

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.	<u>4E</u>
Date of Meeting	<u>March 20, 2018</u>

DATE: March 7, 2018

TO: Managing Members, The Northwest Seaport Alliance

FROM: John Wolfe, Chief Executive Officer
Sponsor: Tong Zhu, Chief Commercial Officer
Project Manager: Pedro Reyes, Engineering Project Manager II

SUBJECT: Terminal 7 Modular Relocation and Restroom Renovations Project

A. ACTION REQUESTED

As referenced in NWSA Resolution No. 2016-04, Exhibit A, Delegation of Authority Master Policy, Paragraph 8.c.iii., states project costs exceeding \$300,000 require approval from Managing Members.

Request project authorization in the amount \$295,000 for a total authorized amount of \$595,000, for work associated with the Terminal 7 Modular Relocation and Restroom Renovations Project, Master Identification No. 201036.01.

B. SYNOPSIS

To meet US Customs and Border Patrol (CBP) office standards, additional office space is needed. This will require relocating office space currently used by the Military. To meet the Military's needs, the existing Longshore breakroom/restrooms at Terminal 7 (T7) will be remodeled and brought up to current standards.

The original building was constructed in 1962 and has not undergone any substantial renovations.

C. BACKGROUND

The Northwest Seaport Alliance and Port of Tacoma have entered into an agreement with US Customs and Border Patrol (CBP) concerning the necessity to provide acceptable office space to accommodate CBP terminal and customer service operations. All CBP operations are currently conducted through their offices located at 2202 Port of Tacoma Road. These offices are over capacity, have limited parking for private vehicles, CBP vehicles and customer parking, and do not meet CBP office standards.

CBP's on terminal operations will be relocated to the T7 Customer Service Facility (CFS) located east of the Port of Tacoma Administration Building adjacent to Sitcum Plaza. The 833rd Military Transport Division currently occupies the first floor of this building and must be relocated ahead of planned redevelopment for CBP.

This project will relocate one of the modular buildings from the Port's former field office on Alexander Avenue to a location north of the existing Longshore Breakroom for use by the 833rd as office space. As this building does not have restroom facilities, the existing restrooms in the Longshore Breakroom will be renovated to address code compliance and functionality issues.

D. PROJECT DESCRIPTION AND DETAILS

Scope of Work for This Request:

- Relocate modular building from 3401 Alexander Avenue
- Renovate restroom in Longshore Breakroom
- Upgrade electrical systems in the Longshore Breakroom to meet current code requirements
- Provide new communications systems in both the relocated modular and Longshore Breakroom

Schedule

Project Bidding	March 2018
Construction	May 2018
Contract Completion	August 2018

E. FINANCIAL IMPLICATIONS

Project Cost Details

	This Request	Total Project Cost	Cost To Date	Remaining Cost
Design	\$0	\$114,200	\$56,875	\$57,325
Construction	\$295,000	\$480,800	\$0	\$480,800
Total	\$295,000	\$595,000	\$56,875	\$538,125

Source of Funds

The current Capital Investment Plan (CIP) allocates \$595,000 for this project.

Financial Impact

Project costs will be capitalized and depreciated over an estimated 10-year period resulting in annual depreciation of \$60,000. Depreciation expense for 2018 will be approximately \$20,000 based on a completion date of August 2018. Income from military operations exceeded \$900,000 in 2016, and over \$2 million in 2017. The 2018 budget includes approximately \$500,000 in income from military operations at T7.

F. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS

Alternative 1) Do Nothing.

This option is not feasible because it does not meet the needs of the Military or comply with the terms our agreement with CBP.

Alternative 2) Construct a new building to meet Military needs.

The cost to build a new building and the timing to obtain necessary permits made this option unfeasible.

Alternative 3) Relocate a Port owned modular from 3401 Alexander Ave and renovate the existing restrooms in the existing building.

This option was selected as it removes one modular building from Parcel 77 ahead of planned development of that parcel and allows the Military to be located on site at T7. The renovations of the restrooms to meet current code requirements will be acceptable to Military use and help control budget constraints.

Alternative 3 is recommended.

G. ENVIRONMENTAL IMPACTS/REVIEW

Permitting: This project is SEPA exempt. A shoreline substantial development permit is required and has been submitted. No other permitting is anticipated.

Remediation: No impacts are anticipated.

Water Quality: No impacts are anticipated.

Air Quality: No impacts are anticipated.

H. ATTACHMENTS TO THIS REQUEST

- Computer slide presentation.

I. PREVIOUS ACTIONS OR BRIEFINGS

<u>Date</u>	<u>Action</u>	<u>Amount</u>
November 2, 2017	Executive Authorization	\$300,000
TOTAL		\$300,000