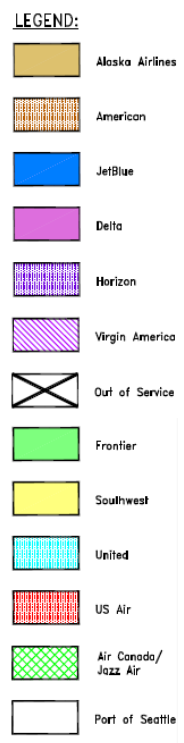
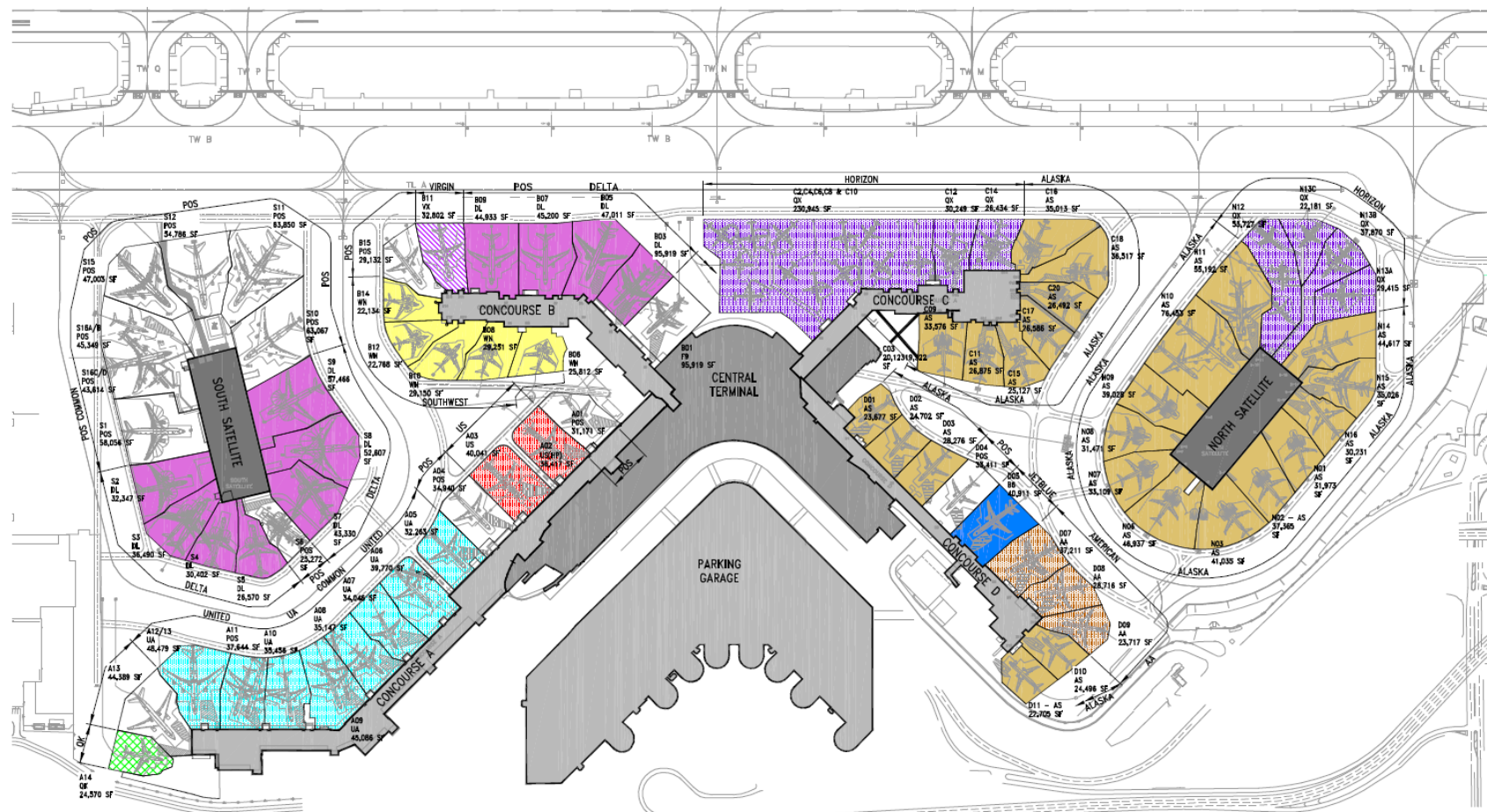


North Satellite Renovation & STS Lobbies Project Expansion to 20 Gates

Briefing Outline

- 2014 gate layout & airline occupancy
- Recent developments
- Airport wide gating analysis (2018)
 - Inputs & assumptions
 - Conclusions
 - Recommendation
- North Satellite Renovation and STS Lobbies project scope adjustments

2014 Gate Layout & Airline Occupancy



Recent Developments

- **Airline mergers**
 - United/Continental
 - Southwest/Air Tran
 - American/US Airways
- **Increased activity**
 - Overall Airport operations increased 1.8% from August 2011 to August 2013
 - 5 additional international flights
 - Delta announced increased 2014 service

Airport Wide Gating Analysis (2018)

- **Inputs**
 - 2017 schedule provided by Alaska
 - 2018 schedule provided by Delta (international growth only)
 - 2018 projected growth for other international carriers (Port estimate)
 - **Assumes no domestic growth other than Alaska Air Group**
(Did not include recently announced Delta domestic growth)
- **Conservative estimate of 2018 gate need**
 - **Passenger growth 2013-2018**
 - 1.8% average annual passenger growth assuming 88% load factor
 - Consistent with Part 150 projection
 - **High gate efficiency**
 - Airport wide average 6.1 turns per gate in 2018 planning day schedule
 - Airport wide average 4.9 turns per gate in August 2013

Airport Wide Gating Analysis (2018)

- **Conclusions**

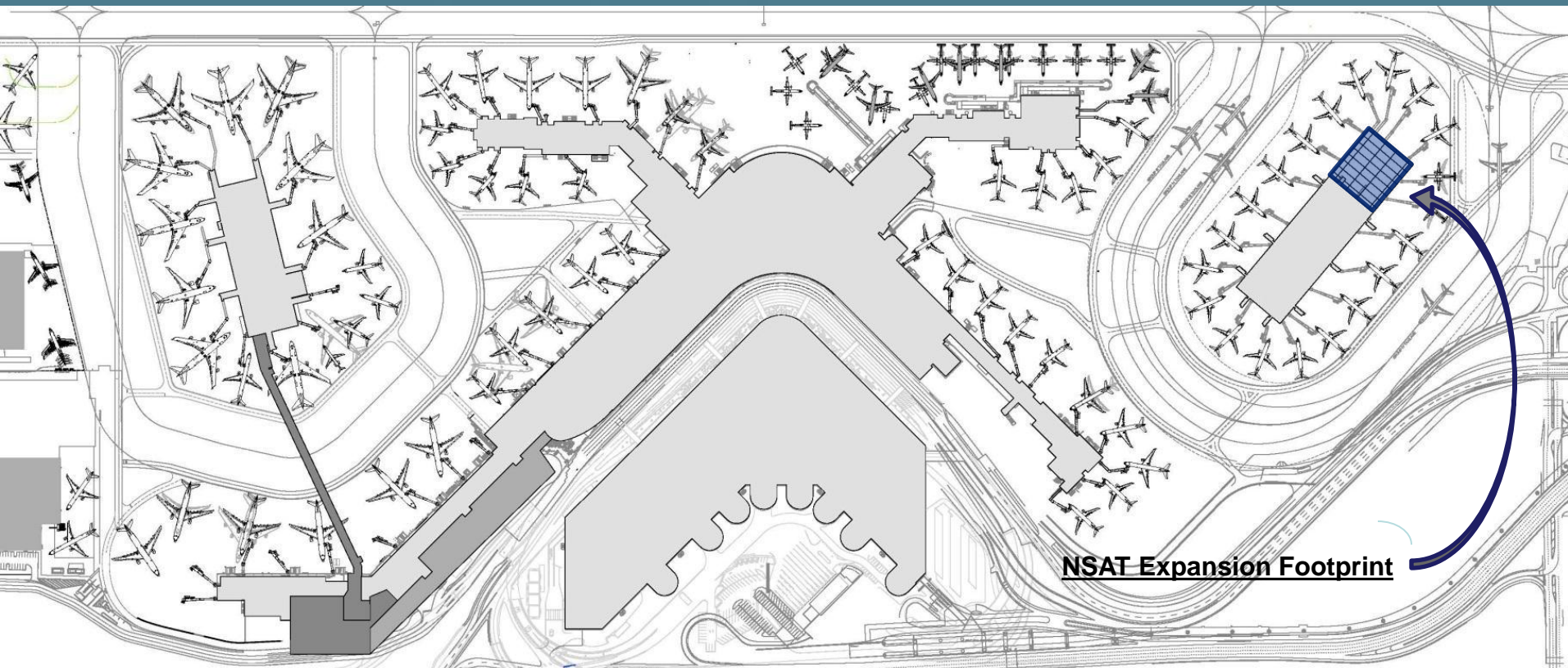
- **No capacity on south half of Airport to accommodate American/US Airways**
- **5 Additional mainline jet gates needed in 2018**
(19 gates needed at North Satellite)
- **1 additional mainline jet gate needed in 2021**
(20 gates needed at North Satellite)

Concourse	Gates		Peak demand
	Total	Available at peak	
S	16	0	11AM-1PM
A	14	0	12PM-1PM
B	12	0	5AM-6AM
C	14	0	7PM-9PM
D	10	0	9PM-10PM
N	14	-5	9PM-10PM

Airport Wide Gating Analysis (2018)

- **Recommendation: Expand North Satellite to provide 20 gates**
 - **Least cost option for terminal expansion to add gate capacity**
 - South Satellite or Concourse A expansion would require demolition of Alaska or Delta hangars
 - Concourse D expansion would require relocation of southbound lanes of Airport Expressway
 - No opportunity to expand Concourse B or C
 - **Consistent with long-range airport expansion plan**
 - **Greatly enhances level of service for Alaska passengers**
(increased concessions, holdrooms, and customer service areas)
 - **Without expansion:**
 - Airport wide gate capacity requirements would not be met
 - Passenger enplaning and deplaning would be required at remote hardstand locations
 - Passengers would be held on board aircraft with increasing frequency at peak hours

2018 Gate Layout



North Satellite Renovation and STS Lobbies Expansion Scope Adjustments

- **Original Scope/Budget**
 - Renovate the existing North Satellite terminal areas
 - 3 additional gates for a total of 15 gates within the existing building footprint
 - Budget: \$208,347,000
- **Expanded Scope/Budget**
 - 9 additional 26' structural bays (total SF: 86,000 - ramp and concourse)
 - 5 additional gates for a total of 20 gates
 - Revised Budget: \$383,548,000
 - Increase of \$175,200,900
 - \$22M of potential scope additions currently being analyzed