start	September 2016

Commission construction authorization	November 2017
Construction start	June 2018
In-use date	December 2018

Meeting Date: November 14, 2017

Cost Breakdown

	This Request	Total Project
Design	\$0	\$1,600,000
Construction	\$8,500,000	\$8,500,000
Total	\$8,500,000	\$10,100,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED:

Alternative 1 – Continue to use the buildings in their current condition.

Cost Implications: Current buildings need interior refinishing to remain operational but would still be below industry standard (~\$500K for all buildings). Subsequent replacement costs would be as shown in alternatives below, but adjusted upwards for inflation.

Pros:

- (1) No capital funding required and leaves capital funds available for other projects.

Cons:

- (1) Increased maintenance and emergency repair response costs over time.
- (2) The risk of significant or catastrophic failure to roof systems, increasing over time, is expected.
- (3) Facilities remain out of compliance with ADA standards
- (4) Keeping the restroom and laundry facilities in their current condition impacts the attractiveness of the marina to current and potential customers. Customer surveys rank worn restrooms and inadequate laundry facilities at the top of complaints

This is not the recommended alternative.

Alternative 2 – Replace current restrooms with newer centralized facilities, but omit the North restroom facility.

Cost Implications: \$9,200,000 (total project)

Pros:

- (1) Lower initial capital investment. This was the original site plan vision for the marina, consolidating the new restroom facilities into two larger buildings. While design, contract and construction management and installation costs are similar, construction savings would be realized by reducing the overall scope.
- (2) Provides additional laundry capacity and restroom capacity similar to the current facilities.

Cons:

- (1) Inconvenient access to the new facilities, especially for north end tenants. Customers expressed a strong preference for facilities spread throughout the marina, rather than having to walk further to more centralized facilities. Current restroom use data bears this out with the great majority of each dock’s use being at the closest facility.

This is not the recommended alternative.

Meeting Date: November 14, 2017

Alternative 3 – Replace current restrooms with newer centralized facilities, including the North restroom facility.

Cost Implications: \$10,100,000 (total project)

Pros:

- (1) Renews the facility and completes the originally envisioned landside improvements deferred in the marina waterside redevelopment in 2004. Provides improved facilities with increased restroom, shower and laundry capacity. Addresses top issue of customers by updating these facilities to industry standard levels.

Cons:

- (1) More expensive than alternative 2 in initial capital outlay

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The previous estimate brought to Commission for consideration at design authorization included the addition of a second floor to be used as leased office or retail space. Upon further investigation this was shown to be not financially viable and this alternative has not been pursued in the current design, nor is it reflected in the current estimate.

Cost Estimate/Authorization Summary

	Capital	Expense	Total
COST ESTIMATE			
Previous estimate	\$12,000,000	\$0	\$12,000,000
Current change	-\$1,900,000	0	-\$1,900,000
Revised estimate	\$10,100,000	0	\$10,100,000
AUTHORIZATION			
Previous authorizations	\$1,600,000	0	\$1,600,000
Current request for authorization	\$8,500,000	0	\$8,500,000
Total authorizations, including this request	\$10,100,000	0	\$10,100,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

This project was included in the 2017 Plan of Finance under CIP #C800356 SBM Restrooms/Service Buildings Repair with a total cost of \$7,622,000. The additional \$2,478,000 required to fund this project is available under CIP #C800002 MD: Contingency Renewal and Replacement.

The increase in estimate is due to the additional costs to redesign the building without the second floors, inclusion of solar and geothermal system costs but primarily due to increasing prices in the Seattle construction market.

Meeting Date: November 14, 2017

The project will be funded by the General Fund.

Financial Analysis and Summary

Project cost for analysis	\$ 12,000,000
Business Unit (BU)	Recreational Boating
Effect on business performance (NOI after depreciation)	This project will support/maintain current moorage revenue at SBM. Incremental depreciation expense from this project is estimated at \$400,000 per year, based on a 30-year asset life. NOI after Depreciation will decrease by the associated depreciation from this project.
IRR/NPV (if relevant)	The NPV is present value of the project cost
CPE Impact	N/A

Future Revenues and Expenses (Total cost of ownership)

No future revenues are anticipated as a result of this project.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

September 27, 2016 – The Commission authorized additional design funding request.

January 6, 2015 – The Commission authorized the Design request.

September 30, 2014 - Design Authorization request - Tabled