

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**

**Item No.** 5b

**ACTION ITEM**

**Date of Meeting** June 26, 2012

**DATE:** June 18, 2012

**TO:** Tay Yoshitani, Chief Executive Officer

**FROM:** Jim Witzman, Manager, Airport Operations Passenger Experience  
Wayne Grotheer, Director, Aviation Project Management Group

**SUBJECT:** Laptop Power in the Concourses project at Seattle-Tacoma International Airport  
(CIP # C800484)

**Amount of This Request:** \$402,500      **Source of Funds:** Airport Development Funds

**Est. State and Local Taxes:** \$115,000

**Estimated Total Project Cost:** \$2,070,000

**ACTION REQUESTED:**

Request Port Commission authorization for the Chief Executive Officer to authorize design of the Laptop Power in the Concourses project. This authorization is for \$402,500 out of a total estimated project cost of \$2,070,000.

**SYNOPSIS:**

The traveling public has increasing needs for electrical outlets at gate holdrooms and other strategic locations for charging personal electronic devices. Seattle-Tacoma International Airport (Airport) has earned praise from passengers for providing free wi-fi, but this has driven the need for even more electrical outlets as travelers take advantage of this amenity. This project will add electrical outlets in Concourse A, Concourse B and the South Satellite. Travelers will be able to use the outlets for free. Outlets may be installed in stand-alone casework that will be provided as part of this project or on existing gate hold room seating and other existing furnishings, depending on the specific location. Electrical outlets for the North Satellite, Concourse C and Concourse D are being addressed by separate projects. This project was included in the 2012 – 2016 capital budget and plan of finance as a business plan prospective project.

**BACKGROUND:**

One purpose of the Airport is to provide an extraordinary customer experience, and our strategic goals address operating a world class airport by anticipating the needs of our customers and becoming one of the top 10 airports in the world by 2015 (as measured by the Airports Council

## **COMMISSION AGENDA**

Tay Yoshitani, Chief Executive Officer

June 18, 2012

Page 2 of 5

International, Airport Service Quality index). Customer feedback from the past eight years through the Airport Operations Comment Tracking System (CTS) tells us that providing free electrical charging capacity for personal electronics in the gate holdrooms is important. Additionally, the ACI ASQ survey ranks comfort in the holdrooms and wifi service as number five and number six in the top ten most important items to passengers at the Airport. Additional power in the holdrooms became increasingly sought after once the Airport transitioned from paid to free wifi.

### **PROJECT JUSTIFICATION:**

The use of laptops, tablets, smart phones, and iPads by passengers waiting in holdrooms continues to increase. However, in much of the Airport, only building code-required convenience wall outlets are available (those also used by the custodians) and airline customers increasingly need more available electrical power to recharge electronic devices. Currently, customers are forced to sit in concourse circulation corridors, concessions seating (without first having purchased items), and against walls and columns adjacent to tenant office space in order to be able to plug into electrical power. Most of these areas do not include seating, as space is limited and was never intended for passenger use. As a result, many holdrooms have become a dangerous maze of trip hazards during busy peak departure times as passengers' legs and feet extend into areas designed for circulation.

### ***Project Objectives:***

This project seeks to accomplish the following objectives:

- Eliminate the perception that the Airport is “behind the times” when it comes to supporting personal electronics use in the terminal.
- Add functionality to strategic locations in the terminal, such as gate holdrooms and meet-greeter waiting areas.
- Reduce customer complaints about lack of locations for charging personal electronics.
- Increase passenger safety in holdrooms during peak departure times.
- Improve the customer experience in pursuit of our strategic goals.

### **PROJECT SCOPE OF WORK AND SCHEDULE:**

#### ***Scope of Work:***

The physical elements of the project include electrical infrastructure and new electrical outlets for personal electronics charging in the terminal buildings. These outlets may be installed in stand-alone casework that will be provided as part of this project or on existing gate holdroom seating and other existing furnishings, depending on the specific location. Travelers will be able to plug into the outlets for free.

Determining the exact location and configuration of the new charging outlets will be part of the design effort for this project. In general, the scope of work includes:

- New electrical infrastructure and outlets for existing stand-up tables located on Concourse A.

## **COMMISSION AGENDA**

Tay Yoshitani, Chief Executive Officer

June 18, 2012

Page 3 of 5

- New personal electronics charging stations and under seat electrical outlets for eight gates on Concourse B.
- New personal electronics charging stations for 12 gates at the South Satellite and under seat electrical outlets for six gates.
- New personal electronics charging stations in three pre-security locations.

This project does not include new personal electronics charging opportunities in Concourse C or the North Satellite because Alaska Airlines is providing charging capability at those concourses via a tenant project. This project does not include additional charging opportunities in Concourse D because personal electronics charging is already included in the Concourse D Common Use Environment project currently in construction.

### ***Schedule:***

Begin Design: 3<sup>rd</sup> Qtr 2012

Begin Construction: 2<sup>nd</sup> Qtr 2013

Construction Completion: 4<sup>th</sup> Qtr 2013

### **FINANCIAL IMPLICATIONS:**

<b><i>Budget/Authorization Summary:</i></b>	Capital	Expense	Total Project
Original Budget	\$3,000,000		\$3,000,000
Budget Adjustment	-\$980,000	\$50,000	-\$930,000
Revised Budget	\$2,020,000	\$50,000	\$2,070,000
Previous Authorizations	\$0	\$0	\$0
Current request for authorization	\$402,500	\$0	\$402,500
Total Authorizations, including this request	\$402,500	\$0	\$402,500
Remaining budget to be authorized	\$1,617,500	\$50,000	\$1,667,500
Total Estimated Project Cost	\$2,020,000	\$50,000	\$2,070,000

<b><i>Project Cost Breakdown:</i></b>	This Request	Total Project
Construction	\$0	\$1,328,000
Construction Management and Procurement	\$110,000	\$220,000
Design	\$186,000	\$186,000
Project Management	\$100,000	\$200,000
Permitting	\$6,500	\$13,000
State & Local Taxes (estimated)	\$0	\$115,000
Art Program	\$0	\$8,000
Total	\$402,500	\$2,070,000

### ***Budget Status and Source of Funds:***

This project is included in the 2012-2016 capital budget and plan of finance as a business plan prospective project within CIP #C800484 with a budget of \$3.0 million. Upon completion of project planning and definition, and upon additional clarity of the scope of the planned North

## **COMMISSION AGENDA**

Tay Yoshitani, Chief Executive Officer

June 18, 2012

Page 4 of 5

Satellite and Concourse C renovations, the scope and budget of the project was reduced to avoid duplication. The funding source will be the Airport Development Fund.

### ***Financial Analysis and Summary***

<b>CIP Category</b>	Renewal/Replacement
<b>Project Type</b>	Customer Service
<b>Risk adjusted discount rate</b>	N/A
<b>Key risk factors</b>	N/A
<b>Project cost for analysis</b>	\$2,070,000
<b>Business Unit (BU)</b>	Terminal
<b>Effect on business performance</b>	NOI after depreciation will increase
<b>IRR/NPV</b>	N/A
<b>CPE Impact</b>	\$.01 in 2013; no change compared to business plan forecast as this project was included.

### ***Lifecycle Cost and Savings:***

Maintenance requests an annual budget of \$2,500 for parts with an escalation of 3% per year. Additional Maintenance labor associated with this project would be minimal (about 1 hour/year) and can be absorbed in their existing budget. Annual O&M implications will be validated during the design phase of the project.

### **STRATEGIC OBJECTIVES:**

Today most customers have at least one mobile device (cell phone, laptop, MP3 player and/or another handheld device). Years ago, when our facilities were constructed and even as recently as ten years ago, this was not the case. Today's passengers are increasingly surfing the web, checking email, watching movies and television shows, listening to music, and talking on cell phones as they wait to board their flights. Installing wi-fi demonstrated the Port's commitment to technology, but the lack of power for devices that use wi-fi has resulted in more negative comments from our customers. Passenger surveys tell us we've failed to keep up with our customers' needs. Installation of additional electrical outlets in strategic locations throughout the terminal is the next step in the technical evolution of our facility if we highly value our customers' experience and as we strive to make our goal of becoming one of the top ten customer service airports in the world by 2015.

### **BUSINESS PLAN OBJECTIVES:**

This project directly supports the Airport's objective to improve customer service and to become one of the top ten customer service airports in the world by 2015.

### **TRIPLE BOTTOM LINE SUMMARY:**

This project improves an existing Port asset by adding personal electronics charging opportunities at strategic locations throughout the terminal buildings. Improving customer service for travelers supports the Port's goal of increasing the Airport's ranking and score in the ACI ASQ survey and is consistent with current business plan objectives.

## **COMMISSION AGENDA**

Tay Yoshitani, Chief Executive Officer

June 18, 2012

Page 5 of 5

### **ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:**

Alternative 1: Do nothing. Customers will continue to rely on existing electrical outlets wherever they can be currently found. Congestion and tripping hazards will continue to exist, and are likely to escalate, in the gate holdrooms and circulation corridors. This option is not recommended because it does not address the expressed needs of our passengers.

Alternative 2: Install additional personal electronics charging outlets in all gate holdrooms in all concourses irrespective of lease status, current availability of charging outlets, holdroom size or future tenant project potential. This option is not recommended because it would provide more electronics charging outlets than we necessarily need or could reasonably install and does not address existing or future proprietary charging solutions provided by the Port or our airline tenants.

Alternative 3: Install additional personal electronics charging outlets in currently underserved gate holdrooms and meeter-greeter waiting areas only. This is the preferred solution because it addresses the needs of our passengers, but recognizes that a customized approach is necessary due to existing Port and tenant charging solutions already in place or included in future tenant projects. **This is the recommended alternative.**

### **OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:**

- None.

### **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:**

- None.