

ITEM NO: 7b\_Supp\_1

DATE OF

MEETING: May 13, 2014



# Q1 2014 Performance Report

## Portwide Rollup

### Commission Briefing

May 13, 2014

# Q1 Major Revenue Variances

\$ in 000's	2013 YTD	2014 Year-to-Date		Fav (UnFav) Budget Variance		Incr (Decr) Change from 2013	
	Actual	Actual	Budget	\$	%	\$	%
Aero Revenues	50,173	54,920	57,531	(2,611)	-4.5%	4,746	9.5%
SLOA III Incentive	-	-	(894)	894	100.0%	-	0.0%
Public Parking	12,407	13,470	12,520	950	7.6%	1,063	8.6%
Rental Cars	5,044	6,307	6,809	(502)	-7.4%	1,263	25.0%
Concessions	8,672	9,645	9,729	(84)	-0.9%	973	11.2%
Employee Parking	1,330	1,585	1,582	4	0.2%	256	19.2%
Ground Transportation	1,954	2,257	1,960	297	15.2%	302	15.5%
Airport Commercial Properties	1,303	1,350	1,416	(66)	-4.7%	47	3.6%
Utilities	1,606	1,681	1,760	(79)	-4.5%	75	4.7%
Container	15,935	15,630	16,075	(445)	-2.8%	(305)	-1.9%
Seaport Industrial Properties	3,993	4,256	4,231	25	0.6%	263	6.6%
Grain	251	1,002	569	433	76.2%	750	298.4%
Dock	1,071	937	1,016	(79)	-7.8%	(134)	-12.5%
Recreational Boating	2,209	2,233	2,256	(23)	-1.0%	24	1.1%
Commercial Properties	2,316	2,418	2,383	35	1.5%	102	4.4%
Conference & Event Centers	2,109	1,556	1,865	(309)	-16.6%	(553)	-26.2%
Other	1,384	1,479	1,358	121	8.9%	95	6.8%
Subtotal	61,584	65,806	65,528	278	0.4%	4,222	6.9%
<b>TOTAL</b>	<b>111,757</b>	<b>120,725</b>	<b>122,164</b>	<b>(1,439)</b>	<b>-1.2%</b>	<b>8,968</b>	<b>8.0%</b>

# Q1 Major Expense Variances

\$ in 000's	2013 YTD Actual	2014 Year-to-Date		Fav (UnFav) Budget Variance		Incr (Decr) Change from 2013	
		Actual	Budget	\$	%	\$	%
Salaries & Benefits	23,401	23,985	25,472	1,487	5.8%	584	2.5%
Wages & Benefits	21,334	22,050	23,944	1,894	7.9%	716	3.4%
Payroll to Capital Projects	4,981	5,652	5,802	150	2.6%	670	13.5%
Equipment Expense	1,055	1,154	1,437	283	19.7%	98	9.3%
Supplies & Stock	1,398	1,839	1,387	(452)	-32.6%	441	31.6%
Outside Services	9,213	8,963	13,058	4,095	31.4%	(251)	-2.7%
Utilities	4,992	5,908	5,294	(614)	-11.6%	916	18.3%
Travel & Other Employee Exps	913	808	1,604	797	49.7%	(105)	-11.5%
Promotional Expenses	198	320	546	226	41.4%	122	61.9%
Other Expenses	4,963	4,784	4,913	129	2.6%	(179)	-3.6%
Charges to Capital Projects	(7,111)	(8,023)	(9,063)	(1,040)	-11.5%	(912)	-12.8%
<b>TOTAL</b>	<b>65,337</b>	<b>67,437</b>	<b>74,392</b>	<b>6,955</b>	<b>9.3%</b>	<b>2,100</b>	<b>3.2%</b>

- Operating Expenses were \$7.0M lower than the budget mainly due to vacant positions, delay hiring, savings of outside contracted services, and timing of spending.
- Operating Expenses were \$2.1M higher than Q1 2013 mainly due to higher payroll and utilities cost.

# Portwide Operating Summary

\$ in 000's	2013 YTD Actual	Fav (UnFav) 2014 Year-to-Date Budget Variance				Fav (UnFav) Year-End Projections		
		Actual	Budget	\$	%	Budget	Forecast	Bud Var
Aeronautical Revenues	50,173	54,920	57,531	(2,611)	-4.5%	241,443	239,381	(2,063)
SLOA III Incentive	-	-	(894)	894		(3,576)	(3,576)	0
Other Operating Revenues	61,584	65,806	65,528	278	0.4%	299,536	301,221	1,685
Total Operating Revenues	111,757	120,725	122,164	(1,439)	-1.2%	537,403	537,026	(378)
Total Operating Expenses	65,337	67,437	74,392	6,955	9.3%	323,391	321,518	1,873
NOI before Depreciation	46,420	53,288	47,772	5,515	11.5%	214,012	215,507	1,495
Depreciation	42,654	42,159	42,007	(151)	-0.4%	164,386	164,386	0
NOI after Depreciation	3,766	11,129	5,765	5,364	93.0%	49,627	51,122	1,495

- Excluding Aeronautical revenues, other operating revenues for Q1 were \$278K above budget mainly due to Public Parking, Ground Transportation, and Grain.
- Excluding Aeronautical revenues, other operating revenues are forecasted to be \$1.7M above budget.
- Total operating expenses are forecasted to be \$1.9M below budget.
- NOI before Depreciation is forecasted to be \$2.6M over budget.

# Portwide Capital Budget Summary

\$ in 000's	2014 YTD	2014	2014	Budget Variance	
	Actual	Forecast	Budget	\$	%
Aviation	26,309	208,392	237,320	28,928	12.2%
Seaport	1,652	22,521	27,858	5,337	19.2%
Real Estate	1,308	17,581	18,101	520	2.9%
Corporate & CDD	1,458	15,321	15,955	634	4.0%
<b>TOTAL</b>	<b>30,727</b>	<b>263,815</b>	<b>299,234</b>	<b>35,419</b>	<b>11.8%</b>

The background features large, overlapping, rounded shapes in shades of light blue, medium blue, and green, creating a dynamic, abstract design.

# Q1 2014 Performance Report

## Sea-Tac Airport

### Commission Briefing

May 13, 2014

# Aviation Business Highlights

- Higher activity:
  - › Cargo, Passengers, Operations, Landed weight up over Q1 2013
- Operating expenses below budget by \$2.9 million as of Q1 2014
  - › Airport baseline O&M 4.0% below budget, and 9.0% above Q1 2013
  - › Unbudgeted Realignment costs incurred in 2014
- Non-Airline revenues up 1.5% over budget and 12.2% above Q1 2013
- Passenger airline costs (CPE) trending below budget due to projected lower debt service costs
- Capital program: forecasting to spend \$208 million, or 88% of 2014 annual budget.

# Activity

	<b>YTD 2013</b>	<b>YTD 2014</b>	<b>% Change</b>
<b>Enplaned Passengers (000's)</b>			
Domestic	3,348,542	3,451,734	3.1%
International	386,510	407,242	5.4%
<b>Total</b>	<b>3,735,052</b>	<b>3,858,976</b>	<b>3.3%</b>
<b>Operations</b>	<b>69,393</b>	<b>72,832</b>	<b>5.0%</b>
<b>Landed Weight (million lbs.)</b>			
Cargo	293,505	375,394	27.9%
All other	4,186,349	4,360,735	4.2%
<b>Total</b>	<b>4,479,854</b>	<b>4,736,129</b>	<b>5.7%</b>
<b>Cargo - metric tons</b>			
Domestic freight	37,688	35,497	-5.8%
International freight	16,375	22,287	36.1%
Mail	11,598	12,241	5.5%
<b>Total</b>	<b>65,661</b>	<b>70,025</b>	<b>6.6%</b>



# Operating Expenses

\$ in 000's	2013 YTD Actual	2014 Year-to-Date		Fav (UnFav) Budget Variance		Year-End Projection		Fav (UnFav) Budget Variance	
		Actual	Budget	\$	%	Budget	Forecast	\$	%
<b>Operating Expenses:</b>									
Payroll	22,020	22,903	24,733	1,830	7.4%	100,399	98,341	2,058	2.0%
Outside Services	5,109	5,651	5,696	45	0.8%	31,603	32,643	(1,040)	-3.3%
Utilities	3,495	4,332	3,797	(535)	-14.1%	13,650	13,406	243	1.8%
Other Airport Expenses	2,203	2,892	3,058	166	5.4%	15,838	16,376	(538)	-3.4%
<b>Baseline Airport Expenses <sup>(2)</sup></b>	<b>32,827</b>	<b>35,778</b>	<b>37,284</b>	<b>1,506</b>	<b>4.0%</b>	<b>161,490</b>	<b>160,766</b>	<b>724</b>	<b>0.4%</b>
Airline Realignment <sup>(1)</sup>	1,306	225	49	(176)	-355.8%	-	750	(750)	n/a
Environmental Remediation Liability	-	-	-	-	n/a	2,356	2,356	-	0.0%
<b>Total Airport Expenses <sup>(1)</sup></b>	<b>34,133</b>	<b>36,003</b>	<b>37,334</b>	<b>1,330</b>	<b>3.6%</b>	<b>163,846</b>	<b>163,872</b>	<b>(26)</b>	<b>0.0%</b>
Corporate <sup>(2)</sup>	7,649	9,246	10,503	1,256	12.0%	43,140	42,761	379	0.9%
Police Costs	3,751	3,999	4,094	95	2.3%	16,982	16,982	-	0.0%
Capital Development/Other Expenses <sup>(2)</sup>	2,170	2,655	2,878	223	7.7%	15,015	14,244	771	5.1%
<b>Total Operating Expense</b>	<b>47,702</b>	<b>51,903</b>	<b>54,808</b>	<b>2,905</b>	<b>5.3%</b>	<b>238,983</b>	<b>237,859</b>	<b>1,124</b>	<b>0.5%</b>

Notes:

(1) Includes Airline Realignment costs incurred by other Divisions

(2) Reduced by Airline Realignment costs shown separately

# Aeronautical Business

\$ in 000's	2013	2014	2014	Fav (UnFav)		Incr (Decr)	
	Actual	Forecast	Budget	Budget Variance		Change from 2013	
				\$	%	\$	%
<b>Revenues:</b>							
Movement Area	73,903	74,317	74,590	(273)	-0.4%	414	0.6%
Apron Area	7,554	10,203	10,214	(11)	-0.1%	2,649	35.1%
Terminal Rents	151,167	143,767	144,641	(874)	-0.6%	(7,400)	-4.9%
Federal Inspection Services (FIS)	7,422	8,728	8,617	111	1.3%	1,306	17.6%
<b>Total Rate Base Revenues</b>	<b>240,047</b>	<b>237,016</b>	<b>238,063</b>	<b>(1,047)</b>	<b>-0.4%</b>	<b>(3,031)</b>	<b>-1.3%</b>
Commercial Area	8,487	9,517	9,517	-	0.0%	1,030	12.1%
<b>Subtotal before Revenue Sharing</b>	<b>248,534</b>	<b>246,533</b>	<b>247,580</b>	<b>(1,047)</b>	<b>-0.4%</b>	<b>(2,001)</b>	<b>-0.8%</b>
SLOA II Other							
Revenue Sharing	(9,901)	(7,152)	(6,136)	(1,016)	-16.6%	2,749	27.8%
<b>Total Airline Revenues</b>	<b>238,633</b>	<b>239,381</b>	<b>241,443</b>	<b>(2,063)</b>	<b>-0.9%</b>	<b>748</b>	<b>0.3%</b>
Operating Expense	151,435	151,382	152,055	673	0.4%	53	0.0%
<b>Net Operating Income</b>	<b>87,198</b>	<b>87,999</b>	<b>89,389</b>	<b>(1,390)</b>	<b>-1.6%</b>	<b>801</b>	<b>0.9%</b>
Debt Service	79,197	79,101	80,002	901	1.1%	96	0.1%
<b>Net Cash Flow</b>	<b>8,001</b>	<b>8,898</b>	<b>9,386</b>	<b>(488)</b>	<b>-5.2%</b>	<b>897</b>	<b>11.2%</b>

# Non-Airline Business

\$ in 000's	2013 YTD Actual	2014 Year-to-Date		Fav (UnFav) Budget Variance		Year-End Projection		Fav (UnFav) Budget Variance	
		Actual	Budget	\$	%	Budget	Forecast	\$	%
<b>Non-Aero Revenues</b>									
Rental Car	5,044	6,307	6,809	(502)	-7.4%	41,167	41,167	-	0.0%
Public Parking	12,407	13,470	12,520	950	7.6%	52,138	53,338	1,200	2.3%
Ground Transportation	1,954	2,257	1,960	297	15.2%	7,881	7,881	-	0.0%
Concessions	8,672	9,645	9,729	(84)	-0.9%	43,714	43,714	-	0.0%
Other	4,589	4,980	5,109	(129)	-2.5%	21,553	22,053	500	2.3%
<b>Total Non-Aero Revenues</b>	<b>32,666</b>	<b>36,658</b>	<b>36,126</b>	<b>532</b>	<b>1.5%</b>	<b>166,453</b>	<b>168,153</b>	<b>1,700</b>	<b>1.0%</b>
<b>Non-Aero Expenses</b>									
RCF Operating Expense	1,353	1,624	1,910	286	15.0%	7,899	7,329	570	7.2%
Operating Expense	14,765	16,814	17,264	450	2.6%	74,717	74,606	111	0.1%
Share of terminal O&M	4,434	4,927	5,214	287	5.5%	22,619	22,849	(231)	-1.0%
Less utility internal billing	(4,324)	(4,577)	(4,577)	0	0.0%	(18,307)	(18,307)	-	0.0%
<b>Operating Expense</b>	<b>16,228</b>	<b>18,788</b>	<b>19,811</b>	<b>1,023</b>	<b>5.2%</b>	<b>86,928</b>	<b>86,478</b>	<b>451</b>	<b>0.5%</b>
<b>Net Operating Income</b>	<b>16,438</b>	<b>17,870</b>	<b>16,315</b>	<b>1,555</b>	<b>9.5%</b>	<b>79,524</b>	<b>81,675</b>	<b>2,151</b>	<b>2.7%</b>
Less: CFC Surplus	808	1,352	2,073	721	34.8%	(4,623)	(5,193)	(570)	-12.3%
<b>Adjusted Non-Aero NOI</b>	<b>17,245</b>	<b>19,222</b>	<b>18,389</b>	<b>833</b>	<b>4.5%</b>	<b>74,902</b>	<b>76,482</b>	<b>1,581</b>	<b>2.1%</b>
Debt Service <sup>(1)</sup>						48,736	48,627	109	0.2%
<b>Net Cash Flow</b>						<b>26,166</b>	<b>27,855</b>	<b>1,689</b>	<b>6.5%</b>
<b>Key Measures</b>									
Total Revenues / Enpl						9.34	9.44	0.10	1.0%
Primary Concessions Sales / Enpl <sup>(1)</sup>						11.52	11.52	-	0.0%

Note:

(1) Debt service and primary concession sales are forecasted/budgeted on an annual basis only. Thus, quarterly data is not available.

# Summary Results and Key Measures

\$ in 000's	2013	2014	2014	Fav (UnFav)		Incr (Decr)	
	Actual	Forecast	Budget	Budget Variance		Change from 2013	
				\$	%	\$	%
<b>Operating Revenues:</b>							
Aeronautical Revenues	238,633	239,381	241,443	(2,063)	-0.9%	748	0.3%
SLOA III Incentive Straight Line Adj <sup>(1)</sup>	14,304	(3,576)	(3,576)	-		(17,880)	-125.0%
Non-Aeronautical Revenues	161,075	168,153	166,453	1,700	1.0%	7,078	4.4%
<b>Total Operating Revenues</b>	<b>414,011</b>	<b>403,957</b>	<b>404,320</b>	<b>(363)</b>	<b>-0.1%</b>	<b>(10,054)</b>	<b>-2.4%</b>
Total Operating Expense	225,920	237,859	238,983	1,124	0.5%	11,939	5.3%
<b>Net Operating Income</b>	<b>188,092</b>	<b>166,098</b>	<b>165,337</b>	<b>761</b>	<b>0.5%</b>	<b>(21,994)</b>	<b>-11.7%</b>
Net Non-Operating items paid from ADF <sup>(2)</sup>	(3,663)	(2,862)	(2,292)	(570)	24.9%	802	-21.9%
SLOA III Incentive Straight Line Adj <sup>(1)</sup>	(14,304)	3,576	3,576	-	0.0%	17,880	-125.0%
Debt Service	(127,831)	(127,728)	(128,738)	1,010	-0.8%	103	-0.1%
<b>Net Cash Flow</b>	<b>42,294</b>	<b>39,084</b>	<b>37,883</b>	<b>1,201</b>	<b>3.2%</b>	<b>(3,210)</b>	<b>-7.6%</b>
<b>Key Measures</b>							
Enplaned Passengers (000s)	17,376	17,813	17,813	0	0.0%	437	2.5%
CPE (\$) after Revenue Sharing	11.88	12.57	12.68	0.11	0.9%	0.69	5.8%
Debt Service Coverage (before Revenue Sharing)	1.40	1.36	1.35	0.02	1.2%	(0.04)	-3.1%
Debt Service Coverage (after Revenue Sharing)	1.33	1.31	1.30	0.01	0.6%	(0.02)	-1.6%
Adjusted Non-Aero NOI	81,573	76,482	74,902	1,581	2.1%	(5,091)	-6.2%

Notes:

(1) For Accounting purposes, the 2013 reduction in the airline revenue requirement of \$17.9 million was treated as a lease incentive and is being amortized over five years.

(2) Per SLOA III definition of Net Revenues

# Capital Budget

\$ in 000's Description	2014 YTD	2014	2014	Budget Variance	
	Actual	Forecast	Budget	\$	%
International Arrivals Fac-IAF	153	5,385	16,000	10,615	66.3%
Parking Garage Lights (CA)	3	138	4,000	3,862	96.6%
GSE Electrical Chrg Stations	910	8,410	12,000	3,590	29.9%
Scty Exit Lane Breach Ctrl-Phase II	1,963	2,563	5,200	2,637	50.7%
Checked Bag Recap/Optimization	470	4,720	7,000	2,280	32.6%
NS NSAT Renov NSTS Lobbies	845	7,226	8,127	901	11.1%
Highline School Insulation	-	11,166	11,360	194	1.7%
Cargo 2 West Cargo Hardstand	59	7,259	7,300	41	0.6%
Aircraft RON Parking USPS Site	209	33,059	33,000	(59)	-0.2%
All Other	21,697	128,466	133,333	4,867	3.7%
<b>Total Spending</b>	<b>26,309</b>	<b>208,392</b>	<b>237,320</b>	<b>28,928</b>	<b>12%</b>

# Q1 2014 Performance Report Seaport

## Commission Briefing

May 13, 2014

# Seaport Q1 2014 Business Overview

- Full Year Net Operating Income forecasted to exceed budget.
- Business Volume
  - TEU Volume was 335K, down 13.8% from 2013.
  - Grain volume was at 1,000K metric tons, up 288% from 2013 and 92% favorable to 2014 budget.
  - The 2014 cruise season commenced on Saturday, May 3<sup>rd</sup>.
- Pacific International Line (PIL) began calling at the Port of Seattle in March.
- Federal Maritime Commission approved the discussion agreement filed by the Ports of Seattle and Tacoma.
- Environmental
  - Preparation for ScRAPs 2 truck scrapping and replacement project are underway for Q2 launch.
  - Terminal 117 and Terminal 91 clean up projects underway.

# Seaport Q1 2014 Financial Summary

\$ in 000's	2013 YTD Actual	2014 Year-to-Date		Fav (UnFav) Budget Variance		Fav (UnFav) Year End Projections		
		Actual	Budget	\$	%	Budget	Forecast	Bud Var
Operating Revenue	21,331	21,885	21,963	(78)	0%	101,553	101,421	(132)
Security Grants	0	0	0	0	NA	0	0	0
<b>Total Revenues</b>	<b>21,331</b>	<b>21,885</b>	<b>21,963</b>	<b>(78)</b>	<b>0%</b>	<b>101,553</b>	<b>101,421</b>	<b>(132)</b>
Seaport Expenses (excl env srvs)	3,174	2,048	4,459	2,411	54%	17,812	16,699	1,113
Environmental Services	332	354	422	69	16%	2,581	2,581	0
Maintenance Expenses	1,562	1,372	1,425	53	4%	6,637	6,308	329
P69 Facilities Expenses	115	101	105	4	4%	414	414	0
Other RE Expenses	66	75	96	21	22%	386	386	0
CDD Expenses	824	519	513	(5)	-1%	2,190	2,190	0
Police Expenses	947	1,008	1,033	26	2%	4,286	4,286	0
Corporate Expenses	2,604	1,752	2,055	302	15%	8,440	8,350	90
Security Grant Expense	4	0	0	0	NA	0	0	0
Envir Remed Liability	0	0	0	0	NA	1,180	1,180	0
<b>Total Expenses</b>	<b>9,628</b>	<b>7,229</b>	<b>10,109</b>	<b>2,880</b>	<b>28%</b>	<b>43,926</b>	<b>42,394</b>	<b>1,532</b>
<b>Net Operating Income</b>	<b>11,703</b>	<b>14,656</b>	<b>11,854</b>	<b>2,802</b>	<b>24%</b>	<b>57,626</b>	<b>59,026</b>	<b>1,400</b>

## Major Expense Variance:

- Terminal 5 Maintenance Dredge project costs coming in below budget and T91 Maintenance Dredge project delayed until 2015.



# Seaport Capital Q1 2014

\$ in 000's	2014 YTD	2014	2014	Budget Variance	
	Actual	Forecast	Budget	\$	%
<b>Seaport</b>	1,652	22,521	27,858	5,337	19%

## Significant Variances:

- T46 Development - \$4.2M moved out due to reprioritization of projects.
- T18 Dock Rehabilitation - \$.6M timing moved out due to reprioritization of projects.

# Q1 2014 Performance Report

## Real Estate

Commission Briefing

May 13, 2014

# Real Estate 1<sup>st</sup> Quarter Business Overview

- Full Year Net Operating Income forecasted to exceed budget.
- Occupancy Rates/Activity
  - Commercial property at 90% occupancy, below target of 92% but above 2014 Q1 Seattle market average of 88%.
  - Marinas: Fishermen's Terminal and Maritime Industrial Center at 85% average occupancy, above target of 82%. Recreational marinas at 95%, on target.
  - Conference and Event Center activity below budget due to significant new competitive challenges and perceived impact of waterfront transportation projects.
- Real Estate Development & Planning
  - Des Moines City Council approved a revised second development agreement in February for the Des Moines Creek Business Park project.
  - Tsubota Steel site request for offers issued. Submitted offers under review.
- Eastside Rail Corridor
  - Commission authorized the sale of approximately 12 mile section of the corridor to Snohomish County. Sale is scheduled to close in 2014.
  - Port is in discussions to sell last remaining, approximately 3 mile section, to the City of Woodinville.
  - Washington State Supreme Court affirmed trial court's dismissal of all substantive claims in Lane's case.

# Real Estate Q1 2014 Financial Summary

	2013 YTD Actual	2014 Year-to-Date		Fav (UnFav) Budget Variance		Year End Projections		
		Actual	Budget	\$	%	Budget	Forecast	Bud Var
\$ in 000's								
Revenue	5,415	5,621	5,534	87	2%	23,244	23,360	116
Conf & Event Ctr Revenue	2,109	1,556	1,865	(309)	-17%	8,132	8,132	0
<b>Total Revenue</b>	<b>7,524</b>	<b>7,177</b>	<b>7,399</b>	<b>(222)</b>	<b>-3%</b>	<b>31,376</b>	<b>31,492</b>	<b>116</b>
Real Estate Exp (excl Conf, Maint, P 69)	2,374	2,495	2,752	257	9%	11,553	11,553	0
Conf & Event Ctr Expense	1,751	1,422	1,582	160	10%	6,858	6,858	0
Eastside Rail Corridor	20	15	30	15	50%	170	170	0
Maintenance Expenses	1,735	1,904	2,196	292	13%	9,311	9,211	100
P69 Facilities Expenses	39	31	32	1	3%	126	126	0
Seaport Expenses	222	207	244	37	15%	1,310	1,310	0
CDD Expenses	210	481	551	70	13%	2,582	2,582	0
Police Expenses	313	328	335	8	2%	1,391	1,391	0
Corporate Expenses	1,091	1,143	1,319	176	13%	5,417	5,383	34
Envir Remed Liability	0	0	0	0	NA	600	600	0
<b>Total Expense</b>	<b>7,756</b>	<b>8,026</b>	<b>9,041</b>	<b>1,015</b>	<b>11%</b>	<b>39,320</b>	<b>39,186</b>	<b>134</b>
<b>Net Operating Income</b>	<b>(232)</b>	<b>(848)</b>	<b>(1,641)</b>	<b>793</b>	<b>48%</b>	<b>(7,944)</b>	<b>(7,694)</b>	<b>250</b>

- Conference and Event Center activity below budget impacted by new competitive challenges and perceived impact of waterfront transportation projects.

# Real Estate Capital Q1 2014

\$ in 000's	2014 YTD	2014	2014	Budget Variance	
	Actual	Forecast	Budget	\$	%
<b>Real Estate</b>	1,308	17,581	18,101	520	3%

## Significant Variances:

- Pier 69 North Apron Corrosion Control project closeout costs lower than expected. No change orders and contingency not needed.

# Q1 2014 Performance Report Capital Development

## Commission Briefing

May 13, 2014

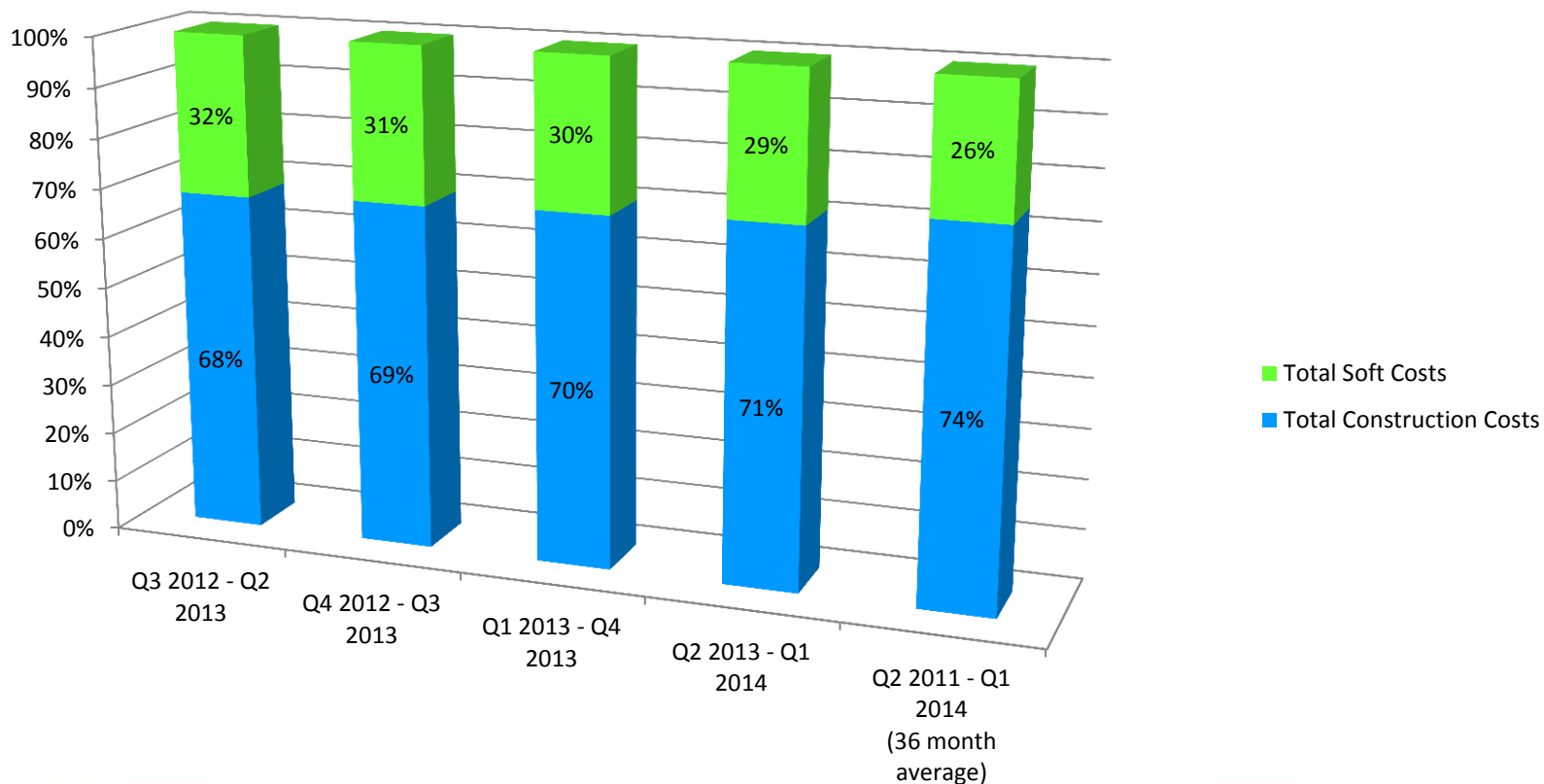
# Q1 2014 Key Business Events

- NorthSTAR - design charrette completion for North Satellite (NSAT), construction contract award for C concourse vertical circulation.
- Gained Agency Approval for General Contractor/Construction Manager (GC/CM) and Design-Build (DB) valid for 3 years.
- Hosted a Northwest Construction Consumer Council (NWCCC) construction management student competition.
- PCS had seventy active projects during the first quarter. Key projects included, relocation of EGSE charging stations, federal inspection station renovations (FIS), Gate S16 passenger loading bridge, noise remedy program, automated passport controls, cell phone lot, Fishermen's Terminal net shed renovation and North Satellite baggage installation.
- Substantial completion on the Terminal 5 Maintenance Dredging Project.
- Beneficial Occupancy issued for the Pier 69 Corrosion Control Project.

# Q1 Capital Development Key Metrics

## Project Hard/Soft Costs

CDD Construction Soft Costs %





# Capital Development

## Key Metrics continued

### Procurement Timeliness

#### Total Time Receipt of Scope to Execution (Avg # Days)

	<u>2013</u>	<u>2014</u>
• Goods & Services	55 days	22 days
• Major Public Works	78 days	67 days
• Small Works	56 days	37 days
• Service Agreements	169 days	189 days

# Q1 Operating Results by Account

\$ in 000's	2013 YTD Actual	2014 Year-to-Date		Fav (UnFav) Budget Variance		Incr (Decr) Change from 2013	
		Actual	Budget	\$	%	\$	%
Salaries & Benefits	3,474	3,550	4,005	455	11.4%	76	2.2%
Wages & Benefits	226	255	311	56	18.0%	28	12.5%
Payroll to Capital Projects	3,294	4,087	4,071	(16)	-0.4%	793	24.1%
Equipment Expense	98	109	157	47	30.2%	11	11.6%
Supplies & Stock	144	146	124	(22)	-18.1%	3	1.8%
Outside Services	389	690	1,641	951	58.0%	301	77.5%
Utilities	11	11	20	8	43.0%	( )	-1.4%
Travel & Other Employee Exps	57	38	119	81	68.3%	(19)	-34.0%
Promotional Expenses				( )	-98.0%		0.0%
Other Expenses	516	516	88	(428)	-484.1%		0.0%
Charges to Capital Projects	(5,176)	(6,187)	(7,097)	(910)	12.8%	(1,011)	19.5%
<b>TOTAL</b>	<b>3,034</b>	<b>3,217</b>	<b>3,439</b>	<b>222</b>	<b>6.5%</b>	<b>183</b>	<b>6.0%</b>

# Q1 Capital Development Financials Summary

\$ in 000's	Notes	2013 YTD	2014 Year-to-Date		Fav (UnFav) Budget Variance		Fav (UnFav) Year-End Projections		
		Actual	Actual	Budget	\$	%	Budget	Forecast	Bud Var
<b>Total Revenues</b>		<b>5</b>	<b>12</b>	<b>-</b>	<b>12</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Expenses Before Charges To Cap/Govt/Envrs Projects</u></b>									
Capital Development Administration		90	94	99	5	4.7%	404	404	-
Engineering		3,026	3,359	3,802	443	11.7%	15,878	15,714	164
Port Construction Services		1,498	2,120	1,895	(225)	-11.9%	7,556	7,556	-
Central Procurement Office		1,177	1,073	1,312	239	18.2%	5,332	5,297	35
Aviation Project Management		1,846	2,014	2,748	734	26.7%	13,260	13,260	-
Seaport Project Management		573	743	680	(63)	-9.3%	3,236	3,236	-
<b>Total Before Charges to Capital Projects</b>		<b>8,210</b>	<b>9,404</b>	<b>10,536</b>	<b>1,132</b>	<b>10.7%</b>	<b>45,666</b>	<b>45,466</b>	<b>200</b>

# Q1 2014 Performance Report Corporate

Commission Briefing

May 13, 2014

# Q1 Key Business Events

- Expanded the live music program at the Airport
- Began recruitment for the 13th class of veteran fellows
- Kicked-off 2014 internal internship program
- Launched a cloud platform Learning Management System successfully
- Upgraded the Access Control Network System
- Collaborated with the Port of Tacoma for the Economic Impact Study procurement/contract
- Selected Wells Fargo for our Banking Services
- Began the Citizen's Academy by Police Department

# Q1 Corporate Key Metrics

- Airport Jobs helped 197 people gain employment
- Provided 23 Apprenticeship Opportunity Project Placements
- Conducted 9 small business and workforce development outreach events
- Registered 50 new small businesses to the Procurement Roster Management System (PRMS)
- Responded to 83 public disclosure requests
- Provided orientation to 29 new employees
- Provided development classes to 39 employees

# Q1 Operating Results by Account

\$ in 000's	2013 YTD Actual	2014 Year-to-Date		Fav (UnFav) Budget Variance		Incr (Decr) Change from 2013	
		Actual	Budget	\$	%	\$	%
Salaries & Benefits	8,698	9,249	9,688	439	4.5%	551	6.3%
Wages & Benefits	4,646	4,503	4,835	332	6.9%	(143)	-3.1%
Payroll to Capital Projects	797	565	735	170	23.1%	(232)	-29.1%
Equipment Expense	141	219	269	50	18.6%	78	54.8%
Supplies & Stock	68	67	141	73	52.1%	(1)	-1.6%
Outside Services	1,675	1,958	2,779	821	29.5%	283	16.9%
Travel & Other Employee Exps	499	423	766	343	44.7%	(76)	-15.2%
Insurance Expense	534	536	575	39	6.7%	2	0.4%
Litigated Injuries & Damages	(8)	20	-	(20)	n/a	28	-344.2%
Other	328	719	677	(41)	-6.1%	390	118.9%
Charge to Capital	(797)	(565)	(735)	(170)	23.1%	232	-29.1%
<b>Total</b>	<b>16,583</b>	<b>17,695</b>	<b>19,731</b>	<b>2,035</b>	<b>10.3%</b>	<b>1,112</b>	<b>6.7%</b>

# Q1 Corporate Financials Summary

	2013 YTD Actual	2014 Year-to-Date		Fav (UnFav) Budget Variance		Year-End Projection		Fav (UnFav) Budget Variance	
		Actual	Budget	\$	%	Budget	Forecast	\$	%
\$ in 000's									
<b>Total Revenues</b>	<b>68</b>	<b>83</b>	<b>39</b>	<b>44</b>	<b>114.8%</b>	<b>155</b>	<b>155</b>	<b>-</b>	<b>0.0%</b>
Executive	442	441	510	68	13.4%	1,818	1,818	-	0.0%
Commission	209	237	436	200	45.8%	1,645	1,645	-	0.0%
Legal	698	700	861	162	18.8%	3,264	3,215	50	1.5%
Risk Services	672	720	793	73	9.2%	3,173	3,143	30	0.9%
Health & Safety Services	259	246	302	56	18.4%	1,190	1,186	4	0.4%
Public Affairs	1,199	1,215	1,663	448	26.9%	6,069	5,967	102	1.7%
Human Resources & Development	1,173	1,225	1,318	93	7.1%	5,655	5,636	19	0.3%
Labor Relations	311	295	336	41	12.3%	1,319	1,281	38	2.9%
Information & Communications Technology	4,257	4,651	4,721	70	1.5%	20,850	20,850	-	0.0%
Finance & Budget	353	436	609	173	28.4%	1,856	1,827	30	1.6%
Accounting & Financial Reporting Services	1,376	1,412	1,691	279	16.5%	7,081	6,974	106	1.5%
Internal Audit	291	300	314	14	4.5%	1,422	1,501	(79)	-5.6%
Office of Social Responsibility	215	444	664	220	33.1%	2,187	2,230	(43)	-2.0%
Police	5,069	5,374	5,463	88	1.6%	22,658	22,613	45	0.2%
Contingency	60	-	50	50	100.0%	450	250	200	44.4%
<b>Total Expenses</b>	<b>16,583</b>	<b>17,695</b>	<b>19,731</b>	<b>2,035</b>	<b>10.3%</b>	<b>80,637</b>	<b>80,135</b>	<b>501</b>	<b>0.6%</b>