

CHIEF EXECUTIVE OFFICER'S 2009 GOALS OBJECTIVES

I. POLICY GOALS

A. Achieve budget NOI. Make adjustments to operating expenses as necessary and maintain financial stability/flexibility during period of financial turmoil.

- Monitor performance against budget monthly, retroactively identify potential major budget variances and take corrective actions as warranted.
- Set and monitor key financial metrics including revenues, cash balances and accounts receivable.
- Maintain strong cash balances and preserve operating and financial flexibility.
- Implement “contingency” budget reductions as economic climate and/or Port financial condition deteriorate significantly.
- Provide Commission with quarterly financial and operational performance reports, including forecasted year-end results.
- Enhance competitiveness by managing internal operational costs and revenues carefully.

B. Continue to implement Port reform initiatives.

- Undertake a comprehensive “Ethics and Workplace Responsibility” policy review and integration. Using the McKay Report recommendations as a guide, establish a Code of Conduct and a robust ethics compliance program, including financial and conflicts of interest reporting. Provide follow-up compliance mechanisms, annual training programs and certification and a communication, plan.
- Refine organizational changes made during 2008 in the Capital Development Division (including Central Procurement Office), the Office of Social Responsibility and the Real Estate Division. Confirm that policies and processes reflect and take full advantage of the new organizational structure. Complete training modules to fully implement new procurement and centralized contracting procedures.
- Complete SAO audit recommendations, including finalization and implementation of policies and procedures, establishing and conducting training and assuring compliance. Provide the required mid-year status report to the SAO.

- Prepare staff for the next SAO audit and all other audits in 2009. Establish clear expectations with auditors and staff regarding audit protocols and procedures to ensure a positive and cooperative working relationship. Ensure timely and effective communication between the Commission, the audit team and the SAO.
- Support the Internal Audit work plan and take corrective actions to implement findings in the financial state, PFE and federal grant audits. Ensure timely reporting of all audit results and follow-up action plans to the Audit Committee.

C. Complete or maintain major infrastructure initiatives for 2009 by investing in capital projects that facilitate freight mobility and protect the Working Waterfront and support job creation. Examples include:

- Seek opportunities to foster job creation and retention within City of Seattle, King County and the State of Washington, to the extent financially feasible and utilizing Port economic/industrial development authority. This goal also includes analyzing new businesses that may not have traditionally been viewed as core Port business, but which create new jobs in this region.
- Manage and advocate Port interests during the on-going decision-making process for the Viaduct Replacement (like a bored tunnel option).
- Obtain Commission authorization for additional funding if necessary for the East Marginal Way Separation Project. Begin construction and secure the final resolution of street vacation issues with the City of Seattle.
- Continue coordination with other agencies on public works projects impacting regional transportation corridors, such as SR 519, the Mercer access corridor and the Spokane Street Viaduct widening.
- Coordinate with the Port of Tacoma to identify and rank major transportation infrastructure projects, to vet funding alternatives and to advocate for funding as mutually agreed.
- Terminals 30/91: Complete construction of the cruise terminal at Terminal 91 by the start of the cruise season (April 2009) and the container terminal at Terminal 30 by June 2009. Execute a smooth transition of cruise operations to the new terminal.
- 16L-34R Reconstruction: Accomplish main runway reconstruction with minimal disruption to airport operations.

- Present the Commission with options for reducing the Seaport's reliance on the tax levy beyond 2013.
- Rental Car Facility: Maintain site during suspension and resume construction promptly and efficiently when financing allows.

D. Continue to support an ambitious environmental agenda. Examples include:

- Begin implementation of Northwest Ports Clean Air Strategy.
- Finalize five-year STIA environmental strategy by April 1, 2009.
- Initiate Part 150 process to review noise programs, including noise data from the Third Runway, and complete as much of the process as possible by the end of 2009 (recognizing that completion is not likely until 2010). Undertake formal public engagement as soon as reasonable, based on collection and analysis of data.
- Develop an approach for fully incorporating the green Seaport strategy into business strategies and plans.
- Submit Lower Duwamish Superfund site draft feasibility study in first half of 2009, following effective development of an effective outreach strategy to reach the broadest range of stakeholders.
- Start the STIA Pre-Conditioned Air Project and complete it on time.
- Submit to the Commission and determine next steps on the Greenhouse Gas Reduction strategy at STIA.
- Complete preliminary assessment of the challenges for achieving carbon neutrality at STIA.
- Support the Puget Sound Partnership Action Agenda by maintaining progress on sediment cleanup of Superfund sites and supporting the need for Model Toxic Control Act cleanup funding.
- Adopt a Port-wide Green Purchasing policy.
- Track environmental expenditures through the budget process.

II. DIVISION OBJECTIVES

A. Direct the achievement of the Airport Division's major goals/initiatives. Examples include:

- By November 2009 for inclusion in the 2010 budget, devise and put in place a medium-term cost per enplanement (CPE) cost reduction/growth moderation target, along with a comprehensive methodology to achieve that target.
- Achieve the 2009 non-airline net income target of \$86.5 million.
- Propose to the Commission and secure approval of adjustments in prime concessions contracts to mitigate impacts of airline decisions to change gate assignments by February 2009. (done)
- Maintain the cargo service additions achieved in 2008 and induce one or more cargo carriers to begin freighter aircraft technical stops at STIA by the end of 2009.
- Propose a taxi-cab origination system to replace the current STIA contract when it expires in August 2010 to minimize deadheading and promote competition while making it possible for the affected cab drivers to make a reasonable living. Support legislation regulating limos and gypsy cabs.
- Complete the strategic framework for development of an assessment of STIA's long-term energy needs, including acquisition, conservation and renewable sources by December 31.

**B. Direct the achievement of the Seaport Division's major goals/initiatives.
Examples include:**

- Achieve \$45.7 million NOI.
- Develop joint marketing strategies with the Port of Tacoma for railroads and container terminals.
- Formulate a Recovery Strategy to support Seaport customers in conjunction with the Clean Air Strategy and present it to the Commission for approval.
- Market the Terminal 5 option area.
- Coordinate with SSA to initiate Terminal 30 service for China Shipping.

**C. Direct the achievement of the Real Estate Division's major goals/initiatives.
Examples include:**

- Establish a strategy for the Real Estate Division to operate profitably within 5 years.

- Complete an asset condition assessment for Fishermen’s Terminal with recommendations for appropriate future investment.
- Work with the tenants, the Fire Department and the Department of Planning and Development to solve the netshed issue.
- Analyze Real Estate Division holdings and create a strategic utilization calendar.
- Seek new real estate investment opportunities that make strategic sense.
- Maintain high weighted average occupancy goals in commercial space (goal – 95%), recreational marinas (goal – 97%), and commercial marinas (80%).

D. Develop and execute a major strategic communication and aggressive community outreach plan to explain the Port of Seattle’s mission as a regional economic engine and strategic trade gateway. Examples include:

- Develop messages and multiple venues to explain to public(s) the Port’s purpose, structure, governance, projects, funding and impacts. Promote, advertise and explain the results of the Economic Impact Study.
- Develop and execute key community-based informational events, such as: Port 101, the Annual Meeting, Earth Day, Sea/Air School, Century Agenda and projects and issues-based community meetings.
- Produce a robust new website for the Port using new technologies to reach and engage the public and customers.
- Develop and implement government relations initiatives at federal, state, and municipal levels.
- Maximize opportunities for strategic Port priorities in the federal Economic Recovery Package, including infrastructure, taxable municipal bonds and private activity bonds.
- Execute a competitive threats strategy to support seaport container business, including advocating for a freight chapter in the federal surface transportation legislation, opposing a container tax in the state legislature and supporting/opposing alternative funding mechanisms for freight mobility infrastructure projects.
- Support the green port strategy, including federal cap/trade legislation, continuous descent authority at Sea-Tac and Puget Sound Partnership-related issues in the state legislature.

- Support truck emission issues, including, partnership with City of Seattle to establish truck parking, promote funding for Northwest Ports Clean Air Strategy and legislative support for POS drayage truck plan.

III. TASKS

A. Continue Century Agenda strategic planning process.

- Complete Commission review of four citizen-panel recommendations and adoption of guiding principles, and initiate broader strategic planning process.
- Define and initiate Scoping and Policy Framework Phase.

B. Complete acquisition of Eastside Rail Corridor and complete the public process.

- Obtain financing and ensure public acquisition of the Eastside Rail Corridor.

C. Develop a succession plan for Commission review in the first quarter of 2010.