

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

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

<b>Item No.</b>	<u>9B</u>
<b>Date of Meeting</b>	<u>August 2, 2022</u>

**DATE:** July 19, 2019

**TO:** Managing Members

**FROM:** John Wolfe, CEO

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

**Project Manager:** Amy Kiessling, Capital Project Manager

**SUBJECT:** Terminal 5 South Marine Building Construction Authorization

**A. ACTION REQUESTED**

Requesting authorization to advertise and construct the South Marine Building and the supporting utilities at Terminal 5.

This is an Uplands Improvement Project within the Terminal 5 Modernization Program and **is fully funded** from the previously authorized T-5 Modernization Program Management Reserve, CIP No. C800988, Master Identification No. U00568, T-5 Marine Buildings North and South.

**SYNOPSIS**

No new monies are requested to complete this project. The Terminal 5 Lease with SSA Terminals (Seattle Terminals), LLC obligates the NWSA to construct two breakrooms for use by ILWU workers. Design and permitting for both buildings was authorized at the May 20, 2019, Managing Member meeting. The north building reached substantial completion on November 19, 2021, meeting the Phase 1 Lease obligation. Delivery of the South Marine Building is a Phase 2 lease obligation that needs to be met by January 1, 2024.

**BACKGROUND**

Design and permitting were completed for both buildings in June of 2020. Staff requested authorization to advertise and construct both buildings under one contract. At that time, Managing Members opted to authorize construction of the north building only. The south building was removed from the bid package and is

now ready to be advertised in November 2022 and utilize the existing shoreline and building permits.

## **B. PROJECT DESCRIPTION AND DETAILS**

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

Construction is for a two-story structure with a breakroom and restroom facilities to accommodate 60 people, with a second story for conducting dockside ship operations. Scope includes the installation of several new utilities to support the building: a new sanitary sewer line, sanitary lift station with controls and other sanitary sewer structures, a water line, electrical feeders, power and communication pathway, drainage structures and piping to route stormwater runoff into the existing drainage conveyance system.

### ***Project Objectives***

Construct second of two identical buildings with site utilities to the City of Seattle building code standards.

### ***Schedule***

The building and service utilities will bid together as one package. The schedule below will allow for the delivery to meet the Phase 2 lease obligation and use existing permits.

Advertise for Bid	November 2022
Open Bids	January 2023
Notice of Award	March 2023
Substantial Completion	October 2023
Contract Closeout	January 2024

A construction start beyond March 2023 risks an SDCI requirement to redesign the building to meet the 2018 Building Code, which would likely add significant cost and a year to the schedule. The current project schedule will avoid this scenario.

## C. FINANCIAL IMPLICATIONS

### *Project Cost Details*

	Original Authorized	Currently Authorized	Total Cost	Spent To Date	Remaining Cost
N. & S. Marine Buildings	\$5,400,000	\$10,100,000	\$11,200,000	\$4,900,000	\$6,300,000

The current budget for the north and south building project is \$10.1M and is budgeted from the Management Reserves. This amount was included in the July 7, 2021, Managing Member meeting that requested an increase to the Management Reserve Fund. Since July 2021, market conditions have shown significant increases in labor, material and equipment costs, and the estimate to complete the project is now greater than previously forecasted. An additional \$1.1M will be used from Management Reserves to increase the budget to \$11.2M. The additional money is available from the currently authorized Management Reserve Fund.

### *Source of Funds*

The T5 Modernization Program previously authorized amount of \$392.5M includes the costs for this work. The current Capital Improvement Plan (CIP) Budget allocates \$11,200,000 for this project.

### *Financial Impact*

Project costs will be capitalized and depreciated over an estimated useful life of 30 years resulting in an annual depreciation expense of \$373,300.

## D. ENVIRONMENTAL IMPACTS/REVIEW

Permitting: The Project has a Shoreline Use and Construction Permit for the project as designed under the SDCI 2015 Building Code. The permits were recently renewed to accommodate the later build-date for the south building.

Depth of utilities require an Industrial Wastewater Discharge permit with King County. The contractor will be required to design, manage, and treat water and stormwater to the permit requirements with Port oversight.

Remediation: Soil removed from the site will require Subtitle D disposal.

Stormwater: Temporary erosion and sediment control planning and execution are required during construction. The completed project is under the required threshold

for stormwater treatment; roof runoff will be conveyed into a stormwater catch basin and conveyed to the existing site system as required.

**E. ATTACHMENTS TO THIS REQUEST**

- Computer slide presentation.

**F. PREVIOUS ACTIONS OR BRIEFINGS**

<b>Date</b>	<b>Action</b>	<b>Amount</b>
May 2, 2022	T-5 Modernization – Program Update	\$0
February 1, 2022	T-5 Modernization – Program Update	\$0
December 21, 2021	Terminal 5 Partial Settlement Agreement with SSAT	\$2,500,000
November 2, 2021	T-5 Modernization – Program Update; Acceptance of T5 MARAD 2020 PIDP Grant Agreement; and POS only vote for ERL funding for T5 uplands soil disposal (\$700,000)	\$0
September 8, 2021	Terminal 5 ILA for Shore Power Grant with Department of Commerce	\$0
July 7, 2021	T-5 Program Update, Increased Auth and N Reefer Construction Auth	\$50,000,000
June 1, 2021	First Amendment to T-5 Lease authorization by MMs	\$0
April 6, 2021	Quiet Zone MOU	\$0
March 2, 2021	T-5 Modernization - Program Update	\$0
February 2, 2021	Approval for Construction of RPM, S Reefers, Clean Truck	\$0
October 6, 2020	T-5 Modernization - Program Update	\$0
September 1, 2020	T-5 Modernization - Tribal Agreement Update	\$0
August 4, 2020	T-5 Marine Building - Approval to advertise for N Building construction only	\$0
July 2, 2020	T-5 Marine Buildings - Auth to advertise for N and S Bldgs construction	\$0
July 2, 2020	T-5 Modernization - Program Update	\$0
April 7, 2020	T-5 Modernization - Program Update	\$0
January 14, 2020	T-5 Modernization - Program Update	\$0
October 1, 2019	T-5 Modernization - Program Update	\$0
August 6, 2019	T-5 Modernization - Program Update	\$0
June 4, 2019	T-5 Program Update	\$0
May 20, 2019	Authorization for Construction of Berth Modernization Program	\$0
April 2, 2019	Additional Program Funding and Auth to Fund T-5 Modernization	\$314,150,000
February 26, 2019	Authorization to advertise for construction	\$0
February 5, 2019	Pre-authorization Program Briefing	\$0
November 13, 2018	Motion to prepare construction docs for authorization to advertise	\$0
August 1, 2017	Railroad quiet zone funding, tribal payments, and Agreements	\$5,650,000
October 4, 2016	Additional Funding, Seattle City Light, and Proj Labor Agreement	\$8,200,000
June 7, 2016	DEIS Briefing	\$0
November 4, 2015	Additional SEPA and Design Funding	\$2,000,000
October 13, 2015	Test Pile Bids Exceeded Engineer's Estimate	\$0
July 14, 2015	Additional Design Authorization	\$5,000,000
June 3, 2014	Initial Design Authorization	\$4,700,000
May 13, 2014	T-5 Berth Modernization Briefing	\$0
March 12, 2014	Additional Pre-Design Authorization	\$150,000
October 27, 2013	Initial Pre-Design Authorization	\$150,000
<b>TOTAL</b>		<b>\$392,500,000</b>