

# Duty Free & SEA Vision

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# Long Term Visions for the Airport

## New "Hot-Spots" @ SEA



IMPROVED  
**LoS**  
Level of Service



**ASQ**  
Airport Service Quality

# Maximizing Non-Aeronautical Revenues to Support SEA Goals



GHG  
Reduction



SOV  
Reduction



New  
Technology

# Airport Dining and Retail Duty-Free RFP

Request for Proposal Authorization



# Airport Dining and Retail

This proposal aims to expand the leasable space for Duty-Free making it a more viable business model for bidders.

The Duty-Free Master Plan aligns with the Port's Century Agenda goals:

- A highly effective public agency
- Becoming a national model for Equity, Diversity and Inclusion
- Strengthening the competitiveness of SEA in the regional and global marketplace



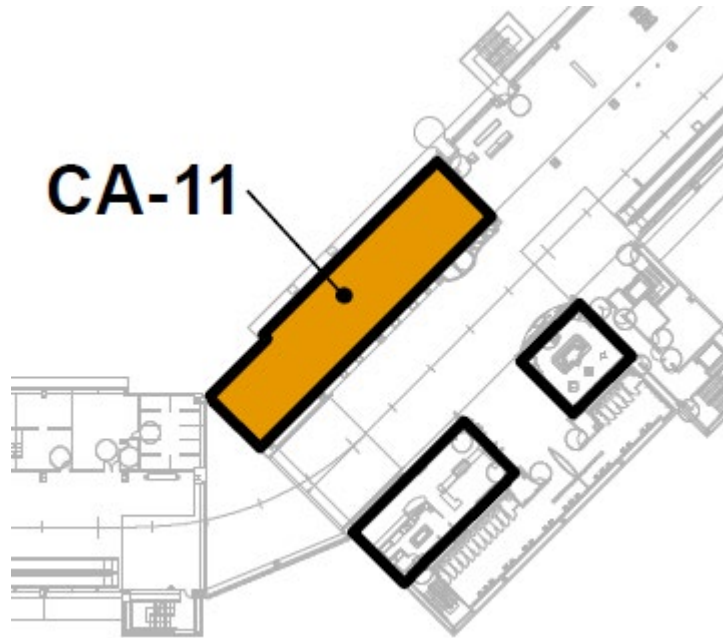
# Duty-Free Background

- Duty Free, Currency Exchange, and Vending were not included in the 2012 Master Plan.
- Commission recently approved a temporary Duty-Free contract as an equitable solution for a longstanding underachieving category within the ADR program which has been heavily impacted by international tariffs and a post-pandemic slow return to international passenger traffic.
- Duty-Free at SEA has been an underperforming category due to the lack of required square footage required to secure the brand names needed to meet international passenger demand.
- Duty-Free at SEA currently ranks 13 out of 22 in overall Duty-Free space at large hub airports in the U.S.
- Current Duty-Free operator will remain in operation during the design and construction phases of the Concourse A Duty-Free project.

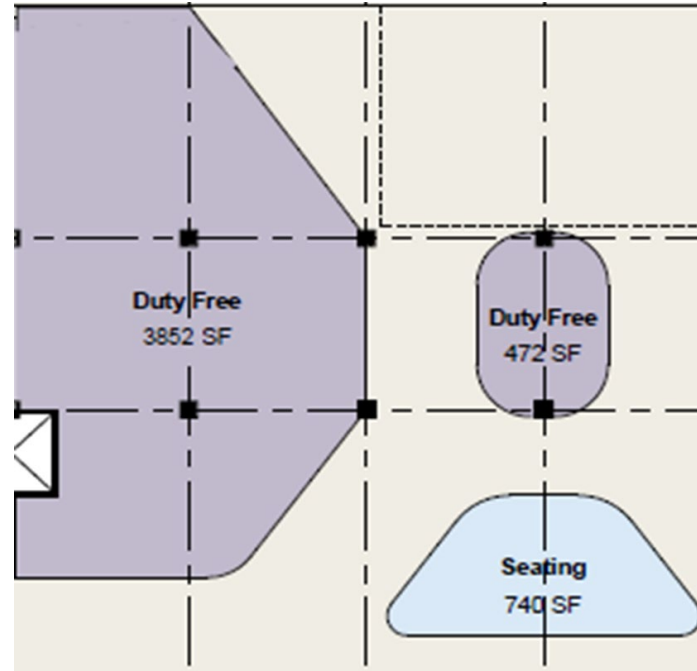


# Duty-Free RFP Locations

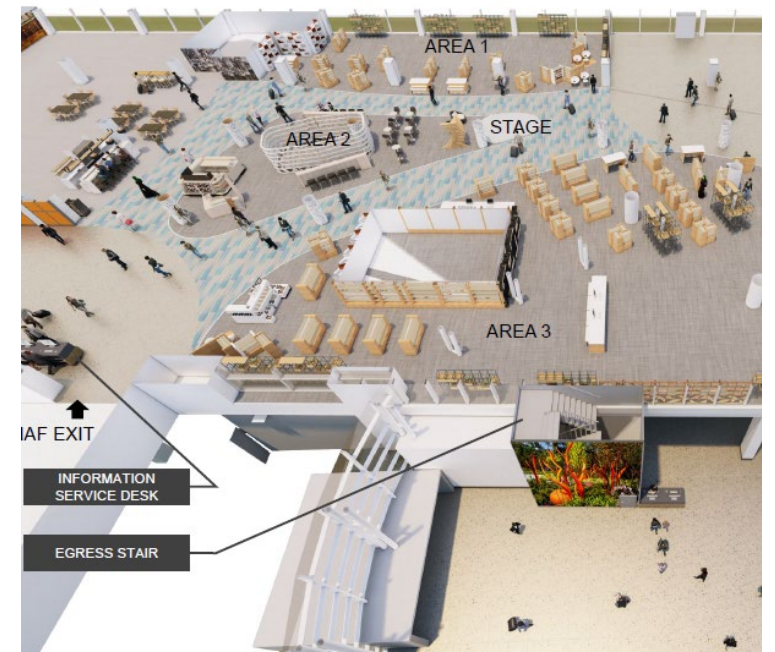
## Concourse A South



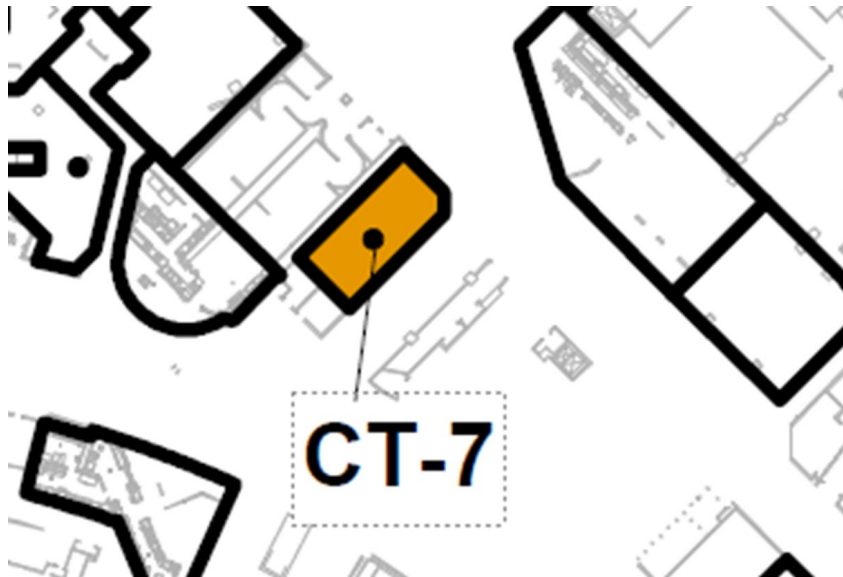
## South Satellite Renovation



## Concourse A Walk-Through



# Duty-Free RFP Impacts



Location near Checkpoint 4/Concourse D will be eliminated from the Duty-Free RFP as this location is impacted by another capital project.



# Concourse A Duty-Free

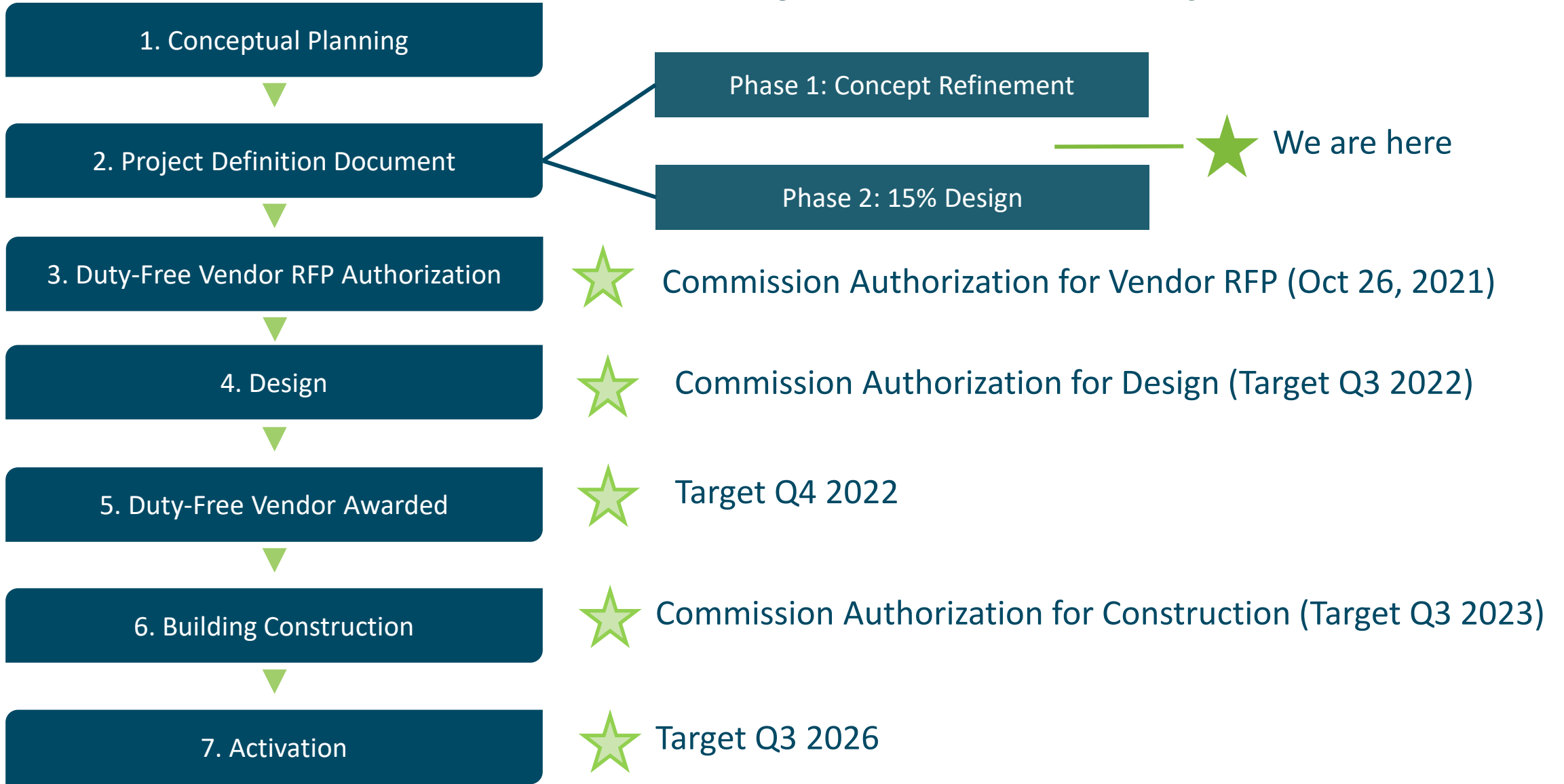
Funding Request for Project  
Definition Document

# Concourse A Duty-Free Project Scope

- Create a walk-through Duty-Free on Concourse A, adjacent to IAF exit for connecting passengers.
- Provide 11,000 sq. ft. of new Duty-Free retail space.
- Design opportunities for retail, small businesses and a performance stage.
- Secure retail with a structural lid, adding 3,500 sq. ft. expansion to Port Conference Center at SEA.
- Security improvements including automated exit doors and security glass.



# Project Roadmap



# PDD Phases: Scope of Work

## Phase 1

*(Completed using staff authorization)*

- ✓ Duty-Free Space Program Development
- ✓ Mezzanine Level Concept Development
- ✓ Business Case (in-house)

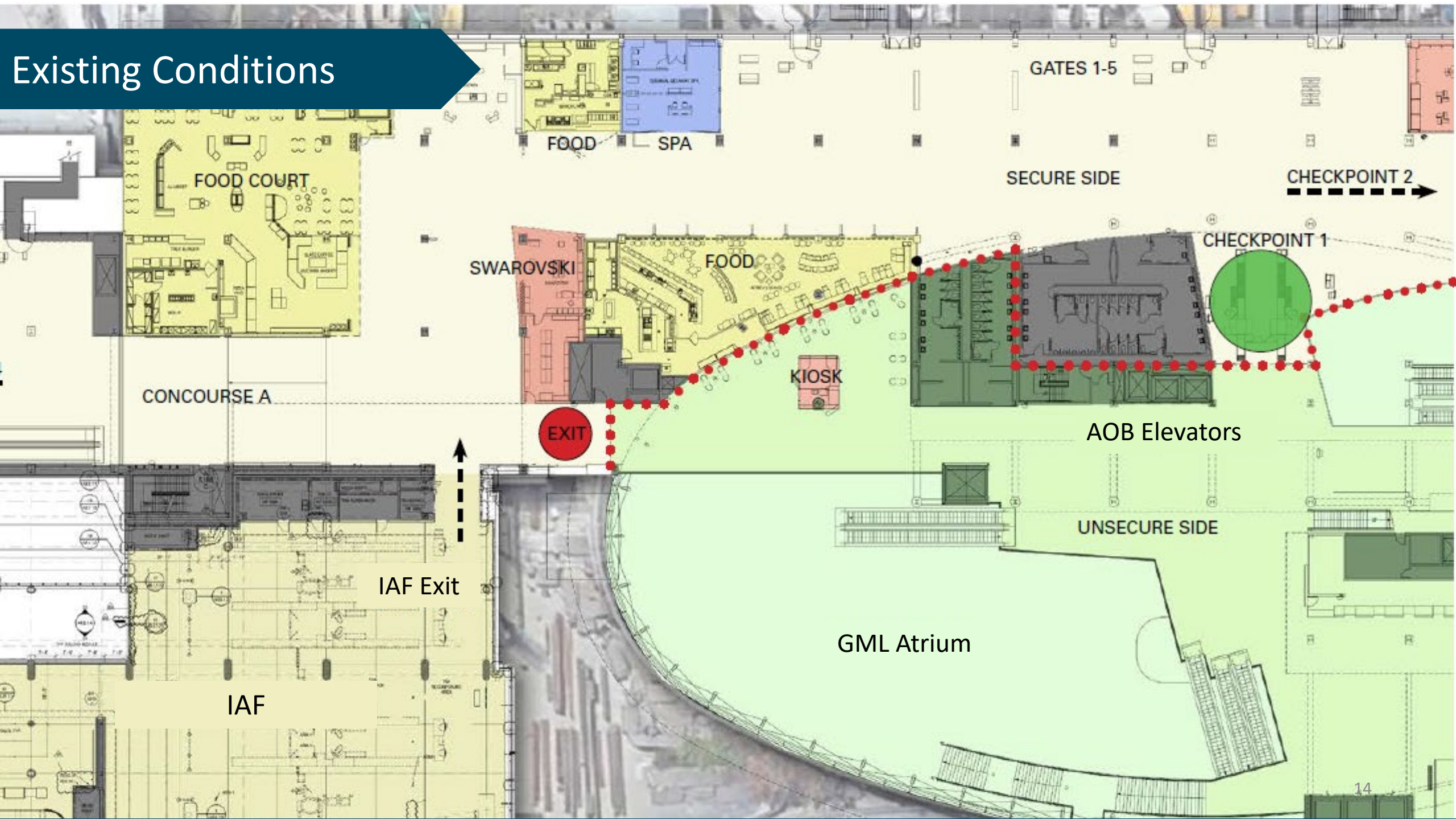
## Phase 2

*(Requesting authorization today)*

- Preferred Concept Refinements
- Implementation Plan (phasing, schedule, estimate)
- Project Definition Document

Concourse Level

# Existing Conditions





Concept



DUTY FREE	SQFT
Area 1	3,373
Area 2	2,280
Area 3	5,620
Circulation	3,800
<b>Total sq ft</b>	<b>15,073</b>



CUSTOMER SERVICE  
INFORMATION HUB

DUTY FREE AREA 2

DUTY FREE AREA 3

Exiting IAF to North (Toward Checkpoint 2)





CUSTOMER SERVICE  
INFORMATION HUB

DUTY FREE AREA 2

Exiting IAF to South (A6-A14)

Mezzanine Level

# Mezzanine Lid Concept

Duty Free Lid/  
Mezzanine Expansion



DUTY FREE AREA

CONCOURSE



GML Hall

# Mezzanine Level Concept



MEZZANINE	SQFT
OPEN AREA	3,000
STORAGE ROOM	265
NURSING ROOM	120
EGRESS STAIR	150
MEZZANINE EXPANSION	3,535



Conference Center / Mezzanine Expansion



EGRESS STAIR & MEDIA WALL

NEW MEZZANINE LEVEL WITH 8' H GLASS WALL

DUTY FREE LEVEL WITH 8' H GLASS WALL

Egress Stair with Potential Media Wall

# Project Costs & Business Case



# Project Costs

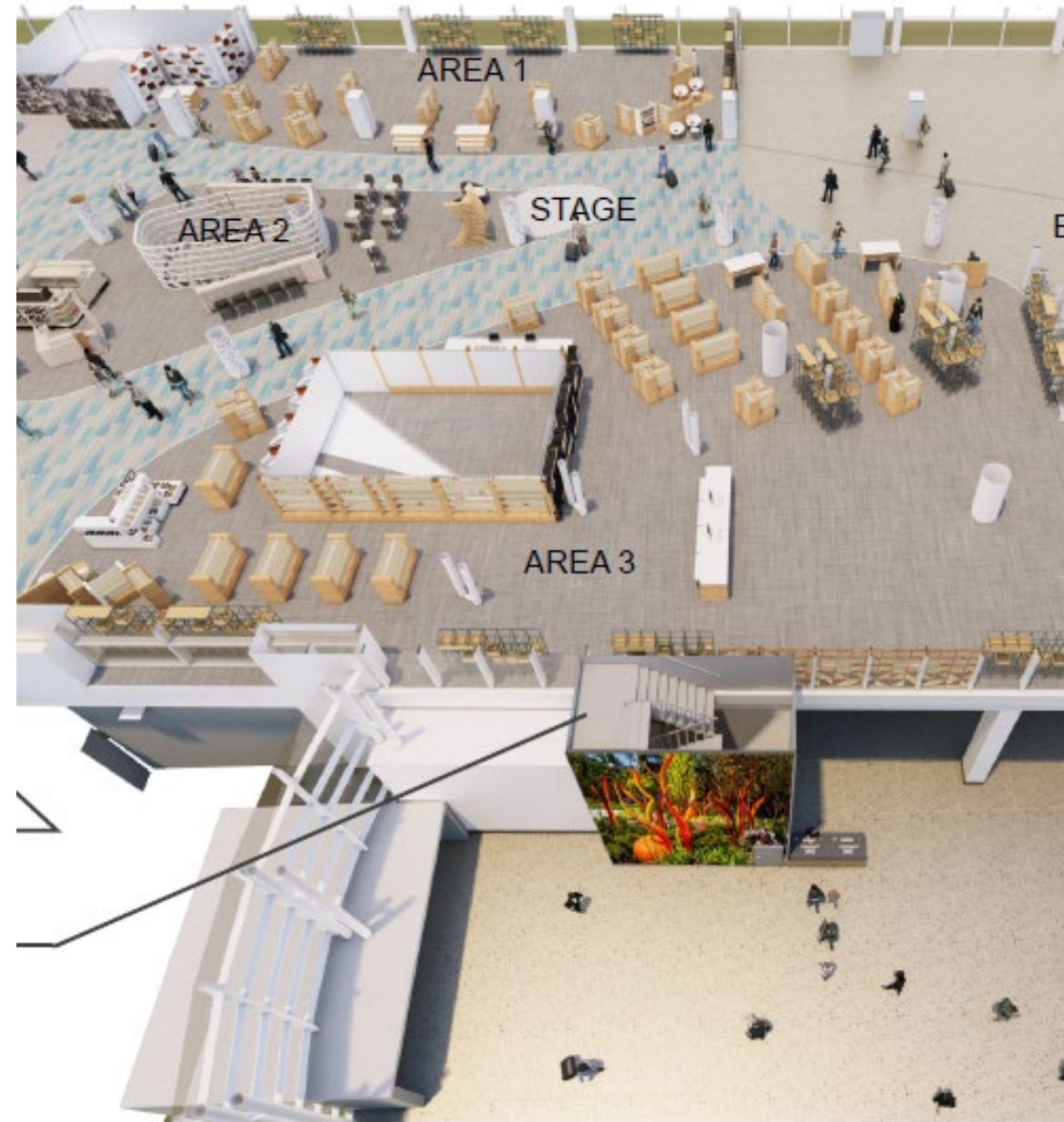
**\$24M - \$42M**

(Current CIP Budget \$33.4M)

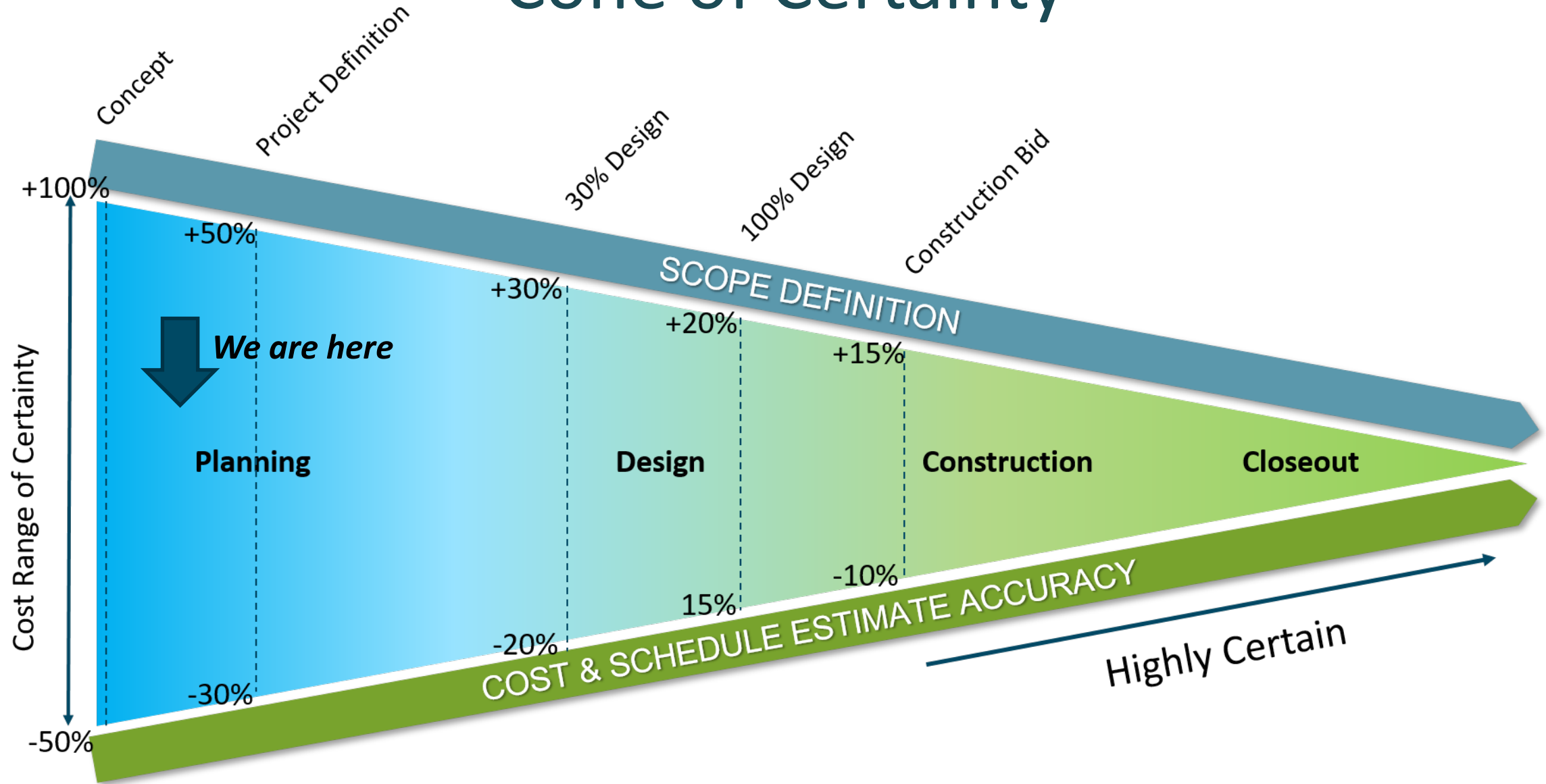
*Will update cost estimate after PDD Completion (15% design).*

## Base Building Changes Only

- Duty-Free on Concourse
- Mezzanine Lid & Structural Framing
- Automated Exit Lanes
- Egress Stair Construction
- Video Media Wall
- Art 1%
- Lease buy-out allowance



# Cone of Certainty



# Business Case

<i>Analysis period: 2021-2036</i>	Base Case	Previous Version	
	Do Not Expand	Feb 2021	Build New Duty Free A5-A6
Space Changes (sqft)			
Food & Beverage	-	(3,577)	(3,577)
Retail/Services	-	(2,673)	(2,673)
Duty Free	-	11,100	11,100
<b>Net New Leaseable Space</b>	-	<b>4,850</b>	<b>4,850</b>
Revenue*			
Food & Beverage	\$ 21,450,000	\$ 2,380,000	\$ 2,380,000
Retail/Services	\$ 3,060,000	\$ 350,000	\$ 350,000
Duty Free	\$ -	\$ 107,140,000	\$ 107,140,000
<b>Total Revenue</b>	<b>\$ 24,510,000</b>	<b>\$ 109,870,000</b>	<b>\$ 109,870,000</b>
Costs			
PDD	\$ -	\$ 555,000	\$ 555,000
Construction	\$ -	\$ 30,810,000	\$ 27,700,000
Lease Buyouts	\$ -	\$ 2,230,000	\$ 2,230,000
<b>Total Costs</b>	<b>\$ -</b>	<b>\$ 33,595,000</b>	<b>\$ 30,485,000</b>
<b>NOI</b>	<b>\$ 24,510,000</b>	<b>\$ 76,275,000</b>	<b>\$ 79,385,000</b>
Payback	N/A	8	7
NPV (10 Years)	\$ 16,470,000	\$ 39,190,000	\$ 41,780,000
<b>NPV Incremental to Base</b>		<b>\$ 22,720,000</b>	<b>\$ 25,310,000</b>

\* Revenue localized to the footprint of proposed new Duty Free location

Questions?