

Q2 2023 Financial Performance Report

Item No. 11a_supp

Date of Meeting: August 8, 2023



Port of Seattle®

Key Highlights

- Strong financial performance results in the first half of the year
- SEA passenger growth is rebounding; forecast is 3.4% lower than 2019 and 8.8% higher than 2022
- 2023 Cruise season is underway with projected 287 cruise sailings and over 1.4 million revenue passengers
- Total operating expenses were \$15.7M under the budget in Q2, and project to be \$5.0M under the budget on a full-year basis
- Total capital spending forecast to be \$506.3M, 93.5% of the budget, for the year

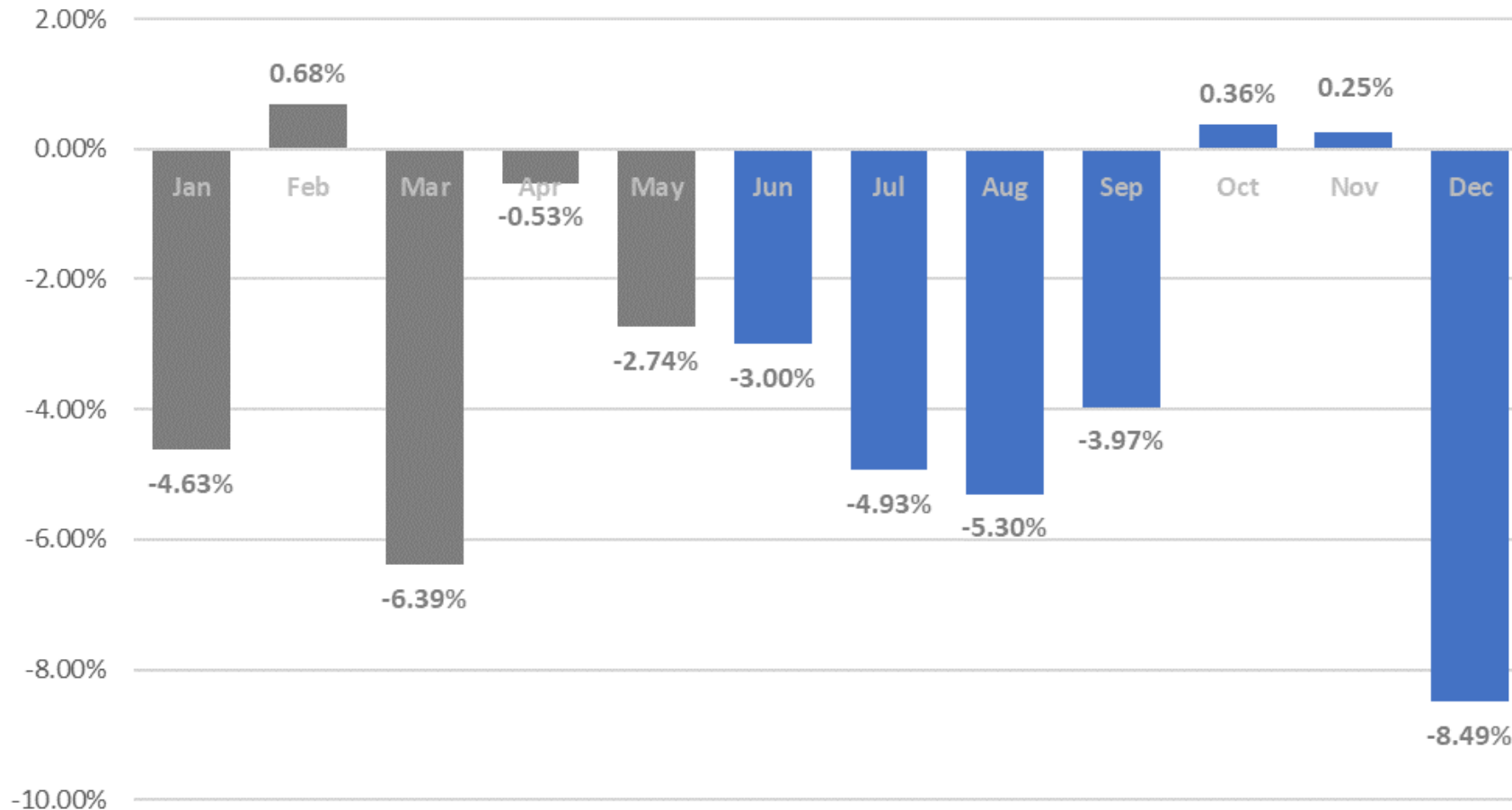
Aviation Division

2023 Q2 Financial Performance Report



Passenger Growth Rebounding

by Month for 2023 vs 2019



Passengers (millions)	
2019 Actual	51.8
2020 Actual	20.0
2021 Actual	36.2
2022 Actual	46.0
2023 Budget	48.9
2023 Forecast	50.0

3.4% ↓

compared to 2019

8.8% ↑

compared to 2022

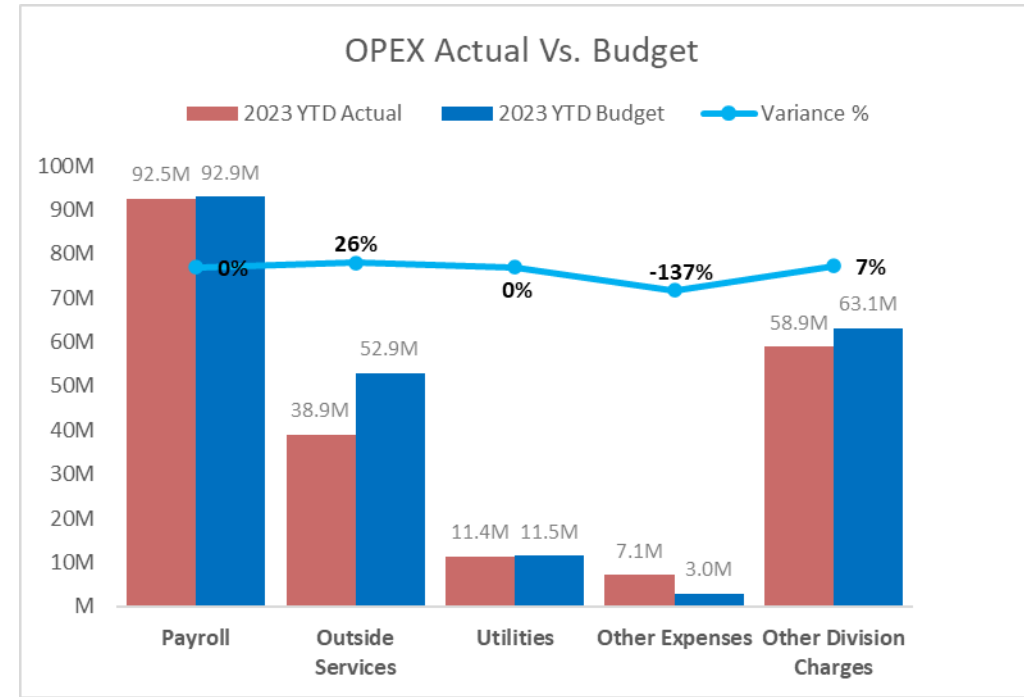
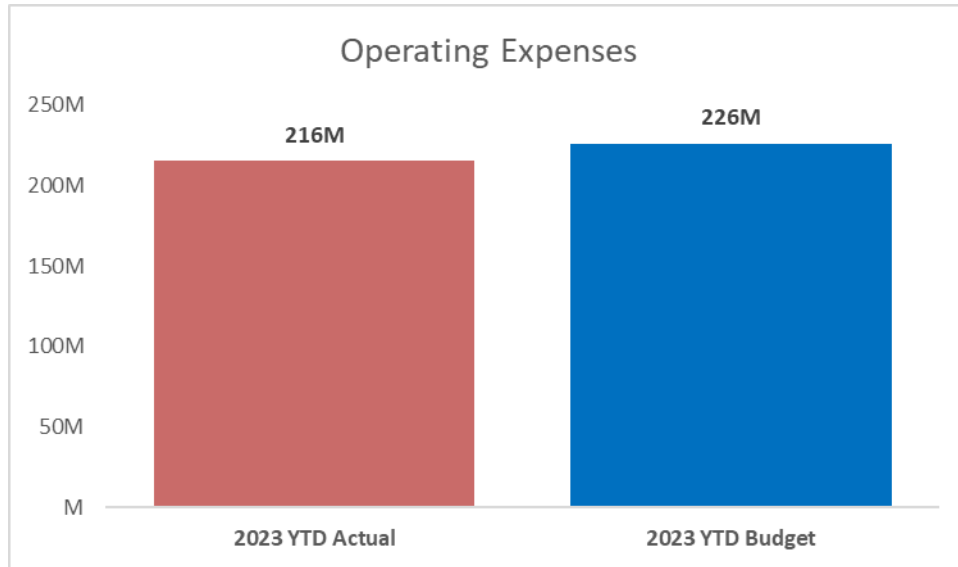
Financial Summary

<i>Figures in \$000s</i>	Forecast YE 2023	Budget YE 2023	Variance
Revenues			
Aeronautical	501,441	504,948	(3,507)
Non-Aeronautical	317,218	296,102	21,116
Total Revenues	818,659	801,051	17,609
Total O&M Expenses	458,703	460,535	1,832
Federal Relief	11,900	10,000	1,900
Concessions Relief	1,918	250	1,668
NOI (after Federal Relief Grants)	373,774	350,765	23,009
Key Measures			
Non-Aero NOI (in \$000s)	180,721	156,216	24,506
CPE (\$)	18.66	19.29	0.63
Debt Service Coverage	2.04	1.87	0.17
Other Information			
ADF Balance (in \$000s)	587,002	576,000	11,002
Capital Spending (in \$000s)	458,345	485,572	27,226

Business/Financial Highlights

- Passenger forecast reduction: Now 3.4% lower than 2019
- Non-aero revenues recovering, forecast to exceed budget

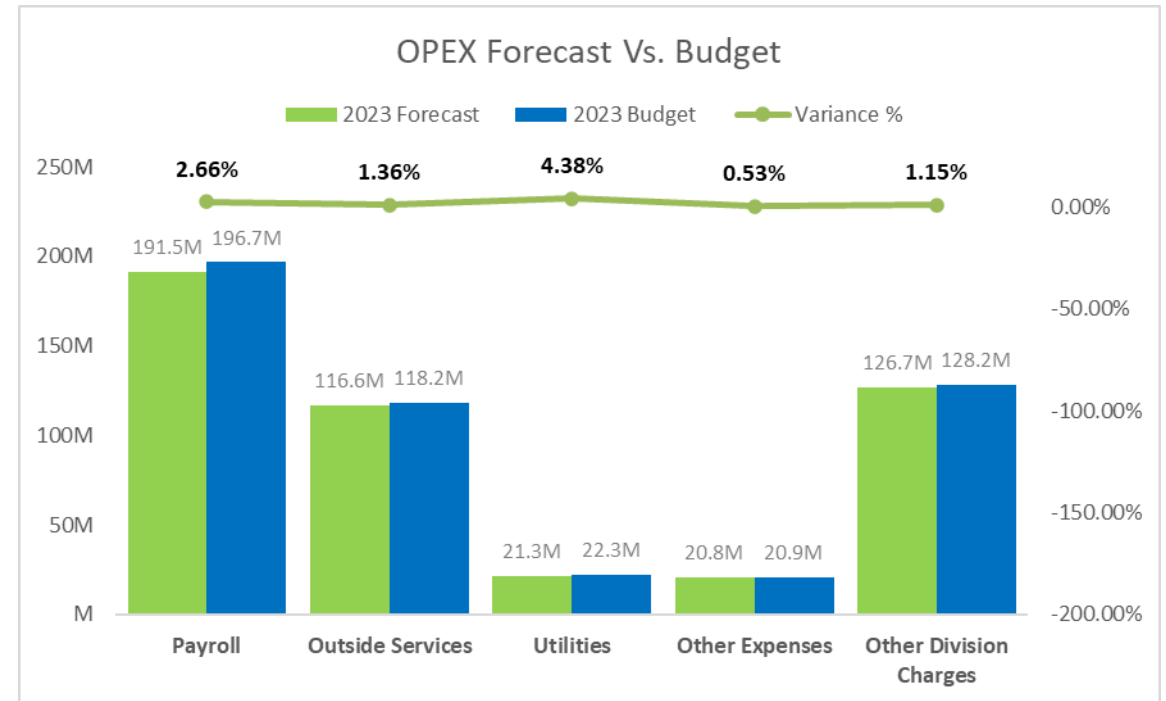
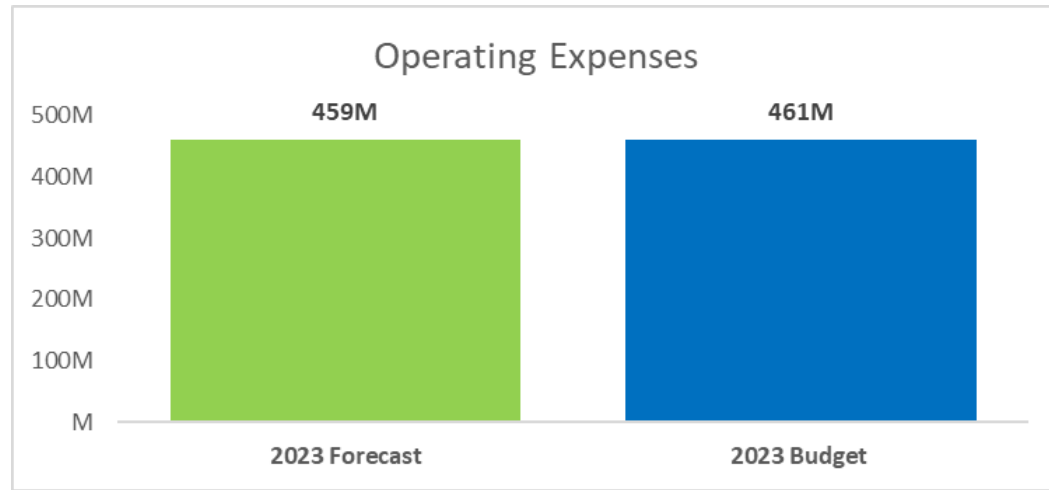
Operating Expenses Summary (YTD)



\$10.4M or 4.6% Under budget

- **Underspend** primarily in Outside Services of **\$14M** due to delays in PMG, and savings from custodial contracts related to vendors not earning incentive pay.

Operating Expenses Summary (Full Year Forecast)



\$1.8M or 0.4% under budget

Major Drivers:

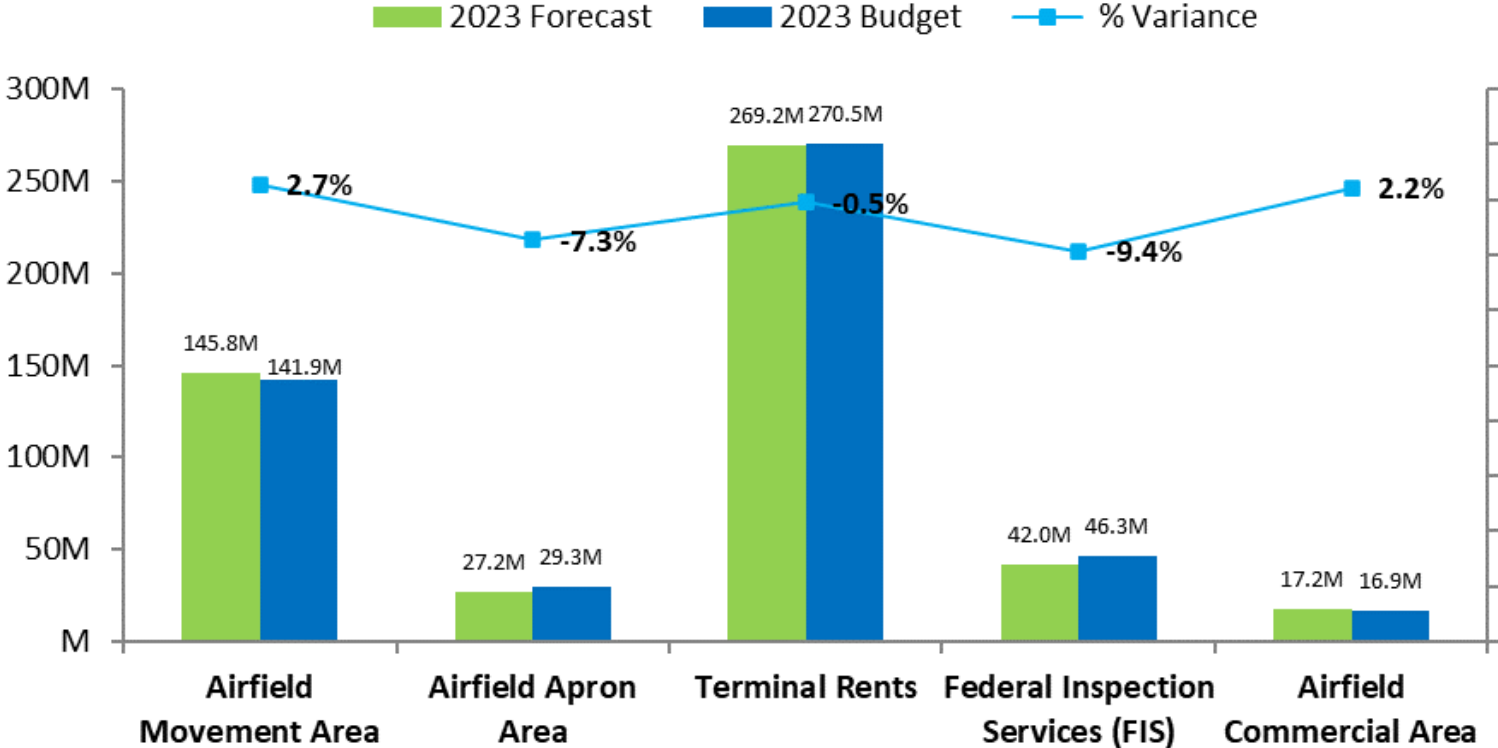
- Full Year Forecast is currently anticipated to be closely aligned to Budget at the net rollup.
- Forecasted underspend is approx. \$1.8M primarily due to under-runs in Payroll due to vacancies and \$1.7M Charges from Other Divisions, offset by increases in other expenses due to less charges to capital and increases to Environmental Remediation Liability (ERL).

Aeronautical Revenue

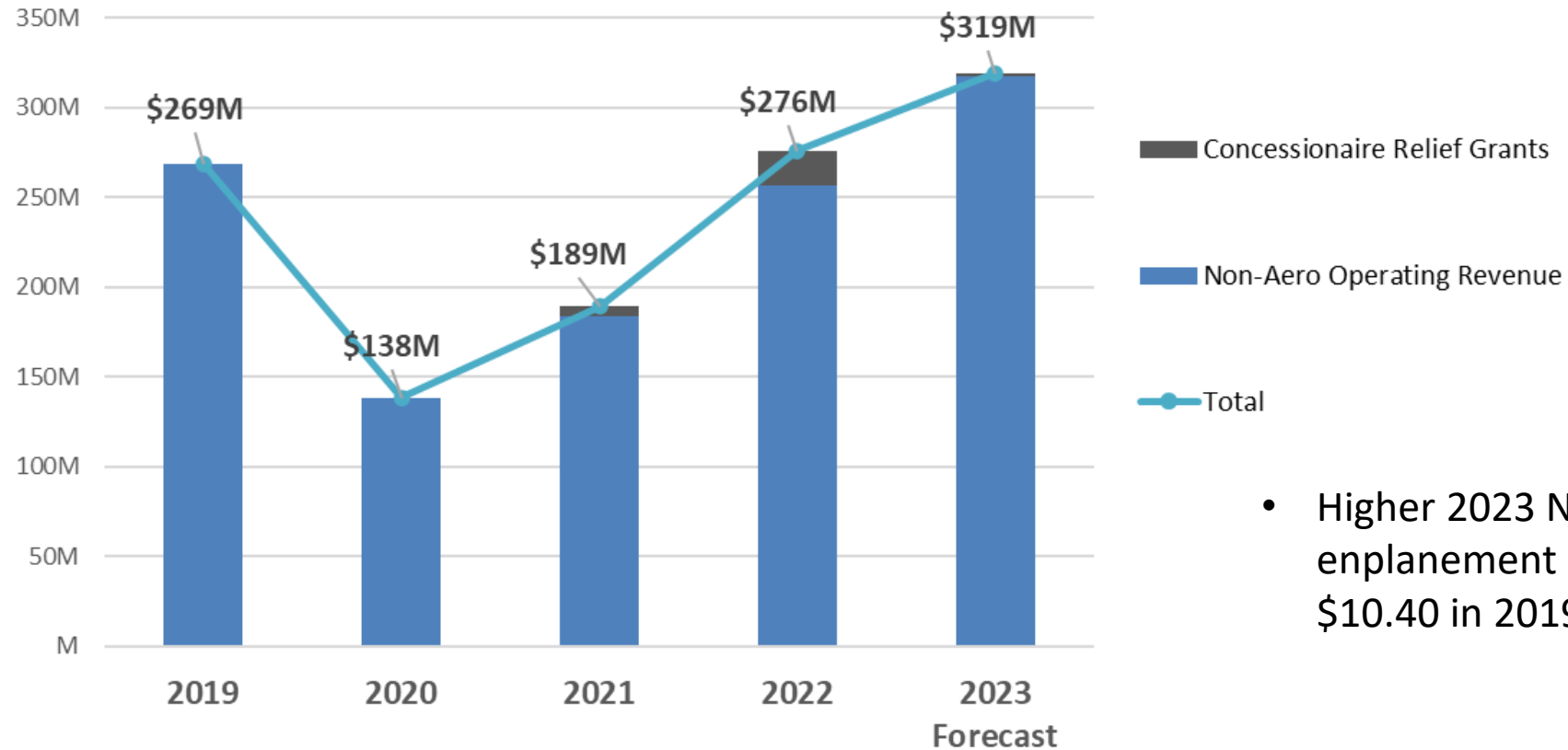
Forecast
\$501M

↓ 0.7%

Budget
\$505M



Non-Aero Revenue YoY with Concessions Grant Impact



- Higher 2023 Non-aero revenue per enplanement at \$12.68 compared to \$10.40 in 2019.

Note: Remaining ARPA \$1.9M federal Concessionaire Relief grant funds expected to be applied to ADR tenants in 2023.

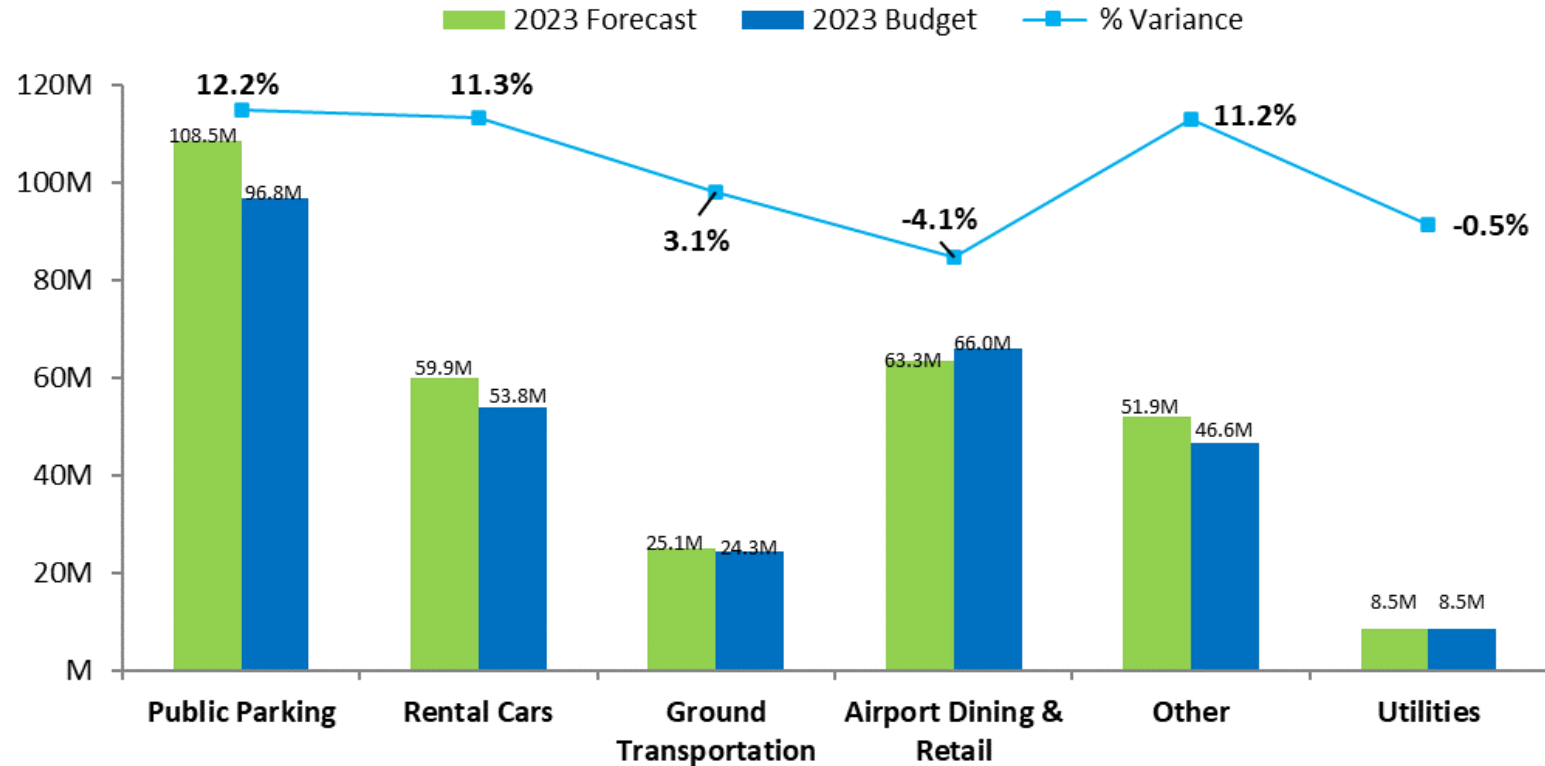
Non-Aeronautical Revenues

Reflects Real Business Performance BEFORE reduction by Concessionaire Relief grant rent credits

Forecast
\$319.1M

↑ 7.1%

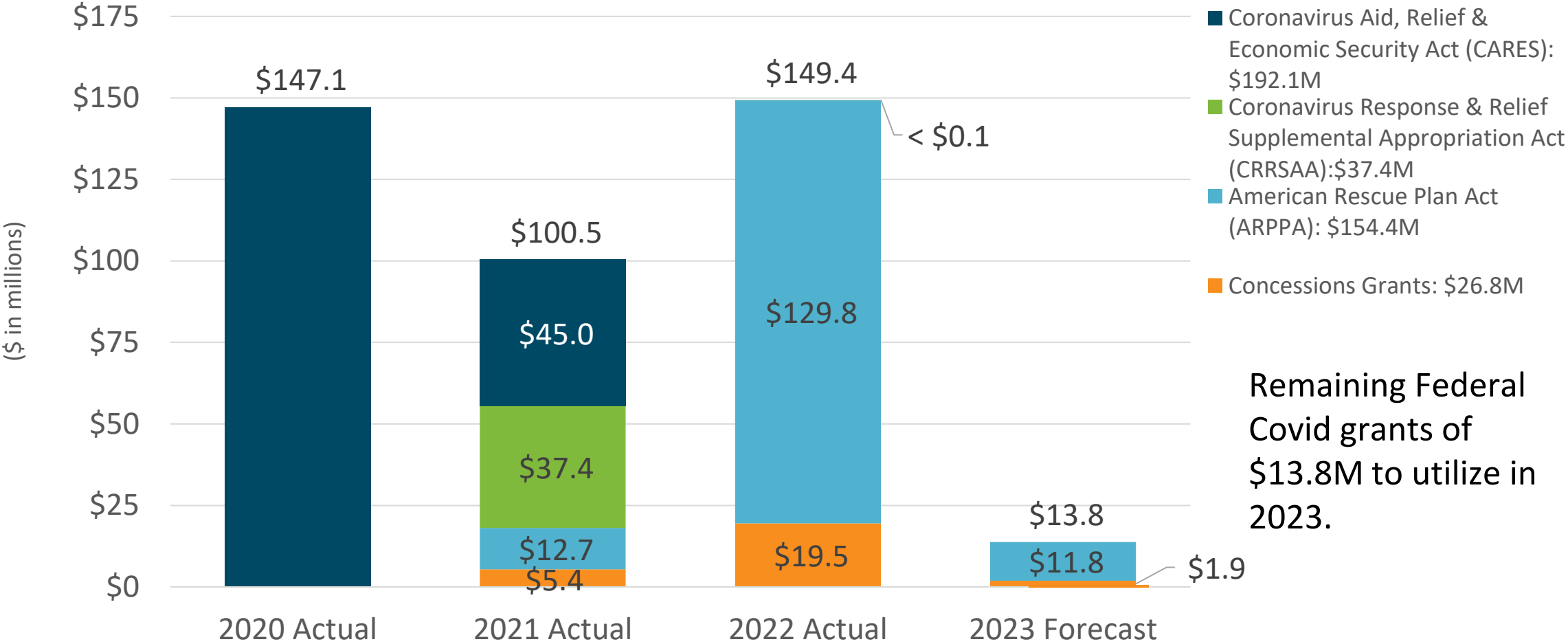
Budget
\$296.4M



Final \$1.9M in Concessionaire Relief grant rent credits (ARPA grant) will be applied to qualified ADR tenants in 2023.

Federal Relief Grant Summary

Total Grants \$410.6M



Debt Service Ratio is projected to be better than budget

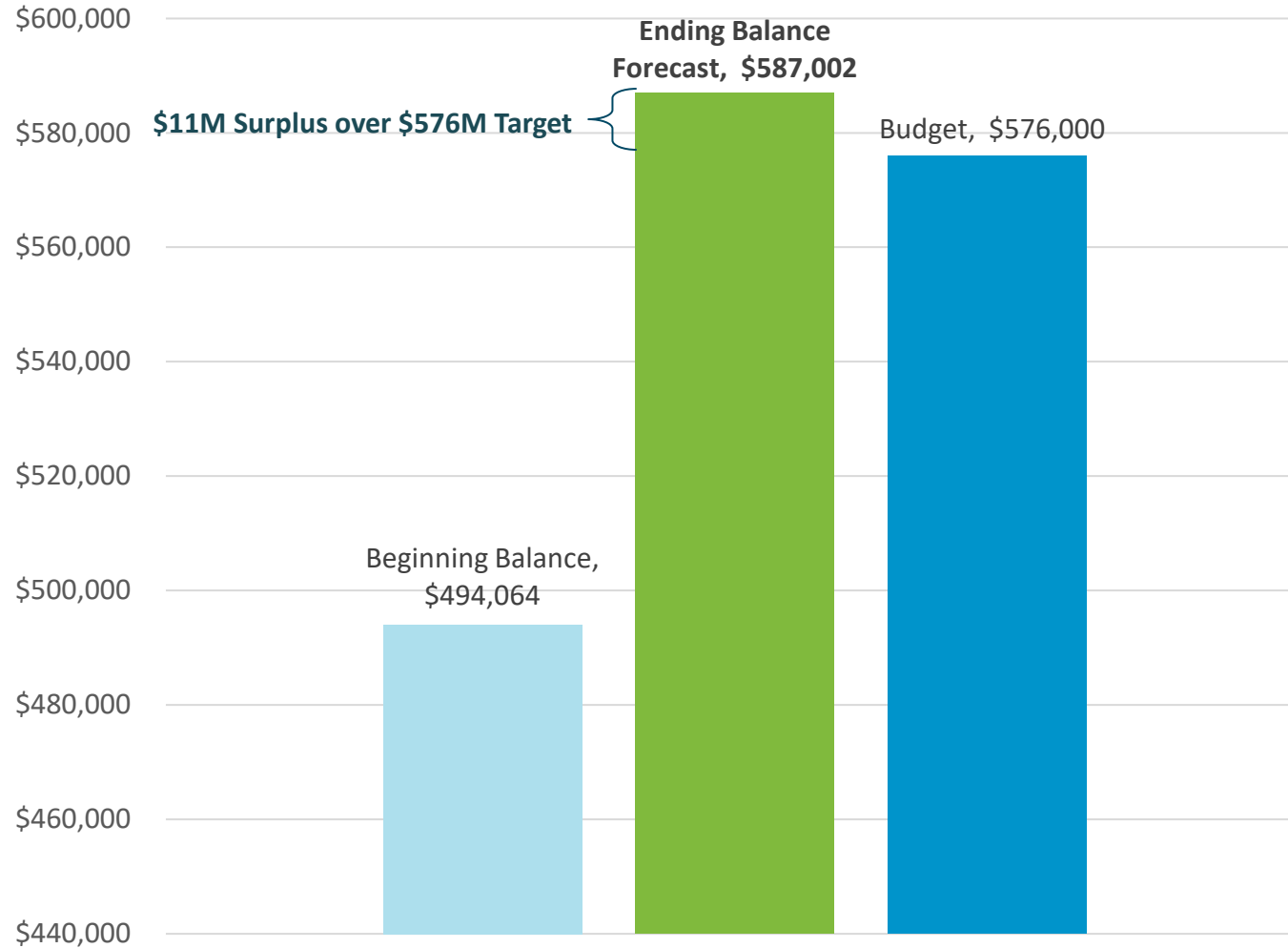
	in \$000's	2022 Actual	2023 Forecast	2023 Budget	Variance
Revenues					
Aero		402,540	501,441	504,949	(3,508)
Non-aero		256,613	317,218	295,852	21,366
Total Revenues		659,153	818,659	801,051	17,608
O&M		(382,704)	(458,703)	(460,535)	1,832
Net Operating Income		276,449	359,956	340,516	19,440
Federal Relief Grants Non-op		24,477	-	-	-
Concession Rent Relief Grants		21,419	1,918	250	1,668
CFC Excess		(4,338)	(6,603)	(4,427)	(2,176)
Other net non-operating		5,034	13,878	13,635	243
Available for debt service		323,040	369,149	349,974	19,176
Debt Service					
Gross debt service (net of cap i)		316,133	312,176	316,397	(4,221)
CFC offset		(18,696)	(24,645)	(24,658)	13
PFC offset		(69,681)	(94,481)	(95,000)	519
Federal Relief Grants DS offset		(105,371)	(11,978)	(9,997)	(1,981)
Net Debt Service		122,385	181,072	186,743	(5,670)
Debt Service Coverage		2.64	2.04	1.87	0.17

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

- **Non-aero revenues** are projected to be around **\$21M higher** than budget (public parking by \$12M; rental car by \$6M; flight kitchen & space rentals by \$3M, and clubs/lounge by \$2M)
- **Aero revenues** 2023 forecast are **\$3.5M lower** than budget as lower debt service charges are not included in rate base due to delay in assets completion.
- **Total O&M** is around **\$1.8M favorable** to budget

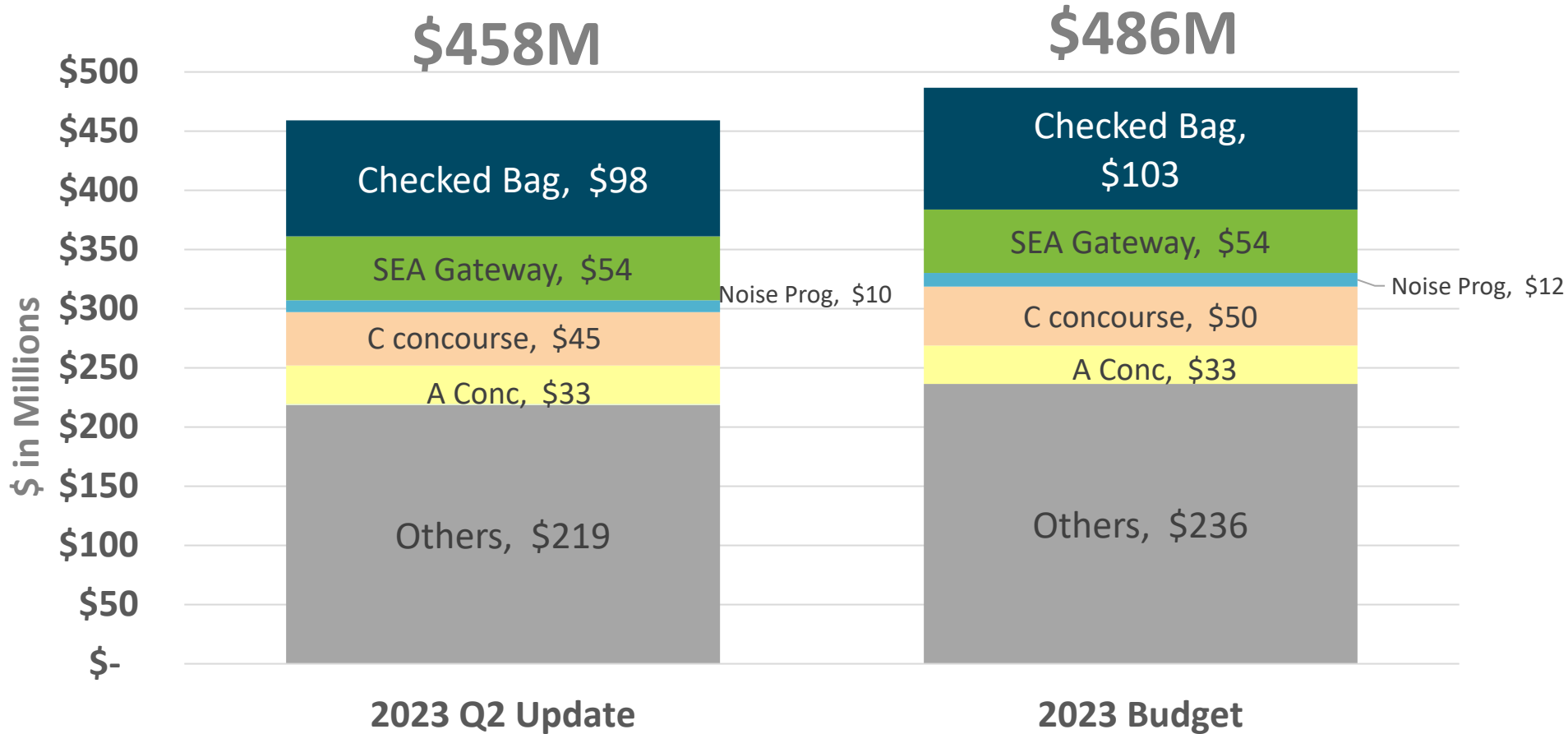
Airport Development Fund Balance

\$ in 000's



- Ending balance of \$587M exceeding target of \$576M (15 months of O&M in 2023) by \$11M
- ADF funded capital projects Forecast is \$50M

2023 Capital Spending forecast: 94% of Budget



- Most mega projects are projected to have spendings close to the budget
- Design/schedule and billing delays in baggage project result in lower cashflows
- Schedule delays caused variance in other projects

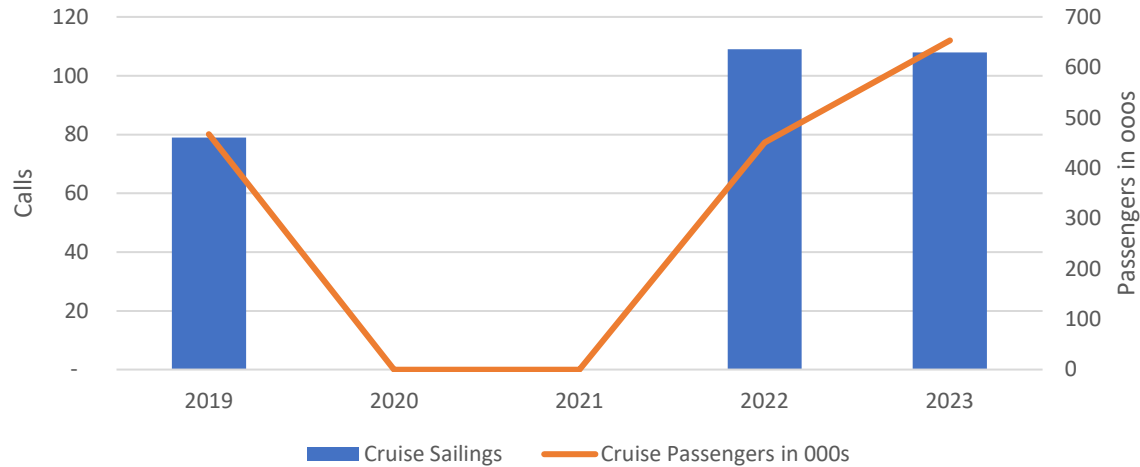
Seaport

2023 Q2 Financial Performance Report

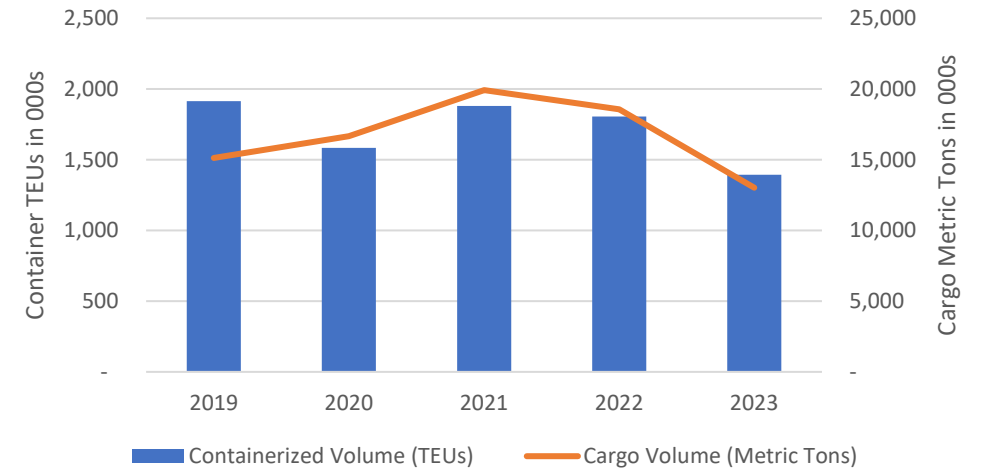


Seaport Key Metrics Through Q2

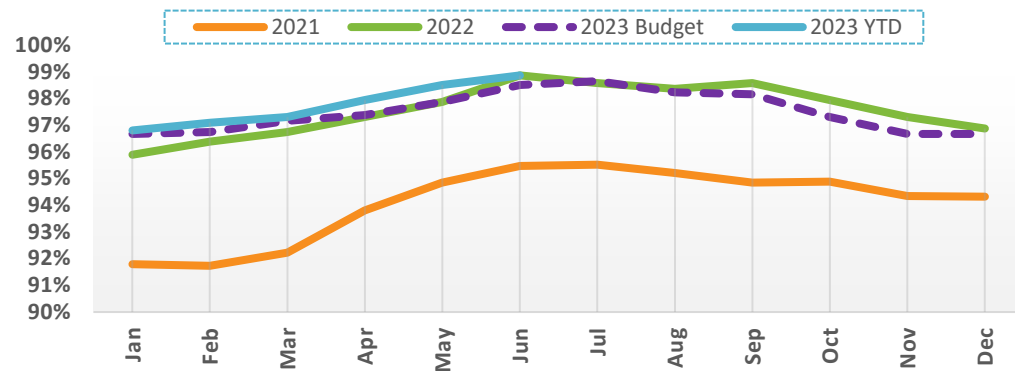
Cruise Calls and Passengers



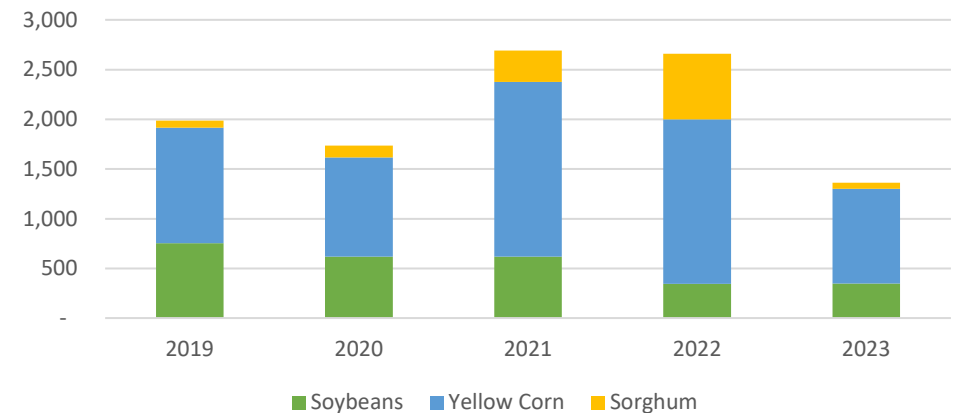
NWSA Container and Cargo Volumes



Occupancy at Shilshole Bay Marina



Grain Volumes in Metric Tons (000s)



Cruise better than expected. Cargo facing challenges.

Seaport Performance Summary

	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget Variance		Change from 2022		2023	2023	Fest vs. Budget Variance	
	Actual	Actual	Budget	\$	%	\$	%	Forecast	Budget	\$	%
\$ in 000's											
Revenues											
Maritime	31,788	35,856	34,040	1,816	5%	4,068	13%	77,962	76,262	1,700	2%
Economic Development Division	6,680	8,361	10,123	(1,761)	-17%	1,681	25%	20,901	22,201	(1,300)	-6%
Joint Venture	24,358	29,205	24,505	4,700	19%	4,847	20%	49,010	49,010	0	0%
Total Revenue	62,826	73,422	68,668	4,754	7%	10,597	17%	147,873	147,473	400	0%
Expenses											
Maritime	28,050	30,711	32,632	1,921	6%	2,662	9%	64,921	66,068	1,147	2%
Economic Development Division	10,872	11,392	13,876	2,484	18%	520	5%	28,418	30,149	1,731	6%
Joint Venture	818	1,371	942	(429)	-46%	553	68%	2,500	2,148	(352)	-16%
Total Expense	39,740	43,474	47,450	3,976	8%	3,734	9%	95,839	98,365	2,526	3%
NOI Before Stormwater Utility	23,086	29,948	21,218	8,730	41%	6,862	30%	52,034	49,108	2,926	6%
Stormwater Utility NOI	817	664	398	266	67%	(153)	-19%	1,624	1,624	0	0%
Total Non-Aviation Business NOI	23,902	30,612	21,616	8,996	42%	6,709	28%	53,658	50,732	2,926	6%

Year-to-Date

- Better than expected waterside occupancy Fishing and Commercial vessels.
- High cruise volumes driving parking revenue.
- NWSA – Lower Revenues, Lower Expenses.

Forecast

- Grain Volumes off 35%.
- Cruise up 24%.
- Lower expenses from open positions.
- Stormwater utility at budget

Maritime Division

2023 Q2 Financial Performance Report

Maritime Division

Financial Summary

<i>Figure in \$000s</i>	Forecast	Budget	Variance
Revenues			
Fishing, Commercial, & Recreational			
Marinas	25,900	25,400	500
Cruise	37,832	34,832	3,000
Maritime Portfolio Mgmt.	10,392	10,192	200
Grain / Other	3,838	5,838	(2,000)
Total	77,962	76,262	1,700
O&M Expense			
Direct	24,117	24,617	500
Support Services	21,519	21,719	200
Central Services and Other	19,286	19,733	447
Total	64,921	66,068	1,147
Net Operating Income	13,041	10,194	2,847
Capital Spending	27,967	32,313	4,346

Business Highlights

- Cruise Occupancy YTD over 100% vs 85% budgeted.
- Grain Volumes down 49% Y/Y in first 6 months and forecasted down 35% from full year 2022.
- T91 Berth 6 & 8 Redevelopment completed 100% design.
- Duwamish River People's Park - 3 Fish & Invertebrate sampling events. Over 2,100 chum counted on April 21st.
- Completed stormwater system and pipe repairs at Shilshole Bay Marina (supports transferring pipes to City).

Maritime Q2 2023 Financials

Net Operating Income is \$3.7M favorable to budget and \$1.4M better than 2022

- Revenue is \$1.8M better than budget and \$4.1M above 2022 driven by increased cruise occupancy & impacts of canceling the Alaska Crab season, partially offset by reduced grain volumes.
- Expenses \$1.9M or 6% favorable to budget driven by payroll savings, tenant improvements timing, and consulting costs. Expenses up \$2.7M Y/Y primarily due to Payroll.

- Capital spending was \$4.4M and forecasted at \$28M or 87% of \$32.3M budget.

	2021 YTD	2022 YTD	2023 YTD		Actual vs. Budget		Change from 2022	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
Total Revenues	19,507	31,788	35,856	34,040	1,816	5%	4,068	13%
Total Operating Expense	22,581	28,050	30,711	32,632	1,921	6%	2,662	9%
Net Operating Income	(3,074)	3,738	5,145	1,408	3,736	-265%	1,407	-38%
<i>Depreciation</i>	8,881	8,952	9,100	8,418	(681)	-8%	148	2%
Net Income	(11,955)	(5,214)	(3,955)	(7,010)	3,055	44%	1,259	24%

Stormwater Utility Tracking to Budget

	2021	2022	2023	2023	Actual vs. Budget		Change from 2022	
	YTD	YTD	YTD	YTD	Variance			
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
Revenue								
NWSA	859	389	539	523	17	3%	150	39%
Tenants Revenue	1,506	2,174	2,115	2,157	(42)	-2%	(58)	-3%
Port Non-tenants Revenue	727	845	862	862	0	0%	17	2%
Total Revenues	3,093	3,407	3,516	3,541	(25)	-1%	109	3%
Expenses								
SWU	348	683	626	865	239	28%	(57)	-8%
Maintenance Expenses	1,299	1,378	1,283	1,734	451	26%	(96)	-7%
Central Waterfront PM	3	19	10	10	0	1%	(9)	-47%
Environmental & Sustainability	26	10	15	23	8	33%	5	54%
Environmental Finance	9	6	6	17	11	66%	(1)	-13%
Other Central Services	376	495	913	494	(418)	-85%	418	85%
Total Expenses	2,061	2,591	2,852	3,143	291	9%	261	10%
NOI Before Depreciation	1,032	816	664	398	266	67%	(152)	-19%
Depreciation	636	640	624	584	(41)	-7%	(16)	-2%
NOI After Depreciation	396	176	39	(186)	225	-121%	(137)	-78%

- Expenses are under due to timing of outside services spend.

Northwest Seaport Alliance Summary

NWSA Operating Income <i>Before GASB 87 Adjustment</i>	Year-to-Date			Fav (UnFav) Budget Variance		Incr (Decr) Change from 2022	
	2022	2023		\$	%	\$	%
\$ in 000's	Actual	Actual	Budget				
Operating Revenue	101,123	113,633	117,397	(3,764)	-3%	12,510	12%
Operating Expense	43,164	49,327	56,583	7,256	13%	6,163	14%
Operating Income*	57,959	64,306	60,814	3,492	6%	6,347	11%
Depreciation	10,413	10,482	10,705	223	2%	69	1%
Net Operating Income	47,546	53,824	50,109	3,715	7%	6,278	13%
Cargo TEUs	1,806,732	1,394,347				(412,385)	-22.8%
Cargo Volume (Metric Tons)	18,558,442	13,022,238				(5,536,204)	-29.8%

**Excludes Depreciation*

Revenue

- \$3.8M below budget from the impacts of 23% reduction in TEUs.
- \$12.5M higher than 2022 driven crane minimum revenue at Husky terminal, Coast Guard lease on 46, lease escalations, and higher Auto volumes.

Operating Expense

- \$7.3M below budget from lower Maintenance and volume driven expenses.
- \$6.2M higher than 2022 from increased payroll cost.

Joint Venture Q2 2023 Financials

	2022 YTD	2023 YTD	2023 YTD	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Budget	Actual vs. Budget Variance		Change from 2022	
\$ in 000's				\$	%	\$	%
Revenue							
NWSA Distributable Revenue	24,527	28,949	25,153	3,796	15%	4,422	18%
Contra Joint Venture Revenue	(995)	(933)	(1,015)	82	-8%	63	-6%
Subtotal Distributable Revenue frm NWSA	23,532	28,016	24,138	3,879	16%	4,485	19%
Other Service Revenue Tenant Reimbursements	381	522	285	238	83%	141	37%
Port Revenue from NWSA Facilities	445	666	83	584	N/A	221	50%
Total Revenues	24,358	29,205	24,505	4,700	19%	4,847	20%
Expenses							
Maintenance Expenses	277	375	314	(61)	-19%	98	35%
JV Direct	179	472	53	(419)	-795%	293	164%
Security	91	103	98	(6)	-6%	13	
Environmental & Sustainability	85	257	281	24	9%	172	202%
Seaport Finance & Cost Recovery	74	158	135	(23)	-17%	84	112%
Seaport Project Management	17	35	37	2	5%	18	102%
Central Services / Other	94	37	93	56	60%	(57)	-61%
Total Expenses	818	1,437	1,011	(426)	-42%	620	76%
NOI Before Depreciation	23,540	27,767	23,493	4,274	18%	4,227	18%
Legacy Depreciation for NWSA Facilities	7,399	7,348	7,225	(123)	-2%	(51)	-1%
NOI After Depreciation	16,141	20,419	16,268	4,151	26%	4,278	27%

Home Port Activities

Revenues:

- NWSA Distributable Revenue higher than budget due project spending timing less than budget.
- Port Revenue from NWSA Facilities higher from unbudgeted Pacific Crane Maintenance lease at T46.

Expenses

- \$426K unbudgeted T5 environmental reserve adjustment expense
- Tenant maintenance work at T18, P16/17, T30, and T115.

Economic Development Division

2023 Q2 Financial Performance Report



Economic Development Division

Financial Summary

<i>Figure in \$000s</i>	Forecast	Budget	Variance
Revenues	20,901	22,201	(1,300)
O&M Expense			
EDD & Maritime	16,368	17,900	1,532
Maintenance	3,253	3,303	50
Diversity in Contracting	250	250	0
Tourism	1,830	1,830	0
EDD Grants	1,450	1,450	0
Central Services and Other	5,268	5,417	149
Total	28,418	30,149	1,731
NOI	(7,517)	(7,948)	431
Capital Spending	7,670	8,086	416

Business Highlights

- Parking returning to pre-pandemic levels.
- Maintained 90% occupancy.
- Conference Center volumes returning after Q1 cancellations.
- P66 Central Waterfront Elevators Project reached substantial completion.
- FT Maritime Innovation Center Project completed 100% design.
- T91 Uplands Development completed 30% design.

Economic Development Financial Highlights

Net Operating Income \$723K favorable to budget and \$1.2M higher than 2022

- Revenue unfavorable to budget by \$1.8M and \$1.7M higher than 2022. Higher than anticipated conference cancellations partially offset by uptick in demand at the Bell Street Garage.
- Expenses favorable to budget by \$2.5M driven by less conferences than budgeted and timing of spend. Expenses are up by \$520K Y/Y due to increased Conference & Event Center volumes offset by Tourism expenses and timing of tenant improvements & broker fees.

- Capital spending was \$2.6M and forecasted at \$7.7M or 95% of \$8.1M budget.

	2021 YTD	2022 YTD	2023 YTD		Actual vs. Budget		Change from 2022	
			Actual	Budget	Variance			
	\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$
Total Revenues	4,089	6,680	8,361	10,123	(1,761)	-17%	1,681	25%
Total Operating Expense	8,493	10,872	11,392	13,876	2,484	18%	520	5%
Net Operating Income	(4,403)	(4,192)	(3,031)	(3,753)	723	19%	1,162	28%
<i>Depreciation</i>	1,919	1,906	2,064	1,914	(150)	-8%	157	8%
Net Income	(6,322)	(6,099)	(5,094)	(5,667)	573	10%	1,004	16%

Central Services

2023 Q2 Financial Performance Report



Central Services

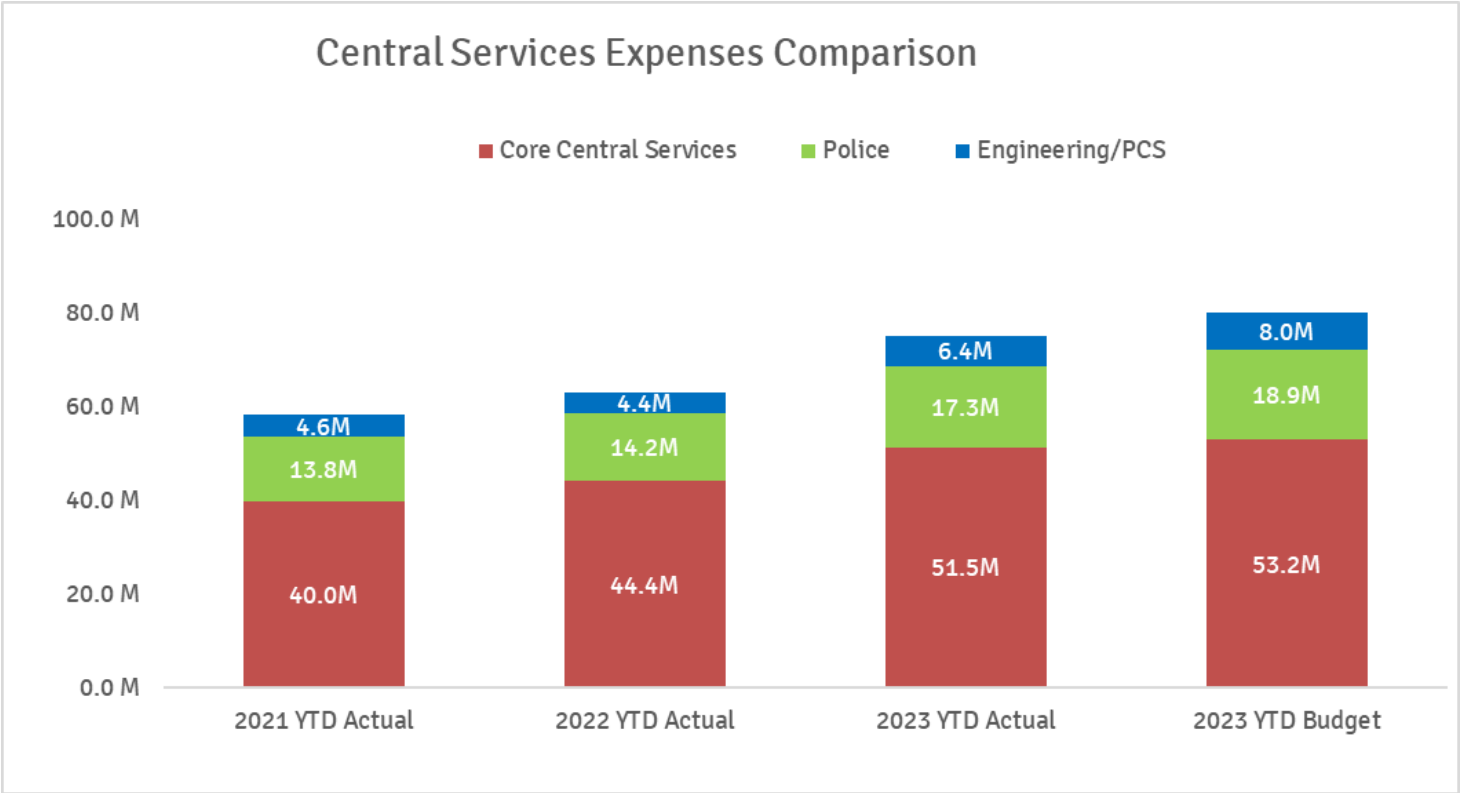
Financial Summary

<i>Figures in \$000s</i>	Forecast	Budget	Variance
Revenues	399	155	244
Core Central Support Serv	109,186	109,752	566
Police	35,929	36,673	744
Engineering/PCS	14,814	16,478	1,664
O&M Expenses	159,928	162,903	2,974
Capital Spending	11,015	13,178	2,163

Business Highlights

- Hosted a multi-cultural **Working Waterfront boat tour** for 250 community members
- Hosted the annual **SKCCIF Environment and Jobs Symposium** with 150 attendees
- Partnered with NWSA on a **Bike Truck Safety Fair** promoting freight mobility
- Secured final passage of **2:1 Match Bill** in State Legislature
- Secured final passage of **SAF Incentivization Bill** in State Legislature
- Completed the Equitable Spending and Accountability Project (**ESAP**) framework

Central Services YTD Financial Highlights



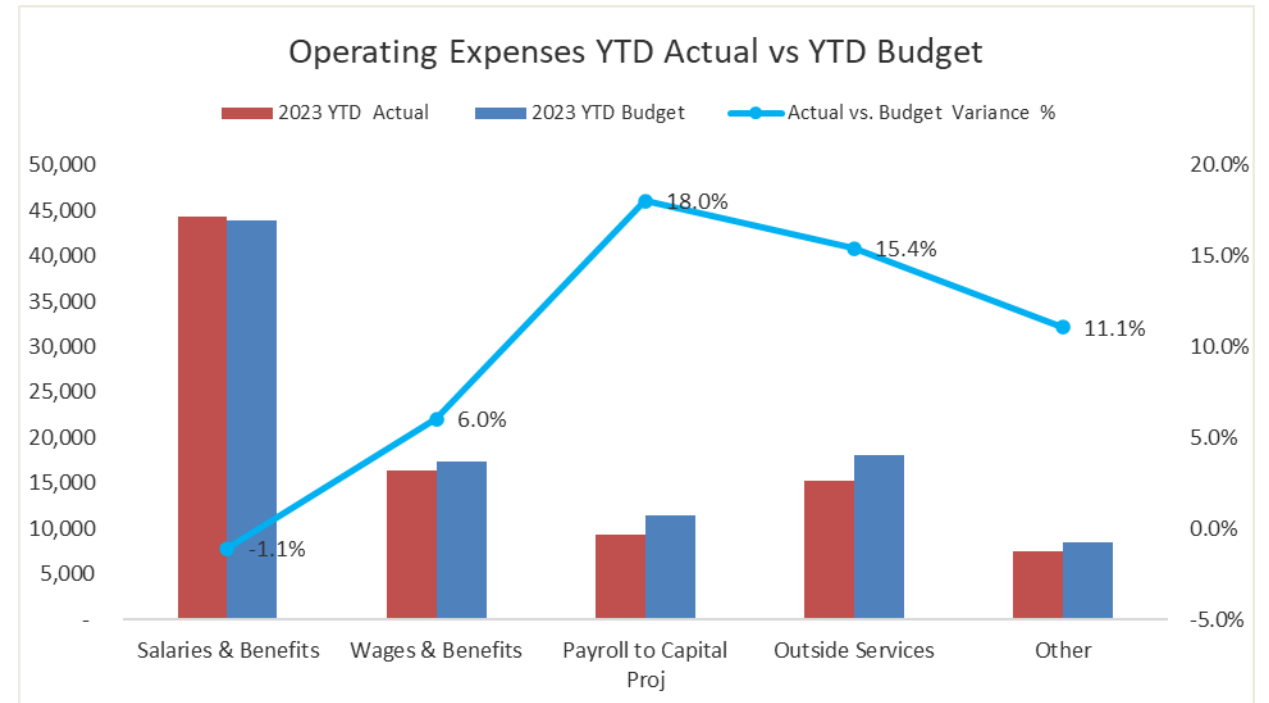
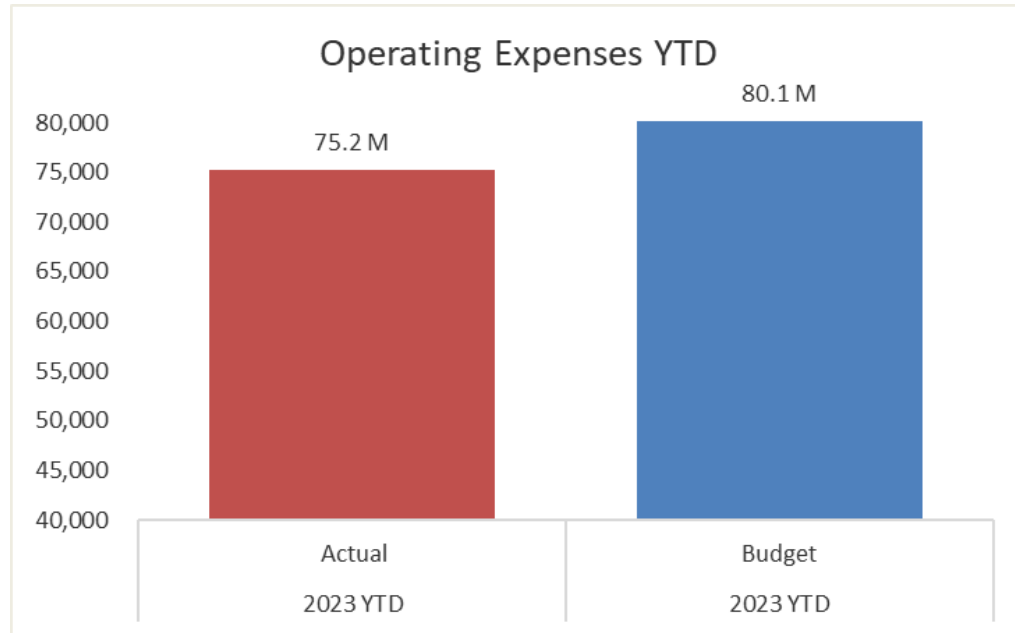
2023 YTD Total Operating Expenses are **\$4.9M below** budget due to:

- Lower Payroll and Outside Services, partially offset by lower Charges to Capital Projects

2023 YTD Total Operating Expenses are **\$12.2M higher** compared to 2022 due to:

- Higher Payroll and Outside Services in 2023, partially offset by lower General Expense and higher Charges to Capital Projects

Operating Expenses Summary



\$4.9M or 6.1% favorable

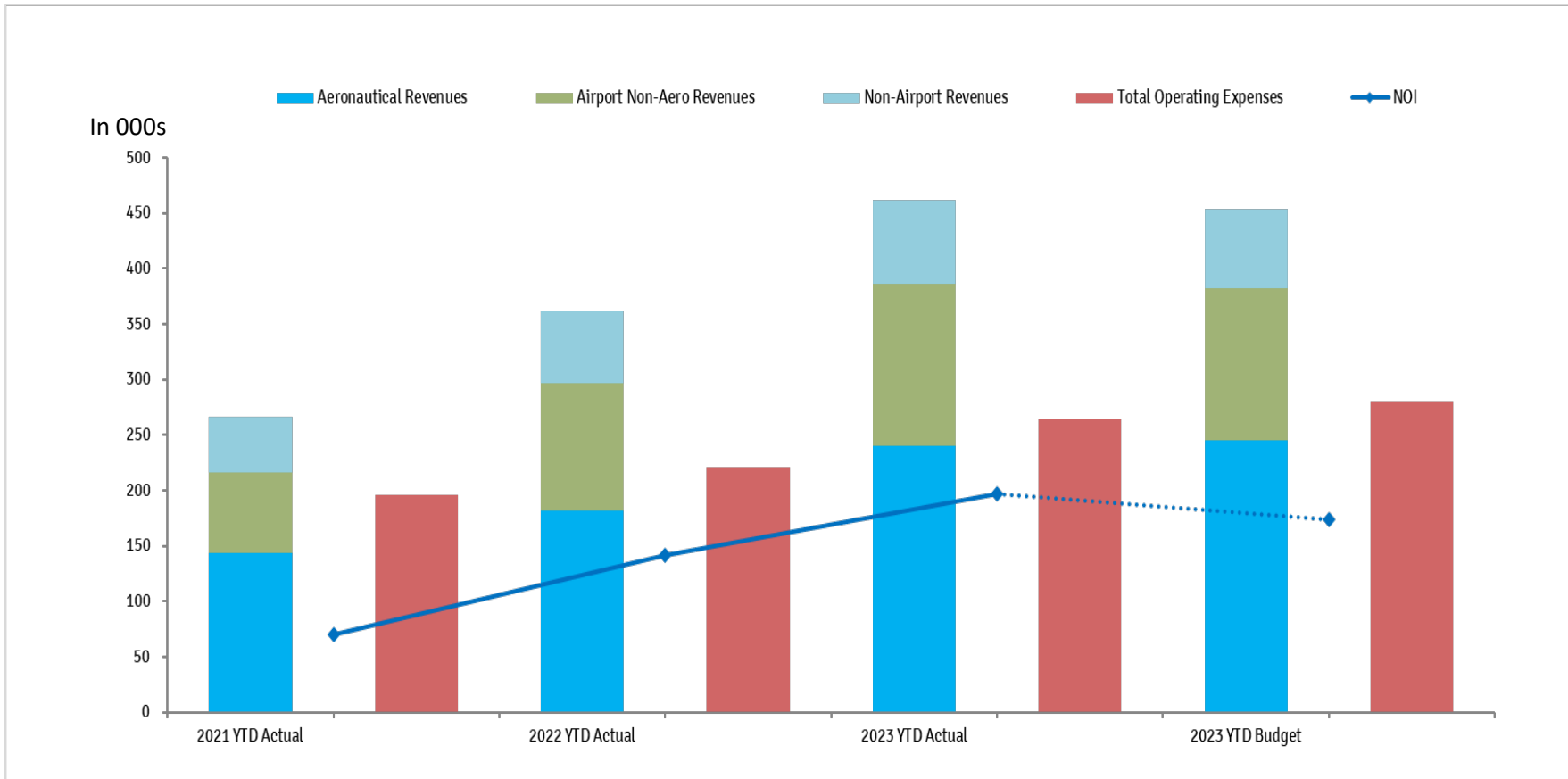
- Payroll **\$2.6M** lower due to vacancies
- Outside Services **\$2.8M** underspent
- Favorable variance partially offset by **\$1.4M** less Charges to Capital Projects

Port Wide

2023 Q2 Financial Performance Report



Port Wide Financial Summary



- **Total Operating Revenues: \$8.3M above budget** mainly due to higher Non-Aeronautical Revenues.
- **Total Operating Expenses: \$15.7M below budget**
- **NOI before Depreciation: \$24.0M above budget**

Port Wide Financial Summary (YE Forecast)

\$ in 000's	2021	2022	2023	2023	Fcst vs. Budget Variance		Change from 2022 Incr (Decr)	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Aeronautical Revenues	317,513	402,540	501,441	504,948	(3,507)	-0.7%	98,901	24.6%
Airport Non-Aero Revenues	183,819	256,613	317,218	296,102	21,116	7.1%	60,605	23.6%
Non-Airport Revenues	120,689	150,977	153,278	152,634	644	0.4%	2,301	1.5%
Total Operating Revenues	622,020	810,130	971,937	953,684	18,253	1.9%	161,807	20.0%
Total Operating Expenses	364,656	475,739	568,461	573,431	4,970	0.9%	92,721	19.5%
NOI before Depreciation	257,364	334,390	403,476	380,253	23,224	6.1%	69,086	20.7%
Depreciation	190,683	232,236	207,951	207,951	-	0.0%	(24,285)	-10.5%
NOI after Depreciation	66,681	102,155	195,526	172,302	23,224	13.5%	93,371	91.4%

- Total Operating Revenues are expected to be \$18.3M above budget due to Airport Non-Aero Revenues higher than expected, partially offset by lower \$3.5M Aeronautical Revenues and \$2.0M lower Grain
- Total Operating expenses are expected to be \$5.0M below budget mainly due to vacant positions, lower Utilities and Third-Party Management Expenses
- Net Operating Income before Depreciation is forecasted to be \$23.2M above budget

Port Wide Capital Spending



- Q2 YTD total capital spending was \$194.5M
- For the full year, total capital spending is expected to be \$506.3M, 93.5% of the budget

Aviation Division Appendix

2023 Q2 Financial Performance Report



Airport Activity

	YTD 2021	YTD 2022	YTD 2023
Total Passengers (000's)			
Domestic	13,770	19,075	21,046
International	528	1,814	2,694
Total	14,298	20,889	23,740
Operations	171,873	190,202	162,365
Landed Weight (In Millions of lbs.)			
Cargo	1,409	1,357	1,319
All other	10,584	12,260	13,784
Total	11,993	13,617	15,103
Cargo - Metric Tons			
Domestic freight	174,449	165,169	147,095
International & Mail freight	60,738	61,487	52,588
Total	235,187	226,656	199,683

2023 YTD Passenger volume:

- YTD through June passenger volume is 14% higher than YTD in 2022.
- Total passenger recovery is building, but volumes are expected to be 3.4% lower for full year 2023 than pre-pandemic volumes in 2019.

Month summary (Jun 2023 vs. Jun 2022)

Airline	Code	Current pax	Market share	Previous pax	Pax % diff
Alaska Airlines (rollup)	AS	2,503,944	51.5%	2,217,213	12.9%
Delta Air Lines (rollup)	DL	1,199,336	24.7%	1,022,567	17.3%
United Airlines (rollup)	UA	245,879	5.1%	214,086	14.9%
Southwest Airlines (r.)	WN	219,106	4.5%	240,221	-8.8%

Aviation Financial Summary

Financial Summary (\$ in 000's)	2021	2022	2023	2023	Actual vs. Budget Variance		Incr/(Decr) Change from 2022	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Operating Revenue								
Aeronautical Revenues	317,513	402,540	501,441	504,948	(3,507)	-0.7%	98,901	24.6%
Non-Aeronautical Revenues	183,819	256,613	317,218	296,102	21,116	7.1%	60,605	23.6%
Total Operating Revenues	501,332	659,153	818,659	801,051	17,609	2.2%	159,506	24.2%
Total Operating Expenses	341,679	394,990	458,703	460,535	1,832	0.4%	63,714	16.1%
Net Operating Income	159,652	264,163	359,956	340,515	19,441	5.7%	95,793	36.3%
CPE	15.93	16.09	18.66	19.29	0.63	3.2%	2.57	16.0%
Non-Aero NOI (\$ in 000s)	135,483	79,214	180,721	156,216	(24,506)	-15.7%	101,507	128.1%
Enplaned passengers (in 000s)	18,073	22,966	25,031	24,444	(588)	-2.4%	2,065	9.0%
Capital Expenditures (in 000s)	389,051	311,631	458,345	485,572	27,226	5.6%	146,714	47.1%

Key Performance Measures

	2021	2022	2023	2023	Actual vs. Budget Variance		Incr/(Decr) Change from 2022	
	Actual	Actual	Forecast	Approved Budget	\$	%	\$	%
Key Performance Metrics								
Cost per Enplanement (CPE)	15.93	16.09	18.66	19.29	0.63	3.2%	2.57	16.0%
Non-Aeronautical NOI (in 000's) ¹	93,175	30,256	174,118	150,386	23,732	15.8%	143,862	475.5%
Other Performance Metrics								
O&M Cost per Enplanement	16.28	3.86	18.33	18.84	0.52	2.7%	14.47	375.0%
Non-Aero Revenue per Enplanement	10.17	2.36	12.67	12.11	0.56	4.6%	10.31	436.6%
Debt per Enplanement (in \$)	198	-	151	154	4	2.3%	151	0.0%
Debt Service Coverage	1.69	2.64	2.04	1.87	0.17	9.0%	(0.60)	-22.7%
Days cash on hand (10 months = 304 days)	423	0	467	457	11	2.3%	467	0.0%
Aeronautical Revenue Sharing (\$ in 000's)	-	-	-	-	-	0.0%	-	0.0%
Activity (in 000's)								
Enplanements	18,073	22,966	25,031	24,444	588	2.4%	2,065	9.0%
Total Passengers	36,154	45,964	50,063	48,887	1,176	2.4%	4,099	8.9%

Aviation Expense YTD Summary

Total Airport Expense Summary (\$ in 000's)	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget Variance		Incr/(Decr) Change from 2022	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Operating Expenses								
Payroll	76,202	79,627	92,502	92,928	426	0.5%	12,876	16.2%
Outside Services	26,770	32,518	38,888	52,850	13,962	26.4%	6,370	19.6%
Utilities	9,750	12,207	11,437	11,488	51	0.4%	(770)	-6.3%
Other Expenses	(461)	5,128	7,102	2,939	(4,163)	-141.6%	1,974	38.5%
Total Airport Direct Charges	112,261	129,480	149,929	160,205	10,277	6.4%	20,449	15.8%
Environmental Remediation Liability	801	(2,312)	6,377	2,680	(3,697)	-138.0%	8,689	-375.8%
Capital to Expense	288	26	359	-	(359)		333	1286.2%
Total Exceptions	1,090	(2,286)	6,737	2,680	(4,057)	-151.4%	9,023	-394.7%
Total Airport Expenses	113,351	127,193	156,665	162,885	6,220	3.8%	29,472	23.2%
Corporate	34,011	36,831	42,814	45,023	2,209	4.9%	5,982	16.2%
Police	11,336	11,677	14,123	15,591	1,469	9.4%	2,446	20.9%
Maritime/Economic Development/Other	1,420	1,613	1,940	2,463	523	21.2%	328	20.3%
Total Charges from Other Divisions	46,767	50,121	58,877	63,077	4,201	6.7%	8,756	17.5%
Total Operating Expenses	160,118	177,314	215,542	225,963	10,421	4.6%	38,228	21.6%

Aviation Expense YE Summary

Total Airport Expense Summary (\$ in 000's)	2021	2022	2023	2023	Actual vs. Budget Variance		Incr/(Decr) Change from 2022	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Operating Expenses								
Payroll	157,207	168,389	184,224	189,477	5,253	2.8%	15,835	9.4%
Outside Services	62,382	75,700	107,667	109,249	1,582	1.4%	31,966	42.2%
Utilities	20,175	22,880	21,344	22,321	977	4.4%	(1,536)	-6.7%
Other Expenses	1,519	15,141	7,734	4,296	(3,438)	-80.0%	(7,407)	-48.9%
Total Airport Direct Charges	241,284	282,110	320,968	325,342	4,374	1.3%	38,858	13.8%
Environmental Remediation Liability	1,583	(1,274)	11,027	7,120	(3,907)	-54.9%	12,302	-965.2%
Capital to Expense	1,254	2,356	400	-	(400)		(1,956)	-83.0%
Total Exceptions	2,837	1,081	11,427	7,120	(4,307)	-60.5%	10,346	956.8%
Total Airport Expenses	244,121	283,191	332,396	332,462	66	0.0%	49,204	17.4%
Corporate	71,550	80,452	91,521	92,679	1,157	1.2%	11,070	13.8%
Police	23,473	27,660	29,647	30,264	617	2.0%	1,987	7.2%
Maritime/Economic Development/Other	2,536	3,687	5,139	5,131	(8)	-0.2%	1,453	39.4%
Total Charges from Other Divisions	97,558	111,799	126,308	128,074	1,766	1.4%	14,509	13.0%
Total Operating Expenses	294,217	382,704	458,703	460,535	1,832	0.4%	76,000	19.9%

Aeronautical Business YTD

Aeronautical NOI (\$ in 000's)	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget Variance		Incr/(Decr) Change from 2022	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Rate Base Revenues								
Airfield Movement Area	37,192	47,737	66,779	67,008	(230)	-0.3%	19,042	39.9%
Airfield Apron Area	10,932	8,290	14,321	14,671	(350)	-2.4%	6,030	72.7%
Terminal Rents	83,321	105,972	133,174	132,787	387	0.3%	27,202	25.7%
Federal Inspection Services (FIS)	3,560	11,527	17,345	21,801	(4,457)	-20.4%	5,817	50.5%
Total Rate Base Revenues	135,005	173,527	231,618	236,268	(4,650)	-2.0%	58,091	33.5%
Airfield Commercial Area	8,177	8,320	8,600	8,425	176	2.1%	281	3.4%
Subtotal before Revenue Sharing	143,182	181,846	240,218	244,692	(4,474)	-1.8%	58,372	32.1%
Revenue Sharing	-	-	-	-	-	-	-	-
Total Aeronautical Revenues	143,182	181,846	240,218	244,692	(4,474)	-1.8%	58,372	32.1%
Total Aeronautical Expenses	111,036	120,393	151,356	157,242	5,886	3.7%	30,963	25.7%
Aeronautical NOI	32,146	61,453	88,862	87,451	1,411	1.6%	27,409	44.6%

Aeronautical Business YE

Aeronautical NOI (\$ in 000's)	2021	2022	2023	2023	Actual vs. Budget Variance		Incr/(Decr) Change from 2022	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Rate Base Revenues								
Airfield Movement Area	88,061	118,240	144,568	141,938	2,630	1.9%	26,329	22.3%
Airfield Apron Area	22,016	17,211	27,204	29,330	(2,126)	-7.3%	9,992	58.1%
Terminal Rents	205,283	220,399	268,712	270,513	(1,801)	-0.7%	48,313	21.9%
Federal Inspection Services (FIS)	10,978	29,347	41,833	46,317	(4,483)	-9.7%	12,486	42.5%
Total Rate Base Revenues	326,339	385,197	482,318	488,098	(5,780)	-1.2%	97,120	25.2%
Airfield Commercial Area	16,702	17,343	17,214	16,850	364	2.2%	(129)	-0.7%
Subtotal before Revenue Sharing	343,041	402,541	499,532	504,948	(5,416)	-1.1%	96,991	24.1%
Revenue Sharing	-	-	-	-	-		-	
Total Aeronautical Revenues	343,041	402,541	499,532	504,948	(5,416)	-1.1%	96,991	24.1%
Total Aeronautical Expenses	203,573	261,574	322,287	320,649	(1,638)	-0.5%	60,713	23.2%
Aeronautical NOI	139,468	140,967	177,245	184,300	(7,054)	-3.8%	36,279	25.7%
Debt Service	(62,607)	(80,554)	(147,510)	(152,649)	5,139	-3.4%	(66,956)	83.1%
Net Cash Flow	76,860	60,413	29,735	31,650	(1,915)	-6.1%	(30,677)	-50.8%

Aero Cost Drivers

\$ in 000's	2023 Budget	2023 Forecast	Impact on Aero Revenues Budget vs Budget	
			\$	%
O&M ⁽¹⁾	310,618	313,932	3,314	1.1%
Federal Relief Grants O&M	-	-	-	0.0%
Net O&M	310,618	313,932	3,314	1.1%
Debt Service Before Offsets	234,463	227,395	(7,068)	-3.0%
Debt Service PFC Offset	(89,720)	(88,557)	1,162	-1.3%
Federal Relief Grants Debt Service	-	(1,673)	(1,673)	0.0%
Net Debt Service	144,743	137,165	(7,578)	-5.2%
Amortization	35,561	35,289	(272)	-0.8%
Space Vacancy	(2,066)	(1,400)	666	-32.2%
TSA Operating Grant and Other	(758)	(758)	-	0.0%
Rate Base Revenues	488,098	484,227	(3,871)	-1%
Commercial area	16,850	17,214	364	2%
Total Aero Revenues	504,948	501,441	(3,507)	-1%

2023 Forecast to 2023 Budget

O&M – \$3.3M higher increase in Aero allocated O&M (overall O&M decrease). Increases primarily in Gates, Mvmt Area and Terminal, partially offset by savings in FIS.

Increases due to higher divisional allocations, changes in ERL & Capital to Expense adjustments, IAF Smarte Carte, IAF CBP Expenses, and rebalancing of VIP Hospitality focus areas.

Federal Relief Grants Aero Portion:

- \$11.9M remaining for 2023 and will evaluate on the use plan

Non-Aeronautical Business YTD

(Operating Revenue below has been REDUCED by Federal Concessionaire Relief grants)

Non-Aeronautical NOI (\$ in 000's)	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget Variance		Incr/(Decr) Change from 2022	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Non-Aeronautical Revenues								
Public Parking	25,537	41,842	52,391	48,001	4,390	9.1%	10,549	25.2%
Rental Cars	11,497	16,803	23,516	21,445	2,070	9.7%	6,712	39.9%
Ground Transportation	4,208	9,226	11,750	11,420	330	2.9%	2,524	27.4%
Airport Dining & Retail	14,871	22,835	27,200	29,432	(2,232)	-7.6%	4,365	19.1%
Other	17,106	24,096	30,589	27,363	3,226	11.8%	6,493	26.9%
Total Non-Aeronautical Revenues	73,219	114,802	145,446	137,662	7,785	5.7%	30,644	26.7%
Total Non-Aeronautical Expenses	30,353	56,921	64,186	68,721	4,535	6.6%	7,265	12.8%
Non-Aeronautical NOI	42,867	57,881	81,260	68,941	12,320	17.9%	23,379	40.4%

Non-Aeronautical Business YE

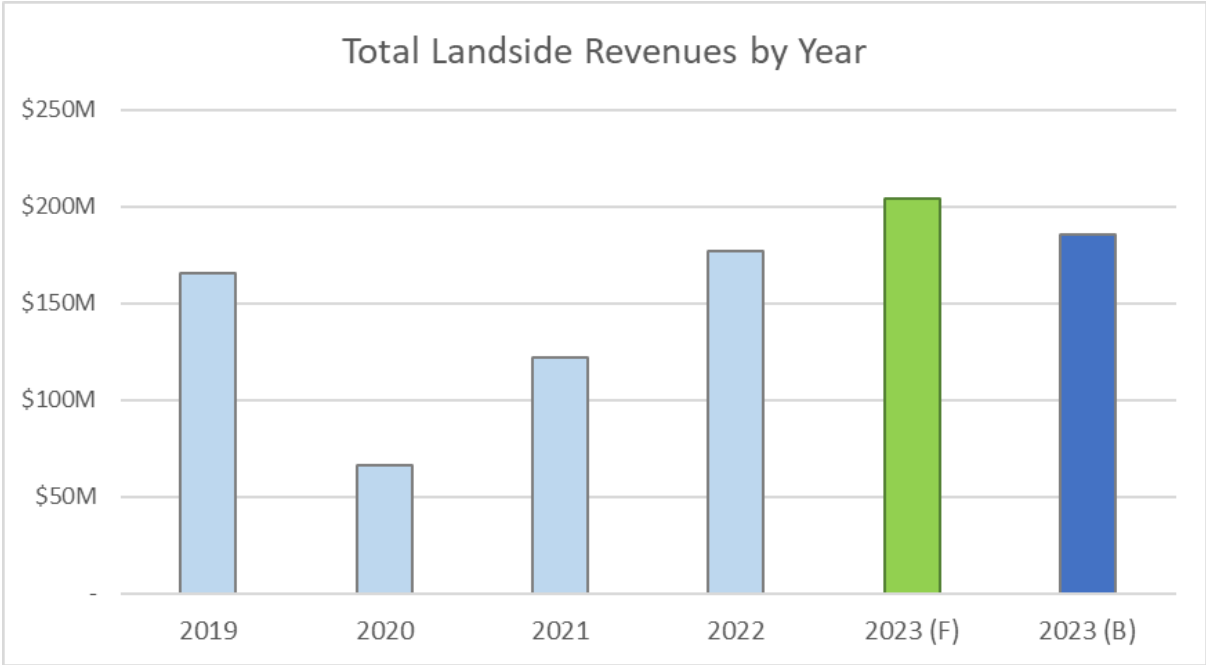
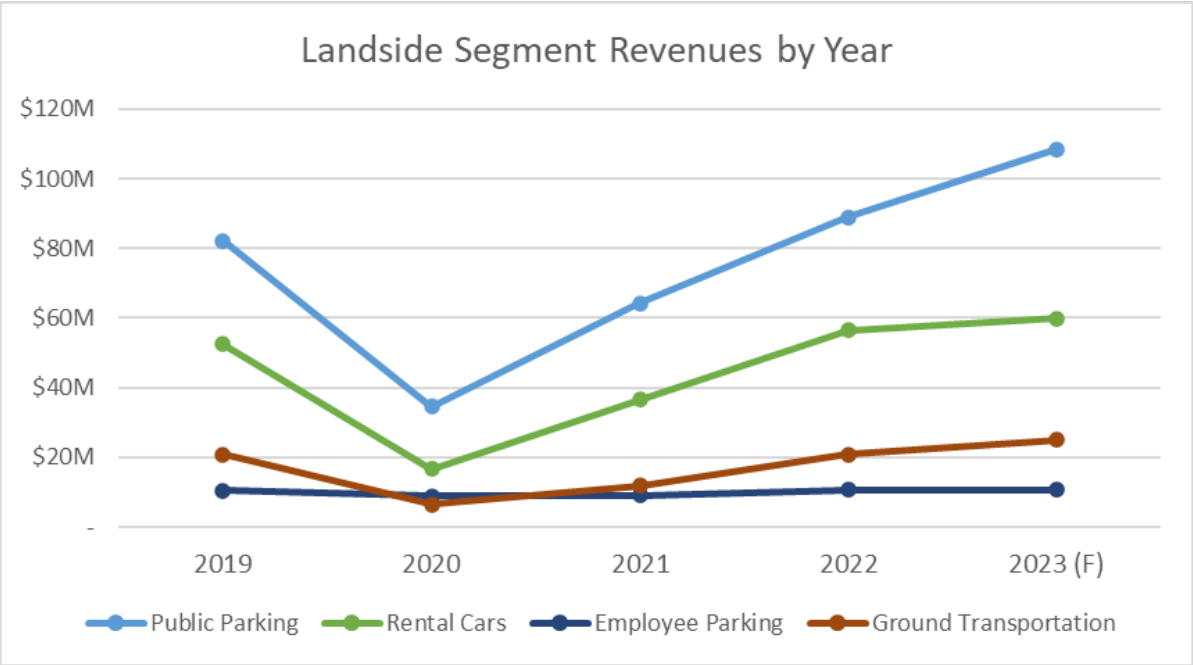
(Actual Business Recovery shown prior to revenue reductions for grant rent credits)

Non-Aeronautical Revenue Recovery Trend by Year (\$ in 000's)	2019	2020	2021	2022	2023	2023	Incr/(Decr) 2023 FCST v. 2023 Budget		Incr/(Decr) 2023 FCST v. 2022 Actual	
	Actual	Actual	Actual	Actual	Forecast	Budget	\$	%	\$	%
Non-Aeronautical Revenues										
Public Parking	82,125	34,502	64,289	88,899	108,539	96,768	11,771	12.2%	19,640	22.1%
Rental Cars	52,567	37,306	36,612	56,473	59,918	53,830	6,088	11.3%	3,445	6.1%
Ground Transportation	20,765	6,557	11,947	20,804	25,074	24,324	750	3.1%	4,270	20.5%
Airport Dining & Retail	61,615	25,418	38,693	55,719	63,302	64,520	(1,218)	-1.9%	7,583	13.6%
Commercial Properties	15,773	10,766	12,520	16,747	20,039	16,959	3,080	18.2%	3,292	19.7%
Non-Airline Terminal Leased Space	6,398	5,816	6,159	6,954	9,532	9,090	442	4.9%	2,578	37.1%
Clubs and Lounges	10,274	2,043	3,478	8,688	11,303	9,859	1,444	14.7%	2,615	30.1%
Utilities	7,431	5,672	6,350	7,943	8,498	8,541	(43)	-0.5%	555	7.0%
Other Non-Aero Revenue	12,091	10,281	9,072	13,932	12,932	12,461	471	3.8%	(1,000)	-7.2%
Total Non-Aeronautical Revenues BEFORE grants	269,037	138,362	189,120	276,159	319,136	296,352	22,784	7.7%	42,978	15.6%
less Concession Relief grants	-	-	(5,301)	(19,546)	(1,918)	(250)	(1,668)	667.3%	17,628	-90.2%
Non-Aeronautical Operating Revenue	269,037	138,362	183,819	256,613	317,218	296,102	21,116	7.1%	60,605	23.6%
<i>Total Enplanements</i>	<i>25,874</i>	<i>10,037</i>	<i>18,073</i>	<i>22,966</i>	<i>25,020</i>	<i>24,444</i>	<i>576</i>	<i>2.4%</i>	<i>2,054</i>	<i>8.9%</i>
<i>International Enplanements</i>	<i>2,858</i>	<i>664</i>	<i>821</i>	<i>2,185</i>	<i>2,752</i>	<i>2,698</i>	<i>54</i>	<i>2.0%</i>	<i>567</i>	<i>25.9%</i>
<i>O&D Enplanements</i>	<i>18,163</i>	<i>6,614</i>	<i>12,073</i>	<i>15,617</i>	<i>17,364</i>	<i>16,934</i>	<i>430</i>	<i>2.5%</i>	<i>1,747</i>	<i>11.2%</i>

Final \$1.9M in Concessionaire Relief grant rent credits (ARPA grant) will be applied to qualified ADR tenants in 2023.

Non-Aero Detail: Landside Revenue Trends

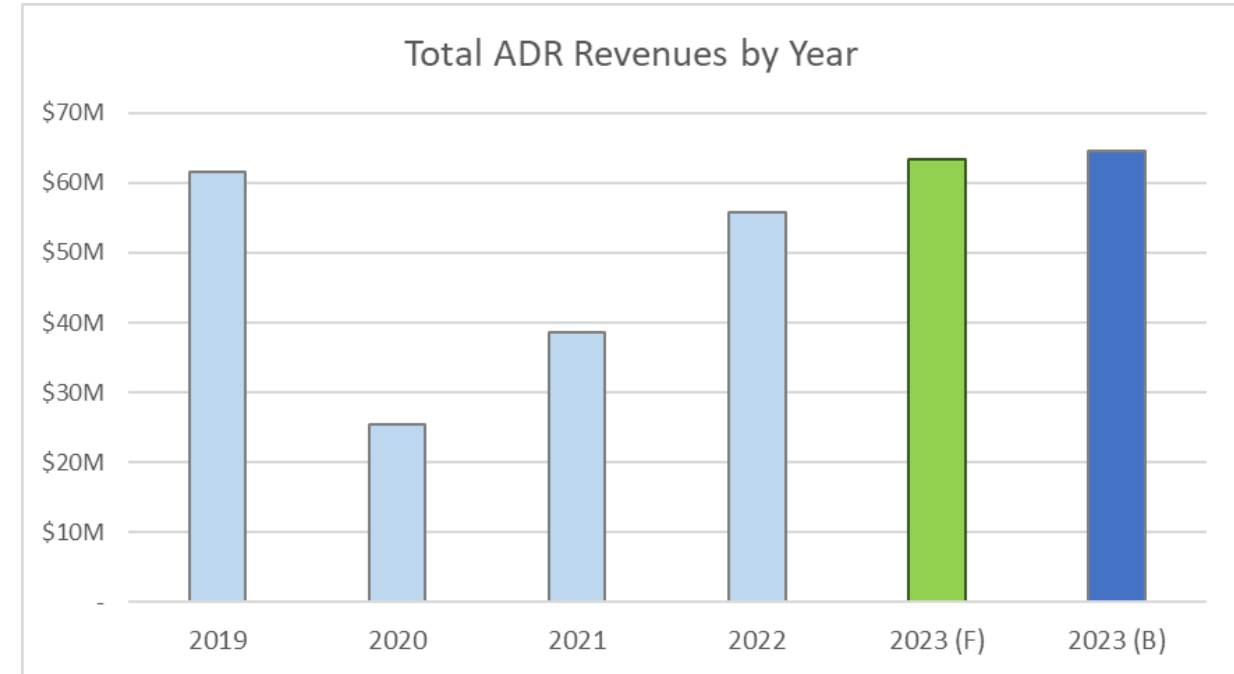
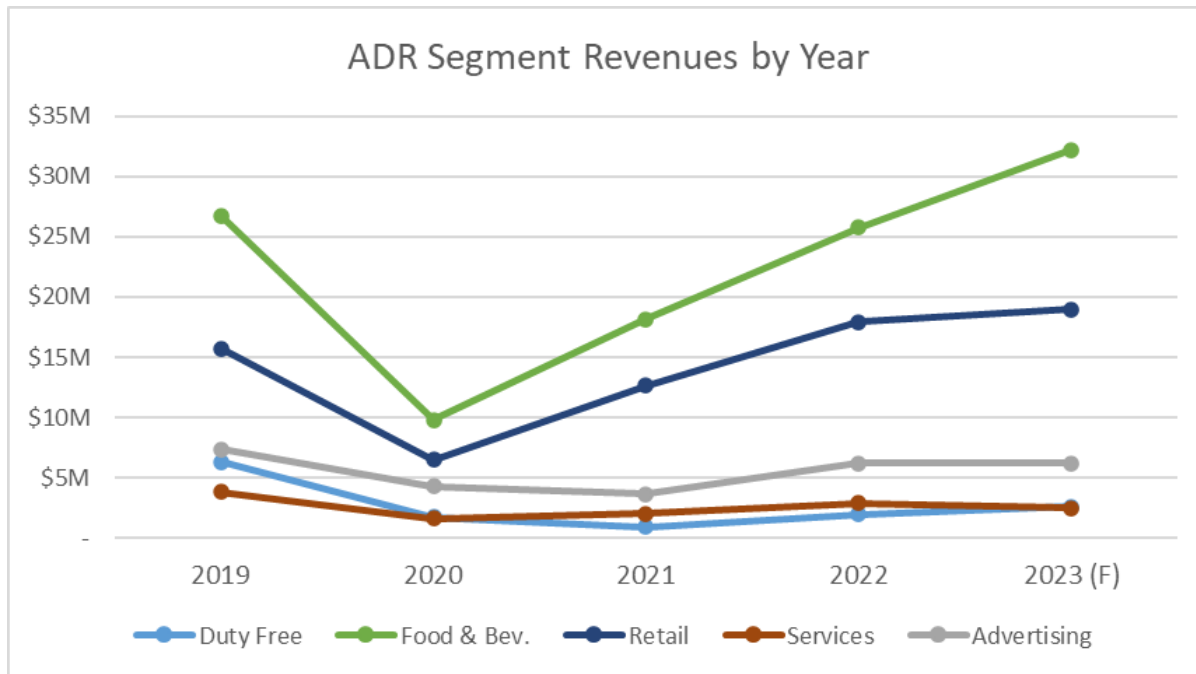
Each individual Landside revenue segment surpassed 2019 levels in 2022, and each segment is forecasted to continue growing through 2023



Non-Aero Detail: ADR Revenue Trends

Combined Airport Dining & Retail revenues are forecasted to surpass 2019 levels in 2023, though with uneven recovery patterns throughout the COVID-19 pandemic

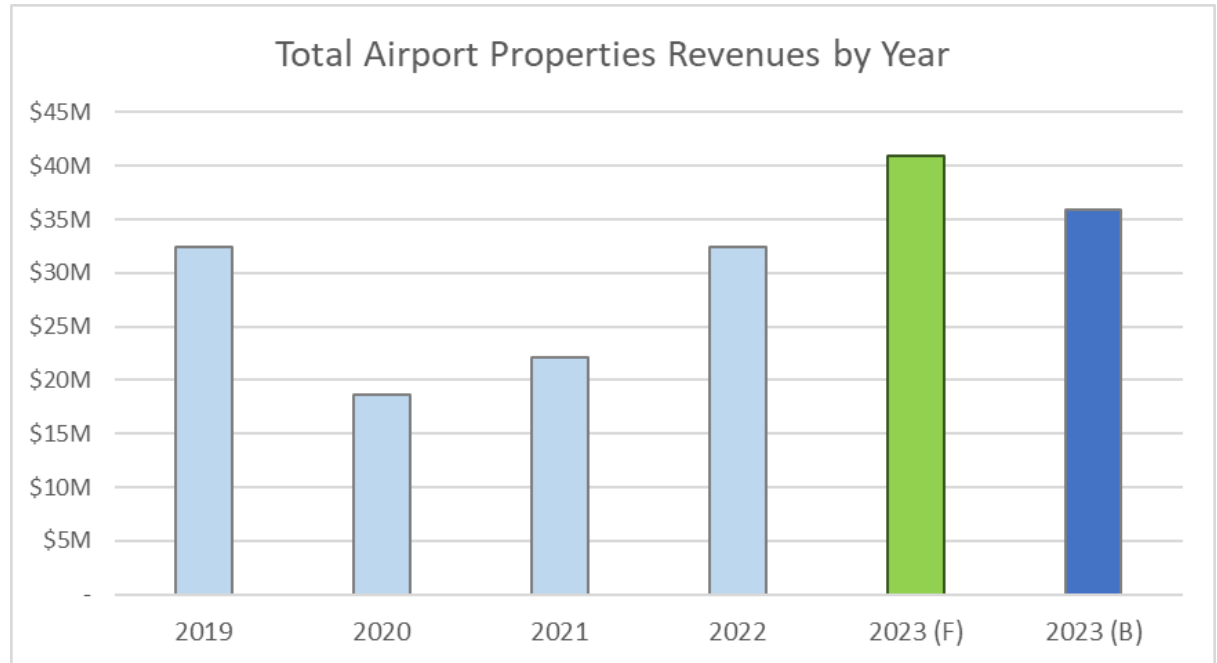
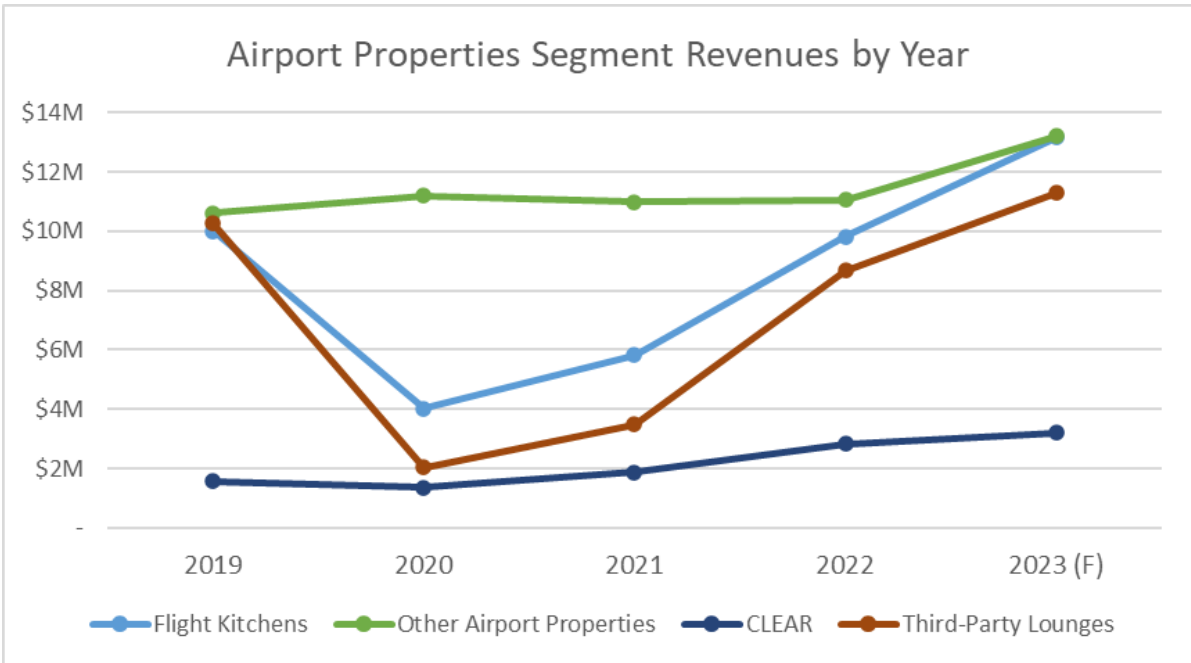
Full recoveries from Food & Beverage and Retail lines of business offset slower recoveries in Duty Free, Services, and Advertising



Non-Aero Detail: AVBP Revenue Trends

Combined Airport Business & Properties revenues are forecasted to surpass 2019 levels in 2023, though with uneven recovery patterns throughout the COVID-19 pandemic

Revenues from CLEAR concessions and other airport leases remained stable throughout COVID-19, while revenues from Flight Kitchens and Third-Party Managed Lounges (Concourse A & SSAT) were more impacted and had a longer recovery arc



2023 Capital Expenditures

\$ in 000's	2023	2023	2023	2023	Bud vs. Fcst	
	YTD Actual	Year-End Forecast	Budget	POF	\$	%
MT Low Voltage Sys Upgrade ⁽¹⁾	5,050	17,050	24,000	24,425	6,950	29.0%
Checked Bag Recap/Optimization ⁽²⁾	46,428	98,033	102,855	131,600	4,822	4.7%
Surface Area Management System ⁽³⁾	442	1,052	5,565	6,890	4,513	81.1%
C Concourse Expansion ⁽⁴⁾	17,097	45,413	49,625	31,996	4,211	8.5%
Telecommunication Meet Me Room ⁽⁵⁾	965	3,030	6,902	7,045	3,872	56.1%
AF Utility Improvements ⁽⁶⁾	320	727	4,209	7,131	3,481	82.7%
Art Pool ⁽⁷⁾	308	1,808	5,250	5,250	3,442	65.6%
Checkpoint 1 Relocation ⁽⁸⁾	401	2,794	5,744	11,479	2,950	51.4%
International Arrivals Fac-IAF ⁽⁹⁾	1,781	7,756	10,700	18,781	2,944	27.5%
NEPL Improvements ⁽¹⁰⁾	1,290	2,527	4,930	5,300	2,403	48.7%
Cargo Buildings Improvements ⁽¹¹⁾	83	300	2,124	2,292	1,824	85.9%
All Other	110,399	322,053	341,528	532,447	19,475	5.7%
Subtotal	184,564	502,543	563,432	784,636	60,888	10.8%
CIP Cashflow Mgmt Reserve	-	(44,198)	(77,860)	(120,759)	(33,662)	43.2%
Total Spending	184,564	458,345	485,572	663,877	27,226	5.6%

(1) Equipment Purchase Delays; New cashflow forecast provided by Contractor

(2) SSAT work has been delayed. Designer is behind in billing

(3) Schedule delays due to complexities of Airfield/JOC/DBB and SAAB Contractor work.

(4) Cash flow has been updated to reflect GCCM design and construction phasing sequencing

(5) MMR Bldg Mob delayed due to Conc A proj in the space. Equip Lead time delivery/invoice timing. Design review comments delayed permitting 2 months. Fiber dsgrn on track but behind on invoices.

(6) Cascade Rd Ductbank project delayed due to Contractors work re-sequencing

(7) Delays in contract executions with artists

(8) Scope decrease. Schedule delays for NTP, therefore further delaying 2023 costs to 2024.

(9) Design delays.

(10) Phase 2 estimate is under budget. And Phase 3 is behind schedule pending EV discussions.

(11) Pre Construction submittals delay, Permit delay, and Contract negotiations extension.

Maritime Division Appendix

2023 Q2 Financial Performance Report

Maritime 2023 Q2 Financial Summary

	2021 YTD	2022 YTD	2023 YTD		Actual vs. Budget Variance		Change from 2022	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
Ship Canal Fishing & Operations	2,134	2,328	2,651	2,313	338	15%	323	14%
Elliott Bay Fishing & Commercial Operation	2,635	2,638	2,829	2,614	216	8%	191	7%
Recreational Boating	6,330	6,914	7,751	7,776	(24)	0%	837	12%
Cruise	61	11,258	15,437	13,100	2,337	18%	4,179	37%
Grain	3,433	3,405	1,964	3,231	(1,268)	-39%	(1,441)	-42%
Maritime Portfolio Management	4,914	5,237	5,205	4,994	210	4%	(33)	-1%
Other	1	7	18	12	6	NA	11	161%
Total Revenue	19,507	31,788	35,856	34,040	1,816	5%	4,068	13%
Expenses								
Maritime (Excl. Maint)	7,031	9,021	8,399	8,958	559	6%	(622)	-7%
Economic Development	2,135	2,864	2,718	3,253	535	16%	(145)	-5%
Total Direct	9,166	11,884	11,117	12,211	1,093	9%	(767)	-6%
Maintenance Expenses	5,093	6,387	7,148	7,032	(116)	-2%	761	12%
Envir Services & Planning	785	755	1,480	1,629	149	9%	725	96%
Seaport Finance & Cost Recovery	513	473	622	663	41	6%	148	31%
Seaport Project Management	193	445	849	1,241	393	32%	403	91%
Total Support Services	6,584	8,060	10,098	10,565	467	4%	2,038	25%
IT	1,335	1,526	1,794	1,832	38	2%	268	18%
Police Expenses	1,477	1,577	2,244	2,480	236	10%	667	42%
External Relations	571	743	824	1,029	205	20%	81	11%
Other Central Services	3,277	4,080	4,473	4,311	(162)	-4%	392	10%
Aviation Division / Other	170	179	162	205	43	21%	(17)	-10%
Total Central Services / Other	6,830	8,105	9,496	9,856	360	4%	1,391	17%
Total Expense	22,581	28,050	30,711	32,632	1,921	6%	2,662	9%
NOI Before Depreciation	(3,074)	3,738	5,145	1,408	3,736	265%	1,407	38%
Depreciation	8,881	8,952	9,100	8,418	(681)	-8%	148	2%
NOI After Depreciation	(11,955)	(5,214)	(3,955)	(7,010)	3,055	44%	1,259	24%

Variance from Budget

- Revenue \$1.8M favorable:
 - Ship Canal – Impacts from cancellation of Alaskan Crab Season.
 - Elliott Bay Fishing & Commercial – higher volumes.
 - Cruise – Higher Occupancy.
 - Grain – Lower Volumes.
- Operating Exp. \$1.9M favorable:
 - Direct \$1.1M favorable – Payroll savings and tenant improvements.
 - Support Services \$467K favorable – Open FTEs, timing of outside services.
 - Central Services \$360K favorable – Open FTEs.

Maritime 2023 Financial Forecast

	2021	2022	2023	2023	Actual vs. Budget		Change from 2022	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
\$ in 000's								
Ship Canal Fishing & Operations	4,240	4,592	4,855	4,555	330	7%	263	6%
Elliott Bay Fishing & Commercial Operation	5,618	5,975	5,453	5,253	220	4%	(521)	-9%
Recreational Boating	12,851	13,978	15,591	15,591	0	0%	1,613	12%
Cruise	9,517	30,469	37,832	34,832	3,000	9%	7,364	24%
Grain	6,112	5,792	3,814	5,814	(2,000)	-34%	(1,978)	-34%
Maritime Portfolio Management	10,392	10,550	10,392	10,192	200	2%	(158)	-1%
Other	7	10	24	24	0	NA	14	152%
<i>Pension Revenue Adjustment</i>	<i>(408)</i>	<i>170</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>NA</i>	<i>(170)</i>	<i>NA</i>
Total Revenue	48,331	71,534	77,962	76,262	1,700	2%	6,428	9%
Expenses								
Maritime (Excl. Maint)	13,951	17,706	18,051	18,251	200	1%	345	2%
Economic Development	4,559	5,710	6,066	6,366	300	5%	356	6%
Total Direct	18,510	23,416	24,117	24,617	500	2%	701	3%
Maintenance Expenses	11,326	13,213	14,040	14,040	0	0%	827	6%
Envir Services & Planning	2,018	3,120	3,841	3,841	0	0%	721	23%
Seaport Finance & Cost Recovery	1,163	1,087	1,359	1,359	0	0%	272	25%
Seaport Project Management	342	1,007	2,279	2,479	200	8%	1,272	126%
Total Support Services	14,849	18,426	21,519	21,719	200	1%	3,092	17%
IT	2,695	3,223	3,714	3,725	11	0%	491	15%
Police Expenses	3,064	3,662	4,683	4,781	98	2%	1,022	28%
External Relations	1,222	1,552	1,690	2,045	355	17%	138	9%
Other Central Services	7,109	8,908	8,886	8,869	(17)	0%	(23)	0%
Aviation Division / Other	336	368	312	312	0	0%	(56)	-15%
Total Central Services / Other	14,426	17,714	19,286	19,733	447	2%	1,572	9%
Total Expense before Pension Adjustment	47,784	59,556	64,921	66,068	1,147	2%	5,365	9%
<i>Pension Expense Adjustment</i>	<i>(7,070)</i>	<i>(2,396)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>NA</i>	<i>2,396</i>	<i>100%</i>
Total Expense	40,714	57,160	64,921	66,068	1,147	2%	7,761	14%
<i>NOI excluding Pension Adjustments</i>	<i>954</i>	<i>11,808</i>	<i>13,041</i>	<i>10,194</i>	<i>2,847</i>	<i>28%</i>	<i>1,233</i>	<i>10%</i>
NOI Before Depreciation	7,616	14,375	13,041	10,194	2,847	28%	(1,333)	9%
Depreciation	17,718	17,980	17,456	17,456	0	0%	(525)	-3%
NOI After Depreciation	(10,101)	(3,606)	(4,414)	(7,261)	2,847	39%	(809)	-22%

Variance from Budget

- **Revenue \$1.7M unfavorable:**
 - Ship Canal Fishing / Elliott Bay Fishing & Commercial favorable H1.
 - Cruise Trending over 100% occupancy.
 - Grain – Anticipated 35% reduction in volumes due to lower near-term demand from China.
- **Operating Expense \$1.1M favorable:**
 - Direct – YTD spend on Tenant Improvements. Open FTEs.
 - Support Services & Central Services – Delays in filling Open FTEs.

Cruise 2023 Financials

\$ in 000s	2022	2023	2023	Bud Var	
	Actual	Actual	Budget	\$	%
Revenue by Facility:					
P66 Cruise	2,673	3,856	3,235	621	19%
P66 Vessel Ops	111	16	58	(41)	-71%
T91 Cruise	8,307	11,372	9,643	1,729	18%
Utilities	167	193	164	29	17%
Total Revenue	11,258	15,437	13,100	2,337	18%
Dept Expenses:					
Staff	294	414	431	18	4%
Outside Services	(270)	90	351	261	74%
General Expenses	1,221	1,084	1,143	60	5%
Equipment & Supplies	31	126	103	(24)	-23%
Utilities	116	216	265	48	18%
Support Services:					
Maintenance	1,111	1,614	1,500	(114)	-8%
Project Management	77	180	178	(2)	-1%
Environmental & Planning	196	242	375	132	35%
Economic Development	211	269	194	(75)	-38%
Police/Security	545	693	934	242	26%
Other/Central Services	1,886	2,159	2,412	252	10%
Total Expense	5,418	7,088	7,886	798	10%
NOI Before Depreciation	5,840	8,349	5,215	3,135	60%
Depreciation	2,992	3,018	2,867	151	5%
NOI After Depreciation	2,848	5,331	2,348	2,983	127%

Variance from Budget

Revenues

- Q2 YTD revenue \$2.3M favorable due to higher occupancies than budgeted (85% budgeted vs >100% actual average).

Expenses

- \$798K less than budget
- Timing of Port Valet charges
- Less than budget:
 - Police - \$242K
 - Env - \$132K
 - Support & Central Services - \$252K

Variance from 2022

Revenues

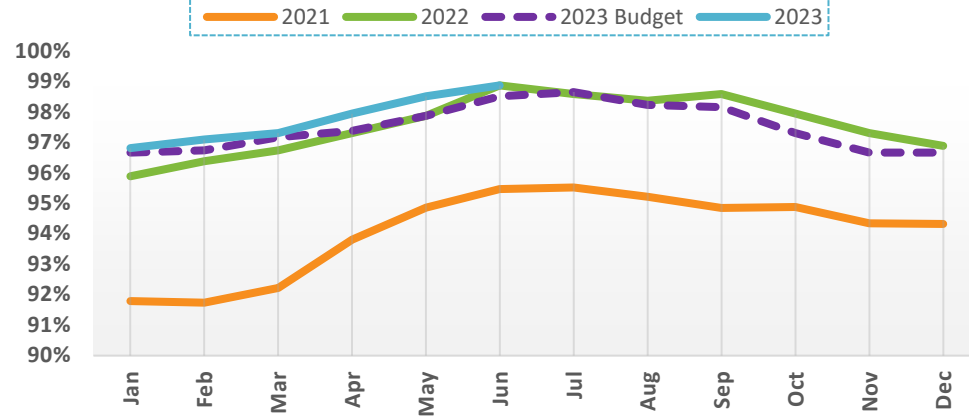
- Higher revenue in 2023 due to higher occupancies

Expenses

- \$432K increase in 2023
- Increased staffing levels + salary increases in 2023

Recreational Boating Occupancy

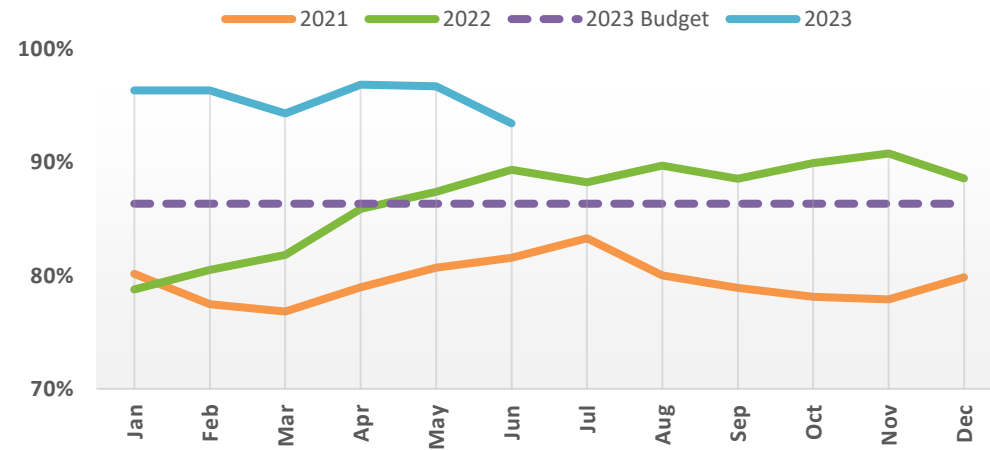
Shilshole Bay Marina



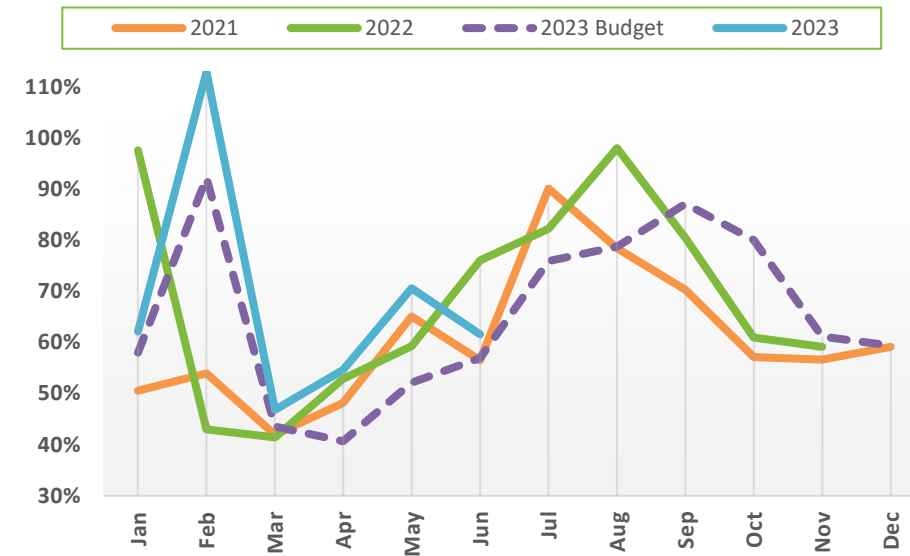
Occupancy

- SBM, HIM and BHM occupancies are 0.37%, 9.32% and 11.33% favorable to the budget, respectively.
- SBM, HIM and BHM occupancies are 0.58%, 11.72% and 12.3% increase from 2022, respectively.

Harbor Island Marina



Bell Harbor Marina



Recreational Boating

<u>YTD Actual vs. Budget</u>					
\$ in 000's	2022	2023	2023	Bud Var	
	Actual	Actual	Budget	\$	%
Revenue by Facility:					
Shilshole Bay Marina	6,193	6,923	6,976	(53)	-1%
Harbor Island Marina	240	284	260	25	10%
Bell Harbor Marina	187	220	224	(4)	-2%
Utility Sales Revenue	294	325	316	9	3%
Total Revenue	6,914	7,751	7,776	(24)	0%
Dept Expenses:					
Staff	1,093	1,266	1,310	44	3%
Outside Services	38	21	18	(3)	-17%
General Expenses	56	75	63	(12)	-19%
Equipment & Supplies	25	39	85	46	54%
Utilities	676	737	671	(67)	-10%
Support Services:					
Maintenance	1,903	1,633	1,701	67	4%
Project Management	133	116	111	(5)	-4%
Environmental & Planning	118	243	241	(2)	-1%
Economic Development	141	119	142	23	16%
Police/Security	536	613	783	169	22%
Other/Central Services	2,031	1,903	2,472	(29)	-10%
Total Expense	6,748	6,764	7,595	830	11%
NOI Before Depreciation	166	987	181	806	-445%
Depreciation	1,646	1,598	1,523	(76)	-5%
NOI After Depreciation	(1,481)	(611)	(1,342)	730	54%

Occupancy

- SBM, HIM and BHM occupancies are 0.37%, 9.32% and 11.33% favorable to the budget, respectively.
- SBM, HIM and BHM occupancies are 0.58%, 11.72% and 12.3% increase from 2022, respectively.

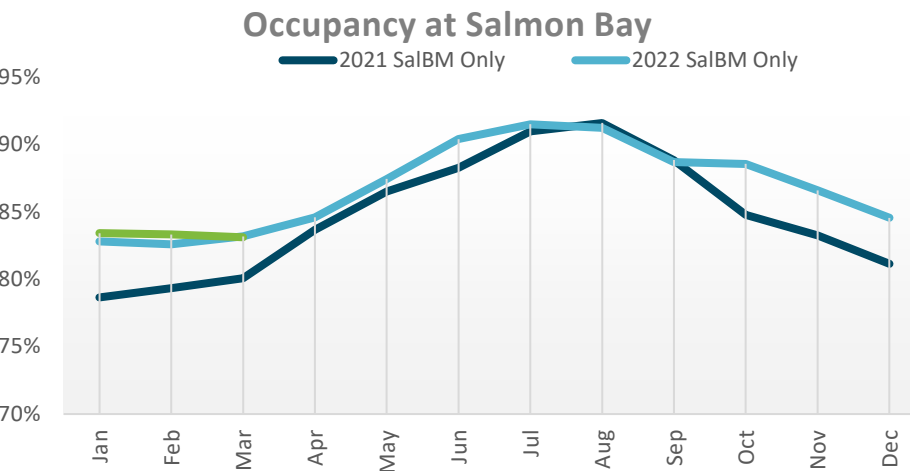
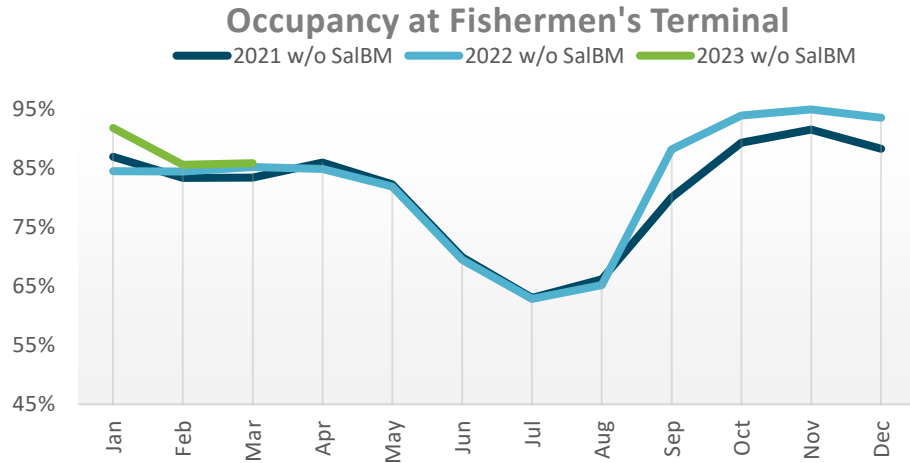
Variance from Budget

- Total Revenue of (\$24K) below budget due to the slowing fill-out of empty spaces at SBM.
- \$44K under-budget in Employee Related expenses primarily due to and \$29K favorable in travel expenses and \$15K favorable in Salaries & Benefits related;

Variance from 2022

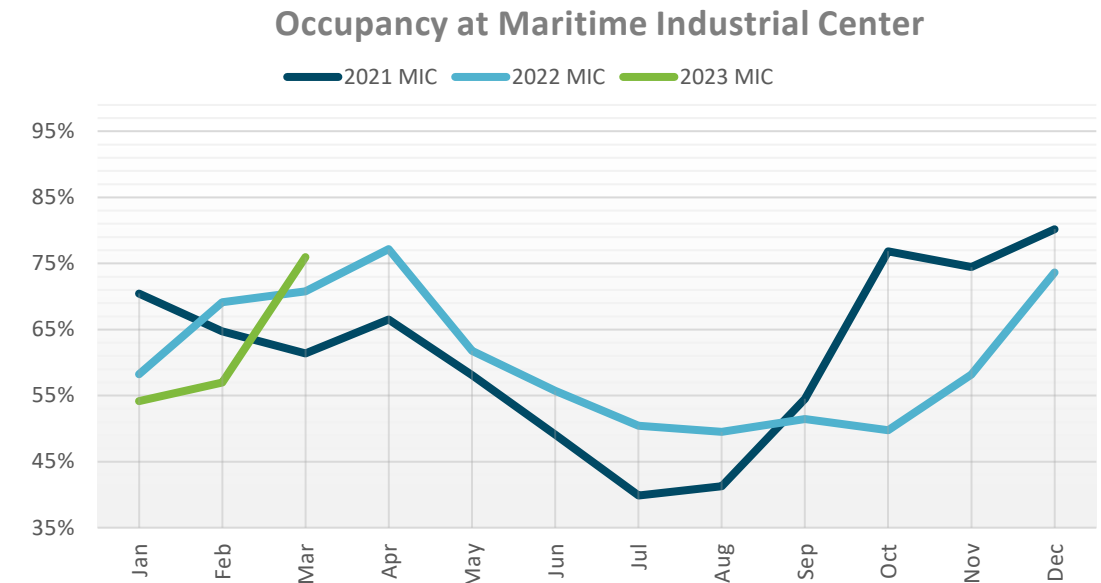
- Revenue \$837K higher related to a 10% rate increase in 2023 and increasing occupancy rate at SBM, HIM, and BHM;
- \$173K increase in staff costs primarily due to vacant positions in Q1 2022; marketing expense increase partially was due to \$35K payments for 2023 Seattle Boat Show Sponsorship.

Ship Canal Fishing & Commercial Occupancy



Occupancy

- Overall monthly occupancy rate increased about 2.1% from 2022
 - ✓ MIC down -3.7%
 - ✓ FT Fishing up 4.7%
 - ✓ SaBM up 0.43%
 - ✓ FT RecBoating down -1.6%



Ship Canal Fishing & Operations

\$ in 000's	YTD Actual vs. Budget				
	2022	2023	2023	Bud Var	
	Actual	Actual	Budget	\$	%
Revenue by Facility:					
FT Commercial	1,263	1,561	1,265	296	23%
FT RecBoating	370	371	353	18	5%
Salmon Bay Marina	467	514	511	2	0%
Maritime Industrial Center	110	96	91	5	5%
Utility Sales Revenue	118	109	92	17	19%
Total Revenue	2,328	2,651	2,313	338	15%
Dept Expenses:					
Staff	539	598	715	118	16%
Outside Services	6	9	10	1	9%
General Expenses	93	102	15	(87)	-581%
Equipment & Supplies	50	14	49	36	72%
Utilities	476	550	504	(46)	-9%
Support Services:					
Maintenance	1,143	907	1,175	268	23%
Project Management	81	252	355	102	29%
Environmental & Planning	96	114	162	47	29%
Economic Development	27	27	41	14	34%
Police/Security	226	264	336	72	21%
Other/Central Services	997	122	134	(29)	-10%
Total Expense	3,733	3,711	4,515	804	18%
NOI Before Depreciation	(1,405)	(1,059)	(2,202)	1,143	52%
Depreciation	1,182	1,169	1,132	(37)	-3%
NOI After Depreciation	(2,587)	(2,228)	(3,334)	1,106	33%

Occupancy

- Overall monthly occupancy rate increased about 1.1% from 2022
 - ✓ FT Fishing up 3.6%
 - ✓ FT RecBoating down - 2.2%
 - ✓ SalBM down - 0.1%
 - ✓ MIC up 1.2%

Variance from Budget

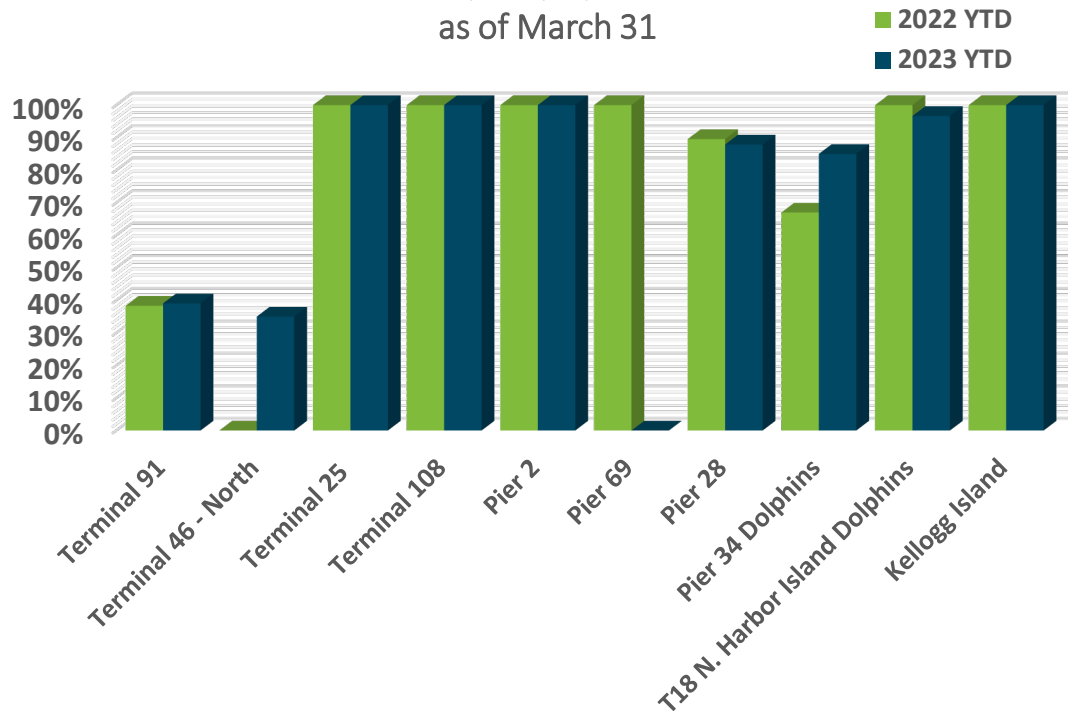
- \$90K or 5% favorable in moorage associated with canceling of Alaska crab season as population faces unprecedented decline, and the east side of Dock 3 got permission to use starting mid-Feb; locker rental also contributed \$25K favorably; Derelict Vessels program reimbursement \$184K
- \$118K favorable to the budgeted in staff-related expenses primarily due to 1 vacant position at Salmon Bay;

Variance from 2022

- 5% rate increase at FT & MIC and 10% at FT RecBoating and SaBM, and higher occupancy in 2023, contributed to the revenue increase. Canceling of Alaska crab season and the east side of Dock 3 also contributed to the moorage, locker, and utilities revenue increase
- Direct Operating Expenses increased primarily due to increased utility, Bad Debt, and staff-related expenses. The increasing results were partially offset by a decrease in legal expenses related to injury claim lawsuits in 2022 at FT

Elliott Bay Fishing & Commercial Occupancy

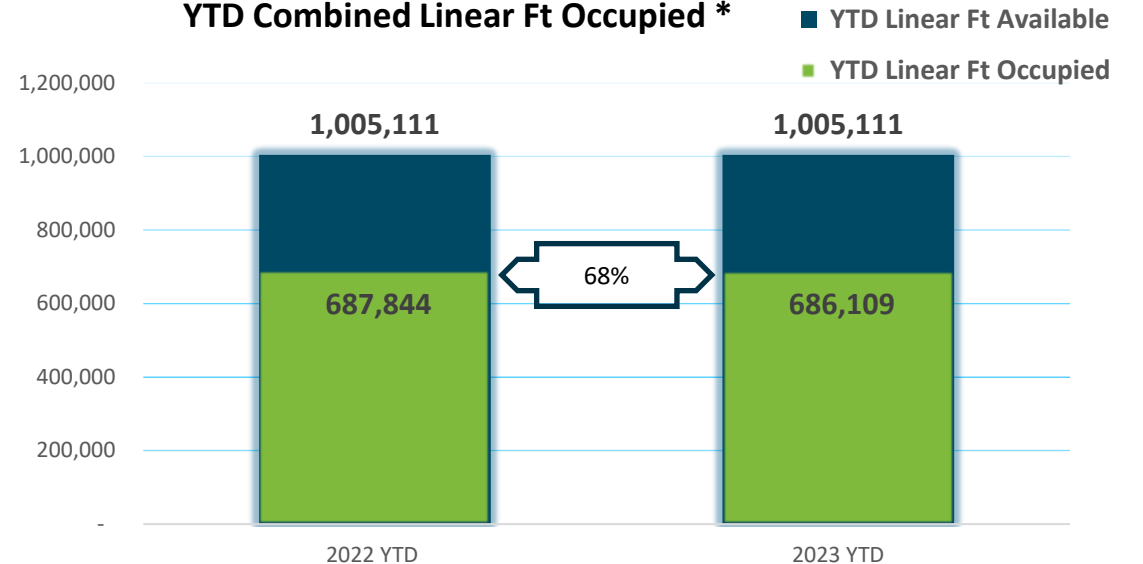
YTD Elliott Bay Fishing & Commercial Operations
% Occupancy by locations
as of March 31



Occupancy

- Elliott Bay Occupancy 68%, flat from 2022
 - % Occupied includes an allowance for lines and vessel spacing that varies by facility
 - P69: One time customer, Beyel Brothers, departure delayed by USCG
 - P28: New customer, Global Diving & Salvage
 - Spot moorage/dockage under TT5: T108, P28, P34, T18 N

YTD Combined Linear Ft Occupied *



* Combined Occupied numbers are weighted average

Elliott Bay Fishing & Commercial

\$ in 000's	<u>YTD Actual vs. Budget</u>				
	2022	2023	2023	Bud Var	
	Actual	Actual	Budget	\$	%
<u>Revenue by Facility:</u>					
T-91 Fishing Related	1,219	1,330	1,313	16	1%
T-91 Vessel Operations	230	323	284	38	13%
Kellogg Island – Moorage	199	214	209	5	2%
Terminal 25 Docks	220	199	199	0	0%
Terminal 18 North - Dolphins	156	130	112	17	15%
Pier 34 Dolphins	114	124	114	11	9%
Other (P2, P28, P69, T46,T108)	196	209	122	87	71%
Utility Sales Revenue	304	300	259	42	16%
Total Revenue	2,638	2,829	2,614	216	8%
<u>Dept Expenses:</u>					
Staff	329	370	377	6	2%
Outside Services	5	11	9	(1)	-15%
General Expenses	135	89	51	(39)	-76%
Equipment & Supplies	4	5	13	8	65%
Utilities	843	627	823	196	24%
<u>Support Services:</u>					
Maintenance	620	643	746	103	14%
Project Management	40	53	132	79	60%
Environmental & Planning	59	123	142	19	14%
Economic Development	50	50	59	10	16%
Police/Security	298	331	434	103	24%
Other/Central Services	929	884	1,226	342	-10%
Total Expense	3,311	3,184	4,011	827	21%
NOI Before Depreciation	(673)	(355)	(1,397)	1,043	75%
Depreciation	1,733	1,667	1,616	(51)	-3%
NOI After Depreciation	(2,406)	(2,022)	(3,013)	991	33%

Occupancy

- Elliott Bay Occupancy 71%, - 3% down from 2022

Variance from Budget

- Revenue \$216M over budget related to higher in open storage/yard usage (TT5) and vessels staying longer for repairs/projects;
- Expense \$827K below budgeted YTD contributed by \$527K lower allocation, utilities \$196K under-budget primarily due to timing, as well as \$103K under-budget in Maintenance

Variance from 2022

- \$191K or 7% higher in revenue primarily related to the commercial vessels rate increased by 7% from 2022, as well as increased in yard usage due to more activities, like roe auction
- (\$127K) decrease in 2023 contributed by a (\$216K) decrease in Utilities due to timing. The decrease was partially offset by \$64K increase in Environmental & Planning related to Derelict Vessels project and traffic study, and \$14K increase in Maintenance

Maritime Portfolio Management 2023 Financials

	2022 YTD	2023 YTD		Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2022	
	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's							
Maritime Portfolio Management							
Marina Office & Retail	1,699	1,782	1,581	201	13%	83	5%
Maritime Industrial	2,235	2,157	2,017	140	7%	(78)	-3%
Utilities	1,303	1,265	1,396	(131)	-9%	(37)	-3%
Total Revenue	5,237	5,205	4,994	210	4%	(33)	-1%
PM Direct	3,168	1,755	2,291	536	23%	(1,413)	-45%
EDD PM Direct	151	203	240	38	16%	52	34%
EDD Other	267	209	211	2	1%	(58)	-22%
MD Direct	276	221	283	62	22%	(55)	-20%
Total Direct	3,862	2,388	3,025	638	21%	(1,475)	-38%
Maintenance Expenses	1,484	1,769	1,814	44	2%	285	19%
Environmental & Sustainability	111	243	254	11	4%	131	118%
Seaport Finance & Cost Recovery	112	151	155	3	2%	39	35%
Seaport Project Management	97	165	360	195	54%	68	70%
Total Support Services	1,804	2,328	2,582	254	10%	524	29%
Total Central Services/Other	1,764	2,172	2,137	(36)	-2%	408	23%
Total Expense	7,430	6,888	7,744	856	11%	(542)	-7%
NOI Before Depreciation	(2,193)	(1,683)	(2,750)	1,066	39%	510	23%
Depreciation	1,240	1,264	1,145	(119)	-10%	24	2%
NOI After Depreciation	(3,433)	(2,947)	(3,894)	947	24%	486	14%

Variance from Budget

- Revenue \$210K favorable; Space Rental at MIC, T91, and T106 partially offset by Utilities.
- Expenses \$856K lower than budget due to favorable Outside Services \$382K (Tenant Improvement and Broker Fees), Project Management \$195K, and Utilities \$163K.

Variance from 2022

- Revenue down (\$33K); Utilities and Space Rental from T91 mainly Lineage and FT mainly FVO.
- Expense down \$542K from prior year due to May 2022 \$1.2M capital to expense for Fishermen's Terminal Gateway Building.

- 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.

Business Highlights

Maritime Environment & Sustainability

- Reviewed EPA Proposed Plan for East Waterway Cleanup - coordinated review with City and County. Supported EPA at public meetings related to the draft Plan.
- Duwamish River People's Park - 3 Fish & Invertebrate sampling events. Over 2,100 chum counted on 4.21!
- Terminal 5 Berth Modernization coordination with agencies RE: contractor over-dredge event & associated permit modifications.
- Green Corridor First Movers group development - work on potential grant funding, communications plan, global engagement, and Landscape Assessment. First Movers agreed to proceed with the Maersk McKinney Moller Center to lead first phase of feasibility work!
- 2024 capital Budget development – MES staff completed environmental, permitting, & sustainability review of all 2024 CIP proposals. 102 forms reviewed.
- Port and Muckleshoot MOA signing ceremony and first govt to govt meeting

Business Highlights

Maritime Stormwater Utility

- Hired new Environmental Management Specialist, to focus on CIP review, construction oversight & training.
- Presented on the Utility's green and innovative stormwater systems at the regional Municipal Stormwater Conference in Wenatchee, WA
- Completed stormwater system and pipe repairs at Shilshole Bay Marina (supports transferring pipes to City)
- Completed business planning and budget work for 2024

Maritime Environment & Sustainability

Q2

\$ in 000's	2021	2022	2023	2023	Fav (UnFav)		Incr (Decr)	
	YTD	YTD	YTD	YTD	Actual vs. Budget		Change from 2022	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Salaries & Benefits	1,014	1,212	1,760	1,712	(49)	-3%	548	45%
Wages & Benefits	5	2	4	5	2	30%	2	78%
Payroll to Cap/Govt/Envrs Proj	457	395	383	458	74	16%	(11)	-3%
Equipment Expense	0	15	22	32	10	32%	7	48%
Supplies & Stock	2	2	4	2	(2)	-105%	2	93%
Outside Services	242	127	428	747	319	43%	301	237%
Travel & Other Employee Exps	17	39	42	68	26	38%	3	9%
Telecommunications	7	7	8	9	2	19%	1	7%
General Expenses	3	9	22	10	(12)	-114%	12	129%
Promotional Expenses	2	6	0	5	5	100%	(6)	-100%
Property Rentals	11	0	0	0	-	NA	-	NA
Utilities	0	1	2	0	(2)	NA	2	252%
Worker's Compensation Exper	2	2	3	2	(1)	-56%	1	67%
Overhead Allocations	120	-13	-1	0	1	NA	12	-94%
Total	1,880	1,804	2,676	3,050	374	12%	873	48%
Charges to Cap/Govt/Envrs Proj	-748	-622	-654	-802	(148)	18%	(33)	5%
Divisional Allocation	0	0	0	0	(0)	539%	0	-188%
Total	1,131	1,182	2,022	2,248	226	10%	840	71%

Major Variances:

- **Outside Services:** Favorable due to timing
- **Salaries:** Unfavorable due to less staff charges to Cap/ERL

Maritime Cost Recovery through Q2

Maritime Environmental Cost Recovery (Cash received - \$ in 000s)						
Grants						
Site	2022 Accrued	Q1	Q2	Q3	Q4	Total
LD	-	(226)	(178)	-	-	(404)
EWW	-	(1,230)	(877)	-	-	(2,107)
T115N	-	(2)	(12)	-	-	(14)
T115 Plant 1	-	(57)	(83)	-	-	(140)
T91	-	(718)	(753)	-	-	(1,471)
Subtotal	-	(2,233)	(1,903)	-	-	(4,136)
Insurance						
T91	-	-	(354)	-	-	(354)
Settlement - Waste Management	-	(200)	-	-	-	(200)
Settlement - Exxon	-	(1,150)	-	-	-	(1,150)
Settlement - Crosby	-	(21)	(21)	-	-	(42)
Settlement -GAIC	-	-	-	-	-	-
Subtotal	-	(1,371)	(375)	-	-	(1,746)
MOAs						
LD	-	(1,190)	(0)	-	-	(1,190)
T117 Sediments	-	-	(22)	-	-	(22)
EWW	-	(7)	(7)	-	-	(15)
T108	-	(185)	(0)	-	-	(185)
T115 Plant 1	-	(0)	-	-	-	(0)
Subtotal	-	(1,383)	(29)	-	-	(1,412)
Total	-	(4,987)	(2,307)	-	-	(7,294)

- \$1.04M of the grant money received in 2023 is under the year-end accrual account due to the new accounting process changed. \$3.08M is under the grant money received account for 2023.
- The settlement money received from Waste Management, Exxon and Crosby will need to be reimbursed to Great American Insurance Co. next year, per the T91 Settlement Agreement.

Grant Summary 2023 Q2 YTD (PWFD)

S000s	2021 YTD Actual	2022 YTD Actual	2023 YTD Actual	2023 YTD Budget	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2022	
					\$	%	\$	%
DOE MTCA Grants								
	\$ 1.32	\$ -	\$ -	\$ 246.25				
100917 Lower Duwamish Superfund	\$ -	\$ 10.24	\$ 173.33	\$ -	\$ 173.33	NA	\$ 163.09	1593%
104137 NonERL 100917 LDW	\$ -	\$ 8.71	\$ 4.78	\$ -	\$ 4.78	NA	\$ (3.93)	-45%
104124 T115N DOE AO	\$ 2.82	\$ 2.86	\$ 9.59	\$ -	\$ 9.59	NA	\$ 6.73	236%
105460 T115 (Boeing Plant 1) DOE- AO	\$ -	\$ 17.25	\$ 39.42	\$ -	\$ 39.42	NA	\$ 22.17	129%
105511 NonERL- T115N ERL Projects	\$ -	\$ -	\$ 0.31	\$ -	\$ 0.31	NA	\$ 0.31	NA
105313 T91 RCRA Sediments RIFS	\$ -	\$ -	\$ 753.49	\$ -	\$ 753.49	NA	\$ 753.49	NA
105706 NonERL Related to T115S ERL	\$ -	\$ -	\$ 0.59	\$ -	\$ 0.59	NA	\$ 0.59	NA
D4831 HI EWW Superfund	\$ -	\$ -	\$ 2,106.13	\$ -	\$ 2,106.13	NA	\$ 2,106.13	NA
104136 NonERL D4831 EWW	\$ -	\$ -	\$ 0.37	\$ -	\$ 0.37	NA	\$ 0.37	NA
Total DOE MTCA Grants	\$ 4.14	\$ 39.06	\$ 3,088.02	\$ 246.25	\$ 3,088.02	12.5402	\$ 3,048.95	7805%

Approx \$1 mil of the money received in first quarter is not showing up here due to new process changes by Capital Services.

NWSA is reported separately for T18 and T5

Marine Maintenance Overhead

<u>Overhead Expense</u>	2022	2023	2023	<u>Bud Var</u>		<u>22 vs. 23</u>	
	Actual	YTD Actual	YTD Budget	\$	%	\$	
Wages & Benefits	2,919	3,530	3,683	153	4%	(611)	-17%
Salaries & Benefits	1,685	2,077	2,028	(49)	-2%	(392)	-19%
Equipment Expense	297	482	456	(26)	-5%	(185)	-38%
Payroll to Cap/Govt/Envrs Proj	297	328	426	98	30%	(31)	-9%
Worker's Comp	252	306	148	(158)	-52%		
Supplies & Stock	122	184	121	(63)	-34%	(62)	-34%
Travel & Other Employee Exp	42	117	169	52	44%	(75)	-64%
Outside Services	55	115	326	211	183%	(60)	-52%
Utilities	83	108	71	(37)	-34%	(25)	-23%
General Expenses	49	57	48	(9)	-16%		
Telecommunications	37	36	48	12	33%	1	3%
Charges to Cap/Govt/Envrs Proj	(297)	(328)	(426)	(98)	30%	31	-9%
Total MM Overhead	5,541	7,012	7,098	86	1%	(1,471)	-21%

- Payroll

W&B ~ Under budget due to 9 unfilled Represented and 1 Non-represented positions. S&B ~ Increase in reported hours for Training and Facility and Parks Maintenance support. Decrease in reported Payroll/Charges to Capital projects (98K).

- Equipment Expense

Auto roughly 60% increase in Fuel reported costs (108K), Equip Maint (72K) due to Auto/Truck collision repairs and Tools, Other Rolling and Stock shop Unbudgeted Ladder replacement project.

- Worker's Comp

Several active claims

- Supplies & Stock

Increase in Safety Supplies Shop Stock PPE's, (31K) and Uniforms & Protective Equipment (24K). Materials for HVAC & Controls, (9K).

- Travel & Other Employee Exp

Underspent in Registration Fees/Tuition 41K and Employee Food & Beverage, 9K.

- Outside Services

Budget requested for Parks Assessment, 50K underway. Fleet Benchmarking study, 80K. Minimal spending on Facilities Elevator maintenance, 34K and Expense Project 830 Portwide Fire Life Safety Assessment, 12K in Q2.

- Utilities

Increase due to Environmental Initiative of buying renewable natural gas. This expense is expected to double in unbudgeted costs creating a permanent variance.

Waterfront PM

Waterfront Project Management					
\$ in 000s	2022 YTD	2023 YTD	2023 YTD	Bud Var F/(U)	
Expenses	Actual	Actual	Budget	\$	%
Payroll	1,868	2,581	3,293	712	22%
Outside Services	31	304	797	493	62%
Travel & Other Employee Exp	10	14	63	49	78%
Charges to Capital	(909)	(1,148)	(2,376)	(1,228)	52%
Other / OH Allocations	(135)	(15)	(15)	1	-5%
Total Expenses	866	1,736	1,763	27	2%

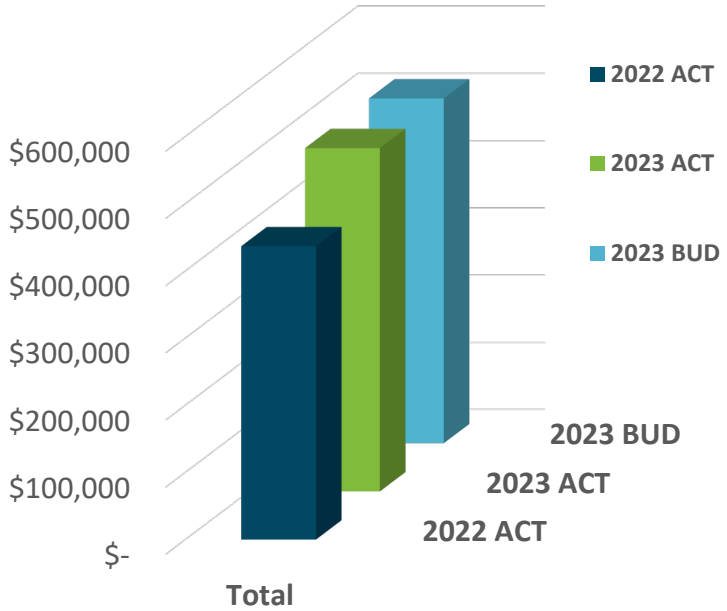
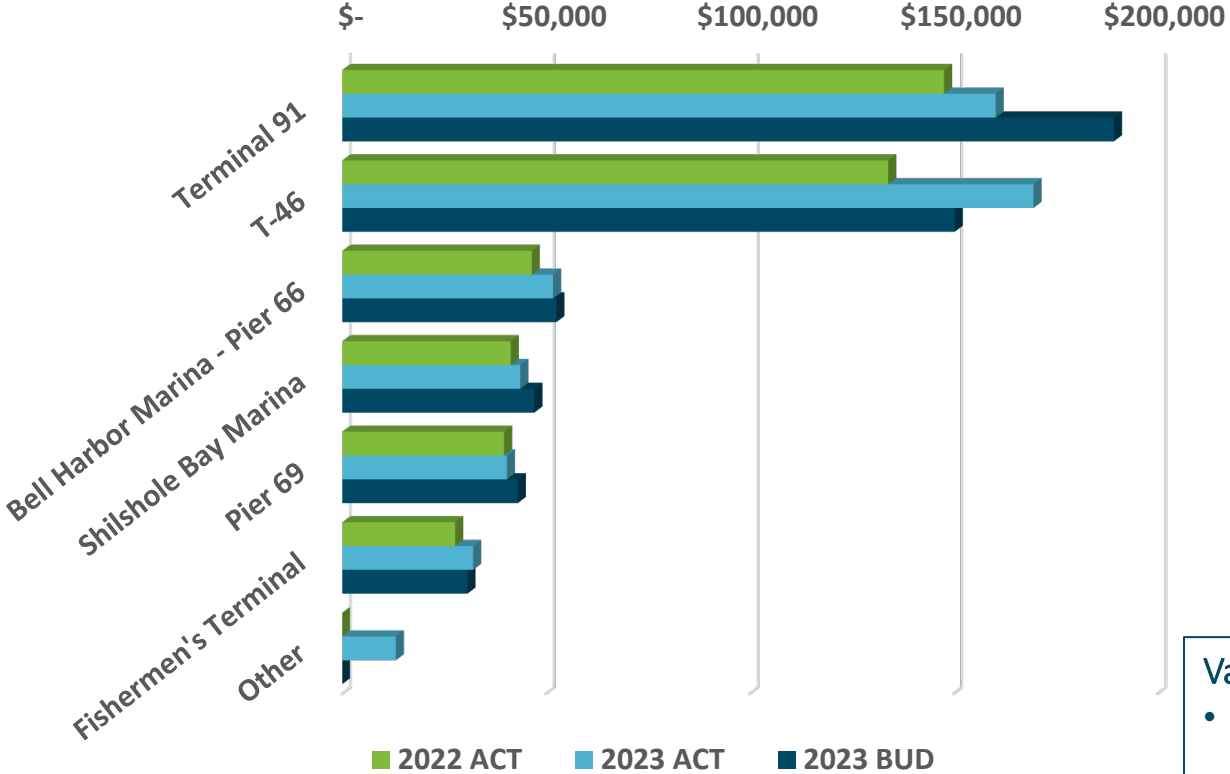
Major Variances:

- The high variance in payroll is due to vacant positions; there are 7 vacancies (unfilled positions) remaining.
- Charges to Capital projects have been less than estimated due to the learning curve on new hires and more admin support (time charged to subclass 6260 is higher).
- Outside Services – contracts for maintenance will continue to be utilized and paid for thru the year.
- Other/OH Allocations – An increase to the OH %age will be submitted to Accounting.

Key Project Milestones:

- P66 ShorePower received final Commission construction authorization.
- T91 Berth 6 & 8 Redevelopment completed 100% design.
- Notice to Proceed to begin construction issued on T5 South Marine Building.
- P17 Bulkhead Emergency Repairs reached substantial complete.
- T18, T30, and T46 Maintenance Dredging received Managing Member design authorization.
- T91 Uplands Development completed 30% design.
- P66 Central Waterfront Elevators Project reached substantial completion.
- FT Maritime Innovation Center Project completed 100% design.

Maritime Security



Variance from Budget

- 2023 actual is in line with the budget, T91 \$29K favorable due to staff shortage at American Guard Services, offset by unfavorable results from T46 (\$20K), T-102, and HIM due to request from business related to increasing in break-ins/thefts

Variance from 2022

- \$74K increase primarily related to increasing in break-ins/thefts at T46, T-102, and HIM

Maritime Capital 2023

	2023 YTD Actual	2023 Year- End Forecast	2023 Budget	2023 POF	Budget vs Forecast	
					\$	%
\$ in 000's						
P66 Shore Power	790	8,620	8,817	15,390	197	2%
P66 Fender Overhaul	65	3,048	3,227	3,939	179	6%
MD Reserve	0	2,000	2,000	2,000	0	0%
Maritime Video Camera Pro	109	1,809	1,800	1,800	(9)	-1%
T117 Restoration	295	2,498	1,263	30	(1,235)	-98%
T91 Berth 6 & 8 Redev	512	883	1,193	734	310	26%
FT Maritime Innovation Center	225	1,241	1,103	3,297	(138)	-13%
Cruise Upgrades COVID19	0	0	1,000	0	1,000	100%
MD Fleet	940	5,113	6,555	4,790	1,442	22%
MD Small Projects	468	1,561	3,368	1,443	1,807	54%
All Other Project	1,017	6,304	8,983	20,668	2,679	30%
Subtotal	4,421	33,077	39,309	54,091	6,232	16%
CIP Cashflow Mgmt Reserve	0	(5,110)	(6,996)	(13,286)	(1,886)	27.0%
Total Maritime	4,421	27,967	32,313	40,805	4,346	13.4%

Projects with Significant Variances

T117– Funds previously encumbered under consulting contracts added back to forecast.

Cruise COVID Upgrades - Placeholder to mitigate COVID upgrade requirements no longer needed.

T91 Berth 6/8 & All Other Projects - Additional time needed for federal permitting (2 months). LED Upgrade small cap projects moved to Large CIP.

Economic Development Division

Appendix

2023 Q2 Financial Performance Report



EDD YTD 2023 Financials

	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget		Change from 2022	
	Actual	Actual	Actual	Budget	Variance		\$	%
\$ in 000's					\$	%	\$	%
Revenue	3,669	4,142	4,984	4,684	300	6%	842	20%
Conf & Event Centers	420	2,538	3,377	5,439	(2,061)	-38%	839	33%
Total Revenue	4,089	6,680	8,361	10,123	(1,761)	-17%	1,681	25%
Expenses								
Portfolio Management	1,643	1,898	1,534	1,807	273	15%	(364)	-19%
Conf & Event Centers	1,271	2,333	3,509	4,936	1,427	29%	1,176	50%
P69 Facilities Expenses	90	98	103	116	13	11%	5	6%
RE Dev & Planning	94	132	145	139	(7)	-5%	14	11%
EconDev Expenses Other	298	492	503	310	(192)	-62%	11	2%
Maintenance Expenses	1,792	1,718	1,577	1,648	71	4%	(141)	-8%
Maritime Expenses (Excl Maint)	490	535	661	883	221	25%	126	24%
Total EDD & Maritime Expenses	5,678	7,205	8,032	9,839	1,807	18%	828	11%
Diversity in Contracting	48	57	83	145	61	42%	26	47%
Tourism	380	1,099	524	923	400	43%	(576)	-52%
EDD Grants	87	(1)	143	300	157	52%	144	-12456%
Total EDD Initiatives	515	1,155	750	1,368	618	45%	(405)	-35%
Environmental & Sustainability	13	10	21	30	9	31%	11	111%
Police Expenses	99	103	121	134	13	10%	18	17%
Other Central Services	2,093	2,319	2,402	2,435	34	1%	82	4%
Aviation Division	95	80	66	70	4	6%	(14)	-18%
Total Central Services & Aviation	2,300	2,513	2,609	2,669	59	2%	97	4%
Envir Remed Liability	0	0	0	0	0	NA	0	NA
Total Expense	8,493	10,872	11,392	13,876	2,484	18%	520	5%
NOI Before Depreciation	(4,403)	(4,192)	(3,031)	(3,753)	723	19%	1,162	28%
Depreciation	1,919	1,906	2,064	1,914	(150)	-8%	157	8%
NOI After Depreciation	(6,322)	(6,099)	(5,094)	(5,667)	573	10%	1,004	16%

Variance from Budget

Revenue \$1.8M unfavorable to budget

- Conferences and Events activity less than budgeted

Expenses \$2.5M favorable to budget

- Timing of tenant improvements
 - Small Works Construction services - \$245K favorable
- Conference and Event center volumes driving reduced variable expenses.
 - 3rd Party Mangement - \$1.26M favorable
 - WTC - \$93K less
 - Bell Harbor - \$1.1M less
- Outside Services \$918K favorable to budget
 - \$255K less in tourism personal services

EDD 2023 Forecast

	2021	2022	2023	2023	Actual vs. Budget		Change from 2022	
	Actual	Actual	Forecast	Budget	Variance		\$	%
\$ in 000's					\$	%	\$	%
Revenue	7,384	8,886	10,022	9,722	300	3%	1,137	13%
Conf & Event Centers	1,910	8,848	10,879	12,479	(1,600)	-13%	2,030	23%
Total Revenue	9,294	17,734	20,901	22,201	(1,300)	-6%	3,167	18%
Expenses								
Portfolio Management	3,737	3,653	3,680	3,905	225	6%	27	1%
Conf & Event Centers	3,124	6,563	9,537	10,769	1,232	11%	2,975	45%
P69 Facilities Expenses	268	230	221	221	0	0%	(10)	-4%
RE Dev & Planning	231	299	294	294	0	0%	(5)	-2%
EconDev Expenses Other	736	1,058	900	900	0	0%	(158)	-15%
Maintenance Expenses	3,769	3,836	3,253	3,303	50	2%	(583)	-15%
Maritime Expenses (Excl Maint)	862	1,263	1,736	1,811	75	4%	472	37%
Total EDD & Maritime Expenses	12,727	16,902	19,621	21,203	1,582	7%	2,719	16%
Diversity in Contracting	253	186	250	250	0	0%	64	34%
Tourism	1,877	1,737	1,830	1,830	0	0%	93	5%
EDD Grants	889	105	1,450	1,450	0	0%	1,345	1287%
Total EDD Initiatives	3,019	2,028	3,530	3,530	0	0%	1,502	74%
Environmental & Sustainability	24	35	67	83	16	19%	32	92%
Police Expenses	205	240	250	258	8	3%	10	4%
Other Central Services	4,408	4,848	4,813	4,938	125	3%	(36)	-1%
Aviation Division	177	147	138	138	0	0%	(9)	-6%
Total Central Services & Aviation	4,814	5,270	5,268	5,417	149	3%	(2)	0%
				0				
Total Expense before Pension Adjustmen	20,560	24,200	28,418	30,149	1,731	6%	4,218	17%
Pension Expense Adjustment	(2,396)	(695)	0	0	0	NA	695	100%
Total Expense	18,164	23,505	28,418	30,149	1,731	6%	4,913	21%
NOI Before Depreciation	(8,870)	(5,771)	(7,517)	(7,948)	431	5%	(1,746)	-30%
Depreciation	3,841	3,954	3,741	3,741	0	0%	(213)	-5%
NOI After Depreciation	(12,711)	(9,725)	(11,258)	(11,689)	431	4%	(1,533)	-16%

Variance from Budget

- Revenue forecasted \$1.3M below budget.
 - Predicting a 12% reduction in conference volumes based on feedback from CHI.
- Expenses forecasted \$1.7M favorable to budget.
 - Lower TI and Broker fees.
 - Conference and Event center volumes driving reduced variable expenses.
 - Lower Maintenance and Central Services based on open positions.

Portfolio Management 2023 Financials

\$ in 000s	2022 YTD	2023 YTD	2023 YTD	Bud Var	
	Actual	Actual	Budget	\$	%
Revenue by Facility:					
Conference Centers	2,136	2,766	4,801	(2,035)	-42%
WTC - Seattle	422	673	664	10	1%
WTC West - Building	1,831	1,918	1,828	90	5%
P66 Retail	115	148	136	12	9%
Bell Street Garage	595	843	943	(100)	-11%
T102 Uplands	856	945	826	119	14%
T91 Uplands	612	692	659	33	5%
Other (P2, P69, T34, Tsubota, T5SE)	345	460	482	(21)	-4%
Utilities	381	599	441	158	36%
Total Revenue	6,679	8,353	10,121	(1,768)	-17%
Dept Expenses:					
Staff	470	577	735	158	22%
Outside Services	238	77	266	189	71%
General Expenses	2,951	3,810	5,156	1,345	26%
Equipment & Supplies	24	37	166	130	78%
Utilities	832	871	794	(77)	-10%
Support Services:					
Maintenance	1,704	1,568	1,641	73	4%
Project Management	81	148	310	163	52%
Environmental & Planning	73	83	94	11	12%
Maritime	2,239	2,228	2,523	295	12%
Police/Security	253	292	319	27	9%
Other/Central Services	884	969	779	(191)	-24%
Total Expense	9,749	10,660	12,784	2,124	17%
NOI Before Depreciation	(3,070)	(2,307)	(2,663)	356	-13%
Depreciation	1,901	2,058	1,910	148	8%
NOI After Depreciation	(4,971)	(4,365)	(4,573)	208	-5%

Variance from Budget

- Revenue unfavorable to budget due to slower than anticipated recovery in Conference & Events Centers.
- Bell St Parking Garage revenue \$100K unfavorable to budget
- Expenses lower than budget due to lower Conference & Events Centers volumes.

Variance from 2022

- Uptick in business activity at Conference & Events Centers and return for Bell Street Parking Garage.
- Expenses up from higher Conference & Events Centers volumes.

- 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 2023

	2023 YTD Actual	2023 YE Forecast	2023 Budget	2023 POF	Budget vs Forecast	
					\$	%
\$ in 000's						
T91 Uplands Dev Phase I	573	2,190	2,204	1,682	14	1%
WTCW Roof Replacement	1,002	2,032	1,841	1,003	(191)	-10%
P69 Underdock Utility Rpl	555	1,065	999	547	(66)	-7%
CW Bridge Elev Modernizat	224	479	480	7	1	0%
P66 Roof Upgrades	66	286	341	556	55	16%
P66 BHICC Interior Modern	0	0	276	0	276	100%
P69 3rd Floor Terrace Rep	0	25	262	262	237	90%
P69 and P66 Public Video	3	103	250	250	147	59%
Tenant Improvements - Capi	0	202	202	300	0	0%
T91 Ped Path and Bike Bri	9	144	150	300	6	4%
All Other Projects	142	2,792	3,274	3,780	482	15%
Subtotal	2,574	9,318	10,279	8,687	961	9%
CIP Cashflow Mgmt Reserve	0	(1,648)	(2,193)	(1,950)	(545)	25%
Total Economic Development	2,574	7,670	8,086	6,737	416	5%

P66 BHICC - \$276k for pending claim resolution no longer needed.

P69 3rd Floor Terrace & Public Video – Delay due to resource constraints.

Other Projects - Number of small projects related to LED upgrades removed moved to Large Cap CIP.

Central Services Appendix

2023 Q2 Financial Performance Report



Central Services Business Events

- Hosted Green Corridor update webinar.
- Convened ceremonial signing ceremony of the Port's MOA with the Muckleshoot Indian Tribe and inaugural government to government meeting.
- Hosted annual Duwamish Alive! community habitat restoration work party.
- Hosted a multi-cultural Working Waterfront boat tour for 250 community members with Commissioner Mohamed and partners PCAT, DRCC, EPA, and Community Health Advocates.
- Partnered with NWSA on a Bike Truck Safety Fair promoting freight mobility and safe corridors/practices for pedestrians and bicycles.
- Hosted the annual SKCCIF Environment and Jobs Symposium with 150 attendees.
- Hosted 100 students for the annual Raisbeck Aviation High School Environmental Challenge with site tours, presentations and business proposal competitions.
- Hosted the South King County Symposium with 150 attendees in partnership with Community Engagement.
- The Port reached an agreement with the Police represented group on the Body Worn Camera (BWC) Policy.
- The Port received a clean independent Certified Public Accountant (CPA) audit opinion on the Port's 2022 financial statements.
- Received the GFOA Distinguished Budget Presentation Award for the 2023 Budget Document.

Central Services YTD Financial Highlights

\$ in 000's	2021 YTD	2022 YTD	2023 YTD		Actual vs. Budget		Change from 2022	
	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
					\$	%	\$	%
Total Operating Revenues	1,982	271	290	46	243	526.4%	19	7.1%
Core Central Support Services	39,964	44,434	51,528	53,234	1,705	3.2%	7,094	16.0%
Police	13,769	14,211	17,323	18,916	1,593	8.4%	3,112	21.9%
Engineering/PCS	4,575	4,418	6,383	7,993	1,609	20.1%	1,965	44.5%
Total Operating Expenses	58,309	63,064	75,235	80,142	4,907	6.1%	12,171	19.3%

2023 YTD Total Operating Expenses are \$4.9M under the budget due to:

- Delay in contract spending and delays in hiring vacant positions and lower charges to Capital Projects

2023 YTD Total Operating expenses are \$12.2M higher compared to 2022 due to:

- Higher Payroll in 2023 due to new positions hired in 2022
- Higher Outside Services costs YTD due to project delays in 2022
- Higher Insurance and other General Expenses in 2022

Central Services YTD Expense by Category

	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget		Change from 2022	
	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
\$ in 000's					\$	%	\$	%
Salaries & Benefits	35,205	37,854	44,334	43,849	(485)	-1.1%	6,480	17.1%
Wages & Benefits	13,695	13,103	16,345	17,394	1,049	6.0%	3,242	24.7%
Payroll to Capital Projects	8,222	7,857	9,367	11,426	2,059	18.0%	1,510	19.2%
Equipment Expense	571	1,155	1,146	1,508	362	24.0%	(9)	-0.8%
Supplies & Stock	229	312	518	512	(7)	-1.3%	207	66.4%
Outside Services	11,601	11,708	15,232	18,008	2,776	15.4%	3,524	30.1%
Travel & Other Employee Expenses	417	726	999	1,837	838	45.6%	273	37.6%
Insurance Expense	1,507	1,950	2,163	2,240	77	3.4%	213	10.9%
Litigated Injuries & Damages	-	808	206	-	(206)	0.0%	(602)	-74.5%
Other Expenses	1,050	1,523	2,439	2,306	(132)	-5.7%	916	60.2%
Charges to Capital Projects/Overhead Alloc	(14,188)	(13,930)	(17,514)	(18,937)	(1,423)	7.5%	(3,584)	25.7%
TOTAL	58,309	63,064	75,235	80,142	4,907	6.1%	12,171	19.3%

- Payroll savings due to staff vacancies
- Outside Services below budget due to spending delays
- Travel & Other Employee Expenses under budget due to delayed spending at the beginning of the year
- Charges to Capital below budget due to delay of some capital projects

Central Service Financial Summary (YE Forecast)

	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget		Change from 2022	
	Actual	Actual	Forecast	Budget	Variance		Incr (Decr)	
\$ in 000's					\$	%	\$	%
Total Operating Revenues	(233)	2,538	399	155	244	157.7%	(2,139)	-84.3%
Core Central Support Services	73,612	91,149	109,186	109,752	566	0.5%	18,037	19.8%
Police	17,194	35,064	35,929	36,673	744	2.0%	865	2.5%
Engineering/PCS	4,948	8,704	14,814	16,478	1,664	10.1%	6,110	70.2%
Total Operating Expenses	95,753	134,917	159,928	162,903	2,974	1.8%	25,011	18.5%

Central Services Capital Spending

\$ in 000's	2023	2023	2023	Budget Variance	
	YTD Actual	Year-End Forecast	Budget	\$	%
Engineering Fleet Replacement	52	1,662	3,065	1,403	45.8%
Corporate Fleet Replacement	136	2,689	1,836	(853)	-46.5%
Infrastructure - Small Cap	204	1,500	1,865	365	19.6%
Services Tech - Small Cap	621	1,864	1,500	(364)	-24.3%
Enterprise Network Refresh	17	1,472	1,603	131	8.2%
Office Wi-Fi Refresh	204	964	964	0	0.0%
Phone System Upgrade	467	862	862	0	0.0%
Radio Microwave Redund. Loop	6	526	760	234	30.8%
Storage Area Network Refresh	480	751	750	(1)	-0.1%
Other (note 1)	604	4,045	5,573	1,528	27.4%
Subtotal	2,791	16,335	18,778	2,443	13.0%
CIP Cashflow Adjustment	-	(4,800)	(5,600)	(800)	14.3%
TOTAL	2,791	11,535	13,178	1,643	12.5%

Note:

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

Portwide Appendix

2023 Q2 Financial Performance Report



Port Wide Financial Summary

	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget		Change from 2022	
	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
\$ in 000's					\$	%	\$	%
Aeronautical Revenues	143,188	181,846	240,218	244,692	(4,474)	-1.8%	58,372	32.1%
Airport Non-Aero Revenues	73,219	114,802	145,446	137,662	7,785	5.7%	30,644	26.7%
Non-Airport Revenues	49,475	65,638	76,356	71,411	4,945	6.9%	10,718	16.3%
Total Operating Revenues	265,883	362,286	462,020	453,765	8,255	1.8%	99,734	27.5%
Total Operating Expenses	195,776	220,822	264,713	280,383	15,670	5.6%	43,890	19.9%
NOI before Depreciation	70,107	141,464	197,307	173,382	23,925	13.8%	55,844	39.5%
Depreciation	91,246	104,114	123,656	98,780	(24,876)	-25.2%	19,542	18.8%
NOI after Depreciation	(21,139)	37,350	73,651	74,603	(951)	-1.3%	36,302	97.2%

- Total Operating Revenues: \$8.3M higher than budgeted
- Total Operating Expenses: \$15.7M below budget mainly due to delay in Outside Services spending, vacant positions, and Travel & Other Employee Expenses.
- NOI before Depreciation: \$24.0M above budget

Non-Airport YTD Financial Summary

	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget		Change from 2022	
					Variance		Incr (Decr)	
	\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$
NWSA Distributable Revenue	22,166	24,527	28,949	25,153	3,796	15.1%	4,422	18.0%
Maritime Revenues	19,507	31,788	35,856	34,040	1,816	5.3%	4,068	12.8%
EDD Revenues	4,089	6,680	8,361	10,123	(1,761)	-17.4%	1,681	25.2%
SWU & Other	3,713	2,643	3,189	2,095	1,094	52.2%	546	20.7%
Total Operating Revenues	49,475	65,638	76,356	71,411	4,945	6.9%	10,718	16.3%
Total Operating Expenses	35,658	43,508	49,171	54,420	5,249	9.6%	5,662	13.0%
NOI before Depreciation	13,817	22,129	27,185	16,991	10,194	60.0%	5,056	22.8%
Depreciation	18,949	18,918	19,138	18,141	(997)	-5.5%	220	1.2%
NOI after Depreciation	(5,132)	3,211	8,047	(1,150)	9,198	-799.7%	4,836	150.6%

- Non-Airport Operating Revenue is \$4.9M above budget due to higher revenues from NWSA Distributable Revenues, Cruise, Fishing & Operations, and unbudgeted Police Revenues; offset by lower revenues from Grain and Conference & Event Center
- Expenses are \$5.2M lower than budget due delays in hiring, implementing program initiatives, and travel; offset by higher Supplies Expense, higher Equipment Expense, and lower charges to Capital Projects.

Port Wide YTD Operating Revenues Summary

	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget		Change from 2022	
	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
\$ in 000's					\$	%	\$	%
Aeronautical Revenues	143,188	181,846	240,218	244,692	(4,474)	-1.8%	58,372	32.1%
Public Parking	25,537	41,842	52,391	48,001	4,390	9.1%	10,549	25.2%
Rental Cars - Operations	11,497	16,803	18,021	16,626	1,395	8.4%	1,218	7.2%
Rental Cars - Operating CFC	-	-	5,495	4,819	676	14.0%	5,495	0.0%
ADR & Terminal Leased Space	17,764	26,131	31,985	33,930	(1,946)	-5.7%	5,854	22.4%
Ground Transportation	4,208	9,226	11,750	11,420	330	2.9%	2,524	27.4%
Employee Parking	4,457	5,062	5,460	5,234	226	4.3%	398	7.9%
Airport Commercial Properties	5,541	7,520	9,618	8,014	1,604	20.0%	2,098	27.9%
Airport Utilities	3,010	3,845	4,194	4,271	(77)	-1.8%	348	9.1%
Clubs and Lounges	709	3,048	5,436	4,396	1,040	23.7%	2,388	78.3%
Cruise	61	11,258	15,437	13,100	2,337	17.8%	4,179	37.1%
Recreational Boating	6,330	6,914	7,751	7,776	(24)	-0.3%	837	12.1%
Fishing & Operations	4,768	4,967	5,481	4,927	554	11.2%	514	10.3%
Grain	3,433	3,405	1,964	3,231	(1,268)	-39.2%	(1,441)	-42.3%
Maritime Portfolio Management	4,914	5,237	5,205	4,994	210	4.2%	(33)	-0.6%
Central Harbor Management	3,654	4,131	4,960	4,672	288	6.2%	829	20.1%
Conference & Event Centers	420	2,538	3,377	5,439	(2,061)	-37.9%	839	33.1%
NWSA Distributable Revenue	22,166	24,527	28,949	25,153	3,796	15.1%	4,422	18.0%
Other	4,225	3,986	4,329	3,069	1,260	41.1%	343	8.6%
Total Operating Revenues (w/o Aero)	122,695	180,440	221,802	209,073	12,729	6.1%	41,362	22.9%
TOTAL	265,883	362,286	462,020	453,765	8,255	1.8%	99,734	27.5%

Port Wide YTD Operating Expense Summary

\$ in 000's	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget		Change from 2022	
	Actual	Actual	Actual	Budget	Variance	%	Incr (Decr)	%
					\$	%	\$	%
Salaries & Benefits	71,476	76,063	90,131	89,742	(389)	-0.4%	14,068	18.5%
Wages & Benefits	64,484	67,884	79,333	77,916	(1,417)	-1.8%	11,449	16.9%
Payroll to Capital Projects	14,733	12,936	15,420	21,826	6,405	29.3%	2,484	19.2%
Outside Services	40,724	48,370	57,354	77,604	20,250	26.1%	8,984	18.6%
Utilities	12,860	16,626	15,541	15,779	238	1.5%	(1,085)	-6.5%
Equipment Expense	2,960	4,532	5,683	5,432	(251)	-4.6%	1,151	25.4%
Supplies & Stock	4,030	4,227	5,617	4,613	(1,004)	-21.8%	1,390	32.9%
Travel & Other Employee Expenses	864	1,675	2,208	4,329	2,122	49.0%	533	31.8%
Third Party Mgmt Op Exp	2,010	3,498	5,485	6,669	1,183	17.7%	1,987	56.8%
B&O Taxes	1,682	2,246	2,895	3,207	312	9.7%	649	28.9%
Other Expenses	6,392	7,578	14,991	12,362	(2,629)	-21.3%	7,412	97.8%
Charges to Capital Projects/Overhead Alloc	(26,440)	(24,814)	(29,947)	(39,096)	(9,150)	23.4%	(5,133)	20.7%
TOTAL	195,776	220,822	264,713	280,383	15,670	5.6%	43,890	19.9%

- Payroll expenses were \$4.6M below budget primarily due to vacant positions
- Outside Services were \$20.2M under budget due to project delays
- Travel & Other Employee Expenses were \$2.1M lower than budget due to delays in training and travel
- Charges to Capital Projects were lower by (\$9.2M) due to delays in Capital Projects

Port Wide Capital Spending Summary

\$ in 000's	2023	2023	2023	Budget Variance	
	YTD Actual	Forecast	Budget	\$	%
Aviation	184,564	458,345	485,572	27,227	5.6%
Maritime	4,421	27,967	32,313	4,346	13.4%
Economic Development	2,574	7,670	8,086	416	5.1%
Central Services & Other (note 1)	2,959	12,270	15,371	3,101	20.2%
TOTAL	194,518	506,252	541,342	35,090	6.5%

Note:

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