

Where are Port projects?

Sea-Tac Projects

- 34 Projects
- \$ 2.6 Billion

Maritime Projects

- 3 Projects
- \$ 18.8 Million

Economic Dev. Projects

- 1 Project
- \$0.51K

Stormwater or Joint Venture

- 2 Projects (SWU & JV)
- \$11.7 Million

Technology Projects

- 8 Projects
- \$ 16.9 Million

As of Q2 2019

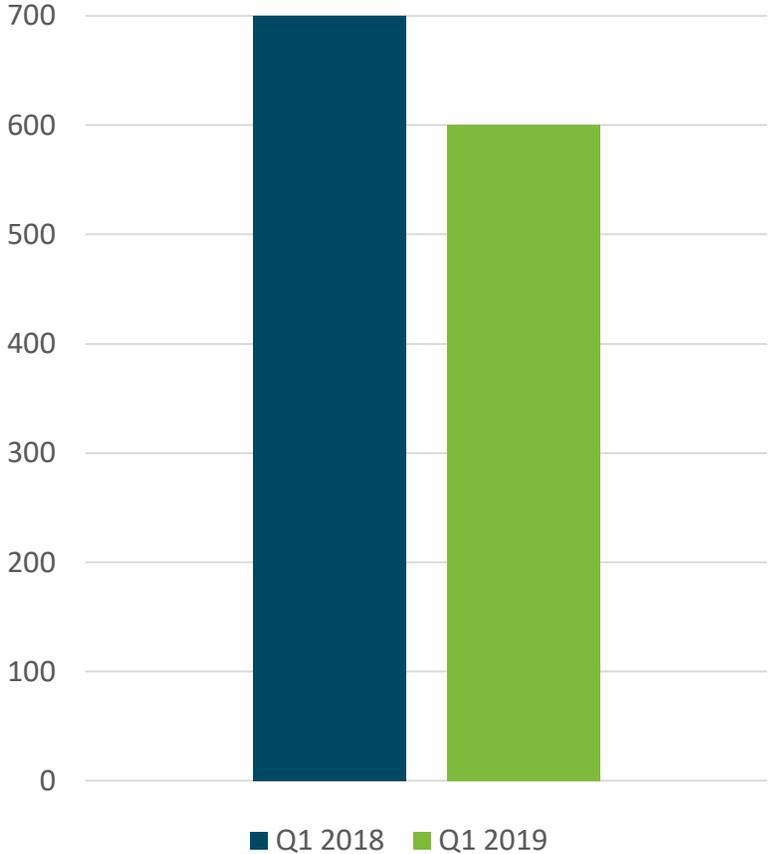
Lake Washington

N

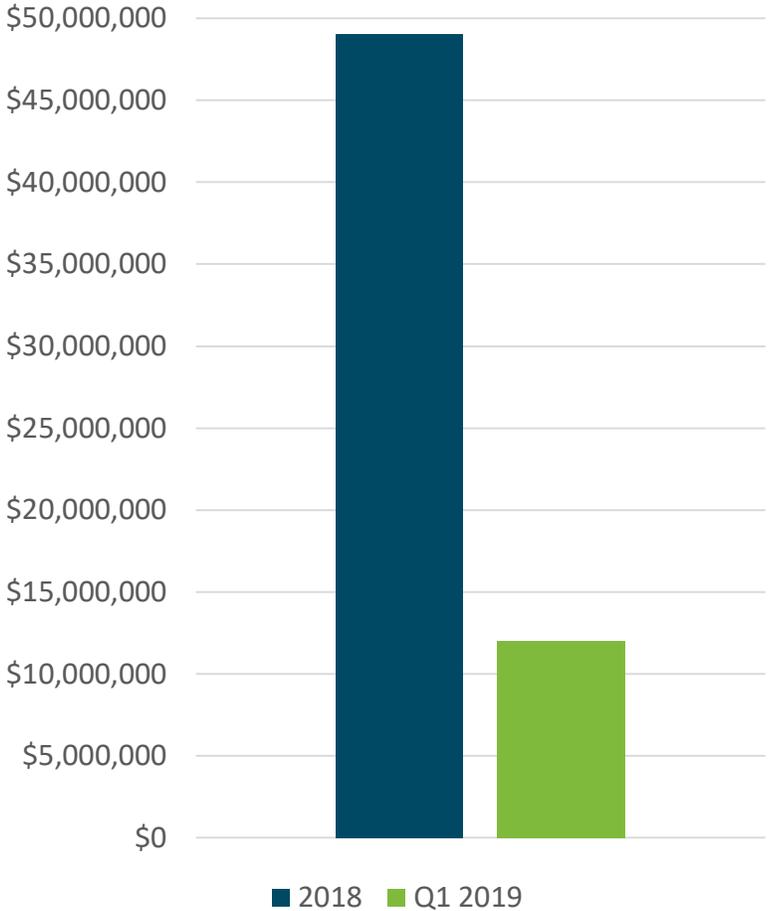
Capital Project Employment Benefits the Community



Job Equivalents



Sales Tax on Construction



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



SUMMER TRAVEL PEAK

More people traveling in Puget Sound than ever before

- Over 4.9 million passengers travelled through Sea-Tac in June 2019, an increase of 3.5% versus 2018
- 2019 cruise passenger volume forecast to rise 8.4 percent
- Tourism is Washington state's fourth largest industry

Trends We Watch

External Trends

- **Regulatory and permit requirements**
- Rising cost of construction
- Tight construction market
- Materials cost
- Tariffs

Internal Trends

- **Acceptable impact on operations and customer service**
- **Project volume**
- **Staff capacity**
- **Aggressiveness of schedules**
- Changing scope
- Interdepartmental coordination
- Existing building conditions

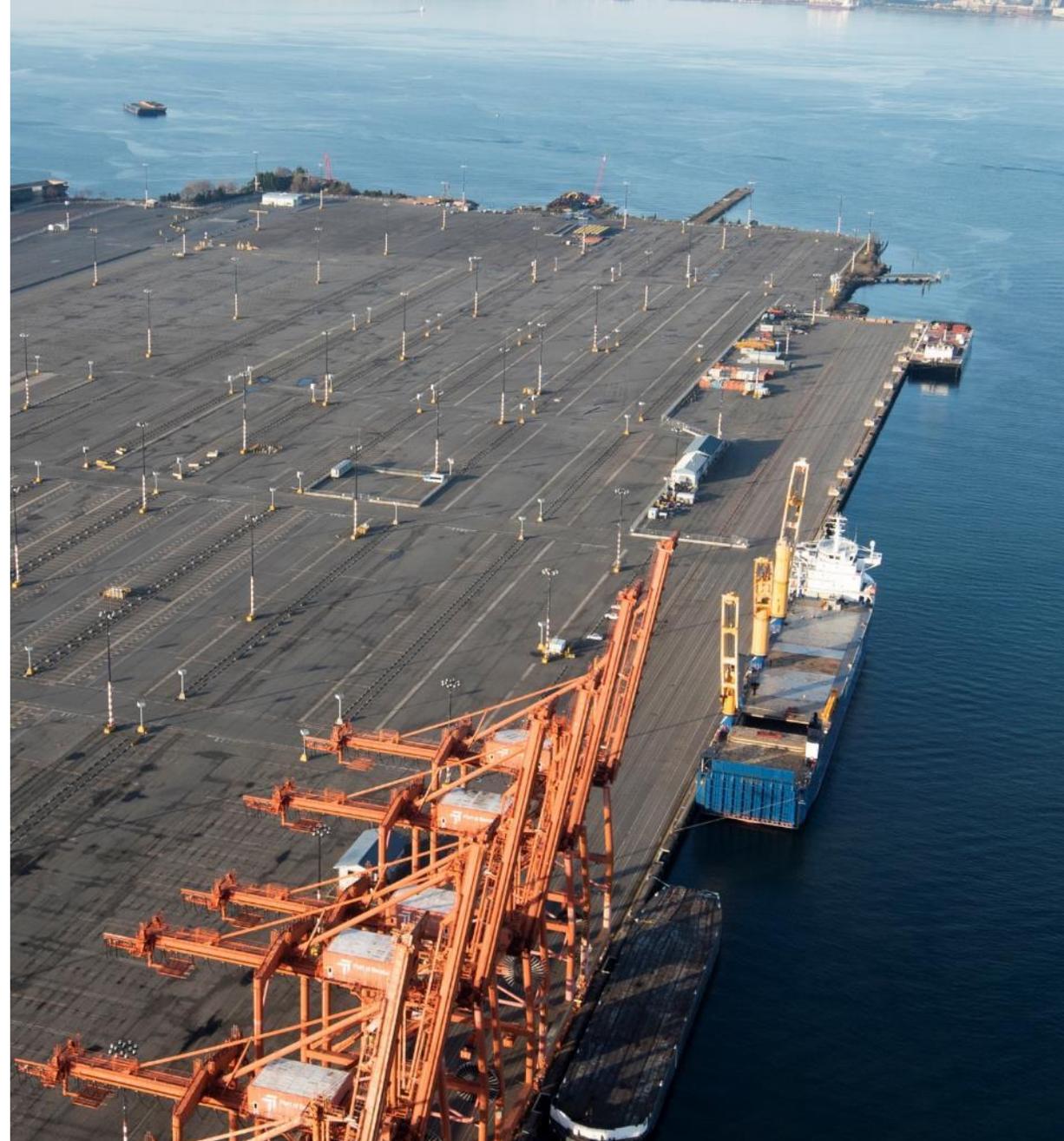
Q2 Maritime/Economic Development Completed Projects and New Schedule Variances

Completed Projects

- None

New Variances

- None



Terminal 46 Cruise Terminal



T 46 Cruise Terminal

Program Components

- Water/Landside/Offsite Improvements
- New Cruise Terminal Building
- Passenger Boarding Systems

Accomplishments:

- Investment Partner RFP released
- Design work started in Q2

Upcoming Milestones:

- Investment Partner RFP responses
- Review Investment Partner responses
- Select Investment Partner

Estimated Budget/Schedule:

- 200 Million – 100 M Port, 100 M Partner
- Finalize schedule when Investment Partner is selected

Risks:

- Timing of Partner Agreement
- Aggressive schedule to meet business demand

Terminal 5

Program Components

- Berth Modernization
- Upland Improvements

Accomplishments:

- Open House
- Construction Kick-off

Upcoming Milestones:

- Rail Quiet Zone design
- Marine Building design
- Stormwater Treatment design

Estimated Budget/Schedule:

- \$340 Million
- Phase 1 – January 2021
- Phase 2 – December 2022

Risks:

- Scope change requests

Q3 Maritime Focus Projects

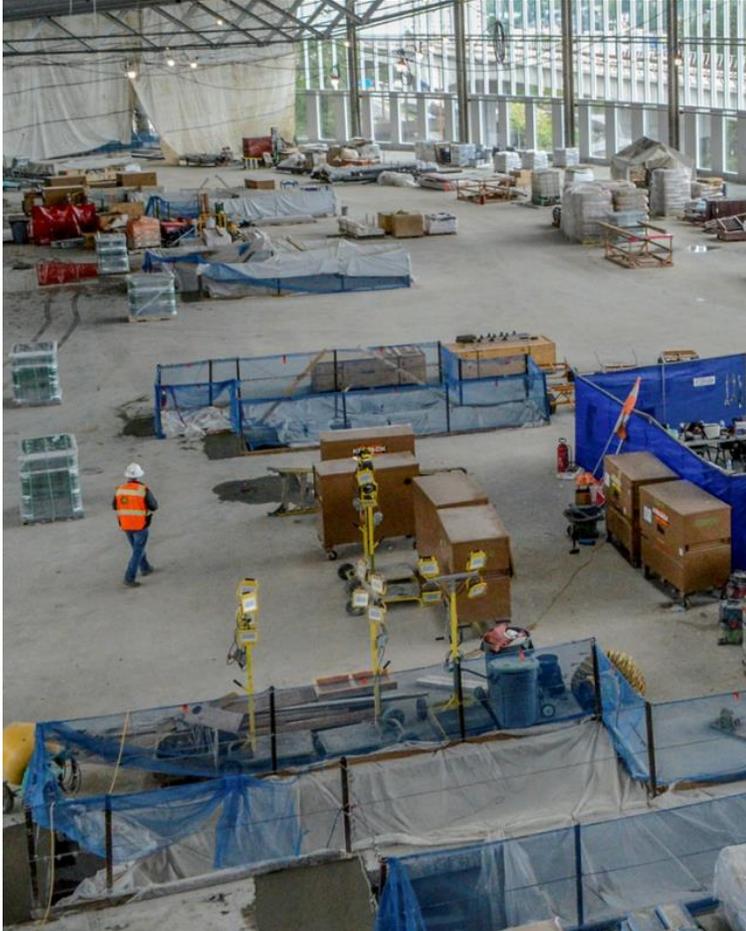


**Shilshole Bay
Marina
Customer
Service Facilities**



Aviation Capital Program Update

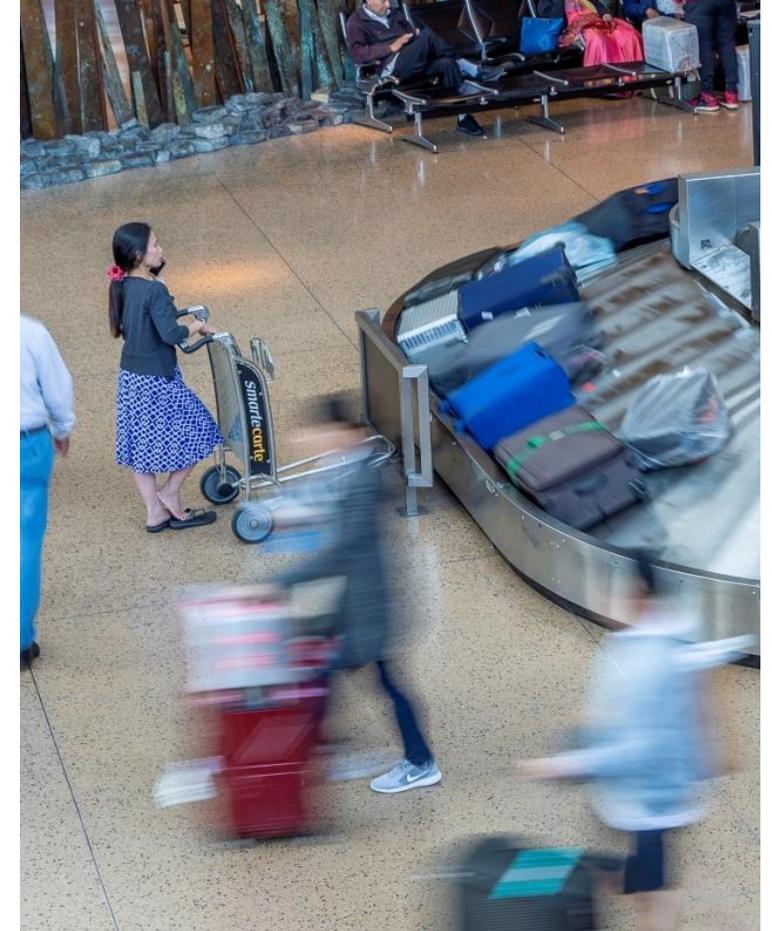
INTERNATIONAL ARRIVALS FACILITY



NORTH SATELLITE MODERNIZATION



BAGGAGE OPTIMIZATION



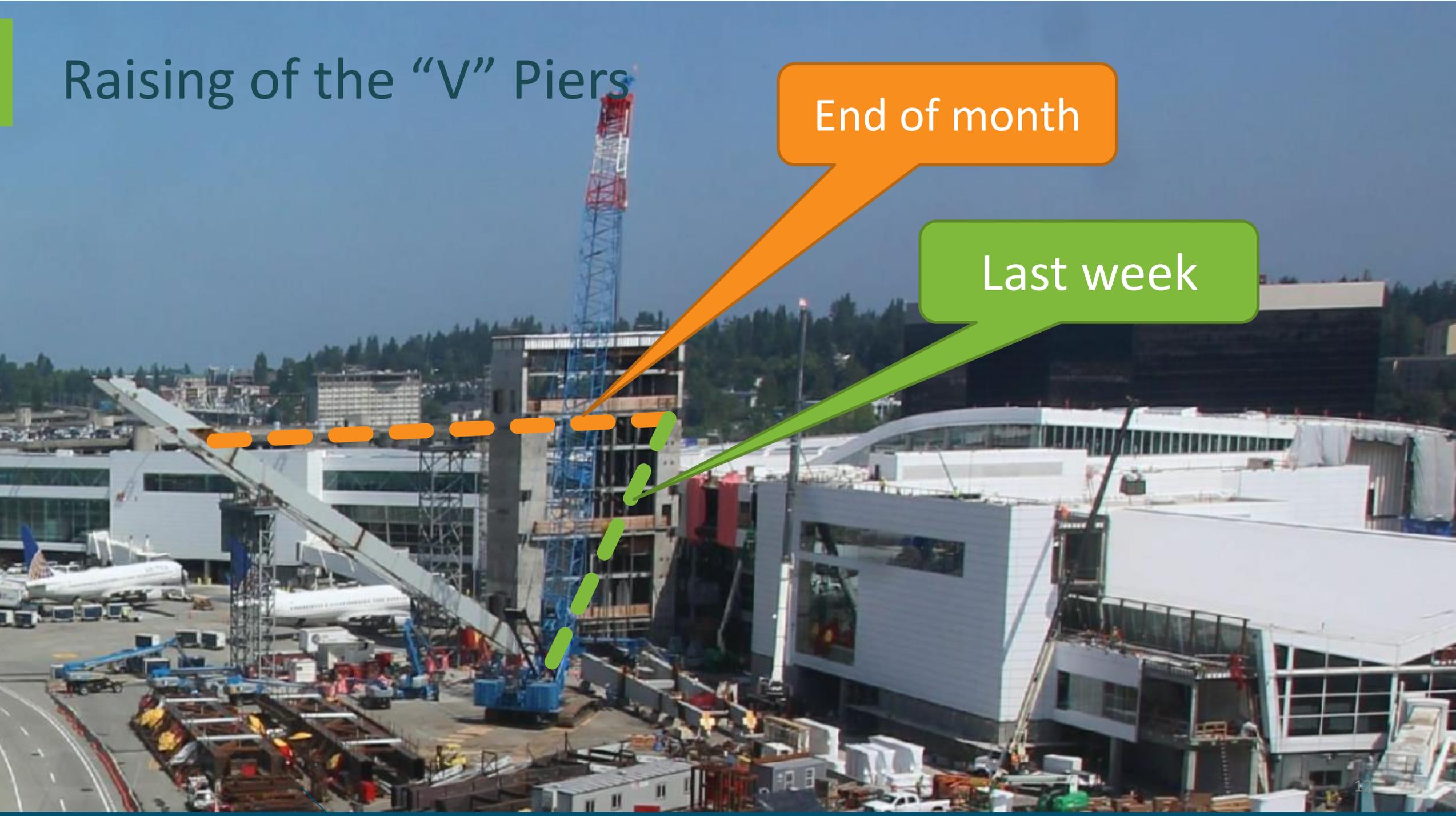
International Arrivals Facility



Raising of the "V" Piers

End of month

Last week



IAF Details (augmenting June 25th Quarterly Commission/Public Briefing)

Program Components:

- International Arrival Facility
- Pedestrian Walkway SSAT to IAF
- Sterile Corridor International Arrivals in Concourse A

Accomplishments:

- Terrazzo Mock installed and polished
- POD C primary steel erected
- Pedestrian Walkway center span pre-assembly 50%
- IAF BHS conveyor installation underway
- Customs & Border Protection requirements determined

Upcoming Milestones:

- IAF Enclosure Complete (Q3)
- Baggage Handling FAT & begin IAF Carousels (Q3)
- Pedestrian Walkway Move/Lift (Q3/Q4)
- Permanent Power Available (Q3)

Risks:

- Trade worker availability
- Structural Steel shop fabrication
- Customs & Border Protection staffing

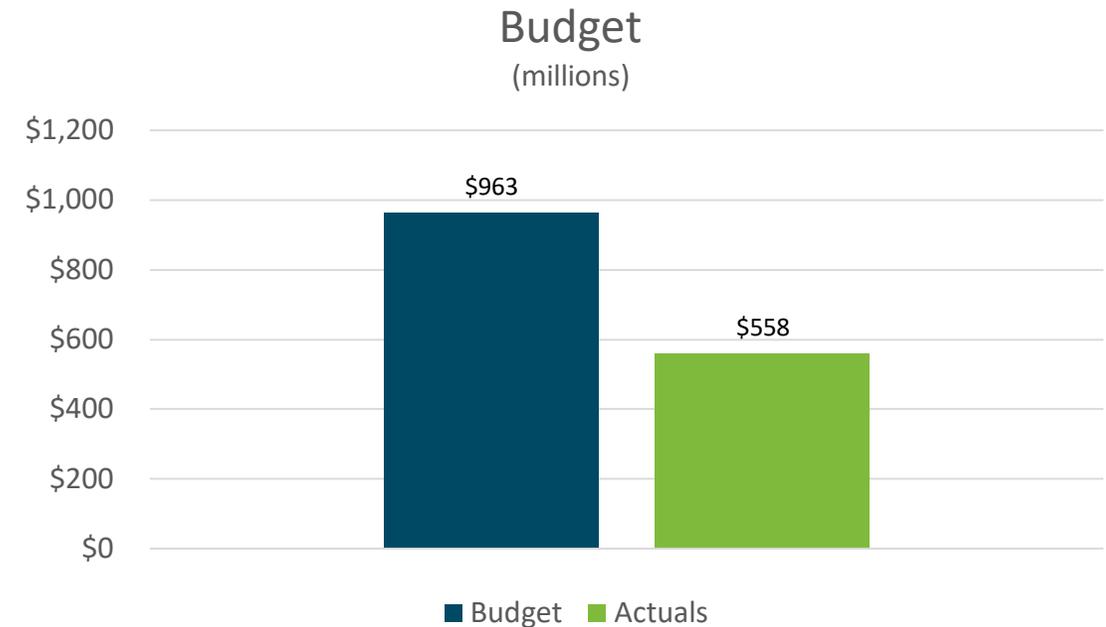
Project Overview



Budget Status



Schedule Status



Program Schedule



North Satellite



Alaska Lounge opened 7/11/19

NSAT Details

Program Components:

- Ph1 (Expansion & Alaska Lounge)
- Ph2 (NSAT Wedge, South Building, Central Core)
- Concourse C STS Station Renovation

Accomplishments:

- Opened Gate N13, N14, and N20; Bagwell and tug drives; STS level in expansion, and eastside men's restroom
- New Alaska Lounge construction completed

Upcoming Milestones:

- Completely close existing North Satellite and continue with demolition
- Continue construction of Concourse C

Risks:

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

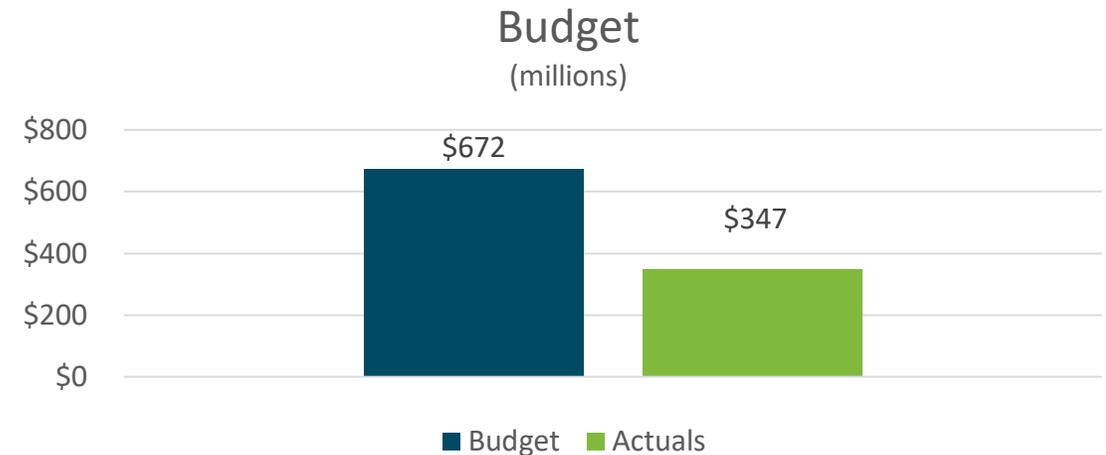
Project Overview



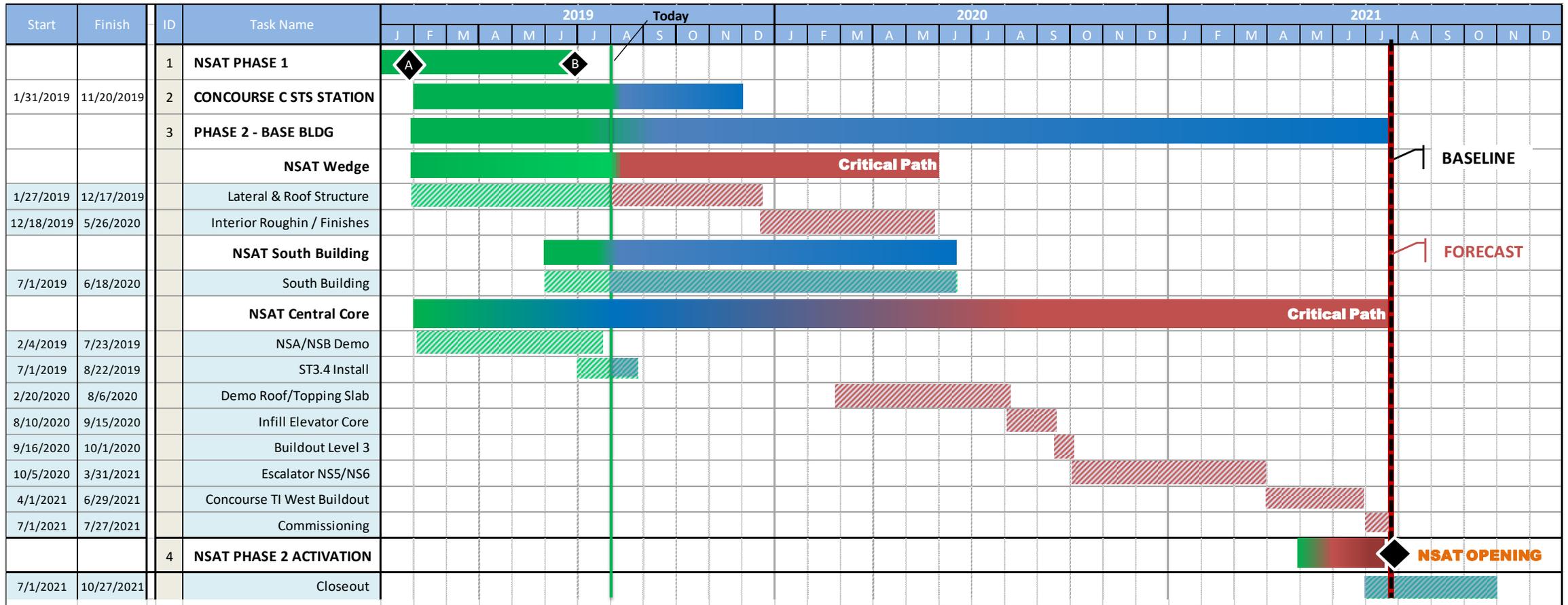
Budget Status



Schedule Status



Program Schedule



 Critical Path

NSAT Phase 1 Complete



Baggage Optimization



Baggage Details

Program Components

- Replace six individual baggage-screening systems with a centralized system that optimizes the operation and functionality

Accomplishments

- Replacement of damaged Explosive Detection System (EDS) machines complete
- Baggage Handling System Control Room complete
- Central Terminal bump out in final punchlist
- Phase 2 Advertised

Upcoming Milestones

- Checked Baggage Resolution Area (CBRA) room complete
- TSA Break Room complete
- Conveyor System Controller (CSC) Testing complete

Risks

- Phase 1 Construction behind schedule affects Phase 2 schedule
- Baggage Handling/Steel Market Conditions for Phase 2 Bid
- Delay to International Arrivals Facility (IAF) schedule would impact Phase 2 delivery

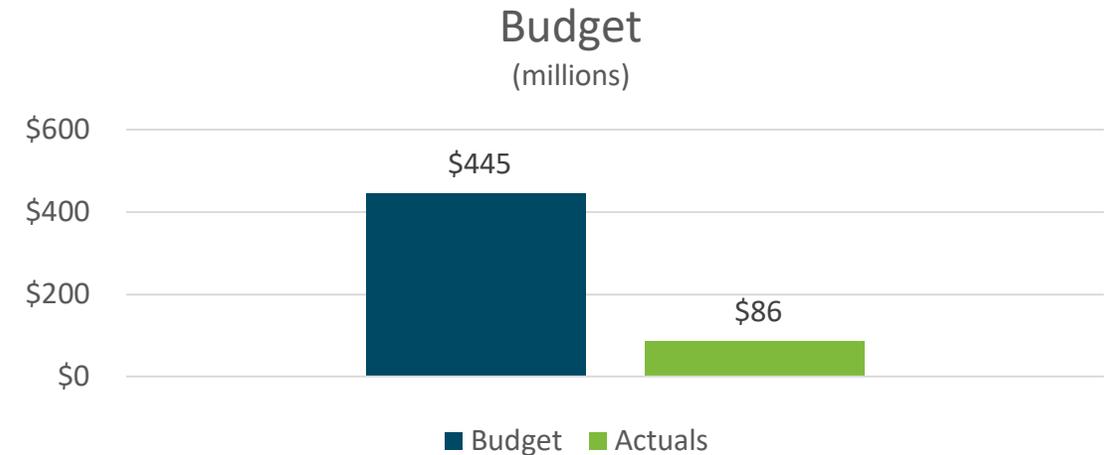
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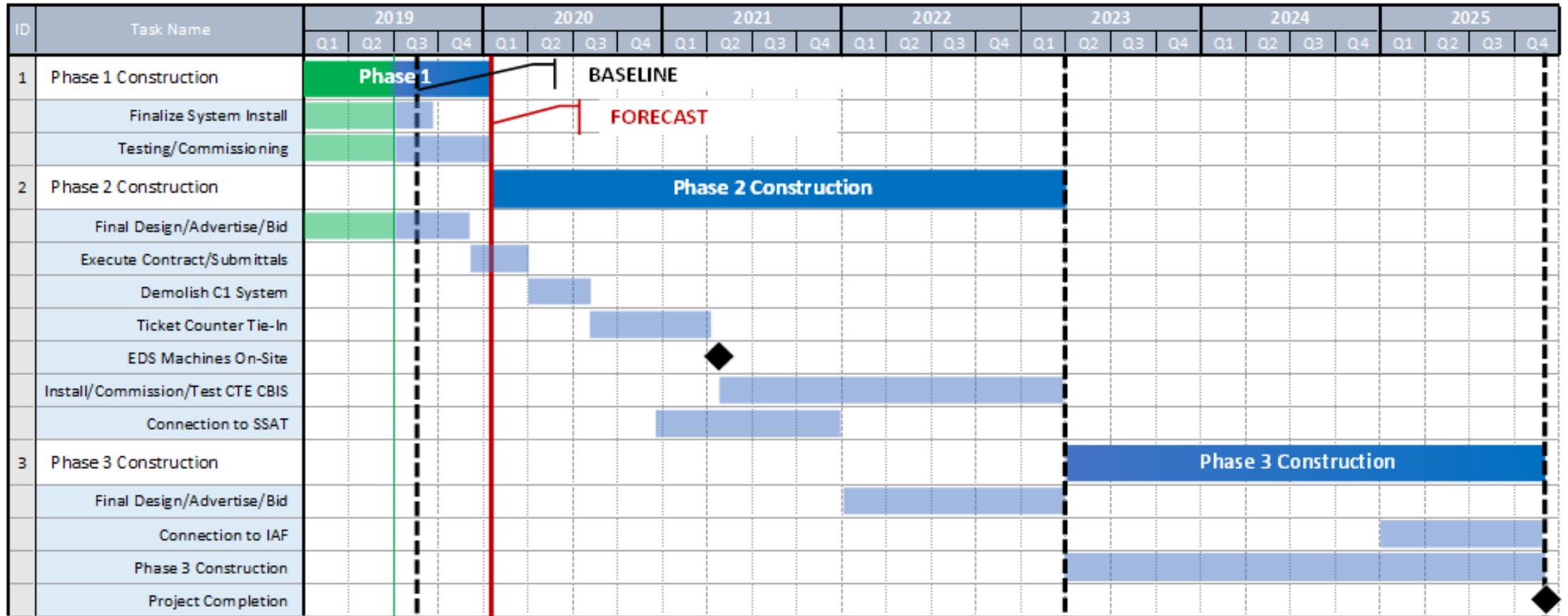
Budget Status



Schedule Status



Program Schedule



Q2 Budget/Schedule Variance: EGSE

Electrical charging system allows airlines to replace existing fossil fuel Ground Service Equipment (GSE) with new electrical EGSE

Project Delay: 2013 - held for Airline realignment & reduced airline interest.

2016 - phase 2A on hold due to IAF gate area construction.

Originally single project. Now 7 projects to install when space is available.

To expedite later work, partial progress is being made including:

- Completed installation of electrical panelboard.
- Completed installation of 30 Charge Ports.
- 42 additional charge Ports will be installed in Q2 2020.

Project Benefit: Future estimated 200+ electric GSE will reduce 4,000-5,000 metric tons of carbon emissions.

Delay Escalation: Current estimated cost increase is \$6.5 million bringing total cost from \$30.7 to \$37.2 mil.

Design reaches 90% in Q1 2020, and a better and predictable estimate will be available.



Q2 Aviation Completed Projects



CUSTOMER SERVICE

- Holdroom seating (Conc B & C)
- Concourse B Ramp Level Hold Room
- Concourse C Ramp Space Renovation



ASSET PRESERVATION

- Chiller panel control
- Passenger loading bridge (Gate C15)
- EGSE Chargers at Gate B6
- Video System Improvements

Q3 Aviation Focus Projects

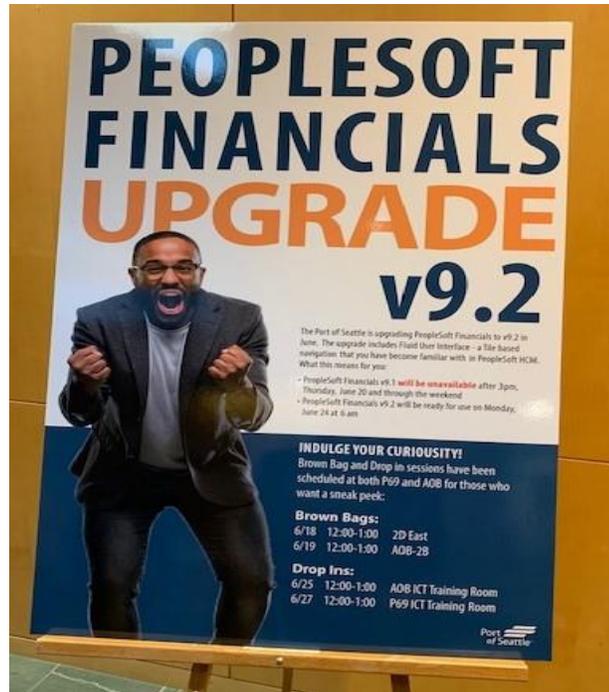


West Side Fire Station



Airport Service Tunnel

Q2 ICT Completed Projects



RENEWAL

- PeopleSoft Financials Upgrade



RENEWAL

- Airport Subway Display System

Q2 ICT Schedule/Budget Variances

1 Major Variances

1. Vessel Moorage System

Reason: Vendor contract terminated due to security concerns

Impact: Estimating a one year delay, Q4 2020. Currently investigating alternative products

2 Minor Variances

1. Automated Checkpoint Wait Time

Reason: Checkpoint 3 sensor installation delayed to accommodate other projects

Impact: Four month delay – Estimated Completion Q4 2019

2. RCF Fleet Tracking

Reason: Signage equipment delivery delayed

Impact: Three month delay – Estimated Completion Q3 2019

Questions?



APPENDIX

- Looking Ahead: Q3 Anticipated Commission Actions
- Q4 Potential Commission Items
- Q1 Variances

Looking Ahead: Anticipated Commission Actions

Q3 2019

AVPMG Updated:

- Remote deicing location
- Checkpoint smart LED lighting
- Safedock Upgrade and Expansion

Maritime/Economic Development

- None

Action Items Subject to Change

Looking Ahead: Anticipated Commission Actions

Q4 2019

AVPMG Updated:

- SEATING REPLACEMENT - CONCOURSES A, D, SSAT
- CENTRAL TERMINAL SOLID WASTE IMPROVE,ENTS
- GARAGE ELEVATOR SHAFTS AND VESTIBULES
- 2020 AIRFIELD PAVEMENT REPLACEMENT PROJECT (CONST.)
- 2021 AIRFIELD PAVEMENT REPLACEMENT PROJECT (DESIGN)
- EMERGENCY GENERATOR CONTROL RENEWAL / REPLACEMENT
- MAIN TERMINAL SPACE CONVERSIONS - PH 2
- C800978 - VFD REPLACEMENT 2018
- LOST AND FOUND
- CONC B - LOW VOLTAGE SYSTEM UPGRADE
- CONC C - LOW VOLTAGE SYSTEM UPGRADE
- FIRE PUMP REPLACEMENT
- BUILDING CONTROLS UPGRADE
- CARGO 161D BUILDING MODS (420E/BT PROPERTIES)
- AIRFIELD COMPACTOR CAPACITY
- PARKING GARAGE - LOW VOLTAGE SYSTEM UPGRADE
- COMMUNICATIONS INFRASTRUCTURE EXPANSION
- MAIN TERMINAL FIRE SPRINKLERS & SMOKE CONTROL

Q4 2019

ICT Updated:

- Exchange Migration to Office 365
- Phone System Upgrade
- Network Redundancy

Maritime/Economic Development

- Design funding P66 Shore Power
- Design funding World Trade Center HVAC
- Design funding T91 NW Fender
- Design funding Harbor Mooring Dolphins
- Design funding T91 Berths 6 & 8
- Design funding P69 Under dock Utility Replacement
- Design funding Lenora St. and Bell St. elevators

Action Items Subject to Change

Previously reported variances

- **Q1 Previously Reported Variances:**
- ADR Kiosk Location: Variance amount TBD
- 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 \$3M;
% of total budget is 30%
- Wi-Fi Enhancements: Variance of \$957K; % of total budget is 9%