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COMMISSION

AGENDA MEMORANDUM Item No. 8h

ACTION ITEM Date of Meeting November 21, 2023

DATE: November 10, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Keri Stephens, Director, Aviation Facilities and Capital Programs

Eileen Francisco, Director Aviation Project Management

SUBJECT: Parking Garage Rehabilitation (#C801307)

Amount of this request: \$2,100,000

Total estimated project cost: \$55,709,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) execute a project-specific design services contract, and (2) complete preliminary project work for the Parking Garage Rehabilitation project at Seattle-Tacoma International Airport (SEA) for a total authorization of \$2,100,000.

EXECUTIVE SUMMARY

The SEA Parking Garage was constructed in three phases; the oldest central portion dating back to 1969 and is reaching its 50-year asset life, and two outboard expansion phases that were constructed in the 1990s. The project will provide architectural, fire suppression, mechanical/HVAC, medium voltage power, storm drainage, and structural/seismic improvements necessary to extend the asset life of the facility and meet current code requirements. The SEA Parking Garage currently supports public parking and ground transportation operations and is the highest non-aeronautical revenue generator at SEA. A facility assessment report will be prepared as part of this effort to identify and prioritize the work to be completed to extend the service life of this critical SEA asset.

JUSTIFICATION

This project supports the following Century Agenda strategic goal to advance this region as a leading tourism destination and business gateway, through the objective to meet the region's air transportation needs by delivering vital facilities and infrastructure in a sustainable and costeffective manner. The SEA Parking Garage is a major facility supporting both public parking (terminal direct, general, and pre-booked parking) and ground transportation (app based rideshare, courtesy vehicle, cruise charter bus, door to door service, pre-arranged limousine,

Template revised January 10, 2019.

COMMISSION AGENDA – Action Item No. \_\_8h\_\_ Page 2 of 5

Meeting Date: November 21, 2023

and taxi) operations. In 2022 public parking generated \$88.9 million, and ground transportation generated \$20.8 million, in operating revenue for the Port.

Diversity in Contracting

The project team working with the Diversity in Contracting Department has set an aspirational goal of 20% for women and minority business enterprises (WMBE) participation in the design services contract.

DETAILS

The SEA Parking Garage was constructed in three phases; the oldest central portion dating back to 1969 and has reached its 50-year asset life, and two outboard expansion phases that were constructed in the 1990s. Aging facilities have an increased frequency of failing infrastructure and systems, or systems become outdated and no long support the operational need or meet current code requirements, and the SEA Parking Garage is no exception. Separate efforts have already been completed, or are underway, that have addressed communications, lighting, low voltage power, revenue control, and vertical circulation systems within the facility. This project will address the remaining facility components including architectural, fire suppression, mechanical/HVAC, medium voltage power, storm drainage, and structural/seismic.

The completion of the project will require the procurement and execution of a project-specific design services contract with a total contract value of \$5 million. This Commission authorization request only includes preliminary project work, so only a portion of this contract value will be utilized. Future Commission authorization will be required to utilize the remaining value of this contract.

Scope of Work

As part of the preliminary project work, a facility assessment report will be completed that will identify facility deficiencies, code requirements, and estimated costs to address these deficiencies or requirements. These efforts will be prioritized and programmed as part of this project, or future projects, to extend the service life of the facility. Preliminary design will also be completed to validate the budget and schedule requirements for the defined project scope. Port staff anticipates that the project scope will include the following:

- Architectural: The installation of new or replacement of failed or failing weatherproofing membranes and required accessibility improvements.
- Fire Suppression: The replacement or upgrade of the two separate fire suppression systems in the facility to meet code requirements.
- Mechanical/HVAC: The replacement or upgrade of existing ventilation systems to meet code requirements.
- Medium Voltage Power: The replacement or upgrade of the medium voltage power system.
- Storm Drainage: The replacement of failed or failing infrastructure, and a new connection into the storm drainage system instead of the industrial wastewater system providing capacity relief for SEA's industrial wastewater treatment plant.

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COMMISSION AGENDA – Action Item No. \_\_8h\_\_ Page 3 of 5

Meeting Date: November 21, 2023

- Structural/Seismic: The renewal/repair of existing structural elements, replacement of expansion joints, and structural and seismic upgrades.

Schedule

Preliminary Design start 2023 Quarter 4

Commission Project Authorization 2024 Quarter 4

Begin Construction 2026 Quarter 2

In-use date 2027 Quarter 4

Cost Breakdown This Request Total Project

Design \$2,100,000 \$8,885,000

Construction \$0 \$46,824,000

Total \$2,100,000 \$55,709,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Continue deferring improvements or upgrades for the SEA Parking Garage

Cost Implications: \$0

Pros:

- (1) Capital investment not required.

Cons:

- (1) Does not address the current identified deficiencies or code requirements.
- (2) Defers investment to extend service life of critical SEA asset and thereby increasing risk of facility failure.
- (3) Does not provide capacity relief for SEA's industrial wastewater treatment plant.

This is not the recommended alternative.

Alternative 2 – Address code requirements and critical structural repairs/upgrades for the SEA Parking Garage.

Cost Implications: \$30,000,000

Pros:

- (1) Addresses code requirements.
- (2) Reduced capital investment required.
- (3) Extends the service life of some infrastructure systems of critical SEA asset.

Cons:

- (1) Does not address all the current identified deficiencies.
  - (2) Defers investment for some infrastructure systems to extend service life of critical SEA asset.
  - (3) Does not provide capacity relief for SEA's industrial wastewater treatment plant.
- This is not the recommended alternative.

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COMMISSION AGENDA – Action Item No. \_\_8h\_\_ Page 4 of 5

Meeting Date: November 21, 2023

Alternative 3 – Address code requirements and prioritized deficiencies for the SEA Parking

Garage

Cost Implications: \$55,709,000

Pros:

- (1) Addresses code requirements and identified deficiencies.
- (2) Extends the service life of the SEA Parking Garage, a critical asset.
- (3) Provides capacity relief for SEA's industrial wastewater treatment plant.

Cons:

- (1) Requires greater capital investment.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary Capital Expense Total

COST ESTIMATE

Original estimate \$55,709,000 \$0 \$55,709,000

AUTHORIZATION

Previous authorizations \$0 \$0 \$0

Current request for authorization \$2,100,000 \$0 \$2,100,000

Total authorizations, including this request \$2,100,000 \$0 \$2,100,000

Remaining amount to be authorized \$53,609,000 \$0 \$53,609,000

Annual Budget Status and Source of Funds

This project #C801307 was included in the 2023-2027 capital budget and plan of finance with a total budget of \$55,709,000. This project will be funded by the Airport Development Fund and future bonds.

Financial Analysis and Summary

Project cost for analysis \$55,709,000

Business Unit (BU) Public Parking

Effect on business performance NOI after depreciation will decrease

(NOI after depreciation)

IRR/NPV (if relevant) N/A

CPE Impact N/A

Future Revenues and Expenses (Total cost of ownership)

The operation and maintenance costs are anticipated to increase with improvements to the fire suppression and ventilation systems. Based upon the average yearly rainfall, costs for the

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COMMISSION AGENDA – Action Item No. \_\_8h\_\_ Page 5 of 5

Meeting Date: November 21, 2023

treatment of stormwater from the SEA Parking Garage is anticipated to decrease by \$135,000 annually.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

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