

Concourse A Building Expansion for Lounges

Budget Increase Request

Requesting Commission Authorization For:

- Budget increase for project \$26.5M
- Reimbursement increase to Delta for construction under the Tenant Reimbursement Agreement by approximately \$24M

Background

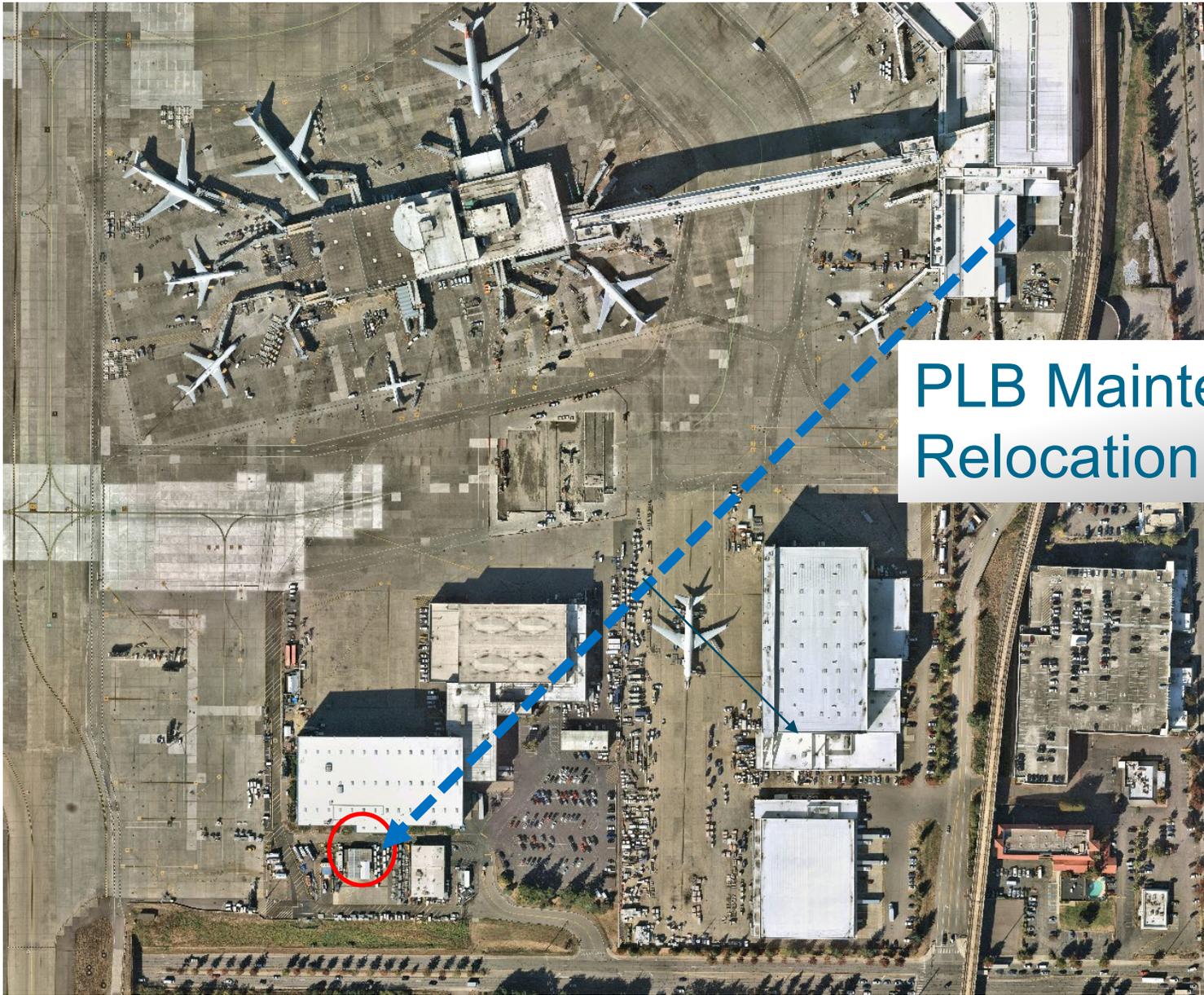
- Expansion of lounges will support increased passenger levels with the opening of the International Arrivals Facility (IAF)
- Shared lounge volumes have increased significantly since 2015 (compared to 2019)
 - a total of 390% in shared use lounges
 - 899% in Concourse A lounge alone
 - The Club at SEA lounge today is undersized to meet growing demand
 - On average 861 passengers per month were turned away pre-pandemic
- Delta Air Lines constructing an expansion of Concourse A using a TRA
 - Design of base building approved by Commission on April 27, 2021 and updated based on the 60% design on December 14, 2021.

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PLB Maintenance Shop
Relocation to 188M Site



Cost Escalation Categories:

- **Scope Addition**
 - known and indicated scope additions between 60% and 100% design. Includes the design development for the Passenger Loading Bridge (PLB) Maintenance shop.
- **Market Conditions / Global Supply Chain**
 - application of average material and anticipated labor cost escalation; costs reflective of the challenging bid environment.
- **Buyout Contingency**
 - additional contingency the contractor has applied to the proposal identifying cost risk until all trade partners are under contract
- **Delta & Port Soft Costs**
 - costs associated with design development, design support during construction, and risk contingencies managed by the Port.

Areas of cost increase from 60% Design Development to Final Design

Increase	Variance	Reason for Increase
Scope Additions	\$8,000,000	Maintenance shop replacement, added sitework, HVAC and electrical scope additions, added contractor markups
Market Conditions / Global Supply Chain	\$8,500,000	Material price increases, delayed construction start, increased construction schedule, added contractor markups
Buyout Contingency / Risk Contingency	\$5,600,000	Potential risks due to volatile construction market
Delta Soft Costs	\$800,000	Increased design fee for scope adds, Delta PM increase
Port Costs	\$3,600,000	Increased Port management, Port contingency
TOTAL	\$26,500,000	

Risks

- If design and permitting of the new 188M PLB Maintenance shop takes longer than anticipated, construction of the Concourse A expansion could be further delayed.
- A longer construction duration within the adjacent Club at SEA will increase the period for the temporary alternate accommodation of passenger lounge users.

Budget and Schedule

- Current Budget \$78,500,000
- Requested Budget \$105,000,000

Schedule:

- Construction Start 2022 Q3
- Construction Finish 2024 Q1

An architectural rendering of a modern, multi-story building with a prominent grid-like facade. The building features large glass windows and a complex, layered structure. The word "Questions?" is overlaid in the center of the image. The background shows other buildings and a clear sky.

Questions?