

**APRIL 2013**

**FEIRO MARINE LIFE CENTER**

**OLYMPIC COAST NATIONAL MARINE SANCTUARY**

**CITY OF PORT ANGELES**

**SHARED FACILITY**

**FEASIBILITY**

**STUDY**



# EXECUTIVE SUMMARY

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PROJECT GOAL

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**IMPROVE EACH AGENCY'S ABILITY TO SERVE AND EDUCATE THE PUBLIC**

*“In this new wave of technology, you can’t do it all yourself, you have to form alliances.”*

***CARLOS SLIM HELU (INVESTOR AND PHILANTHROPIST)***

## **EXECUTIVE SUMMARY**

The Feiro Marine Life Center, a non-profit educational and scientific organization promoting marine education and conservation in Port Angeles, Washington, has outgrown its existing facility on the City Pier. NOAA’s Olympic Coast National Marine Sanctuary (OCNMS), which is Feiro’s principal education partner, is searching for an opportunity to upgrade its Olympic Coast Discovery Center and administration facility. Meanwhile, the City of Port Angeles is investing millions of dollars in its downtown waterfront ([www.pa-waterfront.org](http://www.pa-waterfront.org)), and recognizes and supports the growing need for meeting and conference facilities. These organizations have the opportunity to join together to create a civic icon for the Port Angeles waterfront, and to inhabit in

partnership a facility that embraces efficiencies in building program, function, and operations.

A shared facility will promote and reinforce the partners’ common pursuits of ocean research, education, and advocacy. A shared facility will be an iconic and unique gathering place for the community. A shared facility will tell a more comprehensive and cohesive story of marine life, both near-shore and off-shore. A shared facility will enable each organization’s mission to be bigger than itself.

### **FEASIBILITY STUDY OVERVIEW AND GOALS**

Recognizing the potential of this joint facility, this study is a comprehensive review and compilation of each partner organization’s needs, and an analysis of how these could be met in a shared facility. A series

of common goals were established to ensure that the study focused on the overarching issues while balancing individual organizational commitments and potential development plans and paths.

- *Improve each agency's ability to serve and educate the public*
- *Give the city an iconic and welcoming gathering place that celebrates its unique waterfront location.*
- *Strengthen each organizations' identity.*
- *Kick-start economic development downtown.*
- *Create an inspiring educational place that champions marine life and conservation.*
- *Tell the story of public, private, and nonprofit collaboration.*
- *Establish this facility as a leader in ocean research, education, advocacy and outreach.*

As guiding principles for this study, these goals were used to help guide decisions throughout the process.

### **CASE FOR A SHARED FACILITY**

This study began with a recognition of the opportunities of a shared facility, and proceeded to identify the benefits for each partner in following this path. The most immediate and measurable efficiencies result from space sharing between agencies. This brings down the total square footage of the project, which reduces up-front construction

costs as well as long-term maintenance costs for all three partners. In addition to cost savings, there are numerous organizational and mission-specific benefits for each of the partners:

Anticipated benefits for OCNMS include an increased number of students and visitors to the Olympic Coast Discovery Center due to the draw of Feiro as well as a conference facility. There is also an opportunity to connect more easily to Feiro's programs, thereby increasing the effectiveness of the Sanctuary's interpretive program. The shared facility also provides an opportunity for OCNMS to address research needs, to better integrate with the community and citizens of Port Angeles, and to align itself more productively with the local good-will of its partner.

Benefits for Feiro include an anticipated increase in students and visitors due to the partnership with OCNMS and the draw of a conference facility. Feiro's interpretive story will be enhanced as its connections with OCNMS become more clearly illustrated. In addition, Feiro will benefit from the research culture and information assets of their federal partner. Finally, with improved and expanded meeting, classroom, and exhibit spaces, Feiro will be positioned to host more community events, and to generate additional revenue.

For the City of Port Angeles, there are a number

of public benefits and economic development opportunities that are presented by a joint facility. This facility has the potential to increase visitors to the waterfront district and to extend their stay in the city. The facility will immediately create construction jobs and increase sales tax revenue and will, over time, drive long-term economic development while reinforcing the City's investment in the Downtown Waterfront District.

### **RECOMMENDED DEVELOPMENT STRUCTURE FOR THE PROJECT**

After analyzing numerous sites and development options for the joint facility, it was determined that the most feasible approach was to engage another public or private development partner. This would provide yet another opportunity for the current partners to create an alliance with an organization that is better equipped to create and manage a facility, allowing each organization to better focus on their own missions and goals.

### **CONCLUSION**

This project is feasible, it is timely, and it requires the continued commitment and effort of each of the partners. Two viable options were thoroughly analyzed.

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# PROGRAM OF SPACES

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PROJECT GOAL

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**GIVE THE CITY AN ICONIC AND WELCOMING GATHERING PLACE  
THAT CELEBRATES ITS UNIQUE WATERFRONT LOCATION**

# PROGRAM OF SPACES

Planning for new facilities for both the Olympic Coast National Marine Sanctuary and the Feiro Marine Life Center has occurred periodically over the years, concentrating on the immediate and future needs of each organization. Each organization recently completed internal programming exercises (Feiro Long-Range Facility Plan dated May 21, 2012 and A Facility Plan for Olympic Coast National Marine Sanctuary dated April 2012), and both efforts determined needs in a stand-alone facility while acknowledging the benefits of sharing a facility with a like-minded strategic partner.

A shared facility is the best way to maximize space efficiency and minimize upfront construction costs for the partner organizations. Not only are there spaces that can be combined and made smaller than two individual facilities, some redundant spaces can actually be eliminated. This reduction in upfront and continued operational costs (less area requires less heating, cooling, cleaning, etc.), plus the opportunity to better collaborate and deliver services, make a shared facility the best option for each partner.

The programming effort associated with this study included overlaying each organization's

## SUMMARY

	SEPARATE BUILDINGS	SHARED FACILITY
<b>OCNMS</b>	<b>20,377 gsf<sup>2</sup></b>	<b>8,489 nsf<sup>1</sup></b>
<b>FEIRO</b>	<b>14,407 gsf</b>	<b>8,077 nsf<sup>1</sup></b>
<b>CONFERENCE FACILITY</b>	<b>(included above)</b>	<b>3,600 gsf<sup>3</sup></b>
<b>NET-TO-GROSS</b>	<b>n/a</b>	<b>7,736 gsf</b>
<b>TOTAL</b>	<b>34,784 gsf</b>	<b>27,902 gsf</b>
		<b>(6,882 gsf space reduction)</b>

1. Note that the original program totals were gross square foot calculations, while the shared facility numbers are net square feet with a net-to-gross factor listed separately. Net square footage figures are used for calculating potential lease rates later in this document.

2. The OCNMS Facility Plan included consolidating off-site trailered-vessel and long-term storage into a new facility, but it was determined that it was more cost-effective to continue storing this outside of the higher-rent downtown waterfront district.

3. 1,200 sf of Conference Facility program is included in Feiro's leasable area total. This includes multipurpose spaces specific to their program but anticipated to be designed to contribute to the conference facility program.

Program of Spaces and evaluating opportunities for efficiencies. Discussions analyzed operational, educational, interpretive/ exhibit, and meeting space needs. The table on the preceding page includes a summary of the original area allocations (in separate buildings) and the total in a shared facility (prorated as appropriate, see “Shared Spaces” for additional information).

Analysis primarily relied on the space allocations provided in the referenced program documents, with some adjustments through continued discussions of programming needs during this study.

## SHARED SPACES

Three categories of shared spaces were identified, and the programmatic implications were evaluated.

SHARED EDUCATIONAL SPACES	
LAB / CLASSROOM 1 (WET)	700
LAB / CLASSROOM 2	900
EDUCATIONAL STORAGE (INC. ABV.)	-
LIBRARY / MEETING ROOM	300
CIRCULATION FACTOR (.25)	475
<b>TOTAL</b>	<b>2,375</b>

**Educational spaces** are recognized as an excellent opportunity for realizing space efficiencies, as staffs of both organizations already work closely

together on common programs. It is anticipated that there will not only be efficiencies, but that there is an opportunity to develop better/ more specialized instructional space than each organization could afford to develop individually.

SHARED OPERATIONS	
WORKROOM / COPY	200
KITCHEN / BREAK	200
EXHIBITS MANAGER/VISITOR SERVICES	200
VOLUNTEERS (INC. ABV.)	-
DIVE ROOM WITH LOCKERS	150
SHOWERS (INC. ABV.)	-
CIRCULATION FACTOR (.25)	188
<b>TOTAL</b>	<b>938</b>

There are a number of overlapping functions that support, and can be configured to serve, the **operations** of each organization. Culturally, this is an opportunity for both OCNMS and Feiro staff and volunteers to work together and gain a better perspective of their partner organization’s mission and processes. Accommodations will be made to ensure NOAA security requirements are met, including controlled access to specific spaces and parallel data networks. Although these security requirements were not fully analyzed, the table above indicates the spaces most likely to be structured and configured to optimize sharing between the organizations.

<b>SHARED EXHIBITS</b>	
<b>ENTRY / RETAIL SPACE</b>	<b>500</b>
<b>EXHIBITS</b>	<b>4,500</b>
<b>CIRCULATION FACTOR</b>	<b>n/a<sup>1</sup></b>
<b>TOTAL</b>	<b>5,000</b>

1. Assumes exhibits flow seamlessly from each other and do not have internal halls or other circulation requirements.

Both Feiro and OCNMS envision a dramatic increase in their respective **exhibit spaces**, with the goal of increasing public information and education.

Feiro’s focus on the Strait of Juan de Fuca, paired with the OCNMS’ focus on the ocean, creates a natural opportunity to tell a more cohesive story and to help create information links for visitors. Feiro’s live animal exhibits are an important part of their identity as a fixture in the community, and it is envisioned that this program will be bolstered with additional opportunities for interpretation. NOAA anticipates providing a renewed and expanded visitor experience.

Currently, the Olympic Coast Discovery Center, operated by OCNMS, is free with an optional donation, while Feiro charges a modest gate fee. Structuring this in a shared facility was discussed at length, with various scenarios including charging for both exhibits, providing two areas of exhibits (one for charge, other free), and the option of

Feiro discontinuing admission charges. It was agreed that there is a solution within the various scenarios, with Feiro reiterating that their operational budget relies on these fees. The partners agreed to further evaluate and consider these options through the facility and exhibit design processes.

### **PRORATING SHARED SPACES**

The allocation of spaces (from a development cost and/or lease rate perspective) most likely varies within each of the categories listed above. It was agreed that the group would revisit this issue as the design process and space layout becomes more solidified, and it is recognized that management plans for these spaces will be required as well. Generally, the group proposed allocating as follows:

- a. Shared Educational Spaces:  
50% Feiro/ 50% OCNMS
- b. Shared Operational Spaces: based on staff FTE,  
this study assumes 33% Feiro/ 67% OCNMS
- c. Shared Exhibit Spaces: based on planned exhibits,  
this study assumes 67% Feiro, 33% OCNMS

# OCNMS SPACE

ADMINISTRATIVE SPACE - OCNMS	
SUPERINTENDENT OFFICE	200
DEPUTY SUPERINTENDENT - OPERATIONS	95
DEPUTY SUPERINTENDENT - PROGRAMS	95
ADMINISTRATIVE WORKSTATION	80
MARINE OPERATIONS OFFICER	80
IT SUPPORT	80
VESSEL OPERATOR	80
RESOURCE PROTECTION SPECIALIST OFFICE	95
PERMIT COORDINATOR	95
RESEARCH COORDINATOR	95
RESEARCH TECHNICIAN	80
DATABASE TECHNICIAN	80
MARINE GEOGRAPHER	95
MARINE BIOLOGIST	80
EDUCATION COORDINATOR	95
EDUCATION SPECIALIST	95
GRAPHIC ARTIST	80
CITIZEN SCIENCE	80
GROWTH OFFICE (2 @ 95)	190
GROWTH WORKSTATION (2 @ 64)	128
INTERN / PT / HOTELLING (2 @ 64)	128
<b>TOTAL</b>	<b>2,126</b>

SUPPORT SPACE - OCNMS	
SUPPLIES CLOSET (2 @ 75)	150
CONFERENCE ROOM	200
IT/DATA CLOSET	50
RECEPTION AREA	100
VIDEO LAB	150
WET LAB / RESEARCH	300
DRY LAB / ELECTRONICS STORAGE	300
STORAGE (3 @ 200)	600
CIRCULATION FACTOR (.25)	1,002
<b>TOTAL</b>	<b>5,010</b>

In addition to the shared spaces, each organization has a number of spaces that are specific to their operations. This study, with significant input from their staff, reviewed the OCNMS program for current and future needs. Most notably, after reviewing leases of existing and proposed spaces and scrutinizing the desire to consolidate programs, it was determined that the majority of the Warehouse Program was most appropriately left off-site if frequently accessed functions were a part of the new facility.

It was also emphasized that in order to best serve its mission, OCNMS requirements include: infrastructure to support vessel operations (e.g., dockage); adequate wet & dry lab space to support research missions; and storage and library space. In addition, OCNMS requirements include an expanded visitor's center (shared).

As mentioned, security considerations and controlled access will be required at most if not all of the spaces indicated. Additional effort will be required to document and incorporate these considerations during the design phases.

## FEIRO ADMINISTRATION SPACE

Feiro operates as a relatively lean non-profit

<b>ADMINISTRATIVE SPACE - FEIRO</b>	
<b>EXECUTIVE DIRECTOR OFFICE</b>	<b>125</b>
<b>EDUCATION OFFICE</b>	<b>300</b>
<b>FACILITY OFFICE / MAINTENANCE SPACE</b>	<b>250</b>
<b>DEVELOPMENT OFFICE</b>	<b>80</b>
<b>SCIENTIST IN RESIDENCE</b>	<b>80</b>
<b>CIRCULATION FACTOR (.25)</b>	<b>209</b>
<b>TOTAL</b>	<b>1,044</b>

organization, and their administrative needs illustrate the fact that most of their resources are associated with the educational and exhibit spaces that have the most potential to be shared. The spaces listed below represent the anticipated expansion of Feiro staff and administration relative to the increased facility size in this report.

## CONFERENCE SPACE

Both the Feiro and OCNMS programs included meeting/ conference spaces, but this program (and need) was the least defined and least documented prior to this study. After a preliminary survey of facilities in the community, evaluation of perceived need, and regional analysis of similar communities and facilities, a program was developed to accommodate a sub-dividable 250 to 300 person main meeting space, with associated support spaces and functions.

<b>CONFERENCE CENTER - SHARED</b>	
<b>LARGE MEETING / CONFERENCE SPACE</b>	<b>3,000</b>
<b>FOYER / PREFUNCTION</b>	<b>1,000</b>
<b>GREEN ROOM</b>	<b>100</b>
<b>TABLES / CHAIRS STORAGE</b>	<b>200</b>
<b>A/V EQUIPMENT ROOM</b>	<b>100</b>
<b>MECHANICAL</b>	<b>100</b>
<b>CATERING KITCHEN</b>	<b>200</b>
<b>RESTROOMS</b>	<b>400</b>
<b>CIRCULATION FACTOR (.15)<sup>1</sup></b>	<b>700</b>
<b>TOTAL</b>	<b>5,800</b>

1. Lower circulation factor is used due to the unique nature of this program and the larger spaces.

# SITE SELECTION

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PROJECT GOAL

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**STRENGTHEN EACH ORGANIZATION'S IDENTITY**

# SITE SELECTION

Despite the scale, site requirements, and downtown waterfront district location, there are a number of sites that warranted analysis and evaluation. From renovation of existing space to new construction, the site options cover the length of the targeted downtown waterfront district.

## I. CITY PIER

This is the location of the existing Feiro facility as well as the civic park space, moorage, and amphitheater. City Pier is the smallest site considered. Hollywood Beach provides excellent marine educational opportunities, while Peabody Creek provides freshwater options. This site was evaluated and deemed suitable for additional analysis, including a test fit of the program.

## 2A. THE LANDING (RENOVATION)

This scenario included the potential of renovating this existing structure to contain the entire program within the building's envelope. It is anticipated that significant structural, mechanical, and architectural upgrades would be required to create a facility that meets the programmatic needs and architectural goals of this project. This option was not selected for additional analysis due to the significant cost required to upgrade the existing building to meet the project's goal of creating an icon for Port Angeles.

## 2B. THE LANDING (NEW CONSTRUCTION)

This option anticipated building a new structure to the east of the existing Landing building, at the location of the current parking structure/ pier. This option included the potential of maintaining some program in the existing structure as a cost saving measure. This option was not selected for additional analysis due largely to the site's lack of exposure and outreach opportunity, as well as its undesirable displacement of parking in the downtown waterfront district.

## 3. RAILROAD AVENUE SITE

Comprising the full city block across from the Black Ball terminal, the Railroad Avenue Site is an aggregate of several parcels which holds an array of existing structures and surface parking lots. Although site acquisition/ entitlement appeared to be a hurdle, this site was ultimately dismissed due to the lack of direct access to fresh and marine water for both educational activities and the Feiro live-animal tanks.

## 4. OAK STREET PROPERTY

At the west end of Railroad Avenue, the Oak Street Property is surrounded by the planned West End Park, providing an opportunity to continue the public access and community



# FOUR SITES CONSIDERED



engagement of the Feiro programs. The West End Park project provides a variety of marine water education activities, and the adjacent Valley Creek provides nearby freshwater access. This site was deemed suitable for additional analysis.

Starting with the *Facility Plan* for OCNMS, criteria were established to evaluate each site's ability to

meet the operational, inspirational, and community engagement goals of the project. Under each criteria the organizations scored the site options either positive, neutral, negative, or "fatally flawed" (if the criteria couldn't be met). After the evaluations were compiled and discrepancies were discussed, two sites emerged as the top candidates for further analysis.

<b>CRITERIA MATRIX</b>												
EXCEEDS CRITERIA	+	<b>IMPROVED OPERATIONS</b>	<b>ACCESS TO FRESH &amp; MARINE WATER / OUTDOORS</b>	<b>COST EFFICIENCY</b>	<b>ACCESSIBILITY / CONVENIENCE IN DOWNTOWN</b>	<b>AVAILABILITY &amp; TIMELY ACQUISITION OF ENTITLEMENTS</b>	<b>VISITOR OUTREACH</b>	<b>LOCAL OUTREACH &amp; VISIBILITY</b>	<b>PARTNERSHIP OPPORTUNITY</b>	<b>PROMOTE NEW DEVELOPMENT</b>	<b>ENVIRONMENTAL COMPATIBILITY</b>	<b>EVALUATION (total pluses)</b>
MEETS CRITERIA	0											
MEETS CRITERIA (WITH COMPROMISES)	-											
FATAL FLAW	FF											
RECOMMENDED	R											
NOT RECOMMENDED	NR											
① CITY PIER	0--	+0+	0-	+0+	0+-	+++	+++	--	--	0+	<b>12</b>	
②A THE LANDING (RENOVATION)	0--	0-0	0+	+00	+-	+++	0--	00	--	0-	<b>6</b>	
②B THE LANDING (NEW CONSTRUCTION)	-00	00+	0-	+0+	00-	+0-	000	00	0-	00	<b>4</b>	
③ RAILROAD AVENUE SITE		FF									n/a	
④ WEST END PARK	00+	00+	0+	00+	-0+	0+0	0++	++	++	0+	<b>13</b>	

# SCENARIO DETAILS

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PROJECT GOAL

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**KICK-START ECONOMIC DEVELOPMENT DOWNTOWN**

# SCENARIO DETAILS

Two site options were evaluated in greater detail and, when entitlement/development options were overlaid, each became distinct in both its physical location and its potential method of development. Both scenarios were carried forward through the entire evaluation process, and both were analyzed in terms of programmatic test fit as well as preliminary Pro Forma and/or Business Case studies. It was clear that either site is a viable and successful option for future development.

Several “givens” hold true for both scenarios:

1. OCNMS/ NOAA is not in a legal/ procurement/ political position to develop this project, but will likely be able to be an anchor tenant, committing to a long-term lease, and to potentially contribute initial capital for building. The method and terms of entering a lease varies by scenario.
2. Operations of the Conference Center is unclear at this time, but it is assumed that it will be further assessed and evaluated from a business plan standpoint and designed to be a self-sufficient endeavor. Operations of the facility could be conducted by Feiro or other public or private commercial enterprises. There are other sites in the vicinity that can be explored in further detail.

3. Given that both proposed sites are wholly or partially within the WA Dept. of Natural Resources Inner Harbor Line, it is critical that additional effort and discussion with DNR be completed to determine what specific issues will need to be addressed. Preliminary discussions with DNR were held regarding both sites, and preliminary indications were that neither site appeared to have a fatal flaw with this issue.



## SCENARIO ONE: CITY PIER

Constructing the new facility on City Pier is an attractive option for many of the partners, provided

the entire facility program could be accommodated to realize all of the efficiencies and benefits. After completing the initial test fits, it was determined that the facility could in fact fit entirely on the site and likely fit well into the massing and scale character of the Port Angeles waterfront piers. While the existing site features would likely be impacted, including the community amphitheater, it appears that public access and experience can be largely maintained (and likely enhanced). Improvements to the City Pier are already planned as a future phase of the Waterfront Transportation Improvement Plan project, so this project could potentially tie in nicely with those improvements on this site.

Entitlement for this site limits its development options. The land, owned by the Department of Natural Resources, has been leased by the City of Port Angeles for several decades. This makes it possible for the City to lead development on the site or, alternatively, for Feiro (as current tenant) to develop the site as a tenant-lease improvement. Given the uncertainty of the City's ability to lead the development, the scenario of Feiro as developer/ landlord of this project was evaluated.

**PROS OF SCENARIO ONE:**

- existing saltwater system – potential savings of permit time and cost
- site currently under development control

**CONS OF SCENARIO ONE:**

- underlying land lease renegotiation required with City/ DNR
- smaller site limits future expansion/ other partnership opportunities

**RISKS OF SCENARIO ONE:**

- NOAA lease procurement process
- development timing tied to fundraising effort



**SCENARIO TWO: OAK STREET PROPERTY**

The Oak Street Property provides a unique opportunity to situate the project within the West End Park, adjacent to hundreds of feet of new beach, creating what will surely be Port

Angeles' most exciting new public space. The site provides ample space, and would accommodate additional cultural and/or marine science based partner facilities as part of a larger campus. The adjacent park land is included in the next phase of the Waterfront Transportation Improvement Plan project, which is well into the design phase and anticipates construction summer 2013. The use of this highly visible site would likely boost development at this end of town and kick-start general economic momentum in the Downtown core. With its civic intersection and connection to the park, this site would boost the project's exposure to the community and increase its recognition, affording it the potential to become a true icon.

Provided Feiro could acquire the site through either a gift or outright purchase, this scenario anticipates engaging another partner in the development of the facility to provide an alternative to the fundraising burden and landlord responsibilities that Feiro assumes in the first option. After evaluating pros and cons of various targeted private (build-to-suit) scenarios, it was determined that market forces as well as NOAA procurement limitations make that scenario unfeasible. Another option would be a public agency development partner for the project. It is assumed that the partners would each need to contribute financially to the success of this scenario.

#### **PROS OF SCENARIO TWO:**

- simplified NOAA lease procurement process
- likely allows NOAA to act as own leasing agent (reducing overhead costs)

#### **CONS OF SCENARIO TWO:**

- costs of property acquisition
- potentially complicated fundraising story for Feiro (endowment campaign vs. capital campaign)

#### **RISKS OF SCENARIO 2:**

- negotiations with property owner
- negotiations with private partner
- negotiations with public development partner
- potential redesign of portion of West End Park

# PROJECT ECONOMICS

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PROJECT GOAL

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**CREATE AN INSPIRING EDUCATIONAL PLACE  
THAT CHAMPIONS MARINE LIFE AND CONSERVATION**

# ECONOMICS: SCENARIOS ONE & TWO

Establishing solid economic assumptions is critical to evaluating each of the two scenarios. Each option has great implications for each partner: NOAA must weigh procurement process requirements, while Feiro faces mission decisions regarding its willingness to be a landlord. While there are certainly risks in any development project, the team worked to establish realistic economic models from which decisions could be made.

Recognizing that Scenario 1 is a more traditional development where costs are managed by a current project partner, it is easier to establish a more thorough preliminary pro forma and a traditional surplus/ loss projection. Scenario 2, with an outside partner as the developer, is more appropriately evaluated as a “Business Case”, where our team provides assumptions and likely revenue projections for the new partner to analyze and customize to their business assumptions.

There are some similar development cost assumptions in either scenario, which we provided to both control the quality of the project and to ensure the comparison is on equal ground. Surveying similar projects around the region, and assuming a level of quality appropriate for a public or cultural

facility, the team proposes utilizing an average construction cost model of \$300 per square foot. Also, based on surveys of other projects of similar scale and complexity, the team suggests using a soft-cost factor of X 1.5 (fifty percent) for permits, fees, taxes, A/E fees, furniture, development costs, and fundraising costs, (exclusive of site acquisition and exhibit costs). For both scenarios, the following baseline costs were assumed. See each scenario description for additional information:

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$$\begin{aligned} &27,902 \text{ sf} \times \$300/\text{sf} = \$8.4 \text{ million (construction cost)} \\ &\quad \times 1.5 \text{ (soft costs)} \\ &\quad \quad \quad \mathbf{\$12.6 \text{ project cost}} \end{aligned}$$

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The other assumptions that impacts both scenarios are the operational and lease costs for the Conference Center. A preliminary program was developed, but a thorough market study will be required to finalize the need and establish a detailed business plan for the Center. To offset this unknown, though, both of the scenarios could rely on Lodging Tax contributions to cover the lease rate for the Conference Center space so that this expense is not assigned to any one particular partner. The assumption is that once the facility is sized to meet the market needs, it will generate the income necessary to operate it.



# SCENARIO ONE

In this scenario, Feiro is the developer of the project. The costs for planning and construction are largely contingent on financing for portions of the project deemed to have a public benefit. Preliminary indications suggest that there are a number of items that will slightly increase construction costs at this site, including additional foundation costs due to soil conditions, utility relocation, and the replacement of portions of the city boardwalk and amphitheater. These costs have been factored into the analysis as follows:

This chart projects the cost of development overlaid on the schedule (in six month increments) to major funding need milestones. In this scenario, the first six months include contributions by all three partners to continue planning, analyzing, and establishing the vision for this project. Moving forward, as the project developer, Feiro funds the majority of design and construction costs with contributions from the City and OCNMS during construction. Looking forward to occupancy, a lease rate begins for OCNMS and the City begins contributing lodging tax funds.

In similar situations, we have seen successful projects gain access to (through fundraising or loans) portions of the funds as the project progresses, so that fundraising, entitlement, and design are all occurring simultaneously.

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**\$450,000 additional construction**

**+ \$70,000 utility relocation costs**

**\$520,000 total**

**X 1.5 (soft costs)**

**\$780,000 additional project costs**

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## SCENARIO TWO

In this scenario, a public or private partner is brought in to serve as the developer of the project. In order to determine the viability of this option and to engage the development partner, the team assembled a “Business Case” for the project that

outlines expectations, defines partner contributions including property acquisition and potential financial support, and describes assumed tenant mix and lease rates. Following are the assumptions made:

### PROPERTY ACQUISITION:

The targeted private parcel for this scenario is currently on the market. The proposal is for the site to be acquired by Feiro (through outright purchase or donation, refer to the Action Plan for additional

## CITY PIER: MILESTONES

	YEAR 1												YEAR 2												YEAR 3												YEAR 4												YEAR 5												
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	
<b>PREDESIGN / ENTITLEMENT</b>	█																																																												
<b>DESIGN / DOCUMENTATION / PERMITS</b>													█																																																
<b>CONSTRUCTION &amp; MOVE-IN</b>																																					█																								
<b>EXPENDITURE / MONTH</b>																																																													
<b>FEIRO</b>	\$100K	-											\$500K	\$500K											\$800K	\$200K												\$3.3M	\$3.3M											\$1.2M	-										
<b>OCNMS</b>	\$50K	-											-	-											-	-											-	-											\$108K	\$108K											
<b>CITY</b>	\$50K	-											-	-											-	-											\$1.5M	\$1.5M											-	\$75K											

information). The site would be subdivided and a portion of the site would be sold to the developer for a nominal amount in exchange for a reduced rent rate over the 20-year lease term. The management of the portion of the site owned by the Department of Natural Resources, currently leased by the City of Port Angeles and included in the planned West End Park, is assumed to be shifted to the developing agency. This portion of the site will also be evaluated during design to determine if it is truly necessary

## OAK STREET: MILESTONES

	YEAR 1												YEAR 2												YEAR 3												YEAR 4												YEAR 5																							
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12												
<b>PREDESIGN / ENTITLEMENT</b>	█																																																																							
<b>DESIGN / DOCUMENTATION / PERMITS</b>													█																																																											
<b>CONSTRUCTION &amp; MOVE-IN</b>																																					█																																			
<b>EXPENDITURE / MONTH</b>																																																																								
<b>FEIRO</b>	\$100K	\$1M										-	-											-	-											-	-											\$120K	\$120K																							
<b>OCNMS</b>	\$50K	-										-	-											-	\$4M											-	-											\$108K	\$108K																							
<b>CITY</b>	\$50K	-										-	-											-	\$1.5M											\$1.5M	-											\$75K	\$75K																							