

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT General Services Agency - Airport Services	(2) MEETING DATE 11/5/2013	(3) CONTACT/PHONE Craig Piper, Assistant Airports Manager 781-5205	
(4) SUBJECT Request approval and acceptance of Phase 3 Design Development results of the Passenger Terminal Design Development project for the San Luis Obispo County Regional Airport (SBP).			
(5) RECOMMENDED ACTION It is recommended the Board approve and accept the Phase 3 Design Development results of Passenger Terminal Design Development project at San Luis Obispo County Regional Airport (SBP).			
(6) FUNDING SOURCE(S) FAA AIP Grant: \$1,046,129 Passenger Facility Charges: \$55,059 Total Project: \$1,101,188	(7) CURRENT YEAR FINANCIAL IMPACT \$521,404 (costs for various phases incurred during FY 13-14)	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input checked="" type="checkbox"/> Board Business (Time Est. <u>20 min.</u>)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>9/24/2013, 7/23/2013, 3/6/2012, 9/6/2011, 8/2/2011</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Emily Jackson			
(18) SUPERVISOR DISTRICT(S) District 3 -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services Agency / Craig Piper
781-5205

DATE: 11/5/2013

SUBJECT: Request approval and acceptance of Phase 3 Design Development results of the Passenger Terminal Design Development project for the San Luis Obispo County Regional Airport (SBP).

RECOMMENDATION

It is recommended the Board approve and accept the Phase 3 Design Development results of Passenger Terminal Design Development project at San Luis Obispo County Regional Airport (SBP).

DISCUSSION

History

The development of a new terminal at the San Luis Obispo County Regional Airport has been ongoing for several years. The following is a summary of actions taken by the Board since the County accepted grant funding from the Federal Aviation Administration (FAA) in August 2010:

On August 18, 2010, with the Board's approval, Airport Services accepted a grant under the FAA's Airport Improvement Program (AIP) for design services of a new terminal building.

On September 6, 2011, the Board approved a master contract with Reynolds, Smith & Hills (RS&H) for Aviation General Consulting Services to the Airport. One of the projects identified in this contract was design and development of a potential new passenger terminal building.

On March 6, 2012, the Board approved a three phase Terminal Design Development project. The project funding comes from an AIP grant and Passenger Facility Charges (PFC) collected from enplaning passengers to meet the local share requirements. As each phase was completed, Airport Management was to return to the board to provide updates and receive approval to continue onto the next phase.

On March 5, 2013, the Board approved Phase 1 – Conduct Terminal Area Plan of the Terminal Design Development project. This phase included terminal area analysis, terminal area concept alternatives, development of cost estimates, development of a funding plan, and recommendations for re-use of the existing terminal. The Board also approved moving to Phase 2 – Schematic Design.

On July 23, 2013, the Board approved Phase 2 – Schematic Design of the Terminal Design Development project. This phase included: alternative site plan configurations, alternative floor plan configurations, engineering design, schematic design, and continued budget estimates and financial analysis. The Board also approved moving to the final phase of the Terminal Design Development project, Phase 3 – Design Development.

On September 24, 2013 the Board approved a new capital improvement project to create final construction documents for the new passenger terminal building. This action was requested prior to the approval of Phase 3 – Design Development project. The request was presented to the Board to expedite expending grant funds to meet FAA expectations by the end of the calendar year. This advance approval has allowed RS&H to establish the internal teams and processes necessary to complete the work within the necessary time frame.

Current

It is requested the Board approve and accept the completed Phase 3 – Design Development of the Terminal Design Development project. Components of Phase 3 included:

- Civil/Site Development – Included in the final development of civil details, pavement sections, sloped and contour drawings, construction phasing and staging, and underground utility connections and routing. Outline specifications have been developed to comply with FAA general project requirements.
- Architectural Design Development – Preparation of Architectural Design Development Drawings including further refinement of floor plans, reflected ceiling plans, roof plans, and interior and exterior elevations. Enlarged plans, plan and section details, building sections, wall sections, finish schedules and door and window schedules were also developed.
- Interior Design Development – Preparation of Interior Design Development Drawings included preliminary selection of all primary building finish surfaces. Materials and finish palettes selected initially during schematic design were further refined to specific products by specific manufacturers.
- Structural Design Development – Preparation of Structural Design Development Drawings developed the foundation and structural framing plans, elevations and preliminary details. Preliminary calculations of the structural engineering have been prepared. Connection, bracing, and project specific structure details were preliminarily developed.
- Mechanical/HVAC/Plumbing/Fire Protection Design/Baggage System – Preparation of Mechanical Design Development Drawings developed the preliminary design of the HVAC system, including the mechanical air-handler units and distribution system through the terminal building. The preliminary plumbing layout, details for the water supply, drainage, and roof drainage were developed. Fire protection distribution of sprinkler heads, stand pipes, and riser room locations was established.
- Electrical Design/Security/Access Control Design – Preparation of Electrical Design Development Drawings developed the preliminary layout of the high voltage and low voltage power distribution, as well as the lighting distribution through the terminal building. Additionally, the low voltage drawings provided initial layout plans and details for the security and access control systems.
- Cost Estimate Budget Development – Preparation of an opinion of probable construction cost of the design development documents has been prepared to assess probable conformance to the overall project budget.

The completion of this phase has culminated in a final terminal design with 60% construction documents. The construction document project, approved by the Board in September, has begun and is anticipated to be complete by the end of the calendar year. At that time GSA Airport Services will return for Board acceptance of the documents and approval of completion for the Terminal Design Development project.

OTHER AGENCY INVOLVEMENT/IMPACT

Federal Aviation Administration has provided the Airport Improvement Program funding.

FINANCIAL CONSIDERATIONS

Terminal Design Development Project

Phase 3 – Design Development is the final phase of the Terminal Design Development project. The funding for all phases of the project was provided by the FAA Airport Improvement Program and Passenger Facility Charges. The final project costs and funding are depicted in Table 1 and 2 below. The variance of \$46,314 was a portion of work eliminated resulting in reduced consultant and airport staff costs.

Table 1 - Terminal Design Development Project Costs

Project Activity	Actual Cost	Est. Cost	Variance
Phase 1: Terminal Area Plan/Concept Development	\$179,009		
Phase 2: Schematic Design	\$302,141		
Phase 3: Design Development	\$498,706		
Other Direct/Non Salary Costs	\$87,981		
Airport Administrative and Staff Costs	\$33,351		
Total Project Costs	\$1,101,188	\$1,147,502	(\$46,314)

Table 2 - Terminal Design Development Project Funding

Funding Source	Amount Funded
FAA Share	\$1,046,129
Local Share (PFC)	\$55,059
Total Project Funding	\$1,101,188

Construction Cost Estimate

The current construction cost estimate of the new terminal is \$24.7 million-- unchanged from previous presentations to the Board. Staff and RS&H will reevaluate the project cost estimate at 100% design. Currently, an estimated \$23.5 million has identified funding sources and \$1.2 million remains unfunded. This unfunded amount would need to be identified before the FAA eligible funding could be provided. Below is a breakdown of the current estimated project funding sources and costs.

Table 3 – Terminal Funding Sources and Costs

Funding Sources	Estimated Cost
FAA Eligible (82% of Program Cost less 10% local share)	\$18.3 million
PFC eligible	\$ 4.7 million
Customer Facility Charge (CFC) eligible	\$ 0.5 million
Unfunded	\$ 1.2 million
Total Costs	\$24.7 million

Operational Cost Projections

Annual costs to operate the current terminal are \$238,311, as of FY 2011-12. In an effort to show the impact of the new terminal, estimates have been generated to show the annual cost to operate the new terminal in 2013 and in 2017 dollars. Summary of these estimated costs are in Table 4 below.

Table 4 – Terminal Operating Costs

Operational Costs	FY 2011-12	New Terminal Estimated Costs FY 2013-14	New Terminal Estimated Costs FY 2017-18
Salaries & Benefits	\$106,724	\$126,000	\$152,524
Services & Supplies	\$70,206	\$44,148	\$49,689
Utilities	\$61,381	\$100,737	\$113,380
Total Costs	\$238,311	\$270,885	\$315,593

Summary of FY 2017-18 Estimated Costs:

- Salaries and Benefits - Includes all airport staff time attributable to the terminal. Taking into account industry recommended staffing levels for this size of facility GSA Airport Services anticipates the need for two full time custodial positions in addition to existing airport staff levels. This line item reflects the addition of the two custodial positions with a 5% annual inflation factor, offset in part, by an expected reduction in airport maintenance staff time needed to maintain the newer facility.
- Services and Supplies - Includes charges from General Services Facilities Maintenance and Custodial services, services provided by vendors and various terminal supplies. This line item reflects a reduction in the costs for custodial services as this would be performed by airport custodial staff, and adds a 3% annual inflation factor from the estimated FY 2013-14 costs.
- Utilities - Includes electrical, gas and water charges. While the new terminal would be considerably larger than the existing terminal, the design team has been working to meet the County established requirement for achieving an efficiency rating 15% greater than the efficiency ratings outlined in the CalGreen (California Title 24). The impacts of implementing this County standard will be an estimated per sq. ft.

utility cost of \$2.07 in the new terminal, as compared to \$4.91 per sq. ft. utility cost in the current terminal. The savings in the new terminal design focus to the highest degree possible, on high efficiency fixtures and equipment as well as take advantage of natural lighting through the selective placement of windows throughout the facility. This line item reflects this requirement and adds a 3% annual inflation factor from the estimated FY 2013-14 costs.

Operational Revenue Projections

The impact on revenues from building the new terminal is unclear due to the volatility of the airline industry. Ultimately there is no guarantee that construction of a new terminal will generate additional revenue. However, of the 4 airports used as comparisons that had constructed new terminals, each showed a combined average 27% increase in revenues taking place over a 7 year time span. These increases included: new concessions, larger spaces for tenants, and new opportunities for businesses in the terminal facility. Table 5 below is not intended to show actual results expected from the new terminal, but rather to provide context to the revenue amounts if new revenue is generated.

Table 5 – Terminal Operating Revenues

	Annual Revenue Amount	Revenue Increase
FY 2011-12 Revenue	\$2,212,572	\$0
2% increase in revenue	\$2,256,823	\$44,251
5% increase	\$2,323,201	\$110,629
10% increase	\$2,433,829	\$221,257
15% increase	\$2,544,458	\$331,886
20% increase	\$2,655,086	\$442,514
25% increase	\$2,765,715	\$553,143

As an example, GSA Airport Services and the community are currently working to obtain a new flight to Denver. If this flight were to begin, and after the agreed upon fee incentive waiver period has expired and the flight remain in service, the Airport could anticipate receiving an additional \$232,505 annually in revenue amounting to a 10.5% increase in revenues. This calculation assumes the use of the current fee structure, one flight per day with a 70% load factor and the current rate of revenue per enplaned passenger of approximately \$13.

RESULTS

With the approval of the third phase of the Terminal Design Development project and acceptance of the design documents, GSA Airport Services will have completed the Design Development of the new terminal resulting in a 60% construction document submittal level. The design project will be closed and the Consultant, RS&H, along with Airport Services will be able to move fully into the next project which is the creation of a set of final construction documents.

ATTACHMENTS

1. Attachment 1: Site Map
2. Attachment 2: Updated Terminal Floor Plan