ITEM NO. 7b Supp-2

DATE OF MEETING November 3, 2009

Port of Seattle

QUARTERLY PERFORMANCE REPORT

AS OF SEPTEMBER 30, 2009

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I. PORTWIDE PERFORMANCE REPORT 9/30/09

INCOME STATEMENT

Report: Income Statement
As of Date: 2009-09-30

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	73,233	70,545	73,543	(2,998)	-4.1%	94,829	74.4%
Real Estate	24,956	23,389	23,246	143	0.6%	31,111	75.2%
Aviation	265,684	263,463	269,302	(5,839)	-2.2%	358,956	73.4%
Capital Development		81	-	81	0.0%	-	
Corporate	840	986	1,129	(143)	-12.7%	1,470	67.1%
Total Revenues	**364,714**	**358,465**	**367,221**	(8,756)	-2.4%	**486,367**	**73.7%**
Operating & Maintenance:							
Seaport	13,423	17,646	24,519	6,873	28.0%	32,315	54.6%
Real Estate	30,420	20,746	24,005	3,259	13.6%	32,300	64.2%
Aviation	92,680	88,591	99,623	11,032	11.1%	132,665	66.8%
Capital Development	5,868	4,207	5,231	1,024	19.6%	7,010	60.0%
Corporate	48,126	47,299	55,568	8,269	14.9%	73,572	64.3%
Total O&M before Depreciation	**190,517**	**178,488**	**208,946**	30,457	14.6%	**277,862**	**64.2%**
Operating Income Before Depreciation	**174,197**	**179,976**	**158,276**	21,701	13.7%	**208,506**	**86.3%**
Depreciation	106,997	112,885	117,456	4,571	3.9%	157,036	71.9%
Total O&M and Depreciation	297,513	291,373	326,402	35,028	10.7%	434,897	67.0%
Operating Income after Depreciation	**67,201**	**67,091**	**40,819**	26,272	64.4%	**51,470**	**130.4%**

I. PORTWIDE PERFORMANCE REPORT 9/30/09

CAPITAL SPENDING RESULTS

	($ Millions)
Annual Results:	
2009 Plan of Finance	$604.00
2009 Approved Budget	$436.10
2009 Estimated/Actuals	$377.61
Variance (Budget vs Estimated\Actuals)	$58.49

PORTWIDE INVESTMENT PORTIFOLIO

The investment portfolio for the third quarter of 2009 earned 2.51% against our benchmark (The Merrill Lynch 3-year Treasury/Agency Index) of 1.02%.For the past twelve months the portfolio has earned 3.04% against the benchmark of 1.04%. Since the Port became its own Treasurer in 2002, the Port's portfolio life-to-date has earned 3.80% against our benchmark of 2.93%.

I. PORTWIDE PERFORMANCE REPORT 9/30/09

EXECUTIVE SUMMARY

The first nine months of 2009 **Port of Seattle's** overall operating revenues were $358.5 million, $8.8 million below the budget. Total operating expenses were $178.5 million, $30.5 million below budget. Operating income before depreciation was $179.9 million, $21.7 million above the budget. Operating income after depreciation is $67.1 million, $26.3 million above the budget.

Port-wide Capital spending was $178.2 million for the first nine months and is forecasted to be $377.6 million for the year, $58.5 million below the budgeted $436.1 million.

Aviation Division's Aeronautical revenues were $1.4 million unfavorable due to lower landing fee revenue. Non-aeronautical revenues were unfavorable by $5.1 million due to underperformance of Public Parking and other Landside revenues. Operating expenses were 17.6 million under budget due to expense project delays and implementation of Expense Savings Plan. Operating revenues are forecasted to be $20 million unfavorable due to decline of parking transactions, rental car activity, and concessions, in addition to lower forecast revenue requirements for aeronautical cost centers. Operating expenses are forecasted to be $9.2 million favorable due to savings from furlough, delay of expense projects and corporate allocations which offset with costs for emergency generators and elevator/escalator repairs. Total capital expenditures for 2009 are projected at $238.8 million.

Seaport Division revenues were $2.9 million unfavorable primarily due to Security Grant projects commencing later than assumed in budget. For the full year, Seaport is forecasting a $6.2 million unfavorable revenue variance due to later start of Security Grant projects, implementation of the Container Customer Support Package, default of tenant at Terminal 104 and the rent impact of the Terminal 30 crane cable issue. Operating expenses were $8.1 million favorable through September primarily due to the implementation of the 2009 Expense Savings Plan, lower cost of the Terminal 18 maintenance dredge and the Terminal 30 upland dredge disposal projects than budgeted, and due to timing differences in planned operating expenses. For the full year, Seaport is forecasting a $6.9 million favorable expense variance due to later start of Security Grant projects, implementation of the 2009 Expense Savings Plan, lower cost of the Terminal 18 maintenance dredge and the Terminal 30 upland dredge disposal projects, and the reversal of prior year Other Post Employment Benefits (OPEB) medical related expenses. Forecasted Net Operating Income for 2009 is estimated to be $0.7 million favorable to the 2009 Budget and $6.5 million below 2008 Actual. As of September 30, 2009 total capital spending for 2009 was projected at $50.3 million or 50% of the Approved Annual Budget amount of $100.4 million.

Real Estate Division revenues are virtually on budget for the year-to-date as a result of offsetting variances within the business groups. For the full year, Real Estate is forecasting a $0.3 million unfavorable revenue variance compared to budget due to lower occupancy at Shilshole Bay Marina and offsetting favorable and unfavorable occupancy levels at commercial property sites. Operating expenses are $4.8 million favorable for the year-to-date primarily due to timing and deferrals related to the 2009 Expense "Deferral" Plan. For the full year, Real Estate is forecasting a $2.3 million favorable expense variance due to implementation of the 2009 Expense "Deferral" Plan and reversal of prior year Other Post Employment Benefits (OPEB) medical related accruals. Forecasted Net Operating Income for 2009 is estimated to be approximately $2.0 million favorable to the 2009 Budget and $1.7 million above 2008 Actual. As of the September 30th update, total capital spending for 2009 was projected at $100.1 million or 95% of the Approved Annual Budget amount of $105.2 million.

Capital Development expenses were $1.0 million favorable through nine months mainly due to unfilled staff positions, delayed work and less capital work than original budgeted. A $609 thousand 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 nine months of 2009 was $8.3 million or 14.9% favorable compared to the approved budget and $827 thousand or 1.7% lower than the same period a year ago. The $8.3 million favorable variance is due primarily to timing of spending and to the implementation of the 2009 Expense Savings Plan. There aren't any major variances to report on since all departments are favorable. However, the unfavorable variance of $10 thousand in **Industrial Development Corporation** is due to charges incurred for the IDC/ET Fellowship Program. Year-end spending is projected to be $67.8 million, which is $5.7 million below the approved budget.

II. AVIATION DIVISION PERFORMANCE REPORT 9/30/09

FINANCIAL SUMMARY

Figures in $ 000s	2007 Actual	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Forecast/Budget Var %
Revenues						
Aeronautical	195,029	204,361	193,908	202,913	(9,005)	-4.4%
Non-Aeronautical	143,975	150,528	137,309	148,289	(10,979)	-7.4%
Other	8,483	3,440	8,804	8,804	-	0.0%
Total Revenues	347,487	358,329	340,021	360,006	(19,985)	-5.6%
O&M Expenses (excl. Env. Res.)	171,624	192,641	179,119	188,334	9,215	4.9%
Savings: OPEB Reversal	-	-	(5,574)	-	5,574	n/a
Costs: VSP, HR10, Unemployment	-	-	2,934	-	(2,934)	n/a
Environmental Reserve	-	2,542	1,390	1,187	(203)	-17.1%
Total O&M Costs	171,624	195,183	177,869	189,521	11,652	6.1%
Net Operating Income	175,864	163,146	162,152	170,485	(8,333)	-4.9%
Capital Expenditures	298,387	209,813	238,767	214,743	(24,024)	-11.2%

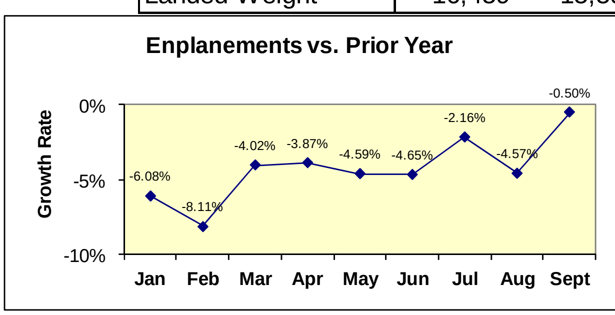
- We forecast a shortfall of $10.98 million in non-airline revenues as Public Parking, Concessions and other Landside departments will underperform against the budget due to decreased enplanements and reduced amounts of revenue generated per enplaned passenger.
- Operating expense is forecasted to be $9.2 million favorable due to $11.5 M of Expense Savings Plan offset by $1.75M for emergency generators in preparation of Howard Hanson Dam flooding and $2M for elevator/escalator repairs.
- Environmental Reserve is forecast to overspend by 200K mainly due to an increase in reserves for the Lora Lake property.
- Total capital expenditures for 2009 are projected at $238.8 million.

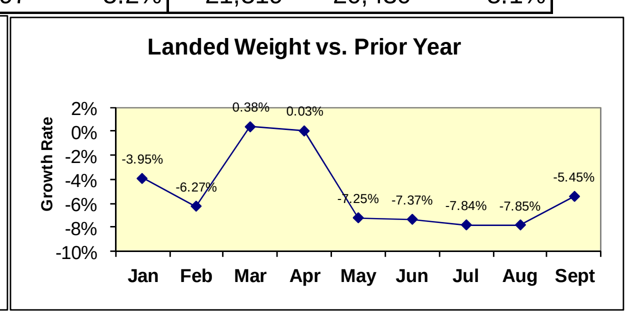
A. BUSINESS EVENTS

- Port staff have been preparing for possible flooding from Howard Hanson Dam failure.
- Icelandair began service to Reykjavik in July to compensate for SAS discontinuing service in the same month.
- Lora Lake Apartments were demolished in October.
- Cell Phone Lot reopened in Q3.

B. KEY INDICATORS

Figures in 000's	2008 YTD	2009 YTD	% Variance	2008 Actual	2009 Fcst	% Variance
Enplanements	12,441	11,925	-4.2%	16,081	15,361	-4.5%
Landed Weight	16,459	15,597	-5.2%	21,519	20,430	-5.1%





- Enplanements are forecasted to decrease 4.5% from the 2008 actual.

II. AVIATION DIVISION PERFORMANCE REPORT 9/30/09

	2007 Actual	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Var %
Non-Aero NOI ($ in 000s)	87,714	86,474	81,209	86,393	(5,183)	-6.0%
Passenger Airline CPE	11.73	11.89	11.67	11.90	0.23	2.0%
Total Operating Cost / Enpl	10.96	12.13	11.82	11.99	0.18	1.5%
Debt Service Coverage	1.58	1.42	1.45	1.51	(0.06)	-3.9%

- We forecast CPE to come in lower than both the 2009 budget and the 2008 actual, primarily due to significantly lower interest rate paid to variable rate bond issues and savings from the decision to discontinue OPEB medical benefits to Port retirees.

C. OPERATING RESULTS

Year-to-date Revenue and Expense

Figures in $ 000s	2007 YTD Actual	2008 YTD Actual	2009 YTD Actual	2009 YTD Budget	Actual/Budget Var $	Var %
Revenues						
Aeronautical	151,454	149,952	151,895	153,095	(1,201)	-0.8%
Non-Aeronautical	103,949	114,980	105,400	110,467	(5,067)	-4.6%
Other	6,373	1,342	6,305	6,528	(223)	-3.4%
Total Revenues	261,776	266,274	263,599	270,090	(6,490)	-2.4%
Expenses						
Airport Expenses	87,057	92,680	88,580	98,657	10,077	10.8%
Corporate	12,930	22,288	22,820	26,981	4,161	15.4%
Police Costs	6,576	11,148	10,147	11,900	1,753	14.7%
Other Charges/CDD	10,458	4,889	3,294	3,934	640	16.3%
Operating Expenses (excl Env. Res.)	117,020	131,005	124,841	141,473	16,632	11.8%
Environmental Reserve	-	-	12	966	954	98.8%
Total Operating Expense	117,020	131,005	124,852	142,438	17,586	12.3%
Net Operating Income	144,756	135,269	138,747	127,651	11,096	8.7%

- Non-aeronautical revenues are unfavorable year-to-date by $5M due to underperformance of Public Parking and other Landside revenues.
- Expenses are under budget due to expense project delays and implementation of Expense Savings Plan.

II. AVIATION DIVISION PERFORMANCE REPORT 9/30/09

Division Summary

Figures in $ 000s	2007 Actual	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Forecast/Budget Var %
Operating Revenues	347,487	358,329	339,912	360,006	(20,094)	-5.6%
Expenses						
Payroll	82,627	89,458	80,192	84,777	4,585	5.4%
Outside Services	28,900	31,928	22,085	23,737	1,652	7.0%
Utilities	12,603	12,636	14,817	13,571	(1,246)	-9.2%
Other	8,981	13,301	10,097	9,393	(704)	-7.5%
Total Airport Expenses	133,110	147,323	127,190	131,478	4,287	3.3%
Corporate/Capital Development	24,260	30,031	37,509	41,113	3,604	8.8%
Police	14,253	15,287	14,420	15,743	1,323	8.4%
O&M Exclude Env. Reserve	171,624	192,641	179,119	188,334	9,215	4.9%
Savings: OPEB Reversal			(5,574)		5,574	n/a
Costs: VSP, HR10, Unemployment			2,934		(2,934)	n/a
Environmental Reserve	-	2,542	1,390	1,187	(203)	-17.1%
Total Operating Expenses	171,624	195,183	177,869	189,521	11,652	6.1%
Net Operating Income	175,864	163,146	162,043	170,485	(8,442)	-5.0%
Depreciation Expense	101,118	107,349	115,213	115,605	392	0.3%
Non-Operating Rev/(Exp)						
Grants & Donations Revenues	89,692	49,461	73,652	63,276	10,376	16.4%
Passenger Facility Charges	63,114	62,770	61,525	62,525	(1,000)	-1.6%
Customer Facility Charges	22,570	23,534	22,318	24,573	(2,255)	-9.2%
Other Non-operating Rev/(Exp)	(80,848)	(105,378)	(116,013)	(116,013)	-	0.0%
Total Non-Operating Rev/(Exp)	94,527	30,386	41,482	34,361	7,121	20.7%
Total Revenue Over Expense	169,272	86,183	88,313	89,241	(929)	-1.0%

- Operating revenues are forecasted to be $20 million unfavorable due to decline of parking transactions, rental car activity, and concessions, in addition to lower forecast revenue requirements for aeronautical cost centers.
- Operating expenses are forecasted to be $9.2 million favorable due to savings from furlough, delay of expense projects and corporate allocations which offset with costs for emergency generators and elevator/escalator repairs.
- Grants and Donations revenues are forecasted to be $10.4 million higher due to TSA grants not budgeted.

II. AVIATION DIVISION PERFORMANCE REPORT 9/30/09

Aeronautical Business Unit Summary

Figures in $000s	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Forecast/Budget Var %
Revenues requirement:					
Capital Costs	81,535	78,791	80,350	(1,559)	0.0%
Operating Costs net Non-Aero	131,024	122,532	127,921	(5,389)	-4.2%
Total Costs	212,559	201,323	208,271	(6,948)	-3.3%
FIS Offset	(5,250)	(5,550)	(5,550)	-	0.0%
Other Offsets	(15,686)	(15,109)	(14,052)	(1,057)	7.5%
Net Revenue Requirement	191,623	180,664	188,670	(8,005)	-4.2%
Other Aero Revenues	12,738	13,244	14,244	(1,000)	0.0%
Total Aero Revenues	204,361	193,908	202,913	(9,005)	-4.4%
Non-passenger Airline Costs	13,039	14,660	14,830	170	1.1%
Net Pasenger Airline Costs	191,323	179,248	188,084	8,835	4.7%

	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Forecast/Budget Var %
CPE:					
Capital Costs / Enpl	5.07	5.13	5.09	(0.04)	-0.9%
Operating Costs / Enpl	8.15	7.98	8.10	0.12	1.5%
Offsets	(1.30)	(1.34)	(1.24)	0.10	-8.4%
Other Aero Revenues	0.79	0.86	0.90	(0.04)	-4.4%
Non-passenger Airline Costs	(0.81)	(0.95)	(0.94)	(0.02)	1.7%
Passenger Airline CPE	**11.89**	**11.67**	**11.90**	**0.23**	**2.0%**

- Operating costs are forecasted to be lower than budgeted due to budget savings from Expense Savings Plan in addition to savings from the pending OPEB medical reversal.
- The forecasted increase in passenger airline cost per enplanement (CPE) is lower than budget primarily due to large savings forecasts against enplanements which are now only slightly less than the 2009 budget.
- Forecasted aeronautical operating costs per enplanement of $7.98 are less than the budget of $8.10 due to cost cutting measures.

II. AVIATION DIVISION PERFORMANCE REPORT 9/30/09

Non-Aero Business Unit Summary

Figures in $000s	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	30,300	32,821	(2,521)	-7.7%
Other	22,644	21,196	22,224	(1,027)	-4.6%
Total Revenue	150,528	137,309	148,289	(10,979)	-7.4%
Operating Expense	61,279	55,624	60,329	4,705	7.8%
Share of terminal O&M	16,396	17,323	18,105	781	4.3%
Less utility internal billing	(13,515)	(16,848)	(16,848)	-	0.0%
Net Operating & Maint	64,160	56,100	61,586	5,486	8.9%
Net Operating Income	86,367	81,210	86,703	(5,493)	-6.3%

	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Var %
Revenues / Enplanement					
Parking	3.67	3.38	3.63	(0.25)	-6.8%
Rental Car	2.21	2.20	2.27	(0.07)	-2.9%
Concessions	2.06	1.97	2.08	(0.10)	-5.0%
Other	1.41	1.38	1.41	(0.03)	-1.9%
Total Revenue	9.36	8.94	9.39	(0.45)	-4.8%
Primary Concessions Sales / Enpl	10.29	9.62	10.19	(0.57)	-5.6%

- 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 $000s	YTD Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Var %	2009 Plan of Finance
R/W 16L/34R Reconstruction	52,631	59,631	71,000	11,369	16.0%	82,715
Rental Car Facility	34,010	92,907	40,562	(52,345)	-129.0%	119,011
MT 100% Baggage Screening	9,395	10,395	18,000	7,605	42.3%	21,727
Third Runway Projects	8,649	15,052	17,281	2,229	12.9%	47,027
All Other	25,604	60,782	67,900	7,118	10.5%	77,722
Total	130,289	238,767	214,743	(24,024)	-11.2%	348,202

- Reduced budgeted spending by $109 million vs. plan of finance budget (31%) 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 9/30/09

Financial Summary

$'s in 000's	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Forecast/Budget Var %
Operating Revenue	85,453	86,187	90,131	(3,944)	-4%
Environmental Grants	8,833	850	850	0	0%
Security Grants	850	1,747	3,955	(2,208)	-56%
Total Operating Revenues	**95,136**	**88,784**	**94,935**	**(6,152)**	**-6%**
Total Operating Expenses	**44,921**	**45,055**	**51,928**	**6,873**	**13%**
Net Operating Income	**50,215**	**43,729**	**43,007**	**721**	**2%**
NOI Excl Envir Grants/Reserve	**47,254**	**46,708**	**45,532**	**1,176**	**3%**
Capital Expenditures	**88,523**	**50,274**	**100,425**	**50,151**	**50%**

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

- Total Seaport revenues were ($2.9) million unfavorable in YTD results primarily due to Security Grant projects commencing later than assumed in budget. For the full year, Seaport is forecasting a $6.2 million unfavorable revenue variance due to later start of Security Grant projects, implementation of the Container Customer Support Package, default of tenant at Terminal 104 and the rent impact of the Terminal 30 crane cable issue.
- Total Operating Expenses were $8.1 million favorable through September primarily due to the implementation of the 2009 Expense Savings Plan, lower cost of the Terminal 18 maintenance dredge and the Terminal 30 upland dredge disposal projects than budgeted, and due to timing differences in planned operating expenses. For the full year, Seaport is forecasting a $6.9 million favorable expense variance due to later start of Security Grant projects, implementation of the 2009 Expense Savings Plan, lower cost of the Terminal 18 maintenance dredge and the Terminal 30 upland dredge disposal projects, and the reversal of prior year Other Post Employment Benefits (OPEB) medical related expenses.
- Forecasted Net Operating Income for 2009 is estimated to be $0.7 million favorable to the 2009 Budget and $6.5 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.
- As of September 30, 2009 total capital spending for 2009 was projected at $50.3 million or 50% of the Approved Annual Budget amount of $100.4 million. The reduction in capital spending is the result of deferring projects.

A. BUSINESS EVENTS

- TEU volumes for Seattle Harbor are down 14.2% YTD 2009 compared to YTD 2008 levels. Total YTD 2009 volume is 1,121K TEU's.
- Consolidated West Coast Port results for YTD 2009 show an overall decrease in TEU volume of 17.5% compared to the same period last year.

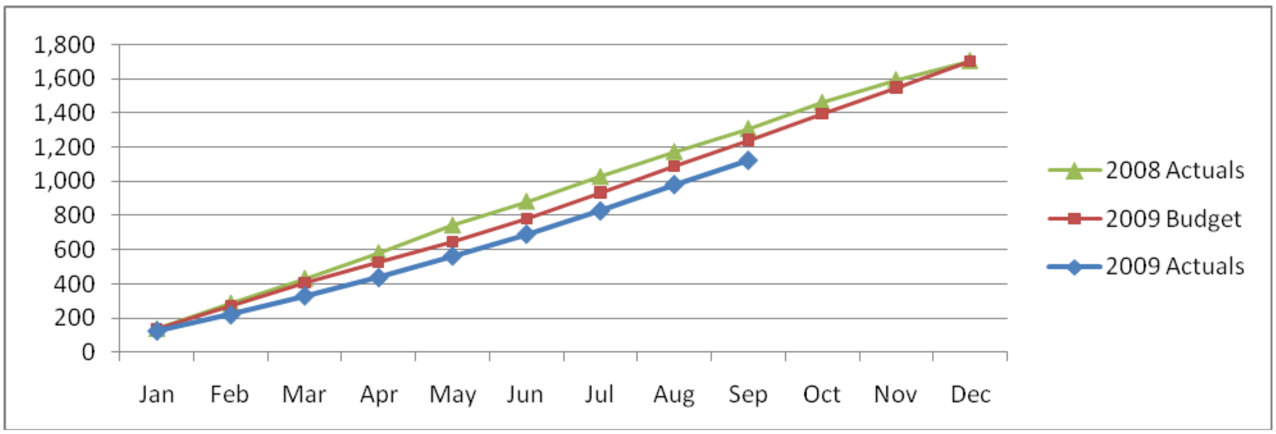
TEU Volume (in 000's)	YTD 2009	YTD 2008	% change
Seattle	1,121	1,307	-14.2%
Tacoma	1,194	1,414	-15.6%
Los Angeles	4,958	5,923	-16.3%
Long Beach	3,700	4,905	-24.6%
Oakland	1,507	1,704	-11.6%
Vancouver	1,604	1,902	-15.6%
Portland	131	187	-29.9%
Prince Rupert	180	103	75.2%
West Coast - Total:	**14,395**	**17,444**	-17.5%

III. SEAPORT DIVISION PERFORMANCE REPORT 9/30/09

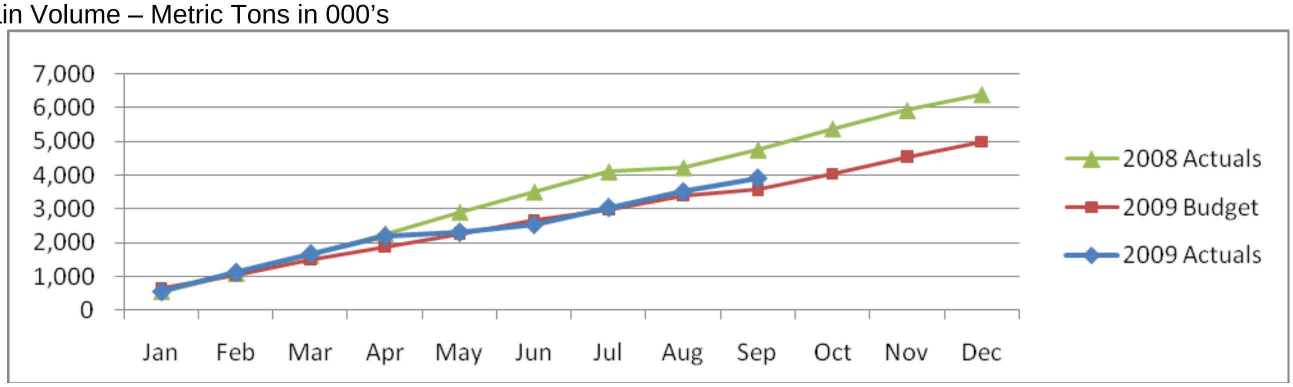
- Grain vessels shipped 3,912K metric tons of grain through Terminal 86 YTD 2009. Amount represents a 17.8% decrease compared to YTD 2008 record volumes, partially due to temporary closures of the Terminal 86 facility in 2009 for grain spout upgrades. Though lower than 2008 volume, actual YTD volume is 10% over 2009 budgeted volume. Market expected to be strong through the remainder of 2009.
- Cruise passenger for the 2009 season exceeded budget in what was projected to be a soft market for the industry--218 vessel calls with total revenue passenger counts of 875,433 ending in October.
- In connection with the 2009 Expense Savings Plan, the Seaport Division reduced 2009 Budgeted Operating Expenses by $1.8 million.

B. KEY INDICATORS

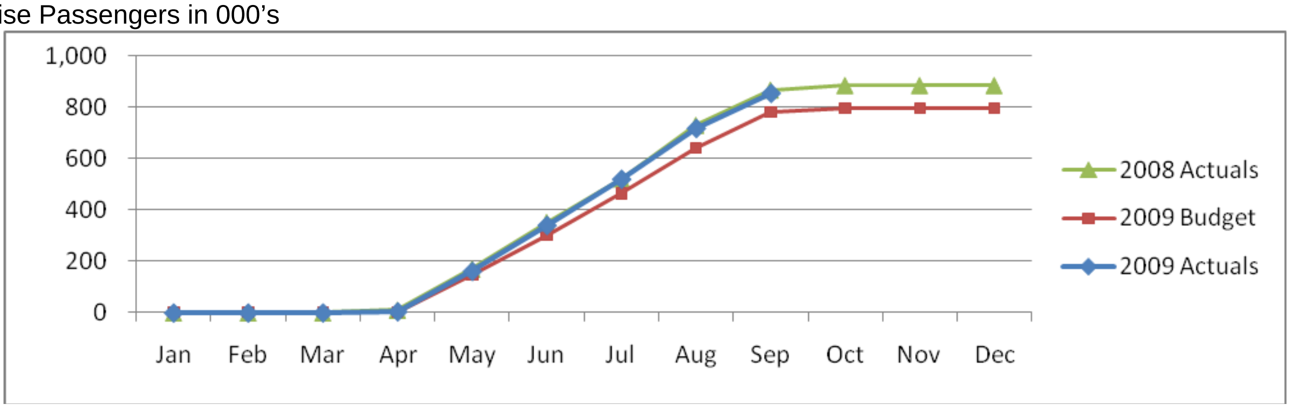
Container Volume – TEU's in 000's



Grain Volume – Metric Tons in 000's



Cruise Passengers in 000's



III. SEAPORT DIVISION PERFORMANCE REPORT 9/30/09

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	27,794	29,076	25,477	3,599	14%	1,282	5%
Container Support Props	984	455	1,046	(591)	-56%	(529)	-54%
Cruise	6,010	7,196	5,248	1,948	37%	1,186	20%
Grain	3,700	3,397	2,819	578	21%	(303)	-8%
Docks/Industrial Props	3,279	3,708	2,579	1,129	44%	429	13%
Security	(891)	(1,088)	(1,560)	472	30%	(197)	-22%
Envir Grants/Reserve	3,859	(3,186)	(1,263)	(1,924)	-152%	(7,045)	-183%
Total Seaport	44,734	39,557	34,345	5,211	15%	(5,177)	-12%

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	65,789	69,903	69,833	70	0%	90,131	86,187	(3,944)
Environmental Grants	6,846	643	425	218	51%	850	850	0
Security Grants	744	207	3,392	(3,185)	-94%	3,955	1,747	(2,208)
Total Revenue	**73,378**	**70,753**	**73,649**	**(2,897)**	**-4%**	**94,935**	**88,783**	**(6,152)**
Direct Expenses	13,084	16,005	21,071	5,066	24%	27,234	23,424	3,810
Security Expense	1,406	916	4,569	3,653	80%	5,431	2,562	2,869
Environmental Reserve	2,987	3,829	1,688	(2,142)	-127%	3,375	3,829	(454)
Divisional Allocations	1,716	1,469	1,791	322	18%	2,378	2,275	103
Corporate Allocations	9,451	8,976	10,185	1,209	12%	13,510	12,964	545
Total Expense	**28,644**	**31,196**	**39,304**	**8,108**	**21%**	**51,928**	**45,055**	**6,873**
NOI Before Depreciation	**44,734**	**39,557**	**34,345**	**5,211**	**15%**	**43,007**	**43,729**	**721**
Depreciation	21,497	20,279	22,856	2,578	11%	30,903	30,439	464
NOI After Depreciation	**23,237**	**19,278**	**11,489**	**7,789**	**68%**	**12,105**	**13,290**	**1,185**
NOI Excl Envir Grants/Reserve*	**40,875**	**42,743**	**35,608**	**7,135**	**20%**	**45,532**	**46,708**	**1,176**

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

Total Seaport revenues were ($2,897K) unfavorable to budget. Key variances are as follows:

Containers and Support Properties - unfavorable ($2,107K).

- Containers ($1,776K) unfavorable. Space Rent revenue ($994K) unfavorable primarily due to later lease commencement at Terminal 30 as a result of crane cable issue. Crane Rent and Intermodal Lift Revenue favorable $108K due to higher usage of port owned cranes at T18 than budgeted and unanticipated activation of T18 intermodal yard. Operating Grant Revenue ($671K) 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 that were budgeted but are no longer expected to take place this year ($389K).
- Support Properties ($331K) unfavorable primarily due to termination of lease at Terminal 104.

III. SEAPORT DIVISION PERFORMANCE REPORT 9/30/09

Cruise and Industrial Properties - favorable $2,132K.

- Cruise $1,205K 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 $350K favorable due to grain volume exceeding Budget by 10%.
- Dock Operations $545K favorable due to a variety of sources including prior year billing adjustment for space leased by American Seafoods $88K, implementation of TWIC related security tariff charges $54K, and higher than anticipated Utility Revenue $92K. Dockage, Wharfage & Berthage revenue was also favorable $93K primarily due to higher than anticipated revenue from preferential use customers.
- Industrial Properties $32K favorable due to higher than expected Carnitech percentage rent ($77K), partially offset by lower than budgeted revenue from Northland lease due to lower actual CPI adjustment than assumed in budget.

Security - unfavorable ($3,185K).

- Security Grants unfavorable ($3,185K) due to Rounds 6 and 7 grant activities commencing later than planned. Amount more than offset by corresponding favorable expense variance.

Expenses were $8,108K favorable to budget. Key variances:

- Security favorable $3,653K 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 unfavorable ($2,142K) due to increase in expected cleanup costs and new obligating events.
- Outside Services favorable $4,446K largely due 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 $784K.
- Miscellaneous Expense favorable $954K due to timing of recognition and classification of expense components of T30/T91 project $525K, and Seaport Expense Contingency favorable $225K due to timing.
- Vehicle Operating Expense favorable $393K due to classification of the cost of the ABC Fuel's program as a non-operating Public Expense $375K.
- Bad Debt Expense unfavorable ($557K) due to default of tenant at Terminal 104 $304K with the remaining variance primarily due to timing.
- Maintenance favorable $103K due to lower overhead allocations $197K partially offset by higher direct charges for work on projects related to Cruise and Seaport Industrial Properties $94K.
- CDD costs, direct and allocated, unfavorable ($178K) due to more staff time spent working on Seaport projects than budgeted.
- Corporate costs, direct and allocated, favorable $1,415K due to implementation of cost reductions identified in the 2009 Revised Budget ~$378K with the remainder of the variance due to timing.
- All other variances netted to a favorable $21K or less than 1% of Total Expenses Budgeted.

NOI Before Depreciation was $5,211K favorable to budget.

- Depreciation was $2,578K 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 the later than expected timing of granted funded security capital projects.

NOI After Depreciation was $7,789K favorable to budget.

III. SEAPORT DIVISION PERFORMANCE REPORT 9/30/09

FORECAST

As of September 2009, Seaport anticipates ending the year $721K above 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 ($6,152K) due to implementation of Container Terminal Customer Support Package, default of tenant at Terminal 104, lower cost and thus lower than expected reimbursement from King County for the Terminal 30 upland dredge disposal, 2 month later commencement of the Terminal 30 lease than budgeted and rent abatements related to the crane trench cable issue. Operating expenses are estimated to be favorable by $6,873K due to later start of Security Grant projects, implementation of the 2009 Expense Savings Plan $2,591K, lower than expected cost of the Terminal 18 Maintenance Dredge and Terminal 30 Upland Dredge Disposal projects, and reversal of prior year Other Post Employment Benefits (OPEB) Medical Expense. Favorable amounts are somewhat offset by full year unfavorable Environmental Reserve variance.

CHANGE FROM 2008 ACTUAL

NOI Before Depreciation decreased by ($5,177K) from 2008 with the majority of the decrease being the retroactive Environmental Grant revenue recognized in 2008 of $6,846K which exceeds the Environmental Grant revenue received in the current year by $6,202K. NOI Excluding Environmental Grants/Reserve increased by $1,868K due to increase in Container and Cruise revenue partially offset by higher expenses relating to significant expense projects in 2009 such as the T30 Upland Dredge Disposal. Container revenue increase resulted from the 2009, nine month, year-to-date impact of the increase in Eagle Rate that went into effect in July 2008 and the commencement of the T30/25 lease. Cruise revenue increase resulted from higher activity and higher rates as compared to 2008.

D. CAPITAL SPENDING RESULTS---IN THOUSANDS $

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 30/91 Program	28,085	35,774	7,689	79%	46,445
Terminal 10	453	4,091	3,638	11%	4,000
Green Port Initiative	0	2,800	2,800	0%	2,800
Terminal 115	4,025	4,995	970	81%	5,800
All Other	18,811	23,865	5,054	79%	38,740
Total Seaport	51,374	100,425	49,051	51%	126,685

Comments on Key Projects:

Through third quarter, Seaport spent 41% of the approved budget. Full year spending is estimated to be 51% of the Approved Budget.

Projects with significant changes in spending were:

- Container Support Yard – Acquisition of land for a container support yard has been delayed due to economic conditions.
- 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.
- Terminal 10 – Modification of project scope has pushed out the timing of the project.
- Green Port Initiative – After performing a financial evaluation, plans to develop Port owned decant stations have been put on an indefinite hold.
- Terminal 115 - Commission approved funding of construction for Berth 1 on June 2nd. Timing of project was adjusted with some additional spending to take place in 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.

IV. REAL ESTATE DIVISION PERFORMANCE REPORT 9/30/09

FINANCIAL SUMMARY

In $ Thousands	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Var %
Operating Revenue	34,875	30,709	30,961	(252)	-1%
Environmental Grants	1	150	150	0	0%
Total Operating Revenue	**34,877**	**30,859**	**31,111**	**(252)**	**-1%**
Total Operating Expense	**38,819**	**33,096**	**35,391**	**2,295**	**6%**
NOI Before Depreciation	**(3,943)**	**(2,236)**	**(4,279)**	**2,043**	**48%**
NOI Excl Envir Grants/Reserve	**(3,340)**	**(1,472)**	**(3,304)**	**2,043**	**62%**
Capital Expenditures	**21,196**	**100,143**	**105,165**	**5,022**	**5%**

- Total Real Estate Division revenues are virtually on budget for the year-to-date as a result of offsetting variances within the business groups. For the full year, Real Estate is forecasting a $0.3 million unfavorable revenue variance compared to budget due to lower occupancy at Shilshole Bay Marina and offsetting favorable and unfavorable occupancy levels at commercial property sites.
- Total Operating Expenses are $4.8 million favorable for the year-to-date primarily due to timing and deferrals related to the 2009 Expense "Deferral" Plan. For the full year, Real Estate is forecasting a $2.3 million favorable expense variance due to implementation of the 2009 Expense "Deferral" Plan and reversal of prior year Other Post Employment Benefits (OPEB) medical related accruals.
- Forecasted Net Operating Income for 2009 is estimated to be approximately $2.0 million favorable to the 2009 Budget and $1.7 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.
- As of the September 30th update, total capital spending for 2009 was projected at $100.1 million or 95% of the Approved Annual Budget amount of $105.2 million. The most significant project in 2009 is the Eastside Rail Corridor.

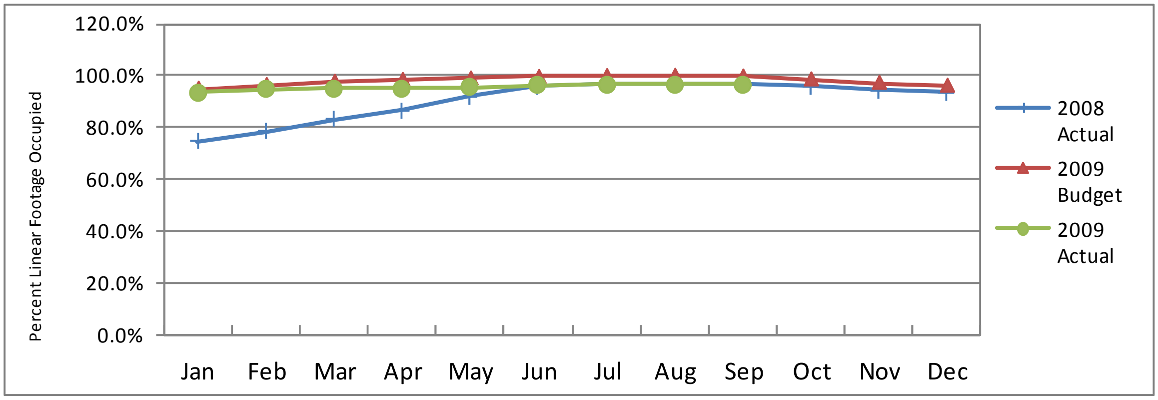
A. BUSINESS EVENTS

- Occupancy levels at Commercial Properties were at 94% at quarter-end which is just slightly below the 95% target for the 2009 Budget and above comparable statistics for the local market.
- Through the 3rd 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 below 2009 Budget Targets.
- In connection with the 2009 Expense "Deferral" 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.

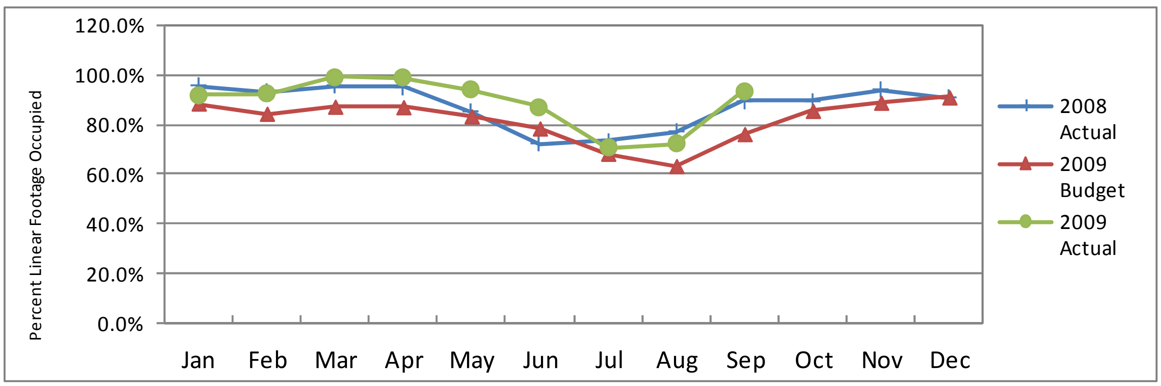
IV. REAL ESTATE DIVISION PERFORMANCE REPORT 9/30/09

B. KEY INDICATORS

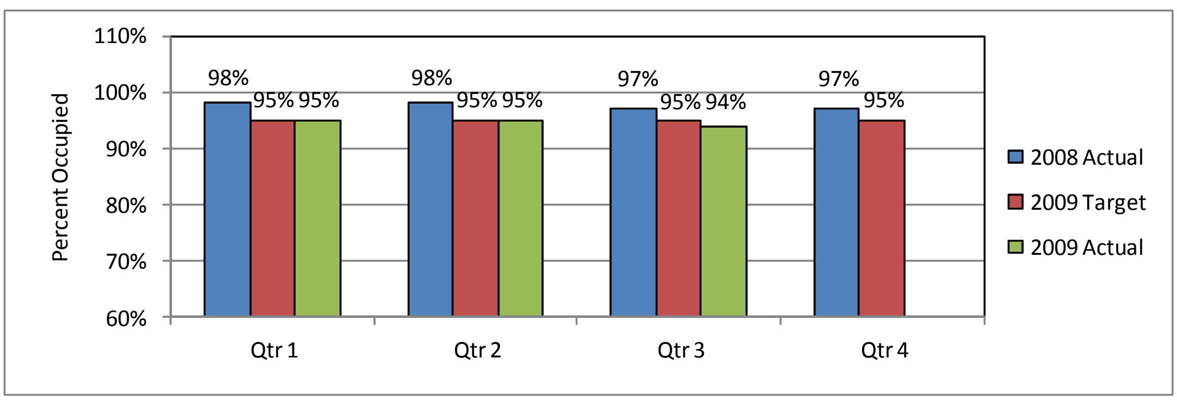
Shilshole Bay Marina Occupancy



Fishermen's Terminal Moorage Occupancy



Commercial Building



Net Operating Income Before Depreciation By Business through 9/30/2009

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	1,629	1,879	1,246	633	51%	250	15%
Fishing & Commercial	(958)	(1,211)	(1,907)	696	36%	(252)	-26%
Commercial & Third Party	2,106	1,244	(1,282)	2,526	197%	(863)	-41%
Eastside Rail	0	(75)	(361)	286	79%	(75)	NA
RE Development & Plan	(7,056)	(130)	(361)	230	64%	6,926	-98%
Environmental Reserve	(1,018)	(124)	(488)	363	75%	894	-88%
Total Real Estate	(5,297)	1,582	(3,152)	4,735	150%	6,880	-130%

IV. REAL ESTATE DIVISION PERFORMANCE REPORT 9/30/09

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	25,826	23,168	23,171	(3)	0%	30,961	30,709	(252)
Environmental Grants	(1,015)	0	75	(75)	-100%	150	150	0
Total Revenue	**24,812**	**23,168**	**23,246**	**(78)**	**0%**	**31,111**	**30,859**	**(252)**
Direct Expenses	28,945	19,908	23,997	4,089	17%	31,821	30,260	1,561
Environmental Reserve	(13)	124	563	438	78%	1,125	1,125	0
Divisional Allocations	(2,494)	(2,208)	(2,652)	(444)	-17%	(3,515)	(3,399)	(116)
Corporate Allocations	3,671	3,762	4,491	729	16%	5,960	5,110	850
Total Expense	**30,109**	**21,586**	**26,399**	**4,813**	**18%**	**35,391**	**33,096**	**2,295**
NOI Before Depreciation	**(5,297)**	**1,582**	**(3,152)**	**4,735**	**150%**	**(4,279)**	**(2,236)**	**2,043**
Depreciation	7,518	7,417	7,896	478	6%	10,528	9,890	638
NOI After Depreciation	**(12,815)**	**(5,835)**	**(11,048)**	**5,213**	**47%**	**(14,807)**	**(12,126)**	**1,405**
NOI Excl Envir Grants/Reserve*	**(4,296)**	**1,707**	**(2,665)**	**4,371**	**164%**	**(3,304)**	**(1,261)**	**2,043**

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

Total Real Estate revenues were ($78K) unfavorable to budget. Key variances are as follows:

Harbor Services: unfavorable ($165K)

- **Recreational Boating unfavorable ($164K)** primarily due to higher than budgeted vacancy at SBM.
- **Fishing and Commercial** was in line with budget.

Portfolio Management: favorable $110K

- **Commercial Properties unfavorable ($62K)** due to tenants vacating their premises at Pier 2 and Tsubota, lower than anticipated concession rent at Pier 66 Bell Street and lower than budgeted utility revenue from the Maritime Industrial Center. Unfavorable variances were partially offset by above budget occupancy at T-102.
- **Third Party Managed Properties favorable $171K** due to higher than anticipated activity at Bell Harbor International Conference Center $351K partially offset by lower transient and monthly parking revenue at the Bell Street Garage ($58K) and by fewer memberships and lower activity at the World Trade Center Club ($127K).

Eastside Rail Corridor: unfavorable ($138K)

- **Eastside Rail Corridor unfavorable ($138K)** due to revenue expectations in the 2009 Budget based on the assumption of acquiring the property prior to 2009.

RE Development and Planning: favorable $188K

- **Terminal 91 General Industrial favorable $188K** due to two tenants not anticipated to remain at T91 in the budget that have continued to occupy on a month to month basis $205K. The positive variance is partially offset by lower than anticipated utility revenue.

Environmental Grants: unfavorable ($75K)

- No environmental grant revenue related to Real Estate Division properties thus far in 2009.

IV. REAL ESTATE DIVISION PERFORMANCE REPORT 9/30/09

Expenses were $4,813K favorable to budget. Key variances:

- Environmental Reserve favorable $438K due to lower cleanup costs than assumed in Budget.
- Third Party Management Expense favorable $666K due to 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 $1,405K due to delay in closing Eastside Rail Corridor $300K and due to timing including charges from Environmental Services, broker fees and tenant improvement expenses budgeted for the World Trade Center West Building.
- Maintenance expenses favorable $713K primarily due to timing, more work charged to capital than budgeted and the deferral of some work in connection with the 2009 Expense "Deferral" Plan.
- Corporate and Capital Development costs direct and allocated favorable $1,633K primarily due to the cancellation/deferral of projects in connection with the 2009 Expense "Deferral" Plan $1,127K and timing.
- All other variances netted to an unfavorable ($42K) or less than 1% of Total Expenses Budgeted.

NOI BEFORE DEPRECIATION was $4,735K favorable to Budget.

- Depreciation was $478K favorable primarily due to overstatement of Harbor Service's Depreciation in the Budget.

NOI AFTER DEPRECIATION was $5,213K favorable to Budget.

FORECAST

Real Estate anticipates ending the year $2,043K 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 ($252K) primarily due to lower occupancies at Shilshole Bay Marina. Operating expenses are estimated to be favorable by $2,295K primarily due implementation of the 2009 Expense "Deferral" Plan and reversal of prior year Other Post Employment Benefits (OPEB) medical accruals. NOI After Depreciation is currently estimated to end the year $1,405K favorable to budget. NOI Excluding Environmental Grants and Reserve, is expected to come in at $2,043K favorable to budget.

CHANGE FROM 2008 ACTUAL

Net Operating Income Before Depreciation increased by $6,880K between September year-to-date 2008 and 2009. Operating Revenue decreased by $2,658K 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. Environmental Grant Revenue was reported at a negative amount of ($1,015K) in 2008 due to an accrual error. Expenses decreased by $8,523K in 2009 primarily due to the expensing in 2008 of capitalized costs associated with the North Bay development project $7,224K, less activity at Bell Harbor International Conference Center and the 2009 Expense "Deferral" Plan. These favorable variances 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	778	1,753	975	44%	1,665
RE Division Green Initiative	0	1,000	1,000	0%	1,000
Pier 69 North Apron Piling Cathodic	25	1,000	975	3%	1,060
Tenant Improvements - Capital	346	900	554	38%	800
All Other	2,692	4,210	1,518	64%	4,809
Total Real Estate	100,143	105,165	5,022	95%	116,289

Comments on Key Projects:
Through third quarter, the Real Estate Division spent 1% of the approved budget. Full year spending is estimated to be 95% 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 9/30/09

A. BUSINESS EVENTS

- Mowat was the low bidder at 2.44% below the engineer's estimate for the East Marginal Way Grade Separation (EMWGS) Project.
- T115 – Received Berth 1 permits.
  Construction awarded to Pacific Pile and Marine.
  Steel piling bids were approximately 10% below the engineer's estimate.
- T-30 Apron Upgrade –SSA commenced container operation on August 3, 2009 - first vessel call on August 9, 2009.
- Returned $23M in AV CIP project savings.
- Runway 16L was reopened ahead of schedule and under budget after complete rebuilding.
- Working with OSR in development of the small business program

B. KEY INDICATORS

- Cost Growth on Major Construction for projects completed in 3rd Quarter (RE Completion memos issued).

PROJECT	NON-DISCRETIONARY CHANGE	DISCRETIONARY CHANGE
3RD RUNWAY 2007-08 CONSTRUCTION	1.6%	2.6%
T-86 GRAIN SPOUT REPLACEMENTS	3.7%	0%
T-91 BUILDING W-40 PARTIAL DEMOLITION PROJECT	1.3%	0%
T-18 CRANE 36 DEMOLITION	3.0%	0%
STAGE 1 MECHANICAL ENERGY CONSERVATION PROJECT	1.2%	-0.7%
MAIN TERMINAL ROOF REPLACEMENT	1.5%	0%
T-91 CRUISE SHIP TERMINAL	10.3%	2.9%
EMWGS SR 99 COLUMN RELOCATION	0%	- 83.2%
EMWGS COLUMN RELOCATION – WATERLINE	32.7%	- 1.4%
C-1 100% BAGGAGE SCREENING	7.8%	38.2%
SOUTH CRUISE INPUT PROJECT	9.9%	0%

- New Construction Management Standard Operation Procedure (SOP) on Field Directives being developed. Review of revised Submittal SOP and new SOP #41 on Project Closeout.
- New Service Agreements in the 3rd Quarter are:

CONTRACT	CONTRACT NUMBER	DOLLAR AMOUNT	CATEGORY
NAVIGANT CONSULTING	P-00316114	$186,000	CONSTRUCTION AUDITING FOR RCF PROJECT
APPLIED PROFESSIONAL SERVICES	S-00316202	$100,000	UTILITY LOCATING SERVICE

Small Business Participation:
PCS made WBE payments of 11%, SBE payments of 11.3%, MBE payments of 1.2 % and DBE payments of 0.2% for a total 23.7% in Small Business Participation at the end of the third Quarter. Goal: 30% PCS Small Business Participation.

V. CAPITAL DEVELOPMENT DIVISION PERFORMANCE REPORT 9/30/09

C. OPERATING RESULTS – IN THOUSANDS $

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 Var.
Aviation Project Management Group	597	419	572	152	26.6%	761	721	759	2
Port Construction Services	2,854	1,094	1,059	(35)	-3.3%	1,449	1,431	1,384	65
Engineering	906	724	973	250	25.6%	1,351	1,298	1,401	(50)
Seaport Project Management Group	560	542	1,096	554	50.5%	1,400	845	917	483
Central Procurement Office	916	1,179	1,110	(70)	-6.3%	1,494	1,636	1,664	(170)
Capital Development Division Admin.	34	249	421	172	40.9%	554	294	276	278
Total CDD	5,868	4,207	5,231	1,024	19.6%	7,010	6,226	6,401	609

- The total YTD budget variance is $1,024K and the year-end variance forecast is $609K.
- PCS negative variance due to less capital and more expense work/expense project overhead than budgeted, plus the absorption of the full rent at Kilroy after CPO/Construction Services moved to Logistics.
- CPO negative variance due to FTE expense budgeted in another org but charged to CPO.
- Positive variances throughout the division are primarily through unfilled positions, implementation of Revised Budget features (i.e., furloughs, reduced travel, etc.), delayed or reduced purchase of equipment and supplies.
- Positive variances throughout the division are partially reduced (but not totally offset) by less capital work than budgeted, resulting in increased Salary & Budget, Expense Project Overhead and reduced transfer to Capital.

VI. CORPORATE PROF. & TECHNICAL SERVICES PERFORMANCE REPORT 9/30/09

A. BUSINESS EVENTS

- Planned and managed a media event to celebrate the inaugural flight of Icelandair.
- Planned and managed a media event to celebrate the re-start of the Rental Car Facility.
- Planned and managed multiple media events to celebrate the opening of 16L/34R runway.
- In partnership with Human Resources, health care premium sharing and wellness rewards have been established for 2010.
- The Port's new LMS (Learning Management System) has been selected as the "Best Launch to an Organization" at the Plateau annual conference.
- ICT delivered numerous projects that improved operations, cost effectiveness, and employee productivity. This included Infrastructure enhancements and upgrades needed to increase availability and reliability, and to support continued rapid growth in demand.
- Finance and Budget began implementation of new banking platform.
- Implemented the Concur expense system "Cognos", a new and enhanced reporting tool, associated with AFR's implementation late last year of Bank of America's new Concur expense reporting and reimbursement system, a Port-wide web-based online travel, corporate credit card and expense reimbursement system, which replaced the EAGLS system.

B. KEY INDICATORS

- Program/Raptor Relocation program and our response to the US Airways bird strike garnered a second place award from ACI-NA in the Public Relations Campaign category.
- Received extensive local, regional, national, and international coverage of our Avian Radar/Wildlife Management.
- Port's first exclusively online Annual Report has received nearly 1,000 views from 16 different countries.
- Port's public Web site visits at 2.67 million over the past year, up 20.67 percent over previous period
- More than 200 attended the first three Port 101 series events: Airport, Duwamish River and Cruise.
- Managed 20 delegation visits and tours at Seaport and P69.
- Occupational injury rate decreased slightly from 5.89 in the third quarter of 2008 to 5.48 in the second quarter of 2009. Injury cost per worker hour has also decreased from $1.13 in 2008 to $1.08 in 2009.
- 98% employee completion rate of the health assessment.
- Opened 117 employment requisitions and processed 4,365 applications.
- Approximately 48 individual job evaluations have been finalized as of 9/30/09.
- ICT continued virtualization and data center consolidation strategies have offset over $2 million in new hardware and hardware refresh costs to date.
- Investment portfolio successfully managed within policy limitations.
- Completed and presented the following audits to the Audit Committee in the third quarter.
  - Police Department
  - Fireworks Concession
  - Aviation Security
  - Aviation Acquisition & Relocation
  - Hertz, Avis and Budget Rental Cars
- East Marginal Way: Phase 1 - advertised and received bids; Phase 2 - secured FMSIB listing for $3.5M and continued project definition with WSDOT and partners.
- Police Department Indicators:

January – Sept.	CFS's (Calls for Service)	47,424
January – Sept	Arrests – No Warrant	441
January – Sept	Arrests – Warrant	626

VI. CORPORATE PROF. & TECHNICAL SERVICES PERFORMANCE REPORT 9/30/09

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	Revised	Forecast	Var.
Total Revenues	840	986	1,129	(144)	-12.7%	1,470	1,470	1,417	(53)
Executive	1,250	1,056	1,173	117	10.0%	1,540	1,449	1,449	92
Commission	704	608	675	67	9.9%	867	844	844	22
Legal	1,992	1,904	2,039	135	6.6%	2,703	2,638	2,720	(16)
Risk Services	2,110	1,913	2,150	237	11.0%	2,861	2,838	2,778	84
Health & Safety Services	761	715	744	29	3.9%	985	947	927	58
Public Affairs	2,915	2,393	3,304	911	27.6%	4,270	3,565	3,565	705
External Affairs	808	905	1,021	116	11.4%	1,347	1,249	1,249	98
Economic & Trade Development	1,006	1,002	1,584	581	36.7%	2,099	1,638	1,638	462
Human Resources & Development	2,969	2,668	3,164	496	15.7%	4,165	3,926	3,766	398
Labor Relations	500	458	541	83	15.4%	731	689	663	69
Information & Communications Technology	9,423	12,538	14,793	2,255	15.2%	19,658	18,404	18,404	1,253
Finance & Budget	1,197	1,102	1,296	194	15.0%	1,719	1,645	1,482	236
Accounting & Financial Reporting Services	4,325	4,441	4,882	440	9.0%	6,541	6,352	6,286	255
Internal Audit	502	758	895	137	15.3%	1,211	1,164	1,090	121
Office of Social Responsibility	606	1,062	1,271	209	16.5%	1,647	1,401	1,387	259
Regional Transportation	280	315	374	59	15.8%	498	461	463	36
Police	13,981	13,055	15,100	2,045	13.5%	19,979	18,379	18,371	1,607
Industrial Development Corporation	10	10	-	(10)	0.0%	-	-	10	(10)
Contingency	2,784	396	563	166	29.6%	750	750	750	-
Total Expenses	48,126	47,299	55,568	8,269	14.9%	73,572	68,338	67,842	5,730

Corporate Professional and Technical Services performance for the first nine months of 2009 was $8.3 million or 14.9% favorable compared to the approved budget and $827 thousand or 1.7% lower than the same period a year ago. The $8.3 million favorable variance is due primarily to timing of spending and to the implementation of the 2009 Expense Savings Plan. There aren't any major variances to report on since all departments are favorable. However, the unfavorable variance of $10 thousand in **Industrial Development Corporation** is due to charges incurred for the IDC/ET Fellowship Program. Year-end spending is projected to be $67.8 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	$ 11.3
Variance (Budget vs Estimated/Actuals)	$ 4.6