



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8h

ACTION ITEM

Date of Meeting June 8, 2021

DATE: May 28, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Laurel Dunphy, Director, Airport Operations
Wayne Grotheer, Director, Aviation Project Management

SUBJECT: North Employee Parking Lot Improvements (C800957)

Amount of this request: \$4,385,000

Total estimated project cost: \$15,400,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) authorize an additional amount of \$980,000 for the design and construction of Phase I, and (2) complete design , (3) utilize Port crews and small works contracts to complete early pavement work, and (4) authorize an additional amount of \$3,405,000, for Phase II of the North Employee Parking Lot Improvements project at Seattle-Tacoma International Airport. This request is in the amount of \$4,385,000, for a total authorization in the amount of \$5,000,000.

EXECUTIVE SUMMARY

The North Employee Parking Lot (NEPL) Improvements project is being conducted in 2 phases and provides upgrades and replacement to failing infrastructure at the existing employee parking facility. NEPL project Phase I consists of improvements to the bus shelters and electric vehicle parking stations to support operations in existing infrastructure, which has been in use for over 23 years. Phase II of the project includes pavement restoration, an assessment of electric vehicle parking expansion and replacement of failing storm water channel drains, water lines, and an approximately 1,400-foot rockery retaining wall. The total project cost estimate has increased from \$6,635,000 to \$15,400,000 primarily due to scope additions for failing infrastructure and costs associated with schedule delays. The authorization for construction of Phase II is not included in this request. Staff will return for Commission consideration separately at a later date.

JUSTIFICATION

This project supports the Century Agenda goals to advance this region as a leading tourism destination and business gateway and to be the greenest and most energy-efficient port in North America. The NEPL was placed into service in August 1998 and provides employee parking for Airport tenants, service providers, and airline employees. After 23 years of use, the NEPL requires improvements to ensure the continued use of this facility, as well as improve environmental

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compliance, and increase customer satisfaction. The project will also expand electric vehicle parking as allowed by current infrastructure and assess further expansion.

Diversity in Contracting

The project team is working with the Diversity in Contracting Department to determine participation opportunities and will set appropriate aspirational goals for women and minority business enterprises (WMBE) participation for the construction contracts. The design contract includes an aspirational goal of seven percent for WMBE participation.

DETAILS

The NEPL provides 4,122 employee parking spaces for Airport tenants, service providers, and airline employees. A total of 11,170 monthly parking permits have been issued for the use of this facility out of an available 12,000 monthly parking permits. Airport Operations provides a 24/7 transit connection to the Main Terminal that currently operates on a ten-minute headway.

Port Commission authorized Phase I design and construction on October 9, 2018 and the project had completed 60% design before being deferred last year. Phase I of the NEPL Improvements project is comprised of a minor remodel of the bus shelters, upgrades to restrooms compliant with the current Americans with Disabilities Act requirements, and will establish a permanent space to support the busing operations, which will include the installation of Wi-Fi. The NEPL project Phase I also expands the available electric vehicle parking from 12 existing stalls to 14 stalls. Primarily due to requirements driven by codes and standards and costs associated with the schedule delay, the Phase I estimate increased from \$615,000 to \$1,595,000 for this project. Additionally, NEPL Phase I and Phase II improvements were separated into their own individual projects and an estimate error occurred, which did not account for the cost of contractor general conditions, estimated in the amount of \$444,000.

Phase II of the NEPL Improvements project will replace the failing asphalt concrete pavement along the bus pathway and repair limited identified areas of pavement distress. The entire parking lot will be seal coated to extend the useful life of the pavement in the parking areas. In addition, the project scope has increased to include the replacement of failing storm water channel drains, water line, and a rockery retaining wall. Mainly, due to the addition of project scope to replace failing infrastructure, standards, additional contingency to cover project risks, and costs associated with the schedule delay, the cost estimate has increased from \$6,020,000 to \$13,805,000 for Phase II. Details of the cost increase can be found in the attached presentation.

Phase II of the NEPL Improvements project will also incorporate a small works contract that will seal coat a portion of the parking area during summer 2021. Due to the current decrease in overall airport activity levels there is an opportunity to complete this work and minimize the impacts to Airport employees from the larger construction effort. This early pavement work also reduces the overall construction schedule and budget for the larger construction effort.

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In support of the Environmental Sustainability Framework, this project will also assess the amount and type of electric vehicle parking station that should be provided. Phase I of this project completes the installation of two additional electric vehicle charging stations utilizing existing infrastructure for a total of 14 charging stations in NEPL. Additional infrastructure improvements are required to further expand electric vehicle charging. Therefore, Phase II of this project will assess the overall requirements and expansion of the existing infrastructure as part of the schematic design effort. Currently, the project scope does not include an expansion of existing electrical infrastructure or additional charging equipment to support further expansion of electric vehicle parking.

Scope of Work

Phase I of the project includes:

- Upgrade and refresh of existing bus shelters including operational areas, restrooms, and associated accessibility improvements
- Replacement of a failed perimeter gate
- Update of existing entry monument site to meet code requirements
- Installation of two additional electric vehicle charging stations

Phase II of the project includes:

- Replacement of failed asphalt with concrete pavement in the bus pathway, asphalt restoration and seal coating in parking areas, restriping and numbering of all vehicle stalls, fire and bus lanes, pedestrian walkway, and updating signage.
- Replacement of one 3” water line providing domestic water service to all three bus shelters.
- Replacement of failing storm water channel drains with heavy duty channel drains along the bus pathway.
- Replacement of failing rockery retaining wall on the northside of the parking lot.

Schedule

Activity

Phase I Construction start	2022 Q1
Phase I In-use date	2022 Q3
Phase II Design start	2021 Q2
Phase II Commission construction authorization	2022 Q1
Phase II Construction start	2022 Q2
Phase II In-use date	2023 Q3

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Cost Breakdown

	This Request	Total Project
Phase I Design	\$392,000	\$706,000
Phase I Construction	\$588,000	\$889,000
Phase II Design	\$3,051,000	\$3,051,000
Phase II Construction	\$354,000	\$354,000
Total	\$4,385,000	\$5,000,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Only Phase I of the project is completed

Cost Implications: \$1,595,000

Pros:

- (1) Bus shelter improvements would be completed in support of operational requirements
- (2) Capital costs are minimized

Cons:

- (1) Maintenance costs for failing areas of the parking lot (pavement, water line, channel drains, rockery retaining wall) would continue to escalate
- (2) Continuing degradation to Port assets and risk of complete failure

This is not the recommended alternative.

Alternative 2 – Complete Phase I, and complete pavement preservation only for Phase II

Cost Implications: \$8,200,000

Pros:

- (1) Bus shelter improvements would be completed in support of operational requirements.
- (2) Pavement in the bus pathway and parking areas are renewed to support continuing operations
- (3) Capital costs are reduced

Cons:

- (1) Maintenance costs for failing areas of the parking lot (water line, channel drains, rockery retaining wall) will continue to escalate
- (2) Continuing degradation to Port assets and risk of complete failure.
- (3) Significant construction phasing will be required to minimize impact to the customers lengthening the schedule and increasing costs.
- (4) Potential loss of public parking revenue at the Main Garage to provide employee overflow parking during construction

This is not the recommended alternative.

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Alternative 3 – Complete Phase I and all of Phase II

Cost Implications: \$15,400,000

Pros:

- (1) Bus shelter improvements would be completed in support of operational requirements.
- (2) Extends the life of Port assets through pavement renewal and replacement of failing infrastructure.
- (3) Reduces on-going facility maintenance requirements therefore reducing long term costs to the Port.

Cons:

- (1) Significant construction phasing will be required to minimize impact to the customers, lengthening the schedule and increasing costs.
- (2) Potential loss of public parking revenue at the Main Garage to provide employee overflow parking during construction.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$6,635,000	\$0	\$6,635,000
Current change	\$8,692,000	\$73,000	\$8,765,000
Revised estimate	\$15,327,000	\$73,000	\$15,400,000
Art (Transfer to Art CIP, Phase 1 Only)	(\$16,000)	\$0	(\$16,000)
Revised Total	\$15,311,000	\$73,000	\$15,384,000
AUTHORIZATION			
Previous authorizations	\$615,000	\$0	\$615,000
Current request for authorization	\$4,385,000	\$0	\$4,385,000
Total authorizations, including this request	\$5,000,000	\$0	\$5,000,000
Remaining amount to be authorized	\$10,311,000	\$73,000	\$10,384,000

Annual Budget Status and Source of Funds

This project, CIP C800957, was included in the 2021-2025 capital budget and plan of finance with a total budget of \$6,635,000. A budget increase of \$8,765,000 was transferred from the Non-Aeronautical Reserve CIP (C800754) resulting in zero net change to the Aviation capital budget. \$16,000 will be transferred into the Art Pool (C102066) pending this request. The funding source will be the Airport Development Fund (ADF) and revenue bonds. The incremental impact to Employee Parking Card rate between \$0.10 to \$10.40 in 2022-2024.

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Financial Analysis and Summary

Project cost for analysis	\$15,400,000
Business Unit (BU)	Employee Parking
Effect on business performance (NOI after depreciation)	NOI after depreciation will decrease due to inclusion of capital (and operating) cost.
IRR/NPV (if relevant)	Incremental employee parking card rate between \$0.10 to \$10.40 in 2022-2024
CPE Impact	N/A

Future Revenues and Expenses (Total cost of ownership)

This project will reduce long-term operating and maintenance costs for the facility by replacing failing infrastructure.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 9, 2018 – The Commission authorized Design and Construction for Phase I of the NEPL Improvements project