



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 10d

**ACTION ITEM**

**Date of Meeting** April 13, 2021

**DATE:** March 25, 2021

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Stephanie Jones Stebbins, Managing Director Maritime  
Kyra Lise, Director Real Estate and Economic Development

**SUBJECT: Pier 86 Public Fishing Pier restoration, in partnership with Expedia and Department of Fish and Wildlife**

**Amount of this request:** \$83,000

**Total estimated project cost:** \$1,000,000

**ACTION REQUESTED**

Request Commission authorization for (1) the Executive Director to execute a Funding Agreement with Cruise, LLC (Expedia Group) and Washington State Department of Fish and Wildlife to spend up to \$83,000 for the Port’s one-sixth contribution towards a Cost and Feasibility Analysis which seeks to understand the engineering demands and construction costs for the rebuilding of the Public Fishing Pier at Pier 86 with a ferry float to support commuter ferry service; and (2) to exempt this opportunity from a competitive process. The total cost of this cost and feasibility analysis is anticipated to be no more than \$500K and will be additionally supported by a contribution of up to \$167,000 by Department of Fish and Wildlife and a contribution of \$250,000 and any additional costs of the cost and feasibility analysis to be borne by Cruise, LLC (Expedia Group).

**EXECUTIVE SUMMARY**

This Cost and Feasibility study will allow the Port and its partners at Pier 86 -- Cruise, LLC (Expedia Group) and Washington State Department of Fish and Wildlife – to determine the technical requirements and potential costs of construction of rebuilding the public fishing pier at Pier 86 with a “ferry float” to support commuter service into the Expedia Campus. This cost and feasibility analysis will be conducted by Reid Middleton under the supervision of Cruise, LLC, and will cover general site analysis, structural evaluations, structural design, zoning and regulatory permitting analysis, and criteria for facility construction. The purpose of the study is to allow the partners to evaluate the potential costs of construction and the technical requirements of the project. Only after the study is completed and the partners have reviewed its conclusion that Port staff will make final recommendations to the Port of Seattle Commission about additional funds for construction and make such financing requests. The Port recognizes that Cruise, LLC is

Meeting Date: April 13, 2021

uniquely positioned to provide the feasibility study through the Funding Agreement, as they have already selected a partner, Reid Middleton to perform preliminary work. Staff is recommending Commission determine that a competitive solicitation process is not appropriate or cost effective for the specific scope of work included in the attached Funding Agreement.

**JUSTIFICATION**

The feasibility analysis confirming the costs and technical requirements of rehabilitating Pier 86 for public fishing contributes to the mission of the Port and its Century Agenda by:

Expanding economic, cultural and community benefits of maritime operations and tourism while preserving industrial lands. Become a model for equity, diversity and inclusion by providing equitable opportunities for all and delivers on the Port mission requirement to set the standard for high quality, cost-effective and timely delivery of capital programs.

It is in the port's best interest to contract with Cruise, LLC (Expedia Group) and Washington State Department of Fish and Wildlife, utilizing Reid Middleton, to provide a cost-effective approach to provide a feasibility analysis for the potential construction of rebuilding the public fishing pier at Pier 86. Reid Middleton, Engineers of Everett WA has been under contract to Cruise, LLP to support their work rebuilding and expanding the Expedia Campus over the last 2 years. More significantly, Reid Middleton performed a conditions analysis of the Pier in 2013 as Expedia was preparing for the campus project and are therefore uniquely positioned to efficiently do this cost and feasibility evaluation work as a continuation of their work in 2013. An efficiently performed analysis is also a preference of Department of Fish and Wildlife as their pledged allocation of funds towards this project from the State of Washington will expire within this calendar year.

***Diversity in Contracting***

Seeking waiver language

**DETAILS**

The public dock structure at Pier 86 was first constructed in 1979 through a combination of state, federal, and Port of Seattle funding. That facility has provided critical public access to the waterfront, to neighbors walking through the Port's Centennial Park and to fishermen casting lines from the pier. Since that time, the public pier was operated by the Port under an agreement with WDFD. It was closed in 2017 due to safety concerns. During this time, there was also confusion of ownership of the fishing pier. During the process to develop the agreement to proceed with the cost and feasibility study, the Port and Washington Department of Fish and Wildlife worked to clarify ownership and determined that the Washington Department of Fish and Wildlife the fishing pier structure. The Port signed a Quit Claim Bill of Sale agreement in favor of DFW in furtherance of DFW's ownership of the fishing pier structure. Since then, Expedia Group has opened its new campus adjoining Pier 86 and has invested substantial funds to-date in enhancements and improvements to the pedestrian and bicycle trails and shoreline environment north of Pier 86.

Meeting Date: April 13, 2021

The parties now jointly desire to evaluate the feasibility of the renovation of the Public Pier through a detailed due diligence exercise, as described below (the “Feasibility Analysis”). The Feasibility Analysis would precede any determination by the parties to proceed (or not proceed) with the possible renovation of the Public Pier. Toward this end, the parties are prepared to provide proportional funding in support of this feasibility analysis, subject to the terms outlined herein.

### ***Scope of Work***

- (1) **Feasibility Analysis Elements.** The Feasibility Analysis may include preparation and evaluation of the following elements:
  - Site Analysis and Design
    - Survey
    - Bathymetric survey
    - Geotechnical studies
    - Structural condition evaluation
    - Structural design
    - Zoning, regulatory and permitting analysis
    - Preliminary assessment of potential impacts and mitigation (including microalgae and eelgrass surveys)
    - Feasibility of Ferry Float operations under King County Ferry District guidelines
    - Usage projections for passenger ferry
    - Measures to implement security consistent with other similar marine facilities
    - Lighting plans
    - Criteria for facility construction (i.e., target for useful life of renovated Public Pier)
    -
  - Project Budget:
    - Construction pricing estimates
    - Maintenance and operational cost evaluation
    - Preparation of project capital budget

### ***Schedule***

The timing for the feasibility analysis work will include the following:

- Site Analysis and Design: 3 months
- Project Budget: 2 months
- Permit Documents: 3 months
- Implementing Agreements: 7 months (overlapped with Permit Documents)
- Target Completion: Target would be for Site Analysis and Design and Project Budget work to be complete by July 2021. If the parties decide to proceed, then Permit Documents and Implementing Agreements would be completed by January 2022.

Meeting Date: April 13, 2021

*Activity*

Study Completed	3rd quarter 2021
Funding plan and project agreements negotiated	1 <sup>st</sup> Quarter 2022
Construction and permit plan	3 <sup>rd</sup> Quarter 2022
Construction start	1 <sup>th</sup> Quarter 2023
In-use date	2 <sup>nd</sup> Quarter 2024

**Cost Breakdown**

This Request

Total Project

Design	\$83,000	\$1,000,000
Construction	\$0	TBD
Total	\$83,000	\$TBD

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Do nothing.

Cost Implications:

Pros:

- (1) The Fishing Pier is not a Port-owned asset and is not therefore obligated to repair the Pier. It is possible, though unlikely, that the other partners could pursue the project without Port funds.
- (2) Port would save both the planning funds of \$83,000 but would save a further \$1M which is the extent of funds the Port may consider putting towards the construction project.

Cons:

- (1) It is unlikely that without Port support this project will be pursued in the near term.
- (2) DWF’s investment of \$1.75M for the project may lose its authorization from the State of Washington as the time to use funds will have expired. Therefore, their funds will likely be lost to the project.

This is not the recommended alternative.

**Alternative 2** – Port pursues the redevelopment of the Pier on its own through a Public Works project.

Cost Implications:

Pros:

- (1) Port would retain control of the project.
- (2) Port has a good deal of expertise to bring to such a project.

Cons:

- (1) The fishing Pier is not a Port-owned asset. It is unclear by what methods and authority the Port would have to see the Pier rebuilt.

Meeting Date: April 13, 2021

- (2) The reconstruction of the Pier would have to be entirely reconceived as a Public Works project, with likely higher costs and longer timeframes to completion.

This is not the recommended alternative.

**Alternative 3** - Partner with DFW and Expedia to complete the Cost and Feasibility Analysis and if promising continue towards mutually supporting the reconstruction project.

Pros:

- (1) Expedia is actively working to complete the Expedia Campus project and can effectively jump in and complete the evaluation work as an extension of their current adjacent development project leading to the potential reconstruction of the public fishing Pier.
- (2) Pursuing this partnership will allow DFW’s already allocated funds to be used before their authorization expires.
- (3) The public fishing may return to Pier 86 by the Spring of 2023.

Cons:

- (1) Port will have to expend \$83,000 to support this study at a time where cash is limited.
- (2) Coordinating among 3 partners and their requirements is challenging and may cause inefficiencies.

***This is the recommended alternative.***

**FINANCIAL IMPLICATIONS**

<b><i>Cost Estimate/Authorization Summary</i></b>	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Original estimate	\$0	\$83,000	\$83,000
Previous changes – net	0	0	0
Current change	0	0	0
Revised estimate	0	83,000	83,000
<b>AUTHORIZATION</b>			
Previous authorizations	0	0	0
Current request for authorization	0	0	0
Total authorizations, including this request	0	0	0
Remaining amount to be authorized	\$0	\$0	\$0

***Annual Budget Status and Source of Funds***

This public expense project was included in the 2021 Plan of Finance with a total estimated spending of \$1,000,000 in 2022.

This project will be funded by the Tax Levy.

Meeting Date: April 13, 2021

***Financial Analysis and Summary***

Project cost for analysis	\$1,000,000
Business Unit (BU)	Maritime General
Effect on business performance (NOI after depreciation)	This authorization will increase non-operational expenses by \$83K in 2021.
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

**ATTACHMENTS TO THIS REQUEST**

- (1) Funding Agreement
- (2) PowerPoint

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None