

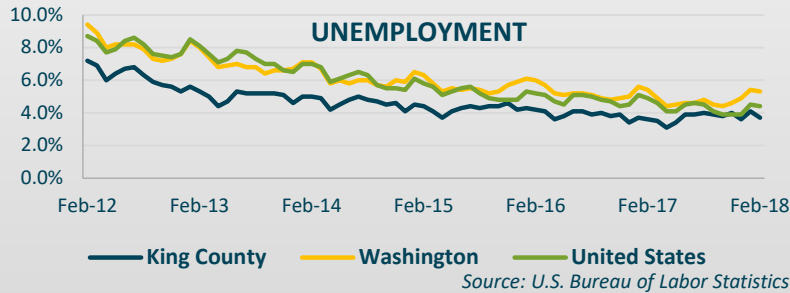
SUSTAINABLE AIRPORT MASTER PLAN (SAMP) UPDATE

May 8, 2018

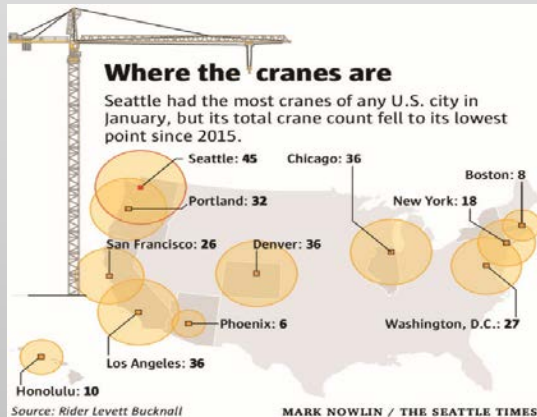
Briefing Outline

- Overview
- Planning update
- Financial feasibility
- Environmental review
- Next steps

Regional Growth and Market Demand



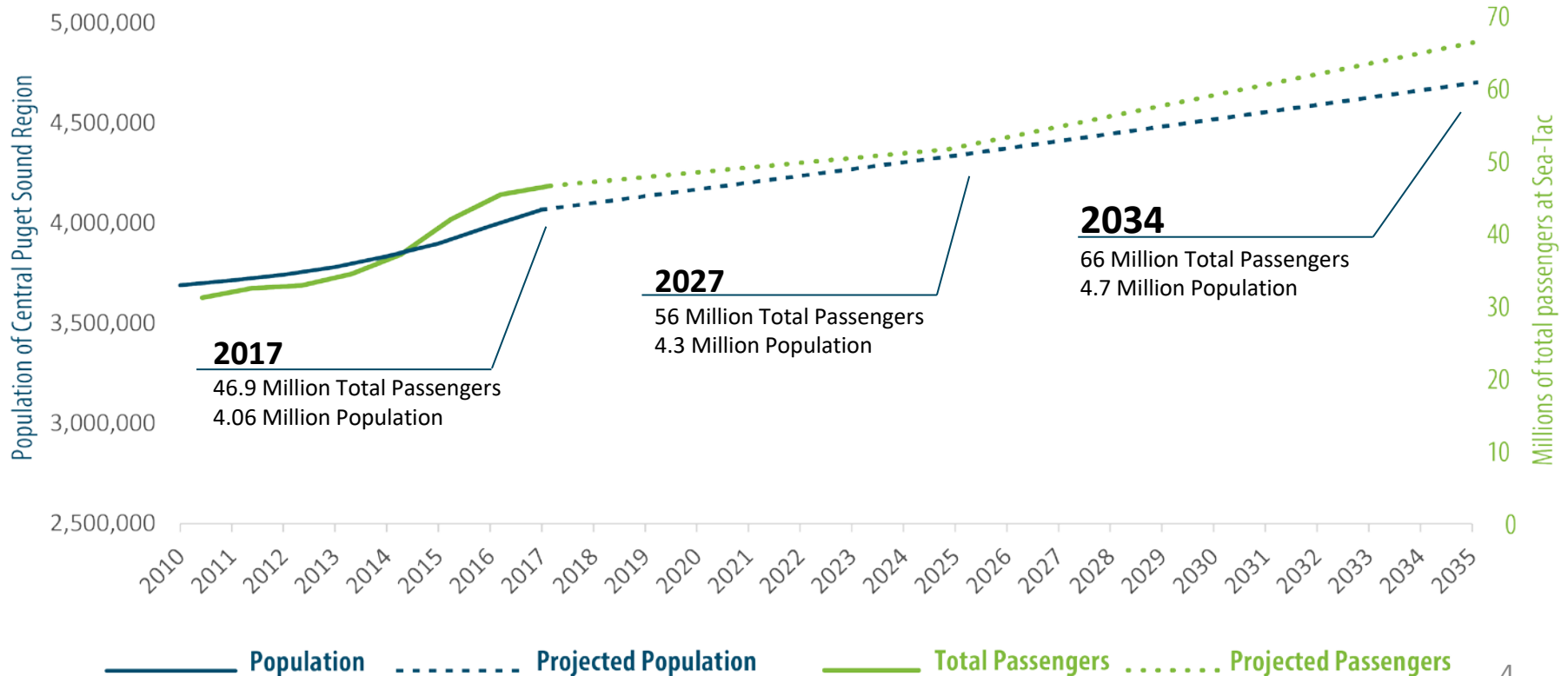
- Seattle's crane count has dropped by 22% from six months ago, but is still greater than any other US city
- King County unemployment remains low, at 3.7% in February 2018
- Puget Sound is home to a wide range of employers that contribute to the vibrant growth in the region



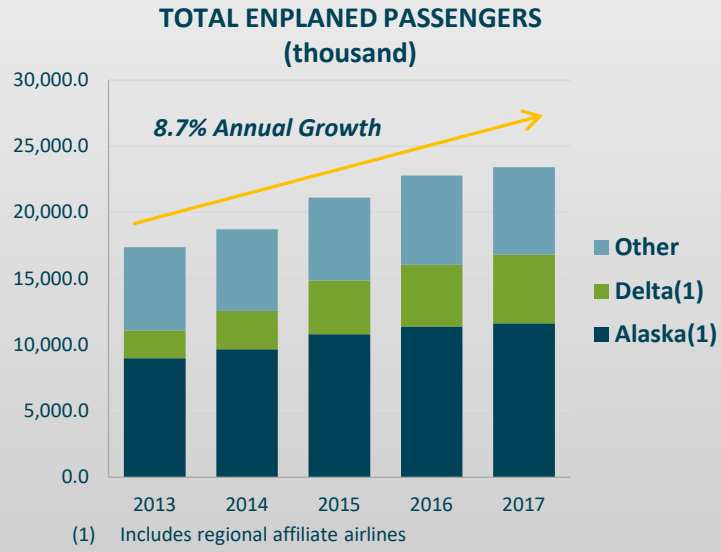
<i>Microsoft</i>	<i>Nordstrom</i>	<i>Boeing</i>
<i>Google</i>	<i>JBLM</i>	<i>Alaska</i>
<i>Amazon</i>	<i>Costco</i>	<i>Providence Health</i>
<i>Expedia</i>	<i>Starbucks</i>	<i>PACCAR</i>
<i>University of Washington</i>		

Robust regional economy is the basis for airport growth and sustainability

Sea-Tac Growth is Tied to Regional Growth



Sea-Tac Statistics



- 69.4% of passengers began or ended their flight in Seattle in 2016
- Enplanements grew 2.7% in 2017 and 34.8% from 2013-2017; Q1-2018 grew 4.8% (2018 projected to grow 5.0%)
- Both Alaska and Delta are increasing service at Sea-Tac Airport
- Other carriers, including Southwest, American, and United, continue service along with new entrants
- Sea-Tac has 45 international services, with 22 airlines serving 27 international destinations

ENPLANEMENT GROWTH RATES

	2013	2014	2015	2016	2017
Domestic	4.1%	7.8%	12.6%	7.6%	2.3%
International	9.8%	6.8%	14.4%	11.4%	5.9%
Total	4.7%	7.7%	12.8%	8.0%	2.7%

Sea-Tac Airport remains the ninth busiest airport in the United States

Concurrent Strategies to Serve Market Demand

Current Projects (46.9M PAX Today)	Near-Term Projects SAMP (56M PAX by 2027)	Long-Term Vision SAMP (Demand Beyond 2027)
<ul style="list-style-type: none">• North Satellite• International Arrivals Facility• Concourse D Hardstand Holdroom• Baggage Modernization• Airport dining and retail development	<ul style="list-style-type: none">• Meet market demand• 19 additional gates & second terminal• Cargo facilities• 30+ projects to improve safety, provide support facilities, improve efficiency, and access to the airport	<ul style="list-style-type: none">• PSRC regional aviation baseline study• Sea-Tac Airport airfield and airspace study• Additional environmental review

Participate in a broader conversation about our region's airspace and aviation resources

Planning Status Update

- Airfield/airspace constraints result in major congestion (aircraft delays) as activity nears 59 million passengers (2029)
- Phased approach required to advance SAMP
 - Identify projects to accommodate near-term demand within existing constraints – *Near-Term projects*
 - Conduct environmental review of Near-Term projects
 - Follow-on planning study to address airfield/airspace constraints
- Near-Term projects
 - Near-Term projects can accommodate 2027 market demand
 - Approximately 56 million annual passengers

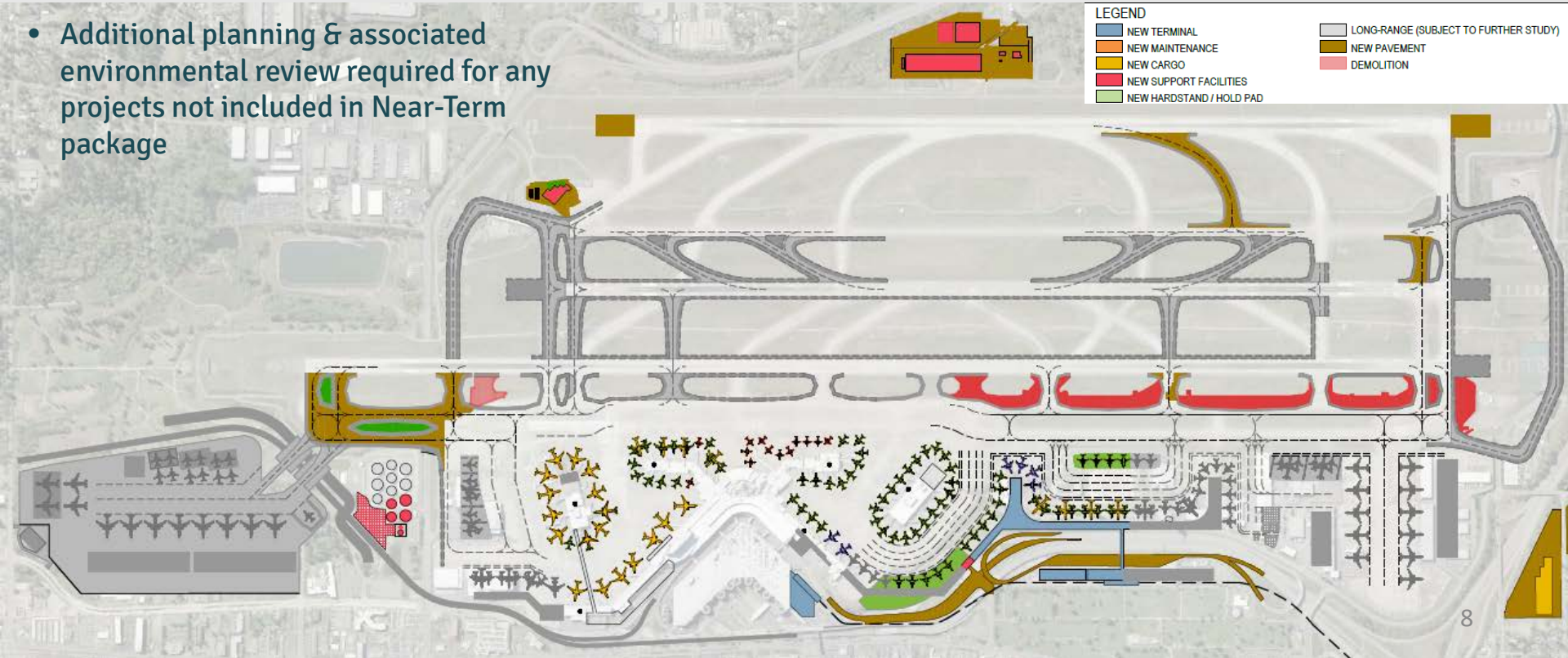
Phased approach required to meet future demand

Long-Term Vision - *phased approach*

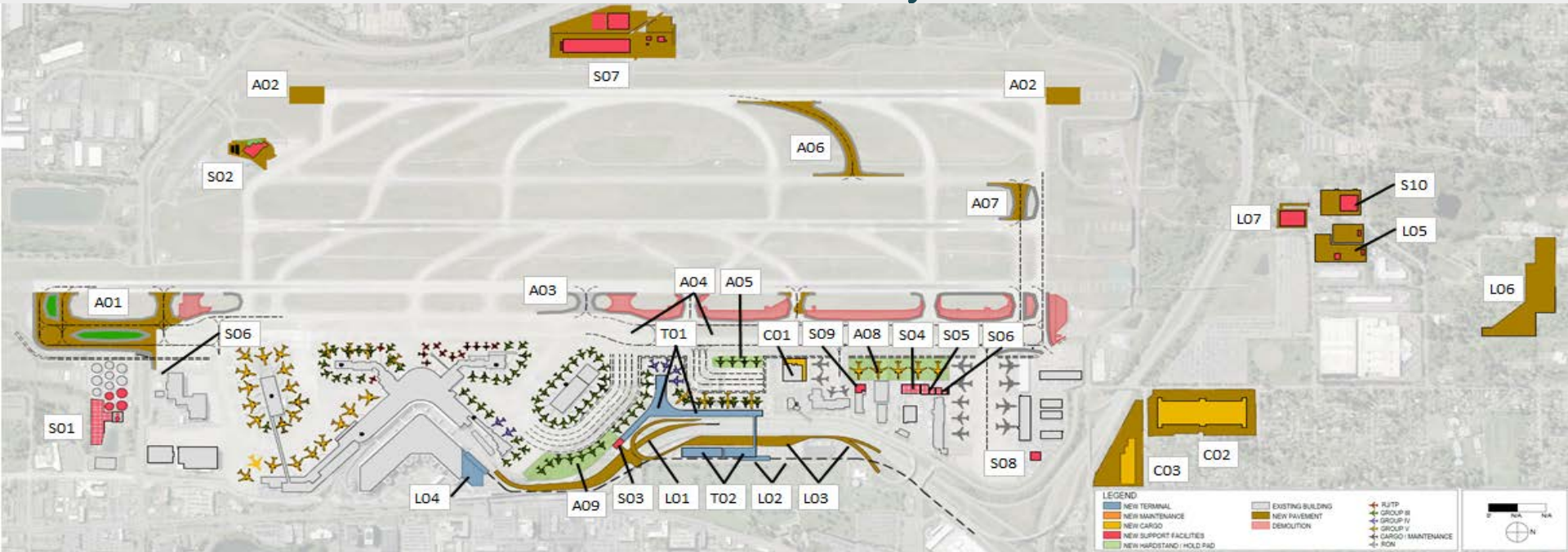
Near-Term projects - *56 million annual passengers by 2027*

Long-Term vision - *Additional planning to meet demand beyond 2027*

- Additional planning & associated environmental review required for any projects not included in Near-Term package



Near-Term Projects



Airside

- A01 Taxiway A/B Extension
- A02 Runway 16R-34L Blast Pads
- A03 Taxiway L Relocation (Pre-SAMP project) *
- A04 Taxiway B 500' Separation & RIM Mitigation
- A05 North Hold Pad
- A06 Runway 34L Highspeed Exit
- A07 Taxiway D Extension
- A08 Hardstand (north)
- A09 Hardstand (central)

* Project currently under construction

Terminal

- T01 North Gates
 - T02 Second Terminal & Parking
- ### Cargo
- C01 Cargo 4 South Redevelopment
 - C02 Off-site Cargo Ph 1 (L-Shape)
 - C03 Off-site Cargo Ph 2 (L-Shape)

Landside

- L01 NAE Relocation (southbound lanes)
- L02 Elevated Busway & Stations
- L03 Second Terminal Roads/Curbside
- L04 Main Terminal North GT Lot
- L05 North GT Holding Lot
- L06 Employee Parking Surface Lot
- L07 Employee Parking Structure

Airport/Airline Support

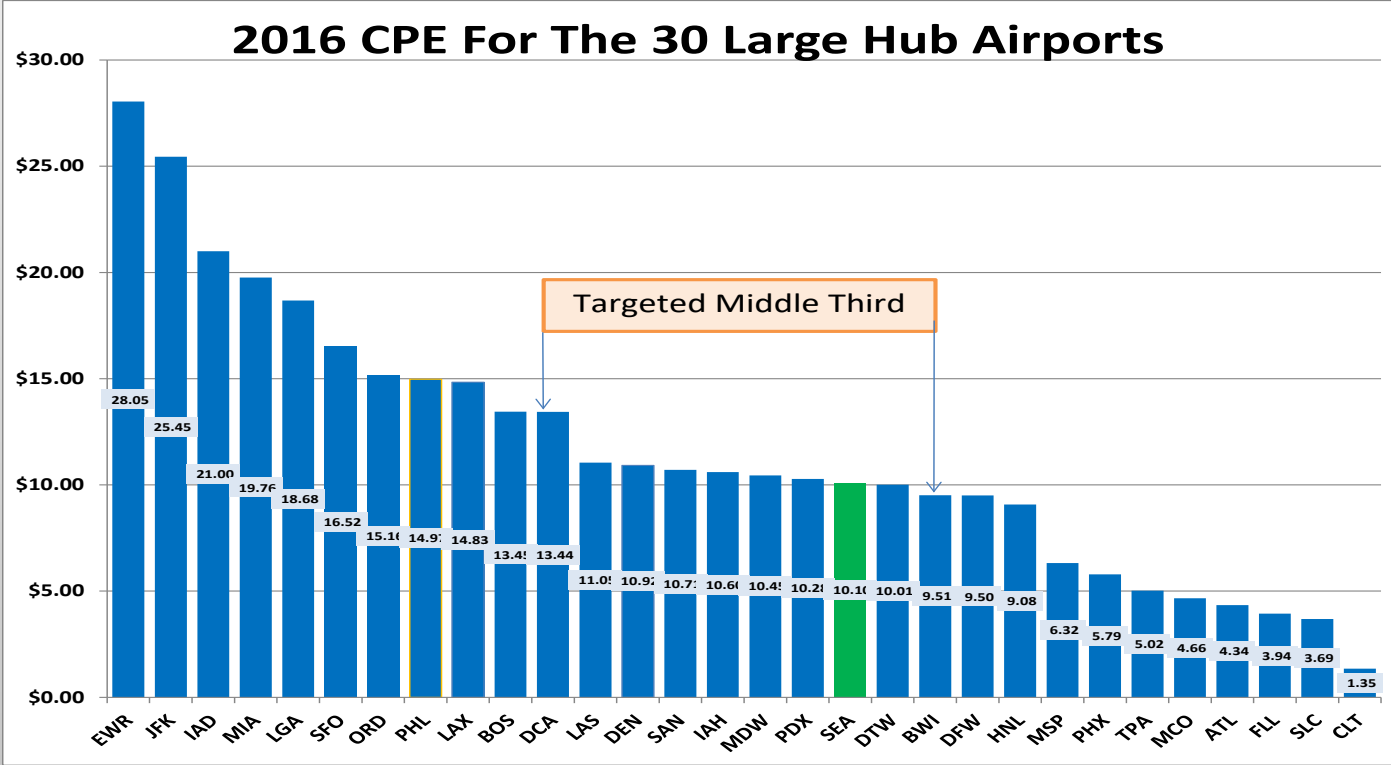
- S01 Fuel Farm Expansion
- S02 Primary ARFF
- S03 Secondary ARFF
- S04 Fuel Rack Relocation
- S05 Triculator
- S06 Consolidated De-icing Tanks
- S07 Westside Maintenance Campus
- S08 Airline Support (north)
- S09 Airline Support (west)
- S10 Centralized Rec. & Dist. Center

Airport Capital Capacity

- Capital costs are recovered through airline rates
- Capital capacity of the airport is constrained by
 - Airport cost to airlines (CPE)
 - Airport debt level, and ability to borrow
 - Port's credit rating
 - Debt per enplaned passenger
- Upper range of CPE is based on judgment of where “competitive” range will be in future

Airport capital capacity must consider multiple factors

Current CPE Comparison



CPE is competitive: SEA ranks 13 out of the 30 Large Hub Airports

Financial Feasibility

- Baseline forecast of airport costs to airlines (CPE) is \$20 in 2025, without SAMP projects
- Upper range of Sea-Tac's future CPE based on judgment, likely \$25 - \$30 for 2027 - 2030
- To make SAMP financially feasible (CPE <\$30), must:
 - Increase non-aeronautical net operating income (NOI)
 - Manage growth of operating and maintenance costs
 - Prioritize future capital improvements, reduce or eliminate scope
- Cost to region of not expanding Sea-Tac is high: congestion, fewer direct flights, and lost economic opportunities.

SAMP is financially feasible, but requires vigilant cost management & increased non-aero revenues

Purpose of Environmental Review

National Environmental Policy Act (NEPA)

State Environmental Policy Act (SEPA)

- Objective analysis of potential environmental impacts according to established procedures
- Identify ways to avoid, minimize, or mitigate
- Public disclosure of environmental impacts
- Transparency and engagement key to process
- Overlay of environmental laws

Environmental review process studies cumulative impacts through comprehensive process

SAMP Environmental Review

A single NEPA and SEPA document and process

Anticipated duration is 12 – 18 months

- **DRAFT NEPA Environmental Assessment (EA) anticipated***
 - Final form of document depends on results
 - NEPA EA allows for maximum Port of Seattle involvement
 - Analysis driven by issues and standards
- **DRAFT SEPA Environmental Impact Statement (EIS) anticipated**
 - Maximizes agency and public engagement
 - Analysis driven by issues and standards

*NEPA EIS triggers are new airport, runway, or major runway extension

FAA is Lead Agency for NEPA and Port of Seattle is Lead Agency for SEPA

Next Steps

Planning

- Q2 Finalize SAMP documentation with FAA
- Q2-Q4 Complete planning work to support environmental review
- May 30 Public open house

Environmental

- In progress Advance coordination with FAA
- Q2-Q3 Agency and public scoping

Commission will be routinely updated and engaged throughout environmental review