



**COMMISSION
AGENDA MEMORANDUM**

Item No. 4c

ACTION ITEM

Date of Meeting September 26, 2017

DATE: September 18, 2017

TO: Dave Soike, Interim Executive Director

FROM: Jeffrey Brown, Director Aviation Facilities and Capital Projects
Wayne Grotheer, Director Aviation Project Management

SUBJECT: Telecommunications Meet Me Room (CIP #C800762)

Amount of this request: \$3,903,000

Total estimated project cost: \$3,978,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) prepare design and construction bid documents for the Telecommunications Meet Me Room (MMR) project at Seattle-Tacoma International Airport; (2) advertise and award a major works construction contract; (3) utilize Port of Seattle crews and small works contracts to perform construction work. The amount of this request is \$3,903,000 for a total estimated project cost of \$3,978,000.

EXECUTIVE SUMMARY

This project will provide the necessary physical infrastructure and space to enable the improved development and growth of telecommunications services for Sea-Tac Airport and its tenants. Specifically this project will construct a Telecommunications MMR on airport property. The MMR will provide the necessary physical environment to allow telecommunications companies (Telcos) and Internet service providers (ISPs) to interface with and securely utilize the existing Communications Infrastructure Backbone System (CIBS) for the cost effective delivery of telecommunications services throughout Sea-Tac Airport. Services provided across connections in the MMR may be voice circuits, data circuits, and/or Internet protocol traffic.

JUSTIFICATION

High performance and cost effective telecommunications services are a critical component for the continued growth and success of Sea-Tac Airport. Telecommunications infrastructure at Sea-Tac Airport is limited to a single legacy provider and as such, the Port is not currently able to meet all requests for services from airlines and other airport tenants. The MMR project rectifies this condition by providing the necessary vendor neutral infrastructure to permit the expansion of high speed, secure, and reliable telecommunications services for up to eight vendors (Telcos and ISPs).

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In addition to allowing new Telcos and ISPs to provide services at Sea-Tac, this project will enable the complete use of the existing CIBS. The use of CIBS will eliminate the need to install new point-to-point communications cabling between the service providers and airport tenant, airline, and Port communication rooms. This project is supported by our airline customers and is essential to meet the communications connectivity needs of Sea-Tac Airport and its customers.

DETAILS

The Telecommunications Meet Me Room building will provide 1,000 square feet of space for Telcos and ISPs. The MMR will be provided with reliable power (normal and back up), CIBS backbone network interface connections, HVAC to support computer and network equipment, environmental alarms, and site parking. Security features to be provided include access controlled doors, surveillance cameras, and security fencing.

To utilize this system, tenants will first order a connection from an ISP or Telco such as AT&T, Comcast, Verizon, Century Link, etc., and arrange for the Port's Information and Communications Technology (ICT) staff to connect the service providers to CIBS. The physical connections may be an optical fiber cable, coaxial cable twisted pair or other networking medium. The MMR will provide sufficient space for up to eight (8) service providers.

The project as originally conceived was to be installed at a greatly reduced cost on the fourth floor of the airport parking garage in existing space vacated by the old Airport Communications Center (ACC). This concept was later found to be ineffective due to complexities with Telco and ISP use of this space. The team evaluated six other project locations and determined the use of this site off International Blvd to be the lowest cost option due to its proximity to a communications duct bank that is being provided by the International Arrivals Facility (IAF) project.

Scope of Work

Design and construct Telecommunications Meet Me Room.

- (1) 1,000 square foot, single story structure
- (2) Electrical power and communications to intercept International Arrival Facility (IAF) duct bank system. This limits the requirement for any work inside the Airfield Operating Area.
- (3) Design based on individual fenced cubicle cells for each provider.
- (4) Building location is outside the Security Identification Display Area (SIDA).
- (5) Enhanced on site security to ensure secure operations without requiring Telcos and ISPs to enter SIDA for servicing.

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Elements within the scope of work will provide small and MWBE business opportunities. The Project Management Group is collaborating with the Port’s small business group to help maximize visibility of this project. This would include the identification of project opportunities through the Port of Seattle’s Small Business Generator program.

Schedule

Activity

Design start	2017 Quarter 4
Construction start	2018 Quarter 3
In-use date	2019 Quarter 3

Cost Breakdown

	This Request	Total Project
Design	\$1,166,000	\$1,241,000
Construction	\$2,737,000	\$2,737,000
Total	\$3,903,000	\$3,978,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 –Do not create Telecommunications Meet Me Room

Cost Implications: \$75,000 (expensed)

Pros:

- (1) No additional investment required

Cons:

- (1) No cost effective method for allowing ISPs and Telcos to offer services to the Airport and its tenants.
- (2) Telcos and ISPs will need to install their own network distribution infrastructure through Airport spaces creating conditions where infrastructure will be out of Port control and likely uncoordinated and poorly managed.
- (3) Limited ability to provide fast and cost effective tenant switchovers with gate, ticket counter, baggage handling and other changes

This is not the recommended alternative.

Alternative 2 – Construct the Telecommunications Meet Me Room

Cost Implications: \$3,978,000

Pros:

- (1) This will provide quick, reliable and cost effective network connections for all of the airport’s tenants (i.e., airlines, concessions, Customs and Boarder Protection, Transportation Security Administration, Port, etc.).

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- (2) The existing Communications Infrastructure Backbone will become the backbone for the ISP carriers.
- (3) Dramatically shortens deployment and reconfiguration times at gates, ticket counters, baggage handling and other locations. Limited physical wire and fiber rerouting required.
- (4) Allows new Telcos and ISPs to provide robust end to end data services
- (5) Tenants now are given a choice in ISP providers.
- (6) ISPs would be able to provide services to the entire airport via the CIBS backbone without having to use CenturyLink’s infrastructure media.

Cons:

- (1) Based on building size, limited to eight (8) providers

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary

	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$905,000	0	\$905,000
Estimate Adjustments	\$3,023,000		\$3,023,000
Revised Estimate	\$3,928,000		\$3,928,000
AUTHORIZATION			
Previous authorizations	75,000	0	75,000
Current request for authorization	\$3,853,000	\$50,000	\$3,903,000
Total authorizations, including this request	\$3,928,000	\$50,000	\$3,978,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

This project was included in the 2017 – 2021 capital budget and plan of finance with a cost estimate of \$905,000. The budget increase will be transferred from the Aeronautical Allowance (C800753) resulting in no net change to the Aviation capital budget. The funding source will be the Airport Development Fund.

Financial Analysis and Summary

Project cost for analysis	\$3,978,00
Business Unit (BU)	Terminal Building
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.01 in 2020

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Future Revenues and Expenses (Total cost of ownership)

Aviation Maintenance anticipates there will be additional maintenance costs associated with the HVAC and backup generator required in the new building as a result of this project, though it appears to be minimal. At this stage, it is not practical to quantify the impacts, but an estimate of the total maintenance O&M can be better refined during the design phase of the project when details are made available.

ADDITIONAL BACKGROUND

In the spring of 2010, the Port and Sound Transit coordinated preliminary design of the Port's South Airport Expressway (SAE) and Sound Transit's extension of Light Rail from the Airport station to South 200th Street. The Light Rail extension has since been constructed across Port property adjacent to the area planned for the Meet Me Room. The SAE may eventually be constructed through this area to provide improved access to the Airport when SR 509 is extended from its current terminus at S 188th Street to I-5. As the Meet Me Room project moves through design, it will consider the preliminary SAE design and evaluate any potential adverse impacts to the future construction of the SAE.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None