

Q2 2010 Financial Performance

Port of Seattle

July 26, 2010

Portwide Q2 Income Summary

(\$ in thousands)	2009 YTD	2010 YTD	2010 YTD	2010 Bud vs. Act	
	Actual	Actual	Budget	Var \$	Var %
Operating Revenues	231,759	229,778	231,713	-1,935	-0.8%
Operating Expenses	<u>114,014</u>	<u>117,553</u>	<u>132,459</u>	<u>14,906</u>	<u>11.3%</u>
Income before Depreciation	117,745	112,225	99,254	12,971	13.1%
Depreciation	<u>75,243</u>	<u>79,773</u>	<u>79,201</u>	<u>-572</u>	<u>-0.7%</u>
Income after Depreciation	<u><u>42,502</u></u>	<u><u>32,452</u></u>	<u><u>20,053</u></u>	<u><u>12,399</u></u>	<u><u>61.8%</u></u>

Q2 Major Revenue Variances

Operating Revenues <i>(In \$ '000)</i>	Actual/Budget	
	Var. \$	Var. %
Aero Revenues	(4,712)	-4.5%
Public Parking	(1,411)	-5.5%
Rental Cars	1,149	8.9%
Concessions	1,682	11.6%
Container	1,564	5.6%
Cruise	263	7.3%
Grain	535	21.0%
Seaport Security Grants	(906)	-57.0%
Seaport Environmental Grants	(400)	-100.0%
Real Estate Third Party Mgmt	469	9.6%
Other	(168)	-0.5%
Subtotal	<u>2,777</u>	<u>2.2%</u>
TOTAL	<u><u>(1,935)</u></u>	<u><u>-0.8%</u></u>

Q2 Major Expense Variances

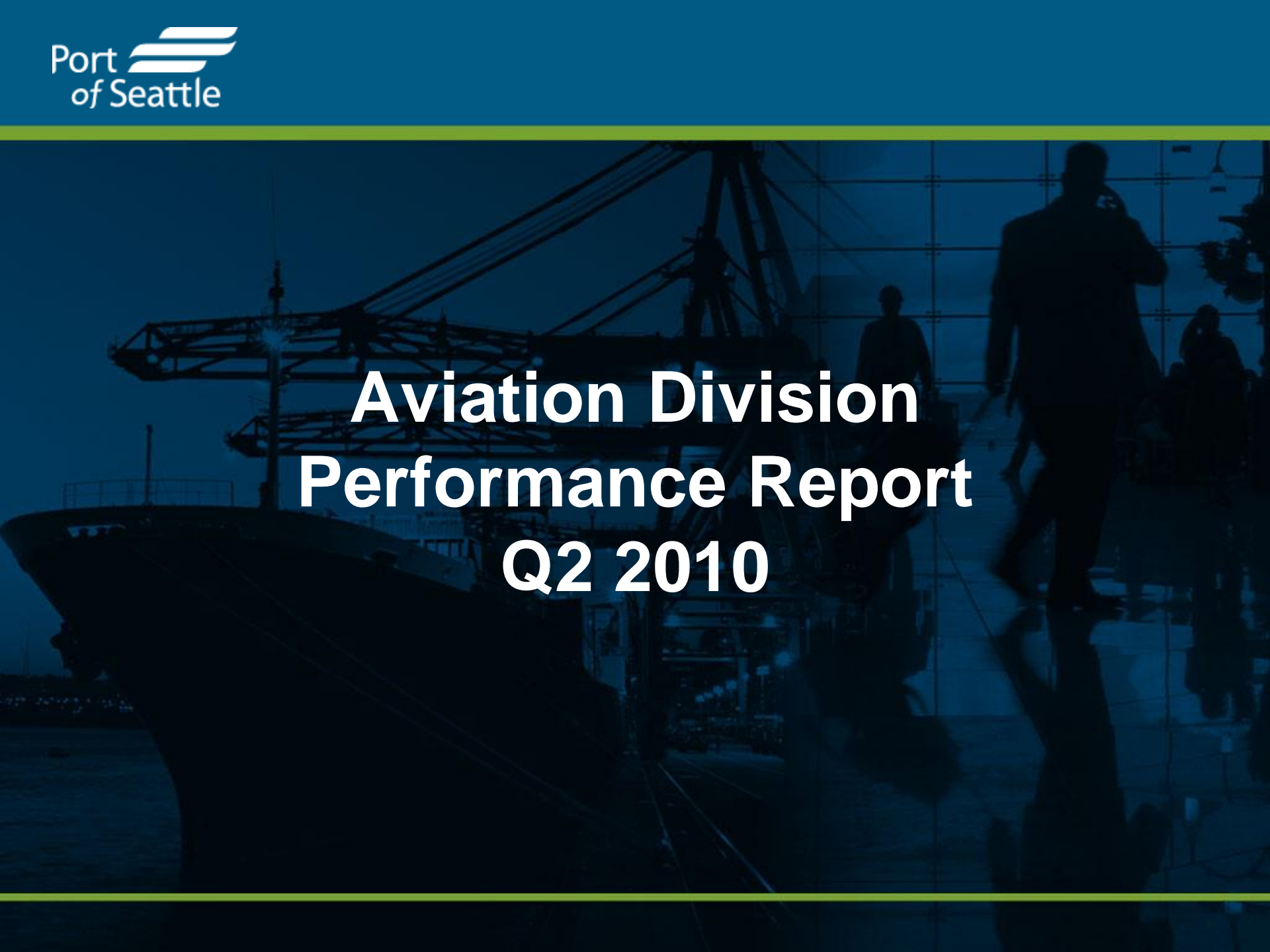
Operating Expenses <i>(In \$ '000)</i>	Actual/Budget	
	Var. \$	Var. %
Salaries & Benefits	2,018	4.7%
Wages & Benefits	566	1.5%
Payroll to Capital Projects	3,110	27.7%
Equipment Expense	1,027	31.4%
Utilities	993	9.2%
Outside Services	6,541	29.5%
Travel & Other Employee Exps	1,240	45.3%
Promotional Expenses	459	66.7%
General Expenses	2,638	19.8%
Other	163	3.6%
Charges to Capital Projects	<u>(3,847)</u>	21.3%
Total	<u>14,907</u>	<u>11.3%</u>

Portwide 2010 Year-End Forecast

(\$ in thousands)	2009	2010	2010	2010 Bud vs. Fcst	
	Actual	Forecast	Budget	Var \$	Var %
Operating Revenues	449,435	470,779	476,784	(6,005)	-1.3%
Operating Expenses	<u>245,767</u>	<u>263,917</u>	<u>262,829</u>	<u>(1,088)</u>	<u>-0.4%</u>
Income before Depreciation	203,668	206,862	213,955	(7,093)	-3.3%
Depreciation	<u>156,192</u>	<u>158,575</u>	<u>158,575</u>	<u>0</u>	<u>0.0%</u>
Income after Depreciation	<u><u>47,476</u></u>	<u><u>48,287</u></u>	<u><u>55,380</u></u>	<u><u>(7,093)</u></u>	<u><u>-12.8%</u></u>

Total Port 2010 Capital Spending

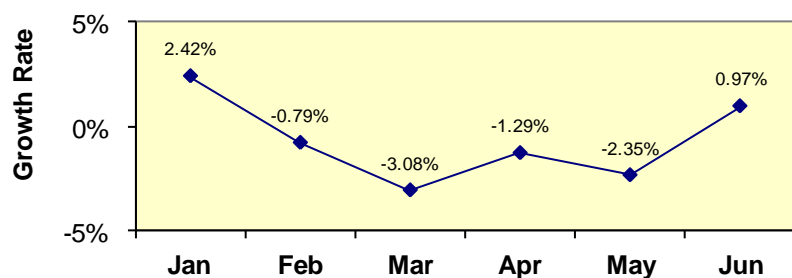
Division	Q1 Act.	Q2 Act.	Q3 Est.	Q4 Est.	YE Fcst	App'd Budget	Var.	Plan of Finance
(\$ in millions)								
Aviation	39.2	41.8	68.7	59.8	209.5	247.6	38.1	275.8
Seaport	2.6	4.0	5.2	8.0	19.8	30.8	11.0	30.6
Real Estate	0.8	0.8	2.7	3.8	8.0	11.8	3.8	12.1
Corporate	0.8	1.5	4.0	4.2	10.5	16.7	6.2	10.5
Total	43.4	48.0	80.7	75.8	247.8	306.8	59.0	329.1

The background of the slide is a dark blue-tinted image. On the left, the nose and cockpit of a large commercial airplane are visible. On the right, the silhouettes of several people are shown walking through a glass-walled structure, likely an airport terminal. The overall scene is dimly lit, with the primary light source being the ambient light from the terminal windows.

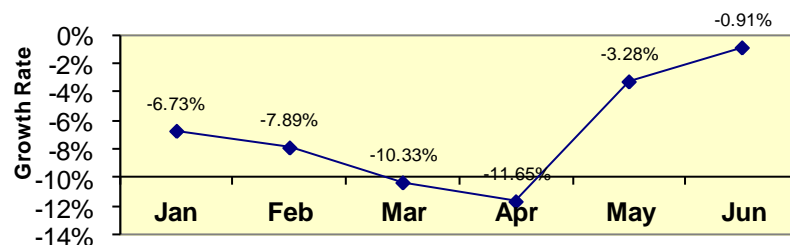
Aviation Division Performance Report Q2 2010

- Airline activity:
 - Enplanements down 0.7% YTD from 2009, but only 0.07% off of forecast through Q2
- Operating budget:
 - Total O&M expenses are 10% YTD below budget due to delay of expense related projects
- Non-airline revenues:
 - Total revenue per enplaned passenger up 1% YTD vs. budget
 - Public Parking has seen positive trends over the past four months
- Airline cost per enplanement (CPE) of 12.45 vs. budget of \$12.66
- Capital: forecasting to spend 81% of 2010 annual budget

Enplanements vs. Prior Year



Landed Weight vs. Prior Year



<i>Figures in 000s</i>	2009	2010	%	2009	2010	%
	YTD	YTD	Variance	Actual	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%

- No change in forecast for enplanements or landed weight since Q1
- Landed weight in 2009 includes 267 wide-body cargo diversions from Anchorage due to volcanic activity

Q2 YTD Operating Revenue

<i>Figures in \$ 000s</i>	2008 YTD	2009 YTD	2010 YTD	2010 YTD	Actual/Budget	
	Actual	Actual	Actual	Budget	Var \$	Var %
Revenues						
Landing Fees	28,203	27,917	26,815	30,325	(3,510)	-11.6%
Terminal Rental	62,148	65,517	66,595	67,736	(1,141)	-1.7%
Security Grants	-	-	-	-	-	n/a
Other Aero Revenues	5,621	6,353	7,043	7,103	(60)	-0.9%
Total Aeronautical	95,972	99,787	100,452	105,164	(4,712)	-4.5%
Public Parking	31,060	25,626	24,149	25,559	(1,411)	-5.5%
Rental Cars	16,271	16,250	14,083	12,934	1,149	8.9%
Concessions	15,842	16,410	16,235	14,553	1,682	11.6%
Other Non-airline	11,006	10,164	10,268	11,058	(790)	-7.1%
Total 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%
Total Revenues	<u>174,447</u>	<u>172,413</u>	<u>169,421</u>	<u>173,445</u>	<u>(4,024)</u>	<u>-2.3%</u>

- Public Parking – signs of improvement: June revenues for 2010 exceeded June 2009
- Concessions – includes one-time Google wi-fi promotion revenues

Q2 YTD Operating Expense

	<i>Figures in \$ 000s</i>					
	2008 YTD Actual	2009 YTD Actual	2010 YTD Actual	2010 YTD Budget	Actual/Budget Var \$	Actual/Budget Var %
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%

- Utilities – surface water usage down due to mild winter, YTD electricity savings due to less power usage, lower than forecasted summer energy prices
- Outside Services – delays or deferrals of invoice payments, Part 150, South Access work

Forecast Operating Expense

<i>Figures in \$ 000s</i>	2008 Actual	2009 Actual	2010 Forecast	2010 Budget	Forecast/Budget Var \$	Var %
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%

- Savings in commodity costs from favorable weather and increased recycling
- Delay in opening of Club International
- Concessionaire buyouts
- Probable further studies to Sound Transit extension, Terminal Development Strategy
- Division-wide unemployment benefits and overtime costs

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

- Airline revenues based on cost recovery
- Capital costs lower due to savings from low interest rates on variable rate debt

Aeronautical Key Indicators

	2008 Actual	2009 Actual	2010 Forecast	2010 Budget	Forecast/Budget	
					Var \$	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	<u>(0.84)</u>	<u>(0.77)</u>	<u>(0.93)</u>	<u>(1.09)</u>	0.16	-20.5%
Passenger Airline CPE	11.89	10.92	12.45	12.67	(0.22)	-2.0%

- Change in accounting for TSA grant as non-operating revenue
- Change in CPE calculation methodology including Ramp Tower Fees as a passenger airline cost

<i>Figures in \$000s</i>	2008 Actual	2009 Actual	2010 Forecast	2010 Budget	Forecast/Budget	
					Var \$	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%

- Positive trends seen in long term Public Parking transactions over the past four months – increased year-end forecast by \$2.6 million from Q1
- Concessions: better than expected due to land rental income, Google Wi-Fi deal, higher observed sales per enplanement than budgeted

Non Aeronautical Key Indicators

	2008 Actual	2009 Actual	2010 Forecast	2010 Budget	Forecast/Budget Var \$	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%

- May Primary Concessions Sales per Enplanement of \$10.08

<i>Figures in \$ 000s</i>	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%
Traffic						
Enplanements	16,085	15,610	15,361	15,361	-	0.0%
Landed Weight	21,516	20,388	19,890	20,364	(474)	-2.3%
Key Measures						
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%

- Forecast \$4.1 million interest expense savings from variable rate debt service

Capital Spending

<i>Figures in \$ 000s</i>	YTD Actual	2010	2010	Forecast/Budget		2010
		Forecast	Budget	Var \$	Var %	Plan of Finance
Rental Car Facility (1)	62,505	149,678	174,699	25,021	14.3%	157,818
Third Runway Projects (2)	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 (3)	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 (4)	1,212	1,962	3,500	1,538	43.9%	10,500
Loading Bridges Utilities (5)	27	427	2,900	2,473	85.3%	3,500
Alaska Air 2 Step Ticket Counters (6)	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

1. Turner Construction is behind in their January 2010 cash flow projections
2. Pond M will not be completed in 2010
3. Bids for 2010 AIP contract significantly under engineer estimate
4. Scope changes extended design schedule
5. Delays with Harris Group required going back to Commission
6. Port owes Alaska \$1.9 million; baggage dispute still in negotiations

The background of the slide is a dark blue image. On the left, the bow of a large cargo ship is visible. In the center and right, there are silhouettes of people walking and talking on a mobile phone, overlaid on a grid pattern that suggests a window or a screen. The overall scene is a busy port terminal.

Seaport Division Performance Report Q2 2010

Seaport Business Goals

- TEU volume was 1,004K, up 45% from first half 2009. Full inbound TEU's were up 63% and full outbound up 27%.
- Grain volume at 2.8 million metric tons up 11% from 2009 and 23% over 2010 Q2 YTD budget.
- Cruise season started on April 26th. On track to meet 2010 budgeted passenger volume of 850,000 passengers.
- Executed new lease with PCC Logistics at Terminal 104.
- Louis Dreyfus exercised option for 5 year lease extension at Terminal 86.

Seaport Organizational Goals

Environmental Stewardship

- Continuing implementation of Northwest Ports Clean Air Strategy.
- AAPA award for Environmental Compliance Assessment Program.

Regional Transportation – Closely monitoring south harbor road construction projects and detour routes.

Seaport Q2 YTD Operating Results

<i>In \$ Thousands</i>	2009 YTD	2010 YTD	2010 YTD	2010 Bud Var	
	Actual	Actual	Budget	\$	%
Operating Revenue	43,714	44,508	42,254	2,254	5%
<u>Security Grants</u>	<u>129</u>	<u>682</u>	<u>1,588</u>	<u>(906)</u>	-57%
Total Revenue	43,842	45,190	43,842	1,348	3%
Direct Expenses	11,023	8,886	10,787	1,901	18%
Security Expense	529	1,074	2,201	1,128	51%
Environmental Reserve	0	855	750	(105)	-14%
Divisional Allocations	1,001	1,210	1,282	73	6%
<u>Corporate Allocations</u>	<u>5,736</u>	<u>6,198</u>	<u>7,028</u>	<u>830</u>	12%
Total Expense	18,287	18,223	22,049	3,826	17%
Net Operating Income (NOI)	25,555	26,967	21,794	5,173	24%

Seaport Division Key Variances

Revenue Detail (\$'s in Thousands)

Q2 YTD Business Unit	Variance to Budget Better (Worse)
Containers	\$1,564
Support Properties	(\$90)
Cruise	\$263
Grain	\$535
Docks/Industrial Properties	\$382
Security Grants	(\$906)
Environmental Grants	(\$400)
Total	\$1,348

Seaport Division Key Variances

Expense Detail (\$'s in Thousands)

Q2 YTD Expenses	Variance to Budget Better (Worse)
Security Expenses	\$1,128
Outside Services	\$1,075
Corporate	\$900
Advertising/Promotional	\$175
Salaries and Benefits (Seaport)	\$173
All Other	\$375
Total Expense	\$3,826

Seaport Business Groups

NOI Before Depreciation (\$'s in Millions)

	Q2 YTD Actual NOI	Variance to Budget Better (Worse)
Containers	\$21.6	\$3.3
Container Support Props	\$.3	\$.0
Cruise	\$1.7	\$.7
Grain	\$2.5	\$.6
Docks/Indust Props	\$2.2	\$.9
Security	(\$.6)	\$.2
Envir Grants/Reserve	(\$.8)	(\$.5)
Total Seaport	\$26.9	\$5.2

Seaport Full Year Operating Forecast

<i>In \$ Thousands</i>	2009	2010	2010	2010 Bud Var	
	Actual	Forecast	Budget	\$	%
Operating Revenue	89,844	91,151	90,134	1,017	1%
<u>Security Grants</u>	<u>847</u>	<u>2,535</u>	<u>2,535</u>	<u>0</u>	0%
Total Revenue	90,691	93,686	92,669	1,017	1%
Direct Expenses	24,329	22,260	21,631	(629)	-3%
Security Expense	1,640	3,756	3,756	0	0%
Environmental Reserve	24	1,500	1,500	0	0%
Divisional Allocations	2,123	2,575	2,575	0	0%
<u>Corporate Allocations</u>	<u>12,430</u>	<u>13,862</u>	<u>13,862</u>	<u>0</u>	0%
Total Expense	40,545	43,953	43,324	(629)	-1%
Net Operating Income (NOI)	50,145	49,733	49,345	388	1%

Seaport Capital 2010

Estimated Actual	Approved Budget	Variance to Budget	Est. Act. as % of App. Bud	Plan of Finance
\$19.8	\$30.8	\$11.0	64%	\$30.6

The background is a dark blue-tinted image. On the left, there is a large cargo ship docked at a pier with a crane. On the right, there is a silhouette of a person in a business suit talking on a mobile phone, with other silhouettes of people in the background. The overall scene suggests a port and business environment.

Real Estate Division Performance Report Q2 2010

Real Estate 2nd Quarter Key Events

- Full Year Net Operating Income forecasted to meet budget.
- 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.
- Vessel liability insurance requirement effective at Fishermen's Terminal on January 1, 2010. Compliance as of June 30th at 93%.

Real Estate Business Goals

Provide Compelling Value and Asset Utilization

- **Occupancy Rates:** Commercial property at 89% occupancy, below target of 90% and above 2010 Q2 Seattle market average of 87%.
- **FT/Marina Occupancy:** Fishermen's Terminal exceeded the second quarter YTD occupancy target. Maritime Industrial Center below target. Recreational Marinas at 92%, slightly below target of 93%.

Real Estate Division Qtr 2 Operating Results

<i>In \$ Thousands</i>	2009 YTD	2010 YTD	2010 YTD	2010 Bud Var	
	Actual	Actual	Budget	\$	%
Operating Revenue	15,348	14,857	14,417	441	3%
Total Revenue	15,348	14,857	14,417	441	3%
Direct Expenses	13,126	13,861	15,391	1,531	10%
Environmental Reserve	0	0	0	0	NA
Divisional Allocations	(1,482)	(1,733)	(1,893)	(160)	-8%
<u>Corporate Allocations</u>	<u>2,397</u>	<u>2,579</u>	<u>2,924</u>	<u>345</u>	12%
Total Expense	14,041	14,706	16,423	1,716	10%
Net Operating Income (NOI)	1,307	151	(2,006)	2,157	108%

Real Estate Division Q 2 Key Variances

Revenue Detail (\$'s in Thousands)

2010 Year to Date Business Unit	Variance to Budget Better (Worse)
Recreational Boating	\$8
Fishing & Commercial	\$134
Commercial Properties	\$15
Third Party Management	\$469
RE Development & Planning	(\$21)
Eastside Rail	(\$104)
Facilities/Maintenance	(\$60)
Total	\$441

Real Estate Division Q2 Key Variances

Expense Detail (\$'s in Thousands)

2010 Year to Date Expense	Variance to Budget Better (Worse)
Outside Services	\$689
Corporate	\$415
Maintenance Expense	\$446
Salaries and Benefits (Real Estate)	\$173
Third Party Management	\$106
All Other	(\$113)
Total Expense	\$1,716

Real Estate Business Groups

NOI Before Depreciation (\$'s in Thousands)

	Q2 YTD Actual NOI	Variance to Budget Better (Worse)
Recreational Boating	\$1,033	\$571
Fishing & Commercial	(\$978)	\$552
Commercial & Third Party	\$455	\$1,019
RE Development & Planning	(\$248)	(\$2)
Eastside Rail	(\$111)	\$17
Total Real Estate	\$151	\$2,157

Real Estate Division Full Year Forecast

<i>In \$ Thousands</i>	2009	2010	2010	2010 Bud Var	
	Actual	Forecast	Budget	\$	%
Operating Revenue	30,132	29,947	29,798	149	1%
Total Revenue	30,132	29,947	29,798	149	1%
Direct Expenses	27,525	31,046	30,949	(97)	-0.3%
Environmental Reserve	0	0	0	0	NA
Divisional Allocations	(3,200)	(3,750)	(3,802)	(52)	-1%
<u>Corporate Allocations</u>	<u>5,244</u>	<u>5,808</u>	<u>5,808</u>	<u>0</u>	0%
Total Expense	29,569	33,105	32,956	(149)	-0.5%
Net Operating Income (NOI)	563	(3,158)	(3,158)	0	0%

Real Estate Capital 2010

Estimated Actual	Approved Budget	Variance to Budget	Est. Act. as % of App. Bud	Plan of Finance
\$8.0	\$11.8	\$3.8	68%	\$12.1

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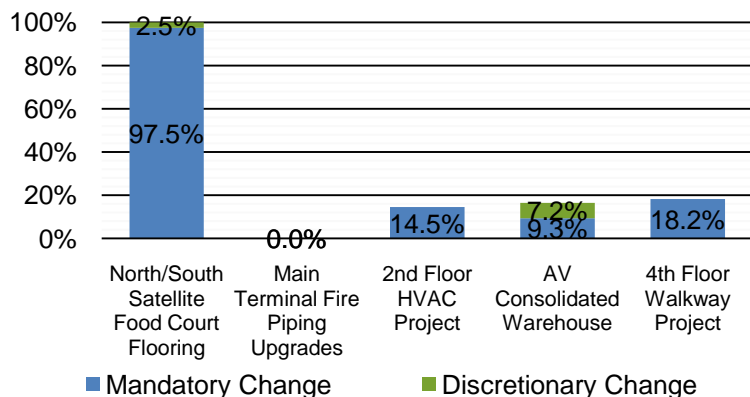
Capital Development Division Performance Report Q2 2010

Capital Development Division 2nd Quarter Business Events

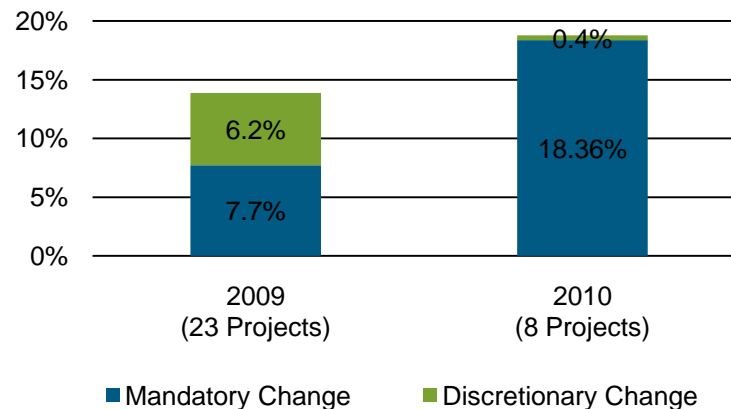
- Completed initial draft engineering department (and PCS) re-evaluation in June 2010.
- Engineering providing increased expense project work at the Operating Divisions' request.
- Updated PCS Compass website to include a monthly featured project that includes construction status and customer comments.
- Multiple projects went to construction bid, including PC air, airfield stormwater improvements (Contract 2), and C1-C88 baggage system.
- Major project coordination effort started for 25+ south satellite-area projects scheduled over the next 3 years, particularly 2011.
- Project art planner has completed the T91 cruise terminal art plan.
- SPU agreed to work with the Port on the preferred option of indemnification to resolve Qwest Hut encroachment to their sewer line.
- Audit conducted by FHWA on EMWGS project-specific documentation. Very good report with full concurrence of accurate project documentation, assuring 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 3rd – 4th Qtr implementation.
- Conducted 6 classes for CPO-1, Evaluation & Source Selection, and Contract Administration. Trained 148 employees.

Capital Development Division Key Indicators

Completed Projects Q2 2010



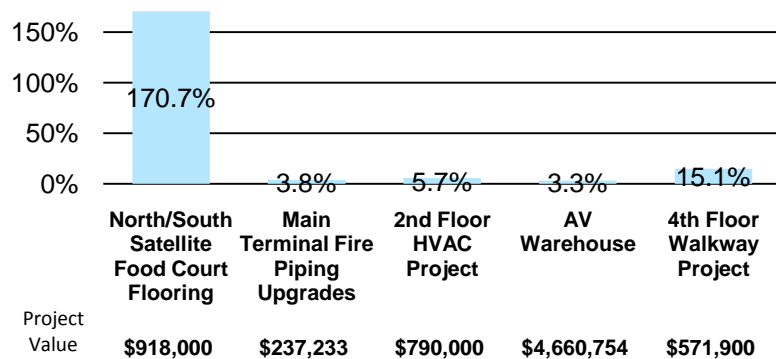
Completed Projects Summary



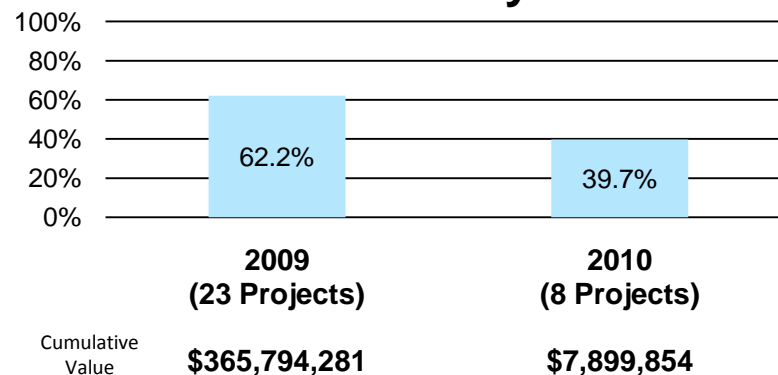
Cost Growth During Construction

Capital Development Division Key Indicators continued

Completed Projects Q2 2010



Completed Projects Summary



Project Schedule Growth


Project	Original Construction Contract Amount	Non-Discretionary Change	Discretionary Change	Initial Commission Authorized Start of Design	Planned Substantial Completion of Construction
2nd Quarter 2010					
North/South Satellite Food Court Flooring	\$918,000	97.5%	2.5%	1-Jul-07	30-Jun-08
Main Terminal Fire Piping Upgrades	\$237,233	0.0%	0.0%	1-Sep-08	31-Mar-10
2nd Floor HVAC Project	\$790,000	14.5%	0.0%	1-Apr-08	28-Feb-10
AV Warehouse	\$4,660,754	9.3%	7.2%	1-Apr-08	28-Feb-10
4th Floor Walkway Project	\$571,900	18.2%	0.0%	1-Feb-06	31-Jul-09

Capital Development Division Operating Results

In \$ Thousands	2009 YTD	2010 YTD	2010 Bud Var.			Year-End Projections		
	Actual	Actual	Budget	\$	%	Budget	Forecast	Variance
Total Revenues	81	-	-	-	0.0%	-	-	-
<u>EXPENSES BEFORE CHARGES TO CAPITAL PROJECTS</u>								
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

Capital Development Division Key Variances to Budget

2010 Expenses in \$ Thousands	Variance to Budget	YTD Var. F/(UNF)
	Better (Worse)	%
Salaries and Benefits	2,735	19.2%
Outside Services	331	26.8%
Travel and Other	148	63.7%
Telecommunications	50	50.6%
Property Rentals	68	28.7%
General Expenses	45	8.2%
All Other	210	47 %
Charges to Capital Projects	(3,149)	23.8%
Total	439	11.4%

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Corporate Professional & Technical Services Performance Report Q2 2010

Corporate Business Events

- 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.
- Hosted the Mayor's Industrial Tour showcasing Fishermen's Terminal/MIC, Terminal 91, Viaduct and Cargo Terminals/Duwamish River industrial area.
- Published 2009-2010 Annual Report to the Community.
- Police completed Accreditation through the Washington Association of Sheriffs and Police Chiefs.

Corporate Key Indicators

- Port website received 1.95 million visits.
- 97% completed Health Assessment.
- Responded to 138 public disclosure requests.
- 89% of ICT projects completed on budget.
- Negotiated 4 labor contracts, 9 MOU's and 1 PLA.
- Presented 7 internal audit reports to the Audit Committee.
- 1,123 small businesses registered on the roster.
- Received 29,534 calls for Police services.

Corporate Q2 Operating Results

In \$ Thousands	2009 YTD	2010 YTD		2010 Bud Var.	
	Actual	Actual	Budget	\$	%
Total Revenues	157	309	9	300	3337.2%
Executive	715	697	790	92	11.7%
Commission	422	404	473	69	14.7%
Legal	975	1,603	1,506	(98)	-6.5%
Risk Services	1,253	1,259	1,515	256	16.9%
Health & Safety Services	468	499	572	73	12.8%
External Affairs	2,407	2,644	3,209	565	17.6%
Economic & Trade Development	660	-	-	-	0.0%
Human Resources & Development	1,740	1,741	2,376	635	26.7%
Labor Relations	319	294	393	99	25.3%
Information & Communications Technology	7,722	8,696	9,527	831	8.7%
Finance & Budget	719	729	772	43	5.5%
Accounting & Financial Reporting Services	2,928	2,946	3,363	417	12.4%
Internal Audit	460	494	531	37	7.0%
Office of Social Responsibility	534	576	760	184	24.3%
Police	8,299	9,204	10,252	1,048	10.2%
Contingency	313	17	375	358	95.3%
Total Expenses	29,933	31,802	36,413	4,610	12.7%

Corp Q2 Major Expense Variances

Operating Expenses <i>(In \$ '000)</i>	Actual/Budget	
	Var. \$	Var. %
Salaries & Benefits	280	1.7%
Wages & Benefits	667	7.4%
Payroll to Capital Projects	546	32.3%
Equipment Expense	398	63.3%
Outside Services	1,579	27.1%
Travel & Other Employee Exps	618	42.3%
General Expenses	492	28.2%
Other	354	36.8%
Charges to Capital Projects	(322)	17.8%
Total	<u>4,610</u>	<u>12.7%</u>

Corporate Year End Forecast

In \$ Thousands	Year-End Projections		
	Budget	Forecast	Variance
Total Revenues	18	338	320
Executive	1,536	1,536	-
Commission	868	868	-
Legal	2,923	3,163	(241)
Risk Services	3,009	2,992	17
Health & Safety Services	1,095	1,091	4
External Affairs	5,997	5,997	-
Human Resources & Development	4,838	4,588	250
Labor Relations	784	784	-
Information & Communications Technology	19,033	19,033	-
Finance & Budget	1,529	1,525	4
Accounting & Financial Reporting Services	6,716	6,654	61
Internal Audit	1,109	1,108	1
Office of Social Responsibility	1,458	1,456	2
Police	20,314	20,282	32
Contingency	750	550	200
Total Expenses	71,958	71,628	330