



**COMMISSION
AGENDA MEMORANDUM**

Item No. 4d

ACTION ITEM

Date of Meeting September 12, 2017

DATE: August 24, 2017

TO: Dave Soike, Interim Executive Director

FROM: Wayne Grotheer, Director, Aviation Project Management Group
Michael Ehl, Director, Aviation Operations

SUBJECT: Restroom Upgrades at Concourses B, C, and D (CIP #C800697)

Amount of this request: \$2,536,000

Total estimated project cost: \$33,047,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to advertise and execute a major works construction contract for the Airline Crew Lounge and Service Facility as the first enabling project for the Restroom Renovation project at Seattle-Tacoma International Airport. This request is for \$2,536,000 of a total estimated project cost of \$33,047,000.

EXECUTIVE SUMMARY

This first enabling project of the Restroom Renovation project builds space for and relocates two existing tenant functions to provide additional public restroom capacity on the concourse level of Concourse B. This project will remodel existing space and construct additional space in order to relocate these tenant functions.

JUSTIFICATION

Growing passenger numbers means many restrooms have lines of travelers waiting to use the facilities during peak times. In part due to the increase in traffic at the airport, vacant space has been converted to usable space in many areas to accommodate this growth. Because of the limited vacant space available in the public areas, this project is necessary to create space for tenant functions that need to be relocated off the concourse level in order to create space for larger public restrooms. For this request, these tenant functions include an airline crew lounge and service facility located on Concourse B. Staff anticipates a future request for additional enabling projects currently being planned.

DETAILS

The objectives of the overall Restroom Renovation project are to improve customer service by adding capacity and modernizing restroom facilities in Concourses B, C, and D and to decrease

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Operation and Maintenance (O&M) costs for restrooms. This request supports the overall project.

Scope of Work

This project will:

- (1) Remodel space on Concourse B concourse level for one tenant function
- (2) Build new space on Concourse B ramp level for another tenant function
- (3) Relocate tenant functions into the new spaces

Small Business

The scope of work lends a number of opportunities to small and diverse businesses. The Project Management Group along with the Small Business Group are partnering together to maximize the small business knowledge of the project through PortGen activities.

Schedule

Activity

Construction start	1 st Quarter 2018
In-use date	4 th Quarter 2018

Cost Breakdown

	This Request	Total Project
Design	\$0	\$5,087,000
Construction	\$2,536,000	\$27,960,000
Total	\$2,536,000	\$33,047,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not construct spaces to relocate tenants

Cost Implications: Capital \$0

Pros:

- (1) No Capital investment at this time

Cons:

- (1) Approximately \$600,000 in design would need to be expensed.
- (2) Future restrooms will not be enlarged and thus continue to have long lines during peak times.
- (3) Passenger experience will not improve due to lack of restroom space.

This is not the recommended alternative.

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Alternative 2 – Construct spaces and relocate airline functions to support the Restroom Renovations Concourses B, C, and D project

Cost Implications: \$3,255,000 for design and construction

Pros:

- (1) This alternative enables expansion and renovation of public restrooms to handle the high volume of use they receive.
- (2) This alternative also provides new space to relocate the tenant functions currently in the space to be used for enlarged restrooms due to the lack of available vacant space.

Cons:

- (1) Building new space for relocation of various airline office functions currently in spaces needed for restroom expansion adds time to the restroom project, delaying improvements.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary

	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$11,180,000	\$0	\$11,180,000
Previous changes – net	\$21,867,000	\$0	\$21,867,000
Current change (tenant move costs)	(\$25,000)	\$25,000	\$0
Revised estimate	\$33,022,000	\$25,000	\$33,047,000
AUTHORIZATION			
Previous authorizations	\$5,087,000	\$0	\$5,087,000
Current request for authorization	\$2,511,000	\$25,000	\$2,536,000
Total authorizations, including this request	\$7,598,000	\$25,000	\$7,623,000
Remaining amount to be authorized	\$25,424,000	\$0	\$25,424,000

Annual Budget Status and Source of Funds

This project, CIP #C800697 was included in the 2017-2021 capital budget and plan of finance with a budget of \$33,047,000. The funding source will be the Airport Development Fund and future revenue bonds.

Financial Analysis and Summary

Project cost for analysis	\$33,047,000
Business Unit (BU)	Terminal
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase

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IRR/NPV (if relevant)	N/A
CPE Impact	.03 in 2021 and .11 in 2025

Future Revenues and Expenses (Total cost of ownership)

Aviation Maintenance anticipates minimal impacts to O&M costs as a result of the scope of work in this enabling Phase I project, as the tenant would have most of the responsibility in the tenant spaces.

ATTACHMENTS TO THIS REQUEST

Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

July 12, 2016 – The Commission authorized design for \$5,087,000.