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Upscale hotel planned for Kirkland

Corbett Holt Properties plans to develop the 106-unit Kirkland Hotel at Kirkland Avenue and Third Street. Designed by Jensen/Fey Architecture and Planning, the hotel will be across the street from Peter Kirk Park and the downtown library. The \$12 million hotel will have a variety of accommodations, including large suites and balconied rooms. Along Kirkland Avenue, the hotel will have an arched, brick pedestrian arcade that merges with an entry plaza. The plaza will have fountains and outdoor seating, open to the public. Other amenities include a restaurant, meeting rooms, spa, public lobby and lounge. Jensen/Fey is working with Zena Design as interior consultants; D'Amato Conversano, Inc., is structural engineer; and Penhallegon Associates Consulting Engineers is civil engineer. The hotel is set to open spring of 2005. A general contractor has not yet been selected.

Downtown Bremerton starting to make waves

By JOE NABBefeld
Journal Real Estate Editor

The remake of downtown Bremerton's waterfront advanced a notch by attracting the downtown's first new private office investment in decades.



Santos

Kitsap Community Federal Credit Union has launched plans to develop a four-story, office building on what is now a surface parking lot a block from the ferry landing, the credit union said yesterday.

The 60,000-square-foot building will stand across Washington Avenue from the combined conference center-hotel-offices-and-parking garage complex under construction as a public-private venture at the ferry landing.

"You pull off the conference center, which is half private money of \$25 million, and half public money, and now private investment by the credit union comes in," said P.J. Santos, a project manager with the development firm of Opus Northwest.

"Sixty thousand square feet in Bremerton is like building the Empire State Building in Seattle. There hasn't been a new office building in 40 or 50 years," Santos said.

Opus put together the credit union deal and will serve as the credit union's fee developer.

"It's nice to see other people are starting to believe in our vision of a revitalized downtown," said Bremerton Mayor Cary Bozeman.

Opus is also the developer and private half of the \$50 million conference center project, which has become named New Center at Bremerton.

New Center is about one-third of the way through construction. In the latest deal within the project, the Kitsap Transit agency changed from intending to lease part of the complex's office space to owning that space instead.

Kitsap Transit was going to lease 15,000 square feet of the three-story, 40,000-square-foot Commuter Retail Building in the complex. But with interest rates so low, it became clear that the agency could pay less on a mortgage on the entire, \$10 million building than it would to lease a part of it, Santos said.

The Commuter Retail Building's 7,000 square feet of retail space is leased to a Subway sandwich shop and an ice cream store called Cold Stone Creamery.

Also new, New Center's 110-room hotel, which had been planned as a Marriott Fairfield Suites, is instead going to be a Hilton Hampton Inn, Santos said. Marriott hadn't signed for the project and now Hilton has, Santos said. The hotel developer Hotel Concepts is building the hotel.

The conference center in New Center will total 20,000 square feet. The parking garage will pro-

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Toll roads may be in our future

By MARC STILES
Journal Staff Reporter

Two decades ago, Colorado officials were struggling to find the money to finish a freeway loop around Denver. The state had built part of Highway 470 but didn't have the money to finish it.

So leaders of three counties left out of the loop formed a public highway authority to build Highway E-470. After 18 years, court battles and \$1.23 billion, the 47-mile toll way was finished without a cent of federal government funding.

"Thirteen hundred miles to the west, a dozen members of the Washington state Legislature are looking at how governments in Colorado and elsewhere have been able to pull off key transportation projects using unique funding mechanisms.

The Transportation Infrastructure Financing Alternatives Committee began meeting in April 2002 and has until Dec. 1 to recommend financing options. Even though the deadline's months away, ideas already are forming.

Rep. Fred Jarrett, a Mercer Island Republican and TIFA Committee co-chairman, thinks Washington one day may let private companies design, build and

operate highways and charge people to travel on those roads. TIFA, Jarrett jokes, "is an acronym for tolls."

Sen. Mary Margaret Haugen, TIFA co-chairman, agrees tolls are in Washington's future. "There's going to be no other way to finance big projects," said the Camano Island Democrat.

The possibility is sinking in across the state. Haugen realized that after attending the National League of State Legislators meeting last month in San Francisco where one session was dedicated to alternative funding methods.

"Believe me," Haugen said, "every state is looking at innovative financing."

Traditional funding sources no longer work, according to a 1999 U.S. Department of Transportation study.

The study indicated capital spending by all levels of government would need to increase 16 percent (in constant dollars) between 1998 and 2017 simply to maintain the physical condition of the existing system. Improving the system and achieving what the study deems "the best economic outcomes for the nation" would require a 93-percent spending increase.

Tolls and public-private part-

Meeting tomorrow

The next meeting of the Transportation Infrastructure Financing Alternatives Committee is 10 a.m. to 2 p.m. Aug. 13 at the SeaTac Wyndham Hotel, 18118 International Blvd.

nerships are just some of the options the TIFA Committee is investigating. Members also are looking at letting drivers of single-occupancy vehicles pay a toll to use car-pool lanes.

Another option is tax-incremental financing. The state could decide to build, say, a new freeway interchange. Construction would increase the value of the surrounding land, which in turn would increase property tax revenues. The resulting extra taxes would go to Washington's transportation fund. It is, Jarrett says, a controversial approach.

Among the alternatives, "none of them are the silver bullet," Jarrett says, adding the answer may be a combination of fixes. Whatever the answer, don't expect landmark changes any time soon. Jarrett thinks the state should build the political support with a

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WSDOT program looks at risks to create better cost estimates

By MARC STILES
Journal Staff Reporter

Critics of the Washington State Department of Transportation might find it hard to believe, but its new technique of estimating the cost and risk of major projects is generating a buzz across the country.

From San Diego to Pittsburgh to Miami, officials behind mega projects are seeking information about the Cost Estimate Validation Process. "Right now everybody nods their heads when you say CEVP because everyone knows about it," says John Reilly, a consultant who helped develop the tool.

The developing process provides a means of identifying and assessing risks and opportunities early on. The goal is avoiding massive cost overruns and delays that can seriously damage any agency's credibility.

So strong is interest in the technique that WSDOT officials are treating it as intellectual property worth protecting. The agency is applying to register CEVP as a trademark.

"We've never set up a trademark before," said Jennifer Brown, a WSDOT program manager overseeing implementation of the process.

"I've never heard of anything like it," added state Secretary of Transportation Doug MacDonald.

The process entails "a pretty disciplined set of workshops" and other steps, "not just a back of the envelope, let's throw in a couple of million for overruns," MacDonald says. "We'd like to give people the idea that if they are going to use it, they need to use our methods."

The agency's trademark application is not unique, but it does put it in fairly exclusive company. In the U.S. Patent and Trademark Office's database of more than 1 million active trademark registrations, 40 belong to transportation departments, and 13 applications from transportation agencies are pending.

Building trust In 2001, when MacDonald arrived in Washington to head the DOT, he heard plenty of heated rhetoric about Sound Transit's light rail cost overruns. He realized his new agency might be in charge of billions of dollars of capital projects, too, and could face similar estimating challenges.

WSDOT already had been burned by what turned out to be

Continued on page 8, column 1

Project could aid fish passage

■ According to the state Department of Fish and Wildlife, 33,000 culverts around the state need to be replaced or repaired to allow safe passage of fish.

By ARI KRAMER
Journal Staff Reporter

Developers and public agencies routinely rig culverts with baffles, weirs, ladders and other retrofits to help fish pass under local highways and roads. Pacific Northwest National Laboratory is using a new research project to figure out how well current culvert-restoration measures work. The state Department of Transportation and other Washington

agencies hired PNNL to design and install a culvert test bed at the state Department of Fish and Wildlife's Skookumchuck Hatchery near Tenino, Wash.

The test bed will let scientists adjust and measure water speed, turbulence and depth. It consists of two large steel tanks — one upstream, one downstream — that cradle a 40-foot-long corrugated steel culvert whose slope can rise or fall to mimic existing

a fish behaviorist and program manager with Richland-based PNNL, said the test bed has caught the attention of transportation agencies, private land owners and jurisdictions in other states.

"With the (Endangered Species Act) listing of a number of salmon species, people who own culverts realize they have to deal with the issue," he said. "Our hope is that the results will serve a variety of stakeholders."

Culverts, or cement or metal pipes that funnel water under roads, often prevent young salmon from making the upstream journey required for

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WSDOT

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an unrealistic estimate for expanding state Route 167. According to Brown, the estimate in 1990 was \$150 million. Ten years later, it was \$972 million. While inflation contributed to the increase, agency officials realized they also miscalculated the cost of obtaining right-of-way.

"We know there's this growing public mistrust," Brown said, adding the problem is not unique to WSDOT. Costs of projects the world over have ballooned to shocking levels. "We knew we had to do something to develop better estimates earlier, and we had to figure out a way to talk about estimates with the public."

About the same time, MacDonald's path began to cross Reilly's. Even though the two have strong ties to Boston — MacDonald was executive director of the Massachusetts Water Resources Authority and Reilly still runs his consulting company there — the two didn't know each other. They met when MacDonald was the keynote speaker for a conference of the American Underground Construction Association. Reilly was the group's president.

WSDOT eventually hired Reilly to work on replacement of Seattle's Alaskan Way Viaduct and other projects.

"It wasn't very long into that when the question came up: How do you know what the real cost of these projects are?" said Reilly. "Doug scratched his head and said, 'There's got to be a better way.'"

Reilly went to work on the issue. He collaborated with other consultants and DOT staff members Brown, David Dye and Cliff Mansfield, who's now retired from the agency.

They decided the key was focusing on potential risks and opportunities. Risk analysis is an established discipline for the insurance and oil industries but not in the field of transportation.

Reilly recommended the group consult with Golder Associates, a global group of consulting companies that specialize in ground engineering and environmental science. The company, which is on WSDOT's on-call list, has offices in Seattle and Portland.

WSDOT began working with Golder's Bill Roberts. "Bill quickly brought a group of others, including myself, to the project," said Dwight Sangrey, a principal and director at the company's Portland office.

Risk analysis "is something I've been using for 30-plus years," said Sangrey. He first applied it in off-shore oil exploration. "This approach was part of our tool kit that we've been applying for a long time on a variety of projects." He added Golder "spent a lot of time and effort working with DOT on this."

Others working on CEVP include Golder's Travis McGrath; Keith Sabol, a manager of Parsons Corp.; Michael McBride, deputy director of capital construction for the Massachusetts Water Resources Board; representatives from the University of Colorado; KJM Associates; DMJM+Harris; and the National Constructors Group.

A "very simple concept" "The (CEVP) concept is very simple," says Reilly.

The project team collaborates with outside experts in an intense workshop setting. If the project involves, say, tunneling and wetlands, experts in tunneling and wetlands are brought to the table.

The team strips out the contingency and come up with what the cost would be if the plan were carried out flawlessly. Reilly said team members then plug Murphy's Law into the equation. What could go wrong? What would it

cost? And what's the probability of the snafu occurring?

A workshop team uses systematic project review and risk assessment methods to evaluate the quality of the information available to pinpoint cost and schedule risks. From the beginning, the team examines how risks can be lowered and cost vulnerabilities managed or reduced.

The result is a CEVP summary. While it reflects each project's unique features, all summaries share some traits. They are:

- Cost estimates are stated in dollar ranges.

- "I think the culture of engineering sometimes persuades engineers and the public that an engineer knows or should how an exact answer," MacDonald says. "Engineers forget to say: 'Here's the cost, but there are a lot of answers.' It's a mindset, you know. I think we should get away from the notion that we can predict everything to the penny."

- Risks are described so they can be discussed by the public as the project progresses.

- The likelihood of construction schedules are taken into account, and schedule-based adjustments made to the estimates to reflect the smaller purchasing power of dollars to be spent in future years.

- And changes from previous CEVP releases are included in one-page summaries for projects that have gone through an updated CEVP review.

"It's going pretty well," says WSDOT's Brown. "Like anything that's new, I think it's slow to implement it at first. But once the teams use it, they've immediately seen the value."

WSDOT began developing the process in January 2002. Six months later, the agency released the review of results on major projects transportation projects across Washington. The data is at www.wsdot.wa.gov/projects/cevp.

Five King County projects were put under the CEVP microscope this year and the result released this summer.

CEVP could mean more work for consultants. WSDOT plans to, on a competitive basis, "broaden the spectrum of folks we have involved externally for especially large or unusual projects," Brown says. She added at the same time the agency is trying to internalize CEVP for its more standard projects.

Other implementations Meanwhile, agencies in the Puget Sound region and elsewhere are either using CEVP-like methodology or asking about it. According to Sangrey, King County is using it for the Brightwater sewage treatment project, and the Port of Seattle is employing it for the third runway at Sea-Tac Airport.

"The Seattle monorail used this very successfully," added Sangrey, who said the agency was applauded for cost control measures at a recent Federal Transit Administration meeting in Washington, D.C.

Sangrey said transit projects teams in Pittsburgh and Miami and engineers working on a water tunnel project in San Diego are interested in learning more about CEVP.

"I think it has become such a popular program because it meets the basic problem of trying to help us become more accountable at a time when we're all met with local scrutiny," Brown says.

MacDonald cautions the final results are not in. True, CEVP helps identify risks, "but we haven't delivered any of these projects yet. So how successful we will be is not going to be clear for a little while. This is a work in progress."

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Federal Construction Projects

Y — Y — Highway Construction: WA PFH 203-1(1), WYNOCHEE ROAD; DTFH70-03-B-00020 WA PFH 203-1(1), WYNOCHEE ROAD, Olympic National Forest, Grays Harbor County, Washington. THIS ACTION IS BEING CONSIDERED FOR A TOTAL HUBZONE SMALL BUSINESS SET-ASIDE. Prime Contractors who are HUBZone small businesses and who intend to submit an offer for this solicitation, MUST submit the following by e-mail to contracts@wfl.fha.dot.gov or by fax to 360.619.7932 for receipt by COB on August 18, 2003: (a) a positive statement of your intention to submit an offer for this solicitation as a Prime Contractor; (b) date of HUBZone small business certification; (c) statement of bonding capability; to include both single and aggregate totals; and (d) listing of experience in work similar in type and scope to include contract numbers, project titles, dollar amounts, and points of contact with their phone numbers. All of the above must be submitted in sufficient detail for a decision to be made on availability of interested HUBZone concerns. Failure to submit all information requested will result in a contractor being considered "not interested" in this solicitation. A decision on whether this will be pursued as a HUBZone small business set-aside or on an unrestricted basis will be posted as a modification in FedBizOpps. WORK CONSISTS OF: 1.767 km of: grading, drainage, base, paving, & retaining walls. The project consists of construction survey & staking; contractor sampling & testing; construction schedules; 15,000 sq m clearing & grubbing; 53,000 cu m excavation; 18,000 cu m embankment; 180 cu m structure excavation; 2,500 sq m roadway obliteration; 1,630 cu m riprap; 282 sq m gabion wall; 27 ea permanent ground anchors for tied-back wall; 9,000 t untreated aggregate courses; 3,200 t hot asphalt concrete pavement; 364 m structural steel soldier piles; 234 sq m timber lagging; 77 m reinforced concrete culverts; 350 m G4 wood post guardrail system; 739 m wire fencing; 15,000 sq m seeding; 3.6 sq m signs; 14.25 m striping; and other smaller items of work. Work shall be completed by October 1, 2004. Estimated price range is between \$1,000,000 and \$5,000,000. When solicitation documents are issued, the Invitation For Bid (SPECIFICATIONS) AND BIDDER'S PACKET WILL BE AVAILABLE IN ELECTRONIC FORMAT ONLY AT www.wfl.fha.dot.gov/ed/. Pending finalization of details to make plans available electronically, plans will only be available in paper format. REQUEST PLANS BY E-MAIL TO contracts@wfl.fha.dot.gov, OR BY FAX TO (360)619-7932. The following applies only to Minority, Women-Owned and Disadvantaged Business Enterprises (DBEs): The Department of Transportation (DOT), offers working capital financing and bonding assistance for transportation related contracts. DOT's Bonding Assistance Program (BAP) offers bid, performance and payment bonds on contracts up to \$1,000,000. DOT's Short-Term Lending Program (STLP) offers lines of credit to finance accounts receivable. Maximum line of credit is \$500,000 with interest at prime rate. For further information about the Bonding Assistance Program, call (800) 532-1169. Internet address: <http://osdhuweb.fed.gov>. (FBO Posted:) Department of Transportation, Federal Highway Administration (FHWA), Western Federal Lands, Highway Division, 610 East Fifth Street, Vancouver, WA, 98661-3804

Z — Renovate Primary Care Clinic; 648-73-03 Contractor shall provide all labor, materials, equipment, supplies and supervision to perform the work to Remodel Primary Care Unit at the Portland VA Medical Center, Portland, Oregon. Estimated construction range is between \$100,000 and \$250,000. Period of Performance will be 150 days. Pre-Bid conference and site visit will be Wednesday, September 3, 2003, at 2:00PM. Meet in room 108A, Building 7-51, 3710 SW U.S. Veterans Hospital Road, Portland, OR. THIS SOLICITATION IS 100% TOTAL SMALL BUSINESS SET-ASIDE. The bid package will be available on or about 22 August 2003, electronically FREE at <http://www.bos.oamm.va.gov>, or <http://fedbizops.gov>. Copies on CD will be available from the Portland VA by written request only with a \$25.00 non-refundable fee. Only certified check or money order will be accepted. NO fax or telephone requests will be accepted. Electronic proposals will not be accepted. Bidders are advised that they are responsible for obtaining amendments. It is essential for bidders to register on the Bidders Mailing List for this solicitation to receive notification of any/all amendments. Amendments issued to this solicitation will be available at the above web addresses only. All questions must be submitted in writing to Suzanne Scott, Contracting Officer (PACONT), PVAMC, PO Box 1034, Portland, OR, 97207-1034. FAX number is 503.402.2914. NAICS code is 236220. See Note #1. (FBO Posted:) Attn: Department of Veterans Affairs Medical Center, (648/PACONT), 3710 SW Veterans Hospital Road, Box 1034, Portland, Oregon 97201.

Z — Wells Creek Road 33 Surfacing, Mt. Baker Ranger District; R6-MBS-3-84 This project consists of furnishing, placing and compacting a 4" lift of crushed rock on the travel way, turnouts and curve widening from 0.06 MP on the Wells Creek Road #33 to the 0.52 MP at the Concrete Bridge. Estimated issue date of the solicitation is on or about August 21, 2003. Estimated start work date is on or about September 8, 2003. Contract work time is approximately 30 days. The Government's estimated price range is between \$25,000 and \$100,000. If you are interested in being added to the planner's list, click on the Register as an Interested Vendor. If you wish to view the planner's list, go to the Western Washington Area Acquisition Team website at <http://www.fs.fed.us/gpn/purchasing> (FBO Posted:) Department of Agriculture, Forest Service, R-6 Western Washington Acquisition Area, Mt. Baker-Snoqualmie NF, 21905 64th Avenue West, Mountlake Terrace, WA, 98043

Toll roads

Continued from page 1

slow, measured approach. "You don't do it all at once. You kind of pick them off one at a time." He added those that pan out can be expanded.

"This is not massive reform," he said.

Haugen isn't sure how long Washingtonians, especially those in the Central Puget Sound region, can wait.

She points to replacement of the Alaskan Way Viaduct and Evergreen Point Floating Bridge, both

acceptable.

Providing an alternative worked in Colorado where some motorists raised Cain about having to pay tolls to drive on Highway E-470. "We sell choice," said Jo Snell, E-470 Public Highway Authority spokeswoman, who noted alternative routes on other roads are available.

Snell said the authority launched "a huge educational effort" to remind people the road was built without federal funds.

The E-470 toll depends on the distance traveled and vehicle size.

Z — Russian Rivier Road Sta reconstruction project consists of t is not limited to these items: furni- ment, tools, transportation and sup- sary for the removal of existing un- Realignement of the embankment a- lane plus shoulders on to a stable be- to the solicitation and bank stabiliz- and drainage improvements. The R- (FDR 1015) is located on the sout- Milepost 52.6. The reconstruction s- from the Highway. The work shall be- pleted within 60 calendar days from- by the Contracting/Office followin- involves removal, disposal and rep- base and asphalt surface. Removal- wells; resetting and lengthening- drainage features and revegetate- Contractor shall prepare and sub- Representative (COR) within 15 da- formance schedule showing the or- poses to perform the work, and th- contemplates starting and com- work. Estimated price range is bet- responsible sources may submit a bi- of this project to be accomplished i- pursuant to the Small Business (Program. The solicitation and dra- loading at <http://www.fedbizops.g>. It will be the responsibility of the- any amendments to the sollicitati- Posted:) Department of Agricult- Region, P.O. Box 21628 Acquistitio- Juneau, AK, 99802-1628

Z — Remodel Emergency Care provide all labor, materials, equipm- perform the work to Remodel Eme- VA Medical Center, Portland. O- range is between \$250,000 and \$500- be 150 days. Pre-Bid conference an- 29, 2003 at 1:00PM. Meet in room 1- Veterans Hospital Road, Portland, 100% TOTAL SMALL BUSINESS S- be available on or about 15 Aug: <http://www.bos.oamm.va.gov> or hi- will be available from the Portland- certified checks or money orders fi- or telephone requests will be hono- be accepted. Bidders are advised th- amendments. It is essential fo- Mailing List for this solicitation t- amendments. Amendments issued- able at the above web addresses onl- in writing to Suzanne Scott, Contra- PO Box 1034, Portland, OR, 97027-1- NAICS Code is 236220. See Note #1- of Veterans Affairs Medical Ce- Veterans Hospital Road, Box 1034,

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30 — RETAINING PLATE SH & Industrial Supply Center, Puget- the following: The items are sole- company, Fort Collins, CO 80525 be- fications, and test procedures are p- Shaft, Repair, Kit, Warning Decal, I- Spring, cylinder cover, Amplifier Ca- Governor Co part numbers. FOB Ca- weeks after date of contract. The- issued using procedures of FAR P- When issued, the RFQ will be Co- merce Online (NECO) web lin- ipated that the RFQ will be issued- offers due on or about 15 August 2- mit an offer, are responsible for do- RFQ from this website (WinZIP is r- itor that site for any amendments- requests for the RFQ package will- to mary.j.beauchamp@puget.gov- ed in the event an offeror experie- RFQ from the NECO website. No- by this office. No paper copies of tl- be mailed. Failure to respond to el- or quotes and associated amendme- for receipt of proposals or quotes m- non-responsive and result in the- Department of the Navy, Naval S- PUGET SOUND, 467 W STREET, B-

43 — Repair Parts for MFP Fleet and Industrial Supply Cente- commercial acquisition procedure- for the Main Feed Pump (Fresh w- will be posted to the NECO websi- ble for using the NECO website fo- ifications. All responsible offers j- inal solicitation to dianne.k.gris- request will not be honored. This- petition. (FBO Posted:) Depart- Systems Command, FISC PUGET- MERTON, WA, 98314-5000

81 — Cable, Electrical; N00253- Center Division (NUWC) Keyport- Undersea Warfare Center Divisi- requires 3000 feet (10 each reels c- electrical cable conforming to N- delivery will be 6 Jan 2004 or befor- be at destination. This requireme- 12 simplified commercial acquisi- RFQ will be posted electronically- Acquisition Division website. Of- are responsible for downloading th- website and to frequently monito- the RFQ. No telephone or fax req- accepted. It is anticipated that the- able for download via NUWC Divi-

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