



# Port of Seattle Q2 2024 Financial Performance Report



# Key Highlights

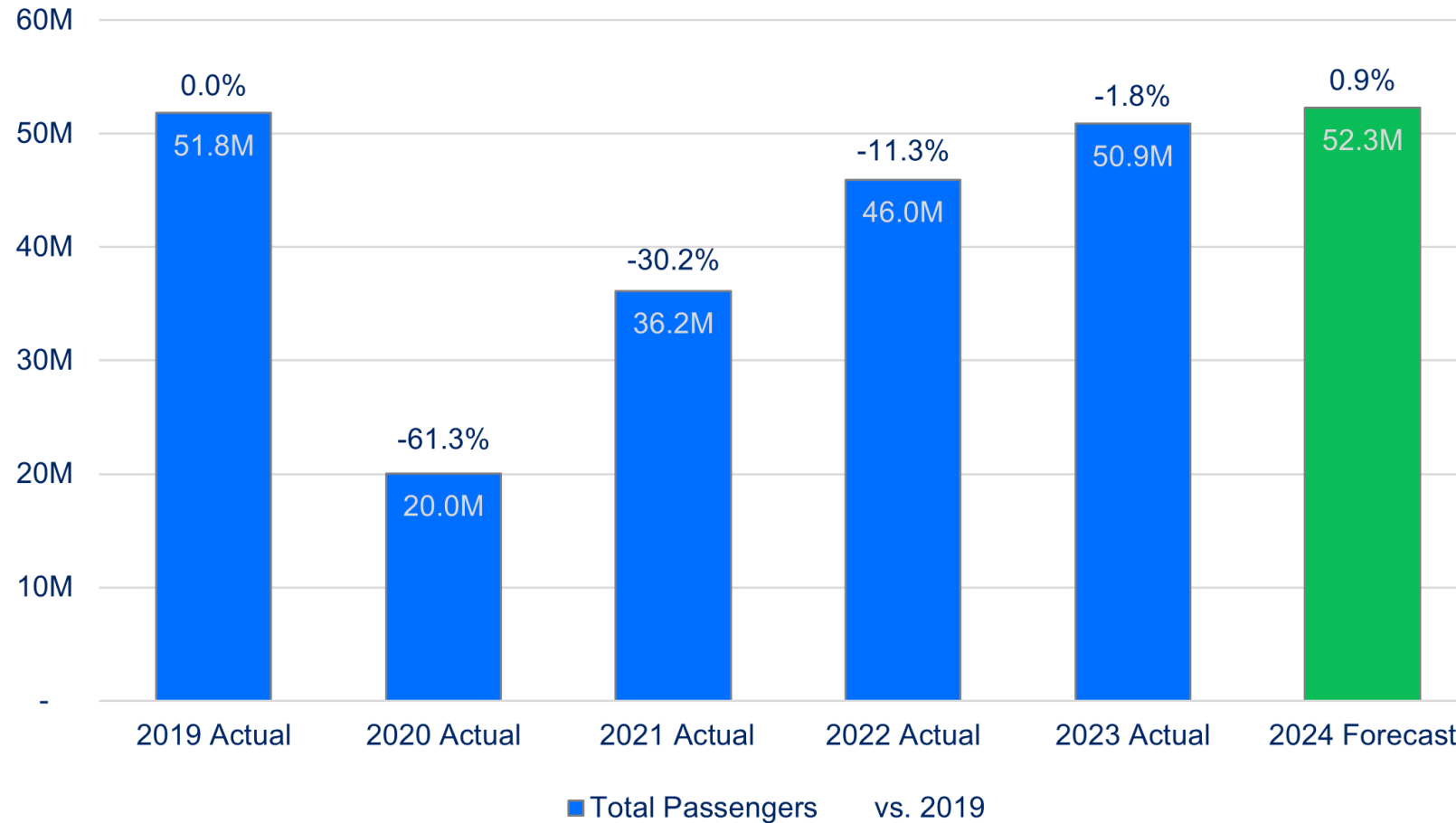
- Strong financial performance results in the first six months of the year
- SEA passenger volume is 2.8% higher compared to same period last year and is expected to exceed the 2019 pre-pandemic volumes
- 2024 cruise season started in April with a projected 276 sailings and 1.7M revenue passengers
- Total operating revenues were \$9.1M or 1.9% above budget in Q2 and projected to be \$24.4M or 2.4% above budget on a full-year basis
- Total operating expenses were \$10.9M or 3.6% below budget in Q2 and projected to be \$6.3M or 1.0% above budget on a full-year basis
- Total capital spending is projected to be \$783.6M, 100.3% of the budget for the year

# Aviation Division

## 2024 Q2 Financial Performance Report

# Passenger Growth Rebounding

by Year vs. 2019 Pre-Pandemic level



Passengers (millions)	
2019 Actual	51.8
2020 Actual	20.0
2021 Actual	36.2
2022 Actual	46.0
2023 Actual	50.9
2024 Forecast	52.3

**0.9%** ↑

*Growth compared to 2019*

**2.8%** ↑

*Growth compared to prior year (2023 actuals)*

**2024 forecast is 1.16% lower than 2024 Budget**

# Financial Summary

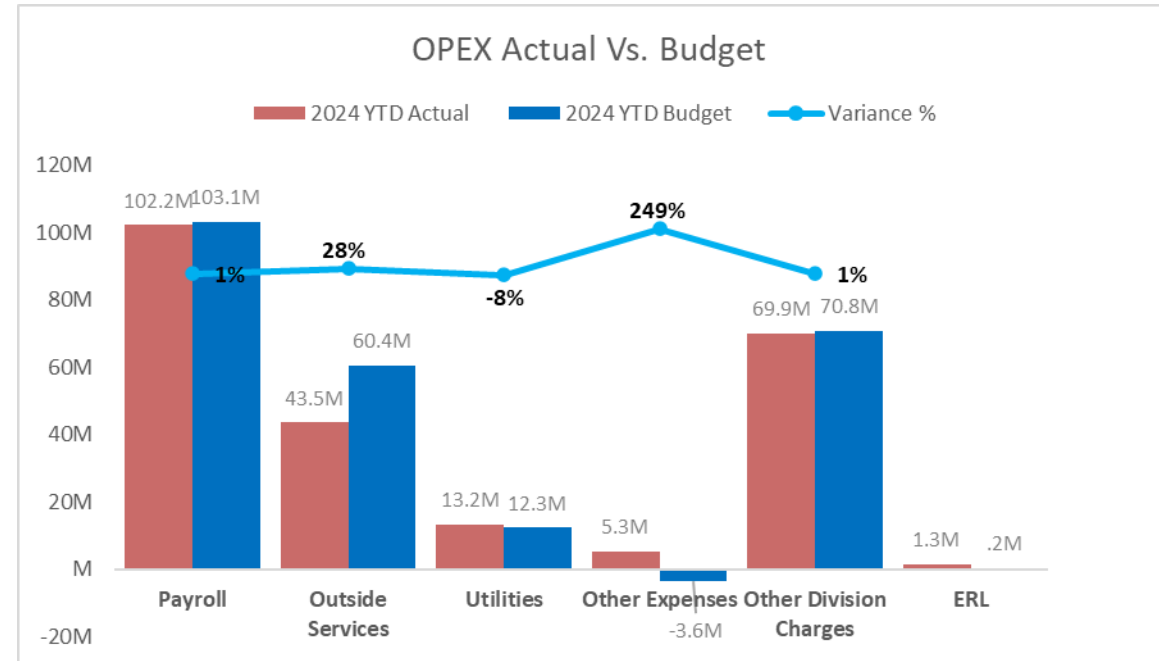
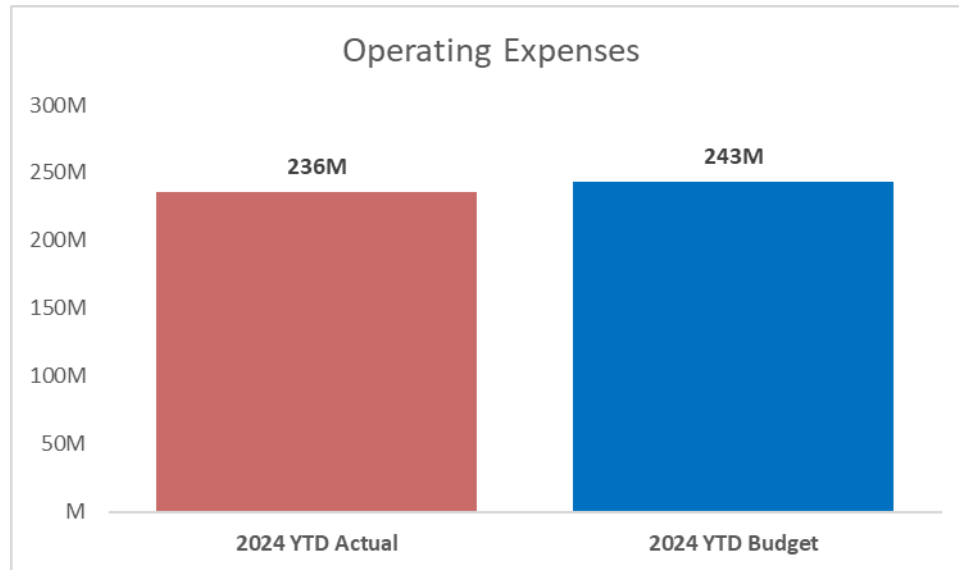
<i>Figures in \$000s</i>	<b>Forecast</b>	<b>Budget</b>	<b>Variance</b>
<b>Revenues</b>			
Aeronautical	530,408	520,600	9,808
Non-Aeronautical	347,243	332,713	14,530
<b>Total Revenues</b>	<b>877,651</b>	<b>853,313</b>	<b>24,338</b>
<b>Total O&amp;M Expenses</b>	<b>503,003</b>	<b>495,724</b>	<b>(7,279)</b>
<b>NOI w/o Pension True-up</b>	<b>374,648</b>	<b>357,589</b>	<b>17,059</b>
<b><u>Key Measures</u></b>			
Non-Aero NOI (in \$000s)	193,780	179,075	14,706
CPE (\$)	18.98	18.31	(0.67)
Debt Service Coverage	1.93	1.88	0.05
<b><u>Other Information</u></b>			
ADF Balance (in \$000s)	702,763	702,300	463
Capital Spending (in \$000s)	684,442	682,384	(2,057)

## Business/Financial Highlights

- Aero revenues – Higher than budgeted, reflecting increases from Central Service departments.
- Non-aero revenues – continued strong performance in Parking and Rental Car, significant growth in Port-owned Clubs.
- Operating expense forecast higher than budget primarily due to increases of in law enforcement, legal expenses, and ERL.

Aeronautical revenues are based on the cost recovery methodology for aeronautical operating and capital expenses under the Federal Aviation Administration regulations and the Signatory Lease and Operating Agreement.

# Operating Expenses Summary (YTD)

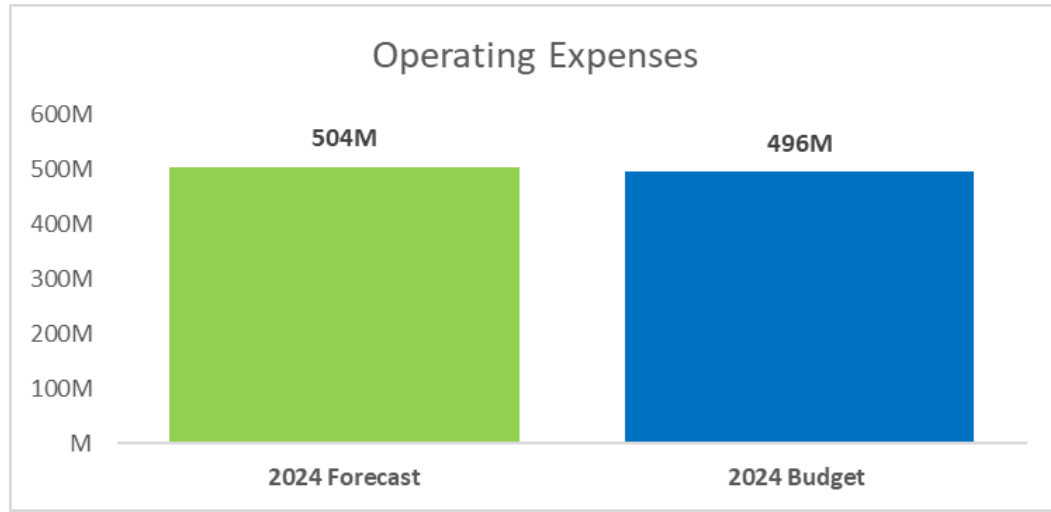


**\$7.3M or 3.0% Under budget**

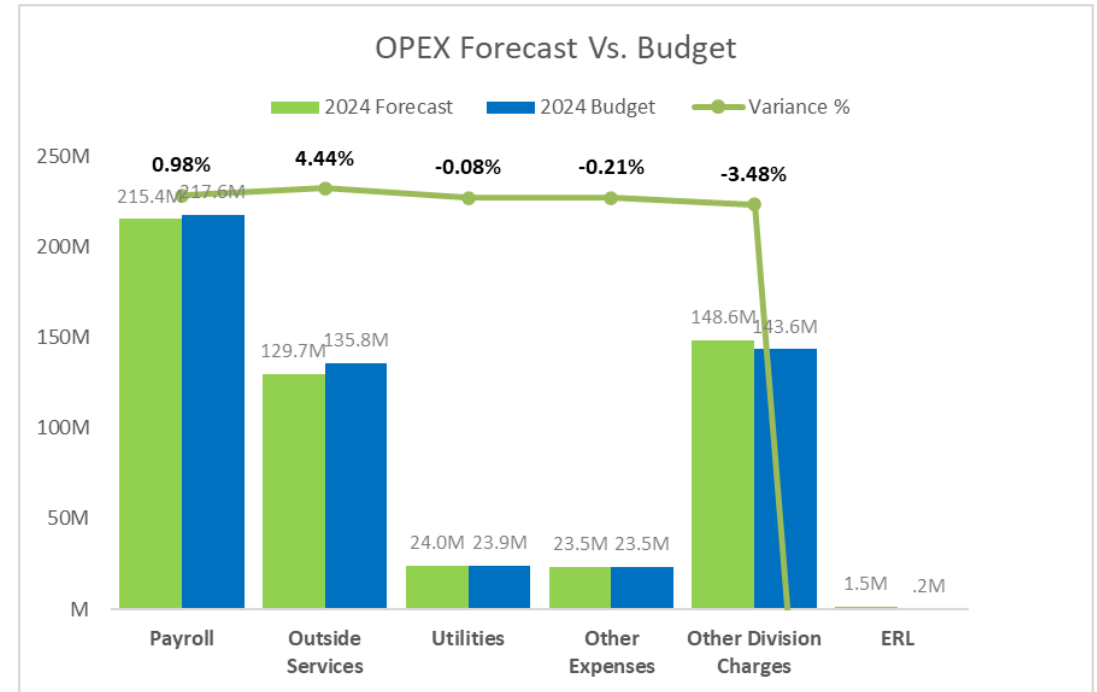
## Major Drivers:

- Outside Services: Payment delay in janitorial and other contracted services
- Offset by higher expenses in Utilities, supplies & stocks, equipment and ERL.
- Salaries & Benefits is tracking at 0.8% of budget.

# Operating Expenses Summary (Full Year Forecast)



**\$8.6M or 1.8% over budget**



## Major Drivers:

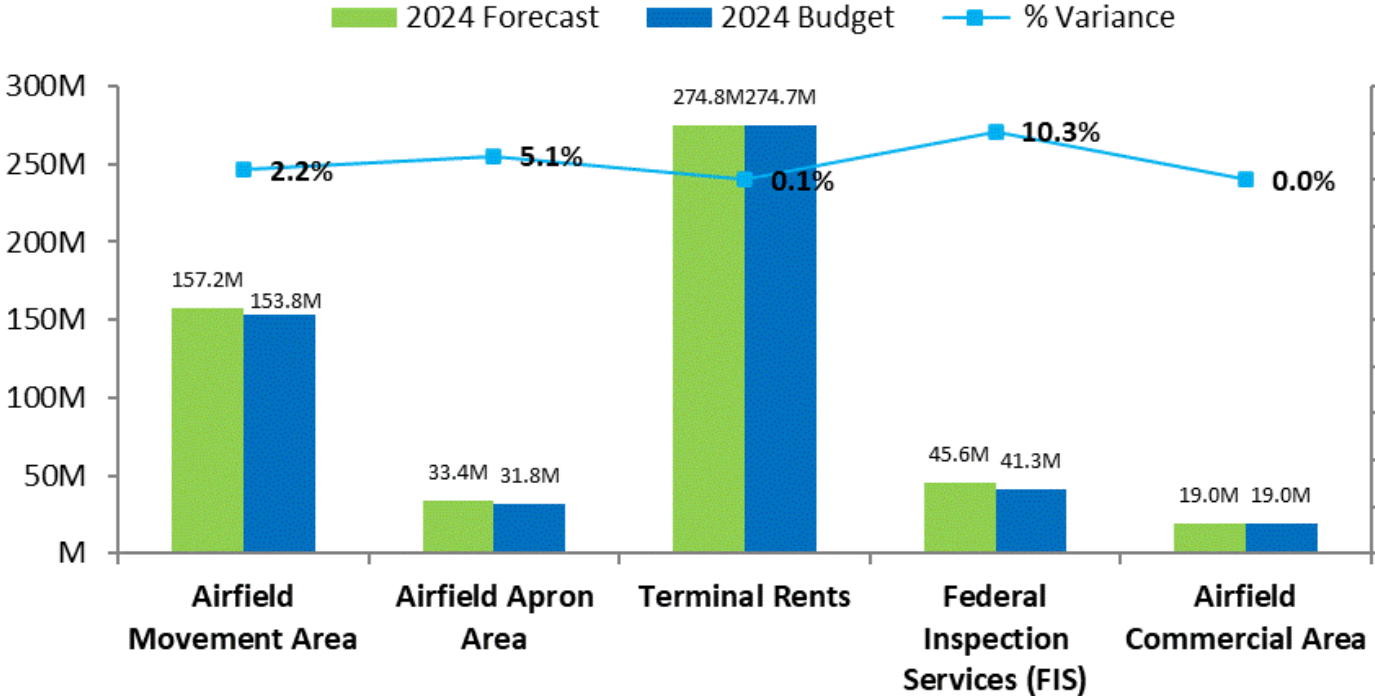
- Outside Services: Forecast to overspent in Professional and contracted services.
- Forecasted operating expenses from other divisions higher than by \$5.0M, primarily due to an increase in Legal Outside Services expense in support of Airport matters and Police costs.

# Aeronautical Revenue

Forecast  
**\$530M**

↑ \$9.8M  
 1.9%

Budget  
**\$521M**



Aeronautical revenues are based on the cost recovery methodology for aeronautical operating and capital expenses under the Federal Aviation Administration regulations and the Signatory Lease and Operating Agreement.

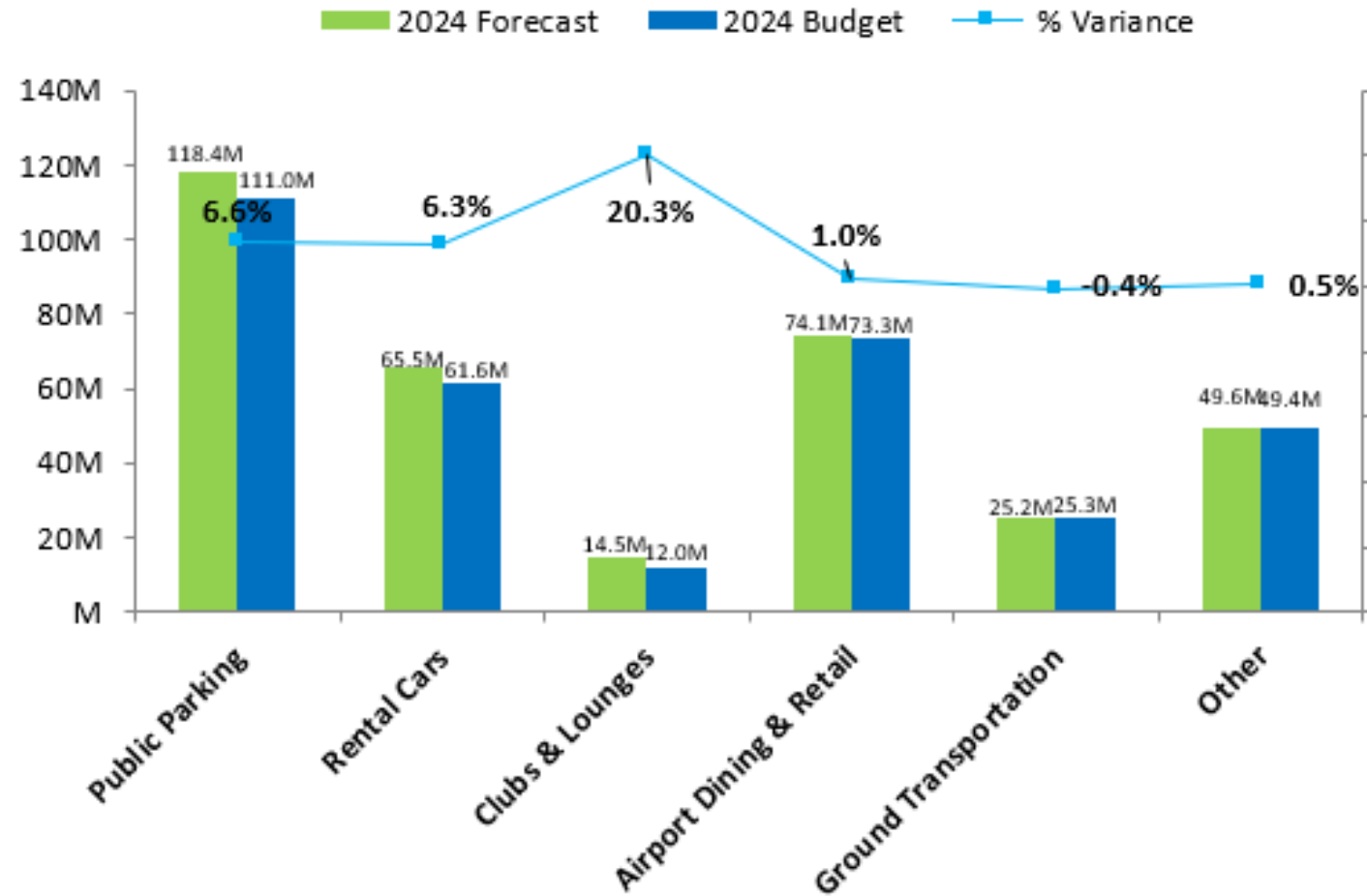


# Non-Aeronautical Revenues

Forecast  
**\$347.2M**

↑ \$14.5M  
 4.4%

Budget  
**\$332.6M**



Strong performance continues in Parking, Rental Cars, Clubs and Lounges

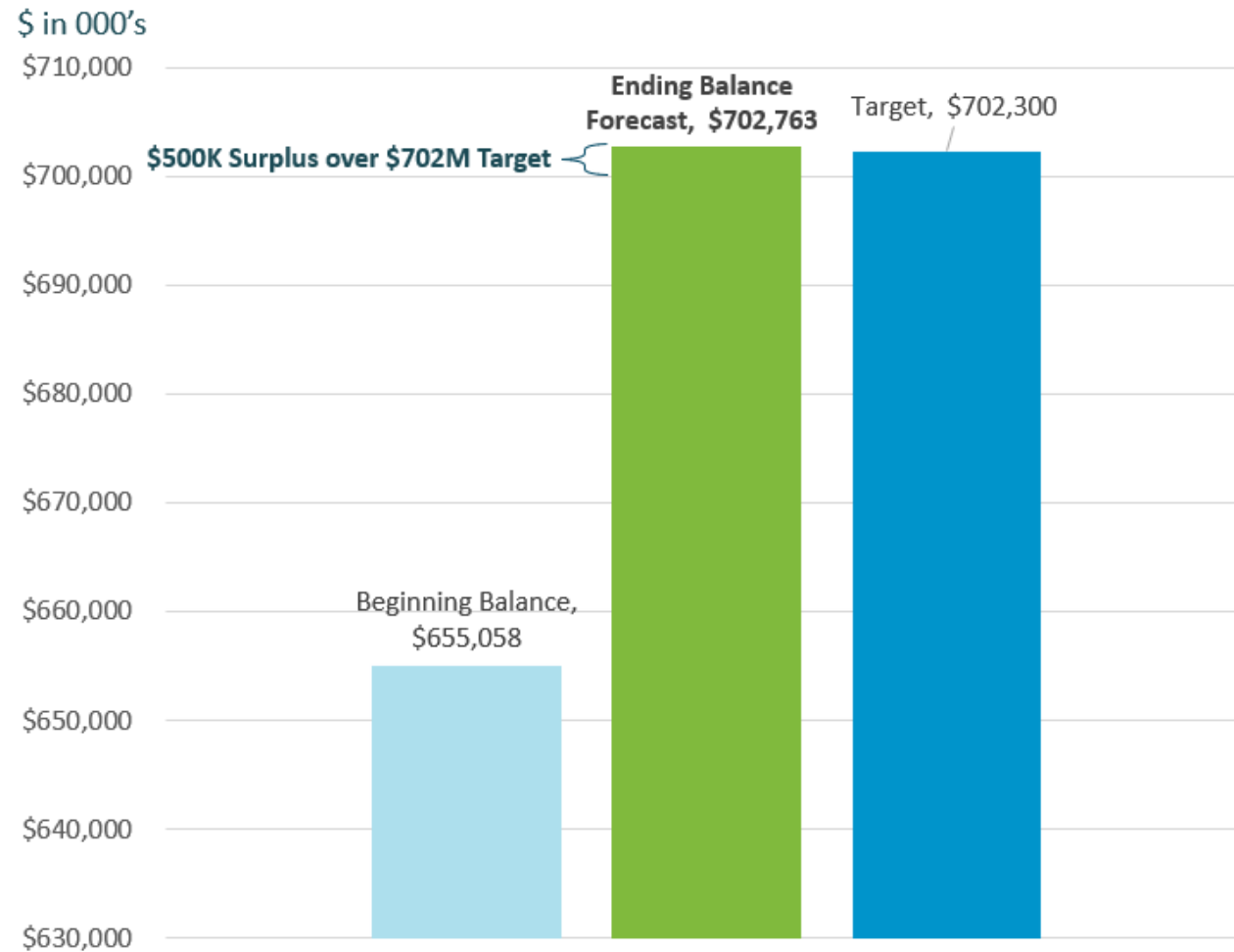
# Debt Service Ratio higher than budget

	in \$000's	2023 Actual	2024 Forecast	2024 Budget	Variance
<b>Revenues</b>					
Aero		479,697	530,408	520,600	9,808
Non-aero		326,592	347,243	332,713	14,530
<b>Total Revenues</b>		<b>806,289</b>	<b>877,651</b>	<b>853,313</b>	<b>24,338</b>
<b>O&amp;M</b>		<b>(448,374)</b>	<b>(503,003)</b>	<b>(495,724)</b>	<b>(7,279)</b>
<b>Net Operating Income</b>		<b>357,915</b>	<b>374,648</b>	<b>357,589</b>	<b>17,059</b>
Federal Relief Grants Non-op		1,855	-	-	-
Concession Rent Relief Grants		1,918	-	-	-
CFC Excess		(7,560)	(8,570)	(7,386)	(1,184)
Other net non-operating		15,920	23,714	23,262	452
<b>Available for debt service</b>		<b>370,048</b>	<b>389,792</b>	<b>373,466</b>	<b>16,327</b>
<b>Debt Service</b>					
Gross debt service (net of cap i)		308,981	325,907	323,985	1,923
CFC offset		(24,657)	(24,890)	(24,890)	-
PFC offset		(91,427)	(100,000)	(100,000)	-
Federal Relief Grants DS offset		(9,993)	-	-	-
<b>Net Debt Service</b>		<b>182,904</b>	<b>201,017</b>	<b>199,095</b>	<b>1,923</b>
<b>Debt Service Coverage</b>		<b>2.02</b>	<b>1.94</b>	<b>1.88</b>	<b>0.06</b>

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

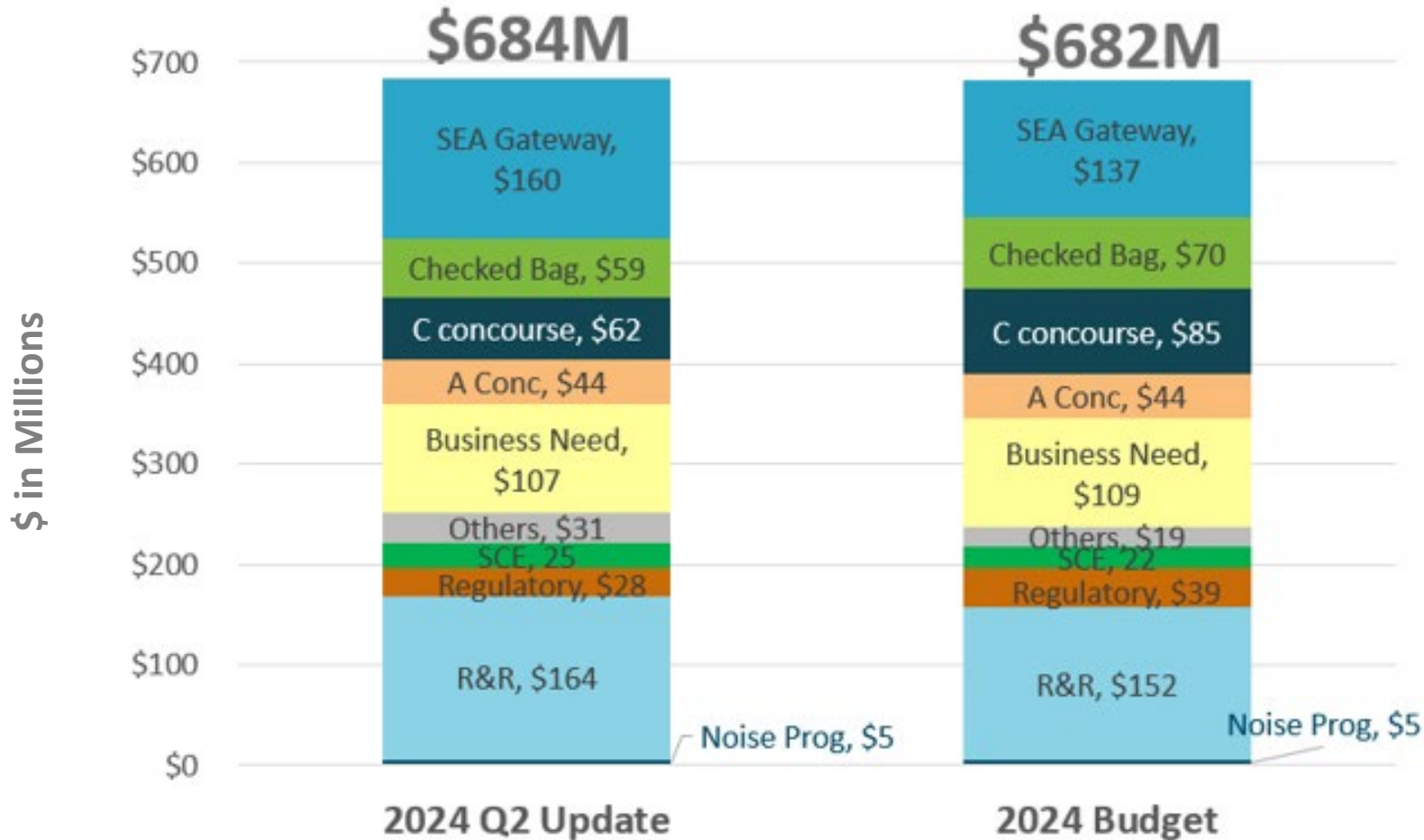
- **Non-aero revenues** are projected to be \$14.5M above budget due to continued strong performance in Parking and Rental Car, and significant growth in Port-owned Clubs.
- **Aero revenues** are projected to be \$9.8M above budget, reflecting increases from Central Services departments.
- **Total O&M** spending \$7.3M higher than budget primarily due to an increase in law enforcement, IAF legal expenses, and ERL.

# Airport Development Fund Balance



- Ending balance forecast of \$702.8M exceeding target of \$702.3M by around \$500K.

# 2024 Capital Spending forecast



- SEA Gateway is projected to spend more than 2024 budget. Phase A costs got adjusted as most scopes will finish in 2024
- Checked Baggage is projected to spend less than 2024 budget due to savings in construction contract contingency of Phase 2
- C Conc Expansion is underspend because Structural Demolition and Utility Relocation work production was slower than planned. Structural Steel erection re-sequencing is expected to mitigate some of the delay.
- No significant change in spending forecast for other projects

# Seaport

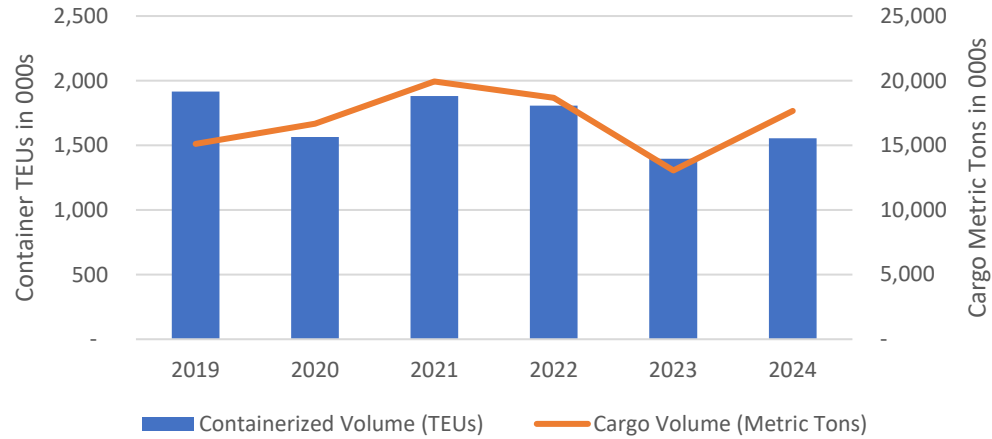
## 2024 Q2 Financial Performance Report



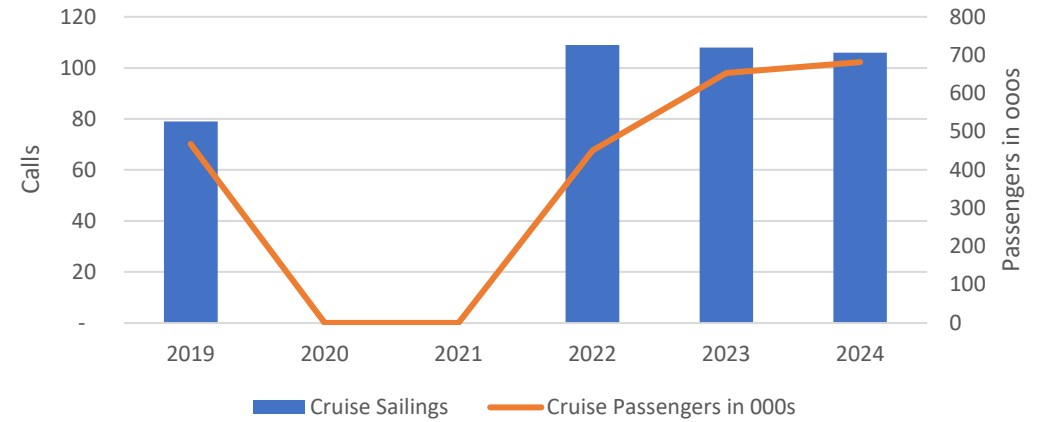


# Seaport Key Metrics Through Q2

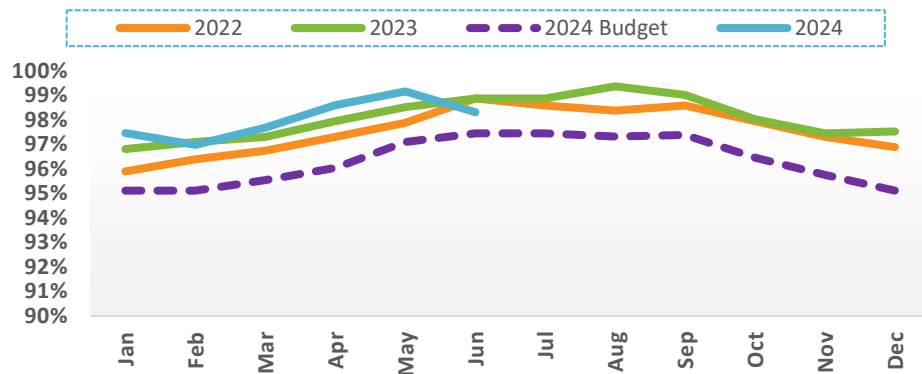
### NWSA Container and Cargo Volumes



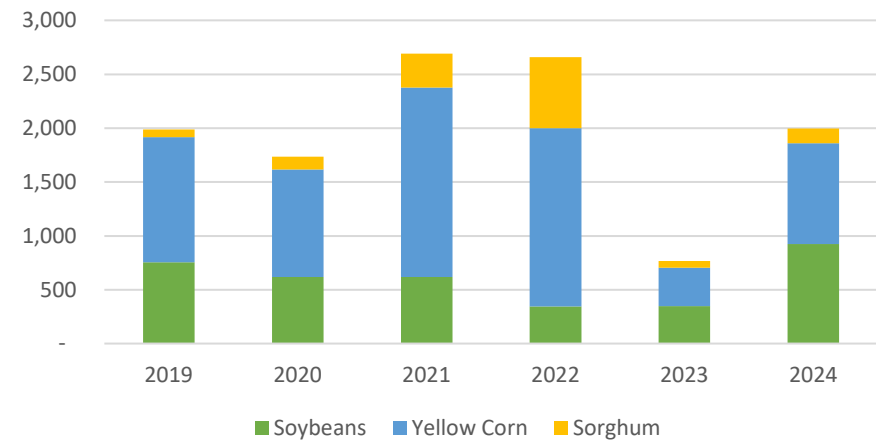
### Cruise Calls and Passengers



### Occupancy at Shilshole Bay Marina



### Grain Volumes in Metric Tons (000s)



# Seaport Performance Summary – Q2 2024

	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget		Change from 2023		2024	2024	Fest vs. Budget	
	Actual	Actual	Budget	\$	%	\$	%	Forecast	Budget	\$	%
<i>Revenues</i>											
Maritime	35,856	42,092	38,039	4,053	11%	6,236	17%	88,832	86,132	2,700	3%
Economic Development Division	8,361	8,832	10,025	(1,193)	-12%	470	6%	17,542	21,542	(4,000)	-19%
Joint Venture	29,205	29,100	27,926	1,174	4%	(105)	0%	56,881	55,881	1,000	2%
<b>Total Revenue</b>	<b>73,422</b>	<b>80,023</b>	<b>75,990</b>	<b>4,034</b>	<b>5%</b>	<b>6,601</b>	<b>9%</b>	<b>163,255</b>	<b>163,555</b>	<b>(300)</b>	<b>0%</b>
<i>Expenses</i>											
Maritime	30,711	33,748	35,775	2,027	6%	3,036	10%	74,073	72,589	(1,484)	-2%
Economic Development Division	11,392	12,635	14,097	1,462	10%	1,243	11%	27,810	30,669	2,859	9%
Joint Venture	1,437	1,773	1,122	(651)	-58%	336	23%	2,864	2,107	(757)	-36%
<b>Total Expense</b>	<b>43,541</b>	<b>48,156</b>	<b>50,993</b>	<b>2,838</b>	<b>6%</b>	<b>4,615</b>	<b>11%</b>	<b>104,747</b>	<b>105,365</b>	<b>618</b>	<b>1%</b>
<b>NOI Before Stormwater Utility</b>	<b>29,881</b>	<b>31,868</b>	<b>24,997</b>	<b>6,871</b>	<b>27%</b>	<b>1,986</b>	<b>7%</b>	<b>58,508</b>	<b>58,190</b>	<b>318</b>	<b>1%</b>
<b>Stormwater Utility NOI</b>	<b>664</b>	<b>488</b>	<b>42</b>	<b>446</b>	<b>1064%</b>	<b>(176)</b>	<b>-26%</b>	<b>37</b>	<b>37</b>	<b>0</b>	<b>0%</b>
<b>Total Non-Aviation Business NOI</b>	<b>30,545</b>	<b>32,356</b>	<b>25,038</b>	<b>7,317</b>	<b>29%</b>	<b>1,811</b>	<b>6%</b>	<b>58,545</b>	<b>58,227</b>	<b>318</b>	<b>1%</b>

## Year-to-Date

- Higher than budgeted cruise occupancy.
- Grain performing better than expected.
- Conference Center – less volume, better margins.
- Expenses lower due to timing of spend.

## Forecast

- Revenue: Tracking above budget absent conference centers.
- Expenses (absent Conference Centers): Expected to exceed budget due primarily to legal fees, police, COLA increases slightly higher than budget, and remediation expense tied to T5 deepening.

# Maritime Division

## 2024 Q2 Financial Performance Report

# Maritime Division

## Financial Summary

<i>Figure in \$000s</i>	<b>Forecast</b>	<b>Budget</b>	<b>Variance</b>
<b>Revenues</b>			
Fishing, Commercial, & Recreational			
Marinas	27,383	27,183	200
Cruise	43,057	41,057	2,000
Maritime Portfolio Mgmt.	12,897	12,697	200
Grain / Other	5,495	5,195	300
<b>Total</b>	<b>88,832</b>	<b>86,132</b>	<b>2,700</b>
<b>O&amp;M Expense</b>			
Direct	26,413	26,113	(300)
Support Services	24,955	24,555	(400)
Central Services and Other	22,705	21,921	(784)
<b>Total</b>	<b>74,073</b>	<b>72,589</b>	<b>(1,484)</b>
<b>Net Operating Income</b>	<b>14,759</b>	<b>13,543</b>	<b>1,216</b>
<b>Capital Spending</b>	<b>78,701</b>	<b>72,976</b>	<b>(9,804)</b>

## Business Highlights

- Grain Volumes back.
- Cruise and Waterside Occupancy remains high.
- Long-term berthing agreement executed with Holland America Group.
- FT Maritime Innovation Center - Construction underway with first major milestone complete with building move.
- P66 Shorepower – Cable Positioning Device delivered.
- Entered into a purchase & sale agreement to sell 500 habitat credits.

# Maritime Q2 2024 Financials

## Net Operating Income is \$6.1M favorable to budget and \$3.2M higher than 2023

- Revenue is \$4.1M better than budget and \$6.2M or 17% above 2023 driven by increased grain volumes, tariff rates, and Cruise with higher occupancy rates. Note Cruise revenue overstated by \$1M in Q2: CTA credit for security (\$370K) and billing tied to bundling (\$609K).
- Expenses \$2M or 6% under budget driven by timing of tenant improvements, small works projects and consulting costs. Expenses up \$3M Y/Y primarily due to Payroll.
- YTD Capital spending was \$31.5M and forecasted at \$78.7M or 108% of \$73M budget.

	2022 YTD	2023 YTD	2024 YTD		Actual vs. Budget		Change from 2023	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
<b>Total Revenues</b>	<b>31,788</b>	<b>35,856</b>	<b>42,092</b>	<b>38,039</b>	<b>4,053</b>	<b>11%</b>	<b>6,236</b>	<b>17%</b>
<b>Total Operating Expense</b>	<b>28,050</b>	<b>30,711</b>	<b>33,748</b>	<b>35,775</b>	<b>2,027</b>	<b>6%</b>	<b>3,036</b>	<b>10%</b>
<b>Net Operating Income</b>	<b>3,738</b>	<b>5,145</b>	<b>8,344</b>	<b>2,264</b>	<b>6,080</b>	<b>269%</b>	<b>3,200</b>	<b>62%</b>
<i>Depreciation</i>	<i>8,952</i>	<i>9,100</i>	<i>8,987</i>	<i>8,811</i>	<i>(177)</i>	<i>-2%</i>	<i>(112)</i>	<i>-1%</i>
<b>Net Income</b>	<b>(5,214)</b>	<b>(3,955)</b>	<b>(643)</b>	<b>(6,547)</b>	<b>5,903</b>	<b>90%</b>	<b>3,312</b>	<b>84%</b>

Note: Totals excluding impact of pension adjustment



# Stormwater Utility Tracking to Budget Q2

	2022 YTD	2023 YTD	2024 YTD		Actual vs. Budget		Change from 2023	
	Actual	Actual	Actual	Budget	Variance		\$	%
\$ in 000's					\$	%	\$	%
<b>Revenue</b>								
NWSA	389	539	694	890	(196)	-22%	155	29%
Tenants Revenue	2,173	2,115	2,131	2,089	42	2%	16	1%
Port Non-tenants Revenue	845	862	814	814	(0)	0%	(48)	-6%
<b>Total Revenues</b>	<b>3,407</b>	<b>3,516</b>	<b>3,639</b>	<b>3,794</b>	<b>(155)</b>	<b>-4%</b>	<b>123</b>	<b>3%</b>
<b>Expenses</b>								
SWU	683	626	665	704	39	5%	39	6%
Maintenance Expenses	1,378	1,727	1,918	2,397	479	20%	192	11%
Central Waterfront PM	19	10	22	25	3	13%	12	118%
Environmental & Sustainability	10	15	21	31	10	31%	6	37%
Environmental Finance	6	6	25	58	33	57%	19	345%
Other Central Services	494	463	500	537	38	7%	36	8%
<b>Total Expenses</b>	<b>2,590</b>	<b>2,847</b>	<b>3,151</b>	<b>3,752</b>	<b>601</b>	<b>16%</b>	<b>304</b>	<b>11%</b>
<b>NOI Before Depreciation</b>	<b>817</b>	<b>669</b>	<b>488</b>	<b>42</b>	<b>446</b>	<b>1064%</b>	<b>(181)</b>	<b>-27%</b>
Depreciation	640	624	621	605	(17)	-3%	(3)	0%
<b>NOI After Depreciation</b>	<b>177</b>	<b>45</b>	<b>(133)</b>	<b>(563)</b>	<b>429</b>	<b>-76%</b>	<b>(178)</b>	<b>-398%</b>

- Expenses are under due to timing of outside services spend.
- Stormwater Fund Balance \$5.1M or 244 days.

# Northwest Seaport Alliance Summary

NWSA Operating Income <i>Before GASB 87 Adjustment</i>	Year-to-Date			Fav (UnFav) Budget Variance		Incr (Decr) Change from 2023	
	2023	2024		\$	%	\$	%
\$ in 000's	Actual	Actual	Budget				
Operating Revenue	113,633	127,670	124,612	3,058	2%	14,037	12%
Operating Expense	49,327	57,602	60,731	3,129	5%	8,275	17%
<b>Operating Income*</b>	<b>64,306</b>	<b>70,068</b>	<b>63,881</b>	<b>6,187</b>	<b>10%</b>	<b>5,762</b>	<b>9%</b>
Depreciation	10,482	11,890	13,806	1,916	14%	1,408	13%
<b>Net Operating Income</b>	<b>53,824</b>	<b>58,178</b>	<b>50,075</b>	<b>8,103</b>	<b>16%</b>	<b>4,354</b>	<b>8%</b>
Cargo TEUs	1,396,573	1,557,762				161,189	11.5%
Cargo Volume (Metric Tons)	13,070,815	17,663,766				4,592,951	35.1%
<i>*Excludes Depreciation</i>							

## Revenue Year to Date

- **Budget Variance** – Non-Container lines of business above \$7.9M, Container & Intermodal below \$4.9M.
- **Y/Y Variance** – Increased volumes and T5 Phase II expansion.

## Operating Expense Year to Date

- **Budget Variance** – Under due to Maintenance project timing, specifically Pile Cap Repair at East Sitcum, partially offset by higher labor and other operating expenses.
- **Y/Y Variance** – Higher from longshore and general inflation across the board.

# Joint Venture Q2 2024 Financials

	2023 YTD Actual	2024 YTD		Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2024	
		Actual	Budget	\$	%	\$	%
\$ in 000's							
<b>Revenue</b>							
NWSA Distributable Revenue	28,949	29,664	28,577	1,087	4%	715	2%
Contra Joint Venture Revenue	(933)	(953)	(1,035)	82	-8%	(20)	2%
<b>Subtotal Distributable Revenue from NWSA</b>	<b>28,016</b>	<b>28,711</b>	<b>27,542</b>	<b>1,169</b>	<b>4%</b>	<b>695</b>	<b>2%</b>
Other Service Revenue Tenant Reimbursements	522	226	301	(75)	-25%	(296)	-57%
Port Revenue from NWSA Facilities	666	162	83	80	N/A	(504)	-76%
<b>Total Revenues</b>	<b>29,205</b>	<b>29,100</b>	<b>27,926</b>	<b>1,174</b>	<b>4%</b>	<b>(105)</b>	<b>-0.4%</b>
<b>Expenses</b>							
Maintenance Expenses	375	291	249	(42)	-17%	(84)	-22%
JV Direct	432	763	50	(713)	-1436%	330	76%
Security	103	105	110	5	5%	1	1%
Environmental & Sustainability	257	400	401	1	0%	143	56%
Seaport Finance & Cost Recovery	158	102	148	46	31%	(56)	-36%
Waterfront PMG	33	13	72	59	82%	(19)	-59%
Central Services / Other	80	100	92	(8)	-8%	20	26%
<b>Total Expenses</b>	<b>1,437</b>	<b>1,773</b>	<b>1,122</b>	<b>(651)</b>	<b>-58%</b>	<b>336</b>	<b>23%</b>
<b>NOI Before Depreciation</b>	<b>27,767</b>	<b>27,327</b>	<b>26,804</b>	<b>523</b>	<b>2%</b>	<b>(440)</b>	<b>-2%</b>
Legacy Depreciation for NWSA Facilities	7,348	7,284	7,130	(153)	-2%	(65)	-1%
<b>NOI After Depreciation</b>	<b>20,419</b>	<b>20,043</b>	<b>19,674</b>	<b>369</b>	<b>2%</b>	<b>(376)</b>	<b>-2%</b>

## Home Port Activities

### Revenues:

- NWSA distributable revenue higher than budget due project spending less than budget in Q2
- Port Revenue from NWSA Facilities higher from unbudgeted autos at T46

### Expenses

- Expenses higher than budget:
  - \$757K environmental remediation liability at T5 for the deepening project.
  - \$93K bad debt expense at T30 and T46

# Economic Development Division

## 2024 Q2 Financial Performance Report



# Economic Development Division

## Financial Summary

<i>Figure in \$000s</i>	<b>Forecast</b>	<b>Budget</b>	<b>Variance</b>
<b>Revenues</b>	17,542	21,542	(4,000)
<b>O&amp;M Expense</b>			
EDD & Maritime	14,321	16,946	2,625
Maintenance	4,024	4,024	0
Diversity in Contracting	250	250	0
Tourism	1,875	1,875	0
EDD Grants	1,005	1,505	500
Central Services and Other	6,334	6,068	(266)
<b>Total</b>	<b>27,810</b>	<b>30,669</b>	<b>2,859</b>
<b>NOI</b>	<b>(10,268)</b>	<b>(9,127)</b>	<b>(1,141)</b>
<b>Capital Spending</b>	<b>4,404</b>	<b>5,137</b>	<b>(1,499)</b>

## Business Highlights

- Maintained 90% occupancy.
- Competition and Alaskan way work continued to drive down Conference & Event Centers volumes.
- Higher revenue from Bell Street Garage due to overflow parking.
- All other revenue and expenses forecasted to budget.
- T106 CBP Office– Achieved substantial completion.



# Economic Development Financial Highlights

## Net Operating Income \$269K favorable to budget and \$773K lower than 2023

- Revenue below budget by \$1.2M and \$470K higher than 2023. Cancellations to competitors and the Alaskan Way work has kept volumes lower for H1 2024. Rest of the portfolio revenue tracking above budget.
- Expenses were below budget by \$1.5M driven by lower volumes than budgeted at Conference & Event Center and timing of tenant improvements. Expenses were up by \$1.2M Y/Y due to increased Conference & Event Centers volumes, recovered bad debt in 2023, and growth in payroll.

- Capital spending was \$2.2M and forecasted at \$4.4M or 86% of \$5.14M budget.

	2022 YTD	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget		Change from 2023	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
<b>Total Revenues</b>	6,680	8,361	8,832	10,025	(1,193)	-12%	470	6%
<b>Total Operating Expense</b>	10,872	11,392	12,635	14,097	1,462	10%	1,243	11%
<b>Net Operating Income</b>	(4,192)	(3,031)	(3,803)	(4,072)	269	7%	(773)	-25%
<i>Depreciation</i>	1,906	2,064	2,096	2,026	(70)	-3%	32	2%
<b>Net Income</b>	(6,099)	(5,094)	(5,899)	(6,098)	199	3%	(805)	-16%

# Central Services

## 2024 Q2 Financial Performance Report



# Central Services

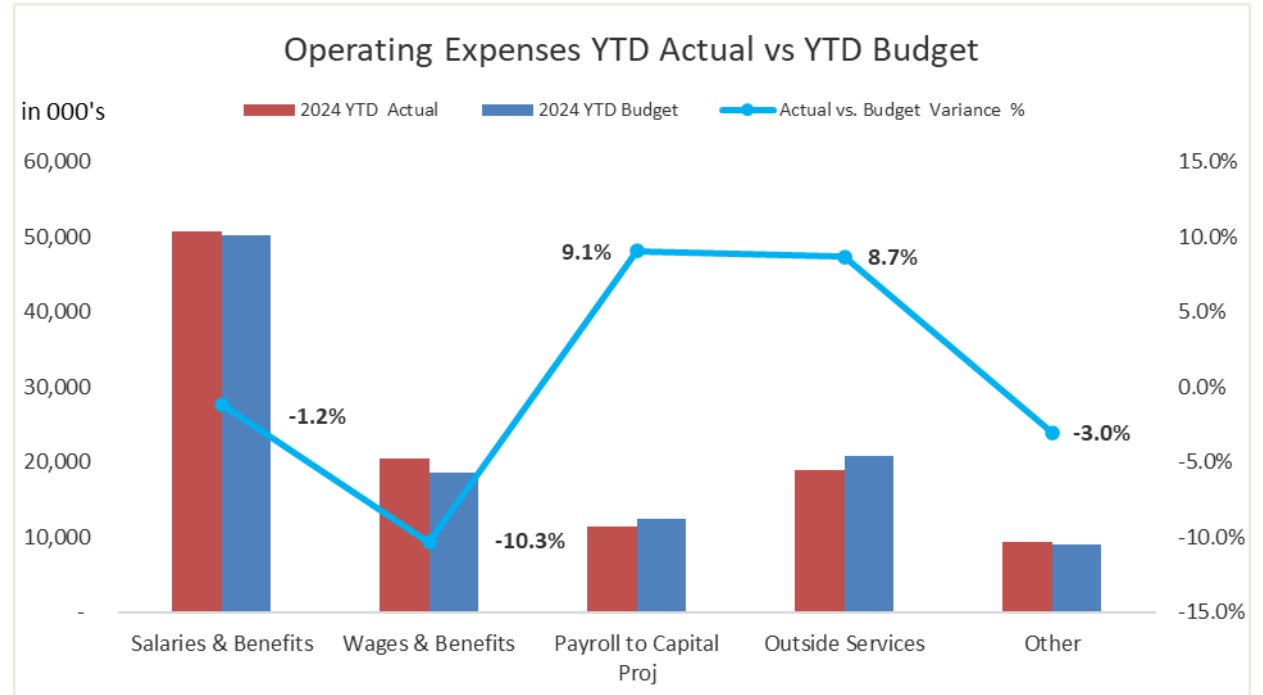
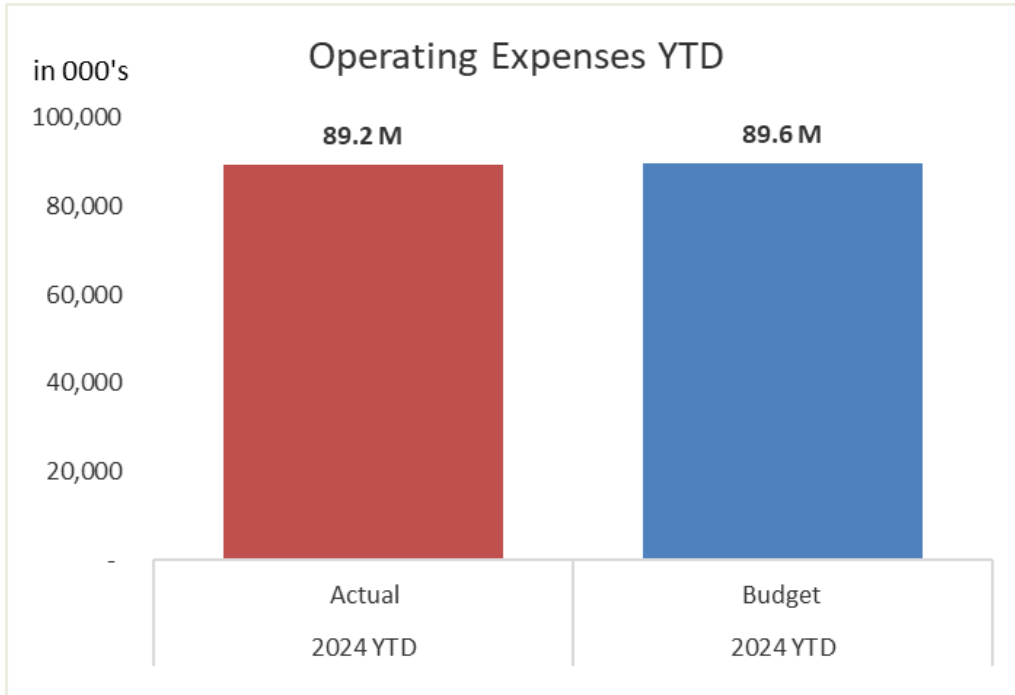
## Financial Summary

<i>Figures in \$000s</i>	<b>Forecast</b>	<b>Budget</b>	<b>Variance</b>
<b>Revenues</b>	<b>251</b>	<b>163</b>	<b>88</b>
Core Central Support Ser	127,188	120,940	(6,247)
Police	42,736	40,538	(2,197)
Engineering/PCS	16,042	19,488	3,446
<b>O&amp;M Expenses</b>	<b>185,965</b>	<b>180,967</b>	<b>(4,998)</b>
<b>Capital Spending</b>	<b>13,411</b>	<b>19,018</b>	<b>5,607</b>

## Business Highlights

- Hosted media events to welcome **new service announcements** for Philippine Airlines, Hainan Airlines, Alaska Airlines, Delta and Lufthansa.
- Celebrated **inaugural call of the Celebrity Edge** cruise ship.
- Announced **South King County Fund Environmental Grants**.
- Signed **MOA with Suquamish Indian Tribe**.
- Participated in the **Green Infrastructure Leadership Exchange** panel discussion
- Received **ultra-clean audit** results on FY 2023 external audits.

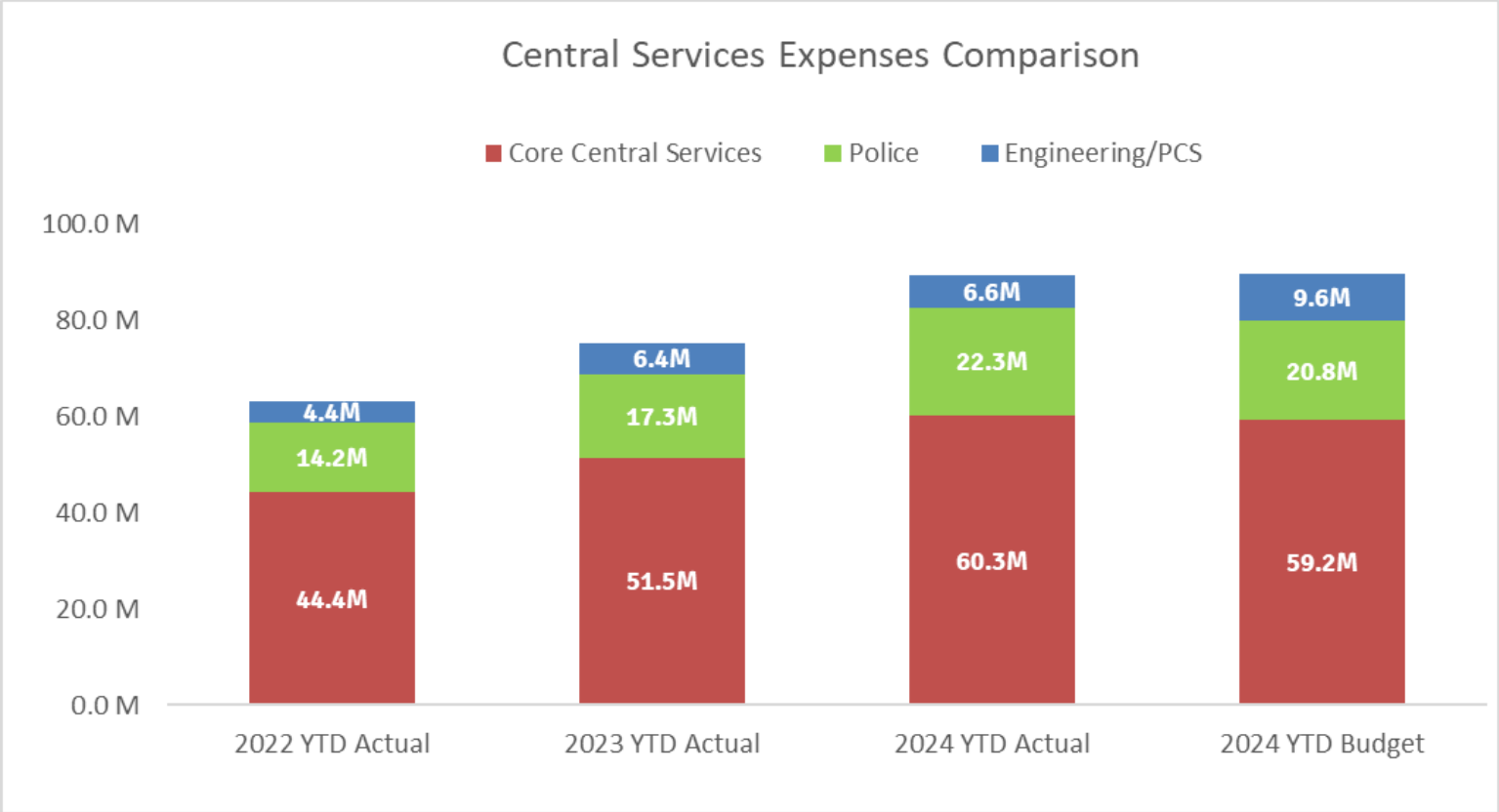
# Operating Expenses Summary



**\$330K or 0.4% favorable**

- Payroll Expenses **\$1.4M** higher than budget
- Promotional Expenses **\$1.5M** higher than budget
- Outside Services **\$1.8M** below budget
- Travel & Other Employee Expenses **\$758K** underspent
- Charges to Capital Projects **\$145K** higher than budget

# Central Services YTD Financial Highlights



2024 YTD Total Operating Expenses are **\$330K below** budget due to:

- Lower Outside Services and Other Employee Expenses, partially offset by higher Payroll, Promotional Expenses, and General Expenses.

2024 YTD Total Operating Expenses are **\$14.0M higher** compared to 2023 due to:

- Higher Payroll, Promotional Expenses, Outside Services, and General Expenses in 2024; partially offset by lower Equipment and more Charges to Capital Projects.

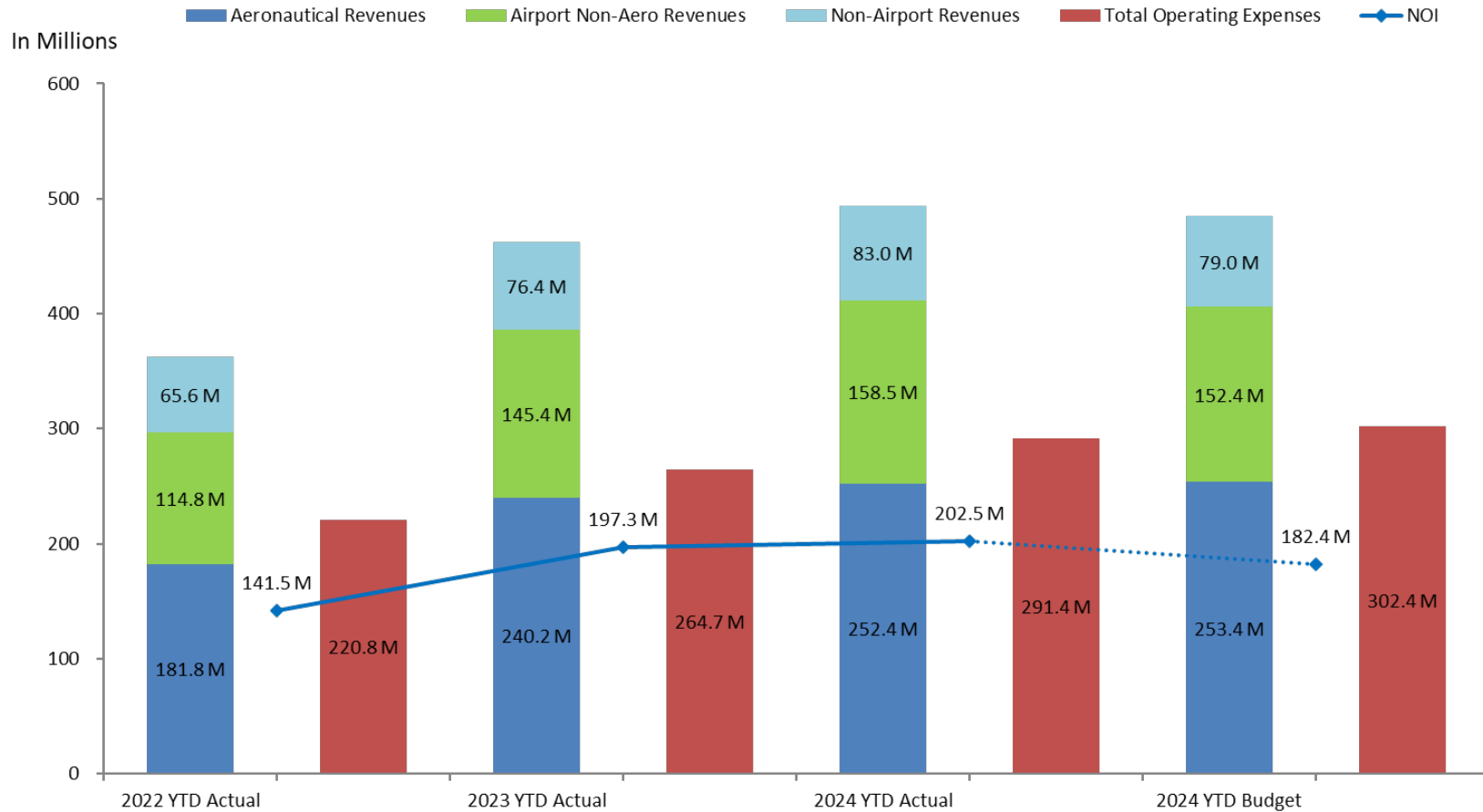
# Port Wide

## 2024 Q2 Financial Performance Report



# Port Wide Financial Summary (YTD)

Portwide Operating Revenues & Expenses



- Total Operating Revenues: \$9.1M above budget
- Total Operating Expenses: \$10.9M below budget
- NOI before Depreciation: \$20.1M above budget

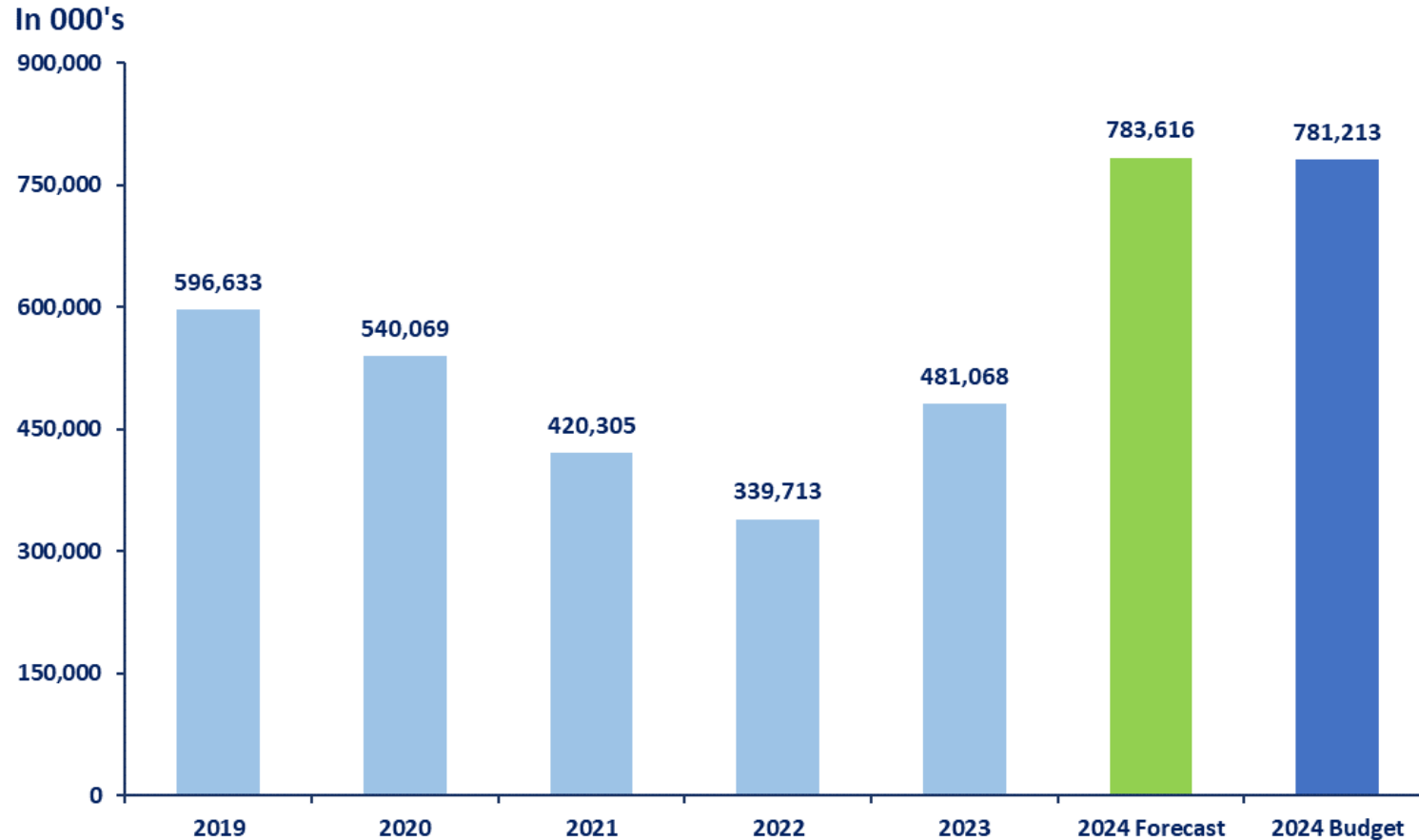
# Port Wide Financial Summary (YE Forecast)

\$ in 000's	2022	2023	2024	2024	Fcst vs. Budget Variance		Change from 2023	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Aeronautical Revenues	402,540	479,697	530,408	520,600	9,808	1.9%	50,711	10.6%
Airport Non-Aero Revenues	256,613	326,592	347,243	332,713	14,530	4.4%	20,650	6.3%
Non-Airport Revenues	150,977	162,991	169,796	169,758	38	0.0%	6,805	4.2%
<b>Total Operating Revenues</b>	<b>810,130</b>	<b>969,281</b>	<b>1,047,447</b>	<b>1,023,071</b>	<b>24,376</b>	<b>2.4%</b>	<b>78,166</b>	<b>8.1%</b>
Total Operating Expenses	475,739	557,149	623,689	617,406	(6,283)	-1.0%	66,539	11.9%
<b>NOI before Depreciation</b>	<b>334,390</b>	<b>412,131</b>	<b>423,758</b>	<b>405,665</b>	<b>18,093</b>	<b>4.5%</b>	<b>11,627</b>	<b>2.8%</b>
Depreciation	232,236	250,644	250,025	250,025	-	0.0%	(619)	-0.2%
<b>NOI after Depreciation</b>	<b>102,155</b>	<b>161,487</b>	<b>173,733</b>	<b>155,640</b>	<b>18,093</b>	<b>11.6%</b>	<b>12,246</b>	<b>7.6%</b>

- Total Operating Revenues are expected to be \$24.4M above budget due to higher Airport Non-Aero Revenues and Aeronautical Revenues; partially offset by lower Conference & Event Centers.
- Total Operating expenses are expected to be \$6.3M above budget mainly due to higher Payroll, Outside Services and Promotional Expenses.
- Net Operating Income before Depreciation is forecasted to be \$18.1M above budget.



# Port Wide Capital Spending



- Q2 YTD total capital spending was \$342.0M.
- For the full year, total capital spending is expected to be \$783.6M, 100.3% of the budget.

# Aviation Division Appendix

2024 Q2 Financial Performance Report

# Airport Activity

	YTD 2022	YTD 2023	YTD 2024	% Change from 2023
<b>Total Passengers (000's)</b>				
Domestic	19,075	21,046	21,440	1.9%
International	1,814	2,694	3,025	12.3%
Total	20,889	23,740	24,465	3.1%
<b>Operations</b>	154,951	199,644	205,871	3.1%
<b>Landed Weight (In Millions of lbs.)</b>				
Cargo	1,357	1,319	1,395	5.8%
All other	12,260	13,784	14,124	2.5%
Total	13,617	15,103	15,520	2.8%
<b>Cargo - Metric Tons</b>				
Domestic freight	165,169	147,136	174,319	18.5%
International & Mail freight	61,487	52,588	49,917	-5.1%
Total	226,656	199,724	224,236	12.3%

## 2024 YTD Passenger volume:

- YTD through June passenger volume is 3% higher than YTD in 2023.
- Total passenger volume is expected continue growing steadily and is forecasted to exceed 2019 pre-pandemic levels by .9%.

## YTD summary (Jun 2024 vs. Jun 2023)

Airline	Code	Current pax	Market share	Previous pax	Pax % diff
Alaska Airlines	AS	10,837,875	44.3%	10,643,655	1.8%
Delta Air Lines	DL	5,075,521	20.7%	4,997,432	1.6%
Horizon Air	QX	1,418,188	5.8%	1,208,966	17.3%
United Airlines	UA	1,195,699	4.9%	1,119,424	6.8%
Southwest Airlines	WN	1,009,171	4.1%	947,724	6.5%

# Aviation Financial Summary

Financial Summary (\$ in 000's)	2022	2023	2024	2024	Forecast vs. Budget Variance		Incr/(Decr) Change from 2023	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
<b>Operating Revenue</b>								
Aeronautical Revenues	402,540	479,697	530,408	520,600	9,808	1.9%	50,711	10.6%
Non-Aeronautical Revenues	256,613	326,592	347,243	332,713	14,530	4.4%	20,650	6.3%
<b>Total Operating Revenues</b>	<b>659,153</b>	<b>806,289</b>	<b>877,651</b>	<b>853,313</b>	<b>24,338</b>	<b>2.9%</b>	<b>71,361</b>	<b>8.9%</b>
<b>Total Operating Expenses w/o Pension True-Up</b>	<b>394,990</b>	<b>471,946</b>	<b>503,003</b>	<b>495,724</b>	<b>(7,279)</b>	<b>-1.5%</b>	<b>31,058</b>	<b>6.6%</b>
<b>Net Operating Income</b>	<b>276,449</b>	<b>357,916</b>	<b>374,648</b>	<b>357,589</b>	<b>17,059</b>	<b>4.8%</b>	<b>16,732</b>	<b>4.7%</b>
<b>CPE</b>	16.09	17.52	18.98	18.31	(0.67)	-3.6%	1.46	8.3%
<b>Non-Aero NOI (\$ in 000s)</b>	135,483	188,669	193,780	179,075	(14,706)	-8.2%	5,111	2.7%
<b>Enplaned passengers (in 000s)</b>	22,966	25,371	26,457	26,457	-	0.0%	1,086	4.3%
<b>Capital Expenditures (in 000s)</b>	<b>311,631</b>	<b>444,072</b>	<b>684,442</b>	<b>682,384</b>	<b>(2,057)</b>	<b>-0.3%</b>	<b>240,370</b>	<b>54.1%</b>

# Key Performance Measures

	2022	2023	2024	2024	Forecast vs. Budget Variance		Incr/(Decr) Change from 2023	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
<b>Key Performance Metrics</b>								
Cost per Enplanement (CPE)	16.09	17.52	18.98	18.31	(0.67)	-3.6%	1.46	8.3%
Non-Aeronautical NOI (in 000's)	135,483	188,669	193,780	179,075	14,706	8.2%	5,111	2.7%
<b>Other Performance Metrics</b>								
O&M Cost per Enplanement	17.20	18.60	19.32	18.74	(0.59)	-3.1%	0.72	3.9%
Non-Aero Revenue per Enplanement	11.17	12.87	13.34	12.58	0.76	6.1%	0.47	3.6%
Debt per Enplanement (in \$)	193	166	158	155	(3)	-1.6%	(8)	-5.1%
Debt Service Coverage	2.64	2.02	1.93	1.88	0.05	2.7%	(0.09)	-4.5%
Days cash on hand (10 months = 304 days)	457	507	518	517	1	0.2%	11	2.2%
<b>Activity (in 000's)</b>								
Enplanements	22,966	25,371	26,032	26,457	(426)	-1.6%	660	2.6%
Total Passengers	45,964	50,885	52,310	52,914	(605)	-1.1%	1,424	2.8%

# Aviation Expense YTD Summary

Total Airport Expense Summary (\$ in 000's)	2022 YTD	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget		Incr/(Decr)	
	(Q2)	(Q2)	(Q2)	(Q2)	Variance		Change from 2023	
	Actual	Actual	Actual	Budget	\$	%	\$	%
<b>Operating Expenses</b>								
Payroll	79,627	92,502	102,225	103,087	862	0.8%	9,723	10.5%
Outside Services	32,518	38,888	43,531	60,355	16,824	27.9%	4,643	11.9%
Utilities	12,207	11,437	13,220	12,291	(930)	-7.6%	1,783	15.6%
Other Expenses	5,128	7,102	5,337	(3,594)	(8,931)	248.5%	(1,764)	-24.8%
<b>Total Airport Direct Charges</b>	<b>129,480</b>	<b>149,929</b>	<b>164,314</b>	<b>172,139</b>	<b>7,825</b>	<b>4.5%</b>	<b>14,385</b>	<b>9.6%</b>
<b>Total Airport Expenses</b>	<b>127,193</b>	<b>156,665</b>	<b>165,880</b>	<b>172,296</b>	<b>6,416</b>	<b>3.7%</b>	<b>9,214</b>	<b>5.9%</b>
Corporate	36,831	42,814	48,969	50,351	1,382	2.7%	6,155	14.4%
Police	11,677	14,123	18,735	17,411	(1,324)	-7.6%	4,612	32.7%
Maritime/Economic Development/Other	1,613	1,940	2,240	3,088	848	27.4%	300	15.5%
<b>Total Charges from Other Divisions</b>	<b>50,121</b>	<b>58,877</b>	<b>69,944</b>	<b>70,850</b>	<b>906</b>	<b>1.3%</b>	<b>11,068</b>	<b>18.8%</b>
<b>Total Operating Expenses w/o Pension True</b>	<b>177,314</b>	<b>215,542</b>	<b>235,824</b>	<b>243,146</b>	<b>7,322</b>	<b>3.0%</b>	<b>20,282</b>	<b>9.4%</b>

# Aviation Expense YE Summary

Total Airport Expense Summary (\$ in 000's)	2022	2023	2024	2024	Forecast vs. Budget Variance		Incr/(Decr) Change from 2023	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
<b>Operating Expenses</b>								
Payroll	168,389	193,130	208,384	210,530	2,146	1.0%	15,254	7.9%
Outside Services	75,700	89,551	120,858	126,888	6,030	4.8%	31,307	35.0%
Utilities	22,880	23,285	23,957	23,938	(20)	-0.1%	672	2.9%
Other Expenses	15,141	17,679	649	(9,402)	(10,050)	106.9%	(17,030)	-96.3%
<b>Total Airport Direct Charges</b>	<b>282,110</b>	<b>323,645</b>	<b>353,848</b>	<b>351,954</b>	<b>(1,894)</b>	<b>-0.5%</b>	<b>30,203</b>	<b>9.3%</b>
							-	
<b>Total Airport Expenses</b>	<b>283,191</b>	<b>337,142</b>	<b>355,664</b>	<b>352,111</b>	<b>(3,553)</b>	<b>-1.0%</b>	<b>18,522</b>	<b>5.5%</b>
Corporate	80,452	96,213	105,142	103,294	(1,848)	-1.8%	8,929	9.3%
Police	27,660	33,750	35,884	34,019	(1,866)	-5.5%	2,134	6.3%
Maritime/Economic Development/Other	3,687	4,840	6,313	6,301	(12)	-0.2%	1,472	30.4%
<b>Total Charges from Other Divisions</b>	<b>111,799</b>	<b>134,804</b>	<b>147,339</b>	<b>143,614</b>	<b>(3,725)</b>	<b>-2.6%</b>	<b>12,535</b>	<b>9.3%</b>
<b>Total Operating Expenses w/o Pension True-Up</b>	<b>394,990</b>	<b>471,946</b>	<b>503,003</b>	<b>495,724</b>	<b>(7,279)</b>	<b>-1.5%</b>	<b>31,058</b>	<b>6.6%</b>

# Aeronautical Business YTD

Aeronautical NOI (\$ in 000's)	2022 YTD	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget Variance		Incr/(Decr) Change from 2023	
	Actual	Actual	Actual	Budget	\$	%	\$	%
<b>Rate Base Revenues</b>								
Airfield Movement Area	47,737	66,779	74,894	74,404	490	0.7%	8,115	12.2%
Airfield Apron Area	8,290	14,321	13,414	15,462	(2,049)	-13.2%	(907)	-6.3%
Terminal Rents	105,972	133,174	134,447	134,598	(151)	-0.1%	1,273	1.0%
Federal Inspection Services (FIS)	11,527	17,345	19,948	19,947	1	0.0%	2,603	15.0%
<b>Total Rate Base Revenues</b>	<b>173,527</b>	<b>231,618</b>	<b>242,702</b>	<b>244,411</b>	<b>(1,709)</b>	<b>-0.7%</b>	<b>11,085</b>	<b>4.8%</b>
Airfield Commercial Area	8,320	8,600	9,735	8,987	748	8.3%	1,135	13.2%
<b>Total Aeronautical Revenues</b>	<b>181,846</b>	<b>240,218</b>	<b>252,437</b>	<b>253,399</b>	<b>(961)</b>	<b>-0.4%</b>	<b>12,219</b>	<b>5.1%</b>
<b>Total Aeronautical Expenses</b>	<b>120,393</b>	<b>151,356</b>	<b>163,789</b>	<b>167,703</b>	<b>3,913</b>	<b>2.3%</b>	<b>12,433</b>	<b>8.2%</b>
<b>Aeronautical NOI</b>	<b>61,453</b>	<b>88,862</b>	<b>88,648</b>	<b>85,696</b>	<b>2,952</b>	<b>3.4%</b>	<b>(214)</b>	<b>-0.2%</b>



# Aeronautical Business YE

Aeronautical NOI (\$ in 000's)	2022	2023	2024	2024	Forecast vs. Budget Variance		Incr/(Decr) Change from 2023	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
<b>Rate Base Revenues</b>								
Airfield Movement Area	88,061	142,797	157,464	153,782	3,682	2.4%	14,667	10.3%
Airfield Apron Area	17,146	26,118	33,433	31,816	1,617	5.1%	7,315	28.0%
Terminal Rents	184,625	251,892	274,911	274,654	257	0.1%	23,020	9.1%
Federal Inspection Services (FIS)	10,978	41,214	45,578	41,326	4,252	10.3%	4,364	10.6%
<b>Total Rate Base Revenues</b>	<b>300,810</b>	<b>462,020</b>	<b>511,386</b>	<b>501,578</b>	<b>9,808</b>	<b>2.0%</b>	<b>49,366</b>	<b>10.7%</b>
Airfield Commercial Area	17,343	17,677	19,022	19,022	-	0.0%	1,345	7.6%
<b>Total Aeronautical Revenues</b>	<b>318,154</b>	<b>479,697</b>	<b>530,408</b>	<b>520,600</b>	<b>9,808</b>	<b>1.9%</b>	<b>50,711</b>	<b>10.6%</b>
<b>Total Aeronautical Expenses</b>	<b>261,574</b>	<b>310,451</b>	<b>349,540</b>	<b>342,086</b>	<b>(7,455)</b>	<b>-2.2%</b>	<b>39,090</b>	<b>12.6%</b>
<b>Aeronautical NOI</b>	<b>56,580</b>	<b>169,246</b>	<b>180,868</b>	<b>178,514</b>	<b>2,353</b>	<b>1.3%</b>	<b>11,621</b>	<b>6.9%</b>
Debt Service	(80,554)	(144,395)	(154,613)	(154,613)	-	0.0%	(10,217)	7.1%
<b>Net Cash Flow</b>	<b>(23,974)</b>	<b>24,851</b>	<b>26,255</b>	<b>23,902</b>	<b>2,353</b>	<b>9.8%</b>	<b>1,404</b>	<b>5.6%</b>

# Aero Cost Drivers

\$ in 000's	2024	2024	Impact on Aero Revenues	
	Budget	Forecast	Budget vs Forecast	
			\$	%
O&M <sup>(1)</sup>	331,860	340,143	8,283	2.5%
Debt Service Before Offsets	225,815	228,759	2,944	1.3%
Debt Service PFC Offset	(91,493)	(91,624)	(131)	0.1%
Net Debt Service	134,322	137,135	2,812	2.1%
Amortization	36,873	36,927	54	0.1%
Space Vacancy	(719)	(2,060)	(1,341)	186.5%
TSA Operating Grant and Other	(758)	(758)	0	0.0%
<b>Rate Base Revenues</b>	<b>501,578</b>	<b>511,386</b>	<b>9,808</b>	<b>2%</b>
Commercial area	19,022	19,022	-	0%
<b>Total Aero Revenues</b>	<b>520,600</b>	<b>530,408</b>	<b>9,808</b>	<b>2%</b>

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

# Non-Aeronautical Business YTD

Non-Aeronautical NOI (\$ in 000's)	2022 YTD	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget Variance		Incr/(Decr) Change from 2023	
	Actual	Actual	Actual	Budget	\$	%	\$	%
<b>Non-Aeronautical Revenues</b>								
Public Parking	41,842	52,391	59,047	53,543	5,505	10.3%	6,656	12.7%
Rental Cars	16,803	23,516	23,675	24,461	(786)	-3.2%	159	0.7%
Ground Transportation	9,226	11,750	11,853	11,610	243	2.1%	103	0.9%
Airport Dining & Retail	22,835	27,200	32,670	32,289	381	1.2%	5,470	20.1%
Other	24,096	30,589	31,238	30,456	783	2.6%	649	2.1%
<b>Total Non-Aeronautical Revenues</b>	<b>114,802</b>	<b>145,446</b>	<b>158,483</b>	<b>152,359</b>	<b>6,125</b>	<b>4.0%</b>	<b>13,037</b>	<b>9.0%</b>
<b>Total Non-Aeronautical Expenses</b>	<b>35,475</b>	<b>64,186</b>	<b>72,035</b>	<b>75,443</b>	<b>3,408</b>	<b>4.5%</b>	<b>7,849</b>	<b>12.2%</b>
<b>Non-Aeronautical NOI</b>	<b>79,327</b>	<b>81,260</b>	<b>86,448</b>	<b>76,916</b>	<b>9,533</b>	<b>12.4%</b>	<b>5,188</b>	<b>6.4%</b>

*Operating Revenue REDUCED by Federal Concessionaire Relief grants in 2022 & 2023*

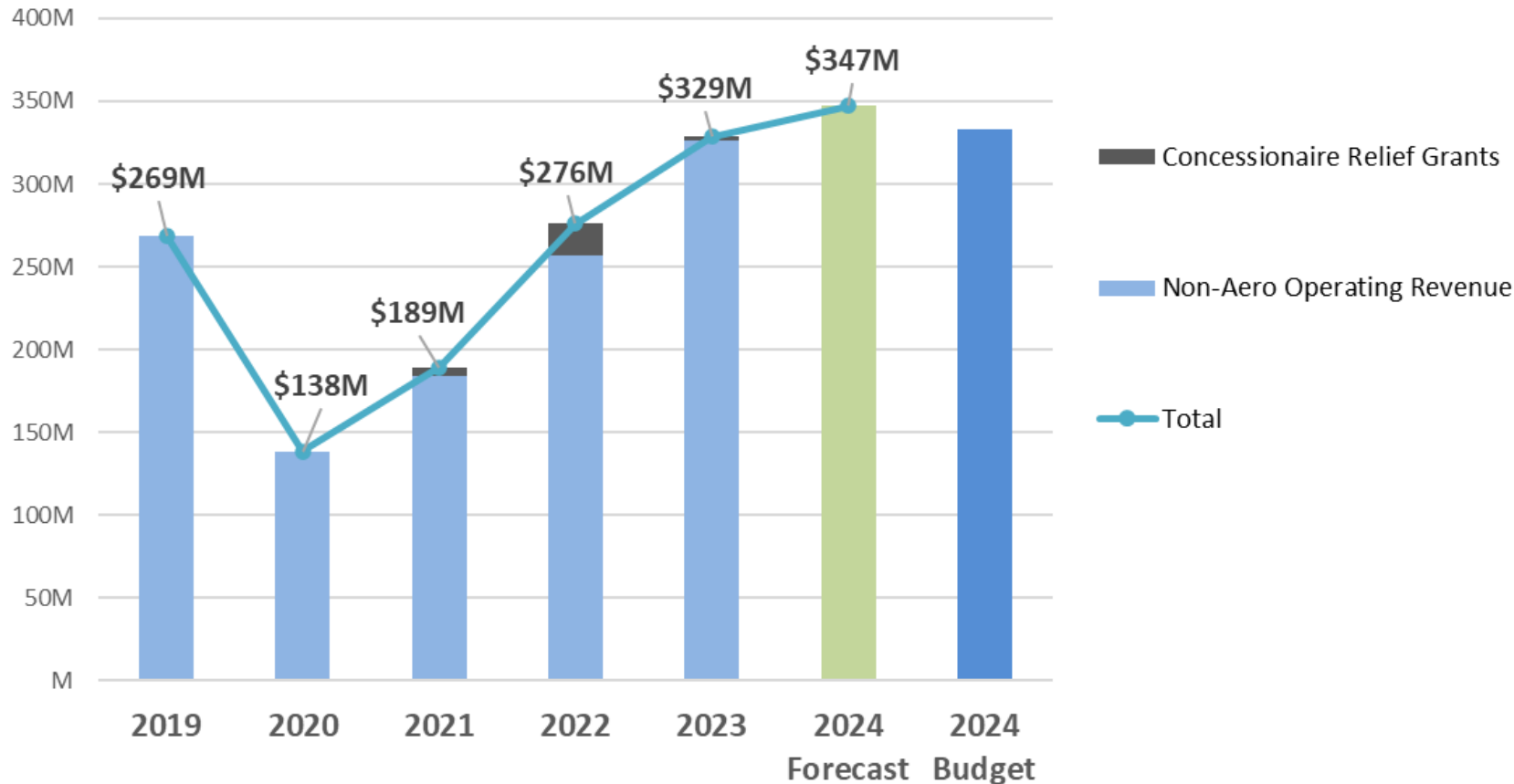
# Non-Aeronautical Business YE

(Actual Business Performance shown before grant rent credits in prior years)

Non-Aeronautical Revenue Recovery Trend by Year  (\$ in 000's)	2022	2023	2024	2024	Incr/(Decr) 2024 Forecast v. 2024 Budget		Incr/(Decr) 2024 Actual v. 2023 Actual	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
<b>Non-Aeronautical Revenues</b>								
Public Parking	88,899	110,990	118,410	111,036	7,374	6.6%	7,421	6.7%
Rental Cars	56,473	63,460	65,468	61,599	3,869	6.3%	2,008	3.2%
Ground Transportation	20,804	24,878	25,222	25,333	(111)	-0.4%	343	1.4%
Airport Dining & Retail	55,719	67,870	72,928	71,332	1,597	2.2%	5,058	7.5%
Commercial Properties	16,747	20,370	20,431	20,496	(65)	-0.3%	61	0.3%
Non-Airline Terminal Leased Space	6,954	8,294	7,664	6,756	908	13.4%	(630)	-7.6%
Clubs and Lounges	8,688	11,710	14,459	12,024	2,435	20.3%	2,749	23.5%
Utilities	7,943	8,666	10,089	10,089	-	0.0%	1,423	16.4%
Other Non-Aero Revenue	13,932	12,272	12,571	14,048	(1,477)	-10.5%	299	2.4%
<b>Total Non-Aeronautical Revenues BEFORE grants</b>	<b>276,159</b>	<b>328,511</b>	<b>347,243</b>	<b>332,713</b>	<b>14,530</b>	<b>4.4%</b>	<b>18,732</b>	<b>5.7%</b>
<b>less Concession Relief grants</b>	<b>(19,546)</b>	<b>(1,918)</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>1,918</b>	<b>-100.0%</b>
<b>Non-Aeronautical Operating Revenue</b>	<b>256,613</b>	<b>326,592</b>	<b>347,243</b>	<b>332,713</b>	<b>14,530</b>	<b>4.4%</b>	<b>20,650</b>	<b>6.3%</b>
<b>Total Enplanements</b>	<b>22,966</b>	<b>25,371</b>	<b>26,457</b>	<b>26,457</b>	<b>0</b>	<b>0.0%</b>	<b>1,086</b>	<b>4.3%</b>
<i>International Enplanements</i>	<i>2,185</i>	<i>2,869</i>	<i>2,927</i>	<i>2,927</i>	<i>0</i>	<i>0.0%</i>	<i>58</i>	<i>2.0%</i>
<i>O&amp;D Enplanements</i>	<i>15,709</i>	<i>17,608</i>	<i>18,467</i>	<i>18,467</i>	<i>0</i>	<i>0.0%</i>	<i>859</i>	<i>4.9%</i>

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

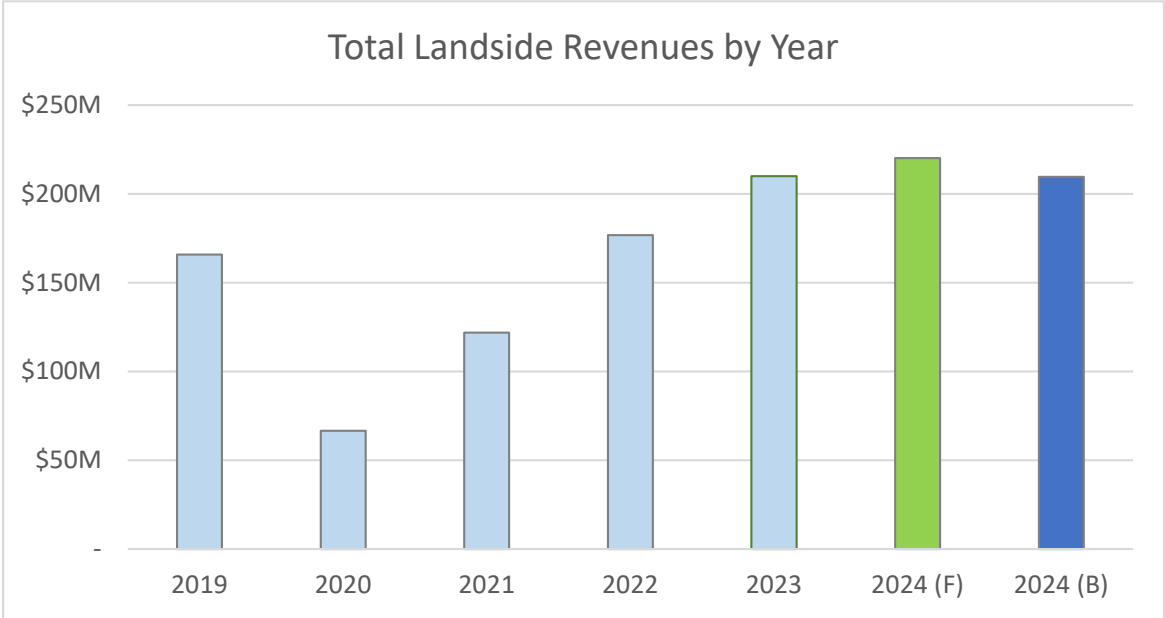
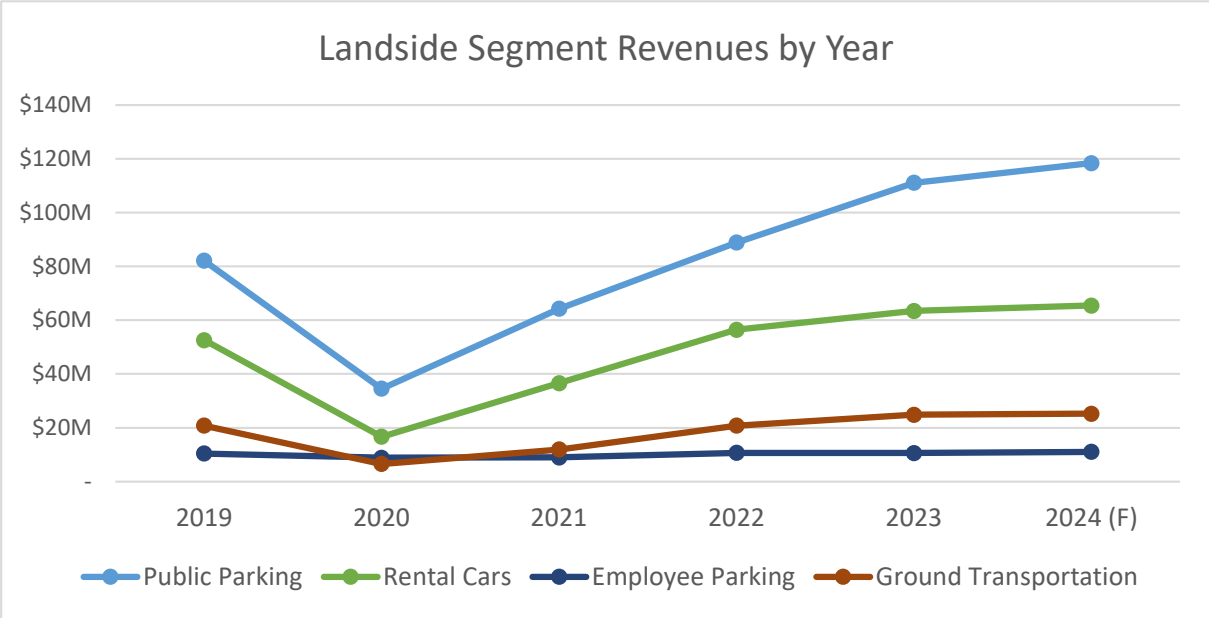
# Non-Aero Revenue YoY with Concessions Grant Impact



2024 Non-Aero revenue per enplanement is forecasted at \$13.34, significantly higher than pre-pandemic at \$10.40 in 2019

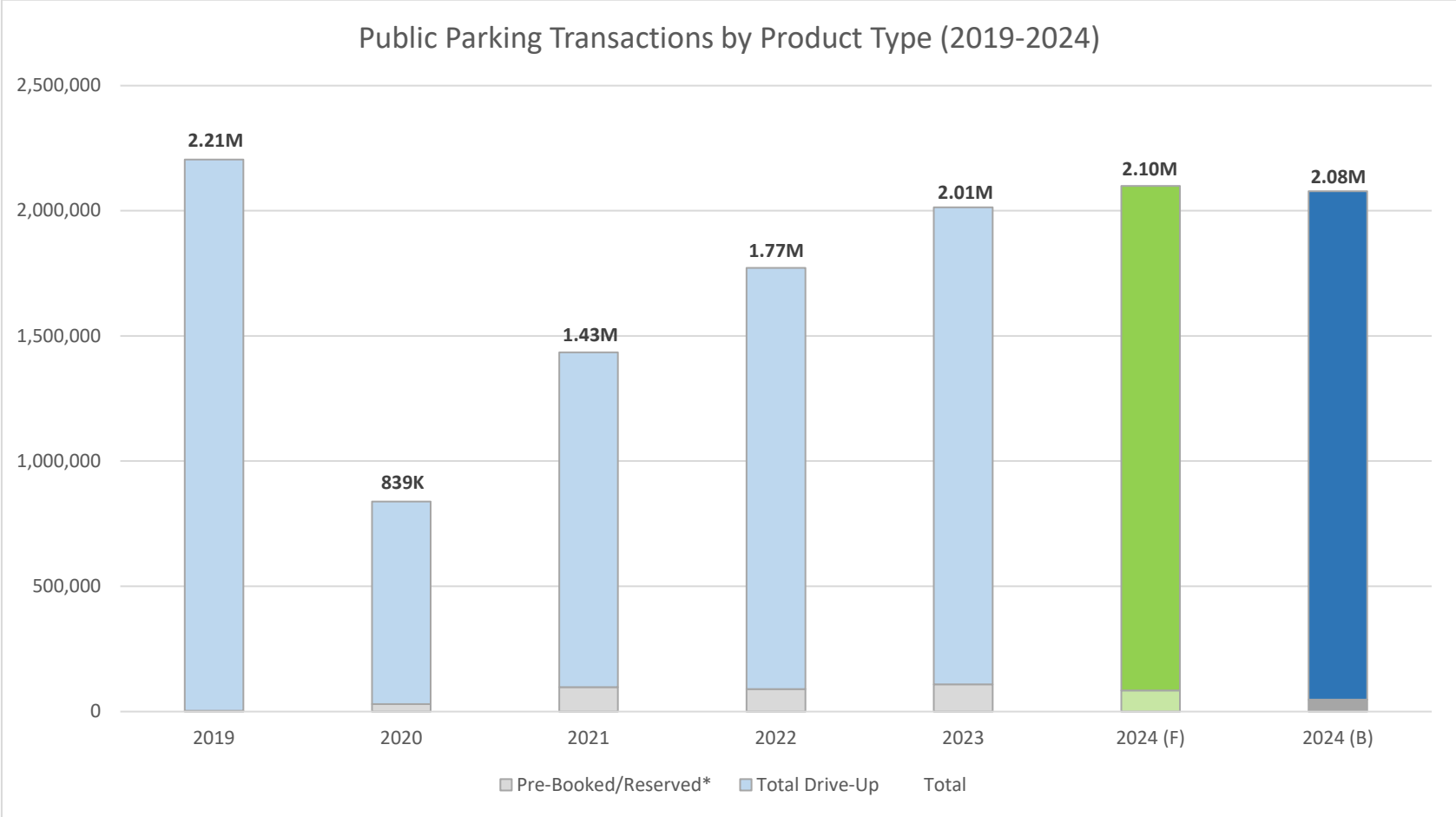
*Note: All Concessionaire Relief grants fully utilized in prior years*

# Non-Aero Detail: Landside Revenue Trends



Each individual Landside revenue segment surpassed 2019 levels in 2022, and each segment is forecasted to show continued growth in 2024. Parking continues to reflect the strongest growth.

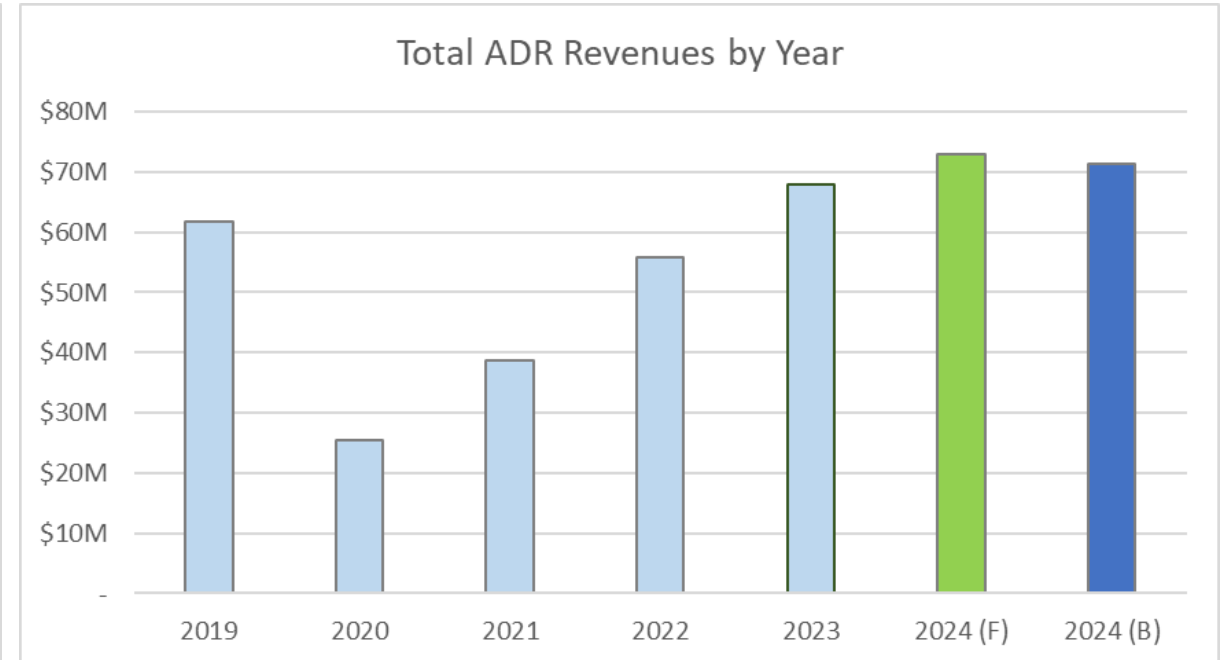
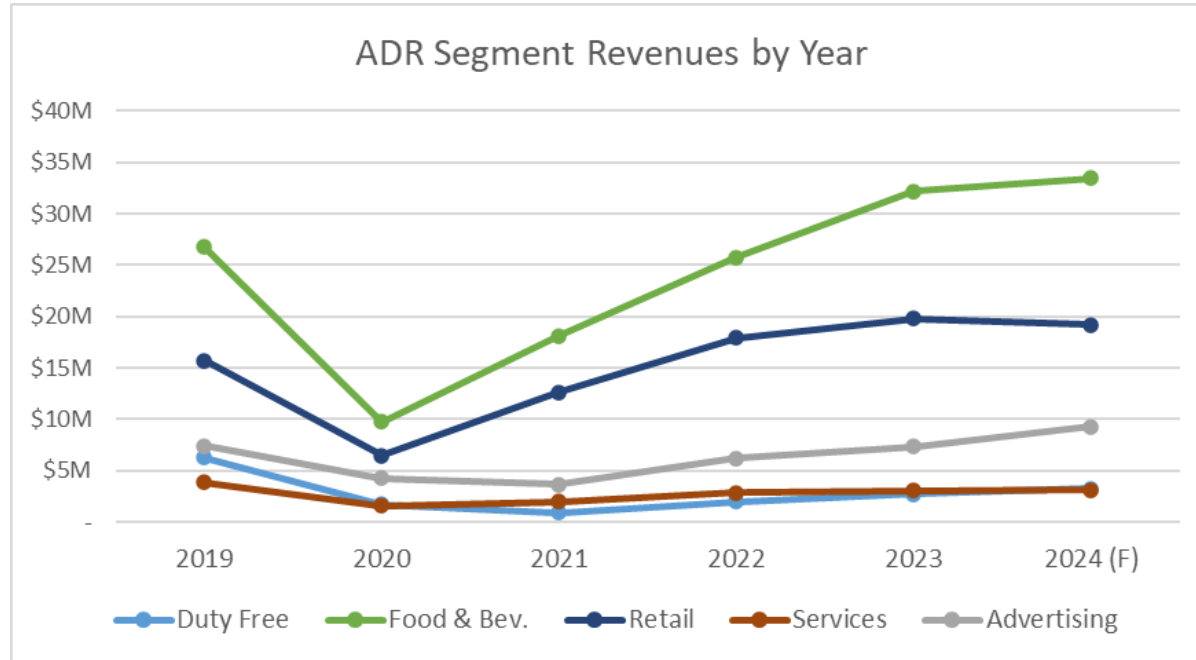
# Non-Aero Detail: Public Parking Transactions



\*Pre-Booked launched late-2019, then transitioned to the Reserved Parking Program (Floor 4 only) in March 2024

Public Parking transaction trend driven by customer preference for close-in self-parking during pandemic recovery period. 2024 annual Parking transaction growth is expected to continue to outpace O&D enplanement growth.

# Non-Aero Detail: ADR Revenue Trends

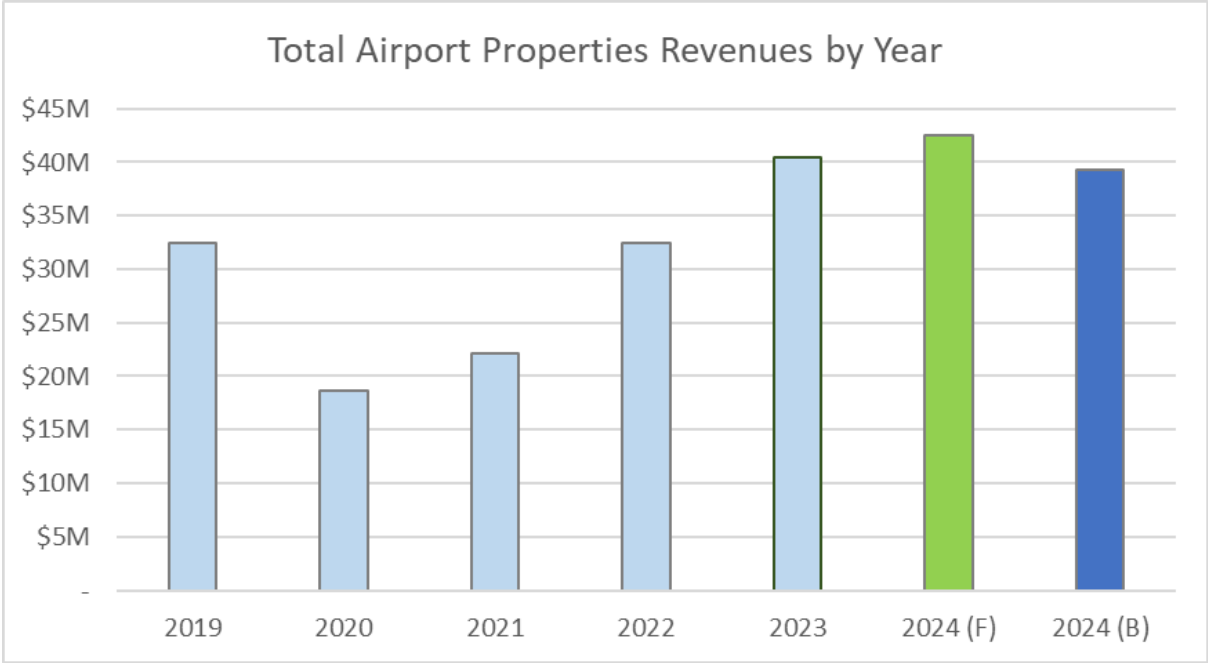
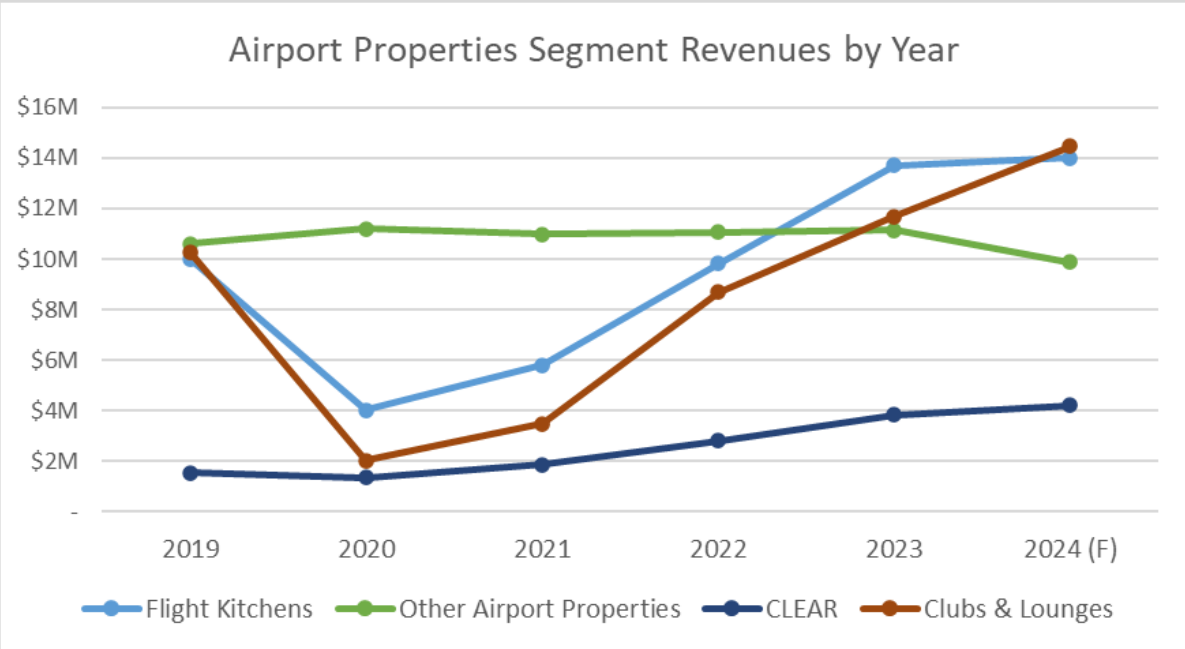


Combined Airport Dining & Retail revenues surpassed 2019 levels in 2023, with uneven recovery patterns throughout the pandemic. Growth in total ADR is expected in 2024, though with disruptions to some individual segments from ongoing capital project work.

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



# Non-Aero Detail: AVBP Revenue Trends



Combined Airport Business & Properties revenues surpassed 2019 levels in 2023, though with uneven recovery patterns throughout the pandemic across different segments. Growth will continue in 2024 at a more moderate rate.

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

# 2024 Capital Expenditures

\$ in 000's	2024	2024	2024	2024	Bud vs. Fcst		
	YTD Actual	Year-End Forecast	Budget	POF	\$	%	
SEA Gateway <sup>(1)</sup>	81,688	159,612	136,612	106,366	(23,000)	-16.8%	(1) Phase A costs adjusted as majority of scope is going to be finished in 2024. Contractors submitted 2 construction invoices per reimbursement request resulting in a greater than anticipated costs, approx \$14M
C Concourse Expansion <sup>(2)</sup>	20,923	62,238	85,192	109,662	22,954	26.9%	(2) Q2 2024 actual costs were lower than projected. Structural Demolition and Utility Relocation work production was slower than planned. Structural Steel erection re-sequencing is expected to mitigate some of the delay.
MT Low Voltage Sys Upgrade <sup>(3)</sup>	19,984	40,714	25,860	26,000	(14,854)	-57.4%	(3) Contractor resequenced work and increased crew sizes accelerating the 2024 cashflow basis to \$2.8M/Mo.
International Arrivals Fac-IAF <sup>(4)</sup>	14,408	21,589	7,281	4,809	(14,308)	-196.5%	(4) Variance is due to Settlement payment to Clark for \$11.3M, Balance of settlement payments of \$2.5M to Q3/Q4, Legal and Support Staff extended to 2025.
Checked Bag Recap/Optimization <sup>(5)</sup>	27,442	58,942	69,654	111,869	10,712	15.4%	(5) \$12.5M Savings to Construction Contract Contingency that wasn't assumed in baseline
Widen Arrivals Roadway <sup>(6)</sup>	14,753	23,732	17,233	15,539	(6,499)	-37.7%	(6) Updated per Contractors construction schedule of values. Incurred costs earlier than the forecasted baseline.
ASL Conversions <sup>(7)</sup>	1,973	6,076	11,397	-	5,321	46.7%	(7) Due to uncertainties at the start of this hot status project, high margin was included in the ROM estimate.
S Concourse Evolution <sup>(8)</sup>	2,708	25,407	21,968	29,419	(3,439)	-15.7%	(8) Added facilitating projects for Cargo 7, Cargo 3, Cargo 6 and Gate D6 Conversion.
Parking Garage Elevators Moder <sup>(9)</sup>	742	3,325	6,596	4,775	3,271	49.6%	(9) Project is progressing slower than expected , working to accelerate and rearrange the work. Next quarter will have a clearer perspective if the work and cashflow will catchup to projections
Surface Area Management System <sup>(10)</sup>	1,309	2,337	5,017	7,291	2,680	53.4%	(10) Overall SAMS 2024 cashflow variance due to DBB bid. Project went back to Commission in June 2024 for add'l \$2.614K budget to award DBB, thus 2024 DBB Award delay of 7-8 months impacting schedule and 2024 cashflow
All Other	117,010	280,470	295,575	443,788	15,105	5.1%	
Subtotal	302,940	684,442	682,384	859,518	(2,057)	-0.3%	
CIP Cashflow Mgmt Reserve	-	-	-	(141,920)	0		
<b>Total Spending</b>	<b>302,940</b>	<b>684,442</b>	<b>682,384</b>	<b>717,598</b>	<b>(2,057)</b>	<b>-0.3%</b>	

# Maritime Division Appendix

2024 Q2 Financial Performance Report

# Maritime 2024 YTD Q2 Financial Summary

\$ in 000's	2022 YTD	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget		Change from 2023	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Ship Canal Fishing & Operations	2,328	2,651	2,650	2,531	119	5%	(1)	0%
Elliott Bay Fishing & Commercial Operation	2,638	2,829	2,872	2,858	14	0%	43	2%
Recreational Boating	6,914	7,751	8,321	8,230	91	1%	570	7%
Cruise	11,258	15,437	19,027	15,713	3,313	21%	3,589	23%
Grain	3,405	1,964	3,079	2,773	306	11%	1,116	57%
Maritime Portfolio Management	5,237	5,205	6,136	5,931	205	3%	931	18%
Other	7	18	6	2	4		(13)	-68%
<b>Total Revenue</b>	<b>31,788</b>	<b>35,856</b>	<b>42,092</b>	<b>38,039</b>	<b>4,053</b>	<b>11%</b>	<b>6,236</b>	<b>17%</b>
<b>Expenses</b>								
Maritime (Excl. Maint)	9,021	8,477	8,985	9,599	614	6%	508	6%
Economic Development	2,864	2,718	2,789	3,070	281	9%	71	3%
<b>Total Direct</b>	<b>11,884</b>	<b>11,196</b>	<b>11,774</b>	<b>12,669</b>	<b>895</b>	<b>7%</b>	<b>579</b>	<b>5%</b>
Maintenance Expenses	6,387	7,148	7,818	7,710	(108)	-1%	670	9%
Envir Services & Planning	755	1,401	2,195	2,111	(84)	-4%	794	57%
Seaport Finance & Cost Recovery	473	622	714	839	125	15%	92	15%
Seaport Project Management	445	849	656	1,552	896	58%	(193)	-23%
<b>Total Support Services</b>	<b>8,060</b>	<b>10,020</b>	<b>11,382</b>	<b>12,212</b>	<b>829</b>	<b>7%</b>	<b>1,363</b>	<b>14%</b>
IT	1,526	1,794	2,026	2,048	22	1%	232	13%
Police Expenses	1,577	2,244	2,732	2,525	(208)	-8%	489	22%
External Relations	743	824	978	1,097	119	11%	154	19%
Other Central Services	4,080	4,472	4,685	5,012	327	7%	213	5%
Aviation Division / Other	179	162	170	212	42	20%	8	5%
<b>Total Central Services / Other</b>	<b>8,105</b>	<b>9,496</b>	<b>10,591</b>	<b>10,894</b>	<b>302</b>	<b>3%</b>	<b>1,095</b>	<b>12%</b>
<b>Total Expense</b>	<b>28,050</b>	<b>30,711</b>	<b>33,748</b>	<b>35,775</b>	<b>2,027</b>	<b>6%</b>	<b>3,036</b>	<b>10%</b>
<b>NOI Before Depreciation</b>	<b>3,738</b>	<b>5,145</b>	<b>8,344</b>	<b>2,264</b>	<b>6,080</b>	<b>-269%</b>	<b>3,200</b>	<b>-62%</b>
Depreciation	8,952	9,100	8,987	8,811	(177)	-2%	(112)	-1%
<b>NOI After Depreciation</b>	<b>(5,214)</b>	<b>(3,955)</b>	<b>(643)</b>	<b>(6,547)</b>	<b>5,903</b>	<b>90%</b>	<b>3,312</b>	<b>84%</b>

## Variance from Budget

- Revenue \$4M favorable:
  - Cruise – Overstated by \$1M from overbilling tied to bundled rates and security reimbursement to terminal operator.
  - Grain – Higher Volumes.
- Operating Exp. \$2M lower:
  - Direct \$895K lower – Payroll savings and tenant improvements.
  - Support Services \$829K lower– Timing of Project Spend, primarily small works.
  - Central Services \$302K favorable – Timing of consulting spend/invoicing.

# Maritime 2024 Financial Forecast

\$ in 000's	2022	2023	2024	2024	Actual vs. Budget		Change from 2023	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
Ship Canal Fishing & Operations	4,592	5,076	5,084	4,984	100	2%	8	0%
Elliott Bay Fishing & Commercial Operation	5,975	6,564	5,731	5,731	0	0%	(832)	-13%
Recreational Boating	13,978	15,505	16,568	16,468	100	1%	1,063	7%
Cruise	30,469	41,726	43,057	41,057	2,000	5%	1,331	3%
Grain	5,792	3,356	5,491	5,191	300	6%	2,135	64%
Maritime Portfolio Management	10,550	10,263	12,897	12,697	200	2%	2,634	26%
Other	10	9	4	4	0	NA	(6)	-60%
<i>Pension Revenue Adjustment</i>	<i>170</i>	<i>(90)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>NA</i>	<i>90</i>	<i>NA</i>
<b>Total Revenue</b>	<b>71,534</b>	<b>82,410</b>	<b>88,832</b>	<b>86,132</b>	<b>2,700</b>	<b>3%</b>	<b>6,422</b>	<b>8%</b>
<b>Expenses</b>								
Maritime (Excl. Maint)	17,706	21,675	20,087	19,787	(300)	-2%	(1,588)	-7%
Economic Development	5,710	4,973	6,326	6,326	0	0%	1,353	27%
<b>Total Direct</b>	<b>23,416</b>	<b>26,648</b>	<b>26,413</b>	<b>26,113</b>	<b>(300)</b>	<b>-1%</b>	<b>(235)</b>	<b>-1%</b>
Maintenance Expenses	13,213	15,839	15,283	14,983	(300)	-2%	(556)	-4%
Envir Services & Planning	3,120	3,814	5,002	4,802	(200)	-4%	1,189	31%
Seaport Finance & Cost Recovery	1,087	1,291	1,753	1,653	(100)	-6%	462	36%
Seaport Project Management	1,007	1,819	2,917	3,117	200	6%	1,098	60%
<b>Total Support Services</b>	<b>18,426</b>	<b>22,762</b>	<b>24,955</b>	<b>24,555</b>	<b>(400)</b>	<b>-2%</b>	<b>2,193</b>	<b>10%</b>
IT	3,223	3,706	4,128	4,128	0	0%	422	11%
Police Expenses	3,662	5,333	5,200	4,929	(271)	-5%	(132)	-2%
External Relations	1,552	1,736	2,039	2,158	119	6%	303	17%
Other Central Services	8,908	9,882	10,983	10,351	(632)	-6%	1,102	11%
Aviation Division / Other	368	328	354	354	0	0%	26	8%
<b>Total Central Services / Other</b>	<b>17,714</b>	<b>20,985</b>	<b>22,705</b>	<b>21,921</b>	<b>(784)</b>	<b>-4%</b>	<b>1,720</b>	<b>8%</b>
<b>Total Expense before Pension Adjustment</b>	<b>59,556</b>	<b>70,395</b>	<b>74,073</b>	<b>72,589</b>	<b>(1,484)</b>	<b>-2%</b>	<b>3,678</b>	<b>5%</b>
<i>Pension Expense Adjustment</i>	<i>(2,396)</i>	<i>(3,649)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>NA</i>	<i>3,649</i>	
<b>Total Expense</b>	<b>57,160</b>	<b>66,745</b>	<b>74,073</b>	<b>72,589</b>	<b>(1,484)</b>	<b>-2%</b>	<b>7,328</b>	<b>11%</b>
<i>NOI excluding Pension Adjustments</i>	<i>11,808</i>	<i>12,105</i>	<i>14,759</i>	<i>13,543</i>	<i>1,216</i>	<i>9%</i>	<i>2,654</i>	<i>22%</i>
<b>NOI Before Depreciation</b>	<b>14,375</b>	<b>15,664</b>	<b>14,759</b>	<b>13,543</b>	<b>1,216</b>	<b>9%</b>	<b>(905)</b>	<b>-6%</b>
Depreciation	17,980	18,193	17,531	17,531	0	0%	(662)	-4%
<b>NOI After Depreciation</b>	<b>(3,606)</b>	<b>(2,529)</b>	<b>(2,772)</b>	<b>(3,988)</b>	<b>1,216</b>	<b>30%</b>	<b>(244)</b>	<b>-10%</b>

## Variance from Budget

- **Revenue \$2.7M favorable:**
  - Ship Canal Fishing favorable YTD Results.
  - Grain – Grain volumes returning to historic trend.
  - Cruise Occupancy higher.
- **Operating Expense \$1.5M above:**
  - Higher COLA than Budgeted impacting both represented and police.
  - Unbudgeted legal costs.
  - Expedited expenses tied to Aquarium project.

# Cruise 2024 Financials

\$ in 000s	2023	2024	2024	Bud Var	
	Actual	Actual	Budget	\$	%
<b>Revenue by Facility:</b>					
P66 Cruise	3,856	4,992	4,132	861	21%
P66 Vessel Ops	16	0	15	(15)	-100%
T91 Cruise	11,372	13,875	11,398	2,477	22%
Utilities	193	160	169	(9)	-6%
<b>Total Revenue</b>	<b>15,437</b>	<b>19,027</b>	<b>15,713</b>	<b>3,313</b>	<b>21%</b>
<b>Dept Expenses:</b>					
Staff	414	457	459	2	1%
Outside Services	90	228	421	193	46%
General Expenses	1,084	1,114	1,130	16	1%
Equipment & Supplies	126	30	133	103	77%
Utilities	216	161	277	116	42%
<b>Support Services:</b>					
Maintenance	1,614	2,102	1,913	(189)	-10%
Environmental	205	374	600	227	38%
PMG & Planning	307	510	848	338	40%
Economic Development	269	318	294	(24)	-8%
Police/Security	693	1,144	1,131	(13)	-1%
Other/Central Services	2,484	3,618	4,028	411	10%
<b>Total Expense</b>	<b>7,088</b>	<b>9,598</b>	<b>10,776</b>	<b>1,177</b>	<b>11%</b>
<b>NOI Before Depreciation</b>	<b>8,349</b>	<b>9,428</b>	<b>4,938</b>	<b>4,490</b>	<b>91%</b>
Depreciation	3,018	2,932	2,909	23	1%
<b>NOI After Depreciation</b>	<b>5,331</b>	<b>6,496</b>	<b>2,029</b>	<b>4,468</b>	<b>220%</b>

## Variance from Budget

### Revenues

- Higher than budget due to average occupancies exceeding 100% budget assumption (~107%) & Carnival at tariff rate through 7/1
- Revenue overstated \$979K due to pending CTA credits for security (\$370K) and April & May overpayment (\$609K)

### Expenses

- Less than budget:
  - Outside Services – 193K
    - Port Valet billing timing
  - Utilities - \$116K

## Variance from 2023

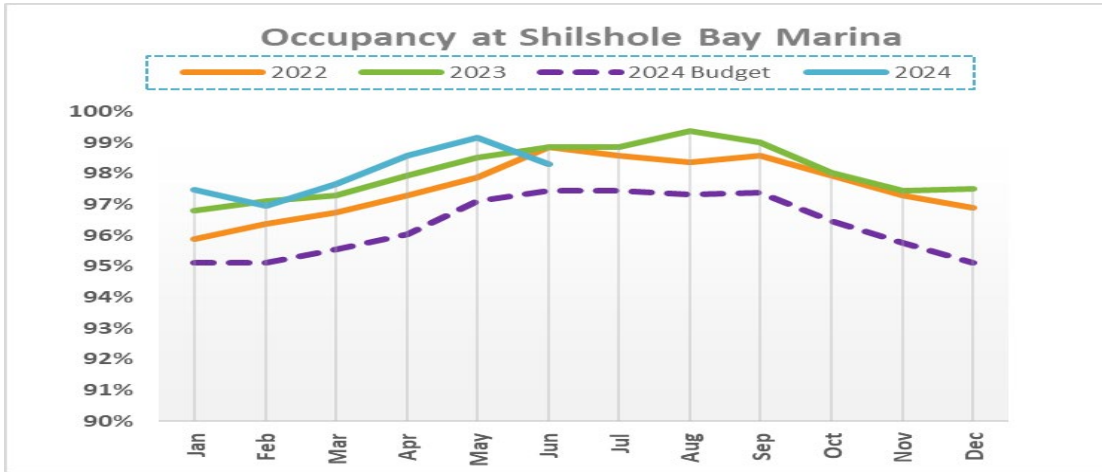
### Revenues

- 2024 revenue higher due to rate escalations and additional passenger volumes

### Expenses

- Outside services higher in 2024 due to T91 operations evaluation consultant

# Recreational Boating Occupancy



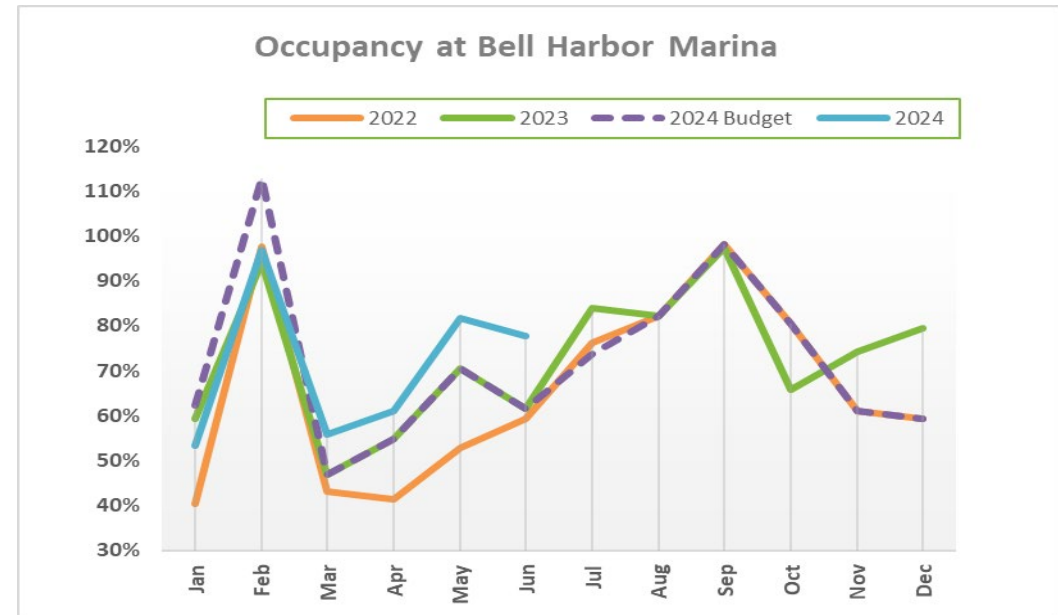
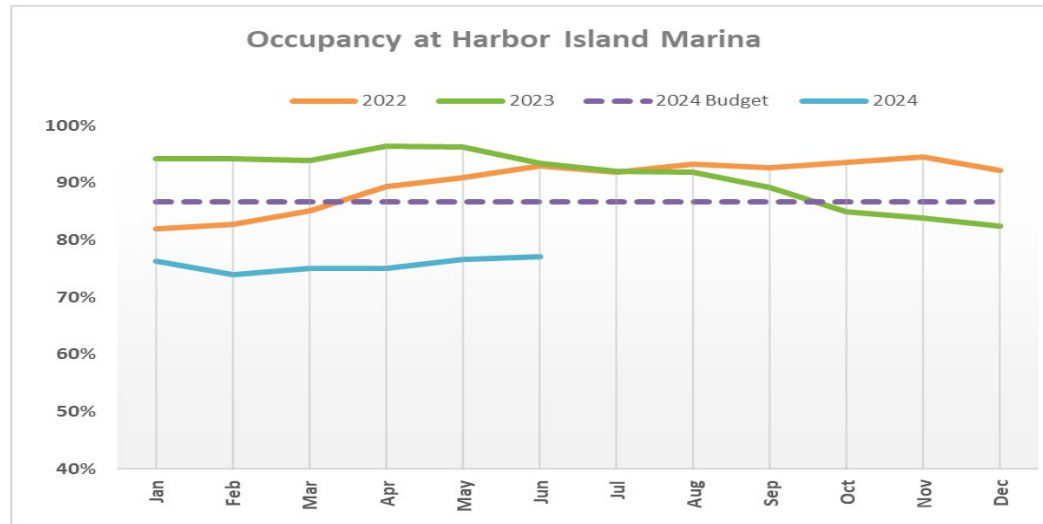
	BUD	2024	2023	Act vs Bud	'24 vs '23
<b>SBM Occupancy</b>	96.1%	98.0%	97.8%	1.97%	0.27%
<b>BHM Occupancy</b>	68.1%	71.1%	64.5%	2.94%	6.54%
<b>HIM Occupancy</b>	86.6%	75.7%	94.8%	-10.95%	-19.10%
<b>Total Recreational Marinas</b>	<b>83.6%</b>	<b>81.6%</b>	<b>85.7%</b>	<b>-2.01%</b>	<b>-4.09%</b>

SBM Occupancy

BHM Occupancy

HIM Occupancy

Total Recreational Marinas





# Recreational Boating

\$ in 000's	2023	2024	2024	Bud Var	
	Actual	Actual	Budget	\$	%
<b>Revenue by Facility:</b>					
Shilshole Bay Marina	6,923	7,484	7,384	99	1%
Harbor Island Marina	284	262	258	4	2%
Bell Harbor Marina	220	209	264	(56)	-21%
Utility Sales Revenue	325	367	324	44	14%
<b>Total Revenue</b>	<b>7,751</b>	<b>8,321</b>	<b>8,230</b>	<b>91</b>	<b>1%</b>
<b>Dept Expenses:</b>					
Staff	1,266	1,272	1,410	139	10%
Outside Services	21	128	55	(73)	-134%
General Expenses	75	157	60	(97)	-163%
Equipment & Supplies	39	37	112	75	67%
Utilities	737	701	589	(112)	-19%
<b>Support Services:</b>					
Maintenance	1,809	1,772	1,799	27	1%
Project Management	145	137	182	46	25%
Environmental & Planning	274	299	319	21	6%
Economic Development	145	136	148	11	8%
Police/Security	716	760	723	(37)	-5%
Other/Central Services	2,265	2,348	2,575	227	9%
<b>Total Expense</b>	<b>7,492</b>	<b>7,745</b>	<b>7,973</b>	<b>227</b>	<b>3%</b>
<b>NOI Before Depreciation</b>	<b>259</b>	<b>576</b>	<b>257</b>	<b>318</b>	<b>-124%</b>
Depreciation	1,638	1,686	1,600	(86)	-5%
<b>NOI After Depreciation</b>	<b>(1,379)</b>	<b>(1,110)</b>	<b>(1,343)</b>	<b>233</b>	<b>17%</b>

## Occupancy

- SBM and BHM occupancy exceeded the budget by 1.97% and 2.93%, respectively, while HIM occupancy is lower than the budget by (10.95%).
- SBM and BHM occupancy in 2024 increased by 0.27% and 6.54%, respectively, but HIM occupancy decreased by (19.1%).
- HIM occupancy declined due to disruptions caused by the Dock E Rehab project and the replacement project of Whaler from January through April.

## Variance from Budget

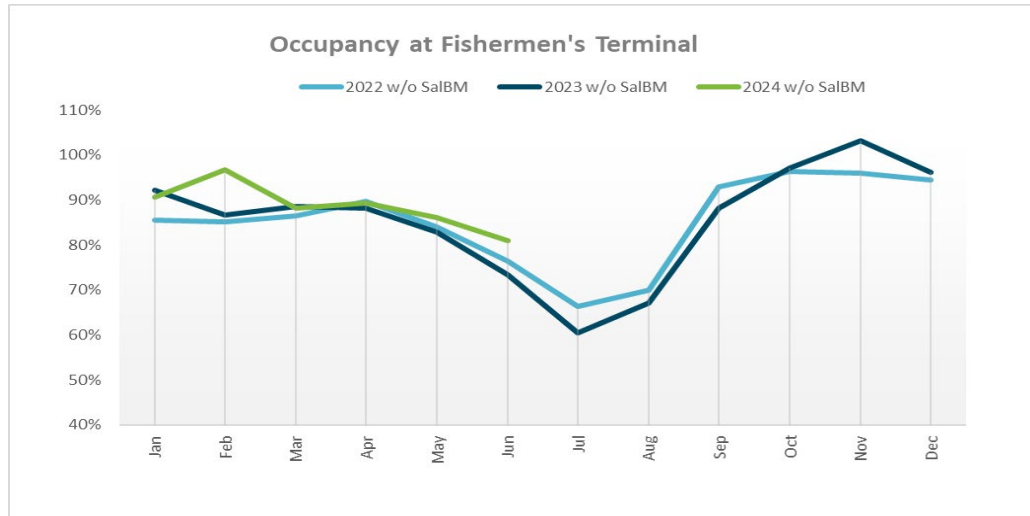
- **Total Revenue** exceeded the budget by **\$91K**, with Utility sales surpassing the budget by \$44K and Moorage revenue exceeding the budget by \$32K, driven by higher monthly moorage.
- **Total Expenses** are **\$227K** lower than the budget, primarily due to a \$227K reduction in support services expenses. Some unplanned expenses, such as SBM's (\$70K) injury claim reserve and (\$81K) assessment of Comporter Pier and repairs to the Tribal Hoist at SBM, were partially offset by staff-related expenses of \$139K under budget.

## Variance from 2023

- **Total revenue** increased by about **\$570K** or 7%, mainly due to moorage rate hikes ranging from 5% to 12% in 2024 compared to 2023 and offset by fluctuating year-to-date average occupancy rates.
- **Total expenses** increased by **\$253K**, primarily due to some one-time expenses in 2024, as mentioned above, and an \$ 83K increase in support services.

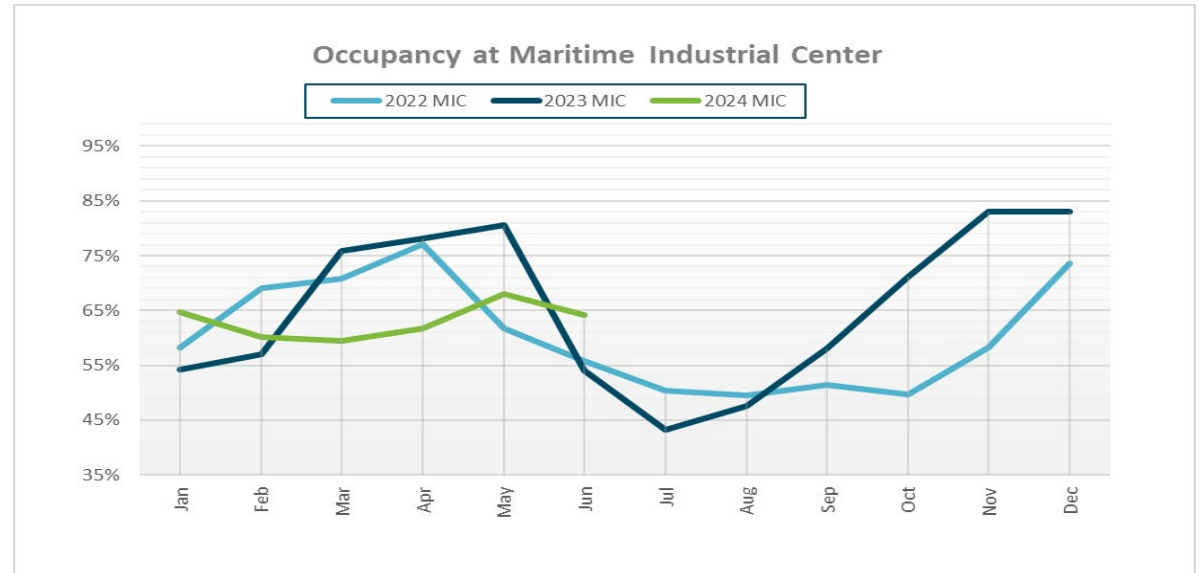
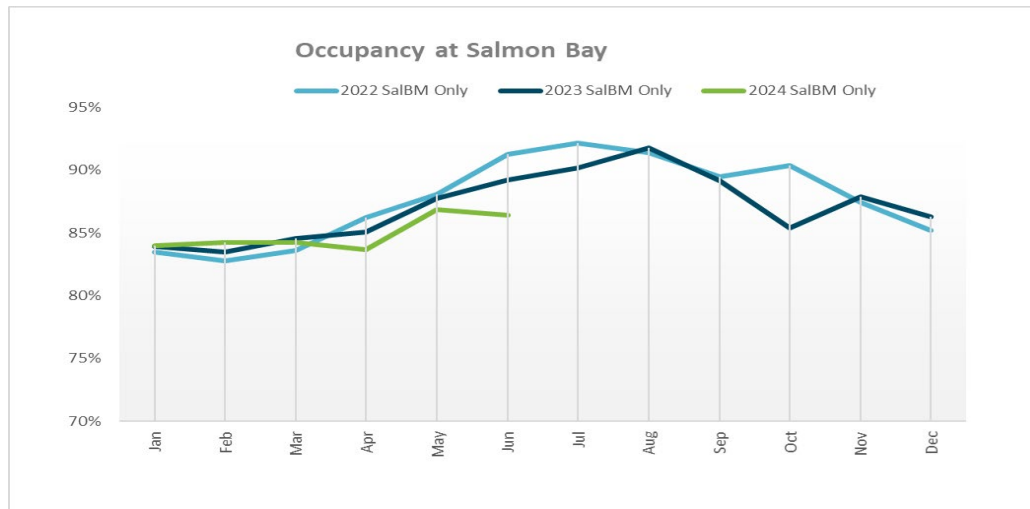


# Ship Canal Fishing & Commercial Occupancy



## Occupancy

- Overall monthly occupancy rate increased about **2.9%** from 2023
  - ✓ FT Fishing up 3.2%
  - ✓ FT RecBoating up 0.2%
  - ✓ SaBM down -0.75%
  - ✓ MIC down -3.64%



# Ship Canal Fishing & Operations

\$ in 000's	2023	2024	2024	Bud Var	
	Actual	Actual	Budget	\$	%
<b>Revenue by Facility:</b>					
FT Commercial	1,561	1,494	1,415	80	6%
FT RecBoating	371	409	387	22	6%
Salmon Bay Marina	514	545	547	(2)	0%
Maritime Industrial Center	96	57	90	(33)	-37%
Utility Sales Revenue	109	145	92	53	57%
<b>Total Revenue</b>	<b>2,651</b>	<b>2,650</b>	<b>2,531</b>	<b>119</b>	<b>5%</b>
<b>Dept Expenses:</b>					
Staff	641	763	835	71	9%
Outside Services	10	17	10	(7)	-73%
General Expenses	102	144	15	(129)	-857%
Equipment & Supplies	17	17	54	37	69%
Utilities	552	481	519	38	7%
<b>Support Services:</b>					
Maintenance	1,019	1,020	1,191	172	14%
Project Management	269	112	387	275	71%
Environmental & Planning	130	108	173	65	37%
Economic Development	32	29	32	3	11%
Police/Security	309	310	293	(17)	-6%
Other/Central Services	992	1,156	1,142	(14)	-1%
<b>Total Expense</b>	<b>4,073</b>	<b>4,157</b>	<b>4,651</b>	<b>494</b>	<b>11%</b>
<b>NOI Before Depreciation</b>	<b>(1,422)</b>	<b>(1,507)</b>	<b>(2,120)</b>	<b>613</b>	<b>29%</b>
Depreciation	1,189	1,176	1,164	(12)	-1%
<b>NOI After Depreciation</b>	<b>(2,611)</b>	<b>(2,683)</b>	<b>(3,284)</b>	<b>601</b>	<b>18%</b>

## Occupancy

- Overall monthly occupancy rate increased about 2.9% from 2023
  - ✓ FT Fishing up 3.18%
  - ✓ FT RecBoating up 0.20%
  - ✓ SaBM down -0.75%
  - ✓ MIC down -3.64%

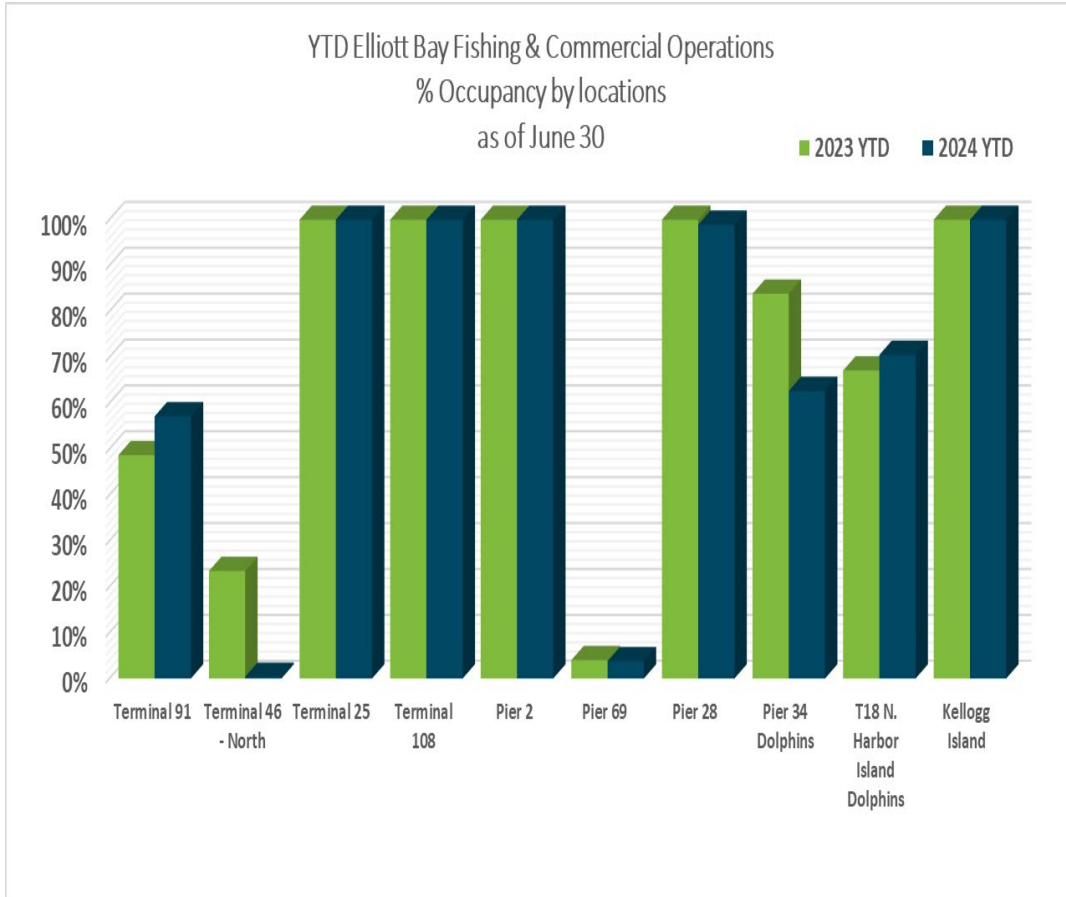
## Variance from Budget

- Total Revenue \$119K** or 5% higher than budget, attributed to a \$53K increase in Utility sales, a \$28K increase in locker revenue due to the use of Net sheds 7 & 8 because of Maritime Innovation Center (MInC) project, and a \$22K increase in moorage revenue from higher occupancy;
- Total Expenses are \$494K** lower than budget, primarily due to \$484K lower in support service, particularly in Project Management and Maintenance expenses. However, \$238K ERL work for the MInC project at FT was incorrectly categorized under FT instead of EDD. Additionally, Bad Debt expense are exceeded by (\$126K) in the budgeted.

## Variance from 2023

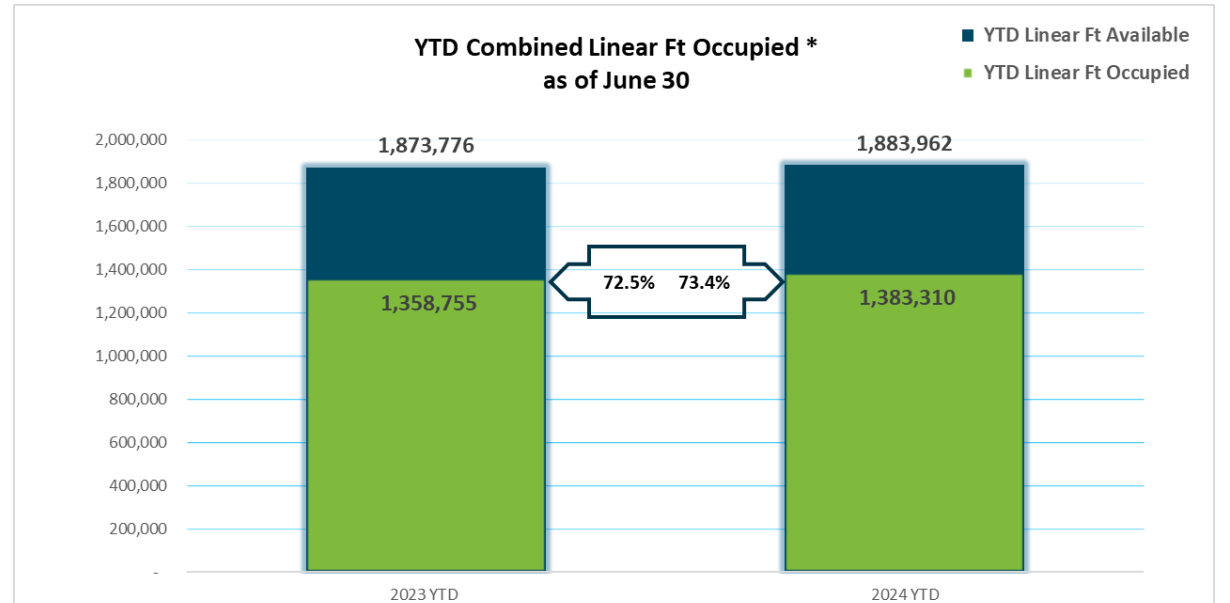
- Total revenue decreased (\$1K)** from 2023, mainly due to a reimbursement revenue (\$184K) from the Derelict Vessel program in 2023. However, this decrease was partially offset by a \$94K or 5% increase in Moorage revenue, attributed to rate increases from 2023, despite a decline in MIC. Locker rental revenue was up by \$43K, and Space Rental revenue increased by \$20K.
- Total expenses increased by \$84K**, primarily due to a \$238K expense for ERL work for the MInC project mentioned earlier and a \$122K increase in Staff related expenses, partially due to a vacant position in 2023. However, these increases were partially offset by a (\$157K) decrease in Project Management expenses and a (\$71K) decrease in utility costs.

# Elliott Bay Fishing & Commercial Occupancy



## Occupancy

- Elliott Bay Occupancy 73.43%, 0.92% slightly up from 2023
  - % Occupied includes an allowance for lines and vessel spacing that varies by facility
  - T46 N: TT5 spot moorage used by Pacific Pile, NOAA in 2023
  - P69: TT5 spot moorage used by SeaSpan and the Canadian Navy, Norton Lilly, in 2024
  - P28: New short-term agreement with AML
  - Spot moorage/dockage under TT5: T108, P28, P34, T18 N



\* Combined Occupied numbers are weighted average by relative facility size

# Elliott Bay Fishing & Commercial

\$ in 000's

	2023	2024	2024	Bud Var	
	Actual	Actual	Budget	\$	%
<b>Revenue by Facility:</b>					
T-91 Fishing Related	1,330	1,341	1,383	(42)	-3%
T-91 Vessel Operations	323	303	283	19	7%
Kellogg Island – Moorage	214	224	224	(0)	0%
Terminal 25 Docks	199	205	205	0	0%
Terminal 18 North - Dolphins	130	140	118	22	19%
Pier 34 Dolphins	124	88	120	(32)	-26%
Other (P2, P28, P69, T46,T108)	209	233	124	109	89%
Utility Sales Revenue	300	338	401	(63)	-16%
<b>Total Revenue</b>	<b>2,829</b>	<b>2,872</b>	<b>2,858</b>	<b>14</b>	<b>0%</b>
<b>Dept Expenses:</b>					
Staff	370	390	403	13	3%
Outside Services	11	1	10	10	92%
General Expenses	89	(56)	57	113	199%
Equipment & Supplies	5	4	13	9	72%
Utilities	627	686	657	(30)	-5%
<b>Support Services:</b>					
Maintenance	716	733	756	23	3%
Project Management	55	58	66	8	12%
Environmental & Planning	137	97	158	60	38%
Economic Development	57	53	50	(2)	-5%
Police/Security	383	371	353	(18)	-5%
Other/Central Services	1,054	1,379	1,090	(288)	-26%
<b>Total Expense</b>	<b>3,505</b>	<b>3,715</b>	<b>3,613</b>	<b>(103)</b>	<b>-3%</b>
<b>NOI Before Depreciation</b>	<b>(676)</b>	<b>(843)</b>	<b>(754)</b>	<b>(89)</b>	<b>-12%</b>
Depreciation	1,684	1,647	1,637	(9)	-1%
<b>NOI After Depreciation</b>	<b>(2,360)</b>	<b>(2,490)</b>	<b>(2,392)</b>	<b>(98)</b>	<b>-4%</b>

## Occupancy

- Elliott Bay's occupancy was 73.4%, slightly higher than in 2023. This increase was mainly due to the new AML license agreement, partially offset by spot usage by Pacific Pile and NOAA research vessels in 2023.

## Variance from Budget

- Total Revenue** exceeded the budget by **\$14K**, mainly due to a new license agreement with Alaska Marine Lines (AML). However, lower equipment revenue partially offset this increase, primarily because more customers began using their equipment to reduce costs.
- Total Expenses** went over budget by **(\$103K)**. The higher expenses from Support Services contributed (\$288K) to this increase. However, Bad Debt expenses were \$126K below the budget, primarily because more 2023 bad debt expenses were recovered from customers in 2024.

## Variance from 2023

- Revenue:** a **\$43K**, or 1%, increase primarily driven by a 3% - 5% rate increase in 2024 and a new license agreement with AML. This increase was offset by some absence of extended stays in 2023 for upgrades and repairs, fewer spot moorage use by other entities, and the missing Glacier Fish billing (~\$70K), from March to May, in Q2 due to lease negotiation process and it will be trued up in Q3. Additionally, there was a decline in Equipment rental as customers increasingly used their own equipment to cut costs.
- Expenses:** a **\$210K** increase in 2024 is primarily related to a \$325K increase in Support Services. \$436K of the increase is related to the ERL cleaning reserve for the Berth 6&8 project. The increase was offset by a (\$148K) decrease in Bad Debt expenses, mainly because the unpaid balance from 2023 was paid off in 2024.

# Maritime Portfolio Management

## Maritime Portfolio Management

\$ in 000s	2023	2024	2024	Bud Var	
<u>Revenue by Facility:</u>	Actual	Actual	Budget	\$	%
Terminal 91	1,894	2,145	1,906	238	13%
Terminal 106	167	892	895	(3)	0%
FT Office & Retail	1,027	1,000	937	63	7%
MIC Uplands	386	391	395	(4)	-1%
Salmon Bay Marina Uplands	40	41	42	(1)	-2%
SBM Office & Retail	313	277	286	(9)	-3%
Other (T108, T115)	94	98	95	3	3%
Utilities	1,284	1,292	1,376	(83)	-6%
<b>Total Revenue</b>	<b>5,205</b>	<b>6,136</b>	<b>5,931</b>	<b>205</b>	<b>3%</b>
<u>Dept Expenses:</u>					
Staff	305	329	295	(34)	-12%
Outside Services	6	9	298	289	97%
General Expenses	65	150	74	(76)	-102%
Equipment & Supplies	0	1	3	1	49%
Utilities	1,443	1,397	1,397	0	0%
<u>Support Services:</u>					
Maintenance	1,769	2,020	1,996	(23)	-1%
Project Management	165	105	466	361	77%
Environmental & Planning	244	470	454	(16)	-3%
Police/Security	610	651	574	(77)	-13%
Other/Central Services	2,281	2,069	2,097	28	1%
<b>Total Expense</b>	<b>6,888</b>	<b>7,201</b>	<b>7,655</b>	<b>454</b>	<b>6%</b>
<b>NOI Before Depreciation</b>	<b>(1,683)</b>	<b>(1,065)</b>	<b>(1,723)</b>	<b>658</b>	<b>-38%</b>
Depreciation	1,264	1,260	1,213	48	4%
<b>NOI After Depreciation</b>	<b>(2,947)</b>	<b>(2,325)</b>	<b>(2,936)</b>	<b>611</b>	<b>-21%</b>

### Overall Occupancy

- Marina Office & Retail: 56% (Buildings 79%, Land 43%)
- Maritime Industrial: 100% (100% both Buildings and Land)

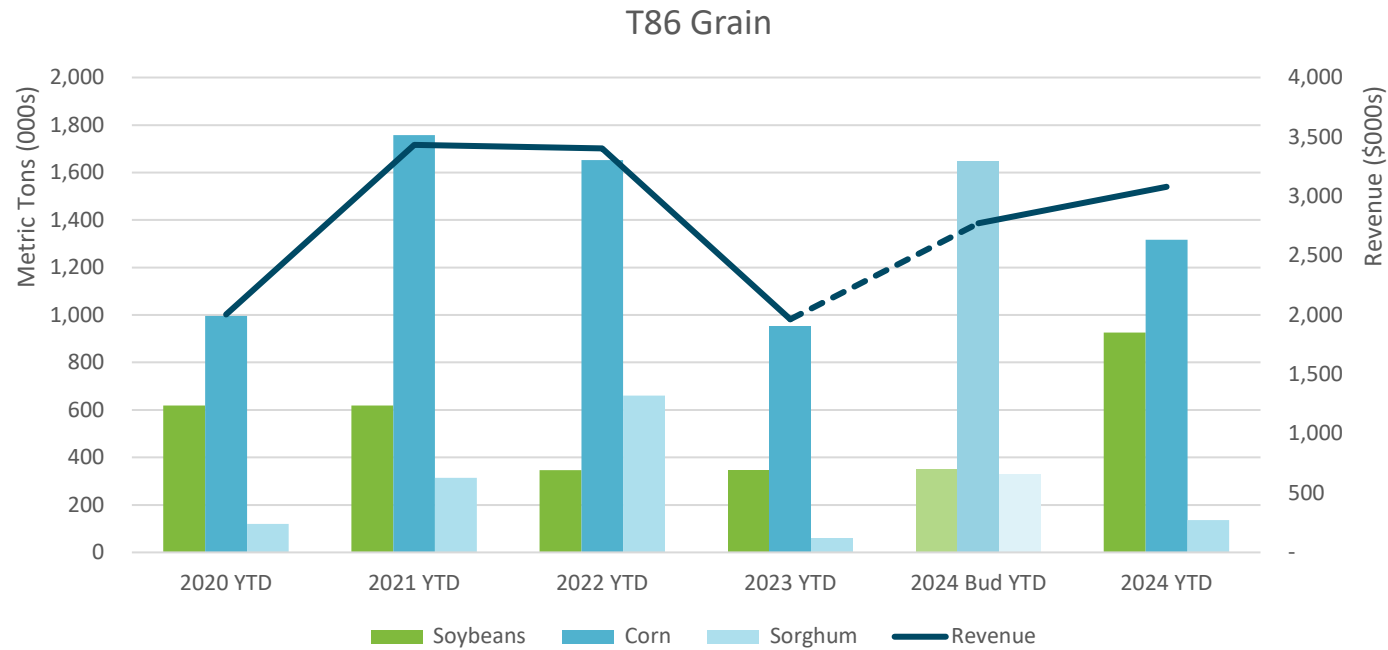
### Variance from Budget

- Revenues \$205K **Higher**
  - Higher revenue from Lineage Logistics due to market rate resets.
  - Some tenants partially budgeted in 2024 due to uncertainty about lease continuation.
  - Partially **offset** by less than anticipated water and sewer revenue at T91.
- Expenses \$454K **Lower**
  - Outside Services \$289K lower: unspent TI and broker's fees mainly at FT and SBM.
  - Project Management \$361K lower: unspent Outside Services at FT, SBM and T91.
  - Partially **offset** by \$162K ERL reserved for Seattle Ship Supply bldg. renovation, FT site improvements and MinC Soil Remediation projects.

### Variance from 2023

- Revenue \$931K **Increase**
  - TC Northwest Development full-rate revenue started in April 2024.
  - Lineage Logistic market rates reset.
- Expenses \$313K **Increase**
  - Maintenance, \$250K higher mainly due to higher Wages & Benefits at FT, T91 & T106.
  - \$162K ERL reserved for Seattle Ship Supply bldg. renovation, FT site improvements and MinC Soil Remediation projects.
  - Partially **offset** by unspent Outside Services (\$61K) and lower Central Services & Alloc expenses from PCS (\$100K) and from Risk Services (\$60K).

# Terminal 86



## 2024 YTD Revenue:

- \$306K or 11% higher than budget
- \$1.12K or 57% higher than Q1 2023

Q2 Net Income: \$2M

# Waterfront PM

Waterfront Project Management					
\$ in 000s	2023	2024	2024	Bud Var F/(U)	
<b>Expenses</b>	Actual	Actual	Budget	\$	%
Payroll	2,922	3,279	3,710	431	12%
Outside Services	1,016	421	1,093	671	61%
Travel & Other Employee Exp	14	22	49	27	55%
Charges to Capital	(1,467)	(1,803)	(2,281)	(479)	21%
Other / OH Allocations	21	(82)	53	135	256%
<b>Total Expenses</b>	<b>2,506</b>	<b>1,838</b>	<b>2,624</b>	<b>786</b>	<b>30%</b>

## Major Variances:

- The high variance in payroll is due to the vacant positions. As of end of Q2, there continue to be 5 vacancies.
- Charges to Capital projects continue to have less than estimated charges due to the learning curve, vacancies and more support provided by Project Controls (time charged to subclass 6260 is higher) than budgeted.
- Outside Services – SMWKS contracts budgeted in Org 6260 have a positive variance, some projects postponed to 2025/2026 or moved to Large Capital team; some projects are cancelled and new projects assigned.
- Other/OH Allocations - Favorable due to an accrual to WPM Org but charges made to the business Org.

## Key Project Milestones:

- T5 Container Yard Expansion – Issued RFQ on Design-Build contract
- MIC Electrical Infrastructure Replacement – Issued RFQ on Design-Build contract
- FT Norby Conference Room Renovation – NTP issued to contractor
- T91 Berth 6 & 8 Redevelopment – NTP issued to contractor
- FT Maritime Innovation Center: Construction underway with first major milestone complete with building move
- P66 Shore Power – Cable Positioning Device delivered
- Harbor Island E-Dock Replacement – Completed phase 1 north pier
- T106 CBP Office and Facility Improvement: Achieved substantial completion
- T5 Berth Modernization: Achieved -55 berth depth 8 months ahead of lease obligation (12/31/2024).
- T18 Dock Rehabilitation – Completed 90% design
- T18 Shore Power Shore Power – Completed 90% design
- T46 Substation #1 Replacement: Completed 100% design
- Commission Authorizations: 11 items, NWSA (3) & POS (8)



# Marine Maintenance

	2023 YTD Actual	2024 YTD Actual	2024 YTD Budget	Under/(Over) Bud \$	Var %
<b>Reimbursable Revenue</b>					
EDD	124	64	84	20	-24%
MD	93	43	75	32	-42%
JV	522	190	301	112	-37%
<b>Total Revenue</b>	<b>740</b>	<b>296</b>	<b>460</b>	<b>163</b>	<b>-36%</b>
<b>Labor</b>					
Staff	7,066	7,556	7,980	425	-5%
Equipment & Supplies	1,860	1,374	1,363	(11)	1%
Outside Services	316	203	256	53	-21%
Utilities	230	154	117	(38)	32%
General Expenses	6	(142)	8	150	-1935%
Other Expenses	50	(101)	(4)	96	2230%
SWU	1,129	1,434	1,467	33	-2%
Facilities	974	1,007	966	(40)	4%
BOST	878	998	1,113	115	-10%
Fleet	955	1,517	1,925	408	-21%
Admin	171	176	601	424	-71%
<b>Total Expense</b>	<b>13,637</b>	<b>14,177</b>	<b>15,792</b>	<b>1,615</b>	<b>-10%</b>
Depreciation	627	585	597	12	-2%
<b>NOI after Depreciation</b>	<b>(13,524)</b>	<b>(14,465)</b>	<b>(15,929)</b>	<b>(1,464)</b>	<b>-9%</b>

## Variance from Budget

### Reimbursable Revenue:

- Maritime – T91 Cruise (\$19K)
- JV – Lower spending at T18 and T46 (\$98K)

### Expenses

#### Labor:

- Staff: Vacancies (2) Labor CC & Driver.
- Outside Services: P69 Facilities Management (\$40K)
- General Expenses – Low \$100K related to Bad Debt Expense recovery from Customers, T46 & Coast Guard
- Other: Litigated injury \$110K

**SWU:** High in Capital \$38K and Equipment Rental \$64K. Low material charges continue \$76K.

**Facilities & Fleet** high in outside services: Bell Street HVAC

**BOST:** Low software licensing due to Maximo.

**Admin:** Comp/Timeloss (\$280K). Utilities, Custodial Supplies, Uniforms (\$100K). Spending is on target with Q2 in 2023.

## Variance from 2023

Reimbursables: Lower spending at: T18, T46 (JV), T91



# Maritime Management Admin

Maritime Admin (ORG basis)	2023	2024	2024	Bud Var	
\$ in 000's	Actual	Actual	Budget	\$	%
<b><u>Dept Expenses:</u></b>					
Salaries & Benefits	326	357	400	43	11%
Equipment Expense	1	4	4	-1	-20%
Supplies and Stock	1	1	1	-1	-109%
Outside Services	12	37	15	-21	-138%
Travel & Other Employee Exp	24	58	55	-3	-6%
Promotional Expenses	2	3	13	11	80%
General Expenses	-2	-7	0	7	NA
All Other Expenses	1	4	4	0	-3%
<b>Total Operating Expense</b>	<b>364</b>	<b>457</b>	<b>491</b>	<b>34</b>	<b>7%</b>

## Major Variances:

- **Salaries & Benefits:** Unfilled Chief Development Officer position
- **Outside Services:** Admin subclass to distribute costs to supported business units/subclasses for Project Controls Consultant (OTAK).

# Maritime Management Planning

<b>MD Planning (ORG basis)</b>	<b>2023</b>	<b>2024</b>	<b>2024</b>	<b>Bud Var</b>	
<b>\$ in 000's</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>\$</b>	<b>%</b>
<b><u>Dpt Expenses:</u></b>					
Salaries & Benefits	178	331	287	(44)	-15%
Equipment Expense	2	6	11	5	44%
Supplies and Stock	0	1	1	0	25%
Outside Services	0	1	351	350	100%
Travel & Other Employee Exp	1	0	10	10	99%
Promotional Expenses	0	0	0	0	NA
General Expenses	0	0	0	(0)	NA
All Other Expenses	1	1	1	(0)	-29%
<b>Total Operating Expense</b>	<b>181</b>	<b>340</b>	<b>660</b>	<b>321</b>	<b>49%</b>

## Major Variances:

- **Outside Services:** Variance due to capacity and time to build-out Strategic Planning/Policy program. Expected to spend 1/3 of budget by yearend.
- **Salaries & Benefits:** Variance due to EH (Lane)

# Environmental Business Highlights Q02

## Maritime Environment & Sustainability

- Entered into a settlement agreement with BP and Chevron for the T91 cleanup site for a total of \$5.125 million.
- Met with Ecology to discuss next steps for the Boeing Issacson cleanup site.
- Completed and published Puget Sound Maritime Air Emissions Inventory
- Kicked-off building energy audit program to achieve energy law compliance, reduce energy use, plan for net-zero emissions
- Applied for \$95M in state and federal funding to support zero emissions equipment and planning
- 8<sup>th</sup> amendment to the Cruise Memorandum of Understanding signed by all parties
- Ongoing SEF policy engagement on Maritime/EDD capital projects (P69 HVAC, MMSO, FT C-15)
- Supported development of environmental terms for the Carnival Preferential Berthing Agreement, which was approved by commission
- Entered into a purchase & sale agreement to sell 500 habitat credits from the Duwamish River Peoples Park (DRPP) mitigation bank site totaling \$48 million dollars.
- Terminal 91 Berths 6 and 8 Redevelopment: Federal in-water permits were issued in June for the Berths 6 and 8 Redevelopment Project, concluding nearly three years of negotiations with National Marine Fisheries Service and the US Army Corps of Engineers. Environmental staff are leading delivery of commitments with the Muckleshoot and Suquamish Tribes, including a vessel-based sonar survey to identify potential obstructions to tribal fisheries.
- Pier 66 Shore Power: Environmental staff has delivered on obligations of the Department of Natural Resources easement for the shore power cable, including recordation of as-built cable alignment survey drawings.
- Underwater Noise: Environmental staff has engaged a consultant to initiate an Underwater Noise Assessment Program over the next two to three years. Hydrophone and cable equipment has been procured and preliminary site selection is complete.

# Maritime Environment & Sustainability Q2

\$ in 000's	2022 YTD	2023 YTD	2024 YTD	2024 YTD	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Actual vs. Budget Variance		Change from 2023	
					\$	%	\$	%
<b>Expenses</b>								
Salaries & Benefits	1,212	1,760	2,150	2,174	24	1%	390	22%
Wages & Benefits	2	4	5	5	(0)	-4%	2	48%
Payroll to Cap/Govt/Envrs Proj	395	383	436	379	(56)	-15%	52	14%
Equipment Expense	15	22	10	11	1	12%	(12)	-55%
Utilities	1	2	2	-	(2)	NA	(0)	-13%
Supplies & Stock	2	4	9	6	(3)	-54%	5	151%
Outside Services	127	428	306	731	425	58%	(122)	-28%
Travel & Other Employee Exps	39	42	57	82	25	31%	14	34%
Telecommunications	7	8	8	12	4	34%	1	7%
Property Rentals	-	-	-	-	-	NA	-	NA
Promotional Expenses	6	-	6	3	(3)	-100%	6	NA
Worker's Compensation Expense	2	3	3	3	(0)	-5%	0	13%
General Expenses	9	22	(1)	2	3	123%	(22)	-102%
Overhead Allocations	(13)	(1)	(3)	3	6	190%	(2)	244%
Charges to Cap/Govt/Envrs Proj	(622)	(654)	(839)	(685)	154	-23%	(185)	28%
<b>Total</b>	<b>1,182</b>	<b>2,022</b>	<b>2,150</b>	<b>2,728</b>	<b>578</b>	<b>21%</b>	<b>128</b>	<b>6%</b>

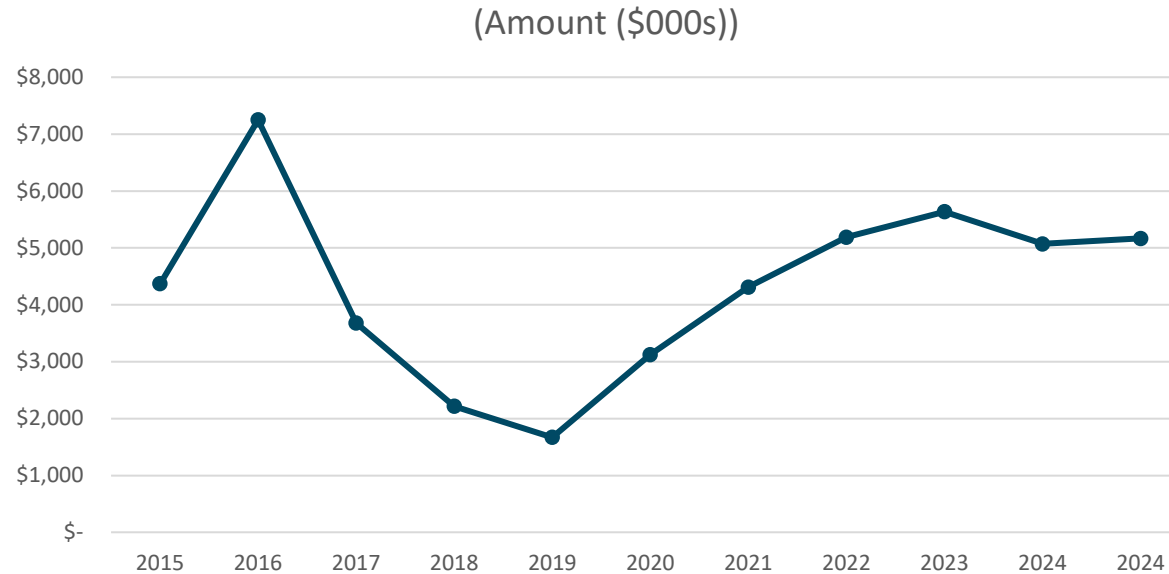
**Salaries & Benefits: 24K**  
unfavorable due to filling vacant positions higher than budgeted.

**Payroll to Cap/Govt/ENVRs (56K)**  
unfavorable charging more to Cap/ERL 25% higher than budgeted.

**Charges to Cap/ERL 154K**  
favorable due to increased direct charge.

**Outside Services 425K**  
favorable due to timing.

# Maritime SWU Fund Balance Q2



**\$5,071,273.68**  
**63 days above target**

# Business Highlights Marine SWU Q02

## Marine Stormwater Utility

- The 2023 Sustainable Century Awards for Aviation and Maritime partners were announced on 5/14 at the commission meeting, and included award to Muckleshoot Indian Tribe for salmon recovery program, and award luncheon was held 5/30
- Conducted two in-person trainings at Marine Maintenance North Operation on Industrial Stormwater General Permit requirements for staff that work out of this location
- Led DIRT Corps intern tour at Fishermen's Terminal to introduce 10 interns, some who were Spanish speakers, to the variety of port jobs, including construction, fishing operations, maintenance and stormwater protection
- Updated SWU website to include a page highlighting multi-lingual translated documents on best management practices
- Installed innovative stormwater system, Retain Drain, in 13 catchbasins at Jack Block Park and will monitor locations for effectiveness and maintenance requirements

# Stormwater Utility Admin (Org 8001) Q2

\$ in 000's	2022 YTD	2023 YTD	2024 YTD	2024 YTD	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Actual	Budget	Actual vs. Budget Variance		Change from 2023	
					\$	%	\$	%
<b>Expenses</b>								
Salaries & Benefits	236	255	348	319	(28)	-9%	93	36%
Wages & Benefits	0	0	1	(97)	(98)	101%	0	74%
Payroll to Cap/Govt/Envrs Proj	0	1	4	-	(4)	NA	3	324%
Equipment Expense	0	5	2	3	2	53%	(3)	-67%
Utilities	-	-	-	-	-	NA	-	NA
Supplies & Stock	-	0	0	1	0	55%	(0)	-30%
Outside Services	126	68	22	157	136	86%	(46)	-68%
Travel & Other Employee Exps	0	2	6	12	6	51%	3	133%
Telecommunications	0	0	2	4	2	48%	2	1431%
Property Rentals	-	-	-	-	-	NA	-	NA
Promotional Expenses	-	-	-	-	-	NA	-	NA
Worker's Compensation Expense	0	0	1	0	(0)	-43%	0	56%
General Expenses	0	3	0	3	3	95%	(3)	-95%
Overhead Allocations	-	-	-	-	-	NA	-	NA
Charges to Cap/Govt/Envrs Proj	(0)	(1)	(4)	-	4	NA	(3)	324%
<b>Total</b>	<b>364</b>	<b>335</b>	<b>381</b>	<b>403</b>	<b>23</b>	<b>6%</b>	<b>46</b>	<b>14%</b>

**Salaries & Benefits: (28K)**  
unfavorable due to estimated budget savings.

**Outside Services: 136**  
favorable variance for outside is due to timing.

**Wages & Benefits: (98K)**  
unfavorable due to estimated budget savings.

# Env Finance Highlights

## **Cost Recovery Program**

- Monsanto Settlement \$27.22M
- Completed 10 Grant Progress Reports and Claims
- NWSA T18 Shorepower
- NWSA T5 Stormwater and then closeout afterward
- EPA DERA – P66 Shorepower and EPA’s annual reporting
- DOE VW Air Quality – P66 Shorepower
- Clean Vessels Act Program
- DOE MTCA Grants: LDW, EWW, T91, T115N, T115 Boeing Plant 1
- Awarded grant for two electric forklifts for T91 from DOE’s Air Quality Division
- Re-applied for Clean Vessel Act Program grant as current 5 year is up for Rec Boating
- Applied for 8 new pumps replacement grant also through Clean Vessel Act Program

## **Small or Attractive Asset Program**

- Complete SAO Audit with minimal findings
- New policy Est publishing of Q02 2024

## **Grant Oversight Committee**

- Grant Oversight Committee is meeting twice a month
- And has completed six Port-wide improvement projects

## **Alteryx Program and Reporting**

- This team lead a Port-wide usable Timesheet Validation available to all Port Departments in Q01 2024

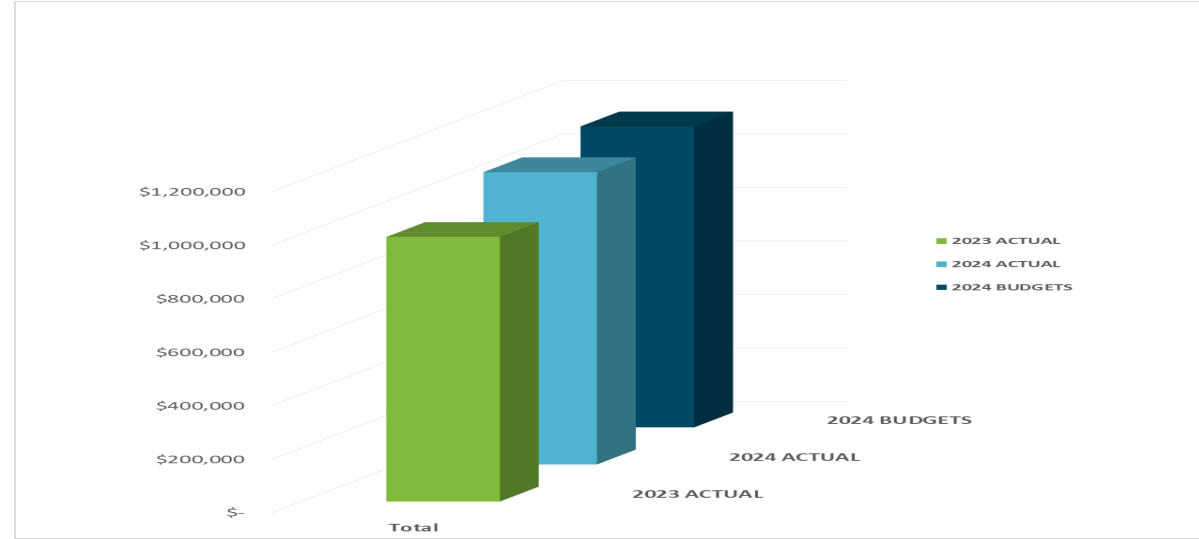
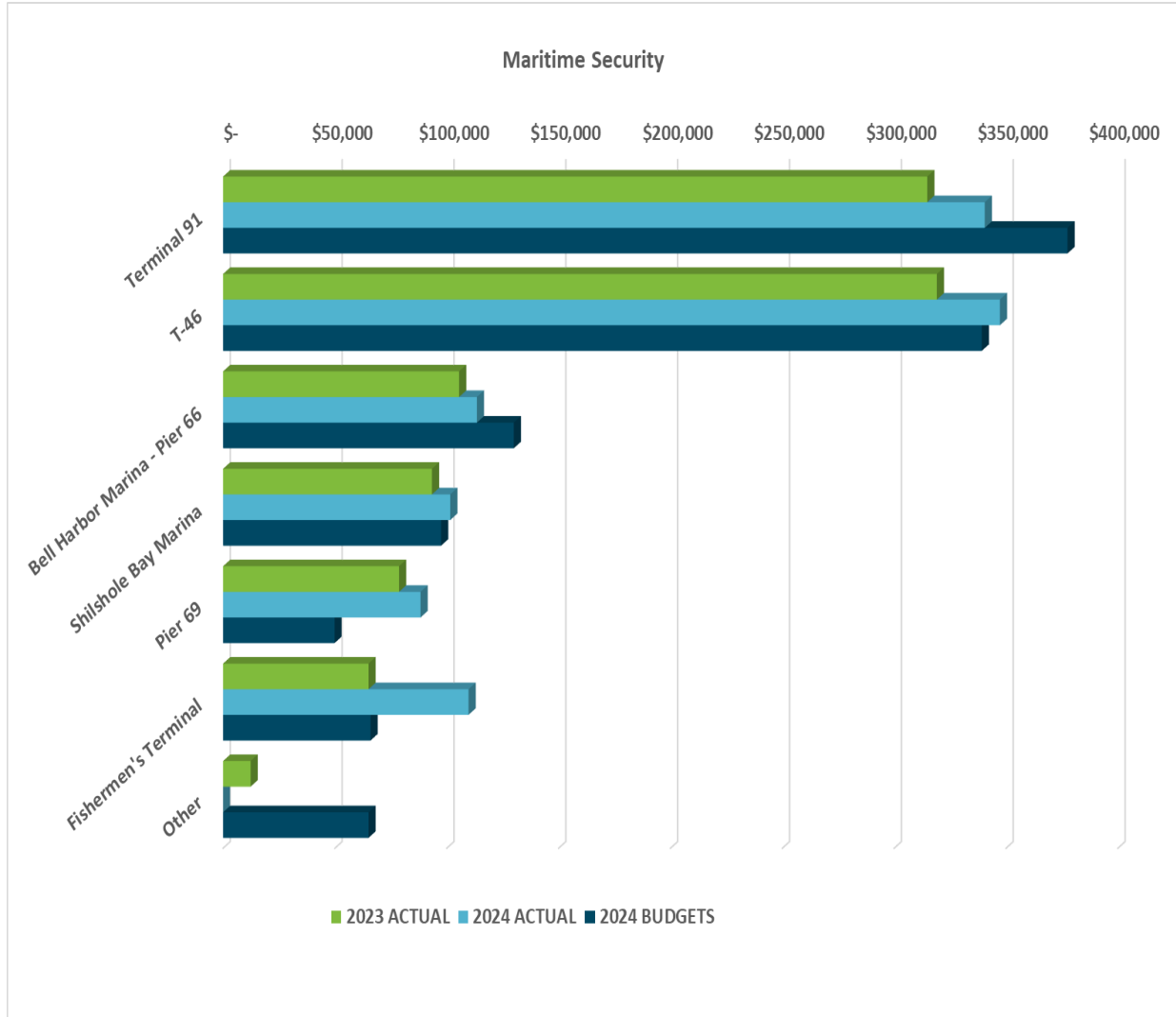


# Maritime Cost Recovery Through Q2

Maritime Environmental Cost Recovery (Cash received) in \$000					
<b>Grants</b>					
Site	Q1	Q2	Q3	Q4	Total
LD	(138)				(138)
EWW	-	-	-	-	-
T115N	(7)	-	-	-	(7)
T115 Plant 1	(43)	-	-	-	(43)
T91	(13)	-	-	-	(13)
<b>Subtotal</b>	<b>(201)</b>	-	-	-	<b>(201)</b>
<b>Insurance</b>					
T91 - GAIC	-	-	-	-	-
Settlement - Monsanto	(27,222)	-	-	-	(27,222)
Settlement - Crosby	(21)	-	-	-	(21)
Settlement - Sealand (Matson)	(155)	-	-	-	(155)
Settlement - Sealand (Residual)	(155)	-	-	-	(155)
Settlement -GAIC	-	-	-	-	-
<b>Subtotal</b>	<b>(27,553)</b>	-	-	-	<b>(27,553)</b>
<b>MOAs</b>					
LD	(127)	-	-	-	(127)
T117 Sediments	(2)	-	-	-	(2)
EWW	(43)	-	-	-	(43)
T108	(148)	-	-	-	(148)
T115 Plant 1	-	-	-	-	-
<b>Subtotal</b>	<b>(321)</b>	-	-	-	<b>(321)</b>
<b>Total</b>	<b>(28,075)</b>	-	-	-	<b>(28,075)</b>

- Some Q4-23 accrual grant money received.
- The Monsanto Settlement money is split evenly (\$13,611,000 each) between the East Waterway and Lower Duwamish Sites.
- The Sealand Settlement money is from Matson and Residual Party.

# Maritime Security



## Variance from Budget

- In 2024, we were almost **\$33K** under budget due to the following:
  - Lack of cruise-related activities and special events at T-91 & P66, as well as security requested at T-102 and HIM, which contributed to being \$135K below the budget; however, this was offset by
  - Unplanned special events, projects, as well as new requests for additional security service due to security concerns at FT & T46 contributed to being (\$57K) over the budget;
  - Additionally, we were (\$38K) over the budget due to the absence of a port employee for about two months, which required outside services;

## Variance from 2023

- **\$104K** increase primarily related to a 10% rate increase.

# Maritime Capital 2024

	2024 YTD Actual	2024 YE Forecast	2024 Budget	2024 POF	Budget vs Forecast	
					\$	%
\$ in 000's						
P66 Shore Power	15,204	25,258	25,085	27,752	173	1%
T91 Berth 6 & 8 Redev	101	21,913	21,931	19,223	(18)	0%
FT Maritime Innovation Center	284	7,499	7,384	14,789	115	2%
P66 Fender Replacement	1,794	3,094	2,800	2,382	294	11%
MIC Electrical Replacements	781	2,152	2,203	411	(51)	-2%
T91 New Cruise Gangway	20	3,570	2,090	3,040	1,480	71%
Sustainable Eval Framework Res	0	0	2,000	2,000	(2,000)	-100%
HIM Dock-E Improvements	1,526	2,606	1,920	2,350	686	36%
MD Small Projects	199	2,170	2,340	2,234	(170)	-7%
MD Fleet	1,140	4,295	4,038	4,503	257	6%
All Other Projects	1,540	15,566	15,449	30,341	117	1%
Subtotal	22,589	88,123	87,240	109,025	883	1%
CIP Cashflow Mgt - MD	0	(5,343)	(14,264)	(24,200)	8,921	-62.5%
<b>Total Maritime</b>	<b>22,589</b>	<b>82,780</b>	<b>72,976</b>	<b>84,825</b>	<b>9,804</b>	<b>13%</b>
<b>% of Capital Budget</b>	<b>31%</b>	<b>113%</b>	<b>100%</b>			

## Projects with Significant Variances

**T91 New Cruise Gangway** – Recently selected vendor requiring payments earlier in the delivery schedule. No overall increase to project.

**HIM Dock-E Improvements** – Project is now in construction. Updated forecast reflects latest schedule for contractor billings.

# Economic Development Division Appendix

2024 Q2 Financial Performance Report



# EDD YTD 2024 Financials

	2022 YTD	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget		Change from 2023	
	Actual	Actual	Actual	Budget	\$	%	\$	%
\$ in 000's								
Revenue	4,142	4,984	5,145	5,060	84	2%	161	3%
Conf & Event Centers	2,538	3,377	3,687	4,965	(1,278)	-26%	310	9%
<b>Total Revenue</b>	<b>6,680</b>	<b>8,361</b>	<b>8,832</b>	<b>10,025</b>	<b>(1,193)</b>	<b>-12%</b>	<b>470</b>	<b>6%</b>
<b>Expenses</b>								
Portfolio Management	1,898	1,534	2,025	1,916	(108)	-6%	491	32%
Conf & Event Centers	2,333	3,509	3,591	4,477	886	20%	82	2%
P69 Facilities Expenses	98	103	100	119	19	16%	(3)	-3%
RE Dev & Planning	132	145	115	122	6	5%	(30)	-21%
EconDev Expenses Other	492	503	778	323	(456)	-141%	276	55%
Maintenance Expenses	1,718	1,577	1,630	2,058	429	21%	53	3%
Maritime Expenses (Excl Maint)	535	661	651	929	277	30%	(10)	-2%
<b>Total EDD &amp; Maritime Expenses</b>	<b>7,205</b>	<b>8,032</b>	<b>8,890</b>	<b>9,944</b>	<b>1,053</b>	<b>11%</b>	<b>858</b>	<b>11%</b>
Diversity in Contracting	57	83	79	122	44	36%	(5)	-6%
Tourism	1,099	524	558	745	187	25%	34	6%
EDD Grants	(1)	143	66	277	212	76%	(77)	-54%
<b>Total EDD Initiatives</b>	<b>1,155</b>	<b>750</b>	<b>702</b>	<b>1,144</b>	<b>442</b>	<b>39%</b>	<b>(48)</b>	<b>-6%</b>
Environmental & Sustainability	10	21	31	49	17	36%	11	53%
Police Expenses	103	121	160	148	(12)	-8%	39	32%
Other Central Services	2,319	2,402	2,782	2,735	(47)	-2%	380	16%
Aviation Division	80	66	69	77	8	11%	3	4%
<b>Total Central Services &amp; Aviation</b>	<b>2,513</b>	<b>2,609</b>	<b>3,043</b>	<b>3,009</b>	<b>(33)</b>	<b>-1%</b>	<b>433</b>	<b>17%</b>
Envir Remed Liability	0	0	0	0	0	NA	0	NA
<b>Total Expense</b>	<b>10,872</b>	<b>11,392</b>	<b>12,635</b>	<b>14,097</b>	<b>1,462</b>	<b>10%</b>	<b>1,243</b>	<b>11%</b>
<b>NOI Before Depreciation</b>	<b>(4,192)</b>	<b>(3,031)</b>	<b>(3,803)</b>	<b>(4,072)</b>	<b>269</b>	<b>7%</b>	<b>(773)</b>	<b>-25%</b>
Depreciation	1,906	2,064	2,096	2,026	(70)	-3%	32	2%
<b>NOI After Depreciation</b>	<b>(6,099)</b>	<b>(5,094)</b>	<b>(5,899)</b>	<b>(6,098)</b>	<b>199</b>	<b>3%</b>	<b>(805)</b>	<b>-16%</b>

## Variance from Budget

### Revenue \$1,193K below budget

- Conference and Event Centers activity less than budgeted offset by favorable parking garage revenue.

### Expenses \$1,462K below budget

- Conference and Event Centers volumes driving reduced variable expenses.
  - 3rd Party Management - \$836K less
    - WTC - \$39K less
    - Bell Harbor - \$797K less
- Outside Services \$244K less than budget
  - Timing of tenant improvements
  - \$127K less in tourism contracted services, Personal Service for State of Washington Tourism invoice in process.

# EDD 2024 Forecast

	2022	2023	2024	2024	Actual vs. Budget		Change from 2023	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
\$ in 000's								
Revenue	8,886	10,477	10,386	10,386	0	0%	(91)	-1%
Conf & Event Centers	8,914	6,738	7,156	11,156	(4,000)	-36%	418	6%
<b>Total Revenue</b>	<b>17,799</b>	<b>17,215</b>	<b>17,542</b>	<b>21,542</b>	<b>(4,000)</b>	<b>-19%</b>	<b>327</b>	<b>2%</b>
<b>Expenses</b>								
Portfolio Management	3,653	3,713	3,917	3,917	0	0%	205	6%
Conf & Event Centers	6,563	6,632	6,602	9,602	3,000	31%	(30)	0%
P69 Facilities Expenses	230	254	225	225	0	0%	(29)	-11%
RE Dev & Planning	299	340	249	249	0	0%	(91)	-27%
EconDev Expenses Other	1,058	1,736	1,433	1,058	(375)	-35%	(303)	-17%
Maintenance Expenses	3,836	3,498	4,024	4,024	0	0%	526	15%
Maritime Expenses (Excl Maint)	1,223	1,501	1,894	1,894	0	0%	393	26%
<b>Total EDD &amp; Maritime Expenses</b>	<b>16,862</b>	<b>17,674</b>	<b>18,346</b>	<b>20,971</b>	<b>2,625</b>	<b>13%</b>	<b>672</b>	<b>4%</b>
Diversity in Contracting	186	268	250	250	0	0%	(18)	-7%
Tourism	1,737	1,540	1,875	1,875	0	0%	335	22%
EDD Grants	105	1,491	1,005	1,505	500	33%	(486)	-33%
<b>Total EDD Initiatives</b>	<b>2,028</b>	<b>3,300</b>	<b>3,130</b>	<b>3,630</b>	<b>500</b>	<b>14%</b>	<b>(169)</b>	<b>-5%</b>
Environmental & Sustainability	30	53	94	108	14	13%	41	77%
Police Expenses	240	288	305	289	(16)	-6%	17	6%
Other Central Services	4,906	5,206	5,803	5,539	(264)	-5%	597	11%
Aviation Division	147	141	132	132	0	0%	(9)	-7%
<b>Total Central Services &amp; Aviation</b>	<b>5,323</b>	<b>5,688</b>	<b>6,334</b>	<b>6,068</b>	<b>(266)</b>	<b>-4%</b>	<b>646</b>	<b>11%</b>
<b>Total Expense before Pension Adjustment</b>	<b>24,213</b>	<b>26,661</b>	<b>27,810</b>	<b>30,669</b>	<b>2,859</b>	<b>9%</b>	<b>1,149</b>	<b>4%</b>
Pension Expense Adjustment	(629)	(1,168)	0	0	0	NA	1,168	100%
<b>Total Expense</b>	<b>23,584</b>	<b>25,494</b>	<b>27,810</b>	<b>30,669</b>	<b>2,859</b>	<b>9%</b>	<b>2,316</b>	<b>9%</b>
<b>NOI Before Depreciation</b>	<b>(5,784)</b>	<b>(8,279)</b>	<b>(10,268)</b>	<b>(9,127)</b>	<b>(1,141)</b>	<b>-13%</b>	<b>(1,989)</b>	<b>-24%</b>
Depreciation	3,954	4,132	4,028	4,028	0	0%	(105)	-3%
<b>NOI After Depreciation</b>	<b>(9,738)</b>	<b>(12,411)</b>	<b>(14,295)</b>	<b>(13,154)</b>	<b>(1,141)</b>	<b>-9%</b>	<b>(1,884)</b>	<b>-15%</b>

## Variance from Budget

- Revenue forecasted at \$4M below budget.
  - Predicting a 36% reduction in Conference and Event Centers revenue based on CHI's June monthly report.
- Expenses forecasted at \$2,859K below budget.
  - Conference and Event Centers volumes driving reduced variable expenses.
  - Unbudgeted Legal costs driving Central Service variance.

# Portfolio Management

<b>EDD Portfolio Management</b>					
<b>\$ in 000s</b>	<b>2,023</b>	<b>2,024</b>	<b>2,024</b>	<b>Bud Var</b>	
<b>Revenue by Facility:</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>\$</b>	<b>%</b>
Conference Centers	1,327	1,783	2,113	(331)	-16%
Central Harbor Mgmt	2,147	2,514	2,281	233	10%
Utilities	121	107	123	(16)	-13%
<b>Total Revenue</b>	<b>3,595</b>	<b>4,404</b>	<b>4,518</b>	<b>(114)</b>	<b>-3%</b>
<b>Dept Expenses:</b>					
Staff	286	311	394	83	21%
Outside Services	52	155	65	(89)	-137%
General Expenses	1,711	1,953	2,381	428	18%
Equipment & Supplies	13	48	61	14	22%
Utilities	429	417	464	46	10%
<b>Support Services:</b>					
Maintenance	742	806	1,044	238	23%
Project Management	42	61	144	83	58%
Environmental & Planning	37	36	48	11	24%
Maritime Security	91	83	120	37	31%
Maritime Other	133	116	133	17	13%
Central Services/Others (Alloc)	1,443	1,908	1,654	(254)	-15%
<b>Total Expense</b>	<b>4,978</b>	<b>5,894</b>	<b>6,509</b>	<b>615</b>	<b>9%</b>
<b>NOI Before Depreciation</b>	<b>(1,383)</b>	<b>(1,490)</b>	<b>(1,991)</b>	<b>501</b>	<b>-25%</b>
Depreciation	1,022	1,047	1,012	35	3%
<b>NOI After Depreciation</b>	<b>(2,405)</b>	<b>(2,537)</b>	<b>(3,003)</b>	<b>466</b>	<b>-16%</b>

## Occupancy

- Central Harbor & CEC: 87%
- T91-Uplands: 100%

## Variance from Budget

- Revenue \$114K **lower**
  - Conf. & Event Centers \$331K **lower**- loss to competition of budgeted events
  - Central Harbor Mgmt., \$233K **higher** .
    - An account's revenue misassigned to Portfolio Management.
    - Higher revenue from Bell Street Garage due to overflow parking.
- Expense \$615K **lower**
  - Conf. and Event Centers volumes driving reduced variable expenses.

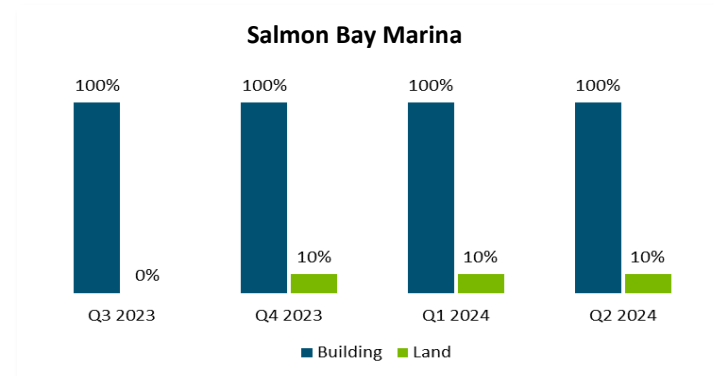
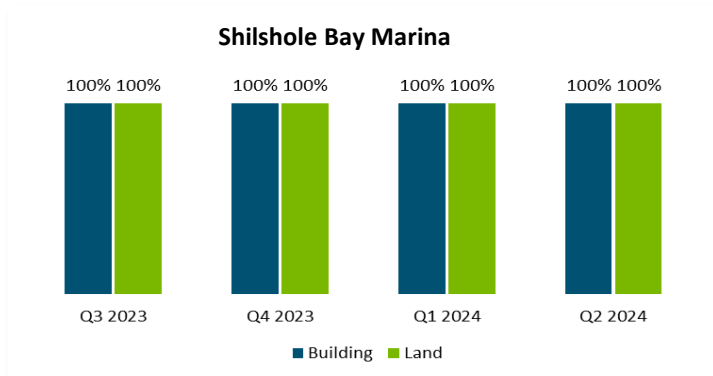
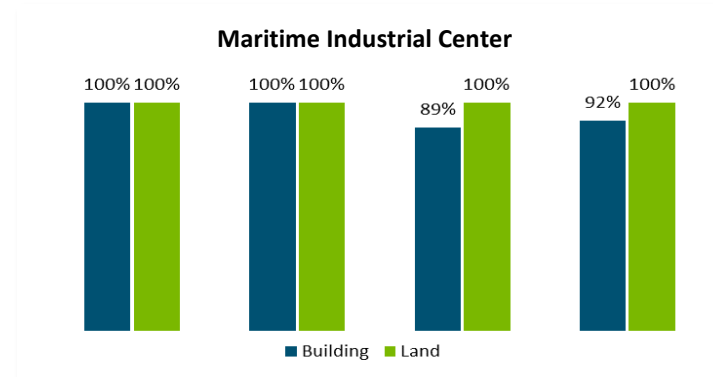
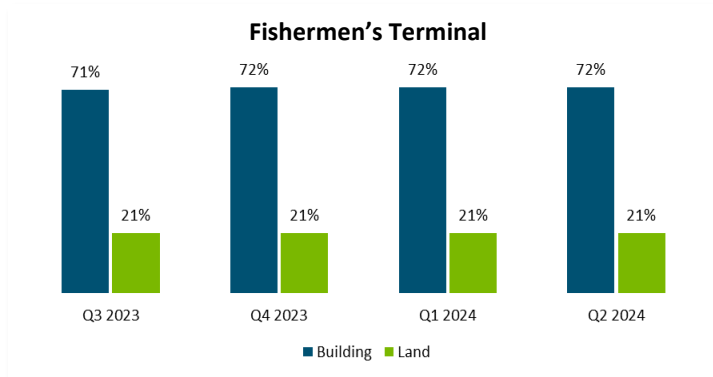
## Variance from 2023

- Revenue \$809K **higher**
  - Conf. & Event Centers \$455K **higher**- fewer event cancellations.
  - Central Harbor Mgmt., \$367K **higher** – same reasons as budget variance.
- Expense \$915K **higher**
  - General expense \$428 higher- Conf. and Event Centers volumes increased variable expenses.
  - Central Service \$465K higher- Higher allocation from Division Admin, External Relations, Police Dept.

# Maritime Portfolio Occupancy

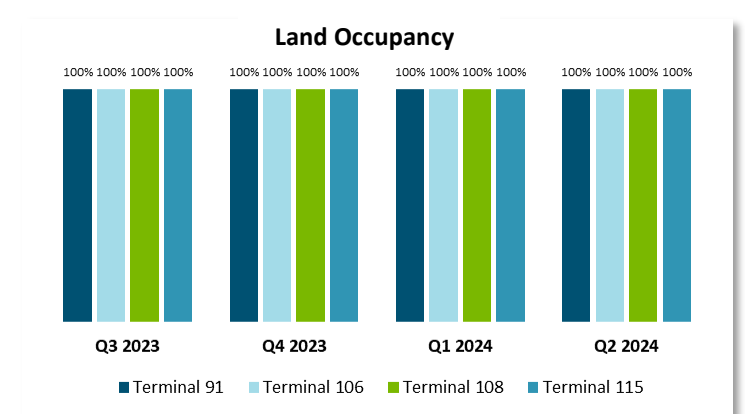
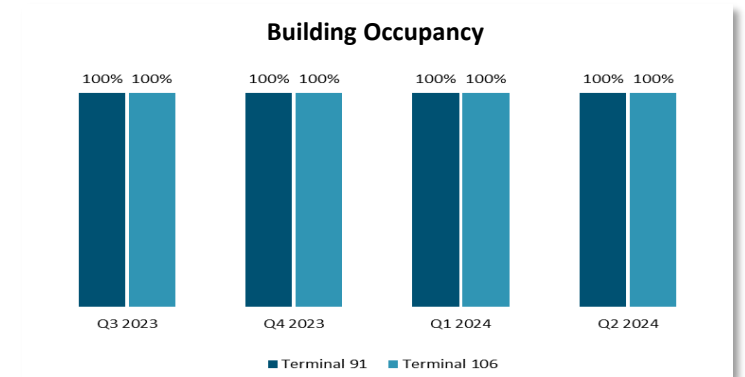
## Marina Office and Retail

Overall Occupancy  
Building **79%** Land **43%**



## Maritime Industrial

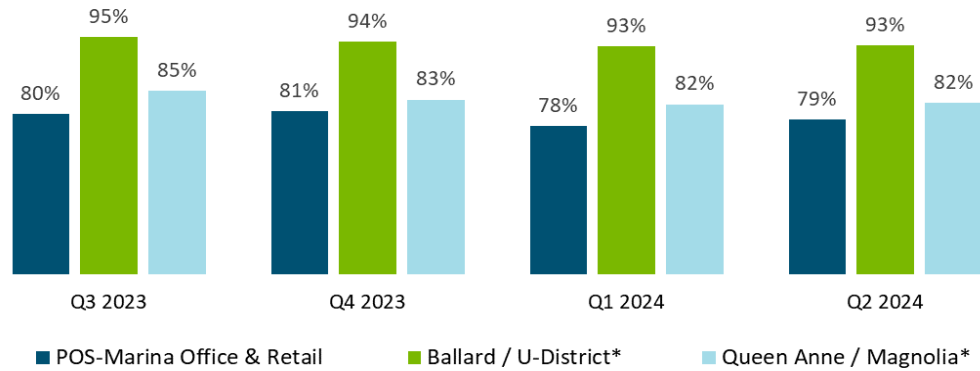
Overall Occupancy  
Building **100%** Land **100%**



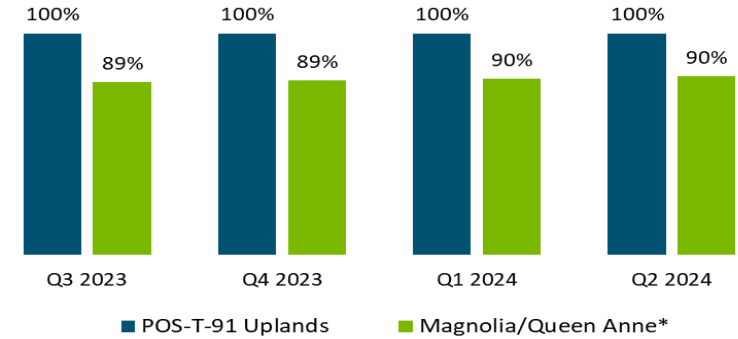


# All Portfolio Management Market Statistics

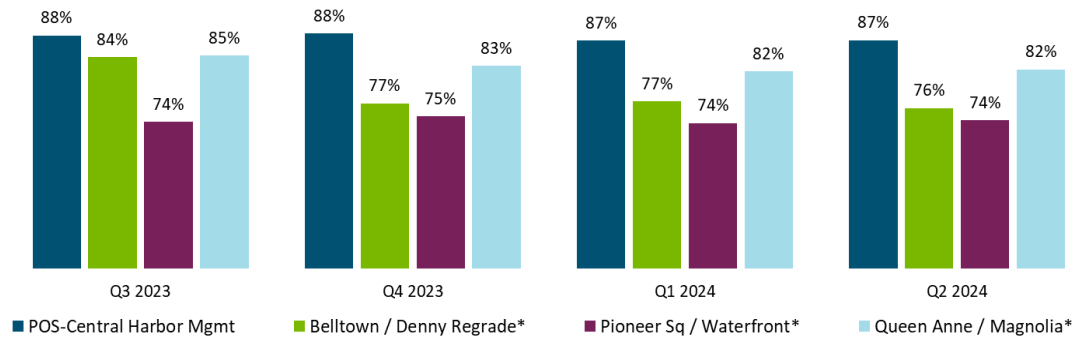
**Marina Office & Retail Building Occupancy Rate (Office)**



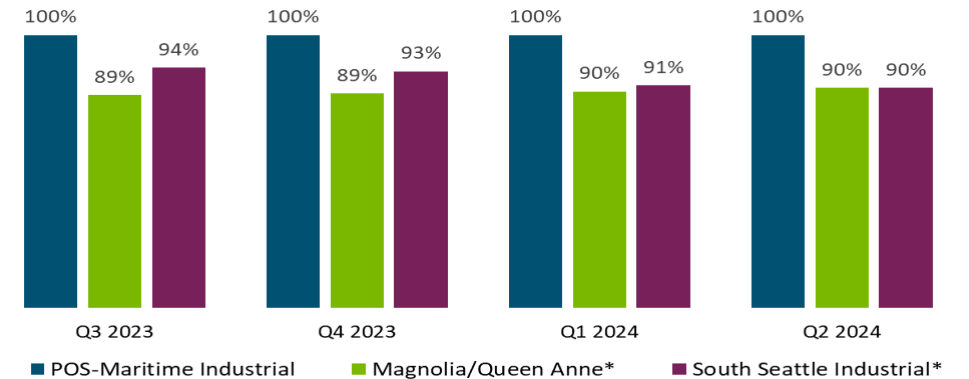
**T-91 Uplands Building Occupancy Rate (Industrial)**



**Central Harbor Management Building Occupancy Rate (Office)**



**Martime Industrial Building Occupancy Rate (Industrial)**



\* Information source: Costar-Office & Industrial Market Averages (does not capture land only leases)

# EDD Capital

	2024 YTD Actual	2024 YE Forecast	2024 Budget	2024 POF	Budget vs Forecast	
					\$	%
\$ in 000's						
T91 Uplands Dev Phase I	801	1,751	2,650	18,409	(899)	-34%
P69 Underdock Utility Rplc	730	850	1,050	600	(200)	-19%
P69 Public Video Wall	41	291	575	725	(284)	-49%
WTCW Roof Replacement	187	452	461	83	(9)	-2%
P69 Computer Room CRAC Repl	44	386	386	529	0	0%
T91 Ped Path and Bike Bridge	156	267	346	1,350	(79)	-23%
EDD Tenant Improvements	0	300	300	300	0	0%
EDD Technology Projects	0	250	250	250	0	0%
CW Bridge Elev Modernizations	117	117	220	0	(103)	-47%
P69 3rd Floor Terrace Repair	0	10	130	775	(120)	-92%
All Other Projects	173	692	579	6,204	113	20%
Subtotal	2,249	5,366	6,947	29,225	(1,581)	-23%
CIP Cashflow Mgmt Reserve	0	(962)	(1,810)	(8,724)	848	-47%
<b>Total Economic Development</b>	<b>2,249</b>	<b>4,404</b>	<b>5,137</b>	<b>20,501</b>	<b>(733)</b>	<b>-14%</b>
<b>% of Capital Budget</b>	<b>44%</b>	<b>86%</b>	<b>100%</b>			

**T91 Uplands** – Cash flows pushed out to 2024 due to design contract delays.

**P69 Underdock** – Project nearly complete

**P69 Public Video Wall** – Delayed while final design modifications are pending executive review/approval.

# Central Services Appendix

2024 Q2 Financial Performance Report



# Central Services Business Events

- Hosted media events to welcome new service announcements for Philippine Airlines, Hainan Airlines, Alaska Airlines, Delta and Lufthansa.
- Celebrated inaugural call of the Celebrity Edge cruise ship.
- Announced South King County Fund Environmental Grants.
- Hosted media for Maritime Innovation Center Groundbreaking event.
- Signed MOA with Suquamish Indian Tribe.
- Participated in the Green Infrastructure Leadership Exchange panel discussion
- Received ultra-clean audit results on FY 2023 external audits.
- Submitted \$500 million joint grant application with NWSA and Port of Tacoma for the EPA's Clean Ports Program for a variety of zero emissions technologies.
- 95% of Port employees completed the required EEO Compliance trainings as of Q2.

# Central Services YTD Financial Highlights

	2022 YTD	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget		Change from 2023	
	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
\$ in 000's					\$	%	\$	%
<b>Total Operating Revenues</b>	<b>271</b>	<b>290</b>	<b>145</b>	<b>48</b>	<b>96</b>	<b>199.6%</b>	<b>(145)</b>	<b>-50.0%</b>
Core Central Support Services	44,434	51,528	60,287	59,243	(1,044)	-1.8%	8,758	17.0%
Police	14,211	17,323	22,345	20,754	(1,591)	-7.7%	5,022	29.0%
Engineering/PCS	4,418	6,383	6,607	9,571	2,964	31.0%	224	3.5%
<b>Total Operating Expenses</b>	<b>63,064</b>	<b>75,235</b>	<b>89,239</b>	<b>89,568</b>	<b>330</b>	<b>0.4%</b>	<b>14,004</b>	<b>18.6%</b>

2024 YTD Total Operating Expenses are \$330K under the budget due to:

- Payroll above budget due to mainly due to higher COLA increase than budgeted
- Other Expense over budget mainly due to the \$2.5M earlier payment for Seattle Aquarium than budgeted
- Lower Expenses from Outside Services, Travel, and Equipment offset the higher Payroll and Promotional Expenses.

2024 YTD Total Operating expenses are \$14.0M higher compared to 2023 due to:

- Higher Payroll in 2024 due to pay increase and new positions hired in 2023
- Higher Outside Services and the \$2.5M payment to Seattle Aquarium

# Central Services YTD Expense by Category

\$ in 000's	2022 YTD	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget		Change from 2023	
	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
					\$	%	\$	%
Salaries & Benefits	37,854	44,334	50,758	50,174	(584)	-1.2%	6,424	14.5%
Wages & Benefits	13,103	16,345	20,498	18,578	(1,921)	-10.3%	4,153	25.4%
Payroll to Capital Projects	7,857	9,367	11,343	12,475	1,131	9.1%	1,976	21.1%
Equipment Expense	1,155	1,146	790	1,368	578	42.3%	(356)	-31.1%
Supplies & Stock	312	518	433	536	103	19.3%	(86)	-16.6%
Outside Services	11,708	15,232	18,945	20,749	1,804	8.7%	3,713	24.4%
Travel & Other Employee Expenses	726	999	1,243	2,001	758	37.9%	244	24.4%
Insurance Expense	1,950	2,163	2,571	2,507	(64)	-2.5%	408	18.8%
Litigated Injuries & Damages	808	206	459	-	(459)	0.0%	253	122.7%
Other Expenses	1,523	2,439	3,883	2,691	(1,192)	-44.3%	1,444	59.2%
Charges to Capital Projects/Overhead Alloc	(13,930)	(17,514)	(21,684)	(21,510)	174	-0.8%	(4,170)	23.8%
<b>TOTAL</b>	<b>63,064</b>	<b>75,235</b>	<b>89,239</b>	<b>89,568</b>	<b>330</b>	<b>0.4%</b>	<b>14,004</b>	<b>18.6%</b>

- Payroll above budget due to mainly due to higher COLA increase than budgeted
- Outside Services below budget due to spending delays
- Other Expense over budget mainly due to the \$2.5M earlier payment for Seattle Aquarium than budgeted

# Central Service Financial Summary (YE Forecast)

	2022	2023	2024	2024	Actual vs. Budget Variance		Change from 2023	
\$ in 000's	Actual	Actual	Forecast	Budget	\$	%	\$	%
<b>Total Operating Revenues</b>	<b>2,538</b>	<b>(216)</b>	<b>251</b>	<b>163</b>	<b>88</b>	<b>53.8%</b>	<b>467</b>	<b>-216.3%</b>
Core Central Support Services	91,149	107,625	127,188	120,940	(6,247)	-5.2%	19,562	18.2%
Police	35,064	36,562	42,736	40,538	(2,197)	-5.4%	6,174	16.9%
Engineering/PCS	8,704	11,907	16,042	19,488	3,446	17.7%	4,135	34.7%
<b>Total Operating Expenses</b>	<b>134,917</b>	<b>156,094</b>	<b>185,965</b>	<b>180,967</b>	<b>(4,998)</b>	<b>-2.8%</b>	<b>29,871</b>	<b>19.1%</b>

# Central Services Capital Spending

\$ in 000's	2024	2024	2024	2024	Budget Variance	
	YTD Actual	Year-End Forecast	Budget	Plan of Finance	\$	%
Engineering Fleet Replacement	276	3,817	3,716	1,890	(101)	-2.7%
Corporate Fleet Replacement	251	1,072	1,189	920	117	9.8%
Services Tech - Small Cap	688	2,046	1,623	1,500	(423)	-26.1%
Infrastructure - Small Cap	437	958	1,500	1,500	542	36.1%
Enterprise Network Refresh	1,645	2,045	2,600	2,600	555	21.3%
ID Badge System Upgrade	72	2,072	2,551	2,550	479	18.8%
Radio Microwave Redundancy Loop	11	341	2,272	1,973	1,931	85.0%
Public Safety Dispatch & Police RMS	220	220	950	1,720	730	76.8%
Enterprise Firewall Refresh	11	510	1,550	1,460	1,040	67.1%
Physical Access Control System Refresh	5	905	1,250	1,100	345	27.6%
Office Wi-Fi Refresh	607	612	1,565	1,000	953	60.9%
Other (note 1)	657	3,413	5,052	5,916	1,639	32.4%
Subtotal	4,880	18,011	25,818	24,129	7,807	30.2%
CIP Cashflow Adjustment	-	(4,600)	(6,800)	(6,200)	(2,200)	32.4%
<b>TOTAL</b>	<b>4,880</b>	<b>13,411</b>	<b>19,018</b>	<b>17,929</b>	<b>5,607</b>	<b>29.5%</b>

Note:

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



# Portwide Appendix

2024 Q2 Financial Performance Report



# Port Wide Financial Summary

\$ in 000's	2022 YTD	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget		Change from 2023	
	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
					\$	%	\$	%
Aeronautical Revenues	181,846	240,218	252,437	253,399	(961)	-0.4%	12,219	5.1%
Airport Non-Aero Revenues	114,802	145,446	158,483	152,359	6,125	4.0%	13,037	9.0%
Non-Airport Revenues	65,638	76,356	82,984	79,027	3,956	5.0%	6,628	8.7%
<b>Total Operating Revenues</b>	<b>362,286</b>	<b>462,020</b>	<b>493,904</b>	<b>484,784</b>	<b>9,120</b>	<b>1.9%</b>	<b>31,884</b>	<b>6.9%</b>
Total Operating Expenses	220,822	264,713	291,409	302,353	10,944	3.6%	26,696	10.1%
<b>NOI before Depreciation</b>	<b>141,464</b>	<b>197,307</b>	<b>202,495</b>	<b>182,431</b>	<b>20,064</b>	<b>11.0%</b>	<b>5,188</b>	<b>2.6%</b>
Depreciation	104,114	123,656	127,401	125,519	(1,882)	-1.5%	3,745	3.0%
<b>NOI after Depreciation</b>	<b>37,350</b>	<b>73,651</b>	<b>75,094</b>	<b>56,912</b>	<b>18,182</b>	<b>31.9%</b>	<b>1,443</b>	<b>2.0%</b>

- Total Operating Revenues: \$9.1M higher than budgeted
- Total Operating Expenses: \$10.9M below budget mainly due to delay in Outside Services spending, less Equipment purchases, and Travel & Other Employee Expenses.
- NOI before Depreciation: \$20.1M above budget

# Non-Airport YTD Financial Summary

	2022 YTD	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget		Change from 2023	
	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
\$ in 000's					\$	%	\$	%
NWSA Distributable Revenue	24,527	28,949	29,664	28,577	1,087	3.8%	715	2.5%
Maritime Revenues	31,788	35,856	42,092	38,039	4,053	10.7%	6,236	17.4%
EDD Revenues	6,680	8,361	8,832	10,025	(1,193)	-11.9%	470	5.6%
SWU & Other	2,643	3,189	2,396	2,386	10	0.4%	(794)	-24.9%
<b>Total Operating Revenues</b>	<b>65,638</b>	<b>76,356</b>	<b>82,984</b>	<b>79,027</b>	<b>3,956</b>	<b>5.0%</b>	<b>6,628</b>	<b>8.7%</b>
Total Operating Expenses	43,508	49,171	55,585	59,207	3,622	6.1%	6,415	13.0%
<b>NOI before Depreciation</b>	<b>22,129</b>	<b>27,185</b>	<b>27,399</b>	<b>19,820</b>	<b>7,579</b>	<b>38.2%</b>	<b>213</b>	<b>0.8%</b>
Depreciation	18,918	19,138	18,988	18,582	(406)	-2.2%	(150)	-0.8%
<b>NOI after Depreciation</b>	<b>3,211</b>	<b>8,047</b>	<b>8,411</b>	<b>1,238</b>	<b>7,173</b>	<b>579.4%</b>	<b>363</b>	<b>4.5%</b>

- Non-Airport Operating Revenue: \$4.0M above budget due to higher revenues from Cruise and NWSA Distributable Revenues; offset by lower revenues from Conference & Event Center.
- Operating Expenses: \$3.6M lower than budget because of project spending delays and timing of tenant improvements and maintenance.

# Port Wide YTD Operating Revenues Summary

	2022 YTD	2023 YTD	2024 YTD		Actual vs. Budget		Change from 2023	
	Actual	Actual	Actual	Budget	Variance	%	Incr (Decr)	%
\$ in 000's					\$		\$	
Aeronautical Revenues	181,846	240,218	252,437	253,399	(961)	-0.4%	12,219	5.1%
Public Parking	41,842	52,391	59,047	53,543	5,505	10.3%	6,656	12.7%
Rental Cars - Operations	16,803	18,021	16,759	17,737	(977)	-5.5%	(1,262)	-7.0%
Rental Cars - Operating CFC	-	5,495	6,916	6,724	191	2.8%	1,421	25.9%
ADR & Terminal Leased Space	26,131	31,985	36,364	35,551	813	2.3%	4,379	13.7%
Ground Transportation	9,226	11,750	11,853	11,610	243	2.1%	103	0.9%
Employee Parking	5,062	5,460	5,223	5,828	(605)	-10.4%	(237)	-4.3%
Airport Commercial Properties	7,520	9,618	9,930	9,565	365	3.8%	312	3.2%
Airport Utilities	3,845	4,194	4,513	5,045	(532)	-10.5%	319	7.6%
Clubs and Lounges	3,048	5,436	6,753	5,617	1,136	20.2%	1,318	24.2%
Cruise	11,258	15,437	19,027	15,713	3,313	21.1%	3,589	23.3%
Recreational Boating	6,914	7,751	8,321	8,230	91	1.1%	570	7.4%
Fishing & Operations	4,967	5,481	5,523	5,389	133	2.5%	42	0.8%
Grain	3,405	1,964	3,079	2,773	306	11.1%	1,116	56.8%
Maritime Portfolio Management	5,237	5,205	6,136	5,931	205	3.5%	931	17.9%
Central Harbor Management	4,131	4,960	5,126	5,049	77	1.5%	165	3.3%
Conference & Event Centers	2,538	3,377	3,687	4,965	(1,278)	-25.7%	310	9.2%
NWSA Distributable Revenue	24,527	28,949	29,664	28,577	1,087	3.8%	715	2.5%
Other	3,986	4,329	3,545	3,538	7	0.2%	(784)	-18.1%
<b>Total Operating Revenues (w/o Aero)</b>	<b>180,440</b>	<b>221,802</b>	<b>241,467</b>	<b>231,386</b>	<b>10,081</b>	<b>4.4%</b>	<b>19,665</b>	<b>8.9%</b>
<b>TOTAL</b>	<b>362,286</b>	<b>462,020</b>	<b>493,904</b>	<b>484,784</b>	<b>9,120</b>	<b>1.9%</b>	<b>31,884</b>	<b>6.9%</b>

# Port Wide YTD Operating Expense Summary

	2022 YTD	2023 YTD	2024 YTD	2024 YTD	Actual vs. Budget		Change from 2023	
	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
\$ in 000's					\$	%	\$	%
Salaries & Benefits	76,063	90,131	103,497	103,635	138	0.1%	13,365	14.8%
Wages & Benefits	67,884	79,333	88,341	85,200	(3,141)	-3.7%	9,008	11.4%
Payroll to Capital Projects	12,936	15,420	18,260	22,447	4,187	18.7%	2,840	18.4%
Outside Services	48,370	57,354	65,851	87,424	21,574	24.7%	8,496	14.8%
Utilities	16,626	15,541	17,162	16,365	(797)	-4.9%	1,621	10.4%
Equipment Expense	4,532	5,683	5,063	6,301	1,238	19.6%	(621)	-10.9%
Supplies & Stock	4,227	5,617	5,686	4,803	(882)	-18.4%	69	1.2%
Travel & Other Employee Expenses	1,675	2,208	2,827	4,869	2,042	41.9%	620	28.1%
Third Party Mgmt Op Exp	3,498	5,485	6,110	6,933	823	11.9%	624	11.4%
B&O Taxes	2,246	2,895	3,027	3,123	97	3.1%	132	4.6%
Other Expenses	7,578	14,991	13,313	10,249	(3,063)	-29.9%	(1,678)	-11.2%
Charges to Capital Projects/Overhead Alloc	(24,814)	(29,947)	(37,726)	(48,999)	(11,272)	23.0%	(7,780)	26.0%
<b>TOTAL</b>	<b>220,822</b>	<b>264,713</b>	<b>291,409</b>	<b>302,353</b>	<b>10,944</b>	<b>3.6%</b>	<b>26,696</b>	<b>10.1%</b>

- Outside Services were \$21.6M under budget due to project delays.
- Equipment Expense were \$1.2M under budget due to project delays.
- Travel & Other Employee Expenses were \$2.0M lower than budget due to delays in training and travel.
- Third Party Management Op Expense was \$823K under budget to less activities than budgeted.
- Charges to Capital Projects were lower by (\$11.3M) due to delays in Capital Projects.

# Port Wide Capital Spending Summary

\$ in 000's	2024	2024	2024	2024	Budget Variance	
	YTD Actual	Forecast	Budget	Plan of Finance	\$	%
Aviation	302,940	684,442	682,384	717,598	(2,058)	-0.3%
Maritime	31,537	78,701	72,976	84,825	(5,725)	-7.8%
Economic Development	2,249	4,404	5,137	20,501	733	14.3%
Central Services & Other (note 1)	5,293	16,069	20,716	19,742	4,647	22.4%
<b>TOTAL</b>	<b>342,019</b>	<b>783,616</b>	<b>781,213</b>	<b>842,666</b>	<b>(2,403)</b>	<b>-0.3%</b>

Note:

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