ITEM NO.: 7a Report

DATE OF MEETING: Aug. 10, 2010

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Q 2 PERFORMANCE REPORT

AS OF JUNE 30, 2010

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I. PORTWIDE PERFORMANCE REPORT 6/30/10

INCOME STATEMENT

Port of Seattle

Report: Income Statement
As of Date: 2010-06-30

Dollars in thousands	2009 YTD Actual	2010 YTD Actual	2010 YTD Budget	2010 Var $ Bud vs. Act	2010 Var % Bud vs. Act	2010 Annual Budget	% of Annual Bud	2010 Var % Act vs. 2009
Revenues:								
Aviation	172,318	169,422	173,445	(4,023)	-2.3%	354,299	47.8%	-1.7%
Seaport	43,713	45,050	43,780	1,270	2.9%	92,544	48.7%	3.1%
Real Estate	15,490	14,998	14,479	518	3.6%	29,923	50.1%	-3.2%
Capital Development	81	-	-	-	0.0%	-		-100.0%
Corporate	157	309	9	300	3337.2%	18	1718.6%	97.3%
Total Revenues	**231,759**	**229,778**	**231,713**	(1,935)	-0.8%	**476,784**	**48.2%**	-0.9%
Operating & Maintenance:								
Aviation	58,248	59,172	64,968	5,795	8.9%	129,221	45.8%	1.6%
Seaport	9,610	8,704	11,526	2,821	24.5%	22,466	38.7%	-9.4%
Real Estate	13,464	14,472	15,713	1,241	7.9%	31,629	45.8%	7.5%
Capital Development	2,758	3,402	3,840	439	11.4%	7,555	45.0%	23.3%
Corporate	29,933	31,802	36,413	4,610	12.7%	71,958	44.2%	6.2%
Total O&M before Depreciation	**114,014**	**117,553**	**132,459**	14,907	11.3%	**262,829**	**44.7%**	3.1%
Operating Income Before Depreciation	**117,745**	**112,225**	**99,253**	12,972	13.1%	**213,955**	**52.5%**	-4.7%
Depreciation	75,243	79,773	79,201	(572)	-0.7%	158,575	50.3%	6.0%
Total O&M and Depreciation	189,257	197,326	211,660	14,335	6.8%	421,404	46.8%	4.3%
Operating Income after Depreciation	**42,502**	**32,453**	**20,052**	12,400	61.8%	**55,380**	**58.6%**	-23.6%

IMPORTANT NOTE:

We reclassified $2.2 million operating grant revenues and $20.0 million environmental expenses from operating accounts to non-operating accounts after the 2010 budget was finalized. The numbers shown in the "Budget" columns hereinafter reflect all the changes after the account reclassifications.

Seaport, Real Estate and Corporate revenues for 2009 were also reduced by $380K, $5K and $358K, respectively due to reclassification from operating to non-operating revenues in order provide meaningful comparison.

I. PORTWIDE PERFORMANCE REPORT 6/30/10

EXECUTIVE SUMMARY

The second quarter **Port of Seattle's** overall operating revenues were $229.8 million, $1.9 million or 0.8% below the budget. Total operating expenses were $117.6 million, $14.9 million or 11.3% below budget. Operating income before depreciation was $112.2 million, $13.0 million or 13.1% above the budget. Operating income after depreciation is $32.4 million, 12.4 million or 61.8% above the budget.

Port-wide Capital spending was $91.4 million for the second quarter and is forecasted to be $247.8 million for the year, $59.0 million below the budgeted $306.8 million.

Aviation Division's revenues were $169.4 million, $4.0 million or 2.3% below budget. Aeronautical revenues were $4.7 million unfavorable and non-aeronautical revenues were $630K below budget mainly due to higher revenues from Rental Cars and Concessions, partially offset by lower revenue from Public Parking. Total operating expenses were $84.0 million, $9.4 million or 10.0% under budget due to delays in contract spending. Aviation is forecasting a shortfall of $5.8 million in aeronautical revenues and $1.3 million in non-airline revenues at the end of the year. Operating expense is forecasted to be $178K unfavorable due to unemployment and worker's compensation claims. Total capital expenditures for 2010 are projected at $201.4 million or 81.3% of the approved annual budget amount of $247.6 million.

Seaport Division revenues were $45.2 million, $1.3 million or 3.0% favorable year-to-date primarily due to higher crane rent and grain volumes. For the full year 2010, Seaport is forecasting a $1.0 million favorable revenue variance due higher crane rent and higher grain volumes than budgeted. Total operating expenses were $18.2 million, $3.8 million or 17.0% favorable through June primarily due to timing differences. For the full year, Seaport is forecasting a $629K unfavorable expense variance due to unbudgeted T-18 fender pile repairs and two barge layberth projects delayed to 2010 from the fourth quarter of 2009. Net operating income for 2010 is forecasted to be $388K favorable to the 2010 budget and $513K below 2009 Actual. 2009 Actual expenses were lower due to impact of reversal of prior year Other Post Employment Benefit (OPEB) accruals. Total capital spending for 2010 is projected to be $19.8 million or 64.0% of the approved annual budget.

Real Estate Division revenues were $14.9 million, $441K or less than 3.0% favorable to budget year-to-date due to lower than budgeted activity at Bell Harbor International Conference Center largely offset by favorable revenue variance for Commercial Properties and the Harbor Services Group. For the full year, Real Estate is forecasting revenue to be $149K above budget. Operating expenses were $14.7 million, $1.7 million or 10% below budget primarily due to timing. For the full year, Real Estate is forecasting operating expenses to be $149K above budget. Net operating income for 2010 is estimated to be on budget for the year and $3.7 million below 2009 Actual. Capital spending for 2010 is currently estimated to be $8.0 million or 68% of the approved annual budget amount of $11.8 million.

Capital Development Division total expenses (including charges to capital projects) were $13.5 million, $3.6 million or 21.0% below budget mainly due to some unfilled staff positions and delay of some project spending. Operating expenses were $3.4 million, $439K or 11.4% favorable in the first two quarters. The division is forecasting a $378K unfavorable variance at the end of the year. 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 half of 2010 was $31.8 million, $4.6 million or 12.7% favorable compared to budget and $1.9 million or 0.62% higher than the same period a year ago. The $4.6 million favorable variance is due primarily to timing differences between when the items are paid and when budgeted and not necessarily cost savings. For the full year, Corporate is forecasting operating expenses to be $330K below budget. Total capital expenditures for 2010 are projected at $10.5 million or 62.9% of the approved annual budget amount of $16.7 million.

I. PORTWIDE PERFORMANCE REPORT 6/30/10

KEY PERFORMANCE INDICATORS

	2009 YTD Actual	2010 YTD Actual	2009 Actual	2010 Forecast	2010 Budget	Forecast/Budget Var.	Var. %
Enplanements (in 000's)	7,376	7,322	15,610	15,361	15,361	-	0.0%
Landed Weight (lbs in 000's)	10,079	9,404	20,388	19,890	20,364	(474)	-2.3%
Passenger CPE (in $)	n/a	n/a	10.92	12.45	12.67	(0.22)	-1.7%
Container Volume (TEU's in 000's)	692	1,004	1,585	1,800	1,600	200	12.5%
Grain Volume (metric tons in 000's)	2,543	2,813	5,512	5,533	5,000	533	10.7%
Cruise Passenger (in 000's)	341	347	875	850	849	1	0.1%
Shilshole Bay Marina Occupancy	95.1%	93.6%	95.5%	94.0%	94.6%	-0.6%	-0.6%
Fishermen's Terminal Occupancy	87.3%	91.6%	80.6%	81.0%	78.5%	2.5%	3.2%

CAPITAL SPENDING RESULTS

Division	2010 Est. Actual	2010 Budget	Budget Variance	Plan of Finance
($ in millions)				
Aviation	209.6	247.6	38.0	275.8
Seaport	19.8	30.8	11.0	30.6
Real Estate	8.0	11.8	3.8	12.1
Corporate	10.5	16.7	6.2	10.5
Total	247.8	306.8	59.0	329.1

PORTWIDE INVESTMENT PORTFOLIO

The investment portfolio for the second quarter of 2010 earned 2.34% against our benchmark (The Bank of America Merrill Lynch 3-year Treasury/Agency Index) of 0.70%. For the past twelve months the portfolio has earned 2.41% against the benchmark of 1.00%. Since the Port became its own Treasurer in 2002, the Port's portfolio life-to-date has earned 3.53% against our benchmark of 2.77%.

II. AVIATION DIVISION PERFORMANCE REPORT 06/30/10

FINANCIAL SUMMARY

Figures in $ 000s	2008 Actual	2009 Actual	2010 Forecast	2010 Budget	Forecast/Budget Var $	Var %
Operating Revenues						
Aeronautical	204,361	182,534	205,625	211,392	(5,768)	-2.7%
Non-Aeronautical	150,528	137,348	133,776	135,128	(1,352)	-1.0%
Other	3,440	8,359	8,353	8,803	(450)	-5.1%
Operating Revenues	358,329	328,241	347,754	355,324	(7,570)	-2.1%
Operating Expenses	192,641	175,482	182,855	182,677	(178)	-0.1%
Environmental Reserve	2,542	1,991	2,971	2,971	-	0.0%
VSP, HR10 & Unemployment	-	1,196	-	-	-	n/a
OPEB Reversal	-	(4,016)	-	-	-	n/a
Total Operating Expenses	195,183	174,654	185,826	185,648	(178)	-0.1%
Net Operating Income	163,146	153,587	161,928	169,676	(7,748)	-4.6%
Capital Expenditures	209,813	191,479	201,353	247,567	46,214	18.7%

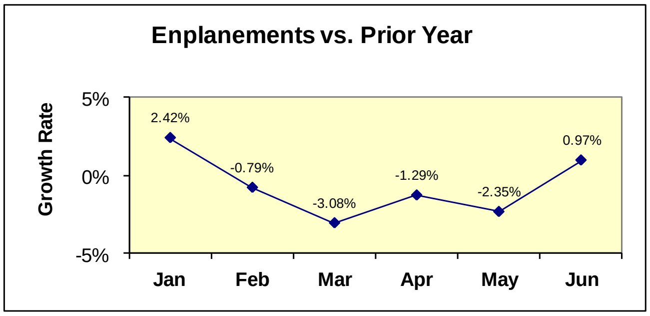
- We forecast a shortfall of $1.3 million in non-airline revenues as Public Parking transactions continue to underperform versus budget.
- Operating expense is forecasted to be $178K unfavorable due to unemployment and worker's compensation claims.
- Total capital expenditures for 2010 are projected at $201.3 million.

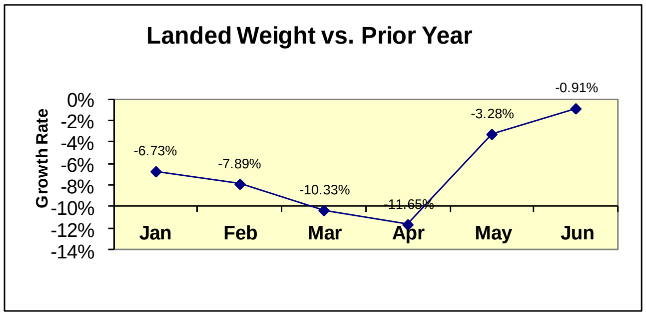
A. BUSINESS EVENTS

- Delta began service to Osaka and Beijing in June.
- Held Part 150 technical reviews and public workshops during Q2.
- Planning for a temporary backup power solution was supported by Alaska Airlines.

B. KEY INDICATORS

Figures in 000s	2009 YTD	2010 YTD	% Variance	2009 Actual	2010 Forecast	% Variance
Enplanements	7,376	7,322	-0.7%	15,610	15,361	-1.6%
Landed Weight	10,079	9,404	-6.7%	20,388	19,890	-2.4%





- Enplanements are forecasted to decrease 1.6% from the 2009 actual.
- Landed weight is forecasted to decrease 2.4% from last year.

II. AVIATION DIVISION PERFORMANCE REPORT 06/30/10

Figures in $ 000s	2008 Actual	2009 Actual	2010 Forecast	2010 Budget	Forecast/Budget Var $	Forecast/Budget Var %
Non-Aero NOI ($ in 000s)	86,474	81,159	73,664	74,998	(1,333)	-1.8%
Passenger Airline CPE	11.89	10.92	12.45	12.67	0.22	1.7%
Total Operating Cost / Enpl	12.13	11.19	12.10	12.09	(0.01)	-0.1%
Debt Service Coverage	1.40	1.41	1.33	1.36	(0.02)	-1.8%

- We forecast CPE to come in lower than the budget primarily due to significant savings to Passenger Terminal debt service.

C. OPERATING RESULTS

Year-to-date Revenue and Expense

Figures in $ 000s	2008 YTD Actual	2009 YTD Actual	2010 YTD Actual	2010 YTD Budget	Actual/Budget Var $	Actual/Budget Var %
Revenues						
Aeronautical	95,972	99,787	100,452	105,164	(4,712)	-4.5%
Non-Aeronautical	74,179	68,450	64,734	64,104	630	1.0%
Other	4,296	4,177	4,234	4,177	58	1.4%
Revenues	174,447	172,413	169,421	173,445	(4,024)	-2.3%
Expenses						
Salaries & Benefits	37,891	39,428	37,952	38,796	845	2.2%
Outside Services	10,516	8,688	9,062	11,311	2,250	19.9%
Utilities	6,509	6,784	5,832	7,001	1,168	16.7%
Supplies & Stock	1,911	2,135	1,772	1,949	177	9.1%
Other	3,753	1,212	3,277	4,548	1,270	27.9%
Total Airport Expenses	60,580	58,248	57,895	63,605	5,710	9.0%
Corporate	13,681	14,291	15,196	17,560	2,364	13.5%
Police Costs	7,377	6,445	6,811	7,658	847	11.1%
Other Charges/CDD	2,475	2,114	2,837	3,189	352	11.1%
Total Operating Expenses (excl. Env Res)	84,113	81,098	82,738	92,011	9,273	10.1%
Environmental Reserve	-	-	1,278	1,363	85	6.2%
Total Operating Expenses	84,113	81,098	84,016	93,374	9,358	10.0%
Net Operating Income	90,334	91,316	85,405	80,071	5,334	6.7%

- Non-aeronautical revenues are greater than budget due to strong YTD concessions sales per enplaned passenger.
- Expenses are under budget due to delays in contract spending and savings in utilities commodity costs.

II. AVIATION DIVISION PERFORMANCE REPORT 06/30/10

Division Summary

Figures in $ 000s	2008 Actual	2009 Actual	2010 Forecast	2010 Budget	Forecast/Budget Var $	Forecast/Budget Var %
Aeronatical Revenues	204,361	182,534	205,625	211,392	(5,768)	-2.7%
Non-Aeronautical Revenues	150,528	137,348	133,776	135,128	(1,352)	-1.0%
Other Revenues	3,440	8,359	8,353	8,803	(450)	-5.1%
Total Operating Revenues	358,329	328,241	347,754	355,324	(7,570)	-2.1%
Operating Expenses						
Payroll	89,458	80,804	78,728	78,141	(586)	-0.8%
Outside Services	31,928	21,509	23,687	23,847	160	0.7%
Utilities	12,636	13,209	11,548	12,762	1,214	9.5%
VSP, HR10 & Unemployment Savings	-	1,196	-	-	-	n/a
OPEB Reversal	-	(4,016)	-	-	-	n/a
Environmental Reserve	2,542	1,991	2,971	2,971	-	0.0%
Other Expenses	13,301	8,183	12,466	11,501	(966)	-8.4%
Baseline Airport Expenses	149,865	122,877	129,399	129,221	(178)	-0.1%
Corporate/Capital Development	30,031	37,316	41,257	41,257	-	0.0%
Police	15,287	14,461	15,170	15,170	-	0.0%
Total Operating Expenses	195,183	174,654	185,826	185,648	(178)	-0.1%
Net Operating Income	163,146	153,587	161,928	169,676	(7,748)	-4.6%
Depreciation Expense	107,349	117,370	116,933	116,933	-	0.0%
Non-Operating Rev/(Exp)						
Grants & Donations Revenues	49,461	74,323	37,208	37,208	-	0.0%
Passenger Facility Charges	62,770	61,234	61,273	61,273	-	0.0%
Customer Facility Charges	23,534	21,866	23,575	22,475	1,100	4.9%
Other Non-operating Rev/(Exp)	(105,378)	(111,304)	(130,586)	(130,586)	-	0.0%
Total Non-Operating Rev/(Exp)	30,386	46,120	(8,529)	(9,629)	1,100	-11.4%
Total Revenue Over Expense	86,183	82,337	36,466	43,114	(6,648)	-15.4%

- Operating revenues are forecasted to be $7.57 million unfavorable due to decline of parking transactions and lower revenue requirements for Air Terminal operations.
- Operating expenses are forecasted to be $178K unfavorable due to unemployment expenses and worker's compensation claims.
- Potential major planning projects regarding Sound Transit Link Light Rail extension and Terminal Development studies may negatively impact operating expenses for the rest of the year.
- Customer Facility Charges are forecasted to collect $1.1 million more than budgeted due to rental car transaction days staying 5% over initial projections.

II. AVIATION DIVISION PERFORMANCE REPORT 06/30/10

Aeronautical Business Unit Summary

Figures in $000s	2008 Actual	2009 Actual	2010 Forecast	2010 Budget	Forecast/Budget Var $	Forecast/Budget Var %
Revenues requirement:						
Capital Costs	81,535	71,872	86,905	92,610	5,705	6.2%
Operating Costs net Non-Aero	131,024	118,482	125,714	125,604	110	0.1%
Total Costs	212,559	190,355	212,620	218,214	5,815	2.7%
FIS Offset	(5,250)	(5,250)	(7,000)	(7,000)	-	0.0%
Other Offsets	(15,686)	(16,441)	(14,092)	(15,062)	970	-6.4%
Net Revenue Requirement	191,623	168,663	191,528	196,152	(4,625)	-2.4%
Other Aero Revenues	12,738	13,871	14,097	15,240	(1,143)	-7.5%
Total Aero Revenues	204,361	182,534	205,625	211,393	(5,768)	-2.7%
Less: Non-passenger Airline Costs	13,039	12,074	14,315	16,752	2,437	14.5%
Net Passenger Airline Costs	191,323	170,460	191,311	194,641	(3,331)	-1.7%

	2008 Actual	2009 Actual	2010 Forecast	2010 Budget	Forecast/Budget Var $	Forecast/Budget Var %
Cost Per Enplanement:						
Capital Costs / Enpl	5.22	4.60	5.66	6.03	(0.37)	-8.1%
Operating Costs / Enpl	8.39	7.59	8.18	8.18	0.01	0.1%
Offsets	(1.30)	(1.39)	(1.37)	(1.44)	0.06	-4.5%
Other Aero Revenues	0.79	0.89	0.92	0.99	(0.07)	-8.4%
Non-passenger Airline Costs	(0.84)	(0.77)	(0.93)	(1.09)	0.16	-20.5%
Passenger Airline CPE	**11.89**	**10.92**	**12.45**	**12.67**	**(0.22)**	**-2.0%**

- Operating costs are forecasted to be $110K higher due to unemployment costs, overtime pay to cover minimum staffing in the Fire Department and worker's compensation claims in Maintenance.
- Forecasted passenger airline cost per enplanement (CPE) of $12.45 is lower than budget primarily due interest savings in debt service related to the Terminal.

II. AVIATION DIVISION PERFORMANCE REPORT 06/30/10

Non-Aero Business Unit Summary

Figures in $000s	2008 Actual	2009 Actual	2010 Forecast	2010 Budget	Forecast/Budget Var $	Forecast/Budget Var %
Revenues:						
Public Parking	59,111	49,688	49,368	51,812	(2,444)	-4.7%
Rental Cars	35,592	33,321	31,014	31,014	-	0.0%
Concessions	33,181	33,482	32,023	29,953	2,071	6.9%
Other	22,644	20,858	21,371	22,350	(979)	-4.4%
Total Revenues	150,528	137,348	133,776	135,128	(1,352)	-1.0%
Operating Expense	61,279	55,916	57,405	57,422	17	0.0%
Share of terminal O&M	16,396	17,011	17,172	17,175	3	0.0%
Less utility internal billing	(13,515)	(16,738)	(14,466)	(14,466)	-	0.0%
Net Operating & Maint	64,160	56,189	60,111	60,131	19	0.0%
Net Operating Income	86,367	81,159	73,664	74,998	(1,333)	-1.8%

	2008 Actual	2009 Actual	2010 Forecast	2010 Budget	Forecast/Budget Var $	Forecast/Budget Var %
Revenues Per Enplanement						
Parking	3.67	3.18	3.21	3.37	(0.16)	-4.7%
Rental Car	2.21	2.13	2.02	2.02	0.00	0.0%
Concessions	2.06	2.14	2.08	1.95	0.13	6.9%
Other	1.41	1.34	1.39	1.45	(0.06)	-4.4%
Total Revenues	9.36	8.80	8.71	8.80	(0.09)	-1.0%
Primary Concessions Sales / Enpl	10.29	9.66	9.94	9.78	0.16	1.6%

- Public parking revenues are forecasted to underperform due to decline in transactions by 12.6% over prior year.
- Concessions revenues are forecasted higher than budgeted due to steady gains in sales per enplanement ($10.08 in May).

D. CAPITAL SPENDING RESULTS

Figures in $ 000s	YTD Actual	2010 Forecast	2010 Budget	Forecast/Budget Var $	Forecast/Budget Var %	2010 Plan of Finance
Rental Car Facility	62,505	149,678	174,699	25,021	14.3%	157,818
Third Runway Projects	562	2,765	7,714	4,949	64.2%	5,549
North Expressway Relocation	(817)	5,202	5,600	398	7.1%	13,000
RW 16C-34C Panel Replacement	230	3,246	5,450	2,204	40.4%	0
Aircraft RON Parking USPS Site	5,025	5,247	5,210	(37)	-0.7%	5,100
3rd R/W Overflights Acq (ATZ)	577	3,827	4,000	173	4.3%	2,138
Cent Plant Preconditioned Air	1,212	1,962	3,500	1,538	43.9%	10,500
Loading Bridges Utilities	27	427	2,900	2,473	85.3%	3,500
Alaska Air 2 Step Ticket Counters	0	20	2,015	1,995	99.0%	0
All Other	10,035	28,979	36,479	7,500	20.6%	78,227
Total	79,356	201,353	247,567	46,214	18.7%	275,832

- Turner Construction behind their original cash flow projections for Rental Car Facility.
- Pond M of Third Runway project will not be completed in 2010.
- Runway 16C/34C panel replacement bids came in significantly under engineer's estimate.
- Scope changes of Preconditioned Air project extended design schedule.

III. SEAPORT DIVISION PERFORMANCE REPORT 06/30/10

FINANCIAL SUMMARY

$'s in 000's	2009 Actual	2010 Forecast	2010 Budget	Forecast/Budget Var $	Forecast/Budget Var %
Operating Revenue	89,844	91,151	90,134	1,017	1%
Security Grants	847	2,535	2,535	0	0%
Total Revenues	**90,691**	**93,686**	**92,669**	**1,017**	**1%**
Total Operating Expenses	**40,545**	**43,953**	**43,324**	**(629)**	**-1%**
Net Operating Income	**50,145**	**49,733**	**49,345**	**388**	**1%**
Capital Expenditures	**44,677**	**19,771**	**30,784**	**11,013**	**36%**

- Total Seaport revenues were $1,348K favorable in YTD results primarily due to higher crane rent and grain volumes. For the full year 2010, Seaport is forecasting a $1,017K favorable revenue variance due higher crane rent and higher grain volumes than budgeted.
- Total Operating Expenses were $3,826K favorable through June primarily due to timing differences. For the full year, Seaport is forecasting a ($629K) unfavorable expense variance due to higher than budgeted T-5 maintenance dredging costs, two barge layberth expense projects delayed to 2010 from Q4 2009 and expense component of T-115 Berth 1 project.
- Forecasted Net Operating Income for 2010 is estimated to be $388K favorable to the 2010 Budget and ($413K) lower than 2009 Actual.
- As of the end of the 2nd Quarter, total capital spending for 2010 is projected to be $19.8 million or 64% of the Approved Annual Budget.

A. BUSINESS EVENTS

- TEU volumes for Seattle Harbor are up 45.2% as of June 2010 compared to YTD 2009 levels. Total YTD 2010 volume is 1,004K TEU's.
- Consolidated West Coast Port results for 2010 show an overall increase in TEU volume of 15.8% compared to volumes in 2009.

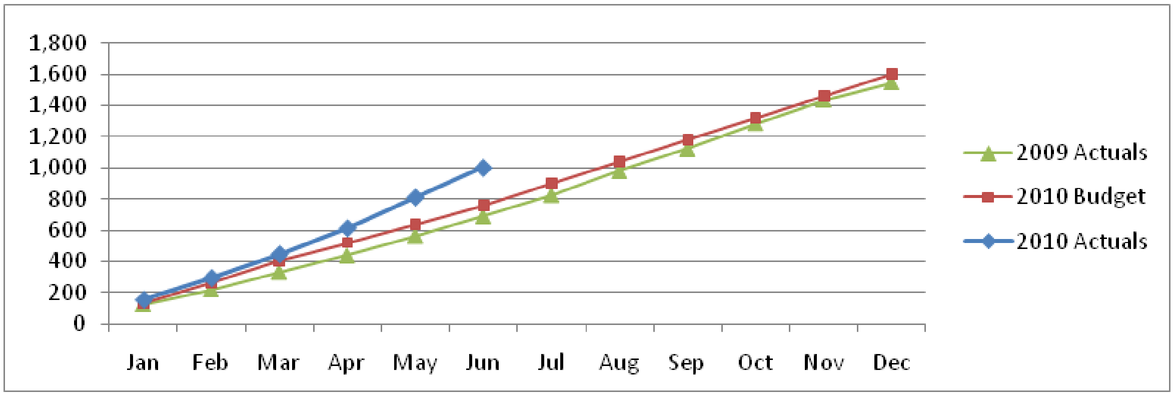
TEU Volume (in 000's)	**YTD 2010**	**YTD 2009**	**% change**
Long Beach	2,795	2,333	19.8%
Los Angeles	3,664	3,186	15.0%
Oakland	1,086	961	12.9%
Portland	85	89	-4.8%
Prince Rupert	158	98	61.5%
Seattle	**1,004**	**692**	**45.2%**
Tacoma	704	803	-12.4%
Vancouver	1,164	1,041	11.7%
West Coast - Total:	**10,657**	**9,203**	15.8%

- Grain vessels shipped 2,813K metric tons of grain through Terminal 86 YTD 2010. Amount represents a 10.6% increase compared to YTD 2009 volumes. 2010 volume is 23% higher than 2010 budgeted volume.
- The 2010 cruise season commenced in late April. The current season anticipates 223 sailings and 850,000 passengers, including a new Carnival Cruise Line home port vessel. As of June 2010, there have been 86 cruise calls and over 347,000 passengers.
- Implementation of the Northwest Ports Clean Air Strategy continues:
  - At-Berth Clean Fuels Vessel Incentive Program (ABC Program), 166 participating calls were made in the first half of the year representing a threefold increase over the same period in 2009.
  - Under the Scrappage and Retrofits for Air in Puget Sound program (ScRAPS Program) 199 pre-1994 drayage trucks have been taken off the road since the inception of the program.

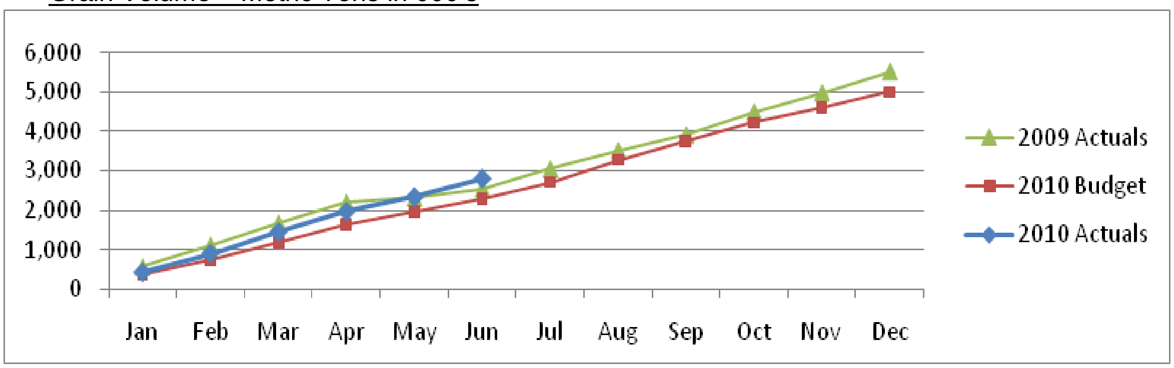
III. SEAPORT DIVISION PERFORMANCE REPORT 06/30/10

B. KEY INDICATORS

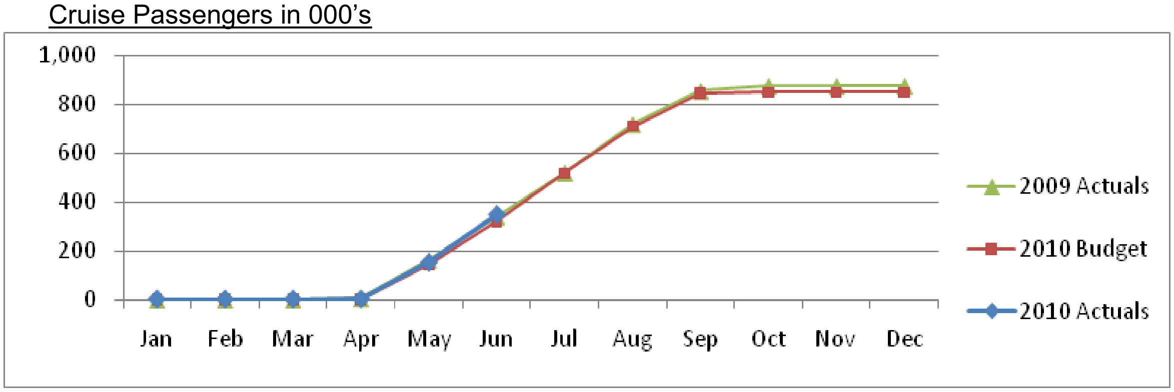
Container Volume – TEU's in 000's



Grain Volume – Metric Tons in 000's



Cruise Passengers in 000's



Net Operating Income Before Depreciation By Business

In $ Thousands	2009 YTD Actual	2010 YTD Actual	2010 YTD Budget	2010 Bud Var $	2010 Bud Var %	Change from 2009 $	Change from 2009 %
Containers	19,118	21,647	18,356	3,291	18%	2,529	13%
Container Support Props	266	337	372	(35)	-9%	70	26%
Cruise	1,792	1,703	1,008	695	-69%	(89)	5%
Grain	2,214	2,548	1,971	577	29%	334	15%
Docks/Industrial Props	2,804	2,214	1,248	966	77%	(590)	-21%
Security	(638)	(626)	(811)	185	23%	12	2%
Envir Grants/Reserve	0	(855)	(350)	(505)	-144%	(855)	NA
Total Seaport	25,555	26,967	21,794	5,173	24%	1,412	6%

III. SEAPORT DIVISION PERFORMANCE REPORT 06/30/10

C. OPERATING RESULTS

In $ Thousands	2009 YTD	2010 Year-to-Date		2010 Bud Var		Year-End Projections		
	Actual	Actual	Budget	$	%	Budget	Forecast	Variance
Operating Revenue	43,714	44,508	42,254	2,254	5%	90,134	91,151	1,017
Security Grants	129	682	1,588	(906)	-57%	2,535	2,535	0
Total Revenue	**43,842**	**45,190**	**43,842**	**1,348**	**3%**	**92,669**	**93,686**	**1,017**
Direct Expenses	11,023	8,886	10,787	1,901	18%	21,631	22,260	(629)
Security Expense	529	1,074	2,201	1,128	51%	3,756	3,756	0
Environmental Reserve	0	855	750	(105)	-14%	1,500	1,500	0
Divisional Allocations	1,001	1,210	1,282	73	6%	2,575	2,575	0
Corporate Allocations	5,736	6,198	7,028	830	12%	13,862	13,862	0
Total Expense	**18,287**	**18,223**	**22,049**	**3,826**	**17%**	**43,324**	**43,953**	**(629)**
NOI Before Depreciation	**25,555**	**26,967**	**21,794**	**5,173**	**24%**	**49,345**	**49,733**	**388**
Depreciation	13,571	15,493	15,901	408	3%	31,974	31,974	0
NOI After Depreciation	**11,984**	**11,474**	**5,893**	**5,581**	**95%**	**17,370**	**17,758**	**388**

Total Seaport revenues were $1,348K favorable to budget. Key variances are as follows:

Containers and Support Properties - favorable $1,475K.

- Containers $1,564K favorable. Crane Rent Revenue $1,291K favorable due to higher volumes and related crane usage at Terminal 5 and Terminal 18. Intermodal Revenue $186K favorable due to higher Terminal 5 intermodal volumes.
- Support Properties ($84K) unfavorable due to lower volumes than budgeted at Terminal 18 liquid bulk facility.

Cruise and Industrial Properties - favorable $1,179K.

- Cruise $263K favorable due to higher than anticipated passenger volumes $101K, higher than anticipated utility revenue $90K and maintenance reimburseable work not anticipated in budget $61K.
- Bulk Terminals $535K favorable. Terminal 86 grain volume exceeded budget by 23%.
- Docks $77K favorable due to higher than anticipated revenue from maintenance services performed for customers, and higher than anticipated license to use fees, partially offset by lower than anticipated berth and related utility usage by preferential use customers and tariff use customers.
- Industrial Properties $305K favorable primarily due to higher than anticipated utility revenue $172K at Terminal 91. Space rent was also higher than budget $125K due to increased rents from leases which were amended after completion of the budget, higher than anticipated Carnitech percentage rent, and CPI adjustments higher than anticipated in budget.

Environmental Reserve Grants - unfavorable ($400K).

- Environmental Reserve Grant revenue ($400K) unfavorable due to delay in timing of corresponding cleanup project.

Security Grants - unfavorable ($906K).

- Security Grants ($906K) unfavorable due to Rounds 6 and 7 grant activities commencing later than planned. Amount more than offset by corresponding favorable expense variance.

Expenses were $3,826K favorable to budget. Key variances:

- Security Expenses favorable $1,128K due to Rounds 6 and 7 grant activities commencing later than planned. Amount largely offset by corresponding unfavorable revenue variance.
- Seaport Salaries and Benefits direct charged to Seaport favorable $173K due to elimination of the SPT&S Director's position, open positions in Environmental Services and Seaport Marketing, and due to timing differences associated with the way salary increases are reflected in the Budget. For Budget purposes, salary increases are averaged over the 12 months in the year rather than being reflected in the actual month of the scheduled pay increase on an employee by employee basis.
- Advertising expense, Promotional Hosting and Trade Business and Community favorable $175K due to timing.

III. SEAPORT DIVISION PERFORMANCE REPORT 06/30/10

- Outside Services (excluding Corporate, Maintenance and Security Grants) were favorable $1,075K largely due to delay in timing of 2010 projects and programs as compared to the timing assumed in the Budget. Projects and programs with later actual timing or payments include Environmental Services $388K for storm water and air programs, continuation of the under dock inspection program $150K, installation of bollards at Pier 90 $200K, crane repairs at Terminal 46 $120K, a rail survey and tenant improvements at Terminal 115 $35K, and a condition assessment and associated repairs at Terminal 103 $50K.
- Miscellaneous Expense was favorable $250K due to unused Seaport Division Contingency budget $250K.
- Corporate costs, direct and allocated, were favorable $900K due to lower than anticipated direct charges and allocations from virtually all departments including Police $189K, Public Affairs $112K, Human Resources $109K, Contingencies $96K, and Accounting and Financial Reporting $86K.
- All other variances netted to a favorable $125K or less than 1% of Total Expenses Budgeted.

NOI Before Depreciation was $5,173K favorable to budget.

Depreciation was $408K, or approximately 3%, favorable to the 2010 Budget.

NOI After Depreciation was $5,581K favorable to budget.

FORECAST

As of the end of June 2010, Seaport anticipates ending the year $388K favorable to budget for NOI Before Depreciation. Revenue is expected to exceed budget by $1,017K due to higher container terminal volumes resulting in higher crane rent and higher grain volumes resulting in higher grain concession revenues. Operating expenses are estimated to be unfavorable by ($629K) due to higher than budgeted expected spending on T-5 maintenance dredging, two barge layberth expense projects delayed to 2010 from Q4 2009, T-115 Berth 1 expense component, and estimated Seaport costs related to the Viaduct project.

CHANGE FROM 2009 ACTUAL

NOI Before Depreciation for June 2010 year-to-date increased by $1,412K from 2009. Revenue is up $1,347K from the prior year due to higher lease rents related to the newly redeveloped Terminal 30 $1,669K, higher security grant revenue $553K, higher cruise revenue $326K and higher grain revenue $269. Amounts were partially offset by 2009 revenue from King County for the T30 Upland Dredge Disposal project ($1,382K). Overall expenses in 2010 are $65K lower due to a significant reduction in direct expenses from 2009 related to the Terminal 30 Upland Dredge Disposal project $2,644K offset by higher expenses in 2010 for security grant expenses and corporate and divisional allocations.

III. SEAPORT DIVISION PERFORMANCE REPORT 06/30/10

D. CAPITAL SPENDING RESULTS

SEAPORT DIVISION	2010 Estimated Actual	2010 Approved Budget	Variance EstActs to Budget	EstActs as a % of Budget	2010 Plan of Finance
Terminal 18	1,173	4,771	3,598	25%	3,319
Terminal 5	1,712	4,744	3,032	36%	6,468
Terminal 10	533	4,607	4,074	12%	4,412
Security	3,361	3,258	(103)	103%	826
Terminal 115	4,012	3,793	(219)	106%	1,841
All Other	8,980	9,611	631	93%	13,752
Total Seaport	19,771	30,784	11,013	64%	30,618

Comments on Key Projects:

Through the second quarter, Seaport spent 21% of the Approved Capital Budget. Full year spending is estimated to be 64% of the Approved Capital Budget.

Projects with significant changes in spending were:

- **Terminal 18 Street Vacations** – Due to changes in the timing of the project, some spending was moved out to 2011.
- **Terminal 18 Pile Cap Improvements** – Funds moved to 2011. Project under evaluation.
- **Terminal 10 Interim Development –** Construction pushed to 2011.
- **Terminal 5 Crane Cable Reels –** Equipment delivery expected in 4th quarter 2010 or 1st quarter 2011.
- **Security** – Security Grant Round 7B & Security Grant 2009 ARRA were approved by the Commission on January 5, 2010 for $1,315K ($1,173K of which is reimburseable from grantors). These projects were not included in the 2010 Plan of Finance or Approved Budget. Majority of spending expected in 2011.

Changes between the 2010 Plan of Finance and the 2010 Approved Budget represent modifications in 2010 spending estimates made after determination of 2009 actual spending.

IV. REAL ESTATE DIVISION PERFORMANCE REPORT 06/30/10

FINANCIAL SUMMARY

	2009	2010	2010	Forecast/Budget	
$'s in 000's	**Actual**	**Forecast**	**Budget**	**Var $**	**Var %**
Operating Revenue	30,132	29,947	29,798	149	1%
Total Revenues	**30,132**	**29,947**	**29,798**	**149**	**1%**
Total Operating Expenses	**29,569**	**33,105**	**32,956**	**(149)**	**-0.5%**
Net Operating Income	**563**	**(3,158)**	**(3,158)**	**0**	**0%**
Capital Expenditures	**74,039**	**8,032**	**11,793**	**3,761**	**32%**

- Total Real Estate Division Revenues are $441K, or 3%, favorable to budget year to date due to higher than budgeted activity at Bell Harbor International Conference Center. For the full year, Real Estate is forecasting revenue to come in $149K over budget due to favorable activity at Bell Harbor International Conference Center partially offset by lower activity at the World Trade Center Club and closure of the Portside Café.
- Total Operating Expenses are $1,716K, or 10%, below budget primarily due to timing. For the full year, Real Estate is forecasting Operating Expenses to be $149K over budget due to correction of an expense obligation relating to prior years, adjustments in liability reserves and costs related to a tug sinking at Fishermen's Terminal.
- Forecasted Net Operating Income for 2010 is estimated to be on Budget for the year and $3,721K below 2009 Actual.
- At the end of the second quarter, capital spending for 2010 is currently estimated to be $8 million or 68% of the Approved Annual Budget amount of $11.8 million.

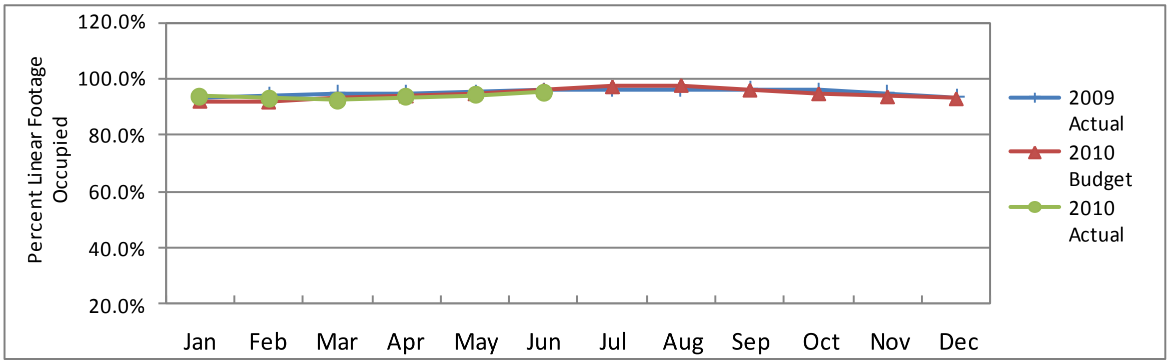
A. BUSINESS EVENTS

- Occupancy levels at Commercial Properties were at 89% at the end of the second quarter, which is below the 90% target for the 2010 Budget, but above comparable statistics for the local market 87%.
- Through the 2nd quarter, moorage occupancies at Fishermen's Terminal exceeded 2010 Budget Targets and at the Maritime Industrial Center were below target. Recreational Marinas were slightly below the target of 93% at 92%.
- Vessel Liability Insurance requirement effective at Fishermen's Terminal on January 1, 2010. Compliance at 93%.
- Terminated Portside Café management agreement and issued RFP for leasing the facility.
- Closed sale on a portion of Eastside Rail Corridor to the City of Redmond.

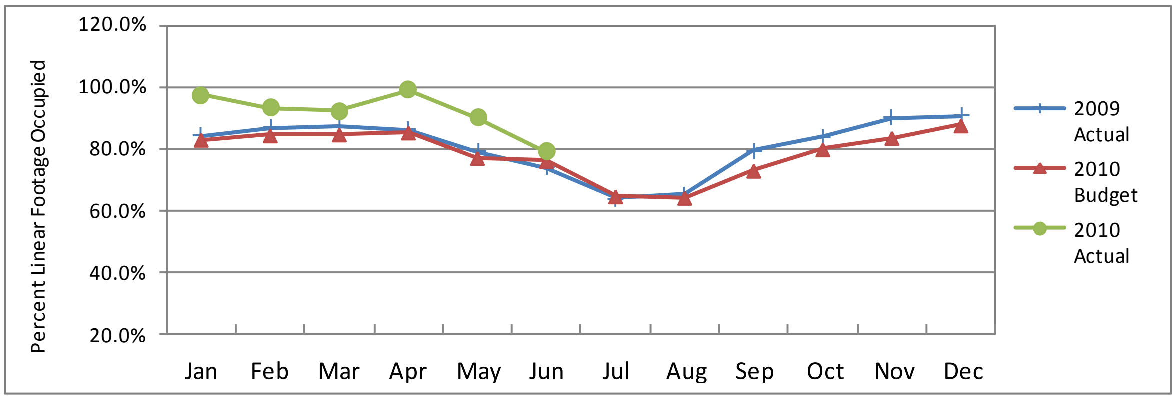
IV. REAL ESTATE DIVISION PERFORMANCE REPORT 06/30/10

B. KEY INDICATORS

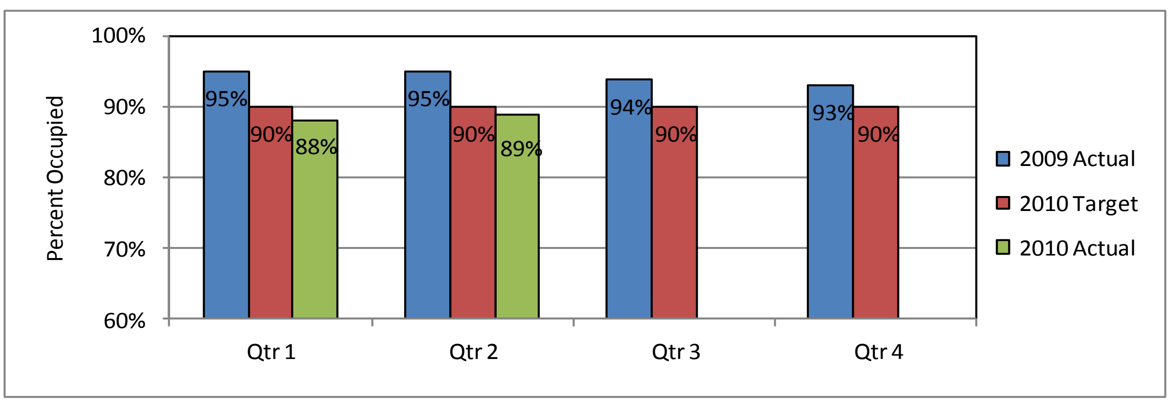
Shilshole Bay Marina Occupancy



Fishermen's Terminal Moorage Occupancy



Commercial Building



Net Operating Income Before Depreciation By Business

In $ Thousands	**2009 YTD Actual**	**2010 YTD Actual**	**2010 YTD Budget**	**2010 Bud Var $**	**2010 Bud Var %**	**Change from 2009 $**	**Change from 2009 %**
Recreational Boating	1,172	1,033	462	571	124%	(139)	-12%
Fishing & Commercial	(659)	(978)	(1,530)	552	36%	(319)	48%
Commercial & Third Party	1,001	455	(564)	1,019	181%	(546)	-55%
Eastside Rail	(72)	(111)	(128)	16	13%	(40)	56%
RE Development & Plan	(137)	(248)	(246)	(2)	-1%	(112)	82%
Environmental Reserve	0	0	0	0	NA	0	NA
Total Real Estate	1,307	151	(2,006)	2,157	108%	(1,156)	-88%

IV. REAL ESTATE DIVISION PERFORMANCE REPORT 06/30/10

C. OPERATING RESULTS

In $ Thousands	2009 YTD	2010 Year-to-Date		2010 Bud Var		Year-End Projections		
	Actual	Actual	Budget	$	%	Budget	Forecast	Variance
Operating Revenue	15,348	14,857	14,417	441	3%	29,798	29,947	149
Total Revenue	**15,348**	**14,857**	**14,417**	**441**	**3%**	**29,798**	**29,947**	**149**
Direct Expenses	13,126	13,861	15,391	1,531	10%	30,949	31,046	(97)
Environmental Reserve	0	0	0	0	NA	0	0	0
Divisional Allocations	(1,482)	(1,733)	(1,893)	(160)	8%	(3,802)	(3,750)	(52)
Corporate Allocations	2,397	2,579	2,924	345	12%	5,808	5,808	0
Total Expense	**14,041**	**14,706**	**16,423**	**1,716**	**10%**	**32,956**	**33,105**	**(149)**
NOI Before Depreciation	**1,307**	**151**	**(2,006)**	**2,157**	**108%**	**(3,158)**	**(3,158)**	**0**
Depreciation	4,944	4,981	4,830	(152)	-3%	9,659	9,659	0
NOI After Depreciation	**(3,638)**	**(4,830)**	**(6,835)**	**2,005**	**29%**	**(12,817)**	**(12,817)**	**0**

Total Real Estate revenues were $441K favorable to budget. Key variances are as follows:

Harbor Services: Favorable $141K

- Recreational Boating favorable $8K. The variance amounted to less than 1% of Budget.
- Fishing and Commercial favorable $134K due to a shift in the mix of boat sizes to larger vessels. In addition, a delay in the net shed loft removal project has allowed for continued revenue.

Portfolio Management: Favorable $484K

- Commercial Properties favorable $15K due to Fugro continuing to pay base rent at P69 in 2010 $50K. The 2010 Budget assumed Fugro would terminate their lease upon vacating the premises prior to 2010. Favorable amount partially offset by higher than budgeted vacancy at T102 ($37K).
- Third Party Managed Properties favorable $469K due to higher than anticipated activity at the Bell Harbor International Conference Center.

Eastside Rail Corridor: Unfavorable ($104K)

- Eastside Rail Corridor unfavorable ($104K) due to the delayed implementation of revenue collection procedures.

RE Development and Planning: Unfavorable ($21K)

- Terminal 91 General Industrial unfavorable ($21K) due to M.T. Housing vacating Terminal 91 in 2009. The 2010 Budget assumed occupancy throughout the year. The negative variance is partially offset by a new tenant for the rest of 2010 at the former NW Harvest building.

Facilities Management: Unfavorable ($72K)

- Pier 69 Facilities Management ($72K) due to lower revenues from the Pier 69 Café. The management agreement associated with the Pier 69 Café was terminated April 30, 2010. Full year negative revenue variance is forecasted to be ($211K).

Expenses were $1,716K favorable to budget. Key variances:

- Salaries and Benefits for Real Estate employees favorable $173K due to timing assumed for Salary increases in the budget and open positions $54K and budgeted higher than actual benefit percentages $119K.
- Third Party Management Expense and Management Fees related to the Pier 69 Café were favorable $92K due to the termination of the management agreement on April 30, 2010. Full year favorable expense variance is forecasted to be $292K.
- Third Party Management Expense and Management Fees related to the World Trade Center Club, World Trade Center West and Bell Harbor International Conference Center were favorable $106K due to expense controls by third party managers.

IV. REAL ESTATE DIVISION PERFORMANCE REPORT 06/30/10

- Outside Services (excluding Maintenance, Corporate and Capital Development) were favorable $689K due to unused broker fees and tenant improvement allowances at T102 and World Trade Center West $194K and delayed Eastside Rail Corridor consulting and reimbursement expenses $218K. Environmental Services direct charges $174K also contributed to the favorable variance.
- Maintenance expenses were favorable $446K primarily due to delayed work scheduled during the first half of 2010.
- Corporate costs, direct and allocated, were favorable $415K primarily due to positive variances in Human Resources $101K, Police $71K, ICT $53K, Public Affairs $50K, and Accounting & Financial Reporting $46K and Contingencies $32K.
- All other variances netted to an unfavorable ($205K) or about 1% of Total Expenses Budgeted.

NOI BEFORE DEPRECIATION was $2,157K favorable to Budget.

- Depreciation was ($152K) unfavorable to Budget due to higher than anticipated depreciation at SBM ($82K) and allocated from Human Resources ($49K). The variance amounted to 3.1% of Budget.

NOI AFTER DEPRECIATION was $2,005K favorable to Budget.

FORECAST

Real Estate anticipates ending the year at Budget for NOI Before Depreciation due to offsetting revenue and expense variances. Revenue is forecasted revenue to come in $149K over budget due to favorable activity at Bell Harbor International Conference Center partially offset by lower activity at the World Trade Center Club and closure of the Portside Café. Expenses are forecasted to be $149K over budget due to correction of an expense obligation relating to prior years, adjustments in liability reserves and costs related to a tug sinking at Fishermen's Terminal.

CHANGE FROM 2009 ACTUAL

Net Operating Income Before Depreciation decreased by ($1,156K) between 2009 and 2010 as a result of lower revenue and higher operating expenses. Operating Revenue decreased by $491K due to higher vacancies at World Trade Center West, Terminal 102, Pier 69 Offices and the Tsubota Steel site. Expenses increased by $665K in 2010 due to higher Maintenance expenses, Corporate direct charges and allocations, and Utility expenses.

D. CAPITAL SPENDING RESULTS

REAL ESTATE DIVISION	2010 Estimated Actual	2010 Approved Budget	Variance EstActs to Budget	EstActs as a % of Budget	2010 Plan of Finance
Small Projects	1,760	2,321	561	76%	1,810
FT NW Dock Fender System	340	2,000	1,660	17%	2,000
RE Maintenance Shop Solution	2,169	1,800	(369)	121%	2,100
RE Division Green Initiative	0	1,300	1,300	0%	1,300
Fleet Replacement	598	950	352	63%	950
All Other	3,165	3,422	257	92%	3,966
Total Real Estate	8,032	11,793	3,761	68%	12,126

Comments on Key Projects:

Through second quarter, the Real Estate Division spent 13% of the Approved Budget. Full year spending is estimated to be 68% of the Approved Budget.

Projects with significant changes in spending were:

- FT NW Dock Fender System – Construction delayed until 2011.
- RE Division Green Initiative – Determination of projects to move forward was deferred until 2011.

Changes between the 2010 Plan of Finance and the 2010 Approved Budget represent modifications in 2010 spending estimates made after determination of 2009 actual spending.

V. CAPITAL DEVELOPMENT DIVISION PERFORMANCE REPORT 06/30/10

A. BUSINESS EVENTS

- Completed initial draft engineering department (and PCS) re-evaluation in June 2010.
- Updated the PCS Compass website to include a monthly featured project that includes construction updates and customer comments.
- Started a major project coordination effort for the 25+ projects scheduled to be in construction in and adjacent to the south satellite in the next 3 years, particularly 2011.
- Completed the T91 cruise terminal art plan.
- Audit conducted by FHWA on EMWGS project-specific documentation resulted in very good report with full concurrence of accurate project documentation. This success assures Port's continuing status as a fully certified lead agency for the administration of state and federal grant funds.
- Drafted CPO P-card Procedures for review and finalization for a 3rd – 4th Quarter implementation.
- Conducted 6 classes for CPO-1, Evaluation and Source Selection, and Contract Administration. Trained 148 employees.

B. KEY INDICATORS

Key Indicators	2010 YTD	2009 YTD/Notes
Construction Soft Costs 36 month rolling average from Q3 2007 through Q2 2010	(in 1,000s) Total Costs $ 1,362,355 (100%) Total Construction: $1,097,053 (81%) Total Soft: $265 (19%)	Limit construction soft costs (design, construction management, project management, environmental documentation) to no more than 25% of total capital improvement costs.
Cost Growth During Construction	Total Completed Projects YTD: 8 Discretionary Change: 4% Mandatory Change: 18.36%	Limit average mandatory change cost growth to 4% of construction contract award. Limit average discretionary change cost growth to 4% of construction contract award.
Project Schedule Growth	Total Completed Projects YTD: 8 Average Growth Completed Projects: 39.7% Cumulative Value YTD: $7,899,854	Limit time growth from initial Commission project authorization to substantially complete to no more than 10% of originally allotted duration.
Procurement Schedule: Service Agreements	• Request for Services to Receipt of Scope 62 • Receipt of Scope to • Advertisement • Receipt of Proposal to Notice of Selection 19 86 • Notice of Selection to Contract Execution 71	Actual average # of days
Procurement Schedule: Purchasing	• Receipt of Proposal to Notice of Intent to Award 14.5 • Receipt of Intent to Award to Contract Execution 10.8 • Receipt of Request for Services to Contract Execution 9.7	Actual average # of days
Performance Evaluation Timeliness	• Total PREPs due this quarter: 46 • Total PREPS done on time: 42 (91%)	% PREPs completed within 30 days of anniversary date. 10 point improvement over Q1 Timeliness = 81%

V. CAPITAL DEVELOPMENT DIVISION PERFORMANCE REPORT 06/30/10

C. OPERATING RESULTS

	2009 YTD	2010 YTD		2010 Bud Var.		Year-End Projections		
In $ Thousands	Actual	Actual	Budget	$	%	Budget	Forecast	Variance
Total Revenues	**81**	**-**	**-**	**-**	**0.0%**	**-**	**-**	**-**
EXPENSES BEFORE CHARGES TO CAPITAL PROJECTS								
Capital Development Administration	161	197	194	(2)	-1.2%	387	400	(13)
Engineering	4,926	4,716	6,732	2,017	30.0%	13,574	13,574	-
Port Construction Services	2,923	3,448	3,406	(41)	-1.2%	6,814	6,855	(41)
Central Procurement Office	1,637	1,572	2,062	490	23.8%	4,171	4,171	-
Aviation Project Management	2,454	2,338	3,333	995	29.9%	6,545	6,545	
Seaport Project Management	1,272	1,219	1,349	130	9.6%	2,672	2,522	150
Total Before Charges to Capital Projects	**13,372**	**13,490**	**17,077**	**3,588**	**21.0%**	**34,162**	**34,066**	**96**
CHARGES TO CAPITAL PROJECTS								
Capital Development Administration	-	-	-	-	0.0%	-		-
Engineering	(4,393)	(4,239)	(6,159)	(1,920)	31.2%	(12,418)	(12,418)	-
Port Construction Services	(2,352)	(2,113)	(2,614)	(501)	19.2%	(5,228)	(4,727)	(501)
Central Procurement Office	(763)	(735)	(964)	(229)	23.8%	(1,983)	(1,983)	-
Aviation Project Management	(2,195)	(2,003)	(2,515)	(513)	20.4%	(5,006)	(5,006)	-
Seaport Project Management	(910)	(999)	(986)	14	-1.4%	(1,971)	(1,998)	27
Total Charges to Capital Projects	**(10,613)**	**(10,088)**	**(13,237)**	**(3,149)**	**23.8%**	**(26,607)**	**(26,133)**	**(474)**
OPERATING & MAINTENANCE EXPENSE								
Capital Development Administration	161	197	194	(2)	-1.2%	387	400	(13)
Engineering	533	477	574	97	16.9%	1,156	1,156	-
Port Construction Services	571	1,335	792	(543)	-68.5%	1,585	2,128	(543)
Central Procurement Office	873	838	1,098	261	23.7%	2,188	2,188	-
Aviation Project Management	259	335	818	483	59.0%	1,539	1,538	
Seaport Project Management	361	220	364	143	39.4%	701	524	177
Total Expenses	**2,758**	**3,402**	**3,840**	**439**	**11.4%**	**7,555**	**7,933**	**(378)**

Summary of Budget Variances:

- Unfilled positions reduced salary and benefit expense ($55K SPM)
- Worker Comp expenses over budget due to injury claim ($41K PCS) and unbudgeted charges
- Outside Services over budget
  - PCS (unbudgeted expense work $311K)
  - SPM (unbudgeted $35K: Kennedy & Jenks, project estimator costs)
  - CDD Admin ($13K: Dwayne Lee, metrics/performance development)
  - General Services currently underbudget (SPM projects $125K YE positive variance)
- Reduced capital work and increased expense work:
  - Capital charges below budget ($501K PCS, offset by SPM projected $27K YE overage)

VI. CORPORATE PROF. & TECHNICAL SERVICES PERFORMANCE REPORT 6/30/10

A. BUSINESS EVENTS

- Together with the WSDOT, SDOT, King County, planned the Alaskan Way Viaduct MOA signing/SR 519 Ribbon-cutting to sign the port's agreement to contribute to the AWV Replacement Program and celebrated the opening of the Royal Brougham overpass. All local television, newspapers, and several radio outlets covered event.
- Coordinated the port's participation in a 100+ person delegation from China led by the China Council for the Promotion of International trade. Drafted a letter on behalf of the US West Coast Collaboration to US Secretary of Transportation Ray LaHood to provide feedback on the draft USDOT Strategic Plan.
- Finalized Eastside Rail Corridor closing and signing ceremony with City of Redmond.
- Published 2009-2010 Annual Report to the Community online and printed 200 copies for distribution.
- Participated in the SR 519 ribbon-cutting ceremony for new westbound I-90 off-ramp and Royal Brougham Way overpass.
- Together with the Seattle Marine Business Coalition and City's Office of Economic Development, hosted the Mayor's Industrial Tour showcasing Fishermen's Terminal/MIC, Terminal 91, Viaduct and Cargo Terminals/Duwamish River industrial area.
- Participated in the Seattle Maritime Festival events showcasing Port's environmental programs (Working Waterfront Workshop: Environmental Leadership, Stewardship and Collaboration), commitment to fishing community (Stories of the Sea), and vibrant maritime industry (Family Fun Day/Tug Races).
- Promoted and supported the Clean Trucks program by participating in the third Truckers Resource Fair and Drayage Truck Registry communications support; Planned and managed Clean Truck event with Cascade Sierra Solutions and PSCAA.
- Celebrated the 2010 cruise season opening with coverage on all local mainstream and Web-based media outlets as well as trade and industry publications. All stories featured the positive economic impact to the region.
- Negotiated final terms and conditions for benefits broker and signed a two year contract with Towers Watson.
- Presented the Final briefings to Commission for self funding benefits Resolution and a Competition waiver for claim administration services were done on May 11th and received Commission approval.
- Signed a contract with Aon Risk Services for the pilot Enterprise Risk Management project for Harbor Services.
- Held kick-off training for 17 mentor/mentee pairs in the third iteration of MEEM, the Port's mentoring program.
- ICT implemented the Ironport Data Loss Prevention filter, which provides more accurate filtering of the Port's security sensitive information (SSI).
- ICT delivered numerous smaller projects that improved operations, cost effectiveness, and employee productivity.
- Received the Distinguished Budget Presentation Award from the Government Finance Officers Association of America in May.
- Successfully upgraded the Clarity Budget System from 6.1 to 6.2.
- Hosted an international delegation from Ireland coordinated by Boston College. Visit included a tour of Seaport facilities and meeting/presentation.
- Police completed Accreditation through the Washington Association of Sheriffs and Police Chiefs, the department has begun work toward seeking national Accreditation through the Council on Accreditation of Law Enforcement Agencies.

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B. KEY INDICATORS

Key Indicators	2010 YTD	2009 YTD/Notes
Occupational Injury Rate	5.45 per 100 employees	4.70, increased by 0.75
Lost Work Day Rate	2.62 cases (18 cases)	1.52 (11 cases), increased by 1.1
Lost Work Days	253 days	445 days, decreased by 192
Annual Safety Training	63% completed	60%, increased by 3%
Vehicle Incidents	58, preventable 34	46, 9, increased by 26%
Total Incidents Reported	73	94, decreased by 29%
Risk Management Overall Reserves (exclude environment)	$5.6 million	$1.4 million, increased by 300%
Overall Cost of Risk	$11.32/$1,000	$14.42/$1,000, decrease by $3.1/$1,000.
Workplace Accommodations to Injured Workers	432 days	223 days, increased by 209
Spirit and Wellness Onsite Class Participation	396 employees	151, increased by 245.
Health Assessment	97% completed	93%, increased by 4%
Property Insurance	$1.2 million	$1.2 million, no change
Internal Audit	7 audits presented to the Audit Committee	• Clear Channel • Disbursement (AP & Payroll) • AV Business Development • Border • Concessions, International • Portside Café • ICT Department
Employment	• 97 job openings • 4,143 applications received • 301 interviews	• 170, decreased by 73 • 5,268, decreased by 1,125 • 542, decreased by 241
New Employee Orientation	21 new hires	69, decreased by 48
MIS Training Classes	6 classes, 67 employees completed	No classes conducted in 2009
Spring Employee Forums	440 participated	28 questions submitted
Job Evaluations	72 completed	60, increased by 12
Labor Contract Negotiated	4 contracts; 9 MOU; 1 PLA	
Employee Discipline/Grievance	15 incidents; 20 disciplines; 11 grievances	
Internal Communication via Compass	Average 1,600 visitors/month	1,567, increased by 33. This Intranet site won an Award of Merit in the AAPA Communications Awards Program.

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Key Indicators	2010 YTD	2009 YTD/Notes
E-newsletters and bulletins	15,200 subscribers for 34 topic areas	24,238 subscribers for 24 topic areas
Port Web Site Usage	5,489,892 Page views, 1,950,719 visits	8,644,671 page views in the year 2009.
Environmental Annual Report Readership	1,200 visits since April and more than 10,000 page views.	Won an Award of Merit in the AAPA Communications Awards Program.
Annual Report Readership	1,924 total visits May-July	650, increased by 1,274. The 08-09 Report won an Award of Excellence in the AAPA Communications Awards Program.
Attorney Services – Prosecute, Defend Claims and Litigation	58 active litigation and claims matters	
Records Management – Respond to Public Disclosure Requests	138 Public Disclosure Requests	
Records Management – Assure that Port records are being maintained and managed in accordance with State law	17,000 boxes archived. 500 new boxes in storage. 2,000 destroyed.	
Increase Mobility and Productivity	1,212 employees have laptops	1,011, increased by 201
Service Desk Incidents	11,537	13,259, decreased by 1,722
Percent of ICT Projects Completed on Budget	89%	91%, decreased by 2%
Port's annual target of purchasing at least $20 million or 10% of all goods and services from qualified small businesses	3 of 5 divisions met the 10% utilization goal	
Increase in small business	1,123 on registered roster	
Spokane Street Widening/FAST Corridor	Approved MOA with City for $3.4M contribution	
Police Services	29,534 calls received	30,711, decreased by1,177
Arrests	306 with no warrant 192 with warrant	426 with no warrant, decreased by 120; 296 with warrant, decreased by 104.

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C. OPERATING RESULTS

In $ Thousands	2009 YTD Actual	2010 YTD Actual	2010 YTD Budget	2010 Bud Var. $	2010 Bud Var. %	Year-End Projections Budget	Year-End Projections Forecast	Year-End Projections Variance
Total Revenues	157	309	9	300	3337.2%	18	338	320
Executive	715	697	790	92	11.7%	1,536	1,536	-
Commission	422	404	473	69	14.7%	868	868	-
Legal	975	1,603	1,506	(98)	-6.5%	2,923	3,163	(241)
Risk Services	1,253	1,259	1,515	256	16.9%	3,009	2,992	17
Health & Safety Services	468	499	572	73	12.8%	1,095	1,091	4
External Affairs	2,407	2,644	3,209	565	17.6%	5,997	5,997	-
Economic & Trade Development 1	660	-	-	-	0.0%	-	-	-
Human Resources & Development	1,740	1,741	2,376	635	26.7%	4,838	4,588	250
Labor Relations	319	294	393	99	25.3%	784	784	-
Information & Communications Technology	7,722	8,696	9,527	831	8.7%	19,033	19,033	-
Finance & Budget	719	729	772	43	5.5%	1,529	1,525	4
Accounting & Financial Reporting Services	2,928	2,946	3,363	417	12.4%	6,716	6,654	61
Internal Audit	460	494	531	37	7.0%	1,109	1,108	1
Office of Social Responsibility	534	576	760	184	24.3%	1,458	1,456	2
Police	8,299	9,204	10,252	1,048	10.2%	20,314	20,282	32
Contingency	313	17	375	358	95.3%	750	550	200
Total Expenses	29,933	31,802	36,413	4,610	12.7%	71,958	71,628	330

Note:
1) Economic & Trade Development was dissolved for 2010.

Corporate revenues were $300K favorable compared to budget due to higher operating grants.

Corporate expenses for the first six months of 2010 were $4.6 million or 12.7% favorable compared to budget and $1.9 million or 6.2% higher than the same period a year ago. The $4.6 million favorable variance is due primarily to timing differences between when the items are paid and when budgeted and not necessarily cost savings.

All Corporate departments are favorable with the exception of Legal, which was $98K over budget due to the establishment of a litigated reserve for $140K. Year-end spending is projected to be $330K under budget.

D. CAPITAL SPENDING RESULTS

		($ Millions)
Annual Results:		
2010 Plan of Finance	$	10.50
2010 Approved Budget	$	16.70
2010 Forecast	$	10.50
Variance (Budget vs. Forecast)	$	6.20