

# **Budget Increase Request Concourse A Building Expansion for Lounges (C801205)**

June 27, 2023

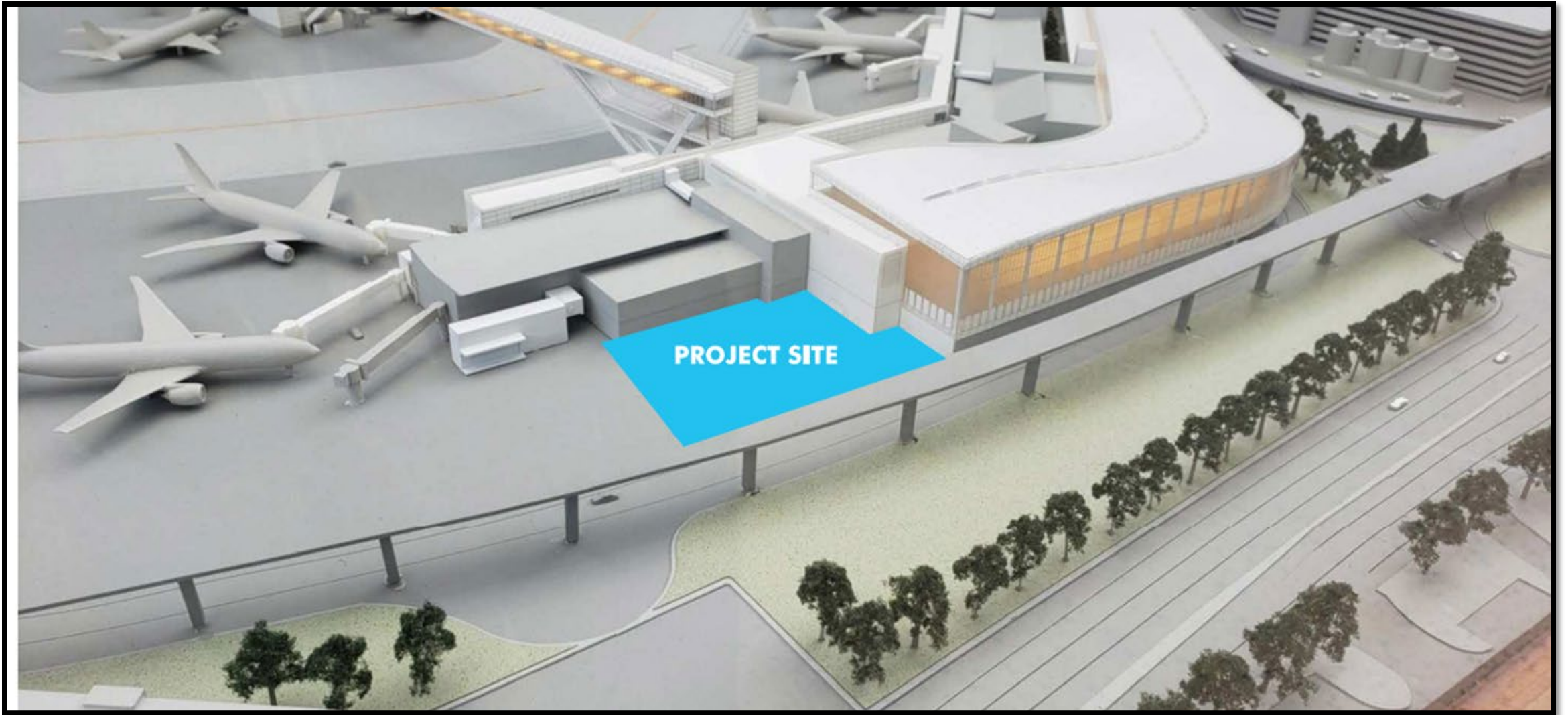
# Background

- The airport existing lounge space is insufficient to meet passenger demand. This project allows Delta Air Lines to design and construct a building addition to increase the supply of terminal lounge space, using a Tenant Reimbursement Agreement (TRA).
- Design was completed in 2022 and construction is currently underway for this 52,000 square-foot building expansion near the end of Concourse A.
- Incorporates a new passenger lounge for Delta and provide a new buildout space for the Port's shared-use lounge (Club at SEA).

# Justification

- Delta has notified the Port of additional project increases and escalations during their efforts to execute an agreement for the Final Guaranteed Maximum Price (FGMP) with their Contractor.
- Today's request is to increase the budget to allow for added costs the project will incur due to:
  - Delayed construction start and subsequent increases to the overall project duration.
  - Escalation in construction costs for materials and labor and the volatility in the construction market and global supply chains.

# Concourse A Building Expansion for Lounges



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# Overview of Cost Increases

December 2021	
Total Project Cost	\$78.5M
TRA Value	\$66M
<b><u>Project Status</u></b>	
<ul style="list-style-type: none"> <li>60% Design</li> </ul>	
<b><u>Cost Drivers</u></b>	
<ul style="list-style-type: none"> <li>Initial estimate</li> </ul>	

May 2022	
Total Project Cost	\$105M
TRA Value	\$89.9M
<b><u>Project Status</u></b>	
<ul style="list-style-type: none"> <li>100% Permit Submittal</li> </ul>	
<b><u>Cost Drivers</u></b>	
<ul style="list-style-type: none"> <li>Design progression (60% - permit)</li> <li>No FGMP</li> </ul>	

June 2023	
Total Project Cost	\$126.5M
TRA Value	\$111.5M
<b><u>Project Status</u></b>	
<ul style="list-style-type: none"> <li>Construction Document Set</li> </ul>	
<b><u>Cost Drivers</u></b>	
<ul style="list-style-type: none"> <li>Delayed construction start</li> <li>Escalation construction cost/materials</li> <li>No FGMP</li> </ul>	



# Request

- 1) Increase the authorized total project budget by \$21,507,000, and
- 2) Increase the TRA budget from \$89,960,000 to \$111,508,000.

This results in a total estimated project cost of \$126,507,000.

An architectural rendering of a modern, multi-story building with a prominent grid-like facade. The building features large windows and a complex, layered structure. The word "Questions?" is overlaid in the center of the image in a dark blue font. The background is a light, hazy sky, and other buildings are visible in the distance.

Questions?