AVIATION DIVISION BUSINESS PLAN

June 17, 2014

I.   **MISSION:** Connecting our region to the world through flight.

II.   **VISION:** Sea-Tac is a welcoming front door, embodying the spirit of the Northwest – an economic engine and a source of regional pride.

III.   **MAJOR AND NEW INITIATIVES**

- Reconstruct Runway 16C/34C in 2015 to replace aging concrete and add new technologies.
- Complete the Sustainable Airport Master Plan (SAMP) in 2015 and complete the environmental review in 2016.
- Finalize organizational adjustments and add resources required to ensure successful implementation of major capital program.
- Provide Airport emergency-back-up electrical power.
- Attract and complete lease(s) with developers of air cargo and/or aeronautical related property.
- Design and construct the new International Arrivals Facility.
- Design and construct the major elements of the NorthSTAR project, including construction of Concourse C and baggage system improvements in 2015; renovation / expansion design of North Satellite in 2016; completion of main terminal in 2018; and completion of the satellite transit system (STS) and north satellite construction in 2020.
- Implement a new Airport Master Record As-built Drawing System to reduce costs associated with change orders and design costs and to minimize operational disruptions.
- Renovate the South Satellite (SSAT) concourse level as interim effort in anticipation of subsequent major renovation.
- Articulate new long-term environmental goals within the Sustainable Sea-Tac Strategy Plan (S^3).
- Implement Airport Dining and Retail (ADR) Master Plan, including infrastructure upgrades, lease expiration phasing strategy and new competitive solicitations and resulting leases.
- Implement improvements to the parking revenue control system to ensure full functionality.
- Complete RFP for taxi and limousine contracts.
- Grow Continuous Process Improvement across the Port.
- Implement new programs under the updated Part 150 noise mitigation plan.
- Renegotiate the Port of Seattle / City of SeaTac Interlocal Agreement (ILA) in 2015.
- Increase value of Airport contracts with small businesses.

IV. STRATEGIES - SUMMARY

1. Operate a world-class international airport by:
   - Ensuring safe and secure operations
   - Anticipating and meeting the needs of tenants, passengers and the region's economy
   - Managing Airport assets to minimize long-term total cost of ownership.
2. Become one of the top customer service airports in North America.
3. Lead the U.S. airport industry in environmental innovation and minimize the airport's environmental impacts.
4. Keep airline costs as low as possible without compromising operational and capital needs.
5. Maximize non-aeronautical net operating income consistent with current contracts, appropriate use of Airport properties and market demand.
6. Continually invest in a culture of employee development, organizational improvement and business agility.
7. Maintain valued community partnerships based on mutual understanding and socially responsible practices.

V. DIVISION DESCRIPTION

The Port of Seattle owns and operates Seattle-Tacoma International Airport, the 14th largest airport in the U.S. in 2013 based on passengers. The Airport is located approximately 12 miles south of downtown Seattle. Currently the Airport has facilities for commercial passengers, air cargo, general aviation and aircraft maintenance on a site of approximately 2,800 acres. Airport facilities include the Main Terminal, the South and North Satellites, a parking garage, and a consolidated rental car facility. The Airport has three runways that are 11,900 feet, 9,425 feet and 8,500 feet in length.

VI. INDUSTRY ASSESSMENT

Over the past five years, the U.S. airline industry has transformed its structure and its approach to cost management to achieve substantial profitability, with prospects for continued profits going forward. From 2001 to 2005, the industry lost money every year, with a combined net loss of $58 Billion. The $26 Million in profits earned in 2006 – 2007 were eliminated by equivalent losses in 2008 – 2009 driven by high and volatile fuel prices followed by a deep economic recession. After multiple bankruptcies, industry consolidation, capacity reductions and a disciplined approach to managing costs, the industry has achieved profits each year from 2010 to 2013.

Industry consolidation has left three major legacy carriers: American, United and Delta. Together with Southwest, these four airlines dominate the U.S. market. Other smaller carriers, such as Alaska, Jet Blue, Frontier and Virgin America, constitute the next largest group of commercial airlines. Consolidation has allowed the industry to reduce excess capacity, achieve higher load factors (passengers per aircraft) and realize sustained profitability.

However, not all airlines have been equally profitable. Alaska Airlines has the highest operating profit margin among U.S. airlines. Of the major carriers, Delta has been the profit leader as

measured by operating profit margins. United has struggled with the Continental merger, and the combined American and U.S. Airways is just beginning to realize benefits from their merger. Sea-Tac's two largest airlines, Alaska and Delta, are currently the two most profitable airlines in the U.S.

The U.S. economy, while slowed in Q1 2014 due in part to bad weather, continues to recover from the "great recession." Job growth has picked up, resulting in lower unemployment. Historically, the airline industry has performed well when the economy is growing, so prospects are good for continued airline industry profitability.

VII.   BUSINESS ASSESSMENT

Since 2000, passenger growth at Sea-Tac has exceeded the average growth for U.S. airports and other West Coast airports. During this time, the Alaska Air Group (Alaska and Horizon -- AAG) has expanded its focus from principally operating West Coast routes to offering many transcontinental flights from the West Coast, predominately from Sea-Tac, its primary hub. Alaska's strong financial performance has allowed it to add aircraft and expand its routes and frequencies. For the past two years, AAG has accounted for over 50% of Sea-Tac's passengers.

For the past few years, Delta Airlines has added significant international service from Sea-Tac to both Europe and Asia.   For example, in 2014, Delta launched new service to London, Seoul, and Hong Kong and has identified Sea-Tac as its primary Asian gateway. Sea-Tac offers Delta geographic advantages over other U.S. airports due to its proximity to Asian destinations. In the second half of 2013, Delta began announcing new domestic service growth from Sea-Tac. With continuing announcements of new service in 2014, it is clear that Delta plans to greatly expand its presence at Sea-Tac and to provide its own domestic feed to its international flights. Delta and Alaska are now significant competitors as well as partners. By this summer, Delta will have 86 flights a day, and has indicated that it will, by 2017, approximately double that number.

Year-to-date growth in enplaned passengers through April 2014 is 4.2% and will likely exceed the budgeted 2014 growth of 3%. International enplaned passenger growth is up 6.2%, while domestic is up 3.9%. Load factors for airlines serving Sea-Tac are higher here than their national averages, suggesting that Sea-Tac is underserved and that above average growth rates may be realized. While recent events suggest that Sea-Tac could well experience near-term passenger growth consequentially above the long-term (20 year) average, until the master plan provides an updated forecast, the existing long-term forecasted growth rate of 2.2% will be maintained.

The passenger mix at Sea-Tac has been primarily origin and destination (O&D). The O&D percentage has varied between 73% and 76% in recent years. Due to Delta's strategy to use Sea-Tac as a hub, an increasing percentage of passengers at Sea-Tac will be connecting passengers – especially between international and domestic flights. In relative terms, this will increase the demand for gates and terminal facilities compared to landside facilities such as roadways. This will also place increased importance on customer service; anticipating, and building, facilities to meet airlines' needs; and on efforts to reduce the airport's minimum connect times (MCT).

VIII. CHALLENGES AND OPPORTUNITIES

The highlights of a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) are presented below. The items below were key considerations in the development of the business plan:

- High near-term passenger growth could require faster new facility development than is anticipated in the current capital program.
- Sea-Tac is becoming a more significant international travel gateway that will benefit the local economy and drive more domestic connections (routes and frequencies).
- The size and complexity of the anticipated capital program is growing.
- With limited aeronautically-generated net income – and the requirement in the new airline agreement to share a portion of non-airline revenue with the airlines -- there is a need to increase non-aero revenue and income from parking, concessions, off-airport development, and ground transportation.
- Federal budget cuts will likely mean fewer federal grants.
- There likely will be an increase in climate change regulation, including direction regarding adaptation.
- Washington state and the greater Seattle area enjoy a relatively strong economy; the Seattle area is becoming increasingly visible internationally.
- Technology advances for both customers and airlines will grow in availability and importance.
- There is an improved market and community climate for off-airport property development.
- The next realistic possibility for a higher PFC is 2016; an increase could lead to lower future debt.
- The NorthSTAR program will establish standards or expectations in several areas – e.g., technology, common use / self-service tools, architectural finishes.
- Despite fifteen years of investment, the airport still has substantial older infrastructure which will require replacement or reconstruction.
- While higher than ten years ago, aircraft fuel costs are stable and more likely to decrease modestly than to increase.
- Business needs and the universality of technology will require more staff training on technological tools and business intelligence.
- The Port will need to continually focus on process improvement to mitigate cost growth.
- An increase in capital spending will require additional resources and a need to focus on cost-effective management.
- Airport systems will become more complex and dependent upon electricity over time; ensuring uninterrupted electrical service will be even more important in the future.

IX.   STRATEGIES AND OBJECTIVES

The Aviation business plan is organized by strategy. Many of the Airport strategies directly support the implementation of the Century Agenda and the Port-wide strategies. In the following section, strategies and objectives that directly support the Century Agenda and the Port-wide strategies are highlighted. To avoid unnecessary duplication, the related details for performance measures, targets and actions for each are found immediately following within the Airport Strategies.

Century Agenda Implementation

Triple air cargo volume to 750,000 metric tons
- Strategy 1.2, Objective 7: Increase air cargo tonnage by 20% to a total of 364,000 metric tons in 2019.

Make Sea-Tac Airport the west coast "Gateway of Choice" for international travel
- Strategy 1.2, Objective 3: Commence operations from a new International Arrivals Facility (IAF) by December 31, 2018 (to be confirmed).
- Strategy 1.2, Objective 4: Facilitate/accommodate growth in international operations until new IAF is completed.

Double the number of international flights and destinations
- Strategy 1.2, Objective 8: Add four new international routes by 2019.

Meet the region's air transportation needs at Sea-Tac Airport for the next 25 years
- Strategy 1.1, Objective 2: Reconstruct Runway 16C/34C by Q4 2015.
- Strategy 1.2, Objective 1: Complete the Sustainable Airport Master Plan to meet the needs of our tenants, passengers and regional economy for the next 20 years.
- Strategy 1.2, Objective 5: Complete all NorthSTAR program improvements by Q2 2020.
- Strategy 1.2, Objective 6: Increase productivity of existing terminal facilities.
- Strategy 1.2, Objective 9: Renew aging landside infrastructure.
- Strategy 1.2, Objective 11: Provide an efficient and updated baggage system that incorporates new technology and efficient conveyor systems necessary to improve system performance and allow for future growth.
- Strategy 1.2, Objective 14: Identify and plan for all necessary refurbishments in the South Satellite.

Increase the proportion of funds spent by the Port with qualified small business firms on construction, goods and services to 25% of the eligible dollars spent
- Strategy 7.0, Objective 6: Foster new aviation division opportunities for local businesses.

Increase workforce training, job and business opportunities for local communities in maritime, trade, travel and logistics
- Strategy 7.0, Objective 5: Implement new aviation division programs that support Port-wide workforce development strategies and Commission Quality Jobs policies.

Meet all increased energy needs through conservation and renewable sources
- Strategy 4.0, Objective 3: Implement conservation practices that will enable Airport to meet all future electricity load growth (2010 baseline) through conservation and renewable energy.

Meet or exceed agency requirement for storm water leaving Port owned or operated facilities
- Strategy 3.0, Objective 5: Water Resources and Wildlife: Achieve and maintain Best Management Practices for water quality treatment and flow control over 100% of Airport industrial areas.

Reduce air pollutants and carbon emissions
- Strategy 3.0, Objective 2: Air Quality and Climate Change: 1) Sea-Tac will reduce Airport-owned and controlled greenhouse gas emissions by 15% below 2005 levels by 2020, and 2) implement programs with business partners to reduce their emissions as much as possible.

Port-Wide Strategy Implementation

Consistently Live by our Values

The Port's values guide how we go about our daily work throughout the aviation division. The Airport strategies below demonstrate our focus on employee development and succession planning:
- Strategy 6, Objective 2: Complete a Work Continuity and Succession Planning Departmental pilot program.
- Strategy 6, Objective 3: Complete a Post-Graduate Fellowship pilot and produce recommendations for a follow on program.

Manage our Finances Responsibly

Managing our finances responsibly is a necessary foundation for all of the Airport strategies and the successful implementation of the Century Agenda. The Airport strategies that support this include:
- Strategy 4.0, Objective 1: Maintain passenger airline cost per enplaned passenger (CPE) and forecasted CPE within the middle third of peer airports (list of 22 airports focusing on large hubs and Western U.S. airports) through 2019.
- Strategy 4.0, Objective 5: Manage financial activity to achieve targeted metrics. Includes specific performance measures for:
    - Financial results (net operating income or NOI)
    - Competitive airport costs (CPE, see above)
    - Cash flow (debt service coverage)
    - Liquidity (minimum cash balance)
    - Leverage (debt per enplaned passenger)
- Strategy 5.0: Maximize non-aeronautical net operating income (NOI) consistent with current contracts, appropriate use of Airport properties and market demand.

Exceed Customer Expectations

Customer service is a specific Airport Strategy:
- Strategy 2.0: Become one of the top customer service airports in North America.
- Strategy 2.0, Objective 1: Achieve Top 5 ranking among 25 selected North American peer airports in 2018.

Airport Strategies and Objectives:
Strategies and objectives that directly support the Century Agenda objectives are designated with "CA" at the end. Those that directly support the Port-wide strategic objectives are designated with "PS".

Strategy 1.1: Operate a world-class international airport by ensuring safe and secure operations.

Major and New Initiatives

- **Reconstruct Runway 16C/34C in 2015 to replace aging concrete and add new technologies**.

Objective 1: Improve overall safety of aircraft and vehicular movement measured by an increase in a composite annual score of 100 possible points, ranking runway incursions, wildlife strikes, taxilane and apron area surface incidents and Part 139 discrepancies.

Background: Aviation safety is the preeminent expectation of our airborne society. Due to the inherent nature and complexity of the airfield operating environment, it is appropriate to focus on the minimization of risk where aircraft interface with the physical plant of the Airport, wildlife, vehicles, and personnel.

In 2014, Sea-Tac joined Airport Excellence in Safety (APEX), the global airport safety cooperative of Airports Council International-World to glean the resources of other international airports around the globe in sharing best management practices. In 2015, the FAA is expected to adopt International Civil Aviation Organization (ICAO) guidelines for the holistic management of airfield safety as Safety Management System (SMS) regulatory requirements.

Objective 1: Improve overall safety of aircraft and vehicular movement measured by an increase in a composite annual score of 100 possible points, ranking runway incursions, wildlife strikes, taxilane and apron area surface incidents and Part 139 discrepancies.

Performance Measure	Performance Target	Actions
Annual improvement in individual components of the composite score	Reduce runway incursions from 2013 baseline of 2.25 to 1.3 per 100,000 operations in 2015	• Complete redesigned intersection at Runway 16L/34R and Taxiways H and J by Q4 2016 during 16C/34C reconstruction project • Install thermoplastic painted holding position markings at 18 runway/taxiway intersections.

Objective 1: Improve overall safety of aircraft and vehicular movement measured by an increase in a composite annual score of 100 possible points, ranking runway incursions, wildlife strikes, taxilane and apron area surface incidents and Part 139 discrepancies.		
Performance Measure	**Performance Target**	**Actions**
	Reduce Wildlife Strikes from 2012 baseline of 2.5 per 10,000 aircraft operations to 2.1 in 2015 and 2.0 2016-2019	• Convert Tyee Golf Course to "Shrub-Scrub" vegetation, a natural deterrent to bird activity by Q2 2015 • Increase raptor relocation activities utilizing existing operating expense budget • Conduct cost benefit analysis to consider new radar sensors to extend avian radar coverage to the midfield of the airfield by Q4 2015 • Consolidate existing wildlife databases to validate all baseline and subsequent performance metrics by Q4 2015 • Evaluate integration of Avian Radar and Foreign Object Debris radar systems to include surface detection coverage by Q2 2016 utilizing existing staff resources • Analyze historical avian radar data for bird trend distributions by Q4 2017
	Reduce Surface Incidents from 2013 baseline of 2.30 to 1.65 per 100,000 operations in 2015	• Automate ramp insurance validation at airfield access points utilizing new ID Access badging software to ensure only insured vehicle operators are allowed access to Airport Operations Area by Q1 2015
	Incur zero FAA Airport Certification discrepancies during annual inspections	• Implement new weekly special inspections based on specific FAA areas of focus by Q1 2015 • Remove all trees newly identified as obstructions to navigation and safety of flight by Q3 2015 • Complete enhanced Qualified Personnel training for Movement Area (Runways/Taxiways) by Q2 2015.

Objective 1: Improve overall safety of aircraft and vehicular movement measured by an increase in a composite annual score of 100 possible points, ranking runway incursions, wildlife strikes, taxilane and apron area surface incidents and Part 139 discrepancies.		
Performance Measure	**Performance Target**	**Actions**
Comply with all anticipated FAA Safety Management System (SMS) regulations	Implement all regulatory requirements within published FAA timeline.	• Actions to be defined following anticipated issuance of FAA regulations in October 2014

Objective 2: Reconstruct Runway 16C/34C by Q4 2015. **(CA)**

Background: Originally opened in 1972, Sea-Tac's Runway 16C/34C will be completely reconstructed in 2015. The 6-month project will replace aging concrete and incorporate leading technologies including automated Foreign Object Debris (FOD) detection equipment and light emitting diode (LED) airfield lighting, while reducing a primary source of runway incursions through the redesign of taxiways H and J.

Objective 2: Reconstruct Runway 16C/34C by Q4 2015. **(CA)**		
Performance Measure	**Performance Target**	**Actions**
Runway reconstructed	Project completed by Q4 2015	• CIP 800406 $103M

Objective 3: Increase overall runway availability during snow events**.**

Background: The previous snow removal plan closed Runway 16R/34L during snow events. Creation of a dedicated removal team for 16R/34L and ongoing delivery of additional equipment allows for increased runway availability. Under the new scenario, two separate snow removal teams are deployed, operating an enlarged fleet of new technology equipment. Deployment of two distinct teams, as requested by Alaska Airlines, requires additional equipment and the incremental replacement of the original fleet purchased 25 years ago in 1989.

Objective 3: Increase overall runway availability during snow events**.**		
Performance Measure	**Performance Target**	**Actions**
Runway availability	Two of the Airport's three runways remain open during snow events representative of Seattle's typical average occurrence	• Procure 2 additional snow blowers by Q4 2015 • Procure 4 combination plow/ brooms by Q4 2016

Objective 4: Increase airline departure rate during snow events through centralized deicing facilities.

Background: Significant savings and efficiencies can be achieved through centralized procurement and distribution of deicing glycol by the existing Sea-Tac Fuels consortium. Overall

airfield efficiencies and increased flight completion factors can be achieved through the development of centralized deicing pads. Requested by Alaska Airlines and Delta Air Lines.

Objective 4: Increase airline departure rate during snow events through centralized deicing facilities.		
Performance Measure	**Performance Target**	**Actions**
FAA Hourly Aircraft Departure Rate	Increase departure rate during snow events from 2013 baseline of 12 per hour to 18 per hour while providing an uninterrupted supply of glycol to all Sea-Tac airlines	• Negotiate agreement for development of consolidated glycol storage facility with existing Sea-Tac Fuels airline consortium by Q4 2015 • Complete preliminary design of centralized common use deicing pads by Q2 2016

Objective 5: Ensure uninterrupted supply of jet fuel to Sea-Tac fuel farm from existing Olympic Pipeline Renton terminal through creation of redundant feed source.

Background: Sea-Tac is the largest commercial hub airport in the United States without a redundant feed source for jet fuel. Sea-Tac facilitates the delivery of approximately 1.1 Million gallons of jet fuel per day to airline customers and maintains an average inventory of 9 days' supply. Preliminary analysis indicates that a catastrophic failure, or interruption of the existing system, could not be supplied through over-the-road tankering.

Objective 5: Ensure uninterrupted supply of jet fuel to Sea-Tac fuel farm from existing Olympic Pipeline Renton terminal through creation of redundant feed source.		
Performance Measure	**Performance Target**	**Actions**
Jet Fuel Availability	100% redundancy in fuel supply availability	• Conduct analysis during Master Plan to determine potential risks and alternative delivery methods by Q1 2016

Objective 6: Mitigate risk of security breaches and associated downtime.

Background Approach: Sea-Tac has maintained an essentially flawless record with both TSA compliance and in addressing security anomalies. The projected growth of the Airport and improvements in technology drive the need for continuous analysis of available technology to maintain compliance and ensure there are no holes in our security environment.

Objective 6: Mitigate risk of security breaches and associated downtime.		
Performance Objective	**Performance Target**	**Actions**
Increase performance and coverage of CCTV system	System upgrade in place using TSA grant funds by (Q1 2016) Cameras included on new construction in high risk areas (ongoing)	• Install cameras, video analytics and mapping by 2016.
Increase access control and provide detailed security data by user	Installation of biometrics on all new access doors including baggage processing points in each future project	• North Satellite doors will be included in new construction – NorthSTAR program
TSA redeploys staff stationed at exits to screening functions	All five main passenger exits will have exit technology that will provide proven, continuous monitoring, detection and control (2015-2018) through TSA funding	• Continue work to obtain TSA/Congressional funding for automated Exit Lane Breach Control technology

Objective 7: Constantly improve overall readiness of the Port to respond to and recover from an emergency, disaster, and any event that would substantially disrupt business/operational continuity at the Airport.

Background: Any significant disruption to the Airport's routine functions can have a substantial negative impact on the Port and region. The Port and the Airport must be able to respond to and recover from emergencies effectively and efficiently.

Objective 7: Constantly improve overall readiness of the Port to respond to and recover from an emergency, disaster, and any event that would substantially disrupt business/operational continuity at the Airport.		
Performance Measure	**Performance Target**	**Actions**
Mitigate risks to effective response and recovery	Update Port Threat and Hazard Identification and Risk Assessment (THIRA)	• Develop a summary of issues/ interests based on the THIRA results for the Policy and ECC functions. • Update THIRA in Q2 2015 • Recommend new initiatives based on THIRA in Q3 2015
Airport emergency plans accurately define Port and staff actions and capabilities	All Airport Plans are up-to-date and in use: • Airport Emergency Plan (AEP)	• Assess each plan against industry best practice Q2 2015 • Review and update against internal processes and capabilities Q3 2015

Objective 7: Constantly improve overall readiness of the Port to respond to and recover from an emergency, disaster, and any event that would substantially disrupt business/operational continuity at the Airport.		
Performance Measure	**Performance Target**	**Actions**
	• Continuity Of Operations Plan (COOP) • Airport Evacuation (for all employees/ public/ passengers)	• Distribute Q4 2015 • Identify and report significant budget items/ requests Q4 2015
Port staff are prepared to support emergencies as needed	Port staff readiness is assessed and training and exercising activities are provided	• Schedule and manage personal preparedness events (Q1 2015) • Deliver an exercise to assess staff knowledge/skills (Q2 2015) • Produce a report of staff readiness/gaps (Q2 2015) • Carry out annual exercises focused on response, COOP, and recovery for all Airport employees (starting Q2 2015)

Strategy 1.2: Operate a world-class international airport by anticipating and meeting needs of tenants, passengers, and the region's economy.

Major and New Initiatives

- **Complete the Sustainable Airport Master Plan (SAMP) in 2015 and complete the environmental review by Q4 2016.**

- **Finalize organizational adjustments and add resources required to ensure successful implementation of major capital program**.

- **Provide emergency-back-up electrical power.**

- **Attract and complete lease(s) with developers of air cargo and/or aeronautical-related property**

- **Design and construct the new International Arrivals Facility.**

- **Design and construct the major elements of the NorthSTAR project, including Concourse C and baggage system improvements completed in 2015; renovation / expansion design of the North Satellite in 2016; completion of main terminal in 2018; and completion of the satellite transit system (STS) and north satellite construction in 2020.**

Objective 1: Complete the Sustainable Airport Master Plan (SAMP) to meet the needs of our tenants, passengers and regional economy for the next 20 years. **(CA)**

Background: The last airport master plan was completed in the mid-1990's. In order to appropriately plan future facility requirements and capital investments, the airport must update the aviation activity forecast, and articulate the 20-year master plan for the airport facilities. The SAMP will integrate the planning for the region's needs at the Airport along with the environmental and sustainability goals articulated by the Commission in the Century Agenda.

Objective 1: Complete the Sustainable Airport Master Plan (SAMP) to meet the needs of our tenants, passengers and regional economy for the next 20 years. **(CA)**		
Performance Measure	**Performance Target**	**Actions**
Sustainable Airport Master Plan	By 2016 future airport facilities to accommodate forecasted 20 year growth are planned, and near term (5 year) facilities are approved for construction	• Complete the Sustainable Airport Master Plan by 2015 • Complete Draft Airport Layout Plan (ALP)/Airport Geographical Information Systems (AGIS) by 2015 • Complete Environmental review and FAA approval of the ALP by 2016

Objective 2: Adequately prepare for the growing capital program to ensure program success.

Background: The capital program has over 100 active projects, including four very large programs measuring between $100 and $500 Million. The size and duration of the program rivals the largest program that the Airport has ever undertaken. In addition, the program is growing in size and complexity as a result of the recent surge in airline needs for facilities. Effective delivery of the capital program requires four key factors to be accomplished:

(1) The capital program must be recalibrated to ensure it does not grow beyond the capability of the Port to deliver the program

(2) Aviation staffing (building inspectors, fire inspectors, utility shutdown coordinators, etc.) to be added to complement and fully support the program.

(3) Dedicated off-airport land for contractor materials staging, construction management trailer offices, and employee parking will need to be developed.

(4) Updated Airport facility standards (providing consistency of design across the Airport campus and maintenance parts to ensure lower maintenance costs in future years) must be completed and made available to designers of future facilities.

Objective 2: Adequately prepare for the growing capital program to ensure program success.		
Performance Measure	**Performance Target**	**Actions**
Effective delivery of the capital program	A recalibrated capital project plan and improved set of	• Develop improvement considerations and scenarios, analyze alternatives, and make recommendations; then

Objective 2: Adequately prepare for the growing capital program to ensure program success.		
Performance Measure	**Performance Target**	**Actions**
	procedures by Q4 2014	initiate certain initial recalibration steps immediately • Implement all recommendations and perform follow up to test effectiveness of recommendations
	Aviation adequately staffed to ensure timely and informed project-support decision making	• Determine schedule for staff additions • Add staff as necessary
	Suitable land area and associated infrastructure is developed as soon as possible	• Determine land and necessary infrastructure requirements (See Strategy 5, Objective 3) • Gain airline MII and Commission authorizations to design and construct logistical land area
	Complete updated architectural and engineering standards by Q3 2015	• Create IDIQ contract for consultant to assist staff in updating all standard

Objective 3: Commence operations from new International Arrivals Facility (IAF) by December 31, 2018 (to be confirmed). **(CA)**

Background: The Airport has seen unprecedented growth in its international services since 2007. Between 2007 and 2013, passenger volume on intercontinental routes grew 62.8%; in contrast, domestic passengers grew just 9.3%. By summer 2014, Sea-Tac will have had a net gain of nine intercontinental flights since 2007 - seven since 2011.

Delta Air Lines made Sea-Tac its primary pacific gateway and has rapidly expanded its hub in Seattle. From just two intercontinental services on its legacy carrier Northwest Airlines in 2008, Delta will have ten intercontinental flights in summer 2014.

Objective 3: Commence operations from a new International Arrivals Facility (IAF) by December 31, 2018 (to be confirmed). **(CA)**		
Performance Measure	**Performance Target**	**Actions**
IAF designed and constructed to meet established program objectives	New IAF facilitates expeditious passenger processing with improvements in gate availability, CBP processing, and bag claim device availability. See Strategy 1.3 for Airport-wide definition of	• Complete selection of Design-Build team by Q3 2015 • NEPA/SEPA environmental review and permitting by Q1 2015 • Construction begins 2016 • New facility opens Q4 2018 (to be confirmed)

Objective 3: Commence operations from a new International Arrivals Facility (IAF) by December 31, 2018 (to be confirmed). **(CA)**		
Performance Measure	**Performance Target**	**Actions**
	analysis to determine capability to lower Minimum Connect Time (MCT) from 90 to 75 minutes or less. Increase the number of international contact gates Use of technology to minimize required CBP officers	

Objective 4: Facilitate/accommodate growth in international operations until new IAF is completed. **(CA)**

Background: Short-term improvements in the existing FIS and South Satellite (SSAT) are necessary to meet passenger demands prior to the opening of the new IAF. Strong growth in international flights has led to increasing numbers of arriving passengers held on-board aircraft or held in the International Corridor.

Objective 4: Facilitate/accommodate growth in international operations until new IAF is completed. **(CA)**		
Performance Measure	**Performance Target**	**Actions**
Facility and operational improvements necessary to reduce processing time	By 2016, progressively reduce monthly passenger hold on board aircraft and processing time as compared year over year through: APC kiosk additions for 50% reduction in primary inspection time Add wide body gates accessible to FIS Hardstand arrival facility completed and busings operation in place.	• Upgrade existing APC kiosks to Visa Waiver and Permanent Resident cardholders Q1 2015 • Add APC kiosks to accommodate additional eligible foreign national guests Q1 2015 • Construct 12th and 13th FIS gates in SSAT Q2 2015 • Commission Hardstand Arrivals Facilities Improvements Q2 2015 • Purchase 3 high capacity over the ramp buses for remote aircraft arrivals and departures. • Augment current Automated Passport Control kiosk investment with the mobile device application CBP is anticipated to approve by Q3 2014,

Objective 5: Complete all NorthSTAR program improvements by Q2 2020. **(CA)**

Background: In 2013, the Port completed the realignment of multiple airlines to allow Alaska Airlines to centralize its operations on the North Satellite. The North Satellite element of the NorthSTAR program is currently at 30% design, incorporating current and evolving design characteristics to meet passenger experience needs.

Objective 5: Complete all NorthSTAR program improvements by Q2 2020. (CA)		
Performance Measure	**Performance Target**	**Actions**
Consolidation, optimization and expansion of AAG operations on Concourse C and N with associated capital improvements to meet program milestones	Complete NorthSTAR program by 2020, including all North Satellite improvements (eight additional jet bridge-equipped gates, additional concessions, adequate hold rooms, circulation, baggage system capability, and a new Alaska Board Room to meet passenger demand at a level of service to exceed IATA level C)	• Concourse C Vertical Circulation Project construction completed by Q2 2015 • Associated Concourse C Vertical Circulation AAG Tenant Improvement Work and eGSE relocations and reinstallations construction completed by Q2 2015 • Baggage System construction completed by Q2 2015 • Complete 100% design for renovation of NorthSTAR North STS Lobbies Project by Q1 2016. • Complete 100% design for renovation of North Satellite by 2016 • Complete 100% design for NorthSTAR Main Terminal Improvements by Q1 2017 • Complete Main Terminal construction by Q3 2018 • Complete STS Lobby construction by Q1 2020 • Complete North Satellite construction by Q1 2020

Objective 6: Increase productivity of existing terminal facilities. **(CA)**

Background: In 2009, the Airport launched the Terminal Development Strategy (TDS) initiative to develop a unified airline/airport approach to align and streamline terminal facility planning in anticipation of future needs with the goal of reducing costs through use of technology and higher facility throughput.

Objective 6: Increase productivity of existing terminal facilities. (CA)		
Performance Measure	**Performance Target**	**Actions**
Accommodate 5-year demand forecast of up to	By Q2 2015, define projects needed to meet	Finalize implementation plan for use of new technology and processes for:

Objective 6: Increase productivity of existing terminal facilities. **(CA)**		
Performance Measure	**Performance Target**	**Actions**
40 Million passengers within the existing terminal envelope through additional gates, passenger self-service, technology and checkpoint expansions	terminal capacity needs	• Passenger check-in • Curbside utilization • Checkpoints • Baggage acceptance
Self-bag tagged and self-drop	25 percent of passengers use by Q4 2015	• Assuming approval from TSA, install Common self-bag drop in ticketing Zone 2
	Install Common self-bag-drop in Zone 7 by Q4 2017	• CIP 800545
Available aircraft gates in service	Maximize available gates in service by Q2 2015	• Reactivate aircraft parking at Gate C3
Checkpoints adequate for growing passenger demand	Checkpoint 5 expanded by Q4 2017	• Complete Checkpoint 5 Expansion as part of main terminal improvements of NorthSTAR program
Office spaces for airlines, tenants, and staff	Adequate just-in-time supply of vacant space ready and waiting with utilities supplies to space	• Analyze amount of space terminal-wide to meet growing demand; determine necessary emergency exiting for mezzanine spaces • Program utility needs for remaining space between USO and Host on 2nd floor • Construct Concourse A Bridge Level space • Program scope requirements for additional off-site airport office space following master plan analysis of need

Objective 7: Increase Air Cargo tonnage by 20% to a total of 364,000 metric tons in 2019, in line with the Century Agenda. **(CA)**

Background: Meeting the 2011 Port Commission Century Agenda 25-year goal for air cargo tonnage growth requires an approximately 3.8% compound annual growth rate (CAGR) from 2012 to 2036. A three-part strategy will achieve the 2015-2019 portion of overall goal and position the business to meet the 25-year Century Agenda goal:

• Additional air service growth to expand air cargo lift capacity
• Gain ownership control, modernize, and expand on-Airport facilities
• Develop off-Airport land for warehouse and logistics support facilities

Objective 7: Increase Air Cargo tonnage by 20% to a total of 364,000 metric tons in 2019, in line with the Century Agenda. **(CA)**		
Performance Measure	**Performance Target**	**Actions**
International cargo airlines serving Sea-Tac	Increase international dedicated freighter aircraft from five to eight by 2019	• Attract one new international air cargo freighter customer in 2015 utilizing a new cargo air service incentive program. • Attract 2 additional services by 2019
Availability of leasable Port-owned on-Airport cargo warehousing facilities	Q4 2015	• Replace former United Airlines cargo HVAC systems (dependent upon a long-term lease and master plan results) • Replace roofs of port-owned commercial area Cargo 6 warehouse, and former United Airlines cargo building dependent upon design scenario and master plan results.
	Q4 2018	• Convert all remaining air cargo leaseholds in Cargo 4 campus to port ownership by Q4 2018. • Convert Cargo 1 ground lease (ProLogis) to Port-ownership • Redevelop new airside cargo building capacity at Cargo 4 campus or flight kitchen sites consistent with master plan.
Availability of leasable off-Airport warehouse and logistics support facilities	2019	• **Burien – NERA 3 – 23.4 acres**: Review potential transactions from the listing broker; pursue transactions as warranted – with priority placed on air cargo support facilities. • **SeaTac – L-Shape – 26.2 acres**: Review potential transactions from the listing broker; pursue transactions as warranted – with priority placed on air cargo support or other aeronautical-related facilities.

Objective 8: Add four new international airline routes by 2019. **(CA)**

Background: Despite the Puget Sound region's strong economic and population growth, Seattle remains significantly underserved internationally as compared to other West Coast airports. With economic growth in Asia far outpacing that of the mature economies of North America and Europe, U.S. carriers are increasingly shifting their attention to transpacific routes. Seattle, as the

closest major U.S. city to Asia, has benefitted and will continue to benefit from these growth markets. While these services are of great importance to the local economy, they also signal a shift in the role of Sea-Tac towards being a key international gateway for connecting passengers.

Objective 8: Add four new international airline routes by 2019. **(CA)**		
Performance Measure	**Performance Target**	**Actions**
International long-haul passenger routes.	Achieve net increase of four long-haul international routes	• Cultivate strong relationships with strategically identified airlines • Work closely with Sea-Tac's largest international carrier, Delta, to support its route development • Target key connecting markets to increase share of connecting traffic

Objective 9: Renew aging landside infrastructure. **(CA)**

Background: These projects are necessitated by aging infrastructure, an overall increase in ground transportation activity and seismic requirements associated with the service tunnel.

Objective 9: Renew aging landside infrastructure. **(CA)**		
Performance Measure	**Performance Target**	**Actions**
Availability of critical ground transportation infrastructure	Extend existing facilities life cycle by 20 years	• Complete South 160th Ground Transportation Lot
	Achieve Federal Highway Administration Seismic Retrofitting Requirements	• Complete Service Tunnel renewal and replacement project

Objective 10: Make economical Airport cruise ship facility improvements where possible to support Seaport Division cruise business.

Background: The Port's cruise ship business sector continues to expand, potentially requiring associated investment in new facilities at Sea-Tac to complement Seaport operations and facilities. Segregating cruise passengers and their baggage would provide a significant improvement in customer service and reduction in demand on Airport baggage processing systems.

Objective 10: Make economical Airport cruise ship facility improvements where possible to support Seaport Division cruise business		
Performance Measure	**Performance Target**	**Actions**
Percent of passengers carried aircraft-to-ship-to-aircraft independent of their checked baggage	100 % of cruise passenger baggage delivered directly from aircraft to ship	• Implement direct bag transfer from aircraft to ship Q2 2015
	Increase ship-to-aircraft from 33% 2013 baseline	• Seek cruise ship commitment and business investment in on-ship

Objective 10: Make economical Airport cruise ship facility improvements where possible to support Seaport Division cruise business		
Performance Measure	**Performance Target**	**Actions**
	to 66% by 2019	baggage-tagging for direct delivery to airport and final destination

Objective 11: Provide an efficient and updated baggage system that incorporates new technology and efficient conveyor systems necessary to improve system performance and allow for future growth. **(CA)**

Background: The existing outbound baggage system is comprised of six separate systems that will soon reach the end of their estimated life span. The Airport has partnered with the Transportation Security Administration (TSA), which plans to replace their explosive detection and bag search systems, to create a jointly optimized system. Building a single new system in phases will enable the TSA to cost effectively replace their systems, and enable the Airport to reconfigure the whole conveyance system as a single unit that will support the ultimate airport passenger demand.

Objective 11: Provide an efficient and updated baggage system that incorporates new technology and efficient conveyor systems necessary to improve system performance and allow for future growth. **(CA)**		
Performance Measure	**Performance Target**	**Actions**
Phased system reconstruction	Meet TSA security requirements (PGDS design standards), airline approvals of MII ballots, energy savings, and system capacity for 60 million annual passengers	• Design Complete Q4 2015 • Phased construction completions through 2021

Objective 12: Provide emergency-back-up electrical power.

Background: Operations at the Airport are dependent upon continuous electrical service. Without continuous electricity, many of the Airport vital systems will fail and stop operations including power to gated aircraft, baggage delivery systems, jet-bridge movements, emergency lighting, etc.

Objective 12: Provide emergency-back-up electrical power.		
Performance Measure	**Performance Target**	**Actions**
Continuous electrical service availability for the Airport	Re-establishment of Airport electrical service within 1 hour after disruption from the grid by Q3 2018	• Present project to Commission, AAAC, and achieve affirmative MII ballot before end of Q1 2015 • Receive Commission authorization for full design by end of Q2 2015 • Complete Generator facility project by Q3 2017 • Complete SCADA controls project by Q3 2018

Objective 13: Provide adequate Airport-wide Wi-Fi infrastructure capacity.

Background: Wi-Fi demand by passengers and tenants has grown dramatically and exceeds the capacity of our existing system. Airline and concession tenants are moving to hand-held device solutions for their employees which require far more capacity.

Objective 13: Provide adequate Airport-wide Wi-Fi infrastructure capacity.		
Performance Measure	**Performance Target**	**Actions**
Traveler and operational Wi-Fi infrastructure capacity for 60 million annual passengers (MAP)	Travelers experience zero 'drops', and tenants and operating entities can connect easily to the cabling infrastructure	• Complete Concourse C by Q4 2015 • Complete remaining concourses and main terminal by 2016 • Complete ramp Wi-Fi and security cameras by Q2 2017 • Plan and implement further improvements on "just-in-time" schedule in future years

Objective 14: Identify and plan for all necessary long-term refurbishments in the South Satellite. **(CA)**

Background: The South Satellite is a 45-year-old aging facility that is heavily used and will continue to be used in the future as international and domestic service grows. The facility will need renovations of aging infrastructure, and concourse improvements (hold-rooms, concessions, restrooms, daylighted ceilings, etc.) to improve it to be on a par with other concourses. Analysis is needed to determine the necessary improvements to interior concourse spaces, vertical circulation, restrooms, seismic strength, air-conditioning, building size, etc. Note: nearer-term aesthetic improvements such as carpeting, wall coverings, door panels, signage, furniture, possibly window panels, etc. are included in Aviation's customer service strategy action list.

Objective 14: Identify and plan for all necessary long-term refurbishments in the South Satellite. **(CA)**		
Performance Measure	**Performance Target**	**Actions**
South Satellite is refurbishment	Final design of project can begin in 2017	• Analysis of SSAT refurbishments prepared by end of Q4 2015 • Prepare project scoping document (notebook), cost estimate, schedule, etc. by Q2 2016 for subsequent capital project(s)

Objective 15: Prepare a benefit/cost analysis for improvements to Minimum Connect Time (MCT).

Background: Competition with other airports includes many variables, one of which is the Minimum Connect Time (MCT) which defines in industry publications and airline schedules the time necessary for baggage transfer, passenger movement from the arriving gate to the connecting departure gate as well as and immigration processing between international and domestic flights. As the Airport prepares its master plan and baggage optimization program, the time is right to set Airport and system-wide MCT targets.

Objective 15: Prepare a benefit/cost analysis for improvements to Minimum Connect Time (MCT).		
Performance Measure	**Performance Target**	**Actions**
MCT as published by the Official Airline Guide of airline scheduled flights	If possible and economical, lower minimum connect time from current 90 minutes to 75 minutes	• Prepare report of Airport-wide scenarios to determine capability to lower MCT. Scenarios will consider baggage processing times; walking, service cart, and wheel-chair times between concourse gates; and security processing times related to services provided by CBP/TSA

Strategy 1.3: Operate a world-class international airport by managing airport assets to minimize long-term total cost of ownership.

Major and New Initiatives

- **Implement a new Airport Master Record As-built Drawing System to reduce costs associated with change orders and design costs and to minimize operational disruptions.**

Objective 1: Create a new Airport Master Record As-built Drawing System.

Background: The Port's existing record drawing system is the most significant tool used to prepare for both renovating aging buildings (or portions thereof), and in maintaining over $4 billion of existing facilities (campus buildings) and utilities (heating, air conditioning, elevators

and escalators, fire alarm systems, etc. The inaccuracy of the current drawing system causes construction change orders, extends operational downtime, prevents rapid repairs when system failures occur, and requires designers to recreate background footprint drawings of the Airport project areas each time a new project begins. An improved record drawing system will enable future projects to save costs in change orders, map utilities behind the walls to minimize utility and operational shutdowns, and save costs during design.

Objective 1: Create a new Airport Master Record As-built Drawing System.		
Performance Measure	**Performance Target**	**Actions**
Reliable As-built records/drawings	Five percent fewer building renovation change orders, and one percent reduction in cost	• Develop business case for Master Record Drawings by Q3 2014. • Present case to Aviation Director and brief Commission by Q4 2014. • Pending approvals, initiate hiring processes, office space development, and system purchases to begin creation of master record as-built drawing system by Q3 2015.

Objective 2: Complete initial comprehensive inventory of all physical assets across the Airport, continue periodic inspections to assess age and condition, and develop a system to facilitate forecasting of capital renewal projects and improve on-going maintenance.

Background: A forward-looking list of necessary renewal projects will enable staff to forecast capital spending in future years. With recurring inspections and a good long-term forecast of renewal projects, staff can better predict funding needs and level the amount of work for the project management department. Without detailed asset information, an accurate future forecast of renovation is not possible.

Objective 2: Complete initial comprehensive inventory of all physical assets across the Airport, continue periodic inspections to assess age and condition, and develop a system to facilitate forecasting of capital renewal projects and improve on-going maintenance.		
Performance Measure	**Performance Target**	**Actions**
Comprehensive and reliable asset inventory listing, condition data base, and forecast of necessary `projects.	Completed asset inventory by 2018.	• Devote more staff hours to inspection efforts until caught up with campus wide inspections
	Initiate and complete periodic inspections of aging assets on a 3 year basis.	• Utilize in house staff
	Completed automation of forecast and integrated with PeopleSoft and annual capital plan by Q2	• Develop computerized tool

Objective 2: Complete initial comprehensive inventory of all physical assets across the Airport, continue periodic inspections to assess age and condition, and develop a system to facilitate forecasting of capital renewal projects and improve on-going maintenance.		
Performance Measure	**Performance Target**	**Actions**
	2019	

Strategy 2.0: Become one of the top customer service airports in North America. **(PS)**

Major and New Initiatives

- **Renovate the South Satellite concourse interior as interim effort in anticipation of subsequent major renovation.**

Objective 1: Achieve Top 5 ranking among 25 selected North American peers in 2018 ACI Airport Service Quality (ASQ) survey **(PS)**

Background: Sea-Tac utilizes two key sources of information to drive customer service improvements. To proactively glean guest feedback, Sea-Tac adopted the Airport Service Quality (ASQ) index in 2011 as the industry benchmark for customer service as coordinated globally by Airports Council International (ACI World). Additionally, Sea-Tac maintains a robust real-time database of customer comments from website, social media, and traditional communication feedback sources. While significant improvements to Sea-Tac's terminal facilities have been made in the last 10 years, parts of the terminal are now over 40 years old, and remain largely unchanged since opening in 1973.

Objective 1: Achieve Top 5 ranking among 25 selected North American peers in 2018 ACI ASQ. **(PS)**		
Performance Measure	**Performance Target**	**Actions**
Airports Council International (ACI World) Airport Service Quality (ASQ) Quarterly Survey	All security checkpoint-related ASQ rankings improved to top 12 of peer group of 25 by Q2 2015 Current rankings: • Wait times (20th) • Feeling safe and secure (17th) • Thoroughness of Inspection (12th) • Courtesy of Staff (13th)	• Implement specific changes to address areas of needed improvement identified in baseline 2014 security checkpoint passenger experience survey
	All security checkpoint-related ASQ rankings improved to top 5 of peer group of 25 by Q4 2018	• Implement specific changes to address areas of needed improvement identified in annual baseline security checkpoint passenger experience survey

Objective 1: Achieve Top 5 ranking among 25 selected North American peers in 2018 ACI ASQ. **(PS)**		
Performance Measure	**Performance Target**	**Actions**
	Improve ranking to 12th from current ranking of 15th in ASQ Wayfinding by Q42019	• Install dynamic interactive directories to improve wayfinding in coordination with Concessions Master Plan
	Improve ranking to 12th from current ranking of 19th. in ASQ Gate Comfort by Q2 2015	• Provide additional gate seating in two selected gate lobbies
	Improve ranking to 5th in ASQ Gate Comfort by Q3 2019.	• Install additional gate seating 2016-2019
	Improve ranking to 8th from current ranking of 12th in ASQ Airport Ambiance by Q4 20	• Extend music in terminal to garage elevators. • Extend music in terminal to 4th floor plaza of parking garage • Upgrade terminal-wide voice paging system with • Complete Phase 1 South Satellite Interior Renovations comprised of carpet, signage and paint.
	Improve ranking to 5th from current ranking of 12th by Q4 2017.	• Complete Phase 2 South Satellite Interior Renovations comprised of wall panels, column covers, door panels and casework
	Improve ranking to 11th from current ranking of 17th in ASQ Restroom Cleanliness by Q4 2015	• Implement real-time customer feedback technology for restrooms in terminal with new operating expense. • Evaluate appropriate timing and, as soon as practical complete design for 14 restrooms on Concourses B, C, D
	Improve ranking to 5th from current ranking of 17th in ASQ Restroom Cleanliness by Q4 2016	• Complete construction when can be included in capital program
	Improve ranking to 14th from current ranking of 19thin ASQ Terminal Cleanliness by Q4 2015	• Replace carpeting on Skybridges 1 and 6
	Improve ranking to 12th from current ranking of 19th in ASQ Terminal Cleanliness by Q4 2016.	• Implement real-time customer feedback technology throughout remainder of Airport

Strategy 3: Lead the U.S. airport industry in environmental innovation and minimize the airport's environmental impacts.

Major and New Initiatives

- **Articulate new long-term environmental goals within the Sustainable Sea-Tac Strategy Plan (S^3).**

- While new objectives and actions will be identified in the S^3 Plan by Q3 2015, we will continue to make progress on existing strategic objectives through measures such as:
    o Using Renewable Natural Gas
    o Increasing the number of electric vehicle charging stations in the garage and RCF
    o Evaluating the utility of fast chargers
    o Aggressive measures such as mandatory recycling and use of compostable service ware in future airport concessions contracts, and
    o Low Impact Development (LID) Stormwater Program

Objective 1: Complete the next Sustainable Sea-Tac Strategy (S^3) Plan by Q3 2015.

Background: Seattle's sustainability objectives will be benchmarked with other leading edge airports to outline efforts necessary to keep Sea-Tac a leader in environmental innovation. Staff will develop recommendations to Commission for our next strategic plan.

Objective 1: Complete the next Sustainable Sea-Tac Strategy (S^3) Plan by Q3 2015.		
Performance Measure	**Performance Target**	**Actions**
Sustainable Sea-Tac Strategy	Finalize and implement plan, 2016-2019	• Complete Draft plan and gain Commission approval by Q3 2015. • Establish detailed milestones by Q4 2015

The remaining objectives focus on continued progress towards the 2009-2014 Environmental Strategy Plan goals while we finalize and gain approval for the new sustainability goals in the S^3 These include actions to advance the Airport's progress towards unmet goals, as well as continued work towards goals where airport growth results in the need for additional action to sustain our previous attainment of a goal.

Objective 2: Air Quality and Climate Change: 1) Sea-Tac will reduce airport-owned and controlled greenhouse gas emissions by 15% below 2005 levels by 2020, and 2) implement programs with business partners to reduce their emissions as much as possible. **(CA)**

Background: Actions to achieve these objectives focus on reducing emissions from the largest sources. These actions will reduce emissions from Port-owned vehicles, ground support equipment on the airfield, aircraft parked at gate through use of pre-conditioned air, transportation to and from the Airport, and aviation biofuels. With increasing indicators that climate change is occurring, the Airport must also plan for climate change adaptation.

Objective 2: Air Quality and Climate Change: 1) Sea-Tac will reduce airport-owned and controlled greenhouse gas emissions by 15% below 2005 levels by 2020, and 2) implement programs with business partners to reduce their emissions as much as possible. **(CA)**		
Performance Measure	**Performance Target**	**Actions**
Green Fleets and Fuels: Reduce emissions from Airport fleet through reduced fuel consumption and alternative fuels	All Sea-Tac owned compressed natural gas (CNG) buses run on renewable natural gas (RNG) generated in Washington Q4 2015	• Evaluate renewable natural gas and, if appropriate, contract with producer to fuel CNG buses with new source of RNG (would save ~4000 tons per year (TPY) of carbon emissions)
	STIA fleet is green fleet certified by Q4 2015	• Evaluate fleet certification options and, if beneficial, seek certification.
	Alternative Fuels Plan completed and, if feasible, complete fleet acquisition by 2018	• Develop a plan to meet Washington State mandate that governments use 100% alternative fuels for all vehicles by 2018, as practicable and determined by WA Dept. of Commerce • Make recommendations to senior management Q4 2015 and brief Commission and, if appropriate, request Commission authorization • Procure 100% alternative vehicle fuels by Q4 2018
Electric Ground Support Equipment	All phases of eGSE stations installed and 90% of all GSE vehicles use electricity by 2019	• Monitor eGSE charger use and resolve issues • Develop and implement plan to ensure 90% of GSE vehicles use electricity
Preconditioned Air	Achieve 100% pre-conditioned air use by 2019	• Determine airline use of and barriers to use by Q1 2015. • Develop plan for full use by Q4 2015. • Fully implement plan and maintain use by Q4 2019
Transportation to and from the Airport	Facilitate electric vehicle (EV) leasing at the Consolidated Rental Car Facility by 2017	• Assess customer demand for EVs at Rental Car Facility • Develop EV program at RCF Q4 2015
	Provide for Bicycle access to Airport by Q4 2016	• Implement bike plan to facilitate bike access and infrastructure for employees and passengers at Sea-Tac.
	Provide sufficient EV charging capacity in garage to ensure market demand is met	• Evaluate EV charger use in parking garage and complete Plan in 2015 • If beneficial, provide Level 2 and/or DC Fast Charging sites

Objective 2: Air Quality and Climate Change: 1) Sea-Tac will reduce airport-owned and controlled greenhouse gas emissions by 15% below 2005 levels by 2020, and 2) implement programs with business partners to reduce their emissions as much as possible. **(CA)**		
Performance Measure	**Performance Target**	**Actions**
		• Increase number of EV charging stations in parking garage
GHG reporting	File with Climate Registry and WA State annually	• Continue with both mandatory and voluntary GHG reporting for Scope 1 and 2 emissions
Climate Adaptation planning	Begin implementation of climate adaptation plan by 2019	• Develop climate adaptation plan in the SAMP by Q4 2015 • Develop prioritized project list for consideration in CIP. • Implement plan
Aviation Biofuels	Facilitate airline use of aviation biofuel, if feasible.	• Recommend port role in advancing biofuel delivery. • Assess infrastructure to identify opportunities for biofuel supply line. • Develop and implement plan to facilitate the procurement and use of biojet fuel at Sea-Tac, if feasible.

Objective 3: Materials Use & Recycling: Increase solid waste recycling rate to 50% by 2014. Develop goal for airfield recycling program.

Background: The Airport terminal recycling program has achieved 30% recycling rate and increased efforts are needed to meet 50% objective. The targets and actions below will be pursued pending the completion of updated goals in the new Plan.

Objective 3: Materials Use & Recycling: Increase solid waste recycling rate to 50% by 2014. Develop goal for airfield recycling program.		
Performance Measure	**Performance Target**	**Actions**
Mandatory airport recycling program	Increase recycle rate by 10-20%.	• Evaluate costs and benefits to implement mandatory Airport recycling for tenants and employees by Q2 2015 • Develop and implement plan for 5-year waste reduction/recycling goal and objectives by Q4 2019.
Janitorial services environmental requirements	Increase recycle rate by 10%	• Evaluate innovative waste reduction proposals including a secondary sorting pilot project, paper towel composting, and others
Mandatory compostable serviceware	Increase recycle rate by 5%	• Evaluate mandatory use of compostable service ware and

Objective 3: Materials Use & Recycling: Increase solid waste recycling rate to 50% by 2014. Develop goal for airfield recycling program.		
Performance Measure	**Performance Target**	**Actions**
		implement policy by Q4 2015
Solid waste management planning	Increase recycle rate by 10%	• Evaluate recommendations of 2014 solid waste management plan by Q2 2015 • Implement selected actions by Q4 2016
Green Maintenance Products	Use new "less toxic" products in maintenance shops to small quantity generator levels (220 pounds/month) by 2017	• Research and recommend less toxic substitutes for products (e.g., paint thinner, etc.) and other waste reduction opportunities for AV/M • Secure maintenance agreement for use of these substitutes • Change procurement
Construction & Demolition (C&D) Debris	Minimize and reduce C&D debris.	• Complete evaluation of historical project recycling rates by Q1 2015 • Set achievable C&D recycling targets for future projects. • Implement Construction Waste Specification on all construction projects and evaluate performance.
Green Products and Printers	Increase use of environmentally preferable office products, paper, and printer services.	• Obtain new green office products/paper and green printer contract by Q4 2016. • Identify and recommend new environmentally preferable products by Q2 2015

Objective 4: Water Conservation: Reduce operational (non-construction) potable water consumption rate 5% below 2008 levels by 2015.

Background: The previous conservation goal of reducing potable water consumption rate 5% below 2008 levels was achieved in 2012 and 2013**.** To maintain the goal in the midst of Airport growth and increased water usage, additional water conservation actions need to be identified and implemented.

Objective 4: Water Conservation: Reduce operational (non-construction) potable water consumption rate 5% below 2008 levels by 2015.		
Performance Measure	**Performance Target**	**Actions**
Water Use Reduction	Water use reduction opportunities and projects identified	• Finalize the Water Use Reduction Plan by Q2 and implement feasible projects 2016-2020
Emergency Backup	Use Tyee Well to	• Complete Temporary Donation of

Water Supply Using Tyee Well	increase stream flows in summer months and provide emergency source of water for Airport by 2016	water right into State Trust Water Right Program by Q2 2015 • Complete Change of Use Application by Q4 2015 • Department of Ecology issues Certificate by Q4 2017. • Complete Emergency Water Supply design by 2018 and construction by 2019.
Rainwater Capture from Parking Garage	If feasible, capture rainwater from garage roof for use in the cooling tower.	• Conduct feasibility and cost benefit analysis for garage rainwater capture • Make recommendations by Q3 2015
Restroom Standards	Reduce restrooms' use of power, paper and water.	Complete environmental performance standards for restrooms by Q4 2015. • Implement standards in future bathroom projects.
Industrial Waste Treatment Plant (IWTP) Water Reuse Plan	Reuse of IWTP water results in reduction in potable water use.	• Evaluate feasibility of reuse of IWTP-treated water • Secure regulatory approval to reuse IWTP water by Q4 2015

Objective 5: Water Resources and Wildlife: Achieve and maintain Best Management Practices for water quality treatment and flow control over 100% of Airport industrial areas. **(CA)**

Background: The existing objective for 100% water quality treatment and flow control for existing facilities has been achieved. While all Airport water is captured and treated, additional progress can be made in discharging cleaner and less water through potential vegetated roofs, and development of a custom media to remove metals. In addition, to keep pace with emerging regulations, development of an Airport Low Impact Development (LID) program is necessary.

Objective 5: Water Resources and Wildlife: Achieve and maintain Best Management Practices for water quality treatment and flow control over 100% of Airport industrial areas. **(CA)**		
Performance Measure	**Performance Target**	**Actions**
Water quality and flow control best management practices	Maintain 100% treatment and flow control.	• Construct water quality treatment and flow control requirements on all future projects.
Green Roofs	Define parameters for safe application of vegetative roof on Airport.	• Complete vegetated roof guidelines by Q4 2015 • Incorporate into new projects if and when appropriate
Copper and zinc reductions	Remove more metals from Airport stormwater as required or cost-effective	• Develop and pilot test a custom Airport-specific media mix pilot project for enhanced metals removal. • Construct treatment using media in

Objective 5: Water Resources and Wildlife: Achieve and maintain Best Management Practices for water quality treatment and flow control over 100% of Airport industrial areas. **(CA)**		
Performance Measure	**Performance Target**	**Actions**
		SEPL project.
Low Impact Development	Use LID when appropriate	• Develop Airport specific LID policy and implementation guide by Q4 2015

Objective 6: Education & Integration: Institute an environmental education campaign to promote environmental stewardship and raise awareness of Airport environmental and sustainability initiatives. Integrate environmental and sustainability considerations into core business operations.

Background: While progress has been made on our sustainability education program, expansion of the program will advance our objective. Green building and LEED will be pursued for NSAT and IAF and a LEED master site designation will be pursued.

Objective 6: Education and Integration: Institute an environmental education campaign to promote environmental stewardship and raise awareness of Airport environmental and sustainability initiatives. Integrate environmental and sustainability considerations into core business operations.		
Performance Measure	**Performance Target**	**Actions**
"Sustainable In-Sights" Passenger Educational Program	Provide passengers educational opportunities to learn about Airport environmental programs.	• Develop new window clings and explore other environmental education programs in the terminal.
Green Buildings/LEED	New Airport buildings achieve high levels of environmental performance in energy, building materials, water conservation and indoor environmental quality. Achieve LEED certification for IAF and NSAT. Obtain LEED Master Site Designation by Q4 2015	• Complete LEED strategy for NSAT by 2015, certification 2020. • Complete IAF LEED recommendation by Q4 2015. • Integrate LEED into NSAT project and begin certification process • Evaluate IAF opportunities to pursue LEED. • Pursue LEED Master Site Designation

Strategy 4.0: Keep airline costs (CPE) as low as possible without compromising operational and capital needs**.**

Objective 1: Maintain passenger airline cost per enplaned passenger (CPE) and forecasted CPE within the middle third of peer airports (list of 22 airports focusing on large hubs and Western U.S. airports) through 2019. **(PS)**

Background: CPE includes both operating and capital costs attributable to the passenger airline rate base. Under SLOA III, CPE is also impacted by revenue sharing. Over the next ten years, we currently plan to invest approximately $2.5 Billion in capital improvements. With these investments, there will be continued growth in airline rates and charges, causing CPE to grow. Maintaining a CPE in the middle third of our peer airports indicates that costs will be reasonable and that the investments are affordable.

Objective 1: Maintain passenger airline cost per enplaned passenger (CPE) and forecasted CPE within the middle third of peer airports (list of 22 airports focusing on large hubs and Western U.S. airports) through 2019. **(PS)**		
Performance Measure	**Performance Target**	**Actions**
Passenger airline cost per enplanement (CPE)	CPE within the middle third of 22 peer airports through 2019	• Compile peer airport CPE annually for most recent year for which comparative information is available (one or more year lag). • Compile/update annually most recent forecasts of peer airport CPE by July 1 so that target range is understood prior to launching annual budget process. • Consistently measure budget proposals and capital budget plans against these metrics. • Annually, set capital budget limit so that total five-year capital spending does not cause forecasted CPE to exceed forecasted CPE of middle third of 22 peer airports. • Set capital budget priorities and adjust timing of project spending as needed to stay within limit

Objective 2: Maintain Airport baseline O&M costs (excluding Corporate, CDD and Police) at or below $181.7 Million through 2019.

Background: This represents a 2.8% compound annual growth rate (CAGR) based on 2013 baseline budget costs (original basis when target was set in 2013). Airport baseline budget excludes any agreed upon target exceptions (e.g., Regulated Materials, Airline Realignment, Master Plan, etc.). These target exceptions are non-recurring or are driven by capital projects. This target does not include the O&M costs associated with major new facilities such as the proposed International Arrivals Facility.

Objective 2: Maintain Airport baseline O&M costs (excluding Corporate, CDD and Police) at or below $181.7 Million through 2019.		
Performance Measure	**Performance Target**	**Actions**
Baseline operating and maintenance costs	≤$181.7 Million through 2019	• Set aggressive budget targets consistent with the target • Evaluate every open position (FTE) for repurposing or elimination before filling • Use Continuous Process Improvement (CPI) to mitigate cost growth (See Strategy 6.0) • Use energy conservation projects (see Objective 3 below) to reduce growth in energy costs.

Objective 3: Implement conservation practices that will enable Airport to meet all future electricity load growth (2010 baseline) through conservation and renewable energy **(CA)**.

Background: The baseline electrical consumption for 2010 was 17.539 average megawatts (aMW). This represents the maximum amount of electricity the Port can acquire from the Bonneville Power Administration at the low Tier I rate. For consumption above this level, the Airport pays the higher Tier II rate (currently 31% higher). To avoid paying this higher rate, the Airport will seek to reduce electrical consumption through conservation and upgrading to energy efficient lighting and mechanical systems. Capital improvements will focus on facilities and systems with greatest opportunities for improvement, but all investments will target a positive net present value (NPV).

Objective 3: Implement conservation practices that will enable Airport to meet all future electricity load growth (2010 baseline) through conservation and renewable energy **(CA)**.		
Performance Measure	**Performance Target**	**Actions**
Annual electrical consumption in average megawatts (aMW)	<17.539 aMW	• Complete garage lighting conservation project: floors 1 and 4 by 2016, floors 2-3 by 2017, floors 5-6 by 2018, and floors 7-8 by 2019 • Complete central mechanical plant mechanical conservation stage 3 project by 2016 • Complete design & installation of Smart Facility Management System by 2016 • Develop electrical load growth forecasting tool via Master Plan by 2017 • Continue to optimize Pre-Conditioned Air (PCA) system to deliver PCA at lowest possible

Objective 3: Implement conservation practices that will enable Airport to meet all future electricity load growth (2010 baseline) through conservation and renewable energy **(CA)**.		
Performance Measure	**Performance Target**	**Actions**
		energy use • Continue to optimize central mechanical plant systems to deliver HVAC at lowest possible energy use

Objective 4: Optimize use of Passenger Facility Charges (PFCs) to minimize CPE and to ensure that specific rates (e.g., FIS, terminal rents, and landing fees) do not become a disincentive for airlines to operate at Sea-Tac Airport.

Background: Capital costs paid with PFCs are not included in the airline rate base. Under the current airline agreement (SLOA III), airline rates are determined by cost and volume metrics for each major cost center. PFCs can be used to directly pay capital costs during construction or to pay revenue bond debt service in order to manage the capital costs to be recovered in a cost center.

Under SLOA III, the Federal Inspections Services (FIS) cost center (international arrivals) was separated from the terminal as a separate cost center. With the planned construction of a new International Arrivals Facility and the accompanying capital costs, maintaining a "market" FIS rate will require the use of PFCs to manage the capital costs to be recovered in the FIS cost center.

Objective 4: Optimize use of Passenger Facility Charges (PFCs) to minimize CPE and to ensure that specific rates (e.g., FIS, terminal rents, and landing fees) do not become a disincentive for airlines to operate at Sea-Tac Airport.		
Performance Measure	**Performance Target**	**Actions**
FIS rate	FIS rate is within the range of five peer Airports (Los Angles, San Francisco, Denver, Portland, Vancouver)	• Submit PFC application to gain FAA authorization to use PFCs on International Arrivals Facility (IAF), NorthSTAR, and Baggage Optimization projects in 2015 • Develop annually the plan of finance so that upon completion of the IAF, ~90% of PFCs are used to pay eligible revenue bond debt service • Use PFCs in funding plan for International Arrivals Facility to maintain competitive cost structure within FIS cost center through combination of PFCs used to directly pay capital costs and PFCs used to pay revenue bond debt service
Landing fee rate	Landing fee rate no higher than middle third	• Use PFCs in funding plan to maintain competitive cost structure within

Objective 4: Optimize use of Passenger Facility Charges (PFCs) to minimize CPE and to ensure that specific rates (e.g., FIS, terminal rents, and landing fees) do not become a disincentive for airlines to operate at Sea-Tac Airport.		
Performance Measure	**Performance Target**	**Actions**
	of 22 peer airports	Airfield Movement Area cost center through use of PFCs to pay eligible revenue bond debt service

Objective 5: Manage financial activity to achieve targeted metrics. **(PS)**

Background: Achieving CPE objectives requires a comprehensive approach to managing financial performance taking into account a number of measures.

Objective 5: Manage financial activity to achieve targeted metrics. **(PS)**		
Performance Measure	**Performance Target**	**Actions**
Financial results	Achieve budgeted Net Operating Income each year	• Review financial results and update forecast at quarterly, adjust spending as needed
Competitive airport costs	Passenger airline cost per enplaned passenger (CPE) within middle third of 22 peer airports	• Annually review peer airports' CPE and publicly available projected CPE • Review capital spending plan and financial forecast of CPE against this metric. Adjust spending as needed.
Cash flow	Achieve debt service coverage > 1.25x each year	• Maintain 10-year cash flow forecast, adjust capital spending and expenses as needed
Liquidity	Maintain unrestricted cash and investments ≥ 10 months of O&M costs	• Build funding plan in accordance with assumed minimum cash balance • Review cash balance monthly, adjust funding plan or spending as needed
Leverage	Maintain debt/enplaned passenger within middle third of 22 peer airports	• Annually review peer airports' debt per enplaned passenger and publicly available projections of debt • Review capital spending plan and financial forecast of CPE against this metric. Adjust spending as needed

Strategy 5.0: Maximize non-aeronautical net operating income (NOI) consistent with current contracts, appropriate use of airport properties and market demand. **(PS)**

Major and New Initiatives

- **Implement Airport Dining and Retail (ADR) Master Plan, including infrastructure upgrades, lease expiration phasing strategy and new competitive solicitations and resulting leases.**

- **Implement improvements to the parking revenue control system to ensure full functionality.**

- **Complete RFP for taxi and limousine contracts.**

Objective 1: Grow Airport Dining and Retail sales per enplanement (SPE) from a 2014-budgeted SPE of $11.52 to $12.60 by the end of 2018.

Background: Within the next two years, leases for approximately 90% of the dining and retail units will be terminating   The Airport Dining and Retail Master Plan was initiated to prepare for this significant change. Elements of the master plan completed in 2014 include passenger demand forecasts, facility block planning of needed offerings, unit planning and sales forecasts along with a forecast of potential employment growth. Implementation of a phasing plan for the expirations of current leases will, pending Commission approval in 2014, begin in earnest in 2015 with expiration of the Phase 1 leases, all located in the Central Terminal.

Objective 1: Grow Airport Dining and Retail sales per enplanement (SPE) from a 2014-budgeted SPE of $11.52 to $12.60 by the end of 2018.		
Performance Measure	**Performance Target**	**Actions**
Sales per Enplanement (SPE)	$12.60 by end of 2018	**Dining & Retail Program Transition** • Conduct one outreach activity for prospective tenants by end of Q2 and one by end of Q4 2015 • Conduct competitive evaluation processes with leasing agent for direct leasing and issue RFPs in accordance with ADR Master Plan (phasing and leasing plan elements) for all units in Phase 1 by end of Q3 2015 • Open new full-service South Satellite restaurant by end of Q3 2015 • Finalize long-term plan for small business kiosk program by end of Q3 2015. • Develop staffing plan for Airport Dining and Retail team as well as associated departments in order to accommodate program growth by end of Q2 2015 • Open new Concourse A anchor restaurant with integrated live music performance capacity by end of 2016 • Execute transition of units in accordance with ADR Master Plan phasing plan each year 2016-2021

Objective 1: Grow Airport Dining and Retail sales per enplanement (SPE) from a 2014-budgeted SPE of $11.52 to $12.60 by the end of 2018.		
Performance Measure	**Performance Target**	**Actions**
		• Develop and lease North and South Satellite units in conjunction with major capital projects (e.g., NorthSTAR) • Evaluate potential new retail/duty free in conjunction with the International Arrivals Facility **Terminal Space & Infrastructure Improvements** • Initiate first construction contract for infrastructure work identified in Terminal Utility Upgrade Project (Phase 1) by end of Q3 2015 • Convert 6000 sq. ft. of underutilized and/or vacant terminal space and bring into revenue-generating service in accordance with the terminal block plan in the ADR Master Plan with improvements initiated by end of Q3 2015 • Complete re-demising of units in ADR Master Plan (phasing and leasing plan elements) Phase I by end of Q4 2015 in preparation for new leasing in 2016-2017 • Relocate and expand terminal support space for food service and retail in conjunction with Baggage Optimization Project • Initiate first construction contract for infrastructure work identified in Terminal Utility Upgrade Project (Phase 2) by end of Q1 2017 • Finalize planning and design for infrastructure to support new dining and retail in North Satellite by end of 2016 • Develop an integrated restaurant and sustainability experience concept at the North Satellite by end of 2017

Objective 1: Grow Airport Dining and Retail sales per enplanement (SPE) from a 2014-budgeted SPE of $11.52 to $12.60 by the end of 2018.		
Performance Measure	**Performance Target**	**Actions**
		Marketing • Implement new dining and retail marketing strategy to coincide with opening of new units • Utilize solicitation process to encourage increased offerings of healthy food choices by ADR tenants and implement a new marketing program to promote these healthy food choices with a particular emphasis on children by end of 2015

Objective 2: Grow parking revenues from $52.1 Million budgeted in 2014 to $64 Million by the end of 2018.

Background: The airport parking market at Sea-Tac is one of the most competitive in the nation with approximately 32 different operators competing for the 1+ day airport parking transactions. The economic environment since 2008, as well as the introduction of additional private sector parking capacity, has negatively impacted the Airport's parking business.

Objective 2: Grow parking revenues from $52.1 Million budgeted in 2014 to $64 Million by the end of 2018.		
Performance Measure	**Performance Target**	**Actions**
Parking revenues	$64 Million by the end of 2018.	**New Programs and Services** • Improve the parking revenue control system to enable full implementation of revenue-generating programs and services by the end of 2015. • Implement parking pre-booking system by end of 2015. • Introduce differentiated parking products at lower price points (e.g. 8th floor) by end of 2015. • Integrate pre-booking system with revenue control system by end of 2016 **Customer Experience** • Continue implementation of the Garage Improvement Plan with maintenance/ appearance improvements to Floor 3 by end of 2015. Elements to include deep

Objective 2: Grow parking revenues from $52.1 Million budgeted in 2014 to $64 Million by the end of 2018.		
Performance Measure	**Performance Target**	**Actions**
		cleaning, striping removal and replacement, and column and beam painting • Complete garage emergency phone system replacement project to improve reliability and reduce maintenance costs by end of 2015. • Improve accuracy and user-friendliness of existing floor count system by end of 2015. • Continue implementation of the Garage Improvement Plan, deep-cleaning and restriping/painting one floor per year: 2016 – 2019

Objective 3: Grow annual revenues from leasing Airport property to $2.8 Million per year by the end of 2018.

Background: The Airport has 353 acres of property that have been identified for development. The vast majority of these properties were acquired using funds provided by the FAA through their mandated Noise Mitigation Program. Within the FAA grant assurances associated with these funds, there is a requirement to put these properties back into productive, airport-compatible use. The primary focus is to prepare these properties for offerings to private sector developers as ground leases to generate non-airline revenue for the Airport as well as create jobs and opportunities in the community. (The Real Estate Division manages these real estate initiatives; Aviation Business Development is the Airport "Client".)

Objective 3: Grow annual revenues from leasing Airport property to $2.8 Million per year by the end of 2018.		
Performance Measure	**Performance Target**	**Actions**
Lease revenues	$2.8 Million per year by end of 2018.	**Properties in Burien:** • **Northeast Redevelopment Area (NERA) / NERA 3 – 23.4 acres / NERA 2 -14.9 acres:** See Strategy 7.0, Objective 3 regarding FAA pilot program • **NERA 3 – 23.4 acres**: See Strategy 1.2, Objective 6 regarding property development for air cargo • **Lora Lake – 13.3 acres:** Monitor City's construction of off-ramp and

Objective 3: Grow annual revenues from leasing Airport property to $2.8 Million per year by the end of 2018.		
Performance Measure	**Performance Target**	**Actions**
		relocation of the existing storm water pipe traversing the site. Initiate preparation of disposition plan for site's redevelopment by end of 2015. **Properties in Des Moines:** • **Des Moines Creek Business Park (DMCBP) 1 – 87 acres:** Monitor construction of Phase 1 improvements during 2015. Monitor construction of Phase 2 improvements in 2016. Coordinating with the Real Estate Division. • **DMCBP 2 – 17 acres:** Prepare plan for site's redevelopment by end of 2016. **Properties in SeaTac:** • **L Shape - 26.2 acres:** See Strategy 1.2, Objective 6 regarding property development for air cargo. • **DMCBP 3 – 28.7 acres:** Initiate conceptual planning by end of 2015. Prepare plan for site's redevelopment by end of 2016. • **28th Avenue S. Development Area – 35.7 acres**: Develop recommendation regarding future accommodation of alternative fuel facility at the Airport by end of 2015. See Strategy 1.2, Objective 14 regarding use of property to support capital program.

Objective 4: Grow revenues from ground transportation service providers operating at the Airport from $7.9 Million budgeted in 2014 to $9.4 Million by the end of 2018.

Background: Ground transportation services at Sea-Tac consist of ten different operating classes ranging from taxis to courtesy shuttles. New types of services, referred to as transportation network companies (TNC's – Uber, Lyft, etc.), have entered the Seattle-area market in recent years. It is not yet clear how the City of Seattle or King County will regulate

these new services. With the Airport's taxi contract expiring in late 2015 and its limousine contract in early 2016, it is important to develop a strategy regarding if and how best to incorporate these new services into planning for the taxi and limousine contract RFP processes.

Objective 4: Grow revenues from ground transportation service providers operating at the Airport from $7.9 Million budgeted in 2014 to $9.4 Million by the end of 2018.		
Performance Measure	**Performance Target**	**Actions**
Revenues from ground transportation service providers operating at the Airport.	$9.4 Million by the end of 2018.	• Evaluate and recommend to Commission if and how to accommodate transportation network companies (TNC's) at the Airport. • Conduct RFP for Airport taxi service in time for expiration of current taxi contract on 11/1/2015. • Initiate RFP for Airport limousine service in time for expiration of current limousine contract that expires in Q1 2016.

Objective 5: Increase the revenues generated from the Airport's common-use lounge business from $1.2 Million budgeted in 2014 to $2 Million by the end of 2018.

Background: The Airport has been operating the remodeled Club International on the South Satellite and a more recently remodeled Club Cascade on Concourse A through a management contract. Seven airlines now use these facilities. There is an opportunity to increase the number of common-use lounges at the Airport as well as increase the revenues generated by these lounges, specifically through increased utilization of the available capacity.

Objective 5: Increase the revenues generated from the Airport's common-use lounge business from $1.2 Million budgeted in 2014 to $2 Million by the end of 2018.		
Performance Measure	**Performance Target**	**Actions**
Revenues from common-use lounge services.	Lounge revenues reach $2 Million by the end of 2018.	• Complete RFP selection process for lounge management services with contractor in place by 3/1/2015. • Develop a business plan for a loyalty program based on usage of the lounge and/or parking services. • Develop long-term Airport-wide shared club capacity analysis and plan, looking at both international and domestic demand/capacity by the end of Q2 2015. • Develop additional lounge capacity, either common-use or proprietary, on Concourse B by the end of Q4 2015.

Strategy 6.0:   Continually invest in a culture of employee development, organizational improvement, and business agility.

Major and New Initiatives

- **Grow Continuous Process Improvement across the Port**.

Objective 1: Grow Continuous Process Improvement (CPI/Lean) across the Port.

Background: In the first two years of CPI efforts, the Port has made business transaction process improvements in areas such as Aviation Maintenance, Aviation Security Badging, Paid-Time-Off planning, an element of Central Procurement, employee pay process, etc. The Port is poised to spread CPI fully throughout the various Port departments and increase the number of improvements.

Objective 1: Grow Continuous Process Improvement (CPI/Lean) across the Port.		
Performance Measure	**Performance Target**	**Actions**
CPI/Lean culture and capability	Grow the number of process improvement workshops (multi-department, single-departmental, team, or individual) by 20% per year to save $1.2 mil in employee capacity by 2018.	- Train 1/3 of Senior Executives in CPI/Lean during 2015 and assign them to sponsor and lead a workshop once per year in one of their departments. Train the remaining Executives over 2016 and 2017. Utilize consultant services to train executives. - Assign a full time Lean resource to accomplish four improvements with the Aviation Maintenance Department. - Celebrate and advertise each successful CPI/Lean improvement in one Commission briefing per year, on the Port Compass page, with managers, and hold celebrations for teams who completed improvement.

Objective 2: Complete a work continuity and succession planning departmental pilot program. **(PS)**

Background: The expertise of our staff is critical to keep the complex systems of the airport operating 24/7/365 and to meet demanding airline and tenant needs. However, many staff experts are long-tenured and/or nearing retirement eligibility. In order not to lose this institutional knowledge lost due to attrition, retirements, or transfer/promotions, the Airport has undertaken a Work Continuity and Succession Planning Departmental Pilot Program, the learnings of which will be shared with all managers across the Airport and the Port.

Objective 2: Complete a work continuity and succession planning departmental pilot program. (PS)		
Performance Measure	**Performance Target**	**Actions**
Work continuity and succession planning	Complete report for use by others by Q3 2014, and initiate similar work in next departments in 2015.	• Complete first work and succession plan in Q3 2014. • Select next aviation departments using same focus and complete their plan in 2015. Complete necessary departments in Aviation in 2016.

Objective 3: Complete a Post-Graduate Fellowship Pilot Program and produce recommendations for a follow-on program. **(PS)**

Background: This pilot supports both business agility and future employee development in the Aviation Division. The approach will be to hire a recent graduate (baccalaureate or graduate degree) for two years and to rotate that individual through three or more departments while performing significant work in a non-supervisory capacity. Research has been completed with universities to design an effective fellowship.

Objective 3: Complete a Post-Graduate Fellowship Pilot Program and produce recommendations for a follow-on program. (PS)		
Performance Measure	**Performance Target**	**Actions**
Create added opportunity to support business needs and create opportunity for future staff aspiration and development	Define and fill position in 2014, complete and assess results in 2016	• Hire in Q3 2014, rotate departments in approximate 8-month intervals, and complete assessment and action plan via in-house staff for future program by Q3 2016.

Objective 4: Grow a mature Business Intelligence (BI) and performance management capability, which will achieve broad data-driven decision making by 2019.

Background: "Business intelligence" describes a set of resources, processes, and tools that allows the analysis of data or information already at hand in new and novel ways which can produce better business decisions in a shorter period. The Airport's BI program enables employees to answer business questions with agility, improves employee efficiency, and supports data-driven and informed planning and decision-making.

Objective 4: Grow a mature Business Intelligence (BI) and performance management capability, which will achieve broad data-driven decision making by 2019.		
Performance Measure	**Performance Target**	**Actions**
BI Strategy Plan execution progress (including BI resourcing and governance; data and analytic standards and capabilities)	Implement first set of 2014 BI Strategy Plan recommendations and track against related performance targets by end of 2015	• Develop governance policy and procedures, data standards and analytics best practices • Assess best practices and identify necessary skills to develop predictive analytics capability

Objective 4: Grow a mature Business Intelligence (BI) and performance management capability, which will achieve broad data-driven decision making by 2019.		
Performance Measure	**Performance Target**	**Actions**
		• Complete 3 predictive analytics projects by Q3 2015
Increase staff use of BI content.	BI content is actively used by 50% of Aviation Division staff 2019	• Complete eight new BI projects in 2015 driven by business needs and providing measurable benefit across various Airport departments. • Complete an additional 8, or more projects per year through 2019.
Airport staff analytical production and consumption capabilities	Participation of 100-120 staff in workshops	• Conduct second round of graphical literacy training workshops by Q4 2015.
Expand Port-wide BI Capabilities	All Port divisions are actively using BI on 5 projects by 2017.	• Continue internal internships exposing non-aviation personnel to BI capabilities • Continue to mentor and consult with other Port divisions • Establish strategy for Port-wide expansion by Q4 2015.

Strategy 7.0   Maintain valued community partnerships based on mutual understanding and socially responsible practices.

Major and New Initiatives

- **Implement new programs under the updated Part 150 noise mitigation program.**

- **Renegotiate the Port of Seattle/City of SeaTac Interlocal Agreement (ILA) in 2015.**

- **Increase value of Airport contracts with small businesses**.

Objective 1: Implement noise mitigation programs consistent with updated Part 150 and Commission direction.

Background: The Federal Aviation Regulation (FAR) Part 150 Noise and Land Use Compatibility Study has been updated and was approved by the FAA in June 2014. The Airport has received the FAA Record of Approval and staff will develop plans and budget requests to implement recommended programs. Certain new programs (i.e., insulation of churches and apartment buildings and purchase of avigation easements for mobile home parcels) will require feasibility studies to determine cost and approach. Once the feasibility studies are complete, new capital projects will be defined and brought forward for Commission consideration.

Objective 1: Implement noise mitigation programs consistent with updated Part 150 and Commission direction.		
Performance Measure	**Performance Target**	**Actions**
Pre-2014 Part 150 single family homes	Complete pre-2014 Part 150 single family noise remedy program by end of 2015	• Insulate 33 remaining single family homes in 1985 noise remedy boundary by end of Q4 2015
School projects	Insulate school buildings (timing TBD)	• Insulate school buildings (timing determined by Highline Public Schools financing availability)
New Part 150 programs	Implement new Part 150 programs by 2016	• Complete two feasibility studies (TBD) by end of Q4 2015 • Develop proposed program plan and new capital program for Commission approval by end of Q1 2016 • Initiate procurement processes and grant applications for new projects by end of Q2 2016 • Secure grant funding and commence new programs 2016 - 2019
Ground Run Up Enclosure	Ground Run Up Enclosure (GRE) sited, designed and constructed by end of 2019	• Identify location of GRE during master planning process by end of Q4 2015 • Conduct GRE environmental review, design and permitting 2016 - 2017 • Construct GRE 2018 – 2019

Objective 2: Collect accurate data to monitor compliance with noise abatement procedures and investigate stakeholder inquiries about Airport noise.

Background: The Noise Programs Office operates a noise and operations monitoring system (ANOMS) to ensure airline compliance with noise abatement procedures, analyze data and investigate inquiries about noise. The system consists of noise monitors, a software system and public website. ANOMS data is used to manage the Port's annual Fly Quiet Program and is critical to producing information required by the FAA and responding to more than 2,000 noise inquiries annually.

Objective 2: Collect accurate data to monitor compliance with noise abatement procedures and investigate stakeholder inquiries about Airport noise.		
Performance Measure	**Performance Target**	**Actions**
Data collection and processing	New system deployed by end of Q3 2015	• Complete upgrade by end of Q3 2015 • Draft new Flight Quiet Program criteria for FAA review by end of Q4 2015

Objective 2: Collect accurate data to monitor compliance with noise abatement procedures and investigate stakeholder inquiries about Airport noise.		
Performance Measure	**Performance Target**	**Actions**
		• Implement new Fly Quiet Program criteria 2016 - 2019 • Conduct required noise contour review related to prior litigation by end of Q4 2017

Objective 3: Maintain productive relationships with surrounding jurisdictions in order to facilitate support for redevelopment of Port-owned land in Airport communities.

Background: Collaborating with Airport cities to redevelop Port-owned property under their regulatory jurisdiction aligns and leverages resources, with the common goal of returning these properties to productive use. These actions advance Century Agenda economic development goals and help sustain mutually supportive relationships with Airport community residents, city leaders and policy-makers.

Objective 3: Maintain productive relationships with surrounding jurisdictions in order to facilitate support for redevelopment of Port-owned land in Airport communities.		
Performance Measure	**Performance Target**	**Actions**
Community engagement and outreach	Airport community awareness of Port priorities and Commission goals 2015 – 2019	• Conduct a community open house to share information about noise and community relations efforts by end of Q4 2015 • Facilitate meetings with community coalitions - Highline Forum and Soundside Alliance 2015 - 2019 • Provide financial support to and participate as a board member of the SW King County Chamber 2015 - 2019 • Develop and distribute Airmail, Airport Check-In and other written communications 2015 - 2019 • Assess and respond to aviation division needs for communicating with diverse audiences 2015 - 2019
Collaboration on redevelopment projects	Airport jurisdictions approve Port projects 2015 - 2019	• Facilitate meetings between Port and Airport community leaders and decision-makers 2015 – 2019 to resolve Airport land use compatibility issues, assure alignment of interests and identify and act on opportunities for resource development

Objective 3: Maintain productive relationships with surrounding jurisdictions in order to facilitate support for redevelopment of Port-owned land in Airport communities.		
Performance Measure	**Performance Target**	**Actions**
		• Seek, receive and administer FAA Pilot Program grant for infrastructure planning associated with Burien's Northeast Redevelopment Area (NERA) by end of Q3 2015 • Administer existing Port of Seattle/City of SeaTac ILA 2015 – Feb 2016

Objective 4: Renegotiate the Port of Seattle/City of SeaTac Interlocal Agreement (ILA).

Background: The current ILA expires in February 2016. The ILA establishes a system for interagency cooperation and exercise of jurisdictional authorities related to land use and zoning, surface water management (SWM), critical areas, transportation, SEPA, and public safety. The ILA will be renegotiated in 2015, per Commission direction provided to staff by the end of 2014. One key issue related to the ILA is the legacy of SWM payments to the City, despite the Port managing all surface water within the Airport fence line.

Objective 4: Renegotiate the Port of Seattle/City of SeaTac Interlocal Agreement (ILA).		
Performance Measure	**Performance Target**	**Actions**
ILA	Commission approves negotiated amendments to ILA by end of Q4 2015	• Establish process benchmarks and schedule (using Commission priorities identified in 2014) by end of Q1 2015 • Secure necessary FAA approvals and authorizations by end of Q3 2015 • Obtain legal review of draft documents by end of Q3 2015 • Obtain SeaTac City Council approval by end of Q4 2015 • Administer new ILA 2016 through 2019

Objective 5: Implement new aviation division programs that support Port-wide workforce development strategies and Commission Quality Jobs policies. **(CA)**

Background: The Port is committed to developing sustainable programs and services that provide opportunities for individuals to access training and career advancement. Commission will set policy in 2014 to guide implementation of Port-wide quality jobs initiatives. This work will require ongoing collaboration with a variety of partners to create strategies for increasing workforce training and employment opportunities.

Objective 5: Implement new aviation division programs that support Port-wide workforce development strategies and Commission Quality Jobs policies. (CA)		
Performance Measure	**Performance Target**	**Actions**
Aviation division Quality Jobs programs	New programs successfully deployed by end of Q1 2015	• Respond to additional Airport space needs by end of Q1 2015 • Implement new programs, as defined by service provider contract(s) by end of Q1 2015 • Manage high school internships and expand aviation career awareness programs by Q4 2015

Objective 6: Foster new aviation division opportunities for local businesses. **(CA)**

Background: The Port encourages and supports small businesses from communities around the Airport seeking access to Airport/Port business opportunities. Results of the 2014 Disparity Study will serve as the basis of Aviation goals for 2015 small business participation.

Objective 6: Foster new aviation division opportunities for local businesses. (CA)		
Performance Measure	**Performance Target**	**Actions**
Small business contracts	Increase number and/or value of small business contracts by percentage to be determined by Q3 2014	• Create a reliable mechanism to capture aviation small business participation by end of Q1 2015 • Implement strategies to increase small business participation by end of Q2 2015