

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 4e
Date of Meeting September 22, 2015

DATE: September 14, 2015
TO: Ted Fick, Chief Executive Officer
FROM: Michael Ehl, Director, Airport Operations
Wayne Grotheer, Director, Aviation Project Management Group
SUBJECT: South 160th Street Ground Transportation Project (CIP #C101107)

Amount of This Request:	\$455,000	Source of Funds:	Airport
Est. Total Project Cost:	\$2,095,000		Development Fund
			and Customer
			Facility Charges
Est. State and Local Taxes:	\$20,000		

ACTION REQUESTED

Request Commission authorization for 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.

SYNOPSIS

The Port's South 160th Ground Transportation (GT) Lot currently serves as a holding facility for the Port's contracted taxi provider serving the main terminal of the Airport. This authorization request will complete required environmental permit conditions related to storm drainage improvements at this lot that were part of the nearby Rental Car Facility (RCF) project.

BACKGROUND

The Commission previously approved \$1,640,000 to support project design (\$667,000) and the Puget Sound Energy utilities undergrounding work (\$973,000) along South 160th Street. Improvements being contemplated at the time of design authorization included a substantial interior renovation of the GT Lot taxi driver layover structure, as well as storm water drainage control site improvements and the utilities undergrounding. The Port's Aviation Landside group is currently reassessing their landside operations strategy at this time, to include how the layover structure will be used by current and future operators. The Aviation Project Management Group, with the support of Aviation Operations, is moving forward with permit-mandated storm water, sidewalk, and utilities undergrounding improvements at this time.

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Lot Improvements (cost to construct: \$455,000)

The Port-owned GT Lot is located immediately south of the RCF between Host Road and International Boulevard. This facility is currently leased to Yellow Cab as part of their five-year, \$18 million concession agreement. The existing facilities were constructed in 1991 and vehicle access to S. 160th St. from the lot was upgraded as part of the Off-Site Roadway Improvements (ORI) project. The current project would provide limited site improvements to address outstanding environmental and construction permit commitments from the RCF and ORI projects.

The existing drainage system in the parking lot does not adequately capture and convey storm water runoff. This project will improve collection of storm water on the GT Lot site, and then convey the collected water to the storm water treatment system located at the RCF. This improvement would complete the RCF's storm water permit requirements. As earlier authorized by the Commission, the project would also complete the sidewalk and landscaping adjacent to S. 160th St. from where it currently terminates to the eastern Port property boundary. The estimated total construction cost for these site improvements is \$455,000.

When implemented, the Sustainable Airport Master Plan (SAMP) will not impact the S.160th St. Lot for approximately 10-15 years. The SAMP identifies several potential uses for the site: as the location of a multi-story parking structure to support the continuation of current ground transportation operations, to expand rental car storage capacity for the Rental Car Facility, or as a potential location of a maintenance base for a potential automated people mover system. Regardless of future SAMP impacts, the Port must meet its obligations on environmental and City of SeaTac permitting requirements.

PROJECT JUSTIFICATION AND DETAILS

The storm water runoff on the lot is neither adequately controlled nor captured, by the existing drainage system. Rainwater often flows directly off the lot causing erosion damage to adjacent properties. A modified drainage network is required as a previous permit condition to collect storm water that flows across the lot and route it to an existing water quality treatment system at the RCF on the north side of S. 160th St.

Permit conditions remaining from the ORI portion of the RCF project require completing the sidewalk and landscaping along S.160th St. to the eastern edge of the Port property.

Project Objectives

Objectives of the proposed upgrades are to:

- Satisfy outstanding permit commitments
- Provide utility, storm water and pedestrian infrastructure improvements

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Scope of Work

- Complete the installation of sidewalk, irrigation and landscaping along S. 160th St.
- Reconfigure and improve the GT Lot storm drainage system with a connection to the RCF system
- Relocate and replace fencing along S. 160th St.
- Restripe the GT Lot for vehicle circulation during and after, construction

Schedule

Advertise for bid: Q3 2015

Award: Q4 2015

Construction: Q1-Q2 2016

FINANCIAL IMPLICATIONS

Budget/Authorization Summary

	Capital	Expense	Total Project
Budget - Lot	\$2,586,000	\$0	\$2,586,000
Budget Transfer – ORI/RCF	\$286,000	\$687,000	\$973,000
Budget Reduction / Scope Elimination	\$(1,464,000)		\$(1,464,000)
Total Budget	\$1,408,000	\$687,000	\$2,095,000
Previous Authorizations	\$953,000	\$687,000	\$1,640,000
Current request for authorization	\$455,000	\$0	\$455,000
Total Authorizations, including this request	\$1,408,000	\$687,000	\$2,095,000
Remaining budget to be authorized	\$0	\$0	\$0
Total Estimated Project Cost	\$1,408,000	\$687,000	\$2,095,000

Project Cost Breakdown

	This Request	Total Project
Construction Phase	\$435,000	\$435,000
Design Phase	\$0	\$1,640,000
State & Local Taxes (estimated)	\$20,000	\$20,000
Total	\$455,000	\$2,095,000

Budget Status and Source of Funds

The S. 160th St. Ground Transportation project, CIP #C101107, is included in the 2015 – 2019 capital budget and plan of finance. The budget has been modified for scope reductions and scope additions. The funding source for the 160th lot improvements will be the Airport Development Fund. The funding source for the \$973,000 budget transfer from the RCF program (C100266) to accomplish the utilities undergrounding is the Customer Facility Charge (CFC). The \$973,000 can be broken down into capital assets that will be owned by the Port post project (\$286,000), and those that will be owned by others (\$687,000). Any elements that will remain in the public right-of-way, such as curbs, sidewalks, and public utilities are classified as public expense.

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Financial Analysis and Summary

CIP Category	Renewal/Enhancement
Project Type	Life Cycle Extension and Asset Protection
Risk adjusted discount rate	N/A
Key risk factors	Unforeseen site conditions could increase design and construction costs and delay project schedule.
Project cost for analysis	\$1,408,000 (excluding utilities undergrounding)
Business Unit (BU)	Ground Transportation
Effect on business performance	NOI after depreciation will decrease.
IRR/NPV	N/A, this is a renewal and replacement project that increases the life of existing Port of Seattle assets that are necessary to maintain revenue generation linked to taxi services.
CPE Impact	None

The Port earns approximately \$3.6 million annually from the taxi contract. This facility supports the ongoing generation of these revenues.

Lifecycle Cost and Savings

The Maintenance Department anticipates the operating and maintenance costs of the upgraded storm water system will be similar to the existing system, since the lot size remains the same. The new improvements will reduce the need for repair activity associated with erosion on the site.

STRATEGIES AND OBJECTIVES

Meet or exceed agency requirements for storm water leaving Port-owned or operated facilities.

TRIPLE BOTTOM LINE

Economic Development

The project supports economic development by investing in an upgraded ground transportation lot to serve the public's needs at the Airport. Environmental sustainability principles will be employed consistent with Port policy. In addition, procedures set forth in the Port's Small Contractors and Suppliers Program will be used in the project contracting process in coordination with the Office of Social Responsibility.

Environmental Responsibility

This project will provide the opportunity to integrate environmental performance standards associated with project improvements, including:

- Upgrading the site water drainage system to manage storm water; and
- Improving pedestrian facilities, safety, and connections.

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Community Benefits

This project provides infrastructure upgrades to an Airport asset that supports a beneficial passenger service. The project also fulfills agreements with the City of SeaTac to provide underground utilities along S. 160th Street and complete the sidewalk network. The project manager has coordinated with the Office of Social Responsibility to maximize the opportunities available to small businesses, including those owned by minorities and women, in accordance with Port Resolution #3618.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

The \$973,000 cost of the PSE undergrounding of overhead utilities on S. 160th St. transferred from the RCF project to this CIP has been excluded from the cost estimates for the following alternatives. The alternatives are also independent of design costs, and reflect solely the cost to construct the projects.

Alternative 1) – Maintain the status quo. (cost: \$0)

No changes to the existing facility would occur. Public expense dollars would not be allocated to the S. 160th St. aerial utilities undergrounding.

Pros:

- The facility would remain open.

Cons:

- The existing ground transportation (GT) lot structures will continue to deteriorate.
- Storm water will continue to impact adjacent properties and will not meet the flow control requirements of issued water quality permits.
- Failure to adhere to City of SeaTac storm water requirements could incur a corrective action notice and monetary fines.

Alternative 2) – Reduced GT Lot improvement option (cost: \$455,000). Recommended.

Expense dollars would remain allocated to the utilities undergrounding, allowing that effort to move forward. Capital spending for construction would be limited to the storm water control and conveyance improvements required by the RCF's storm water permits, sidewalk and landscape completion, and striping.

Pros:

- Limited GT Lot upgrades would occur at reduced cost, but with a corresponding reduction in the scope of work.
- Completes RCF storm water conveyance and control permit commitments.
- Meets the commitment to the City that existing overhead utilities along S. 160th St. be undergrounded.
- Reduces capital costs from \$1.87 million for the previous full build option, to \$455,000 for the limited scope option.

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- Keeps Port from investing further in a building expected to be demolished within 10 to 15 years as part of SAMP implementation.

Cons:

- The men's restroom would remain as is: unimproved and quite worn down, and costly to clean and maintain.
- The women's restroom, a lightly used facility, would not be upgraded.
- The day room area, used by over 700 drivers a day, and taxi dispatch office would remain unimproved and quite worn down, but serviceable.
- The heating, ventilation and air conditioning (HVAC) system and roof would remain; both are past their useful lifespans, and require additional maintenance expense to keep operational.
- As with Alternative 1, the general habitability of the building will continue to deteriorate.
- Building repair costs would continue to climb over time, but could be shifted to the taxi contractor in future taxi operator contracts.

Alternative 3) – Invest in complete rehabilitation of GT Lot facility (cost: \$1.87 million)

Expense dollars would be allocated to the utilities undergrounding, allowing that effort to move forward. The facility would be completely remodeled with a focus on durability and energy efficiency. Storm water improvements would be installed.

Pros:

- Existing overhead utilities along S. 160th St. would be undergrounded.
- Controls and conveys storm water properly to an existing Port storm water detention pond that has been sized to accept this flow.
- The GT Lot building interior, roof, HVAC, electrical and plumbing systems will be updated to meet current code requirements, and will reduce repair and janitorial requirements.
- New interior floors and finishes making extensive use of ceramic tile would be more durable and will require less maintenance.
- The improved storm drainage system will collect surface runoff from the lot with conveyance to the Rental Car Facility drainage system.

Cons:

- This alternative uses \$1.87 million of capital funds; \$1.41 million would be spent renovating the existing structure and \$455,000 would be directed towards constructing site improvements.

ATTACHMENTS TO THIS REQUEST

- None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- 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)

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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.

- December 15, 2009 – the Commission authorized an additional \$16,334,400 for the construction of the ORI project, and the execution of construction contracts for \$17,534,400 (including Washington State Department of Transportation’s bridge seismic improvements).
- June 30, 2009 – the Commission 1) lifted the suspension and restarted the entire RCF program, 2) authorized \$591,670 in additional design funds for the BMF and ORI projects, 3) authorized \$27,826,000 in additional construction funds for the RCF project, 4) authorized multiple change orders for a not to exceed value of \$16,800,000 and up to 260 calendar days for the construction of the RCF project, and 5) revised the Commission notification requirements for change orders for the RCF project.
- December 15, 2008 – the Commission authorized the suspension of most work under the contract for construction of the RCF project for an indefinite period, not to exceed one year. Design for the Bus Maintenance Facility (BMF) and ORI projects would continue.
- November 11, 2008 – the Commission was briefed on the status of the RCF program and authorized \$552,000 for the ORI project for design and advance utility relocations.
- November 9, 2004 – the Commission authorized \$18,675,000 for the completion of facility design for the RCF program, and for procurement of a GC/CM for the delivery of the project. This included \$2,019,500 for the ORI project.
- March 27, 2001 – the Commission authorized \$3,500,000 for the completion of schematic development for the RCF program. This included \$405,600 for the ORI project.