

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
STAFF BRIEFING

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

DATE: March 19, 2013

TO: Tay Yoshitani, Chief Executive Officer

FROM: George England, Program Leader, Aviation Project Management Group
Michael Ehl, Director, Aviation Operations
Dave Soike, Director, Aviation Facilities and Capital Programs

SUBJECT: Quarterly Briefing – Update on the NorthSTAR Program

BACKGROUND:

The NorthSTAR program is an outcome of the Airport Terminal Realignment Project in which Alaska Air Group (AAG) will be the only airline operating out of the North Satellite. AAG's goal is to consolidate the operations of Alaska Airlines and Horizon Airlines into the north end of the terminal facilities. The Port and AAG jointly determined that the overall scope of the NorthSTAR program would include four renovation projects that are included in the NorthSTAR program. The initial scope of the program was defined in a conceptual study prepared by AAG and its consultant. Working with this conceptual study, the Port and AAG are refining the scope to meet the long-term goals of the Port and AAG. In some cases, scope and budget from other parallel capital projects will be incorporated into the NorthSTAR program to ensure the compatibility of design and the efficiencies of construction. The development of the NorthSTAR program coincides with AAG's corporate rebranding efforts, long-term marketing goals, and AAG's goal of enhancing its customers' "curb to seat" experience by melding building improvements and airline services into an end product that creates a "hassle-free" and user-friendly airport environment. The NorthSTAR program consists of five capital projects:

- **CIP C800554 NS NorthSTAR Program**
This umbrella project is comprised of cost estimating, cost controls, scheduling and overall management support for the four capital renovation projects within the NorthSTAR program.

Accomplishments

- Communication plan established.
- AAG & POS & PM Organizational charts established.
- Revised CPO approval for Level of Service Study scope.
- POS integrated AAG Leadership in project control budget and change management processes.

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- Resolved and clarified service agreement/directive reporting requirements with CPO.

Progress

- Modifications to Program Management service directive underway.
- Weekly project meetings scheduling underway to facilitate timely coordination,
- Reoccurring Airfield/Operations coordination meetings to be established.

Risks

- Modifications to Program Management service directive underway.
- Weekly project meetings scheduling underway to facilitate timely coordination,
- Reoccurring Airfield/Operations coordination meetings to be established.

Issues

- AAG continuing to revise and refine executive decision matrix and organizational chart as it adds staff resources.

Estimated Budget:	\$16,400,000
Scheduled Project Completion:	September 2018

- **CIP C800556 NS North Satellite (NSAT) Renovation & NSTS Lobbies**
This project includes the renovation of the north satellite and the satellite transit system (STS) north loop stations at the Main Terminal, Concourse C, and the North Satellite. While the renovation of the STS station lobbies is relatively minor in scope the renovation of the NSAT includes, the removal of all regulated materials, the seismic reinforcement of the NSAT, the replacement of all infrastructure systems within NSAT, the addition of a rooftop structure for Alaska Airlines' Board Room, the rebuilding of the NSAT concourse level interior, and the renovation of non-public support spaces on the ramp and STS levels. The NSAT scope will also incorporate sustainable building elements and the data / communications infrastructure to accommodate the anticipated needs of the Port, AAG and the travelling public.

Accomplishments

- Project Definition completed.
- AAG "Design 101" presentation completed.
- Responsibility Assignment Matrix (RACI) finalized.
- Investment committee approved vertical circulation scope and budget transfer.
- Investment committee approved 15% Design Process.
- Design schedule revised.
- Design kickoff with URS completed.
- Port and AAG Visioning Workshops completed (March 13 and 14).
- URS contract amended to incorporate staff changes.
- Reconciled CIP budget (transfer and adjustments).

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Progress

- Continuing design team field investigations
- URS technical design workshops scheduled for the week of April 8.
- AAG gating concerning construction phasing still being analyzed. Additional options added to the study.

Risks

- May not be able to close (5) gates during construction due to gate utilization requirements, resulting in more than two phases, and an extension of the construction schedule.
- Inadequate staffing resources to meet program requirements (Port & AAG).
- The probability of Port and AAG sponsors to provide timely design criteria and complete reviews when needed by the design team.
- The existing electrical capacity may be insufficient to support the proposed NSAT improvements, thereby requiring a new electrical substation to be built.

Issues

- Level of Service (LOS) study may result in facility program changes.
- May need to revise preliminary construction schedule based on gate closures & relocations.
- Define procurement strategy for long lead items.
- AAG operational requirements may change construction phasing and construction end date.
- The need to reconfirm the approach to sustainability with design team.

Estimated Budget:	\$191,650,000
Scheduled Project Completion:	September 2018

- **CIP C800547 NS Concourse C Vertical Circulation**

This project will provide new vertical circulation cores for improved vertical circulation between the concourse and the ground levels for Alaska Airlines/Horizon Air customers at three locations on Concourse C: Gates C2, C10/C12, and C14. This work will provide covered, non-temperature controlled sloped walkways with elevator(s) between concourse and ground levels. The vertical circulation cores will consist of light roof structure with glazed side panels to protect passengers from the weather and new door openings from the concourse to the vertical circulation cores. This project will improve passenger circulation to the aircraft from concourse to ground level on Concourse C for Horizon Air passengers.

Accomplishments

- 30% design and cost estimate review completed.
- AAG concurrence of 30% design.

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Progress

- 60% design underway.
- Developing preliminary construction phasing plan for 60%.
- Reviewing and developing walkway options at Gate C10/12 to avoid conflict with existing grease interceptor and underground utilities.
- Addressed AV/Maintenance and Fire Dept. concerns regarding access to terminal exterior due to close proximity walkways.
- Evaluating options for access to ramp lighting standards. May result in purchase of new boom/lift truck for maintenance.

Risks

- Construction phasing strategy likely to extend project schedule.

Issues

- Reconfigure C10/12 walkway structure to avoid C12 Grease inceptor.
- Gate C10/12 walkway configuration and utility conflicts will delay 60% submittal (2) weeks.
- Developing construction-phasing plan to address impacts on airline operations.

Estimated Budget: \$19,300,000

Scheduled Project Completion: April 2015

- **CIP C800545 NS Main Terminal Improvements**

The Main Terminal scope begins at the departure drop-off curb and ends at the Main Terminal north STS station. Although the least defined of the NorthSTAR program, the project will reconfigure north end of the ticket lobby, the existing airline ticket office and ticket counters, and the north checkpoint. This project will focus on the efficient movement and processing of AAG's customers through improvements to the building circulation, wayfinding, technology advancements, checkpoint reconfiguration, and anticipated changes in the way AAG processes arriving passengers.

Accomplishments

- Nothing to report.

Progress

- Preliminary discussions regarding plan for securing funding and consultant assistance for scope definition task.

Risks

- Least defined scope and Budget relative to the program budget.
- Spending programmatic budget in developing project plan.

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Issues

- Limited in amount of work performed without authorized budget.
- Staff resources needed to develop and implement scope Definition Plan.

Estimated Budget: \$30,000,000
Scheduled Project Completion: February 2017

- **CIP C800555 NS Refurbish Baggage System**

This project will refurbish the existing baggage systems in support of Alaska Air Group (AAG) operations on the North Satellite (NSAT) and Concourse D. The work will extend the service life of part of the C92 baggage systems, the C88 North Satellite systems, and the C88 tunnel systems. Some of the processing and transit times may be decreased but capacity will not be increased.

The project will speed up the tunnel conveyors if this provides significant benefit, and will replace aging conveyor belts, motors, drives, and controls of the existing tunnel and North Satellite systems as required improving reliability and full functionality.

Accomplishments

- Conducted POS and AAG kickoff meeting on February 6, 2013.
- Started design team field investigations on February 20, 2013.
- 30% Design Requirements communicated to consultant Swanson Rink.

Progress

- Consultant is documenting existing conditions.
- Baggage metrics definition underway.
- Size investigation underway.
- Continuing C88 Section Report/Condition Assessment.
- 30% Design due early April 2013.

Risks

- Design is starting later than scheduled.
- IATA level of service (LOS) study results may influence scope of baggage handling system project and influence airport's long-term goal for the overall baggage system.
- TSA's re-capitalization may impact baggage project design review duration and overall project schedule.
- Construction budget forecast may exceed budget.

Issues

- Refurbishment may be advanced in the NorthSTAR program schedule.
- Design team scope development occurring slower than anticipated.

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Estimated Budget: \$22,000,000
Scheduled Project Completion: August 2015

- **CIP C800554 NS Concourse C & D Exterior Stairs**

This project will add exterior stairs to Concourse C and D gate lobbies to enable the aft loading and unloading of aircraft at locations identified by AAG. This is currently a status 1 project.

Accomplishments

- Nothing to report.

Progress

- Nothing to report.

Risks

- Safety of passengers, employees and construction crew during construction.
- Definition of contractor access and laydown areas

Issues

- Definition of Contractor access & laydown areas.
- Lack of defined scope (full complement of gates undetermined at this time)
- Agreement with AAG on cost responsibility.

Estimated Budget: \$21,400,000
Scheduled Project Completion: March 2015

OTHER DOCUMENTS ASSOCIATED WITH THIS BRIEFING:

- Attachment A - Quarterly Commission Update PowerPoint

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

- June 26, 2012 – The Commission received a briefing on the status of the Airline Realignment Program and budget restructuring in association with the NorthSTAR Program at Seattle-Tacoma International Airport.