

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
STAFF BRIEFING

Item No. 7c

Date of Meeting September 24, 2013

DATE: September 16, 2013
TO: Tay Yoshitani, Chief Executive Officer
FROM: George England, Program Leader, Aviation Project Management Group
Michael Ehl, Director, Aviation Operations
Dave Soike, Director, Aviation Facilities and Capital Programs
SUBJECT: 2013 Second Quarter Update on the Airport's NorthSTAR Program

SYNOPSIS

The NorthSTAR program is an outcome of the Airport Terminal Realignment Project in which Alaska Air Group (AAG) will be the only airline operating out of the North Satellite. AAG's goal is to consolidate the operations of Alaska Airlines and Horizon Airlines into the north end of the terminal facilities. The Port and AAG jointly determined that the overall scope of the NorthSTAR program would include five renovation projects whose total cost is estimated to be \$315.6 million. The program, which is a collaborative effort of Port and Alaska Air Group, is scheduled for completion in 2018. This briefing addresses progress through June 30, 2013.

The initial scope of the program was defined in a conceptual study prepared by AAG and its consultant. Working with this conceptual study, the Port and AAG are refining the scope to meet the long-term goals of the Port and AAG. In some cases, scope and budget from other parallel capital projects will be incorporated into the NorthSTAR program to ensure the compatibility of design and the efficiencies of construction. The development of the NorthSTAR program coincides with AAG's corporate rebranding efforts, long-term marketing goals, and AAG's goal of enhancing its customers' "curb to seat" experience by melding building improvements and airline services into an end product that creates a "hassle-free" and user-friendly airport environment.

BACKGROUND

The NorthSTAR program consists of five capital projects:

1. CIP C800544 NorthSTAR Program

This umbrella project is comprised of cost estimating, cost controls, scheduling and overall management support for the four capital renovation projects within the NorthSTAR program.

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Metrics

Approach:

- Construction plans developed for each project will mitigate operational impacts to the maximum extent possible and create the baseline from which performance metrics are measured.
- Port, AAG and concessionaires will collaborate on plans and fully understand all operational impacts.
- Reporting will identify challenges Port, AAG and concessions face in balancing scope, schedule, budget, facility availability, and operational impacts.
- Metrics will continually evolve as design and construction progress.

Metrics Hypothetical Examples:

- At the program and project levels progress metrics will be presented as actual versus forecasted for: cash flows, budgets, schedules and contingencies.
- For NSAT and Concourse C Vertical Circulation projects, metrics will be presented as actuals versus anticipated or planned and may include the following:
 - Gate closures, turns per gate, off gate parking and tow on and off gates.
- For concessions, metrics may include square footage (actual versus planned) and revenues (actuals versus forecast).
- For the Refurbish Baggage System, metrics will be reported as actual versus forecast for system shutdowns, delays or speed.

Accomplishments

- Developed tri-taxilane options.
- Continued monthly Program Status Reviews with AAG attendance.
- Held initial NorthSTAR program art program meeting, with an emphasis of developing an art plan and the North Satellite.
- Presented NorthSTAR program overview to Building & Trades groups.
- Advertised request for qualifications pertaining to construction management services.
- Advertised request for qualifications pertaining to commissioning services.
- Updated NorthSTAR program communications plan for use by Port and AAG staff.
- Completed first quarter Commission briefing.
- Presented the NorthSTAR program to the May 15, 2013, AAAC meeting.

Progress

- Port and AAG definition of the “Northwest Sense of Place” are in alignment and are being used in the development of NorthSTAR projects.

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- Continuing refinements to executive decision matrix and organizational chart to reflect changes in staff and responsibilities for AAG.
- Refining process to capture aeronautical vs. non-aeronautical scope transfers as part of budget reporting.
- Investigating greater utilization of SharePoint as platform for program-wide action item register.

Risks

- Communication and coordination between multiple teams, stakeholders and people.
- Assure baseline schedule concurrence of all stakeholders.

Issues

- Further refinements to Program/Project specific performance metrics per request from Commission.

Estimated Budget:	\$16,300,000
Scheduled Project Completion:	September 2018

2. CIP C800556 NS North Satellite (NSAT) Renovation & NSTS Lobbies

This project includes the renovation of the North Satellite and the satellite transit system (STS) north loop stations at the Main Terminal, Concourse C, and the North Satellite. While the renovation of the STS station lobbies is relatively minor in scope, the renovation of the NSAT includes the removal of all regulated materials, the seismic reinforcement of the NSAT, the replacement of all infrastructure systems within NSAT, the addition of a rooftop structure for Alaska Airlines' Board Room, the rebuilding of the NSAT concourse level interior, and the renovation of non-public support spaces on the ramp and STS levels. The NSAT scope will also incorporate sustainable building elements and the data/communications infrastructure to accommodate the anticipated needs of the Port, AAG and the travelling public.

Accomplishments

- Construction schedules developed to reflect impact of 2, 3 and 4 phase options, including possible expansion of NSAT.
- Developed and sent to AAG for its review and comment the final gate utilization study to accommodate AAG's projected growth.
- Commenced existing facility Level of Service study, to be used as a benchmark for future design options.
- Executed design consultant amendments pertaining to staff changes and the possible expansion of the North Satellite.
- Received Commission authorization to transfer funds from Vertical Circulation program into North Satellite renovation.
- Held 11 conceptual design workshops during the week of April 8.

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- Held Port and AAG sustainable design meetings to discuss several ways in which sustainable design features can be incorporated into NSAT.
- Updated the project schedule to reflect continuing refinement of the facility program pertaining to gate utilization and the Airport-wide concessions master plan.
- Completed a trip to Minneapolis Airport to evaluate its integration of concessions into gate hold rooms.
- Held the AAG “Northwest Sense of Place” Workshop, which in conjunction with Port workshop results will be used to establish the North Satellite design philosophy.

In Progress

- Design team is continuing to conduct on-site investigation of existing building conditions.
- Continuing to develop and review construction gate phasing options with AAG.
- Continuing to refine decision making tools and criteria to be used to evaluate the conceptual design options being developed.
- Developing and evaluating potential ways to redefine traditional gate hold rooms in response to innovative ways to process passengers and integrate concessions and hold room lease areas.

Risks

- May not be able to close five gates during construction due to AAG gate utilization requirements and the availability of gates Airport-wide, resulting in more than two phases, and an extension of the construction schedule.
- The existing electrical capacity may be insufficient to support the proposed NSAT improvements, thereby requiring a new electrical substation to be built.
- Level of Service (IATA) rating for passengers may be lower than what either Port or AAG would deem acceptable.

Issues

- Construction phasing options require coordination with AAG 2017 – 2022 projected gate operations.
- Procurement strategy for long-lead procurement items must be developed.

Estimated Budget: \$206,546,357
Scheduled Project Completion: September 2018

3. CIP C800547 NS Concourse C Vertical Circulation

This project will provide new vertical circulation cores for improved vertical circulation between the concourse and the ground levels for Alaska Airlines/Horizon Air customers at three locations on Concourse C: Gates C2, C10/C12, and C14. This

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work will provide covered, non-temperature controlled sloped walkways with elevator(s) between concourse and ground levels. The vertical circulation cores will consist of a light roof structure with glazed side panels to protect passengers from the weather and new door openings from the concourse to the vertical circulation cores. This project will improve passenger circulation to the aircraft from concourse to ground level on Concourse C for Horizon Air passengers.

Accomplishments

- Developed walkway configuration at Gate C10/12 to avoid conflict with existing grease interceptor and underground utilities.
- Addressed AV/Maintenance and Fire Department concerns regarding access to terminal exterior due to close proximity walkways.
- Received concurrence from Architectural Review Committee for translucent roofing material that provides increased levels of natural light.
- Performed ramp lighting study. Conclusion is the new walkways do not impact ramp lighting with minimal “shadows” being addressed by supplemental lighting on walkways.
- 90% design documents have been submitted and are in review.
- Submitted Airport Building Department permit.
- Completed studies of existing infrastructure, including ramp lighting and underground utilities.

In Progress

- 90% design review is in progress.
- Developing final construction phasing plan to best manage impacts to airline operation both in the terminal hold room areas as well as to the aircraft ramp operations. The current plan is to maintain operations at all gates during construction.
- Starting development of construction bid documents and specifications.
- Coordinating the removal and disposal of impacted passenger loading bridges to be performed by PCS.
- Responding to Building Permit review comments
- Developing bid documents

Risks

- Underground utility conflicts not identified by surveys and as-builts impacting construction.

Issues

- Construction phasing and location of temporary pathways for passengers around construction site in a manner that best manages the impact on airline operations.

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Estimated Budget: \$19,300,000
Scheduled Project Completion: April 2015

4. CIP C800545 NS Main Terminal Improvements

The Main Terminal scope begins at the departure drop-off curb and ends at the Main Terminal north STS station. Although the least defined in the NorthSTAR program, the project will reconfigure the north end of the ticket lobby, the existing airline ticket office and ticket counters, and the north checkpoint. This project will focus on the efficient movement and processing of AAG's customers through improvements to the building circulation, wayfinding, technology advancements, checkpoint reconfiguration, and anticipated changes in the way AAG processes arriving passengers.

Accomplishments

- Established budget for Project Notebook development.

In Progress

- Project team concurred placing project on-hold until July 2013.

Risks

- Least defined scope and budget relative to the program budget.

Issues

- Project temporarily on hold until July 13, 2013, with AAG's concurrence due to staff availability.
- Need to obtain facility programming services to refine the project's scope and objectives.
- Coordination with NSAT design concept to ensure a cohesive look/feel.
- Coordination with AAG & TSA on checkpoint 5 reconfiguration.

Estimated Budget: \$30,100,000
Scheduled Project Completion: April 2017

5. CIP C800555 NS Refurbish Baggage System

This project will refurbish the existing baggage systems in support of AAG operations on the NSAT and Concourse D. The work will extend the service life of part of the C92 baggage systems, the C88 North Satellite systems, and the C88 tunnel systems. Some of the processing and transit times may be decreased but capacity will not be increased.

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The project will speed up the tunnel conveyors if this provides significant benefit, and will replace aging conveyor belts, motors, drives, and controls of the existing tunnel and North Satellite systems as required improving reliability and full functionality.

Accomplishments

- Completed the review of the 60% design submittal.

In Progress

- Baggage metric definition and speed investigation underway.

Risks

- IATA level of service (LOS) study results may influence scope of baggage handling system project and influence the Airport's long-term goal for the overall baggage system.

Issues

- Refurbishment scope accelerated in the schedule.

Estimated Budget:	\$22,000,000
Scheduled Project Completion:	August 2015

6. CIP C800554 NS Concourse C & D Exterior Stairs

This project will add exterior stairs to Concourse C and D gate lobbies to enable the aft loading and unloading of aircraft at locations identified by AAG. This is currently a **prospective "status 1" project**.

Accomplishments

- Scoping not yet initiated.

In Progress

- Nothing to report.

Risks

- Safety of passengers, employees and construction crew during construction.
- Definition of contractor access and laydown areas.

Issues

- Definition of contractor access and laydown areas.
- Lack of defined scope (full complement of gates undetermined at this time).
- Agreement with AAG on cost responsibility.

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Estimated Budget:	\$21,400,000
Scheduled Project Completion:	March 2015

ATTACHMENTS TO THIS BRIEFING

- Attachment A - Quarterly Commission Update PowerPoint

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- June 25, 2013 – The Commission received an update on the status of the NorthSTAR Program.
- March 26, 2013 – The Commission received an update on the status of the NorthSTAR Program.
- June 26, 2012 – The Commission received a briefing on the status of the Airline Realignment Program and budget restructuring in association with the NorthSTAR Program at Seattle-Tacoma International Airport.
- September 25, 2013 - The Commission received an update on the status of the NorthSTAR Program.