



COMMISSION REGULAR MEETING AGENDA

March 23, 2021

To be held in virtually via MS Teams in accordance with the Governor's 'Safe Start' order and Proclamation 20-28. You may view the full meeting live at meetings.portseattle.org. To listen live, call in at +1 (425) 660-9954, (833) 209-2690, and Conference ID 333772517#

ORDER OF BUSINESS

10:30 a.m.

1. CALL TO ORDER

2. EXECUTIVE SESSION – *if necessary, pursuant to RCW 42.30.110 (executive sessions are not open to the public)*

► 12:00 noon – PUBLIC SESSION

Reconvene or Call to Order and Pledge of Allegiance

3. APPROVAL OF THE AGENDA *(at this time, commissioners may reorder, add, or remove items from the agenda)*

4. SPECIAL ORDERS OF THE DAY

4a. Proclamation of the Port of Seattle Recognizing Cesar Chavez Day and Honoring the Work of Dolores Huerta ([proclamation](#) enclosed) (p.4)

4b. Pat Davis Legacy of Leadership Award (**no enclosure**)

5. EXECUTIVE DIRECTOR'S REPORT

6. COMMITTEE REPORTS

7. PUBLIC COMMENT – *procedures available online at <https://www.portseattle.org/page/public-comment-port-commission-meetings>*

PLEASE NOTE: DUE TO THE GOVERNOR'S 'SAFE START' ORDER there will be no physical location for this meeting and the

PORT WILL NOT ACCEPT in-person, verbal comments during the regular meeting of March 23, 2021. Alternatively, during the regular order of business, those wishing to provide public comment will have the opportunity to:

1) Deliver public comment via email: All written comments received by email to commission-public-records@portseattle.org will be distributed to commissioners and attached to the approved minutes.

2) Deliver public comment via phone or Microsoft Teams conference: To take advantage of this option, please email commission-public-records@portseattle.org with your name and the topic you wish to speak to by 9:00 a.m. PT on Tuesday, March 23, 2021. You will then be provided with instructions and a link to join the Teams meeting.

This process will be in place until further notice. For additional information, contact commission-public-records@portseattle.org.

8. CONSENT AGENDA *(consent agenda items are adopted by one motion without discussion)*

8a. Approval of the Minutes of the Regular Meeting of March 9, 2021. (**no enclosure**) (p.6)

- 8b. Authorization for the Executive Director to Approve Additional Funding in the Amount of \$1,360,000 for Design, Permitting, and Construction Phases of the Central Waterfront Elevator Modernization Project and to Direct Staff to Award the Contract to Continue the Project. (CIP # C801016) ([memo](#) and [presentation](#) enclosed) (p.14)
- 8c. Authorization for the Executive Director to (1) Develop, Advertise, and Execute an Alternative Public Works Delivery Using the Building Engineering Systems Process, (2) Execute a Five-year Maintenance Service and Training Agreement for the Exit Breach Control Replacement Project at Seattle-Tacoma International Airport, and (3) Utilize Port Crews, for an Estimated Total Project Cost of \$4,181,000. (CIP # C801159) ([memo](#) and [presentation](#) enclosed) (p.31)
- 8d. Authorization for the Executive Director to Approve Signing of a Memorandum of Understanding for Initial Post-Damage Safety Evaluation of Facilities Between the Port of Seattle and the Seattle Department of Construction and Inspections. (CIP #C000000) ([memo](#) and [draft MOU](#) enclosed) (p.45)
- 8e. Authorization for the Executive Director to (1) Advertise for Construction Bids, (2) Execute Construction Contracts, and (3) Fund the Construction Phase to Complete the P66 Roof Upgrade Project, for a Total Estimated Project Cost of \$2,209,000. (CIP #C801103) ([memo](#) and [presentation](#) enclosed) (p.56)
- 8f. Authorization for the Executive Director to Execute up to Two (2) Indefinite Delivery, Indefinite Quantity (IDIQ) Professional Services Agreements for Roofing Related Consulting Services with a Cumulative Total Amount Not-to-Exceed \$2,000,000 and a Contract Ordering Period of Five Years. No Request for Funding is Associated with this Authorization. ([memo](#) enclosed) (p.72)
- 8g. Authorization for the Executive Director to Advertise and Execute a Service Agreement for Professional Design Services for all Project Elements and Improvements Necessary to Support the Port's Development of the Terminal 91 (T91) Uplands Area Located North of the Magnolia Bridge. No Request for Funding is Associated with this Authorization. ([memo](#) enclosed) (p.75)

9. UNFINISHED BUSINESS

10. NEW BUSINESS

- 10a. Authorization for the Executive Director to (1) Execute Project Specific Service Agreements for Project Management, Construction Management, Design Services, and Testing and Special Inspections; (2) to Utilize a General Contractor/Construction Manager (GCCM) and Execute a GCCM Construction Contract for Pre-construction Services; (3) to Use Port Crews; and (4) to Execute a Memorandum of Agreement (MOA) Between the Port of Seattle (Port) and United Airlines in Support of the Post IAF Airline Realignment Project at Seattle-Tacoma International Airport (SEA). The Total Authorization Request is \$26,000,000. (CIP #C801158) ([memo](#) and [presentation](#) enclosed) (p.84)
- 10b. Authorization for the Executive Director to Complete Design and Permitting of the Fishermen's Terminal (FT) Site Improvements (U00320) Under the New CIP C801211, Utilizing \$1,525,505 in Formerly Authorized Funding for the Gateway Building CIP. No Request for Funding is Associated with this Authorization. ([memo](#) and [presentation](#) enclosed) (p.104)

11. PRESENTATIONS AND STAFF REPORTS

- 11a. Real Estate Strategic Plan Update ([memo](#) and [presentation](#) enclosed) (p.128)
- 11b. Port of Seattle Police Department Annual Report ([memo](#) and [presentation](#) enclosed) (p.158)

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

13. ADJOURNMENT



**PROCLAMATION
OF THE PORT OF SEATTLE COMMISSION**

WHEREAS, César Chávez was an American farm worker, labor leader, and civil rights activist who, with civil rights activist Dolores Huerta, co-founded the National Farm Workers Association, which later became the United Farm Workers; and

WHEREAS, through self-sacrifice, a commitment to non-violence, and their spirituality, César Chávez and Dolores Huerta championed a social justice movement that changed our nation; and

WHEREAS, Washington is the most trade dependent state in the country and the Port of Seattle, as the operator of Seattle Tacoma International Airport and an important player in the ocean shipping industry, plays a critical role in facilitating trade; and

WHEREAS, in March 2014, President Barack Obama proclaimed March 31 as Cesar Chavez Day; and

WHEREAS, the month of March is also when we celebrate and honor Women's History; and

WHEREAS, the Washington State Legislature designated April 10 as the Dolores Huerta Day in Washington State starting in 2020; and

WHEREAS, the employee Resource Group, ERG, Latinos Unidos at the Port of Seattle has led the Port of Seattle in honoring the legacy of Cesar Chavez during the month of March since 2016; and

WHEREAS, the popular phrase "sí se puede" is attributed to the activism and civil rights work in which the celebration of Cesar Chavez Day on March 31 is celebrated, it was in fact, Dolores Huerta who first said the words which translate in English to "Yes I can, or yes, we can," as she rallied support for worker and immigrant rights; and

36 **WHEREAS,** in 2019 the Port established the Office of Equity, Diversity, and Inclusion to
37 address institutional racism and increase equity, diversity, and inclusion in Port
38 policies, processes, and programs; and
39

40 **WHEREAS,** “Si se puede” means that each of us, individually and collectively, have the power
41 to change things and make them better.
42

43 **NOW, THEREFORE,** the Port of Seattle Commission hereby honors and recognizes
44 March 31, as Cesar Chavez Day and Dolores Huerta Day at the Port of Seattle.
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46 Proclaimed by the Port of Seattle Commission this 23rd day of March, 2021.
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58 Port of Seattle Commission
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RETURN TO AGENDA



P.O. Box 1209
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APPROVED MINUTES COMMISSION REGULAR MEETING MARCH 9, 2021

The Port of Seattle Commission met in a regular meeting Tuesday, March 9, 2021. The meeting was held remotely in accordance with the Governor's 'Safe Start' order and Proclamation 20-28. Commissioners Bowman, Calkins, Cho, Felleman, and Steinbrueck were present.

1. CALL to ORDER

The meeting was convened at 10:30 a.m. by Commission President Fred Felleman.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The public meeting recessed into executive session to discuss one matter relating to litigation/potential litigation (RCW 42.30.110(1)(i)) and a second matter related to litigation/potential litigation (RCW 42.30.110(1)(i)) and national security (RCW 42.30.110(1)(a)(i)), with the intention of reconvening the public session at 12:00 p.m. Following the executive session, which lasted approximately 90 minutes, the public meeting reconvened at 12:07 p.m. Commission President Felleman led the flag salute.

3. APPROVAL of the AGENDA

Without objection, the preliminary agenda was approved without revisions.

4. SPECIAL ORDERS OF THE DAY – None.

5. EXECUTIVE DIRECTOR'S REPORT

Executive Director Steve Metruck previewed items on the day's agenda and made announcements.

6. COMMITTEE REPORTS

Aaron Pritchard, Commission Policy Manager, provided a report regarding recently held committee meetings and the schedule for upcoming meetings.

7. PUBLIC COMMENT

Public comment was received from the following individual(s):

- Bernedine Lund, member of Quiet Skies of Puget Sound and volunteer member of 350 Seattle's Aviation team, spoke and submitted written comments regarding her attendance at the recent virtual Aviation Noise and Emissions Symposium 2021; what she learned related to the dispersion of flight paths with respect to noise effects and mitigation; and

asked the Commission to consider asking the FAA to disperse the flight path at SEA. Written materials received are attached as minutes Exhibit A.

- David Goebel, President of Vashon Island Fair Skies, thanked the Port for noise monitoring on Vashon Island and providing access to the raw noise monitoring data; and additionally, praised the StART program's accomplishment of providing the Monthly Comment Report and the value of the report.
- In lieu of spoken comment, Laura Gibbons, volunteer with 350 Seattle's Aviation Team, submitted written comments regarding cap and trade and offsets, noting that although cap and trade sounds promising, it does not work because carbon emitters are skilled at working the system; offsetting is also problematic. Written materials received are attached as minutes Exhibit B.

8. CONSENT AGENDA

[Clerk's Note: Items on the Consent Agenda are not individually discussed. Commissioners may remove items for separate discussion and vote when approving the agenda.]

8a. Approval of the Minutes of the Regular Meeting of February 23, 2021, and the Special Meeting of February 23, 2021.

8b. Approval of the Claims and Obligations for the Period February 1 through February 28, 2021, Including Accounts Payable Check Nos. 938530 – 938857 in the Amount of \$ 3,452,403.98; Accounts Payable ACH Nos. 033180 - 033892 in the Amount of \$53,505,434.96; Accounts Payable Wire Transfer Nos. 015541 - 015558 in the Amount of \$9,247,674.65, Payroll Check Nos. 197960 – 198170 in the Amount of \$55,722.93; and Payroll ACH Nos. 1009667 -1013907 in the Amount of \$11,251,276.52 for a Fund Total of \$77,512,513.04.

Request document(s) included an agenda memorandum.

8c. Request Commission authorization for the Executive Director to execute a contract for AT&T Cellular Services in an amount not to exceed \$10,000,000 for a term of up to ten years.

Request document(s) included an agenda memorandum.

8d. Request commission authorization for the Executive Director, or his designee, to take all necessary steps to dispose of surplus personal property –, a 2012 Airfield sweeper, a 2014 Airfield sweeper, and a 2015 Lift Truck at the Seattle-Tacoma International Airport, in accordance with the General Delegation of Authority and Port Policy AC-13.

Request document(s) included an agenda memorandum and presentation slides.

- 8e. Request Commission authorization for the Executive Director to execute up to three contracts for two-year periods with three one-year options with temporary staffing agencies. This is in support of administrative services and non-technical project assistance for all departments throughout the Port of Seattle. The estimated sum of the usage against contract(s) will not exceed \$2,000,000 expiring five years from execution.

Request document(s) included an agenda memorandum.

- 8f. Request Commission authorization for the Executive Director to increase funding for the Interim Westside Fire Station project, at Seattle-Tacoma International Airport, by \$609,000 for a new total project total authorization in the amount of \$9,788,000 (CIP # C800876).

Request document(s) included an agenda memorandum and presentation slides.

The motion for approval of consent agenda items 8a, 8b, 8c, 8d, 8e, and 8f carried by the following vote: In favor: Bowman, Calkins, Cho, Felleman, Steinbrueck (5)

Opposed: (0)

9. UNFINISHED BUSINESS – None.

10. NEW BUSINESS – None.

11. PRESENTATIONS AND STAFF REPORTS

- 11a. Youth Internship Programs Update.

Presentation document(s) included an agenda memorandum, policy directive, and presentation slides.

Presenter(s):

Amberine Wilson, Emerging Talent Manager, Human Resources
LeeAnne Schirato, Commission Specialist
Emily Au, Past Commission Office Intern

Commission Clerk Michelle Hart read Item 11a into the record.

Executive Director Metruck introduced the item and presenters.

Amberine Wilson, Emerging Talent Manager opened the presentation and expressed gratitude to Port leadership and the Commission for their support of the program and spoke to furthering equity in the region. LeeAnne Schirato, Commission Specialist, spoke regarding her involvement and experiences with the program to-date, as well as to Commissioner Bowman's sponsorship and

support of the program. Emily Au, previous Commission Office intern, spoke regarding her experiences as an intern and the meaningful impact it has had on her and others in the program.

The presentation addressed:

- background of the program;
 - since 2015 Commission Motion – college internship opportunities have doubled; high school interns hired went from 8 to 115 hired each year; and created over 15 new partnerships;
 - we are currently offering quarterly internships; working on CTE frameworks; and piloting a program for opportunity youth pursuing tech certificates;
- meeting 2020 challenges with innovation;
- a virtual project-based model of participation;
- high school program restructure benefits;
 - aligns with state and regional career connected learning recommendations;
 - answers community desire for year-round programming;
 - virtual program meets social distancing requirements and reduces transportation barriers;
 - reduces program and wage expenses during a tight budget year;
 - scalable design allows for growth when the economy improves;
 - reduces workload on port department staff;
 - increases collaboration with industry partners to create multi-agency pipelines;
 - virtual design allows for increased tribal engagement;
 - smaller cohorts support mentorship;
- 2021 goals;
- youth expert panels;
- 2021 high school programs timeline; and
- long-term vision for the program, participants, and partners.

Members of the Commission and staff discussed:

- receiving a state approved framework for continuing education;
- partnering, an equity lens applied to the program, and scalability;
- maintaining quality as the program expands;
- accommodating additional interns in the Commission Office;
- construction management as an element of the program; and
- expansion of tribal programs.

11b. SEA Stakeholder Advisory Round Table (StART) 2020 Annual Report.

Presentation document(s) included an agenda memorandum, 2020 Annual Report, operating procedures, membership roster, 2020 accomplishments and results, aviation noise action agenda, StART federal policy advocacy plan, and presentation slides.

Presenter(s):

Phyllis Shulman, Civic Alchemy, former outside facilitator of StART (external)
Michael Matthias, Des Moines City Manager, Member of StART (external)
Mark Hoppen, Normandy Park City Manager, Member of StART (external)
Lance Lyttle, Managing Director, Aviation
Marco Milanese, Community Relations Manager, External Relations
Eric Schinfeld, Senior Manager Federal & International Government Relations, External Relations

Commission Clerk Michelle Hart read Item 11b into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- an overview of StART;
 - the preeminent forum for information sharing, discussing the airport communities' concerns, and providing feedback to the Port for all issues related to the airport;
 - developed in consultation with the Highline Forum-member cities;
 - Alaska Airlines, Delta Airlines, and the FAA all participants, with the inaugural meeting of StART held early in 2018;
 - all six Highline Forum-member cities are back at the table;
 - Burien, Des Moines, and Federal Way returned in the fall;
 - enacted revised operating procedures that strengthen StART's effectiveness;
 - establishment of a steering committee to provide strategic direction to StART;
 - feedback on the facilitator;
 - formalized ties with the Highline Forum;
 - strengthened behavior expectations/updated Code of Conduct;
 - several additional administrative changes;
- Near-term aviation noise action agenda;
 - implemented initiatives;
 - on-hold initiatives;
 - focus for 2021 on continued noise action agenda and development of new efforts to prevent and reduce aviation noise;
- 2020 accomplishments and 2021 workplan – federal policy working group;
 - pursuing a shared federal policy agenda;
 - elements of the shared agenda;
- key discussions at 2020 meetings;
 - UW ultrafine particles (UFP) study;
 - impacts of COVID on aviation and challenges facing Highline Forum – member cities;
 - the Port's economic recovery framework;
 - community engagement and noise comment monthly reporting;
 - SEA's aircraft noise monitoring program;
 - 2021 StART priorities and reflections;
- 2021 priorities for StART meetings;

- ultrafine particles (UFPs) and status of studies;
- aviation fuel dumping and FAA and airport procedures;
- 2021 aviation forecast;
- the South King County Fund;
- noise insulation; and
- air cargo operations.

Members of the Commission and staff discussed:

- areas where the Port has the ability to impact noise mitigation, including dispersion of flights;
- having a fully-aligned agenda with federal policy to address aviation noise;
- documenting commitments under the advocacy agenda;
- engagement of the state;
- the Ultrafine Particles Study and emerging research; and
- working more with our congressional delegation and being advocates.

11c. 2020 Financial Performance Briefing.

Presentation document(s) included an agenda memorandum, financial performance report, and presentation slides.

Presenter(s):

Dan Thomas, Chief Financial Officer, Finance and Budget
Michael Tong, Director Corporate Budget, Finance and Budget
Borgan Anderson, Director, Aviation Finance and Budget
Kelly Zupan, Director SP Finance and Budget, Maritime Finance

Commission Clerk Michelle Hart read Item 11c into the record.

Executive Director Metruck introduced the item and presenters.

The presentation addressed:

- 2020 key financial highlights;
- Aviation Division;
 - drop in passengers defined - 2020 financial challenge;
 - keys to financial results – CARES grant, Wise spending;
 - financial actions for COVID-19 response in 2020;
 - total operating expenses summary;
 - aeronautical revenue requirements;
 - aero rate base revenue requirements;
 - non-aeronautical revenues;
 - non-aeronautical NOI;
 - tenant relief - rent payment deferral status;
 - aviation FTE and position vacancy;
 - strategic use of CARES grant funding to exceed debt service coverage minimum;

- federal COVID relief – CARES and CRRSAA use;
 - 2020 capital spending;
 - capital spending by funding sources;
 - airport development fund balance;
 - 2021 capital spending;
- Non-aviation Divisions;
 - non-aviation performance summary;
- Maritime Division;
 - financial summary and business highlights;
 - 2020 achievements;
 - maritime 2020 financial highlights;
 - Northwest Seaport Alliance summary and joint ventures;
 - stormwater utility;
 - stormwater utility accomplishments;
 - environmental accomplishments;
- Economic Development Division;
 - financial summary and business highlights;
 - 2020 EDD program advancements;
- Central Services;
 - financial summary and highlights;
 - central services business events;
 - central services financial highlights;
- Portwide;
 - portwide financial highlights and performance trends;
 - comprehensive financial summary;
 - community programs summary;
 - portwide capital spending; and
 - 2021 capital budget update.

Members of the Commission and staff discussed:

- investment of the airport development fund balance;
- capital spending in 2020 and reductions in capital funding;
- projects brought back from 2020 cutbacks;
- rent payment deferral status; and
- how we measure environmental performance.

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS – None.

13. ADJOURNMENT

There was no further business, and the meeting adjourned at 4:21 p.m.

Prepared:

Attest:

Michelle M. Hart, Commission Clerk

Sam H. Cho, Commission Secretary

Minutes approved: March 23, 2021.

RETURN TO AGENDA

Minutes of March 9, 2021, submitted for review on March 18, 2021, and proposed for approval on March 23, 2021.



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8b

ACTION ITEM

Date of Meeting March 23, 2021

DATE: February 22, 2021

TO: Stephen P. Metruck, Executive Director

FROM: James Truhan, Sr. Real Estate Manager
Rod Jackson, Capital Project Manager
Melinda Miller, Director, Portfolio and Asset Management

SUBJECT: Central Waterfront Elevator Modernization Project Construction Additional Funding Request (CIP # C801016)

ACTION REQUESTED

Request Commission authorization for the Executive Director to approve additional funding in the amount of \$1,360,000 for design, permitting, and construction phases of the Central Waterfront Elevator Modernization project and to direct staff to award the contract to continue the project.

Amount of This Request	\$1,360,000
Previously Authorized	<u>\$1,808,000</u>
Revised Estimated Project Cost	\$3,168,000

EXECUTIVE SUMMARY

The Lenora and Bell Street elevators are critical waterfront infrastructure, providing access for thousands of visitors and residents annually from the Central Waterfront to the Market and Seattle's downtown. Both elevators are over 20 years old with critical operating components now at the end of their programmed service lives. In addition, the supporting architectural elements of both elevators, consisting of towers, bridges, walkways and stairways require refurbishment via selective refinishing, repair and replacement.

This funding request will allow design, permitting and construction phases to begin this Building Engineered System project. The target date for completion is Q4/2021 with closeout scheduled for Q2/2022.

Timely award of this work will allow the completion of the work to align with the City of Seattle Lenora Street Pedestrian Bridge opening and prevent a second closing of the waterfront access at Lenora.

Meeting Date: March 23, 2021

Funding Request Detail

Additional Hard Costs	\$945,000.00
Additional Taxes	\$124,000.00
Additional Contingency	\$166,000.00
Additional Soft Costs	\$125,000.00
Total	\$1,360,000.00

Bid Process Summary

Only one bid was received, after which two rounds of technical and cost inquiry were conducted, with the intent of validating bidder assumptions regarding scope, cost, and proposed means and methods.

Based on this and the final scoring of the proposal, the evaluation team found the bid to be responsive and recommends proceeding with award.

A timely award of this work will align with the City of Seattle Lenora Street Pedestrian Bridge opening and prevent a second closing of the waterfront access at Lenora.

	Port of Seattle Estimate	Bidder A Proposal
Date Prepared	10/27/20	12/8/20
Estimated Cost	\$1,410,000*	\$2,271,639*

** omits contingency and taxes*

Cost Drivers1. Lack of Competition

Only one bid was received, despite measures to encourage broad participation.

2. Limited Availability of Specialized Expertise

Commercial elevator work is a narrowly-populated construction discipline, limited to a handful of qualified local national vendors with local representation.

A. Perceived Schedule Risk

The Port's requirement to complete the project during the Waterfront Seattle Lenora closure window compels bidders to account for this in their pricing.

3. Bidder Recommended Scope

The sole bidder recommended additional work (\$236K) be performed that was not included in the Port's estimate.

4. Miscalculated project costs

The project team undervalued the project costs and interpreted anticipated taxes and soft costs incorrectly.

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JUSTIFICATION

This project is driven by the following imperatives:

- A. Minimize Risk of Failure
The two existing elevators are at the end of their service lives. Risks of extended service outages are increasing due to the limited supply of OEM replacement parts.
- B. Leverage Specialized Expertise
Elevator upgrade work is a specialty market and local availability of experienced contractors is limited – especially now. Further, public projects by elevator contractors are perceived as more labor intensive and therefore less profitable.
- C. Meet Contemporary User Experience Expectations
The existing cab design, now over 20 years old, is past due to be refreshed to meet current expectations for look, feel, and function.
- D. Achieve a Lower Cost of Ownership
Replace existing equipment with non-proprietary components that can be maintained by any qualified elevator maintenance company.
- E. Align with Complementary Projects
With the Lenora elevator off-line through 2022 due to the City of Seattle Waterfront Construction project, this an opportune time to complete this work.

Strategic Objectives

The project supports all four of the following Century Agenda objectives:

- A. Position the Puget Sound region as a premier international logistics hub.
- B. Advance this region as a leading tourism destination and business gateway.
- C. Use the Port's influence as an institution to promote women and minority business enterprise (WMBE) growth, small business growth, and workforce development.
- D. Be the greenest, and most energy-efficient port in North America.

Urgency

The proposed project is needed now to ensure continued availability, reliability, eliminate slip/trip hazards, and improve customer experience and will upgrade the elevators' electrical, structural system, stair treads, HVAC and control systems, including new cabs' interiors at Lenora.

The work will also coincide with the City of Seattle Waterfront Construction which is currently underway and is expected to complete in late 2021 or early 2022 with plans to tie into the Lenora Street pedestrian overpass.

The City's work includes tying in the Lenora bridge (leading the elevator tower) with nearby upland walkways. Completing this project during the Waterfront Seattle closure period will avoid separate elevator closures later.

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Diversity in Contracting

Project staff along with the Diversity in Contracting Department have established a Woman and Minority Business Enterprise (WMBE) aspirational goal of 4% for this project, proposer “A” committed to a 6% goal for the project.

DETAILS

Project Goal

Ensure the continued availability, safety and appearance of the existing Bell and Lenora Street elevators.

Project Objectives

- A. Protect Existing Assets
Ensure that the existing elevators, related infrastructure and supporting structure are maintained.
- B. Reduce Unplanned Maintenance Costs
Mitigate costs related to elevator operational breakdowns, repainting, re-glazing, etc.
- C. Mitigate Impacts to Existing Business Operations
Coordinate the work with the current Lenora Street bridge closure related to the ongoing Seattle Waterfront project.
- D. Employ Sustainable Means and Methods
Incorporate environmentally sustainable practices during construction, where practical.

Scope of Work

The scope of work for this project includes the following key elements:

1. Install new cab interiors at the Lenora elevator- the existing cab interior at the Bell Street elevator will be refinished and deep-cleaned.
2. Install new doors, flooring, ceiling, lighting and ventilation components at both elevators.
3. Install new controls, HVAC, machine room equipment and car operating components.
4. Update the cabs at both elevators to support current accessibility standards and to be vandal resistant.
5. Include all new necessary components for Firefighter’s operation to comply with life safety code requirements.
6. Comply with current ASME (American Society of Mechanical Engineers) A.17.1, 2010 ADA, Seattle Building Code, Seattle Energy Code, State of Washington elevator safety code requirements, as well as Port of Seattle standards.
7. Recondition retained equipment to ensure reliable operation.
8. Replace the Lenora elevator tower stair treads, tower glazing and lighting which will include rust removal and painting.

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Procurement Approach

The project was procured as a Building Engineered Systems Contract (RCW 39.04.290).

This allowed the Port to utilize a competitive bidding process where proposers are required to provide final specifications and a proposal price for the design, fabrication, and installation of system components. System design and specifications under this approach are reviewed and approved by the Port.

This procurement strategy was chosen because proven turn-key solutions are available, and because elevator equipment represents a large percentage of the project cost.

Further, this provides opportunities for increased quality, efficiency, and risk reduction for the Port.

Schedule

Previous Commission Design & Construction authorization	August 11,2020
Previous Advertisement	September 2020 thru Q1 2021
Award	March 23, 2021
Design start by the awarded team	June 2021
Construction start	September 2021
In-use date	Q1 thru Q2 2022

ALTERNATIVES AND IMPLICATIONS CONSIDERED**Alternative 1 – Cancel the project.**

Capital Cost: None.

Pros: Defers capital spend at a challenging time for Port budgets.

Cons:

1. Increasing outages of longer duration as equipment fails and parts become harder to source.
2. Higher costs for the same scope over time - Repairs and maintenance would still have to be performed in separate projects at increased cost (due to inefficient approach).
3. Forfeits opportunity to coordinate construction down-time with ongoing Waterfront Seattle work.
4. \$225,000 in sunk costs will be expensed.
5. Century Agenda environmental goals would be not be advanced with this project.

This is not the recommended alternative.

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Alternative 2 – Cancel, Rescope and Rebid.

Reconfigure scope to limit capital spend by addressing critical operating components, separate from architectural scope, which would be completed separately.

Cost Implications: (Net additional costs for same scope)

Pros:

1. Reduces near-term capital expenditure at a challenging time for Port budgets.
2. Mitigates risk of elevator outages over the mid-/long-term.
3. Potential for increased bid competition, if market interest can be generated.
4. Advances the Century Agenda environmental goals.

Cons:

1. Delays award/construction to allow for rescoping and procurement - Opportunity to coordinate construction down-time with ongoing Waterfront Seattle work would be forfeited.
2. Higher costs for the same scope over time - Repairs and maintenance would still have to be performed in separate projects at increased cost (due to inefficient approach).

This is not the recommended alternative.

Alternative 3 – Omit Bidder-Recommended Scope.

The following scope items were submitted by the bidder as recommended additional work items, as the result of their due diligence. These were not included in the Port's cost estimate.

Bell Street Elevator:	New Window Surface Film	\$25,000
Lenora Street Elevator:	Full replacement of glazing units	\$176,000
Lenora Street Elevator:	Sand Blasting Coating Walkways	<u>\$35,000</u>
TOTAL		\$236,000

Cost Implications: (\$2,932,000)

Pros:

1. Reduces near-term capital expenditure at a challenging time for Port budgets.
2. Allows project to proceed as originally scoped.

Cons:

Forfeits a more comprehensive renovation of existing glazing and walking surfaces.

This is not the recommended alternative.

Alternative 4 – Add requested funds of \$1,360,000 for the Upgrade both Lenora and Bell Street elevators, Lenora street stair tower and controls with new technologies including recommended scope additions as stated in Alternative 3.

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Cost Implications: \$3.168MPros:

- (1) Advances Century Agenda goals.
- (2) Building Engineering Systems delivery process allows the Port to combine design and construction into one contract and the selection of a contractor with the best combination of qualifications and cost.
- (3) New asphalt curb removes potential exposure of having hydraulic oil from the elevator system below the water table.
- (4) Increased energy efficiency.
- (5) Modernizing a hydraulic elevator will increase energy efficiency as the new equipment will use the same power characteristics and horsepower.

Cons:

- (1) Construction period is the longest of all alternatives.
- (2) Longer delivery schedule adjusted to fit in construction window provided by the City of Seattle.
- (3) Highest upfront expenditure for constructing both elevators cost going forward.

This is the recommended alternative.***Alternative Systems Evaluation***

Staff reviewed the replacement of both elevators with an MRL (Machine Room Less) system and found that such a system could increase energy efficiency, lower horsepower requirements while using regenerative drives, remove potential exposure of having hydraulic oil from the elevator system below the water table. However, the cost would be 30% more than the current proposed project and would exceed the construction time available within the City of Seattle waterfront schedule.

FINANCIAL IMPLICATIONS***Cost Estimate/Authorization Summary***

ESTIMATE HISTORY	Capital	Expense	Total
Original estimate	\$1,808,000	\$0	\$1,808,000
Current request	\$1,360,000	\$0	\$1,360,000
Revised estimate	\$3,168,000	\$0	\$3,168,000
AUTHORIZATION HISTORY	Capital	Expense	Total
Previous authorizations	\$1,808,000	\$0	\$1,808,000
Current request	\$1,360,000	\$0	\$1,360,000
Total authorizations including this request	\$3,168,000	\$0	\$3,168,000
Remaining amount to be authorized	\$0	\$0	\$0

Meeting Date: March 23, 2021

Annual Budget Status and Source of Funds

This project has been included in the 2021 Plan of Finance under C801016 Central Waterfront Elevator Modernizations (Lenora and Bell Street Elevators) at an estimated total project cost of \$1,808,000. The updated current total project estimate is \$3,168,000. The additional estimated cost of \$1,360,000 will be funded by C800216 EDD Reserve.

This project is funded by the General Fund.

Financial Analysis and Summary

Project cost for analysis	\$3,168,000
Business Unit (BU)	Portfolio Management
Effect on business performance (NOI after depreciation)	Depreciation will increase by \$105,600 per year, based on an estimated useful life of 30 years.
IRR/NPV (if relevant)	No incremental revenue. The NPV is the present value of the project cost.
CPE Impact	N/A

SUSTAINABLE EVALUATION FRAMEWORK

The Lenora and Bell Street Elevator modernization project is Tier 1 under the Sustainable Evaluation Framework. Environmental considerations include energy (elevator lighting and controls), materials, contractor selection, and waste diversion.

An assessment was conducted for the elevators to recommend upgrades. No additional upgrade projects are being considered within the project vicinity that could be combined with this project. We will look at equity/public opportunities and integration with the feel of the City project (interpretive signage, etc.). All new cab fixtures will be ADA-compliant and designed with raised Braille characters that contain descriptions to help individuals find their desired destinations more easily.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

August 11, 2020 – The Commission authorized and approved Design and Construction funding of \$1,808,000 for the project.

Lenora and Bell Street Elevator Modernizations

Design/Construction Contract Award Authorization

James E. Truhan, MCR

Rod Jackson

Senior Real Estate Manager

Capital Project Manager



Action Requested

Authority to award design and construction contract and to fund additional project scope.

Total requested: \$1.36M

Authorization will increase funding from \$1.808M to \$3.168M.



Objective

Ensure the continued reliable operation of both elevators and their associated mechanical systems, while refreshing key structural and architectural elements.



Background

- Both elevators provide critical waterfront infrastructure
Provide access by pedestrians to/from the Market & Belltown.
- In continuous operation for over 20 years
Mechanical systems at the end of their useful lives.
- Commission authorized RFP on August 11th 2020
- Building Engineered System method of Procurement RFP
issued on September 15th 2020; one proposal received.
- Lowest responsive bid: \$2,271,639
\$1,360,000 above Port estimate.

Project Goals

1. Protect Existing Assets

Ensure that the existing elevators, related infrastructure and supporting structure are maintained, meet current building, accessibility, energy and fire/life safety codes.

2. Reduce Unplanned Maintenance Costs

Mitigate costs related to elevator operational breakdowns, repainting, re-glazing, etc.

3. Mitigate Impacts to Users and Businesses

Coordinate with the ongoing Lenora Street bridge closure (Seattle Waterfront project).

4. Employ Sustainable Means and Methods

Incorporate environmentally sustainable practices during construction, where practical.

Project Summary

1. Modernization and upgrade of electrical, mechanical and control systems
2. Replacement of selected cab interiors
3. Structural tower and glazing renovation or replacement
4. Stair tread maintenance or replacement
5. Design highlights:
 - Moisture and vandal resistant construction
 - Accessible control interfaces
 - Components to support first-responder access
 - Non-proprietary equipment
 - Selected equipment to be retained will be reconditioned



Project Approach

1. Facilitate small business opportunities
2. Manage project scope as a single, cohesive process
3. Mitigate construction phase business risk
4. Implement project risk management practices
5. Develop and maintain detailed project phasing plans

Project Milestones

- | | |
|--|-----------|
| 1. Building Engineered System RFP issued | 9/15/2020 |
| 2. Design Start | Q1/2021 |
| 3. Construction Starts | Q4/2021 |
| 4. Construction Complete | Q2/2022 |

Thank You.

[RETURN TO AGENDA](#)

**COMMISSION
AGENDA MEMORANDUM**

Item No.

8c

ACTION ITEM

Date of Meeting

March 23, 2021

DATE: February 17, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Wendy Reiter, Director, Aviation Security
Wayne Grotheer, Director, Aviation Project Management

SUBJECT: Exit Breach Control Replacement Project Authorization (CIP #C801159)

Amount of this request: \$4,081,000

Total estimated project cost: \$4,181,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) develop, advertise, and execute an alternative public works delivery using the Building Engineering Systems process, (2) execute a five-year maintenance service and training agreement for the Exit Breach Control Replacement Project at Seattle-Tacoma International Airport, and (3) utilize Port crews, for an estimated total project cost of \$4,181,000.

EXECUTIVE SUMMARY

Exit lane automation and physical breach control is part of Seattle-Tacoma International Airport's (SEA) multi-layered security approach and is a critical component to securing the passenger concourses and preventing unauthorized access to the secured areas. This Exit Breach Control Replacement Project will replace the existing automated Exit Lane Breach Control System (aka exit lanes) at the Concourse B security exit to the Main Terminal at SEA. The existing exit lanes have reached their end of useful life. The manufacturer no longer fabricates parts for this model. The exit lanes have been kept operational using spare parts remaining from an earlier project; however, most spare parts have been exhausted. Due to replacement component obsolescence, staff has not been able to restore service to one of the three lanes—which remains closed.

This project will be delivered using the alternative public works Building Engineering Systems (BES) process which will combine the procurement of the exit lane technology with the design and construction of the necessary Airport infrastructure connections including communications, electrical, and security systems among others. Additionally, this procurement will also include a separate contract to purchase a five-year manufacturer maintenance service agreement and factory training. As the training and maintenance are required to be completed by the selected manufacturer, it is essential that the service agreement and training component be procured at the same time. The total costs associated with the maintenance service agreement and training

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is estimated at \$520,000 over five years. Funding for the maintenance and training contract will be included in the Aviation Division operating budget and approved through the 2022 Aviation Division expense budget approval process.

JUSTIFICATION

A full replacement is necessary to maintain security at the Concourse B exit lane corridor. Exit lane automation and physical breach control is part of SEA's multi-layered security approach and is a critical component to securing the passenger concourses.

As part of the alternatives analysis, staffing this exit with guards was considered and compared to the preferred alternative of proceeding with this project. Manually staffing this exit is not practicable as it introduces an increased potential for security breaches as a result of human error or fatigue when compared to the security of the one-way automated exit lanes. A cost and critical factors comparison can be found within the "Alternatives and Implications Considered" section below.

Diversity in Contracting

There will be a 7% women-and minority business enterprise (WMBE) aspirational goal for this BES design and construction contract.

DETAILS

The first step for this project will be to procure a BES team composed of a designer, equipment vendor and construction contractor. In order to complete this procurement a Request for Proposals document set will be prepared including a basis of design that will document existing conditions and applicable design standards to be employed.

Scope of Work

The project scope includes:

- (1) A qualifications-based procurement of the exit lane system.
- (2) Demolition and removal of the existing exit lanes.
- (3) Installation of the new exit lanes along with necessary utilities and service connections required to integrate the new exit lanes into Port systems.
- (4) Testing to Port of Seattle Security and Police Department and Federal Transportation Security Administration standards.
- (5) During construction, the existing service animal relief area may be relocated.

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Schedule

BES Team Procurement start	Q2 2021
Design start	Q4 2021
Construction start	Q1 2022
In-use date	Q3 2022

Cost BreakdownThis Request and
Total Project

Design	\$720,000
Construction	\$3,461,000
Total	\$4,181,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

During the alternatives analysis it became evident that only two (2) options were practicable solutions to address the failing infrastructure and provide an adequate level of security. The project team evaluated the option of blocking the exit (with the installation of a permanent barricade) upon the next full mechanical failure. Under this alternative, passengers would be rerouted to the next available concourse exit and the existing exit corridor would be walled off. This “do-nothing” approach was eliminated as it was not a sensible alternative for the traffic levels expected to return to the airport. As such, only two alternatives were evaluated further.

Alternative 1 – Upon full mechanical failure, remove the existing automated doors and staff the exit with guards.

Cost Implications: \$4,565,000 (net present value of total cost of ownership comprised of wages, benefits, etc. over a 10-year duration.)

Pros:

- (1) This alternative would not require a capital investment.
- (2) This could be prepared more quickly than a capital project.
- (3) Generates six full-time security guard positions.

Cons:

- (1) This option does not provide a long-term solution to egress at B gates.
- (2) This alternative would incur increased labor costs to manually staff the exit.
- (3) This alternative would increase the potential of security breaches as a result of human error and fatigue when compared to the security of automated exit lanes.
- (4) A rolldown security gate may be required. Costs associated with this are not included in the cost presented above.

This is not the recommended alternative.

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Alternative 2 – Replace the automated exit lanes.

Cost Implications: \$4,996,000 net present value of total cost of ownership comprised of \$4,181,000 for capital costs and \$815,000 for operating and maintenance costs.

Pros:

- (1) Physical barrier system for security reduces the risk of physical breaches and that risk reduction offsets the higher NPV costs.
- (2) Provision of a secure passenger egress at Concourse B.
- (3) Installation of a new exit lane system that could be properly maintained.
- (4) No additional long-term staffing needs or costs.

Cons:

- (1) The Concourse B exit would be closed for a longer period of construction.
- (2) The higher NPV cost compared to Alternative 1.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$100,000	0	\$100,000
Current change	\$4,051,000	\$30,000	\$4,081,000
Revised estimate	\$4,151,000	\$30,000	\$4,181,000
AUTHORIZATION			
Previous authorizations	\$100,000	\$0	\$100,000
Current request for authorization	\$4,051,000	\$30,000	\$4,081,000
Total authorizations, including this request	\$4,151,000	\$30,000	\$4,181,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

This project, CIP C801159, was included in the 2021-2025 capital budget and plan of finance with a budget of \$100,000 which was intended to fund project definition and preliminary design. A budget increase of \$4,051,000 was transferred from the Aeronautical Reserve CIP (C800753) resulting in zero net change to the Aviation capital budget. The funding source will be airport development fund (ADF) and future revenue bonds.

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Financial Analysis and Summary

Project cost for analysis	\$4,181,000
Business Unit (BU)	Terminal Building
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	The preferred alternative has the higher NPV for the total cost of ownership; however, the physical security barrier system reduces the risk of breaches and that risk reduction offsets the higher NPV costs.
CPE Impact	\$.02 in 2023

Future Revenues and Expenses (Total cost of ownership)

The total costs associated with the maintenance service agreement and training will be finalized as a part of the system procurement but has been estimated at \$526,000 over the first five years. Funding for the maintenance and training contract will be included in the Aviation Division operating budget and approved through the 2022 Aviation Division expense budget approval process.

ADDITIONAL BACKGROUND

These doors (and salvaged spare parts) are the legacy of an earlier project that intended to install exit lanes at all SEA concourse security exits but was cancelled in 2013. As such, only the doors at B-gates were installed. This installation was both a pilot program in exit automation for SEA and was an initial prototype from the current manufacturer.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

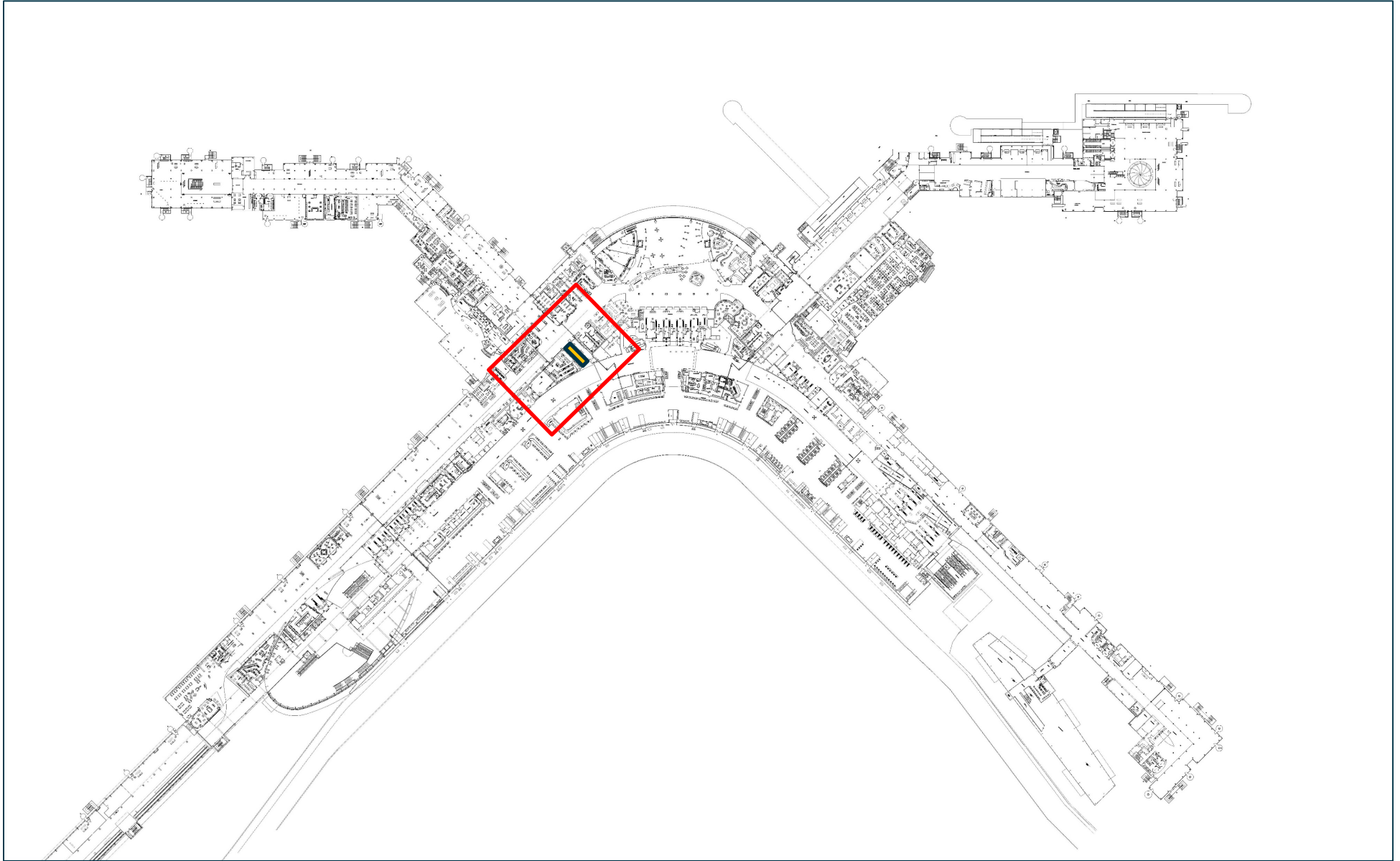
PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None.

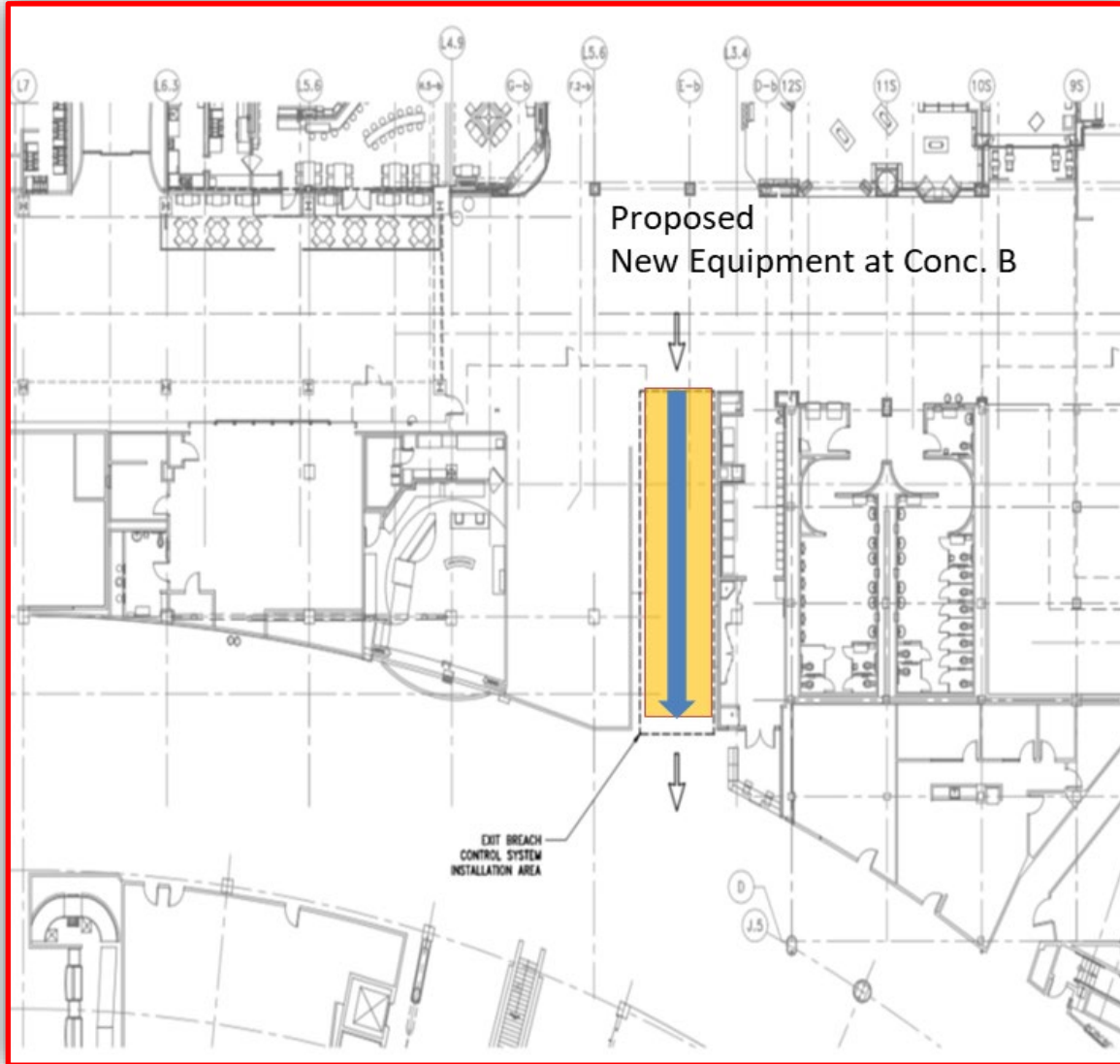
EXIT BREACH CONTROL REPLACEMENT PROJECT

March 23, 2021

Project Location



Project Location



Purpose and Need

Original Installation 2013



Full Failure 2020



Current Condition 2021



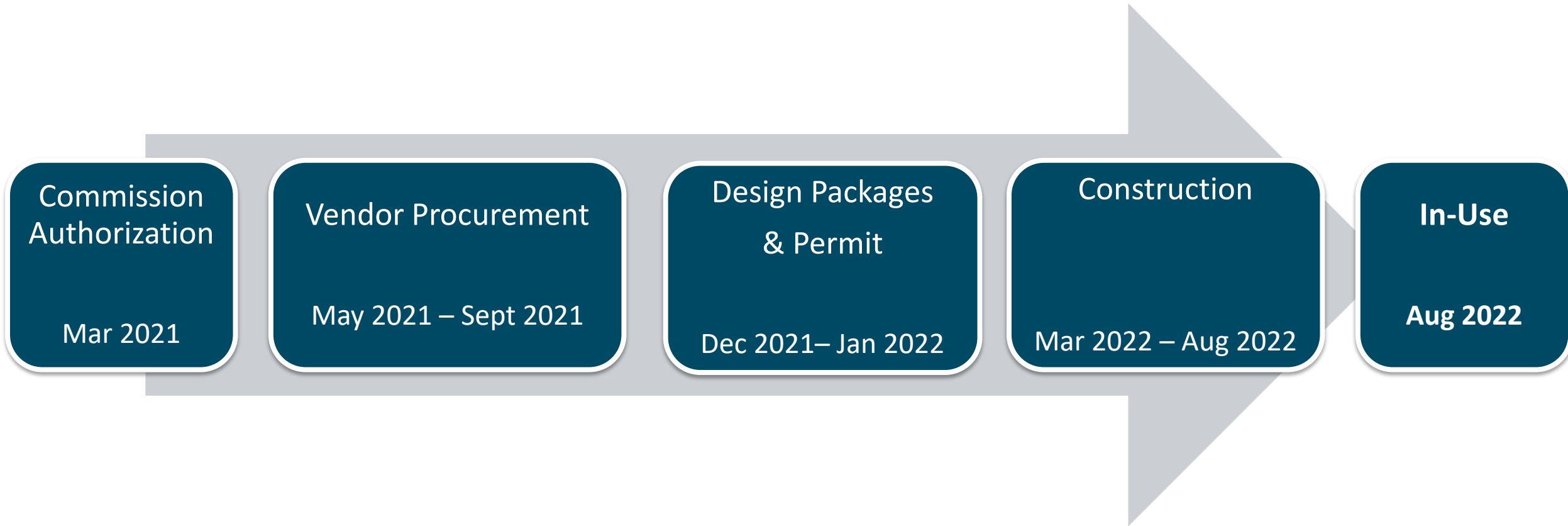
Project Scope

- Procure, design, and construct new Exit Lanes using Building Engineering Systems
 - Selection of exit lane vendor
 - Demolition of existing exit lanes
 - Design work to integrate selected vendor's equipment/technology into Port systems
 - Construct and install

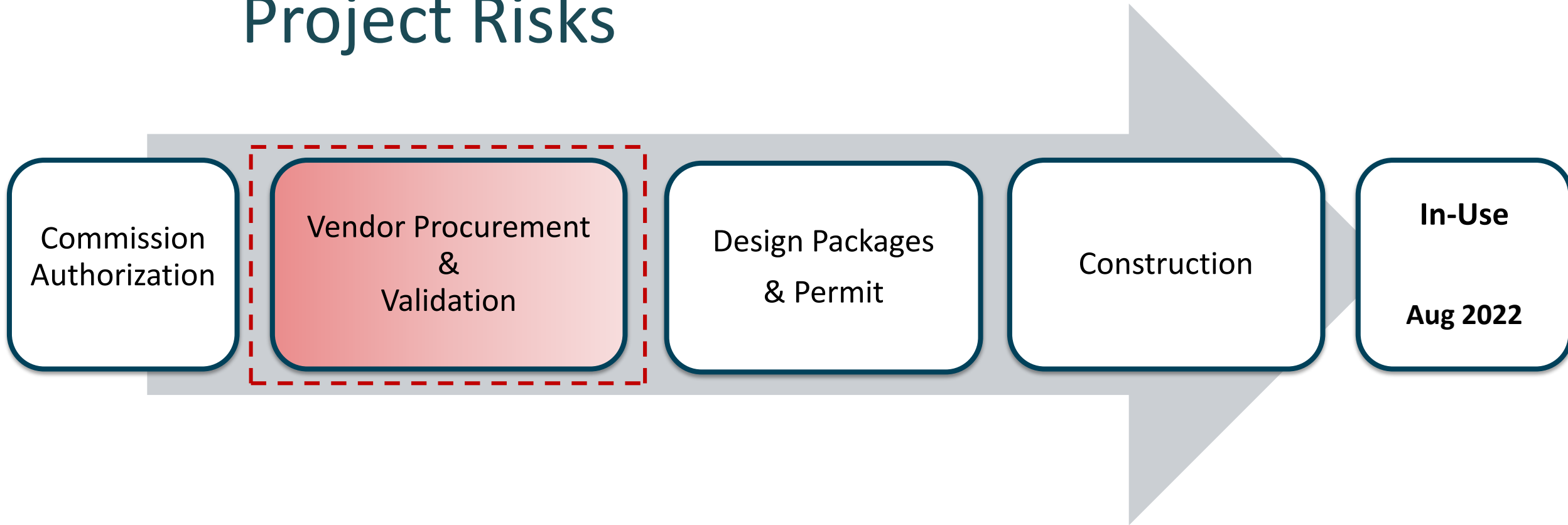
Project Costs

COST ESTIMATE	Capital	Expense	Total
Design	\$720,000	\$0	\$720,000
Construction	\$3,431,000	\$30,000	\$3,461,000
Total Project Estimate	\$4,151,000	\$30,000	\$4,181,000

Project Schedule



Project Risks



REQUEST COMMISSION AUTHORIZATION

Thank You

[RETURN TO AGENDA](#)





**COMMISSION
AGENDA MEMORANDUM**

Item No. 8d

ACTION ITEM

Date of Meeting March 23, 2021

DATE: March 1, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Joanna Hingle, Assistant Director of Engineering, Design Services
Tina Soike, Director of Engineering

SUBJECT: Memorandum of Understanding with Seattle Department of Construction and Inspections (SDCI) for the Initial Post-Damage Safety Evaluation of Facilities

Amount of this request: \$0

Total estimated project cost: \$0

ACTION REQUESTED

Request Commission authorization for the Executive Director to approve signing of a Memorandum of Understanding for Initial Post-Damage Safety Evaluation of Facilities between the Port of Seattle and the Seattle Department of Construction and Inspections.

EXECUTIVE SUMMARY

The Port of Seattle and the Seattle Department of Construction and Inspections (SDCI) have drafted a Memorandum of Understanding (MOU) that allows for Port staff and Port-hired consultants to perform safety evaluations of Port buildings and structures within the limits of the City of Seattle after a large-scale disaster such as an earthquake. Those Port personnel would then be allowed to post “advisory tags” that communicate the facilities’ safety status (red, yellow, or green) so that the Port may effectively and safely manage post-disaster facility use.

SDCI retains its full legal authority to determine whether or not a building is safe to occupy. Following post-damage safety evaluations by the Port, the Port would communicate results of those evaluations and the advisory tag status to SDCI. As time permits, SDCI would then follow up by conducting its own safety evaluation and posting a formal red, yellow, or green SDCI placard.

This proposed agreement increases the Port’s resiliency by enabling it to react more nimbly after a damage-inducing event with resources that it has available. It allows the Port to support regional response and recovery efforts more readily by quickly and appropriately managing the operational use of Port facilities. This also eases the burden on City of Seattle resources, which supports the city and region’s response and recovery efforts.

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The proposed MOU is substantially similar to what SDCI has formalized with other similar local public owners. It specifies the advisory tag protocol, the formalization of SDCI placards, a post-damage safety evaluation system, and evaluator training requirements.

This is a no-cost MOU, carrying no financial agreements. In a given event, the Port may or may not elect to use its provisions.

JUSTIFICATION

Under RCW 19.27.050 and the Seattle Building Code, SDCI has direct responsibility and authority over the safety and inspection of structures within the city limits of Seattle. However, the Port of Seattle employs staff and consultants who have the skills and training to perform post-damage safety evaluations of the buildings and structures owned by the Port of Seattle. In a large-scale disaster such as an earthquake, SDCI and the Port of Seattle both recognize that Port resources are likely to be able to conduct the necessary safety evaluations sooner than SDCI staff, which will aid both the Port and the broader City in responding to and recovering from the disaster.

SDCI has designed policies and procedures to accommodate other entities who wish to conduct advisory safety evaluations of damaged buildings they own. These policies and procedures allow the entity, with SDCI approval as documented in a MOU, to post buildings and structures with “advisory tags” that effectively communicate their safety status, but do not carry SDCI’s authority. This allows for more prompt planning, usage, repair, and/or reconstruction of facilities after a disaster while still maintaining proper authority.

Formalizing the relationship between SDCI and the Port for post-disaster damage evaluations provides flexibility and resiliency for both agencies and the people they serve.

Diversity in Contracting

There will be no contracting associated with this MOU.

DETAILS

The scope of the MOU includes the following:

1. Permission from SDCI to the Port to conduct its own initial safety evaluations of Port-owned facilities after a City-declared disaster or an event that gives the Port concern for its facilities.
2. Retention of SDCI authority for building tagging and occupancy decisions.
3. Clarification that Port staff or consultants are not deputies of SDCI.
4. Specification that post-damage safety evaluations be conducted in accordance with “ATC 20 – Post-Earthquake Safety Evaluation of Buildings” (hereinafter referred to as ATC 20) as published by the Applied Technology Council.
5. Specification of the use of “advisory tags” by the Port to communicate facility safety.
6. Notification from the Port to SDCI of facility safety evaluation results.
7. Formalization of facility safety evaluations by SDCI.

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8. Port responsibility for training and verification of Port evaluators in accordance with ATC 20 principles.
9. Port responsibility for its own post-damage evaluation policies, procedures, and scope.

The agreement includes no financial obligations to SDCI, the City of Seattle, consultants, or any other party.

The agreements set forth by the MOU would begin upon signing by both parties. The MOU has no stated end date but would terminate upon the written decision of either or both parties.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not sign the MOU between SDCI and the Port.

Cost Implications: No direct costs.

Pros:

- (1) Retains the traditional relationship between SDCI and facility owners, relying fully upon SDCI for post-damage building safety evaluations.

Cons:

- (1) The Port would have to wait for SDCI availability for building safety evaluations after a major event. This could be days or weeks.
- (2) The Port would not have a valuable tool (color-coded building tagging) at its immediate disposal for communication of building safety conditions for its staff, on-site personnel, and the public.
- (3) If the post-damage evaluations were not completed more quickly by Port staff, the Port would have much less information at its disposal for response and recovery planning efforts. This may have hard-to-quantify cost and revenue implications depending on the scope and severity of the event causing the damage.

This is not the recommended alternative.

Alternative 2 – Sign the MOU between SDCI and the Port.

Cost Implications: No direct costs.

Pros:

- (1) The Port would be allowed to appropriately manage its facilities after a significant event causing damage without waiting for SDCI on-site evaluations. This includes considerations for full use, partial use, or full closure of a facility, as well as planning for any needed repairs or reconstruction.
- (2) A formal relationship will be established between the Port and SDCI prior to any subsequent disaster, allowing for simplified communications and pre-established relationships.

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Cons:

- (1) To fully leverage this MOU, Port staff and/or consultants would need to maintain ATC-20 training. This knowledge base, however, is useful for Port staff. Training is approximately 4 hours, is typically available at no cost from FEMA or the Applied Technology Council, and is to be refreshed every 5 years.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

There are no costs directly associated with this MOU.

ADDITIONAL BACKGROUND

At the airport, the Port of Seattle Airport Building Department has jurisdiction over airport facilities, thus Port of Seattle resources will directly support full facility evaluations.

ATTACHMENTS TO THIS REQUEST

- (1) Draft Memorandum of Understanding for the Initial Post-Damage Safety Evaluation of Facilities.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None.



MEMORANDUM OF UNDERSTANDING
Initial Post-Damage Safety Evaluation of Facilities

Item No. 8d attach 1

Meeting Date: March 23, 2021

PURPOSE:

The purpose of this Memorandum of Understanding (MOU) between the Seattle Department of Construction and Inspections (SDCI) and the Port of Seattle is to document SDCI's agreement to establish policies and procedures for the Port of Seattle to conduct initial post-damage safety evaluations of buildings and structures it owns.

BACKGROUND:

Under RCW 19.27.050 and the Seattle Building Code, SDCI has direct responsibility and authority over the safety and inspection of structures within the city limits of Seattle. However, the Port of Seattle employs staff or consultants who have the skills and training to perform post-damage safety evaluations of the buildings and structures owned by the Port of Seattle. In a large-scale disaster, SDCI and the Port of Seattle both recognize these staff are likely to be able to conduct the necessary safety evaluations sooner than SDCI staff, which will aid the City in responding to and recovering from the disaster.

SDCI has designed policies and procedures to accommodate other entities who wish to conduct advisory safety evaluations of damaged buildings they own. These policies and procedures allow the entity, with SDCI approval as documented in a MOU, to post buildings and structures with "advisory tags" that effectively communicate their safety status, **but do not carry SDCI's authority**.

PROVISIONS:

The Port of Seattle is permitted to conduct initial safety evaluations of the buildings and structures it owns and post the results on the buildings, subject to the conditions documented in this MOU and only in the following circumstances:

1. When the City has declared an emergency or disaster because of an event that affected or may have affected the structural integrity of one or more of the Port of Seattle's buildings or structures; or
2. Following a significant event that gives the Port of Seattle concern for the structural integrity of one or more of the Port of Seattle's buildings or structures.

Safety evaluations following related subsequent events, such as earthquake aftershocks, are permitted to follow the initial evaluation policies and procedures in this MOU.

SDCI retains its authority to determine whether a building is or is not safe to occupy.

CONDITIONS:

1. Employees or consultants who conduct the initial safety evaluations for the Port of Seattle under this MOU shall not be considered employees or deputies of SDCI, and therefore, are not acting for or in lieu of SDCI.
 - a. Employees or consultants shall only conduct safety evaluations of buildings and structures owned by the Port of Seattle, unless they volunteer with SDCI.
 - b. Volunteers to SDCI must be formally deputized by SDCI before conducting any safety evaluations and are only authorized to act under SDCI's direction.
 - i. SDCI will not deputize volunteers before an event occurs.
2. Safety evaluations of damaged buildings shall be conducted and documented in accordance with the procedures of "ATC 20 – Post-Earthquake Safety Evaluation of Buildings" (hereinafter referred to as ATC 20) as published by the Applied Technology Council, with the following exceptions:
 - a. In lieu of the standard ATC 20 red/yellow/green placards, the Port of Seattle shall post an SDCI-approved "advisory tag" (using red, yellow, or green to indicate the level of concern) on the building to communicate the safety status to building occupants and visitors. Such an advisory tag shall contain a statement that the posting is advisory, shall not communicate any legal requirement or prohibition, and shall state: "This is an **ADVISORY BUILDING EVALUATION TAG** issued by the Port of Seattle and is not an evaluation by Seattle's Department of Construction and Inspection ("SDCI"). SDCI has not evaluated the structural integrity of this site. Dangerous conditions may exist in the tagged building." A form advisory tag is attached as Exhibit 1.
 - b. The Port of Seattle shall communicate the results of the evaluation(s), including the color of the advisory tag, to SDCI.
 - i. The results of buildings and structures posted with red or yellow advisory tags shall be communicated to SDCI as soon as reasonably practical.
 - ii. The results of buildings and structures posted with green advisory tags shall be communicated to SDCI on a regular schedule not to exceed 2 weeks.
 - c. SDCI will conduct its own safety evaluation of damaged buildings as time permits and will post a SDCI red, yellow, or green placard.

- i. SDCI will evaluate buildings and structures the Port of Seattle has posted with red or yellow advisory tags as soon as reasonably practical, within the priorities and procedures in the SDCI Emergency Response Plan.
 - ii. SDCI will evaluate buildings and structures the Port of Seattle has posted with green advisory tags as staffing and time permit.
3. The Port of Seattle will apply for reevaluation of SDCI placards and all required building permits related to work on the damaged building in compliance with normal SDCI procedures.
4. The Port of Seattle is responsible for ensuring employees or consultants conducting safety evaluations for the Port of Seattle have the necessary knowledge, skills, and training to properly conduct the evaluations in accordance with ATC 20.
 - a. ATC 20 procedures are predicated on the evaluator having some knowledge of construction or principles of structural behavior.
 - b. At a minimum, any person conducting evaluations shall have had an ATC 20 training or refresher training (or equivalent) within the 5 years preceding the time of conducting the evaluation.
5. This MOU does not preclude the Port of Seattle from establishing its own internal policies and procedures for evaluating damaged buildings and reporting damage, provided they are in general conformance with the principles in ATC 20 and this MOU.
6. The Port of Seattle is responsible for determining which buildings and structures to evaluate pursuant to this MOU and the schedule for such evaluations.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding by having their representatives affix their signatures below.

SEATTLE DEPARTMENT OF CONSTRUCTION AND
INSPECTIONS

PORT OF SEATTLE

By: _____
Kai Ki Mow, Principal Engineer

By: _____
Tina Soike, Director of Engineering Services

Date: _____

Date: _____

Exhibit 1 – Sample Unsafe (Red), Restricted Use (Yellow), and Inspected (Green) Advisory Tags:

See following pages for Advisory Tags to be used by the Port of Seattle

UNSAFE

DO NOT ENTER OR OCCUPY

This structure has been found to be seriously damaged and is unsafe to occupy, as described below:

Do not enter, except as specifically authorized by the City of Seattle. Entry may result in death or injury.

Facility Name and Address:

Date _____
Time _____



This Port of Seattle owned facility was evaluated under emergency conditions for damage assessment.

*This is an ADVISORY BUILDING EVALUATION TAG issued by the **Port of Seattle** and is not an evaluation by Seattle's Department of Construction and Inspections (SDCI). SDCI has not evaluated the structural integrity of this site. Dangerous conditions may exist in the tagged building.*

Inspector ID

Do Not Remove, Alter, or Cover this Placard

RESTRICTED USE

Caution: This structure has been evaluated and found to be damaged as described below:

Entry, occupancy, and use are restricted as indicated below:

☐ Do not enter the following areas: _____

☐ Brief entry allowed for access to contents: _____

☐ Other restrictions: _____

Facility name and address:

Date _____

Time _____

(Caution: Aftershocks since evaluation may increase damage and risk.)



This Port of Seattle owned facility was evaluated under emergency conditions for damage assessment.

*This is an ADVISORY BUILDING EVALUATION TAG issued by the **Port of Seattle** and is not an evaluation by Seattle's Department of Construction and Inspections (SDCI). SDCI has not evaluated the structural integrity of this site. Dangerous conditions may exist in the tagged building.*

Inspector ID

Do Not Remove, Alter, or Cover this Placard

NO APPARENT HAZARD

RE-ENTRY ALLOWED

This structure has been evaluated (as indicated below) and no apparent structural hazard has been found.

- ☐ **Evaluated Exterior Only**
- ☐ **Evaluated Exterior and Interior**

Report any unsafe condition to local authorities; re-evaluation may be required.

Inspector Comments:

Facility Name and Address:

Date _____

Time _____

(Caution: Aftershocks since evaluation may increase damage and risk.)



This Port of Seattle owned facility was evaluated under emergency conditions for damage assessment.

*This is an ADVISORY BUILDING EVALUATION TAG issued by the **Port of Seattle** and is not an evaluation by Seattle's Department of Construction and Inspections (SDCI). SDCI has not evaluated the structural integrity of this site. Dangerous conditions may exist in the tagged building.*

Inspector ID

Do Not Remove, Alter, or Cover this Placard

RETURN TO AGENDA



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8e

ACTION ITEM

Date of Meeting March 23, 2021

DATE: February 22, 2021

TO: Stephen P. Metruck, Executive Director

FROM: James Truhan, Sr. Real Estate Manager, Portfolio and Asset Management
Rod Jackson, Capital Project Manager
Melinda Miller, Director, Portfolio and Asset Management

SUBJECT: P-66 Roof Upgrades (CIP# C801103) Construction Funding Authorization Request

Amount of this request: \$1,909,000
Previously Authorized: \$ 300,000
Total estimated project cost: \$2,209,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) advertise for construction bids, (2) execute construction contracts, and (3) fund the construction phase to complete the P66 Roof Upgrade Project, for a total estimated project cost of \$2,209,000.

EXECUTIVE SUMMARY

This project will extend the service life of existing P66 roofing systems via repair, overlay or replacement based on recommendations contained in a third-party assessment study completed in January 9, 2019.

The P66 Roof Upgrade project is a Tier 1 project under the Sustainable Evaluation Framework Policy Directive. As part of the Notebook documentation process, the PM consulted with environmental subject matter experts and discussed the scope of the project. Since the project is limited to roof and gutter overlays, installation of solar arrays or rain barrels would add additional elements that are far outside the scope of the current project. However, the design will not preclude these elements when future replacement is warranted. The environmental and design team has requested the exploration of design features and materials that could minimize impacts on the environment and construction best management practices. The project is in the design/construction documentation phase, with construction documents at the 100 percent stage of completion.

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Background

The Pier 66 campus consists of Anthony’s Restaurant, the Bell Harbor International Conference Center and the Bell Street Cruise Terminal, all of which are included in the scope of this project. The campus is characterized by a diversity of roofing systems and forms, which - while adding architectural interest - increase the complexity of the system from a moisture resistance and repair/maintenance perspective.

The campus was completed in 1995; the existing roofing system is original & now 25 years old.

Goal

Extend the useful life of the existing roofing system by up to 30 years.

Objectives

- A. Protect Existing Assets
Ensure that its highly complex roofing system (consisting of multiple roofing types, levels and intersections) maintains its watertight integrity.
- B. Reduce Unplanned Maintenance Costs
Mitigate future costs related to roof leaks, including rot, mold and corrosion.
- C. Mitigate Impacts to Existing Business Operations
Coordinate with Cruise, Bell Harbor International Conference Center and Anthony’s around scheduled business events.
- D. Employ Sustainable Means and Methods
Incorporate environmentally sustainable practices during construction, where practical.

JUSTIFICATION

Immediate upgrades and replacement to the P66 Roofing Systems are critical to tenants and customers while preserving the revenue of two significant business units.

This P66 Roof Upgrade project supports all four of the Port’s Century Agenda objectives under the following strategies:

- A. Position the Puget Sound region as a premier international logistics hub.
- B. Advance this region as a leading tourism destination and business gateway.
- C. Use the Port’s influence as an institution to promote women and minority business enterprise (WMBE) growth, small business growth, and workforce development.
- D. Be the greenest, and most energy-efficient port in North America.

Further, the project supports the following additional imperatives:

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- A. Protect Existing Assets
Ensure that its highly complex roofing system (consisting of multiple roofing types, levels and intersections) maintains its watertight integrity.
- B. Reduce Unplanned Maintenance Costs
Mitigate future costs related to roof leaks, including rot, mold and corrosion.
- C. Mitigate Impacts to Existing Business Operations
Coordinate with Cruise, BHICC and Anthony's around scheduled business events.
- D. Employ Sustainable Means and Methods
Incorporate environmentally sustainable practices during construction where practical.

Diversity in Contracting

Project staff along with the Diversity in Contracting Division have set a woman and minority business enterprise (WMBE) aspirational goal of 5% for the construction portion of the project.

DETAILS

The project team will:

- Facilitate small business opportunities by managing expense and capital scope as a single cohesive process.
- Mitigate construction-driven business risk impacts by implementing project risk management and phasing plans.
- Complete the project safely on schedule and on budget.
- Track both the expense and capital portions of this work and distribute the costs to each designated subclass.

Scope of Work

- A. Overlay or replace existing roof membranes and surfaces.
- B. Renew or replace penetrations and appurtenances.
- C. Reseal roof intersections and transitions.
- D. Add precast pavers to Anthony's external decks.
- E. Bird deterrent and various fall protection upgrades to all buildings.

Schedule

Commission Design Authorization	December 15, 2020
Commission Construction Authorization	March 23, 2021
Construction Start	2021 Quarter 3
In-Use Date	2022 Quarter 1

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Cost Breakdown

	This Request	Total Project
Design	\$0	\$300,000
Construction	\$1,909,000	\$1,909,000
Total	\$1,909,000	\$2,209,000*

* The current P66 Roof Upgrade total estimated project cost of \$1,743,000 under CIP #801103 is shown in the 2021 Plan of Finance. The updated current total project estimate is \$2,209,000.

ALTERNATIVES AND IMPLICATIONS CONSIDERED**Alternative 1 – Cancel Project**

Maintain the current state.

Cost Implications: \$16K annually in ongoing maintenance costs.

Pros: Defers capital spending at a challenging time for Port budgets.

Cons:

- (1) Repairs and maintenance will still be needed – performed as separate projects at incrementally increased cost (due to inefficient, multi-project approach).
- (2) Future roof replacement will become imperative, as risks of failure increase, at an estimated current cost of \$1.74 million.
- (3) Increasing risk of facility damage due to water infiltration.
- (4) Increasing risk of business interruptions to BHICC, Cruise and Anthony's restaurant due to water infiltration.
- (5) \$300,000 sunk costs.
- (6) Century Agenda environmental goals would be not be advanced with this project.

Alternative 2 – Split Projects (Expense and Capital)

Replace the proposed project with a series of Expense and Capital projects, executed over time.

Cost Implications: \$869K (Expense); \$1.34M (Capital)

Pros:

- (1) Allows tailored approach to Expense and Capital spending at a challenging time for Port budgets.
- (2) Targets the most critical roofing risks with projects tailored to the specific issues.
- (3) Opportunity to allow Port forces to perform some portions of the work.
- (4) Incrementally advances Century Agenda goals, over and extended time period.

Cons:

- (1) May not conform with procurement restrictions against project incrementation.
- (2) Extended completion timeline needed in order to accommodate funding and manpower availability.
- (3) Extended operational impacts due to an ongoing series of smaller roof projects.

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- (4) Series of smaller projects may not attract sufficient interest from commercial contractors.
- (5) Inefficient procurement approach will drive higher costs (general conditions, multiple mobilizations, etc.).

This is not the recommended alternative.

Alternative 3 – Upgrade and replace both expense and capital roof elements to the entire existing roofing system with various roof applications that have a 30-year life.

Cost Implications: \$2.20M

Pros:

- (1) Advances the Century Agenda goals.
- (2) Optimizes funding requirements.
- (3) Upgrade and replace both expense and capital project elements on the existing roofing system with various roof applications that have a 30-year life.
- (4) Efficiencies are achieved by combining both expense and capital elements for the construction documents.
- (5) This system that will protect Port assets and have a 30-year life span and will serve the Port and the tenants well.
- (6) Helps to assure a stronger positive tenant experience and avoids potential safety hazards.
- (7) Provides protection of Port assets.
- (8) This project would provide for a warranted roof that will minimize the cost of repairs going forward for the foreseeable life of the roof.

Cons:

- (1) This alternative uses \$2.20M of capital funds that might otherwise be made available for other uses on other projects.
- (2) Construction period is well within the cruise season which will restrict construction progress and activities.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary

	Capital	Expense	Total
ESTIMATE HISTORY			
Original estimate	\$610,050	\$1,132,950	\$1,743,000
Current estimate	\$1,347,490	\$861,510	\$2,209,000
AUTHORIZATION			
Previous authorizations	\$104,999	\$195,001	\$300,000

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Current request for authorization	\$1,242,491	\$666,509	\$1,909,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

The project was included in the 2021 Plan of Finance under CIP C801103 P66 Roof Upgrades with a total project cost of \$1,743,000. The additional estimated cost of \$466,000 will be funded by Portfolio Management's operating budget and C800216 EDD Reserve.

This project is funded by the General Fund.

Financial Analysis and Summary

Project cost for analysis	\$2,209,000
Business Unit (BU)	Portfolio Management
Effect on business performance (NOI after depreciation)	This project is expected to increase an annual depreciation expense by approximately \$147K based on a 15-year useful life.
IRR/NPV (if relevant)	No incremental revenue. The NPV is the present value of the project cost.
CPE Impact	N/A

Future Revenues and Expenses (Total cost of ownership)

This upgrade will provide protection of Port assets and extend their useful life. Maintaining existing assets will preserve the economic vitality of our operations and serve the Port, tenants, and customers well. This project will support the economic vitality of the operations and contribute to the preservation of annual income while minimizing the risk of disruption to the operations.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

December 15, 2020 - Commission approved \$300,000 for the design and permitting phase of the P-66 Roof Upgrades Replacement project (CIP# C801103) for a total authorization of \$300,000.

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Pier 66 Roof Upgrades

Construction Funds Request

James Truhan, MCR
Rod Jackson

Senior Real Estate Manager
Capital Project Manager



Action Requested

Authorization to advertise and bid construction documents.

Authorize construction funding of \$1,909,000 for a new total budgeted project cost of \$2,209,000.



Objective

Extend the service life
of existing Pier 66
campus roofing
systems.



Background

Campus completed in 1995.

Highly complex design.

12+ roof surfaces; 4 different roofing systems.

Project Scope based on 2019 Engineering Study.

Status: 95% design.



Background

Current CIP Framework

DESCRIPTION	PROJECT STATUS	FCST. SUBST. COMPLETION	EST'D BUDGET
1. BHICC Interior Modernization	Complete	2020	\$11.9 M
2. P66 Roof Upgrades	Construction Auth.	2022	\$ 2.2 M
3. P66 HVAC Systems Upgrade	Const. Auth.	2022	\$ 2.5 M
4. P66 Shore Power	Design	2023	\$16.7 M
5. P66 BHM Pile Wraps	Div. Approved	2024	\$ 3.5 M
6. P66 Fender Overhaul	Div. Approved	2028	\$ 2.0 M

Project Goals

1. Protect Existing Assets

Ensure that this highly complex roofing system (consisting of multiple roofing types, levels and intersections) maintains its watertight integrity.

2. Reduce Unplanned Maintenance Costs

Mitigate future costs related to roof leaks, including rot, mold and corrosion.

3. Mitigate Impacts to Existing Business Operations

Coordinate with Cruise, Bell Harbor International Conference Center and Anthony's around ongoing and scheduled events.

4. Employ Sustainable Means and Methods

Incorporate environmentally sustainable practices during construction, where practical.

Project Summary

1. Overlay or replace existing roof membranes & surfaces
2. Renew or replace penetrations & appurtenances
3. Reseal roof intersections & transitions
4. Add precast pavers to Anthony's external decks
5. Bird Deterrent and various Fall Protection upgrades to all buildings



Project Approach

1. Facilitate small business opportunities
2. Manage expense and capital scope as a single, cohesive process
3. Mitigate construction phase business risk
4. Implement project risk management practices
5. Develop and maintain detailed project phasing plans

Next Steps

- Complete Design March 16, 2021
- Request Construction Authorization March 23, 2021
- Construction Starts 3rd Quarter 2021
- Construction Complete 4th Quarter 2022

Thank You.

[RETURN TO AGENDA](#)



**COMMISSION
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Item No. 8f

ACTION ITEM

Date of Meeting March 23, 2021

DATE: January 28, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Cassie Fritz, Program Controls Manager, Seaport Project Management

SUBJECT: Roofing Inspection and Design Support Indefinite Delivery, Indefinite Quantity (IDIQ) Professional Service Agreement

Amount of this request: \$ 0.00

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute up to two (2) Indefinite Delivery, Indefinite Quantity (IDIQ) professional services agreements for Roofing related consulting services with a cumulative total amount not to exceed \$2,000,000 and a contract ordering period of five years. No funding is associated with this request.

EXECUTIVE SUMMARY

The service agreements resulting from this request will allow the Port to respond to a range of needs, including, but not limited to, roof inspections, roof surveys, and design for roof repair, replacement, or solar panel installation at Port of Seattle properties. The proposed consulting contracts will allow the Port to respond to future service needs efficiently and cost effectively.

JUSTIFICATION

The Port of Seattle owns and maintains a large variety of facilities of varying age and condition. These service agreements will provide the Port of Seattle with subject matter expertise to support Roofing related maintenance, repair, and replacement projects as needed to ensure ongoing operation of port facilities.

These contracts will allow the Port to responsibly manage finances by providing a cost-effective means of managing projects that have variable workloads, are time-sensitive, and require specialized expertise.

The contract duration and value will ensure the Port has continuity and capacity throughout the capital improvement program horizon to support permitting, design, and construction for individual projects and programs.

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Diversity in Contracting

Project team is working with the Diversity in Contracting office to identify an appropriate WMBE aspirational goal for the IDIQ's.

DETAILS

The IDIQ contracts will be procured according to Port policies and procedures in accordance with Delegation of Authority and Procurement policies. The contracts will be written with specific not-to-exceed amounts and identify the services required. Each contract will have a contract ordering period (during which the services may be separately authorized) of five years. The actual contract duration may extend beyond five years to complete work identified in service directives. Service directives may only be issued during the contract ordering period and within the total original contract value.

Individual service directives consisting of a scope, level of effort, and schedule will be negotiated and executed as needed. Funds will be derived from separate project authorization requests so there is no funding request associated with this memo.

Scope of Work

General scope of work will cover planning, design, permitting and construction support pertaining to surveys, repairs, or replacement of roofing structures at Port of Seattle properties.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Execute project-specific contracts to support capital and operational activities

Pros:

- (1) Expands opportunities for firms to participate.

Cons:

- (1) Doesn't allow for preliminary work to support capital projects or operational activities.
- (2) Does not allow for time-sensitive tasks, leading to delays and increased costs.
- (3) Inhibits continuity and development of institutional knowledge.
- (4) Staffing costs significantly increase to support contract procurement and administration.

This is not the recommended alternative.

Alternative 2 – Execute 2 IDIQ contracts for related design work

Pros:

- (1) Enables time-sensitive projects.
- (2) Enables high-capacity projects.
- (3) Aligns staff and technical expertise to varying workloads.
- (4) Improves continuity and institutional knowledge.
- (5) Reduces contract procurement and administration as well as technical staffing costs.

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Cons: None.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Annual Budget Status and Source of Funds

There is no funding associated with this request for authorization. Funding for Service Directives under this contract will be for work authorized by future capital projects.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

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Item No. 8g

ACTION ITEM

Date of Meeting March 23, 2021

DATE: February 22, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Dave McFadden, Managing Director Economic Development
Kyra Lise, Director Real Estate Development
Elena Franks, Capital Project Manager

SUBJECT: T91 Uplands Design Authorization (CIP #C800158)

Amount of this request: \$ 0

Total estimated project cost: \$ 49,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to advertise and execute a service agreement for professional design services for all project elements and improvements necessary to support the Port's development of the Terminal 91 (T91) Uplands area located north of the Magnolia Bridge. No request for funding is associated with this authorization.

EXECUTIVE SUMMARY

The Port's Economic Development Division plans to construct light industrial building space (storage, warehouse, manufacturing) within the northeast portion of T91 to support maritime manufacturers and fishing industry suppliers in the Ballard Interbay Manufacturing Industrial Center (BINMIC). Major project components of the T91 Uplands development include the following: Phase I, Phase II, and Offsite.

Phase I premises: approximately 6 acres in size, located at the northeast portion of T91, will consist of developing approximately 100,000 SF of industrial building space with minimal facility infrastructure improvements by the Port.

Phase II premises: In the future years, up to approximately 9 acres in the Phase II area will involve the construction of up to 300,000 SF of additional industrial building space along with more extensive T91 utility infrastructure improvements.

Off-site: Includes City of Seattle right-of-way and properties not owned by the Port, with respect to any street improvements to be developed in coordination with the requirements of the City of Seattle and other jurisdictions.

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Phase I and Phase II premises will be covered under the same major phased development planning effort and associated land use permit.

The T91 Uplands Development Project received design funding approval on February 26, 2019. Since then it started design development, recently achieving 10 percent design. On January 26, 2021, the Port terminated for convenience the service agreement P-00319789 for design services originally executed on January 1, 2020, and is thus seeking to procure new professional design services for all project elements necessary to support the Port's development of the T91 Uplands Development from current project phase onwards.

JUSTIFICATION

The T91 Uplands Development addresses the shortage of light industrial property in consideration of the current market demand and in alignment with Seattle's Industrial Maritime Strategy and Century Agenda Goals. It aims to preserve and enhance industrial land that contributes to local economic impact of maritime-focused operations, and diversify uses and assets, while balancing environmental, financial, and community stewardship goals of the Port of Seattle.

The development project also supports the following Economic Development Division and Maritime Division goals, through a set of guiding principles developed in conjunction with a Port-conducted stakeholder outreach program, and Port project team effort:

(1) Create New Economic Impact on Port Land

Continue to strengthen and grow the economic value of the maritime cluster, including the number of local jobs and business revenues.

- a. Anchor the maritime industrial workforce in Seattle by fulfilling tenant mix goals
- b. Meet square feet developed, jobs and associated wage rate goals.
- c. Meet target occupancy rate, and asset utilization.
- d. Create flexible spaces to accommodate multiple lines of business and a range of users/tenants.
- e. Meet revenue goals for long term investment.
- f. Add value to the overall equity component of the land; increase appreciation of Port land.

(2) Actualize a Port Definition of Flexible & Sustainable Industrial Development

Align Seattle's Industrial and Maritime Strategy with key climate and environmental protection goals, securing integration with social and economic dimensions of sustainability.

Financial Sustainability:

- a. Develop a creative, cost-effective solution within the given project budget. Achieve good value over the life cycle of the asset.

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- b. Find a balance between cost and environmental benefits that reconciles desired tenant profile with a sustainable design approach.
- c. Create new revenue and new jobs for industries that have traditionally been tied to Terminal 91.
- d. Ground design choices in economic sustainability and market influence data; identify and target preferred tenants' need and achieve a product that is affordable.

Innovative Environmentally Conscious Practices:

- e. Achieve energy savings and water consumption reduction. Consider efficiency vs. conservation approaches.
- f. Use construction materials and methods that minimize harm to the surrounding ecosystem and reduce carbon footprint.
- g. Design resilient facilities that are able to retain structure and functions while adjusting to environmental (e.g. climate adaption) and socio-economic changes.
- h. Prioritize re-use of existing Port assets in design.

Operational Improvement:

- i. Leverage opportunities to evaluate a cluster of assets, addressing holistically other activities and operations across the terminal with a campus mindset.
- j. Explore cost savings opportunities towards operational and maintenance efficiency.
- k. Develop process for data collection and develop data story and metrics for how the Port approaches large, phased projects.

Users Health, Safety, Welfare:

- l. Protect the health, safety, and welfare of occupants and users through solutions, methods and materials that ensure a healthy built environment and eliminate or reduce hazards in the workplace.
- m. Integrate health safety and welfare considerations in all phases of the buildings' life cycle: planning, design, construction, operations and maintenance, renovation, and final disposal.

(3) Champion Diversity and Equity

Promote equitable access to information and new jobs through and inclusive industrial economy and ladders of economic opportunity.

- a. Target WMBE tenants.
- b. Meet or exceed the Port's diversity in contracting goals in the procurement of Design and Construction services.
- c. Ensure broad inclusion during public outreach.

(4) Improve the Movement of People and Goods to and Within Industrial Zones

- a. Promote environmentally sustainable transportation modes.
- b. Increase safety for all travel modes.
- c. Leverage wider plans for changes to transportation and circulation systems in the vicinity to improve access to/from the site.

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(5) Foster Community Stewardship and Cultural Benefits

- a. Build new confidence in Port's ability to pursue industrial development.
- b. Seek opportunities to leverage and develop partnerships in the industrial maritime sector.
- c. Demonstrate the Port's continued commitment to engaging near-port communities in a transparent manner, with timely information and opportunities to provide input.
- d. Include and strive for functional integration of art (Port's 1% Art Program) into the designed product.

Major Phased Development Plan

The Port will design and request permitting for a Major Phased Development Plan (MPD) through the Seattle Department of Construction and Inspection (SDCI). An MPD is a unique permitting vehicle under the Seattle Land Use code, which allows for one land use permit to cover multiple development projects on one large site phased over time. A major phased development authorizes construction up to 15 years after the permit is issued.

The MPD provides flexibility for the Port in planning, design, and construction. The Port will work in partnership with the City of Seattle and neighboring community members on completing a comprehensive environmental review for this project. Similar recent MPD developments include the Expedia campus in Interbay, the Bill and Melinda Gates Foundation headquarters, and proposed development at the University Village.

Diversity in Contracting

The Port is considering issuing a new project-specific contract for professional design services related to continue progress towards design and permitting and complete the scope of work described below.

In association with this effort, the project manager will work with the Diversity in Contracting Department to determine potential women and minority business participation opportunities and will set WMBE goals to align with the Port's aspiration to and increase the percentage of dollars spent on WMBE contracts to 15 percent within 5 years of program implementation of the Diversity in Contracting Program. The applicability of a Project Labor Agreement will be determined as well, in coordination with Labor Relations.

Community Outreach, Communication, and Marketing

In addition to environmental review, a robust communications and outreach plan will keep stakeholders informed about the schedule, design scope and impacts of the proposed development. Outreach will provide opportunities for a wide range of stakeholders to offer input including residents in neighboring communities, current Terminal 91 tenants, business and maritime industry organizations, and the Port's Terminal 91 Neighbors Advisory Committee (NAC). In addition, liaison work will continue with transportation planning teams

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from the City of Seattle, METRO Transit and Sound Transit to ensure awareness and coordination between projects.

The outreach effort will utilize a number of communication strategies and tools. The project team will establish an online open house and project email address to ensure continued dialogue throughout the project. Updates also will be provided via media outreach and open houses, along with project updates at industry, business and community meetings.

Additionally, the Port project team will provide a workplan for sales process audit and other Sales & Marketing efforts geared at fulfilling the lease strategy goals to attract the ideal tenant mix.

DETAILS

All professional design services for all project elements/improvements necessary to support the T91 Uplands Development are described below.

Scope of Work

The scope of the T91 Uplands Development project includes:

- (1) Design and MDP permitting of Phase I and Phase II premises
- (2) Design, permitting and Construction of Phase I premises

Phase I premises' improvements are anticipated to include, but not limited to, the following:

- (1) Removal and replacement of associated on-site utility systems
- (2) Installation of stormwater treatment system
- (3) Removal and replacement of on-site roadway and parking lot pavement
- (4) Construction of new building(s) totaling 100,000 SF
- (5) Upgrading of facility signage, lighting, and landscaping as required
- (6) Improvements to off-site public streets as, and if, required by the City of Seattle
- (7) Implementation of applicable environmental best management practices
- (8) Obtainment of LEED Core & Shell, Standard Level credential

Significant progress has been made on the Terminal 91 Uplands project since the last authorization. This work guides and supports future work on the project:

- (1) Developed Guiding Principles
- (2) Developed Owner's Project Requirements (OPR)
- (3) Developed draft Sustainable Design Approach
- (4) Started SEPA checklist preparation
- (5) Conducted preliminary meeting with SDCI on traffic analysis assumptions
- (6) Completed draft of Existing Traffic Conditions
- (7) Completed Geotech and Environmental subsurface investigation
- (8) Completed design 10% concepts/layouts
- (9) Risk Analysis planning

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Schedule*Activity*

Commission design authorization	2019 Quarter 1
Design start	2020 Quarter 3
Commission construction authorization	2023 Quarter 1
Construction start	2023 Quarter 3
In-use date	2024 Quarter 4

Cost Breakdown

This Request

Total Project

Design	\$0	\$9,000,000
Construction	\$0	\$40,000,000
Total	\$0	\$49,000,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do nothing: pass on authorizing the execution of a contract for professional design services to complete the design and permitting on T91 Uplands

Cost Implications: Halt spending on approved Major Capital Project.

Pros:

- (1) Retain Port capital for other priority projects and financial initiatives

Cons:

Delay, and possible interruption of the project, leading to:

- (1) Missed opportunity to achieve Port objectives of supporting fishing and maritime clusters
- (2) Missed opportunity for improving long-term financial viability of T91
- (3) Missed opportunity to add major maritime business tenants at T91
- (4) Missed opportunity to add needed light industrial space in the Ballard Interbay area at T91
- (5) Missed opportunity to replace existing aged storm sewer system with effective stormwater management system, including water quality treatment, at T91 in full compliance with Port and City of Seattle standards
- (6) Missed opportunity to improve existing water, sanitary, lighting, electrical, communications, and traffic related infrastructure at T91

This is not the recommended alternative.

Alternative 2 – Pass on authorizing the execution of a contract for professional design services to complete the design and permitting on T91 Uplands in two phases. Develop T91 Uplands on a more limited building-by-building basis

Cost Implications: Reduced “economy of scale” cost benefit due to more segmented phasing

Pros:

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- (1) Creation of multiple building projects will provide additional opportunities for consulting firms to compete for work
- (2) Construction impact to existing T91 upland tenant business operations may be more limited at any given time
- (3) The property would support the creation of hundreds of new jobs in the maritime/manufacturing sector

Cons:

- (1) Loss of value of work planned and performed thus far
- (2) Requires major Port investment of funds
- (3) Requires an increase in costs due to increased number of consultant procurements and multiple construction mobilizations
- (4) Requires additional staff time and cost to manage multiple individual permit, design and construction efforts
- (5) Creates a longer-term, constant, and disruptive construction impact to existing upland tenant business operations due to multiple construction starts and extended overall duration
- (6) Requires consultant firms to spend more time and money responding to individual project-based contracts and procurements
- (7) Does not allow for a holistic, integrated design and environmental approach

This is not the recommended alternative.

Alternative 3 – Authorize the execution of a contract for professional design services to complete the design and permitting on T91 Uplands in two phases

Cost Implications: None at this time; the total project cost estimate is not expected to change based on this request. The alternative will overall result in greatest cost efficiency due to combination of reduced Phase I infrastructure investment and “economy of scale” of multiple buildings being constructed

Pros:

Allow progress of project towards completion, achieving the following:

- (1) Meets Port objectives of supporting fishing and maritime clusters
- (2) Improves long-term financial viability of T91
- (3) Adds major maritime business tenants at T91
- (4) Adds needed light industrial space in the Ballard Interbay area at T91
- (5) Provides a flexible city-approved development plan for phased construction over 15 years to meet market demand
- (6) Provides long-term cost savings due to economy of scale derived from larger (more consolidated) permit, design and construction efforts
- (7) Replaces existing aging storm sewer system with effective stormwater management system, including water quality treatment, at T91 in full compliance with Port and City of Seattle standards

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- (8) Improves existing water, sanitary, lighting, electrical, communications, and traffic related infrastructure at T91
- (9) The property would support the creation of hundreds of new jobs in the maritime/manufacturing sector

Cons:

- (1) Requires major Port investment of funds over shorter term
- (2) Requires reduction of existing area available for on-site open storage
- (3) Creates temporary construction impacts to existing T91 upland tenant business operations

This is the recommended alternative.**FINANCIAL IMPLICATIONS**

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$39,000,000	\$0	\$39,000,000
Current Change	\$10,000,000	\$0	\$10,000,000
Revised estimate	\$49,000,000	\$0	\$49,000,000
AUTHORIZATION			
Previous authorizations	\$4,300,000	\$0	\$4,300,000
Current request for authorization	\$0	\$0	\$0
Total authorizations, including this request	\$4,300,000	\$0	\$4,300,000
Remaining amount to be authorized	\$44,700,000	\$0	\$44,700,000

Annual Budget Status and Source of Funds

This project was included in the 2021 Plan of Finance under C800158 T91 Uplands Development with a total project cost of \$48,500,000.

This project will be funded by the Tax Levy.

Financial Analysis and Summary

Project cost for analysis	\$49,000,000
Business Unit (BU)	EDD Portfolio Management
Effect on business performance (NOI after depreciation)	The new buildings, when complete, will provide incremental leasing revenue. Estimated stabilized net operating income for the project is to be determined upon project scope determination.
IRR/NPV (if relevant)	To be determined upon project scope determination.
CPE Impact	N/A

Meeting Date: March 23, 2021

Future Revenues and Expenses (Total cost of ownership)

The project improves the long-term financial stability of the Port by creating infrastructure to support new jobs, generate new revenues, and advance maritime innovation.

ATTACHMENTS TO THIS REQUEST

None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

February 26, 2019 – The Commission authorized the execution of contracts for overall master planning, environmental review, permitting, and Phase I Design services in an amount not-to-exceed \$4,000,000, in support of the Port’s development of the T91 Uplands Development project.

November 27, 2018 – The Commission approved 2019 Capital Budget and Plan of Finance including T91 Uplands Development project.

October 25, 2016 – The Commission received a briefing about the Real Estate Strategic Plan including the T91 Uplands Development project.

RETURN TO AGENDA



**COMMISSION
AGENDA MEMORANDUM**

Item No. 10a

ACTION ITEM

Date of Meeting March 23, 2021

DATE: March 16, 2021

TO: Stephen P. Metruck, Executive Director

FROM: James Jennings, Director, Aviation Business and Properties
Wayne Grotheer, Director, Aviation Project Management

SUBJECT: Post IAF Airline Realignment (C801158)

Amount of this request: \$ 26,000,000

Total estimated project cost: \$ 102,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) execute project specific Service Agreements for project management, construction management, design services, and testing and special inspections; (2) to utilize a General Contractor/Construction Manager (GCCM) and execute a GCCM construction contract for pre-construction services; (3) to use port crews; and (4) to execute a Memorandum of Agreement (MOA) between the Port of Seattle (Port) and United Airlines in support of the Post IAF Airline Realignment Project at Seattle-Tacoma International Airport (SEA). The total authorization request is \$26,000,000.

EXECUTIVE SUMMARY

Concourse A at SEA has been used solely for flights that do not need to be cleared by United States Customs and Border Protection (CBP). With the opening of the International Arrivals Facility (IAF), these gates will have direct access to CBP clearance and thus having airlines with preferential leasing rights of gates that do not need this capability is undesirable. United Airlines currently has 3 gates preferentially leased on Concourse A but has no SEA operations that require CBP clearance. Therefore, this project will relocate United Airlines' facilities, to Concourse B and move Delta Air Lines' (who does have SEA operations that require CBP clearance) facilities, from Concourse B into vacated facilities on Concourse A. Please note, specific gate assignments will be determined in accordance with lease terms.

This project will also reconfigure the ticket counters at Zone 4 by demolishing an Airport Dining and Retail facility to make room for additional counters to support international airline operations.

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JUSTIFICATION

Under the 2018-2022 Signatory Lease and Operating Agreement (“SLOA IV”) between the Port and many Airlines, Article 5.2 allows the Airport, at its sole discretion, to reallocate Premises (other than Gates) among the Airlines at SEA. This provision (commonly referred to as “Airline Realignment”) allows the airport to “rebalance” facilities to achieve an overall airport-wide operational or capacity benefit. Over the last two years, the Port has negotiated the proposed plan with significant engagement by all Airlines. The Airlines have reviewed and accepted the recommended alternative.

Our international gating policy (as enumerated in Exhibit D to SLOA IV) states that international flights have priority for accommodation on international capable gates. United Airlines faces the very distinct possibility of being forced off their preferential gates on Concourse A to hardstand operations during the international peak. This would create significant inefficiencies for United Airlines and diminish the benefit of their preferential rights as well as their overall level of service.

Airline Realignment provides the following benefits:

- (1) Allows for accommodation of increased simultaneous wide body international operations associated with the IAF
- (2) Improves overall international to domestic minimum connect times
- (3) Limits domestic carrier preferential lease of international capable gates
- (4) Ensures international flights have improved access to the Concourse A, IAF-connected gates
- (5) Ensures enough space is available to accommodate the contemplated moves, or construct space without increasing the overall building footprint
- (6) Minimizes the operational impacts to the Airlines

Diversity in Contracting

The project team has worked with the Diversity in Contracting team to understand the women- and minority-owned business enterprise (WMBE) aspirational goals for the project management, construction management, design, testing & special inspections and GCCM contracts. The goals for project management, construction management and design are 8%, 12% and 15% respectively. The testing & special inspections, and GCCM goals will be modified as design progresses and the scopes of work are further developed.

DETAILS

Project Specific Service Agreements for Project Management, Construction Management, Design Services and Testing and Special Inspections

These authorizations are needed as internal resources are not readily available to effectively manage this project. The total value of these contracts will be \$20,000,000.

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GCCM Construction Contract for Pre-construction Services

This authorization will allow Port staff to procure and engage the subject matter expertise of a GCCM for pre-construction services. The GCCM may include additional disciplines to provide the following services which will allow for better scheduling and cost control during the design phase of the project:

1. The GCCM will provide an extensive survey of existing conditions at Concourses A and B. As-built documents are often incorrect, incomplete, or spread over multiple project documents. Early engagement and access to the site by the GCCM will allow for a more informed and complete design from the Design Team.
2. The GCCM will provide a construction estimate at each major design milestone. This approach will assist with the project team's goal of scope and budget control. The GCCM will provide essential input on project phasing. Concourses A and B are occupied. With early involvement, Port staff aims to minimize change orders and operational & customer service impacts by providing the GCCM early input and access to the site and design documents.

Future authorization will be sought for the final construction contract between the Port and the GCCM. Port staff may also return for authorization that will allow for enabling work or early work packages to be completed. This project will require a Project Labor Agreement.

Scope of Work

This project will remodel ramp level operational space at Concourses A and B to prepare them for airline use. Additional office and support space will be built on Concourse B for United Airlines. Up to four (4) gates and accompanying casework at Concourse B will be reconfigured to comply with Port standards. To support the additional ramp level spaces on Concourse B, upgrades will be made to the existing ramp level restrooms and additional restrooms will be constructed to satisfy building code requirements. These will be non-public facing restrooms. There is currently not enough Heating, Ventilation and Air Conditioning (HVAC) capacity (chilled and hot water) on Concourse B to support the build-out of additional space. There is a future capital project planned to upgrade the entire HVAC system on Concourse B. The Airline Realignment project will be responsible for upgrades to the existing HVAC system only where new space will be created on Concourse B.

This project will also reconfigure the ticket counters at Zone 4 by demolishing an Airport Dining and Retail facility to allow space for additional counters and baggage conveyors to support international airline operations.

United Airline's Baggage Service Office (BSO) will be relocated from its current location by Baggage Claim 1 to the existing Central Employee Screening location. The Airline Realignment project has included budget for the design and construction of this work and will transfer the funds directly to the Checkpoint 1 project to complete. This transfer is necessary in order to keep the Checkpoint 1 project on schedule as United's BSO existing space will be converted for checkpoint use, to be completed by Checkpoint 1 project.

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United Airlines will self-perform the construction of their new lounge on Concourse B under a MOA with the Port. Under the SLOA IV provision, the Port is obligated to pay to relocate any impacted airline, and endeavors to create a "like for like" condition in future spaces.

Scope of Work	Capital, Expense, or Both
Concourse B Ramp Expansion	Capital
Concourse B Ramp – Modify Vacated Space	Expense
UA BSO	Capital
UA – B Gates Reconfigure & Casework	Capital
Concourse A Ramp – Leasable Space	Expense
Zone 4 CUSE Reconfiguration	Capital
POS Meter Shop Relocation	Expense
Concourse B Ramp Restrooms	Both
Concourse B HVAC Upgrades	Capital
Relocate POS Baggage Optimization Team	Expense
UA Lounge MOA	Both

Schedule

Activity

Design start	2021 Quarter 3
Commission construction authorization	2022 Quarter 3
Construction start	2022 Quarter 4
In-use date	2024 Quarter 3

Cost Breakdown

	This Request	Total Project
Design	\$26,000,000	\$26,000,000
Construction	\$0	\$76,000,000
Total	\$26,000,000	\$102,000,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Several alternatives were reviewed that moved carriers to different locations. The preferred alternative is described below.

Alternative 1 – Continue to operate as-is with United staying on Concourse A and Delta on Concourse B

Cost Implications: \$0

Pros:

- (1) Lowest cost alternative

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Cons:

- (1) This alternative would not follow through with the Port's commitment to realign Airline carriers to better support future IAF airline operations.
- (2) This alternative does not achieve any of the Port's criteria, except for minimizing the financial impacts to the Airlines.
- (3) United Airlines would be subject to being bumped off their preferential gates by an International carrier when Common Use availability is insufficient at time of peak demand.
- (4) Concourse A international-capable gates, occupied by United Airlines, would be the last available gates for use by international operations.
- (5) This would not align with airline negotiations which took close to two years to negotiate.

This is not the recommended alternative.

Alternative 2 – Relocate United Airlines critical facilities from Concourse A to Concourse B and move some limited Delta Air Lines offices from Concourse B to Concourse A, while also readying the offices vacated by United on Concourse A for future occupancy by other tenants.

Cost Implications: \$102,000,000

Pros:

- (1) This alternative has been reviewed and accepted with the Airlines.
- (2) Allows United, an exclusively domestic carrier at SEA, to free up more IAF-connected gates for international use
- (3) Best achieves the Port's airline realignment criteria

Cons:

- (1) Significant cost to airline cost centers without increased capacity benefits

This is the recommended alternative.

FINANCIAL IMPLICATIONS***Cost Estimate/Authorization Summary***

	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$35,000,000	\$35,000,000	\$70,000,000
Current change	\$34,000,000	(\$2,000,000)	\$32,000,000
Revised estimate	\$69,000,000	\$33,000,000	\$102,000,000
AUTHORIZATION			
Previous authorizations	\$200,000	\$0	\$200,000
Current request for authorization	\$18,000,000	\$8,000,000	\$26,000,000
Total authorizations, including this request	\$18,200,000	\$8,000,000	\$26,200,000
Remaining amount to be authorized	\$50,800,000	\$25,000,000	\$75,800,000

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The Port will use one of its cost estimating consultants to do an independent estimate of the project cost at 30% design, per Aviation Project Management procedures for projects greater than \$50,000,000.

Annual Budget Status and Source of Funds

This project, CIP C801158, was included in the 2021-2025 capital budget and plan of finance with a capital budget of \$35 million and an expense budget of \$35 million for a total cost of \$70 million. The refined budget estimate requires an overall cost increase of \$32 million, with a \$34 million increase to the capital portion of the costs. Consequently, \$34 million was transferred from the Aeronautical Reserve CIP (C800753) resulting in zero net change to the Aviation capital budget. The expense components are estimated to be \$502K in 2021, \$4.9M in 2022, \$4.9M in 2023, \$17.5M in 2024 and \$5.4M in 2025 and will be included in annual operating budgets. The funding source will be Airport Development Fund for operating expense and future revenue bonds for capital.

Financial Analysis and Summary

Project cost for analysis	\$102,000,000
Business Unit (BU)	Gates
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	CPE of expenses between \$.02-\$.67 in 2021-2025 CPE of capital \$.18 starting in 2026

Future Revenues and Expenses (Total cost of ownership)

As a result of this project, approximately 7,500 additional square feet will be built and a significant amount of space within the existing terminal will be remodeled. Aviation Maintenance anticipates that there will be impacts and an increase to the Operating & Maintenance (O&M) costs associated with the mechanical systems and the Electronic Technicians. The extent of these impacts and costs will be further determined during the design phase of the project. Impacts to the electrical systems do not appear to be significant presently.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

Post IAF Airline Realignment

Commission Presentation

March 23, 2021

Airline Realignment

- Airline Realignment Overview
- Scope of Work
- Project Risks
- Schedule
- Project Budget
- Request for Authorization



Airline Realignment Overview

- Opening of the International Arrivals Facility (IAF) is driving the need to rebalance airline locations and facilities at SEA
- Signatory Lease and Operating Agreement (SLOA) gives the Port the authority to move airlines around and recover costs in rates and charges
- Airport staff spent two-plus years negotiating the current Realignment Plan with Airlines
- SEA made the decision in December of 2019, but COVID-19 delayed implementation
- Project anticipates United will move to Concourse B gates in 2024
- The actual number and specific location of gates will be assigned as part of the future 2024 SLOA gate allocation process

Airline Realignment Scope of Work

- Concourse B Ramp Expansion
- Concourse A Ramp Level Improvements
- Zone 4 (Ticket counters adjacent to Southwest Airlines)
Common Use Conversion
- Relocate United's Baggage Service Office to existing Central Employee Screening
- United to build United's lounge on Concourse B under a Memorandum of Agreement

Airline Realignment: Gate Improvements

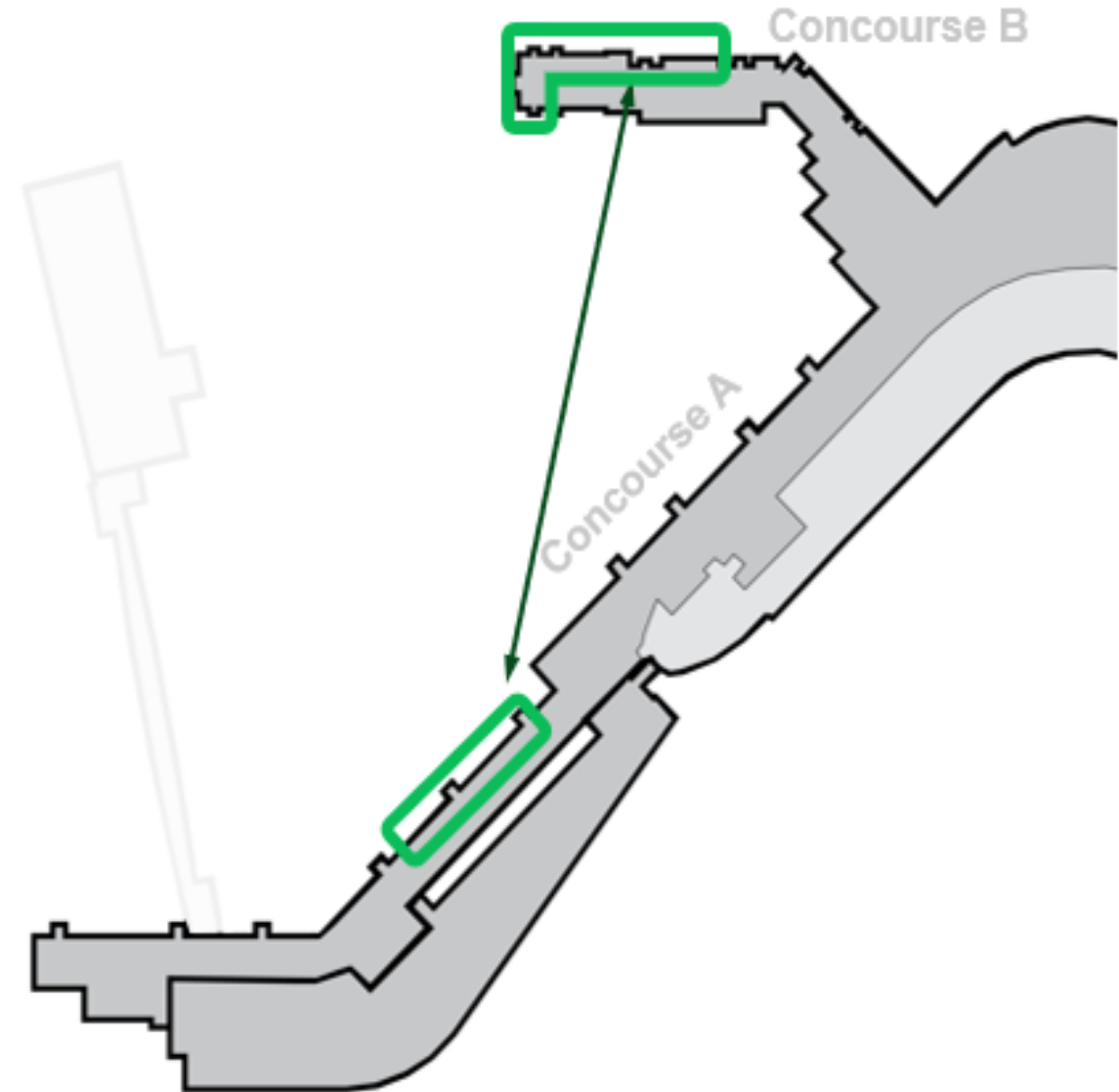
United Airlines

From Concourse A to Concourse B

Delta Air Lines

From Concourse B to Concourse A

These are improvements to the gates to accommodate United's anticipated fleet mix and gate podium improvements.



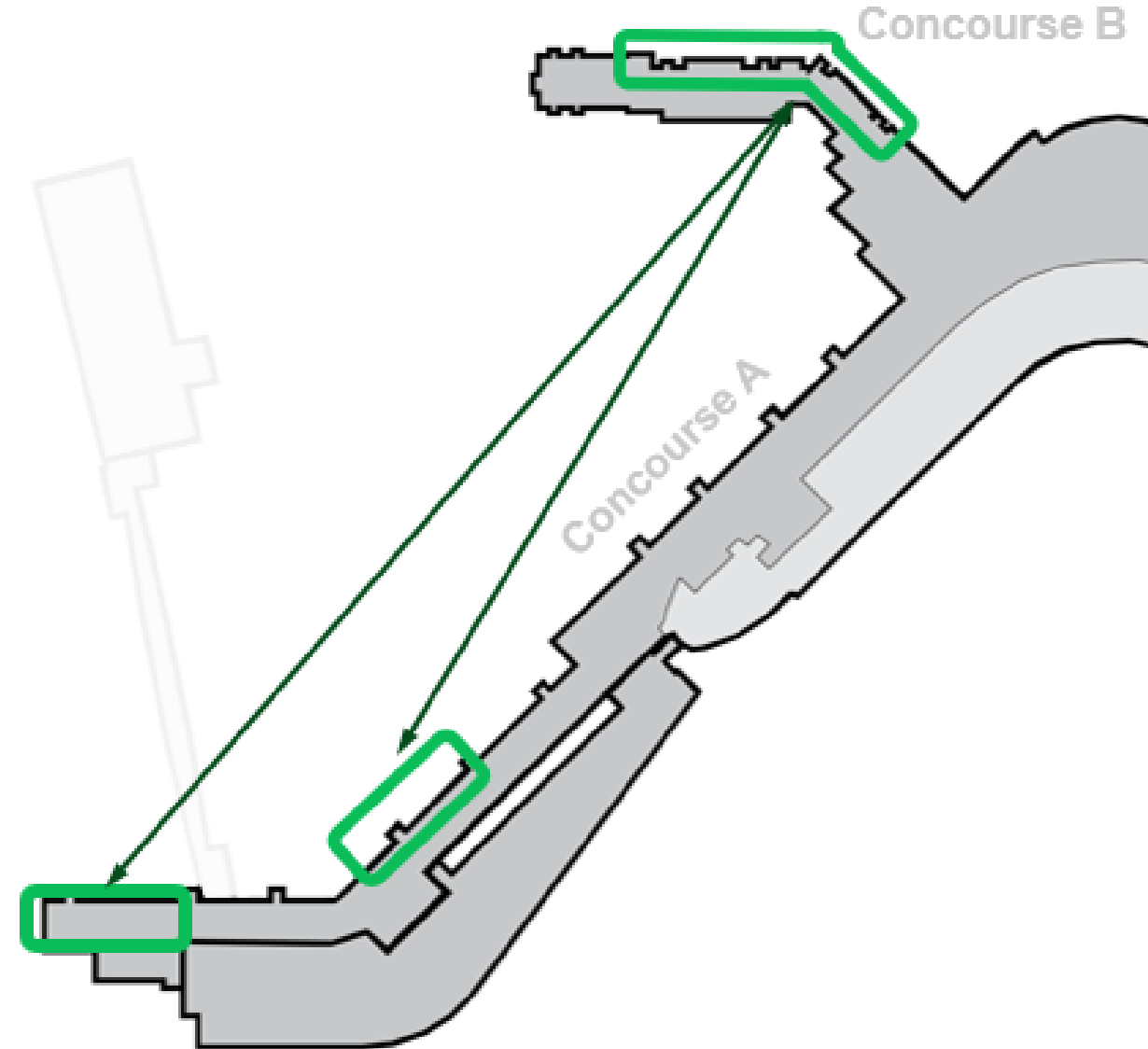
Airline Realignment: Ramp Level Office Relocations

United Airlines

From Concourse A to Concourse B

Delta Air Lines

From Concourse B to Concourse A

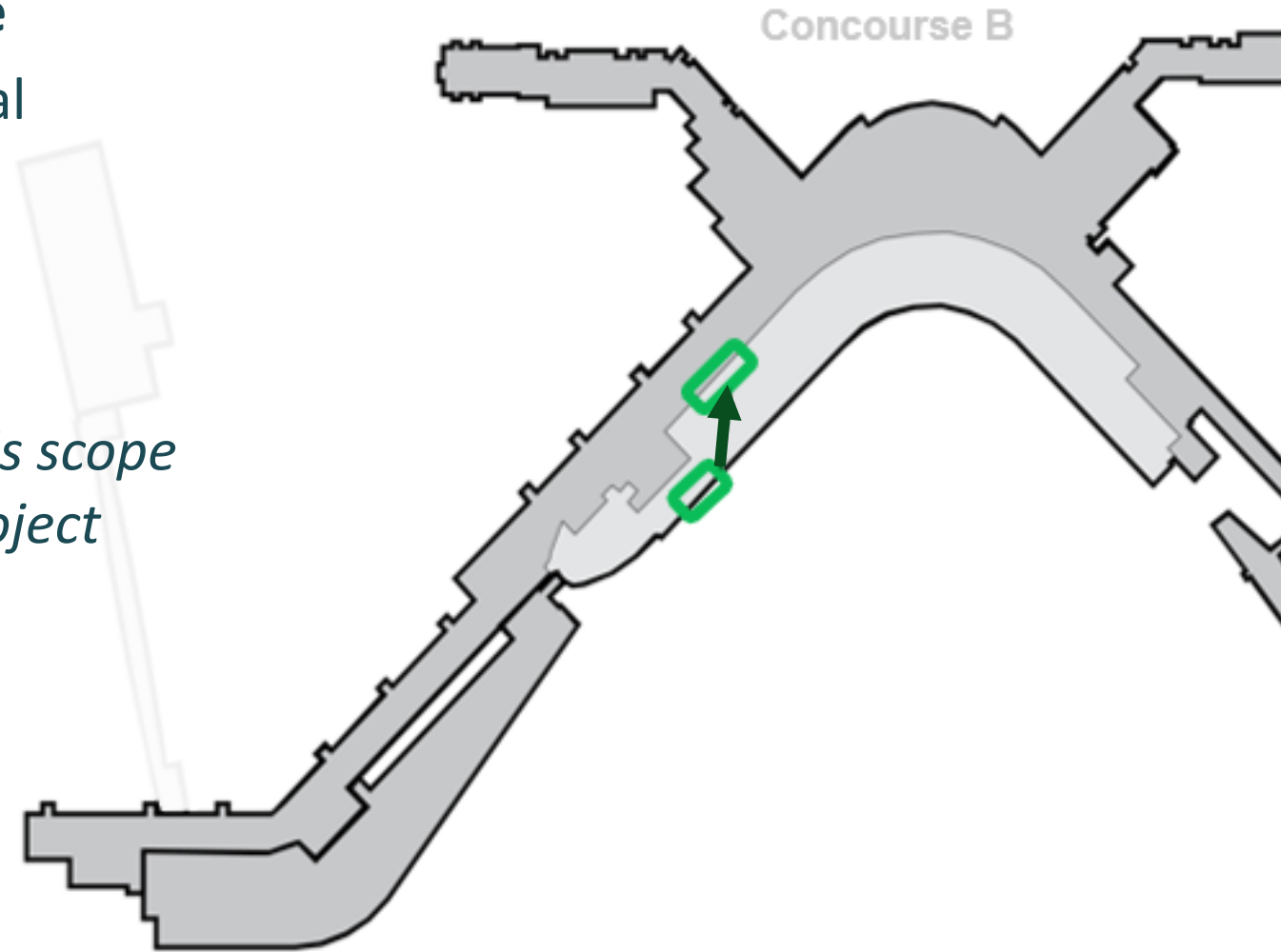


Airline Realignment: United BSO Relocation

Relocate United's Baggage Service Office

Relocates from Baggage Claim 1 to Central Employee Screening

Design, relocation and construction of this scope will be completed by the Checkpoint 1 project

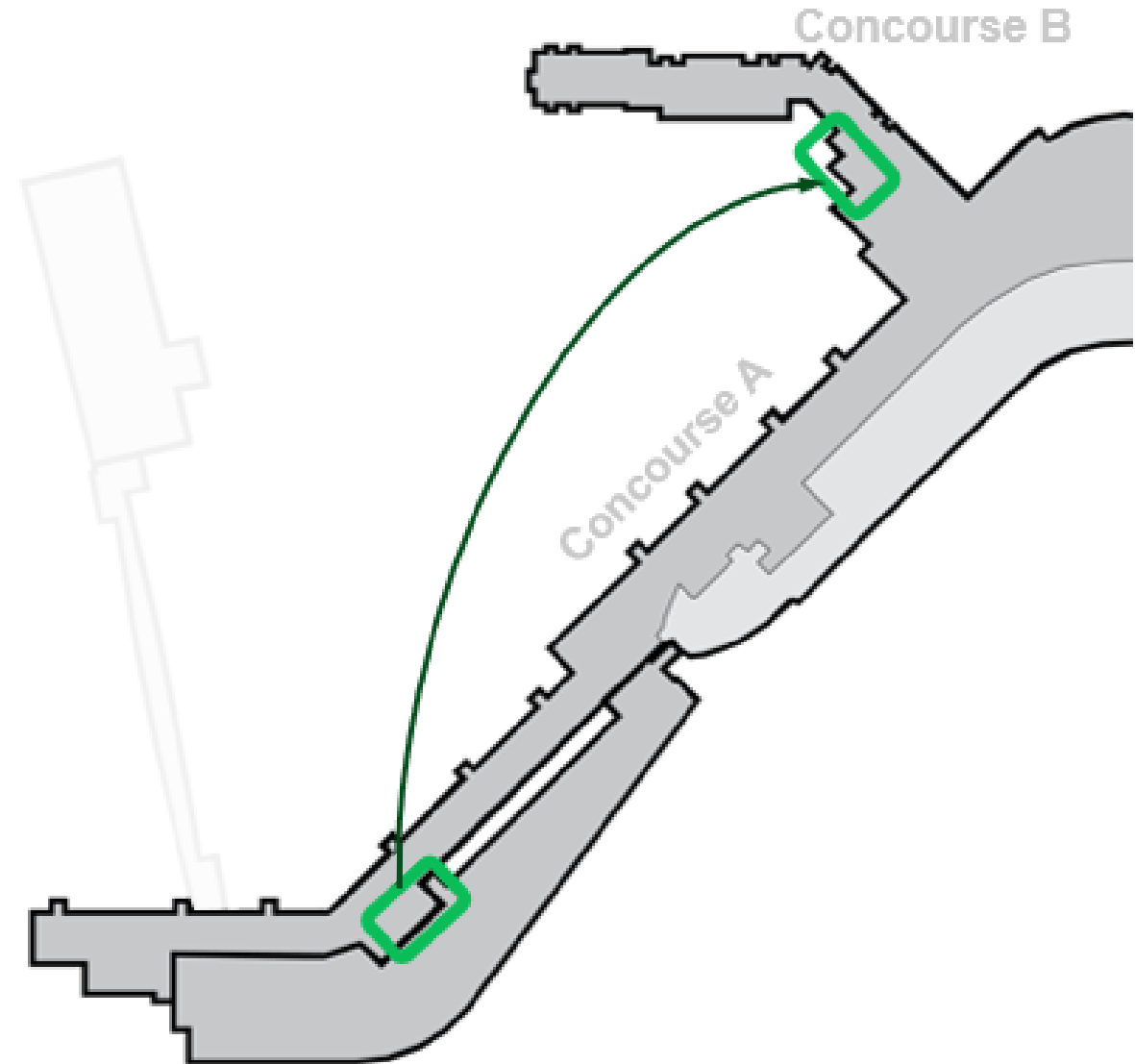


Airline Realignment: United Lounge Relocation

United's Lounge

Relocate from Concourse A to Concourse B

*This construction will be completed by
United Airlines under a Memorandum of
Agreement*



Airline Realignment: Risks

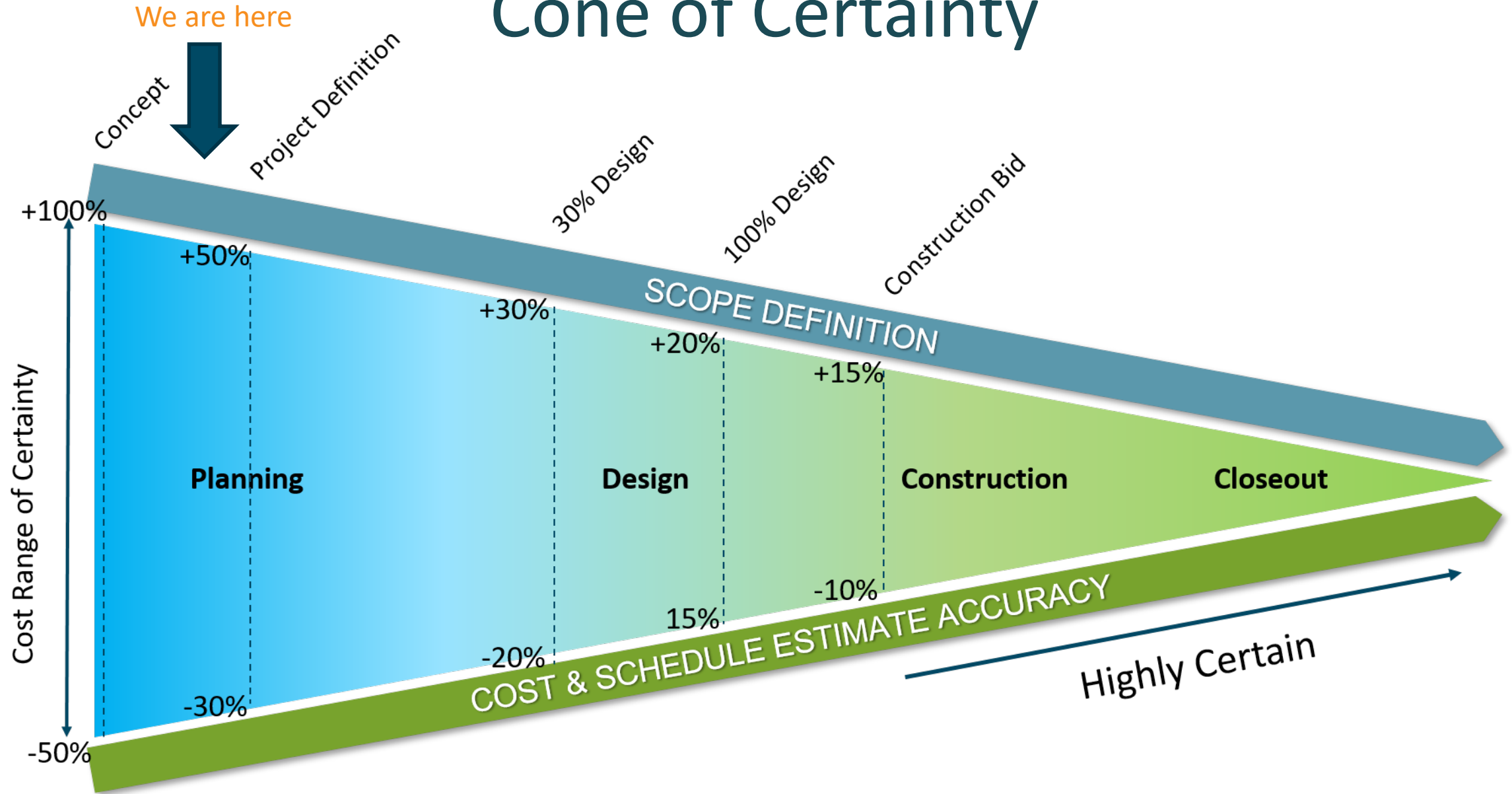
Risk	Likelihood	Severity	Mitigation Plan
Urgency to accelerate the schedule impacts project development	High	High	Seek additional project team resources; set realistic schedule expectations; coordinate with GCCM to account for existing site conditions
Coordination with adjacent projects	High	High	Provide ongoing coordination with those projects
Early activities require use of limited resources	High	High	Evaluate and set priorities for the use of these limited resources
New construction may trigger additional code requirements such as restrooms or structural upgrades	High	High	Include scope items to address these risks in project budget

Airline Realignment Schedule

Activity	Date
Investment Committee	March 5, 2021
Commission Authorization: PM, Design, CM, GCCM Pre-Con Services, MOA for UA Club	March 23, 2021
AMEX Vacate Existing Lounge at Concourse B	May 2022
UA Club Construction Complete at Concourse B	July 2023
Relocate United core operational facilities to Concourse B	November 2023
UA Gates to be Allocated on Concourse B (regardless of project status)	November 2023
Relocate remainder of UA facilities to Concourse B	January 2024
Relocate DL to Concourse A	August 2024

Port will continue to explore options to improve this date, if feasibly and fiscally prudent

Cone of Certainty



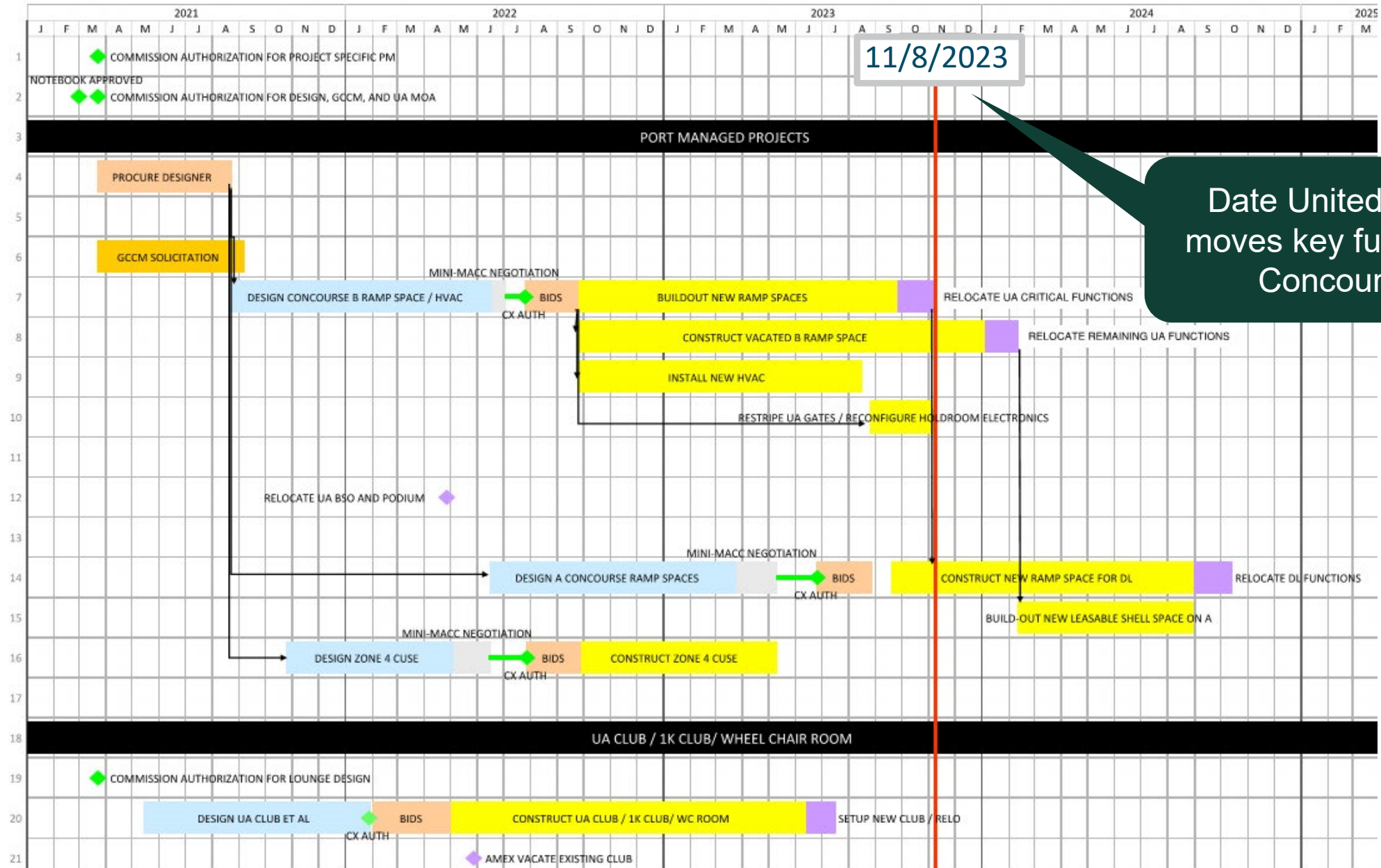
Airline Realignment Project Budget

	Capital	Expense	Total
Project Estimate	\$69,000,000	\$33,000,000	\$102,000,000
Today's Request	\$18,000,000	\$8,000,000	\$26,000,000

APPENDIX

Graphic Detailed Schedule

[RETURN TO AGENDA](#)



COMMISSION
AGENDA MEMORANDUM

Item No. 10b

BRIEFING ITEM

Date of Meeting March 23, 2021

DATE: February 22, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Stephanie Jones Stebbins, Managing Director, Maritime
Dave McFadden, Managing Director, Economic Development
Kyra Lise, Director Real Estate Development
Elena Franks, Capital Project Manager

SUBJECT: FT Redevelopment Briefing and Request to Complete the Site Improvements Project Under a New CIP

Amount of this request: \$ 0

Total estimated project cost: FT Site Improvements: \$3,300,000
FT Maritime Innovation Center: \$ 18,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to complete design and permitting of the Fishermen's Terminal (FT) Site Improvements (U00320) under the new CIP C801211, utilizing \$1,525,505 in formerly authorized funding for the Gateway Building CIP. No request for funding is associated with this authorization at this time.

EXECUTIVE SUMMARY

The vision for Fishermen's Terminal is to improve a community landmark that supports the maritime industry by welcoming the general public to the parts of the terminal that enhance the understanding and support of the industrial working waterfront. The improvements will also facilitate keeping parts of the facility focused on the industrial needs of the North Pacific Fishing Fleet. The general site improvements planned are aimed at supporting such vision by improving safety for both visitors and industry while creating engaging and educational storytelling and wayfinding signage for the general public that describes the legacy of Fishermen's Terminal and the importance of the maritime industry in the region.

The FT Site Improvements include providing clarity for vehicular, bike and pedestrian routes and access, electrical lighting upgrades, low maintenance landscape, improved signage, interpretative signage, wayfinding and branding, and provisions for parking and loading to accommodate future needs. In addition, these site improvements will link the remodeled Maritime Innovation Center to the central commercial core of Fishermen's Terminal primarily

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comprised of the Fishermen’s Center Building (C-15 Building), and the parking areas in between them.

The present definition of the FT Site Improvements may have not been transparently characterized in the last relevant Commission Authorizations in terms of scope and cost so far, as its components were bundled with the Gateway building’s scope of work, as WP U00320 with a budgeted amount of \$1,525,505.

JUSTIFICATION

It has become apparent that the FT Site Improvements project constitutes a separate scope, which should have its own CIP and budget. This is to avoid that it covertly and significantly inflates the Gateway budget, and to prevent the project from being unintentionally delayed together with the planned pause of the Gateway’s CIP.

DETAILS

Scope of Work

The Site Improvements project scope has progressed and achieved 60% Design completion alongside the Gateway and the MInC buildings. The total anticipated project cost is estimated to be \$3,300,000. Upon assignment of a new CIP, it has been deemed eligible for the Port of Seattle’s 1% Art Program Policy, included in the projected total project cost.

The design to be completed under the FT Site Improvements includes the following FT Development program elements:

- Landscape Planting
- Parking Striping
- Crosswalk Improvements
- Site Furniture
- Interpretative Signage
- Wayfinding Signage
- Site Lighting
- 1% Art Program

FT Redevelopment Program Progress

With respect to the overall progress of the FT Redevelopment program, since last coming before the Commission in December 2020 for the FT Maritime Innovation Center’s Authorization for Construction, the Port has:

- Completed 60% design for the Gateway Building (U00412) and associated Right of Way (ROW) Improvements (U00418), the Maritime Innovation Center (MInC) building (U00414), and the general Site Improvements (U00320).
- Determined a series of feasible environmental sustainability objectives that have been incorporated into the projects’ construction scopes.

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- Completed updated project cost estimates based on the 60% designs and preferred sustainability options.
- Conducted Risk Workshops to identify and quantify risks in terms of probability and impact on cost and schedule, which will be followed by stochastic modeling.
- Secured a \$5,000,000 grant from WA State Department of Commerce towards the construction of the MInC building.
- Defined the services and effort needed to shelve the Gateway Building project and associated ROW Improvements prior to pausing it, upon completion of 60% Design review and concurrence. Per the 2021 Plan of Finance, the Gateway project is scheduled to resume in 2026.
- With the pausing of the Gateway Project, an interim plan will be needed for the buildings and land in the location of the Gateway Project, including the Bank Building (C-12) and Net Sheds 7 and 8. Staff is evaluating alternatives and expects to have recommendations in Q4 of 2021.

Diversity in Contracting

The two projects that are moving towards completion, the MInC and the Site Improvements, aim at high Diversity in Contracting goals. The MInC is targeting Living Building Challenge (LBC) requirements, which align with –when not higher than– the current Port aspirational percentage of dollars spent on WMBE contracts. The Site Improvements will be bid and constructed together with the MInC, and therefore follow the same objectives.

The LBC is comprised of seven performance areas, or “Petals”: Materials, Site, Water, Energy, Health, Equity, and Beauty. The LBC now has ten Core Imperatives that address the fundamental tenets of each Petal; all the Core Imperatives are required for Petal Certification. Inclusion is a new imperative addressing diversity in hiring and access to training compliance. This establishes the requirement to include diverse stakeholders from vulnerable or disadvantaged populations in the design, construction, operations and maintenance phases at the following levels:

- (1) 20% of design contract and/or construction contracts, and 10% of maintenance contracts must be with JUST organizations that meet required levels for Diversity category, or are registered Minority, Women, or Disadvantaged Business Enterprises (MWDBE) organizations, or international equivalent.
- (2) Workforce development/training/community benefits agreements, registered apprentice programs, and similar programs are employed for 10% of the General Contractor’s project contracts and/or maintenance contracts. This imperative may be also satisfied through a donation to appropriate groups that meet the intent.

Meeting the LBC imperatives supports the Port of Seattle’s goal to triple the number of WMBE firms that contract with the Port and increase the percentage of dollars spent on WMBE contracts to 15 percent within 5 years of program implementation of the Diversity in Contracting Program.

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Community Outreach and Communications

Initial community outreach and engagement around the Maritime Innovation Center and the Gateway Building unfolded during the Port's Fishermen's Terminal Master Planning process in 2016 and 2017. Staff hosted multiple planning sessions, open houses and stakeholder meetings as part of developing new plans for FT. During the process, stakeholders cited a need for light industrial facilities with smaller spaces for maritime manufacturers and suppliers. Several participants also suggested that FT develop space for meeting rooms/conference center.

Extensive outreach and engagement included:

- (1) A Strength, Weakness, Opportunities and Threats (SWOT) workshop with 25 maritime stakeholders
- (2) Online survey that solicited input from 150+ stakeholders
- (3) Outreach meetings with partners in Anacortes and Port Hadlock
- (4) Interviews with 35 Maritime stakeholders (28 distinct organizations)
- (5) Facilitation of a design eco-charrette focused on adaptive reuse of the Port's Ship Supply building

As the Maritime Innovation Center plan was completed, the state's Maritime Blue initiative started. It generated significant outreach and engagement in 2018 and the Maritime Innovation Center was a central part of the strategy they shared with hundreds of maritime and community stakeholders.

In continuing the marketing, communications, and outreach efforts, the Port project team will provide a workplan for sales process audit and other Sales & Marketing efforts geared at fulfilling the lease strategy goals for the MInC, and attract future investors and/or partners for the Gateway building. Additionally, a robust communications and outreach plan will keep stakeholders informed about the schedule, design scope and impacts of the FT Redevelopment Program.

Outreach will provide opportunities for a wide range of stakeholders to offer input including residents in neighboring communities, current tenants, and business and maritime industry organizations. In addition, liaison work will continue with local regulatory agencies to ensure awareness and coordination. Updates also will be provided via media outreach and open houses, along with project updates at industry, business and community meetings.

Schedule

The schedule below pertains to the MInC and Site Improvement projects, which are progressing towards completion of design and permitting phase.

Activity

Commission design authorization (initial FT Redevelopment)	2016 Quarter 4
Design start	2019 Quarter 2

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Commission construction authorization	2022 Quarter 1
Construction start	2022 Quarter 3
In-use date	2024 Quarter 1

Cost Breakdown

This Request

Total Project

Design		
MInC Building	\$0	\$2,150,000
Site Improvements	\$0	\$1,525,505
Construction		
MInC Building	\$0	\$15,850,000
Site Improvements	\$0	\$1,974,475
Total		
MInC Building	\$0	\$18,000,000
[does not account for \$5M State grant]		
Site Improvements	\$0	\$3,300,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do nothing: pass on completing the Site Improvements under a new CIP, with the currently allocated budget

Cost Implications: Delivering the MInC on its own reduces the bid package value and will increase the cost of execution.

Pros:

- (1) Retain Port capital for other priority projects and financial initiatives.

Cons:

- (1) Pass on the opportunity to improve safety, visitor experience, and site identity at the FT Site, and enhance the public awareness and enjoyment of FT as Seattle amenity.
- (2) Pass on the opportunity to integrate the FT Site Improvements with the MInC project components.

This is not the recommended alternative.

Alternative 2 – Complete FT Site Improvements under a new CIP, alongside with the MInC.

Cost Implications: None at this time; the total project cost estimate is not expected to change based on this request. The alternative will overall result in greatest cost efficiency due to combination of design efforts and bid package with the MInC.

Pros:

- (1) Implementation of FT Long-Term Strategic Plan objectives of supporting fishing and maritime clusters.
- (2) Design development continues towards completion without interruption.

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Cons:

- (1) Requires major Port investment of funds over shorter term.
- (2) Creates temporary construction impacts to existing FT operations, tenants and visitors.

This is the recommended alternative.**FINANCIAL IMPLICATIONS*****Cost Estimate/Authorization Summary***

Capital

Expense

Total

COST ESTIMATE			
Original estimate			
Gateway Building	\$51,500,000	\$1,500,000	\$53,000,000
MInC Building	\$16,000,000	\$0	\$16,000,000
Current change	\$5,300,000	\$0	\$0
Revised estimate			
Gateway Building	\$51,800,000	\$1,400,000	\$53,200,000
MInC Building	\$18,000,000	\$0	\$18,000,000
FT Site Improvements	\$3,300,000	\$0	\$3,300,000
AUTHORIZATION			
Previous authorizations	\$7,626,000	\$349,000	\$7,975,000
Gateway Building	\$5,476,000	\$349,000	\$5,825,000
[Includes \$1,525,505 Site Impr.]			
MInC Building	\$2,150,000	\$0	\$2,150,000
Current request for authorization	\$0	\$0	\$0
Total authorizations, including this request	\$7,626,000	\$349,000	\$7,975,000
Remaining amount to be authorized			
Gateway Building	N/A	N/A	N/A
MInC Building	\$15,850,000	\$0	\$15,850,000
FT Site Improvements	\$1,774,475	\$0	\$1,774,475

Annual Budget Status and Source of Funds

The MInC project was included in the 2021 Plan of Finance under C801084 FT Maritime Innovation Center with a total project cost of approximately \$16,000,000. Additional funding will be covered by the delayed spending on C800525 FT Gateway Building.

The Gateway project was included in the 2021 Plan of Finance under C800525 FT Gateway with total estimated spending of \$1,000,000 in 2021 and a total project cost of approximately \$53,300,000.

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The Site Improvements project was not included in the 2021 Plan of Finance. This request proposes its inclusion in the draft 2022 Capital Plan under the new CIP C801211 with a total project cost of approximately \$3,300,000.

All projects will be funded by the Tax Levy. The MInC project will also receive a \$5,000,000 grant from the Washington State Department of Commerce towards its construction costs.

Financial Analysis and Summary

Project cost for analysis (FT Redevelopment projects continuing towards construction)	
MInC Building	\$18,000,000
FT Site Improvements	\$3,300,000
Business Unit (BU)	Maritime Portfolio Management
Effect on business performance (NOI after depreciation)	Forecasted NOI from the Maritime Innovation Center provided to Commission upon design completion and construction authorization. Both MInC and FT Site Improvements are expected to increase depreciation expense by over \$500K per year.

ATTACHMENTS TO THIS REQUEST

- (1) PowerPoint presentation: “Fishermen’s Terminal Redevelopment Program: Briefing and Authorization to Complete Site Improvements Under New CIP.”

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

December 8, 2020 – Commission authorized Construction of the MInC as the condition for executing the Interagency Agreement with Washington State Department of Commerce to allow the acceptance of a \$5M grant towards its construction.

May 14, 2019 – Commission authorized \$1,850,000 design funding and an amendment to the Fishermen’s Terminal Phased Design Services contract, with Miller Hull Partnership LLP, for \$1,000,000 for final planning, design, and permitting for the Maritime Innovation Center.

January 22, 2019 – The Commission authorized an additional \$1,800,000 in design funding for FT Gateway Building improvements, and the execution of an amendment to the existing Architectural/Engineering Services contract for FT Redevelopment for \$1,000,000 to complete the final planning, design and permitting of the Gateway Building and FT Site improvements.

Meeting Date: March 23, 2021

January 8, 2019 – Commission received a briefing regarding Maritime Blue Plan and the Maritime Innovation Center.

September 26, 2017 – The Commission authorized \$1,325,000 construction funding for the demolition of the existing bank building and Net Sheds 7 and 8. This work has not yet been advertised for bids, per direction by the Commission, pending finalization of a Gateway Building tenant lease agreement.

December 13, 2016 – Commission authorized an initial \$3,000,000 for the Fishermen’s Terminal Redevelopment program planning and design; the total preliminarily estimated design cost was \$7,000,000.

May 17, 2016 - Commission received a briefing on the planning strategies comprising the Fishermen’s Terminal Long-Term Strategic Plan.

October 27, 2015 - Commission received a briefing about the progress of the stakeholder outreach program for the Fishermen’s Terminal Long-Term Strategic Plan.

August 11, 2015 - Commission received a briefing on the proposed scope and goals in advance of the launch of the planning process.

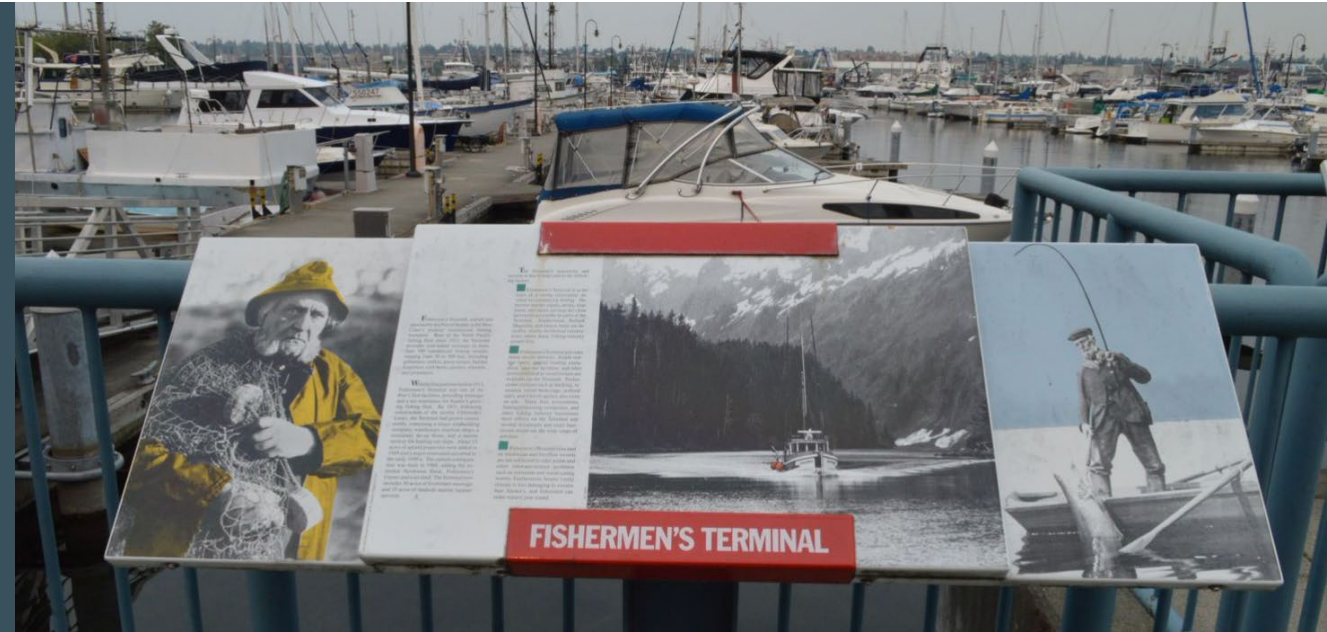
Item No.	10b_Supp
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Fishermen's Terminal Redevelopment Program

Briefing and Authorization to Complete Site
Improvements Under New CIP

At a Critical Juncture

- Touch Point on Program Scope Components
- Request for Authorization to Complete Site Improvements under new CIP
- Progress Update & Accomplishments
- Path Forward



Overview

FT Site Improvements

- **Scope Refinement** *and plan to move forward*

Maritime Innovation Center

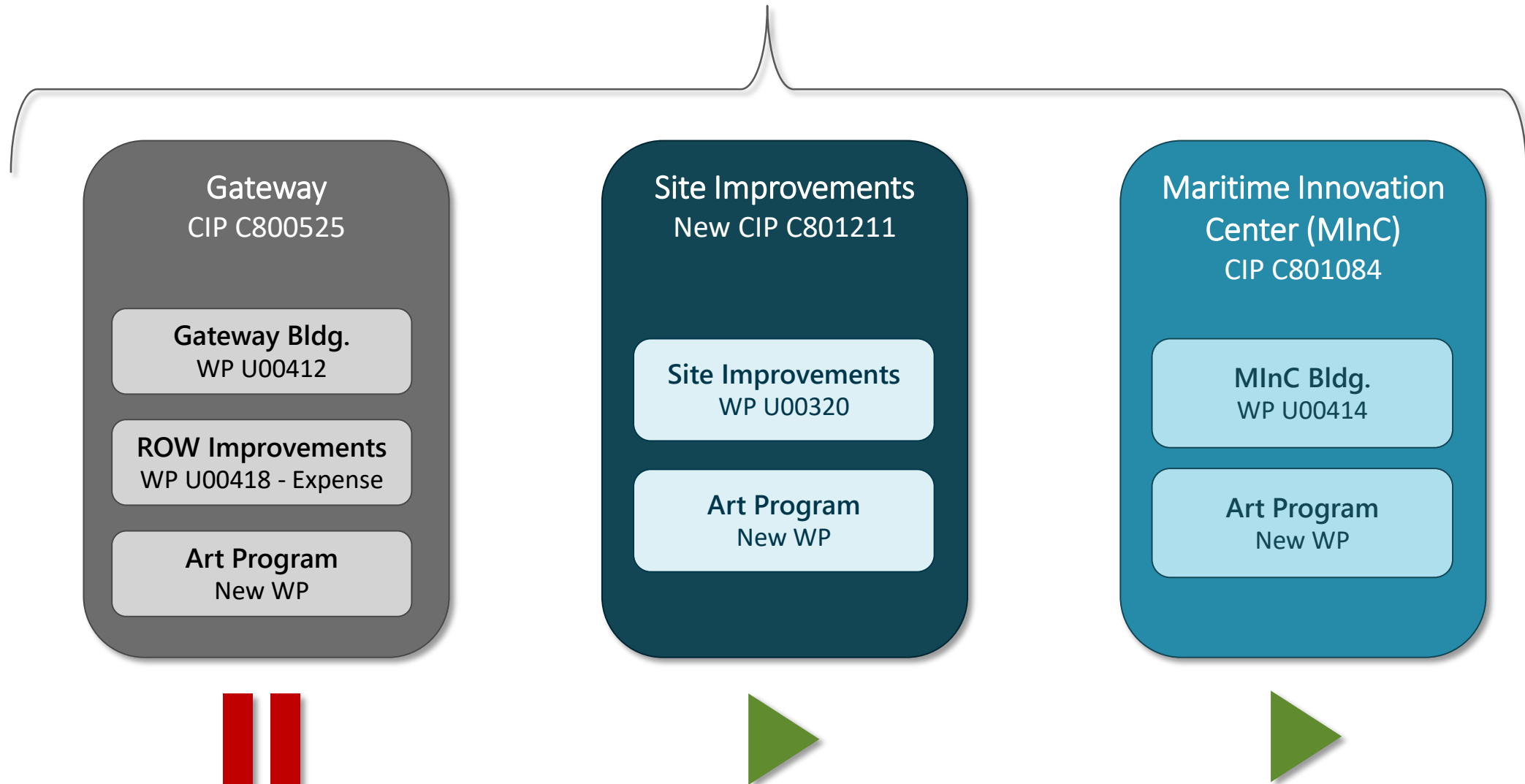
- **Status Update** on progress towards Design & Permitting completion

Gateway building and ROW Improvements

- **Status Update** *on plan to pause and shelve after 60% Design*

Budget Structure

FT REDEVELOPMENT PROGRAM



FT Site Improvements

Decision Point

INTENT

- Clarify nature, intent, and scope of body of work
- Present progress to date
 - Through 60% Design
- Present total estimated project cost
 - Not yet in the 2021 Capital Budget
- Seek authorization to proceed as a separate CIP



FT Site Improvements

Scope Refinement

LANDSCAPE

- Landscape Planting
- Parking Striping
- Crosswalk Improvements
- Site Furniture

SIGNAGE

- Interpretative Signage
- Wayfinding Signage
- New Monument Sign

ELECTRICAL

- Site Lighting



FT Site Improvements

Path Forward

STATUS

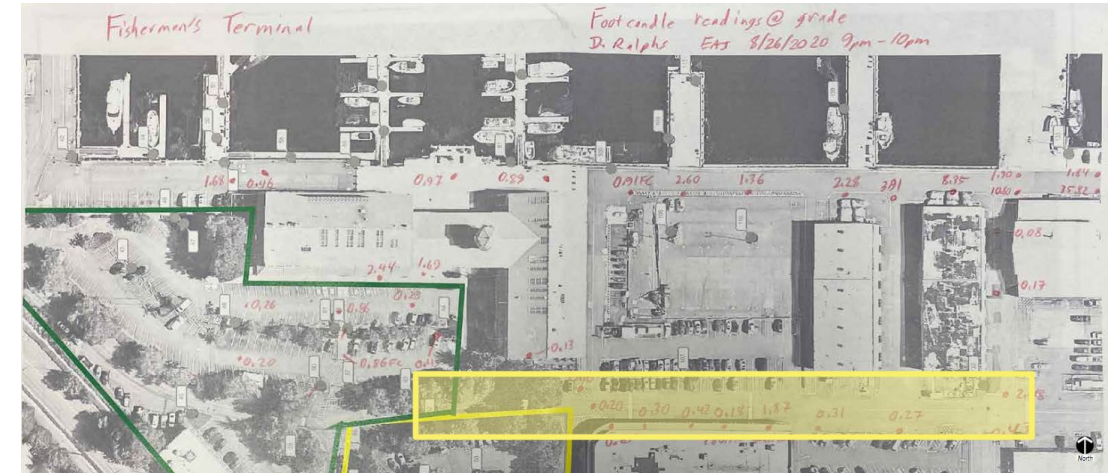
- 60% Design complete
- 60% Risk assessment and stochastic modeling underway
 - Identify and quantify risks in terms of probability and impact

TOTAL PROJECT COST

- \$3,300,000 *at current scope & schedule*
 - Includes 1% Art Program
 - Accounts for increased constr. cost due to smaller bid package
 - Does not account for delivery method mitigation

NEXT STEPS

- Progress towards design completion under new CIP
- Build concurrently with Maritime Innovation Center



Maritime Innovation Center

Status Update

ACHIEVEMENTS

- Shoreline Substantial Development Permit submitted & under review
- Secured \$5,000,000 State funding
- Completed 60% Design
- 60% Risk assessment and stochastic modeling underway

TOTAL PROJECT COST

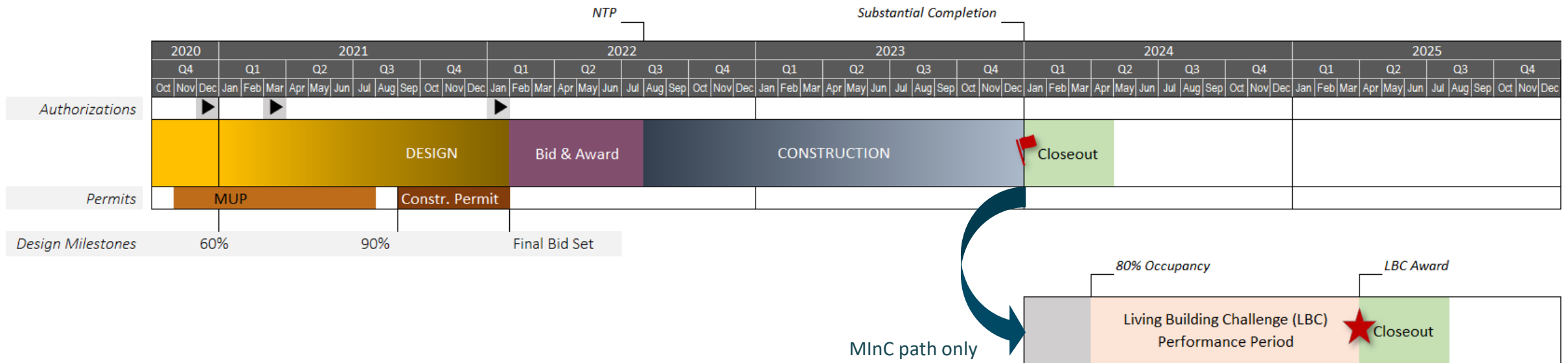
- \$18,000,000
 - project cost is total (including Port and State contribution)
 - Includes 1% Art Program
 - Accounts for increased constr. cost due to smaller bid package
 - Does not account for delivery method mitigation

NEXT STEPS

- Complete Design & Permitting and build concurrently with Site Improvements



Maritime Innovation Center and Site Improvements Timeline



Gateway Building

Plan to Pause

DESIGN WORK geared towards marketing to prospective tenants:

- Editable materials: digital and printable brochures, promotional videos, renderings, drone footage, key facts and figures
- Test fittings

SHELVING to preserve value of work completed to date:

- Package all latest deliverables (60% Design progress)
- Shelving Memo





Questions?

Appendix

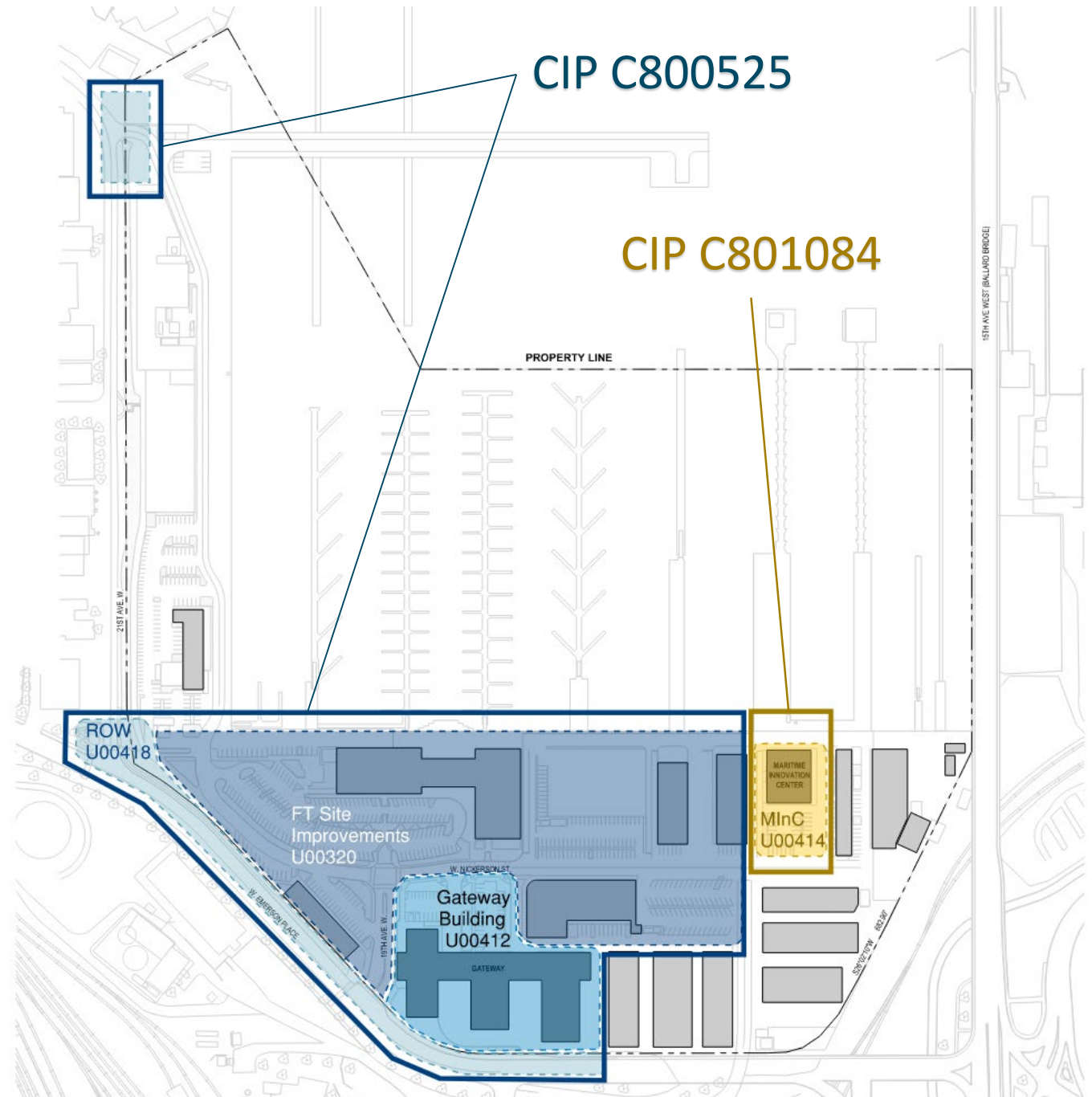
Pre-60% Design

GATEWAY CIP

- Gateway Building
- Right of Way (ROW) Improvements
- FT Site Improvements

MInC CIP

- MInC Building
- MInC Art Program



Post-60% Design

GATEWAY CIP

- Gateway Building
- ROW Improvements

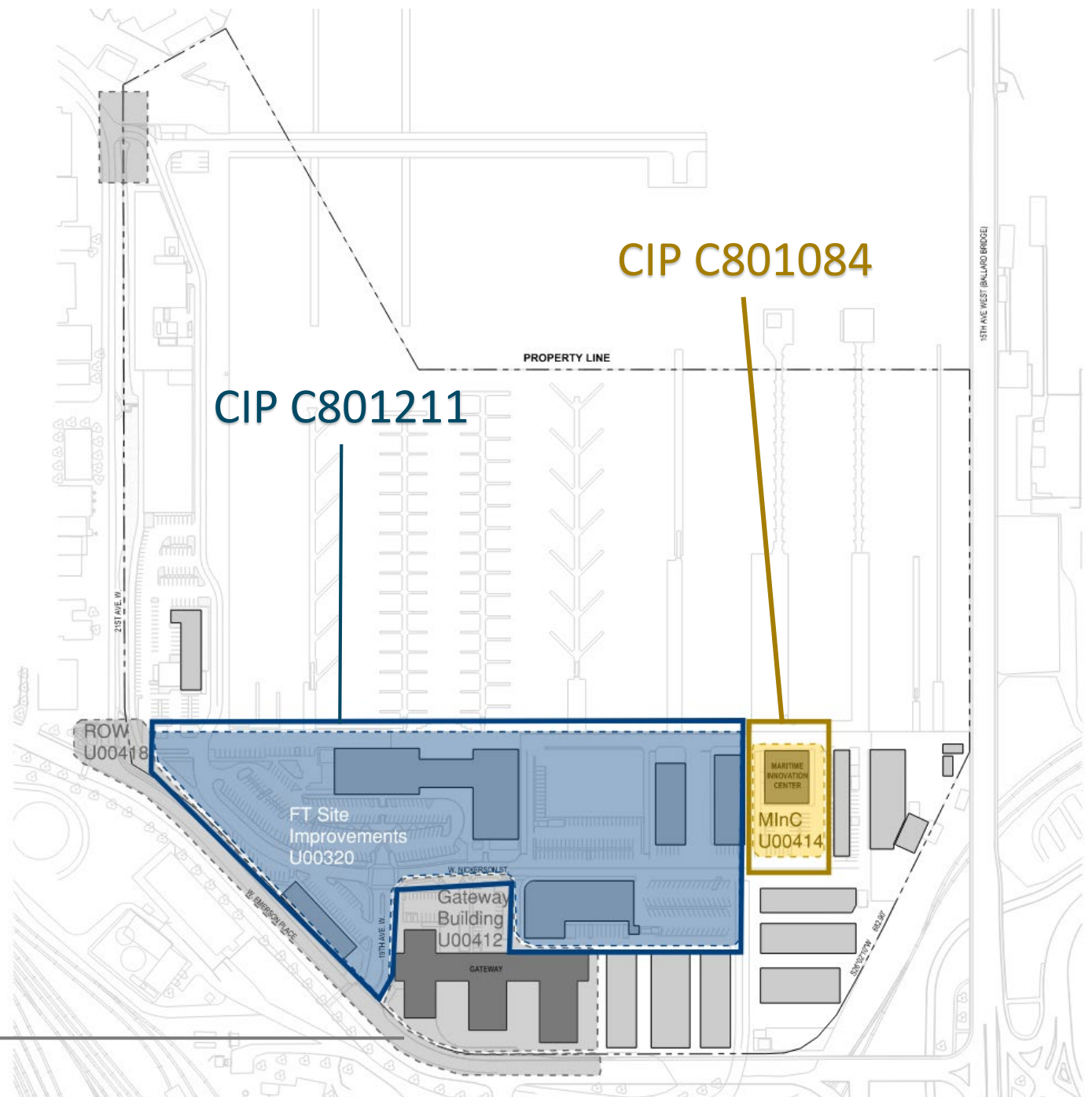
MInC CIP

- MInC Building
- MInC Art Program

SITE IMPROVEMENTS (NEW)

- Site Improvements
- Art Program

CIP C800525



Interpretative Signage

Enhanced Experience of Place

IMPROVED STORYTELLING

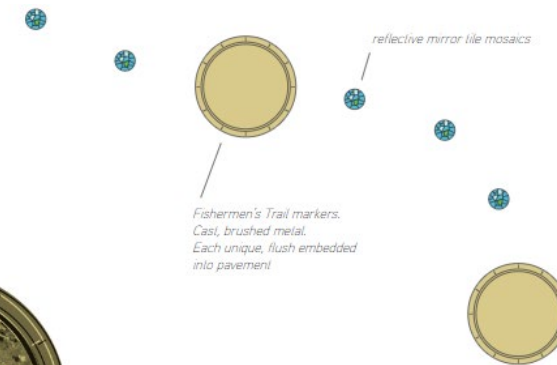
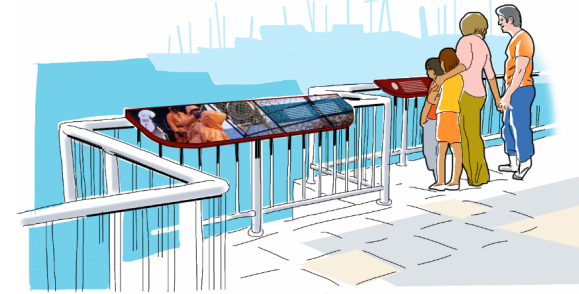
- Engage the public and build understanding of fishing
- Expanded views and improved interpretative signage
- Stronger Site Identity
- Integration with Art Program

Key themes

- History, impacts, and future of fishing industry
- Stewardship of watershed resources

Equity & Critical Outreach

- Address deficiencies on native voice and narrative
- Collaboration and partnership opportunities

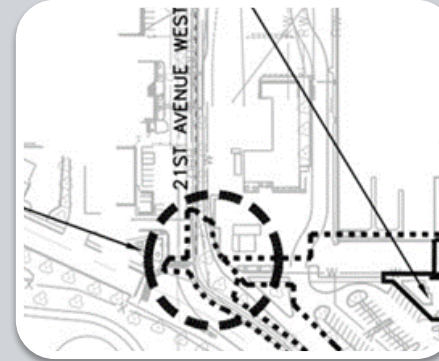
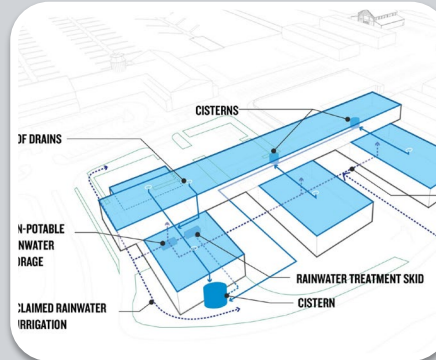


schematic concept for trail marker



Gateway Building Achievements

GATEWAY LBC CORE 2030 CHALLENGE



Eco-Charrette

Provided context for comprehensive evaluation of preferred sustainability objectives

30% Design

60% completed and updated project cost estimate based on preferred sustainability options

Sustainability Goals

Determined feasible sustainability goals to be incorporated in the scope while nearing 60% design

ROW Resolution

Public Street Improvement requirements approved by SDOT

60% Design

60% completed and updated project cost estimate

[RETURN TO AGENDA](#)

**COMMISSION
AGENDA MEMORANDUM**

Item No. 11a

BRIEFING ITEM

Date of Meeting March 23, 2021

DATE: March 23, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Dave McFadden, Managing Director, Economic Development Division
Kyra Lise, Director, Real Estate & Economic Development

SUBJECT: Real Estate Strategic Plan Update

EXECUTIVE SUMMARY

Staff has worked with Heartland LLC (HTLand) to provide the final update the Port of Seattle's 2020 Real Estate Strategic Plan. The plan delivers a comprehensive roadmap to advance Port Real Estate development efforts over the next five years and provides a framework for contemplating new property acquisitions and partnerships on property development.

Heartland and Port staff will brief the Commission on the work to-date: reviewing the highlights of an analysis of Port-owned property development opportunities. Heartland's report will go over their approach to and focus on how we use the principles of the Century Agenda to contemplate potential future land acquisition strategies, as well as the financing tools to help the Port support real estate development projects.

PROPERTY PLANNING EFFORT

The final recommendations presented at Commission will address certain key questions and issues related to the Port's real estate portfolio:

1. Identify the key properties in the Port's development portfolio and evaluate them against current market trends for industrial property within the Puget Sound region and key Seattle submarkets (Ballard/Interbay and SODO).
2. Provide recommendations to the Commission on principles and strategies that make the best use of Port real estate under a "highest and best use" standard for key Port properties.
 - Identify development objectives and outcomes for each property based on observation and analysis supported by market data and discussion with internal and external stakeholders associated with the planning effort.
 - Update plans, strategies and timelines for each property.
 - Provide specific implementation recommendations that support the Port's ongoing Real Estate acquisition goals in-line with the Century Agenda and portwide initiatives that reflect the new realities for the real estate market due to COVID19.

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Properties Being Evaluated

The Economic Development Division has taken a comprehensive look at the Port's real estate portfolio to determine which sites merit investment. For the RESP report, staff is focusing the real estate strategic plan on every Port property that can support industrial or commercial development. This excludes Seaport Alliance terminals, sites impacted by the SAMP, sites nearing development like T106 and Des Moines Creek West, and several sites which are part of separate processes already underway to support other projects (Pier 2, CEM).

The following properties were evaluated during the strategic planning process:

- Salmon Bay Marina
- Fishermen's Terminal
- Terminal 91 Uplands
- Pier 69
- Harbor Marina Corporate Center
- World Trade Center West

For a variety of reasons, the following properties will not be evaluated:

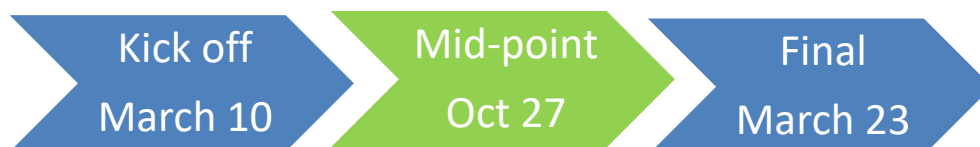
SAMP impacted: 55 acre, L-Shape, 13 acre and SASA

NWSA properties: Terminals 5, 10, 18, 25, 30, 46, 103, 104, 105, 107, 108, 115 and 117

Current/pending RFPs: Des Moines Creek West, CEM, Pier 2 and Terminal 106

Process/Timelines/Milestones

The 2020 strategic planning process included input from an internal advisory committee made up of range of staff from various departments around the Port of Seattle whose work involves working with operating properties at the Port, and detailed conversations with individual staff members where pertinent. In addition, a panel of external advisors including Commissioners Cho and Calkins; Jennifer Maietta, NWSA; Bobby Lee, City of Seattle, OED; Anthony Wright, King County; Thatcher Imboden, Sound Transit; Wilma Warshak and Erwin Park, both private brokers and portfolio managers in the Puget Sound region; Mike Stanley, Expedia's development manager and Chuck Depew, National Development Council. The external advisors met 3 times, the internal advisors met 3 times as a group and in several independent sessions on specific topics.



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This is the third and final of the three Commission briefings that have been scheduled during the planning effort.

The strategic planning effort also included:

- Weekly consultant check-in meetings
- 3 Internal advisory committee meetings
- Individual 1:1 interviews and 100% participation of Internal Advisory Committee members
- 3 External Advisory Committee Meetings
- Data requests and follow up interviews with asset management and other Port staff
- Compilation and analysis of asset specific data
 - o Portfolio level Lease expiration Analysis from rent roll data
 - o Asset Specific and Portfolio Financial analysis and Modeling
- Initial existing conditions assessment, market analysis and site mapping update for 2020 assets, and any new additions to the RESP
- Development of property evaluation principles in line with the Century Agenda
- Development of an evaluation matrix using these principles to allow staff and stakeholders to quickly evaluate prospective properties for potential acquisition and development by the Port of Seattle
- A framework for discussions about financing real estate development at the Port of Seattle

BACKGROUND

Successful real estate development initiatives can help support the Century Agenda and top Port goals:

- Grow as an international logistics hub.
- Sustain fishing, cruise and other maritime industries.
- Advance equitable economic development.
- Enhance and protect industrial lands.
- Advance sustainability and energy efficiency.

Heartland has proposed a set of guiding principles to direct the Port staff's effort to realize the benefits of proactive real estate investment decisions on existing Port properties. These principles are derived both from existing strategic documents and frameworks, as well as foundational Port practices when it comes to the use and development of real estate. These principles are:

Manage for the Mission: Setting clear objectives and goals for each property and development project established in close connection to the Century Agenda and the Port's operational

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missions, as well as larger strategic frameworks more recently established such as sustainability and equity principles.

Leverage Expertise: Whenever possible, identify opportunities to realize multiple Port policy objectives within our real estate development and investment efforts to enhance the impact of our leadership in areas where we have the greatest expertise.

Partner to Amplify Impact: In this time of declining revenues and economic adjustment look outside the Port to find financial and policy partners to support our real estate objectives so we can maintain the positive momentum we've gained delivering on Real estate development projects in recent years.

Part of our mission criteria is the growth of the Port of Seattle Real Estate portfolio. With a refined Century Agenda, the following objectives will enable the critical analysis of prospective properties to take place.

1. Advance NWSA competitiveness
2. Advance SEA competitiveness and/or efficiency
3. Advance maritime industries and/or protect industrial lands
4. Enhance and/or protects Port properties/operations
5. Advance Port energy and sustainability goals
6. Advance equitable economic development
7. Meet Port's financial objectives

In addition to these guiding principles, Heartland has developed a simple classification framework that allows us to consider properties according to the strategic role that may play towards realizing Port goals and support a method of priority setting for real estate projects. Those categories are:

Operational properties: Properties whose primary role is to support Port operations or to optimize operational capacity for the Port and its industry partners and tenants.

Cashflow properties: Properties whose purpose is to generate **net** cash flow in order to reinvest in other key priorities of the Port.

Opportunity properties: Properties with underrealized market or mission value generally on underdeveloped Port land.

This classification framework recognizes that properties usually represent a hybrid of two or more of the types and that property classifications can and do change over time. Having a

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classification framework will allow us to develop appropriate evaluation metrics to determine if we've met our objectives.

Using this succinct framework, Heartland provides profiles for each of the seven properties analyzed for this plan along with a set of strategic recommendations for each based on the principles noted earlier for each of the properties.

Fishermen's Terminal: Following on the Commission's 2016 Strategic Plan for Fishermen's Terminal (FT), Heartland notes the important operational role the property has played historically and continues to play as the homeport of the North Pacific Fishing fleet and those enterprises that support the fleet. The profile is based on a thorough review of FT's existing building's overall operational and financial performance, while looking at the real estate development opportunities considering current market conditions, including the COVID19 crisis which has disrupted the conventional wisdom about real estate generally and industrial development.

Salmon Bay Marina: Adjacent to FT and the Port's most recent acquisition (2017), the profile considers the opportunities to connect uplands development to in-water uses and expanding the footprint of operations at FT.

T91 Uplands: Development of light industrial buildings is underway, and the property can support more development to support maritime industries with additional infrastructure investments. These facility investments recognize the key role the T91 Uplands has played for maritime operations and points to strategic opportunities the property plays for the future of maritime industrial development.

Harbor Marine Corporate Center (HMCC): While a successful Marina operation continues on the waterside, HMCC's value with its location directly under the West Seattle Bridge has been greatly impacted by the bridge's recent structural failure, as well as a high level of vacancy. The building's operational and financial future is intimately tied to the health of the bridge. Recommendations are made to consider selling or repositioning this property to serve public users working on the bridge itself.

World Trade Center West (WTCW): WTCW was a significant property for the Port's vision for establishing an international business hub along the Seattle waterfront and symbolic of the significant role the Port has played in international trade. Today the office building has been impacted by both slow growth during a period of heavy construction at the central waterfront and the COVID economy. Recommendations include reviewing the continued relevance to current Port missions and operations and consideration of whether the property should be marketed.

Pier 69: The much beloved Pier 69 has served as the Port headquarters since 1993 and represents a major investment by the Port in the City's waterfront revitalization, as well as serving as an important depot for the West Coast Clipper fleet on the waterside. Recommendations are to

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consider how continued teleworking post-COVID may impact the need for Port-used office real estate and open the conversation about adding additional tenants, along with the reconsideration of the now vacant Clipper Café space.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides (Real Estate Strategic Plan - Deliverable)

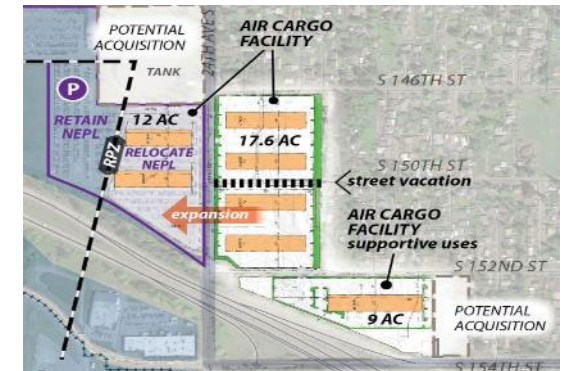
PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

March 10, 2020 – The Commission was briefed on the Real Estate Strategic Plan.

October 27, 2020 – AM Study Session – Real Estate Strategic Plan Update Mid-Year.

Real Estate Strategic Plan Briefing

Item No. 11a_supp
Date of Meeting March 23, 2021



Overview

- Real Estate Principles
- Port Property Profiles and Recommendations
- Acquisitions and Partnership Opportunities
- Legal Parameters Surrounding RE Development/Acquisitions
- Financing Options

	Mar	April	May	June	July	August	September	October	November	December	January	February	March
Port Commission	X							X					X
Port RE Team		X			X		X		X				
External Advisory Committee			X			X							X

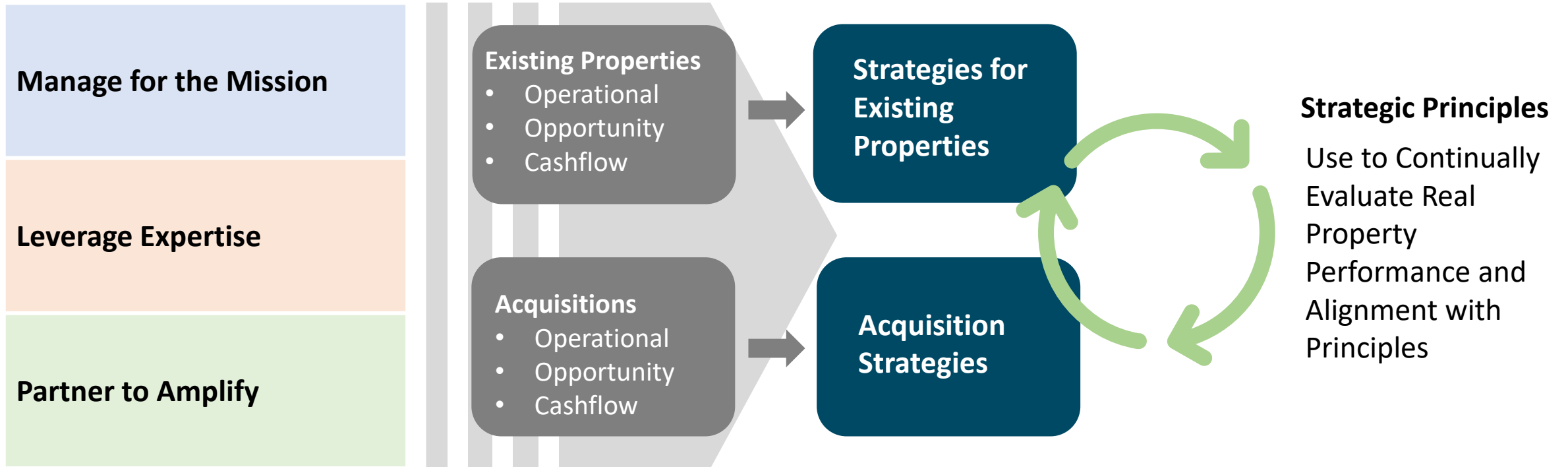


Port Real Estate Principles

Framework

“The Port of Seattle will **use its real estate**, capital assets and financial capabilities **to accomplish the Century Agenda**. These are tools to thoughtfully steward, rather than areas well-suited for specific 25-year goals.”

Strategic Principles



Port Property Development Recommendations



Contents – Properties Being Evaluated



FOCUS PROPERTIES

PROPERTY	GEOGRAPHY	RESP YEAR
Fishermen's Terminal	North Bay	2020
Salmon Bay Marina	North Bay	2020
T91 Uplands	North Bay	2016/2020
Harbor Marina Corporate Center	South Bay	2020
Pier 69	Downtown	2020
World Trade Center West	Downtown	2020

Focus Properties:

The 2020 Real Estate Strategic Plan will focus on this group of eight properties in the Port of Seattle's real estate portfolio.

2016 PROPERTIES – REVIEW

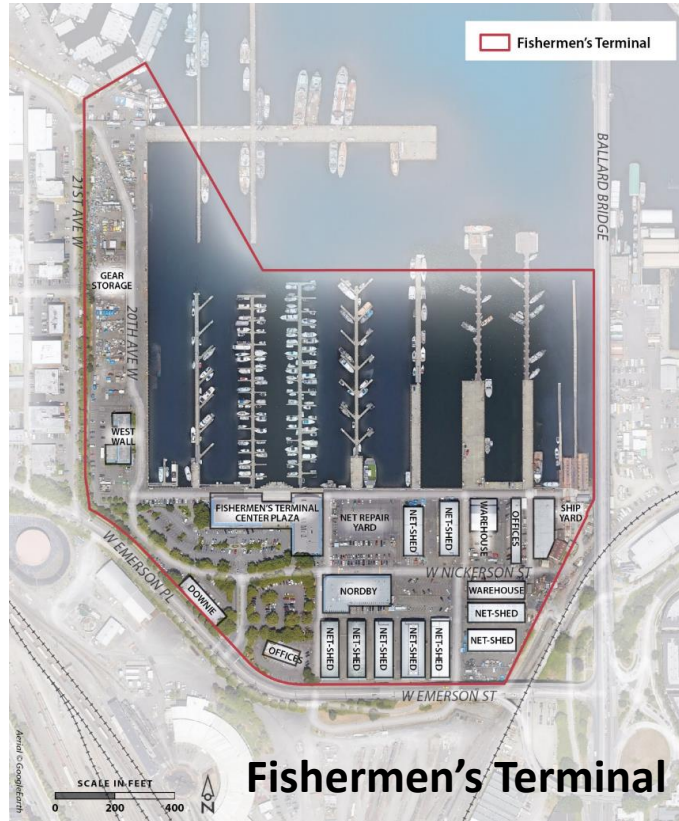
PROPERTY	GEOGRAPHY	RESP YEAR
Pier 2	South Bay	2016
CEM	South Bay	2016
Terminal 106	South Bay	2016
Tsubota	North Bay	2016
L Shaped Site*	SeaTac	2016
13 Acre Site*	SeaTac	2016
55-Acre Site*	SeaTac	2016
S 200th St*	SeaTac	2016

Review Properties:

The 2016 Real Estate Strategic Plan evaluated these properties. These properties are not the focus of the 2020 Strategic Plan Update.

**Properties now under the purview of the Sustainable Airport Master Plan (SAMP).*

Development Recommendations – Port Properties



- ☐ Keep operationally critical facilities in place to support maritime industry
- ☐ Implement new developments to support both the existing maritime industries and incubate new maritime industries
- ☐ Improve visitor experience thru wayfinding signage and interpretive displays (1% for art project)



- ☐ Evaluate the opportunity to utilize/modify the MUP at the uplands prior to its expiration
- ☐ Explore the opportunity to develop uplands to support uses at Fishermen's Terminal
- ☐ Use uplands development to support reinvestment in docks and waterside facilities

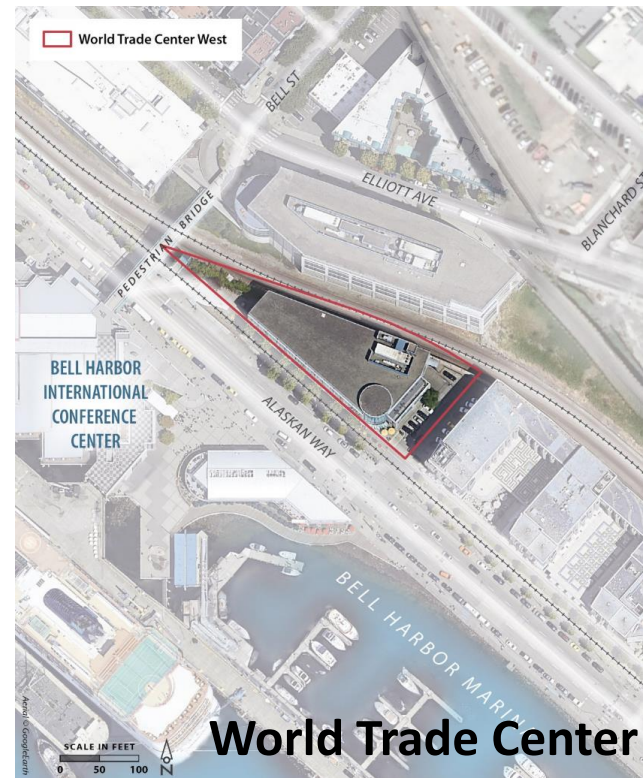


- ☐ Continue to move Phase 1 development of light industrial buildings through design and permitting
- ☐ Make utility and infrastructure investments to support Phase II development of Uplands
- ☐ Target maritime industries for occupancy in Phase 1 and Phase II
- ☐ Explore how to improve freight mobility and access for employees (especially as new development unfolds)

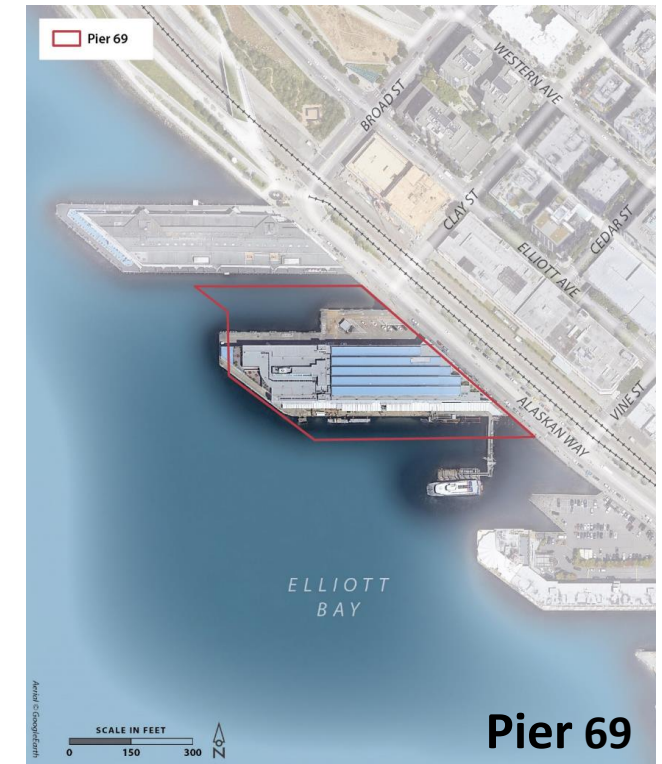
Development Recommendations – Port Properties



- ☐ Consider putting property on market for sale
- ☐ Complete a feasibility study to determine highest and best use for property (including marina)
- ☐ Evaluate relocation of commercial in water uses to other Port properties
- ☐ Explore a strategy to allow leases to expire and/or only extend on the short term to allow for maximum flexibility in the near term



- ☐ Evaluate the Property in terms of its fit and alignment with Port's mission and objectives
- ☐ Evaluate the implications of a sale of the WTCW property
- ☐ Maintain mission supportive uses in the Building such as the World Trade Center Club through a long-term lease of the space or consider relocation of such uses



- ☐ Consider future leasing efforts tied to the in-water dependent uses and releasing (key lease expiration in 2022)
- ☐ Re-evaluate Port's office needs post COVID to determine space requirements at P69
- ☐ Evaluate how to reuse Clipper Café space
- ☐ Evaluate P69 leasing options based on forecast of Port office space needs

Evaluate Acquisition and Partnership Opportunities

Manage for the Mission

- What types of properties are being considered?
- What is the business and performance purpose?
- What is the Port's mission objective?
- How will success be measured in the near, mid and long term?

Leverage Expertise

- What additional policy objectives can be achieved within the scope of the primary business purpose?
- Are there alternative structures/approaches that would produce outsized benefits compared to other initiatives?

Partner to Amplify Impact

- What other organizations have an interest in the success of this investment?
- How can others be brought into an investment to amplify impact?
- When should the Port partner?

“We’re considering this property because it may....”

Support the Port’s Mission

- ☐ The property can support maritime or air cargo industries (advance NWSA competitiveness)
- ☐ Property advances SEA competitiveness and/or efficiency
- ☐ Property advances maritime industries and protects industrial lands
- ☐ The property enhances or protects Port properties/operations
- ☐ The property could advance Port energy and sustainability goals
- ☐ The property’s development could impact equitable economic development regionally

Leverage Staff Expertise

- ☐ The Port has experience and *capacity* to address the opportunities and challenges associated with the Property

Partner to Amplify Impact

- ☐ Potential to partner with other governmental agencies/entities to amplify impacts
- ☐ The property and associated development can attract alternative sources of funding through partnerships or financing mechanisms available to the Port

Some Caveats with the Evaluative Matrix

The matrix we are about to review is intended to help staff evaluate and rank property acquisition/partnership options

- Preliminary rankings **based on incomplete information** about properties.
- **Matrix will help staff focus on** property acquisitions and partnerships that are **most strategic to the Port**
- **More due diligence** and research **will be done on promising properties** that show up during initial evaluation
- The fact that **a property is being evaluated does not mean** that the **Port wants to acquire** the property.
- As more research on priority properties is completed, **we can use this matrix to** further refine scores and better **determine how** these **properties fit our mission/priorities**



Criteria Derived From the Century Agenda

The Property advances NWSA competitiveness

- 5** = Immediately adjacent to key NWSA/Cargo site
- 4** = Within 3 miles of NWSA terminal and can support logistics efficiency and/or capacity
- 3** = Could support key suppliers, transload facilities, and other support facilities to logistics terminals
- 2** = Industrially zoned with adequate access for heavy trucks/logistics vehicles related to NWSA operations
- 1** = Not clear how property drives/support NWSA existing or future operations

The Property advances SEA competitiveness

- 5** = Within 0.5 miles of other SEA properties and can be developed to enhance SEA competitiveness
- 4** = Within 4 miles of SEA and can be developed to enhance SEA competitiveness
- 3** = Can tangibly support current or future operational need at SEA
- 2** = May be able to support some future operational need of SEA
- 1** = Does not support SEA's existing or future operations

Evaluative Matrix Continued

Property advances Maritime economic development

5 = Can be developed (or utilized) to support existing Port maritime line of business (cruise, fishing, etc.)

4 = Can be developed or utilized to support maritime industries

3 = Can accommodate industrial maritime uses

2 = Could potentially support maritime uses

1 = Cannot easily enhances/protects maritime uses

Property protects Port operations and industrial lands

5 = Immediately adjacent to Port operating facility

4 = Within 0.5 mile of Port operations and its development could impact Port operations

3 = Within a MIC and zoned industrial

4 = Could be developed or rezoned to protect or enhance industrial lands

1 = Not clear on how property supports Port properties or industrial lands

Equity and Sustainability

Property Supports the Port's Equity Goals

5 = In an Opportunity Zone (high poverty census tract)

4 = Location scores 8 or higher on the Port's [Equity Index](#)

3 = Development affords Diversity in contracting and workforce development opportunities

2 = May afford equity opportunities (DC and workforce)

1 = property not likely to advance equity

Property Advances Port of Seattle Sustainability Objectives

5 = Has the potential to support at least three Port sustainability goals (stormwater mgmt. air and GH gas reduction, renewable energy generation, habitat restoration)

4 = Could potentially support more than one sustainability objective at a significant level

3 = May be able to improve Port outcomes for sustainability objectives

2 = Unclear how this property could support sustainability goals

1 = Would detract from meeting sustainability goals

Leveraging Expertise and Partnerships

The Port has *experience* and *capacity* to address the opportunities and challenges associated with the Property

5 = Full internal capacity and/or expertise to directly address 100% of the complexities and scale of property/project.

4 = Has capacity and/or expertise to deal with the over 50% of the site complexities and project scale

3 = Team has some capacity/expertise, but limited experience to address scale

2 = Some relative capacity/expertise but would need additional support for most of the project.

1 = Limited capacity/expertise and would likely need to rely exclusively on external parties.

Potential to partner with other public and private agencies/entities to amplify impacts

5 = Property would serve the mission/objectives of two or more public or private organizations in addition to the Port

4 = Property would serve the mission/objectives of 1 or more public or private organizations in addition to the Port

3 = Property has the *potential* to serve mission/objectives of 1 or more public or private organizations in addition to the Port

2 = Limited opportunity for partnership

1 = No potential for partnership

Funding Options and Opportunities

The property and associated development can attract alternative sources of funding through partnerships or financing mechanisms available to the Port

5 = An alternative financing/funding resource has been identified and will benefit the project

4 = An alternative financing/funding resource has been identified and has the potential to benefit the project

3 = Project is eligible for alternative financing/funding, but no specific opportunity has been identified

2 = Unclear if the project is eligible for or can attract alternative sources of funding.

1= No alternative sources of funding or financing are envisioned for the project.

Port Real Estate Development - Legal Parameters

RCW 53.08.20

Acquisition and operation of facilities

RCW 53.08.255

Tourism-related facilities authorized

RCW 53.25.190

Eminent Domain

RCW 53.08.260

Park and recreation facilities.

A port district may construct, condemn, purchase, acquire, add to, maintain, conduct, and operate sea walls, jetties, piers, wharves, docks, boat landings, and other harbor improvements, warehouses, storehouses, elevators, grain-bins, cold storage plants....

Port Development Execution Options

Port self finances/performs

PRO 100% control; owning all opportunities and liabilities

CON CIP limitations, time to completion, audit risk

Port Ground Lease to Developer

PRO requires little/no Port \$, influence development through RFP, no financial risk to Port

CON some market limits on what a developer can do, loss of property control

Joint development

PRO “p” partnership to reduce risk and achieve multiple objectives

CON decision making and execution complexity



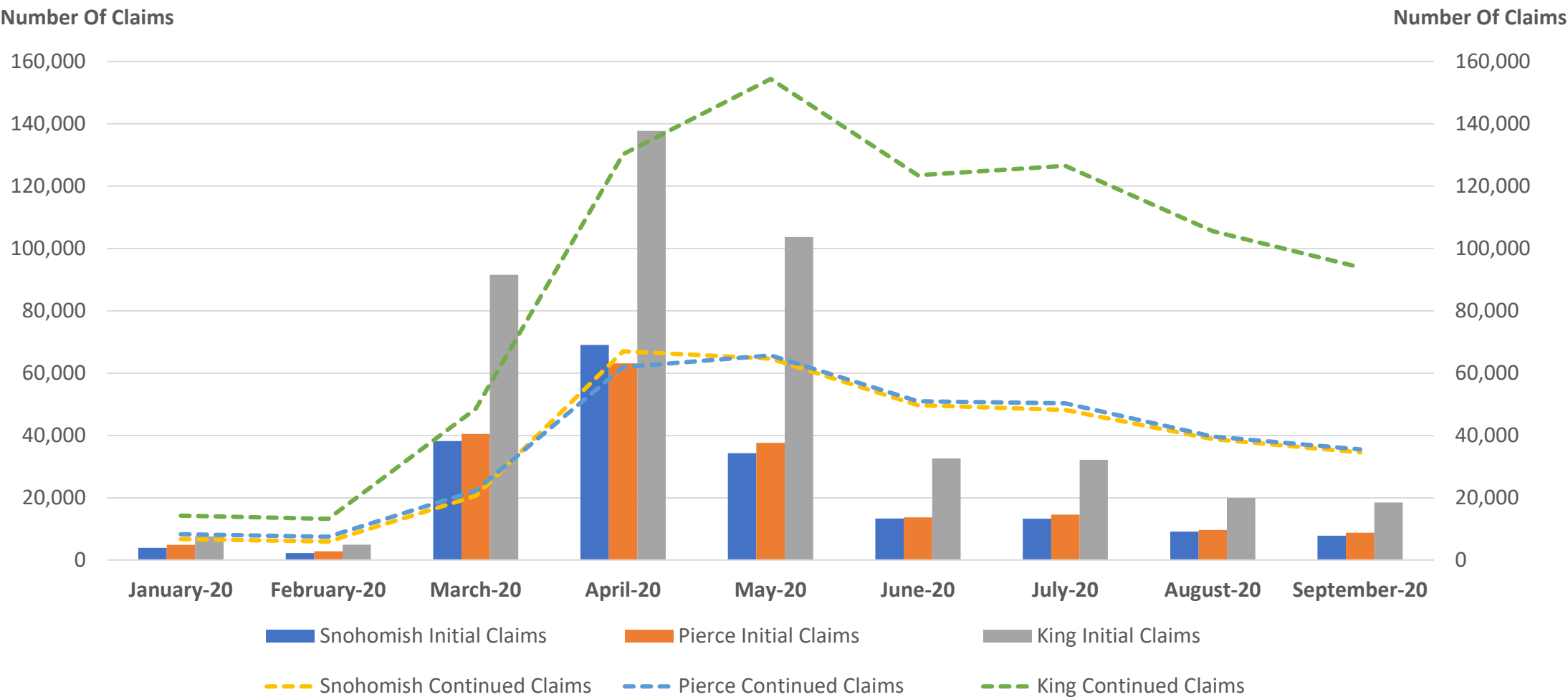
Next Steps

- Implement key recommendations surrounding development or disposition of Port properties
- Complete due diligence on two to three top acquisition or partnership opportunities
 - Determine costs/benefits for each potential development
 - Determine possible financing and development options
 - Provide routine updates and reports on objectives
- Complete analysis of Port financing options for real estate development project

Appendix: Market Snapshots

Market Context

Region Unemployment: Initial Claims with Continued Claims, Jan - Sep 2020



Market Context



OFFICE

Rent Collections:	96.4%
CMBS Mortgage Delinquencies:	2.3%
US VACANCY Current:	10.7%
Forecasted Peak:	12.7% in 2023

BIG QUESTIONS

- WFH impact on vacancies?
- Rise or fall of coworking?
- Will telemedicine reduce demand for medical office?



INDUSTRIAL

Rent Collections:	99.4%
CMBS Mortgage Delinquencies:	1.2%
US VACANCY Current:	5.7%
Forecasted Peak:	6.9% in 2021

BIG QUESTIONS

- Who are the winners in the supply chain disruption?
- Will manufacturing meaningfully increase space demand?



Sources: NAREIT, Trepp, Costar, STR, Zillow, US Census Bureau

Note: Mortgage delinquencies represent CMBS delinquencies. Data as of Aug 2020 where not specified.

Market Context



RETAIL

Rent Collections:

Free standing:

90.5%

Shopping Center:

80.1%

CMBS Mortgage

Delinquencies:

14.8%

US VACANCY

Current:

10.2%

Forecasted Peak:

14.6%
in 2021

BIG QUESTIONS

- Which retail categories will survive?
- Which retail typologies will be successfully redeveloped in the near term?



HOSPITALITY/LODGING

CMBS Mortgage

Delinquencies:

23.0%

Hotel Occupancy:

Jul:

47.0%

Aug:

50.2%

Recovery to 20-year historical average expected in 2023.

BIG QUESTIONS

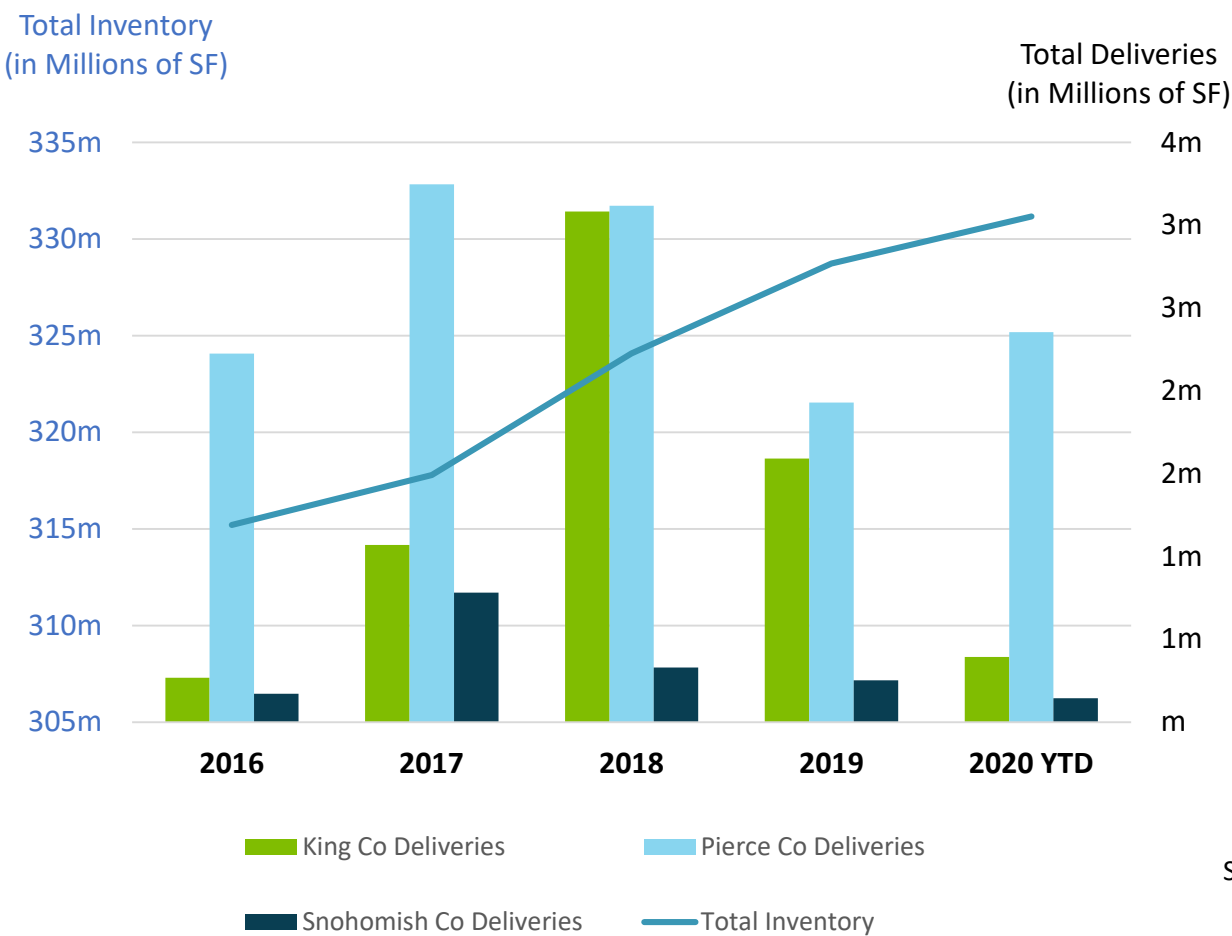
- Will \$50 billion in delinquent CMBS debt trigger a broader financial crises?
- How many independent hotels will not make it through the downturn?

Sources: NAREIT, Trepp, Costar, STR, Zillow, US Census Bureau, Moody's Analytics

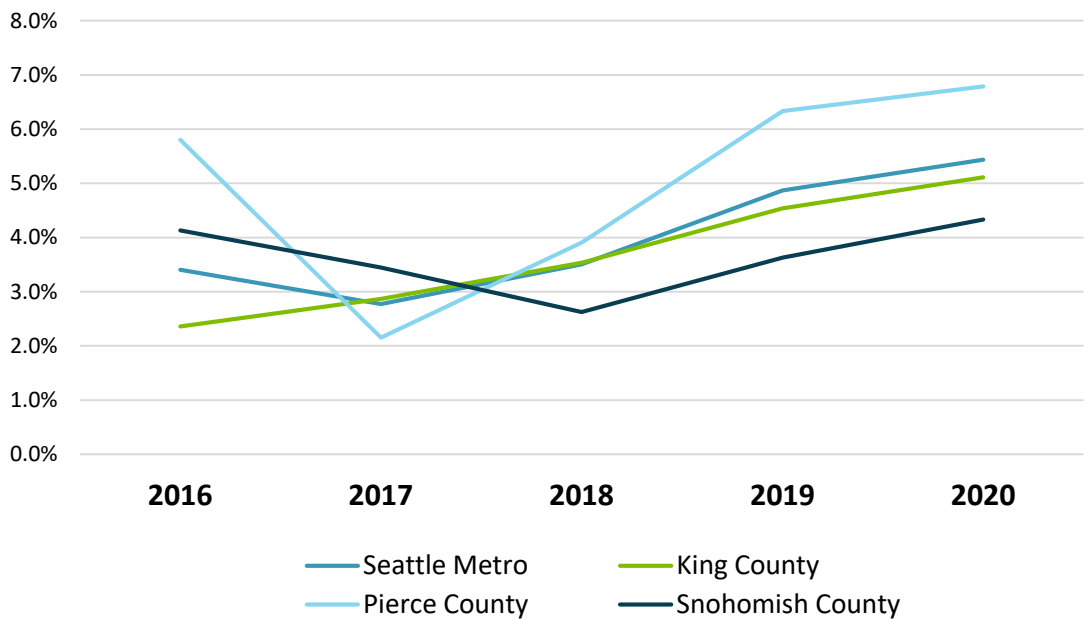
Note: Mortgage delinquencies represent CMBS delinquencies. Data as of May 2020 where not specified.

Market Context – Regional Industrial

Total Inventory and Deliveries, 2016-2020 YTD



Puget Sound Industrial Vacancy, 2016-2020 YTD

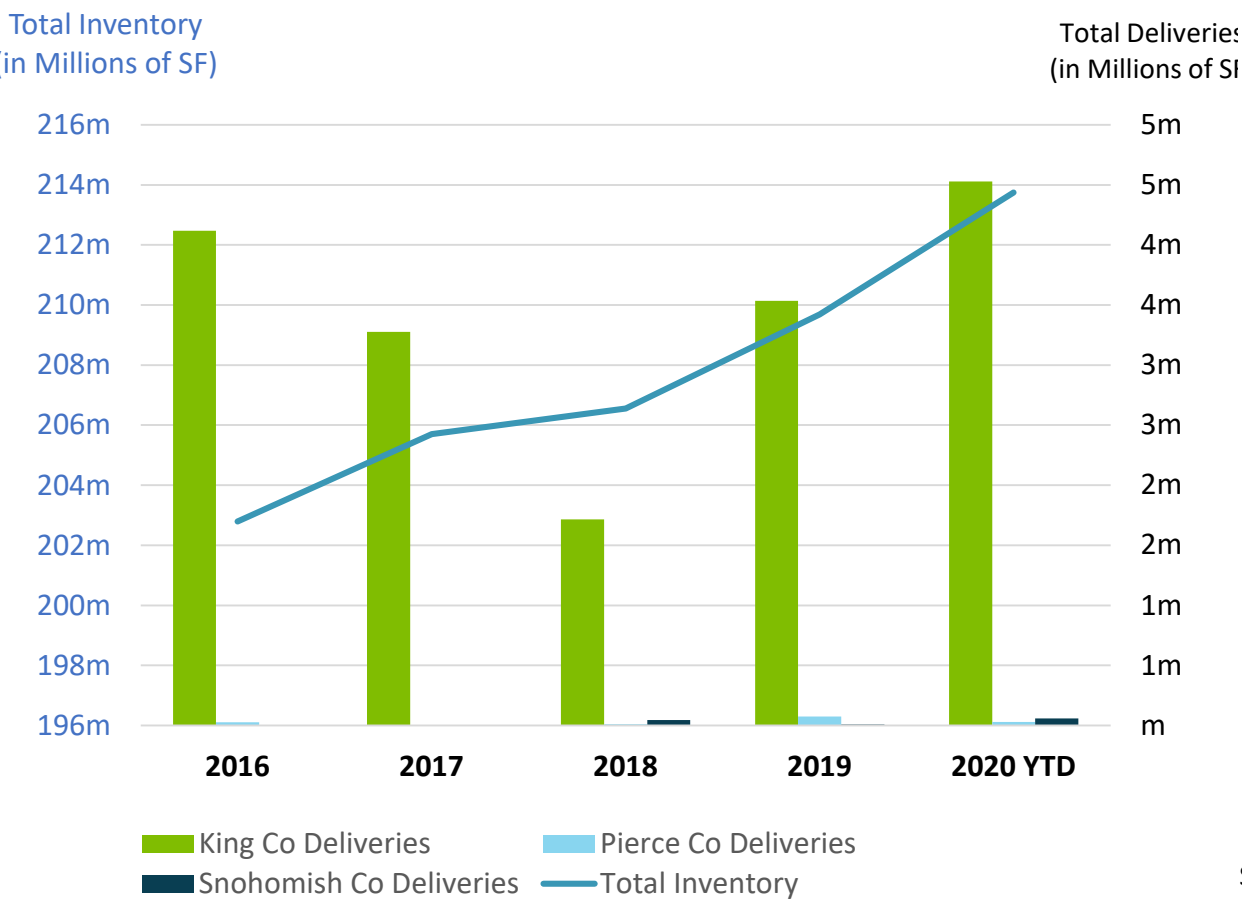


	Avg. Rent*	Vacancy		Avg. Rent*	Vacancy
Metro	\$11.69	5.4%	Magnolia	\$13.83	2.6%
King County	\$13.06	4.9%	Ballard	\$16.89	5.5%
Pierce County	\$8.20	7.8%	Duwamish N	\$13.16	6.1%
Snohomish County	\$10.14	3.4%	Duwamish S	\$12.75	1.3%

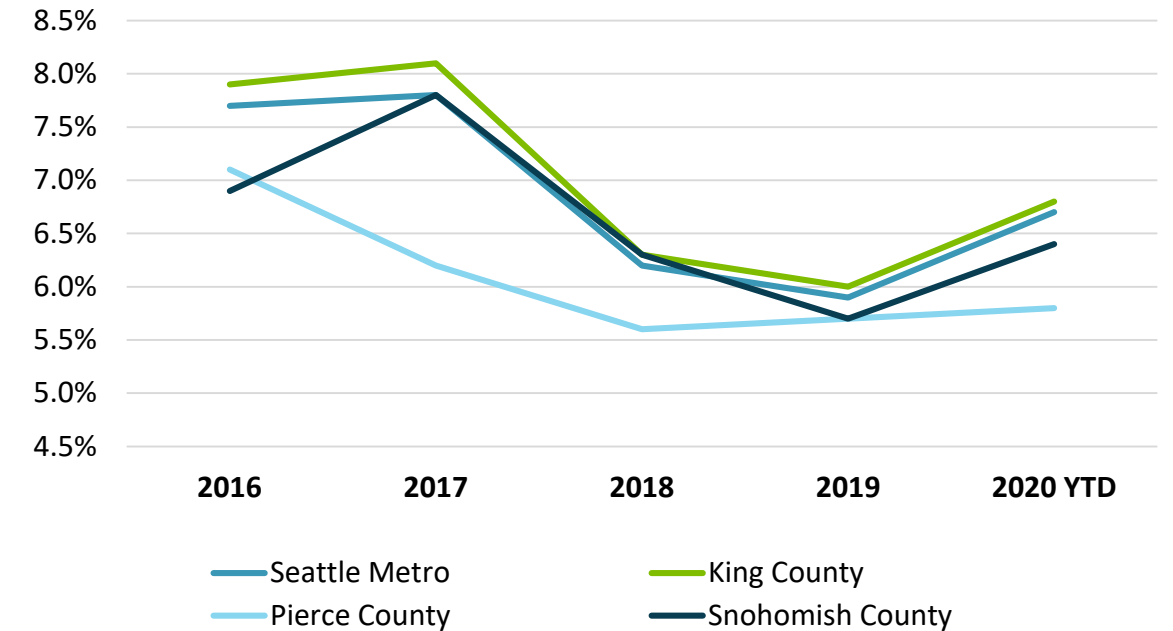
*Avg. Annual NNN rate per square foot

Market Context – Regional Office

Total Inventory and Deliveries, 2016-2020 YTD



Puget Sound Office Vacancy, 2016-2020 YTD



Market	Avg. Rent*	Vacancy	Submarket	Avg. Rent*	Vacancy
King County	\$36.57	6.8%	Belltown/Denny Regrade	\$41.76	4.7%
Pierce County	\$26.23	5.8%	Pioneer Sq/Waterfront	\$40.60	8.7%
Snohomish County	\$25.42	6.4%	Queen Anne/Magnolia	\$37.47	12.2%

*Avg. Annual Full Service rate per square foot



**COMMISSION
AGENDA MEMORANDUM**

Item No.	<u>11b</u>
Date of Meeting	<u>March 23, 2021</u>

BRIEFING ITEM

DATE: March 3, 2021
TO: Stephen P. Metruck, Executive Director
FROM: Michael Villa, Acting Chief of Police
SUBJECT: POSPD 2020 Annual Report

EXECUTIVE SUMMARY

Staff will brief the Commission on the Police Department's annual report for 2020, to include:

- (1) Department overview and highlights
- (2) Operational stats for 2020
- (3) Department updates

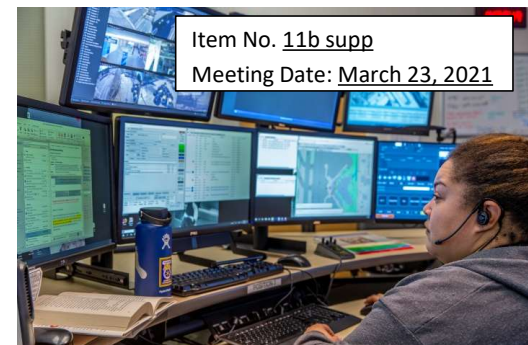
The purpose of this briefing to introduce annual reporting from the Police Department to the Commission and Executive Staff for their general knowledge and transparency. As part of this briefing, staff may also update the Commission on future goals of the department.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None.



Police Department: 2020 Annual Report

Commission Briefing

Michael Villa, Acting Chief of Police



Overview & Highlights



- Guiding Principles
- Teams
- People
- Partnerships
- 2021 Goals
- Questions?

Port of Seattle Police Department

Vision

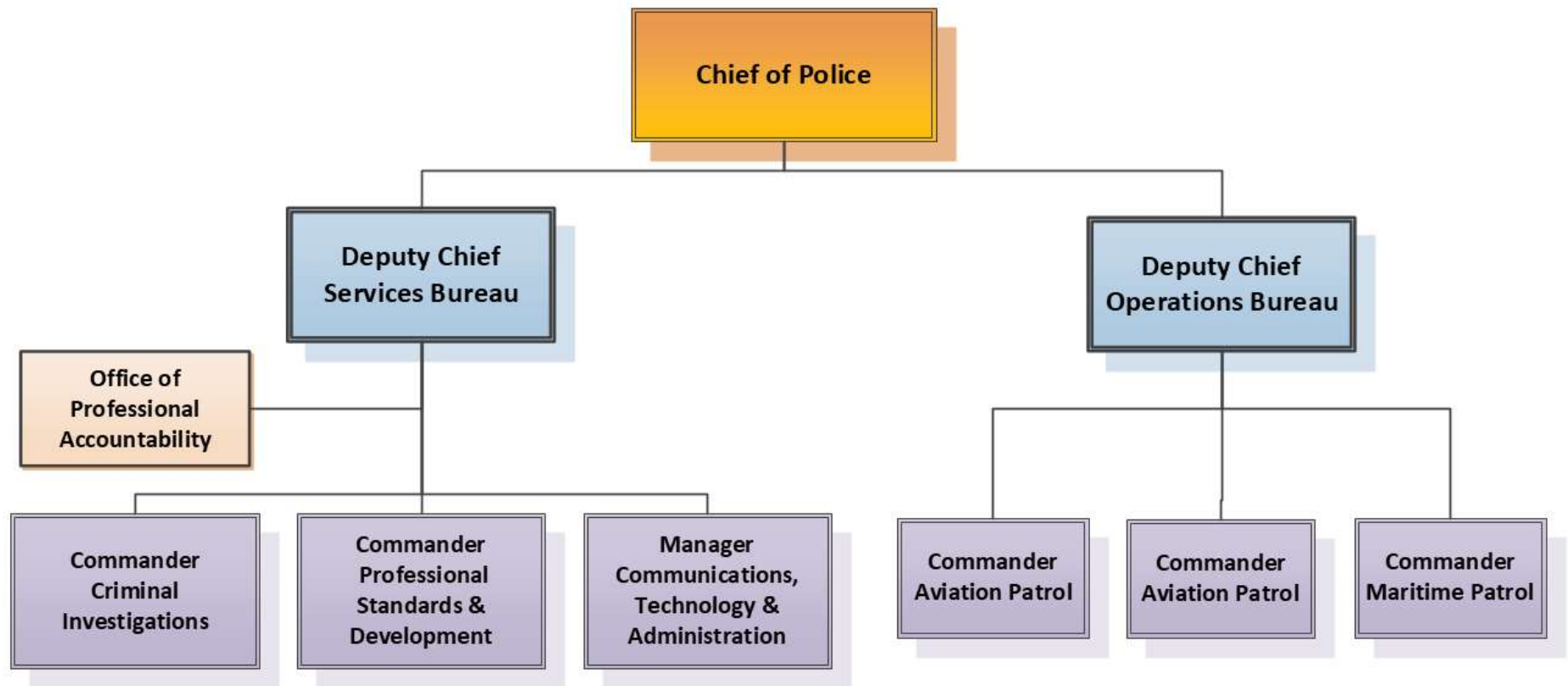
The Nation's Finest Port Police

Mission

In Support of the Port of Seattle's Mission, We Fight Crime, Protect and Serve Our Community

Guiding Principles

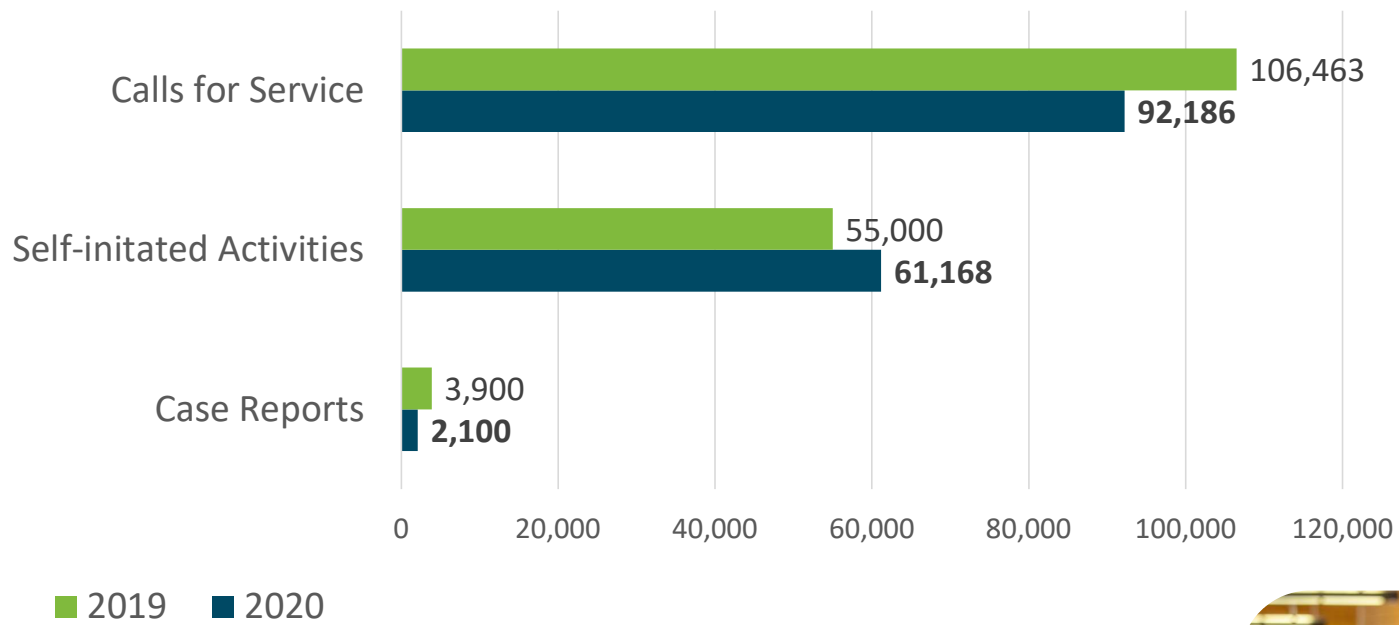
Leadership, Integrity and Accountability



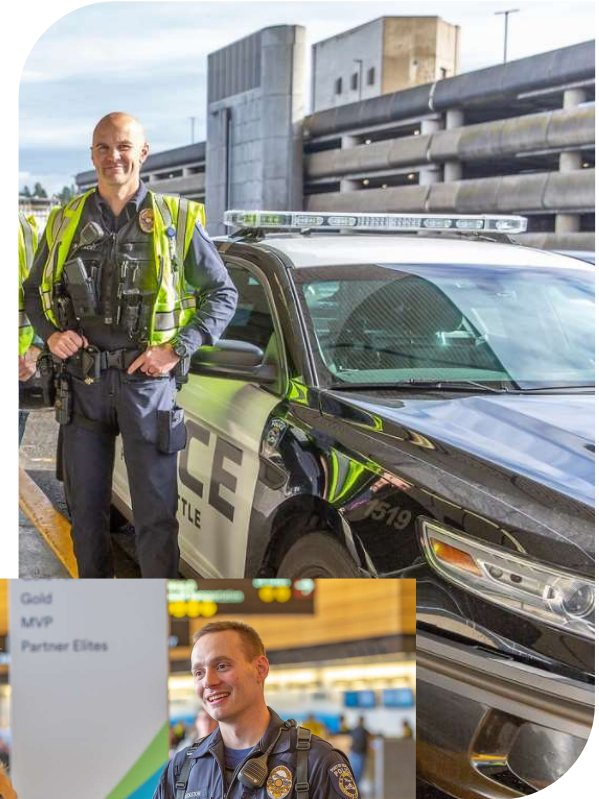
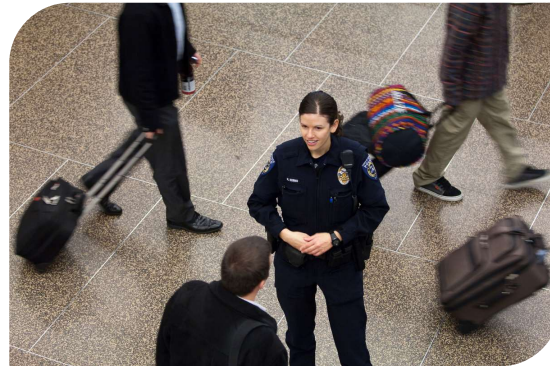


Operations Bureau

- Patrol
- Marine Patrol Unit
- Dive Team
- Traffic Support Specialists
- Explosive Detection K9
- Bomb Disposal Unit



Patrol



Minimum Staffing Level (MSL)

Changes for officers due to COVID-19



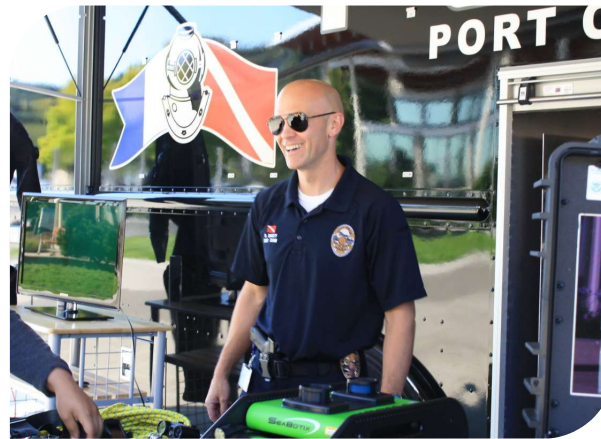
Officer MSL for non-peak travel periods were adjusted:

- 11 on January 1
- 10 on March 13
- 9 on March 24 (TSS MSL changed to zero)
- 8 on April 2
- 9 on October 15

Officer MSL for peak travel periods was greatly reduced:

- MSL increases for the cruise ship season were eliminated
- MSL for peak periods such as Thanksgiving and Christmas reduced

Marine and Dive Unit





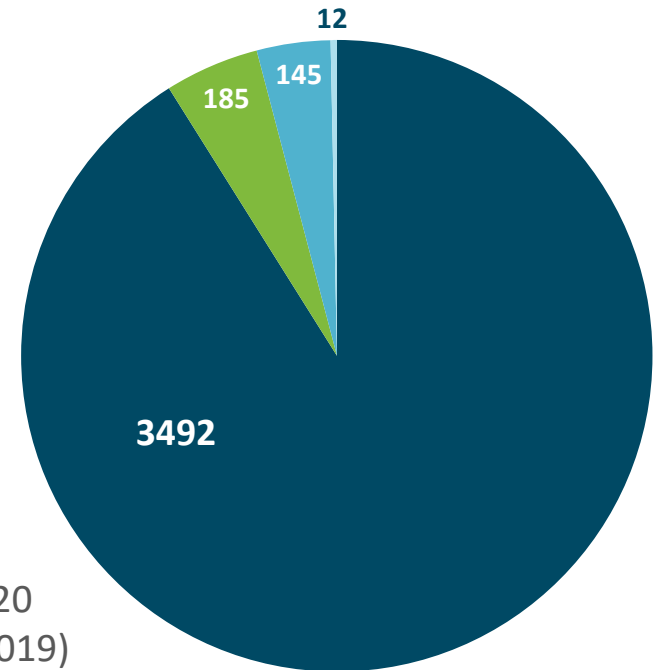
Traffic Support Specialist

TSS support the mission of the Port of Seattle Police Department by providing vigilant and active presence on the arrival and departure drives of SEA and by facilitating the movement of traffic on these drives.



Explosives Detection Canine (K9) Unit

The ED canine teams serve as a frontline defense on America's war on terror and plays a key role in keeping air transportation safe for travel and commerce.



Activities in 2020
(comparable to 2019)

■ K9 Emphasis Patrols
■ Unattended Items

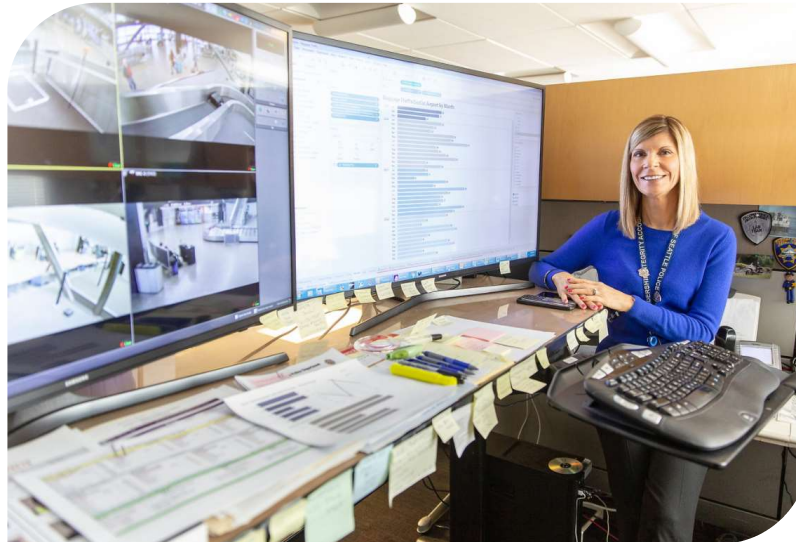
■ Cargo Sweeps
■ Response to Bomb Threat



Bomb Detection Unit



Investing in technology and training to more quickly and safely assess and eliminate threats and resume SEA operations.



Services Bureau



- Office of Professional Accountability
- Criminal Investigations Division
- Administrative Services Division
- 911 Police and Fire Communications Center

Office of Professional Accountability (OPA)

- Investigates alleged employee misconduct
- Liaison to Port Media Relations
- Public disclosure requests
- Use of Force Analysis*
- Bias-Based Policing Analysis



*See Appendix A, B, C for detailed charts

Criminal Investigations Division

Conducts specialized investigations for crime detection, apprehension and prosecution of offenders, and crime prevention.

- Baggage thefts
- Fraudulently renting vehicles
- Drug trafficked
- Sex trafficking
- Background investigations



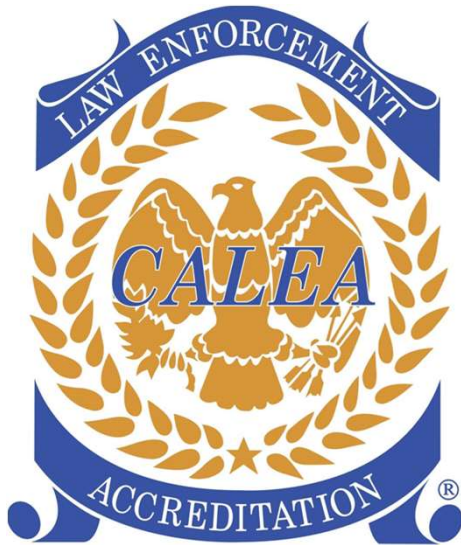
Office of Professional Development (OPD)

OPD ensures all police department employees meet applicable, legislated training requirements, and have adequate training to perform their jobs effectively and efficiently.



Office of Professional Standards (OPS)

OPS serves as the central coordination point for policy/procedure development, updates, and directive creation and dissemination.



CALEA Accreditation

- POSPD is one of only eight CALEA-accredited agencies in WA
- Initial accreditation in 2011; reaccredited in 2014 and 2017
- Currently in accreditation cycle to be completed in 2021

Recruiting and Hiring

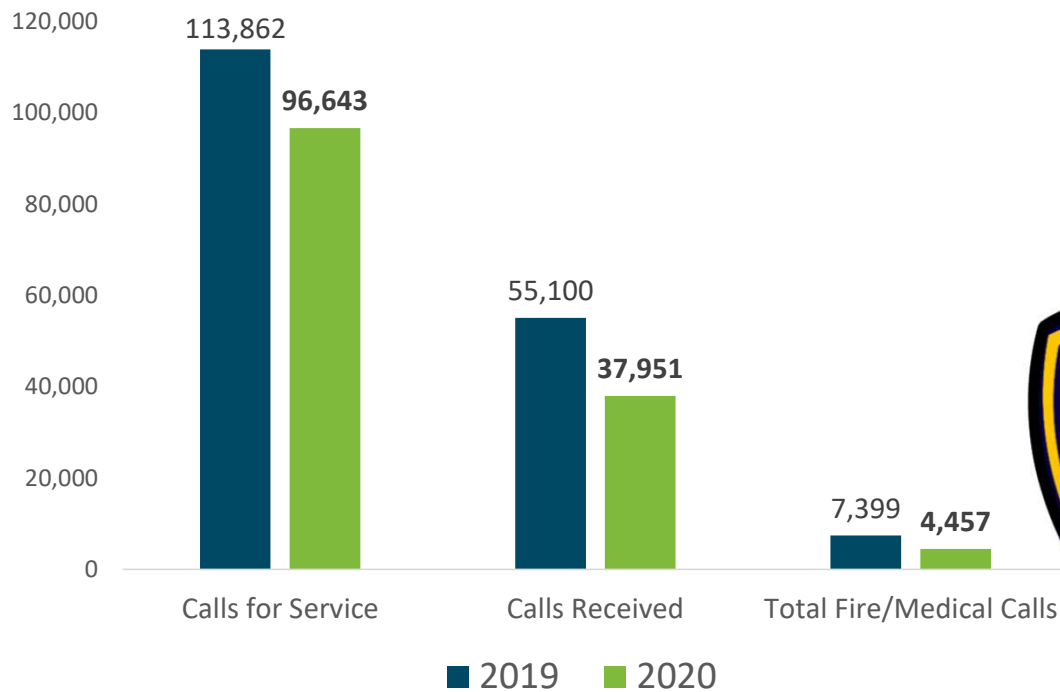
- Authorized 123 commissioned FTE's
- Authorized 47 non-commissioned FTE's
- 10 retirements
- 7 hires pre-hiring freeze
- 4 promotions
- Staffing at end of year*:
 - Law Enforcement Officers: 112
 - Civilian Employees: 38



*See Appendix D for 2021 demographics breakdown

911 Police and Fire Communications Team

Slight decrease in service calls from 2019 to 2020





Partnerships

- Valley Civil Disturbance Unit
- Valley Independent Investigations Team
- Valley SWAT
- Valley Hostage Negotiations Team
- Puget Sound Auto Theft Task Force
- Criminal Justice Training Commission
- FBI Joint Terrorism Task Force



2020 Awards

Officer of the Year:

- Ofc. Tim Derr

Commendation of Valor:

- Sgt. Ryan Leavengood
- Ofc. Brian Torre
- Ofc. Todd Wilson

Lifesaving:

- Ofc. Justin LeRoux
- Ofc. Nari Shin
- Sgt. Ryan Leavengood



2020 Budget

Approved 2020 Budget: \$31,443,536

Year-End Expenditure: \$27,535,494

Total Savings: \$ 3,908,042

In 2020, the COVID-19 Pandemic challenged the police department to identify ways we could contribute to savings within the Port of Seattle.

Type of Expense	Expenditure
Salaries and Benefits	\$24,548,154
Equipment	\$156,782
Utilities	\$9,615
Supplies and Stock	\$462,751
Outside Services	\$549,521
Travel and Other Employee Expenses	\$92,257
Promotional Expenses	\$1,464
Telecommunications	\$117,859
Property Rentals	\$15,996
Worker's Compensation	\$463,459
General Expenses	\$1,123,175

2021 Department Goals

1. Participate in police assessment and implement agreed upon recommendations
2. Prevent crime and improve customer safety and experience on Port properties
3. Obtain accreditation from the Commission on Accreditation for Law Enforcement Agencies (CALEA)
4. Staff and resource to meet service needs while keeping overtime to a minimum and within the approved 2021 budget

2021 Department Goals

5. Establish Service Level Expectations with Port business partners by end of 2nd Quarter
6. Increase transparency of Police Department with Commission, Executive Leadership Team, the public and key stakeholders
7. Build and enhance partnerships that ensure mission effectiveness
8. Increase efficiency of operations and officer safety through improved technology or tools

Questions

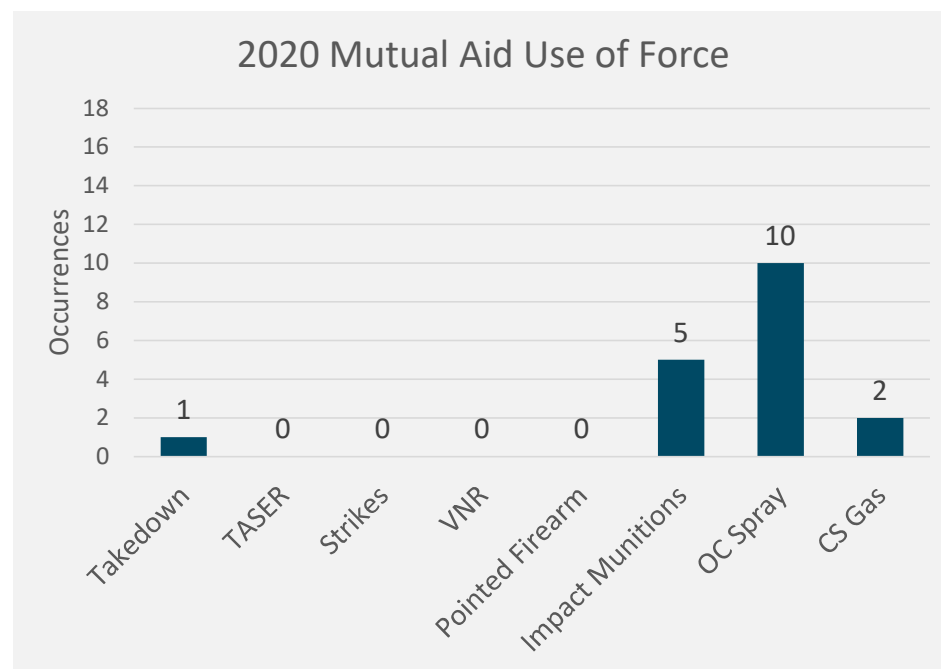
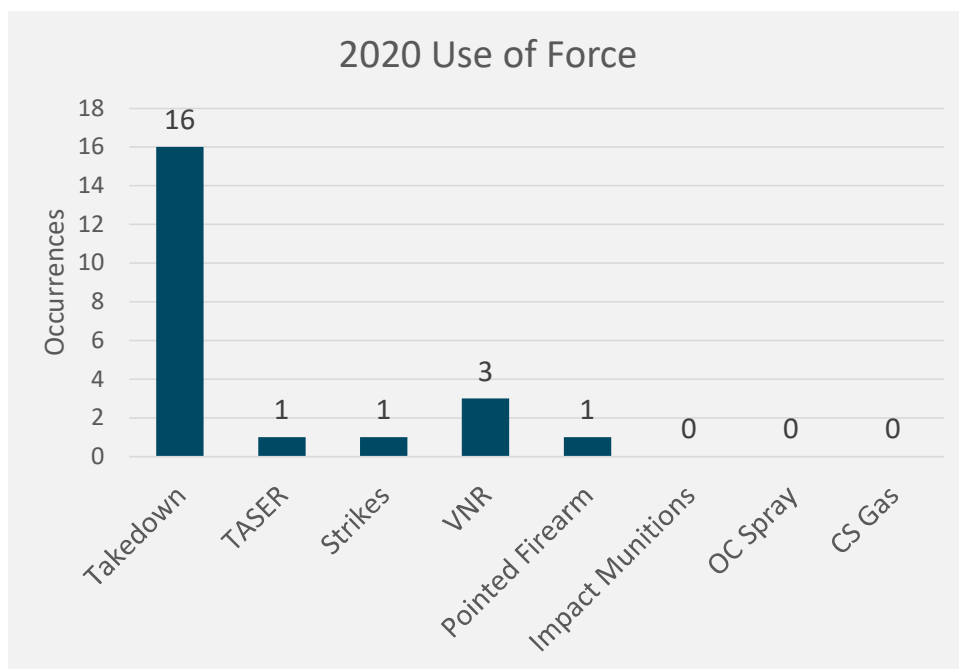


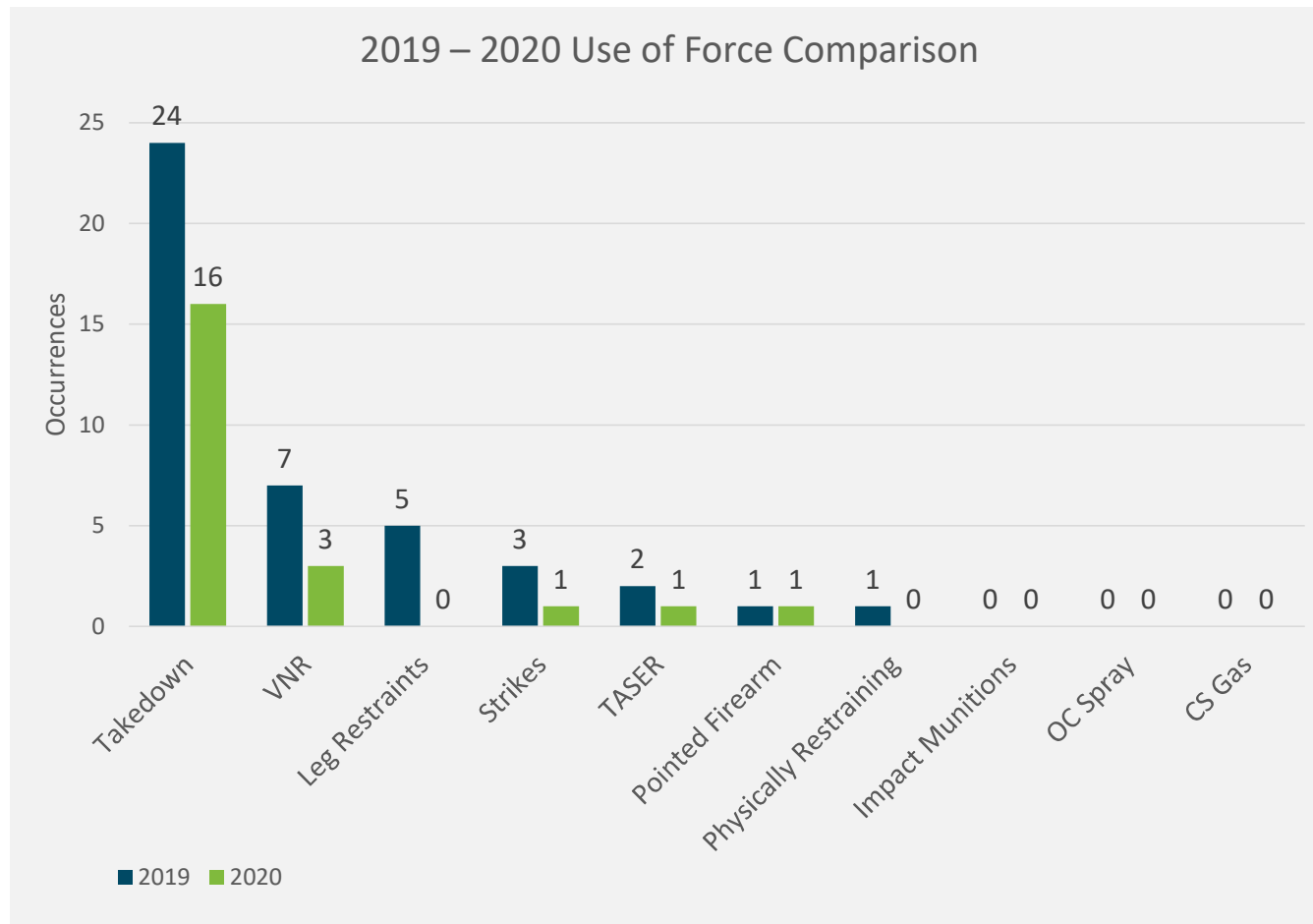
Appendices



Use of Force

- Police Contacts 8,334
- Arrests 448
- 32 use of force events in 2020 (.3% of all contacts)
- Vascular neck restraint was removed from department policy in June 2020





Department Demographics (2021)

151 employees
113 Commissioned personnel
38 Civilian personnel

