



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 6d

**ACTION ITEM**

**Date of Meeting** September 25, 2018

**DATE:** September 18, 2018

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Nick Milos, Manager, Corporate Facilities  
Amy Kiessling, Capital Project Manager I

**SUBJECT:** Pier 69 Commission Chambers (CIP #C800216) and Lobby Improvements (U00488)

**Amount of this request:** \$381,000

**Total estimated project cost:** \$715,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to (1) proceed with the construction of the Commission Chambers Refresh project and the Lobby Improvements project at Pier 69 and (2) to use a Port Construction Service contract and Port work crews to complete the work. This single authorization funds both the Commission Chamber Refresh project and the Lobby Improvements project, for a total additional \$381,000. The total combined estimate for both projects is \$715,000.

**EXECUTIVE SUMMARY**

In 2016, the CEO directed Pier 69 Facilities Management to explore making changes and enhancements to Pier 69's front entrance and lobby. Objectives were to create a more inviting and interactive lobby environment; to address Port security concerns; to improve wayfinding; and to exercise design constraints to ensure architectural consistency and integrity with existing building architecture.

In early 2017, the Commission President directed executive leadership to defer action on the project due to other more pressing issues of public concern. In early 2018, executive leadership decided to proceed in a scaled-down manner as outlined below.

**JUSTIFICATION**

The Pier 69 Main Office building has been in operation for 25 years and the majority of furnishings and finishes in both the Commission Chambers and Lobby are original.

**Commission Chambers**

Carpet is showing its age and is delaminating, routing of audio/visual cabling is haphazard and unsightly, and the acoustic ceiling is damaged in several areas.

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## **Lobby**

The existing lobby space plan, including the location of the reception desk, hinders reception staff visibility. Those working at the desk also experience an uncomfortable sense of vulnerability given the “floating” nature of the desk, which allows for visitors and employees to approach the desk from behind.

Existing furnishings are showing wear and tear and provide substandard accessibility.

Installation of an improved, modern video display area would enhance public understanding and engagement by highlighting Port operations, projects, and achievements.

## **Small Business and Sustainable Design**

The project would support Strategy 3 of the Century Agenda: Small Business Development. Due to the elements within the scope of work, Port Construction Services would use a Job Order Contract which will help maximize WMBE and small business opportunities for this project.

The project would also support Strategy 4 of the Century Agenda: Greenest, and Most Energy Efficient Port. The impacted light fixtures would be replaced with modern, low maintenance, energy efficient LED fixtures; the proposed acoustic ceiling panels contain no carcinogens, are formaldehyde free, and are 100% recyclable; the proposed carpet is rated as Green Label Plus by the Carpet and Rug Institute (CRI); and the old carpet would be recycled.

## **DETAILS**

The project would update select elements of the Chambers and Lobby as noted in the scope of work below. Design would be completed under an existing design contract, and construction would be completed under an existing job order contract administered by Port Construction Services. Port crews would be utilized on some elements of the lobby work.

### ***Scope of Work***

Commission Chambers improvements include replacing the carpet; replacing the acoustic ceiling and related light fixtures; and improved routing of power and audio visual cabling to improve aesthetics and reduce trip hazards.

Lobby Improvements are focused on the redesign and relocation of the reception desk; replacement of existing furnishings; rearrangement of the lobby space plan; installation of an updated video display; painting; and installation of signage and graphics.

### ***Schedule***

Commission Chamber work will start in early 2019 and is anticipated to take eight weeks. Lobby work will follow with completion in the second quarter of 2019.

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**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Make no changes to the Commission Chambers or the Lobby

Cost Implications: \$0

Pros:

- (1) No cost.
- (2) No need to reschedule commission meetings during the estimated eight (8) weeks of construction time; no disruption to the lobby.
- (3) Last minute requests for use of the Chambers could be accommodated.

Cons:

- (1) No aesthetic, safety, or security improvements.
- (2) No lighting improvements.
- (3) No improvement of cable management.
- (4) No improvement to video display.

This is not the recommended alternative.

**Alternative 2** – Choose to move forward with only one of the projects.

Cost Implications: \$321,000 for Lobby / \$394,000 for Commission Chambers.

Pros:

- (1) Reduced cost.
- (2) No need to plan for disruption in both spaces.

Cons:

- (1) Loss of opportunity for design continuity between the two spaces.
- (2) No improvements to the security, aesthetics, or circulation of the lobby space
- (3) No improvements to the video display.
- (4) No aesthetic, safety, or lighting improvements in the Chambers.
- (5) No improvement to cable management.

This is not the recommended alternative.

**Alternative 3** – Proceed with both the Commission Chambers Refresh and the select lobby improvements.

Cost Implications: \$715,000

Pros:

- (1) Improved aesthetics, safety, security, and lighting in both spaces.
- (2) Design continuity between the two spaces.
- (3) Enhanced public understanding and engagement by highlighting Port operations, projects, and achievements via video display.

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Cons:

- (1) Cost of \$715,000.
- (2) Meetings will need to be rescheduled during Commission Chambers construction.
- (3) Staff, guests and public will need to be rerouted during lobby construction.

***This is the recommended alternative.***

**FINANCIAL IMPLICATIONS**

Commission Chambers is Capital work, CIP #C800216.

***Cost Estimate/Authorization Summary***

Capital

<b>COST ESTIMATE</b>	
Current estimate	\$394,000
<b>AUTHORIZATION</b>	
Previous division authorizations	\$176,000
Current request for authorization	\$218,000
Total authorizations, including this request	\$394,000

Lobby Improvements is an expense project U00488.

***Cost Estimate/Authorization Summary***

Expense

<b>COST ESTIMATE</b>	
Current estimate	\$321,000
<b>AUTHORIZATION</b>	
Previous division authorizations	\$158,000
Current request for authorization	\$163,000
Total authorizations, including this request	\$321,000

***Annual Budget Status and Source of Funds***

The Lobby Improvements (expense portion) will be funded from funds budgeted in the 2018 Operating Budget under P69 Facilities. The Commission Chambers work (capital portion) was not included in the 2018 Capital Budget and will be funded under CIP C800216 EDD Contingency.

Funding for the project will be allocated between General Fund (40%) and the Airport Development Fund (60%).

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***Financial Analysis and Summary***

Project cost for analysis	\$715,000
Business Unit (BU)	P69 Facilities
Effect on business performance (NOI after depreciation)	<ul style="list-style-type: none"><li>• No incremental revenue or cost-savings associated with this project</li><li>• Annual depreciation expense is estimated to increase by approximately \$40K per year</li><li>• Total increase of \$321K for the 2018/2019 budget years</li></ul>
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None