COMMISSION SPECIAL MEETING AGENDA

August 10, 2021

To be held in virtually via MS Teams in accordance with Senate Concurrent Resolution 8402 and in accordance with Governor Inslee's Proclamations 20-05 and 20-28 et seq. You may view the full meeting live at meetings.portseattle.org. To listen live, call in at +1 (425) 660-9954 and Conference ID 438 833 243#

ORDER OF BUSINESS

10:00 a.m.

1. **CALL TO ORDER**

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

► **12:00 noon – PUBLIC SESSION**

Reconvene or Call to Order and Pledge of Allegiance

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

4. **SPECIAL ORDERS OF THE DAY**

5. **EXECUTIVE DIRECTOR'S REPORT**

6. **COMMITTEE REPORTS**

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

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

PORT WILL NOT ACCEPT in-person, verbal comments during the special meeting of August 10, 2021. Alternatively, during the regular order of business, those wishing to provide public comment will have the opportunity to:

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

2) Deliver public comment via phone or Microsoft Teams conference: To take advantage of this option, please email *commission-public-records@portseattle.org* with your name and the topic you wish to speak to by 9:00 a.m. PT on Tuesday, August 10, 2021. You will then be provided with instructions and a link to join the Teams meeting.

This process will be in place until further notice. For additional information, contact *commission-public-records@portseattle.org.*

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

8a. Approval of the Minutes of the Regular Meeting of July 27, 2021. **(no enclosure)** (p.4)

8b. Approval of the Claims and Obligations for the Period July 1, 2021, through July 31, 2021, Including Accounts Payable Check Nos. 940234 through 940680 in the Amount of $3,391,011.72; Accounts Payable ACH Nos. 036722 through 037555 in the Amount of $46,636,189.17; Accounts Payable Wire Transfer Nos. 015644 through 015663 in the Amount of $11,344,239.69, Payroll Check Nos. 199024 through 199333 in the Amount of $93,999.45; and Payroll ACH Nos. 1032936 through 1037210 in the Amount of $11,887,618.04 for a Fund Total of $73,353,058.07. **(memo enclosed)** (p.5)

8c. Authorization in the Amount of $820,000 for the Executive Director to (1) Proceed with the Wireless Network (WIFI) Replacement Project; (2) Prepare Design and Construction Bid Documents for the Replacement of WIFI Technology and Supporting Equipment at the Port of Seattle Headquarters (P69); and (3) Procure Required Hardware, Vendor Services, Licensing, and Maintenance Services in Support of WIFI and Network Services at P69. The Total Estimated Project Cost is $2,500,000 (CIP #C801063) **(memo enclosed)** (p.8)

8d. Authorization in the Amount of $$6,300,000 Out of a Total Estimated Project Cost of $46,200,000 for the Executive Director to (1) Complete Design and Prepare Construction Documents for the Airfield Utilities Infrastructure (AUI) Project at Seattle-Tacoma International Airport (SEA) and (2) Enter into Reimbursable Agreements with the Federal Aviation Administration. (CIP #C801177) **(memo and presentation enclosed)** (p.12)

8e. Authorization in the Amount of $6,901,000 for an estimated total project cost of $9,901,000, for the Executive Director to (1) Advertise, Award, and Execute a Major Works Construction Contract for the Building Controls Upgrade Project at Seattle-Tacoma International Airport, and (2) Use Port of Seattle Crews for Construction Activities. (CIP #C800944) **(memo and presentation enclosed)** (p.28)

8f. Authorization for the Executive Director to Execute a Service Agreement for Maintenance Services for the Airport's (SEA's) Direct Digital Control System for Up to Five Years, 2022-2026, for a Total Dollar Value Estimated at $4,800,000. **(memo enclosed)** (p.41)

8g. Authorization for the Executive Director to Prepare, Advertise, Award, and Execute Appropriate Contract Documents to Procure a Chiller Maintenance Service Agreement for 14 Chillers at Seattle-Tacoma International Airport. The Agreement is for a Two-year Contract with Three One-year Service Options to be Determined Annually by the Port. Total Contract Cost Over the Requested Five-year Period is Not-to-Exceed $600,000. **(memo enclosed)** (p.46)

8h. Authorization in the Amount of $65,000 for the Executive Director to Proceed with Completion of Fisherman's Terminal Lighting Upgrades and to Use Port Crews to Complete the Installations, for a Total Project Cost of $365,000. (CIP #C800816) **(memo and presentation enclosed)** (p.50)

8i. Authorization for the Executive Director to Execute a New Collective Bargaining Agreement (CBA) Between the Port of Seattle and the International Brotherhood of Teamsters, Local 117, Representing Police Specialists at the Port of Seattle, Covering the Period from July 1, 2021, through June 30, 2022. **(memo and agreement enclosed)** (p.56)

8j. Authorization for the Executive Director to Advertise and Award a Major Public Works Contract to Replace the North Runway Protection Zone Culvert (NRPZ Culvert), a Year 2022 Component of the 2021 to 2025 Airfield Pavement and Supporting Infrastructure Replacement Program. This Construction Authorization is for $3,800,000 for a Total Program Authorization to-date of $55,195,000. (CIP #C800930). **(memo and presentation enclosed)** (p.91)

8k. Request Commission Determination that a Competitive Process in not Reasonable or Cost Effective in Accordance with Chapter 53.19 RCW; and Authorization for the Executive Director to Execute an Agreement for Procurement Consulting Support Services, with The Le Flore Group, in the Amount Not-to-Exceed $450,000, for a Contract Period of One Year, to Assist with Contracting Processes Including Opportunity Youth Initiative Procurement(s), Economic Recovery, and for Recommendations for Improvements to Community Engagement (Grant/Non-profit) Processes. **(memo enclosed)** (p.107)

9. UNFINISHED BUSINES

10. NEW BUSINESS

10a. Introduction of Resolution No. 3791, Amending Resolution No. 3770, which Adopted the Charters of the Commission's Standing Committees, by Further Amending the Energy and Sustainability Committee Charter to Change the Name of the Committee to the Sustainability, Environment, and Climate Committee. **(memo and draft resolution enclosed)** (p.112)

10b. Authorization for Executive Director to Sign an Interlocal Agreement (ILA) with University of Washington's Sea Grant Program for the Port to Host One (1) 12-month Hershman Fellowship Position. **(memo, draft agreement, and presentation enclosed)** (p.120)

10c. Sound Insulation Program Briefing *(For information only.)* **(memo and presentation enclosed)** (p.132)

10d. Authorization for the Executive Director to Plan, Design, and Prepare Construction Documents for the Apartment Sound Insulation Program Located within the Current Noise Remedy Boundary Near the Seattle-Tacoma International Airport in an Amount Not-to-Exceed $34,386,000 of a Total Apartment Program Cost of $133,515,000. (CIP #C200096) **(memo and presentation enclosed)** (p.162)

11. PRESENTATIONS AND STAFF REPORTS

11a. Q2 2021 Financial Performance Briefing **(memo, report, and presentation enclosed)** (p.174)

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

13. ADJOURNMENT

Agenda Item 8a: Will be Distributed Under Separate Cover

RETURN TO AGENDA

Port of Seattle

COMMISSION
AGENDA MEMORANDUM

ACTION ITEM

Item No. 8b

Date of Meeting August 10, 2021

DATE: August 2, 2021

TO: Steve Metruck, Executive Director

FROM: Duane Hill, AFR Senior Manager Disbursements

SUBJECT: **Claims and Obligations – July 2021**

ACTION REQUESTED

Request Port Commission approval of the Port Auditor's payment of the salaries and claims of the Port pursuant to RCW 42.24.180 for payments issued during the period July 1 through 31, 2021 as follows:

Payment Type	Payment Reference Start Number	Payment Reference End Number	Amount
Accounts Payable Checks	940234	940680	$ 3,391,011.72
Accounts Payable ACH	036722	037555	$ 46,636,189.17
Accounts Payable Wire Transfers	015644	015663	$ 11,344,239.69
Payroll Checks	199024	199333	$ 93,999.45
Payroll ACH	1032936	1037210	$ 11,887,618.04
Total Payments			**$ 73,353,058.07**

Pursuant to RCW 42.24.180, "the Port's legislative body" (the Commission) is required to approve in a public meeting, all payments of claims within one month of issuance.

OVERSIGHT

All these payments have been previously authorized either through direct Commission action or delegation of authority to the Executive Director and through his or her staff. Detailed information on Port expenditures is provided to the Commission through comprehensive budget presentations as well as the publicly released Budget Document, which provides an even greater level of detail. The Port's operating and capital budget is approved by resolution in November for the coming fiscal year, and the Commission also approves the Salary and Benefit Resolution around the same time to authorize pay and benefit programs. Notwithstanding the Port's budget approval, individual capital projects and contracts exceeding certain dollar thresholds are also subsequently brought before the Commission for specific authorization prior to commencement of the project or contract—if they are below the thresholds the Executive Director is delegated authority to approve them. Expenditures are monitored against budgets monthly by management and reported comprehensively to the Commission quarterly.

Effective internal controls over all Port procurement, contracting and disbursements are also in place to ensure proper central oversight, delegation of authority, separation of duties, payment approval and documentation, and signed perjury statement certifications for all payments. Port disbursements are also regularly monitored against spending authorizations. All payment transactions and internal controls are subject to periodic Port internal audits and annual external audits conducted by both the State Auditor's Office and the Port's independent auditors.

For the month of July 2021, over $61,371,440.58 in payments were made to nearly 772 vendors, comprised of 2,167 invoices and over 6,157 accounting expense transactions. About 92 percent of the accounts payable payments made in the month fall into the Construction, Employee Benefits, Payroll Taxes, Contracted Services, Leasehold Taxes, Utility Expenses, Janitorial Services and Sales Taxes expense categories. Net payroll expense for the month of July was $11,981,617.49.

Top 15 Payment Category Summary:

Category	**Payment Amount**
Construction	29,621,376.77
Employee Benefits	8,289,536.58
Payroll Taxes	4,646,147.91
Contracted Services	4,047,383.25
Leasehold Taxes	2,930,907.19
Utility Expenses	2,671,769.73
Janitorial Services	2,281,620.37
Sales Taxes	1,112,737.24
Bond Fees	904,952.51
Legal	797,630.32
Software	770,260.72
Maintenance Inventory	618,671.69
Parking Taxes	473,674.25
Environmental Remediation	390,712.71
Public Expense	159,088.93
Other Categories Total :	1,654,970.41
Net Payroll	11,981,617.49
Total Payments :	**$73,353,058.07**

Appropriate and effective internal controls are in place to ensure that the above obligations were processed in accordance with Port of Seattle procurement/payment policies and delegation of authority.

Lisa Lam

Lisa Lam/Port Auditor

At a meeting of the Port Commission held on August 10, 2021 it is hereby moved that, pursuant to RCW 42.24.180, the Port Commission approves the Port Auditor's payment of the above salaries and claims of the Port:

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Port Commission

RETURN TO AGENDA

COMMISSION
AGENDA MEMORANDUM

ACTION ITEM

Item No. 8c

Date of Meeting August 10, 2021

DATE: July 30, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Matt Breed, Chief Information Officer, Information & Communication Technology
Jim Dawson, Dir. Infrastructure Services, Information & Communication Technology

SUBJECT: Port Headquarters WIFI Replacement (CIP #C801063)

Amount of this request:	$820,000
Total estimated project cost:	$2,500,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) proceed with the Wireless Network (WIFI) Replacement project; (2) prepare design and construction bid documents for the replacement of WIFI technology and supporting equipment at the Port of Seattle Headquarters (P69); and (3) procure required hardware, vendor services, licensing, and maintenance services in support of WIFI and network services at P69. The amount of this request is $820,000. The total estimated project cost is $2,500,000.

EXECUTIVE SUMMARY

This project will replace the current P69 wireless network to ensure continuity of WIFI service, deploy technology that adheres to Port security protocols, and provide full coverage of work and public spaces. The Port WIFI is used extensively throughout P69 by employees, customers, and visitors to access internal Port systems or external internet. The network, deployed over a decade ago, is at end-of-life, no longer receives security updates, and doesn't provide the coverage or bandwidth needed to meet modern connectivity requirements.

This authorization includes the design of electrical and communication infrastructure to support new wireless access points and the procurement of equipment to minimize schedule risks from long-lead time items that will be installed by the construction contractor as well as Port labor respectively. Authorization for construction will be sought in a subsequent request.

The capital project is included in the 2021-2025 capital budget and plan of finance for $2,500,000. Recurring costs estimated at $11,600 per year will be budgeted in the ICT operating budget beginning in 2022.

JUSTIFICATION

Replacing end-of-life hardware supports the Century Agenda goal of being a highly effective public agency by proactively maintaining technology critical for Port operations.

(1) The current wireless infrastructure is old, at risk of failure, and most components no longer receive security updates.

(2) Requirements for wireless access have changed over the last decade and the current wireless infrastructure is not able to accommodate the number and types of devices used by employees and visitors, as well as the bandwidth required for more sophisticated applications.

(3) As our workforce becomes more mobile, expectations for connectivity throughout P69 increase. The upgraded WIFI will include better coverage in areas without adequate connectivity.

Diversity in Contracting

Design work is being performed in-house. Project staff will work with the Diversity in Contracting Department to identify WMBE opportunities.

DETAILS

This project will replace the current WIFI at P69 with better coverage and bandwidth to meet requirements for modern and emerging technology, install equipment that adheres to the Port's security protocols, and minimize the risk of failure due to age. Following is the scope of work for this authorization.

Scope of Work

(1) Utilize existing IDIQ for a site survey to determine best wireless access point locations to provide full coverage at P69.
(2) Utilize in-house communication infrastructure Design Engineer to develop designs for installation of WIFI equipment and electrical and communication infrastructure.
(3) Procure WIFI equipment as needed to meet schedule expectations.
(4) Installation of communication room equipment by Port labor.

There are other Port sites with aging or insufficient wireless connectivity that may require attention during this project. They will be addressed separately with operating funds or small capital projects. More comprehensive needs at other sites will be evaluated for future projects.

Schedule

Design Start	2021 Quarter 4
Commission Construction Authorization	2022 Quarter 2
Construction start	2022 Quarter 4
In-use date	2023 Quarter 3

Cost Breakdown	This Request	Total Project
Equipment & Vendor Services	$585,000	$585,000
ICT and Information Security Labor	$115,000	$395,000
Design/Construction	$120,000	$1,520,000
Total	$820,000	$2,500,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Delay Replacing the WIFI Infrastructure at P69

Cost Implications: $0

Pros:
(1) Capital funds are available for other projects.

Cons:
(1) The existing WIFI is at risk of failure. This alternative will delay upgrades that may be more costly to the business if service is disrupted.
(2) The existing WIFI is unable to have the latest security remediations installed resulting in a security risk that is currently manually managed by Information Security personnel.
(3) The current WIFI infrastructure does not fully support an increasingly mobile workforce.

This is not the recommended alternative.

Alternative 2 – Replace the WIFI Infrastructure at Port Headquarters

Cost Implications: $2,500,000

Pros:
(1) The wireless technology will adhere to the latest security protocols and the burden on Information Security to manually monitor the WIFI will be reduced.
(2) WIFI will be available throughout the facility for employees and public and will not fail due to aged hardware.
(3) Mobile business applications and devices will not experience degraded, interrupted, or slow functionality.
(4) New cabling infrastructure will support modern WIFI equipment and future initiatives precluded by current cable.

Cons:
(1) Capital funds are not available for other projects.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary	Capital	Expense	Total
COST ESTIMATE			
Original estimate	$2,500,000	$0	$2,500,000
AUTHORIZATION			
Previous authorizations	$40,000	0	$40,000
Current request for authorization	$820,000	0	$820,000
Total authorizations, including this request	$860,000	0	$860,000
Remaining amount to be authorized	$1,640,000	0	$2,500,000

Annual Budget Status and Source of Funds

This project was included in the 2021 plan of finance under committed CIP #C801063 in the amount of $2,500,000. The project will be funded 81.3% with the Airport Development Fund and 18.7% General Fund.

Financial Analysis and Summary

Project cost for analysis	$2,065,000 (Airport's cost)
Business Unit (BU)	AV division wide with 62.3% included in airlines rate
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	NA
CPE Impact	Less than $.01 in 2024

Future Revenues and Expenses

Annual recurring license and maintenance fees, estimated at $11,600 per year, will be budgeted in the ICT annual operating budget beginning in 2022.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

RETURN TO AGENDA

COMMISSION
AGENDA MEMORANDUM

ACTION ITEM

Item No. 8d

Date of Meeting August 10, 2021

DATE: July 7, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Eileen Francisco, Acting Director, Aviation Facilities and Capital Programs
Wayne Grotheer, Director, Aviation Project Management

SUBJECT: **Airfield Utility Improvements (AUI) Design (CIP #C801177)**

Amount of this request:	$6,300,000
Total estimated project cost:	$46,200,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) complete design and prepare construction documents for the Airfield Utilities Infrastructure (AUI) project (CIP C801177) at Seattle-Tacoma International Airport (SEA) and (2) enter into reimbursable agreements with the Federal Aviation Administration. This design authorization is for an amount of $6,300,000 out of a total estimated project cost of $46,200,000.

EXECUTIVE SUMMARY

The Facilities and Infrastructure (F&I) group at SEA have identified a variety of capital improvements required to replace and amend aging, failing, and over-capacity utility systems serving the existing terminal and apron areas. These utilities are located on the airside of the terminal and include sanitary sewer, domestic water, power, communications, and the industrial wastewater system (IWS). This AUI project will minimize operational impacts, achieve soft cost efficiencies, and enhance airfield construction safety management by sequencing the work to align with two existing programs: The Airfield Pavement and Supporting Infrastructure Replacement Program and the South Satellite Renovation Program. Construction of the utility improvements will begin in 2023 and conclude in 2025.

JUSTIFICATION

The Airfield Sanitary Sewer trunk-line serving the terminal and the South Satellite (SSAT) is in poor condition. F&I has identified deteriorating joints, sagging pipe and structural damage as part of their Closed-Circuit Television (CCTV) pipe condition assessment program. Now over 60 years old, this sewer trunkline is also exceeding current conveyance capacity and cannot take additional sewer loads from the main terminal. The new sewer trunk-line will also support the C1 Building expansion and South Satellite renovation.

The existing cast iron water main that runs underneath Concourse B was built in the 1960's and has exceeded its 50-year life span resulting in a high risk of failure. This water main is serving both domestic and fire for Concourse B and the SSAT. Concurrent to replacement of the sanitary sewer trunk line described above, the AUI project will install a new ductile iron water main outside of the footprint of Concourse B allowing for access for maintenance or repairs.

A recent CCTV condition assessment of the IWS pipe revealed that portions of the system in the vicinity of the sewer and waterline work are also in poor condition and need to be relined or replaced to prevent failures and impacts to operations, as well as prevent infiltration of contaminated runoff.

There is a need for a power and communication ductbank that will run from the SSAT power station to the NSAT power station to create redundancy to the airport's terminals. These ductbanks are part of the Utility Master Plan. Where the AUI project is removing pavement and impacting operations to install the sewer and waterlines, it will use the opportunity to install significant portions of this ductbank system.

This project contributes to the Port's Century Agenda goal to meet the region's air transportation needs at Sea-Tac Airport for the next 25 years. It supports current and future Airport capacity by improving the efficiency of utility systems and extends their useful life.

Diversity in Contracting

Project staff is working with the Diversity in Contracting Department to include inclusion plans and the establishment of women and minority business enterprise (WMBE) aspirational goals for this project.

DETAILS

The project involves installing new ductile iron sewer pipe to replace under capacity, failing and aging sewer pipe; installing new ductile iron water pipe to replace aging cast iron water pipe that is currently located within the footprint of Concourse B; renewing aging and damaged IWS pipe through a combination of trenchless pipe relining and replacement with new pipe where pipe damage prohibits use of lining techniques; finally, installing new concrete-encased power and communication ductbanks running roughly parallel with the SS trunkline from the SSAT to roughly 100 feet past the north end of Concourse C. The excavation and replacement of existing pavements that are associated with the utility scope described in this section are part of the project scope.

Scope of Work

The AUI Project elements described above will be aligned with the Airfield Pavement and Supporting Infrastructure Program to capitalize on concurrent operational impacts and similar airfield work.

(1) Replacement of the sanitary sewer trunk line serving the main terminal
(2) Rerouting of the Concourse B water main around Concourse B
(3) IWS repairs and replacements
(4) Power ductbank from SSAT to north of Concourse C
(5) Communications ductbank from SSAT to north of Concourse C

Schedule

This work will be phased over three years with the 2021-2025 Airfield Pavement and Infrastructure Replacement program for years 2023-2025 to minimize operational impacts, lower soft costs, and promote airfield safety risk mitigation.

Activity	
Design start	2021 Quarter 3
Commission construction authorization Phase 1	2022 Quarter 4
Construction start	2023 Quarter 1
Commission construction authorization Phase 2	2023 Quarter 4
Construction start	2024 Quarter 1
Commission construction authorization Phase 3	2024 Quarter 4
Construction start	2025 Quarter 1
In-use date	2025 Quarter 4

Cost Breakdown	This Request	Total Project
Design	$6,300,000	$6,300,000
Construction	$0	$39,900,000
Total	$6,300,000	$46,200,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

When this project was originally scoped the Utility Master Plan was underway and since then has discovered additional utility deficiencies, this project is seeking to focus on those which align with the sewer trunk line installations.

Alternative 1 – Only replace the sanitary sewer trunk line.

Cost Implications: $23,200,000

Pros:
(1) Avoids the risk of a failed sewer system to Main Terminal and SSAT operations.

(2) Sewer capacity will meet current and future needs of the Main Terminal, C1 Building, and SSAT.
(3) Minimizes level of investment by focusing on highest risk infrastructure.

Cons:
(1) Does not address other utility repair and replacement needs.
(2) Will cause future operational impacts to repair, replace, or install other utilities in the same areas.
(3) If emergency repairs are needed for other failed utilities the costs will be much higher.
(4) Does not support the Utility Master Plan for water, IWS, power and communication needs.

This is not the recommended alternative.

Alternative 2 – Replace the sanitary sewer lines, the water line at Concourse B, and repair/replace adjacent IWS infrastructure.

Cost Implications: $32,800,000

Pros:
(1) Avoids the risk of both a failed sewer and water system to Main Terminal and SSAT operations.
(2) Sewer and water service will meet current and future needs of the Main Terminal, C1 Building, and SSAT.
(3) Adding IWS and waterline work reduces amount of pavement replacement and operational impacts for future work on these utilities.

Cons:
(1) Does not complete the work to install the power and communications ductbanks while pavement and operational impacts are occurring.
(2) Will not support the Utility Master Plan; postpones redundancy for power and communications from the main terminal to the South and North Satellites.

This is not the recommended alternative.

Alternative 3 – Replace the sanitary sewer trunk line, the water main at Concourse B, repair/replace adjacent IWS infrastructure. Install parallel power and communication ductbanks.

Cost Implications: $46,200,000

Pros:
(1) Avoids the risk of both a failed sewer and water system to Main Terminal operations.
(2) Sewer and water service will meet current and future needs of the terminal.
(3) Adding IWS, waterline, power and communications work reduces amount of pavement replacement and operational impacts for future work on these utilities.
(4) The power and communications ductbank will provide parallel pathway for redundant feeds from the Main Terminal to the South and North Satellites.

Cons:

(1) Requires additional cost for utility and pavement restoration up front.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary

	Capital	Expense	Total
COST ESTIMATE			
Original estimate	$34,592,000	$0	$34,592,000
Current change	11,608,000	0	11,608,000
Revised estimate	46,200,000	0	46,200,000
AUTHORIZATION			
Previous authorizations	295,200	0	295,200
Current request for authorization	6,300,000	0	6,300,000
Total authorizations, including this request	6,595,200	0	6,595,200
Remaining amount to be authorized	$39,604,800	$0	$39,604,800

Annual Budget Status and Source of Funds

This project, Airfield Utility Improvements (AUI) Design (CIP #C801177), was included in the 2021-2025 capital budget and plan of finance with a budget of $34,592,000. A budget increase of $11,608,000 will be transferred from the Aeronautical Reserve C800753 resulting in zero net change to the Aviation capital budget. The funding sources would be Airport Development Fund (ADF) and revenue bonds.

Financial Analysis and Summary

Project cost for analysis	$46,200,000
Business Unit (BU)	Terminal Building 97% and IWS 3%
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base
IRR/NPV (if relevant)	N/A
CPE Impact	$.13 in 2026

Future Revenues and Expenses (Total cost of ownership)

This project will not have an impact on annual Aviation Maintenance operating and maintenance (O&M) costs for mechanical or electrical systems and may lead to a reduction in the amount of time currently spent by the field crew on pipe inspections due to the current condition of the water and sewer systems. After implementing the project, the improved portions of the water and sewer systems will have a renewed 50-year asset life and a greatly reduced risk of failures, emergency repair and maintenance work, and impacts to operations.

ATTACHMENTS TO THIS REQUEST

(1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

Item No. 8d supp
Meeting Date: August 10, 2021

Airfield Utility Improvements (AUI)x

Michelle Carioto – AVPMG

C801177

August 10, 2021

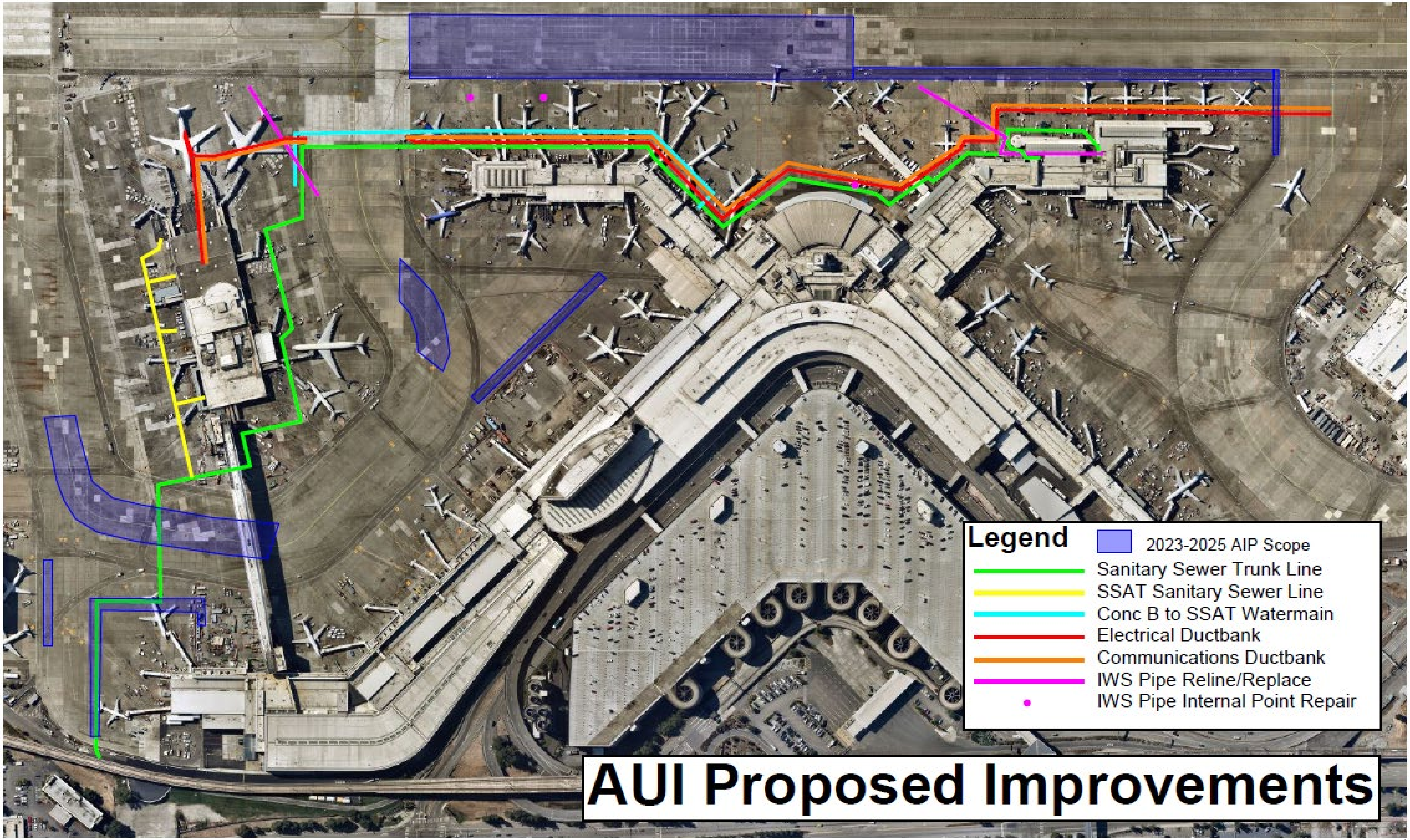
Port of Seattle

Action Requested

Request Commission authorization for the Executive Director to (1) complete design and prepare construction documents for the Airfield Utilities Infrastructure (AUI) project (CIP C801177) at Seattle-Tacoma International Airport (SEA) and (2) enter into reimbursable agreements with the Federal Aviation Administration. This design authorization is for an amount of $6,300,000 out of a total estimated project cost of $46,200,000.

Project Purpose

- *This Airfield project replaces the 50+ years old, failing and undersized Sanitary Sewer, Watermain, and Industrial Waste System (IWS) infrastructure that allow the Main Terminal and South Satellite to operate. It also adds Power and Communications pathways to increase resiliency of the Satellites.*
- *The work will be phased with planned operation outages of the existing Airfield Pavement Program for years 2023 to 2025.*
- *The work also supports and is critical path for the C1 Building Expansion and South Satellite Renovation Projects.*


Legend
2023-2025 AIP Scope
Sanitary Sewer Trunk Line
SSAT Sanitary Sewer Line
Conc B to SSAT Watermain
Electrical Ductbank
Communications Ductbank
IWS Pipe Reline/Replace
IWS Pipe Internal Point Repair
AUI Proposed Improvements

Project Elements

- *Sewer*: Replace 60-years old, deteriorating, undersized, Sanitary Sewer trunkline serving Main Terminal and South Satellite. Also supports both the C1 Building Expansion and the SSAT Renovation Projects.
- *Water*: 50-years old watermain serving Concourse B has portions located under terminal and high risk of failure - will cause significant outage to Concourse B operations. This project will reroute a new watermain concurrent to above sewer.
- *Industrial Waste System (IWS):* Deteriorating IWS pipe will be replaced or repaired where the locations overlap with above sewer and water work.
- *Power & Communications Ductbank*: Add power and communications conduits along same alignment of water and sewer installations to allow for future Utility Master Plan resiliency pathways between South and North Satellites.

Schedule

- Commission Authorization for Design: Q3 2021
- Design Start: Q3 2021
- Commission Authorization for Construction:
- ➢ Phase 1 Q4 2022; Phase 2 Q4 2023; Phase 3 Q4 2024
- Issue Notice to Proceed:
- ➢ Phase 1 Q1 2023; Phase 2 Q1 2024; Phase 3 Q1 2025
- Construction Complete: Q4 2023; Q4 2024; Q4 2025

Budget

Budget	Project Budget
Design	$6,300,000
Construction	$39,900,000
Total	$46,200,000

Authorizations	Project Budget
Previous authorization	$295,200
This request	$6,300,000
Total authorized amount (including this request)	$6,595,200
Remaining to be authorized	$39,604,800

Project Risks

RISKS	DESCRIPTION	PROBABILITY	IMPACT	MITIGATION
MII vote	A “No-Vote” will delay this project and could impact C1 Building Expansion project.	Low	High	Communicate the schedule linkage between AUI and C1 Building Expansion project. Continuous coordination with project and stakeholders.
Multiple concurrent projects	Gate closures, operational impacts and safety risks increased by competing projects in the same area.	High	Med	Combining with the Airfield Pavement & Infrastructure Replacement Program would decrease the number of contractors.
Weather delays	Seasonality of allowable construction window does not allow much float time for weather delays.	Med	Med	Schedule construction to start in March and continue while the weather holds out. Contingency dollars will be used for targeted acceleration when weather is favorable.
Utility conflicts	Unforeseen utility crossings could delay the schedule.	Low	High	Conduct robust survey investigations during design. Require contractor to utilize nondestructive construction methods.

AUI Project Opportunities

- Opportunity to move Utility Master Plan forward where it aligns with existing programs
- Opportunity to integrate/support other program scopes and schedules:
  - Airfield Pavement and Supporting Infrastructure Replacement Program
  - South Satellite Renovation
  - C1 Building
- Opportunity to reduce operational impacts and safety risks by bundling

Questions?

RETURN TO AGENDA

Port of Seattle

COMMISSION
AGENDA MEMORANDUM

ACTION ITEM

Item No. 8e

Date of Meeting August 10, 2021

DATE: August 3, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Eileen Francisco, Acting Director, Aviation Facilities and Capital Programs
Wayne Grotheer, Director, Aviation Project Management

SUBJECT: Building Controls Upgrade (CIP# C800944) - Construction

Amount of this request:	$6,901,000
Total estimated project cost:	$9,901,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) advertise, award, and execute a major works construction contract for the Building Controls Upgrade Project at Seattle-Tacoma International Airport, and (2) use Port of Seattle crews for construction activities. The amount of this request is $6,901,000 of an estimated total project cost of $9,901,000.

EXECUTIVE SUMMARY

The building control system regulates and controls critical airport terminal building environmental features such as temperature, humidity, and air exchanges. In addition, the building control system performs smoke control functions and provides utility metering for water and natural gas use. This project will replace 107 obsolete building control panels that are installed throughout the Seattle-Tacoma International Airport (Airport). The project will also replace the copper data infrastructure with a fiber network expansion to handle the updated panels and system measurements.

JUSTIFICATION

The panels that will be replaced as part of this project are integral components in the Direct Digital Control (DDC) system throughout the airport. The DDC system was installed circa 1990s and is responsible for monitoring and controlling mechanical equipment at the airport. The equipment includes the Heating, Ventilation, and Air Conditioning (HVAC), chilled water, hot water, and preconditioned air systems and metering of water and natural gas distribution.

The existing control panels have reached obsolescence; the components are experiencing intermittent failures and replacement parts are difficult to obtain as they are no longer manufactured. Any operational loss of the control panels has a direct effect on the operation of the airport and a negative impact to customer experience. Since the installation of the DDC system, there have been significant improvements in control panel technologies that increase the reliability, reduce the size of equipment, and improve the processing capacity. This project will take advantage of the latest technology and give the Port the opportunity to rebalance the panels to provide space for planned future projects. The control panels will be purchased under the sole-source agreement with Siemens 2015-013.

The DDC system is connected and controlled on an independent backbone that keeps it isolated from any outside connections. The copper cable sections of the network have reached its performance limitations. During heavy demand periods, the system has increased latency, resulting in slow adjustment to the system needs. At times, if the data transfer requirement exceeds the network capacity, data can be lost, resulting in disruptions of service. This existing copper communications backbone cabling will be upgraded to fiber optic cable allowing for higher data throughput, increased reliability, and future expansion.

Diversity in Contracting

The project staff, in coordination with the Diversity in Contracting department, have set a ten (10) percent woman- and minority-owned business enterprise (WMBE) aspirational goal for this construction contract.

DETAILS

This project will replace 107 obsolete control panels that are distributed throughout the Airport. The existing equipment and field control points will remain in place and be migrated to the new panel hardware. As panels are being updated, the whole panel load and spacing will be reviewed, and configured where possible to add capacity for future expansions.

A fiber backbone on Concourses B, C and D will be installed in parallel with the existing copper backbone. Planned shutdowns will transition the network off the copper and onto the new fiber backbone. The obsolete copper backbone will be removed. This fiber network expansion will connect the existing fiber on Concourse A and Main Terminal with Concourses B, C, and D. Both the North and South satellites already have fiber runs in place that connect to the DDC system.

Scope of Work

The scope of work for this project includes:

(1) Replacing 107 obsolete control panels.
(2) Connecting new control panels to the DDC System.
(3) Updating the DDC graphics to match the new panels and data points.
(4) Provide wiring, testing, commissioning, and associated equipment for a fully functional system.
(5) Install a fiber backbone expansion to connect the new and previously upgraded control panels to the DDC network.

(6) Provide fiber optic wiring, terminations, testing, commissioning, and associated equipment for a fully functional system.

Schedule

Activity	
Construction start	2022 Quarter 1
In-use date	2023 Quarter 1

Cost Breakdown	This Request	Total Project
Design	$0	$3,000,000
Construction	$6,901,000	$6,901,000
Total	$6,901,000	$9,901,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

This project is installing the required upgrades and improving the backbone for the system to be ready for future expansions such as increased capacity, smoke control, and greater data collection.

Alternative 1 – Do not proceed with this project

Cost Implications: Approximately $525,000 would need to be expensed

Pros:
(1) No capital investment required at this time.

Cons:
(1) Panel failure will have a negative effect on the passenger and tenant experience at the airport.
(2) Future projects will be limited on expansion capabilities until the panels and fiber network are replaced.
(3) Future projects will be required to replace panels, adding time, complexity, and cost to the scope.
(4) Replacing panels on a project-by-project basis will increase the unit cost of the panel replacement.
(5) The fiber network will not be extended into Concourses B, C, and D.
(6) The issue of intermittent data loss will not be addressed.

This is not the recommended alternative.

Alternative 2 – Replace obsolete control panels and install fiber backbone (as designed)

Cost Implications: $9,901,000

Pros:
(1) Replaces obsolete equipment and failing control panels.

(2) Extends the fiber network into Concourses B, C, and D.
(3) Provides infrastructure for future projects with greater data requirements and future panels.
(4) Mitigates existing data capacity issues on the copper backbone.

Cons:
(1) This is the highest capital investment

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary	Capital	Expense	Total
COST ESTIMATE			
Original estimate	$4,976,000	$128,000	$5,104,000
Previous changes – net	$4,903,000	($7,000)	$4,896,000
Art (Transfer to art CIP)	($99,000)		($99,000)
Revised estimate	$9,780,000	$121,000	$9,901,000
AUTHORIZATION			
Previous authorizations	$2,879,000	$121,000	$3,000,000
Current request for authorization	$6,901,000	0	$6,901,000
Total authorizations, including this request	$9,780,000	$121,000	$9,901,000
Remaining amount to be authorized	$0	$0	$0

Annual Budget Status and Source of Funds

This project, CIP C800944, was included in the 2021-2025 capital budget and plan of finance with a budget of $9,879,000. The funding source will be the Airport Development Fund and revenue bonds.

The original project request submitted in 2016 only included 49 panels that had reached obsolescence. From that initial request an additional 50 panels have been identified as needing replacement. Additionally, the current copper backbone has now reached its data limitations. The project cost increase is due to the delay in executing the original 2016 project, the increase of 50 additional obsolete panels, and the need for increased data on the backbone.

Financial Analysis and Summary

Project cost for analysis	$10,000,000
Business Unit (BU)	Terminal Building
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.

IRR/NPV (if relevant)	N/A
CPE Impact	$.03 in 2024

ATTACHMENTS TO THIS REQUEST

(1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

May 15, 2020 – The Commission authorized execution of a project specific design contract
December 10, 2019 – The Commission authorized design

Item No. 8e_supp
Meeting Date: August 10, 2021

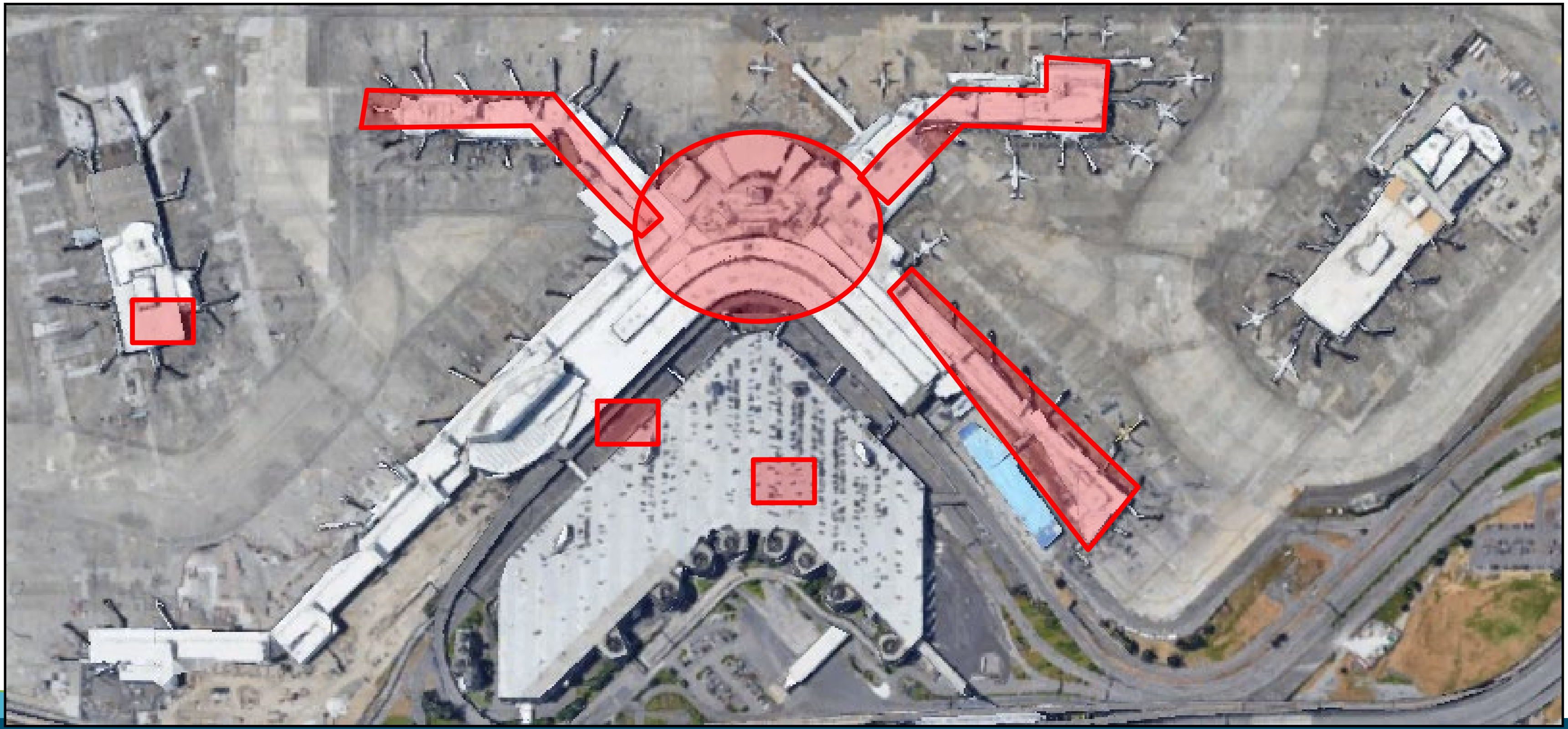
Building Controls Upgrade - Construction

Tyler Salisbury – AV-PMG

August 10, 2021

Project Scope and Location

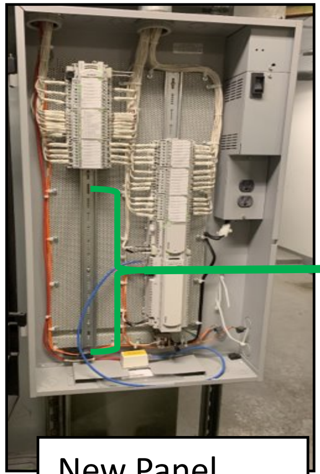
- Replace 107 obsolete control panels dispersed through the Airport.
- Expand the dedicated fiber backbone and replace obsolete copper backbone.



Building Controls Background

- HVAC Systems
- Safety interlocks in tenant/restaurant kitchens
- Metering of usage for domestic water, natural gas, and other utilities
- Automation and controls


Obsolete Panel


New Panel

Space for Future expansions

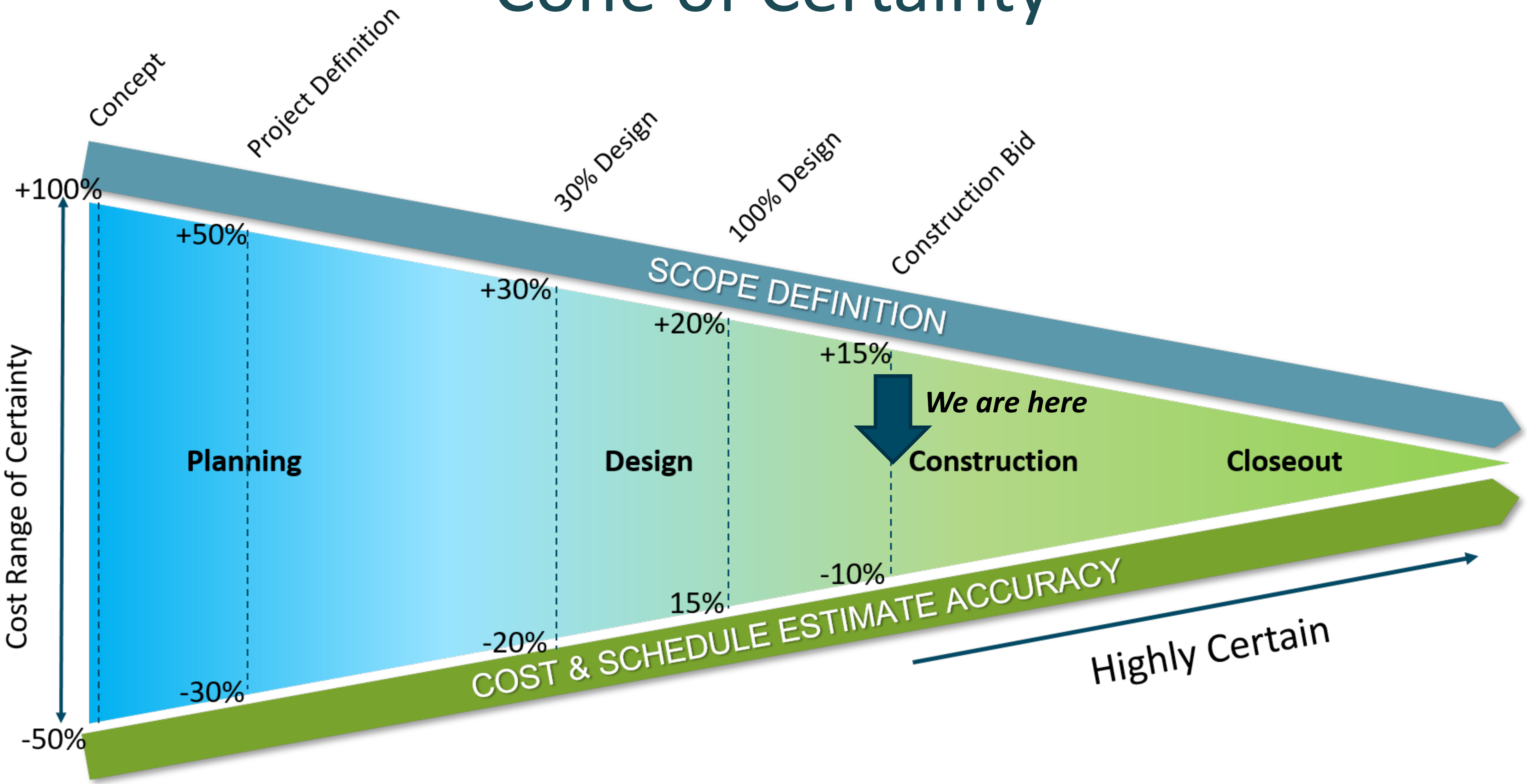
Authorizations

Authorizations	Project Authorization
Previous authorization	$3,000,000
This request	$6,901,000
Total authorized amount (Including this request)	$9,901,000
Remaining to be authorized	$0

Schedule

• Design complete	2^{nd} Quarter 2021
• Construction Authorization	3^{rd} Quarter 2021
• Construction start	1^{st} Quarter 2022
• Substantial completion	1^{st} Quarter 2023

Cone of Certainty



Risks and Operational Impacts

RISK	DESCRIPTION	PROBLEM	IMPACT	MITIGATION PLAN
RMM	Additional time needed to address any spot abatement required for the fiber routing.	Low	Low	Scheduling review with the selected contractor to allow for phasing and spot abatement work.
Commissioning cut overs	Systems need to be taken offline in order to migrate the data points. This occurs one panel at a time limiting impact, for a short 4-to-6-hour period.	Low	Low	Follow shutdown request process and communicate in advance. This is a process that the Port is very experienced with.
Contractor Access	There are a lot of rooms that need to be accessed for the panel and fiber work across many areas of the airport.	Low	Medium	Working with CM and Design teams in advance to develop a plan and access needs. The contractor will also be included once selected.

Questions

RETURN TO AGENDA

Port of Seattle

COMMISSION
AGENDA MEMORANDUM **Item No.** 8f

ACTION ITEM **Date of Meeting** August 10, 2021

DATE: July 21, 2021

TO: Steve Metruck, Chief Executive Officer

FROM: Erik Knowles, Senior Manager, Aviation Maintenance

Stuart Mathews, Director, Aviation Maintenance

SUBJECT: Siemens DDC Service Contract

Amount of this request: $4,800,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a service agreement for Maintenance Services for the Airport's (SEA's) Direct Digital Control System for up to five years, 2022-2026. Total dollar value for the 5-year term is estimated at $4,800,000.

EXECUTIVE SUMMARY

This procurement will allow the Port staff to continue to operate and maintain the SEA Direct Digital Control (DDC) System. This system controls and operates most airport terminal mechanical systems such as heating and cooling, air flow and vibration set-points, and is considered critical to monitoring the airport infrastructure. With the expansion of the airport due to IAF and North Star, the system has grown from 108,000 control points to 157,000 control points, an increase of roughly 40%.

The Siemens DDC system is a proprietary system with proprietary software updates, tools and training provided only to Siemens technicians. As such, a CPO-5 Policy Waiver was approved to allow the Port to enter into a contract with Siemens without competing the service contract. Through the Central Procurement Office, contract negotiations will take place with Siemens to develop the contract scope and pricing.

The Siemens Direct Digital Controls (DDC) system was originally procured through a competitive process dating back to the 1980's. At that time, Siemens was the low bidder on the original Concourse A expansion. Siemens was also the low bidder on the 1991 Concourse B, C, and D Upgrade project. Both of these projects were "open" bids with no competition waiver requirements.

In 2008, Siemens was the low bidder on the Rental Car Facility Project, designed as a stand-alone DDC system that was "open" bid with no competition waiver requirements.

In 2010, Siemens was the successful low bidder for the PC Air system that was "open" bid with no competition waiver requirements. Between and after these major projects, the DDC system has been expanded in a "Sole Source" capacity.

During the current contract period, the number of points being monitored has grown 46% and the number of field panels has grown 39%, while costs have remained constant. This contract's service levels were reduced in 2021 due to COVID-19.

For reference, a point is defined as any item in the system that can be monitored or controlled by the system. Examples of points include thermostat temperatures in a localized space or a damper position on a terminal box in an office ceiling. Field panels contain the control units that operate the control devices in the field and communicate with the main control system. As such, these points and field panels must be properly maintained to ensure the efficient operation of the system. As the system has grown in size, complexity, and criticality, so has the staff's need for support due to the growth in volume of our passengers.

This execution of a new 5-year contract will incorporate an option to cancel the contract at the completion of any year of the contract with 60 days written notice.

JUSTIFICATION

The objective of this request is to allow the Aviation Maintenance Department to continue to maintain the Siemens DDC System in an effective manner, ensuring the Airport continues to operate effectively.

DETAILS

- The system monitors multiple functions throughout the airport via a variety of existing infrastructure and components such as fans, pumps, temperature sensors throughout the terminal and air flow monitors.
- Examples of important systems monitored, controlled and maintained utilizing the DDC system include the Central Mechanical Plant (which provides nearly all heating and cooling for the facility), the Pre-Conditioned Air Plant (providing heating and cooling to aircraft), smoke control systems (part of our fire suppression system), and the domestic and fire suppression water system for the Airport.
- The recommended option places us at a price point comparable with other Siemens supported airports on a cost-per-monitoring-point basis.
- The current 5-year Service Agreement ends December 31, 2021.
- Two new major installations with included DDC systems, which increase the size of the system by approximately 40%, have come on-line since the last negotiated

contract; IAF and North Star.

Scope of Work

There are multiple elements that collectively make up the scope of work of this service agreement. Those elements are summarized in the bullet points below:

- This agreement will provide services to optimize the system control software, which ensures the Heating, Ventilation and Cooling (HVAC) Control System is operating properly. The service will minimize any software problems that would negatively impact system performance. This service will also ensure reliable and optimized communication throughout the Port’s HVAC Control System's Building Level Network (BLN) of field panels.

- Automation controls can drift out of calibration with changes in mechanical component performance characteristics, building use, and climatic conditions. This service will extend equipment life, reduce energy consumption, and reduce the risk of costly and disruptive breakdowns through appropriate system component calibration.

- This service agreement will provide the Port with new features and enhancements that will improve building operations and take advantage of the latest software versionupdates, while extending the life of the system investment. This service will provide the Port with software and documentation updates to the existing system as they become available (approximately annually) throughout the life of the contract.
- The Port will receive protection for the HVAC Control System’s databases of business information from unforeseen catastrophic events (lightning strike, electrical power surge, hard drive or controller failure, flood, physical damage, etc.). This service will provide quarterly database back-ups.
- As part of this service, the contractor will provide unlimited system and software troubleshooting and diagnostics via remote and direct phone support. The contractor will also provide on-site service during normal business hours.
- This service will provide on-site training to in-house personnel to better respond to system issues to decrease downtime on operations.

Schedule

New service contract is scheduled to be executed in Q3, once approved by commission. The current agreement ends December 31, 2021.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Three different variations of the new service contract are proposed below.

Alternative 1) 1-year Contract at current service levels

Cost Implications: Estimated $650,000 for 1 year.

Pros:

(1) Lowest cost option, providing only bare-bones service levels.
(2) Allows the Port additional time to negotiate a longer-term contract.
(3) Only commits the Port to a short term.

Cons:

(1) Does not account for the 40% system growth coming online like the IAF and North Star.
(2) This alternative continues the 20% reduction in service that was negotiated during the COVID-19 pandemic due to 2020 budget constraints.

This is not the recommended alternative.

Alternative 2) Procure a 3-year Contract

Cost Implications: Estimated $2,760,000 for 3 years.

Pros:

(1) Returns service levels to those prior to the Pandemic, including 40% growth by IAF and North Star.
(2) Reduces risk of system failure due to correct and adequate service levels.
(3) Aligns the service contract value (per COMP data) to those utilized by other airports, e.g. Dulles, LAX, and San Diego.

Cons:

(1) Annual cost returns to pre-COVID level, plus escalation, plus WSST.
(2) Commits the Port to a 3-year Contract while the Port still has 5-years left on the CPO-5 Waiver.
(3) Requires negotiating a new contract sooner than the 5-year option.

This is not the recommended alternative.

Alternative 3) Procure a 5-year Contract

Cost Implications: Estimated $4,800,000 for 5 years.

Pros:

(1) Returns service levels to those prior to the Pandemic, including 40% growth by IAF and North Star.
(2) This option aligns the length of the service contract with the CPO-5 Policy Waiver.
(3) This option guarantees a high level of proficiency and consistency over the term in operating the system and training for our own staff.
(4) Reduces Staff time in negotiating a new contract earlier than necessary.

Cons:

(1) This is the highest projected cost option due to the overall length of the term. Escalation is 3% consistent with all options.

(2) Commits the Port to a 5-year contract, however clauses in the contract would allow the Port to terminate the contract after years 3 and 4.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The costs of this service agreement are included in the annual Aviation Maintenance expense budget.

Annual Budget Status and Source of Funds

Contract payments are included as a specific line item in the Aviation Maintenance expense budget, account 64770.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

In 2011 and in 2016 - The Commission authorized five-year service agreements with Siemens for DDC system maintenance.

RETURN TO AGENDA

Port of Seattle

COMMISSION
AGENDA MEMORANDUM
ACTION ITEM

Item No. 8g
Date of Meeting August 10, 2021

DATE: July 22, 2021

TO: Steve Metruck, Chief Executive Officer

FROM: Erik Knowles, Senior Manager, Aviation Maintenance

Stuart Mathews, Director, Aviation Maintenance

SUBJECT: Chiller Maintenance Service Contract

Amount of this request: $600,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to prepare, advertise, award, and execute appropriate contract documents to procure a Chiller Maintenance Service agreement for 14 chillers at Seattle-Tacoma International Airport. The agreement would be structured to execute a two-year contract with three one-year service options to be determined annually by the Port. Total contract cost over the requested five-year period is not to exceed $600,000.

EXECUTIVE SUMMARY

The Port of Seattle has 14 total Chillers, eight which reside in the Central Mechanical Plant (total capacity of 14,150 tons), four that reside in the Pre-Conditioned Air Plant (1200 tons), and two more in the Airport Office Building (60 tons each).

Chillers provide cold water for the HVAC systems, which in turn provide cool air for critical equipment, planes, passengers, tenants, and employees throughout SEA.

Chiller maintenance and repairs require the services of specially trained and licensed technicians . The maintenance work associated with this equipment is highly specialized and lies outside the skillset of our internal workforce. This work has historically been performed by a maintenance contractor specializing in chiller maintenance and repair, which is standard practice in the industry.

The current contracting of Chiller Maintenance was paired with a $300,000 Small Works Repair contract, work performed by the same provider. The Port would like to bifurcate the Maintenance from the Repairs in efforts to provide a better check and balance between the two contracts by potentially using two different service providers. This procurement is only for the Maintenance portion.

JUSTIFICATION

The objective of this Chiller Maintenance Service Agreement is to allow the Aviation Maintenance Department to contract to maintain the Airport's chiller systems in an effective and efficient manner, ensuring the Airport's HVAC system continues to operate as designed.

SCOPE OF WORK

The scope of work for this RFP is to provide preventive, predictive, corrective, and emergency maintenance and repairs on the 14 chillers presently installed and operational at SEA.

The contractor shall be responsible for the reliability of the system, to operate in a 24/7/365 environment. All work shall be performed in a manner so as not to disrupt daily operations.

All work to be performed according to published manufacturer specifications.

SCHEDULE

A new RFP will be issued once approved by the Commission in Q3 of 2021. The current agreement ends October 3, 2021. A new agreement is anticipated in Q3, 2021, prior to contract expiration.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Three different variations of the new service contract are proposed below.

Alternative 1 – Procure a one (1) year service contract.

Cost Implications: Estimated $165,000 for 2022 Expense Cost.

Pros:

- This is will allow us to continue to have chiller service support in 2022, while providing a 12-month timeframe to negotiate a subsequent service contract.
- A 5-year Heavy Preventive Maintenance work scope element would be reinstated and performed during this catch-up year.
- This option does not commit the Port to a long-term contract.

Cons:

- This alternative commits the Port to a 1-year expense of $165,000, the highest annual cost of the alternatives.
- This alternative does not allow for cost averaging over a longer term, causing a 1-year contract to be much higher in cost. Some PMs are on a 5-year cycle and we would want those performed in Year 1 of the contract.

- The contract will require a significant portion of the one-year duration getting a new contractor up-to-speed with the assets before performing meaningful maintenance on the assets.

This is not the recommended alternative.

Alternative 2 – Procure a service contract for a duration of three (3) years.

Cost Implications: Estimated $400,000 Expense Cost for a 3-year service contract duration.

Pros:

- This alternative allows us to balance maintenance work over a 36-month period.
- A 3-year contract allows some adjustment time for a contractor to become familiar with the assets and developing intimate knowledge of performance and any deficiencies.
- A 5-year Heavy Preventive Maintenance work scope element would be reinstated and performed during the first year of the contract.

Cons:

- This alternative commits the Port to an average annual expense of $133,000 per year for the next three years, roughly twice our current rate.
- This alternative allows for better cost averaging over 3 years but still a higher annual cost than a longer term. Some PMs are on a 5-year cycle and we would want those performed in Year 1 of the contract.

This is not the recommended alternative.

Alternative 3 – Procure a service contract for a duration of five (5) years.

Cost Implications: Estimated $600,000 Expense Cost for a 5-year service contract duration.

Pros:

- This alternative allows us to balance maintenance work over a 60-month period.
- A 5-year contract allows intimate knowledge of chiller performance and operations.
- A 5-year Heavy Preventive Maintenance work scope element would be reinstated and performed throughout the life of the contract.
- Average annual costs are reduced to $120,000 per year. The reason for the decrease is that scheduling of the 5-year Heavy Preventive Maintenance scope will be cost averaged over the term of the contract.

Cons:

This option commits the Port to a longer contract term.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The cost of this service agreement is included in the annual Aviation Maintenance expense budget. Anticipated costs of the maintenance contract are estimated at $600,000 over a five-year period.

Annual Budget Status and Source of Funds

Contract payments are included as a specific line item in the Aviation Maintenance expense budget, account 64770.

ADDITIONAL BACKGROUND

Until October 2011, the Port of Seattle contracted this work with Carrier Corporation under a competition waiver agreement. The competition waiver was in place as the chillers were covered under an extended warranty program. All warranties on the chillers have expired and, as such, Aviation Maintenance wishes to procure these maintenance and repair services through a competitive process.

Since 2011, the Port has bid and procured these services via MacDonald-Miller and Johnson Controls, the current contract holder. The current contract expires October 2021.

Each of the major manufacturer's equipment is somewhat proprietary, but not to an extent that would exclude other service providers from submitting a competitive proposal. All major service providers for chiller maintenance (Trane, Carrier, York, and others) have access to each other's components. The Airport possesses chiller equipment from all three manufacturers.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

In 2015 - The Commission authorized a two-year service agreement with MacDonald-Miller for Chiller maintenance.

In 2017 and 2019 – The Commission authorized two-year service agreements with Johnson Controls for Chiller maintenance

RETURN TO AGENDA

Port of Seattle

COMMISSION
AGENDA MEMORANDUM

ACTION ITEM

Item No. 8h

Date of Meeting August 10, 2021

DATE: July 16, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Kenneth R. Lyles, Director of Operations & Security
Delmas Whitaker, Senior Manager Fishing Vessel Services
Tin Nguyen, Senior Manager Projects & Compliance
Robert Hoyman, Project Manager III

SUBJECT: **Fisherman's Terminal Lighting Upgrades (CIP C800816, WP #105476)**

Amount of this request:	$65,000
Total estimated project cost:	$365,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to 1) proceed with completion of Fisherman's Terminal Lighting Upgrades and 2) use of Port crews to complete these installations. The amount of this request is $65,000 for a total project cost of $365,000.

EXECUTIVE SUMMARY

This project provides replacement of existing high-pressure sodium (HPS) lighting with energy efficient high-performance LED lighting. The improved quality of light will result in increased dock safety, reduction of greenhouse gas emissions, and reduced operating costs to Fisherman's Terminal.

JUSTIFICATION

Over the lifetime of existing HPS fixtures, illumination levels have degraded, and maintenance requirements have increased. This coupled with the inefficiency of HPS technology has presented the opportunity for the Port to invest in upgrades to the lighting at Fisherman's Terminal resulting in improved illumination and reduced operating costs. This project will result in an annual reduction of 362,500 kilowatt-hours and carbon emissions reductions of approximately 5.3 metric tons. The Port is expected to receive approximately $92,000 in energy reduction incentives from Seattle City Light as a result.

DETAILS

Fisherman's Terminal provides 250 - 280 slips to commercial and recreational vessels depending on the vessels being moored. In 2016 a Small Works Capital Project was proposed to replace the existing aged high-pressure sodium lighting with new LED lighting systems. The goal was to improve dock and work area safety while also reducing the Port's carbon footprint and operating expense at Fisherman's Terminal. In 2017 the project was postponed in lieu of other planning efforts taking place affecting the scope of this work.

In 2018 when the final scope was developed for this work there were other anticipated projects which would include replacement of specific light poles; the West Wall Redevelopment and C-12 Bank Building area (including the parking area of the C-15 Building). In consideration of the planning for the redevelopment of these two areas, lighting for those areas was not included in the Fisherman's Terminal Lighting Upgrades project.

In 2018 Marine Maintenance Electricians converted the architectural lighting located on docks 3-9 with LED conversion kits, compatible to the fixtures and preserving the nostalgic appearance of the fishing docks. In 2019 Marine Maintenance Electricians continued to replace the remaining pole lights with new LED fixtures. This work extended into early 2020 until the Port halted all work requiring close physical contact due to the COVID-19 pandemic. At the same time, budgetary effects of the pandemic were charged retroactively to the project through higher overhead allocations. This left the project with insufficient budget to complete the remaining eighteen light fixtures and three light poles.

REMAINING SCOPE OF WORK

With distancing restrictions being lifted which will allow maintenance electricians to work in close proximity to one another with personal protection, Marine Maintenance intends to resume this work to complete the original scope including installation of the both(18) remaining high mast light fixtures and (3) new poles.

SCHEDULE

Installation of the remaining fixtures will take place in Q4 of 2021 or immediately following Commission approval of additional funding. The light fixtures and (3) replacement poles have been purchased already and are stored on site. Procurement of miscellaneous materials associated with the pole replacements will take place immediately following approval and the work will take place Q4 of 2021. The project will be completed in 2021.

Activity

Commission design authorization	N/A
Design start	March, 2017
Commission construction authorization	August 10, 2021
Construction start	Q4 2021
In-use date	Q4 2021

Cost Breakdown

	This Request	Total Project
Design	$0	$0
Construction	$65,000	$365,000
Total	$365,000	$365,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Replace remaining fixtures as they fail.

Cost Implications: **$85,000 or more**

Pros:
(1) Reduced impact during a time of financial challenges.

Cons:
(1) Added costs in breaking up the lighting replacement.
(2) Potential for multiple equipment rental efforts for replacement of high mast fixtures and multiple crane services for pole replacements.
(3) Inconsistent lighting at the FT property.
(4) Prolonged storage of purchased fixtures and poles, potential impact to Operations at Fisherman's Terminal.
(5) Less greenhouse gas reduction and incentive funding from utility provider.
(6) Complete replacement may extend several years.

This is not the recommended alternative.

Alternative 2 – Postpone replacement of remaining fixtures and poles until the Port has recovered from COVID related impacts

Cost Implications: **$75,000**

Pros:
(1) Completion of the project during a time of financial challenge.

Cons:
(1) Additional costs over time to the Port due to cost escalation.
(2) Prolonged storage of fixtures and poles; potential impact to Operations.
(3) Inconsistent lighting at FT property.

This is not the recommended alternative.

Alternative 3 – Complete the remaining light fixture replacement and replace three poles.

Cost Implications: **$65,000**

Pros:
(1) Consistent lighting quality and added safety in all areas used by commercial fishers.
(2) Increased proficiencies in installation costs.
(3) Increased reduction of the Port's carbon footprint.

(4) Increased operating.

Cons:
(1) Cost implications to the Port during a time of financial stress.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary	Capital	Expense	Total
COST ESTIMATE			
Original estimate	$300,000	$0	$300,000
Previous changes – net	0	0	0
Current change	$65,000	0	$65,000
Revised estimate	$365,000	0	$365,000
AUTHORIZATION			
Previous authorizations	$300,000	0	$300,000
Current request for authorization	$65,000	0	$365,000
Total authorizations, including this request	$365,000	0	$365,000
Remaining amount to be authorized	$0	$0	$0

Annual Budget Status and Source of Funds

This project has been included as part of the Small Projects CIP in the 2021 Capital Plan and will be funded with the General Fund.

Financial Analysis and Summary

Project cost for analysis	$365,000
Business Unit (BU)	Ship Canal Fishing & Operations
Effect on business performance (NOI after depreciation)	This project is expected to increase annual depreciation by approximately $11K.
IRR/NPV (if relevant)	NA
CPE Impact	NA

ATTACHMENTS TO THIS REQUEST

(1) Presentation Slides

Item No.: 8h_Supp
Date: August 10, 2021

Fisherman's Terminal Lighting Upgrades

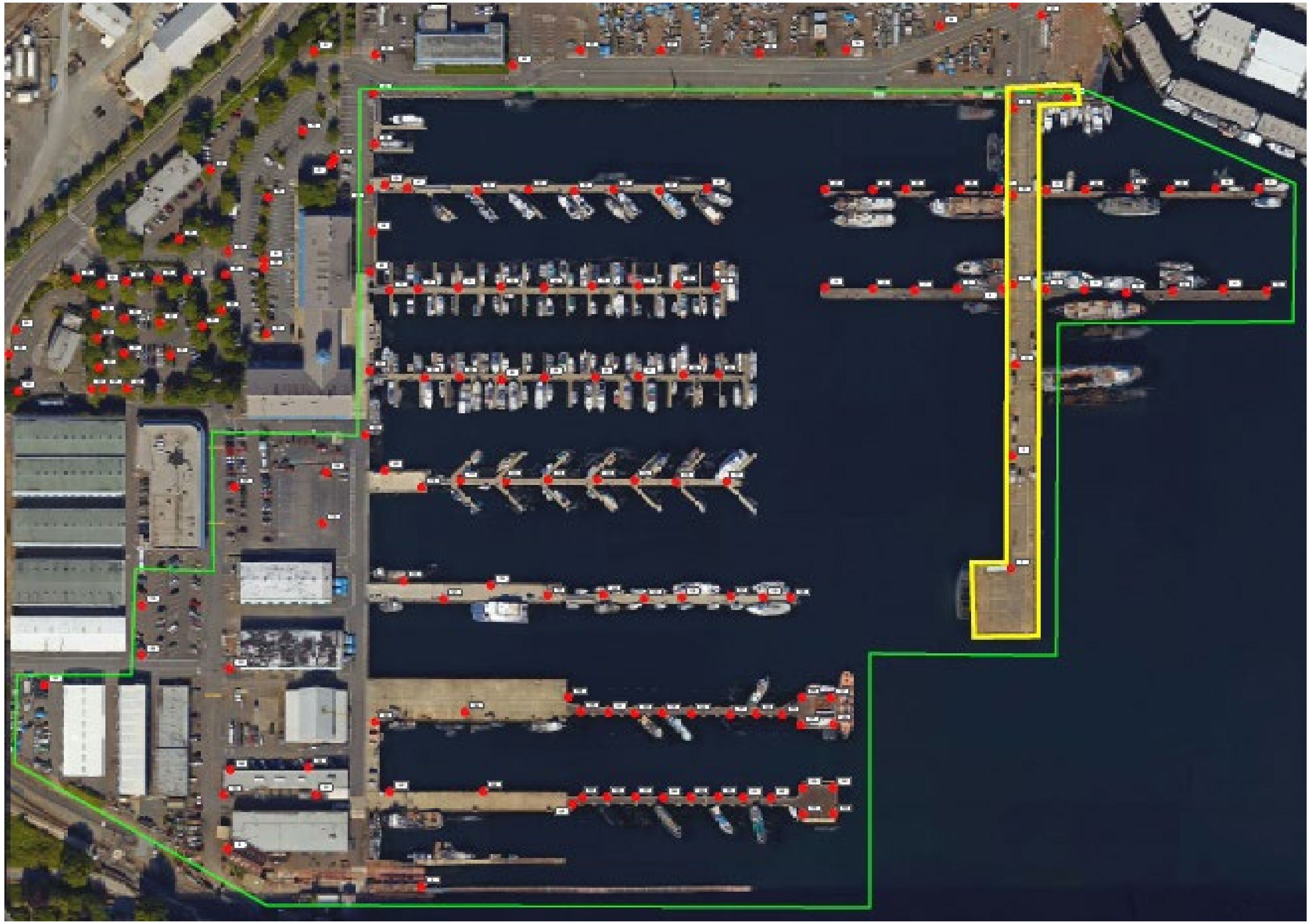
LED Lighting Improvements: Improving safety on the docks, Greenhouse Gas Reduction and reduced operating costs.

Port of Seattle®

Current Progress

Area Completed (226 Fixtures)

Area Remaining (18 Fixtures, 3 Pole Replacements)



RETURN TO AGENDA

Port of Seattle

COMMISSION
AGENDA MEMORANDUM

ACTION ITEM

Item No. 8i

Date of Meeting August 10, 2021

DATE: August 3, 2021

TO: Stephen P. Metruck, Executive Director

FROM: David Freiboth, Senior Director of Labor Relations
Milton Ellis, Labor Relations Manager

SUBJECT: New Collective Bargaining Agreement between the Port of Seattle and the International Brotherhood of Teamsters, Local 117, Representing Police Specialists

Total Port Cost Increase for the Duration of the Agreement: $7,210

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a new collective bargaining agreement (CBA) between the Port of Seattle and the International Brotherhood of Teamsters, Local 117, representing Police Specialists at the Port of Seattle covering the period from July 1, 2021, through June 30, 2022.

EXECUTIVE SUMMARY

Good faith bargaining between the International Brotherhood of Teamsters, Local 117, representing Police Specialists and the Port of Seattle resulted in a fair collective bargaining agreement consistent with Port's priorities.

There are currently eight (8) Police Specialists employed at the Port of Seattle who are assigned to the Port of Seattle Police Department. Police Specialists provide administrative support to the Port of Seattle Police Department consisting of reception, payroll, fleet management, records management, crime statistics, customer service, administrative work for detectives, and training support.

This agreement is for a one-year period from July 21, 2021, through June 30, 2021. The estimated total additional cost for increase is $7,210.

There is no wage increase for members of the bargaining group. The total cost of the agreement is based upon a modest increase in health insurance of one and a half percent (1.5%) covering the last six months of 2021 and an estimated three percent (3.0%) increase in health insurance covering the first six months of 2022. The total cost is also based upon one (1) personal leave day provided to each member of the bargaining group. This personal leave day is only for the duration of the agreement and will not carry over to a subsequent collective bargaining agreement.

All other provisions in the collective bargaining agreement remain the same.

JUSTIFICATION

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

DETAILS

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

FINANCIAL IMPLICATIONS

Wages

Classification	Current Rate	Effective 7/1/21 Base Hourly Rate (0.0%
Police Specialists	$25.29	$25.29

Wage

Employees did not receive a wage increase for the term of the agreement.

Health and Welfare

Members of the bargaining group are currently enrolled in Teamsters Medical Plan A. There was a modest increase in the health insurance premiums of one and a half percent (1.5%) covering the last six months of 2021 and an estimated three percent (3.0%) increase in health insurance covering the first six months of 2022. Members of the bargaining group are currently contributing one-hundred twenty-five dollars ($125) per month toward the cost of their medical insurance.

Other Changes

- One (1) personal leave day for members of the bargaining group to be used during the term of the collective bargaining agreement.

Cost Impact $	**Year 1**
Pay (One Personal Leave Day)	$3,767
Benefits	$3,443
Total New Money	$7,210
Total Cumulative Cost	$7,210

The estimated total additional cost to the Port of Seattle for the duration of the contract is $7,210.

ATTACHMENTS TO THIS REQUEST

1. Collective Bargaining Agreement

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None.

Item no. 8i_attach
Meeting date: August 10, 2021

COLLECTIVE BARGAINING AGREEMENT

By and Between

Port of Seattle

And

Teamsters Local Union No. 117

Affiliated with the
International Brotherhood of Teamsters

REPRESENTING POLICE SPECIALISTS

Term of Agreement
July 1, 2021 - June 30, 2022

TABLE OF CONTENTS

PORT OF SEATTLE
POLICE SPECIALISTS

ARTICLE	PAGE
Article 1 - Purpose of Agreement	1
Article 2 - Union Recognition	1
Article 3 - Union Membership	1
Article 4 - Payroll Deduction	2
Article 5 - Union Representative Access	2
Article 6 - Bulletin Board	2
Article 7 - Equal Employment Opportunity	2
Article 8 - Management Rights	2
Article 9 - Seniority	4
Article 10 - Jury Duty/Court Appearances	5
Article 11 - Bereavement Leave	5
Article 12 - Hours of Work and Overtime	6
Article 13 - Vacation	7
Article 14 - Holidays	10
Article 15 - Requested Benefits	11
Article 16 - Leave Without Pay	13
Article 17 - Sick Leave	13
Article 18 - Health and Welfare Programs	15
Article 19 - Pensions	17
Article 20 - Performance of Duty, Strikes and Lockouts	17
Article 21 - Savings Clause	17
Article 22 - Entire Agreement	17
Article 23 - Appendices Incorporated into Agreement	18
Article 24 - Grievance Procedure	18
Article 25 - Conference Board	20
Article 26 - Terms of the Agreement	21
Appendix “A” - Pay Rates	22-23
Appendix “B” - Drug Testing / Substance Tests	24-28
Memorandums of Understanding	
Re: Break and Lunch Periods	29
Re: Retroactive Payment	30

AGREEMENT

ARTICLE 1 - PURPOSE OF AGREEMENT

This mutual Collective Bargaining Agreement (hereinafter referred to as the Agreement) has been entered into by the International Brotherhood of Teamsters, Local Union No. 117 (hereinafter referred to as the Union), and the Port of Seattle (hereinafter referred to as the Port), which may hereinafter be referred to as Parties. The purpose of this Agreement is the promotion of harmonious relations between the Port and the Union; the establishment of equitable and peaceful procedures for the resolution of differences; and the establishment of rates of pay, hours of work, benefits, and other terms and conditions of employment.

ARTICLE 2 - UNION RECOGNITION

2.01 The Port recognizes the Union as the sole and exclusive bargaining agent for Port of Seattle employees working in the police specialist classification and excluding the department head, supervisors, confidential employees and all other employees of the Employer.

2.02 In accordance with RCW 41.56.037, the Union will be given thirty (30) minutes to meet with new employees of the bargaining unit within ninety (90) days of employment at a mutually agreeable time to discuss matters concerning the rights of employees, responsibilities of the Union, and services available to the membership. A Union Representative, Shop Steward, and/or Local Union member will be responsible for the presentation. Only the new employee will be released from duty with pay.

ARTICLE 3 - UNION MEMBERSHIP

3.01 The Port shall notify the Union as soon as possible of any deduction authorization received by the Port. Upon receiving notice from the Union, the Port agrees to deduct from the paycheck of each Union member or each non-member voluntary financial supporter covered by this Agreement who has voluntarily so authorized it, the initiation fee, and regular monthly dues, assessments or voluntary non-member financial supporter fee. Such authorization for deductions may be made in writing, electronically or through recorded voice. The Port shall transmit fees and dues to the Union once each month on behalf of the employees involved. If a deduction error is identified, the error will be addressed as soon as practicable.

3.02 The Port agrees to notify the Union of any new employees employed in classifications covered by this Agreement within five (5) business days from date of hire.

3.03 A Union member or voluntary financial supporter of the Union may cancel their payroll deduction authorization in accordance with the terms of the Union's payroll deduction authorization form by giving written notification to the Union. If the Union receives such written notification, confirmation will promptly be sent to the Port by the Union when the terms of the employee's signed payroll deduction authorization form regarding cancellation have been met. The Port will make an effort to end the automatic dues deduction effective the first pay period but no later than the second pay period after receipt of the written cancellation notice.

3.04 The Union agrees to indemnify and save the Port harmless against any liability, which may arise by reasons of any action(s) taken by the Port to comply with the provisions of this Article. The Union agrees to refund to the Port any amounts paid to it in error upon presentation of proper evidence thereof.

ARTICLE 4 - PAYROLL DEDUCTION

Democrat, Republican, Independent Voter Education (DRIVE). Both the Port and Local 117 agree to reopen the contract on DRIVE if any other Local 117 bargaining group with the Port of Seattle negotiate contract language in their respective contract on this issue at any time during the term of this agreement.

ARTICLE 5 – UNION REPRESENTATIVE ACCESS

5.01 The Port agrees to allow reasonable access to Port facilities for union representatives who have been properly authorized by the Union. Such access shall be permitted in a manner as not to interfere with the functions of the Police Department (hereinafter referred to as the Department) or the Port. This Article shall apply within the constraints of federal or state regulations, statutes, and the Airport Security Plan.

5.02 New Employee Orientation. The Union, through a Union Member, Shop Steward or Union Representative shall, at a mutually agreeable time with the employer, have up to thirty (30) minutes during the employer's new hire orientation program to meet with the employee(s).

ARTICLE 6 - BULLETIN BOARD

A bulletin board found to be acceptable and in compliance with the needs of limited use by the Union shall be provided by the Port. This bulletin board shall be used, maintained, and controlled by the Union. It is understood and agreed to that no material shall be posted which is obscene, defamatory, or which would impair Port operations.

ARTICLE 7 - EQUAL EMPLOYMENT OPPORTUNITY

The Port of Seattle is an equal opportunity employer. The Port embraces, and in fact relies on having a diverse workforce. Every employee has the right to work in surroundings that are free from all forms of unlawful discrimination. The Port and the Union will not engage in, or tolerate, any discrimination in the workplace prohibited by local, state or federal law. Specifically, no employee will be discriminated against on the basis of his or her age, race, color, national origin/ancestry, religion, disability, Family Medical Leave Act (FMLA) use, pregnancy, sex/gender, sexual orientation, whistleblower status, marital status, military status, use of workers' compensation, transgender status, political beliefs, or any other category protected by applicable federal, state or local law ("Protected Status").

ARTICLE 8 - MANAGEMENT RIGHTS

8.01 The Union recognizes the prerogatives of the Port to operate and manage its affairs in all respects in accordance with its responsibilities and powers of authority.

8.02 The Port reserves any and all exclusive rights concerning the management and operation of the Department, except as specifically limited in this Agreement. In exercise of such exclusive management rights, it is not intended that any other provision of this Agreement providing a specific benefit or perquisite to employees shall be changed, modified, or otherwise affected, without concurrence of the Union.

8.03 Subject to the provisions of this Agreement, the Port reserves the following specific and exclusive management rights:

(a) To recruit, assign, transfer, or promote members to positions within the Department, including the assignment of employees to specific jobs;

(b) To suspend, demote, discharge, or take other disciplinary action against members for just cause;

(c) To determine the keeping of records;

(d) To establish employment qualifications for new employee applicants, to determine the job content and/or job duties of employees, and to execute the combination or consolidation of jobs;

(e) To determine the mission, methods, processes, means, and personnel necessary for providing service and Department operations, including, but not limited to: determining the increase, diminution, or change of operations, in whole or in part, including the introduction of any and all new, improved, automated methods of equipment; and making facility changes;

(f) To control the Departmental budget, and if deemed appropriate by the Port, to implement a reduction in force;

(g) To schedule training, work, and overtime as required in a manner most advantageous to the Department and consistent with requirements of municipal employment and public safety, subject to the provisions of this Agreement;

(h) To establish reasonable work rules, policies, and to modify training;

(i) To approve all employee vacations and other leaves;

(j) To take whatever actions are necessary in emergencies in order to assure the proper functioning of the Department; and

(k) To manage and operate its Departments, except as may be limited by provisions of this Agreement.

8.04 It is understood by the Parties that every incidental duty connected with operations enumerated in job descriptions is not always specifically described.

ARTICLE 9 - SENIORITY

9.01 An employee's seniority date shall be the most recent date of hire in the bargaining unit. The employees shall be subject to a twelve (12) calendar month probationary period following such date of hire. The probationary period may be extended, by mutual agreement of the Port and the Union, if the probationary employee has been absent due to bona fide illness or other legitimate reason. Employees that are separated from employment before the completion of their twelve (12) month probationary period shall not be subject to recall rights as outlined in Section 9.02 of this Article.

An employee promoted to a position within the Police Department that is outside the Police Specialist bargaining unit may choose to return to the Police Specialist unit if he/she fails to successfully pass the probationary period for the promotional position. After receiving notice that he/she has not successfully passed probation, within five (5) business days the employee must notify the Administrative Division Manager of his/her intent to return to his/her prior position in the unit. Such employee will have his/her seniority in that classification restored to the same level accrued prior to leaving. An employee who is terminated for misconduct is not eligible to return to the Police Specialist bargaining unit under the terms of this Article.

9.02 Seniority shall prevail in the event of a layoff; thus, the last employee hired into the bargaining unit shall be the first laid off. Employees laid off in accordance with the provisions of this Article will be eligible for rehire in the inverse order of layoff for a period of one (1) year following layoff. Employees recalled pursuant to this provision retain their seniority based on their original date of hire into the bargaining unit, but no seniority or any benefits shall accumulate during the time that the employee was on layoff. However, employees that are separated from employment before the completion of their probationary period shall not be subject to recall rights as outlined in this Article.

9.03 In the event of an imminent reduction in force, written notice shall be provided to each employee scheduled for layoff at least fourteen (14) days prior to termination.

9.04 Seniority shall be a primary consideration when making job assignments. However, based on the skills and qualifications of the employee, management may require particular employees in specific job assignments.

9.05 Shift preference and vacation scheduling shall be done so that seniority is the primary consideration. Vacation scheduling and shift bidding shall be by Department Policy and Procedures.

9.06 Seniority shall only be broken in the event of retirement, voluntary quit, discharge for just cause, leave of absence exceeding six (6) weeks, or layoff exceeding one (1) year.

9.07 A seniority list shall be provided to the Union on request.

9.08 Should the need arise for a permanent reduction in force under this Agreement, the Port agrees to meet with the Union for the purpose of negotiating the effects of such decision.

ARTICLE 10 - JURY DUTY/COURT APPEARANCES

10.01 Jury Duty. When an employee is called for and serves on jury duty, that employee shall, during such service period, receive full regular compensation from the Port, less any compensation received from the court for such service (excluding travel, meals, or other expenses). Port compensation for jury duty only applies to absence from regularly scheduled work hours. Employees shall forward their jury duty compensation paid by the court to the Port's payroll section upon return from jury duty and receipt of the compensation paid by the court. If an employee is released from jury service prior to the end his/her scheduled work hours, the employee shall immediately call into work and report to duty or use vacation to cover remaining hours.

10.02 Subpoenaed Witness. For service as a subpoenaed witness on a Port-related case, that employee shall, during such service period, receive full regular compensation from the Port. Port compensation outside of regularly scheduled work hours is payable at the overtime rate if such service is in excess of the normal daily or normal weekly working hours' schedules. The employee may use accrued vacation leave for service as a subpoenaed witness on a non-Port-related case, as no regular compensation will be provided by the Port for such purposes.

10.03 Grievances or Arbitrations Excluded. This Article shall not apply to either grievances or arbitrations, which are defined in Article 24 of this Agreement.

ARTICLE 11 - BEREAVEMENT LEAVE

11.01 Employees who have been employed for thirty (30) or more days of uninterrupted service, and who have suffered the loss by death of a member of their immediate family, as defined in this Article, shall be eligible to receive up to forty (40) hours of leave per bereavement, at the discretion of the employee's supervisor, and under the supervision of the Chief of Police. Such leave shall not result in compensation for more than the number of hours in any normal work week.

11.02 "Immediate family" shall be defined as the spouse or domestic partner of the employee, and the following relatives of either the employee, spouse, or domestic partner: child, step-child, child's spouse, grandchild, parent, step-parent, grandparent, sibling, and sibling's spouse. In special circumstances, the Chief and/or Human Resources may include other relatives in the definition for purposes of bereavement leave.

11.03 Individual circumstances, such as distance to the funeral and the extent of employee involvement with the arrangements for the deceased, shall be considered in determining the number of hours to be granted an employee.

11.04 Following use of bereavement leave, in case of death of an employee's spouse, domestic partner (as defined under the Port's Salary and Benefits Resolution), or child, an employee will have the option to use up to two (2) work weeks of his/her accrued sick leave.

ARTICLE 12 - HOURS OF WORK AND OVERTIME

12.01 Designated Workweek. The normally scheduled workweek shall be comprised of forty (40) hours, defined by the Port as beginning at 12:01 a.m. on Sunday and ending at midnight on Saturday. Port payroll shall be on an eighty (80) hour biweekly basis

12.02 Hours of Duty. The normally scheduled workweek for members affected by this Agreement shall be five (5) consecutive days of eight (8) consecutive hours, with two (2) consecutive days off, with an unpaid period allowed for lunch. Such lunch period to be either one-half (½) hour or one (1) hour by employee's option. Otherwise the basic work schedules and practices, including flex time, shall remain in effect except as mutually agreed between the Port and the Union.

At the Employer's discretion and subject to operational needs, a workweek of four (4) consecutive days of ten (10) consecutive hours, with three consecutive days off, with an unpaid lunch period may also be offered to employees. Employees assigned to a four (4)/ten (10) work week can be reverted back to a five (5)/eights (8) work week by the Employer at any time with at least one week advance notice.

12.03 It is the intent of the Port to provide full-time work (i.e. forty (40) hours per week); however, this is not to be interpreted as a forty (40) hour guarantee. This language does not eliminate any existing obligation to bargain a change to an employee's regular schedule.

12.04 Overtime Pay and Exceptions. All hours worked in excess of eight (8) or ten (10) hours per workday, or forty (40) hours per workweek, shall be paid at the rate of time and one-half (1½) the employee's regular straight time rate of pay. All compensated hours shall apply to workdays and/or workweeks for the qualification of overtime; however, holiday cash-out pay, as specified in Article 14.02(b)(2), shall not count as hours worked or compensated for calculation of overtime thresholds. There shall be no compounding or "pyramiding" of overtime pay.

12. 05 Shift Premiums. When an employee who normally is scheduled on night shift fills in for a day shift assignment, such employee shall continue to receive shift premium.

Shifts shall be defined by starting times as follows:

Day Shift	From:	4:00 a.m.	To:	11:59 a.m.
Swing Shift	From:	12:00 p.m.	To:	7:59 p.m.
Graveyard Shift	From:	8:00 p.m.	To:	3:59 a.m.

The Port shall provide the Union with at least thirty (30) days written advance notice prior to assigning any shift which starts prior to 6:00 a.m. or ends after 7:30 p.m. The Port will fill such shifts by seniority.

12.06 Wage Reduction. No employee who, prior to the date of this Agreement, was receiving more than the rate of wages designated in this Agreement, for the class of work in which he/she is engaged, shall suffer a reduction in the rate of wages because of the adoption and application of this contract.

12.07 Mealtime Disruption. In the event that an employee is called back to work from mealtime, and is not provided a meal period of reasonable duration later in his/her shift, such employee shall receive overtime pay for the remainder of the mealtime not taken. If any employee independently or without proper authorization elects not to take mealtime, such employee shall not receive overtime payment for the mealtime missed.

12.08 Notice of Shift Change. Except in emergencies, employees shall be provided with seven (7) days' advance notice in the event of shift change.

12.09 Approval for Overtime Work. Authority for approval of any overtime work shall be limited to Departmental management or its designees.

12.10 Call Back. In the event that overtime which has been specifically authorized by supervisory or command personnel is not an extension at the beginning or end of a normal shift, the employee shall be paid for a minimum of four (4) hours at the overtime rate for the employee's classification, or for the actual hours worked at the overtime rate if in excess of four (4) hours. When an employee is called at home and asked to perform a service directly related to his/her work activity, such employee will be compensated one (1) hour at the overtime rate of pay.

12.11 Pagers/Cellular Phones & Stand-By. Employees may be required by the Department to carry and monitor pagers/cellular phones while off-duty. If an employee is specifically directed by a supervisor to be available and on stand-by for a specific assignment, such employee shall be considered available for work within one (1) hour, and will be compensated at ten percent (10%) of his/her straight-time hourly rate for each hour so assigned.

12.12 Training. Notwithstanding Section 12.07, the normal workweek and normal workday for employees may be modified by management to accommodate training or educational requirements.

12.13 Daylight Savings Time. It is the intent of the Parties that employees working during Daylight Savings Time changes be paid only for actual hours worked. Employees who are working on night shift in the spring, when the clocks are moved forward one (1) hour (other than those who are scheduled to be off at 0200 hours), will be required to either: (a) utilize one (1) hour of paid vacation leave, or (b) to go unpaid for one (1) hour. Employees who are working on night shift in the fall, when the clocks are moved back one (1) hour (other than those who are scheduled to be off at 0200 hours), will be paid one (1) hour at the overtime rate of pay.

ARTICLE 13 - VACATION

Annual vacation with pay shall be granted to all employees on the following basis:

13.01 Scheduling of Vacation Leave. At any time after the successful completion of six (6) months of employment, regular permanent employees (any employee hired from a Port posting) may request and use vacation leave of up to the number of hours accrued at the time of the desired vacation date, subject to the approval of the Department Head. Seniority shall be considered in accordance with departmental procedures when scheduling vacations. Normally, requests for approval of vacation schedules shall be made to the Department Head on a vacation request form five (5) days or more in advance; more notice may be required by the Department Head when necessary to provide for proper scheduling of personnel. The Department Head or Management Designee will respond to the vacation request within two (2) working days after receipt of the request. It is the employee’s responsibility to ensure that the request has been received by the Department Head or Management Designee.

13.02 Limits on Accumulating Vacation Leave. Effective upon ratification between the parties, vacation leave accumulation shall be limited to four hundred eighty (480) hours accrual at any time. Any portion above a four hundred eighty (480) hour accrual of unused vacation leave shall be forfeited, unless the reason for not taking such vacation leave is at management's direction, such as under emergency conditions. In such event, unused vacation leave shall not be forfeited. Employees shall be responsible for scheduling annual leave in order to avoid any forfeiture of vacation leave.

13.3 Rates of Accrual. Effective upon ratification between the parties, vacation accruals are based on the employee's date of hire with the Port. Based upon a pro rata share of a full-time work schedule calculated by an hourly accrual method, vacation leave is earned as follows:

(a) 96 Hours Vacation. Based on the first day of employment, from the first (1st) full month, to and including the forty-second (42nd) full month of continuous employment, permanent employees shall accrue vacation leave at the rate of eight (8) hours per month of active employment, or the equivalent of up to ninety-six (96) hours per year (8 hours per month X 12 months = 96 hours per year).

(b) 120 Hours Vacation. From the forty-third (43rd) full month, to and including the eighty-fourth (84th) full month of continuous employment, permanent employees shall accrue vacation leave at the rate of ten (10) hours per month of active employment, or the equivalent of up to one hundred twenty (120) hours per year (10 hours per month X 12 months = 120 hours per year).

(c) 140 Hours Vacation. From the eighty-fifth (85th) full month to and including the one hundred thirty-second (132nd) full month of continuous employment, permanent employees shall accrue vacation leave at the rate of .06731 hours per straight time hour compensated (.06731 X 2080 annual hours = 140 vacation hours per year).

(d) 160 Hours Vacation. From the one hundred thirty-third (133rd) full month, to and including the one hundred ninety-second (192nd) full month of continuous employment, permanent employees shall accrue vacation leave at the rate of thirteen and thirty-four hundredths (13.34) hours per month of active employment, or the equivalent of up to one hundred sixty (160) hours per year (13.34 hours per month X 12 months = 160 hours per year).

(e) 168 Hours of Vacation. From the one hundred ninety-third (193rd) full month, to and including the two hundred twenty-eighth (228th) full month of continuous employment, permanent employees shall accrue vacation leave at the rate of fourteen (14) hours per month of active employment, or the equivalent of up to one hundred sixty-eight (168) hours per year (14 hours per month X 12 months = 168 hours per year).

(f) 176 Hours Vacation. From the two hundred twenty-ninth (229th) full month, to and including the two hundred fortieth (240th) full month of continuous employment, permanent employees shall accrue vacation leave at the rate of fourteen and sixty seven hundredths (14.67) hours per year (14.67 hours per month X 12 months = 176 hours per year).

(g) 184 Hours of Vacation. From the two hundred forty-first (241st) full month, to and including the two hundred fifty-second (252nd) full month of continuous employment, permanent employees shall accrue vacation leave at the rate of fifteen and thirty-four hundredths (15.34) hours per month of active employment, or the equivalent of up to one-hundred and eighty-four (184) hours per year (15.34 hours per month X 12 months = 184 hours per year).

(h) 192 Hours Vacation. From the two hundred fifty-third (253rd) full month, to and including the two hundred sixty-fourth (264th) full month of continuous employment, permanent employees shall accrue vacation leave at the rate of sixteen (16) hours per month of active employment, or the equivalent of up to one-hundred and ninety-two (192) hours per year (16 hours per month X 12 months = 192 hours per year).

(i) 200 Hours of Vacation. From the two hundred sixty-fifth (265th) full month, to and including all subsequent full months of continuous employment, permanent employees shall accrue vacation leave at the rate of sixteen and sixty-seven hundredths (16.67) hours per month of active employment, or the equivalent of up to two-hundred (200) hours per year (16.67 hours per month X 12 months = 200 hours per year).

13.04 Proration for Part-Time Employees. Vacation accrual shall be prorated for all employees who work less than a full-time schedule. When an employee goes from part-time to full-time status, the vacation eligibility date shall be adjusted based on the actual hours worked as a part-time employee.

13.05 Payment for Vacation Leave at Termination. Upon termination, regular permanent employees, with more than six (6) months of Port employment, shall receive a lump sum payment in lieu of unused vacation leave, based on limitations stated above and as further limited by this Article. Pay for unused vacation leave shall be computed through the last day of employment. This Section may be subject to modification to meet legal requirements in the event of further changes in State law.

13.06 Personal Day. Effective July 1, 2021 and for the term of the agreement, employees in the bargaining unit shall be eligible to receive one (1) personal day, the date designated by the employee.

The personal day shall be compensated at the employee's regular pay rate at the time the personal day is taken and based upon the employee's regular work schedule. Eligibility and scheduling of the personal day shall be in accordance with Article 13.01 of the agreement. Any personal day not taken by an employee in the bargaining unit during the term of the agreement shall be forfeited and not carried over to a successor collective bargaining agreement.

ARTICLE 14 - HOLIDAYS

14.01 Effective at the signing of this Agreement, thirteen (13) paid holidays shall be recognized and observed, as follows:

New Year's Day	January 1st
Martin Luther King's Birthday	Third Monday in January
Presidents' Day	Third Monday in February
Memorial Day	Last Monday in May
Juneteenth	June 19th
Independence Day	July 4th
Labor Day	First Monday in September
Thanksgiving Day	Fourth Thursday in November
Day After Thanksgiving	Fourth Friday in November
Christmas Day	December 25th
One (1) "Floating" Holiday	Designated by Port each year
Two (2) "Floating" Holidays	Designated by employee each year, with approval of the Department Head

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

14.02 Holiday pay shall be one (1) day's pay at the straight-time rate, based on the employee's normal work schedule, and will not exceed one (1) regular workday; provided, holiday pay is subject to the following conditions:

(a) If Department management determines that it is possible to schedule an employee for a day off from the normal work schedule when a designated holiday occurs, such employee shall be required to take that holiday off.

(b) When the holiday falls on the employee's normal day off, the employee may choose from one of two options:

(1) The employee may elect to schedule any other day within the pay period as a day off on holiday pay; or

(2) The employee may elect not to take another day off, and instead, cash-out one (1) day's holiday pay at the straight time hourly rate. Selecting this option does not constitute hours worked or compensated for purposes of calculating overtime.

(c) Subject to (a) above, if the employee is required to work on the designated holiday, the employee may not elect to take another day off. Such employee shall receive one (1) day's holiday pay at the straight-time hourly rate, in addition to pay at the overtime rate for all hours worked on the designated holiday.

14.03 Holiday pay shall be prorated for all employees who work less than a full-time schedule. If an employee is on leave without pay the day before and the day after a holiday, the employee's eligibility for holiday pay will be pro-rated based on the hours paid in the prior sixty (60) calendar days.

14.04 Any employee hired into the bargaining unit after June 30th is eligible for one floating holiday designated by the employee for that calendar year.

ARTICLE 15 - REQUESTED BENEFITS

The Port agrees to provide the following benefits requested by the Union:

(a) Unemployment compensation benefits under the Washington State Employment Security Act.

(b) Social security insurance (FICA) as covered by the Federal Insurance Contribution Act. (Contingent on retention of the program for all Port employees.)

(c) Parking as currently provided limited to employees on duty status.

(d) Locker and lunch facilities.

(e) Washington State Self-Insured Workers' Compensation

(f) Educational assistance for employees shall be subject to approval of the Department Head. It is agreed that if funds are not available from other sources, such as special Federal or State programs, with the advance approval of the Department Head, the Port shall provide reimbursement limited to job related educational curricula.

    (1) Such educational assistance shall be linked to a detailed Letter of Commitment, provided to the Department by the employee that captures the employee's study and career goals.

    (2) The employee should normally expect to provide a minimum of two (2) years of service to the Port upon completion of study toward a college degree. This is not a repayment provision.

(g) As provided below in this paragraph, employees shall be eligible for participation in the Port of Seattle's Deferred Compensation Plan. Eligibility and participation of employees shall be subject to the terms and conditions of such plan including any plan amendments, revisions, or possible cancellation. It is further agreed that content of the plan itself, plan administration, and any determinations made under the plan shall not be subject to the Grievance Procedure (Article 24) or to any other provisions of this Labor Agreement or to negotiation by the Union.

(h) Effective the first (1st) of the month following date of hire, eligible employees shall receive life insurance benefits in the amount of two (2) times their annual base rate rounded up to the next one hundred dollars ($100.00). Eligible dependents shall receive life insurance benefits in such amount and in such manner as are provided in contracts by the Port to provide such benefits. Employees shall also be covered by the AD&D policy provided by the Port.

(i) Travel, Mileage, and Expenses Reimbursement. The Parties recognize federal and state audit requirements, and hereby agree to comply with the Port's accounting and procurement policies relating to, among other things, reimbursement for work-related mileage, reasonable out-of-pocket expenses, proof of expenditures, reporting and audit requirements, travel authorizations, and use of a Port credit card. Employees who use their personal vehicles for Port business will be reimbursed, provided such use is required and authorized by Department management. Such travel shall be reimbursed in accordance with the mileage reimbursement schedule as approved by the Port Commission for Port employees. However, at no time shall the amount be less than the IRS approved mileage rate. Requests for mileage reimbursement must be submitted according to Port policy.

(j) Paid Parental Leave. The Port shall continue to provide Paid Parental Leave to members of this bargaining unit. Eligibility, participation, and terms of the Paid Parental Leave shall be as provided to non-represented employees as outlined in Port Policy HR-5. The Port may change or modify its Paid Parental Leave policy and/or procedure. If the Port desires a change/modification, the Port agrees to provide the Union with advanced notice of any change.

(k) COMMUTER BENEFITS

Employees in the bargaining unit shall be eligible for the following benefits:

The One Regional Card for All ("ORCA Card") Program:

The Port offers ORCA cards to eligible employees at a substantially reduced cost for transportation on multiple regional transit systems. Employees who participate in the ORCA card program may also be eligible for additional subsidized transportation services. The availability of the ORCA program, annual cost, potential tax consequences for employees, and other provisions are subject to change based on guidelines provided by agencies with whom the Port contracts for the ORCA program benefits, IRS requirements, as well as the Port's discretion.

Ferry Reimbursement

Employees who use the Washington State Ferry System for all or part of their work commute are eligible for reimbursement of ferry commuting costs up to a monthly maximum. This monthly maximum reimbursement amount is determined by the Port. Amounts and procedures can be found on the Total Rewards Compass Page and may be subject to tax.

The Port shall maintain full discretion to modify, change, amend, and/or discontinue either and/or both the ORCA program and the Ferry Reimbursement benefit;

Prior to modifying, changing, amending, and/or discontinuing either and/or both the ORCA program and the Ferry Reimbursement benefit, the Port agrees to provide advanced notice to the Union.

ARTICLE 16 - LEAVE WITHOUT PAY

16.01 After one (1) year of service, an employee shall be eligible for a leave of absence without pay not to exceed six (6) weeks. Requests for such leaves shall be submitted in writing to the Department Head for approval thirty (30) days in advance of the leave time period. In emergency situations, the notification may be waived at the option of the Department Head.

16.02 Leave approval considerations shall include:

(a) The purpose and length of requested leave;

(b) The employee's length of service;

(c) The effect of such an extended absence on departmental operational efficiency;

(d) Employee past performance and attendance; and

(e) In establishing the priority for such leaves, mutual benefit to the Port shall also be a consideration. For example, leaves of absence for educational purposes shall receive greater priority than leaves for the purpose of travel.

16.03 In the event of special conditions, such as family emergencies or educational programs, leaves of absence may be extended beyond six (6) weeks, but shall not exceed one (1) year, at the discretion and approval of the Chief and/or Port's Executive Department. An employee shall suffer no loss of seniority for time spent on approved leave of absence of six (6) weeks or less, in accordance with Article 9 of this Agreement.

16.04 Under normal conditions, leaves of absence shall not be granted for the purpose of seeking or engaging in other employment. Any exception to this provision shall be at the sole discretion of the Department Head.

ARTICLE 17 - SICK LEAVE

17.01 Sick Leave Accrual. Employees shall accrue sick leave at the rate of 0.04616 per straight-time hour compensated, but not to exceed the equivalent of ninety-six (96) hours per year (0.04616 x 2080 hours = 96 hours). On a pro rata basis of a full-time work schedule, sick leave accruals will be posted on the first payday of the month for any sick leave earned during the prior month.

17.02 Pay Rate. Sick leave pay shall be at the straight-time hourly rate.

17.03 Eligibility. Sick leave will be used only in instances of bona fide employee, immediate family, or others' (as required by law) illness, injury or disability resulting in absence from work as normally scheduled and as provided by law.

17.04 Payoff. Unused sick leave may not be converted to cash payment, except that upon termination or retirement after five (5) years of continuous service, qualified employees shall be compensated for fifty percent (50%) of their unused sick leave (within the four hundred eighty [480] hour limit) at the rate of pay at termination.

17.05 Appointments. Regular full-time employees who are scheduled to work a minimum of forty (40) hours per week may be granted brief periods of paid time off for medical, dental, or other personal business appointments (such as appointments with attorneys) which could not be arranged during non-working hours. The Department Director may authorize up to twelve (12) hours per year of paid leave. Time shall be taken in no less than one half (1/2) hour increments.

17.06 Abuse of Sick Leave. Both Parties are committed to work to minimize or eliminate any abuse of sick leave.

17.07 Family Medical Leave. Family leave will be administered in accordance with current Federal and State laws, and applicable Port policies.

The Port shall comply with the requirements of the Washington Paid Family and Medical Leave Act and shall have full discretion on meeting those requirements (e.g. Voluntary Plan), which shall not be subject to the grievance procedure or to any other provision of this Agreement or to negotiation by the Union. However, the Port agrees to provide to the Union advanced notice of how the Port intends to comply, and when and if there are any changes.

Effective upon ratification between the parties and the execution of the agreement, the Port will pay the employee portion of the premium associated with this provision.

17.08 Shared Leave. The Parties agree to adopt a Shared Leave Program under the terms and conditions set forth in applicable Port policies covering shared leave of salaried employees.

(a) Purpose. The Shared Leave Program enables employees to donate accrued sick leave to fellow employees who are faced with taking leave without pay or termination due to extraordinary or severe physical or mental illnesses. Implementation of the program for any individual employee is subject to agreement by the Port, and the availability of shared leave from other employees. The Port's decisions in implementing and administering the shared leave program shall be reasonable.

(b) Participation. Participation in the Shared Leave Program is voluntary. No employee shall be coerced, threatened, intimidated or financially induced into donating accrued leave for purposes of this program.

ARTICLE 18 - HEALTH AND WELFARE PROGRAMS

18.01 Effective July 1, 2021 (June 2021 hours), and each month thereafter during the period this Agreement is in effect, the Employer agrees to pay to the Washington Teamsters Welfare Trust c/o NORTHWEST ADMINISTRATORS, INC. for each employee who received compensation for eighty (80) hours or more in the previous month the following:

a. Health and Welfare - Contribute the sum of $ 1,517.40 per month for continued benefits under “PLAN A” as described below:

Medical “Plan A” (Including Domestic Partner Coverage)	$1,488.00
Nine (9) Month Additional Waiver	$ 11.40
Time Loss “Plan A” ($400/week)	$ 18.00
Total	$1,517.40

b. Dental - Contribute the sum of $ 122.70 per month for continued benefits under “PLAN A” (including Domestic Partner Dental Coverage).

c. Vision - Contribute the sum of $ 17.30 per month for continued benefits under the "EXTENDED BENEFITS" (including Domestic Partner Vision Coverage)

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Effective July 1, 2021, each employee shall contribute $125.00 per month toward the monthly premium costs in Article 18.02.

The Port will continue to cover at 100% employee Dental and Vision benefits during the life of the Agreement.

The Union will assist the Port in acquiring information from the medical benefit trust to insure that the Port is in compliance with the Affordable Care Act.

At any time during the term of this Agreement, if the benefits provided by Washington Teamsters Welfare Trust become subject to an excise penalty, the parties agree to meet and discuss the impact.

18.02 Maintenance of Plans. The Trustees may modify benefits or eligibility of any plan for the purposes of cost containment, cost management, or changes in medical technology and treatment. If increases are necessary to maintain the current benefits or eligibility, or benefits or eligibility as may be modified by the Trustees during the life of this Agreement, the Port shall pay such premium increases as determined by the Trustees.

18.03 The Union may establish supplemental insurance programs for the employees under this Agreement. All of the premiums for such plans, if established, shall be paid for by the employees covered. If the Port is to process payroll deductions from employees to pay the insurance carrier on the employees' behalf, the Plan shall be subject to approval by the Port in regard to the responsibility of ongoing administration and related details.

18.04 On the first day following one hundred eighty (180) days of full-time employment (or nine hundred and seventy-five [975] hours for part-time employment), eligible employees shall be covered for long-term disability insurance in such amounts and in such manner as the Port has established with insurance companies or agencies providing such benefits.

18.05 The Port agrees to provide and maintain Group Health or Alternative HMO's as provided in Trust as a covered plan for employees and their dependents.

18.06 Retirees' Health & Welfare.

Effective January 1, 2020, members of the bargaining group will be eligible to enroll in the Teamsters Retiree Welfare Trust Plus XL plan. The Port shall contribute fifty dollars ($50) per month for the term of the agreement toward the monthly premium of each member enrolled in the Teamsters Retiree Welfare Trust Plus XL plan. The balance of the monthly premium rate will be paid by members of the bargaining group through monthly payroll deduction. The Port will be absolved from any liability associated with this Teamsters Retiree Welfare Trust plan.

ARTICLE 19 - PENSIONS

The Port shall continue coverage for employees covered by this Agreement under the Washington State Public Employees Retirement System.

Pacific Coast Benefits Plan. The Port agrees to contribute to the Pacific Coast Benefits Plan, on account of each of its employees who perform the work covered by this Agreement, for every hour for which compensation was paid, as follows:

Effective July 1, 2021, the Port's contribution to the Pacific Coast Benefit Trust for each employee will increase to one dollar and forty cents ($1.40) per hour compensated.

ARTICLE 20 - PERFORMANCE OF DUTY, STRIKES, AND LOCKOUTS

20.01 Nothing in this Agreement shall be construed to give an employee the right to strike, and no employee shall strike or refuse to perform assigned duties to the best of his/her ability. The Union agrees that it will not condone or cause any strike, slowdown, mass sick call, or any other form of work stoppage or interference with the normal operation of the Police Department or of the Port.

20.02 The Port agrees that there shall be no lockouts.

20.03 The conditions stated in Sections 20.01 and 20.02 of this Article shall remain in effect with or without a signed Collective Bargaining Agreement.

20.04 If a party is alleged to have violated this Article, the Parties agree to submit the alleged violation of this Article to expedited binding arbitration.

ARTICLE 21 - SAVINGS CLAUSE

If any Article of this Agreement or any Appendix hereto should be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Appendix should be restrained by such tribunal, the remainder of this Agreement and Appendices shall not be affected thereby, and the Parties shall enter into immediate collective bargaining negotiations for the purpose of arriving at a mutually satisfactory replacement of such Article.

ARTICLE 22 - ENTIRE AGREEMENT

22.01 The Agreement expressed herein in writing constitutes the entire agreement between the Parties and no oral statement shall add to or supersede any of its provisions.

22.02 The Parties acknowledge that each has had the unlimited right and opportunity to make demands and proposals with respect to any matter deemed a proper subject for collective bargaining. The results of the exercise of that right are set forth in this Agreement.

ARTICLE 23 - APPENDICES INCORPORATED INTO AGREEMENT

Pay Rates (Appendix A) and Drug Testing (Appendix B) are conditions agreed to and are hereby incorporated into the Agreement by this Article.

ARTICLE 24 - GRIEVANCE PROCEDURE

24.01 Grievance Defined. Any dispute regarding the interpretation or application of this Agreement shall be regarded as a grievance and shall be subject to the terms of this grievance procedure.

24.02 Discipline. The Parties agree that discipline is a command function. Decisions on disciplinary matters where discipline imposed involves a discharge, suspension, demotion, or written reprimand shall be subject to the grievance procedure; however written reprimands may not be pursued to arbitration. Oral admonishments, verbal warnings, counseling, performance evaluations, and remedial training shall not be subject to the grievance procedure.

24.03 Time Limits. All grievances shall be presented within twenty (20) days of the occurrence or the date the employee actually knew or reasonably should have known of the occurrence, whichever is later. This time limit and the other time limits set forth in this Article may be extended by mutual agreement of the Employer and the Union. All references to time in this Article shall be to calendar days.

24.04 Election of Forum. An employee electing to pursue a matter through the Civil Service System may not also pursue to arbitration a grievance through the grievance procedure. Any complaint that a matter constitutes a violation of Article 7 of this Agreement may not be pursued to grievance arbitration if the matter has been challenged in any other administrative or judicial forum.

24.05 Informal Resolution. The Parties acknowledge that every effort should be made by the employee(s) and the supervisor(s) to resolve issues prior to initiating grievance procedures.

24.06 Employer Grievances. Port grievances will be initiated at Step 2.

24.07 Waiver of Steps. By mutual agreement, the parties may agree to waive any step in the grievance procedure.

24.08 Grievance Procedure.

STEP 1

The affected employee shall present the grievance in writing to the Administrative Division Manager. A Shop Steward or Business Representative may present the grievance on the employee's behalf. Either party may request to convene a meeting to discuss the grievance within ten (10) days of the filing of the grievance. If the parties are unable to arrive at a satisfactory settlement, the Administrative Division Manager (or designee) will issue a written response to the employee, with a copy to the Union's Business Representative and, if requested by the grievant, the Shop Steward. The response shall be issued no later than ten (10) days after the date the grievance was initially filed or the date of the grievance meeting, if a grievance meeting occurred. The Union may refer the grievance to Step 2 within ten (10) days of receipt of the Administrative Division Manager's response, or the date the response was due.

STEP 2

Initiation of Step 2. The Union's Business Representative shall present the grievance in writing to the Chief of Police (or designee) or the Port will present the grievance in writing to the Union's Business Representative. The written grievance shall contain a statement of the relevant facts, the section(s) of the Agreement allegedly violated, and the remedy that is sought.

Class Grievances. With respect to issues affecting more than one bargaining unit employee, the Union may elect to file a grievance at Step 2 without the need for the individual employee(s) to file the grievance at Step 1. The twenty (20) day time limit referenced in Section 24.03, as well as the other requirements of this Article, shall be applicable to such filing.

Step 2 Meeting. Within fourteen (14) days after the initiation of Step 2, the Union's Business Representative and the Chief of Police (or designee) shall meet to discuss possible resolution of the grievance. If the Parties are unable to arrive at a satisfactory settlement, the responding party will issue a written response to the grieving party within ten (10) days of the meeting. The grieving party may refer the grievance to Step 3 within ten (10) days of receipt of the response or the date the response was due.

STEP 3

Initiation of Step 3. The Union shall notify the Chief of Police and the Port's Labor Relations Representative or the Port shall notify the Union's Business Representative, in writing, of its desire to move the matter to a Board of Adjustment.

Board of Adjustment. The Parties shall schedule a Board of Adjustment hearing which shall be heard no later than twenty (20) days after the initiation of Step 3. The purpose of the hearing is to evaluate all known facts relating to the grievance in order to determine an appropriate resolution. The Port's Labor Relations Representative, the Chief of Police (or designee), and two (2) Union Representatives shall be present, and both sides shall have an opportunity to present all information that they have relating to the grievance. If a resolution is reached, the Parties will document the agreement in writing. If the Parties are unable to arrive at a settlement, the grieving party may refer the matter to Step 4 within ten (10) days following the Board of Adjustment hearing.

STEP 4 – ARBITRATION

Initiation of Step 4. The grieving party may initiate Step 4 by filing a written request with the other party, specifying the issue to be arbitrated.

Selecting an Arbitrator. The Port and the Union mutually agree that either Party to this Agreement may apply to the Federal Mediation and Conciliation Service (FMCS) for a list of seven (7) persons who are qualified and available to serve as arbitrators for the dispute involved. The Parties agree to equally split any costs associated with obtaining a list of arbitrators from FMCS. Within ten (10) days of receipt of the FMCS list, the Parties will jointly select an arbitrator from the list by alternately striking one (1) arbitrator on the list until the final remaining arbitrator is selected as the arbitrator for the particular hearing. The Parties shall determine first initiative through a coin flip.

The Hearing. The hearing on the grievance shall be informal and the rules of evidence shall not apply. The arbitrator shall not have the power to add to, subtract from, or modify the provisions of this Agreement in arriving at a decision of the issue or issues presented; and shall confine his/her decision solely to the interpretation, application, or enforcement of this Agreement. The arbitrator shall confine himself/herself to the precise issue(s) submitted to him/her for arbitration, and shall not have the authority to determine any other issue(s) not so submitted to him/her. The decision of the arbitrator shall be final and binding upon the aggrieved employee, the Union, and the Port. The fees and expenses of the arbitrator shall be equally split between the Parties; otherwise, each Party shall pay its own fees, expenses, and costs, including attorney fees, witness compensation, and transcript requests.

ARTICLE 25 - CONFERENCE BOARD

25.01 The Conference Board is intended to serve as a communication support and perform like a Business Partnership Committee.

25.02 There shall be a Department Conference Board consisting of up to three (3) employees named by the Union (one of whom may be the Business Representative) and up to three (3) representatives from Management (one of whom may be a representative from Labor Relations). The Chief of Police, or his/her representative(s), shall be present to the maximum extent practicable, but any of the up to six (6) members may be replaced with an alternate from time to time. It is also agreed that either Party may add additional members to its conference board committee whenever deemed appropriate. The Conference Board shall only consist of members of the bargaining unit and Department(s) affected by the issue(s) being discussed.

25.03 The Conference Board shall meet at the request of the Union or the Port and shall consider and discuss matters of mutual concern pertaining to the improvement of the Department and the safety and welfare of the employees. These matters may include issues of development, committee membership, special team/unit assignments, testing, et cetera.

25.04 The purpose of the Conference Board is to deal with matters of general concern to members of the Department as opposed to individual complaints of employees; provided, however, it is understood that the Conference Board shall function in a communications and consultative capacity to the Chief of Police. Accordingly, the Conference Board will not discuss grievances properly the subject of the grievance procedure, except to the extent that such discussion may be useful in suggesting improved Departmental policies. Either the Union representatives or the Port representatives may initiate discussion of any subject of a general nature affecting the operations of the Department or its employees.

25.05 An agenda describing the issue(s) to be discussed shall be prepared by the initiating party and distributed at least three (3) days in advance of each meeting, and minutes may be kept and made available to members. Nothing in this Section shall be construed to limit, restrict, or reduce the management prerogatives outlined in this Agreement.

25.06 The Conference Board shall provide an answer to those issues/questions brought before it within a mutually agreed upon time.

ARTICLE 26 - TERMS OF THE AGREEMENT

This Agreement shall remain in full force and effect from July 1, 2021 through and including June 30, 2022. All conditions shall be effective on the date the Agreement is signed or as otherwise identified in this Agreement. The Agreement may be opened by either party giving notice, in writing, not later than sixty (60) days prior to the expiration date.

PORT OF SEATTLE	**TEAMSTERS LOCAL UNION NO. 117/IBT**
______________________________	______________________________
STEPHEN P. METRUCK **Executive Director**	**JOHN SCEARCY** **Secretary-Treasurer**

Date

Date

APPENDIX A

PAY RATES

I. BASE WAGES

Classification	Service Time	Effective 7/1/20 Base Hourly Rate (+ 3.0%)	Effective 7/1/21 Base Hourly Rate (+ 0%)
Police Specialist	Entry	$ 25.29	$ 25.29
	6 Months	$ 27.39	$ 27.39
	18 Months	$ 30.13	$ 30.13
	30 Months	$ 32.27	$ 32.27
	36 Months	$ 33.25	$ 33.25

Effective July 1, 2021, and for the term of the agreement, due to the impact of the COVID-19 pandemic on the Port's revenue projections, the parties agree to forgo a wage/COLA increase.

II. LONGEVITY PAY

Base pay for the Police Specialist classification shall be increased by the following longevity premium schedule based upon date of hire.

A. <u>2% Longevity Premium</u>. From the start of the sixty-first (61^{st}) full month to and including the one hundred eighth (120^{th}) full month of continuous employment, permanent employees shall be paid a longevity premium of two percent (2%).

B. <u>3% Longevity Premium</u>. From the start of the one hundred twenty-first (121^{st}) full month to and including the one hundred eightieth (180^{th}) full month of continuous employment, permanent employees shall be paid a longevity premium of three percent (3%).

C. <u>4% Longevity Premium</u>. From the start of the one hundred eighty-first (181st) full month to and including the two hundred fortieth (240^{th}) full month of continuous employment, permanent employees shall be paid a longevity premium of four percent (4%).

D. <u>5% Longevity Premium</u>. From the start of the two hundred forty-first (241^{st}) full month to and including the three hundredth (300^{th}) full month of continuous employment, permanent employees shall be paid a longevity premium of five percent (5%).

E. <u>6% Longevity Premium</u>. From the start of the three hundred first (301^{st}) full month and beyond of continuous employment, permanent employees shall be paid a longevity premium of six percent (6%).

III. DIFFERENTIALS AND OTHER PAY CONSIDERATIONS

A. Shift Differential. Employees shall receive a shift differential of seven and one-half percent (7.5%) over their regular rate when required to work swing (second) shift, and ten percent (10%) over their regular rate when required to work the night (third) shift.

B. Educational Incentive. Base pay for Police Specialists who have successfully completed the probationary period shall be increased by the following educational incentive schedule.

2%	Associate of Arts Degree
4%	Bachelor's Degree

C. Overtime Rate. Overtime shall be paid at one and one-half (1½) times the rate of pay for the work performed. There shall be no compounding or "pyramiding" of overtime pay. "Hours of Work and Overtime" are covered in Article 12 (See also Article 14, "Holidays").

D. Severance. Should the need arise for a permanent reduction in force in a classification covered by this Agreement the Port agrees to meet with the Union for the purpose of negotiating the effects of such decision. Such impact negotiations will include severance payments, if any, and timing and notice period for said reduction.

E. Payroll. As a condition of continued employment, all employees are required to participate in the Port's direct deposit program for payroll purposes.

All employees covered by this Agreement will receive bi-weekly pay. In no case shall the Port hold back more than fourteen (14) days' pay. No deductions shall be made from pay checks without the written consent of the employee, except as provided by federal, state, or municipal law. The Port agrees that if there is a payroll error resulting in an employee being owed one hundred dollars ($100.00) or greater in gross straight-time pay, the Port shall make payment to the employee in the form of a separate check given to the employee within two (2) regular work days. If there is a payroll error resulting in an employee being owed less than one hundred dollars ($100.00) in gross straight-time pay, or if there is a payroll error resulting in an employee being owed any amount of overtime, the Port will include the pay correction on the employee's next regular paycheck.

APPENDIX B
DRUG TESTING
SUBSTANCE TESTS

PREAMBLE

While abuse of alcohol and drugs among our members is the exception rather than the rule, the Teamsters Local 117 Police Clerical Employee's Negotiating Committee shares the concern expressed by many over the growth of substance abuse in American society.

The drug testing procedure, agreed to by labor/management, incorporates state-of-the-art employee protections during specimen collection and laboratory testing to protect the innocent.

In order to eliminate the safety risks which result from alcohol or drugs, the parties have agreed to the following procedures.

As referred to herein, testing shall be applicable to all entry level probationary employees and to any other employee for whom the Port has a reasonable suspicion that the employee is working while under the influence of alcohol or drugs.

A. Illicit substance or drug abuse by members of the Department is unacceptable and censurable conduct worthy of strong administrative action.

B. Preconditions to Drug Testing. Before an employee may be tested for drugs or alcohol based upon reasonable suspicion, the Port must meet the following prerequisites:

1. The Port shall inform employees in the bargaining unit what drugs or substances are prohibited.

2. The Port shall provide in-service training containing an educational program aimed at heightening the awareness of drug and alcohol related problems.

3. The Port and the Union shall jointly select the laboratory or laboratories which will perform the testing.

4. Lieutenants or higher ranked officers or managers shall be the department representative to authorize or approve a drug/alcohol test.

5. The Lieutenant or higher ranked officer or manager authorizing or approving a drug or alcohol test under this Appendix B shall provide a written report to the Chief of Police, if the employee is not part of the Police Department, and to the employee. If requested, that documents the basis for ordering the test under the reasonable suspicion standard. The report shall be completed no later than the end of the shift on which the test was ordered.

6. The Port shall not use the drug testing program to harass any employee.

C. The Department shall also have the discretion to order any entry level probationary employee to submit to a blood, breath, or urine test for the purposes of determining the presence of a narcotic, drug, or alcohol a minimum of two (2) times during such employee's entry level probationary period. These tests will be conducted in the following manner:

1. Tests will be administered to each entry level probationary employee a minimum of two (2) times, at various intervals, during the probationary period.

2. Entry level probationary employees shall only be tested while on duty.

3. The providing of a urine sample will be done in private.

4. Obtaining of urine samples shall be conducted in a professional and dignified manner.

5. A portion of urine samples shall be preserved to permit the following:

   a. Positive samples shall be tested by a GC/MS test.

   b. A third test for positive samples shall be conducted if requested by the employee, at Port expense, by a reputable laboratory of mutual choice.

The exercise of this discretion by the Department shall be deemed a term and condition of such employee's period of entry level probation, and need not be supported by any showing of cause.

If any employee is ordered to submit to these tests involuntarily, the evidence obtained shall be used for administrative purposes only.

D. Testing Mechanisms. The following testing mechanisms shall be used for any drug or alcohol tests performed pursuant to the testing procedure:

1. It is recognized that the Employer has the right to request the laboratory personnel administering a urine test to take such steps as checking the color and temperature of the urine samples to detect tampering or substitution, provided that the employee's right of privacy is guaranteed, and in no circumstances may observation take place while the employee is producing the urine sample. If it is established that the employee's specimen has been intentionally tampered with or substituted by the employee, the employee is subject to discipline as if the sample tested positive. In order to deter adulteration of the urine sample during the collection process, physiologic determinations such a creatinine and/or chloride measurements may be performed by the laboratory.

2. The parties recognize that the key to chain of possession integrity is the immediate labeling and initialing of the sample in the presence of the tested employee. If each container is received at the laboratory in an undamaged condition with properly sealed, labeled and initialed specimens, as certified by

the laboratory, the Employer may take disciplinary action based upon properly obtained laboratory results.

3. Any screening test shall be performed using the enzyme immunoassay, (EMIT) method.

4. Any positive results on the initial screening test shall be confirmed through the use of the high-performance thin-layer chromatography (HPTLC), gas chromatography (GC) and gas chromotography/mass spectrometry (GC/MS). If at any time there exists a test with a higher rate of reliability than the GC/MS test, and if such test is reasonably accessible at a reasonable cost, such test shall be used in place of the GC/MS test if requested by the Union.

5. All samples which test negative on either the initial test or the GC/MS confirmation test shall be reported only as negative. Only samples which test positive on both the initial test and the GC/MS confirmation test shall be reported as positive.

6. In reporting a positive test result, the laboratory shall state the specific substance(s) for which the test is positive and shall provide the quantative results of both the screening and the GC/MS confirmation tests, in terms of nanograms per milliliter. All positive test results must be reviewed by the certifying scientist or laboratory director and certified as accurate.

7. Employees tested for alcohol shall be subject to the collection of a breath sample(s), conducted as defined in E (9), to determine if current consumption of alcohol is present.

E. <u>Procedures to be used when the sample is given</u>. The following procedures shall be used whenever an employee is requested to give a blood or urine sample. Normally, the sample will be taken at the laboratory. If taken at another location, transportation procedures as identified shall be followed. All sample taking will be done under laboratory conditions and standards as provided by the selected laboratory:

1. Prior to testing, or if incapacitated as soon as possible afterwards, the employee will be required to list all drugs currently being used by the employee on a form to be supplied by the Port. The Employer may require the employee to provide evidence that a prescription medication has been lawfully prescribed by a physician. If an employee is taking a prescription or non-prescription medication in the appropriate described manner and has noted such use, as provided above, he/she will not be disciplined. Medications prescribed for another individual, not the employee, shall be considered to be illegally used and subject the employee to discipline.

2. When a blood test is required, the blood sample shall be taken promptly with as little delay as possible. Immediately after the samples are drawn, the individual test tubes shall, in the presence of the employee, be sealed, labeled and then initialed by the employee. The employee has an obligation to identify each sample and initial same. If the sample is taken at a location other than the testing laboratory, it shall be placed in a transportation container after being drawn. The sample shall be sealed in the employee's presence and the employee given an

opportunity to initial or sign the container. The container shall be stored in a secure and refrigerated atmosphere, and shall be delivered to the laboratory that day or the soonest normal business day by the fastest available method.

3. In testing blood samples, the testing laboratory will analyze blood/serum by using gas chromatography/mass spectrometry as appropriate. Where Schedule I and II drugs in blood are detected, the laboratory is to report a positive test based on a forensically acceptable positive quantum of proof. All positive test results must be reviewed by the certifying scientist or laboratory director and certified as accurate.

4. When a urine sample will be given by the employee, the employee shall be entitled, upon request, to give the sample in privacy. In most cases, this process will take place at laboratory. The sample container shall remain in full view of the employee until transferred to, and sealed and initialed in the two (2) tamper resistant containers and transportation pouch.

5. Immediately after the sample has been given, it will be divided into two equal parts. Each of the two portions of the sample will be separately sealed, labeled. If the sample is taken at a location other than the laboratory, it shall be stored in a secure and refrigerated atmosphere. One of the samples will then be delivered to a testing laboratory that day or the soonest normal business day by the fastest available method.

6. The sample will first be tested using the screening procedure set forth in Section (D) (3) of this appendix. If the sample tests are positive for any prohibited drug, the confirmatory test specified in Section (D) (4) of the appendix will be employed.

7. If the confirmatory test is positive for the presence of an illegal drug, the employee will be notified of the positive results within 24 hours after the Port learns of the results, and will be provided with copies of all documents pertinent to the test sent to or from the Port by the laboratory. The employee will then have the option of submitting the untested sample to a laboratory of mutual choice, at the Port's expense.

8. Each step in the collecting and processing of the urine samples shall be documented to establish procedural integrity and a chain of evidence. All samples deemed "positive" by the laboratory, according to the prescribed guidelines, must be retained, for identification purposes, at the laboratory for a period of six (6) months.

9. All screening and confirmatory breath alcohol tests shall be conducted by certified breath alcohol technicians and in accordance with the procedures set forth in WAC 448.

F. <u>Consequences of positive test results</u>.

1. An employee who tests positive shall have the right to challenge the accuracy of the test results before any disciplinary procedures are invoked as specified in Section (E) (7) and the Departmental Grievance Procedure.

2. Consistent with the conditions of the appendix, the employer may take disciplinary action based on the test results as follows:

   Confirmed positive test - Employee is subject to discharge.

G. Employee rights.

1. The employee shall have the right to a Union representative during any part of the drug testing process.

2. If at any point the results of the testing procedures specified in the appendix are negative, all further testing shall be discontinued. The employee will be provided a copy of the results, and all other copies of the results (including the original) shall be destroyed within 24 hours after the test results have been received by the employer. All positive test results will be kept confidential, and will be available only to the Chief, one designated representative of the Chief, and the employee.

3. Any employee who tests positive shall be given access to all written documentation available from the testing laboratory which verifies the accuracy of the equipment used in the testing process, the qualifications of the laboratory personnel, the chain of custody of the specimen, and the accuracy rate of the laboratory.

MEMORANDUM OF UNDERSTANDING

By and Between

PORT OF SEATTLE

And

TEAMSTERS LOCAL UNION NO. 117
Affiliated with the
International Brotherhood of Teamsters

POLICE SPECIALISTS AGREEMENT

Re: Break and Lunch Periods

The Parties signatory to a 2021-2021 Collective Bargaining Agreement covering Police Specialists agree to the following:

1. Section 12.02 of the Collective Bargaining Agreement provides for an unpaid meal period "to be either one-half (½) hour or one (1) hour by employee's option." The Police Specialists also receive two (2) fifteen (15) minute breaks per day.

2. The Police Department encourages employees to take their breaks during the middle of each four (4) hour work period.

3. For the employees' convenience, Police Specialists who take a one-half (½) hour meal period may choose to forego their daily breaks in order to combine the break time with the one-half (½) hour lunch period together for a one (1) hour block of time for their lunch period. Breaks and meal periods, whether combined or separate, must be used during the work day rather than to shorten the length of the Specialist's scheduled work hours.

4. The Port will give reasonable consideration to Police Specialists' requests to combine their breaks and lunch.

5. A Police Specialist who desires a change to his/her normally scheduled break and/or meal period must obtain advance approval from his/her supervisor.

6. This MOU will remain in effect through June 30, 2022.

All other terms and provisions of the 2021-2021 Collective Bargaining Agreement shall remain in full force and effect.

PORT OF SEATTLE	**TEAMSTERS LOCAL UNION NO. 117/IBT**
STEPHEN P. METRUCK **Executive Director**	**JOHN SCEARCY** **Secretary-Treasurer**
Date	**Date**

MEMORANDUM OF UNDERSTANDING

By and Between

PORT OF SEATTLE

And

TEAMSTERS LOCAL UNION NO. 117
Affiliated with the
International Brotherhood of Teamsters

POLICE SPECIALISTS AGREEMENT

Re: Retroactive Payment

The Port of Seattle shall make payment of any retroactive pay owed, to either current or past members of the Bargaining Unit, within sixty (60) days of the signing of the current Collective Bargaining Agreement.

PORT OF SEATTLE

____
STEPHEN P. METRUCK
Executive Director

____
Date

TEAMSTERS LOCAL UNION NO. 117/IBT

____
JOHN SCEARCY
Secretary-Treasurer

____
Date

RETURN TO AGENDA

Port of Seattle

COMMISSION
AGENDA MEMORANDUM | **Item No.** 8j
ACTION ITEM | **Date of Meeting** August 10, 2021

DATE: August 2, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Eileen Francisco, Acting Director, Aviation Facilities and Capital Programs
Wayne Grotheer, Director, Aviation Project Management

SUBJECT: **Airfield Pavement and Supporting Infrastructure Replacement Program (CIP #C800930) - North Runway Protection Zone Culvert**

Amount of this request: $3,800,000
Total estimated project cost: $153,500,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to advertise and award a major public works contract to replace the North Runway Protection Zone Culvert (NRPZ Culvert), a year 2022 component of the 2021 to 2025 Airfield Pavement and Supporting Infrastructure Replacement Program. This construction authorization is for $3,800,000 for a total program authorization to date of $55,195,000. The total 2021-2025 program cost is $153,500,000.

EXECUTIVE SUMMARY

This project will replace the existing failing culverts and the road crossing at Miller Creek on South 150th St. with an engineered structure capable of sustaining heavy vehicle loading requirements. The new structure will also revert the creek at this location to a natural streambed and restore fish passage. The primary reason to maintain this road is that it provides access for Aircraft Rescue and Fire Fighting (ARFF) vehicles to be able to respond to any incident within the Runway Protection Zone (RPZ) north of the airport. The road has a variety of additional uses, including as a haul road for staging and moving construction material for on-going projects, Port Police, security access, and environmental resource staff accessing the wetlands and creek. The existing culverts under the road have settled to the point where the culverts are now located beneath the Miller Creek streambed and therefore have restricted creek flow and fish passage. Additionally, sinkholes have developed in the roadway that crosses Miller Creek, creating concerns about stability of the roadbed and the potential for safety hazards. This project has received all the Environmental permits required to do work in this wetland area.

This project was included in the 2021-2025 capital plan and the funding source will be the Airport Development Fund.

JUSTIFICATION

In its current state the existing culvert blocks Miller Creek, does not provide fish passage, and the failed roadway above creates an unsafe environment for all users of the roadway. It may also limit ARFF response to any incident within the north RPZ. ARFF access to the RPZ is an FAA requirement. This project will replace the existing failing culverts and the road crossing Miller Creek on S. 150th St. with an engineered structure spanning the creek, revert the creek to a natural streambed at this location, and restore fish passage.

Diversity in Contracting

The project staff, in coordination with the Diversity in Contracting Department, have set a 10% woman and minority business enterprise (WMBE) aspirational goal for the NRPZ culvert project. The goal is based upon the project's scopes of work which does not include FAA funding, and baseline availability of certified WMBE businesses to perform the work.

Details

The overall purpose of this project is to provide safe conditions for ARFF, construction, and other users on the access road within the North Runway Protection Zone road and to reopen the fish passage in the wetlands. This project was one of the planned components of the 2021-2025 Airfield Pavement and Supporting Infrastructure Program. Design authorization for the overall program occurred in October 2019 while construction authorization is brought forth for each yearly construction contract or component. Construction of the culvert replacement will occur in the summer of 2022 during the permissible fish window of July to October while stream flow conditions are at their lowest level. Concurrence for this project and the in-water work permits have been obtained from the Washington Department of Fish and Wildlife (WDFW) and the Army Corps of Engineers (Corps).

Scope of Work

The scope for work for this project includes:

- Install temporary stream bypass, water treatment and fish protection measures
- Remove the failing roadway
- Restore the Miller Creek streambed to its natural state
- Install piling for the new roadway structure span
- Install the engineered roadway decking spanning the creek

Schedule

Activity

Construction start	2022 Quarter 3
In-use date	2022 Quarter 4

Cost Breakdown

	This Request	Total Project
Design	$0	$13,495,000
Construction	$3,800,000	$140,005,000
Total	$3,800,000	$153,500,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Shut the road down permanently and do not restore fish passage

Cost Implications: $600,000 expense funds for design costs to date

Pros:

(1) No construction costs
(2) No disturbance to the wetlands

Cons:

(1) ARFF vehicles will no longer have access to the north RPZ to be able to respond to an aircraft incident, which is an FAA requirement. Police, security, and environmental staff will also lose this access. Construction vehicles accessing the airfield from SR518 and SR509 will also need to use surface streets.
(2) Fish passage is not restored
(3) Not supportive of current agreements with the Corps and WDFW.

This is not the recommended alternative.

Alternative 2 – Continue to perform ad-hoc repairs to the access road

Cost Implications: $600,000 expense funds for design costs to date; and $50,000 per year in repairs

Pros:

(1) Lower initial costs

Cons:

(1) Not an engineered solution. Roadway could collapse at any time restricting ARFF access to the north Runway Protection Zone and other road uses.
(2) Delay pushes full replacement into a future date, escalating actual replacement costs
(3) Fish passage is not restored
(4) Not supportive of current agreements with the Corps and WDFW.

This is not the recommended alternative.

Alternative 3 – Replace the culvert with an engineered structure and restore creek and fish passage

Cost Implications: $4,900,000

Pros:

(1) Fish passage will be restored

(2) Safe road conditions for ARFF and construction vehicles
(3) Supports agreements with the Corps and WDFW.

Cons:
(1) Highest initial capital costs
(2) Temporary closure of the access road
(3) Temporary disturbance of the wetlands

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The 2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program is included in the annual FAA Airport Capital Improvement Program (ACIP) letter for FAA Airport Improvement Program (AIP) Grant funding. The program will receive federal grant funding for eligible items meeting the FAA standards and the anticipated FAA grant reimbursement over the life of the program is $47,992,000 with $21,206,057 received for the year 2021.

Cost Estimate/Authorization Summary	Capital	Expense	Total
COST ESTIMATE			
Original estimate	$156,300,000	$0	$156,300,000
Previous changes – net	(2,800,000)	0	(2,800,000)
Revised estimate	153,500,000	0	153,500,000
AUTHORIZATION			
Previous authorizations	51,395,000	0	51,395,000
Current request for authorization	3,800,000	0	3,800,000
Total authorizations, including this request	55,195,000	0	55,195,000
Remaining amount to be authorized	$98,305,000	$0	$98,305,000

Annual Budget Status and Source of Funds

This project, C800930 Airfield Pavement and Supporting infrastructure Replacement Program, was included in the 2021-2025 capital budget and plan of finance with a budget of $153,500,000. A budget reduction of $2,800,000 was transferred to the Airfield Pavement Program 2016-2020 (C800483) to accelerate pavement and supporting infrastructure work to take advantage of the lower operations in 2020. There was zero net change to the Aviation capital budget. This project has a Majority-In-Interest approval from the airlines in January 2020. The funding sources will be the Airport Development Fund, AIP grants, and revenue bonds.

Financial Analysis and Summary

Project cost for analysis	$153,500,000
Business Unit (BU)	Airfield movement and airfield apron
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base
IRR/NPV (if relevant)	N/A
CPE Impact	Total project cost CPE of 0.38 in 2026; annual CPE of .05

Future Revenues and Expenses (Total cost of ownership)

This project will not have an impact on annual Aviation Maintenance operating & maintenance (O&M) costs and may lead to a reduction in the amount of time currently spent by the field crew on repairing this section of the road due to the current condition of the road. After implementing the project, it is anticipated that many of the problems that we currently have in this area would be resolved.

Anticipate approximately $50,000 ($10,000 annually) to conduct five years of post-construction performance monitoring_as specified by the Washington Department of Fish and Wildlife (WDFW) and the Army Corps of Engineers (Corps).

ADDITIONAL BACKGROUND

The ARFF Access Road and the culvert over Miller Creek were constructed in 1983. The geotechnical investigation study conducted in fall of 2018 indicated the presence of soft peat layers in the subsurface. It is anticipated that the culvert and the road east of the culvert may have suffered significant settlement due to this peat layer. Using a new precast structure and building a new foundation supported on king piles are needed to prevent settlement of the new structure in the future.

ATTACHMENTS TO THIS REQUEST

Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- November 10, 2020 – The Commission authorized the Executive Director to (1) advertise and execute a major works construction contract and (2) include a project labor agreement for the replacement of distressed pavements and supporting infrastructure for the 2021 portion of the 2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program at the Seattle-Tacoma International

Airport. This construction authorization is for $37,900,000 for a total authorization to date of $51,395,000. The total 2021-2025 program cost is $153,500,000.

- October 22, 2019 – The Commission authorized the Executive Director to authorize design and preparation of construction documents for the 2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Projects at the Seattle-Tacoma International Airport in the amount of $16,000,000 and approve the use of a project labor agreement (PLA) for each year's construction contract.

Item No. 8j supp
Meeting Date: August 10, 2021

2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program North Runway Protection Zone Culvert (CIP #C800930)

Michelle Carioto & Chris Coulter – AVPMG

C801177

August 10, 2021

Action Requested

Request Commission authorization for the Executive Director to advertise and award a major public works contract to replace the North Runway Protection Zone Culvert (NRPZ Culvert), a year 2022 component of the 2021 to 2025 Airfield Pavement and Supporting Infrastructure Replacement Program. This construction authorization is for $3,800,000 for a total program authorization to date of $55,195,000. The total 2021-2025 program cost is $153,500,000.

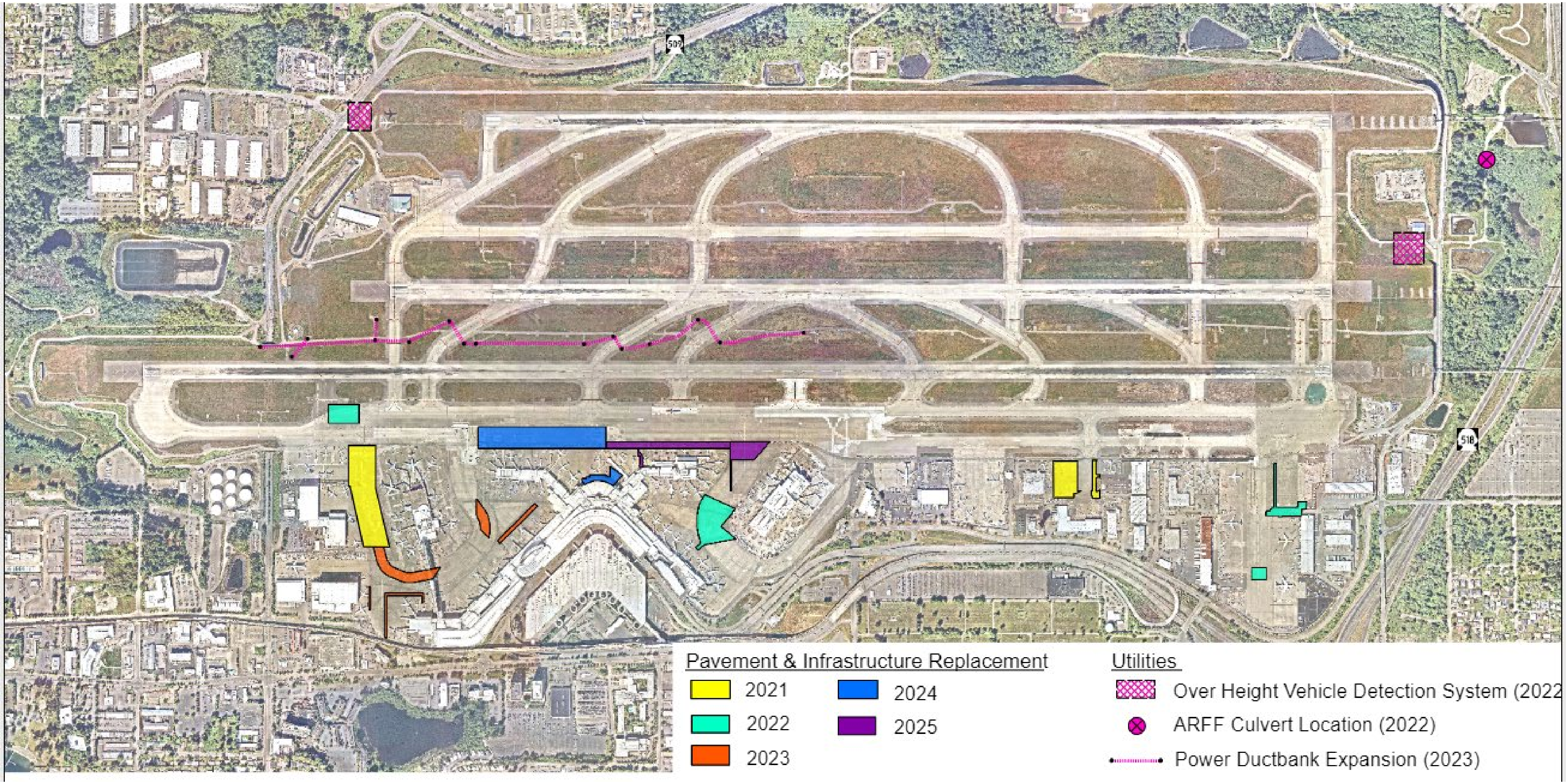
Program Overview

The 2021-2025 Airfield Pavement and Supporting Infrastructure Replacement Program replaces distressed airfield pavement (concrete and asphalt), joint sealant, related and supporting infrastructure at the Airport to provide safe and efficient conditions for aircraft operations and meet FAA requirements.

Program Notes:

- Program Budget: $153,500,000
- Authorized to Date: $55,159,000 (including today's authorization)
- Maximizes FAA Grant Funding ($21,100,000 To-date)
- Design authorization for the program occurred in Q4 2019
- Program is in its first year (2021) of the five-year construction schedule
- Construction authorization occurs for each major construction contract issued - typically one FAA funded and one non-FAA funded contract per year

Program Overview Map



North RPZ Project Scope

- Install temporary stream bypass, water treatment and fish protection measures
- Remove the failing roadway
- Restore fish passage and the Miller Creek streambed to its natural state
- Install the engineered roadway decking spanning the creek to allow safe conditions for first responders, maintenance, and construction traffic

Project Location

North Runway Protection Zone Culvert Site

Project Schedule

Commission construction authorization	**2021 Quarter 3**
Construction start	2022 Quarter 3
In-use date	2022 Quarter 4

Budget

Culvert Project Budget (U00619)	Total Project
Design	$1,100,000
Construction	$3,800,000
Total	$4,900,000

Airfield Pavement & Supporting Infrastructure Replacement Program Budget (C800930)	This Request	Total Program
Design	$0	$13,495,000
Construction	$3,800,000	140,005,000
Total	$3,800,000	$153,500,000

Project Risks

RISK	DESCRIPTION	PROBLEM	IMPACT	MITIGATION PLAN
In Water Work	Significant amount of the work involves activities located below the water table.	Med	Med	Robust construction water management plan (including stream diversion plan and pump sizes) will be included in the contract.
Discovery of Archaeological Resources	Should archaeological materials (e.g., bones, shell, stone tools, beads, hearths, etc.) be observed during Project activities, all work in the immediate vicinity of the find will be halted.	Low	High	A discovery plan is in place and research of the area has been performed and we do not expect a discovery, but we will be prepared if there is one.
Material Lead Time	Few suppliers and long lead times for the culvert/bridge structure could potentially have a one-year impact on the schedule due to the limited "fish window" for allowable construction	Med	High	Procure the contractor early enough so there is adequate time to procure the structure ahead of schedule in order to meet the fish window construction timeline.

Port of Seattle

COMMISSION
AGENDA MEMORANDUM
ACTION ITEM

Item No. 8k
Date of Meeting August 10, 2021

DATE: August 3, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Dave Soike, Chief Operating Officer
Nora Huey, Director, Central Procurement Office

SUBJECT: **Procurement Consulting Support Services**

Amount of this request: $0
Total estimated project cost: $450,000

ACTION REQUESTED

Request Commission determination that a competitive process in not reasonable or cost effective in accordance with Chapter 53.19 RCW; and Authorization for the Executive Director to execute an agreement for Procurement Consulting Support Services, with The Le Flore Group, in the amount not to exceed $450,000, for a contract period of one year, to Assist with contracting processes including Opportunities Youth Initiative procurement(s), Economic Recovery, and for recommendations for improvements to community engagement (grant/non-profit) processes.

EXECUTIVE SUMMARY

This request for near-term procurement consulting support comes at a time when the Port needs to exert itself as a regional economic engine for recovery from the COVID-19 pandemic. The Central Procurement Office (CPO) workload has risen – capital procurements have increased both in number and complexity; purchasing of goods have increased due to buying supplies necessary to safely support COVID-19 recovery efforts and gateway operations; and service contracts have increased in value and complexity to support portwide and Commission requests. This all occurred at a time when full-time employee (FTE) growth was paused when the pandemic hit to ensure financial viability of the Port, where staffing backfills were carefully scrutinized, and in some cases, delayed.

As a result, CPO does not have the resources to support the growing volume of work. This is an immediate strategy to course correct CPO staffing so that the Port can execute contracts to aid hurting communities and accelerate wider economic recovery. The anticipated cost is $450,000 for a period of one year to assist CPO with contracting processes including Opportunities Youth Initiative procurement(s), economic recovery, and recommended improvements to community engagement (grant/non-profit) processes. This is an unbudgeted operational expense.

JUSTIFICATION

This request supports the following Century Agenda and Executive Director's strategic goals:

(1) Increase career and business opportunities for local communities in all port-related industries.
(2) Advance regional workforce development in port-related industries to provide equitable access to quality Port careers

The Commission saw the need to bolster economic recovery from the COVID-19 pandemic and has responded mightily by asking Port staff to ramp up and deliver various recovery programs to a hurting community – which needs continued expedited help. We need to simultaneously deliver the systems and improve the process within legal parameters.

In the last two years, it has been necessary for the Port to support disparately affected communities and to support economic recovery to help the region climb out of the negative effects of the COVID-19 pandemic. These efforts align directly with the mission of the Port. As a result of Commission efforts in this regard, the City of Seattle (City) anticipates forwarding a portion of their funding to the Port to bolster recovery efforts. Part of the reasoning by the City is the Port could launch their recovery dollars into the communities faster. These efforts are being led by the Office of Equity Diversity and Inclusion (OEDI), in partnership and support from CPO, Legal, External Relations, and Economic Development divisions.

These multi-departmental teams have been meeting to establish lessons learned from previous economic recovery procurements. Meanwhile, the volume of this type of work has not been static, rather we are seeing continuing and growing interest from Commission. This all translates into more support from various departments like CPO that strongly supports OEDI thru: design, scope, advertisements, outreach listening sessions, evaluation of responses from community entities, managing conflict of interests, shortlisting, interviewing and evaluation of proposers, contracting with winners, and monitoring progress – all in concert with OEDI. These are not quick parallel steps; they are successive steps in very complex evaluative procurements. Staff is recommending leveraging the use of a knowledgeable consultant to provide improvement and efficiency suggestions, as they help us work through the immediate workload.

Staff is requesting the Commission to determine a competitive procurement process is not reasonable or cost effective in accordance with Chapter 53.19 RCW for the following reasons:

(1) King County residents continue to experience economic setbacks due to COVID-19, such as food insecurity, homelessness, and unemployment. Commissioners recognize the urgency to distribute and fund programs like youth opportunities for

economic recovery. This will allow our youth to continue to participate in workforce development programs with a pipeline to Port-related industries.

(2) The 16-24 age group continues to experience economic instability due to the pandemic (per King County data).

(3) Advertise OYI procurement and other recovery opportunities faster during a time where new COVID variants are occurring which may impact recovery efforts in the near term.

Staff will negotiate a fair and reasonable cost upon approval of this action.

Diversity in Contracting

The Le Flore Group is a self-declared Disadvantaged/Minority-owned business.

DETAILS

This effort will support CPO in procuring upcoming OYI services and other economic recovery programs along with assess our community engagement processes, which includes grant and non-profit services. The Port will retain an external consult who is familiar with the procurement processes and can team with staff under a supervisor on this complex procurement effort for the time necessary as CPO, in partnership with Human Resources (HRD), recruits for its various full-time employee vacancies for the remainder of the year and into next year. The anticipated expense budget is estimated at $250,000 in 2021 with the remaining $200,000 in 2022.

Scope of Work

The scope of this consultant is two-fold: provide staff to push our work forward while simultaneously making recommendations to improve the Port process to be efficient in our work with community engagement sector (non-profits and firms in the equity field). The scope includes, but not limited to, solicitation development, proposal evaluation, selection, negotiation, and award. It will also include assessing, recommending, and presenting community engagement process improvements.

Schedule

We anticipate executing this agreement for procurement support in late August. Procurement schedules will be negotiated during the contract term as the OYI program and other economic recovery programs are still under evaluation.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Maintaining the status quo is a barrier for the Port to continue its necessary public procurement work to support Commission-driven initiatives for economic recovery. COVID variants are ever evolving with many unknown impacts, so the Port must position itself to award funds to organizations supporting community youth which continue to experience economic insecurity in a fast and efficient manner.

Alternative 1 – Competitively procure Procurement Consulting Support Services.

Cost Implications: $450,000

Pros:

(1) Open and full competitive public procurement process.

Cons:

(1) This will delay in procuring OYI services in partnership with the City of Seattle and other economic recovery programs without prioritization of other complex, high profile procurements due to CPO staffing constraints.
(2) Advertisement of OYI services in 2022 which delays awarding contracts to our youth in distressed communities impacted by COVID.
(3) COVID variants are constantly changing with unknown impacts to the economy in the near future.

This is not the recommended alternative.

Alternative 2 – Commissioners determine a competitive process is not reasonable or cost effective, in accordance with Chapter 53.19 RCW, and enter into an agreement with The Le Flore Group for procurement consulting support services for OYI/ Economic Recovery.

Cost Implications: $450,000

Pros:

(1) The consulting firm, a self-certified Disadvantage/ Minority-owned business, has substantial knowledge of managing complicated non-profit consulting procurement processes and will be able to be successful quickly.
(2) This is the fastest way to get an expert and high level of experience onto the team to be able to rapidly deliver these recovery funding efforts into the Community.
(3) Provide an immediate "stop-gap" measure to address current urgent need to aid regional recovery and equity.
(4) Develop a faster and efficient process within our legal procurement constraints.

Cons:

(1) Unbudgeted CPO operational budget expense.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

This is unbudgeted CPO operation expense. Staff anticipates expending $250,000 in 2021. Staff will request the remaining $200,000 during the 2022 budget process.

Cost Estimate/Authorization Summary	Capital	Expense	Total
COST ESTIMATE			
Original estimate	$0	$450,000	$450,000
AUTHORIZATION			
Previous authorizations	0	0	0
Current request for authorization	0	0	0
Total authorizations, including this request	0	0	0
Remaining amount to be authorized	$0	$0	$0

ADDITIONAL BACKGROUND

None.

ATTACHMENTS TO THIS REQUEST

None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None.

RETURN TO AGENDA

COMMISSION
AGENDA MEMORANDUM

Item No. 10a

ACTION ITEM

Date of Meeting August 10, 2021

DATE : July 30, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Barb Wilson, Commission Chief of Staff
Erica Chung, Commission Specialist
Aaron Pritchard, Deputy Commission Chief of Staff

SUBJECT: Resolution No. 3971, Amending the Name of the Energy and Sustainability Committee to the Sustainability, Environment, and Climate Committee

Amount of this request:	n/a
Total estimated project cost:	n/a

ACTION REQUESTED

On July 20, 2021, the Energy and Sustainability standing committee met and recommended the Charter be amended to change the name of the committee to the Sustainability, Environment, and Climate Committee. This action is brought forward for Commission consideration through the accompanying resolution.

As this is a ministerial action, staff requests the Commission consider waiving the requirement for two readings of a resolution, suspend the second reading, and consider introduction and adoption of the proposed resolution on the same day, per the Commission Bylaws and Rules of Procedure, Article VI, Rules of Order(5)(d).

> (5)(d) A resolution shall be introduced and adopted by separate votes on the introduction of the resolution and the adoption of the resolution. No resolution shall be adopted on the same day upon which it is introduced, except by unanimous consent of all commissioners as described in these bylaws. Once a motion for introduction of a resolution has been made or a resolution has been filed by its inclusion on an approved agenda, it shall be modified prior to adoption only by amendment. Commissioners may give their consent to adopt a resolution on the same day it is introduced in person at the meeting during which final passage of the resolution is sought or, in the case of commissioners absent from such meeting, by advance written consent. Written consent for a vote on adoption of a resolution at the same meeting as its introduction shall include the resolution

number or series of numbers, a brief description of the resolution(s), the date of the meeting for which such consent is given, and the name and signature or similar authentication of the commissioner giving consent. Such written consent shall be included in the record of the meeting.

* Note - Should the Commission decide to introduce the resolution, but not consider adoption at the August 10, 2021, meeting, the item will be again brought for a second reading and consideration of adoption on September 14, 2021.

FINANCIAL IMPLICATIONS

None

ATTACHMENTS TO THIS REQUEST

(1) Proposed Resolution with Exhibit A

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

Resolution No. 3770, Adopting the Standing Committees of the Commission

Item Number:	10a_reso
Meeting Date:	August 10, 2021

PORT OF SEATTLE
RESOLUTION NO. 3791

A RESOLUTION of the Port of Seattle Commission amending Resolution No. 3770, which adopted the charters of the Commission's standing committees, by further amending the Energy and Sustainability Committee charter to change the name of the committee to the Sustainability, Environment, and Climate Committee.

WHEREAS, on February 25, 2020, the Port of Seattle Commission adopted Resolution No. 3770, establishing the standing committee charters of the Commission; and

WHEREAS, on July 20, 2021, the Energy and Sustainability Committee met and recommended the name of the committee be changed from the Energy and Sustainability Committee to the Sustainability, Environment, and Climate (SEAC) Committee in order to more fully reflect the breadth of work under the purview of the committee; and

WHEREAS, the Port of Seattle Commission concurs with the suggested committee name revision and through adoption of this resolution directs the charter of the committee to be amended accordingly, as outlined in Exhibit A to this resolution; and

WHEREAS, corresponding amendments to the Commission's Bylaws and Standing Rules of Procedure will be incorporated as housekeeping amendments and will be brought forward at the time of the next substantive bylaws review and amendment.

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

Section 1. Resolution No. 3791, amending Resolution No. 3770, is hereby adopted to change the name of the Commission's Energy and Sustainability standing committee to the Sustainability, Environment, and Climate Committee, as shown in attached Exhibit A to this resolution.

Section 2. All other clauses and provisions of previously adopted Resolution No. 3770 remain in full effect.

ADOPTED by the Port of Seattle Commission at a duly noticed public meeting thereof, held this 10 day of August, 2021, and duly authenticated in open session by the signatures of the commissioners voting in favor thereof and the seal of the commission.

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Port of Seattle Commission

EXHIBIT A

PORT OF SEATTLE COMMISSION
~~SUSTAINABILITY~~
~~STANDING COMMITTEE CHARTER~~
SUSTAINABILITY, ENVIRONMENT, AND CLIMATE COMMITTEE CHARTER

I. INTRODUCTION

A. The ~~Energy and Sustainability Committee~~ **Sustainability, Environment, and Climate Committee**, herein referred to as "the committee," is a standing committee created by the Port of Seattle Commission. The committee will provide information, advice, and recommendations about programs and policies as described below.

B. The Port of Seattle's Century Agenda outlines a strategic objective to become the greenest and most energy efficient port in North America and sets specific greenhouse gas reduction targets. The ~~Energy and Sustainability Committee~~ **Sustainability, Environment, and Climate Committee** shall provide information, advice, and recommendations to inform commission policy development in pursuit of the port's Century Agenda environmental and sustainability goals. The committee shall conduct its work in the context of other Century Agenda goals, and continue the port's commitment to fiscal responsibility, social equity, and environmental justice.

C. This charter defines the composition, authority, mission, scope, responsibility, and meeting structure of this committee.

II. COMPOSITION

The committee will consist of two Port of Seattle commissioners appointed by the commission president after consultation with the commission at the beginning of each calendar year in which the committee is active.

III. SCOPE OF WORK

A. The work of the ~~Energy and Sustainability Committee~~ **Sustainability, Environment, and Climate** Standing Committee's primary responsibility is to develop policy recommendations and monitor implementation of the Century Agenda's environmental and sustainability goals, including to "be the greenest and most energy-efficient port in North America" and to "meet all increased energy needs through conservation and renewable sources." The work of the committee will include the following:

B. Develop and provide recommendations to the commission on policies, programs, and strategies that advance the Port of Seattle's Century Agenda greenhouse gas emissions reduction and mitigation goals.

C. Monitor the implementation of the Sustainable Evaluation Framework Policy Directive and review Sustainable Design Strategies as designated in the Sustainable Evaluation Framework Policy Directive.

D. Monitor the development and implementation of the Sustainable Aviation Fuels strategy and implementation, including the statewide implementation of a Clean Fuel Standard to support regional market development for Sustainable Aviation Fuels.

E. Monitor the development and implementation of the Port of Seattle Waterfront Clean Energy Strategic Plan.

F. Monitor the development and implementation of the cruise environmental principle as passed in Motion 2019-02 and reads as follows:

> "Incorporate leading edge environmental stewardship and sustainability practices and facilities that can exceed existing regulations.
>
> a) Set aggressive goals to minimize greenhouse gas impacts in operation of ships and terminals to support the Port's goals of reducing carbon by 50 percent by 2030 and the carbon-neutral-by-2050 goal.
>
> b) Lead the region and the industry to minimize air emissions, ensure water quality and protect our ecosystems, focusing on minimizing air and water discharges at dock and underway.
>
> c) Engage with key local stakeholders in support of regional environmental priorities and initiatives, including considering recommendations from the state's Orca Task Force.
>
> d) Require use of shore power where feasible by equipped ships and include shore power capabilities at the new berth."

G. Review and recommend to the Port of Seattle Commission pilot projects and research opportunities to develop commission policy directives.

IV. AUTHORITY

In pursuit of its mission and scope, the committee is not legally authorized to act on behalf of the Port of Seattle Commission, but is authorized to conduct the following activities:

A. Gather information, consider matters within the committee's scope of work, and provide information, advice, and recommendations to the Port of Seattle Commission.

B. Communicate to the public the priorities of the Port of Seattle Commission.

C. Engage in outreach efforts and activities to gather information to provide to the Port of Seattle Commission.

D. If the committee determines that to meet its responsibilities it needs the independent services of an outside advisor or consultant with expertise in areas relevant to the responsibilities of the committee, it may propose the retention of such advisor or consultant to the commission for approval.

V. DURATION

The ~~Energy and Sustainability Committee~~ **<u>Sustainability, Environment, and Climate Committee</u>** is a standing committee with broad purview over matters related to environmental and sustainability issues and will continue indefinitely until the commission repeals its charter.

VI. RESPONSIBILITY

A. The role of the committee chair(s) shall be to:

1. Preside at meetings and serve as committee sponsor(s);
2. Ensure that the committee addresses the purposes described in this charter; and
3. Set committee meeting agendas.

B. The Commission Policy Manager is the committee liaison, and commission specialists will support the work of the committee as assigned. The role of the committee liaison shall be to:

1. Regularly update the commission on the work of the committee in memos, individual briefings, and public session;
2. Support the work of the committee;
3. Help develop, manage, and distribute meeting materials;
4. Provide logistical support including procuring meeting rooms, scheduling, creating meeting records, and providing technical assistance; and
5. Coordinate with the primary executive staff contact to keep the Executive Director informed about committee progress.

C. The Port of Seattle Senior Director, Engineering, Environment and Sustainability will support the committee as the primary executive staff contact. The role of the executive staff contact shall be to:

1. Inform the Executive Director about committee progress;

2. Support the committee with timely and responsive information;

3. Coordinate with other executive staff in support of the committee's work; and

4. Serve as a resource for committee deliberation.

VII. MEETINGS

A. The committee will meet at least quarterly and will report to the commission in public session to provide transparency as to progress made in executing its charter.

B. Workgroups composed of non-commissioner advisors and subject matter experts may be formed by the committee to provide in-depth analysis of issues for the committee and are expected to meet as frequently as needed. Workgroup meetings are not considered official committee meetings for purposes of establishing a quorum or management of records by the commission clerk.

C. A quorum of the committee is required to conduct official committee business. A quorum is defined as the presence of both commissioners assigned to the committee.

D. Meetings of the ~~Energy and Sustainability Committee~~ **Sustainability, Environment, and Climate Committee** shall be open to the public when required by applicable law or the bylaws of the Port of Seattle Commission.

E. Agendas will be prepared and made available to committee members in advance of meetings.

F. Agendas for updates to the commission to be presented in public session will be published as part of regular or special commission meeting notices.

G. Minutes will be prepared and retained for all meetings of the committee.

H. Records of committee meetings, including any meeting minutes, shall be provided to the commission clerk for appropriate retention in accordance with applicable law and best practices.

RETURN TO AGENDA

COMMISSION
AGENDA MEMORANDUM **Item No.** 10b

ACTION ITEM **Date of Meeting** August 10, 2021

DATE: July 16, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Alex Adams, Interim Director, Maritime Environment & Sustainability
Jon Sloan, Sr. Manager Environmental Programs

SUBJECT: Interlocal Agreement with Washington Sea Grant for Hershman Fellowship

Amount of this request: N/A
Total estimated project cost: $39,975

ACTION REQUESTED

Authorization for Executive Director to sign an Interlocal Agreement (ILA) with University of Washington's Sea Grant program, substantially in the form attached with minor changes to be approved by legal counsel. The ILA will allow the Port to host one (1) 12-month Hershman Fellowship position.

EXECUTIVE SUMMARY

Washington Sea Grant, based out of the University of Washington, was established to help people understand and address the challenges facing Washington's oceans and coasts. Sea Grant funds research, fosters education, and supports several graduate fellowship programs. The Hershman Fellowship program is for soon-to-graduate or recently finished graduate students who are engaged in ocean and coastal policy issues. The purpose is to develop marine and natural resource policies related to Port operations and/or management of Port properties and share their expertise with a host agency. The Port of Seattle (Port) applied to the program in March 2021 and was accepted to host one (1) Fellow starting on September 20, 2021. In exchange for the services of the Fellow, the Port will provide $39,975 to the Sea Grant program. Funding is already authorized in the annual expense budget for the Maritime Environment and Sustainability Department (ME&S). The Fellow will be an employee of the University of Washington, which will pay their salaries and benefits, but the Fellow will be hosted by the Port and embedded within the ME&S department and located at Pier 69.

JUSTIFICATION

The Port of Seattle's ME&S department routinely works to address complex environmental problems in the maritime industry. This work creates opportunities to engage young people through internships and/or fellowships to participate, providing value-added services to the Port while also furthering career-development and educational objectives. The Washington Sea Grant Hershman Fellowship program is a good fit for the Port in that it provides 12-months of employment for highly competent recent post-grads with interest in our work, at very low cost. In exchange, the Port will receive the benefit of their experience and assistance with developing policies and programs related to operation of its seaport, including energy, habitat restoration, climate resiliency, and community engagement.

Diversity in Contracting

The Port participated in interviews of seven fellowship candidates through a matching process managed by the University of Washington. The interviews included questions about the candidates' views on sustainability, maritime environment as well as diversity, equity and inclusion. During the selection process, several candidates expressed a passion for environmental matters, science communication, and the maritime industry, as well as social justice.

DETAILS

The ME&S department first applied to be a host agency to the Hershman Fellowship program in February 2020. We were selected to host two fellowship positions in 2020-21. The fellows were an excellent fit at the Port and contributed value-added work throughout their fellowships.

For 2021-22, the Port is requesting a Washington Sea Grant Hershman Fellow to assist with the following priority environmental work:

- Participate in design, construction and monitoring of mitigation bank projects in the Green-Duwamish River Watershed and associated nearshore areas, including coordination with project sponsor, project managers, designers, and other project team members;
- Work with Port staff, consultants and stakeholders to develop a business plan that will provide visibility to the Port's mitigation bank by establishing goals and objectives for mitigation credit sales and marketing as well as identifying potential customers of mitigation bank credits;
- Support innovation in the Port's habitat mitigation banking program by participating in the floating wetland islands project with Port staff, UW faculty, UW students, EarthCorps, and project stakeholders.

The above work is critical to achieving the Port's environmental goals related to habitat restoration. Additional staffing support provided by a Washington Sea Grant Hershman Fellow will help the Port make progress on these goals and will also help fill staffing shortfalls that have resulted from the COVID-19 crisis. At the same time, the work will provide an outstanding experience for the Fellow that will help prepare the Fellow for careers in the maritime and/or environmental industry.

Schedule

Fellowship positions are scheduled to begin on September 20, 2021 and will run for 12-months. The interlocal agreement needs to be finalized with the University of Washington prior to September 20, 2021.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1. Engage graduate or undergraduate interns to participate in the work.
Cost Implications: Cost would be slightly higher, approximately $42,000 per position for 12-months of full-time work.

Pros:
(1) Builds on a robust internship program
(2) Introduces maritime environmental issues to students earlier in their education.

Cons:
(1) Interns are typically less experienced and have not completed their degrees.
(2) Interns are generally limited to 3-month period.
(3) Cost is higher.

This is not the recommended alternative.

Alternative 2. Engage full time staff to undertake the work.

Cost Implications: Cost would be substantially higher at $175,000 per position.

Pros:
(1) Hiring full-time employees is an investment which develops long-term internal competency and provides the Port with more consistency over time.

Cons:
(1) Hiring during and following COVID-19 requires special exceptions for hiring FTEs.
(2) Cost of a full-time employee is substantially higher.

This is not the recommended alternative.

Alternative 3 – Engage a Washington Sea Grant Hershman Fellow to participate in the work.

Cost Implications: Positions require contribution of $39,975 per position to University of Washington.

Pros:

(1) Port benefits from experience and energy of highly capable post-grads who are eager to engage in maritime environmental issues at a much lower cost than hiring a full-time employee.
(2) Continues partnership with University of Washington Sea Grant program.
(3) Enables the Port to continue with projects that are on pause due to limitations on hiring during the COVID-19 response.

Cons:

(1) Because the fellowship is only a short-term (1 year) employment opportunity, the Port can only access the experience of the individual fellows during the one-year period.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

There is no funding requested as part of this authorization.

ATTACHMENTS TO THIS REQUEST

(1) Draft Interlocal Agreement
(2) Presentation Slides

Interlocal Agreement

Between the Port of Seattle and the University of Washington (UW) on behalf of its Washington Sea Grant Program

Relating to the Washington Sea Grant Hershman Fellowship

This Agreement is made and entered into by the State of Washington, through the University of Washington ("UW'), an institution of higher education and an agency of the State of Washington, with its principal campus located in Seattle, Washington, USA, and the Port of Seattle ("Port"), a municipal corporation of the State of Washington, individually a "Party" and collectively referred to as the "Parties."

RECITALS

WHEREAS, Chapter 39.34 RCW authorizes government entities to contract to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized by law to perform;

WHEREAS, the Port and the UW have mutual interests in promoting environmental stewardship, economic development and social equity in the maritime industry;

WHEREAS, the UW provides administrative support for the Washington Sea Grant program, including the Washington Sea Grant Hershman Fellowship program, a one-year, paid marine policy fellowship that matches highly motivated, qualified individuals with host agencies, nonprofits or tribes throughout Washington State to offer recent graduates first-hand experiences in crafting marine and natural resource policies and allows them to share their academic expertise with their host offices;

WHEREAS, the UW has legal authority to enter into this Agreement pursuant to RCW 39.34.130 and RCW 39.26.180(3);

WHEREAS, the Port has legal authority under RCW 53.08 to operate and maintain seaport infrastructure, including energy, habitat restoration, climate resilience efforts, and community engagement related to seaport operations;

WHEREAS, under the Port's Century Agenda, the Port has committed to operate its facilities in an environmentally sustainable manner, including (but not limited to) the reduction of air pollutants and carbon emissions, restoration of 40 acres of habitat, and identifying community environmental stewardship opportunities; and

WHEREAS, the Port applied for and was accepted to host one (1) Hershman Fellow ("Fellow") for the period of one year (2021-22) and the purpose of this Agreement is to set out each Party's obligations with respect to the Port's hosting of the Fellow.

NOW, THEREFORE, the Parties agree as follows:

TERMS AND CONDITIONS

1. **Port of Seattle:** The Port of Seattle shall:

   a) Transmit $19,987.50 in a one-time lump-sum payment to UW upon execution of this contract, and the remaining $19,987.50 at the completion of the fellowship term;

   b) Provide full-time, 40-hours per week engagement for the Fellow for one year onprojects and initiatives within the Maritime Environment & Sustainability Department within the following focus areas, which may be adjusted based on Port need and/or the Fellow's interest:

      (1) Participate in design, construction and monitoring of mitigation bank projects in the Green-Duwamish River Watershed and associated nearshore areas, including coordination with project sponsor, project managers, designers, and other project team members;

      (2) Work with port staff, consultants and stakeholders to develop a business plan that will provide visibility to the port's mitigation bank by establishing goals and objectives for mitigation credit sales and marketing as well as identifying potential customers of mitigation bank credits;

      (3) Support innovation in the port's habitat mitigation banking program by participating in the floating wetland islands project with port staff, UW faculty, UW students, EarthCorps, and project stakeholders.

   c) Provide access to office space, equipment, training, and other items needed to perform assigned work;

   d) Provide supervision and evaluation of the Fellow consistent with the HR policies of the Port's Code of Conduct.

2. **University of Washington:** The UW shall:

   a) Hire and administer fellowship stipend payments and manage and distribute professional development funds.

   b) Be available to the Port and the Fellow for consultation on fellowship progress when needed.

   c) Refund the Port a pro-rated portion of the $39,975 payment if Fellow chooses to terminate their employment with the UW prior to completion of the one-year period.

3. **Budget.** The UW will provide one fellow at a rate of $39,975 for the year. Funding will be provided by the Port in two installments.

4. **Property.** Upon termination of this Agreement, each Party will retain ownership of any real or personal property acquired in its own name prior to execution of this Agreement.

   a) **Background Intellectual Property.** "Background IP" means all intellectual property that: (i) was owned or developed by a Party prior to the execution of this Agreement; or (ii) was independently developed by a Party without contribution, assistance or influence from the other party to this Agreement. Each Party will retain all rights, title and interest in their respective Background IP. Each Party hereby grants to the other Party a non-exclusive, nontransferable, paid-up, worldwide, royalty-free license under its Background IP as may be necessary (i) for such other Party to perform its obligations under this Agreement; or (ii) for such other Party to practice rights to the Joint IP described below in Section 4.2.

b) **Joint Intellectual Property.** "Joint IP" means all intellectual property that is developed jointly by the Parties under this Agreement. Each Party will have the right, subject to this Agreement and applicable law, to make, have made, use, offer to sell, sell, import, publicly display and publicly perform Joint IP and freely exercise, transfer, assign, license, encumber, and enforce all of its rights in the Joint IP without the consent, joinder, or participation of, or payment or accounting, to the other Party. By mutual agreement, the Parties shall identify which Party shall file patent applications, trademark applications, or any other intellectual property filing for any Joint IP.

5. **Additional Services:** The Parties can negotiate additional and non-standard services. These services must be agreed to in writing prior to implementation.

6. **Termination of Agreement:** Either Party may terminate this Agreement upon thirty days written notice to the other Party.

7. **Dispute Resolution:** Any disputes or questions of interpretation of this Agreement that may arise between the Port and UW shall be governed under these Dispute Resolution provisions. The Port and UW agree that cooperation and communication are essential to resolving issues efficiently. If disputes about the implementation of this Agreement arise, the designated contact persons for the Port and UW shall meet to discuss the issues and attempt to resolve the dispute in a timely manner. If the designated contact persons are unable to resolve the dispute, then the Parties may pursue any legal remedies. At all times prior to resolution of the dispute, the Parties shall continue to perform and make any required payments under this Agreement in the same manner and under the same terms as existed prior to the dispute.

8. **Term of Agreement:** The term of this Agreement shall begin on 9/16/2021 and end on 9/30/2022, sufficient to allow one full year of participation by the Hershman Fellow at the Port of Seattle.

9. **Indemnification:** To the maximum extent allowed by law, the Parties shall protect, defend, indemnify, and save harmless each other, their officers, officials, employees, and agents, while acting within the scope of their employment, from any and all costs, claims, judgments, penalties, and/or awards of damages, arising out of or in any way resulting from the Parties' own negligent acts or omissions in connection with performance of activities under the terms of this Agreement. Each Party agrees that its obligations under this provision extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, each Party, by mutual negotiation, hereby waives, with respect to the other Party only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 Revised Code of Washington (RCW). In

the event that a Party incurs any judgment, award, and/or cost arising there from, including attorneys' fees, to enforce the provisions of this Article, all such fees, expenses, and costs shall be recoverable from the responsible Party to the extent of that Party's culpability. This indemnification shall survive the termination of this Agreement.

10. **Notification:** Any notice required or permitted to be given pursuant to this Agreement shall be in writing, and shall be sent by U.S. Mail and by email (with telephonic confirmation), to the following addresses unless otherwise indicated by the Parties to this Agreement:

    For the UW:
    Carol Rhodes
    Office of Sponsored Programs
    University of Washington
    4333 Brooklyn Ave. N.E.
    Box 359472
    Seattle, WA 98195-9472 osp@uw.edu

    For the Port of Seattle:
    Jon Sloan
    Port of Seattle
    2711 Alaska Way
    Seattle, WA 98121

11. **Amendment:** Either Party may request changes to the provisions contained in this Agreement. Any change to this Agreement must be mutually agreed to by both Parties, in writing and executed with the same formalities as the original Agreement.

12. **Applicable Law:** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

13. **Jurisdiction and Venue:** The King County Superior Court in Seattle, Washington shall have exclusive jurisdiction and venue over any legal action arising under this Agreement.

14. **Severability:** If any court determines that any provision of this Agreement is invalid or unenforceable to any extent, the remainder of the Agreement shall not be affected thereby and each other term, covenant or condition of this Agreement shall be valid and enforced to the fullest extent permitted by law.

15. **Waiver of Default:** Waiver of any default by either Party shall not be deemed to be a waiver of any subsequent default. Waiver of breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach. Waiver of any default or breach shall be interpreted or construed to constitute a modification of the terms of this Agreement, unless so stated in writing and signed by both Parties.

16. **Entire Agreement :** This Agreement and the Exhibits attached hereto, and by this reference incorporated herein, set forth the entire Agreement of the UW and the Port, and there are no other agreements or understandings, oral or written, between the UW and the Port concerning this Agreement.

17. **Mutual Negotiation:** The Parties agree that the terms and provisions of this Agreement have been negotiated, that the Agreement shall be deemed to be mutually negotiated andmutually drafted by both Parties, and the language in the Agreement and Exhibits shall, in all respects, be construed according to its fair meaning and not strictly for or against eitherParty.

18. **Legal Obligations.** This Agreement does not relieve either Party of any obligation or responsibility imposed upon it by law. No third-party beneficiaries are intended to be created by this Agreement and no third party, by law or equity, may enforce this Agreement against the Port or UW, their officers or elected officials, or any person.

19. **Counterparts:** The Parties may execute this Agreement in counterparts, which, taken together, constitute the entire Agreement.

EXECUTED BY THE UNDERSIGNED PARTIES effective as of the date last below written and posted pursuant to Chapter 39.34 RCW.

Port of Seattle:

Signature ________________________

Printed Name _____________________

Title _____________________________

Date ______________________________

Approved as to form

____
Attorney for the Port of Seattle

University of Washington:

Signature ________________________

Printed Name _____________________

Title _____________________________

Date ______________________________

Approved as to form

____
Attorney for University of Washington

Washington Sea Grant Hershman Fellow

Interlocal Agreement with University of Washington

August 10, 2021

Port of Seattle®

Request

- Authorize Executive Director to sign Interlocal Agreement with University of Washington
- Funding authorized in 2021-22 expense budget ($39,975)
- Fellow is a UW employee embedded within Maritime Environment & Sustainability Department for 12 months
- Start date September 20, 2021

Scope of Work

- Participate in design, construction and monitoring of mitigation bank projects
- Develop a business and marketing plan that provides visibility to the mitigation bank and establishes goals for credit sales
- Participate in floating wetland islands research project
- Support ongoing and new “blue carbon” restoration initiatives

RETURN TO AGENDA

Port of Seattle
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COMMISSION

AGENDA MEMORANDUM **Item No.** 10c

BRIEFING ITEM **Date of Meeting** August 10, 2021

DATE: August 3, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Arlyn Purcell, Director Aviation Environment and Sustainability
Stan Shepherd, Senior Manager Airport Noise Programs

SUBJECT: **Sound Insulation Program Briefing**

EXECUTIVE SUMMARY

As part of the Port of Seattle's (Port) long-term commitment to communities surrounding the airport, the Port offers sound insulation for eligible properties within the current Federal Aviation Administration (FAA) approved noise remedy boundary. On February 25, 2020, the Commission adopted Motion 2020-04 to implement the acceleration of the airport's noise mitigation (sound insulation and acquisition) programs with direction to complete prior to 2027.

The objectives of this briefing are to: (1) inform the Commission about progress made since the 2020 Motion to accelerate the program, (2) discuss the program funding strategy, (3) inform the Commission about ongoing work, and (4) discuss risks to the program.

Program Status Update

Port staff are actively structuring the Sound Insulation Program to help ensure that completion is achieved by the end of 2026. Activities include:

- Hiring one new Sound Insulation Program Manager and one new Aviation Project Manager to oversee the implementation has been completed
- Identifying internal staffing resources (current and anticipated need) within other supporting departments
- Preparing updated project estimates
- Retaining a specialist consulting firm to help obtain the agreements needed from homeowners has been completed
- Aligning with the Office of Equity, Diversity and Inclusion (OEDI) to enhance equitable project implementation strategies is on-going
- Finalizing the contract with an architectural and engineering (A&E) consulting firm that specializes in airport sound insulation implementation (Sound Insulation Program Design Authorization 8/10/21)
- 2021 program has been delayed due to difficulty procuring subordination agreements/COVID. The team is preparing recovery schedules for all programs in an effort to maintain the 2026 commitment.

The briefing will cover these topics, as well as progress on project completion for single-family homes, condominiums, and apartments.

Project Funding

The FAA Airport Improvement Program (AIP) grants for noise mitigation projects at SEA compete nationwide with sound mitigation projects at other airports. The FAA determines annually the availability of funds depending upon the number of applications from all airports nationwide. Noise grants typically fund approximately 80% of eligible costs with the remaining amount being funded through revenue bonds. The airport would be required to fund the remaining 20% plus any ineligible costs. To manage the uncertainty of grant availability and ultimately fund the balance of costs not grant-funded, the Port would use commercial paper as an interim funding source and follow federal procurement guidelines, so the projects remain eligible for reimbursement at later dates if AIP funding becomes available.

In the current funding plan, the Port anticipates receiving approximately total grants of $89 million from 2022-2029. The FAA may award approximately $10 million in Airport Improvement Program (AIP) grant funding per year. The Port would continue to apply for grants to fund retroactive spending. However, there is no guarantee of FAA future grant funding and Port sound insulation expenditures would be made at risk.

The Port has received the following grants for work in progress:

- Single-Family Home Sound Insulation - $1,876,800 (funds are nearly depleted)
- Highline Schools Sound Insulation – Des Moines Elementary School $3.8 million
- Highline Schools Sound Insulation – Highline High School $14.5 million
- Condominium Sound Insulation - $7.4 million
- Apartment Sound Insulation - $13.3 million (committed but not yet received)

Remaining potentially eligible projects

The following provides a summary of progress by main program elements. The briefing will provide additional detail:

- Single-Family Home Sound Insulation – approximately 140 homes within the program boundary are potentially eligible. Based on historic data, staff estimates 80 may participate. As of July 22nd, 51 homes have applied:
    - A minimum of 10 homes to be completed in 2021
    - 6 additional homes with subordination agreements ready for construction in 2022
    - 35 homes are either in design or pending acoustic testing status
- Condominium Sound Insulation – 2 complexes / 88 units
    - Villa Enzian condominiums (Des Moines) - seven units have subordination agreements in-place and are moving into construction; work progressing on obtaining

subordination agreements for the remaining 19 units that are participating in the program
  - Whispering Brook Condominiums (Des Moines) - participation to be confirmed by homeowner's association
- Apartment Sound Insulation – 18 complexes / 903 units – program design and construction oversight request for Commission approval at this meeting
- Places of Worship Sound Insulation – 7 structures
- Voluntary acquisition of residential units in the 3rd Runway South Approach Transition Zone – estimated 2 homes and 1 apartment complex with 6 units

Program Risks

As discussed in prior Commissioner briefings, there are several uncertainties and challenges related to program implementation:

- The extent of program participation is unknown. Staff is committed to continual outreach
- Obtaining subordination or consent agreements continues to delay the program. The use of the specialty consulting firm has helped achieve progress; however, the program schedule continues to be at risk. Staff will continue to monitor the consultant's work and adjust the schedule accordingly.
- COVID 19 future risks, including limits on staff and contractor on-site work, are unknown
- For the Apartment Program and Places of Worship program which are over $10 million, an airline Majority in Interest (MII) vote is required, and a negative vote could result in construction delays
- Specialty sound-rated products are not widely available and often have long lead order times. Staff will work to incorporate lead times into project schedules.

ATTACHMENTS TO THIS BRIEFING

(1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

December 15, 2020 – Commission briefing on sound insulation programs, acceleration, and staff recommendations

December 15, 2020 – The Commission authorized consultant services IDIQ contract to provide sound insulation program development support for single-family homes, apartments, and places of worship

February 25, 2020 – Commission briefing on sound insulation programs, acceleration, and staff recommendations. Motion 2020-04 of the Port of Seattle Commission directing the acceleration of the sound insulation program at SEA

July 10, 2018 – The Commission authorized contracting for Sound Insulation Architect and Project Oversight Consulting for Condominiums

October 11, 2016 – The Commission authorized contracting for Sound Insulation Architect and Project Oversight Consulting Services and Job Order Contracting (JOC) for Single-Family Homes

October 22, 2013 – Second Reading and Final Passage of Resolution No. 3683 concluding the Federal Aviation Regulation (FAR) Part 150 Noise and Land Use Compatibility Study Update for Seattle-Tacoma International Airport.

October 8, 2013 – First Reading of Resolution No. 3683 concluding the Federal Aviation Regulation (FAR) Part 150 Noise and Land Use Compatibility Study Update for Seattle-Tacoma International Airport.

April 23, 2013 – The Commission authorized contracting for Sound Insulation Consulting Services and Job Order Contracting (JOC) for Single-Family Homes.

Item No. 10c_supp
Meeting Date: August 10, 2021

Sound Insulation Program Briefing

August 10, 2021

Agenda

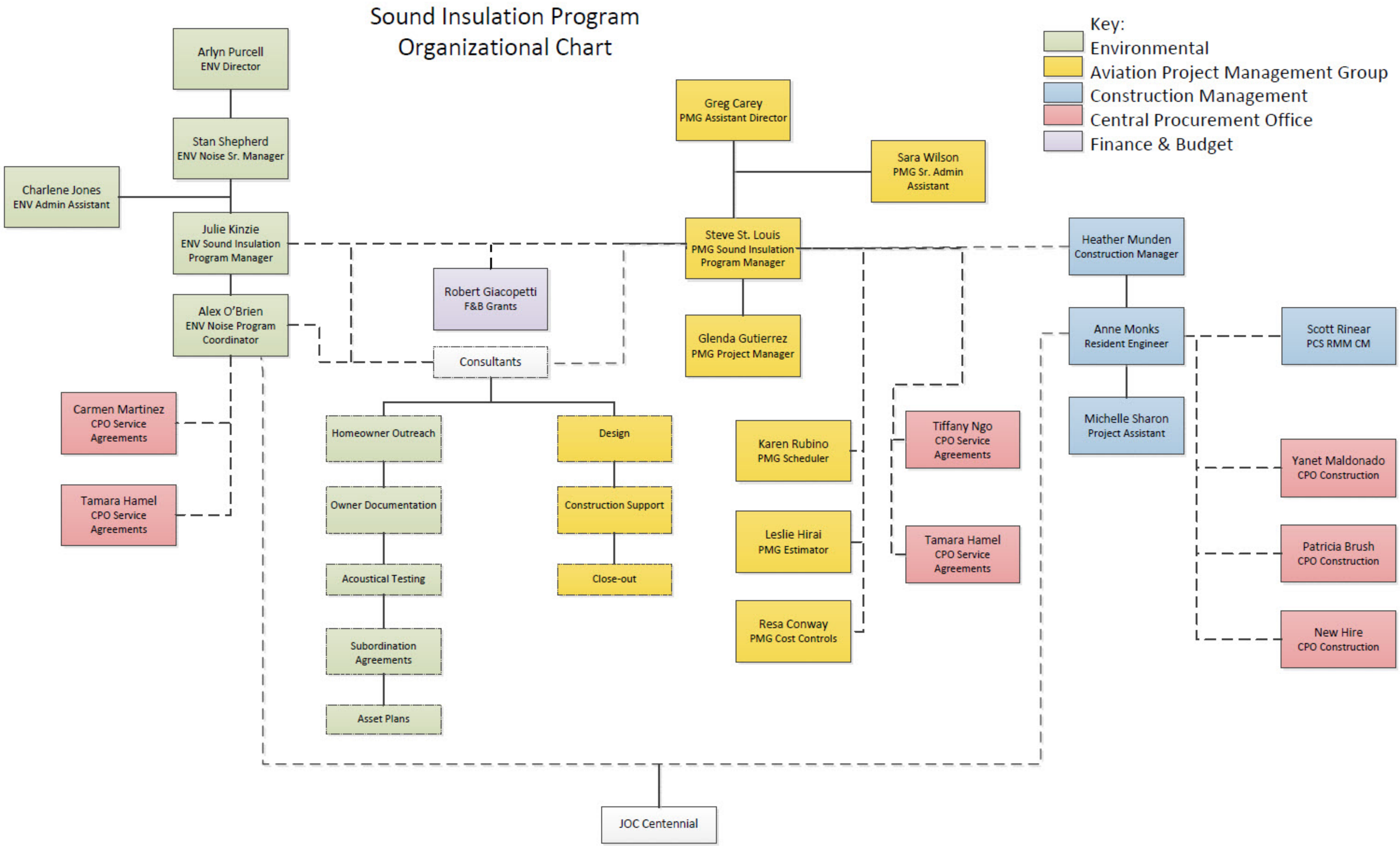
1. Sound Insulation Acceleration Update
   - Acceleration overview
   - Program status update
   - Funding/Estimates/Schedule
   - Risks/Challenges
   - Next steps

ACCELERATION OVERVIEW

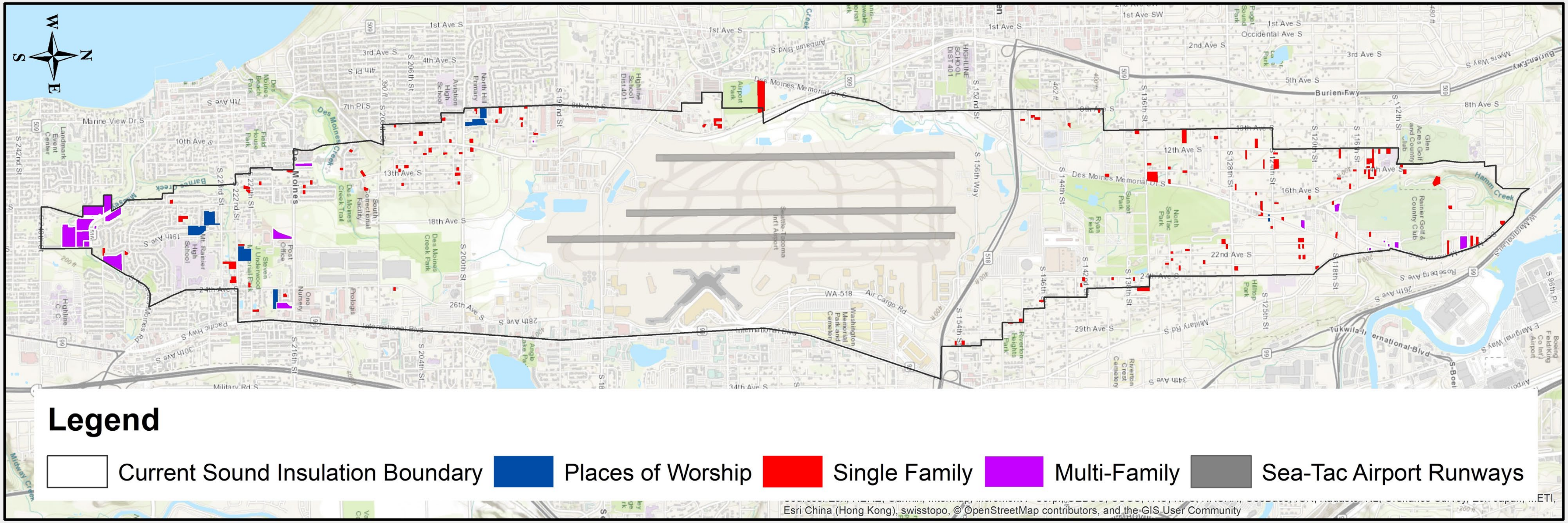
Acceleration Motion

- Commission passed Motion 2020-4: Acceleration of Sound Insulation Programs at the Port on February 25, 2020.
  - Port of Seattle Executive Director shall take necessary actions to <u>accelerate the airport Sound Insulation Program to complete by 2026.</u>
  - The Executive Director shall implement the recommended structure, staffing, funding, resources, consulting, and contracting to ensure a timely delivery of the program.

Sound Insulation Acceleration Team



Potentially Eligible Properties



Program Status Update

- History of Sound Insulation
- Highline High School
- Equity, Diversity, Inclusion recommendations
- Updates on market segments
  - Apartments
  - Single-Family Homes
  - Condominiums
  - Places of Worship
  - ATZ
- Subordination Improvement

History of Sound Insulation

Sound Insulation Program

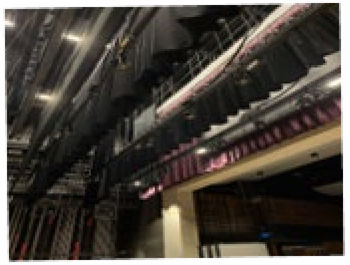
- Single-Family Homes - over 9,400 sound insulated since 1985
- Condominiums – five complexes sound insulated (246 units)
- Highline Schools - $100M for sound insulation ($50M from the Port and $50M FAA) in noise impacted school buildings
  - 9 of 15 identified schools are complete
- Highline College – Approximately $14M for sound insulation in 14 buildings
- Approximately $300M on sound insulation projects

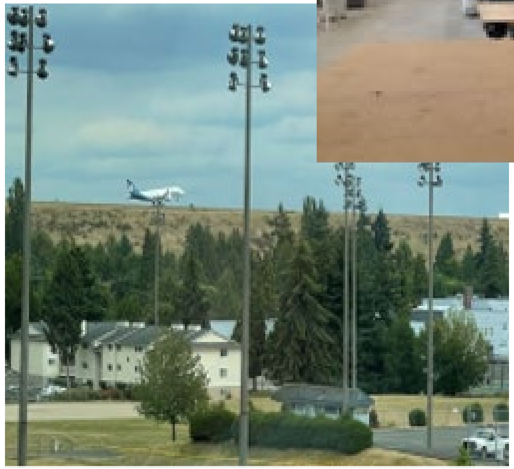
Acquisition & Relocation

- 5 mobile home parks, (359 units)
- 69 homes north of the 3rd runway
- 1,400 Single-Family Homes in 3rd runway acquisition
- Approximately $100 million spent on acquisition programs

Highline High School – Grand Opening Fall 2021





- Funded by HSD, FAA Grants and Port Tax Levy and Airport Funds
- Key features
  - Production Kitchen
  - Two Theater spaces
  - Industrial Design shops
  - Chemistry lab
  - Shared "Lab Space" design
- Kawneer Windows
  - Designed for Education (STC44)
  - Versoleil® SunShade - Outrigger System
  - Reduces glare, improves energy efficiency
- MERV 13

Equity, Diversity and Inclusion Recommendations

- Website Enhancements
  - Improve text and images on website
  - Leverage and promote Google translate tool utilized on Port website
- Broad and Targeted Outreach
  - More frequent communication
  - Varied approach: letter, postcard, adjust messaging
- On-going discussion as additional tools are available

Single-Family Homes

- Remaining 140 homes potentially eligible/80 estimated to participate
  - As of July 22nd, 51 have applied
  - At least 10 to be completed in 2021
  - 6 additional with agreements in place
  - 35 in design or pre-acoustic testing
    - Acoustic testing and final designs in Q4
    - Outreach campaign initiated
  - Estimated construction of 14+ homes per year through 2026
- Subordination Agreements/COVID-19 will continue to be factors to mitigate

Condominiums

- 2 active complexes - 88 units total
- First complex - Villa Enzian – Des Moines (28 units)
  - 7 units starting construction Aug 2021
  - Major Works contracts for remaining units (pending 9 subordinations), completion 2022
  - Units that do not have subordination agreements in place prior to major works bid opening will be included in a subsequent construction contract
- Whispering Brook pending HOA participation
- Sunrise Terrace declined by the HOA

Apartment Planning

- 18 complexes (903 units)
  - Application process initiated
- A&E procurement completed
- Acoustic testing to begin Q4 2021
  - Quarterly testing plan through 2022
- Construction 2022 - 2026
  - Design will be triggered as Subordination received
  - Apartments likely to have one lender for the complex
  - Construction Completion by Q4 - 2026

High Level Apartment Milestones

- Acoustic Testing & Outreach: Q4 2021 – Q4 2023
- Design & Permitting: Q4 2021 – Q3 2025
- Construction: Q3 2022 – Q4 2026
- Milestones represent multiple design and construction phases with completion by the end of 2026

Places of Worship Planning

- 7 Places of Worship identified
- A&E Consultant specialists
  - Design requirements more extensive
  - Construction planning will be more challenging due to multi-use (school, food bank, special events)
  - A&E firm brings national expert in sound insulating places of worship to the team

Future South ATZ Project

- Voluntary Acquisition of South 3rd Runway Approach Transition Zone (ATZ)
  - 2,500 feet off the end of the Runway Protection Zone (RPZ)
  - 1 apartment building (6 units) / 2 single-family homes
  - Date not yet determined

Subordination Enhancements

Specialized Consultant Progress

- Receiving Subordinations/Consent Agreements & Avigation Easements faster
- Static Challenges
  - Owners are slow in returning required lender document(s)
  - Some lenders are slow to respond/have more requirements
- 4-month average time to complete

Refined Process

- A&E coordinating activities:
  - Title, Avigation Easement & Subordination assistance
  - During home visit, lender 3rd party communication document will be presented
  - Utilize owner/designer relationship
- Initiate Avigation Easement and Subordination immediately after Acoustic Testing

FUNDING, ESTIMATES & HIGH LEVEL SCHEDULE

Port of Seattle®

Prior Funding Practice

- October 11, 2013: Resolution No 3683 was passed by Commission approving the Part 150 to be submitted to the FAA for review.
- June 5, 2014: FAA issued a P150 record of approval
- Single-family homes insulation spending pace was tied to the availability of grants.

Cash flows & Grant Eligibility

In 000's

Noise Projects	Total Budget	Cost as of Q4 2020	2021	2022	2023	2024	2025	2026	2027
C200096 APARTMENTS NOISE PROGRAM	$133,515			10,719	31,069	38,996	33,194	19,537	
C200098 PLACES OF WORSHIP NOISE PROGI	$25,872		-		1,031	6,546	9,664	6,521	2,110
C200094 SINGLE FAMILY HOMES NOISE PRO	$16,890	2,694	1,247	2,323	3,745	4,838	1,793	250	-
C200097 ATZ NOISE PROGRAM	$3,313		-	-	39	2,456	812	6	-
C200095 CONDOMINIUMS NOISE PROGRAM	$22,021	948	2,144	8,668	6,247	4,014		-	-
Total	**$201,611**	**$3,642**	**$3,391**	**$21,710**	**$42,131**	**$56,850**	**$45,463**	**$26,314**	**$2,110**

In 000's

	Construction - AIP Eligible			
	80% Grant	**20% airport match**	**Ineligible for grants**	**Total**
C200096 APARTMENTS	97,342	24,336	11,837	133,515
C200098 PLACES OF WORSHIP	17,667	4,417	3,788	25,872
C200094 SINGLE FAMILY HOMES	12,167	3,042	1,682	16,890
C200097 ATZ	2,243	561	509	3,313
C200095 CONDOMINIUMS	13,290	3,323	5,408	22,021
Total	**142,710**	**35,677**	**23,224**	**201,611**
		Port-share	29%	

Projects cashflows reflect full participations and that the plan would be updated regularly as conditions change.

Funding Plan

Scenario 2 - $10M Annual Grant							
	in 000's	***FAA Reinvested Fund ****	**AIP grant Received**	**AIP - Future**	**Tax Levy**	**Airline Rate Base (Bonds/CP)**	**Total**
C200096 APARTMENTS		$ -	$ -	$ 69,000	$ -	$ 64,515	$ 133,515
C200098 PLACES OF WORSHIP		-	-	6,000	-	19,872	25,872
C200094 SINGLE FAMILY HOMES		7,100	1,877	-	-	7,913	16,890
C200097 ATZ		-	-	-	-	3,313	3,313
C200095 CONDOMINIUMS		-	7,416	5,000	-	9,605	22,021
	Total	**$ 7,100**	**$ 9,293**	**$ 80,000**	**$ -**	**$ 105,218**	**$ 201,611**

FAA grant awards

- $7.1M Single-Family Homes (FAA reinvested funds)
- $1.8M Single-Family Homes (2018)
- $7.4 Million allocated to the Condominium projects (2020)
- $13.3M Apartment projects tentative award (2021)
- $18.4M (2019 for Highline Schools projects)

Funding Strategy

a) Use taxable commercial paper (CP) as an interim funding source until the availability of grants is known.
b) Continue to apply for grants to fund retroactive spending.
c) Issue Airport Revenue Bonds when retroactive reimbursement is unlikely.
d) PFC has insufficient capacity for the next 5-10 years without shifting from other projects such as NSAT or IAF.
e) The use of Tax Levy can be a funding source if available.

Risks/Uncertainties

1) Estimated costs could differ:
    a) Lack historical estimate data
    b) Property owners choose not to participate
    c) Properties not qualified after acoustic testing
    d) Change in noise contour with updated future Part 150
2) Grant availability

Project Risks

RISKS	DESCRIPTION	PROBABILITY	IMPACT	MITIGATION
MII vote	A "No-Vote" for programs requiring MII could result in construction delays	Low	Med	Proactive briefings with the Airlines regarding the importance of the program to the Port and the local community.
Participation	No historical information on Apartment participation. SFH – remaining eligible properties	High	High	Continual outreach initiative to gain earlier participation in the program.
Subordination/ Consent Agreements	Agreements are required prior to proceeding with design(s).	High	High	Added a specialty consulting firm to refine the process, improve participation in the program by assisting with subordination/consent agreement coordination.
Funding	FAA grant funding is not guaranteed	Med	Low	FAA grant funds for noise programs can be applied retroactively after projects are completed. AV/F&B has a financial plan to support fully funding the sound insulation programs.
Specialty sound-rated products	Sound insulation products (doors and windows) are long lead items. Could cause delay.	Med	Med	Long-lead times for materials are built into the construction schedule. Contractor provides updates on potential delays bi-weekly.
COVID-19	COVID-19 could pose additional restrictions on contractor access to properties	Low	High	To ensure safety while working inside properties, the Port and Contractor(s) will follow all current COVID safety protocols as required.

Next Steps

- Commence planning/testing/design with A&E Consultant
- Continual owner outreach
  - Initiate designs for apartment complexes as subordination agreements are received
- Continue construction on Single-Family Homes at an accelerated pace as subordination agreements are received
- Complete construction at Villa Enzian Condominium Complex for units with subordination/Consent agreements in place
- Apartment Design Authorization

Questions?

RETURN TO AGENDA

COMMISSION
AGENDA MEMORANDUM

Item No. 10d

ACTION ITEM

Date of Meeting August 10, 2021

DATE: August 3, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Arlyn Purcell, Director Aviation Environment and Sustainability
Stan Shepherd, Senior Manager Airport Noise Programs
Wayne Grotheer, Director Aviation Project Management

SUBJECT: Apartment Sound Insulation Program Planning and Design Authorization (CIP #C200096)

Amount of this request:	$34,386,000
Total estimated project cost:	$133,515,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to plan, design, and prepare construction documents for the Apartment Sound Insulation Program (CIP #C200096) located within the current noise remedy boundary near the Seattle-Tacoma International Airport (Airport) in an amount not to exceed $34,386,000 of a total apartment program cost of $133,515,000.

EXECUTIVE SUMMARY

The Sound Insulation Program exists to help reduce community noise impacts caused by aircraft utilizing the Airport. As part of its long-term commitment to communities surrounding the Airport, the Port offers sound insulation for eligible properties within the current Federal Aviation Administration (FAA) Airport Noise Compatibility (Part 150) noise remedy boundary. This work typically includes installation of new Sound Transmission Class (STC) rated windows, doors, and storm doors, as well as supplemental ventilation to meet the FAA standard of a 45 decibel (dB) Day-Night Average Sound Level (DNL) interior noise that can be achievable with at least a 5 dB reduction.

This request will allow the Port to commence with acoustic testing, regulated materials testing, title search, avigation easement and subordination document support, language services, other necessary program planning, and preparation of design and construction documents for all 18 apartment complexes (903 units). The preferred alternative accelerates the program by approximately 9-years when compared to the historical method of administering the sound insulation program.

This request does not include work associated with condominium buildings, places of worship, single-family homes, and south Approach Transition Zone (ATZ) voluntary residential acquisition. Staff will return to Commission to request authorization(s) associated with these items and subsequent construction authorization(s) at a later date.

JUSTIFICATION

Resolution No. 3683 was adopted by the Commission on October 22, 2013, and included all recommendations from the Part 150 Study, including sound insulation for eligible structures within the Noise Remedy Boundary. This authorization will help to meet the requirements of Resolution No. 3683 to conduct an ongoing Sound Insulation Program (SIP).

In February 2020, the Commission passed Motion 2020-04 to accelerate this work with the goal of completing work on these programs by the end of 2026. Moving forward with the apartment sound insulation is critical to compliance with the Motion.

Diversity in Contracting

Since the project will be partially funded with FAA Airport Improvement Program (AIP) grants, the Port will follow the United States Department of Transportation's Disadvantaged Business Enterprise (DBE) program requirements. A DBE goal of 2.87% has been established for this project and the DBE Plan will be administered in accordance with 49 CFR Part 26 by the Diversity in Contracting Department. The DBE goal was calculated from the number of federally certified DBE firms which perform the scope(s) of work as identified for the project.

DETAILS

Staff estimate 18 apartment complexes (with 903 units) are potentially eligible to participate in the program. The Port has retained a consultant to evaluate, confirm, and document eligibility of apartment complexes based on Port and FAA criteria and owner participation. The pre-construction design and testing will define the scope of this program and will be used to develop cost estimates prior to construction.

Under state law, (R.C.W. 53.54.030), any owner who participates in the Program is required to provide the Port with an Avigation Easement in return for the Port paying the cost of the improvements. A Subordination Agreement or Consent is required in order to convey the Avigation Easement if there is a mortgage, deed of trust, or other lien on the property.

Scope of Work

The consultant will provide good faith regulated materials surveys, planning, language services, project documentation, acoustic testing, FAA AIP grant funding documentation, design and construction documents, and any ancillary scope elements necessary to complete the design(s). Typical design to include:

(1) STC rated solid core doors
(2) STC rated windows
(3) Storm doors
(4) Positive exterior air ventilation
(5) Other associated work as determined to be necessary by the architect to reduce noise or to meet code
(6) Regulated materials abatement as necessary to facilitate these installations

Schedule

This is a multi-phased design and construction program. Design and construction will proceed concurrently throughout the duration of the program (2021-2026). The first design package will commence Q4 – 2021 and will be followed by subsequent design packages until completion. Staff is planning to return to Commission in Q1-2022 for construction authorization associated with the first design package and will continue requesting construction authorization for design packages throughout the duration of the program. The schedule below shows design beginning in 2021 and sound insulation of all participating eligible apartment complexes completed by the end of 2026, per the Port Commission Motion.

Activity

Design start, first package	2021 Quarter 4
Commission construction authorization	2022 Quarter 1
Construction start, first package	2022 Quarter 3
Completion, all eligible complexes	2026 Quarter 4

Cost Breakdown	This Request	Total Project
Design & Program Management	$34,386,000	$34,461,000
Construction	$0	$99,054,000
Total	$34,386,000	$133,515,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

The two other alternatives being considered would require significantly longer schedules and/or be costlier. Based on the direction provided by the Commission on February 25, 2020 to accelerate all active and planned Sound Insulation Programs, there are at present no other feasible options other than to proceed with the recommended alternative for this scope of work as described.

Alternative 1 – Initiate noise remediation of Apartment Complexes at a pace to align with available FAA Airport Improvement (AIP) grant funding.

Cost Implications: $171,000,000

Pros:
(1) Program funded with FAA AIP grants (estimate $10m per year)

Cons:
(1) Not implementing the noise remediation apartment program at an accelerated pace could reduce the Port's credibility in the community and would not honor the Port's commitment to the Part 150 study and Commission Resolution 3683
(2) Would not meet the intent of Commission Motion 2020-04 to accelerate the airport's noise mitigation programs prior to 2027. Deferred completion of the program would then be ~2031
(3) Total project cost will increase due to escalation of costs over the 10-year period
(4) Timing and funding amounts cannot be adequately planned since the FAA cannot guarantee AIP funding beyond one-year

This is not the recommended alternative.

Alternative 2 – Defer the program 2-years to allow for COVID economic recovery with accelerated project duration

Cost Implications: $144,000,000

Pros:
(1) No Port expenditures until 2023

Cons:
(1) Costs would be more expensive in the long term
(2) Delaying the noise remediation program could reduce the Port's credibility in the community by not honoring the Port commitments in a timely manner
(3) Would not meet the intent of Commission Motion 2020-04 to accelerate the airport's noise mitigation programs prior to 2027

This is not the recommended alternative.

Alternative 3 – Authorize Sound Insulation Program to plan, design and prepare construction documents for the Apartment Sound Insulation Program (CIP #C200096)

Cost Implications: $133,515,000

Pros:
(1) Meets commitment to noise remediation in the community per Commission Resolution 3683

(2) Maintains the program schedule to meet the intent of Commission Motion 2020-04 to accelerate the airport's noise mitigation programs prior to 2027
(3) Acoustic testing will identify which apartment complexes within the noise remedy boundary are eligible for sound insulation
(4) Allows staff to begin design of all the apartment projects.
(5) Provides a direct community benefit to reduce aircraft noise impacts in apartment complexes.

Cons:
(1) The Port assumes the financial risk for this work if FAA AIP grant funding cannot be secured

This is the recommended alternative

FINANCIAL IMPLICATIONS

The capital cost of the project is estimated at $133,515,000. The funding plan projects $69 million of AIP grants from 2022-2029. Therefore, the Rate Base Cost is estimated at $64,515,000. The Rate Base Impact reflects a 25-year debt service term. Debt service would be charged as landing fee when each apartment complex construction is substantially completed, and grants are received.

To manage the uncertainty of grant availability and ultimately fund the balance of costs not grant-funded, the Port has developed the following plan:

- The Port would use commercial paper (CP) as an interim funding source until the availability of grants is known.
- CP interest and fees would be included in the Airline Rate (Landing Fee).
- Port staff would work with the FAA to assure noise projects meet all federal procurement guidelines and AIP eligibility, should funding become available.
- The Port would continue to apply for grants to fund retroactive spending. Plan assumes grants funding stops at 2029. However, the Port would continue to seek reimbursements past the financial model timeline.
- If the FAA grant funding plan falls short of total eligible costs, Finance & Budget (F&B) will evaluate the potential for retroactive reimbursement. When retroactive reimbursement is unlikely, F&B will issue Airport Revenue Bonds to reimburse the projects funded by commercial paper. Then, debt service would be charged through Airline Rate (Landing Fee).
- Passenger Facility Charge has insufficient capacity for the next 5-10 years without shifting from other projects, such as North Satellite (NSAT) or International Arrivals Facility (IAF).
- Grant submittal timeline 2021-2029.

Risks and uncertainties include:

1) Estimated costs could differ:
    a) Lack historical estimate data
    b) Property owners choose not to participate
    c) Properties not qualified after acoustic testing
    d) Change in noise contour with updated future Part 150
2) Grant availability

There are project risks and uncertainties in the Port's funding plan; however, the focus is designed to allow the Port to minimize the airline rate base impacts. Lower costs or reduced scope (due to ineligibility or owner reluctance to participate), combined with anticipated grants would further reduce the rate base impacts.

Cost Estimate/Authorization Summary	Capital	Expense	Total
COST ESTIMATE			
Original estimate	$133,515,000	$0	$133,515,000
Total Estimated	$133,515,000	$0	$133,515,000
AUTHORIZATION			
Previous authorizations	$75,000	$0	$75,000
Current request for authorization	$34,386,000	$0	$34,386,000
Total authorizations, including this request	$34,461,000	$0	$34,461,000
Remaining amount to be authorized	$99,054,000	$0	$99,054,000

Annual Budget Status and Source of Funds

This project, CIP C200096, was included in the 2021-2025 capital budget and plan of finance with a budget of $133,515,000. The funding sources would be AIP grants, commercial paper and revenue bonds. This project has been submitted as a Majority in Interest (MII) project to the airlines and the ballot is due on August 3, 2021.

Financial Analysis and Summary

Project cost for analysis	$133,515,000
Business Unit (BU)	Airfield Movement Area
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	$.22 in 2027

Future Revenues and Expenses (Total cost of ownership)

Once the project is complete and the avigation easement is permanently recorded on the parcel, there will be no further revenues or expenses incurred.

ATTACHMENTS TO THIS REQUEST

(1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

December 15, 2020 – Commission briefing on sound insulation programs, acceleration and staff recommendations

December 15, 2020 – The Commission authorized consultant services IDIQ contract to provide sound insulation program development support for single-family homes, apartments, and places of worship

February 25, 2020 – Commission briefing on sound insulation programs, acceleration, and staff recommendations. Motion 2020-04 of the Port of Seattle Commission directing the acceleration of the sound insulation program at the Airport

July 10, 2018 – The Commission authorized contracting for Sound Insulation Architect and Project Oversight Consulting for Condominiums

October 11, 2016 – The Commission authorized contracting for Sound Insulation Architect and Project Oversight Consulting Services and Job Order Contracting (JOC) for Single-Family Homes

October 22, 2013 – Second Reading and Final Passage of Resolution No. 3683 concluding the Federal Aviation Regulation (FAR) Part 150 Noise and Land Use Compatibility Study Update for Seattle-Tacoma International Airport.

October 8, 2013 – First Reading of Resolution No. 3683 concluding the Federal Aviation Regulation (FAR) Part 150 Noise and Land Use Compatibility Study Update for Seattle-Tacoma International Airport.

April 23, 2013 – The Commission authorized contracting for Sound Insulation Consulting Services and Job Order Contracting (JOC) for Single-Family Homes.

Item No. 10d_supp
Meeting Date: August 10, 2021

Apartment Sound Insulation Program - Design Authorization

August 10, 2021

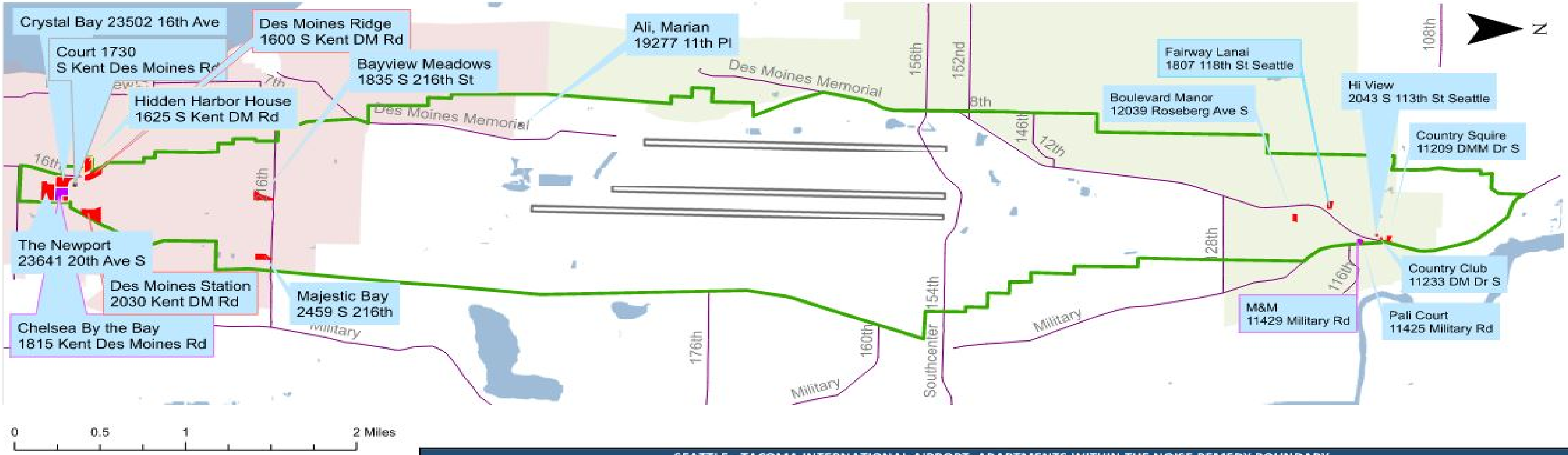
Apartment Design Authorization

- Requesting Design Authorization for $34,386,000
- Supports the Commission Motion 2020-04 to accelerate the Sound Insulation Program (completion by end of 2026)
- Apartment Program is the critical path of the entire program
- Authorizes staff to initiate and complete all planning, acoustic testing and design with the consultant program management team
  - 18 potentially eligible apartment complexes consisting of 903 total units.
- Staff is planning to return to Commission in Q1 2022 for Construction Authorization

High Level Apartment Milestones

- Acoustic Testing & Outreach: Q4 2021 – Q4 2023
- Design & Permitting: Q4 2021 – Q3 2025
- Construction: Q3 2022 – Q4 2026
- Milestones represent multiple design and construction phases with completion by the end of 2026

Noise Remedy Boundary - Apartments



Legend

- Noise Remedy Boundary
- Major Roads
- City of Burien
- City of Des Moines
- SEA Runways

SEATTLE - TACOMA INTERNATIONAL AIRPORT: APARTMENTS WITHIN THE NOISE REMEDY BOUNDARY								
Facility Type	Name	Parcel number	Street Address	City	Zip	Year Built	Units	Comments
Apartment	Ali, Marian	0246000058	19277 11TH PL	SeaTac	98148	1962	5	
Apartment	Bayview Meadows	0922049016	1835 South 216th St	Des Moines	98198	1984	73	
Apartment	Boulevard Manor	0985000625	12039 Roseberg Ave S	Seattle	98168	1952	70	Pilot- May not be eligible - windows redone 2011
Apartment	Chelsea By the Bay	1622049202	1815 Kent Des Moines Rd	Des Moines	98198	1980	98	
Apartment	Country Club	3287800005	11233 Des Moines Memorial Dr S	Seattle	98168	1963	17	
Apartment	Country Squire	0923049237	11209 Des Moines Memorial Dr S	Seattle	98168	1966	30	
Apartment	Court	1622049201	1730 S Kent Des Moines Rd	Des Moines	98198	1952	8	
Apartment	Crystal Bay	1622049022	23502 16th Ave S	Des Moines	98198	1976	112	
Apartment	Des Moines Ridge	2013200410	1600 S Kent Des Moines Rd	Des Moines	98198	1969	40	
Apartment	Des Moines Station	1622049080	2060 Kent Des Moines Rd	Des Moines	98198	1977	95	
Apartment	Fairway Lanai	0985000381	1807 118th St	Seattle	98168	1968	43	
Apartment	Hi View	3287800040	2043 S 113th St	Seattle	98168	1964	15	
Apartment	Hidden Harbor House	1722049068	1625 S Kent Des Moines Rd	Des Moines	98198	1981	50	
Apartment	Holly Creek	1622049206	1919 S Kent Des Moines Rd	Des Moines	98198	1969	18	
Apartment	Majestic Bay	8582700000	2459 S 216th St	Des Moines	98198	1980	81	
Apartment	M&M	0923049443	11429 Military Rd	Seattle	98168	1962	5	
Apartment	Pali Court	0923049124	11425 Military Rd S	Seattle	98168	1962	7	
Apartment	The Newport	1622049047	23641 20th Ave S	Des Moines	98198	1985	136	
							903	Total units

Questions?

RETURN TO AGENDA

COMMISSION
AGENDA MEMORANDUM **Item No.** 11a

BRIEFING ITEM **Date of Meeting** August 10, 2021

DATE: July 19, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Dan Thomas, Chief Financial Officer
Michael Tong, Director, Corporate Budget

SUBJECT: Q2 2021 Financial Performance Briefing

EXECUTIVE SUMMARY

The purpose of this presentation is to provide a status report of the Q2 2021 financial performance results.

BACKGROUND

The Port's overall operating revenues for Q2 2021 were $265.9 million, which is $46.2 million below budget and $10.4 million lower than the same period last year. Excluding Aeronautical revenues, which are based on cost recovery and revenue sharing formulas, other Airport Non-Aero revenues were $73.2 million, $9.1 million or 11.1% below budget and $9.0 million or 14.0% higher YoY mainly due to higher enplanements from the same period last year.

Non-Airport revenues were $49.5 million, $1.8 million or 3.5% below budget and $1.2 million or 2.4% higher YoY mainly due to higher revenue from Grain and NWSA Distributable Revenue, partially offset by lower revenues from Conference & Event Centers.

Total operating expenses for first half of 2021 were $195.8 million, which is $13.4 million below budget and $2.0 million lower than 2020. The operating expense variance was largely due to frozen/deferred hiring, lower outside services cost, and lower third-party management expense.

Net operating income before depreciation was $70.1 million, which is $32.9 million below budget and $8.3 million lower than 2020.

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

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

ATTACHMENTS TO THIS BRIEFING

(1) Q2 2021 Financial and Performance Report
(2) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

Item No. 11a_attach
Meeting Date: August 10, 2021

PORT OF SEATTLE

Q2 2021 FINANCIAL PERFORMANCE REPORT

AS OF JUNE 30, 2021

TABLE OF CONTENTS

		PAGE
I.	Portwide Performance Report	3-7
II.	Aviation Division Report	8-17
III.	Maritime Division Report	18-22
IV.	Economic Development Division Report	23-27
V.	Central Services Division Report	28-32

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 06/30/21

I. PORTWIDE

EXECUTIVE SUMMARY

The Port's second quarter results still reflect the effects of Covid-19 with lines of businesses showing different rates of recovery. Airport passenger volume is rebounding and is predicted to be 26% lower than 2019. Federal relief funds allow the airport to extend relief to concession tenants and improve the financial outlook for the Aviation division.

The first revenue cruise for 2021 departed at Smith Cove Cruise Terminal in mid-July. This is the first of the 83 sailings scheduled this season. Cruise occupancy is expected at 50% on all calls with an estimated passenger volume of 227K compared to 1.2M in 2019. Cruise revenue is expected to be above budget. Grain volumes increased 55% year-over-year and is expected to exceed budget. On the other hand, conference center and parking revenues are down due to event cancellations and lower parking volume.

The Port continues to implement planned initiatives and programs to lead an equitable recovery. The Port commission recently authorized another $2M for the Opportunity Youth Initiative. The 2021 initiative will be more expansive compared to last year's inaugural program and is expected to provide training to nearly 300 youth.

Overall, prudent budgeting and careful cost management has positioned the Port well for 2021 despite the major disruption caused by the pandemic. However, there is still uncertainty due to emerging COVID variants. Staff will continue to closely monitor changes in business conditions.

PORTWIDE FINANCIAL SUMMARY

$ in 000's	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav (UnFav) Actual vs. Budget Variance $	%	Incr (Decr) Change from 2020 $	%
Aeronautical Revenues	175,927	163,722	143,188	178,518	(35,330)	-19.8%	(20,534)	-12.5%
Airport Non-Aero Revenues	124,604	64,225	73,219	82,351	(9,131)	-11.1%	8,995	14.0%
Non-Airport Revenues	67,632	48,298	49,475	51,255	(1,779)	-3.5%	1,178	2.4%
Total Operating Revenues	**368,164**	**276,244**	**265,883**	**312,124**	**(46,241)**	**-14.8%**	**(10,361)**	**-3.8%**
Total Operating Expenses	215,765	197,820	195,776	209,132	13,356	6.4%	(2,044)	-1.0%
NOI before Depreciation	**152,399**	**78,424**	**70,107**	**102,992**	**(32,885)**	**-31.9%**	**(8,317)**	**-10.6%**
Depreciation	82,447	87,855	91,246	82,470	(8,776)	-10.6%	3,391	3.9%
NOI after Depreciation	**69,952**	**(9,431)**	**(21,139)**	**20,523**	**(41,662)**	**-203.0%**	**(11,708)**	**124.1%**

2021 YTD Actuals vs. 2021 YTD Budget:

- Total operating revenues were down $46.2M compared to budget due to lower revenues in Aeronautical and Non-Aeronautical lines of businesses (ADR & Terminal Leased Space, Public Parking, Rental Cars, Ground Transportation, Clubs and Lounges), Cruise, and Conference & Event Centers.
- Total operating expenses are $13.4M lower than budget due to delays in hiring and implementing projects/initiatives due to the pandemic.

2021 YTD Actuals vs. 2020 YTD Actuals:

- Total operating revenues for Q2 2021 were down $10.4M due to lower revenues in Aeronautical lines of businesses.
- Total operating expenses for Q2 2021 was $2.0M lower compared to 2020 because of lower Payroll, Equipment, Travel, and less contract spending.

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 06/30/21

NON-AIRPORT FINANCIAL SUMMARY

$ in 000's	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav (UnFav) Actual vs. Budget Variance $	%	Incr (Decr) Change from 2020 $	%
NWSA Distributable Revenue	24,941	21,218	22,166	21,137	1,030	4.9%	949	4.5%
Maritime Revenues	27,368	18,338	19,507	22,875	(3,368)	-14.7%	1,169	6.4%
EDD Revenues	10,384	5,359	4,089	5,371	(1,282)	-23.9%	(1,270)	-23.7%
SWU & Other	4,939	3,383	3,713	1,872	1,841	98.4%	330	9.8%
Total Operating Revenues	**67,632**	**48,298**	**49,475**	**51,255**	**(1,779)**	**-3.5%**	**1,178**	**2.4%**
Total Operating Expenses	40,522	34,441	35,658	40,774	5,116	12.5%	1,218	3.5%
NOI before Depreciation	**27,110**	**13,857**	**13,817**	**10,481**	**3,337**	**31.8%**	**(40)**	**-0.3%**
Depreciation	19,623	18,794	18,949	17,632	(1,317)	-7.5%	155	0.8%
NOI after Depreciation	**7,487**	**(4,936)**	**(5,132)**	**(7,152)**	**2,020**	**-28.2%**	**(195)**	**4.0%**

2021 YTD Actuals vs. 2021 YTD Budget

- Total non-airport operating revenues were down $1.8M compared to budget due to the delay of Cruise season, lower than anticipated revenues from Central Harbor Operations and the Conference and Event Center which were offset by higher Grain, NWSA Distributable revenues, and unbudgeted police forfeitures.
- Total non-airport operating expenses were $5.1M lower than budget because of delays in hiring, project spending delays, timing of tenant improvements, and lower utility expenses.

2021 YTD Actuals vs. 2020 YTD Actuals

- Non-airport operating revenues were $1.2M higher compared to 2020 because of higher revenues from Grain, NWSA Distributable revenues, and unbudgeted police forfeitures offset by lower Conference and Event Centers, Fishing & Operations, and Central Harbor Management. The Conference and Event Centers and parking were affected by rescheduling/cancelling of events due to COVID-19.
- Non-airport expenses were 1.2M higher than 2020 due to lower charges to Capital Projects offset by less contract spending.

MAJOR OPERATING REVENUES SUMMARY

$ in 000's	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav (UnFav) Act/Rvsd Bud Var $	%	Incr (Decr) Change from 2020 $	%
Aeronautical Revenues	175,927	163,722	143,188	178,518	(35,330)	-19.8%	(20,534)	-12.5%
Public Parking	40,401	20,002	25,537	25,729	(192)	-0.7%	5,536	27.7%
Rental Cars - Operations	15,560	7,591	11,497	10,740	757	7.0%	3,906	51.5%
Rental Cars - Operating CFC	4,505	-	-	-	-	0.0%	-	0.0%
ADR & Terminal Leased Space	32,689	16,918	17,764	22,012	(4,248)	-19.3%	845	5.0%
Ground Transportation	9,979	4,374	4,208	5,961	(1,753)	-29.4%	(166)	-3.8%
Employee Parking	5,193	4,678	4,457	4,844	(386)	-8.0%	(221)	-4.7%
Airport Commercial Properties	7,072	5,777	5,541	6,367	(827)	-13.0%	(236)	-4.1%
Airport Utilities	3,665	2,758	3,010	3,784	(774)	-20.4%	252	9.1%
Clubs and Lounges	4,456	1,714	709	2,453	(1,744)	-71.1%	(1,005)	-58.6%
Cruise	8,473	133	61	4,466	(4,405)	-98.6%	(72)	-54.3%
Recreational Boating	6,228	6,211	6,330	6,406	(77)	-1.2%	119	1.9%
Fishing & Operations	5,071	5,091	4,768	4,407	361	8.2%	(322)	-6.3%
Grain	2,567	2,005	3,433	2,556	876	34.3%	1,427	71.2%
Maritime Portfolio Management	5,019	4,884	4,914	5,039	(125)	-2.5%	30	0.6%
Central Harbor Management	4,406	4,104	3,654	4,027	(373)	-9.3%	(450)	-11.0%
Conference & Event Centers	5,963	1,240	420	1,329	(909)	-68.4%	(819)	-66.1%
NWSA Distributable Revenue	24,941	21,218	22,166	21,137	1,030	4.9%	949	4.5%
Other	6,049	3,824	4,225	2,347	1,877	80.0%	400	10.5%
Total Operating Revenues (w/o Aero)	**192,237**	**112,523**	**122,695**	**133,606**	**(10,911)**	**-8.2%**	**10,172**	**9.0%**
TOTAL	**368,164**	**276,244**	**265,883**	**312,124**	**(46,241)**	**-14.8%**	**(10,361)**	**-3.8%**

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 06/30/21

MAJOR OPERATING EXPENSES SUMMARY

$ in 000's	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav (UnFav) Act/Rvsd Bud $	%	Incr (Decr) Change from 2020 $	%
Salaries & Benefits	65,172	71,427	71,476	72,315	839	1.2%	50	0.1%
Wages & Benefits	64,028	67,147	64,484	65,276	792	1.2%	(2,663)	-4.0%
Payroll to Capital Projects	12,648	14,460	14,733	16,280	1,547	9.5%	273	1.9%
Outside Services	43,613	45,545	40,724	49,861	9,136	18.3%	(4,821)	-10.6%
Utilities	13,103	12,104	12,860	14,620	1,760	12.0%	756	6.2%
Equipment Expense	4,478	4,211	2,960	3,426	466	13.6%	(1,250)	-29.7%
Supplies & Stock	5,286	4,653	4,030	4,519	489	10.8%	(623)	-13.4%
Travel & Other Employee Expenses	2,476	1,603	864	1,375	511	37.2%	(740)	-46.1%
Third Party Mgmt Op Exp	6,494	3,228	2,010	3,141	1,131	36.0%	(1,218)	-37.7%
B&O Taxes	2,226	1,716	1,682	1,983	301	15.2%	(34)	-2.0%
Other Expenses	20,272	2,188	6,392	7,031	639	9.1%	4,204	192.2%
Charges to Capital Projects/Overhead Alloc	(24,033)	(30,462)	(26,440)	(30,694)	(4,254)	13.9%	4,022	-13.2%
TOTAL	**215,765**	**197,820**	**195,776**	**209,132**	**13,356**	**6.4%**	**(2,044)**	**-1.0%**

PORTWIDE FINANCIAL YEAR-END FORECAST SUMMARY

$ in 000's	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav (UnFav) Fcst vs. Budget Variance $	%	Incr (Decr) Change from 2020 $	%
Aeronautical Revenues	357,598	297,909	300,332	386,668	(86,336)	-22.3%	2,423	0.8%
Airport Non-Aero Revenues	269,037	116,473	166,133	189,548	(23,414)	-12.4%	49,660	42.6%
Non-Airport Revenues	137,538	96,446	106,658	104,645	2,013	1.9%	10,212	10.6%
Total Operating Revenues	**764,174**	**510,828**	**573,123**	**680,861**	**(107,737)**	**-15.8%**	**62,296**	**12.2%**
Total Operating Expenses	441,700	408,681	425,322	423,412	(1,910)	-0.5%	16,641	4.1%
NOI before Depreciation	**322,474**	**102,147**	**147,801**	**257,448**	**(109,647)**	**-42.6%**	**45,655**	**44.7%**
Depreciation	174,903	180,086	176,509	176,509	-	0.0%	(3,577)	-2.0%
NOI after Depreciation	**147,571**	**(77,939)**	**(28,708)**	**80,939**	**(109,647)**	**-135.5%**	**49,231**	**-63.2%**

Year-End Forecast

- Operating Revenues forecast to be $107.7M lower than budget mainly due to increased federal reliefs that lower the rates and charges for Aeronautical revenues.
- Operating Expenses are expected to be $1.9M higher than budget due to some unbudgeted items and would have been $559K lower than 2020 after adjusting the $17.2M state pension credit for 2020.
- NOI before depreciation forecast to be $109.7M below budget due to significant lower revenues and slightly higher operating costs.

KEY PERFORMANCE METRICS

	2020 YTD Actual	2021 YTD Actual	2020 Actual	2021 Forecast	2021 Budget	Fav (UnFav) Fcst vs. Budget Variance Chg.	%	Incr (Decr) Change from 2020 Chg.	%
Total Passengers (in 000's)	11,128	14,298	20,087	38,264	36,432	1,832	5.0%	18,177	90.5%
Landed Weight (lbs. in millions)	9,791	11,993	20,071	26,922	26,233	689	2.6%	6,851	34.1%
Passenger CPE (in $)	N/A	N/A	26.50	13.97	19.62	5.65	28.8%	(12.53)	-47.3%
Grain Volume (metric tons in 000's)	1,735	2,691	4,240	4,698	4,219	479	11.4%	458	10.8%
Cruise Passenger (in 000's)	-	-	-	227	N/A	-	0.0%	-	0.0%
Shilshole Bay Marina Occupancy	93.3%	93.7%	94.1%	94.5%	96.1%	-1.6%	-1.7%	0.4%	0.4%

Note: Due to CDC COVID-19 Cruise restrictions, we were unable to Budget for Cruise Passengers.

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 06/30/21

KEY BUSINESS EVENTS

The Port continues to invest in initiatives that support equitable recovery with the launch of the first-ever PortGen Accelerator, an intensive two-month business development program, that will provide women and minority-owned small businesses access to mentorship and help them acquire future business opportunities. The Port commission also approved to invest another $2M for the Opportunity Youth Initiative. The program was launched last year with $1.5M funding to restore youth jobs and training to those deeply affected by the pandemic. The Port will once again partner with local nonprofits: Partner in Employment, Seattle Goodwill, Seattle Parks Foundation, and Urban League of Metropolitan Seattle.

The Port hosted a Sustainable Aviation Fuels (SAF) Study Session to review progress in implementing the SAF strategic plan and significant investments of the private sector in SAF production and use in Washington. Several Port commissioners also joined Governor Jay Inslee, State Senator Reuven Carlyle, and other Washington state leaders for the Climate Bill Signing which includes the Clean Fuel Standard, the Port's longtime top legislative priority. Moreover, the Port, along with other NW Ports (Tacoma and Vancouver, B.C.) and the Northwest Seaport Alliance committed to a new vision to phase out emissions from seaport-related activities by 2050. Each Port will develop its own implementation plans and will continue to report its progress annually.

The Port will partner with Expedia and Washington Department of Fish and Wildlife for a Cost and Feasibility study. The study will help determine the technical requirements and potential costs of rebuilding the public fishing pier at Pier 86 with a "ferry float" to support commuter service. The Port will also continue to partner with the City of Seattle, King County, and The Boeing Company for further clean-up action on the middle third of the Lower Duwamish Waterway Superfund site.

Seattle-Tacoma International Airport (SEA) launched two pilot programs, SEA Spot Saver and Happyhover. SEA Spot Saver is a free reservation-based system for TSA general screening security checkpoints. Happyhover is a technology deployed to airline check-in kiosks for travelers to check in and drop off luggage without touching the electronic screens. SEA also added two unique customer amenities to better serve the airport's diverse community of travelers. The Sensory Room is a quiet area for travelers with neurological or developmental disabilities such as sensory processing disorders or autism spectrum disorders. The Interfaith Prayer and Meditation Room welcomes all faiths and beliefs as an inclusive and peaceful place for meditation, worship, and reflection.

SEA reached another milestone in the North Satellite Modernization project with the early opening of remodeled gates and a new airport destination – the Marketplace at N with a stage for live performances and open seating with airfield views. The new North Satellite feature museum-quality art pieces that reflect the diversity in the Pacific Northwest. The building was designed and constructed with sustainability features such as the use of nearly 21 million recycled materials, energy-efficient LED lighting, and renewable natural gas (RNG) to heat the facility.

The Port collaborated with Visit Seattle and cruise lines on a cruise webinar to inform hospitality/tourism partners on 2021 operations, health and safety protocols and environmental stewardship. The Port also completed cruise terminal upgrades which include touchless restroom facilities, COVID signage, health barriers, water bottle filling stations, and air filtration improvements to keep guests and workers healthy during the Alaska cruise season.

The Port commission authorized a long-term ground lease for a portion of Terminal 106 to Trammell Crow Company (TCC). This will facilitate the development of a 700,000-square-foot, two-story light industrial warehouse. The building's location can potentially limit the number of trucks hauling cargo on I-5 which will help in managing traffic, noise, and air pollution in the region. The project, expected to be completed in 2024, is estimated to provide 140 prevailing wage construction jobs during the build out of the property and will support approximately 650 to 1,200 full-time employees.

CAPITAL SPENDING SUMMARY

$ in 000's	2021 YTD Actual	2021 Forecast	2021 Budget	Budget Variance $	Budget Variance %
Aviation	200,138	456,620	491,202	34,582	7.0%
Maritime	5,059	21,701	26,195	4,494	17.2%
Economic Development	973	4,001	5,647	1,646	29.1%
Central Services & Other (note 1)	5,804	12,704	13,605	901	6.6%
TOTAL	**211,974**	**495,026**	**536,649**	**41,623**	**7.8%**

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

Total capital spending is forecast to be $495M for 2021, $41.6M lower than the approved budget mainly due to spending delays in International Arrival Facility and North Satellite projects.

PORTWIDE INVESTMENT PORTFOLIO

During the second quarter of 2021, the investment portfolio earned 1.23% versus the benchmark's (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index) of 0.25%. Over the last twelve months, the portfolio and the benchmark have earned 1.48% and 0.18%, respectively. Since the Port became its own Treasurer in 2002, the life-to-date earnings of the Port's portfolio and the benchmark are 2.38% and 1.71%, respectively.

II. AVIATION DIVISION

FINANCIAL SUMMARY

Financial Summary ($ in 000's)	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav(UnFav) Fcst. vs. Budget Variance $	%	Incr/(Decr) Change from 2020 $	%
Operating Revenue								
Aeronautical Revenues	357,598	297,909	300,332	386,668	(86,336)	-22.3%	2,423	0.8%
Non-Aeronautical Revenues	269,037	116,473	166,133	189,548	(23,414)	-12.4%	49,660	42.6%
Total Operating Revenues	**626,636**	**414,382**	**466,465**	**576,215**	**(109,750)**	**-19.0%**	**52,083**	**12.6%**
Total Operating Expenses	**355,245**	**329,680**	**341,260**	**339,908**	**(1,353)**	**-0.4%**	**11,581**	**3.5%**
Net Operating Income	**271,390**	**84,702**	**125,205**	**236,308**	**(111,103)**	**-47.0%**	**40,503**	**47.8%**
Federal Relief		147,148	161,601	37,899	123,702	326.4%	14,453	9.8%
Federal Relief (Concessions)			26,774		26,774		26,774	
NOI (After Federal Relief)	**271,390**	**231,850**	**313,579**	**274,207**	**39,373**	**14.4%**	**81,729**	**35.3%**
CPE	12.86	26.50	13.97	19.62	5.65	0.29	(12.53)	-47.3%
Non-Aero NOI ($ in 000s)	6,671	9,750	86,046	82,742	3,304	4.0%	76,296	782.5%
Enplaned passengers (in 000s)	25,874	10,044	19,132	18,216	916	5.0%	9,088	90.5%
Capital Expenditures (in 000s)	**573,598**	**573,598**	**456,620**	**491,202**	**34,582**	**7.0%**	**(116,978)**	**-20.4%**

2021 Forecast vs. 2021 Budget

- Net Operating Income (NOI) for 2021 is forecasted to be (-$111M or -47%) unfavorable to the budget before Federal Relief is applied, driven by:
  - Lower Aeronautical revenue (-$86.3M or -22.3%) due to grants of approximately $107.8M projected to offset Aeronautical costs in 2021. See the Airline Rate Base Cost Drivers table for more details.
  - Non-Aeronautical revenue (-23.4M or -12.4%) unfavorable. Although improvement is seen in Landside operations due to the improvement in the forecasted passenger volume recovery, Concessions will be requiring Federal Relief. Federal Relief for the concessions area is projected for $26.8M.
  - Total Operating Expenses ($-1.3M or -0.4%) unfavorable driven primarily by the Snow Removal ($2.2M) in the Airfield and Maintenance cost centers, partially offset by savings from Other Divisions of $256K.

2021 Forecasts vs. 2020 Actuals

- Net Operating Income for 2021 is projected to be ($40.5M or 47.8%) higher than prior year before Federal Relief – primarily driven by:
  - Higher Operating Revenue ($52M or 12.6.2%) compared to prior year is due to passenger levels improving with a forecast of being down 26% compared to 2019 vs. 61% down in 2020 compared to 2019.
  - Higher Operating Expenses ($11.6M or 3.5%) compared to prior year were primarily driven by higher Environmental Remediation Liability, Outside Services, Utilities, and Police spending in 2021 vs. 2020. Spending in 2020 was lower than normal due to directives to spend less due to the business environment related to the pandemic.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

A. BUSINESS EVENTS

- Higher than expected passenger levels, new forecast now 26% lower than 2019.
- Increased federal relief improves bottom line, helps customers:
  - $37 million for CRRSAA
  - $154 million for ARPA
  - $27 million for tenant concessions relief (CRRSAA and ARPA)
  - Planning to reserve $75 million for 2022
- Implemented the mid-year airline rate adjustment effective July 1.

B. KEY PERFORMANCE METRICS

	YTD 2019	YTD 2020	YTD 2021	% YTD Change from 2020
Total Passengers (000's)				
Domestic	21,616	10,074	13,770	36.7%
International	2,689	1,054	528	-49.9%
Total	24,304	11,128	14,298	28.5%
Operations	214,749	142,657	171,873	20.5%
Landed Weight (In Millions of lbs.)				
Cargo	1,165	1,254	1,409	12.4%
All other	13,738	8,537	10,584	24.0%
Total	14,903	9,791	11,993	22.5%
Cargo - Metric Tons				
Domestic freight	145,262	161,957	174,449	7.7%
International & Mail freight	64,841	47,466	60,738	28.0%
Total	210,103	209,423	235,187	12.3%

*Mail weight for 2021 forward is incorporated in freight

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

Key Performance Measures

	2019 Actual	2020 Actual	2021 Forecast	2021 Approved Budget	Fav(UnFav) Fcst. vs. Budget Variance $	Fav(UnFav) Fcst. vs. Budget Variance %	Incr/(Decr) Change from 2020 $	Incr/(Decr) Change from 2020 %
Key Performance Metrics								
Cost per Enplanement (CPE)	12.86	26.50	13.97	19.62	5.65	28.8%	(12.53)	-47.3%
Non-Aeronautical NOI (in 000's)[1]	143,917	6,671	86,046	82,742	3,304	4.0%	79,375	1189.9%
Other Performance Metrics								
O&M Cost per Enplanement	6.86	16.41	8.92	9.33	0.41	4.4%	(7.49)	-45.7%
Non-Aero Revenue per Enplanement	5.20	5.80	5.04	5.20	(0.16)	-3.1%	(0.76)	-13.1%
Debt per Enplanement (in $)	66	163	94	85	(8)	-9.7%	(70)	-42.7%
Debt Service Coverage	1.68	1.40	2.70	1.36	1.34	99.2%	1.30	92.9%
Days cash on hand (10 months = 304 days)	314	327	418	369	49	13.4%	92	28.1%
Aeronautical Revenue Sharing ($ in 000's)	(17,146)	1	-	-	-	0.0%	(1)	100.0%
Activity (in 000's)								
Enplanements	25,874	10,044	19,132	18,216	916	5.0%	9,088	90.5%
Total Passengers	51,748	20,087	38,264	36,432	1,832	5.0%	18,177	90.5%

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

Key Performance Metrics

2021 Forecast vs. 2021 Budget

- Cost per Enplanement (CPE):
  - CPE is ($5.65, or 28.8%) favorable driven primarily by the Federal Relief to help lower the Aeronautical costs to recover.
  - Non-Aero NOI is ($3.3M or 4%) favorable to original approved budget due to projection of improved revenues in the Landside operations and due to Federal Relief.

2021 Forecast vs. 2020 Actuals

- CPE is $12.53 lower compared to prior year due to lower costs expected to recover due to the Federal Relief offsetting the costs compared to prior year.
- Non-Aero NOI is $79.4M higher than prior year due to projection of improved revenues in the Landside operations and due to Federal Relief.

C. OPERATING RESULTS

Division Summary – YTD Actuals

Total Airport Expense Summary ($ in 000's)	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav(UnFav) Actual vs. Budget Variance $	%	Incr/(Decr) Change from 2020 $	%
Operating Expenses								
Payroll	71,218	77,615	76,202	75,468	(734)	-1.0%	(1,414)	-1.8%
Outside Services	28,619	29,634	26,770	31,583	4,813	15.2%	(2,863)	-9.7%
Utilities	9,328	8,757	9,750	10,458	708	6.8%	993	11.3%
Other Expenses	8,487	2,092	(461)	476	937	196.8%	(2,553)	-122.0%
Total Airport Direct Charges	**117,652**	**118,099**	**112,261**	**117,985**	**5,723**	**4.9%**	**(5,837)**	**-4.9%**
Environmental Remediation Liability	12,543	(2,776)	801	1,569	768	48.9%	3,577	-128.9%
Capital to Expense	83	-	288	-	(288)		288	
Total Exceptions	**12,627**	**(2,776)**	**1,090**	**1,569**	**479**	**30.6%**	**3,865**	**-139.3%**
Total Airport Expenses	**130,279**	**115,323**	**113,351**	**119,554**	**6,203**	**5.2%**	**(1,972)**	**-1.7%**
Corporate	32,175	34,298	34,011	34,199	188	0.6%	(287)	-0.8%
Police	11,117	12,162	11,336	12,662	1,326	10.5%	(827)	-6.8%
Maritime/Economic Development/Other	1,672	1,596	1,420	1,943	523	26.9%	(176)	-11.0%
Total Charges from Other Divisions	**44,964**	**48,057**	**46,767**	**48,804**	**2,037**	**4.2%**	**(1,290)**	**-2.7%**
Total Operating Expenses	**175,243**	**163,380**	**160,118**	**168,358**	**8,240**	**4.9%**	**(3,262)**	**-2.0%**

Expenses – 2021 YTD Actuals vs. 2021 YTD Budget

- Operating Expenses were ($8.2M or 4.9%) favorable driven primarily by the underspend in Charges from other Divisions of $2M, and in Outside Services of $4.8M across multiple business areas - including Commercial Management $400k, F&I and Capital Program $1.6M, PMG $1M, and Maintenance $2.1M.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

Division Summary – YE Forecast

Total Airport Expense Summary ($ in 000's)	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav(UnFav) Fcst. vs. Budget Variance $	%	Incr/(Decr) Change from 2020 $	%
Operating Expenses								
Payroll	144,051	152,895	153,183	153,293	111	0.1%	287	0.2%
Outside Services	68,162	63,922	66,406	65,174	(1,232)	-1.9%	2,483	3.9%
Utilities	18,180	15,695	19,619	20,244	625	3.1%	3,924	25.0%
Other Expenses	14,721	3,341	2,059	1,359	(700)	-51.5%	(1,282)	-38.4%
Total Airport Direct Charges	**245,114**	**235,854**	**241,267**	**240,071**	**(1,196)**	**-0.5%**	**5,413**	**2.3%**
Environmental Remediation Liability	15,900	(2,361)	2,196	2,001	(195)	-9.8%	4,557	-193.0%
Capital to Expense	2,089	2,588	218	-	(218)		(2,370)	-91.6%
Total Exceptions	**17,989**	**227**	**2,414**	**2,001**	**(413)**	**-20.6%**	**2,187**	**964.4%**
Total Airport Expenses	**263,104**	**236,081**	**243,680**	**242,072**	**(1,609)**	**-0.7%**	**7,600**	**3.2%**
Corporate	65,729	68,316	70,076	69,767	(308)	-0.4%	1,760	2.6%
Police	22,290	22,150	23,513	23,964	450	1.9%	1,364	6.2%
Maritime/Economic Development/Other	4,123	3,134	3,991	4,105	114	2.8%	857	27.4%
Total Charges from Other Divisions	**92,141**	**93,599**	**97,580**	**97,836**	**256**	**0.3%**	**3,981**	**4.3%**
Total Operating Expenses	**355,245**	**329,680**	**341,260**	**339,908**	**(1,353)**	**-0.4%**	**11,581**	**3.5%**

Operating Expenses – 2021 YE Forecast compared to 2021 YE Budget (-$1.3M or -0.4% unfavorable)

- Total Operating Expenses is forecasted to over-run Budget by $1.3M driven partially by the Snow Removal ($2.2M) in the Airfield and Maintenance cost centers.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

Aeronautical Business Unit Summary – YTD Actuals

Aeronautical NOI ($ in 000's)	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav(UnFav) Actual vs. Budget Variance $	%	Incr/(Decr) Change from 2020 $	%
Rate Base Revenues								
Airfield Movement Area	61,289	54,693	37,192	49,789	(12,597)	-25.3%	(17,502)	-32.0%
Airfield Apron Area	9,883	9,575	10,932	9,557	1,375	14.4%	1,357	14.2%
Terminal Rents	100,229	77,111	83,321	102,193	(18,872)	-18.5%	6,210	8.1%
Federal Inspection Services (FIS)	7,271	14,621	3,560	9,225	(5,665)	-61.4%	(11,061)	-75.6%
Total Rate Base Revenues	**178,672**	**156,000**	**135,005**	**170,763**	**(35,758)**	**-20.9%**	**(20,995)**	**-13.5%**
Airfield Commercial Area	5,569	7,720	8,177	7,755	422	5.4%	456	5.9%
Subtotal before Revenue Sharing	**184,241**	**163,720**	**143,182**	**178,518**	**(35,336)**	**-19.8%**	**(20,538)**	**-12.5%**
Revenue Sharing	(8,314)	1	-	-	-		(1)	-100.0%
Total Aeronautical Revenues	**175,927**	**163,722**	**143,182**	**178,518**	**(35,336)**	**-19.8%**	**(20,540)**	**-12.5%**
Total Aeronautical Expenses	**117,918**	**108,286**	**111,036**	**115,710**	**4,673**	**4.0%**	**2,751**	**2.5%**
Aeronautical NOI	**58,009**	**55,436**	**32,146**	**62,809**	**(30,663)**	**-48.8%**	**(23,290)**	**-42.0%**

Aeronautical – 2021 YTD Actuals vs. 2021 YTD Budget

- Net Operating Income was (-$30.6M or -49%) unfavorable to budget due to $35.3M in lower aeronautical revenues driven by lower costs to recover driven by lower operating expenses in Outside Services and Charges from Other Divisions.

Aeronautical – 2021 YTD Actuals vs. 2020 YTD Actuals

- Net Operating Income was (-$23.3M or -42%) lower than 2020 YTD because aeronautical revenues in 2021 were based on lower rates and charges in anticipation of a recovering year that is not yet back to pre-pandemic activity levels, whereas in 2020 rates and charges were based on pre-pandemic activity levels.

Aeronautical Business Unit Summary - YE Forecast

Aeronautical NOI ($ in 000's)	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav(UnFav) Fcst. vs. Budget Variance $	%	Incr/(Decr) Change from 2020 $	%
Rate Base Revenues								
Airfield Movement Area	123,436	84,906	87,899	115,037	(27,138)	-23.6%	2,993	3.5%
Airfield Apron Area	22,016	15,146	15,184	21,418	(6,234)	-29.1%	38	0.2%
Terminal Rents	205,283	171,607	166,593	213,147	(46,554)	-21.8%	(5,014)	-2.9%
Federal Inspection Services (FIS)	12,321	8,616	14,373	21,454	(7,081)	-33.0%	5,757	66.8%
Total Rate Base Revenues	**363,057**	**280,275**	**284,048**	**371,056**	**(87,007)**	**-23.4%**	**3,773**	**1.3%**
Airfield Commercial Area	11,687	17,633	16,284	15,612	672	4.3%	(1,349)	-7.7%
Subtotal before Revenue Sharing	**374,744**	**297,908**	**300,332**	**386,668**	**(86,336)**	**-22.3%**	**2,424**	**0.8%**
Revenue Sharing	(17,146)	1	-	-	-		(1)	-100.0%
Total Aeronautical Revenues	**357,598**	**297,909**	**300,332**	**386,668**	**(86,336)**	**-22.3%**	**2,423**	**0.8%**
Total Aeronautical Expenses	**236,959**	**219,878**	**234,400**	**233,102**	**(1,298)**	**-0.6%**	**14,522**	**6.6%**
Aeronautical NOI	**120,639**	**78,031**	**65,932**	**153,566**	**(87,634)**	**-57.1%**	**(12,099)**	**-15.5%**

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

Airline Rate Base Cost Drivers

$ in 000's	2020 Actual	2021 Budget	2021 Forecast	Impact on Aero Revenues Budget vs Forecast $	%
O&M [(1)]	213,775	227,420	228,844	1,424	0.6%
Federal Relief Grants O&M	(22,507)	(3,500)	(21,100)	(17,600)	502.9%
Net O&M	191,268	223,920	207,744	(16,176)	-7.2%
Debt Service Before Offsets	166,848	193,302	190,120	(3,183)	-1.6%
Debt Service PFC Offset	(36,390)	(47,549)	(57,839)	(10,290)	21.6%
Federal Relief Grants Debt Service	(71,763)	(29,399)	(86,778)	(57,378)	195.2%
Net Debt Service	58,694	116,354	45,503	(70,851)	-60.9%
Amortization	32,359	32,681	32,624	(58)	-0.2%
Space Vacancy	(1,083)	(1,141)	(1,063)	78	-6.9%
TSA Operating Grant and Other	(960)	(758)	(759)	(1)	0.1%
Rate Base Revenues	**280,279**	**371,056**	**284,048**	**(87,007)**	**-23%**
Commercial area	17,633	15,612	16,284	672	4%
Total Aero Revenues	**297,912**	**386,668**	**300,332**	**(86,336)**	**-22%**

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

2021 Forecast to 2021 Budget

- O&M – $1.4M higher mostly in Apron, FIS, and Queue Management:
  - Apron – Large Snow Expenses
  - FIS – Increased Interpretation Services, Increased VIP Hospitality, Furniture Capital to Expense, Contingencies [IAF Oversize Baggage Relocate, IAF Wall Protections]
  - Queue Management – VIP Divesting
- Debt Service before Offsets: Forecast is $3.2M lower primarily because the 3rd runway PFC debt was refunded with revenue bond which increased debt service and offset with refunding savings.
- PFC Offset $10.3M lower due to lower anticipated collections
- Federal Relief Grants Aero Portion:
  - Payroll Impact (O&M) – Removing $21.1M from Rate Base
  - Debt Service Impact - Removing $86.8M from Rate Base

Non-Aero Business Unit Summary – YTD Actuals

Non-Aeronautical NOI ($ in 000's)	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav(UnFav) Actual vs. Budget Variance $	Fav(UnFav) Actual vs. Budget Variance %	Incr/(Decr) Change from 2020 $	Incr/(Decr) Change from 2020 %
Non-Aeronautical Revenues								
Public Parking	40,401	20,002	25,537	25,729	(192)	-0.7%	5,536	27.7%
Rental Cars	20,064	7,591	11,497	10,740	757	7.0%	3,906	51.5%
Ground Transportation	9,979	4,374	4,208	5,961	(1,753)	-29.4%	(166)	-3.8%
Airport Dining & Retail	29,581	13,856	14,871	19,470	(4,599)	-23.6%	1,015	7.3%
Other	24,578	18,402	17,106	20,451	(3,345)	-16.4%	(1,296)	-7.0%
Total Non-Aeronautical Revenues	**124,604**	**64,225**	**73,219**	**82,351**	**(9,131)**	**-11.1%**	**8,995**	**14.0%**
Total Non-Aeronautical Expenses	**38,294**	**55,094**	**49,082**	**52,648**	**3,567**	**6.8%**	**(6,012)**	**-10.9%**
Non-Aeronautical NOI	**86,310**	**9,131**	**24,138**	**29,703**	**(5,565)**	**-18.7%**	**15,007**	**164.4%**
Less: CFC Surplus	-	-	-	-	-		-	
Adjusted Non-Aeronautical NOI	**86,310**	**9,131**	**24,138**	**29,703**	**(5,565)**	**-18.7%**	**15,007**	**164.4%**

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

- Net Operating Income was (-$5.6M or -18.7%) unfavorable to revised budget driven by:
  - Continued impact of COVID-19 driving passenger levels impacting revenues from concession fees or transaction volume (Parking, Rental Car, Ground Transportation, Airport Dining & Retail, Clubs & Lounges, In-flight Kitchens) are closely aligned with the decline in passenger volume.
  - Non-Aeronautical operating expenses were ($3.5M or 6.8%) favorable.

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

- Net Operating Income was ($12M or 164.4%) higher than 2020 driven by:
  - Increasing passenger levels and activity when compared to the 2nd quarter in 2020 where the COVID-19 impact was ramping up.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

Non-Aero Business Unit Summary - YE Forecast

Non-Aeronautical NOI ($ in 000's)	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav(UnFav) Fcst. vs. Budget Variance $	%	Incr/(Decr) Change from 2020 $	%
Non-Aeronautical Revenues								
Public Parking	82,125	34,502	65,301	59,597	5,704	9.6%	30,799	89.3%
Rental Cars	52,567	16,637	33,690	26,880	6,810	25.3%	17,053	102.5%
Ground Transportation	20,765	6,557	11,238	13,628	(2,391)	-17.5%	4,680	71.4%
Airport Dining & Retail	61,615	25,418	43,317	45,936	(2,619)	-5.7%	17,899	70.4%
Other	51,966	33,359	39,361	43,506	(4,145)	-9.5%	6,003	18.0%
Total Non-Aeronautical Revenues	**269,037**	**116,473**	**192,907**	**189,548**	**3,359**	**1.8%**	**76,434**	**65.6%**
Total Non-Aeronautical Expenses	**118,286**	**109,802**	**106,861**	**106,806**	**(55)**	**-0.1%**	**(2,941)**	**-2.7%**
Non-Aeronautical NOI[1]	**150,752**	**6,671**	**86,046**	**82,742**	**3,304**	**4.0%**	**79,375**	**1189.9%**
Less: CFC Surplus	(6,834)	-	-	-	-		-	
Adjusted Non-Aeronautical NOI	**143,917**	**6,671**	**86,046**	**82,742**	**3,304**	**4.0%**	**79,375**	**1189.9%**
Debt Service	(49,299)	(33,065)	(15,935)	(53,025)	37,090	-69.9%	17,131	-51.8%
Net Cash Flow	**94,619**	**(26,394)**	**70,111**	**29,717**	**40,394**	**135.9%**	**96,506**	**-365.6%**

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

Non-Aeronautical – 2021 Forecast vs. 2021 Budget

- Non-Aeronautical net operating income is forecasted to be ($3.3M or 4%) favorable to budget based on improvement in revenues on the Landside operations due to the improvement in the forecasted passenger volume recovery. The Non-Aeronautical Revenues assumes Federal Relief for the concessions area of $26.7M.

Non-Aeronautical – 2021 Forecast vs. 2020 Actuals

- Net Operating Income for 2021 is forecasted to be ($79.4M or 1190%) higher compared to prior year due to passenger levels improving with a forecast of being down 26% compared to 2019 vs. 61% down in 2020 compared to 2019.

D. CAPITAL RESULTS

Capital Variance

$ in 000's	2021 YTD Actual	2021 Year-End Forecast	2021 Budget	Budget Variance $	Budget Variance %
Checked Baggage (1)	42,510	105,610	86,100	(19,510)	-22.7%
International Arrivals Facility (2)	40,439	68,439	86,500	18,061	20.9%
NSAT Renovation (3)	55,058	84,602	96,408	11,806	12.2%
Concourse A Duty Free (4)	2	34	2,461	2,427	98.6%
Concourse A Expansion (5)	69	7,639	5,215	(2,424)	-46.5%
SAMP Near Term Planning (6)	322	2,692	5,025	2,333	46.4%
Terminal Security Enhancements (7)	175	1,276	3,479	2,203	63.3%
RCF Security Improvements (8)	196	2,802	4,934	2,131	43.2%
2021-25 AFLD Pvmnt (9)	6,990	27,542	29,560	2,017	6.8%
Concourse C New Power Center (10)	3,668	4,919	2,961	(1,958)	-66.1%
Air Cargo Rd Safety (11)	448	2,080	3,972	1,892	47.6%
SSAT HVAC (12)	4,830	9,725	11,505	1,780	15.5%
All Other	45,431	165,437	195,060	29,624	15.2%
Subtotal	200,138	482,797	533,180	50,383	9.4%
CIP Cashflow Mgmt Reserve	-	(26,177)	(41,978)	(15,801)	37.6%
Total Spending	**200,138**	**456,620**	**491,202**	**34,582**	**7.0%**

1. Accelerated schedule for Temp Maintenance Shop.
2. The ped walkway continues to slide to the right and is likely going to complete late 2021, possibly 2022. Additionally, in the IAF building, issues with systems, smoke control and commissioning have caused delays to the IAF building.
3. Variance due to $4.0M less Construction (Contract/OFCI/Sales Tax); $1M less Permit costs (delayed); and $1M slipped payment for seating.
4. 2021 baseline was set prior to IC increase from $25,180,000 to $33,366,000.
5. 2021 baseline was set previous to Notebook approval (03/05/21), whereas the project budget went from $60M to 71.4M.
6. Continued scoping and analysis extended to gain better information deferring spending.
7. Cash flow based upon previous procurement that was cancelled, revised cash flow per anticipated DB schedule.
8. Construction bid came lower than estimates.
9. Bid result for 2021 Pavement project came lower than Engineer's Estimate.
10. Construction accelerated by 6 months.
11. Cash flow reflects returned bid savings and extended construction schedule.
12. Returned $5M savings in Q1 and design delays have caused underspending.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

III. MARITIME DIVISION

FINANCIAL SUMMARY

$ in 000's	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav (UnFav) Fcst vs. Budget Variance $	%	Incr (Decr) Change from 2020 $	%
Total Revenues	**59,289**	**42,111**	**46,656**	**45,280**	**1,377**	**3%**	**4,545**	**11%**
Total Operating Expenses	**48,644**	**50,228**	**49,023**	**50,243**	**1,220**	**2%**	**(1,205)**	**-2%**
Net Operating Income	**10,644**	**(8,117)**	**(2,367)**	**(4,963)**	**2,597**	**52%**	**5,750**	**71%**
Capital Expenditures	**7,887**	**19,698**	**21,701**	**26,195**	**4,494**	**17%**	**2,003**	**10%**

2021 Forecast vs. 2021 Budget

- Operating Revenues are $1.4M higher than budget driven by higher volumes at the Grain Terminal.
- Operating Expenses forecasted $1.1M lower than budget from a change in maintenance allocation, open FTEs.
- Net Operating Income Planned $2.6M favorable to budget.
- Capital Spending forecasted at 83% of $26.2M budget.

2021 Forecast vs. 2020 Actuals

- Operating Revenues expected $4.5M higher than 2020 due to higher grain volumes and resumption of cruise business.
- Operating Expenses forecasted $1.2M lower than 2020 actual driven by lower support service costs, partially offset by increased central services from allocation changes and a favorable pension adjustment in 2020.
- Net Operating Income forecasted $5.7M above 2020 actual.

Net Operating Income before Depreciation by Business

$ in 000's	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav (UnFav) Actual vs. Budget Variance $	%	Incr (Decr) Change from 2020 $	%
Ship Canal Fishing & Operations	(513)	(945)	(1,105)	160	14%	(432)	-84%
Elliott Bay Fishing & Commercial Operations	(266)	(257)	(967)	710	73%	10	NA
Recreational Boating	1,094	558	295	263	-89%	(536)	-49%
Cruise	(5,555)	(5,190)	(1,536)	(3,654)	-238%	365	-7%
Grain	1,348	2,798	1,683	1,115	-66%	1,450	108%
Maritime Portfolio	71	123	(880)	1,003	114%	53	75%
All Other	(151)	(162)	(329)	167	51%	(11)	-7%
Total Maritime	**(3,973)**	**(3,075)**	**(2,839)**	**(236)**	**-8%**	**898**	**23%**

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

A. BUSINESS EVENTS

Recreational Boating– Bell Harbor Marina hosted the return of Classic Weekend, an annual public event sponsored by the Classic Yacht Association with a full marina buyout. In addition, agreements were completed with Parasail Seattle and Seattle's Tall Ship tour operations at the marina.

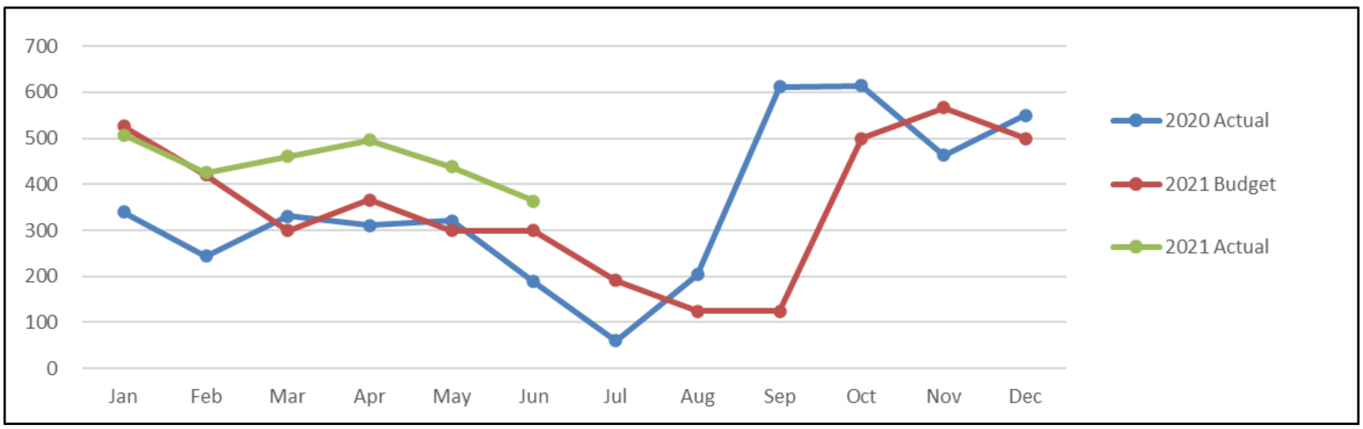
Elliott Bay Fishing and Commercial Operations - Maximized pier utilization while helping coordinate the transition of the cruise berths to CTA for cruise ship lay berth use.

Cruise – Completed terminal upgrades inclusive of touchless restroom facilities, COVID signage, health barriers, water bottle filling stations, and air filtration improvements.

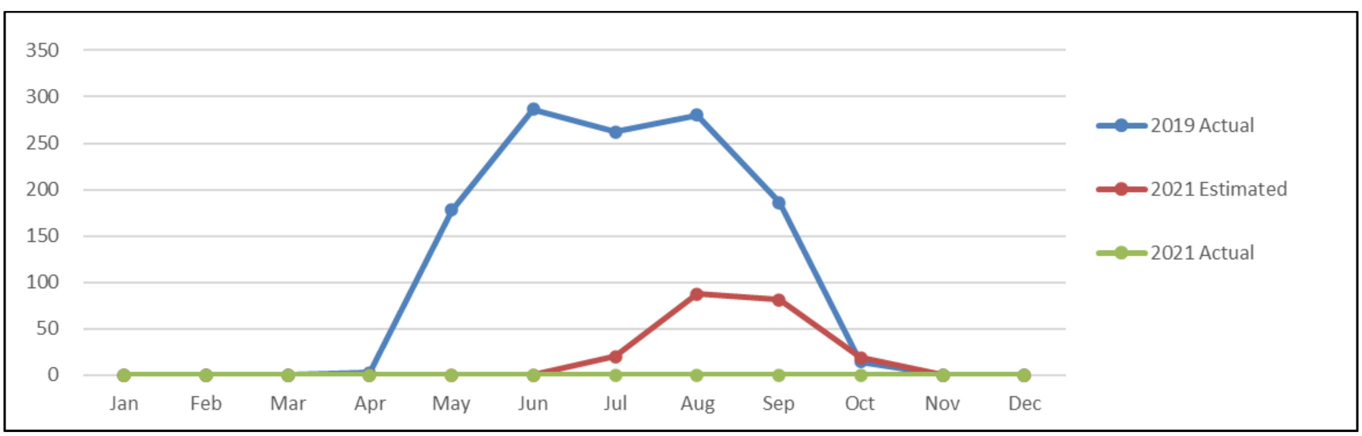
Stormwater Utility – Terminal 25 oil/water separator was installed in the truck parking area

B. KEY PERFORMANCE METRICS

Grain Volume – Metric Tons in 000's



Cruise Passengers in 000's



III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

C. OPERATING RESULTS

$ in 000's	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav (UnFav) Actual vs. Budget Variance $	%	Incr (Decr) Change from 2020 $	%
Ship Canal Fishing & Operations	2,004	2,182	2,134	2,146	(12)	-1%	(49)	-2%
Elliott Bay Fishing & Commercial Operations	3,067	2,908	2,635	2,262	373	16%	(274)	-9%
Recreational Boating	6,228	6,211	6,330	6,406	(77)	-1%	119	2%
Cruise	8,473	133	61	4,466	(4,405)	-99%	(72)	-54%
Grain	2,567	2,005	3,433	2,556	876	34%	1,427	71%
Maritime Portfolio Management	5,019	4,884	4,914	5,039	(125)	-2%	30	1%
Other	10	15	1	0	1	NA	(13)	-91%
Total Revenue	**27,368**	**18,338**	**19,507**	**22,875**	**(3,368)**	**-15%**	**1,169**	**6%**
Expenses								
Maritime (Excl. Maint)	5,745	6,869	7,031	7,801	770	10%	162	2%
Economic Development	2,369	2,325	2,135	3,015	880	29%	(190)	-8%
Total Direct	**8,114**	**9,194**	**9,166**	**10,816**	**1,649**	**15%**	**(28)**	**0%**
Maintenance Expenses	5,521	4,879	5,093	6,006	913	15%	215	4%
Envir Services & Planning	1,055	1,226	785	1,070	285	27%	(442)	-36%
Seaport Finance & Cost Recovery	509	457	513	490	(23)	-5%	56	12%
Seaport Project Management	130	188	193	160	(33)	-21%	5	2%
Total Support Services	**7,214**	**6,751**	**6,584**	**7,725**	**1,141**	**15%**	**(167)**	**-2%**
IT	1,320	1,393	1,335	1,410	75	5%	(58)	-4%
Police Expenses	1,988	1,569	1,477	1,647	170	10%	(92)	-6%
External Relations	751	615	571	683	113	16%	(44)	-7%
Other Central Services	2,789	2,652	3,277	3,311	34	1%	625	24%
Aviation Division / Other	135	137	170	121	(49)	-40%	33	24%
Total Central Services / Other	**6,982**	**6,367**	**6,830**	**7,173**	**343**	**5%**	**464**	**7%**
Total Expense	**22,310**	**22,311**	**22,581**	**25,714**	**3,134**	**12%**	**270**	**1%**
NOI Before Depreciation	**5,058**	**(3,973)**	**(3,074)**	**(2,839)**	**(235)**	**-8%**	**899**	**23%**
Depreciation	8,911	8,781	8,881	8,088	(793)	-10%	100	1%
NOI After Depreciation	**(3,853)**	**(12,754)**	**(11,955)**	**(10,928)**	**(1,027)**	**-9%**	**799**	**6%**

2021 YTD Actuals vs. 2021 YTD Budget

- Operating Revenues were $3,368K lower than budget driven by:
  1) Elliott Bay Fishing & Operations $373K higher due to Ballard Locks closure and improved pier utilization at T91.
  2) Cruise $4,405K lower due to timing of lease invoice to NCL, and phasing of sailings.
  3) Grain $876K higher from 55% increase in annual volumes.
  4) Maritime Portfolio Management $125K lower from vacancy at Maritime Industrial Center.
  5) All other variances add up to $87K lower.
- Operating Expenses were $3,134K lower than budget:
  1) Direct Expenses were $1,649K lower than budget
     - Rec Boating $75K higher than budget due to COVID-19 expenses.
     - Ship Canal Fishing and Operations $16K lower from reversal of bad debt expense.
     - Elliot Bay Fishing and Commercial $310K below due to lower utilities expenses.
     - Cruise $532K under from lower outside services and utilities.
     - Maritime Security $38K lower than budget due to timing of cruise sailings.
     - Maritime Marketing $105K below budget from event cancellations.
     - Portfolio Management $850K favorable from lower utility expense and timing of tenant improvements.
     - Environmental remediation was $68K unfavorable to budget.
     - Divisional contingency open headcount vacancy factor created a $109K unfavorable variance
     - All other Direct Expenses net to $100K over budget.

2) Total Support Services were $1,141K favorable to budget.
   - Maintenance $913K favorable due to reduced wage expenses and favorable allocation change.
   - Environmental Services and Planning were $285K lower than budget due to open position and outside services timing.
3) Total Central Services / Other were $343K favorable to budget.

- Net Operating Income was $235K unfavorable to budget.

2021 YTD Actuals vs. 2020 YTD Actuals

- Operating Revenues were $1.2M higher than 2020 due to increased volumes at the Grain terminal.
- Operating Expenses were $270K higher than 2020 actual driven by higher central service allocation, offset by lower utilities and Environmental services allocation.
- Net Operating Income was $899K better than 2020 actual.

$ in 000's	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav (UnFav) Fcst vs. Budget Variance $	%	Incr (Decr) Change from 2020 $	%
Ship Canal Fishing & Operations	3,929	4,704	4,123	4,135	(12)	0%	(581)	-12%
Elliott Bay Fishing & Commercial Operations	6,095	5,752	4,882	4,509	373	8%	(870)	-15%
Recreational Boating	12,484	12,611	12,838	12,915	(77)	-1%	227	2%
Cruise	22,410	3,824	9,000	8,558	442	5%	5,176	135%
Grain	4,266	5,142	5,779	4,903	876	18%	637	12%
Maritime Portfolio Management	10,108	10,074	10,034	10,259	(225)	-2%	(40)	0%
Other	(3)	4	0	0	0	NA	(4)	-100%
Total Revenue	**59,289**	**42,111**	**46,656**	**45,280**	**1,377**	**3%**	**4,545**	**11%**
Expenses								
Maritime (Excl. Maint)	13,789	16,256	15,439	15,539	100	1%	(817)	-5%
Economic Development	4,987	4,511	5,115	5,365	250	5%	604	13%
Total Direct	**18,776**	**20,767**	**20,554**	**20,904**	**350**	**2%**	**(213)**	**-1%**
Maintenance Expenses	12,186	12,029	11,095	11,595	500	4%	(934)	-8%
Envir Services & Planning	2,250	2,739	1,940	2,140	200	9%	(798)	-29%
Seaport Finance & Cost Recovery	835	937	977	977	0	0%	40	4%
Seaport Project Management	175	1,061	416	316	(100)	-32%	(644)	-61%
Total Support Services	**15,446**	**16,765**	**14,428**	**15,028**	**600**	**4%**	**(2,337)**	**-14%**
IT	2,685	2,719	2,838	2,853	15	1%	120	4%
Police Expenses	4,086	2,865	3,059	3,118	59	2%	193	7%
External Relations	1,564	1,200	1,013	1,347	334	25%	(187)	-16%
Other Central Services	5,810	5,596	6,887	6,749	(138)	-2%	1,291	23%
Aviation Division / Other	278	315	243	243	0	0%	(72)	-23%
Total Central Services / Other	**14,423**	**12,695**	**14,041**	**14,311**	**270**	**2%**	**1,345**	**11%**
Total Expense	**48,644**	**50,228**	**49,023**	**50,243**	**1,220**	**2%**	**(1,205)**	**-2%**
NOI Before Depreciation	**10,644**	**(8,117)**	**(2,367)**	**(4,963)**	**2,597**	**52%**	**5,750**	**71%**
Depreciation	17,627	17,624	16,899	16,899	0	0%	(725)	-4%
NOI After Depreciation	**(6,982)**	**(25,741)**	**(19,266)**	**(21,862)**	**2,597**	**12%**	**6,475**	**25%**

2021 Forecast vs. 2021 Budget

- Operating Revenues are forecasted $1,377K higher than budget:
  1) Grain $876K higher year to date.
  2) Cruise $442K higher based on current schedule at 50% occupancy.
  3) Elliot Bay Fishing & Operations is $373K higher due to better pier utilization at T91.
- Operating Expenses forecasted $1.2MK favorable to budget from change in maintenance allocations, lower payroll, and reduced external relations expenses.
- Net Operating Income Planned $2.6M favorable to budget.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

2021 Forecast vs. 2020 Actuals

- Operating Revenues expected $4.5M higher than 2020 with partial resumption of Cruise, higher Grain volumes, offset by 2020 revenue benefitting from the lengthy closure of the Ballard Locks.
- Operating Expenses forecasted $1.2M lower than 2020 actual driven primarily by favorable Maintenance, Seaport Project Management, and Environmental allocations, less capital to expense, offset by unfavorable central services allocations from 2020 one-time pension adjustment.
- Net Operating Income forecasted $5.8M better than 2020 actual.

D. CAPITAL RESULTS

$ in 000's	2021 YTD Actual	2021 Forecast	2021 Budget	Budget Variance $	Budget Variance %
T117 Restoration	2,050	8,180	8,809	629	7%
T91 Northwest Fender	384	6,160	7,761	1,601	21%
MD Small Projects	415	1,711	3,383	1,672	49%
MD Fleet	199	3,342	3,201	(141)	-4%
FT Maritime Innovation Center	135	604	1,475	871	59%
T91 Berth 6&8 Redev	361	1,134	1,025	(109)	-11%
P91 Pass Term Upgrade COV	7	230	1,000	770	77%
P66 Shore Power	149	443	765	322	42%
SBM Restrms/Service Bldgs Rep	316	367	665	298	45%
FT Gateway Building	176	438	600	162	27%
All Other Projects	867	(908)	(2,489)	(1,581)	64%
Total Maritime	**5,059**	**21,701**	**26,195**	**4,494**	**17%**

Comments on Key Projects

- **T91 Northwest Fender –** Construction bid well under Engineer's Estimate. Have reduced forecast accordingly**.**
- **FT Maritime Innovation Center –** Budget increase due to unexpected increased Design costs, and new scope (risk mitigation measures), but also due to the escalation adjustment triggered by wage inflation projected for 2022 and expected skilled labor shortages announced in late March 2021. Design progress towards 90% delayed due to need for Commission authorization to amend NTE amount on Service Agreement and additional funding to complete design and permitting phase.
- **MD Small Projects -** Several projects deferred to 2022 per the sponsor’s request.

IV. ECONOMIC DEVELOPMENT DIVISION

FINANCIAL SUMMARY

$ in 000's	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav (UnFav) Fcst vs. Budget Variance $	%	Incr (Decr) Change from 2020 $	%
Total Revenues	**21,151**	**9,470**	**12,048**	**13,348**	**(1,300)**	**-10%**	**2,578**	**27%**
Total Operating Expenses	**27,155**	**20,611**	**20,605**	**21,413**	**808**	**4%**	**(6)**	**0%**
Net Operating Income	**(6,004)**	**(11,141)**	**(8,557)**	**(8,065)**	**(492)**	**-6%**	**2,584**	**-23%**
Capital Expenditures	**3,121**	**9,314**	**4,000**	**5,647**	**1,647**	**29%**	**(5,314)**	**-57%**

2021 Forecast vs. 2021 Budget

- Operating Revenues forecasted to $1.3M unfavorable to budget due to lower volumes at the Conference & Event Center related COVID-19 cancellations and variable revenue at parking facilities.
- Operating Expenses $808K favorable to budget due to variable cost impact of conference cancellations, delayed hiring, and Washington Tourism Alliance expenses moving to 2022, offset by change in Maintenance allocation.
- Net Operating Income forecasted at $492K below budget.
- Capital spending forecasted to 71% of $5.6M budget.

2021 Forecast vs. 2020 Actuals

- Operating Revenues forecasted to $2.6M above 2020 due to favorable 2nd half outlook at the Conference & Event Center.
- Operating Expenses $6K lower than 2020 with higher Washington Tourism Alliance expenses, offset by favorable Central Services costs.
- Net Operating Income forecasted $2.6M better than 2020 actual.

Net Operating Income before Depreciation by Business

$ in 000's	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav (UnFav) Actual vs. Budget Variance $	%	Incr (Decr) Change from 2020 $	%
Portfolio Management	(1,057)	(1,804)	(1,152)	(652)	-57%	(747)	-71%
Conference & Event Centers	(2,420)	(2,130)	(1,843)	(287)	-16%	289	12%
Tourism	(385)	(379)	(557)	178	32%	6	1%
EDD Grants	27	(88)	(85)	(3)	-3%	(115)	-420%
Env Grants/Remed Liab/ERC	(300)	(2)	(386)	384	99%	298	99%
Total Econ Dev	**(4,134)**	**(4,403)**	**(4,023)**	**(380)**	**-9%**	**(269)**	**-7%**

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

A. BUSINESS EVENTS

Diversity in Contracting – Selected twelve new participants for new PortGen accelerator program. Partnered with Sound Transit and WSDOT to provide disadvantaged business enterprises with technical training.

Economic Development and Innovation – Staff is administering 25 Economic Development Partnership grants with participating cities. Supporting second Maritime Blue Innovation Accelerator.

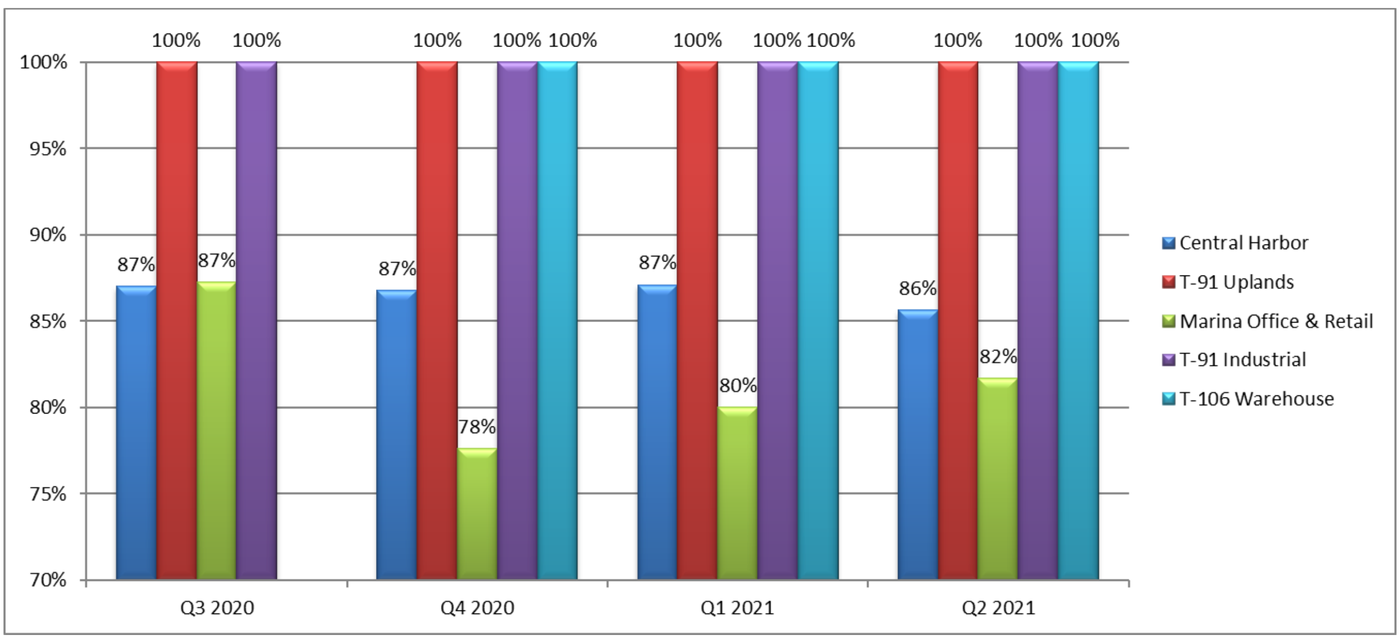
Portfolio Management – Maintained 95% occupancy across real estate portfolio despite ongoing COVID-19 pandemic challenges.

Real Estate Development – Executed ground lease at T-106.

Tourism – Earned media resulting from international office activities YTD: $525K. Created webinars in collaboration with U.S. Commercial Service, Visit USA Committees, CLIA, tour operators and travel trade publications to broadcast Washington tourism opportunities.

B. KEY PERFORMANCE METRICS

Building Occupancy by Location:



C. OPERATING RESULTS

$ in 000's	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav (UnFav) Actual vs. Budget Variance $	%	Incr (Decr) Change from 2020 $	%
Revenue	4,421	4,119	3,669	4,042	(373)	-9%	(450)	-11%
Conf & Event Centers	5,963	1,240	420	1,329	(909)	-68%	(819)	-66%
Total Revenue	**10,384**	**5,359**	**4,089**	**5,371**	**(1,282)**	**-24%**	**(1,270)**	**-24%**
Expenses								
Portfolio Management	1,922	1,583	1,643	1,687	44	3%	60	4%
Conf & Event Centers	4,833	2,378	1,271	1,890	618	33%	(1,107)	-47%
P69 Facilities Expenses	92	119	90	114	24	21%	(29)	-24%
RE Dev & Planning	48	91	94	76	(17)	-23%	3	3%
EconDev Expenses Other	352	488	298	398	100	25%	(190)	-39%
Maintenance Expenses	1,563	1,170	1,792	1,282	(509)	-40%	621	53%
Maritime Expenses (Excl Maint)	106	229	490	528	38	7%	261	114%
Total EDD & Maritime Expenses	**8,916**	**6,058**	**5,678**	**5,976**	**298**	**5%**	**(381)**	**-6%**
Diversity in Contracting	99	50	48	70	23	32%	(2)	-5%
Tourism	526	374	380	982	602	61%	6	1%
EDD Grants	(4)	(27)	87	75	(12)	-17%	115	-420%
Total EDD Initiatives	**621**	**397**	**515**	**1,127**	**612**	**54%**	**118**	**30%**
Environmental & Sustainability	173	101	13	15	3	17%	(88)	-87%
Police Expenses	101	108	99	111	12	10%	(9)	-8%
Other Central Services	2,819	2,760	2,093	2,100	8	0%	(667)	-24%
Aviation Division	53	69	95	64	(31)	-48%	26	38%
Total Central Services & Aviation	**3,147**	**3,037**	**2,300**	**2,291**	**(9)**	**0%**	**(738)**	**-24%**
Envir Remed Liability	0	0	0	0	0	NA	0	NA
Total Expense	**12,684**	**9,493**	**8,493**	**9,394**	**902**	**10%**	**(1,000)**	**-11%**
NOI Before Depreciation	**(2,300)**	**(4,134)**	**(4,403)**	**(4,023)**	**(380)**	**-9%**	**(269)**	-7%
Depreciation	1,833	1,774	1,919	1,517	(402)	-26%	145	8%
NOI After Depreciation	**(4,133)**	**(5,908)**	**(6,322)**	**(5,540)**	**(782)**	**-14%**	**(414)**	**-7%**

2021 YTD Actuals vs. 2021 YTD Budget

- Operating revenue were $1,282K unfavorable to budget due primarily to lower than anticipated Conference and Event Center volumes as a result of the on-going COVID-19 restrictions on meetings and events.
- Operating Expenses were $902K favorable to budget:
  1) Conference and Event Center $618K favorable from lower activity as a result of the on-going COVID-19 restrictions on meetings and events.
  2) Maintenance Expenses $509K unfavorable due to change in Maintenance allocation methodology.
  3) EDD Initiatives $612K favorable due to timing of spending related to COVID-19.
  4) All other expenses net to $181K below budget.
- Net Operating Income was $380K below budget.

2021 YTD Actuals vs. 2020 YTD Actuals

- Operating Revenues were $1,270K lower than 2020 actual
- Operating Expenses were $1,000K lower than 2020 actual:
  1) Conference and Event Centers $1,107K lower than 2020 due to variable costs associated with lower Conference and Event Center volumes as a result of the on-going COVID-19 restrictions on meetings and events.
  2) Maintenance Expenses $621K higher than 2020 due to change in Maintenance allocation methodology.
  3) Central Services $738K lower than 2020.
  4) All other Expenses net to $224K higher than 2020.
- Net Operating Income was $269K below 2020 actual.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

$ in 000's	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav (UnFav) Fcst vs. Budget Variance $	%	Incr (Decr) Change from 2020 $	%
Revenue	8,912	7,808	7,913	8,313	(400)	-5%	105	1%
Conf & Event Centers	12,239	1,662	4,135	5,035	(900)	-18%	2,473	149%
Total Revenue	**21,151**	**9,470**	**12,048**	**13,348**	**(1,300)**	**-10%**	**2,578**	**27%**
Expenses								
Portfolio Management	3,732	3,073	3,301	3,401	100	3%	227	7%
Conf & Event Centers	10,218	4,440	4,420	4,920	500	10%	(19)	0%
P69 Facilities Expenses	215	232	177	222	45	20%	(56)	-24%
RE Dev & Planning	136	209	154	154	0	0%	(55)	-26%
EconDev Expenses Other	930	938	695	835	140	17%	(243)	-26%
Maintenance Expenses	3,145	3,042	3,037	2,537	(500)	-20%	(5)	0%
Maritime Expenses (Excl Maint)	1,070	1,035	1,060	1,060	0	0%	24	2%
Total EDD & Maritime Expenses	**19,448**	**12,969**	**12,843**	**13,128**	**285**	**2%**	**(127)**	**-1%**
Diversity in Contracting	152	103	122	142	20	14%	19	19%
Tourism	1,337	954	2,181	2,481	300	12%	1,227	129%
EDD Grants	785	778	1,060	1,060	0	0%	282	36%
Total EDD Initiatives	**2,274**	**1,834**	**3,363**	**3,683**	**320**	**9%**	**1,528**	**83%**
Environmental & Sustainability	24	44	23	31	8	26%	(21)	-48%
Police Expenses	61	64	205	209	4	2%	142	223%
Other Central Services	5,234	5,539	4,051	4,242	191	5%	(1,488)	-27%
Aviation Division	114	161	120	120	0	0%	(41)	-25%
Total Central Services & Aviation	**5,433**	**5,808**	**4,400**	**4,603**	**203**	**4%**	**(1,408)**	**-24%**
Envir Remed Liability	0	0	0	0	0	NA	0	NA
Total Expense	**27,155**	**20,611**	**20,605**	**21,413**	**808**	**4%**	**(6)**	**0%**
NOI Before Depreciation	**(6,004)**	**(11,141)**	**(8,557)**	**(8,065)**	**(492)**	**-6%**	**2,584**	23%
Depreciation	3,647	3,611	3,216	3,216	0	0%	(395)	-11%
NOI After Depreciation	**(9,651)**	**(14,753)**	**(11,773)**	**(11,281)**	**(492)**	**-4%**	**2,980**	**20%**

2021 Forecast vs. 2021 Budget

- Operating Revenues forecasted to $1.3M unfavorable to budget due to lower volumes at the Conference & Event Center related COVID-19 cancellations and variable revenue at parking facilities.
- Operating Expenses $808K favorable to budget due to variable cost impact of conference cancellations, delayed hiring, and Washington Tourism Alliance expenses moving to 2022, offset by change in Maintenance allocation.
- Net Operating Income forecasted at $492K below budget.
- Capital spending forecasted to 82% of $5.6M budget.

2021 Forecast vs. 2020 Actuals

- Operating Revenues forecasted to be $2.6M above 2020 due to favorable 2nd half outlook at the Conference & Event Center.
- Operating Expenses $6K lower than 2020 with higher Washington Tourism Alliance expenses, offset by favorable Central Services costs.
- Net Operating Income forecasted $2.6M better than 2020 actual.

D. CAPITAL RESULTS

$ in 000's	2021 YTD Actual	2021 Forecast	2021 Budget	Budget Variance $	Budget Variance %
BHICC Interior Modernization	276	854	1,990	1,136	57%
P69 Underdock Utility Rpl	105	153	1,028	875	85%
CW Bridge Elev Modernization	48	893	943	50	5%
WTC HVAC Replacement	59	984	848	(136)	-16%
T91 Uplands Dev Phase 1	311	493	800	307	38%
P66 Roof Upgrades	90	544	544	0	0%
EDD Small Projects	34	390	522	132	25%
Tenant Improvements -Capital	0	58	289	231	80%
EDD Technology Projects	0	250	250	0	0%
P66 HVAC Systems Upgrade	0	0	185	185	100%
All Other Projects	50	(619)	(1,752)	(1,133)	65%
Total Economic Development	**973**	**4,000**	**5,647**	**1,647**	**29%**

Comments on Key Projects

- **BHICC Modernization –** Approved annual 2021 budget is erroneously showing expense portion and is showing it twice.
- **P69 Under Dock Utility Replacement –** City of Seattle permitting approval process is taking a lot longer and the Corps permit is expected to take longer.
- **T -91 Upland Development –** Decrease in projected spending for 2021 due to the need to procure new Service Agreement for Professional Design Services, after terminating contract with former design consultant. Design can resume after the new contract is executed, in Q4 2021.

V. CENTRAL SERVICES DIVISION

FINANCIAL SUMMARY

$ in 000's	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav (UnFav) Actual vs. Budget Variance $	%	Incr (Decr) Change from 2020 $	%
Total Operating Revenues	**331**	**1,629**	**1,982**	**90**	**1,892**	**2091.5%**	**353**	**21.7%**
Core Central Support Services	36,723	39,102	39,964	41,863	1,899	4.5%	863	2.2%
Police	13,997	14,819	13,769	14,959	1,190	8.0%	(1,050)	-7.1%
Engineering/PCS	5,164	4,773	4,575	4,551	(24)	-0.5%	(198)	-4.2%
Total Operating Expenses	**55,884**	**58,694**	**58,309**	**61,373**	**3,064**	**5.0%**	**(385)**	**-0.7%**

2021 YTD Actuals vs. 2021 YTD Budget

- Operating Revenues favorable due primarily to Police forfeiture seizures of $1.9M.
- Operating Expenses $3.1M favorable to budget mainly due to staffing vacancies, projects spending delays, and delayed Outside Services costs.

2021 YTD Actuals vs. 2020 YTD Actuals

- Operating Revenues $353K above 2020 mainly due to higher Police forfeiture seizures in 2021.
- Operating Expenses $385K lower than 2020 mainly due to lower Outside Services offset by less charges to Capital Projects.

A. BUSINESS EVENTS

- The Port conducted twelve community, business, industry and government listening sessions to gather feedback on how the Port can contribute to an equitable recovery.
- Port leaders joined Governor Jay Inslee and other Washington State leaders for the Climate Bill Signing which includes the Clean Fuel Standard.
- The Port’s vaccine clinic at SEA administered over 7,800 doses of the COVID vaccine.
- External Relations held a community engagement on the redevelopment of Fishermen’s Terminal and several Terminal 5 outreach presentations.
- External Relations hosted a three-part series of public Industry Insights webinars on status of cargo, aviation, cruise and commercial fishing operations and a webinar to inform hospitality/tourism partners on 2021 operations, health and safety protocols and environmental stewardship.
- External Relations hosted Restart of Cruise webinar with Visit Seattle and cruise lines to inform hospitality/tourism partners on 2021 operations, health and safety protocols and environmental stewardship
- The Information Security Department partnered with the Port’s Strategic Planning division to deliver a Port-wide broadcast disruption summit.
- ICT completed 7 projects which include: (1) Audit Management System Upgrade- project extended the life of the current audit management tool; (2) Airport Breach/Duress System Upgrade- new system is expected to accommodate growth in breach/duress alarm needs over the next five to ten years.
- Port of Seattle Police Department, in partnership with Seattle Police Department and multiple involved stakeholders, responded to a protest at Terminal 18 to prevent a ship from unloading its cargo.
- The Port competed issuance of Revenue bonds to fund Airport projects and refund existing bonds for $72 million present value savings.
- The Port released the Annual Financial Report for 2020 in May. Accounting Financial Reporting (AFR) received clean audit for the Port 2020 financial statement.

B. KEY PERFORMANCE METRICS

Century Agenda Strategic Objectives	2019	2020	2021
Responsibly Invest in the Economic Growth of the Region and all its Communities			
A. Job seekers placed in jobs at SEA Airport through the Employment Center	417	366	560
B. Number of SEA Airport tenants supported in finding employees	N/A	56	59
C. Employment Center training completions	N/A	230	99
D. K-12 Career Connected Learning: WFD engagement with teachers/faculty	450	1,800	0
E. Community members entering employment in construction, maritime and environmental sustainability	38	0	30
F. Residents engaged from near-port communities to create awareness and access to family-wage careers in port-related industries	N/A	N/A	150
G. Number of Job Openings created	358	233	124
H. Job applications received	7,309	3,703	5,825
I. Number of job interviews conducted	1,045	451	640
J. Number of new employees hired	234	155	140
K. Number of interns	137	47	109
L. Number of Veteran Fellows	5	0	2
M. Number of employees participating in Tuition Reimbursement	30	27	36
Become a Model for Equity, Diversity and Inclusion			
A. Employee participation in Caucusing (Black Lives Matter and Caucusing for Change)	N/A	N/A	41
B. Employee participation in EDI Port Reads book club	N/A	N/A	109
C. Port employees and supervisors completing required racial equity orientations/trainings.	N/A	N/A	449
Be a Highly Effective Public Agency			
A. Corporate costs as a % of Total Operating Expenses	25.3%	29.0%	29.1%
B. Investment portfolio earnings versus the benchmark (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index)	2.16%/ 1.8%	1.98%/ 0.18%	1.23%/ 0.25%
C. Comply with Public Disclosure Act and respond in a timely manner	285	248	305
D. Litigation and Claim Reserves	$2.5M	$2.0M	$1.4M
E. Claims/Injury Damages Reserves	$435K	$127K	$256K
F. Percent of annual audit work plan completed each year	100%	100%	100%
G. Employee Development Class Attendees/Structured Learning	509	1847	490
H. Total Recordable Incident Rate (previous Occupational Injury Rate)	4.75	2.93	5.84
I. Lost Work Day Rate (previously Days Away Severity Rate)	15.08	46.43	57.47
J. Respond to Public Disclosure Requests	285	248	305
K. Customer Survey for Police Service Excellent or Above Average	83%	83%	100%

C. OPERATING RESULTS

Financial Summary (Year-End Forecast)

$ in 000's	Notes	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav (UnFav) Budget Variance $	%	Incr (Decr) Change from 2020 $	%
Total Revenues		**1,282**	**2,512**	**2,117**	**181**	**1,936**	**1070.3%**	**(395)**	**-15.7%**
Executive		2,018	2,263	2,468	2,285	(184)	-8.0%	206	9.1%
Commission		2,022	1,755	2,189	2,169	(20)	-0.9%	434	24.7%
Legal		4,987	6,290	6,236	3,919	(2,317)	-59.1%	(54)	-0.9%
External Relations		7,760	7,481	8,061	9,878	1,817	18.4%	579	7.7%
Equity Diversity and Inclusion		2,337	4,676	5,792	3,743	(2,048)	-54.7%	1,115	23.8%
Human Resources		9,187	8,380	10,470	11,385	915	8.0%	2,091	24.9%
Labor Relations		1,230	1,286	1,353	1,346	(7)	-0.5%	66	5.2%
Internal Audit		1,450	1,540	1,655	1,637	(18)	-1.1%	115	7.5%
Accounting & Financial Reporting Services		7,341	8,165	8,722	8,724	2	0.0%	556	6.8%
Information & Communication Technology		23,014	24,732	24,427	24,427	()	0.0%	(304)	-1.2%
Information Security		1,203	1,656	1,770	1,913	143	7.5%	114	6.9%
Finance & Budget		2,037	2,177	2,306	2,292	(14)	-0.6%	129	5.9%
Business Intelligence		1,302	1,181	1,426	1,523	97	6.4%	244	20.7%
Risk Services		3,137	3,349	3,862	3,939	77	2.0%	513	15.3%
Office of Strategic Initiatives		1,448	934	930	1,059	129	12.2%	(4)	-0.4%
Central Procurement Office		4,452	4,280	5,161	5,532	372	6.7%	880	20.6%
Contingency		39	(190)	(1,002)	(1,502)	(500)	33.3%	(812)	427.2%
Core Central Support Services		**74,966**	**79,956**	**85,826**	**84,270**	**(1,557)**	**-1.8%**	**5,870**	**7.3%**
Police		27,793	27,538	27,793	28,317	524	1.9%	255	0.9%
Total Before Cap Dev & Environment		**102,759**	**107,494**	**113,619**	**112,587**	**(1,032)**	**-0.9%**	**6,125**	**5.7%**
Capital Development									
Engineering		5,696	4,959	5,721	5,580	(141)	-2.5%	763	15.4%
Port Construction Services		4,341	4,138	3,798	3,619	(179)	-5.0%	(339)	-8.2%
Sub-Total		10,038	9,096	9,519	9,199	(321)	-3.5%	423	4.7%
Environment & Sustainability									
Environment & Sustainability		976	692	1,267	1,408	142	10.1%	575	83.1%
Sub-Total		976	692	1,267	1,408	142	10.1%	575	83.1%
Industrial Development Corporation		1	-	-	-	-	0.0%	-	0.0%
Capital to Expense		117	193	-	-	-	0.0%	(193)	-100.0%
Total Expenses		**113,891**	**117,476**	**124,405**	**123,194**	**(1,211)**	**-1.0%**	**6,929**	**5.9%**

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

2021 Forecast vs. 2021 Budget

- Operating Expenses for 2021 are $1.2M over Approved Budget due primarily to:
  - **Executive –** unfavorable variance of ($184K) due to higher Payroll of ($125K) and Outside Services ($58K).
  - **Commission** – unfavorable variance of ($20K) due to increased Payroll of 1 FTE ($46K) offset by planned lower Travel of $26K.
  - **Legal** – unfavorable variance of ($2.3M) is due to higher than budgeted Outside Services ($2.2) and Payroll ($68K).
  - **External Relations** – favorable variance of $1.8M primarily due to reduced Outside Services of $1.6M, Payroll of $75K, Travel of $56K, General Expenses of $51K, and Promo Expenses of $41K.
  - **Equity, Diversity and Inclusion** – unfavorable variance of $2M due to $2M added for Opportunity Youth Initiative for Workforce Development.
  - **Human Resources** – favorable variance of $915K primarily due to lower Payroll of $562K, Equipment of $50K, and General Expenses (Employee Commuter Benefits) of $288K.
  - **Labor Relations** – unfavorable variance of ($7K) due to higher Payroll of ($14K) offset by lower Travel of $4K, and Equipment of $3K.
  - **Internal Audit** – unfavorable variance of ($18K) due to higher Payroll from job refresh.
  - **Accounting and Financial Reporting Services** – favorable variance of $2K from savings in Supplies and Stock.
  - **Information & Communication Technology** – plans to be on target.
  - **Information Security** – favorable variance of $143K primarily due to lower Outside Services of $134K.
  - **Corporate Finance & Budget** – unfavorable by ($13K) due to higher Worker's Comp.
  - **Business Intelligence** – favorable variance of $97K due to lower Payroll.
  - **Risk Services** – favorable variance of $77K due to lower Payroll of $70K and Outside Services of $7K.
  - **Office of Strategic Initiative –** favorable variance of $129K is primarily due to lower Payroll.
  - **Central Procurement Office** – favorable variance of $372K primarily due to higher than planned charges to Capital Projects of $186K, lower Payroll of $110K, General Expenses of $61K, and Supplies & Stock of $50K offset by higher Equipment of ($48K).
  - **Police** – $524K favorable variance primarily due to lower Payroll of $457K, Outside Services of $167K, Travel of $65K, Supplies of $52K, and Equipment of $24K offset by higher costs for General Expenses of ($240K).
  - **Engineering** – unfavorable variance of ($141K) due to lower charges to Capital Projects of ($1.1M) and General Expenses of ($180K) offset by lower Payroll of $628K, Outside Services of $260K, and Property Rentals of $225K.
  - **PCS** – unfavorable variance of ($179K) primarily due to lower charges to Capital Projects of ($732K) and unplanned Worker's Compensation of ($86K) which were offset by lower Outside Services of $386K, Payroll of $95K, Supplies of $100K, and Equipment of $44K.
  - **Environment & Sustainability Admin** – favorable variance of $142K due to delayed Outside Services of $170K offset by higher Payroll of ($27K).
  - **Contingency** – unfavorable variance of ($500K). Adjusted forecast for Vacancy Factor actuals and approved mid-year unbudgeted new FTEs.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/21

2021 Forecast vs. 2020 Actuals

- Operating Expenses for 2021 are forecasted to be $6.9M higher than 2020 actuals mainly due to:
  - **Core Central Support Services** – $6.3M higher than 2020 primarily due to higher payroll in 2021 due to planned new hires, full year salaries of people hired in 2020, and Pension True-up in 2020 of ($4.5M).
  - **Police** – $255K above 2020 due to the following:
    - There were several vacancies in 2020 that are planned to be filled in 2021, 2020 had much lower overtime due to cancellation of Cruise season, and Pension True-up in 2020 of ($2.5M).
  - **Capital Development** – $423K higher than 2020 primarily due to higher payroll due to 2021 new hires, full year salaries of people hired in 2020, higher planned Outside Services, and Pension True-up in 2020 of ($1.5M).
  - **Environment & Sustainability** – $637K higher than 2020 due to planned increases to Outside Services to support key initiatives and Pension True-up in 2020 of ($25K).

D. CAPITAL RESULTS

$ in 000's	2021 YTD Actual	2021 Year-End Forecast	2021 Budget	Budget Variance $	Budget Variance %
Infrastructure - Small Cap	413	1,866	1,911	45	2.4%
Services Tech - Small Cap	543	1,226	1,226	0	0.0%
Radio System Upgrade	2,062	2,455	2,955	500	16.9%
Office Wi-Fi Refresh	4	1,351	1,350	(1)	-0.1%
Phone System Upgrade	112	840	840	0	0.0%
Environmental MIS projects	2	599	600	1	0.2%
CDD Fleet Replacement	170	803	1,123	320	28.5%
Corporate Fleet Replacement	0	685	685	0	0.0%
Other (note 1)	235	1,824	1,968	144	7.3%
Subtotal	3,541	11,649	12,658	1,009	8.0%
CIP Cashflow Adjustment	0	(3,000)	(3,000)	0	0.0%
TOTAL	**3,541**	**8,649**	**9,658**	**1,009**	**10.4%**

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

Item No. 11a supp
Meeting Date: August 10, 2021

Port of Seattle
Q2 2021 Financial Performance Report

Commission Meeting

Key Highlights

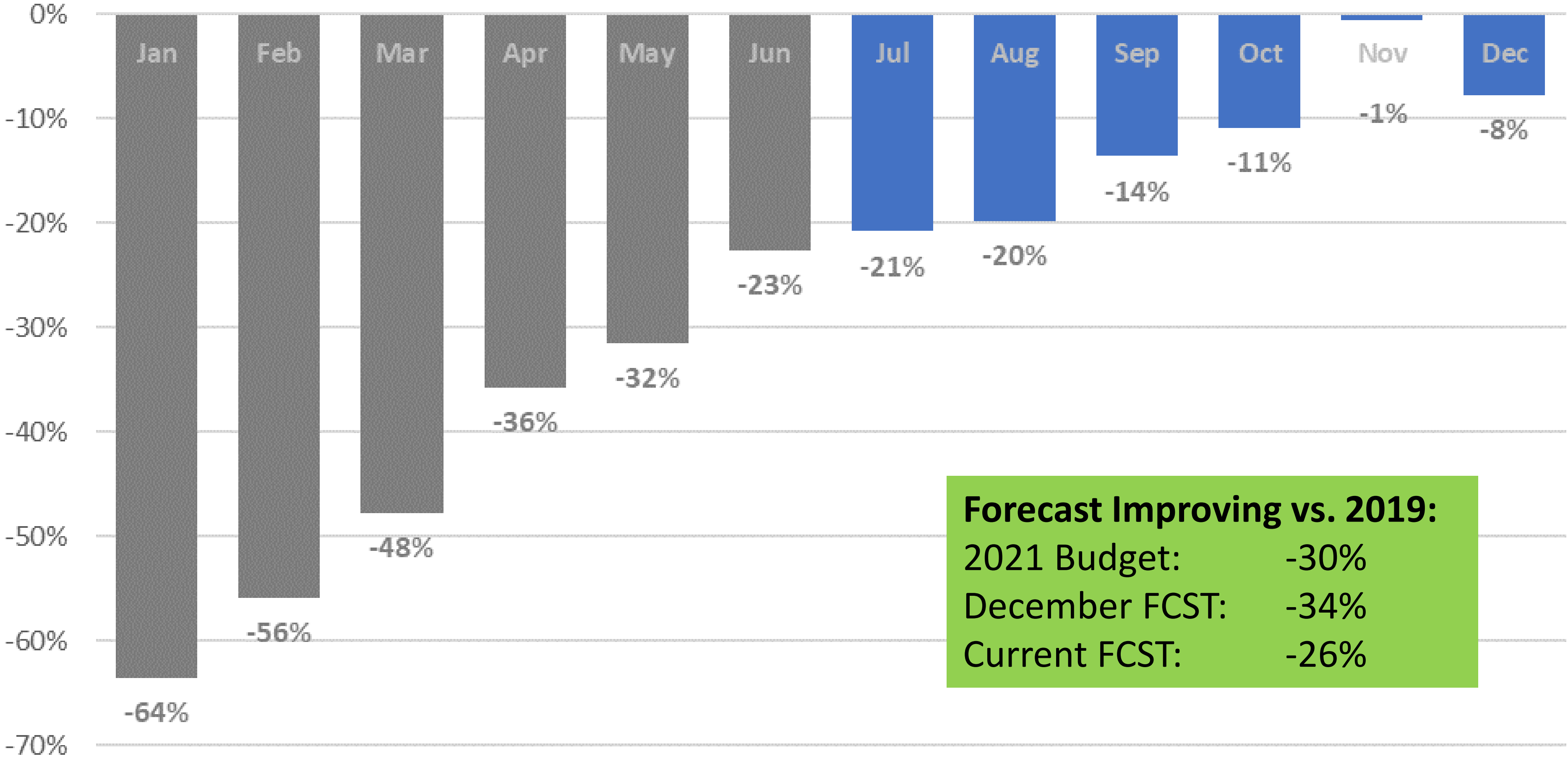
- Prudent budgeting and careful cost management has positioned the Port well for 2021 despite the major disruption caused by the pandemic
- Higher passenger projection than the budget and substantial federal relief funds have improved the financial outlook for the Aviation division
- The first revenue cruise departed at Smith Cove Cruise Terminal in mid-July. Expecting a total of the 83 cruise sailings this season
- Currently projecting operating expenses to be closely on track with budget on a full-year basis
- Still facing uncertainty due to COVID variants; staff continues to closely monitor very dynamic business conditions
- Continuing to support investments aimed at regional economic recovery

Aviation Division

2021 Q2 Financial Performance Report

Passenger Growth Rebounding

by Month for 2021 vs 2019



Passengers (millions)	
2019 Actual	51.7
2020 Actual	20.1
2021 Budget	36.4
2021 Forecast	38.3

Forecast Improving vs. 2019:
2021 Budget: -30%
December FCST: -34%
Current FCST: -26%

26% compared to 2019

90% growth vs. 2020

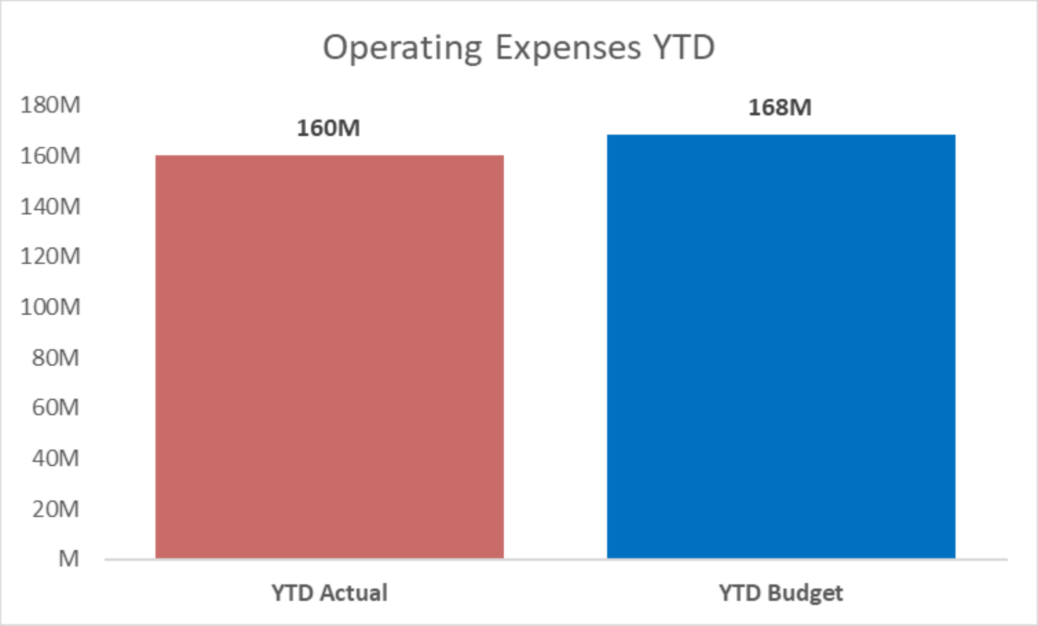
Keys to Financial Results: Increased Federal Relief

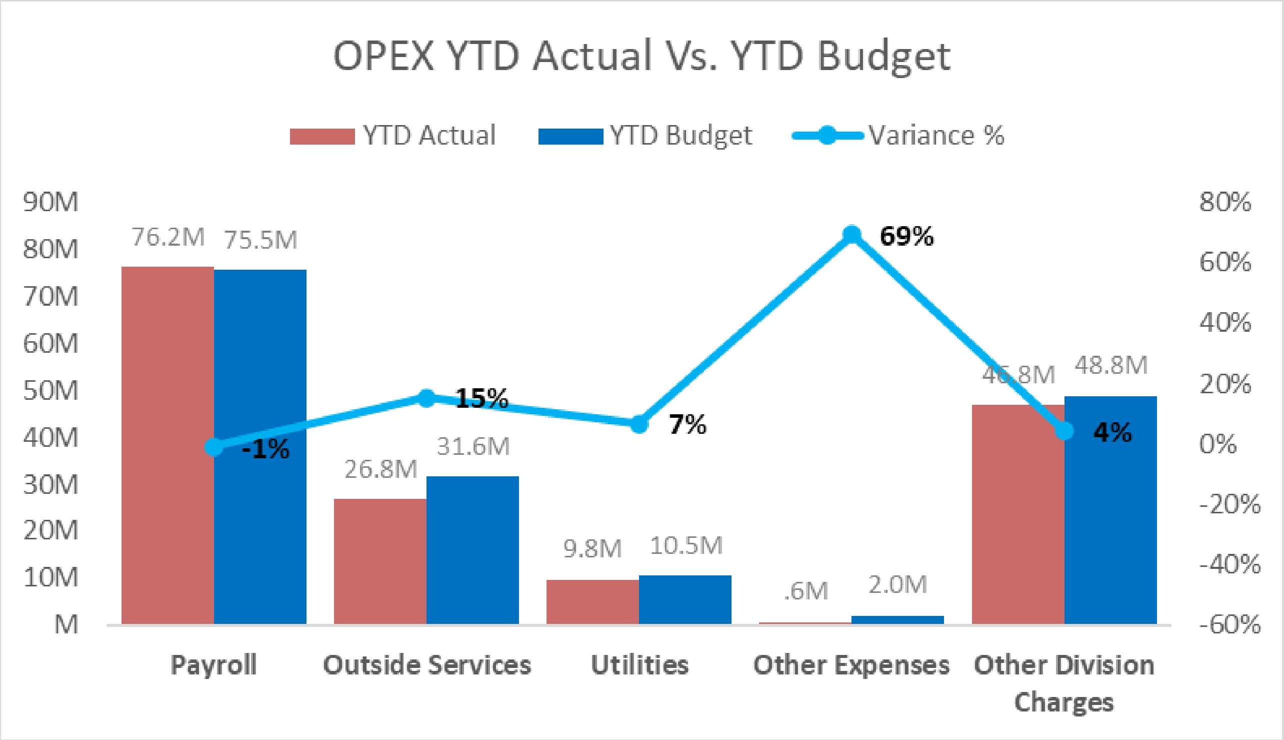
Figures in $000s	**Forecast** YE 2021	**Budget** YE 2021	**Variance**
Revenues			
Aeronautical	300,332	386,668	(86,336)
Non-Aeronautical	166,133	189,548	(23,414)
Total Revenues	**466,465**	**576,215**	**(109,750)**
O&M expense	**341,260**	**339,908**	**(1,353)**
NOI	**125,205**	**236,308**	**(111,103)**
Federal Relief	161,601	37,899	123,702
Federal Relief (Concessions)	26,774		26,774
NOI (After Federal Relief)	**313,579**	**274,207**	**39,373**
Key Measures			
Non-Aero NOI (in $000s)	86,046	82,742	3,304
CPE ($)	13.97	19.62	5.65
Debt Service Coverage	2.70	1.36	1.34
Other Information			
ADF Balance	391M	340M	51M
Capital Spending (in $000s)	456,620	491,202	34,582

Business Highlights

- Higher than expected passenger levels, new forecast is 26% lower than 2019
- Increased federal relief improves bottom line, helps customers:
  - $37 million for CRRSAA
  - $154 million for ARPA
  - $26.7 million for tenant concessions relief (CRRSAA and ARPA)
  - Current plan: reserve $75 million for 2022
- Mid-year airline rate adjustment made effective July 1
- Implemented virtual queuing pilot program ("Spot Saver") for security checkpoints

Operating Expenses Summary (YTD)

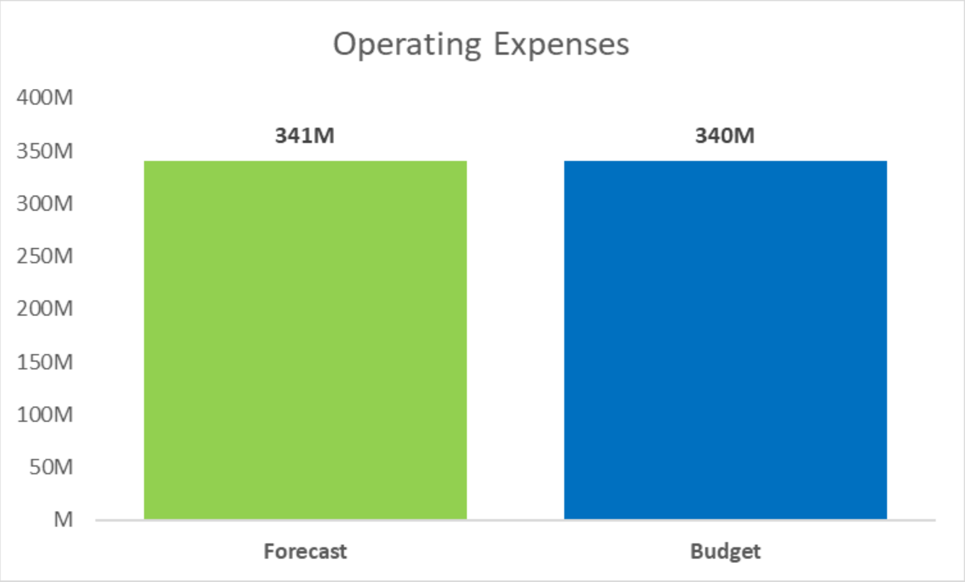


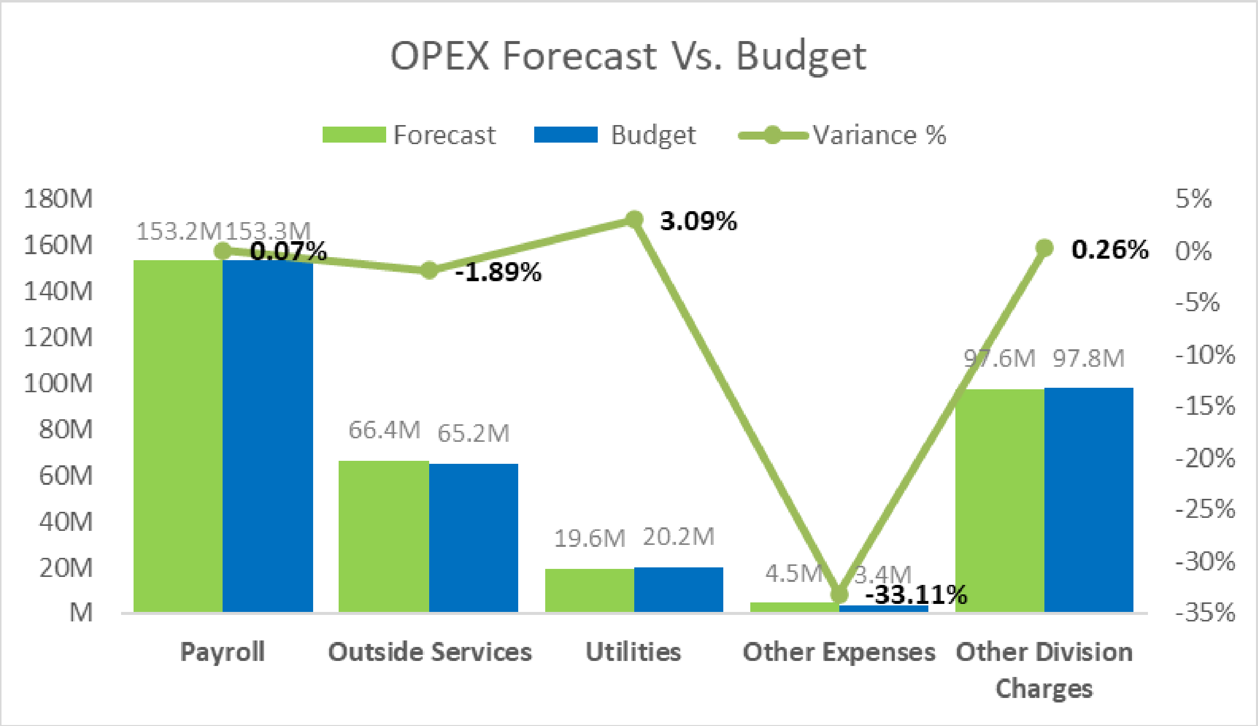


$8.2M or 4.9% Favorable

- Underspend in Outside Services of **$4.8M** across multiple business areas - Charges from Other Divisions **$2M**, Other Expenses **$900k**, and Utilities **$700k**.

Operating Expenses Summary (YE Forecast)





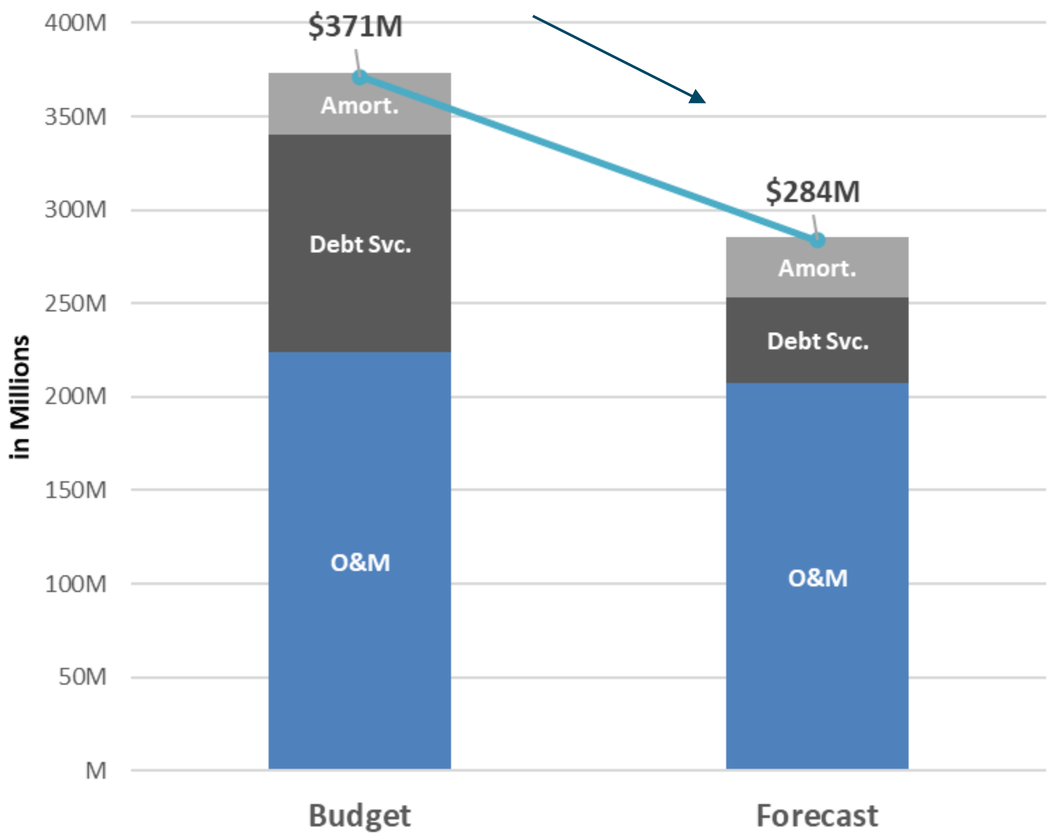
$1.4M or <0.40% Unfavorable

Major Drivers:

- Net Increase in O&M is driven by primarily by the Snow Removal Costs in Q1 **($2.2M)**
- Increase above is partially offset by savings from Other Divisions of **$256K**
- Forecast includes approx. $5.8M in approved Contingency Requests

- **Not in Forecast – Potential Additional Unfreezing of FTEs this year to start 10/1/2021**

Aero **Rate Base Revenue** Requirements



Forecasting Relief of **$107.8M (CARES, CRRSAA & ARPA)**

Forecasted Relief $86.7M to lower Debt Service

Forecasted Relief $21.1M to lower O&M

* Airfield Commercial is excluded from Aero Rate Base

Aeronautical Revenue

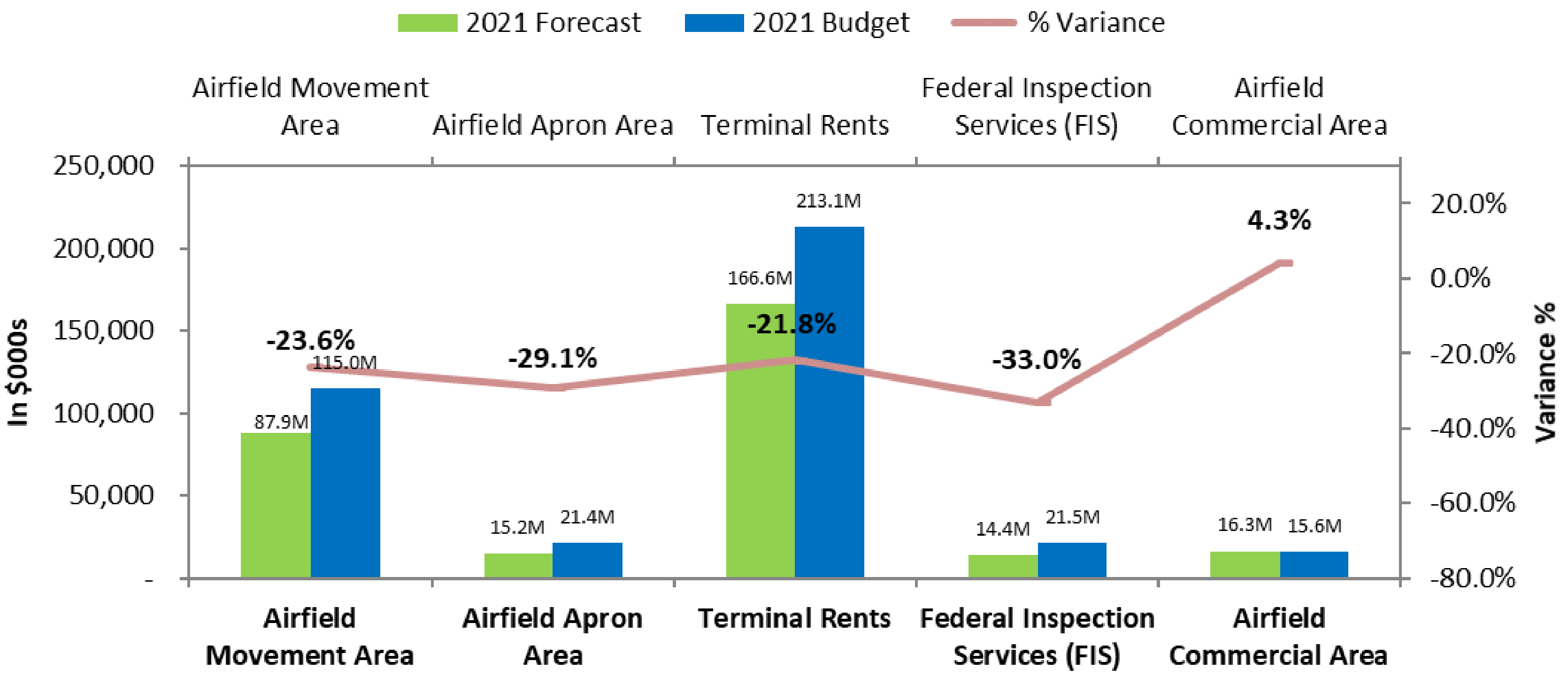
Budget

$387M

22%

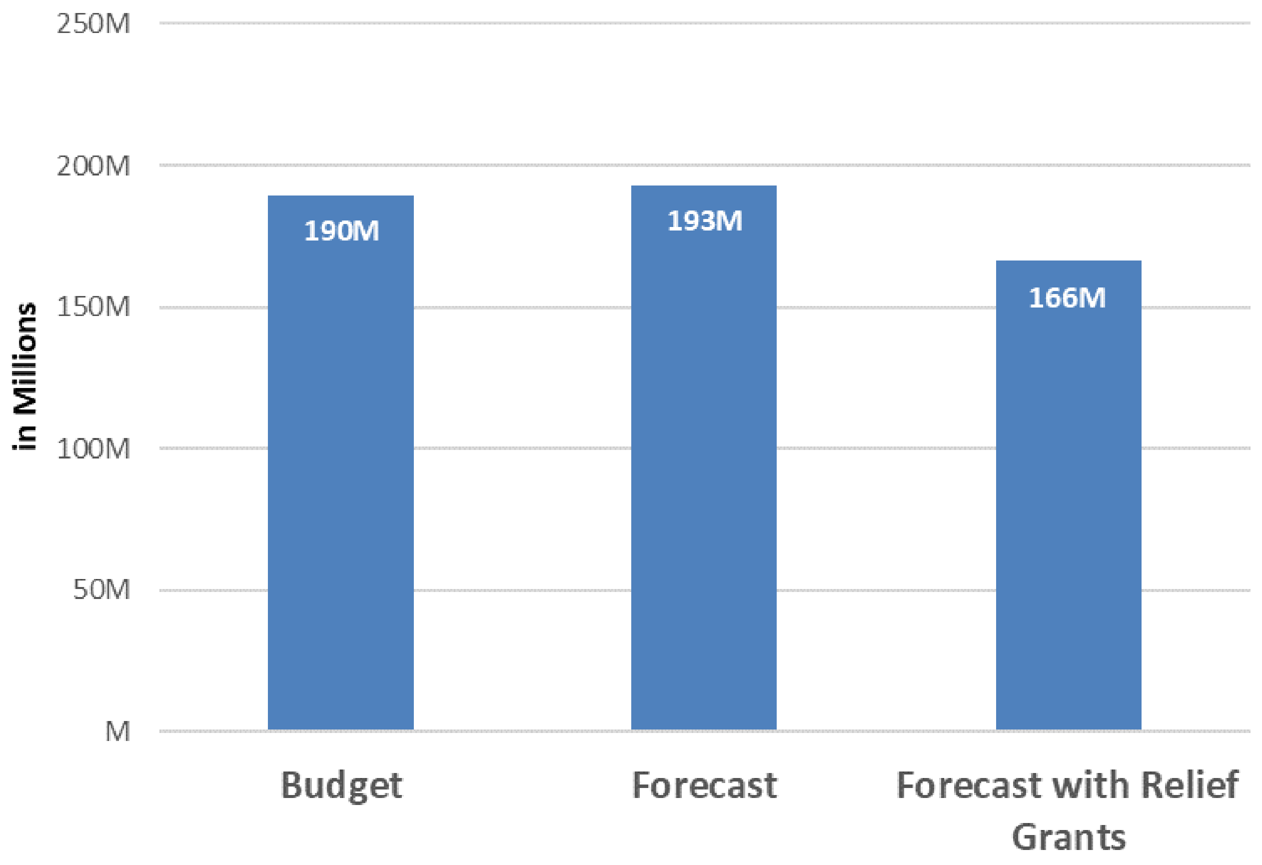
Forecast

$300M



Applied **$107.8M** of **Federal Relief** grants to offset revenue requirements (aka costs to recover from Airlines)

Non-Aero Revenue Concessions Grant Impact



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

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

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

Non-Aeronautical Revenues (before Relief Grants)

Most Non-Aero activity closely aligned with PAX volume recovery

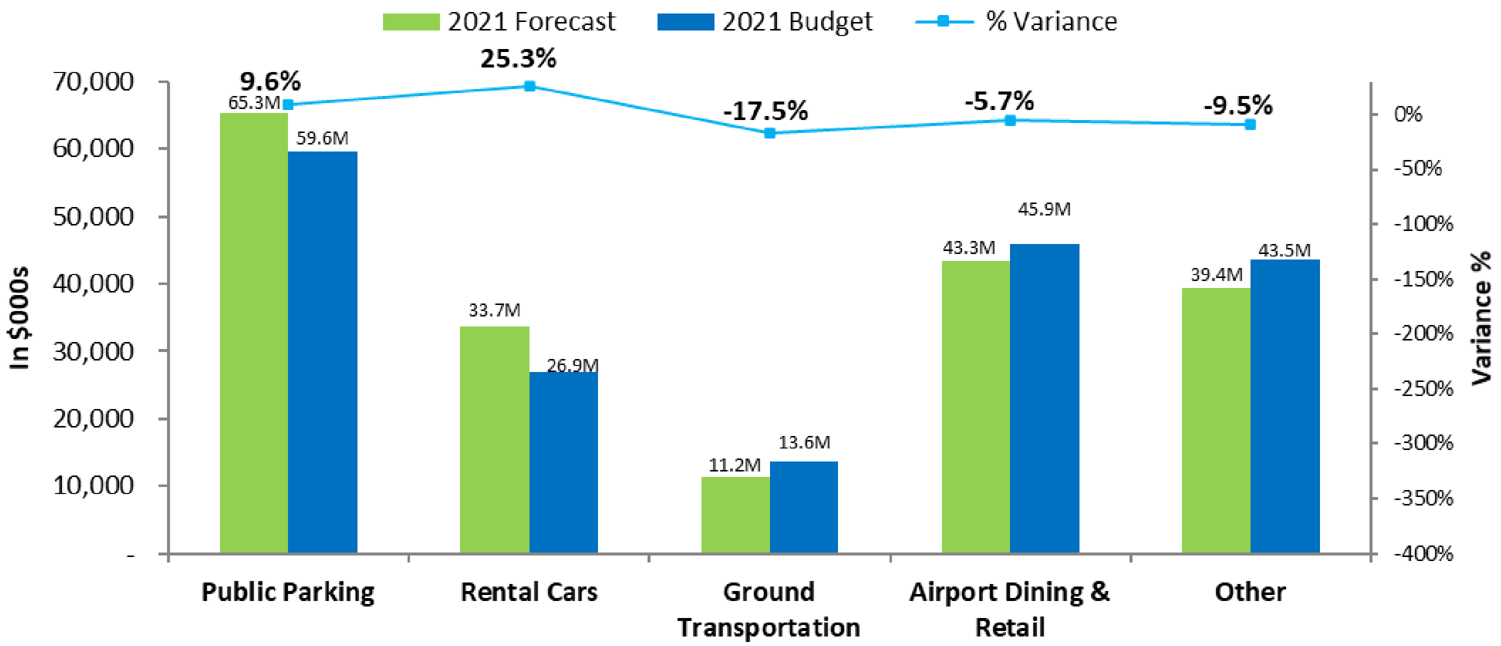
Forecast

$193M

1.8%

Budget

$189.5M



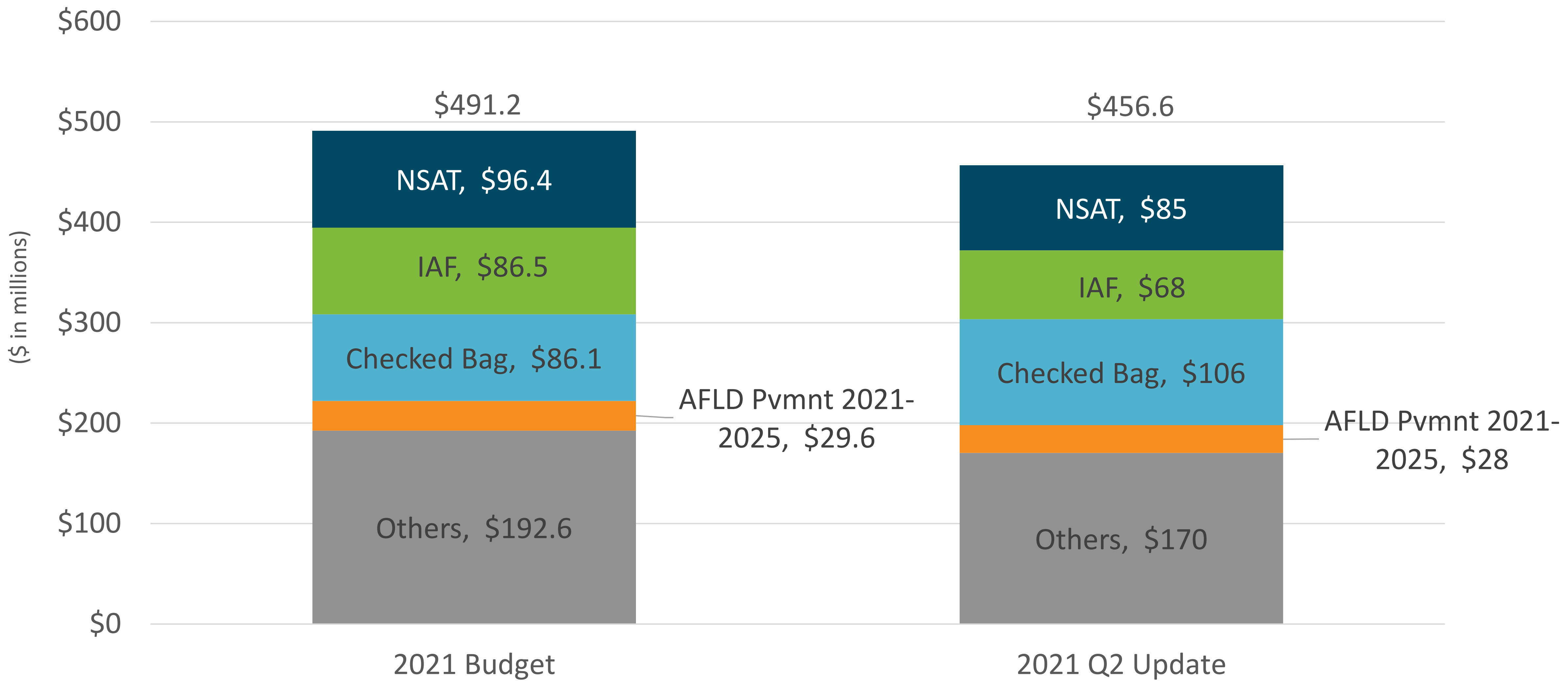
in 000's	Actuals 2019	Actuals 2020	Forecast 2021	Budget 2021	% change vs Budget
Enplanements	25,874	10,044	19,132	18,216	5.0%
O&D %	70.2%	64.0%	70.0%	68.0%	
O&D Enplanements	18,163	6,428	13,392	12,387	8.1%

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

in $000's	2020 Actual	2021 Budget	2021 Forecast	Variance
Revenues				
Aero	297,909	386,668	300,011	(86,657)
Non-aero	116,473	189,548	166,152	(23,396)
Total Revenues	414,382	576,216	466,163	(110,053)
O&M	329,680	339,908	341,260	(1,352)
NOI	84,702	236,308	124,903	(111,405)
Federal Relief Grants Non-op	43,257	3,500	18,492	14,992
Concession Rent Relief Grants	-	-	26,774	26,774
Other net non-operating	5,604	2,542	2,543	1
Available for debt service	**133,562**	**242,350**	**172,712**	**(69,638)**
Debt Service				
Gross debt service (net of cap i)	249,555	279,880	266,463	13,417
CFC offset	(13,601)	(19,159)	(13,589)	(5,571)
PFC offset	(36,390)	(47,549)	(59,265)	11,716
Federal Relief Grants DS offset	(103,891)	(34,399)	(129,545)	95,145
Net Debt Service	**95,673**	**178,772**	**64,064**	**(114,708)**
Debt Service Coverage	1.40	1.36	2.70	1.34

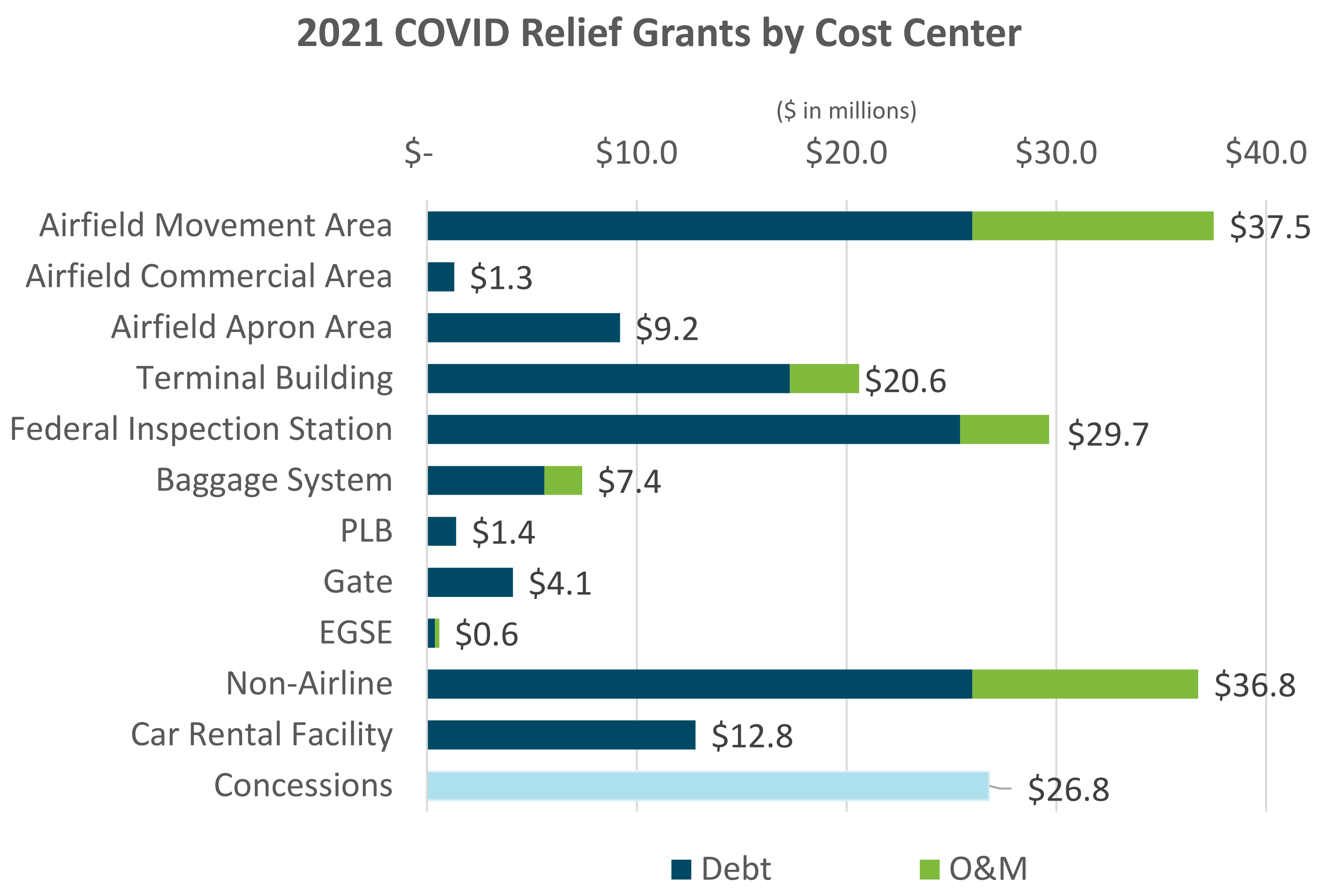
- **Aero revenues 2021 forecast is lower due to additional CRRSAA and ARPA grants not in the budget.**
- **Non-aero revenues is net after the concession rent relief.**
- **Gross debt service forecast lower due to refunding savings.**
- **Higher PFC offset available from the PFC backed bond refunding to revenue bonds.**
- **Lower CFC offset due to the use of Federal Relief grants to offset RCF debt service.**

2021 Capital Spending: 93% of Budget

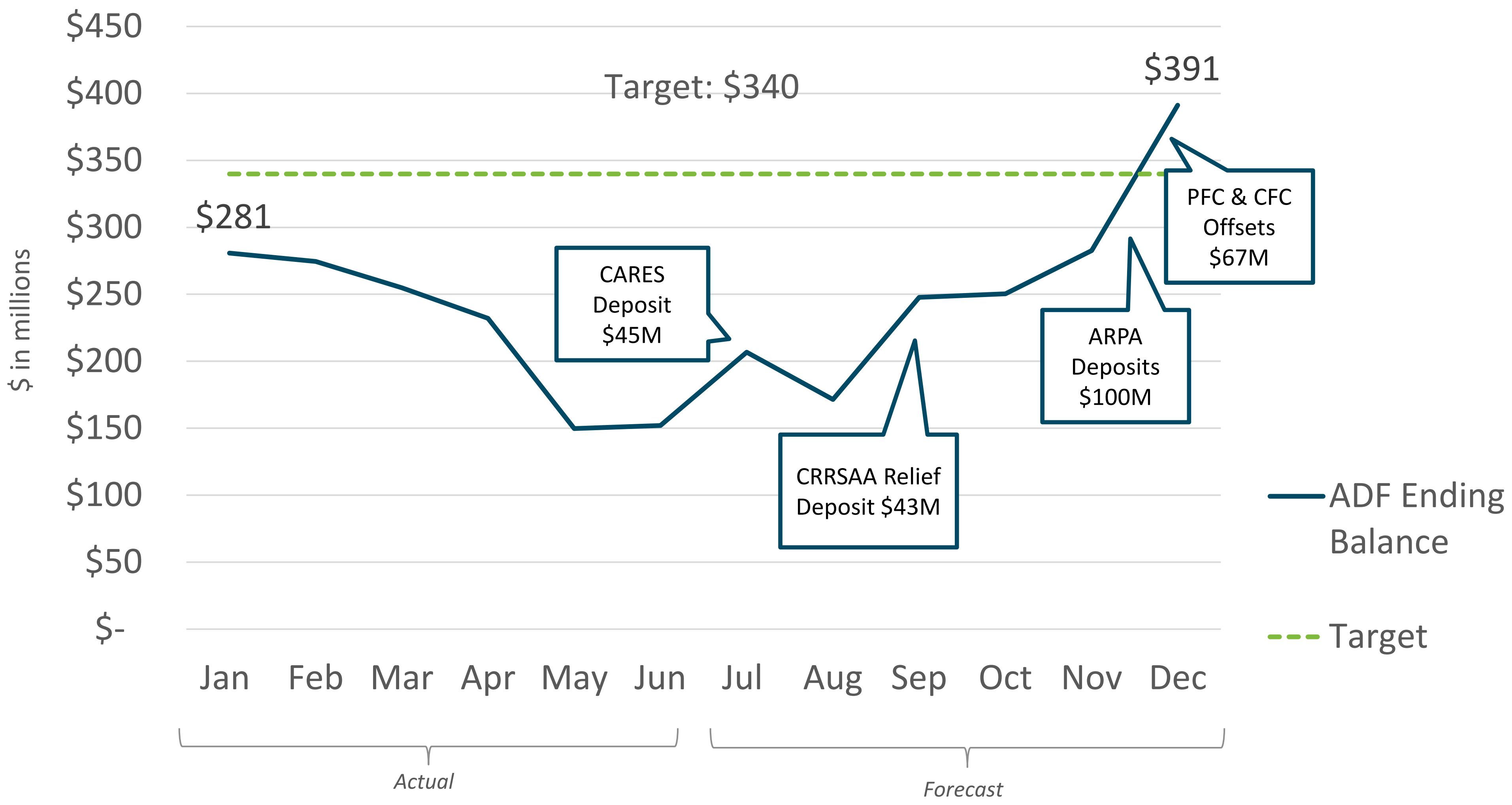


Federal Relief Bolstering Key Financial Metrics

$ in millions	2020	2021	2022
CARES			
Debt Service	$103.9	$45.0	
O&M	43.3		
CRRSAA			
Debt Service		37.4	
Concessions		5.4	
ARPA			
Debt Service		47.5	75.0
O&M		31.9	
Concessions		21.4	
Total	**$147.2**	**$188.5**	**$75.0**



2021 Airport Development Fund Balance



- **ADF year end forecast fund balance includes $20M Commercial Paper paydown and savings from bond refunding new debt service on 2021 bonds.**
- **Target of $340M (12 months of O&M) in 2021.**

2021 Bond Issue

- **2021 Revenue & Refunding Bonds closed on June 30th**

- **Included new money for airport capital projects and refunding of existing Port debt**
  - **$524.0M of new money (par)**
  - **$270.5M of refunding (par)**
    - **Included refunding of 2010 PFC bonds and 2010B&C Intermediate Lien Bonds - airport related**
    - **Included refunding of 2011B First Lien bonds - non-airport related**

- **Refunding generated total net present value savings of $71.8M**
  - **21.5% savings on total refunded par**
  - **$65.2 million of savings related to Airport**

- **Strong investor demand and participation; Port credit remained resilient in the face of pandemic-induced challenges to core businesses**

Seaport

Q2 2021 Financial Performance Report

Seaport Performance Summary

$ in 000's	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav (UnFav) Actual vs. Budget Variance $	%	Incr (Decr) Change from 2020 $	%	2021 Forecast	2021 Budget	Fav (UnFav) Fcst vs. Budget Variance $	%
Revenues											
Maritime	18,338	19,507	22,875	(3,368)	-15%	1,169	6%	46,656	45,280	1,377	3%
Economic Development Division	5,359	4,089	5,371	(1,282)	-24%	(1,270)	-24%	12,048	13,348	(1,300)	-10%
Joint Venture	20,706	21,548	20,412	1,135	6%	841	4%	40,824	40,824	0	0%
Total Revenue	**44,403**	**45,144**	**48,658**	**(3,515)**	**-7%**	**741**	**2%**	**99,528**	**99,452**	**77**	**0%**
Expenses											
Maritime	22,311	22,581	25,714	3,134	12%	270	1%	49,023	50,243	1,220	2%
Economic Development Division	9,493	8,493	9,394	902	10%	(1,000)	-11%	20,605	21,413	808	4%
Joint Venture	486	1,383	682	(701)	-103%	897	185%	1,377	1,377	0	0%
Total Expense	**32,290**	**32,456**	**35,791**	**3,335**	**9%**	**166**	**1%**	**71,005**	**73,033**	**2,028**	**3%**
NOI Before Stormwater Utility	**12,113**	**12,687**	**12,867**	**(180)**	**-1%**	**574**	**5%**	**28,523**	**26,419**	**2,105**	**8%**
Stormwater Utility Revenues	3,171	3,093	3,232	(139)	-4%	(79)	-2%	6,464	6,464	0	0%
Stormwater Utility Expenses	2,068	2,061	2,922	862	29%	(8)	0%	5,958	5,958	0	0%
Stormwater Utility NOI	**1,103**	**1,032**	**310**	**722**	**233%**	**(71)**	**-6%**	**506**	**506**	**0**	**0%**
Total Non-Aviation Business NOI	**13,216**	**13,719**	**13,177**	**542**	**4%**	**503**	**4%**	**29,029**	**26,925**	**2,105**	**8%**

YTD Budget Variance

- Timing of Cruise Sailings and NCL Lease Revenue Recognition ($4.4M), lower Conference Revenue ($.9M), offset by Grain($.9M), and NWSA Payment .
- Lower Maintenance and Conference expenses.

Forecast Budget Variance

- Lower Conference & Parking Revenue, Higher Grain and Cruise Revenue.
- Lower Conference, Payroll, and Utility expenses.

Tracking favorable to Budget

Maritime Division

Q2 2021 Financial Performance Report

Maritime Division

Financial Summary

Figure in $000s	Forecast	Budget	Variance
Revenues			
Fishing, Commercial, & Recreational Marinas	21,843	21,559	284
Cruise	9,000	8,558	442
Maritime Portfolio Mgmt.	10,034	10,259	(225)
Grain / Other	5,779	4,903	876
Total	46,656	45,280	1,377
O&M Expense			
Direct	20,554	20,904	350
Support Services	14,428	15,028	600
Central Services and Other	14,041	14,311	270
Total	49,023	50,243	1,220
NOI	(2,367)	(4,963)	2,597
Capital Spending	21,701	26,195	4,494

Business Highlights

- Fishing, Commercial and Recreational Marinas remain stable. Potential upside with Recreational Boating demand.
- Commencement of the Cruise season with 83 calls scheduled.
- Grain Volumes up 55% Y/Y.
- Completed:
  - SEPA (State Environmental Policy Act) review process for P66 Shore Power.
  - T46 Stormwater Treatment and Dock Rehab.
  - Construction for the T30 Bulkhead Stabilization.
  - T117 plantings irrigation, observation platform, and crib wall.

Revenue, Expenses favorable and Capital on target.

Cruise

	2019 Actual Calls	2021 Scheduled Calls
April	1	-
May	31	-
June	47	-
July	46	10
Aug	45	33
Sept	36	29
Oct	5	11
Total Passengers	**211**	**83**

	2019 Actual Passengers	2021 Estimated Passengers
April	2,779	-
May	178,249	-
June	286,346	-
July	262,182	20,000
Aug	280,163	87,500
Sept	186,278	81,000
Oct	14,725	38,500
Total Passengers	**1,210,722**	**227,000**

Assumptions

- 2021 call numbers and estimated passengers based on 6/16 cruise schedule, which is subject to change.
- 2021 passenger estimate assumes 50% occupancy on all calls. Actual occupancy still uncertain.
- 2019 average occupancy on debark/embark homeport calls is ~101%.

Calls ramping up, occupancy still uncertain.

Maritime Q2 Financials

Performing Better Than Expected

Maritime YTD –Net Operating Income is $235K unfavorable to budget and $899K above 2020

- Revenue is $3.4M below budget driven by timing of Cruise NCL Revenue Recognition and phasing of sailings. Revenue increase from 2020 driven by $1.5M annual increase at the Grain Terminal.

- Expenses $3.1M (16%) favorable to budget driven by payroll savings, tenant improvements timing, utilities, and maintenance. Expenses up $270K Y/Y.

- YTD Q2 Capital spending was $5.1M with forecasted spending at $21.7M (83% of budget).

	2019 YTD	2020 YTD	2021 YTD	2021 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2020	
$ in 000's	Actual	Actual	Actual	Budget	$	%	$	%
Total Revenues	27,368	18,338	19,507	22,875	(3,368)	-15%	1,169	6%
Total Operating Expenses	22,310	22,311	22,581	25,714	3,134	12%	270	1%
Net Operating Income	5,058	(3,973)	(3,074)	(2,839)	(235)	-8%	899	23%
Depreciation	*8,911*	*8,781*	*8,881*	*8,088*	*(793)*	*-10%*	*100*	*1%*
Net Income	(3,853)	(12,754)	(11,955)	(10,928)	(1,027)	-9%	799	6%

Favorable results excluding the Timing of Cruise revenue recognition

Stormwater Utility Tracking to Budget

$ in 000's	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Approved Budget	Fav (UnFav) Actual vs. Revised Budget Variance $	%	Incr (Decr) Change from 2020 YTD $	%
Revenue								
NWSA	519	656	859	851	8	1%	204	31%
Tenants Revenue	1,709	1,625	1,506	1,655	(148)	-9%	(119)	-7%
Port Non-tenants Revenue	670	890	727	726	1	0%	(164)	-18%
Total Revenues	**2,897**	**3,171**	**3,093**	**3,232**	**(139)**	**-4%**	**(79)**	**-2%**
Expenses								
SWU Direct	336	611	348	671	324	48%	(263)	-43%
Maintenance Expenses	1,527	1,029	1,305	1,783	478	27%	276	27%
Seaport Project Management	19	9	3	9	6	68%	(6)	-68%
Environmental & Sustainability	180	26	26	28	2	8%	0	0%
Other Central Services	406	394	380	432	52	12%	(15)	-4%
Total Expenses	**2,468**	**2,068**	**2,061**	**2,922**	**862**	**29%**	**(8)**	**0%**
NOI Before Depreciation	**429**	**1,103**	**1,032**	**310**	**722**	**233%**	**(71)**	**-6%**
Depreciation	294	309	317	297	(20)	-7%	8	3%
NOI After Depreciation	**135**	**794**	**715**	**13**	**702**	**5551%**	**(80)**	**-10%**

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

Northwest Seaport Alliance Summary

NWSA Operating Income				Fav (UnFav)		Incr (Decr)	
Before GASB 87 Adjustment	**2020 YTD**	**2021 Year-to-Date**		**Budget Variance**		**Change from 2020**	
$ in 000's	**Actual**	**Actual**	**Budget**	**$**	**%**	**$**	**%**
Operating Revenue	89,755	90,756	91,963	(1,207)	-1%	1,001	1%
Operating Expense*	40,502	40,749	46,376	5,627	12%	247	1%
Operating Income*	**49,253**	**50,007**	**45,587**	**4,420**	**10%**	**754**	**2%**
Cargo TEUs	1,564,263	1,860,174				295,911	19%
Cargo Volume (Metric Tons)	13,036,960	14,135,522				1,098,562	8%

Excludes Depreciation

Revenue – Q2 YTD $1.2M below budget and lower than 2020 due to restructuring of the APL agreement, offset higher TEU volumes and increased intermodal revenue.

Operating Expenses – Q2 YTD $5.6M favorable to budget from favorable maintenance costs and timing of spend in the North Harbor.

YTD Q2 volumes exceeding 2020

Joint Venture Q2 Financials

$ in 000's	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav (UnFav) Actual vs. Revised Budget Variance $	%	Incr (Decr) Change from 2020 $	%	Total Year Budget
Revenue									
Joint Venture Revenue	24,941	21,218	22,284	21,137	1,147	5%	1,066	5%	42,273
Contra Joint Venture Revenue	-	(957)	(976)	(976)	(0)	0%	(19)	2%	(1,952)
Subtotal Distributable Revenue from NWSA	**24,941**	**20,261**	**21,308**	**20,161**	**1,147**	**6%**			**40,321**
Other Service Revenue Tenant Reimbursements	2,396	217	172	251	(80)	-32%	(45)	-21%	503
Port Revenue from NWSA Facilities	-	229	68	-	68	NA	(161)	-70%	-
Total Revenues	**27,337**	**20,706**	**21,548**	**20,412**	**1,135**	**6%**	**841**	**4%**	**40,824**
Expenses									
JV Direct	2,188	166	833	90	(743)	-827%	667	403%	180
Maintenance Expenses	331	246	288	287	(1)	0%	42	17%	587
Seaport Project Management	30	11	14	5	(9)	-168%	2	20%	10
Environmental & Sustainability	30	20	115	167	52	31%	95	485%	333
Other Central Services	71	43	134	134	0	0%	90	209%	267
					-				
Total Expenses	**2,652**	**486**	**1,383**	**682**	**(701)**	**-103%**	**897**	**185%**	**1,377**
NOI Before Depreciation	**24,685**	**20,220**	**20,165**	**19,730**	**435**	**2%**	**(56)**	**0%**	**39,447**
Legacy Depreciation for NWSA Facilities	8,255	7,609	7,514	7,433	(81)	-1%	(96)	-1%	15,162
NOI After Depreciation	**16,430**	**12,611**	**12,651**	**12,297**	**354**	**-3%**	**40**	**0%**	**(24,284)**

Home Port Activities

Revenues:

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

Expenses

- JV Direct – $620K Environmental reserve booked for June tied to contamination discovered during the crane rail work.

Increased distributable income offset by T5 environmental reserve.

Economic Development Division

Q2 2021 Financial Performance Report

Economic Development Division

Financial Summary

Figure in $000s	Forecast	Budget	Variance
Revenues	12,048	13,348	(1,300)
O&M Expense			
EDD & Maritime	9,806	10,591	785
Maintenance	3,037	2,537	(500)
Diversity in Contracting	122	142	20
Tourism	2,181	2,481	300
EDD Grants	1,060	1,060	0
Central Services and Other	4,400	4,603	203
Total	20,605	21,413	808
NOI	(8,557)	(8,065)	(492)
Capital Spending	4,000	5,647	1,647

Business Highlights

- First concession revenue at Bell St Garage since pandemic began.
- Executed ground lease at T-106.
- Rent Deferrals:
    - 51 Applications
    - 37 Executed agreements
    - 24 Paid Off as of 6/30/21
    - 13 Currently in program
- Increased grew proportion of total spend by 10% in Q1 2021 over Q4 2020 for both Small Businesses and WMBEs.

Beginning to rebound from the pandemic.

Economic Development Financial Highlights

2021 Q2 YTD Net Operating Income $380K unfavorable to budget and $269K lower than 2020

- Revenue unfavorable to budget by $1.3M and $1.3M lower than 2020 driven primarily by COVID-19 cancellations at the Conference and Event Centers in Q1 and no variable concession revenue at Bell St Garage until June.

- Expenses favorable to budget by $902K driven by less conferences and Tourism Programs, offset by impact of Maintenance allocation change. Expenses are lower by $1M Y/Y due to variable cost associated with lower Conference & Event Center volumes and reduced Central Service allocation expenses, offset by higher Maintenance costs.

- EDD spent 17% of Capital budget through Q2. The 2021 forecasted spending is $4.0M (71% of budget).

	2019 YTD	2020 YTD	2021 YTD	2021 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2020	
$ in 000's	Actual	Actual	Actual	Budget	$	%	$	%
Total Revenues	10,384	5,359	4,089	5,371	(1,282)	-24%	(1,270)	-24%
Total Operating Expenses	12,684	9,493	8,493	9,394	902	10%	(1,000)	-11%
Net Operating Income	(2,300)	(4,134)	(4,403)	(4,023)	(380)	9%	(269)	-7%
Depreciation	*1,833*	*1,774*	*1,919*	*1,517*	*(402)*	*-26%*	*145*	*8%*
Net Income	(4,133)	(5,908)	(6,322)	(5,540)	(782)	14%	(414)	-7%

Revenue unfavorable, Expenses favorable to budget

Central Services

Q2 2021 Financial Performance Report

Central Services

Financial Summary

Figures in $000s	Forecast	Budget	Variance
Revenues	**2,117**	**181**	**1,936**
Core Central Support Serv	87,093	85,678	(1,415)
Police	27,793	28,317	524
Engineering/PCS	9,519	9,199	(321)
O&M Expenses	**124,405**	**123,194**	**(1,211)**
Capital Spending	**8,649**	**9,658**	**1,009**

Business Highlights

- The Port Commission approved another **$2.0M to the Opportunity Youth Initiative**.
- Port leaders joined Washington State leaders in the **Climate Bill Signing** which includes the **Clean Fuel Standard.**
- The Port participated in the **construction trades outreach event** to encourage increased participation of women and people of color in construction pre-apprenticeship programs.

Central Services Financial Highlights

$ in 000's	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav (UnFav) Actual vs. Budget Variance $	Fav (UnFav) Actual vs. Budget Variance %	Incr (Decr) Change from 2020 $	Incr (Decr) Change from 2020 %
Total Operating Revenues	**331**	**1,629**	**1,982**	**90**	**1,892**	**2091.5%**	**353**	**21.7%**
Core Central Support Services	36,723	39,102	39,964	41,863	1,899	4.5%	863	2.2%
Police	13,997	14,819	13,769	14,959	1,190	8.0%	(1,050)	-7.1%
Engineering/PCS	5,164	4,773	4,575	4,551	(24)	-0.5%	(198)	-4.2%
Total Operating Expenses	**55,884**	**58,694**	**58,309**	**61,373**	**3,064**	**5.0%**	**(385)**	**-0.7%**

2021 YTD Total Operating Expenses are $3.1M favorable to the budget due to:

- Delay in contract spending and delays in hiring vacant positions, offset by some unbudgeted outside legal services and lower charges to Capital Projects.

2021 YTD Total Operating expenses are $385K lower compared to 2020 due to:

- Lower payroll costs due to delay hiring.
- Lower Outside Services costs YTD due to project delays in 2021.
- Lower Equipment spending due to slow start to PC Refresh.
- Lower Travel and Other Employee Expenses.
- Lower 2021 YTD spending is partially offset by higher Insurance Expense and less charges to Capital Projects.

Port Wide

Q2 2021 Financial Performance Report

Port Wide Financial Summary

$ in 000's	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav (UnFav) Actual vs. Budget Variance $	%	Incr (Decr) Change from 2020 $	%
Aeronautical Revenues	175,927	163,722	143,188	178,518	(35,330)	-19.8%	(20,534)	-12.5%
Airport Non-Aero Revenues	124,604	64,225	73,219	82,351	(9,131)	-11.1%	8,995	14.0%
Non-Airport Revenues	67,632	48,298	49,475	51,255	(1,779)	-3.5%	1,178	2.4%
Total Operating Revenues	**368,164**	**276,244**	**265,883**	**312,124**	**(46,241)**	**-14.8%**	**(10,361)**	**-3.8%**
Total Operating Expenses	215,765	197,820	195,776	209,132	13,356	6.4%	(2,044)	-1.0%
NOI before Depreciation	**152,399**	**78,424**	**70,107**	**102,992**	**(32,885)**	**-31.9%**	**(8,317)**	**-10.6%**
Depreciation	82,447	87,855	91,246	82,470	(8,776)	-10.6%	3,391	3.9%
NOI after Depreciation	**69,952**	**(9,431)**	**(21,139)**	**20,523**	**(41,662)**	**-203.0%**	**(11,708)**	**124.1%**

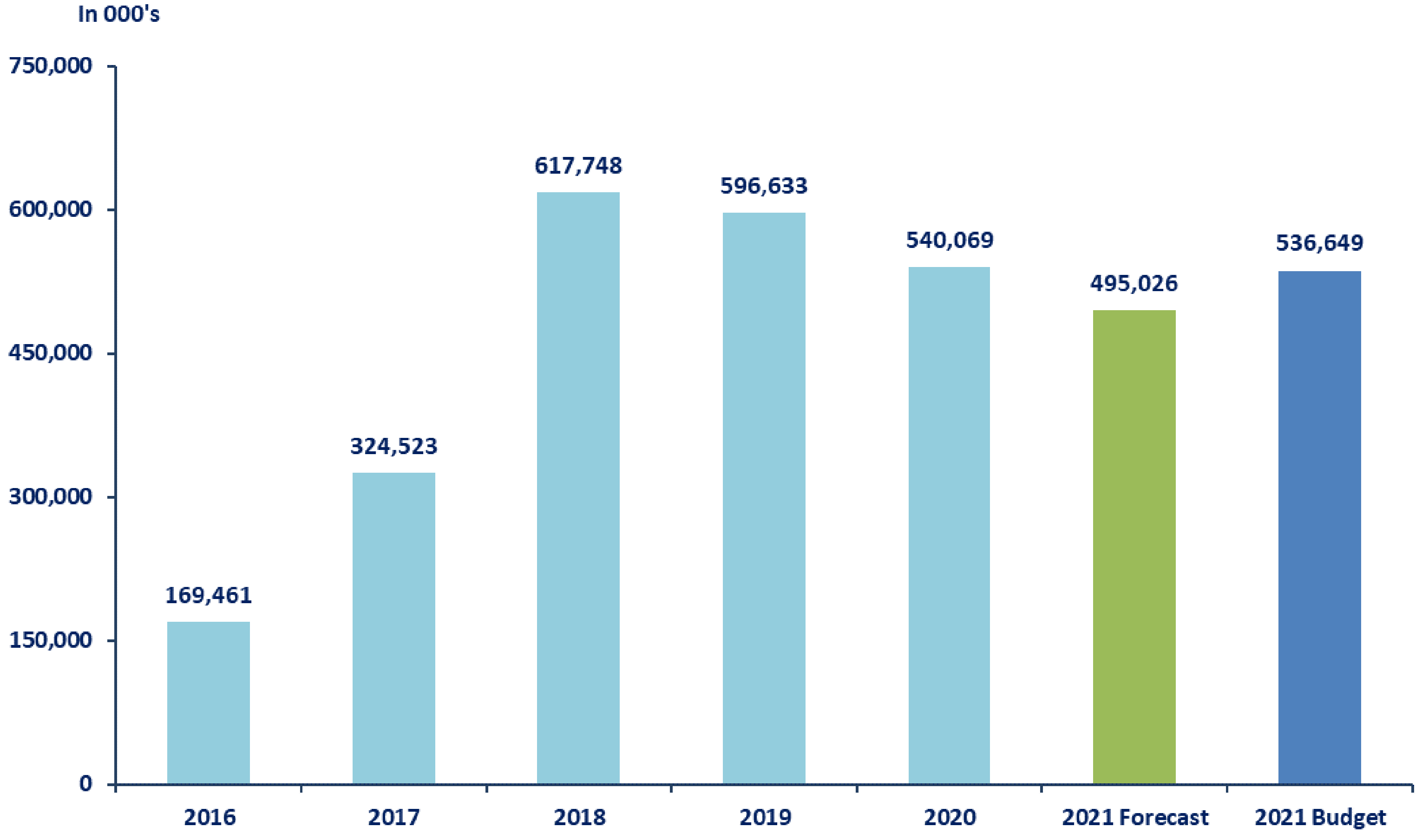
- Total Operating Revenues: $46.2M unfavorable to the budget and $10.4M lower than 2020.
- Total Operating Expenses: $13.4M favorable to the budget and $2.0M lower than 2020.
- NOI before Depreciation: $32.9M unfavorable to the budget and $8.3M lower than 2020.

Port Wide Financial Summary

$ in 000's	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav (UnFav) Fcst vs. Budget Variance $	%	Incr (Decr) Change from 2020 $	%
Aeronautical Revenues	357,598	297,909	300,332	386,668	(86,336)	-22.3%	2,423	0.8%
Airport Non-Aero Revenues	269,037	116,473	166,133	189,548	(23,414)	-12.4%	49,660	42.6%
Non-Airport Revenues	137,538	96,446	106,658	104,645	2,013	1.9%	10,212	10.6%
Total Operating Revenues	**764,174**	**510,828**	**573,123**	**680,861**	**(107,737)**	**-15.8%**	**62,296**	**12.2%**
Total Operating Expenses	441,700	408,681	425,322	423,412	(1,910)	-0.5%	16,641	4.1%
NOI before Depreciation	**322,474**	**102,147**	**147,801**	**257,448**	**(109,647)**	**-42.6%**	**45,655**	**44.7%**
Depreciation	174,903	180,086	176,509	176,509	-	0.0%	(3,577)	-2.0%
NOI after Depreciation	**147,571**	**(77,939)**	**(28,708)**	**80,939**	**(109,647)**	**-135.5%**	**49,231**	**-63.2%**

- Operating Revenues: $107.7M unfavorable to the budget but $62.3M higher than 2020. It's important to note that the federal relief helps offset $107.8M of the Aeronautical revenues for 2021.
- Operating Expenses: $1.9M unfavorable to the budget and $16.6M higher than 2020 (It would have been $559K lower than 2020 after adjusting a $17.2M state pension credit in 2020).
- NOI before Depreciation: $109.7M unfavorable to the budget but $49.2M higher than 2020.

Port Wide Capital Spending



- Total Q2 YTD capital spending was $212M.
- For the full year, total capital spending is expected to be $495M, 92.2% of the budget.

Aviation Division Appendix

Q2 2021 Financial Performance Report

Airport Activity

	YTD 2019	YTD 2020	YTD 2021	% YTD Change from 2020
Total Passengers (000's)				
Domestic	21,616	10,074	13,770	36.7%
International	2,689	1,054	528	-49.9%
Total	24,304	11,128	14,298	28.5%
Operations	214,749	142,657	171,873	20.5%
Landed Weight (In Millions of lbs.)				
Cargo	1,165	1,254	1,409	12.4%
All other	13,738	8,537	10,584	24.0%
Total	14,903	9,791	11,993	22.5%
Cargo - Metric Tons				
Domestic freight	145,262	161,957	174,449	7.7%
International & Mail freight	64,841	47,466	60,738	28.0%
Total	210,103	209,423	235,187	12.3%

2021 YTD Passenger volume:

- YTD passenger volume is 41% lower than Q2 2019 pre-pandemic levels, and 28.5% higher than Q2 2020. Enplanement recovering is building, and volumes are expected to be 26% lower than 2019 for full year 2020.

Month summary (Jun 2021 vs. Jun 2020)

Airline	Code	Current pax	Market share	Previous pax	Pax % diff
Alaska Airlines (rollup)	AS	2,140,395	56.2%	684,753	212.6%
Delta Air Lines (rollup)	DL	931,585	24.5%	202,265	360.6%
Southwest Airlines (r..	WN	214,347	5.6%	79,229	170.5%
American Airlines	AA	193,431	5.1%	59,774	223.6%
United Airlines (rollup)	UA	152,702	4.0%	21,277	617.7%

Aviation Financial Summary

Financial Summary ($ in 000's)	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav(UnFav) Fcst. vs. Budget Variance $	%	Incr/(Decr) Change from 2020 $	%
Operating Revenue								
Aeronautical Revenues	357,598	297,909	300,332	386,668	(86,336)	-22.3%	2,423	0.8%
Non-Aeronautical Revenues	269,037	116,473	166,133	189,548	(23,414)	-12.4%	49,660	42.6%
Total Operating Revenues	**626,636**	**414,382**	**466,465**	**576,215**	**(109,750)**	**-19.0%**	**52,083**	**12.6%**
Total Operating Expenses	**355,245**	**329,680**	**341,260**	**339,908**	**(1,353)**	**-0.4%**	**11,581**	**3.5%**
Net Operating Income	**271,390**	**84,702**	**125,205**	**236,308**	**(111,103)**	**-47.0%**	**40,503**	**47.8%**
Federal Relief		147,148	161,601	37,899	123,702	326.4%	14,453	9.8%
Federal Relief (Concessions)			26,774		26,774		26,774	
NOI (After Federal Relief)	**271,390**	**231,850**	**313,579**	**274,207**	**39,373**	**14.4%**	**81,729**	**35.3%**
CPE	12.86	26.50	13.97	19.62	5.65	0.29	(12.53)	-47.3%
Non-Aero NOI ($ in 000s)	6,671	9,750	86,046	82,742	3,304	4.0%	76,296	782.5%
Enplaned passengers (in 000s)	25,874	10,044	19,132	18,216	916	5.0%	9,088	90.5%
Capital Expenditures (in 000s)	**573,598**	**573,598**	**456,620**	**491,202**	**34,582**	**7.0%**	**(116,978)**	**-20.4%**

Key Performance Measures

	2019 Actual	2020 Actual	2021 Forecast	2021 Approved Budget	Fav(UnFav) Fcst. vs. Budget Variance $	Fav(UnFav) Fcst. vs. Budget Variance %	Incr/(Decr) Change from 2020 $	Incr/(Decr) Change from 2020 %
Key Performance Metrics								
Cost per Enplanement (CPE)	12.86	26.50	13.97	19.62	5.65	28.8%	(12.53)	-47.3%
Non-Aeronautical NOI (in 000's)[1]	143,917	6,671	86,046	82,742	3,304	4.0%	79,375	1189.9%
Other Performance Metrics								
O&M Cost per Enplanement	13.73	32.82	17.84	18.66	0.82	4.4%	(14.99)	-45.7%
Non-Aero Revenue per Enplanement	10.40	11.60	10.08	10.41	(0.32)	-3.1%	(1.51)	-13.1%
Debt per Enplanement (in $)	133	326	187	171	(17)	-9.7%	(139)	-42.7%
Debt Service Coverage	1.68	1.40	2.70	1.36	1.34	99.2%	1.30	92.9%
Days cash on hand (10 months = 304 days)	314	327	418	369	49	13.4%	92	28.1%
Aeronautical Revenue Sharing ($ in 000's)	(17,146)	1	-	-	-	0.0%	(1)	100.0%
Activity (in 000's)								
Enplanements	25,874	10,044	19,132	18,216	916	5.0%	9,088	90.5%
Total Passengers	51,748	20,087	38,264	36,432	1,832	5.0%	18,177	90.5%

Aviation Expense YTD Summary

Total Airport Expense Summary ($ in 000's)	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav(UnFav) Actual vs. Budget Variance $	%	Incr/(Decr) Change from 2020 $	%
Operating Expenses								
Payroll	71,218	77,615	76,202	75,468	(734)	-1.0%	(1,414)	-1.8%
Outside Services	28,619	29,634	26,770	31,583	4,813	15.2%	(2,863)	-9.7%
Utilities	9,328	8,757	9,750	10,458	708	6.8%	993	11.3%
Other Expenses	8,487	2,092	(461)	476	937	196.8%	(2,553)	-122.0%
Total Airport Direct Charges	**117,652**	**118,099**	**112,261**	**117,985**	**5,723**	**4.9%**	**(5,837)**	**-4.9%**
Environmental Remediation Liability	12,543	(2,776)	801	1,569	768	48.9%	3,577	-128.9%
Capital to Expense	83	-	288	-	(288)		288	
Total Exceptions	**12,627**	**(2,776)**	**1,090**	**1,569**	**479**	**30.6%**	**3,865**	**-139.3%**
Total Airport Expenses	**130,279**	**115,323**	**113,351**	**119,554**	**6,203**	**5.2%**	**(1,972)**	**-1.7%**
Corporate	32,175	34,298	34,011	34,199	188	0.6%	(287)	-0.8%
Police	11,117	12,162	11,336	12,662	1,326	10.5%	(827)	-6.8%
Maritime/Economic Development/Other	1,672	1,596	1,420	1,943	523	26.9%	(176)	-11.0%
Total Charges from Other Divisions	**44,964**	**48,057**	**46,767**	**48,804**	**2,037**	**4.2%**	**(1,290)**	**-2.7%**
Total Operating Expenses	**175,243**	**163,380**	**160,118**	**168,358**	**8,240**	**4.9%**	**(3,262)**	**-2.0%**

Aviation Expense YE Summary

Total Airport Expense Summary ($ in 000's)	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav(UnFav) Fcst. vs. Budget Variance $	Fav(UnFav) Fcst. vs. Budget Variance %	Incr/(Decr) Change from 2020 $	Incr/(Decr) Change from 2020 %
Operating Expenses								
Payroll	144,051	152,895	153,183	153,293	111	0.1%	287	0.2%
Outside Services	68,162	63,922	66,406	65,174	(1,232)	-1.9%	2,483	3.9%
Utilities	18,180	15,695	19,619	20,244	625	3.1%	3,924	25.0%
Other Expenses	14,721	3,341	2,059	1,359	(700)	-51.5%	(1,282)	-38.4%
Total Airport Direct Charges	**245,114**	**235,854**	**241,267**	**240,071**	**(1,196)**	**-0.5%**	**5,413**	**2.3%**
Environmental Remediation Liability	15,900	(2,361)	2,196	2,001	(195)	-9.8%	4,557	-193.0%
Capital to Expense	2,089	2,588	218	-	(218)		(2,370)	-91.6%
Total Exceptions	**17,989**	**227**	**2,414**	**2,001**	**(413)**	**-20.6%**	**2,187**	**964.4%**
Total Airport Expenses	**263,104**	**236,081**	**243,680**	**242,072**	**(1,609)**	**-0.7%**	**7,600**	**3.2%**
Corporate	65,729	68,316	70,076	69,767	(308)	-0.4%	1,760	2.6%
Police	22,290	22,150	23,513	23,964	450	1.9%	1,364	6.2%
Maritime/Economic Development/Other	4,123	3,134	3,991	4,105	114	2.8%	857	27.4%
Total Charges from Other Divisions	**92,141**	**93,599**	**97,580**	**97,836**	**256**	**0.3%**	**3,981**	**4.3%**
Total Operating Expenses	**355,245**	**329,680**	**341,260**	**339,908**	**(1,353)**	**-0.4%**	**11,581**	**3.5%**

Aeronautical Business YTD

Aeronautical NOI ($ in 000's)	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav(UnFav) Actual vs. Budget Variance $	Fav(UnFav) Actual vs. Budget Variance %	Incr/(Decr) Change from 2020 $	Incr/(Decr) Change from 2020 %
Rate Base Revenues								
Airfield Movement Area	61,289	54,693	37,192	49,789	(12,597)	-25.3%	(17,502)	-32.0%
Airfield Apron Area	9,883	9,575	10,932	9,557	1,375	14.4%	1,357	14.2%
Terminal Rents	100,229	77,111	83,321	102,193	(18,872)	-18.5%	6,210	8.1%
Federal Inspection Services (FIS)	7,271	14,621	3,560	9,225	(5,665)	-61.4%	(11,061)	-75.6%
Total Rate Base Revenues	**178,672**	**156,000**	**135,005**	**170,763**	**(35,758)**	**-20.9%**	**(20,995)**	**-13.5%**
Airfield Commercial Area	5,569	7,720	8,177	7,755	422	5.4%	456	5.9%
Subtotal before Revenue Sharing	**184,241**	**163,720**	**143,182**	**178,518**	**(35,336)**	**-19.8%**	**(20,538)**	**-12.5%**
Revenue Sharing	(8,314)	1	-	-	-		(1)	-100.0%
Total Aeronautical Revenues	**175,927**	**163,722**	**143,182**	**178,518**	**(35,336)**	**-19.8%**	**(20,540)**	**-12.5%**
Total Aeronautical Expenses	**117,918**	**108,286**	**111,036**	**115,710**	**4,673**	**4.0%**	**2,751**	**2.5%**
Aeronautical NOI	**58,009**	**55,436**	**32,146**	**62,809**	**(30,663)**	**-48.8%**	**(23,290)**	**-42.0%**

Aeronautical Business YE

Aeronautical NOI ($ in 000's)	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav(UnFav) Fcst. vs. Budget Variance $	%	Incr/(Decr) Change from 2020 $	%
Rate Base Revenues								
Airfield Movement Area	123,436	84,906	87,899	115,037	(27,138)	-23.6%	2,993	3.5%
Airfield Apron Area	22,016	15,146	15,184	21,418	(6,234)	-29.1%	38	0.2%
Terminal Rents	205,283	171,607	166,593	213,147	(46,554)	-21.8%	(5,014)	-2.9%
Federal Inspection Services (FIS)	12,321	8,616	14,373	21,454	(7,081)	-33.0%	5,757	66.8%
Total Rate Base Revenues	**363,057**	**280,275**	**284,048**	**371,056**	**(87,007)**	**-23.4%**	**3,773**	**1.3%**
Airfield Commercial Area	11,687	17,633	16,284	15,612	672	4.3%	(1,349)	-7.7%
Subtotal before Revenue Sharing	**374,744**	**297,908**	**300,332**	**386,668**	**(86,336)**	**-22.3%**	**2,424**	**0.8%**
Revenue Sharing	(17,146)	1	-	-	-		(1)	-100.0%
Total Aeronautical Revenues	**357,598**	**297,909**	**300,332**	**386,668**	**(86,336)**	**-22.3%**	**2,423**	**0.8%**
Total Aeronautical Expenses	**236,959**	**219,878**	**234,400**	**233,102**	**(1,298)**	**-0.6%**	**14,522**	**6.6%**
Aeronautical NOI	**120,639**	**78,031**	**65,932**	**153,566**	**(87,634)**	**-57.1%**	**(12,099)**	**-15.5%**
Debt Service	(110,945)	(62,607)	(48,130)	(125,747)	77,617	-61.7%	14,477	-23.1%
Net Cash Flow	**9,694**	**15,424**	**17,802**	**27,819**	**(10,016)**	**-36.0%**	**2,378**	**15.4%**

Aero Cost Drivers

$ in 000's	2020 Actual	2021 Budget	2021 Forecast	Impact on Aero Revenues Budget vs Forecast $	%
O&M (1)	213,775	227,420	228,844	1,424	0.6%
Federal Relief Grants O&M	(22,507)	(3,500)	(21,100)	(17,600)	502.9%
Net O&M	191,268	223,920	207,744	(16,176)	-7.2%
Debt Service Before Offsets	166,848	193,302	190,120	(3,183)	-1.6%
Debt Service PFC Offset	(36,390)	(47,549)	(57,839)	(10,290)	21.6%
Federal Relief Grants Debt Service	(71,763)	(29,399)	(86,778)	(57,378)	195.2%
Net Debt Service	58,694	116,354	45,503	(70,851)	-60.9%
Amortization	32,359	32,681	32,624	(58)	-0.2%
Space Vacancy	(1,083)	(1,141)	(1,063)	78	-6.9%
TSA Operating Grant and Other	(960)	(758)	(759)	(1)	0.1%
Rate Base Revenues	**280,279**	**371,056**	**284,048**	**(87,007)**	**-23%**
Commercial area	17,633	15,612	16,284	672	4%
Total Aero Revenues	**297,912**	**386,668**	**300,332**	**(86,336)**	**-22%**

2021 Forecast to 2021 Budget

O&M – $1.4M higher mostly in Apron and FIS:

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

Debt Service before Offsets: 3rd runway PFC debt was refunded with revenue bond which increased debt service and offset with refunding savings.

PFC Offset $10.3M higher due to refunding of PFC debt with revenue bond which allows more capacity to use PFC collections for debt service offset.

Federal Relief Grants Aero Portion:

- **Payroll Impact (O&M)** – Reducing $21.1M from Rate Base
- **Debt Service Impact** - Reducing $86.8M from Rate Base

Aero rate base revenues based on cost recovery formulas

Non-Aeronautical Business YTD

YTD Passenger Volume are up 28.2% compared to prior year
YTD O&D Passenger Volume up 40.2% compared to prior year

Non-Aeronautical NOI ($ in 000's)	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav(UnFav) Actual vs. Budget Variance $	%	Incr/(Decr) Change from 2020 $	%
Non-Aeronautical Revenues								
Public Parking	40,401	20,002	25,537	25,729	(192)	-0.7%	5,536	27.7%
Rental Cars	20,064	7,591	11,497	10,740	757	7.0%	3,906	51.5%
Ground Transportation	9,979	4,374	4,208	5,961	(1,753)	-29.4%	(166)	-3.8%
Airport Dining & Retail	29,581	13,856	14,871	19,470	(4,599)	-23.6%	1,015	7.3%
Other	24,578	18,402	17,106	20,451	(3,345)	-16.4%	(1,296)	-7.0%
Total Non-Aeronautical Revenues	**124,604**	**64,225**	**73,219**	**82,351**	**(9,131)**	**-11.1%**	**8,995**	**14.0%**
Total Non-Aeronautical Expenses	**38,294**	**55,094**	**49,082**	**52,648**	**3,567**	**6.8%**	**(6,012)**	**-10.9%**
Non-Aeronautical NOI	**86,310**	**9,131**	**24,138**	**29,703**	**(5,565)**	**-18.7%**	**15,007**	**164.4%**
Less: CFC Surplus	-	-	-	-	-		-	
Adjusted Non-Aeronautical NOI	**86,310**	**9,131**	**24,138**	**29,703**	**(5,565)**	**-18.7%**	**15,007**	**164.4%**

2021 YTD Actuals to 2020 YTD Actuals

Non-Aero Revenue:

- All Non-Aero lines of business were impacted by COVID-19. As shown in Q2 2021 results, Non-Aero businesses are experiencing different rates of recovery in the pandemic environment.
- Parking revenue recovery is more closely aligned with change in passenger volumes.
- Rental Car strong revenue reflects shortage of fleet size, and corresponding increase in rental rates.
- GT – slower recovery reflects delay in passenger returning to shared ride options.
- ADR revenue recover reflects shortage of labor, limiting concessionaire in meeting growing passenger volume.

Non-Aeronautical Business YE

(Before Federal Concessionaire Relief)

Passenger Volume forecasted to be up 90.5% compared to prior year
O&D Passenger Volume forecasted to be up 108.3% compared to prior year

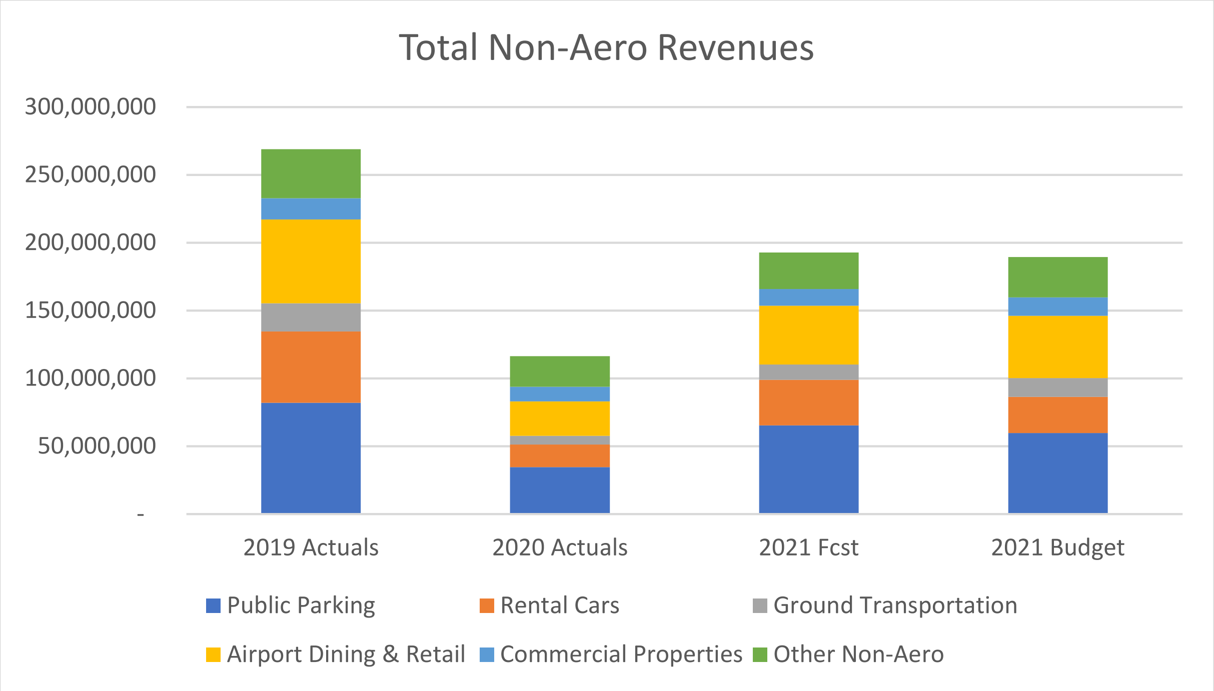
Non-Aeronautical NOI ($ in 000's)	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav(UnFav) Fcst. vs. Budget Variance $	%	Incr/(Decr) Change from 2020 $	%
Non-Aeronautical Revenues								
Public Parking	82,125	34,502	65,301	59,597	5,704	9.6%	30,799	89.3%
Rental Cars	52,567	16,637	33,690	26,880	6,810	25.3%	17,053	102.5%
Ground Transportation	20,765	6,557	11,238	13,628	(2,391)	-17.5%	4,680	71.4%
Airport Dining & Retail	61,615	25,418	43,317	45,936	(2,619)	-5.7%	17,899	70.4%
Other	51,966	33,359	39,361	43,506	(4,145)	-9.5%	6,003	18.0%
Total Non-Aeronautical Revenues	**269,037**	**116,473**	**192,907**	**189,548**	**3,359**	**1.8%**	**76,434**	**65.6%**
Total Non-Aeronautical Expenses	**118,286**	**109,802**	**106,861**	**106,806**	**(55)**	**-0.1%**	**(2,941)**	**-2.7%**
Non-Aeronautical NOI[1]	**150,752**	**6,671**	**86,046**	**82,742**	**3,304**	**4.0%**	**79,375**	**1189.9%**
Less: CFC Surplus	(6,834)	-	-	-	-		-	
Adjusted Non-Aeronautical NOI	**143,917**	**6,671**	**86,046**	**82,742**	**3,304**	**4.0%**	**79,375**	**1189.9%**

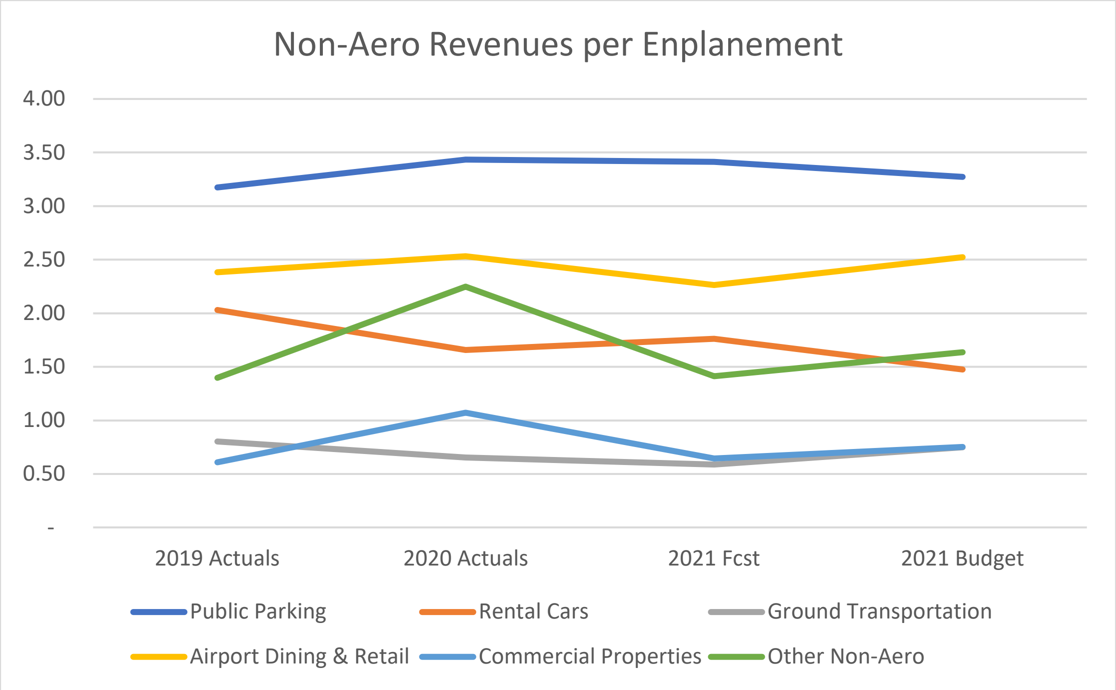
2021 Forecast to 2020 Actuals

Non-Aero Revenue:

- All Non-Aero lines of business were impacted by COVID-19, with Non-Aero businesses experiencing different rates of recovery in the pandemic environment.
- Parking revenue recovery is more closely aligned with change in passenger volumes.
- Rental Car revenue recovery expected to more closely reflects passenger volume recovery once fleet size stabilized.
- GT – slower recovery reflects delay in passenger returning to shared ride options.
- ADR revenue recover reflects shortage of labor, limiting concessionaire in meeting growing passenger volume.

Non-Aero Revenue By Business Unit





Non-Aero Revenue overview:

- **2021 Non-Aero revenue forecast from concession fees or transaction volume** (Parking, Rental Car, GT, ADR, Clubs & Lounges, In-flight Kitchens) reflects the unequal business recovery being experienced by Non-Aeronautical businesses during pandemic recovery cycle.
- Commercial Properties and other Non-Aero line of business with revenue from **space rent for real estate leases were relatively unaffected** by the COVID-19 decline in enplanements

YTD Public Parking

YTD Passenger Volume are up 28.2% compared to prior year
YTD O&D Passenger Volume up 40.2% compared to prior year

Public Parking - Revenue Detail $ in 000's	2019 YTD Actual	2020 YTD Actual	2021 YTD Actuals	2021 YTD Budget	Fav (UnFav) Budget Variance $	Fav (UnFav) Budget Variance %	Incr (Decr) Change from 2020 $	Incr (Decr) Change from 2020 %
Parking Garage Revenue to Port								
General Parking/Terminal Direct	36,200	16,522	17,955	20,830	(2,875)	-13.8%	1,433	8.7%
Prebooking	-	823	5,415	2,401	3,014	125.5%	4,592	557.9%
Premier Corporate Parking	697	363	-	365	(365)	-100.0%	(363)	-100.0%
Revenue to Port - General Parking	**36,897**	**17,708**	**23,370**	**23,596**	**(226)**	**-1.0%**	**5,662**	**32.0%**
Other Garage Revenue								
Passport Parking Program	1,751	1,594	1,193	1,203	(10)	-0.8%	(401)	-25.1%
Total Parking Garage Revenue	**38,648**	**19,302**	**24,563**	**24,799**	**(236)**	**-1.0%**	**5,261**	**27.3%**
Other Parking Revenue								
Concession Rent - Doug Fox off-site parking	1,723	679	960	921	39	4.2%	281	41.4%
All Other Parking Revenue	31	21	15	9	6	61.5%	(6)	-30.6%
Total Parking Revenue	**40,401**	**20,001**	**25,537**	**25,729**	**(192)**	**-0.7%**	**5,536**	**27.7%**
O&D Enplanements	**12,079**	**5,557**	**7,122**	**7,833**	**(477)**	**-21.9%**	**(1,249)**	**-42.4%**

2021 YTD Actuals vs. 2020 YTD Actuals

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

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

Doug Fox – revenue recovery shows increased demand for close in parking.

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

Public Parking - Revenue Metrics in 000's	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav / (UnFav) Budget Variance #	Fav / (UnFav) Budget Variance %	Incr / (Decr) Change from 2020 #	Incr / (Decr) Change from 2020 %
Total Enplanements	12,079	5,557	7,122	7,833	(711)	-9.1%	1,565	28.2%
O&D %	70.2%	64.0%	70.0%	68.0%	2.0%	2.9%	6.0%	9.4%
O&D Enplanements	**8,480**	**3,557**	**4,985**	**5,326**	**(341)**	**-6.4%**	**1,429**	**40.2%**
Revenue per O&D Enplanement Metrics								
General Parking/Pre-Book/Premier Corporate	$ 4.35	$ 4.98	$ 4.69	$ 4.43	$ 0.26	5.8%	$ (0.29)	-5.8%
Passport Parking Program	$ 0.21	$ 0.45	$ 0.24	$ 0.23	$ 0.01	6.0%	$ (0.21)	-46.6%
Total Garage Revenue per O&D Enplanement	**$ 4.56**	**$ 5.43**	**$ 4.93**	**$ 4.66**	**$ 0.27**	**5.8%**	**$ (0.50)**	**-9.2%**
Concession Rent - Doug Fox off-site parking	$ 0.20	$ 0.19	$ 0.19	$ 0.17	$ 0.02	11.3%	$ 0.00	0.9%
All Other Parking Revenue	$ 0.00	$ 0.01	$ 0.00	$ 0.00	$ 0.00	72.5%	$ (0.00)	-50.5%
Total Parking per O&D Enplanement	**$ 4.76**	**$ 5.62**	**$ 5.12**	**$ 4.83**	**$ 0.29**	**6.0%**	**$ (0.50)**	**-8.9%**

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

- **General Garage Parking (includes pre-booking)** – revenue per enplanement retained much of increase during pandemic O&D passenger decline, which indicates passenger preference for close in self-parking
- **Passport parking programs** – metric increase compared to 2021 budget and compared to pre-pandemic 2019 activity reflects continued demand from airport tenant employees who continued to utilize during COVID impacts due to preference for close in self-parking
- **Doug Fox off-site parking** – YTD metric holding relatively steady, will continue to monitor.

Public Parking forecast recovers with O&D passenger increase

Passenger Volume forecasted to be up 90.5% compared to prior year
O&D Passenger Volume forecasted to be up 108.3% compared to prior year

Public Parking - Revenue Detail $ in 000's	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav (UnFav) Fcst to Bud Var $	Fav (UnFav) Fcst to Bud Var %	Incr (Decr) Change from 2020 $	Incr (Decr) Change from 2020 %
Parking Garage Revenue to Port								
General Parking/Terminal Direct	73,562	27,157	48,221	48,332	(111)	-0.2%	21,064	77.6%
Prebooking	217	2,935	12,015	5,570	6,445	115.7%	9,080	309.4%
Premier Corporate Parking	1,415	449	-	850	(850)	-100.0%	(449)	-100.0%
Revenue to Port - General Parking	**75,194**	**30,540**	**60,236**	**54,752**	**5,484**	**10.0%**	**29,695**	**97.2%**
Other Garage Revenue								
Passport Parking Program	3,582	2,738	2,483	2,790	(307)	-11.0%	(255)	-9.3%
Total Parking Garage Revenue	**78,776**	**33,278**	**62,719**	**57,542**	**5,177**	**9.0%**	**29,441**	**88.5%**
Other Parking Revenue								
Concession Rent - Doug Fox off-site parking	3,292	1,186	2,559	2,037	522	25.6%	1,373	115.8%
All Other Parking Revenue	56	37	23	18	5	29.9%	(14)	-37.0%
Total Parking Revenue	**82,125**	**34,501**	**65,301**	**59,597**	**5,704**	**9.6%**	**30,800**	**89.3%**
O&D Enplanements	**18,163**	**6,428**	**13,392**	**12,387**	**529**	**4.3%**	**6,488**	**100.9%**

2021 Forecast vs. 2020 Actuals

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

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

Doug Fox – revenue recovering stronger than O&D passenger volume, possibly due steeper declines in prior year due to customer preference away from parking with shared ride shuttles.

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

Parking Revenue Metrics in 000's	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav / (UnFav) Fcst to Bud Var #	 %	Incr / (Decr) Change from 2020 #	 %
Total Enplanements	25,874	10,044	19,132	18,216	916	5.0%	9,088	90.5%
O&D %	70.2%	64.0%	70.0%	68.0%	2.0%	2.9%	6.0%	9.4%
O&D Enplanements	**18,163**	**6,428**	**13,392**	**12,387**	**1,006**	**8.1%**	**6,964**	**108.3%**
Revenue per O&D Enplanement Metrics								
General Parking/Pre-Book/Premier Corporate	$ 4.14	$ 4.75	$ 4.50	$ 4.42	$ 0.08	1.8%	$ (0.25)	-5.3%
Passport Parking Program	$ 0.20	$ 0.43	$ 0.19	$ 0.23	$ (0.04)	-17.7%	$ (0.24)	-56.5%
Total Garage Revenue per O&D Enplanement	**$ 4.34**	**$ 5.18**	**$ 4.68**	**$ 4.65**	**$ 0.04**	**0.8%**	**$ (0.49)**	**-9.5%**
Concession Rent - Doug Fox off-site parking	$ 0.18	$ 0.18	$ 0.19	$ 0.16	$ 0.03	16.2%	$ 0.01	3.6%
All Other Parking Revenue	$ 0.00	$ 0.01	$ 0.00	$ 0.00	$ 0.00	20.1%	$ (0.00)	-69.7%
Total Parking per O&D Enplanement	**$ 4.52**	**$ 5.37**	**$ 4.88**	**$ 4.81**	**$ 0.06**	**1.3%**	**$ (0.49)**	**-9.2%**

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

- **General Garage Parking (includes pre-booking)** – revenue per enplanement retained much of increase experienced during pandemic O&D passenger decline, based on continued passenger preference for close in self-parking.
- **Passport parking programs** – metric tracking closer to pre-pandemic levels. Significant portion of usage is from airport tenant employees.
- **Doug Fox off-site parking** – metric forecasted slightly higher than pre-pandemic levels, due to increasing demand for close in parking.

Rental Cars YTD

Rental Car - Revenue Detail $ in 000's	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav / (UnFav) Budget Variance $	%	Incr / (Decr) Change from 2020 $	%
Total Enplanements	12,079	5,557	7,122	7,833	(711)	-9.1%	1,565	28.2%
O&D %	70.2%	64.0%	70.0%	68.0%	2.0%	2.9%	6.0%	9.4%
O&D Enplanements	**8,480**	**3,557**	**4,985**	**5,326**	**(341)**	**-6.4%**	**1,429**	**40.2%**
Gross Sales by Operators	134,334	56,462	100,110	88,090	12,020	13.6%	43,648	77.3%
Total Transactions	647	272	312	383	(71)	-18.5%	40	14.8%
Average Ticket	$207.53	$207.76	$320.74	$230.00	$90.74	39.5%	$112.98	54.4%
Average Length of Stay	4.27	4.55	4.87	4.60	0.27	5.9%	0.32	7.0%
Transactions/O&D Enplanements	7.63%	7.64%	6.26%	7.19%	-0.93%	-12.9%	-1.38%	-18.1%
CFC Revenue Summary								
Total Transaction Days	2,761	1,237	1,521	1,762	(241)	-13.7%	N/A	22.9%
CFC Rate per Transaction Day	$6.00	$6.00	$6.50	$6.50	$0.00	0.0%	$0.50	8.3%
CFC Revenue Earned	16,567	7,424	9,884	11,452	(1,568)	-13.7%	N/A	33.1%
Other CFC Collections	(373)	(174)	-	-	-	N/A	N/A	-100.0%
Total CFC Revenue	**16,194**	**7,250**	**9,884**	**11,452**	**(1,568)**	**-13.7%**	**2,634**	**36.3%**
Debt Service Reserve Requirement	**(11,689)**	**(12,009)**	**(12,137)**	**(6,038)**	**(6,099)**	**101.0%**	**(128)**	**1.1%**
Residual - CFC Operating Revenue	**4,505**	**-**	**-**	**-**	**-**	**N/A**	**-**	**N/A**
Rental Car - Revenue Summary $ in 000's	**2019 YTD Actual**	**2020 YTD Actual**	**2021 YTD Actual**	**2021 YTD Budget**	**Fav / (UnFav) Budget Variance $**	**%**	**Incr / (Decr) Change from 2020 $**	**%**
RCF Concession Revenue to Port	**13,632**	**5,606**	**9,468**	**8,809**	**659**	**7.5%**	**3,862**	**68.9%**
Residual - CFC Operating Revenue:	4,505	-	-	-	-	N/A	-	N/A
Land Rent/Space Rent/Other	1,927	1,986	2,029	1,931	98	5.1%	44	2.2%
Total Rental Cars Operating Revenue	**20,064**	**7,591**	**11,497**	**10,740**	**757**	**7.0%**	**3,906**	**51.5%**

2021 Actuals vs. 2020 Actuals

Rental Car Concession Revenue
Strong recovery reflects shortage of vehicles in rental car fleets, due to vehicle divestitures during the pandemic. Strong passenger demand for rental cars has driven up the rental rate, while the level of transactions remains low.

CFC Operating Revenue - CFC collections are lower than expected in the budget due to the shortage of rental car vehicles, despite recovering passenger volumes. CFC Operating Revenue is a residual (only after covering current year debt service), so YTD 2021 CFC operating revenue is still zero.

Broad and severe impact to Landside revenue from COVID-19

Rental Cars YE

Rental Car - Revenue Detail $ in 000's	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav / (UnFav) Fcst vs Bud Var $	 %	Incr / (Decr) Change from 2020 $	 %
Total Enplanements	25,874	10,044	19,132	18,216	916	5.0%	9,088	90.5%
O&D %	70.2%	64.0%	70.0%	68.0%	2.0%	2.9%	6.0%	9.4%
O&D Enplanements	**18,396**	**6,428**	**13,392**	**12,387**	**1,006**	**8.1%**	**6,964**	**108.3%**
Gross Sales by Operators	328,156	122,372	274,705	122,372	152,333	124.5%	152,333	124.5%
Total Transactions	1,414	519	836	892	(56)	-6.3%	317	61.0%
Average Ticket	$232.06	$235.57	$ 328.55	$ 230.00	$98.55	42.8%	$92.98	39.5%
Average Length of Stay	4.49	4.93	4.86	4.60	0.26	5.8%	(0.06)	-1.3%
Transactions/O&D Enplanements	7.69%	8.08%	6.24%	7.20%	-0.96%	-13.3%	-1.84%	-22.7%
<u>**CFC Revenue Summary**</u>								
Total Transaction Days	6,356	2,560	4,068	4,103	(35)	-0.9%	1,507	58.9%
CFC Rate per Transaction Day	$6.00	$6.00	$6.50	$6.50	$0.00	0.0%	$0.50	8.3%
CFC Revenue Earned	38,137	15,362	26,439	26,670	(231)	-0.9%	11,077	72.1%
Other CFC Collections	(9)	-	-	-	-	N/A	-	N/A
Total CFC Revenue	**38,128**	**15,362**	**26,439**	**26,670**	**(231)**	**-0.9%**	**11,077**	**72.1%**
Debt Service Reserve Requirement	**(23,655)**	**(24,019)**	**(24,274)**	**(24,153)**	**(121)**	**0.5%**	**(255)**	**1.1%**
Reserve Fund Release (bond maturation)	**1,300**	**-**	**-**	**-**	**-**	**N/A**	**-**	**N/A**
Net Debt Service	**(22,355)**	**(23,914)**	**(24,274)**	**(24,153)**	**(121)**	**0.5%**	**(360)**	**1.5%**
Residual - CFC Operating Revenue	**15,773**	**-**	**2,165**	**2,501**	**(336)**	**-13.4%**	**2,165**	**N/A**

Rental Car - Revenue Summary $ in 000's	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav / (UnFav) Fcst vs Bud Var $	 %	Incr / (Decr) Change from 2020 $	 %
RCF Concession Revenue to Port	**32,870**	**12,531**	**27,470**	**20,516**	**6,954**	**33.9%**	**14,940**	**119.2%**
Residual - CFC Operating Revenue:	15,773	-	2,165	2,501	(336)	-13.4%	2,165	N/A
Land Rent/Space Rent/Other	3,924	4,106	4,056	3,863	193	5.0%	(50)	-1.2%
Total Rental Cars Operating Revenue	**52,567**	**16,637**	**33,691**	**26,880**	**6,811**	**25.3%**	**17,054**	**102.5%**

<u>**2021 Forecast vs. 2020 Actuals**</u>

Rental Car Concession Revenue Strong recovery reflects shortage of vehicles in rental car fleets, due to vehicle divestitures during the pandemic. Strong passenger demand for rental cars has driven up the rental rate, while the level of transactions remains low.

CFC Operating Revenue - CFC collections are expected to exceed the debt service requirement by year-end, but are expected to be lower than the 2021 Budget due to the shortage of rentable vehicles this year which results in lower transaction activity.

Ground Transportation – Revenue YTD

YTD Passenger Volume are up 28.2% compared to prior year
YTD O&D Passenger Volume up 40.2% compared to prior year

Ground Transportation - Revenue to Port $ in 000's	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav (UnFav) Budget Variance $	Fav (UnFav) Budget Variance %	Incr (Decr) Change from 2020 $	Incr (Decr) Change from 2020 %
Ground Transportation Revenues								
TNC Drop-offs	-	-	747	-	747	N/A	747	N/A
TNC Pick-ups	5,997	2,765	1,960	3,741	(1,781)	-47.6%	(805)	-29.1%
TNC Total	**5,997**	**2,765**	**2,707**	**3,741**	**(1,034)**	**-27.6%**	**(58)**	**-2.1%**
On Demand Taxis	1,856	632	476	796	(320)	-40.2%	(156)	-24.7%
On Demand Limos	403	259	-	-	-	N/A	(259)	-100.0%
Belled In Taxis (Annual Permit)	27	12	9	19	(10)	-51.3%	(3)	-22.0%
Pre-Arranged Limos (Annual Permit)	350	95	142	295	(153)	-51.9%	47	48.9%
Courtesy Cars (cost recovery)	986	493	802	929	(127)	-13.6%	310	62.9%
All other Operators (cost recovery)	**208**	**46**	**37**	**84**	**(47)**	**-55.6%**	**(9)**	**-19.5%**
Other Misc Revenues	153	71	34	97	(63)	-64.9%	(37)	-52.4%
Total GT Revenue	**9,979**	**4,374**	**4,208**	**5,961**	**(1,753)**	**-29.4%**	**(166)**	**-3.8%**
O&D Enplanements	**12,079**	**5,557**	**7,122**	**7,833**	**(711)**	**-9.1%**	**1,565**	**28.2%**

2021 Actuals vs. 2020 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 & Taxi recovery slower than recovery in O&D passengers, reflects slower return of passengers to shared ride transportation options.

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

All other GT operators impacted to varying degrees.

Ground Transportation – Trips YTD

YTD Passenger Volume are up 28.2% compared to prior year
YTD O&D Passenger Volume up 40.2% compared to prior year

Ground Transportation - Trip Activity in 000's	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav / (UnFav) Budget Variance #	%	Incr / (Decr) Change from 2020 #	%
Ground Transportation Trips								
TNC Drop-offs	1,266	532	382	-	382	N/A	(150)	-28.2%
TNC Pick-ups	977	428	328	624	(296)	-47.5%	(101)	-23.5%
TNC Total	**2,243**	**960**	**710**	**624**	**86**	**13.8%**	**(251)**	**-26.1%**
On Demand Taxis	309	106	82	133	(51)	-38.6%	(24)	-23.0%
On Demand Limos	34	12	-	-	-	N/A	(12)	-100.0%
Belled In Taxis (Annual Permit)	8	1	1	2	(1)	-46.1%	(0)	-8.6%
Pre-Arranged Limos (Annual Permit)	34	63	39	83	(44)	-53.3%	(24)	-38.4%
Courtesy Cars (cost recovery)	594	305	342	387	(45)	-11.6%	37	12.2%
All other Operators (cost recovery)	**55**	**10**	**11**	**8**	**2**	**29.6%**	**0**	**4.2%**
Total GT Trip Activity	**3,278**	**1,458**	**1,184**	**1,237**	**(53)**	**-4.3%**	**(273)**	**-18.8%**
Total Enplanements	12,079	5,557	7,122	7,833	(711)	-9.1%	1,565	28.2%
O&D %	70.2%	64.0%	70.0%	68.0%	2.0%	2.9%	6.0%	9.4%
O&D Enplanements	**8,480**	**3,557**	**4,985**	**5,326**	**(341)**	**-6.4%**	**1,429**	**40.2%**
Revenue per O&D Enplanement Metrics								
TNC Dropoffs	14.9%	15.0%	7.7%	0.0%	7.7%	N/A	-7.3%	-48.8%
TNC Pickups	11.5%	12.0%	6.6%	11.7%	N/A	-43.9%	-5.5%	-45.4%
TNC Total	**26.5%**	**27.0%**	**14.2%**	**11.7%**	**N/A**	**21.6%**	**-12.8%**	**-47.3%**
Taxi	3.8%	3.0%	1.6%	2.5%	-0.9%	-34.4%	-1.3%	-45.0%
All other	24.3%	41.0%	23.8%	23.2%	0.5%	2.3%	-17.2%	-42.0%
Total GT Trips per O&D Enplanement	**38.7%**	**41.0%**	**23.8%**	**23.2%**	**0.5%**	**2.3%**	**-17.2%**	**-42.0%**

2021 Actuals vs. 2020 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 & Taxi recovery slower than recovery in O&D passengers, reflects slower return of passengers to shared ride transportation options.

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

All other GT operators impacted to varying degrees.

Ground Transportation – Revenue YE

Passenger Volume forecasted to be up 90.5% compared to prior year
O&D Passenger Volume forecasted to be up 108.3% compared to prior year

Revenue Detail $ in 000's	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav (UnFav) Fcst vs Bud Var $	Fav (UnFav) Fcst vs Bud Var %	Incr (Decr) Change from 2020 $	Incr (Decr) Change from 2020 %
Ground Transportation Revenues								
TNC Drop-offs	-	-	2,089	-	2,089	N/A	2,089	N/A
TNC Pick-ups	12,982	4,032	5,417	8,700	(3,283)	-37.7%	1,384	34.3%
TNC Total	**12,982**	**4,032**	**7,506**	**8,700**	**(1,194)**	**-13.7%**	**3,473**	**86.1%**
On Demand Taxis	3,578	857	1,336	1,851	(515)	-27.8%	478	55.8%
On Demand Limos	837	371	-	-	-	N/A	(371)	-100.0%
Belled In Taxis (Annual Permit)	27	12	9	19	(10)	-51.3%	(3)	-22.0%
Pre-Arranged Limos (Annual Permit)	611	209	402	516	(114)	-22.1%	193	92.8%
Courtesy Cars (cost recovery)	2,019	877	1,811	2,160	(349)	-16.2%	934	106.5%
All other Operators (cost recovery)	**418**	**86**	**86**	**188**	**(102)**	**-54.3%**	**-**	**0.0%**
Other Misc Revenues	293	113	64	194	(130)	-67.2%	(49)	-43.4%
Total GT Revenue	**20,765**	**6,557**	**11,245**	**13,628**	**(2,383)**	**-17.5%**	**4,688**	**71.5%**
O&D Enplanements	**18,422**	**6,428**	**13,392**	**12,387**	**1,006**	**8.1%**	**6,964**	**108.3%**

2021 Forecast vs. 2020 Actuals

GT Revenue

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

TNC revenue – continues to recover at a slower rate than the recovery in O&D enplanements.

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

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

Other GT operators impacted to varying degrees.

Ground Transportation – Trips YE

Trip Activity in 000's	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav / (UnFav) Fcst vs Bud Var #	 %	Incr / (Decr) Change from 2020 #	 %
Ground Transportation Trips								
TNC Drop-offs	2,704	787	1,067	-	1,067	N/A	280	35.5%
TNC Pick-ups	2,103	640	898	1,450	(552)	-38.0%	258	40.3%
TNC Total	**4,808**	**1,427**	**1,965**	**1,450**	**515**	**35.5%**	**537**	**37.7%**
On Demand Taxis	616	150	213	309	(96)	-31.0%	63	42.0%
On Demand Limos	65	12	-	-	-	N/A	(12)	-100.0%
Belled In Taxis (Annual Permit)	13	2	2	5	(3)	-51.3%	0	21.6%
Pre-Arranged Limos (Annual Permit)	65	87	150	192	(42)	-22.1%	63	72.6%
Courtesy Cars (cost recovery)	1,236	557	769	900	(131)	-14.5%	212	38.1%
All other Operators (cost recovery)	**74**	**16**	**16**	**27**	**(10)**	**-38.9%**	**0**	**3.0%**
Total GT Trip Activity	**6,876**	**2,251**	**3,115**	**2,882**	**233**	**8.1%**	**864**	**38.4%**

Total Enplanements	25,874	10,044	19,132	18,216	916	5.0%	9,088	90.5%
O&D %	70.2%	64.0%	70.0%	68.0%	2.0%	2.9%	6.0%	9.4%
O&D Enplanements	**18,422**	**6,428**	**13,392**	**12,387**	**1,006**	**8.1%**	**6,964**	**108.3%**
Trips per O&D Enplanement								
TNC Drop-offs	14.7%	12.2%	8.0%	N/A	0.0%	N/A	-4.3%	-35.0%
TNC Pick-ups	11.4%	10.0%	6.7%	11.7%	-5.0%	-42.7%	-3.3%	-32.7%
TNC Total	**26.1%**	**22.2%**	**14.7%**	**11.7%**	**3.0%**	**25.3%**	**-7.5%**	**-33.9%**
Taxi	3.3%	2.3%	1.6%	2.5%	-0.9%	-36.2%	-0.7%	-31.8%
All other	7.9%	10.5%	7.0%	9.1%	-2.1%	-22.8%	-3.5%	-33.2%
Total Trips per O&D Enplanement	**37.3%**	**35.0%**	**23.3%**	**23.3%**	**0.0%**	**0.0%**	**-11.8%**	**-33.6%**

2021 Forecast vs. 2020 Actuals

GT Trip Activity

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 volume includes drop-off trips starting in 2021. Overall TNC trip activity continues to recover at a slower rate than the recovery in O&D enplanements.

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

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

Other GT operators impacted to varying degrees.

Airport Dining & Retail YTD Results

Revenue Summary (in $000s) *Org(s): 3650-Airport Dining and Retail, Class: Top Level*	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav/(UnFav) Budget Variance $ Var	Fav/(UnFav) Budget Variance % Var	Inc/(Dec) from Prior Year Actuals $ Change	Inc/(Dec) from Prior Year Actuals % Change
Operating Revenue								
Duty Free	3,263	1,263	1,072	1,287	(215)	-16.7%	(191)	-15.1%
Food & Beverage	12,266	5,047	6,402	7,926	(1,524)	-19.2%	1,355	26.9%
Retail	7,717	3,090	4,498	5,745	(1,247)	-21.7%	1,408	45.6%
Services	1,982	992	1,138	1,563	(425)	-27.2%	146	14.8%
Advertising	3,502	2,691	1,166	2,216	(1,050)	-47.4%	(1,525)	-56.7%
All Other	853	772	594	733	(139)	-19.0%	(178)	-23.1%
Total ADR Revenue	**29,581**	**13,856**	**14,871**	**19,470**	**(4,599)**	**-23.6%**	**1,015**	**7.3%**
Enplanements	**12,079**	**5,557**	**7,833**	**7,122**	**711**	**10.0%**	**2,276**	**40.9%**

2021 YTD Actuals vs. 2020 YTD Actuals

- Duty Free: Reflects the slower recovery in international enplanements and lower MAG/percentage rent structure of the new lease.
- Food & Beverage: Driven by the impact of higher SPE, and partially offset by slightly lower take rates.
- Retail: Driven by a higher SPE, partially offset by slightly lower percentage rent in 2021.
- Services: Driven by higher percentage rent, partially offset by a slightly lower SPE.
- Advertising: This line is less reactive to changing passenger volumes and has seen a decline in demand.

Airport Dining & Retail YE Forecast

Revenue Summary (in $000s) *Org(s): 3650-Airport Dining and Retail, Class: Top Level*	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav/(UnFav) Budget Variance $ Var	Fav/(UnFav) Budget Variance % Var	Inc/(Dec) from Prior Year Actuals $ Change	Inc/(Dec) from Prior Year Actuals % Change
Operating Revenue								
Duty Free	6,189	1,842	996	3,599	(2,604)	-72.3%	(846)	-45.9%
Food & Beverage	26,314	9,709	21,467	18,456	3,011	16.3%	11,758	121.1%
Retail	16,313	6,328	13,268	13,360	(92)	-0.7%	6,941	109.7%
Services	3,847	1,728	2,918	3,900	(982)	-25.2%	1,190	68.9%
Advertising	7,326	4,285	3,310	5,153	(1,843)	-35.8%	(975)	-22.7%
All Other	1,625	1,527	1,357	1,466	(110)	-7.5%	(170)	-11.1%
Total ADR Revenue	**61,614**	**25,418**	**43,317**	**45,936**	**(2,619)**	**-5.7%**	**17,899**	**70.4%**
Enplanements	**25,874**	**10,044**	**19,132**	**18,216**	**916**	**5.0%**	**9,088**	**90.5%**

Sales per Enplanements Summary *Org(s): 3650-Airport Dining and Retail, Class: Top Level*	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav/(UnFav) Budget Variance $ Var	Fav/(UnFav) Budget Variance % Var	Inc/(Dec) from Prior Year Actuals $ Change	Inc/(Dec) from Prior Year Actuals % Change
Duty Free	0.77	0.47	0.32	0.65	(0.33)	-51.2%	(0.15)	-32.5%
Food & Beverage	7.56	7.83	9.05	8.18	0.86	10.6%	1.21	15.5%
Retail	3.99	4.14	4.65	4.79	(0.14)	-2.9%	0.51	12.2%
Services	0.80	0.49	0.32	0.56	(0.24)	-43.4%	(0.17)	-35.4%
SPE - Total ADR	**13.12**	**12.94**	**14.33**	**14.18**	**0.15**	**1.0%**	**1.39**	**10.8%**

Revenue per Enplanements Summary *Org(s): 3650-Airport Dining and Retail, Class: Top Level*	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav/(UnFav) Budget Variance $ Var	Fav/(UnFav) Budget Variance % Var	Inc/(Dec) from Prior Year Actuals $ Change	Inc/(Dec) from Prior Year Actuals % Change
Duty Free	0.24	0.18	0.05	0.20	(0.15)	-73.7%	(0.13)	-71.6%
Food & Beverage	1.02	0.97	1.12	1.01	0.11	10.7%	0.16	16.1%
Retail	0.63	0.63	0.69	0.73	(0.04)	-5.4%	0.06	10.1%
Services	0.15	0.17	0.15	0.21	(0.06)	-28.8%	(0.02)	-11.3%
RPE - Total ADR	**2.04**	**1.95**	**2.02**	**2.16**	**(0.14)**	**-6.4%**	**0.07**	**3.5%**

2021 Forecast vs. 2020 Actuals

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

Sales per Enplanement (SPE) on Food & Beverage and Retail are improving as enplanements are returning and demand is increasing.

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

Duty Free lease has been renegotiated with a lower MAG / Percentage Rent Structure.

Non-Aero Commercial Properties

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

Revenue Summary (in $000s) *Org(s): 3630-Non-Aero Commercial Properties, Class: Top Level*	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav/(UnFav) Budget Variance $ Var	Fav/(UnFav) Budget Variance % Var	Inc/(Dec) from Prior Year Actuals $ Change	Inc/(Dec) from Prior Year Actuals % Change
Operating Revenue								
Land Rental	2,195	2,641	2,629	2,602	27	1.0%	(12)	-0.4%
Space Rental	213	536	366	422	(55)	-13.2%	(170)	-31.6%
In-Flight Kitchen Revenue	4,408	2,323	2,245	3,043	(798)	-26.2%	(78)	-3.4%
Other Service Revenues	256	277	300	300	(0)	0.0%	23	8.3%
Total Operating Revenues	**7,072**	**5,777**	**5,541**	**6,367**	**(827)**	**-13.0%**	**(236)**	**-4.1%**
Enplanements	**12,079**	**5,557**	**7,833**	**7,122**	**711**	**10.0%**	**2,276**	**40.9%**

Revenue Summary (in $000s) *Org(s): 3630-Non-Aero Commercial Properties, Class: Top Level*	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav/(UnFav) Budget Variance $ Var	Fav/(UnFav) Budget Variance % Var	Inc/(Dec) from Prior Year Actuals $ Change	Inc/(Dec) from Prior Year Actuals % Change
Operating Revenue								
Land Rental	4,658	5,267	5,285	5,222	63	1.2%	18	0.3%
Space Rental	464	942	751	800	(49)	-6.2%	(192)	-20.3%
In-Flight Kitchen Revenue	10,053	3,990	5,675	7,078	(1,403)	-19.8%	1,685	42.2%
Other Service Revenues	548	566	613	613	0	0.0%	47	8.3%
Operating Grant Revenues	49	0	0	0	0	0.0%	0	0.0%
Total Operating Revenues	**15,773**	**10,765**	**12,324**	**13,713**	**(1,389)**	**-10.1%**	**1,558**	**14.5%**
Enplanements	**25,874**	**10,044**	**19,132**	**18,216**	**916**	**5.0%**	**9,088**	**90.5%**

2021 Forecast vs. 2020 Actuals

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

Despite domestic enplanements returning, **In-Flight Kitchen revenue** continues to lag. We now believe this revenue is more closely aligned to international flying than previously understood.

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

Clubs & Lounges

Impacted by lounge closures and passenger volume decline

Revenue Summary (in $000s) *Org(s): 3690-Club International Lounge, Class: Top Level*	2019 YTD	2020 YTD	2021 YTD	2021 YTD	Fav/(UnFav) Budget Variance		Inc/(Dec) from Prior Year Actuals	
	Actual	Actual	Actual	Budget	$ Var	% Var	$ Change	% Change
Operating Revenue								
Space Rental	4,456	1,714	709	2,453	(1,744)	-71.1%	(1,005)	-58.6%
Total Operating Revenues	**4,456**	**1,714**	**709**	**2,453**	**(1,744)**	**-71.1%**	**(1,005)**	**-58.6%**
Enplanements	**12,079**	**5,557**	**7,833**	**7,122**	**711**	**10.0%**	**2,276**	**40.9%**

Revenue Summary (in $000s) *Org(s): 3690-Club International Lounge, Class: Top Level*	2019	2020	2021	2021	Fav/(UnFav) Budget Variance		Inc/(Dec) from Prior Year Actuals	
	Actual	Actual	Forecast	Budget	$ Var	% Var	$ Change	% Change
Operating Revenue								
Space Rental	10,274	2,043	3,952	6,221	(2,269)	-36.5%	1,909	93.4%
Total Operating Revenues	**10,274**	**2,043**	**3,952**	**6,221**	**(2,269)**	**-36.5%**	**1,909**	**93.4%**
Enplanements	**25,874**	**10,044**	**19,132**	**18,216**	**916**	**5.0%**	**9,088**	**90.5%**

2021 Forecast vs. 2020 Actuals

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

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

A Concourse Lounge unfortunately remained closed through year-end 2020 and reopened in early June 2021 due to low passenger volumes.

2021 Capital Expenditures

$ in 000's	2021 YTD Actual	2021 Year-End Forecast	2021 Budget	Budget Variance $	Budget Variance %
Checked Baggage [1]	42,510	105,610	86,100	(19,510)	-22.7%
International Arrivals Facility [2]	40,439	68,439	86,500	18,061	20.9%
NSAT Renovation [3]	55,058	84,602	96,408	11,806	12.2%
Concourse A Duty Free [4]	2	34	2,461	2,427	98.6%
Concourse A Expansion [5]	69	7,639	5,215	(2,424)	-46.5%
SAMP Near Term Planning [6]	322	2,692	5,025	2,333	46.4%
Terminal Security Enhancements [7]	175	1,276	3,479	2,203	63.3%
RCF Security Improvements [8]	196	2,802	4,934	2,131	43.2%
2021-25 AFLD Pvmnt [9]	6,990	27,542	29,560	2,017	6.8%
Concourse C New Power Center [10]	3,668	4,919	2,961	(1,958)	-66.1%
Air Cargo Rd Safety [11]	448	2,080	3,972	1,892	47.6%
SSAT HVAC [12]	4,830	9,725	11,505	1,780	15.5%
All Other	45,431	165,437	195,060	29,624	15.2%
Subtotal	200,138	482,797	533,180	50,383	9.4%
CIP Cashflow Mgmt Reserve	-	(26,177)	(41,978)	(15,801)	37.6%
Total Spending	**200,138**	**456,620**	**491,202**	**34,582**	**7.0%**

(1) Accelerated schedule for Temp Maint Shop

(2) The ped walkway continues to slide to the right and is likely going to complete late 2021, possibly 2022. Additionally, in the IAF building, issues with systems, smoke control and commisssioning have caused delays to the IAF building

(3) Variance due to $4.0M less Construction (Contract/OFCI/Sales Tax); $1M less Permit costs (delayed); and $1M slipped payment for seating

(4) 2021 baseline was set prior to IC increase from $25,180,000 to $33,366,000

(5) 2021 baseline was set previous to Notebook approval (03/05/21), whereas the project budget went from $60M to 71.4M

(6) Continued scoping and analysis extended to gain better information deferring spending

(7) Cash flow based upon previous procurement that was cancelled, revised cash flow per anticipated DB schedule

(8) Construction bid came lower than estimates

(9) Bid result for 2021 Pavement porject came lower than Engineer's Estimate

(10) Construction accelerated by 6 months

(11) Cash flow reflects returned bid savings and extended construction schedule

(12) Returned $5M savings in Q1 and design delays have caused underspending

Forecast spending variances primarily due to COVID-19 impact

Maritime Division Appendix

Q2 2021 Financial Performance Report

Q2 2021 Maritime Achievements

- **Cruise –** Completed terminal upgrades inclusive of touchless restroom facilities, COVID signage, health barriers, water bottle filling stations, and air filtration improvements.

- **Recreational Boating**– Bell Harbor Marina hosted the return of Classic Weekend, an annual public event sponsored by the Classic Yacht Association with a full marina buyout. In addition, agreements were completed with Parasail Seattle and Seattle's Tall Ship tour operations at the marina.

- **Elliott Bay Fishing and Commercial Operations -** Maximized pier utilization while helping coordinate the transition of the cruise berths to CTA for cruise ship lay berth use.

- **Stormwater Utility –** Terminal 25 oil/water separator was installed in the truck parking area.

Maritime Environmental & Sustainability Achievements

- Completed 2020 emissions inventory.
- Captured over $2.9M in grant funding to support P66 shore power.
- Began data collection on maritime energy use as part of the Waterfront Clean Energy Strategy.
- LDWG signed the LDW Order Amendment 5 for the design on the middle section and consultant procurement has begun (City is the lead for consultant procurement).

Maritime 2021 Financial Forecast Summary

$ in 000's	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav (UnFav) Fcst vs. Budget Variance $	%	Incr (Decr) Change from 2020 $	%
Ship Canal Fishing & Operations	3,929	4,704	4,123	4,135	(12)	0%	(581)	-12%
Elliott Bay Fishing & Commercial Operations	6,095	5,752	4,882	4,509	373	8%	(870)	-15%
Recreational Boating	12,484	12,611	12,838	12,915	(77)	-1%	227	2%
Cruise	22,410	3,824	9,000	8,558	442	5%	5,176	135%
Grain	4,266	5,142	5,779	4,903	876	18%	637	12%
Maritime Portfolio Management	10,108	10,074	10,034	10,259	(225)	-2%	(40)	0%
Other	(3)	4	0	0	0	NA	(4)	-100%
Total Revenue	**59,289**	**42,111**	**46,656**	**45,280**	**1,377**	**3%**	**4,545**	**11%**
Expenses								
Maritime (Excl. Maint)	13,789	16,256	15,439	15,539	100	1%	(817)	-5%
Economic Development	4,987	4,511	5,115	5,365	250	5%	604	13%
Total Direct	**18,776**	**20,767**	**20,554**	**20,904**	**350**	**2%**	**(213)**	**-1%**
Maintenance Expenses	12,186	12,029	11,095	11,595	500	4%	(934)	-8%
Envir Services & Planning	2,250	2,739	1,940	2,140	200	9%	(798)	-29%
Seaport Finance & Cost Recovery	835	937	977	977	0	0%	40	4%
Seaport Project Management	175	1,061	416	316	(100)	-32%	(644)	-61%
Total Support Services	**15,446**	**16,765**	**14,428**	**15,028**	**600**	**4%**	**(2,337)**	**-14%**
IT	2,685	2,719	2,838	2,853	15	1%	120	4%
Police Expenses	4,086	2,865	3,059	3,118	59	2%	193	7%
External Relations	1,564	1,200	1,013	1,347	334	25%	(187)	-16%
Other Central Services	5,810	5,596	6,887	6,749	(138)	-2%	1,291	23%
Aviation Division / Other	278	315	243	243	0	0%	(72)	-23%
Total Central Services / Other	**14,423**	**12,695**	**14,041**	**14,311**	**270**	**2%**	**1,345**	**11%**
Total Expense	**48,644**	**50,228**	**49,023**	**50,243**	**1,220**	**2%**	**(1,205)**	**-2%**
NOI Before Depreciation	**10,644**	**(8,117)**	**(2,367)**	**(4,963)**	**2,597**	**52%**	**5,750**	**71%**
Depreciation	17,627	17,624	16,899	16,899	0	0%	(725)	-4%
NOI After Depreciation	**(6,982)**	**(25,741)**	**(19,266)**	**(21,862)**	**2,597**	**12%**	**6,475**	**25%**

Revenue Variance from Budget

- Grain terminal experiencing higher volumes than expected.
- Maritime Portfolio Management vacancies at Maritime Industrial Center and Fishermen's Terminal.

Expense Variance from Budget

- Direct – Open FTEs and lower tenant improvements.
- Support services - Change is Maintenance allocation methodology and open Environmental FTEs partially offset by expedited Project Management hires.
- Central services - deeper reductions in External Relations, partially offset by increased legal fees.

Maritime 2021 YTD Financial Summary

$ in 000's	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav (UnFav) Actual vs. Budget Variance $	Fav (UnFav) Actual vs. Budget Variance %	Incr (Decr) Change from 2020 $	Incr (Decr) Change from 2020 %
Ship Canal Fishing & Operations	2,004	2,182	2,134	2,146	(12)	-1%	(49)	-2%
Elliott Bay Fishing & Commercial Operations	3,067	2,908	2,635	2,262	373	16%	(274)	-9%
Recreational Boating	6,228	6,211	6,330	6,406	(77)	-1%	119	2%
Cruise	8,473	133	61	4,466	(4,405)	-99%	(72)	-54%
Grain	2,567	2,005	3,433	2,556	876	34%	1,427	71%
Maritime Portfolio Management	5,019	4,884	4,914	5,039	(125)	-2%	30	1%
Other	10	15	1	0	1	NA	(13)	-91%
Total Revenue	**27,368**	**18,338**	**19,507**	**22,875**	**(3,368)**	**-15%**	**1,169**	**6%**
Expenses								
Maritime (Excl. Maint)	5,745	6,869	7,031	7,801	770	10%	162	2%
Economic Development	2,369	2,325	2,135	3,015	880	29%	(190)	-8%
Total Direct	**8,114**	**9,194**	**9,166**	**10,816**	**1,649**	**15%**	**(28)**	**0%**
Maintenance Expenses	5,521	4,879	5,093	6,006	913	15%	215	4%
Envir Services & Planning	1,055	1,226	785	1,070	285	27%	(442)	-36%
Seaport Finance & Cost Recovery	509	457	513	490	(23)	-5%	56	12%
Seaport Project Management	130	188	193	160	(33)	-21%	5	2%
Total Support Services	**7,214**	**6,751**	**6,584**	**7,725**	**1,141**	**15%**	**(167)**	**-2%**
IT	1,320	1,393	1,335	1,410	75	5%	(58)	-4%
Police Expenses	1,988	1,569	1,477	1,647	170	10%	(92)	-6%
External Relations	751	615	571	683	113	16%	(44)	-7%
Other Central Services	2,789	2,652	3,277	3,311	34	1%	625	24%
Aviation Division / Other	135	137	170	121	(49)	-40%	33	24%
Total Central Services / Other	**6,982**	**6,367**	**6,830**	**7,173**	**343**	**5%**	**464**	**7%**
Total Expense	**22,310**	**22,311**	**22,581**	**25,714**	**3,134**	**12%**	**270**	**1%**
NOI Before Depreciation	**5,058**	**(3,973)**	**(3,074)**	**(2,839)**	**(235)**	**-8%**	**899**	**23%**
Depreciation	8,911	8,781	8,881	8,088	(793)	-10%	100	1%
NOI After Depreciation	**(3,853)**	**(12,754)**	**(11,955)**	**(10,928)**	**(1,027)**	**-9%**	**799**	**6%**

Variance from Budget

- Revenue $3.4M favorable:
  - Ship Canal – Ballard Lock closure
  - Cruise – Timing of NCL revenue recognition and phasing of calls.
  - Grain – 55% increase in volume
  - Portfolio Management – Vacancy at MIC
- Operating exp. $3.1M favorable:
  - Direct – Payroll, Utilities, Tenant Improvements
  - Support Services – Open FTEs, Maintenance Allocation change
  - Central Services –Timing of Police, Lower External Relations, Legal

Cruise Q2 Financials

$ in 000's	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav (UnFav) Budget Variance $	%	Incr (Decr) Change from 2020 $	%
T-91 & Bell St Cruise Operations	118	20	4,447	(4,427)	-100%	(98)	-83%
Bell Street Vessel Operations	15	41	19	22	115%	26	179%
Total Revenue	**133**	**61**	**4,466**	**(4,405)**	**-99%**	**(72)**	**-54%**
Expenses							
Maritime (Excl. Maint)	2,082	2,001	2,673	672	25%	(81)	-4%
Economic Development	198	138	193	55	28%	(59)	-30%
Total Direct	**2,280**	**2,139**	**2,867**	**727**	**25%**	**(141)**	**-6%**
Maintenance Expenses	1,156	1,095	1,035	(60)	-6%	(61)	-5%
Envir Services & Planning	178	123	168	45	27%	(55)	-31%
Seaport Finance & Cost Recovery	135	120	116	(4)	-3%	(15)	-11%
Seaport Project Management	46	55	47	(8)	-16%	9	19%
Total Support Services	**1,515**	**1,392**	**1,366**	**(26)**	**-2%**	**(123)**	**-8%**
IT	342	300	316	16	5%	(42)	-12%
Police Expenses	483	369	411	43	10%	(114)	-24%
External Relations	190	143	178	35	20%	(47)	-25%
Other Central Services	826	845	821	(24)	-3%	18	2%
Aviation Division / Other	51	62	43	(19)	-45%	11	23%
Total Central Services / Other	**1,892**	**1,719**	**1,770**	**51**	**3%**	**(173)**	**-9%**
Total Expense	**5,687**	**5,251**	**6,002**	**752**	**13%**	**(437)**	**-8%**
NOI Before Depreciation	**(5,555)**	**(5,190)**	**(1,536)**	**(3,654)**	**-238%**	**365**	**7%**
Depreciation	3,056	2,994	2,857	(137)	-5%	(62)	-2%
NOI After Depreciation	**(8,610)**	**(8,184)**	**(4,394)**	**(3,790)**	**-86%**	**427**	**5%**

Variance from Budget
- Revenue less due to 2021 NCL lease payment timing & no cruises in May or June
- Outside services, promotional hosting, equipment, utilities, and allocation expenses less than budget in Q2

Variance from 2020
- Revenue lower due to no T91 events in 2021
- Less outside services and allocations in 2021 Q2

COVID-19 Impact to 2021
- Revenue to be impacted due to partial cruise season. On track with budget by end of year.
- Reduction in travel expenses and Port Valet to mitigate revenue impacts

Recreational Boating Q2 Financials

$ in 000's	2020 Actual	2021 Year-to-Date Actual	2021 Year-to-Date Budget	Fav (UnFav) Budget Variance $	Fav (UnFav) Budget Variance %	Inc (Dec) Change from 2020 $	Inc (Dec) Change from 2020 %
Berthage and Moorage & Concession Services	5,700	5,787	5,864	(77)	-1%	88	2%
Utility Sales Revenue	285	279	257	23	9%	(5)	-2%
Other Service Revenue	196	218	221	(3)	-1%	22	11%
Other	30	45	64	(19)	-30%	15	49%
Total Revenue	**6,211**	**6,330**	**6,406**	**(76)**	**-1%**	**119**	**2%**
Expenses							
Maritime (excl Maint)	2,176	2,449	2,334	(115)	-5%	273	13%
Economic Development	116	162	146	(15)	-10%	45	39%
Total Direct	2,293	2,611	2,481	(130)	-5%	318	14%
Maintenance Expenses	1,028	1,102	1,528	426	28%	74	7%
Envir Services & Planning	191	185	155	(30)	-19%	(6)	-3%
Seaport Finance & Cost Recovery	96	117	114	(3)	-3%	21	22%
Seaport Project Management	59	69	34	(35)	-102%	10	17%
Total Suport Service	1,375	1,473	1,831	358	20%	98	7%
IT	369	361	380	19	5%	(8)	-2%
Police Expenses	346	364	406	42	10%	18	5%
External Relations	135	140	166	26	16%	5	4%
Other Central Services	572	786	821	35	4%	214	37%
Aviation Division/Other	28	38	27	(10)	-38%	10	35%
Total Central Services/Other	**1,449**	**1,688**	**1,799**	**111**	**6%**	**239**	**16%**
Total Expense	**5,117**	**5,772**	**6,111**	**339**	**6%**	**655**	**13%**
NOI Before Depreciation	**1,094**	**558**	**295**	**(263)**	**-89%**	**(536)**	**-49%**
Depreciation	1,375	1,622	1,240	(382)	-31%	247	18%
NOI After Depreciation	**(281)**	**(1,064)**	**(945)**	**(119)**	**13%**	**(783)**	**279%**

Variance from Budget

- Revenue $76K lower due to lower monthly moorage occupancy as we expected at SBM and BHM partially related to COVID-19 business disruptions
- Operation expenses ~$339K favorable to budget YTD from $426K favorable in Maintenance expenses and $111K favorable in Central Services allocations, offset by ($115K) unfavorable in Maritime direct charges which relate to salaries & benefits and supplies.

Variance from 2020

- Revenue $119K higher relate to increasing boating interest at SBM
- Operation expenses ~$655K increase in 2021 due to $273K increase in Maritime (excluding Maintenance) expenses, $239K increase in Central Services; and $98K increase in support services

Ship Canal Fishing & Ops Q2 Financials

$ in 000's	2020 Actual	2021 Year-to-Date Actual	2021 Year-to-Date Budget	Fav (UnFav) Budget Variance $	Fav (UnFav) Budget Variance %	Inc (Dec) Change from 2020 $	Inc (Dec) Change from 2020 %
Berthage and Moorage & Concession Services	1,935	1,840	1,932	(92)	-5%	(95)	-5%
Space Rental	120	104	97	7	7%	(16)	-13%
Utility Sales Revenue	56	107	46	62	135%	51	91%
Other	72	83	71	12	17%	11	15%
Total Revenue	**2,182**	**2,134**	**2,146**	**(12)**	**-1%**	**(49)**	**-2%**
Expenses							
Maritime (excl Maint)	1,111	1,218	1,279	61	5%	107	10%
Economic Development	27	25	35	10	27%	(2)	-6%
Total Direct	1,139	1,244	1,315	71	5%	105	9%
Maintenance Expenses	812	878	921	44	5%	66	8%
Envir Services & Planning	98	97	111	13	12%	(1)	-1%
Seaport Finance & Cost Recovery	38	52	51	(1)	-3%	14	37%
Seaport Project Management	23	23	17	(6)	-37%	1	3%
Total Suport Service	970	1,050	1,100	50	5%	80	8%
IT	169	184	207	23	11%	15	9%
Police Expenses	135	163	181	19	10%	27	20%
External Relations	53	62	74	11	15%	9	18%
Other Central Services	220	361	364	3	1%	141	64%
Aviation Division/Other	9	15	10	(5)	-52%	6	59%
Total Central Services/Other	**587**	**785**	**836**	**51**	**6%**	**198**	**34%**
Total Expense	**2,696**	**3,079**	**3,250**	**171**	**5%**	**383**	**14%**
NOI Before Depreciation	**(513)**	**(945)**	**(1,105)**	**160**	**-14%**	**(432)**	**84%**
Depreciation	1,154	1,182	1,132	(50)	-4%	29	2%
NOI After Depreciation	**(1,667)**	**(2,127)**	**(2,236)**	**109**	**-5%**	**(460)**	**28%**

Variance from Budget

- Revenue ($12K) unfavorable to the budget mainly related to shorter Ballard lock closures period in 2021 by the US Army Corps Engineers
- Operation expenses ~$171K favorable to the budgeted YTD contributed by $61K favorable in Maritime direct charges, $44K favorable in Maintenance, $51K favorable in Central Services due to lower allocation

Variance from 2020

- Revenue $49K or 2% lower contributed to shorter Ballard Lock closures period in 2021 compared it to 2020
- Operation expenses ~$383K increase in 2021 related to $107K increase in Maritime direct charges related to payroll expenses, $198K increase in Central Services allocation, $80K increase in Support Service

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

Elliott Bay Fishing & Commercial Ops Q2 Financials

$ in 000's	2020 Actual	2021 Year-to-Date Actual	2021 Year-to-Date Budget	Fav (UnFav) Budget Variance $	Fav (UnFav) Budget Variance %	Inc (Dec) Change from 2020 $	Inc (Dec) Change from 2020 %
Berthage and Moorage & Dockage	1,651	1,512	1,164	348	30%	(138)	-8%
Space Rental	792	741	761	(21)	-3%	(51)	-6%
Utility Sales Revenue	277	281	261	20	8%	4	1%
Other	188	101	75	25	34%	(88)	-47%
Total Revenue	**2,908**	**2,635**	**2,262**	**373**	**16%**	**(274)**	**-9%**
Expenses							
Maritime (excl Maint)	1,233	1,088	1,400	312	22%	(145)	-12%
Economic Development	74	167	156	(11)	-7%	93	126%
Total Direct	1,308	1,256	1,557	301	19%	(52)	-4%
Maintenance Expenses	599	628	600	(27)	-5%	29	5%
Envir Services & Planning	414	87	98	10	10%	(327)	-79%
Seaport Finance & Cost Recovery	60	71	67	(4)	-6%	11	19%
Seaport Project Management	24	13	20	7	36%	(11)	-46%
Total Suport Service	1,097	799	785	(14)	-2%	(298)	-27%
IT	182	174	188	13	7%	(8)	-4%
Police Expenses	190	179	199	21	10%	(12)	-6%
External Relations	74	70	83	13	15%	(4)	-5%
Other Central Services	312	399	407	8	2%	87	28%
Aviation Division/Other	13	15	11	(4)	-40%	2	16%
Total Central Services/Other	**770**	**837**	**887**	**51**	**6%**	**66**	**9%**
Total Expense	**3,175**	**2,891**	**3,229**	**337**	**10%**	**(283)**	**-9%**
NOI Before Depreciation	**(266)**	**(257)**	**(967)**	**710**	**-73%**	**10**	**-4%**
Depreciation	1,666	1,649	1,552	(97)	-6%	(17)	-1%
NOI After Depreciation	**(1,932)**	**(1,906)**	**(2,519)**	**614**	**-24%**	**26**	**-1%**

Variance from Budget

- Revenue $373K favorable related to Ballard Lock closure
- Operation expenses ~$337K favorable to the budgeted YTD. Utility expenses contributed $307K of the favorable

Variance from 2020

- Revenue ($274K) or 9% lower primarily due to shorter Ballard Lock closure in 2021
- Operation expenses ~$298K decrease in 2021 contributed by $145K decrease in Maritime direct charges related to $135K decrease in Utilities and $15K decrease in Bad Debt expenses and $66K lower expenses in Support service

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

Maritime Portfolio Management Q2 Financials

$ in 000's	2020 YTD Actual	2021 Year-to-Date Actual	2021 Year-to-Date Budget	Fav(UnFav) Budget Variance $	Fav(UnFav) Budget Variance %	Incr/(Decr) Change from 2020 $	Incr/(Decr) Change from 2020 %
Maritime Portfolio Management							
Marina Office & Retail	1,838	1,615	1,992	(377)	-19%	(223)	-12%
Maritime Industrial	2,055	2,122	2,038	84	4%	67	3%
Utilities	991	1,177	1,008	168	17%	186	19%
Total Revenue	**4,884**	**4,914**	**5,039**	**(125)**	**-2%**	**30**	**1%**
PM Direct	1,541	1,386	2,222	836	60%	(154)	-10%
EDD PM Direct	152	151	151	(0)	0%	(1)	0%
EDD Other	190	83	87	4	5%	(107)	-56%
MD Direct	245	210	169	(42)	-20%	(35)	-14%
Total Direct	2,128	1,831	2,629	798	44%	(296)	-14%
Maintenance Expenses	1,094	1,214	1,528	314	26%	119	11%
Enviromental & Sustainability	122	110	127	17	15%	(11)	-9%
Seaport Finance & Cost Recovery	103	127	119	(8)	-6%	24	23%
Seaport Project Management	29	25	32	8	31%	(5)	-17%
Total Support Services	1,348	1,475	1,806	331	22%	127	9%
Police Expenses	324	327	364	38	12%	2	1%
Other Corp Expenses	1,018	1,158	1,185	28	2%	140	14%
Total Central Services/Other	1,342	1,484	1,550	65	4%	143	11%
Total Expense	**4,817**	**4,791**	**5,984**	**1,194**	**25%**	**(27)**	**-1%**
NOI Before Depreciation	**66**	**123**	**(945)**	**1,068**	**113%**	**57**	**85%**
Depreciation	1,258	1,260	1,155	(105)	-8%	2	0%
NOI After Depreciation	**(1,191)**	**(1,137)**	**(2,100)**	**964**	**46%**	**54**	**5%**

Variance from Budget
- Revenue $125K unfavorable to budget due to lower than anticipated space rental revenue from MIC mainly Bristol Wave.
- Expenses $1,194K lower than budget due to favorable utilities and maintenance expenses contributed by a 3-year average to estimate the overhead costs for 2021 actual.

Variance from 2020
- Revenue relatively flat.
- Expenses down $27K due to lower than prior year utilities.

COVID-19 Impact to 2021
- Expense projects either delayed or cancelled.

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

Grain Terminal Q2 Financials

$ in 000's	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav (UnFav) Actual vs. Budget Variance $	%	Incr (Decr) Change from 2020 $	%
Lease Revnue	2,005	3,433	2,556	876	34%	1,427	71%
Total Revenue	**2,005**	**3,433**	**2,556**	**876**	**34%**	**1,427**	**71%**
Expenses							
Maritime (Excl. Maint)	87	99	89	(10)	-11%	12	14%
Economic Development	27	21	23	2	8%	(5)	-20%
Total Direct	**114**	**121**	**112**	**(8)**	**-7%**	**7**	**6%**
Maintenance Expenses	150	140	371	231	62%	(10)	-7%
Envir Services & Planning	33	27	29	2	8%	(6)	-18%
Seaport Finance & Cost Recovery	25	27	24	(3)	-11%	1	6%
Seaport Project Management	6	5	5	0	7%	(1)	-16%
Total Support Services	**214**	**198**	**429**	**232**	**54%**	**(16)**	**-7%**
IT	50	43	40	(3)	-8%	(7)	-14%
Police Expenses	91	77	86	9	10%	(14)	-16%
External Relations	35	29	35	5	15%	(6)	-17%
Other Central Services	149	163	168	5	3%	14	10%
Aviation Division / Other	6	5	4	(0)	-6%	(1)	-20%
Total Central Services / Other	**330**	**316**	**331**	**15**	**5%**	**(14)**	**-4%**
Total Expense	**657**	**635**	**873**	**239**	**27%**	**(23)**	**-3%**
NOI Before Depreciation	**1,348**	**2,798**	**1,683**	**1,115**	**66%**	**1,450**	**108%**
Depreciation	266	167	145	(22)	-16%	(99)	-37%
NOI After Depreciation	**1,082**	**2,631**	**1,538**	**1,092**	**71%**	**1,549**	**143%**

Variance from Budget

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

Variance from 2020

- Revenue and volumes up from 2020 YTD with a 55% increase in metric tons.

Maritime Capital 2021

$ in 000's	2021 YTD Actual	2021 Forecast	2021 Budget	Budget Variance $	%
T117 Restoration	2,050	8,180	8,809	629	7%
T91 Northwest Fender	384	6,160	7,761	1,601	21%
MD Small Projects	415	1,711	3,383	1,672	49%
MD Fleet	199	3,342	3,201	(141)	-4%
FT Maritime Innovation Center	135	604	1,475	871	59%
T91 Berth 6&8 Redev	361	1,134	1,025	(109)	-11%
P91 Pass Term Upgrade COV	7	230	1,000	770	77%
P66 Shore Power	149	443	765	322	42%
SBM Restrms/Service Bldgs Rep	316	367	665	298	45%
FT Gateway Building	176	438	600	162	27%
All Other Projects	867	(908)	(2,489)	(1,581)	64%
Total Maritime	**5,059**	**21,701**	**26,195**	**4,494**	**17%**

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

FT Maritime Innovation Center – Budget increase due to unexpected increased Design costs, and new scope (risk mitigation measures), but also due to the escalation adjustment triggered by wage inflation projected for 2022 and expected skilled labor shortages announced in late March 2021. Design progress towards 90% delayed due to need for Commission authorization to amend NTE amount on Service Agreement and additional funding to complete design and permitting phase.

MD Small Projects– Several projects deferred to 2022 per the sponsor's Request.

Economic Development Division Appendix

Q2 2021 Financial Performance Report

Q2 2021 EDD Program Advancements

- **Portfolio Management** maintained 95% occupancy across real estate portfolio despite ongoing COVID-19 pandemic challenges.
- **Real Estate Development** – Executed ground lease at T-106.
- **Diversity in Contracting** - Selected twelve new participants for new PortGen accelerator program. Partnered with Sound Transit and WSDOT to provide disadvantaged business enterprises with technical training.
- **Tourism** – Earned media resulting from international office activities YTD: $525K. Created webinars in collaboration with U.S. Commercial Service, Visit USA Committees, CLIA, tour operators and travel trade publications to broadcast Washington tourism opportunities.
- **Economic Development and Innovation** Staff is administering 25 Economic Development Partnership grants with participating cities. Supporting second Maritime Blue Innovation Accelerator.

EDD 2021 Yr.-End Financial Forecast

$ in 000's	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav (UnFav) Fcst vs. Budget Variance $	%	Incr (Decr) Change from 2020 $	%
Revenue	8,912	7,808	7,913	8,313	(400)	-5%	105	1%
Conf & Event Centers	12,239	1,662	4,135	5,035	(900)	-18%	2,473	149%
Total Revenue	**21,151**	**9,470**	**12,048**	**13,348**	**(1,300)**	**-10%**	**2,578**	**27%**
Expenses								
Portfolio Management	3,732	3,073	3,301	3,401	100	3%	227	7%
Conf & Event Centers	10,218	4,440	4,420	4,920	500	10%	(19)	0%
P69 Facilities Expenses	215	232	177	222	45	20%	(56)	-24%
RE Dev & Planning	136	209	154	154	0	0%	(55)	-26%
EconDev Expenses Other	930	938	695	835	140	17%	(243)	-26%
Maintenance Expenses	3,145	3,042	3,037	2,537	(500)	-20%	(5)	0%
Maritime Expenses (Excl Maint)	1,070	1,035	1,060	1,060	0	0%	24	2%
Total EDD & Maritime Expenses	**19,448**	**12,969**	**12,843**	**13,128**	**285**	**2%**	**(127)**	**-1%**
Diversity in Contracting	152	103	122	142	20	14%	19	19%
Tourism	1,337	954	2,181	2,481	300	12%	1,227	129%
EDD Grants	785	778	1,060	1,060	0	0%	282	36%
Total EDD Initiatives	**2,274**	**1,834**	**3,363**	**3,683**	**320**	**9%**	**1,528**	**83%**
Environmental & Sustainability	24	44	23	31	8	26%	(21)	-48%
Police Expenses	61	64	205	209	4	2%	142	223%
Other Central Services	5,234	5,539	4,051	4,242	191	5%	(1,488)	-27%
Aviation Division	114	161	120	120	0	0%	(41)	-25%
Total Central Services & Aviation	**5,433**	**5,808**	**4,400**	**4,603**	**203**	**4%**	**(1,408)**	**-24%**
Envir Remed Liability	0	0	0	0	0	NA	0	NA
Total Expense	**27,155**	**20,611**	**20,605**	**21,413**	**808**	**4%**	**(6)**	**0%**
NOI Before Depreciation	**(6,004)**	**(11,141)**	**(8,557)**	**(8,065)**	**(492)**	**-6%**	**2,584**	23%
Depreciation	3,647	3,611	3,216	3,216	0	0%	(395)	-11%
NOI After Depreciation	**(9,651)**	**(14,753)**	**(11,773)**	**(11,281)**	**(492)**	**-4%**	**2,980**	**20%**

Revenue Variance from Budget

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

Expense Variance Budget

- Reduction in Conference and Event center volumes driving reduced variable expenses.
- Change in the Maintenance allocation methodology.
- Moving $300K of Washington Tourism Alliance costs to 2022.
- Lower External Relations expenses.

EDD 2021 YTD Financial Detail

$ in 000's	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav (UnFav) Actual vs. Budget Variance $	%	Incr (Decr) Change from 2020 $	%
Revenue	4,421	4,119	3,669	4,042	(373)	-9%	(450)	-11%
Conf & Event Centers	5,963	1,240	420	1,329	(909)	-68%	(819)	-66%
Total Revenue	**10,384**	**5,359**	**4,089**	**5,371**	**(1,282)**	**-24%**	**(1,270)**	**-24%**
Expenses								
Portfolio Management	1,922	1,583	1,643	1,687	44	3%	60	4%
Conf & Event Centers	4,833	2,378	1,271	1,890	618	33%	(1,107)	-47%
P69 Facilities Expenses	92	119	90	114	24	21%	(29)	-24%
RE Dev & Planning	48	91	94	76	(17)	-23%	3	3%
EconDev Expenses Other	352	488	298	398	100	25%	(190)	-39%
Maintenance Expenses	1,563	1,170	1,792	1,282	(509)	-40%	621	53%
Maritime Expenses (Excl Maint)	106	229	490	528	38	7%	261	114%
Total EDD & Maritime Expenses	**8,916**	**6,058**	**5,678**	**5,976**	**298**	**5%**	**(381)**	**-6%**
Diversity in Contracting	99	50	48	70	23	32%	(2)	-5%
Tourism	526	374	380	982	602	61%	6	1%
EDD Grants	(4)	(27)	87	75	(12)	-17%	115	-420%
Total EDD Initiatives	**621**	**397**	**515**	**1,127**	**612**	**54%**	**118**	**30%**
Environmental & Sustainability	173	101	13	15	3	17%	(88)	-87%
Police Expenses	101	108	99	111	12	10%	(9)	-8%
Other Central Services	2,819	2,760	2,093	2,100	8	0%	(667)	-24%
Aviation Division	53	69	95	64	(31)	-48%	26	38%
Total Central Services & Aviation	**3,147**	**3,037**	**2,300**	**2,291**	**(9)**	**0%**	**(738)**	**-24%**
Envir Remed Liability	0	0	0	0	0	NA	0	NA
Total Expense	**12,684**	**9,493**	**8,493**	**9,394**	**902**	**10%**	**(1,000)**	**-11%**
NOI Before Depreciation	**(2,300)**	**(4,134)**	**(4,403)**	**(4,023)**	**(380)**	**-9%**	**(269)**	-7%
Depreciation	1,833	1,774	1,919	1,517	(402)	-26%	145	8%
NOI After Depreciation	**(4,133)**	**(5,908)**	**(6,322)**	**(5,540)**	**(782)**	**-14%**	**(414)**	**-7%**

Portfolio Management Q2 Financials

$ in 000's	2020 YTD Actual	2021 Year-to-Date Actual	2021 Year-to-Date Budget	Fav(UnFav) Budget Variance $	Fav(UnFav) Budget Variance %	Incr/(Decr) Change from 2020 $	Incr/(Decr) Change from 2020 %
Portfolio Management							
Central Harbor	3,264	2,970	3,272	(302)	-9%	(294)	-10%
T-91 Uplands	840	684	755	(71)	-9%	(156)	-23%
Conference & Events Centers	1,240	420	1,329	(909)	-68%	(819)	-195%
Foreign Trade Zone	15	15	15	0	0%	0	0%
Total Revenue	**5,359**	**4,089**	**5,371**	**(1,282)**	**-24%**	**(1,270)**	**-31%**
PM Outside Services	193	304	281	(22)	-8%	111	36%
PM Direct	3,769	2,609	3,296	686	21%	(1,160)	-44%
EDD Other	750	530	703	173	25%	(221)	-42%
MD Direct	171	147	153	6	4%	(24)	-16%
Total Direct	4,883	3,589	4,433	843	19%	(1,294)	-36%
Maintenance Expenses	1,170	1,792	1,281	(511)	-40%	621	35%
Enviromental & Sustainability	85	74	133	59	44%	(11)	-15%
Seaport Finance & Cost Recovery	230	214	208	(6)	-3%	(16)	-7%
Seaport Project Management	58	55	33	(21)	-64%	(3)	-6%
Total Support Services	1,543	2,134	1,656	(479)	-29%	591	28%
Police Expenses	108	99	111	12	10%	(9)	-9%
Other Corp Expenses	2,309	2,201	2,167	(34)	-2%	(108)	-5%
Total Central Services/Other	2,417	2,300	2,277	(23)	-1%	(117)	-5%
Total Expense	**8,843**	**8,024**	**8,366**	**342**	**4%**	**(820)**	**-10%**
NOI Before Depreciation	**(3,484)**	**(3,934)**	**(2,995)**	**(939)**	**-31%**	**(450)**	-11%
Depreciation	1,772	1,917	1,517	(400)	-26%	145	8%
NOI After Depreciation	**(5,256)**	**(5,851)**	**(4,512)**	**(1,339)**	**-30%**	**(595)**	**-10%**

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

Variance from 2020
- Conference & Events Centers (BHICC & WTCS) revenue significantly declined due to the on-going COVID-19 restrictions on meetings and events. Washington State re-opening process has been slow moving due to waves of COVID-19.
- Expenses down from BHICC volumes.

COVID-19 Impact to 2021
- Loss of revenues from BHICC & WTCS due to the on-going COVID-19 restrictions on meetings and events.
- Expense projects either delayed or cancelled.

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

EDD Capital 2021

$ in 000's	2021 YTD Actual	2021 Forecast	2021 Budget	Budget Variance $	Budget Variance %
BHICC Interior Modernization	276	854	1,990	1,136	57%
P69 Underdock Utility Rpl	105	153	1,028	875	85%
CW Bridge Elev Modernization	48	893	943	50	5%
WTC HVAC Replacement	59	984	848	(136)	-16%
T91 Uplands Dev Phase 1	311	493	800	307	38%
P66 Roof Upgrades	90	544	544	0	0%
EDD Small Projects	34	390	522	132	25%
Tenant Improvements -Capital	0	58	289	231	80%
EDD Technology Projects	0	250	250	0	0%
P66 HVAC Systems Upgrade	0	0	185	185	100%
All Other Projects	50	(619)	(1,752)	(1,133)	65%
Total Economic Development	**973**	**4,000**	**5,647**	**1,647**	**29%**

BHICC Modernization – Approved annual 2021 budget is erroneously showing expense portion and is showing it twice.

P69 Under Dock Utility Replacement – City of Seattle permitting approval process is taking a lot longer and the Corps permit is expected to take longer.

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

Central Services Appendix

Q2 2021 Financial Performance Report

Central Services Business Events

- The Port conducted **economic recovery listening sessions** to gather feedback on how the Port can contribute to an equitable recovery.
- Port leaders joined Governor Jay Inslee and other Washington State leaders for the **Climate Bill Signing** which includes the **Clean Fuel Standard**.
- The Port's vaccine clinic at SEA concluded in May and administered over **7,800 doses of the COVID vaccine** during its operations.
- The Port held a **community engagement** on the redevelopment of Fishermen's Terminal and several Terminal 5 **outreach presentations**.
- The Port hosted a webinar to inform hospitality/tourism partners on 2021 operations, **health and safety** protocols, and **environmental stewardship**.
- Police Department, with Seattle Police Department and other stakeholders, responded to a protest at Terminal 18 to prevent a ship from unloading its cargo.

Central Services Expense by Category

$ in 000's	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav (UnFav) Act/Rvsd Bud Var $	Fav (UnFav) Act/Rvsd Bud Var %	Incr (Decr) Change from 2020 $	Incr (Decr) Change from 2020 %
Salaries & Benefits	32,291	34,375	35,205	35,297	92	0.3%	830	2.4%
Wages & Benefits	13,316	14,371	13,695	14,061	366	2.6%	(676)	-4.7%
Payroll to Capital Projects	8,094	8,715	8,222	9,509	1,287	13.5%	(493)	-5.7%
Equipment Expense	949	965	571	974	402	41.3%	(394)	-40.8%
Supplies & Stock	451	407	229	523	294	56.2%	(178)	-43.7%
Outside Services	10,541	12,983	11,601	13,513	1,912	14.1%	(1,382)	-10.6%
Travel & Other Employee Expenses	1,069	766	417	745	328	44.1%	(349)	-45.6%
Insurance Expense	1,117	1,085	1,507	1,511	4	0.3%	422	38.9%
Litigated Injuries & Damages	-	-	-	-	-	0.0%	-	0.0%
Other Expenses	1,726	1,311	1,050	1,515	464	30.7%	(261)	-19.9%
Charges to Capital Projects/Overhead Alloc	(13,669)	(16,284)	(14,188)	(16,275)	(2,087)	12.8%	2,096	-12.9%
TOTAL	**55,884**	**58,694**	**58,309**	**61,373**	**3,064**	**5.0%**	**(385)**	**-0.7%**

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

Central Service Year End Financial Forecast

$ in 000's	2019 Actual	2020 Actual	2021 Forecast	2021 Budget	Fav (UnFav) Actual vs. Budget Variance $	%	Incr (Decr) Change from 2020 $	%
Total Operating Revenues	**1,282**	**2,512**	**2,117**	**181**	**1,936**	**1070.3%**	**(395)**	**-15.7%**
Core Central Support Services	76,059	80,841	87,093	85,678	(1,415)	-1.7%	6,252	7.7%
Police	27,793	27,538	27,793	28,317	524	1.9%	255	0.9%
Engineering/PCS	10,038	9,096	9,519	9,199	(321)	-3.5%	423	4.7%
Total Operating Expenses	**113,891**	**117,476**	**124,405**	**123,194**	**(1,211)**	**-1.0%**	**6,929**	**5.9%**

Central Services Capital Spending

$ in 000's	2021 YTD Actual	2021 Year-End Forecast	2021 Budget	Budget Variance $	Budget Variance %
Infrastructure - Small Cap	413	1,866	1,911	45	2.4%
Services Tech - Small Cap	543	1,226	1,226	0	0.0%
Radio System Upgrade	2,062	2,455	2,955	500	16.9%
Office Wi-Fi Refresh	4	1,351	1,350	(1)	-0.1%
Phone System Upgrade	112	840	840	0	0.0%
Environmental MIS projects	2	599	600	1	0.2%
CDD Fleet Replacement	170	803	1,123	320	28.5%
Corporate Fleet Replacement	0	685	685	0	0.0%
Other (note 1)	235	1,824	1,968	144	7.3%
Subtotal	3,541	11,649	12,658	1,009	8.0%
CIP Cashflow Adjustment	0	(3,000)	(3,000)	0	0.0%
TOTAL	**3,541**	**8,649**	**9,658**	**1,009**	**10.4%**

Note:

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

Portwide Appendix

Q2 2021 Financial Performance Report

Non-Airport Financial Summary

$ in 000's	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav (UnFav) Actual vs. Budget Variance $	%	Incr (Decr) Change from 2020 $	%
NWSA Distributable Revenue	24,941	21,218	22,166	21,137	1,030	4.9%	949	4.5%
Maritime Revenues	27,368	18,338	19,507	22,875	(3,368)	-14.7%	1,169	6.4%
EDD Revenues	10,384	5,359	4,089	5,371	(1,282)	-23.9%	(1,270)	-23.7%
SWU & Other	4,939	3,383	3,713	1,872	1,841	98.4%	330	9.8%
Total Operating Revenues	**67,632**	**48,298**	**49,475**	**51,255**	**(1,779)**	**-3.5%**	**1,178**	**2.4%**
Total Operating Expenses	40,522	34,441	35,658	40,774	5,116	12.5%	1,218	3.5%
NOI before Depreciation	**27,110**	**13,857**	**13,817**	**10,481**	**3,337**	**31.8%**	**(40)**	**-0.3%**
Depreciation	19,623	18,794	18,949	17,632	(1,317)	-7.5%	155	0.8%
NOI after Depreciation	**7,487**	**(4,936)**	**(5,132)**	**(7,152)**	**2,020**	**-28.2%**	**(195)**	**4.0%**

- Non-Airport Operating Revenue is $1.8M unfavorable due to lower revenues from Cruise and Conference & Event Center; partially offset by higher revenues from Grain, NWSA Distributable Revenues, and unbudgeted Police Revenues.
- Expenses are $5.1M lower than budget due cost savings measures which include hiring freeze, delay in implementing program initiatives, and travel and other employee expenses.

Port Wide Operating Revenues Summary

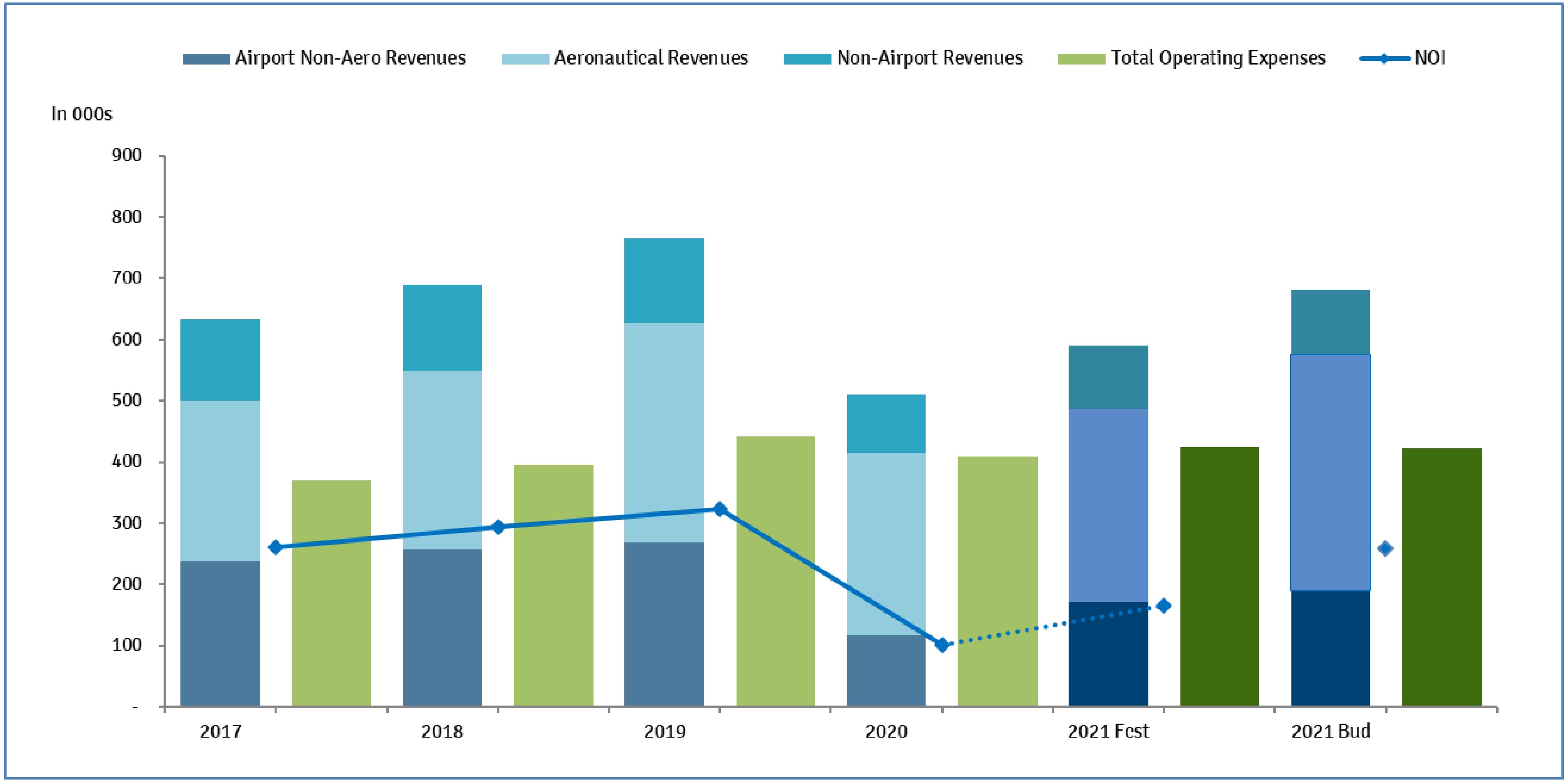
$ in 000's	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav (UnFav) Act/Rvsd Bud Var $	%	Incr (Decr) Change from 2020 $	%
Aeronautical Revenues	175,927	163,722	143,188	178,518	(35,330)	-19.8%	(20,534)	-12.5%
Public Parking	40,401	20,002	25,537	25,729	(192)	-0.7%	5,536	27.7%
Rental Cars - Operations	15,560	7,591	11,497	10,740	757	7.0%	3,906	51.5%
Rental Cars - Operating CFC	4,505	-	-	-	-	0.0%	-	0.0%
ADR & Terminal Leased Space	32,689	16,918	17,764	22,012	(4,248)	-19.3%	845	5.0%
Ground Transportation	9,979	4,374	4,208	5,961	(1,753)	-29.4%	(166)	-3.8%
Employee Parking	5,193	4,678	4,457	4,844	(386)	-8.0%	(221)	-4.7%
Airport Commercial Properties	7,072	5,777	5,541	6,367	(827)	-13.0%	(236)	-4.1%
Airport Utilities	3,665	2,758	3,010	3,784	(774)	-20.4%	252	9.1%
Clubs and Lounges	4,456	1,714	709	2,453	(1,744)	-71.1%	(1,005)	-58.6%
Cruise	8,473	133	61	4,466	(4,405)	-98.6%	(72)	-54.3%
Recreational Boating	6,228	6,211	6,330	6,406	(77)	-1.2%	119	1.9%
Fishing & Operations	5,071	5,091	4,768	4,407	361	8.2%	(322)	-6.3%
Grain	2,567	2,005	3,433	2,556	876	34.3%	1,427	71.2%
Maritime Portfolio Management	5,019	4,884	4,914	5,039	(125)	-2.5%	30	0.6%
Central Harbor Management	4,406	4,104	3,654	4,027	(373)	-9.3%	(450)	-11.0%
Conference & Event Centers	5,963	1,240	420	1,329	(909)	-68.4%	(819)	-66.1%
NWSA Distributable Revenue	24,941	21,218	22,166	21,137	1,030	4.9%	949	4.5%
Other	6,049	3,824	4,225	2,347	1,877	80.0%	400	10.5%
Total Operating Revenues (w/o Aero)	**192,237**	**112,523**	**122,695**	**133,606**	**(10,911)**	**-8.2%**	**10,172**	**9.0%**
TOTAL	**368,164**	**276,244**	**265,883**	**312,124**	**(46,241)**	**-14.8%**	**(10,361)**	**-3.8%**

Port Wide Operating Expense Summary

$ in 000's	2019 YTD Actual	2020 YTD Actual	2021 YTD Actual	2021 YTD Budget	Fav (UnFav) Act/Rvsd Bud $	Fav (UnFav) Act/Rvsd Bud %	Incr (Decr) Change from 2020 $	Incr (Decr) Change from 2020 %
Salaries & Benefits	65,172	71,427	71,476	72,315	839	1.2%	50	0.1%
Wages & Benefits	64,028	67,147	64,484	65,276	792	1.2%	(2,663)	-4.0%
Payroll to Capital Projects	12,648	14,460	14,733	16,280	1,547	9.5%	273	1.9%
Outside Services	43,613	45,545	40,724	49,861	9,136	18.3%	(4,821)	-10.6%
Utilities	13,103	12,104	12,860	14,620	1,760	12.0%	756	6.2%
Equipment Expense	4,478	4,211	2,960	3,426	466	13.6%	(1,250)	-29.7%
Supplies & Stock	5,286	4,653	4,030	4,519	489	10.8%	(623)	-13.4%
Travel & Other Employee Expenses	2,476	1,603	864	1,375	511	37.2%	(740)	-46.1%
Third Party Mgmt Op Exp	6,494	3,228	2,010	3,141	1,131	36.0%	(1,218)	-37.7%
B&O Taxes	2,226	1,716	1,682	1,983	301	15.2%	(34)	-2.0%
Other Expenses	20,272	2,188	6,392	7,031	639	9.1%	4,204	192.2%
Charges to Capital Projects/Overhead Alloc	(24,033)	(30,462)	(26,440)	(30,694)	(4,254)	13.9%	4,022	-13.2%
TOTAL	**215,765**	**197,820**	**195,776**	**209,132**	**13,356**	**6.4%**	**(2,044)**	**-1.0%**

- Payroll expenses were $3.2M below budget primarily due to vacant positions.
- Outside Services were $9.1M favorable to budget due to project delays.
- Travel & Other Employee Expenses were $511K lower than budget due to cutting/eliminating non-essential business travel and training.
- Charges to Capital Projects were lower by ($4.3M) due to delays in Capital Projects

Port Wide Net Operating Income Performance



- Operating Revenues are expected to be $107.7M unfavorable to the budget due to reduced operations and lower airline activity.
- Total Operating expenses are expected to be $1.9M above budget mainly due to lower charges to Capital Projects.
- Net Operating Income is forecasted to be $109.7M below.

Port Wide Capital Spending Summary

$ in 000's	2021 YTD Actual	2021 Forecast	2021 Budget	Budget Variance $	Budget Variance %
Aviation	200,138	456,620	491,202	34,582	7.0%
Maritime	5,059	21,701	26,195	4,494	17.2%
Economic Development	973	4,001	5,647	1,646	29.1%
Central Services & Other (note 1)	5,804	12,704	13,605	901	6.6%
TOTAL	**211,974**	**495,026**	**536,649**	**41,623**	**7.8%**

Note:

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

RETURN TO AGENDA