



CAPITAL PROJECT QUARTERLY UPDATE

Q1 2019



Service and Stewardship

PRINCIPLES FOR CAPITAL PROJECT DEVELOPMENT

Customer Service

- Meet expanded need for existing airport, seaport and real estate business lines

Community and Environmental Health

- Enhance environment or sustainability

Economic Opportunity

- Support business opportunities for the port and related industries

Financial Stewardship and Asset Preservation

- Renew or replace outmoded or deteriorated facilities



TRENDS WE'RE ADDRESSING WITH CAPITAL PROJECTS

More people than ever travel by air

- 4.1 billion air passengers in 2017
- Airfares, in real terms, averaged less than half what they were in 1995.
- More than 20,000 cities are connected around the world.

– From IATA 2018 report

Where are our projects?



Sea-Tac Projects

- 59 Projects
- \$ 3 Billion

Maritime Projects

- 9 Projects
- \$ 159.7 Million

Economic Dev. Projects

- 4 Projects
- \$ 50.9 Million

Stormwater or Joint Venture

- 4 Projects (Joint Venture)
- \$72 Million

Technology Projects

- 12 Projects
- \$ 36.7 Million

As of Q1 2019

Lake Washington

Capital Project Employment Benefits the Community



Job Equivalents

- In 2018 = 700
- In Q1 2019 = 600



Sales Tax on Construction

- In 2018 = \$49 million
- In Q1 2019 = \$12 million

Projects: Improving the Customer Experience



Before

After

Projects: Improving the Customer Experience

NORTH SATELLITE MODERNIZATION



Before



After

Projects: Improving the Customer Experience

CENTRAL TERMINAL RENOVATION

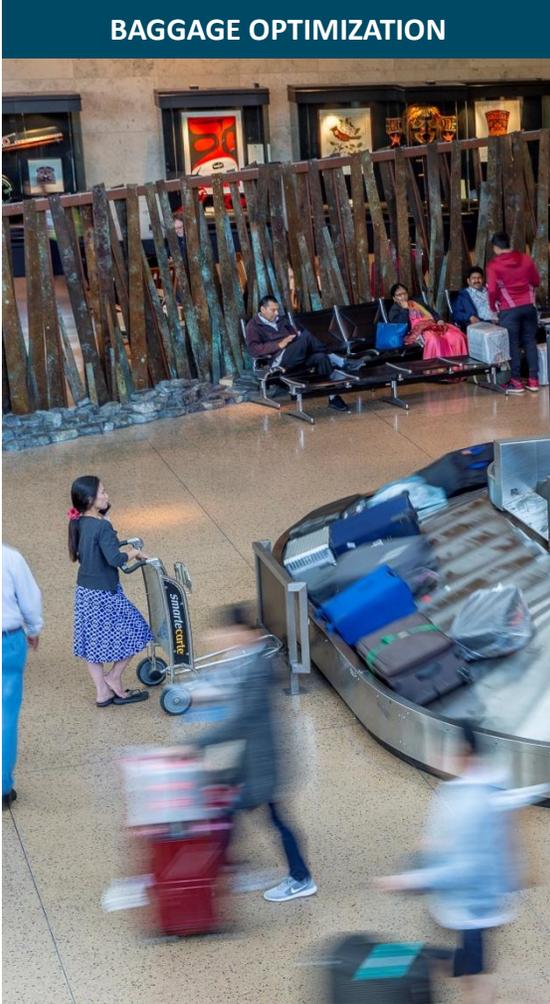


Before



After

Major Projects Status



International Arrivals Facility



IAF Details

Accomplishments:

- Flyover bridge steel erected
- POD B gates A9 & A10 operational
- Pedestrian Walkway center span steel beginning erection

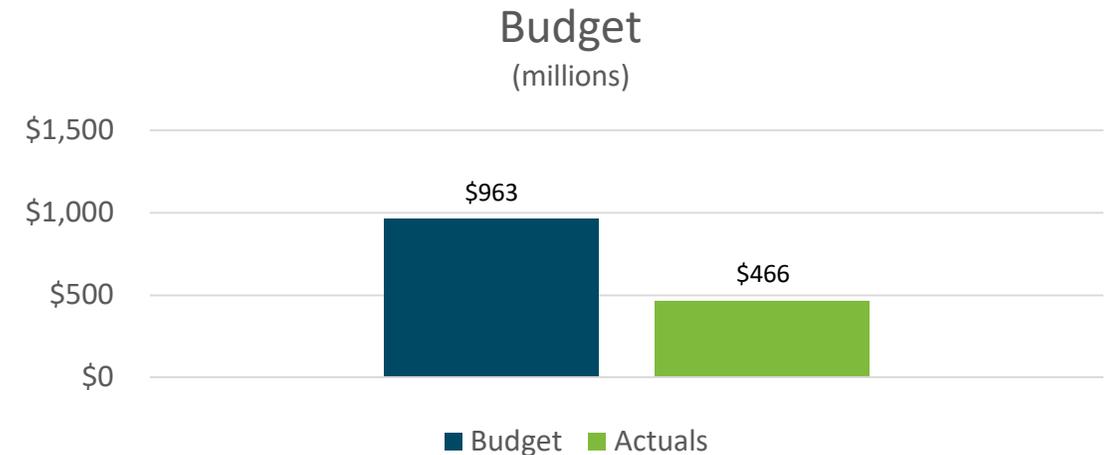
Upcoming Milestones:

- IAF Enclosure Complete (Q2)
- Pedestrian Walkway Move/Lift (Q3)
- Permanent Power Available (Q3)

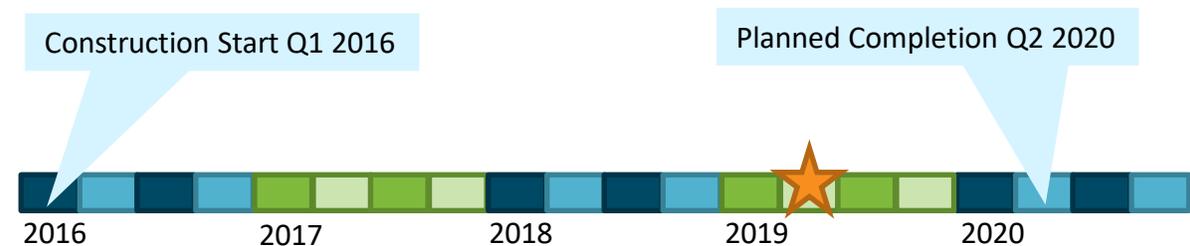
Risks:

- Customs & Border Patrol requirements pending
- Trade worker availability

Project Overview



Construction Schedule



North Satellite



NSAT Details

Accomplishments:

- Phase 1A successfully opened on schedule (5 gates)
- Opened west side restrooms in expansion ahead of schedule

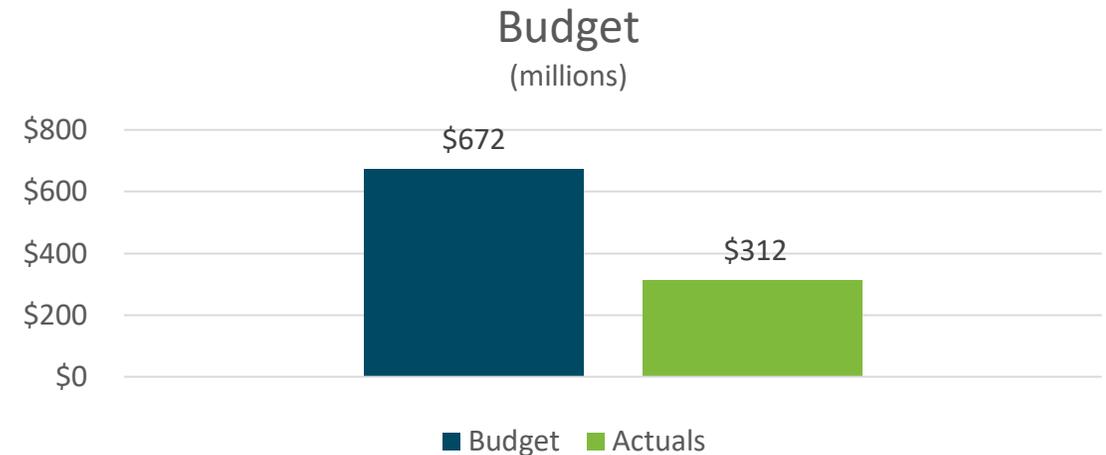
Upcoming Milestones:

- Phase 1B opening (remaining portion of expansion, 4 gates)
- Begin demolition of existing building

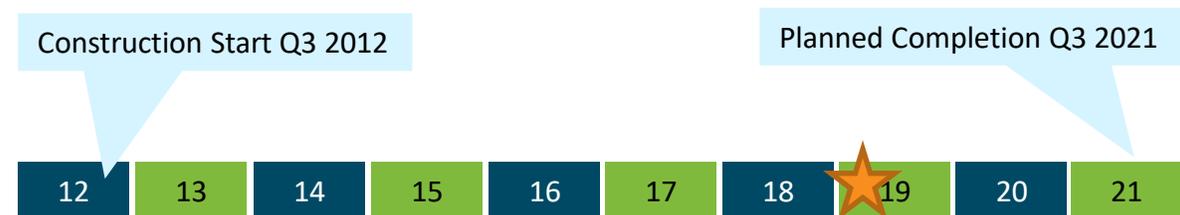
Risks:

- Shortage of critical trade workers
- Balancing turnovers between gate needs & customer service

Project Overview



Construction Schedule



Baggage Optimization



Baggage Details

Accomplishments

- Structural steel on Central Terminal bump out completed
- Conveyor Factory Acceptance Retest conducted and successful
- Phase 2 permit submitted to building department

Upcoming Milestones

- Central Terminal bump out complete
- CBRA room complete
- Commission Authorization for Phase 2 Construction (4/23/19)
- Phase 2 Advertisement (3rd Quarter)

Risks

- Phase 1 Construction behind schedule affects Phase 2 schedule
- Baggage Handling/Steel Market Conditions for Phase 2 Bid
- Replacement of damaged EDS machines critical to overall schedule impact

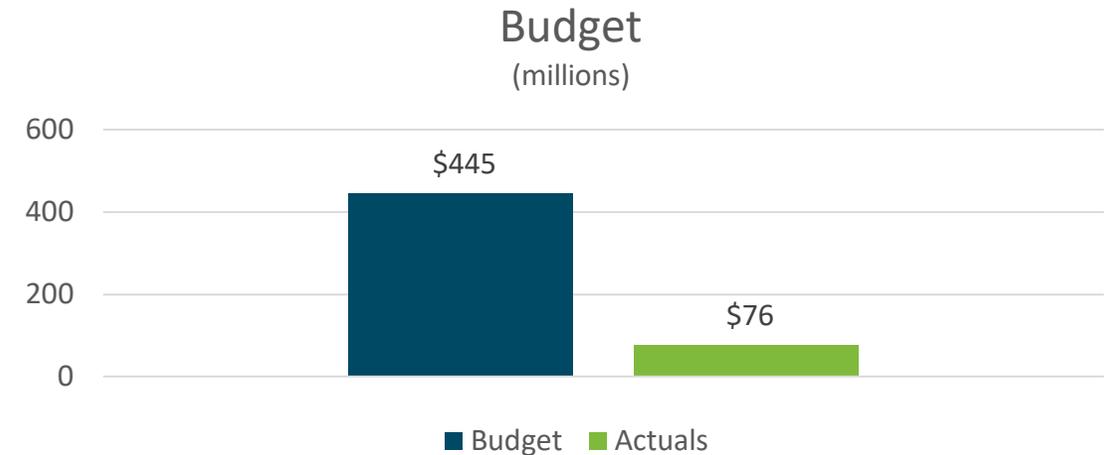
Project Overview



Budget Status



Schedule Status



Construction Schedule



Terminal 46 Cruise Terminal



Cruise Terminal Details

Accomplishments:

- Design and Consultant support funds received on 3/26

Upcoming Milestones:

- Begin design work in Q2
- Continue process to select an investment partner

Risks:

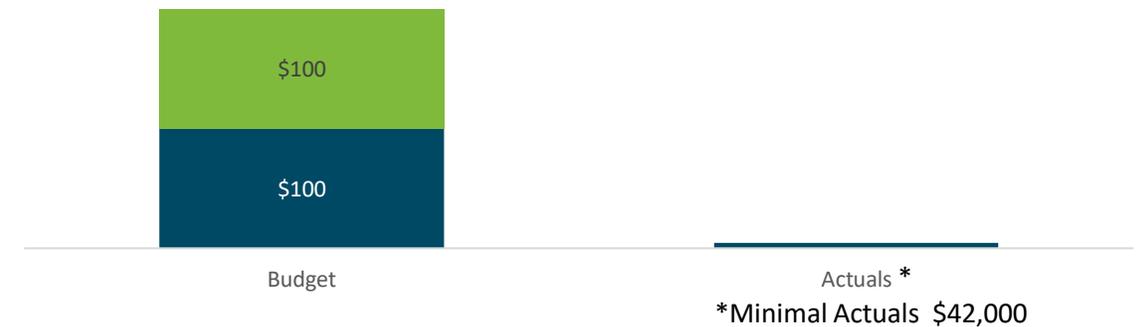
- Aggressive schedule

Project Overview



Budget
(in millions)

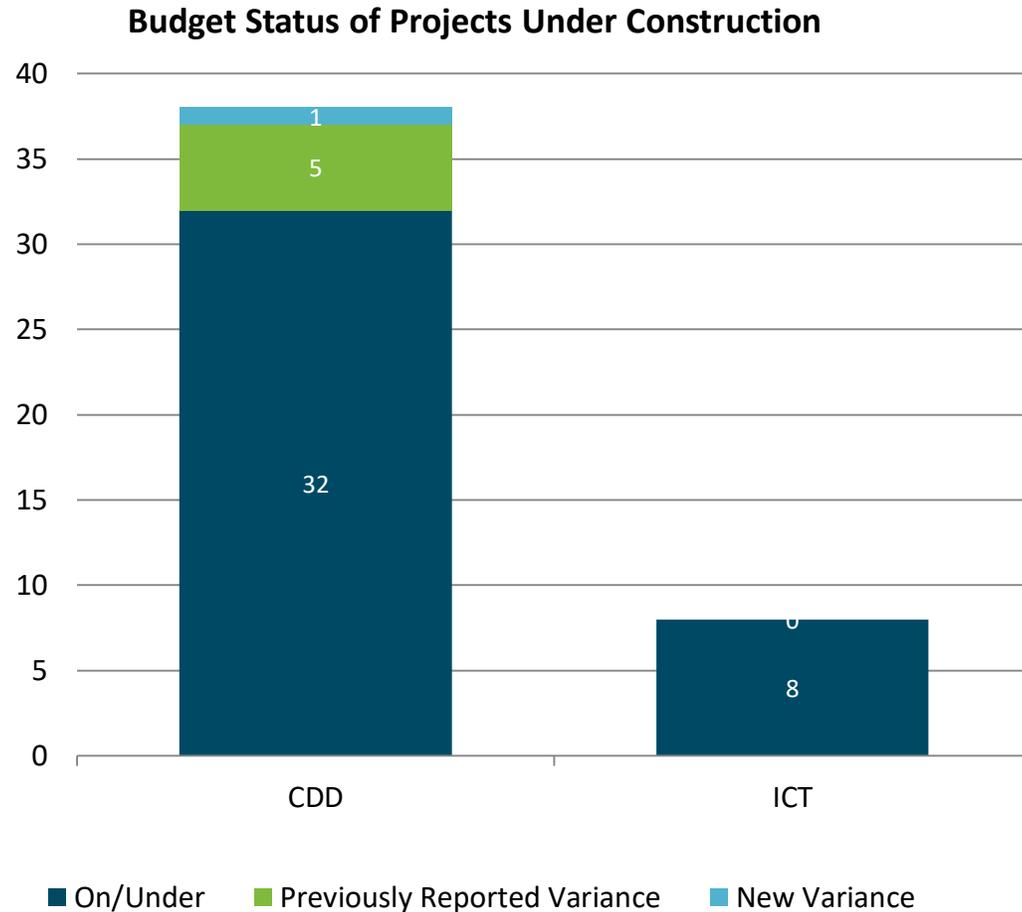
■ Port ■ Private Partner



Draft Schedule



Budget Variances on Projects in Implementation/Construction Phase



New Variance

ADR Kiosk Expansion

Reason: Concourse A Kiosk Location changed
Impact: Project team was evaluating impact at end of Q1. No impact to budget has now been determined

\$ budget: 0

% of total project budget: 0

Previously Reported Variances:

- Wi-Fi Enhancement Project: Variance of \$74K; % of total budget is <1%
- Baggage Optimization: Variance of \$40-\$80M; % of total budget is 9-18%
- Central Terminal Infrastructure: Variance of \$2.5M; % of total budget is 15%
- Passenger Loading Bridge Phase 2: Variance of \$2M; % of total budget is 20%
- Delta In-flight Services: Variance of \$90K; % of total budget is 8%

Q1 New Schedule Variances

0 Major Variances

0

3 Minor Variances

1. Mechanical Energy Conservation

Reason: Contractor resource availability delayed the start of the project

Impact: Delayed Energy Savings. Project team is working with the contractor to recover schedule.

2. Pond Bird Deterrent Improvements

Reason: Added scope due to damage sustained during February 2019 Storm

Impact: Priority for 2019 are the damaged ponds. Project team is working with the contractor to recover the approximately one month delay.

3. ADR Kiosk Expansion

Reason: Concourse A Kiosk Location changed

Impact: Identification of a new location has delayed the project approximately one year

Q1 New Schedule Variances - ICT

0 Major Variances

2 Minor Variances

0

1. Rental Car Facility Bus Tracking System

Reason: Software Deployed; Signage installation delayed due to design changes

Impact: Three month delay

2. Supplier Outreach and Procurement System

Reason: Information & Communication Technology resource constraints

Impact: Four month delay

Q1 Completed Projects - Aviation



STRUCTURAL RESILIENCY

- North Satellite Modernization Phase 1A
- South Satellite Structural Steel

SECURITY

- Terminal Security Enhancement Phase 1
- Automatic Screening Lanes Check Point 2

Q1 Completed Projects



SUSTAINABILITY

- Pier 69 Solar Panel Roof Array



RENEWAL

- Pier 69 Commission Chambers

Q2 Focus Projects



West Side Fire Station



Central Terminal Infrastructure

Trends We Watch

External Trends

- **Tight labor market**
- Materials cost
- Tariffs
- Technical and Regulatory Challenges
- **Weather**

Internal Trends

- **Changing scope**
- Staff capacity
- Aggressive schedules
- Value engineering
- **Interdepartmental coordination**
- Existing building conditions

Looking Ahead: Anticipated CD Commission Actions

Q2 2019

- Accessibility and Safety Enhancements
- Westside Fire Station
- Employee Security Screening Phase 2
- Employee Services Center
- Bell Harbor International Conference Center Construction funds
- East Marginal Way Grade Separation property conveyance/easements to City of Seattle
- Maritime Innovation Center Design
- Electrical Utility SCADA
- Cargo 4 (BT Properties) building 420E
- Surface Area Management System
- Crowd Sourced Incident Reporting Mobile Application
- Customer Relationship Management System

Action Items Subject to Change



Port of Seattle®

Questions?

Port of Seattle CLARK CONSTRUCTION SOM

Looking Ahead: Anticipated CD Commission Actions

Q3 2019	Q4 2019 (TENTATIVE)
<ul style="list-style-type: none"> • Harbor Mooring Dolphins Design • P66 Shore power Design • T91 Berths 6 & 8 Design • Emergency Generator Control • CTE Curtain Wall Setback • Checkpoint Smart LED Lighting • Central Terminal Infrastructure • RCF Camera Replacement • Concourse C new Power Center • Building Controls Upgrade • AOB Capacity Upgrades • Remote Aircraft Deicing • Central Terminal Solid Waste Improvements • Garage Elevator Shafts & Vestibules • Concourse A, D, SSAT Seating Replacement • Phone System Upgrade • Airport Common Use System Maintenance Renewal 	<ul style="list-style-type: none"> • T117 Restoration • Main Terminal Space Conversions • Cruise Terminal P3 approval and Design • Water Hammer Attenuation • Parking Garage Boiler Replacement • Fire Suppression at Comm Rooms • Utility Meter Networking • Compactor Capacity • Departure Drive Drainage Improvement • 2020 Airfield Pavement Replacement • Variable Frequency Drive • Surface Area Management • Air Cargo 4 Maintenance Upgrade • EGSE Charging Stations Phase 2 • Lost and Found • North Employee Parking Lot • Parking Garage/Conc B/C Low Voltage Upgrade • Fire Pump Replacement • Baggage Claim Refresh • Airport Wide & RCF LED Lighting • POS Office WiFi Upgrade

Action Items Subject to Change