



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8a

**ACTION ITEM**

**Date of Meeting** October 23, 2018

**DATE:** October 15, 2018

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

**FROM:** Wayne Grotheer, Director, Aviation Project Management Group  
Michael Ehl, Director, Aviation Operations

**SUBJECT:** Restroom Upgrades at Concourses B, C, and D (CIP #C800697)

**Amount of this request:** \$8,969,000

**Total estimated project cost:** \$38,379,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to advertise and execute two major public works construction contracts for the Restroom Upgrades at Concourses B, C, and D project at Seattle-Tacoma International Airport. This request is for \$8,969,000 of a total project cost of \$38,379,000.

**EXECUTIVE SUMMARY**

This request is to authorize construction for the second and third phases of the five phase Restroom Upgrades project. Phase Two builds out office space and employee restrooms required to relocate three existing tenant functions from concourse to ramp level. This relocation frees up space on the concourse level to provide new and enlarged public restrooms for passengers. Phase Three renovates and enlarges one public restroom set on Concourse D. Phase Three will have federal grant funds associated with it, which will require the Port to utilize its Disadvantaged Business Enterprise (DBE) program efforts.

This request represents a budget increase of \$5,300,000. This budget increase is needed to cover changed site conditions, additional shell space construction and the construction of expanded building envelope.

**JUSTIFICATION**

The public restrooms on Concourses B, C, and D are old, outdated, and overcrowded. They are difficult to maintain due to the age of the finishes and fixtures, have endured water infiltration and damage, and have limited air circulation and odors that have penetrated the finishes. Of the existing eight pairs of restrooms, three have not been remodeled since 2001, and five have not been renovated since their construction in 1992. Additionally, because of passenger traffic growth, the existing restrooms are too small resulting in long lines during peak periods of use. Because there are no vacant spaces on the concourse level to add restrooms or increase existing restroom size, Phase Two of this project is necessary to create space for larger public

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restrooms. Phase three will renovate the existing public restrooms near Gate D6 to improve maintainability, accessibility, and passenger experience.

**DETAILS**

The objectives of the overall Restroom Upgrade project are to:

- (1) Improve the passenger experience by adding capacity and modernizing public restroom facilities in Concourses B, C, and D; and
- (2) Decrease Operation and Maintenance (O&M) costs for public restrooms.

***Scope of Work***

These two project phases will:

- (1) Build new and renovate existing tenant office space on the ramp level of Concourse C
- (2) Renovate and enlarge one set of employee restrooms on the ramp level of Concourse C
- (3) Renovate and enlarge one set of public restrooms on Concourse D

**Diversity in Contracting**

Work associated with phases 2 and 3 have several opportunities for Woman and Minority Business Enterprises (WMBE).

Phase 2 of the restroom project will have a WMBE aspirational goal associated with it. Phase 3, specifically, will have federal grant dollars associated with this phase. As one of the conditions for obtaining the grant dollars, the U.S. Department of Transportation requires the use of its certified Disadvantaged Business Enterprises (DBE) program per 49 CFR Part 26. Based upon those available certified businesses, a DBE goal will be established.

In partnership with the Small Business Development Department (SBDD), project staff has outreached to those small, WMBE, and DBE businesses via PortGen activities, and through last month’s Airport Minority Advisory Council (AMAC) DBE conference.

***Schedule***

*Activity*

Construction start	1 <sup>st</sup> Quarter 2019
In-use date	4 <sup>th</sup> Quarter 2019

***Cost Breakdown***

	This Request	Total Project
Design	\$0	\$5,087,000
Construction	\$8,969,000	\$33,292,000
Total	\$8,969,000	\$38,379,000

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**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Status Quo – Do not construct spaces to relocate tenants or renovate existing restroom.

Cost Implications: \$(927,000)

Pros:

- (1) No Capital investment at this time.

Cons:

- (1) Approximately \$927,000 in design would need to be expensed.
- (2) Future restrooms will not be enlarged and thus continue to have long lines during peak times.
- (3) Passenger experience will not improve due to lack of restroom space.

This is not the recommended alternative.

**Alternative 2** – Construct spaces, relocate airline functions to support the Restroom Upgrades Concourse B, C, and D project and renovate one set of public restrooms on Concourse D.

Cost Implications: \$8,969,000

Pros:

- (1) This alternative enables the first restroom set to be enlarged and renovated in the public area.
- (2) The alternative enables future expansion and renovation of public restrooms to handle the high volume of use they receive.
- (3) This alternative also provides new space to relocate the tenant functions currently on the concourse level to make room for public restrooms.

Cons:

- (1) As restrooms are renovated they become unavailable to the public at that location and traveling public will need to be redirected to other restrooms.

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

**FINANCIAL IMPLICATIONS**

<b><i>Cost Estimate/Authorization Summary</i></b>	<b>Capital</b>	<b>Expense</b>	<b>Total</b>
<b>COST ESTIMATE</b>			
Original estimate	\$11,180,000	\$0	\$11,180,000
Previous changes – (including tenant relocation costs)	\$21,842,000	\$25,000	\$21,867,000

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Current change	\$5,316,000	\$16,000	\$5,332,000
Revised estimate	\$38,338,000	\$41,000	\$38,379,000
<b>AUTHORIZATION</b>			
Previous authorizations	\$7,598,000	\$25,000	\$7,623,000
Current request for authorization	\$8,953,000	\$16,000	\$8,969,000
Total authorizations, including this request	\$16,551,000	\$41,000	\$16,592,000
Remaining amount to be authorized	\$21,787,000	\$0	\$21,787,000

**Annual Budget Status and Source of Funds**

This project, CIP #800697 was included in the 2018-2022 capital budget and plan of finance with a budget of \$33,047,000. The total cost increase of \$5,316,000 was transferred from the Aeronautical Allowance (CIP #C800753), resulting in no net change to the capital budget. The funding source will be the Airport Development Fund, FAA Airport Improvement Program grants, and future revenue bonds. CPE impacts below assume total grants of \$13.6 million.

**Financial Analysis and Summary**

Project cost for analysis	\$38,379,000
Business Unit (BU)	Terminal
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.07 in 2021 with AIP grant, \$.10 without AIP grant

**Future Revenues and Expenses (Total cost of ownership)**

Aviation Maintenance anticipates minimal impacts to O&M costs as a result of the scope of work in Phases 2 and 3 of the project. In the enabling Phase 2 project, the tenant would have most of the responsibility in the tenant spaces, and in Phase 3 only one public restroom set on Concourse D is being renovated and enlarged.

**ATTACHMENTS TO THIS REQUEST**

Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- October 23, 2018 – The Commission will hear a briefing on the status of the motion to develop a Seattle-Tacoma International Airport gender-inclusive restroom plan.
- May 22, 2018 – The Commission heard a motion to develop a Seattle-Tacoma International Airport gender-inclusive restroom plan.

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- September 12, 2017 – The Commission authorized the construction of Phase One of this project for \$2,536,000.
- July 12, 2016 – The Commission authorized the design for \$5,087,000.