

Item: 9A
Date: 8/18/22



Port of Tacoma Issue Briefing: Capital Investment Plan

August 18, 2022

2023 Budget Calendar



- **August 18th:**
 - 2023-2027 Capital Investment Plan (CIP) Review
- **Early September** - 2023 Preliminary Pierce County property Values
 - Tax Levy setting input
- **September 15th** – Opportunity to discuss 2023 Tax Levy and budget priorities
- **Week of October 24th**
 - 2023 Budget Study Session material and 2023 Budget Document sent to commission
- **November 3th** - 2023 Budget Study Session
- **November 17th** - 2023 Budget Adoption

Capital Investment Plan Overview



- The Port of Tacoma invests in projects to increase the capacity, extend the life or improve the safety or efficiency of Port-owned property and equipment, as well as in infrastructure that benefits the community.
- The five-year Capital Investment Plan (CIP) identifies all projects planned or under way.
- New projects go through a two-stage vetting process with PoT Leadership, the Investment Decision and Development Process (IDDP), before being added to the CIP.
- Although funds for a project are included in the CIP, the project is not automatically authorized to proceed.
- Projects budgeted to cost \$300,000 and greater must be authorized by the Port Commissioners.

2022 Capitalized CIP June YTD Actual vs Budget



Project Name	Original Budget - 2022	YTD 6/30/22 Spending
Land Acquisitions	20,000	-
Parcel 15 (Portac) Remediation Phase 1	4,080	264
Banana Yard Rail Switch Replacement	3,090	-
POT Unallocated Capital Improvements (contingency)	3,000	-
Lower Wapato Creek Combined Habitat	2,510	1,781
POT Unanticipated Repairs/Misc Expenses (contingency)	1,500	-
Roadway Infrastructure Funding (placeholder)	1,000	-
POT Off-Dock Container Support Facility (Thorne Rd)	648	434
Admin Bldg EV Charging Station	600	7
3600 POT Rd Window/Bldg Repairs	590	39
POT Maritime Center Design & Construction (placeholder)	525	-
Fab Center Bldg Upgrades	500	-
Grand Total	\$38,043	\$2,525
Total	\$48,349	\$6,435
Percent Actual Spent to Original Budget		13%

Note: Dollars do not reflect grant funding or other non-Port funds that may reduce total Port contributions.

Top 2022 CIP Projects Forecast vs. Budget



Top 2022 CIP Items	2022 Original Budget	2022 Forecast
	(dollars in thousands)	
Land Acquisitions	\$ 20,000	\$ 20,000
Parcel 15 (Portac) Remediation Phase 1	4,080	4,264
Lower Wapato Creek Combined Habitat (parcel 14)	2,510	3,581
POT Unallocated Capital Improvements (placeholder)	3,000	2,741
2302 Ross Wy Bldg Demolition	0	1,476
POT Off-Dock Container Support Facility (Thorne Rd)	648	1,404
Admin Bldg Roof Replacement	100	1,234
2202 POT Rd Bldg Demolition	0	1,032
POT Unanticipated Repairs/Misc Expenses (placeholder)	1,500	1,000
Roadway Infrastructure Funding (placeholder)	1,000	1,000
Bldg 532 Structural Repairs	200	955
3600 POT Rd Window/Bldg Repairs	590	636
Admin Bldg Plumbing Improvements	0	621
3600 POT Rd Lighting Upgrade	410	504
Total Above	\$ 34,038	\$ 40,448
Total 2022 CIP	\$ 49,812	\$ 50,329
Percent of 2022 CIP	68%	80%

Spending carryover from 2021

Proposed CIP Budgets, 2023 – 2027 (\$,000s)



Asset Category	2023	2024	2025	2026	2027	Total 2023-27 Budget
Capitalized	\$ 82,771	\$ 28,485	\$ 18,126	\$ 32,270	\$ 105,750	\$ 267,402
OpEx	15,396	12,119	8,807	10,013	4,946	48,381
NonOpEx	1,229	1,390	1,230	1,295	1,228	6,372
Grand Total	\$ 99,396	\$ 41,994	\$ 28,163	\$ 43,578	\$ 111,924	\$ 322,155

Proposed Capitalized CIP Budgets, 2023 – 2027 (\$,000s)



Asset Type 	2023	2024	2025	2026	2027	Total 2023-27 Budget
CapEx	\$ 54,132	\$ 11,445	\$ 2,370	\$ 10,550	\$ 23,500	\$ 101,997
Dredge	2,100	2,100	1,050	15,500	76,500	97,250
Land	26,539	14,940	14,706	6,220	5,750	68,155
Grand Total	\$ 82,771	\$ 28,485	\$ 18,126	\$ 32,270	\$ 105,750	\$ 267,402

Top 2023 CIP Budget Items



Location/ Dept	Project Name	Total
4012 SR 509	Demo Bldg & Rail at 4012 SR 509	\$ 1,500
Admin Bldg	POT Maritime Center Prelim Design (parcel 94)	\$ 1,710
Arkema	Arkema Mfg Area Interim Action (parcel 99)	\$ 1,181
Blair Waterway	USACE Blair Channel Dredging Design	\$ 2,100
CBIDD	-POT Off-Dock Container Support Facility (Thorne Rd)	\$33,810
	-Land Acquisitions	\$20,000
Contribution	DD23 Tide Gate Replacement & Access Pad	\$ 1,000
EBC	Parcel 1b (EBC) Interim Action to Support New Building	\$ 2,700
	Bldg 2024 Construction & Site Development (Bldg 532, 401 Alexander)	\$ 9,700
Maintenance of Way	Banana Yard Rail Switch Replacement	\$ 4,140
Unallocated	POT Unanticipated Repairs/Misc Expenses (contingency)	\$ 1,500
	POT Unallocated Capital Improvements (contingency)	\$ 3,000
Parcel 14	Lower Wapato Creek Combined Habitat	\$ 1,100
Grand Total		\$83,441
	Proposed 2023 CIP Budget	\$99,396
	Percent of 2023 CIP Budget	84%

New projects go through a two-stage vetting process with PoT Leadership, called the **Investment Decision and Development Process** (IDDP), before being added to the Capital Investment Plan. This year nearly two dozen projects went through this process, with the projects approved to advance listed on slides 16 and 17.

- **IDDP Stage 1: Opportunity Assessment**. Document new investment opportunities, identify any conflicts, receive input from all potentially affected departments/teams, and get buy-in from the executive team on pursuing the investment.
- **IDDP Stage 2: Planning / Alternatives Analysis**. Assess the initial viability of a project, evaluate alternate schemes, conduct a project screening and consider long-range capital planning.

* I.T. projects represent about half of the nearly two dozen projects referenced above, although I.T. projects follow a slightly different vetting process with an I.T. – specific steering committee.