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COMMISSION

AGENDA MEMORANDUM Item No. 11c

BRIEFING ITEM Date of Meeting September 27, 2022

DATE: September 27, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Jeffrey Brown, Aviation Chief Development Officer

Eileen Francisco, Director Aviation Project Management

SUBJECT: South Concourse Evolution Project Briefing

EXECUTIVE SUMMARY

The South Concourse Evolution project proposes the renovation of the existing South Concourse, located at Seattle-Tacoma International Airport (SEA), using a multi-phase implementation strategy. The capital improvement project will extend the useful life of the South Concourse and meet current code requirements. This includes structural, seismic and building system upgrades as well as modernization of passenger spaces. The scope addresses the Port's two-tiered objectives:

(1) Addressing critical code requirements, including structural and building systems upgrades.

(2) Providing enhancements to the passenger experience through a repurposing of the existing Federal Inspection Service (FIS) area , Concourse Level renovations, and an expanded Penthouse Level.

The purpose of this briefing is to provide an update on the status of the project and notify Commission of the team's intent to return in October to request an Authorization of \$100M to start the procurement of professional services and contractors to begin the program management, design and pre-construction of the project. The overall project budget range at 15% design is \$1.4B - \$1.7B. The anticipated schedule is to begin construction in 2025 and complete in 2031.

PROJECT STATUS UPDATE

The South Concourse Evolution project has completed the Project Definition Document (PDD) and has reached a design milestone of approximately 15% design. The team is ready to assemble its full delivery team and begin the project delivery process. The team has selected an alternate delivery method, General Contractor/Construction Manager (GC/CM), for this project. The team is currently developing and refining the project and is prepared to begin procurements for the project management, design, commissioning, and contractor teams to kick-off the collaborative design. The team will be requesting \$100M in authorization and the ability to execute contracts,

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complete pre-construction services, and to begin the partnership culminating in a completed design and contract for construction. This next airport mega project will be a complex, multiyear effort and include regular and robust engagement and communication with Commission, the public, the airlines, tenants, staff, and diverse stakeholders.

Project Scope

The South Concourse Evolution project proposes the renovation of the existing South Concourse using a multi-phase implementation strategy. The capital improvement project will extend the useful life of the South Concourse and meet current code requirements. This includes structural, seismic and building system upgrades as well as modernization of passenger spaces. The scope addresses the Port's two-tiered objective, addressing critical code requirements, including structural and building systems upgrades; and providing enhancements to the passenger experience through a repurposing of the existing FIS, Concourse Level renovations, and an expanded Penthouse Level.

Anticipated structural improvements are provided through new external structures (gatepods) which serve as lateral frames that tie into the existing structural elements providing lateral and seismic support. The new gatepods will respond to the structural and seismic needs of the facility, while also providing much needed passenger flow by adding stairs and elevators for each contact gate. The north and east side of the facility will require new apron pavement sloped away from the building to comply with current codes.

The terminal space programming has been completed. The passenger volumes were accommodated during peak periods to industry-accepted standards and allowances. The

requirements were based upon established accepted practice relating the projected peak volume of activity to several other variables, including passenger dwell times and flow rates, baggage volumes and flow rates, maximum allowable queue sizes or times, space required per unit of queue, and space required per unit volume.

The passenger flow from the STS level will re-route through the old FIS area, changing the configuration of the escalators. The open concourse level provides the flexibility in terms of passenger flow and wayfinding, the ability to configure concessions, seating, and other passenger services. This configuration also maximizes the leasable footprint of the South Concourse and limits unnecessary or redundant circulation area. On the concourse, blended holdroom concepts will include a mix of traditional tandem seating, lounge and casual seating, tables, and cluster seating. The seating area will include power and charging capabilities. Multiple seating types provide the optimal configuration for passengers to work on their laptops or eat or visit with their family or group. Restrooms within the facility will be renovated or replaced. In the case of replacement, including the concourse, all-gender restrooms will be incorporated.

Sustainable development at SEA is a core principle of the Port. The sustainability objectives for this project consist of conserving energy, managing material use, enhancing the environment, and safeguarding water. The environmental objectives will be further developed once

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professionals are on board. The project has set a sustainability goal of the United States Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) Silver Certification.

New Amenities

- Additional space will be provided for airline club/lounges on the existing roof level
- A sensory room will be added for passengers to decompress, reset, and rejuvenate
- A dedicated children's play area
- A service animal relief area
- Two private nursing suites on different levels
- An interfaith prayer and meditation room
- Art to connect with the surrounding community and SEA's vision for the South Concourse
- Space for development of an entirely new Airport Dining and Retail program on multiple levels
- A staffed intuitive information hub
- An updated load dock accommodating multiple waste paths

Project Assumptions and Exceptions

- The number of gates will not increase
- The Baggage Optimization Program completes all baggage handling modifications for the concourse; no baggage handling systems work will be included
- The Passenger Loading Bridge (PLB) replacement program completes all passenger loading bridge improvements; no PLB work will be included
- Two club/lounge spaces will be provided
- Reuse of new improvements to infrastructure made to bridge the gap until the project, such as the recently completed HVAC system upgrades on the concourse level, will be maximized
- Shared/common kitchen concept to maximize space available on concourse level for ADR program

Project Schedule

The team's near term focus will be on:

- (1) Assembling a full, qualified team of professionals and contractors to deliver this next airport mega project.
- (2) Solidifying the management plans and procedures that will be used to ensure its successful and collaborative execution.

Launch PM Support (including the ATR liaison), 2022 Quarter 4

Design, GC/CM, and Commissioning team

procurements

Execute Project Management Plan 2023 Quarter 2

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Execute contracts for delivery team to start 2023 Quarter 4

design/pre-construction phase

Start design/pre-construction phase 2023 Quarter 4

Project Budget

The current estimate is based on the programmatic scope of work defined in the Project Definition Document (PDD), which has a level of detail equivalent to approximately 15% design. The estimated cost includes allowances and contingencies. Project risks, operational mitigations, and environmental objectives will be further developed and are deferred to the design once professionals are on board. The level of detail for the estimate is normal and customary at this stage of the project.

Current Estimate Range: \$1.4B – \$1.7B.

Project Risks and Mitigation Strategies

Continuity of operations and maintaining the highest passenger experience during the project is paramount to the success of this endeavor. The team has identified and assembled a risk register that contains project risks that will need to be actively managed throughout project delivery. The team will employ a risk management strategy, wherein the project will avoid risks whenever possible, develop methods to minimize impacts that cannot be completely avoided, or mitigate unavoidable impacts by developing specific solutions to address problems that cannot be resolved through other means, and provide the resources required to affect those solutions.

Staff will change design, develop construction strategies, modify staging, adjust operations, and utilize a collaborative project management approach to resolve risks. The team will communicate and report risks and mitigation as part of the project team's design, construction, commissioning, and turn-over effort.

Project Delivery

Execution of this project will require extremely focused, multiple phase work sequencing coordinated both within the project's South Concourse footprint and across the larger airport campus – e.g., contractor logistics, materials staging, airline operational contingencies and resource prioritization to ensure support from airline and Port teams. It is because of this need for flexibility, collaboration and nimble responsiveness, the GC/CM alternative delivery contracting method will be used to deliver this project.

A lesson learned from previous mega projects that was successfully completed three months ahead of schedule and within budget using GC/CM, is that this contracting method allows for early engagement of the contractor team and best facilitates alignment of design, construction, and owner goals.

The team intends to manage its procurement schedule so that project management support, design, contractor, and commissioning teams will all be brought on-board together so that they all have the same starting line. This will give the Port the benefit of the best team collaboration

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and partnership as well as the best advice on constructability and market conditions concurrently.

Diversity in Contracting

This project has been proposed to the FAA as a recipient for federal grant funding; in anticipation of that federal funding, the Port will be following the federal Disadvantaged Business Enterprise (DBE) program guidelines as stated within CFR 49 Part 26.

ADDITIONAL BACKGROUND

The South Concourse facility at SEA was opened in 1973 and is owned and operated by the Port. The facility depends on building systems that are well past their useful service life, and further development of the facility has been limited by the authorities having jurisdiction, owing to concerns stemming from current building code minimum requirements. The building systems and materials used in the original construction, due to their age and manufacture, are difficult to maintain. The facility also contains areas of encapsulated regulated materials, such as asbestos, complicating maintenance, renovation, and development. Since the South Concourse was constructed, passenger volumes and aircraft operations have increased dramatically, security regulations have expanded, passenger level of service expectations have evolved, and airlines and retailers have changed their marketing strategies. Recently, the South Concourse was connected directly to the new International Arrivals Facility (IAF) across the taxi lane separating it via an above ground pedestrian walkway. The project will connect the continuity of design from the IAF and walkway to this project for a seamless continuous terminal aesthetic.

ATTACHMENTS TO THIS BRIEFING

(1) Presentation slides.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

April 13, 2021 – The Commission was briefed on SSAT Renovation Renewal PDD.
September 8, 2020 – The Commission authorized up to \$600,000 in change order funds to Contract MC-0319530 South Satellite Infrastructure Upgrade for repair, replacement and modifications to the heating hot water circulating pumps at the South Satellite (SSAT), Seattle-Tacoma International Airport.
February 28, 2017 – The Commission authorized \$4,300,000 to initiate programming and develop design alternatives for the South Satellite Renovations Project using Port staff and consultants and advertise and execute a project-specific service agreement for Project Management Services for the South Satellite Renovations Project.
January 17, 2017 – The Commission authorized \$1,300,000 for the design of the South Satellite Heating Ventilation and Air Conditioning (HVAC) Upgrade project.
November 8, 2016 – The Commission authorized design and construction for the South Satellite Structural Improvements project.

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August 9, 2016 – The Commission approved the implementation of the 2017 – 2021 Long Range Plan that included the planning for renovation of the SSAT as a priority action in advancing this region as a leading tourism destination and business gateway.
March 14, 2016 – The Commission authorized award/execution of the major public works construction contract for Phase Two of the South Satellite Interior Renovations project.
November 24, 2015 – The Commission authorized construction of Phase Two of the South Satellite Interior Renovations project.
September 8, 2015 – The Commission discussed the IAF wrap-up and next steps including a commitment to add a SSAT Renovation project to the 5-year CIP.
August 11, 2015 – The Commission led a Special Meeting, Roundtable with Airline Representatives related to the International Arrivals Facility (IAF) and SSAT.
December 9, 2014 – The Commission authorized construction of Phase One of the South Satellite Interior Renovations project.
August 5, 2014 – The Commission authorized design funds for the South Satellite Interior Renovations project.

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