ITEM NO. 9a-Report
DATE OF MEETING August 11, 2009

Port of Seattle

QUARTERLY PERFORMANCE REPORT

AS OF JUNE 30, 2009

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I. PORTWIDE PERFORMANCE REPORT 6/30/09

INCOME STATEMENT

Report: Income Statement
As of Date: 2009-06-30

Dollars in thousands	2008 YTD Actual	2009 YTD Actual	2009 YTD Budget	2009 Var $ Bud vs. Act	2009 Var % Bud vs. Act	2009 Annual Budget	% of Annual Bud
Revenues:							
Seaport	51,821	44,093	47,305	(3,212)	-6.8%	94,829	46.5%
Real Estate	17,040	15,495	15,399	96	0.6%	31,111	49.8%
Aviation	174,457	172,318	168,234	4,084	2.4%	358,956	48.0%
Capital Development		81	-	81	0.0%	-	
Corporate	313	514	724	(210)	-28.9%	1,470	35.0%
Total Revenues	**243,631**	**232,502**	**231,661**	840	0.4%	**486,367**	**47.8%**
Operating & Maintenance:							
Seaport	6,653	9,610	19,226	9,616	50.0%	32,315	29.7%
Real Estate	15,405	13,464	16,076	2,612	16.2%	32,300	41.7%
Aviation	60,678	58,251	67,665	9,414	13.9%	132,665	43.9%
Capital Development	3,314	2,758	3,432	674	19.6%	7,010	39.4%
Corporate	30,154	29,930	37,327	7,397	19.8%	73,572	40.7%
Total O&M before Depreciation	**116,203**	**114,014**	**143,726**	29,712	20.7%	**277,862**	**41.0%**
Operating Income Before Depreciation	**127,428**	**118,488**	**87,936**	30,552	34.7%	**208,506**	**56.8%**
Depreciation	70,220	75,243	77,877	2,634	3.4%	157,036	47.9%
Total O&M and Depreciation	186,423	189,257	221,602	32,346	14.6%	434,897	43.5%
Operating Income after Depreciation	**57,209**	**43,245**	**10,059**	33,186	329.9%	**51,470**	**84.0%**

I. PORTWIDE PERFORMANCE REPORT 6/30/09

CAPITAL SPENDING RESULTS

		($ Millions)
Annual Results:		
2009 Plan of Finance	$	604.0
2009 Approved Budget	$	436.1
2009 Estimated/Actuals	$	424.9
Variance (Budget vs Estimated\Actuals)	$	11.2

PORTWIDE INVESTMENT PORTIFOLIO

The investment portfolio for the second quarter of 2009 earned 2.82% against our benchmark (The Merrill Lynch 3-year Treasury/Agency Index) of 1.18%.For the past twelve months the portfolio has earned 3.39% against the benchmark of 1.39%. Since the Port became its own Treasurer in 2002, the Port's portfolio life-to-date has earned 3.82% against our benchmark of 2.98%.

I. PORTWIDE PERFORMANCE REPORT 6/30/09

EXECUTIVE SUMMARY

The first six months of 2009 **Port of Seattle's** overall operating revenues were $232.5 million, $840 thousand above the budget. Total operating expenses were $114.0 million, $29.7 million below budget. Operating income before depreciation was $118.5 million, $30.6 million above the budget. Operating income after depreciation is $43.2 million, $33.2 million above the budget.

Port-wide Capital spending was $57.0 million for the first six months and is forecasted to be $424.9 million for the year, $11.2 million below the budgeted $436.1 million.

Aviation Division's Aeronautical revenues were $5.2 million favorable due to a budgeting error relating to seasonality. Non-aeronautical revenues are unfavorable year-to-date by $883K due to underperformance of Public Parking and other Landside-affiliated revenues. Expenses are under budget due to expense project delays and implementation of Expense Savings Plan. Aviation is forecasting a shortfall of $11.3 million in non-airline revenues as Public Parking, Concessions and other Landside departments will underperform against the budget due to decreased enplanements. Operating expense is forecasted to be $11.2 million favorable due to implementation of the 2009 Expense Savings Plan. Total capital expenditures for 2009 are projected at $253.5 million.

Seaport Division revenues were ($3.1) million unfavorable primarily due to Security Grant projects commencing later than assumed in budget, lower reimbursement on the Terminal 30 upland dredge disposal due to cost savings on the project, and delayed lease commencement resulting from the Terminal 30 crane cable issue. For the full year, Seaport is forecasting a $5.6 million unfavorable revenue variance due to later start of Security Grant projects, implementation of the Container Terminal Customer Support Package, default of tenant at Terminal 104, and the rent impact of the Terminal 30 crane cable issue. Total Operating Expenses were $10.8 million favorable through June primarily due to timing and due to lower cost of the Terminal 18 Maintenance Dredge and the Terminal 30 Upland Dredge Disposal projects than budgeted. For the full year, Seaport is forecasting a $3.3 million favorable expense variance due to later start of Security Grant projects, implementation of the 2009 Expense Savings Plan and the lower cost of the Terminal 18 Maintenance Dredge and the Terminal 30 Upland Dredge Disposal projects. Amounts are partially offset by unfavorable Environmental Reserve variance. Forecasted Net Operating Income for 2009 is estimated to be ($2.3) million unfavorable to the 2009 Budget and ($9.5) million below 2008 Actual. Total capital spending for 2009 is projected at $55.9 million or 56% of the Approved Annual Budget amount of $100.4 million.

Real Estate Division revenues were ($0.05) million unfavorable in the second quarter primarily due higher vacancy than anticipated at Shilshole Bay Marina. For the full year, Real Estate is forecasting a ($0.6) million unfavorable revenue variance due to lower occupancies at Shilshole Bay Marina and the unbudgeted termination or expiration of tenants at other sites. Total Operating Expenses were $3.7 million favorable through the second quarter primarily due to timing and deferrals related to the 2009 Savings Plan. For the full year, Real Estate is forecasting a $1.9 million favorable expense variance due to implementation of the 2009 Expense Savings Plan. Forecasted Net Operating Income for 2009 is estimated to be approximately $1.4 million favorable to the 2009 Budget and $1.0 million above 2008 Actual. Total capital spending for 2009 is projected at $100.8 million or 96% of the Approved Annual Budget amount of $105.2 million.

Capital Development expenses were $674 thousand favorable through six months mainly due to unfilled staff positions, delayed work and less capital work than original budgeted. A $986K favorable variance at the end of the year is forecasted due to less expense work than budgeted. The division delivers projects and provides technical and contracting services in support of the business plans and infrastructure needs of the Port's operating divisions. As such, the CDD does not have its own capital improvement program.

Corporate Professional and Technical Services performance for the first six months of 2009 was $7.4 million or 19.8% favorable compared to the approved budget and $224 thousand or 0.7% lower than the same period a year ago. The $7.4 million favorable variance is due primarily to timing of the spending and implementation of the 2009 Expense Savings Plan. There aren't any major variances to report on since all departments are favorable. Year-end spending is projected to be $67.9 million, which is $5.7 million below the approved budget. Total capital spending for 2009 is projected at $14.9 million or 94% of the Approved Annual Budget amount of $15.9 million.

II. AVIATION DIVISION PERFORMANCE REPORT 06/30/09

FINANCIAL SUMMARY

Figures in $000's	2007 Actual	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Forecast/Budget Var %
Revenues						
Aeronautical	195,029	204,361	195,499	202,913	(7,414)	-3.7%
Non-aeronautical	143,975	150,528	137,011	148,289	(11,278)	-7.6%
Other	8,483	3,440	8,804	8,804	-	0.0%
Total Revenues	347,487	358,329	341,314	360,006	(18,692)	-5.2%
Total O&M Costs	171,624	195,183	178,321	189,521	11,200	5.9%
Net Operating Income	175,864	163,146	162,993	170,485	(7,493)	-4.4%
Capital Expenditures	298,387	209,813	253,462	214,743	(38,719)	-18.0%

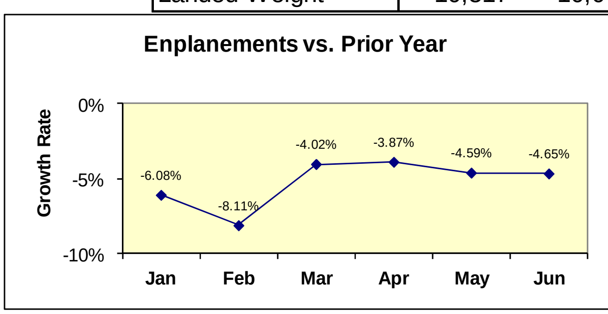
- We forecast a shortfall of $11.3 million in non-airline revenues as Public Parking, Concessions and other Landside departments will underperform against the budget due to decreased enplanements.
- Operating expense is forecasted to be $11.2 million favorable due to implementation of the 2009 Expense Savings Plan.
- Total capital expenditures for 2009 are projected at $253.5 million.

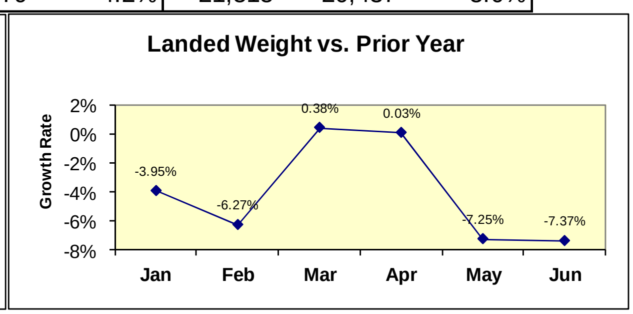
A. BUSINESS EVENTS

- Mount Redoubt eruption forced diversion of both passenger and cargo flights from Anchorage to Seattle in April.
- Relocation of Delta to South Satellite finalized due to merger with Northwest.
- Cell Phone Lot closed due to new tenant, reopened in Q3.
- Restart of Rental Car Facility in progress.

B. KEY INDICATORS

Figures in 000's	2008 YTD	2009 YTD	% Variance	2008 Actual	2009 Fcst	% Variance
Enplanements	7,774	7,376	-5.1%	16,093	14,959	-7.0%
Landed Weight	10,517	10,079	-4.2%	21,515	20,437	-5.0%





- March and April landed weight augmented by cargo diversion from Anchorage due to volcanic activity.
- Enplanements are forecasted to decrease 7% from the 2008 actual.

	2007 Actual	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Forecast/Budget Var %
Non-Aero NOI ($ in 000s)	87,714	86,474	79,282	86,393	(7,110)	-8.2%
Passenger Airline CPE	11.73	11.89	12.09	11.90	(0.18)	-1.6%
Total Operating Cost / Enpl	10.96	12.13	11.95	11.99	0.05	0.4%

- We forecast CPE to come in higher than both the 2009 budget and the 2008 actual, primarily due to increased costs allocated to aeronautical cost centers and lower enplaned passengers.

II. AVIATION DIVISION PERFORMANCE REPORT 06/30/09

C. OPERATING RESULTS

Year-to-date Revenue and Expense

Figures in $ 000's	2007 YTD Actual	2008 YTD Actual	2009 YTD Actual	2009 YTD Budget	Actual/Budget Var $	Actual/Budget Var %
Revenues						
Aeronautical	97,435	95,972	99,866	94,684	5,182	5.3%
Non-Aeronautical	66,082	74,179	68,314	69,197	(883)	-1.3%
Other	4,255	4,296	4,177	4,352	(175)	-4.0%
Total Revenues	167,772	174,447	172,357	168,234	4,124	2.4%
Expenses						
Airport Expenses	56,533	60,580	58,182	67,579	9,397	14.9%
Corporate	12,930	13,681	14,288	18,077	3,790	21.0%
Police Costs	6,576	7,377	6,445	8,029	1,584	19.7%
Other Charges/CDD	150	2,475	2,183	2,637	454	17.2%
Total Operating Expenses	76,189	84,113	81,098	96,323	15,225	15.8%
Net Operating Income	91,583	90,334	91,260	71,911	19,349	26.9%

- Aeronautical revenues favorable $5.2 million due to a budgeting error relating to seasonality.
- Non-aeronautical revenues are unfavorable year-to-date by $883K due to underperformance of Public Parking and other Landside-affiliated revenues.
- Expenses are under budget due to expense project delays and implementation of Expense Savings Plan.

Division Summary

Figures in $ 000's	2007 Actual	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Forecast/Budget Var %
Operating Revenues	347,487	358,329	341,314	360,006	(18,692)	-5.2%
Expenses						
Payroll	82,627	89,458	81,072	87,779	6,707	7.6%
Outside Services	28,900	31,928	22,264	25,576	3,312	13.0%
Utilities	12,603	12,636	13,330	13,571	240	1.8%
Other	8,981	15,844	9,131	14,054	4,923	35.0%
Total Airport Expenses	133,110	149,865	125,796	140,979	15,183	10.8%
Corporate/Capital Development	24,260	30,031	38,105	32,800	(5,305)	-16.2%
Police	14,253	15,287	14,420	15,743	1,323	8.4%
Total Operating Expenses	171,624	195,183	178,321	189,522	11,201	5.9%
Net Operating Income	175,864	163,146	162,993	170,484	(7,491)	-4.4%
Depreciation Expense	101,118	107,349	115,213	115,605	392	0.3%
Non-Operating Rev/(Exp)						
Grants & Donations Revenues	89,692	49,461	63,276	63,276	-	0.0%
Passenger Facility Charges	63,114	62,770	57,003	62,525	(5,522)	-8.8%
Customer Facility Charges	22,570	23,534	22,173	24,573	(2,400)	-9.8%
Other Non-operating Rev/(Exp)	(80,848)	(105,378)	(116,013)	(116,013)	-	0.0%
Total Non-Operating Rev/(Exp)	94,527	30,386	26,439	34,361	(7,922)	-23.1%
Total Revenue Over Expense	169,272	86,183	74,219	89,240	(15,021)	-16.8%

- Operating revenues are forecasted to be $9.3 million unfavorable due to decline of parking transactions, rental car activity, and concessions.
- Operating expenses are forecasted to be $10.2 million favorable due to implementation of the 2009 Expense Savings Plan, offset by a $1.6 million unfavorable variance from Maintenance and Utilities due to more snow and water storms than anticipated.

II. AVIATION DIVISION PERFORMANCE REPORT 06/30/09

Aeronautical Business Unit Summary

Figures in $000's	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Var %
Revenues requirement:					
Capital Costs	81,535	80,350	80,350	-	0.0%
Operating Costs net Non-Aero	131,024	120,754	127,921	7,167	5.6%
Total Costs	212,559	201,104	208,271	7,167	3.4%
FIS Offset	(5,250)	(5,550)	(5,550)	-	0.0%
Other Offsets	(15,686)	(14,398)	(14,052)	346	-2.5%
Net Revenue Requirement	191,623	181,156	188,670	(7,514)	-4.0%
Other Aero Revenues	12,738	14,244	14,244	-	0.0%
Total Aero Revenues	204,361	195,400	202,913	(7,514)	-3.7%
Non-passenger Airline Costs	13,039	14,661	14,830	168	1.1%
Net Pasenger Airline Costs	191,323	180,738	188,084	7,345	3.9%

	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Var %
CPE:					
Capital Costs / Enpl	5.07	5.37	5.09	(0.29)	-5.6%
Operating Costs / Enpl	8.15	8.07	8.10	0.02	0.3%
Offsets	(0.98)	(0.96)	(0.89)	0.07	-8.2%
Non-passenger Airline Costs	(0.81)	(0.98)	(0.94)	(0.04)	4.4%
Passenger Airline CPE	**11.89**	**12.08**	**11.90**	**(0.18)**	**-1.5%**

- Operating costs are forecasted to be lower than budgeted due to budget savings from payroll, travel and registration, and outside services.
- The forecasted increase in passenger airline cost per enplanement (CPE) is higher than budget primarily due to the fixed debt service costs spread out over fewer enplanements.
- Forecasted aeronautical operating costs per enplanement of $8.07 are less than the budget of $8.10 due to cost cutting measures.

II. AVIATION DIVISION PERFORMANCE REPORT 06/30/09

Non-Aero Business Unit Summary

Figures in $000's	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Var %
Revenues:					
Public Parking	59,111	51,963	57,377	(5,413)	-9.4%
Rental Cars	35,592	33,850	35,867	(2,018)	-5.6%
Concessions	33,181	29,998	32,821	(2,824)	-8.6%
Other	22,644	21,200	22,224	(1,024)	-4.6%
Total Revenue	150,528	137,011	148,289	(11,278)	-7.6%
Operating Expense	61,279	57,284	60,329	3,045	5.0%
Share of terminal O&M	16,396	17,183	18,105	921	5.1%
Less utility internal billing	(13,515)	(16,848)	(16,848)	-	0.0%
Net Operating & Maint	64,160	57,620	61,586	3,966	6.4%
Net Operating Income	86,367	79,391	86,703	(7,312)	-8.4%

	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Var %
Revenues / Enplanement					
Parking	3.67	3.47	3.63	(0.16)	-4.3%
Rental Car	2.21	2.26	2.27	(0.01)	-0.3%
Concessions	2.06	2.01	2.08	(0.07)	-3.5%
Other	1.41	1.42	1.41	0.01	0.8%
Total Revenue	9.36	9.16	9.39	(0.23)	-2.4%
Primary Concessions Sales / Enpl	10.29	9.83	10.19	(0.36)	-3.5%

- Public parking revenues are forecasted to continue to decline on a per enplaned passenger basis.
- Rental car revenues are forecasted to come in lower than budgeted due to weak rental car activity and the pending expiration of contract agreement in Q4, which will reduce minimum monthly payments.
- Concessions revenues are forecasted lower than budgeted due to decline in enplanements and reduced revenues on Concourses A and D due to airline moves.

D. CAPITAL SPENDING RESULTS

Figures in $ 000's	YTD Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Var %	2009 Plan of Finance
R/W 16L/34R Reconstruction	16,737	71,737	71,000	(737)	-1.0%	82,715
Rental Car Facility	20,639	91,997	40,562	(51,435)	-126.8%	119,011
MT 100% Baggage Screening	8,125	11,300	18,000	6,700	37.2%	21,727
Third Runway Projects	5,814	15,208	17,281	2,073	12.0%	47,027
All Other	17,081	63,220	67,900	4,680	6.9%	77,722
Total	**68,396**	**253,462**	**214,743**	**(38,719)**	**-18.0%**	**348,202**

- Reduced budgeted spending by $94M vs. plan of finance budget (27%) for 2009.
- Rental Car Facility restarted after over six months of suspension.
- 2009 Budget had anticipated claims on Baggage Screening project from contractor which Port staff successfully negotiated down.

III. SEAPORT DIVISION PERFORMANCE REPORT 06/30/09

FINANCIAL SUMMARY

	2008	2009	2009	Forecast/Budget	
$'s in 000's	Actual	Forecast	Budget	Var $	Var %
Operating Revenue	85,453	85,851	90,131	(4,280)	-5%
Environmental Grants	8,833	850	850	0	0%
Security Grants	850	2,648	3,955	(1,307)	-33%
Total Operating Revenues	**95,136**	**89,348**	**94,935**	**(5,587)**	**-6%**
Total Operating Expenses	**44,921**	**48,650**	**51,928**	**3,278**	**6%**
Net Operating Income	**50,215**	**40,698**	**43,007**	**(2,309)**	**-5%**
NOI Excl Envir Grants/Reserve	**47,254**	**45,365**	**45,532**	**(167)**	**0%**
Capital Expenditures	**88,523**	**55,925**	**100,425**	**44,500**	**44%**

- Total Seaport revenues were ($3.1) million unfavorable in YTD results primarily due to Security Grant projects commencing later than assumed in budget, lower reimbursement on the Terminal 30 upland dredge disposal due to cost savings on the project, and delayed lease commencement resulting from the Terminal 30 crane cable issue. For the full year, Seaport is forecasting a $5.6 million unfavorable revenue variance due to later start of Security Grant projects, implementation of the Container Terminal Customer Support Package, default of tenant at Terminal 104, and the rent impact of the Terminal 30 crane cable issue.
- Total Operating Expenses were $10.8 million favorable through June primarily due to timing and due to lower cost of the Terminal 18 Maintenance Dredge and the Terminal 30 Upland Dredge Disposal projects than budgeted. For the full year, Seaport is forecasting a $3.3 million favorable expense variance due to later start of Security Grant projects, implementation of the 2009 Expense Savings Plan and the lower cost of the Terminal 18 Maintenance Dredge and the Terminal 30 Upland Dredge Disposal projects. Amounts are partially offset by unfavorable Environmental Reserve variance.
- Forecasted Net Operating Income for 2009 is estimated to be ($2.3) million unfavorable to the 2009 Budget and ($9.5) million below 2008 Actual. 2008 Actual included $8.8 million in environmental cleanup grants and lower expenses due to fewer one-time expense projects. 2009 expenses include $2.3 million for the Terminal 30 upland dredge disposal project. Forecasted Net Operating Income Excluding Environmental Grants/Reserve is expected to be ($0.2) million unfavorable to the 2009 Budget.
- Total capital spending for 2009 is projected at $55.9 million or 56% of the Approved Annual Budget amount of $100.4 million. The reduction in capital spending is the result of deferring projects and lower spending on the T30/T91 Project.

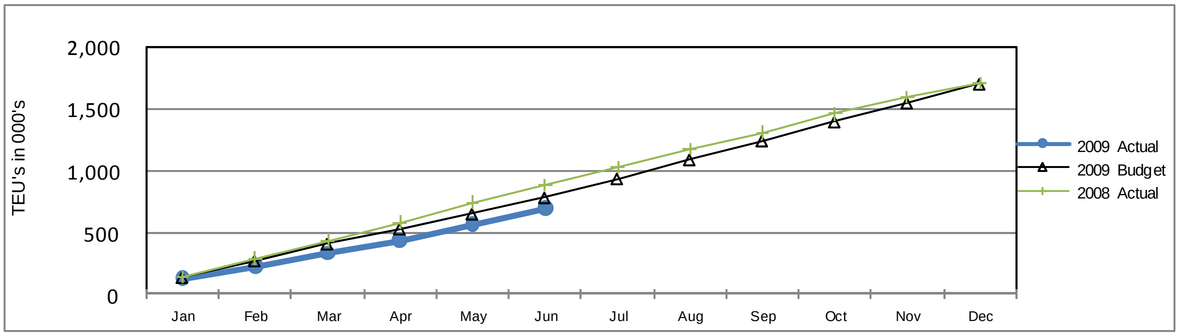
A. BUSINESS EVENTS

- TEU volumes for Seattle Harbor are down 21.7% in 2009 compared to the same period in 2008. Total 2009 YTD volume is 691K TEU's. 2009 full inbound TEU's are down 26.9%, full outbound TEU's are down 18.8%, empty inbound TEU's are down 10.4%, and empty outbound TEU's are down 24.0%.
- Maersk and CMA-CGM commenced their weekly service at Terminal18 on June 7th.
- Grain vessels shipped 2,543K metric tons of grain through Terminal 86 YTD in 2009. Amount represents a 27.4% decrease compared to 2008 YTD. Reduction is partially due to temporary closures of the Terminal 86 facility in 2009 for grain spout upgrades. Market expected to be strong through remainder of 2009.
- Smith Cove cruise facility opened on schedule for the 2009 cruise season with the first call at the new terminal on April 24th.
- Reactivation of Terminal 30 to a container facility is delayed two months until August 2009 due to crane cable issues.
- In connection with the 2009 Expense Savings Plan, the Seaport Division reduced 2009 Budgeted Operating Expenses by $1.8 million.

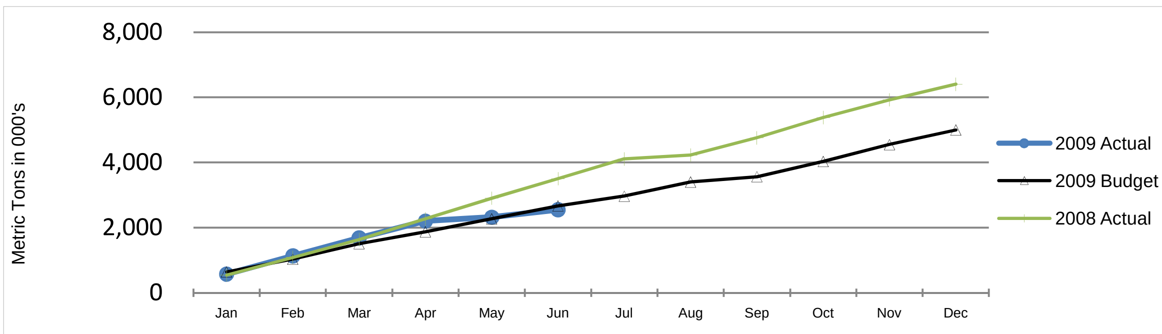
III. SEAPORT DIVISION PERFORMANCE REPORT 06/30/09

B. KEY INDICATORS

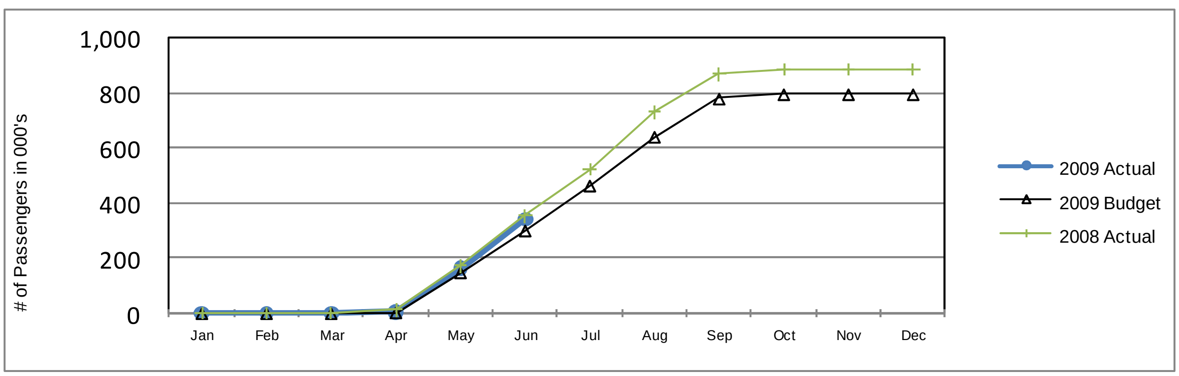
CONTAINER VOLUME – TEU'S IN 000'S



GRAIN VOLUME – METRIC TONS IN 000'S



CRUISE PASSENGERS IN 000'S



NET OPERATING INCOME BY BUSINESS

In $ Thousands	**2008 YTD Actual**	**2009 YTD Actual**	**2009 YTD Budget**	**2009 Bud Var $**	**2009 Bud Var %**	**Change from 2008 $**	**Change from 2008 %**
Containers	20,356	19,108	15,722	3,386	22%	(1,249)	-6%
Container Support Props	608	266	648	(382)	-59%	(342)	-56%
Cruise	1,536	1,792	562	1,230	219%	255	17%
Grain	2,652	2,214	2,089	125	6%	(438)	-17%
Docks/Industrial Props	2,528	2,804	1,721	1,083	63%	275	11%
Security	46	(638)	(1,025)	386	38%	(684)	-1488%
Envir Grants/Reserve	7,809	389	(1,475)	1,864	-126%	(7,420)	-95%
Total Seaport	35,537	25,934	18,242	7,693	42%	(9,602)	-27%

III. SEAPORT DIVISION PERFORMANCE REPORT 06/30/09

C. OPERATING RESULTS – IN THOUSANDS $

In $ Thousands	2008 YTD Actual	2009 Year-to-Date Actual	2009 Year-to-Date Budget	2009 Bud Var $	2009 Bud Var %	Year-End Projections Budget	Year-End Projections Forecast	Year-End Projections Variance
Operating Revenue	43,268	43,704	44,597	(894)	-2%	90,131	85,851	(4,280)
Environmental Grants	7,809	389	213	177	83%	850	850	0
Security Grants	744	129	2,537	(2,409)	-95%	3,955	2,648	(1,307)
Total Revenue	**51,821**	**44,222**	**47,347**	**(3,125)**	**-7%**	**94,935**	**89,348**	**(5,587)**
Direct Expenses	8,669	11,023	16,101	5,078	32%	27,234	24,174	3,061
Security Expense	564	529	3,307	2,778	84%	5,431	3,657	1,774
Environmental Reserve	0	0	1,688	1,688	100%	3,375	5,517	(2,142)
Divisional Allocations	1,157	1,001	1,187	187	16%	2,378	2,275	103
Corporate Allocations	5,893	5,736	6,823	1,087	16%	13,510	13,027	482
Total Expense	**16,285**	**18,287**	**29,105**	**10,818**	**37%**	**51,928**	**48,650**	**3,278**
NOI Before Depreciation	**35,537**	**25,934**	**18,242**	**7,693**	**42%**	**43,007**	**40,698**	**(2,309)**
Depreciation	14,021	13,571	14,810	1,239	8%	30,903	30,749	154
NOI After Depreciation	**21,516**	**12,363**	**3,432**	**8,932**	**260%**	**12,105**	**9,950**	**2,155**
NOI Excl Envir Grants/Reserve*	**27,727**	**25,545**	**19,717**	**5,828**	**30%**	**45,532**	**45,365**	**(167)**

NOTE:* NOI Excl Envir Grants/Reserve is Before Depreciation

Total Seaport revenues were ($3,125K) unfavorable to budget. Key variances

Containers and Support Properties unfavorable ($1,443K).

- Containers ($1,441K) unfavorable. Space Rent revenue ($637K) unfavorable due to later lease commencement at Terminal 30 as a result of crane cable issue. Operating Grant Revenue ($688K) unfavorable due to lower reimbursement from King County for Terminal 30 upland disposal of dredge materials ($425K) because the project cost less than anticipated in the budget and due to RFID grant activities commencing later than assumed in budget ($260).
- Support Properties ($4K) unfavorable due to lower volumes than budgeted at Terminal 18 liquid bulk facility ($13K) partially offset by unanticipated new lease at Terminal 106 $9K.

Cruise and Industrial Properties favorable $537K.

- Cruise $314K favorable primarily due to higher than anticipated passenger volumes, including sailings rerouted from West Coast/Mexico itineraries earlier in the year as well as Savings Rent received in 2009 in excess of 2008 year-end accrual.
- Bulk Terminals ($120K) unfavorable due to temporary closures of the Terminal 86 grain facility for grain spout upgrades. As of the end of June, facility is fully back on-line and volumes are expected to be strong for the remainder of the year.
- Dock Operations $264K favorable due to prior year billing adjustment for space leased by American Seafoods $114K, implementation of TWIC related security tariff charges $47K, and higher than anticipated Utility Revenue. Amounts were partially offset by below budget Dockage & Wharfage Revenue ($14K). While activity for fishing vessels and barges at Terminal 91 was favorable to budget, delays in executing new preferential use agreement at Terminal 25, and lower usage for Golden Alaska at Terminal 46 and the closing of the berth at Pier 34 more than offset the favorable variances.
- Industrial Properties $78K favorable largely due to higher than expected Carnitech percentage rent.
- Security Grants unfavorable ($2,409K) due to Rounds 6 and 7 grant activities commencing later than planned. Amount more than offset by corresponding favorable expense variance.

Expenses were $10,818K favorable to budget. Key variances:

- Security favorable $2,778K primarily due to Round 6 and 7 grant activities commencing later than planned. Amount is partially offset by corresponding unfavorable revenue variance above.
- Environmental Reserve $1,688K due to postponement of booking Quarter 2 update until July.
- Outside Services favorable $3,983K largely due to timing except for the lower than budgeted cost of the Terminal 30 Upland Dredge Disposal project $1,348K, Terminal 18 maintenance dredge project $770K and certain project items that were eliminated or reduced in the 2009 Expense Savings Contingency Plan.

III. SEAPORT DIVISION PERFORMANCE REPORT 06/30/09

- Miscellaneous Expense favorable $659K due to timing of recognition and classification of expense components of T30/T91 project $525K and Seaport Expense Contingency $150K also favorable due to timing.
- Bad Debt Expense unfavorable ($403K) primarily due to default of tenant at Terminal 104.
- Maintenance favorable $251K due to lower cost of or deferral of project work as well as lower overhead allocations.
- Corporate costs, direct and allocated, favorable $1,232K due to implementation of cost reductions identified in the 2009 Revised Budget ~$252K with the remainder of the variance due to timing.
- All other variances netted to a favorable $630K or about 2% of Total Expenses Budgeted.

NOI Before Depreciation was $7,693K favorable to budget.

- Depreciation was $1,239K favorable to budget due to delay in booking of assets for new Terminal 91 Cruise facility, 2 month delay of in-service date for Terminal 30 container facility, and later than expected start, and thus completion, of granted funded security capital projects.

NOI After Depreciation was $8,932K favorable to budget.

FORECAST

As of 2nd quarter, Seaport anticipates ending the year $2,309K below budget for NOI Before Depreciation assuming that the year-end Environmental Reserve is consistent with the 2009 forecasted level. Revenue is expected to fall below budget due to implementation of Container Terminal Customer Support Package, default of tenant at Terminal 104 and 2 month later commencement of the Terminal 30 lease than budgeted. Operating expenses are estimated to be favorable by $3,278K due to later start of Security Grant projects, implementation of the 2009 Expense Savings Plan $2,591K and lower than expected cost of the Terminal 18 Maintenance Dredge and Terminal 30 Upland Dredge Disposal projects. Amounts are partially offset by full year unfavorable Environmental Reserve variance.

CHANGE FROM 2008 ACTUAL

NOI Before Depreciation decreased by ($9,602K) from 2008 with the lion's share of the decrease being the $7,809K in retroactive Environmental Grant revenue received in 2008. The balance of the decrease in NOI reflects higher expenses in 2009 stemming from the Terminal 30 Upland Dredge Disposal and the Terminal 18 Maintenance Dredge projects.

D. CAPITAL SPENDING RESULTS---IN THOUSANDS $ IN PROCESS

SEAPORT DIVISION	2009 Estimated Actual	2009 Approved Budget	Variance EstActs to Budget	EstActs as a % of Budget	2009 Plan of Finance
Container Support Yard	0	28,900	28,900	0%	28,900
Terminal 10	536	4,091	3,555	13%	4,000
Terminal 30/91 Program	29,440	35,774	6,334	82%	46,445
Green Port Initiative	0	2,800	2,800	0%	2,800
Terminal 115	4,026	4,995	969	81%	5,800
All Other	21,923	23,865	1,942	92%	38,740
Total Seaport	55,925	100,425	44,500	56%	126,685

Comments on Key Projects:

Through second quarter, Seaport spent 37% of the approved budget. Full year spending is estimated to be 56% of the Approved Budget.

III. SEAPORT DIVISION PERFORMANCE REPORT 06/30/09

Projects with significant changes in spending were:

- Terminal 30/91 Program – Estimated spending reduced due to favorable resolution of potential risks at Terminal 91 facility resulting in not using authorized contingencies including amounts set aside for potential building foundation issues.
- Container Support Yard – Acquisition of land for a container support yard has been delayed due to economic conditions.
- Green Port Initiative – After performing a financial evaluation, plans to develop Port owned decant stations have been put on an indefinite hold.
- Terminal 10 – Modification of project scope has pushed out the timing of the project.

Changes between the 2009 Plan of Finance and the 2009 Approved Budget represent modifications in 2009 spending estimates made after determination of 2008 actual spending.

IV. REAL ESTATE DIVISION PERFORMANCE REPORT 06/30/09

FINANCIAL SUMMARY

In $ Thousands	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Var %
Operating Revenue	34,875	30,381	30,961	(580)	-2%
Environmental Grants	1	150	150	0	0%
Total Operating Revenue	**34,877**	**30,531**	**31,111**	**(580)**	**-2%**
Total Operating Expense	**38,819**	**33,456**	**35,391**	**1,934**	**5%**
NOI Before Depreciation	**(3,943)**	**(2,925)**	**(4,279)**	**1,354**	**32%**
NOI Excl Envir Grants/Reserve	**(3,340)**	**(1,950)**	**(3,304)**	**1,354**	**41%**
Capital Expenditures	**21,196**	**100,771**	**105,165**	**4,394**	**4%**

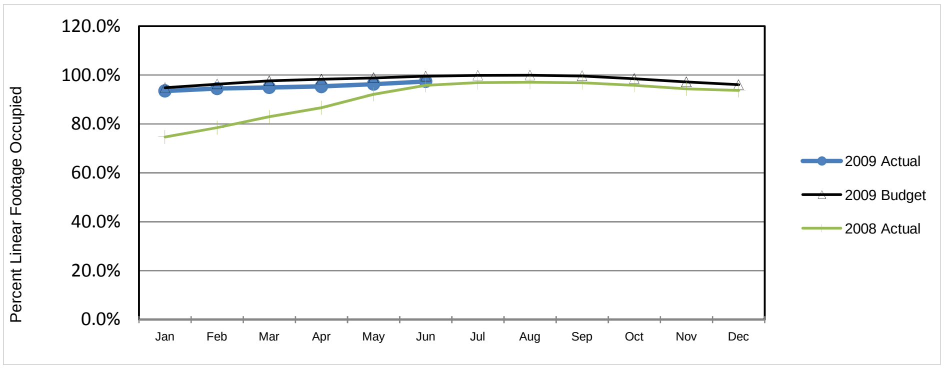
- Total Real Estate Division revenues were ($0.05) million unfavorable in the second quarter primarily due higher vacancy than anticipated at Shilshole Bay Marina. For the full year, Real Estate is forecasting a ($0.6) million unfavorable revenue variance due to lower occupancies at Shilshole Bay Marina and the unbudgeted termination or expiration of tenants at other sites.
- Total Operating Expenses were $3.7 million favorable through the second quarter primarily due to timing and deferrals related to the 2009 Savings Plan. For the full year, Real Estate is forecasting a $1.9 million favorable expense variance due to implementation of the 2009 Expense Savings Plan.
- Forecasted Net Operating Income for 2009 is estimated to be approximately $1.4 million favorable to the 2009 Budget and $1.0 million above 2008 Actual. 2008 Actuals included the write-off of costs associated with the North Bay project which were partially offset by higher activity at Bell Harbor International Conference Center and higher occupancies for leased properties.
- Total capital spending for 2009 is projected at $100.8 million or 96% of the Approved Annual Budget amount of $105.2 million. The most significant project in 2009 is the Eastside Rail Corridor.

A. BUSINESS EVENTS

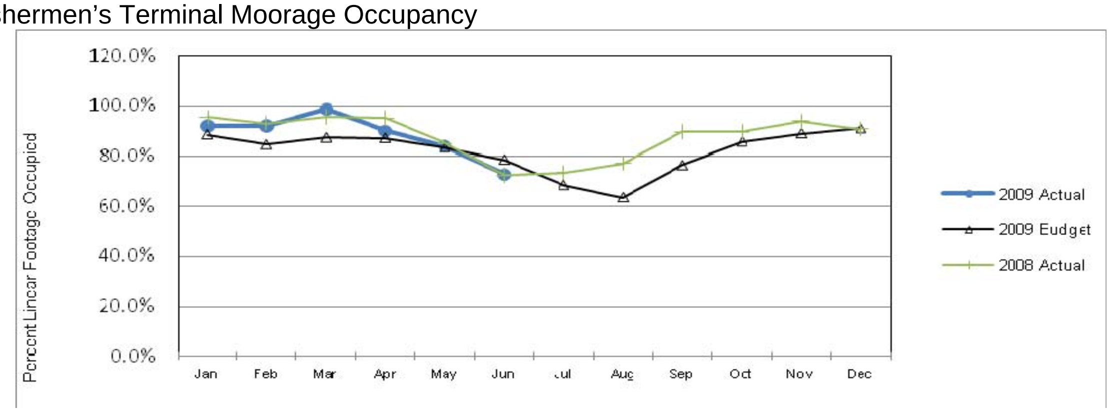
- Occupancy levels at Commercial Properties were at 95% at quarter-end, which is at target for the 2009 Budget and above comparable statistics for the local market.
- Through the 2nd quarter, moorage occupancies at Fishermen's Terminal exceeded the 2009 Budget Target. The Maritime Industrial Center, Shilshole Bay Marina, Harbor Island Marina and Bell Harbor Marina all came in slightly below or at 2009 Budget Targets.
- Scoping meeting held regarding the supplemental EIS for the Burien NERA project.
- In connection with the 2009 Expense Savings Plan, the Real Estate Division reduced 2009 Budgeted Operating Expenses by $1.4 million, including $0.6 million in Real Estate specific expense projects budgeted in Capital Development.

B. KEY INDICATORS

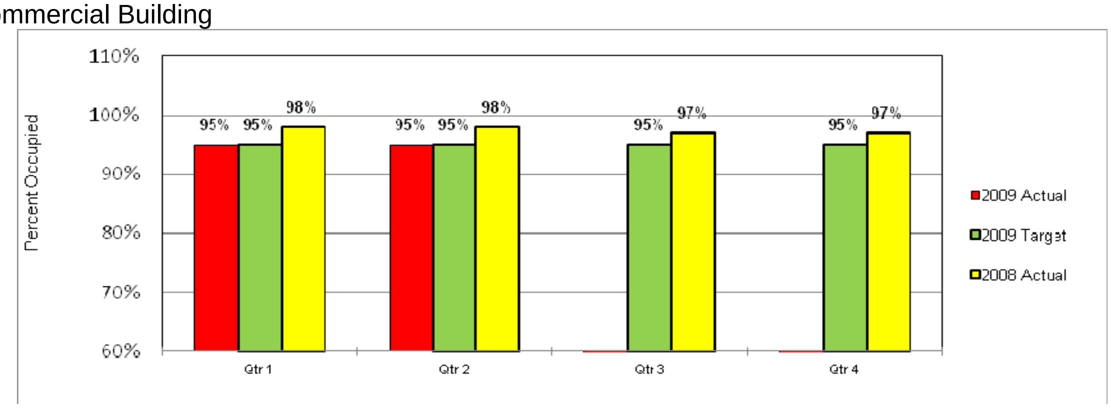
Shilshole Bay Marina Occupancy



Fishermen's Terminal Moorage Occupancy



Commercial Building



Net Operating Income By Business

In $ Thousands	**2008 YTD Actual**	**2009 YTD Actual**	**2009 YTD Budget**	**2009 Bud Var $**	**2009 Bud Var %**	**Change from 2008 $**	**Change from 2008 %**
Recreational Boating	946	1,177	643	533	83%	231	24%
Fishing & Commercial	(589)	(657)	(1,204)	547	45%	(68)	-12%
Commercial & Third Party	1,524	1,001	(812)	1,813	223%	(523)	-34%
Eastside Rail	0	(72)	(208)	136	65%	(72)	NA
RE Development & Plan	102	(137)	(206)	70	34%	(238)	-234%
Environmental Reserve	(17)	0	(525)	525	100%	17	-100%
Total Real Estate	1,966	1,312	(2,312)	3,624	157%	(654)	-33%

IV. REAL ESTATE DIVISION PERFORMANCE REPORT 06/30/09

C. OPERATING RESULTS – IN THOUSAND'S $

In $ Thousands	2008 YTD Actual	2009 Year-to-Date Actual	2009 Year-to-Date Budget	2009 Bud Var $	2009 Bud Var %	Year-End Projections Budget	Year-End Projections Forecast	Year-End Projections Variance
Operating Revenue	17,040	15,353	15,361	(8)	0%	30,961	30,381	(580)
Environmental Grants	0	0	38	(38)	-100%	150	150	0
Total Revenue	**17,040**	**15,353**	**15,399**	**(45)**	**0%**	**31,111**	**30,531**	**(580)**
Direct Expenses	14,454	13,126	15,898	2,772	17%	31,821	30,599	1,222
Environmental Reserve	0	0	563	563	100%	1,125	1,125	0
Divisional Allocations	(1,667)	(1,482)	(1,753)	(271)	-15%	(3,515)	(3,399)	(116)
Corporate Allocations	2,287	2,397	3,003	606	20%	5,960	5,131	829
Total Expense	**15,074**	**14,041**	**17,710**	**3,669**	**21%**	**35,391**	**33,456**	**1,934**
NOI Before Depreciation	**1,966**	**1,312**	**(2,312)**	**3,624**	**157%**	**(4,279)**	**(2,925)**	**1,354**
Depreciation	4,988	4,944	5,264	320	6%	10,528	9,888	(639)
NOI After Depreciation	**(3,022)**	**(3,632)**	**(7,576)**	**3,944**	**52%**	**(14,807)**	**(12,813)**	**1,994**
NOI Excl Envir Grants/Reserve*	**1,966**	**1,312**	**(1,787)**	**3,099**	**173%**	**(3,304)**	**(1,950)**	**1,354**

NOTE:* NOI Excl Envir Grants/Reserve is Before Depreciation

REVENUES: UNFAVORABLE ($45K)

Harbor Services: Unfavorable ($82K)

- **Recreational Boating Unfavorable ($86K)** primarily due to slightly higher than budgeted vacancy at SBM.
- **Fishing and Commercial Favorable $5K** was in line with budget.

Portfolio Management Unfavorable ($49K)

- **Commercial Properties Unfavorable ($19K)** due to lower than anticipated concession rent at Pier 66 and tenants vacating their premises at Pier 2 and Tsubota. The lower revenue was partially offset by higher occupancy at T-102 than was anticipated in the budget.
- **Third Party Managed Properties Favorable $95K** due to higher than anticipated activity at Bell Harbor International Conference Center partially offset by lower transient and monthly parking revenue at the Bell Street Garage.
- **Eastside Rail Corridor Unfavorable ($125K)** due to revenue expectations in the 2009 Budget based on the assumption of acquiring the property prior to 2009. The closing date has been delayed indefinitely.

RE Development and Planning: Favorable $108K

- **Terminal 91 General Industrial Favorable $108K** due to two tenants not anticipated to remain at T91 in the budget that have continued occupy on a month to month basis $151K. The positive variance is offset by lower than anticipated utility revenue.

EXPENSES: FAVORABLE $3,669K. KEY VARIANCES:

- Environmental Reserve favorable $563K due to postponement in finalizing Environmental Reserve calculation until July.
- Third Party Management Expense favorable $308K in the due cost savings at Bell Harbor International Conference Center and due to cost savings and lower activity at the World Trade Center Club.
- Outside Services (excluding Maintenance, Corporate and Capital Development) favorable $734K primarily due to timing including charges from Environmental Services, broker fees and tenant improvement expenses budgeted for the World Trade Center West Building, and Personal & Contracted Services budgeted for the Eastside Rail Corridor.
- Maintenance expenses favorable $556K primarily due to timing and the deferral of some work in connection with the 2009 Expense Saving Plan.
- Corporate and Capital Development costs direct and allocated favorable $1,269K primarily due to timing and the cancellation/deferral of projects in connection with the 2009 Expense Savings Plan.
- All other variances netted to a favorable $239K or less than 2% of Total Expenses Budgeted.

IV. REAL ESTATE DIVISION PERFORMANCE REPORT 06/30/09

NOI BEFORE DEPRECIATION was $3,624K favorable to Budget.

- Depreciation was $320K favorable primarily due to overstatement of Harbor Service's Depreciation in the Budget.

NOI AFTER DEPRECIATION was $3,944K favorable to Budget.

FORECAST
As of 2nd Quarter, Real Estate anticipates ending the year $1,354K above budget for NOI Before Depreciation assuming that the year-end environmental reserve adjustments are consistent with budget. Revenue is expected to come in below Budget by ($580K) primarily due to lower occupancies at Shilshole Bay Marina and the termination of tenants at other sites. Operating expenses are estimated to be favorable by $1,934K primarily due implementation of the 2009 Expense Savings Plan. NOI After Depreciation is currently estimated to end the year $1,994K favorable to budget. Excluding Environmental Grants and Reserve, NOI Before Depreciation is expected to come in at $1,354K favorable to budget.

CHANGE FROM 2008 ACTUAL
Net Operating Income Before Depreciation decreased by $654K between the first half of 2008 and first half of 2009. Revenue decreased by $1,687K due to lower activity at Bell Harbor International Conference Center and the Bell Street Garage, partially offset by higher revenues at Shilshole Bay Marina due to construction completion. Expenses decreased by $1,033K in 2009 primarily due to less activity at Bell Harbor International Conference Center and the 2009 Savings Plan, both of which were partially offset by higher expenses at Shilshole Bay Marina related to higher occupancy.

D. CAPITAL SPENDING RESULTS---IN THOUSANDS $

REAL ESTATE DIVISION	2009 Estimated Actual	2009 Approved Budget	Variance EstActs to Budget	EstActs as a % of Budget	2009 Plan of Finance
Eastside Rail Corridor	96,302	96,302	0	100%	106,955
Small Projects	1,088	1,753	665	62%	1,665
RE Division Green Initiative	0	1,000	1,000	0%	1,000
Pier 69 North Apron Piling Cathodic	0	1,000	1,000	0%	1,060
Tenant Improvements - Capital	346	900	554	38%	800
All Other	3,035	4,210	1,175	72%	4,809
Total Real Estate	100,771	105,165	4,394	96%	116,289

Comments on Key Projects:
Through second quarter, the Real Estate Division spent 1% of the approved budget. Full year spending is estimated to be 96% of the Approved Budget.

Projects with significant changes in spending were:

- Eastside Rail Corridor – No change in estimated spending, but acquisition deadline deferred to 12/15/09.
- Small Projects – Workload issues due to insufficient staffing have pushed the start of some projects into later in 2009 with completion in 2010 or entirely into 2010.
- Green Port Initiative – Construction of a stormwater improvement project now expected to take place in 2010.
- Pier 69 North Apron Piling Cathodic System – Project pushed back until 2010.
- Tenant Improvements Capital – Projects pushed back until 2010.

Changes between the 2009 Plan of Finance and the 2009 Approved Budget represent modifications in 2009 spending estimates made after determination of 2008 actual spending.

V. CAPITAL DEVELOPMENT DIVISION PERFORMANCE REPORT 06/30/09

A. BUSINESS EVENTS

- Commission approved the restart and funding for the Rental Car Facility. The contractor was then given notice to restart construction work. The delay and slowdown of the project had impacted workload and the assigning of Port staff, too.
- Three additional Infrastructure projects were approved by the Aviation Investment Committee to move forward.
- During Q1 and Q2, PCS, in conjunction with the Office of Social Responsibility, participated in several round table discussions with small businesses regarding how to do business with the Port of Seattle.
- PCS preliminary results at the end of Q2 indicate that direct cost (contractor payments, materials & equipment and crew wages) totaled $4.1 Million compared to $5.2 Million in 2008.
- The PCS SharePoint site was updated to include a monthly featured project that includes construction updates and customer comments.
- Decrease in revenues has impacted the start of Fisherman's Terminal condition assessment and expense project causing a delay from Q1 to Q2.
- Uncertainty of Capital projects workload and hiring freeze has resulted in the use of more consultant time in lieu of hiring more cost effective FTEs. This also has negatively impacted the overhead ratio.
- Unemployment charges due to termination in 2008 that were not anticipated/not budgeted. This variance is expected to continue through year-end.
- 4 CPO-1 trainings held in Q2. Total of 13 trainings with over 350 attendees.
- Have scheduled 4 Drafting Evaluation Criteria (for Service Agreements) trainings for Q3.
- T91 Cruise facility completed successfully. Received first cruise ship in April.
- T30 Container Terminal Redevelopment is complete. First vessel call expected August 7th.
- T86 Grain Terminal completed repairs and replacement of failed spouts.
- T115 Berth 1 received permits. Will advertise for bids Q3 2009.

B. KEY INDICATORS (as applicable)

- Construction Soft Costs: 19.1% of total capital project costs for period 2004-2009 to date.
  - Goal: no more than 25% of total project costs.

- Cost Growth on Major Construction for projects completed in Q2 (RE Completion memos issued).

Project	*Non-Discretionary Change*	*Discretionary Change*
CMP Chiller Expansion Ph. 2 & Boiler Expansion Upgrade	*8.5%*	*0%*
MT AHU-8 Acoustic Upgrades & Miscellaneous HVAC Upgrades	*2.9%*	*0%*
Feeder 109/209 & 111/211 Installation and Modification Part 2	*5.2%*	*0%*

  - Goal: no more than 4% discretionary and 4% non-discretionary cost growth.

- Schedule: Projects on or ahead of schedule – 30, Projects delayed – 40 (1Q09 CIP Report).
  - Goal: no more than 10% average time growth.

V. CAPITAL DEVELOPMENT DIVISION PERFORMANCE REPORT 06/30/09

- Small Business Participation:
  - o PCS made WBE payments of 8.1%, SBE payments of 10.4%, MBE payments of 0.8% and DBE payments of 0.3 % for a total 19.6% in Small Business Participation for the first six months of 2009.
  - o SPMG: Small Business Participation Q2 – Consultant contracts (not counting sub consultants):
    - Related to Expense 42.46%
    - Related to Capital 2.06%
  - o CPO made WBE payments of 1.8%, SBE payments of 5.9%, MBE payments of 1.8% for a total of 7.9% in Small Business Participation for the first six months of 2009.
    - ➢ Goal: 30% of PCS, 8% of major construction

- Customer Score Card: Not available
  - ➢ Goal: average 30 out of possible 35 points.

- Environmental: Not available
  - ➢ Goal: Incorporate EX-15 or LEED in every project initiated in 2009.

- Safety: 2 injuries YTD
  - ➢ Goal: 90 out of 100 on organizational Safety Evaluations; limit annual contractor workplace injury rate to 6 accidents and 2 time-lost accidents.

- Performance Review Timeliness: 62.5% of PREPs YTD completed within CDD guideline. 82.5% completed within Port guideline (60 days).
  - ➢ Goal: 98% of PREPs within 4 weeks of review date.

C. FTE SUMMARY [Double click the table to get to the Excel file before inputting]

Budget				Actual					
FTEs in 2009 Budget	New Approved (Eliminated) FTEs in 2009	Other Changes	Revised 2009 Budget	FTEs as of 01/01/09	New Hires	Eliminated FTEs	Other Changes	FTEs at the End of the Qtr	Current Vacant FTEs
271.30	**2.00**	**(2.00)**	**271.30**	**224.30**	**4.50**	**0.00**	**(7.75)**	**221.05**	**48.25**

FINANCIAL PERFORMANCE---- IN THOUSANDS $ *[REPORTED BY ORG]*

Explain variances, including explanation of reasons for not direct charging as budgeted

	2008 YTD	2009 YTD		2009 Bud Var.		Year-End Projections			
In $ Thousands	**Actual**	**Actual**	**Budget**	**$**	**%**	**Budget**	**Revised**	**Forecast**	**Variance**
AvPMG	431	259	381	122	32.1%	761	721	592	169
PCS	1,204	571	669	99	14.7%	1,449	1,431	1,431	18
ENG	657	533	605	72	11.9%	1,351	1,298	1,290	61
SPMG	491	361	749	387	51.7%	1,400	845	780	620
CPO	531	873	741	(132)	-17.9%	1,494	1,636	1,636	(142)
CDD Admin	-	161	287	126	43.9%	554	294	294	260
Total CDD	3,314	2,758	3,432	674	19.6%	7,010	6,226	6,024	986

V. CAPITAL DEVELOPMENT DIVISION PERFORMANCE REPORT 06/30/09

TOTAL VARIANCE = $ **196,003**

	YTD Actual	YTD Revised Budget	Budget - Actual Var. $	YTD Revised Var. %
AvPMG	258,791	360,918	102,127	28%
PCS (1700)	570,584	662,062	91,478	14%
ENG	532,952	565,956	33,004	14%
SPMG	361,425	403,957	42,532	11%
CPO	873,476	796,057	(77,419)	-10%
CDD Admin	161,268	165,549	4,281	3%
TOTAL	2,758,496	2,954,499	196,003	7%

Note:
CPO negative variance to Approved Budget includes T-18 Crane expense to be reclassed to Seaport, plus FTE expense not originally budgeted to CPO. The FTE expense variance will continue through 2009.

CPO negative variance to Revised Budget includes T-18 Crane expense to be reclassed to Seaport.

EXPLANATION OF MAJOR VARIANCE [Double click the table to get to the Excel file before inputting]

Account Description	YTD Rev Var. $	YTD Rev Var %	Explanation
Sal & Benefits (Exp)	1,510,528	11.4%	Combination of use of consultants due to unfilled staff positions, delayed work, less capital work than budgeted.
Equipment Expense	254,035	75.9%	Delay in software, computer and filing system acquisitions, plus less vehicle expense than planned.
Supplies & Stock	74,795	44.4%	Reduced and/or delayed general and emergency supplies.
Outside Services	819,807	53.7%	Some consultants have been released or delayed or not used as originally budgeted. $85K T-18 Crane demolition to be reclassed to Seaport
Travel & Other Employee Expense	96,000	72.4%	Timing difference between budget planned and actual spending.
Telecommunications	40,960	41.2%	ICT backlog on charges
Worker's Comp	(3,102)	(28.20%)	Over budget due to injury
General expense	(121,873)	(43.3%)	Higher expense project OH allocation and Inter-dept allocation than budgeted due to unfilled positions, fewer consultants and fewer small works projects.
Internal Dept transfers	(7,147)	(119.7%)	Primarily CPO-1 manuals not budgeted.
Charges to Cap Projects	(2,471,062)	(18.9%)	Amount charged to Capital projects less than budgeted.
TOTAL	**199,145**		

VI. CORPORATE PROF. & TECHNICAL SERVICES PERFORMANCE REPORT 6/30/09

A. BUSINESS EVENTS

- Joint Port of Seattle and Port of Tacoma Commission strategies: Commission meeting to recommend transportation infrastructure priorities for road & rail projects/policies.
- Attended the West Coast Port Executive's meetings in California and Washington, DC.
- Implemented the $16.5 million Port-wide Expense Savings Plan.
- Began the Modified Zero-Base Budgeting process for 2010 budget.
- The Port was awarded the "Certificate of Achievement for Excellence in Financial Reporting" and "Distinguished Budget Presentation" from the Government Finance Officers Association (GFOA) of the United States and Canada.
- Planned and managed media day at the new Smith Cove Cruise Terminal. Strong coverage gained on local radio, print media and in trade publications. Program included University of Washington students learning about the economic impacts of Seattle's cruise industry. Tours of the facility and a Holland America ship followed the program.
- HR&D staff produced initial and updated Emergency Furlough Program FAQ documents for posting on the intranet and served as focal point for questions from employees and managers alike.
- Completed several important ICT projects and initiatives: Aviation Dashboard, Internal Control Software, Microsoft Office 2007 Upgrade, Common Use Terminal Replacement and IP Telephony.
- The Police Department has applied for stimulus funded grants to help address the funding challenges being faced by the department.

B. KEY INDICATORS

- Occupational injury rate decreased from 6.06 in the second quarter of 2008 to 4.70 in the second quarter of 2009. This is a new Port record for the lowest injury rate in history of the Port.
- 93% employee completion rate of the health assessment.
- Approximately 43 individual job evaluations have been finalized in the first half of 2009.
- 91 employment requisitions were opened and processed 4,101 applications.
- Provided a timely, accurate, and improved Quarterly Financial Performance Report to the Commission and Executive Team.
- Created a new monthly Financial and Operational Indicators Report to the Commission and Executive Team.
- Rental car funding has an estimated opening CFC rate below the target rate of $6.50.
- Garnered local and national coverage for the Port's decision to donate unused dog food to local shelters and Northwest Harvest. Parlayed story into positive coverage of the new baggage handling system.
- Sea-Air School Seaport and Airport Programs reached 5,969 students, teachers and parents. Participants came from 28 cities and 73 schools.
- The Port and King County are involved in study of cruise-ship waste disposal with the opening of the new cruise terminal.
- Completed and presented the following audits to the Audit Committee:
  - Bell Harbor International Conference Center/Columbia Hospitality
  - Anton Air Food
  - World Trade Center West Management/Wright Runstad
  - Louis Dreyfus
  - Seaport Security Department
  - World Trade Center Seattle Management/Columbia Hospitality
- Police Department Indicators:

January – June	CFS's (Calls for Service)	30,711
January – June	Arrests – No Warrant	426
January – June	Arrests – Warrant	296

VI. CORPORATE PROF. & TECHNICAL SERVICES PERFORMANCE REPORT 6/30/09

C. OPERATING RESULTS---- NET OPERATING EXPENSE (in THOUSANDS $) *[REPORTED BY ORG]*

In $ Thousands	2008 YTD Actual	2009 YTD Actual	2009 YTD Budget	2009 Bud Var. $	2009 Bud Var. %	Year-End Projections Budget	Year-End Projections Revised	Year-End Projections Forecast	Year-End Projections Variance
Total Revenues	**313**	**514**	**724**	**(210)**	**-29.0%**	**1,470**	**1,470**	**1,417**	(53)
Executive	876	715	803	89	11.0%	1,540	1,449	1,449	92
Commission	477	422	472	50	10.6%	867	844	844	22
Legal	1,230	975	1,372	397	28.9%	2,703	2,638	2,637	67
Risk Services	1,413	1,253	1,430	177	12.4%	2,861	2,838	2,833	28
Health & Safety Services	525	468	503	35	6.9%	985	947	947	38
Public Affairs	1,815	1,587	2,240	653	29.2%	4,270	3,565	3,565	705
External Affairs	518	612	654	42	6.4%	1,347	1,249	1,229	118
Economic & Trade Development	559	660	1,072	412	38.4%	2,099	1,638	1,638	462
Human Resources & Development	1,927	1,740	2,114	374	17.7%	4,165	3,926	3,926	238
Labor Relations	313	319	362	42	11.7%	731	689	593	138
Information & Communications Technology	5,407	7,722	9,860	2,138	21.7%	19,658	18,404	18,404	1,253
Finance & Budget	781	719	889	170	19.1%	1,719	1,645	1,482	236
Accounting & Financial Reporting Services	2,956	2,928	3,328	400	12.0%	6,541	6,352	6,331	210
Internal Audit	318	460	575	115	20.0%	1,211	1,164	1,073	138
Office of Social Responsibility	341	531	842	311	37.0%	1,647	1,401	1,397	249
Regional Transportation	176	208	251	43	17.2%	498	461	461	37
Police	9,149	8,299	10,186	1,887	18.5%	19,979	18,379	18,312	1,666
Contingency	1,371	313	375	62	16.5%	750	750	750	-
Total Expenses	**30,154**	**29,930**	**37,327**	**7,397**	**19.8%**	**73,572**	**68,338**	**67,873**	**5,699**

Corporate Professional and Technical Services performance for the first six months of 2009 was $7.4 million or 19.8% favorable compared to the approved budget and $224 thousand or 0.7% lower than the same period a year ago. The $7.4 million favorable variance is due primarily to timing of the spending and implementation of the 2009 Expense Savings Plan. There aren't any major variances to report on since all departments are favorable. Year-end spending is projected to be $67.9 million, which is $5.7 million below the approved budget.

D. CAPITAL SPENDING RESULTS

		($ Millions)
Annual Results:		
2009 Plan of Finance	$	12.8
2009 Approved Budget	$	15.9
2009 Estimated/Actuals	$	14.9
Variance (Budget vs Estimated/Actuals)	$	1.0