

Port of Seattle Investment in Airport Facilities to meet Regional Demand

August 15, 2017



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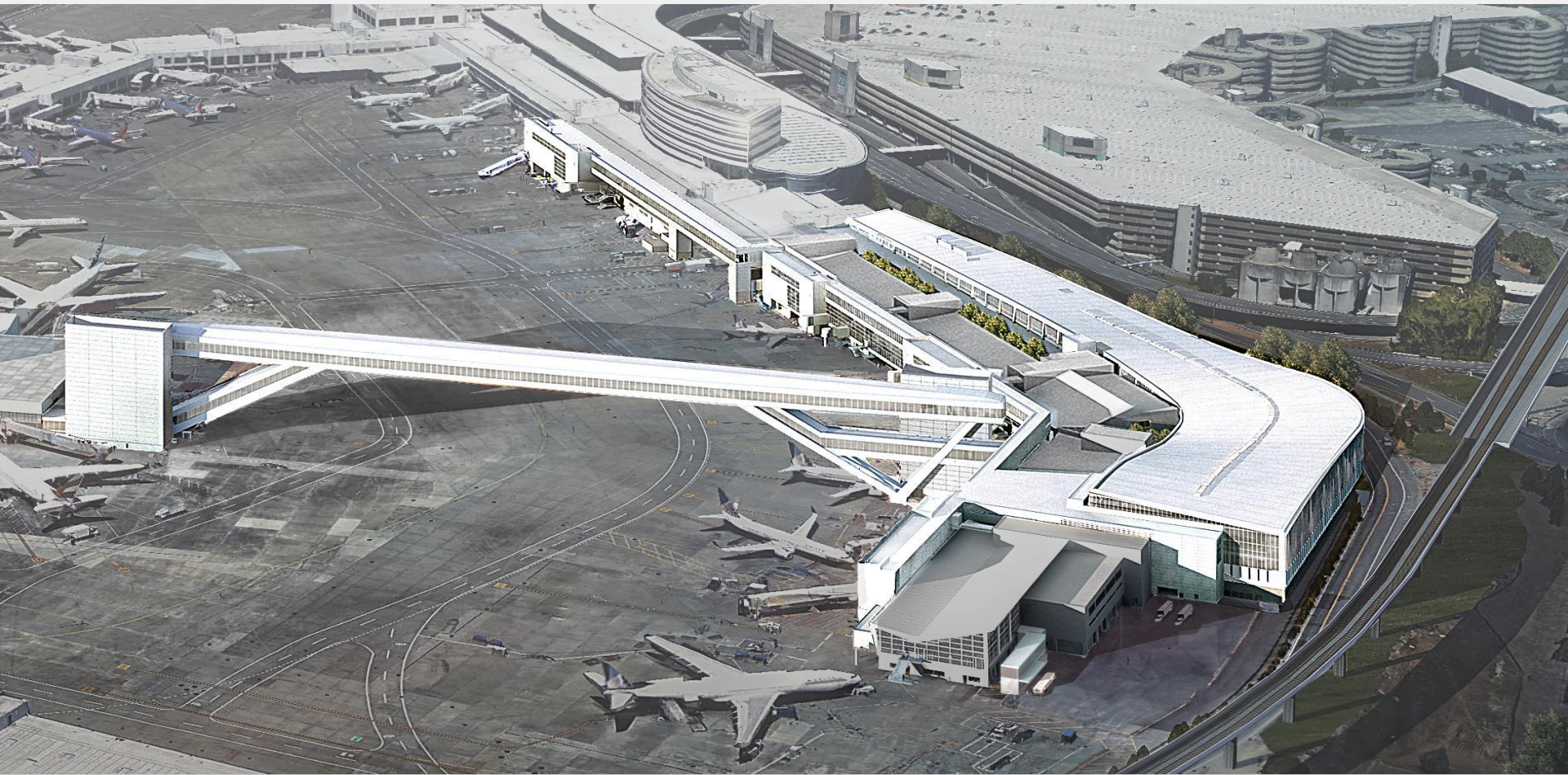
- Airport Investment Purpose
- IAF Benefits
- North Satellite Benefits
- Investment Magnitude
- Video files
- Final Views
- Progress Photos
- Appendix

Investment to meet existing regional demand

Port Investment in Airport Capacity

- Added capacity is needed to:
 - Keep up with growth driven by the region
 - Provide international connectivity and related benefits state-wide
- Completes Two Major Facilities
 - International Arrivals Facility (IAF)
 - North Satellite Expansion (NSAT)

SeaTac Airport supports regional economic growth



IAF

Aerial View

Benefits of IAF

- Improves processing and speed and customer service from 1,200 to 2,600 pax/hr capacity
- Provides modern welcoming for international travelers coming to the world class cities in our region
- Supports 6 new international airlines since 2016
 - Each provides \$89M regional economic benefit
- Provides 20 dual-capable flexible gates for both large international aircraft and smaller domestic aircraft



NSAT

Aerial View

Benefits of NSAT

- Adding 8 new gates for a total of 20 contact gates
- Modernizes 50 year old facility (1972-2021)
- Seismic reinforcement of the North Satellite
- 9 bay expansion adding 268,000 sf for passenger comfort and increased concessions
- Adding 3rd floor for Alaska (AS) Lounge and signature restaurant
- LEED design demonstrating environmental commitment to passengers, community and business partners
- Improved passenger experience and operational efficiency

Investment

IAF

Total Estimated Investment = \$766M

This Budget Request = \$105.6M

This Funding Authorization = \$284.0M

NSAT

Total Estimated Investment = \$671M

This Budget Request = \$107.5M

This Funding Authorization = \$270.3M

Commission request

- IAF overfly
- IAF walk-through

- NSAT overfly
- NSAT walk-through



IAF

View of Pedestrian Bridge



IAF

View of Pedestrian Bridge Interior



IAF

View of Baggage Hall Interior



Gates A20/21
New Hardstand Ramp

IAF

Progress Photos



New NE Ground Transportation Lot



IAF

Progress Photos



NSAT

Aerial View



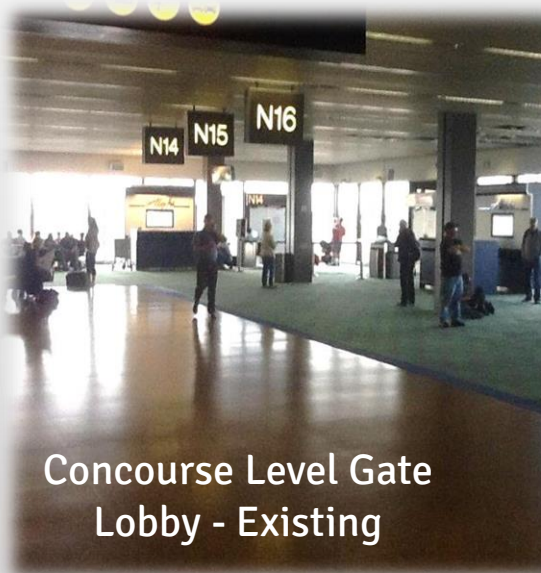
Transit Level - Existing

Transit Level - New



NSAT

Transit Level



Concourse Level Gate Lobby - Existing

Concourse Level Gate Lobby - New



Higher Ceilings
Natural Light
Open Concept

Technology
Faster Process
Just-in-time Boarding

Marketplace - Existing



Marketplace - New



NSAT

Marketplace



NSAT

Lounge and Restaurant Expansion above Concourse



NSAT

Lounge and Restaurant Expansion above Concourse



North Satellite
Today

North Satellite
Future



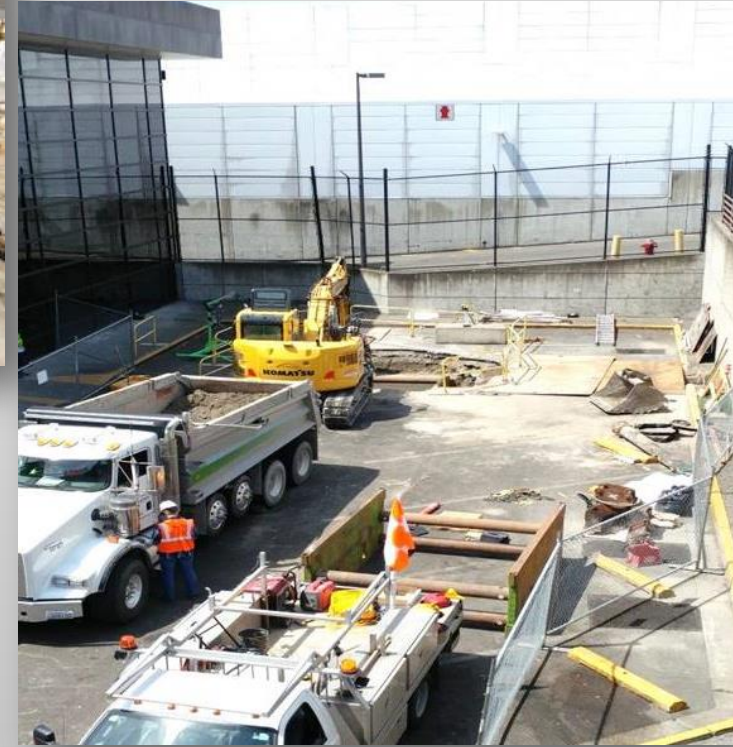
NSAT

Progress Photos



Expansion Excavation Area

Preliminary Terminal Work





Excavation / foundation columns



Temporary Walkways for passenger safety



NSAT

Progress Photos





IAF & NSAT - Investment to meet existing Regional Demand

Appendices

IAF Slides 26 to 31

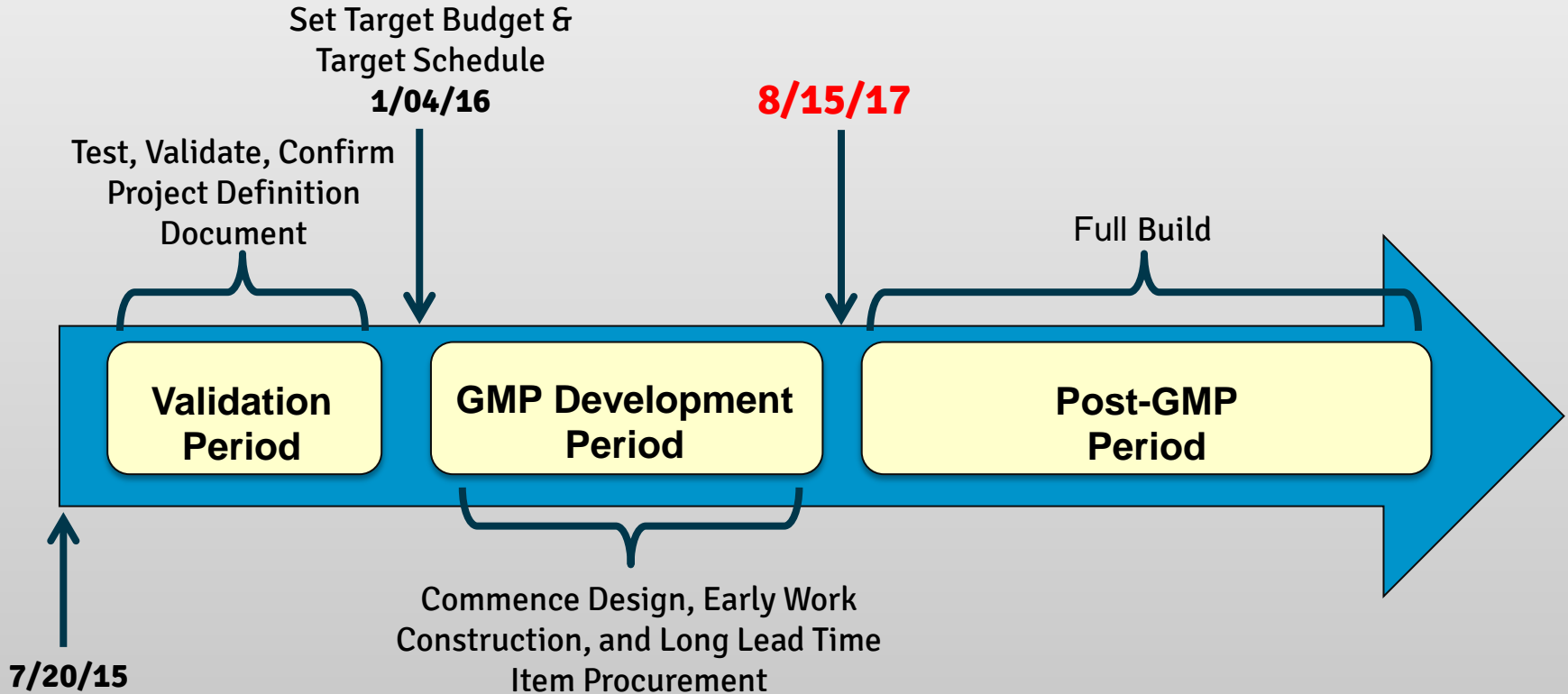
NSAT Slides 32 to 36

Appendix of IAF and NSAT Request Presentations

IAF Request

August 15, 2017

Design-Build Contract Status



The Contract Contemplated Three Distinct Time Periods

IAF Budget Overview

IAF PROJECT

\$608.4M – Base Budget

\$ 41.0M – Phase 2 Sterile Corridor Extension

\$ 11.0M – Phase 2 Balance of Scope Acceleration

\$660.4M – Revised Budget to Accelerate Work

OTHER CAPITAL PROJECTS

\$660.4M – Revised Budget

\$ 5.5M – Narrow Body Optimization at SSAT

\$ 18.5M – Baggage Optimization Below IAF

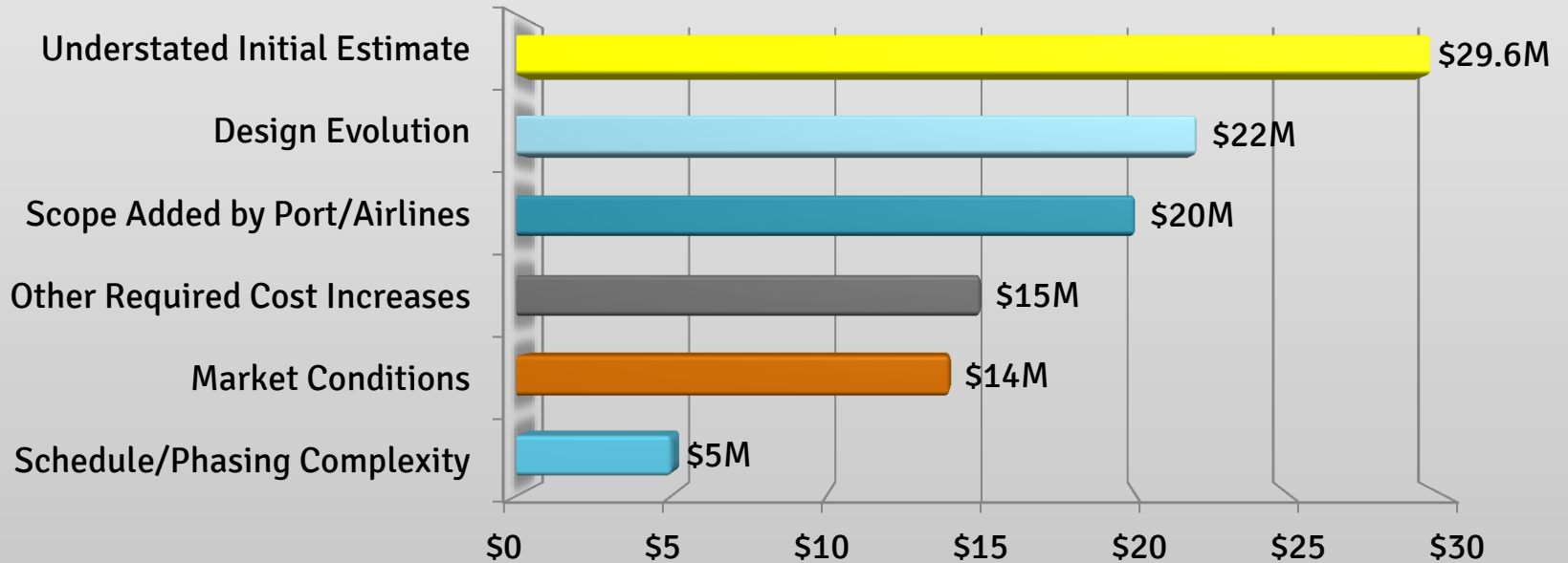
\$684.4M – Current Budget

Original budget previously increased to include 2 separate CIPs and new scope

IAF Request

Current Completion Estimate:

\$766 M



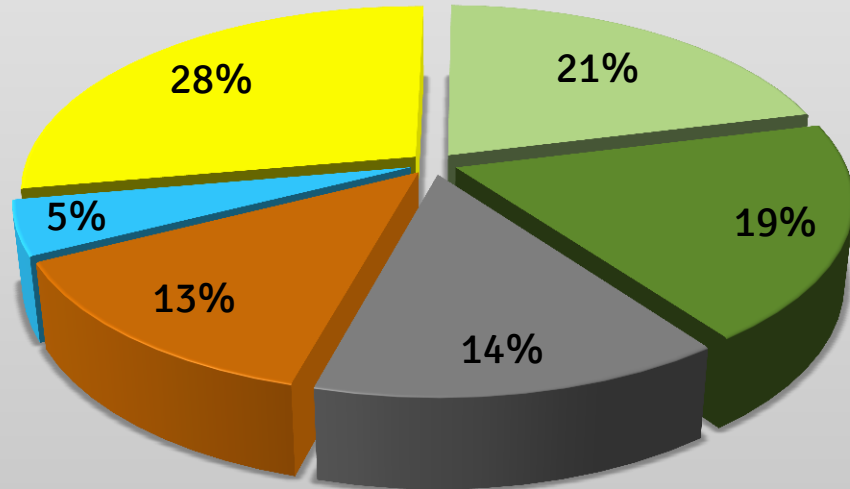
Factors Contributing to Budget Increase

IAF Request

Current Completion Estimate:

\$766 M

- Understated Initial Estimate
- Design Evolution
- Scope Added by Port/Airlines
- Other Required Cost Increases
- Market Conditions
- Schedule/Phasing Complexity



Factors Contributing to Budget Increase

Commission Action

- Authorize increase of \$105.6M to project budget
- Authorize \$284M increasing project funding to \$766M
- Authorize an extension of the current design-build contract to December 31, 2020
- Authorize execution of a Guaranteed Maximum Price (GMP) or multiple mini-GMPs, contract amendments and change orders, as required, to complete the IAF project

IAF Action Requested

NSAT Request

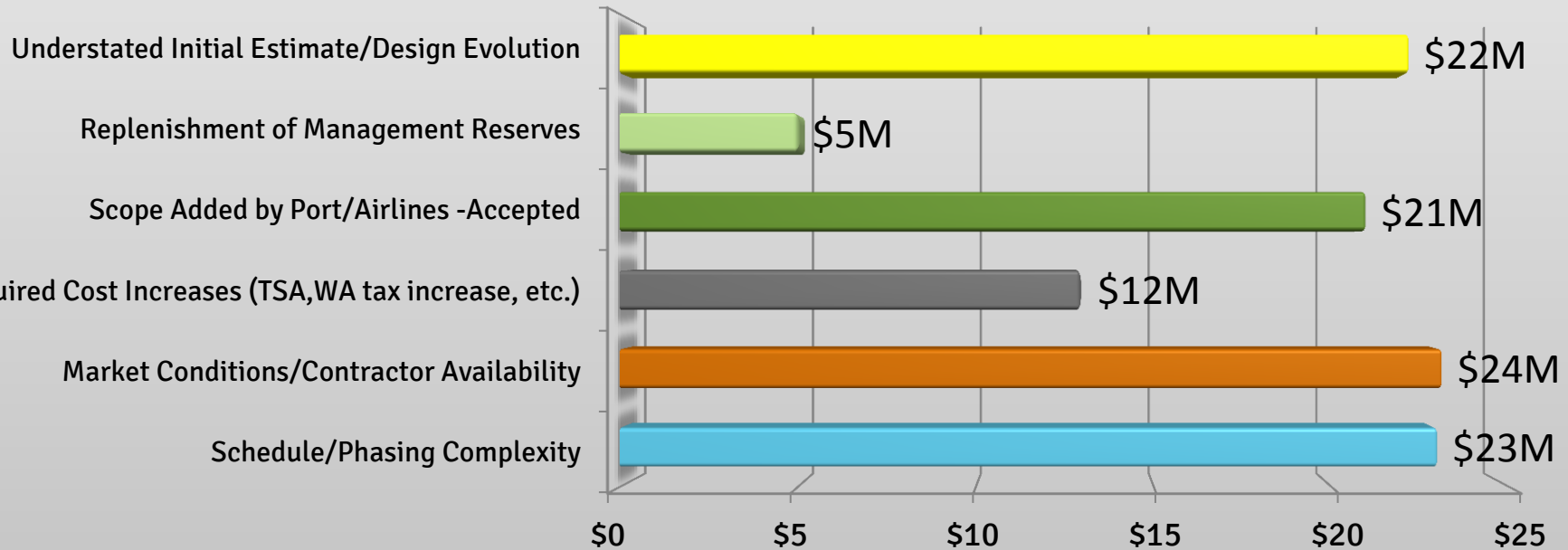
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NSAT Request

Current Completion Estimate:

\$658 M

(Capital Only)



Factors Contributing to Capital Budget Increase

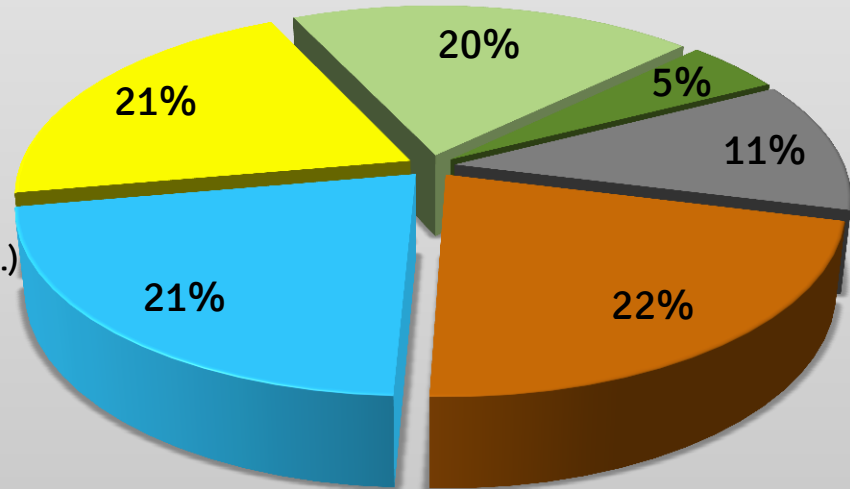
NSAT Request

Current Completion Estimate:

\$658 M

(Capital Only)

- Understated Initial Estimate/Design Evolution
- Scope Added by Port/Airlines (Accepted)
- Replenishment of Management Reserve
- Other Required Cost Increases (TSA, WA tax increase, etc.)
- Market Conditions/Contractor Availability
- Schedule/Phasing Complexity



Factors Contributing to Capital Budget Increase

Understated Initial Estimate/Design Evolution

- Lack of sufficient design development allowance after 60%

Other Required Cost Increases

- Sales Tax Increase
- 100% worker & employee security screening
- Future regulatory requirements

Market Conditions / Contractor Availability

- Lack of Subcontractor availability
- Labor Shortages
- Lack of qualified labor
- Ability to “pick and choose” projects (Port restrictions including badging, security, limited access and laydown area)

Schedule/Phasing Complexity

- Maintaining current levels of operational & customer service
- Reconstructing vertical circulation core while PAX moving through area
- Constructing high bay roof, then demolishing existing roof and structure while PAX moving below

Factors Contributing to Budget Increase

Commission Action

- Authorize increase of \$107.5M to project budget
- Authorize \$270.3 M increasing project funding to \$670.6M
- Amend contract with HP for \$161.6M for total contract value of \$453.6M
- Authorize execution of all change orders within authorized budget and scope without returning for additional Commission authorization
- Use Port crews to support NSAT construction
- Authorize staff to enter a Tenant Reimbursement Agreement with AS to reimburse each other as appropriate for improvements that are part of the NSAT

NSAT Action Requested