

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**  
**ACTION ITEM**

**Item No.** 6b  
**Date of Meeting** January 6, 2015

**DATE:** December 30, 2014  
**TO:** Ted Fick, 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:** Real Estate General Fund  
**Est. Total Project Cost:** \$5,500,000 – \$6,500,000

**ACTION REQUESTED**

Request Commission authorization for the Chief Executive Officer to execute contracts, perform design, conduct environmental review, solicit public and tenant input, 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 preliminary project cost estimated between \$5,500,000 and \$6,500,000.

**SYNOPSIS**

The existing five restrooms at Shilshole Bay Marina (SBM) were built in 1962 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.
- Windows do not meet energy codes.
- Finishes and tile grout are heavily worn.

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

As result, maintenance requirements continue to increase while repairs are constrained by the presence of lead paint, asbestos, and the required hazardous materials abatement. In addition, customers and visitors are negatively impacted since restrooms are closed during repairs.

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 facilities. In fact, deteriorated restrooms put SBM at a competitive disadvantage in maintaining a high occupancy rate when compared to other local marinas.

### **BACKGROUND**

Shilshole Bay Marina is the largest marina in Seattle with more than 1,400 moorage slips and an occupancy rate of approximately 96 percent. Moorage is primarily long-term recreational moorage, with an additional 8,000 guest moorage visitors annually. SBM also serves commercial fishing and tribal vessel owners, along with the maritime businesses that support them. The vessel size ranges from small kayaks to mega-yachts; however, sailboats fill about 80 percent of slips.

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

Not replacing the deteriorating, multi-purpose restroom facilities has resulted in rising maintenance and repair costs, and ultimately could negatively affect Shilshole's occupancy rate and revenue since survey data shows that boaters rank multi-purpose restroom facilities as their top reason when selecting marinas to visit.

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 \$5.6 million annually.

### **PROJECT JUSTIFICATION AND DETAILS**

The current restroom facilities are at the end of their useful life. Replacing these with new customer service buildings will help maintain SBM's current occupancy rate and improve the level of service expected at this first-class Port facility.

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### ***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.

### ***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 service buildings. The consolidated buildings will serve the north and south end of the marina respectively.

Each building would be approximately 3,200 square feet and include ADA accessible restrooms, showers, laundry facilities, and other services for all marina tenants and guests. Construction would include new utilities and associated flatwork improvements (paving, sidewalks, landscaping, etc.) necessary to integrate them into the existing site. The design effort will explore sustainable design features such as alternative energy, water saving or recycling features, along with features or services that might generate additional revenue. The design team also plans to conduct public outreach to ensure they understand the priorities of all facility users.

The project consists of two phases: 1) first phase: construction of the new buildings; 2) second phase: demolish existing structures. This schedule 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, community and customer outreach, 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

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### ***Project Cost Breakdown***

	This Request	Total Project
Construction	\$0	\$4,191,000
Construction & Contract Management	\$42,000	\$249,000
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 2015 Capital Plan and related Plan of Finance under CIP #C800356 SBM Restroom/Service Buildings Replacement for \$5,500,000.

This project will be funded by the Real Estate General Fund. Alternatives to increase overall revenue at the facility are being considered.

### ***Financial Analysis and Summary***

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

Environmental Stewardship:

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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 service buildings 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 opportunities exist for small business participation as direct contracts or through subcontract 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 service 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**

- None

### **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- Design Authorization request - September 30, 2014 – Tabled