



**COMMISSION**  
**AGENDA MEMORANDUM**

**Item No.** 8h

**ACTION ITEM**

**Date of Meeting** April 14, 2026

**DATE:** March 13, 2026

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Kelly Purnell, Capital Project Manager, Waterfront Project Management  
Kyra Lise, Director Real Estate Development

**SUBJECT: Fishermen’s Terminal Maritime Innovation Center (C801084) and Site Improvements (C801211) Close-out Funding**

**Amount of this request:** \$500,000

**Total estimated project cost:** \$37,358,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to authorize additional funding in the amount of \$500,000 for close-out costs for the Fishermen’s Terminal Maritime Innovation Center (MInC) (C801084) and Site Improvements (C801211) projects.

**EXECUTIVE SUMMARY**

In August 2023 Commission authorized construction funding for the renovation of the historic Seattle Ship Supply Building into a cutting-edge, Living Building Challenge (LBC) certified Maritime Innovation Center (MInC) and the associated set of public space site improvements including new wayfinding and monument signage, interpretative signage, and funding public. Additional art funding was approved in May 2024.

The project progressed to substantial completion on March 6, 2026. During construction a Level 1 delay claim was received by the construction management team in the amount of \$330,000 that was settled early with the contractor and accommodated within the construction contingency. However, many unforeseen subsurface circumstances were found during construction including significantly more contaminated soil and two underground storage tanks found in the primary ground disturbance area that required contamination remediation that exceeded the approved ERL funding by \$210,000. The unforeseen issues also caused four months of additional delays, increasing the anticipated soft costs and depleting the remaining contingency of the project. Additional funds are required to finalize the ERL costs and complete all close-out tasks. Some of these additional funds are expected to be offset by liquidated

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damages that will be resolved in the coming months during close-out. The final amount of those liquidated damages is under negotiation with the contractor.

### **JUSTIFICATION**

The Fishermen’s Terminal Redevelopment improves a historic property that supports the maritime industry by welcoming the public to parts of the terminal that enhances the understanding and support of the industrial working waterfront. The improvements will also facilitate keeping parts of the facility focused on the industrial needs of the North Pacific Fishing Fleet. The site improvements, including 1% for Art projects, enhance the overall property and serve to recognize Fishermen’s Terminal as a living community landmark. The project has also remediated almost \$1,000,000 in contaminated materials and soil, contributing to the improvement of the overall Fishermen’s Terminal property.

The MInC builds upon a successful partnership we have forged with Maritime Blue (MB). The Port and MB have built a successful maritime accelerator program and are now instituting a new incubator program at Fishermen’s Terminal. The Port also has a significant partnership with MB to advance maritime career exploration and development. These key initiatives will continue to unfold over the next few years, and they can further scale when MB expands operations into the MInC. At this time the building is ready for turnover to MB. Additional close-out costs will enable a smoother transition to the tenant improvement component of this overall project effort.

### ***Diversity in Contracting***

The MInC and Site Improvements project, including the public art component, has met the 20% of design contracts requirement required by the Living Building Challenge (LBC), and the Project Labor Agreement (PLA) for this project exceeded the LBC requirement for workforce development. In addition to meeting the LBC imperative, the Port Diversity in Contracting Department requirement of a 12% WMBE goal for the MInC and Public Site Improvements project was exceeded at nearly 13%.

### **DETAILS**

#### ***Scope of Work***

##### **Close-out:**

- Provide funding for additional contaminated soil remediation (ERL) that exceeded estimates by over \$200,000.
- Finalize all consultant contracts
- Finalize all punch list items including final minor change orders.
- Finalize LBC initiatives for Urban Agriculture.

##### **Completed:**

- Hazardous materials abatement for lead paint, asbestos, and silica that is so prolific in early twentieth century construction was completed by Port Construction Services in advance of the general contractor breaking ground.

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- Contaminated soil remediation (ERL)
- Demolition and renovation of the “core and shell” of the building, meaning all existing siding, roofing, utilities, and internal infrastructure was removed, while preserving the bulk of the original timber framing.
- The building was jacked and cribbed and temporarily relocated to the adjacent south parking lot to install a new driven-pile deep foundation with grade beams and pile caps.
- Renovated and new core and shell including preserving the rare and valuable original old-growth timber framing, reinforced with modern steel framing.
- Salvage of existing old-growth timber flooring and some of the existing beams that were not used for the framing, was restored and used for flooring, benches, and other building aesthetic components.

### ***Sustainability Details***

Below are just some of sustainable features completed for The Fishermen’s Terminal project.

To achieve net positive energy and reduce emissions:

- On-site photovoltaic energy production.
- No combustion, all-electric building operation to support greenhouse gas reduction (ground source heat pump).
- Battery backup system to add resiliency for facility operations.
- Electric vehicle charging stations, bike parking and shower facilities.

To demonstrate the commitment to restoring water quality and improving aquatic life on industrial property:

- On-site stormwater treatment and detention
- Rainwater catchment for irrigation, toilet flushing and potable water use
- On-site grey water and black water treatment

To improve the health and wellbeing of our community:

- Daylighting and natural ventilation to reduce energy demand and provide a healthier interior environment.
- No “red list” materials will be used – significant reduction in chemicals of concern.
- Biophilic design incorporates strategies to enhance the human/nature connection and reinforces the connection to place.
- Community education and outreach
- Urban agriculture

To reduce emissions and build toward the circular economy:

- Reclaimed and FSC-certified wood regional materials.
- Landfill waste diversion
- Equitable and diverse workforce

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**Public Site Improvements:**

The FT Site Improvements include:

- Provides clarity for vehicle, bike and pedestrian routes and access with improved wayfinding signage and branding
- Electrical lighting upgrades
- Low maintenance landscaping
- Interpretive signage
- Provisions for parking and loading to accommodate future needs

**Schedule**

*MInC and Site Improvements*

*Activity*

Commission initial design authorization	2016 Q4
Design start	2017 Q1
Commission additional design funding authorizations	2019 Q1, 2019 Q2, 2021 Q2, 2022 Q4
Commission authorization for conditional construction for execution of \$4.87M Dept. or Commerce grant	2020 Q4
Commission construction authorization	2023 Q3
Commission authorization for additional construction contingency funds	2023 Q4
Commission authorization for additional art funds	2024 Q2
Construction Start	2024 Q2
In-use date	March 6, 2026

**Cost Breakdown**

This Request    Total Project

	This Request	Total Project
Design Includes		
MInC	\$0	\$3,650,000
Public Site Improvements <sup>1</sup>	\$0	\$1,525,505
Environmental Remediation Liability		
Soil Remediation	\$210,000	\$810,000
Abatement		\$160,000
Construction MInC & Public Site Impr <sup>1</sup>	\$290,000	30,730,495
Public Art		\$482,000
<b>Total<sup>2</sup></b>	<b>\$500,000</b>	<b>\$37,358,000</b>

<sup>1</sup>MInC and Site Improvements were bid as a single package.

<sup>2</sup>Does not account for additional \$5M Dept. of Commerce state grant #19-92201-007.

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**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

N/A

**FINANCIAL IMPLICATIONS**

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Previous estimate (MInC and Site improvements bid as one package) Public Art ERL: Soil Remediation ERL: Abatement	\$ 35,716,000  \$482,000	  \$500,000 \$160,000	\$36,858,000
Current Change MInC Building & Site Improvements ERL: Soil Remediation	\$290,000	\$210,000	\$500,000
Revised estimate MInC Building & Site Improvements Public Art ERL: Soil Remediation ERL: Abatement	\$ 35,906,000  \$482,000	  \$810,000 \$160,000	\$37,358,000
<b>AUTHORIZATION</b>			
Previous authorizations MInC Building & Site Improvements Public Art ERL: Soil Remediation ERL: Abatement	\$35,614,774  \$482,726	  \$600,000 \$160,500	\$36,858,000
Current request for authorization MInC Building & Site ERL: Soil Remediation	\$290,000	\$210,000	\$500,000
Total authorizations including this request: MInC Building & Site Improvements Public Art ERL: Soil Remediation ERL: Abatement	\$35,904,774 \$482,726	\$810,000 \$160,500	\$37,358,000
Remaining amount to be Authorized: MInC Building	\$0	\$0	\$0

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Site Improvements	\$0	\$0	\$0
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\*October 2025: \$100K transferred from MInC Building to Soil Remediation

**Annual Budget Status and Source of Funds**

FT Maritime Innovation Center (C801084) and FT Site Improvements (C801211) were included in the 2026 Capital Plan with a total cost of \$32,061,000 and \$4,136,000, respectively.

Both projects are funded by the Tax Levy. The MInC has received a \$5 million contribution towards construction from the State of Washington’s Department of Commerce.

**Financial Analysis and Summary**

Project cost for analysis	\$37,358,000 (Net: \$32.3 million with State Contribution)
Business Unit (BU)	Maritime Portfolio Management
Effect on business performance (NOI after depreciation)	Upon full occupancy, the building is expected to generate incremental revenue of approximately \$550k per year. A more accurate income forecast will be available upon execution of future lease/operating agreements. The development will increase annual depreciation by approximately \$677K
IRR/NPV (if relevant)	NPV: (\$25 + million)
CPE Impact	N/A

**ADDITIONAL BACKGROUND**

N/A

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- May 28, 2024 – Commission briefing on MInC and Site Improvement interpretive signage program – simultaneous presentation with Additional Art Funding request.
- November 21, 2023 – Commission authorized additional construction funding in the amount of \$4,017,495 to replenish project contingencies for a total project authorization of \$36,608,000.
- August 8, 2023 – Commission authorized \$27,415,000 construction funding for the construction of the Maritime Innovation Center (C801084, U00414) and Public Site Improvements (C801211, U00320).
- November 11, 2022 – Commission authorized an additional \$500,000 in design funding for the proposed Fishermen’s Terminal Maritime Innovation Center (C801084, U00414) to complete design and permitting due to a design error that required correction.

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- March 08, 2022 –Commission authorization for the Executive Director to invest at least \$5,718,840 into the Maritime Innovation Center (MInC) to provide required matching funds for a United States Economic Development Administration grant in the amount of \$5,000,000.
- May 11, 2021 – Commission authorized an additional \$1,000,000 in design funding for the proposed Fishermen’s Terminal Maritime Innovation Center (C801084, U00414) to complete design and permitting; and (2) to execute an amendment to the existing service agreement with Miller Hull Partnership, LLP for Fishermen’s Terminal Phased Design Services in the amount of \$2,500,000; for a new Not-To-Exceed (NTE) value of \$6,000,000.
- March 23, 2021 – Commission authorized Design and Permitting completion of the FT Site Improvements (U00320) Under the New CIP C801211, utilizing \$1,525,505 in formerly authorized funding for the Gateway Building.
- December 8, 2020 – Commission authorized Construction of the MInC as the condition for executing the Interagency Agreement with Washington State Department of Commerce to allow the acceptance of a \$5M grant towards its construction.
- May 14, 2019 – Commission authorized \$1,850,000 design funding and an amendment to the Fishermen’s Terminal Phased Design Services contract, with Miller Hull Partnership LLP, for \$1,000,000 for final planning, design, and permitting for the Maritime Innovation Center.
- January 22, 2019 – The Commission authorized an additional \$1,800,000 in design funding for FT Gateway Building improvements, and the execution of an amendment to the existing Architectural/Engineering Services contract for FT Redevelopment for \$1,000,000 to complete the final planning, design and permitting of the Gateway Building and FT Site Improvements.
- January 8, 2019 – Commission received a briefing regarding Maritime Blue Plan and the Maritime Innovation Center.
- September 26, 2017 – The Commission authorized \$1,325,000 construction funding for the demolition of the existing bank building and Net Sheds 7 and 8. This work has not yet been advertised for bids, per direction by the Commission, pending finalization of a Gateway Building tenant lease agreement.
- December 13, 2016 –Commission authorized an initial \$3,000,000 for the Fishermen’s Terminal Redevelopment program planning and design; the total preliminarily estimated design cost was \$7,000,000.
- May 17, 2016 - Commission received a briefing on the planning strategies comprising the Fishermen’s Terminal Long-Term Strategic Plan.
- October 27, 2015 - Commission received a briefing about the progress of the stakeholder outreach program for the Fishermen’s Terminal Long-Term Strategic Plan.
- August 11, 2015 - Commission received a briefing on the proposed scope and goals in advance of the launch of the planning process.