



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 6j

**ACTION ITEM**

**Date of Meeting** October 22, 2019

**DATE:** October 14, 2019

**TO:** Stephen P. Metruck, Executive Director

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

**SUBJECT:** Parking Garage Elevator Modernization (CIP# C800789)

**Amount of this request:** \$2,155,000

**Total estimated project cost:** \$23,276,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to advertise and execute a major works construction contract for the first phase of the Parking Garage Elevator Modernization project at Seattle-Tacoma International Airport in the amount of \$2,155,000 of a total estimated project cost of \$23,276,000.

**EXECUTIVE SUMMARY**

The Airport Parking Garage elevators provide vertical circulation services for millions of airport parking and ground transportation customers every month. Continued and reliable operations of these systems are vitally important to the traveling public as well as Airport operations.

The first phase of this project weatherizes the 8<sup>th</sup> floor Parking Garage Sections B and C elevator cores, eliminates slip/trip hazards, and improves the customer experience in the Parking Garage elevator lobbies. The second phase of the project replaces worn end-of-life elevator components with modern, energy efficient systems in all five elevator cores in the Parking Garage. The project has seen a Phase 1 cost increase of \$150,000. As the second phase completes design, the project may require additional funds, but it is premature to request additional funds at this time.

**JUSTIFICATION**

This project provides for continued reliable vertical circulation services within the airport Parking Garage for the next ten plus years, while reducing repair costs and decreasing energy consumption. The modernized elevators will use energy efficient regenerative drives that use less energy and produce less waste heat. The total energy savings is estimated at 56,000 to 211,000 kilowatt hours (kWh), per year. While this energy reduction represents just approximately 0.1 percent of the total airport electrical energy consumption, the project will

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contribute to the Port’s goal to be the greenest and most energy efficient port in North America. Additionally, this project will contribute to the Port’s Long-Range Plan to improve customer service.

**Diversity in Contracting**

Project staff are working with the Diversity in Contracting Department in outreach to women and minority business enterprises (WMBE) for this opportunity. A WMBE aspirational goal of 14% has been established for this construction contract.

**DETAILS**

This project will be delivered in two phases. The first phase of this project will weatherize the 8<sup>th</sup> floor Parking Garage Sections B and C elevator cores and eliminate slip/trip hazards and improve the customer experience in the Parking Garage elevator lobbies. The second phase will replace worn end-of-life elevator components with modern, energy efficient systems in all five elevator cores in the Parking Garage.

**Scope of Work**

The first phase of the project will re-roof, replace leaking doors, repair and seal porous exposed walls, and install new roof hatches and employee safety apparatus in the Parking Garage Sections B and C elevator cores. The initial phase of the project will also include flooring safety and aesthetic improvements, and additional wayfinding graphics, to improve the customer experience in the Parking Garage elevator lobbies. The Parking Garage elevator lobbies will also be made compliant with Americans with Disabilities Act requirements.

**Schedule**

*Activity – Phase 1*

Construction start	1 <sup>st</sup> Quarter 2020
In-use date	4 <sup>th</sup> Quarter 2020

*Activity – Phase 2*

Design start	2 <sup>nd</sup> Quarter 2019
Commission construction authorization	2 <sup>nd</sup> Quarter 2020
Construction start	1 <sup>st</sup> Quarter 2021
In-use date (First Elevator Bank)	2 <sup>nd</sup> Quarter 2022
In-use date (Final Elevator Bank)	1 <sup>st</sup> Quarter 2023

**Cost Breakdown**

	This Request	Total Project
Design	\$0	\$4,961,000
Construction	\$2,155,000	\$18,315,000
Total	\$2,155,000	\$23,276,000

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**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

The following alternatives and implications *only apply to the first phase* of the project.

**Alternative 1** – Do not complete the improvements

Cost Implications: \$398,640 (current project costs that would need to be expensed)

Pros:

- (1) Does not require capital investment.

Cons:

- (1) The needed replacement elevator systems would need to be abandoned due to water infiltration into the cores.
- (2) 8th floor elevator lobbies would not be fully weatherized and would continue to have ponding issues.
- (3) Lobby enhancements supporting Aviation’s Parking Garage upgrade effort would not occur and slip/trip hazards would remain.
- (4) The Parking Garage facility would continue to deteriorate, an essential non-aeronautical revenue source.
- (5) Employee safety is not enhanced.

This is not the recommended alternative.

**Alternative 2** – This option would weatherize and provide employee safety improvements for the Sections B and C elevator cores.

Cost Implications: \$1,744,000

Pros:

- (1) Preserves the life of the Parking Garage as a non-aeronautical revenue source.
- (2) Weatherizes the Sections B and C elevator cores, allowing elevator replacement to occur.
- (3) Weatherizes the Sections B and C 8th floor elevator lobbies.
- (4) Provides employee safety improvements in the Sections B and C cores.

Cons:

- (1) Lobby enhancements supporting Aviation’s Parking Garage upgrade effort would not occur and slip/trip hazards would remain.
- (2) Results in capital expenditure.

This is not the recommended alternative.

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**Alternative 3** – This option would weatherize and provide employee safety improvements for the Sections B and C elevator cores, and complete lobby enhancements in support of the Airport’s Parking Garage upgrade effort.

Cost Implications: \$2,750,000

Pros:

- (1) Preserves the life of the Parking Garage as a non-aeronautical revenue source.
- (2) Weatherizes the Section B and C elevator cores, allowing elevator replacement to occur.
- (3) Weatherizes the Section B and C 8th floor elevator lobbies.
- (4) Provides employee safety improvements in the Section B and C cores.
- (5) Lobby enhancements supporting Aviation’s Parking Garage upgrade effort would occur and slip/trip hazards would be removed.

Cons:

- (1) Results in capital expenditure.

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

**FINANCIAL IMPLICATIONS**

***Cost Estimate/Authorization Summary***

Capital

Expense

Total

	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Original estimate	\$23,276,000	\$0	\$23,276,000
<b>AUTHORIZATION</b>			
Previous authorizations	\$4,961,000	\$0	\$4,961,000
Current request for authorization	\$2,155,000	\$0	\$2,155,000
Total authorizations, including this request	\$7,116,000	\$0	\$7,116,000
Remaining amount to be authorized	\$16,160,000	\$0	\$16,160,000

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

The Parking Garage Elevator Modernization project (#C800789) is included in the 2019-2023 capital budget and plan of finance with a budget of \$23,276,000, for all phases. The funding source would be the Airport Development Fund and future revenue bonds.

This project is categorized as a non-aeronautical cost center, which does not impact the airline rate base.

***Financial Analysis and Summary***

Project cost for analysis	\$23,276,000
Business Unit (BU)	Parking
Effect on business performance	NOI after depreciation will decrease

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(NOI after depreciation)	
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

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

Aviation Maintenance anticipates no impacts to operating and maintenance costs, because of the first phase of work. For phase two, Facilities and Infrastructure anticipates energy savings of 56,000 to 211,000 kilowatt hours (kWh) per year.

**ATTACHMENTS TO THIS REQUEST**

Presentation Slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

January 22, 2019 – The Commission authorized \$4,251,500 for the design of the second phase of work.

May 8, 2018 – The Commission authorized \$595,000 for the design of the first phase of work.