

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 6f
Date of Meeting January 26, 2016

DATE: January 19, 2016
TO: Ted Fick, Chief Executive Officer
FROM: Wayne Grotheer, Director, Aviation Project Management Group
Michael Ehl, Director, Aviation Operations
SUBJECT: Gate D6 Modifications at Seattle-Tacoma International Airport (CIP #C800771)

Amount of This Request:	\$1,713,000	Source of Funds:	Airport Development Fund
Est. Total Project Cost:	\$1,733,000		
Est. State and Local Taxes:	\$116,000		

ACTION REQUESTED

Request a single Commission authorization for the Chief Executive Officer to (1) proceed with design of a passenger ramp for Gate D6 at Seattle-Tacoma International Airport (Airport); (2) execute a contract to purchase the inclined walkway, furniture, casework, and equipment required; and (3) use Port Construction Services to install the inclined walkway and complete related work. This single authorization is for \$1,713,000 of a total estimated project cost of \$1,733,000.

SYNOPSIS

The Gate D6 Modifications project will reactivate the holdroom and portal at Gate D6 in order to provide a waiting and processing area for passengers who will be transported via bus to board a remotely parked aircraft. This request is to authorize the design and installation of an inclined walkway or ramp at Gate D6, and to complete the installation of furniture and equipment for the Gate D6 holdroom for passenger and airline use. The ramp will be compliant with the Americans with Disabilities Act (ADA) for passenger access to/from Gate D6. A single authorization is required in order to allow construction to be completed prior to the 2017 summer peak travel season.

BACKGROUND

In 2014, Gate D6 was de-activated as part of Airline Realignment when American Airlines moved to Concourse D. At that time, the passenger loading bridge was removed from the building to accommodate American's larger aircraft on Concourse D. That condition has not changed, and thus it is not possible to utilize the holdroom in a traditional manner, with passengers boarding via loading bridge. Alternatively, adding an ADA-compliant walkway and

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installing furniture and common use equipment in the holdroom, will allow the Port to use Gate D6 for remote hardstand busing of passengers.

With the projected growth in enplanements and operations, and the upcoming construction activities that will take existing gates out of service temporarily, the Airport will be experiencing a severe shortage of contact gates that provide passenger loading bridges to connect aircraft to the terminal building.

As early as 2016, passengers on some flights may be enplaned or deplaned at a remote aircraft parking position and bused to/from the terminal. Enplaning passengers will, in this scenario, be processed for departure and wait for a bus to transport them to their remotely parked aircraft. This project will be designed to provide additional holdroom space and passenger processing capabilities at Gate D6 and to accommodate a remote hardstand operation from this location for two flights with staggered departure times.

This project is the second step in creating passenger holding and processing space for remote hardstand operations at the Airport. The first step is to create a new holdroom on the ramp level of Concourse B, for which Commission authorized design in October 2015. Port staff is also considering other spaces and locations needed to provide adequate holdroom capacity for additional remote hardstand operations in the future.

In 2014, the Commission authorized a similar project to provide a ramp for Gate S1 at the South Satellite. Under a single authorization, the Port designed, procured materials, and installed a ramp very similar to what staff is proposing for Gate D6. That project was successfully completed under a reduced schedule and budget, in time for the June 2015 summer season. Staff plans to use that same method of project delivery with this project to ensure that the Gate D6 holdroom will be ready for the 2017 summer season.

PROJECT JUSTIFICATION AND DETAILS

To accommodate operations when sufficient gates are not available, the Airport will enable remote hardstand arrivals and departures where passengers are bused between the terminal building and remotely parked aircraft. Since the Gate D6 boarding area currently does not have a passenger loading bridge attached, it is an ideal location to hold and process passengers departing from remote hardstand positions. The investments needed for Gate D6 are comparatively less than investments needed to create additional holdroom space in other areas of the Airport. For instance, as described in the alternatives section below, there is no need to build an additional building or remodel an existing space into a new holdroom with this project. Additionally, re-activation of this gate for remote hardstand operations will allow us to process several flights per day from a location that maintains a high level of customer service for passengers.

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Project Objectives

- Increase productivity of existing terminal facilities.
- Provide holdroom and customer service space in the main terminal to accommodate passengers.
- Provide the ability to process two flights from more than one airline consecutively at the same gate.

Scope of Work

This project proposes to reactivate gate D6 by making modifications to the holdroom and building exterior to accommodate holding and processing passengers for busing to remote hardstands by:

- Building an ADA-accessible ramp walkway to a bus loading zone at ramp level
- Adding common use casework and equipment to the holdroom
- Installing access control to the door portal
- Installing an external camera to monitor the door
- Relocating an Electrical Ground Support Equipment (EGSE) Charging Station

Schedule

Begin Design	1 st Qtr 2016
Begin Procurement	3 rd Qtr 2016
Begin Construction	3 rd Qtr 2016
Complete Project	1 st Qtr 2017

FINANCIAL IMPLICATIONS

Budget/Authorization Summary

	Capital	Expense	Total Project
Original Budget	\$1,400,000	\$0	\$1,400,000
Budget Addition	\$333,000	\$0	\$333,000
Revised Budget	\$1,733,000	\$0	\$1,733,000
Previous Authorizations	\$20,000	\$0	\$20,000
Current request for authorization	\$1,713,000	\$0	\$1,713,000
Total Authorizations, including this request	\$1,733,000	\$0	\$1,733,000
Remaining budget to be authorized	\$0	\$0	\$0
Total Estimated Project Cost	\$1,733,000	\$0	\$1,733,000

Project Cost Breakdown

	This Request	Total Project
Design Phase	\$219,000	\$239,000
Procurement	\$338,000	\$338,000
Construction Phase	\$1,040,000	\$1,040,000
Sales Tax	\$116,000	\$116,000
Total	\$1,713,000	\$1,733,000

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Budget Status and Source of Funds

The Gate D6 Modifications (CIP #C800771) was included in the 2016-2020 capital budget and plan of finance with a budget of \$1,400,000. A budget increase of \$333,000 is due to scope changes during the project definition phase to add a second common-use counter, an external security camera, relocate an Electrical Ground Support Equipment charging station, and an increased steel cost. The budget increase will be transferred from the Aeronautical Allowance CIP #C800404 resulting in no net change to the Airport capital budget. The funding source for this project is the Airport Development Fund.

Financial Analysis and Summary

CIP Category	Renewal/Enhancement
Project Type	Renewal & Replacement
Risk adjusted discount rate	N/A
Key risk factors	N/A
Project cost for analysis	\$1,733,000
Business Unit (BU)	Terminal
Effect on business performance	NOI after depreciation will decrease
IRR/NPV	N/A
CPE Impact	\$.01 in 2017

Lifecycle Cost and Savings

The life of the walkway asset is estimated to be 40 years. We do not anticipate significant ongoing maintenance costs, other than occasional refurbishment of the floors every 3 to 5 years depending on usage and weather at an estimated cost range between \$5,000 and \$7,000. The maintenance costs of the other project elements including the access control and common use equipment will not have a significant budgetary impact.

STRATEGIES AND OBJECTIVES

This project promotes the Port's Century Agenda objective of meeting the region's air transportation needs at the Airport for the next 25 years by providing critically needed passenger holdrooms with common use passenger processing equipment for remote hardstand/off-gate aircraft operations. It will also Increase the proportion of funds spent by the Port with qualified small business firms on construction, goods and services. Flexible gate operations will allow for more efficient utilization of the airport's existing facilities.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Maintain the status quo (not recommended).

This option does not provide an additional holdroom in the terminal for facilitating remote hardstand operations. During times of gate shortage, airlines would incur significant delays as they wait for gates to become available where they can process and board passengers.

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Capital Cost: \$0

Pros:

- This alternative does not require a capital investment.

Cons:

- This alternative would potentially delay aircraft arrivals and departures. This would significantly degrade the quality of passenger experience at Sea-Tac and increase costs of airlines related to delays.
- This alternative could require aircraft to idle engines while waiting for a gate increasing emissions into the air and negatively affecting the environment.
- This alternative would potentially lead to airlines having to process departing hardstand passengers in severely congested holdrooms already being used for other flights.
- This alternative does not give airlines a dedicated space to provide customer service and process passengers for hardstand departures.

Alternative 2 – Add additional terminal capacity by increasing the building footprint and adding contact gates and holdroom space (not recommended).

This alternative would construct a new building in order to provide the additional capacity needed.

Capital Cost: \$20 million. (This rough order of magnitude estimate for this alternative is based on the 60 percent design estimate for the expansion portion only of the North Satellite Renovation and North Satellite Transit System Lobbies Project that is adding new terminal and gate capacity.)

Pros:

- This alternative would provide the best passenger experience. It would not require accessing the building from the ramp level or busing.
- This alternative would allow the addition of circulation space, passenger amenities, and concessions space in addition to holdroom space.
- This alternative would create new terminal capacity to hold 200 people.
- This alternative would provide additional contact gates and the ability to connect to the pre-conditioned air system and ground power significantly reducing aircraft emissions and energy savings.

Cons:

- There is no space to add concourse level terminal contact gates without impact to current taxi lanes and taxiways making this option not viable.
- This alternative, if it were viable, is significantly more expensive than adding holdroom and passenger processing space within the current building footprint.
- This alternative could not be completed in time to meet demand.

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Alternative 3 – Reactivate the holdroom at Gate D6 and provide an ADA compatible walkway to the bus loading/unloading area (This is the recommended alternative).

Capital Cost: \$1,733,000

Pros:

- This alternative provides approximately 2,000 square feet of dedicated common use holdroom and passenger processing space for use during hardstand operations.
- This alternative provides access for all passengers through one entry and exit point for flights assigned to this holdroom.
- This alternative provides additional capacity within the existing building footprint as directed in the Airport's business plan strategic goal to increase productivity of existing air terminal facilities.
- This alternative aligns with the Century Agenda goal to meet the region's air transportation needs at Seattle-Tacoma International Airport for the next 25 years and encourage the cost effective expansion of domestic and international passenger and cargo service.

Cons:

- Building the new ADA walkway could impact operations on the ramp during construction and the footprint of the walkway will take up some space currently used to park ground service equipment.

This is the recommended alternative.

ATTACHMENTS TO THIS REQUEST

- Computer slide presentation showing project location.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- May 26, 2015 – Aviation Division Business Plan Overview
- April 28, 2015 – Commission Briefing: Sustainable Airport Master Plan (SAMP)