

ITEM NO. 7b supp.
DATE OF
MEETING September 12, 2011.

Airline Realignment Program

Commission Briefing for Seattle-Tacoma International Airport



Agenda

- Airline Industry Changes Drive Airline Moves
 - Airline Moves and Schedule
 - Realignment Program Elements:
 - Realignment Capital Projects \$32.7 million
 - Linked Capital Projects \$70+ million
 - Expense Projects \$20-25 million
- Total Program: \$122-130 million

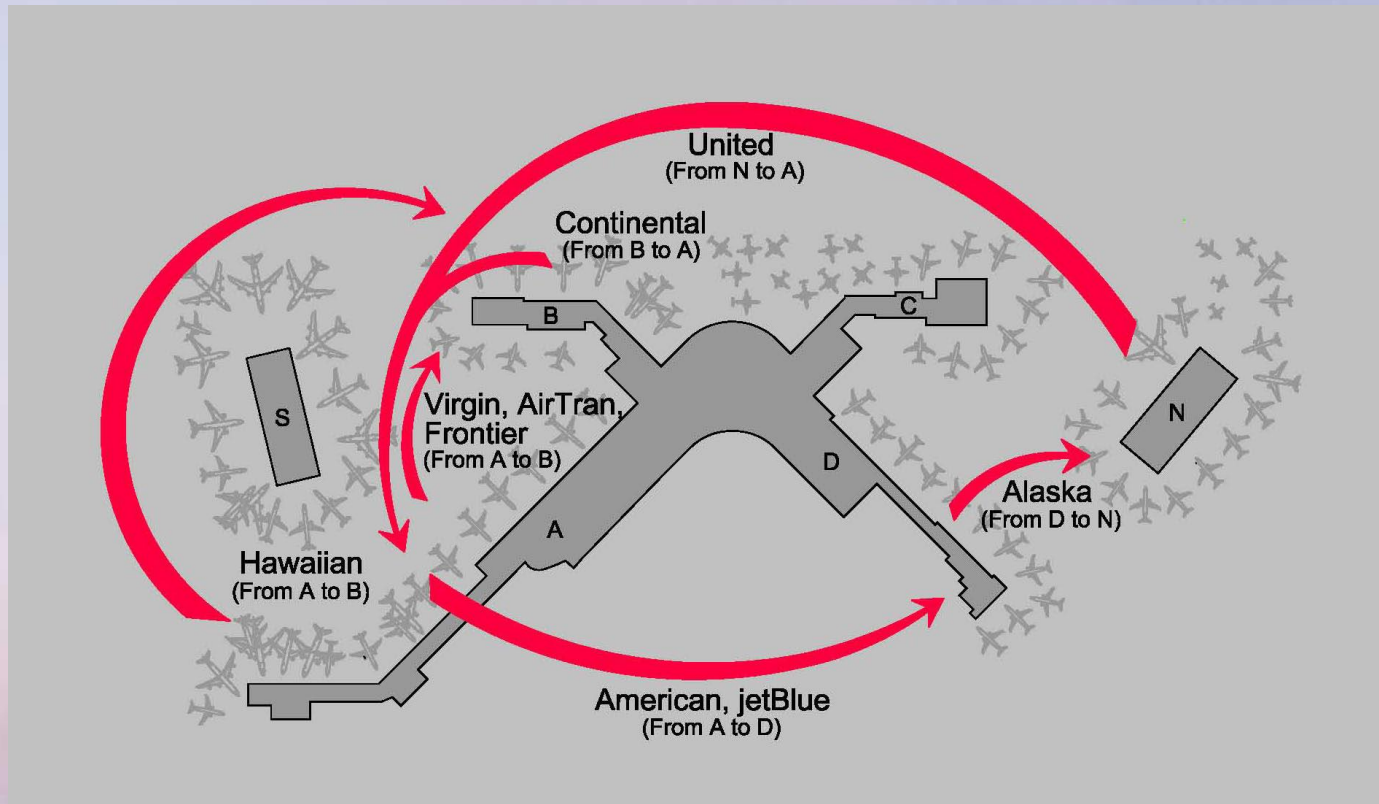
Airline Industry Changes

The U.S. airline industry continues to face evolutionary changes and consolidations.

At Seattle-Tacoma International Airport:

- Several airlines have stated desire to relocate and/or consolidate facilities
- Delta merged with Northwest and consolidated on the South Satellite as the first step in consolidations. Now United and Continental are merging along with Southwest and AirTran.
- Alaska Air Group plans to consolidate their operations to the North Satellite and Concourse C
- The Airport has exercised the provision for a one-time airline reallocation as part of the Airline Signatory Lease & Operating Agreement (SLOA) with a notice of intent issued on December 9, 2010
- Airlines directly impacted by this realignment include: AirTran, Frontier, jetBlue, Hawaiian, American, Virgin America, Continental, United, and Alaska Air Group

Airline Realignment Scope



Airline Move Schedule

Late 2011

- AirTran relocates
- Continental ticket counter moves to United

Mid 2012

- Virgin America ticket counter moves

Mid 2013

- Frontier relocates
- jetBlue relocates
- American relocates

Late 2013

- Virgin America gates relocate
- Hawaiian relocates
- United/Continental relocates
- North Satellite and Concourse C renovation begins

Airline Realignment Capital Projects

<u>Authorized Projects</u>	<u>Authorized Amt</u>	<u>Date Authorized</u>	<u>Remaining Amt to Auth</u>	<u>Est Date to Authorize</u>
Concourse D Common Use Exp'n	\$ 4,250,000	Jan-25-11	0	N/A
Passenger Loading Bridges	\$ 6,700,000	Feb-22-11	\$ 8,150,000	Nov 2011
Baggage Modifications	\$ 1,731,000	Mar-01-11	\$ 3,604,000	Sept 2011
Exterior Gate Improvements	\$ 499,000	Jun-14-11	\$ 2,151,000	Dec 2011
Airport Signage	\$ 238,000	Jun-14-11	\$ 408,000	Jan 2012
Total:	\$13,418,000		Total: \$14,313,000	
<u>Projects Remaining to be Authorized</u>	<u>Est Amt to Authorize</u>	<u>Est Date to Authorize</u>	<u>Remaining Amt to Auth</u>	<u>Est Date to Auth</u>
Misc. Building Improvements	\$ 560,000	Dec-06-11	\$ 2,061,000*	Nov 2011
CUSE at Ticket Counters, Gates	\$ 476,000	Jan 2012	\$ 1,895,000	Aug 2012
Total:	\$1,036,000		Total: \$ 3,956,000	

Estimate Grand Total of all Authorizations and Remaining to Authorize: \$ 32,723,000*

* Anticipate a future budget increase

Related Projects

Linked Capital Projects \$70+ million

North Satellite Improvements including Seismic, HVAC, club structure

Concourse C Improvements

North Checkpoint Reconfiguration

Estimated cost \$70+ million

Expense Projects \$20-25 million

Tenant improvements

Continued expenses incurred for the duration of the program into 2014

The current estimate for tenant improvements is approximately \$20,000,000 to \$25,000,000 and will be finalized as individual airline agreements are reached

Future Capital Projects

North Satellite Expansion, ticket counter reconfigurations, technology improvements

- Questions?