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COMMISSION

AGENDA MEMORANDUM Item No. 10a

ACTION ITEM Date of Meeting October 10, 2023

DATE: September 29, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Sarah Cox, Director Aviation Environment and Sustainability

Eileen Francisco, Director Aviation Project Management Group

SUBJECT: Sound Insulation for Places of Worship Construction Authorization (CIP #C200098)

Amount of this request: \$3,500,000

Total estimated program cost: \$25,872,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to advertise, award and execute a major public works contract, and fund construction for sound insulation on places of worship program (CIP #C200098) in an amount not to exceed \$3,500,000 of the total places of worship program cost of \$25,872,000.

EXECUTIVE SUMMARY

The Sound Insulation Program exists to help reduce community noise impacts caused by aircraft utilizing the Airport. As part of its long-term commitment to communities surrounding the Airport, the Port offers sound insulation for eligible properties within the current Federal Aviation Administration (FAA) Airport Noise Compatibility (Part 150) noise remedy boundary. This includes places of worship.

Construction work includes installation of new Sound Transmission Class (STC) rated windows, doors, and storm doors, as well as supplemental ventilation to meet the FAA standard of 45 decibel (dB) Day-Night Average Sound Level (DNL) interior noise that can be achievable with at least a 5 dB reduction. This request will allow the Port to commence construction for sound insulation on the places of worship program. The Sound Insulation Program is on-track to complete in accordance with Commission Motion 2020-04 requiring completion no later than 2026.

The Commission previously authorized design funds for five participating places of worship properties. Currently, the program has three properties that are participating with design underway and are included in this construction authorization. The project budget continues to

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include funding for all five places of worship, and funding will be returned for properties that continue not to participate.

The Port has received \$6.25M in FAA Airport Improvement Program (AIP) grant funding to partially fund places of worship design and construction.

This request does not include work associated with condominium buildings, single-family homes, apartment complexes and south Approach Transition Zone (ATZ) voluntary residential acquisition.

JUSTIFICATION

Resolution No. 3683 was adopted by the Commission on October 22, 2013, and included all recommendations from the Part 150 Study, including sound insulation for eligible structures within the Noise Remedy Boundary. This authorization will help to meet the requirements of Resolution No. 3683 to conduct an ongoing Sound Insulation Program.

In February 2020, the Commission passed Motion 2020-04 to accelerate this work with the goal of completing work on these programs by the end of 2026. Moving forward with the places of worship sound insulation is critical to compliance with the Motion.

Diversity in Contracting

The places of worship program will be partially funded with FAA Airport Improvement Program (AIP) grants and the Port will follow the United States Department of Transportation's Disadvantage Business Enterprise (DBE) program requirements. A DBE goal of 7% has been established for places of worship construction and the DBE Plan will be administered in accordance with 49 CFR Part 26 by the Diversity in Contracting Department.

DETAILS

This request is for construction authorization that includes 3 places of worship properties that are eligible to participate in the program. Under state law, (R.C.W. 53.54.030), any owner who participates in the program is required to provide the Port with an Avigation Easement in return for the Port paying the cost of the improvements. A Subordination Agreement or Consent is required to convey the Avigation Easement if there is a mortgage, deed of trust, or other lien on the property.

Scope of Work

Construction to include:

- (1) STC rated solid core doors.
- (2) STC rated windows.
- (3) Storm doors.
- (4) Positive exterior air ventilation.

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- (5) Regulated materials abatement.
- (6) Other associated work as determined to be necessary by the architect to reduce noise or to meet code.

Schedule

The places of worship program will be completed by the end of 2026, staff does not anticipate subsequent authorizations at this time.

Activity CIP #C200098 Places of Worship Program

Commission design authorization 2021 Quarter 4

Design start 2023 Quarter 1

Construction start 2024 Quarter 4

Cost Breakdown CIP #C200098 This Request Total Project

Design \$0 \$7,437,000

Construction \$3,500,000 \$18,435,000

Total \$3,500,000 \$25,872,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Authorize Places of Worship Program Sound Insulation Program to commence construction (CIP #C200098).

Cost Implications: \$3,500,000 (CIP #C200098).

Pros:

- (1) Meets commitment to noise remediation in the community per Commission Resolution 3683.
- (2) Maintains the critical path program schedule to meet the intent of Commission Motion 2020-04 to accelerate the airport's noise mitigation programs prior to 2026.
- (3) Allows staff to begin construction of the places of worship program.
- (4) Provides a direct community benefit to reduce aircraft noise impacts.

Cons:

- (1) The Port assumes the financial risk for this work if FAA AIP grant funding cannot be secured.

This is the recommended alternative.

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FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary

(CIP #C200098) Capital Expense Total

COST ESTIMATE

Original estimate \$25,872,000 \$0 \$25,872,000

AUTHORIZATION

Previous authorizations \$7,437,000 \$0 \$7,437,000

Current request for authorization \$3,500,000 \$0 \$3,500,000

Total authorizations, including this request \$10,937,000 \$0 \$10,937,000

Remaining amount to be authorized \$14,935,000 \$0 \$14,935,000

Annual Budget Status and Source of Funds

This project, CIP C200098, was included in the 2023-2027 capital budget and plan of finance with a budget of \$25,872,000. The funding sources would be AIP grants, AIP reinvested fund and revenue bonds.

The capital cost of the entire places of worship program is estimated at \$25,872,000. The AIP grants is estimated at \$16 million. Therefore, the airlines Rate Base Cost is estimated at \$9.8 million which would not require Majority in Interest project approval from the airlines. The debt service of 25-year amortization would be charged as landing fee when each place of worship property construction is substantially completed and grants are received.

Financial Analysis and Summary

Project cost for analysis \$25,872,000

Business Unit (BU) Airfield Movement Area

Effect on business performance NOI after depreciation will increase due to inclusion of (NOI after depreciation) capital (and operating) costs in airline rate base

IRR/NPV (if relevant) N/A

CPE Impact \$0.04 in 2027

Future Revenues and Expenses (Total cost of ownership)

Once the project is complete and the Avigation Easement is permanently recorded on the parcel(s), there will be no further expenses incurred.

ATTACHMENTS TO THIS REQUEST

(1) Presentation

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PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

July 25, 2023 – Commission briefing on sound insulation programs and construction authorization for Phase 2 Apartment Program.

August 9, 2022 – Commission briefing on sound insulation programs and construction authorization for Phase 1 Apartment Program.

December 14, 2021 – Commission authorized design services for Places of Worship Sound Insulation Program.

August 10, 2021 – Commission briefing on sound insulation programs and design authorization for the Apartment Program.

December 15, 2020 – Commission briefing on sound insulation programs, acceleration and staff recommendations.

December 15, 2020 – The Commission authorized consultant services IDIQ contract to provide sound insulation program development support for single-family homes, apartments, and places of worship.

February 25, 2020 – Commission briefing on sound insulation programs, acceleration, and staff recommendations. Motion 2020-04 of the Port of Seattle Commission directing the acceleration of the sound insulation program at the Airport.

July 10, 2018 – The Commission authorized contracting for Sound Insulation Architect and Project Oversight Consulting for Condominiums.

October 11, 2016 – The Commission authorized contracting for Sound Insulation Architect and Project Oversight Consulting Services and Job Order Contracting (JOC) for Single-Family Homes.

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 Compatibility Study Update for Seattle-Tacoma International Airport.

April 23, 2013 – The Commission authorized contracting for Sound Insulation Consulting Services and Job Order Contracting (JOC) for Single-Family Homes.

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