



**COMMISSION
AGENDA MEMORANDUM**

Item No. 10b

ACTION ITEM

Date of Meeting May 26, 2026

DATE: May 14, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Eileen Francisco, Director, Aviation Project Management
Keri Stephens, Director, Aviation Facilities and Capital Programs

SUBJECT: Main Terminal Improvement Program (MTIP) – Emergency Power (CIP# C801266)

Amount of this request: \$7,000,000

Total estimated project cost: \$350,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to approve 30% design development for the Emergency Power scope of work of the Main Terminal Improvement Program (MTIP). Upon completion of the 30 percent design, the program will return for full authorization for design and construction. This request is for \$7 million of a total estimated project cost of \$350,000,000.

EXECUTIVE SUMMARY

While the airport does have emergency power, it does not have capacity for a fully pressurized smoke control system, which is the Airport's ultimate safety goal for the Main Terminal and concourses.

The MTIP Emergency Power Program will provide emergency power needed to energize the smoke control systems of the Main Terminal, Concourses, including the C Concourse Expansion (CCE) project and the SEA Gateway program.

The Sustainability Framework identified this program as a tier one project, as this all-electrical work will provide two, three-megawatt generators southeast of the parking garage, with pads for two future generators. The larger electrical load will be routed to the airport from the north and south electrical sub stations. Terminal equipment replacement and concourse distribution rooms will also be included in this highly regulated work.

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JUSTIFICATION

This project will provide required emergency power loads to the Main Terminal and Concourses B, C, and D to provide smoke control systems for the SEA Gateway program, CCE and the Concourse HVAC Renewal/Replacement project.

Diversity in Contracting

In coordination with the Diversity in Contracting Department, 15% WMBE aspirational goal has been set for this early step of the program. The goal will be reevaluated as the program proceeds to procuring the design builder.

DETAILS

The Main Terminal Improvement Program – Emergency Power project is required to support a terminal and concourse wide smoke control program.

The scope of work is to provide 700, 701 and 702 emergency power loads to the Main Terminal, concourses and parking garage. The CCE will connect to this new infrastructure emergency power.

Scope of Work

- Provide two (2) three-megawatt generators with future expansion up to four (4) generators, located along a paved drive and grassy area adjacent to the parking garage’s southernmost helix. These generators will provide required emergency power loads to the Main Terminal and concourses.
- Deliver emergency power loads from the South Main Service Point (SMS) on 188th Street and from the North Main Service Point (NMS) on International Blvd between 170th and 176th streets.

Remove decommissioned generators and existing switchgear and install new distribution centers.

- Project constructs emergency power switchboards and transformers into the existing concourses.

Schedule

Commission design authorization	2026 Q2
Design start	2027 Q1
Commission construction authorization	2027 Q3
Construction start	2029 Q4

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In-use date	2032 Q1
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Cost Breakdown	This Request	Total Project
Design	\$7,000,000	80,000,000
Construction	0	270,000,000
Total	\$7,000,000	\$350,000,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 –

Build the full Main Terminal Improvement Program. This includes emergency power, a fully pressurized smoke control system, new sprinklers and rework of existing, and a comprehensive architectural renovation including ceiling, lighting and wall and floor renovations.

Cost Implications: \$1.3-\$1.5B

Pros:

- (1) Increase infrastructure capacity and have an architecturally refreshed Main Terminal.

Cons:

- (1) High cost.
- (2) Large impacts on customer service and operations within the Main Terminal.

This is not the recommended alternative.

Alternative 2 – Build out the emergency power, smoke control and fire sprinkler systems only, in the Main Terminal.

Cost Implications: \$600-800M

Pros:

- (1) This alternative would provide emergency power and a fully functioning, pressurized smoke control system in the Main Terminal, as well as sprinkler updates and provide limited architecture updates to accommodate the new work (ceiling, lights, some signage, etc.)

Cons:

- (1) This strategy has extensive ancillary construction work that balloons the project cost. For example, by removing the ceiling for the sprinklers and smoke control, the project would be required to fully abate the structural deck and systems. The project would not be able to re-use the old ceiling, so a new one would be required. This alternative would also require new lighting, security cameras and signage.
- (2) The cost exceeds budget capacity.
- (3) Construction is highly impactful to customer service and operations.

This is not the recommended alternative.

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Alternative 3 – MTIP Emergency Power

Cost Implications: \$200 - \$350M

Pros:

- (1) Provides required emergency power for both existing and planned smoke control systems in the Main Terminal and Concourses.
- (2) Meets affordability requirements.

Cons:

- (1) Does not provide smoke control in the Main Terminal.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

MTIP was included in the 2026 plan of finance under CIP C801266.

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$778,000,000	\$22,000,000	\$800,000,000
Current change	-\$428,000,000	-\$22,000,000	-\$450,000,000
Revised estimate	\$350,000,000	0	\$350,000,000
AUTHORIZATION			
Previous authorizations	\$5,000,000	0	\$5,000,000
Current request for authorization	\$7,000,000	0	\$7,000,000
Total authorizations, including this request	\$12,000,000	0	\$12,000,000
Remaining amount to be authorized	\$338,000,000	\$0	\$338,000,000

Annual Budget Status and Source of Funds

This project, CIP C801266, was included in the 2026-2030 capital budget and plan of finance with a budget of \$800,000,000. A budget decrease of \$450 million was transferred to the Aeronautical Allowance CIP (C800753) resulting in zero net change to the Aviation capital budget. The funding sources will be revenue bonds and Airport Development Fund (ADF).

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Financial Analysis and Summary

Project cost for analysis	\$350,000,000
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)	N/A
CPE Impact	\$0.81 in 2033

Future Revenues and Expenses (Total cost of ownership)

It is anticipated that there will be increased costs to ongoing operating and maintenance work performed by Aviation Maintenance (AVM) in the renovated Main Terminal space. AVM will continue to work through design challenges while also anticipating increased O&M costs.

ADDITIONAL BACKGROUND

Available in the attachments.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

September 22, 2020, Item 9B, Commission received a briefing on The Main Terminal Infrastructure Project.

October 13, 2020, Item 6B, Commission authorized \$4,850,000 to begin A and E services to examine the extent of the work.

November 9, 2021 – Item 10e, Commission received a request for additional scope authorization.