COMMISSION AGENDA

Item No.	6d
Date of Meeting	July 27, 2010

DATE: July 16, 2010

TO: Tay Yoshitani, Chief Executive Officer

FROM: Wayne Grotheer, Director, Aviation Project Management Group
David Soike, Director, Aviation Facilities and Capital Program

SUBJECT: Passport Inspection Booths project at Seattle-Tacoma International Airport (CIP # C800174).

Amount of This Request: $2,000,000   **Source of Funds:** Airport Development Fund & Future Bonds

Total Project Budget: $2,000,000   **Jobs Created:** 15
Sales Tax Paid: $140,000

ACTION REQUESTED:

Request Commission authorization for the Chief Executive Officer to (1) proceed with design, (2) authorize the use of Port crews, and (3) execute contract(s) for new primary inspection booths and electronic signage for the Federal Inspection Services (FIS) located at the South Satellite at Seattle-Tacoma International Airport (Airport). This authorization is for a total estimated project cost of $2,000,000 (CIP # C800174).

SYNOPSIS:

This memorandum requests authorization to prepare design and construction bid documents, have Port crews (Port Construction Services and maintenance) and small works contractors perform work, and procure new booths and electronic signage that would replace existing primary inspection booths to be utilized by US Customs and Border Protection (CBP) for passport control in the FIS facility. This will improve the throughput of the international arrivals process, reducing passenger wait times, queuing, and the potential for international passengers to be temporarily "held on board" aircraft after arrival. The project will also help the airlines maintain on-time outbound departures.

BACKGROUND:

The FIS facility was originally constructed in the late 1960s. It was expanded in the early 1980s but since then has not seen significant facility improvements. In the intervening years, Seattle has experienced a dramatic increase in the number of international flights utilizing the FIS. In

the recent 10 year period, we have seen a 60 percent increase in passenger numbers including six wide-bodied international flights arriving within a 65 minute window. The primary inspection area (formerly called Immigration) on the mezzanine has reached its processing capacity. A capacity limit warning level of 300 passengers per hour was established to help manage the resulting queues during the peak arrival times. When that level is exceeded, there are extreme queues and congestion forming in the international corridors. That warning level, which in the past, was rarely exceeded, is now being exceeded once or twice weekly. As a result, some international airlines are forced to hold passengers onboard the arrived aircraft, which threatens punctuality of outbound services. Queue levels can rise as high as 500 to 600 passengers in this area and the arrival corridors, with wait times of an hour or more.

The Airport has little control over airline schedules, which are dictated by centralized planning departments at their headquarters. These schedules are coordinated with connecting flights at the international origins and destinations of flights serving Seattle.

This project provides an immediate fix to the current capacity issues of the primary inspection area of the FIS. In order to ensure a complete project before next summer's traffic peak, CBP approved standard primary inspection booth design documents will be used to immediately begin procurement of new booths. Concurrently, design will begin on the layout of the new booths in order to construct new utilities and properly place the booths once they are delivered to the Airport. Longer term solutions to provide additional capacity for future growth are being evaluated and will become part of the Airport capital improvements program in the near future.

PROJECT DESCRIPTION/SCOPE OF WORK:

Project Statement:
This project will replace primary inspection booths with new booths and make certain other improvements to the FIS as detailed below by June 1, 2011, for $2,000,000.

Project Objectives:
- Increase processing capacity for primary inspection screening by CBP.
- Install new primary inspection booths using a design approved by CBP.
- Minimize the practice of "hold on board."
- Maintain an acceptable level of service and capacity during construction.
- Complete installation prior to start of summer travel season (June 1, 2011).

Scope of Work:
Replace existing booths with new booths. The new booths are "piggyback" style, with back-to-back service points. This more efficient layout allows 30 new booths to be installed in the space currently used by 20 existing booths. The booths will be procured using existing CBP approved design documents and thus will not need to wait for the layout design, which will be completed concurrently. Construct new electrical and communications infrastructure for the new booths including new electrical service panels as electrical capacity is not available at the project

location. Install new dynamic directional signage for passenger queuing. Revise queuing railings.

STRATEGIC OBJECTIVES:

This project promotes the strategic goals to "Ensure Airport and Seaport Vitality" and "Be a Catalyst for Regional Transportation Solutions" by providing CBP with the tools and equipment to effectively clear the increasing number of arriving international passengers during the peak arrival times. The project will increase the CBP's primary inspections processing rate, which directly translates to fewer delayed airline outbound departures. Currently, airline departures have the potential for being delayed due to passengers being held on board while long queues of other arriving passengers are being cleared through primary inspections on the mezzanine level of the FIS. The new primary inspection booths will increase this rate reducing the need to hold passengers onboard the aircraft while the queues are being processed. This helps airlines maintain on-time departures as well as reduce passenger dwell time in the FIS.

FINANCIAL IMPLICATIONS:

Budget/Authorization Summary

Original Budget	$ 450,000
Budget Increase	$1,550,000
Revised Budget	$2,000,000
Previous Authorizations	$0
Current request for authorization	$2,000,000
Total Authorizations, including this request	$2,000,000
Remaining budget to be authorized	$0

Project Cost Breakdown	This Request
Construction costs	$915,000
Port furnished equipment	$520,000
Sales tax	$140,000
Outside professional services	$142,000
Aviation PMG and other soft costs	$283,000
Total	$2,000,000

Source of Funds

This project (CIP # C800174) was included in the 2010-14 capital budget and plan of finance as a business plan prospective project. Budget transfers from C102166 to C800174 in the amount of $1,550,000 were completed in May and June 2010. The funding source will be the Airport Development Fund.

Financial Analysis

CIP Category	Renewal/Enhancement
Project Type	Infrastructure Upgrade
Risk adjusted Discount rate	N/A
Key risk factors	N/A
Project cost for analysis	$2,000,000
Business Unit (BU)	Terminal
Effect on business performance	Increase NOI after depreciation. Costs will be recovered through rates and changes.
IRR/NPV	N/A
CPE Impact	CPE will increase incrementally through 2012 at which point approximately $0.01 will have added to CPE; however, this project was already included in the business plan forecast so there is no change.

ECONOMIC IMPACTS:

The Airport will provide a higher level of service to the international traveling public, while ensuring that aircraft are prepared for a timely departure.

ENVIRONMENTAL SUSTAINABILITY/COMMUNITY BENEFITS:

New booths will promote more efficient operations and processing of passengers. This project will provide a better alternative than holding passengers on board aircraft by reducing aircraft energy usage for heating and cooling during the period passengers would be held on board.

TRIPLE BOTTOM LINE SUMMARY:

This project will improve processing of passengers through the FIS, and provide a higher level of service to the international traveling public.

PROJECT SCHEDULE:

- Initiate procurement of booths   August 2010
- Complete design   November 2010
- Begin to install new booths   January 2011
- Project complete   June 2011

ALTERNATIVES CONSIDERED/RECOMMENDED ACTION:

Alternative 1: Replace the existing 40 year old passport control booths with CBP's new standard, higher efficiency booths to increase staffing at the primary inspections positions. This will substantially reduce the incidence of holding passengers on board aircraft. **This is the recommended alternative.**

Alternative 2: Begin design and construction on certain larger-magnitude mid-range improvements in the existing FIS in the South Satellite. This could involve adding additional floor space on the mezzanine level to hold more deplaned passengers, adding an additional baggage carousel and modifying the secondary inspections areas for better through-put. This may be a solution we will ultimately need to pursue as international arrivals continue to grow at the South Satellite, but cannot be completed in the time to meet the needs of summer 2011. This is not the recommended alternative.

Alternative 3: Immediately start on Long-Term FIS facility: In lieu of investing further funds in the existing FIS facility for the short-term, design and construct a long-term FIS. This could involve a larger capacity FIS built at another Airport location, for instance on Concourse A. This option could take years to secure agreements, funding, design and construct. This is not the recommended alternative.

PREVIOUS COMMISSION ACTION:

In late 2009, the Commission authorized the annual budget and associated plan of finance that included this project.