ITEM NO.	9a Supp-2
DATE OF MEETING	May 19, 2009

Port of Seattle

QUARTERLY PERFORMANCE REPORT

AS OF MARCH 31, 2009

TABLE OF CONTENTS

I. PORTWIDE PERFORMANCE REPORT 3/31/09

INCOME STATEMENT

Report: Income Statement
As of Date: 2009-03-31

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	2009 Var % Act vs. 2008
Revenues:								
Seaport	27,750	21,616	22,704	(1,087)	-4.8%	94,829	22.8%	-22.1%
Real Estate	8,270	7,088	7,425	(337)	-4.5%	31,111	22.8%	-14.3%
Aviation	85,860	84,221	78,858	5,363	6.8%	358,956	23.5%	-1.9%
Corporate	18	125	341	(216)	-63.2%	1,470	8.5%	606.5%
Total Revenues	**121,897**	**113,051**	**109,328**	3,723	3.4%	**486,367**	**23.2%**	-7.3%
Operating & Maintenance:								
Seaport	2,512	5,487	11,308	5,821	51.5%	32,315	17.0%	118.5%
Real Estate	7,443	6,662	7,790	1,128	14.5%	32,300	20.6%	-10.5%
Aviation	28,892	29,899	34,086	4,187	12.3%	132,665	22.5%	3.5%
Capital Development	1,161	1,544	1,659	115	6.9%	7,010	22.0%	33.0%
Corporate	13,683	14,384	18,818	4,434	23.6%	73,572	19.6%	5.1%
Total O&M before Depreciation	**53,691**	**57,976**	**73,661**	15,686	21.3%	**277,862**	**20.9%**	8.0%
Operating Income Before Depreciation	**68,207**	**55,075**	**35,666**	19,409	54.4%	**208,506**	**26.4%**	-19.3%
Depreciation	34,473	36,496	38,458	1,961	5.1%	157,036	23.2%	5.9%
Total O&M and Depreciation	88,164	94,472	112,119	17,647	15.7%	434,897	21.7%	7.2%
Operating Income after Depreciation	**33,733**	**18,579**	**(2,791)**	21,370	-765.6%	**51,470**	**36.1%**	-44.9%

CAPITAL SPENDING RESULTS

[redacted]

I. PORTWIDE PERFORMANCE REPORT 3/31/09

EXECUTIVE SUMMARY

The first quarter Port of Seattle's overall operating revenues were $113.1 million, $3.7 million above the budget. Total operating expenses were $58.0 million, $15.7 million below budget. Operating income before depreciation was $55.1 million, $19.4 million above the budget. Operating income after depreciation is $18.6 million, $21.4 million above the budget.

Port-wide Capital spending was $52.7 million for the first quarter and is forecasted to be $398.8 million for the year, $37.3 million below the budgeted $436.1 million.

Within the Aviation Division, aeronautical revenues were $4.6 million over budget due to a budgeting error relating to seasonality. Non-airline revenues were $487K favorable due to advertising, retail and duty free, and concession services. Expenses were under budget due to expense project delays and implementation of the 2009 Expense Savings Plan. We forecast a shortfall of $9.3 million in non-airline revenues as Public Parking and Concessions will underperform against the budget due to decreased of enplanements. Operating expense is forecasted to be $10.2 million favorable due to implementation of the 2009 Expense Savings Plan. Total capital expenditures for 2009 are projected at $217.1 million.

Total Seaport revenues were $1.0 million unfavorable in the first quarter due to Security Grant Revenue. Security Grant projects are commencing later than assumed in budget. Expenses were $6.3 million favorable through the first quarter primarily due to timing of spending and lower cost of the Terminal 18 maintenance dredging and Terminal 30 upland dredge disposal projects. For the full year, Seaport is forecasting a $2.9 million unfavorable revenue variance due to implementation of the Container Customer Support Package, default of tenant at Terminal 104, and 1 month later commencement of the Terminal 30 lease than budgeted. Expenses are forecasted to be $3.1 million below budget due to implementation of the 2009 Expense Savings Plan and the lower cost of the Terminal 18 maintenance dredging and Terminal 30 upland dredge disposal projects. Net Operating Income is estimated to be approximately equal to the budget. Total capital spending for 2009 is projected at $61.9 million or 62% of the Approved Annual Budget amount of $100.4 million.

Total Real Estate revenues were $0.4 million unfavorable in the first quarter primarily due to lower than budgeted activity at Bell Harbor International Conference Center, World Trade Center Club and the Bell Street Garage. Expenses were $1.8 million favorable through the first quarter primarily due to timing of spending. For the full year, Real Estate is forecasting a $0.3 million unfavorable revenue variance due to lower occupancies at Shilshole Bay Marina and the termination of 3 tenants at other sites. Expenses are forecasted to be $2.0 million favorable expense variance due to implementation of the 2009 Expense Savings Plan. Net Operating Income is estimated to be approximately $1.7 million favorable to the budget. Total capital spending for 2009 is projected at $104.1 million or 99% of the Approved Annual Budget amount of $104.8 million.

Total Capital Development expenses were $115K favorable in the first quarter mainly due to $293K of T-18 project capital cost being misapplied to CPO expense from Seaport. We forecast an $866K positive variance at the end of the year 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 expenses in the first quarter were $4.4 million or 23.6% favorable compared to the budget primarily due to timing of the spending and implementation of the 2009 Expense Savings Plan. Year-end spending is projected to be $68.2 million, which is $5.3 million below budget. Total capital spending for 2009 is projected at $15.7 million or 99% of the Approved Annual Budget amount of $15.9 million.

II. AVIATION DIVISION PERFORMANCE REPORT 3/31/2009

FINANCIAL SUMMARY

Figures in $ 000's	2007 Actual	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Forecast/Budget Var %
Operating Revenues						
Aeronautical	193,872	203,275	195,848	201,864	(6,016)	-3.1%
Non-Aeronautical	143,975	150,528	138,979	148,289	(9,310)	-6.3%
Other	9,640	4,526	9,853	9,853	-	0.0%
Total Operating Revenues	347,487	358,329	344,680	360,006	(15,325)	-4.3%
Total Operating Expenses	171,624	195,183	179,280	189,521	10,241	5.8%
Net Operating Income	175,864	163,146	165,400	170,485	(5,085)	-2.9%
Capital Expenditure	298,387	209,813	217,183	214,743	(2,440)	-1.1%

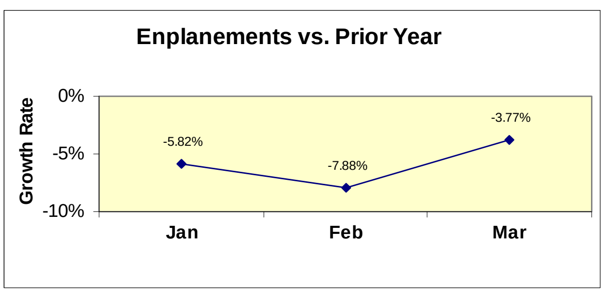
- We forecast a shortfall of $9.3 million in non-airline revenues as Public Parking and Concessions will underperform against the budget due to decreased of enplanements.
- Operating expense is forecasted to be $10.2 million favorable due to implementation of the 2009 Expense Savings Plan.
- Total capital expenditures for 2009 are projected at $217.1 million.

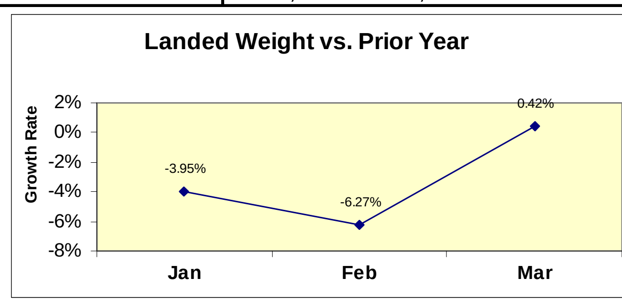
A. BUSINESS EVENTS

- Implemented Expense Savings Plan in order to achieve 6% savings in O&M costs.
- Mount Redoubt eruption forced diversion of both passenger and cargo flights from Anchorage to Seattle.
- Runway 16L closed for reconstruction end of March. Project is progressing well.
- Icelandair service between Seattle and Reykjavik to begin in July.

B. KEY INDICATORS

in 000s	2008 Q1	2009 Q1	% Variance	2008 Actual	2009 Fcst	% Variance
Enplanements	3,590	3,386	-5.7%	16,085	14,959	-7.0%
Landed Weight	4,947	4,791	-3.2%	21,516	20,437	-5.0%





- March 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 ($ 000's)	87,714	86,367	81,366	86,393	(5,027)	-5.6%
Passenger Airline CPE	11.73	11.89	12.18	11.90	(0.28)	-2.3%
Total Operating Cost / Enpl	10.96	12.13	11.98	11.99	0.01	0.1%

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

C. OPERATING RESULTS – IN THOUSANDS $

Figures $ 000's	2007 YTD Actual	2008 YTD Actual	2009 YTD Actual	2009 YTD Budget	Act/Budget Var $	Act/Budget Var %
Revenues						
Aeronautical	49,069	47,098	48,155	43,494	4,661	10.7%
Non-aeronautical	31,684	36,584	33,938	33,451	487	1.5%
Other	2,423	2,178	2,128	2,176	(48)	-2.2%
Total Revenues	83,176	85,860	84,221	79,121	5,100	6.4%
Expenses						
Airport Expenses	27,253	28,844	29,861	36,093	6,232	17.3%
Corporate/CDD Expenses	5,716	6,818	7,633	8,000	367	4.6%
Police Costs	3,392	3,637	3,048	3,936	888	22.6%
Other Charges	318	260	315	433	117	27.1%
Total Operating Expenses	36,679	39,559	40,858	48,461	7,604	15.7%
Net Operating Income	46,497	46,301	43,363	30,659	12,704	41.4%

- Aeronautical revenues favorable $4.6 million due to a budgeting error relating to seasonality.
- Non-airline revenues were favorable due to advertising, retail and duty free, and concession services.
- Expenses were 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	Var $	Var %
Operating Revenues	347,487	358,329	344,680	360,006	(15,325)	-4.3%
Expenses						
Payroll	82,627	89,458	83,820	87,779	3,959	4.5%
Outside Services	28,900	31,928	23,628	25,576	1,948	7.6%
Utilities	12,603	12,636	13,571	13,571	-	0.0%
Other	8,981	15,844	13,340	14,054	715	5.1%
Total Airport Expenses	133,110	149,865	134,358	140,979	6,622	4.7%
Corporate/Capital Development	24,260	30,031	30,459	32,800	2,341	7.1%
Police	14,253	15,287	14,464	15,743	1,279	8.1%
Total Operating Expenses	171,624	195,183	179,280	189,522	10,242	5.4%
Net Operating Income	175,864	163,146	165,400	170,484	(5,083)	-3.0%
Depreciation Expense	101,118	107,349	115,213	115,605	392	0.3%
Non-Operating Rev/(Exp)						
Grants & Donations Revenues	89,692	49,461	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	24,573	24,573	-	0.0%
Other Non-operating Rev/(Exp)	(80,848)	(105,378)	(116,013)	(116,013)	-	0.0%
Total Non-Operating Rev/(Exp)	94,527	30,386	28,839	34,361	(5,522)	-16.1%
Total Revenue Over Expense	169,272	86,183	79,027	89,240	(10,213)	-11.4%

- Operating revenues are forecasted to be $9.3 million unfavorable due to decline of parking transactions, rental car activity, and concession.
- 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 variances from Maintenance and Utilities due to more snow and water storms than anticipated.

II. AVIATION DIVISION PERFORMANCE REPORT 3/31/2009

BUSINESS UNIT SUMMARY

Aeronautical Business Unit

Figures in $ 000's	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Forecast/Budget Var %
Revenues requirement:					
Capital Costs	81,535	80,350	80,350	-	0.0%
Operating Costs net Non-Aero	131,024	121,887	127,921	6,034	4.7%
Total Costs	212,559	202,237	208,271	6,034	2.9%
FIS Offset	(5,250)	(5,550)	(5,550)	-	0.0%
Other Offsets	(15,686)	(14,033)	(14,052)	(19)	0.1%
Net Revenue Requirement	191,623	182,654	188,670	(6,016)	-3.2%
Other Aero Revenues	11,651	13,194	13,194	-	0.0%
Total Aero Revenues	203,275	195,848	201,864	(6,016)	-3.0%
Non-passenger Airline Costs	11,952	13,612	13,780	168	1.2%
Net Pasenger Airline Costs	191,323	182,236	188,084	5,847	3.1%

	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Forecast/Budget Var %
CPE:					
Capital Costs / Enpl	5.07	5.37	5.09	(0.29)	-5.6%
Operating Costs / Enpl	8.15	8.15	8.10	(0.05)	-0.6%
Offsets	(0.98)	(0.94)	(0.89)	0.05	-5.5%
Non-passenger airline costs	(0.74)	(0.91)	(0.87)	(0.04)	4.3%
Passenger airline CPE	**11.89**	**12.18**	**11.90**	**(0.28)**	**-2.3%**

- Operating costs are forecasted to be lower than budgeted due to budget savings from payroll, travel and registration, and outside services.
- Forecasted passenger airline cost per enplanement (CPE) of $12.18 is higher than budget primarily due to lower enplanements.

II. AVIATION DIVISION PERFORMANCE REPORT 3/31/2009

Non-Aero Business Unit

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	35,177	35,867	(691)	-1.9%
Concessions	33,181	30,052	32,821	(2,769)	-8.4%
Other	22,644	21,787	22,224	(437)	-2.0%
Total	150,528	138,979	148,289	(9,310)	-6.3%
Operating Expense	61,279	57,174	60,639	3,465	5.7%
Share of terminal O&M	16,396	17,287	18,105	818	4.5%
Less utility internal billing	(13,515)	(16,848)	(16,848)	-	0.0%
Net Operating & Maint	64,160	57,613	61,896	4,283	6.9%
Net Operating Income	86,367	81,366	86,393	(5,027)	-5.8%

	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Var %
Revenues / Enplanement					
Parking Revenue	3.67	3.47	3.63	(0.16)	-4.3%
Rental Car Revenue	2.21	2.35	2.27	0.08	3.6%
Concessions	2.06	2.01	2.08	(0.07)	-3.3%
Other Revenue	1.41	1.46	1.41	0.05	3.5%
Total Revenue	9.36	9.29	9.39	(0.09)	-1.0%
Primary Concessions Sales / Enpl	10.29	9.75	10.19	(0.44)	-4.3%

- Public parking revenues are forecasted to underperform due to decline in daily transactions by 20% over prior year.
- Rental car revenues are forecasted to come in lower than budgeted due to weak rental car activity.
- Concessions revenues are forecasted lower than budgeted due to decline in enplanements.

D. CAPITAL SPENDING RESULTS – IN THOUSANDS $

Figures in $ 000's	YTD Actual	2009 Forecast	2009 Budget	Fcst/Budget Var $	Var %	2009 Plan of Finance
R/W 16L/34R Reconstruction	499	70,499	71,000	501	0.7%	82,715
Rental Car Facility	13,060	33,260	37,519	4,259	11.4%	117,200
100% Baggage Screening	5,460	10,960	18,000	7,040	39.1%	21,727
Third Runway Projects	3,657	14,514	17,281	2,767	16.0%	47,027
Other	8,993	87,950	70,943	(17,007)	-24.0%	79,533
Total	31,669	217,183	214,743	(2,440)	-1.1%	348,202

- Reduced budgeted spending by $133M vs. plan of finance budget (38%) for 2009.
- Suspended construction of Rental Car Facility in December.
- Forecasting to spend $9.5 million on newly approved project C8000254, Aircraft RON parking.

III. SEAPORT DIVISION PERFORMANCE REPORT 3/31/2009

FINANCIAL SUMMARY

$'s in 000's	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Var %
Operating Revenue	85,453	87,234	90,131	(2,897)	-3%
Environmental Grants	8,833	850	850	0	0%
Security Grants	850	3,955	3,955	0	0%
Total Operating Revenues	**95,136**	**92,038**	**94,935**	**(2,897)**	**-3%**
Total Operating Expenses	**44,921**	**48,839**	**51,928**	**3,089**	**6%**
Net Operating Income	**50,215**	**43,199**	**43,007**	**192**	**0%**
NOI Excl Envir Grants/Reserve	**47,254**	**45,724**	**45,532**	**192**	**0%**
Capital Expenditures	**88,523**	**61,899**	**100,425**	**38,526**	**38%**

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

- Total Seaport revenues were ($1.0) million unfavorable in the first quarter due to Security Grant Revenue. Security Grant projects are commencing later than assumed in budget. For the full year, Seaport is forecasting a $2.9 million unfavorable revenue variance due to implementation of the Container Customer Support Package, default of tenant at Terminal 104, and 1 month later commencement of the Terminal 30 lease than budgeted.
- Total Operating Expenses were $6.3 million favorable through the first quarter primarily due to timing and due to lower cost of the Terminal 18 maintenance dredging and Terminal 30 upland dredge disposal projects than budgeted. For the full year, Seaport is forecasting a $3.1 million favorable expense variance due to implementation of the 2009 Expense Savings Plan and the lower cost of the Terminal 18 maintenance dredging and Terminal 30 upland dredge disposal projects.
- Forecasted Net Operating Income for 2009 is estimated to be approximately equal to the 2009 Budget and ($7.0) 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 $2.7 million for the Terminal 30 upland dredge disposal project.
- Total capital spending for 2009 is projected at $61.9 million or 62% of the Approved Annual Budget amount of $100.4 million. The reduction in capital spending is the result of deferring projects.

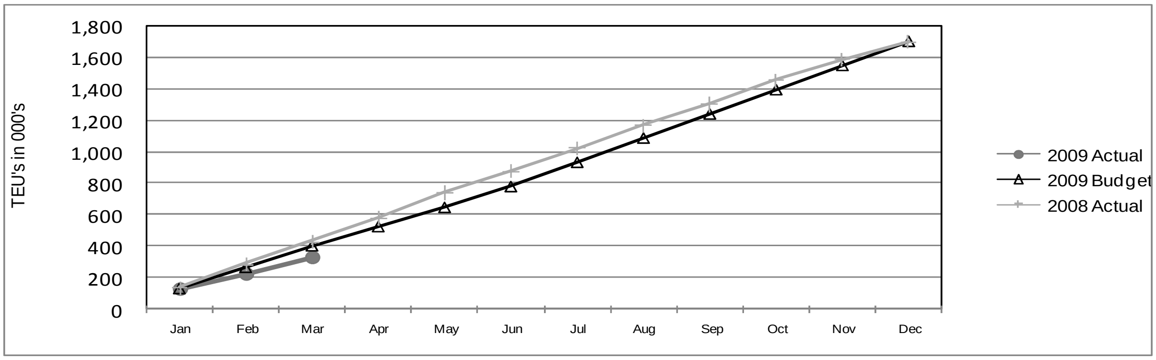
A. BUSINESS EVENTS

- TEU volumes for Seattle Harbor are down 23.1% in 2009 compared to the same period in 2008. Total 2009 YTD volume is 331K TEU's. 2009 full inbound TEU's are down 28.1%, full outbound TEU's are down 24.2%, empty inbound TEU's are down 22.9%, and empty outbound TEU's are up 8.0%.
- It was announced that Maersk and CMA-CGM will commence service at Terminal 18 in June.
- Grain vessels shipped 1,679K metric tons of grain through Terminal 86 YTD in 2009. Amount represents a 3% increase over 2008 YTD. Market expected to remain stable through 2009.
- Smith Cove cruise facility is on schedule to open for the 2009 cruise season with the first call at the new terminal to take place on April 24th.
- Reactivation of Terminal 30 to a container facility is on schedule for completion in May 2009.
- Transportation Worker Identification Credential (TWIC) guidelines successfully implemented at Terminal 91 on February 28, 2009.
- In connection with the 2009 Expense Savings Plan, the Seaport Division reduced 2009 Budgeted Operating Expenses by $1.8 million.

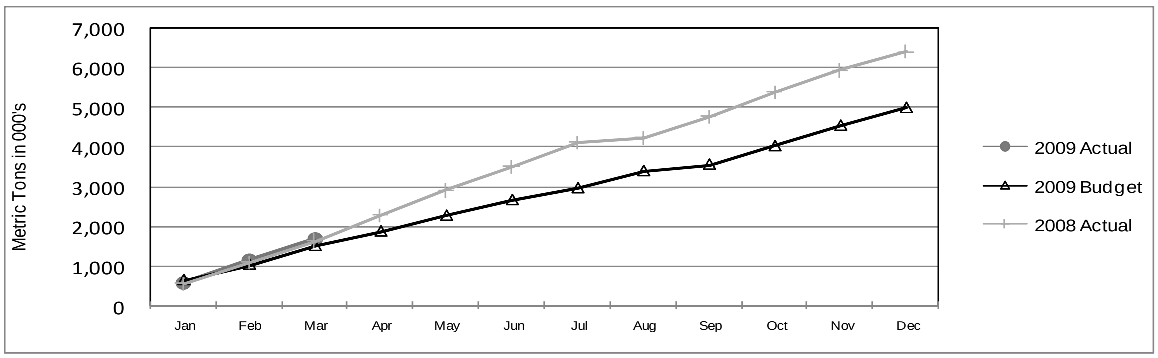
III. SEAPORT DIVISION PERFORMANCE REPORT 3/31/2009

B. KEY INDICATORS

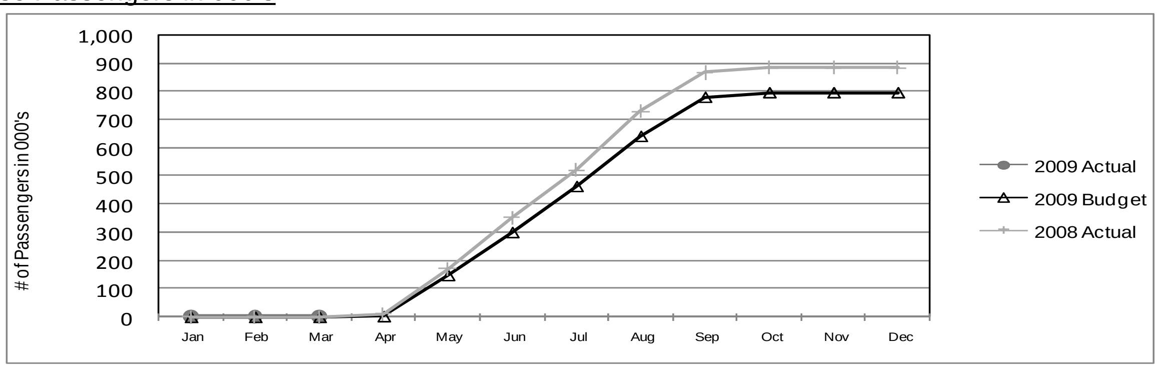
Container Volume – TEU's in 000's



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	11,133	9,241	6,334	2,907	46%	(1,892)	-17%
Container Support Props	322	389	387	2	0%	67	21%
Cruise	(731)	(645)	(1,623)	978	60%	86	12%
Grain	1,284	1,541	1,116	425	38%	256	20%
Docks/Industrial Props	1,390	1,502	681	820	120%	111	8%
Security	(243)	(270)	(474)	204	43%	(27)	-11%
Envir Grants/Reserve	7,809	12	0	12	NA	(7,797)	-100%
Total Seaport	20,964	11,768	6,421	5,347	83%	(9,196)	-44%

III. SEAPORT DIVISION PERFORMANCE REPORT 3/31/2009

C. OPERATING RESULTS – IN THOUSANDS $

In $ Thousands	2008 YTD	2009 Year-to-Date		2009 Bud Var		Year-End Projections		
	Actual	Actual	Budget	$	%	Budget	Forecast	Variance
Operating Revenue	19,940	21,560	21,436	123	1%	90,131	87,234	(2,897)
Environmental Grants	7,809	12	0	12	NA	850	850	0
Security Grants	(0)	152	1,267	(1,115)	-88%	3,955	3,955	0
Total Revenue	**27,750**	**21,724**	**22,704**	**(980)**	**-4%**	**94,935**	**92,038**	**(2,897)**
Direct Expenses	3,412	6,360	10,625	4,265	40%	27,234	24,797	2,438
Security Expense	185	300	1,616	1,316	81%	5,431	5,365	66
Environmental Reserve	0	0	0	0	NA	3,375	3,375	0
Divisional Allocations	554	548	596	48	8%	2,378	2,275	103
Corporate Allocations	2,634	2,747	3,446	699	20%	13,510	13,027	482
Total Expense	**6,785**	**9,956**	**16,283**	**6,327**	**39%**	**51,928**	**48,839**	**3,089**
NOI Before Depreciation	**20,964**	**11,768**	**6,421**	**5,347**	**83%**	**43,007**	**43,199**	**192**
Depreciation	6,670	6,749	6,924	175	3%	30,903	31,057	(154)
NOI After Depreciation	**14,295**	**5,020**	**(503)**	**5,523**	**-1098%**	**12,105**	**12,143**	**(38)**
NOI Excl Envir Grants/Reserve*	**13,155**	**11,757**	**6,421**	**5,335**	**83%**	**45,532**	**45,724**	**192**

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

Total Seaport revenues were ($980K) unfavorable to budget. Key variances
Containers and Support Properties unfavorable ($493K).

- Containers ($478K) unfavorable. Crane Rent Revenue ($61K) unfavorable due to lower crane hours at Terminal 5 than assumed in the budget. Operating Grant Revenue ($398K) unfavorable due to lower reimbursement from King County for Terminal 30 upland disposal of dredge materials because the project cost less than anticipated in the budget.
- Support Properties ($16K) unfavorable due to lower volumes than budgeted at Terminal 18 liquid bulk facility.

Cruise and Industrial Properties favorable $617K.

- Cruise $101K favorable primarily due to prior year *Savings Rent* in excess of 2008 year-end accrual.
- Bulk Terminals $175K favorable. Terminal 86 grain volume exceeded budget by 12%.
- Docks $225K favorable primarily due to favorable barge activity from preferential use customers and fishing activity from both preferential and non-preferential use customers. Implementation of TWIC related tariff charges and increased License to Use Revenue also contributed to the favorable variance.
- Industrial Properties $115K favorable largely due to higher than expected Carnitech percentage rent.

Security Grants unfavorable ($1,115K) due to Rounds 6 and 7 grant activities commencing later than planned. Amount more than offset by corresponding favorable expense variance.

Expenses were $6,327K favorable to budget. Key variances:

- Security favorable $1,316K primarily due to Round 6 and 7 grant activities commencing later than planned. Amount is partially offset by corresponding unfavorable revenue variance above.
- Outside Services favorable $3,506K largely due timing except for the lower than budgeted cost of the Terminal 18 maintenance dredge project ($873K) and the Terminal 30 upland dredge disposal project ($948K), and certain project items that were eliminated or reduced in the 2009 Expense Savings Plan.
- Miscellaneous Expense favorable $600K due to timing of recognition of expense components of T30/T91 project $525K. Balance of variance reflects Seaport Expense Contingency which is $75K favorable also due to timing.
- Maintenance favorable $100K due to lower cost of or deferral of project work as well as lower overhead allocations.
- Corporate and Capital Development costs, direct and allocated, favorable $422K due to timing.
- All other variances netted to a favorable $458K or about 1% of total expenses budgeted.

NOI Before Depreciation was $5,347K favorable to budget.

- Depreciation was $175K favorable or 3% of the budget.

NOI After Depreciation was $5,523K favorable to budget.

III. SEAPORT DIVISION PERFORMANCE REPORT 3/31/2009

FORECAST

As of 1st quarter, Seaport anticipates ending the year $192K above budget for NOI Before Depreciation assuming that the year-end environmental reserve is consistent with the 2009 budgeted level. Revenue is expected to fall below budget due to implementation of Container Customer Support Package, default of tenant at Terminal 104, and 1 month later commencement of the Terminal 30 container facility lease than budgeted. Operating expenses are estimated to be favorable by $3,089K due to implementation of the 2009 Expense Savings Plan $2,591K and lower than expected cost of the Terminal 18 maintenance dredging and Terminal 30 upland dredge disposal projects.

CHANGE FROM 2008 ACTUAL

NOI Before Depreciation decreased by ($9,196K) 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 18 maintenance dredging and Terminal 30 upland dredge disposal projects.

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 10	702	4,091	3,389	17%	4,000
Terminal 30/91 Program	32,811	35,774	2,963	92%	46,445
Green Port Initiative	250	2,800	2,550	9%	2,800
Security	7,126	7,871	745	91%	4,563
All Other	21,010	20,989	(21)	100%	39,977
Total Seaport	61,899	100,425	38,526	62%	126,685

Comments on Key Projects:

Through first quarter, Seaport spent 19% of the approved budget. Full year spending is estimated to be 62% of the Approved Budget.

Projects with significant changes in spending were:

- Terminal 30/91 Program – Project is on schedule and on budget. Certain of the costs for the project do not qualify for capitalization and are included in Operating Expenses or Environmental Reserve rather than in Capital Spending.
- 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 3/31/2009

FINANCIAL SUMMARY

In $ Thousands	2008 Actual	2009 Forecast	2009 Budget	Forecast/Budget Var $	Var %
Operating Revenue	34,875	30,705	30,961	(256)	-1%
Environmental Grants	1	150	150	0	0%
Total Operating Revenue	**34,877**	**30,855**	**31,111**	**(256)**	**-1%**
Total Operating Expense	**38,819**	**33,396**	**35,391**	**1,994**	**6%**
NOI Before Depreciation	**(3,943)**	**(2,541)**	**(4,279)**	**1,738**	**41%**
NOI Excl Envir Grants/Reserve	**(3,340)**	**(1,566)**	**(3,304)**	**1,738**	**53%**
Capital Expenditures	**21,196**	**104,088**	**105,165**	**1,077**	**1%**

- Total Real Estate Division revenues were ($0.4) million unfavorable in the first quarter primarily due to lower than budgeted activity at Bell Harbor International Conference Center, World Trade Center Club and the Bell Street Garage. For the full year, Real Estate is forecasting a ($0.3) million unfavorable revenue variance due to lower occupancies at Shilshole Bay Marina and the termination of 3 tenants at other sites.
- Total Operating Expenses were $1.8 million favorable through the first quarter primarily due to timing. For the full year, Real Estate is forecasting a $2.0 million favorable expense variance due to implementation of the 2009 Expense Savings Plan.
- Forecasted Net Operating Income for 2009 is estimated to be approximately $1.7 million favorable to the 2009 Budget and $1.4 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 $104.1 million or 99% of the Approved Annual Budget amount of $104.8 million. The most significant project in 2009 is the Eastside Rail Corridor.

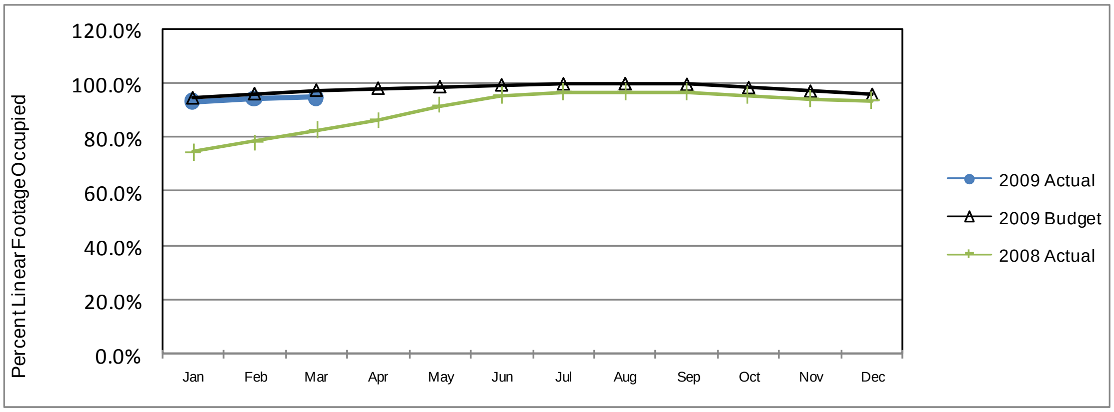
A. BUSINESS EVENTS

- The Port entered into a lease agreement with Columbia Hospitality, Inc. (CHI) for the former Odyssey space, now called the Maritime Event Center. A subsequent sublease agreement was executed between the Port and CHI allowing for a 4th amendment to the Management Agreement at the Bell Harbor International Conference Center to be executed. The result is the addition of the Maritime Event Center to the Bell Harbor International Conference Center as an event center to be managed by CHI.
- 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 1st quarter, moorage occupancies at Fishermen’s Terminal and the Maritime Industrial Center exceeded 2009 Budget Targets. Shilshole Bay Marina, Harbor Island Marina and Bell Harbor Marina all came in slightly below 2009 Budget Targets.
- Joint session convened with the City of Burien and Port senior staff to review draft redevelopment strategy for the Northwest Redevelopment Area.
- 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.

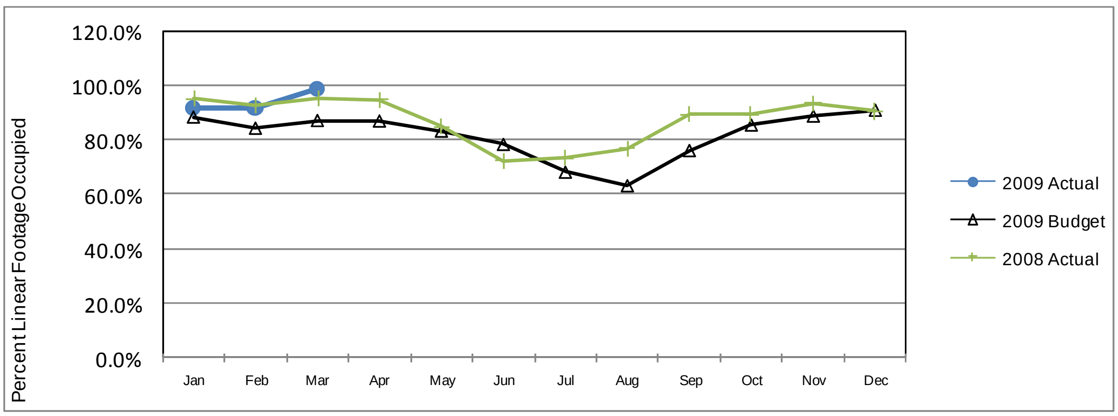
IV. REAL ESTATE DIVISION PERFORMANCE REPORT 3/31/2009

B. KEY INDICATORS

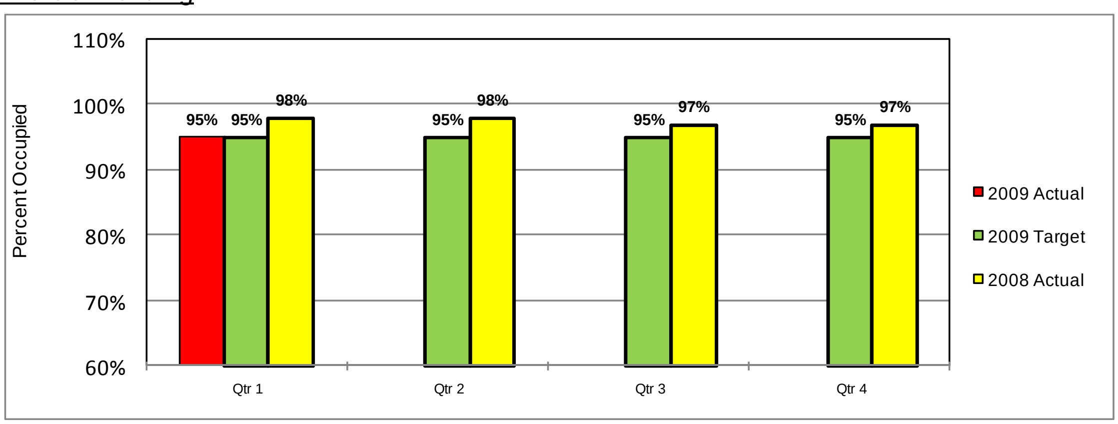
Shilshole Bay Marina Occupancy



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	410	497	270	227	84%	87	21%
Fishing & Commercial	(204)	(346)	(609)	263	43%	(143)	-70%
Commercial & Third Party	817	(2)	(591)	588	100%	(820)	-100%
Eastside Rail	0	(27)	(154)	126	82%	(27)	NA
RE Development & Plan	17	59	(67)	126	188%	42	242%
Total Real Estate	1,041	180	(1,150)	1,330	116%	(861)	-83%

IV. REAL ESTATE DIVISION PERFORMANCE REPORT 3/31/2009

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	8,270	6,980	7,425	(444)	-6%	30,961	30,705	(256)
Environmental Grants	0	0	0	0	NA	150	150	0
Total Revenue	**8,270**	**6,980**	**7,425**	**(444)**	**-6%**	**31,111**	**30,855**	**(256)**
Direct Expenses	6,978	6,433	7,946	1,513	19%	31,821	30,539	1,282
Environmental Reserve	0	0	0	0	NA	1,125	1,125	0
Divisional Allocations	(778)	(791)	(880)	(89)	-10%	(3,515)	(3,399)	(116)
Corporate Allocations	1,029	1,158	1,509	351	23%	5,960	5,131	829
Total Expense	**7,230**	**6,800**	**8,575**	**1,775**	**21%**	**35,391**	**33,396**	**1,994**
NOI Before Depreciation	**1,041**	**180**	**(1,150)**	**1,330**	**116%**	**(4,279)**	**(2,541)**	**1,738**
Depreciation	2,529	2,469	2,632	163	6%	10,528	10,501	(27)
NOI After Depreciation	**(1,488)**	**(2,289)**	**(3,782)**	**1,494**	**39%**	**(14,807)**	**(13,042)**	**1,765**
NOI Excl Envir Grants/Reserve*	**1,041**	**180**	**(1,150)**	**1,330**	**116%**	**(3,304)**	**(1,566)**	**1,738**

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

REVENUES: UNFAVORABLE ($444K)

Harbor Services: Unfavorable ($33K)

- **Recreational Boating Unfavorable ($27K)** primarily due to slightly higher than budgeted vacancy at SBM.
- **Fishing and Commercial was unfavorable ($6K)** due to higher demand for inner harbor slips by working boats which limited the space available for recreational vessels.

Portfolio Management Unfavorable ($503K)

- **Commercial Properties Favorable $9K** primarily due to higher occupancy at T-102 than budgeted. Amount was partially offset by incorrect posting of lease payments for Tsubota site to RE Development and Planning.
- **Third Party Managed Properties Unfavorable ($512K)** due to lower than anticipated activity at Bell Harbor International Conference Center, World Trade Center Club, and the Bell Street Garage.

RE Development and Planning: Favorable $95K

- **Terminal 91 General Industrial Favorable $95K** due to tenants budgeted in Portfolio Management but lease payments posted to Development and Planning. In addition, a month to month tenant that was assumed to vacate has continued to lease.

EXPENSES: FAVORABLE $1,775K. KEY VARIANCES:

- Third Party Management Expense favorable $377K primarily due to lower activity than budgeted at Bell Harbor International Conference Center and the World Trade Center Club.
- Outside Services (excluding Maintenance, Corporate and Capital Development) favorable $527K 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 & Professional Services related to the Eastside Rail Corridor.
- Maintenance expenses favorable $205K 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 $677K 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 $11K or less than 1% of Total Expenses Budgeted.

NOI BEFORE DEPRECIATION was $1,330K favorable to Budget.

- Depreciation was $163K favorable due to overstatement of Harbor Service's Depreciation in the Budget.

NOI AFTER DEPRECIATION was $1,494K favorable to Budget.

IV. REAL ESTATE DIVISION PERFORMANCE REPORT 3/31/2009

FORECAST

As of 1st Quarter, Real Estate anticipates ending the year $1,738K 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 ($256K) primarily due to lower occupancies at Shilshole Bay Marina and the termination of 3 tenants at other sites. Operating expenses are estimated to be favorable by $1,994K due to implementation of the 2009 Expense Savings Plan. NOI After Depreciation is currently estimated to end the year $1,765K favorable to budget. Excluding Environmental Grants and Reserve, NOI Before Depreciation is expected to come in at $1,738K favorable to Budget.

CHANGE FROM 2008 ACTUAL

Net Operating Income decreased by $861K between 1st Quarter 2008 and 1st Quarter 2009. Revenue decreased by $1,290K 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 $430K in 2009 primarily due to less activity at Bell Harbor International Conference Center, 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	96,297	96,302	5	100%	0
Small Projects	2,153	1,753	(400)	123%	1,665
RE Division Green Initiative	500	1,000	500	50%	1,000
Pier 69 North Apron Piling Cathodic	300	1,000	700	30%	1,060
MIC Seawall Replacement	234	649	415	36%	800
All Other	4,604	4,461	(143)	103%	4,809
Total Real Estate	104,088	105,165	1,077	99%	9,334

Comments on Key Projects:

Through first quarter, the Real Estate Division spent less than 1% of the approved budget. Full year spending is estimated to be 99% of the Approved Budget.

Projects with significant changes in spending were:

- Eastside Rail Corridor – Sale is expected to close in 2009.
- Small Projects – Workload issues due to insufficient staffing have pushed the start of some projects into later in the year and completion into 2010.
- Green Port Initiative – Part of the construction of a stormwater improvement project will take place in 2010.
- Pier 69 North Apron Piling Cathodic System – Later start of project than expected. Work will take place over 2009 and 2010.
- MIC Seawall Replacement – In-water construction start is delayed to 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

A. BUSINESS EVENTS

- The 2008 PCS Annual Report was published and the information was provided to the Commissioners and the Senior Executive Team.
- Hiring freeze has resulted in the use of more consultant time in lieu of more cost effective FTEs. This also has negatively impacted the overhead ratio.
- Unemployment due to termination in 2008 that were not anticipated/not budgeted. This variance is expected to continue through year-end.
- Port issued new procedure for personal and professional services, CPO-1. As part of implementation, CPO conducted 9 all-day training sessions for CPO-1. At the end of May, 2009, 13 training sessions will be completed with over 350 attendees.
- Project Labor Agreement Administration was turned over to the Port's Labor Relations group from the consultant team.
- Rental Car Facility Project continued with site-button up and continued analysis of work shutdown, funding options and cash flows.

B. KEY INDICATORS

- Construction Soft Costs: 18.9% of total project costs for period 2005-2008 inclusive.
  Goal: no more than 25% of total project costs.

- Cost Growth during Construction: 10 projects closed in 2008 had average of 6.3% total cost growth.
  Goal: no more than 4% discretionary and no more than 4% non-discretionary.

- Schedule: Projects on or ahead of schedule – 31, Projects delayed – 41.
  Goal: no more than 10% average time growth.

- Small Business Participation: Not available
  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: Not available
  Goal: Score 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: 79.3%
  Goal: 98% of PREPs within 4 weeks of review date.

V. CAPITAL DEVELOPMENT DIVISION PERFORMANCE REPORT

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 Forecast	Year-End Projections Var.
Capital Development Admin	-	82	140	58	41.1%	554	339	215
Engineering	284	229	274	45	16.5%	1,351	1,295	56
Port Construction Services	363	252	335	82	24.6%	1,449	1,431	18
Central Procurement Office	22	671	376	(295)	-78.4%	1,494	1,591	(97)
Aviation PMG	177	135	191	56	29.3%	761	707	54
Seaport PMG	316	175	344	169	49.1%	1,400	780	620
Total Expenses	1,161	1,544	1,659	115	6.9%	7,010	6,144	866

CDD 2009 budgeted total cost before capital charges and transfers is some $35 million, while these figures represent the net expense left over after allocations to capital. The combination of delayed programmed hires, furloughs and cuts to travel and other employee expenses puts the forecast CDD execution well within the revised budget target, notwithstanding some errors noted below.

- The CPO's $295K negative budget variance in the first quarter:
    - $293K of T-18 project capital cost misapplied to CPO expense from Seaport. Will be reversed in Q2.
    - $45K CPO personnel cost budgeted in the wrong organization.
    - $8K of supplies cost misapplied to CPO. Will be reversed in Q2.
- The CPO's $97K budget variance in year-end projection is due to same personnel cost budgeting change as above. Variance will continue to show.
- The two PMGs forecast year-end results below their budgets. Seaport PMG continues to have one unfilled but budgeted staff position. Aviation PMG has seen less expense work than anticipated and is therefore billing more to capital.

D. CAPITAL SPENDING RESULTS – IN THOUSANDS $

Not applicable. The Capital Development Division (CDD) 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.

VI. CORPORATE PROF. & TECHNICAL SERVICES PERFORMANCE REPORT 3/31/09

A. BUSINESS EVENTS

- Completed the budget reductions adjustment for a total of $16.5 million in the budget system: two week furloughs, reduced spending in travel, and other accounts all of which contributed towards the $16.5 million in budget reductions.
- Completed Commission review of four citizen panel recommendations and adoption of guiding principles and initiate broader strategic planning process.
- POS Women's Initiative "Women to Women Wisdom Summit:" held on March 31, 2009 with more than 90 attendees.
- Completed several important ICT projects, including Intranet Redesign, Aviation Dashboard, and Geographic Information Systems (GIS) Data Collection.
- Viaduct/Seawall Replacement Project: announcement of decision to pursue Bored Tunnel Hybrid and potential Port participation as funding partner.
- Joint Port Commission strategies: Commissioner Presidents' meeting to recommend transportation infrastructure priorities for road & rail projects/policies.
- The Police Department has applied for stimulus funded grants to help address the funding challenges being faced by the department.

B. KEY INDICATORS

- Using McKay report recommendations, developing a code of conduct and ethics compliance program and improving policies, procedures and training related to ethics and personnel conduct.
- Occupational injury rate decreased from 6.65 in the first quarter of 2008 to 5.20 in the first quarter of 2009. Our lost work day case rate decreased from 2.22 in the first quarter of 2008 to 1.53 in the first quarter of 2009.
- 1,599 employees have completed the Workplace Responsibility policy review curriculum.
- Our recycling efforts were touted in a number of local, national, and international publications and aired on a number TV and radio programs.
- Stimulus transportation funding distribution supports projects with freight and passenger benefits for Port; will pursue additional opportunities.
- Government Relations supported the Seaport and Airport divisions representing their interests before city, county and regional governments. Among the accomplishments: With the Port's support, the Seattle City Council approved legislation aimed at limiting non-industrial development in areas near Port cargo facilities, Port needs are addressed in work plan for Seattle transportation planning; the Port and King County are involved in study of cruise-ship waste disposal with the opening of the new cruise terminal.
- Police Department Indicators:

January – March	Calls for Service	15,459
January – March	Arrests – No Warrant	233
January – March	Arrests – Warrant	153

- Completed and presented the following audits to the Audit Committee:
  - Central Procurement
  - Host & Seattle Restaurant
  - Bell Harbor Conference Center
  - Cruise Terminals of America

VI. CORPORATE PROF. & TECHNICAL SERVICES PERFORMANCE REPORT 3/31/09

C. OPERATING RESULTS – IN THOUSANDS $

	2008 YTD	2009 YTD		2009 Bud Var.		Year-End Projections		
In $ Thousands	Actual	Actual	Budget	$	%	Budget	Forecast	Var.
Total Revenues	18	125	341	(216)	-63.2%	1,470	1,470	-
Executive	445	361	436	75	17.1%	1,540	1,449	92
Commission	236	209	280	71	25.3%	867	844	22
Legal	339	330	706	376	53.3%	2,703	2,638	66
Risk Services	706	627	718	91	12.6%	2,861	2,838	24
Health & Safety Services	264	219	254	35	13.7%	985	947	38
Public Affairs	747	850	1,118	267	23.9%	4,270	3,565	705
External Affairs	267	320	342	22	6.3%	1,347	1,249	98
Economic & Trade Development	234	283	509	226	44.4%	2,099	1,638	461
HR&D	935	864	1,065	201	18.9%	4,165	3,926	238
Labor Relations	141	160	181	21	11.5%	731	689	43
ICT	2,253	3,854	4,800	946	19.7%	19,658	18,404	1,253
Finance & Budget	395	376	415	39	9.5%	1,719	1,645	74
Accounting & Reporting Services	1,560	1,388	1,787	398	22.3%	6,541	6,253	288
Internal Audit	160	225	301	76	25.1%	1,211	1,136	75
Office of Social Responsibility	153	278	375	97	25.8%	1,647	1,401	246
Regional Transportation	84	98	126	28	22.3%	498	461	37
Police	4,505	3,927	5,219	1,292	24.8%	19,979	18,379	1,599
Contingency	258	13	188	174	93.0%	750	750	-
Total Expenses	13,683	14,384	18,818	4,434	23.6%	73,572	68,212	5,359

Corporate Professional and Technical Services performance for the first three months of 2009 was $4.4 million or 23.6% favorable compared to the approved budget and $701 thousand or 5.1% higher than the same period a year ago. The $4.4 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 $68.2 million.

D. CAPITAL SPENDING RESULTS – IN THOUSANDS $

		($ Milllions)
Annual Results:		
2009 Plan of Finance	$	12.8
2009 Approved Budget	$	15.9
2009 Estimeated/Actuals	$	15.7
Variance (Approved Budget vs Estimated/Actuals		0.1