

ITEM NO. 7d_Supp

DATE OF

MEETING: August 20, 2013



Sea-Tac Airport 2014 – 2018 Business Plan

August 20, 2013

Contents

- State of Airline Industry
- State of Sea-Tac Airport
- Preliminary Forecast
- Capital Plans
- Strategies and Objectives
- 2014 Budget Opportunities

Airline Industry

- Key trends continue:
 - › Consolidation - American & US Airways
 - › Managing capacity (seats) to meet demand; high load factors
 - › Disciplined growth, focus on profit not growth for sake of growth
 - › Growth largely focused on hubs, airports with international connections
 - Small airport impact
- US airlines profitable 2010 - 2012
- All major airlines reported strong 2013 results as of Q2.

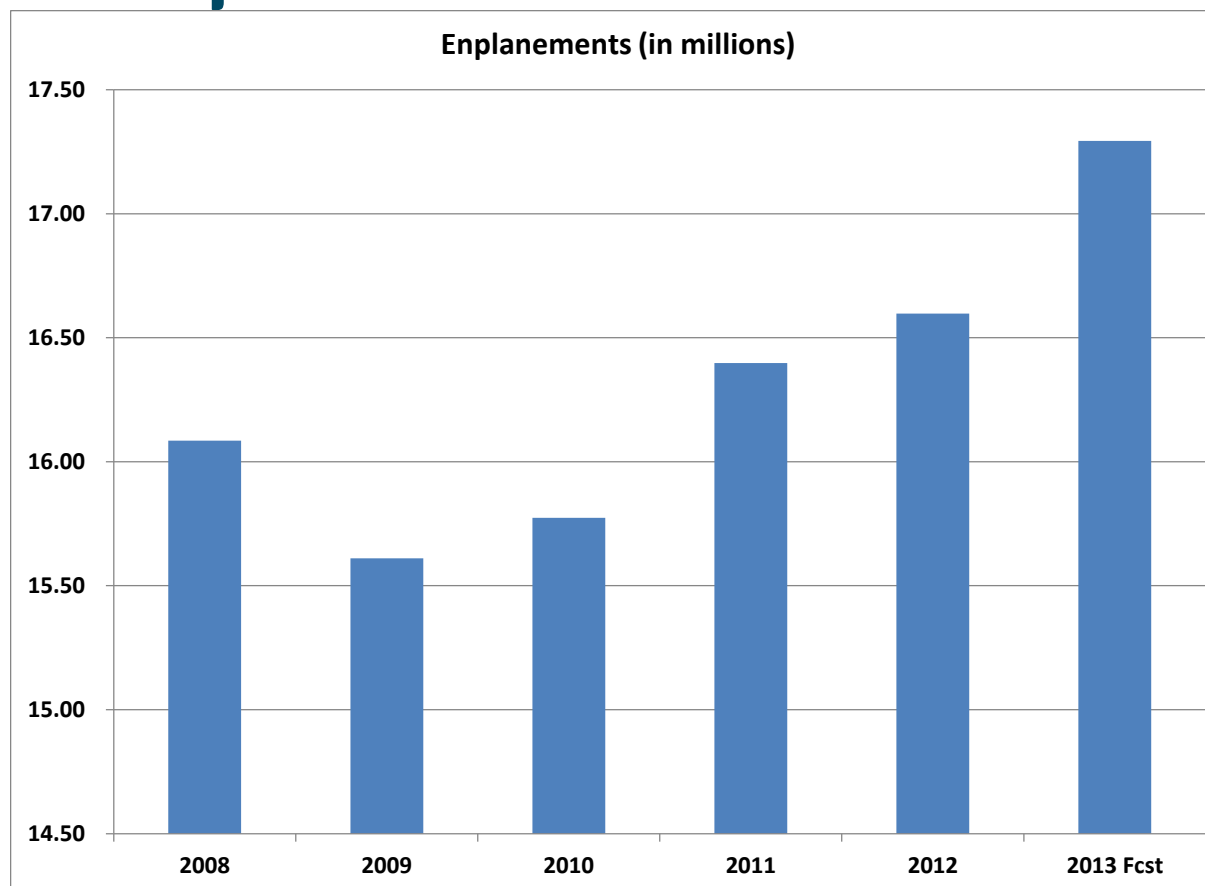
State of Sea-Tac Airport

- Strong fundamentals in 2013:
 - › Enplanement growth of 4.4% YTD through June (2.6% after adjusting for non-revenue passengers not reported in 2012)
 - International +10.1%
 - Domestic +3.8%
 - › Air freight (tons): +4.0% YTD
 - › Landed weight: +2.5% YTD

Key Indicators 2008-2013

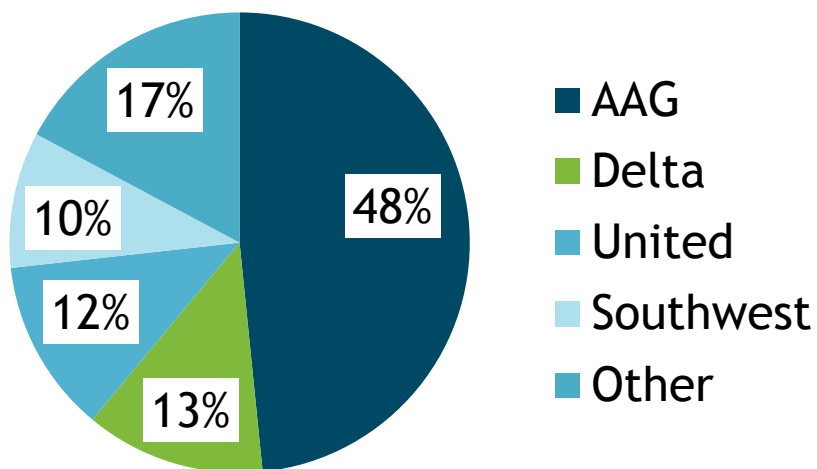
- Enplanements
- Market share of AAG
- Capital Spending
- Debt and Debt/Enplaned Passenger
- Non-airline revenues and NOI
- Cash flow - NOI after debt service and interest income
- CPE
- Delay trends at Sea-Tac
- All-in CPE

Enplanement Growth

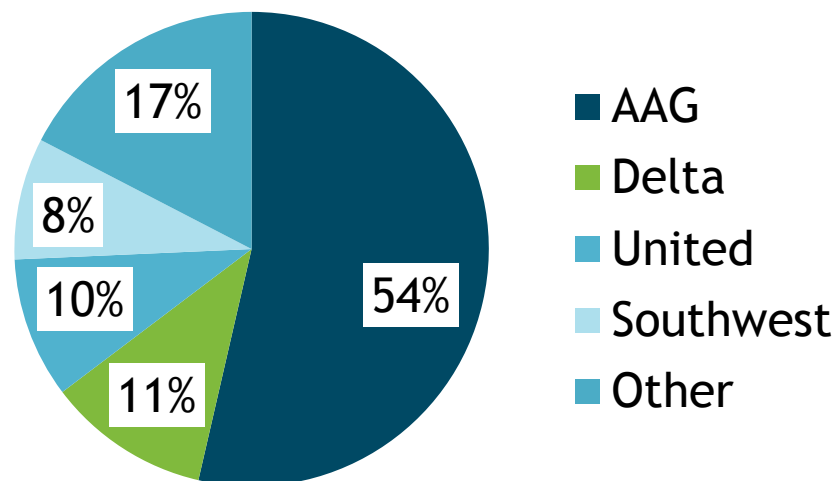


Growing AAG Market Share

2008 Passengers

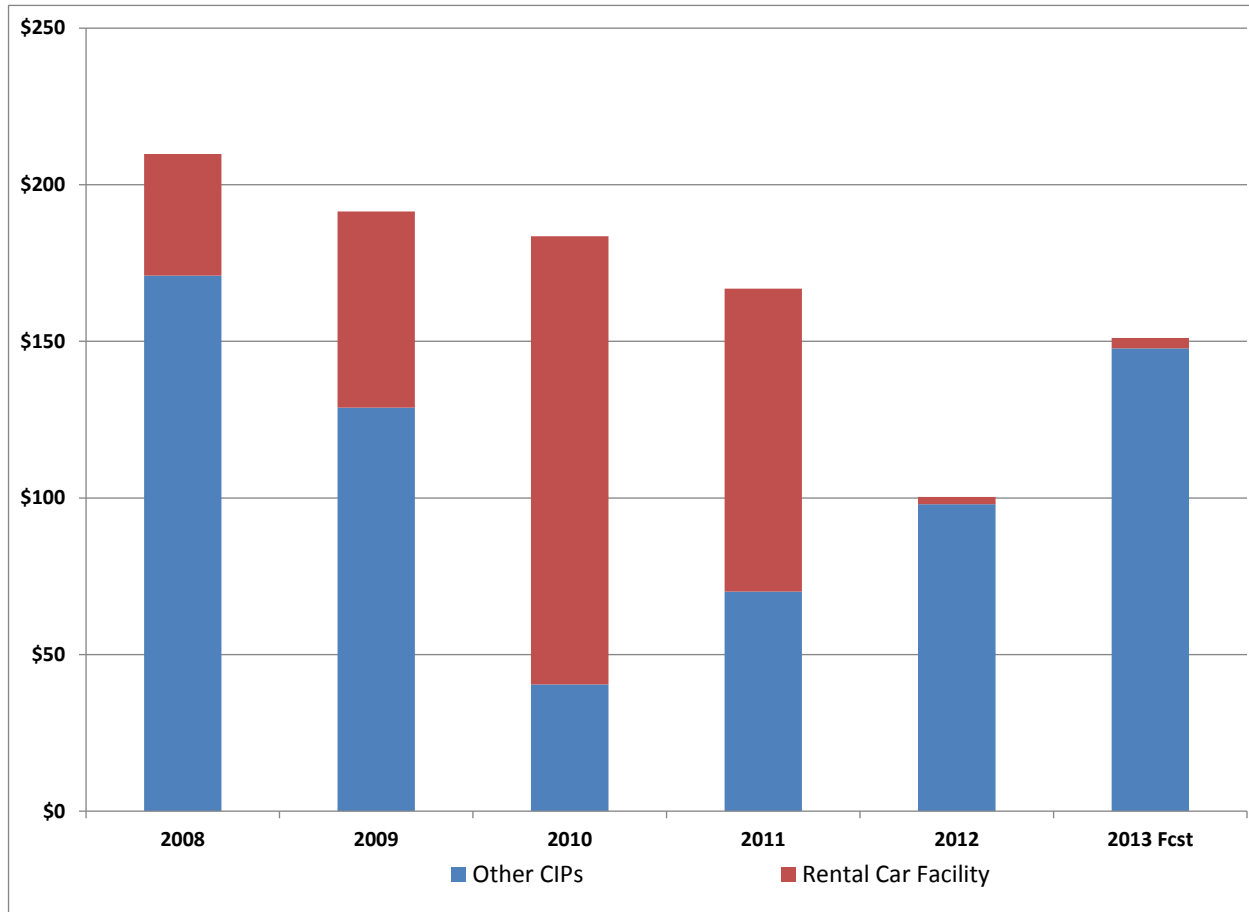


2013 June YTD
Passengers



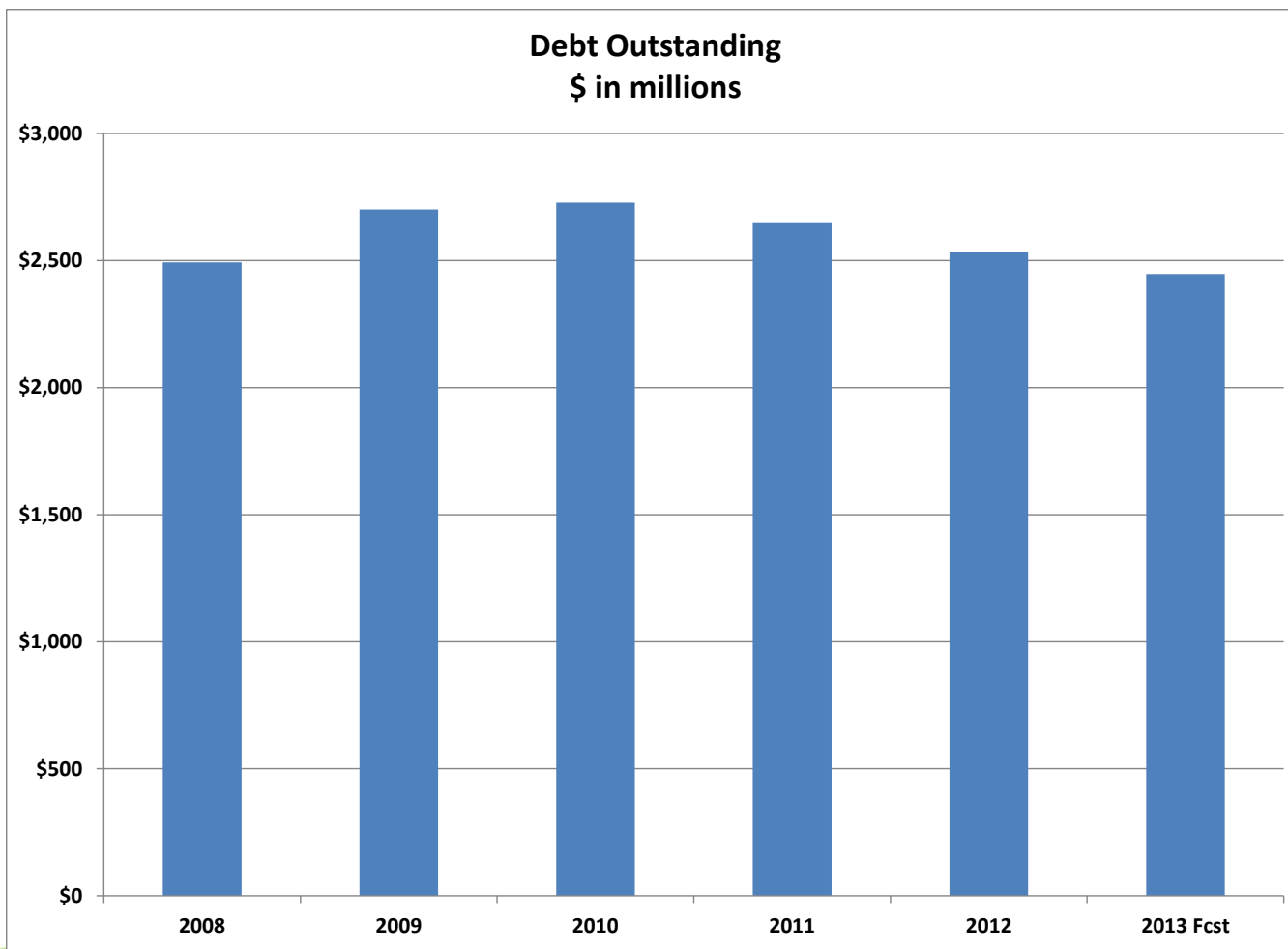
Capital Spending 2008 – 2013

\$ in millions

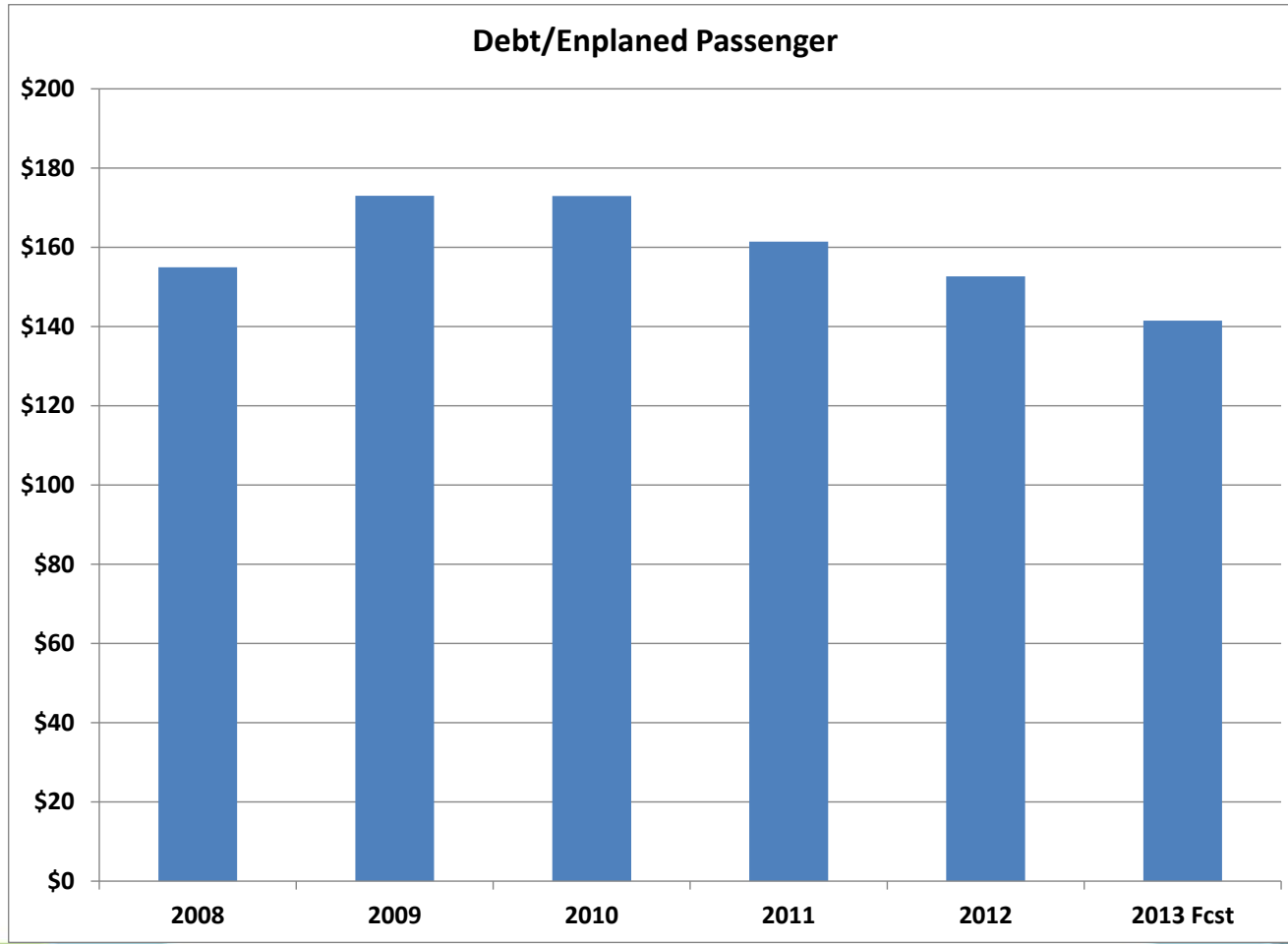


- Spending picking up after declines in recent years

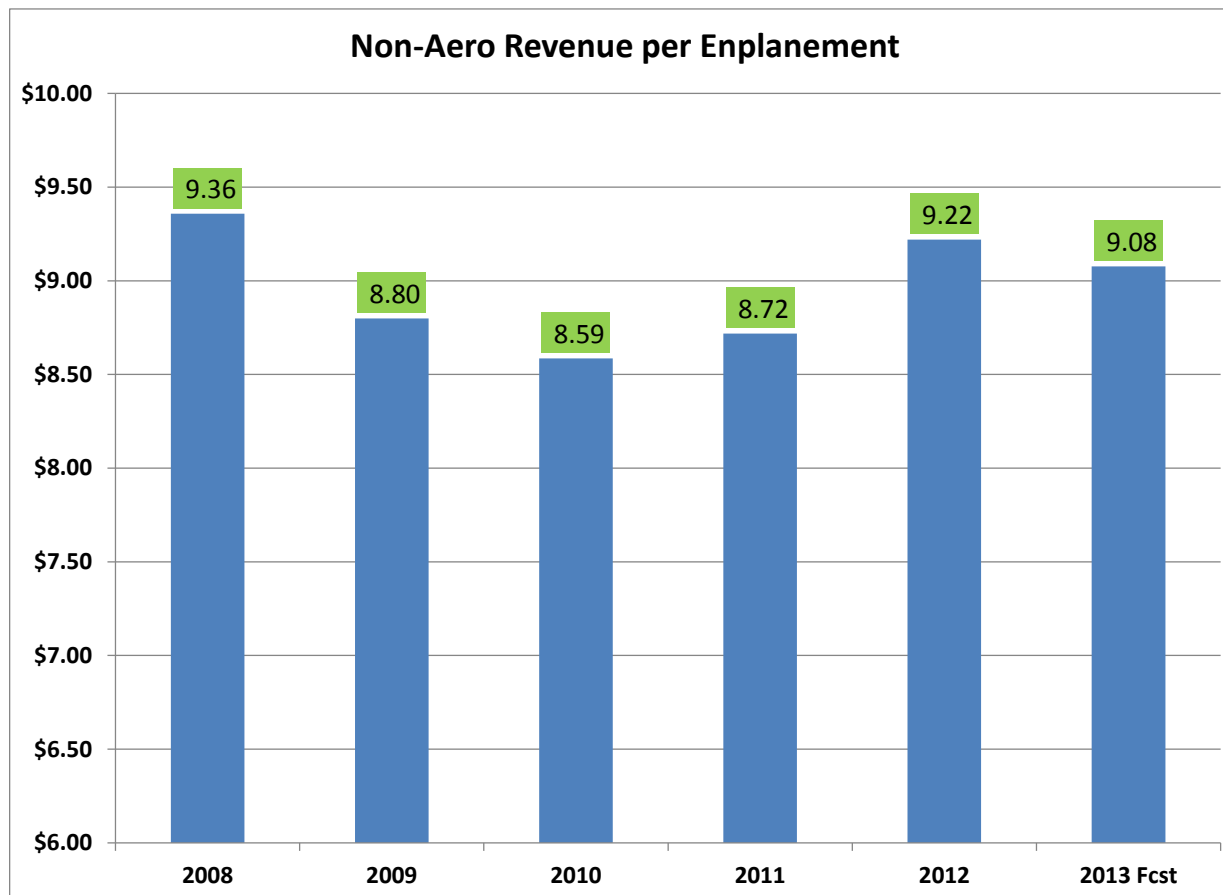
Debt Level Declining



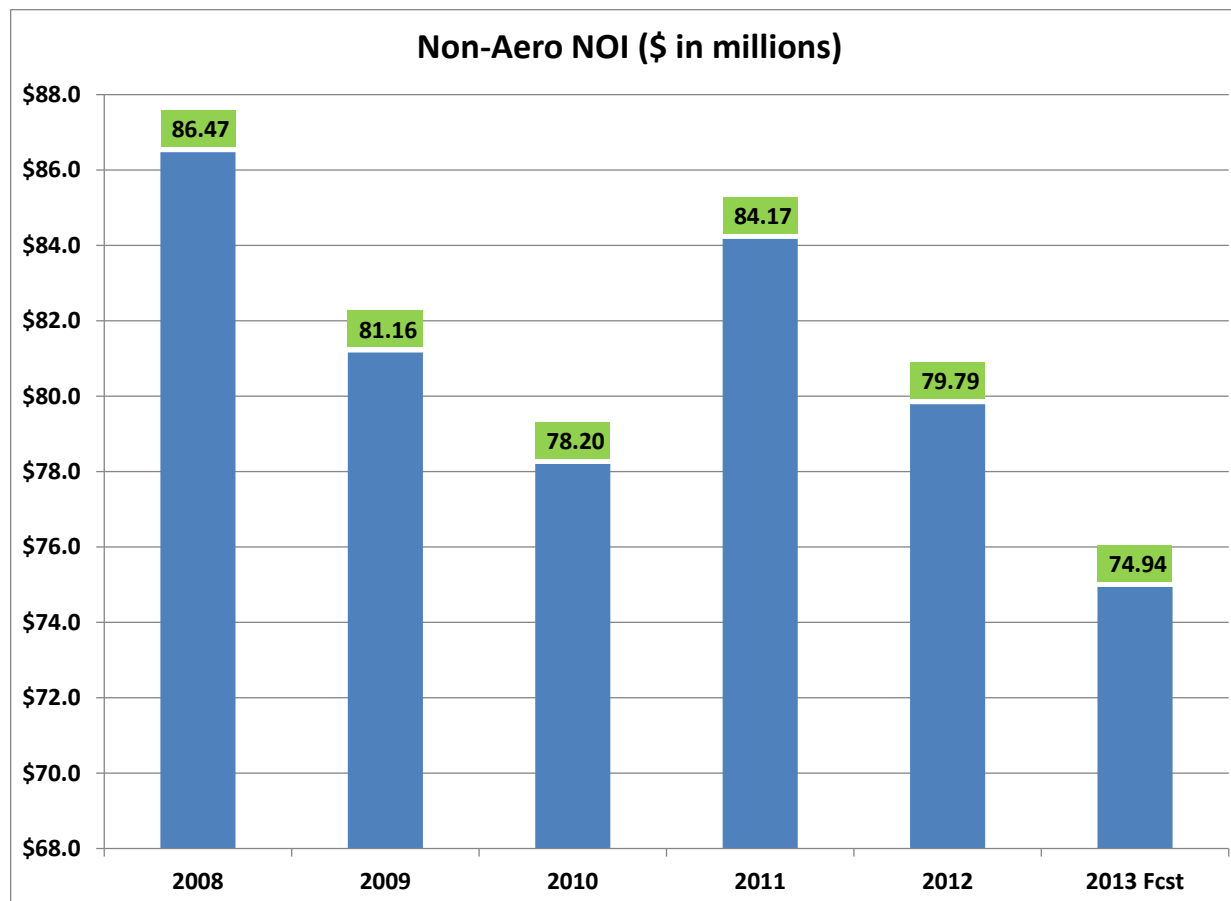
Debt Per Enplaned Passenger Declining More



Non-Airline Revenues Recovering

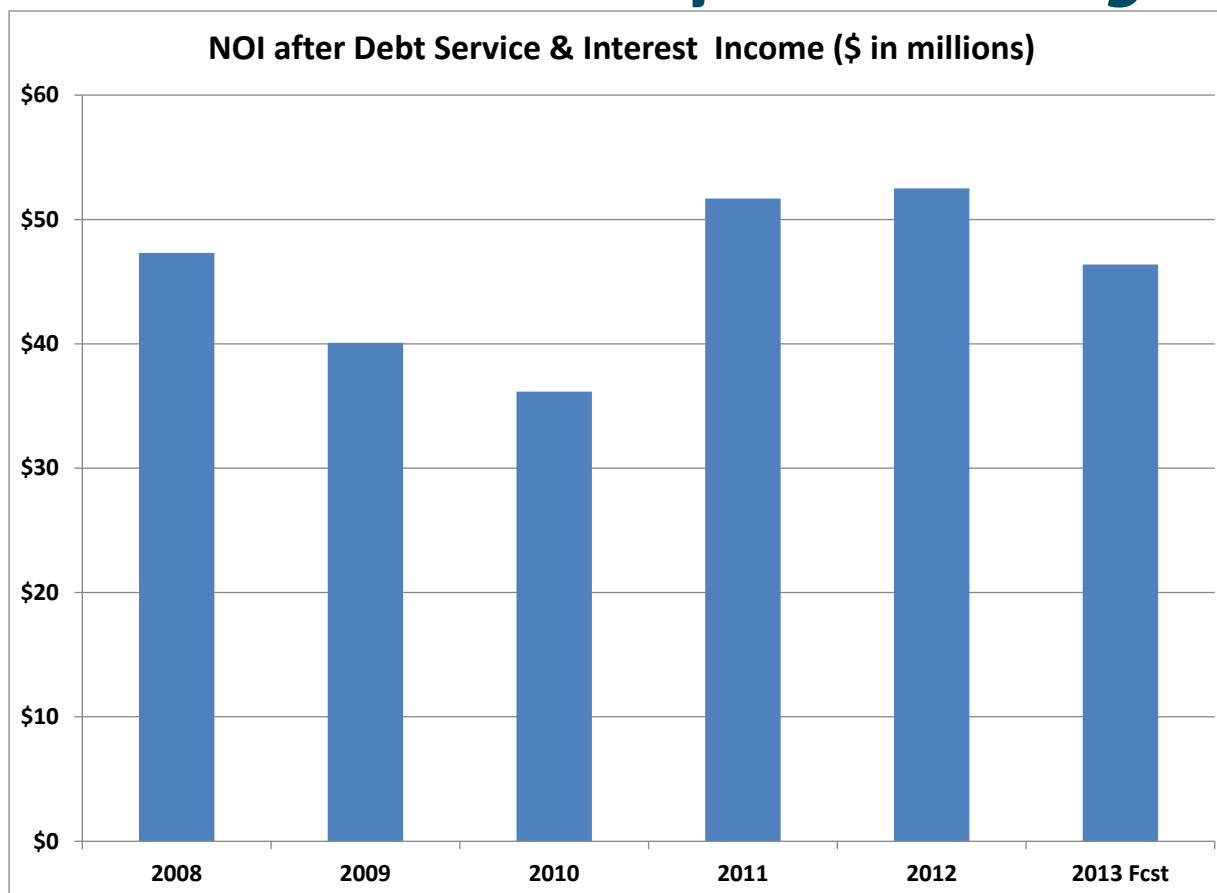


Non-Aero NOI



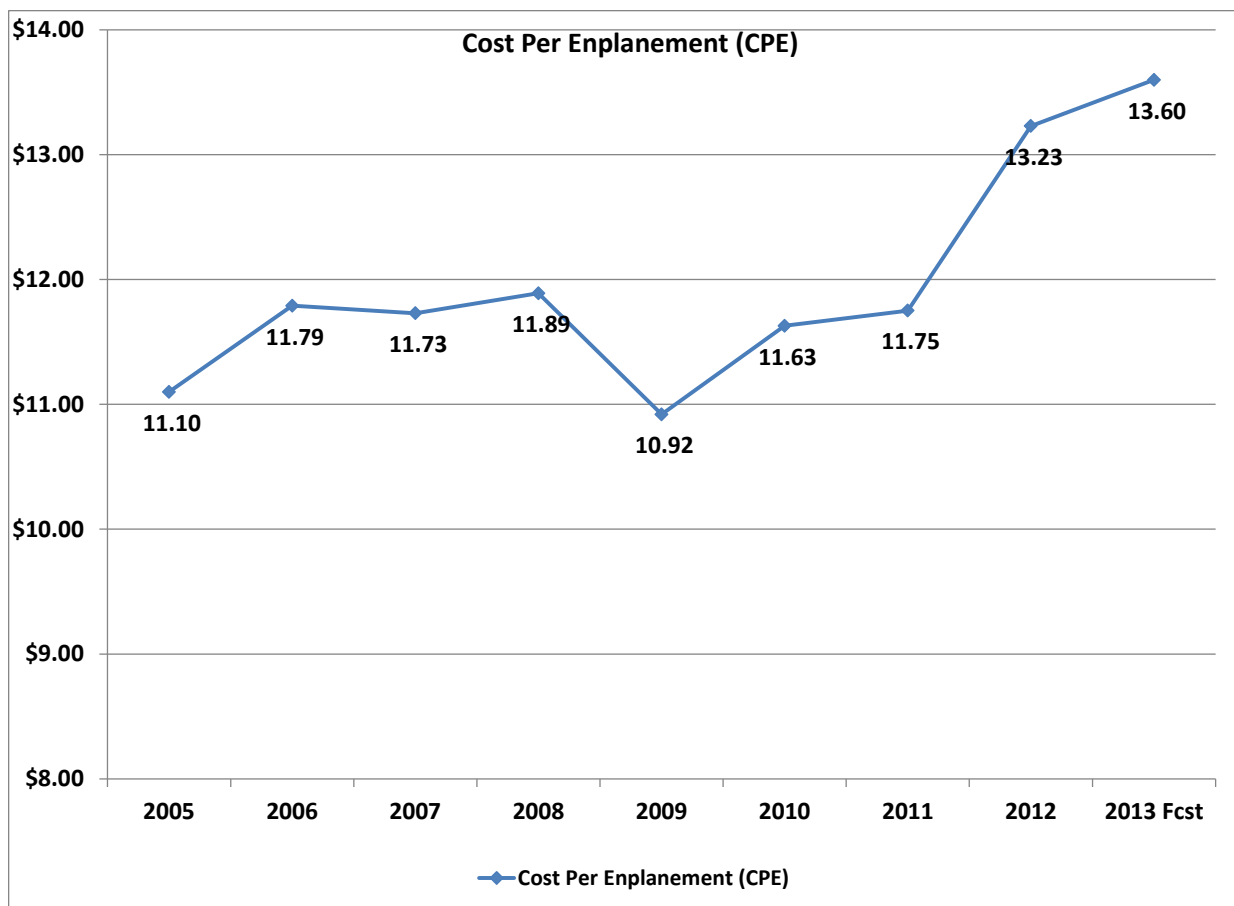
- SLOA III shifts more terminal costs to Non-aeronautical side (20% to 23%)

Net Cash Flow Impacted by SLOA



- SLOA III reduces airline costs, reduces Airport cash flow: shifts terminal costs to Non-aero, vacancy cost, revenue sharing

CPE



- Realignment drove up costs in 2012 (\$.35) and 2013 (\$.83)

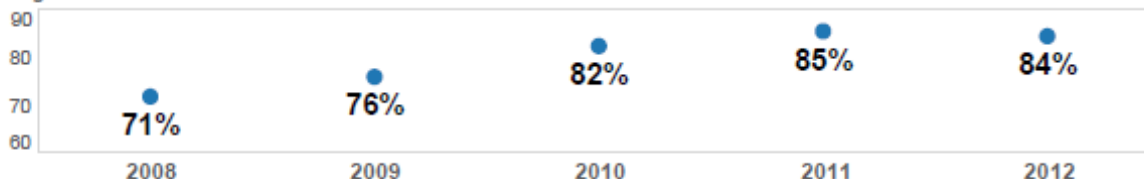
Sea-Tac On-time Performance

On-time Arrival/Departure Performance and Rank: 2008-2012

Seattle Tacoma International Airport

ARRIVALS

Percentage

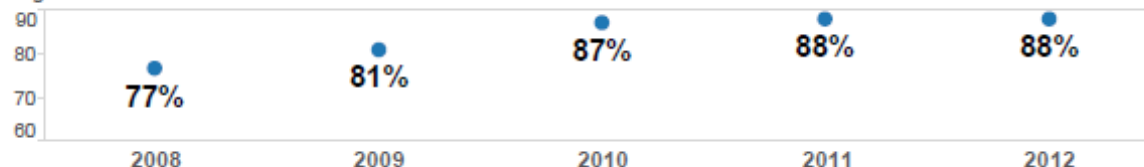


Rank vs. major U.S. airports

23	20	9	1	3
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DEPARTURES

Percentage



Rank vs. major U.S. airports

17	9	3	1	1
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Source: Bureau of Transportation Statistics

- On-time performance increased after construction of 3rd runway in 2008 (\$1 billion) and completion of reconstruction of 16L/34R (\$60 million) in 2009.
- New runway added capital and operating costs to airline rate base, but airlines realize tangible financial benefits by reduced delay costs

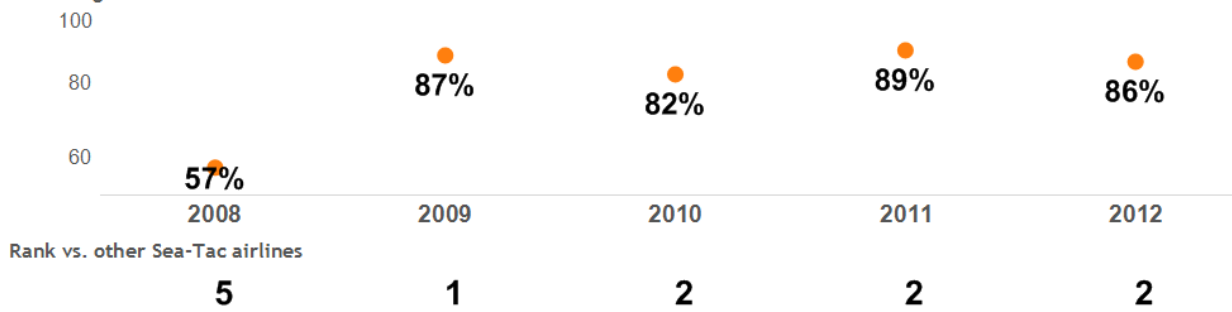
Alaska On-Time Performance at SEA

Alaska Airlines On-time Arrival/Departure Performance and Rank: 2008-2012

Seattle-Tacoma International Airport

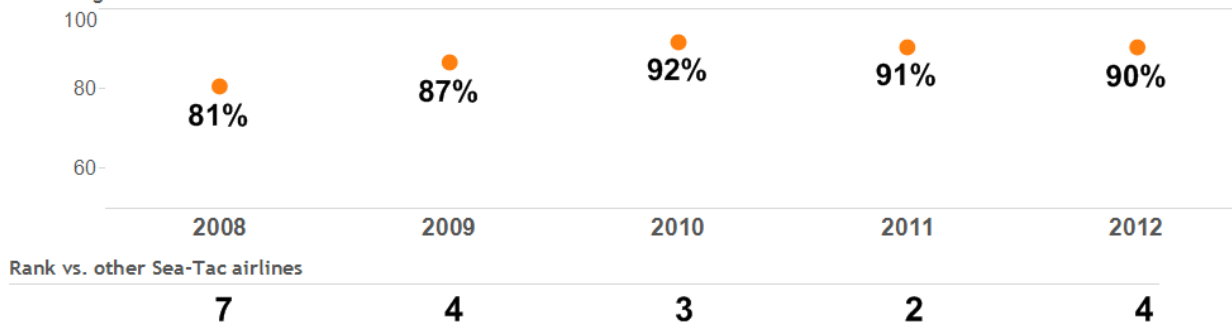
ARRIVALS

Percentage



DEPARTURES

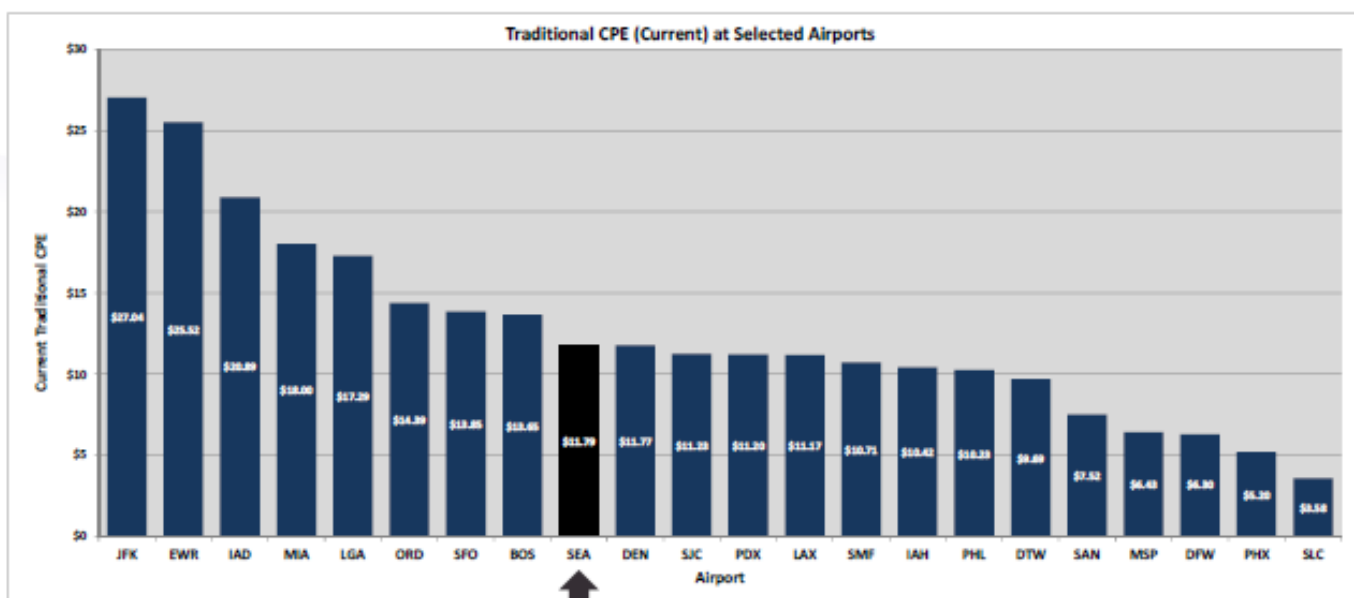
Percentage



Source: Bureau of Transportation Statistics

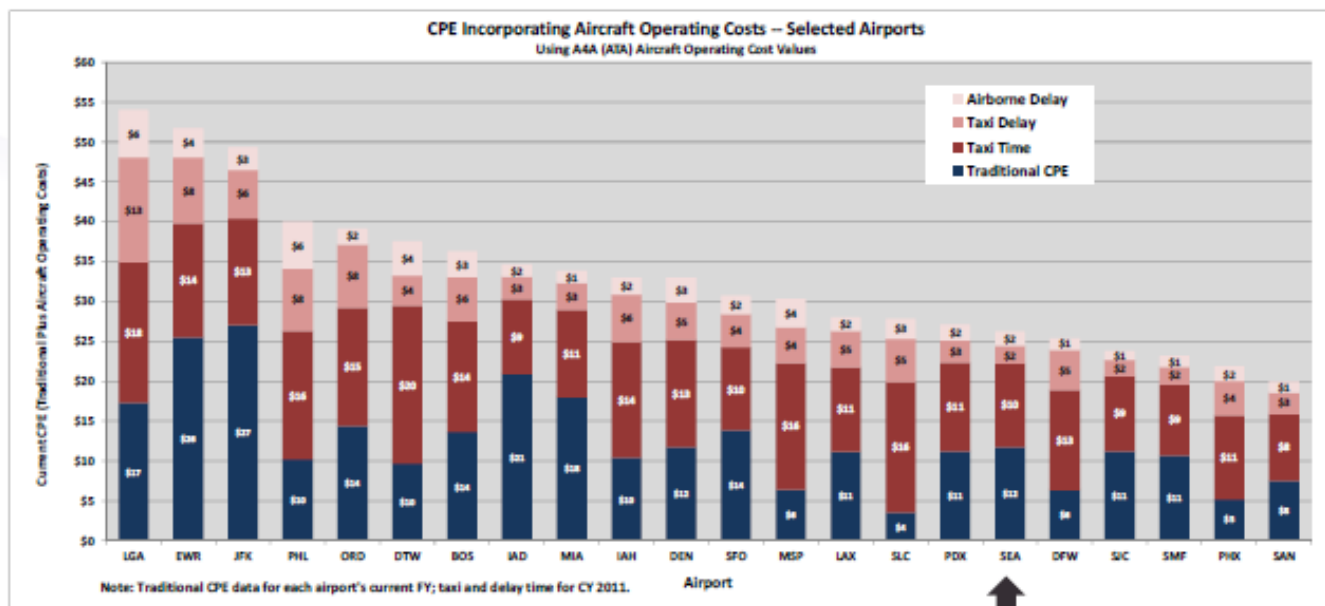
CPE Comparisons (2011)

Comparison of "Traditional" Airport CPE Metric



All-In CPE Comparisons (2011)

Comparison of Current CPE Incorporating Aircraft Operating Costs



Economics of SLOA III

- Hybrid compensatory rate structure:
 - › Airline rates set to recover costs
 - › SEA assumes vacancy cost for some airline space
 - › Revised space/cost allocations: SEA pays for greater share of terminal costs
 - › SEA Retains debt service coverage trigger @1.25x
 - › Revenue Sharing: 50% of cash flow > 1.25x debt service
 - › Airfield Commercial Area is compensatory (cargo assets and investments are not in airline rate base)

Outlook

- Forecasting enplanement growth of 2.2% per year through 2018. Master Plan will refine forecast
- Passenger growth puts pressure on facilities:
 - › Baggage system
 - › Drives
 - › Gates
- Capital needs will grow, need to generate more non-airline revenue to mitigate growth in debt levels and CPE

Capital Plans

- Three major projects:
 - › NorthStar: \$300 million
 - › International Arrivals Facility: \$300 million
 - › Baggage System Optimization: \$300 million
- Ongoing needs for renewal & replacement:
 - › South Satellite
 - › Runway 16C
 - › Service tunnel
- New projects:
 - › To implement business plan strategies
 - › New noise program after Part 150 approved
- Existing capital budget includes “allowances” so adding projects doesn’t necessarily mean increased budget

Preliminary Capital Budget

Figures in \$ millions							Total
	2013	2014	2015	2016	2017	2018	2014-18
Committed Projects:							
Authorized	144	202	136	269	121	130	858
Other Projects	1	2	2	1	3	-	8
Subtotal	145	204	138	270	124	130	866
Bus. Plan Prospective:							
Specific projects	7	35	46	121	21	3	226
Allowance CIPs		10	35	58	80	120	303
Subtotal	7	45	81	179	101	123	529
Total	152	249	219	449	225	253	1,395

- Includes: NorthSTAR and International Arrivals Facility
- Does not include:
 - › Baggage Optimization
 - › Business Plan driven new projects
 - › New Noise projects from Part 150

Preliminary Financial Forecast

	2013	2014	2015	2016	2017	2018
NOI	165,910	172,685	194,831	212,482	232,813	230,654
Debt Service Coverage	1.34	1.31	1.29	1.25	1.25	1.26
CPE	13.60	13.35	14.35	15.22	16.04	15.78
Enplanement Growth	4.2%	2.2%	2.2%	2.2%	2.2%	2.2%

- 2013 reflects Q2 forecast (Resolution), CPE likely lower due to crediting of Security Fund balance and revenue sharing in SLOA III
- Forecast does not include:
 - › 2014 operating budget decisions
 - › 2014 capital budget decisions and cash flow updates
 - › Updates to non-airline revenue forecast
 - › Potential changes in Corporate allocations

Summary/Implications

- Summary:
 - › SEA is positioned for continued passenger growth
 - › Capital needs are growing
 - › Debt level declining for now
 - › CPE will increase, all-in airport cost appears competitive
- Implications:
 - › Increasing Non-aero NOI is key to:
 - Increasing debt service coverage (cash flow)
 - Reducing required debt for capital plan
 - Reducing airline costs (CPE)
 - › Ongoing need to manage cost growth
 - Airport is growing, driving costs up
 - Impact of shifting Port allocations to Airport

Strategies and Objectives

- For each of the Airport's strategies, we list major objectives for 2014 - 2018 and key actions and milestones
- Links to Century Agenda are marked as (CA)

Strategies and Objectives

- Strategy 1.1: Operate a world class airport by ensuring safe and secure operations:
 - › Improve overall airfield safety by improving “score” on runway incursions, wildlife strikes, non-movement area surface incidents and Part 139 discrepancy corrections.
 - › Maintain compliance with TSA regulations and annual comprehensive TSA audit at 100% through 2018

Strategies and Objectives

- Strategy 1.2: Operate a world class airport by anticipating and meeting needs of tenants, passengers, region's economy:

- › Commission new International Arrivals Facility by 12/31/2018 (CA)

Actions/Milestones:

- Program Management team established Q1/2014.
- Planning/Project definition and bridging documents complete Q2/2014
- Design Initiated Q2/2014.
- Design/Build team established Q1/2015.
- Environmental review completed 2015.
- Construction begins Q4/2015

Strategies and Objectives

- Strategy 1.2 cont.):
 - › Accommodate growth in international operations until new IAF is completed - Achieve annual reduction in hold on board incidents (CA)

Actions/Milestones:

- Short-Term FIS improvements completed Q2/2014.
- Centralized management of FIS operations Q2/2014.
- Addition of fourth Global Entry Kiosk Q1/2014.
- Installation of 11 Automated Passenger Control kiosks Q1/2014.
- Hardstand Arrivals project completed Q2/2015.
- Twelfth and Thirteenth SSAT international gates Q4/2015.
- Elevators SSM, SSN completed Q2/2015.

Strategies and Objectives

- Strategy 1.2 (Cont.)
 - › Increase Air Cargo tonnage by 20% to a total of 350,000 in 2018 (CA)

Actions/Milestones:

- Attract one new int'l air cargo customer in 2014
- Additional increase in belly capacity in 2014
- Air Cargo/Freight Forwarding RFP Q4 2015

Strategies and Objectives

- Strategy 1.2 (Cont.)
 - › Complete Terminal Development Strategy initiatives by 2018(CA)

Actions/Milestones:

- Zone 1 Self Bag Drop Q2/2014.
- Zone 7 Self Bag Drop Q4/2015.
- Checkpoint 5 expansion Q4/2015.
- Pod 3 Zone 3 ticketing completed Q4/2015.
- NorthSTAR completed Q4/2018.
- 100% direct transfer of Cruise baggage ship to plane to ship Q4/2018.

Strategies and Objectives

- Strategy 1.3: Operate a world class airport by managing airport assets to minimize long-term total cost of ownership:
 - › Implement a comprehensive system to minimize life cycle costs by 2018. Create an integrated computer system(s) to:
 - Improve accuracy of renewal capital projects to 80%
 - Reduce the rate of growth of recurring division-wide annual O&M cost/sf. as measured against prior 5 year periods

Strategies and Objectives

- Strategy 2.0: Become one of the top customer service airports in the world:
 - › Achieve Top 5 ranking among selected North American peers in 2018 ACI ASQ.

Actions/Milestones:

- Introduction of EID Trusted Traveler Program Q1/2014.
- Provide additional gate seating in Q2/2014.
- Increased performance standards for restroom cleanliness in new janitorial contract effective FEB 1, 2014.

Strategies and Objectives

- Strategy 3.0: Lead the US airport industry in environmental innovation, and minimize the airport's environmental impacts
 - › Reduce greenhouse gases by 15% below 2005 by 2020(CA)
 - Be first large hub airport in the US, to fuel all airport-owned natural gas vehicles with renewable natural gas (RNG) from a regional dairy farm.
 - › Work with business partners to promote clean vehicles
 - Finalize installation of PC Air and eGSE in 2014, achieve an annual reduction of 50,000 tons of greenhouse gases from both airplanes and ground support.
 - › Increase solid waste recycling rate to 50% by 2014
 - Be one of the first large hub airports in the nation to require concessioners to use compostable service ware for all food served in the terminal.

Strategies and Objectives

- Strategy 3.0 (cont.)
 - › Be the first large hub airport to fully integrate environmental sustainability goals and objectives into airport planning by developing the first Sustainable Airport Master Plan by 2015 (CA).

Actions/Milestones:

- Complete airport-wide inventory, forecast, and facility requirements for economically wise sustainability metrics such as energy, water, greenhouse gases, solid waste diversion, and wildlife by Q2 2014

Strategies and Objectives

- Strategy 4.0: Reduce airline costs (CPE) as far as possible without compromising operational and capital needs
 - › Maintain CPE plus airline operating/delay costs within bottom third of peer airports through 2018
 - › Limit O&M costs growth to CAGR of 2.8% from 2012 through 2018

Actions/Milestones

- Create organizational capacity through CPI projects (see Strategy #6 below)
- Energy conservation (see next slide)
- Benchmark performance (ACI airport survey), target areas for improvement

Strategies and Objectives

- Strategy 4.0 (cont.):
 - › Meet all future electrical load growth through conservation and renewable energy sources (CA).

Actions/Milestones

- Install metering on concourses C & D for energy baseline by 2014
- Install high level metering elsewhere in terminal by 2016
- Complete terminal/central-plant mechanical conservation project by 2015
- Complete garage electrical project by 2015
- Develop electrical load growth forecasting tool via Masterplan in 2016

- Strategy 5.0: Maximize non-aeronautical net operating income (NOI) consistent with current contracts, appropriate use of airport properties, and market demand
 - › Grow non-aeronautical revenues at 4.5% compound annual growth rate through 2018

Actions/Milestones:

- Implement Public Parking pre-booking system by 12/2014
- Implement comprehensive plan for all ground transportation services by end of 2014.

- Strategy 5.0 (cont.):

- Actions/Milestones (cont.):

- Re-lease the expiring food/beverage and retail concession units in the airport (80% by 2018)
 - › Master plan completed by Q2 2014
 - Lease 112 acres of vacant property by 2018 (including 75 acres of Des Moines Creek Business Park. Sell vacant property where appropriate
 - › Development options for NERA 1 and 2 finalized by Q3 2014
 - › Finalize ground lease with developer for NERA 3 by Q2 2014
 - › Entitlements completed for Des Moines Creek Bus. Park by 12/2014
 - › Lora Lake Apartments site fully remediated and available for development as part of NERA by 2016
 - Develop a hotel on airport property
 - Implement an integrated system of personalized services to improve travel experience by 2015

Strategies and Objectives

- Strategy 6.0: Strategy #6.0: Continually invest in a culture of employee development, organizational improvement, and business agility
 - › Grow Continuous Process Improvement (CPI) across the Port
 - Increase number of process improvements by 20% per year
 - Save \$1.2 million in employee capacity by 2018
 - › Realize mature business intelligence and performance measurement capacity
 - 25% of employees regularly use BI-Hub (Tableau Server)

Strategies and Objectives

- Strategy 6.0 (cont.):
 - › Enhance employee familiarization: Implement an effective familiarization process for new and transitioning employees and managers to the Aviation Division by Q2 2014
 - › Implement new hiring process to achieve reduction of 25% in airport caused employment delays by Q4 2014
 - › Implement a targeted employee development program by Q3 2014
 - Allow rotational orientation training across several departments

Strategies and Objectives

- Strategy 7.0: Maintain valued community partnerships based on mutual understanding and socially responsible practices
 - › Continue to manage and renegotiate agreements with City of SeaTac (new ILA by 2016)

Action/Milestones

- SWM fee issues resolved by Q2 2014
- › Expand sound insulation programs to reflect new noise remedy boundary

Action/Milestones

- FAA record of Approval by Q2 2014
- Commission approves new programs by Q3 2014, begin implementation in 2015/2016
- Old noise projects completed by Q1 2016

2014 Budget Opportunities

- Revenue enhancement opportunities:
 - › Parking
 - › Ground Transportation
 - › Concessions
 - › Property development
- Expense control opportunities:
 - › Asset management system
 - › Continuous Process Improvement
 - › Energy conservation/renewable resources

Seaport Division

2014 Business Plan Overview

Commission Presentation - August 20, 2013

Century Agenda - Connections

Over the next 25 years, the Seaport will add jobs through economic growth while reducing our environmental footprint. In order to achieve this goal we will accomplish the following:

Position Puget Sound region as a premier logistics hub:

- Grow container volume to 3.5 million TEUs*
- Structure relationship with WA ports to optimize infrastructure investments and financial returns
- Triple the value of outbound sea cargo
- Double the economic value of fishing & maritime clusters

Advance the region as a leading tourism destination:

- Double the economic value of cruise traffic to WA state

*TEU: One TEU represents the cargo capacity of a 20-foot intermodal container

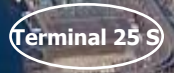
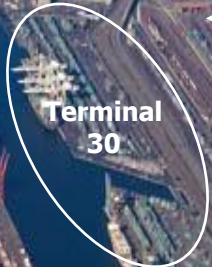
Century Agenda - Connections

Use our influence as an institution to promote small business growth and workforce development.

Be the greenest, most energy efficient port in N America:

- Meet all increased energy needs through conservation and renewable sources
- Meet or exceed agency requirements for stormwater¹
- Reduce air pollutants and carbon emissions; specifically:
 - Reduce air pollutant emissions by 50%²
 - Reduce carbon emissions from all port operations 50%²
- Anchor Puget Sound urban-industrial land use
- Restore, create and enhance 40 additional acres of habitat
Green/Duwamish River watershed and Elliott Bay





T-18 On-Dock Rail



Terminal 18

T-5 On-Dock Rail



Terminal 5

BNSF (SIG - North)



BNSF (SIG - South)



UPRR (ARGO)



Seaport Strategies

The Seaport strategies, business plan, capital and budget plans are aligned with our Proposed Century Agenda goals.

Our Commercial Strategy is aligned with ***Positioning Puget Sound region as a premier logistics hub*** and ***Advance the region as a leading tourism destination*** all our lines of business will support this goal; including:

- Containers
- Cruise
- Grain
- Industrial Properties
- Fishing & Other Maritime (Commercial Moorage)



Seaport Strategies

The Seaport strategies, business plan, capital and budget plans are aligned with our Proposed Century Agenda goals.

In addition, our Asset Stewardship and Green Gateway Strategies are aligned with ***Using our influence as an institution to promote small business growth and workforce development*** and ***Be the greenest, most energy efficient port in N America*** including programs focused on:

- Freight mobility & land use
- Asset stewardship
- Dredging
- Small bus./workforce dev.
- Air quality improvements
- Energy stewardship
- Stormwater mgmt
- Habitat restoration

Commercial Business Strategy

Business Development

Growing the Seaport's Business

Strategic Goal

Enhance regional economic development by increasing cargo freight & passengers moving through the Port's Terminals

Guiding Principles

- Retain existing customers
- Develop & maintain relationships with strategic partners
- Capitalize on opportunities to secure new business
- Maintain freight and passenger mobility

Overarching Objective

Increase container volume and cruise activity to meet Century Agenda 5 & 25 year objectives

Financial Sustainability

Maintaining Financial Independence

Strategic Goal

Improve the Seaport's income from operations

Guiding Principles

- Prioritize projects that generate sustainable rates of return
- Maximize asset utilization to increase returns on investments
- Maintain market lease rates
- Maximize efficiency of dollars spent and resources used

Overarching Objective

Maintain the Seaport's financial independence

Port Advocacy

Building public & community support

Strategic Goal

Maintain and support relationships that cultivate overall Port goals for freight movement and economic development in Washington

Guiding Principles

- Maintain a business-friendly environment
- Ensure efficient freight mobility within the Harbor and on-ward to inland destinations
- Reinforce the Seaport's economic and environmental benefit story

Overarching Objective

Manage/maintain advocacy for Port issues with Stakeholders

Asset Stewardship Strategy

Condition Assessment

Understand Existing Assets

Strategic Goal

Assess and document existing condition of major assets

Guiding Principles

- Maintain complete asset register
- Perform condition assessments

Overarching Objective

Maintain a condition assessment program that sustains or extends the life of our assets

Asset Maintenance

Maintain Existing Assets

Strategic Goal

Reduce total cost of ownership of seaport assets

Guiding Principles

- Manage assets in a financially sustainable manner
- Align asset maintenance with long term strategies

Overarching Objective

Prioritize and execute asset maintenance program that sustains our assets

Capacity Growth

Invest in New Assets When Warranted

Strategic Goal

Align asset investments to support long term market demand

Guiding Principles

- Enhance existing assets to support long term growth
- Invest in new assets to support commercial strategy

Overarching Objective

Steward assets to retain existing business and support future growth

Green Gateway Strategy

Compliance Management

Programs we have to do

Strategic Goal

Meet local, state and federal regulations as effectively as possible

Guiding Principles

- Meet legal obligations
- Use scientific knowledge and programmatic approaches to use resources most efficiently
- Partner with internal/external stakeholders for effective environmental management

Overarching Objective

Minimize the % of environmental budget spent on compliance to maximize resources available for other environmental strategies

Commercial Support

Programs that help support our business advantage

Strategic Goal

Collaborate with industry to reduce impacts while enhancing our competitive advantage

Guiding Principles

- Develop environmental initiatives to enhance the Port's economic competitiveness
- Maintain collaborative approach to environmental problem solving

Overarching Objective

Implement programs that reduce resource use, emissions and the Port's carbon footprint, while increasing our competitive advantage

Community Commitment

Initiatives that reflect our commitment

Strategic Goal

Engage stakeholders to build understanding and support for environmental initiatives

Guiding Principles

- Communicate that the Port is an environmental leader and vital economic engine.
- Inform and collaborate with community stakeholders to support economic and environmental sustainability

Overarching Objective

Inform and engage stakeholders to aid in understanding and support of the Port's focus on balancing economic and environmental sustainability

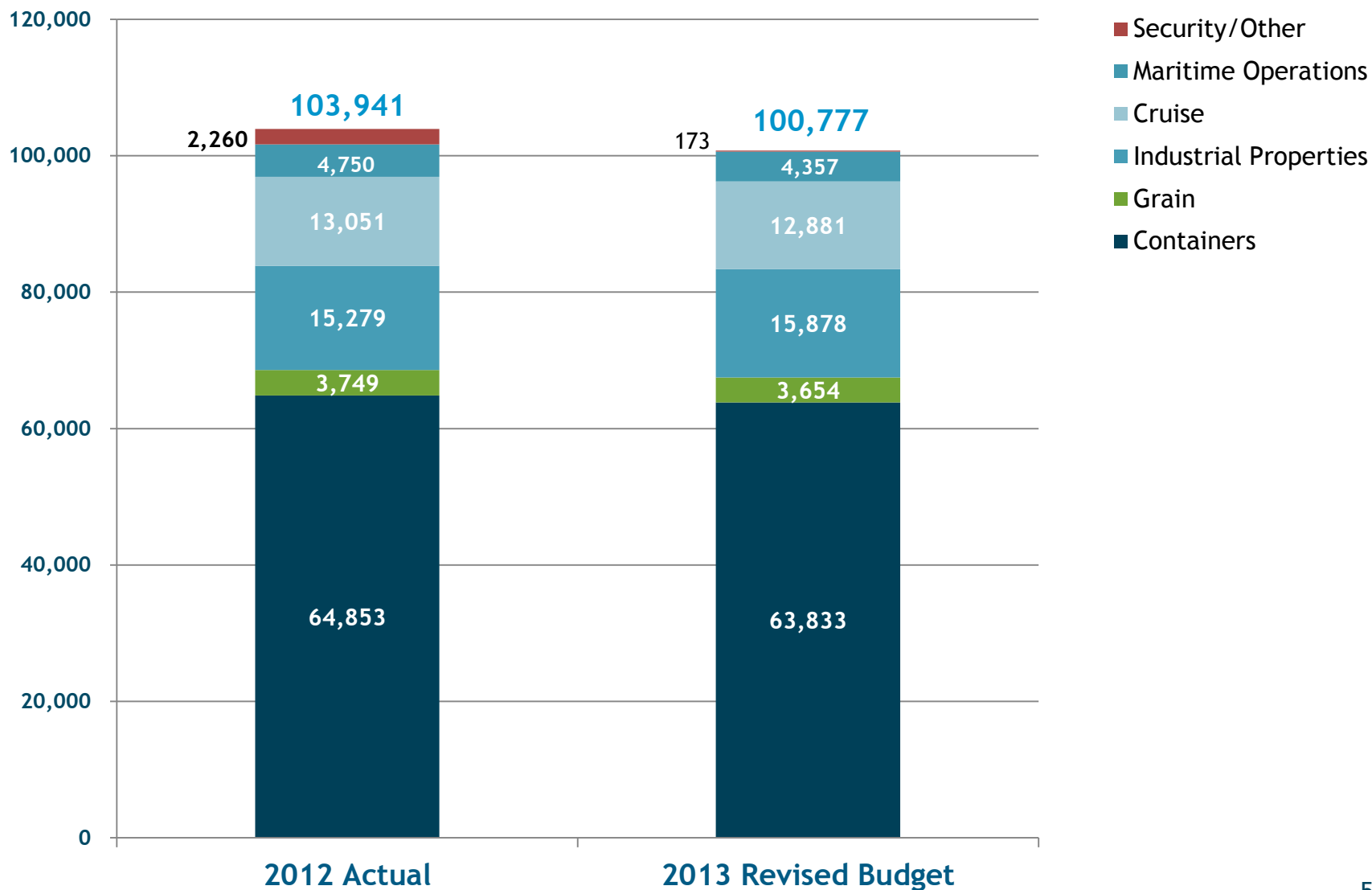
Seaport Lines of Business

COMMERCIAL BUSINESS



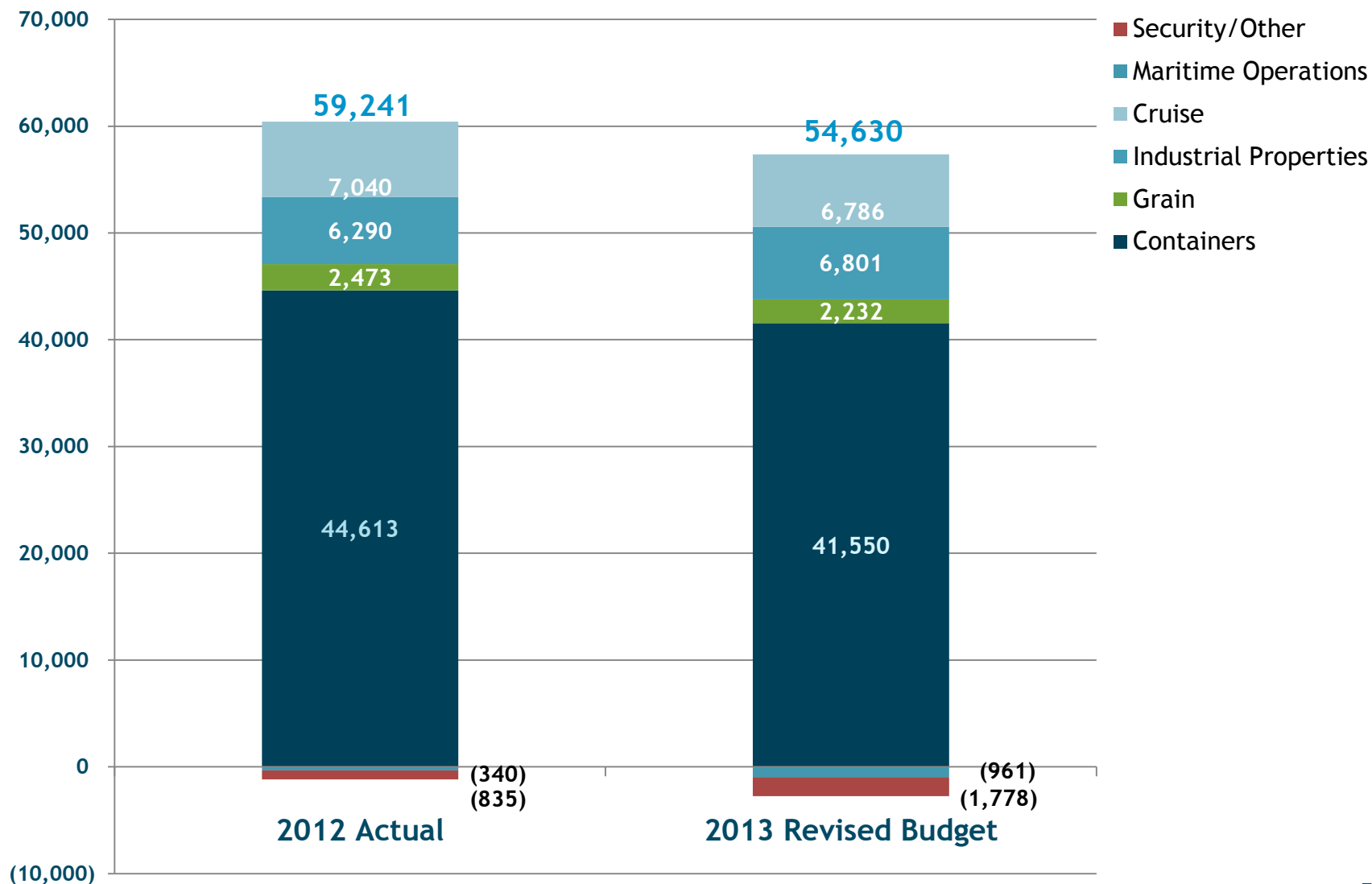
Financial Overview

Revenue By Business Group - \$'s in thousands



Financial Overview

Net Operating Income By Business Group - \$'s in thousands



2014 Seaport Outlook: Container

Market Outlook:

- Transpacific to North America volume projected at 3.7% growth for 2014, but PNW rate may likely be 0-2%
- Cost disadvantages over Puget Sound continue to affect cargo routing and vessel deployment decisions

Revenue Assumption:

- Seattle Harbor volume forecast of 1.66M TEUs*
- Container lease revenue will be determined by minimum annual guarantee (MAG)

Major Work:

- Enhance Big Ship capabilities through capital projects: channel & berth deepening, Asset Stewardship Program

*TEU: One TEU represents the cargo capacity of a 20-foot intermodal container

2014 Seaport Outlook: Container

Major Work (continued)

- Terminal 46 new lease related improvements
- Assess storm water infrastructure needs
- Joint market FTZ, Green Gateway, air cargo programs
- Advocate/facilitate terminal access & freight mobility
- Assess container business model to assure sustainability
- Secure new cargo through strategic initiatives: transload, equipment matching, export promotion



2014 Seaport Outlook – Cruise

Market Outlook:

- 3.5% - 5% growth projected in global cruise industry
 - *Larger cruise ships being introduced in the market*
- Alaska Cruise products yield high returns and customer satisfaction
 - *Alaska ports receive approx 65% of all port-of-call cruise visits at U.S. ports*

Revenue Assumptions:

- 176 vessel calls scheduled for 2014
- 800,000 revenue passengers

Major Work

- Continue to market shorter PNW itineraries from Seattle
- Concentrate on getting a Friday and/or Monday homeport at P66.
- Work closely with POS Tourism, Visit Seattle (formally SCVB), and our Cruise Line customers
- Complete P66 Pile Wrapping project

2014 Seaport Outlook – Grain Export

Market Outlook:

- Export corn/soybean market forecast is uncertain

Revenue Assumptions:

- Grain volume estimate 2.2 million metric tons
- Estimate will be refined when more information available in late August

Major Work:

- Continue discussions/implement lease extension



2014 Outlook - Industrial Properties

Market Outlook:

- Occupancy expected to increase slightly
- Market conditions seem to be improving

Revenue Assumptions:

- Revenue forecast to increase by 3% - 4%

Major Work:

- Investigate new approaches to increasing revenue



2014 Outlook: Maritime Operations

Market Outlook:

- Commercial Fishing in Alaska strong and stable
 - *Global demand for US Fish Products increasing*
- Factory trawler moorage demand consistently strong

Revenue Assumptions:

- Facility use fees at market rates
- New revenue from Kellogg Island moorage agreements

Major Work:

- Increase commercial moorage business harbor wide
- Seek additional business through third party maritime activity
- Promote utilization of upland services for maritime activity
 - *Yard space, Secure Storage and Equipment Rental*



2014 Outlook: Emergency Preparedness & Maritime Security

Emergency Preparedness (EP):

- Conduct EP Program training and exercising
- Annual Review of departmental COOP* plans

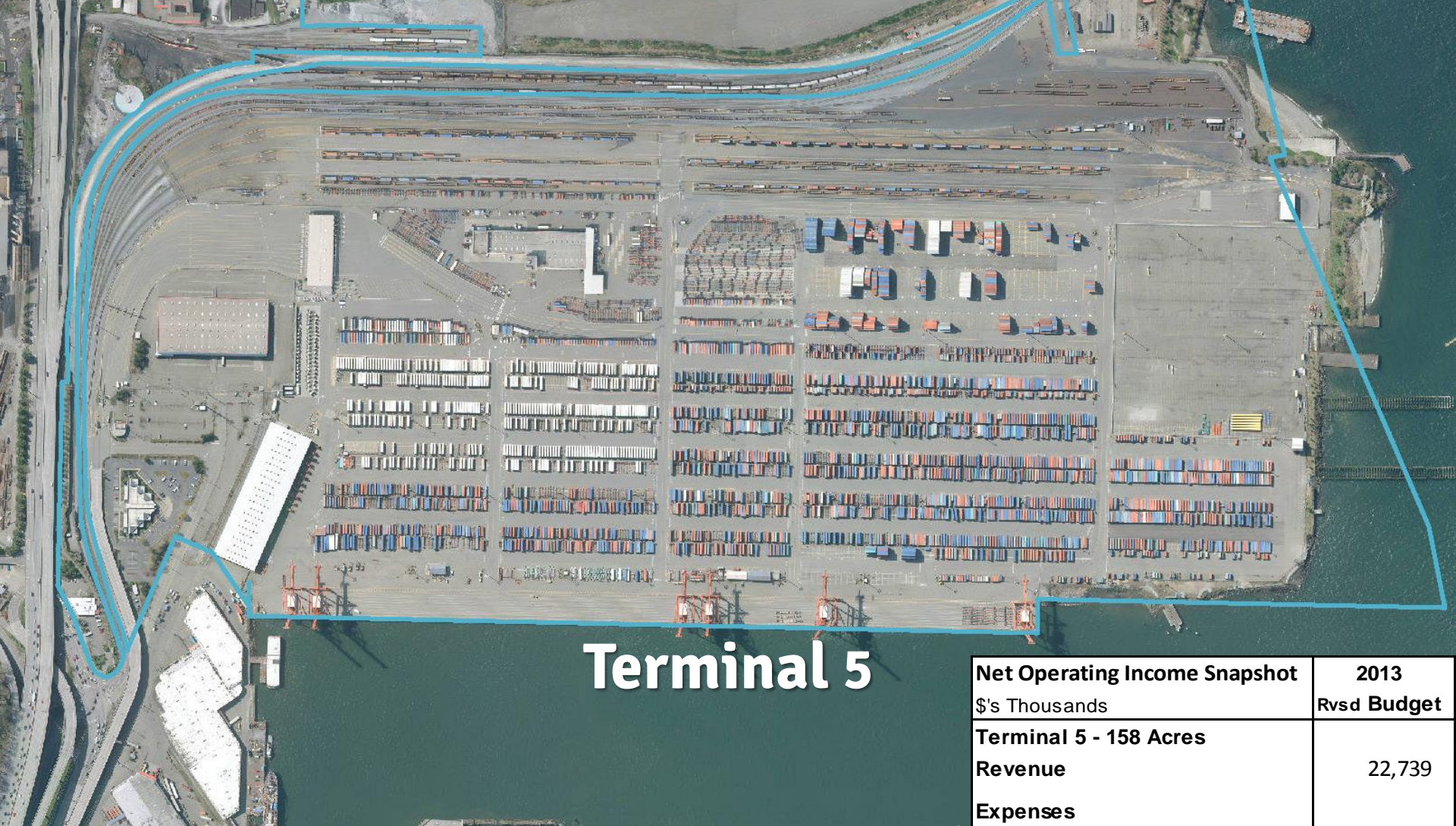
Seaport Security:

- Security awareness training and exercising
- Perform security risk assessments and improvements
- Seek grant opportunities for Security Improvements

Seaport Asset Stewardship

PROJECTS & CAPITAL BUDGET





Terminal 5

<u>Project</u>	<u>CIP STATUS</u>	<u>2014</u>	<u>2014-2018</u>	<u>2019-2023</u>	<u>TOTAL</u>
T5 Street Vacation Completion	Commission Authorized	\$ 300	\$ 300	\$ -	\$ 300
T5 Upgrade 600' Exist. Docks	Pending Future Authorization	\$ -	\$ 1,000	\$ 72,000	\$ 73,000
T5 Dock Rehabilitation	Pending Future Authorization	\$ -	\$ 7,800	\$ -	\$ 7,800
<u>T5 Maintenance Dredging</u>	<u>EXPENSE</u>	<u>\$ 2,900</u>	<u>\$ 3,400</u>	<u>\$ 3,500</u>	<u>\$ 6,900</u>
TOTAL		\$ 3,200	\$ 12,500	\$ 75,500	\$ 88,000

Note - Excludes Prospective Items

Net Operating Income Snapshot		2013
\$'s Thousands		Rvsd Budget
Terminal 5 - 158 Acres		
Revenue		22,739
Expenses		
Direct Expenses		2,213
Container Management*		1,239
Divisional Allocations*		1,319
Corporate Allocations*		2,813
Total Expenses		7,584
Net Operating Income		15,155
<i>Note*- Pro-rata share based on total acres</i>		



Terminal 18

<u>Project</u>	<u>CIP STATUS</u>	<u>2014</u>	<u>2014-2018</u>	<u>2019-2023</u>	<u>TOTAL</u>
T18 Street Vacation Completion	Commission Authorized	\$ 1,210	\$ 1,210	\$ -	\$ 1,210
T18 Dock Rehabilitation	Pending Future Authorization	\$ 1,600	\$ 17,600	\$ -	\$ 17,600
Remove IHI Cranes T18	EXPENSE	\$ 1,300	\$ 1,300	\$ -	\$ 1,300
T18 Paint MHI Cranes	EXPENSE	\$ -	\$ 2,200	\$ -	\$ 2,200
T18 Maintenance Dredging	EXPENSE	\$ 500	\$ 1,337	\$ 2,800	\$ 4,137
TOTAL		\$ 4,610	\$ 23,647	\$ 2,800	\$ 26,447

Note - Excludes Prospective Items

Net Operating Income Snapshot		2013
\$'s Thousands		Rvsd Budget
Terminal 18 - 194 Acres		
Revenue		23,952
Expenses		
Direct Expenses		1,303
Container Management*		1,521
Divisional Allocations*		1,620
Corporate Allocations*		3,454
Total Expenses		7,898
Net Operating Income		16,055
Note*- Pro-rata share based on total acres		

Terminal 30

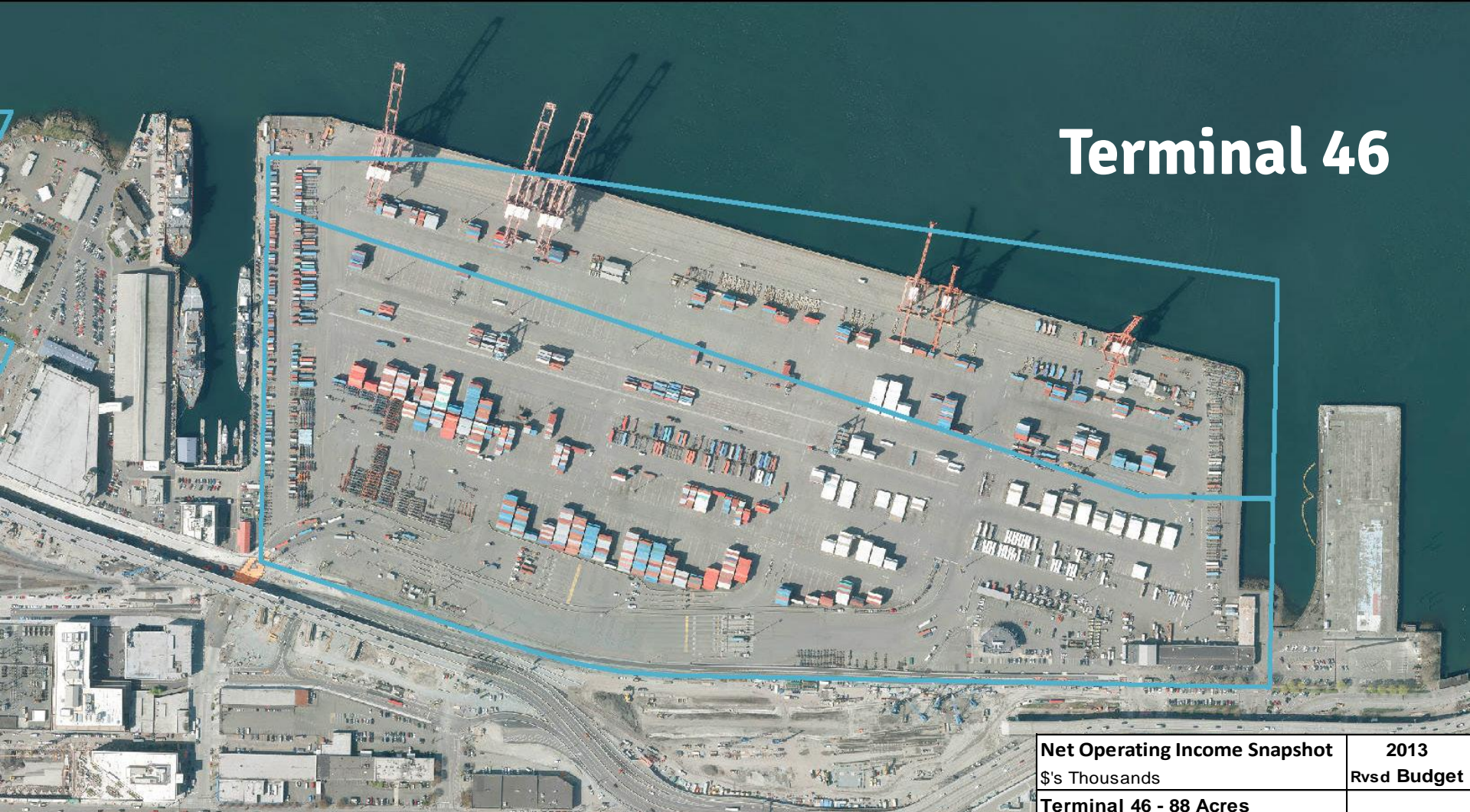
<u>Project</u>	<u>CIP STATUS</u>	<u>2014</u>	<u>2014-2018</u>	<u>2019-2023</u>	<u>TOTAL</u>
T30 Alaskan Way Street Vacation	Commission Authorized	\$ -	\$ 5,500	\$ -	\$ 5,500
T30 Dock Rehabilitation	Pending Future Authorization	\$ -	\$ 1,000	\$ 9,000	\$ 10,000
T25 Dock Rehabilitation	Pending Future Authorization	\$ -	\$ -	\$ 2,900	\$ 2,900
T25 Maintenance Dredging	EXPENSE	\$ -	\$ 1,200	\$ -	\$ 1,200
T30 Maintenance Dredging	EXPENSE	\$ -	\$ 1,700	\$ 2,300	\$ 4,000
TOTAL		\$ -	\$ 9,400	\$ 14,200	\$ 23,600

Note - Excludes Prospective Items

Net Operating Income Snapshot		2013
\$'s Thousands		Rvsd Budget
Terminal 30 - 70 Acres		
Revenue		7,625
Expenses		
Direct Expenses		592
Container Management*		549
Divisional Allocations*		584
Corporate Allocations*		1,246
Total Expenses		2,971
Net Operating Income		4,654

Note* - Pro-rata share based on total acres

Terminal 46



<u>Project</u>	<u>CIP STATUS</u>	<u>2014</u>	<u>2014-2018</u>	<u>2019-2023</u>	<u>TOTAL</u>
T46 Development	Commission Authorized	\$ 12,450	\$ 34,500	\$ -	\$ 34,500
T46 Dock Rehabilitation	Commission Authorized	\$ 1,347	\$ 23,347	\$ -	\$ 23,347
T46 Public Access Mitigation at T117	Commission Authorized	\$ 1,600	\$ 3,382	\$ -	\$ 3,382
T46 Viaduct Driven Capital Work	Pending 2014 Authorization	\$ 100	\$ 300	\$ -	\$ 300
T46 Replace South Pier	Pending Future Authorization	\$ -	\$ 10,400	\$ -	\$ 10,400
<u>Crane 54 Demolition</u>	<u>EXPENSE</u>	<u>\$ -</u>	<u>\$ 470</u>	<u>\$ -</u>	<u>\$ 470</u>
TOTAL		\$ 15,497	\$ 72,399	\$ -	\$ 72,399

Note - Excludes Prospective Items

Net Operating Income Snapshot		2013
\$'s Thousands		Rvsd Budget
Terminal 46 - 88 Acres		
Revenue		9,410
Expenses		
Direct Expenses		732
Container Management*		690
Divisional Allocations*		735
Corporate Allocations*		1,567
Total Expenses		3,724
Net Operating Income		5,687
Note*- Pro-rata share based on total acres		

Pier 66

<u>Project</u>	<u>CIP STATUS</u>	<u>2014</u>	<u>2014-2018</u>	<u>2019-2023</u>	<u>TOTAL</u>
SEA P66 Apron Pile Wrap	Commission Authorized	\$ 400	\$ 400	\$ -	\$ 400
TOTAL		\$ 400	\$ 400	\$ -	\$ 400

Note - Excludes Prospective Items

Net Operating Income Snapshot		2013
\$'s Thousands		Rvsd Budget
Pier 66 Cruise Operations		
Revenue		2,866
Expenses		
Direct Expenses		684
Cruise Services Management*		147
Divisional Allocations*		221
Corporate Allocations*		653
Total Expenses		1,706
Net Operating Income		1,161
Note*: Pro-rata share based on total revenue		



This is an aerial photograph of a port area. A large section of the port, including a long pier with several ships docked and a large industrial building, is outlined in blue. The text "Terminal 91" is overlaid in white on the right side of the blue-outlined area. Surrounding the port are residential neighborhoods, a golf course, and railroad tracks.

Terminal 91

Seaport Projects - Terminal 91

<u>Project</u>	<u>CIP STATUS</u>	<u>2014</u>	<u>2014-2018</u>	<u>2019-2023</u>	<u>TOTAL</u>
T30/91 Program	Commission Authorized	\$ 70	\$ 70	\$ -	\$ 70
P90 C175 Roof Replacement	Commission Authorized	\$ 2,261	\$ 2,261	\$ -	\$ 2,261
T91 Substation Upgrades	Pending 2014 Authorization	\$ 1,150	\$ 2,425	\$ -	\$ 2,425
Second Gangway per Berth @ T91	Pending Future Authorization	\$ 1,000	\$ 9,500	\$ -	\$ 9,500
SCCT Freight Elevator	Pending Future Authorization	\$ 100	\$ 750	\$ -	\$ 750
T91 Camel Replacements	Pending Future Authorization	\$ -	\$ 1,255	\$ -	\$ 1,255
T91 Berth 6 & 8 Redevelopment	Pending Future Authorization	\$ 800	\$ 24,900	\$ -	\$ 24,900
P91 South End Fender	Pending Future Authorization	\$ -	\$ 1,250	\$ -	\$ 1,250
Resurface 1st floor Lobby SCCT	EXPENSE	\$ 230	\$ 230	\$ -	\$ 230
Resurface 1st floor Baggage Hall SCCT	EXPENSE	\$ -	\$ 640	\$ -	\$ 640
<u>T91 Cruise Maintenance Dredging</u>	<u>EXPENSE</u>	<u>\$ 529</u>	<u>\$ 529</u>	<u>\$ -</u>	<u>\$ 529</u>
TOTAL		\$ 6,140	\$ 43,810	\$ -	\$ 43,810

Note - Excludes Prospective Items

Seaport Projects - Other

<u>Project</u>	<u>CIP STATUS</u>	<u>2014</u>	<u>2014-2018</u>	<u>2019-2023</u>	<u>TOTAL</u>
Cruise Cap Allow - CTA Lease	Commission Authorized	\$ 200	\$ 1,000	\$ 250	\$ 1,250
Cruise per Passenger Allowance	Commission Authorized	\$ 73	\$ 358	\$ 48	\$ 406
Argo Yard Roadway Element I	Commission Authorized	\$ 1,594	\$ 1,594	\$ -	\$ 1,594
Seaport Green Port Initiative	Pending 2014 Authorization	\$ 368	\$ 368	\$ -	\$ 368
Seaport Small Projects	Small Projects	\$ 1,070	\$ 3,070	\$ 2,500	\$ 5,570
Fleet, Technology, Prelim Planning	Small Projects	\$ 675	\$ 3,162	\$ 3,169	\$ 6,331
West Waterway Deepening	Pending Future Authorization	\$ -	\$ 1,425	\$ 18,500	\$ 19,925
East Waterway Deepening	Pending Future Authorization	\$ -	\$ 1,425	\$ 14,500	\$ 15,925
Mega Berth (depth) Loc TBD	Pending Future Authorization	\$ -	\$ 2,000	\$ 21,000	\$ 23,000
Seaport Security Rnd 13	Pending Future Authorization	\$ 778	\$ 805	\$ -	\$ 805
P34 Dolphins & Catwalk for Barges (4)	Pending Future Authorization	\$ 2,120	\$ 2,420	\$ -	\$ 2,420
Contingency Renewal & Replace.	Pending Future Authorization	\$ 5,000	\$ 31,500	\$ 61,430	\$ 92,930
Argo Element III Gate *	EXPENSE	\$ 1,775	\$ 1,775	\$ -	\$ 1,775
Dock System-Routine Condition Assess	EXPENSE	\$ -	\$ 270	\$ 700	\$ 970
Berth Depth Soundings	EXPENSE	\$ 70	\$ 375	\$ 380	\$ 755
<u>Yard & Building Condition Assess</u>	<u>EXPENSE</u>	<u>\$ 100</u>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 1,000</u>
TOTAL		\$13,823	\$ 52,047	\$122,977	\$175,024

Note - Excludes Prospective Items

Seaport Project Plan 2014-2023

Draft as of 08/03/2013

\$'s in 000's

Commission Authorized
Pending 2014 Authorization
Pending Future Authorization
Small Projects

Total

Major Expense Projects

Total Projects

2014	2014-2018	2019-2023	Total
21,505	73,922	298	74,220
1,618	3,093	0	3,093
11,398	115,030	199,330	314,360
1,745	6,232	5,669	11,901
36,266	198,277	205,297	403,574
7,404	15,926	10,180	26,106
43,670	214,203	215,477	429,680

Other

Prospective Capital Projects

0	369,700	383,430	753,130
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2014 Seaport Financial Outlook

Operating Revenue:

Projected to be flat compared to 2013 Revised Budget:

- Increase in containers \$1.2M
- Increase in industrial property, dock revenue \$.5M
- Decrease in security grant revenue (\$.2M)
- Decrease in grain revenue (\$1.4M)
- Estimates will be refined in the 2014 budget process



Expense Trends and Risks:

- Costs related to maintenance dredging
- Unforeseen repair costs
- T18 (IHI) crane removal
- Storm water infrastructure investment
- NW Clean Air Strategy implementation
- Environmental Remediation Liability Expense
- Tribal fishing coordination program evolution

2013 Seaport Financial Outlook

\$'s Thousands	2011	2012	2013	2013	2013 Bud Var	
	Actual	Actual	Forecast	Rvsd Budget	\$	%
Revenues						
Operating Revenues	98,910	101,715	97,147	100,603	(3,456)	-3.4%
Security Grants	394	2,226	0	173	(173)	-100.0%
Total Revenues	99,304	103,941	97,147	100,777	(3,629)	-3.7%
Expenses						
Seaport Expenses (excl env srvs)	12,899	13,684	14,771	14,971	200	1.3%
Environmental Services	2,127	2,207	2,675	2,675	0	0.0%
Maintenance Expenses	4,608	6,040	6,076	6,076	0	0.0%
P69 Facilities Expenses	506	532	526	526	0	0.0%
Other RE Expenses	180	233	353	353	0	0.0%
CDD Expenses	3,539	4,244	3,475	3,475	0	0.0%
Police Expenses	3,578	3,969	4,141	4,223	82	1.9%
Corporate Expenses	11,177	11,538	12,391	12,678	287	2.3%
Security Grant Expenses	481	2,227	0	0	0	NA
Envir Remed Liability	(633)	26	1,170	1,170	0	0.0%
Operating Expenses	38,463	44,700	45,578	46,147	569	1.5%
Net Operating Income	60,842	59,241	51,569	54,630	(3,060)	-5.6%

Risks:

Competitive threats

- U.S. economic recovery stalls or contracts
- Loss of business due to lower cost competitive ports
- Expanding alternative gateways (Panama and Suez Canals, Canada, So Cal)
- Legislation/regulation/inequities that impede port competitiveness (i.e. Harbor Maintenance Tax)
- Escalating land use pressures

Other risks

- Escalating liability, project and overhead costs



Key Highlights:

- Business/Capital Plans align with Century Agenda/CEO goals
- Container and grain outlook remains uncertain
- Cruise, Fishing, Commercial Moorage outlook is positive
- Advance “Big Ship Ready” programs to retain/grow business
- Assess potential new lines of business and capitalize on revenue generation opportunities
- Build on “Green Gateway” & “Asset Stewardship” programs
- Expand on Export, Cruise/Tourism efforts and marketing Port of Seattle advantages
- Remain focused on optimization, cost containment & CPI



Real Estate Division

2014 Business Plan Overview

Commission Presentation - August 20, 2013

Division Objectives

- Discretely analyze the portfolio and recommend long-term strategies
- Provide for Net Operating Income consistent with 2013 levels
- Maintain an aggressively defensive posture and withstand market pressures while waterfront infrastructure projects underway
- Position assets for long-term growth



Division Objectives

- Provide for amended real estate policies as necessary with regard to recommendations from Century Agenda planning
- Continue internship/apprenticeship/workforce development within Marine Maintenance
 - › 4 apprentices
 - › 12 interns
 - › 2 internal internships
 - › Represent the Port in 11 outside agencies
- Continue to execute CPI program

Real Estate 2014 Budget Preview

Operating Revenues expected to decrease by **approximately 5%** relative to 2013 Budget

- Positive trailing indicators:
 - › Market conditions continue to tighten, albeit with aggressive owner contributions
 - › Real estate investment capital markets are thawing
 - › Development projects are underway (mostly residential)
- Exposures/risks:
 - › Conference & Event Centers impacted by increased competition and perceived traffic issues
 - › Eastside Rail Corridor proposed sales to City of Woodinville and Snohomish County
 - › Deferred maintenance costs re-emerge
 - › Tenant improvement allowances
 - › Competition for capital
 - › Significant increase in revenue bond debt service payments 2016-2019
 - › Major infrastructure projects along the waterfront

Real Estate Division

Financial Overview

\$'s Thousands	2011 Actual	2012 Actual	2013 Forecast	2013 Rvsd Budget	2013 Rvsd Bud Var \$	%
Revenues						
Revenue	22,051	22,445	22,819	22,776	43	0.2%
Conference & Event Ctr Revenue	9,518	8,863	8,205	9,740	(1,535)	-16.1%
Total Revenues	31,569	31,308	31,024	32,516	(1,492)	-4.7%
Expenses						
Real Estate Exp (excl Maint,P69,Hosp)	9,698	10,564	11,108	11,300	192	2.0%
Conference & Event Ctr Expense	7,661	6,816	6,502	7,642	1,140	14.9%
Eastside Rail Corridor	1,585	293	177	177	0	0.0%
Maintenance Expenses	7,192	9,110	9,435	9,535	100	1.4%
P69 Facilities	150	198	178	178	0	0.0%
Environmental Services & Planning	871	883	882	882	0	0.0%
Seaport Expenses (excl env srvs)	359	361	386	386	0	0.0%
CDD Expenses	917	1,084	2,131	2,131	0	0.0%
Police Expenses	1,301	1,374	1,376	1,396	20	1.5%
Corporate Expenses	5,018	4,836	5,077	5,117	40	0.8%
Envir Remediation Liability	7	6	80	80	0	0.0%
Operating Expenses	34,758	35,525	37,332	38,824	1,492	4.3%
Net Operating Income	(3,189)	(4,217)	(6,308)	(6,308)	(0)	0.0%

Financial Overview

Harbor Services - Fishing & Commercial

Fishing & Commercial \$'s Thousands	2011 Actual	2012 Actual	2013 Rvsd Budget
Income From Operations			
FT Commercial Fish Ops	(142)	36	(893)
FT Recreational Moorage	250	260	254
Maritime Industrial Ctr Fish Ops	21	43	69
Fishing & Commercial Overhead	(495)	(766)	(781)
Total Income From Operations	(367)	(427)	(1,351)
Allocations			
Divisional Allocations	(858)	(1,205)	(1,128)
Corporate Allocations	(1,316)	(1,421)	(1,460)
Total Allocations	(2,174)	(2,626)	(2,588)
Net Operating Income	(2,541)	(3,053)	(3,940)

Income from Operation(IFO) = Revenue - Direct Expense Charges

Financial Overview

Harbor Services - Recreational Boating

Recreational Boating \$'s Thousands	2011 Actual	2012 Actual	2013 Rvsd Budget
Income From Operations			
Shilshole Bay Marina	5,842	5,609	5,546
Bell Harbor Marina	(52)	(124)	(364)
Harbor Island Marina	112	182	(37)
Rec Boating Overhead	(597)	(820)	(905)
Total Income From Operations	5,304	4,848	4,240
Allocations			
Divisional Allocations	(1,250)	(1,236)	(1,530)
Corporate Allocations	(2,265)	(2,260)	(2,427)
Total Allocations	(3,515)	(3,496)	(3,957)
Net Operating Income	1,790	1,352	283

Income from Operation(IFO) = Revenue - Direct Expense Charges

Financial Overview – Portfolio & Asset Management

Portfolio Management \$'s Thousands	2011 Actual	2012 Actual	2013 Rvsd Budget
Income From Operations			
FT Office & Retail	686	1,139	35
Terminal 102 Office & Ind	871	733	712
Maritime Indust Ctr	581	499	437
Pier 69 Offices & Passenger Travel	573	626	581
SBM Office & Retail	104	71	63
Tsubota Steel Site	8	30	(100)
Terminal 34 Gen Industrial	273	274	282
Pier 2 General Industrial	(166)	(176)	(196)
Terminal 5 SE	24	29	29
Terminal 117 General Industrial	0	(19)	(23)
Bell Street Retail	382	410	309
Bell Street Office	75	84	96
Bell Harbor International Conf Ctr	1,738	1,803	1,756
World Trade Ctr Club	74	170	229
World Trade Ctr West	367	548	445
Bell Street Garage	1,300	1,518	1,689
Bell Street Common Areas	(1,414)	(1,919)	(1,516)
Centennial Park Lease	(118)	(126)	(109)
Commercial Property Overhead	(616)	(1,596)	(558)
Portfolio Mgmt Overhead	(1,062)	(949)	(1,147)
Total Income From Operations	3,681	3,151	3,014
Allocations			
Divisional Allocations	(1,226)	(2,176)	(1,759)
Corporate Allocations	(2,384)	(2,360)	(2,486)
Total Allocations	(3,610)	(4,537)	(4,245)
Net Operating Income	71	(1,385)	(1,231)

**Income from Operations(IFO) =
Revenue - Direct Expense Charges**

Financial Overview

Fishermen's Terminal Facility (incl. Harbor Srvs & Portfolio Management)

Fishermen's Terminal Facility	2011	2012	2013 Rvsd
<u>\$'s in 000's</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>
Revenue	4,824	5,009	5,187
Direct Expenses	<u>5,517</u>	<u>5,415</u>	<u>7,392</u>
Income from Operations	(693)	(406)	(2,205)
Divisional Allocations	907	1,526	1,479
Corp Allocations	<u>2,052</u>	<u>2,094</u>	<u>1,949</u>
Net Operating Income	<u>(3,652)</u>	<u>(4,025)</u>	<u>(5,633)</u>

Financial Overview

Shilshole Bay Marina Facility (incl. Harbor Srvs & Portfolio Management)

Shilshole Bay Marina	2011	2012	2013 Rvsd
<u>\$'s in 000's</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>
Revenue	8,627	8,658	8,620
Direct Expenses	<u>3,675</u>	<u>4,038</u>	<u>4,127</u>
Income from Operations	4,952	4,620	4,493
Divisional Allocations	736	921	1,101
Corp Allocations	<u>2,182</u>	<u>2,181</u>	<u>2,299</u>
Net Operating Income	<u>2,034</u>	<u>1,517</u>	<u>1,093</u>

Draft 2014 Capital Plan

Total Real Estate Division

\$'s thousands

TOTAL REAL ESTATE DIVISION	2014	2014-2018 Total
Commission Authorized	8,098	8,098
Pending 2014 Authorization	5,137	14,560
Pending Future Authorization	2,877	10,878
Small Projects	1,700	20,983
TOTAL	17,812	54,519

Draft 2014 Capital Plan

By Location – Fishermen’s Terminal 000’s

FISHERMEN'S TERMINAL		2014	2014-2018 Total
<u>FT Waterside Projects Capital Projects</u>			
Status	Description		
Commission Authorized	FT Net Shed 9 Roof Replacement	373	373
Small Projects	FT Waterside Small Capital Projects	80	240
Pending Future Authorization	FT Net Shed 3 or 8 Roof Replacement	0	541
Pending Future Authorization	FT West Wall N Fender Replacement	0	200
Pending Future Authorization	FT W Wall N Sheet Pile Corrosion Protect	0	200
Pending Future Authorization	FT South Wall West End Improvements	0	1,674
Pending Future Authorization	FT Dock 3 Fixed Pier Improvements	0	3,000
Pending Future Authorization	FT Dock 4 Fixed Pier Improvements	0	3,500
Pending Future Authorization	FT Net Shed 4 or 7 Roof Replacement	0	503
Pending Future Authorization	FT Net Shed 5 Roof Replacement	0	461
Pending Future Authorization	FT Net Shed 6 Roof Replacement	0	481
Total FT Waterside		453	11,173
<u>FT Upland Projects Capital Projects</u>			
Status	Description		
Commission Authorized	FT C2 (Nordby) Roof & HVAC	1,823	1,823
Commission Authorized	FT C15 HVAC Improvements	2,570	2,570
Pending 2014 Authorization	FT Paving/Storm Drainage Upgrades	3,010	3,010
Pending 2014 Authorization	FT C15 Bldg East Sewer Line	612	612
Pending 2014 Authorization	FT C15 Bldg Subsidence Improvements	306	306
Small Projects	FT Uplands Small Capital Projects	0	460
Pending Future Authorization	FT C14 (Downie) Roof & HVAC	0	975
Pending Future Authorization	FT 25 Year Plan Improvements	0	868
Total FT Landside		8,321	10,624
TOTAL FISHERMEN'S TERMINAL		8,774	21,797

Draft 2014 Capital Plan

By Location

Shilshole Bay Marina \$ 000's

SHILSHOLE BAY MARINA		2014	2014-2018 Total
<u>Shilshole Bay Marina Recreational Boating</u>			
Status	Description		
Commission Authorized	SBM Central Seawall Replacemnt	663	663
Pending 2014 Authorization	SBM Paving	100	1,000
Pending 2014 Authorization	SBM Restroom Replacement	100	4,800
Small Projects	SBM Small Projects	425	575
Pending Future Authorization	SBM Fuel Float/Bldg Improvements	200	1,100
Pending Future Authorization	SBM A Dock Rehab Improvements	450	450
Total SBM Recreational Boating		1,938	8,588
<u>Shilshole Bay Marina Commercial Prop</u>			
		0	0
Total SBM Commercial Prop		0	0
TOTAL SHILSHOLE BAY MARINA		1,938	8,588

Draft 2014 Capital Plan

By Location

Maritime Industrial Ctr & Harbor Island Marina \$ 000's

MARITIME INDUSTRIAL CENTER		2014	2014-2018 Total
Maritime Industrial Center			
Status	Description		
Pending 2014 Authorization	MIC West & Central Piers Resurfacing	477	627
Small Projects	MIC Small Capital Projects	0	50
TOTAL MARITIME INDUSTRIAL CENTER		477	677
HARBOR ISLAND MARINA		2014	2014-2018 Total
Harbor Island Marina			
Status	Description		
Small Projects	Small Capital Projects	265	550
Pending Future Authorization	HIM AB&D Dock Rehabilitation	0	350
Pending Future Authorization	HIM C Dock Rehabilitation	0	350
Pending Future Authorization	HIM E Dock Rehabilitation	400	400
TOTAL HARBOR ISLAND MARINA		665	1,650

Draft 2014 Capital Plan

By Location

Central Waterfront \$ 000's

CENTRAL WATERFRONT		2014	2014-2018 Total
<u>Central Waterfront- Bell Harbor Marina</u>			
Status	Description		
Pending 2014 Authorization	BHM Pile Wraps	100	2,600
Small Projects	BHM Small Projects	240	240
Total BHM Recreational Boating		340	2,840
<u>Central Waterfront Commercial Bldgs</u>			
Commission Authorized	Pier 66 Steam Replacement	279	279
Small Projects	Small Projects	0	910
Total Central Waterfront Commerical Bldgs		279	1,189
TOTAL CENTRAL WATERFRONT		619	4,029

Draft 2014 Capital Plan

By Location

Other Commercial Properties \$ 000's

OTHER COMMERCIAL PROPERTIES		2014	2014-2018 Total
<u>Other Commercial Properties</u>			
Status	Description		
Pending 2014 Authorization	Tenant Improvements -Capital	432	1,605
Small Projects	T102 Small Projects	0	500
Pending Future Authorization	T102 Bldg Roof Replacement	150	2,430
Total Other Commercial Buildings		582	4,535
TOTAL OTHER COMMERCIAL PROPERTIES		582	4,535

Draft 2014 Capital Plan

By Location

Pier 69 and Other Projects \$ 000's

PIER 69 AND OTHER PROJECTS		2014	2014-2018 Total
Other			
Status	Description		
Commission Authorized	P69 N Apron Corrosion Control	639	639
Commission Authorized	P69 Built-Up Roof Replacement	1,751	1,751
Small Projects	Fleet Replacement	749	3,735
Small Projects	RE Preliminary Planning	250	1,250
Small Projects	RE Technology Projects	458	1,458
Small Projects	Marine Maintenance Small Projects	410	410
Small Projects	Real Estate Unidentified Projects	0	500
Pending Future Authorization	RE: Contingency Renew.&Replace	500	3,500
Total Other		4,757	13,243
TOTAL P69 AND OTHER PROJECTS		4,757	13,243

Real Estate Development and Planning

- Master planning and land development:
 - › Terminal 91 Uplands
 - Explore solicitation for master developer
 - › Des Moines Creek Business Park
 - Finalize ground lease agreement with Panattoni
 - › Explore emerging opportunities for acquisition
 - › Analyze viability of maritime academy
 - › Broaden utility of Marine Maintenance North Operations Office

Portfolio and Asset Management

- Property Management
 - › Achieve net operating income and occupancy targets
 - › Fishermen's Terminal
 - Update asset plan in conjunction with Harbor Services
 - Propose "FT 25-year Plan" development scenario
 - › Examine alternatives for energy conservation measures utilizing utility company incentive plans
 - › Implement PropWorks upgrade and launch space management module

Harbor Services

- Financial performance:
 - › Achieve net operating income and occupancy targets
- Fishermen's Terminal:
 - › Update asset plan in conjunction with Portfolio & Asset Management
 - › Implement improvements to net locker buildings - Phase I & II
- Shilshole Bay Marina:
 - › Integrate improvements from the 2013 site plan update into capital and maintenance plans/budgets
- Bell Harbor Marina
 - › Plan required pile wrap system for wavebreak structure

