

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
STAFF BRIEFING

Item No. 7b

Date of Meeting May 27, 2014

DATE: May 21, 2014
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: 2014 First Quarter Update on the Airport's NorthSTAR Program

SYNOPSIS

The NorthSTAR program is an outcome of Alaska Air Group's (AAG's) goal to concentrate and consolidate the operations of Alaska Airlines and Horizon Airlines at the north end terminal facilities of the airport. AAG developed the overall scope of the NorthSTAR program that includes five renovation projects. During the 15% conceptual design phase, both the Port and AAG collaboratively concluded that the north satellite requires renovation, infrastructure upgrades, and expansion to improve customer service by obtaining reasonable level of services and to balance holdrooms, concessions, and circulation space to meet the overall program vision. Staff's recommendation in October was to expand the North Satellite by up to 9 additional bays and to provide a total of 20 gates; an additional 5 gates from the current program's planned 15. The Commission was briefed on staff's recommendation to expand the North Satellite and add additional gates. Tentatively in July 2014, staff intends to seek Commission authorization for the expansion, the associated additional budget, and additional design after a June 2014 Majority-In-Interest vote by the airlines. The program, which is a collaborative effort of the Port and Alaska Air Group, is now scheduled for completion in 2020. This briefing addresses progress through March 31, 2014.

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. AAG's desired program compliments the Airport's own desire for improved traveler experience and customer service goals within the Airport.

BACKGROUND

The NorthSTAR program consists of one programmatic capital project and five capital construction projects:

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1. CIP C800544 NorthSTAR Program

This umbrella project is comprised of cost estimating, cost controls, scheduling and overall management support for the five capital renovation projects within the NorthSTAR program.

Accomplishments

- Monthly Program Status Reviews with AAG continue.
- Received updated AAG organization chart with refined roles & responsibilities.
- Completed fourth quarter 2013 Commission briefing.
- Presented quarterly program update to the Airport Airline Affairs Committee (AAAC) and at Port/AAG Summit.
- Developed initial public & employee communication plan for each project within the program.
- Developed project dashboard for immediate awareness with the following legend:
 - Green – Budget & Schedule on track;
 - Yellow – Budget Forecast to complete close to authorization or Schedule has no extra time (float);
 - Red – Budget forecasted to exceed authorization or Schedule is behind.

Progress

- Evaluating AAG's refined role & responsibilities for incorporating into the program's decision matrix.
- Updating program organizational chart to reflect AAG changes that better support the program.
- Updating overall program schedule to reflect schedule changes to each project.

Issues

- Continue refining Program/Project specific performance metrics per request from Commission.

Metrics

- Financial performance is reflected in the program budget summary and includes:
 - Cash flow for this reporting period – Actual \$1.91M; Planned \$2.63M
 - Budget – Actual \$314.7M; Forecast \$489.6M
 - Schedule in percent complete Actual 2.0%; Planned 5.1%
 - Contingency remaining Actual \$36.69M; Forecast \$29.48M

Risks

- Communication and coordination between multiple teams and stakeholders.
- Assure baseline schedule concurrence of all stakeholders.

Estimated Budget: \$15,400,000
Scheduled Project Completion: July 2020

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2. 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, seismic reinforcement of the NSAT, replacement of all infrastructure systems within the NSAT, possible expansion of the NSAT by nine structural bays to accommodate 5 additional gates as recommended by staff with AAG's support, the addition of a rooftop structure for Alaska Airlines' Board Room and destination restaurant, 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. Tentatively in July 2014, staff intends to seek Commission authorization for the recommended expansion, the associated additional budget and additional design after a June 2014 Majority-In-Interest vote by the airlines.

Accomplishments

- Completed the 15% conceptual design phase with basis of design report that selected the best conceptual design for continued development using evaluation criteria developed jointly by the Port and AAG.
- Completed six days of multi-disciplinary design workshops to start 30% design that included the design team, project sponsors, and Port and AAG workgroups.
- Refined construction phasing options and associated schedules validating two phased construction is viable.
- Completed NSAT Level-of-Service analysis of the refined concourse and penthouse floor plans to better balance holdrooms, concessions and circulation.
- Developed prioritized list of potential sustainable design options for evaluation by the NSAT design team and potential incorporation into NSAT as determined by Port and AAG sponsors.
- Evaluated existing NSAT STS loop wayfinding signage recommending immediate interim improvements prior to the start of NSAT renovation.
- Made decision to evaluate GCCM project delivery for NSAT renovation based on recent changes in law.
- Port and AAG determined piers are preferred if the NSAT baggage system is expanded.
- Incorporated dual door airplane boarding/deboarding operations into NSAT evaluation at AAG's request.

In Progress

- Tentatively in July 2014, staff intends to seek Commission authorization for the expansion, the associated additional budget, and additional design after a June 2014 Majority In Interest vote by the airlines.

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- Refining details of holdrooms, restrooms, concession lease areas, support spaces, circulation, and shared public space.
- Developing and evaluating the buildings architectural appearance (massing studies).
- Staff collaborating to develop sustainable design concepts for the renovation to reduce energy and water use.
- Evaluating experiential or state-of-the-technology sustainable concepts for inclusion into the design.
- AAG is evaluating the implementation of NSAT dual door operations for possible incorporation into NSAT renovation.
- Evaluating the incorporation of a tri-taxilane (multiple taxilanes that facilitate several aircraft moving concurrently) at the perimeter of NSAT.
- Continuing negotiations with the design team for the expansion of NSAT.
- AAG is continuing to develop innovative ways to process departing passengers at NSAT.
- Continuing to develop concepts for using technology to enhance passenger experience within NSAT.
- Developing phasing plans that will minimize passenger inconvenience during construction.
- Conducting passenger survey pertaining to STS transit between NSAT and main terminal.

Issues

- Construction phasing options require coordination with AAG 2017-2022 projected gate operations.
- Procurement strategy for long-lead procurement items must be developed.
- Need decision by May 19, 2014, on AAG incorporating dual door operations into NSAT expansion.
- Currently scheduled to seek Commission authorization on July 29, 2014, for the possible expansion of the satellite.

Risks

- Ability to minimize disruption to Airport operations (AAG & concessions) during construction.
- Extended overall project schedule due to Dual Door option evaluation and construction phasing.
- Inadequate existing electrical and mechanical infrastructure to support facility expansion.

Current Estimated Budget:	\$208,346,357
Pending Estimated Budget:	\$383,548,000
Scheduled Project Completion:	July 2020

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3. 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 a 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

- Received 7 bids on January 14, 2014, for the sloped walkway construction. Forma Construction Co. low at \$8,719,940: 15% below engineer's estimate of \$10,249,300.
- Contract awarded to Forma on February 12, 2014.
- Port Construction Services completed the removal of 4 passenger loading bridges in March. Impacted Horizon inbound morning flights at 1 gate during initial bridge removal. Subsequent bridge removals occurred without issue.

In Progress

- Forma Construction has been issued a Notice to Proceed as of April 10, 2014, and they have mobilized on site and started demolition and underground utility work. Conducting extensive construction coordination between Port, AAG, and respective contractors.

Issues

- Complex phasing of sloped walkway construction to maintain airline operations during construction. Extensive coordination with AAG ground level walkways construction.

Metrics

- Financial performance is reflected in the program budget summary and includes approved trends and transfers, remaining contingency, expended to date and forecasted budget.
- Based on the final construction plans, the following metrics will reflect the performance during construction:
 - Number of delayed outbound bags - 0
 - Number of delayed outbound flights – 0
 - Number of incidences noted in the daily safety hazard report – 0
 - Note: AAG determined wingtip clearance during restriping of aircraft positions was not a hazard.
 - Number of customer complaints received by Alaska and the Port - 0
 - Number of change orders processed - 0

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Risks

- Construction phasing changes from operations that result in impacts to the construction schedule with associated change order costs.
- Scope additions due to unforeseen aesthetic issues and changes to operations.

Estimated Budget: \$18,525,000

Scheduled Project Completion: April 2015

4. 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 element of the NorthSTAR program, the project will reconfigure the 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 infrastructure, checkpoint reconfiguration, and anticipated changes in the way AAG processes arriving passengers.

Accomplishments

- Advertised on March 17 for consultant to perform preliminary engineering and facility analysis.

In Progress

- Responding to proposers' questions with statements of qualifications due on April 10.

Issues

- Prioritizing project scope items relative to project budget and need.
- Coordination with NSAT design concept to ensure a cohesive look/feel.
- Coordination with AAG & TSA on security checkpoint 5 reconfiguration.
- Coordination with upcoming Sustainable Master Plan and Terminal Development Strategy.

Risks

- Least defined scope and budget relative to the program budget.

Estimated Budget: \$29,200,000

Scheduled Project Completion: August 2018

5. CIP C800555 NS Refurbish Baggage System

This project will refurbish the existing baggage systems in support of AAG operations on the NSAT and Concourse D. The work will extend the service life of

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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

- Commission authorized advertising, executing construction contract, and utilizing Port crews January 14, 2014
- Completed the Bid documents incorporating independent reviewer comments, results from the completed C-92 Final Failure Analysis and removal of regulated materials
- Received building permit and advertised for bids February 19, 2014
- PCS began upgrades in tunnel section of baggage system

In Progress

- Responding to contractor questions and issue addenda as necessary for bid opening April 1, 2014.
- Closing out existing Consultant service directives and negotiating for construction support.
- PCS continues upgrading baggage system in tunnel.

Issues

- Consultant performance resulted in 8 week delay; notified they are responsible for associated future impacts.
- Extended Substantial Completion 26 weeks due to changes in design, Consultant performance, construction sequencing, operational constraints requested by AAG, scope additions, and cost increases.

Metrics

- Financial performance is reflected in the program budget summary and includes approved trends and transfers, remaining contingency, expended to date and forecasted budget.
- Based on the final construction plans the following metrics will reflect the performance during construction:
 - Number of system shutdowns - 1
 - Number of operational impacts - 0
 - Number of unplanned system downtime periods exceeding 15 minutes - 0
 - Number of change orders processed - 0

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Risks

- NSAT expansion decision may impact baggage handling system refurbishment requirements as to capability to handle forecasted bag volume and speed. Evaluating mitigation options.

Estimated Budget: \$21,500,000

Scheduled Project Completion: May 2015

6. 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 prospective “status 1” project.

Accomplishments

- None.

In 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 and 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: TBD

ATTACHMENTS TO THIS BRIEFING

- Attachment A - Quarterly Commission Update PowerPoint

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- January 14, 2014 – The Commission received an update on the status of the NorthSTAR Program.
- September 24, 2013 – The Commission received an update on the status of the NorthSTAR Program.
- June 25, 2013 – The Commission received an update on the status of the NorthSTAR Program.

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- March 26, 2013 – The Commission received an update on the status of the NorthSTAR Program.
- 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.