

Item: 6D

Date: 11/19/24

Port of Tacoma Maritime Center Authorization Increase for Construction of Business Center & Site Development

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Port of Tacoma Commission Meeting
November 19, 2024



Action Requested

Request project authorization in the amount of \$125,000,000 for a total authorized amount of \$149,770,000, for work associated with the Port of Tacoma's Maritime Center, **Project Number 101549.01**.

Request authorization for the Executive Director or his delegate to accept the \$2.5M Washington Department of Commerce Community Decarbonization grant.

Request authorization for the Executive Director or his delegate to accept the \$100k Ecology "Charge Where You Are" grant.

This project primarily supports the Port of Tacoma's Strategic Initiatives:

***EV-2:** Invest in assets that support living-wage job creation throughout Pierce County*

***EV-4** Partner with regional organizations to facilitate career development and business growth in Pierce County*

***OS-4:** Plan, design, construct a new Port staff workspace that also provides spaces for community engagement and mixed-use opportunities.*

This phase of the project and requested action today will fund:

- Construction of Port Business Center building, site and shoreline improvements
- Railroad crossing, Furniture, Technology and Off-site improvements on E. 11th St
- Other services, including permitting, staff time, legal and strategic consulting

Synopsis – Foss Waterway Development



Synopsis – Development Scale / Scope



Synopsis – Investment in our Future



Background

- Strategic Initiative in conjunction with the Tacoma School District to develop the Maritime 253 Skills Center and the Port Business Center on Parcel 94 along the Wheeler-Osgood and Foss Waterways.
- Progressive Design Build will be the project delivery method. TCF Architect and BNBuilders selected. Project utilizes Guaranteed Maximum Price contracting.
- A 60,000 square foot Port building and a 30,000 square foot District Skills Center will be built on a 20-acre site. Site will have dedicated parking and shoreline improvements a promenade and public water access.
- To meet the opening date of the Maritime Skills Center in September 2026, cleanup of the project area started in September 2024. This work is being completed as an independent interim action.

Background



Background

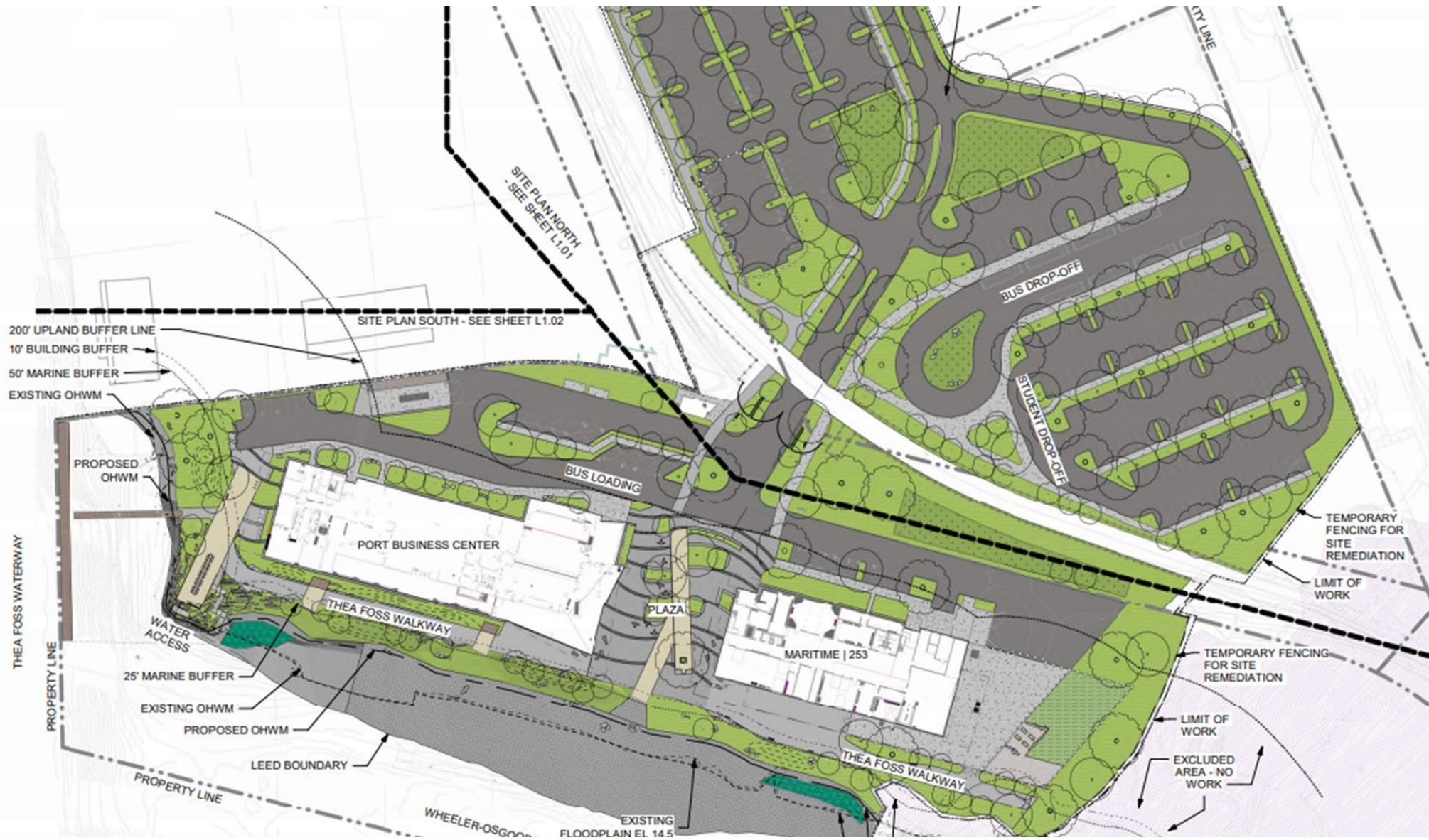


Internal & External Engagement

- Staff survey on workplace needs
- Meetings held with all departments
- Regular meetings with internal technical sub-teams, including Maintenance and Security
- Convened, regular meetings w/internal Office Standards and Master Planning Committee
- Two staff open houses to review and gather feedback on workspace, floor plans
- Two public Open Houses
- Project webpage, online open house to gather public feedback
- Community Advisory Committee
- Regular updates in the Port's PierSide newsletter and Working Waterfront news show
- Media stories in TNT, PSBJ, Tacoma Weekly, Daily Journal of Commerce, PNW Real Estate News



Site Plan



Plaza View



Port Business Center



Esplanade View



Esplanade View



View Corridor



Commission Chambers



Project Details – Ongoing Site Cleanup

Remediation

- Started in late September
- Implementation of the interim cleanup action work plan on Parcel 94 within the project area
- On schedule to be completed at end of December

Demolition

- Building demolition and asbestos abatement complete
- Abandonment of historical industrial water supply well and geotechnical well complete



Project Remediation – Ongoing Site Clean-up



Design-Builders Responsibility

- Final Design to Detailed Construction Documents
- Port Business Center Building
- Site Development
- Off-site improvement to E. 11th Place
- Shoreline Improvements – water access



RR upgrades by BNSF

- Rebuild and Realign Existing Track
- 1,300 ft of new track
- Construct Signalization of crossing
- Paid by Port with contribution from District



Scope of Work

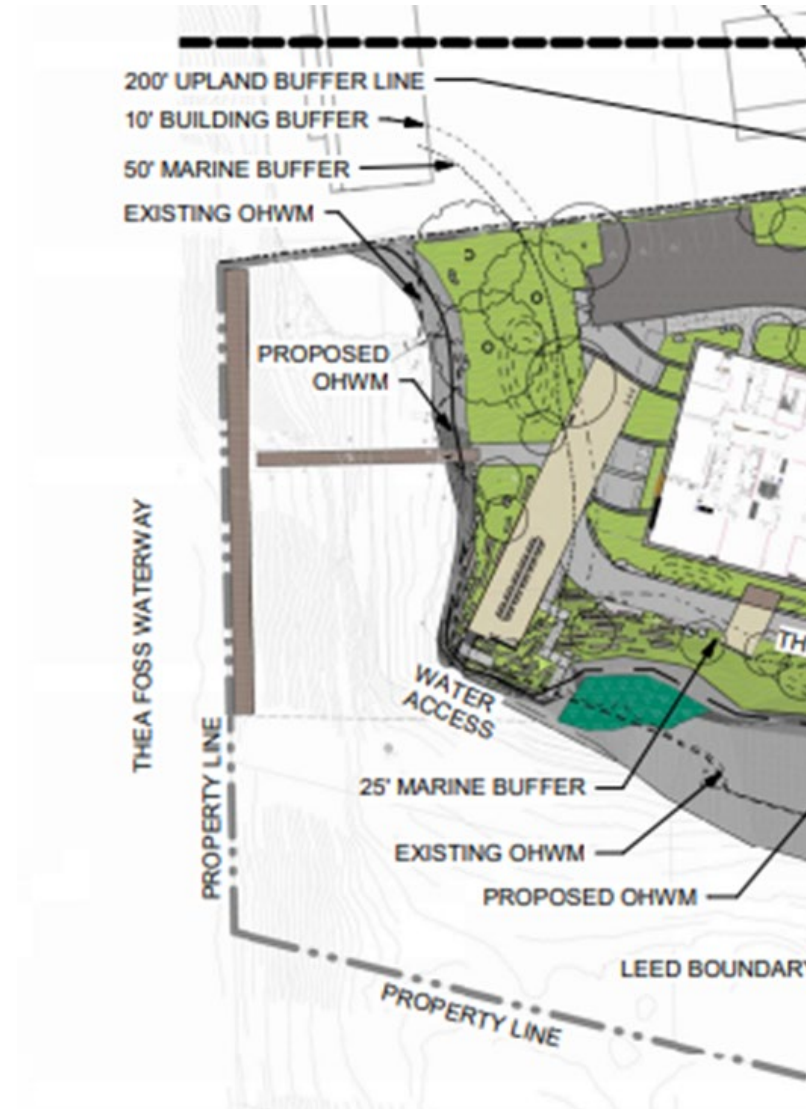
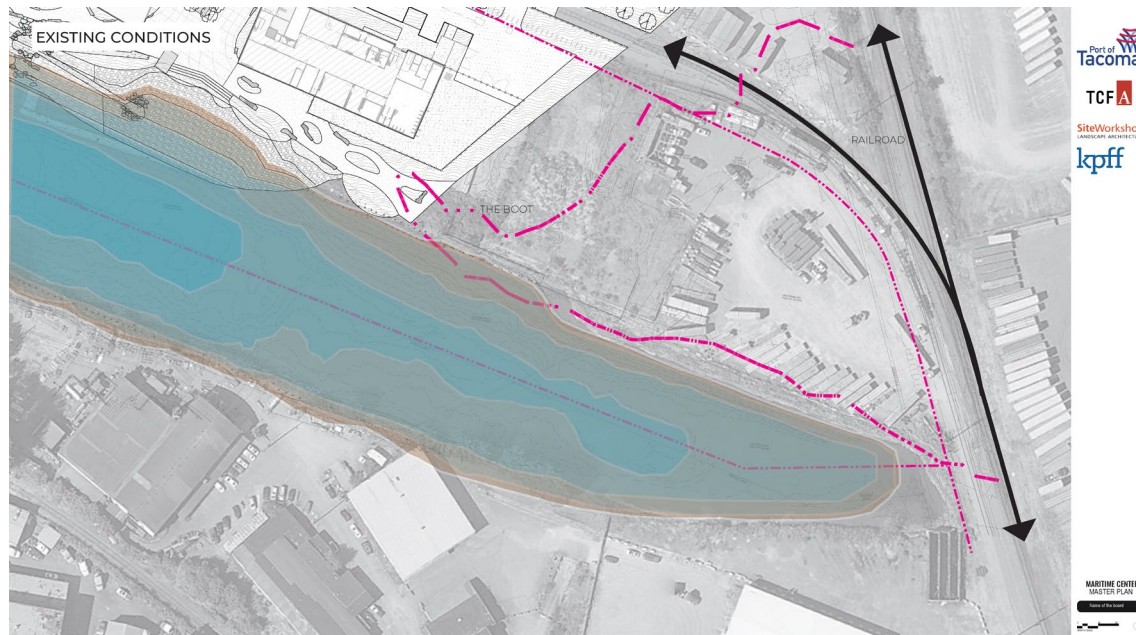
Port Responsibility

- Technology for Port Business Center
- Permitting Fees and Utility Fees
- Furniture, Fixtures and Equipment
- Construction Administration / Staff Time
- BNSF track and signalization costs



Not Included – Future Phase

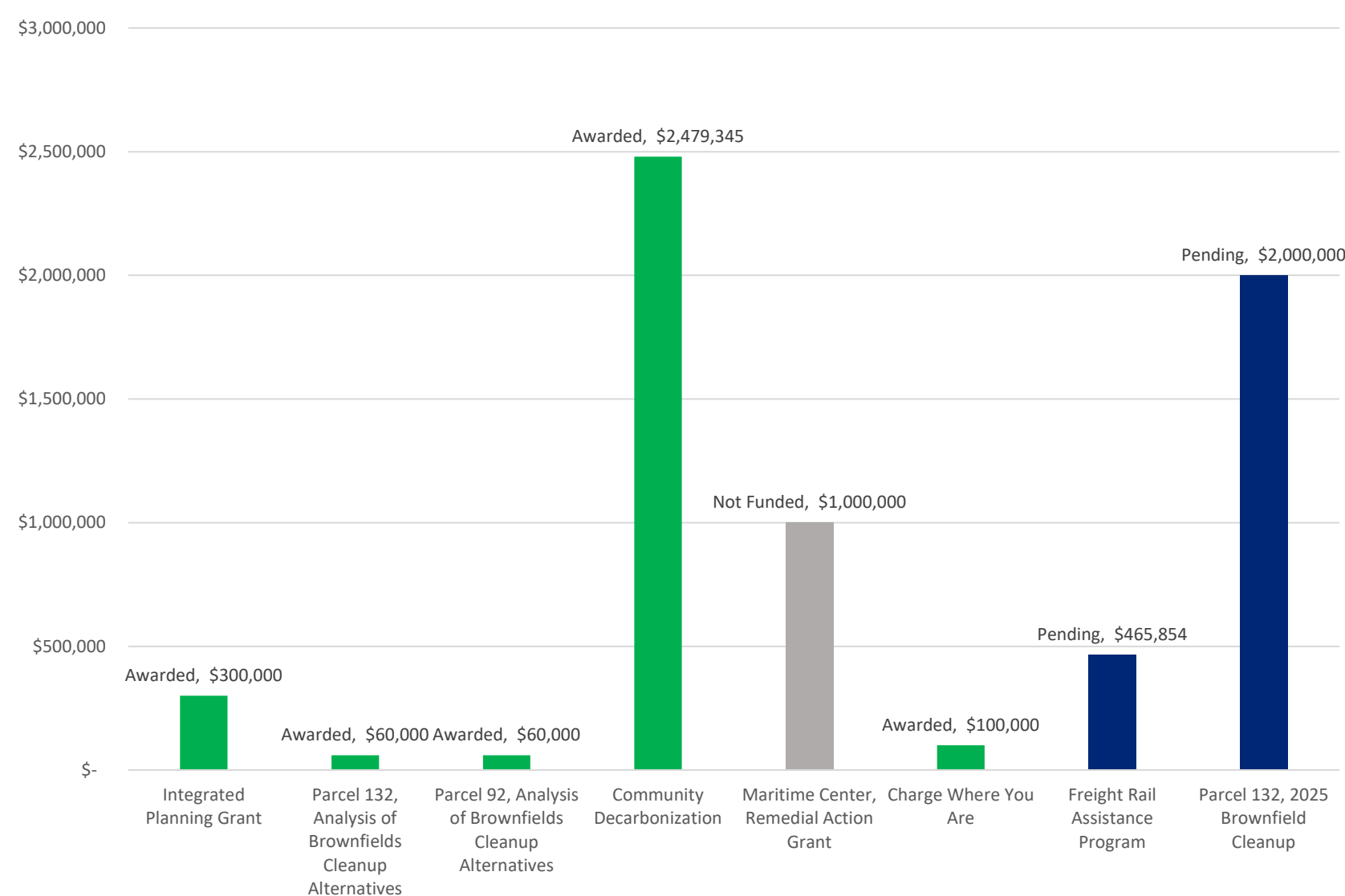
- Dock along Foss Waterway
- Construction of Natural area on Boot



Project Schedule – Maritime Center

Activity	Timeframe
60% Plan set finalized	August 8, 2024
Mobilize Cleanup Contractor	September 11, 2024
GMP for Port Business Center & Site for commission approval	November 19th, 2024
Stone Columns/Foundations Begin	January 2025
Maritime 253 Skills Center Opens	September 2026
Substantial Completion Port Business Center	December 2026

Grant Details



Community Decarb

- \$2,479,345
- 490 kW multi-array system
- 1000 kWh battery storage system

Charge Where You Are

- \$100,000
- Up to 10, 240-volt Level 2 charging stations
- 10K per charger or 60% of the projects total cost

Financial Summary

Item	This Request	Total Previous Requests	Total Request	Total Project Cost	Cost to Date	Remaining Cost
Due Diligence	\$0	\$1.8M	\$1.8M	\$1.8M	\$1.8M	\$0
Design	\$2.0M	\$10.97M	\$12.97M	\$12.97M	\$6.4M	\$6.57M
Interim Cleanup Action and Site Demo	\$0	\$12M	\$12.M	\$12.M	\$3M	\$9M
Site and Bldg Construction	\$123	\$0	\$123M	\$123M	\$0	\$114M
Project Total	\$125M	\$24.77M	\$24.77M	\$149.77M	\$11.2M	\$138.57M

Costs to Date

Total Invoiced: \$11.2M through October 2024

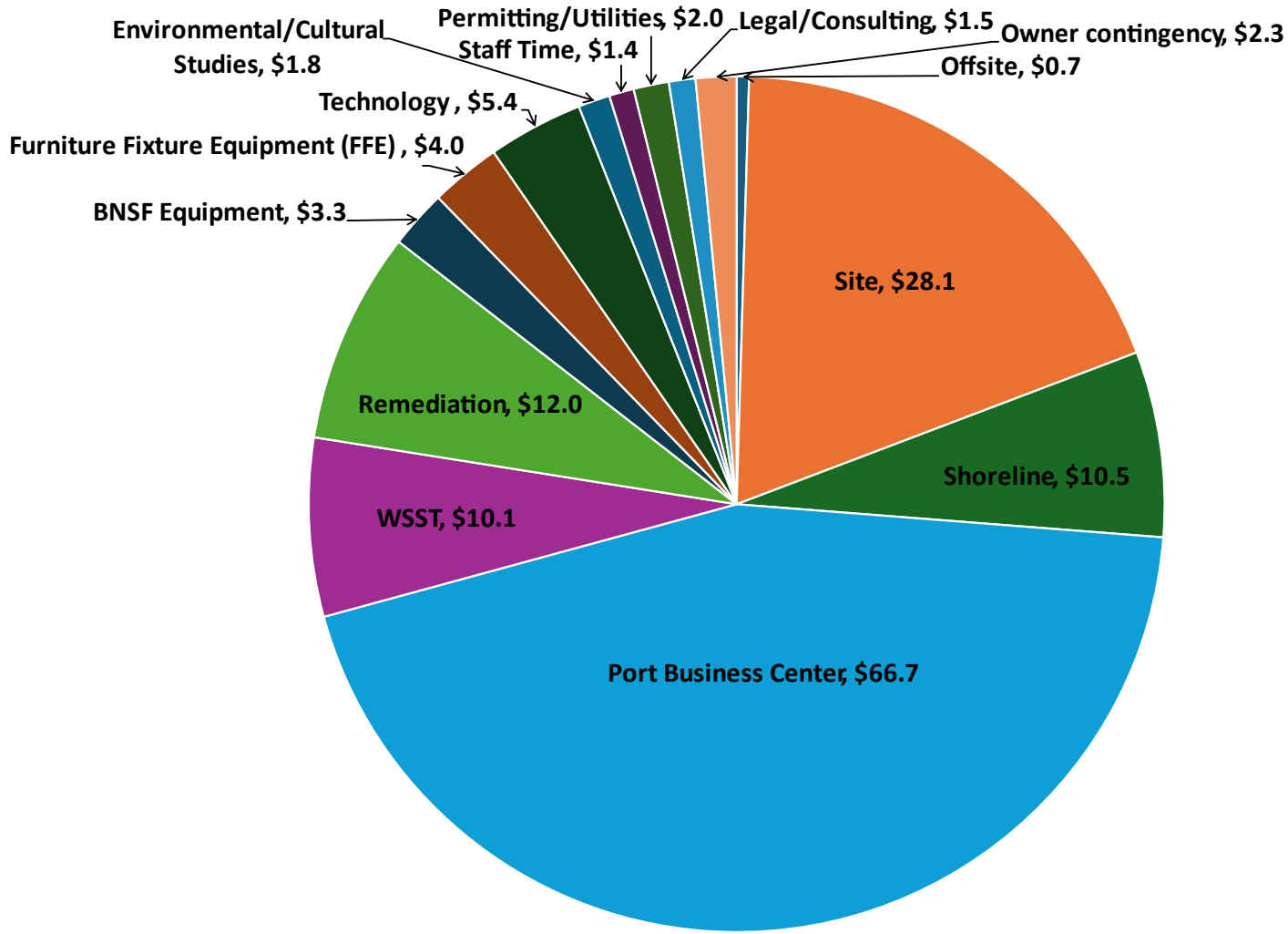
Anticipated spend on remediation from to December: \$12M

Anticipated design, permitting, staff time through 2024: \$2M

Total Authorized by Commission for remediation/design: \$24.8M

Total Anticipated expenditures through 2024: \$22.2M

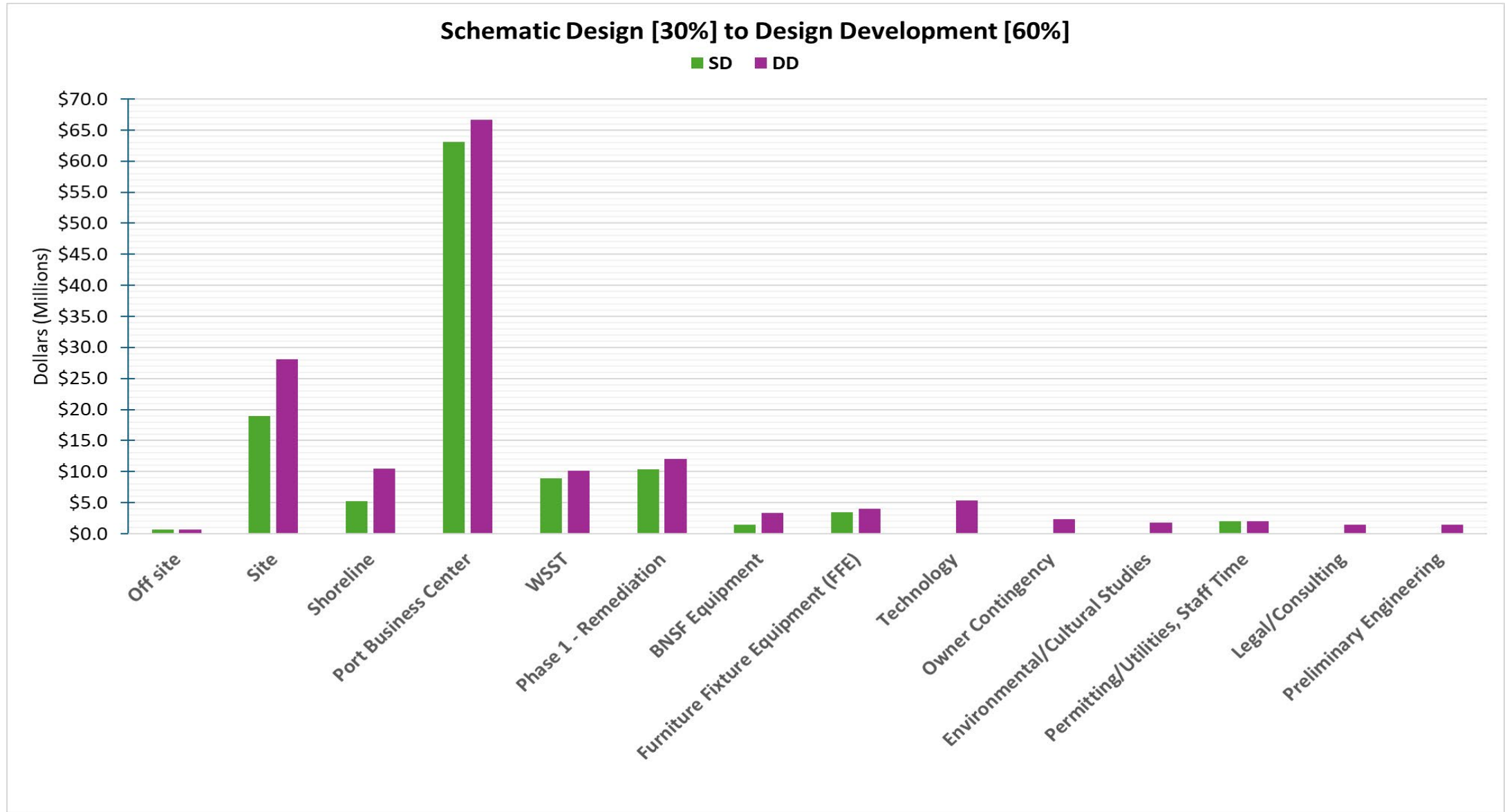
Financial Summary Pie Chart



Color	Cost Bucket
44%	Port Business Center
19%	Site Development
8%	Remediation
7%	Shoreline Development
7%	WSST

Total = \$149.77M

Cost Summary - 30% to 60% Design Factors



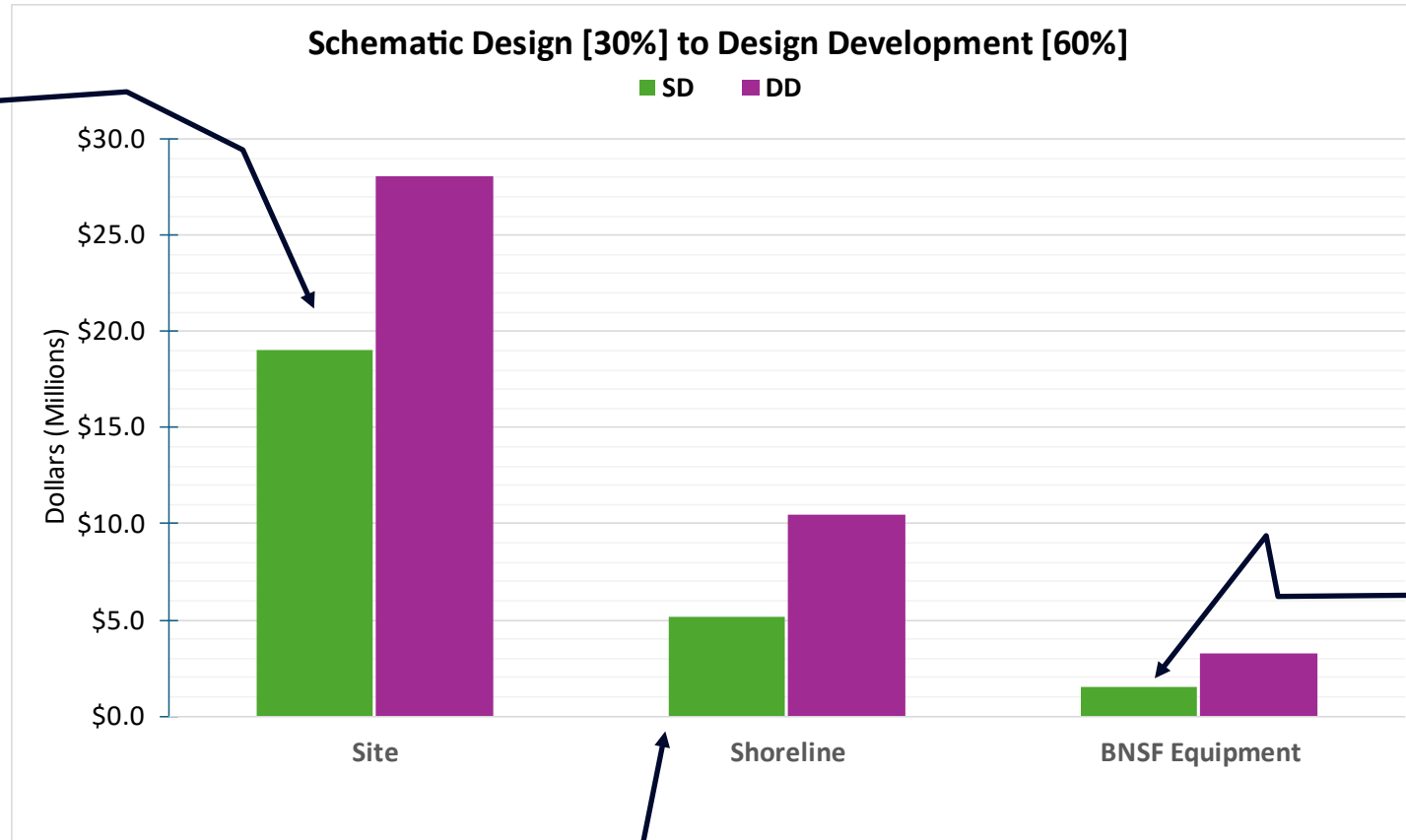
Cost Summary - 30% to 60% Design Factors

Factors that increase **site** costs include:

- Rail realignment,
- Rail demolition,
- Ness Crane improvements,
- "D" street improvements, and
- additional remediation cost in each of these areas.

Factors that increase **shoreline** costs include:

- Parking lots can't accommodate recycled soil due to rail elevation constraints,
- Triggers additional testing for offsite export,
- Additional remediation assumed,
- Additional native shoreline plantings required by city,
- Multiple permit applications required for both cleanup and rail work.



Factors that increased **BNSF Equipment** costs include:

- 1,300 feet of track replacement instead of 800 [\$520K]
- Signaling, signage, gate arms, electrical equip [\$2M]
- BNSF labor, fees, tax. [\$800K]

- Progressive Design-Build Architect and Contractor's estimator work hand in hand for best value solutions
- DB contractor released 25 bid packages to specialty subcontractors, received 120 bids
- Outreach to 261 sub-contractors through invitation to bid
- Value engineering workshops with Port to ensure best value
- Risk workshops with Port

- Maritime 253 Skills Center will employ approx. 20 full time staff and serve up to 300 students per session (two per weekday). Maritime 253 will provide career/technical education to junior/senior level high school students throughout Pierce County at no cost.
- The Port Business Center expected to provide workspace for up to 155 Port and NWSA employees.
- The local construction industry will benefit from the construction of the Port Maritime Center and Maritime | 253 Skills Center

- Alternative 1) Construct Port Business Center, Site and shoreline improvement in conjunction with District's Maritime 253 building.
- Alternative 2) Off-Ramp - Project not funded. Remediation continues, District's lease may be terminated and Maritime 253 skills not constructed.
- Alternative 3) Partial Off-Ramp - Build private RR crossing, site, half of parking, shoreline and allow District to build Maritime 235 skills center. Estimated cost to Port is approximately \$68M.

Alternative 1 is the recommended course by staff.

- Permitting - City permits staggered to be issued so work can be done in sequence. Shoreline permits on track for late 2025
- Remediation – Site cleanup in construction and substantially complete at end of December
- Stormwater – Temp erosion and sediment controls in place
- Air Quality/Sustainability – LEED Silver Design

Next Steps

- Finish site remediation currently in construction.
- Finalize the Joint Use Agreement with the District
- Continue working with the BNSF to finalize the at-grade crossing design and develop a new easement agreement.
- Continue working with the design build team to finalize the design drawings in preparation for construction. Obtain all city, state, and federal permits.
- Construct the improvements in the scope of work.
- Continued consultation and coordination with Puyallup Tribe of Indians.
- Continued employee and public engagement activities.
- Continued master planning.
- Continued clean-up cost recovery activities and planning for future cleanup actions on adjacent Port properties.
- Continued pursuit of grants.

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Thank You

Questions & Discussion

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