

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No.	<u>6d</u>
Date of Meeting	<u>April 1, 2014</u>

DATE: March 21, 2014
TO: Tay Yoshitani, Chief Executive Officer
FROM: Mike Ehl, Director, Airport Operations
Wayne Grotheer, Director, Aviation Project Management Group
SUBJECT: Long-Term Cell Phone Lot (CIP #C800324)

Amount of This Request:	\$693,000	Source of Funds:	Airport Development Fund
Est. Total Project Cost:	\$2,521,000		
Est. State and Local Taxes:	\$99,000		

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to complete the design and construction of the Long-Term Cell Phone Lot project at the Seattle-Tacoma International Airport (Airport) for an additional authorization of \$693,000, for a total authorization of \$2,521,000.

SYNOPSIS

The Airport's existing cell phone waiting lot will be displaced by construction of new aircraft parking hardstand facilities this April. Therefore, a new cell phone lot will be constructed at a location on the south side of S. 170th St. The location of the new cell phone lot requires a roundabout to be constructed to facilitate ingress and egress from the lot and to mitigate traffic impacts along S. 170th St., the majority of which is City of SeaTac right-of-way.

Design of the cell phone lot and roundabout was authorized by the Commission in December 2012, and construction of the cell phone lot was authorized in September 2013. Construction of the cell phone lot and design of the roundabout is in progress. The remaining \$693,000 unauthorized amount of the \$2,521,000 budget is requested to be authorized to complete the cell phone lot construction and roundabout design. The cell phone lot construction costs are higher than anticipated primarily due to removal and disposal of unsuitable soils and corresponding import of suitable material, and higher than anticipated costs for pavement and lot lighting. A portion of the requested authorization is needed for additional design costs for the roundabout. Upon completion of the roundabout design and preparation of a construction cost estimate, staff will return to Commission for a budget revision and construction authorization.

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BACKGROUND

Over the past decade, two significant developments led airports to develop cell phone waiting lots: the September 11th events and the ubiquity of cellular phones. Following September 11th, a shift in air traveler behavior occurred throughout the United States. Primarily due to new checkpoint restrictions, passengers and their parties were no longer able or inclined to meet in the terminal and utilize short-term parking. With the aid of cellular phones, friends and families can contact their arriving parties as they disembark the aircraft and time their trip accordingly. The result is an increased demand for curbside parking and curbside congestion, or at the very least, a location to wait for their arriving party and a decrease in meeting passengers in the terminal. Without a cell phone lot, meeters and greeters either utilize curbside parking spaces or innovate on the fly, often parking on local streets or the shoulders of the Northern Airport Expressway creating an unsafe condition.

Separately, there exists a shortage of hardstand space for parking passenger and cargo aircraft that remain overnight at the Airport. To increase remain-overnight (RON) space, the previous site of the United States Postal Service Air Mail Center (AMC) is being reconstructed for hardstands as part of the Cargo Hardstand Improvements project. Currently the Airport's cell phone waiting lot uses a portion of the parking lot in front of and adjacent to the AMC site and will be displaced by the construction of the handstand improvements in early April.

The new replacement cell phone waiting lot is located immediately south of S. 170th St. at the site of the former Radisson Hotel. The project includes the construction of the new lot and a roundabout on S. 170 St. to facilitate ingress and egress from the lot, and to mitigate traffic impacts along S. 170th St. The construction of the new lot is currently underway and includes the demolition of the existing asphalt pavement; the re-grading, paving, and striping the new lot; the installation of a new lighting system; and revisions to the existing stormwater system. A temporary traffic signal will also be installed on S. 170th St. to support traffic operations until the new roundabout is completed.

During the construction of the new cell phone waiting lot several issues have occurred that have resulted in higher than anticipated construction costs. During the grading activity, unsuitable soils were discovered which needed to be removed and then replaced with suitable materials. The costs for both the pavement and new lot lighting system are also higher than anticipated. Additional design costs are also needed to address conflicts with the roundabout grades and existing utilities and infrastructure. These issues have led to the current request to authorize the remaining project budget to support the completion of the construction of the new cell phone waiting lot, and the design of the roundabout. Upon completion of the roundabout design, and preparation of a construction cost estimate, staff will return to Commission for a budget revision and construction authorization.

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PROJECT JUSTIFICATION AND DETAILS

The total proposed project, including the cell phone lot and roundabout, is justified based on the following reasons:

- A cell phone waiting lot is an expected Airport-provided service to travelers.
- Without a cell phone waiting lot, some pick-up vehicles will wait for extended periods at the terminal curbside or along roadway shoulders resulting in congestion and safety problems.
- The existing cell phone waiting lot will be eliminated by construction of new facilities.
- A cost effective site is available on the south side of S. 170th St. for a new cell phone lot.
- The traffic control roundabout will mitigate increased traffic along S. 170th St. caused by the new cell phone lot.

Project Objectives

The cell phone lot and traffic roundabout will contribute to achievement of the Airport's business plan strategy to become one of the top five customer service airports as ranked among North American peers by 2018.

Scope of Work

The new lot will be located at the site of the former Radisson Hotel parking lot. The entrance for the new lot will be located on the south side of S. 170th St. and vehicle ingress/egress will be facilitated by a roundabout. The lot will have the capacity of up to 200 vehicles.

Project work will include:

- Demolition of existing asphalt pavement.
- Site grading, paving, and striping.
- Installation of lot lighting.
- Installation of a stormwater system for the lot.
- Landscaping.
- Wireless antennas to support access to Port of Seattle wi-fi services.
- Traffic roundabout.

Schedule

- Cell phone lot design completion: September 2013
- Cell phone lot construction completion: April 2014
- Roundabout design completion: June 2014
- Roundabout construction completion: April 2015

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FINANCIAL IMPLICATIONS

<i>Budget/Authorization Summary</i>	Capital	Expense	Total Project
Original Budget	\$2,521,000	\$0	\$2,521,000
Previous Authorizations	\$1,828,000	\$0	\$1,828,000
Current request for authorization	\$693,000	\$0	\$693,000
Total Authorizations, including this request	\$2,521,000	\$0	\$2,521,000
Remaining budget to be authorized	\$0	\$0	\$0
Total Estimated Project Cost	\$2,521,000	\$0	\$2,521,000

<i>Project Cost Breakdown</i>	This Request	Total Project
Construction of Cell Phone Lot (excludes roundabout)	\$600,000	\$1,783,000
Construction Management	\$0	\$135,000
Design	\$93,000	\$217,000
Project Management	\$0	\$126,000
Other Soft Costs	\$0	\$161,000
State & Local Taxes (estimated)	\$0	\$99,000
Total	\$693,000	\$2,521,000

Budget Status and Source of Funds

This project was included in the 2014-2018 capital budget and plan of finance with a budget of \$2,521,000. The funding sources will include up to \$1,000,000 from the City of SeaTac from parking tax funds. These funds will cover cost of the roundabout only. The remaining costs will be funded with the Airport Development Fund. It is anticipated that staff will return to Commission later this year to request additional budget of between \$1 and 2 million dollars. The actual amount will be confirmed by the design portion of today's authorization request.

Financial Analysis and Summary

CIP Category	Renewal / Enhancement
Project Type	Infrastructure Upgrades
Risk adjusted discount rate	N/A
Key risk factors	Delays during the design, permitting, or construction phase could cause the project completion date to extend beyond the closing date of the existing cell phone lot, thus there could be a period when no cell phone lot facility is available to customers. Final scope of the roundabout will affect design and construction costs.
Project cost for analysis	\$1,521,000 (excludes \$1 million from City of SeaTac)
Business Unit (BU)	Roadway (cost split between aeronautical and non-aeronautical business units)

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Effect on business performance	No revenue is generated by the existing cell phone lot and no revenue will be generated directly by the proposed lot. Approximately half of the costs of roadway projects are charged to the airline rate base.
IRR/NPV	N/A
CPE Impact	Less than \$.01 increase.

Lifecycle Cost and Savings

The project's lifecycle cost includes the initial capital cost plus future on-going operation and maintenance costs estimated to be \$24,000 per year (in year 2012 dollars).

STRATEGIES AND OBJECTIVES

This project aligns with the Port's Century Agenda objective of meeting the region's air transportation needs at the Airport for the next 25 years.

This project also supports the Airport's strategy of becoming one of the top customer service airports in the world.

TRIPLE BOTTOM LINE

Economic Development

The project supports economic development by investing in a new long-term cell phone parking lot to serve the public's transportation needs at the Airport. Environmental sustainability principles will be employed where practicable and consistent with Port policy. Also, 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 decrease emissions from vehicles accessing the Airport by providing a place for vehicles to park and wait rather than circulating on the Airport drives. It will also provide the opportunity to apply sustainability principles, including:

- Low impact development storm water management.
- Present an opportunity to provide a sign that educates cell lot users on the infiltration bioswales and rain gardens being used.
- Posting of "No Idling" signs for air quality.
- Asphalt recycling.
- Energy efficient site lighting.

Community Benefits

The cell phone lot along with the traffic roundabout will provide an overall improvement to the S. 170th St. corridor for airline passenger vehicles and other vehicles moving through the area.

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ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1) – Do not authorize construction of the cell phone lot. The existing cell phone lot is expected to be out of service in April 2014. Therefore, after that date there would be no cell phone lot available. As a result, it is anticipated that vehicles waiting to pick up passengers would use the Northern Airport Expressway or other areas for temporary parking. This would cause congestion, create unsafe conditions, and be illegal in some cases. This is not the recommended alternative.

Alternative 2) – Construct the cell phone lot and roundabout together under single major public works contract. This would likely result in there being a period of uncertain duration when there is no cell phone lot available to customers after the existing cell phone lot is out of service in April 2014. Similar to Alternative 1, it is anticipated that vehicles waiting to pick up passengers would use the Northern Airport Expressway or other areas for temporary parking. This is not the recommended alternative.

Alternative 3) – Authorize construction of the cell phone lot utilizing a combination of port crews and contracts, construction of the temporary traffic signal, and authorize the Chief Executive Officer to execute an interlocal agreement with the City of SeaTac for construction and operation of the temporary signal. This will result in a new cell phone lot becoming available at approximately the time the existing lot goes out of service, thus increasing the probability that continuous service will be maintained. **This is the recommended alternative.**

ATTACHMENTS TO THIS REQUEST

- None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- December 11, 2012 – Authorization for design of the cell phone lot and traffic roundabout in the amount of \$408,000.
- September 10, 2013 – Authorization for construction of the cell phone lot in the amount of \$1,420,000.