

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.: 8F
Meeting Date: May 5, 2026

DATE: April 27, 2026
TO: Managing Members
FROM: John Wolfe, CEO

Sponsor: Andre Elmaleh, Sr. Manager, Business Development
Project Manager: Brett Ozolin, Engineering Project Manager II

SUBJECT: Marshall Avenue Auto Facility Pavement Maintenance Program
2026 to 2030 Construction Project Authorization

A. ACTION REQUESTED

Request the Managing Members approve project authorization in the amount of \$3,332,000, for a total authorized amount of \$3,482,000, for work associated with the Marshall Avenue Auto Facility Pavement Maintenance Program 2026 to 2030, Project Identification No. 201243.01.

B. SYNOPSIS

Marshall Avenue Auto Facility (MAAF) pavements have either deteriorated and require replacement or have aged and require maintenance. This request provides 5-years of construction funding for a pavement maintenance program and pavement rehabilitation program. The first year of funding would be used to replace pavements that have been classified as failing due to heavy cracking. The following years would use project funding to replace new areas of failure as well as maintain existing pavements with surface and crack sealing to maximize remaining service life.

Per the Lease, pavement maintenance, including replacement, is an NWSA obligation. Pavement striping is the responsibility of the tenant.

C. BACKGROUND

The Marshall Avenue Auto Facility is a 146-acre terminal operated by Auto Warehousing Company (AWC) to import, process, and distribute automobiles. Originally located on Pierce County Terminal, AWC has been a longtime customer operating in Tacoma since 1976.

In late 2002, AWC and the Port of Tacoma signed a new lease and operating agreement which relocated their business to the current site. Since AWC began operations in Tacoma, they have handled over 6.8M autos through the Gateway.

The Port of Tacoma constructed MAAF in 2003. The existing condition of the 23-year-old pavement varies significantly within the facility. Some pavements in high traffic areas such as main drive aisles are cracked, deteriorated and require replacement. Other pavements, used primarily for parking, have aged but have remaining service life due to reduced traffic cycles. These parking stall pavements require routine maintenance in the form of crack and surface sealing to maximize their remaining service life. Surface sealing adds a new coat of bituminous material that delays weathering and oxidization of the pavement. Crack sealing consists of cleaning and sealing cracks with bituminous filler to reduce water infiltration into the base course. Wet base course provides reduced support to asphalt pavement which increases susceptibility to pavement fatigue and cracking.

The existing pavements were built for auto parking and are typically only 2" thick. These light duty pavements have performed very well and have likely exceeded their intended design life. While the pavements have held up well, eventually larger areas of the facility will require pavement replacement. Even with preservation and maintenance, larger areas of low traffic parking may require replacement beginning in 2031. This program will replace existing locations of failure in high traffic areas and maintain low to moderate traffic areas to the extent practicable prior to replacement.

The NWSA has previously authorized funding for pavement maintenance. Since 2019, approximately 37 acres of facility pavements have received surface and crack seal treatments.

D. PROJECT DESCRIPTION AND DETAILS

The authorization request provides funds for a 5-year pavement maintenance and partial replacement program. This project is based on a complete facility pavement condition survey and classifying terminal pavement regions by anticipated replacement or maintenance needs. In general, pavements were classified as belonging to one of the four following categories:

- Failed/Near Failure – replacement required
- Deteriorated – replacement required within 6 years
- Remaining Service Life – surface and crack sealing required
- Remaining Service Life – no maintenance required

This project would replace Failed/Near Failure pavements under the first maintenance cycle in 2026 and will replace 4.7 acres of existing failed pavement.

Four years of following work are planned to be completed under flexible Indefinite Delivery Indefinite Quantity (IDIQ) contracts. The IDIQ contracts would be a combination of surface and crack sealing for pavements with Remaining Service Life combined with select pavement replacement for pavements classified as Deteriorated.

The base maintenance cycle assumes 13.5 acres of pavement will be surface and crack sealed annually for four years. There are 4.5 acres of pavement classified as Deteriorated that are estimated to require replacement in 2032. Replacement may be needed sooner. The project and authorization intent is that each annual maintenance budget would roll over to the following year so pavements classified as Deteriorated could potentially be replaced if functionally required or replaced for convenience to reduce the scope of the anticipated 2032 work.

Project Objectives

The objective of this project is to implement a pavement program for MAAF from 2026 to 2030. Additional objectives include the following:

- Replace 4.7 acres of pavement in 2026
- Surface and crack seal approximately 13.5 acres of pavement annually in four following maintenance cycles
- Selectively replace areas of pavement classified as Deteriorated with remaining annual funds or project contingency if available
- Meet lease obligations for pavement maintenance
- Maintain tenant satisfaction with facility
- Optimize remaining service life of older or failing pavement
- Cost-effectively complete maintenance with annual budgets that roll-over so paving work can benefit from economy of scale and actual vs. anticipated pavement deterioration rates

Scope of Work

The scope of work will include:

- Year 1 (2026) – Mill and Pave 4.7 Acres of pavement
- Years 2-5 (2027-2030) – Surface and crack seal approximately 13.5 acres of pavement annually, allotment for approximately 3 acres of pavement reconstruction
- Staff time, consultant design support and permitting

Schedule

For 2027 through 2030, IDIQ contracts will be solicited for summer paving season work.

The following table provides dates for proposed 2026 work:

Advertise for Bid	May 12, 2026
Open Bids	June 3, 2026
Notice of Award	June 8, 2026
Substantial Completion	October 30, 2026
Final Completion	November 30, 2026

E. FINANCIAL IMPLICATIONS

Project Cost Details

The following table shows annual project budget by year.

	2026	2027	2028	2029	2030	Total
Annual Budget	\$1,125,000	\$690,000	\$552,000	\$573,000	\$542,000	\$3,482,000

	This Request	Total Project Cost	Cost to Date	Remaining Cost
Procurement	\$0	\$0		\$0
Pre-Design	\$0	\$0		\$0
Design	\$0	\$150,000	\$81,000	\$69,000
Construction	\$3,332,000	\$3,332,000	\$0	\$3,332,000
Total	\$3,332,000	\$3,482,000	\$81,000	\$3,401,000

Source of Funds

The current 2026–2030 Capital Improvement Program (CIP) allocates \$3,803,000 for the project, with a total anticipated cost of \$3,928,000. The Marshall Avenue Auto Facility (MAAF) paving replacement program will include a combination of capital projects funded through the CIP process, while routine repairs will be funded through NWSA operating income.

Financial Impact

The 2026 cost of paving replacement will be capitalized and depreciated over 15 years, resulting in an annual expense of \$75,000 when completed.

The 2027-2030 cost may result in capitalized projects as well as expensed projects based on the condition of the paving. Capitalized portions will be depreciated over 15 years while paving repair will be recognized as maintenance expense as incurred. The Auto Line of Business is budgeted to produce over \$2.2 million in cash in 2026 and future years.

F. ENVIRONMENTAL IMPACTS/REVIEW

Permitting: City of Tacoma Site Development permits are required for demolition and replacement of pavement that exposes base or subgrade.

Remediation: Not applicable.

Stormwater: Appropriate best management practices (BMPs) will be implemented during construction activities.

Air Quality: Not applicable.

G. PREVIOUS ACTIONS OR BRIEFINGS

<u>Date</u>	<u>Action</u>	<u>Amount</u>
August 14, 2025	Executive Authorization for Design	\$150,000
TOTAL		\$150,000