Legislation Text

File #: 2022-0061, **Version:** 1

To: Board of Supervisors
Department or Agency Name(s): Transportation and Public Works
Staff Name and Phone Number: Johannes J. Hoevertsz, 707-565-2231
Vote Requirement: 4/5th
Supervisorial District(s): Countywide

Title:
Charles M. Schulz - Sonoma County Airport Terminal Area Redevelopment Project Enhancements Contingency Increase

Recommended Action:

A) Authorize the Director of Transportation and Public Works to approve terminal enhancement contingency funds not to exceed $8,234,289.
B) Adopt a Resolution authorizing a budgetary adjustment to the FY 2021-22 Transportation and Public Works Final Budget in the amount of $4,000,000 from available Airport Enterprise Fund Balance.

(4/5th Vote Required)

Executive Summary:
The Department of Transportation and Public Works (TPW), Airport Division requests that the Board authorize the Director of TPW to approve terminal enhancement contingency funds not to exceed $8,234,289. The Board awarded construction of the Terminal Modernization Project to Q&D Construction in September 2020. Since the original project plan was approved, additional project enhancements have been implemented resulting in plan revisions and an increase to construction costs.

Discussion:

Background: The Charles M. Schulz- Sonoma County Airport (Airport) is the largest airport in the North Bay region. To keep up with passenger demand, the Airport determined there was a need to expand the existing terminal in order to accommodate increases in airline traffic. Presently, the Airport is in the final construction stages of a terminal modernization project, which will include 33,000 square feet of new terminal construction and renovation of 7,000 square feet of the existing terminal. This modernization project will significantly benefit customer service and amenities, and the overall experience for Airport users.

On September 1, 2020, the Board awarded Q&D Construction an agreement for construction services, and authorized the Director of TPW to execute task orders with C&S Engineers, Inc. for Construction Manager Administrative Services and with Mead & Hunt, Inc. to provide professional architectural services related to construction activities for the project. The Board also delegated authority to the Director of TPW to approve and execute any and all change orders within the scope of the project up to a total of $766,848; equivalent to 3% of the construction agreement.

Since the original project plan was approved, additional project enhancements have been identified, which

would help future-proof the project. Additional funds have also become available through new federal grants that would help to cover the costs of these enhancements.

Enhancements: When the terminal modernization project was originally approved by the Board several years ago, the primary goal of the project was functionality and achieving as much as possible with limited funds. During design it was known that the project would not be able to accomplish everything desired, but we were able to identify a functional, efficient, and pleasing project. Since then, additional federal grant funding has become available, creating opportunities to add modifications and enhancements that would elevate the passenger experience and futureproof the project.

The enhancements that have been identified include selecting higher-end furniture that would provide more comfort and space for passengers, adding occupied indicator lights to restrooms, which would allow guests to rapidly locate available stalls, and upgrading finishes to enhance lighting and landscaping. Additional improvements include adding a trash enclosure, digital display monitors for information sharing and advertising and a sidewalk to the long term parking lot B. The estimated cost for these and other similar enhancements is approximately $2,464,522.

An enhancement that has been requested by the Airport tenants and customers for the exterior of the new terminal is a canopy along the west side of the structure in front of where aircraft deplane passengers. The canopy will allow passengers to walk a farther distance protected from UV rays and inclement weather. The estimated cost for this upgrade is $950,000.

It has also been requested by the Airlines that the baggage belt be extended at baggage claim, the bag make up carousel be expanded, and that a canopy be added at the North Ramp to provide additional protection. These upgrades will provide a better overall luggage management experience at the Airport. The estimated cost for these improvements is $1,667,958.

As the project has progressed, tenants have also requested modifications that would benefit their operations at the Airport. Tenant modifications include upgrading concession space for a future wine bar once a vendor is solicited, updating airline offices, adding additional support space for TSA and airline partners, and miscellaneous buildout needs, including cabinetry, IT support equipment, etc. The estimated cost for tenant improvements is approximately $801,112. Most of this cost will be paid back over time through increased lease payments from the tenants.

Several modifications have also been identified by the Airport regarding design needs. These updates include new apron lighting, relocation and upgrading of the main phone entry point into the terminal and connectivity to the fire station, IT enhancements, including new additional server racks, the ability for the Airport to host the public WiFi itself, installation and upgrades to grease interceptors for concession operations, and various utility relocations, including gas, water, telecom, and electrical. The estimated cost for these updates is approximately $1,550,697.

An additional $500,000 is requested for contingency expenses.

In total, these updates will all make the Airport a more accommodating and appealing space for customers.

Financing: The total costs for these modifications are estimated at $8,234,289. The Board previously approved

a contingency amount of $766,848 which was a 3% contingency recommended by the design team. A Construction Management at Risk (CMAR) project for a building remodel and addition would normally include a contingency of approximately 6%. Funding will be sourced through a combination of the Coronavirus Aid, Relief and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriation (CRRSA) Act, the American Rescue Plan Act (ARPA) and possibly the announced Bipartisan Infrastructure Law.

The Department of Transportation and Public Works is recommending the Board authorize the Director of Transportation and Public Works to approve terminal enhancement contingency funds not to exceed $8,234,289.

Strategic Plan:
N/A

Prior Board Actions:
September 1, 2020 - Approve Construction Agreement Amendment, Task Orders Related to the Charles M. Schulz - Sonoma County Airport Terminal Modernization Project, and Addendum to the Airport Master Plan Environmental Impact Report

September 17, 2019 - Award of Agreement for Construction Manager (Construction Management at-Risk firm) for the Charles M. Schulz - Sonoma County Airport Terminal Area Redevelopment Project

April 30, 2019 - Board Presentation Future Growth of the Airport

February 26, 2019 - Mead & Hunt Task Order #9

January 29, 2019 - Sprung Structure Lease Purchase Option & Sprung Structure Extension Purchase May 8, 2018 - Terminal Expansion Update

May 8, 2018 - Long Term Financing for Terminal Expansion Projects

February 21, 2017 - Approve Sprung Structures Tent Lease

February 9, 2016 - Board Presentation Future Growth of the Airport

February 9, 2016 - Mead & Hunt Master Agreement

September 13, 2016 - Financing Expansion of Existing Passenger Terminal

September 13, 2016 - Approve Contracts for Mead & Hunt Terminal Design

FISCAL SUMMARY

Expenditures	**FY 21-22 Adopted**	**FY22-23 Projected**	**FY 23-24 Projected**
Budgeted Expenses	$	$4,234,289	
Additional Appropriation Requested	$4,000,000	$	
Total Expenditures	**$4,000,000**	**$4,234,289**	
Funding Sources			
General Fund/WA GF			
State/Federal	$4,000,000	$4,234,289$	

Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	**$4,000,000**	**$4,234,289**	

Narrative Explanation of Fiscal Impacts:
Funding for the proposed enhancements will be sourced through Airport Enterprise Fund Balance, and will be 100% reimbursed by FAA grant funding through already approved grants. The Airport is requesting a budgetary adjustment for $4,000,000 from available Airport Enterprise funds (41301). Up to $2,108,751 is available through the Coronavirus Response and Relief Supplemental Appropriation Act (CRRSA), up to $3,209,452 is available through American Rescue Plan Act (ARPA), and up to the full, $8,234,289, is available through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Additionally, the FAA has announced that the Bipartisan Infrastructure Law Airport portion will be $2,182,800 but this has not been awarded yet. Reimbursement from these sources is anticipated prior to the end of the fiscal year, and an appropriate combination of these grants will be used.

Narrative Explanation of Staffing Impacts (If Required):
None.

Attachments:
Budgetary Resolution

Related Items "On File" with the Clerk of the Board:
Presentation on updated progress of terminal project.