



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8f

ACTION ITEM

Date of Meeting May 26, 2026

DATE : May 18, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Eileen Francisco, Director, Aviation Project Management Group
Keri Stephens, Director, Aviation Facilities and Capital Programs
Laurel Dunphy, Director, Aviation Operations

SUBJECT: S Concourse Evolution and 188th Street Duct Bank Authorization

Amount of this request: \$38,610,000

Total estimated project cost: \$2,525,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) complete pre-construction activities for S Concourse Evolution Program through end of 2027; (2) advertise and execute a construction contract for the 188th Street Duct Bank Crossing and (3) advertise and execute any necessary change orders, work authorizations, contract amendments, and contracts to complete the S Concourse Evolution at SEA within the approved total program cost. The total amount of this request is \$38,610,000 for a total authorization of \$300,000,000.

EXECUTIVE SUMMARY

The S Concourse Evolution (SCE) project at Seattle-Tacoma International Airport (SEA) is a cornerstone of the Upgrade SEA program. As a critical infrastructure renewal effort, SCE will modernize a 50-year-old facility to meet current seismic, structural, and building codes. While the project does not increase gate count, it repurposes space vacated by the International Arrivals Facility (IAF) to elevate the passenger experience through expanded dining, retail, and amenities.

Over the next 18 months, this additional authorization will support the development of Maximum Allowable Construction Cost (MACC), ensuring the project remains on its critical path. Beyond design support, this action authorizes early civil and utility work along 188th Street. This infrastructure is a prerequisite for a new emergency backup generator and electrical equipment, forming the "electrical backbone" necessary for the concourse's long-term reliability.

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The project utilizes a multi-phased construction approach and strategic "facilitating projects" to maintain gate capacity during construction. This current request secures funding through the end of 2027 to support essential pre-construction efforts, including project and construction management, design services, and special testing.

Given the scale and complexity of the SCE program, this request establishes necessary administrative authority. By empowering the Executive Director to dynamically manage change orders, work authorizations, and contract amendments, the Port can respond to project needs in real-time without compromising the schedule. All administrative actions will be strictly managed within the approved total program cost to ensure fiscal accountability.

JUSTIFICATION

The South Concourse facility at SEA opened in 1973 and is owned and operated by the Port. The facility depends on building systems that are well past their useful service lives, and further development of the facility has been limited by the authorities having jurisdiction, owing to concerns stemming from current building code minimum requirements. The building code requirements are necessary to bring the building up to current seismic and structural code standards. The building systems and materials used in the original construction, due to their age and manufacture, are difficult to maintain. The project is currently working on 90% design and has some early work design completed allowing the contractor to start the bidding process to get this work started. This authorization supports the project team completing the design and bidding efforts with the general contractor and allows us to build a portion of the electrical duct bank along 188th St to support future electrical needs of the building.

Diversity in Contracting

The SCE project includes a 26% WMBE aspirational goal for project management and controls. The project team is working with Diversity in Contracting to identify the WMBE requirement for the construction contract for the work at 188th St Duct Bank.

DETAILS

This request provides funding for the S Concourse Evolution (SCE) program to support pre-construction efforts for project management, construction management, design services, special testing and inspection, and contractor efforts to support initial Maximum Allowable Construction Cost (MACC) efforts for the next 18 months. Several MACCs will be needed to support the contract schedule and critical path work as design continues to develop. The funding is needed to support this work until the end of 2027 when design will be completed, and efforts will shift primarily to construction. The final contracting plan is still being developed to comply with state law.

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Beyond design support, this action is to authorize the construction of limited utility infrastructure scope along 188th Street. This civil and utility scope is a prerequisite for the future emergency backup generator and associated electrical equipment, providing the critical electrical backbone for the S Concourse’s long-term utility needs.

Finally, this request establishes the administrative authority required to manage a program of this scope and complexity. By authorizing the Executive Director to advertise and execute necessary change orders, work authorizations, contract amendments, and contracts for SCE, the Port can respond dynamically to project needs without compromising the schedule. All such actions will be strictly managed within the approved total program cost.

Scope of Work

The scope includes construction of a mechanically stabilized earth (MSE) retaining wall, grading, drainage, electrical vaults, and equipment pads for the generators, to create a level, structurally supported equipment yard. The work is being delivered separately from the main SCE project to allow for infrastructure delivery in advance of when the building construction phases will require it. Staff are leveraging resources within the Port to deliver this work safely, efficiently, and to minimize operational impacts.

Schedule

Activity

Commission Authorization Design Start	Q4 2023
Commission Final Design Authorization	Q2 2025
Construction Authorization 188 th St Duct Bank	Q2 2026
Construction Start 188 th Street Duct Bank	Q3 2026
Commission Construction Authorization SCE	Q3 2026
Construction Start SCE	Q4 2026
In-use date	Q4 2034

Cost Breakdown

	This Request	Total Project
Design	\$30,110,000	\$383,000,000
Construction	\$8,500,000	\$2,142,000,000
Total	\$38,610,000	\$2,525,000,000

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ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Delay authorization until August when base building returns to Commission for construction authorization and first Maximum Allowable Construction Cost.

Cost Implications: \$250,000 from delay of this specific scope of duct bank work by a few months.

Pros:

- (1) Reduces number of Commission trips for authorization.

Cons:

- (1) Delay construction starting for 188th St duct bank creating additional operational impacts.
- (2) Additional costs from starting work later resulting in higher escalation.
- (3) Delaying the start of this construction creates the potential for impacts among multiple scopes of work in the same vicinity. This work is being pursued early to avoid the overlapping of work areas between scope elements to avoid conflicts. Cascading impacts could eventually delay the base building schedule, creating significantly higher schedule delay costs.

This is not the recommended alternative.

Alternative 2 – Authorize funding now for 188th St duct bank and soft costs to complete design and bidding process.

Cost Implications:

Pros:

- (1) Maintains program schedule and reduces operational impact duration for duct bank work.
- (2) Reduces costs of work by getting started sooner.
- (3) Eliminates risk of multiple scopes of work being performed in the same vicinity simultaneously.

Cons:

- (1) More trips to commission.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$1B	\$0	\$1B
Previous changes – net	\$1.5B	\$0	\$1.5B

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Revised estimate	\$2.500B	\$25M	\$2.525B
AUTHORIZATION			
Previous authorizations	\$261,390,000	\$0	\$261,390,000
Current request for authorization	\$38,290,000	\$320,000	\$38,610,000
Total authorizations, including this request	\$299,680,000	\$320,000	\$300,000,000
Remaining amount to be authorized	\$2,200,320,000	\$24,680,000	\$2,225,000,000

Annual Budget Status and Source of Funds

The S Concourse Evolution project, CIP C801203, was included in the 2026-2030 capital budget and plan of finance with a budget of \$1,895,000,000. The budget increase of \$630,000,000 was transferred from the Aeronautical Reserves CIP C800753 resulting in no net change to the Airport capital budget. 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.

Financial Analysis and Summary

Project cost for analysis	\$2,525,000,000
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	\$4.90 in 2035

Future Revenues and Expenses (Total cost of ownership)

This specific scope of work does not result in a direct change to Aviation Maintenance operating and maintenance (O&M) costs. The SCE overall program, however, will have substantial impacts to O&M costs in the future.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

April 28, 2026 - The Commission was briefed on S Concourse Evolution and informed of an upcoming funding request to advance design, pre-construction efforts, and upcoming construction.

October 28, 2025 – The Commission approved construction authorization for the Spot 99 Duct Bank installation.

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May 27, 2025 – The Commission authorized an increase to funding, executed a professional services agreement, advertisement of construction contracts and special testing and inspection contracts, modification of a United Airlines lease and transferred scope and budget for the A6 Widebody Remediation.

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.