



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8h

**ACTION ITEM**

**Date of Meeting** December 14, 2021

**DATE:** November 5, 2021

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

**FROM:** Kenneth R. Lyles, Director of Maritime Operations and Security  
Robert A. Hoyman, Facilities Project Manager III

**SUBJECT: Shilshole Bay Marina M2 Building Conversion (CIP C801088, WP #N00035)**

**Amount of this request:** \$80,000

**Total estimated project cost:** \$330,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to 1) proceed with completion of the Shilshole Bay Marina M2 Building Conversion and 2) use of Port crews to complete these installations. The amount of this request is \$80,000 for a total project cost of \$330,000.

**EXECUTIVE SUMMARY**

This project performs a conversion of an existing 834 S.F. building which was formerly used by the marina as a restroom and shower facility up until 2020 and is now void of interior walls in preparation for use as an operations storage facility.

**JUSTIFICATION**

Shilshole Bay Marina Operations and Marine Maintenance are currently storing materials critical to the regular upkeep and operations of the marina throughout the marina property, and in cases which conflict with standards and regulatory practices. There have been incidences in which valuable materials and equipment have been stolen from gated areas. Application of the M2 Building conversion to become a controlled dry storage for operational needs will alleviate nearly all these challenges and will enable the operations staff to securely store materials and preserve those materials which would otherwise be exposed to the elements.

The roof repairs performed were necessary to preserve the buildings integrity and ensure the safety of persons entering the building.

***Diversity in Contracting***

The work performed to date includes work performed by a WMBE & Small Business Certified Contractor.

December 14, 2021

**DETAILS**

The SBM M2 Building Conversion was budgeted for \$250,000 in 2020 for work in 2021. In 2021 \$70,000 was allocated and approved for an Environmental Remediation Liability (ERL) Project (N04401) for the purpose of abatement and demolition including materials containing asbestos and lead. The remaining \$180,000 was approved for construction. Included in the \$180,000 is design costs, Craft Labor costs, Project Management, and other related costs typical of remodel/construction work. At the very tail end of demolition, Port Construction Services (PCS) uncovered extensive rot damage over the shower area of the existing restroom building. It was determined that the best approach to correcting these issues was to utilize the Port’s Small Works On-Call Roof Repair Portwide Contract managed by Aviation Maintenance. A quote was received for approximately \$72,000 and the work was executed to restore the building’s integrity in this area. The roof repairs have been completed, the building’s interior walls have been removed and all the structural work is complete.

**REMAINING SCOPE OF WORK**

Work remaining to complete the conversion of the M2 Building includes the following:

- (1) Contracted installation of coiling doors in the building’s exterior.
- (2) Interior finishes including repairs to locations where masonry walls were removed, floor repairs and painting.
- (3) Installation of lighting and power supply.
- (4) Purchase and installation of shelving systems.

***Schedule***

Installation of the Coiling Doors will take place in Q4 2021. The remaining interior work will be completed by Q1 2022.

*Activity*

Previous Budget Authorization	Q1 2021
Construction Start	Q3 2021
Commission authorization	Q4 2021
Construction Completion	Q1 2022
In-use date	Q1, 2022

***Cost Breakdown***

	This Request	Total Project
Design	\$0	\$25,000
Construction	\$80,000	\$305,000
<b>Total</b>	<b>\$80,000</b>	<b>\$330,000</b>

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Install a less costly gate system and leave the interior unfinished

December 14, 2021

Cost Implications: The project can be completed within budget.

Pros:

- (1) The project can be completed using Port Crafts to fabricate chain link gates.

Cons:

- (1) The building will not be entirely secure.
- (2) The contents will have exposure to the elements.

This is not the recommended alternative.

**Alternative 2** – Commission approval of necessary funding to complete the work.

Cost Implications: The Project will cost the Port \$80,000 more than anticipated.

Pros:

- (1) The building conversion will be completed as planned.
- (2) The building will be secure and kept protected from the elements.

Cons:

- (1) Aside from cost implications, there are no adversities to this solution.

**This is the recommended alternative.**

**FINANCIAL IMPLICATIONS**

<i><b>Cost Estimate/Authorization Summary</b></i>	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Original estimate	\$180,000	\$70,000	\$250,000
Previous changes – net	\$229,000	\$21,000	\$250,000
Current change	\$80,000	\$0	\$80,000
Revised estimate	\$309,000	\$21,000	\$330,000
<b>AUTHORIZATION</b>			
Previous authorizations	\$229,000	\$21,000	\$250,000
Current request for authorization	\$80,000	0	\$80,000
Total authorizations, including this request	\$309,000	\$21,000	\$330,000
Remaining amount to be authorized	\$0	\$0	\$0

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

This project is part of C801088 Maritime: 2020 Small Projects and has been included in both the 2021 Capital Plan and the draft 2022 Capital Plan.

This project is funded by the General Fund.

December 14, 2021

***Financial Analysis and Summary***

Project cost for analysis	\$330,000 (of which \$309,000 is expected to be capital)
Business Unit (BU)	Recreational Boating
Effect on business performance (NOI after depreciation)	This project will maintain current revenue from Shilshole Bay Marina Operations. Depreciation will increase by about \$20,600 per year for 15 years.
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)***

Extending the useful service life of our existing assets defers eventual replacement costs for a longer period, supporting the economic vitality of our operations. Other economic benefits include cost effectiveness and minimum disruption to the terminal operations.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None.