

Item: 6A

Date: 6/18/24

New Port Business Center

Building Square Footage Approval

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Commission Meeting: June 18, 2024



Action Requested

Request Commission approval to design for an approximately 60,000 square feet of occupied space for the Port Business Center, which will include administrative offices, Commission meeting spaces, and a public lobby.

Strategic Plan Initiatives: EV-4, EL-1, OS-4, OS-6



This project primarily supports the Port of Tacoma's Strategic Initiative:
OS-4: Plan, design, construct a new Port staff workspace that also provides spaces for community engagement and mixed-use opportunities.

This requested action today will:

- Provide certainty to the builders to work within an approved envelope so that final design and cost estimating can continue.
- Enable the Project's Office Design Standards Team and Architect to finalize the building programming requirements.

Background – Commission Actions

- **ILA #1:** Executed with TPS - March 2023 for kickoff
- Commission Authorized Cultural and Environmental Studies - April 2023
- **ILA #2:** Executed with TPS - August 2023 for 30% design
- Design Build Team Selected: August 2023
- **ILA #2, Amendment #1:** Commission Approved 30% Design Funds - October 2023
- **ILA #1, Amendment #2:** Commission Approved 60% Design Funds - March 2024
- Commission Authorized Design from 30% to 60% and Approved the **Ground Lease ILA** with TSD - March 2024

June 2023 RFQ released for the Maritime Center Project, we requested that the Port's business center be *“designed to accommodate approximately 160 staff in a building of approx. 60,000sf and will include a lobby, office spaces, conference rooms, Port Commission meeting room, and support functions”*

Background – Asked For Continued

- Building and site character and aesthetics that are reflective of an educational and office environment, is in harmony with, and reflective of, the working waterfront and maritime theme, and encourages public access to, and the use of, the urban waterfront.
- Incorporates a building design that invites and accommodates public use of the building and surrounding outdoor areas to include water access.
- Includes building systems that are energy/resource efficient, easily maintained and can provide a minimum of 30 years serviceability with a reasonable life-cycle cost.
- Supports a workspace that allows for employee focus and collaboration both in person and virtually.
- The Port's team intends to work with the selected Design-Builder to optimize the Maritime Center's functionality, energy efficiency and value to both the Port and the Community.
- Has a signature design element.

- Commission held two study sessions in February 2024 to gather feedback on the approach to Master Planning, site development, remediation profile and building design.
- The building design and floor plans were at 30%, with the Port Business Center listed at approximately 60,000 sq ft.
- Updated project cost estimates were shared for each of the eight categories of cost.
- Commissioners authorized funds to move project from 30% to 60% design at the March 19, 2024, meeting.

- At the May 8, 2024, Retreat, Commissioners were provided more details on the project to include:
 - Updated project costs for all eight categories of cost
 - Programming review of the proposed 60,000 sq ft building that include the Commission meeting spaces and lobby
 - Highlighted new functionalities and building code compliance features of the new building (e.g. ADA compliance, conference rooms, IT lab, 24/7 security center, mud room, etc.)
 - Updated Master Planning approach and community engagement
 - Reviewed potential options for Commissioners to consider about the Commission meeting spaces and lobby size as well as potential rental income from Fab Center and One Sitcum

- At the May 21, 2024, Commission Meeting, the Commissioners received a briefing on the short and long-term occupancy plans for the new building & the key planning assumptions the builders used in the design to include:
 - Total staff occupancy of 168, that includes Port of Tacoma, NWSA staff and a 15% growth factor
 - Assumes staff in office at least 3 days / week, for quarterly All-Hands and monthly Commission meetings
 - Demobilization and rental planning scenarios for the Fab Center [2028] and One Sitcum [2030 to 2035]
 - Port and NWSA Directors and above to have dedicated office spaces
 - Two executive-level float offices for Commissioners and visitors

Background: Other New Govt Buildings

The project team visited four newer government agency buildings to further inform the building design process and help dial in the recommended total building square footage of the Port's Business Center:

Building	Year Built	Sq ft	Staff	Avg. Sq. ft. / person
Port of Kalama <i>[outside parking lot]</i>	2014	13,500	25	540
Port of Long Beach* <i>[2-level underground parking garage]</i>	2019	238,000	525	453
Port of Corpus Christi* <i>[outside parking lot]</i>	2021	75,525	300	252
Chelan Public Utilities <i>[outside parking lot]</i>	2023	123,000	450	259
Average Sq ft per person				376

Background: Current vs. Anticipated Footprint

The project team compared the current with the expected average per sq ft per person:

Table 1: Current Port of Tacoma admin workspace and Commission meeting spaces

Building	Year Built	Sq ft
One Sitcum (Port & NWSA admin staff)	1982	42,480
Fabulich Center (Security admin staff & 24/7 Command Center)	1984	9,164
Fabulich Center (Commission meeting spaces)	1984	2,238
Total Square Footage		53,882
Total Personnel with 15% growth factor		168
Average square ft per person		321

Background: Current vs. Anticipated Footprint



New Port Business Center Admin Workspace, Commission meeting space and lobby.

Table 2: New Port Business Center admin workspace, Commission meeting spaces and building lobby.

Building	Year Built	Sq ft
Admin spaces	2026	51,550
Commission Meeting Spaces	2026	4,800
Building Lobby	2026	3,650
Total Square Footage		60,000
Total Personnel with 15% growth factor		168
Average square ft per person		357

Background: Current vs. Anticipated Footprint

Now Port Business Center admin workspace with comparable Fabulich Center Commission meeting space size.

Table 3: New Port Business Center admin workspace with comparable Fabulich Commission meeting spaces.

Building	Year Built	Sq ft
Admin spaces	2026	51,550
Commission Meeting Spaces	2026	2,238
Building Lobby	2026	0
Total Square Footage		53,788
Total Personnel with 15% growth factor		168
Average square ft per person		320

- The additional square footage of 37 sq ft per employee is reflected in the larger Commission Meeting spaces and lobby [8,450 sq ft.]
- Larger Commission meeting spaces, lobby meet Strategic Goal OS-4, “enhanced community engagement and mixed-use opportunities” to more adequately promote outreach and education.
- Larger space was designed with flexibility in mind – can accommodate large number of people (e.g emergency response, etc.)

Scope of Work

Upon Commission approval of the Port Business Center building, consisting of approximately 60,000 square feet of total occupied space, the previously approved scope of work for design and cost estimating through 60% design will continue in order to achieve a Guaranteed Maximum Price.

Project Schedule

<u>Project Schedule</u>	<u>Date / Range</u>
Initial Concept Design	Nov 2023 – Feb 2024
Conceptual Cost Ranges Developed	Feb 2024
Schematic Design (30%)	Jan 2024 – Mar 2024
Tacoma School Board Approval: Design Development (to 60%)	Mar 14, 2024
POT Commission Approval: Design Development (to 60%)	Mar 19, 2024
District / POT Lease Agreement Commission Approval	Mar 19, 2024
Commission Approval of Site Cleanup	August 2024
Design Development (30% to 60%)	August 2024
Site Remediation Begins	Sept 2024

Project Schedule Continued

Tacoma School Board approval of GMP	Oct 2024
POT Commission approval of GMP	Oct 2024
Site Ground Improvements Begin	December 2024
Maritime Skills Center Construction Begins	December 2024
Port Building Construction Begins	February 2025
Maritime Skills Center Opens	September 2026
Port Business Center Opens	December 2026
Shoreline Improvements Completed	January 2027

- The Project Team estimates the total project cost for the Port, including all stages, at \$80,000,000 to \$110,000,000.
- The estimate includes eight categories of costs including: Building, building site improvements, shoreline improvements, environmental remediation, offsite improvements, furniture, fixtures and equipment, other owner soft costs, and WA State Sales Tax.
- The District's portion of the Maritime Center project is estimated to be \$35,000,000 to \$41,000,000 for construction of the Maritime 253 skills center, site improvements and rail crossing safety controls

Financial Summary - Ranges

Port Business Center Building	\$ 45M - 55M
Building Site Improvements	\$ 10M - 15M
Shoreline Improvements	\$ 5M - 6M
Env. Remediation	\$ 5M - 12M
Off Site Improvements	\$ 1M - 2M
Furniture, Fixtures and Equipment	\$ 3M - 5M
Other Owner Soft Costs	\$ 1M - 2M
WS Sales Tax	\$ 10M - 13M
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Total Project Costs - (Port Funded)	\$ 80M - 110M

+ TPS Skills Center & Site **\$ 35M – 41M (District Funded)**

Scope of Funds

- Current Capital Investment Plan (CIP) allocates \$38,415,000 for this project. This initial placeholder was developed in 2019-2020 for the building design and structure and did not include other project elements.
- The \$38M was first added to the CIP for the 2022 budget cycle, following the 2020 to 2021 Strategic Planning Workshops with Commissioners to update the Port's 5-year Strategic Plan.
- Staff will update the budget to reflect the total investment once the final design has been completed.
- Since the initial concept in 2016, estimated construction costs have increased by a combined total of 97% to present day.

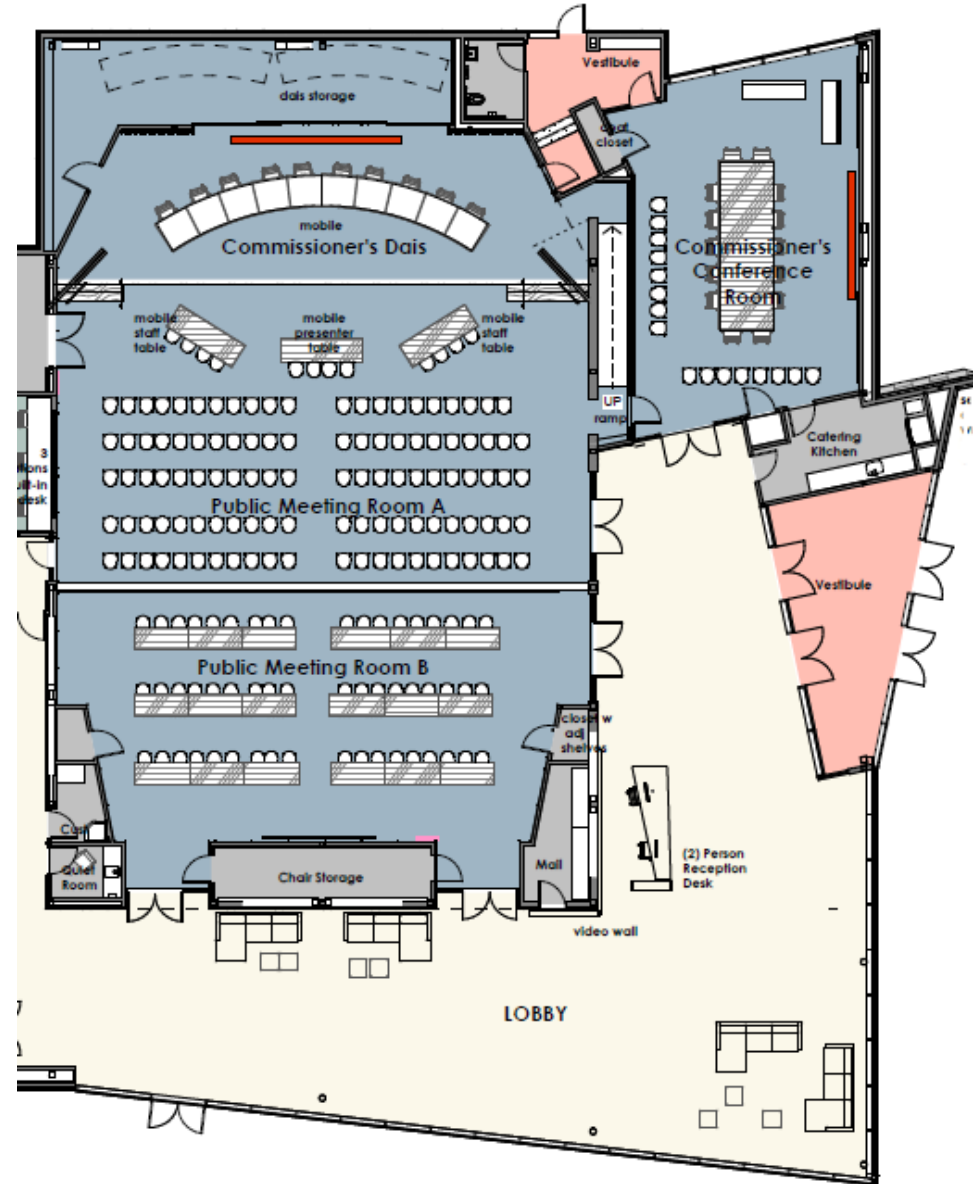
- Alternative 1) Reduce Commission meeting spaces and lobby by ~60% similar to the current footprint at the Fab Center.
- Alternative 2) Redesign to include POT staff only, w/ a 15% contingency for growth (128 vs. 168 staff).
- Alternative 3) Cancel new Port Business Center, support Maritime 253 project.
- Alternative 4) Continue with project as designed for 168 POT and NWSA staff w/ 15% growth contingency housed in a 60,000 sq ft building with larger Commission meeting spaces and lobby for enhanced public access.

Recommended Alternative

Alternative 4 is the recommended alternative – continue with current building design for the Port Business Center within an approximate 60,000 sq ft of occupied space.

- Same per sq ft per employee in a more efficient workspace w/ better accommodations & fully implements OS-4.
- Supports growth of POT and NWSA staff.
- Recognizes long term planning of 50-yr investment to consolidate staffs and Commission meeting spaces.
- Supports Net Zero by 2040 for Scope 2 emissions.
- Full compliance with ADA standards and new energy building code.
- Recognizes prior recommendations to set a demobilization schedule for Port's ageing admin. building assets.

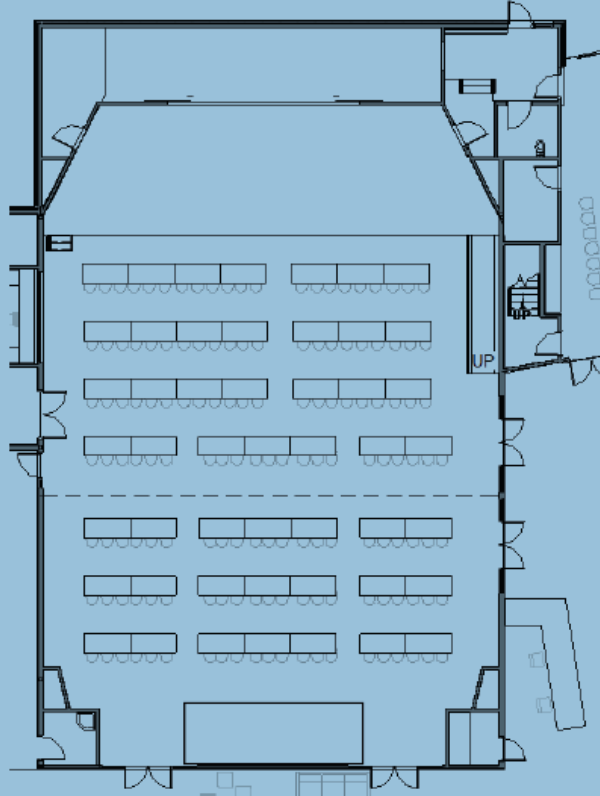
Port or NWSA Commission Meeting



Training and Theater Layouts

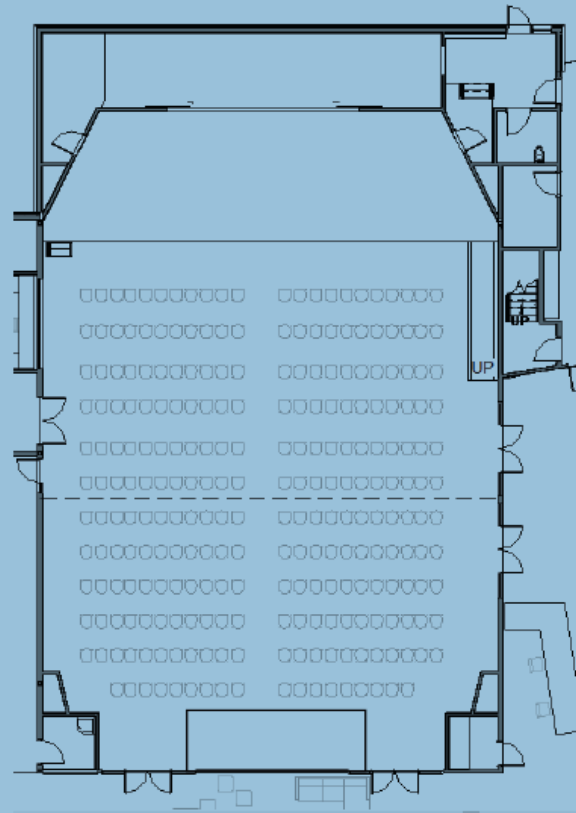
TRAINING ROOM LAYOUT:

- assumes 3 people seated at 6' L X 30" D flip top table
- when sub-divided, front of Meeting Room B is south wall



Meeting Room A = 84 seats
Meeting Room B = 63 seats

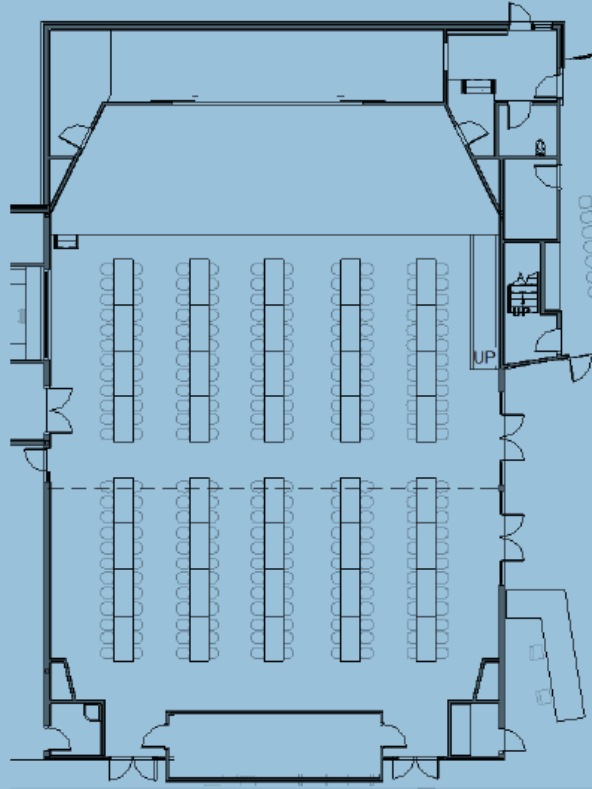
THEATER SEATING:



Meeting Room A + B = approximately 250 seats

All-Staff Lunch and Commission Layouts

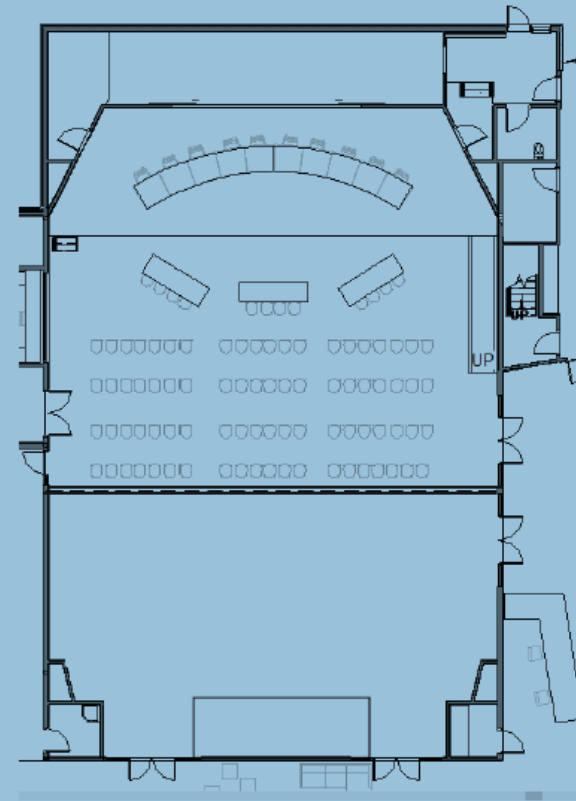
DINING LAYOUT:



Meeting Room A + B = approximately 240 seats

COMMISSION MEETING:

-subdivided for typical meetings, open for larger groups



Meeting Room A= 80 seats in theater style
Meeting Room B= up to 125 additional

- Permitting – City, State and Federal Permits and close consultation and coordination with Puyallup Tribe
- Remediation – Cleanup action plan - Aug 2024
- Stormwater – Designed into site improvements
- Air Quality and Sustainability – Carbon Neutral by 2040 & compliance with the Washington Clean Buildings Law

Next Steps

- Continue working with Design-Build team on permitting, design development (60% level engineering), master planning and costs.
- Continue with community engagement and outreach.
- Continue to pursue all grant opportunities.
- Continue discussions with BNSF Railway for crossing access.
- Continue environmental analysis and return to Commission for cleanup funding.
- Return to Commission for additional authorization to fund final design and construction.

Action Requested

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Thank You

Questions & Discussion

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