



COMMISSION
AGENDA MEMORANDUM

Item No. 10c

ACTION ITEM

Date of Meeting April 28, 2026

DATE : March 23, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Jessica Carlson, Sr. Real Estate Manager
Rod Jackson, Capital Project Manager
Jennifer Maietta, Director, Portfolio and Asset Management

SUBJECT: FT C-15 Building Improvements (CIP# C801096) Construction Funding Authorization Request

Amount of this request:	\$16,467,000
Previously Authorized:	\$800,000
Total estimated project cost:	\$17,267,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to approve funding to advertise and execute a major public works construction contract for the completion of the Fishermen’s Terminal (FT) C-15 Building Improvements Project. This request is in the amount of \$16,467,000 for a total estimated project cost of \$17,267,000.

EXECUTIVE SUMMARY

This project will extend the service life of the existing Fishermen’s Center Building (C-15 Building) envelope and roofing systems via repair and installation of a new rooftop overlay and solar panels. The project is currently in the 90% stage of completion and awaiting permits and comment input from the city.

A Tier 2 under the Sustainable Evaluation Framework Policy Directive, the project was presented to the SEAC Committee on May 31, 2024, and is furthering the Division environmental goals in areas such as Energy/Emissions Reduction, Stormwater, Materials, Waste and Equity. The project team has incorporated various design features to minimize impacts on the environment and will implement construction best-management practices.

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JUSTIFICATION

The C-15 building, also known as The Fishermen’s Center Building, is the main building complex visitors see when they enter Fishermen’s Terminal. The C-15 Building, a 59,998 square foot building, has been home to many small businesses over the years and is currently home to Chinooks Restaurant, Seattle Fishermen’s Memorial, Qingdao Eagle Memorial Garden, Barber Shop, Bay Cafe and Deli, Business Center, Seafood Market and walk up, and the new Pidgin Cooperative Restaurant. The C-15 Building was built in 1995 and is now thirty-one years old. This upgrade is to address miscellaneous problems and rectify deficiencies identified with the roof, roof top vents, windows, cladding, tower structure and mechanical well, which are all original to the facility. These various elements of the building structure will reach the end of their useful life within 4 to 5 years if these improvements are not completed. Additionally, the C-15 building in its current condition would not comply with State and City building energy standards.

The C-15 Building Improvement Project scope includes items that were recommended through the Building Energy Assessment completed in Q3 2025. The purpose of the study is to ensure meeting energy codes and avoid regulatory penalties, optimize systems, lower operational costs, reduce the carbon footprint, and identify Sustainable Evaluation Framework opportunities. Additionally, the roof repair project that was separately scheduled has been combined with this project. This results in cost savings by combining the rooftop solar portion with a roof overlay in lieu of full replacement, addressing the roof’s critical condition sooner than later.

The project scope was developed to address compliance with the State requirement for the Washington State Clean Buildings Performance Standard for compliance in 2028 and the City of Seattle’s Building Tune-Up Program for buildings greater than 50,000 square feet. The scope will also address the Seattle Building Emission Performance Standard with a reporting deadline in 2028.

The Project supports all four of the Port’s Century Agenda objectives under the following strategies:

1. Position the Puget Sound region as a premier international logistics hub.
2. Advance this region as a leading tourism destination and business gateway.
3. Advance this region as a leading tourism destination and business gateway.
4. Use the Port’s influence as an institution to promote women and minority business enterprise (WMBE) growth, small business growth, and workforce development.
5. Be the greenest, and most energy-efficient port in North America.

Further, the project supports the following additional imperatives:

- a. Protect Existing Assets - Ensure that it maintains its watertight integrity.
- b. Reduce Unplanned Maintenance Costs - Mitigate future costs related to roof leaks, including rot, mold, and corrosion.

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- c. Mitigate Impacts to Existing Business Operations - Schedule coordinated with MinC construction closeout, FT Entry & Exit Paving along with scheduled business events.
- d. Employ Sustainable Means and Methods - Incorporate environmentally sustainable practices during construction where practical.
- e. Comply with City and State Building Regulations – Reduce energy consumption to facilitate compliance with City of Seattle Building Emissions Performance Standard and Washington State Clean Building Performance Standard.

Diversity in Contracting

Project staff along with the Diversity in Contracting Division have established a woman and minority business enterprise (WMBE) aspirational goal of 18% for the construction portion of the project and is now ready to move forward.

DETAILS

The project team will:

- Facilitate small business opportunities by managing this capital scope in one single cohesive process.
- Mitigate construction-driven business risk impacts by implementing project risk management and phasing plans.
- Complete the project safely on schedule and on budget.
- Work with the contractor to create appropriate signage advising the public of access detours during construction.

Scope of Work

The scope of work for the Project includes the following:

- (1) Windows, insulation, siding, perimeter building LED lighting, plaza LED lighting, new energy-efficient rooftop overlay and cladding system replacements, roof-top solar, gutters, picnic tables, three (3) neon rope art locations and various components that will improve the aesthetics and comfort while extending the life of the facility.
- (2) This project will use environmentally sustainable components and methods as appropriate, such as idling control measures, waste minimization, and selecting materials with limited toxicity and greenhouse gas emissions.

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Schedule

Activity

Commission construction authorization	April 28th 2026
Construction start (Depending on Permit receipt)	2026 Quarter 4 or 2027 Quarter 1
In-use date	2027 Quarter 4

Cost Breakdown

	This Request	Total Project
Design	\$0	\$800,000
Construction	\$16,467,000	\$16,467,000
Total	\$17,267,000	\$17,267,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 –Do nothing, Maintain Status Quo. With this alternative, the existing facility will exceed the limit of its service life and adversely affect the use of the C-15 Building assets.

Maintain the current state and delay upgrades to the roofs. Maintenance costs for the roof leaks, gutter repairs, ceiling tile repair and replacement including various envelope leaks that totaled \$6.9K annually (averaged over 12 months) will continue. Delay roof replacement project to future date.

Cost Implications: \$6.9K per year, plus \$4.77 million plus escalation for roof replacement.

Pros:

- (1) Saves Port funding.
- (2) Allows port to reallocate capital investment dollars.

Cons:

- (1) Does not advance efforts to achieve Century Agenda goals.
- (2) Not be in compliance with State and City building energy performance standards by 2028 which could result in penalties.
- (3) Increases the chances that water infiltration will disrupt tenant activities and damage the interior of the facility causing expensive repairs.
- (4) Increase of probable construction costs in the future while emergency repair costs continue to increase.
- (5) The cost of a future roofing project in the event of roof failure would be the full cost of replacement (\$4.77 million) plus escalation and the cumulative ongoing expense costs. Risk of additional costs for loss of usable tenant space due to emergency repairs.
- (6) Safety of the tenant could be compromised due to the slip hazard to tenant and employees.
- (7) Indefinite deferral could also lead to the risk of catastrophic failure.
- (8) Maintenance costs will continue.

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This is not the recommended alternative.

Alternative 2 – Complete all miscellaneous improvements including roof improvements at the C-15 Building before elements are at the end of its service life. This is consistent with the Port’s business strategy to “Advance this region as a leading tourism destination and business gateway” and includes all recommended elements identified in the Sustainable Evaluation Framework.

Cost Implications: \$17.26M

Pros:

- (1) Advances Century Agenda goals
- (2) Meet State and City energy standards and reporting requirements due in 2028, reducing risk of penalties
- (3) Upgrade and replace project envelope elements on the existing envelope systems with applications that have a 30-year life or more and be more energy efficient.
- (4) These systems will protect our assets and have a 30-year life span or more and serve the Port and the tenants well.
- (5) Repairing and replacing envelope elements and installing roof photovoltaics will provide the lowest lifecycle cost.
- (6) Helps ensure a stronger positive tenant experience and avoids potential safety hazards.
- (7) Provides protection of Port assets.
- (8) This project would provide for a warrantied system that will minimize the cost of repairs going forward for the foreseeable life of the building.
- (9) Design Bid Build delivery process is best to allow the Port to design the contract with the lowest Bid price.

Cons:

- (1) This alternative uses \$17.16 million of capital funds that might otherwise be made available for other uses on other projects.
- (2) Longer delivery schedule may be needed to work around other facility schedules.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary

	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$16,387,000	\$0	\$16,387,000
Revised estimate	\$17,267,000	\$0	\$17,267,000
AUTHORIZATION			
Previous authorizations	\$800,000	\$0	\$800,000
Current request for authorization	\$16,467,000	\$0	\$16,467,000
Total authorizations, including this request	\$17,267,000	\$0	\$17,267,000

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Annual Budget Status and Source of Funds

This project C801096 FT C15 Building Improvements was included in the 2026 Capital Plan with a total cost of \$16,647,000. The additional cost of the project will be covered by the Maritime Reserve.

This project will be funded by the Tax Levy.

Financial Analysis and Summary

Project cost for analysis	\$17,267,000
Business Unit (BU)	Portfolio Management
Effect on business performance (NOI after depreciation)	The project will preserve approximately \$1.3 million of annual revenue. Annual depreciation will increase by approximately \$576K based on estimated 30-year service life, thereby reducing the NOI by the same amount.
IRR/NPV (if relevant)	No incremental revenue. The NPV is the present value of the project cost.
CPE Impact	N/A

Future Revenues and Expenses (Total cost of ownership)

This replacement project will provide protection of Port assets and extend the useful life of the C-15 Building and roof. Maintaining existing assets will preserve the economic vitality of our operations and serve the Port, tenants, and customers well.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

July 23, 2024 – The Commission authorized Design Funding of \$800,000 for Fishermen’s Terminal Building C-15 Improvements (CIP# C801096). At that time, the total estimated cost was \$16,387,000.