

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA – STAFF BRIEFING

Item No. 7b
Date of Meeting September 12, 2011

DATE: September 2, 2011

TO: Tay Yoshitani, Chief Executive Officer

FROM: Michael Ehl, Director Airport Operations

SUBJECT: Briefing on the Airline Realignment Program at Seattle-Tacoma International Airport (Airport)

SYNOPSIS:

Airline consolidation within the broader airline industry has caused an unbalance of activity in gate areas and in the terminal building. It is necessary to relocate both merged airlines and others to meet the airline needs and to have an efficient facility that meets both the Airport needs and airline needs. The realignment program aims to meet those various needs and will cost approximately \$125 million. This realignment program consists of three types of projects as shown in the attached PowerPoint. First, capital realignment projects, which provide operational facilities to move airlines from one set of gates and ticketing areas to another. There are approximately seven different projects necessary in the capital realignment category. An example is the Common Use Gate Facilities on Concourse D. Second, linked or related projects, may not be necessary for a single particular move, but are necessary to meet broader needs. There are approximately five different projects necessary in the linked realignment category. An example is the north satellite seismic improvements. Third, tenant improvement projects are those that serve airline specific needs, and without which the airline could not operate efficiently. Nine airlines are affected by the realignment and will have associated tenant improvements such as airline ticket and ramp offices.

With on-going airline consolidation interests and a goal to balance and maximize utilization of our existing facilities, the Airport issued intent on December 9, 2010, to exercise the One-Time Reallocation provision in the current Signatory Lease & Operating Agreement (SLOA). The reallocation will require a number of modifications associated with relocating airline gate and ticket counter operations. It is the intent that a relocated airline will be functionally equal in its new location, as compared to its existing operation.

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

September 2, 2011

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BRIEFING OUTLINE:

1. Airline Industry Changes
2. Airline Realignment Scope
3. Airline Move Schedule
4. Airline Realignment Capital Projects
5. Related Projects

OTHER DOCUMENTS ASSOCIATED WITH THIS BRIEFING:

Airline Realignment Program PowerPoint presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

On June 14, 2011, the Port Commission authorized 1) design of the Airport Signage – Airline Realignment project at Seattle-Tacoma International Airport (Airport). This authorization is for \$238,000 of a total project cost of \$646,000, and 2) execute a professional services Indefinite Delivery Indefinite Quantity contract for signage design services totaling \$400,000 for four (4) years in support of upcoming capital improvement projects, including the Airport Signage Airline Realignment project at the Airport (CIP #C800474).

On June 14, 2011, the Port Commission authorized Exterior Gate Improvements – Airline Realignment at Seattle-Tacoma International Airport. This authorization is for \$499,000 out of a total project estimated cost of \$2,650,000 (CIP #C800472).

On March 1, 2011, the Port Commission authorized design and some construction of the Baggage Handling System (BHS) Improvements - C22 BHS connection to C1/C1-MK1 Replacement /TC3 Replacement (C800382) in the amount of \$1,731,000.

On February 22, 2011, the Port Commission authorized design and some construction for the Passenger Loading Bridge Replacement Project - Airline Realignment (C800467) in the amount of \$6,700,000.

On February 22, 2011, the Port Commission authorized Planning for Terminal Realignment in the amount of \$713,000.

On January 25, 2011, the Port Commission authorized design and construction of the Concourse D Common Use Expansion Project (C800455) in the amount of \$4,250,000. Commission was also briefed on the Airline Realignment Program as part of this item.

On June 8, 2010, the Port Commission authorized execution of an IDIQ contract for the Terminal Development Strategy Campus Planning Services IDIQ in the amount of \$1,300,000.