



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8a

ACTION ITEM

Date of Meeting July 10, 2018

DATE: July 2, 2018
TO: Stephen P. Metruck, Executive Director
FROM: Arlyn Purcell, Director Aviation Environment and Sustainability
Stan Shepherd, Manager Airport Noise Programs
Wayne Grotheer, Director Aviation Project Management
SUBJECT: Noise Remediation for Condominium Complexes (CIP C200095)

Amount of this request: \$5,107,000
Total estimated project cost: \$20,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to authorize project funding and to proceed with executing a contract to hire one firm experienced in airport sound insulation projects to provide consulting services for noise remediation for condominium complexes near Seattle-Tacoma International Airport.

EXECUTIVE SUMMARY

As part of the Port's long-term commitment to communities surrounding the airport, it is necessary to offer sound insulation for eligible condominium complexes within the current Federal Aviation Administration (FAA) Airport Noise Compatibility (Part 150) noise remedy boundary. Using a consultant project management contract to manage the work and separate, later to be procured, Major Works Contracts for construction services for each complex, this project will provide sound insulation renovations for three eligible condominium complexes located within the boundary. These renovations will include new windows, doors, storm doors, and ventilation for each unit in order to meet the FAA standard of a 45 decibel (dB) interior noise level. Approximately 80 percent of eligible costs will be funded by FAA Airport Improvement Program (AIP) grants. Significant uncertainty remains regarding the scope and cost of this project. The consultant firm hired will provide project design, principal construction management, quality control, project intake, homeowner outreach, project documentation, acoustical testing, and FAA AIP grant funding documentation. The amount for this request is an estimated value of \$5,107,000. We will return to the Commission to request funding for three major works contracts for the construction phase of this project at a later date.

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JUSTIFICATION

Resolution No. 3683 was adopted by the Commission on October 22, 2013. This resolution included all recommendations from the Part 150 Study including sound insulation for condominium complexes. The goal of this program is to meet the requirements of Resolution No. 3683 to conduct an ongoing noise remedy program.

DETAILS

The Port will provide funding, staff, consultant and contractor oversight, and administration of the program to provide design and Project/Construction Management for the sound insulation for condominiums which will consist of new sound rated windows, doors and ventilation to eligible condominiums within the Noise Remedy Program Boundary. The Airport Noise Program’s office estimates that there are three complexes (240 units) eligible to participate. The firm procured will provide project management and will have experience in FAA Noise Remediation work. Final oversight will be provided by the Port. The pre-construction design and testing of potential complexes will define the project and provide cost estimates prior to major construction contracting.

In order for a condominium complex to be eligible, it must be located within the FAA approved Noise Remedy Boundary and has to have been built prior to the establishment of local jurisdictional building codes that were enacted to either meet or exceed the FAA standards for noise reduction. These dates include December 3, 1986, for the City of Des Moines and September 6, 1987, for all other areas of King County. In 2012 the FAA implemented a requirement for all FAA-funded sound insulation projects for acoustical qualification based on a pre- and post- noise audit. Each building must be tested to ensure the interior noise level is at least 45 A-weighted decibels (dB) with a minimum reduction of 5 dB that can be achieved through installing sound insulation. Some buildings may not qualify under this new requirement.

The consultant hired under this contract will help define the requirements both with FAA eligibility and homeowner participation including agreements with the Homeowner Associations. In return for sound insulation, all homeowners are required to provide the Port with an Avigation Easement which will be recorded on the parcel permanently with King County. An Avigation Easement provides the Port with protections for free and unobstructed passage of aircraft over the parcel and becomes the Port’s asset.

Since the project will be partially funded with FAA AIP grants, the Port will be following the United States Department of Transportation’s Disadvantaged Business Enterprise (DBE) program requirements. Certified DBE goals will be administered in accordance to CFR 49 Part 26.

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Scope of Work

The hired firm will provide design, principal construction management, quality control, project intake, homeowner outreach, project documentation, acoustical testing, and FAA AIP grant funding documentation.

Design work will include sound insulation renovations for three eligible condominium complexes. Design work includes but is not limited to replacement or installation of:

- (1) Solid Core Doors
- (2) Sound Transmission Class (STC) 44 rated Windows
- (3) Storm Doors
- (4) Positive Air Ventilation or Air Conditioning
- (5) Other associated work as determined to be necessary by the architect to reduce noise or to meet code
- (6) Regulated materials abatement as necessary to facilitate these installations

Schedule

Activity	
Design start	2018 Quarter 4
Construction start	2019 Quarter 3
Construction complete	2021 Quarter 3

Cost Breakdown	This Request	Total Project
Design / Project Management	\$5,107,000	\$5,107,000
Construction		\$14,893,000
Total	\$5,107,000	\$20,000,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not implement the program

Pros:

- (1) No Port expenditures

Cons:

- (1) Not implementing the noise remediation project could reduce the Port’s credibility in the community and would not honor our commitment to the Part 150 Study and Commission Resolution 3683
- (2) Could impact the Port’s ability to leverage available AIP funds

This is not the recommended alternative.

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Alternative 2 – Defer the program until a later date

Cost Implications: Assumed a four-year delayed start with 5 percent per year cost increase, total project would cost an extra \$4,300,000 for a total of \$24,300,000

Pros:

- (1) No Port expenditures until 2023

Cons:

- (1) Would be approximately \$6,000,000 more expensive in the long term
- (2) Delaying the noise remediation project could reduce the Port’s credibility in the community as we would not honor our commitments in a timely manner

This is not the recommended alternative.

Alternative 3 – Begin noise remediation of condominium complexes as described above

Cost Implications: \$20,000,000

Pros:

- (1) Meets commitment to noise remediation in the community in Commission Resolution 3683
- (2) Provides a direct community benefit to reduce noise impacts from aircraft operations at the airport
- (3) The use of multiple Major Works Contracts allows more opportunities for certified DBE contractor and supplier participation
- (4) Leverages available AIP funding and FAA financial contribution to the project.

Cons:

- (1) Would add additional contracting with the use of a project management firm
- (2) The Port would be one step removed from the day-to-day implementation of the project

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary

	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$24,000,000	\$1,000,000	\$25,000,000
Budget decrease	(\$4,000,000)		(\$4,000,000)
Revised estimate	\$20,000,000	\$1,000,000	\$21,000,000
AUTHORIZATION			
Previous authorizations	\$0	\$0	\$0
Current request for authorization	\$5,107,000	\$0	\$5,107,000

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Total authorizations, including this request	\$5,107,000	\$0	\$5,107,000
Remaining amount to be authorized	\$14,893,000	\$1,000,000	\$15,893,000

Annual Budget Status and Source of Funds

The Noise Remediation for Condominium Complexes (CIP C200095) was included in the 2018-2022 capital budget and plan of finance as a business plan prospective project with a total capital budget of \$24,681,000. The total cost decrease of \$4,000,000 was transferred to the Aeronautical Allowance (CIP #C800753), resulting in no net change to the capital budget. The Port will seek to maximize the amount of AIP grants from the FAA. The Port anticipates that 80% of the grant eligible costs will be funded with grants. Additional funding sources will include the Airport Development Fund and future revenue bonds. The project cost estimate remains a rough estimate due to the uncertainties relating to the scope and cost.

Financial Analysis and Summary

Project cost for analysis	\$21,000,000
Business Unit (BU)	Airfield Movement Area
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.05 in 2020

Future Revenues and Expenses (Total cost of ownership)

None

ADDITIONAL BACKGROUND

None

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 22, 2013 – Second Reading and Final Passage of Resolution No. 3683 concluding the Federal Aviation Regulation (FAR) Part 150 Noise and Land Use Compatibility Study Update for Seattle-Tacoma International Airport.

October 8, 2013 – First Reading of Resolution No. 3683 concluding the Federal Aviation Regulation (FAR) Part 150 Noise and Land Use Study Update for Seattle-Tacoma International Airport.