



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 4e

**ACTION ITEM**

**Date of Meeting** September 26, 2017

**DATE:** September 21, 2017

**TO:** Dave Soike, Interim Executive Director

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

**SUBJECT:** S. 160<sup>th</sup> Street Ground Transportation Lot Building Improvements (CIP #C101107)

**Amount of this request:** \$2,231,533

**Total estimated project cost:** \$4,326,533

**ACTION REQUESTED**

Request revision of the amended authorization of agenda item 6c of September 12, 2017, related to the South 160th Street Ground Transportation Lot, to read as follows: Request Commission authorization for the Executive Director to (1) increase the project authorization by ~~\$2,500,000~~ **\$2,231,533** for the S. 160th St. Ground Transportation Lot Improvements project at Seattle-Tacoma International Airport; (2) complete the design, advertise for bids, award and execute a major works construction contract; (3) authorize the use of Port Construction Services and small works contracts to rehabilitate the existing transportation building at the S. 160th St. lot; and (4) plan for potential construction of a new smaller facility for on-demand operators; for a total project authorization of \$4,326,533.

**EXECUTIVE SUMMARY**

On September 12, 2017, the Commission approved an amended authorization of \$300,000 for planning potential improvements on the lower portion of the lot specifically to serve transportation-network-company, or rideshare, drivers at the airport ground transportation lot on South 160th Street of the \$2,500,000 requested for design and construction of these potential improvements. The amended authorization increases the total project authorization to \$4,326,533. Alternative 2, described below, has been adjusted to reflect the amended scope of work, and the amounts in the financial analysis have been updated accordingly. The Commission requested staff return for additional authorization for design and construction once these improvements have been determined.

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

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the S. 160<sup>th</sup> St. Ground Transportation (GT) Lot. These efforts will extend the useful life of this heavily used Port asset.

### **JUSTIFICATION**

The 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 existing HVAC system and roof is required as they are past their useful lives and no longer meet code or energy standards.

Staff is also requesting approval to conduct a planning study of a separate restroom building on the lower portion of the S. 160<sup>th</sup> St. GT Lot. This improvement would specifically serve the transportation network 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. 160<sup>th</sup> 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 taxi building 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 part of the additional increase in authorization being requested.

Staff is requesting an additional authorization of \$300,000 conduct a feasibility study of locating an additional restroom building for the commercial drivers on the lower portion of the S. 160<sup>th</sup> St. GT Lot. Creating a new restroom facility for the other commercial drivers would 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 planning effort would analyze the demand for, and cost of, providing such a facility.

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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 \$2,231,533 and a revised total project authorization of \$4,326,533. The work accomplished to date includes all of the site improvements: storm drainage, landscaping, sidewalk and utility undergrounding.

***Scope of Work***

This project will rehabilitate the interior of the S. 160<sup>th</sup> 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

The TNC facility to be analyzed would include restrooms in a durable building of approximately 700 square feet. Finishes and fixtures would be identical to those used in the taxi building restrooms for planning purposes.

**Small Business**

The scope of work presents a number of opportunities for small and historically underutilize businesses to participate. Project management staff has partnered with the Port’s small business group to help outreach and promote this project through past PortGen events.

***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

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<b>Cost Breakdown</b>	<b>This Request</b>	<b>Total Project</b>
Design	\$431,533	\$1,326,533
Construction	\$1,800,000	\$3,000,000
<b>Total</b>	<b>\$2,231,533</b>	<b>\$4,326,533</b>

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

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

**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 (\$2,500,000) and perform a planning study for a separate TNC facility (\$300,000).

Cost Implications: \$2,800,000 overall; an increase to the original 2015 construction authorization of \$2,231,533.

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) Considers the need for a separate restroom facility for the commercial operators on the lower lot

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.***

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**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.

**FINANCIAL IMPLICATIONS**

***Cost Estimate/Authorization Summary***

Capital

Expense

Total

	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Original estimate	\$3,516,000	\$0	\$3,516,000
Previous changes – net	(\$3,014,433)	\$1,024,966	(\$1,989,467)
Current change	\$2,800,000	0	\$2,800,000
Revised estimate	\$3,301,567	\$1,024,966	\$4,326,533
<b>AUTHORIZATION</b>			
Previous authorizations	\$1,070,034	1,024,966	\$2,095,000
Current request for authorization	\$2,231,533	\$0	\$2,231,533
Total authorizations, including this request	\$3,301,567	\$1,024,966	\$4,326,533
<b>COST ESTIMATE</b>	\$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	\$4,326,533
Business Unit (BU)	Landside – Ground Transportation
Effect on business performance (NOI after depreciation)	NOI after depreciation will decrease
IRR/NPV (if relevant)	N/A

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CPE Impact	None
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***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**

Site plan aerial photo

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

September 12, 2017 – The Commission authorized a “budget increase” of \$2,500,000 to accommodate increased project construction costs and initial planning for potential construction of an additional facility for TNC operators for a total project cost estimated at \$4,326,533.

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 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.