



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6d

ACTION ITEM

Date of Meeting January 8, 2019

DATE: December 14, 2018

TO: Stephen P. Metruck, Executive Director

FROM: Paul Meyer, Senior Manager – Maritime Environmental Programs
Matthew Mateo, Senior Environmental Management Specialist

SUBJECT: Memorandum of Agreement for Permitting Support between Port of Seattle and Seattle Department of Construction and Inspections

Amount of this request: No new funding requested.

ACTION REQUESTED

Request Commission authorization for the Executive Director to extend the term of the existing interagency memorandum of agreement with the Seattle Department of Construction and Inspections (SDCI) for up to five years. The agreement commits SDCI staff to expediting all Port of Seattle permit reviews. Funding for this action is covered by divisional operating expense allocations and was included in the 2019 budget. No new funding is requested with this action.

EXECUTIVE SUMMARY

This authorization request extends the existing agreement between the Port of Seattle and SDCI for expedited permitting services. The agreement formalizes coordination with SDCI and establishes expectations for each party to meet project timelines.

This agreement applies to all Port of Seattle projects, including larger capital projects and smaller expense projects, under review by SDCI. As examples, the existing agreement assisted and helped expedite permitting for the Pier 69 Solar Array installation, Terminal 5 berth improvements, Shilshole Bay Marina customer service facility improvements, as well as numerous small works and maintenance capital or expense projects.

The requested five-year authorization window aligns with the Port of Seattle’s recently adopted 2019-2023 capital investment plan. Proposed investments in the plan require significant and complex permit approvals. The liaison services authorized under this agreement provide expedited permit reviews, dedicated SDCI staff familiar with Port operations, and continued guidance throughout capital project implementation.

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The Port of Seattle Commission originally authorized this agreement on January 26, 2016. The current authorization expires on January 26, 2019. Continued authorization would commit SDCI staff to expediting Port of Seattle projects under permit review until January 26, 2024.

JUSTIFICATION

The 2019-2023 capital investment plan proposes improvements at Salmon Bay Marina, a new cruise berth, development of Terminal 91 uplands, electrical power to the Central waterfront, and development of Fishermen’s Terminal Gateway building, among others. Each of these projects will require close coordination with the City of Seattle to meet individual project timelines. The agreement will minimize project delays, support the implementation of the capital investment plan, and contribute to the following Century Agenda strategies:

- Position the Puget Sound region as a premier international logistics hub
- Advance this region as a leading tourism destination and business gateway
- Be the greenest, most energy efficient port in North America

DETAILS

The Port of Seattle Commission first authorized the agreement on January 26, 2016. Since that time, the agreement has supported more than 60 capital and expense projects under review by the Seattle Department of Construction and Inspections. The agreement states that SDCI will provide the following services:

1. Facilitate scheduling timely pre-submittal conferences and permit intake appoints;
2. Provide timely and accurate information on application submittal requirements;
3. Respond to questions and provide follow-up in a timely manner;
4. Facilitate coordinated review of projects with other departments;
5. Identify process and code issues early in the pre-application and review process;
6. Facilitate timely resolution of code and process issues within SDCI and across department lines;
7. Provide a timely and predictable process to raise and resolve code and permitting issues;
8. Review projects within agreed upon timelines identified in the project schedule;
9. Provide a single point of contact for project facilitation of Port projects.

Either party can discontinue the agreement given 30 days’ advanced notice. This provides flexibility if permitting project loads decrease.

Sound Transit has maintained a similar agreement with the City of Seattle since 1998. Their agreement covers the design and implementation of light rail in the City of Seattle. Under the agreement, Sound Transit authorizes funds to provide design coordination, plan reviews, permit actions and other services needed to allow construction of light rail facilities within the City of Seattle. Sound Transit recently authorized \$1.2 million to the City of Seattle on April 26,

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2018, for project administration and permit streamlining services for the West Seattle and Ballard Link Extensions project.

The Port of Seattle has similar agreements in place for dedicated liaison staff for expedited permit review with the U.S. Army Corps of Engineers and for staff dedicated to National Marine Fisheries Service consultation needed for in-water work approvals.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not authorize agreement between the Port of Seattle and Seattle Department of Construction and Inspections

Cost Implications: \$0

Pros:

- (1) Cost savings from not authorizing agreement.

Cons:

- (1) Permitting time will increase resulting in potential project delays.
- (2) No early guidance from the City of Seattle in capital project implementation.

This is not the recommended alternative.

Alternative 2 – Authorize agreement for LESS than the requested five years.

Cost Implications: Approximately \$190,000 per year for duration of authorization

Pros:

- (1) Permitting review times coordinated with project timelines.
- (2) Guidance for complex capital projects.
- (3) Dedicated SDCI staff familiar with industrial marine development.
- (4) Potential cost savings from partially authorizing agreement

Cons:

- (1) Agreement will not cover the full implementation timeframe of major capital improvements.
- (2) Requires more administrative effort for Port, as well as city staff in processing agreement renewals more often. It is inefficient.
- (3) Missed renewals could increase permitting time for some projects.

This is not the recommended alternative.

Alternative 3 – Authorize extension of existing agreement for up to five years coinciding with adopted Capital Investment Plan

Cost Implications: Approximately \$190,000 per year for five years

Pros:

- (1) Permitting review times coordinated with project timelines.
- (2) Guidance for complex capital projects.

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- (3) Dedicated SDCI staff familiar with industrial marine development.

Cons:

- (1) Costs associated with SDCI agreement.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The agreement is estimated to cost \$190,000 per year. The \$190,000 stated in this request is an estimate based on previous agreement costs between 2016 and 2018. Actual costs are subject to change based on SDCI labor rates set annually by Seattle City Council. The Port of Seattle reimburses the City of Seattle for work completed under the agreement. The 2019 amount is included in the 2019 approved budget. Future years will be included in annual budget requests.

Annual Budget Status and Source of Funds

No new funding is requested. Funding for this agreement is covered by allocated Maritime divisional operating expenses.

ATTACHMENTS TO THIS REQUEST

- (1) Current Agreement with the Seattle Department of Construction and Inspections.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

January 26, 2016 – The Commission authorized the Chief Executive Office to enter into a new memorandum of agreement with Seattle Department of Construction and Inspections for up to three years.