

# Port of Seattle 2020 Financial Performance Report

March 9, 2021

# 2020 Key Financial Highlights

- The COVID-19 pandemic caused major disruption across Port business lines. Significantly reduced airline passengers, loss of the Alaskan cruise season, a sharp reduction in conference activity and reduced parking volumes led to a substantial loss of budgeted revenues.
- The Port responded with across-the-board cost reductions including a hiring freeze, reduced discretionary spending, deferred capital spending and cuts in contracted services to mitigate the loss of revenues.
- In June, the Commission approved a revised 2020 budget and included \$3 million of targeted funding for regional economic recovery.
- SEA was awarded \$192 million in CARES Act funding, \$147 million of which was applied in 2020.
- 2020 operating expenses were offset by a \$17.2 million state pension credit.

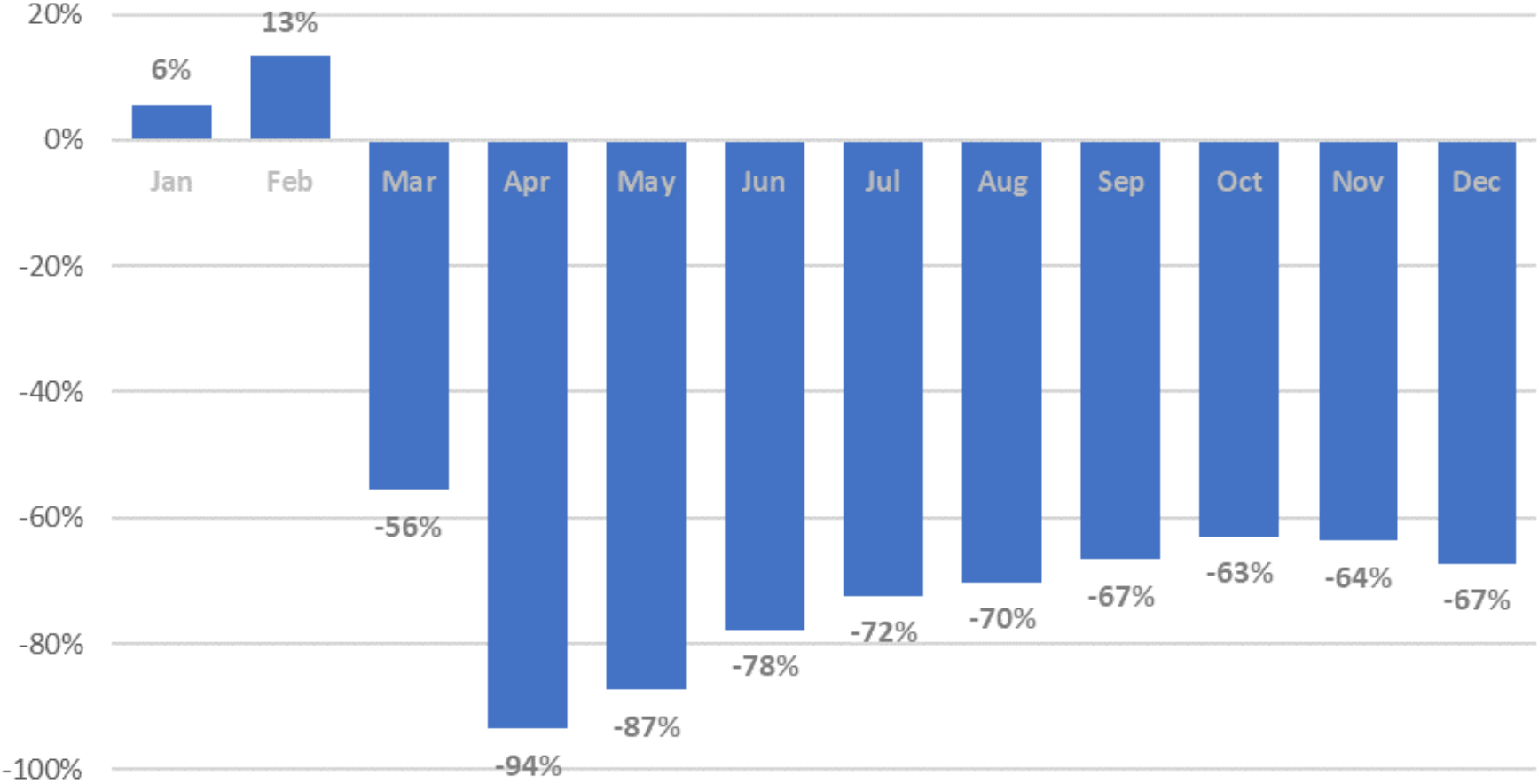
# Aviation Division

## 2020 Financial Performance Report



# Drop in Passengers Defined 2020 Financial Challenge

## Total Passengers by Month for 2020 vs 2019



Passengers (millions)	
2019 Actual	51.8
2020 Budget	53.3
2020 Actual	20.1

**61%**  
↓  
compared to 2019

# Keys to Financial Results: CARES grant, Wise Spending

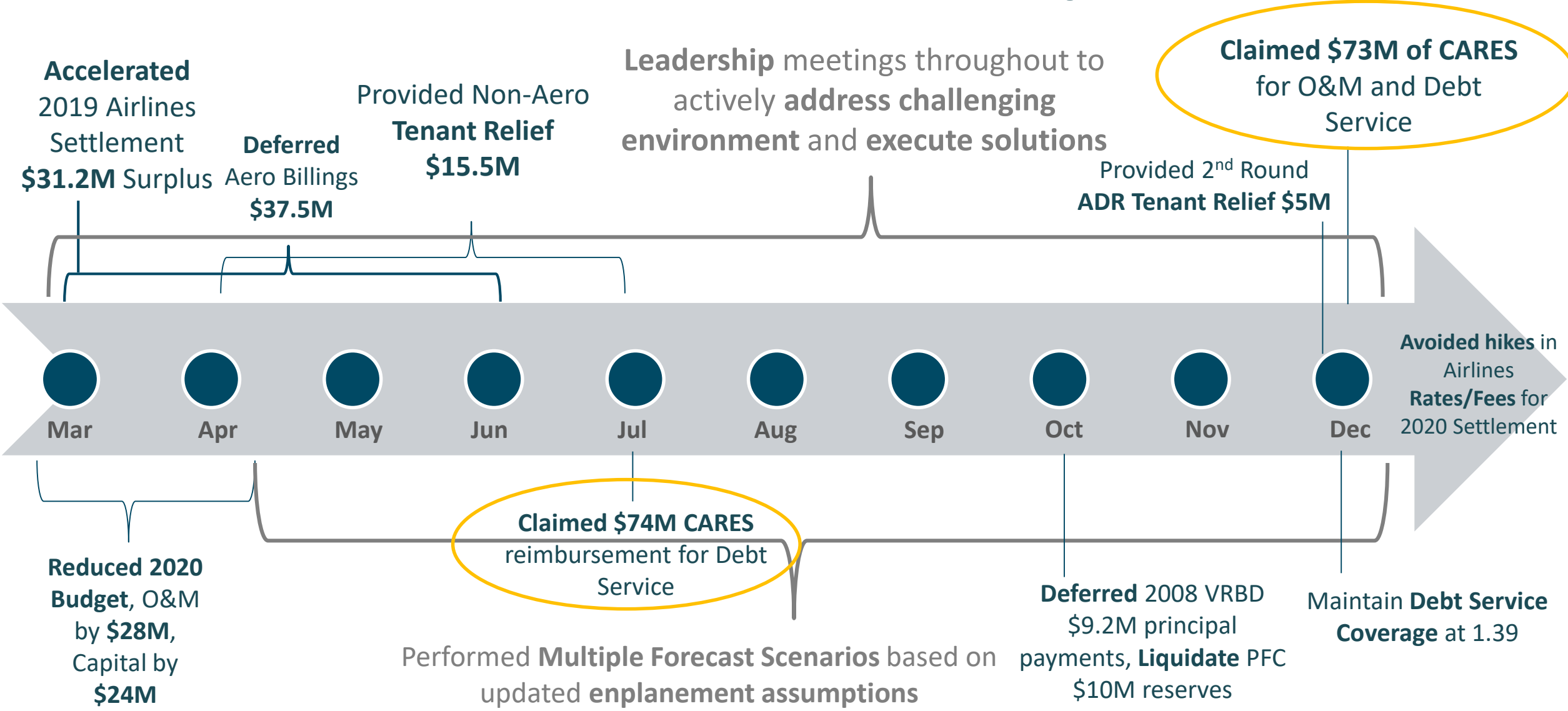
## Financial Summary

	Actual YE 2020	Revised Budget YE 2020	Approved Budget YE 2020	Variance Actual vs Revised Budget
<i>Figures in \$000s</i>				
<b>Revenues</b>				
Aeronautical	297,909	401,342	401,342	(103,433)
Non-Aeronautical	116,473	135,074	283,167	(18,601)
Total	414,382	536,416	684,510	(122,034)
<b>O&amp;M expense</b>				
	329,680	348,826	377,306	19,146
<b>NOI</b>				
	84,702	187,589	307,203	(102,887)
CARES Grant	147,148	-	-	147,148
<b>NOI (After CARES Grant)</b>	231,850	187,589	307,203	44,261
<b>Key Measures</b>				
Non-Aero NOI (in \$000s)	6,671	21,443	154,660	(14,772)
CPE (\$)	26.50	13.93	13.93	(12.57)
Debt Service Coverage	1.40	1.80	1.80	(0.40)
<b>Other Information</b>				
ADF Balance	295M	314.4M	314.4M	(24.2M)
Capital Spending (in \$000s)	504,073	489,182	513,131	(14,891)

## Business Highlights

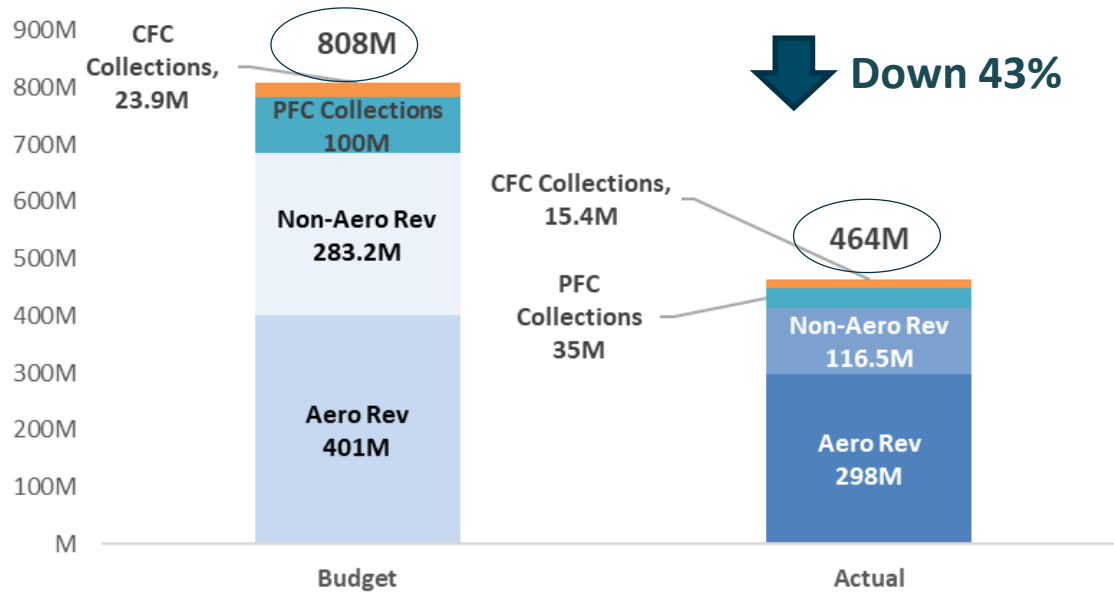
- Activity:
  - Operations: -34.3%
  - Cargo metric tons: +0.2%
- Achieved all revised financial goals:
  - **Debt service coverage > 1.25x**
  - **O&M spending < revised budget**
  - **Non-aero revenues > \$113 .6M**
  - **ADF capital spending < \$55M**
- Used CARES Act grant to:
  - **Minimize 2020 airline settlement** (expect surplus ~\$1M)
  - **Restored cash balance (ADF) to within \$20M of target**
- Retained \$45M of \$192M CARES for 2021

# Financial Actions for COVID-19 Response in 2020

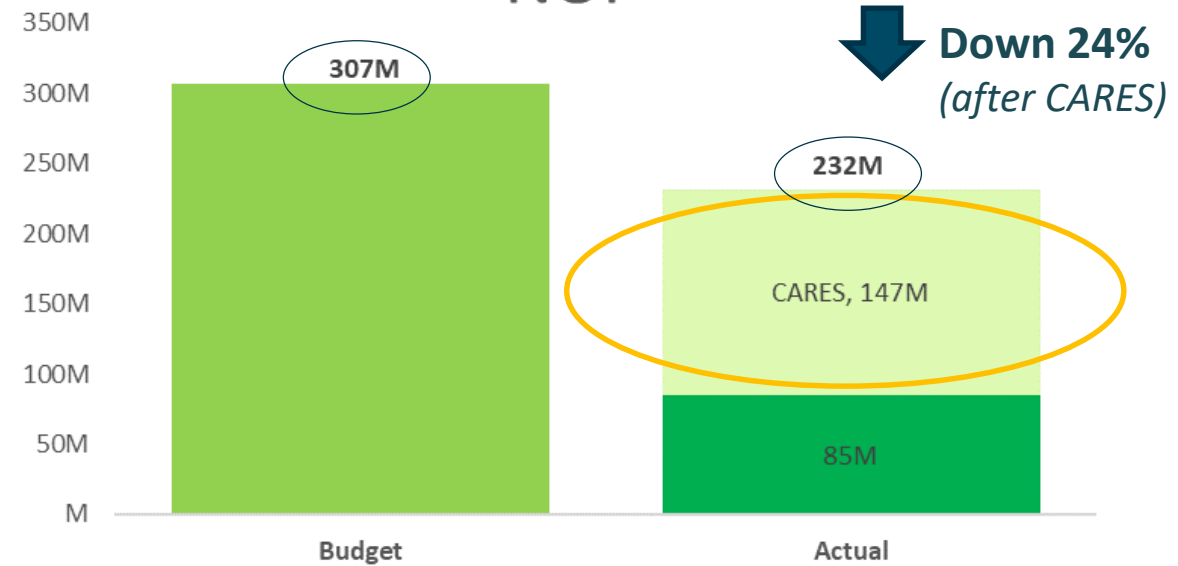


# Financial Performance Snapshot

## Revenues



## NOI

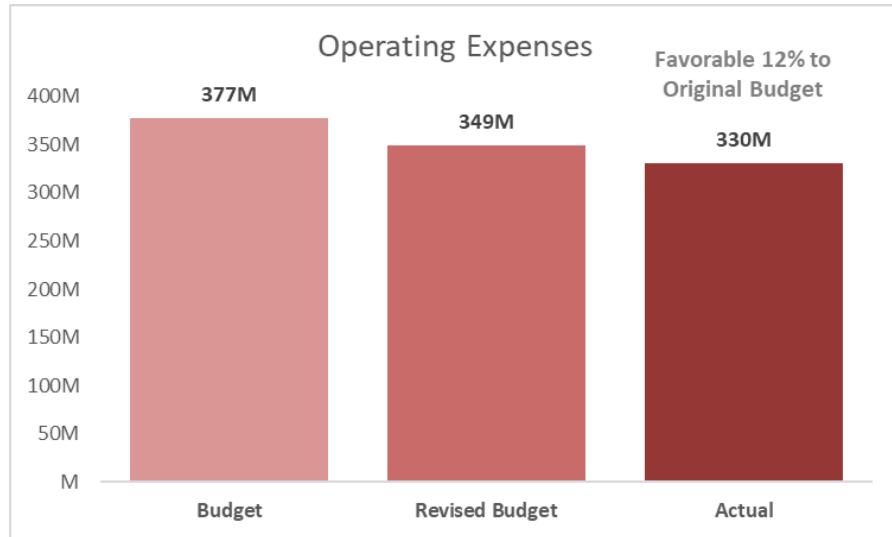


**Without CARES NOI Down 72%**

**Note:**

- Revenues above includes Operating and Non-Operating (CFC and PFC collections)
- 2020 Total Budgeted CFC collections = \$37.7M less 13.8M Operating CFC = \$23.9M Non-Ops CFC Budgeted Collections

# Total Operating Expenses Summary

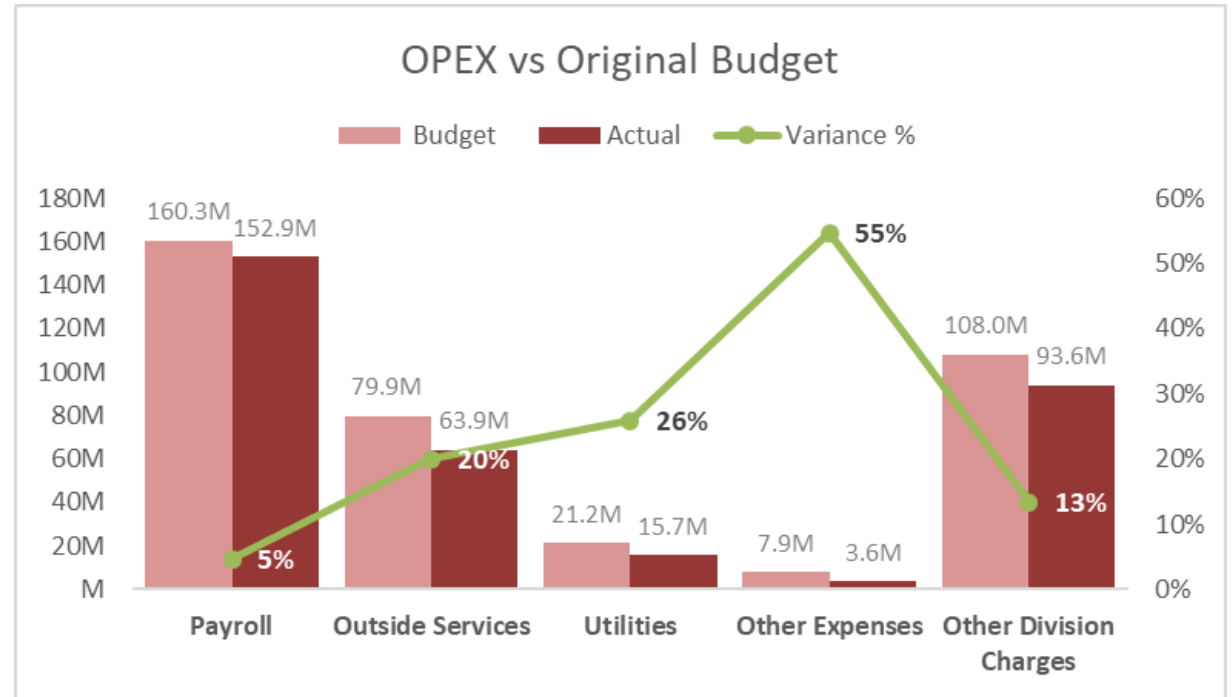


**\$47M or 12% favorable**  
vs. Original Budget

(or \$19.1M or 5.5% favorable to Revised Budget)

## Major Favorable Variance Drivers to Original Budget:

- Reduced **O&M** Expenses by **\$28M** in April 2020 to get to the **Revised Budget**
- Received **Pension Credit** of **\$14M** (6.9M hit Direct Airport, \$7.1M from Corporate Allocations)
- Underspend in Environmental Remediation Liability (**ERL**) **\$3.2M**





# Aeronautical Revenue Requirement

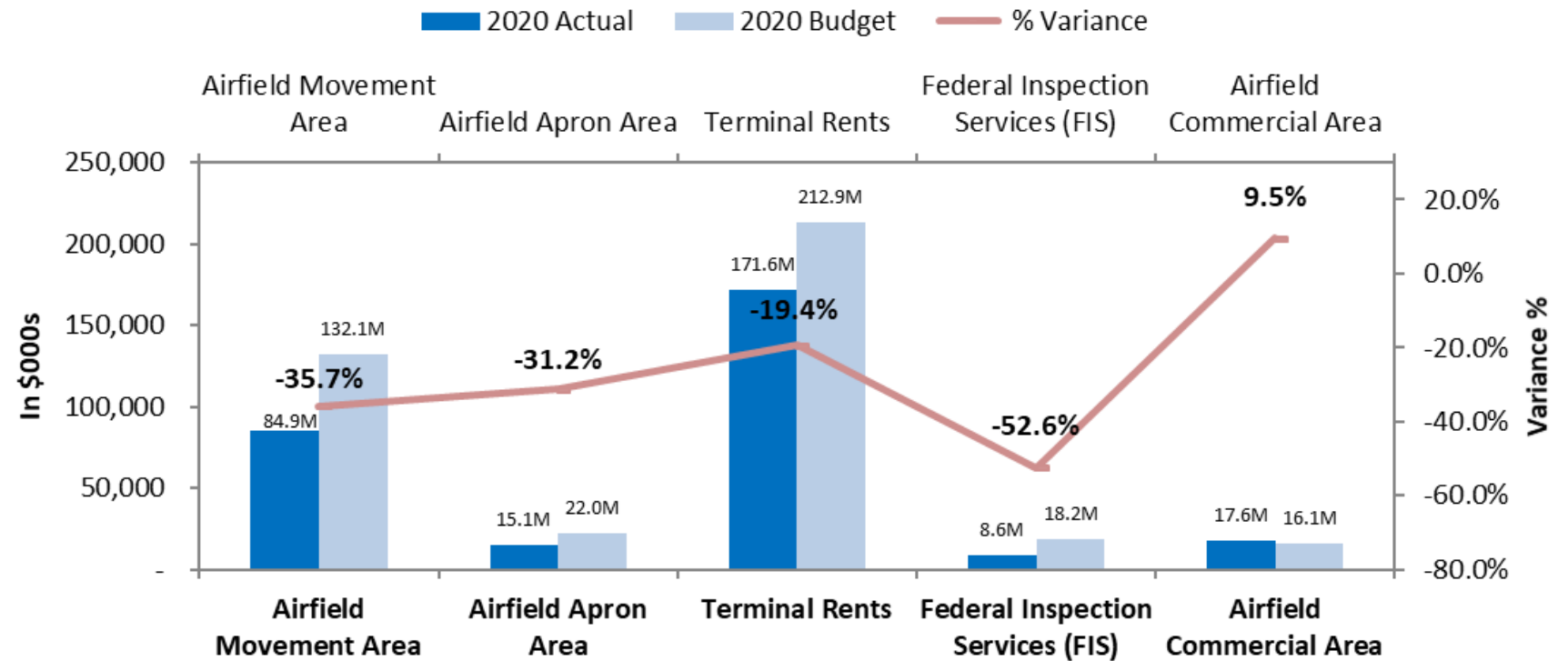
Original Budget  
**\$401M**

↓ 29%

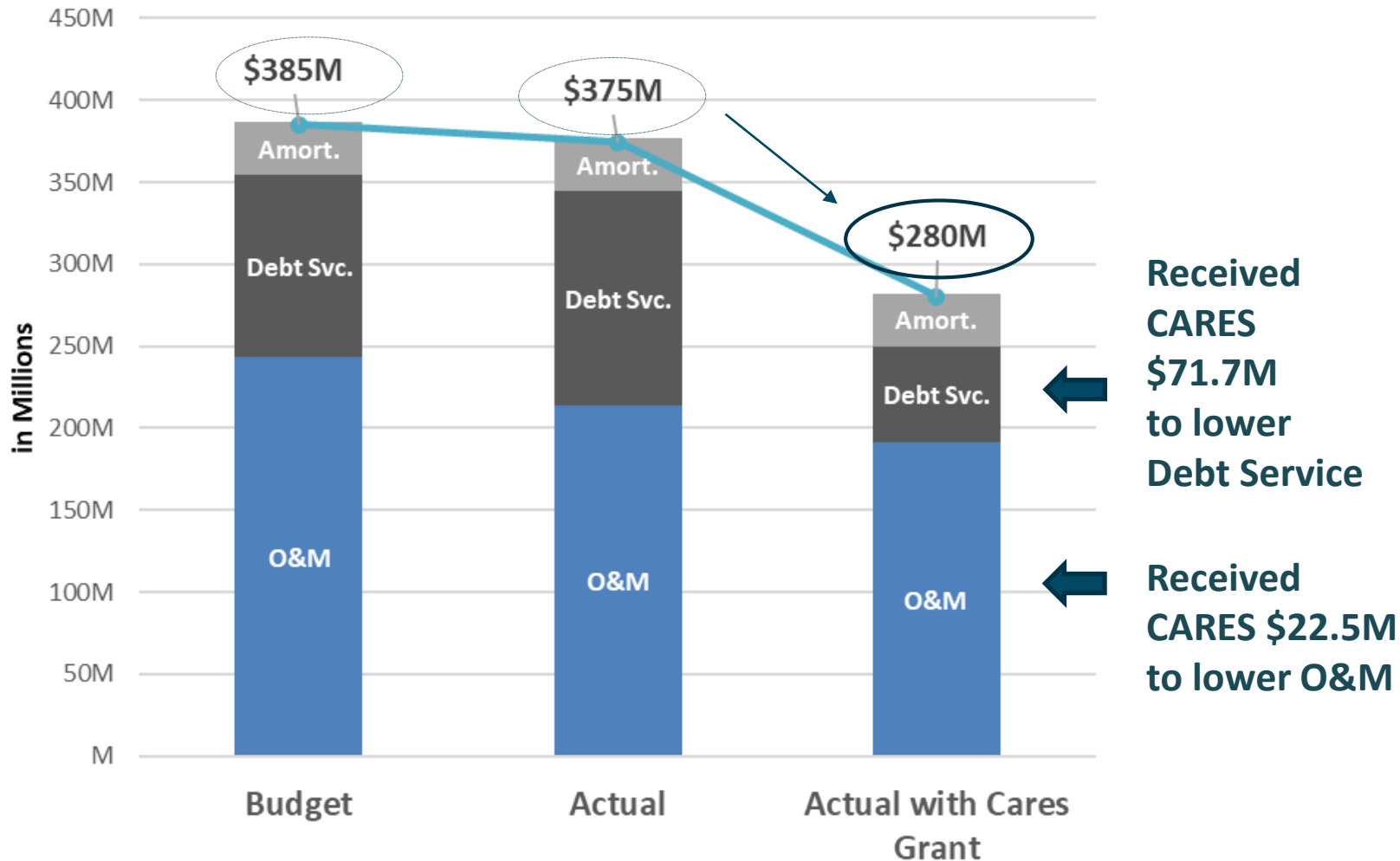
Actuals  
**\$298M**



Applied **\$101M** of **CARES** grant to offset revenue requirements (aka costs to recover from Airlines)



# Aero Rate Base Revenue Requirements



How was  
**\$94M** in  
**CARES**  
applied?

<b>Preliminary Airline Settlement</b>	
Billings	\$269.0M
YE Requirement	\$267.8M
<b>Surplus</b>	<b>\$1.2M</b>

\* Airfield Commercial is excluded from Aero Rate Base

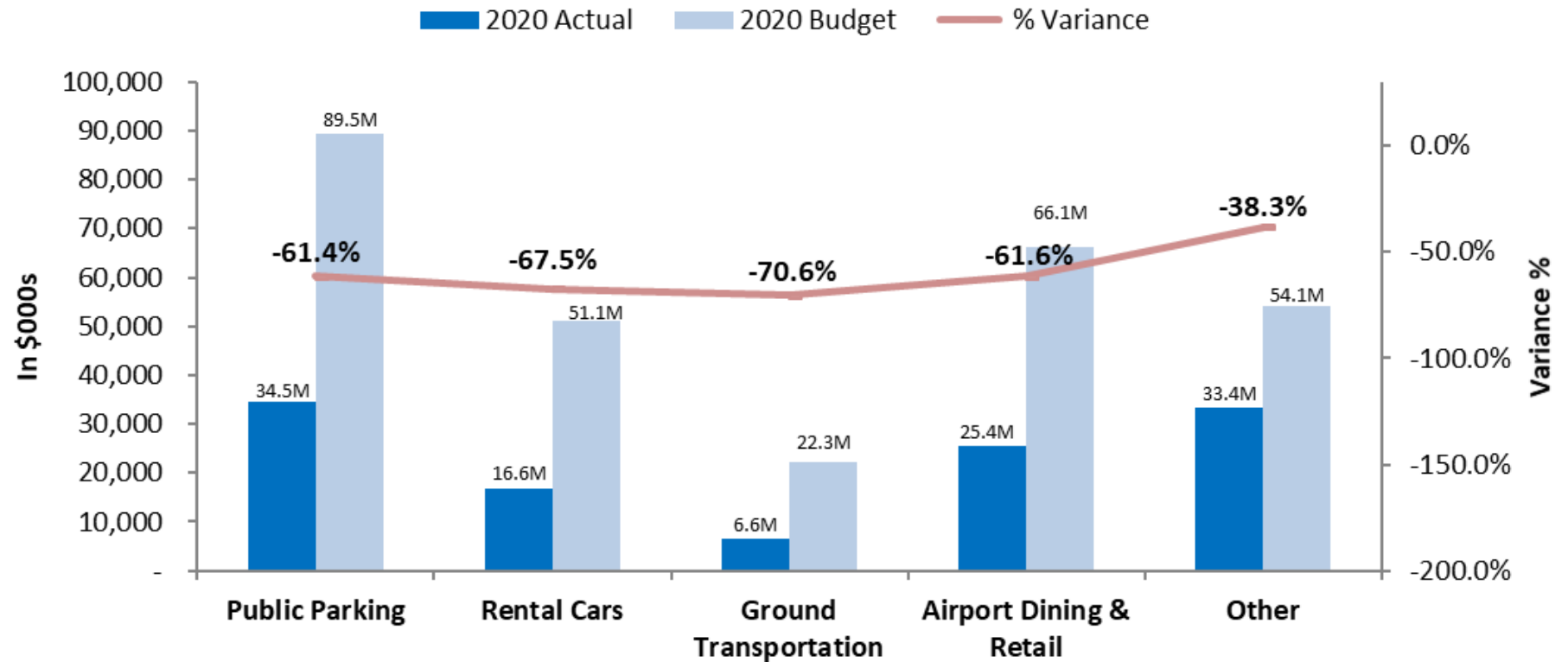
\* YE Requirement for Settlement excludes Non-Settlement items (Other Movement Area, RON/Hardstand, Other Terminal, and Airfield Commercial Revenues).

# Non-Aeronautical Revenues

Original Budget  
**\$283M**

↓ 59%

Actuals  
**\$116M**

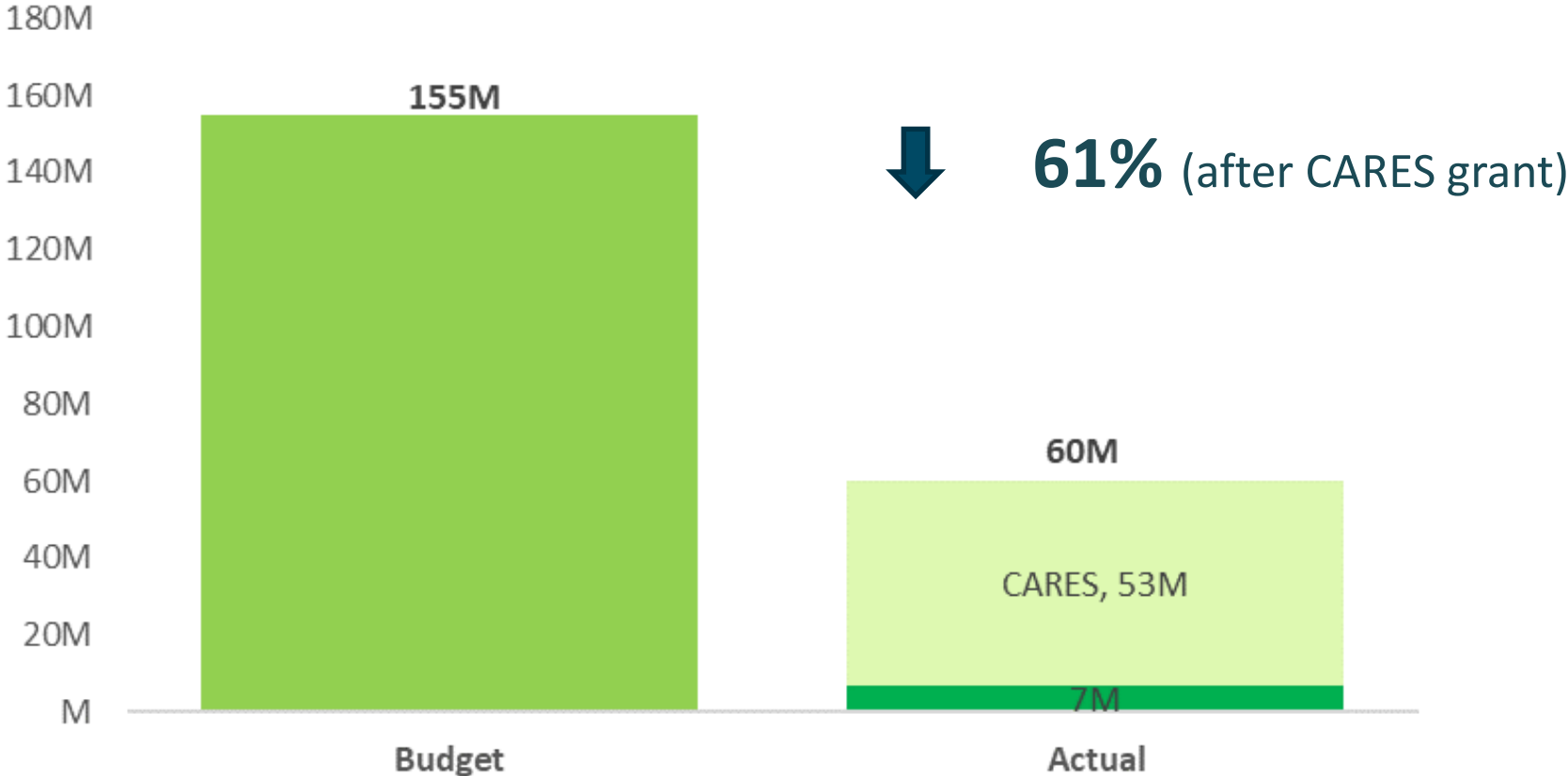


**Passenger Volume down 61%**

**O&D Passenger Volume down 65%**

Most Non-Aero activity closely aligned with % decline in PAX volume

# Non-Aeronautical NOI



Without CARES, Non-Aero NOI would have been down 96%

# Tenant Relief – Rent Payment Deferral Status

## Aviation Tenant Relief Summary (in \$000's) Status as of 2/28/2021

	# Participants	Total Relief Granted (as Billed) as of 2/28/2021	Outstanding Balance Owed as of 2/28/2021
<b>Aeronautical Tenant Relief</b>			
Airline - rate base payment deferrals	30	37,584	0
<b>Combined Aero/Non-Aero Tenant Relief</b>			
Airline Service Providers	9	2,308	1,843
<b>Non-Aeronautical Tenant Relief</b>			
Airport Dining & Retail	36	8,874	4,875
Rental Cars	9	4,376	1,080
Ground Transportation - trip fees (taxi only)	124	91	77
Ground Transportation - trip fees (all other)	120	196	7
Ground Transportation - space rent	3	12	9
GT - STILA only	1	52	51
In-flight Kitchens	3	1,379	532
Doug Fox	1	294	250
Employee Parking	3	2	1
<b>Subtotal - Non-Aero Tenant Relief</b>	<b>300</b>	<b>15,276</b>	<b>6,882</b>
<b>Total Aviation Tenant Relief</b>	<b>339</b>	<b>55,168</b>	<b>8,725</b>

2<sup>nd</sup> Non-Aero Tenant Relief program for **ADR Concessionaires only** is still in progress.

“Total Relief Granted” will increase by ~\$3M as Jan-March ADR rents are billed.

# Aviation FTE & Position Vacancy – YE Status

<b>Total FTEs in 2020 Approved Budget</b>	<b>1,250.53</b>	<b><u>Vacant FTEs - YE status by AV dept</u></b>	
2020 mid-year FTE additions - AV division	2.00	AVM	6.00
Intern FTEs transferred to Central Services/HR	(7.75)	Landside	9.50
FTE positions FROZEN as of year-end 2020	<u>(120.34)</u>	Security	4.00
<b>Adjusted Total FTEs at year-end 2020</b>	<b><u>1,124.44</u></b>	Terminal Ops	4.00
ADD BACK in 2021 - Unfreeze existing vacant FTEs for hiring	18.00	Fire Dept	3.00
ADD NEW in 2021 - New FTEs - strategic functions	<u>2.00</u>	AVPMG	2.00
<b>Total FTEs in 2021 Approved Budget</b>	<b><u>1,144.44</u></b>	AVFB	<u>1.00</u>
<hr/>			
<b>Filled FTEs at 2020 year-end</b>	<b>1,097.44</b>	<b>Vacant - existing FTEs</b>	<b><u>29.50</u></b>
<b>Vacant FTEs at 2020 year-end</b>	<b>47.00</b>	Unfrozen/New FTEs	17.50
<b>Total FTEs as of YE 2020 / in 2021 Approved Budget</b>	<b><u>1,144.44</u></b>	<b>Total Vacant @ 12/31/2020</b>	<b><u>47.00</u></b>

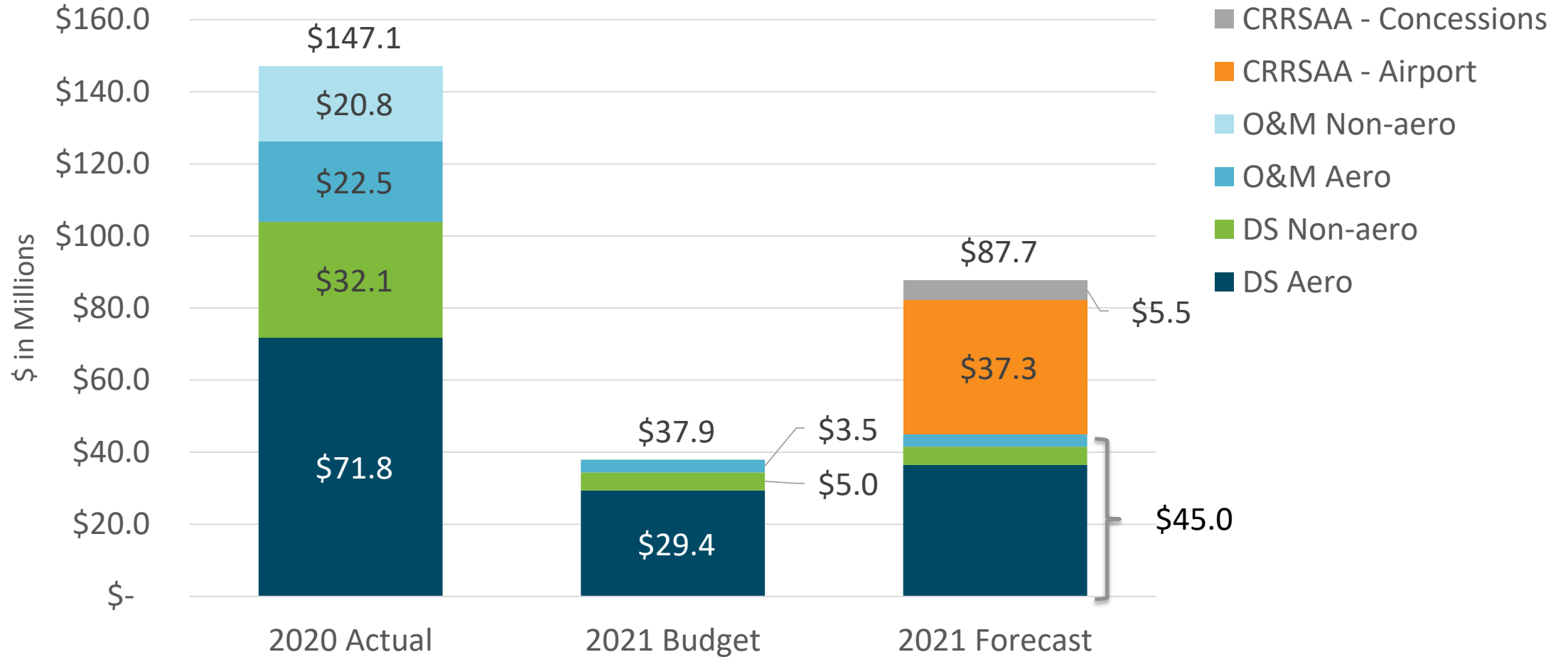
Confirmed: All 102 FROZEN FTEs are currently vacant (not included in tables above)

# Strategic use of CARES grant to exceed debt service coverage minimum

in \$000's	2020 Budget	2020 Actual	Variance
<b>Revenues</b>			
Aero	401,340	297,909	(103,431)
Non-aero	283,167	116,473	(166,694)
<b>Total Revenues</b>	<b>684,507</b>	<b>414,382</b>	<b>(270,125)</b>
<b>O&amp;M</b>	<b>377,306</b>	<b>329,680</b>	<b>47,626</b>
<b>NOI</b>	<b>307,201</b>	<b>84,702</b>	<b>(222,499)</b>
CARES grant non-op revenue		43,257	43,257
Other net non-operating	1,027	5,604	4,577
<b>Available for debt service</b>	<b>308,228</b>	<b>133,562</b>	<b>(174,666)</b>
<b>Debt Service</b>			
Gross debt service (net of cap i)	262,479	249,555	12,924
CFC offset	(23,657)	(13,601)	(10,056)
PFC offset	(67,348)	(36,390)	(30,958)
CARES grant debt service offset	-	(103,891)	103,891
<b>Net Debt Service</b>	<b>171,474</b>	<b>95,673</b>	<b>(75,802)</b>
<b>Debt Service Coverage</b>	<b>1.80</b>	<b>1.40</b>	<b>(0.40)</b>

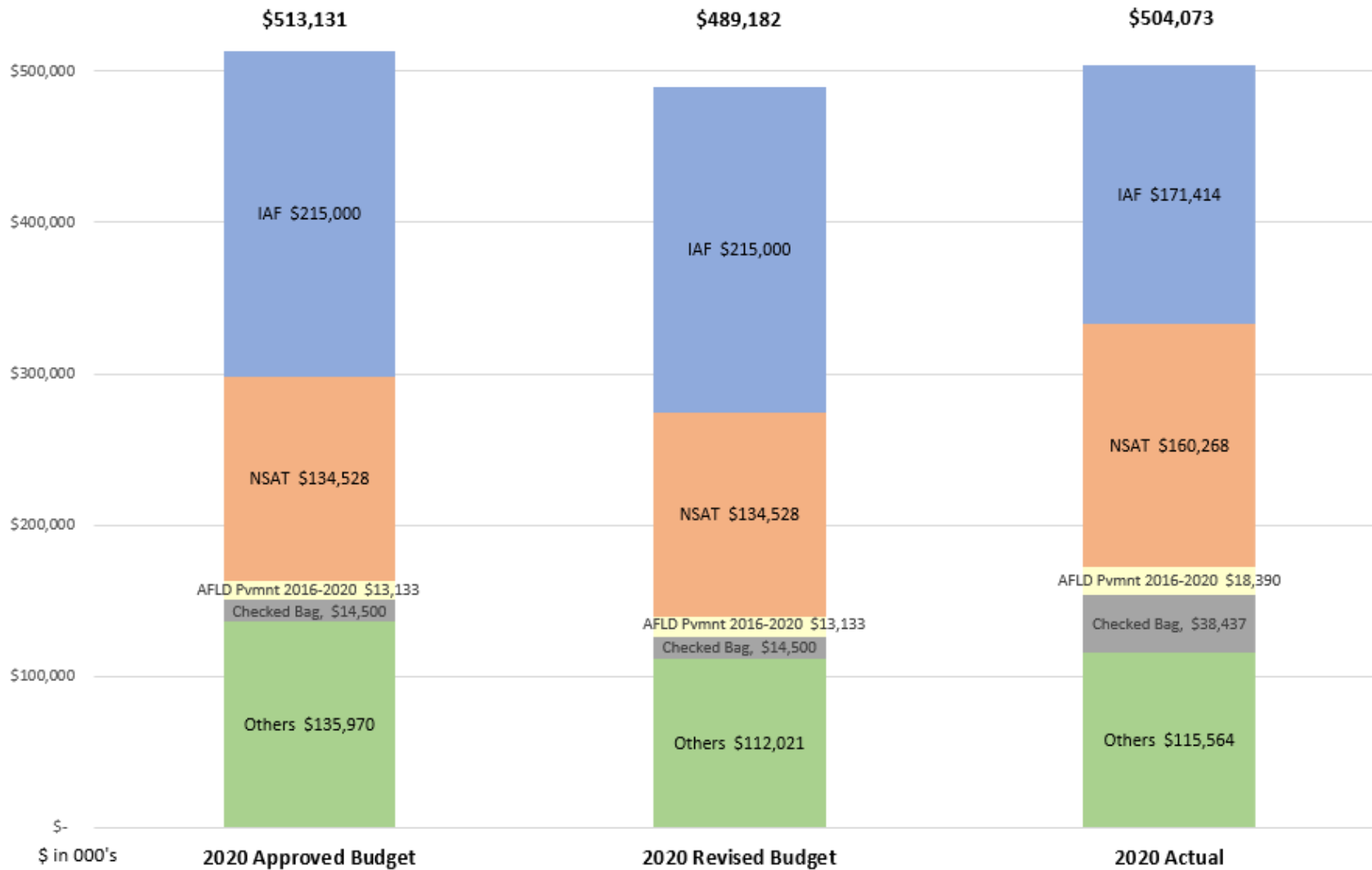
- **2020 debt payment of \$287M, \$10M less than budget includes deferral of 2008 variable rate bond principal payment and lower interest rate.**
- **2020 includes liquidated PFC debt service reserve of \$10M which provided capacity for PFC offset.**

# Federal COVID Relief: CARES & CRRSAA Use

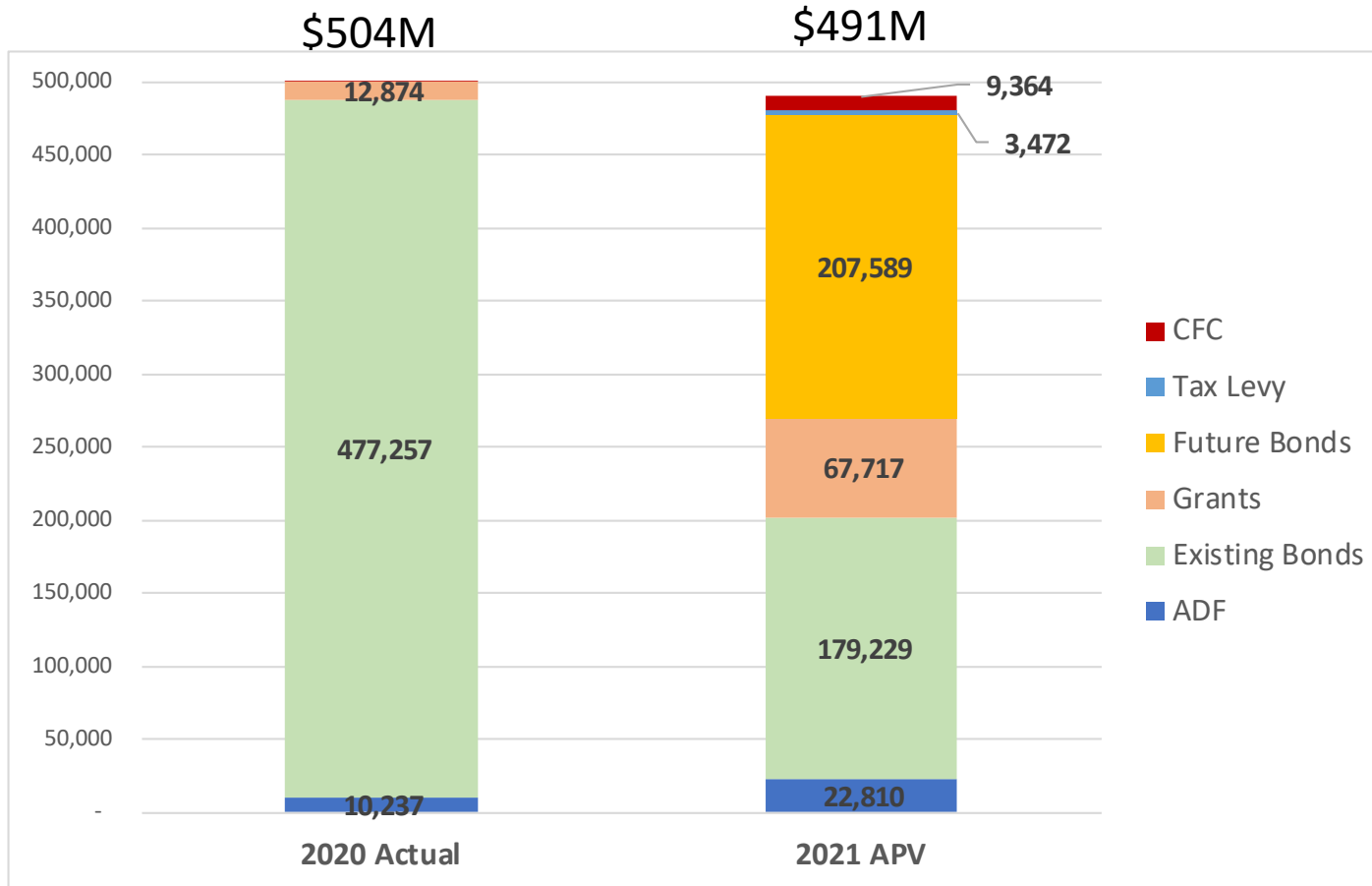




# 2020 Capital Spending

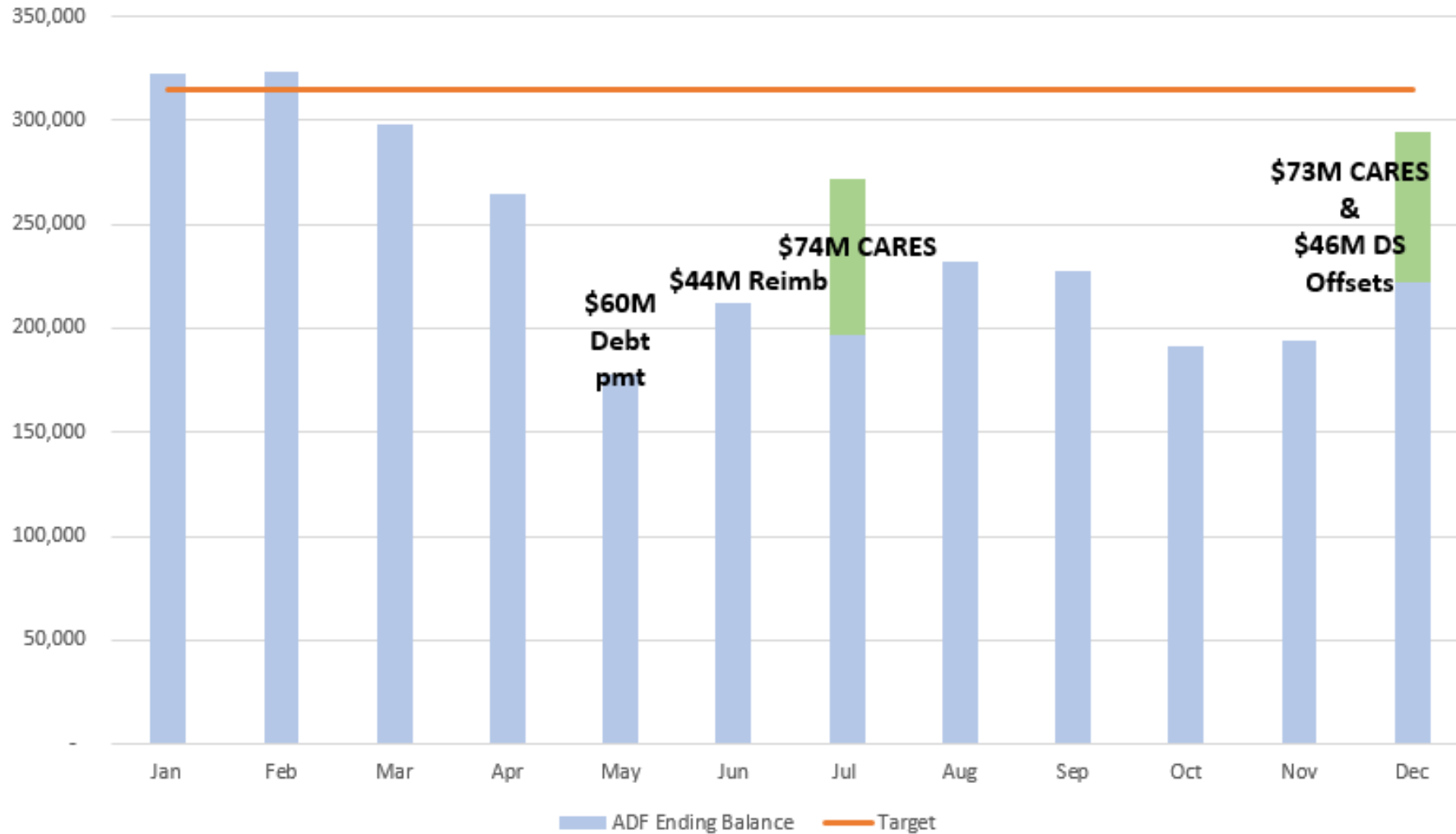


# Capital Spending by Funding Sources



- **2020 capital spending funded by existing bond of \$477M**
- **ADF capital spending \$10M which is net \$43M reimbursement from bonds**
- **2021 Annual Approved Budget (APV) requires new bond proceeds**

# Airport Development Fund Balance



- 2020 ending balance at \$295M, \$19M below target.
- March through July declined due to airline and tenant deferrals.
- \$44M of ADF reimbursement in June.

# 2021 Capital Spending

	2021 POF	2021 APV	Change
<b>Six Major Projects</b>			
NS NSAT Renov NSTS Lobbies	93,014	96,408	3,394
International Arrivals Fac-IAF	57,679	86,500	28,821
Checked Bag Recap/Optimization	95,000	86,100	(8,900)
2021-25 AFLD Pvmnt&Spprt Infr	40,500	29,560	(10,940)
Highline School Insulation	6,138	21,948	15,810
SSAT Infrastructure HVAC	10,320	11,505	1,185
<b>Subtotal - Six Major Projects</b>	<b><u>302,651</u></b>	<b><u>332,020</u></b>	<b><u>29,369</u></b>
<b>Other Capital Projects</b>	240,373	196,134	(44,239)
<b>SAMP Preliminary Planning / Design</b>	5,903	5,025	(878)
<b>CIP Cashflow Adj Reserve</b>	(84,693)	(41,978)	42,715
<b>Total Capital Budget</b>	<b><u>464,234</u></b>	<b><u>491,202</u></b>	<b><u>26,968</u></b>

# Non-Aviation Divisions

2020 Financial Performance Report



# Non-Aviation Performance Summary

\$ in 000's	2020	2020	2020	Fav (UnFav)	
	Actual	Revised Budget	Approved Budget	Fcst vs. Revised Budget Variance	
				\$	%
<b>Revenues</b>					
Maritime	42,111	42,581	62,938	(470)	-1%
Economic Development Division	9,470	15,658	19,110	(6,188)	-40%
Joint Venture*	37,563	40,322	40,322	(2,760)	-7%
<b>Total Revenue</b>	<b>89,144</b>	<b>98,561</b>	<b>122,370</b>	<b>(9,418)</b>	<b>-10%</b>
<b>Expenses</b>					
Maritime	53,500	52,191	54,396	(1,309)	-3%
Economic Development Division	20,611	27,222	29,368	6,611	24%
Joint Venture	1,063	836	837	(228)	-27%
<b>Total Expense</b>	<b>75,175</b>	<b>80,250</b>	<b>84,601</b>	<b>5,075</b>	<b>6%</b>
<b>NOI Before Stormwater Utility</b>	<b>13,969</b>	<b>18,312</b>	<b>37,769</b>	<b>(4,343)</b>	<b>-24%</b>
Stormwater Utility Revenues	6,374	6,270	6,270	104	2%
Stormwater Utility Expenses	4,742	5,394	5,513	652	12%
<b>Stormwater Utility NOI</b>	<b>1,632</b>	<b>876</b>	<b>757</b>	<b>756</b>	<b>86%</b>
<b>Total Non-Aviation Business NOI</b>	<b>15,601</b>	<b>19,188</b>	<b>38,526</b>	<b>(3,587)</b>	<b>-19%</b>

\*Note – Based on 50% of Distributable Income from NWSA

## Revised Budget

- Revenue below budget due to COVID impacts on Cruise and Conference Event Centers.
- NWSA Joint Venture distributable income below due to \$5M reserve related to lease cancellation pmt. Lower revenue volumes offset by expense savings.
- Expenses favorable due to variable costs

## Approved Budget

- No Cruise sailings driving down revenue
- NOI excluding Stormwater down \$23.8M

# Maritime Division

## 2020 Financial Performance Report

# Maritime Division

## Financial Summary

<i>Figure in \$000s</i>	<b>Actual</b>	<b>Revised Budget</b>	<b>Approved Budget</b>	<b>Variance to Revised</b>
<b>Revenues</b>				
Fishing, Commercial, & Recreational Marinas	23,067	22,743	22,747	323
Cruise	3,824	5,909	26,261	(2,085)
Maritime Portfolio Mgmt.	10,074	10,428	10,428	(355)
Grain / Other	5,147	3,501	3,501	1,646
<b>Total</b>	<b>42,111</b>	<b>42,581</b>	<b>62,938</b>	<b>(470)</b>
<b>O&amp;M Expense</b>				
Direct	24,039	22,035	22,637	(2,005)
Support Services	15,828	15,051	16,110	(777)
Central Services and Other	13,633	15,106	15,650	1,473
<b>Total</b>	<b>53,500</b>	<b>52,191</b>	<b>54,396</b>	<b>(1,309)</b>
<b>NOI</b>	<b>(11,389)</b>	<b>(9,610)</b>	<b>8,541</b>	<b>(1,779)</b>
<b>Capital Spending</b>	<b>19,698</b>	<b>19,712</b>		<b>14</b>

## Business Highlights

- No return to the Cruise Business in 2020.
- Fishing, Commercial and Recreational Marinas along with Leasing revenue seeing smaller impact.
- Demand for corn and soybeans driving higher Grain revenue.
- Favorable pension credit of \$2M offset by \$4M in capital to expense and \$3.3M in lease payment reserves.
- T117 restoration advancing as planned & Shilshole Bay Marina service buildings to be completed.
- Recovered over \$30M in Environmental Remediation through PRPs, insurance, and grants (Non-Operating Income).



# 2020 Maritime Achievements

- **Recreational Boating**– Completed customer service facilities at SBM. Established Customer Moorage Deferral program for financially distressed customers. Updated COVID processes with Q4 occupancy exceeding pre-pandemic levels.
- **Elliott Bay Fishing and Commercial Operations** – Design work underway for P91 NW Fender.
- **Ship Canal Fishing & Operations** – Summer Recreational Boating exceeded expectations. Due to COVID-19 many key events at Fishermen’s Terminal were cancelled including the 92<sup>nd</sup> annual Blessing of the Fleet and the Fishermen’s Fall Festival.
- **Cruise** – The Cruise team is working with cruise lines, CLIA, AAPA, CDC, and other stakeholders to plan for and implement new health protocols at T91 and P66, as well as developing a strategy and community communication plan in preparation of recommencing cruise operations for the 2021 cruise season.

# Maritime 2020 Financial Highlights

## Net Operating Income is \$1.8M unfavorable to revised budget and \$22M below 2019

- Revenue is \$470K below revised budget and \$17.2M below 2019, primarily from Cruise cancellation.
- Expenses \$1.3M unfavorable to revised budget driven by capital projects getting expensed, lease payment reserves, offset by favorable pension credit. Expenses up \$4.9M Y/Y including the addition of \$1.9M in T46 lease payments to NWSA.
- Capital spending was \$19.7M (100% of budget).
- Stormwater Utility revenue on budget and expenses tracking favorable to budget.

	2018	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Revised	Approved	Actual vs. Revised		Change from 2019	
				Budget	Budget	\$	%	\$	%
\$ in 000's									
<b>Total Revenues</b>	57,575	59,289	42,111	42,581	62,938	(470)	-1%	(17,178)	-29%
<b>Total Operating Expenses</b>	43,252	48,644	53,500	52,191	54,396	(1,309)	-2%	4,856	10%
<b>Net Operating Income</b>	14,323	10,644	(11,389)	(9,610)	8,541	(1,779)	-21%	(22,034)	-207%
<i>Depreciation</i>	18,022	17,627	17,624	17,249	17,244	(376)	-2%	(3)	0%
<b>Net Income</b>	(3,699)	(6,982)	(29,013)	(26,859)	(8,703)	(2,154)	-25%	(22,031)	316%

# Northwest Seaport Alliance Summary

## NWSA TEU Data

Full-year 2020, there was a total of 65 void sailings due to a combination of the lingering trade dispute with China and the pandemic. Tariffs and COVID-19 show the risk of single-country sourcing. Many shippers are looking to diversify manufacturing and sourcing activities to SE Asia or other countries, which may have longer term implications for the gateway as these origins may be better served by east coast ports due to shorter transits. NWSA total international TEUs are down 13.8% for the year while total TEUs are down 12.1%.

### **Exports (YTD Nov 2020 vs. YTD Nov 2019):**

- Japan, Korea, China, Taiwan and Indonesia were our top trading partners.
- Exports to Japan, Korea, China, Taiwan and Indonesia declined 12.6%, 19.7%, 3.8%, 25.8% and 2.5%, respectively.
- Exports are down 14.8% YTD Nov.

### **Imports (YTD Nov 2020 vs. YTD Nov 2019):**

- China, Vietnam, Japan, Taiwan and Korea were our top trading partners.
- Imports from China, Japan, Taiwan and Korea are down 15.0%, 28.6%, 6.2% and 15.6%, respectively.
- Imports from Vietnam are up 44.9%, 36,373 TEUs.
- Imports are down 10.1% YTD Nov.

\*Export and import data source PIERS, full international

NWSA Operating Income <i>Before GASB 87 Adjustment</i>	2019		2020		Fav (UnFav)		Incr (Decr)	
	Actual	Budget	Actual	Budget	Budget Variance	Change from 2019		
\$ in 000's					\$	%	\$	%
Operating Revenue	195,022	197,475	184,326	197,475	(13,149)	-7%	(10,696)	-5%
Operating Expense	100,504	115,231	107,605	115,231	7,626	7%	7,101	7%
<b>Operating Income</b>	<b>94,518</b>	<b>82,244</b>	<b>76,721</b>	<b>82,244</b>	<b>(5,523)</b>	<b>-7%</b>	<b>(17,797)</b>	<b>-19%</b>
Cargo TEUs	3,775,379		3,320,379				(455,000)	-12%
Cargo Volume (Metric Tons)	29,982,608		26,764,655				(3,217,953)	-11%

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

**Revenue** –\$13.1M below budget from lower cargo volumes.

**Expenses** –\$7.6M favorable to budget. Operations costs were below budget:

- Volume related variable expenses from lower volumes.
- Reduced Infrastructure, Commercial, and Administrative costs through initiatives.

Offset by:

- Timing of the crane T5 cranes. Cost was to be \$6M in 2021. The new deal with SSA resulted in only \$2.8M in expenses which was applied in 2020.
- Lease Payment Reserve.

# Joint Venture

\$ in 000's	2018	2019	2020	2020	2020	Fav (UnFav)	
	Actual	Actual	Actual	Revised Budget	Approved Budget	Actual vs. Revised Budget Variance	
						\$	%
<b>Revenue</b>							
Joint Venture Revenue	55,992	47,979	38,782	41,935	41,935	(3,153)	-8%
Contra Joint Venture Revenue	-	-	(1,913)	(1,913)	(1,913)	(0)	0%
<b>Subtotal Distributable Revenue from NWSA</b>	<b>55,992</b>	<b>47,979</b>	<b>36,869</b>	<b>40,022</b>	<b>40,022</b>	<b>(3,153)</b>	<b>-8%</b>
Other Service Revenue Tenant Reimbursements	1,630	3,006	443	301	301	142	47%
Port Revenue from NWSA Facilities	-	-	251	-	-	251	NA
<b>Total Revenues</b>	<b>57,622</b>	<b>50,986</b>	<b>37,563</b>	<b>40,322</b>	<b>40,322</b>	<b>(2,760)</b>	<b>-7%</b>
<b>Expenses</b>							
JV Direct	2,540	3,439	626	28	28	(598)	-2116%
Maintenance Expenses	102	1,012	500	707	707	207	29%
Environmental & Sustainability	154	126	22	1	1	(21)	-1482%
Other Central Services	275	102	(52)	71	71	122	173%
Seaport Project Management	52	20	(33)	29	29	62	212%
	-	-				-	
<b>Total Expenses</b>	<b>3,123</b>	<b>4,699</b>	<b>1,063</b>	<b>836</b>	<b>837</b>	<b>(228)</b>	<b>-27%</b>
<b>NOI Before Depreciation</b>	<b>54,499</b>	<b>46,287</b>	<b>36,499</b>	<b>39,487</b>	<b>39,486</b>	<b>(2,987)</b>	<b>-8%</b>
Legacy Depreciation for NWSA Facilities	17,028	16,298	15,203	15,227	15,227	24	0%
<b>NOI After Depreciation</b>	<b>37,472</b>	<b>29,989</b>	<b>21,297</b>	<b>24,260</b>	<b>24,259</b>	<b>(2,963)</b>	<b>12%</b>

## Home Port Activities

### Revenues:

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

### Expenses

- Maintenance lower than budget due to departmental reductions
- JV Direct - SWU Fees at T46 (Not in Budget)

# Stormwater Utility

\$ in 000's	2018	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Revised	Approved	Actual vs. Revised		Change from 2019	
				Budget	Budget	\$	%	\$	%
<b>Revenue</b>									
NWSA	1,135	1,206	1,422	945	945	477	50%	216	18%
Tenants Revenue	3,059	3,293	3,171	3,772	3,772	(601)	-16%	(122)	-4%
Port Non-tenants Revenue	1,090	1,340	1,781	1,553	1,553	228	15%	441	33%
<b>Total Revenues</b>	<b>5,284</b>	<b>5,839</b>	<b>6,374</b>	<b>6,270</b>	<b>6,270</b>	<b>104</b>	<b>2%</b>	<b>535</b>	<b>9%</b>
<b>Expenses</b>									
SWU Direct	841	994	1,373	1,226	1,226	(147)	-12%	379	38%
Maintenance Expenses	3,317	3,039	2,460	3,128	3,224	668	21%	(579)	-19%
Seaport Project Management	19	32	21	46	49	25	54%	(11)	-34%
Environmental & Sustainability	327	319	56	79	88	23	29%	(263)	-82%
Other Central Services	710	850	832	915	926	83	9%	(18)	-2%
<b>Total Expenses</b>	<b>5,214</b>	<b>5,234</b>	<b>4,742</b>	<b>5,394</b>	<b>5,513</b>	<b>652</b>	<b>12%</b>	<b>(492)</b>	<b>-9%</b>
<b>NOI Before Depreciation</b>	<b>70</b>	<b>605</b>	<b>1,632</b>	<b>876</b>	<b>757</b>	<b>756</b>	<b>86%</b>	<b>1,027</b>	<b>170%</b>
Depreciation	1,117	1,209	1,240	897	897	(343)	-38%	31	3%
<b>NOI After Depreciation</b>	<b>(1,047)</b>	<b>(604)</b>	<b>392</b>	<b>(21)</b>	<b>(140)</b>	<b>413</b>	<b>-1968%</b>	<b>996</b>	<b>-165%</b>

Expenses are under budget based on pandemic stay home order affecting maintenance team

# Stormwater Utility Accomplishments

- 100% compliance for all Port properties subject to stormwater permit – while accommodating staffing complications due to COVID-19.
- Improved stormwater education and outreach of Port employees and tenants through standard practices, materials and trainings .
- Reviewed 130 stormwater treatment technologies from around the world.

# Environmental Accomplishments

- Completed the Northwest Ports Clean Air Strategy – continuing strong international partnership to address GHG and air quality.
- Completed the Quiet Sound program recommendation to reduce adverse effects of large vessels on Orcas. Received WPPA award.
- Broke ground on construction at Terminal 117, to create a 13-acre habitat restoration and public access site.
- First port to join the International Ocean Acidification Alliance.
- Implemented the new Sustainable Evaluation Framework to assess environmental features as part of capital project delivery (screened 204 projects).

# Environmental Accomplishments

- **Secured over \$30 Million of outside revenue through insurance claims, settlements, grants, and rebates.**
- Signed three new agreed orders to start contaminated site cleanup process at maritime properties.
- Two new solar arrays at SBM. Bringing the total Port solar production to over 120,000 kWh of renewable electricity.
- Disposed of 8 derelict vessels. Maintained Green Marine and Salmon Safe certifications.
- Formed an Environmental Justice internal working group.



# Economic Development Division

## 2020 Financial Performance Report



# Economic Development Division

## Financial Summary

<i>Figure in \$000s</i>	<b>Actual</b>	<b>Revised Budget</b>	<b>Approved Budget</b>	<b>Variance to Revised</b>
<b>Revenues</b>	9,470	15,658	19,110	(6,188)
<b>O&amp;M Expense</b>				
EDD & Maritime	9,334	12,207	14,805	2,872
Maintenance	3,042	3,476	3,819	434
Diversity in Contracting	103	151	197	48
Tourism	954	2,842	1,536	1,888
EDD Grants	778	1,110	1,110	332
Central Services and Other	6,401	7,437	7,901	1,036
<b>Total</b>	<b>20,611</b>	<b>27,222</b>	<b>29,368</b>	<b>6,611</b>
<b>NOI</b>	(11,141)	(11,564)	(10,258)	423
<b>Capital Spending</b>	9,314	10,699		1,385

## Business Highlights

### COVID-19 Driven

- BHICC cancellations and reduced Bell Street Garage revenues driving \$6.2M revenue variance.
- Expenses \$6.6M below budget from port-wide cost reductions & pension adjustment, Tourism program spend timing, and variable expenses tied to conference centers.

**Bell Harbor Conference Center Modernization completed.**

# Economic Development Financial Highlights

## 2020 Net Operating Income \$.4M favorable to revised budget and \$5.1M lower than 2019

- Revenue unfavorable to revised budget by \$6.2M and \$11.7M lower than 2019 driven primarily by COVID-19 cancellations and construction at the Conference and Event Centers.
- Expenses favorable to revised budget by \$6.6M driven by less conferences, timing of Tourism initiatives, and a favorable pension credit. Expenses are lower by \$6.5M Y/Y due to variable cost associated with lower Conference & Event Center volumes.
- EDD spent 87% of revised capital budget in 2020 with most attributed to the Bell Harbor Conference Center Modernization.

	2018	2019	2020	2020	2020	Fav(UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Revised Budget	Approved Budget	Actual vs. Revised Budget Variance		Change from 2019	
\$ in 000's						\$	%	\$	%
Total Revenues	20,705	21,151	9,470	15,658	19,110	(6,188)	-40%	(11,681)	-55%
Total Operating Expenses	27,028	27,155	20,611	27,222	29,368	6,611	24%	(6,544)	-24%
Net Operating Income	(6,323)	(6,004)	(11,141)	(11,564)	(10,258)	423	4%	(5,138)	-86%
Depreciation	3,948	3,647	3,611	3,392	3,389	(220)	-6%	(35)	-1%
Net Income	(10,271)	(9,651)	(14,753)	(14,956)	(13,647)	203	1%	(5,102)	-53%

# 2020 EDD Program Advancements

- Provided relief to 40+ waterfront tenants impacted by pandemic related operating restrictions.
- Maintained 94% occupancy across real estate portfolio despite COVID pandemic challenges.
- Advanced design work on T91 Uplands and Fishermen's Terminal buildings and formalized funding partnership with WA Department of Commerce to support Maritime Innovation Center development.
- Surpassing 2020 Port WMBE utilization (non-construction) goal through Q3 (16.92% actual vs. 14% goal).
- Worked with Maritime Blue to launch successful inaugural Maritime innovation accelerator program that included cohort of 11 emerging maritime companies.

# Central Services

## 2020 Financial Performance Report

# Central Services

## Financial Summary

<i>Figures in \$000s</i>	2020	2020	2020	Act vs Rvsd
	Actual	Rvsd Bud	Appr. Bud	Variance
<b>Revenues</b>	<b>2,927</b>	<b>40</b>	<b>40</b>	<b>2,887</b>
Core Central Support Services	84,705	91,594	93,604	6,889
Police	27,538	31,312	31,444	3,774
Capital Development	9,096	8,611	12,513	(485)
Environment & Sustainability	10,433	10,399	12,866	(33)
<b>O&amp;M Expenses</b>	<b>131,772</b>	<b>141,916</b>	<b>150,427</b>	<b>10,144</b>
<b>Capital Spending</b>	<b>6,347</b>	<b>12,691</b>		<b>6,344</b>

## Financial Highlights

- Operating revenues \$2.9M favorable due to unbudgeted revenue from Police and Derelict Vessel Reimbursements.
- Operating expenses \$10.1M favorable largely due to DRS Pension Plan credit of \$9.4M.
- Capital spending \$6.3M lower than the revised budget.

# Central Services Business Events

- Placed a total of 30 interns with private maritime employers and nonprofits in 2020 under the **Youth Maritime Collaborative**.
- Partnered with four non-profits to provide paid internships and professional training opportunities in Port-related industries to **nearly 200** low-income youth and youth of color under the **Opportunity Youth Initiative**.
- Hosted three **Career Awareness** events with Highline School District: Boeing Academy for STEM Learning, POS Fire Department, and ICT.
- Began the process of **Police Assessment** in the following categories: Use of Force, Oversight, Accountability, Racial Equity, Civil Rights, and Mutual Aid.
- Announced the first round of the **South King County Fund** economic recovery grants.
- Continued to work with City of Seattle in support of **West Seattle Bridge**, traffic detours, and low bridge access.
- Held 6-part **Caucusing for Change** series in Oct and Nov, included guest speakers from King County, JustLead WA, and Port employees sharing their personal experiences with race and racism.
- Held virtual events for **2020 Community Giving Campaign** with 11 speakers from 11 different non-profits/communities.

# Central Services Financial Highlights

	2018	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Revised Budget	Approved Budget	Actual vs. Revised Budget Variance		Change from 2019	
\$ in 000's						\$	%	\$	%
<b>Total Operating Revenues</b>	<b>(500)</b>	<b>1,282</b>	<b>2,927</b>	<b>40</b>	<b>40</b>	<b>2,887</b>	<b>7218.3%</b>	<b>1,645</b>	<b>128.3%</b>
Core Central Support Services	74,419	79,276	84,705	91,594	93,604	6,889	7.5%	5,429	6.8%
Police	23,908	27,793	27,538	31,312	31,444	3,774	12.1%	(255)	-0.9%
Capital Development	8,999	10,038	9,096	8,611	12,513	(485)	-5.6%	(942)	-9.4%
Environment & Sustainability	8,770	10,748	10,433	10,399	12,866	(33)	-0.3%	(315)	-2.9%
<b>Total Operating Expenses</b>	<b>116,097</b>	<b>127,855</b>	<b>131,772</b>	<b>141,916</b>	<b>150,427</b>	<b>10,144</b>	<b>7.1%</b>	<b>3,917</b>	<b>3.1%</b>

2020 Total Operating Expenses \$10.1M favorable to the Revised Budget due to:

- DRS Pension Plan credit of \$9.4M.
- Lower Payroll of \$4.6M due to vacancies and frozen positions.
- Less Charges to Capital Projects of \$2.9M due to project delays.

2020 Total Operating Expenses \$3.9M higher than 2019 due to:

- Higher payroll costs due to merit increases.
- Additional FTEs and funding to support Port Wide goals and initiatives.
- Increase in Outside Services costs in 2020.



# Port Wide

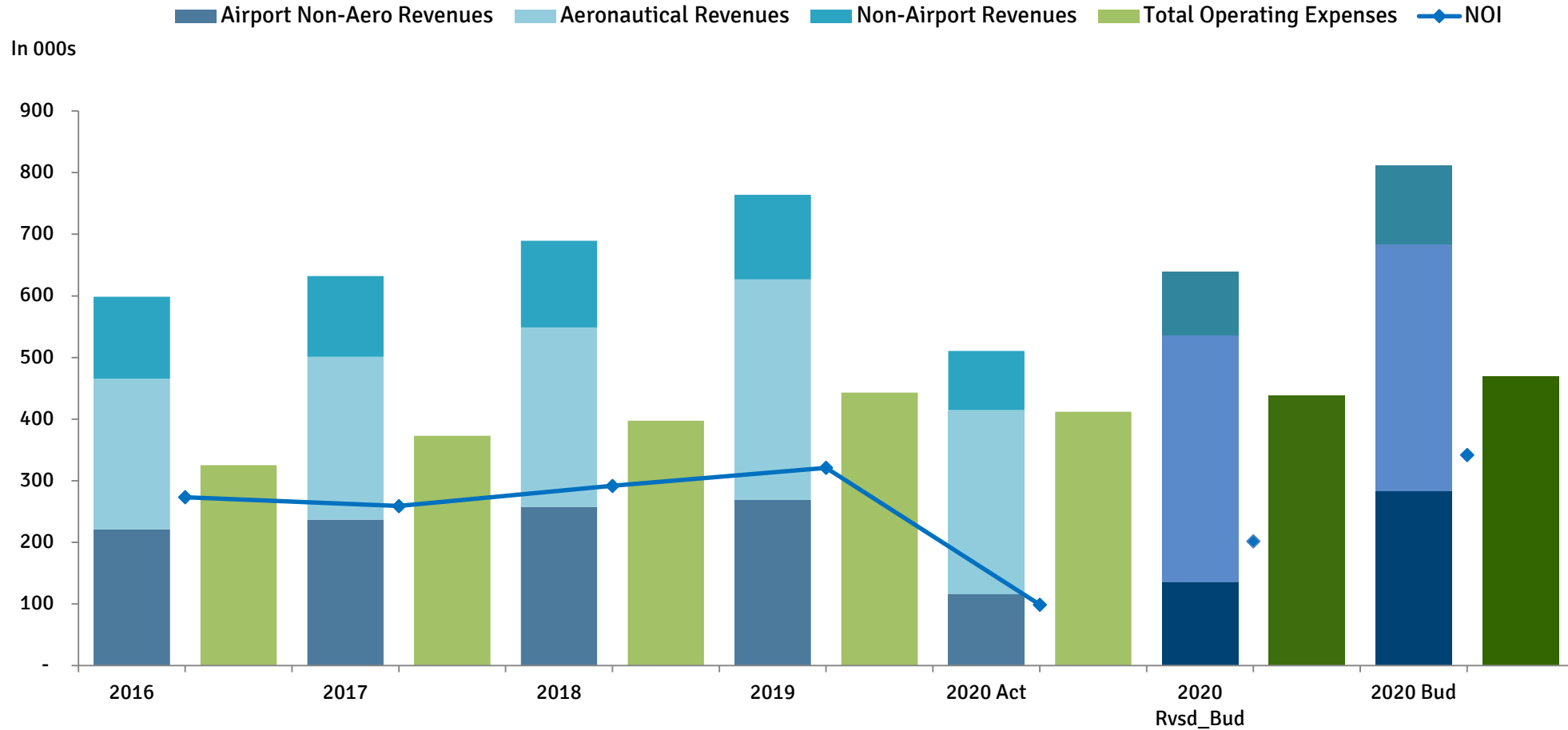
## 2020 Financial Performance Report



# Port Wide Financial Highlights

- **2020 Actuals vs. 2020 Revised Budget:**
  - Operating Revenues: \$128.9M or 20.1% unfavorable to the revised budget.
  - Operating Expenses: \$26.1M or 6.0% below the revised budget.
  - Net Operating Income before Depreciation: \$102.8M or 51.0% unfavorable to the revised.
  - Total capital spending: \$540.1M, 100.8% of the total revised budget.
- **2020 Actuals vs. 2019 Actuals:**
  - Operating Revenues: \$253.3M or 33.2% lower than 2019.
  - Operating Expenses: \$31.1M or 7.0% lower than 2019.
  - Net Operating Income before Depreciation: \$222.2M or 69.2% lower than 2019.

# Port Wide Financial Performance Trends



- Operating Revenues are \$128.9M unfavorable to the revised budget due to lower airline activity, cancelled cruise season, and reduced operations at Port facilities.
- Total Operating Expenses are \$26.1M below the revised budget due to:
  - DRS Pension credit
  - Hiring freeze reduced payroll expenses
  - Savings in Outside Services, Travel and Other Employee Expenses, and Promotional Hosting

# Comprehensive Financial Summary

(\$ in 000's)	2018	2019	2020	2020	2020	Fav (UnFav) Act/Rvsd Bud Var		Explanation
	Actual	Actual	Actual	Rvsd Bud	Appr. Bud	\$	%	
<b>Revenues</b>								
1. Operating Revenues	689,390	764,174	510,828	639,717	811,616	(128,890)	-20.1%	See operating revenue slides for details
2. Tax Levy	71,771	73,801	76,196	76,385	76,385	(189)	-0.2%	In line with budget
3. PFCs	94,070	100,004	34,637	99,505	99,505	(64,868)	-65.2%	Lower enplanement than budgeted
4. CFCs	21,802	22,355	15,429	17,630	23,914	(2,201)	-12.5%	Less rental car transactions than budgeted
5. Fuel Hydrant	6,942	6,742	6,886	7,022	7,022	(136)	-1.9%	In line with budget
6. Non-Capital Grants & Donations	1,573	2,880	150,143	2,551	2,551	147,592	5785.7%	\$147M CARES grant for 2020
7. Capital Contributions	43,650	17,736	20,909	48,010	48,010	(27,101)	-56.4%	Lower TSA OTA and FAA grants
8. Interest Income	26,287	54,078	41,406	27,669	27,669	13,737	49.6%	Unrealized gain on investments
Total	<b>955,484</b>	<b>1,041,771</b>	<b>856,433</b>	<b>918,490</b>	<b>1,096,672</b>	<b>(62,057)</b>	<b>-6.8%</b>	
<b>Expenses</b>								
1. O&M Expense	397,638	443,089	411,954	438,081	469,769	26,127	6.0%	See operating expense slides for details
2. Depreciation	164,362	174,971	179,807	179,056	179,056	(751)	-0.4%	More new assets came into services
3. Revenue Bond Interest Expense	100,432	105,601	133,149	157,231	157,231	24,082	15.3%	Lower interest rates than budgeted
4. GO Bond Interest Expense	13,414	12,493	11,850	12,003	12,003	153	1.3%	In line with budget
5. PFC Bond Interest Expense	4,368	3,547	2,670	2,740	2,740	70	2.6%	In line with budget
6. Public Expense	5,269	12,986	6,658	19,233	19,233	12,575	65.4%	Safe & Swift/Heavy Haul delay
7. Non-Op Environmental Expense	10,600	118	5,971	5,000	5,000	(971)	-19.4%	In line with budget
8. Other Non-Op Rev/Expense	3,217	21,959	22,033	2,905	2,905	(19,128)	-658.4%	Assets retirements
Total	<b>699,299</b>	<b>774,765</b>	<b>774,091</b>	<b>816,249</b>	<b>847,937</b>	<b>42,158</b>	<b>5.2%</b>	
Special Item	34,923	-	-	-	-	-	0.0%	T25 NRD restoration project special item
Retro Adjustment to Net Position	2,721	-	-	-	-	-	0.0%	Net of GASBs 75 and 86 adjustments
Change In Net Assets	<b>218,541</b>	<b>267,007</b>	<b>82,342</b>	<b>102,241</b>	<b>248,735</b>	<b>(19,899)</b>	<b>-19.5%</b>	

# Community Programs Summary

Program (in \$000)	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Revised Budget	Approved Budget	Actual vs. Revised Budget Variance		Change from 2019	
					\$	%	\$	%
1) Airport Community Ecology (ACE) Fund *	260	168	522	522	354	67.8%	(92)	-35.4%
2) Duwamish Valley Community Equity Program	-	272	292	292	20	7.0%	272	-
3) South King County Support Program *	-	80	1,500	1,500	1,420	94.7%	80	-
4) EDD Partnership Grants	763	865	960	960	95	9.9%	101	13.3%
5) City of SeaTac Community Relief * <sup>1</sup>	1,400	1,400	1,400	1,400	-	-	-	-
6) Airport Spotlight Ad Program <sup>1 &amp; 2</sup>	934	327	1,148	1,148	821	71.5%	(607)	-65.0%
7) Energy & Sustainability Fund *	283	5	150	250	145	96.9%	(278)	-98.3%
8) Maritime Blue (formerly Maritime Innovation Center)	-	-	150	150	150	100.0%	-	-
9) Tourism Marketing Support Program	1,338	952	2,842	1,536	1,890	66.5%	(385)	-28.8%
10) Workforce Development	1,771	3,755	4,403	3,119	648	14.7%	1,984	112.0%
a. Opportunity Youth Initiative <sup>3</sup>	-	1,338	1,500	-	162	10.8%	1,338	-
11) Diversity in Contracting	883	1,025	1,331	1,520	307	23.0%	142	16.1%
12) High School Internship Program	529	295	632	657	337	53.3%	(234)	-44.2%
13) Equity, Diversity & Inclusion	565	919	925	1,346	7	0.7%	353	62.5%
14) Sustainable Aviation Fuels & Air Emissions Program	-	-	40	40	40	100.0%	-	-
15) Low Carbon Fuel Standard Support	-	118	105	150	(13)	-12.4%	118	-
<b>TOTAL</b>	<b>8,726</b>	<b>10,180</b>	<b>16,401</b>	<b>14,590</b>	<b>6,221</b>	<b>37.9%</b>	<b>1,454</b>	<b>16.7%</b>

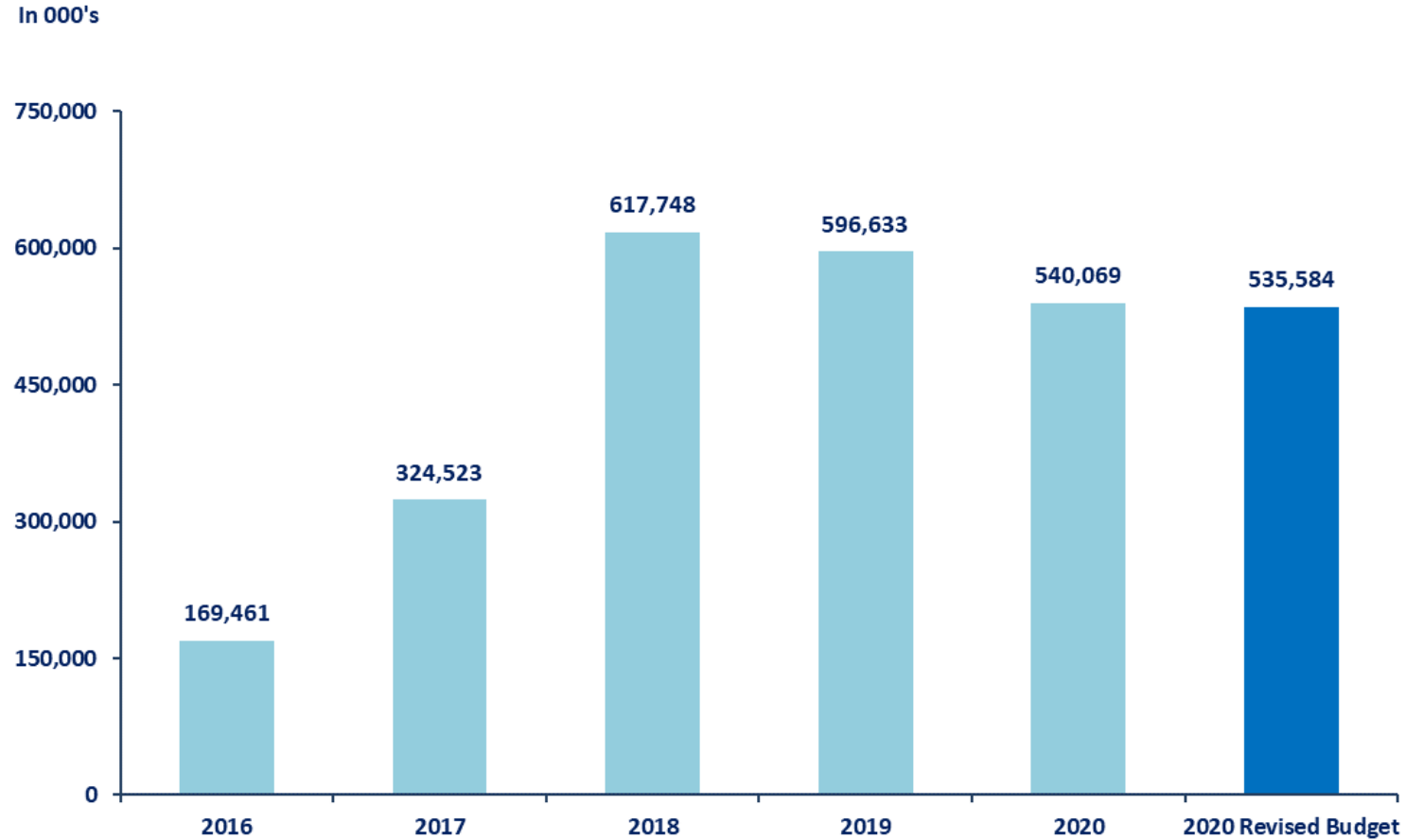
Notes:

- 1) Budgeted as Non-ops Expenses.
- 2) Free advertising space provided at the Airport. FAA requires that lost revenue be reimbursed to the Airport.
- 3) Youth Opportunities Initiative was added mid-year in 2020 and included in WFD.

\* Program with total designated funding limit.

- The pandemic affected the implementation of several programs, ACE grants, E&S projects, HS internship, Tourism Marketing Support, etc.
- The bulk of the SKC Fund spending is planned for 2021 to jumpstart economic recovery, support small business development, and continue funding environmental initiatives. 2020 spending is tied to Small Business recovery initiative.
- Opportunity Youth Initiative was successfully launched in the summer providing employment and valuable on-the-job skills to youth in underserved communities. The Port partnered with 4 local non-profit organizations spending a total of \$1.34M.
- Airport Spotlight program spending reflect the current Fair Market Value of the ad space, lower than originally anticipated.

# Port Wide Capital Spending



- 2020 Capital spending: \$540.1M, 100.8% of the Revised Budget.

# 2021 Capital Budget Update

Division (in \$)	Draft Plan of Finance	Budget (year-end update)
Airport	548,927	533,179
Maritime	35,185	33,450
Economic Development	9,440	7,502
Central Services	9,244	12,658
<b>Subtotal - Capital Projects</b>	<b>602,796</b>	<b>586,789</b>
<b>CIP Cash Adjustment</b>	<b>(99,564)</b>	<b>(54,088)</b>
<b>Total Proposed CIP</b>	<b>503,232</b>	<b>532,701</b>

- Capital Budget presented during the 2021 budget and plan of finance briefings is updated each quarter.
- The 2020 Q4 update establishes the approved capital budget for 2021 – incorporating the final capital spending in 2020 into the forecast for 2021.

# Aviation Division Appendix

2020 Financial Performance Report

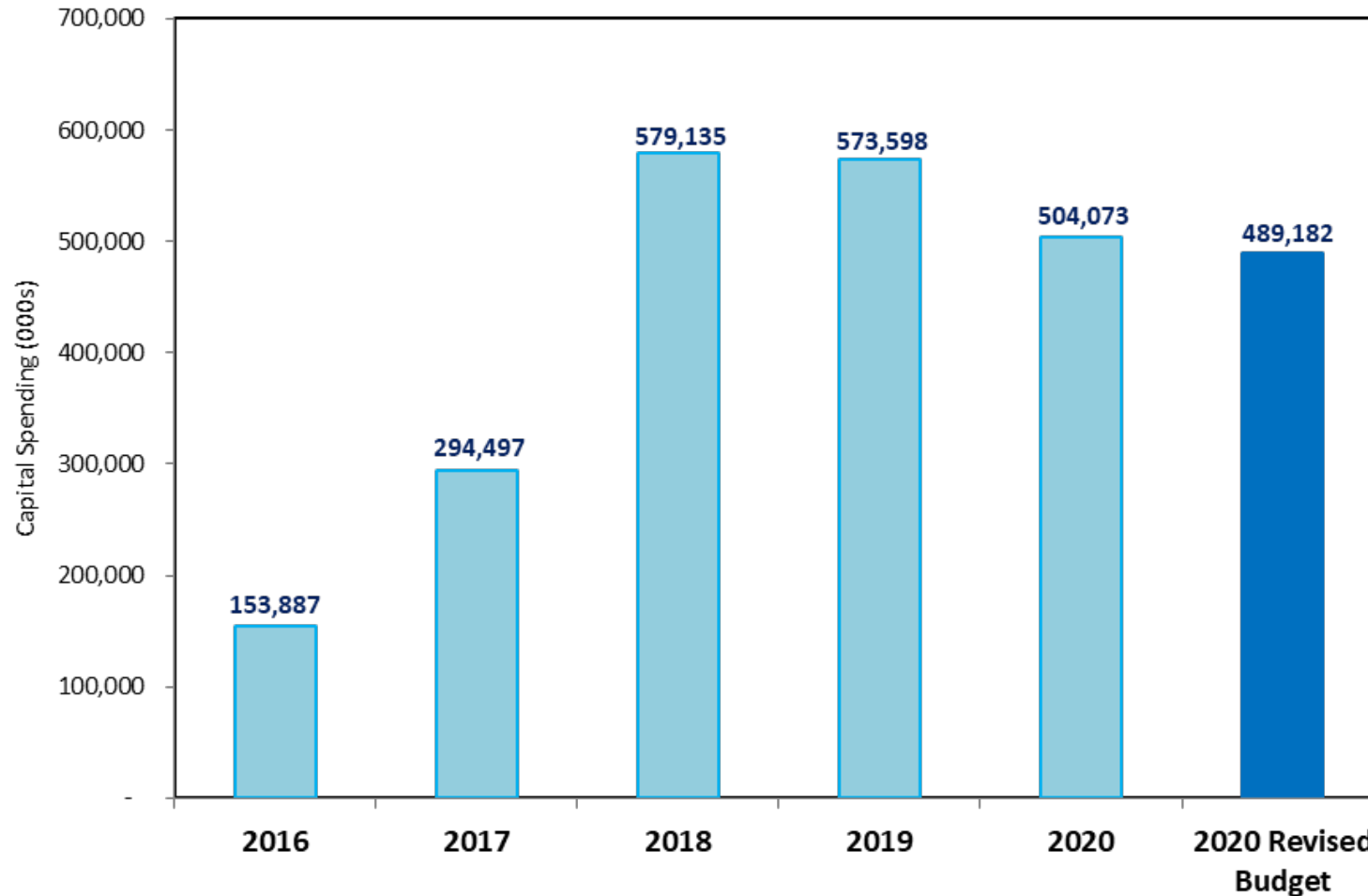




# Aviation Accomplishments

- **Health & Safety:** Rate of major ground incidents 16.9 vs. goal of < 18.2; 98% safety evaluation score vs. target of 90%
- **Security:** Completed specialized emergency management training in December
- **Employee Engagement:** November pulse survey – all responses 76% positive (or greater)
- **Community:** Completed design of 5 single family homes; new positions approved in 2021 budget to facilitate acceleration of noise insulation program
- **Innovation:** Completed 4 Shark Tank events
- **Social Responsibility:** WMBE spending on non-public works at 17.2% vs. goal of 15%; DBE spending of 8.8% vs. goal of 8%
- **Customer Experience:** Completed draft of long-term FlyHealthy@SEA planning document; Achieved ACI Health Accreditation; Active implementation of SEA brand
- **Environment & Sustainability:** Began using renewable natural gas in October
- **Financial Sustainability:** Achieved revised 2020 targets for debt service coverage, O&M spending, non-aero revenues and ADF-funded capital spending
- **Asset Management and Capital/Planning:** Completed asset inventory for Main Terminal and Concourse A; on track to open IAF and NSAT in 2021.

# Capital Spending Expected to Top Budget



## Major 2020 Variances:

- IAF = \$44M
- NSAT = (\$26M)
- Bag Opt. (\$24M)
- Other = \$24M

# Airport Activity

	2018 YE	2019 YE	2020 YE	% Change from 2019
<b>Total Passengers (000's)</b>				
Domestic	44,422	46,101	18,690	-59.5%
International	5,428	5,728	1,371	-76.1%
Total	49,850	51,829	20,062	-61.3%
<b>Operations</b>	438,391	450,487	296,048	-34.3%
<b>Landed Weight (In Millions of lbs.)</b>				
Cargo	2,471	2,485	2,713	9.2%
All other	27,879	29,078	17,549	-39.6%
Total	30,350	31,562	20,262	-35.8%
<b>Cargo - Metric Tons</b>				
Domestic freight	241,397	252,671	351,352	39.1%
International & Mail freight	190,918	200,878	103,232	-48.6%
Total	432,315	453,549	454,584	0.2%

Passenger Activity		
Airline	Change 2019 v. 2020	2020 Market Share
Alaska	-63.3%	57.7%
Delta	-71.0%	20.8%
American	-56.9%	5.8%
United	-66.9%	5.6%
Southwest	-71.3%	5.0%

**2020 Year End:**

**Passengers**

- YTD passenger reduction of 61% is due to impact of COVID-19 on travel starting in March 2020

# Aviation Financial Summary

Financial Summary (\$ in 000's)	2018 Actual	2019 Actual	2020 Actual	2020 Revised Budget	2020 Approved Budget	Fav(UnFav) Actual vs. Revised Budget Variance		Incr/(Decr) Change from 2019	
						\$	%	\$	%
<b>Operating Revenue</b>									
Aeronautical Revenues	291,268	357,598	297,909	401,342	401,342	(103,433)	-25.8%	(59,689)	-16.7%
Non-Aeronautical Revenues	257,707	269,037	116,473	135,074	283,167	(18,601)	-13.8%	(152,564)	-56.7%
<b>Total Operating Revenues</b>	<b>548,975</b>	<b>626,636</b>	<b>414,382</b>	<b>536,416</b>	<b>684,510</b>	<b>(122,034)</b>	<b>-22.7%</b>	<b>(212,254)</b>	<b>-33.9%</b>
<b>Total Operating Expenses</b>	<b>318,849</b>	<b>356,635</b>	<b>329,680</b>	<b>348,826</b>	<b>377,306</b>	<b>19,146</b>	<b>5.5%</b>	<b>(26,955)</b>	<b>-7.6%</b>
<b>Net Operating Income</b>	<b>230,126</b>	<b>270,001</b>	<b>84,702</b>	<b>187,589</b>	<b>307,203</b>	<b>(102,887)</b>	<b>-54.8%</b>	<b>(185,299)</b>	<b>-68.6%</b>
<b>CPE</b>	10.79	12.85	26.50	13.92	13.92	(12.58)	(0.90)	13.65	106.2%
<b>Non-Aero NOI (\$ in 000s)</b>	149,959	150,752	6,671	21,443	154,660	(14,772)	-68.9%	(144,081)	-95.6%
<b>Enplaned passengers (in 000s)</b>	24,894	25,874	10,044	26,667	26,667	(16,623)	-62.3%	(15,830)	-61.2%
<b>Capital Expenditures (in 000s)</b>	<b>579,135</b>	<b>573,598</b>	<b>504,073</b>	<b>489,182</b>	<b>513,131</b>	<b>(14,891)</b>	<b>-3.0%</b>	<b>(69,525)</b>	<b>-12.1%</b>

# Key Performance Measures

	2018	2019	2020	2020	2020	Fav(UnFav) Actual vs. Revised Budget Variance		Incr/(Decr) Change from 2019	
	Actual	Actual	Actual	Revised Budget	Approved Budget	\$	%	\$	%
<b>Key Performance Metrics</b>									
Cost per Enplanement (CPE)	10.79	12.86	26.50	13.92	13.92	(12.58)	-90.4%	13.64	106.1%
Non-Aeronautical NOI (in 000's)	149,959	150,752	6,671	21,443	154,660	(14,772)	-68.9%	(144,081)	-95.6%
<b>Other Performance Metrics</b>									
O&M Cost per Enplanement	12.81	13.78	16.41	13.08	14.15	(3.33)	-25.5%	2.63	19.1%
Non-Aero Revenue per Enplanement	10.35	10.40	5.80	5.07	10.62	0.73	14.5%	(4.60)	-44.2%
Debt per Enplanement (in \$)	133	133	163	123	123	(40)	-32.8%	30	22.7%
Debt Service Coverage	1.66	1.68	1.40	1.80	1.80	(0.40)	-22.1%	(0.28)	-16.6%
Days cash on hand (10 months = 304 days)	235	314	327	332	332	-5	-1.6%	12	3.9%
Aeronautical Revenue Sharing (\$ in 000's)	(36,863)	(17,146)	1	-	-	1	0.0%	17,147	100.0%
<b>Activity (in 000's)</b>									
Enplanements	24,894	25,874	10,044	26,667	26,667	(16,623)	-62.3%	(15,830)	-61.2%
Total Passengers	49,789	51,748	20,087	53,334	53,334	(33,246)	-62.3%	(31,660)	-61.2%

# Aviation Expense YE Summary

Total Airport Expense Summary (\$ in 000's)	2018 Actual	2019 Actual	2020 Actual	2020 Revised Budget	2020 Approved Budget	Fav(UnFav) Actual vs. Revised Budget Variance		Incr/(Decr) Change from 2019	
						\$	%	\$	%
<b>Operating Expenses</b>									
Payroll	133,999	147,076	152,895	156,826	160,340	3,930	2.5%	5,820	4.0%
Outside Services	65,475	68,801	63,922	70,401	79,889	6,479	9.2%	(4,878)	-7.1%
Utilities	18,306	18,180	15,695	20,642	21,180	4,947	24.0%	(2,485)	-13.7%
Other Expenses	3,966	12,272	3,341	(1,682)	5,224	(5,023)	298.7%	(8,931)	-72.8%
<b>Total Airport Direct Charges</b>	<b>221,746</b>	<b>246,329</b>	<b>235,854</b>	<b>246,187</b>	<b>266,634</b>	<b>10,333</b>	<b>4.2%</b>	<b>(10,475)</b>	<b>-4.3%</b>
Environmental Remediation Liability	6,233	15,900	(2,361)	878	2,648	3,239	368.9%	(18,261)	-114.8%
Capital to Expense	6,891	2,089	2,588	-	-	(2,588)		498	23.8%
<b>Total Exceptions</b>	<b>13,124</b>	<b>17,989</b>	<b>227</b>	<b>878</b>	<b>2,648</b>	<b>651</b>	<b>74.2%</b>	<b>(17,763)</b>	<b>-98.7%</b>
<b>Total Airport Expenses</b>	<b>234,870</b>	<b>264,318</b>	<b>236,081</b>	<b>247,065</b>	<b>269,282</b>	<b>10,984</b>	<b>4.4%</b>	<b>(28,237)</b>	<b>-10.7%</b>
Corporate	60,659	65,671	68,316	71,646	77,460	3,330	4.6%	2,644	4.0%
Police	19,231	22,290	22,150	26,122	26,233	3,972	15.2%	(140)	-0.6%
Maritime/Economic Development/Other	4,088	4,355	3,134	3,994	4,332	860	21.5%	(1,221)	-28.0%
<b>Total Charges from Other Divisions</b>	<b>83,979</b>	<b>92,316</b>	<b>93,599</b>	<b>101,761</b>	<b>108,025</b>	<b>8,162</b>	<b>8.0%</b>	<b>1,283</b>	<b>1.4%</b>
<b>Total Operating Expenses</b>	<b>318,849</b>	<b>356,635</b>	<b>329,680</b>	<b>348,826</b>	<b>377,306</b>	<b>19,146</b>	<b>5.5%</b>	<b>(26,955)</b>	<b>-7.6%</b>

COVID19 Impact drives the reduction in Expenses

# Aeronautical Business YE

Lower Aero Revenues driven by 61% in enplanements and other airline activity

Aeronautical NOI (\$ in 000's)	2018 Actual	2019 Actual	2020 Actual	2020 Revised Budget	2020 Approved Budget	Fav(UnFav) Actual vs. Revised Budget Variance		Incr/(Decr) Change from 2019	
						\$	%	\$	%
<b>Rate Base Revenues</b>									
Airfield Movement Area	116,703	123,436	84,906	132,128	132,128	(47,223)	-35.7%	(38,530)	-31.2%
Airfield Apron Area	15,627	22,016	15,146	22,011	22,011	(6,865)	-31.2%	(6,870)	-31.2%
Terminal Rents	169,318	205,283	171,607	212,943	212,943	(41,336)	-19.4%	(33,676)	-16.4%
Federal Inspection Services (FIS)	16,226	12,321	8,616	18,162	18,162	(9,546)	-52.6%	(3,706)	-30.1%
<b>Total Rate Base Revenues</b>	<b>317,874</b>	<b>363,057</b>	<b>280,275</b>	<b>385,245</b>	<b>385,245</b>	<b>(104,970)</b>	<b>-27.2%</b>	<b>(82,782)</b>	<b>-22.8%</b>
Airfield Commercial Area	10,257	11,687	17,633	16,097	16,097	1,536	9.5%	5,945	50.9%
<b>Subtotal before Revenue Sharing</b>	<b>328,131</b>	<b>374,744</b>	<b>297,908</b>	<b>401,342</b>	<b>401,342</b>	<b>(103,434)</b>	<b>-25.8%</b>	<b>(76,836)</b>	<b>-20.5%</b>
Revenue Sharing	(36,863)	(17,146)	1	-	-	1		17,147	-100.0%
<b>Total Aeronautical Revenues</b>	<b>291,268</b>	<b>357,598</b>	<b>297,909</b>	<b>401,342</b>	<b>401,342</b>	<b>(103,433)</b>	<b>-25.8%</b>	<b>(59,689)</b>	<b>-16.7%</b>
<b>Total Aeronautical Expenses</b>	<b>236,630</b>	<b>238,349</b>	<b>219,878</b>	<b>235,196</b>	<b>248,799</b>	<b>15,318</b>	<b>6.5%</b>	<b>(18,471)</b>	<b>-7.7%</b>
<b>Aeronautical NOI</b>	<b>54,638</b>	<b>119,249</b>	<b>78,031</b>	<b>166,147</b>	<b>152,544</b>	<b>(88,115)</b>	<b>-53.0%</b>	<b>(41,218)</b>	<b>-34.6%</b>
Debt Service	(91,673)	(110,945)	(62,607)	(121,410)	(121,410)	58,802	-48.4%	48,337	-43.6%
<b>Net Cash Flow</b>	<b>(37,035)</b>	<b>8,305</b>	<b>15,424</b>	<b>44,737</b>	<b>31,134</b>	<b>(29,313)</b>	<b>-65.5%</b>	<b>7,119</b>	<b>85.7%</b>

# Aero Cost Drivers

\$ in 000's	2020 Budget	2020 Actual	Impact on Aero Revenues Budget vs Actuals	
			\$	%
O&M	242,981	213,775	(29,205)	-13.7%
CARES Grant O&M	-	(22,507)	(22,507)	100.0%
Net O&M	242,981	191,268	(51,712)	-27.0%
Debt Service Gross	174,455	166,848	(7,607)	-4.6%
Debt Service PFC Offset	(62,998)	(36,390)	26,608	-73.1%
CARES Grant Debt Service	-	(71,763)	(71,763)	100.0%
Net Debt Service	111,457	58,694	(52,762)	-89.9%
Amortization	32,326	32,359	33	0.1%
Space Vacancy	(490)	(1,083)	(593)	54.8%
TSA Operating Grant and Other	(1,028)	(960)	68	-7.1%
<b>Rate Base Revenues</b>	<b>385,246</b>	<b>280,279</b>	<b>(104,967)</b>	<b>-37.5%</b>
Commercial area	16,097	17,633	1,536	8.7%
<b>Total Aero Revenues</b>	<b>401,343</b>	<b>297,912</b>	<b>(103,431)</b>	<b>-34.7%</b>

## ACTUAL YEAR END SETTLEMENT

Rate Based Revenues (Billed)	268,985
Rate Based Revenues Requirement	267,789
2020 Settlement Surplus - Prior to Leasehold Tax	1,196

*\*Excludes Non-Settlement Items - Other Movement Area Revenues, RON/Hardstand, Other Terminal Revenues & Airfield Commercial Area*

## 2020 Forecast to 2020 Budget

**O&M – \$29.2M lower** primarily driven by two main factors:

- COVID budget cost reductions \$13.6
- \$2.3M YE Aero Pension Credit
- Additional savings from added vacancies, contract savings and ERL

**Debt Service Gross \$7.6M lower** due to deferring 2008 VRBD principal payment, overlaid by Capitalized interest.

**PFC Offset \$26.6M lower** due to applied PFC's reduced in Terminal, Baggage & FIS - adding \$26M back to rate base

**TSA Grant Other - \$960K O&M Offset** for TSA Police Grant & FEMA Grant

## CARES Grant Aero Portion:

- **Payroll Impact (O&M)** – Removing \$22.5M from Rate Base
- **Debt Service Impact** - Removing \$71.7M from Rate Base



# Non-Aeronautical Business YE

Passenger Volume down 61%

O&D Passenger Volume down 65%

Most Non-Aero activity closely aligned with % decline in PAX volume

Non-Aeronautical NOI (\$ in 000's)	2018 Actual	2019 Actual	2020 Actual	2020 Revised Budget	2020 Approved Budget	Fav(UnFav) Actual vs. Revised Budget Variance		Incr/(Decr) Change from 2019	
						\$	%	\$	%
<b>Non-Aeronautical Revenues</b>									
Public Parking	80,212	82,125	34,502	40,813	89,485	(5,085)	-12.5%	(46,397)	-56.5%
Rental Cars	53,569	52,567	16,637	19,209	51,149	(3,846)	-20.0%	(37,204)	-70.8%
Ground Transportation	18,772	20,765	6,557	11,092	22,299	(3,391)	-30.6%	(13,064)	-62.9%
Airport Dining & Retail	59,021	61,615	25,418	27,753	66,145	(2,208)	-8.0%	(36,070)	-58.5%
Other	46,132	51,966	33,359	36,207	54,089	(2,485)	-6.9%	(18,244)	-35.1%
<b>Total Non-Aeronautical Revenues</b>	<b>257,707</b>	<b>269,037</b>	<b>116,473</b>	<b>135,074</b>	<b>283,167</b>	<b>(17,014)</b>	<b>-12.6%</b>	<b>(150,978)</b>	<b>-56.1%</b>
<b>Total Non-Aeronautical Expenses</b>	<b>82,219</b>	<b>118,286</b>	<b>109,802</b>	<b>113,631</b>	<b>128,508</b>	<b>4,229</b>	<b>3.7%</b>	<b>(8,884)</b>	<b>-7.5%</b>
<b>Non-Aeronautical NOI</b>	<b>175,488</b>	<b>150,752</b>	<b>6,671</b>	<b>21,443</b>	<b>154,660</b>	<b>(12,785)</b>	<b>-59.6%</b>	<b>(142,093)</b>	<b>-94.3%</b>
Less: CFC Surplus	(7,724)	(6,834)	-	-	-	-		6,834	-100.0%
<b>Adjusted Non-Aeronautical NOI</b>	<b>167,764</b>	<b>143,917</b>	<b>6,671</b>	<b>21,443</b>	<b>154,660</b>	<b>(12,785)</b>	<b>-59.6%</b>	<b>(135,259)</b>	<b>-94.0%</b>
Debt Service	(44,545)	(49,299)	(33,065)	(50,064)	(50,064)	16,999	-34.0%	16,234	-32.9%
<b>Net Cash Flow</b>	<b>123,219</b>	<b>94,619</b>	<b>(26,394)</b>	<b>(28,621)</b>	<b>104,596</b>	<b>4,214</b>	<b>-14.7%</b>	<b>(119,026)</b>	<b>-125.8%</b>

## 2020 Actuals to 2019 Actuals

### Non-Aero Revenue:

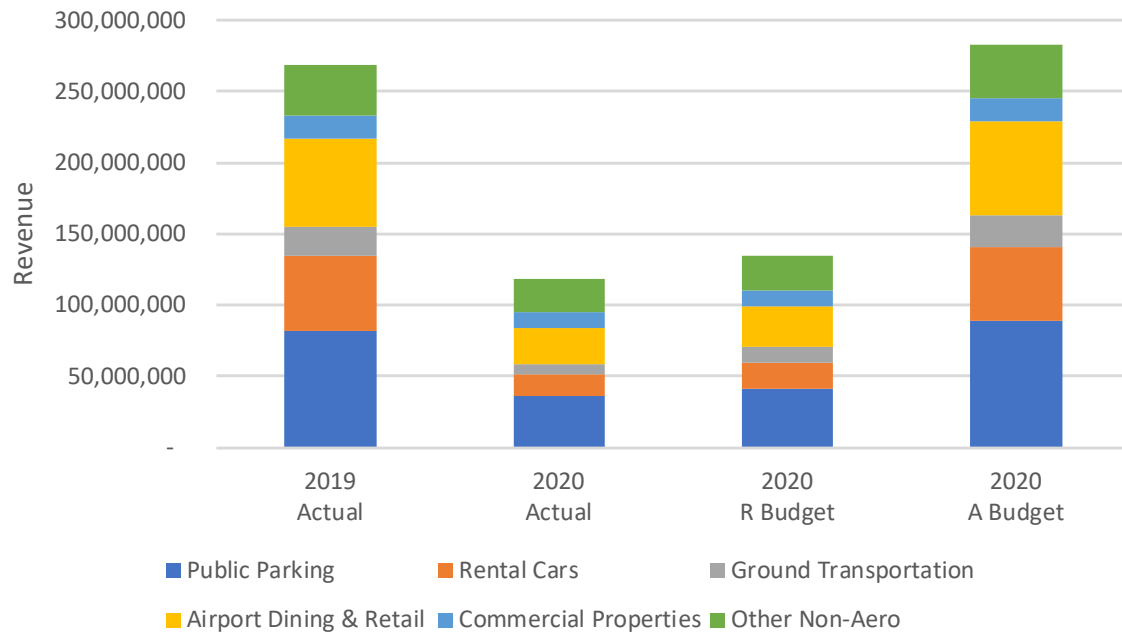
- All Non-Aero lines of business impacted by COVID-19.
- Parking – passenger preference for close in self-parking reflected in parking revenue decline not as deep as O&D passenger decline.
- Rental Car – deeper decline due to lower CFC collections. Concession revenue decline was less than the O&D passenger decline.
- ADR revenue decline was less than the decline in passengers, despite partial year closures and severe restaurant operating restrictions.
- Non-Aero space rent real estate lease revenue not directly impacted by decline in passenger volume

### Non-Aero Expenses:

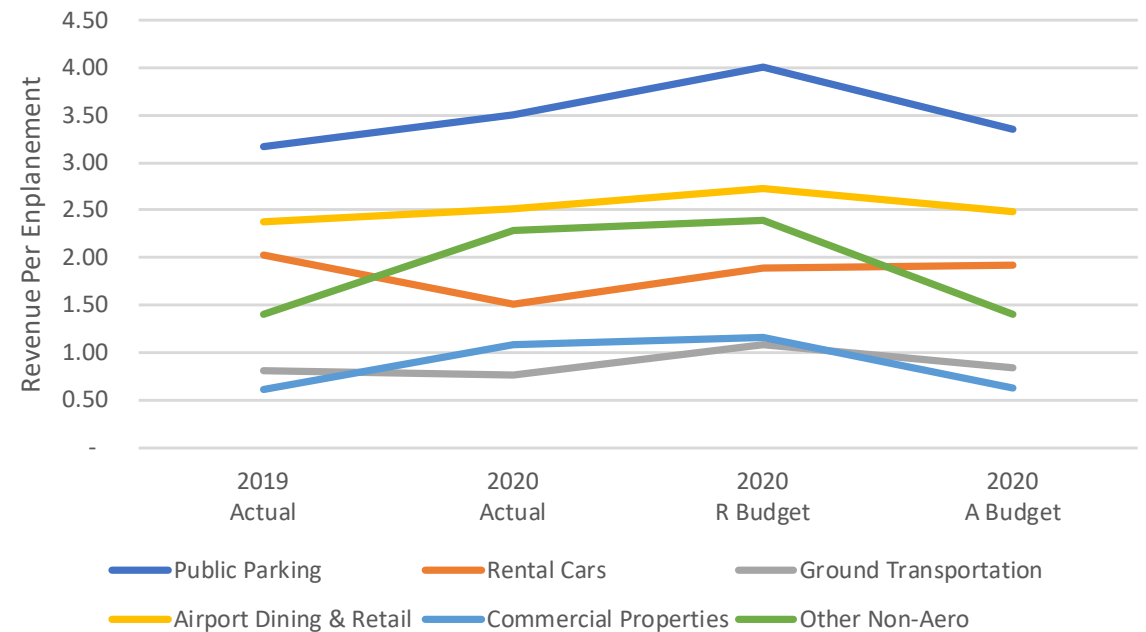
- Lower spending reflects cost cutting measures implemented to mitigate pandemic impacts.

# Non-Aero Revenue By Business Unit

Total Non-Aero Revenues



Non-Aero Revenues per Enplanement



## Non-Aero Revenue overview:

- Overall Non-Aero Revenue decline closely aligned to -61% decline in passenger volume
- 2020 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

# Public Parking outperformed O&D passenger decline

Passenger Volume down 61%  
O&D Passenger Volume down 65%

Public Parking - Revenue Detail	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
\$ in 000's	Actual	A Budget	R Budget	Actual	Act to R Bud Var	%	Change from 2019	%
					\$		\$	
<b><u>Parking Garage Revenue to Port</u></b>								
General Parking/Terminal Direct	73,562	81,300	36,050	27,157	(8,893)	-32.7%	(46,406)	-63.1%
Prebooking	217	-	640	2,935	2,295	78.2%	2,718	1254.0%
<b>Revenue to Port - General Parking</b>	<b>73,779</b>	<b>81,300</b>	<b>36,690</b>	<b>30,092</b>	<b>(6,598)</b>	<b>-21.9%</b>	<b>(43,688)</b>	<b>-59.2%</b>
<b><u>Other Garage Revenue</u></b>								
Premier Corporate Parking	1,415	1,360	820	449	(371)	-82.7%	(966)	-68.3%
Passport Parking Program	3,582	3,570	1,720	2,738	1,018	37.2%	(844)	-23.6%
<b>Revenue to Port - Parking Programs</b>	<b>4,997</b>	<b>4,930</b>	<b>2,540</b>	<b>3,187</b>	<b>647</b>	<b>20.3%</b>	<b>(1,810)</b>	<b>-36.2%</b>
<b>Total Parking Garage Revenue</b>	<b>78,776</b>	<b>86,230</b>	<b>39,230</b>	<b>33,278</b>	<b>(5,952)</b>	<b>-17.9%</b>	<b>(45,498)</b>	<b>-57.8%</b>
<b><u>Other Parking Revenue</u></b>								
Concession Rent - Doug Fox off-site parking	3,292	3,200	1,560	1,186	(374)	-31.5%	(2,106)	-64.0%
All Other Parking Revenue	56	55	23	37	14	38.0%	(19)	-34.3%
<b>Total Parking Revenue</b>	<b>82,125</b>	<b>89,485</b>	<b>40,813</b>	<b>34,501</b>	<b>(6,312)</b>	<b>-18.3%</b>	<b>(47,624)</b>	<b>-58.0%</b>

## 2020 Actuals vs. 2019 Actuals

**General Garage Parking (includes pre-booking program)** – Garage parking activity decline less than the -65% decline in O&D passenger volume, which reflects passenger preference for self-parking over other modes of transportation.

**Premier Corporate** – decline reflects compound impact of O&D passenger decline and 2020 program allowing Employee Parking customers to park in the main garage (rather than NEPL), which continued through year-end.

**Passport program** – remained relatively strong during 2020, as significant portion of usage is from airport tenant employees.

**Doug Fox** – revenue decline closely aligned with decline in O&D passenger volume.

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

Parking Revenue Metrics in 000's	2019	2020	2020	2020	Fav / (UnFav)		Incr / (Decr)	
	Actual	A Budget	R Budget	Actual	Act to R Bud Var #	%	Change from 2019 #	%
Total Enplanements	25,874	26,667	12,777	10,044	(2,733)	-27.2%	(15,830)	-61.2%
O&D %	70.2%	71.0%	71.0%	64.0%	-7.0%	-10.9%	-6.2%	-8.8%
O&D Enplanements	18,163	18,933	9,072	6,428	(2,644)	-41.1%	(11,735)	-64.6%
<b>Revenue per O&amp;D Enplanement Metrics</b>								
Public Parking	\$ 4.06	\$ 4.29	\$ 4.04	\$ 4.68	\$ 0.64	13.6%	\$ 0.62	15.2%
Premier Corporate Parking	\$ 0.08	\$ 0.07	\$ 0.09	\$ 0.07	\$ (0.02)	-29.5%	\$ (0.01)	-10.4%
Passport Parking Program	\$ 0.20	\$ 0.19	\$ 0.19	\$ 0.43	\$ 0.24	55.5%	\$ 0.23	116.0%
<b>Total Garage Revenue per O&amp;D Enplanement</b>	<b>\$ 4.34</b>	<b>\$ 4.55</b>	<b>\$ 4.32</b>	<b>\$ 5.18</b>	<b>\$ 0.85</b>	<b>16.5%</b>	<b>\$ 0.84</b>	<b>19.4%</b>
Concession Rent - Doug Fox off-site parking	\$ 0.18	\$ 0.17	\$ 0.17	\$ 0.18	\$ 0.01	6.8%	\$ 0.00	1.8%
All Other Parking Revenue	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.00	56.1%	\$ 0.00	85.7%
<b>Total Parking per O&amp;D Enplanement</b>	<b>\$ 4.52</b>	<b>\$ 4.73</b>	<b>\$ 4.50</b>	<b>\$ 5.37</b>	<b>\$ 0.87</b>	<b>16.2%</b>	<b>\$ 0.85</b>	<b>18.7%</b>

## Public Parking Key Metrics - 2020 Actuals vs. 2019 Actuals:

- **General Garage Parking (includes pre-booking)** – revenue per enplanement increased during pandemic O&D passenger decline, which indicates passenger preference for close in self-parking
- **Premier Corporate** – metric slight decline due to both COVID impacts of fewer passengers and offsetting benefit for Employee Parking customers able to park in the main garage at no additional cost (rather than parking at NEPL and utilizing shuttle bus)
- **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

# Rental Cars YE

<b>Rental Car - Revenue Detail</b>	<b>2019</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>Fav / (UnFav)</b>		<b>Incr / (Decr)</b>	
\$ in 000's	<b>Actual</b>	<b>A Budget</b>	<b>R Budget</b>	<b>Actual</b>	<b>Act vs R</b>	<b>Bud Var</b>	<b>Change from 2019</b>	
					<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
Total Enplanements	25,874	26,667	12,777	10,044	(2,733)	-27.2%	(15,830)	-61.2%
O&D %	70.2%	71.0%	71.0%	64.0%	-7.0%	-10.9%	-6.2%	-8.8%
<b>O&amp;D Enplanements</b>	<b>18,396</b>	<b>18,933</b>	<b>9,072</b>	<b>6,428</b>	<b>(2,644)</b>	<b>-41.1%</b>	<b>(11,968)</b>	<b>-65.1%</b>
Gross Sales by Operators	328,156	335,405	153,455	122,372	(31,083)	-25.4%	(205,784)	-62.7%
Total Transactions	1,414	1,369	653	519	(134)	-25.7%	(895)	-63.3%
Average Ticket	\$232.06	\$ 245.00	\$ 235.00	\$ 235.57	\$0.57	0.2%	\$3.50	1.5%
Average Length of Stay	4.49	4.59	4.50	4.93	0.43	8.7%	0.43	9.6%
Transactions/O&D Enplanements	7.69%	7.23%	7.20%	8.08%	0.88%	10.9%	0.39%	5.1%
<b><u>CFC Revenue Summary</u></b>								
Total Transaction Days	6,356	6,284	2,939	2,560	(379)	-14.8%	(3,796)	-59.7%
CFC Rate per Transaction Day	\$6.00	\$6.00	\$6.00	\$6.00	\$0.00	0.0%	\$0.00	0.0%
CFC Revenue Earned	38,137	37,700	17,630	15,362	(2,268)	-14.8%	(22,776)	-59.7%
Other CFC Collections	(9)	0	-	-	-	N/A	9	-100.0%
<b>Total CFC Revenue</b>	<b>38,128</b>	<b>37,700</b>	<b>17,630</b>	<b>15,362</b>	<b>(2,268)</b>	<b>-14.8%</b>	<b>(22,767)</b>	<b>-59.7%</b>
<b>Debt Service Reserve Requirement</b>	<b>(23,655)</b>	<b>(23,914)</b>	<b>(23,914)</b>	<b>(24,019)</b>	<b>(105)</b>	<b>0.4%</b>	<b>(364)</b>	<b>1.5%</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>(1,300)</b>	<b>-100.0%</b>
<b>Net Debt Service</b>	<b>(22,355)</b>	<b>(23,914)</b>	<b>(23,914)</b>	<b>(24,019)</b>	<b>(105)</b>	<b>0.4%</b>	<b>(1,664)</b>	<b>7.4%</b>
<b>Residual - CFC Operating Revenue</b>	<b>15,773</b>	<b>13,786</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>(15,773)</b>	<b>-100.0%</b>
<b><u>Rental Car - Revenue Summary</u></b>								
\$ in 000's	<b>2019</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>Fav / (UnFav)</b>		<b>Incr / (Decr)</b>	
	<b>Actual</b>	<b>A Budget</b>	<b>R Budget</b>	<b>Actual</b>	<b>Act vs R</b>	<b>Bud Var</b>	<b>Change from 2019</b>	
					<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
<b>RCF Concession Revenue to Port</b>	<b>32,870</b>	<b>33,500</b>	<b>15,346</b>	<b>12,531</b>	<b>(2,815)</b>	<b>-22.5%</b>	<b>(20,339)</b>	<b>-61.9%</b>
Residual - CFC Operating Revenue:	15,773	13,786	-	-	-	N/A	(15,773)	-100.0%
Land Rent/Space Rent/Other	3,924	3,863	3,863	4,106	243	5.9%	182	4.6%
<b>Total Rental Cars Operating Revenue</b>	<b>52,567</b>	<b>51,149</b>	<b>19,209</b>	<b>16,637</b>	<b>(2,572)</b>	<b>-15.5%</b>	<b>(35,930)</b>	<b>-68.4%</b>

## 2020 Actuals vs. 2019

### Actuals

#### **Rental Car Concession**

**Revenue** –decline was less than the O&D passenger decline. During 2020 , car rental appeared 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. Since CFC Operating Revenue is a residual (only after covering current year debt service), in 2020 CFC operating revenue was zero.

# Ground Transportation YE

Revenue Detail	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
	\$ in 000's	Actual	A Budget	R Budget	Actual	Act vs R Bud Var	\$	%
<b>Ground Transportation Revenues</b>								
Transportation Network Companies	12,982	14,794	7,492	4,032	(3,460)	-85.8%	(8,950)	-68.9%
On Demand Taxis	3,578	3,321	1,504	857	(647)	-75.4%	(2,720)	-76.0%
On Demand Limos	837	837	411	371	(40)	-10.7%	(466)	-55.6%
Belled In Taxis (Annual Permit)	27	24	12	12	-	0.0%	(15)	-56.3%
Pre-Arranged Limos (Annual Permit)	611	581	278	209	(69)	-33.3%	(402)	-65.9%
Courtesy Cars (cost recovery)	2,019	1,984	951	877	(74)	-8.4%	(1,141)	-56.5%
<b>All other Operators (cost recovery)</b>	<b>418</b>	<b>466</b>	<b>250</b>	<b>86</b>	<b>(164)</b>	<b>-190.4%</b>	<b>(332)</b>	<b>-79.4%</b>
Other Misc Revenues	293	294	194	113	(81)	-72.4%	(181)	-61.6%
<b>Total GT Revenue</b>	<b>20,765</b>	<b>22,299</b>	<b>11,092</b>	<b>6,557</b>	<b>(4,535)</b>	<b>-69.2%</b>	<b>(14,208)</b>	<b>-68.4%</b>
<b>Trip Activity</b>								
in 000's	Actual	A Budget	R Budget	Actual	Fav / (UnFav)		Incr / (Decr)	
					Act vs R Bud Var		Change from 2019	
					#	%	#	%
<b>Ground Transportation Trips</b>								
Transportation Network Companies	2,172	1,929	864	672	(192)	-28.6%	(1,500)	-69.1%
On Demand Taxis	616	696	207	150	(57)	-37.9%	(466)	-75.7%
On Demand Limos	65	67	22	12	(10)	-79.1%	(53)	-81.4%
Belled In Taxis (Annual Permit)	13	18	3	2	(1)	-54.5%	(11)	-84.7%
Pre-Arranged Limos (Annual Permit)	65	344	122	87	(35)	-40.3%	22	33.1%
Courtesy Cars (cost recovery)	1,236	1,160	558	557	(0)	-0.1%	(678)	-54.9%
<b>All other Operators (cost recovery)</b>	<b>74</b>	<b>57</b>	<b>22</b>	<b>16</b>	<b>(6)</b>	<b>-35.7%</b>	<b>(58)</b>	<b>-78.5%</b>
<b>Total GT Trip Activity</b>	<b>4,240</b>	<b>4,271</b>	<b>1,796</b>	<b>1,496</b>	<b>(301)</b>	<b>-20.1%</b>	<b>(2,744)</b>	<b>-64.7%</b>
Total Enplanements	25,874	26,667	12,777	10,044	(2,733)	-27.2%	(15,830)	-61.2%
O&D %	70.2%	71.0%	71.0%	64.0%	-7.0%	-10.9%	-6.2%	-8.8%
O&D Enplanements	18,422	18,933	9,072	6,428	(2,644)	-41.1%	(11,994)	-65.1%
<b>Rev per O&amp;D Enplanement</b>								
TNC	11.8%	10.2%	9.5%	10.5%	0.9%	8.9%	-1.3%	-11.3%
Taxi	3.3%	3.7%	2.3%	2.3%	0.1%	2.3%	-1.0%	-30.3%
All other	23.0%	22.6%	19.8%	23.3%	3.5%	14.9%	0.3%	1.1%
<b>Total Trips per O&amp;D Enplanement</b>	<b>23.0%</b>	<b>22.6%</b>	<b>19.8%</b>	<b>23.3%</b>	<b>3.5%</b>	<b>14.9%</b>	<b>0.3%</b>	<b>1.1%</b>

## 2020 Actuals vs. 2019 Actuals

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 trip decline of 69% was deeper than the decline in O&D passengers (65%)

Taxi trip declined (76%) even more deeply than TNCs.

On-demand Limos (STILA) made the decision to cease operations at SEA. This long term GT operator agreement had been in holdover.

All other GT operators impacted to varying degrees.

# Airport Dining & Retail YE Forecast

Revenue Summary (in \$000s) <i>Org(s): 3650-Airport Dining and Retail, Class: Top Level</i>	2019	2020	2020	2020	Fav/(UnFav) R. Budget		Inc/(Dec) PY Actuals	
	Actual	Actual	Revised Budget	Approved Budget	\$ Var	% Var	\$ Change	% Change
<b>Operating Revenue</b>								
Food & Beverage	26,314	9,709	10,371	28,077	(662)	-6.4%	(16,604)	-63.1%
Retail	16,313	6,328	7,319	17,398	(991)	-13.5%	(9,985)	-61.2%
Duty Free	6,189	1,842	2,173	6,709	(331)	-15.2%	(4,347)	-70.2%
Personal Services	3,847	1,728	1,900	3,966	(172)	-9.1%	(2,119)	-55.1%
Advertising	7,326	4,285	4,176	8,103	109	2.6%	(3,041)	-41.5%
All Other Revenue	1,625	1,527	1,814	1,891	(287)	-15.8%	(99)	-6.1%
<b>Total ADR Revenue</b>	<b>61,614</b>	<b>25,418</b>	<b>27,753</b>	<b>66,145</b>	<b>(2,334)</b>	<b>-8.4%</b>	<b>(36,196)</b>	<b>-58.7%</b>

Sales per Enplanement	2019 Actual	2020 Actuals	2020 R. Budget	2020 A. Budget	Fav/(UnFav) R. Budget		Inc/(Dec) PY Actuals	
					\$ Var	% Var	\$ Var	% Var
Food & Bev	\$ 7.56	\$ 7.73	\$ 6.58	\$ 7.99	\$ 1.15	17.5%	\$ 0.17	2.3%
Retail	\$ 3.99	\$ 4.09	\$ 3.62	\$ 4.15	\$ 0.47	13.0%	\$ 0.10	2.4%
Duty Free	\$ 0.77	\$ 0.47	\$ 0.60	\$ 0.78	\$ (0.13)	-22.0%	\$ (0.31)	-39.6%
Personal Services	\$ 0.80	\$ 0.48	\$ 0.65	\$ 0.84	\$ (0.17)	-26.0%	\$ (0.32)	-39.5%
<b>SPE - Total ADR</b>	<b>\$ 13.12</b>	<b>\$ 12.77</b>	<b>\$ 11.45</b>	<b>\$ 13.75</b>	<b>\$ 1.32</b>	<b>11.5%</b>	<b>\$ (0.35)</b>	<b>-2.7%</b>

Revenue per Enplanement	2019 Actual	2020 Actuals	2020 R. Budget	2020 A. Budget	Fav/(UnFav) R. Budget		Inc/(Dec) PY Actuals	
					\$ Var	% Var	\$ Var	% Var
Food & Bev	\$ 1.02	\$ 0.95	\$ 0.81	\$ 1.05	\$ 0.14	17.4%	\$ (0.06)	-6.3%
Retail	\$ 0.63	\$ 0.62	\$ 0.57	\$ 0.65	\$ 0.05	8.6%	\$ (0.01)	-1.3%
Duty Free	\$ 0.24	\$ 0.18	\$ 0.17	\$ 0.25	\$ 0.01	6.5%	\$ (0.06)	-24.3%
Personal Services	\$ 0.15	\$ 0.17	\$ 0.15	\$ 0.15	\$ 0.02	14.2%	\$ 0.02	14.2%
<b>RPE - Total ADR</b>	<b>\$ 2.04</b>	<b>\$ 1.93</b>	<b>\$ 1.70</b>	<b>\$ 2.11</b>	<b>\$ 0.22</b>	<b>13.1%</b>	<b>\$ (0.11)</b>	<b>-5.4%</b>

## 2020 Forecast vs. 2019 Actuals

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

**Sales per Enplanement (SPE)** on Food & Beverage and Retail grew slightly on a much declined passenger volume partially due to fewer food offerings on flights as airlines adjusted to changed operating conditions.

**Revenue per Enplanement (RPE)** declined as tiered rents didn't reach higher tiers.

# Non-Aero Commercial Properties

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

Revenue Summary (in \$000s) <i>Org(s): 3630-Non-Aero Commercial Properties, Class: Top Level</i>	2019	2020	2020	2020	Fav/(UnFav) Rev. Budget Variance		Inc/(Dec) from Prior Year Actuals	
	Actual	Actual	Revised Budget	Approved Budget	\$ Var	% Var	\$ Change	% Change
<b>Operating Revenue</b>								
Land / Space Rentals	5,122	6,209	6,183	6,120	27	0.4%	1,087	21.2%
In-Flight Kitchen Revenue	10,053	3,990	5,106	9,974	(1,116)	-21.9%	(6,063)	-60.3%
All Other Revenues	597	566	566	566	0	0.0%	(31)	-5.3%
<b>Total Operating Revenues</b>	<b>15,773</b>	<b>10,765</b>	<b>11,854</b>	<b>16,660</b>	<b>(1,089)</b>	<b>-9.2%</b>	<b>(5,008)</b>	<b>-31.7%</b>

## 2020 Actuals vs. 2019 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 closures and passenger volume decline

Revenue Summary (in \$000s) <i>Org(s): 3690-Club International Lounge, Class: Top Level</i>	2019	2020	2020	2020	Fav/(UnFav) R. Budget		Inc/(Dec) PY Actuals	
	Actual	Actual	Revised Budget	Approved Budget	\$ Var	% Var	\$ Change	% Change
<b>Operating Revenue</b>								
Space Rental	10,274	2,043	4,441	10,536	(2,398)	-54.0%	(8,230)	-80.1%
<b>Total Operating Revenues</b>	<b>10,274</b>	<b>2,043</b>	<b>4,441</b>	<b>10,536</b>	<b>(2,398)</b>	<b>-54.0%</b>	<b>(8,230)</b>	<b>-80.1%</b>

## 2020 Forecast vs. 2019 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 using this lounge.

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

# 2020 Capital Expenditures

\$ in 000's	2020	2020	Budget Variance	
	YTD Actual	Revised Budget	\$	%
International Arrivals Facility <sup>(1)</sup>	171,414	215,000	43,586	20.3%
NS NSAT Renov NSTS Lobbies <sup>(2)</sup>	160,268	134,528	(25,740)	-19.1%
Checked Bag Recap/Optimization <sup>(3)</sup>	38,437	14,500	(23,937)	-165.1%
Remote Aircraft Deicing <sup>(4)</sup>	6,517	15,058	8,541	56.7%
Terminal Security Enhancements Ph 2 <sup>(5)</sup>	(611)	6,916	7,527	108.8%
AFLD Pvmnt Program 2016-2020 <sup>(6)</sup>	18,390	13,133	(5,257)	-40.0%
Restroom Upgrades Conc B, C, D <sup>(7)</sup>	8,977	5,400	(3,577)	-66.2%
PLB Renew & Replace Phase 2 <sup>(8)</sup>	2,356	5,654	3,298	58.3%
ARC Flash Hazard Mitigation <sup>(9)</sup>	172	3,405	3,233	94.9%
RCF Pavement Remediation <sup>(10)</sup>	3,538	6,198	2,660	42.9%
Main Terminal Low Voltage Upgrade <sup>(11)</sup>	1,278	3,961	2,683	67.7%
Central Terminal Infrastructure & HVAC <sup>(12)</sup>	4,565	7,250	2,685	37.0%
Service Tunnel Renewal/Replace <sup>(13)</sup>	3,329	5,529	2,200	39.8%
Sound Insulation Projects <sup>(14)</sup>	1,287	16,764	15,477	92.3%
All Other	84,156	107,888	23,732	22.0%
Subtotal	504,073	561,182	57,109	10.2%
CIP Cashflow Mgmt Reserve	-	(72,000)	(72,000)	100.0%
<b>Total Spending</b>	<b>504,073</b>	<b>489,182</b>	<b>(14,891)</b>	<b>-3.0%</b>

(1) The construction of the IAF has been delayed by a year from what had been planned at the beginning of 2020. Substantial completion was June 2020. Now the pedestrian walkway is scheduled for completion in May 2021.

(2) \$25.7M Increase due to added construction costs associated with work pulled forward (Operation Silver Cloud) that would have been performed in 2021.

(3) MII Rejection at the beginning of the year led to uncertainty whether the project would be rebid, so the spending was pushed out of the baseline. The contract has been executed and spending was accelerated.

(4) New estimate has significant reduction as a result of value engineering, and bid came in lower than engineering estimate

(5) Cancellation of bollard purchase and major works contract have deferred work. And, \$1M of project costs have been moved from capital to expenses given changes in procurement approach

(6) Construction was expedited to take advantage of downturn in air traffic operation, and transfer of scope from 2025 Pavement Improvement program

(7) Bid overage for Phase 3 construction, increased construction costs for phase 2 with impacts from COVID-19 as a factor contributed to higher than anticipated costs for 2020.

(8) Delayed work. 2 bridge installations have been moved to 2021

(9) Constructability reviews caused design delays, which pushed construction into 2022

(10) Construction suspended and delayed one year due to Covid-19

(11) 1 year behind schedule due to delays in getting designer and general contractor onboard

(12) Project came under budget

(13) Project is in closeout and savings on soft costs due to efficient construction, and contingency budget was not spent.

(14) Commission directed acceleration of the sound insulation projects in Q1 2020. However, they are projected to start in 2021. Highline insulation is funded by 67% AIP grants, 16% tax levy, and 17% airport funds.

# Maritime Division Appendix

Q4 2020 Financial Performance Report

# Maritime 2020 Financial Summary

\$ in 000's	2018	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Revised Budget	Approved Budget	Actual vs. Revised Budget Variance	%	Change from 2019	%
						\$	%	\$	%
Ship Canal Fishing & Operations	3,502	3,929	4,704	4,264	4,264	440	10%	775	20%
Elliott Bay Fishing & Commercial Operations	6,755	6,095	5,752	5,119	5,123	633	12%	(344)	-6%
Recreational Boating	12,035	12,484	12,611	13,361	13,361	(750)	-6%	127	1%
Cruise	18,880	22,410	3,824	5,909	26,261	(2,085)	-35%	(18,586)	-83%
Grain	5,167	4,266	5,142	3,490	3,490	1,652	47%	876	21%
Maritime Portfolio Management	11,305	10,108	10,074	10,428	10,428	(355)	-3%	(34)	0%
Other	(69)	(3)	4	11	11	(6)	-59%	7	-247%
<b>Total Revenue</b>	<b>57,575</b>	<b>59,289</b>	<b>42,111</b>	<b>42,581</b>	<b>62,938</b>	<b>(470)</b>	<b>-1%</b>	<b>(17,178)</b>	<b>-29%</b>
<b>Expenses</b>									
Maritime (Excl. Maint)	11,326	13,789	19,529	16,408	16,881	(3,120)	-19%	5,740	42%
Economic Development	4,347	4,987	4,511	5,626	5,756	1,115	20%	(476)	-10%
<b>Total Direct</b>	<b>15,673</b>	<b>18,776</b>	<b>24,039</b>	<b>22,035</b>	<b>22,637</b>	<b>(2,005)</b>	<b>-9%</b>	<b>5,264</b>	<b>28%</b>
Maintenance Expenses	11,416	12,186	12,029	12,426	13,073	397	3%	(157)	-1%
Envir Services & Planning	1,553	2,250	2,739	2,295	2,681	(444)	-19%	489	22%
Seaport Project Management	295	175	1,061	330	356	(731)	-221%	886	507%
<b>Total Support Services</b>	<b>13,265</b>	<b>14,611</b>	<b>15,828</b>	<b>15,051</b>	<b>16,110</b>	<b>(777)</b>	<b>-5%</b>	<b>1,217</b>	<b>8%</b>
IT	2,558	2,685	2,719	2,895	2,906	176	6%	33	1%
Police Expenses	4,041	4,086	2,865	3,368	3,382	503	15%	(1,220)	-30%
External Relations	1,379	1,564	1,200	1,501	1,635	300	20%	(363)	-23%
Other Central Services	6,117	6,645	6,534	6,974	7,481	441	6%	(111)	-2%
Aviation Division / Other	220	278	315	368	245	53	14%	37	13%
<b>Total Central Services / Other</b>	<b>14,315</b>	<b>15,258</b>	<b>13,633</b>	<b>15,106</b>	<b>15,650</b>	<b>1,473</b>	<b>10%</b>	<b>(1,625)</b>	<b>-11%</b>
<b>Total Expense</b>	<b>43,252</b>	<b>48,644</b>	<b>53,500</b>	<b>52,191</b>	<b>54,396</b>	<b>(1,309)</b>	<b>-3%</b>	<b>4,856</b>	<b>10%</b>
<b>NOI Before Depreciation</b>	<b>14,323</b>	<b>10,644</b>	<b>(11,389)</b>	<b>(9,610)</b>	<b>8,541</b>	<b>(1,779)</b>	<b>-19%</b>	<b>(22,034)</b>	<b>-207%</b>
Depreciation	18,022	17,627	17,624	17,249	17,244	(376)	-2%	(3)	0%
<b>NOI After Depreciation</b>	<b>(3,699)</b>	<b>(6,982)</b>	<b>(29,013)</b>	<b>(26,859)</b>	<b>(8,703)</b>	<b>(2,154)</b>	<b>-8%</b>	<b>(22,031)</b>	<b>-316%</b>

## Variance from Revised Budget

- Revenue \$470K lower due to no cruise season.
- Direct Expenses –
  - Unfavorable due to \$4M Capital to expense and 3.3M lease payment reserve.
- Overall –
  - Pension True up – \$2.1M favorable.

# Cruise Q4 Financials

\$ in 000's	2019 YTD	2020 YTD	2020 YTD	2020 YTD	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Revised Budget	Approved Budget	Budget Variance		Change from 2019	
					\$	%	\$	%
T-91 & Bell St Cruise Operations	22,332	3,796	5,880	26,233	(2,084)	-35%	(18,536)	-83%
Bell Street Vessel Operations	78	28	28	28	(0)	-1%	(50)	-64%
<b>Total Revenue</b>	<b>22,410</b>	<b>3,824</b>	<b>5,909</b>	<b>26,261</b>	<b>(2,085)</b>	<b>-35%</b>	<b>(18,586)</b>	<b>-83%</b>
<b>Expenses</b>								
Maritime (Excl. Maint)	3,771	8,521	5,304	5,825	(3,217)	-61%	4,750	126%
Economic Development	409	396	440	461	44	10%	(13)	-3%
<b>Total Direct</b>	<b>4,180</b>	<b>8,917</b>	<b>5,744</b>	<b>6,286</b>	<b>(3,173)</b>	<b>-55%</b>	<b>4,737</b>	<b>113%</b>
Maintenance Expenses	2,871	2,596	2,683	2,941	87	3%	(275)	-10%
Envir Services & Planning	479	778	523	640	(254)	-49%	299	62%
Seaport Project Management	64	877	104	112	(773)	-742%	813	1272%
<b>Total Support Services</b>	<b>3,414</b>	<b>4,251</b>	<b>3,311</b>	<b>3,693</b>	<b>(940)</b>	<b>-28%</b>	<b>837</b>	<b>25%</b>
IT	608	707	719	719	11	2%	100	16%
Police Expenses	1,219	963	1,036	1,041	73	7%	(256)	-21%
External Relations	462	383	557	598	174	31%	(79)	-17%
Other Central Services	1,917	2,333	2,102	2,258	(231)	-11%	415	22%
Aviation Division / Other	96	111	128	91	18	14%	15	16%
<b>Total Central Services / Other</b>	<b>4,302</b>	<b>4,497</b>	<b>4,542</b>	<b>4,707</b>	<b>44</b>	<b>1%</b>	<b>195</b>	<b>5%</b>
<b>Total Expense</b>	<b>11,896</b>	<b>17,665</b>	<b>13,597</b>	<b>14,686</b>	<b>(4,069)</b>	<b>-30%</b>	<b>5,769</b>	<b>48%</b>
<b>NOI Before Depreciation</b>	<b>10,514</b>	<b>(13,841)</b>	<b>(7,688)</b>	<b>11,575</b>	<b>(6,154)</b>	<b>-80%</b>	<b>(24,355)</b>	<b>-232%</b>
Depreciation	6,212	6,060	5,885	5,884	(175)	-3%	(152)	-2%
<b>NOI After Depreciation</b>	<b>4,301</b>	<b>(19,902)</b>	<b>(13,573)</b>	<b>5,691</b>	<b>(6,329)</b>	<b>-47%</b>	<b>(24,203)</b>	<b>-563%</b>

## Variance from Budget

- Revenue \$2.1M lower due to no cruise season
- \$3.3M lease reserve, \$1.4M capital to operating expense due to New Cruise Terminal pause

## Variance from 2019

- Revenue \$18.6M lower at T91 and P66 due to no cruise calls in 2020
- ~\$1.9 NWSA lease payment in 2020

## COVID-19 Impact to 2020

- Revenue significantly impacted due to no 2020 cruise season
- Reduction in travel expenses and Port Valet to mitigate revenue impacts

# Recreational Boating Q4 Financials

\$ in 000's	2019	2020 Year-to-Date		Fav(UnFav) Revised Budget Variance		Inc (Dec) Change from 2019	
	Actual	Actual	Revised Budget	\$	%	\$	%
Berthage and Moorage & Concession Services	11,483	11,604	12,331	(727)	-6%	121	1%
Utility Sales Revenue	489	504	498	6	1%	14	3%
Other Service Revenue	425	399	431	(31)	-7%	(25)	-6%
Other	86	103	101	2	2%	17	20%
<b>Total Revenue</b>	<b>12,484</b>	<b>12,611</b>	<b>13,361</b>	<b>(750)</b>	<b>-6%</b>	<b>127</b>	<b>1%</b>
<b>Expenses</b>							
Maritime (excl Maint)	4,160	4,416	4,696	280	6%	255	6%
Economic Development	223	309	298	(11)	-4%	86	38%
<b>Total Direct</b>	<b>4,384</b>	<b>4,725</b>	<b>4,993</b>	<b>269</b>	<b>5%</b>	<b>341</b>	<b>8%</b>
Maintenance Expenses	2,584	2,703	2,272	(430)	-19%	119	5%
Envir Services & Planning	421	372	363	(9)	-3%	(49)	-12%
Seaport Project Management	49	114	64	(50)	-78%	65	132%
<b>Total Support Service</b>	<b>3,054</b>	<b>3,188</b>	<b>2,699</b>	<b>(489)</b>	<b>-18%</b>	<b>134</b>	<b>4%</b>
IT	766	762	769	7	1%	(3)	0%
Police Expenses	944	690	742	52	7%	(254)	-27%
External Relations	358	273	301	28	9%	(85)	-24%
Other Central Services	1,593	1,447	1,540	92	6%	(145)	-9%
Aviation Division/Other	60	67	77	10	13%	7	11%
<b>Total Central Services/Other</b>	<b>3,721</b>	<b>3,240</b>	<b>3,428</b>	<b>189</b>	<b>6%</b>	<b>(481)</b>	<b>-13%</b>
<b>Total Expense</b>	<b>11,159</b>	<b>11,153</b>	<b>11,121</b>	<b>(32)</b>	<b>0%</b>	<b>(6)</b>	<b>0%</b>
<b>NOI Before Depreciation</b>	<b>1,325</b>	<b>1,458</b>	<b>2,240</b>	<b>782</b>	<b>35%</b>	<b>133</b>	<b>10%</b>
Depreciation	2,763	2,874	2,910	35	1%	112	4%
<b>NOI After Depreciation</b>	<b>(1,438)</b>	<b>(1,416)</b>	<b>(669)</b>	<b>(747)</b>	<b>112%</b>	<b>21</b>	<b>-1%</b>

## Variance from Revised Budget

- Revenue \$750K lower due to lower guest moorage occupancy as we expected at SBM and BHM partially related to COVID-19 business disruptions as well as processing delays
- Operation expenses ~(\$32K) unfavorable to the revised budgeted in YTD contributed by \$269K favorable in Maritime direct charges, \$189K favorable in Central Services due to lower allocation, and offset by (\$489K) unfavorable in Support Service

## Variance from 2019

- Revenue \$127K higher due to 5% rate increase in 2020, offset by lower occupancy from 2019
- Operation expenses ~(\$6K) decrease in 2020 due to by \$255K increase in Maritime (excluding Maintenance) expenses, \$134K increase in Support Service, and offset by (\$481K) decrease in Central Services

## COVID-19 Impact to 2020

- Revenue was reduced due to event cancellations and reduced demand for slips

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

# Ship Canal Fishing & Ops Q4 Financials

	2019	2020 Year-to-Date		Fav(UnFav) Revised Budget Variance		Inc (Dec) Change from 2019	
	Actual	Actual	Revised Budget	\$	%	\$	%
\$ in 000's							
Berthage and Moorage & Concession Services	3,483	3,859	3,708	152	4%	376	11%
Space Rental	234	186	298	(112)	-38%	(47)	-20%
Utility Sales Revenue	74	117	83	34	41%	43	58%
Other	138	542	174	367	211%	403	292%
<b>Total Revenue</b>	<b>3,929</b>	<b>4,704</b>	<b>4,264</b>	<b>440</b>	<b>10%</b>	<b>775</b>	<b>20%</b>
<b>Expenses</b>							
Maritime (excl Maint)	2,844	2,615	3,000	385	13%	(229)	-8%
Economic Development	44	51	65	14	21%	7	17%
<b>Total Direct</b>	<b>2,888</b>	<b>2,666</b>	<b>3,065</b>	<b>399</b>	<b>13%</b>	<b>(221)</b>	<b>-8%</b>
Maintenance Expenses	1,698	1,903	1,857	(47)	-3%	205	12%
Envir Services & Planning	245	653	215	(439)	-204%	408	166%
Seaport Project Management	13	42	48	6	13%	29	224%
<b>Total Support Service</b>	<b>1,957</b>	<b>2,599</b>	<b>2,120</b>	<b>(479)</b>	<b>-23%</b>	<b>642</b>	<b>33%</b>
IT	335	350	354	4	1%	15	5%
Police Expenses	405	270	291	20	7%	(134)	-33%
External Relations	153	107	118	11	9%	(46)	-30%
Other Central Services	682	573	629	56	9%	(108)	-16%
Aviation Division/Other	21	23	26	3	11%	2	9%
<b>Total Central Services/Other</b>	<b>1,596</b>	<b>1,324</b>	<b>1,418</b>	<b>94</b>	<b>7%</b>	<b>(272)</b>	<b>-17%</b>
<b>Total Expense</b>	<b>6,440</b>	<b>6,589</b>	<b>6,603</b>	<b>14</b>	<b>0%</b>	<b>149</b>	<b>2%</b>
<b>NOI Before Depreciation</b>	<b>(2,512)</b>	<b>(1,886)</b>	<b>(2,340)</b>	<b>454</b>	<b>-19%</b>	<b>626</b>	<b>-25%</b>
Depreciation	2,185	2,320	2,136	(184)	-9%	135	6%
<b>NOI After Depreciation</b>	<b>(4,697)</b>	<b>(4,205)</b>	<b>(4,475)</b>	<b>270</b>	<b>-6%</b>	<b>492</b>	<b>-10%</b>

## Variance from Budget

- Revenue \$440K higher than the revised budget primarily due to Derelict Vessels project payments, as well as Ballard Lock closures by the US Army Corps Engineers (February – April & October - December)
- Operation expenses ~\$94K favorable to the revised budgeted YTD contributed by \$399K favorable in Maritime direct charges, \$94K favorable in Central Services due to lower allocation, and offset by (\$479K) unfavorable in Support Services mainly related to Derelict Vessels project expense

## Variance from 2019

- Revenue \$775K or 20% higher due to Derelict Vessels project payments, 5% rate increase in 2020, and a better performance in moorage related to Ballard Lock closures from Feb to April and Oct to Dec
- Operation expenses ~\$149K increase in 2020 related to \$642K increase in Support Service, and offset by (\$225K) decrease in Central Services allocation and (\$221K) decrease in Maritime direct charges

## COVID-19 Impact to 2020

- Expense projects either delayed or cancelled

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

# Elliott Bay Fishing & Commercial Ops Q4 Financials

\$ in 000's	2019	2020 Year-to-Date		Fav (UnFav) Revised Budget Variance		Inc (Dec) Change from 2019	
	Actual	Actual	Revised Budget	\$	%	\$	%
Berthage and Moorage & Dockage	3,588	3,366	2,514	852	34%	(222)	-6%
Space Rental	1,619	1,558	1,776	(218)	-12%	(61)	-4%
Utility Sales Revenue	548	533	511	21	4%	(16)	-3%
Other	340	295	317	(22)	-7%	(45)	-13%
<b>Total Revenue</b>	<b>6,095</b>	<b>5,752</b>	<b>5,119</b>	<b>633</b>	<b>12%</b>	<b>(344)</b>	<b>-6%</b>
<b>Expenses</b>							
Maritime (excl Maint)	2,406	2,210	2,753	543	20%	(196)	-8%
Economic Development	99	145	172	27	16%	47	47%
<b>Total Direct</b>	<b>2,504</b>	<b>2,355</b>	<b>2,925</b>	<b>570</b>	<b>19%</b>	<b>(149)</b>	<b>-6%</b>
Maintenance Expenses	1,353	1,454	1,730	276	16%	101	7%
Envir Services & Planning	191	187	225	38	17%	(4)	-2%
Seaport Project Management	10	44	35	(8)	-24%	33	321%
<b>Total Support Service</b>	<b>1,555</b>	<b>1,684</b>	<b>1,990</b>	<b>306</b>	<b>15%</b>	<b>129</b>	<b>8%</b>
IT	267	376	377	0	0%	110	41%
Police Expenses	373	380	408	29	7%	6	2%
External Relations	142	149	164	15	9%	7	5%
Other Central Services	606	824	872	48	6%	218	36%
Aviation Division/Other	20	31	36	6	16%	11	57%
<b>Total Central Services/Other</b>	<b>1,408</b>	<b>1,759</b>	<b>1,857</b>	<b>98</b>	<b>5%</b>	<b>352</b>	<b>25%</b>
<b>Total Expense</b>	<b>5,466</b>	<b>5,798</b>	<b>6,772</b>	<b>973</b>	<b>14%</b>	<b>332</b>	<b>6%</b>
<b>NOI Before Depreciation</b>	<b>629</b>	<b>(47)</b>	<b>(1,653)</b>	<b>1,606</b>	<b>-97%</b>	<b>(676)</b>	<b>-107%</b>
Depreciation	3,341	3,323	3,299	(23)	-1%	(18)	-1%
<b>NOI After Depreciation</b>	<b>(2,712)</b>	<b>(3,369)</b>	<b>(4,952)</b>	<b>1,583</b>	<b>-32%</b>	<b>(658)</b>	<b>24%</b>

## Variance from Budget

- Revenue \$633K or 12% favorable primarily due to new agreement with Golden Alaska Seafood and more dockage fees due to COVID-19 and Ballard Lock closure, partially offset by events cancellations due to COVID-19.
- Operation expenses ~\$973K favorable to the budgeted YTD related to \$313K favorable in Utilities expenses, \$276K favorable in Maintenance expenses

## Variance from 2019

- Revenue \$344K or 6% lower primarily due to 680' Ocean phoenix left in Q3 2019 and replaced by new lease agreement with 305' Golden Alaska in 2020, as well as 2019 had project related moorage, like EBM floats and Pacific Legacy.
- Operation expenses ~\$332K increase in 2020 contributed by higher allocation expenses from Central Services.

## COVID-19 Impact to 2020

- Terminal 91 getting more dockage requests than normal
- Expense projects either delayed or cancelled

- 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 Q4 Financials

	2019 YTD	2020 Year-to-Date		Fav (UnFav) Revised		Incr/(Decr)	
	Actual	Actual	Revised Budget	Budget Variance		Change from 2019	
\$ in 000's				\$	%	\$	%
Marina Office & Retail	3,706	3,601	3,933	(332)	-8%	(104)	-3%
Maritime Industrial	4,132	4,335	3,959	375	9%	203	5%
Utilities	2,270	2,138	2,536	(398)	-16%	(132)	-6%
<b>Total Revenue</b>	<b>10,108</b>	<b>10,074</b>	<b>10,428</b>	<b>(355)</b>	<b>-3%</b>	<b>(34)</b>	<b>0%</b>
PM Direct	3,313	3,931	3,934	3	0%	618	19%
EDD PM Direct	248	288	344	57	20%	40	16%
EDD Other	608	458	320	(139)	-30%	(150)	-25%
MD Direct	414	474	438	(36)	-8%	60	15%
Total Direct	4,584	5,152	5,036	(115)	-2%	568	12%
Maintenance Expenses	3,134	2,914	3,214	300	10%	(220)	-7%
Enviromental & Sustainability	355	263	302	39	15%	(93)	-26%
Seaport Project Management	25	48	58	10	22%	23	92%
Total Support Services	3,514	3,225	3,574	349	11%	(289)	-8%
Police Expenses	894	647	696	49	8%	(247)	-28%
Other Corp Expenses	2,447	2,345	2,411	66	3%	(102)	-4%
Total Central Services/Other	3,341	2,992	3,107	115	4%	(349)	-10%
<b>Total Expense</b>	<b>11,438</b>	<b>11,368</b>	<b>11,717</b>	<b>349</b>	<b>3%</b>	<b>(70)</b>	<b>-1%</b>
<b>NOI Before Depreciation</b>	<b>(1,331)</b>	<b>(1,294)</b>	<b>(1,289)</b>	<b>(6)</b>	<b>0%</b>	<b>36</b>	<b>3%</b>
Depreciation	2,560	2,503	2,480	(23)	-1%	(57)	-2%
<b>NOI After Depreciation</b>	<b>(3,891)</b>	<b>(3,797)</b>	<b>(3,768)</b>	<b>(29)</b>	<b>-1%</b>	<b>93</b>	<b>2%</b>

## Variance from Revised Budget

- Revenue \$355K unfavorable to revised budget due to lower than anticipated utility sales and concession rents partially offset by higher than anticipated space rental revenue mainly from Lineage
- Expenses \$349K lower than revised budget due to favorable utilities and maintenance expenses.

## Variance from 2019

- Revenue down \$34K due to lower than prior year utility sales.
- Expenses down \$70K due to lower than prior year utilities and maintenance expense.

## COVID-19 Impact to 2020

- 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 Q4 Financials

	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Revised Budget	Approved Budget	Actual vs. Revised Budget Variance		Change from 2019	
\$ in 000's					\$	%	\$	%
Lease Revenue	4,266	5,142	3,490	3,490	1,652	47%	876	21%
<b>Total Revenue</b>	<b>4,266</b>	<b>5,142</b>	<b>3,490</b>	<b>3,490</b>	<b>1,652</b>	<b>47%</b>	<b>876</b>	<b>21%</b>
<b>Expenses</b>								
Maritime (Excl. Maint)	157	199	218	234	19	9%	42	26%
Economic Development	43	51	53	55	1	3%	8	19%
<b>Total Direct</b>	<b>201</b>	<b>250</b>	<b>271</b>	<b>289</b>	<b>21</b>	<b>8%</b>	<b>50</b>	<b>25%</b>
Maintenance Expenses	436	365	642	642	277	43%	(71)	-16%
Envir Services & Planning	97	75	86	107	11	13%	(21)	-22%
Seaport Project Management	7	11	10	11	(1)	-15%	4	59%
<b>Total Support Services</b>	<b>540</b>	<b>451</b>	<b>738</b>	<b>760</b>	<b>286</b>	<b>39%</b>	<b>(89)</b>	<b>-16%</b>
IT	106	104	103	103	(1)	-1%	(2)	-2%
Police Expenses	289	181	195	196	14	7%	(108)	-37%
External Relations	109	71	78	86	7	9%	(38)	-35%
Other Central Services	441	372	404	433	32	8%	(69)	-16%
Aviation Division / Other	14	12	17	10	5	28%	(2)	-13%
<b>Total Central Services / Other</b>	<b>960</b>	<b>740</b>	<b>797</b>	<b>827</b>	<b>57</b>	<b>7%</b>	<b>(220)</b>	<b>-23%</b>
<b>Total Expense</b>	<b>1,700</b>	<b>1,442</b>	<b>1,806</b>	<b>1,877</b>	<b>364</b>	<b>20%</b>	<b>(258)</b>	<b>-15%</b>
<b>NOI Before Depreciation</b>	<b>2,566</b>	<b>3,700</b>	<b>1,684</b>	<b>1,614</b>	<b>2,016</b>	<b>120%</b>	<b>1,134</b>	<b>44%</b>
Depreciation	552	530	526	525	(5)	-1%	(22)	-4%
<b>NOI After Depreciation</b>	<b>2,014</b>	<b>3,170</b>	<b>1,159</b>	<b>1,088</b>	<b>2,011</b>	<b>174%</b>	<b>1,156</b>	<b>57%</b>

## Variance from Budget

- Revenue higher than budget with greater demand for feedstock from China.
- Expenses lower than budget due to organizational cost cutting initiatives.

## Variance from 2019

- Grain Volumes increased 836K metric tons (25%) from 2019.

# Maritime Capital 2020

	2020 Actual	2020 Revised Budget	Budget Variance	
			\$	%
\$ in 000's				
SBM Restrms/Service Bldgs Rep	8,867	9,400	533	6%
T117 Restoration	5,885	5,000	(885)	-18%
MD Small Projects	964	3,099	2,135	69%
SBM Paving	1,636	1,810	174	10%
MD Fleet	949	1,957	1,008	52%
New Cruise Terminal	(1,107)	1,259	2,366	188%
T91 Northwest Fender	98	785	687	88%
FT Gateway Building	17	700	683	98%
FT Maritime Innovation Center	663	700	37	5%
FT Docs 3,4,5 Fixed Pier	528	510	(18)	-4%
All Other Projects	1,198	(5,508)	(6,706)	122%
Total Maritime	19,698	19,712	14	0%

**T117 Restoration**– costs moved forward with expedited schedule from contactor.

**SBM Restrooms/Buildings** - Foundation work completed, reducing amount of project contingency.

**T91 Northwest Fender** – Construction moved from Q4 2020 to Q3 2021 based on operational concerns.

**T91 Berth 6&8** – Design contract execution in Q4 2020 resulted in design start later than planned last year.

**New Cruise Terminal** – project placed on hold. Will be evaluating post-COVID-19 effects on cruise.

# Maritime 2021 Capital Spending

	2021 POF	2021 APV	Change
T91 Berths 6 & 8 Redevelopment	1,200	1,025	(175)
T117 Restoration	7,687	8,809	1,122
P66 Shore Power	950	765	(185)
Other Capital Projects	23,348	22,588	(760)
<b>Subtotal - Capital Projects</b>	<b>33,185</b>	<b>33,187</b>	<b>2</b>
CIP Reserves	2,000	263	(1,737)
<b>Subtotal</b>	<b><u>35,185</u></b>	<b><u>33,450</u></b>	<b><u>(1,735)</u></b>
<b>CIP Cash Management Reserve</b>	(8,805)	(7,255)	1,550
<b>Total Proposed CIP</b>	<b>26,380</b>	<b>26,195</b>	<b>(185)</b>

# Economic Development Division Appendix

2020 Financial Performance Report



# EDD 2020 Financial Detail

	2018	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Revised Budget	Approved Budget	Actual vs. Revised Budget Variance		Change from 2019	
\$ in 000's						\$	%	\$	%
Revenue	9,002	8,912	7,808	8,824	9,124	(1,017)	-12%	(1,105)	-12%
Conf & Event Centers	11,703	12,239	1,662	6,833	9,985	(5,171)	-76%	(10,577)	-86%
<b>Total Revenue</b>	<b>20,705</b>	<b>21,151</b>	<b>9,470</b>	<b>15,658</b>	<b>19,110</b>	<b>(6,188)</b>	<b>-40%</b>	<b>(11,681)</b>	<b>-55%</b>
<b>Expenses</b>									
Portfolio Management	3,571	3,732	3,073	3,988	4,008	915	23%	(659)	-18%
Conf & Event Centers	9,889	10,218	4,440	6,703	8,902	2,264	34%	(5,779)	-57%
P69 Facilities Expenses	235	215	232	226	230	(6)	-3%	17	8%
RE Dev & Planning	149	136	209	145	208	(64)	-44%	73	53%
EconDev Expenses Other	785	930	938	632	932	(306)	-48%	8	1%
Maintenance Expenses	3,914	3,145	3,042	3,476	3,819	434	12%	(104)	-3%
Maritime Expenses (Excl Maint)	281	253	442	512	524	70	14%	189	75%
<b>Total EDD &amp; Maritime Expenses</b>	<b>18,824</b>	<b>18,630</b>	<b>12,376</b>	<b>15,682</b>	<b>18,624</b>	<b>3,306</b>	<b>21%</b>	<b>(6,254)</b>	<b>-34%</b>
Diversity in Contracting	132	152	103	151	197	48	32%	(49)	-32%
Tourism	1,408	1,337	954	2,842	1,536	1,888	66%	(384)	-29%
EDD Grants	838	785	778	1,110	1,110	332	30%	(7)	-1%
<b>Total EDD Initiatives</b>	<b>2,378</b>	<b>2,274</b>	<b>1,834</b>	<b>4,103</b>	<b>2,843</b>	<b>2,269</b>	<b>55%</b>	<b>(440)</b>	<b>-19%</b>
Environmental & Sustainability	281	344	211	260	323	49	19%	(133)	-39%
Police Expenses	(76)	61	64	232	233	168	73%	3	5%
Other Central Services	5,466	5,731	5,965	6,752	7,223	787	12%	234	4%
Aviation Division	155	114	161	193	123	32	16%	47	41%
<b>Total Central Services &amp; Aviation</b>	<b>5,825</b>	<b>6,251</b>	<b>6,401</b>	<b>7,437</b>	<b>7,901</b>	<b>1,036</b>	<b>14%</b>	<b>150</b>	<b>2%</b>
Envir Remed Liability	0	0	0	0	0	0	NA	0	NA
<b>Total Expense</b>	<b>27,028</b>	<b>27,155</b>	<b>20,611</b>	<b>27,222</b>	<b>29,368</b>	<b>6,611</b>	<b>24%</b>	<b>(6,544)</b>	<b>-24%</b>
<b>NOI Before Depreciation</b>	<b>(6,323)</b>	<b>(6,004)</b>	<b>(11,141)</b>	<b>(11,564)</b>	<b>(10,258)</b>	<b>423</b>	<b>4%</b>	<b>(5,138)</b>	<b>-86%</b>
Depreciation	3,948	3,647	3,611	3,392	3,389	(220)	-6%	(35)	-1%
<b>NOI After Depreciation</b>	<b>(10,271)</b>	<b>(9,651)</b>	<b>(14,753)</b>	<b>(14,956)</b>	<b>(13,647)</b>	<b>203</b>	<b>1%</b>	<b>(5,102)</b>	<b>-53%</b>

## Variance from Revised Budget

- Revenue unfavorable to revised budget due to Conference & Events Centers' revenue and Bell Street Garage.
- Expenses lower than revised budget due to variable conference center costs, favorable pension adjustment, and deferred Washington Tourism Alliance spend.

## Variance from 2019

- Bell Harbor International Conference Center (BHICC) revenue significantly declined due to COVID-19 and construction.
- Parking Revenues down from office closures, Clipper & Cruise shutdown, and general lower downtown traffic.
- Expenses down from BHICC volumes.

# Portfolio Management Q4 Financials

	2019 YTD	2020 Year-to-Date		Fav (UnFav) Revised		Incr (Decr)	
	Actual	Actual	Revised Budget	Budget Variance		Change from 2019	
\$ in 000's				\$	%	\$	%
Central Harbor	7,312	6,143	7,281	(1,138)	-16%	(1,169)	-19%
T-91 Uplands	1,587	1,648	1,512	136	9%	61	4%
Conference & Events Centers	12,239	1,662	6,833	(5,171)	-76%	(10,577)	-636%
Foreign Trade Zone	35	30	30	0	0%	(5)	-17%
<b>Total Revenue</b>	<b>21,173</b>	<b>9,483</b>	<b>15,656</b>	<b>(6,173)</b>	<b>-39%</b>	<b>(11,689)</b>	<b>-123%</b>
PM Outside Services	623	406	810	404	50%	(217)	-53%
PM Direct	13,327	7,106	9,881	2,775	28%	(6,221)	-88%
EDD Other	1,434	1,472	1,322	(150)	-11%	38	3%
MD Direct	192	341	445	103	23%	149	44%
Total Direct	15,575	9,326	12,458	3,132	25%	(6,250)	-67%
Maintenance Expenses	3,144	3,041	3,474	433	12%	(103)	-3%
Environmental & Sustainability	320	181	229	48	21%	(139)	-77%
Seaport Project Management	61	117	68	(50)	-73%	56	48%
Total Support Services	3,525	3,339	3,770	432	11%	(186)	-6%
Police Expenses	82	215	232	17	7%	133	62%
Other Corp Expenses	5,115	5,312	5,601	289	5%	197	4%
Total Central Services/Other	5,197	5,527	5,833	306	5%	331	6%
<b>Total Expense</b>	<b>24,297</b>	<b>18,192</b>	<b>22,061</b>	<b>3,870</b>	<b>18%</b>	<b>(6,105)</b>	<b>-34%</b>
<b>NOI Before Depreciation</b>	<b>(3,124)</b>	<b>(8,708)</b>	<b>(6,405)</b>	<b>(2,303)</b>	<b>-36%</b>	<b>(5,584)</b>	<b>64%</b>
Depreciation	3,642	3,608	3,389	(219)	-6%	(34)	-1%
<b>NOI After Depreciation</b>	<b>(6,767)</b>	<b>(12,316)</b>	<b>(9,794)</b>	<b>(2,522)</b>	<b>-26%</b>	<b>(5,550)</b>	<b>45%</b>

## Variance from Revised Budget

- Revenue unfavorable to revised budget due to Conference & Events Centers' revenue decline as a result of COVID-19 social distancing requirements and on-going operational restrictions.
- Expenses lower than revised budget due to favorable maintenance expenses and lower BHICC volumes.

## Variance from 2019

- Bell Harbor International Conference Center (BHICC) revenue significantly declined due to COVID-19 social distancing requirements between March 13 and June 30. Closing ala carte lunch service and event space at WTC Seattle.
- Expenses down from BHICC volumes.

## COVID-19 Impact to 2020

- BHICC events initially rescheduled into 3<sup>rd</sup> & 4<sup>th</sup> quarter continue to get cancelled and rescheduled due to the longer than expected re-opening.
- 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 2020

\$ in 000's	2020 Actual	2020 Revised Budget	Budget Variance	
			\$	%
BHICC Interior Modernization	7,483	8,358	875	10%
Tenant Improvements -Capital	0	1,150	1,150	100%
EDD Small Projects	467	541	74	14%
T91 Uplands Dev Phase 1	325	1,000	675	68%
EDD Reserve	0	54	54	100%
P66 HVAC Systems Upgrade	380	912	532	58%
CW Bridge Elev Modernization	185	350	165	47%
WTC HVAC Replacement	277	260	(17)	-7%
EDD Technology Projects	0	0	0	NA
P69 Underdock Utility Rpl	109	0	(109)	NA
All Other Projects	88	(1,926)	(2,014)	105%
<b>Total Economic Development</b>	<b>9,314</b>	<b>10,699</b>	<b>1,385</b>	<b>13%</b>

**T-91 Upland Development** – Unanticipated delays in the finalization of the design contract.

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

**P66 HVAC**– Transition from Maintenance to SPM was delayed until October 5th 2020. Cost in 2020 delayed due to building engineering system method of procurement which requires an RFP to be developed.



# EDD 2021 Capital Spending

	2021 POF	2021 APV	Change
T91 Uplands Development Phase I	800	800	-
Other Capital Projects	7,640	6,702	(938)
<b>Subtotal - Capital Projects</b>	<b>8,440</b>	<b>7,502</b>	<b>(938)</b>
CIP Reserves	1,000	-	(1,000)
<b>Subtotal</b>	<b><u>9,440</u></b>	<b><u>7,502</u></b>	<b><u>(1,938)</u></b>
<b>CIP Cash Management Reserve</b>	(3,566)	(1,855)	1,711
<b>Total Proposed CIP</b>	<b>5,874</b>	<b>5,647</b>	<b>(227)</b>

# Central Services Appendix

2020 Financial Performance Report

# Central Service Financial Summary

	2018	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Revised Budget	Approved Budget	Actual vs. Revised Budget Variance	%	Change from 2019	%
\$ in 000's						\$		\$	
<b>Total Operating Revenues</b>	<b>(500)</b>	<b>1,282</b>	<b>2,927</b>	<b>40</b>	<b>40</b>	<b>2,887</b>	<b>7218.3%</b>	<b>1,645</b>	<b>128.3%</b>
Core Central Support Services	74,419	79,276	84,705	91,594	93,604	6,889	7.5%	5,429	6.8%
Police	23,908	27,793	27,538	31,312	31,444	3,774	12.1%	(255)	-0.9%
Capital Development	8,999	10,038	9,096	8,611	12,513	(485)	-5.6%	(942)	-9.4%
Environment & Sustainability	8,770	10,748	10,433	10,399	12,866	(33)	-0.3%	(315)	-2.9%
<b>Total Operating Expenses</b>	<b>116,097</b>	<b>127,855</b>	<b>131,772</b>	<b>141,916</b>	<b>150,427</b>	<b>10,144</b>	<b>7.1%</b>	<b>3,917</b>	<b>3.1%</b>

# Central Services Expense by Category

	2018	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Revised	Approved	Actual vs. Revised		Change from 2019	
				Budget	Budget	\$	%	\$	%
\$ in 000's									
Salaries & Benefits	71,935	76,259	81,576	82,709	84,406	1,134	1.4%	5,317	7.0%
Wages & Benefits	16,551	19,652	19,048	30,426	30,426	11,378	37.4%	(604)	-3.1%
Payroll to Capital Projects	17,571	17,677	18,430	19,590	21,596	1,160	5.9%	752	4.3%
Equipment Expense	3,985	2,994	2,260	2,155	2,568	(105)	-4.9%	(734)	-24.5%
Supplies & Stock	1,261	1,493	942	1,279	1,415	337	26.4%	(551)	-36.9%
Outside Services	27,754	31,413	36,004	35,752	39,095	(252)	-0.7%	4,591	14.6%
Travel & Other Employee Expenses	2,425	2,741	1,517	1,892	3,585	375	19.8%	(1,224)	-44.6%
Insurance Expense	2,145	2,276	2,550	2,307	2,307	(243)	-10.6%	274	12.0%
Litigated Injuries & Damages	(82)	-	719	-	-	(719)	0.0%	719	0.0%
Other Expenses	2,274	4,169	3,386	3,359	4,097	(27)	-0.8%	(783)	-18.8%
Charges to Capital Projects/Overhead Alloc	(29,722)	(30,819)	(34,660)	(37,553)	(39,068)	(2,893)	7.7%	(3,841)	12.5%
<b>TOTAL</b>	<b>116,097</b>	<b>127,855</b>	<b>131,772</b>	<b>141,916</b>	<b>150,427</b>	<b>10,144</b>	<b>7.1%</b>	<b>3,917</b>	<b>3.1%</b>

- Payroll savings due to Staff vacancies/hiring freeze.
- Wages favorable due to lower Overtime for Police due to cancellation of cruise season and vacancies.
  - DRS Pension True-up of \$9.4M in 2020.
- Charge to Capital unfavorable to budget due to delay of Capital Projects.

# Central Services Capital Spending

\$ in 000's	2020	2020	Actual/Rvsd Budget	
	Actual	Revised Budget	\$	%
Infrastructure - Small Cap	1,179	2,100	921	56.1%
Services Tech - Small Cap	1,721	1,350	(371)	127.5%
Radio System Upgrade	532	3,687	3,155	14.4%
New Budget System	302	583	281	51.8%
Regional Workforce Tracking	-	500	500	0.0%
Learning Management System	-	400	400	0.0%
Maximo Upgrade	289	462	173	62.6%
Phone System Upgrade	60	900	840	6.7%
Customer Relationship Mgmt	1,015	1,400	385	72.5%
CDD Fleet Replacement	502	1,644	1,142	30.5%
Corporate Fleet Replacement	243	1,065	822	22.8%
CIP Cashflow Adjustment	-	(3,000)	(3,000)	0.0%
Other (note 1)	504	1,600	1,096	31.5%
<b>TOTAL</b>	<b>6,347</b>	<b>12,691</b>	<b>6,344</b>	<b>50.0%</b>

Note:

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

# Portwide Appendix

## 2020 Financial Performance Report



# Portwide Financial Summary

	2018	2019	2020	2020		Fav (UnFav)		Incr (Decr)	
				Revised	Approved	Actual vs. Revised		Change from 2019	
\$ in 000's	Actual	Actual	Actual	Budget	Budget	\$	%	\$	%
Aeronautical Revenues	291,268	357,598	297,909	401,342	401,342	(103,433)	-25.8%	(59,689)	-16.7%
Airport Non-Aero Revenues	257,707	269,037	116,473	135,074	283,167	(18,601)	-13.8%	(152,564)	-56.7%
Non-Airport Revenues	140,415	137,538	96,446	103,302	127,106	(6,856)	-6.6%	(41,093)	-29.9%
<b>Total Operating Revenues</b>	<b>689,390</b>	<b>764,174</b>	<b>510,828</b>	<b>639,717</b>	<b>811,616</b>	<b>(128,890)</b>	<b>-20.1%</b>	<b>(253,346)</b>	<b>-33.2%</b>
Total Operating Expenses	397,638	443,089	411,954	438,081	469,769	26,127	6.0%	(31,136)	-7.0%
<b>NOI before Depreciation</b>	<b>291,752</b>	<b>321,085</b>	<b>98,874</b>	<b>201,637</b>	<b>341,847</b>	<b>(102,763)</b>	<b>-51.0%</b>	<b>(222,211)</b>	<b>-69.2%</b>
Depreciation	164,362	174,971	179,807	179,056	179,056	(751)	-0.4%	4,836	2.8%
<b>NOI after Depreciation</b>	<b>127,390</b>	<b>146,114</b>	<b>(80,933)</b>	<b>22,581</b>	<b>162,791</b>	<b>(103,514)</b>	<b>-458.4%</b>	<b>(227,047)</b>	<b>-155.4%</b>

# Non-Airport Financial Summary

	2018	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Revised Budget	Approved Budget	Actual vs. Revised Budget Variance		Change from 2019	
\$ in 000's						\$	%	\$	%
NWSA Distributable Revenue	55,992	47,979	38,782	41,935	41,935	(3,153)	-7.5%	(9,197)	-19.2%
Maritime Revenues	57,575	59,289	42,111	42,585	62,938	(474)	-1.1%	(17,178)	-29.0%
EDD Revenues	20,705	21,151	9,470	15,658	19,110	(6,188)	-39.5%	(11,681)	-55.2%
SWU & Other	6,143	9,119	6,083	3,123	3,123	2,960	94.8%	(3,036)	-33.3%
<b>Total Operating Revenues</b>	<b>140,415</b>	<b>137,538</b>	<b>96,446</b>	<b>103,302</b>	<b>127,106</b>	<b>(6,856)</b>	<b>-6.6%</b>	<b>(41,093)</b>	<b>-29.9%</b>
Total Operating Expenses	78,789	86,455	82,274	89,254	92,463	6,981	7.8%	(4,181)	-4.8%
<b>NOI before Depreciation</b>	<b>61,626</b>	<b>51,084</b>	<b>14,172</b>	<b>14,047</b>	<b>34,643</b>	<b>125</b>	<b>0.9%</b>	<b>(36,912)</b>	<b>-72.3%</b>
Depreciation	40,159	38,737	37,674	37,062	37,095	(613)	-1.7%	(1,063)	-2.7%
<b>NOI after Depreciation</b>	<b>21,467</b>	<b>12,347</b>	<b>(23,502)</b>	<b>(23,014)</b>	<b>(2,451)</b>	<b>(488)</b>	<b>2.1%</b>	<b>(35,849)</b>	<b>-290.4%</b>

- Non-Airport Operating Revenue lower than budget by \$6.9M due to less revenues from Cruise, Conference & Event Centers, and NWSA Distributable Revenues, partially offset by unbudgeted Police Revenues.
- Expenses \$7M lower than budget due cost savings measures which include hiring freeze, delay in implementing program initiatives, cutting travel and other employee expenses, and DRS Pension True-up credits.



# Portwide Operating Revenues Summary

\$ in 000's	2018	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Revised	Approved	Actual vs. Revised		Change from 2019	
				Budget	Budget	\$	%	\$	%
Aeronautical Revenues	291,268	357,598	297,909	401,342	401,342	(103,433)	-25.8%	(59,689)	-16.7%
Public Parking	80,212	82,125	34,502	40,813	89,485	(6,311)	-15.5%	(47,623)	-58.0%
Rental Cars - Operations	37,306	36,793	16,637	19,209	37,363	(2,572)	-13.4%	(20,157)	-54.8%
Rental Cars - Operating CFC	16,263	15,773	-	-	13,786	-	0.0%	(15,773)	-100.0%
ADR & Terminal Leased Space	64,323	68,013	31,234	32,905	71,845	(1,670)	-5.1%	(36,778)	-54.1%
Ground Transportation	18,772	20,765	6,557	11,092	22,299	(4,535)	-40.9%	(14,208)	-68.4%
Employee Parking	10,269	10,438	8,848	5,100	10,137	3,748	73.5%	(1,590)	-15.2%
Airport Commercial Properties	15,434	15,773	10,766	11,854	16,660	(1,089)	-9.2%	(5,007)	-31.7%
Airport Utilities	7,206	7,431	5,672	8,831	8,831	(3,159)	-35.8%	(1,759)	-23.7%
Clubs and Lounges	6,802	10,274	2,043	4,441	10,536	(2,398)	-54.0%	(8,230)	-80.1%
Cruise	18,880	22,410	3,824	5,909	26,261	(2,085)	-35.3%	(18,586)	-82.9%
Recreational Boating	12,035	12,484	12,611	13,361	13,361	(750)	-5.6%	127	1.0%
Fishing & Operations	10,257	10,024	10,456	9,386	9,386	1,069	11.4%	432	4.3%
Grain	5,167	4,266	5,142	3,490	3,490	1,652	47.3%	876	20.5%
Maritime Portfolio Management	11,305	10,108	10,074	10,428	10,428	(355)	-3.4%	(34)	-0.3%
Central Harbor Management	9,018	8,899	7,791	8,793	9,093	(1,001)	-11.4%	(1,108)	-12.4%
Conference & Event Centers	11,703	12,239	1,662	6,833	9,985	(5,171)	-75.7%	(10,577)	-86.4%
NWSA Distributable Revenue	55,992	47,979	38,782	41,935	41,935	(3,153)	-7.5%	(9,197)	-19.2%
Other	7,177	10,783	6,318	3,995	5,390	2,323	58.2%	(4,466)	-41.4%
<b>Total Operating Revenues (w/o Aero)</b>	<b>398,122</b>	<b>406,576</b>	<b>212,919</b>	<b>238,375</b>	<b>410,274</b>	<b>(25,457)</b>	<b>-10.7%</b>	<b>(193,657)</b>	<b>-47.6%</b>
<b>TOTAL</b>	<b>689,390</b>	<b>764,174</b>	<b>510,828</b>	<b>639,717</b>	<b>811,616</b>	<b>(128,890)</b>	<b>-20.1%</b>	<b>(253,346)</b>	<b>-33.2%</b>

# Portwide Operating Expense Summary

	2018	2019	2020	2020	2020	Fav (UnFav)		Incr (Decr)	
				Revised	Approved	Actual vs. Revised		Change from 2019	
	Actual	Actual	Actual	Budget	Budget	Budget Variance			
\$ in 000's						\$	%	\$	%
Salaries & Benefits	127,056	137,052	147,623	148,368	152,358	744	0.5%	10,572	7.7%
Wages & Benefits	108,379	119,942	119,831	134,877	134,819	15,047	11.2%	(112)	-0.1%
Payroll to Capital Projects	28,329	27,844	29,759	34,529	37,330	4,770	13.8%	1,915	6.9%
Outside Services	99,673	107,188	103,637	114,501	126,169	10,864	9.5%	(3,551)	-3.3%
Utilities	25,552	25,838	22,017	28,491	29,036	6,473	22.7%	(3,821)	-14.8%
Equipment Expense	10,621	11,869	10,331	7,944	9,970	(2,387)	-30.1%	(1,537)	-13.0%
Supplies & Stock	10,780	11,200	9,894	9,990	9,082	95	1.0%	(1,306)	-11.7%
Travel & Other Employee Expenses	4,837	5,461	2,764	3,752	7,029	988	26.3%	(2,697)	-49.4%
Third Party Mgmt Op Exp	11,660	13,329	5,201	8,494	12,699	3,293	38.8%	(8,128)	-61.0%
B&O Taxes	4,488	4,859	3,332	3,949	5,007	616	15.6%	(1,527)	-31.4%
Other Expenses	19,391	33,154	15,078	11,959	17,105	(3,119)	-26.1%	(18,076)	-54.5%
Charges to Capital Projects/Overhead Alloc	(53,130)	(54,647)	(57,515)	(68,772)	(70,835)	(11,257)	16.4%	(2,867)	5.2%
<b>TOTAL</b>	<b>397,638</b>	<b>443,089</b>	<b>411,954</b>	<b>438,081</b>	<b>469,769</b>	<b>26,127</b>	<b>6.0%</b>	<b>(31,136)</b>	<b>-7.0%</b>

- Payroll expenses were \$20.6M below budget primarily due to DRS Pension Plan True-up credit of \$17.2M, hiring freeze offset by higher Maintenance wages and new Police contracts paying out Holiday pay in January instead of December.
- Outside Services were \$10.9M favorable to budget due to project delays related to COVID-19 cost-reduction measures.
- Travel & Other Employee Expenses were \$988K lower than budget due to cutting/eliminating non-essential business travel and training.
- Other Expenses were \$3.1M higher than budget mainly due to unbudgeted Litigated Injuries & Damages and Bad Debt Expense offset by Environmental Remediation Liability.

# Portwide Capital Spending Summary

\$ in 000's	2020	2020	Budget Variance	
	YTD Actual	Revised Budget	\$	%
Aviation	504,073	489,182	(14,891)	-3.0%
Maritime	19,698	19,712	14	0.1%
Economic Development	9,314	10,699	1,385	12.9%
Central Services & Other (note 1)	6,984	15,991	9,007	56.3%
<b>TOTAL</b>	<b>540,069</b>	<b>535,584</b>	<b>(4,485)</b>	<b>-0.8%</b>

Note:

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