

Port of Seattle 2021 Financial Performance Report



Key Highlights

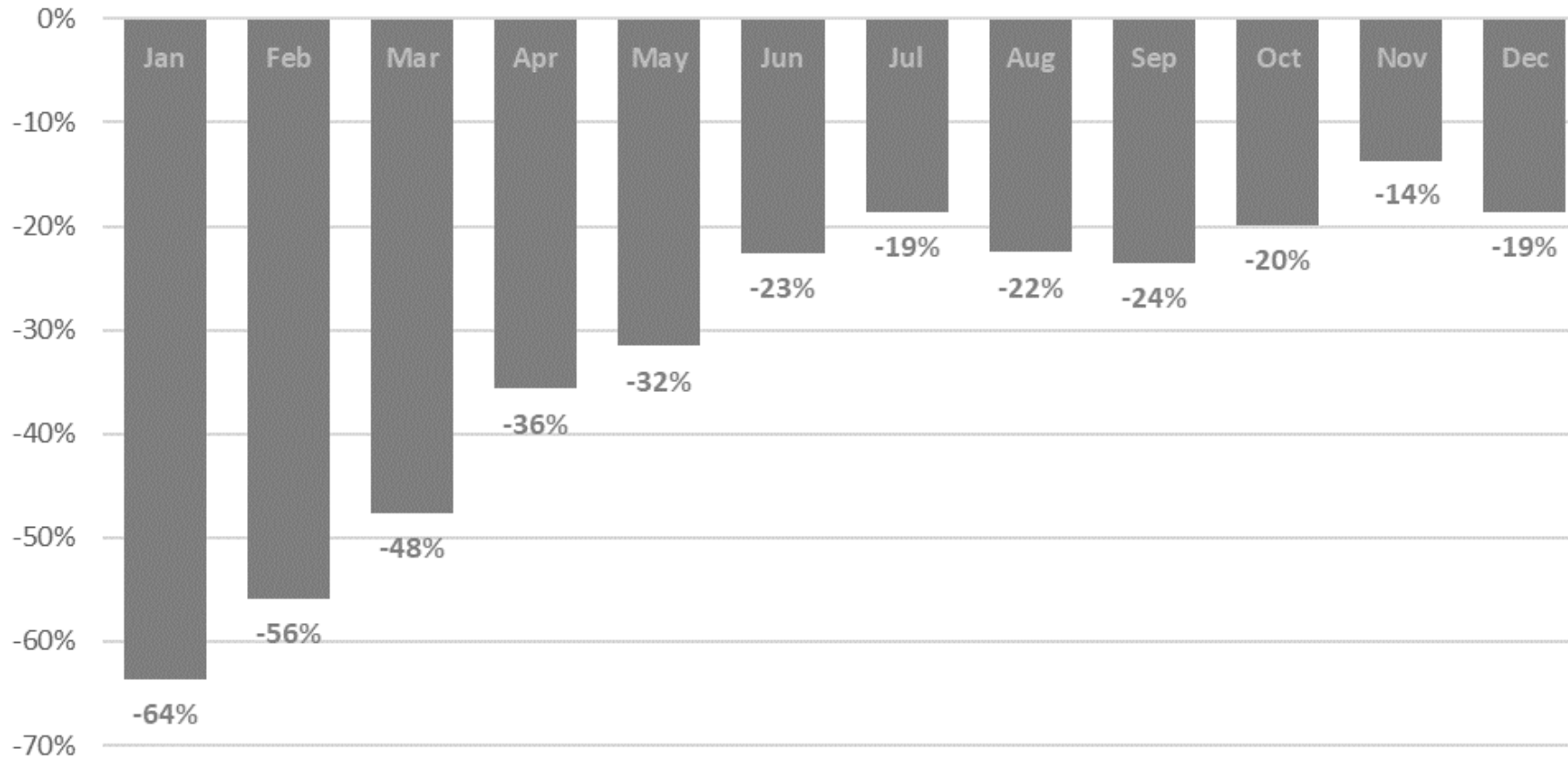
- Prudent budgeting and careful cost management positioned the Port well for 2021 despite the major disruption caused by the pandemic
- 2021 SEA passenger levels were in line with budget (30% lower than 2019)
- Federal relief funds have improved the financial outlook for the Aviation division
- Cruise line of business safely hosted 82 ship calls and approximately 229,000 revenue passengers between July and October
- Operating expenses were significant below budget mainly due to a \$57.7M non-cash expense credit related accounting for the Port's public pension plans through the Department of Retirement Systems (DRS). Without the credit, operating expenses were just \$1.0M under budget.
- There was also a \$5.4 million non-cash operating revenue reduction related to accounting for the LEOFF 2 (law enforcement/fire fighters) pension plan
- Many tables exclude the pension expense credit for greater transparency of actual performance

Aviation Division

2021 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 Actual	36.1

29.6%

compared
to 2019



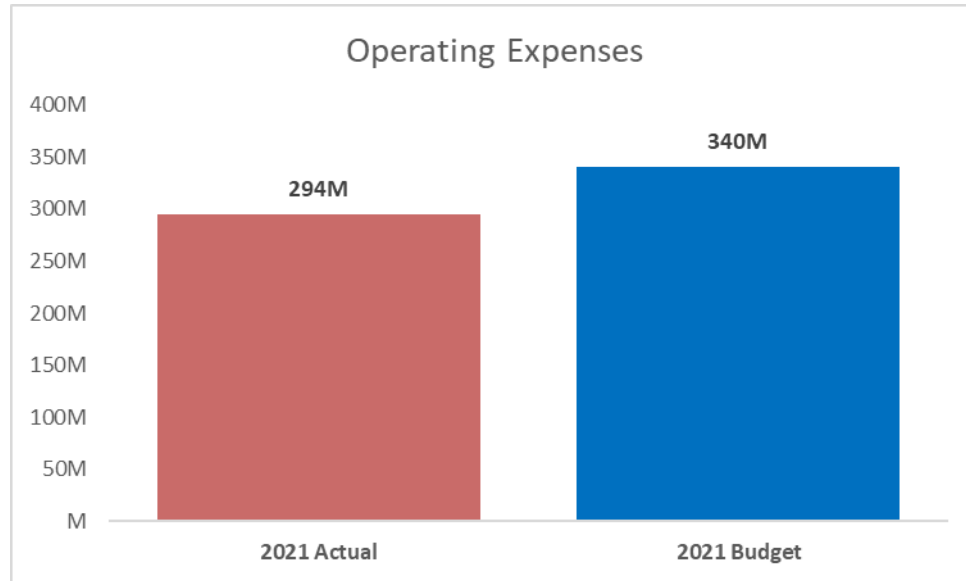
Federal Relief Grants Strengthen Financial Performance

<i>Figures in \$000s</i>	Actual 2021	Budget 2021	Variance
Revenues			
Aeronautical	317,513	386,668	(69,155)
Non-Aeronautical	183,819	189,548	(5,729)
Total Revenues	501,332	576,215	(74,884)
O&M Expense	341,679	339,908	(1,771)
Pension Credit	(47,462)	-	47,462
Total O&M Expense	294,217	339,908	45,691
NOI	207,114	236,308	(29,193)
Federal Relief	95,065	37,899	57,166
Federal Relief (Concessions)	5,355		5,355
NOI (After Federal Relief)	307,534	274,207	33,327
Key Measures			
Non-Aero NOI (in \$000s)	93,175	82,742	10,433
CPE (\$)	15.94	19.62	3.67
Debt Service Coverage	1.69	1.36	0.33
Other Information			
ADF Balance	341M	340M	1M
Capital Spending (in \$000s)	389,051	491,202	102,151

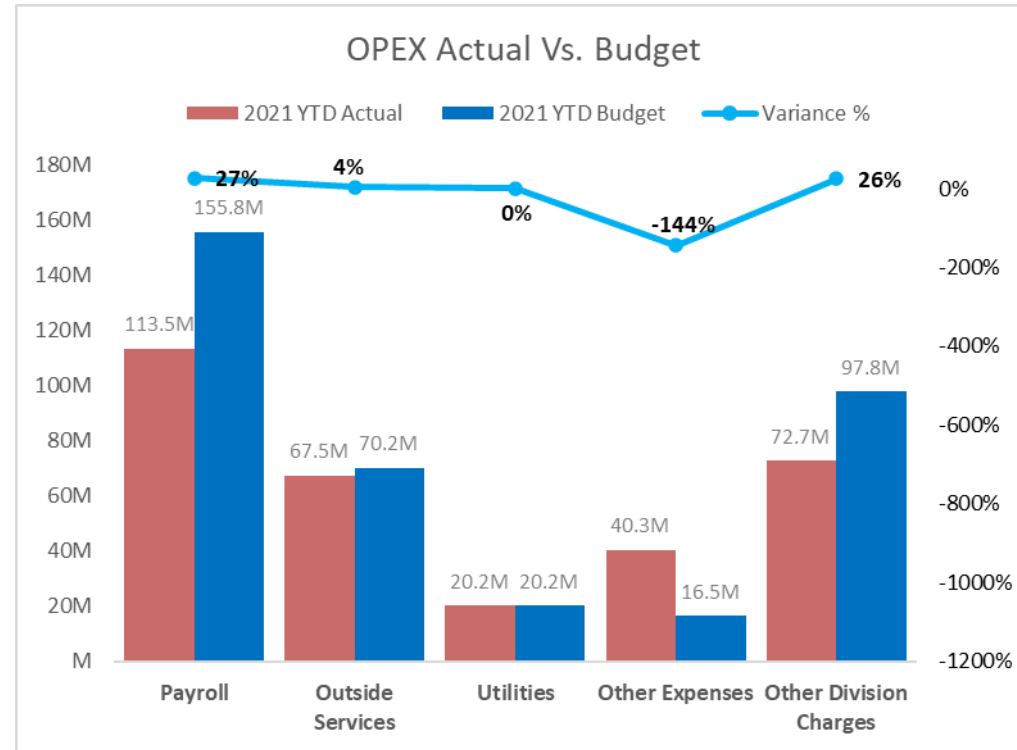
Business Highlights

- Q4 passenger growth reduced due to delta variant: 30% lower than 2019
- Achieved primary financial goals
- Two factors greatly impacted 2021:
 - Additional federal relief
 - Pension net credit of \$42.7 million:
 - Expense: credit of \$47.5 million
 - Revenue: contra subsidy of -\$4.8 million
- Due to pension credit, shifted some federal relief grants to 2022 (or 2023)
- ARPA concession pass through grant will be claimed in 2022
- Achieved Skytrax 4-star rating for customer service

Operating Expenses Summary



Note: The Actuals for Operating Expenses includes the DRS Pension Credit

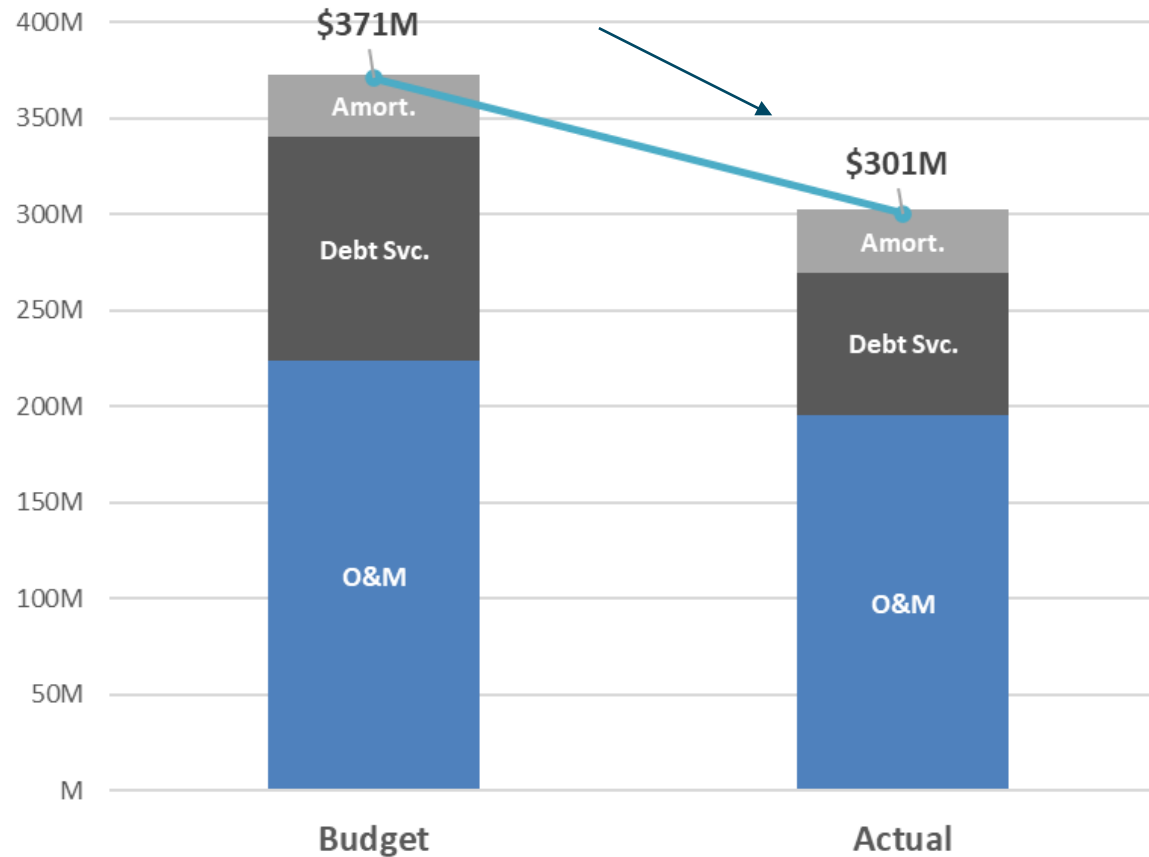


Note: The Actuals for Operating Expenses includes the DRS Pension Credit

\$45.7M or 13.4% Favorable

- **Main driver of under-run is due to the Pension Credit of \$47.5M** – without the Pension Credit, Payroll costs would have been \$5.2M over the budget, driven by over-run in Fire and Maintenance departments.
- **Without the Pension Credit, over-run of approx. \$1.8M over-run is mainly due to the snow removal impact in December 2021.**

Aero Rate Base Revenue Requirements



Drivers to lower Aeronautical Revenue are:

- **Federal Relief \$59M to lower Debt Service**
- **Pension Credit of approx. \$28M applied to O&M**

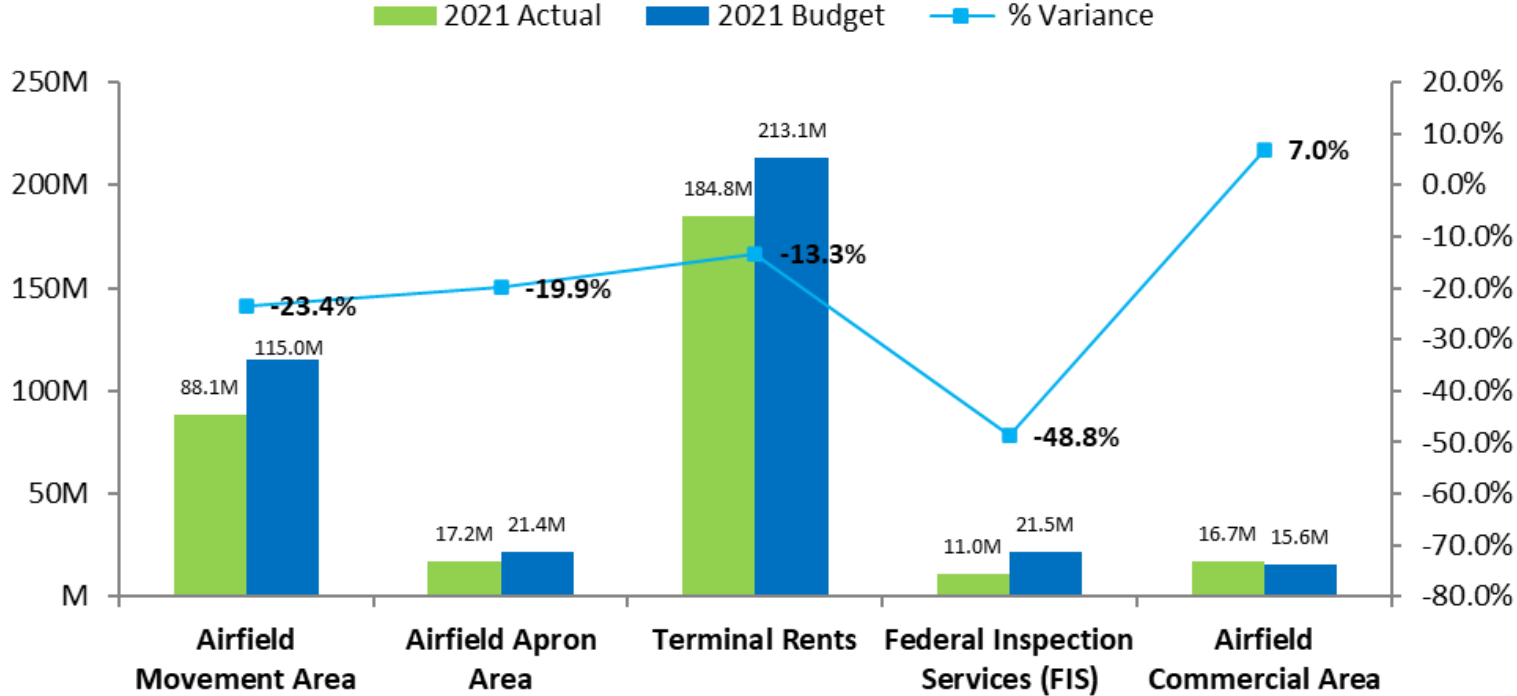
* Airfield Commercial is excluded from Aero Rate Base

Aeronautical Revenue

Budget
\$387M

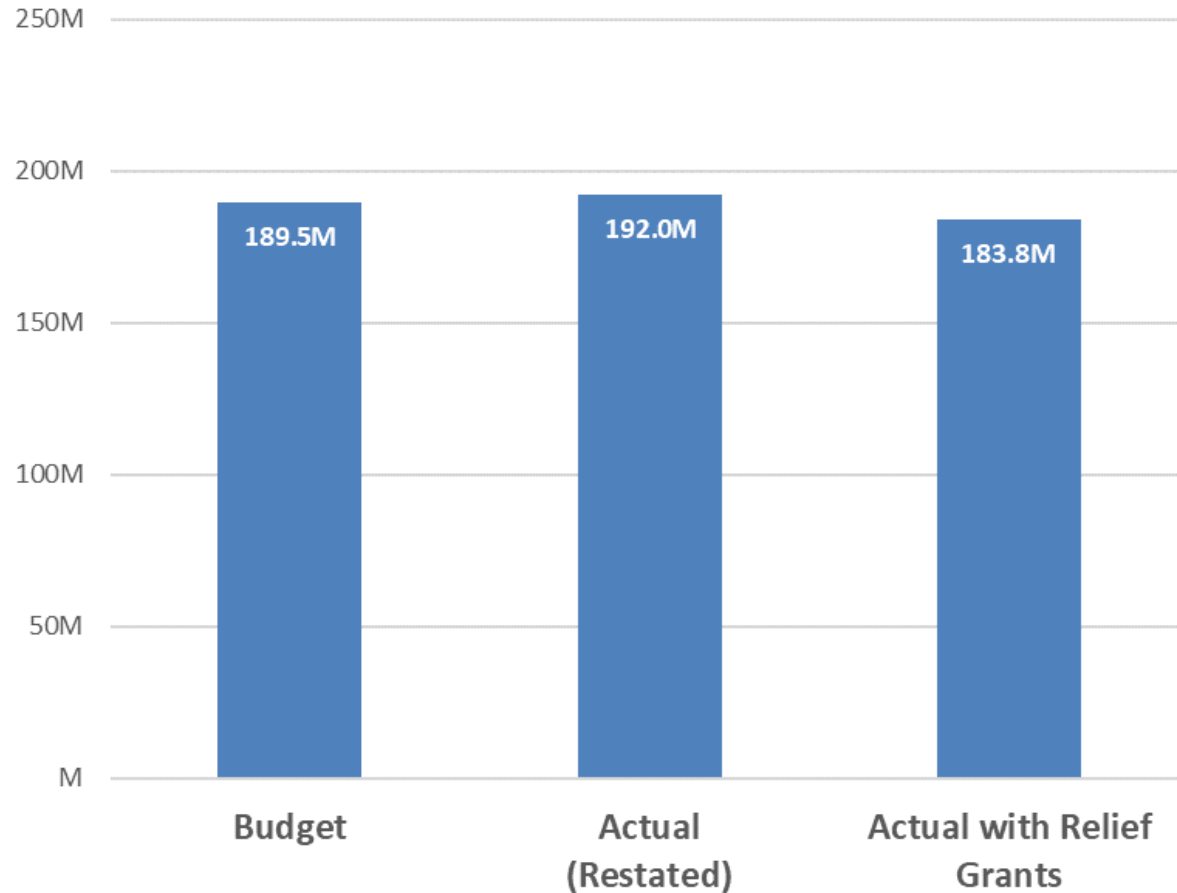
↓ 18%

Actual
\$318M



Applied **\$59M** of **Federal Relief** grants and **Pension Credit** of approx. **\$28M** which lowered revenue requirements (aka costs to recover from Airlines)

Non-Aero Revenue Concessions Grant Impact



\$183.8M includes
Concessionaire Relief
CRRSAA Grant of **\$5.4M** ,
and Pension Contra
Revenue of **\$2.8M**

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

Note: ARPA \$21.4M federal Concessionaire Relief grant now expected to fund in 2022.

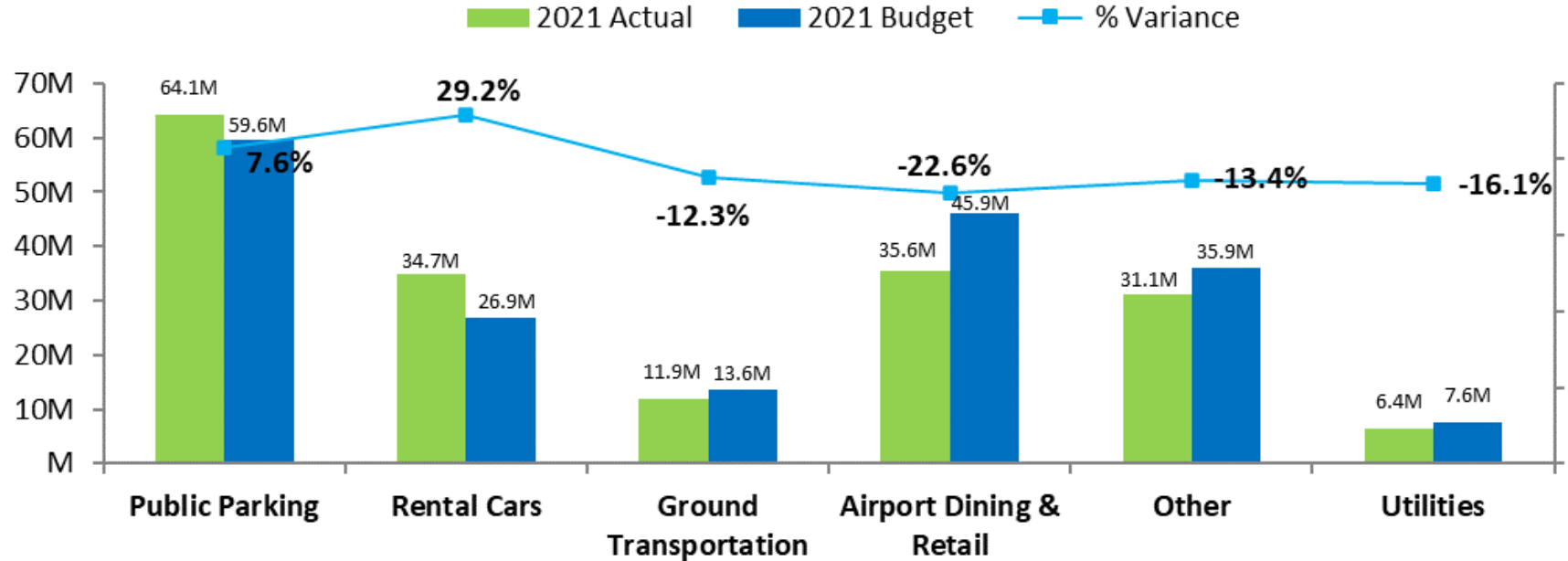
Non-Aeronautical Revenues

Most Non-Aero activity closely aligned with PAX volume recovery

Budget
\$189.5M

↓ 3%

Actual
\$183.8M



Actuals include Concessionaire Relief CRRSAA Grant of **\$5.4M** and Pension Contra Revenue of **\$2.8M**.

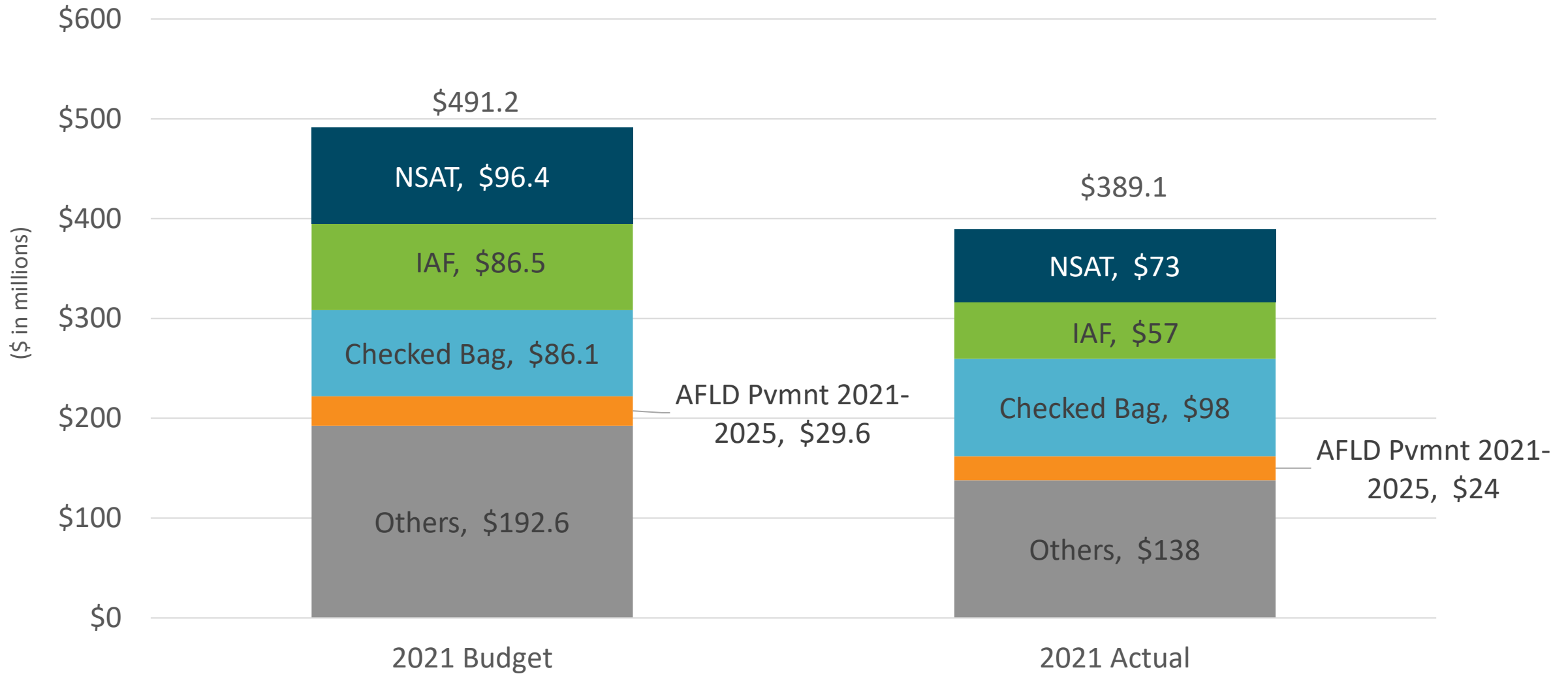
Strategic use of Federal Relief Grants to Achieve Debt Service Coverage Target

in \$000's	2020 Actual	2021 Budget	2021 Actual	Variance
Revenues				
Aero	297,909	386,668	317,513	(69,155)
Non-aero	116,473	189,548	183,819	(5,729)
Total Revenues	414,382	576,216	501,332	(74,884)
O&M	329,680	339,908	294,217	45,691
NOI	84,702	236,308	207,115	(29,193)
Federal Relief Grants Non-op	43,257	3,500	3,390	(110)
Concession Rent Relief Grants	-	-	5,354	5,354
CFC Excess	-	-	(2,018)	(2,018)
Other net non-operating	5,604	2,543	2,925	382
Available for debt service	133,562	242,351	216,766	(25,585)
Debt Service				
Gross debt service (net of cap i)	249,555	279,880	288,361	(8,481)
CFC offset	(13,601)	(19,159)	(14,168)	(4,991)
PFC offset	(36,390)	(47,549)	(54,076)	6,527
Federal Relief Grants DS offset	(103,891)	(34,399)	(91,675)	57,276
Net Debt Service	95,673	178,772	128,442	50,330
Debt Service Coverage	1.40	1.36	1.69	0.33

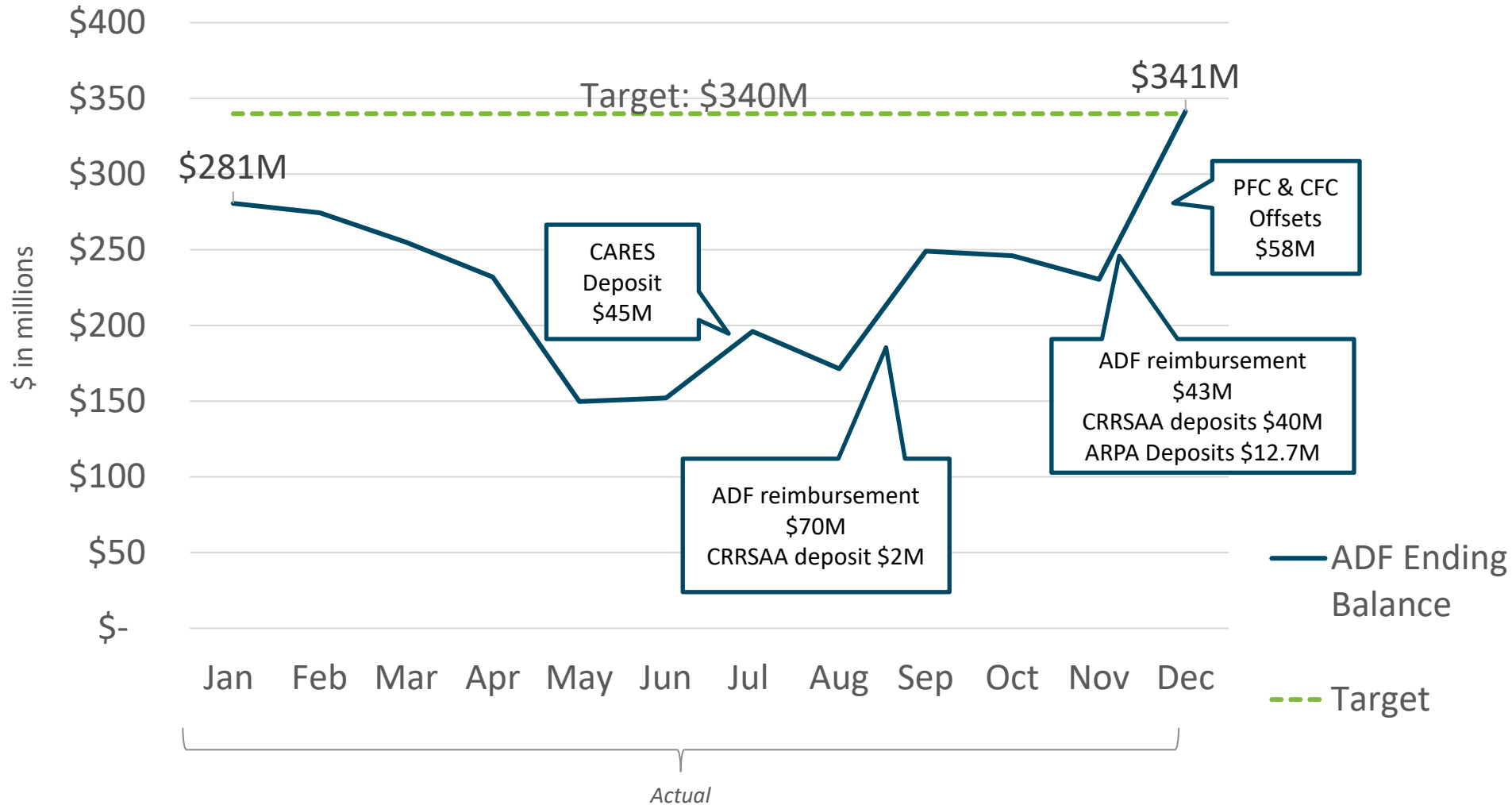
- Aero revenues 2021 actual is lower due to additional CRRSAA and ARPA grants not in the budget.
- Non-aero revenues is net after the concession rent relief.
- Gross debt service includes CP principal paydown.
- Higher PFC offset available from the PFC backed bond refunding to revenue bonds.
- Lower CFC offset due to the use of Federal Relief grants to offset RCF debt service.

Note: DS Coverage is "airport only debt service coverage, calculated in accordance with airline agreement".

2021 Capital Spending: 79% of Budget



2021 Airport Development Fund Balance



- 2021 ending balance at \$341m, slightly above target of \$340M (12 months of O&M) in 2021.
- Decision to move more of ARPA grant to 2022 upon higher pension credit reducing 2021 airline settlement surplus.

Federal Relief Bolstering Key Financial Metrics

SEA Grant Summary				
\$ in millions				
Grants Received: \$383.9				
CARES	\$192.1			
CRRSA		\$37.4		
ARPA		\$154.4		
<i>*excludes concessions grants</i>				
Grants Applied	2020 Actual	2021 Actual	2022 Budget	Total
Total Airline Benefits	94.3	61.5	71.8	227.5
Non-Airline Benefit **	52.9	33.5	26.2	112.7
Total Federal Funding Applied	\$147.1	\$95.1	\$98.0	\$340.2
Cumulative Remaining	\$45.0	\$141.7	\$43.7	\$43.7
Airline Benefit	64%	65%	73%	67%
Non-Airline Benefit **	36%	35%	27%	33%
Grant Usage				
Debt Service	\$103.9	\$91.7	\$82.8	\$278.4
O&M	\$43.3	\$3.4	\$15.2	\$61.8
<i>** Grants are shown after allocations</i>				
Concessions				
CRRSAA		5.4		5.4
ARPA			21.4	21.4
GRAND TOTAL: COVID RELIEF	\$147.1	\$100.4	\$119.4	\$410.6

- Total Federal Relief Grants used in 2021 was \$100.4M
 - \$61.5M used to reduce airlines rates and charges
 - \$33.5M used for non-aero debt service
 - \$5.4M reduced concessions billings
- 2022 Budget includes:
 - \$98M Federal Relief grants
 - \$21.4M to reduce concessions billings
- Remaining \$43.7 million can be used in 2022 or 2023

Seaport

2021 Financial Performance Report



Seaport Performance Summary

	2019	2020	2021	2021	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
Revenues								
Maritime	59,289	42,111	48,331	45,280	3,051	7%	6,219	15%
Economic Development Division	21,151	9,470	9,294	13,348	(4,054)	-30%	(176)	-2%
Joint Venture	50,986	37,563	54,577	40,825	13,752	34%	17,014	45%
Total Revenue	131,426	89,144	112,202	99,453	12,749	13%	23,058	26%
Expenses								
Maritime	48,644	50,228	40,714	50,243	9,529	19%	(9,514)	-19%
Economic Development Division	27,137	20,611	18,164	21,413	3,249	15%	(2,447)	-12%
Joint Venture	4,699	1,063	1,708	1,377	(331)	-24%	645	61%
Total Expense	80,480	71,902	60,586	73,033	12,446	17%	(11,315)	-16%
*NOI Before Stormwater Utility	50,945	17,242	51,615	26,420	25,196	95%	34,373	199%
Stormwater Utility Revenues	5,839	6,374	6,260	6,464	(204)	-3%	(114)	-2%
Stormwater Utility Expenses	5,233	4,740	4,544	5,958	1,414	24%	(195)	-4%
Stormwater Utility NOI	606	1,635	1,716	506	1,209	239%	81	5%
Total Non-Aviation Business NOI	51,551	18,876	53,331	26,926	26,405	98%	34,454	183%

*Includes \$10M favorable pension adjustments in 2021

Budget Variance

- Favorable NWSA Distributable Income of **\$13.4M** & Cruise/Grain/Fishing, unfavorable Conference Revenue.
- Pension Adjustment – Revenue \$0.4M unfavorable, Expenses **\$10M** favorable.

Change from 2020

- A V-shaped recovery in Cargo.
- Return of Cruise.
- Pandemic cost-cutting initiatives.
- Pension Adjustment - \$7M Y/Y.

Maritime Division

2021 Financial Performance Report

Maritime Division

Financial Summary

<i>Figure in \$000s</i>	Actual	Budget	Variance
Revenues			
Fishing, Commercial, & Recreational Marinas	22,710	21,559	1,151
Cruise	9,517	8,558	959
Maritime Portfolio Mgmt.	10,392	10,259	133
Grain / Other	6,119	4,903	1,216
Total before Pension Impact	48,738	45,280	3,459
<i>Pension Revenue Adjustment</i>	<i>(408)</i>	<i>0</i>	<i>(408)</i>
Total after Pension Adjustment	48,331	45,280	3,051
O&M Expense			
Direct	18,510	20,904	2,394
Support Services	14,849	15,028	180
Central Services and Other	14,426	14,311	(115)
Total before Pension Impact	47,784	50,243	2,458
<i>Pension Expense Adjustment</i>	<i>(7,070)</i>	<i>0</i>	<i>7,070</i>
Total after Pension Adjustment	40,714	50,243	9,529
NOI before Pension Adjustments	954	(4,963)	5,917
NOI after Pension Adjustments	7,616	(4,963)	12,580
Capital Spending	18,923	26,195	7,272

Business Highlights

- Fishing, Commercial and Recreational Marinas exceeding revenue goals in the face of COVID.
- Successful Cruise season with 82 calls and 229K passengers.
- Grain Volumes up 11% Y/Y.
- Support Service Groups Completed:
 - Waterfront Project Management Transition.
 - Constructed Phase 1 of T5 Berth Modernization (North Berth).
 - Stabilization of T30 Bulkhead completed.
 - Stormwater outfall replacements at T18.
 - First Marine Stormwater Utility Strategic Plan.
 - Port's first ever Sustainable Fleet Plan.
 - Collection of \$3M in grants, insurance, and MOAs.
 - Negotiated 5-year Vessel Coordination Agreement with Suquamish Tribe & Muckleshoot Indian Tribes.

Maritime 2021 Financials

Excludes Pension Adjustments

Net Operating Income is \$5.9M favorable to budget and \$11.2M above 2020

- Revenue is \$3.5M above budget driven by higher-than-expected Cruise occupancy, grain volumes, and unanticipated T-91 dockage. Revenue increase from 2020 driven primarily by the return of Cruise passenger revenue.
- Expenses \$2.5M or 5% favorable to budget driven by payroll savings, tenant improvements timing, consulting costs, and maintenance. Expenses down \$4.6M Y/Y from lower Capital to Expense and Support Services.
- Capital spending was \$18.9M or 72% of \$26.2M budget.

	2019	2020	2021	2021	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
Total Revenues	59,289	42,111	48,738	45,280	3,459	8%	6,627	16%
Total Operating Expenses	50,609	52,357	47,784	50,243	2,458	5%	(4,573)	-9%
Net Operating Income	8,680	(10,246)	954	(4,963)	5,917	119%	11,200	109%
Depreciation	17,627	17,624	17,718	16,899	(819)	-5%	94	1%
Net Income	(8,947)	(27,870)	(16,764)	(21,862)	5,099	23%	11,106	40%

Note: Totals excluding impact of pension adjustment

Stormwater Utility Tracking to Budget

\$ in 000's	2019	2020	2021	2021	Fav (UnFav) Actual vs. Revised Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Revenue								
NWSA	1,206	1,422	1,662	1,503	158	11%	240	17%
Tenants Revenue	3,293	3,171	3,159	3,508	(349)	-10%	(12)	0%
Port Non-tenants Revenue	1,340	1,781	1,439	1,452	(14)	-1%	(342)	-19%
Total Revenues	5,839	6,374	6,260	6,464	(204)	-3%	(114)	-2%
Expenses								
SWU Direct	994	1,372	1,052	1,377	325	24%	(320)	-23%
Maintenance Expenses	3,039	2,460	2,631	3,636	1,005	28%	171	7%
Seaport Project Management	32	56	47	56	9	15%	(9)	-15%
Environmental & Sustainability	319	21	5	18	12	71%	(16)	-76%
Other Central Services	850	831	809	872	63	7%	(22)	-3%
Total Expenses	5,233	4,740	4,544	5,958	1,414	24%	(195)	-4%
NOI Before Depreciation	606	1,635	1,716	506	1,209	239%	81	5%
Depreciation	1,209	1,240	1,285	1,267	(17)	-1%	45	4%
NOI After Depreciation	(603)	395	431	(761)	1,192	-157%	36	9%

- 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 <i>Before GASB 87 Adjustment</i>	2020		2021		Fav (UnFav) Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Budget	\$	%	\$	%	
\$ in 000's								
Operating Revenue	184,327	202,466	192,042	10,424	5%	18,139	10%	
Operating Expense*	93,795	89,221	94,782	5,561	6%	(4,574)	-5%	
Operating Income*	90,532	113,245	97,260	15,985	16%	22,713	25%	
Cargo TEUs	3,320,379	3,736,206				415,827	13%	
Cargo Volume (Metric Tons)	36,115,724	37,653,477				1,537,753	4%	

**Excludes Depreciation*

Revenue – \$10.4M above budget and \$18.1M higher than 2020 driven by higher intermodal and equipment revenue of \$3.1 million, rent over MAG at T18 and the APL/CMA CGM Modification Agreement payment, offset by the delay in T5 opening which was budgeted for July 2021.

Operating Expenses – \$5.6M favorable to budget from a combination of lower administrative costs, deferred project/major repairs spending, and capitalization of budgeted expenses related to T5 reefer-plugs.

Joint Venture 2021 Financials

	2019	2020	2021	2021	Fav (UnFav) Actual vs. Budget		Incr (Decr) Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
Revenue								
NWSA Distributable Revenue	47,979	38,782	55,732	42,273	13,459	32%	16,951	44%
Contra Joint Venture Revenue	-	(1,913)	(1,952)	(1,952)	0	0%	(38)	2%
Subtotal Distributable Revenue from NWSA	47,979	36,869	53,781	40,322	13,459	33%	16,912	46%
Other Service Revenue Tenant Reimbursements	3,006	427	366	503	(137)	-27%	(61)	-14%
Port Revenue from NWSA Facilities		268	430	-	430		163	61%
Total Revenues	50,986	37,563	54,577	40,825	13,752	34%	17,014	45%
Expenses								
Maintenance Expenses	1,012	500	570	587	(17)	-3%	70	14%
JV Direct	3,439	626	1,157	180	977	543%	531	85%
Capital to Expense	-	-	140	-	140		140	
Security	-	-	74	-	74		74	
Environmental & Sustainability	127	22	147	333	(186)	-56%	125	563%
Cost Recovery	30	45	105	144	(40)	-27%	60	135%
Waterfront Project Management	20	(33)	(171)	10	(181)	-1791%	(138)	423%
Central Services / Other	71	(96)	(314)	123	(437)	-355%	(217)	225%
Total Expenses	4,699	1,063	1,708	1,377	331	24%	645	61%
NOI Before Depreciation	46,287	36,499	52,869	39,448	13,421	34%	16,370	45%
Legacy Depreciation for NWSA Facilities	16,204	15,187	14,997	15,113	(116)	-1%	(190)	-1%
NOI After Depreciation	30,083	21,313	37,872	24,335	13,537	56%	16,559	78%

Home Port Activities

Revenues:

- NWSA Distributable Revenue favorable to budget.
- 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.
- Pension adjustment of \$682K

Increased distributable income.

Maritime Achievements

- **Cruise** – Re-started the cruise business after a year off. Cruise lines agreed not to discharge wash water from their exhaust gas cleaning systems un the Puget Sound.
- **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 as evidence of Guest moorage rebounding from pandemic. Moorage deferral program ended after helping 33 customers maintain their monthly moorage.
- **Elliott Bay Fishing and Commercial Operations** - Welcomed the newly built 261' fishing vessel North Star to Terminal 91 and increased utilization of small cruise and research vessels; Exceeded budget by \$1.1M (25%).
- **Ship Canal** – Successful summer boating program bought in 88 monthly recreational customers to Fishermen's Terminal to use docks while fishing customers are out working.
- **Grain Terminal**– Demand for corn, soybeans, and sorghum generated decade high volumes of over 4.7M metric tons.

Economic Development Division

2021 Financial Performance Report



Economic Development Division

Financial Summary

<i>Figure in \$000s</i>	Actual	Budget	Variance
Revenues	9,294	13,348	(4,054)
O&M Expense			
EDD & Maritime	8,958	10,591	1,633
Maintenance	3,769	2,537	(1,232)
Diversity in Contracting	253	142	(111)
Tourism	1,877	2,481	603
*EDD Grants	889	1,060	171
Central Services and Other	4,814	4,603	(211)
Total before Pension Adj.	20,560	21,413	853
<i>Pension Adjustment</i>	<i>(2,396)</i>	<i>0</i>	<i>2,396</i>
Total Expenses	18,164	21,413	3,249
NOI	(8,870)	(8,065)	(805)
Capital Spending	4,311	5,647	1,336

*Includes \$150K for Maritime Innovation in Budget and Actuals

Business Highlights

- Slow recovery in Conference Centers.
- Maintained 95% occupancy despite ongoing COVID-19 challenges.
- Rent Deferrals:
 - 51 Applications
 - 37 Executed agreements
 - 34 Paid Off as of 12/31/21
 - 3 Currently in program

Economic Development Financial Highlights

Excludes Pension Adjustment

2021 Net Operating Income \$3.2M unfavorable to budget and \$646K higher than 2020

- Revenue unfavorable to budget by \$4.1M and \$176K lower than 2020 driven primarily by COVID-19 cancellations at the Conference and Event Centers and no variable concession revenue at Bell St Garage until June.
- Expenses favorable to budget by \$0.9M driven by less conferences and Tourism spend, offset by impact of Maintenance allocation change. Expenses are lower by \$0.8M Y/Y due to variable cost associated with lower Conference & Event Center volumes and reduced Central Service allocation expenses, offset by higher Maintenance costs and Washington Tourism Alliance.

- Capital spending was \$4.3M or 76% of \$5.6M budget.

	2019	2020	2021	2021	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
Total Revenues	21,151	9,470	9,294	13,348	(4,054)	-30%	(176)	-2%
Total Operating Expenses	27,841	21,382	20,560	21,413	853	4%	(822)	-4%
Net Operating Income	(6,690)	(11,912)	(11,266)	(8,065)	(3,201)	-40%	646	5%
Depreciation	3,647	3,611	3,841	3,216	(625)	-19%	229	6%
Net Income	(10,337)	(15,523)	(15,107)	(11,281)	(3,826)	-34%	417	3%

Note: Totals excluding impact of pension adjustment

EDD Program Advancements

- **Real Estate Management** – Maintained 95 percent occupancy across portfolio of economic development and maritime properties.
- **Real Estate Development** – Executed ground lease for T-106 redevelopment
- **Diversity in Contracting** - Invested 11.2 percent of total Port spend in WMBE businesses and utilized 285 WMBE enterprises (through Q3 2022).
- **Tourism** – International marketing efforts generated \$1.9+ million in earned media. 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** City grant partners helped over 1000 pandemic impacted businesses. Worked with Maritime Blue to support 2nd and 3rd Innovation Accelerator cohorts.

Central Services

2021 Financial Performance Report

Central Services

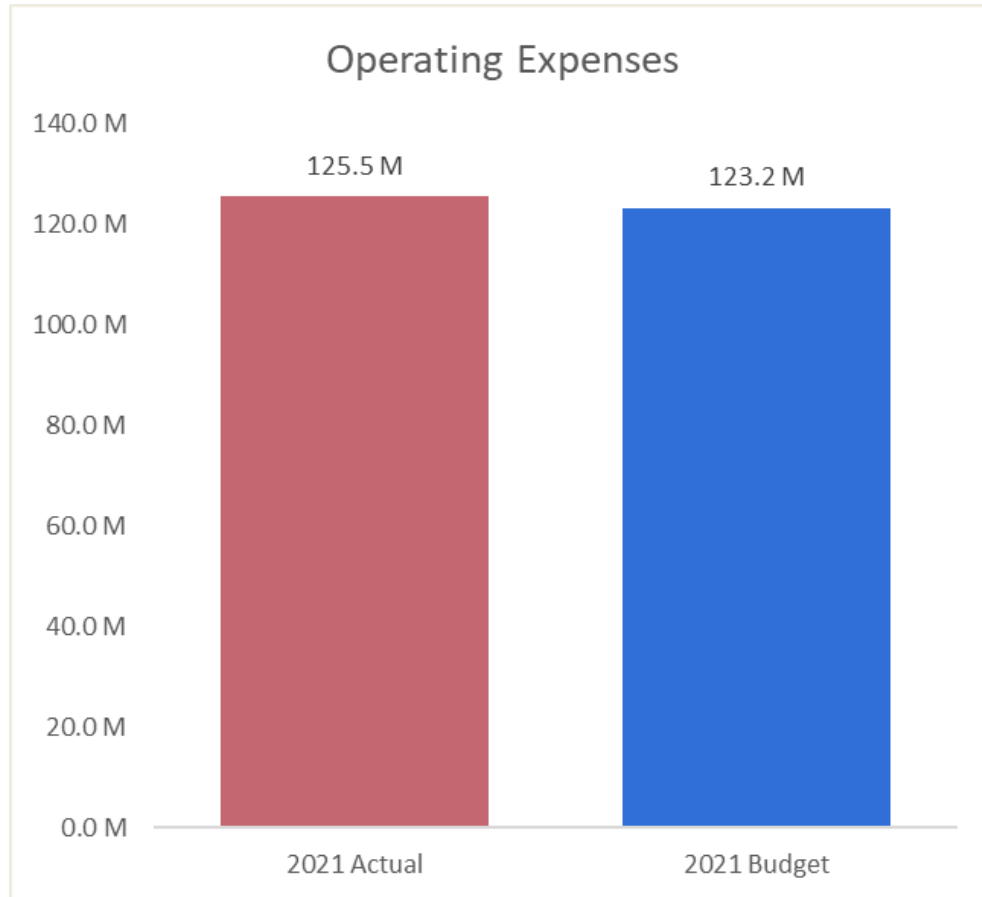
Financial Summary

<i>Figures in \$000s</i>	Actual	Budget	Variance
Operating Revenues	3,432	181	3,251
L2 Pension Subsidy	(3,665)	-	(3,665)
Revenues	(233)	181	(414)
Core Central Support Services	87,451	85,678	(1,773)
Police	28,678	28,317	(361)
Engineering/PCS	9,391	9,199	(192)
O&M Expenses w/o DRS Pension True-up	125,521	123,194	(2,327)
DRS Pension True-up Credit	(29,768)	-	29,768
O&M Expenses w/DRS Pension True-up	95,753	123,194	27,441
Capital Spending	5,436	9,658	4,222

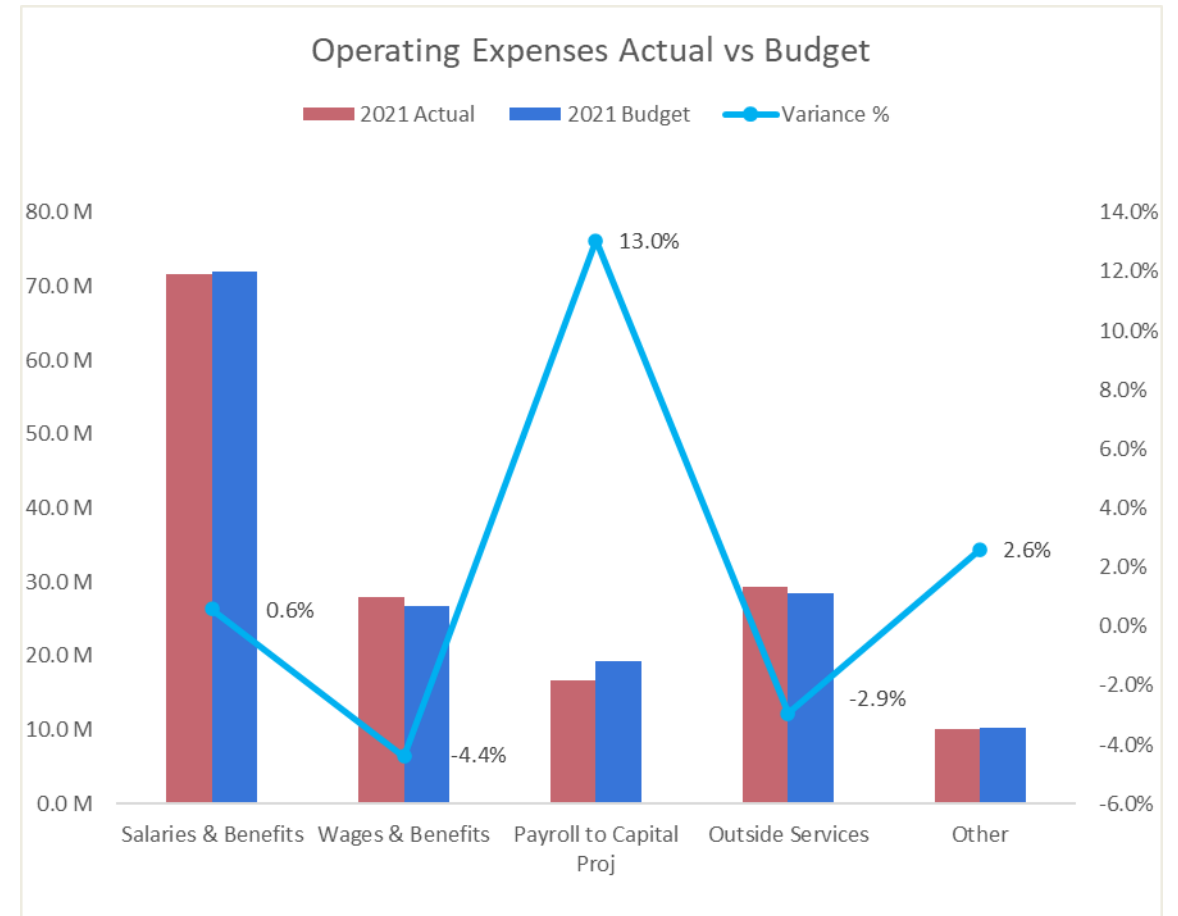
Business Highlights

- Announced a new partnership with the **Seattle Aquarium**, committing \$5M over five years for the development of the Aquarium's Ocean Pavilion project.
- Held **tree planting events** in SeaTac, Burien, and Des Moines as part of the **Green City Partnerships**.
- Acquired a **new cybersecurity awareness platform and defense solution** by transitioning to artificial intelligence integrated anti-phishing, spam filtering, and cybersecurity training tool.

Operating Expenses Summary

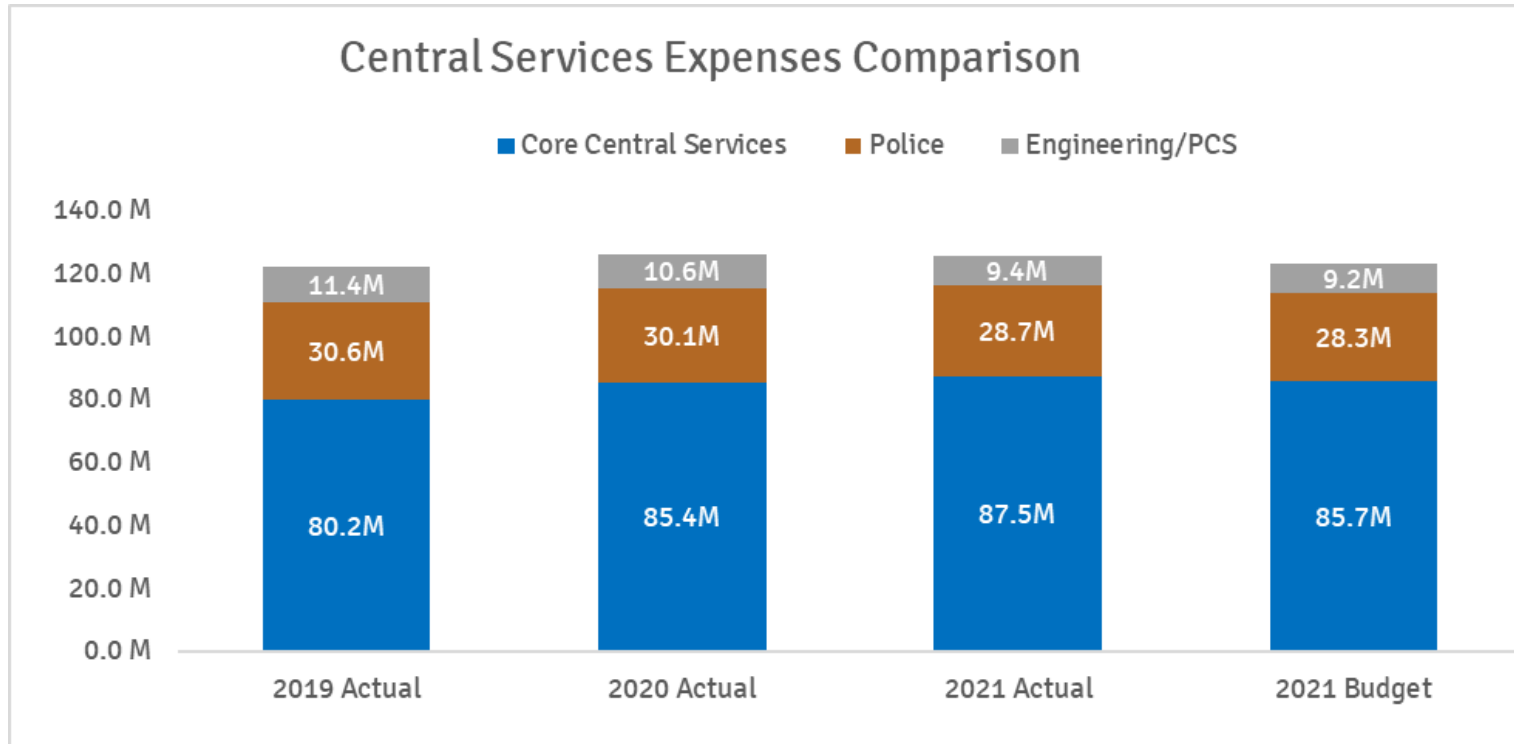


\$2.3M or 1.9% Unfavorable



- Charges to Capital Projects: **\$3.5M** less than budget
- Outside Services: **\$836K** over budget
- Other Expense: **\$269K** below budget

Central Services Financial Highlights



2021 Total Operating Expenses are \$2.3M unfavorable to the budget due to:

- Lower charges to Capital Projects
- Unbudgeted Outside Legal Services, partially offset by delays in contract spending

2021 Total Operating Expenses are \$542K lower compared to 2020 due to:

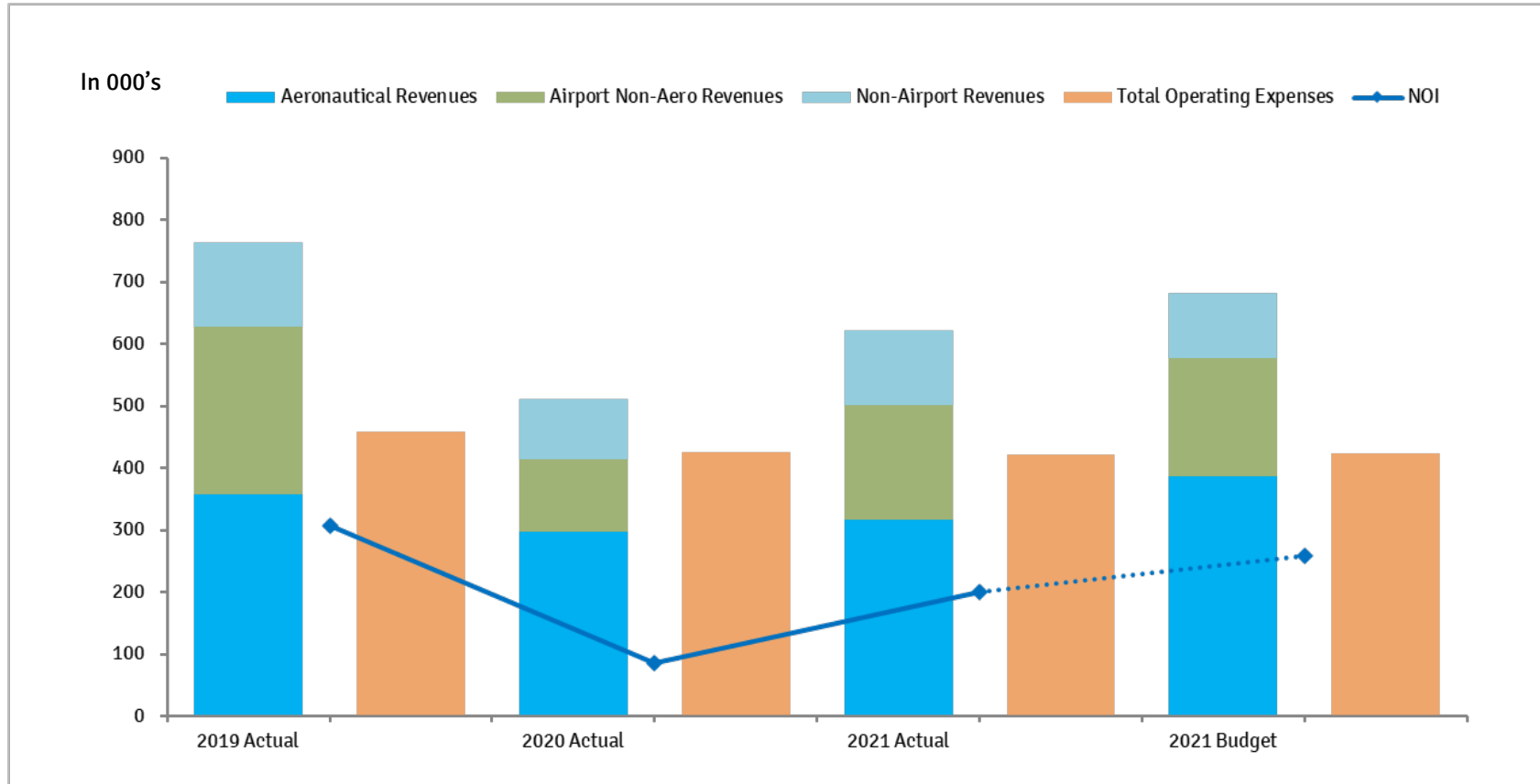
- Lower Outside Services costs due to project delays in 2021
- Lower Equipment spending in 2021 due to slow start of PC Refresh and unplanned higher spend in 2020
- Lower Travel and Other Employee Expenses
- Lower 2021 spending is partially offset by higher Insurance Expense and lower charges to Capital Projects

Port Wide

2021 Financial Performance Report



Port Wide Financial Summary



- Total Operating Revenues: \$59.1M lower than budgeted mainly due to applying Federal Relief grants to offset Aero revenue requirements.
- Total Operating Expenses: \$1.0M favorable to budget mainly due to delay in Outside Services spending, vacant positions, and lower Utilities and Third-Party Management Operating Expense.
- NOI before Depreciation: \$58.1M unfavorable to the budget (but \$114.5M higher than 2020)

Comprehensive Financial Summary

(\$ in 000's)	2019	2020	2021	2021	Fav (UnFav) Actual vs. Budget Variance		Explanation
	Actual	Actual	Actual	Budget	\$	%	
Revenues							
1. Operating Revenues	764,174	510,828	621,755	680,861	(59,106)	-8.7%	Lower Aero revenues due to federal relief grants
2. Tax Levy	73,801	76,196	78,311	78,676	(365)	-0.5%	In line with budget
3. PFCs	100,004	34,637	72,845	67,990	4,855	7.1%	Actual included true-up from 2020
4. CFCs	22,355	15,429	24,271	24,168	103	0.4%	In line with budget
5. Fuel Hydrant	6,742	6,886	7,010	7,022	(12)	-0.2%	In line with budget
6. Non-Capital Grants & Donations	2,880	149,913	105,988	40,908	65,080	159.1%	More federal relief grants
7. Capital Contributions	17,736	20,909	47,632	74,911	(27,278)	-36.4%	Less TSA OTA grants
8. Interest Income	54,078	41,406	(5,386)	13,158	(18,544)	-140.9%	Unrealized loss on investments
Total	1,041,771	856,203	952,428	987,694	(35,266)	-3.6%	
Expenses							
1. O&M Expense (w/o Pension Credit)	458,112	425,904	422,372	423,412	1,040	0.2%	In line with budget
2. DRS Pension True-up Credit	(16,412)	(17,223)	(57,716)	-	57,716	0.0%	Unbudgeted DRS pension credit
3. Depreciation	174,903	180,086	190,683	176,509	(14,173)	-8.0%	More new assets came into service
4. Revenue Bond Interest Expense	105,601	133,149	132,925	155,990	23,066	14.8%	Lower rates and issuance costs than budgeted
5. GO Bond Interest Expense	12,493	11,850	11,004	11,268	264	2.3%	In line with budget
6. PFC Bond Interest Expense	3,547	2,670	1,041	2,539	1,498	59.0%	Lower rates than budgeted
7. Public Expense	12,986	6,658	9,769	10,144	375	3.7%	In line with budget
8. Non-Op Environmental Expense	118	5,971	7,495	10,200	2,705	26.5%	Due to project delay
9. Other Non-Op Rev/Expense	19,536	22,033	19,469	2,413	(17,056)	-707.0%	Retired C1 Baggage System & Water Systems
Total	1,212,585	1,179,779	1,101,699	1,215,887	114,189	9.4%	
Special Item	-	-	34,907	-	(34,907)	0.0%	Env Reserve for T-25 Clean-up & Habitat Restoration
Change In Net Assets	(170,814)	(323,576)	(184,178)	(228,193)	44,016	-19.3%	

Community Programs Summary

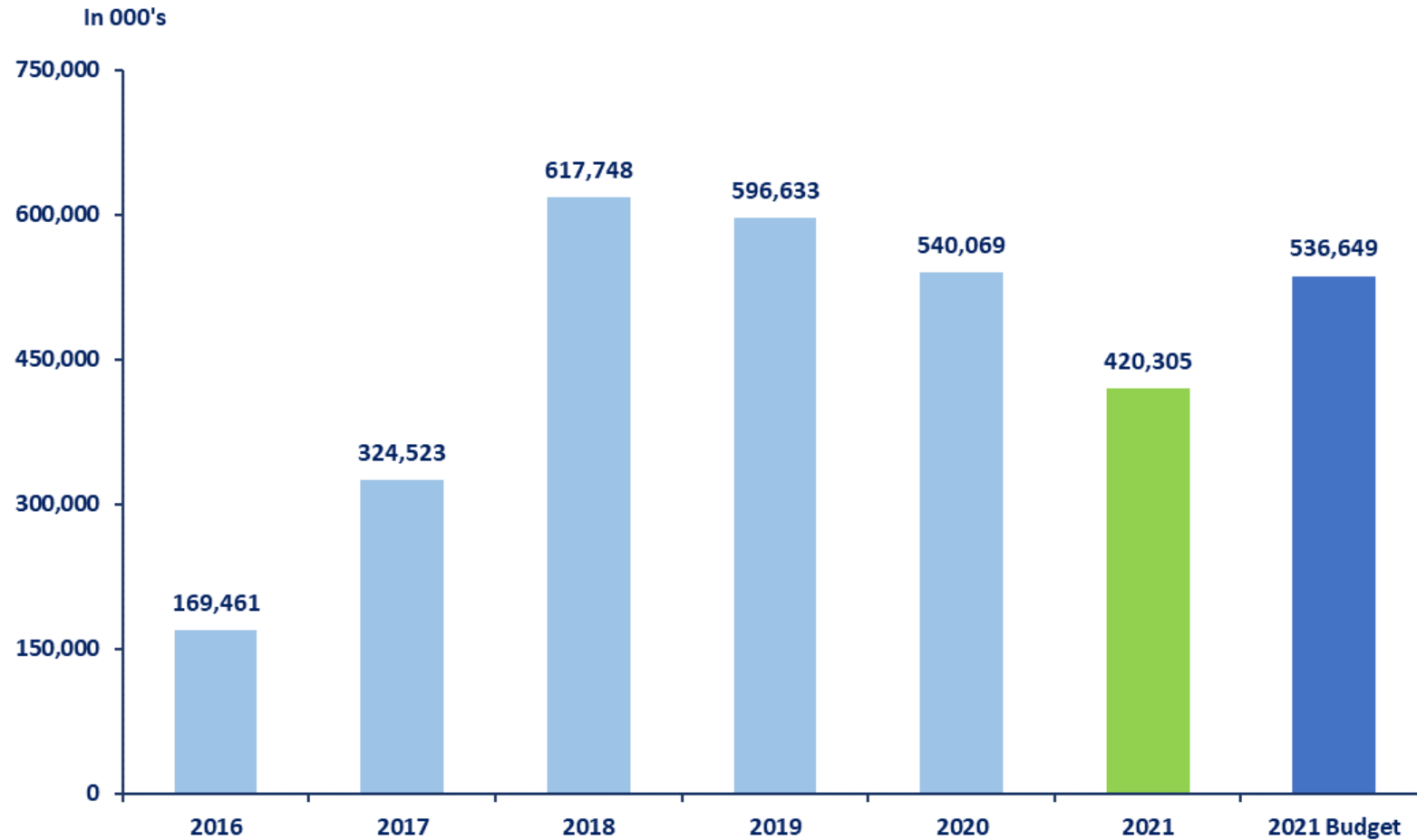
Program (\$ in \$000)	2019 Actual	2020 Actual	2021 Actual	2021 Budget	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2020	
					\$	%	\$	%
1) Energy & Sustainability Fund *	283	5	160	373	213	57.0%	156	3311.8%
2) Airport Community Ecology (ACE) Fund *	260	168	154	212	58	27.5%	(14)	-8.5%
3) South King County Community Impact Fund (SKCCIF)*	-	80	848	2,000	1,152	57.6%	768	960.4%
4) Duwamish Valley Community Equity Program	-	272	304	275	(29)	-10.4%	32	11.8%
5) EDD Partnership Grants	763	865	771	910	139	15.3%	(94)	-10.9%
6) Tourism Marketing Support Program ¹	1,374	989	1,917	2,481	563	22.7%	928	93.8%
7) Airport Spotlight Ad Program ^{2&3}	934	(327)	269	382	113	29.5%	596	-182.5%
8) City of SeaTac Community Relief * ²	1,400	1,400	1,400	1,400	-	0.0%	-	0.0%
9) Maritime Blue (formerly Maritime Innovation Center)	-	45	118	150	32	21.1%	73	163.1%
10) Workforce Development ¹	1,793	3,774	4,031	4,682	651	13.9%	257	6.8%
a. Opportunity Youth Initiative ⁴	-	1,338	1,721	2,000	279	13.9%	383	28.6%
11) High School Internship Program	529	295	317	500	184	36.7%	21	7.3%
12) Diversity in Contracting ¹ & ⁵	928	1,084	1,092	1,510	418	27.7%	8	0.8%
a. Small Bus. Accelerator (DIC)	-	80	243	180	(63)	-34.7%	163	203.1%
13) Equity, Diversity & Inclusion ¹	568	964	1,149	1,062	(88)	-8.2%	186	19.3%
14) Sustainable Aviation Fuels & Air Emissions Program	-	-	-	250	250	100.0%	-	n/a
15) Low Carbon Fuel Standard Support	-	118	87	75	(12)	-15.7%	(31)	-26.5%
TOTAL w/o DRS Pension True-up Credit	8,833	9,652	12,375	16,081	3,706	23.0%	2,724	28.2%
DRS Pension Credit True Up	(107)	(160)	(532)	-	532	n/a	(372)	232.3%
TOTAL w/ DRS Pension True-up Credit	8,725	9,492	11,843	16,081	4,238	26.4%	2,352	24.8%

- The pandemic affected the implementation of several programs: ACE grants, E&S projects, SAF, and SKCCIF.
- \$2.0M Opportunity Youth Initiative budget was added in May 2021 following the successful inaugural launch in 2020.
- Duwamish Valley Community Equity Program funded the opening of the Community Hub in the Duwamish Valley.
- Airport Spotlight program spending reflect the current Fair Market Value of the ad space, lower than originally anticipated.

Notes:

- 1) DRS Pension True-up Credit excluded from department actuals.
 - 2) Budgeted as Non-ops Expenses.
 - 3) Free advertising space provided at the Airport. FAA requires that lost revenue be reimbursed to the Airport.
 - 4) OYI Budget of \$2.0M was added in May 2021; rolls up to Workforce Development total.
 - 5) A portion of the SKCCIF budget is in Diversity in Contracting for 2021. Budget/Actual adjusted to avoid double counting.
- * Program with total designated funding limit.

Port Wide Capital Spending



- Total 2021 capital spending was \$420.3M, 78.3% of the budget

Aviation Division Appendix

2021 Financial Performance Report



Airport Activity

	2019 YE	2020 YE	2021 YE	% Change from 2020
Total Passengers (000's)				
Domestic	46,101	18,689	34,485	84.5%
International	5,728	1,357	1,669	23.0%
Total	51,829	20,045	36,154	80.4%
Operations	450,487	296,048	374,510	26.5%
Landed Weight (In Millions of lbs.)				
Cargo	2,485	2,713	2,920	7.6%
All other	29,078	17,485	23,664	35.3%
Total	31,562	20,198	26,584	31.6%
Cargo - Metric Tons				
Domestic freight	306,669	351,339	366,312	4.3%
International & Mail freight	146,879	101,157	132,428	30.9%
Total	453,548	452,496	498,740	10.2%

2021 Year End Passenger volume:

- 2021 Year End passenger volume is 30.2% lower than Year End 2019 pre-pandemic levels, and 80.3% higher than 2020.

Aviation Financial Summary

Financial Summary (\$ in 000's)	2019	2020	2021	2021	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Operating Revenue								
Aeronautical Revenues	357,598	297,909	317,513	386,668	(69,155)	-17.9%	19,604	6.6%
Non-Aeronautical Revenues	269,037	116,473	183,819	189,548	(5,729)	-3.0%	67,346	57.8%
Total Operating Revenues	626,636	414,382	501,332	576,215	(74,884)	-13.0%	86,950	21.0%
Operating Expenses								
Airport Direct Charges	245,114	235,854	218,644	240,071	21,427	8.9%	(17,210)	-7.3%
Environmental Remediation Liability	15,900	(2,361)	1,583	2,001	418	20.9%	3,943	-167.0%
Capital to Expense	2,089	2,588	1,254	-	(1,254)		(1,334)	-51.5%
Charges from Other Divisions	92,141	93,599	72,736	97,836	25,099	25.7%	(20,863)	-22.3%
Total Operating Expenses	355,245	329,680	294,217	339,908	45,691	13.4%	(35,463)	-10.8%
Net Operating Income	271,390	84,702	207,114	236,308	(29,193)	-12.4%	122,412	144.5%
CPE	12.86	26.50	15.94	19.62	3.67	0.19	(10.56)	-39.8%
Non-Aero NOI (\$ in 000s)	6,671	93,175	92,132	82,742	9,390	11.3%	(1,043)	-1.1%
Enplaned passengers (in 000s)	25,874	10,044	18,073	18,216	(143)	-0.8%	8,029	79.9%
Capital Expenditures (in 000s)	573,598	573,598	389,051	491,202	102,151	20.8%	(184,547)	-32.2%

Note: The Actuals for Operating Expenses includes the DRS Pension Credit

Key Performance Measures

	2019	2020	2021	2021	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2020	
	Actual	Actual	Actual	Budget				
					\$	%	\$	%
Key Performance Metrics								
Cost per Enplanement (CPE)	12.86	26.50	15.93	19.62	3.68	18.8%	(10.57)	-39.9%
Non-Aeronautical NOI (in 000's) ¹	143,917	6,671	93,175	82,742	10,433	12.6%	86,504	1296.8%
Other Performance Metrics								
O&M Cost per Enplanement	13.73	32.82	16.28	18.66	2.38	12.8%	(16.55)	-50.4%
Non-Aero Revenue per Enplanement	10.40	11.60	10.17	10.41	(0.23)	-2.3%	(1.43)	-12.3%
Debt per Enplanement (in \$)	133	326	198	171	(27)	-16.1%	(128)	-39.3%
Debt Service Coverage	1.68	1.40	1.69	1.36	0.33	24.7%	0.29	20.7%
Days cash on hand (10 months = 304 days)	314	327	423	369	54	14.7%	96	29.5%
Aeronautical Revenue Sharing (\$ in 000's)	(17,146)	1	-	-	-	0.0%	(1)	100.0%
Activity (in 000's)								
Enplanements	25,874	10,044	18,073	18,216	(143)	-0.8%	8,029	79.9%
Total Passengers	51,748	20,087	36,146	36,432	(286)	-0.8%	16,058	79.9%

Aviation Expense YE Summary

Total Airport Expense Summary (\$ in 000's)	2019	2020	2021	2021	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Operating Expenses								
Payroll	144,051	152,895	134,567	153,293	18,726	12.2%	(18,328)	-12.0%
Outside Services	68,162	63,922	62,382	65,174	2,792	4.3%	(1,540)	-2.4%
Utilities	18,180	15,695	20,175	20,244	69	0.3%	4,480	28.5%
Other Expenses	14,721	3,341	1,519	1,359	(160)	-11.7%	(1,822)	-54.5%
Total Airport Direct Charges	245,114	235,854	218,644	240,071	21,427	8.9%	(17,210)	-7.3%
Environmental Remediation Liability	15,900	(2,361)	1,583	2,001	418	20.9%	3,943	-167.0%
Capital to Expense	2,089	2,588	1,254	-	(1,254)		(1,334)	-51.5%
Total Exceptions	17,989	227	2,837	2,001	(836)	-41.8%	2,610	1150.9%
Total Airport Expenses	263,104	236,081	221,481	242,072	20,591	8.5%	(14,600)	-6.2%
Corporate	65,729	68,316	56,711	69,767	13,057	18.7%	(11,605)	-17.0%
Police	22,290	22,150	13,916	23,964	10,047	41.9%	(8,233)	-37.2%
Maritime/Economic Development/Other	4,123	3,134	2,110	4,105	1,995	48.6%	(1,024)	-32.7%
Total Charges from Other Divisions	92,141	93,599	72,736	97,836	25,099	25.7%	(20,863)	-22.3%
Total Operating Expenses	355,245	329,680	294,217	339,908	45,691	13.4%	(35,463)	-10.8%

Note: The Actuals for Operating Expenses includes the DRS Pension Credit

Aeronautical Business YE

Aeronautical NOI (\$ in 000's)	2019	2020	2021	2021	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Rate Base Revenues								
Airfield Movement Area	123,436	84,906	88,061	115,037	(26,976)	-23.4%	3,155	3.7%
Airfield Apron Area	22,016	15,146	17,146	21,418	(4,272)	-19.9%	2,000	13.2%
Terminal Rents	205,283	171,607	184,625	213,147	(28,522)	-13.4%	13,018	7.6%
Federal Inspection Services (FIS)	12,321	8,616	10,978	21,454	(10,475)	-48.8%	2,362	27.4%
Total Rate Base Revenues	363,057	280,275	300,810	371,056	(70,245)	-18.9%	20,536	7.3%
Airfield Commercial Area	11,687	17,633	16,702	15,612	1,090	7.0%	(931)	-5.3%
Subtotal before Revenue Sharing	374,744	297,908	317,513	386,668	(69,155)	-17.9%	19,605	6.6%
Revenue Sharing	(17,146)	1	-	-	-		(1)	-100.0%
Total Aeronautical Revenues	357,598	297,909	317,513	386,668	(69,155)	-17.9%	19,604	6.6%
Total Aeronautical Expenses	236,959	219,878	203,573	233,102	29,528	12.7%	(16,304)	-7.4%
Aeronautical NOI	120,639	78,031	113,940	153,566	(39,626)	-25.8%	35,908	46.0%

Note: The Actuals for Aeronautical Expenses includes the DRS Pension Credit

Aero Cost Drivers

\$ in 000's	2020 Actual	2021 Budget	2021 Actual	Impact on Aero Revenues Budget vs Actual	
				\$	%
O&M ⁽¹⁾	213,775	227,420	198,065	(29,356)	-12.9%
Federal Relief Grants O&M	(22,507)	(3,500)	(2,571)	929	-26.6%
Net O&M	191,268	223,920	195,494	(28,426)	-12.7%
Debt Service Before Offsets	166,848	193,302	187,134	(6,168)	-3.2%
Debt Service PFC Offset	(36,390)	(47,549)	(54,076)	(6,527)	13.7%
Federal Relief Grants Debt Service	(71,763)	(29,399)	(58,878)	(29,478)	100.3%
Net Debt Service	58,694	116,354	74,180	(42,173)	-36.2%
Amortization	32,359	32,681	32,511	(170)	-0.5%
Space Vacancy	(1,083)	(1,141)	(1,102)	40	-3.5%
TSA Operating Grant and Other	(960)	(758)	(687)	71	-9.4%
Rate Base Revenues	280,279	371,056	300,397	(70,659)	-19%
Commercial area	17,633	15,612	16,702	1,090	7%
Total Aero Revenues	297,912	386,668	317,099	(69,569)	-18%

2021 Actual to 2021 Budget

O&M – \$29M lower primarily due to Aero portion of pension credit (Movement, Terminal, Apron, Baggage & FIS) plus additional FIS savings due IAF opening delay offset by small variances in other areas. If not for Pension Credit, O&M amount would be very close to budget.

Debt Service before Offsets: 3rd runway PFC debt was refunded with revenue bond which increased debt service and offset with refunding savings.

PFC Offset \$7M 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:

- **O&M Impact** - Reducing \$2.6M from Rate Base
- **Debt Service Impact** - Reducing \$59M from Rate Base

Non-Aeronautical Business YE

(Includes Federal Concessionaire Relief grants)

Passenger Volume is up 80.4% compared to prior year

O&D Passenger Volume forecasted to be up 96.4% compared to prior year

Non-Aeronautical NOI (\$ in 000's)	2019	2020	2021	2021	Fav(UnFav) Actual vs. Budget Variance		Incr/(Decr) Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Non-Aeronautical Revenues								
Public Parking	82,125	34,502	64,104	59,597	4,507	7.6%	29,602	85.8%
Rental Cars	52,567	16,637	34,740	26,880	7,860	29.2%	18,104	108.8%
Ground Transportation	20,765	6,557	11,947	13,628	(1,681)	-12.3%	5,389	82.2%
Airport Dining & Retail	61,615	25,418	35,565	45,936	(10,371)	-22.6%	10,147	39.9%
Other	51,966	33,359	37,463	43,506	(6,043)	-13.9%	4,104	12.3%
Total Non-Aeronautical Revenues	269,037	116,473	183,819	189,548	(5,729)	-3.0%	67,346	57.8%
Total Non-Aeronautical Expenses	118,286	109,802	90,644	106,806	16,162	15.1%	(19,159)	-17.4%
Non-Aeronautical NOI¹	150,752	6,671	93,175	82,742	10,433	12.6%	86,504	1296.8%
Less: CFC Surplus	(6,834)	-	-	-	-		-	
Adjusted Non-Aeronautical NOI	143,917	6,671	93,175	82,742	10,433	12.6%	86,504	1296.8%

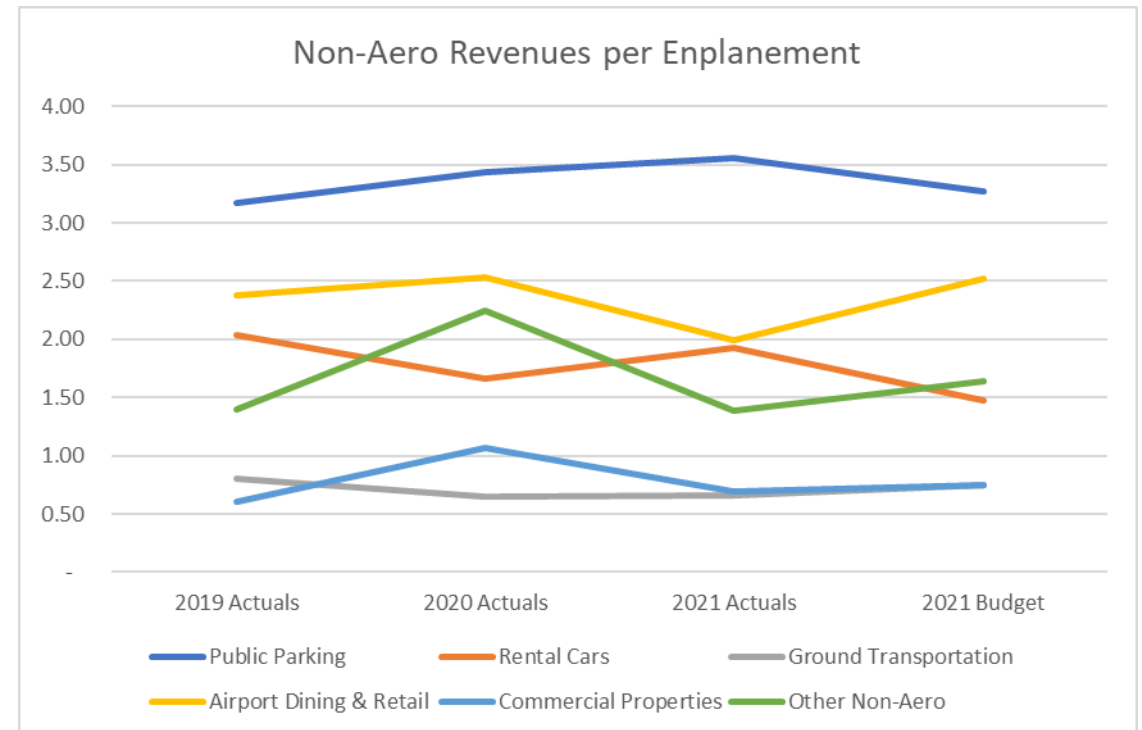
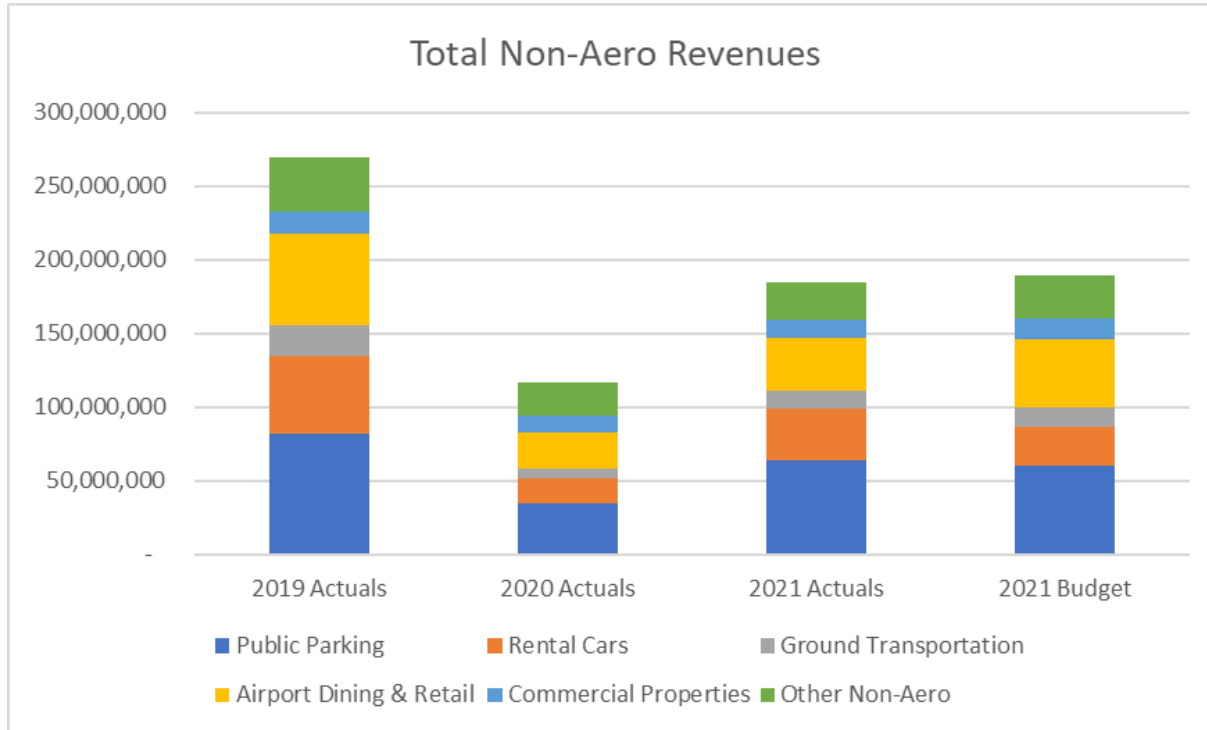
Note: The Actuals for Non-Aeronautical Expenses includes the DRS Pension Credit

2021 Actuals 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 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 recovery reflects shortage of labor and impact of slower recovery in international passenger volumes.

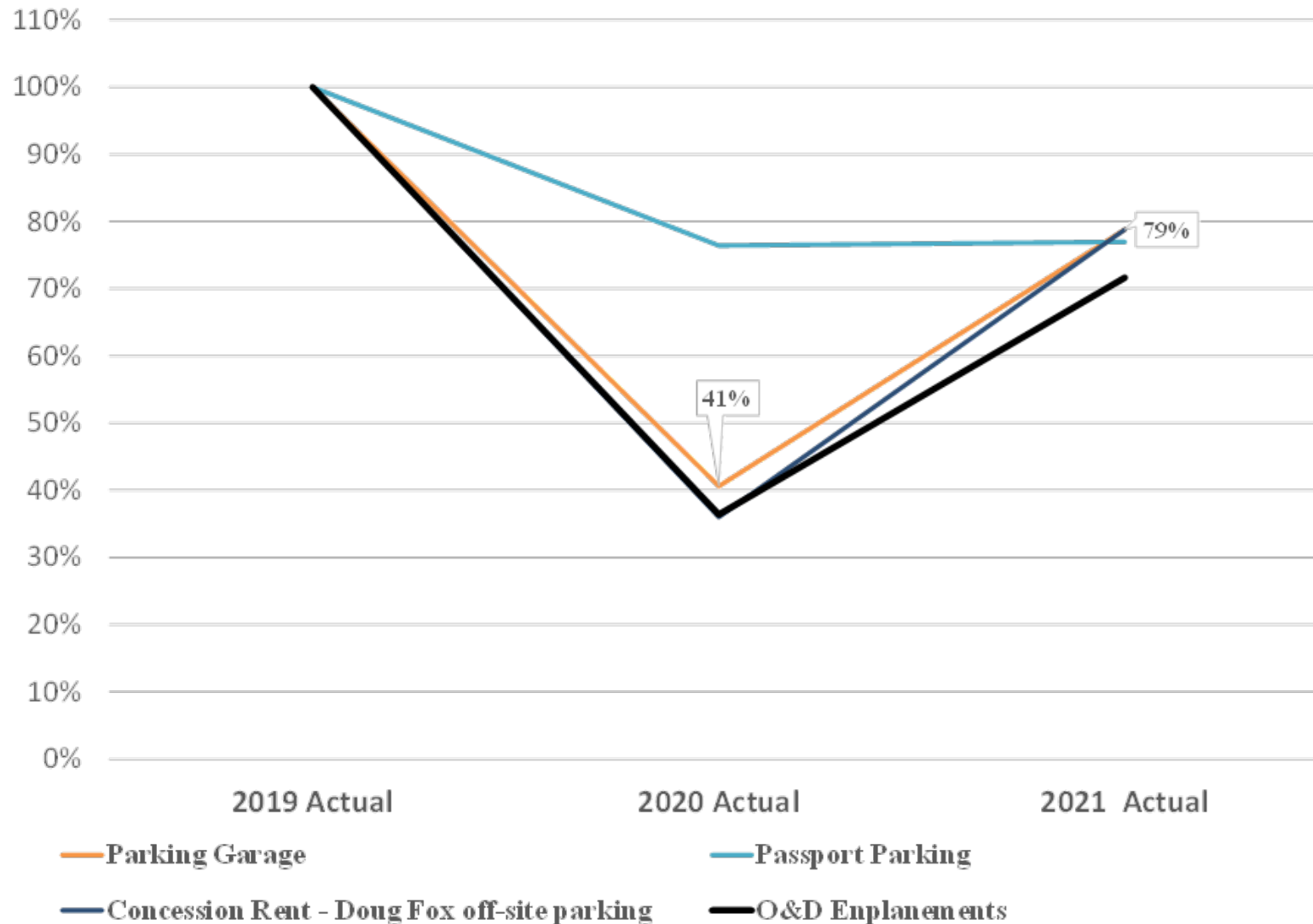
Non-Aero Revenue By Business Unit



Non-Aero Revenue overview:

- **2021 Non-Aero revenue results 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

Parking Revenue & O&D Enplanements as % of 2019 Actuals



Parking Overview:

- Public Parking revenue recovery performing better than change in passenger volumes
- Doug Fox (offsite lot) recovering inline with O&D enplanements.

Public Parking forecast recovers with O&D passenger increase

Passenger Volume forecasted to be up 81.4% compared to prior year

O&D Passenger Volume forecasted to be up 98.2% compared to prior year

Public Parking - Revenue Detail \$ in 000's	2019	2020	2021	2021	Fav (UnFav) Budget Variance		Incr (Decr) Prior Year Actuals		Incr (Decr) 2019 Actuals	
	Actual	Actual	Actual	Budget	\$	%	\$	%	\$	%
Parking Garage Revenue to Port										
General Parking/Terminal Direct	73,562	27,157	47,994	48,332	(338)	-0.7%	20,838	76.7%	(25,568)	-34.8%
PreBooking	217	2,935	11,268	5,570	5,698	102.3%	8,333	283.9%	11,051	5098.7%
Premier Corporate Parking	1,415	449	-	850	(850)	-100.0%	(449)	-100.0%	(1,415)	-100.0%
Passport Parking Program	3,582	2,738	2,758	2,790	(32)	-1.2%	20	0.7%	(824)	-23.0%
Total Parking Garage Revenue	78,776	33,278	62,020	57,542	4,478	7.8%	28,742	86.4%	(16,756)	-21.3%
Concession Rent - Doug Fox off-site parking	3,292	1,186	2,594	2,037	557	27.4%	1,408	118.8%	(698)	-21.2%
All Other Parking Revenue	56	38	27	18	9	51.1%	(11)	-28.1%	(29)	-51.8%
Total Parking Revenue	82,125	34,502	64,642	59,597	5,045	8.5%	30,140	87.4%	(17,483)	-21.3%
O&D Enplanements	18,163	6,614	13,013	12,387	626	5.1%	6,398	96.7%	(5,151)	-28.4%

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.

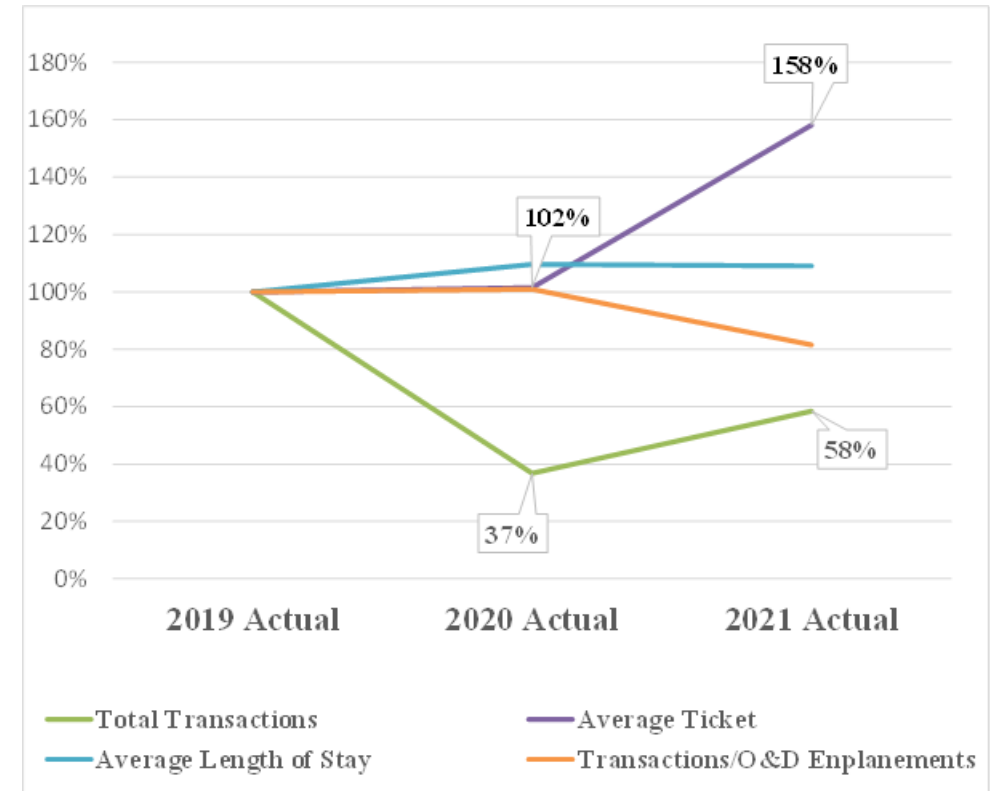
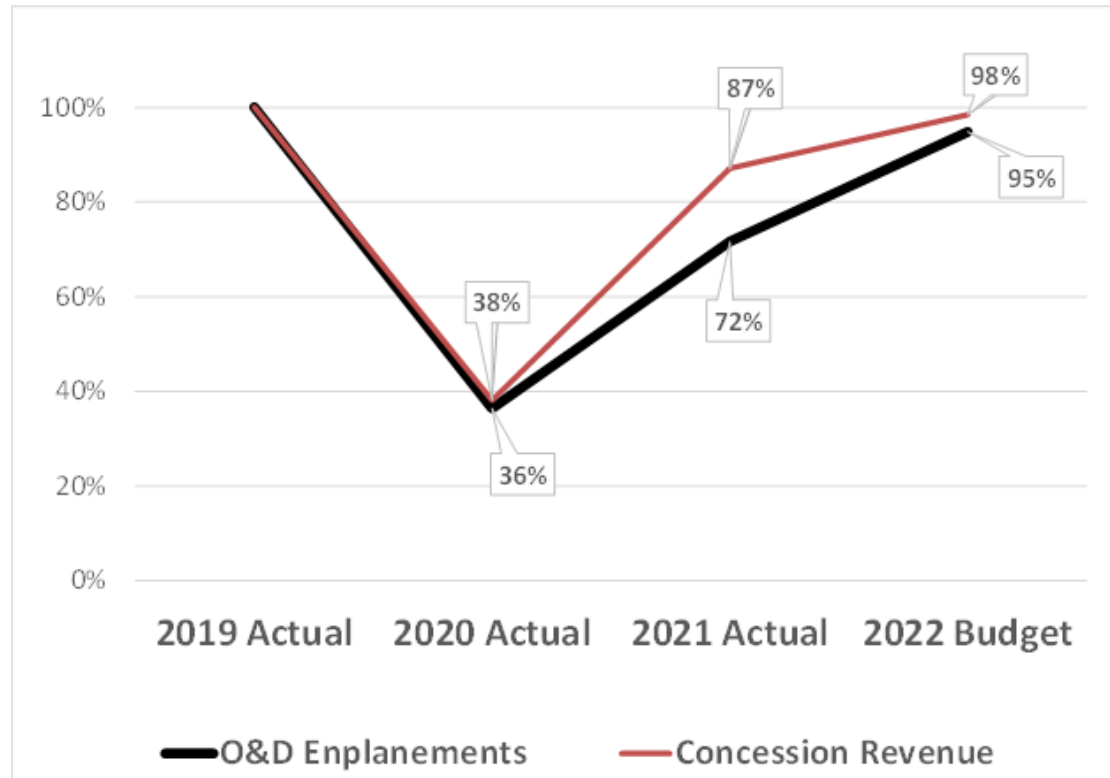
YE Public Parking metrics expected to reflect continued preference for close in self-parking

Public Parking Revenue Metrics in 000's	2019	2020	2021	2021	Fav / (UnFav) Budget Variance		Incr (Decr) Prior Year Actuals		Incr (Decr) 2019 Actuals	
	Actual	Actual	Actual	Budget	#	%	\$	%	\$	%
Total Enplanements	25,874	10,037	18,073	18,216	(143)	-0.8%	8,036	80.1%	(7,801)	-30.1%
O&D %	70.2%	65.9%	72.0%	68.0%	4.0%	5.9%	6.1%	9.3%	1.8%	2.6%
O&D Enplanements	18,163	6,614	13,013	12,387	626	5.1%	6,398	96.7%	(5,151)	-28.4%
Revenue per O&D Enplanement Metrics										
General Parking/Pre-Book/Premier Corporate	4.14	4.62	4.55	4.42	0.13	0.03	(0.06)	-1.4%	0.41	10.0%
Passport Parking Program	0.20	0.41	0.21	0.23	(0.01)	(0.06)	(0.20)	-48.8%	0.01	7.5%
Revenue per O&D Enplanement	4.34	5.03	4.77	4.65	0.12	0.03	(0.27)	-5.3%	0.43	9.9%
Concession Rent - Doug Fox off-site parking	0.18	0.18	0.20	0.16	0.03	0.21	0.02	11.2%	0.02	10.0%
All Other Parking Revenue	0.00	0.01	0.00	0.00	0.00	0.44	(0.00)	-63.5%	(0.00)	-32.7%
Total Parking per O&D Enplanement	\$ 4.52	\$ 5.22	\$ 4.97	\$ 4.81	\$ 0.16	3.2%	\$ (0.25)	-4.8%	\$ 0.45	9.9%

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 Car Key Metrics as % compared to 2019 Actuals



- Rental Car concession fee revenue similarly following enplanement recovery pattern
- Volatility in key metrics that impact Rental Car revenue
 - Average Ticket Price driven higher by shortages in rental vehicles and Transactions conversely impacted.

Rental Cars YE

Rental Car - Revenue Detail	2019	2020	2021	2021	Fav / (UnFav)		Incr (Decr)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Budget Variance		Prior Year Actuals		2019 Actuals	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%	\$	%
Total Enplanements	25,874	10,037	18,073	18,216	(143)	-0.8%	8,036	80.1%	(7,801)	-30.1%
O&D %	70.2%	65.9%	72.0%	68.0%	4.0%	5.9%	6.1%	9.3%	1.8%	2.6%
O&D Enplanements	18,163	6,614	13,013	12,387	626	5.1%	6,398	96.7%	(5,151)	-28.4%
Gross Sales by Operators	328,156	122,372	303,133	205,160	97,973	47.8%	180,761	147.7%	(25,023)	-7.6%
Total Transactions	1,414	519	826	892	(66)	-7.4%	307	59.1%	(588)	-41.6%
Average Ticket	\$232.06	\$235.57	\$ 366.87	\$ 230.00	\$136.87	59.5%	\$131.31	55.7%	\$134.81	58.1%
Average Length of Stay	4.49	4.93	4.90	4.60	0.30	6.6%	(0.03)	-0.5%	0.41	9.1%
Transactions/O&D Enplanements	7.79%	7.85%	6.35%	7.20%	-0.85%	-11.8%	-1.50%	-19.2%	-1.44%	-18.4%
CFC Revenue Summary										
Total Transaction Days	6,356	2,560	4,050	4,103	(53)	-1.3%	1,490	58.2%	(2,306)	-36.3%
CFC Rate per Transaction Day	\$6.00	\$6.00	\$6.50	\$6.50	\$0.00	0.0%	\$0.50	8.3%	\$0.50	8.3%
Total CFC Revenue	38,128	15,362	26,326	26,670	(343)	-1.3%	10,964	71.4%	(11,802)	-31.0%
Debt Service Reserve Requirement	(23,655)	(24,019)	(24,271)	(24,153)	(118)	0.5%	(252)	1.1%	(616)	2.6%
Residual - CFC Operating Revenue	15,773	-	2,018	2,501	(483)	-19.3%	2,018	N/A	(13,755)	-87.2%
Rental Car - Revenue Summary	2019	2020	2021	2021	Fav / (UnFav)		Incr (Decr)		Incr (Decr)	
\$ in 000's	Actual	Actual	Actual	Budget	Budget Variance		Prior Year Actuals		2019 Actuals	
	Actual	Actual	Actual	Budget	\$	%	\$	%	\$	%
RCF Concession Revenue to Port	32,870	12,531	28,623	20,516	8,107	39.5%	16,092	128.4%	(4,247)	-12.9%
Residual - CFC Operating Revenue:	15,773	-	2,018	2,501	(483)	-19.3%	2,018	N/A	(13,755)	-87.2%
Land Rent/Space Rent/Other	3,924	4,106	3,863	3,863	-	0.0%	(243)	-5.9%	(61)	-1.5%
Total Rental Cars Operating Revenue	52,567	16,637	34,740	26,880	7,860	29.2%	18,104	108.8%	(17,826)	-33.9%

2021 Forecast vs. 2020 Actuals

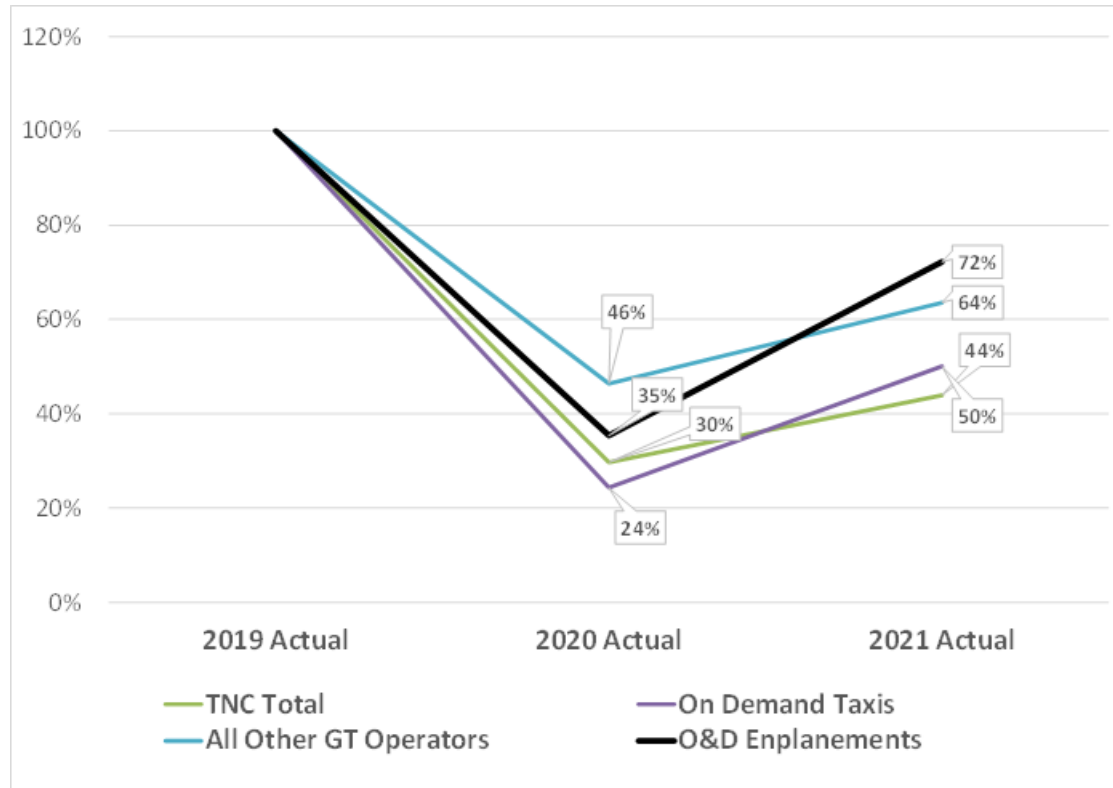
Rental Car Concession

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.

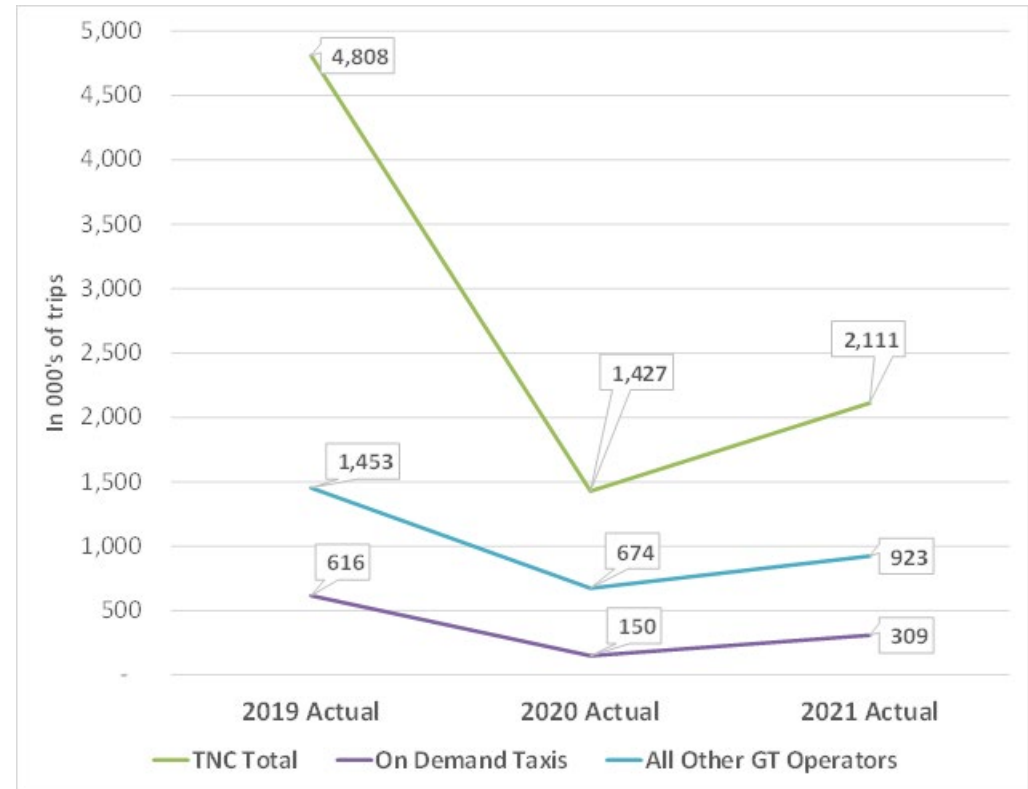
CFC Operating Revenue - CFC collections are expected to exceed the debt service requirement by year-end, but are expected to be lower than the 2021 Budget due to the shortage of rentable vehicles this year which results in lower transaction activity.

Ground Transportation

GT Trips & O&D Enplanements as % of 2019 Actuals



GT Trip Totals



- Trips for all Ground Transportation operator types have not recovered as fast as enplanements as a shift to Public Parking is still holding.
- Passenger preference appears to be shifted away from shared ride alternatives. Trip volume will be closely monitored to determine if demand increases as passenger volume recovers.
- TNC remains highest trip activity within GT operator types.

Ground Transportation – Revenue YE

Passenger Volume forecasted to be up 81.4% compared to prior year
 O&D Passenger Volume forecasted to be up 98.2% compared to prior year

Ground Transportation - Revenue Detail	2019	2020	2021	2021	Fav (UnFav)		Incr (Decr)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Budget Variance		Prior Year Actuals		2019 Actuals	
\$ in 000's					\$	%	\$	%	\$	%
Ground Transportation Revenues										
TNC Drop-offs	-	-	2,246	-	2,246	N/A	2,246	N/A	2,246	N/A
TNC Pick-ups	12,982	4,032	5,739	8,700	(2,961)	-34.0%	1,707	42.3%	(7,243)	-55.8%
TNC Total	12,982	4,032	7,986	8,700	(714)	-8.2%	3,953	98.0%	(4,997)	-38.5%
On Demand Taxis	3,578	857	1,588	1,851	(263)	-14.2%	731	85.2%	(1,989)	-55.6%
On Demand Limos	837	371	-	-	-	N/A	(371)	-100.0%	(837)	-100.0%
Belled In Taxis (Annual Permit)	27	12	10	19	(10)	-49.7%	(2)	-19.5%	(18)	-64.8%
Pre-Arranged Limos (Annual Permit)	611	209	301	516	(215)	-41.6%	93	44.4%	(310)	-50.7%
Courtesy Cars (cost recovery)	2,019	877	1,879	2,160	(281)	-13.0%	1,001	114.2%	(140)	-6.9%
All other Operators (cost recovery)	418	86	188	188	-	0.0%	102	118.6%	(230)	-55.0%
Other Misc Revenues	293	113	32	194	(162)	-83.3%	(80)	-71.2%	(261)	-88.9%
Total GT Revenue	20,765	6,557	11,947	13,628	(1,681)	-12.3%	5,389	82.2%	(8,818)	-42.5%
O&D Enplanements	18,163	6,428	13,013	12,387	723	5.8%	6,585	102.4%	(5,151)	-28.4%

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

GT Trip Activity & Metrics in 000's	2019	2020	2021	2021	Fav (UnFav) Budget Variance		Incr (Decr) Prior Year Actuals		Incr (Decr) 2019 Actuals	
	Actual	Actual	Actual	Budget	\$	%	\$	%	\$	%
Ground Transportation Trips										
TNC Drop-offs	2,704	787	1,154	-	1,154	N/A	367	46.7%	(1,550)	-57.3%
TNC Pick-ups	2,103	640	957	1,450	(493)	-34.0%	316	49.4%	(1,147)	-54.5%
TNC Total	4,808	1,427	2,111	1,450	661	45.6%	683	47.9%	(2,697)	-56.1%
On Demand Taxis	616	150	265	309	(44)	-14.2%	115	76.7%	(351)	-57.0%
On Demand Limos	65	12	-	-	-	N/A	(12)	-100.0%	(65)	-100.0%
Belled In Taxis (Annual Permit)	13	2	3	5	(2)	-38.5%	1	53.4%	(10)	-76.6%
Pre-Arranged Limos (Annual Permit)	65	87	118	192	(74)	-38.7%	31	35.7%	53	80.7%
Courtesy Cars (cost recovery)	1,236	557	782	900	(118)	-13.1%	224	40.3%	(454)	-36.7%
All other Operators (cost recovery)	74	16	27	27	-	0.0%	11	68.6%	(47)	-63.7%
Total GT Trip Activity	6,876	2,251	3,299	2,882	417	14.5%	1,048	46.5%	(3,577)	-52.0%
Total Enplanements	25,874	10,037	18,073	18,216	(143)	-0.8%	8,036	80.1%	(7)	0.0%
O&D %	70.2%	65.9%	72.0%	68.0%	4.0%	5.9%	6.1%	9.3%	4.0%	5.9%
O&D Enplanements	18,163	6,428	13,013	12,387	626	5.1%	6,585	102.4%	723	5.8%
Trips per O&D Enplanement										
TNC Drop-offs	14.9%	12.2%	8.9%	0.0%	8.9%	N/A	-3.4%	-27.5%	8.0%	N/A
TNC Pick-ups	11.6%	10.0%	7.4%	11.7%	-4.4%	-37.2%	-2.6%	-26.2%	-5.0%	-42.4%
TNC Total	26.5%	22.2%	16.2%	11.7%	4.5%	38.6%	-6.0%	-27.0%	3.0%	26.0%
Taxi	3.4%	2.3%	2.0%	2.5%	-0.5%	-18.3%	-0.3%	-12.7%	-0.5%	-21.1%
All other	8.0%	10.5%	7.1%	9.1%	-2.0%	-21.8%	-3.4%	-32.3%	-2.1%	-22.7%
Total Trips per O&D Enplanement	37.9%	35.0%	25.4%	23.3%	2.1%	9.0%	-9.7%	-27.6%	0.5%	2.0%

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 YE Actuals

Revenue Summary (in \$000s) <i>Org(s): 3650-Airport Dining and Retail, Class: Top Level</i>	2019	2020	2021	2021	Fav/(UnFav) Budget Variance		Inc/(Dec) from Prior Year Actuals	
	Actual	Actual	Actual	Budget	\$ Var	% Var	\$ Change	% Change
Operating Revenue								
Duty Free	6,189	1,842	548	3,599	(3,052)	-84.8%	(1,294)	-70.3%
Food & Beverage	26,314	9,709	16,979	18,456	(1,477)	-8.0%	7,270	74.9%
Retail	16,313	6,328	11,865	13,360	(1,496)	-11.2%	5,537	87.5%
Services	3,847	1,728	2,060	3,900	(1,840)	-47.2%	332	19.2%
Advertising	7,326	4,285	3,237	5,153	(1,916)	-37.2%	(1,048)	-24.5%
All Other	1,625	1,527	1,227	1,466	(239)	-16.3%	(300)	-19.6%
Total Operating Revenues	61,614	25,418	35,916	45,936	(10,020)	-21.8%	10,498	41.3%
Total Enplanements	25,874	10,037	18,039	18,216	(177)	-1.0%	8,002	79.7%
International Enplanements	2,858	664	818	1,643	(825)	-50.2%	154	23.3%

2021 Actuals vs. 2020 Actuals

Some components of ADR are recovering more quickly than others. ADR revenues tied closely to international passenger volumes are lagging due to the slower recovery of international travel.

- **Duty Free:** Reflects the slower recovery in international enplanements and lower MAG/percentage rent structure of the new lease.
- **Food & Beverage and Retail:** Strong demand drives recovery in line with, and in many cases better than returning passenger volume.
- **Advertising:** This line of business is less closely tied to changing passenger volumes and is experiencing lower demand in 2021.

Airport Dining & Retail YE Actuals

Sales Per Total Enplanement (SPE) Summary <i>Org(s): 3650-Airport Dining and Retail, Class: Top Level</i>	2019	2020	2021	2021	Fav/(UnFav) Budget Variance		Inc/(Dec) from Prior Year Actuals	
	Actual	Actual	Forecast	Budget	\$ Var	% Var	\$ Change	% Change
Duty Free	0.77	0.47	0.31	0.65	(0.34)	-51.8%	(0.16)	-33.3%
Food & Beverage	7.56	7.84	8.02	8.18	(0.16)	-2.0%	0.18	2.3%
Retail	3.99	4.15	4.56	4.79	(0.23)	-4.8%	0.42	10.0%
Services	0.80	0.49	0.35	0.56	(0.21)	-38.2%	(0.15)	-29.6%
SPE - ADR	13.12	12.95	13.24	14.18	(0.94)	-6.6%	0.29	2.3%

Revenue Per Total Enplanement (RPE) Summary <i>Org(s): 3650-Airport Dining and Retail, Class: Top Level</i>	2019	2020	2021	2021	Fav/(UnFav) Budget Variance		Inc/(Dec) from Prior Year Actuals	
	Actual	Actual	Forecast	Budget	\$ Var	% Var	\$ Change	% Change
Duty Free	0.24	0.18	0.03	0.20	(0.17)	-84.6%	(0.15)	-83.5%
Food & Beverage	1.02	0.97	0.94	1.01	(0.07)	-7.1%	(0.03)	-2.7%
Retail	0.63	0.63	0.66	0.73	(0.08)	-10.3%	0.03	4.3%
Services	0.15	0.17	0.11	0.21	(0.10)	-46.7%	(0.06)	-33.7%
RPE - ADR	2.04	1.95	1.74	2.16	(0.41)	-19.2%	(0.21)	-10.7%

2021 Actuals vs. 2020 Actuals

Sales per Enplanement (SPE) on Food & Beverage and Retail are improving as passenger volumes return. SPE growth is slower for Duty Free and Passenger Services, as these revenues are tied more closely to international passenger volume, which is recovering more slowly than domestic travel.

Revenue per Enplanement (RPE)

- Retail RPE is increasing as tiered rent reach higher tiers in 2021.
- Duty Free and Foreign Currency (Services) leases reflect lower RPE due to renegotiated leases with a lower MAG / Percentage Rent Structures.

Non-Aero Commercial Properties

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

Revenue Summary (in \$000s) <i>Org(s): 3630-Non-Aero Commercial Properties, Class: Top Level</i>	2019 YE	2020 YE	2021 YE	2021 YE	Fav/(UnFav) Budget Variance		Inc/(Dec) from Prior Year Actuals	
	Actual	Actual	Actual	Budget	\$ Var	% Var	\$ Change	% Change
Operating Revenue								
Land Rental	4,658	5,267	5,208	5,222	(14)	-0.3%	(59)	-1.1%
Space Rental	464	942	836	800	36	4.5%	(106)	-11.3%
In-Flight Kitchen Revenue	10,053	3,990	5,989	7,078	(1,089)	-15.4%	1,999	50.1%
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	12,646	13,713	(1,066)	-7.8%	1,881	17.5%
<i>Total Enplanements</i>	<i>25,874</i>	<i>10,037</i>	<i>18,039</i>	<i>18,216</i>	<i>(177)</i>	<i>-1.0%</i>	<i>8,002</i>	<i>79.7%</i>
<i>International Enplanements</i>	<i>2,858</i>	<i>664</i>	<i>818</i>	<i>1,643</i>	<i>(825)</i>	<i>-50.2%</i>	<i>154</i>	<i>23.3%</i>

2021 Actuals 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 passenger volume than previously understood.

Land/Space Rent revenues are primarily fixed rates per sq.ft. and were therefore relatively unaffected by COVID-19 passenger volume declines/recovery.

Clubs & Lounges

Impacted by lounge closures and passenger volume decline

Revenue Summary (in \$000s) <i>Org(s): 3690-Club International Lounge, Class: Top Level</i>	2019 YE	2020 YE	2021 YE	2021 YE	Fav/(UnFav) Budget Variance		Inc/(Dec) from Prior Year Actuals	
	Actual	Actual	Actual	Budget	\$ Var	% Var	\$ Change	% Change
Operating Revenue								
Space Rental	10,274	2,043	3,477	6,221	(2,743)	-44.1%	1,434	70.2%
Total Operating Revenues	10,274	2,043	3,477	6,221	(2,743)	-44.1%	1,434	70.2%
<i>Total Enplanements</i>	<i>25,874</i>	<i>10,037</i>	<i>18,039</i>	<i>18,216</i>	<i>(177)</i>	<i>-1.0%</i>	<i>8,002</i>	<i>79.7%</i>
<i>International Enplanements</i>	<i>2,858</i>	<i>664</i>	<i>818</i>	<i>1,643</i>	<i>(825)</i>	<i>-50.2%</i>	<i>154</i>	<i>23.3%</i>

2021 Actuals 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 June 2021 due to low passenger volumes.

2021 Capital Expenditures

\$ in 000's	2021	2021	Budget Variance	
	YTD Actual	Budget	\$	%
International Arrivals Facility ⁽¹⁾	57,017	86,500	29,483	34.1%
NSAT Renovation ⁽²⁾	72,452	96,408	23,956	24.8%
Checked Baggage ⁽³⁾	97,633	86,100	(11,533)	-13.4%
Restroom Upgrades Conc B,C,D ⁽⁴⁾	2,210	9,899	7,689	77.7%
North MT Redevelopment ⁽⁵⁾	576	6,744	6,168	91.5%
2021-25 AFLD Pvmnt ⁽⁶⁾	24,271	29,560	5,289	17.9%
Concourse A Expansion ⁽⁷⁾	392	5,215	4,823	92.5%
RCF Security Improvements ⁽⁸⁾	976	4,934	3,958	80.2%
SSAT Infrastructure HVAC ⁽⁹⁾	8,086	11,505	3,419	29.7%
C Concourse Expansion ⁽¹⁰⁾	5,634	8,763	3,129	35.7%
Terminal Security Enhancements Phase 2 ⁽¹¹⁾	469	3,479	3,010	86.5%
Electric Utility SCADA ⁽¹²⁾	727	3,441	2,714	78.9%
All Other	118,608	180,632	62,024	34.3%
Subtotal	389,051	533,180	144,129	27.0%
CIP Cashflow Mgmt Reserve	-	(41,978)	(41,978)	100.0%
Total Spending	389,051	491,202	102,151	20.8%

(1) IAF was expected to hit substantial completion in Q3 2021 with a summer opening. Challenges on the pedestrian walkway, issues with low voltage systems, smoke control, commissioning, and general issues with the design builder have yielded ongoing delays.

(2) Variance due to construction costs that were pulled forward in 2020 that would have been performed in 2021 (Operation Silver Cloud) and project savings.

(3) Accelerated schedule for SSAT Temp Maint Shop

(4) Underspent due to close-out of earlier phases and the money remaining will be spent in later phases.

(5) Underspent due to the delay in executing TRA 1, which was not fully executed until December 2021

(6) Bid result for 2021 pavement project came lower than Engineer's estimates by \$4.7M.

(7) 2021 baseline was set previous to Notebook approval (03/05/21), whereas the project budget went from \$60M to 71.4M

(8) The Construction Bid came in lower than Engineer's estimate

(9) Returned \$5M savings in Q1 and design delays have caused underspending

(10) Commission Authorization delays, due to re-evaluating financial impacts with COVID-19.

(11) Cash flow based upon previous procurement that was cancelled, revised cash flow was based on DB procurement and did not being include 3 month delay to request Best and Final Offers (BAFO) from DB teams and execute contract.

(12) SCADA Bid Opening Delayed and additional delay in NTP; Bids significantly under Engineers Estimate, returned savings last quarter

Federal Relief Bolstering Key Financial Metrics

SEA Grant Summary				
<i>\$ in millions</i>				
Grants Received: \$383.9				
CARES	\$192.1			
CRRSA			\$37.4	
ARPA			\$154.4	
<i>*excludes concessions grants</i>				
Grants Applied	2020 Actual	2021 Actual	2022 Budget	Total
Airfield Movement Area	\$32.3	\$21.8	\$16.0	\$70.1
Airfield Apron Area	7.7	7.3	\$11.5	26.6
Terminal Building **	22.4	8.0	\$18.0	48.5
Federal Inspection Services **	12.9	18.3	\$16.6	47.7
Baggage System	10.4	3.8	\$5.0	19.2
Gate Utilities	4.2	1.5	\$2.8	8.5
Others	4.3	0.8	\$1.8	6.9
Total Airline Benefits	94.3	61.5	71.8	227.5
Non-Airline Benefit **	52.9	33.5	26.2	112.7
Total Federal Funding Applied	\$147.1	\$95.1	\$98.0	\$340.2
Cumulative Remaining	\$45.0	\$141.7	\$43.7	\$43.7
Airline Benefit	64%	65%	73%	67%
Non-Airline Benefit **	36%	35%	27%	33%
Grant Usage				
Debt Service	\$103.9	\$91.7	\$82.8	\$278.4
O&M	\$43.3	\$3.4	\$15.2	\$61.8
<i>** Grants are shown after allocations</i>				
Concessions				
CRRSAA		5.4		5.4
ARPA			21.4	21.4
GRAND TOTAL: COVID RELIEF	\$147.1	\$100.4	\$119.4	\$410.6

- Total Federal Relief Grants used in 2021 was \$100.4M
 - \$61.5M used to reduce airlines rates and charges
 - \$33.5M used for non-aero debt service
 - \$5.4M reduced concessions billings
- 2022 Budget includes:
 - \$98M Federal Relief grants
 - \$21.4M to reduce concessions billings
- Remaining \$43.7 million can be used in 2022 or 2023

Maritime Division Appendix

2021 Financial Performance Report

Maritime 2021 Financial Summary

	2019	2020	2021	2021	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Actual vs. Budget Variance		Change from 2020	
\$ in 000's					\$	%	\$	%
Ship Canal Fishing & Operations	3,929	4,704	4,240	4,135	105	3%	(464)	-10%
Elliott Bay Fishing & Commercial Operations	6,095	5,752	5,618	4,509	1,110	25%	(133)	-2%
Recreational Boating	12,484	12,611	12,851	12,915	(64)	0%	240	2%
Cruise	22,410	3,824	9,517	8,558	959	11%	5,693	149%
Grain	4,266	5,142	6,112	4,903	1,209	25%	970	19%
Maritime Portfolio Management	10,108	10,074	10,392	10,259	133	1%	318	3%
Other	(3)	4	7	0	7	NA	3	65%
<i>Pension Revenue Adjustment</i>	0	0	(408)	0	(408)	NA	(408)	NA
Total Revenue	59,289	42,111	48,331	45,280	3,051	7%	6,219	15%
Expenses								
Maritime (Excl. Maint)	14,179	16,676	13,951	15,539	1,588	10%	(2,725)	-16%
Economic Development	5,032	4,549	4,559	5,365	806	15%	10	0%
Total Direct	19,211	21,225	18,510	20,904	2,394	11%	(2,715)	-13%
Maintenance Expenses	12,458	12,353	11,326	11,595	268	2%	(1,027)	-8%
Envir Services & Planning	2,443	2,947	2,018	2,140	123	6%	(930)	-32%
Seaport Finance & Cost Recovery	953	1,072	1,163	977	(186)	-19%	91	8%
Seaport Project Management	236	1,144	342	316	(26)	-8%	(803)	-70%
Total Support Services	16,090	17,518	14,849	15,028	180	1%	(2,669)	-15%
IT	2,850	2,888	2,695	2,853	159	6%	(193)	-7%
Police Expenses	4,387	3,131	3,064	3,118	54	2%	(68)	-2%
External Relations	1,604	1,242	1,222	1,347	125	9%	(20)	-2%
Other Central Services	6,189	6,035	7,109	6,749	(360)	-5%	1,074	18%
Aviation Division / Other	279	318	336	243	(93)	-38%	19	6%
Total Central Services / Other	15,309	13,614	14,426	14,311	(115)	-1%	811	6%
Total Expense before Pension Adjustment	50,609	52,357	47,784	50,243	2,458	5%	(4,573)	-9%
<i>Pension Expense Adjustment</i>	<i>(1,965)</i>	<i>(2,129)</i>	<i>(7,070)</i>	<i>0</i>	<i>7,070</i>	<i>NA</i>	<i>(4,941)</i>	<i>232%</i>
Total Expense	48,644	50,228	40,714	50,243	9,529	19%	(9,514)	-19%
<i>NOI excluding Pension Adjustments</i>	<i>8,680</i>	<i>(10,246)</i>	<i>954</i>	<i>(4,963)</i>	<i>5,917</i>	<i>119%</i>	<i>11,200</i>	<i>109%</i>
NOI Before Depreciation	10,644	(8,117)	7,616	(4,963)	12,580	253%	15,733	194%
Depreciation	17,627	17,624	17,718	16,899	(819)	-5%	94	1%
NOI After Depreciation	(6,982)	(25,741)	(10,101)	(21,862)	11,761	54%	15,639	61%

Variance from Budget

- Revenue \$3.1M favorable:
 - Cruise – higher passengers than budgeted.
 - Grain – Increase Volumes.
 - Elliott Bay Fishing & Commercial - from small cruise, research vessels restarting in 2021, new customer North Star in 2021, as well as utility sales.
- Operating exp. \$9.5M favorable:
 - Direct – Payroll, Utilities, Tenant Improvements, Cruise Consulting.
 - Support Services – Open FTEs & Maintenance Allocation change.
 - Central Services – Higher legal costs than budgeted.

Cruise 2021 Financials

\$ in 000's	2020	2021	2021	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Budget	Budget Variance	%	Change from 2020	%
				\$	%	\$	%
T-91 & Bell St Cruise Operations	3,796	9,387	8,520	867	10%	5,591	147%
Bell Street Vessel Operations	28	130	38	92	241%	102	364%
Total Revenue	3,824	9,517	8,558	959	11%	5,693	149%
Expenses							
Maritime (Excl. Maint)	5,293	3,989	5,557	1,568	28%	(1,304)	-25%
Economic Development	397	542	387	(155)	-40%	145	37%
Total Direct	5,690	4,531	5,944	1,413	24%	(1,159)	-20%
Maintenance Expenses	2,600	2,213	2,084	(128)	-6%	(387)	-15%
Envir Services & Planning	780	243	360	117	33%	(537)	-69%
Seaport Finance & Cost Recovery	271	180	231	50	22%	(91)	-33%
Seaport Project Management	879	84	94	10	10%	(795)	-90%
Total Support Services	4,529	2,720	2,769	49	2%	(1,809)	-40%
IT	709	606	640	34	5%	(103)	-15%
Police Expenses	963	765	779	14	2%	(198)	-21%
External Relations	383	305	344	38	11%	(78)	-20%
Other Central Services	2,064	1,786	1,670	(117)	-7%	(278)	-13%
Aviation Division / Other	111	112	81	(30)	-37%	1	1%
Total Central Services / Other	4,231	3,575	3,514	(61)	-2%	(656)	-16%
<i>Pension Adjustment</i>	<i>(51)</i>	<i>(156)</i>	<i>0</i>	<i>156</i>		<i>105</i>	<i>205%</i>
Total Expense	14,399	10,670	12,226	1,557	13%	(3,729)	-26%
NOI Before Depreciation	(10,575)	(1,153)	(3,668)	2,515	69%	9,422	89%
Depreciation	6,060	5,986	5,880	(106)	-2%	(74)	-1%
NOI After Depreciation	(16,635)	(7,139)	(9,548)	2,409	25%	9,497	57%

Variance from Budget

- Cruise revenue variance is \$959k more than budget due to great uncertainty when developing 2021 revenue budget. Budgeted 2021 using 25% of 2019 actual revenue + NCL preferential use and lease fee payment.
- Expenses \$1.6M less than budget due primarily to unspent consulting costs.

Variance from 2020

- More revenue in 2021 due to partial cruise season vs no cruise season in 2020.
- Expenses \$7.2M less in 2021:
 - Capital to expense for T46 - \$1.4M less.
 - Outside services - \$1.2M less.
 - Allocations - \$942K less.
 - Bad debt from NCL payment - \$3.3M less.

Recreational Boating 2021 Financials

\$ in 000's	2020	2021 Year-to-Date		Fav (UnFav) Budget Variance		Inc (Dec) Change from 2020	
	Actual	Actual	Budget	\$	%	\$	%
Berthage and Moorage & Concession Services	11,604	11,805	11,930	(125)	-1%	200	2%
Utility Sales Revenue	504	497	477	19	4%	(7)	-1%
Other Service Revenue	399	464	440	23	5%	64	16%
Other	103	86	107	(21)	-20%	(17)	-17%
Total Revenue	12,611	12,851	12,955	(104)	-1%	240	2%
Expenses							
Maritime (excl Maint)	4,572	4,285	4,534	249	5%	(287)	-6%
Economic Development	309	332	295	(37)	-13%	23	7%
Total Direct	4,881	4,617	4,829	212	4%	(264)	-5%
Maintenance Expenses	2,703	2,406	2,829	423	15%	(297)	-11%
Envir Services & Planning	372	404	310	(94)	-30%	32	9%
Seaport Finance & Cost Recovery	193	179	227	48	21%	(14)	-7%
Seaport Project Management	114	97	67	(30)	-45%	(16)	-14%
Total Support Service	3,382	3,086	3,433	347	10%	(295)	-9%
IT	760	720	770	50	7%	(40)	-5%
Police Expenses	690	754	768	14	2%	64	9%
External Relations	273	300	329	29	9%	27	10%
Other Central Services	1,233	1,722	1,686	(36)	-2%	489	40%
Aviation Division/Other	67	75	52	(23)	-45%	8	12%
Total Central Services/Other	3,023	3,571	3,605	33	1%	548	18%
Total Expense before Pension Adjustment	11,285	11,275	11,867	592	5%	(11)	0%
<i>Pension Adjustment Expense Impact</i>	(147)	(474)		474	NA	(327)	222%
Total Expense	11,138	10,801	11,867	1,066	9%	(337)	-3%
NOI Before Depreciation	1,473	2,050	1,088	(962)	-88%	577	39%
Depreciation	2,874	3,251	2,640	(612)	-23%	377	13%
NOI After Depreciation	(1,402)	(1,201)	(1,552)	350	-23%	200	-14%

Variance from Budget

- Revenue \$104K lower due to lower monthly moorage occupancy than expected at SBM and BHM partially related to COVID-19 business disruptions
- Operation expenses ~\$1.1M favorable to budget related to 2021 Pension Adjustments \$474K per GASB 68, \$423K favorable in Maintenance expenses, \$212K favorable in in Maritime direct charges which relate to utilities and bad debt expenses.

Variance from 2020

- Revenue \$240K higher relate to increasing boating interest at SBM and BHM.
- Operation expenses ~\$337K decrease in 2021 due to \$327K increase in 2021 Pension Adjustment, \$264K decrease in Maritime (excluding Maintenance) expenses, \$297K decrease in Maintenance expenses; the decreases were partially offset by \$489K increase in Other Central Services through Corp allocation

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

Ship Canal Fishing & Ops 2021 Financials

\$ in 000's	2020	2021 Year-to-Date		Fav (UnFav)		Inc (Dec)	
	Actual	Actual	Budget	Budget	Variance	Change from 2020	
				\$	%	\$	%
Berthage and Moorage & Concession Services	3,859	3,786	3,736	50	1%	(73)	-2%
Space Rental	186	136	192	(56)	-29%	(50)	-27%
Utility Sales Revenue	117	173	84	89	106%	56	48%
Other	542	145	123	22	18%	(397)	-73%
Total Revenue	4,704	4,240	4,135	105	3%	(464)	-10%
Expenses							
Maritime (excl Maint)	2,706	2,478	2,531	53	2%	(228)	-8%
Economic Development	51	231	70	(160)	-229%	179	349%
Total Direct	2,758	2,709	2,601	(107)	-4%	(49)	-2%
Maintenance Expenses	1,903	1,771	1,642	(129)	-8%	(132)	-7%
Envir Services & Planning	653	168	222	54	24%	(485)	-74%
Seaport Finance & Cost Recovery	76	80	101	22	21%	3	4%
Seaport Project Management	42	55	34	(21)	-63%	13	31%
Total Support Service	2,675	2,074	1,999	(74)	-4%	(602)	-22%
IT	350	371	419	48	11%	21	6%
Police Expenses	270	337	343	6	2%	67	25%
External Relations	107	134	146	13	9%	27	25%
Other Central Services	489	814	740	(74)	-10%	325	67%
Aviation Division/Other	23	34	18	(15)	-84%	10	45%
Total Central Services/Other	1,240	1,690	1,667	(22)	-1%	450	36%
Total Expense before Pension Adjustment	6,673	6,472	6,268	(204)	-3%	(201)	-3%
<i>Pension Adjustment Expense Impact</i>	(84)	(264)		264	NA	(180)	216%
Total Expense	6,589	6,209	6,268	59	1%	(381)	-6%
NOI Before Depreciation	(1,886)	(1,969)	(2,133)	164	-8%	(83)	4%
Depreciation	2,320	2,366	2,351	(14)	-1%	46	2%
NOI After Depreciation	(4,205)	(4,334)	(4,484)	150	-3%	(129)	3%

Variance from Budget

- Revenue \$105K favorable to the budget mainly related \$89K favorable in Utility sales, \$87K favorable in Moorage; the favorable results was partially offset by \$56K unfavorable in Space rental and \$37K unfavorable in Concession services
- Operation expenses ~\$59K favorable to the budgeted YTD contributed by \$264K from 2021 Pension Adjustments per GASB 68; the favorable results was partially offset by \$107K unfavorable in Total Direct charges, \$129K in Maintenance

Variance from 2020

- Revenue \$464K or 10% lower contributed to mainly \$404 received Derelict Vessels project in 2020
- Operation expenses ~\$381K decrease in 2021 related to \$180K increase in 2021 Pension Adjustment, \$485K decrease in Envir Service & Planning related to Derelict Vessels project in 2020, \$132K decrease in Maintenance Expenses, and offset by \$450K increase in Central Services allocation

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

Elliott Bay Fishing & Commercial Ops 2021 Financials

\$ in 000's	2020	2021 Year-to-Date		Fav (UnFav) Budget Variance		Inc (Dec) Change from 2020	
	Actual	Actual	Budget	\$	%	\$	%
Berthage and Moorage & Dockage	3,366	3,227	2,328	900	39%	(138)	-4%
Space Rental	1,558	1,464	1,523	(59)	-4%	(94)	-6%
Utility Sales Revenue	533	706	505	201	40%	173	33%
Other	295	221	155	66	43%	(74)	-25%
Total Revenue	5,752	5,618	4,510	1,108	25%	(133)	-2%
Expenses							
Maritime (excl Maint)	2,262	2,213	2,702	489	18%	(49)	-2%
Economic Development	145	270	316	46	15%	125	86%
Total Direct	2,407	2,484	3,019	535	18%	77	3%
Maintenance Expenses	1,454	1,213	1,159	(54)	-5%	(240)	-17%
Envir Services & Planning	187	153	195	43	22%	(34)	-18%
Seaport Finance & Cost Recovery	136	104	133	29	22%	(32)	-23%
Seaport Project Management	44	23	40	17	43%	(21)	-47%
Total Support Service	1,820	1,493	1,528	35	2%	(327)	-18%
IT	375	352	380	28	7%	(23)	-6%
Police Expenses	380	370	378	8	2%	(9)	-2%
External Relations	149	150	164	14	9%	1	1%
Other Central Services	676	848	837	(11)	-1%	172	25%
Aviation Division/Other	31	33	20	(13)	-63%	2	6%
Total Central Services/Other	1,610	1,752	1,780	27	2%	142	9%
Total Expense before Pension Adjustment	5,838	5,729	6,326	597	9%	(108)	-2%
<i>Pension Adjustment Expense Impact</i>	(43)	(137)		137	NA	(93)	215%
Total Expense	5,794	5,593	6,326	734	12%	(202)	-3%
NOI Before Depreciation	(43)	26	(1,816)	1,842	-101%	68	-160%
Depreciation	3,323	3,283	3,258	(25)	-1%	(39)	-1%
NOI After Depreciation	(3,365)	(3,258)	(5,075)	1,817	-36%	107	-3%

Variance from Budget

- Revenue \$1.1M favorable related to small cruise, research vessels restarting in 2021, new customer North Star in 2021, as well as utility sales.
- Operation expenses ~\$734K favorable to the budgeted YTD. Utility expenses contributed \$476K of the favorable, and \$137K favorable from 2021 Pension Adjustments per GASB 68

Variance from 2020

- Revenue \$133K or 2% lower primarily related to \$122K decrease in Berthage & Moorage due to OTB right sized PNW operations and did not renew T-18 lease as of April 2021
- Operation expenses ~\$202K decrease in 2021 contributed by \$240K decrease in Maintenance expenses, \$93K increase in 2021 Pension Adjustments per GASB 68; offset by \$142K increase in Central Services allocation

- 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 2021 Financials

	2020	2021	2021	Fav(UnFav)		Incr/(Decr)	
	Actual	Actual	Budget	Budget Variance		Change from 2020	
\$ in 000's				\$	%	\$	%
Marina Office & Retail	3,601	3,460	4,006	(547)	-14%	(142)	-4%
Maritime Industrial	4,335	4,422	4,225	197	5%	87	2%
Utilities	2,138	2,510	2,028	483	24%	373	17%
Total Revenue	10,074	10,392	10,259	133	1%	318	3%
Expenses							
PM Direct	3,952	2,718	3,762	1,107	29%	(1,276)	-32%
EDD PM Direct	300	255	314	95	30%	(68)	-24%
EDD Other	459	144	175	31	18%	(315)	-69%
MD Direct	1,604	413	341	(54)	-16%	(1,201)	-75%
Total Direct	6,315	3,529	4,592	1,179	26%	(2,860)	-46%
Maintenance Expenses	2,918	2,500	3,116	633	20%	(431)	-15%
Enviromental & Sustainability	263	228	254	26	10%	(35)	-13%
Seaport Finance & Cost Recovery	217	198	237	43	18%	(22)	-10%
Seaport Project Management	48	50	63	14	21%	2	4%
Total Support Services	3,446	2,976	3,670	716	20%	(487)	-14%
Police Expenses	647	678	689	11	2%	31	5%
Other Corp Expenses	2,133	2,429	2,411	(10)	0%	293	14%
Total Central Services/Other	2,779	3,107	3,100	1	0%	324	12%
Total Expense before Pension Adjustment	12,541	9,612	11,363	1,751	15%	(2,929)	-23%
Pension Expense Adjustment	(51)	(145)	0	145	NA	94	183%
Total Expense	12,490	9,467	11,363	1,896	17%	(3,023)	-24%
NOI Before Depreciation	(2,416)	925	(1,103)	2,029	184%	3,341	138%
Depreciation	2,503	2,501	2,446	(55)	-2%	(2)	0%
NOI After Depreciation	(4,919)	(1,575)	(3,549)	1,974	56%	3,344	68%

Variance from Budget

- Revenue \$133K favorable; Utilities and Space Rental at T106, partially offset by lower occupancy than expected at MIC and at FT.
- Expenses \$1,896K lower than budget due to favorable Utilities \$720K, Maintenance Expenses \$633K, and 2021 Pension Expense Adjustments \$145K per GASB 68.

Variance from 2020

- Revenue up \$318K; Utilities and Space Rental at T106, partially offset by lower Space Rental at MIC and FT due to either relocation or reduction in square footage.
- Expense down \$3,023K; lower than prior year Small Work Construction \$501K and Dept Expense Charged \$436K related to Capital Project to Expense Write-offs, Maintenance Expenses \$431K, and Utilities \$185K.

- 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 2021 Financials

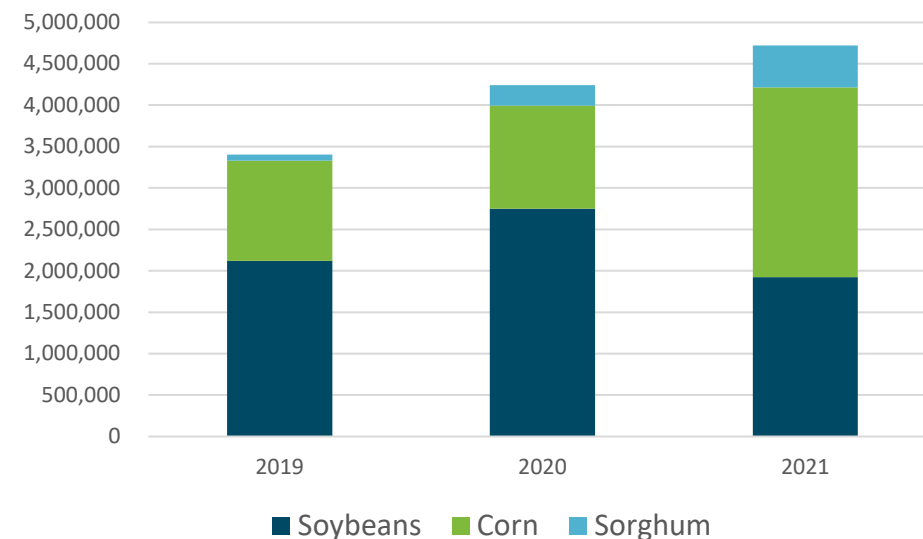
	2020	2021	2021	Fav(UnFav) Actual vs. Budget Variance		Incr (Deer) Change from 2020	
	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's							
Lease Revenue	5,142	6,112	4,903	1,209	25%	970	19%
Total Revenue	5,142	6,112	4,903	1,209	25%	970	19%
Expenses							
Maritime (Excl. Maint)	199	238	191	(47)	-25%	39	19%
Economic Development	52	38	46	8	18%	(14)	-27%
Total Direct	251	276	237	(39)	-16%	24	10%
Maintenance Expenses	365	294	748	455	61%	(71)	-20%
Envir Services & Planning	75	44	58	14	24%	(31)	-41%
Seaport Finance & Cost Recovery	50	39	48	9	19%	(12)	-23%
Seaport Project Management	11	9	10	1	8%	(2)	-15%
Total Support Services	501	386	864	478	55%	(115)	-23%
IT	104	86	80	(6)	-7%	(18)	-17%
Police Expenses	181	159	162	3	2%	(22)	-12%
External Relations	71	63	69	6	9%	(8)	-12%
Other Central Services	322	348	341	(7)	-2%	26	8%
Aviation Division / Other	12	8	8	(0)	-4%	(4)	-33%
Total Central Services / Other	690	664	659	(5)	-1%	(26)	-4%
<i>Pension Adjustment</i>	<i>(1)</i>	<i>(3)</i>	<i>0</i>	<i>3</i>		<i>2</i>	<i>290%</i>
Total Expense	1,442	1,323	1,761	438	25%	(119)	-8%
NOI Before Depreciation	3,700	4,789	3,143	1,646	52%	1,089	29%
Depreciation	530	317	311	(6)	-2%	(213)	-40%
NOI After Depreciation	3,170	4,472	2,832	1,640	58%	1,302	41%

Variance from Budget

- Revenue driven by higher corn volumes.
- Expenses tracking lower than budget due to change in maintenance allocation policy.

Variance from 2020

- Revenue and volumes up from 2020 with a 11% increase in metric tons.



Maritime Capital 2021

\$ in 000's	2021 YTD	2021	Budget Variance	
	Actual	Budget	\$	%
T117 Restoration	7,959	8,809	850	10%
T91 Northwest Fender	5,402	7,761	2,359	30%
MD Small Projects	668	3,383	2,715	80%
MD Fleet	484	3,201	2,717	85%
FT Maritime Innovation Center	464	1,475	1,011	69%
T91 Berth 6&8 Redev	1,139	1,025	(114)	-11%
P91 Pass Term Upgrade COV	0	1,000	1,000	100%
P66 Shore Power	483	765	282	37%
SBM Restrms/Service Bldgs Rep	380	665	285	43%
FT Gateway Building	316	600	284	47%
All Other Projects	1,628	(2,489)	(4,117)	165%
Total Maritime	18,923	26,195	7,272	28%

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, risk mitigation measures, and recent wage inflation. Spending has been delayed due to limited availability of geothermal drilling for site testing.

MD Fleet – supply chain issues related to materials, electronics, and manufacturing have delayed nearly all new purchases.

MD Small Projects– Projects moved to large capital (T91 Lighting, EV charging stations, T91 waterline, Energy Smart Metering)

Cruise COVID Updates – Implemented signage in 2020, other modifications were completed under expense budget

Economic Development Division Appendix

2021 Financial Performance Report



EDD 2021 Financials

	2019	2020	2021	2021	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
Revenue	8,912	7,808	7,384	8,313	(929)	-11%	(424)	-5%
Conf & Event Centers	12,239	1,662	1,910	5,035	(3,125)	-62%	248	15%
Total Revenue	21,151	9,470	9,294	13,348	(4,054)	-30%	(176)	-2%
Expenses								
Portfolio Management	3,806	3,143	3,737	3,401	(336)	-10%	594	19%
Conf & Event Centers	10,218	4,440	3,124	4,920	1,796	37%	(1,316)	-30%
P69 Facilities Expenses	249	268	268	222	(46)	-21%	(0)	0%
RE Dev & Planning	152	230	231	154	(77)	-50%	1	1%
EconDev Expenses Other	963	974	736	835	99	12%	(238)	-24%
Maintenance Expenses	3,155	3,055	3,769	2,537	(1,232)	-49%	714	23%
Maritime Expenses (Excl Maint)	1,088	1,117	862	1,060	198	19%	(255)	-23%
Total EDD & Maritime Expenses	19,631	13,227	12,727	13,128	401	3%	(500)	-4%
Diversity in Contracting	198	162	253	142	(111)	-78%	91	56%
Tourism	1,374	991	1,877	2,481	603	24%	886	89%
EDD Grants	785	778	889	1,060	171	16%	112	14%
Total EDD Initiatives	2,357	1,931	3,019	3,683	663	18%	1,089	56%
Environmental & Sustainability	29	33	24	31	7	23%	(9)	-26%
Police Expenses	224	215	205	209	4	2%	(10)	-5%
Other Central Services	5,486	5,815	4,408	4,242	(166)	-4%	(1,408)	-24%
Aviation Division	114	161	177	120	(57)	-47%	16	10%
Total Central Services & Aviation	5,853	6,225	4,814	4,603	(211)	-5%	(1,411)	-23%
Total Expense before Pension Adjustment	27,841	21,382	20,560	21,413	853	4%	(822)	-4%
Pension Expense Adjustment	(703)	(771)	(2,396)	0	2,396	NA	(1,625)	211%
Total Expense	27,137	20,611	18,164	21,413	3,249	15%	(2,447)	-12%
NOI Before Depreciation	(5,986)	(11,141)	(8,870)	(8,065)	(805)	-10%	2,271	20%
Depreciation	3,647	3,611	3,841	3,216	(625)	-19%	229	6%
NOI After Depreciation	(9,633)	(14,752)	(12,711)	(11,281)	(1,430)	-13%	2,041	14%

Revenue Variance from Budget

- Lower Parking Revenues at Bell Street Garage
- Lower Conference Center events

Expense Variance Budget

- Conference and Event center volumes driving reduced variable expenses.
- Change in the Maintenance allocation methodology.
- Moving \$350K of Washington Tourism Alliance costs to 2022.
- EDD Grants contain \$150K for Maritime Blue.

Portfolio Management 2021 Financials

\$ in 000's	2020	2021	2021	Fav(UnFav)		Incr/(Decr)	
	Actual	Actual	Budget	Budget	Variance	Change from 2020	
				\$	%	\$	%
Central Harbor	6,143	6,320	6,752	(432)	-6%	177	3%
T-91 Uplands	1,648	1,241	1,526	(286)	-19%	(408)	-25%
Conference & Events Centers	1,662	1,910	5,035	(3,125)	-62%	248	15%
Foreign Trade Zone	30	25	35	(10)	-29%	(5)	-17%
Total Revenue	9,483	9,496	13,348	(3,852)	-29%	12	0%
Expenses							
PM Outside Services	406	832	522	(310)	-59%	426	105%
PM Direct	7,174	6,018	7,798	1,976	25%	(1,284)	-18%
EDD Other	1,472	1,031	1,450	419	29%	(441)	-30%
MD Direct	341	282	307	25	8%	(59)	-17%
Total Direct	9,393	8,163	10,078	2,110	21%	(1,358)	-15%
Maintenance Expenses	3,054	3,753	2,534	(1,178)	-46%	671	22%
Environmental & Sustainability	183	137	267	133	50%	(47)	-26%
Seaport Finance & Cost Recovery	466	334	420	93	22%	(137)	-30%
Seaport Project Management	119	97	66	(21)	-33%	(30)	-25%
Total Support Services	3,823	4,321	3,286	(973)	-30%	457	12%
Police Expenses	215	205	209	4	2%	(10)	-5%
Other Corp Expenses	4,852	4,596	4,366	(218)	-5%	(263)	-5%
Total Central Services/Other	5,067	4,801	4,576	(214)	-5%	(274)	-5%
Total Expense before Pension Adjustment	18,283	17,285	17,940	655	4%	(998)	-5%
Pension Expense Adjustment	(91)	(268)	0	268	NA	176	193%
Total Expense	18,192	17,017	17,940	923	5%	(1,175)	-6%
NOI Before Depreciation	(8,708)	(7,521)	(4,591)	(2,930)	-64%	1,187	14%
Depreciation	3,608	3,836	3,213	(623)	-19%	228	6%
NOI After Depreciation	(12,316)	(11,357)	(7,805)	(3,553)	-46%	959	8%

Variance from Budget

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

Variance from 2020

- Uptick in business activity at Conference & Events Centers (BHICC & WTCS) after the restrictions lifted; WA State re-opening process has been slow moving due to waves of COVID-19. This is partially offset by lower occupancy at T-91 Uplands as a result of decreased demand for car storage amid the COVID-19 pandemic.
- Expenses down from BHICC volumes.

COVID-19 Impact to 2021

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

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

EDD Capital 2021

	2021 Actual	2021 Budget	Budget Variance	
			\$	%
\$ in 000's				
BHICC Interior Modernization	514	1,990	1,476	74%
P69 Underdock Utility Rpl	205	1,028	823	80%
CW Bridge Elev Modernization	539	943	404	43%
WTC HVAC Replacement	2,200	848	(1,352)	-159%
T91 Uplands Dev Phase 1	438	800	362	45%
P66 Roof Upgrades	213	544	331	61%
EDD Small Projects	45	522	477	91%
Tenant Improvements -Capital	0	289	289	100%
EDD Technology Projects	0	250	250	100%
P66 HVAC Systems Upgrade	0	185	185	100%
All Other Projects	157	(1,752)	(1,909)	109%
Total Economic Development	4,311	5,647	1,336	24%

BHICC Modernization – Approved annual 2021 budget incorrectly included expense portion of project.

P69 Under Dock Utility Replacement – City of Seattle and Army Corps permitting approval process is taking longer than expected.

WTC HVAC Replacement– Work accelerated work to compensate for future weather delays.

T-91 Upland Development – Lower 2021 spending due to the need to procure new service agreement for design after terminating contract with former design consultant .

Central Services Appendix

2021 Financial Performance Report

Central Services Business Events

- Announced new partnership with the **Seattle Aquarium**, committing \$5M over five years for the development of the Aquarium's Ocean Pavilion project. This partnership will support marine conservation efforts and promote tourism.
- Held **tree planting events** in SeaTac, Burien, and Des Moines as part of the **Green City Partnerships**.
- Acquired a **new cybersecurity awareness platform and defense solution** by transitioning to artificial intelligence integrated anti-phishing, spam filtering, and cybersecurity training tool.
- Implemented the **GASB No. 87, Lease Accounting**. Accounting and Financial Reporting (AFR) reviewed and vetted over 180 leases against this new accounting standard.
- Held a **Police Assessment Town Hall** with staff from the Task Force on Port Policing and Civil Rights presented the findings of the assessment and its recommendations.
- Hosted **Eastside Business SEA Access Workshop** with the Bellevue Downtown Association and gathered input from the Kirkland Chamber Transportation Committee and Eastside Transportation Forum as part of the Ground Transportation Access Plan goals.
- Amended to **HR-8, Talent Acquisition** to allow employees who resigned due to the vaccine requirement to be rehired without a competitive hiring process if they are fully vaccinated.

Central Services Financial Highlights

\$ in 000's	2019 Actual	2020 Actual	2021 Actual	2021 Budget
Total Operating Revenues	1,282	2,512	(233)	181
Core Central Support Services	80,217	85,386	87,451	85,678
Police	30,555	30,071	28,678	28,317
Engineering/PCS	11,408	10,606	9,391	9,199
TOTAL w/o DRS Pension True-up Credit	122,181	126,063	125,521	123,194
DRS Pension True-up Credit	(8,290)	(8,588)	(29,768)	-
TOTAL w/ DRS Pension True-up Credit	113,891	117,476	95,753	123,194

2021 Total Operating Expenses are \$2.3M unfavorable to the budget due to:

- Delay in contract spending and delays in hiring vacant positions, offset by unbudgeted outside legal services and lower charges to Capital Projects

2021 Total Operating expenses are \$542K lower compared to 2020 due to:

- Lower Outside Services costs due to project delays in 2021
- Lower Equipment spending in 2021 due to slow start to PC Refresh and unplanned higher spend in 2020
- Lower Travel and Other Employee Expenses
- Lower 2021 spending is partially offset by higher Insurance Expense and less charges to Capital Projects

Central Services Expense by Category

\$ in 000's	2019	2020	2021	2021	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Salaries & Benefits	66,708	71,672	71,603	72,029	426	0.6%	(69)	-0.1%
Wages & Benefits	28,648	28,384	27,981	26,802	(1,179)	-4.4%	(403)	-1.4%
Payroll to Capital Projects	16,714	17,325	16,737	19,248	2,511	13.0%	(588)	-3.4%
Equipment Expense	2,869	2,219	1,627	1,858	231	12.4%	(592)	-26.7%
Supplies & Stock	1,369	888	812	876	64	7.3%	(76)	-8.5%
Outside Services	26,553	30,687	29,301	28,465	(836)	-2.9%	(1,387)	-4.5%
Travel & Other Employee Expenses	2,548	1,437	1,038	1,378	340	24.7%	(399)	-27.8%
Insurance Expense	2,276	2,550	3,344	3,022	(322)	-10.7%	794	31.1%
Litigated Injuries & Damages	-	719	200	-	(200)	0.0%	(519)	-72.2%
Other Expenses	3,787	3,109	3,015	3,172	156	4.9%	(94)	-3.0%
Charges to Capital Projects/Overhead Alloc	(29,291)	(32,926)	(30,136)	(33,655)	(3,519)	10.5%	2,790	-8.5%
TOTAL w/o DRS Pension True-up Credit	122,181	126,063	125,521	123,194	(2,327)	-1.9%	(542)	-0.4%
DRS Pension True-up Credit	(8,290)	(8,588)	(29,768)	-	29,768	0.0%	(21,180)	246.6%
TOTAL w/ DRS Pension True-up Credit	113,891	117,476	95,753	123,194	27,441	22.3%	(21,722)	-18.5%

- Wages unfavorable due to vacancy factor in in the budget.
- Outside Services unfavorable to budget due to unbudgeted outside legal expenses.
- Charges to Capital unfavorable to budget due to delay of some capital projects.

Central Services Capital Spending

\$ in 000's	2021	2021	Budget Variance	
	Actual	Budget	\$	%
Infrastructure - Small Cap	805	1,911	1,106	57.9%
Services Tech - Small Cap	1,242	1,226	(16)	-1.3%
Radio System Upgrade	2,062	2,955	893	30.2%
Office Wi-Fi Refresh	32	1,350	1,318	97.6%
Phone System Upgrade	426	840	414	49.3%
Environmental MIS projects	4	600	596	99.3%
CDD Fleet Replacement	230	1,123	893	79.5%
Corporate Fleet Replacement	247	685	438	63.9%
Other (note 1)	388	1,968	1,580	80.3%
Subtotal	5,436	12,658	7,222	57.1%
CIP Cashflow Adjustment	-	(3,000)	(3,000)	100.0%
TOTAL	5,436	9,658	4,222	43.7%

Note:

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

Port wide Appendix

2021 Financial Performance Report



Port Wide Financial Summary

	2019	2020	2021	2021	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
Aeronautical Revenues	357,598	297,909	317,513	386,668	(69,155)	-17.9%	19,604	6.6%
Airport Non-Aero Revenues	269,037	116,473	183,819	189,548	(5,729)	-3.0%	67,346	57.8%
Non-Airport Revenues	137,538	96,446	120,423	104,645	15,778	15.1%	23,978	24.9%
Total Operating Revenues	764,174	510,828	621,755	680,861	(59,106)	-8.7%	110,927	21.7%
Total Operating Expenses	458,112	425,904	422,372	423,412	1,040	0.2%	(3,532)	-0.8%
NOI before Depreciation	306,062	84,923	199,383	257,448	(58,065)	-22.6%	114,459	134.8%
Depreciation	174,903	180,086	190,683	176,509	(14,173)	-8.0%	10,597	5.9%
NOI before Depreciation w/o DRS Pension True-up	131,159	(95,163)	8,700	80,939	72,239	89.3%	103,863	-109.1%
DRS Pension True-up Credit	(16,412)	(17,223)	(57,716)	-	57,716	0.0%	(40,493)	235.1%
NOI after Depreciation w/ DRS Pension True-up	147,571	(77,939)	66,416	80,939	(14,523)	-17.9%	144,355	-185.2%

- Total Operating Revenues: \$59.1M unfavorable to the budget and \$110.9M higher than 2020
- Total Operating Expenses: \$1.0M favorable to the budget and \$3.5M lower than 2020 without the DRS Pension Credit.
- NOI before Depreciation: \$58.1M unfavorable to the budget and \$114.5M higher than 2020 without the Pension Credit.

Non-Airport Financial Summary

	2019	2020	2021	2021	Fav (UnFav)		Incr (Decr)	
					Actual vs. Budget		Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
NWSA Distributable Revenue	47,979	38,782	55,732	42,273	13,459	31.8%	16,951	43.7%
Maritime Revenues	59,289	42,111	48,331	45,280	3,051	6.7%	6,219	14.8%
EDD Revenues	21,151	9,470	9,294	13,348	(4,054)	-30.4%	(176)	-1.9%
SWU & Other	9,119	6,083	7,066	3,744	3,322	88.7%	983	16.2%
Total Operating Revenues	137,538	96,446	120,423	104,645	15,778	15.1%	23,978	24.9%
Total Operating Expenses	89,266	82,117	80,693	83,505	2,812	3.4%	(1,424)	-1.7%
NOI before Depreciation	48,272	14,328	39,730	21,140	18,590	87.9%	25,402	177.3%
Depreciation	38,737	37,674	37,841	36,496	(1,345)	-3.7%	166	0.4%
NOI before Depreciation w/o DRS Pension True-up	9,536	(23,346)	1,890	(15,355)	(17,245)	112.3%	25,236	-108.1%
DRS Pension True-up Credit	(2,811)	(3,116)	(10,254)	-				
NOI after Depreciation w/ DRS Pension True-up	12,347	(20,230)	12,143	(15,355)	27,499	-179.1%	32,373	-160.0%

- Non-Airport Operating Revenue is \$15.8M favorable due to higher revenues from Grain, NWSA Distributable Revenues, and unbudgeted Police Revenues partially offset by lower revenues from Cruise and Conference & Event Center.
- Non-Airport Operating Expenses are \$2.8M 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	2020	2021	2021	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2020	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Aeronautical Revenues	357,598	297,909	317,513	386,668	(69,155)	-17.9%	19,604	6.6%
Public Parking	82,125	34,502	64,104	59,597	4,507	7.6%	29,602	85.8%
Rental Cars - Operations	36,793	16,637	32,722	24,379	8,343	34.2%	16,086	96.7%
Rental Cars - Operating CFC	15,773	-	2,018	2,501	(483)	-19.3%	2,018	0.0%
ADR & Terminal Leased Space	68,013	31,234	41,607	51,184	(9,576)	-18.7%	10,373	33.2%
Ground Transportation	20,765	6,557	11,947	13,628	(1,681)	-12.3%	5,389	82.2%
Employee Parking	10,438	8,848	9,006	9,688	(682)	-7.0%	158	1.8%
Airport Commercial Properties	15,773	10,766	12,520	13,713	(1,193)	-8.7%	1,754	16.3%
Airport Utilities	7,431	5,672	6,350	7,568	(1,218)	-16.1%	678	12.0%
Clubs and Lounges	10,274	2,043	3,478	6,221	(2,743)	-44.1%	1,435	70.2%
Cruise	22,410	3,824	9,517	8,558	959	11.2%	5,693	148.9%
Recreational Boating	12,484	12,611	12,851	12,915	(64)	-0.5%	240	1.9%
Fishing & Operations	10,024	10,456	9,859	8,644	1,215	14.1%	(597)	-5.7%
Grain	4,266	5,142	6,112	4,903	1,209	24.7%	970	18.9%
Maritime Portfolio Management	10,108	10,074	10,392	10,259	133	1.3%	318	3.2%
Central Harbor Management	8,899	7,791	7,561	8,278	(717)	-8.7%	(230)	-3.0%
Conference & Event Centers	12,239	1,662	1,910	5,035	(3,125)	-62.1%	248	14.9%
NWSA Distributable Revenue	47,979	38,782	55,732	42,273	13,459	31.8%	16,951	43.7%
Other	10,783	6,318	6,555	4,848	1,706	35.2%	237	3.8%
Total Operating Revenues (w/o Aero)	406,576	212,919	304,242	294,193	10,049	3.4%	91,323	42.9%
TOTAL	764,174	510,828	621,755	680,861	(59,106)	-8.7%	110,927	21.7%

Port Wide Operating Expense Summary

	2019	2020	2021	2021	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr)	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
Salaries & Benefits	135,913	147,623	144,953	147,358	2,405	1.6%	(2,671)	-1.8%
Wages & Benefits	136,451	137,054	134,738	130,225	(4,513)	-3.5%	(2,316)	-1.7%
Payroll to Capital Projects	25,832	29,759	28,979	33,110	4,131	12.5%	(780)	-2.6%
Outside Services	106,463	103,637	99,482	103,959	4,477	4.3%	(4,154)	-4.0%
Utilities	25,838	22,017	26,236	28,000	1,765	6.3%	4,218	19.2%
Equipment Expense	11,865	10,331	6,863	6,758	(105)	-1.6%	(3,468)	-33.6%
Supplies & Stock	11,197	9,894	9,368	8,591	(777)	-9.0%	(526)	-5.3%
Travel & Other Employee Expenses	5,449	2,764	2,031	2,409	378	15.7%	(733)	-26.5%
Third Party Mgmt Op Exp	13,329	5,201	4,994	7,709	2,715	35.2%	(207)	-4.0%
B&O Taxes	4,859	3,332	4,120	4,509	389	8.6%	788	23.6%
Other Expenses	33,553	11,806	15,640	13,618	(2,022)	-14.8%	3,834	32.5%
Charges to Capital Projects/Overhead Alloc	(52,636)	(57,515)	(55,031)	(62,834)	(7,803)	12.4%	2,483	-4.3%
TOTAL w/o DRS Pension True-up Credit	458,112	425,904	422,372	423,412	1,040	0.2%	(3,532)	-0.8%
DRS Pension True-up Credit	(16,412)	(17,223)	(57,716)	-	57,716	0.0%	(40,493)	235.1%
TOTAL w/ DRS Pension True-up Credit	441,700	408,681	364,656	423,412	58,756	13.9%	(44,025)	-10.8%

- Payroll expenses were \$2M below budget primarily due to vacant positions.
- Outside Services were \$4.5M favorable to budget due to project delays.
- Travel & Other Employee Expenses were \$378K lower than budget due to cutting/eliminating non-essential business travel and training.
- Charges to Capital Projects were lower by (\$7.8M) due to delays in Capital Projects

Port Wide Capital Spending Summary

\$ in 000's	2021	2021	Budget Variance	
	Actual	Budget	\$	%
Aviation	389,051	491,202	102,151	20.8%
Maritime	18,924	26,195	7,271	27.8%
Economic Development	4,311	5,647	1,336	23.7%
Central Services & Other (note 1)	8,019	13,605	5,586	41.1%
TOTAL	420,305	536,649	116,344	21.7%

Note:

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