

Q1 2010 Financial Performance

Port of Seattle

May 11, 2010

Accounts Reclassification (For 2010 Budget)

- Grants & Donations
 - Operating Grants
 - Non-Capital Grants & Donations
- Environmental Reserve
 - Operating
 - Non-Operating

Accounts Reclassification by Division

(For 2010 Budget)

(\$ in thousands)	BEFORE		AFTER	
	<u>Operating</u>	<u>Non-Op</u>	<u>Operating</u>	<u>Non-Op</u>
<u>Operating Grants</u>				
Aviation	1,250	-	1,250	-
Seaport	4,835	-	4,135	700
Corporate	1,509	-	-	1,509
Total	7,594	-	5,385	2,209
<u>Environmental Reserve</u>				
Aviation	2,971	-	2,971	-
Seaport	14,500	-	1,500	13,000
Real Estate	7,000	-	-	7,000
Total	24,471	-	4,471	20,000

Accounts Reclassification Summary

	BEFORE	AFTER	Change	
	2010 Bud	2010 Bud	\$	%
<i>(\$ in thousands)</i>				
Operating Revenues	478,993	476,784	(2,209)	-0.5%
Operating Expenses	282,829	262,829	(20,000)	-7.1%
NOI before Depreciation	196,164	213,955	17,791	9.1%
Depreciation	158,575	158,575	-	0.0%
NOI after Depreciation	37,589	55,380	17,791	47.3%

* All the numbers shown in the budget column hereinafter reflect the changes after the account reclassifications.

Portwide Q1 Income Summary

(\$ in thousands)	2009 YTD	2010 YTD	2010 YTD	2010 Bud vs. Act	
	Actual	Actual	Budget	Var \$	Var %
Operating Revenues	113,045	109,545	112,626	(3,081)	-2.7%
Operating Expenses	<u>57,976</u>	<u>52,813</u>	<u>65,457</u>	<u>12,644</u>	<u>19.3%</u>
Income before Depreciation	55,069	56,731	47,169	9,562	20.3%
Depreciation	<u>36,496</u>	<u>40,189</u>	<u>39,557</u>	<u>(632)</u>	<u>-1.6%</u>
Income after Depreciation	<u><u>18,573</u></u>	<u><u>16,542</u></u>	<u><u>7,612</u></u>	<u><u>8,930</u></u>	<u><u>117.3%</u></u>

Q1 Major Revenue Variances

Major Revenues <i>(In \$ '000)</i>	Bud Var.
Aero Revenues	(3,392)
Public Parking	(1,069)
Rental Cars	866
Concessions	585
Container	675
Seaport Security Grants	(834)
RE Third Party Mgmt	(177)
Other	265
Subtotal	<u>311</u>
TOTAL	<u><u>(3,081)</u></u>

Portwide 2010 Year-End Forecast

(\$ in thousands)	2009	2010	2010	2010 Bud vs. Fcst	
	Actual	Forecast	Budget	Var \$	Var %
Operating Revenues	449,435	471,767	476,784	(5,017)	-1.1%
Operating Expenses	<u>245,767</u>	<u>263,049</u>	<u>262,829</u>	<u>(220)</u>	<u>-0.1%</u>
Income before Depreciation	203,668	208,718	213,955	(5,237)	-2.4%
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>50,143</u></u>	<u><u>55,380</u></u>	<u><u>(5,237)</u></u>	<u><u>-9.5%</u></u>

Total Port 2010 Capital Spending

Division	Q1 Act.	Q2 Est.	Q3 Est.	Q4 Est.	YE Fcst	App'd Budget	Var.	Plan of Finance
(\$ in millions)								
Aviation	39.2	63.1	70.4	59.1	231.7	247.6	15.9	275.8
Seaport	2.8	7.0	10.1	10.8	30.8	30.8	0.0	30.6
Real Estate	0.8	1.6	4.4	3.4	10.2	11.8	1.6	12.1
Corporate	0.8	4.2	3.4	3.6	12.0	16.7	4.7	10.5
Total	43.5	76.0	88.3	76.9	284.7	306.8	22.1	329.1

The background is a dark blue image with silhouettes of an airport terminal and people. On the left, a large aircraft carrier is docked at a pier. On the right, several people are silhouetted against a large glass window, with one person in the foreground talking on a mobile phone. The overall scene is an airport terminal.

Aviation Division Performance Report Q1 2010

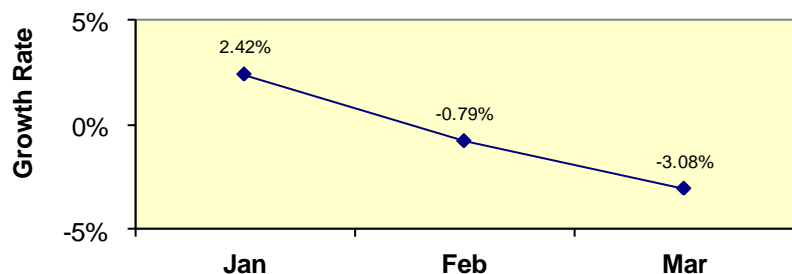
May 11, 2010

Aviation Business Highlights

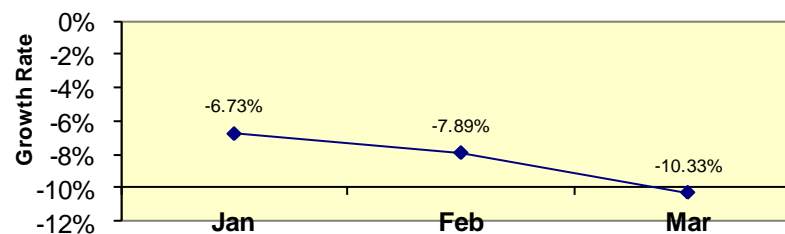
- Airline activity:
 - Enplanements down 0.7% YTD from 2009, but better than budget
- Operating budget:
 - Total O&M expenses are 17.1% YTD below budget due to delay of expense related projects
- Non-airline revenues:
 - Total revenue per enplaned passenger down 1.2% YTD vs. budget
 - Decline in Public Parking continues in Q1
- Airline cost per enplanement (CPE) of 12.74 vs. budget of \$12.67
- Capital: forecasting to spend 94% of 2010 annual budget

Activity

Enplanements vs. Prior Year



Landed Weight vs. Prior Year



<i>Figures in 000s</i>	2009	2010	%	2009	2010	%
	Q1	Q1	Variance	Actual	Forecast	Variance
Enplanements	3,377	3,355	-0.7%	15,610	15,361	-1.6%
Landed Weight	4,789	4,387	-8.4%	20,388	19,890	-2.4%

- March landed weight in 2009 augmented by cargo diversion from Anchorage due to volcanic activity
 - Excluding 2009 cargo diversions, 2010 YTD landed weight is -6.8% vs. 2009

Q1 YTD Operating Results

	<i>Figures in \$ 000s</i>					
	2008 YTD Actual	2009 YTD Actual	2010 YTD Actual	2010 YTD Budget	Actual/Budget Var \$ Var %	
Revenues						
Aeronautical	47,098	48,155	49,178	52,570	(3,392)	-6.5%
Non-Aeronautical	36,584	33,938	30,794	30,895	(101)	-0.3%
Other	2,178	2,128	2,128	2,088	40	1.9%
Total Revenues	<u>85,860</u>	<u>84,221</u>	<u>82,100</u>	<u>85,553</u>	<u>(3,453)</u>	<u>-4.0%</u>
Expenses						
Salaries & Benefits	18,817	19,991	18,351	18,843	493	2.6%
Outside Services	4,104	3,951	3,579	5,944	2,364	39.8%
Utilities	3,364	4,047	2,938	3,668	730	19.9%
Supplies & Stock	1,122	1,252	864	985	121	12.3%
Other	1,437	655	1,531	2,960	1,428	48.3%
Total Airport Expenses	<u>28,844</u>	<u>29,897</u>	<u>27,263</u>	<u>32,400</u>	<u>5,137</u>	<u>15.9%</u>
Corporate	6,026	6,846	6,889	8,842	1,952	22.1%
Police Costs	3,637	3,048	3,194	3,919	725	18.5%
Other Charges/CDD	-	1,066	1,387	1,559	172	11.0%
Total Operating Expenses (excl. Env Res)	<u>38,507</u>	<u>40,858</u>	<u>38,734</u>	<u>46,721</u>	<u>7,987</u>	<u>17.1%</u>
Environmental Reserve	-	-	-	-	-	n/a
Total Operating Expenses	<u>38,507</u>	<u>40,858</u>	<u>38,734</u>	<u>46,721</u>	<u>7,987</u>	<u>17.1%</u>
Net Operating Income	<u>47,353</u>	<u>43,363</u>	<u>43,366</u>	<u>38,833</u>	<u>4,533</u>	<u>11.7%</u>

Operating Expenses

<i>Figures in \$ 000s</i>	2008 Actual	2009 Actual	2010 Forecast	2010 Budget	Actual/Budget Var \$	Var %
Total Operating Revenues	358,329	328,241	349,288	355,324	(6,036)	-1.7%
Operating Expenses						
Payroll	89,458	80,804	78,452	78,141	(311)	-0.4%
Outside Services	31,928	21,509	23,596	23,781	185	0.8%
Utilities	12,636	13,209	12,055	12,762	707	5.5%
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	11,930	11,656	(274)	-2.3%
Baseline Airport Expenses	149,865	122,877	129,003	129,310	307	0.2%
Corporate/Capital Development	30,031	37,316	41,168	41,168	-	0.0%
Police	15,287	14,461	15,170	15,170	-	0.0%
Total Operating Expenses	195,183	174,654	185,341	185,648	307	0.2%
Net Operating Income	163,146	153,587	163,946	169,676	(5,730)	-3.4%

- Savings in utilities commodity costs from favorable weather and increased recycling
- Club International savings
- Concessionaire buyouts
- Probable further studies to Sound Transit extension, Terminal Development Strategy
- Fire Department overtime costs

Aeronautical Business

<i>Figures in \$000s</i>	2008	2009	2010	2010	Actual/Budget	
	Actual	Actual	Forecast	Budget	Var \$	Var %
Revenues requirement:						
Capital Costs	81,535	71,872	92,610	92,610	-	0.0%
Operating Costs net Non-Aero	131,024	118,482	125,369	125,604	(235)	-0.2%
Total Costs	212,559	190,355	217,979	218,214	(235)	-0.1%
FIS Offset	(5,250)	(5,250)	(7,000)	(7,000)	-	0.0%
Other Offsets	(15,686)	(16,441)	(15,062)	(15,062)	-	0.0%
Net Revenue Requirement	191,623	168,663	195,917	196,152	(235)	-0.1%
Other Aero Revenues	12,738	13,871	14,476	15,240	(764)	-5.0%
Total Aero Revenues	204,361	182,534	210,394	211,393	(999)	-0.5%
Less: Non-passenger Airline Costs	13,039	12,074	14,694	16,752	2,058	12.3%
Net Passenger Airline Costs	<u>191,323</u>	<u>170,460</u>	<u>195,700</u>	<u>194,641</u>	<u>1,059</u>	<u>0.5%</u>

- Airline revenues based on cost recovery

Aeronautical Key Indicators

	2008 Actual	2009 Actual	2010 Forecast	2010 Budget	Actual/Budget	
					Var \$	Var %
Cost Per Enplanement:						
Capital Costs / Enpl	5.07	4.60	6.03	6.03	-	0.0%
Operating Costs / Enpl	8.15	7.59	8.16	8.18	(0.02)	-0.2%
Offsets	(1.30)	(1.39)	(1.44)	(1.44)	-	0.0%
Other Aero Revenues	0.79	0.89	0.94	0.99	(0.05)	-5.6%
Non-passenger Airline Costs	(0.81)	(0.77)	(0.96)	(1.09)	0.13	-17.3%
Passenger Airline CPE	11.89	10.92	12.74	12.67	0.07	0.6%

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

Non Aeronautical Business

<i>Figures in \$000s</i>	2008	2009	2010	2010	Actual/Budget	
	Actual	Actual	Forecast	Budget	Var \$	Var %
Revenues:						
Public Parking	59,111	49,688	46,734	51,812	(5,078)	-9.8%
Rental Cars	35,592	33,321	31,014	31,014	-	0.0%
Concessions	33,181	33,482	30,288	29,953	335	1.1%
Other	22,644	20,858	22,055	22,350	(294)	-1.3%
Total Revenues	150,528	137,348	130,091	135,128	(5,037)	-3.7%
Operating Expense	61,279	55,916	57,448	57,422	(27)	0.0%
Share of terminal O&M	16,396	17,011	17,052	17,052	-	0.0%
Less utility internal billing	(13,515)	(16,738)	(14,466)	(14,466)	-	0.0%
Net Operating & Maint	64,160	56,189	60,034	60,008	(27)	0.0%
Net Operating Income	86,367	81,159	70,057	75,121	(5,064)	-6.7%

- Continued declines in Public Parking due to 12.6% YTD decline in transactions
- Concessions: better than expected due to strong year-over-year concessions sales, space rental income, Google Wi-Fi deal

Non Aeronautical Key Indicators

	2008 Actual	2009 Actual	2010 Forecast	2010 Budget	Actual/Budget	
					Var \$	Var %
Revenues Per Enplanement						
Parking	3.67	3.18	3.04	3.37	(0.33)	-9.8%
Rental Car	2.21	2.13	2.02	2.02	0.00	0.0%
Concessions	2.06	2.14	1.97	1.95	0.02	1.1%
Other	1.41	1.34	1.44	1.45	(0.02)	-1.3%
Total Revenues	9.36	8.80	8.47	8.80	(0.33)	-3.7%
Primary Concessions Sales / Enpl	10.29	9.66	9.78	9.78	0.00	0.0%

- February Primary Concessions Sales per Enplanement of \$10.06
- Q1 2010 YTD Concessions sales 2.3% above Q1 2009
- Advertising in Q1 2010 17% up vs. Q1 2009
- Q1 2010 Rental Car transactions 2.6% higher and transaction days 2.8% higher than Q1 2009
- Q1 2010 overall Public Parking transactions down 12.6% and revenues down 11.1% vs. Q1 2009

Summary

<i>Figures in \$ 000s</i>	2008 Actual	2009 Actual	2010 Forecast	2010 Budget	Actual/Budget	
					Var \$	Var %
Operating Revenues						
Aeronautical	204,361	182,534	210,393	211,392	(999)	-0.5%
Non-Aeronautical	150,528	137,348	130,091	135,128	(5,037)	-3.7%
Other	3,440	8,359	8,803	8,803	-	0.0%
Operating Revenues	358,329	328,241	349,288	355,324	(6,036)	-1.7%
Operating Expenses	192,641	175,482	182,371	182,677	307	0.2%
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	185,341	185,648	307	0.2%
Net Operating Income	163,146	153,587	163,946	169,676	(5,730)	-3.4%
Capital Expenditures	209,813	191,479	231,718	247,567	15,849	6.4%
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	70,057	75,121	(5,064)	-6.7%
Passenger Airline CPE	11.89	10.92	12.74	12.67	(0.07)	-0.5%
Total Operating Cost / Enpl	12.13	11.19	12.07	12.09	0.02	0.2%
Debt Service Coverage	1.40	1.41	1.30	1.36	(0.05)	-3.8%

- Non-Aeronautical revenues down \$5 million due to fewer long-term parking transactions
- Potential interest expense savings from variable rate debt service

Capital Spending

<i>Figures in \$ 000s</i>	2010		2010	Forecast/Budget		2010 Plan of
	YTD Actual	Forecast	Budget	Var \$	Var %	Finance
Rental Car Facility	29,467	165,352	174,699	9,347	5.4%	157,818
Third Runway Projects (1)	256	5,886	7,714	1,828	23.7%	5,549
North Expressway Relocation	(912)	5,639	5,600	(39)	-0.7%	13,000
RW 16C-34C Panel Replacement (2)	47	3,447	5,450	2,003	36.8%	0
Aircraft RON Parking USPS Site	4,985	5,235	5,210	(25)	-0.5%	5,100
3rd R/W Overflights Acq (ATZ)	378	3,901	4,000	99	2.5%	2,138
Cent Plant Preconditioned Air (3)	456	1,806	3,500	1,694	48.4%	10,500
All Other	4,472	40,452	41,394	942	2.3%	81,727
Total	39,149	231,718	247,567	15,849	6.4%	275,832

1. Pond M will not be completed in 2010
2. Bids came in significantly under engineer's estimate
3. Scope changes extended design schedule

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

Seaport Division Performance Report Q1 2010

May 11, 2010

Seaport Business Goals

- TEU volume was 448K, up 35% from first quarter 2009. Full inbound TEU's were up 45% and full outbound up 31%.
- Grain volume at 1.5 million metric tons down 14% from 2009, but 22% over 2010 Q1 budget.
- Cruise season starts on April 26th. Total cruise passenger volume for 2010 is expected to exceed 850,000 passengers.
- Seattle 2010 Bike Expo first major non-cruise event held at Smith Cove Cruise Terminal.

Seaport Organizational Goals

Environmental Stewardship – Continuing implementation of Northwest Ports Clean Air Strategy.

Regional Transportation

- Authorization of \$3.4 million investment in the Spokane Street Widening Project.
- Closely monitoring south harbor road construction projects and detour routes.

Security

- 2010 Cruise security plan approved by U.S. Coast Guard.
- Lobbying to eliminate 25% match on port security grants.

Seaport Q1 Operating Results

<i>In \$ Thousands</i>	2009 YTD	2010 YTD	2010 YTD	2010 Bud Var	
	Actual	Actual	Budget	\$	%
Operating Revenue	21,577	20,557	19,417	1,139	6%
<u>Security Grants</u>	<u>152</u>	<u>8</u>	<u>842</u>	<u>(834)</u>	-99%
Total Revenue	21,730	20,565	20,259	305	2%
Direct Expenses	6,360	3,578	5,034	1,456	29%
Security Expense	300	229	1,135	906	80%
Environmental Reserve	0	0	0	0	NA
Divisional Allocations	548	573	616	43	7%
<u>Corporate Allocations</u>	<u>2,747</u>	<u>2,846</u>	<u>3,590</u>	<u>743</u>	21%
Total Expense	9,956	7,227	10,375	3,148	30%
Net Operating Income (NOI)	11,774	13,338	9,885	3,453	35%

Seaport Division Key Variances

Revenue Detail (\$'s in Thousands)

Q1 YTD Business Unit	Variance to Budget Better (Worse)
Containers	\$675
Support Properties	(\$52)
Cruise	\$42
Grain	\$266
Docks/Industrial Properties	\$208
Security	(\$834)
Total	\$305

Seaport Division Key Variances

Expense Detail (\$'s in Thousands)

Q1 YTD Expenses	Variance to Budget Better (Worse)
Security Expenses	\$906
Outside Services	\$846
Corporate	\$754
Advertising/Promotional	\$187
Salaries and Benefits (Seaport)	\$161
All Other	\$294
Total Expense	\$3,148

Seaport Business Groups

NOI Before Depreciation (\$'s in Millions)

	Q1 YTD Actual NOI	Variance to Budget Better (Worse)
Containers	\$11.8	\$1.9
Container Support Props	\$.3	\$.0
Cruise	(\$.9)	\$.4
Grain	\$1.3	\$.3
Docks/Indust Props	\$1.2	\$.8
Security	(\$.3)	\$.1
Total Seaport	\$13.3	\$3.5

Seaport Full Year Operating Forecast

<i>In \$ Thousands</i>	2009	2010	2010	2010 Bud Var	
	Actual	Forecast	Budget	\$	%
Operating Revenue	89,844	91,062	90,134	928	1%
<u>Security Grants</u>	<u>847</u>	<u>2,535</u>	<u>2,535</u>	<u>0</u>	0%
Total Revenue	90,691	93,597	92,669	928	1%
Direct Expenses	24,329	22,298	21,631	(667)	-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	43,991	43,324	(667)	-2%
Net Operating Income (NOI)	50,145	49,606	49,345	261	1%

Seaport Capital 2010

Estimated Actual	Approved Budget	Variance to Budget	Est. Act. as % of App. Bud	Plan of Finance
\$30.8	\$30.8	\$0.0	100%	\$30.6

The background is a dark blue-tinted image. On the left, there is a large cargo ship docked at a pier with several cranes. 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 Q1 2010

May 11, 2010

Real Estate 1st Quarter Key Events

- Full Year Net Operating Income forecasted to meet budget.
- Executed new lease with Arctic Storm Management Group at Pier 69.
- First CHI managed event, Seattle Bike Expo, was held at Smith Cove Cruise Terminal.
- Completed first phase of outreach for Fishermen's Terminal 20-Year Plan.

Real Estate 1st Quarter Key Events

- Vessel liability insurance requirement effective at Fishermen's Terminal on January 1, 2010. Compliance at 55%.
- Fishermen's Terminal Net Sheds - Received approval from SFD/DPD to expand pilot storage units by 25.
- Maintenance - Hired Deferred Maintenance Manager and initiated 4-year deferred maintenance backlog initiative.

Real Estate Business Goals

Provide Compelling Value and Asset Utilization

- **Occupancy Rates:** Commercial property at 88% occupancy, below target of 90% and above 2010 Q1 Seattle market average of 79%.
- **FT/Marina Occupancy:** Fishermen's Terminal exceeded the first quarter occupancy target. Maritime Industrial Center at target. Recreational Marinas at 93%, below target of 94%.

Real Estate Division Qtr 1 Operating Results

<i>In \$ Thousands</i>	2009 YTD	2010 YTD	2010 YTD	2010 Bud Var	
	Actual	Actual	Budget	\$	%
Operating Revenue	6,980	6,784	6,809	(25)	0%
Total Revenue	6,980	6,784	6,809	(25)	0%
Direct Expenses	6,433	6,229	7,453	1,224	16%
Environmental Reserve	0	0	0	0	NA
Divisional Allocations	(791)	(823)	(916)	(92)	10%
<u>Corporate Allocations</u>	<u>1,158</u>	<u>1,186</u>	<u>1,484</u>	<u>298</u>	20%
Total Expense	6,800	6,592	8,021	1,429	18%
Net Operating Income (NOI)	180	192	(1,212)	1,405	116%

Real Estate Division Q1 Key Variances

Revenue Detail (\$'s in Thousands)

2010 Year to Date Business Unit	Variance to Budget Better (Worse)
Recreational Boating	\$39
Fishing & Commercial	\$69
Commercial Properties	\$88
Third Party Management	(\$177)
RE Development & Planning	(\$20)
Eastside Rail	(\$13)
Facilities/Maintenance	(\$11)
Total	(\$25)

Real Estate Division Q1 Key Variances

Expense Detail (\$'s in Thousands)

2010 Year to Date Expense	Variance to Budget Better (Worse)
Outside Services	\$478
Corporate	\$329
Third Party Management	\$207
Maintenance Expense	\$135
Salaries and Benefits (RE)	\$103
All Other	\$177
Total Expense	\$1,429

Real Estate Business Groups

NOI Before Depreciation (\$'s in Thousands)

	Q1 YTD Actual NOI	Variance to Budget Better (Worse)
Recreational Boating	\$691	\$504
Fishing & Commercial	(\$375)	\$365
Commercial & Third Party	(\$16)	\$425
RE Development & Planning	(\$61)	\$43
Eastside Rail	(\$47)	\$68
Total Real Estate	\$192	\$1,405

Real Estate Division Full Year Forecast

<i>In \$ Thousands</i>	2009	2010	2010	2010 Bud Var	
	Actual	Forecast	Budget	\$	%
Operating Revenue	30,132	29,798	29,798	0	0%
Total Revenue	30,132	29,798	29,798	0	0%
Direct Expenses	27,525	30,949	30,949	0	0%
Environmental Reserve	0	0	0	0	NA
Divisional Allocations	(3,200)	(3,802)	(3,802)	0	0%
<u>Corporate Allocations</u>	<u>5,244</u>	<u>5,808</u>	<u>5,808</u>	<u>0</u>	0%
Total Expense	29,569	32,956	32,956	0	0%
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
\$10.2	\$11.8	\$1.6	87%	\$12.1

The background is a dark blue-tinted image. On the left, the bow of a large cargo ship is visible. On the right, there are silhouettes of people walking, with one person in the foreground talking on a mobile phone. The overall scene suggests a busy port environment.

Capital Development Division Performance Report Q1 2010

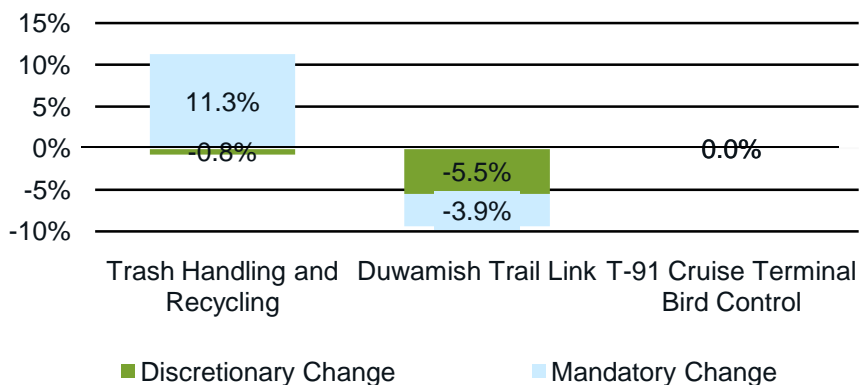
May 11, 2010

Capital Development Division 1st Quarter Business Events

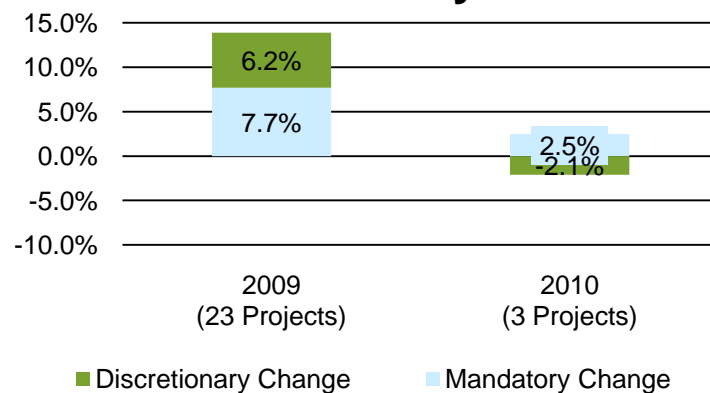
- Rental Car Facility construction continues at a good pace.
- Completed the Aviation maintenance warehouse and move-in began at the end of the quarter.
- CPO implemented a system that allows the port to see the status of active procurements for construction, purchasing and service agreements. The “transparent pipeline” for purchasing and service agreements also identifies the planned and actual schedule milestones for tracking progress.
- Completed the trash and recycling compactors project (under budget) and are seeing good usage results and positive airline feedback.
- Street vacation: T-105, South Forest Street: Completed two out of three easements, with the last one (South Park Public Shoreline Access easement) in the drafting and review stage at SDOT.

Capital Development Division Key Indicators

Completed Projects Q1 2010

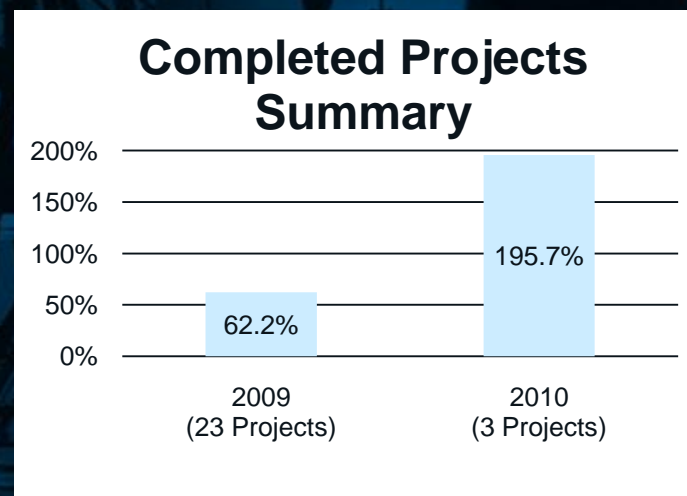
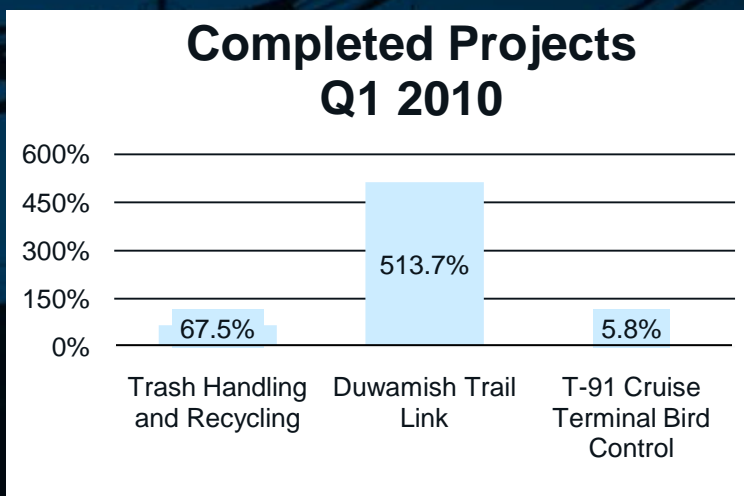


Completed Projects Summary



Cost Growth During Construction

Capital Development Division Key Indicators continued



Project Schedule Growth

Project	Original Construction Contract Amount	Non-Discretionary Change	Discretionary Change	Initial Commission Authorized Start of Design	Planned Substantial Completion of Construction
1st Quarter 2010					
Trash Handling and Recycling	\$269,101.00	11.3%	-0.8%	22-Apr-08	30-May-09
Duwamish Trail Link	\$263,865.85	-3.9%	-5.5%	25-Jul-00	31-Dec-01
T-91 Cruise Terminal Bird Control	\$189,000.00	0.0%	0.0%	14-Apr-09	12-Dec-09

Capital Development Division Operating Results

In \$ Thousands	2009 YTD Actual	2010 YTD		2010 Bud Var.		Year-End Projections		
		Actual	Budget	\$	%	Budget	Forecast	Var.
Total Revenues	-	-	-	-	0.0%	-	-	-
<u>EXPENSES BEFORE CHARGES TO CAPITAL PROJECTS</u>								
Capital Dev Admin	82	89	98	9	8.8%	387	387	-
Engineering	2,257	2,188	3,326	1,137	34.2%	13,574	13,468	106
Port Construction Svcs	1,450	1,564	1,700	136	8.0%	6,814	6,814	-
Central Procurement Office	966	709	1,010	301	29.8%	4,171	4,171	-
Aviation Project Management	1,229	1,085	1,664	579	34.8%	6,456	6,456	-
Seaport Project Management	596	520	672	153	22.7%	2,672	2,637	35
Total Before Charges to Cap Proj	6,580	6,155	8,471	2,316	27.3%	34,073	33,932	141

Capital Development Division Key Variances to Budget

2010 Expenses in \$ Thousands	Variance to Budget	YTD Var. F/(UNF)
	Better (Worse)	%
Salaries and Benefits	1,893	26.7%
Outside Services	223	36.7%
Travel and Other	60	55.3%
Telecommunications	34	65.7%
Property Rentals	34	28.8%
General Expenses	(53)	(20.7)%
All Other	125	65.8 %
Charges to Capital Projects	(2,001)	30.3%
Total	315	16.8%

Corporate Professional & Technical Services Performance Report Q1 2010

May 11, 2010

Corporate Highlights

- CEO attended “Ports Summit” with US Transportation Secretary Ray LaHood.
- Sent joint letter with the Port of Tacoma to US Commerce Secretary Gary Locke to offer our support for the National Export Initiative and to propose our suggestions.
- Authorized the Memorandum of Agreement with WSDOT for the port’s investment in the Alaskan Way Viaduct and Seawall Replacement Program.
- Launched the Workplace Responsibility Office.
- Initiated broker selection task force for self funding of benefits.

Corporate Indicators

- Achieved the lowest injury rate for the first quarter on record of 4.3 in 2010 (down from 5.2 in 2009).
- E-newsletter subscribers more than 14,600, increased by 200 since last quarter.
- Employee forums attracted approximately 440 participants; 28 questions submitted in response to request.
- Received 14,035 calls for Police services in Q1.
- Port website received 351,813 visits in Q1.
- Presented 5 internal audit reports to the Audit Committee in Q1.

Corporate Operating Results

<i>In \$ Thousands</i>	2009 YTD	2010 YTD		2010 Bud Var.		Year-End Projections		
	Actual	Actual	Budget	\$	%	Budget	Forecast	Variance
Total Revenues	125	95	5	91	2013.1%	18	109	91
Executive	361	348	419	71	16.9%	1,536	1,536	-
Commission	209	225	281	56	19.8%	868	868	-
Legal	330	611	784	173	22.1%	2,923	2,923	-
Risk Services	627	601	778	176	22.7%	3,009	2,961	48
Health & Safety Services	219	240	274	35	12.6%	1,095	1,091	4
Public Affairs	850	746	1,231	485	39.4%	4,090	4,090	-
Government Relations	320	329	394	65	16.5%	1,409	1,409	-
Economic & Trade Development	283	-	-	-	0.0%	-	-	-
Human Resources & Development	864	746	1,167	421	36.1%	4,838	4,838	-
Labor Relations	160	128	197	70	35.3%	784	784	-
ICT	3,854	4,082	4,655	572	12.3%	19,033	19,033	-
Finance & Budget	376	348	383	35	9.0%	1,529	1,512	17
Accounting & Financial Reporting	1,388	1,365	1,786	421	23.6%	6,716	6,694	21
Internal Audit	225	241	258	16	6.4%	1,109	1,109	-
Office of Social Responsibility	280	209	332	122	36.9%	1,458	1,458	-
Regional Transportation	98	107	126	19	15.2%	498	498	-
Police	3,927	4,302	5,244	942	18.0%	20,314	20,310	4
Contingency	13	()	188	188	100.3%	750	750	-
Total Expenses	14,385	14,629	18,496	3,867	20.9%	71,958	71,865	93