



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 6g

**ACTION ITEM**

**Date of Meeting** April 23, 2019

**DATE:** April 15, 2019  
**TO:** Stephen P. Metruck, Executive Director  
**FROM:** Wayne Grotheer, Director, Aviation Project Management  
Wendy Reiter, Director, Aviation Security  
**SUBJECT:** Lost and Found Relocation (under CIP #C800934)

<b>Amount of this request:</b>	\$370,000
<b>Total estimated Lost &amp; Found project cost:</b>	\$1,900,000
<b>Total estimated CIP project cost:</b>	\$9,164,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to proceed with design of the Lost and Found Relocation project at Seattle-Tacoma International Airport. The amount requested under this authorization is \$370,000 out of a total estimated cost for the Lost and Found Relocation Project of \$1,900,000.

**EXECUTIVE SUMMARY**

The Lost and Found facility at Seattle-Tacoma International Airport (Airport) serves a crucial operational need and provides a valuable service to Airport customers but needs more space to do so. Currently, the Lost and Found facility has outgrown its existing space located on the Airport Mezzanine level. The relocation to a larger space on the Baggage Claim level will not only improve its operation, but also provide visibility to the public in a more easily accessible area.

The Lost and Found Relocation project is a sub-project to the Employee Services Center Project (CIP #C800934). The Lost and Found Relocation project will be designed and constructed separately as an enabling project to the Employee Services Center, which will be the subject of a similar Commission authorization request in the future. Approving the Lost and Found Relocation today does not pre-suppose authorization of this future project. This project would be completed regardless of the future project.

Approval of this request will ensure that the Port of Seattle continues to provide a high quality Lost and Found facility at the Airport.

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The Employee Services Center Project (CIP #C800934) was included in the 2019-2023 capital budget and plan of finance as a business plan prospective project with a total budget of \$8,764,000. The budget increase of \$400,000 was transferred from the Aeronautical Allowance (CIP #C800753).

The Port recently completed through a separate action the selection of a new operator for the Lost and Found facility. In 2018 the previous operator ceased operations. To continue operating the facility, the Airport hired temporary staff and began the procurement of a new operator. Hallmark Aviation assumed the Lost and Found operation at Sea-Tac on April 15, 2019 as the new operator.

### **JUSTIFICATION**

The single, centralized Lost and Found operation at the Airport provides a one-stop service for customers and employees. The Lost and Found operation consists of a full range of services related to lost items at the Airport. The facility works with people who have lost items, searches for recorded owners, contacts owners and returns lost property, and transfers items if unclaimed by the owner. The facility also maintains detailed records for each item lost at the airport, including the TSA checkpoints, and proactively works to reunite owners with their belongings.

The Lost and Found operation must maintain adequate control, accountability, and adherence to established state laws, policies, and procedures. In 2018, the Airport's Lost and Found facility received over 27,000 items. The staff has maintained a positive record of providing outstanding service to customers and has achieved a nearly 50 percent recovery rate to reunite customers with lost or left-behind items. In compliance with Washington state laws, Lost and Found staff securely store lost items for 30 days before disposition. Unclaimed items are donated to local registered charitable organizations. High-value unclaimed items are transferred to the Port of Seattle Police Department where they are auctioned off and the proceeds returned to the Port.

Given the rapid growth at the Airport, the current Lost and Found facility is unable to effectively process these items in the footprint of the space it currently occupies. While relocating the facility from the current Airport Mezzanine Level to the baggage claim will reduce approximately 1800 square feet of public seating space, it will improve the Lost and Found facility's visibility and accessibility to the public in exchange.

As previously stated this project is an enabling project to the new Airport Employee Services Center and must be completed before that project can be constructed. The Airport Employee Services Center will provide centralized badging, training, and parking services for airport employees and will be built on the Mezzanine Level of the Airport.

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***Diversity in Contracting***

The project manager will work with the Diversity in Contracting Department to determine participation opportunities and set goals for women and minority business enterprises (WMBE) attainment. These affirmative efforts are in accordance with Resolution No. 3737.

**DETAILS**

The project will:

- (1) Design and build a new facility to maintain a reliable Lost and Found service to customers and to airport business partners.
- (2) Improve the customer experience by providing access-coded pick-up lockers for off hours.
- (3) Provide office and storage space, a public facing counter, and other necessary items to maintain compliance with Washington state law.
- (4) Relocate the Lost and Found facility from its current mezzanine location between the airport employee credential and training centers to the baggage claim window wall across from carousels 13 and 14.
- (5) Create new operational efficiencies using powered high-density shelving, which is an automated storage and retrieval system. The use of this type of shelving will not only optimize the facilities floor space and vertical space, but also provide ergonomic solutions to enhance productivity.
- (6) Improve the Lost and Found facility’s accessibility to the public by relocating it to the baggage claim level.
- (7) Be an enabling project to the Airport Employee Services Center; it must be completed before that project can begin construction.
- (8) Improve work flow by updating utilities and facilities. This efficiency will improve the customer experience.

***Scope of Work***

This facility will provide the appropriate amount of space to accommodate operational needs for employees as well as improved customer service. After-hours drop-off storage space and pick-up lockers with code access will add efficiencies to both the operations and customer experience.

The scope will include the following:

- (1) Construct a new space in Baggage Claim;
- (2) Construct a new Heating Ventilating and Air Conditioning system to supply the new facility and the surrounding area;
- (3) Construct electrical and communications for the new facility, including access control and security;
- (4) Construct plumbing for a sink in the new facility;
- (5) Construct after-hours drop-off storage space;
- (6) Install pick-up lockers with access codes for after-hour pick-ups; and

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- (7) Create new operational efficiencies using powered high-density shelving.

**Schedule**

Design start	2019 Quarter 2
Commission construction authorization	2019 Quarter 4
Construction start	2020 Quarter 2
In-use date	2020 Quarter 4

<b>Cost Breakdown for Lost and Found Project</b>	<b>This Request</b>	<b>Total Project</b>
Design	\$370,000	\$370,000
Construction	\$1,530,000	\$1,530,000
Total	\$1,900,000	\$1,900,000

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

Three options were considered as follows:

**Alternative 1 – Do not relocate Lost and Found**

Cost Implications: \$0

Pros:

- (1) This alternative will not require additional capital spending.

Cons:

- (1) This alternative would leave the Lost and Found facility on the Airport Mezzanine level in the middle of a proposed new Employee Services Center. This would complicate both the provision of employee services as well as reuniting the traveling public with lost items due to its out-of-the-way location and small size to accommodate today’s operation.
- (2) This alternative will not address operational inefficiencies.
- (3) This alternative will not allow for improved customer service or employee safety.

This is not the recommended alternative.

**Alternative 2 – Relocate Lost and Found to an existing smaller space**

Cost Implications: \$1,500,000

Pros:

- (1) This alternative would cost less than Alternative 3.
- (2) This alternative would make use of a vacant space at the Airport.

Cons:

- (1) This alternative does not allow for the additional space needed to function effectively and safely.

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- (2) This alternative does not allow for the additional space needed at the service window for public queuing.

This is not the recommended alternative.

**Alternative 3 – Relocate Lost and Found to a new larger space in Baggage Claim**

Cost Implications: \$1,900,000

Pros:

- (1) This alternative will allow for the additional space needed for efficient, safe operations.
- (2) This alternative will allow for improved visibility to the public.
- (3) This alternative will allow for 24-hour retrieval of property by adding after-hour lockers.
- (4) This alternative will add additional facility space, which is much needed at the Airport.

Cons:

- (1) This alternative will be more costly than Alternatives 1 and 2.
- (2) This alternative will build out an enclosed space in the baggage claim that was once public seating.

***This is the recommended alternative.***

**FINANCIAL IMPLICATIONS**

***Cost Estimate/Authorization Summary***

	Capital	Expense	Total
<b>COST ESTIMATE for CIP #C800934</b>			
Original estimate	\$7,264,000	\$0	\$7,264,000
Previous changes – net	\$1,500,000		\$1,500,000
Current change	\$400,000		\$400,000
Revised estimate	\$9,164,000	0	\$9,164,000
<b>AUTHORIZATION</b>			
Previous authorizations for Lost & Found	\$100,000	0	\$100,000
Current request for authorization for Lost & Found	\$370,000		\$370,000
Previous authorizations for Employee Services Center	\$282,000		\$282,000
Total authorizations, including this request	\$752,000	0	\$752,000
Remaining amount to be authorized	\$8,412,000	\$0	\$8,412,000

***Annual Budget Status and Source of Funds***

The Employee Services Center Project (CIP #C800934) was included in the 2019-2023 capital budget and plan of finance as a business plan prospective project with a total budget of \$8,764,000. The \$400,000 budget increase was transferred from the Aeronautical Allowance

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(CIP #C800753) and was due to the increase in square footage of the facility. The funding source will be future revenue bonds.

***Financial Analysis and Summary***

Project cost for analysis	\$9,164,000
Business Unit (BU)	Terminal Building
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.02 in 2022

***Future Revenues and Expenses (Total cost of ownership)***

This will be determined during design.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None