

**THE NORTHWEST SEAPORT ALLIANCE**  
**MEMORANDUM**

**MANAGING MEMBERS**  
**ACTION ITEM**

**Item No.** 9B  
**Date of Meeting** August 1, 2023

**DATE:** July 24, 2023

**TO:** Managing Members

**FROM:** John Wolfe, CEO

**Sponsor:** Tong Zhu, Chief Commercial & Strategy Officer

**Project Manager:** Valerie Huffman, Capital Project Manager III

**SUBJECT:** T18 North Fender Replacement Project Authorization

**A. ACTION REQUESTED**

As referenced in NWSA Resolution No. 2020-02, Exhibit A, Delegation of Authority Master Policy, Paragraph 8.c.iii., Managing Member authorization is required for Projects where the total estimated Project cost exceeds \$300,000 or when actual costs of a previously approved Project exceed \$300,000, including Projects previously authorized by the CEO.

Request project authorization in the amount of \$363,000, for a total authorized amount of \$483,000, for work associated with the T18 North Fender Replacement, Master Identification No. N10303.

**B. SYNOPSIS**

The timber pile fender system, that protects the pier and vessels, located at the northmost section of Terminal 18 is deteriorating with age. This project will replace the fender system with a stronger, more environmentally friendly steel pile fender system.

**C. BACKGROUND**

The tenant, Kinder Morgan, located at the northern section of Terminal 18 reported that the north fender system was broken and showing deterioration of the timber piles. This fender system is approximately 120 linear feet, located on the northmost end of the pier in a high traffic area at the mouth of the Duwamish Waterway. The broken sections near the top of the structure present a safety concern.

A visual inspection and review of the most recent condition reports indicated that there are no immediate concerns for the pier structure itself, rather the damage is limited to the timber fender system. Replacement of the 120 linear feet of the fender system is deemed the best course of action.

As the replacement is considered infrastructure repair, it is not a tenant cost. However, the NWSA believes that this asset will remain in use for many years to come and warrants replacement.

#### **D. PROJECT DESCRIPTION AND DETAILS**

This project will replace the deteriorating timber pile fender system with a new steel pile fender system, with the intent to:

- Eliminate safety concerns by replacing the deteriorated fender system.
- Protect the pier within a high traffic area.
- Minimize impact to the structural integrity of the pier by staying with a pile fender system design.
- Extend the expected service life of the fender system by using steel pile.
- Minimize environmental impact through vibratory pile driving.
- Minimize long term environmental impact and cost through less frequent construction cycles.

#### ***Project Objectives***

Project objectives include:

- Removal of the existing deteriorated timber pile fender system.
- Installation of a new steel pile fender system within the 2024/2025 fish window.

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

The scope of work will include:

- Design (POS)
- Permitting (POS)
- Procurement (POS)
- Demolition and Construction (Contractor)

**Schedule**

The projected schedule is reliant upon our ability to permit the in-water work for the 2024/2025 fish window.

Begin Design	August 16, 2023
Design Completion	March 13, 2024
Open Bids	May 23, 2024
Notice of Award	June 14, 2024
Substantial Completion	January 20, 2025
Final Completion	February 19, 2025

**E. FINANCIAL IMPLICATIONS**

**Project Cost Details**

Construction amounts are estimated at a rough order of magnitude and will be further refined at the end of the design phase. The cost below is an estimated cost based on the little-known information at this time.

	This Request	Total Project Cost	Cost to Date	Remaining Cost
Procurement	\$85,000	\$85,000		\$85,000
Pre-Design	\$28,000	\$45,000	\$16,818	\$28,183
Design	\$370,000	\$370,000		\$370,000
Construction		\$1,000,000		\$1,000,000
<b>Total</b>	<b>\$483,000</b>	<b>\$1,500,000</b>	<b>\$16,818</b>	<b>\$1,483,183</b>

**Source of Funds**

The current Capital Investment Plan (CIP) Budget allocates \$3,097,000 for this project.

**Financial Impact**

Project costs will be capitalized and depreciated over an estimated useful life of 15 years, resulting in annual depreciation expense of \$206,000. There will be no depreciation until 2025.

Based on 2022 annual and 2023 year to date financial information, the tenant at this location, Kinder Morgan, provides approximately \$950,000 per year in annual revenue. The revenue is approximately \$350,000 in rent and \$600,000 in variable volume related revenue.

**F. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS**

The project team examined different fender alternatives to replace the existing structure. The alternatives including replacing the pile fenders system with a panel system, replacement with an in-kind treated timber pile fender system, or replacement with a steel pile system with epoxy coating and/or sleeves. Based on environmental, permitting, operational, service life, and cost considerations, the recommended alternative is the proposed project of replacement with a steel pile system with epoxy coating and/or sleeves.

**G. ENVIRONMENTAL IMPACTS/REVIEW**

Permitting: State Environmental Policy Act (SEPA) Exemption, Shoreline exemption; In-water permits and approvals will be required from The US Army Corps of Engineers; Washington State Departments of Fish & Wildlife, Ecology and Natural Resources, and tribal coordination will be required.

Remediation: None

Stormwater: Potential for stormwater review for staging and laydown.

Air Quality: No impacts.

**H. ATTACHMENTS TO THIS REQUEST**

None.

**I. PREVIOUS ACTIONS OR BRIEFINGS**

<u>Date</u>	<u>Action</u>	<u>Amount</u>
October 3, 2022	Executive Authorization	\$120,000
<b>TOTAL</b>		<b>\$120,000</b>

Item No.: 9B  
Date of Meeting: August 1, 2023

# T18 North Fender Replacement Project Authorization



**THE NORTHWEST**  
SEAPORT ALLIANCE

SEATTLE + TACOMA

Valerie Huffman  
Capital Projects Manager III

August 1, 2023

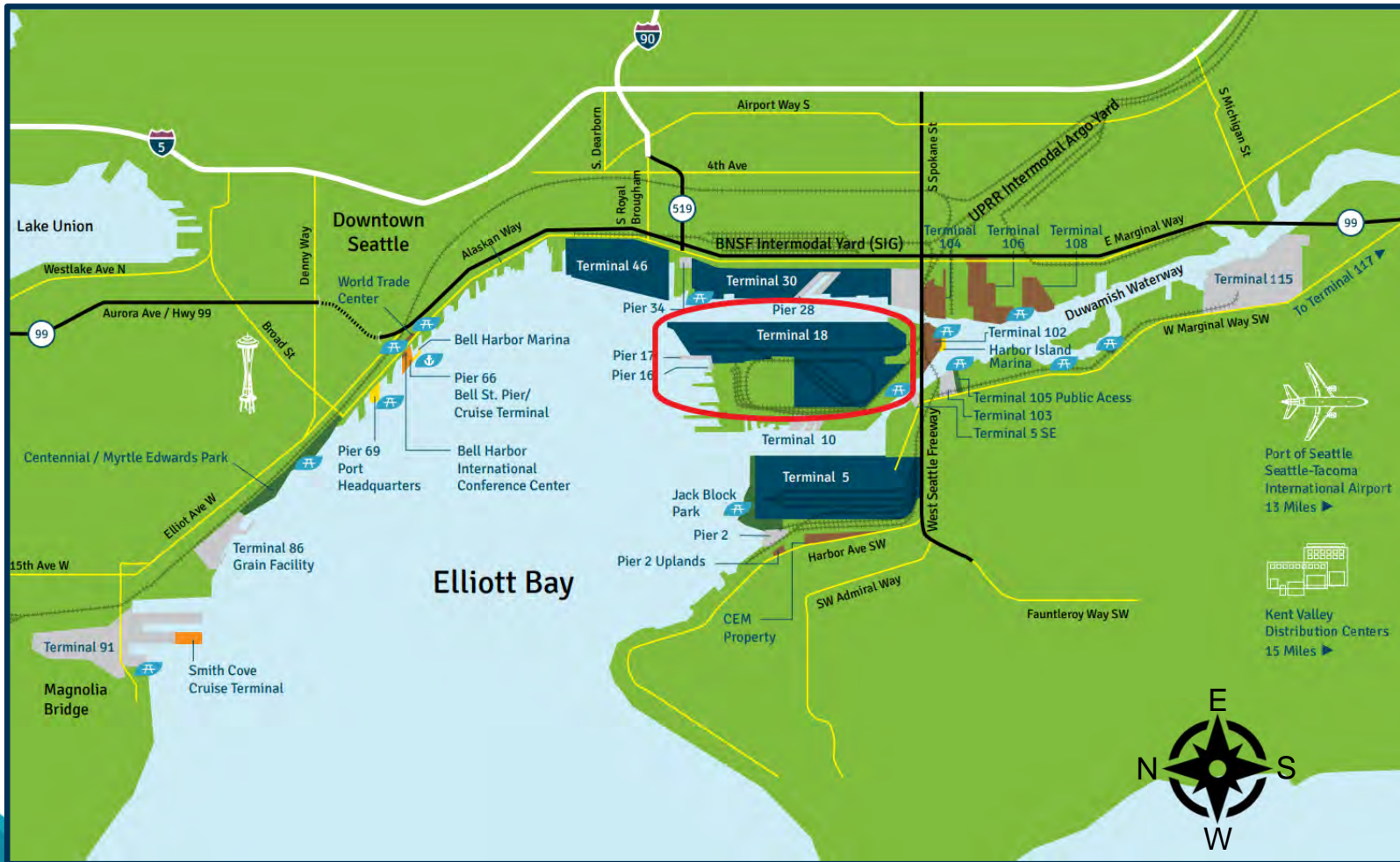
# ACTION REQUESTED

Request project authorization in amount of \$363,000, for a total authorized amount of \$483,000, for work associated with the T18 North Fender Replacement Project, Master Identification No. N10303.

# Background

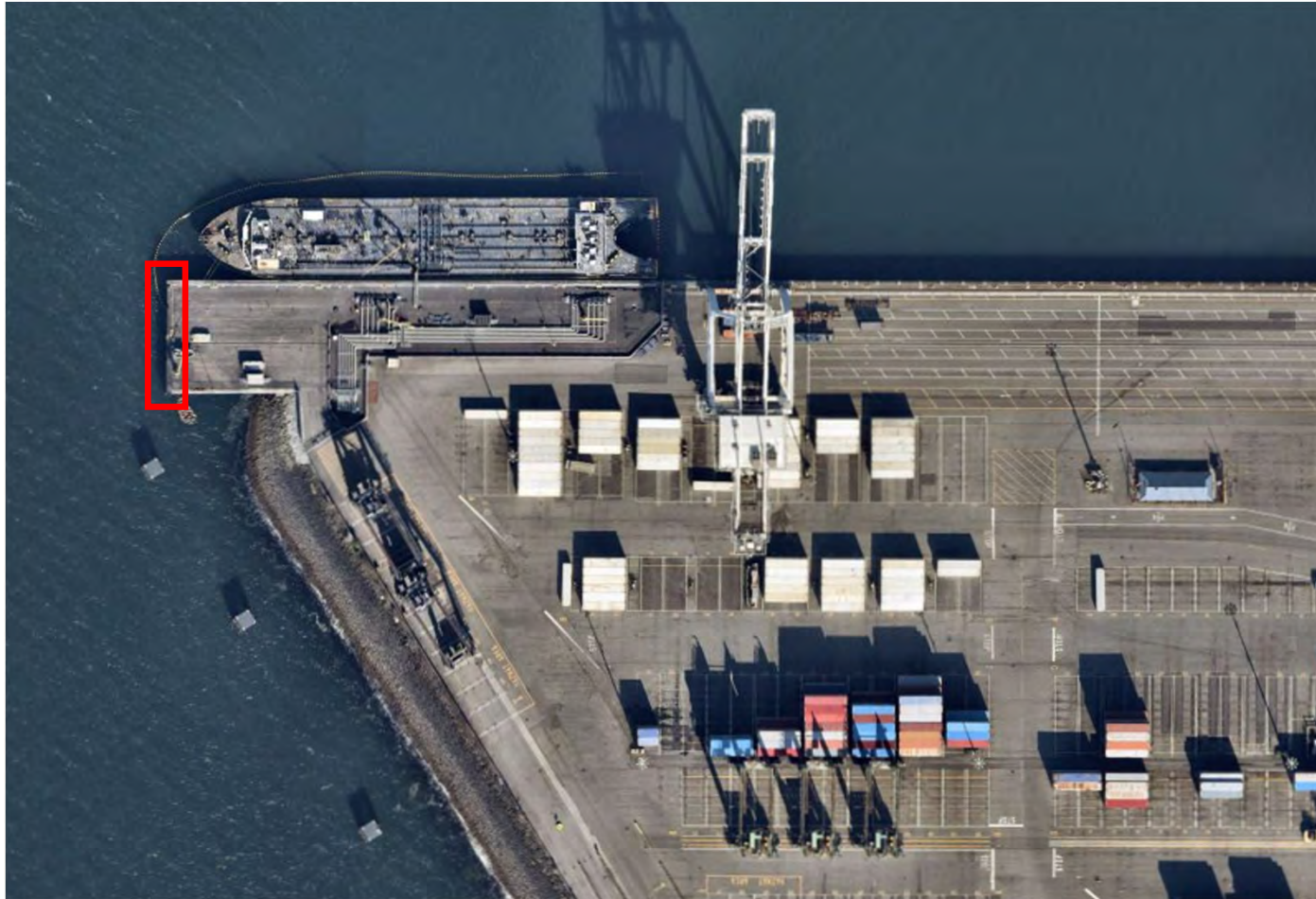
- At the northmost facing pier of Terminal 18, leased to Kinder Morgan, the existing timber fender system, that protects the pier and vessels, is broken and piles have deteriorated.
  - Presents a safety concern.
- There is no immediate concerns for the pier structure itself. Deterioration is limited to the fender system.
- Current structure is approximately 120 linear feet of treated timber pile.
  - Located in a high traffic area at the mouth of the Duwamish Waterway

# Terminal 18 – North Harbor





# Terminal 18 – North Pier

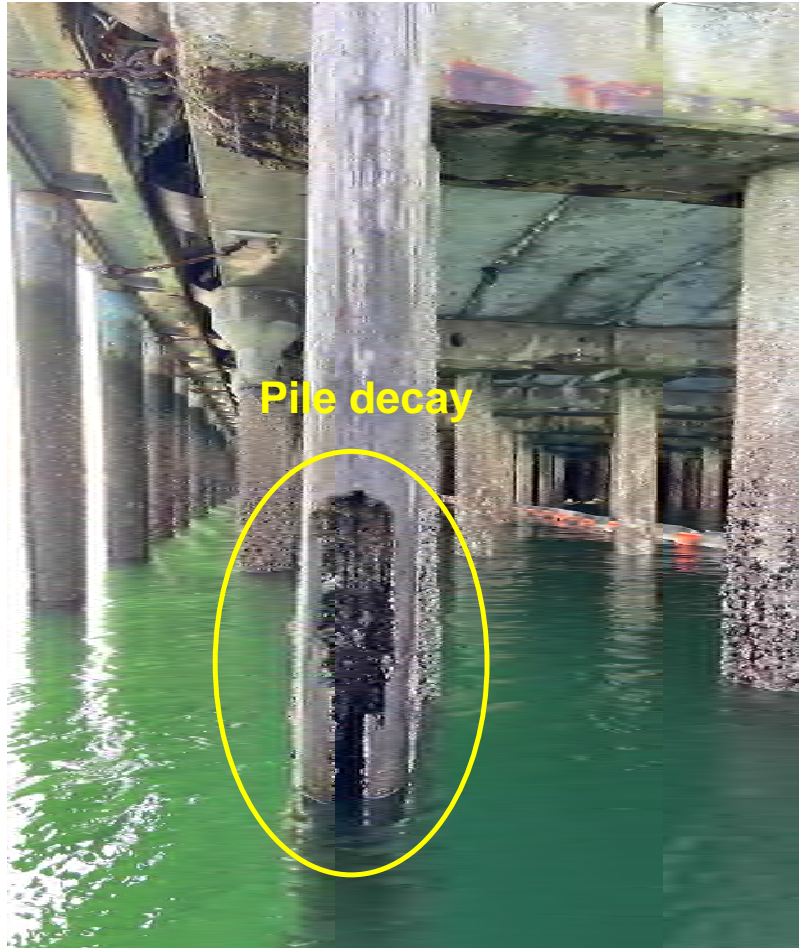


# Background – Fender Deterioration

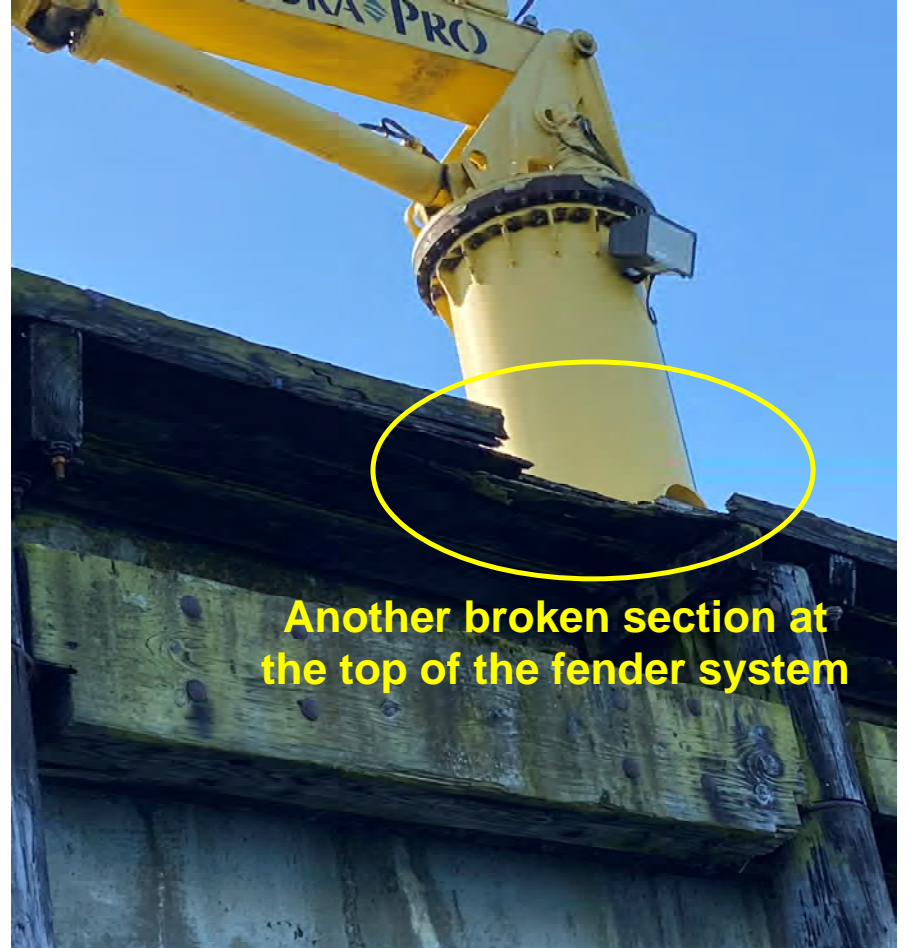


One of 3 large broken sections at the top of the fender system





Pile decay



Another broken section at the top of the fender system

# Project Description and Details

- This project will replace the deteriorating timber pile fender system with a new steel pile fender system, with the intent to:
  - Eliminate safety concerns.
  - Protect the pier within a high traffic area.
  - Minimize impact to the structural integrity of the pier.
  - Extend the expected service life by using steel pile.
  - Minimize environmental impact through vibratory pile driving.
  - Minimize environmental impact & cost through less frequent construction cycles.

# Project Objectives

- Project objectives include:
  - Removal of the existing deteriorated timber pile fender system.
  - Installation of a new steel pile fender system within the 2024/2025 fish window.

# Scope of Work

- The scope of work will include:
  - Design (POS)
  - Permitting (POS)
  - Procurement (POS)
  - Demolition and Construction (Contractor)

# Project Schedule

Activity	Timeframe
Begin Design	August 16, 2023
Design Completion	March 13, 2024
Advertise	April 10, 2024
Contract Award	July 2, 2024

# Source of Funds

- The estimated cost of the Pre-Design, Procurement, and Design for this project is \$483,000.
- The estimated budget for this project is \$1,500,000.
- The 2017-2022 Capital Investment Plan (CIP) allocates \$3,097,000 for this project.
- This work and associated budget is consistent with the NWSA valuation.



# Project Cost Summary

Item	This Request	Total Project Estimate	Cost to Date	Remaining Cost
Procurement	\$85,000	\$85,000	\$0	\$85,000
Pre-Design	\$28,000	\$45,000	\$16,818	\$28,183
Design	\$370,000	\$370,000	\$0	\$370,000
Construction		\$1,000,000	\$0	\$1,000,000
<b>Project Total:</b>	<b>\$483,000</b>	<b>\$1,500,000</b>	<b>\$16,818</b>	<b>\$1,483,183</b>

# Financial Summary

- Project costs will be capitalized and depreciated over an estimated useful life of 15 years, resulting in annual depreciation expense of \$206,000. There will be no depreciation until 2025.
- Based on 2022 annual and 2023 year to date financial information, the tenant at this location, Kinder Morgan, provides approximately \$950,000 per year in annual revenue. The revenue is approximately \$350,000 in rent and \$600,000 in variable volume related revenue.

# Environmental Impacts / Review

- Permitting: State Environmental Policy Act (SEPA) Exemption, Shoreline exemption, In-water permits and approvals from The US Army Corps of Engineers: Washington State Department of Fish & Wildlife, Ecology and Natural Resources, and Tribal coordination will be required.
- Remediation: None.
- Stormwater: Potential for stormwater review for staging and laydown.
- Air Quality: No impacts.

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