

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

**COMMISSION AGENDA**  
**STAFF BRIEFING**

<b>Item No.</b>	7b
<b>Date of Meeting</b>	June 26, 2012

**DATE:** June 18, 2012

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

**FROM:** Wayne Grotheer, Director, Aviation Project Management  
Tina Soike, Senior Manager, Airport Operations

**SUBJECT:** Airline Realignment Update and Briefing on North Seattle-Tacoma International Airport Renovations (NorthSTAR) Program Budget Restructuring

**SYNOPSIS:**

Port staff has determined the overall financial structure of the capital improvement program (CIP) projects that comprise the NorthSTAR program. The purpose of this briefing is to update the Commission on the status of the Airline Realignment program and inform the Commission of changes to the NorthSTAR budget structure that have occurred since initial project authorization.

**BACKGROUND:**

**NorthSTAR Program**

On April 10, 2012, the Commission authorized expenditures on two aspects of the NorthSTAR program - \$1 million for preliminary project planning under CIP C800544 (North Satellite Renovations) and \$200,000 for expense funding for the regulated materials management (RMM) survey at the North Satellite. Authorization by the airlines under the Majority in Interest approval process will be for separate projects that comprise the NorthSTAR program rather than for the entire program at once. Staff has now determined an overall structure for this program – staff will manage this work in six separate CIP projects, one for programmatic oversight and five for the separate construction elements. Staff is reallocating the approved funding accordingly.

The six pieces are as follows:

- C800544 – NS NorthSTAR Program (Programmatic CIP)
- C800545 – NS Main Terminal Improvements
- C800547 – NS Concourse C Vertical Circulation
- C800554 – NS Exterior Stairs Conc. C & D
- C800555 – NS Refurbish Baggage System
- C800556 – NS NSAT Renovations & NSTS Lobbies

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Staff is reallocating these authorized funds, all with no increase to the initial \$1.2 million authorization of April 10. In summary, staff is moving \$900,000 to C800556, leaving \$300,000 in C800544. Also, regarding the regulated materials management (RMM) survey, staff has now realized that at the current stage of this project, this work is a capitalized cost rather than an expense, so has changed the funds type accordingly.

Here are the re-allocations in detail:

	As	Re-allocated	
	Authorized	C800544	C800556
Outside Professional Services	\$400,000	\$100,000	\$300,000
Port soft costs	\$600,000	\$200,000	\$400,000
RMM – Expense	\$200,000		
RMM – Capital			\$200,000
Total	\$1,200,000	\$300,000	\$900,000

### **Airline Realignment Program:**

Staff will present a summary of the authorized capital projects and expense elements of the Terminal Realignment program. There have been no budget changes since the last briefing in January 2012.

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

PowerPoint Presentation for Airline Realignment Program update.

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

April 10, 2012 – Commission authorized expenditures on two aspects of the NorthSTAR program - \$1 million for preliminary project planning under CIP C800544 (North Satellite Renovations) and \$200,000 for expense funding for the regulated materials management (RMM) survey at the North Satellite

On December 6, 2011, the Port Commission authorized construction of Baggage Handling System (BHS) Improvements – C22 BHS Connection to C1/C1-MK1 Replacement (C800382) at the Airport in the amount of \$3,604,000.

On December 6, 2011, the Port Commission authorized design of the Miscellaneous Building Improvements – Airline Realignment (C800475) at the Airport in the amount of \$1,721,000.

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On December 6, 2011, the Port Commission authorized design of the Airline Tenant Improvements – Airline Realignment (expense) at the Airport in the amount of \$3,776,000.

On November 22, 2011, the Port Commission was provided with a verbal preliminary briefing of December 6, 2011, items with a diagram.

On September 27, 2011, the Port Commission authorized execution of an IDIQ contract for Airline Realignment Tenant Improvements and Ticket Counter Design services totaling \$10,000,000.

On September 12, 2011, the Port Commission received a summary briefing on the Airport Realignment Program at the Airport.

On June 14, 2011, the Port Commission authorized design of the Exterior Gate Improvements – Airline Realignment project (C800472) at the Airport in the amount of \$499,000.

On June 14, 2011, the Port Commission authorized design of the Airport Signage – Airline Realignment project (C800474) at the Airport in the amount of \$238,000.

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 was shown a summary listing of realignment projects and 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. The Commission was also briefed on the Airline Realignment Program as part of this item.

On September 28, 2010, the Port Commission was given a summary briefing of the upcoming 2011 capital improvement plan that included the airline realignment program elements.

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.