



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6c

ACTION ITEM

Date of Meeting September 12, 2017

DATE: August 31, 2017

TO: Dave Soike, Interim Executive Director

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

SUBJECT: S. 160th Street GT Lot Building Rehabilitation (CIP #C101107)

Amount of this request: \$4,431,533

Total estimated project cost: \$6,526,533

ACTION REQUESTED

Request Commission authorization for the Executive Director to: 1) increase the budget by \$3,010,533; 2) complete the design, advertise for bids, award and execute a major works construction contract; and 3) authorize the use of Port Construction Services and small works contracts to rehabilitate the existing transportation building and potentially construct a new smaller facility for the on demand operators at the S. 160th St. Ground Transportation Lot, for the remaining authorization of \$4,431,533 and a total authorization of \$6,526,533.

EXECUTIVE SUMMARY

This project will completely rehabilitate the interior of the existing taxi driver layover building including replacing the heating, ventilation and air conditioning (HVAC) system and roof and potentially construct a new smaller facility in the lower lot for on demand operators located at the S. 160th St. Ground Transportation (GT) Lot. These efforts will extend the useful life of this heavily used Port asset.

JUSTIFICATION

The entire GT Lot building, constructed in 1990, serves approximately 1,000 people per day within a 20 hour period, seven days a week, and has for many years. The interior, especially the restrooms, are heavily worn and well beyond their useful service life. The interior has become unserviceable, difficult to maintain and deteriorated. Replacement of the exiting HVAC system and roof is required as they are past their useful lives and no longer meet code or energy standards.

Based on recent demands by operators, staff is requesting approval to design and construct a separate and smaller transportation facility including restrooms on the lower portion of the S. 160th St. GT Lot. This improvement would specifically serve the transportation network

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company (TNC) drivers. The new facility would replace the existing (outdoor) portable toilets and sinks these commercial drivers use.

DETAILS

The interior spaces, building systems and roof of the S. 160th St. GT Lot building were slated to be rehabilitated in 2015 as part of an earlier project. At the 100% design level, a decision was made to withdraw this work from the project scope and add it to the tenant's pending contract with the intent for the tenant(s) to accomplish the rehabilitation work.

The interior of the building is very worn, with the restrooms being in particularly poor condition. To date, the tenant has not carried out any building improvements in keeping with their contract. The condition of the building interior continues to deteriorate. This request is to update the current 100% design documents to meet current code and permitting requirements, to create the construction documents, and to advertise for construction and award a contract to construct the renovations.

The estimated cost for rehabilitating the existing building within the original budget to rehabilitate the building and carry out site improvements of \$3,516,000 in 2015 was \$1,870,000. This previous estimate has been reviewed and increased to \$2,500,000 to cover design revisions, scope changes, to be in compliance with current codes and standards, to address a very competitive bidding environment, and to expedite the bidding and construction of the project. This increased estimate is within the additional budget increase authorization being requested.

Staff is requesting an additional authorization of \$2,500,000 to design and construct a new smaller transportation facility for the other commercial drivers on the lower portion of the S. 160th St. GT Lot. Creating a new restroom structure for the other commercial drivers will require the creation of plans and specifications, obtaining permits; getting utilities (power, water, sanitary) to the site; and the construction of a new (durable) building. This effort will take over a year to complete.

Of the \$2,095,000 currently authorized, \$1,232,570 has been spent to date, which includes \$207,273 spent for the previous design costs expensed when the decision was made to delete the building scope from the project. Given the remaining unspent authorized funds, this brings the total request for additional authorization to \$4,431,533 and a revised total project authorization of \$6,526,533. The work accomplished to date includes all of the site improvements: storm drainage, landscaping, sidewalk and utility undergrounding.

All these improvements could be displaced in as soon as three to six years after they are completed by future development identified in the pending Sustainable Airport Master Plan (SAMP).

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Scope of Work

This project will rehabilitate the interior of the S. 160th St. GT Lot building, and replace certain mechanical systems and the building’s roof based on the updated 2014 plans and specifications.

The scope includes:

- (1) Providing temporary restroom facilities during construction
- (2) Complete gutting of the men’s restroom, including mold remediation if necessary
- (3) Complete reconstruction of the men’s room, to include foot washers and using less maintenance intensive materials
- (4) Reconfiguration and remodeling of the women’s restroom
- (5) Reconfiguration and remodeling of the dispatch office space
- (6) Reconfiguration and rehabilitation of the day room space and kitchenette areas
- (7) Correcting a number of ad hoc wiring and cabling solutions installed by various tenants
- (8) Roof replacement
- (9) Complete HVAC system replacement to current code standards

If an additional TNC facility, including men’s and women’s restrooms were to be pursued, it would be a durable building of approximately 700 square feet. Finishes and fixtures would be identical to those used in the taxi building restrooms.

Schedule

Commission design authorization	2013 Quarter 4
Design verification start	2017 Quarter 3
Commission construction authorization	2017 Quarter 3
Construction start	2018 Quarter 1
In-use date	2018 Quarter 2

Cost Breakdown

	This Request	Total Project
Design	\$1,431,533	\$2,326,533
Construction	\$3,000,000	\$4,200,000
Total	\$4,431,533	\$6,526,533

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Limited options exist to reach the desired outcome at the S. 160th St. GT Lot building.

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Alternative 1 – Rehabilitate the taxi building interior as configured today

Cost Implications: \$1,750,000

Pros:

- (1) Addresses the most pressing problems with the building, such as the men’s restroom.
- (2) Reduces cost

Cons:

- (1) Doesn’t replace the HVAC system and roof, which at 27 years old, are well beyond their useful life
- (2) Leaves building in current configuration, which doesn’t allocate space efficiently
- (3) Does not address all the building’s problems

This is not the recommended alternative.

Alternative 2 – Reconfigure and completely rehabilitate existing taxi building interior and design and construct a new separate TNC facility

Cost Implications: \$5,000,000

Pros:

- (1) Resolves the problems within the existing taxi building and provides much more efficient use of its interior space
- (2) Improves maintainability of the existing structure
- (3) Adds a separate and permanent facility, including restroom capacity for the TNC operators

Cons:

- (1) Future of TNC operations on this site is an unknown
- (2) If SAMP reuses the site the new structure might need to be written off.

This is the recommended alternative.

Alternative 3 – Rehabilitate existing taxi building interior, include wiring and cabling improvements, and replace HVAC and roof

Cost Implications: \$2,500,000

Pros:

- (1) Addresses all known shortcomings to the interior of the building
- (2) Replaces HVAC with a system that addresses current code issues and energy efficiency standards
- (3) Roof replacement should last until the end of the building’s service life

Cons:

- (1) Port assumes responsibility for improvements
- (2) Cost of \$2,500,000

This is not the recommended alternative.

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FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$3,516,000	\$0	\$3,516,000
Previous changes – net	(\$3,014,433)	\$1,024,966	(\$1,989,467)
Current change	\$5,000,000	0	\$5,000,000
Revised estimate	\$5,501,567	\$1,024,966	\$6,526,533
AUTHORIZATION			
Previous authorizations	\$1,070,034	1,024,966	\$2,095,000
Current request for authorization	\$4,431,533	\$0	\$4,431,533
Total authorizations, including this request	\$5,501,567	\$1,024,966	\$6,526,533
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

While this project was included in the 2017 – 2021 capital budget as an active capital project, there were no forecasted cash flows as the scope and budget had been reduced consistent with previous direction. The current budget request will be transferred from the non-aeronautical allowance CIP (C800405) resulting in no net change to the total capital budget. The funding source will be the Airport Development Fund.

Financial Analysis and Summary

Project cost for analysis	\$6,526,533
Business Unit (BU)	Landside – Ground Transportation
Effect on business performance (NOI after depreciation)	NOI after depreciation will decrease
IRR/NPV (if relevant)	N/A
CPE Impact	None

Future Revenues and Expenses (Total cost of ownership)

Per our contract with the taxi provider, the ongoing costs of operating and maintaining this facility will remain their responsibility.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

September 22, 2015 – The Commission authorized the Chief Executive Officer to advertise for bids, award, and execute a major works construction contract to construct the

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Airport's South 160th Street Ground Transportation Lot project site improvements, for an estimated amount of \$455,000 and a total authorization of \$2,095,000.

November 19, 2013 – The Commission authorized (1) proceeding with design of the S. 160th St. Ground Transportation Lot Project for an estimated \$667,000; (2) executing utility agreements with Puget Sound Energy (PSE), Comcast, and CenturyLink to underground utilities; (3) granting and transferring a utility easement to PSE on Port property along the south side of S. 160th St. to underground utilities; (4) reimbursing PSE, Comcast, and CenturyLink in an amount not to exceed \$540,000 for the utility undergrounding work; and (5) transferring of 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.