



**COMMISSION
AGENDA MEMORANDUM**

Item No. 10b

ACTION ITEM

Date of Meeting October 28, 2025

DATE: October 17, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Eileen Francisco, Director Aviation Project Management
Sabin Mudaliar, Acting Director Airport Operations
Keri Stephens, Director Aviation Facility and Capital Program

**SUBJECT: 2026 Airfield Projects and SCE Spot 99 Utility Scope Construction Authorization
(CIP# C801379 and C801203)**

	2026-2030 Airfield Program (CIP# C801379)	SCE Program (CIP# C801203)
Amount of this request:	\$64,400,000	\$8,640,000
Total estimated project cost:	\$400,000,000	\$2.5B

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) advertise and execute two construction contracts for 2026 Airfield Projects and limited utility installation scope in S Concourse Evolution (SCE) Program located in the S Concourse Taxilane between the Southwest Corner of the S Concourse and the Cargo 7 hardstand area (Spot 99); and (2) authorize use of Port crews for abatement work.

The total amount of this authorization request is \$73,040,000

EXECUTIVE SUMMARY

These two construction contracts are comprised of two interdependent Capital Improvement Projects (CIPs). Construction Contract #1 encompasses federally funded pavement and utility infrastructure scope while Construction Contract #2 consists of all other airfield project work in 2026 and SCE utility installation scope in Spot 99 area. Due to overlapping design functionality, interdependent operational impacts, and shared 2026 schedule milestones, the Spot 99 utility scope as part of the SCE Program was designed and phased to be delivered concurrently with the Airfield Program scopes for purposes of Airfield safety, efficiency, and minimization of operational impacts. The details of the authorization for individual CIPs are shown below.

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CIP Name/#	Amount of this Request	Amount Authorized to Date, incl. this Request	Total Estimated Project Cost
2026-2030 Airfield Program C801379	\$64,400,000	\$135,400,000	\$400,000,000
S Concourse Evolution Program C801203	\$8,640,000	\$261,390,000	\$2.5B

Total Authorization of this Request \$73,040,000

JUSTIFICATION

The 2026 Airfield scope is part of the 2026-2030 Airfield Program, which is a continuation of a programmatic approach for airfield infrastructure renewal and replacement, as well as projects needed to keep the airfield within regulatory compliance. The overarching goal of the Program is to provide safe and efficient conditions for aircraft operations at SEA and meet FAA and other regulatory requirements.

The Spot 99 Utility scope is the first construction component of the SCE program. The electrical power supply pathway from the Airport's South Main Substation to the S Concourse is critical infrastructure for the SCE building as both normal power and emergency power will be fed from the new feeders to be installed in the future. This work is needed to provide the required power per electrical code to support the future buildout of S Concourse and replace the decades old electrical feeders. Operational impacts and phasing are a major cost driver to the SCE Program and moving this work forward will reduce impacts at spot 99, which is a critical taxiway for aircraft operations at A, B, and S Concourses. Future work will connect this duct bank to the S concourse and the main electrical substation.

Diversity in Contracting

The project staff, in coordination with the Diversity in Contracting Department, have set goals for both contracts. However, Airfield Contract #1 is federally funded work and due to the most recent Federal adjustments to their Disadvantaged Business Enterprises (DBE) program, this goal will be TBD. Contract #2 is not federally funded and as such will include a range of 14% Woman and Minority Business Enterprise (WMBE) aspirational goal. These goals are based upon the projects' scopes of work, and baseline availability of certified DBE and WMBE businesses to perform the work under the two separate contracts.

DETAILS

2026 Airfield Contract #1 encompasses federally funded scope with Entitlement Funding of approximately \$15M anticipated. Both construction projects will interface with other projects and airline operations. Continual coordination with Airport Operations, Airlines, and related Tenants will ensure the least possible operational impact during construction.

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Scope of Work

The 2026 Airfield scope includes replacement of distressed pavement at RW 16C/34C, connecting taxiways, TW B, N Concourse taxiway, Cargo areas and vehicle service road; replacement of aging and failing airfield utilities located within the Runway Safety Area (RSA) for RW16C/34C; replacement of failing non-standard flush fire hydrant access hatches; replacement of aging electrical circuits with low megger readings and installation of LED lighting fixtures and signs for RW 16C/34C, connecting taxiways and TW N and TW Z located between RW16R/34L and TW T; removal of turf edge dams along RW16C/34C, connecting taxiways and access roads; mitigation of ponding spots and installation of anti-perching devices within RW 16C/34C RSA.

The Spot 99 utility work includes two electrical duct banks that run parallel to each other across Spot 99. The Normal Power Electrical duct bank is required to provide new electrical infrastructure to S Concourse as the existing feeders are over 40 years old. Additionally, to meet current code requirements, a new emergency power duct bank will be built in parallel with the normal power to support two new generators that will be installed on the south end of the airport. This is the first portion of the duct bank installation and will be needed for any future work at S Concourse.

Schedule***Activity***

Construction Contract #	Contract #1	Contract #2
Construction start	2026 Quarter 2	2026 Quarter 1
In-use date	2026 Quarter 4	2026 Quarter 4

Cost Breakdown

This Request

Total Project

2026-2030 Airfield Program (C801379)		
Design	\$0	\$71,000,000
Construction	\$64,400,000	329,000,000
Total	\$64,400,000	\$400,000,000
S Concourse Evolution Program (C801203)		
Design	\$0	\$400,000,000
Construction	\$8,640,000	\$2,100,000,000
Total	\$8,640,000	\$2,500,000,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Proceed only with federally funded 2026 Contract #1 Airfield work including the replacement of distressed pavement, aging and failing airfield utilities, non-standard flush fire hydrant access hatches, electrical circuits, lighting fixtures and signs; removal of turf edge dams; mitigation of ponding spots and installation of anti-perching devices at RW 16C/34C, connecting taxiways, infield areas and vehicle service road. Do not proceed with the scope in 2026 Contract

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#2 including replacement of distressed pavement at TW B, N Concourse taxiway and Cargo areas, and installation of power and communication utility in Spot 99 area.

Cost Implications: \$59.16M in Capital Cost for 2026 Contract #1.

Pros:

- (1) Reduced capital spending in 2026.
- (2) Less construction impacts to airport operations in 2026.
- (3) Grant funded renewal and replacement work will proceed.
- (4) Less complexity for budget tracking during construction.
- (5) In alignment with FAA's 5-year ACIP and receive grants.
- (6) Environmental benefits for LED lighting, signs and in-field work.

Cons:

- (1) Safety risks associated with failing airfield pavement and supporting infrastructure included in 2026 Contract #2 are not addressed.
- (2) Increased cost in the future due to escalation.
- (3) Operational impacts from emergency repair/replacement.

This is not the recommended alternative.

Alternative 2 – Deliver each Work Project in separate construction contracts.

Cost Implications: \$77.80M in Capital Cost

Pros:

- (1) Less complexity for budget tracking during construction.
- (2) Provides safe and efficient conditions for aircraft operations and meet Federal Aviation Regulations and other regulatory requirements.
- (3) Programmatic replacement of aged and distressed pavements and related infrastructures.
- (4) In alignment with FAA's 5-year ACIP and receive grants.
- (5) Reduces maintenance costs by investing in renewal of critical assets.
- (6) Environmental benefits for LED lighting, signs and in-field work.

Cons:

- (1) Reduce efficiencies due to multiple contracts and separate jurisdictional coordination such as with the FAA.
- (2) Additional labor costs for contractor on-boarding and mobilizations, multiple-project ramp up and close out.
- (3) Increase coordination required between overlapping projects.
- (4) Increase construction safety risk due to the interdependent operational impacts.
- (5) Additional and recurring impacts to airfield operations until all efforts are completed.
- (6) Large capital costs in 2026-2030.
- (7) Operational impacts during construction.

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This is not the recommended alternative.

Alternative 3 – Move forward with full scope proposed for 2026

Cost Implications: 73.04M

Pros:

- (1) Provides safe and efficient conditions for aircraft operations and meet Federal Aviation Regulations and other regulatory requirements.
- (2) Programmatic replacement of aged and distressed pavements and related infrastructures.
- (3) In alignment with FAA’s 5-year ACIP and receive grants.
- (4) Reduces safety risks, minimizes operational impacts and increases efficiencies as coordination and construction is managed as combined construction contracts.
- (5) Reduces maintenance costs by investing in renewal of critical assets.
- (6) Environmental benefits for LED lighting, signs and in-field work.

Cons:

- (1) Large capital costs in 2026-2030.
- (2) Operational impacts during construction.
- (3) Increase coordination required between overlapping projects.
- (4) Increase construction safety risk due to the interdependent operational impacts.
- (5) Additional and recurring impacts to airfield operations until all efforts are completed.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

2026-2030 Airfield Program (C801379) Cost Estimate/Authorization Summary

COST ESTIMATE	Capital	Expense	Total
Original estimate	\$390,000,000	\$10,000,000	\$400,000,000
AUTHORIZATION			
Previous authorizations	70,298,000	1,000,000	71,298,000
Current request for authorization	64,000,000	400,000	64,400,000
Total authorizations, including this request	134,298,000	1,400,000	135,698,000
Remaining amount to be authorized	\$255,702,000	\$8,600,000	\$264,302,000

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S Concourse Evolution Program (C801203)***Cost Estimate/Authorization Summary***

COST ESTIMATE	Capital	Expense	Total
Original estimate	\$1B	\$0	\$1B
Previous changes – net	\$870M	\$0	\$870M
Revised estimate	\$2.5B	\$0	\$2.5B
AUTHORIZATION			
Previous authorizations	\$252,750,000	\$0	\$252,750,000
Current request for authorization	\$8,640,000	\$0	\$8,640,000
Total authorizations, including this request	\$261,390,000	\$0	\$261,390,000
Remaining amount to be authorized	\$2,238,610,000	TBD	\$2,238,610,000

Annual Budget Status and Source of Funds***2026-2030 Airfield Program (C801379)***

2026-2030 Airfield program was not in the 2025-2029 capital budget and plan of finance. The capital budget of \$390,000,000 was transferred from the Aeronautical Allowance CIP C800753 resulting in no net change to the Airport capital budget. This project C801379 replaced an existing project C801302- Airfield Infrastructure and Security which was in the 2024 Plan of Finance with a budget amount of \$199,500,000. The budget for C801302- Airfield Infrastructure and Security was returned to the Aeronautical Allowance CIP C800753.

Project C801379 - 2026-2030 Airfield program anticipates approximately \$54M in Federal Aviation Administration (FAA) entitlement funds with the opportunity to receive additional discretionary funds. The funding sources will be the Airport Development Fund, FAA grants, and revenue bonds. This project is subject to the Port's Very Large Project Process per Signatory Lease Operating Agreement (SLOA) V.

S Concourse Evolution Program (C801203)

The S Concourse Evolution project, CIP C801203, was included in the 2025-2029 capital budget and plan of finance with a budget of \$1,870,000,000. The funding sources would be revenue bonds, Airport Development Fund (ADF), the Bipartisan Infrastructure Law (BIL) grant funding through the FAA-AIP program, other FAA Grants, and future Passenger Facility Charge.

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Financial Analysis and Summary***2026-2030 Airfield Program (C801379)***

Project cost for analysis	\$400,000,000
Business Unit (BU)	Airfield movement and Airfield apron
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	Total project cost CPE of \$1.05 in 2031; annual CPE of \$0.17

S Concourse Evolution Program (C801203)

Project cost for analysis	\$2,200,000,000
Business Unit (BU)	Terminal Building
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base
IRR/NPV (if relevant)	NPV (50 years) for non-aero is negative \$130 million
CPE Impact	\$4.39 in 2036

Future Revenues and Expenses (Total cost of ownership)***2026-2030 Airfield Program (C801379)***

This program will reduce the amount of time currently spent by the Port Maintenance team on joint seal and pavement spall repairs. The new pavement will have a 40-year asset life and a greatly reduced risk of loose gravel and rock Foreign Object Debris (“FOD”) that could be picked up by vehicle tires or blown by jet engine exhaust and spread across the apron, taxiways and runways.

The recircuiting scope will cause a decrease in annual operating & maintenance costs. This is because the project will install more resilient LED lighting and signs, which is easier to maintain as it has a longer life than the current incandescent lighting and signs. Furthermore, PVC conduit will be installed, which makes cable pulling easier.

S Concourse Evolution Program (C801203)

The cost savings of keeping the current terminal operational would likely present no long-term savings even with discounting the risk of a potential catastrophic failure; the terminal is still in need of upgrades driven by code and safety. Balancing the deferral of these costs against the structural, seismic, and operational needs of the terminal is not recommended.

ADDITIONAL BACKGROUND

- (1) Presentation slides

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PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

2026-2030 Airfield Program (CIP C801379)

September 24, 2024 - The Commission authorized for the Executive Director to (1) advertise and execute a service agreement for design and engineering services for the airfield capital improvement program with the combined value not to exceed \$28,000,000; (2) authorize design and preparation of construction documents for the 2026-2030 Airfield Program at the Seattle-Tacoma International Airport (SEA); (3) procure long lead material items; (4) enter into agreements with the Federal Aviation Administration (FAA) and/or other public agencies for the evaluation of impacts, protection and/or relocation of utilities and performance of flight checks; and (5) approve the use of a project labor agreement (PLA) for each year's construction contract. The use of a PLA will be subject to approval by the FAA for work receiving federal funding. Total request for this action is \$71,000,000. The total program cost is estimated at \$400,000,000.

S Concourse Evolution Program (C801203)

May 27, 2025 – The Commission approved an increase in funding to support the following: completion of design; facilitating project construction at Gate D6, Cargo 3, and Cargo 6; and start design for Gate A6 replacement.

May 13, 2025 – The Commission was briefed on S Concourse Evolution and informed of an upcoming funding request to advance design, scope additions, and construction.

May 14, 2024 – The Commission authorized to Prepare design and construction bid packages for S Concourse facilitating project, Procure long-lead items.

October 22, 2022 – The Commission authorized to procure a Designer, GC/CM, Project Management/Controls Support, and Commissioning Agent for SCE.

September 27, 2022 - The Commission was briefed on S Concourse Evolution and project status.

April 13, 2021 – The Commission was briefed on SSAT Renovation Renewal PDD.