

2016 AVIATION DIVISION BUSINESS PLAN

May 20, 2015

I. MISSION: Connecting our region to the world through flight.

II. VISION: Sea-Tac is a welcoming front door, embodying the spirit of the Northwest – an economic engine and a source of regional pride.

III. MAJOR/NEW INITIATIVES

- Complete 16C/34C Phase 2 by Q3 2016
- Complete Sustainable Airport Master Plan environmental review by Q4 2016
- Complete construction of NorthSTAR program and International Arrivals Facility
- Begin remote handstand aircraft loading/unloading by Q2 2016
- Renegotiate and gain approval of a revised Port of Seattle / City of SeaTac Interlocal Agreement (ILA) prior to expiration of current ILA
- Fully implement Quality Jobs Initiative policies and programs
- Implement Airport Dining and Retail (ADR) Master Plan, including infrastructure upgrades, lease phasing strategy and new competitive solicitations and resulting leases.
- Adjust security operations and invest in new facilities to remain in compliance with evolving TSA requirements related to employee screenings
- Prepare in 2016 and develop in 2017 the successor lease or resolution to the current Signature Lease and Operating Agreement

IV. STRATEGIES - SUMMARY

1. Operate a world-class international airport by:
 - Ensuring safe and secure operations
 - Anticipating and meeting the needs of tenants, passengers and the region's economy
 - Managing Airport assets to minimize long-term total cost of ownership.
2. Become one of the top customer service airports in North America.
3. Lead the U.S. airport industry in environmental innovation and minimize the airport's environmental impacts.
4. Keep airline costs as low as possible without compromising operational and capital needs.
5. Maximize non-aeronautical net operating income consistent with current contracts, appropriate use of Airport properties and market demand.
6. Continually invest in a culture of employee development, organizational improvement and business agility.
7. Maintain valued community partnerships based on mutual understanding and socially responsible practices.

V. DIVISION DESCRIPTION

The Port of Seattle owns and operates Seattle-Tacoma International Airport, the 13th largest airport in the U.S. in 2014 based on passengers. The Airport is located approximately 12 miles south of downtown Seattle. Currently, the Airport has facilities for commercial passengers, air cargo, general aviation and aircraft maintenance on a site of approximately 2,800 acres. Airport facilities include the Main Terminal, the South and North Satellites, a parking garage, and a consolidated rental car facility. The Airport has three runways that are 11,900 feet, 9,425 feet and 8,500 feet in length.

VI. INDUSTRY ASSESSMENT

The historical volatility of the earnings of the U.S. airline industry has stabilized. After losing money in seven out of nine years from 2001 – 2009, the industry was profitable in 2014 for the fifth year in a row. According to Airlines For America, airline profits have translated into the highest level of capital spending in fourteen years. Airline domestic capacity in 2015, as measured by available seats, is reaching its highest level in seven years, and international seats are at an all-time high. Demand for air travel is driven by an expanding economy, employment growth, rising personal income and higher consumer sentiment.

Industry consolidation has left three major legacy carriers: American, United and Delta. Together with Southwest, these four airlines dominate the U.S. market. Other smaller carriers, such as Alaska, Jet Blue, Hawaiian and Virgin America constitute the next largest group of commercial carriers. Ultra-low-cost carriers such as Spirit, Frontier and Allegiant make up another group, although these carriers have a very small presence at Sea-Tac airport.

At Sea-Tac Airport, in 2014, domestic enplaned passengers grew at 7.8% while international grew at 6.8% for a total growth of 7.7%. For 2014, international enplaned passenger made up 10.2% of total passengers. For 2014, Alaska Air Group was the largest carrier at Sea-Tac, accounting for 51.5% of enplaned passengers, followed by Delta with 15.6%, United with 8.2% and Southwest with 8.0%. Looking at just international enplaned passengers, Delta was the largest carrier with 28.2% of the total, followed very closely by Alaska Air Group with 27.9%, British Airways with 6.5% and Emirates with 5.5%.

VII. BUSINESS ASSESSMENT/DRIVERS

The 2016-2020 Seattle-Tacoma International Airport Business Plan responds in significant part to four new challenges that were not nearly so apparent a year ago. While a substantial portion of the business plan is comprised of longer-term objectives and action plans updated from the previous year, there are also critical new elements addressing four key issues or trends, each driving new or more urgent initiatives. These drivers are:

1. The dramatic growth in passengers and airfield operations;
2. The accelerating pace of passenger and airline reliance on, and expectations for, mobile technology;
3. The emerging new facility requirements – in the near-, medium-, and long-term – to respond to current airline activity and the long-lead-time facilities identified by the Sustainable Airport Master Plan; and
4. Changes in federal security requirements, resulting from recent events at other airports, which will require increased attention to employee screening and, over time, may lead to 100% employee screening.

Traffic Growth

After experiencing enplaned passenger growth of 7.7% in 2014, Sea-Tac is conservatively anticipating growth of approximately 10% in 2015. (The airport experienced 13.1% passenger growth in the first quarter of 2015.) This would be the fastest rate of growth since 1994-1995 and is due to a combination of a strong local economy, population growth (in 2013, Seattle was the fastest growing U.S. city among the 50 largest), and a strategic decision by Delta to make Sea-Tac a gateway international hub. To date, in spite of the dramatic increase in operations and passengers, we have not seen an appreciable decrease in load factors, which is an indicator that sustained growth at the airport will continue.

The Sustainable Airport Master Plan (SAMP) activity forecast (completed in Q3 2014) indicates that the region's economy will drive passenger growth of 3.8% for 2014 – 2018 and 3.2% for 2018 – 2023. Assuming that growth will revert to the mean, the business plan is based on an expectation that 2024 enplanements equal those projected in the SAMP forecast (25.9 million). However, the exceedingly high current growth rates suggest that that projection may be conservative to a fault.

The current 2015 - 2019 capital program totals \$1.7 billion and includes four major projects: reconstruction of runway 16C/34C, the NorthSTAR program – including the expansion of the North Satellite, the baggage optimization project, and the International Arrivals Facility (IAF). While both the IAF and the North Satellite expansion project (part of NorthSTAR) will add important capacity when complete, both will require that gates be taken out of service for extended periods of time. The unexpectedly fast growth rates and the loss of gate capacity means that gate shortages at peak periods will drive the need for off-gate operations (remote

loading and unloading of aircraft) much sooner than originally anticipated. This is now an urgent challenge.

Technology Demands

Both our airline partners and our passenger customers are utilizing various technology devices at an accelerating pace. For example, airlines are moving to (1) mobile devices for passenger processing and (2) cameras in their ramp areas to monitor and manage aircraft movements, loading and unloading. We anticipate that within a few years, airlines will make far greater use of passenger self-bag tagging and centralized common use bag drop. All of these technological solutions will help the airport get higher passenger throughput in the terminal and faster aircraft processing on the ramp – essentially increasing the capacity of the terminal complex more cost-effectively than adding more terminal facilities.

In addition, the density of passengers' laptops, tablets, and smart phones is putting increased pressure on our communications infrastructure. We also anticipate the opportunity and the customer service benefit of (1) dynamic (interactive) signage which will provide passengers far better information, specific to their actual interest or query and (2) using dispersed technologies (e.g., i-beacons) and/or an airport “app” that will meet the needs of the ever-growing passenger expectation for smart phone-based information.

Meeting both the airlines' and passengers' technology needs and expectations will require careful attention to, and investment in, technology infrastructure.

Sustainable Airport Master Plan and Current Growth: Confluence of Long-term and Immediate Needs

The fast growth noted above (even as it slows over the next couple years) indicates that, even after adding eight gates at the North Satellite, Sea-Tac will still be in need of additional gate capacity. The evolving master plan has identified the likely location of those gates but it will take close to a decade to build the permanent facilities. To meet the increased airline activity in the meantime, the airport must provide off-gate aircraft parking positions at which airlines will enplane and deplane passengers. Current estimates that in 2021 – even after we have added eight new gates at the North Satellite – the airport may need as many as 13 remote aircraft parking positions to handle peak hour operational needs. The preferable approach to this unfortunate need would be to have a temporary remote “terminal” or hold rooms to which departing passengers could be bused and from which they would proceed to their aircraft. There is more space for this remote activity to the north of the North Satellite, and it appears that a former cargo building (now under Port control) would be the best location for such a temporary remote terminal.

A cross-functional team is now evaluating options and we anticipate briefings to and a request for authorization of the Commission later in 2015. The first several years of the 2016-2020 business plan period will involve considerable work to provide these “bridging” facilities and to reduce to the degree possible the negative customer service implications of keeping up with the extraordinary current growth.

The evolving Sustainable Airport Master Plan (SAMP) has identified the need for a new North gate complex. Due to limited airfield accessible space, the cargo and commercial activities now in the footprint of these future gates will need to be moved. This will potentially drive the need to develop the South Airport Service Area (SASA). Staff is examining ways to put off the need for SASA until it is necessary.

In addition, with the early 2016 identification of preferred alternative of SAMP, detailed planning and definition of near-term projects will get underway in 2016, so that the projects can proceed to design as early as possible.

In all likelihood the airport capital program will not ramp down after the completion of the current project but, in fact, ramp up after 2020. While the bulk of the spending will be outside of the time frame of this business plan, it will be critical to plan and design the initial elements very soon. This, of course, will require substantial work on the financial plan for these investments.

Finally, as master planning team engages the community to ensure we understand their concerns and appropriately plan for mitigation of impacts, it will be critical that, in collaboration with these stakeholders, we identify economic development opportunities associated with the growth of the airport. The near-in communities are closest to the impacts of a major facility that benefits the entire region. It is incumbent on us to identify opportunities to promote economic benefit for these communities.

Change in Security Threat at Federal Level – Increased Threat

As a result of recent events that have highlighted the vulnerability that an individual with an airport issued badge may introduce weapons or explosives onto an aircraft, the Transportation Security Administration (TSA) has issued two security directives related to criminal history background checks and ensuring that all airline employees go through security screening prior to travel. In addition, the TSA has provided guidance on on-going random searches of airport employees. More importantly, there are many voices suggesting that 100% employee screening be mandatory.

The cost and operational changes associated with the recent new direction is relatively modest. However, should 100% employee screening be mandated, the airport would need to make significant new investments at doors between non-secure and secure parts of the terminal building and at gates along the fence-line. In addition, increased employee screening and any reduction in airfield or access points in the terminal (to reduce the capital and operating expenses associated with 100% screening) would significantly affect employee productivity and commerce.

VIII. CHALLENGES AND OPPORTUNITIES

The four major drivers noted above create significant challenges and/or new capital or operating expenses in 2016 and the remainder of this business plan period. Following are several of the most significant challenges and opportunities for the upcoming five-year period:

1. Complete detailed planning and definition of the near-term projects identified in the Master Plan as early as possible in order to prepare for timely construction of critical path projects.
2. Design and construct the “immediate,” interim remote aircraft loading/unloading facilities as well as procurement of additional buses and associated aircraft loading equipment to ensure the best customer service possible prior to completion of adequate gate capacity.
3. Update and/or refurbish critical customer service facilities to adequately meet the accelerated increase passenger throughput in the terminal (e.g., restrooms, communications infrastructure, etc.).
4. Accelerate the schedule for the baggage optimization project and add interim facilities development in light of the far greater baggage activity associated with high passenger growth.
5. Provide additional staffing to keep up with these increased passenger loads (e.g., janitorial).
6. Provide required (by the Transportation Security Administration) employee screening infrastructure and staffing in light of new and still-evolving federal directives.
7. Complete the Sustainable Airport Master Plan environmental review by Q4 2016.
8. Finalize and implement updated Port of Seattle / City of SeaTac Interlocal Agreement by February 2016.
9. Complete construction of the International Arrivals Facility in 2019 and the reconstruction of the North Satellite by 2020.
10. Complete Phase 2 of the South Satellite interior improvements in 2016 and begin design of the full refurbishment (similar to North Satellite project) in 2017.
11. Prepare in 2016 and finalize in 2017 the successor resolution or lease to the Signature Lease and Operation Agreement III.
12. Increase non-airline revenues to help fund capital program.

STRATEGIES AND OBJECTIVES

The Aviation business plan is organized by strategy. Many of the Airport strategies directly support the implementation of the Century Agenda and the Port-wide strategies. In the following section, strategies and objectives that directly support the Century Agenda and the Port-wide strategies are highlighted. To avoid unnecessary duplication, the related details for performance measures, targets and actions for each are found immediately following within the Airport Strategies.

Century Agenda Implementation

Triple air cargo volume to 750,000 metric tons

- Strategy 1.2, Objective 9: Increase Air Cargo tonnage by 20% to a total of 364,000 metric tons in 2020, in line with the Century Agenda.

Make Sea-Tac Airport the west coast “Gateway of Choice” for international travel

- Strategy 1.2, Objective 5: Commence operations from new International Arrivals Facility (IAF) by December 31, 2019.

Double the number of international flights and destinations

- Strategy 1.2, Objective 10: Add four new international airline routes by 2019.

Meet the region’s air transportation needs at Sea-Tac Airport for the next 25 years

- Strategy 1.2, Objective 2: Complete the Sustainable Airport Master Plan (SAMP) to meet the needs of our tenants, passengers and regional economy for the next 20 years.
- Strategy 1.2, Objective 6: Complete all NorthSTAR program improvements by Q2 2020.
- Strategy 1.2, Objective 7: Identify and plan for all necessary long-term refurbishments in the South Satellite.
- Strategy 1.2, Objective 8: Increase productivity of existing terminal facilities.
- Strategy 1.2, Objective 11: Renew aging landside infrastructure.
- Strategy 1.2, Objective 13: Provide an efficient and updated baggage system that incorporates new technology and efficient conveyor systems necessary to improve system performance and allow for future expandability to 66 MAP.

Increase the proportion of funds spent by the Port with qualified small business firms on construction, goods and services to 25% of the eligible dollars spent

- Strategy 7, Objective 4: Implement, administer and monitor Aviation Division programs that support Port-wide workforce development strategies and Commission Quality Jobs policies.

Increase workforce training, job and business opportunities for local communities in maritime, trade, travel and logistics

- Strategy 7, Objective 5: Contribute to Port-wide small business goals by facilitating access to Aviation Division opportunities for local businesses.

Meet all increased energy needs through conservation and renewable sources

- Strategy 4, Objective 4: Implement conservation practices that will reduce natural gas usage and enable Airport to meet all future electricity load growth (2010 baseline) through conservation and renewable energy.

Meet or exceed agency requirement for storm water leaving Port owned or operated facilities

- Strategy 3, Objective 6: Water Quality: Contribute to the restoration of Puget Sound and local receiving waters by providing water quality treatment, flow control, and using green stormwater infrastructure (where feasible) for airport industrial stormwater.

Reduce air pollutants and carbon emissions

- Strategy 3, Objective 2: Air Quality and Climate Change: 1) Reduce airport owned and controlled greenhouse gas emissions by 15% below 2005 levels by 2020 and 50% by 2035; 2) Reduce aircraft-related greenhouse gas emissions by 25% below 2005 levels by 2035; 3) Increase the percentage of passengers accessing the airport via environmentally-preferred modes of transportation from 60% in 2014 to 70% in 2020; and 4) Reduce air pollutant emissions by 50% from 2005 levels by 2037.

Port-Wide Strategy Implementation**Consistently Live by our Values**

The Port's values guide how we go about our daily work throughout the aviation division. The Airport strategies aligned with these values will be updated and refined based on the Port-wide strategies that are under development.

Manage our Finances Responsibly

Managing our finances responsibly is a necessary foundation for all of the Airport strategies and the successful implementation of the Century Agenda. The Airport strategies that support this include:

- Strategy 4, Objective 1: Maintain passenger airline cost per enplaned passenger (CPE) and forecasted CPE within the middle third of peer airports (list of 22 airports focusing on large hubs and Western U.S. airports) through 2020.
- Strategy 4, Objective 6: Manage financial activity to achieve targeted metrics.
- Strategy 5.0: Maximize non-aeronautical net operating income (NOI) consistent with current contracts, appropriate use of airport properties and market demand.

Exceed Customer Expectations

- Strategy 2.0: Become one of the top customer service airports in North America.
- Strategy 2.0, Objective 2: Achieve Top 5 ranking among 25 selected North American peers in 2020 ACI Airport Service Quality (ASQ) survey.

Airport Strategies and Objectives:

Strategies and objectives that directly support the Century Agenda objectives are designated with “CA” at the end. Those that directly support the Port-wide strategic objectives are designated with “PS”.

Strategy 1.1: Operate an excellent international airport by ensuring safe and secure operations.

Objective 1: Improve overall safety of aircraft and vehicular movement measured by an increase in a composite annual score of 100 possible points, ranking runway incursions, wildlife strikes, taxi-lane and apron area surface incidents and Part 139 discrepancies.

Background: Aviation safety is the preeminent expectation of our airborne society. Due to the inherent nature and complexity of the airfield operating environment, it is appropriate to focus on the minimization of risk where aircraft interface with airport facilities, wildlife, vehicles, and personnel.

In 2014, Sea-Tac joined Airport Excellence in Safety (APEX), the global airport safety cooperative of Airports Council International-World to glean the resources of other international airports around the globe in sharing best management practices. In 2015, the FAA is expected to adopt International Civil Aviation Organization (ICAO) guidelines for the holistic management of airfield safety as Safety Management System (SMS) regulatory requirements.

Objective 1: Improve overall safety of aircraft and vehicular movement measured by an increase in a composite annual score of 100 possible points, ranking runway incursions, wildlife strikes, taxi-lane and apron area surface incidents and Part 139 discrepancies.

Performance Measure	Performance Target	Actions
Annual improvement in individual components of the composite score	Reduce runway incursions to 1.3 per 100,000 aircraft operations in 2016. 2012 baseline: 1/100,000 2013: 2.25/100,000 2014: 1.47/100,000	<ul style="list-style-type: none"> • Complete redesigned intersection at Runway 16L/34R and Taxiways H and J by Q4 2016 during 16C/34C reconstruction project • Install thermoplastic painted holding position markings at 19 intersections by Q3 2016. <ul style="list-style-type: none"> ○ CIP 800406, Budget TBD

Objective 1: Improve overall safety of aircraft and vehicular movement measured by an increase in a composite annual score of 100 possible points, ranking runway incursions, wildlife strikes, taxi-lane and apron area surface incidents and Part 139 discrepancies.		
Performance Measure	Performance Target	Actions
	<p>Reduce Wildlife Strikes to 20 per 100,000 aircraft operations 2016-2019.</p> <p>2012 baseline:25/100,000 2013:22/100,000 2014:18/100,000</p>	<p>Increase raptor relocation activities from 30 to 90 annually 2016-2020 utilizing existing operating expense budget</p> <ul style="list-style-type: none"> • Upgrade radar sensors to extend avian radar coverage of the airfield by Q4 2017. <ul style="list-style-type: none"> ○ Tri-party funding from FAA, Southern Illinois University and SeaTac for \$192,000 each. New expense funds of \$96,000 required for years 2016 and 2017. • Evaluate integration of Avian Radar and Foreign Object Debris radar systems to include surface detection coverage by Q2 2016 utilizing existing staff resources • Evaluate ability to negotiate agreements with local jurisdictions and cell-tower owners within 5-miles of SEA to prevent nesting of ospreys and eagles on such structures. Existing operational budget. • Analyze historical avian radar data for bird trend distributions by Q4 2017 <ul style="list-style-type: none"> ○ Operating expense budget
	<p>Reduce Non-movement area surface incidents to 24 per 100,000 aircraft operations in 2016.</p> <p>2012 baseline:25/100,000 2013: 33/100,000 2014: 26/100,000</p>	<ul style="list-style-type: none"> • Amend Rules and Regulations, Ground Service Provider Licensing Agreements by Q1 2016 based on 2015 review of non-movement area risk profile. • Expanded drivers training at time of badge renewal by Q1 2016. • Integrate Airfield Incident Reporting System (AIRS) with Safety Management System by Q4 2016. • Automate ramp insurance validation at airfield access points utilizing new ID Access badging software to ensure only insured vehicle operators are allowed access to Airport Operations

Objective 1: Improve overall safety of aircraft and vehicular movement measured by an increase in a composite annual score of 100 possible points, ranking runway incursions, wildlife strikes, taxi-lane and apron area surface incidents and Part 139 discrepancies.		
Performance Measure	Performance Target	Actions
		Area by Q1 2016. o CIP 800066
	Install automated gate docking systems and gate operating system at specific gates.	<ul style="list-style-type: none"> • Complete Gates A5, D10, D11, for a cost of \$3M by Q4 2017 o New capital funds
	Incur zero FAA Airport Certification discrepancies during annual inspections. 2012 baseline: 0 2013: 2 2014: 3 2015: 2	<ul style="list-style-type: none"> • Conduct monthly special inspections based on specific FAA areas of focus beginning Q1 2016. <ul style="list-style-type: none"> o existing staff resources • Remove all trees newly identified as obstructions to navigation and safety of flight beginning by Q2 2016 through 2018. <ul style="list-style-type: none"> o New \$1.6M operating expense budget
Comply with all anticipated FAA Safety Management System (SMS) regulations	Implement all Safety Management System (SMS) regulatory requirements within published FAA timeline	<ul style="list-style-type: none"> • Actions to be defined following anticipated issuance of FAA SMS regulations in June 2015 with implementation in 2016.
Foreign Object Debris (FOD) Incidents	Reduce FOD incidents.	<ul style="list-style-type: none"> • Install state of the art FOD camera system integral with 16C/34C.

Objective 2: Increase overall runway availability during snow events.

Background: Creation of a dedicated removal team for 16R/34L and ongoing delivery of additional equipment allows for increased runway availability. Under the new scenario, two separate snow removal teams are deployed, operating an enlarged fleet of new technology equipment. Deployment of two distinct teams, as requested by Alaska Airlines, requires additional equipment and the incremental replacement of the original fleet purchased 25 years ago in 1989.

Objective 2: Increase overall runway availability during snow events.		
Performance Measure	Performance Target	Actions
Runway availability	Two of the three runways remain open during snow events representative of typical average occurrence	<ul style="list-style-type: none"> • Procure 4 combination plow/ brooms by Q4 2016 <ul style="list-style-type: none"> o \$2.5M under new CIP

Objective 3: Increase airline departure rate during snow events through centralized deicing facilities.

Background: Significant savings and efficiencies can be achieved through centralized procurement and distribution of deicing glycol by the existing Sea-Tac Fuels consortium. Overall airfield efficiencies and increased flight completion factors can be achieved through the development of centralized deicing pads. Requested by Alaska Airlines and Delta Air Lines.

Objective 3: Increase airline departure rate during snow events through centralized deicing facilities.		
Performance Measure	Performance Target	Actions
FAA Hourly Aircraft Departure Rate	<p>Increase departure rate during snow events from 2012 baseline of 14 per hour to 18 per hour while providing an uninterrupted supply of glycol to all Sea-Tac airlines.</p> <p>2012 baseline: 14/hour 2013: 14/hour 2014: 14/hour</p>	<ul style="list-style-type: none"> • Complete work plan and schedule for consolidation of deicing fluid and aircraft application by Q1 2016. • Establish location for centralized glycol storage and distribution facility following Master Plan siting decision Q1 2016. • Negotiate agreement for development and land lease for consolidated facility with existing Sea-Tac Fuels airline consortium by Q3 2016. <ul style="list-style-type: none"> ○ existing staff and Master Plan resources • Complete preliminary design of centralized common use deicing pads by Q3 2017. <ul style="list-style-type: none"> ○ New CIP and Budget TBD

Objective 4: Ensure uninterrupted supply of jet fuel to Sea-Tac fuel farm from existing Olympic Pipeline Renton terminal through creation of redundant feed source.

Background: Sea-Tac is the largest commercial hub airport in the United States without a redundant feed source for jet fuel. Sea-Tac facilitates the delivery of approximately 1.1 Million gallons of jet fuel per day to airline customers and maintains an average inventory of 9 days’ supply. Preliminary analysis indicates that a catastrophic failure, or interruption of the existing system, could not be supplied through over-the-road tankering.

Objective 4: Ensure uninterrupted supply of jet fuel to Sea-Tac fuel farm from existing Olympic Pipeline Renton terminal through creation of redundant feed source.		
Performance Measure	Performance Target	Actions
Jet Fuel Availability	100% redundancy in fuel supply availability	<ul style="list-style-type: none"> • Conduct analysis during Master Plan to determine potential risks and alternative delivery methods by Q1 2016. • Lower floating lids on fuel farm tanks to increase on-hand inventory by 1.5 days' supply, by Q1 2016. • Add three truck offload positions by Q4 2016.

Objective 5: Mitigate risk of security breaches and associated downtime.

Background Approach: Sea-Tac has maintained an essentially flawless record with TSA compliance and addressing security anomalies. Projected airport growth and rapid technology advancements drive the need for continuous analysis of how to utilize available technology to maintain compliance.

Objective 5: Mitigate risk of security breaches and associated downtime.		
Performance Objective	Performance Target	Actions
Reliable, transparent, user-friendly security system	Standardized system of security technologies	<ul style="list-style-type: none"> • Identify all components related to airport security system and set standards for new construction (CCTV, alarms, sensors, locks, etc.) Q4 2016
Exit lane controls	<p>All five main passenger exits have exit technology that provide proven, continuous monitoring, detection and control (2015-2018) through TSA funding</p> <p>TSA redeploy staff stationed at exits to screening functions</p>	<ul style="list-style-type: none"> • Seek TSA/Congressional funding for automated Exit Lane Breach Control technology • Modify prototype exit with third door by Q4 2015

Objective 6: Improve overall readiness of the Port to respond to and recover from an emergency, disaster, and any event that would substantially disrupt business/operational continuity.

Background: Any significant disruption to the Airport’s routine functions can have a substantial negative impact on the Port and region. The Port must be able to respond to and recover from emergencies effectively and efficiently.

Objective 6: Improve overall readiness of the Port to respond to and recover from an emergency, disaster, and any event that would substantially disrupt business/operational continuity.		
Performance Objective	Performance Target	Actions
Develop new Port-wide COOP plan that addresses the most critical functions required across departments and refine department level plans	Analyze common infrastructure risks that could affect COOPs (e.g. ICT, Communications, Power)	<ul style="list-style-type: none"> • Conduct assessment of common infrastructure needs Q1 2016 • Work with key stakeholders to build common infrastructure COOP plan (e.g. ICT, Maintenance) Q2 2016
	Assess all department COOP plans.	<ul style="list-style-type: none"> • Review all existing COOP plans Q3 2016
	Ensure plans address potential risks to their assumptions (assume VPN works – permitting work from home)	<ul style="list-style-type: none"> • Provide guidance on needed corrections Q4 2016
Agency emergency plans accurately define Port and staff actions and capabilities	Emergency Preparedness and Response Plans are identified, cataloged and deconflicted	<ul style="list-style-type: none"> • Assess each plan for currency of content, applicability and consistency of information. Q4 2015 • Revise and adopt plans Q2 2016
Port staff are prepared to support emergencies as needed	<p>Port staff readiness is assessed and training and exercising activities are provided</p> <p>Implement IEMC recommendations for developing Policy Room-Level techniques for leveraging POS Executive’s abilities</p>	<ul style="list-style-type: none"> • Schedule and manage personal preparedness events • Deliver instruction that continually builds ECC staff knowledge and skills. Q4 2016 • Execute tabletop exercises focused on response, COOP, and recovery that involve field, ECC and Policy components. Starting Q2 2015

Objective 6: Improve overall readiness of the Port to respond to and recover from an emergency, disaster, and any event that would substantially disrupt business/operational continuity.		
Performance Objective	Performance Target	Actions
	during an emergency	
Port emergency radio system is fully operational	Emergency radio system functions for Port emergency responders and is interoperable for responders from adjacent mutual aid jurisdictions	<ul style="list-style-type: none"> • Monitor direction and progress of region wide radio upgrade program led by King County. 2016 • Determine what elements of Port radio system must be upgraded to maintain coverage and operability across region to define Port project scope and cost. Q3 2017 <ul style="list-style-type: none"> ○ Budget TBD • Request authorization to upgrade Port radio system (anticipate hand-held radios and tower antennas). Q1 2018 <ul style="list-style-type: none"> ○ Budget TBD

Strategy 1.2: Operate a world-class international airport by anticipating and meeting needs of tenants, passengers, and the region's economy.

Objective 1: Plan, design and construct interim facilities to accommodate exceptional growth.

Background: Sea-Tac was the fastest-growing large hub in the United States in 2014 with passenger traffic increasing 7.7%. Through the first quarter of 2015, SEA continued to experience exceptional growth as passenger enplanements measured 13% year over year. International traffic grew at 16.2% and domestic traffic 12.7%. This growth equates to a million additional passengers in the first quarter of 2015. Annual growth for 2015 is conservatively anticipated to be approximately 10%. Indications are 2016 may also see high growth rates. Given this rapid rate of expansion, Sea-Tac must expeditiously plan, design, and construct interim facilities to accommodate customer needs until current capital projects and longer-term Sustainable Master Plan development can be delivered.

Objective 1: Plan, design, and construct interim facilities to accommodate exceptional growth.		
Performance Measure	Performance Target	Actions
Available aircraft gates in service	Convert 2 wide body aircraft parking positions to alternately accommodate 3-5 narrow-body aircraft positions during periods of non-peak international	<ul style="list-style-type: none"> • Aircraft configuration and design completed Q1 2016. Construction completed Q4 2017. <ul style="list-style-type: none"> ○ New CIP, \$12.5M

Objective 1: Plan, design, and construct interim facilities to accommodate exceptional growth.		
Performance Measure	Performance Target	Actions
	activity at South Satellite by 2017.	
	Wide-body departures from Concourse C.	<ul style="list-style-type: none"> • Convert C15 to a wide-body gate by Q2 2017. • Complete ramp marking design and aircraft fit test by Q4 2016.
Routine daily aircraft hardstand operations	Provide associated ramp level hold-room space at Concourse B by Q2 2017.	<ul style="list-style-type: none"> • Concourse B hold-room design Q3 2016. • Construction complete Q2 2017 <ul style="list-style-type: none"> ○ \$4.5M. CIP 80076
	Provide ramp level hold-room space in Concourse C by 2018	<ul style="list-style-type: none"> • Concourse C hold-room design 2016. <ul style="list-style-type: none"> ○ Budget and CIP TBD
	Additional remote terminal locations identified.	<ul style="list-style-type: none"> • Implement short-midterm solutions as identified by RS&H study and SAMP. • Contract new IDIQ for gate planning layout with new operating expense funds. • Procure additional over the ramp bussing and related equipment based on analysis completed in 2015. <ul style="list-style-type: none"> ○ New CIP, Budget TBD, Q4 2016. • Identify additional operational costs associated with remote operations facilities, busses, and other equipment. <ul style="list-style-type: none"> ○ New CIP, Budget TBD, Q4 2016.
Safe and efficient passenger transportation, Rental Car Facility/Main Terminal	Wait times equal to or less than 5 minutes.	<ul style="list-style-type: none"> • Procure additional busses by Q4 2016 based on 2015 analysis.

Objective 2: Complete the Sustainable Airport Master Plan (SAMP) to meet the needs of our tenants, passengers and regional economy for the next 20 years. **(CA)**

Background: The last airport master plan was completed in the mid-1990’s. In order to appropriately plan future facility requirements and capital investments, the airport must update the aviation activity forecast, and articulate the 20-year master plan for the airport facilities. The SAMP will integrate the planning for the region’s needs at the airport along with the environmental and sustainability goals articulated by the Commission in the Century Agenda.

Objective 2: Complete the Sustainable Airport Master Plan (SAMP) to meet the needs of our tenants, passengers and regional economy for the next 20 years. (CA)		
Performance Measure	Performance Target	Actions
Sustainable Airport Master Plan	By 2016 future airport facilities to accommodate forecasted 20 year growth are planned, and near term (5 year) facilities are approved for construction	<ul style="list-style-type: none"> • Complete the Sustainable Airport Master Plan by 2015 • Complete Draft Airport Layout Plan (ALP)/Airport Geographical Information Systems (AGIS) by March, 2016 • Complete Environmental review and FAA approval of the ALP by Q1, 2017 • Prepare advanced planning documents for detailed planning needed to define and efficiently implement SAMP: Terminal, Gates, Landside, Airfield Capacity, Airline, Airline Support, Cargo, and SASA <ul style="list-style-type: none"> ○ Expense, Capital, Schedule TBD

Objective 3: Quantify scale and routing of all necessary major utilities and services to support new interim facilities, SAMP permanent facilities and existing terminal as passenger enplanements rapidly grow, and develop implementation plan

Background: The Airport SAMP will identify additional separate concourses that cannot operate without major utilities and services such as electrical power, sewer, people mover capacity, etc. Utilities, by their nature, must be planned and installed prior to the construction of the added concourses and other necessary airport functional buildings, because they are often installed underneath such facilities. Therefore, it is necessary advance a program to first identify utilities and services, and second to develop the implementation plan to keep ahead of the rapid expansion of concourses and other buildings.

Objective 3: Quantify scale and routing of all necessary major utilities and services to support new interim facilities, SAMP permanent facilities and existing terminal as passenger enplanements rapidly grow; and develop implementation plan		
Performance Measure	Performance Target	Actions
Corridors could house baggage, passenger pathways (moving walks, APM, etc.) and various utilities - necessary underground/aerial corridors are identified in conjunction with SAMP and interim facilities.	Corridors are identified by Q1 2016.	Identify, validate, and size, as appropriate, corridors between main terminal and future interim and permanent concourses.
Necessary utilities are identified, and implementation plan is complete	Utility needs are validated in a report, procurement plan and studies are completed to kick off phased design work by Q3 2016.	<p>Consider various utilities and services for new facilities and existing terminal buildings(*) such as:</p> <ul style="list-style-type: none"> • Electrical power • Communication cabling • Natural gas • Water systems • Hot water steam systems • Cold (chilled) water systems • Sanitary Sewer systems • Storm water systems • Baggage mainline delivery between terminals • IWS systems • Jet Fuel systems • Utilidors • Emergency power • Grease System capacity for Terminal* as part of sewer system • STS train capacity, consider APM option for SAMP capacity* • Load Dock Capacity* • Garbage and recycle flow capacity* • Emergency Exiting flows* • Etc. <p>Generate report:</p> <ul style="list-style-type: none"> • Prepare full listing and scenario mapping to match permanent SAMP facilities. • Prepare accelerated in-house write-

Objective 3: Quantify scale and routing of all necessary major utilities and services to support new interim facilities, SAMP permanent facilities and existing terminal as passenger enplanements rapidly grow; and develop implementation plan		
Performance Measure	Performance Target	Actions
		<p>up for each utility to serve interim facilities. Schedule: Complete Q4 2015 for interim facilities; and Q2 2017 for permanent facilities</p> <ul style="list-style-type: none"> ○ Budget TBD <p>Hire outside services for the above:</p> <ul style="list-style-type: none"> ● Generate scope of work for consultant contract to study and prepare report that enables driving forward a follow-up design. ● Develop procurement plan - Q1, 2016 ● Procure Engineering/Architect firm(s) – select, negotiate, and contract work – Q2, 2016. Complete engineering study Q2 2017 ○ Budget TBD

Objective 4: Facilitate/accommodate growth in international operations until new IAF is completed. **(CA)**

Background: Short-term improvements in the existing FIS and South Satellite (SSAT) are necessary to meet passenger demands prior to the opening of the new IAF. Strong growth in international flights has led to increasing numbers of arriving passengers held on-board aircraft or held in the International Corridor.

Objective 4: Facilitate/accommodate growth in international operations until new IAF is completed. (CA)		
Performance Measure	Performance Target	Actions
Facility and operational improvements necessary to reduce processing time	By 2016, progressively reduce monthly passenger hold on board aircraft and processing time as compared year over year through:	<ul style="list-style-type: none"> ● Fully implement Mobile Passport Control through pre-departure promotion and procurement of additional MPC scanners utilizing new expense funds. \$TBD
	Expedite secondary baggage inspection	<ul style="list-style-type: none"> ● Consolidate FIS Agriculture and Secondary baggage inspection and restructure exit control by Q2 2016 with <ul style="list-style-type: none"> ○ New CIP. Budget TBD
	Establish FIS processing	<ul style="list-style-type: none"> ● Install iBeacon technology

Objective 4: Facilitate/accommodate growth in international operations until new IAF is completed. (CA)		
Performance Measure	Performance Target	Actions
	time metrics	throughout FIS to capture processing time metrics from deplaning through recheck and security screening, by Q4 2016. ○ Budget TBD
	Maintain customer service levels as traffic increases	<ul style="list-style-type: none"> ● Increase 2016 operating budget for Centralized International Support Services (CISS) contract.Q1 2016. ○ Budget TBD
	Increase capacity and improve airline efficiency at international to domestic connecting passenger recheck counters.	<ul style="list-style-type: none"> ● Replace 45 year old cabinetry with new casework, scales, dynamic displays while increasing workstation positions from six to eight.

Objective 5: Commence operations from new International Arrivals Facility (IAF) by December 31, 2019. **(CA)**

Background: The Airport has seen unprecedented growth in its international services since 2007. Between 2007 and 2014, passenger volume on long-haul international routes grew 75.9%, as compared to domestic routes, which grew 17.8%. By summer 2015, Sea-Tac will have had a net gain of 11 long-haul international services since 2007, seven since 2011.

Delta Air Lines made Sea-Tac its primary pacific gateway and has rapidly expanded its hub in Seattle. From just two intercontinental services on its legacy carrier Northwest Airlines in 2008, Delta will have ten daily long-haul international flights in summer 2015.

Objective 5: Commence operations within a new International Arrivals Facility (IAF) by December 31, 2019 (to be confirmed). (CA)		
Performance Measure	Performance Target	Actions
IAF designed and constructed to meet established program objectives	<ul style="list-style-type: none"> ● Increase from 12 to 18 FIS- accessible gates utilizing existing Concourse A aircraft parking positions. ● Hourly passenger processing increased from 1200 to 1900. ● 2 additional claim carousels ● Elimination of 	<ul style="list-style-type: none"> ● Incorporate final performance metrics as defined with airlines in 2015. ● Complete selection of Design-Build team by Q3 2015 ● NEPA/SEPA environmental review and permitting by Q1 2015 ● Design/Build Construction begins 2016 ● New facility opens 2019

Objective 5: Commence operations within a new International Arrivals Facility (IAF) by December 31, 2019 (to be confirmed). (CA)		
Performance Measure	Performance Target	Actions
	passenger holds <ul style="list-style-type: none"> • Elimination of aircraft holds • Elimination of hardstand operations • Elimination of double baggage claim. • Minimum Connect Time (MCT) reduced from 90 to 75 minutes • Average passenger wait time for Immigrations inspection reduced from 20 to 10 minutes. • Maximum passenger wait time for processing time reduced from 70 to 50 minutes. • ASQ scores improved. 	

Objective 6: Complete all NorthSTAR program improvements by Q2 2020. **(CA)**

Background: In 2013, the Port completed the realignment of multiple airlines to allow Alaska Airlines to centralize its operations on the North Satellite. The North Satellite element of the NorthSTAR program is currently at 60% design, incorporating current and evolving design characteristics to meet passenger experience needs.

Objective 6: Complete all NorthSTAR program improvements by Q2 2020. (CA)		
Performance Measure	Performance Target	Actions
Consolidation, optimization and expansion of AAG operations on Concourse C and N with associated capital improvements to meet program milestones	Complete NorthSTAR program by 2020, including all North Satellite improvements (eight additional jet bridge-equipped gates, additional concessions, adequate hold rooms,	<ul style="list-style-type: none"> • Complete 100% design for renovation of North STS Lobbies Project by Q1 2016. <ul style="list-style-type: none"> ○ CIP 800556 \$0.3M • Complete 100% design for renovation of North Satellite by 2016

Objective 6: Complete all NorthSTAR program improvements by Q2 2020. (CA)		
Performance Measure	Performance Target	Actions
	circulation, baggage system capability, and a new Alaska Board Room) to meet passenger demand at a level of service to exceed IATA level C	<ul style="list-style-type: none"> ○ Budget \$23.4M ● Complete STS Lobby construction by Q1 2020 <ul style="list-style-type: none"> ○ 1.2M ● Complete North Satellite construction by Q1 2020 <ul style="list-style-type: none"> ○ \$310M + \$5M RMM (Expense)
Zone 7 Ticketing Lobby and Checkpoint efficiency.	IATA Level of Service C	<ul style="list-style-type: none"> ● Integrate Sustainable Master Plan and related long-term considerations into Project Definition/Scope Q1 2016. ● 100% design Q1 2017 <ul style="list-style-type: none"> ○ CIP 800545 \$2.6M ● Construction complete Q3 2018 <ul style="list-style-type: none"> ○ \$21M

Objective 7: Identify and plan for all necessary long-term refurbishments in the South Satellite. (CA)

Background: The North and South Satellites are the same age, and the South needs significant renovations similar to what the North is undergoing. The South Satellite is a 45-year-old aging facility that is heavily used and will continue to be used in the future as international and domestic service grows. The facility will need renovations of aging infrastructure, and concourse improvements (hold-rooms, concessions, , restrooms, day lighted ceilings, etc.) to improve it to be on a par with other concourses. Analysis is needed to determine the necessary improvements to interior concourse spaces, vertical circulation, restrooms, structural/seismic strength, air-conditioning, building size, etc. Note: nearer-term aesthetic improvements such as carpeting, wall coverings, door panels, signage, furniture, possibly window panels, etc. are included in Aviation’s customer service strategy action list.

Objective 7: Identify and plan for all necessary long-term refurbishments in the South Satellite. (CA)		
Performance Measure	Performance Target	Actions
South Satellite is renovated	Final design of project begins in 2017	<ul style="list-style-type: none"> ● Analysis of SSAT renovations prepared by end of Q1 2016 ● Retain consultant to prepare floor plans to enlarge satellite concessions and hold rooms and plan gating adjustments <ul style="list-style-type: none"> ○ Budget ~\$150K expense ○ Budget ~\$100K capital ● Prepare project scoping document cost estimate, schedule, etc. for subsequent capital project(s) by Q3

Objective 7: Identify and plan for all necessary long-term refurbishments in the South Satellite. (CA)		
Performance Measure	Performance Target	Actions
		2016 <ul style="list-style-type: none"> • Submit for budgetary and commission approval to request staff initiate final design by Q1 2017 • Create a capital project for Structural Column and Beam Analysis and Upgrade design in Q4 2015 <ul style="list-style-type: none"> ○ Budget TBD

Objective 8: Increase productivity of existing terminal facilities. (CA)

Background: In 2009, the Airport launched the Terminal Development Strategy (TDS) initiative to develop a unified airline/airport approach to align and streamline terminal facility planning in anticipation of future needs with the goal of reducing costs through use of technology and higher facility throughput.

Objective 8: Increase productivity of existing terminal facilities. (CA)		
Performance Measure	Performance Target	Actions
Accommodate 5-year demand forecast of up to 46 million passengers within the existing terminal envelope through additional gates, passenger self-service, technology and checkpoint expansions	Year on year increases in self-service passenger check-in and baggage drop.	<ul style="list-style-type: none"> • Finalize implementation plan for use of new technology and processes for: <ul style="list-style-type: none"> – Passenger check-in – Baggage self-tag/drop.
Efficient TSA approved self bag-tag and self bag-drop locations available in ticketing	25 percent of passengers use by Q4 2020.	<ul style="list-style-type: none"> • Analyze and implement pilot program Q2 2016 using mobile hand scanning device with airline personnel or contracted labor. <ul style="list-style-type: none"> ○ ICT Small Cap project \$250K. • Pending TSA approval and successful implementation of pilot, install fixed Common self-bag drop in ticketing lobby location Q3 2020. <ul style="list-style-type: none"> ○ New CIP \$2.5M ○ CIP 800545 • Install Common self-bag-drop in Zone 7 or other strategic location by Q4 2020.
Increase Baggage make-up capacity to	Create 2 additional SSAT make-up carousels within	<ul style="list-style-type: none"> • Reverse direction of existing C25 baggage system for conveying local

Objective 8: Increase productivity of existing terminal facilities. (CA)		
Performance Measure	Performance Target	Actions
accommodate increasing airline growth	existing footprint.	outbound baggage from the main terminal. ○ New CIP Estimated \$1M by Q3 2016.
Checkpoints adequate for growing passenger demand	Checkpoint 5 expanded by Q4 2017	<ul style="list-style-type: none"> • Complete Checkpoint 5 Expansion as part of main terminal improvements of NorthSTAR program <ul style="list-style-type: none"> ○ CIP 800545
Office spaces for airlines, tenants, and staff	Adequate supply of vacant space with full utility service is ready and available for airline or other tenant use	<ul style="list-style-type: none"> • Identify spaces within terminal to accommodate growing tenants and initiate design in Q2 2016 <ul style="list-style-type: none"> ○ Budget TBD • To allow rapid build out, begin early asbestos remediation in Q2 2016 <ul style="list-style-type: none"> ○ Budget TBD

Objective 9: Increase Air Cargo tonnage by 20% to a total of 364,000 metric tons in 2020, in line with the Century Agenda. **(CA)**

Background: Meeting the 2011 Port Commission Century Agenda 25-year goal for air cargo tonnage growth requires an approximately 3.8% compound annual growth rate (CAGR) from 2012 to 2036. A three-part strategy will achieve the 2016-2020 portion of overall goal and position the business to meet the 25-year Century Agenda goal:

- Additional air service growth to expand air cargo lift capacity
- Gain ownership control, modernize, and expand on-Airport facilities
- Develop off-Airport land for warehouse and logistics support facilities

Objective 9: Increase Air Cargo tonnage by 20% to a total of 395,000 metric tons in 2020, in line with the Century Agenda. (CA)		
Performance Measure	Performance Target	Actions
International cargo airlines serving Sea-Tac	Increase international dedicated freighter airlines from five to eight by 2020	Dependent on airfield capacity: <ul style="list-style-type: none"> • Attract one new international air cargo freighter customer in 2016 • Attract 2 additional services by 2020
Availability of leasable Port-owned on-Airport cargo warehousing facilities	Q4 2016	<ul style="list-style-type: none"> • Identify and lease all available airport-controlled airfield cargo warehouse facilities sufficient to meet demand consistent with Master Plan.
	Q4 2020	<ul style="list-style-type: none"> • Develop new airside cargo building capacity sufficient to accommodate market growth and the relocation

Objective 9: Increase Air Cargo tonnage by 20% to a total of 395,000 metric tons in 2020, in line with the Century Agenda. (CA)		
Performance Measure	Performance Target	Actions
		needs of existing facilities, consistent with master plan.
Availability of leasable off-Airport warehouse and logistics support facilities	Refer to Strategic Objective 5, Maximize non-aeronautical net operating income.	<ul style="list-style-type: none"> Refer to Strategic Objective 5 - Maximize non-aeronautical net operating income.

Objective 10: Add four new international airline routes by 2019. **(CA)**

Background: Despite the Puget Sound region’s strong economic and population growth, Seattle remains significantly underserved internationally as compared to other West Coast airports. With economic growth in Asia far outpacing that of the mature economies of North America and Europe, U.S. carriers are increasingly shifting their attention to transpacific routes. Seattle, as the closest major U.S. city to Asia, has benefitted and will continue to benefit from these growth markets. While these services are of great importance to the local economy, they also signal a shift in the role of Sea-Tac towards being a key international gateway for connecting passengers.

Objective 10: Add four new international airline routes by 2019. (CA)		
Performance Measure	Performance Target	Actions
International long-haul passenger routes.	Achieve net increase of four long-haul international routes to complement 20 routes flown in 2015.	<ul style="list-style-type: none"> Cultivate strong relationships with strategically identified airlines Work closely with Sea-Tac’s largest international carrier, Delta, to support its route development Target key connecting markets to increase share of connecting traffic Promote Small Community Air Service Development Program efforts in contributing to state-wide economic and tourism expansion.

Objective 11: Renew aging landside infrastructure. **(CA)**

Background: These projects are necessitated by aging infrastructure, an overall increase in ground transportation activity and seismic requirements associated with the service tunnel.

Objective 11: Renew aging landside infrastructure. (CA)		
Performance Measure	Performance Target	Actions
Availability of critical ground transportation infrastructure	Extend existing facilities life cycle by 20 years	<ul style="list-style-type: none"> Complete South 160th Street Ground Transportation Lot <ul style="list-style-type: none"> CIP 102112, Budget TBD, by TBD

Objective 11: Renew aging landside infrastructure. (CA)		
Performance Measure	Performance Target	Actions
	Achieve Federal Highway Administration Seismic Retrofitting Requirements	<ul style="list-style-type: none"> • Complete Service Tunnel renewal and replacement project <ul style="list-style-type: none"> ○ CIP 102112, \$28M, Q3 2018

Objective 12: Make strategic Airport facility improvements to support efficient cruise operations and ensure a positive customer experience.

Background: The Port's cruise ship business sector continues to expand, requiring associated investment in new facilities at Sea-Tac to complement Seaport operations and facilities. At the same time, existing airport facilities are increasingly capacity-constrained, minimizing the opportunity for alternative use in support of the cruise sector. Relocating cruise-specific operations to an off-site location has the opportunity to both improve the cruise passenger experience and remove peak passenger and baggage processing demands on terminal facilities.

Objective 12: Make strategic Airport facility improvements to support efficient cruise operations and ensure a positive customer experience.		
Performance Measure	Performance Target	Actions
Percent of passengers and baggage processing facilitated independently from main terminal airport facilities.	100% of eligible cruise passengers and baggage facilitation conducted independently from main terminal airport facilities.	<ul style="list-style-type: none"> • Complete cruise business strategic plan by Q1 2016. • Complete evaluation of off-site locations in consideration of available resources and future needs identified through the Sustainable Airport Master Plan, passenger and cargo forecasts by Q1 2016. • Seek cruise ship commitment and business investment in on-ship baggage-tagging for direct delivery to airport and final destination

Objective 13: Provide an efficient and updated baggage system that incorporates new technology and efficient conveyor systems necessary to improve system performance and allow for future expandability to 66 MAP. (CA)

Background: The existing outbound baggage system is comprised of six separate systems that will soon reach the end of their estimated life span. The Airport has partnered with the Transportation Security Administration (TSA), which plans to replace their explosive detection and bag search systems, to create a jointly optimized system. Building a single new system in phases will enable the TSA to cost effectively replace their systems, and enable the Airport to reconfigure the whole conveyance system as a single unit that will be expandable in the future to support the eventual airport maximum passenger demand.

Objective 13: Provide an efficient and updated baggage system that incorporates new technology and efficient conveyor systems necessary to improve system performance and allow
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for future expandability to 66 MAP. (CA)		
Performance Measure	Performance Target	Actions
Phased optimization system reconstruction	Meet TSA security requirements (TSA design standards), airline approvals of MII ballots, energy savings per lineal foot conveyor, and system expandability via future projects for capacity of 66 million annual passengers	<ul style="list-style-type: none"> • Design Complete Q1 2016 • Accelerate phased construction completions from current 2021 to an earlier completion if possible within federal grant and design standard constraints
Completed interim improvements	Interim projects support growing airline needs with as minimal impact to airline operations as possible	<ul style="list-style-type: none"> • Determine necessary improvement projects annually with airline input. • Identify and implement interim additional operational and capital capacity projects to accommodate near-term projected baggage loads <ul style="list-style-type: none"> ○ CIP and Budget TBD
	Improve capacity of aging TSA scanning systems to keep pace with traveler growth	Install TSA CTX bag scanner in C60 system to increase capacity by Q1 2016 <ul style="list-style-type: none"> ○ CIP and Budget TBD

Objective 14: Provide emergency-back-up electrical power.

Background: Operations at the Airport are dependent upon continuous electrical service. Without continuous electricity, many of the Airport vital systems will fail and stop operations including power to gated aircraft, baggage screening/delivery systems, jet-bridge movements, emergency lighting, etc.

Objective 14: Provide emergency-back-up electrical power.		
Performance Measure	Performance Target	Actions
Continuous electrical service availability for the Airport Terminal	Re-establishment of Airport electrical service within 1 hour after disruption from the grid by Q3 2018	<ul style="list-style-type: none"> • Receive Commission authorization for full design by end of Q3 2015 • Complete Generator facility project by Q3 2018 <ul style="list-style-type: none"> ○ CIP est. \$40M • Complete SCADA controls project by Q3 2017 and tie into generator facility by Q3 2018 <ul style="list-style-type: none"> ○ CIP est. \$10M, TBD • Upgrade North and South Main Substation to provide greater security

Objective 14: Provide emergency-back-up electrical power.		
Performance Measure	Performance Target	Actions
		against intrusion or damage per NERC recommendations by Q3 2017 <ul style="list-style-type: none"> ○ CIP estimate = \$1M Rough order of Magnitude (ROM)

Objective 15: Prepare a benefit/cost analysis for improvements to Minimum Connect Time (MCT).

Background: Competition with other airports includes many variables, one of which is the Minimum Connect Time (MCT) which defines in industry publications and airline schedules the time necessary for baggage transfer, passenger movement from the arriving gate to the connecting departure gate as well as and immigration processing between international and domestic flights. As the Airport develops its master plan, designs baggage optimization, and initiates the IAF program; the time is right to set Airport and system-wide MCT targets.

Objective 15: Prepare a benefit/cost analysis for improvements to Minimum Connect Time (MCT).		
Performance Measure	Performance Target	Actions
MCT as published by the Official Airline Guide of airline scheduled flights	Lower minimum connect time from current 90 minutes to 75 minutes	<ul style="list-style-type: none"> • Incorporate MCT study results completed in 2014 in design build process beginning in 2016 to achieve 75 minute airport-wide goal upon opening of IAF in 2019. • Incorporate MCT study results in performance specifications of Baggage Optimization Program.

Objective 15: Ensure the Airport's technological capacity and capability keeps pace with technological evolution so the airport can be flexible in providing valuable services to both business customers and travelers

Background: Passengers are increasingly (over 88%) using multiple internet capable devices (phones, tablets, laptops) in the terminals. Airlines, concessionaires, and other tenants are using internet devices (phone alerts, cameras, point of sale tablets) for business use. Our airport's own use of technology is increasing (common use check in kiosks, flight information signs, baggage tracking). For the Airport to provide good service to our customers, we must keep up with growing technology use by investing in several areas:

- Expand behind the scenes infrastructure:
 - Provide gateway for internet providers, added fiber backbone, local area network and core switches, and plug-in connectivity at each airline and concession location
 - Expand Wi-Fi connectivity to enable travelers to easily connect through the behind the scenes infrastructure to the internet, while also providing additional video camera security to meet the needs of the TSA and the Airport

- Install an iBeacon network of transponders as the base system to provide indoor smart-phone navigation and other value added services to travelers, businesses, and both airport operations and security
 - iBeacon transponders utilize a unique numbered address that enables software applications to publish messages to near-by smart phone users. The messages can be very informative because of awareness of distance between each iBeacon and the smart-phone.

Objective 15: Ensure the Airport’s technological capacity and capability keeps pace with technological evolution so the airport can be flexible in providing valuable services to both business customers and travelers		
Performance Measure	Performance Target	Actions
The airport can easily select from among competitive internet providers, and in turn provide a tamper proof and reliable suite of services to concessionaires, airlines, and other tenants	Tenant telecommunication carrier requests are fulfilled via a secure airport gateway facility by 2017	<ul style="list-style-type: none"> ● Procure, design, construct and configure an Internet gateway facility with separate and secure space, protection and control of power quality, environment controls and monitoring, fire protection and other safety measures. Q4 2017 <ul style="list-style-type: none"> ○ CIP TBD ~\$1M
Increased capacity of the airport’s operations local area network (OPSLAN)	OPSLAN core switches and ancillary components are upgraded by 2017 to better support future tenant and port projects and rapid passenger growth toward 66 MAP	<ul style="list-style-type: none"> ● Procure, design, install and configure the latest network core switches and ancillary components. Q4 2017 <ul style="list-style-type: none"> ○ CIP TBD ~\$3M
Data and communication connectivity for airport tenants is standardized to allow quick ‘plug-in’ and portability when needed.	Telecommunication requirements are standardized and 200 spaces converted to approved “tenant demarc” packages by 2019	<ul style="list-style-type: none"> ● Conduct a multi-year phased procurement, design, construction and installation of “tenant demarc” packages. Q1 2019 <ul style="list-style-type: none"> ○ CIP TBD ~\$3M
	Vacant airport spaces contain “tenant demarc” packages designed and installed in 50 spaces prior to tenant occupancy by 2018 Demolition and removal of legacy cable / wiring from 150 spaces completed by 2018	<ul style="list-style-type: none"> ● Conduct a multi-year phased procurement, design, construction, and installation of “tenant demarc” with associated demolition and removal of legacy cabling. Q3 2018 <ul style="list-style-type: none"> ○ CIP TBD ~\$2M

Objective 15: Ensure the Airport’s technological capacity and capability keeps pace with technological evolution so the airport can be flexible in providing valuable services to both business customers and travelers		
Performance Measure	Performance Target	Actions
Traveler and operational Wi-Fi infrastructure capacity with expandability via future projects for 66 million annual passengers (MAP)	Travelers experience zero ‘drops’, and tenants and operating entities can connect easily to new cabling infrastructure by 2017 and provide ramp Wi-Fi & cameras by 2018	<ul style="list-style-type: none"> • Complete Concourse C by Q1 2016 <ul style="list-style-type: none"> ○ CIP TBD ~\$3M • Complete remaining concourses and main terminal by Q4 2017 <ul style="list-style-type: none"> ○ CIP TBD • Complete ramp Wi-Fi and security cameras by Q4 2018 <ul style="list-style-type: none"> ○ CIP TBD
Smartphone-based, indoor navigation infrastructure that meets passenger demand for mobile, self-service airline travel	Complete planning, design, and installation airport-wide infrastructure by Q2 2017	<ul style="list-style-type: none"> • Apple indoor aerial mapping. <ul style="list-style-type: none"> ○ Q2 2016 • Google StreetView mapping. <ul style="list-style-type: none"> ○ Q2 2016 • Procurement and implementation of Wi-Fi authentication site with advertising and location specific concessions information. Procurement by Q1 2016 and implementation by Q4 2016 <ul style="list-style-type: none"> ○ CIP TBD ~\$0.5M • Design and implementation of indoor navigation system based on low energy Bluetooth Low Energy iBeacons. Procurement by Q1 2016 and implementation by Q3 2016. <ul style="list-style-type: none"> ○ CIP TBD ~\$0.5M

Strategy 1.3: Operate a world-class international airport by managing airport assets to minimize long-term total cost of ownership.

Objective 1: Create a new Airport Master Record As-built Drawing System.

Background: The Port’s existing record drawing system is a significant tool used to prepare for both renovating aging buildings (or portions thereof), and in maintaining over \$4 billion of existing facilities (campus buildings) and utilities (heating, air conditioning, elevators and escalators, fire alarm systems, dispatch of emergency services, etc.) The inaccuracy of the current drawing system causes construction change orders, extends operational downtime, prevents rapid repairs when system failures occur, and requires designers to recreate background footprint drawings of the Airport project areas each time a new project begins. An improved record drawing system will enable future projects and business systems (e.g. GIS) to save costs in change orders, map utilities behind the walls to minimize utility and operational shutdowns, and save costs during design.

Objective 1: Create a new Airport Master Record As-built Drawing System.		
Performance Measure	Performance Target	Actions
Reliable As-built records/drawings	Two to five percent fewer building renovation change orders, and one percent reduction in cost	<ul style="list-style-type: none"> • Identify which areas or systems to as-built first based upon priority, identify computer station needs, and hire first technician • Create office cube, purchase computer, and hire AutoCADD technician by Q3 2016. <ul style="list-style-type: none"> ○ Operating budget

Objective 2: Complete initial comprehensive inventory of the condition of all physical assets across the Airport, continue periodic inspections to assess age and status/lifespan, and develop a system to facilitate forecasting of capital renewal projects and improve on-going maintenance.

Background: A forward-looking list of necessary renovation projects will enable staff to forecast capital spending in future years. With recurring inspections and a good long-term forecast of renewal projects, staff can better predict funding needs and level the amount of work for the project management department. Without detailed asset information, an accurate future forecast of renovation is not possible.

Objective 2: Complete initial comprehensive inventory of the condition of all physical assets across the Airport, continue periodic inspections to assess age and status/lifespan, and develop a system to facilitate forecasting of capital renewal projects and improve on-going maintenance.		
Performance Measure	Performance Target	Actions
Comprehensive and reliable asset inventory listing, condition data base, and forecast of necessary `projects.	Completed condition inventories	<ul style="list-style-type: none"> • SSAT, Concourse A, Rental Car Facility, Bus Maintenance Facility, Inventory Warehouse, and Garage
	Completed asset inventory by 2020. Contingent on workload, staffing level, and completions of new projects each year	<ul style="list-style-type: none"> • Devote existing staff hours to inspection efforts of campus wide facilities • Complete Concourse B by Q1 2016 • Complete Concourse C by Q2 2017 • Complete Concourse D by Q1 2019 • Complete Main Terminal by Q3 2020 • Complete IAF and NorthSTAR in Q4 2020
	Re-evaluate assets with finance department on a rotating 3 to 4 year basis.	<ul style="list-style-type: none"> • Utilize in house staff, complete existence testing annually as directed by finance, and update with condition and remaining life estimates
	Completed automation of forecast and integrated	<ul style="list-style-type: none"> • Develop computerized tool and prepare project proposal by Q2 2017

Objective 2: Complete initial comprehensive inventory of the condition of all physical assets across the Airport, continue periodic inspections to assess age and status/lifespan, and develop a system to facilitate forecasting of capital renewal projects and improve on-going maintenance.		
Performance Measure	Performance Target	Actions
	with PeopleSoft and annual capital plan by Q2 2019	<ul style="list-style-type: none"> • Procure system by Q2 2018 <ul style="list-style-type: none"> ○ Budget TBD

Objective 3: Create Storm Water Utility (SWM) administration manual, form airport Storm Water Utility, and update engineering standards manual

Background: Storm Water Management (SWM) system is a vital system to the airport operations. The utility will be formed coincident with the next interlocal agreement with the City of SeaTac.

Objective 3: Create Storm Water Utility (SWM) administration manual, form airport Storm Water Utility, and update engineering standards manual		
Performance Measure	Performance Target	Actions
Airport has an administrative manual to guide utility activities	<ul style="list-style-type: none"> • The manual allows the airport to form a utility 	<ul style="list-style-type: none"> • Manual complete by Q4 2015
The Airport operates a Storm Water Utility	<ul style="list-style-type: none"> • Legal formation of airport Storm Water Utility • Storm Water Utility operational 	<ul style="list-style-type: none"> • Obtain Storm Water Utility Commission approval in 2015. Per Strategy 7, Objective 3, “Execute new Port of Seattle/City of SeaTac ILA • Storm Water Utility implemented coincident with finalized inter-local agreement
The Airport has an updated engineering standards manual	<ul style="list-style-type: none"> • Engineering Standards updated by Q4 2016 (not necessary for initial utility formation) 	<ul style="list-style-type: none"> • Create IDIQ contract for consultant to assist staff in updating standards and in developing comprehensive plan <ul style="list-style-type: none"> ○ In-house and consultant staff ○ \$100K expense

Strategy 2.0: Become one of the top customer service airports in North America. **(PS)**

Objective 1: Provide and maintain adequate customer service levels during period of exceptional growth.

Background: In 2014 Sea-Tac rated 15th of our 25 North American ACI ASQ peers in overall customer service satisfaction. SEA was rated in the bottom 40% of peer airports in 18 of 28 categories. While significant improvements to Sea-Tac’s terminal facilities have been made in the last 10 years, parts of the terminal are now over 40 years old, and remain largely unchanged

since opening in 1973. Given this standing and the rapid rate of growth, the Airport must expeditiously bolster operational oversight and management of terminal facilities until current capital projects and longer-term Sustainable Master Plan development can be delivered.

Objective 1: Provide and maintain adequate customer service levels during period of exceptional growth.		
Performance Measure	Performance Target	Actions
Meet critical customer service requirements.	Improve Facility Cleanliness (Rank 18 of 25 in 2014 ASQ)	<ul style="list-style-type: none"> • Increase janitorial staffing for 2016 to address higher passenger traffic. <ul style="list-style-type: none"> ○ New expense funding TBD • Expand scope of contract to include new areas of coverage. <ul style="list-style-type: none"> ○ New expense funding TBD • Create specific position of janitorial contract manager. <ul style="list-style-type: none"> ○ FTE expense funding TBD • Replace Concourse C carpeting at request of Alaska Airlines by Q42016. <ul style="list-style-type: none"> ○ New CIP \$1.1M • Replace Concourse B carpeting at request of Delta Air Lines by Q42016. <ul style="list-style-type: none"> ○ New CIP \$1.1M
	Improve Restroom Cleanliness. (Rank 20 of 25 in 2014 ASQ)	<ul style="list-style-type: none"> • Increase janitorial supplies budget to address increased passenger volume. • Implement real-time customer feedback technology utilizing kiosks at busiest restroom locations. <ul style="list-style-type: none"> ○ Budget TBD • Complete design for 14 restrooms on Concourses B, C, D. Q4 2016 <ul style="list-style-type: none"> ○ CIP 800697 • Complete construction for by Q2 2019. <ul style="list-style-type: none"> ○ \$10.7M
	Improve Gate Comfort (Rank 21 of 25 in 2014 ASQ)	<ul style="list-style-type: none"> • Install additional gate seating 2016-2019 at South Satellite <ul style="list-style-type: none"> ○ utilize annual Small Capital budget allocation, \$250K • Install additional seating at C15 by Q4 2016 <ul style="list-style-type: none"> ○ Budget TBD • Complete Phase 2 South Satellite Interior Renovations as requested by

Objective 1: Provide and maintain adequate customer service levels during period of exceptional growth.		
Performance Measure	Performance Target	Actions
		<p>Delta and international airlines, comprising wall panels, column covers, door panels and casework.</p> <ul style="list-style-type: none"> ○ CIP 800549 , \$2.2M, \$3.8M RMM, \$2.0M expense
	<p>Improve Courtesy and Helpfulness of Airport Staff (Rank 13 of 25 in 2014 ASQ)</p>	<ul style="list-style-type: none"> ● Expand Volunteer Program ● Expand Pathfinder staff to increase daily hours of coverage, manage queueing in coordination with TSA and airline tenants, provide real-time customer service assistance. <ul style="list-style-type: none"> ○ New expense funding \$TBD. ● Upgrade airport website to improve user experience and to better inform customers of most-requested airport information, by TBD, \$TBD.
	<p>Improve Checkpoint Wait Times (Rank 17 of 25 in 2014 ASQ)</p>	<ul style="list-style-type: none"> ● Implement customer service initiatives resulting from 2014 security checkpoint passenger experience survey. Includes WiFi coverage upgrade at each checkpoint, and examine options to improve ambiance and passenger experience. ● Conduct follow-up survey of TSA Pre-check customers. ● Analyze installation of fixed stanchions in security queues by Q4 2016.
	<p>Improve Airport Ambiance (Rank 15 of 25 in 2014 ASQ)</p>	<ul style="list-style-type: none"> ● Upgrade terminal-wide voice paging system to facilitate extension of coverage to NorthSTAR and IAF. <ul style="list-style-type: none"> ○ New CIP for \$1.5M ● Incorporate northwest sense of place recommendations DATAE <ul style="list-style-type: none"> ○ capital and expense projects <p>Budget TBD</p>
	<p>Improve waiting time in check-in queue. (Rank 17 of 25 in 2014 ASQ)</p>	<ul style="list-style-type: none"> ● Continue implementation of fixed stanchions in ticket lobby and other queue areas. Q4 2016 <ul style="list-style-type: none"> ○ Budget TBD

Objective 2: Achieve Top 5 ranking among 25 selected North American peers in 2020 ACI Airport Service Quality (ASQ) survey **(PS)**.

Background: Sea-Tac utilizes two key sources of information to drive customer service improvements. To proactively glean guest feedback, Sea-Tac adopted the Airport Service Quality (ASQ) index in 2011 as the industry benchmark for customer service as coordinated globally by Airports Council International (ACI World). Additionally, Sea-Tac maintains a robust real-time database of customer comments from website, social media, and traditional communication feedback sources.

Objective 2: Achieve Top 5 ranking among 25 selected North American peers in 2020 ACI ASQ. (PS)		
Performance Measure	Performance Target	Actions
Airports Council International (ACI World) Airport Service Quality (ASQ) Quarterly Survey	Improve Airport Way-finding (Rank 14 of 25 in 2014 ASQ)	<ul style="list-style-type: none"> • Complete Airport-wide Signage Master Plan, by Q4 2016. • Fund signage infrastructure resulting from Signage Master Plan recommendations. • Evaluate signage program alternatives to ensure necessary resources are in place, including increased staffing, to meet customer service objectives. • Install dynamic interactive directories to improve way-finding in coordination with Airport Dining and Master Plan by Q4 2018 <ul style="list-style-type: none"> ○ Budget TBD through new CIP #
	Improve ease of connections between flights (Rank 15 of 25 in 2014 ASQ)	<ul style="list-style-type: none"> • Achieve published Minimum Connect Times • Improve signage and apply other changes at STS stations that improve the experience for international transferring passengers by Q4 2018 <ul style="list-style-type: none"> ○ Budget TBD. • Begin signage wayfinding improvements at STS stations that result from Signage Master Plan study, by Q4 2016, <ul style="list-style-type: none"> ○ Budget TBD

Objective 3: Ensure the Airport’s technological capability keeps pace with technological evolution so the airport can be flexible in providing valuable customer services to both business customers and travelers.

Background: For the Airport to provide good customer service, it must keep up with technology by investing in several areas to that allow the terminal’s throughput to advance with growing numbers of passenger:

- Provide smart-phone based location-analytics to enable indoor way-finding and navigation capability for both passengers and businesses within the airport, and provide data to allow airport staff to optimize use of our dense airport footprint as traveler volumes continue to build. This will be done while ensuring individual privacy for our travelers.
- Use technology to provide a suite of services (including an airport software application, parking and club reservation options, on-line pre-order and pick up, concessionaire advertising, etc.) to provide excellent customer service and to refine airport business processes.
- Provide connectivity infrastructure so airlines, concessionaires, and other tenants can better meet passenger needs, and their own evolving business technology requirements. (See also strategy 1.2 objective 15)

Objective 3: Ensure the Airport’s technological capability keeps pace with technological evolution so the airport can be flexible in providing valuable customer services to both business customers and travelers.		
Performance Measure	Performance Target	Actions
Smartphone-based, indoor navigation infrastructure is available that meets passenger demand for self-service airline travel utilizing mobile devices	<p>Create smartphone application that provides passengers with hand-held way-finding that uses their location (2 meter accuracy) within the airport terminal</p> <p>Create smartphone applications that enables terminal infrastructure to inform passengers that the airport provides personalized way-finding mapping, along with advertising of various concessions (valet & reserved parking, club room access, food, gifts,</p>	<p>Design, develop and publish an airport passenger smartphone application (app) with indoor navigation capability with business driven feature updates:</p> <ul style="list-style-type: none"> • Create location maps for passenger way-finding by Q2 2016 • Promote Port lounge business by Q2 2016 • Updates to promote Airport dining and retail tenant offerings by Q4 2106 • Updates to promote ground transportation business including garage service offerings by Q3 2017 <ul style="list-style-type: none"> ○ CIP TBD, ~\$0.5M in 2016 ○ CIP TBD for 2017

Objective 3: Ensure the Airport’s technological capability keeps pace with technological evolution so the airport can be flexible in providing valuable customer services to both business customers and travelers.		
Performance Measure	Performance Target	Actions
	etc.) are readily available (Opt-in will be required to avoid privacy concerns)	
Airport-wide Wi-Fi analytics and specialty camera system enables measurement of passenger flows to support multiple airport departments (operations, planning, business development, security), airlines, and tenants	Wi-Fi analytics and camera software allow real-time passenger flow information and trending data to be available by 2017.	<ul style="list-style-type: none"> • Design and implement Wi-Fi (airport-wide) and camera (selected areas). Wi-Fi design completed Q2 2016 with phased implementation completed in Q2 2017 <ul style="list-style-type: none"> ○ CIP TBD, ~\$1M • Procure, design, and install camera flow measurement in selected areas and integrate with airport departments. Procurement plan Q2 2016 and implementation Q2 2017 <ul style="list-style-type: none"> ○ CIP TBD, ~\$1M

Strategy 3: Lead the U.S. airport industry in environmental innovation and minimize the airport’s environmental impacts.

Background: We completed the new Strategy for Sustainable Sea-Tac (S3) in 2015 and include our new S3 environmental objectives and proposed initiatives in the 2016-2020 business plan. As we begin to identify and implement actions to achieve Century Agenda and S3 objectives, it has become clear that meeting these objectives aligns with the actions necessary to meet Leadership in Energy and Environmental Design (LEED) Silver and Salmon Safe certification requirements.

Objective 1: Integrate operational sustainability initiatives into the Strategy for a Sustainable Sea-Tac (S3) Management Plan

Background: Continue to integrate sustainability throughout the Sustainable Airport Master Plan (SAMP) by ensuring that S3 initiatives and actions are fully integrated into the S3 Management Plan. Complete environmental review of SAMP (see section 1.2).

Objective 1: Integrate sustainability into the S3 Management Plan		
Performance Measure	Performance Target	Actions
S3 Management Plan.	Finalize and implement plan, 2016-2020.	<ul style="list-style-type: none"> • Complete draft management plan and gain Commission approval by Q2, 2016. Finalize plan by Q4, 2016.

Objective 2: Air Quality and Climate Change: 1) Reduce airport owned and controlled greenhouse gas emissions by 15% below 2005 levels by 2020 and 50% by 2035 2) Reduce aircraft-related greenhouse gas emissions by 25% below 2005 levels by 2035, 3) Increase the percentage of passengers accessing the airport via environmentally-preferred modes of transportation from 60% in 2014 to 70% in 2020, and 4) Reduce air pollutant emissions by 50% from 2005 levels by 2037 **(CA)**

Background: Renewable fuels continue to be one of our most promising strategies to meet our climate protection objectives. We are pursuing opportunities to use renewable natural gas in both the boilers and bus fleet, as well as working with our airline partners to use aviation biofuels. We will also continue to build enough electric charging infrastructure so that both passengers and airlines can use electricity rather than fossil fuels to charge ground support equipment and on-road vehicles.

Objective 2: Air Quality and Climate Change: 1) Reduce airport owned and controlled greenhouse gas emissions by 15% below 2005 levels by 2020 and 50% by 2037; 2) Reduce aircraft-related greenhouse gas emissions by 25% below 2005 levels by 2037; 3) Increase the percentage of passengers accessing the airport via environmentally-preferred modes of transportation from 60% in 2014 to 70% in 2020; and 4) Reduce air pollutant emissions by 50% from 2005 levels by 2037.

Performance Measure	Performance Target	Actions
Airport owned and controlled greenhouse gas (GHG) and air emissions.	<p>Greenhouse gas emissions 15% below 2005 levels by 2020.</p> <p>Air emissions 50% below 2005 levels by 2037.</p>	<ul style="list-style-type: none"> • Continue to evaluate RNG sources and, if appropriate, contract either with third party or directly with producer to fuel CNG buses and boilers with RNG. • Continue to implement green driver training. • Continue to replace STIA fleet vehicles with more fuel-efficient models <ul style="list-style-type: none"> ○ (~\$50K for electric vehicle (EV) infrastructure & electrical upgrades.) • Develop a plan to meet WA mandate that governments use 100% alternative fuels for all vehicles by 2018, as practicable and determined by WA Dept. of Commerce. • Make recommendations to senior management Q1 2016 and, if appropriate, request Commission authorization. • File with WA State and Certify with ACI-Airport Carbon Accreditation (ACA).

Objective 2: Air Quality and Climate Change: 1) Reduce airport owned and controlled greenhouse gas emissions by 15% below 2005 levels by 2020 and 50% by 2037; 2) Reduce aircraft-related greenhouse gas emissions by 25% below 2005 levels by 2037; 3) Increase the percentage of passengers accessing the airport via environmentally-preferred modes of transportation from 60% in 2014 to 70% in 2020; and 4) Reduce air pollutant emissions by 50% from 2005 levels by 2037.

Performance Measure	Performance Target	Actions
Aircraft-related GHGs.	<p>Aircraft-related GHG emissions 25% below 2005 levels by 2037.</p> <p>Air emissions 50% below 2005 levels by 2037.</p>	<p>Aircraft</p> <ul style="list-style-type: none"> • Continue to improve PC Air system to increase utilization by airlines. • Explore options for incentives or penalties for airlines to use PC Air. • Recommend port role in advancing biofuel delivery. • Develop and implement plan to facilitate the procurement and use of biojet fuel at the airport, if feasible. • Seek commission policy guidance on biofuel approach and recommendations. <p>Aircraft-Related</p> <ul style="list-style-type: none"> • Monitor eGSE charger use and resolve issues. • Develop and implement plan to ensure 90% of eligible GSE vehicles use electricity including identifying opportunities to help airlines and baggage carriers replace petroleum-fueled GSE with eGSE. • Work with fuel consortium to develop central renewable fueling for GSE not compatible with electric conversion.

<p>Objective 2: Air Quality and Climate Change: 1) Reduce airport owned and controlled greenhouse gas emissions by 15% below 2005 levels by 2020 and 50% by 2037; 2) Reduce aircraft-related greenhouse gas emissions by 25% below 2005 levels by 2037; 3) Increase the percentage of passengers accessing the airport via environmentally-preferred modes of transportation from 60% in 2014 to 70% in 2020; and 4) Reduce air pollutant emissions by 50% from 2005 levels by 2037.</p>		
Performance Measure	Performance Target	Actions
Percent of passengers using environmentally-preferred modes of travel to access the airport.	70% of passengers use environmentally-preferred modes of travel to access the airport by 2020.	<ul style="list-style-type: none"> • Develop plan for electric vehicles (EVs) at the Rental Car Facility. • Develop education program to help passengers use public transit to and from the airport <ul style="list-style-type: none"> ○ \$20K • Partner with external stakeholders to facilitate access to light rail and metro buses. • Continue to implement recommendations from bike plan, including working with stakeholders to facilitate bike access and provide infrastructure for employees and passengers traveling to and from the airport <ul style="list-style-type: none"> ○ \$20K • Evaluate demand and provide Level 1 and 2 charging in parking garage by 2018. <ul style="list-style-type: none"> ○ \$50K
Climate Resilient Airport.	Finalize Climate Adaptation & Resiliency Plan by 2016.	<ul style="list-style-type: none"> • Apply the information collected from the 2015 Vulnerability Assessment to the development of the 2016 Adaptation & Resiliency Strategy Plan <ul style="list-style-type: none"> ○ \$20K

Objective 3: Materials Use & Recycling: Divert 50% of terminal and 15% of airfield solid waste by 2020. Divert 85% of construction waste by 2020; 90% by 2025 and reach zero waste by 2035. Reduce the volume of hazardous waste generated from Port maintenance and operations to meet requirements for Small Quantity Generator Status by 2020.

Background: Sea-Tac has increased our terminal waste diversion rate from 21% in 2009 to 34% in 2014, but we are still 15% away from our goal of 50%. Key efforts to help increase terminal diversion rates include 1) require tenants to use durable or compostable service ware, separate compostables and recyclables from garbage, and provide collection bins in pre and post-consumer areas of stores, and 2) if feasible and cost effective, implement a secondary-sorting program operated by the janitorial service. Staff will also continue to implement our Construction Waste Management master specification.

Objective 3: Materials Use & Recycling: Divert 50% of terminal and 15% of airfield solid waste by 2020. Divert 85% of construction waste by 2020; 90% by 2025 and reach zero waste by 2035. Reduce the volume of hazardous waste generated from Port maintenance and operations to meet requirements for Small Quantity Generator Status by 2020.		
Performance Measure	Performance Target	2016-2020 Actions
Percent of terminal and airfield waste diverted.	50% of terminal waste diverted.	<ul style="list-style-type: none"> • Evaluate solid waste management plan recommendations by Q1 2016. • Develop implementation plan by Q2 2016. • Begin implementing selected actions by Q3 2016.
	Divert an additional 5-15% of terminal waste.	<ul style="list-style-type: none"> • Evaluate costs, benefits, and incentives to implement mandatory recycling for tenants and employees by Q1 2016. • Ensure program mandates are referenced in tenant leases where appropriate.
	Divert an additional 2-5% of terminal waste.	<ul style="list-style-type: none"> • Continue to implement pilot projects and initiatives including restroom paper towel composting, checkpoint liquid waste reduction, and bag-well recycling <ul style="list-style-type: none"> ○ \$95K • Evaluate innovative waste reduction proposals from janitorial service provider. • Expand recycling into underserved terminal areas <ul style="list-style-type: none"> ○ \$10K

Objective 3: Materials Use & Recycling: Divert 50% of terminal and 15% of airfield solid waste by 2020. Divert 85% of construction waste by 2020; 90% by 2025 and reach zero waste by 2035. Reduce the volume of hazardous waste generated from Port maintenance and operations to meet requirements for Small Quantity Generator Status by 2020.		
Performance Measure	Performance Target	2016-2020 Actions
	Divert an additional 5% of terminal waste.	<ul style="list-style-type: none"> Implement mandatory use of durable or compostable service-ware for airport food and beverage tenants by 2017.
Amount of hazardous waste generated.	Less than 220 lbs of hazardous waste generated per month by 2020.	<ul style="list-style-type: none"> Continually research and recommend less toxic substitutes for products (e.g., paint thinner, etc.) and other waste reduction opportunities for AV/M. Secure agreement with AV/M for use of substitutes. Work with Maintenance to evaluate AV/M processes that generate hazardous waste and identify reduction opportunities.
Amount of Construction, Demolition and Land-clearing (CDL) debris diverted from landfill	Divert 85% of CDL debris from landfill by 2020.	<ul style="list-style-type: none"> Set CDL recycling targets for future projects. Implement Construction Waste Specification on all construction projects and evaluate performance.

Objective 4: Energy and Conservation: Implement conservation projects and practices that will enable us to meet all future electricity load growth through conservation measures and renewable energy; reduce natural gas consumption per square foot of terminal (CA). See Strategy 4, Objective 4.

Objective 5: Water Conservation: Reduce projected future potable water consumption by 4% in 2020 and 12% in 2030.

Background: Without new conservation measures, increased enplanements will result in an estimated 30 percent increase in water use over the next fifteen years. Consumption would increase from 206 million gallons (MG) in 2013 to approximately 244 MG in 2020 and 307 MG in 2030. Measures needed to meet the water conservation objective include implementation of environmental performance standards for restrooms, use of rainwater for non-potable needs, irrigation management and other conservation efforts.

Water conservation measures will directly support attainment and maintenance of Salmon-Safe Certification and LEED certification.

Objective 5: Water Conservation: Reduce projected future potable water consumption by 4% in 2020 and 12% in 2030.		
Performance Measure	Performance Target	2016-2020 Actions
Water Use Reduction.	Reduce water consumption by 7.0 million gallons per year by 2020 (4% reduction) and 18.7 million gallons per year by 2030 (12% reduction.)	<ul style="list-style-type: none"> Finalize the Water Use Reduction plan by 2016 Q2 and identify reduction targets for conservation measures (e.g. restrooms, rainwater capture, and tenants.)
	Reduce cooling tower potable water consumption.	<ul style="list-style-type: none"> Develop a business case for garage rainwater capture and reuse with consideration of project costs, utility impacts and land use impacts 2016 Q1. Present business case to Port management and if approved initiate a project in 2017.
	Reduce restroom potable water consumption minimize O&M.	<ul style="list-style-type: none"> Continue to evaluate low flow fixtures with respect to O&M impacts and finalize environmental performance standards for restroom. Retrofit up to 10 restrooms to new standards by 2020.
	Reuse of IWTP water results in reduction in potable water use.	<ul style="list-style-type: none"> Negotiate permit conditions allowing reuse of IWTP water by Q1 2016. Complete engineering report for one allowed use (e.g. dust control) by Q4 2016. Initiate at least one IWTP water reuse project/program by Q4 2017 <ul style="list-style-type: none"> \$30K Complete Airport Implementation Plan by Q2, 2017.
	Reduce potable water use through rainwater capture by over 2.0 million gallons per year by 2030	<ul style="list-style-type: none"> Complete design for rooftop rainwater collection and reuse system as part of the NorthSTAR project in Q1 2016 Complete NorthSTAR rainwater capture and reuse system by 2019. Complete design for rooftop rainwater collection and reuse system as part of the IAF project by 2018.

Objective 6: Water Quality: Contribute to the restoration of Puget Sound and local receiving waters by providing water quality treatment, flow control, and using green stormwater infrastructure (where feasible) for airport industrial stormwater **(CA)**

Background: Stormwater Site Planning requirements will continue to be enforced on all new and redevelopment projects. Detention and water quality treatment best management practices will be implemented on all new and redeveloped surfaces as applicable. The Airport will develop implementation standards and procedures for stormwater Low Impact Development (LID) program that can be safely implemented in an airport environment.

Water Quality measures will directly support attainment and maintenance of Salmon-Safe Certification and LEED certification.

Objective 6: Water Quality: Contribute to the restoration of Puget Sound and local receiving waters by providing water quality treatment, flow control, and using green stormwater infrastructure (where feasible) for airport industrial stormwater		
Performance Measure	Performance Target	Actions
Water quality treatment and flow control.	Maintain 100% treatment and flow control.	<ul style="list-style-type: none"> • Complete stormwater site plans for all projects as required by Airport’s NPDES permit. • Identify new and modified facility needs for SAMP projects by Q2 2017. • Construct flow control and water quality facilities for SAMP projects.
Reduction of copper and zinc in stormwater	Maintain specific copper and zinc stormwater concentrations below NPDES permit levels.	<ul style="list-style-type: none"> • Construct treatment using bioretention media mix project for enhanced metals removal in SEPL redevelopment project in Q2 2016. • Evaluate media performance and identify enhancements for future application by Q3 2017. • Complete in-stream monitoring for copper in Des Moines Creek <ul style="list-style-type: none"> ○ \$10K
Low Impact Development (LID) implementation	Use LID when appropriate.	<ul style="list-style-type: none"> • Submit Airport regulatory-based LID policy to Ecology for review by Q2 2016 and approval by Q4 2016 <ul style="list-style-type: none"> ○ \$30K • Develop Airport implementation guidelines and procedures for LID policy implementation by Q1 2017 • Complete surface infiltration feasibility and opportunity study by Q1 2017 • Complete vegetated roof guidelines

Objective 6: Water Quality: Contribute to the restoration of Puget Sound and local receiving waters by providing water quality treatment, flow control, and using green stormwater infrastructure (where feasible) for airport industrial stormwater		
Performance Measure	Performance Target	Actions
		with Airport-specific limitation by Q2 2016

Objective 7: Education & Integration: institute an environmental education campaign to promote environmental stewardship and raise awareness of airport environmental and sustainability initiatives.

Background: The Airport recognizes that our sustainability initiatives are central to our brand. As such, we’ll continue to develop “Sustainable In-Sights” to educate the public about our environmental projects throughout the Terminal and on the airfield, and create relaxing and sustainable experiences in the terminal and gate holding areas through our Experience Sustainability Concept.

Objective 7: Education & Integration: institute an environmental education campaign to promote environmental stewardship and raise awareness of airport environmental and sustainability initiatives.		
Performance Measure	Performance Target	2016-2020 Actions
Number of outreach projects completed.	<p>Complete installation of Sustainable In-Sights messaging in Terminal.</p> <p>Complete installation of at least one Experience Sustainability project.</p>	<ul style="list-style-type: none"> • Continue implementing campaign revisions in terminal by Q1 2016 <ul style="list-style-type: none"> ○ \$30K • Develop messaging in the terminal for other environmental initiatives, including bicycle support, RNG, and energy conservation <ul style="list-style-type: none"> ○ \$20K • Evaluate costs and benefits of using in flight magazines and broadcast radio for our sustainability messaging by Q4 2016 • Install 5 iBeacons (mobile messaging technology) to send Sustainable In-Sights messages to passengers by Q4 2016 • Integrate Experience Sustainability concept into NSAT design by Q4 2016 • Monitor future projects for opportunities to integrate concept

Objective 8: Seek LEED Certification for building projects based on Commission guidance and consistent with Century Agenda goals.

Background: USGBC’s Leadership in Energy and Environmental Design or LEED provides the most recognized and comprehensive green building certification program in the US. Sea-Tac will continue to use LEED certification as a benchmark to reduce environmental impacts for our building projects.

Objective 8: Seek LEED Certification for building projects based on Commission guidance and consistent with Century Agenda goals.		
Performance Measure	Performance Target	2016-2020 Actions
LEED Certification.	Achieve LEED Master Site Designation, and Certification for IAF and NSAT.	<ul style="list-style-type: none"> • Obtain LEED Master Site Designation by Q1 2016 • Obtain LEED Certification for NSAT by Q3 2020 • Obtain LEED Certification for IAF by Q4 2020 • Continue to identify and develop environmental performance/green certification opportunities for tenants and partners <ul style="list-style-type: none"> ○ \$50K

Objective 9: Fish and Wildlife Habitat: Protect, enhance and steward fish and wildlife habitat while maintaining air transportation safety

Background: The Airport will continue to minimize the impacts of wildlife hazard management actions and meet or exceed minimum requirements for monitoring and maintaining stream and wetland mitigation site performance.

Fish and Wildlife Habitat measures will directly support attainment and maintenance of Salmon-Safe Certification.

Best management practices for wildlife hazard management support this objective. Associated performance measures, targets and actions are reported under Strategy 1.1, Objective 1.0.

Objective 9: Fish and Wildlife Habitat: Protect, enhance and steward fish and wildlife habitat while maintaining air transportation safety		
Performance Measure	Performance Target	2016-2020 Actions
Meet or exceed requirements for natural resource protection.	<ul style="list-style-type: none"> • Habitat management plan. 	<ul style="list-style-type: none"> • Complete habitat management plan establish objective goals and to prioritize actions by Q2 2016 <ul style="list-style-type: none"> ○ \$25K
	<ul style="list-style-type: none"> • Implement protection, enhancement and 	<ul style="list-style-type: none"> • Monitor and enhance the old Tye Valley Golf Course upland planting and plant pollinator habitat to attract

	stewardship actions.	native bees and other insects (Q3 2016.) <ul style="list-style-type: none"> • Participate in regional planning initiatives that promote habitat connectivity (ongoing).
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Strategy 4.0: Keep airline costs (CPE) as low as possible without compromising operational and capital needs.

Objective 1: Maintain passenger airline cost per enplaned passenger (CPE) and forecasted CPE within the middle third of peer airports (list of 22 airports focusing on large hubs and Western U.S. airports) through 2020. **(PS)**

Background: CPE includes both operating and capital costs attributable to the passenger airline rate base. Under SLOA III, CPE is also impacted by revenue sharing. Over the next five years, we currently plan to invest approximately \$1.7 billion in capital improvements. With these investments, there will be continued growth in airline rates and charges, causing CPE to grow. Maintaining a CPE in the middle third of our peer airports indicates that costs will be reasonable and that the investments are affordable.

Objective 1: Maintain passenger airline cost per enplaned passenger (CPE) and forecasted CPE within the middle third of peer airports (list of 22 airports focusing on large hubs and Western U.S. airports) through 2020. **(PS)**

Performance Measure	Performance Target	Actions
Passenger airline cost per enplanement (CPE)	CPE within the middle third of 22 peer airports through 2020	<ul style="list-style-type: none"> • Compile peer airport CPE annually for most recent year for which comparative information is available (one or more year lag). • Compile/update annually most recent forecasts of peer airport CPE by July 1 so that target range is understood prior to launching annual budget process. • Consistently measure budget proposals and capital budget plans against these metrics. • Annually, set capital budget limit so that total five-year capital spending does not cause forecasted CPE to exceed forecasted CPE of middle third of 22 peer airports. • Set capital budget priorities and adjust timing of project spending as needed to stay within limit.

Objective 1: Maintain passenger airline cost per enplaned passenger (CPE) and forecasted CPE within the middle third of peer airports (list of 22 airports focusing on large hubs and Western U.S. airports) through 2020. (PS)		
Performance Measure	Performance Target	Actions
		<ul style="list-style-type: none"> Determine Commission preferences regarding future rates and charges resolution vs. agreement.

Objective 2: Maintain Total baseline O&M costs (including Corporate, CDD and Police) at or below \$12.00 per enplanement through 2020.

Background: This allows up to a 3.9% compound annual growth rate (CAGR) based on 2015 baseline budget costs. Baseline budget excludes any agreed upon target exceptions (e.g., Regulated Materials, Airline Realignment, etc.). These target exceptions are non-recurring or are driven by capital projects. This target does not include the O&M costs associated with major new facilities such as the proposed International Arrivals Facility (IAF).

Objective 2: Maintain total baseline O&M costs per enplanement (including Corporate, CDD and Police) at or below \$12.68 through 2020.		
Performance Measure	Performance Target	Actions
Baseline operating and maintenance costs (total airport, covering both aeronautical and non-aeronautical businesses)	≤\$12.68 per enplanement through 2020	<ul style="list-style-type: none"> Set aggressive budget targets consistent with the target Evaluate every open position (FTE) for repurposing or elimination before filling Use Continuous Process Improvement (CPI) to mitigate cost growth (See Strategy 6.0) Use energy conservation projects (see Objective 4 below) to reduce growth in energy costs.

Objective 3: Develop a balanced overall funding plan for the International Arrivals Facility (IAF) and other airport projects such that all airline rates and CPE are fair and are within the market of peer/competitor airports, thereby creating a level playing field for all of our airline partners.

Background: Capital costs paid with PFCs are not included in the airline rate base. Under the current airline agreement (SLOA III), airline rates are determined by cost and volume metrics for each major cost center. PFCs can be used to directly pay capital costs during construction or to pay revenue bond debt service in order to manage the capital costs to be recovered in a cost center. Under SLOA III (section 8.4.4), the Port also has the option to use non-airline revenues to offset FIS costs and thereby reduce the FIS rate. With these two financing tools, and based on the best available information about current and future airline rates and CPE, staff will strive to achieve the objective of maintaining “market” rates and CPE.

Objective 3: Develop a balanced overall funding plan for the International Arrivals Facility (IAF) and other airport projects such that all airline rates and CPE are fair and are within the market of peer/competitor airports, thereby creating a level playing field for all of our airline partners.		
Performance Measure	Performance Target	Actions
FIS rate	FIS rate is within the range of competitor Airports (such as: Los Angeles, San Francisco, Denver, Portland, Vancouver)	<ul style="list-style-type: none"> • Submit PFC application to gain FAA authorization to use PFCs on IAF, North Satellite expansion, and Baggage Optimization projects in 2016 • Use up to \$200 million of airport cash to fund construction costs of IAF, without charging the FIS rate base and amortization cost. • Use up to \$100 million of PFCs to fund construction costs of IAF. • Annually, use PFCs as needed upon opening of the IAF (2019) to reduce the FIS rate to within the range of competitor airports
Landing fee rate	Landing fee rate no higher than middle third of 22 peer airports	<ul style="list-style-type: none"> • Annually, use PFCs to pay revenue bond debt service of Third Runway capital costs in order to maintain Landing fee rate within target range.
Terminal Rents	Average Terminal rental rate is within the middle third of 22 peer airports	<ul style="list-style-type: none"> • Annually use PFCs to pay revenue bond debt service of PFC eligible projects such as Concourse A and Satellite Transit System • Include North Satellite expansion project in PFC application in 2016.

Objective 4: Implement conservation practices that will reduce natural gas usage and enable Airport to meet all future electricity load growth (2010 baseline) through conservation and renewable energy (CA).

Background: The baseline electrical consumption for 2010 was 17.539 average megawatts (aMW). This represents the maximum amount of electricity the Port can acquire from the Bonneville Power Administration at the low Tier I rate. For consumption above this level, the Airport pays the higher Tier II rate (currently 31% higher). To avoid paying this higher rate, the Airport will seek to reduce electrical consumption through conservation and upgrading to energy efficient lighting and mechanical systems. Capital improvements will focus on facilities and

systems with greatest opportunities for improvement, but all investments will target a positive net present value (NPV).

Objective 4: Implement conservation practices that will reduce natural gas usage and enable Airport to meet all future electricity load growth (2010 baseline) through conservation and renewable energy (CA).		
Performance Measure	Performance Target	Actions
Annual natural gas consumption in therms	Complete natural gas conservation projects	<ul style="list-style-type: none"> • Skybridge automatic doors on terminal side, installed in 2016 • Ongoing HVAC balancing for energy conservation • Complete mechanical conservation stage 3 project by 2016. These projects also conserve electricity
Annual electrical consumption in average megawatts (aMW)	Keep airport base load at less than 17.539 aMW	<ul style="list-style-type: none"> • Assess ramp lighting improvements and renewal/replacement in 2016, and install in 2017 • Complete 50% of the work for garage lighting conservation project by Q4 2016 and remainder completed by Q3 2017 <ul style="list-style-type: none"> ○ CIP C800581, \$6.2 M ○ CIP C800658, \$3.5 M
Energy efficient airport facilities	Energy Usage Index (EUI) identified for each airport facility to facilitate energy use improvements	<ul style="list-style-type: none"> • Complete design & installation of Smart Facility Management System to integrate electrical and mechanical data by 2018 <ul style="list-style-type: none"> ○ \$100K in 2017 • Develop electrical load growth forecasting tool via Master Plan by 2017 <ul style="list-style-type: none"> ○ \$50K in 2016

Objective 5: Reduce Potable Water Costs

Background: Sea-Tac airport currently pays retail water rates from Seattle Public Utilities (SPU) with an estimated 2015 water expense of \$2.1M. Sea-Tac airport has the potential of saving \$0.9M annually for the same amount of water by transferring service from SPU to Highline Water District (HWD). SPU rates are \$5.69 per CCF for winter 2015, and \$7.23 CCF for Summer 2015, whereas, HWD rates are \$3.55 per CCF (37% less) for Winter 2015 and \$4.20 per CCF (42% less) for Summer 2015. One CCF is equal to one hundred cubic feet of water. Highline may require additional infrastructure in order to meet the Port's fire flow demand.

Objective 5: Reduce potable water costs		
Performance Measure	Performance Target	Actions
Water Rates	Future Commercial Water Rates below current rates	<ul style="list-style-type: none"> • Procure consultant • Retain consultant to assist staff in completing a hydraulic modeling analysis to determine feasibility of intertie with adjacent water district. Q1 2016 <ul style="list-style-type: none"> ○ Budget TBD

Objective 6: Manage financial activity to achieve targeted metrics. (PS)

Background: Achieving CPE objectives requires a comprehensive approach to managing financial performance taking into account a number of measures.

Objective 6: Manage financial activity to achieve targeted metrics. (PS)		
Performance Measure	Performance Target	Actions
Financial results	Achieve budgeted Net Operating Income each year	<ul style="list-style-type: none"> • Review financial results and update forecast at quarterly, adjust spending as needed
Competitive airport costs	Passenger airline cost per enplaned passenger (CPE) within middle third of 22 peer airports	<ul style="list-style-type: none"> • Annually review peer airports' CPE and publicly available projected CPE • Review capital spending plan and financial forecast of CPE against this metric. Adjust spending as needed.
Cash flow	Achieve debt service coverage > 1.25x each year	<ul style="list-style-type: none"> • Maintain 10-year cash flow forecast, adjust capital spending and expenses as needed
Liquidity	Maintain <i>average balance</i> of unrestricted cash and investments \geq 10 months of O&M costs	<ul style="list-style-type: none"> • Build funding plan in accordance with assumed minimum cash balance • Review cash balance monthly, adjust funding plan or spending as needed
Leverage	Maintain debt/enplaned passenger within middle third of 22 peer airports	<ul style="list-style-type: none"> • Annually review peer airports' debt per enplaned passenger and publicly available projections of debt • Review capital spending plan and financial forecast of CPE against this metric. Adjust spending as needed

Strategy 5.0: Maximize non-aeronautical net operating income (NOI) consistent with current contracts, appropriate use of airport properties and market demand. **(PS)**

Objective 1: Grow Airport Dining and Retail sales per enplanement (SPE) from a 2014 SPE of \$11.79 to \$13.61 by the end of 2020.

Background: The lease transitions of the Airport Dining and Retail program began in 2015 following completion of a master plan for the program’s redevelopment. The analysis of demand for ADR products and services continues, however, to be reviewed and updated, as necessary, consistent with new enplanement growth forecasts and further work on the overall Sustainable Airport Master Plan. Flexibility remains in the plan to adjust square footage requirements and category offerings to meet the needs of airlines and the traveling public. Infrastructure improvements to maximize square footage and tenant operations continue in 2016 with commencement of construction of elevator access to the mezzanine levels of the Central Terminal for new dining development.

Objective 1: Grow Airport Dining and Retail sales per enplanement (SPE) from a 2014 SPE of \$11.79 to \$13.61 by the end of 2020.

Performance Measure	Performance Target	Actions
Sales per Enplanement (SPE)	\$13.61 by the end of 2020	<p>Program Redevelopment</p> <ul style="list-style-type: none"> • Conduct Request for Proposal RFP processes for two large operator food service packages by the end of Q2 2016. • Conduct Competitive Evaluation Processes (CEP) for multiple small packages and individual units. • Initiate tenant design and construction processes for leases approved in late 2015 and 2016. • Open approximately 10 new or redeveloped locations in 2016. • Open new Concourse A anchor restaurant with integrated live music performance capacity by end of 2016. • Finalize planning and design for dining, retail and services locations as a part of the NorthSTAR project design by the end of 2016. • Execute transition of units in accordance with ADR Master Plan phasing plan each year 2016-2021. • Develop and lease North Satellite units in conjunction with NorthSTAR. • Complete re-demising of units in

Objective 1: Grow Airport Dining and Retail sales per enplanement (SPE) from a 2014 SPE of \$11.79 to \$13.61 by the end of 2020.		
Performance Measure	Performance Target	Actions
		<p>ADR Master Plan (phasing and leasing plan elements) Phase I by end of Q2 2016 in preparation for new leasing in 2016-2017.</p> <ul style="list-style-type: none"> • Develop new dining and retail branding and marketing strategy that also serves to elevate the brand identity of the music program and the airport as a whole, to coincide with opening of new units in 2016. • Prepare new solicitation for airport advertising contract for issuance at end of Q1 2017 to include plans for new inventory in future IAF and NorthSTAR facilities as well as provisions for WA tourism promotion program.

Objective 2: Grow garage parking revenues from \$59.9 million forecast in 2015 to \$69.5 million by the end of 2020.

Background: The airport parking market at Sea-Tac is one of the most competitive in the nation with approximately 32 different operators competing for the 1+ day airport parking transactions. This business plan is designed to improve the competitiveness of the airport's garage within this highly competitive environment.

Objective 2: Grow garage parking revenues from \$59.9 million forecast in 2015 to \$69.5 million by the end of 2020.		
Performance Measure	Performance Target	Actions
Parking revenues	\$69.5 million by the end of 2020.	<p><u>New Programs and Services</u></p> <ul style="list-style-type: none"> • Procure and install a new Parking Revenue Control System (PRCS) to enable full implementation of revenue-generating programs and services by the end of 2017. • If a pre-booking system unintegrated with the PRCS is determined to be feasible, implement it in Q1 2016. • Integrate pre-booking system with the PRCS by end of 2017. • Determine long-term plan for introducing remote parking products by end of 2016.

Objective 2: Grow garage parking revenues from \$59.9 million forecast in 2015 to \$69.5 million by the end of 2020.		
Performance Measure	Performance Target	Actions
		<ul style="list-style-type: none"> Expand use of the existing coupon program by achieving 90,000 passengers enrolled in the program and \$1.93 million generated of net new revenue by the end of Q4, 2016. <p><u>Customer Experience</u></p> <ul style="list-style-type: none"> Continue implementation of the Garage Improvement Plan with maintenance/appearance improvements to Floor 3 by end of 2016. Elements to include deep cleaning, striping removal and replacement, and column and beam painting. Continue implementation of the Garage Improvement Plan, deep-cleaning and restriping/painting one floor per year: 2017 – 2020. Expand the new parking ambassador program to encompass additional floors of the garage beyond floor 4. Determine plan for parking guidance system improvements by end of 2016.

Objective 3: Grow annual revenues from leasing Airport property to \$3.7 Million per year by the end of 2020.

Background: The Airport has 183 acres of property (note: this does not include property where development has been put on hold until the completion of SAMP or the Des Moines Creek Business Park 1 where development is already underway) that have been identified for development. The vast majority of these properties were acquired using funds provided by the FAA through their mandated Noise Mitigation Program. Within the FAA grant assurances associated with these funds, there is a requirement to put these properties back into productive uses, supportive of the airport. The primary focus is to prepare these properties for offerings to private sector developers as ground leases to generate non-airline revenue for the Airport as well as create jobs and opportunities in the community. (The Real Estate Division manages these real estate initiatives; Aviation Business Development is the Airport “Client”.)

Objective 3: Grow annual revenues from leasing Airport property to \$3.7 Million per year by the end of 2020.

Performance Measure	Performance Target	Actions
Lease revenues	\$3.7 Million per year by end of 2020.	<p><u>Properties in Burien:</u></p> <p><i>Northeast Redevelopment Areas 2 and 3:</i></p> <ul style="list-style-type: none"> • Complete design & infrastructure planning 2016 – 2018, using FAA pilot program funding. • Secure Commission approval of ground lease. • Coordinate entitlement permitting work with a developer. <p><u>Properties in Des Moines:</u></p> <p><i>Des Moines Creek Business Park (DMCBP) 1 – 87 acres:</i></p> <ul style="list-style-type: none"> • Monitor completion of Phase 1 improvements by end of Q1 2016 consistent with the approved plans and specifications. • Finalize and execute Phase 2 ground lease by end of Q3 2016. • Monitor completion of Phase 2 improvements Q4 2016 – 2017 consistent with the approved plans and specifications. • Finalize and execute Phase 3 ground lease to support the FAA regional office facility by the end of Q1 2016. <p><i>DMCBP 2 – 17 acres:</i></p> <ul style="list-style-type: none"> • Collaborate with City of Des Moines to prepare a plan for the site’s redevelopment by end of 2016. <p><u>Properties in SeaTac:</u></p> <p>L Shape - 26.2 acres:</p> <ul style="list-style-type: none"> • On-hold until SAMP is complete. <p>DMCBP 3 – 28.7 acres:</p> <ul style="list-style-type: none"> • Initiate conceptual planning by end of 2016.

Objective 3: Grow annual revenues from leasing Airport property to \$3.7 Million per year by the end of 2020.		
Performance Measure	Performance Target	Actions
		<ul style="list-style-type: none"> Prepare plan for site's redevelopment by end of 2017. <p>28th Avenue S. Development Area – 35.7 acres:</p> <ul style="list-style-type: none"> On-hold until SAMP is complete. <p>North of Runway Parcel – 13 Acres.</p> <ul style="list-style-type: none"> On hold until SAMP is complete.

Objective 4: Grow revenues from ground transportation service providers operating at the Airport from \$8.5 Million forecasted in 2015 to \$9.3 Million by the end of 2020.

Background: Ground transportation services at Sea-Tac consist of ten different operating classes ranging from taxis to courtesy shuttles. New types of services, referred to as transportation network companies (TNC's – Uber, Lyft, Sidecar, etc.), have entered the Puget Sound market in recent years. The focus for this business plan is managing the ground transportation program amidst both the rapid growth of the airport and the significant changes taking place within the ground transportation industry.

Objective 4: Grow revenues from ground transportation service providers operating at the Airport from \$8.5 Million forecasted in 2015 to \$9.3 Million by the end of 2020.		
Performance Measure	Performance Target	Actions
Revenues from ground transportation service providers operating at the Airport.	\$9.3 Million by the end of 2020.	<ul style="list-style-type: none"> Evaluate performance of TNCs under new agreement established in 2015 and determine how to proceed contractually in 2016. Release RFP on Q2 2016 for on-demand taxi contract and select operator by end of Q3 2016. Develop comprehensive ground transportation strategy by end of Q2 2016.

Objective 5: Increase the revenues generated from the Airport's common-use lounge business from \$2.4 Million forecasted in 2015 to \$3.2 Million by the end of 2020.

Background: The Airport has been operating two common-use lounges at Sea-Tac, one located on the South Satellite and the other on Concourse A, through a management contract initiated in 2010. A new agreement with a new operator commenced in early 2015 for a term of three years with two one-year options to extend. With the new lounge contract, there are opportunities for growth through a broadening of the customer base to include non-airline affiliated customers, and by extending hours of operation. In addition, with the forecasted growth of enplanements

and the increasing need of primarily international, but also domestic carriers for lounge space, opportunities will be explored to expand the number of common-use lounges at Sea-Tac over the next several years.

Objective 5: Increase the revenues generated from the Airport’s common-use lounge business from \$2.4 Million forecasted in 2015 to \$3.2 Million by the end of 2020.		
Performance Measure	Performance Target	Actions
Revenues from common-use lounge services.	Lounge revenues exceed \$3 Million by the end of 2020.	<ul style="list-style-type: none"> • Implement enhanced lounge service offerings by the end of Q1, 2016. • In light of airlines changing their offering of lounges at SEA, evaluate demand for airport’s common-use lounges.

Strategy 6.0: Continually invest in a culture of employee development, organizational improvement, and business agility.

Objective 1: Grow a mature Business Intelligence (BI) and performance management capability, which will achieve broad data-driven decision making by 2019.

Background: “Business intelligence” describes a set of resources, processes, and tools that allows the analysis of data or information in new and novel ways that can produce better business decisions in a shorter period. The Airport’s BI program enables employees to answer business questions with agility, improves employee efficiency, and supports data-driven and informed planning and decision-making.

Objective 1: Grow a mature Business Intelligence (BI) and performance management capability, which will achieve broad data-driven decision making by 2019.		
Performance Measure	Performance Target	Actions
BI Strategy Plan execution (including development of BI governance; data and analytic standards and capabilities, and information management (storage/extraction) efficiencies	<ul style="list-style-type: none"> • New governance structure in place by Q2 2016 • Data and analytics standards implementation by Q1 • 50% of existing ETL processes automated by Q4 2016 	<ul style="list-style-type: none"> • Develop governance policy and procedures, data standards and analytics best practices. Assess best practices and identify necessary skills to develop additional advanced analytical and market research capabilities. <ul style="list-style-type: none"> ○ \$40K 2016 (consultant) • Automate ETL processes for external cloud data source access (CPI/Lean project permanently eliminating manual processes) <ul style="list-style-type: none"> ○ \$75K for on call consultant
Increase staff use of BI content.	BI content is actively used by 50% of Aviation Division staff by 2019	<ul style="list-style-type: none"> • Complete eight new BI projects in 2015 driven by business needs and providing measurable benefit across

Objective 1: Grow a mature Business Intelligence (BI) and performance management capability, which will achieve broad data-driven decision making by 2019.		
Performance Measure	Performance Target	Actions
	(2014: 6%)	<ul style="list-style-type: none"> various Airport departments. • Complete an additional 8, or more projects per year through 2019. <ul style="list-style-type: none"> ○ 2016 Budget: Resource
Airport staff analytical production and consumption capabilities	Participation of 50 staff in workshops	<ul style="list-style-type: none"> • Develop on-line training curriculum for graphical literacy /analytical methods by Q4 2016; <ul style="list-style-type: none"> ○ \$52K om 2015 for consultant + capacity above resource

Objective 2: Improve airport work process flows and business agility

Background: The airport staff and certain work flows have benefitted from Lean process improvements. Continue that work at the airport to support corporate wide strategic innovations and Lean direction. Contingent upon pending broader direction to be noted in corporate business plans, the airport intends to improve processes in two areas.

Objective 2: Improve airport work process flows and business agility		
Performance Measure	Performance Target	Actions
Work processes have improved flow	<ul style="list-style-type: none"> • Waste is measurably minimized within work flows 	<ul style="list-style-type: none"> • Improve airport drawing review system flow • Begin initial improvements within several maintenance work groups

Note: additional objectives and actions will be developed in alignment with Port-wide strategies that are still under development.

Strategy 7.0 Maintain valued community partnerships based on mutual understanding and socially responsible practices.

Objective 1: Implement noise mitigation programs consistent with updated Part 150 and Commission direction.

Background: The Federal Aviation Regulation (FAR) Part 150 Noise and Land Use Compatibility Study approved by the FAA in 2014 updated the airport's Noise Exposure Map (NEM) and Noise Compatibility Program (NCP). Studies to determine the feasibility of implementing noise insulation programs for apartment buildings and places of worship are being conducted during 2015. Results of those studies will be presented to Commission in early 2016, and implementation of the measures documented in the NCP are scheduled to begin upon Commission authorization to proceed.

Objective 1: Implement noise mitigation programs consistent with updated Part 150 and Commission direction.		
Performance Measure	Performance Target	Actions
New Part 150 programs	<ul style="list-style-type: none"> • Project priorities identified and approved • Obtain AIP funding • Implementation of prioritized mitigation programs 	<ul style="list-style-type: none"> • Brief Commission on project priority plan Q1 2016 • Develop proposed program plan and new capital program for Investment Committee and Commission approval by end of Q2 2016 • Initiate procurement processes and grant applications for new projects by end of Q3 2016 • Secure grant funding and commence new programs 2016 – 2020 • Budget for all new programs approx. \$42M (capital and expense)
Highline Schools sound insulation projects	<ul style="list-style-type: none"> • Insulate school buildings (timing TBD on availability of district funding) 	<ul style="list-style-type: none"> • Insulate school buildings <ul style="list-style-type: none"> ○ Budget: \$38.5M unspent (MOA)
Ground Run Up Enclosure	<ul style="list-style-type: none"> • Decisions made about feasibility and siting • Obtain AIP funding 	<ul style="list-style-type: none"> • Determine location and appropriate timing of construction Q1 2016 • Conduct environmental review (if necessary), noise evaluations, design and permitting 2016 – 2017 • Apply for AIP grant 2017 • Construct 2018 – 2019

Objective 2: Collect accurate data to monitor compliance with noise abatement procedures and investigate stakeholder inquiries about airport noise.

Background: The Noise Programs Office operates a noise and operations monitoring system (NOMS) to ensure airline compliance with noise abatement procedures, analyze data and investigate inquiries about noise. The system consists of noise monitors, a software system and public website. NOMS data is used to manage the Port’s annual Fly Quiet Program and is critical to producing information required by the FAA and responding to an annual average of 2,000 public inquiries about noise.

Objective 2: Collect accurate data to monitor compliance with noise abatement procedures and investigate stakeholder inquiries about airport noise.		
Performance Measure	Performance Target	Actions
Noise monitor and flight tracking system is operational and provides	<ul style="list-style-type: none"> • Monitor noise abatement procedures • Provide specialized 	<ul style="list-style-type: none"> • Review noise abatement procedure compliance with FAA monthly 2016 – 2020

Objective 2: Collect accurate data to monitor compliance with noise abatement procedures and investigate stakeholder inquiries about airport noise.		
Performance Measure	Performance Target	Actions
accurate data	airport noise and flight tracking reports <ul style="list-style-type: none"> Track historic and current noise trends 	<ul style="list-style-type: none"> Respond to community inquires 2016 - 2020 Fly Quiet Program 2016 - 2020 Conduct noise contour review required by prior litigation Q4 2017 and Q4 2020 <ul style="list-style-type: none"> Budget TBD expense (Staff/O&M)

Objective 3: Facilitate and maintain effective inter-jurisdictional partnerships, with the goal of securing local support for Port priorities and redevelopment of Port-owned land in airport communities.

Background: Collaboration with airport cities to redevelop Port-owned property under their regulatory jurisdiction achieves the joint goal of returning these properties to productive use. Effective community partnerships provide a structure for airport cities to engage with the Port on airport operational and growth issues that impact airport communities. These actions advance Century Agenda economic development goals and sustain mutually supportive relationships with airport community residents, city leaders and policy-makers.

Objective 3: Facilitate and maintain effective inter-jurisdictional partnerships, with the goal of securing local support for Port priorities and redevelopment of Port-owned land in airport communities.		
Performance Measure	Performance Target	Actions
<ul style="list-style-type: none"> Airport communities understand and are engaged in decisions about development of Port-owned property under local government control Airport communities understand and support Port planning decisions required to accommodate airport growth Airport communities support the Port's leadership on economic development initiatives 	<ul style="list-style-type: none"> Airport issues communication plans align with Port-wide communication plans and strategies Airport community participation in SAMP public processes for identified projects Airport land use compatibility issues are resolved and local development interests are aligned with Port priorities Opportunities for joint pursuit of resources are identified and 	<ul style="list-style-type: none"> Facilitate meetings with community coalitions - Highline Forum and Soundside Alliance 2016 - 2020 <ul style="list-style-type: none"> Budget: \$5K/yr Soundside Alliance Sponsor SW King County Chamber events 2016 - 2020 <ul style="list-style-type: none"> Budget: \$12K/yr expense Develop and distribute Airmail, Airport Check-In and other written communications 2016 - 2020 <ul style="list-style-type: none"> Budget: (AirMail) \$10K/yr expense Assess and respond to Aviation Division needs for communicating with diverse audiences 2016 - 2020 <ul style="list-style-type: none"> Budget: \$25K/yr expense Manage SAMP airport community

Objective 3: Facilitate and maintain effective inter-jurisdictional partnerships, with the goal of securing local support for Port priorities and redevelopment of Port-owned land in airport communities.		
Performance Measure	Performance Target	Actions
	initiated	<p>engagement and outreach strategy</p> <ul style="list-style-type: none"> • Provide regular SAMP updates to targeted airport communities, local, state and federal legislative offices, agency officials, and trade/travel industries in proximity to public commission briefings • Integrate SAMP updates and key messages in educational outreach and Port speaking engagements • Reinforce for regional and airport audiences that Sea-Tac is a leading economic development engine and collaborates to identify community economic benefit from Airport activity growth. • Facilitate meetings between Port and airport community leaders and decision-makers 2016 – 2020. See Strategy 5, Objective 3 • Execute new Port of Seattle/City of SeaTac ILA February 1, 2016 • Administer new ILA 2016 – 2020

Objective 4: Implement, administer and monitor Aviation Division programs that support Port-wide workforce development strategies and Commission Quality Jobs policies (CA).

Background: The Port is committed to developing sustainable programs and services that provide opportunities for individuals to access training and career advancement. This work requires ongoing collaboration with a variety of partners to create strategies for increasing workforce training and employment opportunities.

Objective 4: Implement new aviation division programs that support Port-wide workforce development strategies and Commission Quality Jobs policies.		
Performance Measure	Performance Target	Actions
Aviation Division education and workforce development programs supporting Quality Jobs policies	<ul style="list-style-type: none"> • Annual high school internships funded and implemented • Increased number of airport-based career awareness 	<ul style="list-style-type: none"> • Facilitate high school internships and expand aviation career awareness programs by Q4 2016 • Coordinate career awareness (engineering, skilled trades) activities in collaboration with local school

	opportunities for students	district(s) by Q4 2016 o Budget: Interns \$25,000 expense
Compliance with Resolution 3694	<ul style="list-style-type: none"> Increased employee retention (airport employers) Decreased number of safety and security violations (airport employers) 	<ul style="list-style-type: none"> Utilize custom-designed software tracking system to monitor compliance with Resolution 3694 (timeframe uncertain – based on 3694 implementation) Budget TBD
Employment Continuity Pool	<ul style="list-style-type: none"> Participation available to all eligible ADR tenant employees 	<ul style="list-style-type: none"> Database operational for 2016 affected employees Q1 2016 Vendor procedures for engagement with employers established Q1 2016 Vendor performance metrics established Q1 2016 Vendor reporting schedule and requirements established Q1 2016 Job fairs and other events as necessary 2016 – 2017 Budget TBD, as outcome of 2015 procurement

Objective 5: Contribute to Port-wide small business goals by facilitating access to Aviation Division opportunities for local businesses (CA). (This objective may be updated upon completion of the Economic Development/OSR business plan.)

Background: The Port encourages small businesses from communities around the airport to access airport/port business opportunities and includes in project plans methods to facilitate and support small business participation.

Objective 5: Contribute to Port-wide small business goals by facilitating access to aviation division opportunities for local businesses. (This objective may be updated upon completion of the Economic Development/OSR business plan.)		
Performance Measure	Performance Target	Actions
Percentage of gross sales generated by small businesses (ADR)	<ul style="list-style-type: none"> Maintain approximately 35% of gross sales during leasing transition (35% is the current participation rate for small businesses) Maintain full tenancy in small business kiosk program 	<ul style="list-style-type: none"> Implement minimum of two targeted events and outreach to local small business restaurant and retail community in Q1 and Q3 2016 \$30K per outreach event
Increased competition for	<ul style="list-style-type: none"> Database containing 	<ul style="list-style-type: none"> Launch online curriculum for

Objective 5: Contribute to Port-wide small business goals by facilitating access to aviation division opportunities for local businesses. (This objective may be updated upon completion of the Economic Development/OSR business plan.)		
Performance Measure	Performance Target	Actions
tenant design and construction projects (ADR)	at least 50 local vendors of architectural, engineering and construction services to serve future tenant build-out projects	prospective local construction firms Q1 2016 <ul style="list-style-type: none"> • Build database of firms completing online curriculum Q3 2016 <ul style="list-style-type: none"> ○ \$25K database development and management