

Briefing on Third Quarter 2009 Financial Performance and the 2009 Year-End Forecast.

Port of Seattle

November 3, 2009

Portwide Income Summary

(\$ in thousands)	2008 YTD Actual	2009 YTD Actual	2009 YTD Budget	2009 Bud vs. Act Var \$	2009 Bud vs. Act Var %
Operating Revenues	364,714	358,465	367,221	(8,756)	-2.4%
Operating Expenses	<u>190,517</u>	<u>178,488</u>	<u>208,946</u>	<u>30,457</u>	<u>14.6%</u>
Income before Depreciation	174,197	179,976	158,276	21,701	13.7%
Depreciation	<u>106,997</u>	<u>112,885</u>	<u>117,456</u>	<u>4,571</u>	<u>3.9%</u>
Income after Depreciation	<u><u>67,201</u></u>	<u><u>67,091</u></u>	<u><u>40,819</u></u>	<u><u>26,272</u></u>	<u><u>64.4%</u></u>

Portwide Year-End Forecast

(\$ in thousands)	2008	2009	2009	2009 Bud vs. Fcst	
	Actual	Forecast	Budget	Var \$	Var %
Operating Revenues	488,996	459,875	486,367	(26,492)	-5.4%
Operating Expenses	<u>280,278</u>	<u>257,374</u>	<u>277,862</u>	<u>20,488</u>	<u>7.4%</u>
Income before Depreciation	208,719	202,501	208,506	(6,005)	-2.9%
Depreciation	<u>144,208</u>	<u>157,036</u>	<u>157,036</u>	-	0.0%
Income after Depreciation	<u><u>64,510</u></u>	<u><u>45,465</u></u>	<u><u>51,470</u></u>	<u><u>(6,005)</u></u>	<u><u>-11.7%</u></u>

Year-End Payroll Items Estimate

- VSP Costs: \$3,342K (53 FTEs participated)
- HR-10 Costs related to layoff: \$1,203K
 - Non-represented employees: \$623K
 - Represented employees: \$580K
- OPEB Medical Costs Reversal: \$7,630K
 - Due to change in retiree medical cost
- Net Cost Reduction: \$3,085K

Total Port 2009 Capital Spending

Division	Q1 Act.	Q2 Act.	Q3 Act.	Q4 Est.	YE Fcst	App'd Budget	Var.	Plan of Finance
(\$ in millions)								
Aviation	31.7	36.7	61.9	84.4	214.7	214.7	0.0	348.2
Seaport	18.8	18.0	4.5	10.1	51.4	100.4	49.0	126.7
Real Estate	0.4	0.5	0.5	98.8	100.2	105.2	5.0	116.3
Corporate	1.9	1.7	1.7	8.6	13.9	15.9	1.9	12.8
Total	52.7	57.0	68.5	201.9	380.2	436.1	55.9	604.0

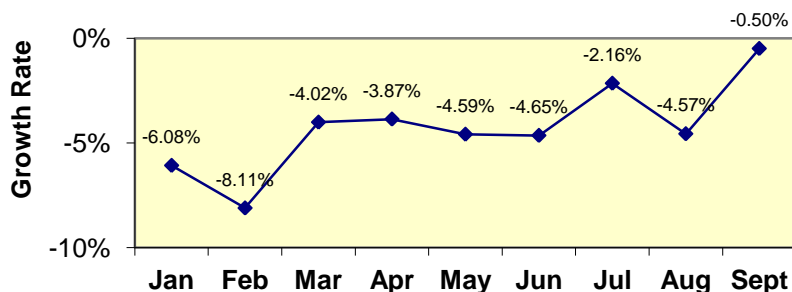
The background is a dark blue, monochromatic image. On the left, the silhouette of a large ship's hull and a crane structure is visible. On the right, the silhouettes of several people are shown, some standing and some walking, against a grid-like pattern that suggests a window or a screen. The overall scene is industrial and urban.

Aviation Division Performance Report 3rd Quarter 2009

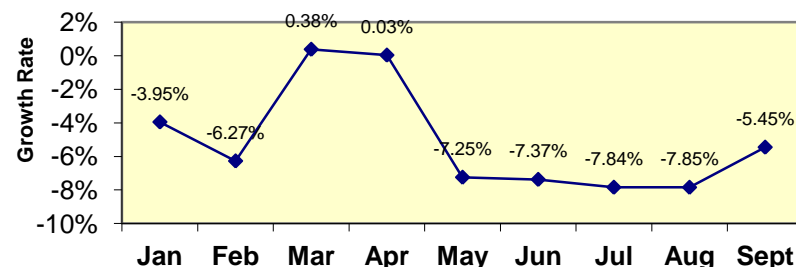
Aviation Business Highlights

- Airline activity:
 - YTD enplanements down 4.2% from 2008.
- Operating budget:
 - Implemented Aviation Expense Savings Plan of \$7.8M.
 - YTD expenses are below budget due to the Expense Savings Plan.
 - 2009 forecast \$3.2M over the targeted expense reductions due to emergency generators, snow event costs and elevator/escalator repairs.
- Non-airline revenues:
 - Decline in non-airline revenues exceeds decline in passengers.
 - Reduced forecast of non-airline revenues for a total of \$11M below approved budget.
- Capital budget:
 - Expect to spend more than approved annual budget due to restarting construction of Rental Car Facility.

Enplanements vs. Prior Year



Landed Weight vs. Prior Year



<i>Figures in 000's</i>	2008	2009	%	2008	2009	%
	YTD	YTD	Variance	Actual	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%

- March and April landed weight augmented by cargo diversion from Anchorage due to volcanic activity.

Q3 YTD Operating Revenues

	2007 YTD	2008 YTD	2009 YTD	2009 YTD	Actual/Budget	
	Actual	Actual	Actual	Budget	Var \$	Var %
<i>Figures in \$ 000s</i>						
Revenues						
Landing Fees	24,855	13,470	43,648	45,258	(1,610)	-3.6%
Terminal Rental	66,882	30,858	98,249	97,384	866	0.9%
Other Aero Revenues	6,287	2,770	9,958	10,454	(496)	-4.7%
Total Aeronautical	<u>151,454</u>	<u>150,550</u>	<u>152,449</u>	<u>153,883</u>	<u>(1,433)</u>	<u>-0.9%</u>
Public Parking	40,884	45,201	37,697	42,479	(4,782)	-11.3%
Rental Cars	25,898	27,364	26,508	26,901	(393)	-1.5%
Concessions	21,433	25,460	25,500	24,531	970	4.0%
Other Non-airline	15,735	16,954	15,694	16,555	(861)	-5.2%
Total Non-Aeronautical	<u>103,949</u>	<u>114,980</u>	<u>105,400</u>	<u>110,467</u>	<u>(5,067)</u>	<u>-4.6%</u>
Other	<u>6,373</u>	<u>4,296</u>	<u>6,305</u>	<u>6,528</u>	<u>(223)</u>	<u>-3.4%</u>
Total Revenues	<u><u>261,776</u></u>	<u><u>269,826</u></u>	<u><u>264,154</u></u>	<u><u>270,877</u></u>	<u><u>(6,723)</u></u>	<u><u>-2.5%</u></u>

- Air terminal revenues variance due to increase leased space than budgeted.
- Public parking revenues down 20% compare to YTD 2008 due to decrease in long-term transactions.

Q3 YTD Operating Expenses

<i>Figures in \$ 000s</i>	2007 YTD	2008 YTD	2009 YTD	2009 YTD	Actual/Budget	
	Actual	Actual	Actual	Budget	Var \$	Var %
Total Revenues	261,776	269,826	264,154	270,877	(6,723)	-2.5%
Expenses						
Total Salaries & Benefits	55,406	58,139	59,921	62,558	2,637	4.2%
Total Utilities	9,393	9,436	9,740	10,434	694	6.7%
Total Supplies & Stock	3,747	2,946	3,048	2,812	(236)	-8.4%
Total Outside Services	17,952	16,528	13,621	18,179	4,557	25.1%
Total Other	558	5,310	2,249	4,674	2,425	51.9%
Airport Expenses	87,057	92,680	88,580	98,657	10,077	10.2%
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	-	321	12	966	954	98.8%
Total Operating Expense	117,020	131,326	124,852	142,438	17,586	12.3%
Net Operating Income	144,756	138,500	139,302	128,439	10,863	8.5%

- YTD total spending under budget due to unfilled positions and delay of expense projects.

Aeronautical Business

<i>Figures in \$000s</i>	2008	2009	2009	Forecast/Budget	
	Actual	Forecast	Budget	Var \$	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 Passenger Airline Costs	191,323	179,248	188,084	8,835	4.7%

- Operating costs are forecasted to be lower than budgeted due to Expense Savings Plan and reversal of OPEB reserves which offset by HR-10, Volunteer Separation Program and unemployment costs.

Aeronautical Key Indicators

	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget	
				Var \$	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%

- Forecasted passenger airline CPE of \$11.67 is lower than budget due to cost cutting measures, lower interest rate paid to variable rate bond issues and savings from reversal of Other Post Employment Benefit (OPEB) reserves.

Non-Aeronautical Business

<i>Figures in \$000s</i>	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%
Terminal O&M	90,643	92,731	97,006	4,275	4.7%
S3826, S3827, S3828	8,664	8,638	9,120	483	5.6%
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%

- Rental cars forecasted lower due to decrease transactions and expiration of Minimum Annual Guarantee at the end of October.
- Concessions sales forecasted lower in concourses D and A.

Non-Aero Key Indicators

	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	<u>9.36</u>	<u>8.94</u>	<u>9.39</u>	<u>(0.45)</u>	<u>-4.8%</u>
Primary Concessions Sales / Enpl	10.29	9.62	10.19	(0.57)	-5.6%

- Primary concessions sales forecasted lower than budgeted.

Year-end Expense Forecast Summary

<i>Figures in \$ 000s</i>	2007	2008	2009	2009	Forecast/Budget	
	Actual	Actual	Forecast	Budget	Var \$	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	<u>175,864</u>	<u>163,146</u>	<u>162,043</u>	<u>170,485</u>	<u>(8,442)</u>	<u>-5.0%</u>

- 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 elevator/escalator repairs.
 - FEMA reimbursement for snow event costs of \$800k.

Summary Financial Results

<i>Figures in \$ 000s</i>	2007 Actual	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var \$ Var %	
Revenues						
Aeronautical	195,029	204,361	193,799	202,913	(9,114)	-4.5%
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	339,912	360,006	(20,094)	-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	162,043	170,485	(8,442)	-5.0%
Capital Expenditures	298,387	209,813	238,767	214,743	(24,024)	-11.2%
Traffic						
Enplanements	15,662	16,085	15,361	15,800	(439)	-2.8%
Landed Weight	21,014	21,516	20,430	21,281	(851)	-4.0%
Key Measures						
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%

- Expense reductions have mitigated increase in CPE.
- Debt service coverage remains strong.

Capital Budget Spending

<i>Figures in \$000s</i>	YTD Actual	2009	2009	Forecast/Budget		2009 Plan
		Forecast	Budget	Var \$	Var %	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 \$109M vs. plan of finance budget (31%) for 2009.
- Rental Car Facility restarted after six months of suspension. Includes both design and construction costs.
- 2009 Budget had anticipated claims from contractor which Port staff successfully negotiated down.

The background of the slide is a dark blue, semi-transparent image of a port terminal. It shows the silhouette of a large ship on the left, a complex crane structure in the center, and several people in silhouette on the right, one of whom appears to be talking on a mobile phone. The overall scene is industrial and maritime.

Seaport Division Performance Report 3rd Quarter 2009

Seaport Business Goals

Provide Compelling Value and Asset Utilization

- TEU volume was 1,125K, down (14%) from year-to date 2008. Full inbound TEU's were down (16%) and full outbound down (9%).
- TEU volume for the 3rd quarter 2009, was up 2% from 3rd quarter 2008.
- Grain volume at 3.9 million metric tons down 18% from 2008. Reduction partially due to temporary closures for grain spout upgrades.
- Full season cruise passengers 875,433 or 10% over 2009 full year budget.

2009 Expense Budget Reductions

- \$1.8 million in Seaport specific expense budget reductions.
- \$2.6 million in expense budget reductions inclusive of direct charges and allocations from other groups.
- Expense reductions reflected in full year forecasts.

Seaport Q3 YTD Operating Results

<i>In \$ Thousands</i>	2008 YTD	2009 YTD	2009 YTD	2009 Bud Var	
	Actual	Actual	Budget	\$	%
Operating Revenue	65,789	69,903	69,833	70	0%
Environmental Grants	6,846	643	425	218	51%
<u>Security Grants</u>	<u>744</u>	<u>207</u>	<u>3,392</u>	<u>(3,185)</u>	-94%
Total Revenue	73,378	70,753	73,649	(2,897)	-4%
Direct Expenses	13,084	16,005	21,071	5,066	24%
Security Expense	1,406	916	4,569	3,653	80%
Environmental Reserve	2,987	3,829	1,688	(2,142)	-127%
<u>Allocations</u>	<u>11,167</u>	<u>10,446</u>	<u>11,977</u>	<u>1,531</u>	13%
Total Expense	28,644	31,196	39,304	8,108	21%
Net Operating Income (NOI)	44,734	39,557	34,345	5,211	15%
NOI Excl Envir Grants/Reserve	40,875	42,743	35,608	7,135	20%

Seaport Division Key Variances

Revenue Detail (\$'s in Thousands)

Q3 YTD Business Unit	Variance to Budget Better (Worse)
Containers	(\$1,776)
Support Properties	(\$ 331)
Cruise	\$1,205
Grain	\$350
Docks/Industrial Properties	\$577
Security	(\$3,185)
Environmental Grants/Other	\$ 263
Total	(\$2,897)

Seaport Division Key Variances

Expense Detail (\$'s in Thousands)

Q3 YTD Expenses	Variance to Budget Better (Worse)
Outside Services	\$4,446
Security Expenses	\$3,653
Environmental Reserve	(\$2,142)
Corporate/CDD	\$1,237
ABC Fuels (classification change)	\$375
All Other	\$539
Total Expense	\$8,108

Seaport Business Groups

NOI Before Depreciation (\$'s in Millions)

	Q3 YTD Actual NOI	Variance to Budget Better (Worse)
Containers	\$29.1	\$3.6
Container Support Props	\$.5	(\$.6)
Cruise	\$7.2	\$1.9
Grain	\$3.3	\$.6
Docks/Indust Props	\$3.7	\$ 1.1
Security	(\$1.1)	\$.5
Envir Grants/ Reserve	(\$3.2)	(\$1.9)
Total Seaport	\$39.6	\$5.2

Seaport Full Year Operating Forecast

<i>In \$ Thousands</i>	2008	2009	2009	2009 Bud Var	
	Actual	Forecast	Budget	\$	%
Operating Revenue	85,453	86,187	90,131	(3,944)	-4%
Environmental Grants	8,833	850	850	0	0%
<u>Security Grants</u>	<u>850</u>	<u>1,747</u>	<u>3,955</u>	<u>(2,208)</u>	-56%
Total Revenue	95,136	88,784	94,935	(6,152)	-6%
Direct Expenses	22,265	23,424	27,234	3,810	14%
Security Expense	1,715	2,562	5,431	2,869	53%
Environmental Reserve	5,872	3,829	3,375	(454)	-13%
<u>Allocations</u>	<u>15,069</u>	<u>15,239</u>	<u>15,888</u>	<u>648</u>	4%
Total Expense	44,921	45,055	51,928	6,873	13%
Net Operating Income (NOI)	50,215	43,729	43,007	721	2%
NOI Excl Envir Grants/Reserve	47,254	46,708	45,532	1,176	3%

Seaport Capital 2009

Estimated Actual	Approved Budget	Variance to Budget	Est. Act. as % of App. Bud	Plan of Finance
\$51.4	\$100.4	\$49.1	51%	\$126.7

The background of the slide is a dark blue image. On the left, there is a silhouette of a large cargo ship docked at a pier with a gantry crane. On the right, there are silhouettes of several people in an office setting, some standing and some sitting, with a grid pattern overlaid on the scene.

Real Estate Division Performance Report 3rd Quarter 2009

Real Estate Business Goals

Provide Compelling Value and Asset Utilization

- **Occupancy Rates:** Commercial property at 94% occupancy, slightly below target of 95% and above 2009 Q3 Seattle market average of 82%.
- **FT/Marina Occupancy:** Fishermen's Terminal exceeded the Q3 YTD occupancy target. Shilshole Bay Marina, Harbor Island Marina, Bell Harbor, and Maritime Industrial Center below targets.

2009 Expense Budget Reductions

- \$1.4 million in Real Estate specific expense budget reductions.
- \$2.0 million in expense budget reductions inclusive of direct charges and allocations from other groups.
- Expense reductions reflected in 2009 full year forecasts.

Real Estate Division Q3 YTD Operating Results

<i>In \$ Thousands</i>	2008 YTD	2009 YTD	2009 YTD	2009 Bud Var	
	Actual	Actual	Budget	\$	%
Operating Revenue	25,826	23,168	23,171	(3)	0%
<u>Environmental Grants</u>	<u>(1,015)</u>	<u>0</u>	<u>75</u>	<u>(75)</u>	-100%
Total Revenue	24,812	23,168	23,246	(78)	0%
Direct Expenses	28,945	19,908	23,997	4,089	17%
Environmental Reserve	(13)	124	563	438	78%
<u>Allocations</u>	<u>1,177</u>	<u>1,554</u>	<u>1,839</u>	<u>285</u>	16%
Total Expense	30,109	21,586	26,399	4,813	18%
Net Operating Income (NOI)	(5,297)	1,582	(3,152)	4,735	150%
NOI Excl Envir Grants/Reserve	(4,296)	1,707	(2,665)	4,371	164%

Real Estate Division Q3 Key Variances

Revenue Detail (\$'s in Thousands)

2009 Year to Date Business Unit	Variance to Budget Better (Worse)
Recreational Boating	(\$164)
Fishing & Commercial	\$0
Commercial Properties	(\$62)
Third Party Management	\$171
RE Development & Planning	\$188
Eastside Rail	(\$138)
Facilities/Maintenance/Envir	(\$73)
Total	(\$78)

Real Estate Division Q3 Key Variances

Expense Detail (\$'s in Thousands)

2009 Year to Date Expense	Variance to Budget Better (Worse)
Third Party Management	\$666
Outside Services	\$1,405
Corporate /CDD	\$1,633
Maintenance Expense	\$713
Environmental Reserve	\$438
All Other	(\$42)
Total Expense	\$4,813

Real Estate Business Groups

NOI Before Depreciation (\$'s in Thousands)

	Q3 YTD Actual NOI	Variance to Budget Better (Worse)
Recreational Boating	\$1,879	\$633
Fishing & Commercial	(\$1,211)	\$696
Commercial & Third Party	\$1,244	\$2,526
RE Development & Planning	(\$130)	\$230
Eastside Rail	(\$75)	\$286
Environmental Reserve	(\$124)	\$363
Total Real Estate	\$1,582	\$4,735

Real Estate Division Full Year Forecast

<i>In \$ Thousands</i>	2008	2009	2009	2009 Bud Var	
	Actual	Forecast	Budget	\$	%
Operating Revenue	34,875	30,709	30,961	(252)	-1%
<u>Environmental Grants</u>	<u>1</u>	<u>150</u>	<u>150</u>	<u>0</u>	0%
Total Revenue	34,877	30,859	31,111	(252)	-1%
Direct Expenses	36,375	30,260	31,821	1,561	5%
Environmental Reserve	604	1,125	1,125	0	0%
<u>Allocations</u>	<u>1,840</u>	<u>1,711</u>	<u>2,445</u>	<u>734</u>	30%
Total Expense	38,819	33,096	35,391	2,295	6%
Net Operating Income (NOI)	(3,943)	(2,236)	(4,279)	2,043	48%
NOI Excl Envir Grants/Reserve	(3,340)	(1,261)	(3,304)	2,043	62%

Real Estate Capital 2009

Estimated Actual	Approved Budget	Variance to Budget	Est. Act. as % of App. Bud	Plan of Finance
\$100.1	\$105.2	\$5.0	95%	\$116.3

The background of the slide is a dark blue image of a port terminal. On the left, a large ship is docked at a pier. In the center and right, there are silhouettes of people walking and talking on mobile phones. The overall scene is dimly lit, suggesting dusk or dawn.

Capital Development Division Performance Report 3rd Quarter 2009

Capital Development Division

3d Qtr 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.

Capital Development Division Key Indicators

- Cost Growth on Major Construction for projects completed in 3rd Quarter.

PROJECT	NON-DISCRETIONARY CHANGE	DISCRETIONARY CHANGE
3 RD 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.

Capital Development Division Key Indicators

- 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.

Capital Development Division Operating Results and Forecast

In \$ Thousands	2008 YTD	2009 YTD		2009 Bud Var.		Year-End Projections			
	Actual	Actual	Budget	\$	%	Budget	Revised	Forecast	Var.
AvPMG	597	419	572	152	26.6%	761	721	759	2
PCS	2,854	1,094	1,059	(35)	-3.3%	1,449	1,431	1,384	65
ENG	906	724	973	250	25.6%	1,351	1,298	1,401	(50)
SPMG	560	542	1,096	554	50.5%	1,400	845	917	483
CPO	916	1,179	1,110	(70)	-6.3%	1,494	1,636	1,664	(170)
CDD 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 background is a dark blue image. On the left, there is a silhouette of a large cargo ship docked at a pier with several cranes. On the right, there is a silhouette of a modern office building with a grid of windows. In the foreground, there are silhouettes of people walking, including one person in a suit talking on a mobile phone.

Corporate Performance Report 3rd Quarter 2009

Corporate Highlights

- Presented the Port's cruise program to the Partnership for Prosperity Tourism Tour.
- Planned and managed a media event to celebrate the inaugural flight of Icelandair and re-start of the Rental Car Facility.
- Established health care premium sharing and wellness rewards for 2010.
- The Port's new Learning Management System was selected as the "Best Launch to an Organization" at the Plateau annual conference.
- Implemented the Concur expense system "Cognos".

Corporate Indicators

- More than 200 attended the first three Port 101 series event (Airport, Duwamish River, and Cruise)
- Managed 20 delegation visits and tours at Seaport and P69.
- Port's public website visits up 20.67 to 2.67M
- Occupational injury rate down from 5.89 to 5.48
- 98% completed the health assessment in the Wellness Incentive Program
- Completed and presented a number of internal audits to the Audit Committee

Corporate Operating Results

In \$ Thousands	2008 YTD	2009 YTD		2009 Bud Var.		Year-End Projections			
	Actual	Actual	Budget	\$	%	Budget	Revised	Forecast	Var.
Total Revenues	313	514	724	(210)	-29.0%	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	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 & Communication Tech	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	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 Responsibilities	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 Corp	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