

## Resolution 2024-08

### Culmination of Port Illahee's 2020 Comprehensive Plan with the Waterfront Improvements, Public Pier, & Dock Rehabilitation Project

**Whereas** the Washington State Revised Code of Washington (RCW 53.20.10) requires Port Commissions to adopt a "comprehensive scheme of harbor improvement" (Comprehensive Plan) prior to construction, and

**Whereas** the Port of Illahee began the Comprehensive Plan process in 2019, which was approved (Resolution 2020-02), and provides the background to where we are today, and is available on the Port of Illahee's website: illaheecommunity.com, and

**Whereas** over the past 3 years, the project has been delayed for a variety of issues, primarily permitting, which have recently been resolved, such that the project is nearly ready for construction, and

**Whereas** there are a few remaining areas to be resolved; primarily related to funding and scheduling, see Addendum A, and

**Therefore**, the Port of Illahee Commission, has reached the point where they need to determine whether the 2020 Comprehensive Plan should culminate in the authorization of the Waterfront Improvements, Public Pier, & Dock Replacement Project with the following key issues to be sequentially resolved to the satisfaction of the Commission:

- 1. Confirm that the total projected costs, including contingent funds, estimated to complete the project are available. Request additional funding support from RCO if not. If additional RCO funding is insufficient, proceed with the sale of the 5560 Ocean View property, and possibly the Illahee Road lot, considering cash flow needs.**
- 2. Confirm that a new services contract can be executed with Soundwest Engineering for engineering and construction management services and execute contract as soon as possible provided all contract terms are acceptable to the Commission and/or Commission appointed reviewer.**
- 3. If the services during construction contract with Soundwest Engineering is executed, proceed with a pre-award meeting, conformed document preparation in anticipation of a construction contract, and recommendation for notice of award.**
- 4. Present the final funding projections and recommendations relative to notice of Award at the next scheduled Commission meeting (which may be a special meeting) for final approval to proceed with notice of award and construction contract execution**



Commissioner Hall



Commissioner Aho



Commissioner Rupert

**Resolution 2024-08 Addendum A**  
**Culmination of Port Illahee's 2020 Comprehensive Plan**  
**with the**  
**Waterfront Improvements, Public Pier, & Dock Rehabilitation Project**

**BRIEF BACKGROUND:**

**Port Assets:**

Dock & Floats. The early 1900's dock was modified by the Navy during WWII, and now has deteriorated to the point of needing immediate repairs to remain structurally sound and operational, and open to the public.

5560 Ocean View & Illahee Road Lot. The rental house on Ocean View was purchased by earlier Port Commissioners for a Port office and meeting space (when meeting schedules became difficult at the Fire Station meeting room on Old Military Road). Subsequently, and more recently, the Ocean View property was split into 2 parcels, with the resultant parcel facing Illahee Road.

5500 Illahee Road. The 5500 property, or the "Dietch House" (named for former Port Commissioner Don Dietch) was purchased for a variety of reasons including as rental property, and as space for a meeting room and storage areas, and an eventual teardown and park-type setting. The lower level of the house was used as a meeting room for several years before some attendees could not navigate the steep incline (which did not meet ADA criteria) which required the Port to use other spaces at the Port of Brownsville and later at the Seeds of Grace building in Gilberton, and more recently, after Covid, the Port has been meeting virtually on Zoom.

5507 Illahee Road. The former Illahee Store building was on the Port Commissions acquisition list for years as an economic development project that could simultaneously provide a meeting space for the Port to hold their monthly meetings, thus satisfying the desire for a meeting location at the center of the community. The Port purchased the property at a Sheriff's Sale and applied for a grant to clean up the leaking USTs (Underground Storage Tanks) and is in the process of waiting for the grant funded cleanup to happen while preparing the property for lease as a mercantile business.

**Port Planning:**

Early Port Planning. Early Port Commissions worked primarily on the maintenance and operation (M&O) of the dock and floats.

Subsequent Meeting Planning. Subsequent Port Commissions also worked toward securing a space for the Port to meet within the community, as noted in the previous Assets section.

Recent Port Planning. With the obvious deteriorating dock and floats more recent Port Commissions began the planning process to resolve the inevitably needed dock and float restoration and replacements. This resulted in the selection of Soundwest Engineering Associates to assist in the effort, based on their previous successes with other Ports, and more importantly for the Port of Illahee, was their successes with obtaining grant funding, as the Port is severely funds limited to take on major projects.

A Recent Plight – Failing Pilings. A more recent plight for the Port of Illahee is the realization that 17 of the dock pilings, are in fact failing and need to be replaced at an estimated cost of \$255,000. An additional grant was submitted to the Recreation and Conservation Office (RCO) and roughly 75% of estimated replacement costs have been secured. The viability of the replacement is dependent upon whether the installation fundings (Port and RCO) are sufficient.

### **CONSTRUCTION OPTIONS:**

The bid opening date was November 4, 2024 at the old Illahee Store site.

Following the bid opening a Special Executive (closed) Session with counsel occurred on November 6, 2024, to review bid contract options, related real estate issues, and related potential litigation issues.

Three bids were received as follows

- 1        \$2,040,686
- 2        \$2,398,445
- 3        \$2,759,315

The above base bid proposals do not include necessary total project costs (such as all permitting fees and associated costs, A&E and other professional services, and construction funding contingency for unforeseen circumstances which may result in change orders and/or additional necessary professional services). As an order of magnitude estimation for this project, which includes complex work in the marine environment as well as potential upland complications, 20% of the bid amount is the estimated minimum advisable additional funding that should be available to proceed. Additionally, the Port Commission should consider the risks and appropriate construction contingency amount further prior to executing a construction contract.

**Based on the lowest base bid received and minimum advisable total project cost contingency at this stage; the Port needs to consider a potential total project cost of \$2,448,823.**

Additionally, with anticipated total project funding needed exceeding \$2M, it is increasingly understood that the Port would possibly need to liquidate assets: the 5560 Ocean View house, and the Illahee Road lot. The real estate sales net revenue likely to be available is estimated to be roughly \$600,000 maximum and would not be available until after their sale.

The unknown at this point in the process, with bids and total project costs coming in higher than expected due to delays, is whether the grant provider, the Recreation and Conservation Office (RCO) would be able to provide a “plus up” in grant funding based on the escalated labor and material costs that have occurred in the past 4 years since the grant was submitted.

Adequate funding availability will be an absolute necessity for the projects to move forward, additionally Soundwest Engineering has provided project engineering and management services for the planning phase of the project, and it is highly recommended that Soundwest continue in the support of the construction phase of the project. This will require a new contract for services during construction.