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COMMISSION

AGENDA MEMORANDUM Item No. 10a

ACTION ITEM Date of Meeting March 14, 2023

DATE : March 7, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Laurel Dunphy, Director Airport Operations

Eileen Francisco, Director Aviation Project Management Group

SUBJECT: Widen Arrivals Roadways (CIP #C800866)

Amount of this request: \$73,600,000

Total estimated project cost: \$89,500,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) advertise and award up to three major public works contracts; (2) execute utility agreements for the relocation of utilities; (3) transfer \$527,000 of budget from C800862 Terminal Security Enhancements to support the installation of security bollards; (4) transfer up to \$3,860,000 of budget from C801042 Landside Pavement Program to support additional pavement rehabilitation, and (5) and authorize an additional \$73,600,000 for a total project authorization of \$89,500,000 for the Widen Arrivals Roadways project at Seattle-Tacoma International Airport.

EXECUTIVE SUMMARY

This authorization supports the construction of the Widen Arrivals Roadways project that provides the necessary roadway capacity for Airport parking and ground transportation operations. This project will be delivered through multiple design-bid-build construction contracts and supported by the separate procurement of long lead items and multiple utility relocation agreements. The overall project cost has increased from \$79,100,000 to \$89,500,000 due to higher than anticipated escalation, additional costs due to project phasing and coordination requirements, enhanced landscaping requirements, and additional scope increases. Additional airline majority-in-interest approval is not required for this project.

This project will also install the final security bollards as originally envisioned as part of the Terminal Security Enhancements project, and complete pavement rehabilitation scope envisioned as part of the Landside Pavement Program project.

JUSTIFICATION

This project supports the following Century Agenda strategic goals and objectives:

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1) Advance this region as a leading tourism destination and business gateway by meeting the region's air transportation needs by delivering vital facilities and infrastructure in a sustainable and cost-effective manner.

2) Be the greenest and most energy efficient Port in North America by meeting or exceeding agency requirements for storm water leaving Port-owned or operated facilities.

3) Be a model for equity, diversity, and inclusion by increasing utilization of Women and Minority Business Enterprise (WMBE) and Disadvantage Business Enterprise (DBE) DBE firms and eliminate disparity of access to opportunities.

The terminal roadway system was originally designed in 1968 to support an overall activity level of 25 million annual passengers (MAP). Over the years several efforts have been completed to extend the life of the terminal roadway system. These include relocating commercial ground transportation services to the third floor Ground Transportation Center and Northeast Ground Transportation Lot, extending the Arrivals curbside to the south for public transit and commercial ground transportation, and relocating rental car customers off-site to the consolidated Rental Car Facility.

Approximately 45.9 million passengers used the airport in 2022, and Arrivals experienced recurring congestion at peak travel times daily. Widening of roadways accessing Arrivals and the Main Garage will improve access to parking, ground transportation center, and curbsides by alleviating congestion and reducing queuing on the main roadway entrances for airport visitors and passengers. The project will enhance roadway safety to accommodate the existing passenger activity. With no improvements, studies have indicated that the queuing on the Northern Airport Expressway will reach the I-5/I-405 South Center interchange on a regular basis during

the summer months.

Diversity in Contracting

There will be a 9% federally certified Disadvantaged Business Enterprises (DBE) requirement for the Widen Arrivals Roadway contract. The project team will work with diversity and contacting on the goal for the separate major works contracts.

DETAILS

The Widen Arrivals Roadways project includes the widening of the southbound lanes of the Northern Airport Expressway to provide an additional two lanes for a total of six lanes from South 170th Street into the Departures and Arrivals curbsides and Main Garage. This requires the relocation and expansion of the roadways to the west given the location of the columns supporting the Light Rail Transit guideway. In addition to the improvements described above, the project will relocate the north rental car transit curb further north to increase utilization of the Arrivals curbside. The scope of work for this project has increased to include additional utility relocations and the renewal of utility infrastructure impacted by the project. As an enabling action the project has already completed the demolition of the fourth-floor bridge from

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Departures to the Main Garage that was closed with the construction of the light rail transit walkway.

On June 14, 2021, the Port of Seattle issued a determination of non-significance for the Widen Arrivals Roadways project. A State Environmental Policy Act (SEPA) checklist was completed and was the basis for that determination.

The budget for Widen Arrivals Roadways has increased from \$79.1M to \$89.5M predominantly due to four factors: 1) \$5.0M for additional costs associated with project phasing and coordination including storm water management; 2) \$2.9M for higher than anticipated cost escalation for electrical equipment, traffic control labor, and fuel; 3) \$1.9M increased landscaping costs to reflect the Landscape Master Plan vision; and 4) \$1.1M for additional scope changes including cameras to support operations, the removal of abandoned industrial wastewater system infrastructure, and an alignment shift supporting operations during future roadway construction.

The project will be delivered through four design-bid-build major works contracts. The first contract is complete and included the early demolition of the fourth-floor bridge between Departures and the Main Garage. The second contract will complete the roadway realignment, lane additions, and utility system infrastructure improvements and will utilize a project labor agreement. The second contract will also be supported by multiple utility relocation agreements, and potentially the procurement of long lead items. Staff is currently evaluating the risks associated with owner procurement for these items. The third contract will construct the transit canopy for rental car transit operations. The fourth contract would provide additional landscaping in areas that would be impacted by the future Sustainable Airport Master Plan (SAMP) Near-Term Projects. This fourth contract may or may not be implemented depending upon the implementation of the SAMP Near-Term Projects.

Art is planned to be incorporated within this project in two areas. The first is the airfield retaining wall visible from the Northern Airport Expressway, portions of the Main Garage, and the Light Rail Transit station. The second is within the north rental car transit stop which will be visible from the Arrivals curbside, portions of the Main Garage, and by rental car customers.

Scope of Work

The Widen Arrivals Roadway project is a roadway improvement project. These types of projects generally include paving, sidewalks, barriers/curbs, pavement markings, illumination, storm drainage, retaining walls, signage, sign structures, safety elements (e.g., attenuators), and Intelligent Transportation Systems (ITS) improvements.

As part of the improvements to the north rental car transit curb this project will install the remaining security bollards at the north end of the Arrivals curbside. These were originally included with the Terminal Security Enhancements project, but this request will transfer that

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scope and budget to this project to complete. This reduces the overall costs to the Port since rework will be avoided.

This project will also complete additional pavement rehabilitation scope on Air Cargo Road and the southbound lanes of the Northern Airport Expressway. This work was originally envisioned as part of the Landside Pavement Program, but this request will transfer that scope and budget to this project to complete. The Widen Arrivals Roadways project was completing pavement rehabilitation scope on those same roadways so combining these efforts reduces the overall costs to the Port.

Schedule

Widen Arrivals Roadway

Construction start 2023 Quarter 3

In-use date 2026 Quarter 1

Widen Arrivals Transit Canopy

Design Complete 2023 Quarter 3

Construction start 2023 Quarter 4

In-use date 2024 Quarter 1

Widen Arrivals Landscaping (if contracted)

Design Start 2025 Quarter 1

Design Complete 2025 Quarter 2

Construction start 2025 Quarter 4

In-use date 2026 Quarter 1

Cost Breakdown This Request Total Project

Design \$18,800,000 \$22,800,000

Construction \$54,800,000 \$66,700,000

Total \$73,600,000 \$89,500,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – The Widen Arrivals Roadways project is not constructed. No improvements are completed until the SAMP Near-Term Project relocates the southbound lanes to support the development of the second terminal.

Cost Implications: \$7,590,000

Pros:

(1) No significant capital investment in the short-term.

Cons:

(1) Due to existing capacity constraints significant congestion and queuing occurs each day on the southbound lanes of the Northern Airport Expressway. Delay times are anticipated to exceed 25 minutes.

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(2) The project costs to date would need to be expensed.

This is not the recommended alternative.

Alternative 2 – Widening of the southbound lanes of the Northern Airport Expressway to provide an additional lane. The north rental car transit curb is not relocated.

Cost Implications: \$82,500,000

Pros:

(1) Lower capital investment in the short-term.

(2) Provides congestion relief.

Cons:

(1) Additional improvements would be required to support Airport operations.

(2) Requires reconstruction of improvements.

(3) Does not relocate the rental car transit curb to maximize the passenger load/unload space in front of the terminal.

This is not the recommended alternative.

Alternative 3 – Widening of the southbound lanes of the Northern Airport Expressway to provide an additional two lanes. The north rental car transit curb is relocated.

Cost Implications: \$89,500,000

Pros:

(1) Provides congestion relief.

(2) Minimizes reconstruction; accommodates future projects.

(3) Maximizes the passenger load/unload space in front of the terminal

Cons:

(1) Requires significant capital investment in the short-term.

This is the recommended alternative.

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FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary Capital Expense Total

COST ESTIMATE

Original estimate \$15,600,000 \$0 \$15,600,000

Previous changes – net \$78,800,000 \$300,000 \$79,100,000

Current change \$10,451,000 \$(51,000) \$10,400,000

Revised estimate \$89,251,000 \$249,000 \$89,500,000

AUTHORIZATION

Previous authorizations \$15,900,000 \$0 \$15,900,000

Current request for authorization \$73,351,000 \$249,000 \$73,600,000

Total authorizations, including this request \$89,251,000 \$249,000 \$89,500,000

Remaining amount to be authorized \$0 \$0 \$0

Annual Budget Status and Source of Funds

This project (CIP #C800866) was included in the 2023-2027 capital budget and plan of finance with a budget of \$78,800,000. A budget increase of \$10,451,000 was transferred from the Aeronautical Allowance (CIP #C800753) for a total revised capital budget of \$89,251,000 resulting in no net change to the Airport capital budget. The funding sources for this project will be the Airport Development Fund (ADF), Airport Improvement Program grant, and future revenue bonds.

Financial Analysis and Summary

Project cost for analysis \$89,500,000

Business Unit (BU) Roadways

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 \$0.16 in 2027

Future Revenues and Expenses (Total cost of ownership)

This project will not have a significant impact on Aviation Maintenance annual operating and maintenance (O&M) costs. Lighting will be a low maintenance LED system; the surface area of asphalt will increase but otherwise the operating and maintenance costs would not significantly change. The installation of ITS systems, additional signage, and landscaped areas are anticipated to increase costs.

ATTACHMENTS TO THIS REQUEST

(1) Presentation slides

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PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

January 22, 2019 – The Commission authorized design for \$8,340,000.

November 11, 2021 – The commission authorized construction demolition of the fourth floor bridge and contract increase of \$6,900,000.

June 28, 2022 – The Commission authorized the award of an irregular bid for an additional \$600,000.

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