

# Sea-Tac International Airport NorthSTAR Program

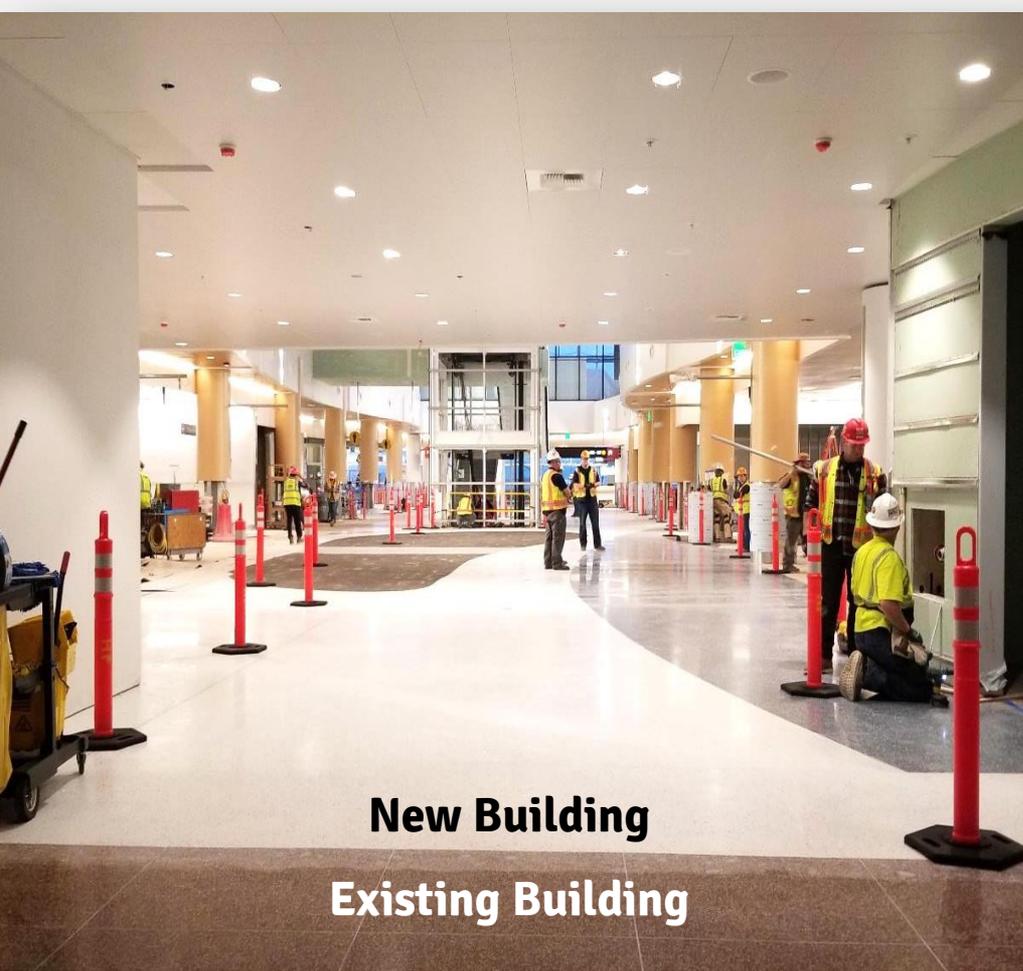
Fourth Quarter 2018  
Program and North Satellite  
Project Update



# 2018 Q4 Brief News

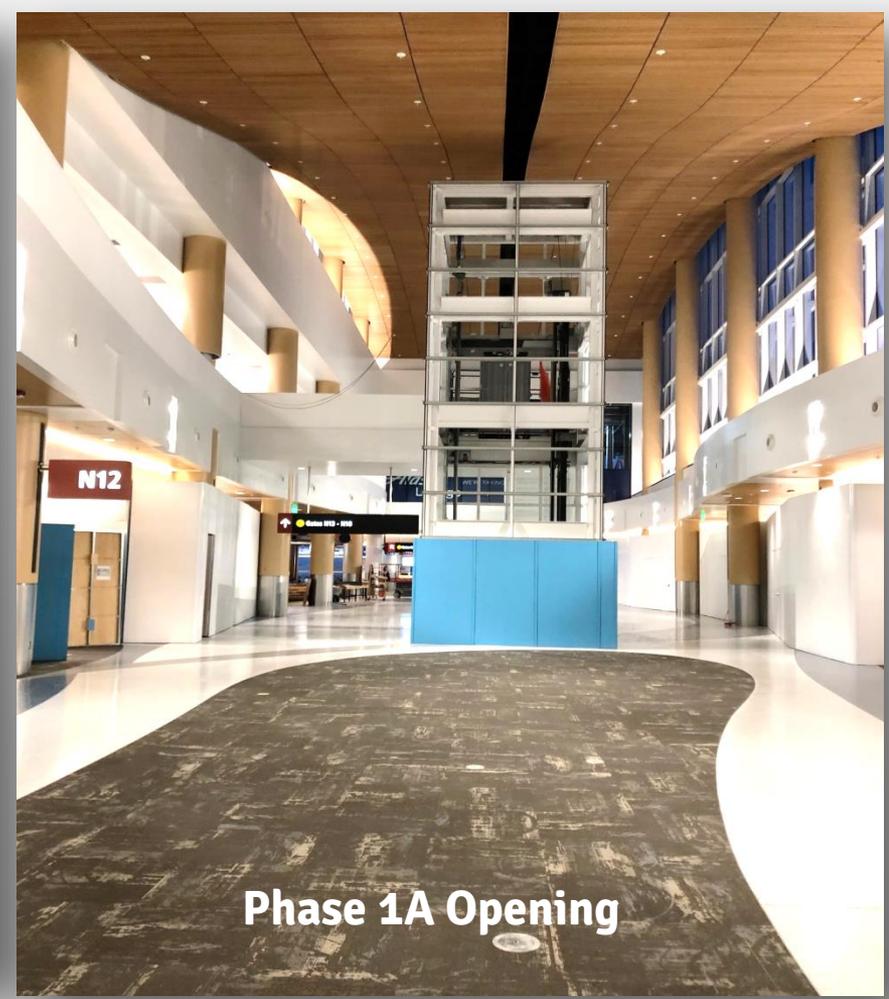
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- At budget & schedule. Opened 5 gates on Jan 23, 2019 ●
- ADR tenants opening mid February and early March, 2019. Alaska TI, Alaska Lounge are tracking progress to their openings
- Concourse C train station closed January 2, 2019 for duration of construction, about 11 months
- Q4 project worker peak: 250 workers; safety scorecard ●
- Opened escalator NS2
- Small Business Apprenticeship/Utilization on track to meet or exceed goals
- Looking ahead to opening 5 more gates, remaining ADR spaces and transitioning to Phase 2



**New Building**

**Existing Building**



**Phase 1A Opening**

EXIT

Gates N16 - N17



N18

N16

N16

N16





# AGENDA

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- Project Overview
- 2018 Quarter 4 News
- Budget
- Schedule
- Challenges
- Accomplishments
- Look Ahead

# PROJECT OVERVIEW

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- 12 to 20 contact gate positions
  - 263,000 sf to 428,000 sf

## Key elements:

Infrastructure

Marketplace

Gate additions

Station lobbies

Clerestory “river”

Technology

Airline services

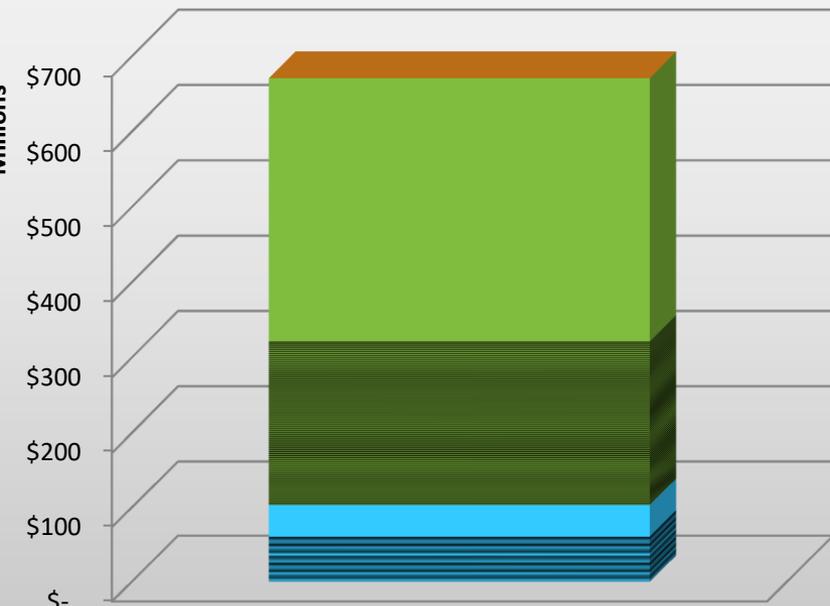
Seismic reinforcement

# 2018 Q4 News

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- At budget & schedule. Opened Phase 1A of 5 gates on Jan 23, 2019 ●
- Tenant spaces (Alaska TI, Alaska Lounge) under construction by tenant; tracking their progress to openings
- ADR tenants opening mid February and early March, 2019
- Concourse C train station closed January 2, 2019 for duration of construction, about 11 months
- Q4 project worker peak: 250 workers; safety scorecard ●
- Collaborated with procurement and deployment of Port furnished items: Passenger Loading Bridges, load dock equipment, recycle containers
- Opened escalator NS2
- Performed simulation and successfully activated Phase 1A

# FINANCIAL PROGRESS REPORT



- Management Reserve Remaining
- Construction Remaining
- Construction Spent
- Soft Cost Remaining
- Soft Cost Spent

Authorization Summary	Capital	Expense	Total
Current Budget	\$659.8M	\$12.3M	\$672.1M
Current Authorization	\$659.8M	\$12.3M	\$672.1M
Remaining to be Authorized	\$0.0M	\$0.0M	\$0.0M

*Total Project (Capital + Expense)*

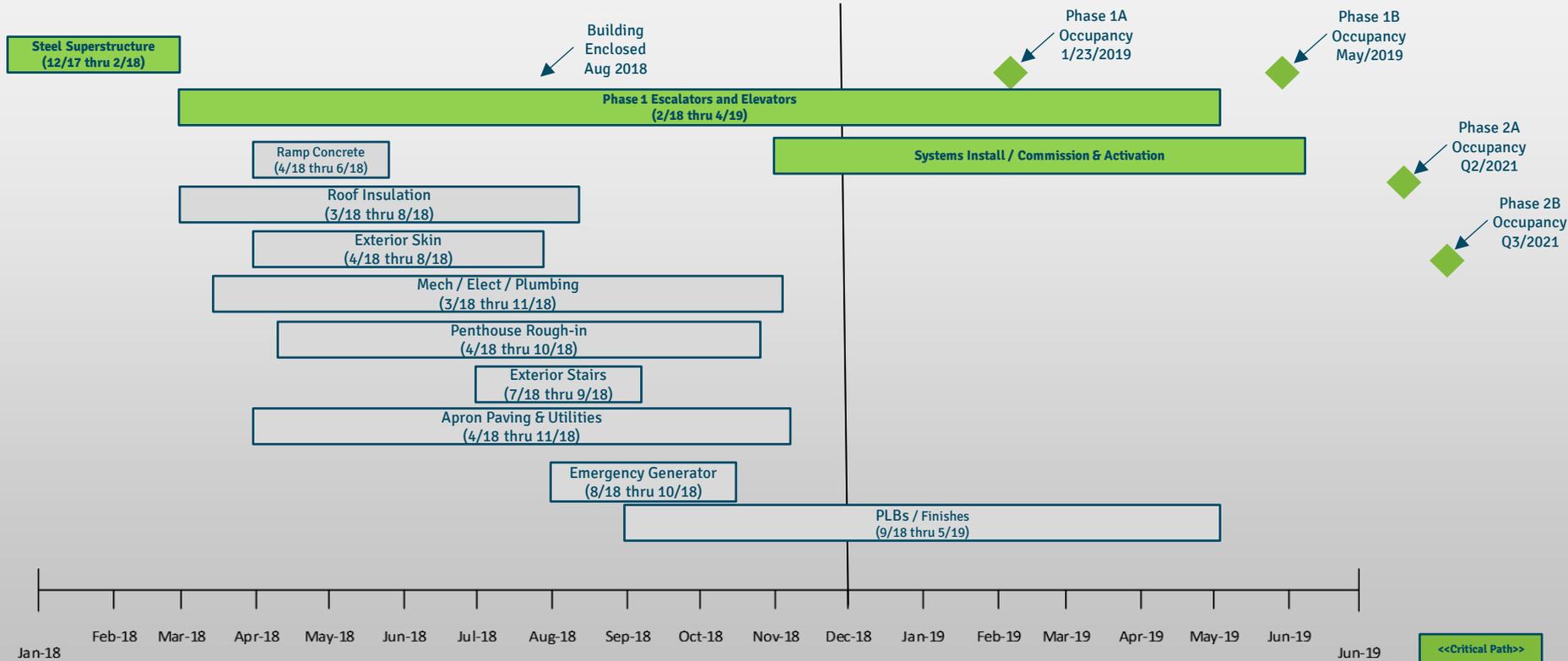
	Prior Budget	Period Changes	Current Budget	Spent to Date	Forecast at Completion	Variance
Soft Cost	\$94.2M	\$0.0M	\$94.2M	\$60.7M	\$103.2M	\$9.0M
Construction	\$545.9M	\$5.8M	\$551.7M	\$217.8M	\$568.9M	\$17.2M
Construction Contingency	\$15.3M	<\$5.0M>	\$10.3M		\$0.0M	<\$10.3M>
Project Contingency	\$1.1M	<\$0.2M>	\$0.9M		\$0.0M	<\$0.9M>
Management Reserve	\$15.6M	<\$0.6M>	\$15.0M		\$0.0M	<\$15.0M>
	<b>\$672.1M</b>	<b>\$0.0M</b>	<b>\$672.1M</b>	<b>\$278.5M</b>	<b>\$672.1M</b>	<b>\$0M</b>

# FINANCIAL PROGRESS REPORT

Value	Deducts from Management Reserve
<\$648,900>	Tenant Improvements (1)
<\$648,900>	<b>TOTAL DEDUCT FROM MANAGEMENT RESERVE</b>

- Management Reserve was reduced by \$643,900 during Q4 2018 for addition of Phase 2 Service Corridor
- Management Reserve will be further reduced to cover the forecasted \$3.5M overage to reconcile the final contractual Design Development Allowance
- Forecasting the remaining \$10.3M Construction Contingency will be spent on current trends (\$11.4M), risks in retrofitting the existing building and additional unforeseen underground items (utilities, contaminated soil)
- Forecasting future reductions in the \$15.9M Project Contingency and Management Reserve for additional discretionary changes, risks in retrofitting the existing building, unforeseen items, retaining staff (soft costs) and to replenish construction contingency
- \$351.1M in construction remain to be spent

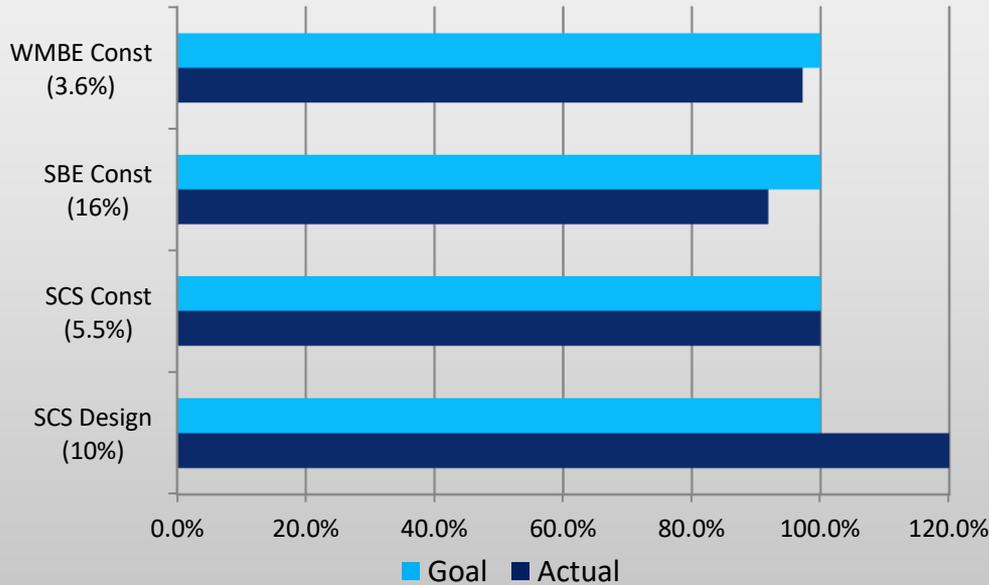
# SCHEDULE



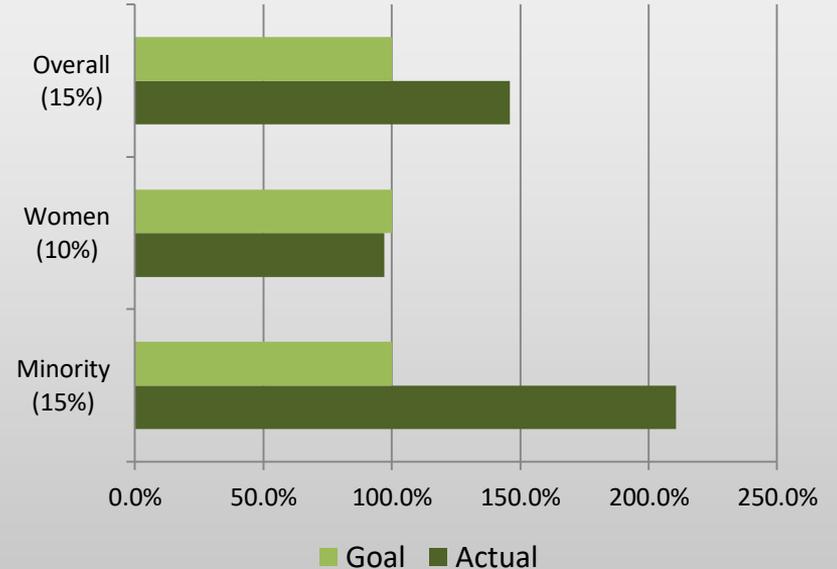
Critical Path on track through Phase 1 opening

# SMALL BUSINESS/APPRENTICESHIP UTILIZATION

## SCS/SBE/WMBE



## APPRENTICESHIP



- On track to meet or exceed 2014 goals by completion

# CHALLENGES

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-  Construction Schedule – Remains on track, Opened Phase 1A January 23, 2019; tracking Phase 1B opening May 6, 2019
-  Central Core phasing - Complex; Minimize passenger and operational level of service impacts
-  On budget; but need to cover scope changes during construction
-  Completing work in an Operational Area
-  Contractor Design Development forecast exceeds contract allowance; using Management Reserve to cover excess
-  Shortages of workers in critical trades are being mitigated by working additional days per week on overtime

# ACCOMPLISHMENTS

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- ✓ Phase 1A successful opening on schedule
- 📅 Performed full-scale passenger experience simulation (ORAT) of Phase 1A facilities
- 👷 Started construction in existing NSAT building
- 🤝 Passenger Loading Bridge procurement and installation lessons learned will inform next phase opening
- ✓ Conducted joint Commissioning and Activation meetings to develop Phase 1 Activation Plans
- 👍 Finalized Port furnished Phase 1 A & B items including deployment, commissioning and activation (ICT electronics, load dock equipment, recycle containers)
- 🚚 Emergency Generator placed into service for NSAT
- 👷 On track to complete 5 tenant spaces for Airport Dining & Retail (ADR) tenant construction
- 📱 Closed Concourse C STS and vertical circulation to Concourse area for construction. Demolished escalators

# Look Ahead

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- ✓ Open Expansion west side restrooms in March
- ✓ Open remaining ADR tenants and deploy temporary Grab and Go concession in expansion area in February
- 👍 Activate new load dock with better accessibility and improved amenities in March
- 👷 NS2 escalator nearly complete
- ✓ Phase 1 Expansion
  - Ramp concrete placement on west in March
  - Ramp area progressing for new gates in May
  - Baggage expansion progressing
  - Third floor areas on track
  - Remaining expansion holdrooms and gate activation
  - Concourse C vertical circulation demolition and construction underway
- 👷 Continuing construction in Alaska Lounge
- 👍 Final LEED design submittal review by US Green Building Council anticipated February

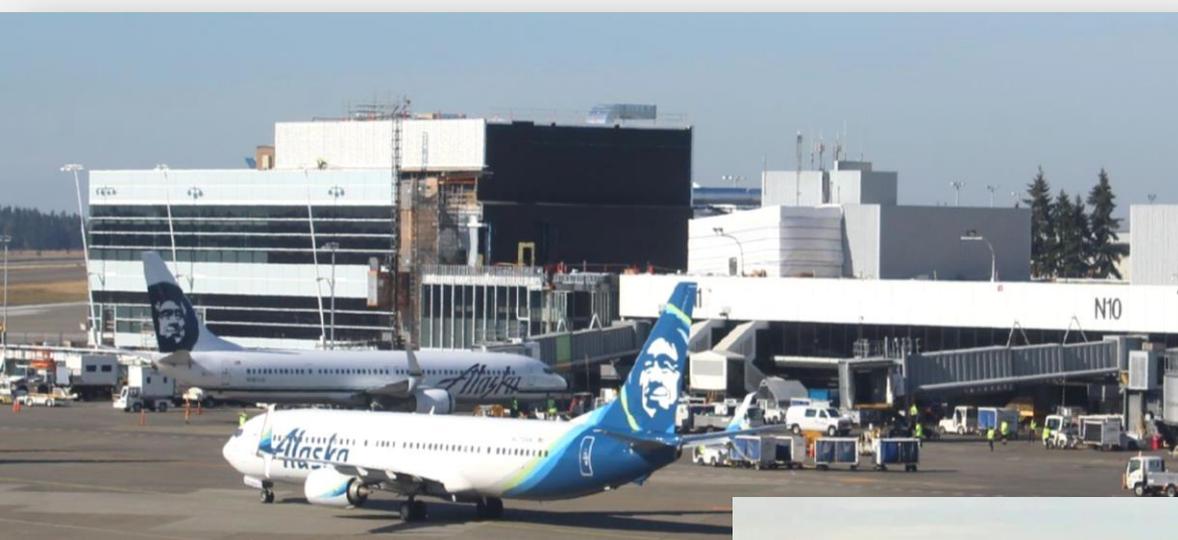


Oct 2018

Feb 2019



View of the New Expansion from Fire Station



← Oct 2018

Feb 2019



View of the New Expansion from Concourse C

# Rendering of NSAT - 2016



# View from Air Cargo Road – February 2019



View from Air Cargo Road

