

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
STAFF BRIEFING

Item No. 7a
Date of Meeting April 22, 2014

DATE: April 16, 2014
TO: Tay Yoshitani, Chief Executive Officer
FROM: Mark Reis, Managing Director, Aviation
SUBJECT: Seattle-Tacoma International Airport Capital Program - Briefing

SYNOPSIS

The Aviation division of the Port of Seattle is embarking on a capital program totaling \$2.4 billion over the next ten years. This program is necessary to meet airline needs and to increase capacity at the Airport for both domestic and international passenger growth. Four major projects with preliminary approximate costs within this program include:

- International Arrivals Facility - \$344 million
- Baggage Optimization - \$314 million
- Runway 16C/34C Replacement - \$99 million
- NorthSTAR - \$458 million

Although the Commission has been briefed on these individual projects, the purpose of this presentation is to look at the major drivers for the larger elements within the capital program. This presentation includes: an overview of the necessary reasons for the program, the plan of finance including affordability information with comparisons to peer airports, and a spotlight focus on the two largest projects - the International Arrivals Facility that meets growing international flights, and the NorthSTAR project that meets Alaska Airlines consolidation and is also best suited to meet growing gating demands across the airport.

ATTACHMENTS TO THIS BRIEFING

Computer slide presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

International Arrivals Facility:

- March 11, 2014 - Authorization for the Chief Executive Officer to (1) authorize additional project funding of \$5,000,000 for the new International Arrivals Facility (IAF) at Seattle-Tacoma International Airport; (2) authorize an amendment to the existing Sustainable Airport Master Plan service agreement with Leigh Fisher Associates for IAF-related planning tasks for an increase of

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\$3,650,000 for a new total contract amount of \$9,650,000; ~~(3) advertise for qualifications and proposals from a design-build team;~~ (4) approve use of a project labor agreement (PLA) covering the IAF program; and ~~(5) authorize procurement of the South Satellite to Concourse A Connector in the same price factors design-build contract as the IAF building to be located adjacent to Concourse A.~~ In accordance with RCW 53.19.060, this memorandum constitutes notification to the Commission that the amended amount of the Sustainable Airport Master Plan service agreement exceeds 50 percent of the original not-to-exceed contract value.

- February 25, 2014 – 2013 fourth quarter International Arrivals Facility Quarterly Briefing.
- November 19, 2013 – Authorization for the Chief Executive Officer to execute separate service agreements for construction management; special testing, inspection, and investigation; surveying and locating; and safety services, with approximate values of \$18 million, \$2.1 million, \$500,000, and \$500,000, respectively, for the International Arrivals Facility at Seattle-Tacoma International Airport. No funding is associated with this authorization request (CIP #C800583).
- July 23, 2013 – Authorization for the Chief Executive Officer to (1) authorize preliminary project funding of \$3,500,000 for the new International Arrivals Facility (IAF) at Seattle-Tacoma International Airport; (2) execute a consultant service agreement for program and project management support services; and (3) authorize the use of Price Factors Design/Build methodology for project delivery of the IAF building to be located adjacent to Concourse A (CIP #C800583).
- July 9, 2013 – Update on Planning for the Sea-Tac Airport International Arrivals Facility.
- July 9, 2013 – Briefing on Alternative Public Works Contracting.
- April 9, 2013 – Briefing - Sea-Tac Airport International Arrivals Facility.
- June 26, 2012 – Briefing - Airport Terminal Development Challenges at Seattle-Tacoma International Airport.
- June 14, 2011 – International Air Service Growth and Future Facility Requirements.
- February 2, 2010 – Briefing on South Satellite Passenger Growth and Facility Considerations, Delta's proposed Airline Lounge, and other possible future Aviation Projects.

Baggage Optimization:

- September 10, 2013 - Authorization for the Chief Executive Officer to (1) execute an Other Transaction Agreement with the Transportation Security Administration for reimbursable costs for design and construction for the Checked Baggage Recapitalization/Optimization Project; (2) authorize \$15,000,000 to continue from 30% to 100% design; and (3) execute consultant

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service agreements for program management (including project management, cost/schedule controls, constructability reviews) support services. The total multi-phased project cost over approximately ten years is estimated to be \$286,000,000 to \$317,000,000 (CIP #C800612).

- August 20, 2013 - Baggage Recapitalization and Optimization Follow-up Briefing.
- August 6, 2013 - Checked Baggage Recapitalization/Optimization Project.
- January 22, 2013 - Authorization for the Chief Executive Officer to (1) authorize design for the Checked Baggage Recapitalization Screening Project, (2) execute a project-specific design services contract, and (3) execute an Other Transaction Agreement with the Transportation Security Administration for reimbursable design cost. The total amount of this request is \$5,000,000, the majority of which will be reimbursed by federal funds. The total projected program cost is expected to exceed \$100 million and a more accurate cost estimate range will be available following 30-percent design.
- January 8, 2013 - Future Baggage Handling at Seattle-Tacoma International Airport.

16C/34C

- February 25, 2014 - Authorization for the Chief Executive Officer to (1) direct staff to proceed with project management, design, and preparation of final construction documents for the RW 16C/34C Reconstruction project at Seattle-Tacoma International Airport; (2) execute a contract for an automated foreign object debris (FOD) detection system; (3) perform advance preparatory work to include the advertisement and execution of a contract to install a temporary traffic signal on S. 154th St.; (4) enter into one or more agreements with the Federal Aviation Administration (FAA) for the evaluation of impacts, relocation of utilities, installation of runway lighting, performance of flight checks, and other support needed as part of the RW 16C/34C reconstruction project; and (5) approve use of a Project Labor Agreement (PLA) for the RW 16C/34C reconstruction project. The amount of this request is \$10,408,000 of a total estimated project cost of \$102,863,000 (CIP #C800406).
- May 4, 2010 - The Commission authorized proceeding with project management, design, and preparation of 60% level construction documents for the future replacement of RW 16C/34C at Seattle-Tacoma International Airport. Pre-construction project cost to accomplish the 60% design was estimated at \$669,000.

NorthSTAR:

- January 14, 2014 - 2013 Fourth Quarter Update on the Airport's NorthSTAR Program.

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- January 14, 2014 – NorthSTAR Program – North Satellite Terminal Expansion – Seattle-Tacoma International Airport
- September 24, 2013 – Second Quarter Update on the Airport’s NorthSTAR Program.
- June 25, 2013 – Quarterly Briefing – Update on the Airport’s NorthSTAR Program.
- May 28, 2013 - Authorization for the Chief Executive Officer to execute separate service agreements for Construction Management Services and Commissioning Services, of approximate values of \$10 million and \$1.5 million, respectively, for the NorthSTAR Program at Seattle-Tacoma International Airport. No funding is associated with this authorization request (CIP #C800544).
- April 9, 2013 – Authorization for the Chief Executive Officer to enter into a project labor agreement covering the NorthSTAR program’s five major construction projects.
- March 26, 2013 – Quarterly Briefing – Update on the NorthSTAR Program.
- December 11, 2012 - Authorization for the Chief Executive Officer to: (1) increase the scope of the Vertical Conveyance Modernization, Aero Phase I Project at the Seattle-Tacoma International Airport to add two new elevators at the South Satellite and relocate the South Satellite Transportation Security Administration (TSA) Passenger Checkpoint; (2) increase the total project budget by \$5,793,000 from \$11,120,000 to \$16,913,000; (3) prepare design and bid documents, and execute construction contracts for relocation of the TSA Checkpoint and (4) prepare design documents for the two added elevators in an amount not to exceed \$1,625,000 for items (3) and (4) (CIP #C800251).
- December 11, 2012 - Authorization for the Chief Executive Officer to prepare full design documents for the Vertical Conveyance Modernization Project, Aero Phase 2 Project at Seattle-Tacoma International Airport in an amount not to exceed \$2,796,000. The total project cost is \$19,223,000 (CIP #C800375)
- November 6, 2012 – Authorization for the Chief Executive Officer to proceed with the North Satellite Refurbish Baggage System project; direct staff to prepare design documents; and use Port crews to support site investigation needed to develop the contract documents. The total amount of this request is \$3,760,000, and the total projected cost is \$22,000,000 (CIP #C800555).
- November 6, 2012 – Authorization for the Chief Executive Officer to: (1) re-advertise and execute construction contracts for the Security Access Control Door Additions project at Seattle-Tacoma International Airport; (2) increase budget by \$480,000 for a total estimated project cost of \$2,280,000; and (3) transfer \$800,000 of budget and scope from the Security Access Control Door Additions Project (CIP #C800414) to the NorthSTAR North Satellite Renovation & North Satellite Transit Station Lobbies project (CIP #C800556).
- July 24, 2012 - Authorization for the Chief Executive Officer to design, perform construction support and project management services and overall project

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support in an amount not to exceed \$32,000,000 for the renovation of the North Satellite passenger terminal and the Satellite Transit System station lobbies (North Satellite / Concourse C / North Baggage Claim) at Seattle-Tacoma International Airport for an eventual total estimated project cost of \$194,300,000 (CIP #C800556).

- 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.
- April 10, 2012 – Authorization for the Chief Executive Officer to (1) authorize preliminary project funding of \$1,200,000 for the North Satellite Renovation project at Seattle-Tacoma International Airport (Airport); (2) execute a consulting contract for design and construction support services; (3) execute a consulting contract for program management services; and (4) authorize the use of Port crews and consultants to conduct regulated materials management surveys and provide field support services for preliminary project planning tasks (CIP #C800544).
- October 25, 2011 – Authorization to (1) prepare full design documents; (2) authorize Port Construction Services to perform Regulated Material Management (RMM) design and monitoring; and (3) bid and award a major construction contract for RMM abatement in existing elevator shafts and related spaces for the Vertical Conveyance (Elevator) Modernization Project, Aero Phase I Project at Seattle-Tacoma International Airport for \$2,991,850. The total project cost is \$11,120,000 (CIP# C800251).