

# Stay Tuned, the 2023 Airport Open House is about to begin.

## OPEN HOUSE AGENDA



Leading the Recovery.....	Executive Director Stephen P. Metruck Chief Financial Officer Dan Thomas
2023 Aviation Division: A New Chapter .....	Managing Director Lance Lytle
Public Port, Community Benefit .....	Chief Financial Officer Dan Thomas
Your Questions	

*This presentation will be recorded and made available.*



# Airport Budget Open House

*October 2022*



**Stephen P. Metruck**

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Executive Director





**Dan Thomas**

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Chief Financial Officer



2022

An update on  
our recovery



# Return to Long-Term Priorities



- ★ Position the Puget Sound Region as a Premier International Logistics Hub
- ★ Advance this Region as a Leading Tourism Destination and Business Gateway
- ★ Responsibly Invest in the Economic Growth of the Region and all its Communities
- ★ Be the Greenest and Most Energy Efficient Port in North America
- ★ Become a Model for Equity, Diversity and Inclusion
- ★ Be a Highly Effective Public Agency



Economic Impact  
of the  
Port of Seattle



Capital Project Plan  
**\$4.4 Billion**  
2022-2026



All Port Activities  
**121,200**  
Area Jobs

Total Economic Activity



SEA Airport  
**\$22.5 B**



Maritime Int'l Trade\*  
**\$16.3 B**



Commercial Fishing  
**\$1.4 B**



Cruise  
**\$900 M**

\* In the NWSA a partnership with the Port of Tacoma

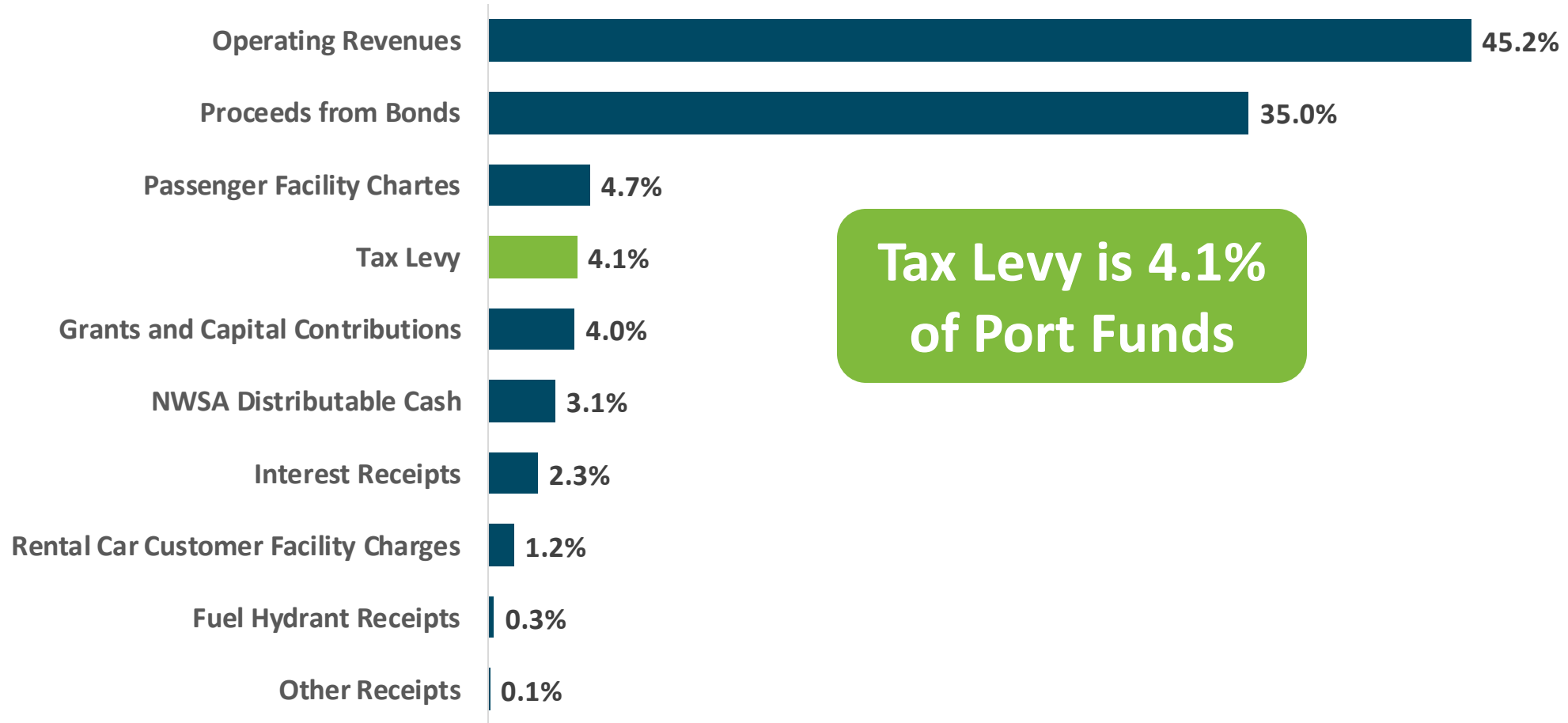
Elliott Bay

Puget Sound



# Port-Wide Sources of Funds \$2.0 Billion

## Sources of Cash



# 2022 Restoring Operations



## SEA AIRPORT

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Passengers  
2019 vs. 2022\* **-10%**

Passengers  
2021 vs. 2022 **+29.4%**

*\*2019 peak pre-COVID pandemic levels*

# Airport Revenue

## Aeronautical Revenues



Landing Fees



Hangars



Terminal  
Rents



Passenger  
Facility Charge

## Non-Aeronautical Revenues



Dining and Retail



Ground Transportation





## Lance Lyttle

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Managing Director, Seattle-Tacoma International Airport (SEA)

# 2023 Aviation Division







- 5 Star Skytrax Rating
- 75 Minutes MCT
- 45 Minutes – Clocktower to Gate
- Level of Service – Optimum
- Top 25 ASQ World Ranking





# SEA Strategic Focus Remains the Same

## Aviation Areas of Strategic Focus

1. Health and Safety
2. Security
3. Employee Engagement
4. Community
5. Innovations and Operational Efficiencies
6. Economic Opportunities and Social Responsibility
7. Customer Experience
8. Environment and Sustainability
9. Financial Sustainability
10. Asset Management, Capital Development and Delivery

# Setting Priorities for 2023

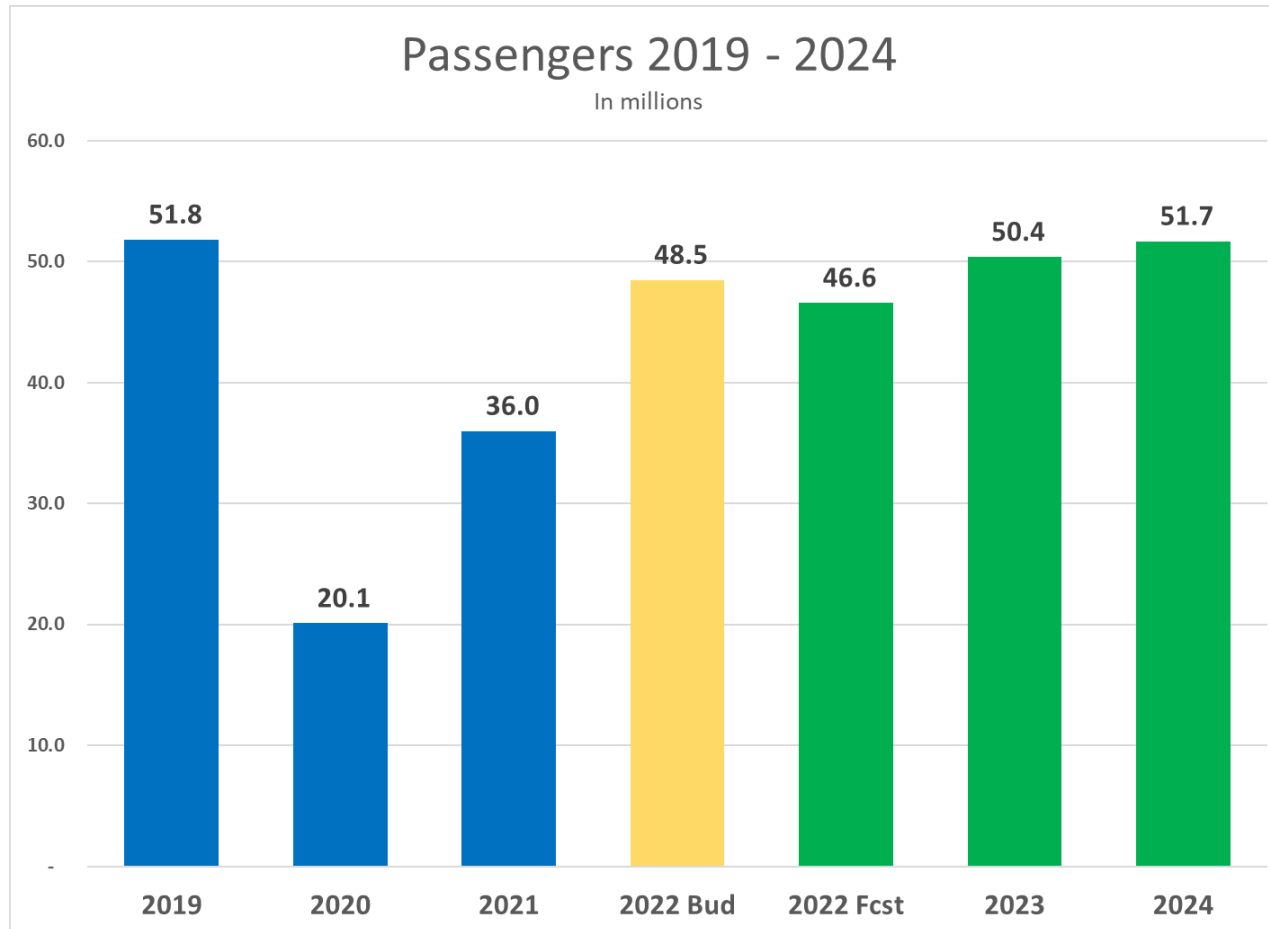
- **Reviewed and updated for each of ten focus areas:**
  - Vision and long-term goals
  - 2027 Objectives
  - 2023 Objectives
- **Set priorities for 2023:**
  - Must Do/Regulatory
  - Wildly important goals (WIGs)
  - Pretty important goals (PIGs)

# 2023 Budget Context

- Still in recovery mode, approaching 2019 passenger level
- Planning for major capital program
- High inflation, baseline costs (payroll especially) growing
- Risk of economic recession
- Non-aero revenues rebounding – will be well above 2019
- Airline revenues (airport costs) growing significantly:
  - Increased capital and O&M costs due to new facilities (IAF, NSAT)
  - Little remaining federal relief grants in 2023 to offset costs
  - Aero revenues will be well above 2019, yet passenger level still below, so CPE will increase



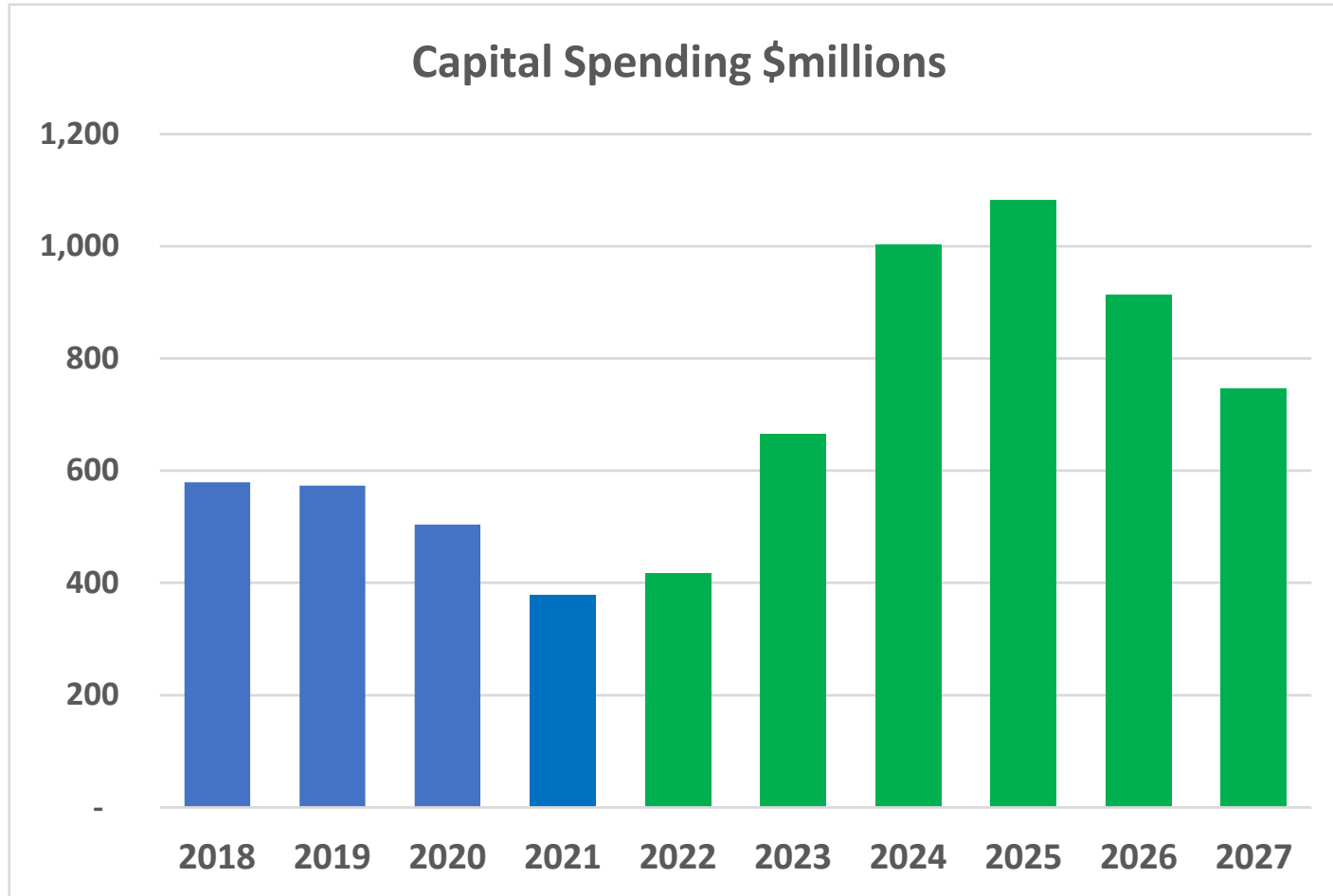
# Passenger Recovery Forecast



	Annual Change	Vs. 2019
2020	-61.2%	-61.2%
2021	79.1%	-30.5%
2022	29.4%	-10.1%
2023	8.2%	-2.8%
2024	2.6%	-0.2%

- 2022 forecast revised down from 2022 budget
- 2023 is 3.9% above 2022 Budget
- Near 2019 passenger level by 2024

# Preparing for Major Growth of Capital Program



- 2025 would be highest annual spending ever
- 2023 Operating budget will add resources to effectively plan and deliver growing capital program
- Forecast excludes Sustainable Airport Master Plan (SAMP) near-term projects

# Largest Proposed Budget Requests

- Significant portions of Airline Realignment project are accounted for as expense
- Consolidated customer services contract for IAF, other areas
- Many continuing initiatives are re-approved annually to manage scope and cost
- ADR tenant janitorial is a pass-through (100% recovered from tenants)
- Sustainable AV fuels pilot project
- Air service incentives are contractual obligations.

Description	Amount in \$000
Airline Realignment	6,827
Consol. Cust. Services Contract	4,962
Planning consultant support (3)	2,625
New FTEs (23)	2,130
SAMP Env review	1,480
PMG expenses tied to CIPs	1,025
Smarte Carte contract increase	1,000
ADR tenant janitorial	1,000
SAF co-benefits pilot project	1,000
New air service incentives	900
Consultant PMs for tenant proj.	791
Asset management program	700
ABD & Fire support services	505
Part 150 study	500
Cargo building fire protection	500
Art restoration	500
Other	9,571
<b>Total</b>	<b>36,016</b>

# Other Highlighted Budget Requests

Description	Amount in \$000
<b>Environment &amp; Sustainability</b>	
PFAS planning	400
Building energy efficiency audit	300
RCF electrical system planning	200
NREL passenger mode choice model	200
GT emissions reductions strategy	150
Preconditioned Air Support	150
Land stewardship goals & tree standards	30
<b>Economic Opportunities &amp; Social Responsibility</b>	
Child Care study	100
Anti-Human trafficking training	100

Description	Amount in \$000
<b>Customer Experience</b>	
Construction communication "Upgrade SEA"	300
Smart Restroom expansion	200
Virtual concierge software	160
Live music	80
<b>Financial Sustainability</b>	
Appraisal for non-aero rent adjustments	200
Off-airport parking PR consultant	150
Non-aero revenue sponsorship study	150
ADR consultant	125
Real estate strategy	50

# Infrastructure Investment



**Federal Advocacy**



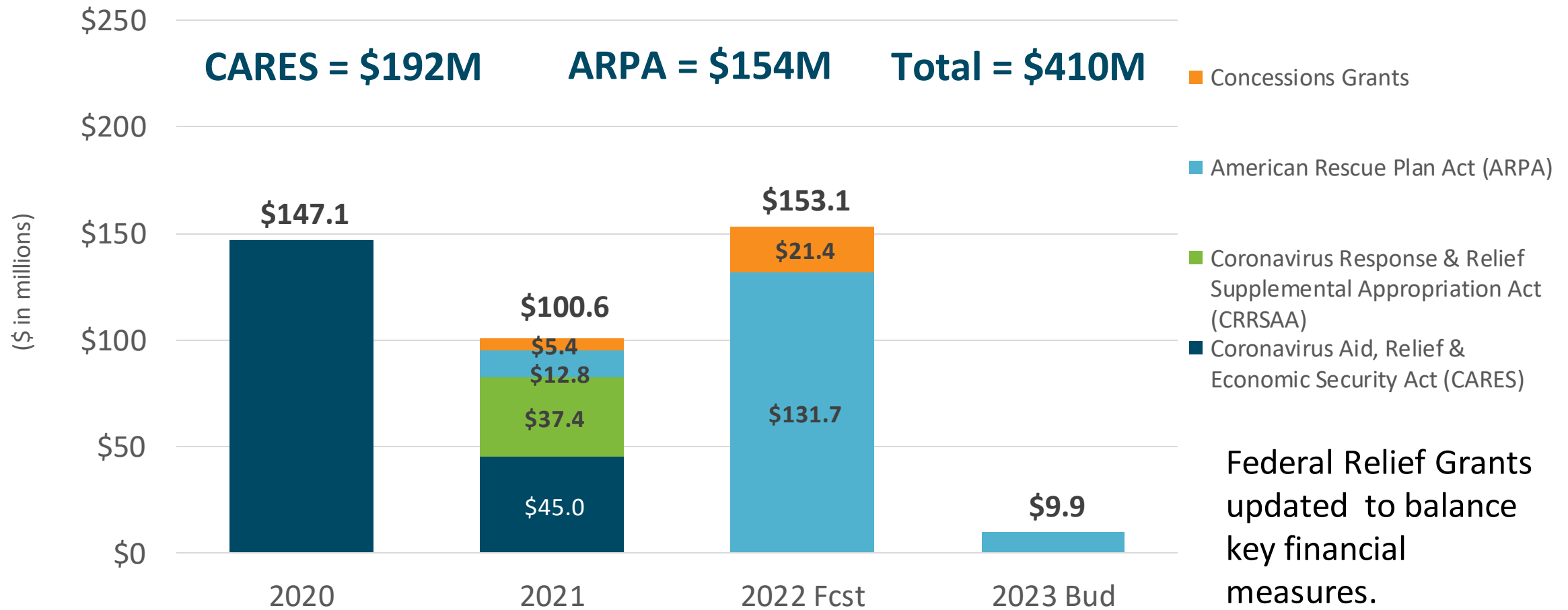
**State and Regional  
Coordination**



**Bipartisan  
Infrastructure Law  
(BIL)**



# Federal COVID Relief: Little Remaining for 2023



# Customer Service Focus



# Making your trip predictable



**Parking  
Improvements**



**Virtual Queuing**



**Online Ordering**



**SEA App**



# Garage Guidance System



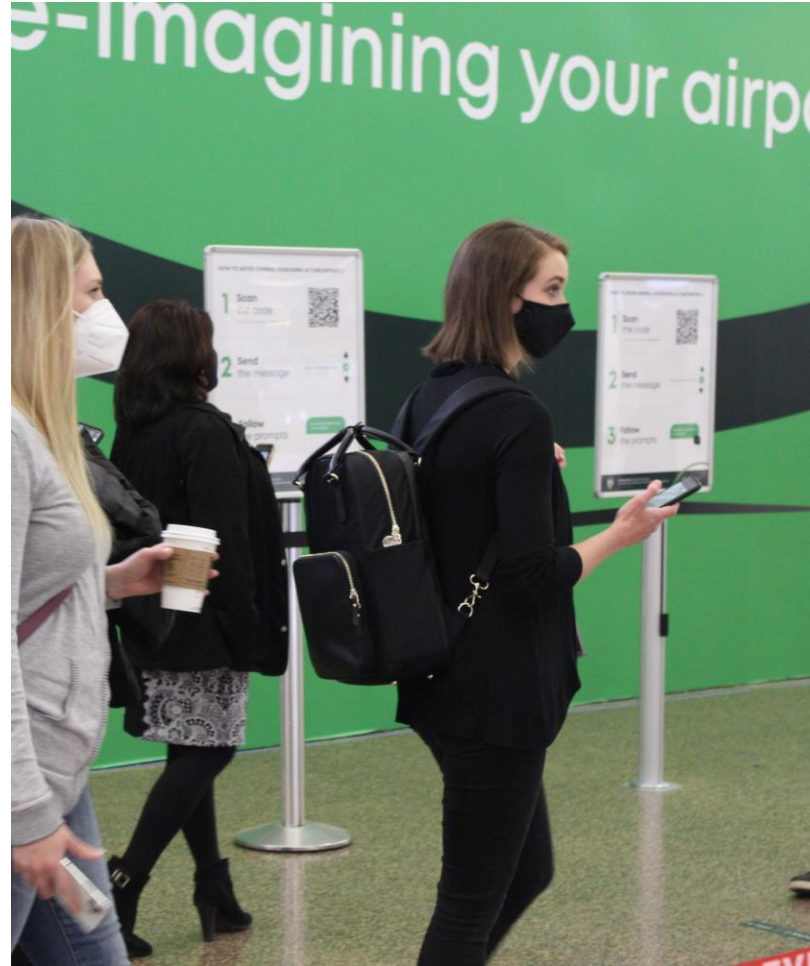




**Reserve Parking**



# Spot Saver (Virtual Queueing)







ORDERSEA   
powered by grab

# SKIP THE WAIT

ORDER NOW FROM YOUR PHONE  
CHOOSE **PICK-UP** OR  
**DELIVERY** TO YOUR GATE



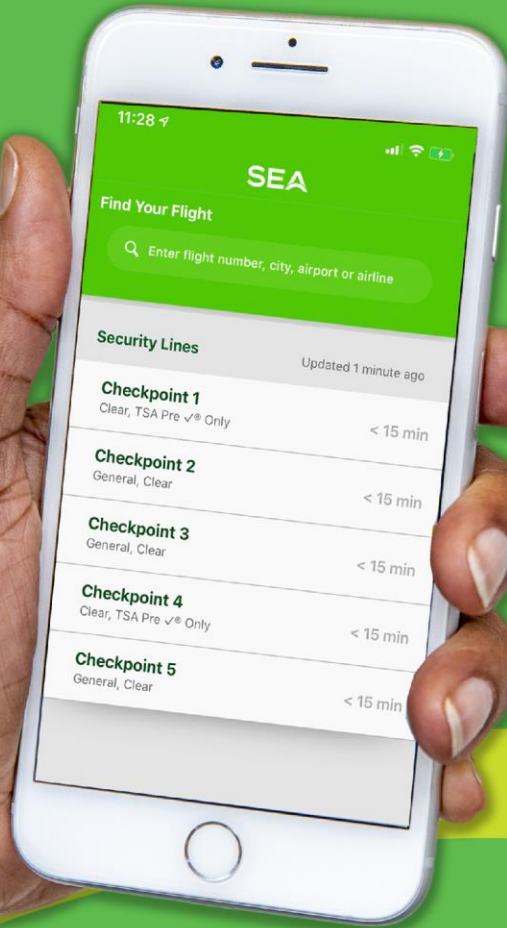
OrderSEA.org





# Get the **SEA Airport App**

Track flights, search shops,  
transportation, and  
much more.





# Accessibility

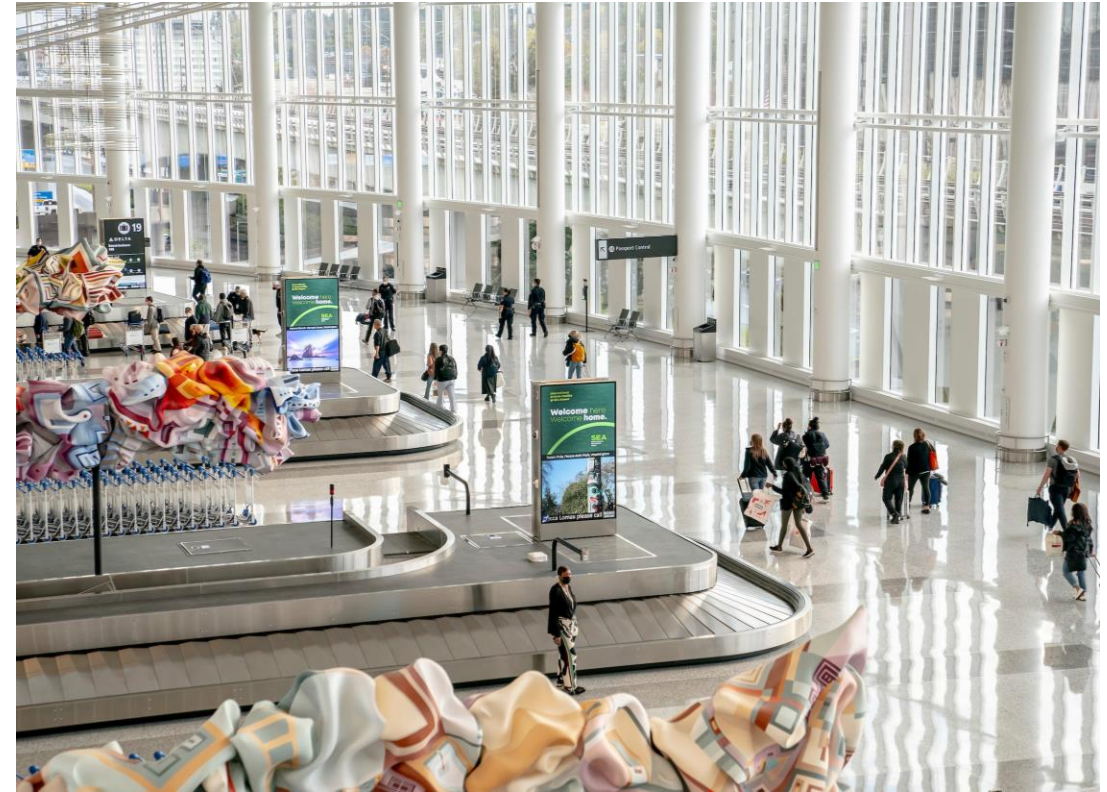




# Consolidated Customer Service Contract



Security Lines



International Arrivals Facility

# Capital Projects





# Capital Improvement Plan Benefits

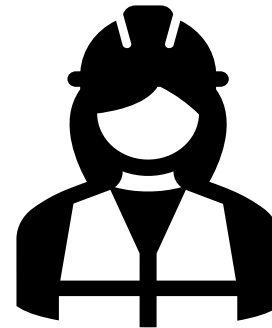
**Asset  
Stewardship**



**Financial  
Sustainability**



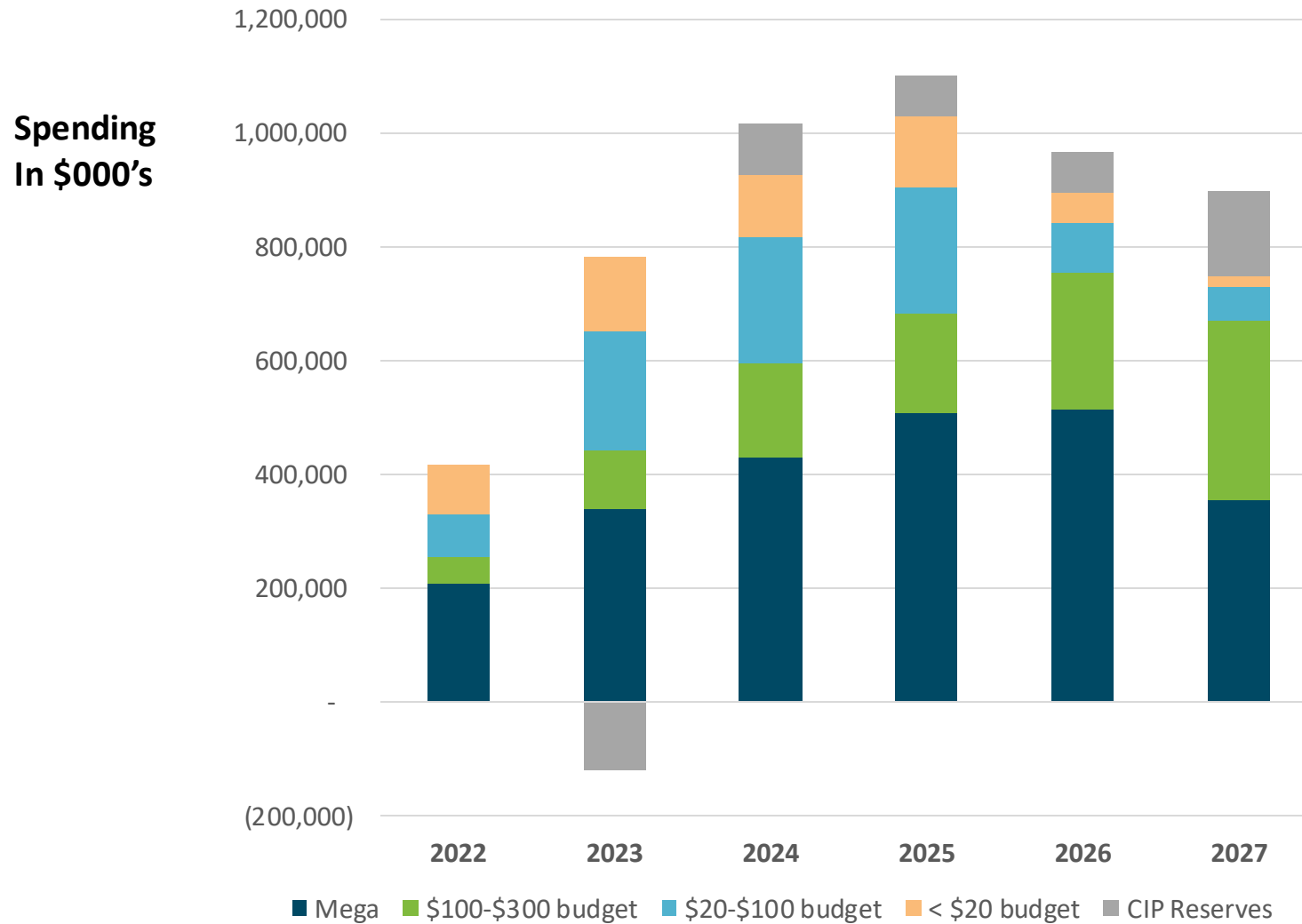
**Economic  
Development**



**Environmental  
Sustainability**



# Major Projects Drive Capital Program

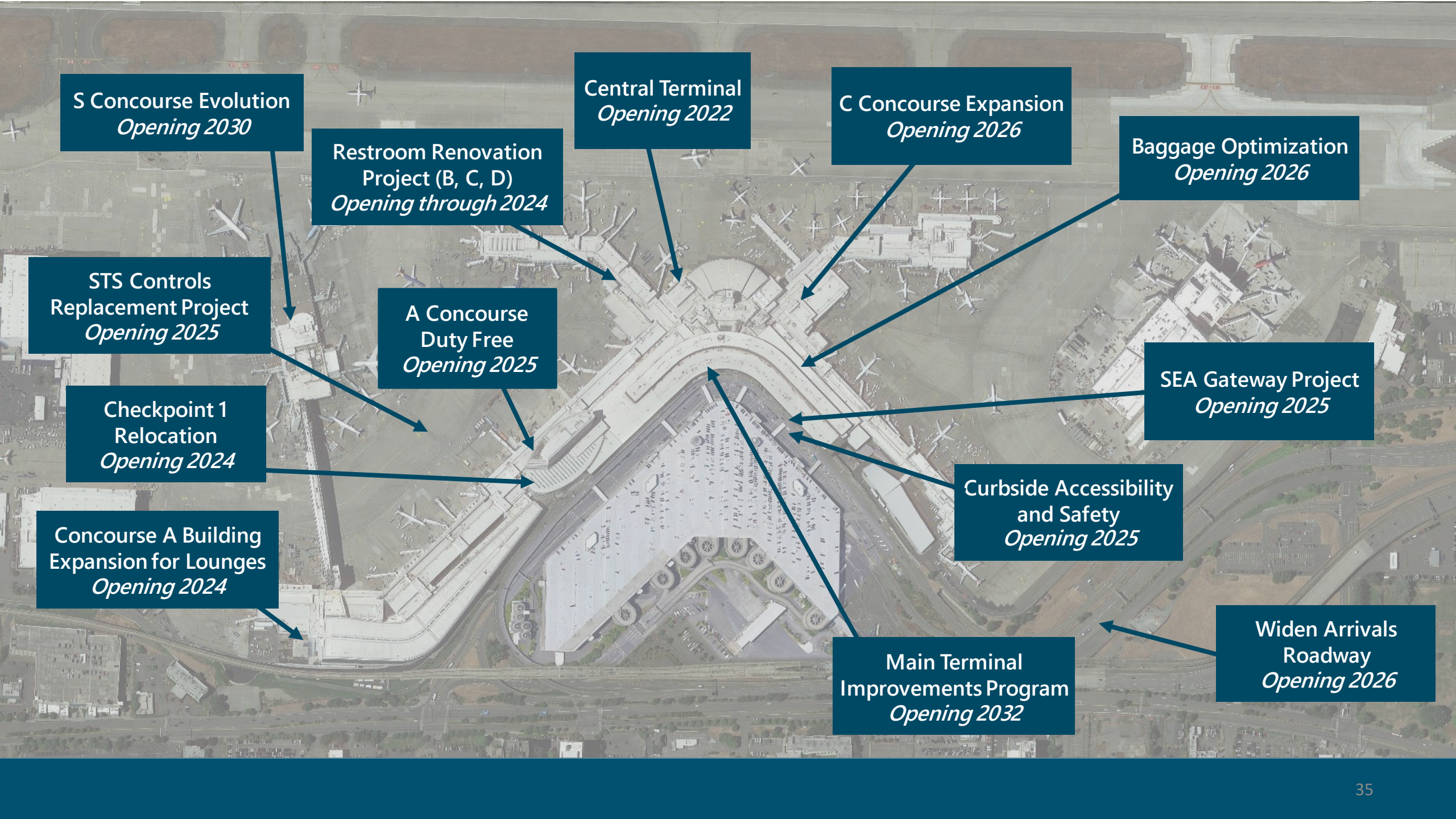


## Mega projects 2023 – 2027:

- Baggage Optimization
  - C Concourse Expansion
  - SEA Gateway
  - S Concourse Evolution
  - Main Terminal Renovation
- 
- Total spending for 2023 – 2027 = \$4.6 billion

Spending forecast does not include Sustainable Airport Master Plan near-term projects



An aerial photograph of a large airport terminal complex, likely Denver International Airport, showing various concourses and the central terminal building. Numerous aircraft are visible on the tarmac. Overlaid on the image are ten dark blue rectangular callout boxes with white text, each containing the name of a project and its opening date. Arrows point from each box to the specific location of the project on the terminal map.

**S Concourse Evolution**  
*Opening 2030*

**Restroom Renovation  
Project (B, C, D)**  
*Opening through 2024*

**Central Terminal**  
*Opening 2022*

**C Concourse Expansion**  
*Opening 2026*

**Baggage Optimization**  
*Opening 2026*

**STS Controls  
Replacement Project**  
*Opening 2025*

**A Concourse  
Duty Free**  
*Opening 2025*

**Checkpoint 1  
Relocation**  
*Opening 2024*

**SEA Gateway Project**  
*Opening 2025*

**Concourse A Building  
Expansion for Lounges**  
*Opening 2024*

**Curbside Accessibility  
and Safety**  
*Opening 2025*

**Main Terminal  
Improvements Program**  
*Opening 2032*

**Widen Arrivals  
Roadway**  
*Opening 2026*





The Upgrade SEA projects are unified by a shared, customer facing vision:

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*Picture an airport journey without long lines and overflowing crowds. You follow a predictable and easy path from curb to gate with the space, services, and amenities that make your trip just right. That is the future at Seattle-Tacoma International Airport. The Upgrade SEA program updates the airport you know and love with more of what you want and need.*



In Design



# C Concourse Expansion

**Scope:** Add 4 floors to the existing 3 floor C1 Building.  
Includes: Airport Dining and Retail space, office space, and lounge space, amenities such as nursing room, meditation room, and sensory room.

**Estimated Budget Range:** \$340M - \$420M

**Schedule:** Q1 2021 – Q4 2027

Design Complete Q1 2023  
Early Work Packages Start Q2 2022  
Full Construction Starts Q2 2023  
Substantial Completion Q4 2027

Phase A Work at 90% Design



Phase B Work at 60% Design



# SEA Gateway/North Main Terminal Redevelopment Program

**Scope:** Alaska Airlines is sponsoring and managing a tenant reimbursable program to redevelop of their Ticketing and other support areas of the Main Terminal to improve passenger check-in, bag drop and security screening capacity.

**Target Estimated Budget:** \$400 - \$525M

**Schedule:** Q1 2021 – Q2 2026

Design Start Q3 2021

Phase A Construction Q3 2022 (Bridge/Promenade)

Phase B Construction Q2 2024 (Ticketing & Checkpoint 5)



In PDD Development



# S Concourse Evolution

**Scope:** This project will seismically and structurally strengthen the SSAT, complete the effort of bringing all its building systems up to date, completely replace the lower-level FIS facility, and remodel and expand the retail, dining, and club space on the upper floors of the facility.

**Target Estimated Budget Range:** \$1.4B - \$1.7B

**Schedule:** Q4 2021 – 2030

Design Begin Q1 2023

Construction NTP Q1 2025

Substantial Completion 2030





PDD Initiated in 2022

# Main Terminal Improvements Program

**Total Program Budget: \$800M**

**Scope Includes:** Smoke control and sprinkler installation, ceiling, lighting, mezzanine security improvements, restroom renovations, ceiling signage, sewer & domestic water improvements, Baggage level optimization plan implementation, bag claim devices renewal and replacement, elevator renewal and replacement, new signage, updated standards/requirements, aesthetic visioning implementation, sustainability and innovation program allowances.

**Target Estimated Budget Range: \$800M - \$1B**

**Program Schedule Duration to 2033**



# A Concourse Duty Free

**Scope:** Design and construct a walk-through Duty Free on the A Concourse, adjacent to the new IAF exit for connecting passengers. This project will provide 11,000 sq. ft. of new Duty Free space.

**Target Estimated Budget: \$45M**

**Schedule: Q2 2021 – Q3 2026**

PDD Completion Q3 2022

TRA solicitation Q1 2023

TRA contract in place Q3 2023

Design start Q4 2023

Construction Q1 2025 - Q2/3 2026



PDD Initiated in 2022



# Curbside Accessibility and Safety

**Scope:** Accessibility and safety enhancements to the main terminal which includes increasing the number of curbside accessible loading zones, and the installation of bollards on the curbsides, sky bridge entrances, and courtesy vehicle plaza.

**Target Estimated Budget:** \$22.95 million

**Schedule:** Completion estimated Q2 2023



# Community Noise Mitigation

Project	Estimated Cost	Year
Single-Family Home Sound Insulation	\$16 Million	2021-2026
Condominium Sound Insulation	\$6.4 Million	2022-2024
Apartment Sound Insulation	\$133 Million	2022-2026
South Approach Transition Zone Voluntary Acquisition	\$3 Million	2023-2026
Places of Worship Sound Insulation	\$26 Million	2023-2026



# Public Port, Community Benefit







**Dan Thomas**

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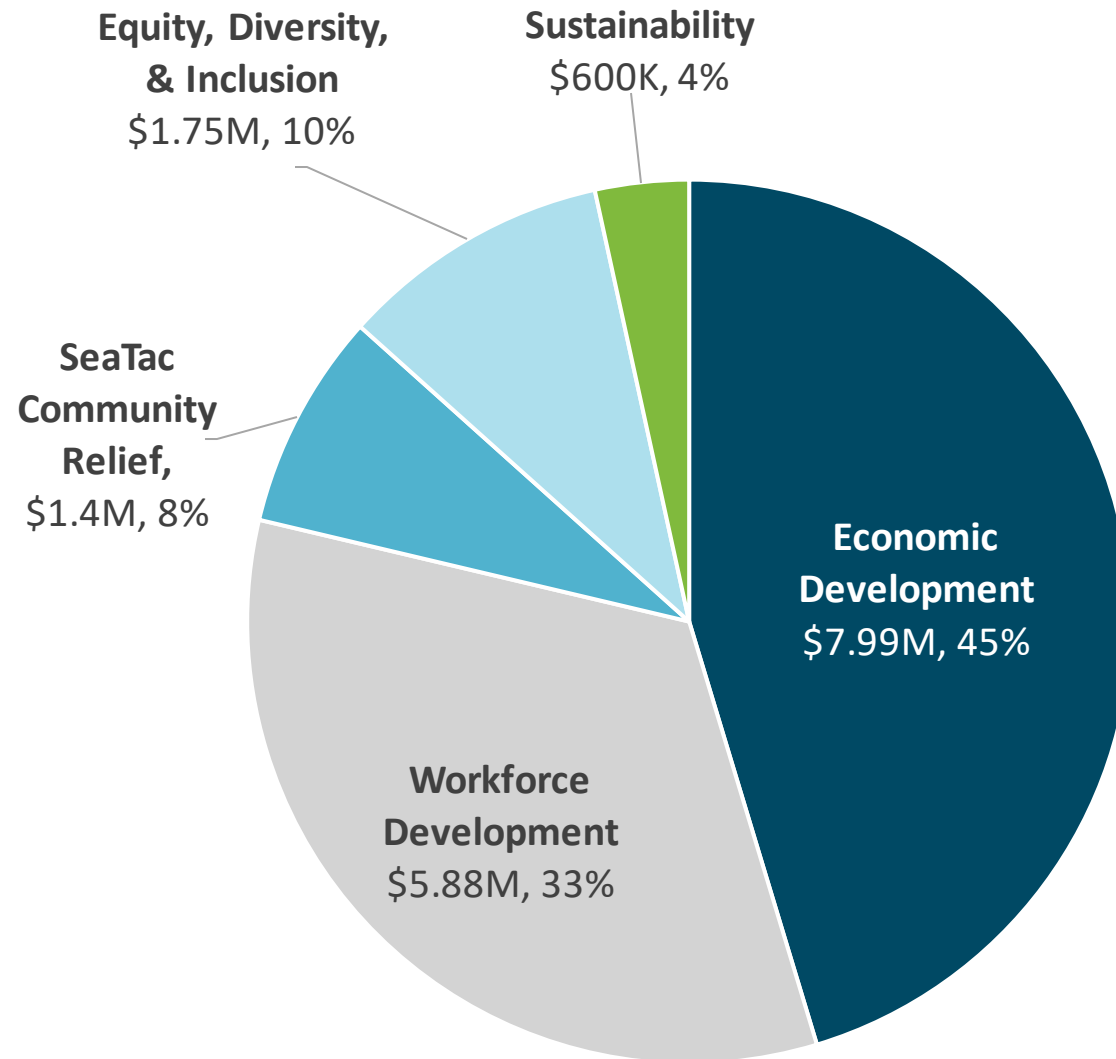
Chief Financial Officer



# 2023 Community Programs

<b>Program (in \$000)</b>	<b>2022 Budget</b>	<b>2023 Proposed Budget</b>	<b>2023 Budget Funded by the levy</b>	<b>% of the 2023 Budget Funded by the levy</b>
1) Energy & Sustainability Fund	160	120	120	100%
2) Airport Community Ecology (ACE) Fund	135	40	40	100%
3) South King County Community Impact Fund (SKCCIF)	2,195	2,214	2,214	100%
4) Duwamish Valley Community Equity Program	387	462	462	100%
5) EDD Partnership Grants	1,200	850	850	100%
6) Tourism Marketing Support Program	1,750	1,830	282	15%
7) Airport Spotlight Ad Program	466	466	466	100%
8) City of SeaTac Community Relief	1,400	1,400	1,400	100%
9) Maritime Blue (formerly Maritime Innovation Center)	150	150	150	100%
10) Workforce Development	4,390	5,186	3,785	73%
a. Youth Career Launch Program (formerly OYI)	1,000	1,000	1,000	100%
b. Airport Employment Center	1,096	1,517	303	20%
11) High School Internship Program	496	457	252	55%
12) Diversity in Contracting	1,836	2,299	300	13%
a. Small Bus. Accelerator under SKCCIF	250	250	250	100%
b. DBE/ACDBE/WMBE Training Consultants & Outreach	-	50	50	100%
13) Equity, Diversity & Inclusion	1,366	1,767	138	8%
14) Sustainable Aviation Fuels & Air Emissions Program	200	100	100	100%
15) Low Carbon Fuel Standard Initiative	110	150	-	-
16) Community Biz Connector (Regional Small Biz Partnerships)	150	350	350	100%
17) Public Market Study	-	100	100	
18) Seattle Aquarium Partnership	-	1,000	1,000	100%
<b>Sub Total</b>	<b>16,142</b>	<b>18,691</b>	<b>11,760</b>	<b>63%</b>
<b>Payroll charged to the Levy</b>	<b>483</b>	<b>433</b>	<b>433</b>	<b>100%</b>
<b>Grand Total</b>	<b>16,625</b>	<b>19,124</b>	<b>12,193</b>	<b>64%</b>

# Port Community Program Funding by Activity



## Economic Development

- Tourism Dept.,
- Spotlight Advertising,
- City Economic grants
- Diversity in Contracting Dept.
- Maritime Innovation
- South King County Fund

## Workforce Development

- High School Interns
- Workforce Development Department

## Equity, Diversity & Inclusion

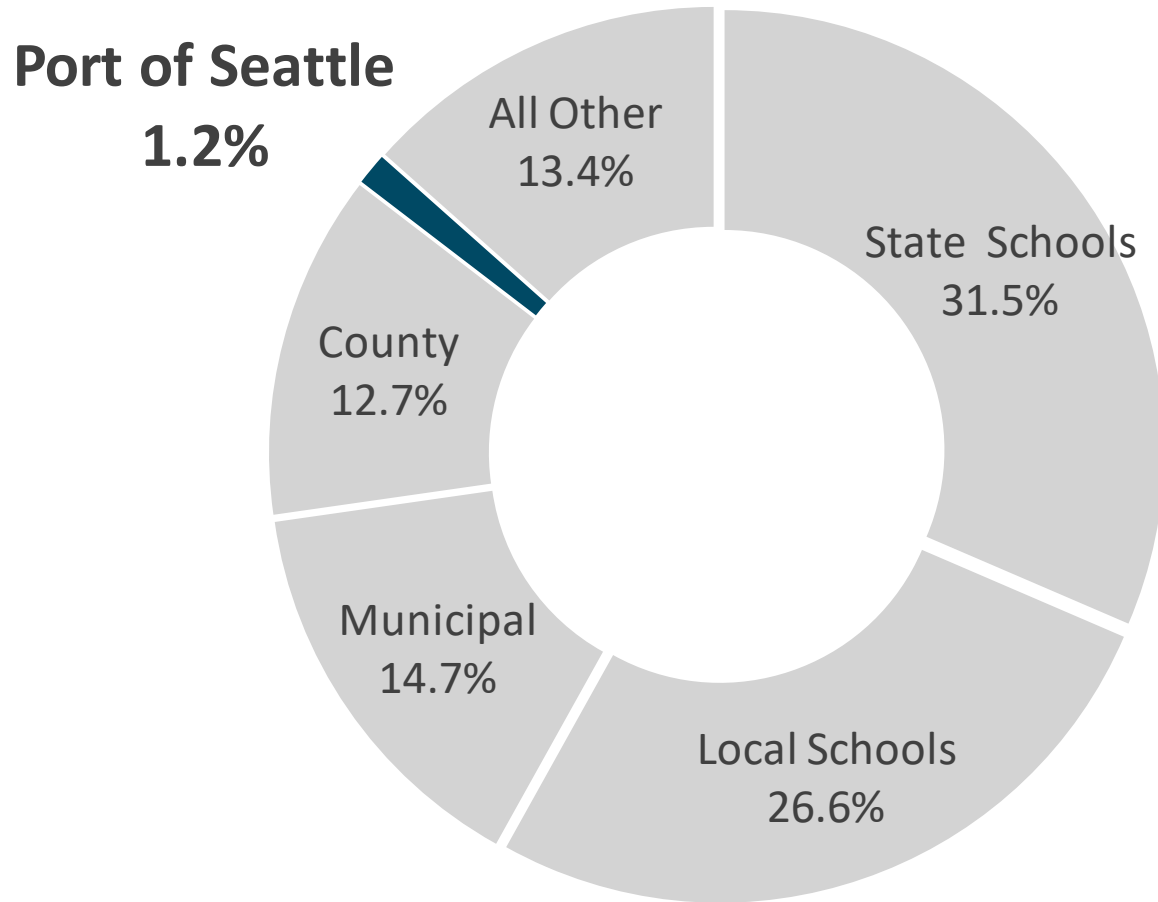
- EDI Department
- Duwamish Community Equity program

## SeaTac Community Relief

## Sustainability

- South King County Fund (continuing ACE Fund)
- E&S Committee
- Low Carbon Fuel Standard
- Sustainable Aviation Fuels

# About the Levy



King County Property Taxes by Jurisdiction, 2022

## TAX LEVY USES

- General Obligation Bond debt service
- Investments in maritime infrastructure
- Environmental sustainability
- Regional transportation mobility
- Community:
  - Workforce development, partnerships,
  - Grants
  - Near-Port communities
  - Tourism



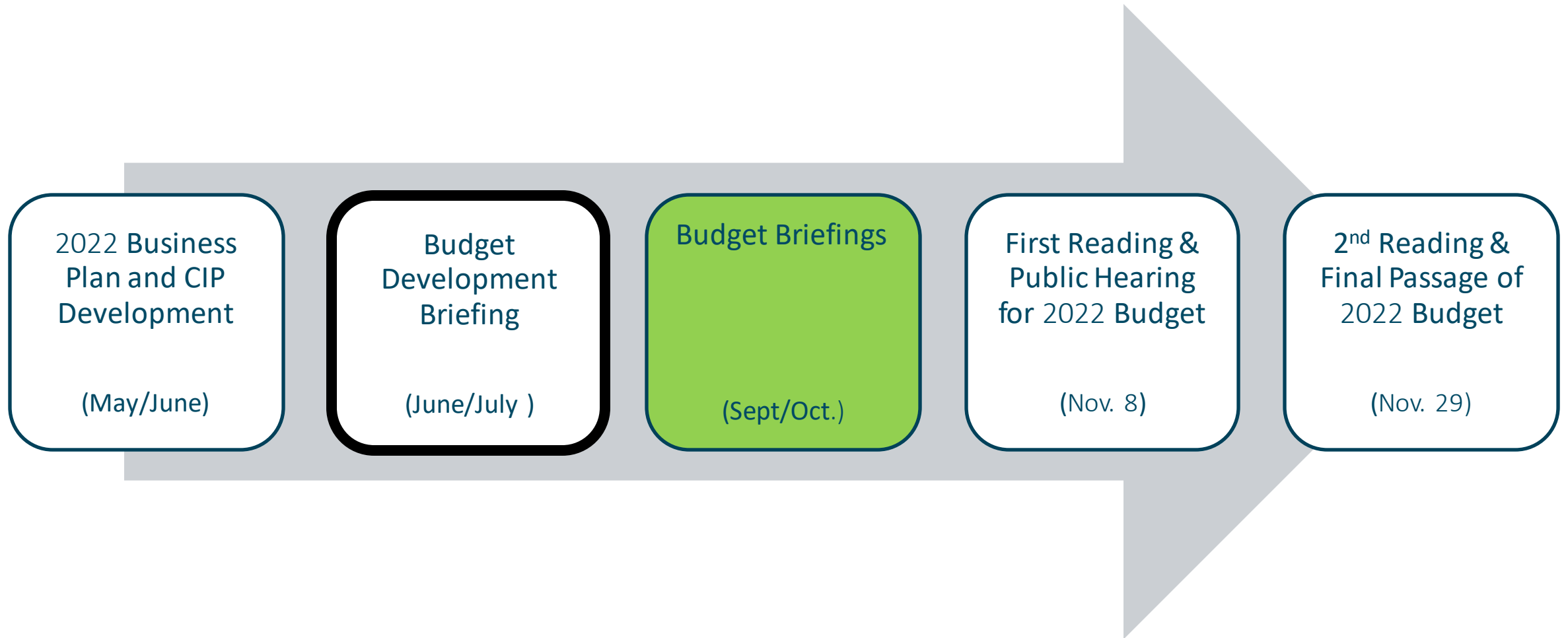
# Tax Levy

In 2023, the median homeowner payment is estimated at **\$78.0**

Port of Seattle Tax Levy	2022 Estimate	2022 Actual	2023 Estimate	Change from 2022 Actual
Tax Levy Amount (\$ mil)	\$81.0	\$81.0	\$82.7	2.0%
Median homeowner payments (\$)	\$72.0	\$78.0	\$78.0	0.0%

Based on an estimated median King County home value of \$830,000 per King County Assessor in 2023.

# 2023 Budget Timeline



# More about the budget:

<https://www.portseattle.org/2023budget>



# Your Questions







Thank you