

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5d

Date of Meeting August 23, 2011

DATE: August 16, 2011

TO: Tay Yoshitani, Chief Executive Officer

FROM: Mike Ehl, Director, Airport Operations
Wayne Grotheer, Director, Aviation Project Management Group

SUBJECT: POS Maintenance Warehouse Building 2 Demolition
(WP# 200101; CIP C001760)

Amount of This Request: \$ 0

Source of Funds: Airport Development Fund

Third Runway Project Authorization to Date Including this Request: \$1,128,956,000

State and Local Taxes Paid Expected to be paid: \$83,000 (total demolition project)

Total Estimated Project Costs: \$1,351,000

Jobs Created: 20

ACTION REQUESTED:

Request Port Commission authorization for the Chief Executive Officer to advertise and execute a major construction contract for the POS Maintenance Warehouse Building 2 demolition, located within the South Runway Protection Zone (RPZ) of Runway 16R/34L (also known as the Third Runway). The budget for this request is included in the previously authorized budget for the Third Runway Project.

SYNOPSIS:

The vacant POS Maintenance Warehouse Building 2 is the last remaining building to be demolished as part of the construction and activation of Runway 16R/34L. The Federal Aviation Administration (FAA) safety regulations require vacation of the RPZ which lies directly to the south. No additional budget is necessary to complete this demolition project. It will be competitively bid.

BACKGROUND:

The final phase of demolition within the South RPZ of Runway 16R/34L was authorized in August of 2006. With numerous delays in the construction of the new POS Maintenance facility, permission was granted by the FAA to extend the occupancy of this final building within the South RPZ until the new Maintenance Facility could be completed. The Maintenance Facility has now been completed and the old POS Maintenance Warehouse Building 2 is vacant and ready for demolition.

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 associated

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with the runway must be completed as required by other agencies like the FAA and before the overall project will be complete. No additional budget is being requested. Sufficient budget for this work within the Third Runway Project has already been authorized by the Commission.

The cost of this work is estimated to be \$1,351,000.

PROJECT JUSTIFICATION:

Project Objectives:

This project's objective is to demolish the POS Maintenance Warehouse Building 2, located in the South RPZ for Runway 16R/34L as directed by the FAA, in accordance with approval of the Third Runway project.

PROJECT SCOPE OF WORK AND SCHEDULE:

Scope of Work:

All utilities to the warehouse are to be shut down and abandoned. The building will be abated for regulated materials, and the building will be demolished to the foundation level. Two driveways adjacent to Des Moines Memorial Drive will be removed and replaced with appropriate sidewalks and landscaping as required by the City of SeaTac.

Schedule:

Commission Authorization to Advertise	August 2011
Advertise	August 2011
Notice to Proceed	December 2011

FINANCIAL IMPLICATIONS:

Budget/Authorization Summary:

Original Preliminary Budget (1997)	\$587,362,000
Budget increases	<u>\$541,594,000</u>
Revised budget (2003)	<u>\$1,128,956,000</u>
Costs charged to public expense	<u>-\$25,942,329</u>
Budget Savings	<u>-\$ -136,264,868</u>
Revised Budget	\$966,748,803
Previous authorizations	\$1,128,956,000
Current request for authorization	\$0
Total Authorizations, including this Request	\$1,128,956,000
Remaining budget to be authorized	\$0

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Project Cost Breakdown:

Construction Costs	\$905,000
Sales Tax	\$83,000
Aviation Project Management and other soft costs	\$250,000
Total	\$1,351,000

Budget Status and Source of Funds:

This project is included in the 2011-15 capital budget and Plan of Finance within the Third Runway Program (CIP #C001760). The funding source will be the Airport Development Fund.

Financial Analysis and Summary:

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. While the cost for this requested action will increase CPE by less the \$.01, there is no change to the business plan forecast as this project was included.

Lifecycle Cost and Savings:

There is no life cycle cost associated with the demolition of this project.

ENVIRONMENT AND SUSTAINABILITY:

This demolition project is utilizing the Port's new Construction Waste Management specification. The specification requires the contractor to divert at least 75% of construction, demolition, or land clearing materials from the project through salvage, reuse, or recycling.

This building was found to contain regulated levels of polychlorinated biphenyls (PCBs). Prior to the demolition of the building, the construction contractor will be responsible for removal of all PCB containing materials. Aviation Environmental Programs will manage disposal of these materials in coordination with the removal by the contractor.

STRATEGIC OBJECTIVES:

This project supports the Port's strategy to "Ensure Airport and Seaport Vitality."

BUSINESS PLAN OBJECTIVES:

Demolition of identified buildings within the South RPZ of Runway 16R/34L is in compliance with the safety concerns and regulations outlined by the FAA.

TRIPLE BOTTOM LINE SUMMARY:

Demolition of this building in the South RPZ is a requirement of the FAA regarding life safety in the vicinity of Runway 16R/34L. Final agreement with the FAA stated that the building would be demolished by the end of 2011. It is the Port's understanding that beginning demolition of the POS Maintenance Warehouse Building 2 by the end of 2011 is acceptable to FAA.

ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:

Alternatives in this project have been exercised in the delays previously requested of the FAA in order that the POS Maintenance could remain in the building until a more appropriate site could

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be constructed. The alternative of further delaying demolition of the building or to not demolish the building would result in the Port not complying with FAA safety regulations. Neither of these alternatives is recommended. The recommendation is to proceed with the demolition project as currently scheduled in order to fulfill the Port's commitment to FAA and comply with FAA safety regulations.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

Attachment A – map and photo showing proximity of demolition project and relation to the airport and runways.

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.