

# Aviation Division 2012 Capital Budget

Commission Briefing  
September 27, 2011

- Airline industry status & implications for Sea-Tac
- Sea-Tac Airport Status
- Capital budget drivers
- Historical spending
- Proposed new projects
- Capital projects by strategic driver

# Industry Status/Trends

- Domestic airline industry was profitable in 2010, forecasting near breakeven for 2011
  - IATA forecasting global industry profit of \$6.9 billion in 2011
- Fuel costs are high (near 2008 levels), yet Industry has figured out how to survive:
  - Focus on profit, not market share
    - Unprofitable routes eliminated
  - Seasonal capacity changes, very high load factors
  - Consolidation
  - Ancillary fees
- Industry expert predicts limited domestic growth, but there will be winners and losers among airports
  - Large hubs with limited regional competition and international connections will likely see growth

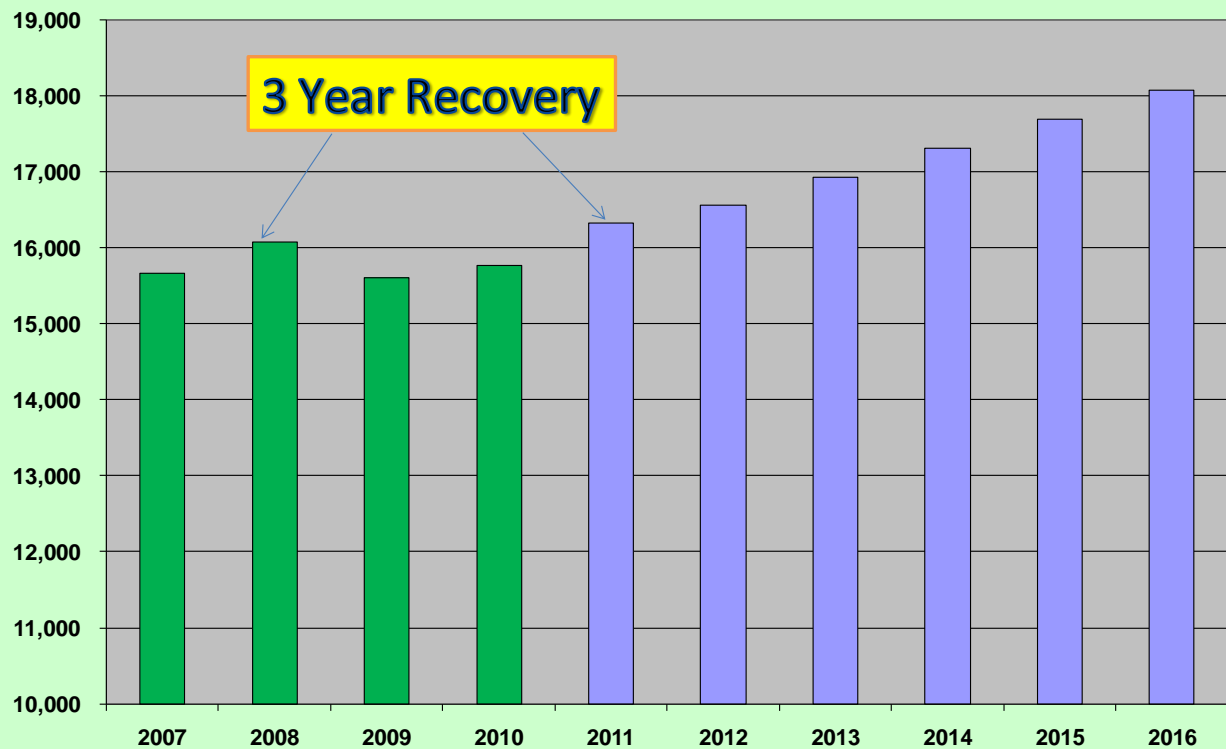


# Implications for Sea-Tac

- Sea-Tac will likely see growth in spite of economic uncertainty
  - SEA is a large hub, has international connections, and has limited competition
- Very resilient market
  - “Only” 3% drop in traffic during Great Recession
- Alaska Airlines is profitable and growing
  - Record earnings for 2011 YTD
  - Highest enplanement growth among U.S. airlines for January – June 2011 (10.7%)
- Implications: Need to plan for growth

# Sea-Tac Status

- Positive enplanement growth each month since June 2010
- Strong YTD enplanement growth through July 2011: + 4.6%
  - International +7.0%
- Forecasting growth of 3.5% for 2011
  - Exceeding last year's 2011 growth forecast of 1.0%
- **BIG QUESTION: Future of economy and effect on future air travel**



- Traffic dropped 3% in recent recession, pointing out resiliency of market demand
- Faster recovery than after 2001
- Assumptions:
  - 2011: 3.5%
  - 2012: 1.5%
  - 2013: 2.2%
  - 2014+: 2.2%



New Projects are driven by Century Agenda:

## 25 Year Strategic Goals

- Fully meet the region's air transportation capacity needs (Passenger and Cargo Projects)
- Make Seattle-Tacoma International Airport the west coast "Gateway of Choice" for international travel (FIS and common use technology projects)
- Double the number of international flights and destinations (FIS)
- Be a catalyst for this region as a premiere destination for tourists from Asia, Europe, and other targeted international areas (FIS)

Meet the region's Air Transportation Capacity needs for next 25 years:

## 5 year Strategic Milestones:

- Complete STIA Master Plan (Airfield, Terminal, Landside) - considering other regional airports
- Utilize technology to increase capacity (2-step ticketing, common use kiosks, self bag tagging)
- Evaluate on-site hotel development



## Make STIA the Gateway of Choice for Int'l Travel

### 5 year Strategic Milestones:

- Complete Mid-Term Improvements to FIS to increase capacity (\$37 million)
- Plan, Design, and begin Construction of new FIS (\$200-400 million)
- Make Baggage Improvements to reduce time between flights for connecting passengers (\$20-30 million)

Double the Number of Int'l Flights and Destinations

5 year Strategic Milestones:

- Attract and launch new services to Shanghai, Hong Kong, and the Middle East (mid-term and new FIS)
- Attract and launch added service in two existing markets (mid-term and new FIS)

# Capital Budget Drivers

## Sea-Tac Strategic Goals:

1. Operate a world-class international airport by:
  - Ensuring safe and secure operations
  - Meeting needs of our tenants, passengers and the region's economy
  - Managing our assets to minimize the long-term total cost of ownership
2. Become one of the top ten customer service airports in the world by 2015 (measured by the ACI ASQ index)
3. Lead the airport industry in environmental innovation and minimize the airport's environmental impacts
4. Reduce airline costs (CPE) as far as possible without compromising operational and capital needs



# Capital Budget Drivers

5. Maximize non-aeronautical net operating income (NOI) consistent with current contracts, appropriate use of airport properties and market demand
6. Continually invest in a culture of employee development, organizational improvement, and business agility
7. Develop valued community partnerships based on mutual understanding and socially responsible practices

## Direct Capital Projects

\$30-35 million

Concourse D Common Use Expansion  
Passenger Loading Bridges  
Baggage Modifications  
Exterior Gate Improvements  
Airport Signage

## Linked Capital Projects

\$70+ million

North Satellite Improvements, Seismic, HVAC, Club Structure  
Concourse C Improvements  
North Checkpoint Reconfiguration

## Expense Projects

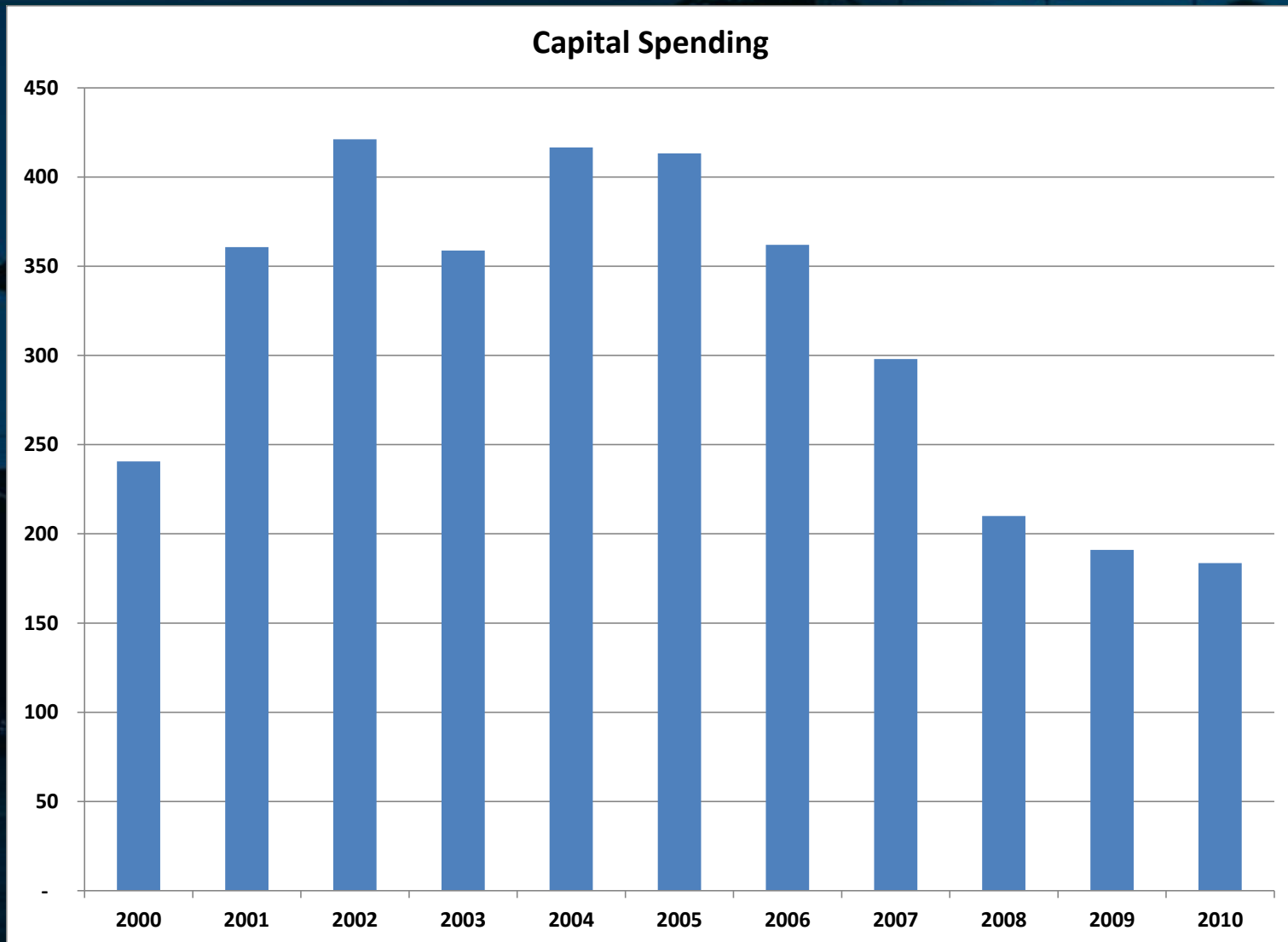
\$20-25 million

Tenant improvements

## Future Capital Projects     \$TBD

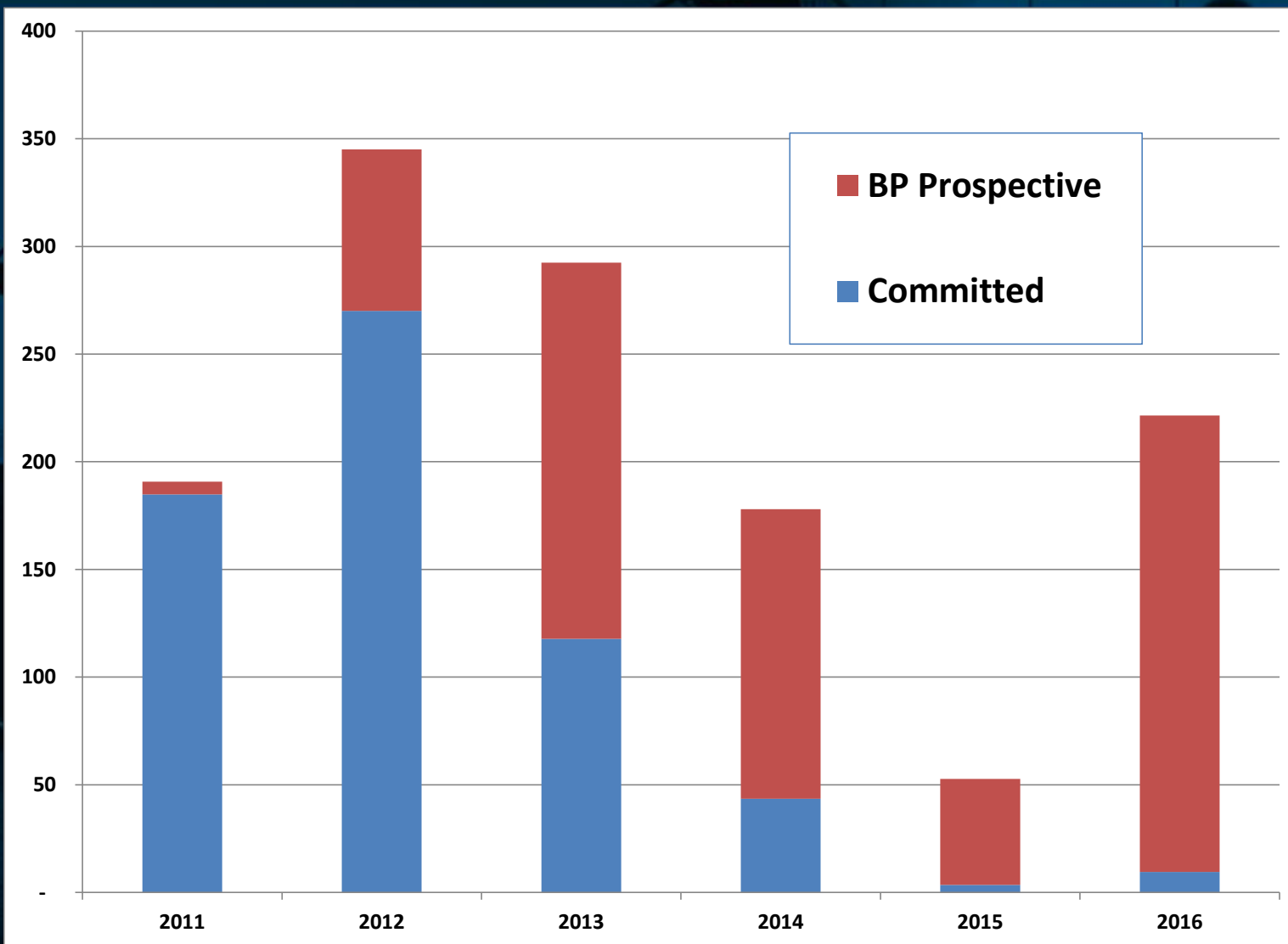
North Satellite Expansion, etc.

# Capital Spending: 2000 - 2010





# Capital Budget: 2011 - 2016



Figures in \$000s

## AERONAUTICAL PROJECTS:

### Safe and Secure Operations

Bollards for Upper & Lower Drive Doors	500
--	-----

### Capacity Needs of Tenants, Passengers, and Region

Snow Removal Equipment	2,000
------------------------	-------

New Window Wall Kiosks at Ticket Zone 1	5,566
---	-------

Convert Ticket Zone 2 to a "Pushback"	10,669
---------------------------------------	--------

Convert Ticket Zone 3 FlowThru	32,000
--------------------------------	--------

Cargo 6 Enhancements	5,550
----------------------	-------

South Access Property Acq.	1,500
----------------------------	-------

Perm Emergency Back-up Power	30,238
------------------------------	--------

### Manage Facility Assets

Fire Station Electrical Service Upgrade	2,030
---	-------

Facility Monitoring System Renewal	5,000
------------------------------------	-------

Mechanical Controls System Improvements	1,800
---	-------

### Top Ten Customer Service Airport in World

Security Checkpoint Electronic Wayfinding	900
---	-----

Laptop Power Plugs in Concourses	3,000
----------------------------------	-------

### Reduce Ariline Costs as far as possible

Lighting Upgrades for Energy Efficiency	3,000
---	-------

Rubber and Paint Removal Equipment	600
------------------------------------	-----

IWS sensors to allow high BOD Segregation	1,000
---	-------

## NON-AERONAUTICAL (NOI) PROJECTS:

### Manage Facility Assets

Paving Improvements at Port Surface Parking Lot (D Fox)	1,665
---	-------

# Capital Budget By Strategic Driver

CIP Category	2011	2012	2013	2014	2015	2016	Total
	Estimate						2012-16
Committed	184,783	270,043	117,796	43,474	3,528	9,500	444,341
BP Prospective	5,935	75,004	174,684	134,489	49,182	211,971	645,330
Total	190,718	345,047	292,480	177,963	52,710	221,471	1,089,671
<b>Strategic Driver</b>							
Safety & Security	2,328	6,115	4,846	4,770	2,740	-	18,471
Capacity & Customer	121,232	147,100	133,932	54,959	3,288	12,000	351,279
Manage Assets	28,380	81,796	94,206	60,409	15,146	83,971	335,528
Customer Service	5,991	17,546	3,500	1,304	500	500	23,350
Environmental	1,614	500	500	385	-	-	1,385
Reduce CPE	21,571	52,715	17,326	3,500	-	-	73,541
Non-Aeronautical	1,726	7,252	6,933	242	-	-	14,427
Community Partnership	4,832	15,660	6,317	18,967	-	-	40,944
Subtotal	187,674	328,684	267,560	144,536	21,674	96,471	858,925
Allowances	3,044	16,363	24,920	33,427	31,036	125,000	230,746
Total	190,718	345,047	292,480	177,963	52,710	221,471	1,089,671



# Safe and Secure Operation

Description	2011	2012	2013	2014	2015	2016	Total
	Estimate						2012-16
North Satellite Seismic	25	450	2,200	4,770	2,740	-	10,160
Access Control Door Additions	230	1,570	-	-	-	-	1,570
ALCMS Upgrades	921	1,189	-	-	-	-	1,189
Additional AF Mitigation at Ty	179	500	119	-	-	-	619
Emergency Lighting - Parking	75	600	-	-	-	-	600
Bollards for U&L Drive Doors	-	500	-	-	-	-	500
Lagoon 3 Bird Wires	20	366	-	-	-	-	366
Security Checkpoint Cameras	400	100	-	-	-	-	100
All Other	478	840	2,527	-	-	-	3,367
Total	2,328	6,115	4,846	4,770	2,740	-	18,471

# Capacity & Customer Needs

Description	2011	2012	2013	2014	2015	2016	Total
	Estimate						2012-16
Aircraft RON Parking USPS Site	350	4,750	30,566	3,000	-	-	38,316
Convert Ticket Zone 3 FlowThru	-	1,000	26,000	5,000	-	-	32,000
FIS Improvements- Phase 1	119	14,000	17,581	-	-	-	31,581
Perm Emergency Back-up Power	-	2,000	7,000	21,238	-	-	30,238
Terminal Realignment	-	8,000	11,000	5,027	-	-	24,027
Cargo 2 West Cargo Hardstand	-	100	2,200	11,000	-	-	13,300
PLB Replacement-AR	2,441	10,909	1,500	-	-	-	12,409
Convert Ticket Zone 2 Pushback	-	1,000	8,000	1,669	-	-	10,669
New Window Wall Ticket Zone 1	-	750	4,750	66	-	-	5,566
Cargo 6 Enhancements	-	550	4,900	100	-	-	5,550
Snow Removal Equipment - 2013	-	100	1,900	-	-	-	2,000
South Access Property Acq.	-	1,500	-	-	-	-	1,500
Airport Owned Gate Infrastruct	1,443	1,316	-	-	-	-	1,316
All Other	116,879	101,125	18,535	7,859	3,288	12,000	142,807
<b>Total</b>	<b>121,232</b>	<b>147,100</b>	<b>133,932</b>	<b>54,959</b>	<b>3,288</b>	<b>12,000</b>	<b>351,279</b>

# Managing Facility Assets

Description	2011	2012	2013	2014	2015	2016	Total
	Estimate						2012-16
Terminal Escalators Modn	7,419	17,000	6,300	14,106	-	-	37,406
SSAT HVAC,Lights,Ceiling Repl	125	3,000	15,000	9,371	-	-	27,371
Airfield Pavement Replacement	4,611	2,100	23,901	-	-	-	26,001
Vertical Convey Modn Aero Ph2	300	5,000	9,000	5,432	-	-	19,432
8th Floor Weather Proofing	2,423	10,482	-	-	-	-	10,482
Vertical Convey Modn Aero Ph1	232	7,454	2,506	-	-	-	9,960
Facility Monitoring Sys Renewl	-	1,000	2,500	1,500	-	-	5,000
Service Tunnel Renewal/Replace	25	1,000	1,200	2,500	275	-	4,975
2011-2013 Roof Replacement Pro	204	4,577	-	-	-	-	4,577
Fire Dept Facility Upgrade	-	500	3,000	-	-	-	3,500
Fire Station Elec Service Upgr	-	500	1,530	-	-	-	2,030
Airportwide Mech Controls Sys	-	250	1,550	-	-	-	1,800
Doug Fox Site Improvements	5	365	1,295	-	-	-	1,660
All Other	13,036	28,568	26,424	27,500	14,871	83,971	181,334
<b>Total</b>	<b>28,380</b>	<b>81,796</b>	<b>94,206</b>	<b>60,409</b>	<b>15,146</b>	<b>83,971</b>	<b>335,528</b>

# Customer Service

Description	2011 Estimate	2012	2013	2014	2015	2016	Total 2012-16
Loading Bridges Utilities	167	10,907	-	-	-	-	10,907
FIMS Phase II	2,562	4,214	-	-	-	-	4,214
Laptop Power in Concourses	-	300	2,200	500	-	-	3,000
Security Checkpoint Wayfinding	-	400	500	-	-	-	900
All Other	3,262	1,725	800	804	500	500	4,329
Total	5,991	17,546	3,500	1,304	500	500	23,350



# Reduce Airline Costs

Description	2011 Estimate	2012	2013	2014	2015	2016	Total 2012-16
EGSE Rolling Stock	5,059	24,941	-	-	-	-	24,941
Cent Plant Preconditioned Air	15,078	15,653	5,332	-	-	-	20,985
GSE Electrical Chrg Stations	371	6,000	7,924	-	-	-	13,924
Airport Owned Gate Infr II	-	2,000	2,000	2,000	-	-	6,000
Lighting Upgrades for Energy E	-	300	1,200	1,500	-	-	3,000
Stage 2 Mech Energy Implement	20	2,000	70	-	-	-	2,070
IWS BOD Segregation Improvemen	-	200	800	-	-	-	1,000
Rubber and Paint Removal Equip	-	600	-	-	-	-	600
All Other	1,043	1,021	-	-	-	-	1,021
<b>Total</b>	<b>21,571</b>	<b>52,715</b>	<b>17,326</b>	<b>3,500</b>	<b>-</b>	<b>-</b>	<b>73,541</b>

# Non-Aeronautical

Description	2011	2012	2013	2014	2015	2016	Total
	Estimate						2012-16
Parking Retrofit	50	1,850	5,700	-	-	-	7,550
South Sat Concessions Project	230	1,618	-	-	-	-	1,618
Parking Garage Light Retrofit	25	500	975	-	-	-	1,475
Concessions Unit Readiness Pro	641	1,222	-	-	-	-	1,222
GML Arrivals Hall Concessions	25	625	158	-	-	-	783
Common Use Lounge Remodel	236	735	-	-	-	-	735
All Other	519	702	100	242	-	-	1,044
Total	1,726	7,252	6,933	242	-	-	14,427

# Community Partnerships

Description	2011	2012	2013	2014	2015	2016	Total
	Estimate						2012-16
Highline School Insulation	-	12,028	6,317	16,781	-	-	35,126
Community College	1,567	2,187	-	2,186	-	-	4,373
Home Insulation Retrofit	1,578	690	-	-	-	-	690
Burien Commerical Prop Acq.	200	505	-	-	-	-	505
Single Family Home Sound Insul	846	-	-	-	-	-	-
All Other	641	250	-	-	-	-	250
Total	4,832	15,660	6,317	18,967	-	-	40,944

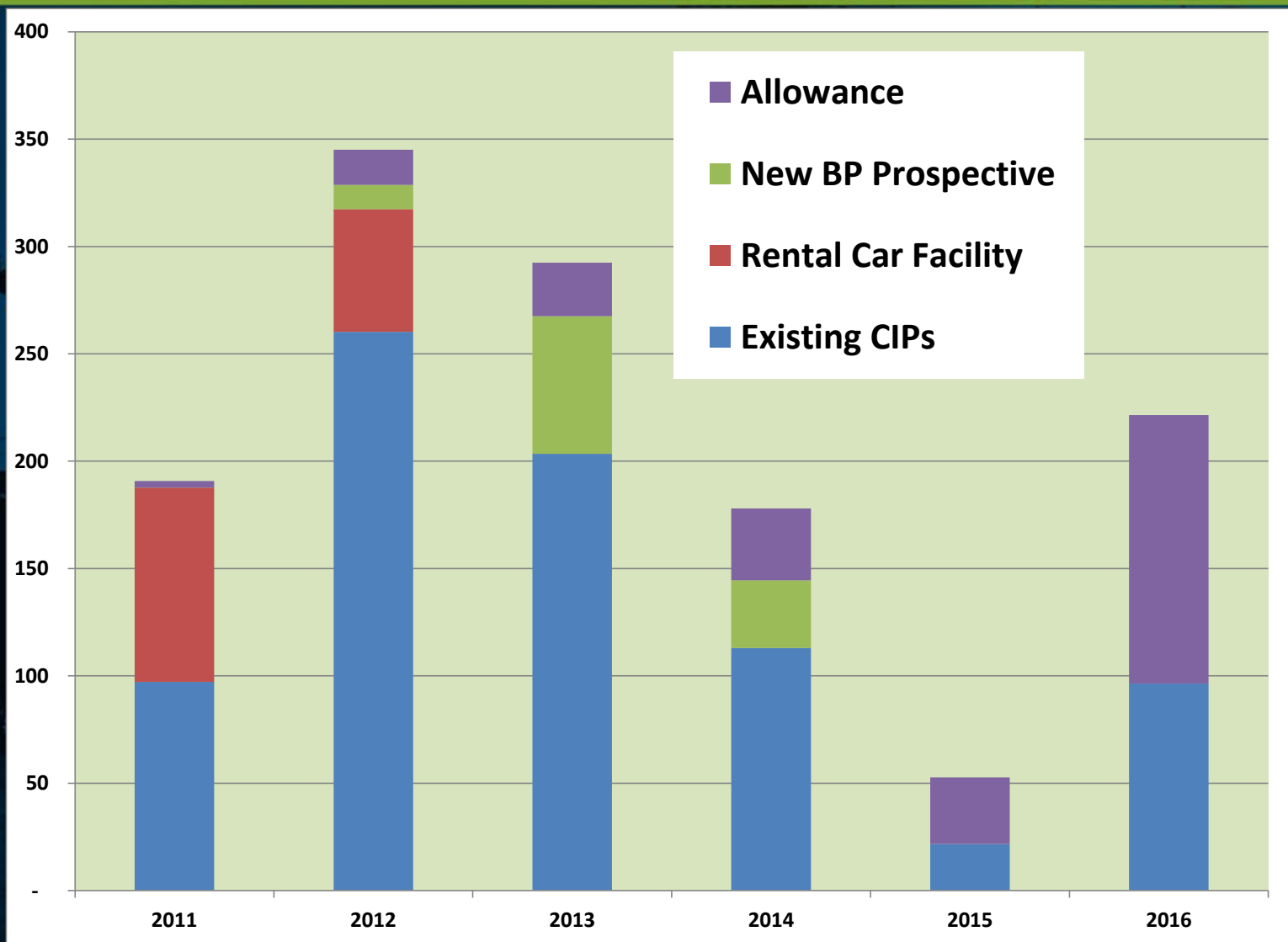
# CIP Allowances - Status

	2011	2012	2013	2014	2015	2016	Total 2011-16
<b>Aero Allowance</b>							
Beginning balance	800	16,728	35,500	50,000	55,433	100,000	258,461
Budget Changes							-
Projects cut from CIP	1,320						1,320
Approved uses	-	(11,000)	(63,285)	(31,573)			(105,858)
Balance	2,120	5,728	(27,785)	18,427	55,433	100,000	153,923
Redistribute allowance			40,000		(40,000)		-
Ending balance	2,120	5,728	12,215	18,427	15,433	100,000	153,923
<b>Non-Aero Allowance</b>							
Beginning balance	929	11,000	14,000	15,000	15,603	25,000	81,532
Budget Changes							-
Projects cut from CIP							-
Approved uses	(5)	(365)	(1,295)				(1,665)
Balance	924	10,635	12,705	15,000	15,603	25,000	79,867
Redistribute allowance							-
Ending balance	924	10,635	12,705	15,000	15,603	25,000	79,867

- 2012 budget proposes to use more of five year allowance within next three years
- New FIS facility would likely require spending more than allowance



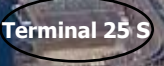
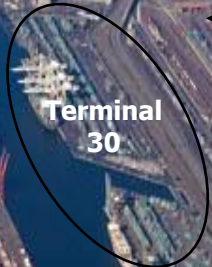
# Capital Budget: 2011-2016



# Seaport Division 2012 Capital Budget

Commission Briefing  
September 27, 2011





**T-18 On-Dock Rail**

**Terminal 18**

**BNSF (SIG - North)**

**BNSF (SIG - South)**

**T-5 On-Dock Rail**

**Terminal 5**

**UPRR (ARGO)**

**Terminal 91**

**Pier 86**

**Pier 66**

**Terminal 46**

**Terminal 30**

**Terminal 25 S**



In 2011, the Seaport's three Strategic Initiative Teams developed long term Seaport Strategies:

1. Commercial Business
2. Asset Stewardship
3. Green Gateway

For 2012, Seaport will advance these strategies in alignment with the Commission's Century Agenda, the CEO's Goals and Key Corporate Initiatives.



# Capital Budget Review

- Capital Budget reviewed by cross functional teams
- Reviewed all existing projects and identified new projects as driven by:
  - 2012 Seaport Strategies
  - New developments and information from customers and tenants
  - Continuing effort to identify specific renewal and replacement projects
- First draft of Seaport 2012 Capital Budget presented with Business Plan in August

# Capital Budget Review (continued)

- Per policy effective in 2010, Seaport is financially self-sustaining
- Funding capacity for projects not yet determined
- Projects have been ranked as follows:
  - Priority 1: In progress and/or most critical to 2012 business plan and/or lease commitment
  - Priority 2: Critical to 2012 business plan
  - Priority 3: Less critical to 2012 business plan and/or more uncertainty
- List of current and future major asset related expense project included

## Capital Budget Summary

\$'s in 000's

	2012	2012-2016	2017-2021	Total
<b>Committed</b>	<b>25,706</b>	<b>41,744</b>	<b>18,204</b>	<b>59,948</b>
<b>Bus Plan Prospective</b>	<b>4,868</b>	<b>254,396</b>	<b>222,950</b>	<b>477,346</b>
	<b>30,574</b>	<b>296,140</b>	<b>241,154</b>	<b>537,294</b>
<b>Other Prospective</b>	<b>0</b>	<b>451,235</b>	<b>274,020</b>	<b>725,255</b>
<b>Total</b>	<b>30,574</b>	<b>747,375</b>	<b>515,174</b>	<b>1,262,549</b>

## Containers \$ 000's

Status	Key Goal	Priority	Capital Project	2012	2012-2016	2017-2021	Total
<b>CONTAINERS</b>							
Committed	Commercial Business	1	Street Vacation Related Projects	3,213	7,803	0	7,803
Committed	Commercial Business	1	T5 Crane Cable Reels	13	13	0	13
Committed	Commercial Business	1	T10 Interim Development	475	475	0	475
Committed	Asset Stewardship	1	T18 Fender Replacement	1,378	1,378	0	1,378
Committed	Commercial Business	1	South T25 Container Yd Phase 2	12,200	12,200	0	12,200
Bus Plan Pros	Commercial Business	2	Container Support Yard-3.5M T#1	0	30,000	0	30,000
Bus Plan Pros	Asset Stewardship	2	Container Terminal Strm Water Pilot	1,000	1,300	0	1,300
Bus Plan Pros	Commercial Business	2	T46 Development	0	25,000	15,000	40,000
Bus Plan Pros	Asset Stewardship	3	T46 North Dock Replacement	0	20,000	0	20,000
Bus Plan Pros	Commercial Business	3	T5 New Cranes (4)	0	45,000	0	45,000
Bus Plan Pros	Asset Stewardship	3	P86 Fishing Pier Replacement	0	1,300	4,750	6,050
Bus Plan Pros	Asset Stewardship	3	T18 Rail Crossings	0	0	1,000	1,000
Bus Plan Pros	Commercial Business	3	Container Support Yard-3.5M T#2	0	0	35,000	35,000
<b>TOTAL CONTAINERS COMMITTED &amp; BUSINESS PLAN PROSPECTIVE</b>				<b>18,279</b>	<b>144,469</b>	<b>55,750</b>	<b>200,219</b>



# Seaport 2012 Capital Budget

## Grain \$ 000's

Status	Key Goal	Priority	Capital Project	2012	2012-2016	2017-2021	Total
<b>GRAIN</b>							
Committed	Commercial Business	1	T86 Grain Facility Modernization	107	107	0	107
Bus Plan Pros	Asset Stewardship	2	T86 Grain Facility- Cathodic Protect	900	1,000	0	1,000
<b>TOTAL GRAIN COMMITTED &amp; BUSINESS PLAN PROSPECTIVE</b>				<b>1,007</b>	<b>1,107</b>	<b>0</b>	<b>1,107</b>

## Industrial Properties \$ 000's

Status	Key Goal	Priority	Capital Project	2012	2012-2016	2017-2021	Total
<b>INDUSTRIAL PROPERTIES</b>							
Committed	Asset Stewardship	1	T91 Water Main Repl N of Bridge	565	565	0	565
Committed	Asset Stewardship	1	Pier 90 C175 Roof Replacement	2,005	2,005	0	2,005
Bus Plan Pros	Asset Stewardship	2	T91 Substation Upgrades	0	2,500	0	2,500
Bus Plan Pros	Asset Stewardship	3	T108 Paving Overlay	0	3,190	0	3,190
Bus Plan Pros	Asset Stewardship	3	T104 Site Improvements	1,000	3,000	0	3,000
Bus Plan Pros	Asset Stewardship	3	T115 Railroad Spur Upgrade	0	1,050	0	1,050
Bus Plan Pros	Asset Stewardship	3	T91 Railroad Spur Upgrade	0	1,110	0	1,110
Bus Plan Pros	Commercial Business	3	New Warehouse at Tank Farm**	0	21,900	0	21,900
Bus Plan Pros	Commercial Business	3	T91 Replace Building C173**	0	0	23,700	23,700
<b>TOTAL INDUSTRIAL PROP COMMITTED &amp; BUSINESS PLAN PROSPECTIVE</b>				<b>3,570</b>	<b>35,320</b>	<b>23,700</b>	<b>59,020</b>

Note \*\*: New T91 warehouse and replacement of T91 C173 building part of phase 2 of program to rebuild berths 6&8 on Pier 90

## Cruise \$ 000's

Status	Key Goal	Priority	Capital Project	2012	2012-2016	2017-2021	Total
<b><u>CRUISE</u></b>							
Committed	Commercial Business	1	T30/91 Projects	25	25	0	25
Committed	Commercial Business	1	Cruise Capital Allow-CTA Lease	375	375	0	375
Committed	Commercial Business	1	Cruise TI Allowance-CTA Lease	251	251	0	251
Committed	Asset Stewardship	1	P91 Fender System Upgrade	1,875	1,875	0	1,875
Bus Plan Pros	Asset Stewardship	2	P66 Apron Pile Wrap	500	2,378	0	2,378
Bus Plan Pros	Asset Stewardship	3	T91 Second Gangways Per Berth	0	4,500	5,000	9,500
<i>Bus Plan Pros</i>	<i>Green Gateway</i>	3	<i>P66 Shore Power <sup>(E)</sup></i>	0	13,700	0	13,700
<b>TOTAL CRUISE COMMITTED &amp; BUSINESS PLAN PROSPECTIVE</b>				<b>3,026</b>	<b>23,104</b>	<b>5,000</b>	<b>28,104</b>

Note <sup>(E)</sup>: Environmental Project

## Docks \$ 000's

Status	Key Goal	Priority	Capital Project	2012	2012-2016	2017-2021	Total
<b><u>DOCK OPERATIONS</u></b>							
Bus Plan Pros	Asset Stewardship	2	T91 Berth 6&8 Redev-Phse 1	0	24,500	0	24,500
Bus Plan Pros	Asset Stewardship	3	T91 Berth 6&8 Redev-Phse 2**	0	13,000	12,500	25,500
Bus Plan Pros	Commercial Business	3	Dredge Pier 90 East Berths	0	0	6,000	6,000
<b>TOTAL DOCKS COMMITTED &amp; BUSINESS PLAN PROSPECTIVE</b>				<b>0</b>	<b>37,500</b>	<b>18,500</b>	<b>56,000</b>

Note \*\*: Phase 2 of T91 Berth 6&8 Redevelopment requires removal of C173 Building on Pier 90.



## Security and Other    \$ 000's

Status	Key Goal	Priority	Capital Project	2012	2012-2016	2017-2021	Total
<b><u>SECURITY</u></b>							
Committed	Security	1	Sea Sec Grant Rnd 7 - TWIC	700	700	0	700
Committed	Security	1	Sea Sec 2009 ARRA-Sonar Sys	393	393	0	393
Committed	Security	1	Sea Sec Grant Rnd 7B-Bomb Robot Trk	261	261	0	261
Bus Plan Pros	Security	2	Sea Sec Grant Rnd 9-Dive Van,8 Cars	880	880	0	880
Bus Plan Pros	Security	2	Sea Sec Grant Rnd 10-Mobile Cmd Veh	588	588	0	588
<b>TOTAL SECURITY</b>				<b>2,822</b>	<b>2,822</b>	<b>0</b>	<b>2,822</b>
<b><u>OTHER</u></b>							
<i>Committed</i>	<i>Green Gateway</i>	1	<i>Seaport Green Port Initiative <sup>(E)</sup></i>	470	7,360	12,500	19,860
Committed	Asset Stewardship	1	Seaport Small Projects	775	3,175	2,500	5,675
Committed	Asset Stewardship	2	Other	625	2,783	3,204	5,987
Bus Plan Pros	Asset Stewardship	3	Contingency Renew & Replace	0	38,500	120,000	158,500
<b>TOTAL OTHER</b>				<b>1,870</b>	<b>51,818</b>	<b>138,204</b>	<b>190,022</b>
<b>TOTAL SEC AND OTHER COMMITTED &amp; BUSINESS PLAN PROSPECTIVE</b>				<b>4,692</b>	<b>54,640</b>	<b>138,204</b>	<b>192,844</b>

Note <sup>(E)</sup>: Environmental Project

## MAJOR EXPENSE PROJECTS

\$'s in 000's

	2012	2012-2016	2017-2021	Total
Asset Condition Assessments	1,000	1,000	0	1,000
T5 Dredge Phase 2	500	3,500	0	3,500
T18 Pile Cap Pilot	700	700	0	700
T18 Pile Cap Repair Project	500	30,500	0	30,500
T18 Remove IHI Cranes	0	1,000	0	1,000
T46 Demo Crane 54	0	450	0	450
Maintenance Dredge all Terminals	0	3,000	4,000	7,000
<b>Total</b>	<b>2,700</b>	<b>40,150</b>	<b>4,000</b>	<b>44,150</b>

- Scope, process, and cost for repairing T18 pile caps currently under evaluation. Accounting treatment (capital or expense) to be determined.
- Potential need for pile cap repairs at T46 not included above.
- Specific timing and cost of maintenance dredge projects (beyond T5 Dredge Phase 2) are uncertain.

## Capital Budget Summary with Major Expense Projects

\$'s in 000's

	2012	2012-2016	2017-2021	Total
<b>Committed</b>	25,706	41,744	18,204	59,948
<b>Bus Plan Prospective</b>	4,868	254,396	222,950	477,346
<b>Total Committed &amp; BPP</b>	30,574	296,140	241,154	537,294
<b>Major Expense Projects</b>	2,700	40,150	4,000	44,150
<b>Total Projects</b>	33,274	336,290	245,154	581,444
<b>Other</b>				
<b>Prospective Capital Projects</b>	0	451,235	274,020	725,255

# Real Estate Division 2012 Capital Budget

Commission Briefing  
September 27, 2011



# Capital Budget Review

- **Capital Budget reviewed by cross functional teams**
- **Reviewed all existing projects and identified new projects as driven by:**
  - 2012 Real Estate Strategies
  - New developments and information from customers and tenants
  - Continuing effort to quantify/identify specific renewal and replacement projects
- **First draft of Real Estate 2012 Capital Budget presented with Business Plan in August**
- **Funding capacity for projects not yet determined**

# Capital Budget Review (continued)

- Overall 2012-2016 Committed and Business Plan Prospective projects reduced by \$12 million
- Primary changes since Business Plan
  - SBM Restroom Replacements and Paving moved up to Business Plan Prospective status
  - FT Waterside renewal and replacement projects moved out to 2016-2017
  - FT Net Shed project costs revised down
  - Green Port Initiative moved to Prospective status
  - Bell Harbor Marina Pile Wrap project moved up to Business Plan Prospective status
  - Contingency Renewal and Replacement amount revised down

## Capital Budget Summary

\$'s in 000's

**Committed**

**Bus Plan Prospective**

**Other Prospective**

**Total**

	2012	2012-2016	2017-2021	Total
<b>Committed</b>	<b>10,924</b>	<b>21,325</b>	<b>8,486</b>	<b>29,811</b>
<b>Bus Plan Prospective</b>	<b>3,600</b>	<b>32,706</b>	<b>80,625</b>	<b>113,331</b>
	<b>14,524</b>	<b>54,031</b>	<b>89,111</b>	<b>143,142</b>
<b>Other Prospective</b>	<b>0</b>	<b>34,523</b>	<b>32,223</b>	<b>66,746</b>
<b>Total</b>	<b>14,524</b>	<b>88,554</b>	<b>121,334</b>	<b>209,888</b>

## Fishermen's Terminal \$ 000's

FISHERMEN'S TERMINAL		2012	2012-16	2017-21	2012-21 Total
<b><u>FT Waterside Projects Capital Projects</u></b>					
<b>Status</b>	<b>Description</b>				
Committed	FT Waterside Small Capital Projects	70	220	0	220
BPP	FT Net Shed Solution	750	3,750	0	3,750
BPP	FT Net Shed 9 Roof Replace	450	450	0	450
BPP	FT NW Dock Improvements	0	100	38,700	38,800
BPP	FT S Wall W End Pile Repl & Corr Protect	0	1,250	0	1,250
BPP	FT W Wall N Fender Sys Replace	0	200	2,750	2,950
BPP	FT W Wall N Sheet Pile Corr Protect	0	200	2,575	2,775
BPP	FT Docks 3 Fixed Pier Improvements	0	200	2,800	3,000
BPP	FT Docks 4 Fixed Pier Improvements	0	200	3,300	3,500
BPP	FT S Wall Ctrl Fender Repl & Corr Protect	0	0	13,300	13,300
BPP	FT W Wall South Sheet Pile Corr Protect	0	0	2,200	2,200
<b>Total FT Waterside</b>		<b>1,270</b>	<b>6,570</b>	<b>65,625</b>	<b>72,195</b>
<b><u>FT Upland Projects Capital Projects</u></b>					
<b>Status</b>	<b>Description</b>				
Committed	FT C15 HVAC Improvements	3,572	3,602	0	3,602
Committed	FT Uplands Small Capital Projects	0	1,255	0	1,255
BPP	FT Paving/Storm Upgrades	0	1,650	0	1,650
BPP	FT C15 Bldg Roof Replacement	0	2,400	0	2,400
BPP	FT C14 (Downey) Bldg Imp	0	950	0	950
BPP	FT C-2 Bldg Roof & HVAC Rplmnt	0	1,150	0	1,150
BPP	FT C-15 Bldg East Sewer Line	850	850	0	850
BPP	FT C-15 Bldg Subsidence Imp	250	2,750	0	2,750
<b>Total FT Landside</b>		<b>4,672</b>	<b>14,607</b>	<b>0</b>	<b>14,607</b>
<b>TOTAL FISHERMEN'S TERMINAL</b>		<b>5,942</b>	<b>21,177</b>	<b>65,625</b>	<b>86,802</b>



## Shilshole Bay Marina \$ 000's

SHILSHOLE BAY MARINA		2012	2012-16	2017-21	2012-21 Total
<b><u>Shilshole Bay Marina Recreational Boating</u></b>					
Committed	Small Projects	70	165	0	165
BPP	SBM Fuel Floats & Building Improve	0	1,000	0	1,000
BPP	Central Seawall Replacement	0	915	0	915
BPP	SBM Restroom Replacement	0	4,800	0	4,800
BPP	SBM Paving	0	1,000	0	1,000
<b>Total SBM Recreational Boating</b>		<b>70</b>	<b>7,880</b>	<b>0</b>	<b>7,880</b>
<b><u>Shilshole Bay Marina Commercial Prop</u></b>					
BPP	SBM: Seaview Bldg A5 Rehab	0	300	0	300
<b>Total SBM Commercial Prop</b>		<b>0</b>	<b>300</b>	<b>0</b>	<b>300</b>
<b>TOTAL SHILSHOLE BAY MARINA</b>		<b>70</b>	<b>8,180</b>	<b>0</b>	<b>8,180</b>

## Central Waterfront \$ 000's

<b>CENTRAL WATERFRONT</b>	<b>2012</b>	<b>2012-16</b>	<b>2017-21</b>	<b>2012-21 Total</b>
<b>Central Waterfront- Bell Harbor Marina</b>				
BPP      BHM Pile Wraps	500	2,361	0	2,361
<b>Total BHM Recreational Boating</b>	<b>500</b>	<b>2,361</b>	<b>0</b>	<b>2,361</b>
<b>Central Waterfront Commercial Bldgs</b>				
Committed      Bell Harb Lighting Ctrl Upgrade	160	760	0	760
Committed      Small Projects	150	535	0	535
BPP      P66 Chiller Upgrades	300	300	0	300
<b>Total Central Waterfront Commerical Bldgs</b>	<b>610</b>	<b>1,595</b>	<b>0</b>	<b>1,595</b>
<b>TOTAL CENTRAL WATERFRONT</b>	<b>1,110</b>	<b>3,956</b>	<b>0</b>	<b>3,956</b>

## Other Commercial Properties \$ 000's

OTHER COMMERCIAL PROPERTIES		2012	2012-16	2017-21	2012-21 Total
<b><u>Other Commercial Properties</u></b>					
Committed	Tenant Improvements -Capital	1,148	2,755	909	3,664
Committed	Other Commercial Props Small Capital	0	475	50	525
BPP	T102 Bldg Roof Replacement	0	2,430	0	2,430
<b>Total Other Commercial Buildings</b>		<b>1,148</b>	<b>5,660</b>	<b>959</b>	<b>6,619</b>
<b>TOTAL OTHER COMMERCIAL PROPERTIES</b>		<b>1,148</b>	<b>5,660</b>	<b>959</b>	<b>6,619</b>

# Real Estate 2012 Capital Budget By Location

## Pier 69 and Other Projects \$ 000's

<b>PIER 69 AND OTHER PROJECTS</b>		<b>2012</b>	<b>2012-16</b>	<b>2017-21</b>	<b>2012-21 Total</b>
<b><u>Other</u></b>					
Committed	P69 N Apron Piling Cathodic Protection	3,923	3,923	0	3,923
Committed	P69 Built Up Roof Replace	300	1,992	0	1,992
Committed	Marine Maint Small Projects	525	525	0	525
Committed	RE Fleet Replacement	506	2,403	2,577	4,980
Committed	RE Preliminary Planning	250	1,250	1,250	2,500
Committed	RE Technology Projects	250	1,250	1,250	2,500
Committed	Unspecified Small Projects	0	215	2,450	2,665
BPP	RE: Contingency Renew.&Replace	500	3,500	15,000	18,500
<b>Total Other</b>		<b>6,254</b>	<b>15,058</b>	<b>22,527</b>	<b>37,585</b>
<b>TOTAL P69 AND OTHER PROJECTS</b>		<b>6,254</b>	<b>15,058</b>	<b>22,527</b>	<b>37,585</b>



# Corporate & CDD 2012 Capital Budget

Commission Briefing  
September 27, 2011

# 5 Year Capital Budget - Corp & CDD

(In Thousands)	2011	2012	2013	2014	2015	2016	2012-2016
	Estimate						5 Yr Total
<b>Information &amp; Communication Technology <sup>(1)</sup></b>	8,317	13,527	10,950	10,650	10,800	11,000	56,927
<b>Corporate Small Capital and Fleet Replacement</b>	300	522	327	566	784	584	2,783
<b>CDD Small Capital and Fleet Replacement</b>	523	426	1639	1107	1070	726	4,968
<b>TOTAL CORPORATE CIP</b>	<b>9,140</b>	<b>14,475</b>	<b>12,916</b>	<b>12,323</b>	<b>12,654</b>	<b>12,310</b>	<b>64,678</b>

(1) Includes committed and business plan prospective projects.

# 2012 Capital Projects - Corp & CDD

<b>Corporate and CDD Committed Projects:</b>	<b>2012 Budget</b>	<b>Total Project Budget*</b>
<b>Information and Communication Technology</b>		
Infrastructure Small Capital	\$ 2,500	
Business Applications Small Capital	2,000	
Enterprise GIS Small Capital	250	
PeopleSoft Financials Upgrade	2,700	\$ 5,000
ID Badge System	2,200	2,300
Police Records Mgmt System Replacement	500	1,300
Project Delivery System	200	1,525
Maximo Enhancements and Upgrades	400	3,769
Maintenance Planning System	52	402
Property Mgt. System Upgrade (Propworks)	200	450
Technology Total	11,002	14,746
<b>Other Corporate and CDD</b>		
CDD Fleet Replacement	\$ 143	
CDD Small Capital	283	
Corporate Small Capital and Fleet Replacement	522	
Other Total	948	-
<b>Corporate and CDD Total</b>	<b>11,950</b>	<b>14,746</b>

\* Excludes Small Capital Projects

# Portwide 2012 Capital Budget

Commission Briefing  
September 27, 2011

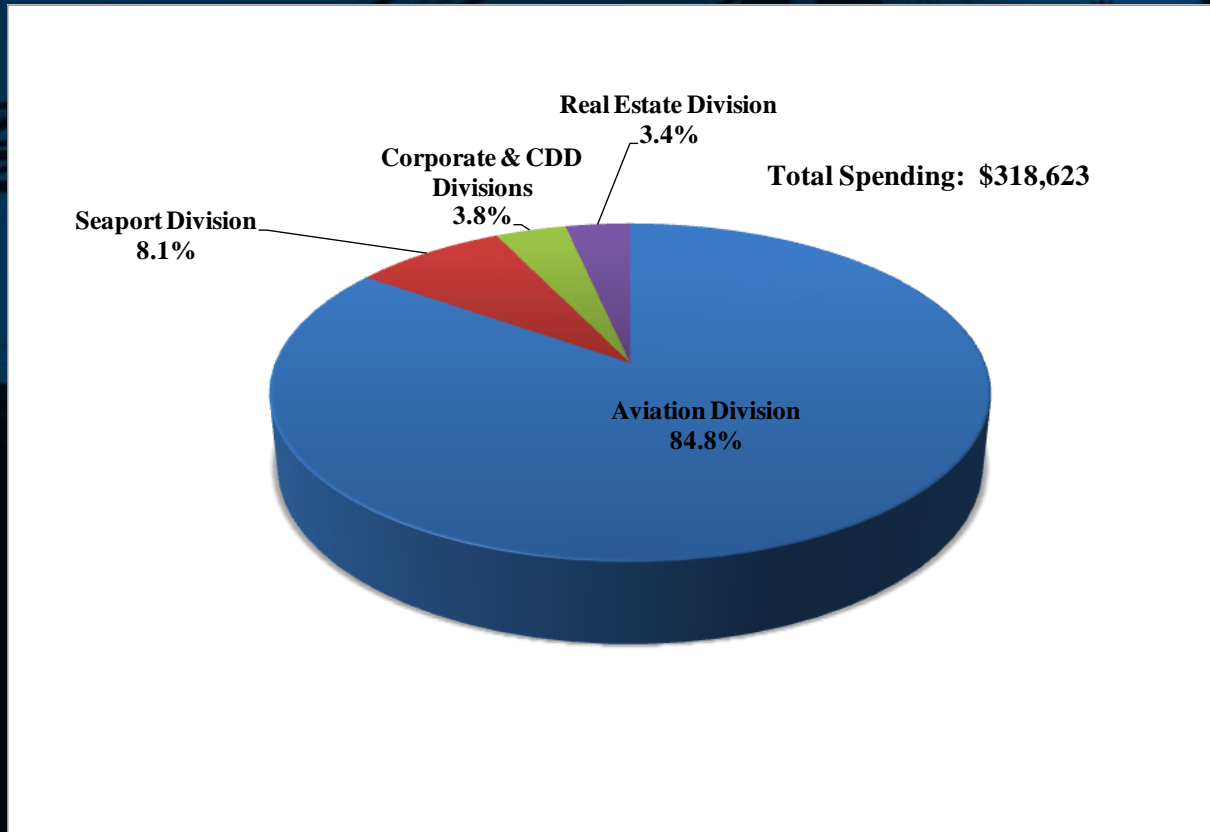


# 2012 Capital Budget Summary

(\$ in millions)	Aviation	Seaport	Real Estate	Corporate <sup>(1)</sup>	Total
Committed	\$270.0	\$25.7	\$10.9	\$12.0	\$318.6
Business Plan Prospective	\$75.0	\$4.9	\$3.6	\$2.5	\$86.0
<b>Total</b>	<b>\$345.0</b>	<b>\$30.6</b>	<b>\$14.5</b>	<b>\$14.5</b>	<b>\$404.6</b>

(1) Includes \$0.4 million for CDD

# 2012 Capital Budget by Division



\* Not including \$86.0M of Business Plan Prospective Projects.

The 5-year capital plan from 2012-2016 is \$1.5 billion

## Committed Projects:

• Aviation	\$444.3M
• Seaport	\$ 41.7M
• Real Estate *	\$ 21.3M
• Corporate & CDD	\$ 25.9M
Total Committed Projects	<u>\$533.3M</u>

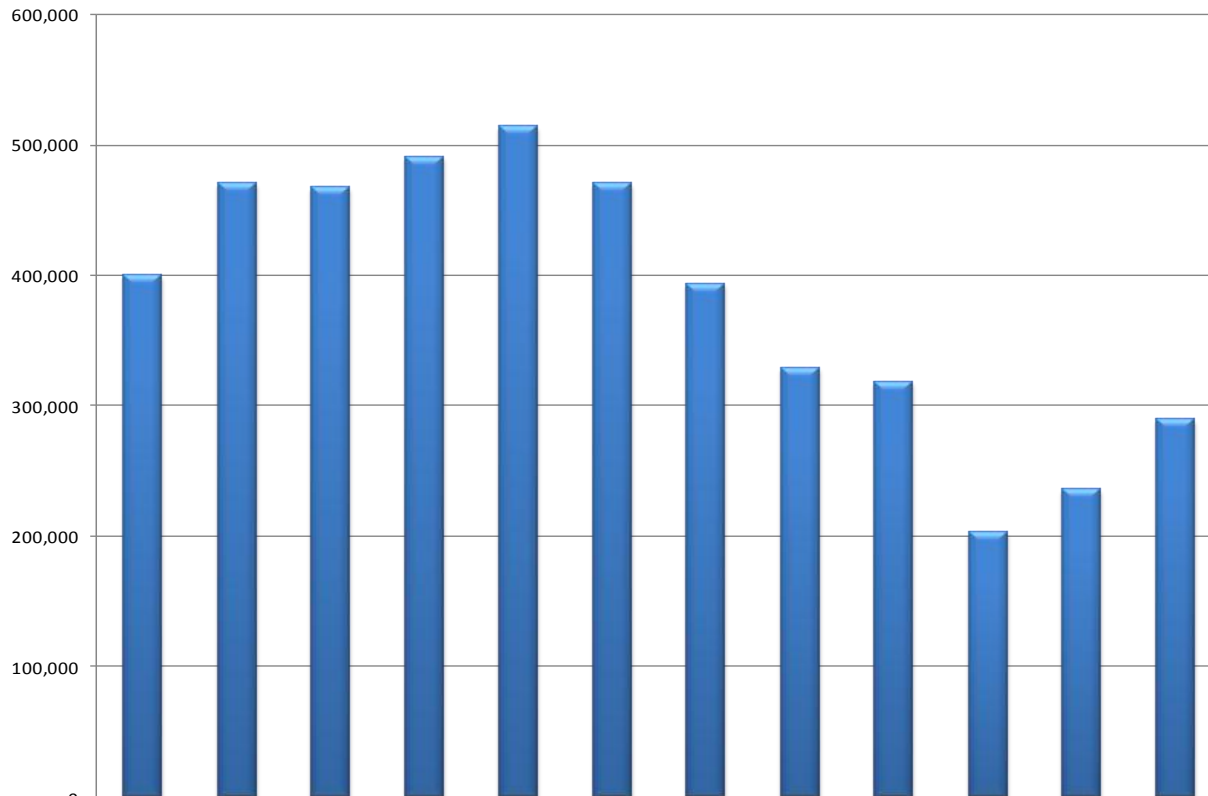
## Business Plan Prospective Projects:

• Aviation	\$645.3M
• Seaport	\$254.4M
• Real Estate*	\$ 32.7M
• Corp & CDD	\$ 38.8M
Total Business Plan Prospective*	<u>\$ 971.2M</u>

\*The preliminary numbers may change pending outcome of tax Levy discussions

# CIP History 2001 – 2011

Total Committed CIP (000's)



	2001 Act	2002 Act	2003 Act	2004 Act	2005 Act	2006 Act	2007 Act	2008 Act	2009 Act	2010 Act	2011 Est/Act	2011 Bud
Total Committed CIP	400,000	471,000	467,300	490,400	514,100	470,105	393,035	329,022	317,785	202,556	234,966	288,827



# 2012 Capital Budget

Commission Briefing  
September 27, 2011