

COMMISSION AGENDA

Item No: 7A

Meeting: 6/17/21

DATE: May 15, 2021
TO: Port Commission
FROM: Eric D. Johnson, Executive Director
SUBJECT: Port of Tacoma Administration Office Update

A. BRIEFING

This memo is intended to provide an update on the status of the critical repairs to the current Port Administration Building.

B. BACKGROUND

Currently, the Port of Tacoma and NWSA executive, commercial/real estate, operations and administrative departments are co-located in the Port of Tacoma Administration Building located at One Sitcum Plaza in Tacoma. This facility was constructed in 1982 and remodeled in 2002.

The authorization of the Management Support Agreement by the Managing Members and Port of Tacoma Commission created a long-term need to co-locate the Port of Tacoma administrative staff and NWSA staff in a primary location in the South Harbor (NWSA will also maintain an office presence in the North Harbor).

Overall annual support costs of occupying the current Port Admin Building have been \$1.8 million with the Port of Tacoma retaining approximately \$0.8 million and charging \$1.0 million to the NWSA for direct NWSA employees and indirect Port staff who support the NWSA.

In June 2019, an independent consultant was retained to assess the potential future major maintenance and repairs necessary to prolong the useful life of the Administration building for an estimated 20 years. This report has been used as the basis for reinvestment options for the current Administration building.

In January 2020, staff presented three alternatives regarding reinvestment of the current Administration Building and the development of a new Port administration/maritime center in the future. The Port Commission approved alternative 3 which included the following:

Stay in Port Administration Building 3 – 5 Year and invest in a New Port Administration Building

The development of a staged reinvestment plan for the current Port Administration building and Port authorization to develop a new Administration building on Port owned property.

- Based on the Administration building evaluation, an estimated \$5.1 million in major maintenance/repairs would be necessary to repair the shoreline slope & seawall, replace the standing seam roof, repair the exterior wall finishes, repair plumbing, restrooms, front door and brick accent pavers, and replace interior finishes such as the carpet.
- Additional major maintenance may be necessary on a break/fix situation. (ex: lighting, HVAC, electrical to workstations)
- Based on an earlier assessment by staff, the cost to build a new Administration building has the potential to reach \$34 million depending on the type, size and overall design. The actual costs would be determined based on Commission input and authorization.

C. FINANCIAL SUMMARY

This briefing will be followed by requests to replace the roof and make critical repairs to the plumbing/bathrooms in the Port Administration Building.

D. NEXT STEPS

Once the critical repairs are authorized, staff will proceed to complete the repairs before the end of 2021.