

Capital Improvement Program (CIP) Briefing

Item No: 6c Supp.

Date: 06/24/03

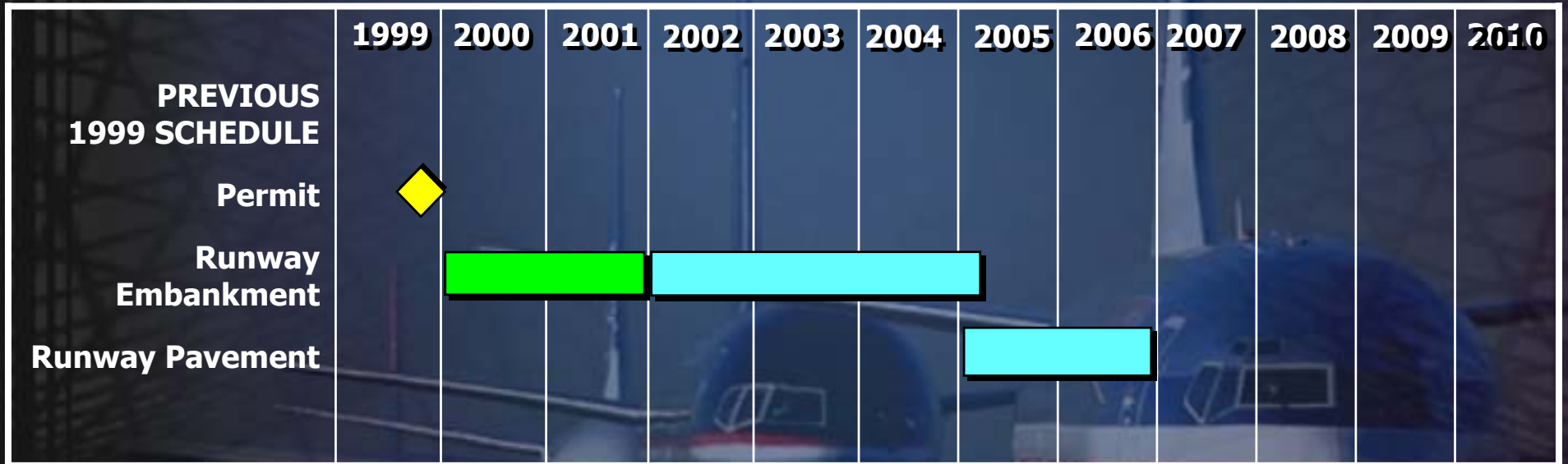
Third Runway Update

The background of the slide is a photograph of an airport tarmac. Two large commercial airplanes are visible, one in the foreground and one slightly behind it. The planes are white with blue and red stripes. The tarmac is paved and there are some ground support equipment visible. The overall tone of the image is somewhat muted, with a blueish tint.

Third Runway Update

- ❖ **July 1999 - Revised Project Cost and Schedule Approved by Port of Seattle Commission**
 - ❖ **Project cost \$773 M**
 - ❖ **Project completion Fall 2006**
 - ❖ **Army Corps of Engineers 404 Permit assumed by December 1999**

Third Runway 1999 Project Schedule



Progress To Date

Third Runway Update

- ❖ **Project Cost to Date - \$361 M ***
 - ❖ **Acquisition - 497 parcels purchased**
 - ❖ **5 million cubic yards of fill imported**
 - ❖ **Constructed 150,000 square yards of pavement**
 - ❖ **Facilities relocated**
 - ❖ **FAA Remote Transmitter/Receiver (RTR) Facilities**
 - ❖ **Weyerhaeuser Facility**
 - ❖ **Automatic Surface Observation System (ASOS) Equipment**
 - ❖ **FAA/POS Magazine Facility**
 - ❖ **POS Maintenance Decant Station**
 - ❖ **FAA Airport Surveillance Radar (ASR)-9 Facility (in progress)**

* Costs as of 12-31-02

Third Runway Update

❖ Future Work

- ❖ Relocation of East 156th Way
- ❖ Relocation of Miller Creek
- ❖ Embankment construction of north/west walls
- ❖ On-site excavation - 3 million cubic yards
- ❖ Environmental mitigation projects
- ❖ Third Runway Stormwater Vaults/Ponds
- ❖ Runway/Taxiway Construction
- ❖ Relocation of Airport Surface Detection Equipment (ASDE)
- ❖ FAA NAVAIDS

Third Runway Update

❖ Anticipated Schedule

- ❖ Advertise 2004-2005 Embankment Contract by late-2003
- ❖ Start construction by early-2004
- ❖ Runway commissioning - End of 2008

❖ Revised Project Budget *

❖ Estimated cost to complete	\$747 M - \$792 M
❖ Estimated total project cost	\$1,108 M - \$1,153 M
❖ Anticipated cost to complete	\$768 M
❖ Remaining authorized budget	\$412 M
❖ Estimated additional budget required	\$356 M

* Costs as of 12-31-02

Third Runway Update

❖ What Has Changed – Major Contributors

❖ Delay

\$55 M

- ❖ Inflation impact 3%/year
- ❖ Environmental/legal costs
- ❖ Project redesign/rescheduling
- ❖ Project Team idle costs

❖ Permit conditions

\$151 M

- ❖ Stormwater Vaults/Ponds
- ❖ Mitigation
- ❖ Environmental/legal
- ❖ Acquisitions
- ❖ Permit support

Third Runway Update

❖ What Has Changed – Major Contributors

❖ Market conditions

\$20 M

❖ Acquisitions

❖ Scope

\$55 M

❖ Borrow site use

❖ Owner controlled insurance program/safety program

❖ Acquisitions - additional parcels

❖ Airfield lighting vault

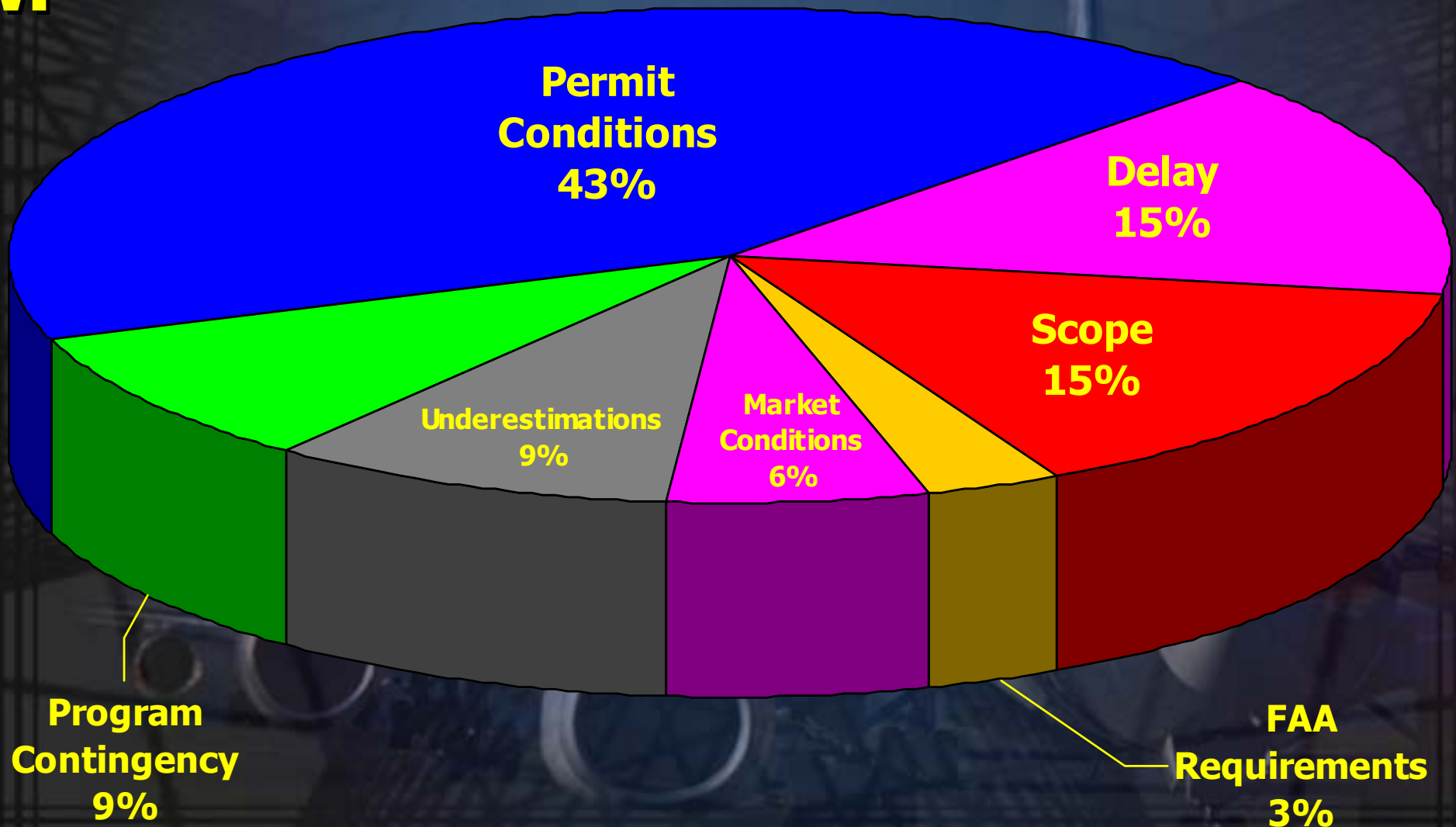
❖ SR-518 Interchange

Third Runway Update

❖ What Has Changed – Major Contributors	
❖ FAA requirements	\$10 M
❖ NAVAIDS	
❖ Aviation Easements	
❖ Underestimations	\$32 M
❖ Program contingency	\$33 M
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❖ Estimated Additional Budget Required	\$356 M

Third Runway Update

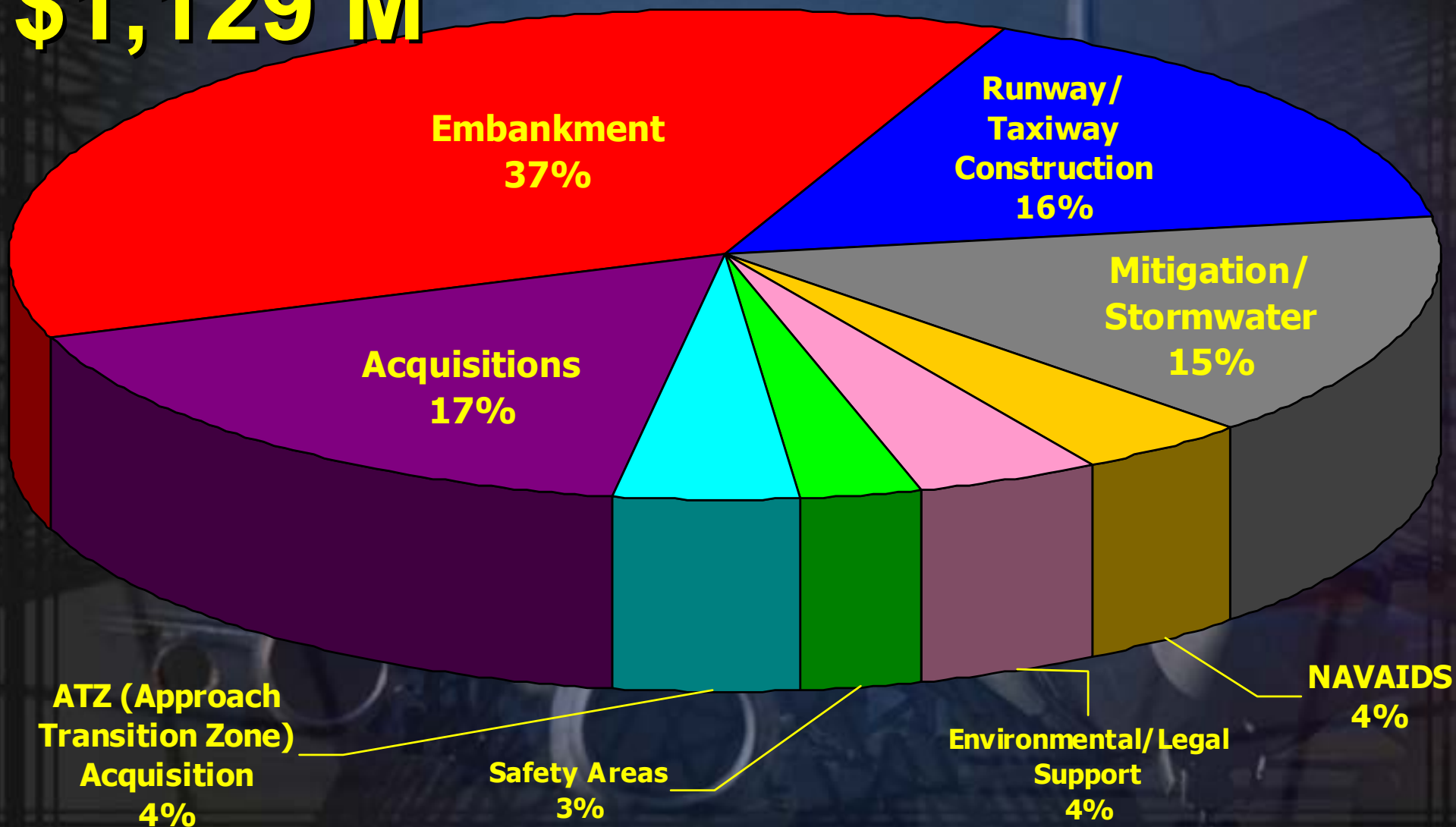
Additional Cost Allocation \$356 M



Third Runway Update

June 2003 Budget

\$1,129 M



Major Project Risks

LEGAL	<ul style="list-style-type: none"> ✓ 404 Litigation ✓ 401 Litigation 	Potential 12 Month Delay
EMBANKMENT	<ul style="list-style-type: none"> ✓ Delay in 2004-2005 Embankment Advertisement Changes in Fill Criteria Market Conditions Unforeseen Conditions 	Potential 12 Month Delay
AIRFIELD	<ul style="list-style-type: none"> ✓ Change in Design Standards 	No Schedule Delay
ACQUISITION	<ul style="list-style-type: none"> ✓ Avigation Easements 	No Schedule Delay
NAVAIDS	<ul style="list-style-type: none"> ✓ FAA Coordination/Startup Commissioning 	Potential 3 Month Delay

ESTIMATED BUDGET IMPACT DUE TO 12 MONTH DELAY	\$25 M
Estimated Cost to Complete	\$778 - \$823 M
Estimated Total Project Cost	\$1,139 M - \$1,184 M
Anticipated Cost to Complete	\$793 M
Estimated Additional Budget Required	\$381 M

Savings Attributable to New Third Runway

Year of Runway Completion	Total Cost Range for Runway	Annual Savings Benefits to Airlines by Minimizing Delay	Annual Savings Benefits to Passengers by Minimizing Delay
2008	\$1,108 M - \$1,153 M		
2009	\$1,139 M - \$1,184 M	\$93 M	\$129 M
2010 or Later	More	\$121 M	\$166 M

