

Port of Seattle IAF Overview

March 27, 2018



Project Briefing

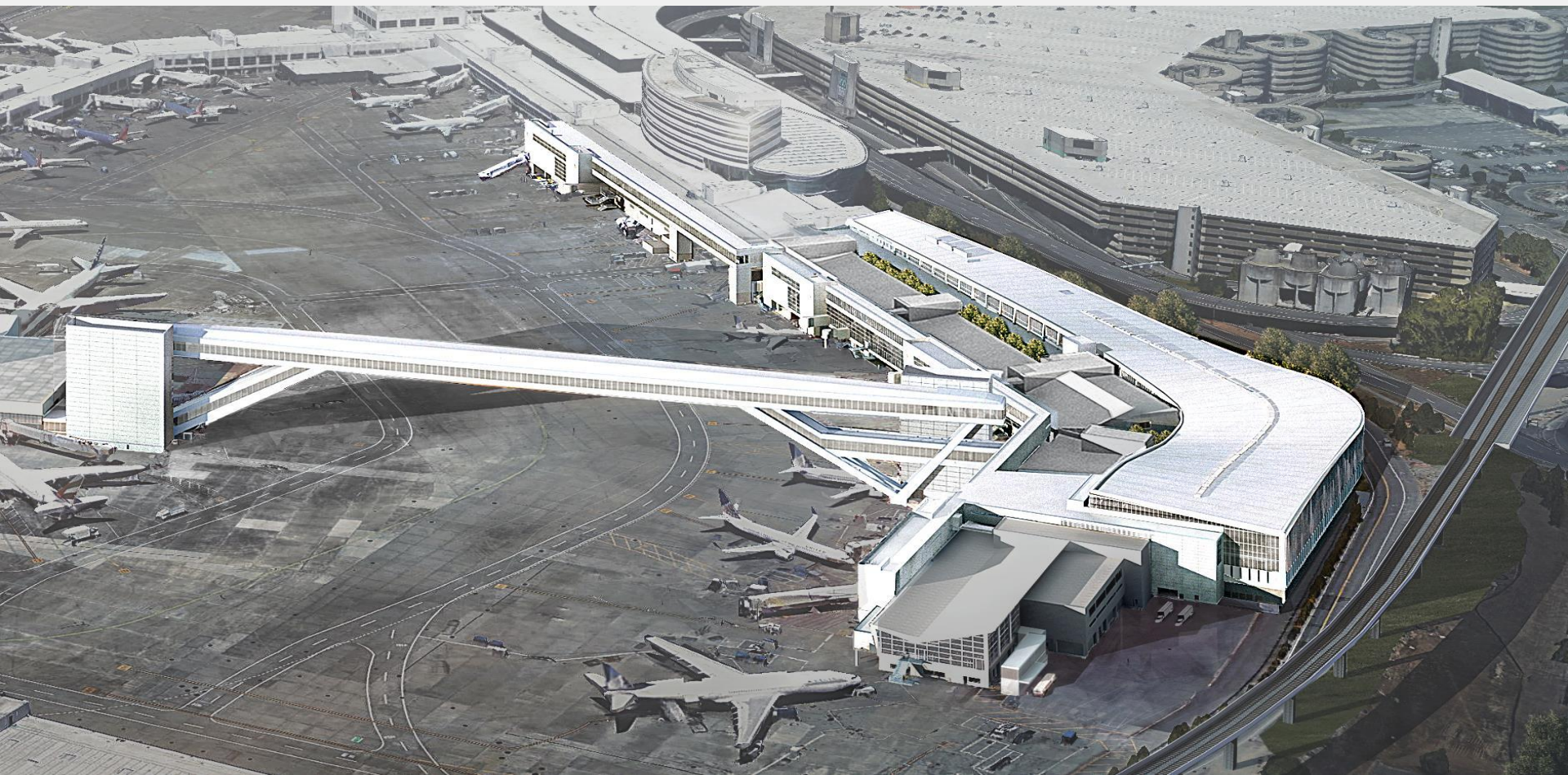
- Benefits of the IAF
- Construction Progress Photos
- Project Delivery Strategy
- Key IAF Project Initiatives
- Progressive Design-Build Contract Overview

Major program meeting a critical airport need

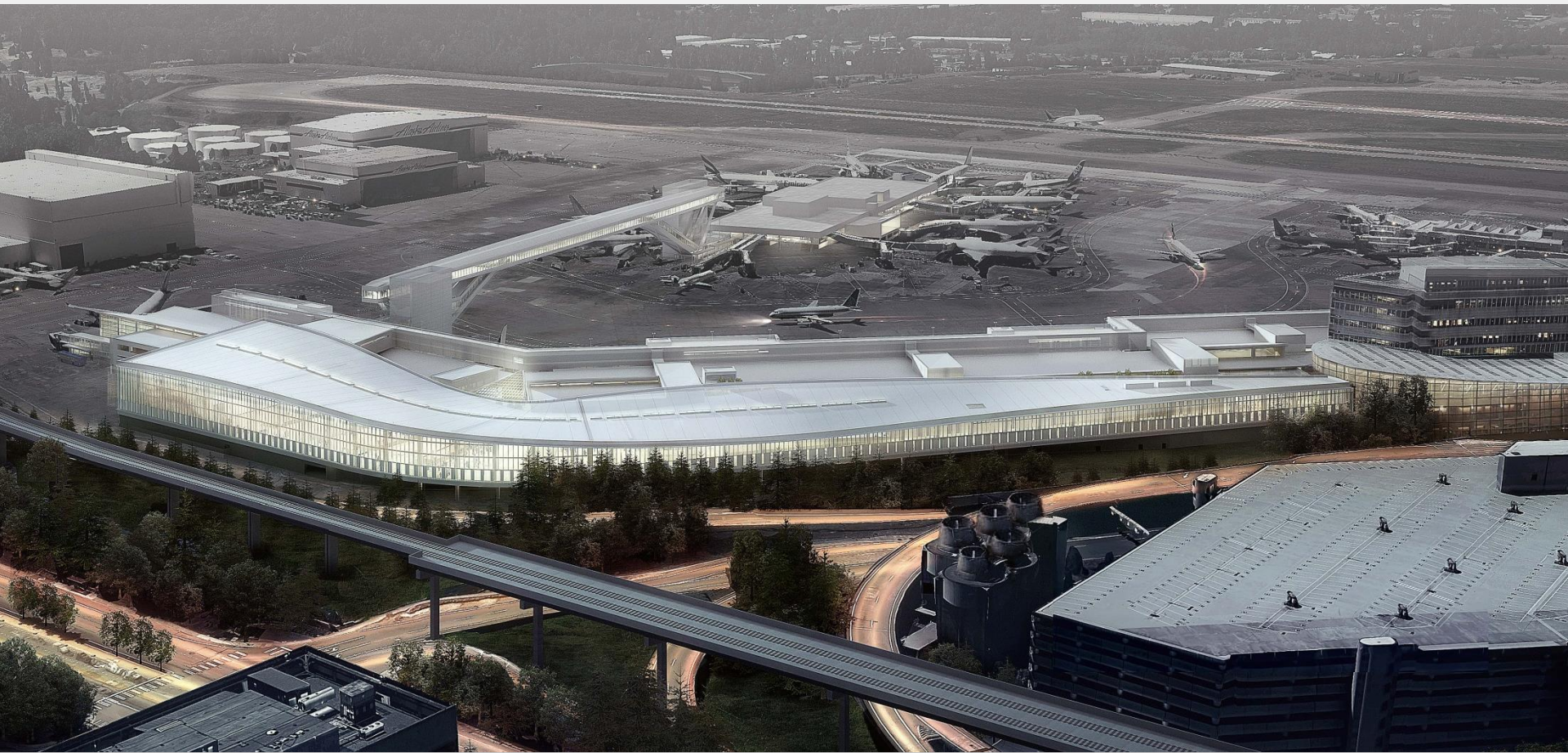
Benefits of IAF

- Increases passenger processing capacity from 1,200 to 2,600 pax/hour
- Reduces passenger transit time through the facility
- Provides a modern and welcoming facility for international travelers coming to the world class cities in our region
- Supports our international airlines
 - Six new international carriers since 2016
 - Annually, each provides \$89M regional economic benefit
- Provides 20 dual-capable flexible gates for both large international aircraft and smaller domestic aircraft

Enhance the experience of arriving international passengers



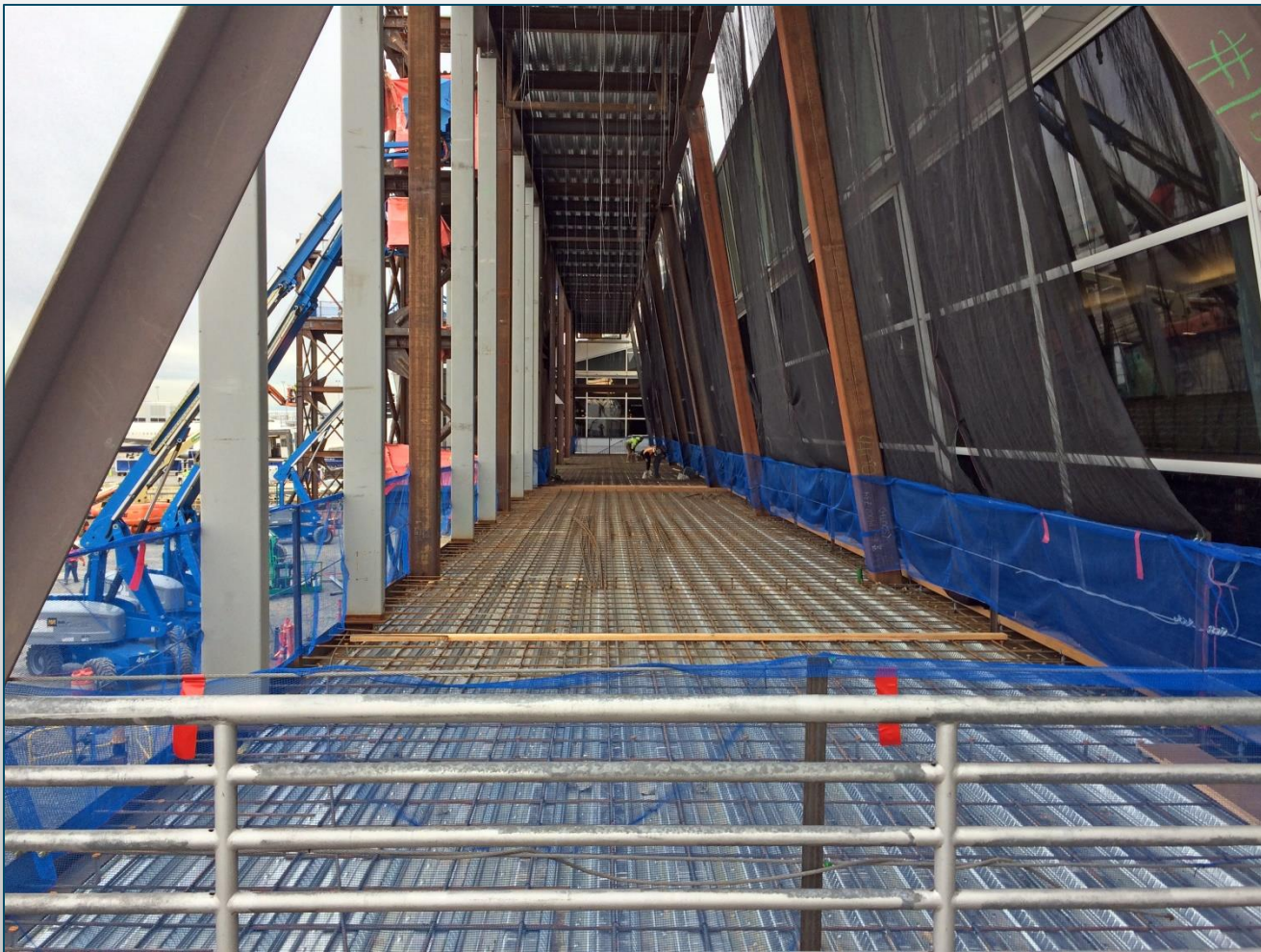
IAF Aerial View



IAF Night View



Airside Construction Progress



Airside Construction Progress



Landside Construction Progress

Project Delivery Strategy

- Progressive Design-Build Offered an 18-Month Schedule Advantage in Completing the Time-critical new IAF
- Although the IAF is Delayed, the Current Schedule Benefit is Estimated to be 12 Months Compared to Other Project Delivery Methods
- Schedule-impacting Issues Encountered as the IAF Progressed:
 - Dec 2016 – Local Market Conditions (Delayed GMP Negotiations)
 - Fewer interested bidders
 - Shortage of skilled labor
 - Aug 2017 – PCB Contamination (3,200+ tons removed)
 - Sep 2017 – Baggage Handling System Scope Additions
 - Nov 2017 – Emergency Generator Re-design
 - Nov 2017 – CBP's Transition to Facial Recognition

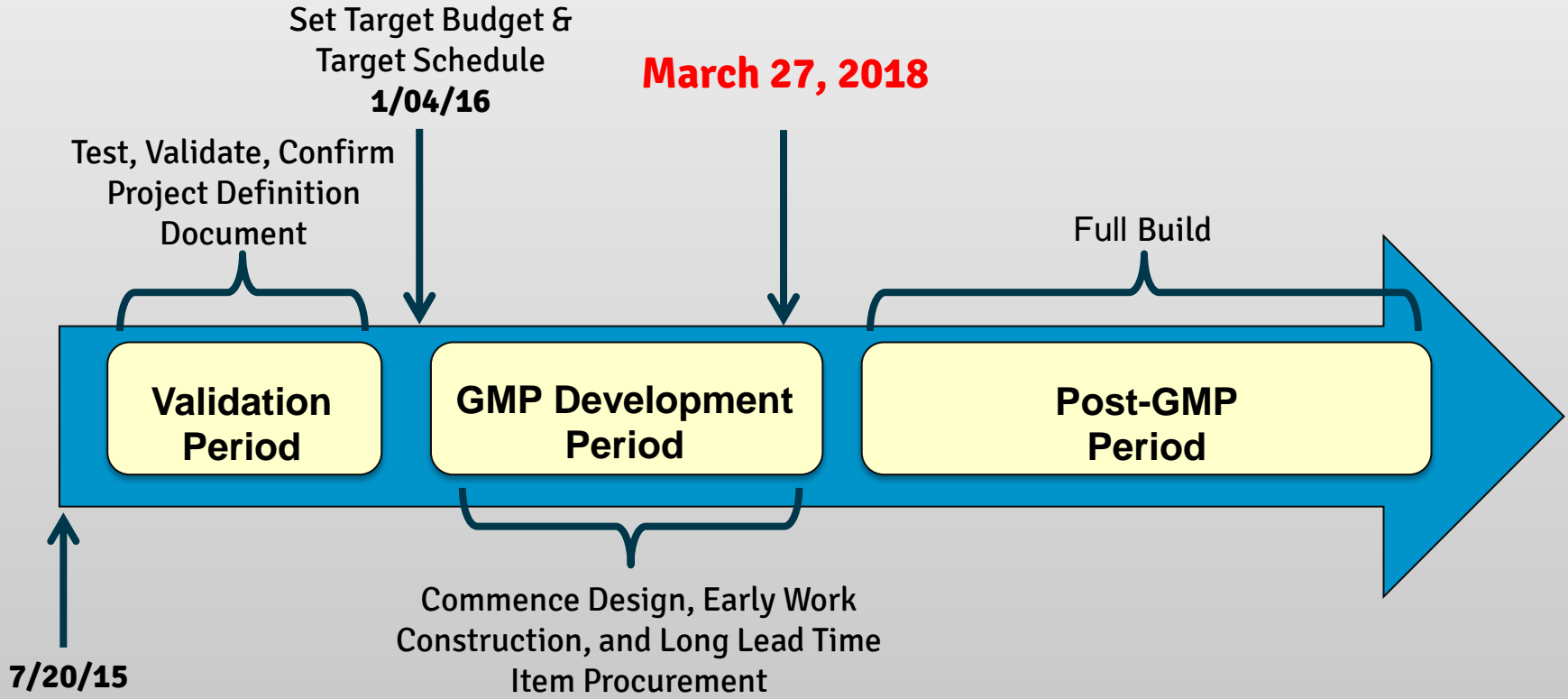
Halfway Through Delivery Period

IAF Project Initiative Report Card

1	<u>OPERATIONAL:</u> Process 2,600 international passengers per hour	✓
2	<u>ENVIRONMENTAL:</u> Achieve LEED v4 Silver	✓
3	<u>DESIGN EXCELLENCE:</u> An iconic design with a Northwest Sense of Place	✓
4	<u>ACHIEVE TARGET SCHEDULE:</u> September 2019	X
5	<u>DESIGN TO THE TARGET BUDGET:</u>	X

Overall assessment

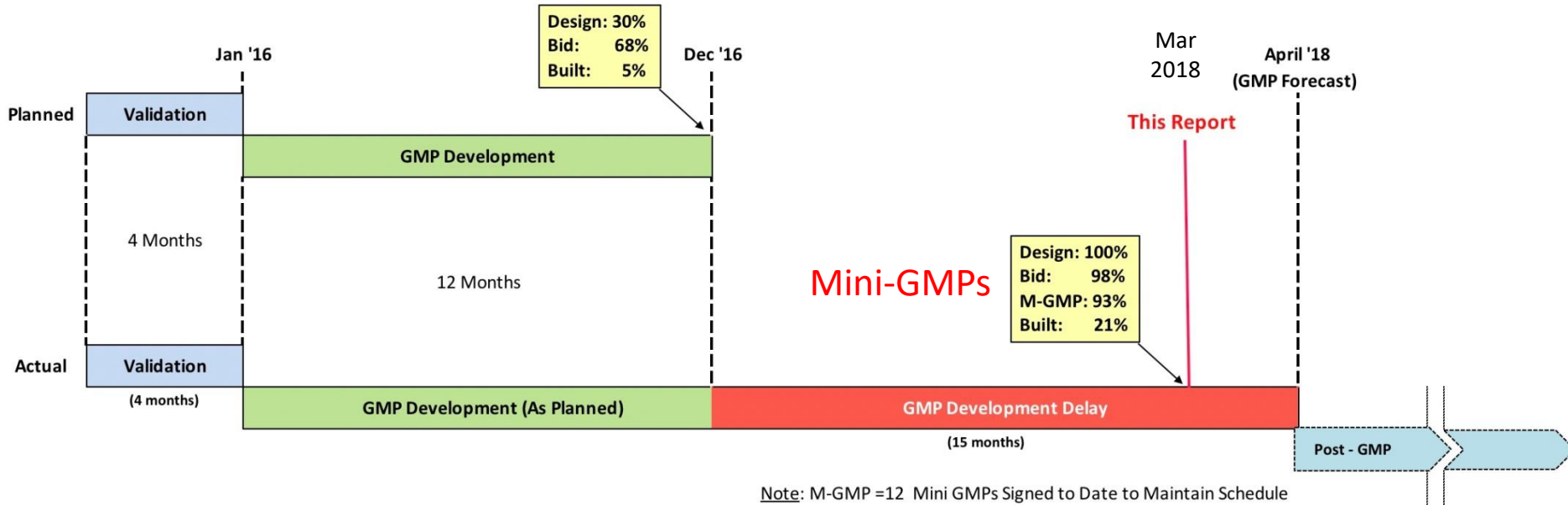
Progressive Design-Build Contract Overview



The Contract Contemplated Three Distinct Time Periods

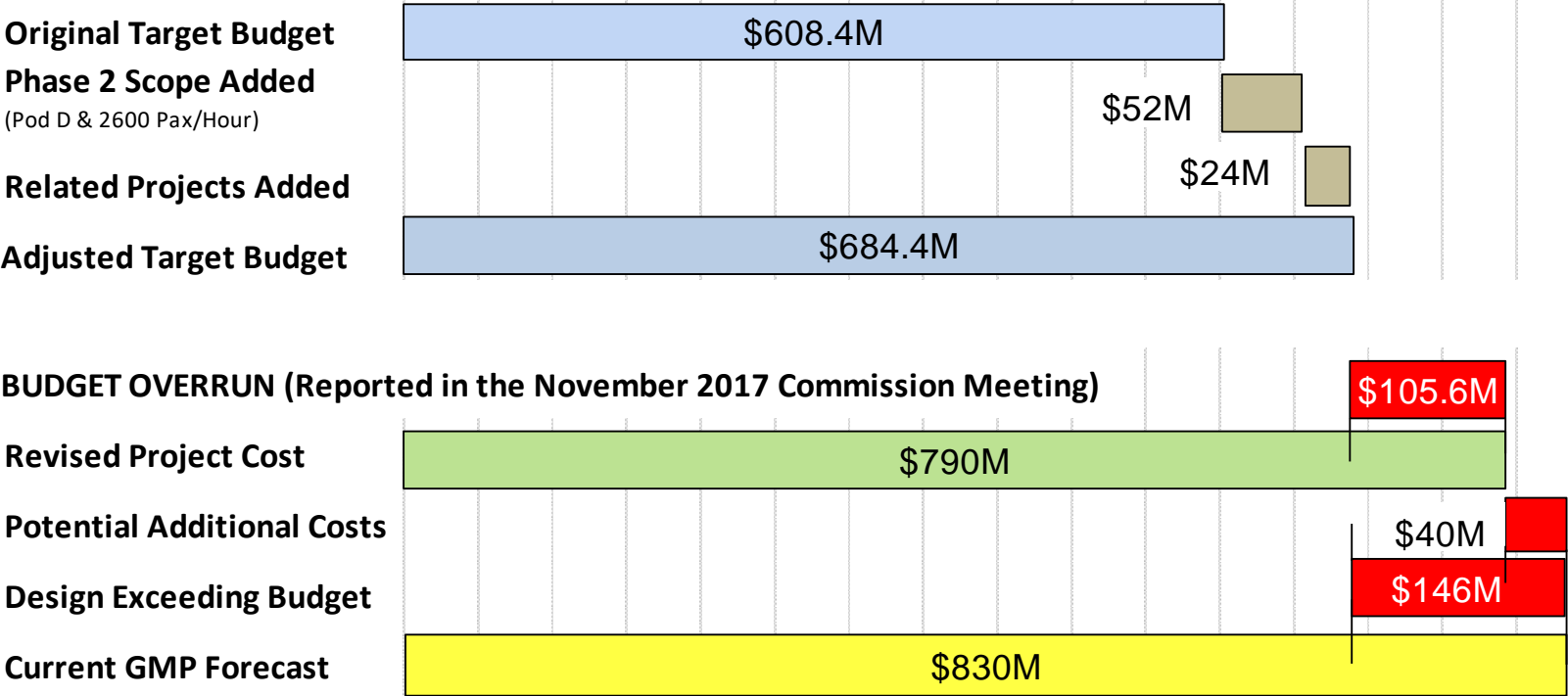
GMP Overview

(Three Contract Periods)



Project challenges have delayed contract negotiations

Budget Overview



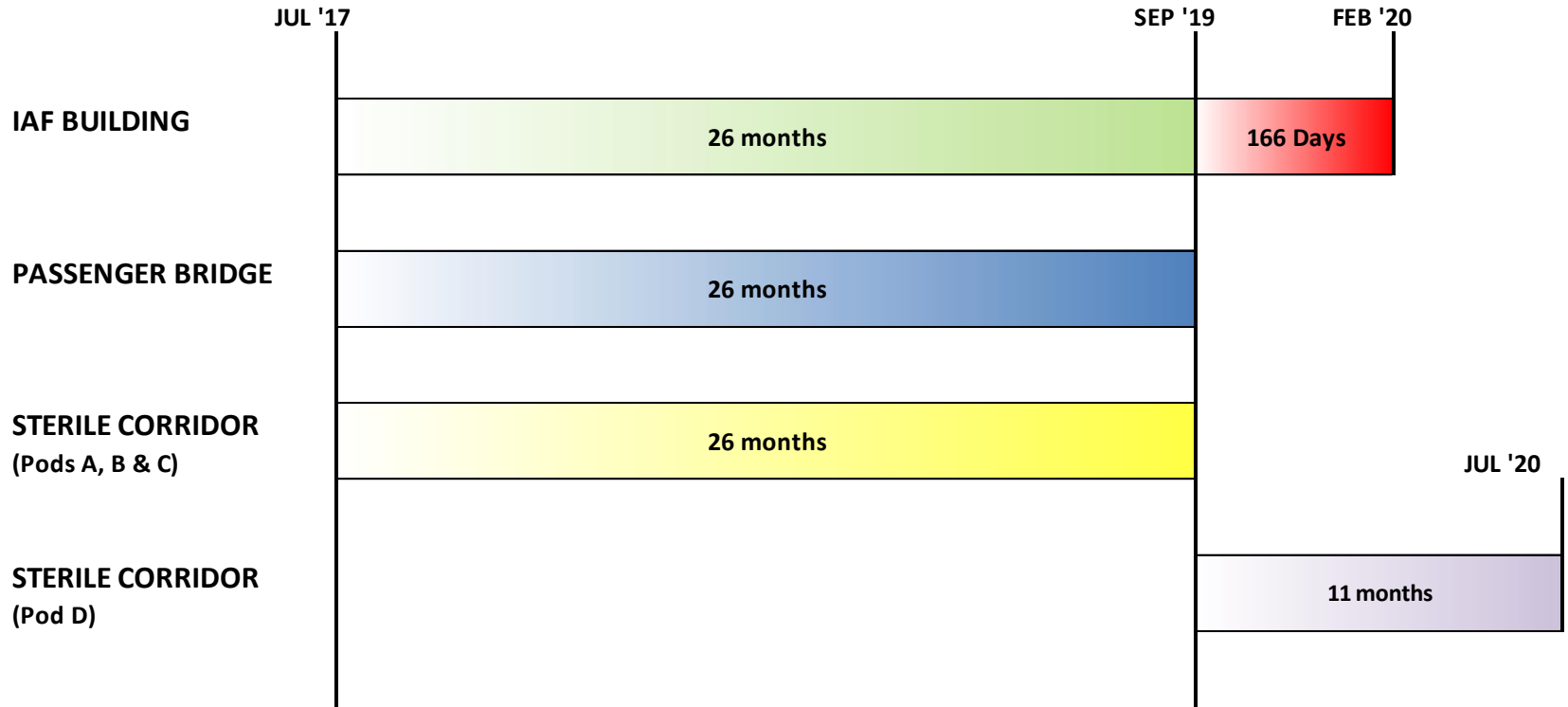
Target budget has not been met – outcome of negotiations is uncertain.

Budget Overrun Breakdown

Description of Forecasted Costs Overruns:	
Seattle Market Conditions	\$14M
Original Target Budget Understated	\$29M
Misjudged Code Requirements (ex. Smoke Control)	\$22M
Failure to Design to the Adjusted Target Budget	\$35M
Baggage Handling System Enhancements and Changes to the Equipment Specifications	\$13M
Emergency Generator Change	\$4M
Remediation of PCBs on IAF Building Site	\$4M
CBP Facial Recognition (Addition of a 3rd Escalator)	\$1M
Occupancy Classification Change in Bagwell	\$2M
Schedule Phasing/Complexity	\$5M
Increased Costs Driven by Above Cost Overruns (WA B&O Tax, Sales Tax rate, Builder's Risk, etc.)	\$17M
Total	\$146M

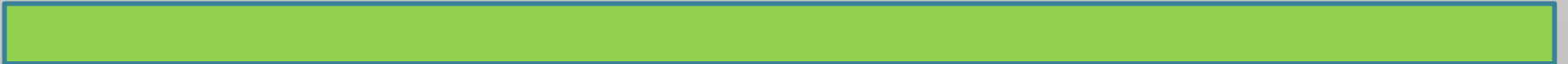
Assessment of causes for cost growth

Schedule Overview



Recovery from schedule delays will cost additional money

Backup Slides





Landside Construction Progress



Landside Construction Progress

Key IAF Project Initiatives

- Establish the Right Project Scope
- Capture Northwest Sense of Place in Design
- Community Participation (Small Business)
- Environmental (Sustainability)
- Achieve Budget and Schedule Objectives

Initiatives Largely on Track

The Right IAF Project Scope



Planning & Programming
Document (PPD)



Program Definition
Document (PDD)



Basis of Design (BoD)

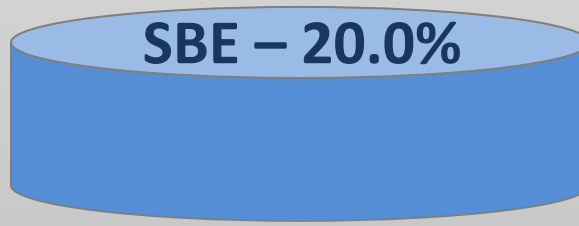
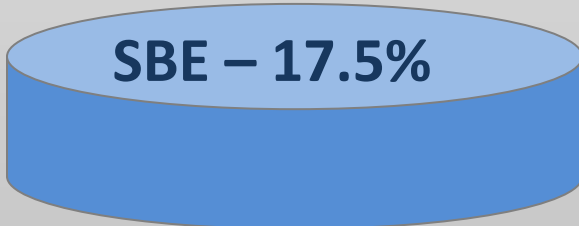
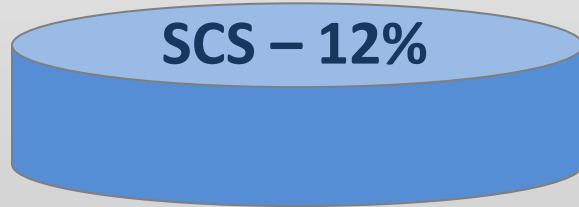


Scope and Design Coordinated with Port, Airline and Federal Stakeholders

Community Participation

Planned

Contracted to Date

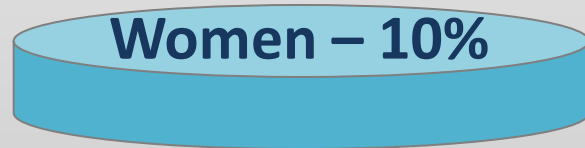


Small Business Participation

Apprenticeship Utilization

Overall Goal – 15%
(of which 10% are to be Women)

Overall to Date – 16.81%



Exceeding overall goal; minorities nearly on target, women below target.

Environmental Features of the IAF Project

Water Efficiency:

- Rainwater Management - Installing double pipe for future rainwater system.

Energy Use Reduction:

- LED lighting and high efficiency motors in baggage system.
- Harnessing daylighting with the use of daylight sensors to reduce energy.
- Efficient central airport plant for heating and cooling.

Environmentally Friendly Materials:

- Locally based and low impact to the extent possible.

Enhanced Commissioning:

- Independent Commissioning Agent.

Targeting LEED Silver



IAF is First Port Facility to Pursue LEED v4