

PROJECT BRIEFING MEMO

Port of Tacoma Commission



Item No: 10A
Meeting Date: 5/21/24

DATE: May 13, 2024
TO: Port of Tacoma Commission
FROM: Eric Johnson, Executive Director
Sponsor: Alisa Praskovich, Chief Strategic Projects & Commission Relations
Project Manager: Stan Ryter, PE, Senior Project Manager
SUBJECT: Port of Tacoma Maritime Center: Occupancy Plan (Master ID # 101549.01)

A. **BRIEFING PURPOSE**

This briefing is to provide the Commission with an understanding of the short-term and long-term occupancy plan to staff the new Port Business Center building.

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

B. **SYNOPSIS**

The Port of Tacoma (Port/POT) has partnered with Tacoma Public Schools (District) to develop a Port Maritime Center Campus and a Maritime Skills Center (Maritime | 253) on Parcels 92 and 94. Maritime | 253 will support future employment needs of the maritime and logistics industry and the Port Maritime Center will support the Port's business operational needs with a new administration and Commission meeting space. The project is being delivered using the Progressive Design-Build method. The delivery method will shorten the schedule and achieve earlier cost-certainty. This briefing will outline the short-term and long-term occupancy plan for the new Port Business Center, from programming to full occupancy.

C. **BACKGROUND**

Since 2021, the Port has led several strategic initiatives to support developing a new POT Maritime Center and Maritime Skills Center in partnership with the District. In March 2023, the Port and the District executed an Interlocal Agreement to build a maritime skills center on Port property.

A second interlocal agreement was executed in August 2023, to govern the planning and development of the project from execution of the Initial Design-Build Team contract through completion of initial design development, schematic design, and cost estimating. The Second ILA established that Parametrix, the District's project management firm, would be fully funded by the District up until the Initial Design Build contract is executed. Following contract execution, Parametrix fees were split between the District and the Port based on services rendered up to the not to exceed maximum provided in the October 2023, Amendment 1 of the Second ILA. On

March 19, 2024, the Port of Tacoma Commission authorized a Second Amendment to the Second ILA that:

- Extended the agreement to have the initial services contract through Design Development (60%)
- Extended the current contract management process as managed by the District and maintain the current invoicing process whereby the District is reimbursed by the Port through a negotiated cost split.
- Maintained the POT's not to exceed limit for the Parametrix project support costs.

Commission previously authorized funds in April 2023, primarily to complete two phases of cultural and environmental investigation. Commission also authorized funds in October 2023, to take the project to 30% design. Two special Port Commission study sessions were held on February 13 and February 27, 2024, to provide information and gather Commissioner feedback on the approach to master planning, site development and building design. The building design and floor plans shared with the Commission at this time were roughly at 30% design. At the March 19, 2024 meeting, the Port of Tacoma Commissioners authorized funding to advance design from 30% to 60%, fund additional legal fees for the BNSF crossing agreement and design-build contract review, permitting costs for environmental and site development, continuation of master planning and community engagement, retaining a commissioning agent, and staff time.

Port's Business Center: Programming

First and foremost, the new Port Business Center has a planned life of approximately 50 years. Newer construction and building code standards have extended the average building life an additional 10 years. In early October 2023, the Project Team began the detailed programming process with the various departments representing both the Port of Tacoma and NWSA staff. The Programming phase, also known as pre-design, is to determine and finalize building and user requirements and establish a total building size. This process considers user requirements when matched with various elements of building codes, ADA compliance, etc. Programming involves gathering information from the intended building occupants and user groups through robust interviews, workshops and surveys. Working alongside the architects and designers at TCF Architects, information was gathered from POT and NWSA staff on current and projected needs in the key areas listed below:

Staffing Levels <ul style="list-style-type: none">▪ Current staffing levels for the department▪ Projected staffing levels	Workspace Arrangements <ul style="list-style-type: none">▪ Orientation of workspace for most conducive workflow, interactions, privacy, etc.▪ Workstation options (Review prelim Office Standards)
A Day in the Life <ul style="list-style-type: none">▪ Daily department routines▪ Sensitive or private functions	Adjacencies and Shared Functions <ul style="list-style-type: none">▪ Proximity to and interactions with other departments or work groups.▪ Access to shared spaces
Meeting Spaces Access to, frequency, and types of meeting spaces	Storage Requirements <ul style="list-style-type: none">▪ Filing needs within work area▪ Materials and other storage requirements
Security <ul style="list-style-type: none">▪ Security considerations	Equipment and IT Needs <ul style="list-style-type: none">▪ Data/Comm / Audio-Visual / Office Equipment / Etc.

From October of 2023 through May of 2024, the project team held several programming interviews and workshops with POT and NWSA staff to ensure the building and user requirements met current and projected needs. This process included several workshops with POT and NWSA executive and IT staff on the Commission meeting space layout, design and function and included the public meeting space, executive meeting room, and catering kitchen. The result of programming determines the total number of occupants (that includes an industry standard of 10 to 15% contingency), as well as how the building will meet all code and project requirements. The table below summarizes the total programmatic occupancy figures for the Port Business Center as of May 2024:

Entity	Head Count
Port of Tacoma	106
NWSA (Tacoma footprint)	47
Contingency (10% growth)	15
Total	168

The total occupancy for POT and NWSA staff, with a 10% contingency for future growth, is 168. It is important to note that the NWSA numbers reflect those staff who are based out of Tacoma and does not include those staff who regularly work out of the Terminal 46 offices in Seattle. In addition, it was always assumed that the NWSA Operations team would remain at One Sitcum for planning purposes. In early May 2024, the Project Team was notified by the NWSA leadership that both the Commercial Team and OPS would remain at One Sitcum. The table below summarizes the total headcount anticipated at the time of occupancy in ~2027:

Entity	Head Count
Port of Tacoma	100
NWSA Executive	5
NWSA Finance	3
NWSA Environmental	14
NWSA Engineering	1
Contingency (10% growth)	15
Total	138

To provide a full, comprehensive outlook to when the Project Team expects full occupancy of the new Port Business Center, one must consider the eventual sunseting of both the Fabulich Center (~2028) and One Sitcum (~2035 to 2040). It is anticipated that when the Fabulich Center sunsets, the Port Security Patrol units will relocate to One Sitcum and will require (5) hot desks for reporting writing, while the Port Security administrative staff and the 24/7 command center will relocate to the new Port Business Center (approximately 6 full-time personnel). Lastly, when One Sitcum sunsets, it is expected that the remaining NWSA Commercial staff will relocate to the new Port Business Center. Thus, full occupancy of approximately 168 personnel with the contingency is anticipated by 2035 absent any other requested shifts of personnel by NWSA, or major building issues at One Sitcum that would require an earlier sunset date (e.g. natural disaster, unplanned major repair costs not meriting the investment, etc.).

One Sitcum and Potential Tenants

The Port of Tacoma real estate team is continuing to evaluate potential future tenants at One Sitcum. There are possibilities with industry as well as the Military Transportation Command. Any potential tenant will have to be carefully evaluated against any needed tenant improvements, lease terms, security risk, and liability. These opportunities will be explored and shared in further detail at future Commission meetings.

D. PREVIOUS ACTIONS OR BRIEFINGS [2024]

Date	Action	Amount
February 13, 2024	Port Maritime Center Update – Port Commission Study Session	\$0
February 27, 2024	Port Maritime Center Update – Port Commission Study Session	\$0
March 19, 2024	Second Amendment to Port of Tacoma and Tacoma Public School District ILA #2 and Project Authorization for 60% Design	\$11,770,000
TOTAL		\$11,770,000

E. NEXT STEPS

Complete design and return to Commission for construction authorization in select month and year.