

Commission Meeting | Study Session

Capital Adjustments related to COVID-19 for 2020 & 2021
April 14, 2020



Capital Study Session Agenda

- Principles and Guidance
- Current active construction
- Projects not yet in construction for 2020/2021
 - Maritime
 - Economic Development
 - Aviation
- Stimulating recovery: shovel-ready projects
- Potential to accelerate projects

Guiding Principles For Capital Investment

The Port is uniquely positioned to be a driving force for regional economic recovery

- Advance economy through trade, travel, commerce, economic development, and connections with regional and international businesses
- Maintain strong Port financial health
- Prioritize projects that:
 - Maximize economic benefit
 - Ensure high M/WBE utilization
 - Benefit small business
 - Advance environmental protection

Advancing Active Construction Projects

- Safety
- Governor's emergency order
- Core operational functions
- Security and Regulatory Requirements
- Environmental benefits
- Keep employees working
- Grant opportunities and requirements
- Consultation with other major public owners

Summary of Active Construction Status

- 10 projects with active construction
- 5 projects in close out (construction complete)
- 5 projects in close-out
- 5 projects deferred (fully, or awaiting seasonal start, or limiting to partial scope of work)
- 1 project inactive

Key Capital Projects In Active Construction

- North Satellite Renovation and Expansion \$485 million
- International Arrival Facility \$780 million
- SSAT Infrastructure Upgrade \$28.7 million
- Baggage Optimization Phase 1 \$56.2 million
- SBM Customer Service Facilities \$10.5 million
- T46 Dock Rehabilitation \$14.6 million
- T5 Berth Modernization \$167.1 million

Note: See full list in Appendix

2020/2021 Capital Project Spending

- Maritime & Economic Development
- Stormwater Utility
- Joint Venture (POS funded)
- Terminal 46
- Economic Development

Looking Ahead: Projects not yet in Construction

Maritime & Economic Development 2020/2021 Capital Spending (\$millions)

Project Description	Project Phase	Recommendation	Notes	Guiding Principles from Resolution				Shovel-Ready	2020	2021	
				<i>Econ Impact</i>	<i>Diversity in Contracting</i>	<i>Small Business</i>	<i>Environment Sustainability</i>				
<i>Major Projects (>\$5 million)</i>											
New Cruise Terminal	Design	Postpone	Awaiting to evaluate post-COVID cruise market	?	X	X		2022	\$5.6	\$22.5	
T46 Replace N Pier Structure	Planning	Accelerate	Move forward with feasibility study	X	X	X	X	2023	\$0.0	\$3.6	
FT Gateway Building	Design	Continue	Evaluating market and initial designs	X	X	X		2021	\$0.7	\$0.9	
T91 Berth 6 & 8 Redev	Design	Continue	Removal of creosote pilings	X	X	X	X	2022	\$0.5	\$1.3	
T117 Restoration	Pre-const	Continue	In negotiation with contractor		X	X	X	Q3 2020	\$5.0	\$11.6	
P66 Shore Power	Planning	Continue	Potential grant funding		X	X	X	2021	\$0.5	\$2.4	
Maritime Innovation Center	Design	Continue	Potential grant/stimulus funding	X	X	X	X	2021	\$0.7	\$0.7	
SaBM Docks D,E Replacement	Planning	Postpone	Potential extension to existing permits				X	2021	\$0.7	\$4.1	
T91 Northwest Fender	Design	Continue	Deteriorated system, reduced ongoing maint.	X				2021	\$0.8	\$5.8	
<i>Mid Size Projects (\$0.3 to \$5M)</i>		Continue	T102 E Dock, T91 Cruise Gangway, JBP Pier, SBM Dock X Pier Replacement						\$2.8	\$1.8	
		Postpone	P66 Fender & BHM Pile Wraps, SBM Restaurant Site						\$1.2	\$3.3	
<i>Small Projects (<\$300K)</i>		Continue							\$3.9	\$0.5	
		Postpone							\$1.5	\$0.0	
<i>Fleet</i>		Continue							\$2.0	\$3.4	
		Postpone							\$1.5	\$0.5	
<i>Reserve</i>									\$2.0	\$2.0	
								Total	\$29.3	\$64.4	
								Total Projects to Recommend to Continue or Accelerate		\$16.9	\$32.0
								Total Potential Savings		\$12.4	\$32.4

Stormwater Utility & Joint Venture Projects

Stormwater Utility

- Planned 2020-2021 Capital Spending: \$3M
 - Port-Wide System Renewal, T18 Outfall Upgrade, and Small Projects
- Recommend postponing \$1.6M of spending for 2020 & 2021

Joint Venture

- Funded by Port of Seattle
- Transportation project spending estimates likely to continue to shift as project timelines are affected by COVID-19

<u>Joint Venture Spending</u> (\$millions)	Project	2020	2021
<i>Ongoing Projects</i>	T5 Pile Remove Net Tie-Off Piles	\$0.2	\$0.4
	West Waterway Deepening	\$0.8	\$0.7
<i>Contribution to Regional Transportation</i>	FAST I & II (228th St Grade Separation, E Marginal Way)	\$0.7	\$0.4
	Safe & Swift (Lander Street Overpass)	\$1.0	\$3.5
	Others (N Argo Access, Heavy Haul Pavement Study)	\$0.3	\$0.1
	Total	\$3.0	\$5.1

Terminal 46 Recommendations

Proposed New Cruise Terminal

- Dramatic impact on global industry from current crisis
- Cruise rebound will take time, but will be critical to economic recovery
- Aspects of current work required for any further site development
- **Recommendation:** postpone project until market impacts are clearer and revisit during 2021 CIP Budget process; complete several existing condition reports.

North Berth

- Opportunities for other maritime uses
- Asset management responsibility
- **Recommendation:** accelerate north berth project, beginning with feasibility study.

Continued NWSA Coordination

- Short-term uses and interim options
- **Recommendation:** maintain close communication and collaborate on incoming opportunities as needed.

Looking Ahead: Projects not yet in Construction

Economic Development 2020 & 2021 Capital Spending (\$millions)

Project	Phase	Recomm- endation	Notes	Guiding Principles from Resolution				Shovel- Ready	2020	2021
				<u>Econ Impact</u>	<u>Diversity in Contracting</u>	<u>Small Business</u>	<u>Environment Sustainability</u>			
<i>Major Projects (>\$2.5 million)</i>										
T91 Uplands Development	Planning	Continue	Potential stimulus funding	X	X	X	X	2022	\$1.0	\$1.3
WTC HVAC Replacement	Design	Continue	Critical system replacement				X	2021	\$0.3	\$2.7
P66 HVAC Systems Upgrade	Planning	Continue	Critical system replacement				X	2021	\$0.9	\$1.3
<i>Mid Size Projects (\$0.3 to \$2.5M)</i>		Continue	Central Waterfront Bridge Elevator Modernization						\$2.6	\$2.0
		Postpone	WTC/Garage Elevator Upgrades, P69 Clerestory/Skylight						\$0.3	\$0.4
<i>Small Projects (<\$300K)</i>		Continue							\$0.6	\$0.5
		Postpone							\$0.2	\$0.0
<i>Fleet</i>		Postpone							\$0.2	\$0.2
<i>Reserve</i>		Postpone							\$1.0	\$1.0
								Total	\$7.0	\$9.4
								Total Projects to Recommend to Continue or Accelerate	\$5.4	\$7.8
								Total Savings	\$1.6	\$1.6

Aviation Objectives & Goals

In addition to cash preservation & Commission principles:

- Meet safety, security, operational continuity, and critical infrastructure needs
- Continuing work with less operational impact
- Utilize available federal funding

Aviation Projects

In Addition to Active Construction Projects

Phase	# of Projects	Estimated Budget
Planning	62	\$648M
Design	20	\$726M
Shovel Ready (2020/2021)	15	\$840M
Total	97	\$2.2B

Aviation Projects Deferred (ADF Funded)

Deferred Q4 2020 - 2021

Program	# of Projects Deferred	2020 ADF Deferral Amount (in millions)
Noise	3	\$1.4
Landside	4	\$1.5
ICT	1	\$2.0
Infrastructure	13	\$2.2
Airfield	4	\$2.5
Corporate	8	\$4.4
Other	6	\$6.8
Terminal/Tenant	14	\$7.6
Total	53	\$28.4

Aviation Prioritized Projects

Guiding Principles | Maximize Economic Impact, Diversity in Contracting, Small Business Enterprises, Environmental Sustainability Goals

Project	Planning (P) Design (D) Bidding (B)	Guiding Principles from Resolution				Total Est. Budget
		Economic Impact	Diversity In Contracting	Small Business Enterprises	Environmental Sustainability	
C-1 Building	P	X	X	X	X	\$340M
Restroom Upgrades Concourse B, C & D (Phase 4 & 5)	D/P	X	X	X	X	\$17M – P4 In development – P5
Main Terminal Sprinkler System, Smoke Control & Emergency Power Generator Installation	P	X	X	X		In development
Main Terminal Low Voltage System Upgrade	D	X	X	X		\$87M
Concourse B, C & D: HVAC Upgrade & Smoke Control	P	X	X	X	X	In development
Airfield Pavement Replacement Project	D	X	X	X		\$16M
Checkpoint 1 Relocation (Baggage Claim Checkpoint)	D	X	X	X		\$40M
Shared Kitchens / Food Trucks	P	X	X	X		\$5.5M
Interim Westside Fire Station	D	X	X	X		\$9.2M
					Total	\$515M

Aviation Projects Critical to Advance

Aviation Advancement Criteria | Safety, Security, Operational Continuity, Renewal and Replacement of Critical Infrastructure

Project	Planning (P) Design (D) Bidding (B)	Reason This is Critical to Advance	Total Estimated Budget
Terminal Solid Waste Improvements	D	Regulatory (FDA). Increases trash capacity.	\$6.2M
Building Controls Upgrade	P	Critical infrastructure to the HVAC system	\$2.9M
Combined Communication & 911 Center Generator Control	P	Regulatory. Supports critical lines of business that support safety and security at the airport.	\$6.8M
Emergency Generator Control Renewal / Replacement	D	Regulatory.	\$9.9M
South 188th Street Tunnel Lighting	P	Regulatory (WSDOT). Safety, addresses lighting issues.	\$6.2M
ARC Flash Hazard Mitigation	D	Safety, required for safe maintainability of the electrical system.	\$7.5M
Air Cargo Truck Staging Yard	P	Safety and security. Will also reduce idling vehicles.	\$3.5M
Concourse B, C & D Low Voltage Upgrade	P	Maintaining critical assets. Required for existing and new power to concourses B, C & D.	\$87M
Satellite Train System Train Controls	P	Maintaining critical assets.	\$76M
Total			\$206 M

Aviation Shovel Ready Projects

(15 Total Projects– Total Estimated Construction Value \$350M - \$450M)

Project	Guiding Principles			
	Economic Impact	Diversity In Contracting	Small Business Enterprises	Environmental Sustainability
2020 Airfield Pavement <i>Contractor already mobilized</i>	X	X	X	
C11 Passenger Loading Bridge <i>Construction Scheduled for Q2 2020</i>	X		X	
Parking Garage Elevator Modernization Construction <i>Scheduled for Summer 2020</i>	X	X		
Remote Aircraft Deicing <i>Construction Scheduled for Q2/Q3 2020</i>	X			X
Condo Sound Insulation <i>Construction Scheduled for Villa Enzian 2021</i>		X	X	X
Checked Baggage Optimization Phase 2 <i>Construction Scheduled for mid-2020</i>	X	X	X	
Terminal Security Enhancements Phase II <i>Construction Scheduled Q4 2020</i>	X	X	X	
eGSE Charging Stations (Phase 2B – Concourse B, SSAT) <i>Construction Scheduled Q3 2020</i>	X	X		X
Various Others (seven total) <i>Construction Scheduled for late 2020/2021</i>				

Aviation Project Acceleration under consideration

- North Satellite
- International Arrivals Facility
- Airfield pavement
- Passenger loading bridges

Appendix

Current Construction Projects

<u>Item</u>	<u>Project</u>	<u>Evaluation</u>
1	NSAT	Domestic gates, core operating need, essential infrastructure
2	N Term Utilities Upgrade Ph1	Mechanical piping in main terminal and beyond will improve safety, essential infrastructure for North Satellite functionality
3	IAF	International gates, core operating need, essential infrastructure
4	Stormwater Pond Bird Deter	Maintain safe airfield, essential infrastructure
5	Main Term Low Volt Upgrade	Provides code compliance and safety, essential core infrastructure being designed
6	SSAT Upgrade	Current system does not meet code, essential infrastructure
7	Bag Op., Ph1	Core operating need, essential federal infrastructure, TSA grants
8	Service Tunnel	Single route for cargo and worker busses into terminal
9	Central Terminal	Largest most central passenger space, essential infrastructure
10	Airline Offices/ Restrooms	Adds stalls and better spacing for airline passengers

Appendix

Current Construction Projects, continued:

<u>Item</u>	<u>Project</u>	<u>Evaluation</u>
11	Restrooms Ph3	70% FAA grant funding for Conc D, essential infrastructure
12	Variable Freq Drives Repl	Replaces essential mech controllers, essential infrastructure
13	Car Rental Fac Pave Rem	Exp joint portion safety hazard design work progressing, other work deferred
14	Job Order Cont Sm Proj Portwide	No const work now, keep contract alive for future design and const to be assigned
15	Interim Westside Fire Station	Essential to airfield, expect work to resume in summer
16	Lora Lake	EPA, WDOE, FAA regulatory requirement
17	AOA Perimeter Fence Line	Safe airfield operations, essential infrastructure
18	SafeDock Upgrade	Operational efficiency and data linkages will benefit, not essential at this time

Appendix

Current Construction Projects, continued:

<u>Item</u>	<u>Project</u>	<u>Evaluation</u>
19	Airfield Imps	Maintain safe airfield, essential infrastructure
20	Airfield Pvmt Replacement	Ensures pavement is safe, essential infrastructure
21	SBM Cust Svcs Fac	Upon project completion, evaluate if leave existing aged restroom bldg, allows for greater social distancing
22	P66 Interior Modernization	Nearly complete, core operational business, safer for workers to complete project
23	T117 Sites 23-25 Restoration	Regulatory requirements, essential
24	T46 Dock Rehab	Maritime commerce, essential, MARAD TIGER grants
25	T5 Berth Modern	Maritime commerce and container trade, essential
26	JOC Noise Rem	Meets FAA guidelines, essential for noise abatement