

Fishermen's Terminal 20-Year Plan and Net Shed Briefing

December 6, 2011



Port of Seattle

Where a sustainable world is headed.™



- 25+ acres of dry land
- 21 existing buildings
- 690 parking spaces
- “General Industrial” zoning

Plan Scope and Goals

- Scope: An upland facility plan to meet the needs of our customers and provide a reasonable return to the Port.
- Planning Goals:
 1. Support the fishing industry
 2. Generate a financial return that justifies the investment
 3. Achieve maximum utilization of assets
 4. Align with the Port's triple bottom line mission

Background

1. Asset Condition Assessment
2. Current conditions and constraints analysis
3. Outreach program
4. Net Sheds Assessment
 1. Code Compliance work
 2. Preliminary models for net sheds
5. Market demand study of new uses under current code and hypothetical rezone to Industrial Commercial
6. Developed scenarios that include either:
 - a) a waterfront development pad near Seattle Ship Supply Building
 - b) a street-front development pad near Emerson entrance, or
 - c) both.

Planning Constraints

- City land use codes – base zone and shorelines management overlay
- Core functions critical to support fleets
 - Net sheds
 - Open yard area
 - Net repair area
- Poor soils for construction
- Port capital constraints

Land Use Regulations

Base Zone Development Regulations



Shorelines Management Program



Outreach Program

- Fishermen's Terminal Advisory Committee (FTAC)
 - Subcommittee created for ongoing advice
- One-on-one interviews with a cross section of fishers
- Customer open house
- Postcard survey to fishers
- Postcard survey to upland tenants
- Presentations to community organizations
- Presentations to Seattle industrial groups

Outreach Feedback

- Maintain industrial character
- Avoid operating conflict of uses
- Diverse opinions and needs
- Suggested new uses (e.g. covered net repair, covered work area, smokehouse, cold storage, conference center, etc.)

Concept Screening Summary



Legend

> -- Concept passes the screen for further evaluation

X – Concept does not pass the screen

Concept Screening Summary

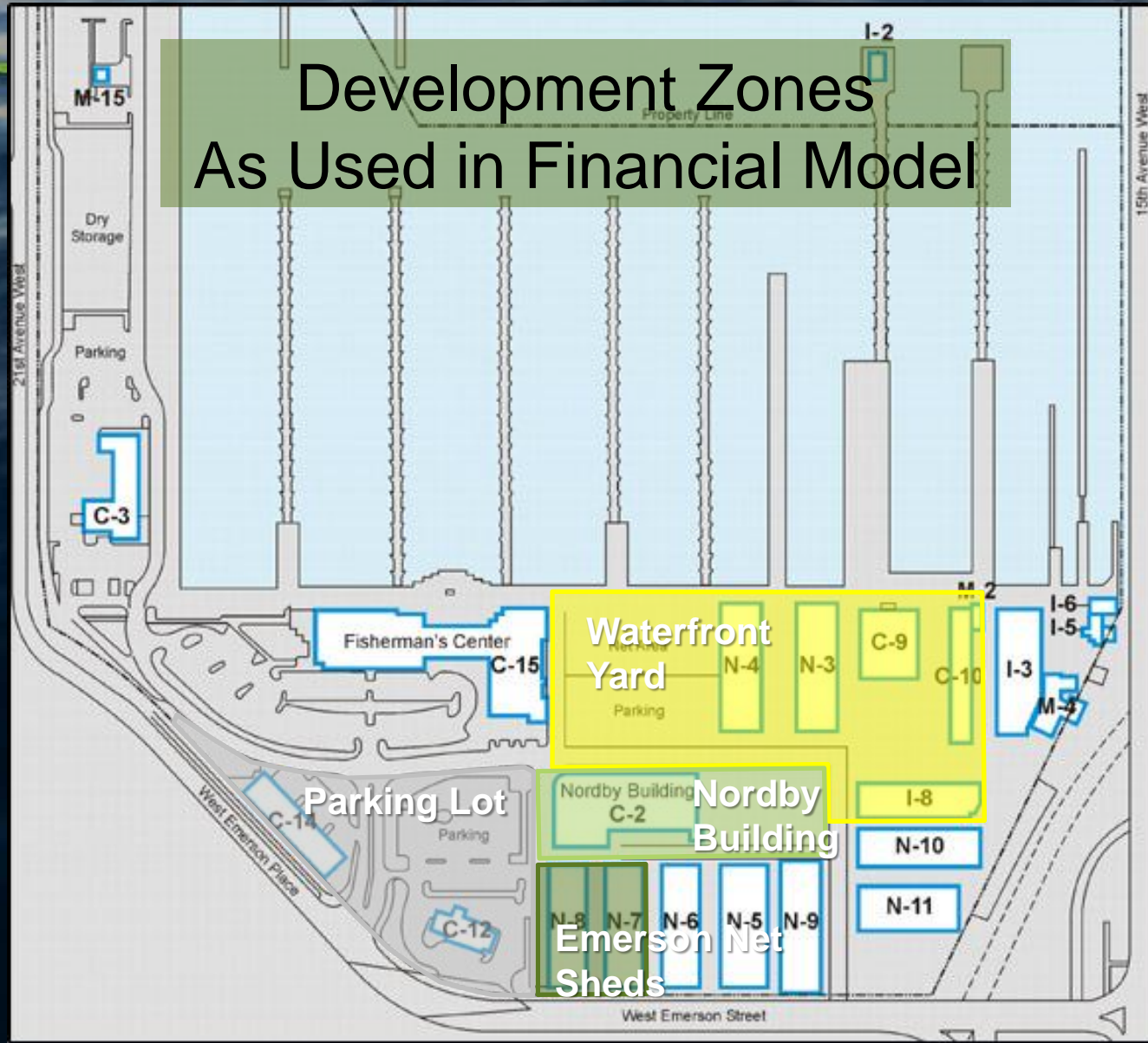
	Fall 2010 Model Results	Interviews & Survey (Jan. 2011)	Sept. 2011 Model Results	FTAC and Commission Review
Suggested New Uses				
Covered work areas	>	>	>	? utilization in question, survey @ 10% of respondents willing to pay to use > 3X per year
Covered net repair	>	>	>	? utilization in question, survey @ 6% of respondents willing to pay to use > 3X per year
Farmer's Market Stalls	>	X	>	? utilization in question, survey @ 8% of respondents willing to pay to use > 3X per year
Wash down facilities	>	X finding of low utilization including survey @ 8% of respondents willing to pay to use > 3X per year		
Smokehouse	>	X finding of low utilization including survey @ 6% of respondents willing to pay to use > 3X per year		
Cold storage	>	X finding of low utilization including survey @ 12% of respondents willing to pay to use > 3X per year		
Large scale ice machine	>	X finding of low utilization including survey @ 12% of respondents willing to pay to use > 3X per year		
Conference center	>	>	>	? most viable in conjunction with new office development

Legend

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Development Zones As Used in Financial Model





Port Investment: \$10.6 M

NPV : \$2.16 M - \$4.9 M

Composite Scenario 1: Maintain



Composite Scenario 2: Current Code, Port Investment

Ground lease
boundaries



Port Investment: \$6.62 M

NPV: \$5.56 M - \$8.75 M

Composite Scenario 3: Current Code, Ground
Lease

Ground lease
boundaries



Port Investment: \$8.55 M

NPV: \$3.49 M - \$6.35 M

Composite Scenario 4: Current Code, Ground
Lease

FISHERMEN'S TERMINAL 20 YEAR PLAN
Summary Table

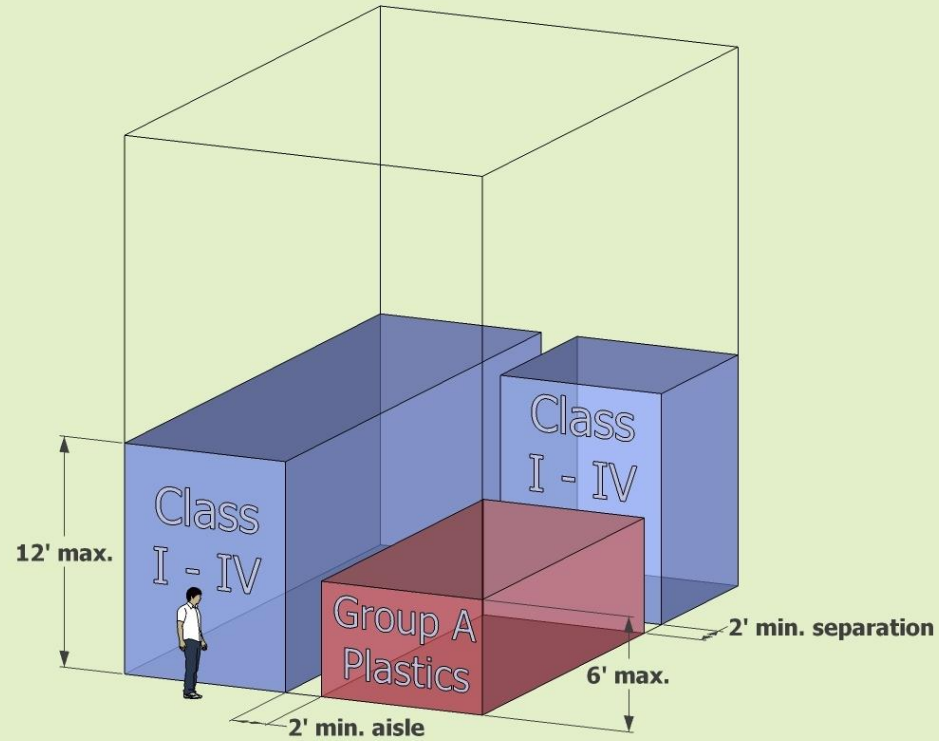
Zone		Composite #1:	Composite #2:	Composite #3:	Composite #4:
		Maintain	Current Code, Major Investments	Ground Lease Waterfront Yard & Bank Building	Ground Lease Emerson Net Sheds & Bank Building
Waterfront Yard - Current Code	<i>Option</i>	#1 Maintain w/Demo	#3 Ind Flex/Retail	#2 Ground Lease	#1 Maintain w/Demo
	<i>Port Investment</i>	\$4,572,970	\$13,169,264	\$1,052,152	\$4,572,970
	<i>NPV</i>	(\$798,864)	(\$2,252,288)	\$2,221,064	(\$798,864)
Nordby Building	<i>Option</i>	#1 Maintain	#1 Maintain	#1 Maintain	#1 Maintain
	<i>Port Investment</i>	\$1,316,846	\$1,316,846	\$1,316,846	\$1,316,846
	<i>NPV</i>	\$1,615,829	\$1,615,829	\$1,615,829	\$1,615,829
Emerson Net Sheds	<i>Option</i>	#1 Maintain	#1 Maintain	#1 Maintain	#2 Ground Lease
	<i>Port Investment</i>	\$2,057,270	\$2,057,270	\$2,057,270	\$462,835
	<i>NPV</i>	\$59,655	\$59,655	\$59,655	\$924,151
Parking Lot	<i>Option</i>	#1 Maintain	#1 Maintain	#2 Ground Lease	#2 Ground Lease
	<i>Port Investment</i>	\$2,604,272	\$2,604,272	\$2,197,898	\$2,197,898
	<i>NPV</i>	\$640,027	\$640,027	\$1,214,388	\$1,214,388
Total	<i>Port Investment</i>	\$10,551,359	\$19,147,653	\$6,624,167	\$8,550,549
	<i>IRR</i>	11.0%	9.4%	17.90%	13.2%
	<i>NPV - 10% Discount Rate</i>	\$2,160,150	\$1,555,380	\$5,561,821	\$3,487,051
	<i>NPV - Zone Specific</i>	\$1,516,648	\$63,224	\$5,110,936	\$2,955,504
	<i>NPV - 7% Discount Rate</i>	\$4,896,245	\$5,600,852	\$8,745,055	\$6,345,387

Development Questions

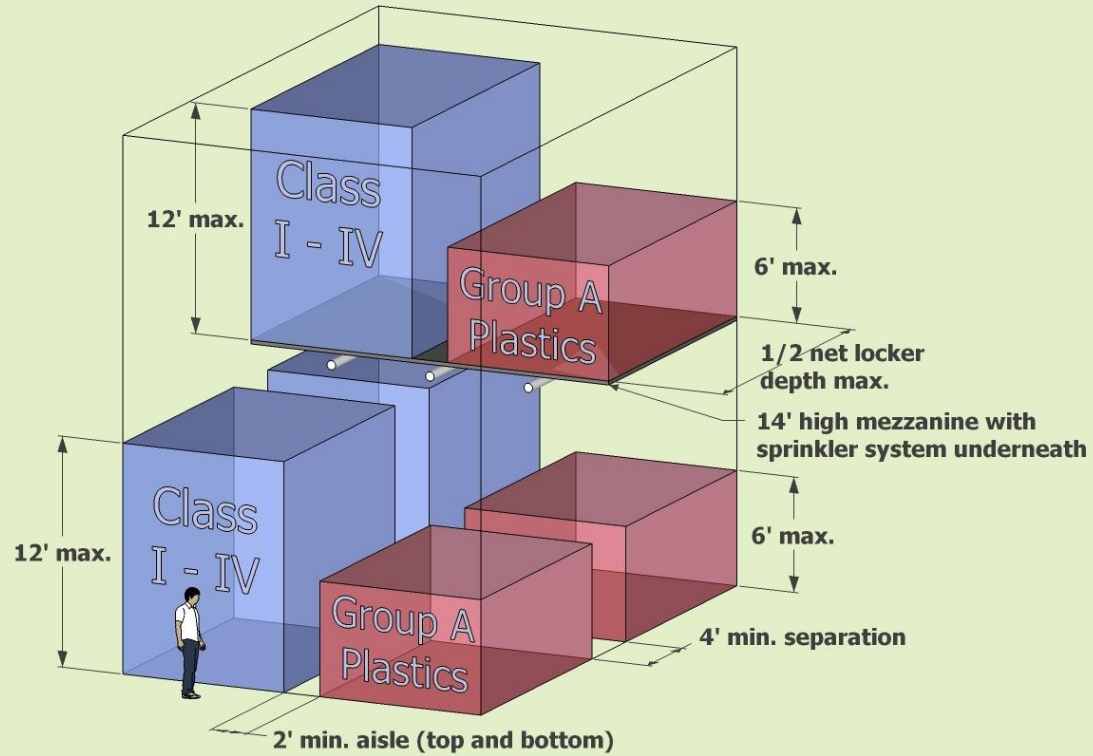
- Do you replace aging buildings when the net present value is similar to maintaining existing buildings?
- Is ground-leasing for private development an appropriate means of redevelopment?

FT Net Sheds Building Code Compliance

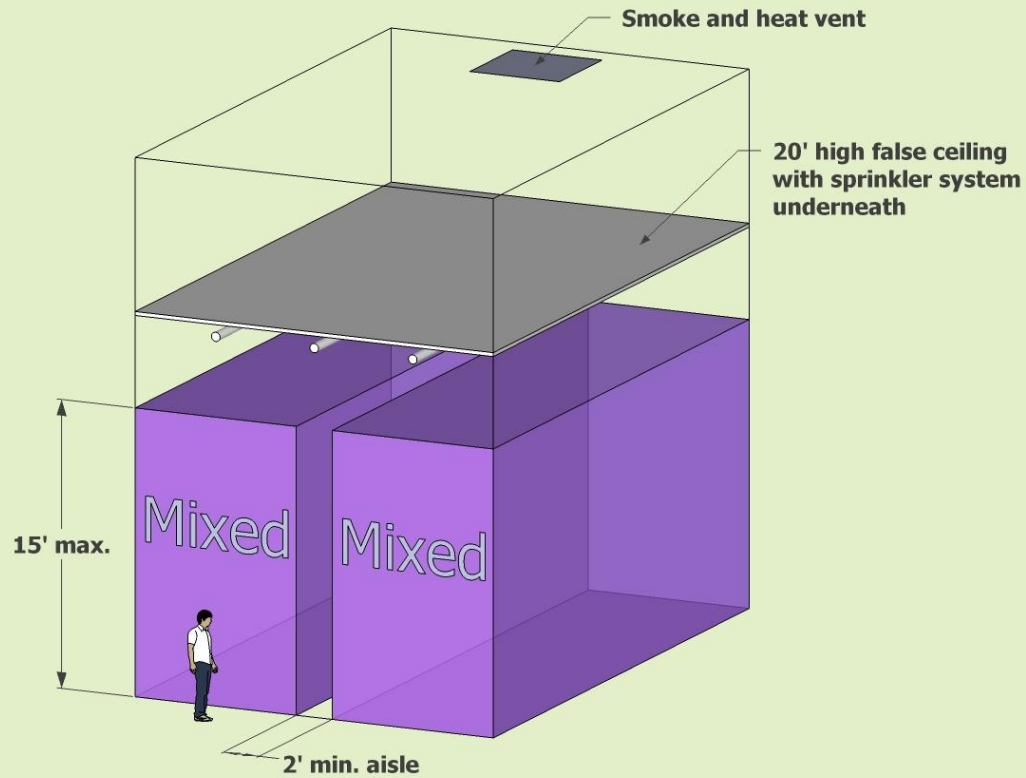
- Buildings vary in age, size, construction, and layout
- Fishermen's storage needs have changed over time
- Port has been working with tenants since 2006 on storage/usage policies
- Port cited by City of Seattle Fire Department in 2009 for violation of fire & building codes
- Port has since worked closely with SFD and DPD to address City's concerns
- Staff implemented a Pilot Storage Program and other improvements
- Port hired a fire protection consultant to interpret codes and determine code compliant storage options
- City concurred with four options and staff completed initial evaluation
- Net shed buildings must be improved to achieve full code compliance
- Final project scope and schedule to be approved by the City



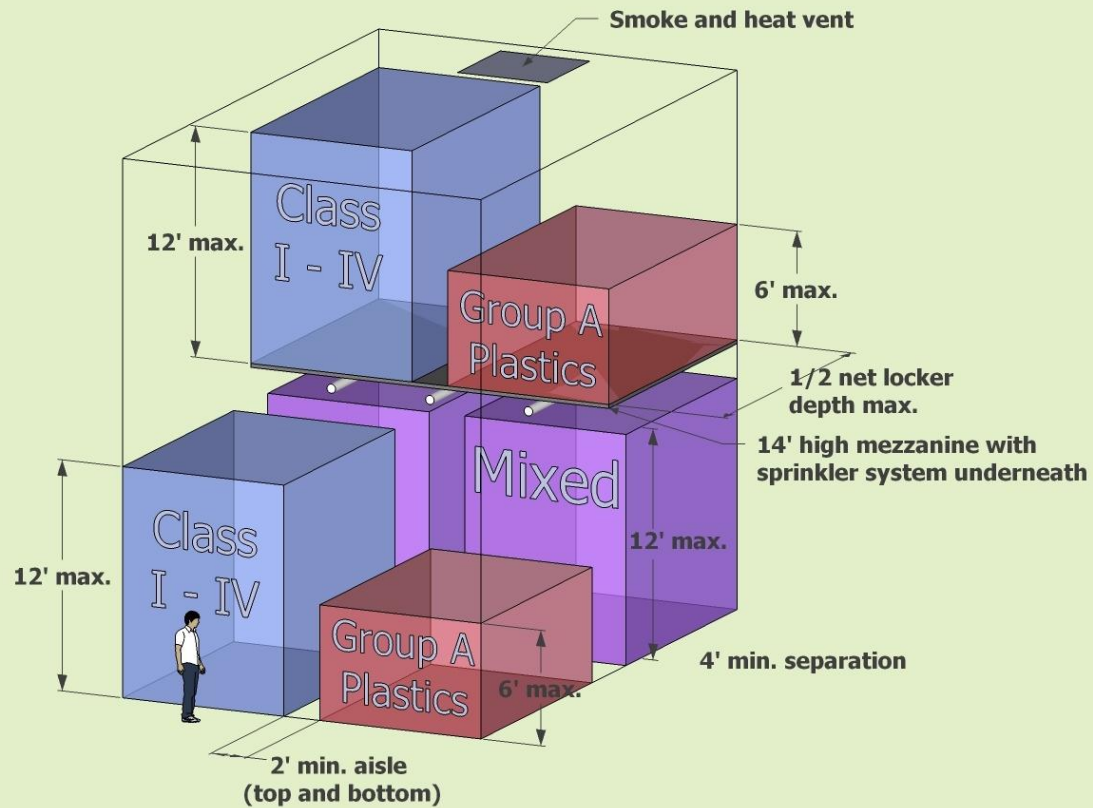
Option 1



Option 2



Option 3



Option 4

Preliminary Estimated Code Compliance Project Costs

- Final project cost and duration are dependent on degree of construction phasing
- Further evaluation needed to determine best method for moving/temporarily storing fishermen's locker contents during construction

- **Option 1:** \$2.0 M

- **Option 2:** \$8.4 M to \$9.1 M

- **Option 3:** \$5.8 M to \$6.4 M

- **Option 4:** \$9.3 M to \$10.0 M

Recommended Code Compliance Option

Option #3 recommended for the following reasons:

- Most closely matches fishermen's current use
- Allows greatest efficiency and flexibility in meeting customers' storage needs
- No required segregation and separation of stored commodities
- No challenging requirements for staff and customers to maintain and enforce long-term code compliance
- No need for overall building master planning i.e. individual locker configurations are independent of one another
- Least long-term code compliance liabilities and costs

Next Steps

- Refine Net Shed Code Compliance implementation plan and costs
- Refine and revise development scenarios to review with stakeholders
- Return to Commission for authorization of net shed code compliance project and development plan