



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6d

ACTION ITEM

Date of Meeting July 10, 2018

DATE: June 28, 2018

TO: Stephen P. Metruck, Executive Director

FROM: Stephanie Jones-Stebbins, Managing Director, Maritime Division
Skip Himes, Director, Marine Maintenance
Tin Nguyen, Sr. Program Manager, Marine Maintenance
Danny Good, Project Manager III, Marine Maintenance

SUBJECT: Emerson Place fueling and vehicle maintenance site construction (CIP #C800892)

Amount of this request: \$375,000

Total estimated project cost: \$375,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) proceed with construction of a fueling and vehicle maintenance site for Port vehicles at the Port-owned property of 1795 W. Emerson Place for a total project cost not to exceed \$375,000 and (2) use Port crews to construct the project.

EXECUTIVE SUMMARY

A new fueling and maintenance site is necessary to provide additional support for vehicles and equipment used in association with operations of northern Port properties. The proposed location of this site provides the most efficient access to expanding areas of the Port such as Fishermen’s Terminal (FT), Maritime Industrial Center (MIC), and Salmon Bay Marina. The proposed site would require a total footprint of approximately 2,300 square feet and would service mechanical equipment ranging from standard and heavy duty forklifts to light and medium duty utility trucks. This project will provide a more sustainable operation by allowing fueling and maintenance to occur in an environmentally compliant manner without transporting the vehicles and equipment a significant distance. Drainage from the maintenance site would discharge to a King County combined sewer overflow (CSO) system, and not to stormwater lines. Construction of the fueling and maintenance site will be permitted through the City of Seattle and a wastewater discharge authorization granted by King County.

The selected site for construction is an undeveloped Port-owned property located immediately South of FT, between W. Emerson Place and 16th Ave. W. Construction of the proposed site would allow for the most efficient means of maintenance and fueling activities for Port-owned

Meeting Date: July 10, 2018

vehicles and equipment used for operations at FT, MIC, and other surrounding Port properties as required.

JUSTIFICATION

Current fueling and maintenance of vehicles and equipment that operate at northern Port properties requires transport offsite to the nearest maintenance site where these activities are permitted, adding significant operational delays and cost to the Port. Sites where fueling and maintenance activities can currently be performed in compliance with all relevant permits include the Marine Maintenance North and South offices, located on Garfield Street west of Terminal 91 and Horton Street in the SODO district. The Emerson site will create long-term cost efficiencies by locating a maintenance site closer to northern Port properties, and assure fueling and maintenance activities are performed in an environmentally compliant manner within a properly permitted site.

DETAILS

Scope of Work

Design and build a new fueling and maintenance site on Port-owned property located just South of Fishermen’s Terminal, adjacent to the Emerson Street Bridge. The fueling and maintenance site will be a fully fenced concrete pad with a single sloped driveway and grading to a King County CSO system. Engineered construction drawings are necessary, as is a city of Seattle building permit and King County wastewater discharge permit. Pending project approval and permitting, physical construction is expected to be completed by a combination of Port Construction Services and small works subcontractors, who are typically small businesses.

Schedule

Construction duration is estimated at 45 calendar days and is expected to commence in late summer 2018. The site will be ready for full intended use immediately after construction is complete.

Activity

Commission design authorization	N/A
Design start	2017 Quarter 2
Commission construction authorization	2018 Quarter 3
Construction start	2018 Quarter 3
In-use date	2018 Quarter 4

Cost Breakdown

	This Request	Total Project
Design	\$80,000	\$80,000
Construction	\$230,000	\$230,000
Soft Costs	\$65,000	\$65,000
Total	\$375,000	\$375,000

Meeting Date: July 10, 2018

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Existing Condition - Do not build the proposed maintenance site.

Cost Implications: Estimated \$15,000 to \$20,000 per year to transport equipment offsite to nearest maintenance facility.

Pros:

- (1) Preserves funds for other capital investment opportunities.

Cons:

- (1) Added recurring operational and maintenance expenses associated with service delays and transport of equipment to nearest offsite maintenance facility.

This is not the recommended alternative.

Alternative 2 – Apply for Industrial Stormwater General Permit (ISGP) at Fishermen’s Terminal, which would allow maintenance and fueling to be done at Fishermen’s Terminal.

Cost Implications: Cost Estimate: \$100,000 initial Best Management Practices (BMP) implementation cost, \$2 million+ for stormwater treatment installation, and \$50,000 additional annual program costs to maintain BMPs and treatment system.

Pros:

- (1) Vehicle fueling and maintenance and equipment cleaning activities could occur on the grounds of FT, providing timely service and repairs of operational equipment used at FT and surrounding properties.

Cons:

- (1) Would require development and implementation of an ISGP stormwater pollution prevention plan, quarterly stormwater monitoring at representative sample points throughout the FT property, and possibility of escalating requirements for structural controls or stormwater treatment if sample results exceed Washington state ISGP benchmark values.
- (2) Potential costly installation and maintenance of structural controls or stormwater treatment system throughout FT property in order to treat stormwater to meet Washington state ISGP benchmarks.
- (3) Drainage would be directly to the Stormwater system.

This is not the recommended alternative.

Alternative 3 – Build the Emerson Maintenance Site.

Cost Implications: \$375,000 capital project expenditure.

Pros:

- (1) Reduce recurring operational and maintenance expenses by gaining operational efficiencies in having a vehicle and maintenance site near expanding northern Port

Meeting Date: July 10, 2018

properties. Based on a two and a half percent annual inflation rate, cost savings are expected to pay for the site approximately halfway through its 30-year service life.

- (2) Maintaining commitment to environmental sustainability by assuring maintenance and fueling activities occur in an efficient manner, minimizing related transportation.
- (3) Discharge of stormwater system to King County CSO system with treatment at West Point wastewater treatment plant.

Cons:

- (1) Initial capital project expenditure.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$275,000	\$0	\$275,000
Current change	\$100,000	\$0	\$100,000
Revised estimate	\$375,000	\$0	\$375,000
AUTHORIZATION			
Previous authorizations	\$80,000	\$0	\$80,000
Current request for authorization	\$295,000	\$0	\$295,000
Total authorizations, including this request	\$375,000	\$0	\$375,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

Financial Analysis and Summary

Project cost for analysis	\$375,000
Business Unit (BU)	Marine Maintenance
Effect on business performance (NOI after depreciation)	This project is expected to result in estimated cost savings of approximately \$17K per year. The project will increase annual depreciation by approximately \$12.5K over the expected 30-year asset life.
IRR/NPV (if relevant)	NPV: (\$83K) IRR: 5.45%
CPE Impact	N/A

Meeting Date: July 10, 2018

Future Revenues and Expenses (Total cost of ownership)

No new revenue is expected from this project. Maintenance expenses associated with the site are expected to be approximately \$3K per year.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None