

Maritime and Economic Development 2020-2024 Capital Improvement Plan (CIP)

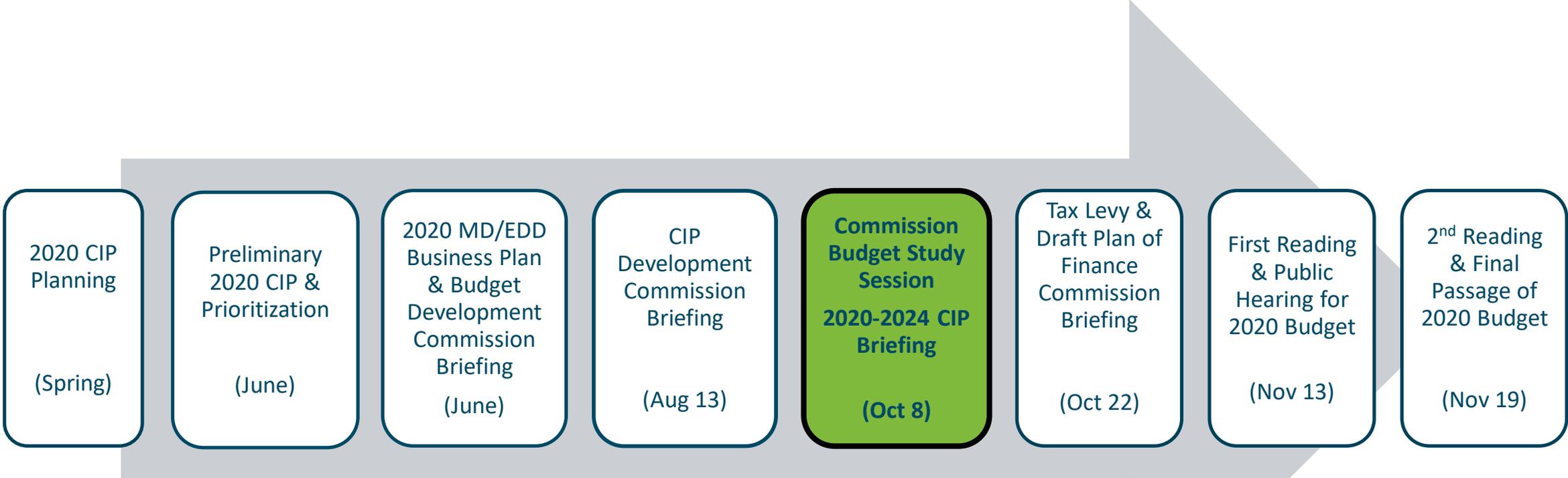


**Sustaining the
Working Waterfront**
October 22, 2019

Agenda

- Capital Improvement Plan (CIP) Development Schedule
- Review CIP Priorities and Project Status
- Key Assumptions
- Overview of 2020 to 2024 CIP
 - Deeper dive on key projects
 - Discuss new projects (not included in 2019-2023 CIP)
 - Five Year Estimated Spend
- Discuss Next Steps
 - Plan of Finance
- Appendix

2020 CIP Development



Working Waterfront Principles

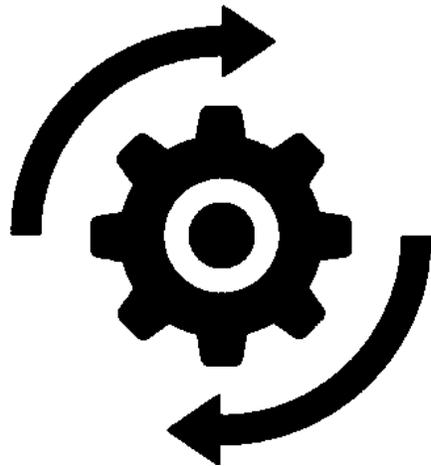
1. Maximize the use of the Port's deep-water facilities and industrial lands to **serve Maritime Industrial uses**
2. Expand **economic, cultural and community benefits**
3. Support **financial sustainability** of the Port
4. Incorporate **leading edge environmental stewardship**
5. Facilitate **improved transportation mobility** of people and goods in the region
6. Provide consistent **excellent customer service**

Capital Improvement Plan Priorities

Asset

Stewardship:

Maintaining the Port's capital assets and modernizing Seattle's working waterfront



Financial

Sustainability:

Investing in projects that support maritime industries and the Port's long term funding capacity



Community and

Environment:

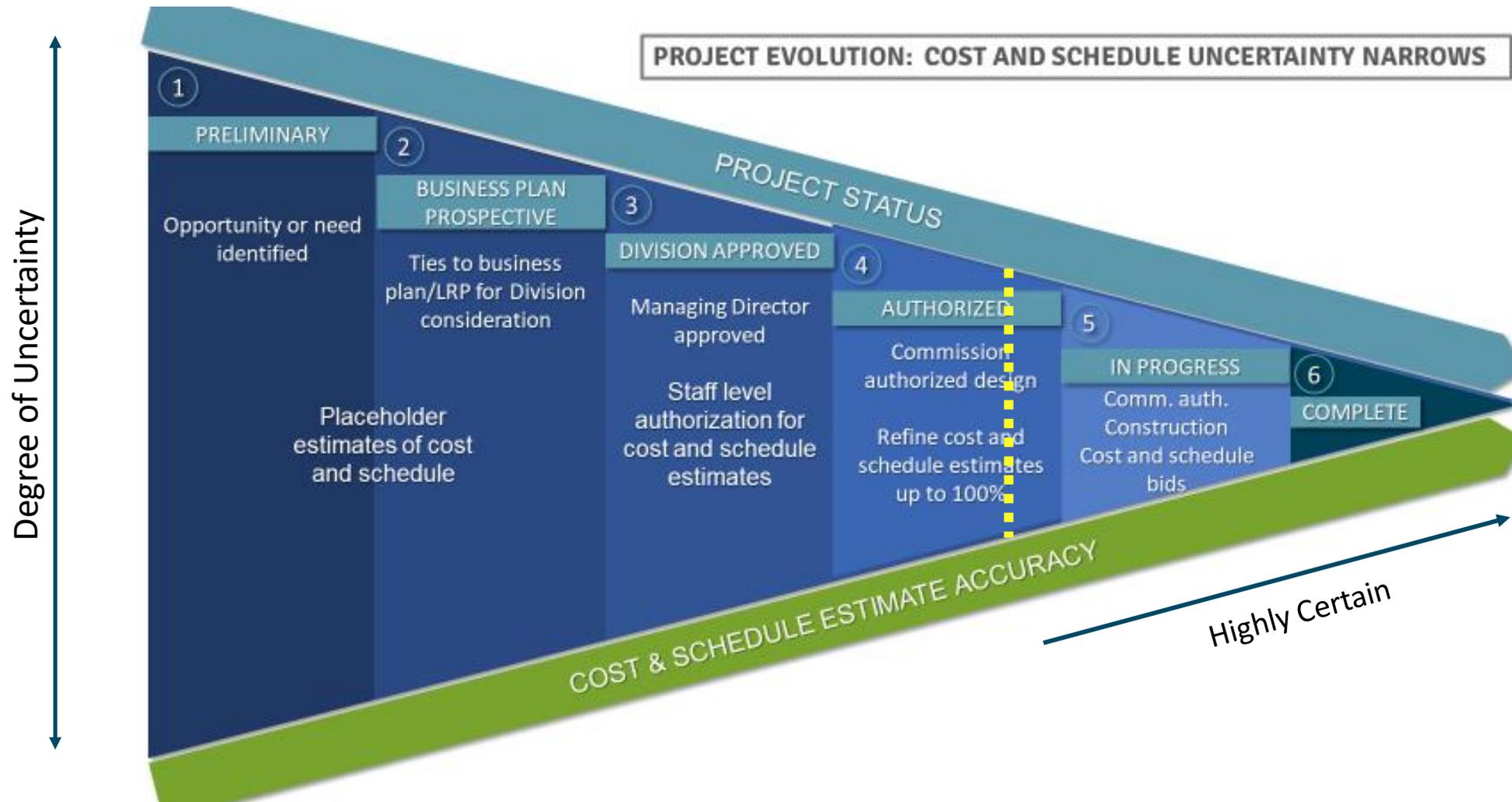
Stewarding our environment responsibly, partnering with surrounding communities, and promoting social responsibility



Key Assumptions

- Proposed CIP assumes continuation of five-year investment plan
 - Year two of 3% annual levy increase
 - Projects have been prioritized according to:
 - Alignment with Century Agenda
 - Contribution to Financial Sustainability, and/or
 - Identification as Critical Renewal & Replacement Projects
 - Funded CIP excludes \$187M for prospective projects, of which \$127M would be used for asset renewal and replacement
- Expanded capital capacity resulting from new project revenues coming online, maturing bonds, and reduction of strategic reserve
- Updated NWSA operating forecast not yet available
- Funding capacity and taxy levy briefing scheduled for October 22

Capital Improvement Plan Status & Certainty



Port historically delivers 80 percent of CIP over a five year period

Major Project Updates and Highlights

Updates from 2019-2023 key projects

- Advanced the status on 11 of the 12 major projects
- Some projects have longer schedules, but all on track in the 5 year horizon

Terminal 91 Uplands: Design team selected by Q4 2019

T46 Cruise Terminal:

- Partner RFP submittals due October 16, with selection in Q1 2020,
- Full EIS to begin scoping this month
- Design of Port lead elements underway

Waterfront Electrification: P66 electrification coming to Commission for design funds next month. Complete in 2022.

Maritime & Economic Development 2020-2024 CIP

Maritime & Economic Development Proposed 2020-2024 CIP	Asset Stewardship	Financial Sustainability	Environment & Community	Status	Estimated Completion	\$millions
Projects included in 2019-2023 CIP:						
Terminal 117 Restoration			x	5	Q2 2021	\$22.8
Bell Harbor Conference Center Modernization		x		5	Q3 2020	\$10.4
Fishermen's Terminal Docks 3, 4 & 5 Fixed Pier Improvements	x			5	Q2 2020	\$2.5
New Cruise Facility (Assumes 50% Tenant Cost Share)		x		4	Q2 2023	\$98.9
Terminal 91 Uplands Development		x		4	Q2 2023	\$38.8
Fishermen's Terminal Gateway Building		x		4	Q3 2022	\$21.8
Fishermen's Terminal Maritime Innovation Center			x	4	Q3 2022	\$10.1
Salmon Bay Marina Docks D & E Replacement	x			4	Q3 2023	\$8.9
Pier 66 HVAC Systems Upgrade	x			4	Q4 2021	\$1.8
Terminal 91 Berth 6 & 8 Redevelopment	x			3	2022	\$35.0
Pier 66 Shorepower Waterfront Electrification			x	3	2022	\$16.9
Harbor Mooring Dolphins		x		3	2022	\$4.5
Small Capital/Fleet/Projects Underway	-	-	-			\$35.4
MD/EDD CIP Reserve	-	-	-			\$25.0
Total for Projects included in the 2019 - 2023 CIP						\$332.8
New Projects Proposed for 2020-2024 CIP:						
T102 Harbor Island Marina E Dock	x			3	2021	\$3.9
World Trade Center HVAC Replacement	x			3	2021	\$3.8
P66 Bell Harbor Marina Pile Wraps	x			3	2024	\$3.5
T46 Replace N Pier Structure	x			2	2024	\$64.4
T91 Northwest Fender	x			2	2021	\$6.6
T91 New Cruise Gangway		x		2	2022	\$4.5
Jack Block Park Pier Replacement			x	2	2021	\$2.9
New or Previously Deferred Projects Under \$2 million*	-	-	-			\$18.1
Total New Projects Proposed for 2020-2024 CIP						\$107.5
Total Maritime/Economic Development CIP						\$440.3
Status: 1= Prospective 2= Pending Authorization 3= Division Endorsed 4= Design Authorized 5= Construction Authorized						
*See slide in appendix for more information						

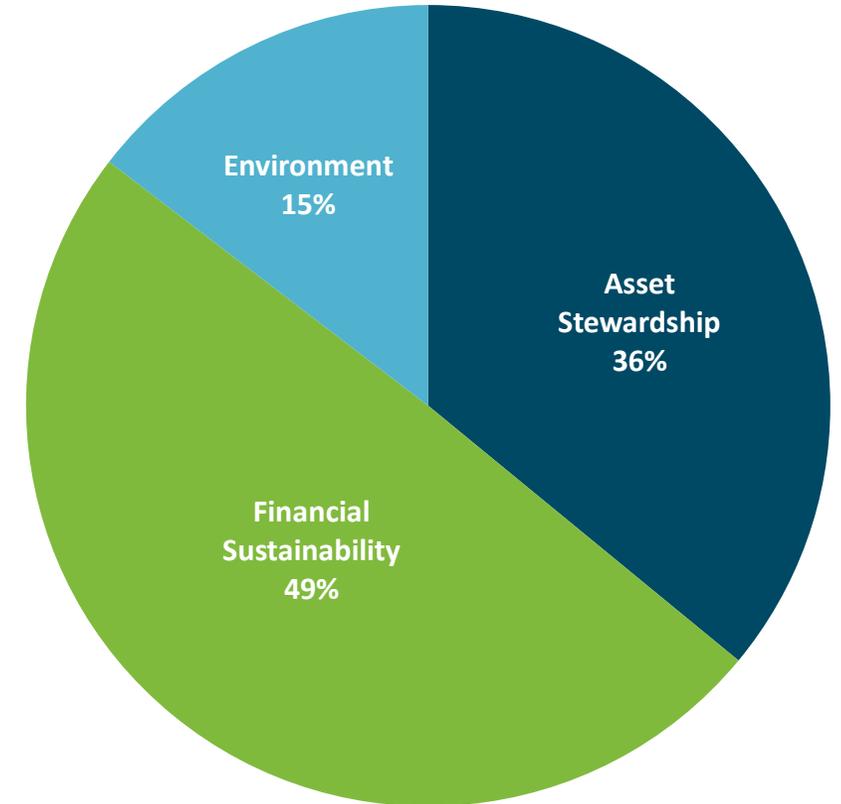


Chart does not include CIP Reserve/Small Projects/Projects Underway or non MD/EDD Projects

*Changes in status and estimated completion are bold

Changes to Estimates & Costs from 2019-2023 CIP

Maritime & Economic Development Proposed 2020-2024 CIP	Asset Stewardship	Financial Sustainability	Environment & Community	Status 2018	Status	Nov 2018 Completion	Estimated Completion	Nov 18 Cost	
									\$millions
Projects included in 2019-2023 CIP:									
Terminal 117 Restoration			x	4	5	Q2 2020	Q2 2021	\$17.9	\$22.8
Bell Harbor Conference Center Modernization		x		4	5	Q3 2020	Q3 2020	\$9.9	\$10.4
Fishermen's Terminal Docks 3, 4 & 5 Fixed Pier Improvements	x			4	5	Q1 2021	Q2 2020	\$6.1	\$2.5
New Cruise Facility (Assumes 50% Tenant Cost Share) ¹		x		2	4	Q2 2022	Q2 2023	\$100.0	\$98.9
Terminal 91 Uplands Development		x		3	4	Q3 2022	Q2 2023	\$39.0	\$38.8
Fishermen's Terminal Gateway Building		x		4	4	Q3 2021	Q3 2022	\$23.0	\$21.8
Fishermen's Terminal Maritime Innovation Center			x	3	4	Q3 2021	Q3 2022	\$10.5	\$10.1
Salmon Bay Marina Docks D & E Replacement	x			2	4	Q3 2020	Q3 2023	\$5.9	\$8.9
Pier 66 HVAC Systems Upgrade	x			2	4	Q4 2021	Q4 2021	\$2.9	\$1.8
Terminal 91 Berth 6 & 8 Redevelopment ²	x			2	3	Q4 2021	2022	\$35.0	\$35.0
Pier 66 Shorepower Waterfront Electrification			x	2	3	2022	2022	\$30.0	\$16.9
Harbor Mooring Dolphins		x		2	3	Q3 2020	2022	\$3.6	\$4.5
Small Capital/Fleet/Projects Underway ³	-	-	-					\$24.7	\$35.4
MD/EDD CIP Reserve ⁴	-	-	-					\$40.0	\$25.0
Total for Projects included in the 2019 - 2023 CIP								\$348.5	\$332.8
New Projects Proposed for 2020-2024 CIP:									
T102 HIM E Dock	x			3	3		2021	-	\$3.9
WTC HVAC Replacement	x			2	3		2021	-	\$3.8
P66 BHM Pile Wraps	x			3	3		2024	-	\$3.5
T46 Replace N Pier Structure	x			1	2		2024	-	\$64.4
T91 Northwest Fender	x				2		2021	-	\$6.6
T91 New Cruise Gangway		x		2	2		2022	-	\$4.5
JBP Pier Replacement			x	1	2		2021	-	\$2.9
New or Previously Deferred Projects Under \$2 million*	-	-	-						\$18.1
Total New Projects Proposed for 2020-2024 CIP								\$107.5	
Total Maritime/Economic Development CIP								\$440.3	

¹Includes electrification

²Does not include electrification

³Includes both projects under \$300K and projects near completion like Shilshole Bay Marina Restrooms

⁴Based on proposed CIP Reserve Policy

Status: 1 = Prospective 2 = Pending Authorization 3 = Division Endorsed 4 = Design Authorized 5 = Construction Authorized

*See slide in appendix for more information

Project Additions to 2020-2024 CIP

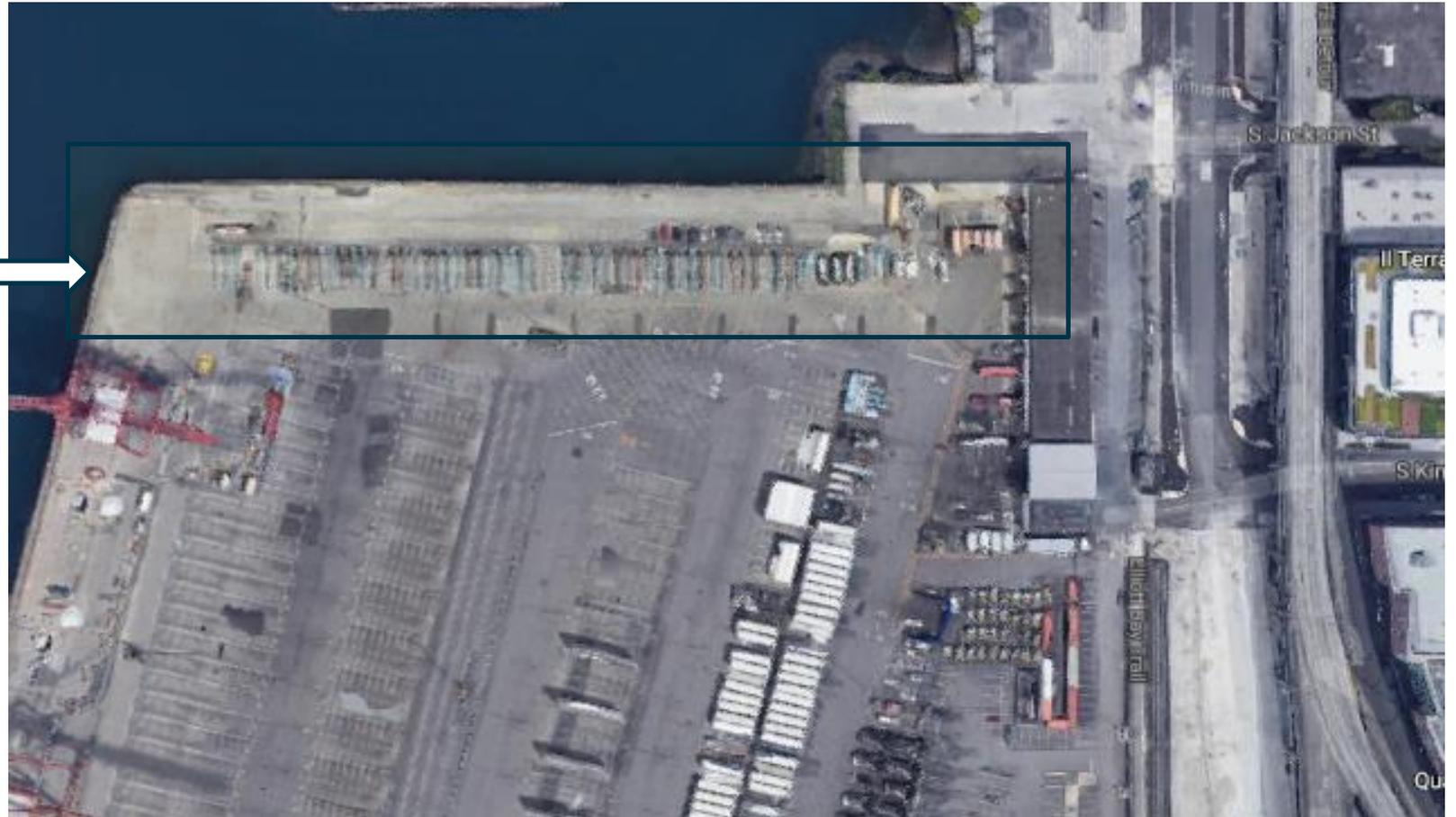
Capital Project (\$ in millions)	2020-2024 Cost Estimate	Life/Safety Related	Category	Project Status
T46 Replace N Pier Structure	\$64.4	No	Asset Stewardship	2
T91 Northwest Fender	\$6.6	No	Asset Stewardship	2
T91 New Cruise Gangway	\$4.5	No	Financial Sustainability	2
T102 Harbor Island Marina E Dock	\$3.9	Yes	Asset Stewardship	3
World Trade Center HVAC Replacement	\$3.8	No	Asset Stewardship	3
P66 Bell Harbor Marina Pile Wraps	\$3.5	No	Asset Stewardship	3
Jack Block Park Pier Replacement	\$2.9	Yes	Asset Stewardship	2

*Only Projects >\$2M shown totaling \$89.6M. For full list of projects, see appendix

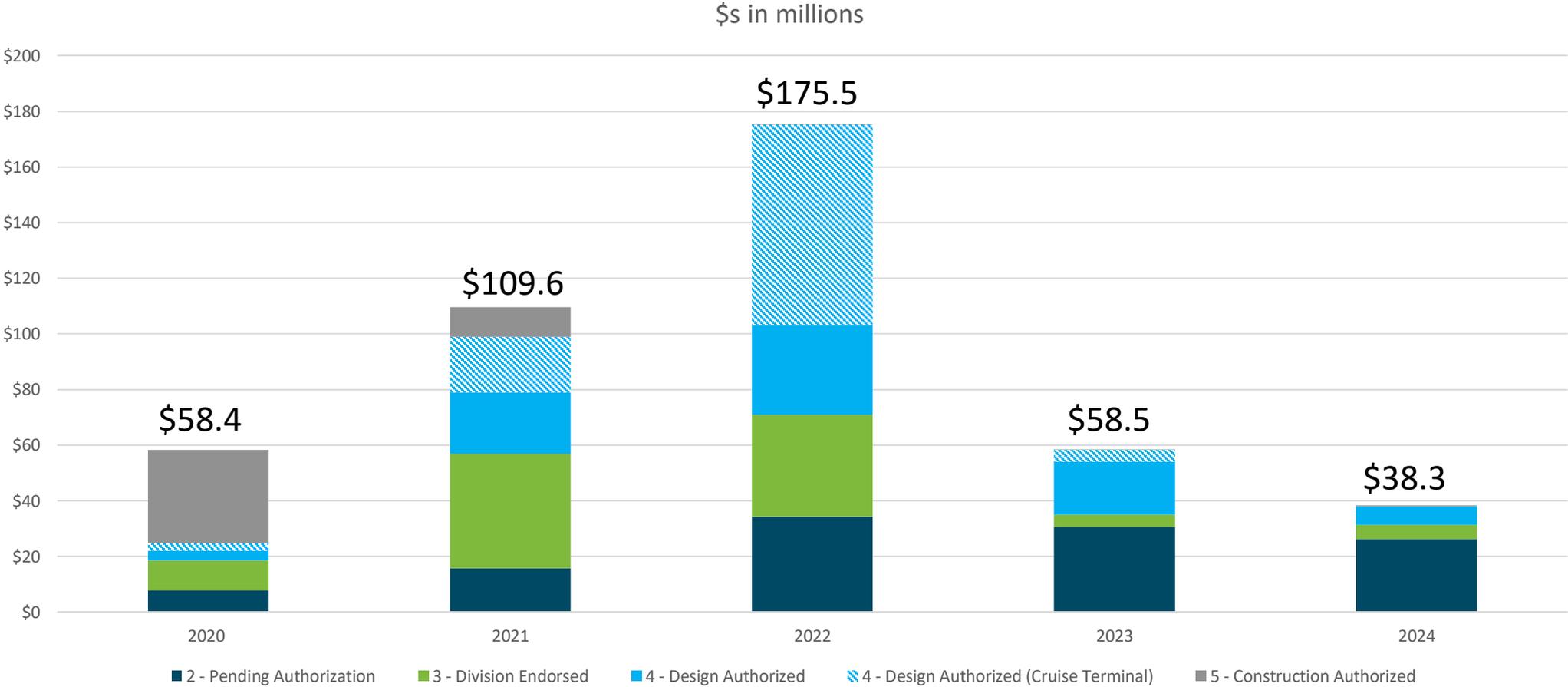
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Location of T46 North Pier Structure

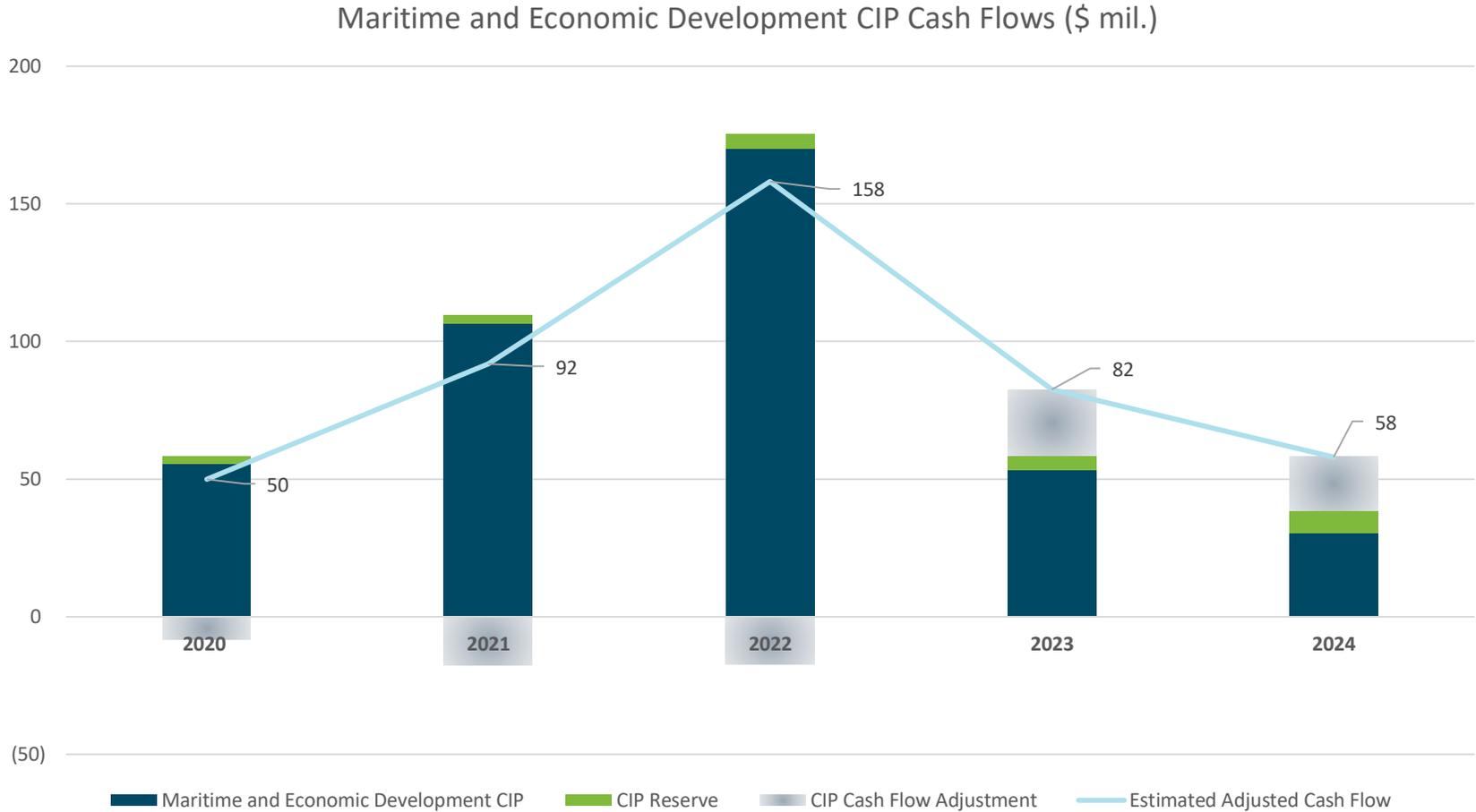
North Pier of T46 on wood pilings is approximately 700ft by 100 feet



Five-Year Spend by Current Project Status



Cash Flow Adjusted Five-Year Spend



Capital Delivery Improvement Initiative

- Examine all factors impacting Capital Delivery and Develop Road Map / Recommendations for improvements.
- Establish:
 - Senior Advisory Group: Internal/External membership (ERP)
 - Executive Steering Group: Internal Cross Port membership
 - Subject Matter Working Groups
 - Implementation Teams
- Work Areas: Contracting, Human Resources, Innovation, Sustainability, Delegation, Grants, Permitting, Safety, Coordination/Deconfliction, Estimation, Cost Control, Oversight, Portfolio Management.
- Organize and Charter Workplan in 4th Quarter.

Summary

Recommendation: Continue implementing 5 Year Investment Plan initiated in 2019.

- A \$440M CIP with focus in:
 - Financial Sustainability – 49%
 - Asset Stewardship – 36%
 - Environment – 15%
- Capital Plan takes into account:
 - Increased revenues
 - Prudent Financial Management
 - Retiring debt



Appendix

Maritime & Economic Development 2020-2024 CIP

Maritime & Economic Development Proposed 2020-2024 CIP						Asset Stewardship	Financial Sustainability	Environment & Community	Status	Estimated Completion	2020	2021	2022	2023	2024	\$millions	
Projects included in 2019-2023 CIP:																	
Terminal 117 Restoration			x	5	Q2 2021	\$11.4	\$10.6	\$0.3			\$0.3	\$0.3	\$0.3			\$22.8	
Bell Harbor Conference Center Modernization		x		5	Q3 2020	\$10.4	\$0.0									\$10.4	
Fishermen's Terminal Docks 3, 4 & 5 Fixed Pier Improvements	x			5	Q2 2020	\$2.5										\$2.5	
New Cruise Facility (Assumes 50% Tenant Cost Share)		x		4	Q2 2023	\$2.8	\$20.0	\$72.0			\$4.1					\$98.9	
Terminal 91 Uplands Development		x		4	Q2 2023	\$0.8	\$4.8	\$14.0			\$14.0		\$5.3			\$38.8	
Fishermen's Terminal Gateway Building		x		4	Q3 2022	\$1.0	\$10.0	\$10.0			\$0.8					\$21.8	
Fishermen's Terminal Maritime Innovation Center			x	4	Q3 2022	\$0.7	\$5.0	\$4.0			\$0.5					\$10.1	
Salmon Bay Marina Docks D & E Replacement	x			4	Q3 2023	\$0.1	\$1.0	\$4.0			\$3.8					\$8.9	
Pier 66 HVAC Systems Upgrade	x			4	Q4 2021	\$0.8	\$1.0	\$0.0								\$1.8	
Terminal 91 Berth 6 & 8 Redevelopment	x			3	2022	\$0.4	\$10.0	\$24.6								\$35.0	
Pier 66 Shorepower Waterfront Electrification			x	3	2022	\$0.7	\$13.2	\$3.0								\$16.9	
Harbor Mooring Dolphins		x		3	2022	\$0.1	\$2.6	\$1.8								\$4.5	
Small Capital/Fleet/Projects Underway	-	-	-			\$17.5	\$5.6	\$4.7			\$4.2		\$3.4			\$35.4	
MD/EDD CIP Reserve	-	-	-			\$3.0	\$3.0	\$5.5			\$5.5		\$8.0			\$25.0	
Total for Projects included in the 2019 - 2023 CIP						\$52.1	\$86.8	\$143.9			\$33.2		\$17.0			\$332.8	
New Projects Proposed for 2020-2024 CIP:																	
T102 Harbor Island Marina E Dock	x			3	2021	\$0.1	\$3.6	\$0.3								\$3.9	
World Trade Center HVAC Replacement	x			3	2021	\$0.7	\$3.1									\$3.8	
P66 Bell Harbor Marina Pile Wraps	x			3	2024	\$0.2	\$0.7	\$2.6			\$0.0					\$3.5	
T46 Replace N Pier Structure	x			2	2024	\$0.0	\$3.6	\$22.0			\$25.0		\$13.8			\$64.4	
T91 Northwest Fender	x			2	2021	\$3.6	\$3.0									\$6.6	
T91 New Cruise Gangway		x		2	2022	\$0.0	\$0.5	\$4.0			\$0.0					\$4.5	
Jack Block Park Pier Replacement			x	2	2021	\$0.3	\$2.6									\$2.9	
New or Previously Deferred Projects Under \$2 million*	-	-	-			\$1.4	\$5.9	\$2.8			\$0.3		\$7.6			\$18.1	
Total New Projects Proposed for 2020-2024 CIP						\$6.3	\$22.9	\$31.6			\$25.4		\$21.3			\$107.5	
Total Maritime/Economic Development CIP						\$58.4	\$109.6	\$175.5			\$58.5		\$38.3			\$440.3	

Status: 1 = Prospective 2 = Pending Authorization 3 = Division Endorsed 4 = Design Authorized 5 = Construction Authorized

*See slide in appendix for more information

*Changes in status and estimated completion are bold

New or Previously Deferred Projects under \$2M

Project Name	Status	Total
Fishermen's Terminal C3 Building Roof Replace	2	686
Maritime Video Camera Project	2	1,800
Salmon Bay Marina Uplands Building	4	1,500
Shilshole Bay Marina Boat Wash	3	954
Shilshole Bay Marina Dock X Pier Replacement	2	1,670
Shilshole Bay Marina Fuel Float Rehabilitation	2	470
Terminal 106 Mooring Dolphins	2	100
Pier 91 West Slope Stabilization	3	1,000
Repurpose Pier 69 datacenter space	2	70
World Trade Center West Roof Replacement	2	690
Pier 66 Roof Upgrades	2	687
Pier 66 Anthony's Mechanical Roof Renewal	2	700
Central Waterfront Bridge Elevator Modernizations	3	1,450
World Trade Center Garage Elevator Mods	2	1,930
Pier 69 Clerestory and Skylight Replacement	2	800
Salmon Bay Fire Suppression	3	687
Terminal 91 Pier Stormwater Improvement Phase I	3	1,050
Pier 66 Fender Overhaul	2	1,729
Terminal 10 Mooring Dolphins	2	100
Total		18,073

- Project costs in \$000s
- Only 2020 to 2024 project spending shown
 - Some projects have spending before or beyond five-year period
- Does not include Small Capital Projects (projects < \$300K in total cost)

Prospective Projects not currently funded in the CIP

Maritime Prospective Projects	\$millions
Fishermen's Terminal NW Dock West Improvements	\$41.8
New Marine Maintenance Shop	\$15.5
Waterfront Electrification	\$13.0
Terminal 91 Pier Stormwater Improvement Phase II	\$10.0
Salmon Bay Marina Roof Replacements	\$9.0
Shilshole Bay Marina Dry Boat Moorage	\$8.0
Fishermen's Terminal C15 Building Roof Replacement	\$5.5
Pier 91 Slope Stabilization	\$5.0
Pier 66 Apron Cathodic Protect	\$5.0
Pier 66 BHM Wavebreak Protect	\$4.7
Terminal 91 Dredge Berth M	\$4.0
Terminal 91 Widen West Berth Access	\$3.0
Shilshole Bay Marina G Dock Rehabilitation	\$2.7
Shilshole Bay Marina Esplanade Upgrades	\$1.7
Shilshole Bay Marina W Dock Small Boat Floats	\$1.4
Fishermen's Terminal I-8 Building Roof Replacement	\$1.0
Shilshole Bay Marina Comporter Pier Rehabilitation	\$0.9
Fishermen's Terminal C15 Building Improvements	\$0.9
Total Maritime Prospective Projects	\$133.0

Economic Development Prospective Projects	\$millions
Strategic Land Acquisition	\$30.0
Pier 69 HVAC Components Replace	\$7.6
Pier 69 Concrete Dock Rehabilitation	\$7.5
Pier 69 Restrooms Remodel	\$2.4
Pier 69 Front Windows & Doors Replacement	\$2.0
Pier 69 Underdock Utility Replacement	\$1.7
Pier 69 Elevator Control Modernization	\$1.0
Pier 34 Roof Replacement	\$0.8
Pier 69 South Breezeway Metal Roof Replacement	\$0.5
Pier 69 Commission Chambers AV System	\$0.4
Economic Development Prospective Projects	\$53.9

Total of \$187M proposed projects not currently funded in CIP