

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5c

Date of Meeting April 5, 2011

DATE: March 17, 2011

TO: Tay Yoshitani, Chief Executive Officer

FROM: Michael Ehl, Director, Airport Operations
George England, Program Leader, Project Management Group

SUBJECT: Rental Car Facility (RCF) Airport Main Terminal Way-Finding Signage and Curbside Modifications (CIP # C100266)

Amount of This Request: \$2,799,254

Source of Funds: Customer Facility Charge Revenues (CFC)

State and Local Sales Taxes Paid: \$201,000 **Jobs Creates:** 16

Total Estimated Project Costs: \$3,383,000

ACTION REQUESTED:

Request authorization for the Chief Executive Officer to advertise for bids, execute, and award major construction contracts and perform contract administration for the RCF Main Terminal Way-Finding Signage and Curbside Modifications project as part of the RCF program at Seattle-Tacoma International Airport (Airport) in the amount of \$2,799,254. This authorization is within the current revised budget.

SYNOPSIS:

The RCF program provides a long-term solution for rental car company operations at the Airport by centralizing all rental car operations in a single facility located at the north end of the Airport. The Way-Finding and Curbside Modifications project, which is a critical component of the overall RCF program, will provide an effective signage system to direct inbound and outbound passengers to and from the curbside rental car shuttle bus locations and will also provide sufficient curbside space for the RCF buses to load and unload passengers on the lower drive of the Airport Main Terminal. Signage is an important element of this project, and over 200 signs in the Main Terminal will be replaced or modified to direct rental car customers to the bus locations. Providing operational space for the independent arrival and departure of the RCF shuttle buses is another essential key to the RCF program's success. The curb design reflects the operational need and provides the necessary flexibility found beneficial at similar facilities around the country. The additional space will also enhance queuing and provide logistical support opportunities as we manage the flow of customers on and off the buses. This project will

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be funded by the Customer Facility Charge and will employ sustainable “green” building practices as much as possible.

This memorandum requests the approval to advertise for construction bids and to construct way-finding signage in the Airport Main Terminal and modifications to the curbside at the baggage claim level as a component of the RCF program to support rental car busing operations at the Airport. The Commission previously authorized a total of \$583,746 for the design of the project.

BACKGROUND & PROJECT SCOPE OF WORK:

The RCF Main Terminal Way-Finding Signage and Curbside Modifications project is a component of the RCF program and the \$3,383,000 budget is within the current revised budget for the RCF project. This project consists of two primary elements: 1) modifying the north and south end of the baggage claim curbside to support the new bus operation, and 2) installing new way-finding signage within the Airport Main Terminal to guide arriving passengers to and from the curbside RCF bus locations.

The baggage claim drive will be modified to include two curbside pick-up and drop-off locations at the north and south ends for RCF customers and a curbside extension at the south end for displaced Sound Transit service. Each loading area will accommodate three bus bays designed specifically for the Rental Car Busing operation. On the south end, SR-560 and SR-574 are being displaced for the new rental car bus zone, and approximately 100 linear feet of additional curbing will be provided to maintain service levels and minimize interruptions to Sea-Tac passengers. The additional concrete curb and sidewalk provided by the project will also serve as a waiting area for passengers and provide additional space for staff to manage passenger flows.

Signage is an important element of the project. All relevant Main Terminal signage will be replaced or modified to reflect the necessary changes in way-finding. New signage will also be created along the curbside to designate the loading/unloading zones for RCF customers. Signage will be designed in accordance with the Airport’s signage standards and specification. Color, sign size, and typeface will be consistent with the Port sign standards and other Main Terminal signage.

PROJECT STATEMENT/OBJECTIVES:

Project Statement:

Provide curbside facilities and way-finding signage for the RCF busing operations at the Airport Main Terminal.

Project Objectives:

- Provide an effective signage system that will direct inbound/outbound passengers to and from the rental car bus curbside.
- Provide sufficient curbside space that allows for an efficient way for RCF buses to load and unload passengers at the lower drive of the Airport Main Terminal.
- Minimize impacts to current Airport operations.

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STRATEGIC OBJECTIVES:

This project supports the Port's strategy to "Ensure Airport Vitality" and to "Exhibit Environmental Stewardship through our Actions." The RCF Airport Main Terminal Way-Finding Signage and Curbside Modifications project is part of the RCF program, which provides a long-term solution for rental car operations at the Airport Main Terminal. As part of the Aviation Division's demonstration project for sustainable design, the design team also considered the total cost of ownership as part of significant design decisions for the this project. The rental car consolidated busing operation will be supported by a fleet of CNG powered buses in an effort to continue reducing emissions from Airport operations.

FINANCIAL IMPLICATIONS:

Budget/Authorization Summary

The following budget and authorization summary is for the RCF program and includes RCF Design (CIP # C102167), RCF Construction (CIP # C100266), and Rental Car Buses (CIP # C800032). This summary does not include the RCF Property Acquisition (CIP # C101110).

Description	Current Revised Budget	Current Authorization	Requested Authorization	Total Revised Authorization
Cons. Rental Car Facility	\$350,772,000	\$350,772,000	\$0	\$350,772,000
Bus Maintenance. Facility	\$26,382,000	\$28,282,000	\$0	\$28,282,000
Off-Site Road Imp.	\$16,313,000	\$19,542,000	\$0	\$19,542,000
Main Terminal Imp.	\$3,383,000	\$583,746	\$2,799,254	\$3,383,000
Rental Car Bus Purchase	\$12,415,731	\$16,000,000	\$0	\$16,000,000
Program Sub-Total	\$409,265,731	\$415,097,746	\$2,799,254	\$417,979,000
Unallocated Contingency	\$10,040,269	\$0	\$0	\$0
Program Total	\$419,306,000	\$415,097,746	\$2,799,254	\$417,979,000
Remaining Budget to be Authorized				\$1,327,000

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The following budget and authorization summary is for the entire RCF program.

Original Budget	\$412,320,000
Budget Increases	\$6,986,000
Revised Budget	\$419,306,000
Previous Authorizations	\$414,596,000
Current request for Authorization	\$2,799,254
Total Authorizations, including this request	\$417,979,000
Remaining Budget to be Authorized	\$1,327,000

Project Cost Breakdown

Construction Costs	\$2,422,000
Sales Tax	\$201,000
Outside Professional Services	\$0
Port Costs	\$176,254
Total	\$2,799,254

Source of Funds

The RCF construction project (CIP # C100266) is included in the 2011-2015 capital budget and plan of finance as a committed project. The source of funds for this project, as identified in the plan of finance, includes CFC revenues, existing revenue bond proceeds, and the Airport Development Fund. This current authorization request is for project elements that will be funded with the CFC revenue.

Financial Analysis Summary

The RCF Airport Main Terminal Way-Finding Signage and Curbside Modifications project supports the rental car consolidated busing operation at the Airport Main Terminal.

The requested action does not reflect an increase in the budget for the RCF project and therefore does not change the overall financial analysis for the RCF program as presented to the Commission on June 30, 2009 and as reported in monthly progress briefings to date. The following information is provided for reference purposes.

The RCF program is categorized as a Revenue/Capacity Growth project. This project represents a business expansion of our existing rental car operations.

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CIP Category	Revenue/Capacity Growth
Project Type	Business Expansion
Risk adjusted Discount Rate	See below
Key risk factors	See below
Project cost for analysis	\$419,306,000
Business Unit (BU)	Operations, Landside – Rental Cars
Effect on Business Performance	See below
IRR/NPV	N/A, see below
CPE Impact	Less than \$0.01 in 2012

As a cost recovery project, traditional financial analysis measures such as net present value (NPV) and internal rate of return (IRR) are not meaningful. The CFC is set and adjusted as needed to cover the costs paid by CFC's (including debt service). The current CFC is \$5.00 per transaction day. As earlier briefed to the Commission, it is anticipated that the CFC will need to increase to accommodate the anticipated CFC funded costs (bond requirements and consolidated busing) by the startup of rental car operations in early 2012. Assuming the total project costs identified above, and current assumptions for rental car transaction days, the CFC will increase to \$6.05 per transaction day at the startup of rental car operations.

SUSTAINABILITY AND LIFE CYCLE COSTS:

The project is establishing new concrete curbside and signage at the Main Terminal. The life cycle for concrete work of this type is typically 50 years. Existing janitorial contracts and maintenance work will include support of the RCF curbside. The annual cost of maintaining this additional space will not have a significant budgetary impact.

ECONOMIC IMPACTS:

The RCF program provides a long-term solution for rental car company operations at the Airport enabling the region to continue to receive the economic benefit of the Airport rental car market.

ENVIRONMENTAL SUSTAINABILITY/COMMUNITY BENEFITS:

Given that this project is primarily signage and curbside work, environmental sustainability is not a large factor in this design. However, the design team will factor in long term sustainability criteria in the design of signage and curbside work, to include use of green concrete mixes. For example, if any new illuminated signage is required, energy efficient lighting systems will be evaluated for use. In addition, any curbside modifications will factor in surrounding area aesthetics and its impact on the local environment.

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TRIPLE BOTTOM LINE SUMMARY:

The RCF Airport Main Terminal Way-Finding Signage and Curbside Modifications project, as part of the RCF program, will provide a long-term solution for rental car company operations at the Airport enabling the region to continue to receive the economic benefit of the Airport rental car market. The RCF program will improve the level of customer service for rental car customers at the Airport, and the local community will benefit with transportation improvements included in the program. The rental car bus operations will transport customers more efficiently and improve air quality along the airport drives by reducing vehicle emission and traffic congestion with the elimination of all rental car shuttle vans currently operating.

PROJECT SCHEDULE:

The following is a list of key milestone dates for the RCF project.

Bid Advertisement	April, 2011
Construction Start	August, 2011
Construction Complete	March, 2012

ALTERNATIVES CONSIDERED/RECOMMENDED ACTION:

Complete the Project – Under this alternative the RCF Airport Main Terminal Way Finding Signage and Curbside Modifications project would be completed as part of the RCF program. The completion of this project would provide the necessary facilities for Airport customers including dedicated loading and unloading spaces for rental car passengers and sign improvements providing directions to the RCF shuttle buses. Both aspects of the project are essential to the overall success of the RCF operation. **This is the recommended alternative.**

Do-Nothing – Under this alternative the project would not be completed as part of the RCF program. Signage and curbside facilities would remain as they are today. Consequently, the Port would not be able to adequately support the rental car consolidated busing operations and provide adequate signage for airport customers to effectively and efficiently utilize the bus operations to and from the RCF. This would put at risk the successful operation of the RCF and significantly decrease customer service and usage of the shuttle bus operation. **This is not the recommended alternative.**

PREVIOUS COMMISSION ACTION:

The following list of previous Commission actions or briefings is only related to the design of the RCF Airport Main Terminal Way-Finding Signage and Curbside Modifications (Formerly MTI) project and does not reflect the full list for the RCF program.

- June 30, 2009, the Port Commission authorized \$583,746 for the design of the Main Terminal Improvements project as part of the authorization to lift the suspension on the construction of the RCF and re-start the remaining RCF Program at the Airport for an additional \$27,826,000 for a total authorization to this date of \$350,260,970.