

**COMMISSION
AGENDA MEMORANDUM**

Item No. 8f

ACTION ITEM

Date of Meeting October 13, 2026

DATE : October 5, 2026

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: 2027 Airfield Projects (CIP # C801379)

Amount of this request: \$40,000,000

Total estimated project cost: \$400,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to take all steps necessary to complete two construction contracts for 2027 Airfield Projects and limited utility installation scope on behalf of the S Concourse Evolution (SCE) Program located at the Cargo 7 hardstand area.

The total amount of this authorization request is \$40,000,000.

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 2027 and SCE power and communication utility installation scope at the Cargo 7 hardstand area. Funding for the Cargo 7 utility scope was included in the Commission Authorization on August 11th, 2026, for design and construction under SCE CIP C801203. Due to overlapping design functionality, interdependent operational impacts, and shared 2027 schedule milestones, the Cargo 7 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.

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CIP Name/#	Amount of this Request	Amount Authorized to Date, incl. this Request	Total Estimated Project Cost
2026-2030 Airfield Pavement and Supporting Infrastructure Replacement Program C801379	\$40,000,000	\$175,698,000	\$400,000,000

Total Authorization of this Request \$40,000,000

2026-2030 Airfield Program (C801379) receive federal grant funding for eligible items meeting Federal Aviation Administration (FAA) standards with an anticipated FAA grant reimbursement of \$10.96M for the year 2027 and a total of approximately \$56M expected for the life of the program.

JUSTIFICATION

The 2027 Airfield scope is part of the 2026-2030 Airfield Program, which is a continuation of a programmatic approach for airfield infrastructure renewal and replacement scope 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 to meet FAA and other regulatory requirements.

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 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 10% 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

These 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.

A project labor agreement will be used for these projects based on the importance of labor continuity and the need to minimize any risk of impact to operations during construction.

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2027 Airfield Contract #1 does not replace or add additional concrete. 2027 Airfield Contract #2 has limited pavement scope for individual concrete panels. For awareness, SEA's concrete meets FAA design standards and exceeds industry standards for solar reflectivity minimizing heat island effect. We also conduct routine maintenance including sweeping and runway rubber removal that maintains solar reflectivity.

Scope of Work

The 2027 project scope includes replacement of distressed pavement at TW B, Taxilane W, Apron and Cargo areas; replacement of aging and failing airfield utilities located within the Runway Safety Area (RSA) for RW16R/34L; replacement of failing non-standard flush fire hydrant access hatches; renewal and replacement of electrical circuits with low megger readings and installation of LED lighting fixtures and signs for RW16R/34L and connecting taxiways; removal of turf edge dams along RW16R/34L, connecting taxiways and access roads; mitigation of water ponding areas and installation of anti-perching devices within the RW16R/34L RSA.

The 2027 Contract #2 will also construct utility installation scope at Cargo 7 as a facilitating project on behalf of the SCE program.

Schedule

Activity

Construction Contract #	Contract #1	Contract #2
Construction start	2027 Quarter 2	2027 Quarter 2
In-use date	2027 Quarter 4	2027 Quarter 4

Cost Breakdown

	This Request	Total Project
Design	\$0	\$71,298,000
Construction	40,000,000	328,702,000
Total	\$40,000,000	\$400,000,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Proceed only with federally funded 2027 Contract #1 Airfield work including the replacement of 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 16R/34L, connecting taxiways, infield areas and vehicle service road. Do not proceed with the scope in 2027 Contract #2 including replacement of distressed pavement at TW B, Taxilane W, Apron and Cargo areas, and installation of power and communication at Cargo 7 area.

Cost Implications: \$33M in Cost for 2027 Contract #1.

Pros:

- (1) Reduced capital spending in 2027.

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- (2) Less construction impacts to airport operations in 2027.
- (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.

Cons:

- (1) Safety risks associated with failing airfield pavement and supporting infrastructure included in 2027 Contract #2 are not addressed.
- (2) Alternative is not in alignment with the current Port Century Agenda Goals. Aviation Asset Management Goal: To deliver world-class SEA infrastructure and Achieve 99% uptime for all critical assets by minimizing downtime across all CIP projects to enhance operational reliability. Develop Sustainable and Resilient Facilities and Infrastructure.
- (3) Increased cost in the future due to escalation.
- (4) Operational impacts from emergency repair/replacement.

This is not the recommended alternative.

Alternative 2 – Move forward with full scope proposed for 2027

Cost Implications: \$40M in Cost for 2027 Contract #1 & Contract #2.

Pros:

- (1) Provides safe and efficient conditions for aircraft operations and meets 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 grant.
- (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) Meets Port goals.

Cons:

- (1) Large capital costs in 2027.
- (2) Increase complexity for budget tracking during construction.
- (3) Operational impacts during construction.

This is the recommended alternative.

FINANCIAL IMPLICATIONS***Cost Estimate/Authorization Summary***

Capital

Expense

Total

COST ESTIMATE			
Original estimate	\$390,000,000	\$10,000,000	\$400,000,000

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AUTHORIZATION			
Previous authorizations	134,298,000	1,400,000	135,698,000
Current request for authorization	39,330,000	670,000	40,000,000
Total authorizations, including this request	173,628,000	2,070,000	175,698,000
Remaining amount to be authorized	\$216,372,000	\$7,930,000	\$224,302,000

Annual Budget Status and Source of Funds

2026-2030 Airfield program was included in the 2026-2030 capital budget and plan of finance. Project C801379 - 2026-2030 Airfield program anticipates approximately \$56M 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.

Financial Analysis and Summary

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 \$1.06 in 2031; annual CPE of \$0.09

Future Revenues and Expenses (Total cost of ownership)

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.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

2026-2030 Airfield Program (CIP C801379)

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October 28, 2025 – The Commission authorized 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.

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.