

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
STAFF BRIEFING

Item No.	<u>7a</u>
Date of Meeting	<u>March 26, 2013</u>

DATE: March 18, 2013
TO: Tay Yoshitani, Chief Executive Officer
FROM: Michael Ehl, Director, Aviation Operations
SUBJECT: Briefing on the Airline Realignment Program at Seattle-Tacoma International Airport (Airport)

SYNOPSIS:

The need to accommodate airline mergers, and the general desire to streamline and consolidate airline operations, has led to the need to realign air carriers in order to better balance the use of the Airport facility. The realignment program aims to meet the various needs at an estimated cost of \$84.3 million, including directly-related projects as well as linked capital projects (not including NorthSTAR).

BACKGROUND:

The attached PowerPoint presentation identifies the three categories of projects representing the program. First, the seven directly-related capital improvement realignment projects will provide assets for the airlines to function as required in their new locations. For example, baggage system modifications are being provided to support the connection between the relocated ticket counter assignments and the baggage makeup areas that support the new aircraft gate assignments. Second, the tenant improvement expense projects will modify existing spaces and relocate the airline tenants. Expense relocations include areas such as airline ticket offices, ramp offices, baggage service offices, club space, ticket counters, and equipment relocations. Third, the linked and related capital projects are improvements considered for post-realignment renovations, such as the Zone 1 New Window Wall Ticket Counters project that would provide additional ticketing capacity to the terminal building.

On December 9, 2010, the Airport issued intent to exercise the One-Time Reallocation provision in the then-current Signatory Lease and Operating Agreement (SLOA) to pursue this work with the airlines. The reallocation requires the wide-ranging modifications incorporated in the Airline Realignment Program which is the subject of this briefing.

Briefing Outline:

1. Purpose
2. Airline Realignment Capital Projects
3. Airline Realignment Expense Project

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4. Airline Move Schedule
5. Airline Realignment Costs
6. Linked and Related Capital Projects

OTHER DOCUMENTS ASSOCIATED WITH THIS BRIEFING:

- Computer slide presentation.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

- December 11, 2012 – the Port Commission authorized Tenant Improvement Reimbursement for United Airlines in the amount of \$14,018,890, and additional project support costs of \$2,028,500 for a total cost of \$16,047,390.
- December 4, 2012 – the Port Commission authorized construction of the Airport Signage – Airline Realignment project for a total cost of \$646,000.
- November 13, 2012 – the Port Commission authorized execution of a major works construction contract to install one new Passenger Loading Bridge (PLB) at Gate B1 and to refurbish one PLB at Gate B11 for the amount of \$597,093.
- October 2, 2012 – the Port Commission authorized the Re-Bid of the Concourse B Passenger Loading Bridge Project.
- September 11, 2012 – the Port Commission authorized Tenant Improvement Reimbursement for Alaska Airlines in the amount of \$1,179,000.
- July 10, 2012 – the Port Commission authorized Tenant Improvement construction in the amount of \$4,243,400.
- July 10, 2012 – the Port Commission authorized CUSE construction at ticket counters and gates, and seating in the amount of \$1,887,000.
- June 26, 2012 – the Port Commission was provided an update briefing with the NorthSTAR budget restructuring.
- June 26, 2012 – the Port Commission authorized additional budget of \$400,000 to add two fuel pits (C800472).
- April 24, 2012 – the Port Commission authorized Airline Realignment Tenant Improvements in the amount of \$225,000 for regulated materials management.
- April 10, 2012 – the Port Commission authorized additional budget to enter into a construction contract for airfield improvements including Exterior Gate Improvements – Airline Realignment (C800472).
- March 27, 2012 – the Port Commission authorized design and construction of gate B1 and B11 jet bridges as elements of Passenger Loading Bridge Replacement Project- Airline Realignment (C800467) in the amount of \$1,570,000.

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- January 24, 2012 – the Port Commission received a briefing on the Airport Realignment Program.
- January 24, 2012 – the Port Commission authorized construction of Exterior Gate Improvements – Airline Realignment (C800472) in the amount of \$2,613,000.
- January 24, 2012 – the Port Commission authorized design for CUSE at Ticket Counter/Gates & Seating (C800473) in the amount of \$484,000.
- December 6, 2011 – the Port Commission authorized construction of Baggage Handling System (BHS) Improvements – C22 BHS Connection to C1/C1-MK1 Replacement (C800382) at the Airport in the amount of \$3,604,000.
- December 6, 2011 – the Port Commission authorized design of the Miscellaneous Building Improvements – Airline Realignment (C800475) at the Airport in the amount of \$1,721,000.
- December 6, 2011 – the Port Commission authorized design of the Airline Tenant Improvements – Airline Realignment (expense) at the Airport in the amount of \$3,776,000.
- November 22, 2011 – the Port Commission was provided with a verbal preliminary briefing of December 6, 2011, items with a diagram.
- September 27, 2011 – the Port Commission authorized execution of an IDIQ contract for Airline Realignment Tenant Improvements and Ticket Counter Design services totaling \$10,000,000.
- September 12, 2011 – the Port Commission received a summary briefing on the Airport Realignment Program at the Airport.
- June 14, 2011 – the Port Commission authorized design of the Exterior Gate Improvements – Airline Realignment project (C800472) at the Airport in the amount of \$499,000.
- June 14, 2011 – the Port Commission authorized design of the Airport Signage – Airline Realignment project (C800474) at the Airport in the amount of \$238,000.
- March 1, 2011 – the Port Commission authorized design and some construction of the Baggage Handling System (BHS) Improvements - C22 BHS connection to C1/C1-MK1 Replacement /TC3 Replacement (C800382) in the amount of \$1,731,000.
- February 22, 2011 – the Port Commission authorized the first phase of the Passenger Loading Bridge Replacement – Airline Realignment Project (C800467) including design, purchase, and execution to replace, refurbish and relocate PLBs at Concourse D.

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- February 22, 2011 – the Port Commission was shown a summary listing of realignment projects and authorized Planning for Terminal Realignment in the amount of \$713,000.
- January 25, 2011 – the Port Commission was briefed on several projects that are part of the overall airline realignment program and which required a single Commission authorization in order to meet the realignment schedule. The first part of the realignment program was authorized by the Commission on this date under the Concourse D Common Use Expansion Project (C800455).
- September 28, 2010 – the Port Commission was given a summary briefing of the upcoming 2011 capital improvement plan that included the airline realignment program elements.
- July 9, 2010 – the Port Commission was notified that the CEO would enter into a 5 year sole source contract with JBT AeroTech for the procurement of PLBs and PLB components.
- June 8, 2010 – the Port Commission authorized execution of an IDIQ contract for the Terminal Development Strategy Campus Planning Services IDIQ in the amount of \$1,300,000.