



# COMMISSION REGULAR MEETING AGENDA

May 25, 2021

To be held in virtually via MS Teams in accordance with the Governor's 'Safe Start' order and Proclamation 20-28. You may view the full meeting live at [meetings.portseattle.org](https://meetings.portseattle.org). To listen live, call in at +1 (425) 660-9954 and Conference ID 572 086 185#

## ORDER OF BUSINESS

10:30 a.m.

### 1. CALL TO ORDER

2. **EXECUTIVE SESSION** – *if necessary, pursuant to RCW 42.30.110 (executive sessions are not open to the public)*

### ► 12:00 noon – PUBLIC SESSION

Reconvene or Call to Order and Pledge of Allegiance

3. **APPROVAL OF THE AGENDA** (*at this time, commissioners may reorder, add, or remove items from the agenda*)

### 4. SPECIAL ORDERS OF THE DAY

4a. External Presentation from Washington State Department of Transportation – Commercial Aviation Coordinating Commission Update Re: New Regional Airport Analysis and System Capacity Needs ([presentation](#) enclosed) (p.4)

4b. Juneteenth Proclamation for All Port Employees ([proclamation](#) enclosed) (p.16)

(Motion to Amend Something Previously Adopted - Previous Notice Provided)

### 5. EXECUTIVE DIRECTOR'S REPORT

### 6. COMMITTEE REPORTS

7. **PUBLIC COMMENT** – *procedures available online at <https://www.portseattle.org/page/public-comment-port-commission-meetings>*

**DUE TO SENATE CONCURRENT RESOLUTION 8402 AND THE GOVERNOR'S PROCLAMATION 20-28** there will be no physical location for this meeting and the

**PORT WILL NOT ACCEPT** in-person, verbal comments during the regular meeting of May 25, 2021. Alternatively, during the regular order of business, those wishing to provide public comment will have the opportunity to:

**1) Deliver public comment via email:** All written comments received by email to [commission-public-records@portseattle.org](mailto:commission-public-records@portseattle.org) will be distributed to commissioners and attached to the approved minutes.

**2) Deliver public comment via phone or Microsoft Teams conference:** To take advantage of this option, please email [commission-public-records@portseattle.org](mailto:commission-public-records@portseattle.org) with your name and the topic you wish to speak to by 9:00 a.m. PT on Tuesday, May 25, 2021. You will then be provided with instructions and a link to join the Teams meeting.

**This process will be in place until further notice. For additional information**, contact [commission-public-records@portseattle.org](mailto:commission-public-records@portseattle.org).

**8. CONSENT AGENDA** *(consent agenda items are adopted by one motion without discussion)*

8a. Approval of the Minutes of the Regular Meeting of May 11, 2021. **(no enclosed) (p.18)**

8b. Authorization for the Executive Director to Execute Up to Six (6) Professional Services Indefinite Delivery, Indefinite Quantity (IDIQ) Contracts to Provide Project Management Services, and Up to Two (2) IDIQ Contracts to Provide Project Control Services, in Support of the Aviation Capital Programs, Tenant Improvement, and Expense Projects, with a Total Value of \$60,000,000 and a Contract Ordering Period of Five (5) Years. **(memo and presentation enclosed) (p.30)**

8c. Authorization for the Executive Director to Execute Up to Four (4) Professional Services Indefinite Delivery, Indefinite Quantity (IDIQ) Contracts for Mechanical and Electrical Design Services, in Support of the Aviation Capital Programs, with a Total Value of Up to \$16,000,000 and a Contract Ordering Period of up to Five (5) Years. **(memo enclosed) (p.39)**

8d. Authorization for the Executive Director to execute a one-year rollover Memorandum of Understanding (MOU) to the Collective Bargaining Agreement between the Port of Seattle and Teamsters Local 117 Credential Specialists covering the period from July 1, 2021, through June 30, 2022. **(memo and draft memorandum of understanding enclosed) (p.44)**

8e. Introduction of Resolution No. 3790: A resolution of the Port of Seattle Commission Amending the Policy Directive for Salaries and Benefits for Employees Not Covered by a Collective Bargaining Agreement Established by Resolution No. 3739, to Reflect an Administrative Change Modifying Two Definitions Related to Probationary Employees, and Providing an Effective Date for All Amendments of June 8, 2021. **(memo and draft resolution enclosed) (p.49)**

8f. Authorization for the Executive Director to Execute Change Orders to Contract MC-0319802 Rental Car Facility (RCF) Pavement Remediation to Provide Additional Weatherproof Membrane Preparatory Coating Work for an Amount up to \$900,000 and Time Extensions of up to 90 Calendar Days (CIP #C800977) **(memo enclosed) (p.53)**

**9. UNFINISHED BUSINESS**

9a. Q1 2021 Financial Performance Briefing **(memo, report, and presentation enclosed) (p.54)**

**10. NEW BUSINESS**

10a. Authorization for the Executive Director to Execute a Ground Lease with Trammell Crow Northwest Development to Develop a Multi-story, Maritime-related, Light-industrial Warehouse Facility in the City of Seattle at Terminal 106, for a Project Cost of \$2,750,000 and \$3,100,000 in Initial Annual Revenue. **(memo, draft ground lease, map and site survey, and presentation enclosed) (p.181)**

## 11. PRESENTATIONS AND STAFF REPORTS

- 11a. Equitable Recovery Panel Briefing ([memo](#), [port presentation](#), [Greater Seattle Partners Recovery Plan presentation](#), [Washington Department of Commerce Economic Recovery presentation](#), [King County Recovery presentation](#), and [Tourism Recovery Initiatives Update](#) enclosed) (p.202)
- 11b. 2021 State Legislative Session Review ([memo](#) and [presentation](#) enclosed) (p.262)

## 12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

## 13. ADJOURNMENT

Item no. 4a\_supp  
Meeting date: May 25, 2021

# **Commercial Aviation Coordinating Commission**

## **Port of Seattle**

DAVID FLECKENSTEIN  
Commercial Aviation Coordinating Commission Chair  
May 25, 2021



# By Our Charter

The Commission's basic requirements:

1. **Recommend** a short list of no more than six airports by February 15, 2022
2. **Identify** the top two airports by September 15, 2022
3. **Identify** the **single preferred** location by February 15, 2023, by 60% majority vote

...include the **feasibility of constructing a commercial aviation facility in that location and its potential environmental, community, and economic impacts.**

...project **a timeline for developing an additional commercial aviation facility that is completed and functional by 2040.** The Commission must **also make recommendations on future Washington State long-range commercial facility needs for air passenger service, air cargo operations and general aviation.**

...take into consideration data and conclusions of prior aviation policy documents, air space studies, and case studies of best practices. It will also consider the input of community representatives and industry experts. Options for a new facility in Washington **may include expansion or modification of an existing airport facility.**

...**delivery of the final report** to the legislature, no later than **February 15, 2023.**

**\* Airline industry recovery and demand post pandemic is still uncertain.**

# Guiding Principles

1. **Environmental responsibility:** defined as the responsible interaction with the environment to avoid depletion or degradation of natural resources and allow for long-term environmental quality. The practice of **environmental sustainability** helps to ensure that the needs of today's population are met without jeopardizing the ability of future generations to meet their needs.
2. **Economic feasibility:** defined as the degree to which the economic advantages of something to be made, done, or achieved are greater than the economic costs. **Can we fund it?**
3. **Social equity:** defined as fair access to opportunity, livelihood and the full participation in the political and cultural life of a community. **How do we ensure underrepresented individuals have a voice?**
4. **Public benefit:** is defined as **benefiting the greater good**, or the broader public, over an individual entity or group.

# CACC Recommendations (DEC 2020)

- Initial list of six possible sites Arlington Municipal Airport, Bremerton National Airport, Snohomish County Airport/Paine Field, Sanderson Field (Shelton), Tacoma Narrows Airport (Gig Harbor), and Ed Carlson Memorial Field-South Lewis County Airport
- Phased implementation to meet near term demand utilizing 2-3 existing airports while pursuing a large airport site (most resilient path)
- Legislation to adjust the timeline of the CACC from 2022 to 2024.
- Continue the revolving airport loan program and the Community Aviation Revitalization Board (key component to address general aviation capacity)
- Further the development and use of Sustainable Aviation Fuel (SAF) within WA State
- Continue the efforts of the Electric Aircraft Working Group (EAWG) and WSDOT's overall efforts in emerging aeronautics technology

# Current Situation

**As part of its Phase One December 2020 report, the CACC offered the following general conclusions**

- **The most resilient strategy is to pursue both a large new airport and expand or improve existing airports.**
- **Locating a single large commercial airport must address**
  - **Physical requirements**
  - **Public sentiment**
  - **Size**
  - **Location**
  - **Multimodal transportation accessibility**
  - **Sponsor and airline interest**
- **Commitment from both airport sponsors and the aviation industry partners are key requirements**
- **The Commission must consider general aviation needs as well as air passenger service and air cargo**
- **Public involvement is critical to future siting decisions**

# **White Paper Overview: Setting the Stage for Phase Two**

- **Airport Analysis of Six Sites**
- **Additional Opportunities for Meeting Capacity Across Washington State**
  - **Opportunities within the Puget Sound Region**
  - **Opportunities Elsewhere within Washington State**
- **Greenfield Sites**

# Preliminary List of Six

The Commission developed a preliminary list of six existing airports with the potential to meet some of the projected demand for air passenger service, air cargo, or general aviation.

- Arlington Municipal Airport
- Bremerton National Airport
- Paine Field/Snohomish County Airport
- Sanderson Field/Shelton
- Tacoma Narrows Airport/Gig Harbor
- South Lewis County Airport/Toledo

# Commission Member Feedback on Six Sites

- **Paine Field** identified as having potential for accommodating air passenger service:
  - Potential to provide a meaningful contribution: 71%
  - Good investment potential: 93%
  - Potential to address statewide capacity: 93%
- **Paine Field** and **Bremerton National** identified as having potential for accommodating air cargo:

|   | <u>Paine Field</u> | <u>Bremerton</u> |
|---|--------------------|------------------|
| – Potential to provide a meaningful contribution: | 84%                | 64%              |
| – Good investment potential:                      | 86%                | 38%              |
| – Potential to address statewide capacity:        | 72%                | 43%              |

| <u>General Aviation:</u>                      | <u>Meaningful contribution</u> | <u>Investment potential</u> | <u>Statewide capacity</u> |
|---|--------------------------------|-----------------------------|---------------------------|
| – <b>Bremerton National Airport</b>           | 100%                           | 93%                         | 93%                       |
| – <b>Arlington Municipal Airport</b>          | 100%                           | 93%                         | 92%                       |
| – <b>Tacoma Narrows Airport</b>               | 100%                           | 79%                         | 79%                       |
| – <b>Sanderson Field</b>                      | 93%                            | 72%                         | 65%                       |
| – <b>South Lewis County Airport</b>           | 64%                            | 58%                         | 35%                       |
| – <b>Paine Field/Snohomish County Airport</b> | 53%                            | 57%                         | 52%                       |

# Summary of White Paper Feedback

- **Paine Field has potential to accommodate additional air passenger service and air cargo**
- **Bremerton has potential for expansion to accommodate air cargo**
- **All six preliminary sites have potential for expansion to accommodate general aviation**
- **Several existing airports across the state have potential to accommodate additional air passenger service, air cargo and/or general aviation**



# What We Know from the Public

- **Feelings are mixed depending on where someone lives**
- **Need to address noise, emissions and public health concerns**
- **Desire for more public engagement with communities involved**
- **Ongoing survey will provide a better understanding about what people feel is important**

# Next Steps

- Utilizing the current feedback and ongoing projects, estimate the “delta” regarding what additional capacity is required to meet demand
- Analyze the feedback/data as a result of the public engagement survey
- Execute the guidance from this legislative session
- Mid-June webinar on emerging aviation technology
- August webinar on public health and the environment and Commission meeting
- Develop the scope of work for the 2022 Washington Aviation System Plan Update

For additional information regarding the  
Commercial Aviation Coordinating Commission,  
please visit:

[www.wsdot.wa.gov/aviation/commission/home.htm](http://www.wsdot.wa.gov/aviation/commission/home.htm)

**RETURN TO AGENDA**



**PROCLAMATION  
OF THE PORT OF SEATTLE COMMISSION**

**WHEREAS,** Black lives matter; and

**WHEREAS,** racial oppression is deeply rooted in our nation’s early beginnings — from the mass exploitation of Native American populations to the enslavement of Black Americans — and acknowledging this checkered past is essential to healing and creating a more equitable future; and

**WHEREAS,** on January 1, 1863, President Lincoln’s Emancipation Proclamation declared “that all persons held as slaves...are, and henceforward shall be free”; and

**WHEREAS,** news and enforcement of the Emancipation Proclamation did not reach Texas until June 19, 1865, two and one half years later – when Major General Gordon Granger, landed at Galveston, Texas with news that the Civil War had ended and that the enslaved were now free; and

**WHEREAS,** Juneteenth (June 19<sup>th</sup>) is the oldest nationally celebrated commemoration of the ending of slavery in the United States; and

**WHEREAS,** in 2003, Port employee Lilyian Caswell-Isley, former Director of Social Responsibility, led the first celebration of Juneteenth at the Port, and through the leadership of Blacks in Government, the Port continues to celebrate Juneteenth annually; and

**WHEREAS,** the Port of Seattle Commission has a social responsibility to combat systemic racism and racism in all its nefarious forms, and work to contribute to a more equitable and just world; and

**WHEREAS,** the Century Agenda Goal 5 calls for the Port to “Become a Model for Equity, Diversity and Inclusion;” and

**WHEREAS,** in 2019 the Port established an Office of Equity, Diversity, and Inclusion to address institutional racism and increase equity, diversity, and inclusion in Port policies, processes, and programs; and

**WHEREAS,** the official recognition of Juneteenth as a Port Holiday is a significant way that we can celebrate freedom, help create a culture of belonging, and a more equitable, anti-racist Port culture.

**NOW, THEREFORE,** the Port of Seattle Commission hereby honors and recognizes Juneteenth, the 19th of June each year, as an official Port Holiday for all Port employees, and one of the many ways we celebrate our rich African-American cultural heritage, acknowledge our history of institutional racism and slavery, demonstrate that Black lives matter, and advance racial equity.

Proclaimed by the Port of Seattle Commission this 19<sup>th</sup> day of May, 2021.

Port of Seattle Commission

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Port of Seattle Commission

**RETURN TO AGENDA**



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## **APPROVED MINUTES COMMISSION REGULAR MEETING MAY 11, 2021**

The Port of Seattle Commission met in a regular meeting Tuesday, May 11, 2021. The meeting was held remotely in accordance with Senate Concurrent Resolution 8402 and in accordance with Governor Inslee's Proclamation 20-28. Commissioners Bowman, Calkins, Cho, Felleman, and Steinbrueck were present.

### **1. CALL to ORDER**

The meeting was convened at 10:30 a.m. by Commission President Fred Felleman.

### **2. EXECUTIVE SESSION pursuant to RCW 42.30.110**

The public meeting recessed into executive session to discuss three matters relating to litigation/potential litigation/legal risk (RCW 42.30.110(1)(i)) for approximately 20 minutes each, with the intention of reconvening the public session at 12:00 p.m. Following the executive session, which lasted approximately 70 minutes, the public meeting reconvened at 12:03 p.m. Commission President Felleman led the flag salute.

### **3. APPROVAL of the AGENDA**

Without objection, the preliminary agenda was approved, as amended, to reorder agenda Item 10e to be heard after agenda Item 10a and to pull Item 8f from the Consent Agenda, to be addressed separately.

### **4. SPECIAL ORDERS OF THE DAY – None.**

### **5. EXECUTIVE DIRECTOR'S REPORT**

Chief Operating Officer David Soike previewed items on the day's agenda and made announcements.

### **6. COMMITTEE REPORTS**

Mr. Aaron Pritchard, Deputy Commission Chief of Staff, provided a report regarding recently held committee meetings.

### **7. PUBLIC COMMENT**

Public comment was received from the following individual(s):

- Brooke Vatheuer, VP Strategic Performance, Alaska Airlines, spoke in support of agenda Item 10d, supporting Port jobs and the employment center.

- Anna Pavlik, Rachel Lauter, Iman Mustafa, Liliana Paredes, Juana Mas, and Veronica Wade, interested persons, spoke in support of agenda Item 11a and the Port's efforts and partnerships in Workforce Development for the organization and the region.
- Stefan Moritz, Ronnie Lalimo, and Joseph Wallis, of Unite Here Local 8, spoke in support of Agenda Item 10b, introduction of a resolution to enact Minimum Wage and Worker Retention Requirements Applicable to Certain Employers Located at Seattle-Tacoma International Airport.
- Anne Kroeker, resident, spoke regarding public health concerns for the short- and long-term related to environmental noise. Written materials received are attached as minutes Exhibit A.
- In lieu of spoken comment, Nastassia Barber, student, submitted written comments regarding the levels of aviation emissions in Washington State and requested a decrease in unnecessary aviation traffic. Written materials received are attached as minutes Exhibit B.
- In lieu of spoken comment, Laura Gibbons, resident, submitted written comments asking the Port Commission how it will meet its 50 percent reduction in Scope 3 greenhouse gas emissions by 2030. Written materials received are attached as minutes Exhibit C.
- In lieu of spoken comment, Roy Goldberg, on behalf of the Flying Food Group, submitted written comments regarding agenda Item 10b and spoke to the general application of minimum labor standards. Written materials received are attached as minutes Exhibit D.
- In lieu of spoken comment, Peter Knutson, Loki Fish Company, submitted written comments regarding agenda Item 8f, encouraging the Port to integrate the existing Fisherman's Terminal community with the proposed uses of the building. Written materials received are attached as minutes Exhibit E.
- In lieu of spoken comment, Brent Paine, on behalf of the United Catcher Boats organization, a tenant at Fisherman's Terminal, submitted written comments regarding agenda Item 8f and asked the Port to consider including a meeting facility in its design and function of the new Seattle Ship Supply building that can be utilized by the tenants. Written materials received are attached as minutes Exhibit F.
- Post meeting correspondence received from Robert Alverson and Craig Morris was distributed to Commissioners and are attached at minutes Exhibit G and Exhibit H, respectively.

## **8. CONSENT AGENDA**

*[Clerk's Note: Items on the Consent Agenda are not individually discussed. Commissioners may remove items for separate discussion and vote when approving the agenda.]*

### **8a. Approval of the Minutes of the Special Meetings of April 27, 2021.**

### **8b. Approval of the Claims and Obligations for the period April 1, 2021, through April 30, 2021, including accounts payable check nos. 939197-939641 in the amount of \$4,044,427.93; accounts payable ACH nos. 034670-035397 in the amount of \$64,349,126.52; accounts payable wire transfer nos. 015584-015602 in the amount of \$11,093,991.36, payroll check nos. 198378-198631 in the amount of \$69,866.46; and payroll ACH nos. 1018131-1024487 in the amount of \$16,910,809.42 for a fund total of \$96,468,221.69.**

Request document(s) included an agenda memorandum.

- 8c. Adoption of Resolution No. 3786: A Resolution of the Port Commission of the Port of Seattle Authorizing the Issuance and Sale of Intermediate Lien Revenue and Refunding Bonds in One or More Series in the Aggregate Principal Amount of Not-to-Exceed \$950,000,000, for the Purpose of Financing or Refinancing Capital Improvements to Aviation Facilities and for the Purpose of Refunding Certain Outstanding Revenue Bonds of the Port; Setting Forth Certain Bond Terms and Covenants; and Delegating Authority to Approve Final Terms and Conditions and the Sale of the Bonds.**

Request document(s) included an agenda memorandum, draft resolution, and presentation slides.

- 8d. Adoption of Resolution No. 3787: A Resolution of the Port Commission of the Port of Seattle Authorizing the Issuance and Sale of First Lien Revenue Refunding Bonds, Series 2021 in the Aggregate Principal Amount of Not-to-Exceed \$60,000,000 (the "Bonds"), for the Purpose of Refunding the Port's First Lien Revenue Refunding Bonds, Series 2011B (the "2011 Bonds"); Setting Forth Certain Bond Terms and Covenants; and Delegating Authority to Approve Final Terms and Conditions and the Sale of the Bonds.**

Request document(s) included an agenda memorandum, draft resolution, and presentation slides.

- 8e. Authorization in the Amount of \$1,164,000 for the Executive Director to (1) Complete Design and (2) Utilize Port Crews and a Small Works Contract to Construct the IAF Maintenance Path Fence Project at Seattle-Tacoma International Airport (SEA), for a Total Estimated Project Cost of \$1,214,000 (CIP # C801218).**

Request document(s) included an agenda memorandum and presentation slides.

- 8f<sup>1</sup>. ~~Authorization for the Executive Director to (1) Authorize an Additional \$1,000,000 in Design Funding for the Proposed Fishermen's Terminal Maritime Innovation Center to Complete Design and Permitting and (2) to Execute an Amendment to the Existing Service Agreement with Miller Hull Partnership, LLP for Fishermen's Terminal Phased Design Services in the Amount of \$2,500,000; for a New Not-To-Exceed (NTE) Value of \$6,000,000 (CIP #C801084, U00414).~~**

~~Request document(s) included an agenda memorandum.~~

**The motion for approval of consent agenda items 8a, 8b, 8c, 8d, and 8e carried by the following vote: In favor: Bowman, Calkins, Cho, Felleman, Steinbrueck (5)  
Opposed: (0)**

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<sup>1</sup> Agenda Item 8f was removed from the Consent Agenda and addressed separately.



**ITEMS REMOVED FROM THE CONSENT AGENDA**

- 8f. Authorization for the Executive Director to (1) Authorize an Additional \$1,000,000 in Design Funding for the Proposed Fishermen's Terminal Maritime Innovation Center to Complete Design and Permitting and (2) to Execute an Amendment to the Existing Service Agreement with Miller Hull Partnership, LLP for Fishermen's Terminal Phased Design Services in the Amount of \$2,500,000; for a New Not-To-Exceed (NTE) Value of \$6,000,000 (CIP #C801084, U00414).**

Request document(s) included an agenda memorandum.

Commission Clerk Michelle Hart read agenda Item 8f into the record.

Chief Operating Officer Soike introduced the item and presenters.

Presenter(s):

Dave McFadden, Managing Director, Economic Development Administration  
Elena Franks, Capital Project Manager IV, Seaport Project Management

The presentation addressed:

- project status at the 60 percent design phase;
- the Maritime Innovation Center being a facility which will support both entrepreneurs and the maritime community;
- the Port's desire for the facility to host maritime industry gatherings, as well as for the facility to work for Fisherman Terminal's tenants and design of the facility to support both uses;
- as design is finished on the facility, it will also be clarified how the facility will operate with an update to the Maritime Innovation Center business plan and review of lease revisions to spell out how the facility operates; and
- the development of a broader interpretative sign plan for Fisherman's Terminal.

Commissioner Steinbrueck:

- discussed use and access of the facility and the desire that it serves the primary tenants and the community of Fisherman's Terminal;
- spoke regarding seeing more details about the business plan, with the inclusion of a gathering space in which to sit and hold larger events/meetings;
- noted that a history wall and a design flexible enough to accommodate these uses is appropriate, with subleases to operators and terms for community use reviewed.

**The motion, made by Commissioner Steinbrueck, for approval of Item 8f carried by the following vote: In favor: Bowman, Calkins, Cho, Felleman, Steinbrueck (5)  
Opposed: (0)**

**9. UNFINISHED BUSINESS – None.**

**10. NEW BUSINESS**

**10a. Industrial Development Corporation Annual Meeting – Approval of Minutes, Designation of Officers, and Annual Report for 2020.**

Request document(s) included meeting materials and minutes.

Presenter(s):

Scott Bertram, Manager, Corporate Finance

Clerk Hart read Item 10a into the record.

Chief Operating Office Soike introduced the item and presenters.

*[Clerk's Note: At this time, the Commission meeting recessed and the Industrial Development Corporation convened its annual meeting of 2021. Director Felleman called the meeting to order at 1 p.m.]*

Mr. Bertram provided the annual report of the Industrial Development Corporation (IDC). The report addressed activity and status of the IDC in 2020.

**APPROVAL OF MINUTES**

**A motion, made by Director Bowman, for approval of the May 26, 2020, IDC meeting minutes, carried by the following vote: In favor: Bowman, Calkins, Cho, Felleman, Steinbrueck (5)**

**Opposed: (0)**

**DESIGNATION OF OFFICERS**

Clerk Hart read the slate of 2021 Directors into the record.

**A motion, made by Director Bowman, for approval of the slate of 2021 Industrial Development Corporation Directors, carried by the following vote: In favor: Bowman, Calkins, Cho, Felleman, Steinbrueck (5)**

**Opposed: (0)**

The designated Directors for the IDC are as follows: Director Bowman, Director Calkins, Director Cho, Director, Director Felleman, and Director Steinbrueck.

*[Clerk's Note: Director Felleman adjourned the annual meeting of the IDC without objection and the regular business meeting of the Port of Seattle Commission reconvened at 1:08 p.m.]*

**10e<sup>2</sup>. Order No. 2021-05: Directing the Executive Director to Allocate up to \$2 million from the Covid-19 Emergency Fund to Support the Port of Seattle's 2021 Opportunity Youth Initiative and Exempting all Related Contracts from the Requirements of Chapter 53.19 RCW.**

Request document(s) included an order and presentation slides.

Presenter(s):

David Yeaworth, Commission Specialist, Commission Office  
Bookda Gheisar, Senior Director, Equity Diversity & Inclusion

Commission Clerk Michelle Hart read Item 10e into the record.

Chief Operating Office Soike introduced the item and presenters.

The presentation addressed:

- the Port's response to community need during the pandemic and through the Opportunity Youth Initiative;
- 2020 program participants – 196 people;
- impacts made through the program;
- non-profit partners with Goodwill, Partner in Employment, Urban League, and Seattle Parks Foundation;
- focusing on pathways to Port careers; and
- funding, non-profit partners, and program timeline for 2021 program authorization.

Members of the Commission discussed:

- appreciation to Commissioner Bowman for championing the program;
- reaching out to females in what has historically been a male-dominated industry;
- the creation of a model program;
- opportunities for youth and career exploration;
- changes in the economy and in the communities with respect to the pandemic and the emergency nature of employment; and
- their appreciation to staff and the contracting and programming team for their hard work in making the program viable and successful.

**The motion, made by Commissioner Bowman, carried by the following vote: In favor: Bowman, Calkins, Cho, Felleman, Steinbrueck (5)**

**Opposed: (0)**

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<sup>2</sup> Item 10e was reordered on the agenda at approval of the agenda.

**10b. Introduction of Resolution No. 3789 and Setting of Second Reading on July 27, 2021, to Enact Minimum Wage and Worker Retention Requirements Applicable to Certain Employers Located at Seattle-Tacoma International Airport.**

Request document(s) included an agenda memorandum and draft resolution.

Presenter(s):

Aaron Pritchard, Deputy Commission Chief of Staff

Commission Clerk Michelle Hart read Item 10b into the record.

Chief Operating Office Soike introduced the item and presenters.

The presentation addressed enacting minimum labor standards and worker retention requirements for flight kitchen employees at Seattle-Tacoma International Airport.

Members of the Commission spoke in support of the action and thanked staff and the community members for working together to address the need.

**The motion, to approve Item 10b, made by Commissioner Bowman.**

**The motion, to amend Item 10b, made by Commissioner Felleman, carried by the following vote: In favor: Bowman, Calkins, Cho, Felleman, Steinbrueck (5)**

**On line 109 insert “at least” and strike “,but does not exceed” as follows:**

**Employers that provide goods or services at the Airport and are engaged in the preparation of food or beverage to be served in-flight by an airline from facilities that are located on property owned by the Port of Seattle within the City of SeaTac shall pay their employees a wage that at least meets, but does not exceed, the hourly minimum wage established by Prop 1.**

**On line 114 insert “at least” and strike “,but does not exceed” as follows:**

**The minimum wage required to be paid under this Resolution shall be adjusted for inflation on the same schedule that the minimum wage set forth in Prop 1 is adjusted, so that the minimum wage required to be paid by an employer under this Resolution continuously at least meets, but does not exceed, the minimum wage amount required by Prop 1.**

**On lines 33, 100, and 123, to make the same corresponding amendment language to those affected Whereas and Now, Therefore, Be It Resolved, clauses.**

The main motion, as amended, carried by the following vote: In favor: Bowman, Calkins, Cho, Felleman, Steinbrueck (5)  
Opposed: (0)

- 10c. Authorization for the Executive Director to Execute a Contract to Establish a New Airport-wide Quality Assurance Program in the Amount of 1,360,000, for a Term of Five Years, that Will Provide Anonymous and Periodic Measurement, Reporting and Action-planning to Enhance Employee Engagement with Customers.**

Request document(s) included an agenda memorandum and presentation slides.

Presenter(s):

Lance Lyttle, Managing Director, Aviation  
Jim Peterson, Senior Manager, Customer Experience & Communication

Commission Clerk Michelle Hart read Item 10c into the record.

Chief Operating Office Soike introduced the item and presenters.

*[Clerk's Note: Commissioner Calkins was excused and exited the meeting at 1:50 p.m.]*

The presentation addressed:

- the importance of quality assurance;
- how quality assurance can make a difference in measuring and reinforcing employee engagement, guided by SEA's customer service standards, and SEA brand compliance;
- program details;
- how quality assurance will be measured;
- STARS Elevated Customer Experience Program elements; and
- proposed program phasing.

Members of the Commission noted their support of the authorization.

Commissioner Felleman spoke regarding social distancing metrics being included in the customer service experience.

**The motion, made by Commissioner Bowman, carried by the following vote: In favor: Bowman, Calkins, Cho, Felleman, Steinbrueck (4)  
Opposed: (0)**

- 10d. Authorization to (1) Waive the Competitive Solicitation Process per RCW 53.19.020(5) and Authorize the Executive Director to Execute an Amendment to the Current Port Jobs Contract for an Estimated Value of \$456,250 and Total Contract Value of \$4,881,250, and an Extension of the Contract for a Period up to Six Months through December 30, 2021; and (2) to Authorize the Executive Director to Execute a Contract for the Administrative Oversight, Management and Implementation of Day-to-Day Operations of the Seattle Tacoma International Airport (SEA Airport) Employment**

**Center, the Provision of Workforce Development Services and Support for the Aviation Career Pathways Program for an Estimated Amount of \$10,485,000, and a Five-year Contract Term Plus Two One-year Options to Renew at the Port's discretion.**

Request document(s) included an agenda memorandum, sample lease, infographic, sample license, classroom schematic, center office schematic, Resolution No. 3776, and presentation slides.

Presenter(s):

Luis Navarro, Director, Workforce Development

Commission Clerk Michelle Hart read Item 10d into the record.

Chief Operating Office Soike introduced the item and presenters.

The presentation addressed:

- the request for a six-month extension of the current contract and authorization of airport employment management services;
- guiding principles and funding sources;
- aviation section strategies, 2021—2023;
- continue funding of SEA job placements;
- expanding aviation career pathways;
- scope of work by revenue source;
- contract review;
- added focus to the agreement services;
- data and reporting requirements; and
- employment center location.

Members of the Commission and staff discussed:

- outreach in the fall to discuss expansion of the program beyond airport workers;
- utilizing Greater Seattle Partners to get the message out regarding programming to BIPOC residents;
- future funding for workforce development at the Port;
- balancing long-term solutions and short-term solutions and further long-term solutions are sought;
- including a full description of the Port's Workforce Development Programs as a community resource;
- tracking the number of jobs produced as a result of the programming; and
- career pathways, as opposed to just jobs.

**The motion, made by Commissioner Cho, carried by the following vote: In favor: Bowman, Calkins, Cho, Felleman, Steinbrueck (4)  
Opposed: (0)**

## **11. PRESENTATIONS AND STAFF REPORTS**

### **11a. 2020 Workforce Development Annual Report**

Presentation document(s) included an agenda memorandum, appendix, report, recover better executive summary, Resolution No. 3776, and presentation slides.

Presenter(s):

Luis Navarro, Director, Workforce Development  
Consuelo Davis, Program Manager, Workforce Development  
Janice Zahn, Assistant Engineering Director, Engineering General Services  
Heather Worthley, Executive Director, Port Jobs

Commission Clerk Michelle Hart read Item 11a into the record.

Chief Operating Office Soike introduced the item and presenters.

The presentation addressed:

- guiding principles of workforce development;
- 2020 – a year of challenges and resilience;
- 2020 results of investments;
- 2020 results by aviation sector;
- 2020 results by maritime sector;
- green careers strategies, 2021 – 2023;
- 2020 results by construction sector;
- 2020 apprenticeship and priority hire utilization;
- 2021 – 2025 Port construction forecasting;
- \$9.4M proposed in workforce development investments in 2021 – 2023; and
- workforce development partners and stakeholders.

Three videos were played during this presentation highlighting participants' experiences in the Port's workforce development programs.

Members of the Commission and staff discussed:

- the priority hire initiative;
- delivery of the priority with respect to diversity goals working with contractors and labor; and
- components that go into a good work training program.

*[Clerk's Note: Commission Calkins returned to the meeting at 3:27 p.m.]*

*[Clerk's Note: At this time, Members of the Commission removed Item 11c from the agenda and scheduled it to come before the Commission at its May 25, 2021, business meeting.]*

**11b. South King County Fund Recommendations Briefing**

Presentation document(s) included an agenda memorandum and presentation slides.

Presenter(s):

Andy Gregory, Senior Program Manager Environmental Engagement, External Relations  
Alison Beason, EDI Senior Data & Policy Analyst, Equity, Diversity & Inclusion  
Alma Villegas, AV Consulting (External)  
Sofia Estevez, Community Liaison (External)

Commission Clerk Michelle Hart read Item 11b into the record.

Chief Operating Office Soike introduced the item and presenters.

The presentation addressed:

- partnerships between external relations, the Office of Equity, Diversity, and Inclusion, and South King County communities;
- goals of creating an equity-based program and supporting historically underserved near-airport communities;
- South King County Fund 2020 programs and schedules;
- programs in 2020 - 27 proposals awarded; \$1.4M in awards;
- first year evaluation processes;
- lessons learned;
- equity and community;
- organizational change; and
- community capacity building

Members of the Commission heard from Sofia Estevez and Alma Villegas, AV Consulting, regarding the benefits of the program.

The presentation concluded with a summary of program recommendations.

Members of the Commission and staff discussed:

- conducting a theory of change process lead by Port staff with support of external partners;
- addressing redundancy to lessen the load on community members in conveying their needs;
- recruitment of liaisons to support the process;
- geographic criteria for funding eligibility;
- communicating effectively with respect to the statutory limitations of the program and maintaining a clear definition of program services;
- use of an equity index to guide decision-making; and
- overall environmental vision in South King County.



11c<sup>3</sup>. Q1 2021 Financial Performance Briefing

12. **QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS**

Members of the Commission made closing comments and Commission President Felleman noted cancellation of the August 17, 2021, regular business.

13. **ADJOURNMENT**

There was no further business and the meeting adjourned at 4:15 p.m.

Prepared:

Attest:

Michelle M. Hart, Commission Clerk

Sam H. Cho, Commission Secretary

Minutes approved: May 25, 2021.

**RETURN TO AGENDA**

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<sup>3</sup> Agenda Item 11c was moved to the May 25, 2021, business meeting.

Minutes of May 11, 2021, submitted for review on May 20, 2021, and proposed for approval on May 25, 2021.

**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8b

**ACTION ITEM**

**Date of Meeting** May 25, 2021

**DATE:** May 14, 2021

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Wayne Grotheer, Director Aviation Project Management

**SUBJECT: Project Management and Control Services Indefinite Delivery, Indefinite Quantity (IDIQ) Contracts**

**Amount of this request:** \$0

**Maximum value of Contracts:** \$60,000,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute up to six (6) professional services Indefinite Delivery, Indefinite Quantity (IDIQ) contracts to provide project management services, and up to two (2) IDIQ contracts to provide project control services, in support of the Aviation capital programs, tenant improvement, and expense projects, with a total value of \$60,000,000 and a contract ordering period of five (5) years.

**EXECUTIVE SUMMARY**

The 2021-2026 Port of Seattle budget includes the investment of \$3.7 billion in capital projects. The Port has historically utilized a mix of full-time employee (FTE) and consultant Project Managers (PM) to deliver its program. These contracts will allow a continuation of that approach in support of the planned five-year Aviation capital program, as well as tenant improvement and expense projects. No funding authorization is included with this request as the funding for these service directives will come separately from individual project and annual expense budget authorizations.

**JUSTIFICATION**

IDIQ contracts provide the Port with the flexibility to meet business requirements as they arise by issuing individual service directives to accomplish tasks within the general, pre-defined scope of work on an as-needed basis for a fixed period of time and a maximum contract amount.

***Diversity in Contracting***

The project team is working with the Diversity in Contracting Department to determine participation opportunities and set appropriate aspirational goals for women and minority

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business enterprises (WMBE) participation in the Project Management and Control Services contracts.

### **DETAILS**

A total of eight IDIQ professional services contracts are anticipated for project management services. Four of these eight contracts are anticipated to support capital and expense projects or programs for the Aviation Division. Two of these eight contracts are anticipated to support Aviation tenant programs, including Airport Dining and Retail. The remaining two contracts will support all Aviation projects with IDIQ professional services contracts for project controls services such as estimating, scheduling and cost control.

Since 2015, Aviation Project Management (AVPMG) has utilized five Project Management IDIQ contracts totaling \$20M. These contracts have provided PM resources to over 60 capital and expense projects totaling more than \$2B in value.

AVPMG has developed a strategy for use of consultant vs. staff FTE resources, that will be utilized to guide the use of these contracts. These resources are needed to support the current 5-year Capital Improvement Program; tenant, expense, and airport dining and retail projects, and could potentially help to support Sustainable Airport Master Plan Near Term projects pending further approval. Project specific support contracts will continue to be used for megaprojects, such as those contracts recently approved by the Commission for the C1 building expansion and North Main Terminal projects.

Elements of the strategy include:

- Using consultants for one-third to one-half of project manager and project controls staffing needs. Each year AVPMG will evaluate staffing needs to maintain this balance between staff and consultants.
- Appropriate span of control for AVPMG managers (developed with support from Human Resources)
- Appropriate mix of junior and senior positions
- Attract and retain more diverse work force
- Alignment of project controls with project/program management teams

Budgets to utilize these contracts will come separately from either annual operational budgets or individual project authorizations.

### ***Schedule***

It is anticipated that these contracts will be executed in Q4 2021 and Q1 2022 and have a five-year ordering period.

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**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Do not procure new Project Management Support contracts.

Cost Implications: \$0

Pros:

- (1) Reduced project management support costs for project delivery

Cons:

- (1) Unassigned projects must be prioritized and wait for staff availability, resulting in delays to the delivery of projects
- (2) Project costs will increase due to the schedule delays

This is not the recommended alternative.

**Alternative 2** – Hire new full-time staff to meet the workload forecasts.

Cost Implications: Up to \$30,000,000 over a 5-year period

Pros:

- (1) Less expensive to projects than hiring consultant staff
- (2) Institutional knowledge is built by Port staff

Cons:

- (1) Inability to rapidly match staffing capacity with project requirements and provide timely completion of projects
- (2) Unassigned projects must be prioritized and wait for staff availability
- (3) Limited knowledge of future projects at time of annual budgeting means mid-year budget adjustments may be required
- (4) If project workload decreases the Port may be required to consider staff reductions or carry higher overhead costs

This is not the recommended alternative.

**Alternative 3** – Continue using a mix of staff and consultants to deliver Port projects and meet the needs of the Aviation Division. Prepare multiple procurements to contract the additional project management support services required.

Cost Implications: Up to \$60,000,000 over a 5-year ordering period

Pros:

- (1) Ability to balance skills and capacity with project requirements, providing timely completion of projects
- (2) Consolidating contract procurement decreases administrative costs
- (3) Highest level of flexibility; staff are added or removed as needed to meet demand
- (4) Provides more opportunities to management services firms

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- (5) Provides opportunities to small businesses
- (6) Allows incorporation of Port staffing when available

**Cons:**

- (1) Contract rather than Port staff build institutional knowledge
- (2) Cost is higher for consultants than staff with comparable experience

***This is the recommended alternative.***

**FINANCIAL IMPLICATIONS**

The total estimated cost for project management services will not exceed \$60,000,000. Each contract will have a not-to-exceed threshold and 5-year ordering periods. No work is guaranteed to the consultants and the Port is not obligated to pay the consultant until a service directive is executed. After receiving authorization for each project in accordance with the Delegation of Authority, the actual work will be defined, and the Port will issue individual project-specific service directives.

***Annual Budget Status and Source of Funds***

For services in support of capital projects, the costs will be charged directly to Aviation capital projects and included in the authorized budgets and will use the designated funding sources for the individual projects. For services in support of expense projects, the costs will be included in the annual operating budgets for the Aviation Project Management Group and will be funded by the Airport Development Fund (ADF).

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None

|                 |              |
|-----------------|--------------|
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# Project Management and Controls Services IDIQ Contracts

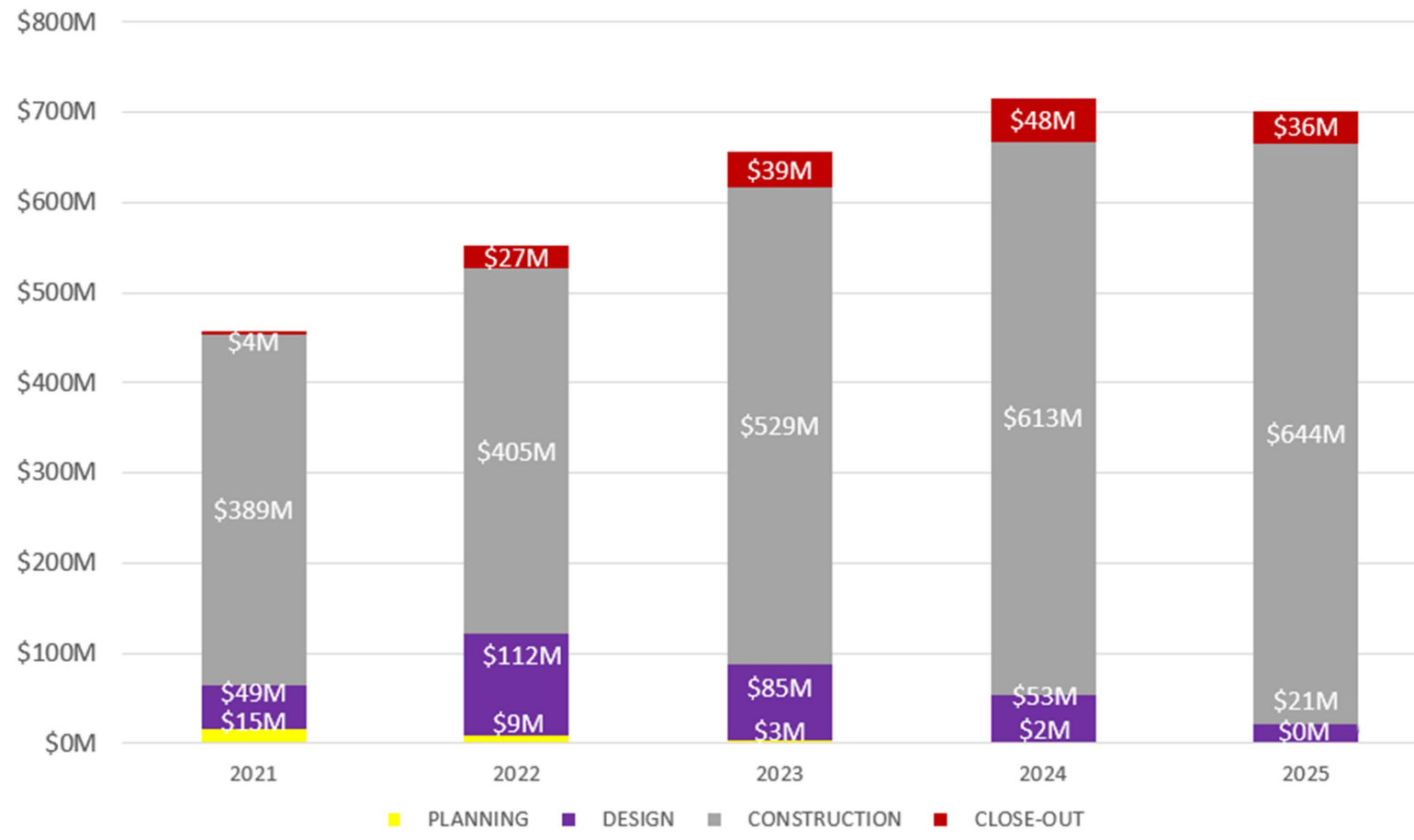
# Project Management and Controls Services IDIQ Contracts

## Overview:

- Requesting authorization to execute up to eight IDIQ contracts over five years with a total value of up to \$60 million
- Supports the planned \$3.7 billion 5-year Aviation Capital Program, as well as expense and tenant improvement projects
- Continues approach of using mix of Port staff and consultants
- No funding authorization now; funding under capital project and annual expense budget authorizations
- Ability to balance skills and capacity with project requirements, providing timely completion of projects

# Project Management and Controls Services IDIQ Contracts Support Large and Growing Capital Program

## 5-year Aviation Project Cash Flow

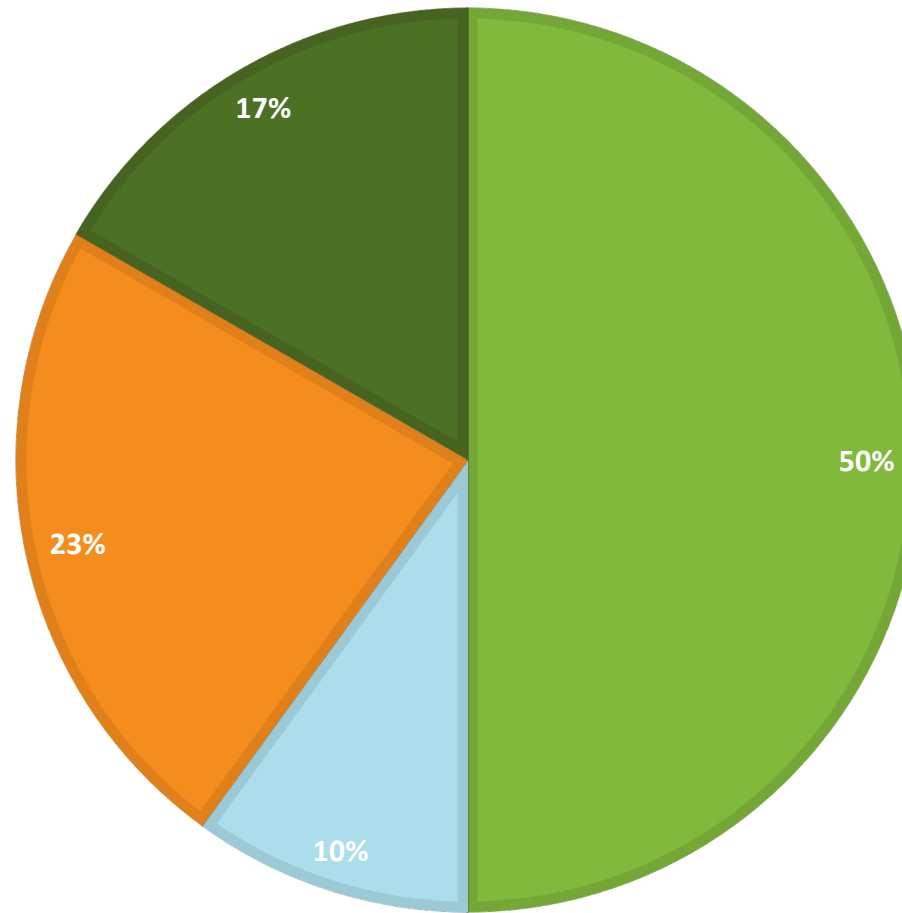




# Project Management and Controls Services IDIQ Contracts Support Broad Range of Aviation Projects



\$60M PROJECT SUPPORT



- Aviation Capital & Expense Projects
- Noise Program
- Tenant/ADR Projects
- Project Controls

# Project Management and Controls Services IDIQ Contracts

## Project Management Resourcing Strategy:

- Sustainable Port PM staff development while using consultants for up to one-half of project staffing needs
- Appropriate span of control for AVPMG managers
- Appropriate mix of junior and senior positions
- Attract and retain more diverse work force
- Alignment of project controls with project management teams

**RETURN TO AGENDA**

**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8c

**ACTION ITEM**

**Date of Meeting** May 25, 2021

**DATE:** May 17, 2021

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Wayne Grotheer, Director, Aviation Project Management Group

**SUBJECT: Indefinite Delivery Indefinite Quantity (IDIQ) Service Agreements for Mechanical and Electrical Engineering Design Services**

**Amount of this request:** \$0  
**Maximum value of contracts:** \$16,000,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute up to four professional services indefinite delivery, indefinite quantity (IDIQ) contracts for mechanical and electrical design services, in support of the Aviation capital programs, with a total value of up to \$16,000,000 and a contract ordering period of up to five (5) years.

**EXECUTIVE SUMMARY**

The Aviation Project Management Group (AV/PMG) utilizes IDIQ contracts to meet highly variable workload projections for design services. The existing mechanical and electrical design services IDIQ contracts, valued at \$10,000,000, will be expiring in Q4 2021. Based on current projections, this request will provide the necessary mechanical and electrical design services to meet project needs for the next three to five years.

AV/PMG has identified nearly \$60 million in capital improvement projects that will require the services of a mechanical/electrical design consultant over the next three (3) years. While larger projects will be designed with individually procured consulting agreements, the majority of the remaining projects may be designed utilizing the IDIQ contracts described herein. Evaluation of the options resulted in IDIQ contracts being selected as the best method to secure the required services.

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**JUSTIFICATION**

The workload demands for delivery of electrical and mechanical projects at the Seattle-Tacoma International Airport (Airport) are increasing. To support the increasing and dynamic business requirements of the Airport, AV/PMG requires flexibility. The IDIQ contracts provide flexibility through project-specific service directives that allow engineering design services to be provided on an as-needed basis for a fixed period and a maximum contract amount.

***Diversity in Contracting***

There will be a 16% WMBE aspirational goal for each IDIQ contract.

**DETAILS**

This request is to execute three contracts valued at \$5 million each and one contract valued at \$1 million. In the event the Port does not receive sufficient number of qualified proposals, the Port may award fewer contracts and increase capacity of the awarded contracts to the selected firms, for a total capacity not to exceed \$16 million.

Each contract will have up to a five-year ordering period. Service directives may be issued at any time during the contract-ordering period. Work may be performed after expiration of the ordering period. The total value of all service directives issued on a contract will not exceed the contract value.

Budgets to utilize these contracts will come separately from individual project authorizations.

The IDIQ contracts will be procured according to Port policies and procedures, as well as procurement policy CPO-1. The Port will advertise and issue a solicitation. The contracts will be written with specific not-to-exceed amounts and identify the services required. Each contract will have a contract ordering period (during which the services may be separately authorized) of five (5) years. The actual contract duration may extend beyond five (5) years, in order to complete the work identified in the particular service directives. Service directives may be issued during the contract-ordering period and within the total original contract value. The Port will have the option of moving money between contracts if the Port determines that a contracted current firm cannot adequately complete future work requests.

Primary scope will be mechanical and electrical engineering design services. Architectural, structural/civil, and other engineering services will be included as part of these contracts. There will be one (1) procurement for mechanical/electrical services with up to four (4) contracts issued. Although intent is to award four (4) contracts, two (2) or three (3) contracts may be awarded depending on the qualifications of proposers.

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**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Procure separate design contracts for each project.

Cost Implications: Each project would expend additional administrative costs to procure individual engineering design services contracts. Contract values would vary compared to IDIQ contracts since each task is procured separately.

Pros:

- (1) Separate contracts would allow the consulting firms opportunities to compete for each individual project.
- (2) Defers the administrative cost of procurement to a later date when individual projects each do their own procurement.

Cons:

- (1) Increased cost for individual project procurements rather than a more efficient single procurement of one set of IDIQ contracts.
- (2) This alternative is an inefficient use of Port resources and staff time and does not leverage the Port's allowable contracting methods. It would increase overhead and administrative costs to the Port, as we would need to manage more procurement processes and contracts.
- (3) This alternative will add time to each project schedule to complete the procurement process for each individual project and will impact our ability to meet project and customer needs.
- (4) Costs to the consulting companies may increase as they would be responding to multiple procurements.
- (5) Integration among related projects would be more difficult to achieve.

This is not the recommended alternative.

**Alternative 2** – Procure several design services IDIQ agreements in a single solicitation action.

Cost Implications: Administrative costs are reduced in comparison with Alternative 1. Contract values are the same compared to Alternative 3, and administrative costs are similar.

Pros:

- (1) This alternative reduces costs in staff time and overhead for each project involved - the solicitation, evaluation and selection process for design services is completed upfront for multiple projects.
- (2) This alternative reduces the schedule for subsequent projects involved because the solicitation, evaluation and selection for design services have already been completed. Typically, this process consumes approximately 3 to 4 months.
- (3) This alternative allows the Port to utilize the consultant at an earlier stage of project development. Under a typical project specific solicitation, the consultant cannot come on board until after the planning phase has been completed.

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- (4) This alternative more effectively provides for the “consistency” of parallel projects that may utilize the same consultant.

Cons:

- (1) The alternative would limit the number of opportunities available to firms to compete for work.

This is not the recommended alternative.

**Alternative 3 – Prepare Single Procurement Process Resulting in Up To 4 Contracts**

Cost Implications: Administrative costs are reduced in comparison with Alternative 1. Contract values are the same compared to Alternative 2, and administrative costs are similar.

Pros:

- (1) This alternative would ensure the Port has the necessary professional, technical and advisory resources available to assist with time critical planning efforts and delivery of potential future capital work.
- (2) Women- and Minority-Owned Business (WMBE) participation will be a contract requirement.
- (3) The Port is setting aside one contract valued at \$1,000,000 to encourage smaller businesses to participate.
- (4) This alternative would minimize the number of procurement processes necessary for timely completion of tasks and reduce overhead and administrative costs to the Port and consultants.

Cons:

- (1) The alternative would limit the number of opportunities available to firms to compete for more discrete packages of work, though it provides significantly more opportunities to firms than Alternative 3.

***This is the recommended alternative.***

**FINANCIAL IMPLICATIONS**

Charges to these contracts will be from individual capital projects. Consequently, there is no funding request associated with this authorization. Individual service directives will be executed to authorize the consultant to perform any specific work on the contract against approved budget authorizations and within the total contract amount.

***Annual Budget Status and Source of Funds***

Charges to these contracts will be from projects that will be authorized separately through established procedures. The total cost for mechanical/electrical design services under these contracts will not exceed \$16,000,000. No work is guaranteed to the consultants and the Port is

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not obligated to pay the consultant until a service directive is executed. After receiving authorization for each project in accordance with the Master Delegation of Authority, the actual work will be defined, and the Port will issue individual project-specific service directives.

**ATTACHMENTS TO THIS REQUEST**

None

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None

**RETURN TO AGENDA**

**COMMISSION  
AGENDA MEMORANDUM**

**Item No.**

8d

**ACTION ITEM**

**Date of Meeting**

May 25, 2021

**DATE:** May 10, 2021

**TO:** Stephen P. Metruck, Executive Director

**FROM:** David Freiboth, Senior Director of Labor Relations  
Alyssa Cavanaugh, Labor Relations Analyst

**SUBJECT: Renew Collective Bargaining Agreement Between the Port of Seattle and the International Brotherhood of Teamsters Local 117, Credential Specialists**

**Total Estimated Port Cost Increase for the Duration of the Agreement: \$12,100**

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute a one-year rollover Memorandum of Understanding (MOU) to the Collective Bargaining Agreement between the Port of Seattle and Teamsters Local 117 Credential Specialists covering the period from July 1, 2021, through June 30, 2022.

**EXECUTIVE SUMMARY**

Good faith bargaining between the International Brotherhood of Teamsters Local 117 and the Port of Seattle resulted in a one-year rollover consistent with Port's priorities to freeze wages for 2021. Eleven (11) employees are covered by this agreement and are responsible for issuing security identification badges to approximately 24,000 employees which includes airline personnel, tenants, contractors, vendors, consultants, and Port of Seattle staff with a consistent business need to access Pier 69 and/or the sterile and restricted areas at Seattle Tacoma International Airport.

This agreement is for one year covering the period July 1, 2021, through June 30, 2022. The estimated total additional cost for benefit increases is approximately \$12,100, which represents and estimated 3% increase in Health and Welfare premiums, Juneteenth (holiday) in perpetuity, and one personal day for the term of the MOU. Wages will be frozen for the term of the rollover.

**JUSTIFICATION**

RCW Chapter 41.56 requires the Port of Seattle to collectively bargaining wages, hours, and conditions of employment with the exclusive bargaining representative designated by the employees.



Meeting Date: May 25, 2021

**DETAILS**

Term of the Agreement: July 1, 2021 through June 30, 2022.

**FINANCIAL IMPLICATIONS**

**Wages**

Wages will be frozen for the term of the agreement.

**Health and Welfare**

Adjustments to health and welfare shall be according to the Teamsters Welfare Trust, effective January 1<sup>st</sup> of each year.

The estimated total additional cost to the Port of Seattle for the duration of the contract is \$12,100.

**ATTACHMENTS TO THIS REQUEST**

1. Memorandum of Understanding (MOU)

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None.

## PROPOSED MEMORANDUM OF AGREEMENT

By and Between

PORT OF SEATTLE

And

TEAMSTERS LOCAL UNION NO. 117

Affiliated with the  
International Brotherhood of Teamsters

Representing Credential Specialists

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Re: One (1) Year Rollover Agreement and Modification

The parties to this agreement are Teamsters Local 117 and Port of Seattle. As provided by this memorandum of understanding (MOU), the parties hereby agree to extend the collective bargaining agreement (CBA) expiring June 30, 2021 for twelve (12) months, subject to ratification of the bargaining unit. The terms and conditions of the current CBA shall remain unchanged and in effect for the term of the extension and until a new agreement is agreed to by the parties except as follows:

For the term of this MOU, employees will have one (1) personal day, the date to be designated by the employee. Personal days are compensated at the employee's regular pay rate at the time the personal day is taken and based on the employee's regular work schedule. Eligibility and scheduling shall be in accordance with Article 14 (PTO) of the CBA.

Further, going forward, the CBA is modified as follows:

### **ARTICLE 15 - HOLIDAYS**

15.01 Effective at the signing of this Agreement, **eleven (11)** paid holidays shall be recognized and observed, as follows:

|                               |  |
|-------------------------------|--|
| New Year's Day                | January 1  |
| Martin Luther King's Birthday | Third Monday in January  |
| President's Day               | Third Monday in February   |
| Memorial Day                  | Last Monday in May   |
| <b><u>Juneteenth</u></b>      | <b><u>June 19 (or other date<br/>designated by the Port if the<br/>holiday falls on a weekend)</u></b> |
| Independence Day              | July 4   |

|                        |                              |
|------------------------|------------------------------|
| Labor Day              | First Monday in September    |
| Thanksgiving Day       | Fourth Thursday in November  |
| Day After Thanksgiving | Fourth Friday in November    |
| Christmas Day          | Designated by Port each year |
| One "Floating" Holiday | Designated by Port each year |

Any date commonly observed, as designated by State, national authority, or the Port of Seattle may be observed as a holiday and paid for as such in lieu of the date designated above for the paid holidays listed.

15.02 Holiday pay shall be eight (8) hours at the straight-time rate subject to the following conditions:

Another paid day off shall be provided to the employee at the straight-time rate for eight (8) hours when the holiday falls on the employee's normal day off, or when the employee works on the holiday, except that the following options shall be available to the employee as alternatives to taking another day off in lieu of the holiday:

- (a) The employee may elect not to take an "in lieu of" day off if the holiday falls on their normal day off. In such event, the employee shall receive eight (8) hours' holiday pay.
- (b) If the employee works on the holiday, the employee may elect not to take an "in lieu of" day off. Such employee shall receive eight (8) hours' holiday pay in addition to pay at the overtime rate for all hours worked on the holiday.

15.03 When an employee takes another day off after working the holiday, such day off shall be taken within sixty (60) days of the holiday upon the request of the employee at the discretion of and with the approval of the Department Head.

15.04 Holiday pay shall be prorated for all employees who work less than a full-time schedule. Proration shall be based on the two (2) pay periods preceding the holiday.

15.05 For employees working an alternative workweek, holiday pay shall equal the number of hours the employee was scheduled to work on the day of the holiday.

15.06 Employees working an alternative workweek who work on the holiday shall receive holiday pay for the number of hours worked on that day in addition to pay at the overtime rate for all hours worked on the holiday.

**PORT OF SEATTLE**

**TEAMSTERS LOCAL UNION  
NO. 117/IBT**

\_\_\_\_\_  
**STEVE METRUCK**  
Executive Director

\_\_\_\_\_  
**JOHN SCEARCY**  
Secretary-Treasurer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**RETURN TO AGENDA**

**COMMISSION**  
**AGENDA MEMORANDUM**

**Item No.**

8e

**ACTION ITEM**

**Date of Meeting**

May 25, 2021

**DATE :** May 6, 2021

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Tammy Woodard, HR Director – Total Rewards  
Kim DesMarais, HR Director – Talent Management

**SUBJECT: Introduction of Resolution No. 3790 Updating the Salary and Benefits Policy Directive to Reflect an Administrative Change Modifying Two Definitions Related to Probationary Employees**

**ACTION REQUESTED**

Request Introduction of Resolution No. 3790: A resolution of the Port of Seattle Commission amending the policy directive for salaries and benefits for employees not covered by a collective bargaining agreement established by Resolution No. 3739, to Reflect an Administrative Change Modifying Two Definitions Related to Probationary Employees, and providing an effective date for all amendments of June 8, 2021.

**EXECUTIVE SUMMARY**

This administrative change updating of two definitions related to probationary employees will permit newly hired employees who have not completed their six-month probation period to apply for job openings across the Port while ensuring a full six-month probation period applies to their latest position.

In January of this year, Human Resources updated the Port's Talent Acquisition Policy (HR-8). One update to the policy removed the restriction on employees who had not yet completed their six-month probationary period from applying for other Port employment opportunities. Probationary employees are now allowed to apply for other opportunities at the Port. Along with removing this restriction and allowing probationary employees to apply for other Port opportunities, the policy now requires a restart to the employee's probation period, which is described as an extension of the hiring process, if the employee is offered a different position while in their probationary period. The probationary period is designed to provide employees with six months to demonstrate an acceptable level of performance and behavior. The probationary period restart gives new employees' managers the same amount of time to observe performance and behavior and assist the employee in reaching the performance level required for continued employment.

Meeting Date: May 25, 2021

This policy change and the existing definition of Probation Period and Probationary Employee in the Salary and Benefits Policy Directive are out of alignment. The requested update to the Salary and Benefits Policy Directive will bring the HR Policy and the Salary and Benefits Policy Directive back into alignment.

**JUSTIFICATION**

The updates to the Port's Talent Acquisition Policy permits probationary employees to apply for new opportunities within the Port leading to higher retention rates and employee engagement. The probationary period is designed to give employees an opportunity to learn their job as well as the Port environment where they perform it. It is also an opportunity for the employee's manager to observe performance and behavior together with providing feedback and coaching to help the employee learn their job responsibilities and how to utilize Port systems and processes. This process is designed to help new Port employees be successful at the Port.

Since employees may now change jobs, as well as departments or functions during their initial probationary period, it is reasonable to give the employee the full six months of a probationary period in their new job to learn their responsibilities and the Port environment where they will be performing it before determining if they have achieved a successful level of performance to continue their Port employment. It is also reasonable to give the employee's new manager the same amount of time to observe the employee's work, assess performance, and provide training, feedback, and coaching to help employees achieve the acceptable level of performance. To facilitate this beneficial change, the definitions of Probation Period and Probationary Employee in the Salary and Benefits Policy Directive need to be updated to address the potential for employees changing jobs during their first six months of Port employment.

**ATTACHMENTS TO THIS REQUEST**

(1) Draft Resolution No. 3790.

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None

**Port of Seattle Commission**  
**Resolution No. 3790**

A RESOLUTION of the Port of Seattle Commission amending the policy directive for salaries and benefits for employees not covered by a collective bargaining agreement established by Resolution No. 3739 and providing an effective date for all amendments of June 8, 2021.

WHEREAS, the Port of Seattle Commission has authority pursuant to RCW 53.08.170 to create and fill positions, fix wages, salaries, and establish other benefits of employment including retirement, insurance and similar benefits; and

NOW, THEREFORE, BE IT RESOLVED by the Port of Seattle Commission as follows:

**SECTION 1. Amendment of Policy Directive.** The policy directive established by Resolution No. 3739 adopted November 28, 2017, establishing jobs, pay grades, pay ranges, and pay practices for employees not covered by a collective bargaining agreement and authorizing legally required and other benefits, is hereby amended as follows:

**SECTIONS 2.** The amendments provided in this resolution shall be effective starting June 8, 2021.

**SECTION 2.** Adjust the definitions for “Probationary Employee” and “Probationary Period” to align with HR policy so that the entire probationary period must be completed in one position. Final definitions should be as follows:

“Probationary Employee” means a newly hired or rehired employee who has not yet successfully completed their probationary period and is expected to establish a consistent, acceptable level of performance and behavior that is sufficient to retain their employment.

“Probationary period” means an extension of the hiring process, the period of time from the day a newly-hired or rehired employee begins work at the Port of Seattle through the end of the sixth month of employment *unless* the employee is selected for a new position before completing their probationary period. In this case, the employee’s probationary period will restart beginning with the date of transfer through the end of the sixth month of employment in the new position.

**ADOPTED** by the Port Commission of the Port of Seattle at a duly noticed meeting thereof, held this \_\_\_\_ day of \_\_\_\_\_, 2021, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the seal of the Commission.

## Port of Seattle Commissioners

**RETURN TO AGENDA**



**COMMISSION**  
**AGENDA MEMORANDUM**

**Item No.** 8f

**ACTION ITEM**

**Date of Meeting** May 25, 2021

**DATE:** May 17, 2021

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Tina Soike, Director Engineering Services  
Janice Zahn, Assistant Engineering Director, Construction Services

**SUBJECT: Rental Car Facility (RCF) Pavement Remediation (CIP #C800977) Change Order**

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute change orders to Contract MC-0319802 Rental Car Facility (RCF) Pavement Remediation to provide additional weatherproof membrane preparatory coating work for an amount up to \$900,000 and time extensions of up to 90 calendar days.

**SUMMARY**

This change order request requires no budget (zero dollars) since it can be accommodated within previously authorized budget, and it requires additional time to procure and install additional deck coating products not originally specified. The coating will provide longer asset life. Expediting this authorization is necessary to procure, ship, receive and apply the coating during dry summer weather.

Commission action is required under the General Delegation of Authority because the value is over \$300,000 and the time extension may be over 60 days.

This action is proposed with an abbreviated one-page memo in response to Commission bylaws discussions on December 12, 2017. At that time, commissioners suggested shortened one-page memorandums for action on the unanimous consent calendar to reduce staff time for action items less than \$1 million that the Executive Director considers routine.

**BACKGROUND**

The RCF Pavement Remediation project includes several major maintenance improvements and one security improvement for the facility that the Port has the responsibility to complete under the terms of the RCF Lease Agreement. The major elements of work include replacement of weather proofing membranes in employee and visitor parking. Upon demolition of the existing old membrane it was found that the existing concrete deck needed additional preparatory work and coatings to obtain a subsurface that is suitable to obtain a warrantable weatherproof system. The RCF Pavement Remediation project is funded by Customer Facility Charge (CFC) revenues. There are no attachments to this memo.

**COMMISSION  
AGENDA MEMORANDUM**

**Item No.**

9a

**BRIEFING ITEM**

**Date of Meeting**

May 25, 2021

**DATE:** April 19, 2021  
**TO:** Stephen P. Metruck, Executive Director  
**FROM:** Dan Thomas, Chief Financial Officer  
Michael Tong, Director, Corporate Budget  
**SUBJECT: Q1 2021 Financial Performance Briefing**

**EXECUTIVE SUMMARY**

The purpose of this presentation is to provide a status report of the Q1 2021 financial performance results.

**BACKGROUND**

The Port's overall operating revenues for Q1 2021 were \$112.9 million, which is \$27.4 million below budget and \$48.7 million lower than the same period last year. Excluding Aeronautical revenues, which are based on cost recovery and revenue sharing formulas, other Airport Non-Aero revenues were \$26.9 million, \$8.2 million or 23.2% below budget and \$23.0 million or 46.1% lower YoY mainly due to lower revenues from each line of businesses.

Non-Airport revenues were \$24.7 million, \$348 thousand or 1.4% above budget and \$655 thousand or 2.6% down YoY mainly due to lower revenues from Conference & Event Centers, partially offset by higher revenues from Grain.

Total operating expenses for first quarter of 2021 were \$94.9 million, which is \$6.6 million below budget and \$8.7 million lower than 2020. The operating expense variance was largely due to freeze/deferred hiring, lower third party management operating expense, and cost reductions in discretionary spending.

Net operating income before depreciation was \$18.0 million, which is \$20.9 million below budget and \$39.9 million lower than 2020.

Each division will present its results to the Commission. The presentation outline is as follows:

1. Portwide Operating Results
2. Aviation Division Operating Results
3. Maritime Division Operating Results
4. Economic Development Division Operating Results

Meeting Date: May 25, 2021

5. Central Services Operating Results

**ATTACHMENTS TO THIS BRIEFING**

- (1) Q1 2021 Financial and Performance Report
- (2) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None

# **PORT OF SEATTLE**

## **Q1 2021 FINANCIAL PERFORMANCE REPORT**

**AS OF MARCH 31, 2021**

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**I. PORTWIDE****EXECUTIVE SUMMARY**

The COVID-19 pandemic continues to affect many of the Port's lines of business; however, prudent budgeting and careful cost management has positioned the Port well for 2021. Passenger volume is expected to rebound in the next few months and is predicted to be 29% lower than 2019. Federal relief funds will allow the airport to extend relief to concession tenants and improve the financial outlook for the Aviation division.

Current restrictions on gatherings has affected conference center revenue which has been partially offset by the increase in grain volumes and higher NWSA Distributable Revenues. The CDC has recently revised its guidance on cruises from U.S. ports setting the potential start date in mid-July but banning of cruises in Canada remains an obstacle to reopening of Alaskan cruises from Seattle. The Port is collaborating with cruise partners and local health officials for possible resumption of the Alaska cruise season while taking into consideration the health and safety of the crew, passengers, and the community.

Despite the disruption presented by COVID-19, the Port continues to implement planned initiatives and programs to spur regional economic recovery and provide much needed support to communities hardest hit by the pandemic. While we are currently projecting to be closely on track with budget on a full-year basis, staff continues to closely monitor very dynamic business conditions.

**PORTWIDE FINANCIAL SUMMARY**

|                                 | 2019 YTD       | 2020 YTD       | 2021 YTD        | 2021 YTD       | Fav (UnFav)<br>Actual vs. Budget<br>Variance |                | Incr (Decr)<br>Change from 2020 |                |
|---------------------------------|----------------|----------------|-----------------|----------------|--|----------------|---------------------------------|----------------|
| \$ in 000's                     | Actual         | Actual         | Actual          | Budget         | \$   | %              | \$                              | %              |
| Aeronautical Revenues           | 83,674         | 86,284         | 61,313          | 80,938         | (19,625)                                     | -24.2%         | (24,971)                        | -28.9%         |
| Airport Non-Aero Revenues       | 55,996         | 49,956         | 26,930          | 35,085         | (8,154)                                      | -23.2%         | (23,025)                        | -46.1%         |
| Non-Airport Revenues            | 28,382         | 25,313         | 24,658          | 24,311         | 348  | 1.4%           | (655)                           | -2.6%          |
| <b>Total Operating Revenues</b> | <b>168,052</b> | <b>161,553</b> | <b>112,901</b>  | <b>140,333</b> | <b>(27,432)</b>                              | <b>-19.5%</b>  | <b>(48,652)</b>                 | <b>-30.1%</b>  |
| Total Operating Expenses        | 96,729         | 103,591        | 94,866          | 101,431        | 6,566  | 6.5%           | (8,726)                         | -8.4%          |
| <b>NOI before Depreciation</b>  | <b>71,323</b>  | <b>57,962</b>  | <b>18,036</b>   | <b>38,901</b>  | <b>(20,866)</b>                              | <b>-53.6%</b>  | <b>(39,926)</b>                 | <b>-68.9%</b>  |
| Depreciation                    | 41,038         | 43,728         | 44,829          | 40,209         | (4,621)                                      | -11.5%         | 1,101                           | 2.5%           |
| <b>NOI after Depreciation</b>   | <b>30,286</b>  | <b>14,233</b>  | <b>(26,794)</b> | <b>(1,307)</b> | <b>(25,486)</b>                              | <b>1949.7%</b> | <b>(41,027)</b>                 | <b>-288.2%</b> |

**2021 YTD Actuals vs. 2021 YTD Budget:**

- Total operating revenues were down \$27.4M compared to budget due to lower revenues in Aeronautical and Non-Aeronautical lines of businesses (ADR & Terminal Leased Space, Public Parking, Rental Cars, Ground Transportation, Clubs and Lounges), Cruise, and Conference & Event Centers.
- Total operating expenses are 6.6M lower than budget due to delays in hiring and implementing projects/initiatives due to the pandemic.

**2021 YTD Actuals vs. 2020 YTD Actuals:**

- Total operating revenues for Q1 2021 were down \$48.7M due to lower revenues in Aeronautical and Non-Aeronautical lines of businesses (Public Parking, ADR & Terminal Leased Space, Rental Cars, Ground Transportation, Clubs & Lounges, Airport Commercial Properties) and Conference & Event Centers. The Q1 2021 results reflect the full quarter effect of the pandemic as opposed to partial effect in Q1 2020.
- Total operating expenses for Q1 2021 were \$8.7M lower compared to 2020 because of lower payroll, equipment and travel expenses, and less contract spending.

**NON-AIRPORT FINANCIAL SUMMARY**

|                                 | 2019 YTD      | 2020 YTD       | 2021 YTD       | 2021 YTD       | Fav (UnFav)<br>Actual vs. Budget<br>Variance |               | Incr (Decr)<br>Change from 2020 |               |
|---------------------------------|---------------|----------------|----------------|----------------|--|---------------|---------------------------------|---------------|
| \$ in 000's                     | Actual        | Actual         | Actual         | Budget         | \$   | %             | \$                              | %             |
| NWSA Distributable Revenue      | 12,986        | 10,730         | 11,343         | 10,568         | 775  | 7.3%          | 613                             | 5.7%          |
| Maritime Revenues               | 9,442         | 9,340          | 9,539          | 10,370         | (831)  | -8.0%         | 199                             | 2.1%          |
| EDD Revenues                    | 4,674         | 3,277          | 2,002          | 2,436          | (434)  | -17.8%        | (1,275)                         | -38.9%        |
| SWU & Other                     | 1,280         | 1,966          | 1,774          | 936            | 838  | 89.5%         | (192)                           | -9.7%         |
| <b>Total Operating Revenues</b> | <b>28,382</b> | <b>25,313</b>  | <b>24,658</b>  | <b>24,311</b>  | <b>348</b>                                   | <b>1.4%</b>   | <b>(655)</b>                    | <b>-2.6%</b>  |
| Total Operating Expenses        | 17,513        | 18,425         | 16,778         | 20,155         | 3,377  | 16.8%         | (1,648)                         | -8.9%         |
| <b>NOI before Depreciation</b>  | <b>10,869</b> | <b>6,888</b>   | <b>7,881</b>   | <b>4,156</b>   | <b>3,725</b>                                 | <b>89.6%</b>  | <b>993</b>                      | <b>14.4%</b>  |
| Depreciation                    | 9,852         | 9,423          | 9,510          | 8,814          | (696)  | -7.9%         | 87                              | 0.9%          |
| <b>NOI after Depreciation</b>   | <b>1,017</b>  | <b>(2,535)</b> | <b>(1,630)</b> | <b>(4,658)</b> | <b>3,029</b>                                 | <b>-65.0%</b> | <b>906</b>                      | <b>-35.7%</b> |

**2021 YTD Actuals vs. 2021 YTD Budget**

- Total non-airport operating revenues were up \$348K compared to budget due to higher than anticipated revenues from Grain, NWSA Distributable revenues, and unbudgeted police forfeiture revenue. Assumptions regarding the timing of Norwegian Cruise Lines' lease payment (\$1M) affected Maritime Revenues.
- Total non-airport operating expenses were \$3.4M lower than budget because of delays in hiring, project spending delays, timing of tenant improvements, and lower utility expenses.

**2021 YTD Actuals vs. 2020 YTD Actuals**

- Non-airport operating revenues were \$655K less compared to 2020 because of lower revenues from Conference and Event Centers, Fishing & Operations, and Central Harbor Management. The Conference and Event Centers and parking were affected by rescheduling/cancelling of events due to COVID-19; Q1 2021 revenues reflect the full quarter effect of the pandemic as opposed to partial effect for Q1 2020.
- Non-airport expenses were 1.6M less than 2020 due to lower Conference & Event Center expenses, lower payroll, utilities, travel, and contract expenses.

**MAJOR OPERATING REVENUES SUMMARY**

|  | 2019 YTD       | 2020 YTD       | 2021 YTD       | 2021 YTD       | Fav (UnFav)<br>Act/Bud Var |               | Incr (Decr)<br>Change from 2020 |               |
|--|----------------|----------------|----------------|----------------|----------------------------|---------------|---------------------------------|---------------|
| \$ in 000's                                | Actual         | Actual         | Actual         | Budget         | \$                         | %             | \$                              | %             |
| Aeronautical Revenues                      | 83,674         | 86,284         | 61,313         | 80,938         | (19,625)                   | -24.2%        | (24,971)                        | -28.9%        |
| Public Parking                             | 19,956         | 16,720         | 9,330          | 10,595         | (1,264)                    | -11.9%        | (7,390)                         | -44.2%        |
| Rental Cars - Operations                   | 6,234          | 6,928          | 3,484          | 4,577          | (1,092)                    | -23.9%        | (3,444)                         | -49.7%        |
| Rental Cars - Operating CFC                | 994            | -              | -              | -              | -                          | 0.0%          | -                               | 0.0%          |
| ADR & Terminal Leased Space                | 14,336         | 12,376         | 6,297          | 9,119          | (2,822)                    | -30.9%        | (6,079)                         | -49.1%        |
| Ground Transportation                      | 4,523          | 3,931          | 1,459          | 2,441          | (982)                      | -40.2%        | (2,471)                         | -62.9%        |
| Employee Parking                           | 2,677          | 2,623          | 2,144          | 2,422          | (278)                      | -11.5%        | (479)                           | -18.3%        |
| Airport Commercial Properties              | 3,212          | 3,641          | 2,557          | 2,911          | (354)                      | -12.2%        | (1,083)                         | -29.8%        |
| Airport Utilities                          | 1,719          | 1,606          | 1,297          | 1,892          | (595)                      | -31.4%        | (309)                           | -19.3%        |
| Clubs and Lounges                          | 1,902          | 1,714          | 175            | 936            | (762)                      | -81.3%        | (1,540)                         | -89.8%        |
| Cruise                                     | 43             | 114            | 48             | 1,092          | (1,044)                    | -95.6%        | (66)                            | -58.1%        |
| Recreational Boating                       | 3,119          | 3,134          | 3,125          | 3,152          | (27)                       | -0.8%         | (9)                             | -0.3%         |
| Fishing & Operations                       | 2,291          | 2,501          | 2,203          | 2,187          | 16                         | 0.7%          | (297)                           | -11.9%        |
| Grain                                      | 1,434          | 1,048          | 1,719          | 1,421          | 298                        | 21.0%         | 671                             | 64.0%         |
| Maritime Portfolio Management              | 2,550          | 2,541          | 2,443          | 2,518          | (75)                       | -3.0%         | (98)                            | -3.8%         |
| Central Harbor Management                  | 2,150          | 2,158          | 1,870          | 1,964          | (94)                       | -4.8%         | (288)                           | -13.3%        |
| Conference & Event Centers                 | 2,519          | 1,115          | 127            | 468            | (341)                      | -72.9%        | (988)                           | -88.6%        |
| NWSA Distributable Revenue                 | 12,986         | 10,730         | 11,343         | 10,568         | 775                        | 7.3%          | 613                             | 5.7%          |
| Other                                      | 1,732          | 2,391          | 1,967          | 1,133          | 834                        | 73.6%         | (424)                           | -17.7%        |
| <b>Total Operating Revenues (w/o Aero)</b> | <b>84,378</b>  | <b>75,269</b>  | <b>51,589</b>  | <b>59,395</b>  | <b>(7,807)</b>             | <b>-13.1%</b> | <b>(23,680)</b>                 | <b>-31.5%</b> |
| <b>TOTAL</b>                               | <b>168,052</b> | <b>161,553</b> | <b>112,901</b> | <b>140,333</b> | <b>(27,432)</b>            | <b>-19.5%</b> | <b>(48,652)</b>                 | <b>-30.1%</b> |

## I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 03/31/21

### MAJOR OPERATING EXPENSES SUMMARY

|  | 2019 YTD      | 2020 YTD       | 2021 YTD      | 2021 YTD       | Fav (UnFav)  |             | Incr (Decr)      |              |
|--|---------------|----------------|---------------|----------------|--------------|-------------|------------------|--------------|
|  | Actual        | Actual         | Actual        | Budget         | Act/Bud      |             | Change from 2020 |              |
| \$ in 000's                                |               |                |               |                | \$           | %           | \$               | %            |
| Salaries & Benefits                        | 31,973        | 35,987         | 35,317        | 35,790         | 474          | 1.3%        | (670)            | -1.9%        |
| Wages & Benefits                           | 31,457        | 34,133         | 31,551        | 32,623         | 1,072        | 3.3%        | (2,582)          | -7.6%        |
| Payroll to Capital Projects                | 5,673         | 6,497          | 6,398         | 7,949          | 1,551        | 19.5%       | (99)             | -1.5%        |
| Outside Services                           | 17,698        | 20,420         | 19,135        | 23,660         | 4,525        | 19.1%       | (1,285)          | -6.3%        |
| Utilities                                  | 6,555         | 6,871          | 6,658         | 6,559          | (99)         | -1.5%       | (213)            | -3.1%        |
| Equipment Expense                          | 2,014         | 2,160          | 1,248         | 1,713          | 465          | 27.2%       | (913)            | -42.2%       |
| Supplies & Stock                           | 2,898         | 2,503          | 2,127         | 2,368          | 241          | 10.2%       | (376)            | -15.0%       |
| Travel & Other Employee Expenses           | 905           | 1,101          | 445           | 744            | 299          | 40.1%       | (656)            | -59.6%       |
| Third Party Mgmt Op Exp                    | 3,042         | 2,445          | 886           | 1,386          | 500          | 36.1%       | (1,559)          | -63.8%       |
| B&O Taxes                                  | 1,068         | 1,086          | 764           | 854            | 90           | 10.5%       | (322)            | -29.7%       |
| Other Expenses                             | 4,666         | 3,989          | 2,270         | 2,605          | 335          | 12.9%       | (1,719)          | -43.1%       |
| Charges to Capital Projects/Overhead Alloc | (11,221)      | (13,602)       | (11,933)      | (14,819)       | (2,886)      | 19.5%       | 1,669            | -12.3%       |
| <b>TOTAL</b>                               | <b>96,729</b> | <b>103,591</b> | <b>94,866</b> | <b>101,431</b> | <b>6,566</b> | <b>6.5%</b> | <b>(8,726)</b>   | <b>-8.4%</b> |

### PORTWIDE FINANCIAL YEAR-END FORECAST SUMMARY

|                                 | 2019           | 2020            | 2021            | 2021           | Fav (UnFav)     |                | Incr (Decr)      |               |
|---------------------------------|----------------|-----------------|-----------------|----------------|-----------------|----------------|------------------|---------------|
|                                 | Actual         | Actual          | Forecast        | Budget         | Fcst vs. Budget | Variance       | Change from 2020 |               |
| \$ in 000's                     |                |                 |                 |                | \$              | %              | \$               | %             |
| Aeronautical Revenues           | 357,598        | 297,909         | 314,476         | 386,668        | (72,192)        | -18.7%         | 16,567           | 5.6%          |
| Airport Non-Aero Revenues       | 269,037        | 116,473         | 171,312         | 189,548        | (18,236)        | -9.6%          | 54,839           | 47.1%         |
| Non-Airport Revenues            | 137,538        | 96,446          | 104,968         | 104,645        | 323             | 0.3%           | 8,523            | 8.8%          |
| <b>Total Operating Revenues</b> | <b>764,174</b> | <b>510,828</b>  | <b>590,756</b>  | <b>680,861</b> | <b>(90,104)</b> | <b>-13.2%</b>  | <b>79,928</b>    | <b>15.6%</b>  |
| Total Operating Expenses        | 441,700        | 408,681         | 425,177         | 423,412        | (1,765)         | -0.4%          | 16,496           | 4.0%          |
| <b>NOI before Depreciation</b>  | <b>322,474</b> | <b>102,147</b>  | <b>165,579</b>  | <b>257,448</b> | <b>(91,869)</b> | <b>-35.7%</b>  | <b>63,432</b>    | <b>62.1%</b>  |
| Depreciation                    | 174,903        | 180,086         | 176,509         | 176,509        | -               | 0.0%           | (3,577)          | -2.0%         |
| <b>NOI after Depreciation</b>   | <b>147,571</b> | <b>(77,939)</b> | <b>(10,930)</b> | <b>80,939</b>  | <b>(91,869)</b> | <b>-113.5%</b> | <b>67,009</b>    | <b>-86.0%</b> |

1) 2021 Airport Non-Aero Revenues Forecast does not include the projected Federal Relief for Concessions of \$26.8M.

### Year-End Forecast

- Operating Revenues are forecasted to be \$90.1M lower than budget mainly due to the application of unplanned federal relief funds that will reduce Aeronautical revenues, which are based on cost recovery, and Non-Aeronautical revenues when used for tenant rent relief.
- Operating Expenses are expected to be \$1.8M higher than budget due to a number of unbudgeted items. While expenses increased by \$16.4 million compared to 2020, they would have been \$700K lower than 2020 after adjusting for the \$17.2M State pension credit in 2020.
- NOI before depreciation is forecasted to be \$91.9M below budget primarily due to significantly lower operating revenues reflecting the impact of airport federal relief funds on Aeronautical and Non-Aeronautical revenues compared to budget. The federal relief funds will be booked as Non-Operating Revenues.

### KEY PERFORMANCE METRICS



# I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 03/31/21

|                                     | 2020 YTD 2021 YTD |        | 2020 2021 2021 |          |        | Fav (UnFav)<br>Fest vs. Budget<br>Variance |       | Incr (Decr)<br>Change from 2020 |        |
|-------------------------------------|-------------------|--------|----------------|----------|--------|--|-------|---------------------------------|--------|
|                                     | Actual            | Actual | Actual         | Forecast | Budget | Chg.                                       | %     | Chg.                            | %      |
| Total Passengers (in 000's)         | 9,209             | 4,868  | 20,087         | 36,903   | 36,432 | 471  | 1.3%  | 16,815                          | 83.7%  |
| Landed Weight (lbs. in millions)    | 6,889             | 5,266  | 20,262         | 24,461   | 26,233 | (1,772)                                    | -6.8% | 4,199                           | 20.7%  |
| Passenger CPE (in \$)               | N/A               | N/A    | 26.50          | 15.26    | 19.62  | 4.35                                       | 22.2% | (11.24)                         | -42.4% |
| Grain Volume (metric tons in 000's) | 915               | 1,393  | 4,240          | 4,366    | 4,219  | 147  | 3.5%  | 126                             | 3.0%   |
| Cruise Passenger (in 000's)         | -                 | -      | -              | N/A      | N/A    | -  | 0.0%  | -                               | 0.0%   |
| Shilshole Bay Marina Occupancy      | 91.9%             | 93.1%  | 94.1%          | 95.0%    | 96.1%  | -1.1%                                      | -1.2% | 0.9%                            | 1.0%   |

Note: Due to CDC COVID-19 Cruise restrictions, we are unable to Budget or Forecast Cruise Passengers at this time.

**KEY BUSINESS EVENTS**

As a critical driver of economic growth in the region, the Port has been leading efforts to an equitable recovery by helping stabilize businesses and increasing investments in communities. The Port awarded fourteen organizations in the six Highline cities with an environmental grant that will support projects for park restoration, garden expansion, environmental justice education and service learning, community engagement, and soil and water stewardship training. The Commission also approved the lease for a job and economic resource center as part of the Duwamish Valley Community Equity Program.

The Port, with assistance from the US Department of Transportation Small Business Transportation Resource Center (SBTRC), conducted workshop series to small, disadvantaged minority, women-owned, 8A certified, and HUB Zone certified businesses. The Port has also joined the City of Seattle and Sound Transit in a regional effort to reduce equity gap in workforce development and Priority Hire programs. The joint partnership invests a total of 1.75M to support workers, especially women and people of color through outreach and training, recruitment, placement and referral, and retention and career advancement support services.

The Port announced the 23 recipients of the sixth annual Tourism Marketing Support Program. The program will provide \$200,000 in matching dollars to help revive the tourism and hospitality industry which is one of the hardest hit economic sectors in WA state with job losses estimated at over 100,000. The Port is also working with WA Tourism Alliance to implement statewide tourism recovery initiative.

The Port, in partnership with Washington Maritime Blue and the state Department of Commerce, announced the second cohort of the Maritime Blue Innovation Accelerator. Eleven start-up companies were chosen based on how they could help advance the state's strategy to create a sustainable economy. The cohort will work closely with global network of mentors and advisors with unique backgrounds, experiences, and expertise to help guide and inspire them as they work toward innovative solutions to help the maritime industry thrive in the future. In addition to working with mentors, the cohort will have opportunities to secure funding for their ideas.

The Commission authorized the procurement of a 14-acre surplus WSDOT (Washington State Department of Transportation) parcel that will be combined with a similar sized POS parcel to create the 28-acre Des Moines Creek-West development. This project will create local jobs and spur local business activity.

To further support the community through this pandemic, the Port has partnered with the Department of Health, FEMA, and Safeway/Albertsons to host the On-site COVID-19 vaccination clinic at the airport for transportation workers. Port employees and badged SEA stakeholders have completed 426 hours of volunteer shifts during the first 5 weeks of the vaccine clinic. Moreover, the Port coordinated with Discovery Health MD, to offer COVID testing and vaccines at Terminal 91 for Maritime Professionals.

The Port has also received approval from the FAA to distribute masks (received from FEMA) to community groups and small businesses outside of the aviation industry. Organizations that have received the mask donations include Communities in Schools of Seattle (CISS), El Centro de la Raza, Duwamish River Clean Up Coalition, Urban League of Metropolitan Seattle, and Community International Health Services.

The Port adopted the NW Ports Clean Air Strategy and made progress on the Maritime Climate and Air Action Plan, and T117 construction. Fishermen's Terminal, Salmon Bay Marina and Maritime Industrial Center earned Clean Marina Certification from Puget Soundkeeper. The Northwest Mountain Minority Supplier Development Council also named the Port of Seattle as its Public Agency of the Year.

**CAPITAL SPENDING SUMMARY**

| \$ in 000's                       | 2021          | 2021           | 2021           | Budget Variance |             |
|-----------------------------------|---------------|----------------|----------------|-----------------|-------------|
|                                   | YTD Actual    | Forecast       | Budget         | \$              | %           |
| Aviation                          | 92,329        | 468,094        | 491,202        | 23,108          | 4.7%        |
| Maritime                          | 2,094         | 21,279         | 26,195         | 4,916           | 18.8%       |
| Economic Development              | 325           | 4,604          | 5,647          | 1,043           | 18.5%       |
| Central Services & Other (note 1) | 4,047         | 12,892         | 13,605         | 713             | 5.2%        |
| <b>TOTAL</b>                      | <b>98,795</b> | <b>506,869</b> | <b>536,649</b> | <b>29,781</b>   | <b>5.5%</b> |

**Note:**

(1) "Other" includes 100% Port legacy projects in the North Harbor and Storm Water Utility Small Capital projects.

Total capital spending is forecast to be \$506.9M for 2021, \$29.8M lower than the approved budget mainly due to spending delays in International Arrival Facility and North Satellite projects.

**PORTWIDE INVESTMENT PORTFOLIO**

During the first quarter of 2021, the investment portfolio earned 1.33% versus the benchmark's (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index) of 0.19%. Over the last twelve months, the portfolio and the benchmark have earned 1.67% and 0.16%, respectively. Since the Port became its own Treasurer in 2002, the life-to-date earnings of the Port's portfolio and the benchmark are 2.40% and 1.72%, respectively.

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

### II. AVIATION DIVISION

#### FINANCIAL SUMMARY

| Financial Summary<br>(\$ in 000's)    | 2019           | 2020           | 2021           | 2021           | Fav(UnFav)<br>Fest. vs. Budget<br>Variance |               | Incr/(Decr)<br>Change from 2020 |               |
|---------------------------------------|----------------|----------------|----------------|----------------|--|---------------|---------------------------------|---------------|
|                                       | Actual         | Actual         | Forecast       | Budget         | \$   | %             | \$                              | %             |
| <b>Operating Revenue</b>              |                |                |                |                |  |               |                                 |               |
| Aeronautical Revenues                 | 357,598        | 297,909        | 314,476        | 386,668        | (72,192)                                   | -18.7%        | 16,567                          | 5.6%          |
| Non-Aeronautical Revenues             | 269,037        | 116,473        | 171,312        | 189,548        | (18,236)                                   | -9.6%         | 54,839                          | 47.1%         |
| <b>Total Operating Revenues</b>       | <b>626,636</b> | <b>414,382</b> | <b>485,788</b> | <b>576,215</b> | <b>(90,428)</b>                            | <b>-15.7%</b> | <b>71,406</b>                   | <b>17.2%</b>  |
| <b>Total Operating Expenses</b>       | <b>355,245</b> | <b>329,680</b> | <b>342,282</b> | <b>339,908</b> | <b>(2,374)</b>                             | <b>-0.7%</b>  | <b>12,602</b>                   | <b>3.8%</b>   |
| <b>Net Operating Income</b>           | <b>271,390</b> | <b>84,702</b>  | <b>143,506</b> | <b>236,308</b> | <b>(92,802)</b>                            | <b>-39.3%</b> | <b>58,804</b>                   | <b>69.4%</b>  |
| Federal Relief                        |                | 147,148        | 161,601        | 37,899         | 123,702                                    | 326.4%        | 14,453                          | 9.8%          |
| Federal Relief (Concessions)          |                |                | 26,755         |                | 26,755                                     |               | 26,755                          |               |
| <b>NOI (After Federal Relief)</b>     | <b>271,390</b> | <b>231,850</b> | <b>331,862</b> | <b>274,207</b> | <b>57,655</b>                              | <b>21.0%</b>  | <b>100,012</b>                  | <b>43.1%</b>  |
| <b>CPE</b>                            | 12.86          | 26.50          | 15.26          | 19.62          | 4.35                                       | 0.22          | (11.24)                         | -42.4%        |
| <b>Non-Aero NOI (\$ in 000s)</b>      | 6,671          | 4,426          | 90,892         | 82,742         | 8,150                                      | 9.9%          | 86,466                          | 1953.6%       |
| <b>Enplaned passengers (in 000s)</b>  | 25,874         | 10,044         | 18,451         | 18,216         | 236  | 1.3%          | 8,408                           | 83.7%         |
| <b>Capital Expenditures (in 000s)</b> | <b>573,598</b> | <b>573,598</b> | <b>468,094</b> | <b>491,202</b> | <b>23,108</b>                              | <b>4.7%</b>   | <b>(105,504)</b>                | <b>-18.4%</b> |

#### 2021 Forecast vs. 2021 Budget

- Net Operating Income (NOI) for 2021 is forecasted to be (-\$92.8M or -39.3%) unfavorable to the budget before Federal Relief applied, driven by:
  - Lower Aeronautical revenue (-\$72.2M or -18.7%) due to grants of approximately \$119M projected to offset Aeronautical costs in 2021. See the Airline Rate Base Cost Drivers table for more details.
  - Non-Aeronautical revenue (-18.2M or -9.6%) unfavorable. Although improvement is seen in Landside operations due to the improvement in the forecasted passenger volume recovery, Concessions will be requiring Federal Relief. Federal Relief for the concessions area is projected for \$26.7M.
  - Total Operating Expenses (\$-2.4M or -0.7%) unfavorable driven partially by the Snow Removal (\$2.2M) in the Airfield and Maintenance cost centers and emergency watermain repair (\$570K) in Q1, and projection for increased expenses in PMG Consultant Support for ADR and Tenants (\$634K).

#### 2021 Forecasts vs. 2020 Actuals

- Net Operating Income for 2021 is projected to be (\$59M or 69.4%) higher than prior year before Federal Relief – primarily driven by:
  - Higher Operating Revenue (\$71.4M or 17.2%) compared to prior year is due to passenger levels improving with a forecast of being down 29% compared to 2019 vs. 61% down in 2020 compared to 2019.
  - Higher Operating Expenses (\$12.6M or 3.8%) compared to prior year were primarily driven by higher Environmental Remediation Liability, Outside Services, Utilities, and Police spending in 2021 vs. 2020. Spending in 2020 was lower than normal due to directives to spend less due to the business environment related to the pandemic.

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

### A. BUSINESS EVENTS

- Higher than expected passenger levels, new forecast now 29% lower than 2019.
- Increased federal relief improves bottom line, helps customers:
  - \$37 million for CRRSAA
  - \$154 million for ARPA
  - \$27 million for tenant concessions relief (CRRSAA and ARPA)
  - Planning to reserve \$75 million for 2022
- Planning for mid-year airline rate adjustment effective July 1.

### B. KEY PERFORMANCE METRICS

|  | YTD 2019 | YTD 2020 | YTD 2021 | % YTD Change<br>from 2020 |
|--|----------|----------|----------|---------------------------|
| <b>Total Passengers (000's)</b>            |          |          |          |                           |
| Domestic                                   | 9,658    | 8,205    | 4,662    | -43.2%                    |
| International                              | 1,207    | 1,004    | 205      | -79.5%                    |
| Total                                      | 10,865   | 9,209    | 4,868    | -47.1%                    |
| <b>Operations</b>                          | 100,740  | 99,983   | 75,878   | -24.1%                    |
| <b>Landed Weight (In Millions of lbs.)</b> |          |          |          |                           |
| Cargo                                      | 565      | 606      | 709      | 17.0%                     |
| All other                                  | 6,300    | 6,283    | 4,557    | -27.5%                    |
| Total                                      | 6,865    | 6,889    | 5,266    | -23.6%                    |
| <b>Cargo - Metric Tons</b>                 |          |          |          |                           |
| Domestic freight                           | 69,054   | 75,866   | 84,502   | 11.4%                     |
| International & Mail freight               | 29,423   | 25,795   | 25,223   | -2.2%                     |
| Total                                      | 98,477   | 101,661  | 109,725  | 7.9%                      |

\*Mail weight for 2021 forward is incorporated in freight

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

### Key Performance Measures

|  | 2019     | 2020   | 2021     | 2021               | Fav(UnFav)<br>Fest. vs. Budget<br>Variance |       | Incr/(Decr)<br>Change from 2020 |         |
|--|----------|--------|----------|--------------------|--|-------|---------------------------------|---------|
|  | Actual   | Actual | Forecast | Approved<br>Budget | \$   | %     | \$                              | %       |
| <b>Key Performance Metrics</b>               |          |        |          |                    |  |       |                                 |         |
| Cost per Enplanement (CPE)                   | 12.86    | 26.50  | 15.26    | 19.62              | 4.35                                       | 22.2% | (11.24)                         | -42.4%  |
| Non-Aeronautical NOI (in 000's) <sup>1</sup> | 143,917  | 6,671  | 90,892   | 82,742             | 8,150                                      | 9.9%  | 84,221                          | 1262.6% |
| <b>Other Performance Metrics</b>             |          |        |          |                    |  |       |                                 |         |
| O&M Cost per Enplanement                     | 6.86     | 16.41  | 9.28     | 9.33               | 0.05                                       | 0.6%  | (7.14)                          | -43.5%  |
| Non-Aero Revenue per Enplanement             | 5.20     | 5.80   | 5.37     | 5.20               | 0.16                                       | 3.2%  | (0.43)                          | -7.4%   |
| Debt per Enplanement (in \$)                 | 66       | 163    | 84       | 85                 | 1  | 1.3%  | (79)                            | -48.4%  |
| Debt Service Coverage                        | 1.68     | 1.40   | 2.35     | 1.36               | 0.99                                       | 73.4% | 0.95                            | 67.9%   |
| Days cash on hand (10 months = 304 days)     | 314      | 327    | 363      | 369                | -6   | -1.6% | 36                              | 11.2%   |
| Aeronautical Revenue Sharing (\$ in 000's)   | (17,146) | 1      | -        | -                  | -  | 0.0%  | (1)                             | 100.0%  |
| <b>Activity (in 000's)</b>                   |          |        |          |                    |  |       |                                 |         |
| Enplanements                                 | 25,874   | 10,044 | 18,451   | 18,216             | 236  | 1.3%  | 8,408                           | 83.7%   |
| Total Passengers                             | 51,748   | 20,087 | 36,903   | 36,432             | 471  | 1.3%  | 16,815                          | 83.7%   |

(1) Assumes Federal Relief for Concessions applied in the 2021 Forecast

### Key Performance Metrics

#### 2021 Forecast vs. 2021 Budget

- Cost per Enplanement (CPE):
  - CPE is (\$4.35, or 22.2%) favorable driven primarily by the Federal Relief to help lower the Aeronautical costs to recover.
  - Non-Aero NOI is (\$8.2M or 9.9%) favorable to original approved budget due to projection of improved revenues in the Landside operations and due to Federal Relief.

#### 2021 Forecast vs. 2020 Actuals

- CPE is \$11.24 lower compared to prior year due to lower costs expected to recover due to the Federal Relief offsetting the costs compared to prior year.
- Non-Aero NOI is \$84.2M higher than prior year due to projection of improved revenues in the Landside operations and due to Federal Relief.

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

### C. OPERATING RESULTS

#### Division Summary – YTD Actuals

| Total Airport Expense Summary<br>(\$ in 000's) | 2019 YTD      | 2020 YTD      | 2021 YTD      | 2021 YTD      | Fav(UnFav)<br>Actual vs. Budget<br>Variance |             | Incr/(Decr)<br>Change from 2020 |              |
|--|---------------|---------------|---------------|---------------|---|-------------|---------------------------------|--------------|
|  | Actual        | Actual        | Actual        | Budget        | \$  | %           | \$                              | %            |
| <b>Operating Expenses</b>                      |               |               |               |               |   |             |                                 |              |
| Payroll  | 35,372        | 39,071        | 37,305        | 37,513        | 208   | 0.6%        | (1,766)                         | -4.5%        |
| Outside Services                               | 12,737        | 14,011        | 13,477        | 15,498        | 2,022                                       | 13.0%       | (534)                           | -3.8%        |
| Utilities                                      | 4,656         | 4,884         | 5,060         | 4,312         | (748)                                       | -17.3%      | 175                             | 3.6%         |
| Other Expenses                                 | 5,406         | 3,061         | 24            | 74            | 51  | 68.2%       | (3,037)                         | -99.2%       |
| <b>Total Airport Direct Charges</b>            | <b>58,171</b> | <b>61,027</b> | <b>55,865</b> | <b>57,397</b> | <b>1,532</b>                                | <b>2.7%</b> | <b>(5,162)</b>                  | <b>-8.5%</b> |
| Environmental Remediation Liability            | -             | -             | -             | -             | -   |             | -                               |              |
| Capital to Expense                             | 72            | -             | 75            | -             | (75)  |             | 75                              |              |
| <b>Total Exceptions</b>                        | <b>72</b>     | <b>-</b>      | <b>75</b>     | <b>-</b>      | <b>(75)</b>                                 |             | <b>75</b>                       |              |
| <b>Total Airport Expenses</b>                  | <b>58,243</b> | <b>61,027</b> | <b>55,940</b> | <b>57,397</b> | <b>1,457</b>                                | <b>2.5%</b> | <b>(5,087)</b>                  | <b>-8.3%</b> |
| Corporate                                      | 15,030        | 16,791        | 15,891        | 16,625        | 734   | 4.4%        | (900)                           | -5.4%        |
| Police   | 5,182         | 6,509         | 5,537         | 6,389         | 852   | 13.3%       | (972)                           | -14.9%       |
| Maritime/Economic Development/Other            | 761           | 838           | 720           | 865           | 146   | 16.8%       | (119)                           | -14.2%       |
| <b>Total Charges from Other Divisions</b>      | <b>20,973</b> | <b>24,139</b> | <b>22,148</b> | <b>23,880</b> | <b>1,731</b>                                | <b>7.3%</b> | <b>(1,991)</b>                  | <b>-8.2%</b> |
| <b>Total Operating Expenses</b>                | <b>79,216</b> | <b>85,166</b> | <b>78,088</b> | <b>81,277</b> | <b>3,189</b>                                | <b>3.9%</b> | <b>(7,078)</b>                  | <b>-8.3%</b> |

#### Expenses – 2021 YTD Actuals vs. 2021 YTD Budget

- Operating Expenses were (\$3.2M or 3.9%) favorable driven primarily by the underspend in Charges from other Divisions of \$1.7M, and in Outside Services of \$2M across multiple business areas - Commercial Management (208k), F&I and Capital Program (716k), PMG (629k), and Maintenance (933k).

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

### Division Summary – YE Forecast

| Total Airport Expense Summary<br>(\$ in 000's) | 2019           | 2020           | 2021           | 2021           | Fav(UnFav)<br>Fcst. vs. Budget<br>Variance |               | Incr/(Decr)<br>Change from 2020 |               |
|--|----------------|----------------|----------------|----------------|--|---------------|---------------------------------|---------------|
|  | Actual         | Actual         | Forecast       | Budget         | \$   | %             | \$                              | %             |
| <b>Operating Expenses</b>                      |                |                |                |                |  |               |                                 |               |
| Payroll  | 144,051        | 152,895        | 153,293        | 153,293        | -  | 0.0%          | 398                             | 0.3%          |
| Outside Services                               | 68,162         | 63,922         | 69,015         | 65,174         | (3,841)                                    | -5.9%         | 5,093                           | 8.0%          |
| Utilities                                      | 18,180         | 15,695         | 20,244         | 20,244         | -  | 0.0%          | 4,549                           | 29.0%         |
| Other Expenses                                 | 14,721         | 3,341          | 814            | 1,359          | 545  | 40.1%         | (2,527)                         | -75.6%        |
| <b>Total Airport Direct Charges</b>            | <b>245,114</b> | <b>235,854</b> | <b>243,366</b> | <b>240,071</b> | <b>(3,295)</b>                             | <b>-1.4%</b>  | <b>7,512</b>                    | <b>3.2%</b>   |
| Environmental Remediation Liability            | 15,900         | (2,361)        | 2,162          | 2,001          | (161)                                      | -8.0%         | 4,523                           | -191.6%       |
| Capital to Expense                             | 2,089          | 2,588          | 283            | -              | (283)                                      |               | (2,305)                         | -89.1%        |
| <b>Total Exceptions</b>                        | <b>17,989</b>  | <b>227</b>     | <b>2,445</b>   | <b>2,001</b>   | <b>(444)</b>                               | <b>-22.2%</b> | <b>2,218</b>                    | <b>978.2%</b> |
| <b>Total Airport Expenses</b>                  | <b>263,104</b> | <b>236,081</b> | <b>245,811</b> | <b>242,072</b> | <b>(3,739)</b>                             | <b>-1.5%</b>  | <b>9,730</b>                    | <b>4.1%</b>   |
| Corporate                                      | 65,729         | 68,316         | 68,402         | 69,767         | 1,365                                      | 2.0%          | 87                              | 0.1%          |
| Police   | 22,290         | 22,150         | 23,964         | 23,964         | -  | 0.0%          | 1,814                           | 8.2%          |
| Maritime/Economic Development/Other            | 4,123          | 3,134          | 4,105          | 4,105          | -  | 0.0%          | 971                             | 31.0%         |
| <b>Total Charges from Other Divisions</b>      | <b>92,141</b>  | <b>93,599</b>  | <b>96,471</b>  | <b>97,836</b>  | <b>1,365</b>                               | <b>1.4%</b>   | <b>2,872</b>                    | <b>3.1%</b>   |
| <b>Total Operating Expenses</b>                | <b>355,245</b> | <b>329,680</b> | <b>342,282</b> | <b>339,908</b> | <b>(2,374)</b>                             | <b>-0.7%</b>  | <b>12,602</b>                   | <b>3.8%</b>   |

### Operating Expenses – 2021 YE Forecast compared to 2021 YE Budget (-\$2.4M or -0.7% unfavorable)

- Total Operating Expenses is forecasted to over-run Budget by \$2.4M driven partially by the Snow Removal (\$2.2M) in the Airfield and Maintenance cost centers and emergency watermain repair (\$570K) in Q1, and projection for increased expenses in PMG Consultant Support for ADR and Tenants (\$634K).



## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

### Aeronautical Business Unit Summary – YTD Actuals

| Aeronautical NOI<br>(S in 000's)       | 2019 YTD      | 2020 YTD      | 2021 YTD      | 2021 YTD      | Fav(UnFav)<br>Actual vs. Budget<br>Variance |               | Incr/(Decr)<br>Change from 2020 |               |
|--|---------------|---------------|---------------|---------------|---|---------------|---------------------------------|---------------|
|  | Actual        | Actual        | Actual        | Budget        | \$  | %             | \$                              | %             |
| <b>Rate Base Revenues</b>              |               |               |               |               |   |               |                                 |               |
| Airfield Movement Area                 | 28,300        | 25,223        | 15,396        | 20,399        | (5,003)                                     | -24.5%        | (9,827)                         | -39.0%        |
| Airfield Apron Area                    | 4,706         | 5,360         | 4,302         | 4,225         | 77  | 1.8%          | (1,057)                         | -19.7%        |
| Terminal Rents                         | 48,570        | 47,756        | 35,605        | 48,679        | (13,074)                                    | -26.9%        | (12,151)                        | -25.4%        |
| Federal Inspection Services (FIS)      | 3,267         | 4,019         | 1,869         | 3,769         | (1,901)                                     | -50.4%        | (2,150)                         | -53.5%        |
| <b>Total Rate Base Revenues</b>        | <b>84,843</b> | <b>82,357</b> | <b>57,172</b> | <b>77,073</b> | <b>(19,901)</b>                             | <b>-25.8%</b> | <b>(25,185)</b>                 | <b>-30.6%</b> |
| Airfield Commercial Area               | 2,793         | 3,927         | 4,139         | 3,865         | 274   | 7.1%          | 212                             | 5.4%          |
| <b>Subtotal before Revenue Sharing</b> | <b>87,635</b> | <b>86,284</b> | <b>61,311</b> | <b>80,938</b> | <b>(19,627)</b>                             | <b>-24.2%</b> | <b>(24,973)</b>                 | <b>-28.9%</b> |
| Revenue Sharing                        | (3,961)       | -             | -             | -             | -   | -             | -                               | -             |
| <b>Total Aeronautical Revenues</b>     | <b>83,674</b> | <b>86,284</b> | <b>61,311</b> | <b>80,938</b> | <b>(19,627)</b>                             | <b>-24.2%</b> | <b>(24,973)</b>                 | <b>-28.9%</b> |
| <b>Total Aeronautical Expenses</b>     | <b>53,251</b> | <b>50,268</b> | <b>54,141</b> | <b>56,473</b> | <b>2,332</b>                                | <b>4.1%</b>   | <b>3,873</b>                    | <b>7.7%</b>   |
| <b>Aeronautical NOI</b>                | <b>30,423</b> | <b>36,016</b> | <b>7,169</b>  | <b>24,464</b> | <b>(17,295)</b>                             | <b>-70.7%</b> | <b>(28,846)</b>                 | <b>-80.1%</b> |

### Aeronautical – 2021 YTD Actuals vs. 2021 YTD Budget

- Net Operating Income was (-\$17.3M or -70.7%) unfavorable to budget due to \$19.6M in lower aeronautical revenues driven by lower costs to recover driven by lower operating expenses in Outside Services and Charges from Other Divisions.

### Aeronautical – 2021 YTD Actuals vs. 2020 YTD Actuals

- Net Operating Income was (-\$28.8M or -80.1%) lower than 2020 due to the lower aeronautical costs to recover driven by lower activity when compared to the 1<sup>st</sup> quarter in 2020 where the COVID-19 impact didn't start until March 2020. The first two months in 2020 (January and February) were at normal levels.

### Aeronautical Business Unit Summary - YE Forecast

| Aeronautical NOI<br>(S in 000's)       | 2019           | 2020           | 2021           | 2021           | Fav(UnFav)<br>Fest. vs. Budget<br>Variance |               | Incr/(Decr)<br>Change from 2020 |              |
|--|----------------|----------------|----------------|----------------|--|---------------|---------------------------------|--------------|
|  | Actual         | Actual         | Forecast       | Budget         | \$   | %             | \$                              | %            |
| <b>Rate Base Revenues</b>              |                |                |                |                |  |               |                                 |              |
| Airfield Movement Area                 | 123,436        | 84,906         | 87,718         | 115,037        | (27,319)                                   | -23.7%        | 2,812                           | 3.3%         |
| Airfield Apron Area                    | 22,016         | 15,146         | 14,974         | 21,418         | (6,444)                                    | -30.1%        | (172)                           | -1.1%        |
| Terminal Rents                         | 205,283        | 171,607        | 177,661        | 213,147        | (35,485)                                   | -16.6%        | 6,054                           | 3.5%         |
| Federal Inspection Services (FIS)      | 12,321         | 8,616          | 17,679         | 21,454         | (3,775)                                    | -17.6%        | 9,063                           | 105.2%       |
| <b>Total Rate Base Revenues</b>        | <b>363,057</b> | <b>280,275</b> | <b>298,032</b> | <b>371,056</b> | <b>(73,023)</b>                            | <b>-19.7%</b> | <b>17,757</b>                   | <b>6.3%</b>  |
| Airfield Commercial Area               | 11,687         | 17,633         | 16,444         | 15,612         | 832  | 5.3%          | (1,189)                         | -6.7%        |
| <b>Subtotal before Revenue Sharing</b> | <b>374,744</b> | <b>297,908</b> | <b>314,476</b> | <b>386,668</b> | <b>(72,192)</b>                            | <b>-18.7%</b> | <b>16,568</b>                   | <b>5.6%</b>  |
| Revenue Sharing                        | (17,146)       | 1              | -              | -              | -  | -             | (1)                             | -100.0%      |
| <b>Total Aeronautical Revenues</b>     | <b>357,598</b> | <b>297,909</b> | <b>314,476</b> | <b>386,668</b> | <b>(72,192)</b>                            | <b>-18.7%</b> | <b>16,567</b>                   | <b>5.6%</b>  |
| <b>Total Aeronautical Expenses</b>     | <b>236,959</b> | <b>219,878</b> | <b>235,107</b> | <b>233,102</b> | <b>(2,005)</b>                             | <b>-0.9%</b>  | <b>15,230</b>                   | <b>6.9%</b>  |
| <b>Aeronautical NOI</b>                | <b>120,639</b> | <b>78,031</b>  | <b>79,369</b>  | <b>153,566</b> | <b>(74,197)</b>                            | <b>-48.3%</b> | <b>1,338</b>                    | <b>1.7%</b>  |
| Debt Service                           | (110,945)      | (62,607)       | (57,903)       | (125,747)      | 67,844                                     | -54.0%        | 4,704                           | -7.5%        |
| <b>Net Cash Flow</b>                   | <b>9,694</b>   | <b>15,424</b>  | <b>21,466</b>  | <b>27,819</b>  | <b>(6,353)</b>                             | <b>-22.8%</b> | <b>6,042</b>                    | <b>39.2%</b> |

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

### Airline Rate Base Cost Drivers

| \$ in 000's                        | 2020<br>Actual | 2021<br>Budget | 2021<br>Forecast | Impact on Aero<br>Revenues<br>Budget vs Forecast |             |
|------------------------------------|----------------|----------------|------------------|--|-------------|
|                                    |                |                |                  | \$   | %           |
| O&M <sup>(1)</sup>                 | 213,775        | 227,420        | 229,450          | 2,029  | 0.9%        |
| Federal Relief Grants O&M          | (22,507)       | (3,500)        | (18,492)         | (14,992)   | 428.3%      |
| Net O&M                            | 191,268        | 223,920        | 210,958          | (12,962)   | -5.8%       |
| Debt Service Before Offsets        | 166,848        | 193,302        | 195,975          | 2,672  | 1.4%        |
| Debt Service PFC Offset            | (36,390)       | (47,549)       | (38,614)         | 8,935  | -18.8%      |
| Federal Relief Grants Debt Service | (71,763)       | (29,399)       | (101,211)        | (71,812)   | 244.3%      |
| Net Debt Service                   | 58,694         | 116,354        | 56,149           | (60,204)   | -51.7%      |
| Amortization                       | 32,359         | 32,681         | 32,681           | -  | 0.0%        |
| Space Vacancy                      | (1,083)        | (1,141)        | (998)            | 143  | -12.5%      |
| TSA Operating Grant and Other      | (960)          | (758)          | (758)            | -  | 0.0%        |
| <b>Rate Base Revenues</b>          | <b>280,279</b> | <b>371,056</b> | <b>298,032</b>   | <b>(73,023)</b>                                  | <b>-20%</b> |
| Commercial area                    | 17,633         | 15,612         | 16,444           | 832  | 5%          |
| <b>Total Aero Revenues</b>         | <b>297,912</b> | <b>386,668</b> | <b>314,476</b>   | <b>(72,192)</b>                                  | <b>-19%</b> |

(1) O&M, Debt Service Gross, and Amortization do not include commercial area costs or the international incentive expenses

### 2021 Forecast to 2021 Budget

- O&M – \$2.0M higher mostly in Apron, FIS, and Queue Management:
  - Apron – Large Snow Expenses
  - FIS – Increased Interpretation Services, Increased VIP Hospitality, Furniture Capital to Expense, Contingencies [IAF Oversize Baggage Relocate, IAF Wall Protections]
  - Queue Management – VIP Divesting
- Debt Service before Offsets: Forecast is \$2.6M higher primarily because the Budget assumed a reduction of \$5.8M of Debt Service exclusion for assets not in use which were partially offset by an increase in Capital Interest.
- PFC Offset \$8.9M lower due to lower anticipated collections
- Federal Relief Grants Aero Portion:
  - Payroll Impact (O&M) – Removing \$18.5M from Rate Base
  - Debt Service Impact - Removing \$101.2M from Rate Base

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

### Non-Aero Business Unit Summary – YTD Actuals

| Non-Aeronautical NOI<br>(S in 000's)   | 2019 YTD      | 2020 YTD      | 2021 YTD      | 2021 YTD      | Fav(UnFav)<br>Actual vs. Budget<br>Variance |               | Incr/(Decr)<br>Change from 2020 |               |
|--|---------------|---------------|---------------|---------------|---|---------------|---------------------------------|---------------|
|  | Actual        | Actual        | Actual        | Budget        | \$  | %             | \$                              | %             |
| <b>Non-Aeronautical Revenues</b>       |               |               |               |               |   |               |                                 |               |
| Public Parking                         | 19,956        | 16,720        | 9,330         | 10,595        | (1,264)                                     | -11.9%        | (7,390)                         | -44.2%        |
| Rental Cars                            | 7,229         | 6,928         | 3,484         | 4,577         | (1,092)                                     | -23.9%        | (3,444)                         | -49.7%        |
| Ground Transportation                  | 4,523         | 3,931         | 1,459         | 2,441         | (982)                                       | -40.2%        | (2,471)                         | -62.9%        |
| Employee Parking                       | 2,677         | 2,623         | 2,144         | 2,422         | (278)                                       | -11.5%        | (479)                           | -18.3%        |
| <b>Landside Total</b>                  | <b>34,384</b> | <b>30,202</b> | <b>16,418</b> | <b>20,035</b> | <b>(3,617)</b>                              | <b>-18.1%</b> | <b>(13,784)</b>                 | <b>-45.6%</b> |
| Airport Dining & Retail                | 12,815        | 10,680        | 4,865         | 7,896         | (3,031)                                     | -38.4%        | (5,815)                         | -54.4%        |
| Tenant Marketing                       | 262           | 227           | 2             | 167           | (164)                                       | -98.6%        | (225)                           | -99.0%        |
| Commercial Properties                  | 3,212         | 3,641         | 2,557         | 2,911         | (354)                                       | -12.2%        | (1,083)                         | -29.8%        |
| Clubs and Lounges                      | 1,902         | 1,714         | 175           | 936           | (762)                                       | -81.3%        | (1,540)                         | -89.8%        |
| Non-Airline Terminal Leased Space      | 1,522         | 1,696         | 1,432         | 1,223         | 209   | 17.1%         | (264)                           | -15.6%        |
| AOB Conference Center                  | 91            | 57            | 1             | -             | 1   |               | (56)                            | -98.3%        |
| <b>Commercial ManagementTotal</b>      | <b>19,804</b> | <b>18,014</b> | <b>9,032</b>  | <b>13,133</b> | <b>(4,101)</b>                              | <b>-31.2%</b> | <b>(8,982)</b>                  | <b>-49.9%</b> |
| Utilities                              | 1,719         | 1,606         | 1,297         | 1,892         | (595)                                       | -31.4%        | (309)                           | -19.3%        |
| Other                                  | 89            | 133           | 183           | 25            | 158   | 636.2%        | 50                              | 37.4%         |
| <b>Total Non-Aeronautical Revenues</b> | <b>55,996</b> | <b>49,956</b> | <b>26,930</b> | <b>35,085</b> | <b>(8,154)</b>                              | <b>-23.2%</b> | <b>(23,025)</b>                 | <b>-46.1%</b> |
| <b>Total Non-Aeronautical Expenses</b> | <b>17,206</b> | <b>34,898</b> | <b>23,947</b> | <b>24,804</b> | <b>857</b>                                  | <b>3.5%</b>   | <b>(10,951)</b>                 | <b>-31.4%</b> |
| <b>Non-Aeronautical NOI</b>            | <b>38,790</b> | <b>15,058</b> | <b>2,984</b>  | <b>10,281</b> | <b>(7,297)</b>                              | <b>-71.0%</b> | <b>(12,074)</b>                 | <b>-80.2%</b> |
| Less: CFC Surplus                      | -             | -             | -             | -             | -   |               | -                               |               |
| <b>Adjusted Non-Aeronautical NOI</b>   | <b>38,790</b> | <b>15,058</b> | <b>2,984</b>  | <b>10,281</b> | <b>(7,297)</b>                              | <b>-71.0%</b> | <b>(12,074)</b>                 | <b>-80.2%</b> |

### Non-Aeronautical – 2021 YTD Actuals vs. 2021 YTD Budget

- Net Operating Income was (-\$7.3M or -71.0%) unfavorable to revised budget driven by:
  - Continued impact of COVID-19 driving passenger levels impacting revenues from concession fees or transaction volume (Parking, Rental Car, Ground Transportation, Airport Dining & Retail, Clubs & Lounges, In-flight Kitchens) are closely aligned with the decline in passenger volume.
  - Non-Aeronautical operating expenses were (\$857K or 3.5%) favorable.

### Non-Aeronautical – 2021 YTD Actuals vs. 2020 YTD Actuals

- Net Operating Income was (-\$12.1M or -80.2%) lower than 2020 driven by:
  - Lower passenger levels and activity when compared to the 1st quarter in 2020 where the COVID-19 impact didn't start until March 2020. The first two months in 2020 (January and February) were at normal levels.

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

### Non-Aero Business Unit Summary - YE Forecast

| Non-Aeronautical NOI<br>(\$ in 000's)   | 2019           | 2020            | 2021           | 2021           | Fav(UnFav)<br>Fcst. vs. Budget<br>Variance |               | Incr/(Decr)<br>Change from 2020 |                |
|---|----------------|-----------------|----------------|----------------|--|---------------|---------------------------------|----------------|
|   | Actual         | Actual          | Forecast       | Budget         | \$   | %             | \$                              | %              |
| <b>Non-Aeronautical Revenues</b>        |                |                 |                |                |  |               |                                 |                |
| Public Parking                          | 82,125         | 34,502          | 64,699         | 59,597         | 5,102                                      | 8.6%          | 30,197                          | 87.5%          |
| Rental Cars                             | 52,567         | 16,637          | 33,160         | 26,880         | 6,280                                      | 23.4%         | 16,523                          | 99.3%          |
| Ground Transportation                   | 20,765         | 6,557           | 14,321         | 13,628         | 693  | 5.1%          | 7,764                           | 118.4%         |
| Airport Dining & Retail                 | 61,615         | 25,418          | 44,567         | 45,936         | (1,369)                                    | -3.0%         | 19,149                          | 75.3%          |
| Other                                   | 51,966         | 33,359          | 41,319         | 43,506         | (2,187)                                    | -5.0%         | 7,961                           | 23.9%          |
| <b>Total Non-Aeronautical Revenues</b>  | <b>269,037</b> | <b>116,473</b>  | <b>198,067</b> | <b>189,548</b> | <b>8,519</b>                               | <b>4.5%</b>   | <b>81,594</b>                   | <b>70.1%</b>   |
| <b>Total Non-Aeronautical Expenses</b>  | <b>118,286</b> | <b>109,802</b>  | <b>107,175</b> | <b>106,806</b> | <b>(369)</b>                               | <b>-0.3%</b>  | <b>(2,627)</b>                  | <b>-2.4%</b>   |
| <b>Non-Aeronautical NOI<sup>1</sup></b> | <b>150,752</b> | <b>6,671</b>    | <b>90,892</b>  | <b>82,742</b>  | <b>8,150</b>                               | <b>9.9%</b>   | <b>84,221</b>                   | <b>1262.6%</b> |
| Less: CFC Surplus                       | (6,834)        | -               | -              | -              | -  |               | -                               |                |
| <b>Adjusted Non-Aeronautical NOI</b>    | <b>143,917</b> | <b>6,671</b>    | <b>90,892</b>  | <b>82,742</b>  | <b>8,150</b>                               | <b>9.9%</b>   | <b>84,221</b>                   | <b>1262.6%</b> |
| Debt Service                            | (49,299)       | (33,065)        | (23,358)       | (53,025)       | 29,666                                     | -55.9%        | 9,707                           | -29.4%         |
| <b>Net Cash Flow</b>                    | <b>94,619</b>  | <b>(26,394)</b> | <b>67,533</b>  | <b>29,717</b>  | <b>37,816</b>                              | <b>127.3%</b> | <b>93,928</b>                   | <b>-355.9%</b> |

(1) Assumes Federal Relief for Concessions applied in the 2021 Forecast

### Non-Aeronautical – 2021 Forecast vs. 2021 Budget

- Non-Aeronautical net operating income is forecasted to be (\$8.2M or 9.9%) favorable to budget based on improvement in revenues on the Landside operations due to the improvement in the forecasted passenger volume recovery. The Non-Aeronautical Revenues assumes Federal Relief for the concessions area of \$26.7M.

### Non-Aeronautical – 2021 Forecast vs. 2020 Actuals

- Net Operating Income for 2021 is forecasted to be (\$84.2M or 1262.6%) compared to prior year due to passenger levels improving with a forecast of being down 29% compared to 2019 vs. 61% down in 2020 compared to 2019.

## II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

### D. CAPITAL RESULTS

#### Capital Variance

| \$ in 000's                                    | 2021<br>YTD<br>Actual | 2021<br>Year-End<br>Forecast | 2021<br>Budget | Budget Variance |             |
|--|-----------------------|------------------------------|----------------|-----------------|-------------|
|  |                       |                              |                | \$              | %           |
| NS NSAT Renov NSTS Lobbies <sup>(1)</sup>      | 32,459                | 90,814                       | 96,408         | 5,594           | 5.8%        |
| 2021-25 AFLD Pvmnt& Spprt Infr <sup>(2)</sup>  | 718                   | 25,047                       | 29,560         | 4,513           | 15.3%       |
| Concourse A Expansion <sup>(3)</sup>           | 31                    | 9,613                        | 5,215          | (4,398)         | -84.3%      |
| International Arrivals Facility <sup>(4)</sup> | 22,947                | 82,447                       | 86,500         | 4,053           | 4.7%        |
| NEPL Improvements <sup>(5)</sup>               | 18                    | 3,616                        | 496            | (3,121)         | -629.6%     |
| Concourse C New Power Center <sup>(6)</sup>    | 1,181                 | 5,253                        | 2,961          | (2,292)         | -77.4%      |
| Terminal Security Enhancements <sup>(7)</sup>  | 63                    | 1,721                        | 3,479          | 1,758           | 50.5%       |
| A12A Jet Bridge <sup>(8)</sup>                 | -                     | 509                          | 2,227          | 1,718           | 77.2%       |
| SAMP Near Term Planning <sup>(9)</sup>         | 171                   | 3,672                        | 5,025          | 1,354           | 26.9%       |
| C1 Building Floor Expansion <sup>(10)</sup>    | 108                   | 7,487                        | 8,763          | 1,277           | 14.6%       |
| Checkpoint 1 Relocation <sup>(11)</sup>        | 63                    | 3,111                        | 1,954          | (1,158)         | -59.3%      |
| N. Terminals Utilities Upgrade <sup>(12)</sup> | 4,200                 | 7,273                        | 8,399          | 1,126           | 13.4%       |
| Parking Garage Elevators Moder <sup>(13)</sup> | 870                   | 2,932                        | 3,942          | 1,011           | 25.6%       |
| Checked Bag Recap/Optimization                 | 15,089                | 86,289                       | 86,100         | (189)           | -0.2%       |
| All Other                                      | 14,411                | 176,475                      | 192,151        | 15,676          | 8.2%        |
| Subtotal                                       | 92,329                | 506,258                      | 533,180        | 26,922          | 5.0%        |
| CIP Cashflow Mgmt Reserve                      | -                     | (38,164)                     | (41,978)       | (3,814)         | 9.1%        |
| <b>Total Spending</b>                          | <b>92,329</b>         | <b>468,094</b>               | <b>491,202</b> | <b>23,108</b>   | <b>4.7%</b> |

1. \$1M less Overhead; \$1.5M less Construction (contract/OFCI & sales tax); \$1.3M under Permit costs that are delayed; PM/CM/AD/ART invoice slip & underrun.
2. Bid result lower than Engineer's Estimate by \$4.7M
3. 2021 baseline was set previous to Notebook approval (03/05/21), whereas the project budget went from \$60M to 71.4M
4. The pedestrian walkway continues to slide to the right and is likely going to complete late August 2021. Additionally, issues with control systems and smoke control have caused delays to the IAF building. Potential COVID impact payment settlement.
5. Increased scope via approved DCD's
6. Construction accelerated by 6 months.
7. Previous procurement cancelled, cashflow per anticipated DB schedule.
8. Still in Planning Mode have not drilled on the Schedule.
9. Continued scoping and analysis extended to gain better information deferring spending.
10. Commission Authorization delays, due to re-evaluating financial impacts with COVID-19.
11. 2020 'Plan' based on a 'Hot' project, but then requested to be 'slowed', due to COVID-19.
12. Phase 1 is coming in under budget; Savings will be used to fund Phase 2
13. A protracted delay in AE contract negotiations resulted in slower than anticipated design costs.

### III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

#### III. MARITIME DIVISION

##### FINANCIAL SUMMARY

|                          | 2019   | 2020    | 2021     | 2021    | Fav (UnFav)<br>Fest vs. Budget<br>Variance |     | Incr (Decr)<br>Change from 2020 |      |
|--------------------------|--------|---------|----------|---------|--|-----|---------------------------------|------|
| \$ in 000's              | Actual | Actual  | Forecast | Budget  | \$   | %   | \$                              | %    |
| Total Revenues           | 59,289 | 42,111  | 45,355   | 45,280  | 75   | 0%  | 3,244                           | 8%   |
| Total Operating Expenses | 48,644 | 50,228  | 49,716   | 50,243  | 527  | 1%  | (512)                           | -1%  |
| Net Operating Income     | 10,644 | (8,117) | (4,361)  | (4,963) | 602  | 12% | 3,755                           | -46% |
| Capital Expenditures     | 7,887  | 19,698  | 21,279   | 26,195  | 4,916                                      | 19% | 1,581                           | 8%   |

*Note: Assumes partial year of the Alaskan Cruises.*

##### 2021 Forecast vs. 2021 Budget

- Operating Revenues are \$75K higher than budget driven by higher volumes at the Grain Terminal.
- Operating Expenses forecasted \$527K lower than budget from a change in maintenance allocation.
- Net Operating Income Planned \$602K favorable to budget.
- Capital Spending forecasted at 81% of \$26.2M budget.

##### 2021 Forecast vs. 2020 Actuals

- Operating Revenues expected \$3.2M higher than 2020 due to higher grain volumes and resumption of cruise business.
- Operating Expenses forecasted \$512K lower than 2020 actual driven by lower support service costs, partially offset by increased central services from allocation changes and a favorable pension adjustment in 2020.
- Net Operating Income forecasted \$3.8M above 2020 actual.

##### Net Operating Income before Depreciation by Business

|   | 2020 YTD       | 2021 YTD       | 2021 YTD       | Fav (UnFav)<br>Actual vs. Budget<br>Variance |            | Incr (Decr)<br>Change from 2020 |            |
|---|----------------|----------------|----------------|--|------------|---------------------------------|------------|
| \$ in 000's                                 | Actual         | Actual         | Budget         | \$   | %          | \$                              | %          |
| Ship Canal Fishing & Operations             | (399)          | (372)          | (596)          | 224  | 38%        | 27                              | 7%         |
| Elliott Bay Fishing & Commercial Operations | (135)          | (261)          | (512)          | 251  | 49%        | (125)                           | NA         |
| Recreational Boating                        | 501            | 304            | (15)           | 319  | 2104%      | (197)                           | -39%       |
| Cruise                                      | (2,889)        | (2,517)        | (1,736)        | (782)  | -45%       | 372                             | -13%       |
| Grain                                       | 744            | 1,431          | 994            | 437  | -44%       | 688                             | 92%        |
| Maritime Portfolio                          | (65)           | 88             | (714)          | 802  | 112%       | 153                             | -236%      |
| All Other                                   | (77)           | (71)           | (132)          | 61   | 46%        | 6                               | 7%         |
| <b>Total Maritime</b>                       | <b>(2,321)</b> | <b>(1,398)</b> | <b>(2,710)</b> | <b>1,312</b>                                 | <b>48%</b> | <b>923</b>                      | <b>40%</b> |

### III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

#### A. BUSINESS EVENTS

**Recreational Boating**– Conducted satisfaction survey in response to COVID-19 business disruptions with 26% of the customers responding. Team received overwhelmingly favorable results. Customers noted the challenges and appreciation for quick transitions & excellent customer service.

**Elliott Bay Fishing and Commercial Operations** - Coordinated with Discovery Health MD to ensure COVID testing and administering of vaccinations could take place at Terminal 91 for Maritime Professionals.

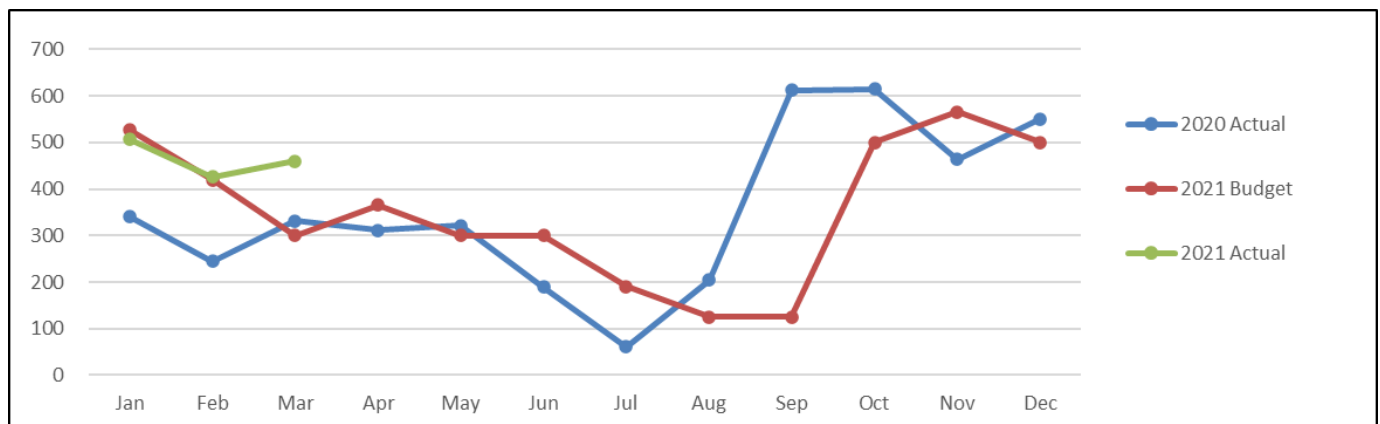
**Ship Canal Fishing & Operations** – Fishermen’s Terminal, Salmon Bay Marina and Maritime Industrial Center earned Clean Marina Certification from Puget Soundkeeper.

**Maritime Portfolio Management** – Entered into negotiations for new tenant at Maritime Industrial Center.

**Stormwater Utility** – The strategic plan draft was reviewed by stakeholders and is close to being finalized.

#### B. KEY PERFORMANCE METRICS

**Grain Volume – Metric Tons in 000’s**



### III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

#### C. OPERATING RESULTS

|   | 2019 YTD       | 2020 YTD       | 2021 YTD       | 2021 YTD       | Fav (UnFav)<br>Actual vs. Budget<br>Variance |            | Incr (Decr)<br>Change from 2020 |             |
|---|----------------|----------------|----------------|----------------|--|------------|---------------------------------|-------------|
| \$ in 000's                                 | Actual         | Actual         | Actual         | Budget         | \$   | %          | \$                              | %           |
| Ship Canal Fishing & Operations             | 1,014          | 1,082          | 1,067          | 1,056          | 11   | 1%         | (15)                            | -1%         |
| Elliott Bay Fishing & Commercial Operations | 1,277          | 1,418          | 1,136          | 1,131          | 5  | 0%         | (283)                           | -20%        |
| Recreational Boating                        | 3,119          | 3,134          | 3,125          | 3,152          | (27)   | -1%        | (9)                             | 0%          |
| Cruise                                      | 43             | 114            | 48             | 1,092          | (1,044)                                      | -96%       | (66)                            | -58%        |
| Grain                                       | 1,434          | 1,048          | 1,719          | 1,421          | 298  | 21%        | 671                             | 64%         |
| Maritime Portfolio Management               | 2,550          | 2,541          | 2,443          | 2,518          | (75)   | -3%        | (98)                            | -4%         |
| Other                                       | 5              | 3              | 1              | 0              | 1  | NA         | (2)                             | -67%        |
| <b>Total Revenue</b>                        | <b>9,442</b>   | <b>9,340</b>   | <b>9,539</b>   | <b>10,370</b>  | <b>(831)</b>                                 | <b>-8%</b> | <b>199</b>                      | <b>2%</b>   |
| <b>Expenses</b>                             |                |                |                |                |  |            |                                 |             |
| Maritime (Excl. Maint)                      | 3,304          | 3,724          | 3,576          | 3,837          | 261  | 7%         | (148)                           | -4%         |
| Economic Development                        | 1,215          | 1,314          | 1,059          | 1,769          | 709  | 40%        | (254)                           | -19%        |
| <b>Total Direct</b>                         | <b>4,520</b>   | <b>5,038</b>   | <b>4,635</b>   | <b>5,606</b>   | <b>970</b>                                   | <b>17%</b> | <b>(403)</b>                    | <b>-8%</b>  |
| Maintenance Expenses                        | 2,229          | 2,671          | 2,357          | 3,091          | 734  | 24%        | (314)                           | -12%        |
| Envir Services & Planning                   | 402            | 447            | 359            | 533            | 175  | 33%        | (89)                            | -20%        |
| Seaport Finance & Cost Recovery             | 267            | 227            | 237            | 238            | 1  | 0%         | 11                              | 5%          |
| Seaport Project Management                  | 69             | 43             | 76             | 81             | 4  | 6%         | 34                              | 79%         |
| <b>Total Support Services</b>               | <b>2,967</b>   | <b>3,387</b>   | <b>3,029</b>   | <b>3,943</b>   | <b>914</b>                                   | <b>23%</b> | <b>(358)</b>                    | <b>-11%</b> |
| IT  | 652            | 689            | 651            | 700            | 50   | 7%         | (39)                            | -6%         |
| Police Expenses                             | 881            | 842            | 722            | 831            | 110  | 13%        | (120)                           | -14%        |
| External Relations                          | 353            | 305            | 281            | 335            | 54   | 16%        | (24)                            | -8%         |
| Other Central Services                      | 849            | 1,340          | 1,549          | 1,609          | 60   | 4%         | 209                             | 16%         |
| Aviation Division / Other                   | 64             | 59             | 71             | 56             | (15)   | -26%       | 11                              | 19%         |
| <b>Total Central Services / Other</b>       | <b>2,799</b>   | <b>3,236</b>   | <b>3,273</b>   | <b>3,532</b>   | <b>259</b>                                   | <b>7%</b>  | <b>37</b>                       | <b>1%</b>   |
| <b>Total Expense</b>                        | <b>10,286</b>  | <b>11,661</b>  | <b>10,937</b>  | <b>13,080</b>  | <b>2,143</b>                                 | <b>16%</b> | <b>(724)</b>                    | <b>-6%</b>  |
| <b>NOI Before Depreciation</b>              | <b>(844)</b>   | <b>(2,321)</b> | <b>(1,398)</b> | <b>(2,710)</b> | <b>1,312</b>                                 | <b>48%</b> | <b>923</b>                      | <b>40%</b>  |
| Depreciation                                | 4,509          | 4,395          | 4,464          | 4,043          | (421)  | -10%       | 69                              | 2%          |
| <b>NOI After Depreciation</b>               | <b>(5,353)</b> | <b>(6,715)</b> | <b>(5,862)</b> | <b>(6,753)</b> | <b>891</b>                                   | <b>13%</b> | <b>853</b>                      | <b>13%</b>  |

#### 2021 YTD Actuals vs. 2021 YTD Budget

- Operating Revenues were \$831K lower than budget driven by:
  - Cruise \$1,044K lower due to timing of lease invoice to NCL.
  - Grain \$298K higher from 52% increase in annual volumes.
  - Maritime Portfolio Management \$75K lower from vacancy at Maritime Industrial Center.
  - All other variances add up to \$10K lower.
- Operating Expenses were \$2,143K lower than budget:
  - Direct Expenses were \$970K lower than budget
    - Rec Boating \$49K higher than budget due to COVID-19 expenses.
    - Ship Canal Fishing and Operations \$70K lower from reversal of bad debt expense.
    - Elliot Bay Fishing and Commercial \$177K below due to lower utilities expenses.
    - Cruise \$60K under from lower outside services and promotional hosting.
    - Maritime Security \$13K over budget.
    - Maritime Marketing \$66K below budget from event cancellations.
    - Portfolio Management \$702K favorable from salaries and open headcount, lower utility expense and timing of tenant improvements.
    - Divisional contingency open headcount vacancy factor created a \$54K unfavorable variance
    - All other Direct Expenses net to \$11K under budget.
  - Total Support Services were \$914K favorable to budget.
    - Maintenance \$734K favorable due to reduced wage expenses and favorable allocation change.



### III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

- Environmental Services and Planning were \$175K lower than budget due to open position and outside services timing.
- 3) Total Central Services / Other were \$259K favorable to budget.
- Net Operating Income was \$1,312 favorable to budget.

#### 2021 YTD Actuals vs. 2020 YTD Actuals

- Operating Revenues were \$199K higher than 2020 due to increased volumes at the Grain terminal.
- Operating Expenses were \$724K lower than 2020 actual driven by:
  1. Lower Utility costs across most business lines.
  2. Change in Maintenance Allocation
- Net Operating Income was \$923K better than 2020 actual.

|   | 2019           | 2020            | 2021            | 2021            | Fav (UnFav)<br>Fest vs. Budget<br>Variance |            | Incr (Decr)<br>Change from 2020 |             |
|---|----------------|-----------------|-----------------|-----------------|--|------------|---------------------------------|-------------|
| \$ in 000's                                 | Actual         | Actual          | Forecast        | Budget          | \$   | %          | \$                              | %           |
| Ship Canal Fishing & Operations             | 3,929          | 4,704           | 4,135           | 4,135           | 0  | 0%         | (569)                           | -12%        |
| Elliott Bay Fishing & Commercial Operations | 6,095          | 5,752           | 4,509           | 4,509           | 0  | 0%         | (1,243)                         | -22%        |
| Recreational Boating                        | 12,484         | 12,611          | 12,915          | 12,915          | 0  | 0%         | 304                             | 2%          |
| Cruise                                      | 22,410         | 3,824           | 8,558           | 8,558           | 0  | 0%         | 4,734                           | 124%        |
| Grain                                       | 4,266          | 5,142           | 5,203           | 4,903           | 300  | 6%         | 61                              | 1%          |
| Maritime Portfolio Management               | 10,108         | 10,074          | 10,034          | 10,259          | (225)                                      | -2%        | (40)                            | 0%          |
| Other                                       | (3)            | 4               | 0               | 0               | 0  | NA         | (4)                             | -100%       |
| <b>Total Revenue</b>                        | <b>59,289</b>  | <b>42,111</b>   | <b>45,355</b>   | <b>45,280</b>   | <b>75</b>                                  | <b>0%</b>  | <b>3,244</b>                    | <b>8%</b>   |
| <b>Expenses</b>                             |                |                 |                 |                 |  |            |                                 |             |
| Maritime (Excl. Maint)                      | 13,789         | 16,256          | 15,539          | 15,539          | 0  | 0%         | (717)                           | -4%         |
| Economic Development                        | 4,987          | 4,511           | 5,365           | 5,365           | 0  | 0%         | 854                             | 19%         |
| <b>Total Direct</b>                         | <b>18,776</b>  | <b>20,767</b>   | <b>20,904</b>   | <b>20,904</b>   | <b>0</b>                                   | <b>0%</b>  | <b>137</b>                      | <b>1%</b>   |
| Maintenance Expenses                        | 12,186         | 12,029          | 11,295          | 11,595          | 300  | 3%         | (734)                           | -6%         |
| Envir Services & Planning                   | 2,250          | 2,739           | 2,140           | 2,140           | 0  | 0%         | (598)                           | -22%        |
| Seaport Finance & Cost Recovery             | 835            | 937             | 977             | 977             | 0  | 0%         | 40                              | 4%          |
| Seaport Project Management                  | 175            | 1,061           | 416             | 316             | (100)                                      | -32%       | (644)                           | -61%        |
| <b>Total Support Services</b>               | <b>15,446</b>  | <b>16,765</b>   | <b>14,828</b>   | <b>15,028</b>   | <b>200</b>                                 | <b>1%</b>  | <b>(1,937)</b>                  | <b>-12%</b> |
| IT  | 2,685          | 2,719           | 2,838           | 2,853           | 15   | 1%         | 120                             | 4%          |
| Police Expenses                             | 4,086          | 2,865           | 3,079           | 3,118           | 39   | 1%         | 213                             | 7%          |
| External Relations                          | 1,564          | 1,200           | 1,050           | 1,347           | 297  | 22%        | (150)                           | -13%        |
| Other Central Services                      | 5,810          | 5,596           | 6,773           | 6,749           | (24)                                       | 0%         | 1,177                           | 21%         |
| Aviation Division / Other                   | 278            | 315             | 243             | 243             | 0  | 0%         | (72)                            | -23%        |
| <b>Total Central Services / Other</b>       | <b>14,423</b>  | <b>12,695</b>   | <b>13,984</b>   | <b>14,311</b>   | <b>327</b>                                 | <b>2%</b>  | <b>1,288</b>                    | <b>10%</b>  |
| <b>Total Expense</b>                        | <b>48,644</b>  | <b>50,228</b>   | <b>49,716</b>   | <b>50,243</b>   | <b>527</b>                                 | <b>1%</b>  | <b>(512)</b>                    | <b>-1%</b>  |
| <b>NOI Before Depreciation</b>              | <b>10,644</b>  | <b>(8,117)</b>  | <b>(4,361)</b>  | <b>(4,963)</b>  | <b>602</b>                                 | <b>12%</b> | <b>3,755</b>                    | <b>46%</b>  |
| Depreciation                                | 17,627         | 17,624          | 16,899          | 16,899          | 0  | 0%         | (725)                           | -4%         |
| <b>NOI After Depreciation</b>               | <b>(6,982)</b> | <b>(25,741)</b> | <b>(21,260)</b> | <b>(21,862)</b> | <b>602</b>                                 | <b>3%</b>  | <b>4,480</b>                    | <b>17%</b>  |

#### 2021 Forecast vs. 2021 Budget

- Operating Revenues are \$75K higher than budget with improved grain volumes offset by increased vacancy time at Maritime Industrial Center.
- Operating Expenses forecasted \$527K favorable to budget from change in maintenance allocations and reduced external relations expenses.
- Net Operating Income Planned \$602K favorable to budget.

### III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

#### 2021 Forecast vs. 2020 Actuals

- Operating Revenues expected \$3.2M higher than 2020 with partial resumption of Cruise offset by 2020 revenue benefitting from the lengthy closure of the Ballard Locks.
- Operating Expenses forecasted \$0.5M lower than 2020 actual driven primarily by favorable Maintenance, Seaport Project Management, and Environmental allocations, offset by unfavorable changes to central services allocations.
- Net Operating Income forecasted \$3.8M better than 2020 actual.

#### D. CAPITAL RESULTS

| \$ in 000's                   | 2021 YTD     | 2021          | 2021          | Budget Variance |            |
|-------------------------------|--------------|---------------|---------------|-----------------|------------|
|                               | Actual       | Forecast      | Budget        | \$              | %          |
| T117 Restoration              | 729          | 8,359         | 8,809         | 450             | 5%         |
| T91 Northwest Fender          | 51           | 6,131         | 7,761         | 1,630           | 21%        |
| MD Small Projects             | 295          | 3,816         | 5,548         | 1,732           | 31%        |
| MD Fleet                      | 0            | 260           | 1,036         | 776             | 75%        |
| FT Maritime Innovation Center | 90           | 768           | 1,475         | 707             | 48%        |
| T91 Berth 6&8 Redev           | 131          | 839           | 1,025         | 186             | 18%        |
| P91 Pass Term Upgrade COV     | 1            | 230           | 1,000         | 770             | 77%        |
| P66 Shore Power               | 74           | 714           | 765           | 51              | 7%         |
| SBM Restrms/Service Bldgs Rep | 178          | 378           | 665           | 287             | 43%        |
| FT Gateway Building           | 175          | 446           | 600           | 154             | 26%        |
| All Other Projects            | 370          | (662)         | (2,489)       | (1,827)         | 73%        |
| <b>Total Maritime</b>         | <b>2,094</b> | <b>21,279</b> | <b>26,195</b> | <b>4,916</b>    | <b>19%</b> |

#### Comments on Key Projects

- **T91 Northwest Fender** – Construction bid well under Engineer's Estimate. Have reduced forecast accordingly.
- **FT Maritime Innovation Center** – Total project cost updated on 2/1 based on 60% Construction.
- **MD Fleet**– Delays in microprocessors and raw materials are causing worldwide delays in producing new fleet assets. This trend is expected to continue into 2022 as production of vital components catches up.
- **MD Small Projects** - P66 Cruise Wall Protection was deferred out to 2022. T91 Upland Lighting Improvements and HIM Operational Facility Cameras have a larger amount of spending pushed out to 2022. T91 Cruise Wayfinding Signage was moved out of the small CIP and into Cruise Upgrades COVID-19.

# IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

## IV. ECONOMIC DEVELOPMENT DIVISION

### FINANCIAL SUMMARY

|                          | 2019    | 2020     | 2021     | 2021    | Fav (UnFav)<br>Fest vs. Budget<br>Variance |     | Incr (Decr)<br>Change from 2020 |      |
|--------------------------|---------|----------|----------|---------|--|-----|---------------------------------|------|
| \$ in 000's              | Actual  | Actual   | Forecast | Budget  | \$   | %   | \$                              | %    |
| Total Revenues           | 21,151  | 9,470    | 12,648   | 13,348  | (700)                                      | -5% | 3,178                           | 34%  |
| Total Operating Expenses | 27,155  | 20,611   | 20,966   | 21,413  | 447  | 2%  | 355                             | 2%   |
| Net Operating Income     | (6,004) | (11,141) | (8,318)  | (8,065) | (253)                                      | -3% | 2,823                           | -25% |
| Capital Expenditures     | 3,121   | 9,314    | 4,604    | 5,647   | 1,043                                      | 18% | (4,710)                         | -51% |

### 2021 Forecast vs. 2021 Budget

- Operating Revenues forecasted to \$700K unfavorable to budget due to lower volumes at the Conference & Event Center related COVID-19 cancellations and variable revenue at parking facilities.
- Operating Expenses \$447K favorable to budget due to variable cost impact of conference cancellations, delayed hiring, and reductions in external relations, offset by change in Maintenance allocation.
- Net Operating Income forecasted at \$253K below budget.
- Capital spending forecasted to 82% of \$5.6M budget.

### 2021 Forecast vs. 2020 Actuals

- Operating Revenues forecasted to \$3.2M above 2020 due to favorable 2<sup>nd</sup> half outlook at the Conference & Event Center.
- Operating Expenses \$355K higher than 2020 with higher Washington Tourism Alliance expenses, offset by favorable Central Services costs.
- Net Operating Income forecasted \$2.8M better than 2020 actual.

### Net Operating Income before Depreciation by Business

|                            | 2020 YTD       | 2021 YTD       | 2021 YTD       | Fav (UnFav)<br>Actual vs. Budget<br>Variance |             | Incr (Decr)<br>Change from 2020 |            |
|----------------------------|----------------|----------------|----------------|--|-------------|---------------------------------|------------|
| \$ in 000's                | Actual         | Actual         | Budget         | \$   | %           | \$                              | %          |
| Portfolio Management       | (556)          | (845)          | (558)          | (288)  | -52%        | (290)                           | -52%       |
| Conference & Event Centers | (1,118)        | (1,030)        | (1,029)        | (1)  | 0%          | 88                              | 8%         |
| Tourism                    | (212)          | (169)          | (243)          | 74   | 30%         | 43                              | 20%        |
| EDD Grants                 | 57             | 21             | (38)           | 58   | 156%        | (36)                            | -64%       |
| Env Grants/Remed Liab/ERC  | (130)          | (23)           | 27             | (50)   | -187%       | 107                             | 82%        |
| <b>Total Econ Dev</b>      | <b>(1,959)</b> | <b>(2,047)</b> | <b>(1,840)</b> | <b>(207)</b>                                 | <b>-11%</b> | <b>(88)</b>                     | <b>-4%</b> |

#### IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

##### A. BUSINESS EVENTS

**Diversity in Contracting** – The Northwest Mountain Minority Supplier Development Council named the Port of Seattle as its Public Agency of the Year. Q1 PortGens have already seen more than 120 businesses participate.

**Economic Development and Innovation** – Staff is working to execute 25 contracts with City’s participating in the Port’s economic development grant program. Staff is also supporting Greater Seattle Partners’ Economic Recovery plan development and WA Maritime Blue’s 2<sup>nd</sup> Maritime innovation accelerator.

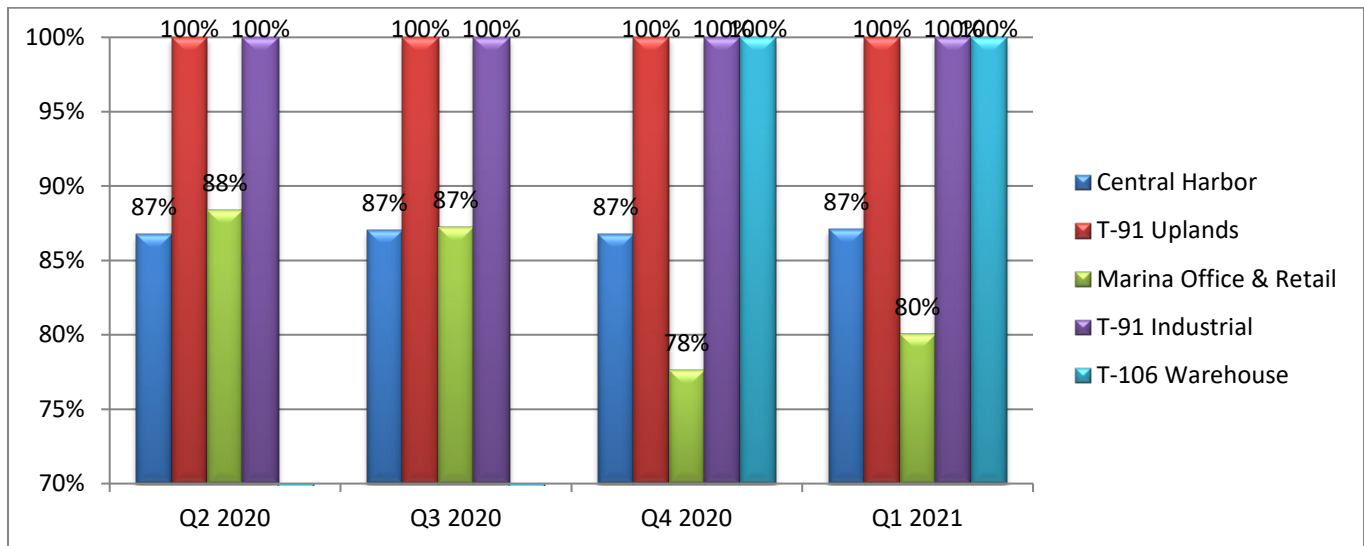
**Portfolio Management** – Maintained 95% occupancy across real estate portfolio despite ongoing COVID-19 pandemic challenges. As a reference, vacancy rate downtown Seattle reached 17% (83% occupancy) in March.

**Real Estate Development** – Finished a new strategic plan to guide Port development projects and initiatives. Staff is also advancing development work on the Maritime Innovation Center, and T91 Uplands light industrial facilities.

**Tourism** – Awarded 23 Tourism Marketing grants. Working with WA Tourism Alliance to implement statewide tourism recovery initiative.

##### B. KEY PERFORMANCE METRICS

###### Building Occupancy by Location:



#### IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

##### C. OPERATING RESULTS

|  | 2019 YTD       | 2020 YTD       | 2021 YTD       | 2021 YTD       | Fav (UnFav)<br>Actual vs. Budget<br>Variance |             | Incr (Decr)<br>Change from 2020 |             |
|--|----------------|----------------|----------------|----------------|--|-------------|---------------------------------|-------------|
| \$ in 000's                                  | Actual         | Actual         | Actual         | Budget         | \$   | %           | \$                              | %           |
| Revenue                                      | 2,155          | 2,163          | 1,875          | 1,969          | (94)   | -5%         | (288)                           | -13%        |
| Conf & Event Centers                         | 2,519          | 1,115          | 127            | 468            | (341)  | -73%        | (988)                           | -89%        |
| <b>Total Revenue</b>                         | <b>4,674</b>   | <b>3,277</b>   | <b>2,002</b>   | <b>2,436</b>   | <b>(434)</b>                                 | <b>-18%</b> | <b>(1,275)</b>                  | <b>-39%</b> |
| <b>Expenses</b>                              |                |                |                |                |  |             |                                 |             |
| Portfolio Management                         | 932            | 899            | 839            | 779            | (60)   | -8%         | (60)                            | -7%         |
| Conf & Event Centers                         | 2,276          | 1,557          | 545            | 850            | 305  | 36%         | (1,012)                         | -65%        |
| P69 Facilities Expenses                      | 51             | 55             | 47             | 57             | 10   | 18%         | (9)                             | -15%        |
| RE Dev & Planning                            | 25             | 41             | 48             | 38             | (10)   | -27%        | 7                               | 18%         |
| EconDev Expenses Other                       | 157            | 291            | 187            | 258            | 71   | 28%         | (104)                           | -36%        |
| Maintenance Expenses                         | 716            | 635            | 847            | 600            | (247)  | -41%        | 213                             | 33%         |
| Maritime Expenses (Excl Maint)               | 276            | 244            | 235            | 264            | 29   | 11%         | (9)                             | -4%         |
| <b>Total EDD &amp; Maritime Expenses</b>     | <b>4,434</b>   | <b>3,722</b>   | <b>2,748</b>   | <b>2,847</b>   | <b>99</b>                                    | <b>3%</b>   | <b>(974)</b>                    | <b>-26%</b> |
| Diversity in Contracting                     | 47             | 25             | 26             | 30             | 4  | 13%         | 1                               | 4%          |
| Tourism                                      | 194            | 207            | 167            | 235            | 68   | 29%         | (40)                            | -19%        |
| EDD Grants                                   | (54)           | (57)           | (21)           | 38             | 58   | 156%        | 36                              | -63%        |
| <b>Total EDD Initiatives</b>                 | <b>187</b>     | <b>175</b>     | <b>172</b>     | <b>302</b>     | <b>130</b>                                   | <b>43%</b>  | <b>(3)</b>                      | <b>-2%</b>  |
| Environmental & Sustainability               | 10             | 8              | 5              | 6              | 2  | 27%         | (3)                             | -41%        |
| Police Expenses                              | 45             | 58             | 48             | 56             | 7  | 13%         | (9)                             | -16%        |
| Other Central Services                       | 1,160          | 1,244          | 1,041          | 1,034          | (7)  | -1%         | (203)                           | -16%        |
| Aviation Division                            | 27             | 29             | 35             | 30             | (5)  | -16%        | 5                               | 18%         |
| <b>Total Central Services &amp; Aviation</b> | <b>1,241</b>   | <b>1,339</b>   | <b>1,129</b>   | <b>1,127</b>   | <b>(2)</b>                                   | <b>0%</b>   | <b>(210)</b>                    | <b>-16%</b> |
| Envir Remed Liability                        | 0              | 0              | 0              | 0              | 0  | NA          | 0                               | NA          |
| <b>Total Expense</b>                         | <b>5,862</b>   | <b>5,236</b>   | <b>4,049</b>   | <b>4,277</b>   | <b>228</b>                                   | <b>5%</b>   | <b>(1,187)</b>                  | <b>-23%</b> |
| <b>NOI Before Depreciation</b>               | <b>(1,187)</b> | <b>(1,959)</b> | <b>(2,047)</b> | <b>(1,840)</b> | <b>(207)</b>                                 | <b>-11%</b> | <b>(88)</b>                     | <b>-4%</b>  |
| Depreciation                                 | 918            | 909            | 958            | 758            | (200)  | -26%        | 49                              | 5%          |
| <b>NOI After Depreciation</b>                | <b>(2,105)</b> | <b>(2,867)</b> | <b>(3,005)</b> | <b>(2,598)</b> | <b>(407)</b>                                 | <b>-16%</b> | <b>(137)</b>                    | <b>-5%</b>  |

##### 2021 YTD Actuals vs. 2021 YTD Budget

- Operating revenue were \$434K unfavorable to budget due primarily to lower than anticipated Conference and Event Center volumes as a result of the on-going COVID-19 restrictions on meetings and events.
- Operating Expenses were \$228K favorable to budget:
  - Conference and Event Center \$305K favorable from lower activity as a result of the on-going COVID-19 restrictions on meetings and events.
  - Maintenance Expenses \$247K unfavorable due to change in Maintenance allocation methodology.
  - EDD Initiatives \$130K favorable due to timing of spending related to COVID-19.
  - All other expenses net to \$40K below budget.
- Net Operating Income was \$207K below budget.

##### 2021 YTD Actuals vs. 2020 YTD Actuals

- Operating Revenues were \$1,275K lower than 2020 actual
- Operating Expenses were \$1,187K lower than 2020 actual:
  - Conference and Event Centers \$1,012K lower than 2020 due to variable costs associated with lower Conference and Event Center volumes as a result of the on-going COVID-19 restrictions on meetings and events.
  - Maintenance Expenses \$213K higher than 2020 due to change in Maintenance allocation methodology.
  - Central Services \$210K lower than 2020.
  - All other Expenses net to \$178K lower than 2020.
- Net Operating Income was \$88K below 2020 actual.

#### IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

|  | 2019           | 2020            | 2021            | 2021            | Fav (UnFav)<br>Fest vs. Budget<br>Variance |            | Incr (Decr)<br>Change from 2020 |             |
|--|----------------|-----------------|-----------------|-----------------|--|------------|---------------------------------|-------------|
| \$ in 000's                                  | Actual         | Actual          | Forecast        | Budget          | \$   | %          | \$                              | %           |
| Revenue                                      | 8,912          | 7,808           | 8,213           | 8,313           | (100)                                      | -1%        | 405                             | 5%          |
| Conf & Event Centers                         | 12,239         | 1,662           | 4,435           | 5,035           | (600)                                      | -12%       | 2,773                           | 167%        |
| <b>Total Revenue</b>                         | <b>21,151</b>  | <b>9,470</b>    | <b>12,648</b>   | <b>13,348</b>   | <b>(700)</b>                               | <b>-5%</b> | <b>3,178</b>                    | <b>34%</b>  |
| <b>Expenses</b>                              |                |                 |                 |                 |  |            |                                 |             |
| Portfolio Management                         | 3,732          | 3,073           | 3,401           | 3,401           | 0  | 0%         | 327                             | 11%         |
| Conf & Event Centers                         | 10,218         | 4,440           | 4,420           | 4,920           | 500  | 10%        | (19)                            | 0%          |
| P69 Facilities Expenses                      | 215            | 232             | 222             | 222             | 0  | 0%         | (11)                            | -5%         |
| RE Dev & Planning                            | 136            | 209             | 154             | 154             | 0  | 0%         | (55)                            | -26%        |
| EconDev Expenses Other                       | 930            | 938             | 635             | 835             | 200  | 24%        | (303)                           | -32%        |
| Maintenance Expenses                         | 3,145          | 3,042           | 3,027           | 2,537           | (490)                                      | -19%       | (15)                            | 0%          |
| Maritime Expenses (Excl Maint)               | 1,070          | 1,035           | 1,060           | 1,060           | 0  | 0%         | 24                              | 2%          |
| <b>Total EDD &amp; Maritime Expenses</b>     | <b>19,448</b>  | <b>12,969</b>   | <b>12,918</b>   | <b>13,128</b>   | <b>210</b>                                 | <b>2%</b>  | <b>(52)</b>                     | <b>0%</b>   |
| Diversity in Contracting                     | 152            | 103             | 142             | 142             | 0  | 0%         | 39                              | 38%         |
| Tourism                                      | 1,337          | 954             | 2,481           | 2,481           | 0  | 0%         | 1,527                           | 160%        |
| EDD Grants                                   | 785            | 778             | 1,060           | 1,060           | 0  | 0%         | 282                             | 36%         |
| <b>Total EDD Initiatives</b>                 | <b>2,274</b>   | <b>1,834</b>    | <b>3,683</b>    | <b>3,683</b>    | <b>0</b>                                   | <b>0%</b>  | <b>1,848</b>                    | <b>101%</b> |
| Environmental & Sustainability               | 24             | 44              | 27              | 31              | 4  | 13%        | (17)                            | -39%        |
| Police Expenses                              | 61             | 64              | 206             | 209             | 3  | 1%         | 143                             | 225%        |
| Other Central Services                       | 5,234          | 5,539           | 4,012           | 4,242           | 230  | 5%         | (1,527)                         | -28%        |
| Aviation Division                            | 114            | 161             | 120             | 120             | 0  | 0%         | (41)                            | -25%        |
| <b>Total Central Services &amp; Aviation</b> | <b>5,433</b>   | <b>5,808</b>    | <b>4,366</b>    | <b>4,603</b>    | <b>237</b>                                 | <b>5%</b>  | <b>(1,442)</b>                  | <b>-25%</b> |
| Envir Remed Liability                        | 0              | 0               | 0               | 0               | 0  | NA         | 0                               | NA          |
| <b>Total Expense</b>                         | <b>27,155</b>  | <b>20,611</b>   | <b>20,966</b>   | <b>21,413</b>   | <b>447</b>                                 | <b>2%</b>  | <b>355</b>                      | <b>2%</b>   |
| <b>NOI Before Depreciation</b>               | <b>(6,004)</b> | <b>(11,141)</b> | <b>(8,318)</b>  | <b>(8,065)</b>  | <b>(253)</b>                               | <b>-3%</b> | <b>2,823</b>                    | <b>25%</b>  |
| Depreciation                                 | 3,647          | 3,611           | 3,216           | 3,216           | 0  | 0%         | (395)                           | -11%        |
| <b>NOI After Depreciation</b>                | <b>(9,651)</b> | <b>(14,753)</b> | <b>(11,534)</b> | <b>(11,281)</b> | <b>(253)</b>                               | <b>-2%</b> | <b>3,219</b>                    | <b>22%</b>  |

##### 2021 Forecast vs. 2021 Budget

- Operating Revenues forecasted to \$700K unfavorable to budget due to lower volumes at the Conference & Event Center related COVID-19 cancellations and variable revenue at Bell Street Garage.
- Operating Expenses \$447K favorable to budget due to variable cost impact of conference cancellations, deferred positions, reduced External Affairs spend, offset by unfavorable Maintenance allocation.
- Net Operating Income forecasted at \$253K below budget.

##### 2021 Forecast vs. 2020 Actuals

- Operating Revenues forecasted to \$3.2M above 2020 due to favorable 2<sup>nd</sup> half outlook at the Conference & Event Center.
- Operating Expenses \$355K higher than 2020 with higher Washington Tourism Alliance expenses, offset by favorable Central Services costs.
- Net Operating Income forecasted \$2.8M better than 2020 actual.

#### IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

##### D. CAPITAL RESULTS

|                                   | 2021 YTD<br>Actual | 2021<br>Fore cast | 2021<br>Budget | Budget Variance |            |
|-----------------------------------|--------------------|-------------------|----------------|-----------------|------------|
| \$ in 000's                       |                    |                   |                | \$              | %          |
| BHICC Interior Modernization      | 104                | 1,139             | 1,990          | 851             | 43%        |
| P69 Underdock Utility Rpl         | 54                 | 414               | 1,028          | 614             | 60%        |
| CW Bridge Elev Modernization      | 29                 | 943               | 943            | 0               | 0%         |
| WTC HVAC Replacement              | 23                 | 848               | 848            | 0               | 0%         |
| T91 Uplands Dev Phase 1           | 69                 | 658               | 800            | 142             | 18%        |
| P66 Roof Upgrades                 | 35                 | 544               | 544            | 0               | 0%         |
| EDD Small Projects                | 9                  | 554               | 522            | (32)            | -6%        |
| Tenant Improvements -Capital      | 0                  | 58                | 289            | 231             | 80%        |
| EDD Technology Projects           | 0                  | 250               | 250            | 0               | 0%         |
| P66 HVAC Systems Upgrade          | 0                  | 170               | 185            | 15              | 8%         |
| All Other Projects                | 2                  | (974)             | (1,752)        | (778)           | 44%        |
| <b>Total Economic Development</b> | <b>325</b>         | <b>4,604</b>      | <b>5,647</b>   | <b>1,043</b>    | <b>18%</b> |

##### Comments on Key Projects

- **BHICC Modernization** – Project has encountered unforeseen site conditions, additional effort required to execute change orders
- **P69 Under Dock Utility Replacement** – Design delayed due to the need for a two steps design and construction authorization approvals rather than the one step construction authorization that was previously assumed.
- **T -91 Upland Development** – Decrease in projected spending for 2021 due to the need to procure new Service Agreement for Professional Design Services, after terminating contract with former design consultant. Design can resume after the new contract is executed, in Q4 2021.

## V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

### V. CENTRAL SERVICES DIVISION

#### FINANCIAL SUMMARY

|                                 | 2019 YTD      | 2020 YTD      | 2021 YTD      | 2021 YTD      | Fav (UnFav)<br>Actual vs. Budget<br>Variance |                | Incr (Decr)<br>Change from 2020 |              |
|---------------------------------|---------------|---------------|---------------|---------------|--|----------------|---------------------------------|--------------|
| \$ in 000's                     | Actual        | Actual        | Actual        | Budget        | \$   | %              | \$                              | %            |
| <b>Total Operating Revenues</b> | <b>182</b>    | <b>907</b>    | <b>956</b>    | <b>45</b>     | <b>910</b>                                   | <b>2013.0%</b> | <b>49</b>                       | <b>5.4%</b>  |
| Core Central Support Services   | 17,445        | 19,359        | 18,743        | 20,382        | 1,639  | 8.0%           | (616)                           | -3.2%        |
| Police                          | 6,506         | 7,908         | 6,748         | 7,547         | 799  | 10.6%          | (1,160)                         | -14.7%       |
| Engineering/PCS                 | 2,083         | 2,158         | 1,965         | 2,175         | 210  | 9.7%           | (193)                           | -9.0%        |
| <b>Total Operating Expenses</b> | <b>26,034</b> | <b>29,425</b> | <b>27,455</b> | <b>30,104</b> | <b>2,649</b>                                 | <b>8.8%</b>    | <b>(1,970)</b>                  | <b>-6.7%</b> |

#### 2021 YTD Actuals vs. 2021 YTD Budget

- Operating Revenues favorable due primarily to Police forfeiture seizures of \$947K.
- Operating Expenses \$2.6M favorable to budget mainly due to staffing vacancies, projects spending delays, and delayed Outside Services costs.

#### 2021 YTD Actuals vs. 2020 YTD Actuals

- Operating Revenues \$49K above 2020 mainly due to higher Police forfeiture seizures in 2021.
- Operating Expenses \$2.0M higher than 2020 mainly due to lower payroll and Outside Services offset by lower charges to Capital Projects.

#### A. BUSINESS EVENTS

- Port Commission approved a building lease for a job and economic resource center as part of the Duwamish Valley Community Equity Program, supporting the Green Jobs Initiative, the Duwamish River People's Park (T117) habitat restoration, the PCAT and Maritime High School.
- Fourteen South King County Fund Environmental Grants were awarded as part of the newly expanded program to community-based organizations within the six Highline cities.
- The Port, City of Seattle and Sound Transit will jointly fund \$1.7M to support construction worker training, placement and other services for residents of economic distressed communities, people of color and women.
- OEDI hosted a 4-part caucusing series, *From Internalized Racism to Allyship*, between the months of March-April, and hosted a book club featuring, Ijeoma Oluo's *So You Want to Talk About Race* and Isabel Wilkerson's *Caste*. OEDI also hosted its first town hall that featured updates about the Port's Racial Bias & Equity Motion, Port-wide Change Team, and OEDI's plans for 2021.
- The Port's chapter of Blacks in Government and OEDI sponsored an event to celebrate the Black History Month featuring a panel of Black women leaders - State Representative Debra Entenman, Michelle Merriweather (President of the Urban League of Metropolitan Seattle), and Michele Storms (Executive Director of ACLU-WA). The event was open to employees and external partners with nearly 300 in attendance.
- Engineering Department hosted an Engineering Career Workshop for Highline School District high school students in March.
- Information Security Department conducted a Cyber Disruption Summit focusing on employee awareness on the emerging threats that can potentially disrupt Port operations.
- Maritime Core Plus Curriculum and Framework is now available for adoption by school districts state-wide. The Port invested the initial funding for the Manufacturing Industrial Council to create the curriculum in 2016.
- The Port hosted the on-site COVID-19 vaccination clinic at SEA in partnership with the Department of Health, FEMA and Safeway/Albertson's. The clinic opened in March and is open for badged employees only who meet the state's eligibility requirements.



## V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

### B. KEY PERFORMANCE METRICS

| Century Agenda Strategic Objectives  | 2019        | 2020        | 2021        |
|--|-------------|-------------|-------------|
| <b>Responsibly Invest in the Economic Growth of the Region and all its Communities</b>   |             |             |             |
| A. Job seekers placed in jobs at SEA Airport through the Employment Center   | 417         | 366         | 166         |
| B. Number of SEA Airport tenants supported in finding employees  | 91          | 56          | 66          |
| C. Employment Center training completions  | 320         | 230         | 75          |
| D. K-12 Career Connected Learning: WFD engagement with teachers/faculty  | 450         | 1800        | 0           |
| E. Community members entering employment in construction, maritime and environmental sustainability                              | 38          | 0           | 9           |
| F. Residents engaged from near-port communities to create awareness and access to family-wage careers in port-related industries | N/A         | N/A         | 150         |
| G. Number of Job Openings created  | 238         | 201         | 66          |
| H. Job applications received   | 3,940       | 2,855       | 2,276       |
| I. Number of job interviews conducted  | 454         | 351         | 171         |
| J. Number of new employees hired   | 97          | 95          | 24          |
| K. Number of interns   | 30          | 25          | 1           |
| L. Number of Veteran Fellows   | 1           | 0           | 0           |
| M. Number of employees participating in Tuition Reimbursement  | 23          | 27          | 11          |
| <b>Become a Model for Equity, Diversity and Inclusion</b>  |             |             |             |
| A. Employee participation in Caucusing (Black Lives Matter and Caucusing for Change)   | N/A         | N/A         | 41          |
| B. Employee participation in EDI Port Reads book club  | N/A         | N/A         | 109         |
| C. Port employees and supervisors completing required racial equity orientations/trainings.                                      | N/A         | N/A         | 178         |
| <b>Be a Highly Effective Public Agency</b>   |             |             |             |
| A. Corporate costs as a % of Total Operating Expenses  | 26.3%       | 27.8%       | 28.3%       |
| B. Investment portfolio earnings versus the benchmark (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index)    | 2.17%/2.32% | 2.15%/0.21% | 1.33%/0.19% |
| C. Comply with Public Disclosure Act and respond in a timely manner  | 149         | 135         | 153         |
| D. Litigation and Claim Reserves   | \$1.8M      | \$3.0M      | \$1.4M      |
| E. Claims/Injury Damages Reserves  | \$1.3M      | \$260K      | \$256K      |
| F. Percent of annual audit work plan completed each year   | 100%        | 100%        | 100%        |
| G. Employee Development Class Attendees/Structured Learning  | 437         | 1100        | 492         |
| H. Total Recordable Incident Rate (previous Occupational Injury Rate)  | 5.51        | 4.28        | 5.49        |
| I. Lost Work Day Rate (previously Days Away Severity Rate)   | 2.12        | 35.38       | 32.69       |
| J. Respond to Public Disclosure Requests   | 149         | 135         | 153         |
| K. Customer Survey for Police Service Excellent or Above Average   | 83%         | 92%         | 100%        |

## V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

### C. OPERATING RESULTS

#### Financial Summary (Year-End Forecast)

|   | Notes | 2019           | 2020           | 2021           | 2021           | Fav (UnFav)  |               | Incr (Decr)      |               |
|---|-------|----------------|----------------|----------------|----------------|--------------|---------------|------------------|---------------|
|   |       | Actual         | Actual         | Forecast       | Budget         | Budget       | Variance      | Change from 2020 |               |
| \$ in 000's                                   |       |                |                |                |                | \$           | %             | \$               | %             |
| <b>Total Revenues</b>                         |       | <b>1,282</b>   | <b>2,512</b>   | <b>1,129</b>   | <b>181</b>     | <b>948</b>   | <b>524.1%</b> | <b>(1,383)</b>   | <b>-55.1%</b> |
| Executive                                     |       | 2,018          | 2,263          | 2,386          | 2,285          | (101)        | -4.4%         | 123              | 5.4%          |
| Commission                                    |       | 2,022          | 1,755          | 2,203          | 2,169          | (33)         | -1.5%         | 448              | 25.5%         |
| Legal   |       | 4,987          | 6,290          | 4,116          | 3,919          | (197)        | -5.0%         | (2,174)          | -34.6%        |
| External Relations                            |       | 7,760          | 7,481          | 8,263          | 9,878          | 1,615        | 16.3%         | 782              | 10.4%         |
| Equity Diversity and Inclusion                |       | 2,337          | 4,676          | 3,647          | 3,743          | 97           | 2.6%          | (1,030)          | -22.0%        |
| Human Resources                               |       | 9,187          | 8,380          | 11,275         | 11,385         | 111          | 1.0%          | 2,895            | 34.5%         |
| Labor Relations                               |       | 1,230          | 1,286          | 1,361          | 1,346          | (15)         | -1.1%         | 75               | 5.8%          |
| Internal Audit                                |       | 1,450          | 1,540          | 1,655          | 1,637          | (19)         | -1.1%         | 116              | 7.5%          |
| Accounting & Financial Reporting Services     |       | 7,341          | 8,165          | 8,723          | 8,724          | 1            | 0.0%          | 557              | 6.8%          |
| Information & Communication Technology        |       | 23,014         | 24,732         | 24,427         | 24,427         | ( )          | 0.0%          | (304)            | -1.2%         |
| Information Security                          |       | 1,203          | 1,656          | 1,782          | 1,913          | 131          | 6.9%          | 126              | 7.6%          |
| Finance & Budget                              |       | 2,037          | 2,177          | 2,292          | 2,292          | ( )          | 0.0%          | 115              | 5.3%          |
| Business Intelligence                         |       | 1,302          | 1,181          | 1,442          | 1,523          | 81           | 5.3%          | 260              | 22.0%         |
| Risk Services                                 |       | 3,137          | 3,349          | 3,937          | 3,939          | 2            | 0.1%          | 588              | 17.5%         |
| Office of Strategic Initiatives               |       | 1,448          | 934            | 923            | 1,059          | 136          | 12.9%         | (11)             | -1.1%         |
| Central Procurement Office                    |       | 4,452          | 4,280          | 5,723          | 5,532          | (191)        | -3.5%         | 1,443            | 33.7%         |
| Contingency                                   |       | 39             | (190)          | (1,502)        | (1,502)        | ( )          | 0.0%          | (1,312)          | 690.3%        |
| <b>Core Central Support Services</b>          |       | <b>74,966</b>  | <b>79,956</b>  | <b>82,653</b>  | <b>84,270</b>  | <b>1,617</b> | <b>1.9%</b>   | <b>2,697</b>     | <b>3.4%</b>   |
| Police  |       | 27,793         | 27,538         | 27,968         | 28,317         | 349          | 1.2%          | 430              | 1.6%          |
| <b>Total Before Cap Dev &amp; Environment</b> |       | <b>102,759</b> | <b>107,494</b> | <b>110,621</b> | <b>112,587</b> | <b>1,966</b> | <b>1.7%</b>   | <b>3,127</b>     | <b>2.9%</b>   |
| Capital Development                           |       |                |                |                |                |              |               |                  |               |
| Engineering                                   |       | 5,696          | 4,959          | 5,600          | 5,580          | (20)         | -0.4%         | 641              | 12.9%         |
| Port Construction Services                    |       | 4,341          | 4,138          | 4,080          | 3,619          | (461)        | -12.7%        | (58)             | -1.4%         |
| Sub-Total                                     |       | 10,038         | 9,096          | 9,680          | 9,199          | (481)        | -5.2%         | 584              | 6.4%          |
| Environment & Sustainability                  |       |                |                |                |                |              |               |                  |               |
| Environment & Sustainability                  |       | 976            | 692            | 1,329          | 1,408          | 80           | 5.7%          | 637              | 92.0%         |
| Sub-Total                                     |       | 976            | 692            | 1,329          | 1,408          | 80           | 5.7%          | 637              | 92.0%         |
| Industrial Development Corporation            |       | 1              | -              | -              | -              | -            | 0.0%          | -                | 0.0%          |
| Capital to Expense                            |       | 117            | 193            | -              | -              | -            | 0.0%          | (193)            | -100.0%       |
| <b>Total Expenses</b>                         |       | <b>113,891</b> | <b>117,476</b> | <b>121,629</b> | <b>123,194</b> | <b>1,565</b> | <b>1.3%</b>   | <b>4,154</b>     | <b>3.5%</b>   |

**2021 Forecast vs. 2021 Budget**

- Operating Expenses for 2021 are \$1.6M under budget due primarily to:
  - **Executive** – unfavorable variance of (\$101K) due to higher Outside Services.
  - **Commission** – unfavorable variance of (\$33K) due to increased Payroll of 1 FTE (\$46K) offset by planned lower Travel of \$10K.
  - **Legal** – unfavorable variance of (\$197K) is due to higher than budgeted Outside Services.
  - **External Relations** – favorable variance of \$1.6M primarily due to reduced Outside Services of \$1.5M and lower Payroll from vacant positions of \$81K, and Travel of \$42K.
  - **Equity, Diversity and Inclusion** – favorable variance of \$97K primarily due to lower Payroll of \$26K and Property Rentals of \$79K offset by higher Outside Services of \$7K.
  - **Human Resources** – favorable variance of \$111K primarily due to lower Payroll of \$150K offset by higher planned Outside Services of (\$39K).
  - **Labor Relations** – unfavorable variance of (\$15K) due to higher Payroll of (\$25K) offset by lower Travel of \$5K, Equipment of \$2K, and Outside Services of \$2K.
  - **Internal Audit** – unfavorable variance of (\$19K) due to higher Payroll from job refresh.
  - **Accounting and Financial Reporting Services** – favorable variance of \$1K from savings in Supplies and Stock.
  - **Information & Communication Technology** – plans to be on target.
  - **Information Security** – favorable variance of \$131K primarily due to lower Outside Services of \$125K.
  - **Corporate Finance & Budget** – plans to be on target.
  - **Business Intelligence** – favorable variance of \$81K due to lower Payroll.
  - **Risk Services** – favorable variance of \$2K due to lower Payroll.
  - **Office of Strategic Initiative** – favorable variance of \$136K is primarily due to lower Payroll.
  - **Central Procurement Office** – unfavorable variance of (\$191K) due to higher Payroll from increased FTEs.
  - **Police** – \$349K favorable variance primarily due to lower Payroll of \$420K offset by higher costs for General Expenses of (\$106K).
  - **Engineering** – unfavorable variance of (\$20K) is primarily due to lower Payroll of \$1.7M, Outside Services of \$184K, and Property Rentals of \$142K offset by lower than planned charges to Capital Projects of (\$2M).
  - **PCS** – unfavorable variance of (\$461K) primarily due to lower charges to Capital Projects of (\$632K) and unplanned Worker’s Compensation of (\$95K) which were offset by lower Payroll of \$45K, Equipment of \$84K, Supplies of \$50K, and Outside Services of \$38K.
  - **Environment & Sustainability Admin** – favorable variance of \$80K due to delayed Outside Services.
  - **Contingency** – plans to be on target.

## V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 03/31/21

### 2021 Forecast vs. 2020 Actuals

- Operating Expenses for 2021 are forecasted to be \$4.2M higher than 2020 actuals mainly due to:
  - **Core Central Support Services** – \$2.7M higher than 2020 primarily due to higher payroll in 2021 due to planned new hires, and full year salaries of people hired in 2020.
  - **Police** – \$430K above 2020 due to the following:
    - There were several vacancies in 2020 that are planned to be filled in 2021 and 2020 had much lower overtime due to cancellation of Cruise season.
  - **Capital Development** – \$584K higher than 2020 primarily due to higher payroll due to 2021 new hires, annual pay increases, full year salaries of people hired in 2020, and higher planned Outside Services.
  - **Environment & Sustainability** – \$637K higher than 2020 due to planned increases to Outside Services to support key initiatives.

### D. CAPITAL RESULTS

| \$ in 000's                 | 2021<br>YTD<br>Actual | 2021<br>Year-End<br>Forecast | 2021<br>Budget | Budget Variance |             |
|-----------------------------|-----------------------|------------------------------|----------------|-----------------|-------------|
|                             |                       |                              |                | \$              | %           |
| Infrastructure - Small Cap  | 272                   | 1,911                        | 1,911          | 0               | 0.0%        |
| Services Tech - Small Cap   | 173                   | 1,166                        | 1,226          | 60              | 4.9%        |
| Radio System Upgrade        | 1,844                 | 2,455                        | 2,955          | 500             | 16.9%       |
| Office Wi-Fi Refresh        | 0                     | 1,350                        | 1,350          | 0               | 0.0%        |
| Phone System Upgrade        | 21                    | 840                          | 840            | 0               | 0.0%        |
| Environmental MIS projects  | 0                     | 600                          | 600            | 0               | 0.0%        |
| CDD Fleet Replacement       | 170                   | 803                          | 1,123          | 320             | 28.5%       |
| Corporate Fleet Replacement | 0                     | 685                          | 685            | 0               | 0.0%        |
| Other (note 1)              | 185                   | 1,904                        | 1,968          | 64              | 3.3%        |
| Subtotal                    | 2,665                 | 11,714                       | 12,658         | 944             | 7.5%        |
| CIP Cashflow Adjustment     | 0                     | (3,000)                      | (3,000)        | 0               | 0.0%        |
| <b>TOTAL</b>                | <b>2,665</b>          | <b>8,714</b>                 | <b>9,658</b>   | <b>944</b>      | <b>9.8%</b> |

#### Note:

(1) "Other" includes remaining ICT projects and small capital projects/acquisitions.



# Port of Seattle Q1 2021 Financial Performance Report

## Commission Meeting



# Key Highlights

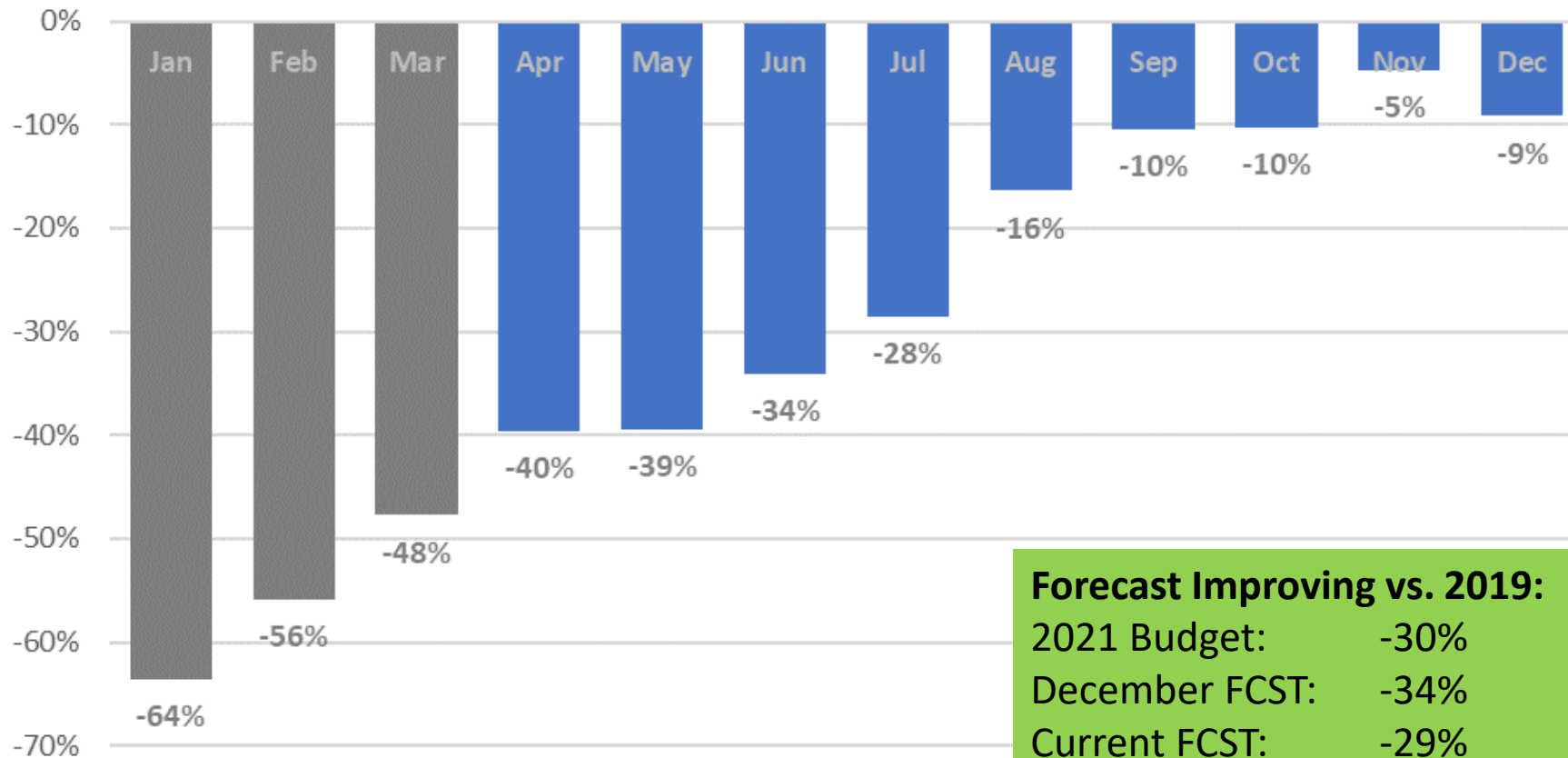
- The pandemic continues to cause major disruption across Port business lines
- Prudent budgeting and careful cost management has positioned the Port well for 2021
- Substantial federal relief funds have improved the financial outlook for the Aviation division
- Significant uncertainty remains regarding the 2021 Cruise season; however, revenues were budgeted very conservatively
- Currently projecting to be closely on track with budget on a full-year basis, but staff continues to closely monitor very dynamic business conditions
- Continuing to support investments aimed at regional economic recovery

# Aviation Division

## 2021 Q1 Financial Performance Report

# Passenger Growth Rebounding

## by Month for 2021 vs 2019



| Passengers (millions) |      |
|-----------------------|------|
| 2019 Actual           | 51.7 |
| 2020 Actual           | 20.1 |
| 2021 Budget           | 36.4 |
| 2021 Forecast         | 36.9 |

**29%**

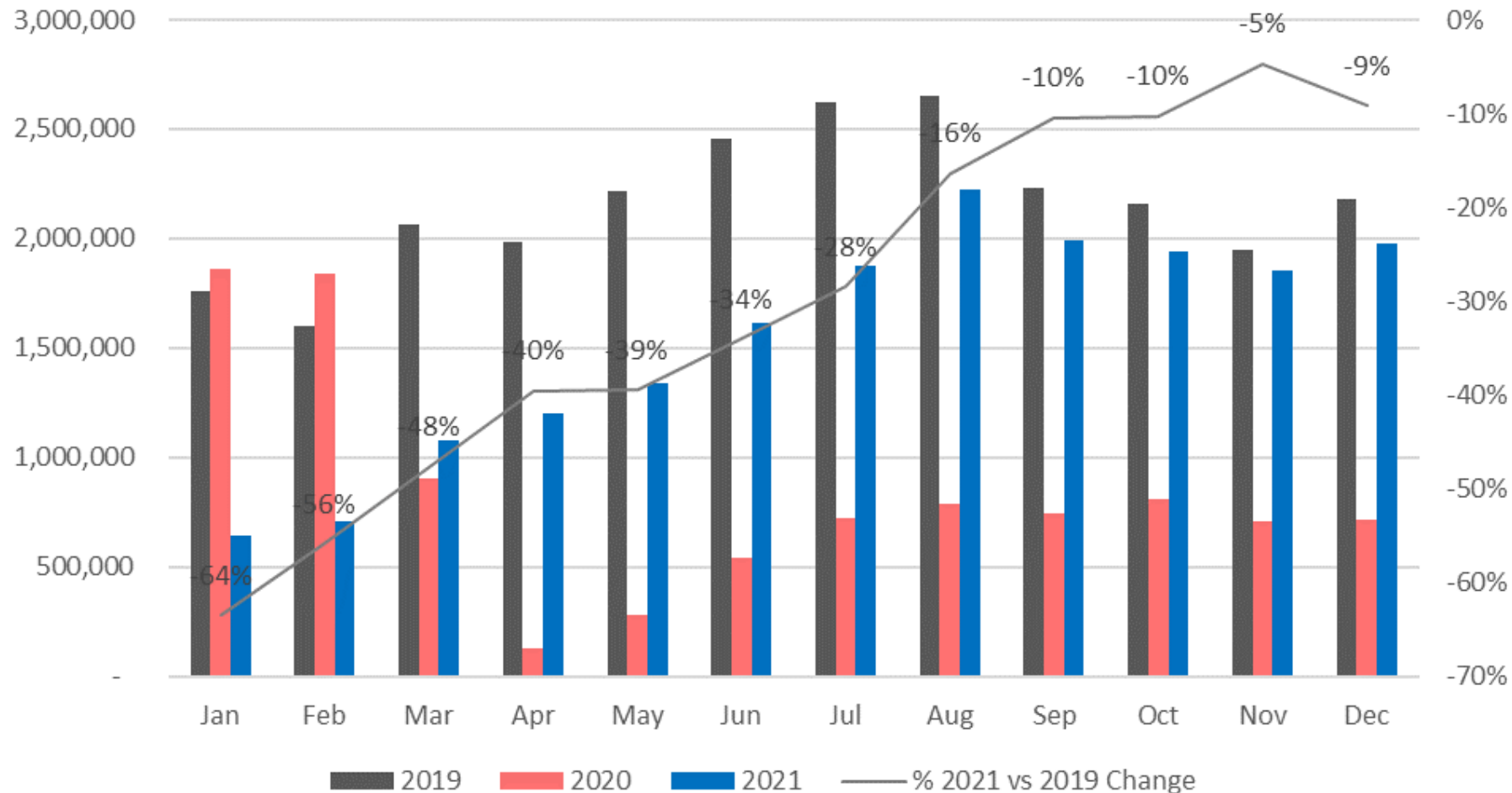


compared  
to 2019

**84% growth  
vs. 2020**



# Enplaned Passengers Comparison



**Recovering  
within 10% of  
2019 by  
September**

**29%**  
↓  
compared  
to 2019

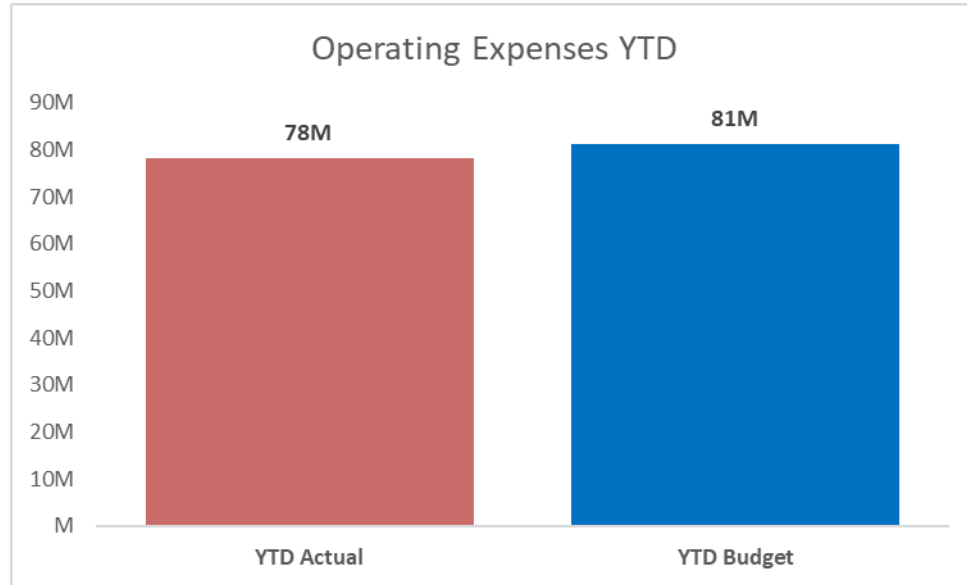
# Key to Financial Results: Increased Federal Relief

| <i>Figures in \$000s</i>          | <b>Forecast<br/>YE 2021</b> | <b>Budget<br/>YE 2021</b> | <b>Variance</b> |
|-----------------------------------|-----------------------------|---------------------------|-----------------|
| <b>Revenues</b>                   |                             |                           |                 |
| Aeronautical                      | 314,476                     | 386,668                   | (72,192)        |
| Non-Aeronautical                  | 171,312                     | 189,548                   | (18,236)        |
| <b>Total Revenues</b>             | <b>485,788</b>              | <b>576,215</b>            | <b>(90,428)</b> |
| <b>O&amp;M expense</b>            | <b>342,282</b>              | <b>339,908</b>            | <b>(2,374)</b>  |
| <b>NOI</b>                        | <b>143,506</b>              | <b>236,308</b>            | <b>(92,802)</b> |
| Federal Relief                    | 161,601                     | 37,899                    | 123,702         |
| Federal Relief (Concessions)      | 26,755                      |                           |                 |
| <b>NOI (After Federal Relief)</b> | <b>331,862</b>              | <b>274,207</b>            | <b>57,655</b>   |
| <b><u>Key Measures</u></b>        |                             |                           |                 |
| Non-Aero NOI (in \$000s)          | 90,892                      | 82,742                    | 8,150           |
| CPE (\$)                          | 15.26                       | 19.62                     | 4.35            |
| Debt Service Coverage             | 2.35                        | 1.36                      | 0.99            |
| <b><u>Other Information</u></b>   |                             |                           |                 |
| ADF Balance                       | 340.5M                      | 340.5M                    | -               |
| Capital Spending (in \$000s)      | 468,094                     | 491,202                   | 23,108          |

## Business Highlights

- Higher than expected passenger levels, new forecast is 29% lower than 2019
- Increased federal relief improves bottom line, helps customers:
  - \$37 million for CRRSAA
  - \$154 million for ARPA
  - \$27 million for tenant concessions relief (CRRSAA and ARPA)
  - Current plan: reserve \$75 million for 2022
- Planning for mid-year airline rate adjustment effective July 1

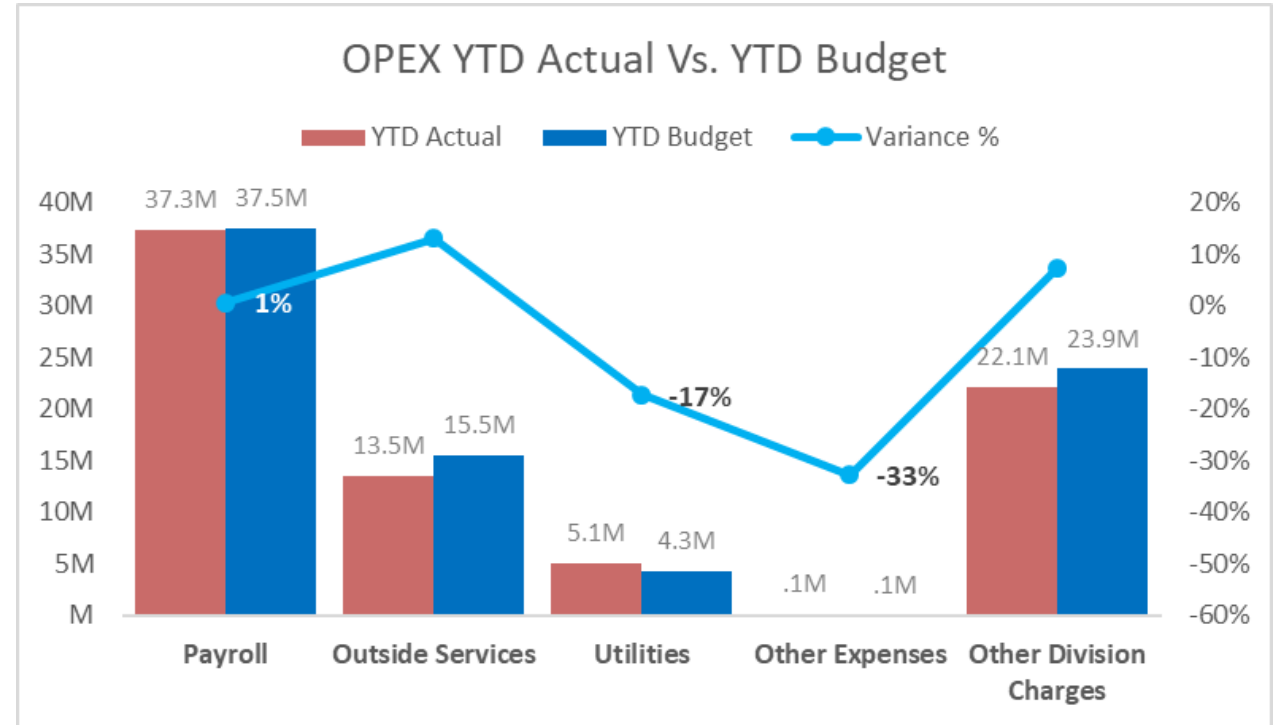
# Operating Expenses Summary (YTD)



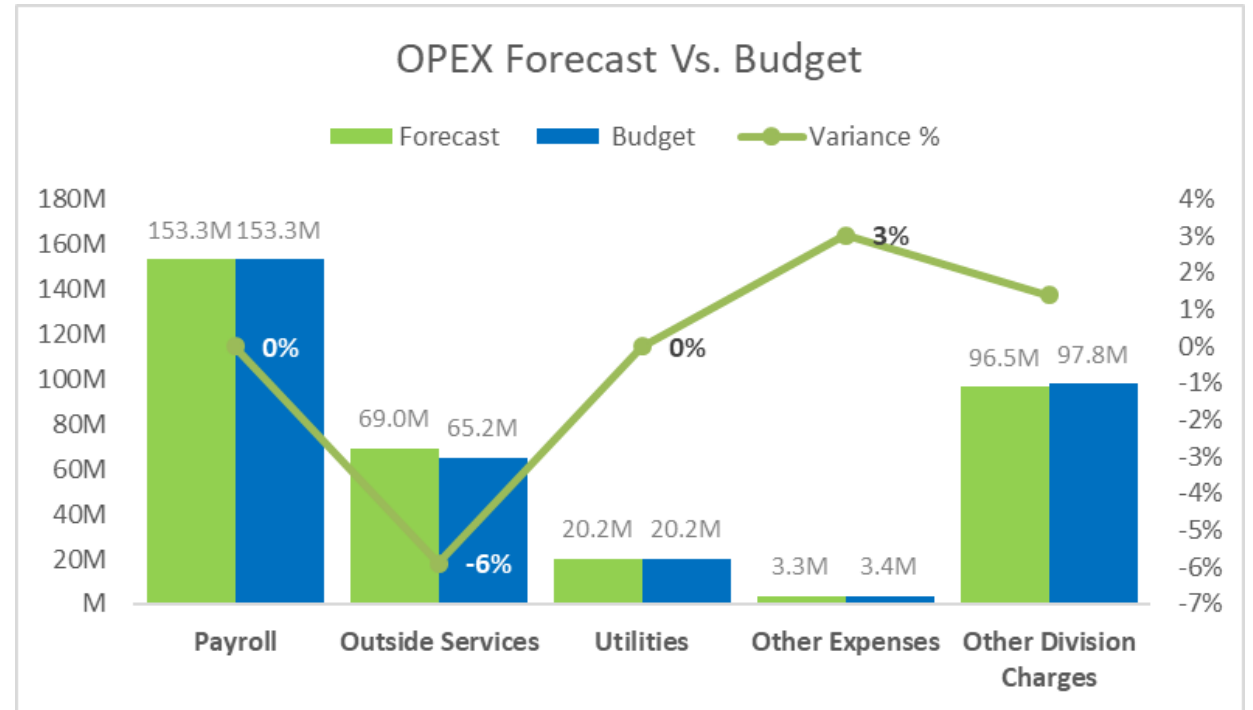
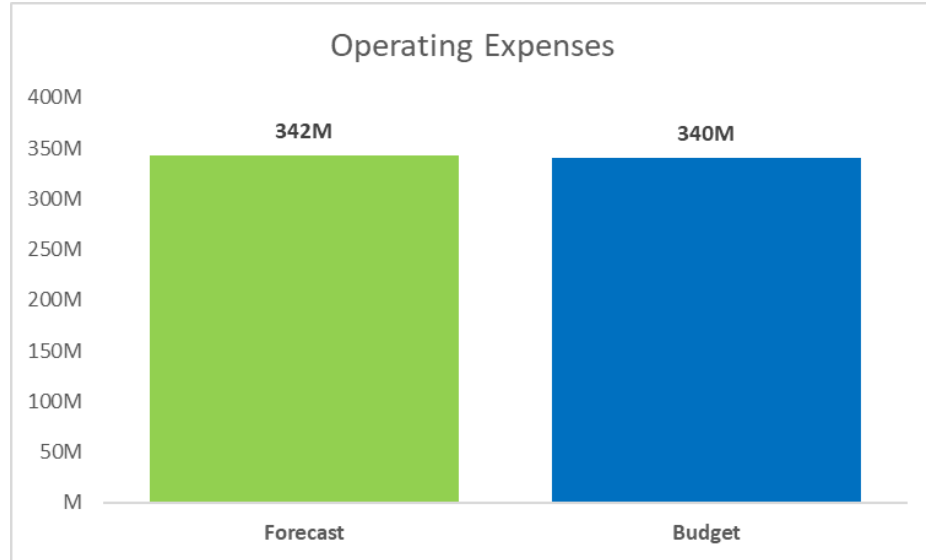
**\$3.2M or 3.9% Favorable**

## Major Drivers:

- **Underspend in Outside Services of \$2M** across multiple business areas - Commercial Management (208k), F&I and Capital Program (716k), PMG (629k), and Maintenance (933k).
- **Utilities over-run YTD** is due to a large ILA Surface Water Utility payment (637k) associated with the Interlocal Agreement with City of SeaTac paid in March, but the budget was spread evenly through the year instead.



# Operating Expenses Summary (Forecast)



**\$2.4M or <1% Unfavorable**

## Major Drivers:

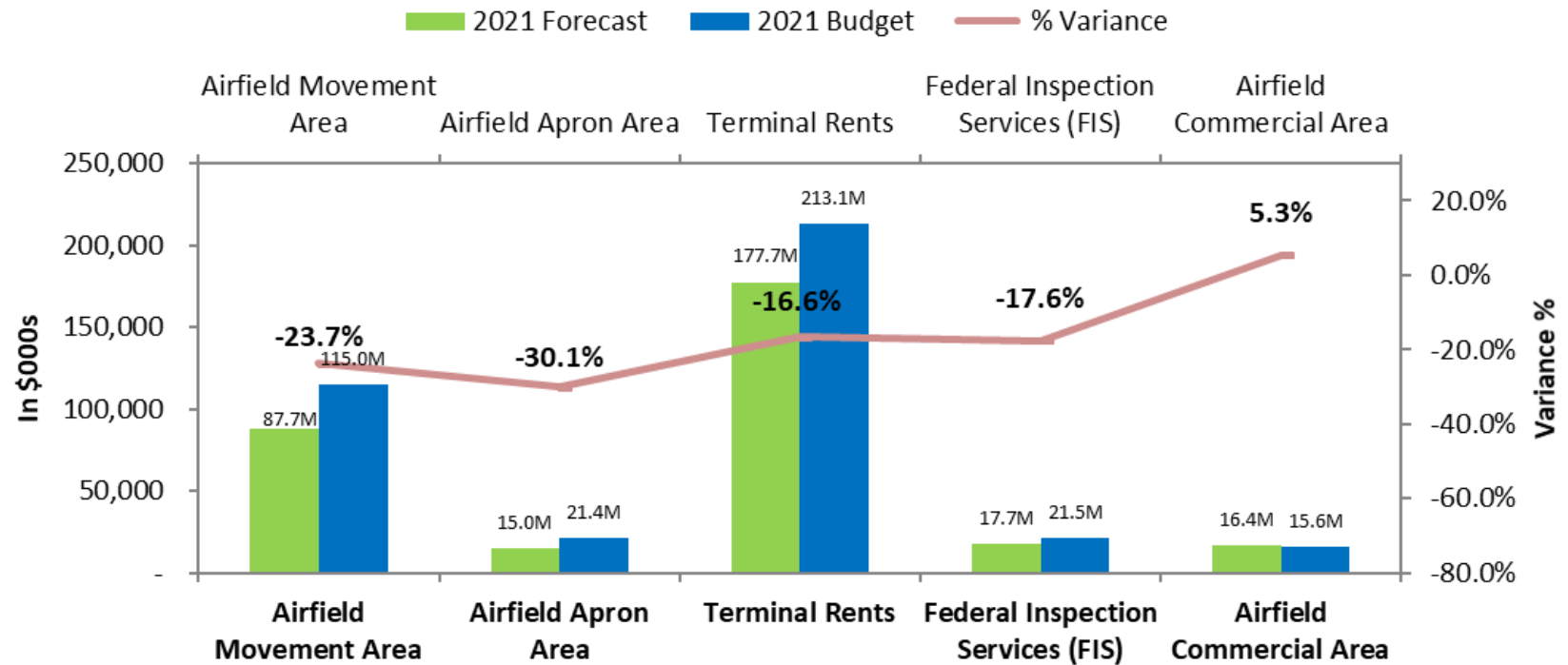
- Increase in **Outside Services of \$3.8M** driven partially by the Snow Removal (\$2.2M) in Airfield/Maintenance and emergency watermain repair (\$570K) in Q1, and projection for increased expenses in PMG Consultant Support for ADR and Tenants (\$634K).
- Increase above is projected to be partially **offset by savings from Other Divisions of \$1.4M**

# Aeronautical Revenue

Budget  
**\$387M**

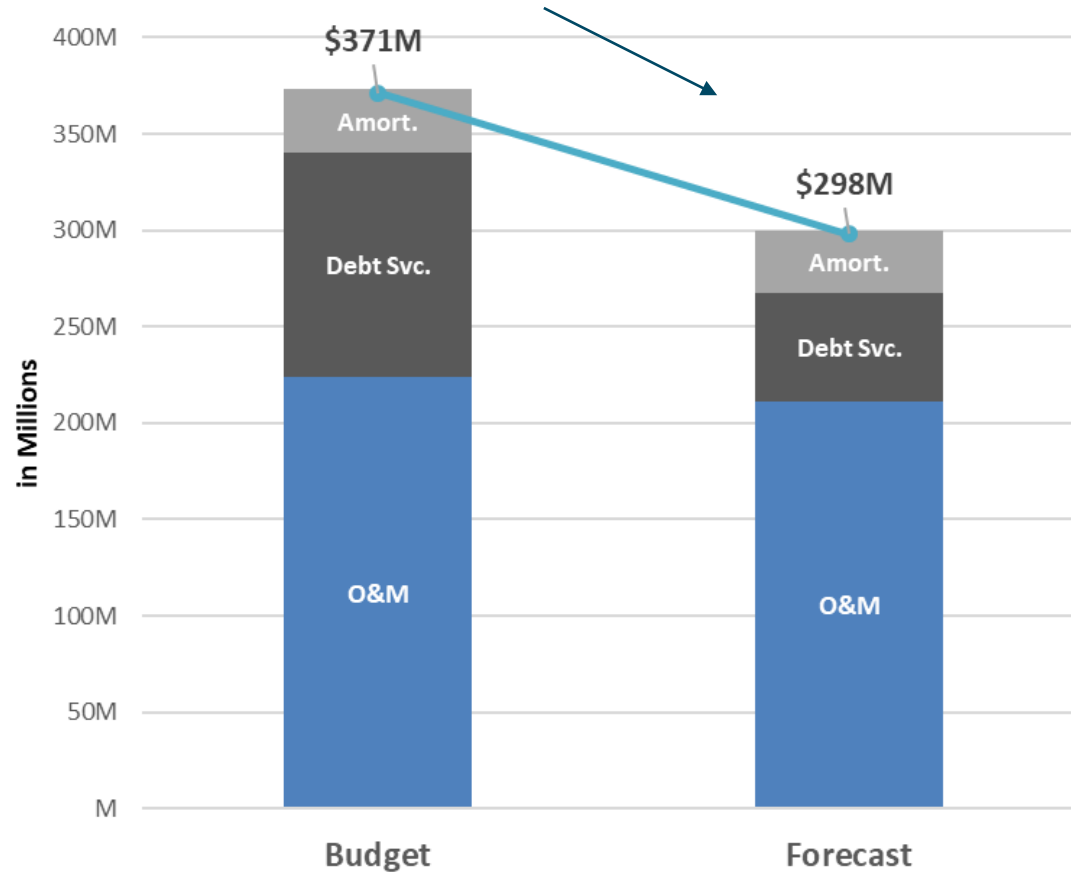
↓ 19%

Forecast  
**\$314M**



Applied **\$119.7M** of **Federal Relief** grants to offset revenue requirements (aka costs to recover from Airlines)

# Aero Rate Base Revenue Requirements



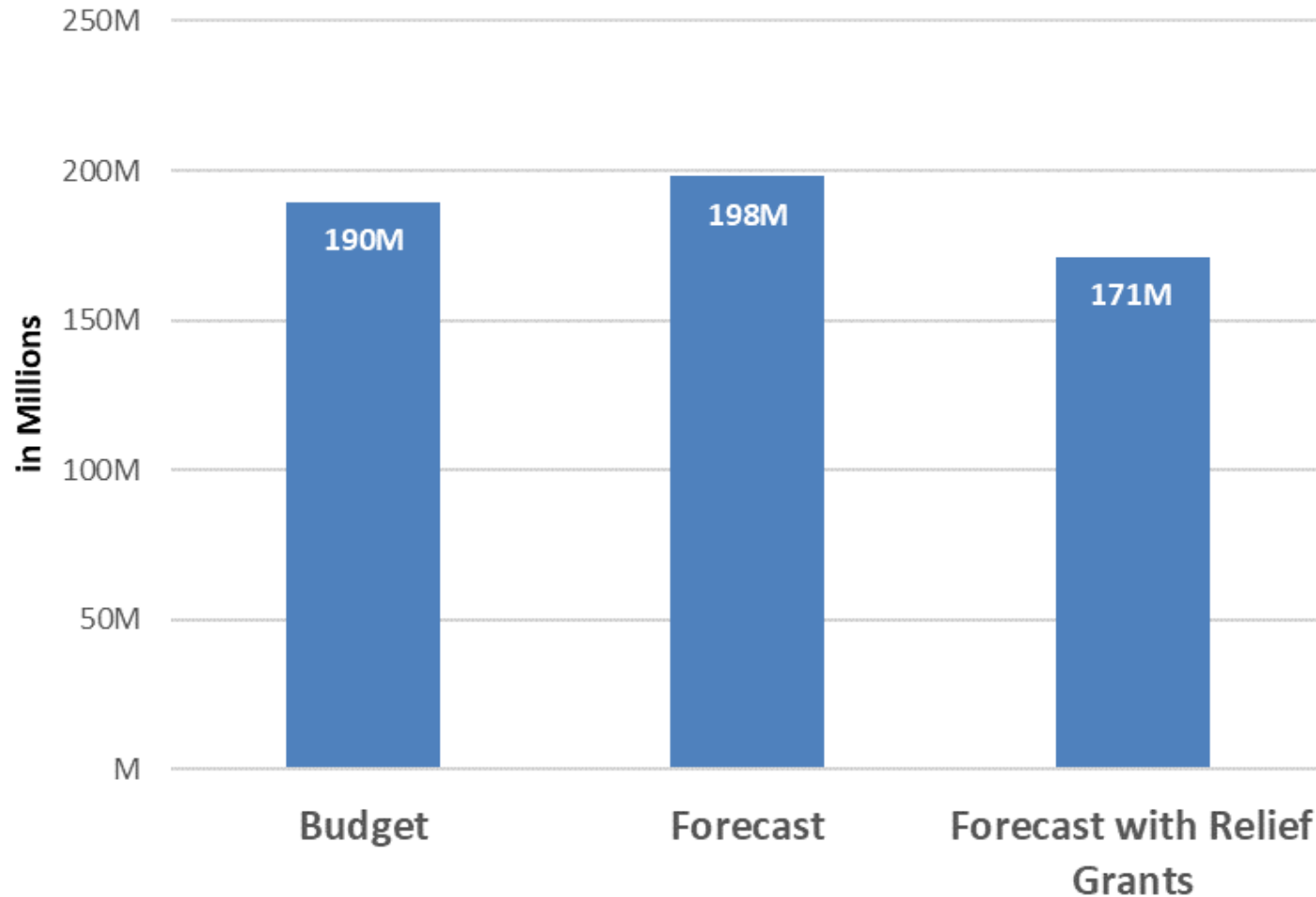
Forecasting Relief of **\$119.7M**  
**(CARES, CRRSAA & ARPA)**

Forecasted Relief  
**\$101.2M**  
to lower Debt  
Service

Forecasted Relief  
**\$18.4M**  
to lower O&M

\* Airfield Commercial is excluded from Aero Rate Base

# Non-Aero Revenue Concessions Grant Impact



Forecasted  
Concessionaire Relief  
Grants of **\$26.8M**

- CRRSAA Relief = \$ 5.3M
- ARPA Relief = \$21.5M

Federal concessionaire relief grants will be recognized as Non-operating Revenue (means lower operating revenue, but cash neutral)

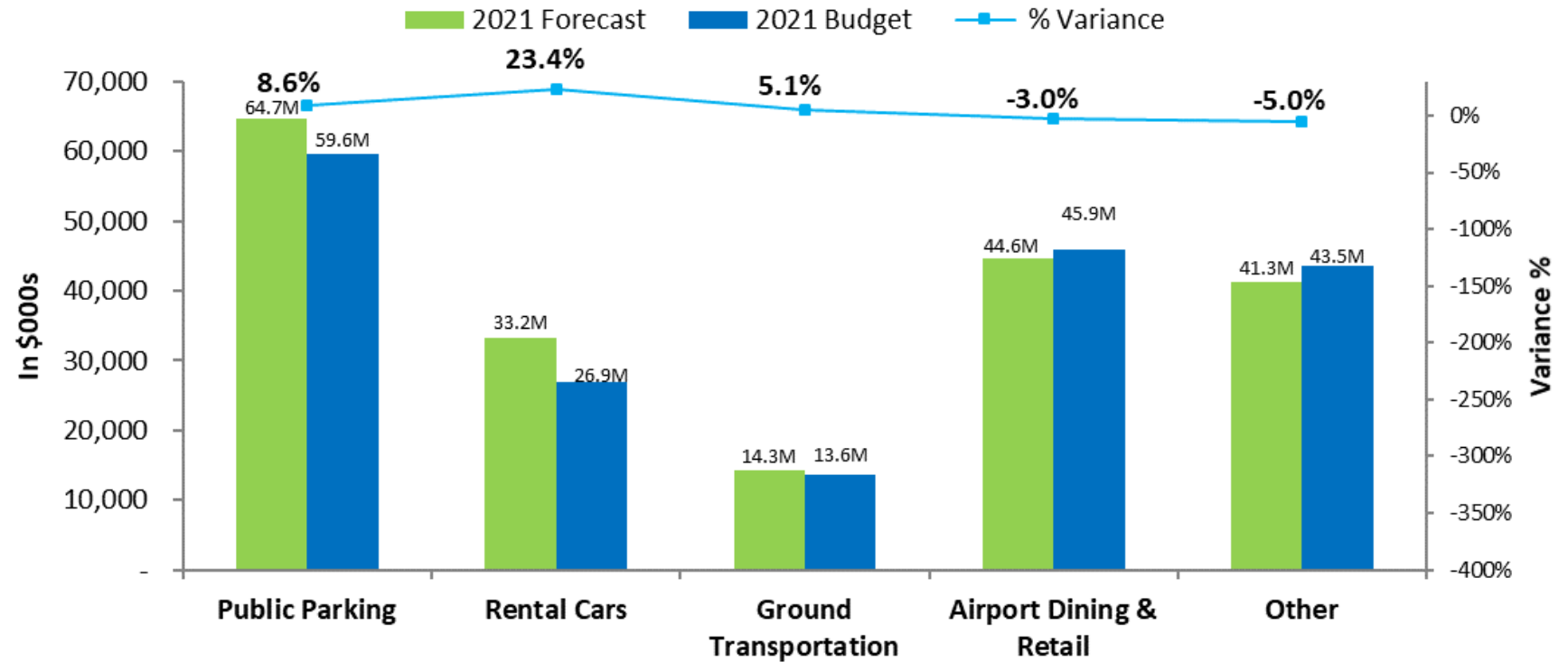
# Non-Aeronautical Revenues (before Relief Grants)

Most Non-Aero activity closely aligned with PAX volume recovery

Forecast  
**\$198M**

↑ 4.5%

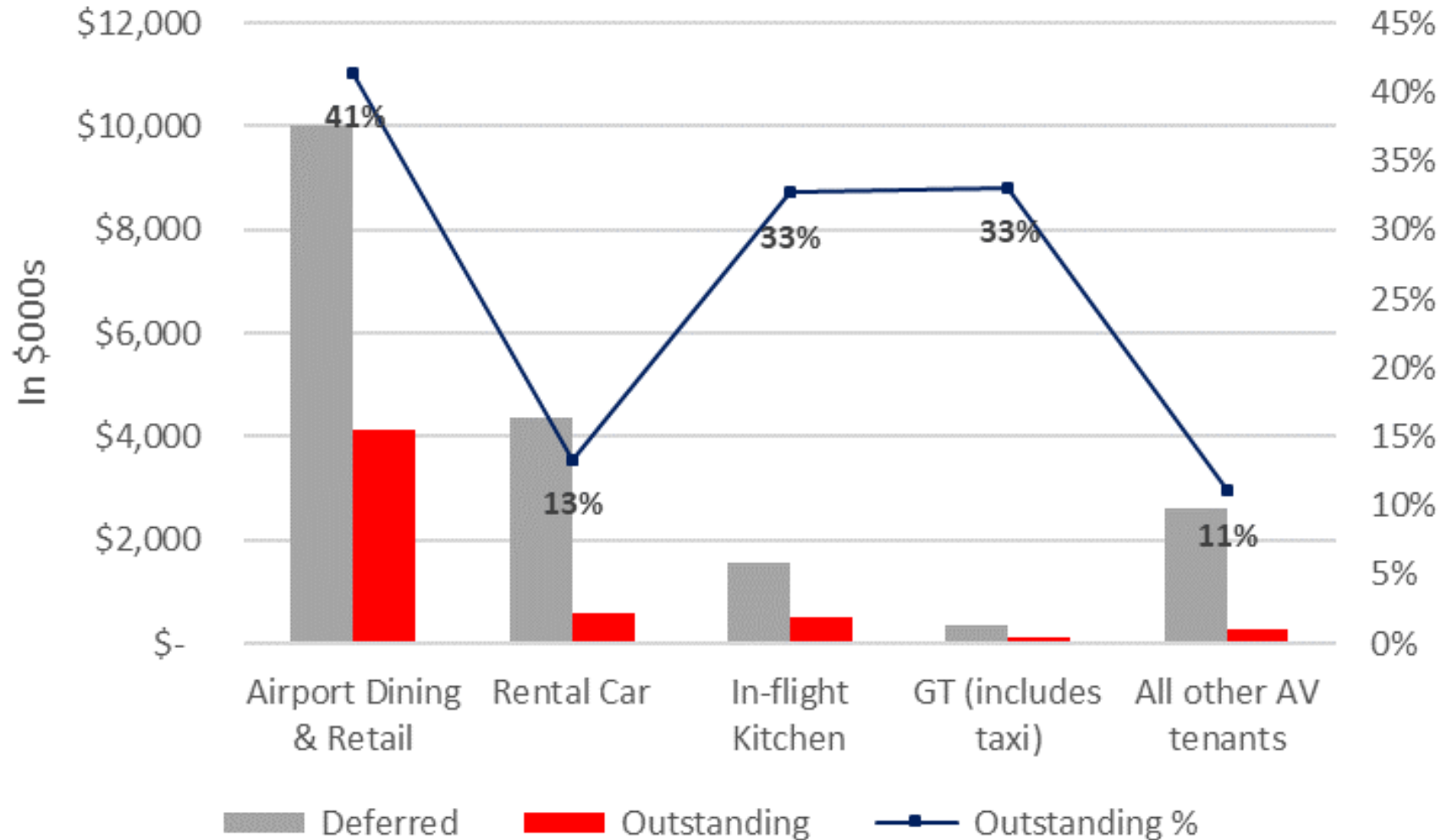
Budget  
**\$189.5M**



|                  | 2019<br>Actuals | 2020<br>Actuals | 2021<br>Forecast | 2021<br>Budget | % change<br>vs BUDGET |
|------------------|-----------------|-----------------|------------------|----------------|-----------------------|
| Enplanements     | 25,874          | 10,044          | 18,451           | 18,216         | 1.3%                  |
| O&D%             | 70.2%           | 64.0%           | 70.0%            | 68.0%          |                       |
| O&D Enplanements | 18,163          | 6,428           | 12,916           | 12,387         | 4.3%                  |



# Non-Aero Tenant Rent Deferred Status



**Status as of 4/22/2021:**

Total Non-Aero Rent  
Deferred = **\$18.9M**

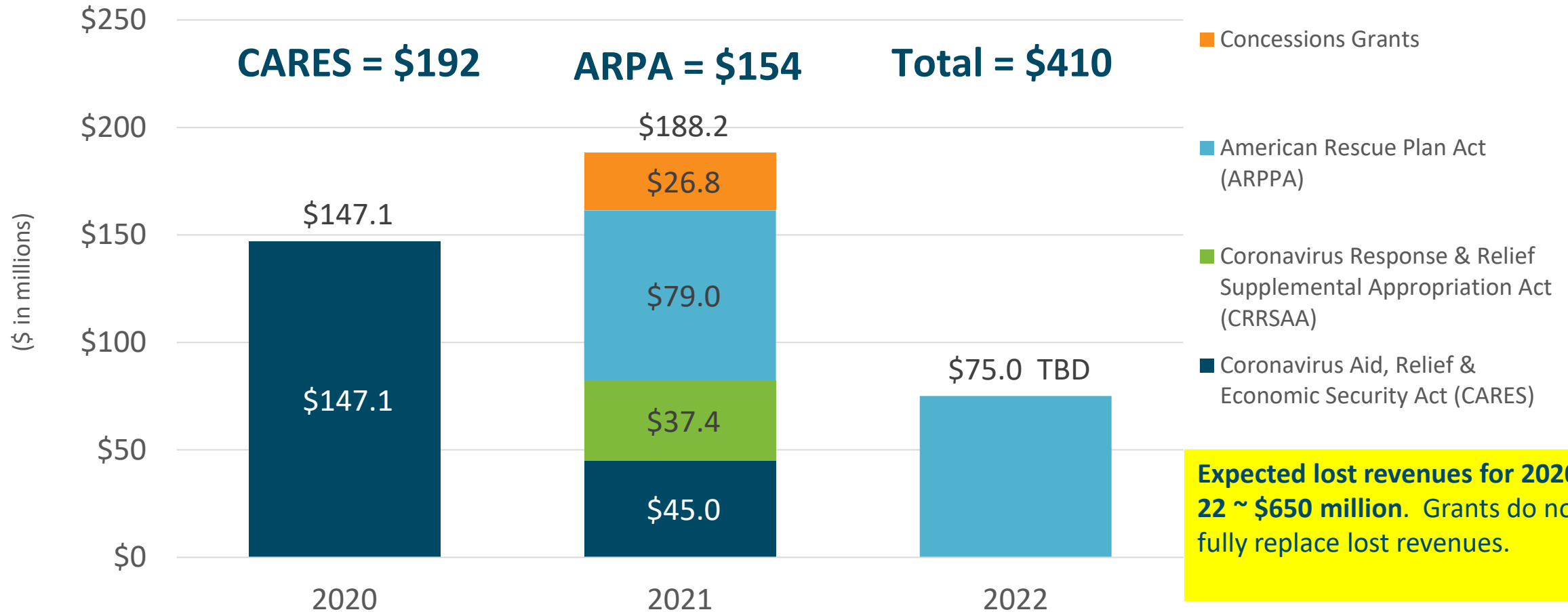
Total Outstanding =  
**\$5.6M or 30%**

# Strategic use of Federal Relief Grants to Achieve Debt Service Coverage Target

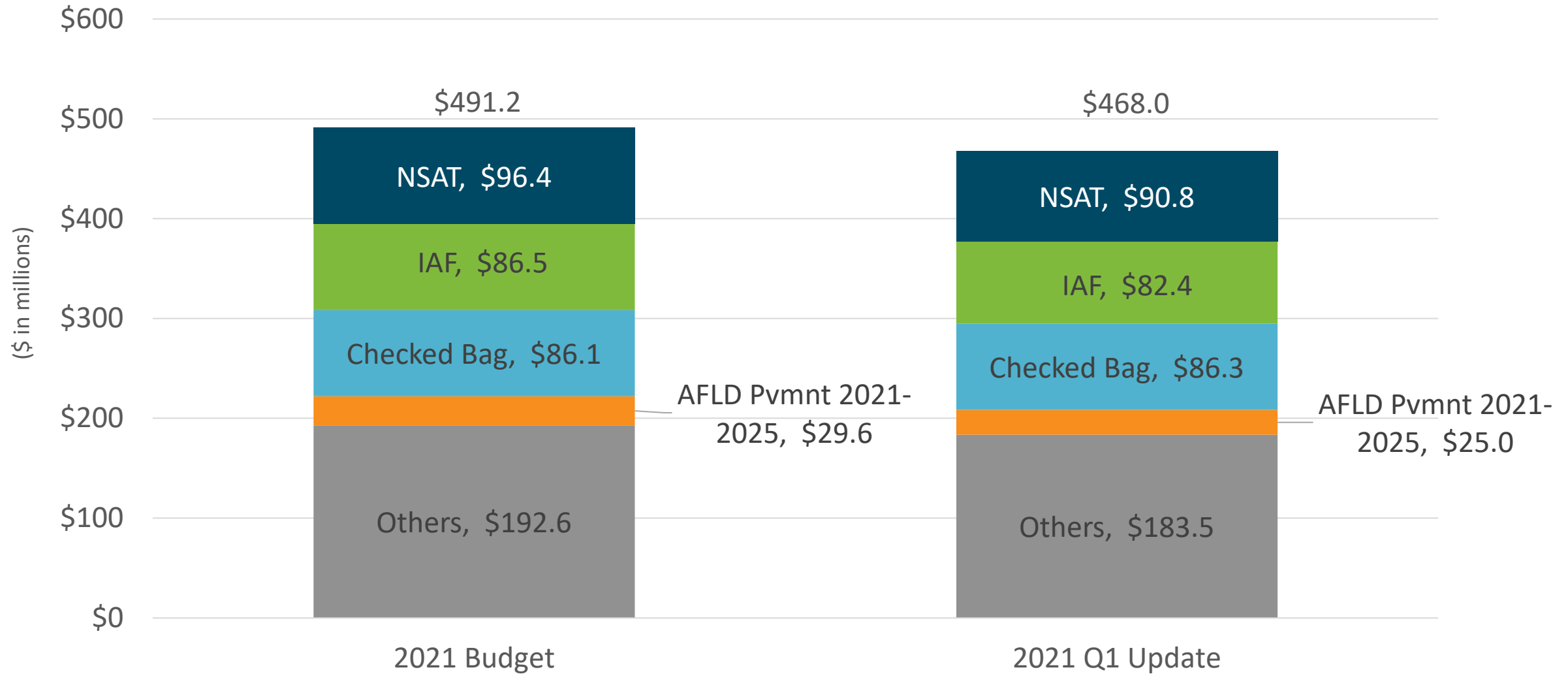
| in \$000's                        | 2020 Actual    | 2021 Budget    | 2021 Forecast  | Variance        |
|-----------------------------------|----------------|----------------|----------------|-----------------|
| <b>Revenues</b>                   |                |                |                |                 |
| Aero                              | 297,909        | 386,668        | 314,476        | (72,192)        |
| Non-aero                          | 116,473        | 189,548        | 171,312        | (18,236)        |
| Total Revenues                    | 414,382        | 576,216        | 485,788        | (90,428)        |
| <b>O&amp;M</b>                    | 329,680        | 339,908        | 342,282        | (2,374)         |
| <b>NOI</b>                        | 84,702         | 236,308        | 143,506        | (92,802)        |
| Federal Relief Grants Non-op      | 43,257         | 3,500          | 18,492         | 14,992          |
| Concession Rent Relief Grants     | -              | -              | 26,755         | 26,755          |
| Other net non-operating           | 5,604          | 2,542          | 2,543          | 1               |
| <b>Available for debt service</b> | <b>133,562</b> | <b>242,350</b> | <b>191,296</b> | <b>(51,054)</b> |
| <b>Debt Service</b>               |                |                |                |                 |
| Gross debt service (net of cap i) | 249,555        | 279,880        | 276,807        | 3,073           |
| CFC offset                        | (13,601)       | (19,159)       | (13,604)       | (5,556)         |
| PFC offset                        | (36,390)       | (47,549)       | (38,614)       | (8,935)         |
| Federal Relief Grants DS offset   | (103,891)      | (34,399)       | (143,342)      | 108,943         |
| <b>Net Debt Service</b>           | <b>95,673</b>  | <b>178,772</b> | <b>81,247</b>  | <b>(97,525)</b> |
| <b>Debt Service Coverage</b>      | 1.40           | 1.36           | 2.35           | 1.00            |
|                                   |                |                |                |                 |

- Reflects preliminary grant use plan
- Majority of federal relief used to pay debt service
- Costs paid by grants excluded from airline rate base, thus reducing Aero revenues
- Concessions rent relief grant is cash flow neutral (lower operating revenues, higher grant revenues).
- Debt service does not reflect 2021 bond issue and refunding.

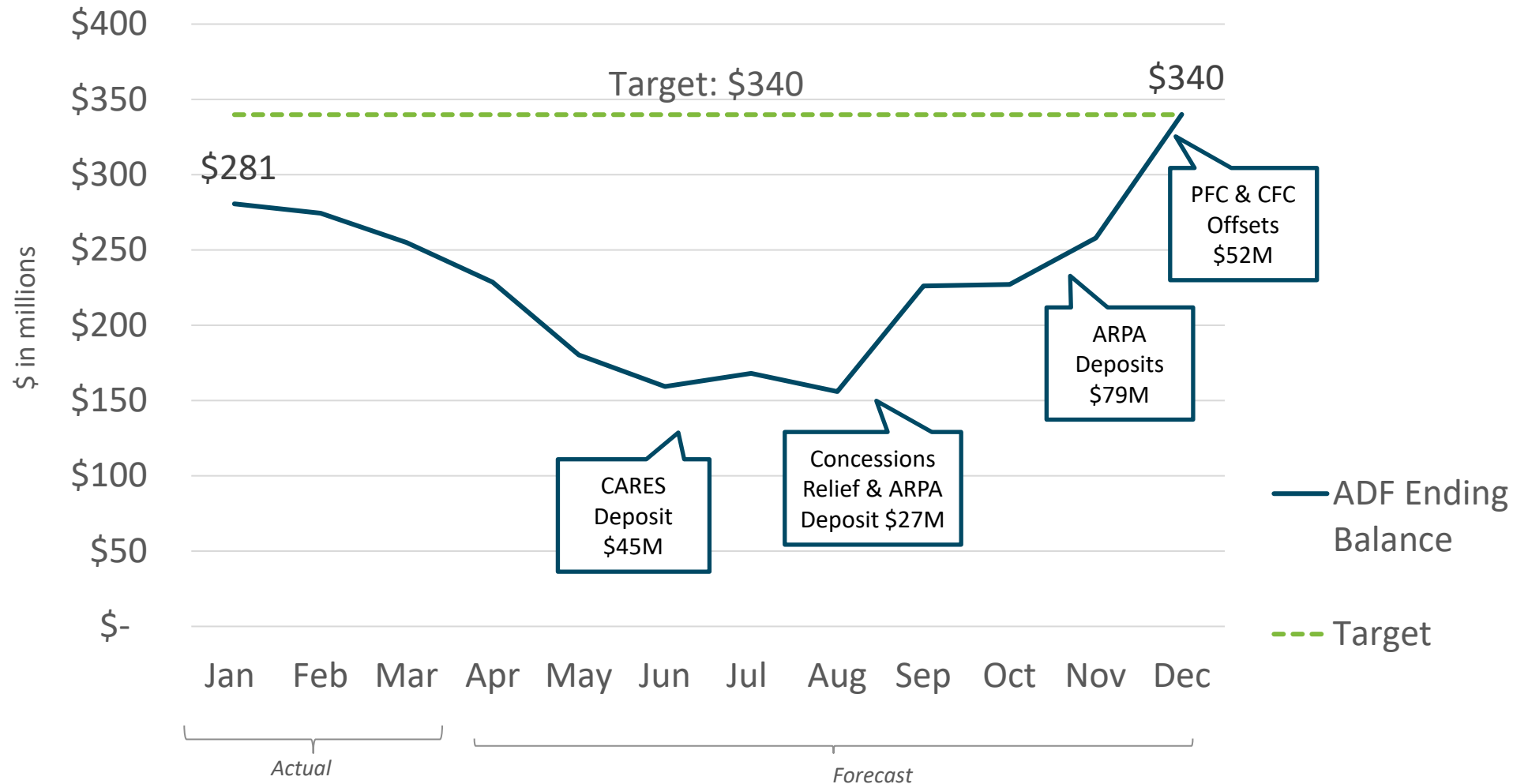
# Federal COVID Relief: CARES, CRRSAA & ARPA



# 2021 Capital Spending: 95% of Budget



# 2021 Airport Development Fund Balance



- Will use grants to achieve target of 12 months O&M balance
- Grant use plan impacts ADF balance:
  - Aero vs. Non-aero cost centers
  - 2021 vs. 2022

# Seaport

## Q1 2021 Financial Performance Report

# Seaport Performance Summary

|  | 2020 YTD      | 2021 YTD      | 2021 YTD      | Fav (UnFav)       |             | Incr (Decr)      |             | 2021          | 2021          | Fav (UnFav)     |            |
|--|---------------|---------------|---------------|-------------------|-------------|------------------|-------------|---------------|---------------|-----------------|------------|
|  | Actual        | Actual        | Budget        | Actual vs. Budget |             | Change from 2020 |             | Forecast      | Budget        | Fest vs. Budget |            |
| \$ in 000's                            |               |               |               | \$                | %           | \$               | %           |               |               | \$              | %          |
| <b>Revenues</b>                        |               |               |               |                   |             |                  |             |               |               |                 |            |
| Maritime                               | 9,340         | 9,539         | 10,370        | (831)             | -8%         | 199              | 2%          | 45,355        | 45,280        | 75              | 0%         |
| Economic Development Division          | 3,277         | 2,002         | 2,436         | (434)             | -18%        | (1,275)          | -39%        | 12,648        | 13,348        | (700)           | -5%        |
| Joint Venture                          | 10,599        | 10,988        | 10,206        | 781               | 8%          | 388              | 4%          | 40,824        | 40,824        | 0               | 0%         |
| <b>Total Revenue</b>                   | <b>23,217</b> | <b>22,529</b> | <b>23,012</b> | <b>(484)</b>      | <b>-2%</b>  | <b>(688)</b>     | <b>-3%</b>  | <b>98,827</b> | <b>99,452</b> | <b>(625)</b>    | <b>-1%</b> |
| <b>Expenses</b>                        |               |               |               |                   |             |                  |             |               |               |                 |            |
| Maritime                               | 11,661        | 10,937        | 13,080        | 2,143             | 16%         | (724)            | -6%         | 49,716        | 50,243        | 527             | 1%         |
| Economic Development Division          | 5,236         | 4,049         | 4,277         | 228               | 5%          | (1,187)          | -23%        | 20,966        | 21,413        | 447             | 2%         |
| Joint Venture                          | 692           | 693           | 836           | 143               | 17%         | 1                | 0%          | 1,377         | 1,377         | 0               | 0%         |
| <b>Total Expense</b>                   | <b>17,589</b> | <b>15,679</b> | <b>18,192</b> | <b>2,514</b>      | <b>14%</b>  | <b>(1,910)</b>   | <b>-11%</b> | <b>72,059</b> | <b>73,033</b> | <b>974</b>      | <b>1%</b>  |
| <b>NOI Before Stormwater Utility</b>   | <b>5,628</b>  | <b>6,850</b>  | <b>4,820</b>  | <b>2,030</b>      | <b>42%</b>  | <b>1,222</b>     | <b>22%</b>  | <b>26,768</b> | <b>26,419</b> | <b>349</b>      | <b>1%</b>  |
| Stormwater Utility Revenues            | 1,643         | 1,545         | 1,616         | (71)              | -4%         | (98)             | -6%         | 6,464         | 6,464         | 0               | 0%         |
| Stormwater Utility Expenses            | 1,064         | 1,123         | 1,457         | 334               | 23%         | 58               | 5%          | 5,211         | 5,211         | 0               | 0%         |
| <b>Stormwater Utility NOI</b>          | <b>578</b>    | <b>422</b>    | <b>159</b>    | <b>263</b>        | <b>165%</b> | <b>(156)</b>     | <b>-27%</b> | <b>1,253</b>  | <b>1,253</b>  | <b>0</b>        | <b>0%</b>  |
|  |               |               |               |                   |             |                  |             |               |               |                 |            |
| <b>Total Non-Aviation Business NOI</b> | <b>6,207</b>  | <b>7,272</b>  | <b>4,979</b>  | <b>2,293</b>      | <b>46%</b>  | <b>1,066</b>     | <b>17%</b>  | <b>28,021</b> | <b>27,672</b> | <b>349</b>      | <b>1%</b>  |

## YTD Budget Variance

- Timing of Cruise NCL Lease Payment (\$1M), lower Conference Revenue.
- Lower Maintenance and Conference expenses.

## Forecast Budget Variance

- Lower Conference & Parking Revenue, Higher Grain Revenue.
- Lower Conference and External Affairs expenses.

So Far Tracking to Budget

# Maritime Division

## Q1 2021 Financial Performance Report



# Maritime Division

## Financial Summary

| <i>Figure in \$000s</i>                     | <b>Forecast</b> | <b>Budget</b>  | <b>Variance</b> |
|---|-----------------|----------------|-----------------|
| <b>Revenues</b>                             |                 |                |                 |
| Fishing, Commercial, & Recreational Marinas | 21,559          | 21,559         | 0               |
| Cruise                                      | 8,558           | 8,558          | 0               |
| Maritime Portfolio Mgmt.                    | 10,034          | 10,259         | (225)           |
| Grain / Other                               | 5,203           | 4,903          | 300             |
| <b>Total</b>                                | <b>45,355</b>   | <b>45,280</b>  | <b>75</b>       |
| <b>O&amp;M Expense</b>                      |                 |                |                 |
| Direct                                      | 20,904          | 20,904         | 0               |
| Support Services                            | 14,828          | 15,028         | 200             |
| Central Services and Other                  | 13,984          | 14,311         | 327             |
| <b>Total</b>                                | <b>49,716</b>   | <b>50,243</b>  | <b>527</b>      |
| <b>NOI</b>                                  | <b>(4,361)</b>  | <b>(4,963)</b> | <b>602</b>      |
| <b>Capital Spending</b>                     | <b>21,279</b>   | <b>26,195</b>  | <b>4,916</b>    |

## Business Highlights

- Fishing, Commercial and Recreational Marinas remain stable. Potential upside with Recreational Boating demand.
- Timing & guidelines for Cruise season commencement to impact ~\$4.5M of variable revenue.
- Grain Volumes up 52% Y/Y.
- Completed all in-water work construction activities for T117 Restoration and Public Access.

# Maritime Q1 Financials

## Performing Better Than Expected

**Maritime YTD –Net Operating Income is \$1.3M favorable to budget and \$923K above 2020**

- Revenue is \$831K below budget. Would be ~\$200K favorable if not for timing of NCL payment. Grain Volumes favorable to budget. Increased grain revenue (+64%) over 2020 driving Y/Y growth, offset by shorter Ballard locks closure.
- Expenses \$2.1M (16%) favorable to budget driven by tenant improvements timing, utilities, and maintenance. Expenses down \$724K Y/Y from lower utilities and maintenance.
- YTD Q1 Capital spending was \$2.1M with forecasted spending at \$21.3M (81% of budget).

|                          | 2019 YTD | 2020 YTD | 2021 YTD | 2021 YTD | Fav (UnFav)<br>Actual vs. Budget<br>Variance |      | Incr (Decr)<br>Change from 2020 |     |
|--------------------------|----------|----------|----------|----------|--|------|---------------------------------|-----|
| \$ in 000's              | Actual   | Actual   | Actual   | Budget   | \$   | %    | \$                              | %   |
| Total Revenues           | 9,442    | 9,340    | 9,539    | 10,370   | (831)  | -8%  | 199                             | 2%  |
| Total Operating Expenses | 10,286   | 11,661   | 10,937   | 13,080   | 2,143  | 16%  | (724)                           | -6% |
| Net Operating Income     | (844)    | (2,321)  | (1,398)  | (2,710)  | 1,312  | 48%  | 923                             | 40% |
| Depreciation             | 4,509    | 4,395    | 4,464    | 4,043    | (421)  | -10% | 69                              | 2%  |
| Net Income               | (5,353)  | (6,715)  | (5,862)  | (6,753)  | 891  | 13%  | 853                             | 13% |

# Stormwater Utility Tracking to Budget

|                                | 2019 YTD     | 2020 YTD     | 2021 YTD     | 2021 YTD     | Fav (UnFav)        |              | Incr (Decr)          |             |
|--------------------------------|--------------|--------------|--------------|--------------|--------------------|--------------|----------------------|-------------|
|                                |              |              |              | Approved     | Actual vs. Revised |              | Change from 2020 YTD |             |
| \$ in 000's                    | Actual       | Actual       | Actual       | Budget       | \$                 | %            | \$                   | %           |
| <b>Revenue</b>                 |              |              |              |              |                    |              |                      |             |
| NWSA                           | 304          | 373          | 431          | 426          | 5                  | 1%           | 58                   | 16%         |
| Tenants Revenue                | 800          | 825          | 751          | 827          | (76)               | -9%          | (74)                 | -9%         |
| Port Non-tenants Revenue       | 335          | 445          | 363          | 363          | 0                  | 0%           | (82)                 | -18%        |
| <b>Total Revenues</b>          | <b>1,440</b> | <b>1,643</b> | <b>1,545</b> | <b>1,616</b> | <b>(71)</b>        | <b>-4%</b>   | <b>(98)</b>          | <b>-6%</b>  |
| <b>Expenses</b>                |              |              |              |              |                    |              |                      |             |
| SWU Direct                     | 195          | 259          | 291          | 335          | 44                 | 13%          | 32                   | 12%         |
| Maintenance Expenses           | 619          | 596          | 638          | 892          | 254                | 28%          | 41                   | 7%          |
| Seaport Project Management     | 4            | 193          | 1            | 4            | 3                  | 74%          | (192)                | -99%        |
| Environmental & Sustainability | 73           | 12           | 13           | 14           | 1                  | 8%           | 1                    | 6%          |
| Other Central Services         | 194          | 4            | 180          | 212          | 32                 | 15%          | 177                  | 4998%       |
| <b>Total Expenses</b>          | <b>1,084</b> | <b>1,064</b> | <b>1,123</b> | <b>1,457</b> | <b>334</b>         | <b>23%</b>   | <b>58</b>            | <b>5%</b>   |
| <b>NOI Before Depreciation</b> | <b>355</b>   | <b>578</b>   | <b>422</b>   | <b>159</b>   | <b>263</b>         | <b>165%</b>  | <b>(156)</b>         | <b>-27%</b> |
| Depreciation                   | 294          | 309          | 317          | 297          | (20)               | -7%          | 8                    | 3%          |
| <b>NOI After Depreciation</b>  | <b>62</b>    | <b>270</b>   | <b>105</b>   | <b>(138)</b> | <b>243</b>         | <b>-176%</b> | <b>(164)</b>         | <b>-61%</b> |

- Revenue under due to changes in tenant footprints.
- Expenses are under due to changes in maintenance allocation and COVID-19 impacts.

# Northwest Seaport Alliance Summary

| NWSA Operating Income<br><i>Before GASB 87 Adjustment</i> | 2020 YTD      | 2021 Year-to-Date |               | Fav (UnFav)     |                  | Incr (Decr) |           |
|---|---------------|-------------------|---------------|-----------------|------------------|-------------|-----------|
|   | Actual        | Actual            | Budget        | Budget Variance | Change from 2020 |             |           |
| \$ in 000's   |               |                   |               | \$              | %                | \$          | %         |
| Operating Revenue   | 45,660        | 43,848            | 46,047        | (2,199)         | -5%              | (1,812)     | -4%       |
| Operating Expense   | 20,249        | 17,809            | 22,428        | 4,619           | 21%              | (2,440)     | -12%      |
| <b>Operating Income</b>                                   | <b>25,411</b> | <b>26,039</b>     | <b>23,619</b> | <b>2,420</b>    | <b>10%</b>       | <b>628</b>  | <b>2%</b> |
| Cargo TEUs  | 788,882       | 881,794           |               |                 |                  | 92,912      | 12%       |
| Cargo Volume (Metric Tons)                                | 6,609,007     | 6,971,027         |               |                 |                  | 362,020     | 5%        |

*Note: GASB 87 Accounting impact and Non-Operating Totals available on NWSA Site*

**Revenue** – Q1 YTD \$2.2M below budget and lower than 2020 due to restructuring of the APL agreement. Absent the restructuring revenue would be higher than 2020 due to higher volumes.

**Operating Expenses** – Q1 YTD \$4.6M favorable to budget.

- Timing of rail incentives, project spending, and other outside services.
- Lower administrative costs from revision of service agreements.

## NWSA TEU Data

There was a total of 43 void sailings in Q1 2021. Robust volumes led to congestion in North American ports as shippers replenished inventories depleted by strong consumer demand. Due to COVID-19 restrictions, consumers continue to spend money on goods instead of services. Carriers voided port calls to improve schedule reliability and returned to Asia for more cargo, which led to a container shortage for exports. Shippers continue to diversify manufacturing and sourcing activities to SE Asia and other markets. NWSA total international TEUs are up 13.2% for Q1 2021 and total TEUs are up 11.8%.

## **Exports (YTD Feb 2021 vs. YTD Feb 2020):**

- Japan, China, South Korea, Taiwan, and Vietnam were our top trading partners.
- Japan, China, South Korea, Taiwan, and Vietnam declined 23.5%, 7.9%, 36.7%, 0.1%, and 15.5%, respectively. Total exports are down 20.5%.

## **Imports (YTD Feb 2021 vs. YTD Feb 2020):**

- China, Vietnam, Japan, South Korea, and Taiwan were our top trading partners.
- China, Vietnam and South Korea grew 35.7%, 25.1% and 28.8%, respectively, while Japan and Taiwan declined 26.4% and 3.2% respectively.

\*Exports and imports data source PIERS, full international

# Joint Venture Q1 Financials

|   | 2019 YTD      | 2020 YTD      | 2021 YTD      | 2021 YTD      | Fav (UnFav)<br>Actual vs. Revised<br>Budget Variance |             | Incr (Decr)<br>Change from 2020 |             | Total Year<br>Budget |
|---|---------------|---------------|---------------|---------------|--|-------------|---------------------------------|-------------|----------------------|
| \$ in 000's                                     | Actual        | Actual        | Actual        | Budget        | \$   | %           | \$                              | %           |                      |
| <b>Revenue</b>                                  |               |               |               |               |  |             |                                 |             |                      |
| Joint Venture Revenue                           | 12,986        | 10,730        | 11,343        | 10,568        | 775  | 7%          | 613                             | 6%          | 42,273               |
| Contra Joint Venture Revenue                    | -             | (478)         | (488)         | (488)         | 0  | 0%          | (10)                            | 2%          | (1,952)              |
| <b>Subtotal Distributable Revenue from NWSA</b> | <b>12,986</b> | <b>10,252</b> | <b>10,855</b> | <b>10,080</b> | <b>775</b>   | <b>8%</b>   |                                 |             | <b>40,321</b>        |
| Other Service Revenue Tenant Reimbursements     | -             | 165           | 66            | 126           | (60)   | -48%        | (99)                            | -60%        | 503                  |
| Port Revenue from NWSA Facilities               | -             | 183           | 67            | -             | 67   | NA          | (116)                           | -64%        | -                    |
| <b>Total Revenues</b>                           | <b>12,986</b> | <b>10,599</b> | <b>10,988</b> | <b>10,206</b> | <b>781</b>   | <b>8%</b>   | <b>388</b>                      | <b>4%</b>   | <b>40,824</b>        |
| <b>Expenses</b>                                 |               |               |               |               |  |             |                                 |             |                      |
| JV Direct                                       | (7)           | 46            | 127           | 45            | (82)   | -182%       | 80                              | 173%        | 180                  |
| Maintenance Expenses                            | 77            | 385           | 143           | 143           | 0  | 0%          | (242)                           | -63%        | 587                  |
| Seaport Project Management                      | 12            | 1             | 2             | 3             | 0  | 9%          | 2                               | 313%        | 10                   |
| Environmental & Sustainability                  | 12            | 2             | 50            | 83            | 33   | 40%         | 47                              | 2192%       | 333                  |
| Other Central Services                          | 31            | 19            | 60            | 63            | 3  | 4%          | 41                              | 216%        | 267                  |
|   |               |               |               |               | -  |             |                                 |             |                      |
| <b>Total Expenses</b>                           | <b>124</b>    | <b>453</b>    | <b>382</b>    | <b>337</b>    | <b>(45)</b>  | <b>-13%</b> | <b>(72)</b>                     | <b>-16%</b> | <b>1,377</b>         |
| <b>NOI Before Depreciation</b>                  | <b>12,862</b> | <b>10,146</b> | <b>10,606</b> | <b>9,870</b>  | <b>736</b>   | <b>7%</b>   | <b>460</b>                      | <b>5%</b>   | <b>39,447</b>        |
| Legacy Depreciation for NWSA Facilities         | 4,119         | 3,779         | 3,771         | 3,716         | (55)   | -1%         | (8)                             | 0%          | 15,162               |
| <b>NOI After Depreciation</b>                   | <b>8,744</b>  | <b>6,367</b>  | <b>6,835</b>  | <b>6,154</b>  | <b>681</b>   | <b>-11%</b> | <b>468</b>                      | <b>7%</b>   | <b>(24,284)</b>      |

## Home Port Activities

### Revenues:

- Joint Venture favorable to budget due to lower expenses at NWSA.
- Other Service Revenue below budget due to timing of tenant reimbursable Maintenance work.
- Port Revenue from NWSA Facilities– temporary moorage on the northwest face of T46.

### Expenses

- JV Direct – Unplanned small works at Terminal 30.

# Economic Development Division

## Q1 2021 Financial Performance Report

# Economic Development Division

## Financial Summary

| <i>Figure in \$000s</i>    | <b>Forecast</b> | <b>Budget</b>  | <b>Variance</b> |
|----------------------------|-----------------|----------------|-----------------|
| <b>Revenues</b>            | 12,648          | 13,348         | (700)           |
| <b>O&amp;M Expense</b>     |                 |                |                 |
| EDD & Maritime             | 9,891           | 10,591         | 700             |
| Maintenance                | 3,027           | 2,537          | (490)           |
| Diversity in Contracting   | 142             | 142            | 0               |
| Tourism                    | 2,481           | 2,481          | 0               |
| EDD Grants                 | 1,060           | 1,060          | 0               |
| Central Services and Other | 4,366           | 4,603          | 237             |
| <b>Total</b>               | <b>20,966</b>   | <b>21,413</b>  | <b>447</b>      |
| <b>NOI</b>                 | <b>(8,318)</b>  | <b>(8,065)</b> | <b>(253)</b>    |
| <b>Capital Spending</b>    | <b>4,604</b>    | <b>5,647</b>   | <b>1,043</b>    |

## Business Highlights

- Additional BHICC cancellations resulting in forecast reductions of \$600K in revenue and \$500K in expense.
- Lease revenue on target, parking revenue slightly below.
- **Rent Deferrals:**
  - 51 Applications
  - 37 Executed agreements
  - 19 Paid Off as of 3/31/21
  - 18 Currently in program
- Port hit 2020 WMBE Utilization (non-construction) goal: 16.6% actual vs. 14.4% goal.

# Economic Development Financial Highlights

## 2021 Q1 YTD Net Operating Income \$207K unfavorable to budget and \$88K lower than 2020

- Revenue unfavorable to budget by \$407K and \$1.2M lower than 2020 driven primarily by COVID-19 cancellations at the Conference and Event Centers.
- Expenses favorable to budget by \$228K driven by less conferences, timing of EDD Grant & Tourism Programs, offset by impact of Maintenance allocation change. Expenses are lower by \$1.2M Y/Y due to variable cost associated with lower Conference & Event Center volumes and reduced Central Service allocation expenses, offset by higher Maintenance costs.
- EDD spent 6% of Capital budget through Q1. The 2021 forecasted spending is \$4.5M (82% of budget).

|                          | 2019 YTD | 2020 YTD | 2021 YTD | 2021 YTD | Fav (UnFav)<br>Actual vs. Budget<br>Variance |      | Incr (Decr)<br>Change from 2020 |      |
|--------------------------|----------|----------|----------|----------|--|------|---------------------------------|------|
| \$ in 000's              | Actual   | Actual   | Actual   | Budget   | \$   | %    | \$                              | %    |
| Total Revenues           | 4,674    | 3,277    | 2,002    | 2,436    | (434)  | -18% | (1,275)                         | -39% |
| Total Operating Expenses | 5,862    | 5,236    | 4,049    | 4,277    | 228  | 5%   | (1,187)                         | -23% |
| Net Operating Income     | (1,187)  | (1,959)  | (2,047)  | (1,840)  | (207)  | -11% | (88)                            | -4%  |
| Depreciation             | 918      | 909      | 958      | 758      | (200)  | -26% | 49                              | 5%   |
| Net Income               | (2,105)  | (2,867)  | (3,005)  | (2,598)  | (407)  | -16% | (137)                           | -5%  |



# Central Services

## Q1 2021 Financial Performance Report

# Central Services

## Financial Summary

| <i>Figures in \$000s</i>      | 2021<br>Forecast | 2021<br>Budget | Fcst vs Bud<br>Variance |
|-------------------------------|------------------|----------------|-------------------------|
| <b>Revenues</b>               | <b>1,129</b>     | <b>181</b>     | <b>948</b>              |
| Core Central Support Services | 83,982           | 85,678         | 1,696                   |
| Police                        | 27,968           | 28,317         | 349                     |
| Engineering/PCS               | 9,680            | 9,199          | (481)                   |
| <b>O&amp;M Expenses</b>       | <b>121,629</b>   | <b>123,194</b> | <b>1,565</b>            |
| <b>Capital Spending</b>       | <b>8,714</b>     | <b>9,658</b>   | <b>944</b>              |

## Business Highlights

- Awarded **14 South King County Fund Environmental Grants** to the six Highline cities.
- Obtained the Commission approval for **Job and Economic Resource Center** as part of the Duwamish Valley Community Equity Program.
- The Port, City of Seattle, and Sound Transit agreed to **jointly fund \$1.7M** to support construction worker training, placement and other services.

# Central Services Financial Highlights

|                                 | 2019 YTD      | 2020 YTD      | 2021 YTD      | 2021 YTD      | Fav (UnFav)<br>Actual vs. Budget<br>Variance |                | Incr (Decr)<br>Change from 2020 |              |
|---------------------------------|---------------|---------------|---------------|---------------|--|----------------|---------------------------------|--------------|
| \$ in 000's                     | Actual        | Actual        | Actual        | Budget        | \$   | %              | \$                              | %            |
| <b>Total Operating Revenues</b> | <b>182</b>    | <b>907</b>    | <b>956</b>    | <b>45</b>     | <b>910</b>                                   | <b>2013.0%</b> | <b>49</b>                       | <b>5.4%</b>  |
| Core Central Support Services   | 17,445        | 19,359        | 18,743        | 20,382        | 1,639  | 8.0%           | (616)                           | -3.2%        |
| Police                          | 6,506         | 7,908         | 6,748         | 7,547         | 799  | 10.6%          | (1,160)                         | -14.7%       |
| Engineering/PCS                 | 2,083         | 2,158         | 1,965         | 2,175         | 210  | 9.7%           | (193)                           | -9.0%        |
| <b>Total Operating Expenses</b> | <b>26,034</b> | <b>29,425</b> | <b>27,455</b> | <b>30,104</b> | <b>2,649</b>                                 | <b>8.8%</b>    | <b>(1,970)</b>                  | <b>-6.7%</b> |

2021 YTD Total Operating Expenses are \$2.6M favorable to the budget due to:

- Delay in contract spending and delays in hiring vacant positions, partially offset by lower charges to Capital Projects.

2021 YTD Total Operating expenses are \$2.0M lower compared to 2020 due to:

- Lower payroll costs due to delays in hiring.
- Decrease in Outside Services costs YTD due to project delays in 2021.
- Lower Equipment spending due to slow start to PC Refresh.

# Port Wide

## Q1 2021 Financial Performance Report

# Port Wide Financial Summary

|                                 | 2019 YTD       | 2020 YTD       | 2021 YTD        | 2021 YTD       | Fav (UnFav)<br>Actual vs. Budget<br>Variance |                | Incr (Decr)<br>Change from 2020 |                |
|---------------------------------|----------------|----------------|-----------------|----------------|--|----------------|---------------------------------|----------------|
| \$ in 000's                     | Actual         | Actual         | Actual          | Budget         | \$   | %              | \$                              | %              |
| Aeronautical Revenues           | 83,674         | 86,284         | 61,313          | 80,938         | (19,625)                                     | -24.2%         | (24,971)                        | -28.9%         |
| Airport Non-Aero Revenues       | 55,996         | 49,956         | 26,930          | 35,085         | (8,154)                                      | -23.2%         | (23,025)                        | -46.1%         |
| Non-Airport Revenues            | 28,382         | 25,313         | 24,658          | 24,311         | 348  | 1.4%           | (655)                           | -2.6%          |
| <b>Total Operating Revenues</b> | <b>168,052</b> | <b>161,553</b> | <b>112,901</b>  | <b>140,333</b> | <b>(27,432)</b>                              | <b>-19.5%</b>  | <b>(48,652)</b>                 | <b>-30.1%</b>  |
| Total Operating Expenses        | 96,729         | 103,591        | 94,866          | 101,431        | 6,566  | 6.5%           | (8,726)                         | -8.4%          |
| <b>NOI before Depreciation</b>  | <b>71,323</b>  | <b>57,962</b>  | <b>18,036</b>   | <b>38,901</b>  | <b>(20,866)</b>                              | <b>-53.6%</b>  | <b>(39,926)</b>                 | <b>-68.9%</b>  |
| Depreciation                    | 41,038         | 43,728         | 44,829          | 40,209         | (4,621)                                      | -11.5%         | 1,101                           | 2.5%           |
| <b>NOI after Depreciation</b>   | <b>30,286</b>  | <b>14,233</b>  | <b>(26,794)</b> | <b>(1,307)</b> | <b>(25,486)</b>                              | <b>1949.7%</b> | <b>(41,027)</b>                 | <b>-288.2%</b> |

- Total Operating Revenues: \$27.4M unfavorable to the budget and \$48.7M lower than 2020.
- Total Operating Expenses: \$6.6M favorable to the budget and \$8.7M lower than 2020.
- NOI before Depreciation: \$20.9M unfavorable to the budget and \$39.9M lower than 2020.

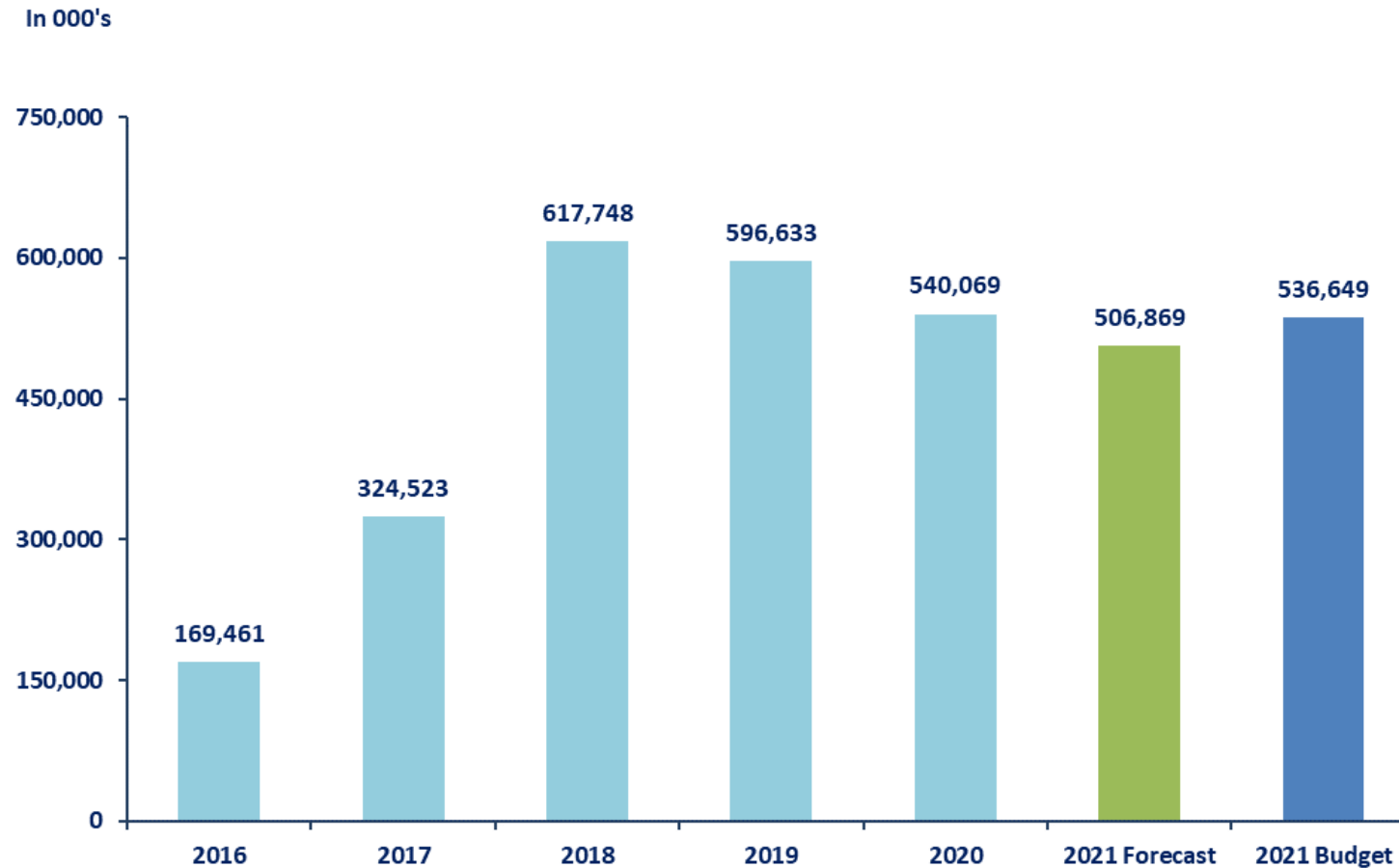
# Port Wide Financial Summary

|                                 | 2019           | 2020            | 2021            | 2021           | Fav (UnFav)<br>Fest vs. Budget<br>Variance |                | Incr (Decr)<br>Change from 2020 |               |
|---------------------------------|----------------|-----------------|-----------------|----------------|--|----------------|---------------------------------|---------------|
| \$ in 000's                     | Actual         | Actual          | Forecast        | Budget         | \$   | %              | \$                              | %             |
| Aeronautical Revenues           | 357,598        | 297,909         | 314,476         | 386,668        | (72,192)                                   | -18.7%         | 16,567                          | 5.6%          |
| Airport Non-Aero Revenues       | 269,037        | 116,473         | 171,312         | 189,548        | (18,236)                                   | -9.6%          | 54,839                          | 47.1%         |
| Non-Airport Revenues            | 137,538        | 96,446          | 104,968         | 104,645        | 323  | 0.3%           | 8,523                           | 8.8%          |
| <b>Total Operating Revenues</b> | <b>764,174</b> | <b>510,828</b>  | <b>590,756</b>  | <b>680,861</b> | <b>(90,104)</b>                            | <b>-13.2%</b>  | <b>79,928</b>                   | <b>15.6%</b>  |
| Total Operating Expenses        | 441,700        | 408,681         | 425,177         | 423,412        | (1,765)                                    | -0.4%          | 16,496                          | 4.0%          |
| <b>NOI before Depreciation</b>  | <b>322,474</b> | <b>102,147</b>  | <b>165,579</b>  | <b>257,448</b> | <b>(91,869)</b>                            | <b>-35.7%</b>  | <b>63,432</b>                   | <b>62.1%</b>  |
| Depreciation                    | 174,903        | 180,086         | 176,509         | 176,509        | -  | 0.0%           | (3,577)                         | -2.0%         |
| <b>NOI after Depreciation</b>   | <b>147,571</b> | <b>(77,939)</b> | <b>(10,930)</b> | <b>80,939</b>  | <b>(91,869)</b>                            | <b>-113.5%</b> | <b>67,009</b>                   | <b>-86.0%</b> |

1) 2021 Airport Non-Aero Revenues Forecast does not include the projected Federal Relief for Concessions of \$26.8M.

- Operating Revenues: \$90.1M unfavorable to the budget and \$79.9M higher than 2020. It's important to note that the federal relief helps offset \$119M of the Aeronautical revenues for 2021.
- Operating Expenses: \$1.8M unfavorable to the budget and \$16.5M higher than 2020 (It would have been \$700K lower than 2020 after adjusting a \$17.2M state pension credit in 2020).
- NOI before Depreciation: \$91.9M unfavorable to the budget and \$67.0M higher than 2020.

# Port Wide Capital Spending



- Total capital spending was \$98.8M in Q1.
- For the full year, total capital spending is expected to be \$506.9M, 94.5% of the budget.

# Aviation Division Appendix

## Q1 2021 Financial Performance Report



# Airport Activity

|  | YTD 2019 | YTD 2020 | YTD 2021 | % YTD Change<br>from 2020 |
|--|----------|----------|----------|---------------------------|
| <b>Total Passengers (000's)</b>            |          |          |          |                           |
| Domestic                                   | 9,658    | 8,205    | 4,662    | -43.2%                    |
| International                              | 1,207    | 1,004    | 205      | -79.5%                    |
| Total                                      | 10,865   | 9,209    | 4,868    | -47.1%                    |
| <b>Operations</b>                          | 100,740  | 99,983   | 75,878   | -24.1%                    |
| <b>Landed Weight (In Millions of lbs.)</b> |          |          |          |                           |
| Cargo                                      | 565      | 606      | 709      | 17.0%                     |
| All other                                  | 6,300    | 6,283    | 4,557    | -27.5%                    |
| Total                                      | 6,865    | 6,889    | 5,266    | -23.6%                    |
| <b>Cargo - Metric Tons</b>                 |          |          |          |                           |
| Domestic freight                           | 69,054   | 75,866   | 84,502   | 11.4%                     |
| International & Mail freight               | 29,423   | 25,795   | 25,223   | -2.2%                     |
| Total                                      | 98,477   | 101,661  | 109,725  | 7.9%                      |

| Passenger Activity |                        |                      |
|--------------------|------------------------|----------------------|
| Airline            | Change<br>2020 v. 2021 | 2021 Market<br>Share |
| Alaska             | 43.5%                  | 66.1%                |
| Delta              | -10.3%                 | 18.3%                |
| American           | 32.7%                  | 4.7%                 |
| Southwest          | 10.9%                  | 3.8%                 |
| United             | -11.4%                 | 3.3%                 |

## 2021 YTD Passenger volume:

- YTD passenger volume is 55.3% lower than Q1 2019 pre-pandemic levels, and 47.1% lower than Q1 2020. Enplanement recovering is building, and volumes are expected to be 29% lower than 2019 for full year 2020.

# Aviation Financial Summary

| Financial Summary<br>(\$ in 000's)    | 2019           | 2020           | 2021           | 2021           | Fav(UnFav)<br>Fest. vs. Budget<br>Variance |               | Incr/(Decr)<br>Change from 2020 |               |
|---------------------------------------|----------------|----------------|----------------|----------------|--|---------------|---------------------------------|---------------|
|                                       | Actual         | Actual         | Forecast       | Budget         | \$   | %             | \$                              | %             |
|                                       |                |                |                |                |  |               |                                 |               |
| <b>Operating Revenue</b>              |                |                |                |                |  |               |                                 |               |
| Aeronautical Revenues                 | 357,598        | 297,909        | 314,476        | 386,668        | (72,192)                                   | -18.7%        | 16,567                          | 5.6%          |
| Non-Aeronautical Revenues             | 269,037        | 116,473        | 171,312        | 189,548        | (18,236)                                   | -9.6%         | 54,839                          | 47.1%         |
| <b>Total Operating Revenues</b>       | <b>626,636</b> | <b>414,382</b> | <b>485,788</b> | <b>576,215</b> | <b>(90,428)</b>                            | <b>-15.7%</b> | <b>71,406</b>                   | <b>17.2%</b>  |
| <b>Total Operating Expenses</b>       | <b>355,245</b> | <b>329,680</b> | <b>342,282</b> | <b>339,908</b> | <b>(2,374)</b>                             | <b>-0.7%</b>  | <b>12,602</b>                   | <b>3.8%</b>   |
| <b>Net Operating Income</b>           | <b>271,390</b> | <b>84,702</b>  | <b>143,506</b> | <b>236,308</b> | <b>(92,802)</b>                            | <b>-39.3%</b> | <b>58,804</b>                   | <b>69.4%</b>  |
| Federal Relief                        |                | 147,148        | 161,601        | 37,899         | 123,702                                    | 326.4%        | 14,453                          | 9.8%          |
| Federal Relief (Concessions)          |                |                | 26,755         |                | 26,755                                     |               | 26,755                          |               |
| <b>NOI (After Federal Relief)</b>     | <b>271,390</b> | <b>231,850</b> | <b>331,862</b> | <b>274,207</b> | <b>57,655</b>                              | <b>21.0%</b>  | <b>100,012</b>                  | <b>43.1%</b>  |
| <b>CPE</b>                            | 12.86          | 26.50          | 15.26          | 19.62          | 4.35                                       | 0.22          | (11.24)                         | -42.4%        |
| <b>Non-Aero NOI (\$ in 000s)</b>      | 6,671          | 4,426          | 90,892         | 82,742         | 8,150                                      | 9.9%          | 86,466                          | 1953.6%       |
| <b>Enplaned passengers (in 000s)</b>  | 25,874         | 10,044         | 18,451         | 18,216         | 236  | 1.3%          | 8,408                           | 83.7%         |
| <b>Capital Expenditures (in 000s)</b> | <b>573,598</b> | <b>573,598</b> | <b>468,094</b> | <b>491,202</b> | <b>23,108</b>                              | <b>4.7%</b>   | <b>(105,504)</b>                | <b>-18.4%</b> |

# Key Performance Measures

|  | 2019     | 2020   | 2021     | 2021               | Fav(UnFav)<br>Fcst. vs. Budget<br>Variance |       | Incr/(Decr)<br>Change from 2020 |         |
|--|----------|--------|----------|--------------------|--|-------|---------------------------------|---------|
|  | Actual   | Actual | Forecast | Approved<br>Budget | \$   | %     | \$                              | %       |
| <b>Key Performance Metrics</b>             |          |        |          |                    |  |       |                                 |         |
| Cost per Enplanement (CPE)                 | 12.86    | 26.50  | 15.26    | 19.62              | 4.35                                       | 22.2% | (11.24)                         | -42.4%  |
| Non-Aeronautical NOI (in 000's)            | 143,917  | 6,671  | 90,892   | 82,742             | 8,150                                      | 9.9%  | 84,221                          | 1262.6% |
| <b>Other Performance Metrics</b>           |          |        |          |                    |  |       |                                 |         |
| O&M Cost per Enplanement                   | 6.86     | 16.41  | 9.28     | 9.33               | 0.05                                       | 0.6%  | (7.14)                          | -43.5%  |
| Non-Aero Revenue per Enplanement           | 5.20     | 5.80   | 5.37     | 5.20               | 0.16                                       | 3.2%  | (0.43)                          | -7.4%   |
| Debt per Enplanement (in \$)               | 66       | 163    | 84       | 85                 | 1  | 1.3%  | (79)                            | -48.4%  |
| Debt Service Coverage                      | 1.68     | 1.40   | 2.35     | 1.36               | 0.99                                       | 73.4% | 0.95                            | 67.9%   |
| Days cash on hand (10 months = 304 days)   | 314      | 327    | 363      | 369                | -6   | -1.6% | 36                              | 11.2%   |
| Aeronautical Revenue Sharing (\$ in 000's) | (17,146) | 1      | -        | -                  | -  | 0.0%  | (1)                             | 100.0%  |
| <b>Activity (in 000's)</b>                 |          |        |          |                    |  |       |                                 |         |
| Enplanements                               | 25,874   | 10,044 | 18,451   | 18,216             | 236  | 1.3%  | 8,408                           | 83.7%   |
| Total Passengers                           | 51,748   | 20,087 | 36,903   | 36,432             | 471  | 1.3%  | 16,815                          | 83.7%   |

# Aviation Expense YTD Summary

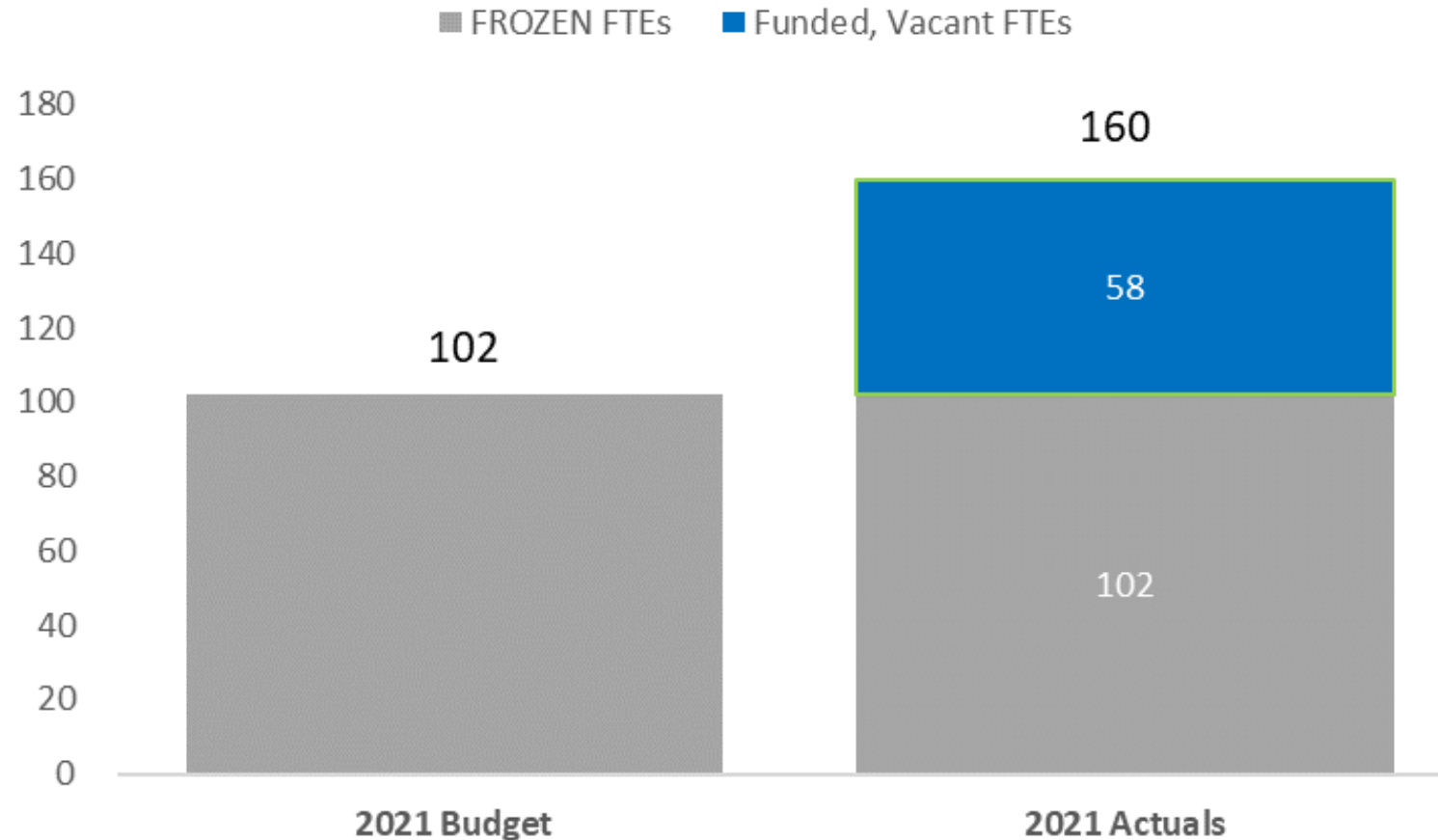
| Total Airport Expense Summary<br>(\$ in 000's) | 2019 YTD      | 2020 YTD      | 2021 YTD      | 2021 YTD      | Fav(UnFav)<br>Actual vs. Budget<br>Variance |             | Incr/(Decr)<br>Change from 2020 |              |
|--|---------------|---------------|---------------|---------------|---|-------------|---------------------------------|--------------|
|  | Actual        | Actual        | Actual        | Budget        | \$  | %           | \$                              | %            |
| <b>Operating Expenses</b>                      |               |               |               |               |   |             |                                 |              |
| Payroll  | 35,372        | 39,071        | 37,305        | 37,513        | 208   | 0.6%        | (1,766)                         | -4.5%        |
| Outside Services                               | 12,737        | 14,011        | 13,477        | 15,498        | 2,022                                       | 13.0%       | (534)                           | -3.8%        |
| Utilities                                      | 4,656         | 4,884         | 5,060         | 4,312         | (748)                                       | -17.3%      | 175                             | 3.6%         |
| Other Expenses                                 | 5,406         | 3,061         | 24            | 74            | 51  | 68.2%       | (3,037)                         | -99.2%       |
| <b>Total Airport Direct Charges</b>            | <b>58,171</b> | <b>61,027</b> | <b>55,865</b> | <b>57,397</b> | <b>1,532</b>                                | <b>2.7%</b> | <b>(5,162)</b>                  | <b>-8.5%</b> |
| Environmental Remediation Liability            | -             | -             | -             | -             | -   |             | -                               |              |
| Capital to Expense                             | 72            | -             | 75            | -             | (75)  |             | 75                              |              |
| <b>Total Exceptions</b>                        | <b>72</b>     | <b>-</b>      | <b>75</b>     | <b>-</b>      | <b>(75)</b>                                 |             | <b>75</b>                       |              |
| <b>Total Airport Expenses</b>                  | <b>58,243</b> | <b>61,027</b> | <b>55,940</b> | <b>57,397</b> | <b>1,457</b>                                | <b>2.5%</b> | <b>(5,087)</b>                  | <b>-8.3%</b> |
| Corporate                                      | 15,030        | 16,791        | 15,891        | 16,625        | 734   | 4.4%        | (900)                           | -5.4%        |
| Police   | 5,182         | 6,509         | 5,537         | 6,389         | 852   | 13.3%       | (972)                           | -14.9%       |
| Maritime/Economic Development/Other            | 761           | 838           | 720           | 865           | 146   | 16.8%       | (119)                           | -14.2%       |
| <b>Total Charges from Other Divisions</b>      | <b>20,973</b> | <b>24,139</b> | <b>22,148</b> | <b>23,880</b> | <b>1,731</b>                                | <b>7.3%</b> | <b>(1,991)</b>                  | <b>-8.2%</b> |
| <b>Total Operating Expenses</b>                | <b>79,216</b> | <b>85,166</b> | <b>78,088</b> | <b>81,277</b> | <b>3,189</b>                                | <b>3.9%</b> | <b>(7,078)</b>                  | <b>-8.3%</b> |

# Aviation Expense YE Summary

| Total Airport Expense Summary<br>(\$ in 000's) | 2019           | 2020           | 2021           | 2021           | Fav(UnFav)<br>Fcst. vs. Budget<br>Variance |               | Incr/(Decr)<br>Change from 2020 |               |
|--|----------------|----------------|----------------|----------------|--|---------------|---------------------------------|---------------|
|  | Actual         | Actual         | Forecast       | Budget         | \$   | %             | \$                              | %             |
| <b>Operating Expenses</b>                      |                |                |                |                |  |               |                                 |               |
| Payroll  | 144,051        | 152,895        | 153,293        | 153,293        | -  | 0.0%          | 398                             | 0.3%          |
| Outside Services                               | 68,162         | 63,922         | 69,015         | 65,174         | (3,841)                                    | -5.9%         | 5,093                           | 8.0%          |
| Utilities                                      | 18,180         | 15,695         | 20,244         | 20,244         | -  | 0.0%          | 4,549                           | 29.0%         |
| Other Expenses                                 | 14,721         | 3,341          | 814            | 1,359          | 545  | 40.1%         | (2,527)                         | -75.6%        |
| <b>Total Airport Direct Charges</b>            | <b>245,114</b> | <b>235,854</b> | <b>243,366</b> | <b>240,071</b> | <b>(3,295)</b>                             | <b>-1.4%</b>  | <b>7,512</b>                    | <b>3.2%</b>   |
| Environmental Remediation Liability            | 15,900         | (2,361)        | 2,162          | 2,001          | (161)                                      | -8.0%         | 4,523                           | -191.6%       |
| Capital to Expense                             | 2,089          | 2,588          | 283            | -              | (283)                                      |               | (2,305)                         | -89.1%        |
| <b>Total Exceptions</b>                        | <b>17,989</b>  | <b>227</b>     | <b>2,445</b>   | <b>2,001</b>   | <b>(444)</b>                               | <b>-22.2%</b> | <b>2,218</b>                    | <b>978.2%</b> |
| <b>Total Airport Expenses</b>                  | <b>263,104</b> | <b>236,081</b> | <b>245,811</b> | <b>242,072</b> | <b>(3,739)</b>                             | <b>-1.5%</b>  | <b>9,730</b>                    | <b>4.1%</b>   |
| Corporate                                      | 65,729         | 68,316         | 68,402         | 69,767         | 1,365                                      | 2.0%          | 87                              | 0.1%          |
| Police   | 22,290         | 22,150         | 23,964         | 23,964         | -  | 0.0%          | 1,814                           | 8.2%          |
| Maritime/Economic Development/Other            | 4,123          | 3,134          | 4,105          | 4,105          | -  | 0.0%          | 971                             | 31.0%         |
| <b>Total Charges from Other Divisions</b>      | <b>92,141</b>  | <b>93,599</b>  | <b>96,471</b>  | <b>97,836</b>  | <b>1,365</b>                               | <b>1.4%</b>   | <b>2,872</b>                    | <b>3.1%</b>   |
| <b>Total Operating Expenses</b>                | <b>355,245</b> | <b>329,680</b> | <b>342,282</b> | <b>339,908</b> | <b>(2,374)</b>                             | <b>-0.7%</b>  | <b>12,602</b>                   | <b>3.8%</b>   |

# Aviation Total Vacant FTEs

## as of 4/23/2021



**Managing vacancies key to managing costs.** Payroll cost is largest expense category.

**58 vacant and funded** positions as of 4/23/21 in various stages of hiring.

**102 FROZEN positions** – not funded in the 2021 Budget.

# Aeronautical Business YTD

| Aeronautical NOI<br>(\$ in 000's)      | 2019 YTD      | 2020 YTD      | 2021 YTD      | 2021 YTD      | Fav(UnFav)<br>Actual vs. Budget<br>Variance |               | Incr/(Decr)<br>Change from 2020 |               |
|--|---------------|---------------|---------------|---------------|---|---------------|---------------------------------|---------------|
|  | Actual        | Actual        | Actual        | Budget        | \$  | %             | \$                              | %             |
| <b>Rate Base Revenues</b>              |               |               |               |               |   |               |                                 |               |
| Airfield Movement Area                 | 28,300        | 25,223        | 15,396        | 20,399        | (5,003)                                     | -24.5%        | (9,827)                         | -39.0%        |
| Airfield Apron Area                    | 4,706         | 5,360         | 4,302         | 4,225         | 77  | 1.8%          | (1,057)                         | -19.7%        |
| Terminal Rents                         | 48,570        | 47,756        | 35,605        | 48,679        | (13,074)                                    | -26.9%        | (12,151)                        | -25.4%        |
| Federal Inspection Services (FIS)      | 3,267         | 4,019         | 1,869         | 3,769         | (1,901)                                     | -50.4%        | (2,150)                         | -53.5%        |
| <b>Total Rate Base Revenues</b>        | <b>84,843</b> | <b>82,357</b> | <b>57,172</b> | <b>77,073</b> | <b>(19,901)</b>                             | <b>-25.8%</b> | <b>(25,185)</b>                 | <b>-30.6%</b> |
| Airfield Commercial Area               | 2,793         | 3,927         | 4,139         | 3,865         | 274   | 7.1%          | 212                             | 5.4%          |
| <b>Subtotal before Revenue Sharing</b> | <b>87,635</b> | <b>86,284</b> | <b>61,311</b> | <b>80,938</b> | <b>(19,627)</b>                             | <b>-24.2%</b> | <b>(24,973)</b>                 | <b>-28.9%</b> |
| Revenue Sharing                        | (3,961)       | -             | -             | -             | -   |               | -                               |               |
| <b>Total Aeronautical Revenues</b>     | <b>83,674</b> | <b>86,284</b> | <b>61,311</b> | <b>80,938</b> | <b>(19,627)</b>                             | <b>-24.2%</b> | <b>(24,973)</b>                 | <b>-28.9%</b> |
| <b>Total Aeronautical Expenses</b>     | <b>53,251</b> | <b>50,268</b> | <b>54,141</b> | <b>56,473</b> | <b>2,332</b>                                | <b>4.1%</b>   | <b>3,873</b>                    | <b>7.7%</b>   |
| <b>Aeronautical NOI</b>                | <b>30,423</b> | <b>36,016</b> | <b>7,169</b>  | <b>24,464</b> | <b>(17,295)</b>                             | <b>-70.7%</b> | <b>(28,846)</b>                 | <b>-80.1%</b> |

# Aeronautical Business YE

| Aeronautical NOI<br>(\$ in 000's)      | 2019           | 2020           | 2021           | 2021           | Fav(UnFav)<br>Fcst. vs. Budget<br>Variance |               | Incr/(Decr)<br>Change from 2020 |              |
|--|----------------|----------------|----------------|----------------|--|---------------|---------------------------------|--------------|
|  | Actual         | Actual         | Forecast       | Budget         | \$   | %             | \$                              | %            |
| <b>Rate Base Revenues</b>              |                |                |                |                |  |               |                                 |              |
| Airfield Movement Area                 | 123,436        | 84,906         | 87,718         | 115,037        | (27,319)                                   | -23.7%        | 2,812                           | 3.3%         |
| Airfield Apron Area                    | 22,016         | 15,146         | 14,974         | 21,418         | (6,444)                                    | -30.1%        | (172)                           | -1.1%        |
| Terminal Rents                         | 205,283        | 171,607        | 177,661        | 213,147        | (35,485)                                   | -16.6%        | 6,054                           | 3.5%         |
| Federal Inspection Services (FIS)      | 12,321         | 8,616          | 17,679         | 21,454         | (3,775)                                    | -17.6%        | 9,063                           | 105.2%       |
| <b>Total Rate Base Revenues</b>        | <b>363,057</b> | <b>280,275</b> | <b>298,032</b> | <b>371,056</b> | <b>(73,023)</b>                            | <b>-19.7%</b> | <b>17,757</b>                   | <b>6.3%</b>  |
| Airfield Commercial Area               | 11,687         | 17,633         | 16,444         | 15,612         | 832  | 5.3%          | (1,189)                         | -6.7%        |
| <b>Subtotal before Revenue Sharing</b> | <b>374,744</b> | <b>297,908</b> | <b>314,476</b> | <b>386,668</b> | <b>(72,192)</b>                            | <b>-18.7%</b> | <b>16,568</b>                   | <b>5.6%</b>  |
| Revenue Sharing                        | (17,146)       | 1              | -              | -              | -  |               | (1)                             | -100.0%      |
| <b>Total Aeronautical Revenues</b>     | <b>357,598</b> | <b>297,909</b> | <b>314,476</b> | <b>386,668</b> | <b>(72,192)</b>                            | <b>-18.7%</b> | <b>16,567</b>                   | <b>5.6%</b>  |
| <b>Total Aeronautical Expenses</b>     | <b>236,959</b> | <b>219,878</b> | <b>235,107</b> | <b>233,102</b> | <b>(2,005)</b>                             | <b>-0.9%</b>  | <b>15,230</b>                   | <b>6.9%</b>  |
| <b>Aeronautical NOI</b>                | <b>120,639</b> | <b>78,031</b>  | <b>79,369</b>  | <b>153,566</b> | <b>(74,197)</b>                            | <b>-48.3%</b> | <b>1,338</b>                    | <b>1.7%</b>  |
| Debt Service                           | (110,945)      | (62,607)       | (57,903)       | (125,747)      | 67,844                                     | -54.0%        | 4,704                           | -7.5%        |
| <b>Net Cash Flow</b>                   | <b>9,694</b>   | <b>15,424</b>  | <b>21,466</b>  | <b>27,819</b>  | <b>(6,353)</b>                             | <b>-22.8%</b> | <b>6,042</b>                    | <b>39.2%</b> |



# Aero Cost Drivers

| \$ in 000's                        | 2020<br>Actual | 2021<br>Budget | 2021<br>Forecast | Impact on Aero<br>Revenues<br>Budget vs Forecast |             |
|------------------------------------|----------------|----------------|------------------|--|-------------|
|                                    |                |                |                  | \$   | %           |
| O&M <sup>(1)</sup>                 | 213,775        | 227,420        | 229,450          | 2,029  | 0.9%        |
| Federal Relief Grants O&M          | (22,507)       | (3,500)        | (18,492)         | (14,992)   | 428.3%      |
| Net O&M                            | 191,268        | 223,920        | 210,958          | (12,962)   | -5.8%       |
| Debt Service Before Offsets        | 166,848        | 193,302        | 195,975          | 2,672  | 1.4%        |
| Debt Service PFC Offset            | (36,390)       | (47,549)       | (38,614)         | 8,935  | -18.8%      |
| Federal Relief Grants Debt Service | (71,763)       | (29,399)       | (101,211)        | (71,812)   | 244.3%      |
| Net Debt Service                   | 58,694         | 116,354        | 56,149           | (60,204)   | -51.7%      |
| Amortization                       | 32,359         | 32,681         | 32,681           | -  | 0.0%        |
| Space Vacancy                      | (1,083)        | (1,141)        | (998)            | 143  | -12.5%      |
| TSA Operating Grant and Other      | (960)          | (758)          | (758)            | -  | 0.0%        |
| <b>Rate Base Revenues</b>          | <b>280,279</b> | <b>371,056</b> | <b>298,032</b>   | <b>(73,023)</b>                                  | <b>-20%</b> |
| Commercial area                    | 17,633         | 15,612         | 16,444           | 832  | 5%          |
| <b>Total Aero Revenues</b>         | <b>297,912</b> | <b>386,668</b> | <b>314,476</b>   | <b>(72,192)</b>                                  | <b>-19%</b> |

## 2021 Forecast to 2021 Budget

**O&M – \$2.0M higher** mostly in Apron, FIS, and Queue Management:

- Apron – Large Snow Expenses
- FIS – Increased Interpretation Services, Increased VIP Hospitality, Furniture Capital to Expense, Contingencies [IAF Oversize Baggage Relocate, IAF Wall Protections]
- Queue Management – VIP Divesting

**Debt Service before Offsets:** Forecast is \$2.6M higher primarily because the Budget assumed a reduction of \$5.8M of Debt Service exclusion for assets not in use which were partially offset by an increase in Capital Interest.

**PFC Offset \$8.9M lower** due to lower anticipated collections

## **Federal Relief Grants Aero Portion:**

- **Payroll Impact (O&M)** – Removing \$18.5M from Rate Base
- **Debt Service Impact** - Removing \$101.2M from Rate Base

Aero rate base revenues based on cost recovery formulas

# Non-Aeronautical Business YTD

**Passenger Volume down 47.3% compared to prior year**  
**O&D Passenger Volume down 42.4% compared to prior year**

| Non-Aeronautical NOI<br>(\$ in 000's)  | 2019 YTD      | 2020 YTD      | 2021 YTD      | 2021 YTD      | Fav(UnFav)<br>Actual vs. Budget<br>Variance |               | Incr/(Decr)<br>Change from 2020 |               |
|--|---------------|---------------|---------------|---------------|---|---------------|---------------------------------|---------------|
|  | Actual        | Actual        | Actual        | Budget        | \$  | %             | \$                              | %             |
| <b>Non-Aeronautical Revenues</b>       |               |               |               |               |   |               |                                 |               |
| Public Parking                         | 19,956        | 16,720        | 9,330         | 10,595        | (1,264)                                     | -11.9%        | (7,390)                         | -44.2%        |
| Rental Cars                            | 7,229         | 6,928         | 3,484         | 4,577         | (1,092)                                     | -23.9%        | (3,444)                         | -49.7%        |
| Ground Transportation                  | 4,523         | 3,931         | 1,459         | 2,441         | (982)                                       | -40.2%        | (2,471)                         | -62.9%        |
| Airport Dining & Retail                | 12,815        | 10,680        | 4,865         | 7,896         | (3,031)                                     | -38.4%        | (5,815)                         | -54.4%        |
| Other                                  | 11,474        | 11,697        | 7,791         | 9,576         | (1,784)                                     | -18.6%        | (3,906)                         | -33.4%        |
| <b>Total Non-Aeronautical Revenues</b> | <b>55,996</b> | <b>49,956</b> | <b>26,930</b> | <b>35,085</b> | <b>(8,154)</b>                              | <b>-23.2%</b> | <b>(23,025)</b>                 | <b>-46.1%</b> |
| <b>Total Non-Aeronautical Expenses</b> | <b>17,206</b> | <b>34,898</b> | <b>23,947</b> | <b>24,804</b> | <b>857</b>                                  | <b>3.5%</b>   | <b>(10,951)</b>                 | <b>-31.4%</b> |
| <b>Non-Aeronautical NOI</b>            | <b>38,790</b> | <b>15,058</b> | <b>2,984</b>  | <b>10,281</b> | <b>(7,297)</b>                              | <b>-71.0%</b> | <b>(12,074)</b>                 | <b>-80.2%</b> |
| Less: CFC Surplus                      | -             | -             | -             | -             | -   |               | -                               |               |
| <b>Adjusted Non-Aeronautical NOI</b>   | <b>38,790</b> | <b>15,058</b> | <b>2,984</b>  | <b>10,281</b> | <b>(7,297)</b>                              | <b>-71.0%</b> | <b>(12,074)</b>                 | <b>-80.2%</b> |
| Debt Service                           | -             | -             | -             | -             | -   |               | -                               |               |
| <b>Net Cash Flow</b>                   | <b>38,790</b> | <b>15,058</b> | <b>2,984</b>  | <b>10,281</b> | <b>(7,297)</b>                              | <b>-71.0%</b> | <b>(12,074)</b>                 | <b>-80.2%</b> |

## 2021 YTD Actuals to 2020 YTD Actuals

### Non-Aero Revenue:

- All Non-Aero lines of business impacted by COVID-19. Q1 2021 results reflect a full quarter of the pandemic environment, compared to less than a month impact in prior year.
- GT – steeper decline reflects continued shift in passenger preference away from shared ride options.
- Parking, Rental Car, and ADR more closely aligned with change in passenger volumes.
- Non-Aero space rental lease revenue not directly impacted by decline in passenger volume

### Non-Aero Expenses:

- Lower spending reflects cost cutting measures implemented to mitigate pandemic impacts.

# Non-Aeronautical Business YE

**Passenger Forecast up 83.7% compared to prior year**  
**O&D Passenger Forecast up 100.9% compared to prior year**

| Non-Aeronautical NOI<br>(\$ in 000's)  | 2019           | 2020            | 2021           | 2021           | Fav(UnFav)<br>Fcst. vs. Budget<br>Variance |               | Incr/(Decr)<br>Change from 2020 |                |
|--|----------------|-----------------|----------------|----------------|--|---------------|---------------------------------|----------------|
|  | Actual         | Actual          | Forecast       | Budget         | \$   | %             | \$                              | %              |
| <b>Non-Aeronautical Revenues</b>       |                |                 |                |                |  |               |                                 |                |
| Public Parking                         | 82,125         | 34,502          | 64,699         | 59,597         | 5,102                                      | 8.6%          | 30,197                          | 87.5%          |
| Rental Cars                            | 52,567         | 16,637          | 33,160         | 26,880         | 6,280                                      | 23.4%         | 16,523                          | 99.3%          |
| Ground Transportation                  | 20,765         | 6,557           | 14,321         | 13,628         | 693  | 5.1%          | 7,764                           | 118.4%         |
| Airport Dining & Retail                | 61,615         | 25,418          | 44,567         | 45,936         | (1,369)                                    | -3.0%         | 19,149                          | 75.3%          |
| Other                                  | 51,966         | 33,359          | 41,319         | 43,506         | (2,187)                                    | -5.0%         | 7,961                           | 23.9%          |
| <b>Total Non-Aeronautical Revenues</b> | <b>269,037</b> | <b>116,473</b>  | <b>198,067</b> | <b>189,548</b> | <b>8,519</b>                               | <b>4.5%</b>   | <b>81,594</b>                   | <b>70.1%</b>   |
| <b>Total Non-Aeronautical Expenses</b> | <b>118,286</b> | <b>109,802</b>  | <b>107,175</b> | <b>106,806</b> | <b>(369)</b>                               | <b>-0.3%</b>  | <b>(2,627)</b>                  | <b>-2.4%</b>   |
| <b>Non-Aeronautical NOI</b>            | <b>150,752</b> | <b>6,671</b>    | <b>90,892</b>  | <b>82,742</b>  | <b>8,150</b>                               | <b>9.9%</b>   | <b>84,221</b>                   | <b>1262.6%</b> |
| Less: CFC Surplus                      | (6,834)        | -               | -              | -              | -  |               | -                               |                |
| <b>Adjusted Non-Aeronautical NOI</b>   | <b>143,917</b> | <b>6,671</b>    | <b>90,892</b>  | <b>82,742</b>  | <b>8,150</b>                               | <b>9.9%</b>   | <b>84,221</b>                   | <b>1262.6%</b> |
| Debt Service                           | (49,299)       | (33,065)        | (23,358)       | (53,025)       | 29,666                                     | -55.9%        | 9,707                           | -29.4%         |
| <b>Net Cash Flow</b>                   | <b>94,619</b>  | <b>(26,394)</b> | <b>67,533</b>  | <b>29,717</b>  | <b>37,816</b>                              | <b>127.3%</b> | <b>93,928</b>                   | <b>-355.9%</b> |

## 2021 Forecast to 2020 Actuals

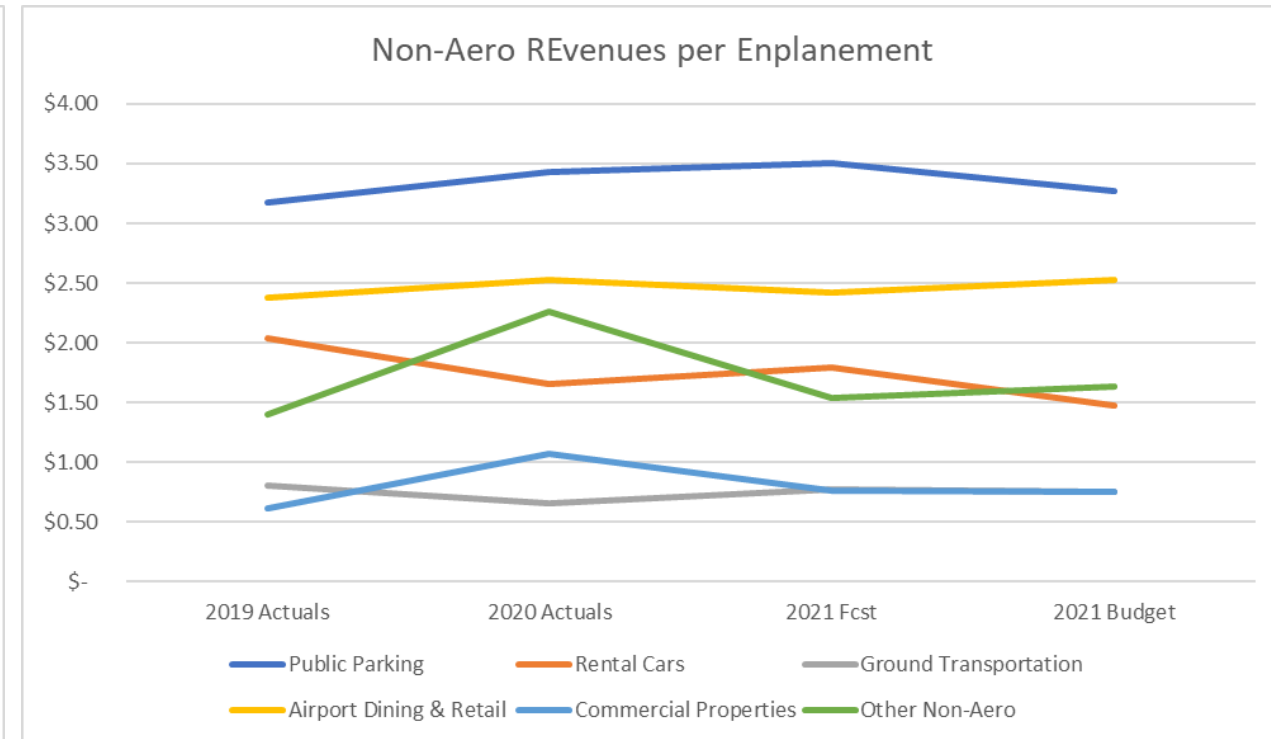
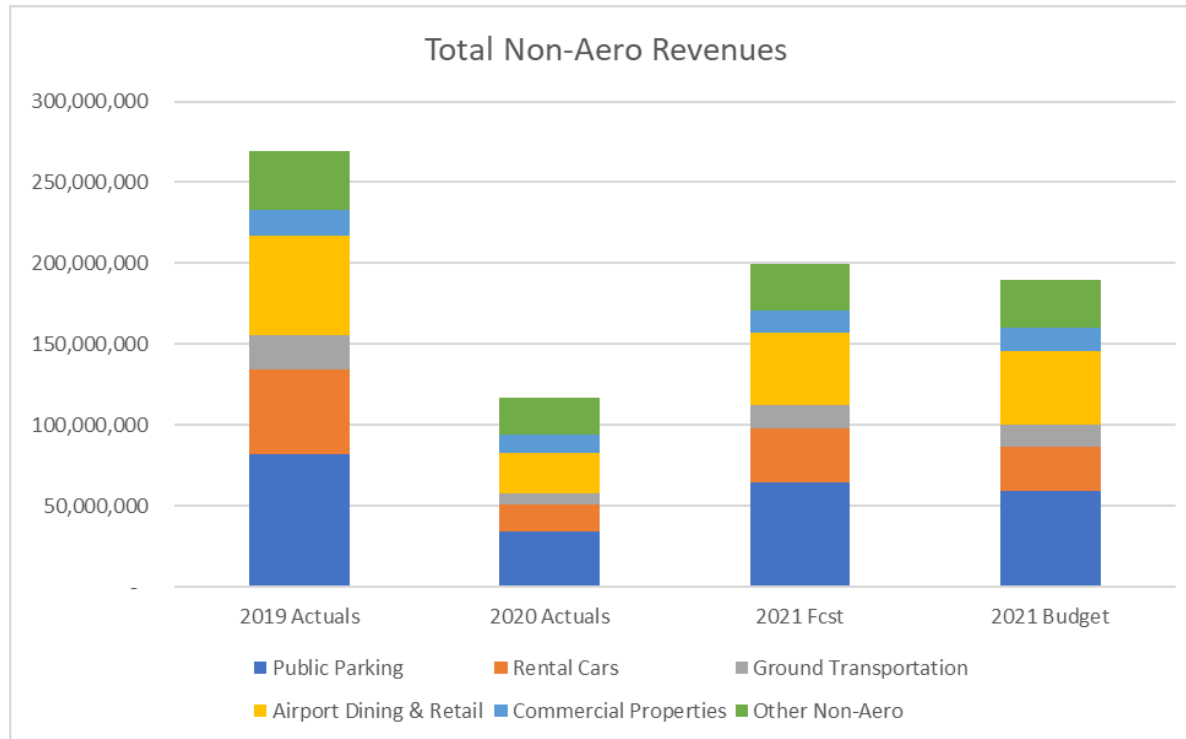
### Non-Aero Revenue:

- All Non-Aero lines of business impacted by COVID-19.
- Parking – strong passenger preference in 2020, reduces the recovery percentage in 2021. Continued preference for close in self-parking.
- Rental Car – recovering consistent with passenger recovery.
- GT – recovery includes new TNC revenue from drop-off trips.
- ADR – recovering consistent with passenger recovery.
- Non-Aero space rent real estate lease revenue not directly impacted by decline in passenger volume

### Non-Aero Expenses:

- Lower forecasted spending reflects cost cutting measures implemented to mitigate pandemic impacts.

# Non-Aero Revenue By Business Unit



## Non-Aero Revenue overview:

- **2021 Non-Aero revenue from concession fees or transaction volume** (Parking, Rental Car, GT, ADR, Clubs & Lounges, In-flight Kitchens) are **closely aligned with the decline in passenger volume**
- Commercial Properties and other Non-Aero line of business with revenue from **space rent for real estate leases** were **relatively unaffected** by the COVID-19 decline in enplanements

# YTD Public Parking

Passenger Volume down 47.3% compared to prior year  
O&D Passenger Volume down 42.4% compared to prior year

| Public Parking - Revenue Detail             | 2019          | 2020          | 2021 YTD     | 2021 YTD      | Fav (UnFav)     |               | Incr (Decr)      |               |
|---|---------------|---------------|--------------|---------------|-----------------|---------------|------------------|---------------|
| \$ in 000's                                 | Actual        | Actual        | Actuals      | Budget        | Budget Variance |               | Change from 2020 |               |
|   |               |               |              |               | \$              | %             | \$               | %             |
| <b>Parking Garage Revenue to Port</b>       |               |               |              |               |                 |               |                  |               |
| General Parking/Terminal Direct             | 17,931        | 13,943        | 6,364        | 8,500         | (2,136)         | -25.1%        | (7,578)          | -54.4%        |
| Prebooking                                  | -             | 487           | 2,126        | 981           | 1,145           | 116.7%        | 1,639            | 336.7%        |
| Premier Corporate Parking                   | 348           | 672           | -            | 149           | (149)           | -100.0%       | (672)            | -100.0%       |
| <b>Revenue to Port - General Parking</b>    | <b>18,280</b> | <b>15,101</b> | <b>8,490</b> | <b>9,630</b>  | <b>(1,140)</b>  | <b>-11.8%</b> | <b>(6,611)</b>   | <b>-43.8%</b> |
| <b>Other Garage Revenue</b>                 |               |               |              |               |                 |               |                  |               |
| Passport Parking Program                    | 860           | 954           | 576          | 491           | 85              | 17.4%         | (378)            | -39.6%        |
| <b>Total Parking Garage Revenue</b>         | <b>19,140</b> | <b>16,056</b> | <b>9,067</b> | <b>10,121</b> | <b>(1,054)</b>  | <b>-10.4%</b> | <b>(6,989)</b>   | <b>-43.5%</b> |
| <b>Other Parking Revenue</b>                |               |               |              |               |                 |               |                  |               |
| Concession Rent - Doug Fox off-site parking | 802           | 661           | 259          | 474           | (214)           | -45.3%        | (401)            | -60.8%        |
| All Other Parking Revenue                   | 14            | 3             | 5            | -             | 5               | N/A           | 1                | 40.0%         |
| <b>Total Parking Revenue</b>                | <b>19,956</b> | <b>16,720</b> | <b>9,330</b> | <b>10,595</b> | <b>(1,264)</b>  | <b>-11.9%</b> | <b>(7,389)</b>   | <b>-44.2%</b> |
| <b>O&amp;D Enplanements</b>                 | <b>3,808</b>  | <b>2,947</b>  | <b>1,699</b> | <b>2,176</b>  | <b>(477)</b>    | <b>-21.9%</b> | <b>(1,249)</b>   | <b>-42.4%</b> |

Q1 2021 results reflect a full quarter of the pandemic environment, compared to less than a month impact in prior year.

## 2021 YTD Actuals vs. 2020 YTD Actuals

Q1 2021 results reflect a full quarter of the pandemic environment, compared to less than a month impact in the prior year.

**General Garage Parking (includes pre-booking program)** – Garage parking closely aligned with change in passenger volume, with continued passenger preference for close in self-parking.

**Passport program** – this monthly parking program is not as closely aligned with the change in passenger volume.

**Doug Fox** – revenue decline deeper than decline in O&D passenger volume shows customer preference away from parking with shared ride shuttles.

# YTD Public Parking metrics reflect preference for close in self-parking

| Public Parking - Revenue Metrics            |         |         |          |          | Fav / (UnFav)   |        | Incr / (Decr)    |        |
|---|---------|---------|----------|----------|-----------------|--------|------------------|--------|
| in 000's                                    | 2019    | 2020    | 2021 YTD | 2021 YTD | Budget Variance |        | Change from 2020 |        |
|   | Actual  | Actual  | Actual   | Budget   | #               | %      | #                | %      |
| Total Enplanements                          | 5,424   | 4,605   | 2,427    | 3,200    | (773)           | -24.2% | (2,178)          | -47.3% |
| O&D %                                       | 70.2%   | 64.0%   | 70.0%    | 68.0%    | 2.0%            | 2.9%   | 6.0%             | 9.4%   |
| O&D Enplanements                            | 3,808   | 2,947   | 1,699    | 2,176    | (477)           | -21.9% | (1,249)          | -42.4% |
| Revenue per O&D Enplanement Metrics         |         |         |          |          |                 |        |                  |        |
| General Parking/Pre-Book/Premier Corporate  | \$ 4.80 | \$ 5.12 | \$ 5.00  | \$ 4.43  | \$ 0.57         | 12.9%  | \$ (0.13)        | -2.5%  |
| Passport Parking Program                    | \$ 0.23 | \$ 0.32 | \$ 0.34  | \$ 0.23  | \$ 0.11         | 50.4%  | \$ 0.02          | 4.8%   |
| Total Garage Revenue per O&D Enplanement    | \$ 5.03 | \$ 5.45 | \$ 5.34  | \$ 4.65  | \$ 0.69         | 14.7%  | \$ (0.11)        | -2.0%  |
| Concession Rent - Doug Fox off-site parking | \$ 0.21 | \$ 0.22 | \$ 0.15  | \$ 0.22  | \$ (0.07)       | -29.9% | \$ (0.07)        | -31.9% |
| All Other Parking Revenue                   | \$ 0.00 | \$ 0.00 | \$ 0.00  | \$ -     | \$ 0.00         | N/A    | \$ 0.00          | 142.9% |
| Total Parking per O&D Enplanement           | \$ 5.24 | \$ 5.67 | \$ 5.49  | \$ 4.87  | \$ 0.62         | 12.8%  | \$ (0.18)        | -3.2%  |

## Public Parking Key Metrics – 2021 YTD Actuals vs. 2020 YTD Actuals:

- **General Garage Parking (includes pre-booking)** – revenue per enplanement retained much of increase during pandemic O&D passenger decline, which indicates passenger preference for close in self-parking
- **Passport parking programs** – metric increased due to continued demand from airport tenant employees who continued to utilize during COVID impacts due to preference for close in self-parking
- **Doug Fox off-site parking** – YTD metric decrease may be temporary, will continue to monitor.

# Public Parking forecast recovers with O&D passenger increase

Passenger Forecast up 83.7% compared to prior year

O&D Passenger Forecast up 100.9% compared to prior year

| Public Parking - Revenue Detail              | 2019          | 2020          | 2021          | 2021          | Fav (UnFav)  |             | Incr (Decr)         |              |
|--|---------------|---------------|---------------|---------------|--------------|-------------|---------------------|--------------|
| \$ in 000's                                  | Actual        | Actual        | Forecast      | Budget        | Fest to \$   | Bud Var %   | Change from 2020 \$ | %            |
| <b><u>Parking Garage Revenue to Port</u></b> |               |               |               |               |              |             |                     |              |
| General Parking/Terminal Direct              | 73,562        | 27,157        | 46,746        | 48,332        | (1,586)      | -3.3%       | 19,589              | 72.1%        |
| Prebooking                                   | 217           | 2,935         | 13,343        | 5,570         | 7,773        | 139.5%      | 10,408              | 354.6%       |
| Premier Corporate Parking                    | 1,415         | 449           | -             | 850           | (850)        | -100.0%     | (449)               | -100.0%      |
| <b>Revenue to Port - General Parking</b>     | <b>75,194</b> | <b>30,540</b> | <b>60,088</b> | <b>54,752</b> | <b>5,336</b> | <b>9.7%</b> | <b>29,548</b>       | <b>96.8%</b> |
| <b><u>Other Garage Revenue</u></b>           |               |               |               |               |              |             |                     |              |
| Passport Parking Program                     | 3,582         | 2,738         | 2,556         | 2,790         | (234)        | -8.4%       | (181)               | -6.6%        |
| <b>Total Parking Garage Revenue</b>          | <b>78,776</b> | <b>33,278</b> | <b>62,645</b> | <b>57,542</b> | <b>5,103</b> | <b>8.9%</b> | <b>29,366</b>       | <b>88.2%</b> |
| <b><u>Other Parking Revenue</u></b>          |               |               |               |               |              |             |                     |              |
| Concession Rent - Doug Fox off-site parking  | 3,292         | 1,186         | 2,032         | 2,037         | (5)          | -0.3%       | 846                 | 71.3%        |
| All Other Parking Revenue                    | 56            | 37            | 23            | 18            | 5            | 27.2%       | (14)                | -38.3%       |
| <b>Total Parking Revenue</b>                 | <b>82,125</b> | <b>34,501</b> | <b>64,699</b> | <b>59,597</b> | <b>5,102</b> | <b>8.6%</b> | <b>30,198</b>       | <b>87.5%</b> |

## 2021 Forecast vs. 2020 Actuals

**General Garage Parking (includes pre-booking program)** – Garage parking activity is closely aligned with the return of O&D passenger volume.

**Passport program** – demand is relatively stable, not closely aligned with passenger volumes. Significant portion of usage is from airport tenant employees.

**Doug Fox** – revenue recovering slower than the return in O&D passenger volume, possibly due to continued customer preference away from parking with shared ride shuttles.



# YE Public Parking metrics expected to reflect continued preference for close in self-parking

| <b>Parking Revenue Metrics</b>                      | <b>2019</b>    | <b>2020</b>    | <b>2021</b>     | <b>2021</b>    | <b>Fav / (UnFav)</b>   |             | <b>Incr / (Decr)</b>    |               |
|---|----------------|----------------|-----------------|----------------|------------------------|-------------|-------------------------|---------------|
| in 000's  | <b>Actual</b>  | <b>Actual</b>  | <b>Forecast</b> | <b>Budget</b>  | <b>Fcst to Bud Var</b> |             | <b>Change from 2020</b> |               |
|   |                |                |                 |                | <b>#</b>               | <b>%</b>    | <b>#</b>                | <b>%</b>      |
| Total Enplanements                                  | 25,874         | 10,044         | 18,451          | 18,216         | 236                    | 1.3%        | 8,408                   | 83.7%         |
| O&D %   | 70.2%          | 64.0%          | 70.0%           | 68.0%          | 2.0%                   | 2.9%        | 6.0%                    | 9.4%          |
| <b>O&amp;D Enplanements</b>                         | <b>18,163</b>  | <b>6,428</b>   | <b>12,916</b>   | <b>12,387</b>  | <b>529</b>             | <b>4.3%</b> | <b>6,488</b>            | <b>100.9%</b> |
| <b>Revenue per O&amp;D Enplanement Metrics</b>      |                |                |                 |                |                        |             |                         |               |
| General Parking/Pre-Book/Premier Corporate          | \$ 4.14        | \$ 4.75        | \$ 4.65         | \$ 4.42        | \$ 0.23                | 5.2%        | \$ (0.10)               | -2.1%         |
| Passport Parking Program                            | \$ 0.20        | \$ 0.43        | \$ 0.20         | \$ 0.23        | \$ (0.03)              | -12.1%      | \$ (0.23)               | -53.5%        |
| <b>Total Garage Revenue per O&amp;D Enplanement</b> | <b>\$ 4.34</b> | <b>\$ 5.18</b> | <b>\$ 4.85</b>  | <b>\$ 4.65</b> | <b>\$ 0.20</b>         | <b>4.4%</b> | <b>\$ (0.33)</b>        | <b>-6.3%</b>  |
| Concession Rent - Doug Fox off-site parking         | \$ 0.18        | \$ 0.18        | \$ 0.16         | \$ 0.16        | \$ (0.01)              | -4.3%       | \$ (0.03)               | -14.7%        |
| All Other Parking Revenue                           | \$ 0.00        | \$ 0.01        | \$ 0.00         | \$ 0.00        | \$ 0.00                | 22.0%       | \$ (0.00)               | -69.3%        |
| <b>Total Parking per O&amp;D Enplanement</b>        | <b>\$ 4.52</b> | <b>\$ 5.37</b> | <b>\$ 5.01</b>  | <b>\$ 4.81</b> | <b>\$ 0.20</b>         | <b>4.1%</b> | <b>\$ (0.36)</b>        | <b>-6.7%</b>  |

## Public Parking Key Metrics – 2021 Forecast vs. 2020 Actuals:

- **General Garage Parking (includes pre-booking)** – revenue per enplanement retained much of increase during pandemic O&D passenger decline, based on continued passenger preference for close in self-parking.
- **Passport parking programs** – metric expected to return to pre-pandemic demand level. Significant portion of usage is from airport tenant employees.
- **Doug Fox off-site parking** – metric forecasted to continue to slightly lag the recovery in O&D enplanements, will continue to monitor.



# Rental Cars YTD

| <b>Rental Car - Revenue Detail</b>         | <b>2019 YTD</b> | <b>2020 YTD</b> | <b>2021 YTD</b> | <b>2021 YTD</b> | <b>Fav / (UnFav)</b>   |               | <b>Incr / (Decr)</b>    |               |
|--|-----------------|-----------------|-----------------|-----------------|------------------------|---------------|-------------------------|---------------|
| \$ in 000's                                | <b>Actual</b>   | <b>Actual</b>   | <b>Actual</b>   | <b>Budget</b>   | <b>Budget Variance</b> |               | <b>Change from 2020</b> |               |
|  |                 |                 |                 |                 | \$                     | %             | \$                      | %             |
| Total Enplanements                         | 5,424           | 4,605           | 2,427           | 3,200           | (773)                  | -24.2%        | (2,178)                 | -47.3%        |
| O&D %                                      | 70.2%           | 64.0%           | 70.0%           | 68.0%           | 2.0%                   | 2.9%          | 6.0%                    | 9.4%          |
| <b>O&amp;D Enplanements</b>                | <b>3,808</b>    | <b>2,947</b>    | <b>1,699</b>    | <b>2,176</b>    | <b>(477)</b>           | <b>-21.9%</b> | <b>(1,249)</b>          | <b>-42.4%</b> |
| Gross Sales by Operators                   | 52,311          | 44,945          | 25,982          | 36,110          | (10,128)               | -28.0%        | (18,963)                | -42.2%        |
| Total Transactions                         | 277             | 223             | 108             | 157             | (49)                   | -31.4%        | (115)                   | -51.6%        |
| Average Ticket                             | \$188.62        | \$201.73        | \$241.11        | \$230.00        | \$11.11                | 4.8%          | \$39.38                 | 19.5%         |
| Average Length of Stay                     | 4.12            | 4.26            | 4.82            | 4.60            | 0.22                   | 4.8%          | 0.56                    | 13.2%         |
| Transactions/O&D Enplanements              | 7.18%           | 7.56%           | 6.34%           | 7.21%           | -0.87%                 | -12.1%        | -1.22%                  | -16.1%        |
| <b>CFC Revenue Summary</b>                 |                 |                 |                 |                 |                        |               |                         |               |
| Total Transaction Days                     | 1,143           | 949             | 519             | 722             | (203)                  | -28.1%        | N/A                     | -45.3%        |
| CFC Rate per Transaction Day               | \$6.00          | \$6.00          | \$6.50          | \$6.50          | \$0.00                 | 0.0%          | \$0.50                  | 8.3%          |
| CFC Revenue Earned                         | 6,860           | 5,693           | 3,376           | 4,694           | (1,319)                | -28.1%        | N/A                     | -40.7%        |
| Other CFC Collections                      | 4               | -               | -               | -               | -                      | N/A           | N/A                     | N/A           |
| <b>Total CFC Revenue</b>                   | <b>6,865</b>    | <b>5,693</b>    | <b>3,376</b>    | <b>4,694</b>    | <b>(1,319)</b>         | <b>-28.1%</b> | <b>(2,317)</b>          | <b>-40.7%</b> |
| <b>Debt Service Reserve Requirement</b>    | <b>(5,870)</b>  | <b>(4,822)</b>  | <b>(6,068)</b>  | <b>(6,038)</b>  | <b>(30)</b>            | <b>0.5%</b>   | <b>(1,246)</b>          | <b>25.9%</b>  |
| <b>Residual - CFC Operating Revenue</b>    | <b>994</b>      | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>               | <b>N/A</b>    | <b>-</b>                | <b>N/A</b>    |
| <b>Rental Car - Revenue Summary</b>        |                 |                 |                 |                 |                        |               |                         |               |
| \$ in 000's                                | <b>2019 YTD</b> | <b>2020 YTD</b> | <b>2021 YTD</b> | <b>2021 YTD</b> | <b>Fav / (UnFav)</b>   |               | <b>Incr / (Decr)</b>    |               |
|  | <b>Actual</b>   | <b>Actual</b>   | <b>Actual</b>   | <b>Budget</b>   | <b>Budget Variance</b> |               | <b>Change from 2020</b> |               |
|  |                 |                 |                 |                 | \$                     | %             | \$                      | %             |
| <b>RCF Concession Revenue to Port</b>      | <b>5,271</b>    | <b>5,935</b>    | <b>2,470</b>    | <b>3,611</b>    | <b>(1,141)</b>         | <b>-31.6%</b> | <b>(3,466)</b>          | <b>-58.4%</b> |
| Residual - CFC Operating Revenue:          | 994             | -               | -               | -               | -                      | N/A           | -                       | N/A           |
| Land Rent/Space Rent/Other                 | 964             | 993             | 1,015           | 966             | 49                     | 5.1%          | 22                      | 2.2%          |
| <b>Total Rental Cars Operating Revenue</b> | <b>7,229</b>    | <b>6,928</b>    | <b>3,484</b>    | <b>4,577</b>    | <b>(1,092)</b>         | <b>-23.9%</b> | <b>(3,444)</b>          | <b>-49.7%</b> |

## 2021 YTD Actuals vs. 2020 YTD Actuals

**Rental Car Concession Revenue** –in 2020 the decline was less than the O&D passenger decline. Similar to the prior year, car rental appears to continue to be the 2<sup>nd</sup> preferred transportation option, following the primary preference for close in self-parking in the Public Parking Garage.

**CFC Operating Revenue** - CFC collections declined in 2020 to a level below current year debt service, and YTD 2021 CFC Operating Revenue is still lower than debt service. CFC Operating Revenue is a residual (only after covering current year debt service), so YTD 2020 CFC operating revenue is still zero.

# Rental Cars YE

| <b>Rental Car - Revenue Detail</b>            | <b>2019</b>     | <b>2020</b>     | <b>2021</b>     | <b>2021</b>     | <b>Fav / (UnFav)</b> |               | <b>Incr / (Decr)</b>    |               |
|---|-----------------|-----------------|-----------------|-----------------|----------------------|---------------|-------------------------|---------------|
| \$ in 000's                                   | <b>Actual</b>   | <b>Actual</b>   | <b>Forecast</b> | <b>Budget</b>   | <b>Fest vs Bud</b>   | <b>Var</b>    | <b>Change from 2020</b> |               |
|   |                 |                 |                 |                 | \$                   | %             | \$                      | %             |
| Total Enplanements                            | 25,874          | 10,044          | 18,451          | 18,216          | 236                  | 1.3%          | 8,408                   | 83.7%         |
| O&D %   | 70.2%           | 64.0%           | 70.0%           | 68.0%           | 2.0%                 | 2.9%          | 6.0%                    | 9.4%          |
| <b>O&amp;D Enplanements</b>                   | <b>18,396</b>   | <b>6,428</b>    | <b>12,916</b>   | <b>12,387</b>   | <b>529</b>           | <b>4.3%</b>   | <b>6,488</b>            | <b>100.9%</b> |
| Gross Sales by Operators                      | 328,156         | 122,372         | 231,721         | 122,372         | 109,349              | 89.4%         | 109,349                 | 89.4%         |
| Total Transactions                            | 1,414           | 519             | 986             | 892             | 94                   | 10.5%         | 467                     | 89.8%         |
| Average Ticket                                | \$232.06        | \$235.57        | \$ 235.00       | \$ 230.00       | \$5.00               | 2.2%          | (\$0.57)                | -0.2%         |
| Average Length of Stay                        | 4.49            | 4.93            | 4.71            | 4.60            | 0.11                 | 2.5%          | (0.22)                  | -4.4%         |
| Transactions/O&D Enplanements                 | 7.69%           | 8.08%           | 7.63%           | 7.20%           | 0.43%                | 6.0%          | -0.45%                  | -5.5%         |
| <b><u>CFC Revenue Summary</u></b>             |                 |                 |                 |                 |                      |               |                         |               |
| Total Transaction Days                        | 6,356           | 2,560           | 4,647           | 4,103           | 544                  | 13.3%         | 2,087                   | 81.5%         |
| CFC Rate per Transaction Day                  | \$6.00          | \$6.00          | \$6.50          | \$6.50          | \$0.00               | 0.0%          | \$0.50                  | 8.3%          |
| CFC Revenue Earned                            | 38,137          | 15,362          | 30,207          | 26,670          | 3,537                | 13.3%         | 14,845                  | 96.6%         |
| Other CFC Collections                         | (9)             | -               | -               | -               | -                    | N/A           | -                       | N/A           |
| <b>Total CFC Revenue</b>                      | <b>38,128</b>   | <b>15,362</b>   | <b>30,207</b>   | <b>26,670</b>   | <b>3,537</b>         | <b>13.3%</b>  | <b>14,845</b>           | <b>96.6%</b>  |
| <b>Debt Service Reserve Requirement</b>       | <b>(23,655)</b> | <b>(24,019)</b> | <b>(24,274)</b> | <b>(24,153)</b> | <b>(121)</b>         | <b>0.5%</b>   | <b>(255)</b>            | <b>1.1%</b>   |
| <b>Reserve Fund Release (bond maturation)</b> | <b>1,300</b>    | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>             | <b>N/A</b>    | <b>-</b>                | <b>N/A</b>    |
| <b>Net Debt Service</b>                       | <b>(22,355)</b> | <b>(23,914)</b> | <b>(24,274)</b> | <b>(24,153)</b> | <b>(121)</b>         | <b>0.5%</b>   | <b>(360)</b>            | <b>1.5%</b>   |
| <b>Residual - CFC Operating Revenue</b>       | <b>15,773</b>   | <b>-</b>        | <b>5,933</b>    | <b>2,501</b>    | <b>3,432</b>         | <b>137.2%</b> | <b>5,933</b>            | <b>N/A</b>    |
| <b>Rental Car - Revenue Summary</b>           | <b>2019</b>     | <b>2020</b>     | <b>2021</b>     | <b>2021</b>     | <b>Fav / (UnFav)</b> |               | <b>Incr / (Decr)</b>    |               |
| \$ in 000's                                   | <b>Actual</b>   | <b>Actual</b>   | <b>Forecast</b> | <b>Budget</b>   | <b>Fest vs Bud</b>   | <b>Var</b>    | <b>Change from 2020</b> |               |
|   |                 |                 |                 |                 | \$                   | %             | \$                      | %             |
| <b>RCF Concession Revenue to Port</b>         | <b>32,870</b>   | <b>12,531</b>   | <b>23,172</b>   | <b>20,516</b>   | <b>2,656</b>         | <b>12.9%</b>  | <b>10,641</b>           | <b>84.9%</b>  |
| Residual - CFC Operating Revenue:             | 15,773          | -               | 5,933           | 2,501           | 3,432                | 137.2%        | 5,933                   | N/A           |
| Land Rent/Space Rent/Other                    | 3,924           | 4,106           | 4,056           | 3,863           | 193                  | 5.0%          | (50)                    | -1.2%         |
| <b>Total Rental Cars Operating Revenue</b>    | <b>52,567</b>   | <b>16,637</b>   | <b>33,161</b>   | <b>26,880</b>   | <b>6,280</b>         | <b>23.4%</b>  | <b>16,524</b>           | <b>99.3%</b>  |

## 2021 Forecast vs 2020 Actuals

**Rental Car Concession Revenue** – in 2020 the decline was less than the O&D passenger decline. In 2021, demand is expected to return on pace with returning O&D enplanements. Similar to the prior year, car rental appears to continue to be the 2<sup>nd</sup> preferred transportation option, following the primary preference for close in self-parking in the Public Parking Garage.

**CFC Operating Revenue** - CFC collections are increasing in 2021 and are expected to exceed current year debt service, so CFC Operating Revenue will be recognized again in 2021. CFC Operating Revenue is a residual (only recognized after covering current year debt service).

# Ground Transportation – Revenue YTD

**Passenger Volume down 47.3% compared to prior year**  
**O&D Passenger Volume down 42.4% compared to prior year**

| Revenue to Port                            | 2019 YTD     | 2020 YTD     | 2021 YTD     | 2021 YTD     | Fav (UnFav)     |               | Incr (Decr)           |
|--|--------------|--------------|--------------|--------------|-----------------|---------------|-----------------------|
| \$ in 000's                                | Actual       | Actual       | Actual       | Budget       | Budget Variance |               | Change from 2020      |
|  |              |              |              |              | \$              | %             | \$ %                  |
| <b>Ground Transportation Revenues</b>      |              |              |              |              |                 |               |                       |
| Transportation Network Companies           | 2,678        | 2,523        | 915          | 1,529        | (613)           | -40.1%        | (1,608) -63.7%        |
| On Demand Taxis                            | 859          | 580          | 133          | 325          | (192)           | -59.2%        | (447) -77.1%          |
| On Demand Limos                            | 221          | 222          | -            | -            | -               | N/A           | (222) -100.0%         |
| Belled In Taxis (Annual Permit)            | 21           | 12           | 6            | 19           | (14)            | -70.6%        | (6) -53.0%            |
| Pre-Arranged Limos (Annual Permit)         | 127          | 91           | 56           | 104          | (48)            | -46.0%        | (35) -38.1%           |
| Courtesy Cars (cost recovery)              | 467          | 400          | 323          | 380          | (57)            | -15.0%        | (77) -19.2%           |
| <b>All other Operators (cost recovery)</b> | <b>88</b>    | <b>44</b>    | <b>2</b>     | <b>23</b>    | <b>(22)</b>     | <b>-93.5%</b> | <b>(43) -96.5%</b>    |
| Other Misc Revenues                        | 62           | 59           | 10           | 25           | (15)            | -58.3%        | (49) -82.5%           |
| <b>Total GT Revenue</b>                    | <b>4,523</b> | <b>3,931</b> | <b>1,459</b> | <b>2,441</b> | <b>(982)</b>    | <b>-40.2%</b> | <b>(2,471) -62.9%</b> |
| <b>O&amp;D Enplanements</b>                | <b>3,862</b> | <b>2,947</b> | <b>1,699</b> | <b>2,048</b> | <b>(349)</b>    | <b>-17.0%</b> | <b>(1,249) -42.4%</b> |

## 2021 YTD Actuals vs. 2020 YTD Actuals

### GT Revenue:

Ground Transportation revenues and GT operators severely impacted by compounding pandemic factors:

- COVID-19 declines in O&D passenger volumes
- Customer preference away from shared ride transportation options during this pandemic.

**TNC** revenue decline of 64% was deeper than the decline in O&D passengers (42%)

**Taxi** revenue declined (77%) even more deeply than TNCs.

**On-demand Limos** (STILA) made the decision to cease operations at SEA.

**All other GT operators** impacted to varying degrees.

# Ground Transportation – Trips YTD

**Passenger Forecast up 83.7% compared to prior year**  
**O&D Passenger Forecast up 100.9% compared to prior year**

| Ground Transportation Trip Activity<br>in 000's | 2019 YTD<br>Actual | 2020 YTD<br>Actual | 2021 YTD<br>Actual | 2021 YTD<br>Budget | Fav / (UnFav)<br>Budget Variance<br># % |               | Incr / (Decr)<br>Change from 2020<br># % |               |
|---|--------------------|--------------------|--------------------|--------------------|---|---------------|--|---------------|
| <b>Ground Transportation Trips</b>              |                    |                    |                    |                    |   |               |  |               |
| Transportation Network Companies                | 446                | 421                | 236                | 255                | (19)                                    | -7.5%         | (185)                                    | -44.0%        |
| On Demand Taxis                                 | 145                | 100                | 23                 | 54                 | (31)                                    | -56.7%        | (77)                                     | -76.5%        |
| On Demand Limos                                 | 16                 | 12                 | -                  | -                  | -                                       | N/A           | (12)                                     | -100.0%       |
| Belled In Taxis (Annual Permit)                 | 4                  | 1                  | 0                  | 1                  | (0)                                     | -53.4%        | (1)                                      | -59.0%        |
| Pre-Arranged Limos (Annual Permit)              | 16                 | 58                 | 14                 | 34                 | (19)                                    | -57.6%        | (44)                                     | -75.4%        |
| Courtesy Cars (cost recovery)                   | 290                | 247                | 135                | 158                | (23)                                    | -14.4%        | (112)                                    | -45.2%        |
| <b>All other Operators (cost recovery)</b>      | <b>23</b>          | <b>10</b>          | <b>3</b>           | <b>5</b>           | <b>(1)</b>                              | <b>-31.9%</b> | <b>(7)</b>                               | <b>-68.1%</b> |
| <b>Total GT Trip Activity</b>                   | <b>940</b>         | <b>849</b>         | <b>412</b>         | <b>506</b>         | <b>(94)</b>                             | <b>-18.6%</b> | <b>(437)</b>                             | <b>-51.4%</b> |
| Total Enplanements                              | 5,424              | 4,605              | 2,427              | 3,200              | (773)                                   | -24.2%        | (2,178)                                  | -47.3%        |
| O&D %   | 70.2%              | 64.0%              | 70.0%              | 64.0%              | 6.0%                                    | 9.4%          | 6.0%                                     | 9.4%          |
| <b>O&amp;D Enplanements</b>                     | <b>3,862</b>       | <b>2,947</b>       | <b>1,699</b>       | <b>2,048</b>       | <b>(349)</b>                            | <b>-17.0%</b> | <b>(1,249)</b>                           | <b>-42.4%</b> |
| <b>Revenue per O&amp;D Enplanement Metrics</b>  |                    |                    |                    |                    |   |               |  |               |
| TNC   | 11.6%              | 14.3%              | 13.9%              | 12.4%              | 1.4%                                    | 11.5%         | -0.4%                                    | -2.9%         |
| Taxi  | 3.8%               | 3.4%               | 1.4%               | 2.6%               | -1.3%                                   | -47.8%        | -2.0%                                    | -59.3%        |
| All other                                       | 24.3%              | 28.8%              | 24.3%              | 24.7%              | -0.5%                                   | -1.8%         | -4.5%                                    | -15.7%        |
| <b>Total GT Trips per O&amp;D Enplanement</b>   | <b>24.3%</b>       | <b>28.8%</b>       | <b>24.3%</b>       | <b>24.7%</b>       | <b>-0.5%</b>                            | <b>-1.8%</b>  | <b>-4.5%</b>                             | <b>-15.7%</b> |

# Ground Transportation – Revenue YE

**Passenger Forecast up 83.7% compared to prior year**  
**O&D Passenger Forecast up 100.9% compared to prior year**

| Revenue Detail                             | 2019          | 2020         | 2021          | 2021          | Fav (UnFav)     |               | Incr (Decr)      |               |
|--|---------------|--------------|---------------|---------------|-----------------|---------------|------------------|---------------|
| \$ in 000's                                | Actual        | Actual       | Forecast      | Budget        | Fest vs Bud Var |               | Change from 2020 |               |
|  |               |              |               |               | \$              | %             | \$               | %             |
| <b>Ground Transportation Revenues</b>      |               |              |               |               |                 |               |                  |               |
| Transportation Network Companies           | 12,982        | 4,032        | 10,406        | 8,700         | 1,706           | 19.6%         | 6,373            | 158.1%        |
| On Demand Taxis                            | 3,578         | 857          | 1,020         | 1,851         | (831)           | -44.9%        | 162              | 18.9%         |
| On Demand Limos                            | 837           | 371          | -             | -             | -               | N/A           | (371)            | -100.0%       |
| Belled In Taxis (Annual Permit)            | 27            | 12           | 6             | 19            | (14)            | -70.6%        | (6)              | -53.0%        |
| Pre-Arranged Limos (Annual Permit)         | 611           | 209          | 407           | 516           | (109)           | -21.0%        | 199              | 95.4%         |
| Courtesy Cars (cost recovery)              | 2,019         | 877          | 2,207         | 2,160         | 47              | 2.2%          | 1,330            | 151.6%        |
| <b>All other Operators (cost recovery)</b> | <b>418</b>    | <b>86</b>    | <b>86</b>     | <b>188</b>    | <b>(102)</b>    | <b>-54.3%</b> | <b>-</b>         | <b>0.0%</b>   |
| Other Misc Revenues                        | 293           | 113          | 165           | 194           | (29)            | -14.7%        | 53               | 47.0%         |
| <b>Total GT Revenue</b>                    | <b>20,765</b> | <b>6,557</b> | <b>14,321</b> | <b>13,628</b> | <b>693</b>      | <b>5.1%</b>   | <b>7,764</b>     | <b>118.4%</b> |
| <b>O&amp;D Enplanements</b>                | <b>18,422</b> | <b>6,428</b> | <b>12,916</b> | <b>12,387</b> | <b>529</b>      | <b>4.3%</b>   | <b>6,488</b>     | <b>100.9%</b> |

## 2021 Forecast vs. 2020 Actuals

### GT Revenue

Ground Transportation recovery remains slower than the recovery in O&D enplanements as customer preference away from shared ride transportation options continues during this pandemic recovery stage.

**TNC** revenue – stronger increase reflects new TNC agreement effective 1/1/2021 with new fee for TNC drop-off trips.

**On-demand Taxi** revenue & trip recovery is much slower than recovery in O&D enplanements.

**On-demand Limos** (STILA) made the decision to cease operations at SEA in late-2020.

**Other GT operators** impacted to varying degrees.

# Ground Transportation – Trips YE

| Trip Activity<br>in 000's                  | 2019          | 2020         | 2021          | 2021          | Fav / (UnFav)        |               | Incr / (Decr)         |               |
|--|---------------|--------------|---------------|---------------|----------------------|---------------|-----------------------|---------------|
|  | Actual        | Actual       | Forecast      | Budget        | Fcst vs Bud Var<br># | %             | Change from 2020<br># | %             |
| <b>Ground Transportation Trips</b>         |               |              |               |               |                      |               |                       |               |
| Transportation Network Companies           | 2,172         | 672          | 2,225         | 1,450         | 775                  | 53.4%         | 1,553                 | 231.1%        |
| On Demand Taxis                            | 616           | 150          | 171           | 309           | (137)                | -44.5%        | 22                    | 14.4%         |
| On Demand Limos                            | 65            | 12           | -             | -             | -                    | N/A           | (12)                  | -100.0%       |
| Belled In Taxis (Annual Permit)            | 13            | 2            | 1             | 5             | (4)                  | -70.6%        | (1)                   | -26.7%        |
| Pre-Arranged Limos (Annual Permit)         | 65            | 87           | 152           | 192           | (40)                 | -21.0%        | 65                    | 74.9%         |
| Courtesy Cars (cost recovery)              | 1,236         | 557          | 904           | 900           | 4                    | 0.5%          | 347                   | 62.2%         |
| <b>All other Operators (cost recovery)</b> | <b>74</b>     | <b>16</b>    | <b>14</b>     | <b>27</b>     | <b>(13)</b>          | <b>-48.8%</b> | <b>(2)</b>            | <b>-13.7%</b> |
| <b>Total GT Trip Activity</b>              | <b>4,240</b>  | <b>1,496</b> | <b>3,467</b>  | <b>2,882</b>  | <b>585</b>           | <b>20.3%</b>  | <b>1,971</b>          | <b>131.8%</b> |
| Total Enplanements                         | 25,874        | 10,044       | 18,451        | 18,216        | 236                  | 1.3%          | 8,408                 | 83.7%         |
| O&D %                                      | 70.2%         | 64.0%        | 70.0%         | 68.0%         | 2.0%                 | 2.9%          | 6.0%                  | 9.4%          |
| <b>O&amp;D Enplanements</b>                | <b>18,422</b> | <b>6,428</b> | <b>12,916</b> | <b>12,387</b> | <b>529</b>           | <b>4.3%</b>   | <b>6,488</b>          | <b>100.9%</b> |
| <b>Trips per O&amp;D Enplanement</b>       |               |              |               |               |                      |               |                       |               |
| TNC  | 11.8%         | 10.5%        | 17.2%         | 11.7%         | 5.5%                 | 47.2%         | 6.8%                  | 64.8%         |
| Taxi                                       | 3.3%          | 2.3%         | 1.3%          | 2.5%          | -1.2%                | -46.7%        | -1.0%                 | -43.1%        |
| All other                                  | 7.9%          | 10.5%        | 8.3%          | 9.1%          | -0.8%                | -8.6%         | -2.2%                 | -20.9%        |
| <b>Total Trips per O&amp;D Enplanement</b> | <b>23.0%</b>  | <b>23.3%</b> | <b>26.8%</b>  | <b>23.3%</b>  | <b>3.6%</b>          | <b>15.4%</b>  | <b>3.6%</b>           | <b>15.4%</b>  |

# Airport Dining & Retail YTD Results

| Revenue Summary (in \$000s)<br><i>Org(s): 3650-Airport Dining and Retail, Class: Top Level</i> | 2019 YTD      | 2020 YTD      | 2021 YTD     | 2021 YTD     | Fav/(UnFav) Budget Variance |               | Inc/(Dec) from Prior Year Actuals |               |
|--|---------------|---------------|--------------|--------------|-----------------------------|---------------|-----------------------------------|---------------|
|  | Actual        | Actual        | Actual       | Budget       | \$ Var                      | % Var         | \$ Change                         | % Change      |
| <b>Operating Revenue</b>   |               |               |              |              |                             |               |                                   |               |
| Duty Free  | 1,614         | 1,106         | 389          | 408          | (18)                        | -4.5%         | (717)                             | -64.8%        |
| Food & Beverage  | 4,950         | 4,287         | 1,926        | 3,236        | (1,310)                     | -40.5%        | (2,361)                           | -55.1%        |
| Retail   | 3,260         | 2,644         | 1,298        | 2,347        | (1,050)                     | -44.7%        | (1,347)                           | -50.9%        |
| Services   | 962           | 757           | 468          | 634          | (166)                       | -26.1%        | (289)                             | -38.2%        |
| Advertising  | 1,591         | 1,496         | 529          | 905          | (377)                       | -41.6%        | (967)                             | -64.7%        |
| All Other  | 437           | 390           | 255          | 367          | (111)                       | -30.3%        | (134)                             | -34.5%        |
| <b>Total ADR Revenue</b>   | <b>12,815</b> | <b>10,680</b> | <b>4,865</b> | <b>7,896</b> | <b>(3,031)</b>              | <b>-38.4%</b> | <b>(5,815)</b>                    | <b>-54.4%</b> |
| <b>Enplanements</b>  | <b>5,424</b>  | <b>4,605</b>  | <b>2,427</b> | <b>3,200</b> | <b>(773)</b>                | <b>-24.2%</b> | <b>(2,178)</b>                    | <b>-47.3%</b> |

## 2021 YTD Actuals vs. 2020 YTD Actuals

- Detailed analysis of YTD ADR revenue variances is hampered by the fact that ADR revenue has not been billed since 12/31/2020. YTD revenue recognition is based on manual accruals of the best available revenue estimates. The delay in ADR billing is related to the need for sequential, complex legal reviews related to MAG calculations.
- Cumulative YTD 2021 ADR billing is expected to be completed by early May.



# Airport Dining & Retail YE Forecast

| Revenue Summary (in \$000s)<br><i>Org(s): O3500-AV Commercial Management, Class: Top Level</i> | 2019          | 2020          | 2021          | 2021          | Fav/(UnFav) Budget Variance |              | Inc/(Dec) from Prior Year Actuals |              |
|--|---------------|---------------|---------------|---------------|-----------------------------|--------------|-----------------------------------|--------------|
|  | Actual        | Actual        | Forecast      | Budget        | \$ Var                      | % Var        | \$ Change                         | % Change     |
| <b>Operating Revenue</b>   |               |               |               |               |                             |              |                                   |              |
| Duty Free  | 6,189         | 1,842         | 1,917         | 3,599         | (1,683)                     | -46.7%       | 1,758                             | 95.4%        |
| Food & Beverage  | 26,314        | 9,709         | 19,218        | 18,456        | 762                         | 4.1%         | 8,747                             | 90.1%        |
| Retail   | 16,313        | 6,328         | 12,806        | 13,360        | (555)                       | -4.2%        | 7,033                             | 111.1%       |
| Services   | 3,847         | 1,728         | 2,912         | 3,900         | (988)                       | -25.3%       | 2,173                             | 125.7%       |
| Advertising  | 7,326         | 4,285         | 6,228         | 5,153         | 1,075                       | 20.9%        | 868                               | 20.3%        |
| All Other  | 1,625         | 1,527         | 1,486         | 1,466         | 19                          | 1.3%         | (60)                              | -4.0%        |
| <b>Total ADR Revenue</b>   | <b>61,614</b> | <b>25,418</b> | <b>44,567</b> | <b>45,936</b> | <b>(1,369)</b>              | <b>-3.0%</b> | <b>20,518</b>                     | <b>80.7%</b> |
| <b>Enplanements</b>  | <b>25,874</b> | <b>10,044</b> | <b>18,451</b> | <b>18,216</b> | <b>236</b>                  | <b>1.3%</b>  | <b>8,408</b>                      | <b>83.7%</b> |

| Sales per Enplanements Summary<br><i>Org(s): 3650-Airport Dining and Retail, Class: Top Level</i> | 2019         | 2020         | 2021         | 2021         | Fav/(UnFav) Budget Variance |               | Inc/(Dec) from Prior Year Actuals |              |
|---|--------------|--------------|--------------|--------------|-----------------------------|---------------|-----------------------------------|--------------|
|   | Actual       | Actual       | Forecast     | Budget       | \$ Var                      | % Var         | \$ Change                         | % Change     |
| Duty Free   | 0.77         | 0.47         | 0.35         | 0.65         | (0.30)                      | -46.3%        | (0.12)                            | -25.6%       |
| Food & Beverage   | 7.56         | 7.83         | 7.28         | 8.18         | (0.90)                      | -11.0%        | (0.55)                            | -7.0%        |
| Retail  | 3.99         | 4.14         | 4.12         | 4.79         | (0.67)                      | -14.0%        | (0.03)                            | -0.6%        |
| Services  | 0.80         | 0.49         | 0.44         | 0.56         | (0.12)                      | -21.1%        | (0.05)                            | -10.0%       |
| <b>SPE - Total ADR</b>  | <b>13.12</b> | <b>12.94</b> | <b>12.19</b> | <b>14.18</b> | <b>(1.99)</b>               | <b>-14.0%</b> | <b>(0.75)</b>                     | <b>-5.8%</b> |

| Revenue per Enplanements Summary<br><i>Org(s): 3650-Airport Dining and Retail, Class: Top Level</i> | 2019        | 2020        | 2021        | 2021        | Fav/(UnFav) Budget Variance |              | Inc/(Dec) from Prior Year Actuals |             |
|---|-------------|-------------|-------------|-------------|-----------------------------|--------------|-----------------------------------|-------------|
|   | Actual      | Actual      | Forecast    | Budget      | \$ Var                      | % Var        | \$ Change                         | % Change    |
| Duty Free   | 0.24        | 0.18        | 0.10        | 0.20        | (0.09)                      | -47.4%       | (0.08)                            | -43.3%      |
| Food & Beverage   | 1.02        | 0.97        | 1.04        | 1.01        | 0.03                        | 2.8%         | 0.07                              | 7.7%        |
| Retail  | 0.63        | 0.63        | 0.69        | 0.73        | (0.04)                      | -5.4%        | 0.06                              | 10.2%       |
| Services  | 0.15        | 0.17        | 0.16        | 0.21        | (0.06)                      | -26.3%       | (0.01)                            | -8.3%       |
| <b>RPE - Total ADR</b>  | <b>2.04</b> | <b>1.95</b> | <b>2.00</b> | <b>2.16</b> | <b>(0.16)</b>               | <b>-7.5%</b> | <b>0.05</b>                       | <b>2.3%</b> |

## 2021 Forecast vs. 2020 Actuals

COVID-19 impacts to Airport Dining & Retail revenue has been severe, and compounded by passenger volume decline, significant unit closures during 2020, restrictions on in-unit dining, and a prohibition on alcohol sales near the end of 2020.

**Sales per Enplanement (SPE)** on Food & Beverage and Retail are shrinking slightly as enplanements are returning and food offerings are coming back on flights as airlines have adjusted to changed operating conditions.

**Revenue per Enplanement (RPE)** is increasing as tiered rent reach higher tiers in 2021.



# Non-Aero Commercial Properties

Land Rent stable, but In-Flight Kitchen revenue negatively impacted by COVID-19

| Revenue Summary (in \$000s)<br><i>Org(s): 3630-Non-Aero<br/>Commercial Properties, Class: Top<br/>Level</i> | 2019 YTD     | 2020 YTD     | 2021 YTD     | 2021 YTD     | Fav/(UnFav) Budget<br>Variance |               | Inc/(Dec) from Prior<br>Year Actuals |               |
|---|--------------|--------------|--------------|--------------|--------------------------------|---------------|--------------------------------------|---------------|
|   | Actual       | Actual       | Actual       | Budget       | \$ Var                         | % Var         | \$ Change                            | % Change      |
| <b>Operating Revenue</b>  |              |              |              |              |                                |               |                                      |               |
| Land/Space Rental   | 1,137        | 1,581        | 1,501        | 1,519        | (18)                           | -1.2%         | (80)                                 | -5.1%         |
| In-Flight Kitchen Revenue   | 1,948        | 1,922        | 907          | 1,243        | (336)                          | -27.0%        | (1,015)                              | -52.8%        |
| Other Service Revenues  | 127          | 137          | 149          | 149          | (0)                            | 0.0%          | 11                                   | 8.3%          |
| <b>Total Operating Revenues</b>   | <b>3,212</b> | <b>3,641</b> | <b>2,557</b> | <b>2,911</b> | <b>(354)</b>                   | <b>-12.2%</b> | <b>(1,083)</b>                       | <b>-29.8%</b> |

| Revenue Summary (in \$000s)<br><i>Org(s): 3630-Non-Aero<br/>Commercial Properties, Class: Top<br/>Level</i> | 2019          | 2020          | 2021          | 2021          | Fav/(UnFav) Budget<br>Variance |             | Inc/(Dec) from Prior Year<br>Actuals |              |
|---|---------------|---------------|---------------|---------------|--------------------------------|-------------|--------------------------------------|--------------|
|   | Actual        | Actual        | Forecast      | Budget        | \$ Var                         | % Var       | \$ Change                            | % Change     |
| <b>Operating Revenue</b>  |               |               |               |               |                                |             |                                      |              |
| Land/Space Rental   | 5,122         | 6,209         | 6,001         | 6,022         | (21)                           | -0.3%       | (208)                                | -3.4%        |
| In-Flight Kitchen Revenue   | 10,053        | 3,990         | 7,395         | 7,078         | 317                            | 4.5%        | 3,405                                | 85.3%        |
| Other Service Revenues  | 597           | 566           | 613           | 613           | 0                              | 0.0%        | 47                                   | 8.3%         |
| <b>Total Operating Revenues</b>   | <b>15,773</b> | <b>10,765</b> | <b>14,009</b> | <b>13,713</b> | <b>296</b>                     | <b>2.2%</b> | <b>3,244</b>                         | <b>30.1%</b> |
| <b>Enplanements</b>   | <b>25,874</b> | <b>10,044</b> | <b>18,451</b> | <b>18,216</b> | <b>236</b>                     | <b>1.3%</b> | <b>8,408</b>                         | <b>83.7%</b> |

## 2021 Forecast vs. 2020 Actuals

COVID-19 impacts to Non-Aero Commercial Properties revenue is primarily limited to In-Flight Kitchen concession revenue.

**In-Flight Kitchen Revenue** decline is closely aligned with the decline in passenger volumes

**Land/Space Rent revenues** are primarily fixed rates per sq.ft., and were therefore relatively unaffected by COVID-19 impacts

# Clubs & Lounges

Impacted by lounge closures and passenger volume decline

| Revenue Summary (in \$000s)<br><i>Org(s): 3690-Club International<br/>Lounge, Class: Top Level</i> | 2019 YTD     | 2020 YTD     | 2021 YTD   | 2021 YTD   | Fav/(UnFav) Budget<br>Variance |               | Inc/(Dec) from Prior<br>Year Actuals |               |
|--|--------------|--------------|------------|------------|--------------------------------|---------------|--------------------------------------|---------------|
|  | Actual       | Actual       | Actual     | Budget     | \$ Var                         | % Var         | \$ Change                            | % Change      |
| Operating Revenue  |              |              |            |            |                                |               |                                      |               |
| Space Rental   | 1,902        | 1,714        | 175        | 936        | (762)                          | -81.3%        | (1,540)                              | -89.8%        |
| <b>Total Operating Revenues</b>  | <b>1,902</b> | <b>1,714</b> | <b>175</b> | <b>936</b> | <b>(762)</b>                   | <b>-81.3%</b> | <b>(1,540)</b>                       | <b>-89.8%</b> |

| Revenue Summary (in \$000s)<br><i>Org(s): 3690-Club International<br/>Lounge, Class: Top Level</i> | 2019          | 2020          | 2021          | 2021          | Fav/(UnFav) Budget<br>Variance |               | Inc/(Dec) from Prior Year<br>Actuals |               |
|--|---------------|---------------|---------------|---------------|--------------------------------|---------------|--------------------------------------|---------------|
|  | Actual        | Actual        | Forecast      | Budget        | \$ Var                         | % Var         | \$ Change                            | % Change      |
| Operating Revenue  |               |               |               |               |                                |               |                                      |               |
| Space Rental   | 10,274        | 2,043         | 4,148         | 6,221         | (2,073)                        | -33.3%        | 2,105                                | 103.0%        |
| <b>Total Operating Revenues</b>  | <b>10,274</b> | <b>2,043</b>  | <b>4,148</b>  | <b>6,221</b>  | <b>(2,073)</b>                 | <b>-33.3%</b> | <b>2,105</b>                         | <b>103.0%</b> |
| <b>Enplanements</b>  | <b>25,874</b> | <b>10,044</b> | <b>18,451</b> | <b>18,216</b> | <b>236</b>                     | <b>1.3%</b>   | <b>8,408</b>                         | <b>83.7%</b>  |

## 2021 Forecast vs. 2020 Actuals

COVID-19 impacts to Port-owned common use Clubs & Lounges reflects overall decline in passenger volume. As a result, both the South Satellite lounge and the Concourse A lounges were closed in mid-March 2020 due to the decline in passengers and in response to social distancing requirements.

**South Satellite Lounge** was able to reopen on July 1<sup>st</sup>, 2020 with new safety protocols and is experiencing a steady increase in passenger activity.

**A Concourse Lounge** unfortunately remained closed through year-end 2020 and isn't expected to reopen until June 2021 due to low passenger volumes.

# 2021 Capital Expenditures

|  | 2021<br>YTD<br>Actual | 2021<br>Year-End<br>Forecast | 2021<br>Budget | Budget Variance |             |
|--|-----------------------|------------------------------|----------------|-----------------|-------------|
| \$ in 000's                                    |                       |                              |                | \$              | %           |
| NS NSAT Renov NSTS Lobbies <sup>(1)</sup>      | 32,459                | 90,814                       | 96,408         | 5,594           | 5.8%        |
| 2021-25 AFLD Pvmnt& Spprt Infr <sup>(2)</sup>  | 718                   | 25,047                       | 29,560         | 4,513           | 15.3%       |
| Concourse A Expansion <sup>(3)</sup>           | 31                    | 9,613                        | 5,215          | (4,398)         | -84.3%      |
| International Arrivals Facility <sup>(4)</sup> | 22,947                | 82,447                       | 86,500         | 4,053           | 4.7%        |
| NEPL Improvements <sup>(5)</sup>               | 18                    | 3,616                        | 496            | (3,121)         | -629.6%     |
| Concourse C New Power Center <sup>(6)</sup>    | 1,181                 | 5,253                        | 2,961          | (2,292)         | -77.4%      |
| Terminal Security Enhancements <sup>(7)</sup>  | 63                    | 1,721                        | 3,479          | 1,758           | 50.5%       |
| A12A Jet Bridge <sup>(8)</sup>                 | -                     | 509                          | 2,227          | 1,718           | 77.2%       |
| SAMP Near Term Planning <sup>(9)</sup>         | 171                   | 3,672                        | 5,025          | 1,354           | 26.9%       |
| C1 Building Floor Expansion <sup>(10)</sup>    | 108                   | 7,487                        | 8,763          | 1,277           | 14.6%       |
| Checkpoint 1 Relocation <sup>(11)</sup>        | 63                    | 3,111                        | 1,954          | (1,158)         | -59.3%      |
| N. Terminals Utilities Upgrade <sup>(12)</sup> | 4,200                 | 7,273                        | 8,399          | 1,126           | 13.4%       |
| Parking Garage Elevators Moder <sup>(13)</sup> | 870                   | 2,932                        | 3,942          | 1,011           | 25.6%       |
| Checked Bag Recap/Optimization                 | 15,089                | 86,289                       | 86,100         | (189)           | -0.2%       |
| All Other                                      | 14,411                | 176,475                      | 192,151        | 15,676          | 8.2%        |
| Subtotal                                       | 92,329                | 506,258                      | 533,180        | 26,922          | 5.0%        |
| CIP Cashflow Mgmt Reserve                      | -                     | (38,164)                     | (41,978)       | (3,814)         | 9.1%        |
| <b>Total Spending</b>                          | <b>92,329</b>         | <b>468,094</b>               | <b>491,202</b> | <b>23,108</b>   | <b>4.7%</b> |

- (1) \$1M less Overhead; \$1.5M less Construction (contract/OFCI & sales tax); \$1.3M under Permit costs that are delayed; PM/CM/AD/ART invoice slip & underrun
- (2) Bid result lower than Engineer's Estimate by \$4.7M
- (3) 2021 baseline was set previous to Notebook approval (03/05/21), whereas the project budget went from \$60M to 71.4M
- (4) The pedestrian walkway continues to slide to the right and is likely going to complete late August 2021. Additionally, issues with control systems and smoke control have caused delays to the IAF building. Potential COVID impact payment settlement
- (5) Increased scope via approved DCD's
- (6) Construction accelerated by 6 months
- (7) Previous procurement cancelled, cashflow per anticipated DB schedule
- (8) Still in Planning Mode have not drilled on the Schedule
- (9) Continued scoping and analysis extended to gain better information deferring spending
- (10) Commission Authorization delays, due to re-evaluating financial impacts with COVID-19.
- (11) 2020 'Plan' based on a 'Hot' project, but then requested to be 'slowed', due to COVID-19.
- (12) Phase 1 is coming in under budget; Savings will be used to fund Phase 2
- (13) A protracted delay in AE contract negotiations resulted in slower than anticipated design costs.

Forecast spending variances primarily due to COVID-19 impact

# Maritime Division Appendix

## Q1 2021 Financial Performance Report

# Q1 2021 Maritime Achievements

- **Recreational Boating**– Conducted satisfaction survey in response to COVID-19 business disruptions with 26% of the customers responding. Team received overwhelmingly favorable results. Customers noted the challenges and appreciation for quick transitions & excellent customer service.
- **Elliott Bay Fishing and Commercial Operations** - Coordinated with Discovery Health MD to ensure COVID testing and administering of vaccinations could take place at Terminal 91 for Maritime Professionals.
- **Ship Canal Fishing & Operations** – Fishermen’s Terminal, Salmon Bay Marina and Maritime Industrial Center earned Clean Marina Certification from Puget Soundkeeper.
- **Maritime Portfolio Management** – Entered into negotiations for new tenant at Maritime Industrial Center.
- **Stormwater Utility** – The strategic plan draft was reviewed by stakeholders and is close to being finalized.

# Maritime Environmental & Sustainability Achievements

- Adopted the NW Ports Clean Air Strategy and made progress on the Maritime Climate and Air Action Plan.
- Completed 2019 emissions inventory.
- Completed report on Maritime and EDD solar installations and next steps.
- Developed scope and contract with NREL for power studies at T91.
- Completed T5 pile net tie off and the Centennial Park net pen project.
- Significant progress on the T117 construction.
- Proposed Mitigation Bank public comment process complete.
- Completed sustainable evaluation framework reviews on capital projects.
- Supported T5 redevelopment priorities.

# Maritime 2021 Financial Forecast Summary

|   | 2019           | 2020            | 2021            | 2021            | Fav (UnFav)<br>Fest vs. Budget<br>Variance |            | Incr (Decr)<br>Change from 2020 |             |
|---|----------------|-----------------|-----------------|-----------------|--|------------|---------------------------------|-------------|
| \$ in 000's                                 | Actual         | Actual          | Forecast        | Budget          | \$   | %          | \$                              | %           |
| Ship Canal Fishing & Operations             | 3,929          | 4,704           | 4,135           | 4,135           | 0  | 0%         | (569)                           | -12%        |
| Elliott Bay Fishing & Commercial Operations | 6,095          | 5,752           | 4,509           | 4,509           | 0  | 0%         | (1,243)                         | -22%        |
| Recreational Boating                        | 12,484         | 12,611          | 12,915          | 12,915          | 0  | 0%         | 304                             | 2%          |
| Cruise                                      | 22,410         | 3,824           | 8,558           | 8,558           | 0  | 0%         | 4,734                           | 124%        |
| Grain                                       | 4,266          | 5,142           | 5,203           | 4,903           | 300  | 6%         | 61                              | 1%          |
| Maritime Portfolio Management               | 10,108         | 10,074          | 10,034          | 10,259          | (225)                                      | -2%        | (40)                            | 0%          |
| Other                                       | (3)            | 4               | 0               | 0               | 0  | NA         | (4)                             | -100%       |
| <b>Total Revenue</b>                        | <b>59,289</b>  | <b>42,111</b>   | <b>45,355</b>   | <b>45,280</b>   | <b>75</b>                                  | <b>0%</b>  | <b>3,244</b>                    | <b>8%</b>   |
| <b>Expenses</b>                             |                |                 |                 |                 |  |            |                                 |             |
| Maritime (Excl. Maint)                      | 13,789         | 16,256          | 15,539          | 15,539          | 0  | 0%         | (717)                           | -4%         |
| Economic Development                        | 4,987          | 4,511           | 5,365           | 5,365           | 0  | 0%         | 854                             | 19%         |
| <b>Total Direct</b>                         | <b>18,776</b>  | <b>20,767</b>   | <b>20,904</b>   | <b>20,904</b>   | <b>0</b>                                   | <b>0%</b>  | <b>137</b>                      | <b>1%</b>   |
| Maintenance Expenses                        | 12,186         | 12,029          | 11,295          | 11,595          | 300  | 3%         | (734)                           | -6%         |
| Envir Services & Planning                   | 2,250          | 2,739           | 2,140           | 2,140           | 0  | 0%         | (598)                           | -22%        |
| Seaport Finance & Cost Recovery             | 835            | 937             | 977             | 977             | 0  | 0%         | 40                              | 4%          |
| Seaport Project Management                  | 175            | 1,061           | 416             | 316             | (100)                                      | -32%       | (644)                           | -61%        |
| <b>Total Support Services</b>               | <b>15,446</b>  | <b>16,765</b>   | <b>14,828</b>   | <b>15,028</b>   | <b>200</b>                                 | <b>1%</b>  | <b>(1,937)</b>                  | <b>-12%</b> |
| IT  | 2,685          | 2,719           | 2,838           | 2,853           | 15   | 1%         | 120                             | 4%          |
| Police Expenses                             | 4,086          | 2,865           | 3,079           | 3,118           | 39   | 1%         | 213                             | 7%          |
| External Relations                          | 1,564          | 1,200           | 1,050           | 1,347           | 297  | 22%        | (150)                           | -13%        |
| Other Central Services                      | 5,810          | 5,596           | 6,773           | 6,749           | (24)                                       | 0%         | 1,177                           | 21%         |
| Aviation Division / Other                   | 278            | 315             | 243             | 243             | 0  | 0%         | (72)                            | -23%        |
| <b>Total Central Services / Other</b>       | <b>14,423</b>  | <b>12,695</b>   | <b>13,984</b>   | <b>14,311</b>   | <b>327</b>                                 | <b>2%</b>  | <b>1,288</b>                    | <b>10%</b>  |
| <b>Total Expense</b>                        | <b>48,644</b>  | <b>50,228</b>   | <b>49,716</b>   | <b>50,243</b>   | <b>527</b>                                 | <b>1%</b>  | <b>(512)</b>                    | <b>-1%</b>  |
| <b>NOI Before Depreciation</b>              | <b>10,644</b>  | <b>(8,117)</b>  | <b>(4,361)</b>  | <b>(4,963)</b>  | <b>602</b>                                 | <b>12%</b> | <b>3,755</b>                    | <b>46%</b>  |
| Depreciation                                | 17,627         | 17,624          | 16,899          | 16,899          | 0  | 0%         | (725)                           | -4%         |
| <b>NOI After Depreciation</b>               | <b>(6,982)</b> | <b>(25,741)</b> | <b>(21,260)</b> | <b>(21,862)</b> | <b>602</b>                                 | <b>3%</b>  | <b>4,480</b>                    | <b>17%</b>  |

## Revenue Variance from Budget

- Grain terminal experiencing higher volumes than expected.
- Maritime Portfolio Management vacancies at Maritime Industrial Center and Fishermen's Terminal planned for first half of 2021.

## Expense Variance from Budget

- Support services - Change is Maintenance allocation methodology partially offset by expedited Project Management hires.
- Central services deeper reductions in External Relations and Police.

# Maritime 2021 YTD Financial Summary

|   | 2019 YTD       | 2020 YTD       | 2021 YTD       | 2021 YTD       | Fav(UnFav)<br>Actual vs. Budget<br>Variance |            | Incr (Decr)<br>Change from 2020 |             |
|---|----------------|----------------|----------------|----------------|---|------------|---------------------------------|-------------|
| \$ in 000's                                 | Actual         | Actual         | Actual         | Budget         | \$  | %          | \$                              | %           |
| Ship Canal Fishing & Operations             | 1,014          | 1,082          | 1,067          | 1,056          | 11  | 1%         | (15)                            | -1%         |
| Elliott Bay Fishing & Commercial Operations | 1,277          | 1,418          | 1,136          | 1,131          | 5   | 0%         | (283)                           | -20%        |
| Recreational Boating                        | 3,119          | 3,134          | 3,125          | 3,152          | (27)  | -1%        | (9)                             | 0%          |
| Cruise                                      | 43             | 114            | 48             | 1,092          | (1,044)                                     | -96%       | (66)                            | -58%        |
| Grain                                       | 1,434          | 1,048          | 1,719          | 1,421          | 298   | 21%        | 671                             | 64%         |
| Maritime Portfolio Management               | 2,550          | 2,541          | 2,443          | 2,518          | (75)  | -3%        | (98)                            | -4%         |
| Other                                       | 5              | 3              | 1              | 0              | 1   | NA         | (2)                             | -67%        |
| <b>Total Revenue</b>                        | <b>9,442</b>   | <b>9,340</b>   | <b>9,539</b>   | <b>10,370</b>  | <b>(831)</b>                                | <b>-8%</b> | <b>199</b>                      | <b>2%</b>   |
| <b>Expenses</b>                             |                |                |                |                |   |            |                                 |             |
| Maritime (Excl. Maint)                      | 3,304          | 3,724          | 3,576          | 3,837          | 261   | 7%         | (148)                           | -4%         |
| Economic Development                        | 1,215          | 1,314          | 1,059          | 1,769          | 709   | 40%        | (254)                           | -19%        |
| <b>Total Direct</b>                         | <b>4,520</b>   | <b>5,038</b>   | <b>4,635</b>   | <b>5,606</b>   | <b>970</b>                                  | <b>17%</b> | <b>(403)</b>                    | <b>-8%</b>  |
| Maintenance Expenses                        | 2,229          | 2,671          | 2,357          | 3,091          | 734   | 24%        | (314)                           | -12%        |
| Envir Services & Planning                   | 402            | 447            | 359            | 533            | 175   | 33%        | (89)                            | -20%        |
| Seaport Finance & Cost Recovery             | 267            | 227            | 237            | 238            | 1   | 0%         | 11                              | 5%          |
| Seaport Project Management                  | 69             | 43             | 76             | 81             | 4   | 6%         | 34                              | 79%         |
| <b>Total Support Services</b>               | <b>2,967</b>   | <b>3,387</b>   | <b>3,029</b>   | <b>3,943</b>   | <b>914</b>                                  | <b>23%</b> | <b>(358)</b>                    | <b>-11%</b> |
| IT  | 652            | 689            | 651            | 700            | 50  | 7%         | (39)                            | -6%         |
| Police Expenses                             | 881            | 842            | 722            | 831            | 110   | 13%        | (120)                           | -14%        |
| External Relations                          | 353            | 305            | 281            | 335            | 54  | 16%        | (24)                            | -8%         |
| Other Central Services                      | 849            | 1,340          | 1,549          | 1,609          | 60  | 4%         | 209                             | 16%         |
| Aviation Division / Other                   | 64             | 59             | 71             | 56             | (15)  | -26%       | 11                              | 19%         |
| <b>Total Central Services / Other</b>       | <b>2,799</b>   | <b>3,236</b>   | <b>3,273</b>   | <b>3,532</b>   | <b>259</b>                                  | <b>7%</b>  | <b>37</b>                       | <b>1%</b>   |
| <b>Total Expense</b>                        | <b>10,286</b>  | <b>11,661</b>  | <b>10,937</b>  | <b>13,080</b>  | <b>2,143</b>                                | <b>16%</b> | <b>(724)</b>                    | <b>-6%</b>  |
| <b>NOI Before Depreciation</b>              | <b>(844)</b>   | <b>(2,321)</b> | <b>(1,398)</b> | <b>(2,710)</b> | <b>1,312</b>                                | <b>48%</b> | <b>923</b>                      | <b>40%</b>  |
| Depreciation                                | 4,509          | 4,395          | 4,464          | 4,043          | (421)                                       | -10%       | 69                              | 2%          |
| <b>NOI After Depreciation</b>               | <b>(5,353)</b> | <b>(6,715)</b> | <b>(5,862)</b> | <b>(6,753)</b> | <b>891</b>                                  | <b>13%</b> | <b>853</b>                      | <b>13%</b>  |



# Cruise Q1 Financials

|                                       | 2020 YTD       | 2021 YTD       | 2021 YTD        | Fav (UnFav)    |             | Incr (Decr)      |             |
|---------------------------------------|----------------|----------------|-----------------|----------------|-------------|------------------|-------------|
|                                       | Actual         | Actual         | Approved Budget | Budget         | Variance    | Change from 2020 |             |
| \$ in 000's                           |                |                |                 | \$             | %           | \$               | %           |
| T-91 & Bell St Cruise Operations      | 114            | 7              | 1,083           | (1,075)        | -99%        | (107)            | -94%        |
| Bell Street Vessel Operations         | 0              | 41             | 10              | 31             | 331%        | 41               | 10866%      |
| <b>Total Revenue</b>                  | <b>114</b>     | <b>48</b>      | <b>1,092</b>    | <b>(1,044)</b> | <b>-96%</b> | <b>(66)</b>      | <b>-58%</b> |
| <b>Expenses</b>                       |                |                |                 |                |             |                  |             |
| Maritime (Excl. Maint)                | 1,055          | 1,056          | 1,182           | 125            | 11%         | 1                | 0%          |
| Economic Development                  | 97             | 67             | 93              | 26             | 28%         | (30)             | -31%        |
| <b>Total Direct</b>                   | <b>1,152</b>   | <b>1,124</b>   | <b>1,275</b>    | <b>151</b>     | <b>12%</b>  | <b>(29)</b>      | <b>-2%</b>  |
| Maintenance Expenses                  | 724            | 487            | 518             | 31             | 6%          | (237)            | -33%        |
| Envir Services & Planning             | 90             | 48             | 84              | 35             | 42%         | (42)             | -46%        |
| Seaport Finance & Cost Recovery       | 66             | 56             | 56              |                |             |                  |             |
| Seaport Project Management            | 12             | 29             | 24              | (6)            | -24%        | 17               | 137%        |
| <b>Total Support Services</b>         | <b>893</b>     | <b>621</b>     | <b>682</b>      | <b>61</b>      | <b>9%</b>   | <b>(272)</b>     | <b>-31%</b> |
| IT                                    | 170            | 146            | 157             | 12             | 7%          | (25)             | -15%        |
| Police Expenses                       | 259            | 180            | 208             | 27             | 13%         | (79)             | -30%        |
| External Relations                    | 95             | 70             | 85              | 15             | 18%         | (24)             | -26%        |
| Other Central Services                | 413            | 402            | 401             | (1)            | 0%          | (11)             | -3%         |
| Aviation Division / Other             | 22             | 23             | 20              | (3)            | -14%        | 1                | 6%          |
| <b>Total Central Services / Other</b> | <b>958</b>     | <b>821</b>     | <b>871</b>      | <b>50</b>      | <b>6%</b>   | <b>(137)</b>     | <b>-14%</b> |
| <b>Total Expense</b>                  | <b>3,004</b>   | <b>2,565</b>   | <b>2,828</b>    | <b>263</b>     | <b>9%</b>   | <b>(438)</b>     | <b>-15%</b> |
| <b>NOI Before Depreciation</b>        | <b>(2,889)</b> | <b>(2,517)</b> | <b>(1,736)</b>  | <b>(782)</b>   | <b>-45%</b> | <b>372</b>       | <b>13%</b>  |
| Depreciation                          | 1,531          | 1,497          | 1,428           | (68)           | -5%         | (34)             | -2%         |
| <b>NOI After Depreciation</b>         | <b>(4,420)</b> | <b>(4,014)</b> | <b>(3,164)</b>  | <b>(850)</b>   | <b>-27%</b> | <b>406</b>       | <b>9%</b>   |

## Variance from Budget

- Revenue \$1M lower due to 2021 NCL lease payment timing
- Outside services, promotional hosting, equipment and allocations less than budget in Q1

## Variance from 2020

- Revenue \$100K lower at T91 due to no events in 2021
- Less direct environmental & maintenance expenses in Q1 2021

## COVID-19 Impact to 2021

- Revenue to be impacted due to uncertain cruise season
- Reduction in travel expenses and Port Valet to mitigate revenue impacts

# Recreational Boating Q1 Financials

| \$ in 000's                                | 2020         | 2021 Year-to-Date |              | Fav (UnFav)<br>Budget Variance |              | Inc (Dec)<br>Change from 2020 |             |
|--|--------------|-------------------|--------------|--------------------------------|--------------|-------------------------------|-------------|
|  | Actual       | Actual            | Budget       | \$                             | %            | \$                            | %           |
| Berthage and Moorage & Concession Services | 2,839        | 2,813             | 2,867        | (54)                           | -2%          | (26)                          | -1%         |
| Utility Sales Revenue                      | 174          | 179               | 137          | 42                             | 30%          | 5                             | 3%          |
| Other Service Revenue                      | 100          | 107               | 108          | (1)                            | -1%          | 8                             | 8%          |
| Other                                      | 22           | 26                | 39           | (13)                           | -34%         | 4                             | 20%         |
| <b>Total Revenue</b>                       | <b>3,134</b> | <b>3,125</b>      | <b>3,151</b> | <b>(26)</b>                    | <b>-1%</b>   | <b>(9)</b>                    | <b>0%</b>   |
| <b>Expenses</b>                            |              |                   |              |                                |              |                               |             |
| Maritime (excl Maint)                      | 1,137        | 1,259             | 1,219        | (40)                           | -3%          | 122                           | 11%         |
| Economic Development                       | 55           | 51                | 72           | 21                             | 29%          | (4)                           | -6%         |
| <b>Total Direct</b>                        | <b>1,192</b> | <b>1,310</b>      | <b>1,291</b> | <b>(19)</b>                    | <b>-1%</b>   | <b>118</b>                    | <b>10%</b>  |
| Maintenance Expenses                       | 538          | 543               | 844          | 300                            | 36%          | 5                             | 1%          |
| Envir Services & Planning                  | 107          | 77                | 77           | 0                              | 0%           | (30)                          | -28%        |
| Seaport Finance & Cost Recovery            | 47           | 55                | 55           | 0                              | 0%           | 8                             | 16%         |
| Seaport Project Management                 | 9            | 24                | 17           | (7)                            | -40%         | 15                            | 166%        |
| <b>Total Support Service</b>               | <b>702</b>   | <b>700</b>        | <b>993</b>   | <b>293</b>                     | <b>30%</b>   | <b>(2)</b>                    | <b>0%</b>   |
| IT   | 181          | 177               | 189          | 12                             | 6%           | (4)                           | -2%         |
| Police Expenses                            | 185          | 178               | 205          | 27                             | 13%          | (8)                           | -4%         |
| External Relations                         | 67           | 69                | 82           | 13                             | 16%          | 2                             | 3%          |
| Other Central Services                     | 293          | 372               | 395          | 22                             | 6%           | 79                            | 27%         |
| Aviation Division/Other                    | 12           | 15                | 13           | (3)                            | -22%         | 3                             | 25%         |
| <b>Total Central Services/Other</b>        | <b>739</b>   | <b>811</b>        | <b>883</b>   | <b>71</b>                      | <b>8%</b>    | <b>72</b>                     | <b>10%</b>  |
| <b>Total Expense</b>                       | <b>2,633</b> | <b>2,821</b>      | <b>3,167</b> | <b>346</b>                     | <b>11%</b>   | <b>188</b>                    | <b>7%</b>   |
| <b>NOI Before Depreciation</b>             | <b>501</b>   | <b>304</b>        | <b>(15)</b>  | <b>(319)</b>                   | <b>2080%</b> | <b>(197)</b>                  | <b>-39%</b> |
| Depreciation                               | 690          | 815               | 620          | (195)                          | -31%         | 124                           | 18%         |
| <b>NOI After Depreciation</b>              | <b>(189)</b> | <b>(511)</b>      | <b>(635)</b> | <b>124</b>                     | <b>-20%</b>  | <b>(321)</b>                  | <b>170%</b> |

## Variance from Revised Budget

- Revenue \$26K lower due to lower guest moorage occupancy as we expected at SBM and BHM partially related to COVID-19 business disruptions
- Operation expenses ~\$346K favorable to budget YTD from \$300K favorable in Maintenance expenses and \$71K favorable in Central Services allocations, offset by \$40K unfavorable in Maritime direct charges which relate to salaries & benefits and supplies.

## Variance from 2020

- Revenue \$9K lower due to slightly lower occupancy
- Operation expenses ~\$188K increase in 2021 due to by \$129K increase in Maritime (excluding Maintenance) expenses, \$72K increase in Central Services; and offset by \$10K decrease in support services

- Includes Shilshole Bay Marina, Bell Harbor Marina, and Harbor Island Marina.

# Ship Canal Fishing & Ops Q1 Financials

|  | 2020         | 2021 Year-to-Date |                | Fav (UnFav)<br>Budget Variance |             | Inc (Dec)<br>Change from 2020 |             |
|--|--------------|-------------------|----------------|--------------------------------|-------------|-------------------------------|-------------|
| \$ in 000's                                | Actual       | Actual            | Budget         | \$                             | %           | \$                            | %           |
| Berthage and Moorage & Concession Services | 944          | 928               | 947            | (19)                           | -2%         | (16)                          | -2%         |
| Space Rental                               | 59           | 43                | 48             | (5)                            | -11%        | (16)                          | -28%        |
| Utility Sales Revenue                      | 49           | 64                | 27             | 37                             | 140%        | 15                            | 30%         |
| Other                                      | 29           | 32                | 35             | (2)                            | -7%         | 3                             | 12%         |
| <b>Total Revenue</b>                       | <b>1,082</b> | <b>1,067</b>      | <b>1,056</b>   | <b>11</b>                      | <b>1%</b>   | <b>(15)</b>                   | <b>-1%</b>  |
| <b>Expenses</b>                            |              |                   |                |                                |             |                               |             |
| Maritime (excl Maint)                      | 702          | 576               | 663            | 87                             | 13%         | (126)                         | -18%        |
| Economic Development                       | 13           | 13                | 18             | 5                              | 29%         | (0)                           | -1%         |
| <b>Total Direct</b>                        | <b>714</b>   | <b>588</b>        | <b>680</b>     | <b>92</b>                      | <b>14%</b>  | <b>(126)</b>                  | <b>-18%</b> |
| Maintenance Expenses                       | 404          | 389               | 470            | 80                             | 17%         | (14)                          | -4%         |
| Envir Services & Planning                  | 46           | 58                | 55             | (3)                            | -6%         | 12                            | 26%         |
| Seaport Finance & Cost Recovery            | 19           | 25                | 25             | 0                              | 0%          | 6                             | 31%         |
| Seaport Project Management                 | 4            | 6                 | 9              | 3                              | 34%         | 1                             | 26%         |
| <b>Total Support Service</b>               | <b>473</b>   | <b>478</b>        | <b>558</b>     | <b>80</b>                      | <b>14%</b>  | <b>5</b>                      | <b>1%</b>   |
| IT   | 83           | 90                | 103            | 13                             | 13%         | 7                             | 9%          |
| Police Expenses                            | 73           | 79                | 92             | 12                             | 13%         | 7                             | 9%          |
| External Relations                         | 26           | 31                | 37             | 6                              | 16%         | 4                             | 17%         |
| Other Central Services                     | 108          | 166               | 178            | 12                             | 7%          | 58                            | 54%         |
| Aviation Division/Other                    | 4            | 7                 | 4              | (2)                            | -51%        | 3                             | 69%         |
| <b>Total Central Services/Other</b>        | <b>294</b>   | <b>373</b>        | <b>413</b>     | <b>40</b>                      | <b>10%</b>  | <b>79</b>                     | <b>27%</b>  |
| <b>Total Expense</b>                       | <b>1,481</b> | <b>1,439</b>      | <b>1,652</b>   | <b>212</b>                     | <b>13%</b>  | <b>(42)</b>                   | <b>-3%</b>  |
| <b>NOI Before Depreciation</b>             | <b>(400)</b> | <b>(372)</b>      | <b>(596)</b>   | <b>224</b>                     | <b>-38%</b> | <b>28</b>                     | <b>-7%</b>  |
| Depreciation                               | 571          | 591               | 566            | (25)                           | -4%         | 20                            | 3%          |
| <b>NOI After Depreciation</b>              | <b>(971)</b> | <b>(963)</b>      | <b>(1,161)</b> | <b>198</b>                     | <b>-17%</b> | <b>8</b>                      | <b>-1%</b>  |

## Variance from Budget

- Revenue \$11K favorable to the budget mainly related to favorable Utility Sales revenue
- Operation expenses ~\$212K favorable to the budgeted YTD contributed by \$87K favorable in Maritime direct charges, \$80K favorable in Maintenance, \$40K favorable in Central Services due to lower allocation

## Variance from 2020

- Revenue \$15K or 1% lower contributed to shorter Ballard Lock closures period in 2021 compared it to 2020
- Operation expenses ~\$42K decrease in 2021 related to \$120K decrease in Maritime direct charges related to Bad Debt expenses adjustment and Equipment expense, offset by \$79K increase in Central Services allocation

- Includes Fishermen's Terminal, Maritime Industrial Center, and Salmon Bay Marina.

# Elliott Bay Fishing & Commercial Ops Q1 Financials

| \$ in 000's                         | 2020         | 2021 Year-to-Date |                | Fav (UnFav)<br>Budget Variance |             | Inc (Dec)<br>Change from 2020 |             |
|-------------------------------------|--------------|-------------------|----------------|--------------------------------|-------------|-------------------------------|-------------|
|                                     | Actual       | Actual            | Budget         | \$                             | %           | \$                            | %           |
| Berthage and Moorage & Dockage      | 788          | 624               | 582            | 42                             | 7%          | (165)                         | -21%        |
| Space Rental                        | 382          | 366               | 381            | (14)                           | -4%         | (15)                          | -4%         |
| Utility Sales Revenue               | 121          | 96                | 130            | (34)                           | -26%        | (25)                          | -21%        |
| Other                               | 127          | 49                | 38             | 12                             | 31%         | (78)                          | -61%        |
| <b>Total Revenue</b>                | <b>1,418</b> | <b>1,136</b>      | <b>1,131</b>   | <b>5</b>                       | <b>0%</b>   | <b>(283)</b>                  | <b>-20%</b> |
| <b>Expenses</b>                     |              |                   |                |                                |             |                               |             |
| Maritime (excl Maint)               | 706          | 546               | 721            | 176                            | 24%         | (160)                         | -23%        |
| Economic Development                | 35           | 85                | 77             | (7)                            | -9%         | 49                            | 139%        |
| <b>Total Direct</b>                 | 741          | 630               | 799            | 168                            | 21%         | (111)                         | -15%        |
| Maintenance Expenses                | 323          | 287               | 317            | 30                             | 9%          | (36)                          | -11%        |
| Envir Services & Planning           | 63           | 37                | 49             | 11                             | 23%         | (25)                          | -41%        |
| Seaport Finance & Cost Recovery     | 30           | 33                | 33             | (1)                            | -2%         | 4                             | 12%         |
| Seaport Project Management          | 5            | 5                 | 10             | 5                              | 47%         | 0                             | 9%          |
| <b>Total Support Service</b>        | 420          | 363               | 408            | 46                             | 11%         | (57)                          | -14%        |
| IT                                  | 90           | 85                | 93             | 9                              | 9%          | (5)                           | -6%         |
| Police Expenses                     | 102          | 87                | 100            | 13                             | 13%         | (15)                          | -14%        |
| External Relations                  | 37           | 35                | 41             | 6                              | 16%         | (2)                           | -6%         |
| Other Central Services              | 159          | 190               | 196            | 6                              | 3%          | 32                            | 20%         |
| Aviation Division/Other             | 5            | 7                 | 5              | (2)                            | -39%        | 1                             | 24%         |
| <b>Total Central Services/Other</b> | 392          | 403               | 436            | 33                             | 7%          | 11                            | 3%          |
| <b>Total Expense</b>                | <b>1,554</b> | <b>1,397</b>      | <b>1,643</b>   | <b>246</b>                     | <b>15%</b>  | <b>(157)</b>                  | <b>-10%</b> |
| <b>NOI Before Depreciation</b>      | <b>(135)</b> | <b>(261)</b>      | <b>(512)</b>   | <b>251</b>                     | <b>-49%</b> | <b>(125)</b>                  | <b>93%</b>  |
| Depreciation                        | 835          | 825               | 776            | (49)                           | -6%         | (10)                          | -1%         |
| <b>NOI After Depreciation</b>       | <b>(971)</b> | <b>(1,086)</b>    | <b>(1,288)</b> | <b>202</b>                     | <b>-16%</b> | <b>(115)</b>                  | <b>12%</b>  |

## Variance from Budget

- Revenue \$5K favorable
- Operation expenses ~\$246K favorable to the budgeted YTD. Utility expenses contributed \$187K of the favorable

## Variance from 2020

- Revenue \$283K or 20% lower primarily due to shorter Ballard Lock closure in 2021
- Operation expenses ~\$157K decrease in 2021 contributed by \$156K decrease in Maritime direct charges related to \$134K decrease in Utilities and \$33K decrease in Bad Debt expenses and \$61K lower expenses in Support service

- Includes Terminal 91 (waterside non-Cruise), Terminal 46 Docks, Kellogg Island, Terminal 25, Terminal 18 Dolphins, Pier 69 Vessels, Pier 28 Docks, Pier 34 Dolphins, Pier 2 Docks, and Terminal 108 Moorage.

# Maritime Portfolio Management Q1 Financials

|                                 | 2020 YTD     | 2021 Year-to-Date |                | Fav(UnFav) Budget |             | Incr/(Decr)      |             |
|---------------------------------|--------------|-------------------|----------------|-------------------|-------------|------------------|-------------|
| \$ in 000's                     | Actual       | Actual            | Budget         | Variance          |             | Change from 2020 |             |
|                                 |              |                   |                | \$                | %           | \$               | %           |
| Marina Office & Retail          | 925          | 795               | 986            | (192)             | -19%        | (131)            | -14%        |
| Maritime Industrial             | 1,033        | 1,059             | 1,019          | 40                | 4%          | 26               | 3%          |
| Utilities                       | 583          | 590               | 513            | 77                | 15%         | 7                | 1%          |
| <b>Total Revenue</b>            | <b>2,541</b> | <b>2,443</b>      | <b>2,518</b>   | <b>(75)</b>       | <b>-3%</b>  | <b>(98)</b>      | <b>-4%</b>  |
| PM Direct                       | 943          | 717               | 1,380          | 663               | 93%         | (226)            | -24%        |
| EDD PM Direct                   | 74           | 74                | 73             | (0)               | 0%          | (1)              | -1%         |
| EDD Other                       | 86           | 42                | 44             | 1                 | 3%          | (43)             | -51%        |
| MD Direct                       | 98           | 109               | 86             | (23)              | -21%        | 11               | 11%         |
| Total Direct                    | 1,202        | 942               | 1,583          | 641               | 68%         | (260)            | -22%        |
| Maintenance Expenses            | 602          | 589               | 746            | 158               | 27%         | (13)             | -2%         |
| Environmental & Sustainability  | 59           | 46                | 63             | 17                | 38%         | (13)             | -23%        |
| Seaport Finance & Cost Recovery | 52           | 57                | 58             | 1                 | 2%          | 4                | 8%          |
| Seaport Project Management      | 8            | 9                 | 16             | 7                 | 71%         | 1                | 14%         |
| Total Support Services          | 722          | 701               | 884            | 183               | 26%         | (21)             | -3%         |
| Police Expenses                 | 174          | 160               | 184            | 24                | 15%         | (14)             | -8%         |
| Other Corp Expenses             | 512          | 553               | 581            | 28                | 5%          | 41               | 8%          |
| Total Central Services/Other    | 686          | 713               | 765            | 53                | 7%          | 27               | 4%          |
| <b>Total Expense</b>            | <b>2,610</b> | <b>2,355</b>      | <b>3,232</b>   | <b>877</b>        | <b>37%</b>  | <b>(254)</b>     | <b>-10%</b> |
| <b>NOI Before Depreciation</b>  | <b>(69)</b>  | <b>88</b>         | <b>(714)</b>   | <b>802</b>        | <b>112%</b> | <b>157</b>       | <b>228%</b> |
| Depreciation                    | 629          | 641               | 577            | (63)              | -10%        | 11               | 2%          |
| <b>NOI After Depreciation</b>   | <b>(698)</b> | <b>(553)</b>      | <b>(1,291)</b> | <b>738</b>        | <b>57%</b>  | <b>145</b>       | <b>21%</b>  |

## Variance from Budget

- Revenue \$75K unfavorable to budget due to lower than anticipated space rental revenue from MIC mainly Bristol Wave.
- Expenses \$877K lower than budget due to favorable utilities, outside services, and maintenance expenses.

## Variance from 2020

- Revenue down \$98K due to lower than prior year space rental revenue from MIC mainly Kirby.
- Expenses down \$254K or 10% due to lower than prior year utilities and maintenance expense.

## COVID-19 Impact to 2021

- Expense projects either delayed or cancelled.

- Includes uplands of Shilshole Bay Marina, Terminal 91 (Industrial), Fishermen's Terminal, Maritime Industrial Center, Salmon Bay Marina, T-115, T-108, and T-106.

# Grain Terminal Q1 Financials

|                                       | 2020 YTD     | 2021 YTD     | 2021 YTD     | Fav(UnFav)        |             | Incr (Decr)      |             |
|---------------------------------------|--------------|--------------|--------------|-------------------|-------------|------------------|-------------|
|                                       |              |              |              | Actual vs. Budget |             | Change from 2020 |             |
|                                       |              |              |              | Variance          |             |                  |             |
| \$ in 000's                           | Actual       | Actual       | Budget       | \$                | %           | \$               | %           |
| Lease Revenue                         | 1,048        | 1,719        | 1,421        | 298               | 21%         | 671              | 64%         |
| <b>Total Revenue</b>                  | <b>1,048</b> | <b>1,719</b> | <b>1,421</b> | <b>298</b>        | <b>21%</b>  | <b>671</b>       | <b>64%</b>  |
| <b>Expenses</b>                       |              |              |              |                   |             |                  |             |
| Maritime (Excl. Maint)                | 43           | 48           | 38           | (10)              | -26%        | 4                | 10%         |
| Economic Development                  | 12           | 11           | 12           | 1                 | 7%          | (1)              | -12%        |
| <b>Total Direct</b>                   | <b>56</b>    | <b>59</b>    | <b>49</b>    | <b>(9)</b>        | <b>-19%</b> | <b>3</b>         | <b>5%</b>   |
| Maintenance Expenses                  | 49           | 54           | 185          | 131               | 71%         | 5                | 9%          |
| Envir Services & Planning             | 16           | 10           | 14           | 4                 | 29%         | (6)              | -35%        |
| Seaport Finance & Cost Recovery       | 12           | 12           | 12           | 0                 | 0%          | (1)              | -6%         |
| Seaport Project Management            | 2            | 2            | 3            | 0                 | 17%         | (0)              | -2%         |
| <b>Total Support Services</b>         | <b>80</b>    | <b>78</b>    | <b>214</b>   | <b>136</b>        | <b>64%</b>  | <b>(2)</b>       | <b>-2%</b>  |
| IT                                    | 25           | 21           | 20           | (1)               | -5%         | (4)              | -17%        |
| Police Expenses                       | 49           | 37           | 43           | 6                 | 13%         | (11)             | -23%        |
| External Relations                    | 18           | 14           | 17           | 3                 | 15%         | (3)              | -17%        |
| Other Central Services                | 76           | 77           | 82           | 5                 | 7%          | 1                | 1%          |
| Aviation Division / Other             | 2            | 2            | 2            | (0)               | -3%         | (0)              | -11%        |
| <b>Total Central Services / Other</b> | <b>169</b>   | <b>151</b>   | <b>164</b>   | <b>12</b>         | <b>8%</b>   | <b>(18)</b>      | <b>-11%</b> |
| <b>Total Expense</b>                  | <b>304</b>   | <b>288</b>   | <b>427</b>   | <b>139</b>        | <b>33%</b>  | <b>(17)</b>      | <b>-5%</b>  |
| <b>NOI Before Depreciation</b>        | <b>744</b>   | <b>1,431</b> | <b>994</b>   | <b>437</b>        | <b>44%</b>  | <b>688</b>       | <b>92%</b>  |
| Depreciation                          | 134          | 93           | 72           | (20)              | -28%        | (41)             | -31%        |
| <b>NOI After Depreciation</b>         | <b>610</b>   | <b>1,338</b> | <b>922</b>   | <b>417</b>        | <b>45%</b>  | <b>729</b>       | <b>120%</b> |

## Variance from Budget

- Revenue on tracking ahead of budget with large corn volumes in March
- Expenses tracking lower than budget due to change in maintenance allocation policy.

## Variance from 2020

- Revenue and volumes up from 2020 YTD with 9 additional vessel calls and 147K increase in metric tons.

# Maritime Capital 2021

| \$ in 000's                   | 2021 YTD<br>Actual | 2021<br>Forecast | 2021<br>Budget | Budget Variance<br>\$ | %          |
|-------------------------------|--------------------|------------------|----------------|-----------------------|------------|
| T117 Restoration              | 729                | 8,359            | 8,809          | 450                   | 5%         |
| T91 Northwest Fender          | 51                 | 6,131            | 7,761          | 1,630                 | 21%        |
| MD Small Projects             | 295                | 3,816            | 5,548          | 1,732                 | 31%        |
| MD Fleet                      | 0                  | 260              | 1,036          | 776                   | 75%        |
| FT Maritime Innovation Center | 90                 | 768              | 1,475          | 707                   | 48%        |
| T91 Berth 6&8 Redev           | 131                | 839              | 1,025          | 186                   | 18%        |
| P91 Pass Term Upgrade COV     | 1                  | 230              | 1,000          | 770                   | 77%        |
| P66 Shore Power               | 74                 | 714              | 765            | 51                    | 7%         |
| SBM Restrms/Service Bldgs Rep | 178                | 378              | 665            | 287                   | 43%        |
| FT Gateway Building           | 175                | 446              | 600            | 154                   | 26%        |
| All Other Projects            | 370                | (662)            | (2,489)        | (1,827)               | 73%        |
| <b>Total Maritime</b>         | <b>2,094</b>       | <b>21,279</b>    | <b>26,195</b>  | <b>4,916</b>          | <b>19%</b> |

**T91 Northwest Fender** – Construction bid well under Engineer's Estimate. Have reduced forecast accordingly.

**FT Maritime Innovation Center** – Total project cost updated on 2/1 based on 60% Construction.

**MD Fleet**– Delays in micro processors and raw materials are causing worldwide delays in producing new fleet assets. This trend is expected to continue into 2022 as production of vital components catches up.

**MD Small Projects**– P66 Cruise Wall Protection was deferred out to 2022. T91 Upland Lighting Improvements and HIM Operational Facility Cameras have a larger amount of spending pushed out to 2022. T91 Cruise Wayfinding Signage was moved out of the small CIP and into Cruise Upgrades COVID19.

# Economic Development Division Appendix

## Q1 2021 Financial Performance Report



# Q1 2021 EDD Program Advancements

- **Portfolio Management** maintained 95% occupancy across real estate portfolio despite ongoing COVID-19 pandemic challenges.
- **Real Estate Development** finished a new strategic plan to guide Port development projects and initiatives. Staff is also advancing development work on the Maritime Innovation Center, and T91 Uplands light industrial facilities.
- **Diversity in Contracting** - The Northwest Mountain Minority Supplier Development Council named the Port of Seattle as its Public Agency of the Year.
- **Tourism** – Awarded 23 Tourism Marketing grants. Working with WA Tourism Alliance to implement statewide tourism recovery initiative.
- **Economic Development and Innovation** Staff is working to execute 25 contracts with City's participating in the Port's economic development grant program. Staff is also supporting Greater Seattle Partners' Economic Recovery plan development and WA Maritime Blue's 2<sup>nd</sup> Maritime innovation accelerator.

# EDD 2021 Yr.-End Financial Forecast

|  | 2019           | 2020            | 2021            | 2021            | Fav (UnFav)<br>Fcst vs. Budget<br>Variance |            | Incr (Decr)<br>Change from 2020 |             |
|--|----------------|-----------------|-----------------|-----------------|--|------------|---------------------------------|-------------|
| \$ in 000's                                  | Actual         | Actual          | Forecast        | Budget          | \$   | %          | \$                              | %           |
| Revenue                                      | 8,912          | 7,808           | 8,213           | 8,313           | (100)                                      | -1%        | 405                             | 5%          |
| Conf & Event Centers                         | 12,239         | 1,662           | 4,435           | 5,035           | (600)                                      | -12%       | 2,773                           | 167%        |
| <b>Total Revenue</b>                         | <b>21,151</b>  | <b>9,470</b>    | <b>12,648</b>   | <b>13,348</b>   | <b>(700)</b>                               | <b>-5%</b> | <b>3,178</b>                    | <b>34%</b>  |
| <b>Expenses</b>                              |                |                 |                 |                 |  |            |                                 |             |
| Portfolio Management                         | 3,732          | 3,073           | 3,401           | 3,401           | 0  | 0%         | 327                             | 11%         |
| Conf & Event Centers                         | 10,218         | 4,440           | 4,420           | 4,920           | 500  | 10%        | (19)                            | 0%          |
| P69 Facilities Expenses                      | 215            | 232             | 222             | 222             | 0  | 0%         | (11)                            | -5%         |
| RE Dev & Planning                            | 136            | 209             | 154             | 154             | 0  | 0%         | (55)                            | -26%        |
| EconDev Expenses Other                       | 930            | 938             | 635             | 835             | 200  | 24%        | (303)                           | -32%        |
| Maintenance Expenses                         | 3,145          | 3,042           | 3,027           | 2,537           | (490)                                      | -19%       | (15)                            | 0%          |
| Maritime Expenses (Excl Maint)               | 1,070          | 1,035           | 1,060           | 1,060           | 0  | 0%         | 24                              | 2%          |
| <b>Total EDD &amp; Maritime Expenses</b>     | <b>19,448</b>  | <b>12,969</b>   | <b>12,918</b>   | <b>13,128</b>   | <b>210</b>                                 | <b>2%</b>  | <b>(52)</b>                     | <b>0%</b>   |
| Diversity in Contracting                     | 152            | 103             | 142             | 142             | 0  | 0%         | 39                              | 38%         |
| Tourism                                      | 1,337          | 954             | 2,481           | 2,481           | 0  | 0%         | 1,527                           | 160%        |
| EDD Grants                                   | 785            | 778             | 1,060           | 1,060           | 0  | 0%         | 282                             | 36%         |
| <b>Total EDD Initiatives</b>                 | <b>2,274</b>   | <b>1,834</b>    | <b>3,683</b>    | <b>3,683</b>    | <b>0</b>                                   | <b>0%</b>  | <b>1,848</b>                    | <b>101%</b> |
| Environmental & Sustainability               | 24             | 44              | 27              | 31              | 4  | 13%        | (17)                            | -39%        |
| Police Expenses                              | 61             | 64              | 206             | 209             | 3  | 1%         | 143                             | 225%        |
| Other Central Services                       | 5,234          | 5,539           | 4,012           | 4,242           | 230  | 5%         | (1,527)                         | -28%        |
| Aviation Division                            | 114            | 161             | 120             | 120             | 0  | 0%         | (41)                            | -25%        |
| <b>Total Central Services &amp; Aviation</b> | <b>5,433</b>   | <b>5,808</b>    | <b>4,366</b>    | <b>4,603</b>    | <b>237</b>                                 | <b>5%</b>  | <b>(1,442)</b>                  | <b>-25%</b> |
| Envir Remed Liability                        | 0              | 0               | 0               | 0               | 0  | NA         | 0                               | NA          |
| <b>Total Expense</b>                         | <b>27,155</b>  | <b>20,611</b>   | <b>20,966</b>   | <b>21,413</b>   | <b>447</b>                                 | <b>2%</b>  | <b>355</b>                      | <b>2%</b>   |
| <b>NOI Before Depreciation</b>               | <b>(6,004)</b> | <b>(11,141)</b> | <b>(8,318)</b>  | <b>(8,065)</b>  | <b>(253)</b>                               | <b>-3%</b> | <b>2,823</b>                    | <b>25%</b>  |
| Depreciation                                 | 3,647          | 3,611           | 3,216           | 3,216           | 0  | 0%         | (395)                           | -11%        |
| <b>NOI After Depreciation</b>                | <b>(9,651)</b> | <b>(14,753)</b> | <b>(11,534)</b> | <b>(11,281)</b> | <b>(253)</b>                               | <b>-2%</b> | <b>3,219</b>                    | <b>22%</b>  |

## Revenue Variance from Budget

- Lower Parking Revenues at Bell Street Garage
- Updated Conference and Event volumes, lower than originally expected.

## Expense Variance Budget

- Reduction in Conference and Event center volumes driving reduced variable expenses.
- Change in the Maintenance allocation methodology

# EDD 2021 YTD Financial Detail

|  | 2019 YTD       | 2020 YTD       | 2021 YTD       | 2021 YTD       | Fav (UnFav)<br>Actual vs. Budget<br>Variance |             | Incr (Decr)<br>Change from 2020 |             |
|--|----------------|----------------|----------------|----------------|--|-------------|---------------------------------|-------------|
| \$ in 000's                                  | Actual         | Actual         | Actual         | Budget         | \$   | %           | \$                              | %           |
| Revenue                                      | 2,155          | 2,163          | 1,875          | 1,969          | (94)   | -5%         | (288)                           | -13%        |
| Conf & Event Centers                         | 2,519          | 1,115          | 127            | 468            | (341)  | -73%        | (988)                           | -89%        |
| <b>Total Revenue</b>                         | <b>4,674</b>   | <b>3,277</b>   | <b>2,002</b>   | <b>2,436</b>   | <b>(434)</b>                                 | <b>-18%</b> | <b>(1,275)</b>                  | <b>-39%</b> |
| <b>Expenses</b>                              |                |                |                |                |  |             |                                 |             |
| Portfolio Management                         | 932            | 899            | 839            | 779            | (60)   | -8%         | (60)                            | -7%         |
| Conf & Event Centers                         | 2,276          | 1,557          | 545            | 850            | 305  | 36%         | (1,012)                         | -65%        |
| P69 Facilities Expenses                      | 51             | 55             | 47             | 57             | 10   | 18%         | (9)                             | -15%        |
| RE Dev & Planning                            | 25             | 41             | 48             | 38             | (10)   | -27%        | 7                               | 18%         |
| EconDev Expenses Other                       | 157            | 291            | 187            | 258            | 71   | 28%         | (104)                           | -36%        |
| Maintenance Expenses                         | 716            | 635            | 847            | 600            | (247)  | -41%        | 213                             | 33%         |
| Maritime Expenses (Excl Maint)               | 276            | 244            | 235            | 264            | 29   | 11%         | (9)                             | -4%         |
| <b>Total EDD &amp; Maritime Expenses</b>     | <b>4,434</b>   | <b>3,722</b>   | <b>2,748</b>   | <b>2,847</b>   | <b>99</b>                                    | <b>3%</b>   | <b>(974)</b>                    | <b>-26%</b> |
| Diversity in Contracting                     | 47             | 25             | 26             | 30             | 4  | 13%         | 1                               | 4%          |
| Tourism                                      | 194            | 207            | 167            | 235            | 68   | 29%         | (40)                            | -19%        |
| EDD Grants                                   | (54)           | (57)           | (21)           | 38             | 58   | 156%        | 36                              | -63%        |
| <b>Total EDD Initiatives</b>                 | <b>187</b>     | <b>175</b>     | <b>172</b>     | <b>302</b>     | <b>130</b>                                   | <b>43%</b>  | <b>(3)</b>                      | <b>-2%</b>  |
| Environmental & Sustainability               | 10             | 8              | 5              | 6              | 2  | 27%         | (3)                             | -41%        |
| Police Expenses                              | 45             | 58             | 48             | 56             | 7  | 13%         | (9)                             | -16%        |
| Other Central Services                       | 1,160          | 1,244          | 1,041          | 1,034          | (7)  | -1%         | (203)                           | -16%        |
| Aviation Division                            | 27             | 29             | 35             | 30             | (5)  | -16%        | 5                               | 18%         |
| <b>Total Central Services &amp; Aviation</b> | <b>1,241</b>   | <b>1,339</b>   | <b>1,129</b>   | <b>1,127</b>   | <b>(2)</b>                                   | <b>0%</b>   | <b>(210)</b>                    | <b>-16%</b> |
| Envir Remed Liability                        | 0              | 0              | 0              | 0              | 0  | NA          | 0                               | NA          |
| <b>Total Expense</b>                         | <b>5,862</b>   | <b>5,236</b>   | <b>4,049</b>   | <b>4,277</b>   | <b>228</b>                                   | <b>5%</b>   | <b>(1,187)</b>                  | <b>-23%</b> |
| <b>NOI Before Depreciation</b>               | <b>(1,187)</b> | <b>(1,959)</b> | <b>(2,047)</b> | <b>(1,840)</b> | <b>(207)</b>                                 | <b>-11%</b> | <b>(88)</b>                     | <b>-4%</b>  |
| Depreciation                                 | 918            | 909            | 958            | 758            | (200)  | -26%        | 49                              | 5%          |
| <b>NOI After Depreciation</b>                | <b>(2,105)</b> | <b>(2,867)</b> | <b>(3,005)</b> | <b>(2,598)</b> | <b>(407)</b>                                 | <b>-16%</b> | <b>(137)</b>                    | <b>-5%</b>  |

# Portfolio Management Q1 Financials

|                                 | 2020 YTD       | 2021 Year-to-Date |                | Fav(UnFav) Budget |             | Incr/(Decr)      |             |
|---------------------------------|----------------|-------------------|----------------|-------------------|-------------|------------------|-------------|
| \$ in 000's                     | Actual         | Actual            | Budget         | Variance          |             | Change from 2020 |             |
|                                 |                |                   |                | \$                | %           | \$               | %           |
| Central Harbor                  | 1,705          | 1,509             | 1,582          | (73)              | -5%         | (195)            | -13%        |
| T-91 Uplands                    | 453            | 361               | 382            | (21)              | -6%         | (92)             | -26%        |
| Conference & Events Centers     | 1,115          | 127               | 468            | (341)             | -73%        | (988)            | -778%       |
| Foreign Trade Zone              | 5              | 5                 | 5              | 0                 | 0%          | 0                | 0%          |
| <b>Total Revenue</b>            | <b>3,277</b>   | <b>2,002</b>      | <b>2,436</b>   | <b>(434)</b>      | <b>-18%</b> | <b>(1,275)</b>   | <b>-64%</b> |
| PM Outside Services             | 109            | 238               | 107            | (131)             | -122%       | 129              | 54%         |
| PM Direct                       | 2,349          | 1,146             | 1,522          | 377               | 25%         | (1,203)          | -105%       |
| EDD Other                       | 414            | 308               | 410            | 102               | 25%         | (106)            | -35%        |
| MD Direct                       | 72             | 78                | 77             | (1)               | -1%         | 6                | 8%          |
| Total Direct                    | 2,943          | 1,769             | 2,117          | 347               | 16%         | (1,174)          | -66%        |
| Maintenance Expenses            | 635            | 847               | 600            | (248)             | -41%        | 213              | 25%         |
| Environmental & Sustainability  | 43             | 36                | 66             | 31                | 47%         | (7)              | -21%        |
| Seaport Finance & Cost Recovery | 115            | 104               | 104            | (1)               | -1%         | (11)             | -10%        |
| Seaport Project Management      | 14             | 17                | 17             | (1)               | -3%         | 3                | 17%         |
| Total Support Services          | 807            | 1,005             | 787            | (218)             | -28%        | 198              | 20%         |
| Police Expenses                 | 58             | 48                | 56             | 7                 | 13%         | (9)              | -19%        |
| Other Corp Expenses             | 1,151          | 1,056             | 1,064          | 9                 | 1%          | (95)             | -9%         |
| Total Central Services/Other    | 1,209          | 1,104             | 1,120          | 16                | 1%          | (105)            | -9%         |
| <b>Total Expense</b>            | <b>4,959</b>   | <b>3,878</b>      | <b>4,023</b>   | <b>146</b>        | <b>4%</b>   | <b>(1,081)</b>   | <b>-28%</b> |
| <b>NOI Before Depreciation</b>  | <b>(1,681)</b> | <b>(1,876)</b>    | <b>(1,587)</b> | <b>(289)</b>      | <b>-18%</b> | <b>(194)</b>     | <b>-10%</b> |
| Depreciation                    | 908            | 957               | 758            | (199)             | -26%        | 49               | 5%          |
| <b>NOI After Depreciation</b>   | <b>(2,589)</b> | <b>(2,833)</b>    | <b>(2,345)</b> | <b>(488)</b>      | <b>-21%</b> | <b>(244)</b>     | <b>-9%</b>  |

## Variance from Budget

- Revenue unfavorable to budget due to Conference & Events Centers' revenue decline as a result of the on-going COVID-19 restrictions on meetings and events.
- Expenses lower than budget due to lower BHICC volumes.

## Variance from 2020

- Conference & Events Centers (BHICC & WTCS) revenue significantly declined due to the on-going COVID-19 restrictions on meetings and events. Washington State re-opening phases are moving slower than anticipated.
- Expenses down from BHICC volumes.

## COVID-19 Impact to 2021

- Loss of revenues from BHICC & WTCS due to the on-going COVID-19 restrictions on meetings and events.
- Expense projects either delayed or cancelled.

- Includes non-alliance & upland real-estate at Tsubota, T-91 (General), T-86, P-69, Bell Street Garage, Smith Cove Conference Center, Bell Harbor International Conference Center, World Trade Center, Foreign Trade Zone, Pier 2, T-34, and T-102.

# EDD Capital 2021

|                                   | 2021 YTD<br>Actual | 2021<br>Forecast | 2021<br>Budget | Budget Variance |            |
|-----------------------------------|--------------------|------------------|----------------|-----------------|------------|
| \$ in 000's                       |                    |                  |                | \$              | %          |
| BHICC Interior Modernization      | 104                | 1,139            | 1,990          | 851             | 43%        |
| P69 Underdock Utility Rpl         | 54                 | 414              | 1,028          | 614             | 60%        |
| CW Bridge Elev Modernization      | 29                 | 943              | 943            | 0               | 0%         |
| WTC HVAC Replacement              | 23                 | 848              | 848            | 0               | 0%         |
| T91 Uplands Dev Phase 1           | 69                 | 658              | 800            | 142             | 18%        |
| P66 Roof Upgrades                 | 35                 | 544              | 544            | 0               | 0%         |
| EDD Small Projects                | 9                  | 554              | 522            | (32)            | -6%        |
| Tenant Improvements -Capital      | 0                  | 58               | 289            | 231             | 80%        |
| EDD Technology Projects           | 0                  | 250              | 250            | 0               | 0%         |
| P66 HVAC Systems Upgrade          | 0                  | 170              | 185            | 15              | 8%         |
| All Other Projects                | 2                  | (974)            | (1,752)        | (778)           | 44%        |
| <b>Total Economic Development</b> | <b>325</b>         | <b>4,604</b>     | <b>5,647</b>   | <b>1,043</b>    | <b>18%</b> |

**BHICC Modernization** – Project has encountered unforeseen site conditions, additional effort required to execute change orders.

**P69 Under Dock Utility Replacement** – Design delayed due to the need for a two steps design and construction authorization approvals rather than the one step construction authorization that was previously assumed.

**T-91 Upland Development** – Decrease in projected spending for 2021 due to the need to procure new Service Agreement for Professional Design Services, after terminating contract with former design consultant . Design can resume after the new contract is executed, in Q4 2021.

# Central Services Appendix

## Q1 2021 Financial Performance Report

# Central Services Business Events

- Awarded **fourteen South King County Fund Environmental Grants** to the six Highline cities.
- Obtained the Commission approval for **Job and Economic Resource Center** as part of the Duwamish Valley Community Equity Program.
- The Port, City of Seattle, and Sound Transit agreed to **jointly fund \$1.7M** to support construction worker training, placement and other services for **residents of economically distressed communities, people of color and women**.
- Hosted a **4-part caucusing series and its first town hall** that featured updates about the Port's Racial Bias & Equity Motion, Port-wide Change Team, and OEDI's plans for 2021.
- Hosted an **Engineering Career Workshop** for Highline School District high school students in March.
- **Maritime Core Plus Curriculum and Framework** is now available for adoption by school districts state-wide. (The **Port invested the initial funding** for the Manufacturing Industrial Council to create the curriculum in 2016).
- Conducted a **Cyber Disruption Summit** focusing on employee awareness on the emerging threats.

# Central Services Expense by Category

|  | 2019 YTD      | 2020 YTD       | 2021 YTD      | 2021 YTD       | Fav (UnFav)  |             | Incr (Decr)      |              |
|--|---------------|----------------|---------------|----------------|--------------|-------------|------------------|--------------|
|  | Actual        | Actual         | Actual        | Budget         | Act/Bud      |             | Change from 2020 |              |
| \$ in 000's                                |               |                |               |                | \$           | %           | \$               | %            |
| Salaries & Benefits                        | 31,973        | 35,987         | 35,317        | 35,790         | 474          | 1.3%        | (670)            | -1.9%        |
| Wages & Benefits                           | 31,457        | 34,133         | 31,551        | 32,623         | 1,072        | 3.3%        | (2,582)          | -7.6%        |
| Payroll to Capital Projects                | 5,673         | 6,497          | 6,398         | 7,949          | 1,551        | 19.5%       | (99)             | -1.5%        |
| Outside Services                           | 17,698        | 20,420         | 19,135        | 23,660         | 4,525        | 19.1%       | (1,285)          | -6.3%        |
| Utilities                                  | 6,555         | 6,871          | 6,658         | 6,559          | (99)         | -1.5%       | (213)            | -3.1%        |
| Equipment Expense                          | 2,014         | 2,160          | 1,248         | 1,713          | 465          | 27.2%       | (913)            | -42.2%       |
| Supplies & Stock                           | 2,898         | 2,503          | 2,127         | 2,368          | 241          | 10.2%       | (376)            | -15.0%       |
| Travel & Other Employee Expenses           | 905           | 1,101          | 445           | 744            | 299          | 40.1%       | (656)            | -59.6%       |
| Third Party Mgmt Op Exp                    | 3,042         | 2,445          | 886           | 1,386          | 500          | 36.1%       | (1,559)          | -63.8%       |
| B&O Taxes                                  | 1,068         | 1,086          | 764           | 854            | 90           | 10.5%       | (322)            | -29.7%       |
| Other Expenses                             | 4,666         | 3,989          | 2,270         | 2,605          | 335          | 12.9%       | (1,719)          | -43.1%       |
| Charges to Capital Projects/Overhead Alloc | (11,221)      | (13,602)       | (11,933)      | (14,819)       | (2,886)      | 19.5%       | 1,669            | -12.3%       |
| <b>TOTAL</b>                               | <b>96,729</b> | <b>103,591</b> | <b>94,866</b> | <b>101,431</b> | <b>6,566</b> | <b>6.5%</b> | <b>(8,726)</b>   | <b>-8.4%</b> |

- Payroll savings due to staff vacancies.
- Wages favorable due to lower overtime for Police due to cancellation of cruise season and Police vacancies.
- Outside Services favorable to budget due to spending delays.
- Charges to Capital unfavorable to budget due to delay of some capital projects.



# Central Service Year End Financial Forecast

|                                 | 2019           | 2020           | 2021           | 2021           | Fav (UnFav)<br>Actual vs. Budget<br>Variance |               | Incr (Decr)<br>Change from 2020 |               |
|---------------------------------|----------------|----------------|----------------|----------------|--|---------------|---------------------------------|---------------|
| \$ in 000's                     | Actual         | Actual         | Forecast       | Budget         | \$   | %             | \$                              | %             |
| <b>Total Operating Revenues</b> | <b>1,282</b>   | <b>2,512</b>   | <b>1,129</b>   | <b>181</b>     | <b>948</b>                                   | <b>524.1%</b> | <b>(1,383)</b>                  | <b>-55.1%</b> |
| Core Central Support Services   | 76,059         | 80,841         | 83,982         | 85,678         | 1,696  | 2.0%          | 3,140                           | 3.9%          |
| Police                          | 27,793         | 27,538         | 27,968         | 28,317         | 349  | 1.2%          | 430                             | 1.6%          |
| Engineering/PCS                 | 10,038         | 9,096          | 9,680          | 9,199          | (481)  | -5.2%         | 584                             | 6.4%          |
| <b>Total Operating Expenses</b> | <b>113,891</b> | <b>117,476</b> | <b>121,629</b> | <b>123,194</b> | <b>1,565</b>                                 | <b>1.3%</b>   | <b>4,154</b>                    | <b>3.5%</b>   |

# Central Services Capital Spending

| \$ in 000's                 | 2021<br>YTD<br>Actual | 2021<br>Year-End<br>Forecast | 2021<br>Budget | Budget Variance |             |
|-----------------------------|-----------------------|------------------------------|----------------|-----------------|-------------|
|                             |                       |                              |                | \$              | %           |
| Infrastructure - Small Cap  | 272                   | 1,911                        | 1,911          | 0               | 0.0%        |
| Services Tech - Small Cap   | 173                   | 1,166                        | 1,226          | 60              | 4.9%        |
| Radio System Upgrade        | 1,844                 | 2,455                        | 2,955          | 500             | 16.9%       |
| Office Wi-Fi Refresh        | 0                     | 1,350                        | 1,350          | 0               | 0.0%        |
| Phone System Upgrade        | 21                    | 840                          | 840            | 0               | 0.0%        |
| Environmental MIS projects  | 0                     | 600                          | 600            | 0               | 0.0%        |
| CDD Fleet Replacement       | 170                   | 803                          | 1,123          | 320             | 28.5%       |
| Corporate Fleet Replacement | 0                     | 685                          | 685            | 0               | 0.0%        |
| Other (note 1)              | 185                   | 1,904                        | 1,968          | 64              | 3.3%        |
| Subtotal                    | 2,665                 | 11,714                       | 12,658         | 944             | 7.5%        |
| CIP Cashflow Adjustment     | 0                     | (3,000)                      | (3,000)        | 0               | 0.0%        |
| <b>TOTAL</b>                | <b>2,665</b>          | <b>8,714</b>                 | <b>9,658</b>   | <b>944</b>      | <b>9.8%</b> |

Note:

(1) "Other" includes remaining ICT projects and small capital projects/acquisitions.

# Portwide Appendix

## Q1 2021 Financial Performance Report

# Non-Airport Financial Summary

|                                 | 2019 YTD      | 2020 YTD       | 2021 YTD       | 2021 YTD       | Fav (UnFav)<br>Actual vs. Budget<br>Variance |               | Incr (Decr)<br>Change from 2020 |               |
|---------------------------------|---------------|----------------|----------------|----------------|--|---------------|---------------------------------|---------------|
| \$ in 000's                     | Actual        | Actual         | Actual         | Budget         | \$   | %             | \$                              | %             |
| NWSA Distributable Revenue      | 12,986        | 10,730         | 11,343         | 10,568         | 775  | 7.3%          | 613                             | 5.7%          |
| Maritime Revenues               | 9,442         | 9,340          | 9,539          | 10,370         | (831)  | -8.0%         | 199                             | 2.1%          |
| EDD Revenues                    | 4,674         | 3,277          | 2,002          | 2,436          | (434)  | -17.8%        | (1,275)                         | -38.9%        |
| SWU & Other                     | 1,280         | 1,966          | 1,774          | 936            | 838  | 89.5%         | (192)                           | -9.7%         |
| <b>Total Operating Revenues</b> | <b>28,382</b> | <b>25,313</b>  | <b>24,658</b>  | <b>24,311</b>  | <b>348</b>                                   | <b>1.4%</b>   | <b>(655)</b>                    | <b>-2.6%</b>  |
| Total Operating Expenses        | 17,513        | 18,425         | 16,778         | 20,155         | 3,377  | 16.8%         | (1,648)                         | -8.9%         |
| <b>NOI before Depreciation</b>  | <b>10,869</b> | <b>6,888</b>   | <b>7,881</b>   | <b>4,156</b>   | <b>3,725</b>                                 | <b>89.6%</b>  | <b>993</b>                      | <b>14.4%</b>  |
| Depreciation                    | 9,852         | 9,423          | 9,510          | 8,814          | (696)  | -7.9%         | 87                              | 0.9%          |
| <b>NOI after Depreciation</b>   | <b>1,017</b>  | <b>(2,535)</b> | <b>(1,630)</b> | <b>(4,658)</b> | <b>3,029</b>                                 | <b>-65.0%</b> | <b>906</b>                      | <b>-35.7%</b> |

- Non-Airport Operating Revenue higher than budget by \$348K due to Grain, NWSA Distributable Revenues, and unbudgeted Police Revenues offset by less revenues from Cruise and Conference & Event Centers.
- Expenses are \$3.4M lower than budget due cost savings measures which include hiring freeze, delay in implementing program initiatives, and travel and other employee expenses.

# Port Wide Operating Revenues Summary

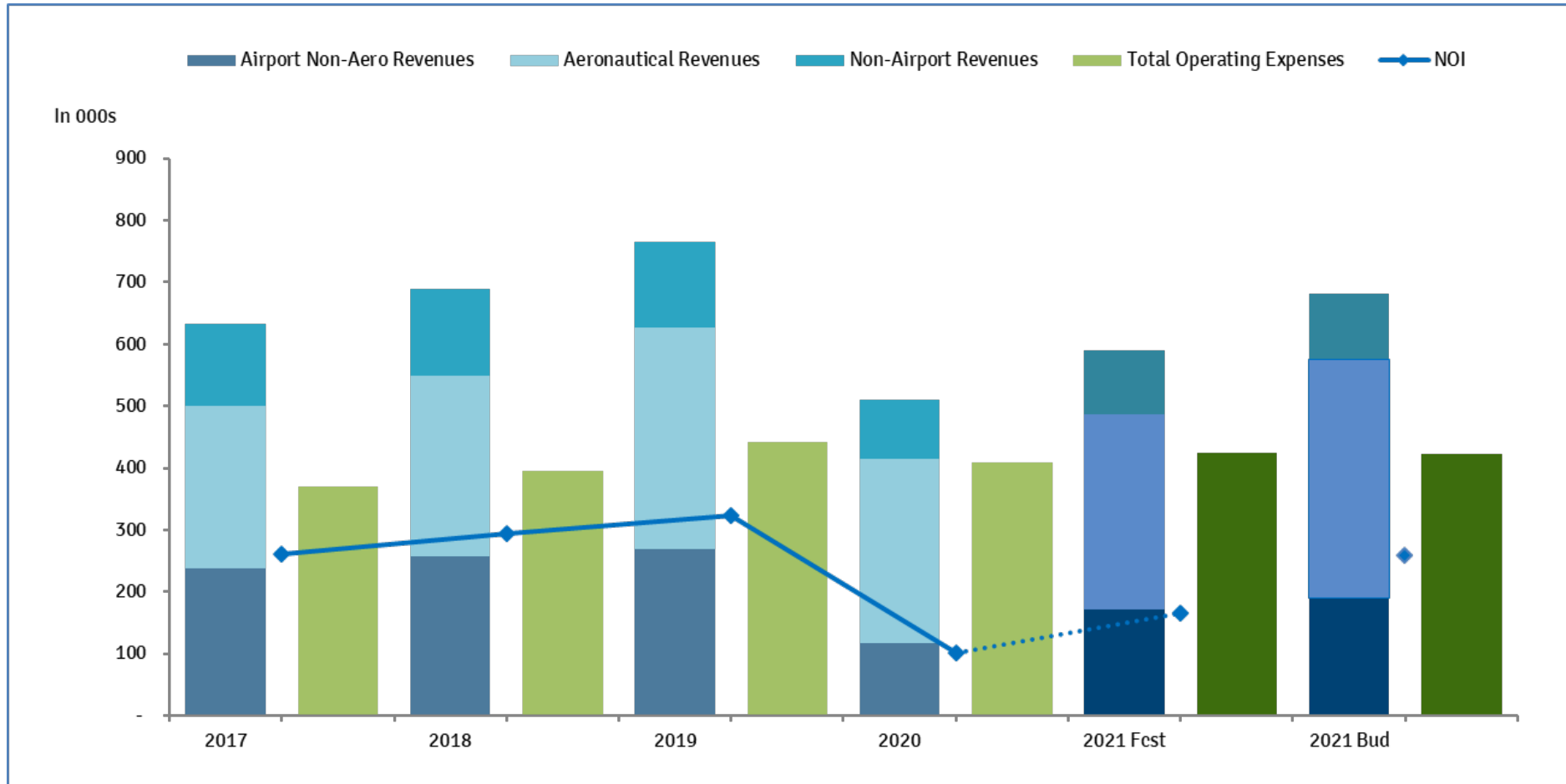
| \$ in 000's                                | 2019 YTD<br>Actual | 2020 YTD<br>Actual |                    |                    | Fav (UnFav)<br>Act/Bud Var |               | Incr (Decr)<br>Change from 2020 |               |
|--|--------------------|--------------------|--------------------|--------------------|----------------------------|---------------|---------------------------------|---------------|
|  |                    |                    | 2021 YTD<br>Actual | 2021 YTD<br>Budget | \$                         | %             | \$                              | %             |
| Aeronautical Revenues                      | 83,674             | 86,284             | 61,313             | 80,938             | (19,625)                   | -24.2%        | (24,971)                        | -28.9%        |
| Public Parking                             | 19,956             | 16,720             | 9,330              | 10,595             | (1,264)                    | -11.9%        | (7,390)                         | -44.2%        |
| Rental Cars - Operations                   | 6,234              | 6,928              | 3,484              | 4,577              | (1,092)                    | -23.9%        | (3,444)                         | -49.7%        |
| Rental Cars - Operating CFC                | 994                | -                  | -                  | -                  | -                          | 0.0%          | -                               | 0.0%          |
| ADR & Terminal Leased Space                | 14,336             | 12,376             | 6,297              | 9,119              | (2,822)                    | -30.9%        | (6,079)                         | -49.1%        |
| Ground Transportation                      | 4,523              | 3,931              | 1,459              | 2,441              | (982)                      | -40.2%        | (2,471)                         | -62.9%        |
| Employee Parking                           | 2,677              | 2,623              | 2,144              | 2,422              | (278)                      | -11.5%        | (479)                           | -18.3%        |
| Airport Commercial Properties              | 3,212              | 3,641              | 2,557              | 2,911              | (354)                      | -12.2%        | (1,083)                         | -29.8%        |
| Airport Utilities                          | 1,719              | 1,606              | 1,297              | 1,892              | (595)                      | -31.4%        | (309)                           | -19.3%        |
| Clubs and Lounges                          | 1,902              | 1,714              | 175                | 936                | (762)                      | -81.3%        | (1,540)                         | -89.8%        |
| Cruise                                     | 43                 | 114                | 48                 | 1,092              | (1,044)                    | -95.6%        | (66)                            | -58.1%        |
| Recreational Boating                       | 3,119              | 3,134              | 3,125              | 3,152              | (27)                       | -0.8%         | (9)                             | -0.3%         |
| Fishing & Operations                       | 2,291              | 2,501              | 2,203              | 2,187              | 16                         | 0.7%          | (297)                           | -11.9%        |
| Grain                                      | 1,434              | 1,048              | 1,719              | 1,421              | 298                        | 21.0%         | 671                             | 64.0%         |
| Maritime Portfolio Management              | 2,550              | 2,541              | 2,443              | 2,518              | (75)                       | -3.0%         | (98)                            | -3.8%         |
| Central Harbor Management                  | 2,150              | 2,158              | 1,870              | 1,964              | (94)                       | -4.8%         | (288)                           | -13.3%        |
| Conference & Event Centers                 | 2,519              | 1,115              | 127                | 468                | (341)                      | -72.9%        | (988)                           | -88.6%        |
| NWSA Distributable Revenue                 | 12,986             | 10,730             | 11,343             | 10,568             | 775                        | 7.3%          | 613                             | 5.7%          |
| Other                                      | 1,732              | 2,391              | 1,967              | 1,133              | 834                        | 73.6%         | (424)                           | -17.7%        |
| <b>Total Operating Revenues (w/o Aero)</b> | <b>84,378</b>      | <b>75,269</b>      | <b>51,589</b>      | <b>59,395</b>      | <b>(7,807)</b>             | <b>-13.1%</b> | <b>(23,680)</b>                 | <b>-31.5%</b> |
| <b>TOTAL</b>                               | <b>168,052</b>     | <b>161,553</b>     | <b>112,901</b>     | <b>140,333</b>     | <b>(27,432)</b>            | <b>-19.5%</b> | <b>(48,652)</b>                 | <b>-30.1%</b> |

# Port Wide Operating Expense Summary

|  | 2019 YTD      | 2020 YTD       | 2021 YTD      | 2021 YTD       | Fav (UnFav)  |             | Incr (Decr)      |              |
|--|---------------|----------------|---------------|----------------|--------------|-------------|------------------|--------------|
| \$ in 000's                                | Actual        | Actual         | Actual        | Budget         | Act/Bud      |             | Change from 2020 |              |
|  |               |                |               |                | \$           | %           | \$               | %            |
| Salaries & Benefits                        | 31,973        | 35,987         | 35,317        | 35,790         | 474          | 1.3%        | (670)            | -1.9%        |
| Wages & Benefits                           | 31,457        | 34,133         | 31,551        | 32,623         | 1,072        | 3.3%        | (2,582)          | -7.6%        |
| Payroll to Capital Projects                | 5,673         | 6,497          | 6,398         | 7,949          | 1,551        | 19.5%       | (99)             | -1.5%        |
| Outside Services                           | 17,698        | 20,420         | 19,135        | 23,660         | 4,525        | 19.1%       | (1,285)          | -6.3%        |
| Utilities                                  | 6,555         | 6,871          | 6,658         | 6,559          | (99)         | -1.5%       | (213)            | -3.1%        |
| Equipment Expense                          | 2,014         | 2,160          | 1,248         | 1,713          | 465          | 27.2%       | (913)            | -42.2%       |
| Supplies & Stock                           | 2,898         | 2,503          | 2,127         | 2,368          | 241          | 10.2%       | (376)            | -15.0%       |
| Travel & Other Employee Expenses           | 905           | 1,101          | 445           | 744            | 299          | 40.1%       | (656)            | -59.6%       |
| Third Party Mgmt Op Exp                    | 3,042         | 2,445          | 886           | 1,386          | 500          | 36.1%       | (1,559)          | -63.8%       |
| B&O Taxes                                  | 1,068         | 1,086          | 764           | 854            | 90           | 10.5%       | (322)            | -29.7%       |
| Other Expenses                             | 4,666         | 3,989          | 2,270         | 2,605          | 335          | 12.9%       | (1,719)          | -43.1%       |
| Charges to Capital Projects/Overhead Alloc | (11,221)      | (13,602)       | (11,933)      | (14,819)       | (2,886)      | 19.5%       | 1,669            | -12.3%       |
| <b>TOTAL</b>                               | <b>96,729</b> | <b>103,591</b> | <b>94,866</b> | <b>101,431</b> | <b>6,566</b> | <b>6.5%</b> | <b>(8,726)</b>   | <b>-8.4%</b> |

- Payroll expenses were \$3.1M below budget primarily due to vacant positions.
- Outside Services were \$4.5M favorable to budget due to project delays.
- Travel & Other Employee Expenses were \$299K lower than budget due to cutting/eliminating non-essential business travel and training.
- Charges to Capital Projects were lower by (\$2.9M) due to delays in Capital Projects

# Port Wide Net Operating Income Performance



- Operating Revenues are expected to be \$90.1M unfavorable to the budget due to reduced operations and lower airline activity.
- Total Operating expenses are expected to be \$1.8M below budget due to:
  - Payroll due to vacancies
  - Outside Services
  - General Expenses

# Port Wide Capital Spending Summary

| \$ in 000's                       | 2021<br>YTD Actual | 2021<br>Forecast | 2021<br>Budget | Budget Variance |             |
|-----------------------------------|--------------------|------------------|----------------|-----------------|-------------|
|                                   |                    |                  |                | \$              | %           |
| Aviation                          | 92,329             | 468,094          | 491,202        | 23,108          | 4.7%        |
| Maritime                          | 2,094              | 21,279           | 26,195         | 4,916           | 18.8%       |
| Economic Development              | 325                | 4,604            | 5,647          | 1,043           | 18.5%       |
| Central Services & Other (note 1) | 4,047              | 12,892           | 13,605         | 713             | 5.2%        |
| <b>TOTAL</b>                      | <b>98,795</b>      | <b>506,869</b>   | <b>536,649</b> | <b>29,781</b>   | <b>5.5%</b> |

Note:

(1) "Other" includes 100% Port legacy projects in the North Harbor and Storm Water Utility Small Capital projects.

**RETURN TO AGENDA**



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 10a

**ACTION ITEM**

**Date of Meeting** May 25, 2021

**DATE:** May 25, 2021

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Dave McFadden, Managing Director Economic Development Division  
Stephanie Jones Stebbins, Managing Director Maritime Division  
Kyra Lise, Director, Real Estate Development

**SUBJECT: Approval of Ground Lease for Port Property: Terminal 106**

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute a ground lease with Trammell Crow Northwest Development in order to develop a multi-story, maritime-related, light-industrial warehouse facility in the City of Seattle at Terminal 106, for a Project Cost of \$2,750,000 and \$3,100,000 in Initial Annual Revenue.

**EXECUTIVE SUMMARY**

Port staff recently completed an RFP to support redevelopment of its Terminal 106 property along Marginal Way in South Seattle. The firm selected, Trammell Crow Company (TCC), one of the nation's leading developers and investors in commercial real estate. TCC has developed or acquired more than 2,600 buildings across the nation valued at more than \$60 billion and over 565 million square feet.

Trammell Crow plans to build a 700,000 square foot, two story light industrial warehouse that can support key logistics companies and manufacturers within the region. Tenants may include e-commerce, manufacturers, and logistics providers that support the maritime industries. This project supports the Port's Century Agenda objectives to support the region's logistics and maritime industries.

The proposed development also benefits the Port and the region in numerous ways:

- The project will provide approximately 140 prevailing wage construction jobs during the build out of the property. At full occupancy, the TC forecasts the facility will support approximately 650 to 1200 full-time employees with an estimated payroll of more than \$28 million annually.
- The developer will provide apprenticeship training opportunities during construction

Meeting Date: May 25, 2021

- The design and construction will be completed primarily by locally owned, private small businesses. TCC has agreed to establish Diversity in Contracting goals for the development to further WMBE utilization.
- The development complements the inventory of warehouse space proximate to the Port's shipping terminals. Terminal 106 will provide additional best-in-class industrial inventory that will continue to attract and retain growing firms, keeping jobs within the City of Seattle and the nearby region.
- The close in and core location of Terminal 106 will help reduce sprawl by creating a new light industrial facility adjacent to current road infrastructure, highways, and public transportation.
- The site, located on East Marginal Way and S. Nevada Street, is currently occupied almost entirely by a dilapidated existing warehouse building which needs to be demolished. The warehouse will be torn down at the lessee's expense prior to any new development.

**JUSTIFICATION**

This ground lease, like the Port's aviation land leases, represents another milestone in the Port of Seattle's real estate development initiatives. Terminal 106's redevelopment advances key Port priorities and generates important new revenue at a time when the Port's operating and capital budgets have been negatively impacted by the pandemic.

Located just south of the West Seattle Bridge in the City of Seattle, Terminal 106 is a 15-acre property that is zoned General Industrial ("IG1 U/85"). Given its location, redeveloping Terminal 106 will help reduce sprawl by creating new facilities adjacent to current arterials, highways, freeways, and the Port.

It is an opportune time to redevelop Terminal 106. The demand for modern Class A warehouse distribution space close-in to the Port of Seattle continues to be high. The market is now seeing record highs, per square foot, for shell rents being attained in South Seattle. This demonstrates the willingness of companies to invest in last mile logistics positions, in addition to traditional cargo distribution through rail and short and long-haul trucking.

Like the manufacturing and marine sectors, the growing lack of Class A or Class B distribution warehouse space has pushed logistics businesses out of the city over the years. Redeveloping Terminal 106 provides critical space that can help retain and attract key logistics and maritime suppliers. Strong national industrial markets support this project and they are augmented by potential demand increases when the Port completes capacity improvements at Terminal 5 and other facilities. The proposed site and building plans at Terminal 106 show a commitment to supporting regional logistics demands. Conceptual design specs allow for high racking layouts and an ample amount of truck maneuvering for a high number of trucks at one time.

The T106 development will play a role in supporting the cargo handling and logistics sector of the Port's maritime operations. Located only a half-mile from our shipping terminals, this facility will

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be the closest state-of-the-art warehouse facility to these facilities. Prospective users will include e-commerce and logistic companies, which will benefit from the proximity by way of lower drayage costs. From a regional traffic standpoint, by shortening the distance from the container terminal to a last-mile destination, the building's location will limit the number of trucks freighting cargo down I-5 from Seattle to as far as south of Tacoma, managing traffic, noise and air pollution in the region. Port staff will be introducing TC Northwest Development to Northwest Seaport Alliance staff as the lease is executed to ensure we explore beneficial relationships that support our key operations.

Ground leasing Terminal 106 and supporting its redevelopment provides a positive financial return to the Port. Base rent for the new warehouse will be \$3,150,955/year. This translates into a \$71 million Net Present Value for the project and a 12 percent return on the Port's investment over the course of the ground lease.

***Diversity in Contracting***

TC Northwest Development also agrees to collaborate with the Port to develop aspirational goals for the participation of Women and Minority Business Enterprises (WMBE) in the design and construction of the project. TC Northwest will also develop an agreed upon outreach strategy to ensure these goals are met.

***Project Labor Agreement***

Staff encouraged Trammell Crow Northwest Development to consider the benefits of using a Project Labor Agreement to promote labor harmony during facility construction. TC Northwest Development evaluated the benefits of using a Project Labor Agreement (PLA) on the T106 project and ultimately decided not to use a PLA. TC intends to follow the practices it used to promote labor harmony on the Port's Des Moines Creek North development project in SeaTac. On this project they hired a general contractor that routinely works with union subcontractors. They also used nonunion subs, but the GC was able to manage the project sensitively without labor disruptions. TC Northwest is committed to other Port Resolution 3725 requirements, including payment of prevailing wages and establishment of apprenticeship utilization requirements.

**BACKGROUND**

Through its RFP process, the Port reached out to 30+ qualified real estate developers with records of accomplishment in industrial, maritime and air cargo related development. The RFP document invited each developer to present offers based on a variety of related building types – distribution, manufacturing, and business park/incubator. Seven developers submitted offers to the RFP and included a Letter of Intent ("LOI"). Each offer and LOI was analyzed based on evaluative criteria that included economic benefits, development team experience, support for maritime operations and regional logistics, project debt/equity financing, and development concept.

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The basic terms of the ground lease are as follows:

#### Terminal 106

1. **Term** - Initial term of fifty (50) years with three (3) ten-year options to extend.
2. **Base Rent from the day after expiration of the Due Diligence period:**
  - \$0.38 per square foot or **\$249,450/year**.
3. **Base Rent from Substantial Completion** or day 1 of the 18<sup>th</sup> month of the term, whichever occurs first:
  - \$4.80 per square foot or **\$3,150,955/year**.
4. **Base Rent Adjustments:** The applicable Base Rent will increase by twelve percent (12%) throughout the Term and any Extension Term beginning at the sixth (6<sup>th</sup>) Agreement Year and then every five (5) years thereafter.
5. **Base rent Adjustments reflecting Fair Market Value Re-appraisals** and after the Base Rent Adjustments:
  - For the twenty-first (21<sup>st</sup>), thirty-first (31<sup>st</sup>), forty-first (41<sup>st</sup>), and fifty-first (51<sup>st</sup>) Agreement years,
  - the sixty-first (61<sup>st</sup>) and seventy-first (71<sup>st</sup>) Agreement years if the options are exercised.
6. In no event will the **Fair Market Rent** adjustments be:
  - less than one hundred percent (100%) of the then current Base Rent or
  - more than one hundred and ten percent (110%) of the then current Base Rent.
7. **Prevailing wage and apprenticeship utilization** required.

#### Schedule

##### Activity

|  |                |
|--|----------------|
| Commission Lease authorization                                       | Q2 2021        |
| Completion of Due Diligence Period, DD Waived and Lease Commencement | Q2 2023        |
| Warehouse Demo and Construction Rent Commencement                    | Q2 2023        |
| Full Rent Commencement   | Q3 2024        |
| Certificate of Occupancy and Building Delivery                       | <b>Q4 2024</b> |

#### ALTERNATIVES AND IMPLICATIONS CONSIDERED

**Alternative 1** – Do not sign the lease.

Cost Implications: The loss of over \$3.1m in initial annual revenue.

##### Pros:

- (1) The property could remain available for an unknown maritime operational purpose.

Meeting Date: May 25, 2021

- (2) There could be some other use identified that could align with the Port's long-term goals.

Cons:

The loss of \$3.1m in annual revenue that is equal to more than \$265 million in cash flow over the life of the lease (50 years, without exercising renewals)

- (1) The loss of 140 prevailing wage construction jobs.
- (2) The loss of up to 650 to 1200 permanent jobs.

This is not the recommended alternative.

**Alternative 2 – Port of Seattle redevelops property**

Pros:

- (1) Retains property for other immediate leasehold needs
- (2) Provides temporary laydown area for local construction crews
- (3) Could provide some on-site covered storage

Cons:

- (1) Missed opportunity to remove dilapidated property
- (2) Missed opportunity for maximizing highest and best use in a hot market
- (3) Missed opportunity to engage with local development partner on a property that we are not maximizing to its full potential

This is not the recommended alternative.

**Alternative 3 – Approve ground lease with TC Northwest Development**

Cost Implications: \$3.1m in initial annual revenue.

Pros:

- (1) \$3.1m in annual revenue.
- (2) The creation of 140 prevailing wage construction jobs.
- (3) The creation of up to 650 to 1200 permanent jobs.

Cons:

- (1) The property would not be made available for an unknown maritime logistics or operational purpose.
- (2) There could be some other unidentified use that could more align with the Port's long-term goals.

***This is the recommended alternative.***

Meeting Date: May 25, 2021

**FINANCIAL IMPLICATIONS**

The purpose of developing Terminal 106 is to put the property back into productive use with a maritime logistics supportive and compatible development. To ensure a Fair Market Rent for the land, the Port competitively offered the property to the development community. This ensured the Port has a strong basis to evaluate proposals for financial implications and aspirational goals.

The proposal being presented exceeds the financial expectations and addresses the aspirational goals set by Commission.

***Financial Analysis and Summary***

|   |   |
|---|---|
| Project cost for analysis                               | \$2,750,000 (includes \$2.5M remediation credit and \$250K in due diligence costs)                      |
| Business Unit (BU)                                      | Maritime Portfolio Management   |
| Effect on business performance (NOI after depreciation) | This project will increase the Net Operating Income by \$3,150,956 on the first stabilized year (2025). |
| IRR*/NPV*   | NPV = \$71 million<br>MIRR = 12%<br>Payback = 1.5 years   |
| CPE Impact  | N/A   |

***Future Revenues and Expenses (Total cost of ownership)***

This project will generate the Net Cash Flow of \$265 million over the life of the lease (50 years). There are no financial requests being made as part of this ground lease approval.

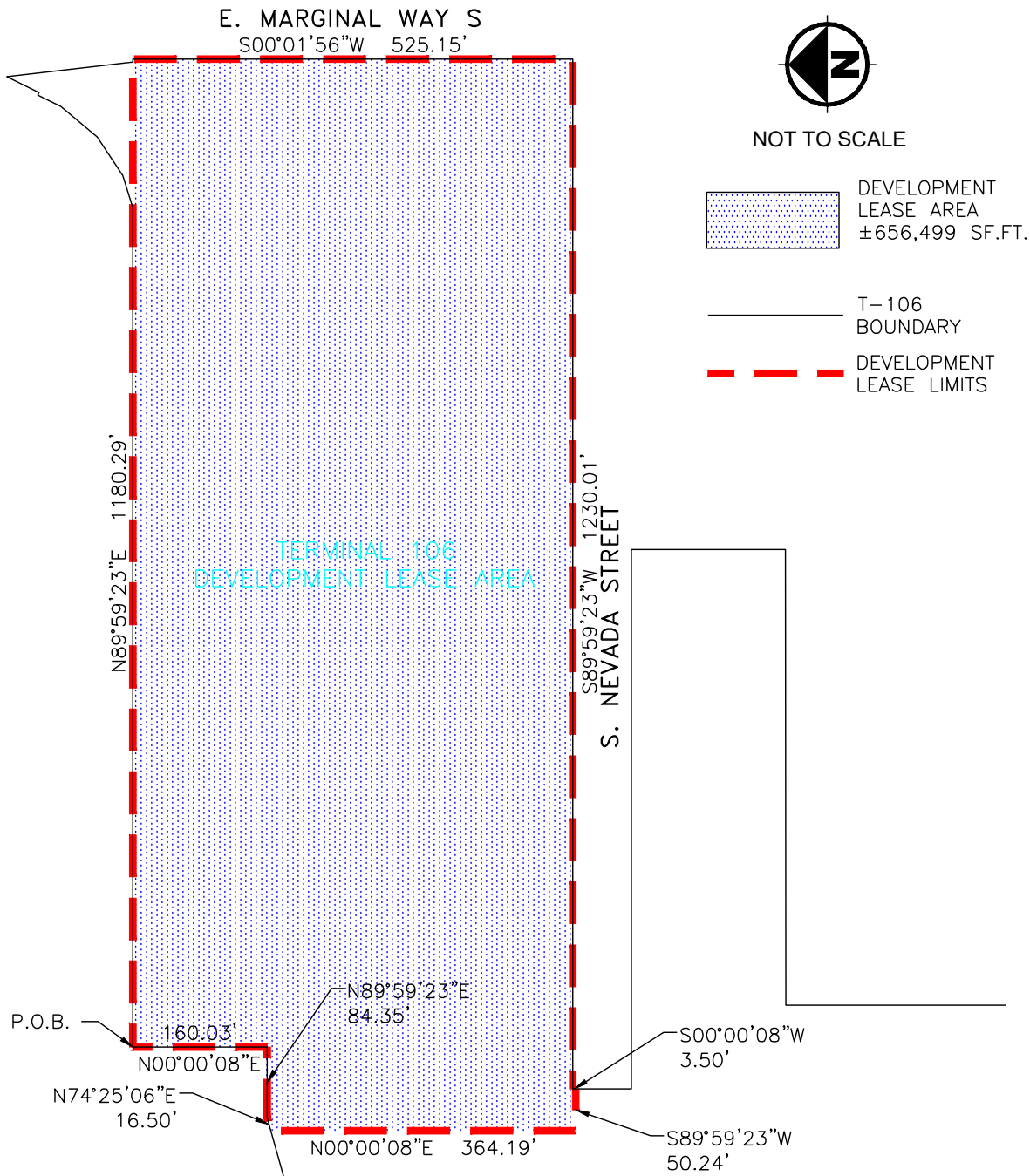
**ATTACHMENTS TO THIS REQUEST**

- (1) Slide Presentation
- (2) Draft Long-Term Ground Lease with TCC
- (3) Neighborhood map graphic and site survey

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None

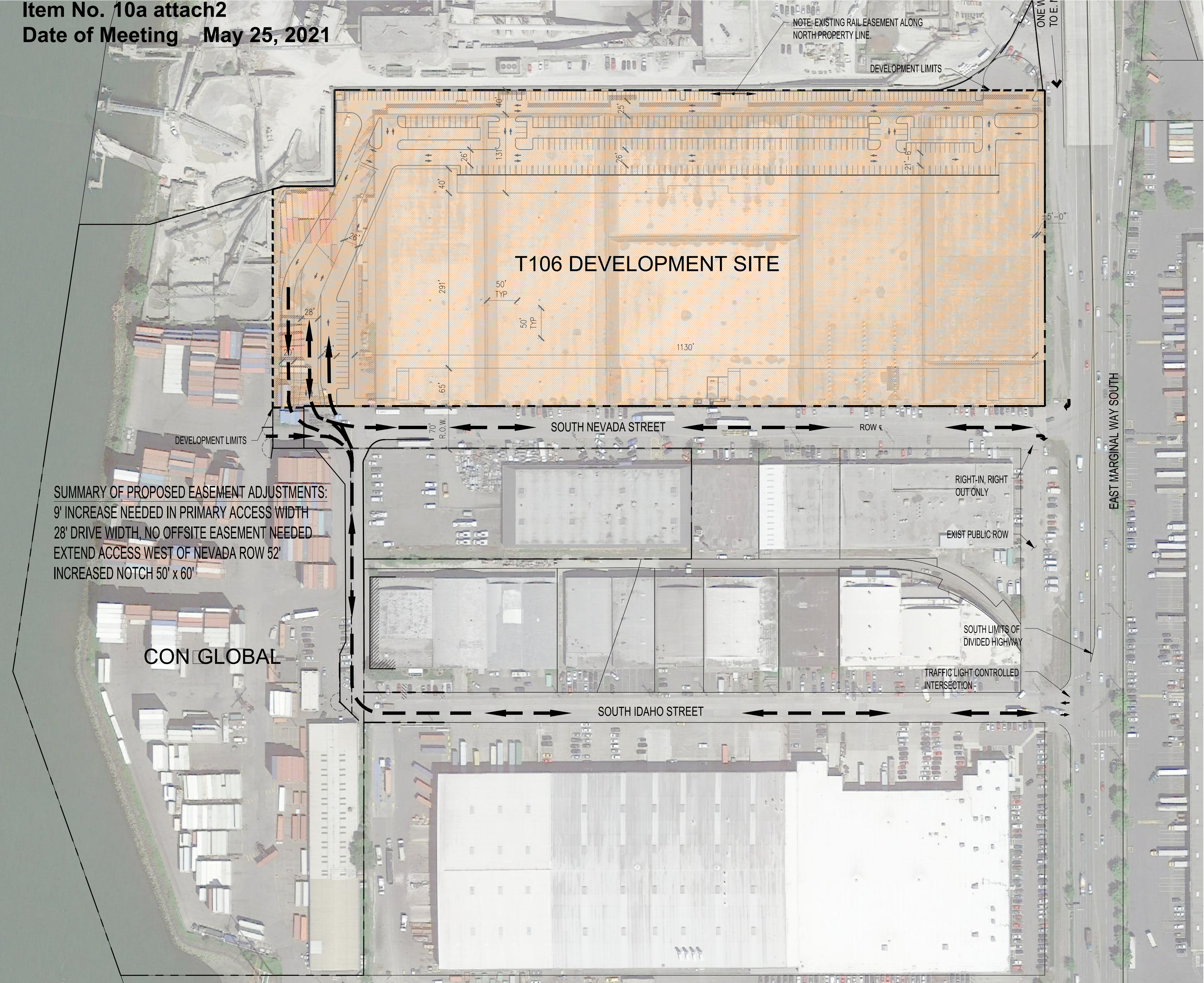
PORTION OF SOUTHEAST QUARTER SECTION 18, TOWNSHIP 24 NORTH,  
RANGE 04 EAST, W.M., KING COUNTY, WASHINGTON



|  |                        |                     |
|--|------------------------|---------------------|
|  | TERMINAL 106           | PORT OF SEATTLE NO. |
|  | DEVELOPMENT LEASE AREA | 2000                |
|  | EXHIBIT "A"            | DATE<br>04/09/2021  |
|  |                        | SHEET NO.<br>1 OF 1 |

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SITE INFORMATION

GROSS SITE AREA (PARCEL) 1.2 ACRES (1,360,270± SF)  
DEVELOPMENT SITE AREA 1.0 ACRES (656,499± SF)  
OWNING (CITY OF SEATTLE) IG1/U8

NOTES

- 1. THIS SITE PLAN IS OF SCHEMATIC DESIGN ONLY AND BASED ON KING COUNTY ASSESSOR BOUNDARY DATA.NO PROFESSIONAL SURVEY HAS BEEN PERFORMED.
- 2. INNOVA PROVIDES SITE FEASIBILITY, CIVIL ENGINEERING AND ARCHITECTURE FOR INDUSTRIAL PROPERTIES. THERE IS NO CONFLICT OF INTEREST TO WORK WITH DEVELOPERS ON THESE PORT OWNED PROPERTIES. THEREFORE INNOVA WELCOMES DEVELOPERS TO CONTACT US FOR QUESTIONS, ASSISTANCE AND CONSULTATION DURING BOTH THE FEASIBILITY PERIOD AS WELL AS DURING THE PROJECT DESIGN PERIOD FOR THESE PROPERTIES.

SITE PLAN -T106 DEVELOPMENT AND ACCESS IMPROVEMENTS

SCALE 1" = 100' PRINTED 22" X 34" 200' PRINTED 11" X 17"



Architecture  
Engineering  
Planning  
Design

INNOVA ARCHITECTS  
950 PACIFIC AVENUE, SUITE 450  
TACOMA, WA 98402  
253-572-4903



PORT OF SEATTLE  
2711 ALASKAN WAY  
SEATTLE, WA 98121  
206-787-3000

PROJECT:

PORT OF SEATTLE  
TERMINAL 106

SCALE: AS NOTED

AOT

DATE: 12/30/2020  
PAGE: 188



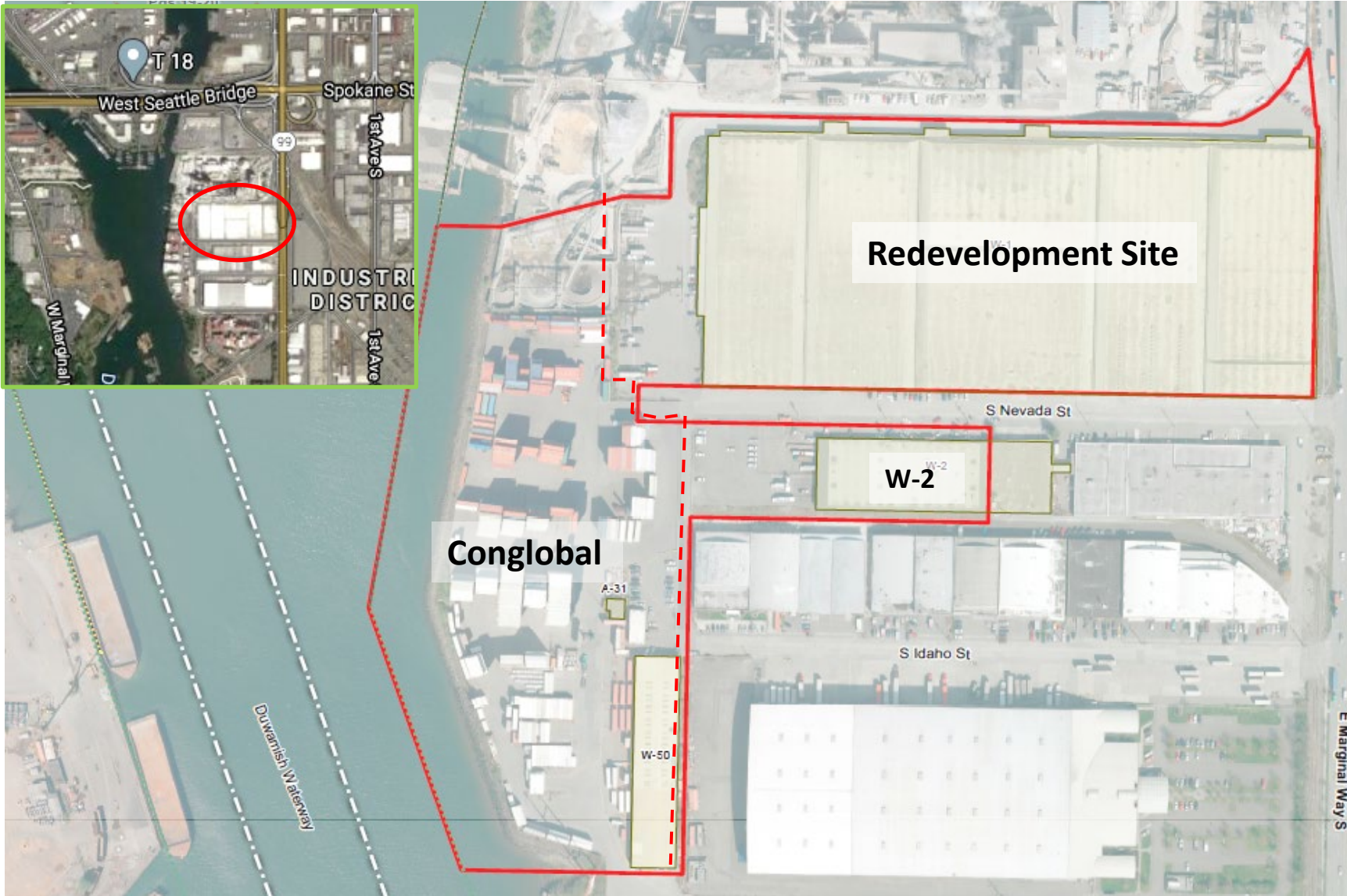
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| Item No.        | 10a supp     |
| Date of Meeting | May 25, 2021 |

# Terminal 106 Ground Lease Approval

# Action Requested

Request Commission authorization for the Executive Director to execute the Ground Lease Agreement and associated easement for the redevelopment of Terminal 106 between Trammell Crow and The Port of Seattle.

# Redevelopment Opportunity: Terminal 106



## Property Details

- 31.23 Acres
- 533,910 sf dilapidated warehouse
- **ConGlobal** leases property to west and south of existing warehouse
- Port of Seattle and NWSA developing offices for **Customs and Border Patrol** in building W-2
- A portion of W-2 also leased to **LIHI**

# Competitive RFP Demonstrates Strong Market

- Port sent RFP to 30+ qualified real estate developers
- Seven developers submitted development proposals
- Trammell Crow Company (“TCC”) selected as preferred developer.
  - TCC has developed or acquired more than 2,600 buildings valued at more than \$60 billion and over 565 million square feet.
  - **TCC developed the Port’s Des Moines Creek North property**

***“The Puget Sound region is absolutely on fire relative to industrial logistics space right now.”***

**CBRE**

***“Industrial real estate demand on the rise in the U.S.”***

**JLL**

***“In most markets, more than half of the product under construction is preleased”***

**Transwestern**

# Port of Seattle Partners with Trammell Crow to Develop State of the Art Multi-story Warehouse



# New Development Supports Maritime & Logistics Industries

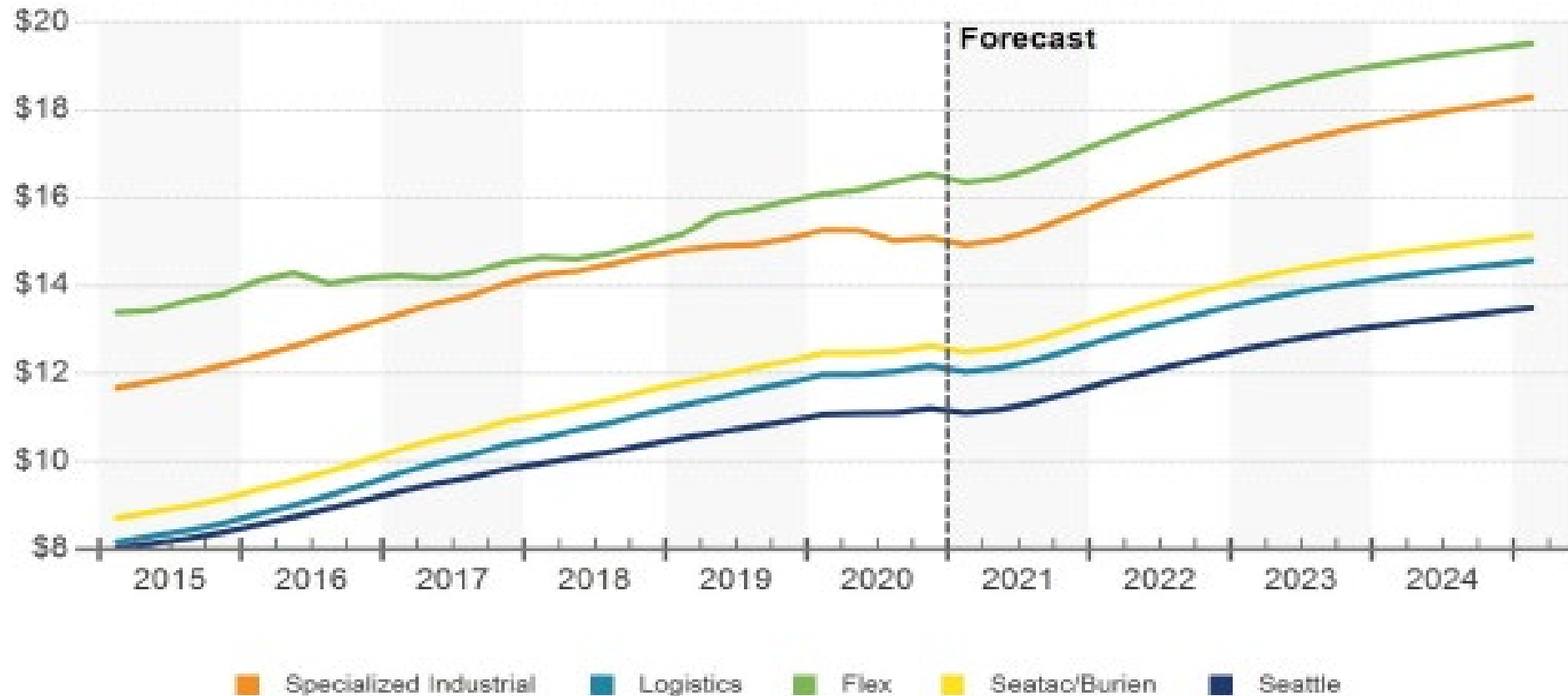
- Project supports regional logistics, maritime & manufacturing industries.
- 650 to 1200 jobs
- Generates income for Maritime operations & capital projects
- Developer commits to prevailing wages during construction and apprenticeship utilization; diversity in contracting goals
- Redevelopment protects industrial lands and enhances freight mobility.



Trammel Crow will develop a 2-story 695,000 square foot light industrial warehouse on Terminal 106

# Strong Market for Industrial Development

MARKET RENT PER SQUARE FEET



# Financial Summary

## Site area

|                                      |             |
|--------------------------------------|-------------|
| Total Leasable Development Site Area | 15.07 acres |
| Total Proposed Building SF           | @700,000 SF |
| T106 Stabilized Annual Income        | \$3,500,000 |

## Cost Basis

|  |             |
|--|-------------|
| Port Remediation Credit                | \$2,500,000 |
| Port Feasibility & due diligence costs | \$250,000   |
| Total Cost Basis                       | \$2,750,000 |

NPV **\$71 million**

MIRR **12%**

Payback period **18 months**



# Project Milestones

**Commission  
Authorization to Execute  
Ground Lease**

**May**

**2021**

**Demo & Construction  
Rent Commencement**

**May**

**2023**

**Complete Due Diligence,  
DD Waived & Lease  
Commencement**

**May**

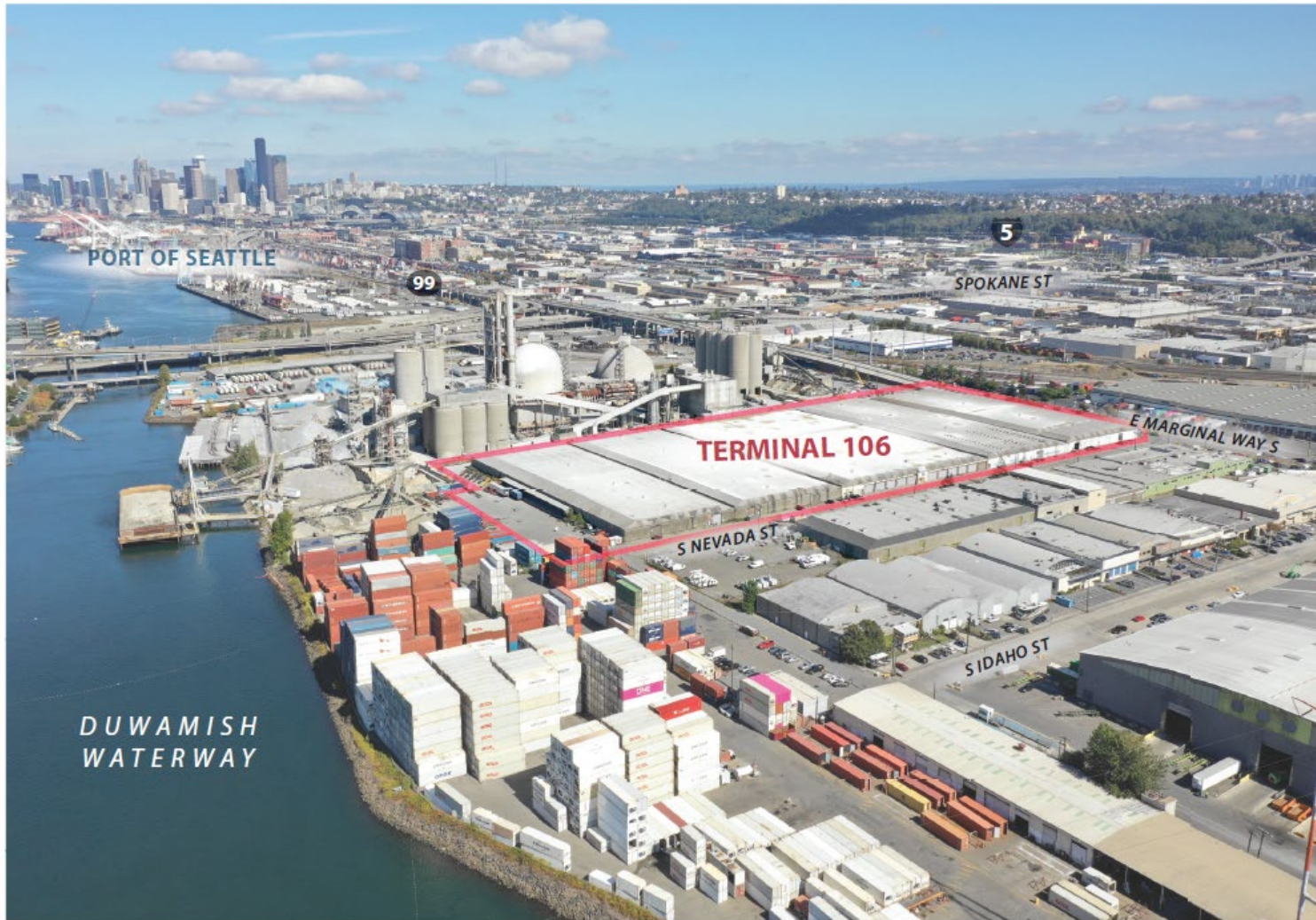
**2023**

**Substantial Completion &  
Full Rent  
Commencement**

**November**

**2024**

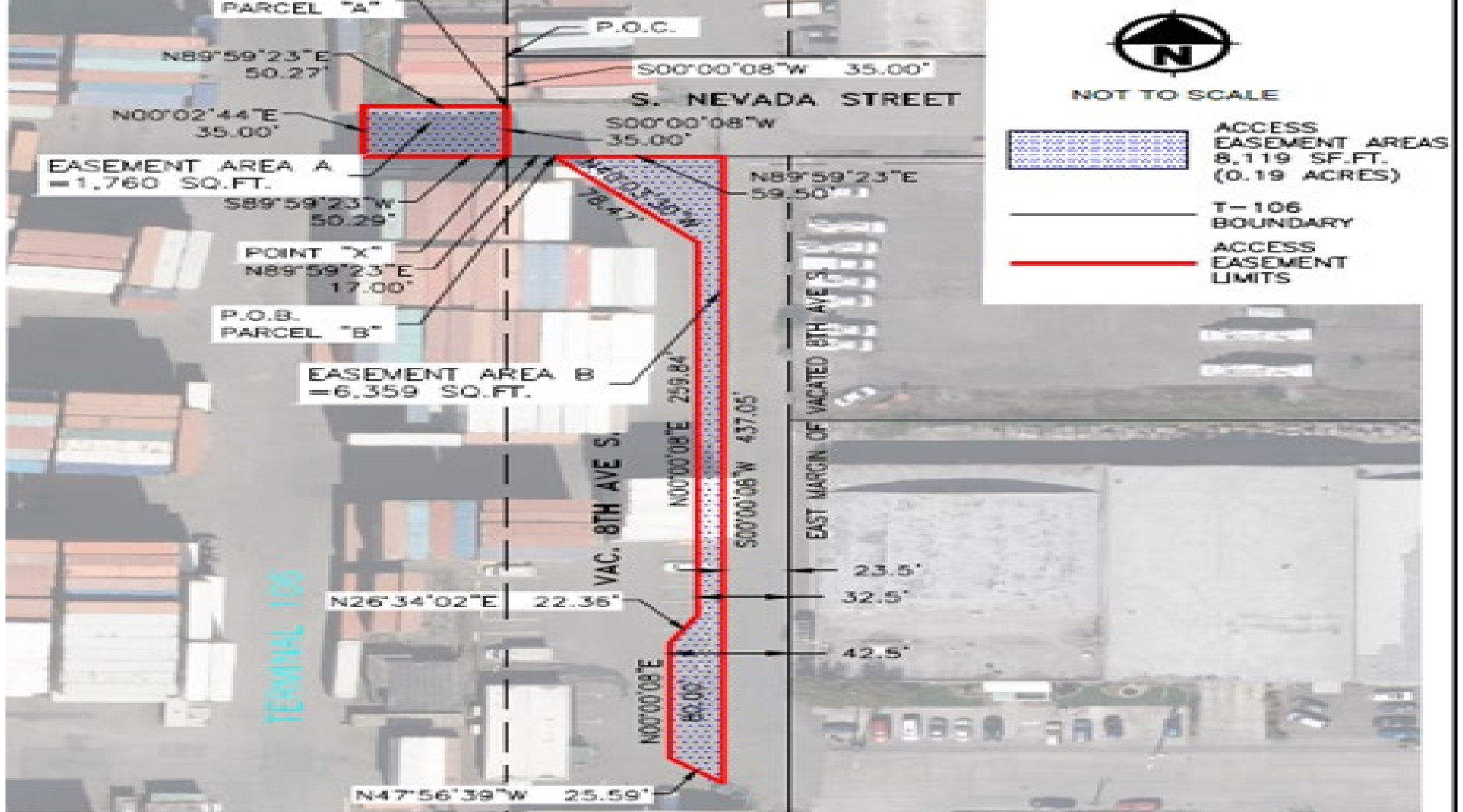
# T106 Ground Lease Development Recap



- Requesting Commission authorization to execute the Ground Lease and associated easement with Trammell Crow to redevelop Terminal 106 warehouse.
- New facilities will support logistics and maritime industries
- Excellent market timing for new development
- Substantial completion of development by Q4 2024.



# APPENDIX





# Georgetown Crossroads



[RETURN TO AGENDA](#)

**COMMISSION**  
**AGENDA MEMORANDUM**

**BRIEFING ITEM**

**Item No.**

11a

**Date of Meeting**

May 25, 2021

**DATE:** May 5, 2021

**TO:** Stephen P. Metruck, Executive Director

**FROM:** David McFadden, Managing Director – Economic Development Division

**SUBJECT: Equitable Recovery Panel Briefing**

**EXECUTIVE SUMMARY**

Staff is organizing a panel presentation with leaders from the Washington Department of Commerce, King County, and the City of Seattle to highlight the resources they are investing to support equitable economic recovery. The panel will include:

- Pamela Banks, City of Seattle Director of Recovery and Equitable Investment and Interim Director of Office of Economic Development
- Chris Green, Assistant Director, WA Department of Commerce
- Ashton Allison, Director of Economic Development and Recovery, King County Executive's Office
- Kate Becker, Creative Economy Director, King County Executive's Office

Each panelist will highlight the resources their jurisdiction is dedicating to equitable recovery. The panel will complement the Port Commission's listening sessions and an earlier study session in February featuring Greater Seattle Partners (GSP), the Workforce Development Council, and the Washington Tourism Alliance.

As part of the briefing staff will provide updates on our listening sessions and progress made by GSP, the Tourism Alliance and the Workforce Development Council of Seattle-King County since our March study session

**BACKGROUND**

Since passage of the CARES and American Rescue Plan Acts, Washington State and local government jurisdictions have played a key role distributing and fortifying resources to support equitable recovery in King County. This briefing will highlight the recovery initiatives that the City of Seattle, King County and Washington State are advancing.

These jurisdictions received significant federal resources to support public health and economic recovery. The American Rescue Plan distributes \$7.1 billion to Washington state, including

Meeting Date: May 25, 2021

\$437 million for King County. The City of Seattle will receive \$239 million. These resources are on top of the CARES funding allocated in 2020.

Panelists will highlight how they are using federal, state, and local resources to support equitable recovery. Presentations will provide Port Commissioners with details surrounding workforce, economic, and community investments these partner jurisdictions are making across King County and in Seattle. The briefing comes at an opportune time when Port Commissioners are evaluating their own potential recovery investments and partnerships. There is an opportunity to leverage Port recovery investments strategically with these partners.

The briefing will include updates on other regional recovery plans and initiatives (Greater Seattle Partners, Workforce Development Council, and WA Tourism Alliance). Staff will strive to highlight common needs/strategies from our earlier briefing in February and our recent listening sessions to set the stage for this briefing with our government partners.

At this point the Port Commission office has also hosted eight listening sessions with key stakeholders. Four more sessions are planned (Elected officials, aviation, art, & workforce/trades). Staff will briefly update the Commission on the status of these listening session. Themes from these sessions so far include:

- Equitable Sustainable recovery needed
  - Low wage predominantly BIPOC communities impacted
  - Job losses, childcare disruption, mental health issues, etc. are acute
- Concerns about complexities surrounding Port contracting and grant processes
- Small business impacted (esp. BIPOC) – need funding and technical support to rebound
- Keep spending and investing. Capital programs, operations, and community investments matter
  - Strong support for tourism, economic and workforce development investments
- Port needs to be part of team addressing Seattle’s public safety issues
- Port is an excellent convener and advocate
  - Make sure to be inclusive and that all communities have spot and voice at Port tables

#### **ATTACHMENTS TO THIS BRIEFING**

- (1) Presentation slides
- (2) Seattle Recovery slides
- (3) Department of Commerce recovery deck
- (4) King County recovery slides
- (5) Tourism Recovery initiatives update

Meeting Date: May 25, 2021

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS** [\*\[For information and examples, follow this link.\]\*](#)

February 23, 2021 – Economic Recovery briefing with Greater Seattle Partners, Workforce Development Council of Seattle-King County and WA Tourism Alliance



May 20, 2021

Item no. 11a\_attach  
Meeting date: May 25, 2021

TO: Port of Seattle Commissioners, and ED Steve Metruck  
FROM: Ron Peck, Director Tourism Development  
David McFadden, Managing Director, Economic Development Division

### **Tourism Recovery Initiatives Update**

I wanted to provide you an update on the status of Tourism Recovery efforts in Washington state. This memo highlights recent efforts and actions that are unfolding to support this hard-hit industry

#### **Legislative Success**

We got good news from Olympia – the Legislature appropriated \$12 million to support tourism recovery. This funding augments our early investment and other resources from WA Tourism Alliance and regional Destination Marketing Organizations (DMO). We will keep a close tab on these new resources and work to further leverage our own resources with this new funding.

#### **Port of Seattle/WA Tourism Alliance Recovery Initiatives**

We have executed a contract with the Washington Tourism Alliance to support a multifaceted tourism recovery campaign across Washington State. This campaign to support tourism and travel is vital to the Port and the region's economic sustainability. As mentioned previously, the timing of a large part of this campaign is still subject to public health trends and related policies. We will not prematurely market destination or travel options before it is strategic.

#### Early WTA Investments (Approximately \$540,000 WTA investment)

WTA is already engaging in specific projects directed to assist in the recovery of travelers and visitor expenditures. Select areas of WTA marketing work and projects include:

- **Show WA Love:** Launched March 30, 2020, this ongoing campaign gives Washingtonians a chance to support their businesses through the purchase gift cards.
- **Branding Development:** WTA has deployed a brand development firm to drive the creation and launch of a needed new brand for Washington tourism.
- **Marketing Collateral Development:** WTA is deploying photographers to obtain a proprietary photo library of several hundred images and videos throughout the state.
- **Travel and Recreate Safely:** WTA is communicating the need to travel and recreate responsibly. WTA staff and board members are actively engaged in working with fellow travel organizations including the Recreate Responsibly coalition.

#### Destination Support and Development (\$400,000 budget with \$200,000 from Port)

WTA has already been implementing a series of initiatives to strengthen local and regional tourism entities so they can rebound quickly and help support an effective statewide tourism recovery initiative. The Tourism Alliance is working with the state's tourism regions as well as rural and ethnic communities to develop necessary capacities and strategies that link these local organizations into the overall tourism recovery campaign. Activities include:

- **Workshops** to help assess and develop local/regional tourism promotion strategies
- Development of a **Tourism Resource toolkit** with data, resources, visitor readiness checklists, and promotional tools
- **Grants** to help support initial implementation of these strategies
- **Complimentary ad spots** within WTA's consumer web site advertising program

#### Travel Publicity Campaign (\$200,000 budget with \$150,000 from Port)

WTA is starting to implement a travel publicity campaign to promote Washington destinations. Work will include:

- Develop messaging to impact travel trade and consumers
- Through ongoing outreach, drive earned travel media coverage for the destination; increase circulation and equivalent advertising value; track/report incrementally
- Work in tandem with DMO, the Port and industry PR practitioners to maximize coverage
- Host media familiarization (FAM) tours throughout the year. Work to be inclusive of shoulder seasons.

Messages will address, but are not limited to:

- Washington's outdoor, natural lands and unique culturally diverse destinations and attractions
- Responsible travel – define a new definition of travel, promote “responsible” state offerings, report traveler tips, trends and protocols that encourage and compel

#### Travel Trade Sales and Promotion (\$240,000 budget with \$120,000 from the Port)

WTA is also starting to implement marketing and sales efforts that are geared to stimulate new/expanded tour product for Washington State, increase consumer sales through the retail distribution systems (including travel agents, tour operators and travel suppliers), and working with travel partners and DMOs. Plans include:

- Develop a comprehensive travel trade sales and promotion plan
- Participate in a minimum of 4 travel trade shows attended/conducted by WTA.
- Host familiarization (FAM) tours throughout the year. Work to be inclusive of shoulder seasons.
- Highlight the unique aspects of Washington state (urban, rural, tribal, nature, cultures state and national parks) to travel trade while educating on evolving re-opening status, safety protocols and travel guidelines for individual and group travel

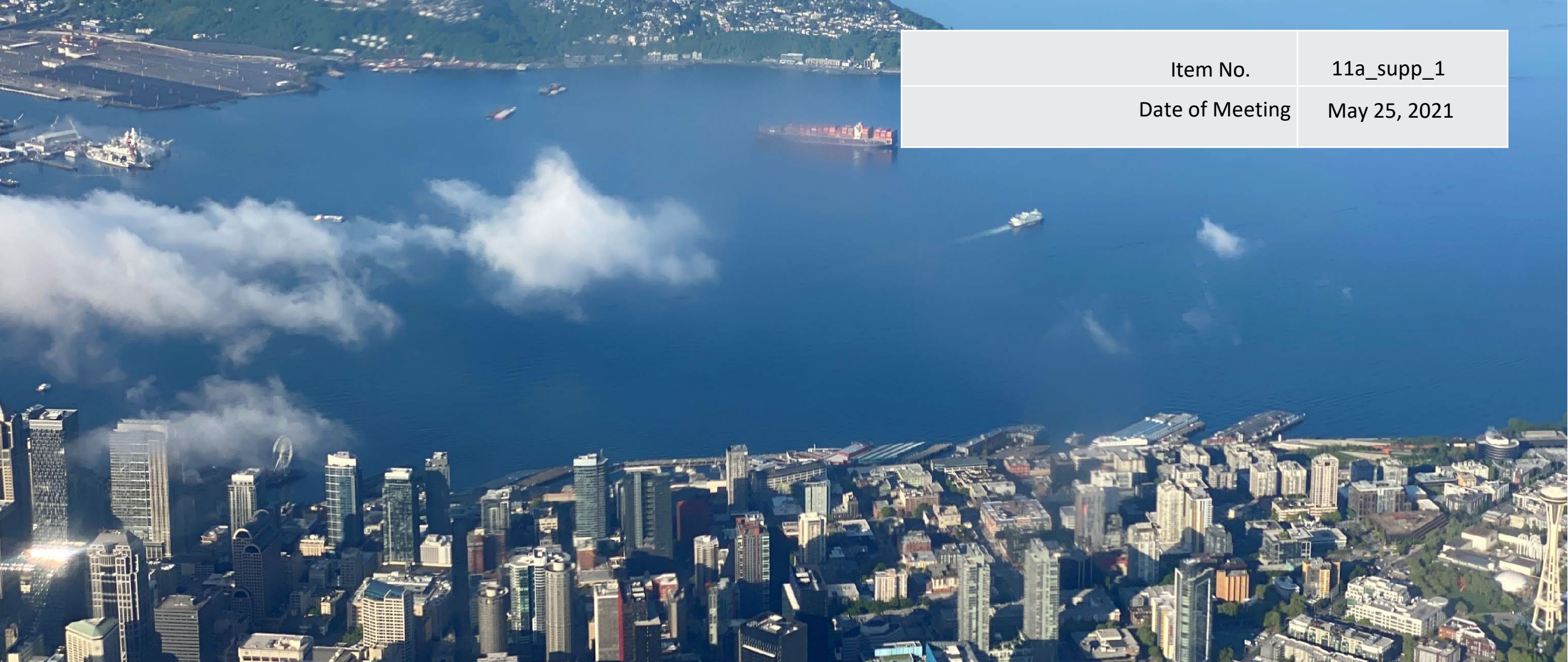
#### Paid Destination Advertising Campaign to Regenerate North American Air Markets (\$600,000 from WTA and \$1,080,000 from the Port)

WTA won't initiate this part of the recovery initiative until SEA enplanements further improve. It is, however, poised to start a multifaceted advertising campaign that focuses on consumers in the U.S./Canada and Pacific Northwest regional air markets audiences. The campaign will:

- Compel/remind residents and regional consumers of the wealth, diversity and affordability of Washington State travel experiences now re-opened to them
- Build consumer confidence for travel in Washington State
- Instill the importance of traveling again – with a new lens: safely, responsibly and by using new trip-planning resources

#### Tourism Marketing Support Program (Port of Seattle Tourism Grants)

We recently awarded 23 tourism marketing grants worth \$200,000 to organizations across the State. Ten of the organizations identified cultural / diversity projects representing \$80,000. Here is a [list of grant recipients](#). We look forward to working with these organizations and will also work to incorporate their initiatives into the broader WTA Tourism recovery initiatives.



|                 |              |
|-----------------|--------------|
| Item No.        | 11a_supp_1   |
| Date of Meeting | May 25, 2021 |

# Equitable Recovery Briefing



# Equitable Recovery

- Updates on Recovery Plans and Initiatives
  - Greater Seattle Partners, Workforce Development Council, Tourism Alliance
  - Port recovery investments and listening sessions
- Panel presentation from government partners on how they are using their resources to support equitable recovery
  - **Pamela Banks**, City of Seattle Director of Recovery and Equitable Investment and Interim Director of Office of Economic Development
  - **Ashton Allison**, Director of Economic Development and Recovery, King County Executive's Office
  - **Kate Becker**, Creative Economy Director, King County Executive's Office
  - **Chris Green**, Assistant Director, WA Department of Commerce

# HIGH STAKES

- The decisions made over the next year will determine whether regions merely enjoy a brief stimulus or seed a new trajectory of inclusive economic growth
- The stakes are high. The money needs to move fast and be deployed smartly and equitably
- In 10 years, we may look back at this time and ask:

**Which places merely spent their money, and  
which places invested it\***

\*Joe Padilla, Brookings Institute



# Greater Seattle Partners

Have developed framework and compelling case for Equitable Recovery

## THE ECONOMIC CHALLENGE

### Not enough good jobs or successful new businesses

**860,000** people out of work or in low-wage jobs

- Over 30% had at least a 2-year degree
- 30% higher rate than Minneapolis-St. Paul

**13% decline** in jobs in new businesses

- Denver and Austin: gains of 12% and 35%

### Failure to realize potential of increasingly diverse talent pool

**Only 39%**

of women of color with a college degree had a good job (vs. 65% of white men)

**Bottom third**

of large metros for representation of Black workers in management or technical jobs

**Huge gap in firm ownership**

people of color are 35% of workforce, own 8% of high-growth firms

# Recovery Plan: Possible Initiatives and Next Steps

| Possible Equitable Recovery Initiatives        |
|--|
| Minority Business Accelerator                  |
| Equity Loan Fund                               |
| Emerging Industry Business Attraction          |
| Earn and Learn Job Training Initiatives        |
| Expansion of Youth and Preapprenticeships      |
| Corporate Racial Equity Coalitions             |
| Apprenticeship Consultants for Mid-Sized Firms |
| Evidence Based Hiring Cohort                   |
| Job Hubs                                       |
| Childcare Expansion                            |

- ❑ Now forming “**Partners for Prosperity**” group to play backbone function guiding development of specific projects/initiatives. Would include:
  - Research expertise
  - Key industry organizations/leadership tables
  - Project Managers of Initiatives
  - Community organizations
- ❑ Core Partners include Urban League, Seattle Chamber, Industry associations, Ports, PSRC, WDC, etc.
- ❑ Group would track metrics, identify/align funding, identify gaps and opportunities, coordinate communications, etc.

# Tourism Recovery Updates

## Destination Development:

- Grant programs
- Technical assistance
- Tourism workshops
- Regional partnerships
- Heritage area development
- Industry pandemic recovery

POS Contribution \$200,000

WTA Contribution \$200,000





# Tourism Recovery Updates

## Travel Publicity Program

Stimulate earned media that bolsters travel from  
U.S./Canada air markets

POS Contribution \$200,000

WTA Contribution \$200,000

## Travel Trade Development

Expansion of Sales and Development Initiatives

POS Contribution \$120,000

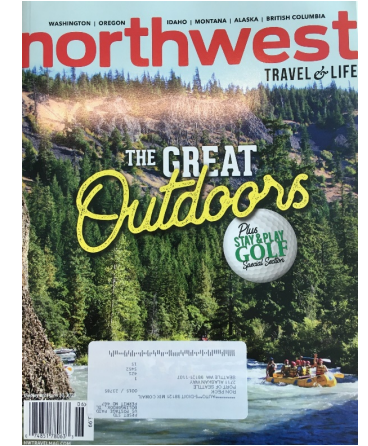
WTA Contribution \$120,000

## Regenerate North American Air Markets

On hold until further improvement in enplanements

POS Contribution \$1,080,000

WTA Contribution \$ 600,000



# Workforce Development Council

## Update on regional plan for equitable economic recovery

- Disaster recovery placements support health care providers, community-based organizations, and food banks with wages and benefits reimbursements
- Immigrant & Refugee Workforce Summit, May 26, 2021: sharing of regional plan and framework for I&R workforce equity, and feedback and input on COVID relief and recovery efforts to advance I&R workforce strategies
- \$1 million JP Morgan Chase grant to support implementation of regional plan
- Summit on “Taking Action: Realizing Racial Equity in Washington State’s Technology Sector,” Fall 2021: bringing together of IT corporations and BIPOC representatives to develop solutions in the IT sector to achieve racial equity

# POS alignment with WDC and GSP Equitable Recovery Goals and Metrics

|   | Out of Work   | Low Wage   | Underemployed                              | Missing Entrepreneurs   |
|---|---|--|--|---|
|   | <i># of people of color connected to promising jobs</i>   | <i># of people of color connected to living wage jobs</i>  | <i># of people of color in better jobs</i> | <i># of new or larger businesses owned by people of color or women</i>  |
| WORKFORCE DEVELOPMENT                                 |   |  |  |   |
| Airport Employment Center                             | <ul style="list-style-type: none"> <li>1,100 job placements</li> <li>87% BIPOC</li> <li>69% South King County residents</li> </ul>  |  |  |   |
| Airport University                                    |   | <ul style="list-style-type: none"> <li>200 training completions</li> </ul>                       |  |   |
| AMT Career Pathway                                    |   | <ul style="list-style-type: none"> <li>11 AMT training enrollments</li> <li>90% BIPOC</li> </ul> |  |   |
| Construction Worker Outreach, Training, and Retention | <ul style="list-style-type: none"> <li>123 job placements</li> <li>(apprenticeships and trades related jobs)</li> <li>71% BIPOC</li> <li>58% Priority Hire ZIP Codes</li> </ul> |  |  |   |
| Youth Maritime Internships                            | <ul style="list-style-type: none"> <li>30 internships</li> <li>90% BIPOC</li> </ul>   |  |  |   |
| POS DIVERSITY IN CONTRACTING                          |   |  |  |   |
| WMBE  |   |  |  | <ul style="list-style-type: none"> <li>325 WMBE firms</li> <li>(2020 actual)</li> <li>11% utilization rate (contract \$)</li> </ul> |

# POS alignment with WDC and GSP Equitable Recovery Goals and Metrics

|                                     | Out of Work   | Low Wage  | Underemployed                              | Missing Entrepreneurs  |
|-------------------------------------|---|---|--|--|
|                                     | <i># of people of color connected to promising jobs</i>   | <i># of people of color connected to living wage jobs</i> | <i># of people of color in better jobs</i> | <i># of new or larger businesses owned by people of color or women</i> |
| POS CONSTRUCTION                    |   |   |  |  |
| Priority Hire                       | <ul style="list-style-type: none"> <li>5,882 labor hours worked by priority workers/33% (3 projects)</li> <li>9,768 labor hours worked by people of color/56%</li> <li>3,387 labor hours worked by women/19%</li> </ul>           |   |  |  |
| Apprenticeship Utilization          | <ul style="list-style-type: none"> <li>376,898 labor hours worked by apprentices/23% (30 projects)</li> <li>143,035 apprentice hours worked by people of color/38%</li> <li>35,471 apprentice hours worked by women/9%</li> </ul> |   |  |  |
| POS APPRENTICESHIPS AND INTERNSHIPS |   |   |  |  |
| Apprenticeships                     | <ul style="list-style-type: none"> <li>12 apprentices</li> </ul>  |   |  |  |
| Internships                         | <ul style="list-style-type: none"> <li>58 high school interns</li> <li>17 college interns</li> </ul>  |   |  |  |
| Opportunity Youth Initiative        | <ul style="list-style-type: none"> <li>196 youth interns</li> <li>93% BIPOC</li> </ul>  |   |  |  |

# POS alignment with WDC and GSP Equitable Recovery

## Goals and Metrics

### Guiding questions

**How** can the Port's existing workforce development efforts be expanded or increased to make more of a contribution to regional equitable economic recovery?

*(e.g., increase goals and targets for career pathways, apprenticeships, internships, WMBE contracts, etc.)*

**How** can the Port's existing efforts be improved upon or enhanced?

*(e.g., enhance apprenticeship and internship opportunities, consistent with the focus of one possible GSP initiative on earn and learn strategies)*

**What** more can the Port be doing to contribute to equitable economic recovery?

*(e.g., collaborate with other regional partners to create a job hub, another possible GSP initiative, targeting port impacted communities and port related sectors)*



Item no. 11a\_supp\_2  
Meeting date: May 25, 2021

# Vision for an Equitable Recovery from COVID-19

Pamela Banks, Recovery Director  
May 2021



City of Seattle

# Recovery Vision

*COVID-19 exacerbated inequities that were already present and disproportionately impacted small businesses and workers, particularly Black, Indigenous and people of color communities.*

*Our Equitable Recovery efforts aim to build a thriving City with an inclusive economy while also implementing intentional strategies that meet the varying needs of our neighborhoods and communities.*





# Recovery Timeframes

We are thinking about recovery across three broad timeframes:

- **Immediate strategies**

Initiatives to restore interest in our neighborhoods and business communities during initial reopening.

- **Near-term strategies**

Initiatives to coordinate returning to a new normal.

- **Long-term strategies**

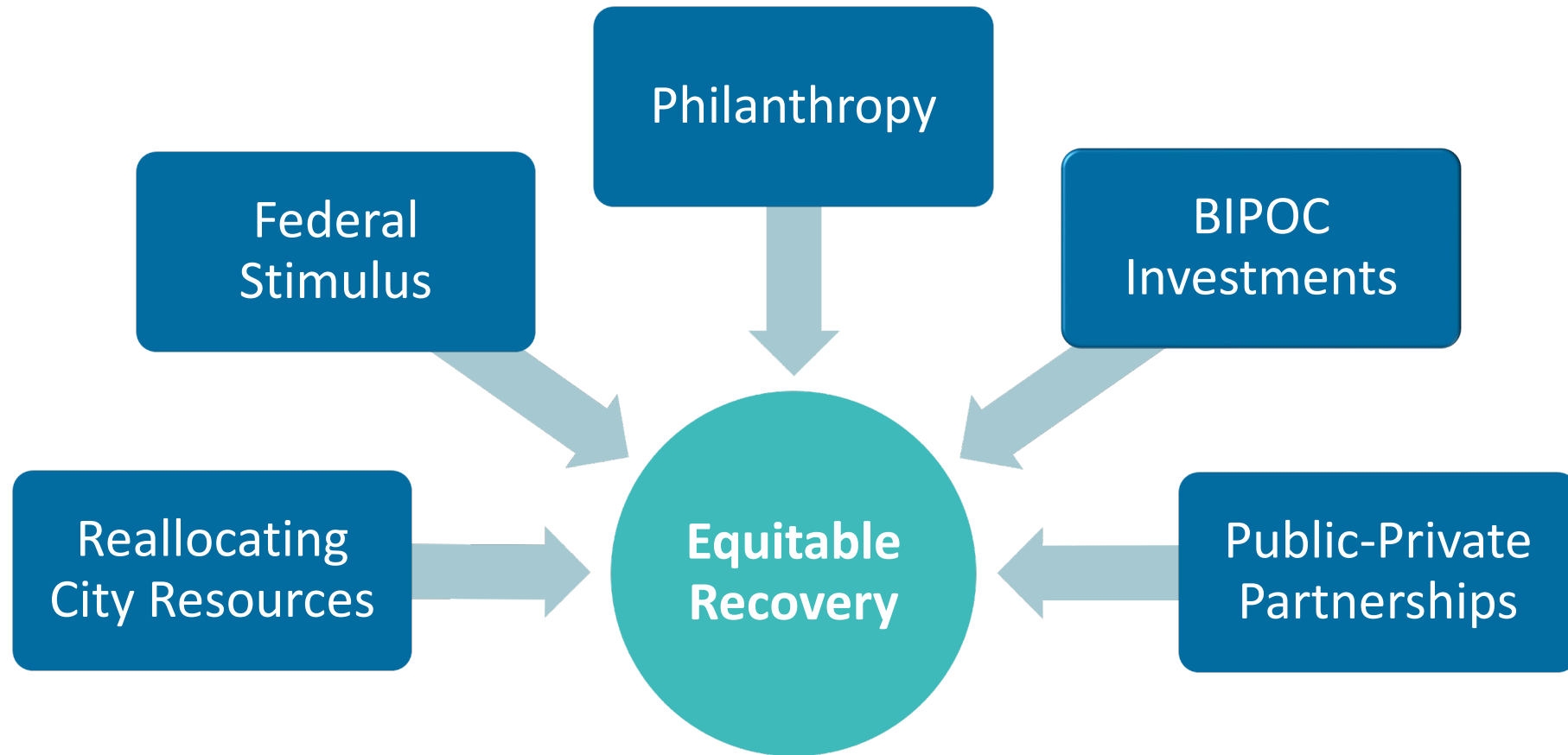
Multi-year strategies to address the lasting impacts of COVID-19 on communities and the changing nature of office work.





# Potential Resource Streams

*An Equitable Recovery will require working with partners and community to leverage all available resources.*



# Economic Recovery

*Equitable Recovery efforts will bring government, community, businesses, philanthropy and nonprofits together to revitalize the economic engine of the City and foster innovation in creative industries, culture and retail.*

Neighborhoods and  
Downtown

Small Businesses

Public Space  
Activation

Commercial  
Space  
Activation

Direct Funding

Technical  
Assistance

# Community Resilience

*Equitable Recovery efforts will ensure the City and our partners are investing in our communities so that all Seattleites have access to opportunity.*

Access to  
Opportunity

Community  
Investments

Continued  
Response

# Downtown Revitalization

Working group of external partners meet biweekly with the goal of: Bringing Downtown back to life.

The group will focus on:

- Improving safety.
- Ensuring key infrastructure projects move forward.
- Bringing workers, visitors, residents and customers back Downtown.
- Creating room for innovation and creativity in arts, culture and retail.



Images: Downtown Seattle Association

# Downtown Revitalization Strategies

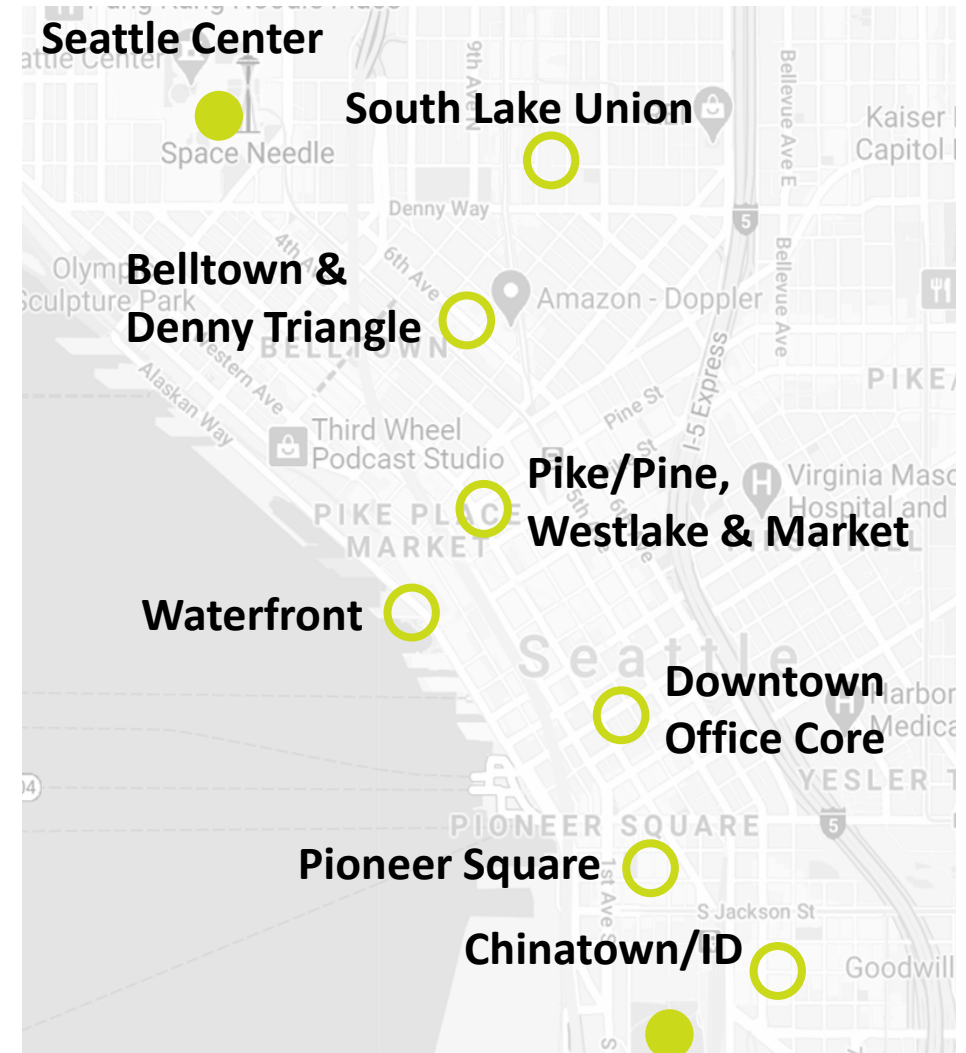
## Guiding Principles

Downtown is the economic engine of Seattle.  
Our ability to effectively recover citywide depends in large part on our ability to revitalize economic and cultural activity Downtown.

**Task** — Location-specific strategies addressing:

- Activation (programming, etc.)
- Marketing
- Beautification
- Workforce development
- Empty commercial/office space

*(Some strategies will depend on funding and wide-scale vaccination)*





# Neighborhood-Specific Strategies

Starts with better understanding neighborhood-specific challenges and needs and developing strategies for revitalization.

## Key external stakeholders:

- Small Business Advisory Council
- Equity district neighborhoods and BIPOC business owners
- Business Improvement Areas
- Neighborhood and community groups



# Questions?

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# Washington State Economic Recovery

Port of Seattle Commission

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Chris Green  
ASSISTANT DIRECTOR

MAY 25, 2021



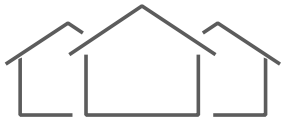
Washington State  
Department of  
**Commerce**

Item no. 11a\_supp\_3  
Meeting date: May 25, 2021



# We strengthen communities

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**HOUSING  
HOMELESSNESS**



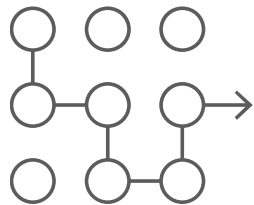
**INFRASTRUCTURE**



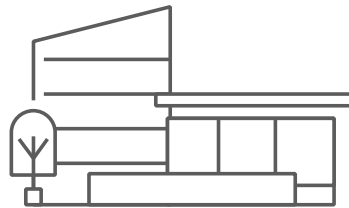
**BUSINESS  
ASSISTANCE**



**ENERGY**



**PLANNING**



**COMMUNITY FACILITIES**



**CRIME VICTIMS &  
PUBLIC SAFETY**



**COMMUNITY  
SERVICES**

# Our Economic Recovery Focus

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**EQUITY:** Ensure equitable access to resources for underserved entrepreneurs and communities

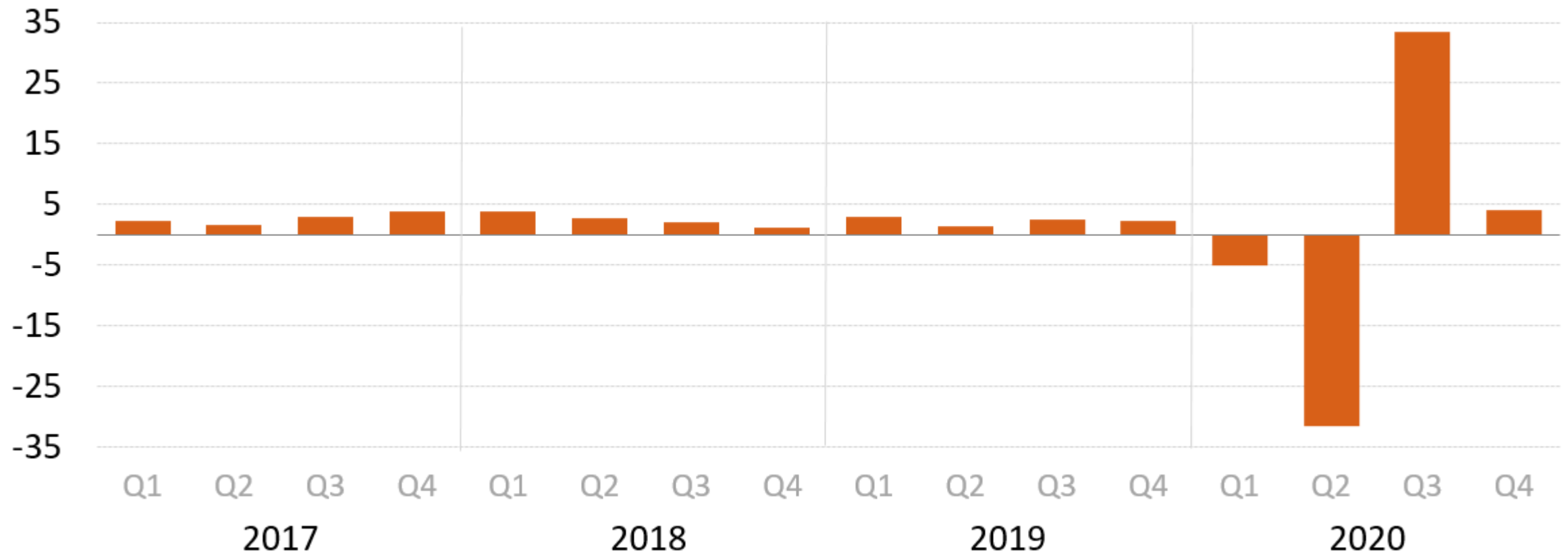
**SMALL BUSINESS:** Assist small businesses in retooling and pivoting for safe and successful operations

**HIGH-IMPACT INVESTMENTS:** Advocate for investment in innovation, sustainability, and resilience

**DATA:** Track and promote recovery in jobs and economic activity by sector, industry, and region

# Economic impacts: Recent swings in GDP

**Real GDP: Percent change from preceding quarter**



U.S. Bureau of Economic Analysis

Seasonally adjusted at annual rates

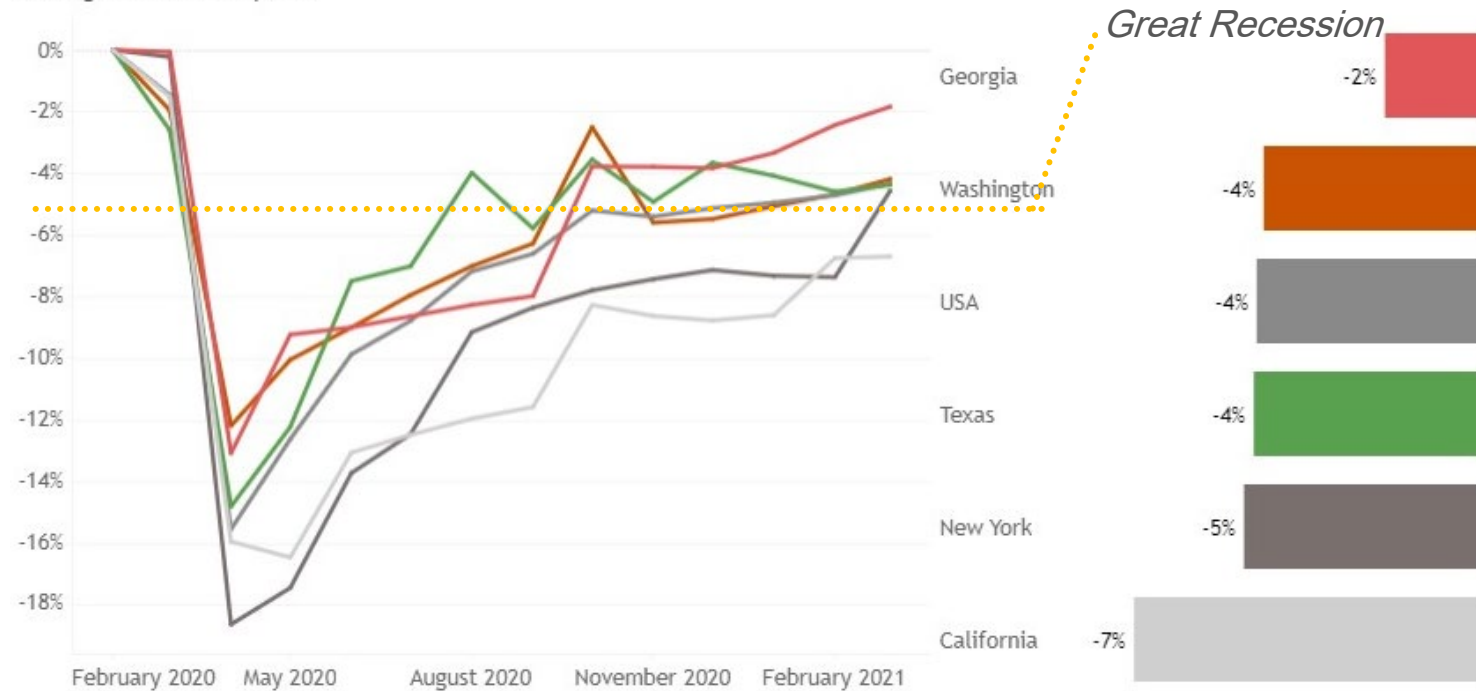
# The economic impact of COVID19 is unprecedented

## Employment declines greater than the deepest point of the Great Recession

**Dashboard screenshot:** state comparison of % change in total employment between January 2020 to March 2021 (seasonally adjusted)

Employment by state and month

% change since start of period



### Impact is deep

WA employment rates are steadily improving but the drop in total employment is still near Great Recession levels

### Persistent uncertainty around near-term recovery

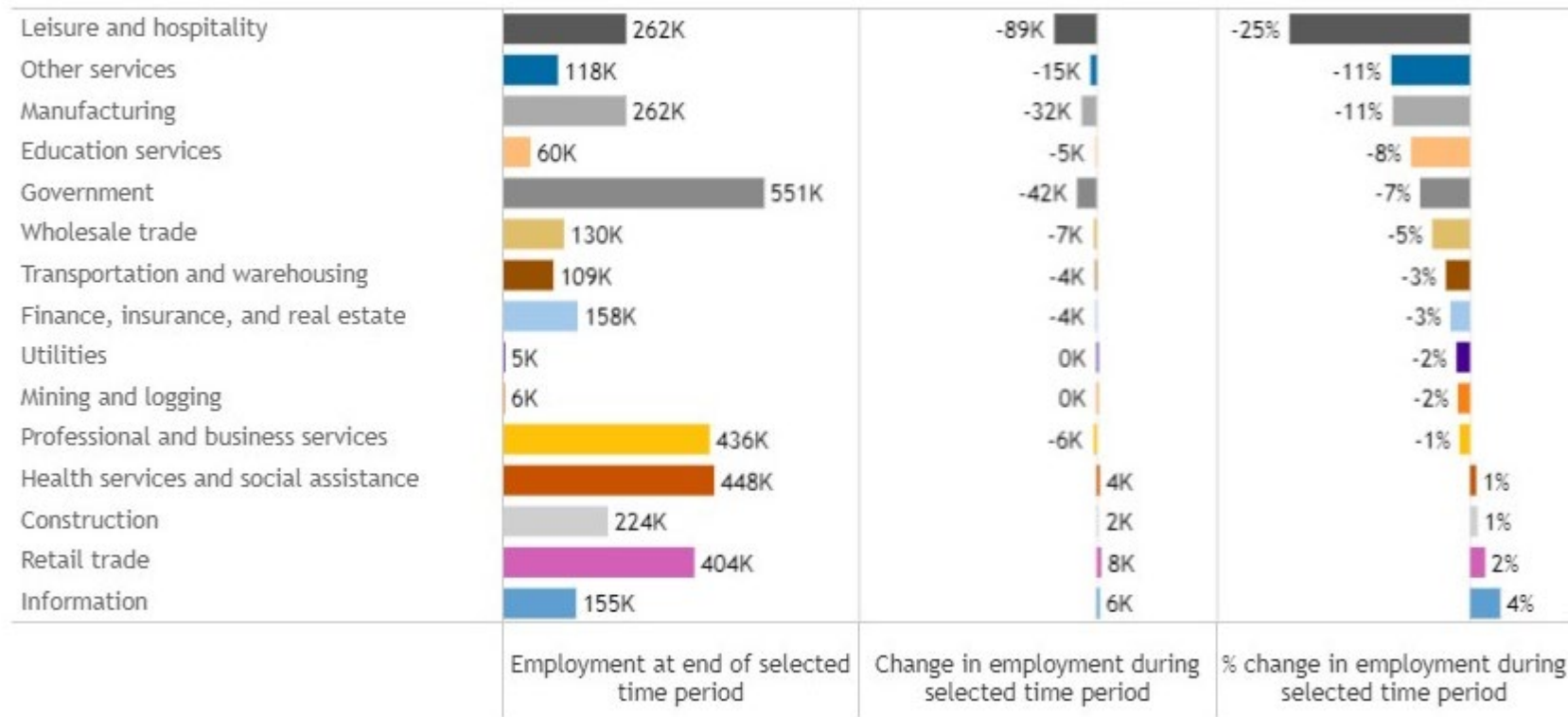
Improving disease trajectory; vaccinations underway; new state support approved and fed support on the way

Source: Local Area Unemployment Statistics (LAUS) - Seasonally Adjusted, Bureau of Labor Statistics (Includes all workers in the labor force)

# Widely varying impacts among industries

## Washington employment by industry

Employment change between  
Jan 2020-Mar 2021



Source: [WA-QB Current Employment Statistics \(seasonally adjusted\)](#)

# Small Business Impacts

## Percent Change in Number of Small Businesses Open\*

In **Washington**, as of **March 12, 2021**, the number of small businesses open **decreased** by **27.2%** compared to January 2020.



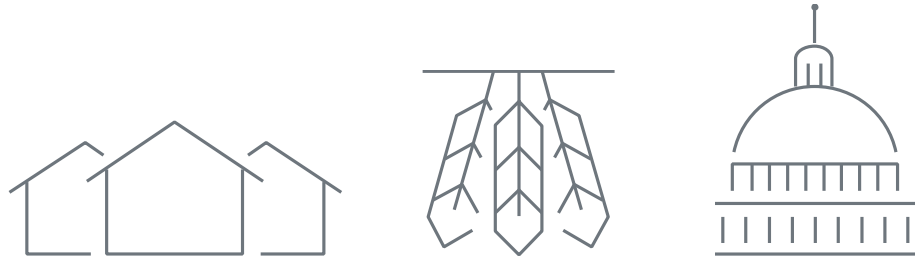
data source: **Womply**

\*Change in small businesses open (defined as having financial transaction activity), indexed to January 4-31 2020 and seasonally adjusted. This series is based on data from Womply.

last updated: **March 21, 2021** next update expected: **March 26, 2021**

# COVID response and recovery funding through Commerce

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HOUSING, TRIBES & LOCAL GOVERNMENT

\$621.4M



BUSINESSES & NONPROFITS

\$203.7M

Total to date: >\$822M

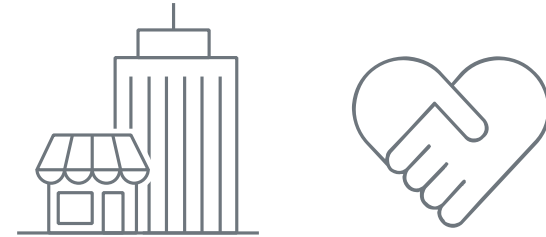
# NEW funds to Commerce (HB1368 + GOV/OFM emergency funds)

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HOUSING & RENT ASSISTANCE\*

\$408.5M



BUSINESSES & NONPROFITS\*

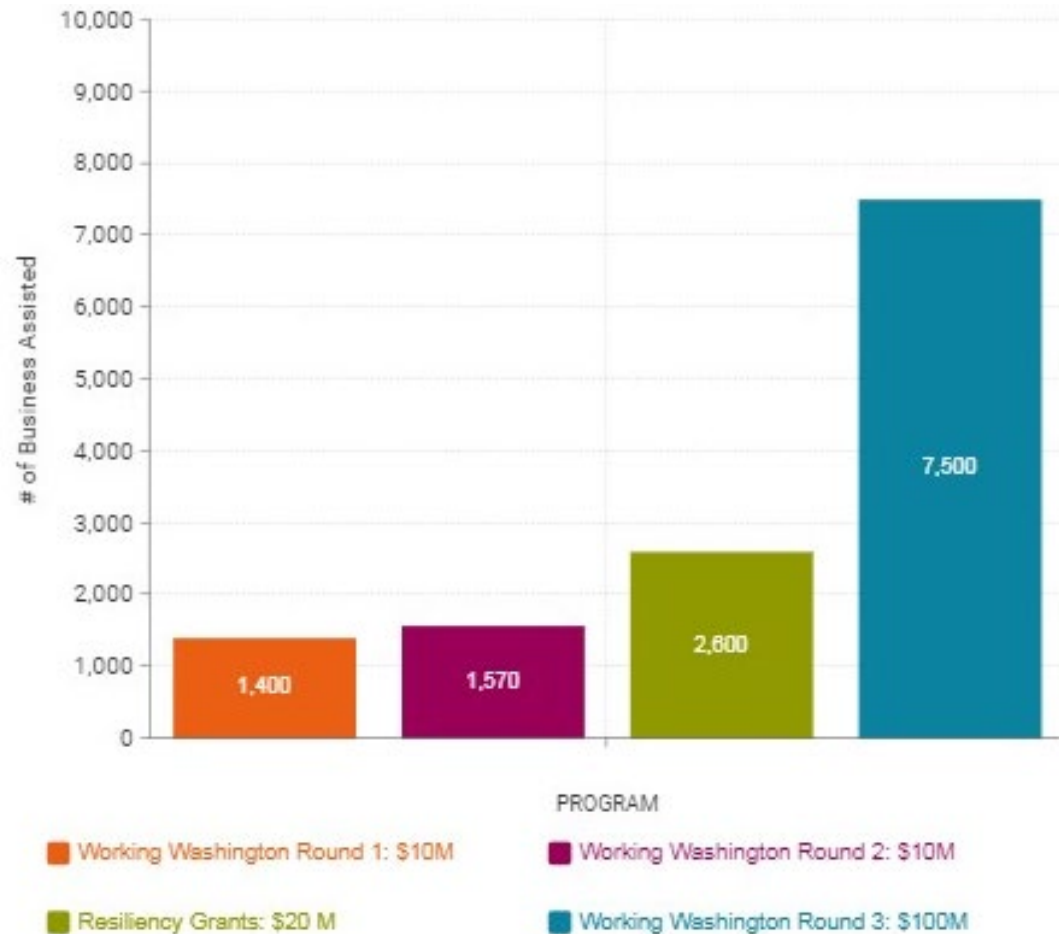
\$283.5M

**\*Totals:**

- GOV/OFM from Disaster Response Account: \$43.5M for rent assistance and \$43.5M for business/nonprofit assistance
- HB1368 from GF-S: \$365M for rent assistance/housing and \$240M for small business assistance



# Small Business Grants



**Commercegrants.com**

- \$240M Working WA Round 4
- \$50M Working WA Round 5
- SBA
- Additional Small Business resources

# LOOKING AHEAD: Next Steps

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International Trade Development

Innovation Clusters

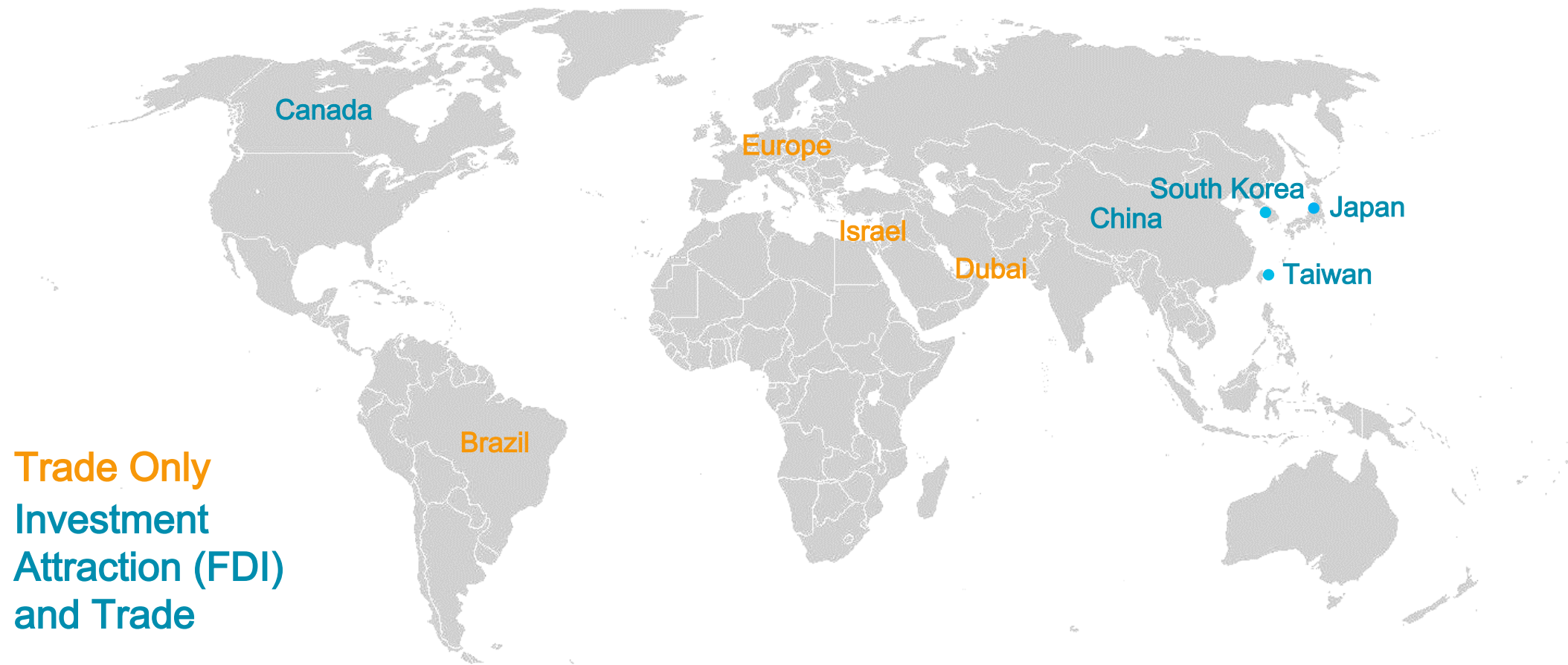
Resiliency Network

Small Business Flex Fund

Technical Assistance Ecosystem

# INTERNATIONAL REPRESENTATION

Our network of overseas consultants



# Manufacturing sector opportunities

## Aerojet Rocketdyne Propulsion to Enable NASA Perseverance Rover's Landing on Mars

Published: Feb. 17, 2021 at 5:10 p.m. ET



*The MarketWatch News Department was not involved in the creation of this content.*

REDMOND, Wash., Feb. 17, 2021 (GLOBE NEWSWIRE via COMTEX) -- REDMOND, Wash., Feb. 17, 2021 (GLOBE NEWSWIRE) -- Aerojet Rocketdyne propulsion will play a critical role in the Feb. 18 landing of NASA's Perseverance rover on the surface of Mars. Perseverance will be NASA's 9th landing on Mars and Aerojet Rocketdyne propulsion has played a role on all of these missions. Designed and built by NASA's Jet Propulsion Laboratory, the Perseverance rover will give scientists a better understanding of the geology of Mars and seek signs of ancient life. Perseverance will ultimately make discoveries to pave the way for human exploration of Mars.

"Landing on Mars is hard. The planet has an atmosphere but it is too thin to slow the spacecraft down enough for a safe landing, and that is where Aerojet Rocketdyne propulsion comes in," said Aerojet Rocketdyne CEO and President Eileen P. Drake. "Aerojet Rocketdyne's innovative and reliable propulsion has been a part of every successful NASA mission to Mars since the Viking program in the 1970s."

Part

LI  
TO



EDA grant– Commerce will provide \$3m for new cluster development initiatives

### Competitive Advantages for WA

- Space and satellites
- Forest products
- Solar
- Batteries
- Grid storage
- Electric aviation
- Autonomous vehicles



Odyssey World  
International Education Services



ASIA  
PACIFIC  
CULTURAL  
CENTER

# Small Business Resiliency Network

William  
Factory

SMALL BUSINESS INCUBATOR  
@TACOMA COMMUNITY COLLEGE



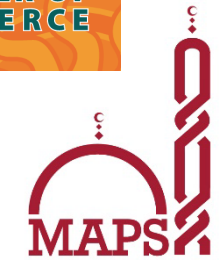
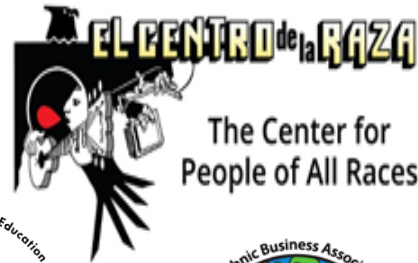
SISTER SKY  
INCORPORATED



Tacoma  
Urban League



CENTER FOR  
INCLUSIVE  
ENTREPRENEURSHIP  
EMPOWERING COMMUNITIES THROUGH BUSINESS



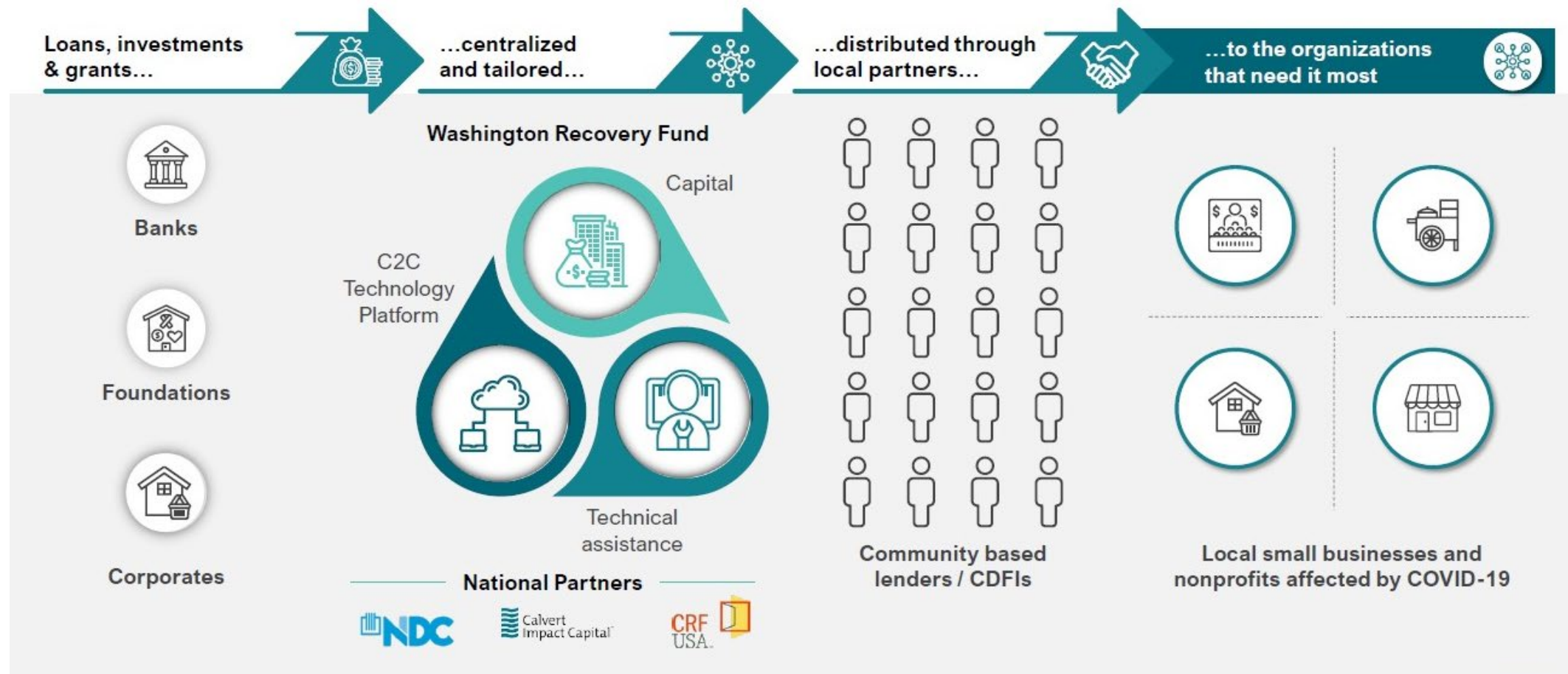
Muslim  
Association  
of Puget Sound

# September – December 2020 (as of 02-10-2021)

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Washington State  
Department of  
**Commerce**

[www.commerce.wa.gov](http://www.commerce.wa.gov)



# Thank you

Chris Green

ASSISTANT DIRECTOR

[Chris.green@commerce.wa.gov](mailto:Chris.green@commerce.wa.gov)



# King County Economic Recovery Panel Briefing

Ashton Allison, Economic Development & Recovery Director  
Kate Becker, Creative Economy & Recovery Director

May 25, 2021

REVIVE & THRIVE  
*Together*



**King County**



# King County





# King County COVID- 19 Economic Impact

(as of March 2021, compared to January 2020)

- ↓2.8% total employment, low-wage workers (<\$27K/year) ↓17.5%
- Unemployment rate peaked at 14.9% but back to 5.4% (as of March 2021)
- ↓30% total job postings
- ↓30% number of open small businesses
- ↓33% small business revenue
- ↓4.6% consumer spending
- ↑8.6% home prices in 2020
- UI claims confirm disproportionate impacts across populations
- Industry impacts are broad and disproportionate

# Creative Economy Impact

- Washington's creative economy was 8.4% of GSP prior to COVID
- \$5.2B lost revenue for creative economy businesses in 2020 statewide
- In King County April 2021:
  - 22% of creative economy businesses had resumed
  - 35% plan to resume in Fall 2021
  - 23% timeline for business to resume is unknown
- Performing arts orgs and businesses still shut down in 14th month
- Concerns are worker retention/availability and worker mental health
- 53% of creative workers report now having no savings at all



# Economic Recovery Outlook

- Employment has partially recovered but remains below 2019 levels.
- Government intervention is significant (federal, state, and local)
- Past economic shocks suggest full recovery will take multiple years.
- Uneven recovery:
  - Construction – above pre-COVID levels
  - Financial Services – positive growth
  - Leisure & Hospitality – largest declines, down 38%
  - Creative Industries – visual arts resuming; performing arts down
  - Remaining Service Industries – varies depending on sub-sector

# King County COVID Recovery Response

- American Rescue Plan Act: \$437 million
- Coronavirus Aid, Relief, and Economic Security (CARES) Act: \$530 million
- COVID-19 Eviction Prevention & Rent Assistance Grants: \$185 million
- WA State Department of Health COVID Funding: \$121 million
- Public Health and Social Services Emergency Fund: \$1.5M
- Six Supplemental Budget Processes, King County Council has approved \$321.9 million to support public health response, care sites and shelter de-intensification, grants and economic development, tourism and creative sector recovery, and continuity of King County operations

# Executive Priority – Economic Recovery

- Equitable Economic Development
- Equitable Creative Economy Strategy
- Department of Local Services/Unincorporated King County
- Procurement Expansion Opportunities
- King County International Airport Projects
- Supporting Regional Partners
  - King County Associate Development Organization (ADO)
  - Workforce Development Council of Seattle-King County
  - Greater Seattle Partners
- Leverage King County's position as a major employer to drive economic recovery





# King County True North

Making King County a welcoming community where  
every person can thrive



# **Economic Recovery Goal**

Rebuild an anti-racist, equitable, resilient, and sustainable regional economy.

# Economic Recovery Strategic Framework

1. Expand access to living wage, high-demand jobs for Black, Indigenous, and People of Color (BIPOC) communities, narrowing white-BIPOC wealth, employment, and wage gaps.
2. Attract new high-quality small businesses in the County's underserved communities and retain the County's high-quality small businesses that pay living wages and share King County's values of racial equity, environmental sustainability, and workers' rights.

# Economic Recovery Strategic Framework (continued)

3. Protect and retain the creative, hospitality, and tourism industries and build a more equitable creative economy for BIPOC communities.
4. Leverage relationships with partner organizations to coordinate and advance workforce development, economic development, and economic recovery efforts.

# Critical Actions & Accomplishments

1. Continue Harbor Island Studios initiative; launched in January 2021 and currently supporting 115 f/t union jobs + 260 support positions, Goal: create 500 new jobs.
2. Finalize local workforce system org restructure by end of Q2 2021.
3. Re-designate and refresh the vision of the Associate Development Organization (ADO) for 2021-2022.
4. Leverage large federal and state relief funding that will drive economic recovery for vulnerable populations.
5. Continue to advocate for expanded set of workforce and economic development financing tools.
6. Continue to catalogue current County assets, especially real property and buildings, that can be adapted & repurposed for economic recovery efforts.



# Critical Actions & Accomplishments (cont'd)

7. Reduction of the Priority Hire threshold to \$5M
8. \$20m Economy & Climate Equity Capital Pool
9. Inaugural meeting of Green Jobs Working Group
10. Behavioral Health Apprenticeship Program
11. King County International Airport projects
12. Small business grant program
13. Dozens of webinars and Zoom sessions for small businesses
14. REVS (Reopen Every Venue Safely) initiative
15. Executive's Film Advisory Board





# Opportunities for Port Partnership

- Thank you for your ongoing partnership!
- ADO/subregional partnership on small business outreach and retention activities
- Future development of Harbor Island Studios
  - #1 critical issue is parking for 125 cars within safe walking distance
- Real estate inventory that can be rented by film productions



REVIVE & THRIVE  
*Together*



**King County**

# Thank You!

Ashton Allison, Economic Development & Recovery Director  
[ashton.allison@kingcounty.gov](mailto:ashton.allison@kingcounty.gov)

Kate Becker, Creative Economy & Recovery Director  
[kate.becker@kingcounty.gov](mailto:kate.becker@kingcounty.gov)

[\*\*RETURN TO AGENDA\*\*](#)

**COMMISSION**  
**AGENDA MEMORANDUM**

**BRIEFING ITEM**

**Item No.**

11b

**Date of Meeting**

May 25, 2021

**DATE:** May 18, 2021  
**TO:** Steve Metruck, Executive Director  
**FROM:** Eric Ffitch, Manager, State Government Relations  
Nate Caminos, Director, Government Relations  
**SUBJECT:** 2021 State Legislative Session Review

**EXECUTIVE SUMMARY**

The purpose of this briefing is to provide the Port of Seattle Commission, Executive Director, and Executive Leadership Team with a final report on the 2019 State Legislative Session, with specific attention given to the Port's 2019 State Legislative Agenda.

On Sunday, April 25th, the Washington State Legislature adjourned SINE DIE, meaning there is no date set for them to reconvene. This represented the end of the 2021 105-day session, and it ended with a flurry of action on Port of Seattle priorities.

On Sunday afternoon, April 25th, the House and Senate both voted to approve the conference report on HB 1091, Representative Fitzgibbon's low carbon fuel standard. First added to the Port's priority list in 2018, this was a major step forward for the state's and the port's aggressive environmental goals. The final compromise included some substantive policy updates which are described in greater detail below, but in all the key provisions of the program remain.

Also, that afternoon, the legislature approved the 2021-2023 biennial operating budget, finalizing the state's \$250,000 annual contribution to the Quiet Sound program. Securing that funding was an advocacy effort led by the Port and initiated by Commissioner Felleman, that ended up including a wide array of stakeholders from the American Waterways Operators to the Washington Environmental Council. State funding partnership will allow this program to get up and running in the current fiscal year.

There were challenges this session as well, notably legislation on tax increment financing that was approved in spite of our significant concerns. Negotiations yielded some protections for the port, but this issue is likely to require continued advocacy in the years ahead. Similarly, the Legislature was not able to secure passage of a transportation revenue package, one of the Port's top priorities. With the City of Seattle as our partner we were able to ensure that both proposed revenue packages included \$25m for the West Seattle Bridge, but neither package advanced. This will likely be an issue the Legislature returns to soon, including current rumors of a potential fall "special session." And of course, one of our other top priorities didn't even end up being

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introduced—the bill to reduce the required local match for public improvement projects from three-to-one down to two-to-one. We’ve been assured by our two legislative champions that it is an issue they can turn their attention to next year.

The memo below provides a high-level overview of issues the Port supported, monitored, or otherwise engaged on, and their status at the end of the 2021 legislative session.

### **SUCCESS FOR PORT PRIORITIES:**

***Low carbon fuel standard (HB 1091):*** On Saturday, April 24th, the House and Senate reached agreement on a compromise version of House Bill 1091, legislation to reduce emissions from the transportation sector by capping the carbon intensity of transportation fuel sold in Washington state. More commonly known as a low carbon fuel standard (LCFS) or clean fuel standard (CFS), this policy has been the Port of Seattle’s priority legislation since the 2018 legislative session.

The policy put in place by HB 1091 is relatively simple: it requires producers of transportation fuels to meet a carbon intensity threshold set by the Department of Ecology. Producers who don’t meet that threshold generate “obligations,” and producers that blend in biofuels to reduce the carbon intensity below the threshold generate “credits.” Those have value on the open market, since producers that generate obligations will need to purchase them to comply with the program.

Final amendments were incorporated to secure passage, and those include:

- ***Transportation linkage:*** Rather than requiring enactment of a \$500m/biennium transportation package, the bill is now tied to the passage of a \$.05 cent gas tax increase. This is the same change that was made to SB 5126, the cap-and-trade bill, during the final negotiations in the last forty-eight hours.
- ***Slowed implementation timeline:*** Where Rep. Fitzgibbon’s previous bill phased in the program by directing Ecology to require a 10 percent carbon intensity reduction by 2028 and a 20 percent reduction by 2035; the conference agreement instead calls for 10 percent by 2030, and 20 percent by 2038
- ***Legislative review:*** In addition, for Ecology to go beyond the 10 percent threshold (now in 2031-2033), the Joint Legislative Audit and Review Committee must conduct a review of program impacts and forward that to the Legislature. Further, the 10 percent threshold could not be increased until after the 2033 legislative session.
- ***Biofuels capacity requirement:*** In addition to the requirement for a Legislative Review when the carbon intensity reaches 10 percent, to go above that reduction amount the state must have demonstrated a 10 percent increase in the biofuel production capacity of the state and in the use of in-state agriculture feedstocks. Further, to go beyond 10 percent there would have to be at least one 10m gallon

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capacity biofuel facility sited, and the state would need to demonstrate an additional 60m capacity for biofuel production overall.

For the Port, the bill will have a significant impact on our work to reduce the emissions from our operations. It will mean more biofuels on the market in Washington and it will drive them to price parity with conventional fossil fuels.

And it will mean that biofuels facilities currently producing these fuels in our state—like the Renewable Energy Group in Hoquiam—will sell their products to Washington consumers, rather than shipping them to California.

Governor Inslee signed HB 1091 into law on May 17<sup>th</sup>, 2021, and vetoed the section that required passage of a gas tax increase prior to program implementation.

***Flight kitchens (SB 5385):*** SB 5385, legislation to clarify the size of an airport in order for the airport operator to set minimum labor standards for employees working at the airport, passed and became law. SB 5385 amends legislation enacted last year that gave airport operators some limited authority to set labor standards. That bill stated that an airport with twenty million enplanements had that authority, and SB 5285 clarifies that the enplanement number is calculated based on average enplanements over the last seven years.

After passing the Senate on a strong bipartisan vote of 36-13 on March 2nd, it passed the House by a vote of 57-41 on Monday, April 5th. It was signed into law by Governor Inslee on Friday, April 16th, and will take effect on July 25th, 2021.

***Inslee/Carlyle “Climate Commitment Act” (SB 5126):*** Senator Carlyle/Governor Inslee’s proposal to create a “cap-and-invest” framework to promote carbon emissions reduction in Washington was one of two signature environmental accomplishments that passed in the final days of session.

Under the provisions of SB 5126, titled the Climate Commitment Act by supporters, the state would establish a cap on greenhouse gas emissions for the largest-emitting industries. The Department of Ecology would ensure industry compliance with that cap through the sale, tracking, and accounting of greenhouse gas credits (known as “allowances”).

The bill passed the Senate by a vote of 25-24 on April 8<sup>th</sup>. At that point it was still considered a serious long shot, with just over two weeks remaining in session, but it sped through the House thanks in large part to the stewardship of Representative Fitzgibbon. It passed the House on April 23<sup>rd</sup> by a vote of 54-43, and the Senate voted to concur with House amendments on the penultimate day of the legislative session.

Like the low carbon fuel standard, the Climate Commitment Act contained language stating that it could not be fully implemented until the Legislature has adopted a \$.05 gas tax to fund a

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transportation package. And like the LCFS, Gov. Inslee vetoed that section when he signed the bill into law on Monday, May 17<sup>th</sup>.

***HEAL Act, Environmental Justice Task Force recommendations (SB 5141):*** Senator Saldaña’s bill to implement the recommendations of the Governor’s Environmental Justice Task Force was passed by the House on Saturday, April 10<sup>th</sup>, and on April 20<sup>th</sup> the Senate voted to concur in the House amendments. Some substantive changes were made during the House floor debate, including a Republican amendment that requires business representation on the Environmental Justice Council. Broadly speaking, the bill seeks to ensure that state agencies comply with environmental justice requirements; establishes an Environmental Justice Council to advise state agencies on EJ issues; and requires an “environmental justice assessment” for certain actions taken by an agency.

The Port offered our support for Sen. Saldaña’s efforts in a letter from the Commission President and Executive Director on March 30, 2021, just as it moved to the House from the Senate. The original version had caused concern about impact to state agency action—which implicated Port partnership with entities like the Washington State Department of Transportation—but we expressed agreement with the bill’s intent throughout the process. Amendments eventually clarified the role of the Environmental Justice Council with respect to state agencies and eased their concerns and ours.

Passage of the HEAL Act compliments enactment of the low carbon fuel standard and the cap-and-invest proposal and ended up a signature priority for both House and Senate Democratic Caucuses.

Gov. Inslee signed the HEAL Act into law on May 17<sup>th</sup>.

***Port issues in budget process:***

*Transportation budget:* The House and Senate passed a conference agreement on a “current law” transportation budget but could not reach agreement on an additive transportation funding bill.

- Puget Sound Gateway program: Ensuring adequate funding to continue the Puget Sound Gateway program was the main issue the Port was following in the transportation current law budget process. The final budget included funding for the Gateway program, which didn’t lose any ground in spite of concerns that scope could shrink, or the schedule could slip. There remains a \$90m shortfall in the budget but that merely needs to be resolved prior to Stage 2 and is expected to be taken care of in an additive transportation package.

*Capital Budget:*

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- Model Toxics Control Act environmental cleanup funding: Remedial Action Grants to fund cleanup work at the East Waterway, Lower Duwamish, T115 and T91 were all fully funded in the final capital budget. This was a big year for our cleanup projects, with the strongest funding for MTCA since legislation was passed two years ago to reform the way funds were collected and distributed.
- Seattle Aquarium expansion: This session, the Port supported the Seattle Aquarium in advocating directly to the Capital Budget Chair Frockt asking for \$3m in capital funding in the 2021-2023 biennium to support the planned Ocean Pavilion expansion project. The final capital budget included \$2m for the expansion project, a win for the Aquarium and for the Port.

*Operating Budget:*

- Quiet Sound program: As staff reported last week, good news from the Senate about the Quiet Sound, but the House budget did not include any funding for the program. This will be the focus of staff efforts in the coming week. Budget conferees were named last week, and Port staff are seeking meetings with House conferees to seek support.
- Tourism recovery program: Early in session, the Port joined a long list of advocates seeking state support for funding to reinvigorate the tourism economy. The total ask was \$12m to support the Washington Tourism Marketing Authority. The full amount was included in the final 2021-2023 operating budget, a win for the small businesses that are involved in the tourism industry.

***Broadband expansion for ports and PUDs (HB 1336)***: Rep. Hansen’s legislation is part of a continuing effort by ports and public utilities district to assist in provision of broadband service to underserved communities. The bill gives ports/PUDs/cities/towns and counties the authority to provide retail telecommunication services. It is important to note, NO PORT intends to become a retail provider of broadband. However, there is considerable federal funding through the Federal Communications Commission (FCC) that can only be allocated to entities that have retail authority. Passage of this bill will allow the various ports across WA who are leading in broadband to access federal funding and continue to provide service.

Port staff have offered support to the Washington Public Ports Association, for whom this is a priority, and we submitted written testimony in support at various stages in the process.

HB 1336 passed the House on February 23<sup>rd</sup> by a vote of 60-37 and the Senate on April 23<sup>rd</sup> by a 27-22 margin.

Governor Inslee signed the bill into law on Wednesday, May 12.



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***Alternative Public Works Contracting (SB 5032):*** SB 5032 reauthorizes the Capital Projects Advisory Review Board. Janice Zahn currently holds the Ports seat on CPARB, and she partnered with Chris Herman from the Washington Public Ports Association and with other Port of Seattle staff to push the legislation forward. The legislation passed the Senate unamended with a unanimous 49-0 vote.

SB 5032 was the subject of sweeping amendment put forward by Rep. Santos in the House committee that sought to maintain her emphasis on equity in the public contracting space. The Port was supportive, though focused on ensuring that CPARB felt the changes were implementable. Rep. Santos worked with Rep. Tharinger—who sits on CPARB—to keep her equity focus but ensure it was practical for CPARB.

Gov. Inslee signed the bill into law on Monday, May 10<sup>th</sup>.

***Streamlined sales tax mitigation (HB 1521):*** Another port priority bill, Representative Enteman (D-47th LD, Kent, Auburn) introduced legislation to continue Streamlined Sales Tax mitigation payments to certain cities that are still feeling financial harm from the enactment of that policy. HB 1521 would create a “warehousing and manufacturing job centers account” and require transfers from the general fund into that account “to mitigate actual net losses.”

HB 1521 passed the House with a unanimous vote on March 3rd, and the Senate voted 44-5 to advance the bill on Tuesday, April 6th. It was signed by Governor Inslee on Friday, April 16th.

***Juneteenth (HB 1016):*** HB 1016, establish Juneteenth as a state holiday, passed the Senate by a vote of 47-1 on Friday, April 9th. Cmr. Cho was invited by the Governor’s office to provide testimony in support when it was first heard in the House. The bill is a priority of the House Democratic Caucus and did not face substantial opposition as it moved through the process. The bill was signed into law by Governor Inslee on Thursday, May 13<sup>th</sup>.

#### **MORE WORK TO BE DONE: Issues that we will work next year**

***Transportation revenue package:*** Both the House and Senate Transportation Committees held work sessions early in the 2021 Session to explore stakeholder priorities for a transportation revenue package. There were three packages introduced in concept: one from House Transportation Chair Jake Fey, which spent \$26m over 16 years and did not require issuance of bonds; one from Senate Transportation Chair Steve Hobbs that spent between \$17 and \$18b over sixteen years and did require bond issuance; and one from Senate Transportation Ranking Republican Curtis King, who proposed a smaller package of around \$11b in the same time horizon.

Chair Fey relied on carbon fees (along with gas tax increases and other pay-fors) while Chair Hobbs’ initial proposal was flexible, with either a cap-and-trade funding the multimodal side of the package OR a carbon fee, depending which advanced. One of the big developments midway

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through session, then, was Hobbs negotiating with Sen. Carlyle to secure \$5.2b from his Climate Commitment Act (Cap and invest bill) to go toward transportation.

In spite of that progress, neither bill was able to secure consensus. By the end, the good news for the Port was only that each proposal included \$25m in funding for the West Seattle Bridge, a clear priority of ours all session.

Rumors abound that a fall special legislative session will consider a sixteen year transportation revenue package, and the Port will continue to monitor that conversation and ensure that the West Seattle Bridge funding remains.

**Three-to-one match bill:** One of the dark spots for the Port this session was the lack of progress on reducing the required local match for community improvement projects, like those funded by our Airport Community Ecology fund and South King County Fund. The obscure statute that allows small-dollar grants to be exempted from public bidding requirements, also requires that grant recipients demonstrate that they've provided three times the value of the public money they received. The Port worked on legislation in 2020 to reduce that to a *two to one* match. But due to the strictures of this odd virtual session—where each member agreed to only introduce seven bills maximum—neither of our champions from 2020 were willing to introduce the bill in the 2021 session.

Both legislators, Reps. Orwall and Gregerson from the 33<sup>rd</sup> Legislative District, expressed a willingness to work on the bill when the 2022 session convenes next January.

**Tax increment financing:** Senator Frockt and Representative Duerr sponsored legislation that seeks to give local governments – including port districts -- the authority to use Tax Increment Financing to fund public improvement projects. HB 1189 passed both chambers and was signed by Gov. Inslee on

This is a priority for the Washington Public Ports Association along with the Association of Washington Cities (AWC), the Washington Economic Development Association (WEDA), and many more. Because any taxing district could create an “increment finance area,” without necessarily seeking the consent of or collaboration with other taxing districts with overlapping jurisdiction, it could result in lost property tax revenue to port districts.

Port staff engaged in negotiations with WPPA, Port of Tacoma, Port of Moses Lake, and bill supporters from the AWC and WEDA to discuss potential amendments to the bill after identifying overarching concern at the way the bill is written and the fact that it will capture all increased property value in an increment area, rather than simply the increase in value that's attributable to the public improvement project. In the end, Port advocates secured language in the bill that caps the overall size of tax-increment areas to \$200m in overall property value and moved our position to neutral.

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HB 1189 passed the Senate in its amended form 45-2, then went back to the House where the concurrence voted was 68-30. It was signed into law by Governor Inslee on Monday, May 10<sup>th</sup>.

Staff mark this in the “more work to be done” category because advocates who support TIF are expected to seek future amendments to RAISE the cap size we negotiated. And in turn. If port districts who were opposed to the original bill see this policy implemented in a way that’s detrimental to our fiscal position, ports may seek additional protections in future legislative session.

#### **ADDITIONAL ISSUES OF INTEREST:**

***Police reform and accountability measures:*** After communicating briefly to Representative Jesse Johnson early in session about specific elements of his signature police reform bill, HB 1054, the Port moved to a “monitor” position on policing bills. The justification for not engaging more actively was that our advocacy subcommittee, created by the Policing Task Force, had not yet put forward clear policy recommendations for adoption by the commission.

Legislation that we monitored this session in Olympia included:

- ESHB 1054, Rep. Johnson’s bill relating to police tactics/equipment:
  - Brief background: restricts chokeholds, military style equipment, establishes guidelines for use of teargas; outlines parameters for engaging in vehicular pursuit; and more
  - Status: Passed House by 54-43 vote on 2/27; Passed Senate 27-22 on April 6<sup>th</sup>; **Signed by the Governor on May 18<sup>th</sup>.**
- E2SHB 1089, audits of law enforcement agencies and peace officers:
  - Brief background: authorizes State Auditor to audit investigations of deadly use of force incidents by a peace officer; authorizes Criminal Justice Training Commission to request audits of law enforcement agencies regarding compliance with training and certification of peace officers
  - Status: Passed House by 80-18 vote on 2/10; Passed Senate 42-7 on April 7<sup>th</sup>; **Signed by the Governor on May 18<sup>th</sup>.**
- ESHB 1267, investigation of criminal conduct related to police use of force
  - Brief background: Creates Office of Independent Investigations (OII) withing Governor’s office to conduct “Fair and competent” investigations of police use of force
  - Status: Passed House by a 57-39 vote; Passed Senate 27-22 on April 9<sup>th</sup>; **Signed by the Governor on May 18<sup>th</sup>.**
- E2SHB 1310, permissible use of force standard

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- Brief background: establishes a civil standard for peace officer use of force; requires AG to develop model policies on use of force
  - Status: Passed House by a 55-42 vote, 3/6/21; Passed Senate 26-23 on April 10; **Signed by the Governor on May 18<sup>th</sup>.**
- E2SSB 5051, state oversight of peace officers
  - Brief background: expands authorities of Criminal Justice Training Commission; expands background investigation requirements for peace officer applicants; overhauls certification and decertification processes for peace officers
  - Status: Passed Senate by a 26-19 vote on 2/25; Passed House by a 54-43 vote on April 7<sup>th</sup>; **Signed by the Governor on May 18<sup>th</sup>.**
- SSB 5066, peace officer duty to intervene
  - Brief background: requires a peace officer who witnesses another officer using excessive force to render aid to the other party; requires a peace officer to report incidents of excessive force they witness
  - Status: Passed Senate 28-21 on February 23<sup>rd</sup>; Passed Senate 71-27 on April 7<sup>th</sup>; **Signed by the Governor on May 18<sup>th</sup>.**
- E2SSB 5259, law enforcement data collection
  - Brief background: requires AG to recommend development of a statewide program for collecting use of force data; requires law enforcement agencies to begin reporting no later than three months after program is established; requires reports on issues including location, race of detainee, type of injury sustained, type of force employed
  - Status: Passed Senate by a vote of 46-2 on 3/1; Passed House 97-1 on April 6<sup>th</sup>; **Signed by the Governor on May 18<sup>th</sup>.**

***Ballard-Interbay State Lands Development Authority (HB 1173):*** Rep. Liz Berry (D-36th LD, Ballard, Fremont, parts of Downtown) introduced legislation that Rep. Tarleton introduced at the end of her tenure in the 2020 session. HB 1173 would create a new development authority, known as a State Lands Development Authority, that would be charged with overseeing the redevelopment of the Armory Property in Seattle's Interbay neighborhood. Rep. Berry's "substitute" amendment to the bill reflects one concern raised by staff. However, the redevelopment options available to the Development Authority still include residential, so there are lingering concerns with the legislation.

HB 1173 passed the House by a vote of 77-21 on February 25th and was approved by its Senate committee on April 2nd. The bill then advanced to the Senate floor calendar on April 10th and

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was even added to a run list on April 11th. However, the Senate ran out of time and adjourned on April 11th without acting on the bill. That means it will not continue advancing and will be reintroduced at the House Rules Committee at the beginning of the 2022 legislative session.

**ATTACHMENTS TO THIS BRIEFING**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

November 17, 2020 – The Commission approved the 2021 State Legislative Agenda

October 27, 2020 – The Commission was briefed on the 2021 State Legislative Agenda

# 2021 State Legislative Session Review

Briefing to Port of Seattle Commission  
May 25, 2021

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Trent House, Contract Lobbyist  
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# Overview

- High-level recap of 2021 Legislative Session, which adjourned on Sunday, April 25<sup>th</sup>
  - Adopted three budgets: transportation, operating, and capital.
  - LCFS and Operating Budget pass in final hours of session
- Port priority items – Big successes! But more work to be done
  - Finally successful in push for low carbon fuel standard
  - Secured state funding partnership for Quiet Sound program
  - Swift passage of technical correction to airline catering legislation passed in 2020
- Additional items of interest
  - Juneteenth
  - Tourism funding
  - Environmental cleanup projects



# Priority Agenda Items

**Low Carbon Fuel Standard:** In final hours of the 2021 session, this long-held Port of Seattle priority was negotiated and passed and sent to the Governor for his signature. Major step forward in Washington's— and the Port's— efforts to fight climate change and reduce air pollution in communities.



**Airline catering workers:** With only a few days till session, the Port brought a technical issue to Senator Keiser, and asked her to help clarify that the Port had the authority to implement minimum labor standards for certain employees. The bill sailed through with little opposition and will be big for our flight kitchen employees.



**Quiet Sound funding:** In spite of not being included in Governor Inslee's budget request, the Port led a coalition of maritime industry leaders, environmental advocates, and more to push for \$250,000 in annual funding for each of the next two years to implement the Quiet Sound voluntary vessel noise reduction program.

# Additional Port Priorities

- Cap-and-invest (SB 5126)
- Streamlined sales tax mitigation
- Model Toxics Control Act funding
- Juneteenth
- CPARB reauthorization
- Port districts retail broadband authority
- HEAL Act

# More Work to be Done

- Transportation revenue package
- 2:1 match for local improvement projects
- Tax increment financing bill



# Next Steps

- Funding and other follow ups: LCFS next steps; Quiet Sound implementation; transportation special session?
- Interim meetings with lawmakers (July-December 2021)
- Potential small group tours with legislative stakeholders (July-September 2021)
- 2022 Legislative Agenda Development (now through November 2021)

# Questions?

On to the Interim!

**RETURN TO AGENDA**