

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No.	6b
Date of Meeting	June 14, 2011

DATE: June 8, 2011

TO: Tay Yoshitani, Chief Executive Officer

FROM: Michael Ehl, Director, Airport Operations
George England, Program Leader, Aviation Capital Improvement Program

SUBJECT: 8th Floor Weather Proofing of Airport Main Parking Garage (CIP #C800274)

Amount of This Request: \$12,450,000

Source of Funds: Airport Development Fund

State and Local Taxes paid: \$895,000

Jobs Created: 100

Total Estimated Project Costs: \$13,050,000

ACTION REQUESTED:

Request authorization for the Chief Executive Officer to: (1) amend the outside professional services agreement for construction engineering, testing and commissioning services in the amount of \$335,711 with Carl Walker, Inc. for a total contract value of \$764,500; (2) perform project management and contract administration; and (3) advertise for bids and execute a major public works construction contract for the 8th Floor Weather Proofing project at Seattle-Tacoma International Airport (Airport). Total value of this request is \$12,450,000, bringing the total authorized amount to \$13,050,000. In accordance with RCW 53.19.060, this memorandum constitutes notification to the Commission that the amended value of the Carl Walker, Inc. contract exceeds 50% of the original not to exceed value. A copy of this memo will be made available at the Bid Desk.

SYNOPSIS:

The 8th floor of the main garage functions as a roof for the entire garage and all the floors below. This project will remove and replace 13.5 acres of failing weatherproofing materials currently providing protection for the airport main parking garage, and includes preparation of the underlying slab. Additionally, the project will replace expansion joints and flashing with more uniform systems while reducing maintenance costs. This project is the first of a series of capital projects identified to update and protect the airport main parking garage asset. The Commission previously authorized a total of \$966,500 to assess the condition of the main garage and service tunnel assets, and \$600,000 for design of the replacement weatherproofing system.

The parking garage is a primary source of non-airline revenue for the Airport. In recent years it has generated in excess of \$50 million annually. It is also an important revenue source for the City of SeaTac through a parking tax. The project aims to protect this critical asset by filling the

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extensive network of cracks and spalling occurring on Floors 7 and 8. Cracking between the decks has allowed water to infiltrate lower floors causing lime damage on customer vehicles and requiring Port staff to close sections of the garage. The garage post-tensioned structural system is also subjected to the attritional effects of water intrusion and would continue to be at risk without installing a new 8th Floor weatherproof membrane. Without the improvements, the Port would be risking future revenues, jeopardize existing operational stalls, and put at risk one of its most valuable assets.

BACKGROUND:

The 8th Floor Weather Proofing project is the first, and most highly prioritized, of a series of projects intended to rehabilitate, seismically stabilize, and extend the lifespan of the main parking garage and service tunnel at the airport. The 8th Floor Weather Proofing effort was considered most critical to stabilizing deterioration of the parking garage structure. This project, and those that will follow seek to extend the lifespan of these valuable Port assets.

PROJECT DESCRIPTION/SCOPE OF WORK:

Project Statement:

Project will weatherproof the 8th floor (roof) of the airport main parking garage.

Project Objectives:

- Minimize capital costs and minimize future operating costs
- Provide a solution that has an effective life of 10 or more years with scheduled maintenance
- Preserve and protect a revenue generating Port asset
- Eliminate water infiltration from deck level into elevator lobbies
- Improve customer service by restoring parking capacity (180 spaces) taken out of service due to water infiltration and damage to vehicle finishes
- Provide a safe and functional facility that performs reliably, requires minimal maintenance, and generates maximum revenue

Scope of Work:

The 8th Floor Weather Proofing project will include the following elements:

- Removal and replacement of 599,000 square feet of failing roof membrane with more durable materials. The current membrane, which is between 11 and 20 years old (depending on location), has delaminated, decomposed, or been peeled, cut, burned or gouged and is now leaking.
- Rout and seal all cracks over a certain size, install drains to minimize ponding, and conduct other measures to minimize leaking at various locations.
- Remove and replace or upgrade 2,000 feet of existing expansion joints, moving to a common design standard if possible.

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- Remove and replace failed elevator shaft flashing.
- Install cementitious traffic topping membrane to reduce potential damage in areas of high turning movements.

This requested action authorizes construction, construction support, and commissioning of the 8th Floor Weather Proofing project.

PROJECT SCHEDULE:

The following is a list of key milestone dates for the 8th Floor Weather Proofing project.

Design Complete	July, 2011
Bid Advertisement	July, 2011
Construction Start	October 2011
Construction Complete	October 2012

FINANCIAL IMPLICATIONS:

Budget/Authorization Summary:

This budget and authorization summary is for the 8th Floor Weather Proofing (CIP #C800274):

Original Budget	\$13,050,000
Budget Increases	\$0
Budget Transfers	\$0
Revised Budget	\$13,050,000
Previous Authorizations	\$600,000
Current Request for Authorizations	\$12,450,000
Total Authorizations, Including this Request	\$13,050,000
Remaining Budget to be Authorized	\$0
<u>Project Cost Breakdown:</u>	
Contractor Cost	\$9,327,000
Sales Tax	\$895,000
Outside Professional Services	\$2,070,000
Port Costs	\$758,000
Total	\$13,050,000

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Source of Funds:

The 8th Floor Weather Proofing project (CIP #C800274) 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, is the Airport Development Fund.

Financial Analysis Summary:

The main parking garage is the principal non-airline revenue generator at the Airport, with recent revenues of approximately \$50 million per year. Portions of the facility have been in service for over 40 years, with the newest sections having been in service for more than 10 years. Parking revenues are expected to expand over time with special event parking driven by the advent of light rail service to the Airport, and the addition of several floors of new public parking when the Rental Car Facility opens in 2012.

The 8th Floor Weather Proofing project is categorized as a Renewal/Replacement project.

CIP Category	Renewal/Replacement
Project Type	Business Expansion
Risk adjusted Discount Rate	N/A
Key risk factors	Time span and phasing of construction
Project cost for analysis	\$13,050,000
Business Unit (BU)	Operations, Landside
Effect on Business Performance	See below
IRR/NPV	N/A, see below
CPE Impact	None

ECONOMIC IMPACTS:

The Airport parking garage provides a primary revenue source for both the Port of Seattle and the City of SeaTac through a parking tax. The garage generated \$51.9 million for the Port during 2009. Correcting the roofing system failures on the 8th floor will restore the facility to its full revenue generating potential.

ENVIRONMENT AND SUSTAINABILITY:

The 8th Floor Weather Proofing project will restore and extend the life of one of the Port of Seattle's most heavily used assets. Preserving and restoring this valuable asset is in keeping with Port environmental policy as it is environmentally sustainable, and conserves resources. By extending the useful life of this asset, reconstruction can be delayed, which is the most

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environmentally compatible outcome in this scenario, for both the Port and the surrounding community.

STRATEGIC OBJECTIVES:

This project supports the Port's strategy to "Ensure Airport Vitality" and to "Exhibit Environmental Stewardship through our Actions."

TRIPLE BOTTOM LINE SUMMARY:

The 8th Floor Weather Proofing project protects a valuable Port asset, returns it to full revenue generating capacity, and preserves it in a manner that will extend its useful service life. This maximizes the return on investment realized from this facility over time, and minimizes the environmental impact of the facility, while maximizing the benefit to both the Port and the surrounding community.

ALTERNATIVES CONSIDERED/RECOMMENDED ACTION:

Complete the Project – Under this alternative the 8th floor of the main parking garage will receive a new roofing system; to include removal and replacement of the existing roofing membrane, slab preparation, flashing and expansion joints. This will preserve and protect the Port's asset, create the least environmental impact, and allow the garage to operate at full capacity throughout the year. **This is the recommended alternative.**

Do-Nothing – Under this alternative the existing roofing system would be repaired on an as-needed basis as is currently done. The number of parking spaces that had to be removed from service has increased from 120 spaces in 2008 to 180 spaces in 2009. Water infiltrating the existing 8th floor roofing system is now leaking several floors below the 8th floor. The main parking garage is the largest single revenue source at the airport for the Port. This asset will continue deteriorating at an accelerating rate under this alternative. This alternative also has long term structural impacts to the integrity of the garage. **This is not the recommended alternative.**

PREVIOUS COMMISSION ACTION:

Previous Commission funding actions on CIP 800274 included the following:

- On March 27, 2007, the Commission authorized \$966,500 for the Parking Garage/Service Tunnel Pre-Design Project at Seattle-Tacoma International Airport.
- On February 23, 2010, the Commission authorized \$600,000 for the design portion of the 8th Floor Weather Proofing project.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

No Attachments