

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.: 8F
Meeting Date: January 7, 2025

DATE: December 20, 2024
TO: Managing Members
FROM: John Wolfe, CEO

Sponsor: Tong Zhu, Chief Commercial & Strategy Officer
Project Manager: Patrick Gibson, Project Manager I

SUBJECT: Terminal 5 Roof Replacements Project Authorization

A. ACTION REQUESTED

Request the Managing Members of The Northwest Seaport Alliance (NWSA) grant project authorization in the amount of \$3,245,000, for a total authorized amount of \$3,590,000, for work associated with the T5 Roof Replacements, Master Identification No. N10410.

B. SYNOPSIS

The Terminal 5 Arrival and Security (Arrivals) and Maintenance and Repair (M&R) buildings' roofs are at the end of their useful lives. Both roofs are outside of their warranty period, and spot repairs are no longer viable to maintain proper condition. Replacement of the roofs is a landlord obligation within the Terminal 5 lease. Replacing these roofs will keep the NWSA within lease compliance and preserve these assets, which are critical for terminal operations, for current and future tenant use.

C. BACKGROUND

The Terminal 5 Arrival and Security (Arrivals), and Maintenance and Repair (M&R) buildings were constructed in 1995 as part of the Southwest Harbor T5 Expansion Project. At almost 30 years of age both buildings' roofs are at their end of life and are beyond their warranty period. The need for repair of these two roofs was confirmed in 2021 inspection reports completed by the Port of Seattle Marine Maintenance Department. An outside consultant assessment of the roofs was completed in July 2024 and again confirmed that these roofs are in failing condition, and in need of immediate action.

D. PROJECT DESCRIPTION AND DETAILS

Project Objectives

- Extend the life of the Arrivals and M&R building roofs.
- Meet all City of Seattle permitting and code requirements.
- Install fall protection to meet WRC safety requirements.

Scope of Work

The scope of work will include:

- Demolish and replace existing coping and sheet metal flashing.
- Provide a moisture scan of low slope roof areas. Remove and replace areas of roof identified as having excessive moisture intrusion.
- Provide a roof overlay system as detailed and specified in project documents.
- Demolish existing and provide new skylights, fire rated as needed.
- Demolish existing scuppers and provide new.
- Remove, repair, paint and reinstall existing mechanical screen as needed.
- Provide a complete fall protection system.

Schedule

Advertise for Bid	February 25, 2025
Open Bids	March 31, 2025
Notice of Award	April 23, 2025
Substantial Completion	October 10, 2025
Final Completion	November 14, 2025

E. FINANCIAL IMPLICATIONS

Project Cost Details

	This Request	Total Project budget	Cost To Date	Remaining Cost
Pre-Design	\$ -	\$ 50,000.00	\$ 25,912.00	\$ 24,088.00
Design	\$ -	\$ 295,000.00	\$ 98,606.00	\$ 196,394.00
Construction	\$ 3,245,000.00	\$ 3,245,000.00	\$ -	\$ 3,245,000.00
Total	\$ 3,245,000.00	\$ 3,590,000.00	\$ 124,518.00	\$ 3,465,482.00

Source of Funds

The proposed 2025-2029 Capital Investment Plan (CIP) Budget allocates \$2,730,000 for the design and construction of this project, Project Identification No. N10410. The budget will be updated to reflect the \$3,590,000 cost at the next revision.

Financial Impact

The total cost of the project, amounting to \$3,590,000, will be capitalized at the project's completion. This amount will be depreciated over a useful life of 15 years, resulting in an annual depreciation expense of \$240,000.

The 2025 budgeted Net Income before Depreciation for T5 is \$21.9 million.

F. ENVIRONMENTAL IMPACTS/REVIEW

Permitting: Obtain necessary roofing permits, as required.

Remediation: N/A

Stormwater: Stormwater runoff will be directed to existing Terminal 5 stormwater system. No additional treatment will be installed.

Air Quality: N/A

G. PREVIOUS ACTIONS OR BRIEFINGS

<u>Date</u>	<u>Action</u>	<u>Amount</u>
February 7, 2024	Executive Authorization 1 (Pre-Design)	\$50,000
June 4, 2024	Executive Authorization 2 (Design)	\$295,000
TOTAL		\$345,000