

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**

**Item No.**      6d

**Date of Meeting**      April 21, 2009

**DATE:**      March 10, 2009

**TO:**      Tay Yoshitani, Chief Executive Officer

**FROM:**      Michael Ehl, Director, Airport Operations  
Robert Riley, Director, Aviation Capital Improvement Program

**SUBJECT:**      Request to advertise for construction bids for the Lora Lake Demolition, Des Moines Nursery Mitigation and Third Runway Stormwater Pond Projects at Seattle-Tacoma International Airport (Airport).

**REQUEST:**      Request authority for the CEO to advertise and award a construction contract for the Lora Lake Apartment Demolition, Des Moines Nursery Mitigation and Third Runway Permanent Stormwater Detention Facilities Projects at Seattle-Tacoma International Airport.

**SYNOPSIS:**

This authorization will allow construction bids to be obtained for the scope of work under the overall Third Runway project. Although the runway is operational, certain projects nearby the runway must be accomplished as required by permits and before the overall project can be completed and closed out. The Commission had earlier authorized budget for these projects, no additional monies are being requested within this authorization to advertise and award bid. This project will not increase the airport's forecasted cost per enplanement.

**BACKGROUND**

In September 2006, the Commission fully authorized The Third Runway project which included the scopes of work of demolition of Lora Lake Apartments, required environmental mitigation of the Des Moines Nursery and the conversion of the construction stormwater ponds to permanent stormwater detention facilities. The Third Runway was opened in November 20, 2008 and these scopes of work are required to be completed after the opening

**PROJECT DESCRIPTION/SCOPE OF WORK**

**Project Statement:** Complete the demolition of the Lora Lake Apartments, Des Moines Nursery mitigation and the conversion of the construction stormwater ponds to permanent stormwater detention facilities as required by the permit conditions associated with the Third Runway project.

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### **Project Objectives:**

- Meet the permit conditions required for the Third Runway project.

### **Scope of Work:**

This authorization is for the advertisement and award of the following scopes of work:

- Final demolition of the Lora Lake Apartments
- Environmental Mitigation of the Des Moines Nursery
- Conversion of the Construction Stormwater Ponds to permanent stormwater detention facilities.

## **STRATEGIC OBJECTIVES**

This project supports the Port's Strategic Objectives to Ensure Airport Vitality and Be a Catalyst for Regional Transportation Solutions Strategies

## **FINANCIAL IMPLICATIONS**

### **Budget/Authorization Summary**

Original Budget	\$587,362,000
Budget additions	\$541,594,000
Returned Savings	<u>-\$115,000,000</u>
<b>Revised Budget</b>	<b>\$1,013,956,000</b>
Previous authorizations	\$1,117,956,000
Authorization transferred with budget transfers, above	<u>\$11,000,000</u>
Net previous authorizations	\$1,128,956,000
Current request for authorization	\$0
<b>Total authorizations, including this request</b>	<b>\$1,128,956,000</b>
<b>Remaining budget to be authorized</b>	<b>\$0</b>

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## **PROJECT COST BREAKDOWN**

Construction costs	\$4,596,000
Sales tax	\$436,620
Outside professional services	\$467,680
Aviation PMG and other soft costs	\$1,011,120
Total	\$6,511,420

## **SOURCE OF FUNDS**

This project is included in the 2009-13 capital budget and plan of finance within the Third Runway program. The funding source will be existing bond proceeds. These estimated costs will not cause the total projected costs to exceed the revised budget, and will not affect cost per enplanement (CPE) as these projects were already included in the CPE forecast.

## **ECONOMIC IMPACTS**

The Runway project will have generated an estimated 900 jobs over the life of the construction. The Runway indirectly supports the passenger and cargo airline industry and related businesses in the region.

## **ENVIRONMENTAL SUSTAINABILITY/COMMUNITY BENEFITS**

As a condition of the permits issued for the Runway project, rigorous environmental standards for the quality of the fill material, construction stormwater treatment and air quality were established. In addition, the overall project includes the restoration of 119 acres of land in the Miller Creek and Des Moines Creek basins to pre-developed conditions and construction of 68 acres of wetland habitat in Auburn. This action allows for the completion of the mitigation required under the permit. Lora Lake Apartment demolition is necessary for completing our investigation and remediation of the contamination at the site, which will also be environmentally beneficial.

## **TRIPLE BOTTOM LINE SUMMARY**

This action advances the Runway project, which is being developed in an environmentally responsible way and overall is a vital regional transportation facility that supports economic growth in many ways.

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## **PROJECT SCHEDULE**

- Complete Design: 2nd Quarter 2009
- Start Construction: 3rd Quarter 2009
- In-use Date: 4th Quarter 2009
- Project Completion date: 4th Quarter 2010 – includes 1 year plant establishment period

## **PREVIOUS COMMISSION ACTION**

On August 1, 1996, the Commission adopted Port Resolution No. 3212, as Amended, approving the Master Plan Update for Airport, including development of a new dependent air carrier runway, and authorizing initial development work for the Runway project.

On May 27, 1997, the Commission authorized \$587,362,000 for completion of the Runway project to be completed by 2004.

On June 22, 1999, the Commission authorized an additional \$186,000,000, increasing the total authorization to \$773,362,000. At that time, it was estimated permitting would be finalized by December 1999 and the Runway project would be complete by fall 2006.

On June 24, 2003, the Commission was briefed on additional costs from delays, permit conditions, market conditions, scope of project, and FAA requirements. At that time, the Runway project was scheduled to be completed at the end of 2008.

On October 11, 2005, the Commission authorized an additional \$125,000,000 increasing the total authorization to \$898,362,000.

On September 26, 2006, the Commission authorized an additional \$219,594,000 increasing the total authorization to \$1,128,956,000.