

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 5d
Date of Meeting November 19, 2013

DATE: November 11, 2013
TO: Tay Yoshitani, Chief Executive Officer
FROM: Michael Ehl, Director, Airport Operations
Wayne Grotheer, Director, Aviation Program Management Group
SUBJECT: South 160th Street Ground Transportation Project (CIP #C101107)

Amount of This Request:	\$667,000	Source of Funds:	Airport Development Fund and Customer Facility Charges
Est. Total Project Cost:	\$3,559,000		

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to: (1) proceed with design of the S. 160th St. Ground Transportation Lot Project for an estimated \$667,000; (2) execute utility agreements with Puget Sound Energy (PSE), Comcast, and CenturyLink to underground utilities; (3) grant and transfer a utility easement, if necessary, to PSE, Comcast, and CenturyLink on Port property along the south side of S. 160th St. for the underground utilities; (4) reimburse PSE, Comcast, and CenturyLink in an amount not to exceed \$540,000 for the utility undergrounding work; and (5) transfer the utility undergrounding scope of work and \$973,000 of authorized budget from the Off-Site Roadway Improvements (ORI) Project to the S. 160th St. Ground Transportation Lot Project.

SYNOPSIS

The Port's S. 160th Ground Transportation Lot serves as a holding area for limousines, buses, and taxis that serve Airport passengers. An existing building on the lot provides office space and amenities for taxi drivers; however, it is in sub-standard condition and requires renovation. Other proposed lot infrastructure improvements include a storm drainage system, lot re-striping, and curb, gutter, and sidewalk along S. 160th St.

The project also includes undergrounding of existing overhead utility lines along the south side of S. 160th St. Originally included in the ORI project as part of the Rental Car Facility (RCF) Program, undergrounding of the overhead utilities was deferred per agreement between the Port and City of SeaTac. The undergrounding scope of work must be transferred from the ORI project and be completed as part of the S. 160th St. Ground Transportation Lot improvements. The existing overhead utility lines are owned by PSE, Comcast, and Century Link. These companies

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will perform the undergrounding design and construction and be reimbursed for their actual costs by the Port in an amount not to exceed \$540,000.

Depending on the alignment of the utility undergrounding determined during the design phase, the Port may need to grant an easement on Port property along the south side of S. 160th St. The requested authorization is for the design of the building renovation and lot infrastructure, entering into agreements with utility companies to perform the design, construction and seek reimbursement from the Port, grant and transfer, if needed, an easement to the utility companies for the underground utilities, and transfer of the previously authorized scope and funds from the ORI project to the S. 160th St. Ground Transportation Lot project. Staff will return to Commission for authorization to construct the building and lot improvements in the future. Total project cost, including the utility undergrounding, is estimated to be \$3,559,000.

This project was included in the 2014 – 2018 capital budget and plan of finance.

BACKGROUND

Lot Improvements

The Port owns and operates the S. 160th St. Ground Transportation Lot located immediately south of the RCF between Host Road and International Blvd. (see Attachment A). Existing facilities were constructed in 1991, and vehicle access to and from S. 160th St. was recently upgraded as part of the ORI project.

The proposed project will provide a renovated building and other site improvements to support an existing ground transportation facility. The taxi administration building has endured intense use during the past 20 years and the interior has reached the end of its useful life. The building is leased to Yellow Cab as part of their concession agreement. As part of the agreement, the Port is responsible for building maintenance. Yellow Cab has approximately 700 drivers that use the building on a regular basis. The renovation provides improvements to the building interior and resolves habitability problems that can no longer be addressed through maintenance. In addition, the lot's existing drainage system is not up to standard and does not adequately capture and convey stormwater runoff. The project will connect the stormwater improvements to the off-site storage water quality system located under the RCF to prevent erosion and protect Port of Seattle property.

Utility Undergrounding

The ORI project completed the roadway improvements on State Route 518, International Blvd., S. 160th St, and Host Road as part of the RCF program. The Port and the City of SeaTac have an Interlocal Agreement (2005 ILA) that addresses a number of issues associated with land use and development on Airport property within the City of SeaTac. During the design of the ORI project, the Port's original position was that the utilities in the area were located on Port of Seattle property and therefore subject to the 2005 ILA rather than City of SeaTac Municipal Code; however, after discussion with the City, it was determined that the utilities were located within city right-of-way and subject to SeaTac Municipal Code. The timing of this discovery precluded the undergrounding of utilities as part of the ORI project. In order not to delay the

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scheduled opening of the RCF, the Port and City agreed that the Port would commit to undergrounding the utilities when performing future work in this area (see Attachment B). Staff has determined the S. 160th St. Ground Transportation Lot project is the appropriate project to incorporate completion of undergrounding existing overhead utilities and is requesting the transfer of the scope of work and \$973,000 of previously authorized customer facility charge funds for this purpose.

Under an agreement with the Port, PSE will design and construct the undergrounding of the existing overhead power lines. PSE will relocate electrical service as well as any Comcast and Century Link services co-located with the power lines. The Port will reimburse these utilities for their work to convert their communications lines to underground. Some or all of the alignment and trench for the utility undergrounding may need to occur on Port property along the south side of S. 160th St. Therefore, the Port may need to grant PSE, Comcast, and CenturyLink a permanent easement to construct and maintain their respective utility lines.

PROJECT JUSTIFICATION AND DETAILS

The existing building suffers from overuse of restroom and kitchen facilities resulting in broken plumbing fixtures, out of service showers, water leaks, water damage, broken tile, and stained ceilings. In addition, stormwater runoff on the lot is not adequately captured by a drainage system. Rainwater often flows directly off the lot causing erosion damage. An expanded drainage network is required to collect stormwater that flows across the lot and route it to an existing pipeline and water quality treatment system at the RCF on the north side of S. 160th St.

Existing aboveground utility lines along S. 160th St. should be undergrounded to meet the provisions of the City of SeaTac Municipal Code.

Project Objectives

Objectives of the proposed upgrades are to:

- Provide a renovated building with amenities for drivers
- Provide other site and infrastructure improvements
- Provide an upgraded ground transportation asset with a low total cost of ownership
- Underground utility lines along S. 160th St.

Scope of Work

- Renovate existing drivers' building interior
- Complete the installation of curbs, gutters, and landscaping along S. 160th St.
- Install site storm drainage system with a connection to the RCF system
- Re-striping the existing lot to create more parking space and more efficient use
- Undergrounding of existing utility lines along S. 160th St. fronting Port property

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Schedule

- Design: December 2013 – June 2014
- Advertise for bids, award and construct: July 2014 – February 2015

Budget by Area of Work

	Project, Excluding Utility Undergrounding	Utility Undergrounding Only (Transfer)	Total
Construction	\$1,800,000	\$295,000	\$2,095,000
Soft Costs	\$786,000	\$138,000	\$924,000
Reimbursement to Utilities	\$0	\$540,000	\$540,000
Total	\$2,586,000	\$973,000	\$3,559,000
Less expense	-\$50,000	-\$687,000	-\$737,000
Net capital costs	\$2,536,000	\$286,000	\$2,822,000

Project work, excluding utility undergrounding, includes building renovation, lot storm drainage system, lot striping, and signage. Work related to utility undergrounding includes reimbursement to utility companies for their construction and soft costs trenching and converting lines from overhead to underground, and Port costs for sidewalks, curbs, landscaping, and fencing in the undergrounding area. The landscaping and fencing on Port property will be capitalized.

Budget/Authorization Summary

	Capital	Expense	Total Project
Original Budget	\$3,516,000	\$0	\$3,516,000
Revised scope	-\$980,000	\$50,000	-\$930,000
Budget transfer	\$973,000	\$0	\$973,000
Reclassify Budget as public expense	(\$687,000)	\$687,000	\$0
Revised Budget	\$2,822,000	\$737,000	\$3,559,000
Previous Authorizations	\$0	\$0	\$0
Authorization transfer	\$286,000	\$687,000	\$973,000
Current request for authorization	\$667,000	\$0	\$667,000
Total Authorizations, including this request	\$953,000	\$687,000	\$1,640,000
Remaining budget to be authorized	\$1,869,000	\$50,000	\$1,919,000
Total Estimated Project Cost	\$2,822,000	\$737,000	\$3,559,000

The original budget included scope to resurface the entire lot and replace the lighting. During the development of the project notebook, it was determined that these scope items were not necessary. A portion of the budget to be transferred for utility undergrounding has been determined to be public expense.

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<i>Project Cost Breakdown</i>	This Request	Total Project
Construction	\$0	\$1,954,000
Construction Management	\$0	\$147,000
Design	\$331,000	\$331,000
Project Management	\$184,000	\$184,000
Other Soft Costs	\$152,000	\$262,000
State & Local Taxes (estimated)	\$0	\$141,000
Utility Undergrounding Reimbursement	\$0	\$540,000
Total	\$667,000	\$3,559,000

Budget Status and Source of Funds

The S. 160th St. Ground Transportation project, CIP C101107, is included in the 2014 – 2018 capital budget and plan of finance. The budget has been modified for scope reductions and scope additions. The funding source for the 160th lot improvements will be the Airport Development Fund. For the \$973,000 budget transferred in from the RCF program (C100266), the funding source will be Customer Facility Charge (CFC) revenues.

Financial Analysis and Summary

The below financial analysis does not include the utility undergrounding work.

CIP Category	Renewal/Enhancement
Project Type	Life Cycle Extension and Asset Protection
Risk adjusted discount rate	N/A
Key risk factors	Unforeseen site conditions could increase design and construction costs and delay project schedule.
Project cost for analysis	\$2,586,000 (excludes utility undergrounding)
Business Unit (BU)	Ground Transportation
Effect on business performance	NOI after depreciation will decrease.
IRR/NPV	N/A, This is a renewal and replacement project that increases the life of existing Port of Seattle assets that are necessary to maintain existing revenues from taxi service.
CPE Impact	None

Lifecycle Cost and Savings

Annual maintenance costs for the building continue to increase. Maintenance costs for 2013 were \$15,000 for the restrooms alone. New improvements will significantly reduce the need for unscheduled maintenance activity and extend the useful life of the building.

STRATEGIES AND OBJECTIVES

This project aligns with the Port's Century Agenda to meet the region's air transportation needs at Sea-Tac Airport for the next 25 years.

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TRIPLE BOTTOM LINE

Economic Development

The project supports economic development by investing in an upgraded ground transportation lot to serve the public's needs at the Airport. Environmental sustainability principles will be employed consistent with Port policy. In addition, procedures set forth in the Port's Small Contractors and Suppliers Program will be used when applicable in the project contracting process in coordination with the Office of Social Responsibility.

Environmental Responsibility

This project will provide the opportunity to apply environmental sustainability principles associated with the new improvements, including:

- Upgrading the site drainage system to better manage stormwater
- Undergrounding utility lines to improve reliability and visual appearance.
- Utilizing energy efficient light fixtures and water efficient plumbing fixtures in the building

Community Benefits

This project provides infrastructure upgrades and replacement to an Airport asset that provides a significant service and benefits to passengers. The project also fulfills agreements with the City of SeaTac to provide underground utilities along S. 160th Street.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do nothing. Under this alternative, the existing ground transportation (GT) lot facilities will continue to deteriorate. The habitability of the building and the functionality of the storm drainage system will continue to be sub-standard. Existing overhead utilities along S. 160th St. will not be undergrounded. This alternative is not recommended.

Alternative 2 – Invest in the GT lot facility upgrades, but at a reduced scope of work from those proposed here. For example, the amount of building renovations could be reduced or an upgraded storm drainage system could be deleted from the project. As with Alternative 1, the habitability of the building and the functionality of the storm drainage system will continue to be sub-standard, although existing overhead utilities along S. 160th St. would be undergrounded. This alternative is not recommended.

Alternative 3 – Invest in the GT lot facility upgrades and underground existing overhead utilities along S. 160th St. as proposed. This will result in a renovated building with improved habitability and lower maintenance and repair cost. The improved storm drainage system will collect surface runoff from the lot with conveyance to the Rental Car Facility drainage system.

This is the recommended alternative.

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ATTACHMENTS TO THIS REQUEST

- Attachment A – Project Site Figure
- Attachment B – April 11, 2011 letter from Mark Reis to the City of SeaTac regarding the application of the city municipal code to the Port's Rental Car Facility Off-Site Road Improvement Project

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- December 15, 2009 – the Commission authorized an additional \$16,334,400 for the construction of the ORI project, and the execution of construction contracts for \$17,534,400 (including Washington State Department of Transportation's bridge seismic improvements).
- June 30, 2009 – the Commission 1) lifted the suspension and restarted the entire RCF program, 2) authorized \$591,670 in additional design funds for the BMF and ORI projects, 3) authorized \$27,826,000 in additional construction funds for the RCF project, 4) authorized multiple change orders for a not to exceed value of \$16,800,000 and up to 260 calendar days for the construction of the RCF project, and 5) revised the Commission notification requirements for change orders for the RCF project.
- December 15, 2008 – the Commission authorized the suspension of most work under the contract for construction of the RCF project for an indefinite period, not to exceed one year. Design for the Bus Maintenance Facility (BMF) and ORI projects would continue.
- November 11, 2008 – the Commission was briefed on the status of the RCF program and authorized \$552,000 for the ORI project for design and advance utility relocations.
- November 9, 2004 – the Commission authorized \$18,675,000 for the completion of facility design for the RCF program, and for procurement of a GC/CM for the delivery of the project. This included \$2,019,500 for the ORI project.
- March 27, 2001 – the Commission authorized \$3,500,000 for the completion of schematic development for the RCF program. This included \$405,600 for the ORI project.