

SEAPORT DIVISION

A. 2008 BUDGET SUMMARY

TABLE VI-1: 2008 BUDGET SUMMARY

(in thousands)	2004 Actual	2005 Actual	2006 Actual	2007 Budget	2007 Forecast	2008 Budget
REVENUE:						
Services	35,304	38,260	35,477	33,334	35,489	14,931
Property Rentals	50,567	60,533	70,761	70,825	71,396	67,840
Security Grant and Contract Revenues	23,199	5,462	4,268	350	415	5,211
Total Revenue	109,070	104,254	110,505	104,509	107,300	87,982
OPERATING EXPENSES:						
Operations and maintenance	63,454	46,365	46,381	46,218	47,644	29,497
Earthquake repair expense - net	-	17	3	-	-	-
Law enforcement	2,994	3,701	3,674	3,645	3,645	2,723
Administration	9,042	9,612	10,200	12,064	12,064	10,310
Environmental	2,217	7,468	(1,320)	1,900	4,486	950
Total operating expenses before depreciation	77,708	67,164	58,938	63,828	67,840	43,480
OPERATING INCOME BEFORE DEPRECIATION	31,362	37,090	51,567	40,681	39,460	44,501
Depreciation	35,813	37,002	35,490	40,227	39,227	28,951
OPERATING INCOME AFTER DEPRECIATION	(4,451)	88	16,077	454	233	15,550
NON-OPERATING INCOME (EXPENSE) :						
Ad valorem tax levy revenue	59,357	55,650	61,518	61,244	61,244	53,878
Grants and donations	2,876	3,691	10,408	17,698	17,698	4,340
Investment income - net	619	1,803	2,824	1,621	1,621	5,493
Revenue and capital appreciation bond interest expense	(6,422)	(7,032)	(7,569)	(9,677)	(9,677)	(15,381)
General obligation bond interest expense - net	(11,520)	(12,629)	(15,754)	(14,870)	(14,870)	(13,933)
Public Expense	(666)	(1,319)	(10,298)	(21,698)	(21,698)	(7,540)
Other expense - net	2,690	(9,843)	(15,996)	(3,548)	(3,548)	(10,727)
Total non-operating income - net	46,936	30,321	25,132	30,770	30,770	16,130
INCREASE (DECREASE) IN NET ASSETS	42,484	30,409	41,209	31,224	31,003	31,681
EMPLOYMENT(FTEs)	189.0	177.2	198.8	202.0	202.6	81.8
Notes:						
Effective in 2008, certain business groups and services formerly within the Seaport Division were transferred to the new Real Estate Division.						
Accordingly, 2004-2006 Actuals, 2007 Budget and 2007 Forecast amounts are not directly comparable with the 2008 Budget.						

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B. BUSINESS PLAN FORECAST

TABLE VI-2: BUSINESS PLAN FORECAST

	(in 000's)	Notes	Budget 2007	Budget 2008	Forecast				Compound Growth 2007-2012
					2009	2010	2011	2012	
OPERATING BUDGET									
Operating Revenue			\$104,509	\$82,978	\$83,689	\$85,587	\$87,660	\$88,971	-3.2%
Security Reimbursement			0	5,004					
Total Operating Revenues		1	\$104,509	\$87,982	\$83,689	\$85,587	\$87,660	\$88,971	-3.2%
Operating & Maintenance Expense			\$48,119	\$30,447	23,796	24,405	25,042	25,698	-11.8%
Corporate Administrative Expense		2	12,064	10,310	10,996	11,727	12,504	13,019	1.5%
Law Enforcement Costs			3,645	2,723	2,819	2,917	3,019	3,125	-3.0%
Total Operating & Maintenance Expenses		1	63,828	43,480	37,611	39,049	40,565	41,842	-8.1%
Net Operating Income Before Depreciation			40,681	44,501	46,078	46,539	47,095	47,129	3.0%
Total Depreciation Expense			\$40,227	\$28,951					
Net Operating Income After Depreciation			\$454	\$15,550					Total 2008-2012
Committed Capital Budget			\$147,447	\$131,956	\$47,137	\$7,569	\$26,275	\$46,196	\$259,133
Business Plan Prospective			7,177	34,479	64,257	37,660	22,250	19,000	177,646
TOTAL CAPITAL BUDGET		3	\$154,624	\$166,435	\$111,394	\$45,229	\$48,525	\$65,196	\$436,779

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Notes:

- 1) Effective in 2008, certain business groups and services formerly within the Seaport Division were transferred to the new Real Estate Division. Accordingly, the 2007 Budget is not directly comparable with the 2008 Budget and 2009-2012 Forecasts.
- 2) Consists of remaining Corporate costs to be allocated to Business Groups after direct charges have been coded to Groups and Divisions or other costs allocated to Divisions. Most costs are allocated using a formula based on Expenses and employees. For some departments specific allocation methodologies, such as employees for Human Resources & Development, are used.
- 3) See Section IX for details of Capital Budget.

C. DIVISION MISSION STATEMENT

Our mission is to:

- Efficiently manage our assets for the benefit of the public;
- Provide services and facilities for the transportation of cargo and passengers;
- Accommodate the region's fishing industries; and
- Promote the economic health of our community.

INTRODUCTION

The Seaport includes two major business groups: Cargo Operations, comprised of Container Operations and Container Marketing, and Cruise and Industrial Properties. There are also services groups within the Seaport. Professional and Technical Services is comprised of Project Management, Environmental Services, Planning, Security and Finance. Additional services are provided by Seaport Administration. These businesses and service groups oversee the development and management of cargo and cruise terminals, moorage facilities, and industrial properties connected to these businesses.

Seaport facilities encompass approximately 1,200 acres of moorage and cargo-related facilities. Nearly 500 acres are dedicated to container operations at four terminals with over 11,000 feet of berths and 25 cargo cranes—including ten Super Post-Panamax cranes. The Seaport also owns a fully automated grain terminal and general and breakbulk cargo facilities. It is home to the North Pacific factory trawler fishing fleet. The Seaport also operates two cruise vessel terminals with a total of three berths. In addition, the Seaport leases industrial property connected with these cruise, cargo, and factory trawler fishing businesses.

D. 2008 BUSINESS PLAN

BUSINESS STRATEGY

Economic Benefits and Financial Sustainability:

While the Seaport is a public agency with a mission to accomplish public goals rather than to make profits, it must operate like a business, relying on revenues from our customer base for most of its net operating income. It is a strong financial bottom line that allows the Seaport to invest in projects that benefit the entire community, both economically and environmentally.

We create economic benefits for the entire region through our business activities. Each vessel docked in Seattle, each container and passenger that passes through our Port and each of our tenants creates jobs and brings business income and tax dollars to the region and the state.

The most critical measure of the Seaport's financial sustainability is a growing, positive Net Operating Income (NOI). Only with strong financial performance, can the Seaport provide the economic, community and environmental benefits that are the essence of its mission. After significant changes in the Seaport's customer base in 2000 through 2002, the Seaport improved its financial performance. In 2005 the Seaport achieved the three year goal of reaching \$34 million Net Operating Income (NOI). A new goal of \$45 million was set for 2008.

Environmental Benefits:

The Seaport is a steward of the environment: We improve the environmental condition of our property through our redevelopment and capital projects, provide new and/or improved public open spaces, and take steps to reduce air pollution, conserve energy and water, and recycle to reduce the amount of garbage we produce. This year the Port adopted the goal of becoming the greenest, cleanest most energy efficient port in the United States.

Community Benefits and Social Responsibility

The Port of Seattle as a major economic engine within the region purchases significant materials from local vendors and contracts with hundreds of firms for construction and maintenance-related activities. One aspect of community benefit and social responsibility is adopting policies and programs to insure that much of this work goes to local small businesses and the communities within which those businesses are located and live. This year the Port created an Office of Social Responsibility to guide this effort.

During 2008, the main business efforts of the Seaport will be to:

- Support current customers and profitably grow the business
- Make progress towards becoming cleanest, greenest, most energy-efficient port in U.S.
- Improve process & asset management while continuing to meet small business contracting goals

PARTNERSHIPS

We would not be able to fulfill our mission without positive relationships with our partners. We are focused on:

- Meeting the needs of our customers by:
 - Working with labor unions, truckers, terminal operators and railroad companies to constantly improve freight mobility within the seaport;
 - Conducting annual education programs on federal import and export regulations;
 - Facilitating customer relationships with federal inspection agencies;
 - Developing new business opportunities for our customers; and
 - Providing market information to support our tenants' interest in expansion.
- Approaching our relationship with labor honestly and with integrity, communicating effectively, and working together under a fair labor agreement.
- Respecting tribal sovereignty, and tribal religious and cultural values in all consultations with our tribal neighbors.

EXECUTIVE SUMMARY: 2008 SEAPORT STRATEGIES

WE WILL HAVE ENSURED THE VITALITY OF THE SEAPORT BY:

Achieving our financial objectives:

\$45 Million NOI (excluding Environmental Reserves and Grants) reached by 12/31/2008. In 2008, each business unit will contribute to the total Seaport NOI of \$45 million as budgeted:

- ➔ Cargo Operations NOI = \$36.8 Million
- ➔ Cruise and Industrial Properties NOI = \$9.9 Million
- ➔ Security NOI = (\$1.5) Million

Providing compelling value that will attract and retain customers, and which will further the Port's financial objectives by:

- ➔ Meeting key milestones in our capital plan
 - T18 North Apron project completion
 - T30/91 project progress
- ➔ Implementing long term agreements with cruise lines that currently utilize Seattle as a homeport

Preserving our assets and increasing their utilization by:

- ➔ Bringing all in-use Port-owned cranes to fully operational status
- ➔ Establishing crane audit procedures
- ➔ Identifying and acquiring off-dock support land
- ➔ Increasing container business marketing efforts both directly and in conjunction with our terminal tenants
- ➔ Developing formal terminal condition reports with our tenants
- ➔ Developing asset management plans for other facilities

WE WILL HAVE DEVELOPED NEW BUSINESS AND ECONOMIC OPPORTUNITIES FOR THE REGION AND THE PORT BY:

- ➔ Leasing Terminal 106

WE WILL HAVE ENHANCED PUBLIC UNDERSTANDING AND SUPPORT OF THE PORT'S ROLE IN THE REGION BY:

- ➔ Conducting monthly speaking engagements in the community
- ➔ Providing internships for students
- ➔ Striving to purchase at least 15% of all goods and services from qualified small businesses

WE WILL HAVE BEEN A CATALYST FOR REGIONAL TRANSPORTATION SOLUTIONS BY:

- Completing the Spokane St./T18 congestion mitigation study
- Ensuring that construction and design of the Alaskan Way Viaduct replacement do not adversely affect operations.

WE WILL HAVE BEEN A LEADER IN TRANSPORTATION SECURITY BY:

- Meeting the milestones of the Port's security program
- Increasing the Port's security score by continuing to reduce our vulnerability for security incidents in Port facilities
- Ensuring successful implementation of the Transportation Worker Identification Credential requirements

WE WILL HAVE EXHIBITED ENVIRONMENTAL STEWARDSHIP THROUGH OUR ACTIONS BY:

- Achieving/maintaining zero regulatory violations
- Implement the Northwest Ports Clean Air Strategy
- Develop stormwater best management practice program
- Develop Duwamish River plan integrating maritime industrial uses, public shoreline access, treaty fishing, and habitat restoration

WE WILL HAVE BEEN A HIGH PERFORMANCE WORKPLACE BY:

- Providing our staff with regular feedback and support by completing 100% of staff performance reviews one week before the anniversary date
- Completing PREP plans with training, development, and diversity components
- Achieving a perfect safety score and zero accidents by providing our staff with the necessary tools and training.

CARGO OPERATIONS - CONTAINER OPERATIONS

MISSION

Provide containerized cargo facilities, equipment and services to enable current and new customers to move greater amounts of cargo through the Port of Seattle, and accommodate the efficient movement of containerized cargo through the Port of Seattle. All of these services will enhance the economy of the region and provide a reasonable rate of return to the Port of Seattle and the citizens of King County.

DESCRIPTION

Container operations include four terminals located on approximately 500 acres. Space is leased to private companies who operate the terminals.

Customers include steamship lines, stevedoring companies, United States Government Divisions, tribal fishing concerns, heavy equipment, bunker fuel, tug and barge services, cold storage and others.

BUSINESS STRATEGY

Container: For container cargo business, we have four container terminals, all under long-term lease, with largely fixed rents. While managing these leases and maintaining these container assets are a key part of our strategy, we are also working to increase cargo volumes by partnering with labor and the railroads, developing efficient logistics, improving terminal efficiencies, and improving and utilizing rail and road connections. We aim to provide value to our customers through clear communications and efficient service, partnering with them to grow container volume, and to promote Seattle as an opportunity for shippers to diversify cargo operations into the PNW.

By effectively focusing on our customers, we can better understand how to meet their needs in a competitive and cost effective manner. Activities such as gathering and disseminating market, industry and community information, communicating with both customers and influencers, investing in future infrastructure, and conducting industry forums all serve to support shipping operations in the PNW.

As cargo volumes grow, we are also focused on trying to manage the impacts from that growth and anticipate future issues to allow for efficient growth to continue. As we move into the future, continued focus on technology issues at the terminals will help our port continue to be efficient.

Lease Management: Manage and lease the container terminals portfolio and enhance the value of the managed assets by increasing income and reducing expenses. Additionally, we will seek to acquire additional property for container operation support.

Maintenance: We partner with our customers to ensure that their facilities which are Port assets are properly maintained to both preserve their value and help our customers to maximize their cargo throughput. We will focus on providing customer value through building and maintaining relationships with our key customers, and striving to understand and anticipate their needs.

Key focus for short term is to develop more net operating income for Seaport, mainly through more cargo business, as well as reducing expense costs where possible.

CONTAINER OPERATIONS

KEY GOALS AND MEASURES:

What?	How?	How will we know?	
Key Goals	Major Tasks	Measure	Targets
Bring all port-owned cranes to full operational status	1. Resolve T46 ZPMC crane issues 2. Demo crane 36 at T18 3. Establish audit procedures	1. TTI satisfaction 2. Completion 3. Complete audits of all cranes	1. Q2 certification 2. Crane off premises by end of Q2 3. Procedures by Q2
Prepare facilities for continued revenue generation and support of NOI goals	1. Prep T106 for lease in '09 2. Prep Terminal 10 for '09 lease 3. Identify and acquire off-dock land (per 4M TEU plan) 4. Execute T5 Option Amendment 5. Lease T25 So	1. Implement Bldg repairs 2. Permit for site prep (drainage & paving) 3. 10-acre parcel 4. Amendment executed 5. Amendment executed	1. Repairs underway 2. Permitted by 12/30 3. Identify, approve and budget for '09 4. First Quarter '08 5. First Quarter '08
Reduce air emissions on container terminals	1. Low/no emission yard handling equipment use 2. Reduce truck emissions via improved truck flow 3. Implement more use of RFID technology	1. Equipment modified 2. Idling survey and turn times	1. 5% reduction from '03 study 2. Anti-idling program in place Q3.
Reduce energy consumption on terminals	1. Work with tenants and City Light to install economical lighting 2. Perform energy audit of terminals	1. All three terminals lighting reviewed 2. Complete audit	1. Complete review by 2 nd Quarter '08 2. Q4
Improve maintenance processing at terminals	1. Develop formal terminal condition reports (electrical/mechanical) w/ operators	1. Implement audit findings	1. Complete audit by 6/30 2. Implement by 10/15 3. Quarterly meetings w/ tenants

TABLE VI-3: CARGO OPERATIONS BUSINESS PLAN FORECAST

(in 000's)		Budget 2007	Budget 2008	Forecast				Compound Growth 2007-2012
OPERATING BUDGET	Notes			2009	2010	2011	2012	
Operating Revenue			\$56,939	\$59,772	\$60,909	\$61,960	\$62,325	-
Operating & Maintenance Expense			12,658	\$12,046	\$12,382	\$12,728	\$13,084	-
Corporate Administrative Expense	1		7,522	\$7,973	\$8,451	\$8,958	\$9,317	-
Total Operating Expense		0	20,180	20,019	20,833	21,686	22,401	-
Net Operating Income Before Depreciation		\$0	\$36,759	\$39,753	\$40,076	\$40,274	\$39,925	-
Total Depreciation Expense			18,785					
Net Operating Income After Depreciation		\$0	\$17,973					
								Total 2008-2012
COMMITTED CAPITAL BUDGET	2		\$98,023	\$34,352	\$1,026	\$20,000	\$40,000	\$193,401

Notes:

- 1) Consists of remaining Corporate costs to be allocated to Business Groups after direct charges have been coded to Groups and Divisions or other costs allocated to Divisions. Most costs are allocated using a formula based on Expenses and employees. For some departments specific allocation methodologies, such as employees for Human Resources & Development, are used.
- 2) See Section IX for details of Capital Budget - does not include business plan prospective projects.

CARGO OPERATIONS - CONTAINER MARKETING & NEW BUSINESS DEVELOPMENT

MISSION

The mission of Container Marketing & New Business Development is to encourage sustainable container growth through active marketing of the Port's container assets, surrounding infrastructure and intermodal gateway.

DESCRIPTION

The Container Marketing & New Business Development is responsible for maintaining and developing new container business for the Port. A key priority is marketing and managing relationships with ocean carriers, rail carriers, stevedoring companies, importers/exporters, 3PL's, freight forwarders, customs house brokers, port trucking companies, and other container interests. Services provided by this group include managing customer and market intelligence; supporting projects that improve regional intermodal infrastructure or freight mobility; furthering awareness and education regarding the Port's container business; and supporting container growth and initiatives consistent with the Port's environmental goals.

BUSINESS STRATEGY

Market our Port assets to maintain existing customers and attract sustainable container growth for the future. Understand our competition and business climate to capitalize on the differentiating factors that meet or exceed customer expectations. Increase container volume capabilities by supporting initiatives expected to improve logistics efficiency, terminal efficiency, freight mobility, rail and road connections, or environmental sustainability. Continue academic and community outreach to increase awareness of the Port's container business and positive economic impact.

CONTAINER MARKETING & NEW BUSINESS DEVELOPMENT

KEY GOALS AND MEASURES:

What?	How?	How will we know?	
Key Goals	Major Tasks	Measure	Targets
Maintain & expand relationships with customers to increase container volumes through POS:	Make marketing calls to key container accounts (to promote port and survey customer needs):	No. of contacts with customers:	2M TEU's in 2008 ¹
1) Container Terminal Tenants	Develop joint marketing plan with container terminal <u>tenants</u>	No. of mtgs with <u>tenants</u> ; new biz	4 mtgs/yr with tenants; Mtg recap/action items completed per sched.
2) Container Ocean Carriers	Market to key <u>carriers</u> & update on POS	No. of contacts with <u>carriers</u> ; new carrier or service	4 mtgs/yr with Top 10 carriers ² via POS; Mtg recap & action items completed per sched.
3) New Ocean Carriers Targets	Identify targets and develop strategy to gain new carrier/svc	List of targets; target strategy produced & implemented	1 contact with each of JOC Top 40 Carriers; New carrier or new service planned for Seattle
4) Container Shippers: (importers/exporters/3PLs)	Market to key <u>shippers</u> to promote use of Seattle gateway	No. of contacts w/ <u>shippers</u> ; new biz	1 contact with each JOC top 100 importer & top 100 exporter 1 contact with PIERS Top 50 POS shippers ²

What?	How?	How will we know?	
Key Goals	Major Tasks	Measure	Targets
5) Green Customers/Community	Support air quality improvements goals in “3 Ports Strategy” by co-leading & facilitating port trucking stakeholder group	Meeting, notes and action items implemented per schedule	Establish port truck performance standards and emission reduction targets per “3 Ports Strategy” schedule
Improve container marketing process to strengthen container marketing plan and increase customer/market intelligence:	Create marketing plan (including a marketing approach for being the cleanest, greenest...port) and obtain support for implementation:	Plan produced, approved & funded	Plan produced, approved & funded by 1Q08
1) Develop strengthened plan for container marketing	Update/add promotional media	# of revised/new promo media	Create 3 new promo brochures Update & reproduce POS ‘Portfolio’ Promotional magazine Tradelines re-activated, printed & distributed
	Increase promotional advertising	# of media outlets # & size of ads	2 new media outlets Full page ads in key trade journals per Advertising Placement Schedule
	Increase POS sponsorships and speaking engagements at key trade events	# of key event sponsorships # of speaking engagements	Host 2 “Port of Seattle Nights” in key cities Speaking engagements at 2 key trade events
2) Develop strengthened plan for collection and retention of customer/market intelligence	Develop standard form for collection of key customer data.	Form produced & implemented	Form in use 1Q08
	Develop standard form for collection of key market data.	Form produced & implemented	Form in use 1Q08
	Develop standard plan for easy retention/retrieval of key customer and market data	Plan produced & implemented	Plan implemented 1Q08
	Benchmark other US & foreign ports (to understand competitive factors, capture improvement and/or marketing opportunities)	# of benchmark visits to key ports; Report produced w/ observations & recommendations	Benchmark 3 key competitive US ports & 1 key foreign port; Implement feasible recommendations
	Collect information from customers regarding environmental concerns & role POS can play in supporting their environmental initiatives	# of customers contacted Rept produced w/ recommendations	Collect information from 25 key customers Implement feasible recommendations

What?	How?	How will we know?	
Key Goals	Major Tasks	Measure	Targets
Support infrastructure improvements which further port's container business	<p>Engage with operations and planning teams on relevant infrastructure issues.</p> <p>Review and contribute customer/ industry feedback to relevant infrastructure projects/ studies</p> <p>Provide logistical/business recommendations regarding freight mobility and security within the Seattle harbor grid</p>	<p># of engagements in infrastructure mtgs/projects/ studies</p> <p>Contributions to relevant projects within Port of Seattle area</p> <p>Contributions to relevant projects within Port of Seattle area</p>	<p>Bi-monthly meetings with Operations & Planning (@ Ctr Ops Mtgs)</p> <p>Review/contribute feedback at SR519 and AWV project meetings</p> <p>Quarterly updates with Transportation Planning regarding our 200M for AWV</p>
Further community/academic awareness and education regarding Port business	<p>Support activities that further community, government and trade awareness of the Port</p> <p>Support learning opportunities for maritime, trade, logistics, transportation faculty/students</p> <p>Support academic projects related to international trade, intermodal transportation, freight mobility, logistics, or related environmental research.</p>	<p># of engagements with community, government or trade re Port biz.</p> <p># of engagements with academic interests & topic</p> <p># of engagements in academic projects & brief recap produced</p>	<p>Co-host public affairs Cargo 101; Co-host two gov't affairs tours of Port</p> <p>Sponsor one UW GTTL internship; Provide port tour to UW GTTL Students</p> <p>Participate in UW-UCSB research project on Freight Congestion Mitigation</p>

Footnotes:

¹ Total TEU's in Seattle Harbor

² Based on total TEU's

CRUISE AND INDUSTRIAL PROPERTIES

MISSION

Provide cruise ship terminals, cargo handling facilities and industrial properties which include efficient large vessel berthing docks and related equipment, utilities and services to encourage current and new customers to move greater amounts of marine tonnage and cruise passengers through the Port of Seattle. Provide cruise ship services and facilities that maintain and grow the cruise business in the Seattle area. These facilities and services will enhance the economy of the region and provide a reasonable rate of return to the Port of Seattle and the citizens of King County.

DESCRIPTION

Cruise and Industrial Properties is made up of multiple facilities in and around the harbor totaling approximately 200 acres with over 17,000 lineal feet of large vessel berth moorage. In addition to facilities operated by the port, space is leased to private companies who operate all or portions of terminals. Facilities include: piers 90 and 91 plus upland facilities at T91; T86 Grain Terminal; T115; T46 North; T30; plus vessel berths at P2, P17, P28, P34, P69, P90/91 and other maritime facilities. In addition to the P66 Bell Street Pier Cruise Terminal there is a second cruise facility at Terminal 30 which will be replaced by a new 2 berth cruise facility at T-91 currently under construction

Customers include cruise lines, Cruise Terminals of America, City Ice, Trident Seafoods, Carnitech Industries, Louis Dreyfus Corporation, Northland Services, stevedoring companies, charter and excursion vessels, tug and barge companies, large fishing and commercial vessels, the United States Navy and other ships of state. Industry sectors served include marine transportation, heavy equipment fabrication, staging and transport, grain products, the commercial seafood industry, bunker and distillate fuels, tug and barge services, food processing and cold storage.

BUSINESS STRATEGY

Cruise: For the cruise business, our strategy is to market Seattle as a homeport and a port of call to cruise lines serving Alaska and the Pacific Northwest. Through this, we will increase cruise passenger volumes and ship calls. We also create value for our customers by making our cruise terminals efficient and cost effective; working with the Airport and logistic providers to improve the operations and passenger experience at the Seaport and Airport; and working with the tourism and business community so that we maximize economic impact from visiting passengers and cruise ships.

Industrial Properties /Dock Operations: For our docks and industrial facilities, we work with the terminal operators, tugboat, fishing industry, and other dock users to maximize the use of docks and upland buildings providing net income to the port. We will focus on providing customer value through building and maintaining relationships with our key customers, and continually striving to understand and anticipate their business needs. Retaining our current customers will be a key focus. We also invest in strategic capital improvements to attract new business and enhance revenue opportunities from our facilities.

Focus for the coming year is to develop more net operating income for the new Seaport Division, mainly through additional cruise business, as well as reducing expenses where possible.

CRUISE AND INDUSTRIAL PROPERTIES

KEY GOALS AND MEASURES:

What?	How?	How will we know?	
Key Goals	Major Tasks	Measure	Targets
<p><u>KEY OBJECTIVE</u> Increase contribution to Seaport NOI coming from Cruise Industry, Trawler Fleet, Barge customers, Upland tenants and other Maritime Business activities which use our Industrial Docks and Facilities.</p>	<ol style="list-style-type: none"> 1- Identify any cost cutting opportunities that fall within expense budgets. 2- Review need for rolling stock vehicles and equipment (Forklifts, Security trucks, Operations vehicles etc) 3- Adjust rental and lease rates consistent with increasing market rates and new security requirements when and where appropriate. 4- Adjust Tariff rates to levels which the market demand can support. 5- Find and secure new tenants for available upland facilities 	<ol style="list-style-type: none"> 1- Costs are reduced 2- Equipment resources identified- Action taken 3- Rates are adjusted upward increasing Revenue 4- Tariff adjustments completed on time. 5 Fill vacancies 	<ol style="list-style-type: none"> 1- First Qtr 2- First Qtr 3- At renewal dates or with new agreements 4- By end of 3rd Qtr for implementation in 2009 5- On going
<p><u>KEY OBJECTIVE</u> Grow Cruise Business – Additional Homeport vessels and single Port Calls- repositioning</p> <p>Maintain relationships with CTA and our Cruise Line customers and find new Cruise Line to help support an increase in Cruise Passenger volumes through POS.</p>	<ol style="list-style-type: none"> 1- Develop joint marketing team effort with CTA. (our tenant) 2- Cruise Lines (existing and new) - Make scheduled visits to Cruise Lines update on POS and to sell available berths. 3- Participate in Cruise Industry Conventions, Leadership Conferences, and Tourism trade-shows. Join FCCA as a Port authority member which will increase Seattle’s Port exposure to the Cruise Industry 	<ol style="list-style-type: none"> 1- Regular team meetings held with follow-up items completed as per agreed schedule/ New account obtained. 2-Number of Cruise Lines visited vs. lines identified on list. 3-Actual participation attendance vs. scheduled 	<ol style="list-style-type: none"> 1- End of 1stQTR 2 and 3 – continuous 2008 and 2009 cruise seasons
<p><u>KEY OBJECTIVE</u> Implement Long Term Agreements with Cruise Lines that currently utilize Seattle as a Homeport</p>	<ol style="list-style-type: none"> 1- Complete LTA negotiations with HAL and PCL. Present to Commission for approval. 2- Develop a tracking program to capture benefits of LTA following implementation. 	<ol style="list-style-type: none"> 1-Agreements authorized by Commission. 2-Communication tool in place to report benefits of LTA 	<ol style="list-style-type: none"> 1- 2008 cruise season 2- By 2nd QTR 2008

What?	How?	How will we know?	
Key Goals	Major Tasks	Measure	Targets
<p><u>KEY OBJECTIVE</u> Develop Industrial Properties to meet current and new customer business needs</p>	<p>1- Support PM group through construction of new Cruise Terminal at T91</p> <p>2- Improve west yard area T-91 grading, fences, security, and space boundary controls</p> <p>3-Develop concept of new barge facilities for layberth moorage through Preliminary engineering, SEPA and Commission process</p> <p>4- Assure timely completion of P66 Baggage corridor phase 1 scope of work</p> <p>5- Complete repairs of failed spouts at Grain Terminal, Identify facility upgrades needed to meet customer</p> <p>6 – Modify Security plans to meet TWIC requirements.</p>	<p>1- New Cruise Terminal at T91 on Schedule</p> <p>2- Yard improvements in place</p> <p>3- 15% design and SEPA complete- Commission approves project to final design</p> <p>4- Phase -1 complete</p> <p>5- Spouts 1 and 4 repaired. Improvement plan for future upgrades</p> <p>6- TWIC implemented</p>	<p>1-Through construction 08 and 09</p> <p>2- Second QTR</p> <p>3- Third QTR</p> <p>4- Done by April</p> <p>5- Spouts 1 and 4 in full working order by Oct 2008</p> <p>6- 1st quarter</p>
<p><u>KEY OBJECTIVE</u> Maintain current customers of Industrial Docks and Properties in each sector Trawler, Barge, upland tenants.</p> <p>Customer satisfaction with Port of Seattle role in support of maritime business sectors.</p>	<p>1-Conduct annual customer survey of each customer sector group. Key Issues, How we are doing, How can Port help-Seek out partnerships, what is important to each sectors industry</p> <p>2 -Hold bi-annual Maritime industry work group sessions meeting with each customer group. Trawler/Barge/Upland tenants</p> <p>3 - Add additional staffing at T-91 Operations Coordinator to augment operational management of the T-91 facility. This new position to provide improved oversight of terminal operations supporting all areas of operational responsibility.</p>	<p>1- Survey conducted summary report complete steps/action plans/identified and executed</p> <p>2- Meetings held Customers engaged. Customer needs identified resulting in action plans developed</p> <p>3-New staff person added supporting operations resulting in improved customer service.</p>	<p>1- 1st Quarter</p> <p>2- Twice a year- 1st and 3rd qtrs.</p> <p>3- New (FTE) Coordinator Dock operations hired by end of 1st qtr</p>

What?	How?	How will we know?	
		Measure	Targets
Key Goals	Major Tasks		
KEY OBJECTIVE Improve billing procedures for Industrial facilities use. Develop and implement a billing process which supports request from Cruise Lines to bundle all port charges.	1- Develop a more automated billing process for vessel berth moorage at industrial properties. 2- Final agreement on fee bundling effort- CTA implements new billing procedures as bundled Port Fees to cruise lines	1- Billing process improved 2- revised billing procedures implemented	4th Quarter First month of cruise season
KEY OBJECTIVE Investigate options for vapor recovery systems for Fuel Barges – current industry demand and feasibility of application in our harbor.	Identify resources and implement study effort and feasibility analysis. Determine benefit potential both from the perspective of added value to barge customers and the Environmental improvement of air quality.	Study performed, report delivered information presented to senior leadership	2 nd quarter
KEY OBJECTIVE Complete installation of floats and gangway access system at T91 to enable rapid deployment of oil boom in the event of petroleum and or hazardous spills that could occur	1-Secure final permits, begin construction. 2-Complete installation and bring float system on line in support of operations	1-Permits received Const begins 2-work complete	1 st quarter 3 rd quarter

TABLE VI-4: CRUISE AND INDUSTRIAL PROPERTIES BUSINESS PLAN FORECAST

(in 000's)	Notes	Budget 2007	Budget 2008	Forecast				Compound Growth 2007-2012
				2009	2010	2011	2012	
OPERATING BUDGET								
Operating Revenue			\$25,832	\$23,917	\$24,678	\$25,700	\$26,646	
Operating & Maintenance Expense			10,658	9,692	9,937	10,200	10,471	
Corporate Administrative Expense	1		5,231	5,545	5,878	6,231	6,480	
Total Operating Expense		0	15,889	15,237	15,815	16,431	16,951	
Net Operating Income Before Depreciation		\$0	\$9,943	\$8,680	\$8,863	\$9,269	\$9,695	
Total Depreciation Expense			10,038					
Net Operating Income After Depreciation		\$0	(\$95)					
								Total 2008-2012
COMMITTED CAPITAL BUDGET	2		\$21,506	\$4,561	\$200	\$200	\$200	\$26,667

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Notes:

- 1) Consists of remaining Corporate costs to be allocated to Business Groups after direct charges have been coded to Groups and Divisions or other costs allocated to Divisions. Most costs are allocated using a formula based on Expenses and employees. For some departments specific allocation methodologies, such as employees for Human Resources & Development, are used.
- 2) See Section IX for details of Capital Budget - does not include business plan prospective projects.

SEAPORT SECURITY

MAJOR STRATEGIES

1. Develop new policies and refine existing ones in order to maintain a comprehensive Master Security Plan for Port operated facilities for the Seaport and Real Estate divisions. This effort will include addressing current vulnerabilities based on risk management that can be supported through a business case.
2. Implement the new all-hazards Emergency Response Plan to better prepare the Seaport Division to respond to major emergencies and initiate recovery operations to restore business operations. This will be achieved through extensive staff training and exercises.
3. Take a leadership role regarding the Transportation Worker Identification Credential (TWIC) to ensure implementation at the Port of Seattle is successful and smooth as possible. This will entail keeping our customers and tenants informed about program developments, assisting major tenants in applying for federal funding, making ourselves available to help tenants with security system design standards, assisting them with identifying solutions, and facilitating implementation of solutions.

SEAPORT SECURITY

KEY GOALS AND MEASURES:

What?	How?	How will we know?	
Key Goals	Major Tasks	Measure	Targets
1) Enhance Environmental Focus of Emergency Management Planning	<p>1. Address our Comprehensive Master Security Plan and enhance focus on environmental protection.</p> <p>2. Conduct Enviro based Tabletop Exercise with Gap Analysis with all Seaport Managers. Exercise will be coordinated with Seaport Environmental and will involve at lease one tenant.</p> <p>3. Comprehensive Master Security Plan refined and revised</p>	<p>1. Plan revised and updated; final plan delivered & available</p> <p>2. Seaport Security & Em. Preparedness staff complete Hazardous Materials Operator (HAZWOPR) course</p> <p>Exercise planned Ex. Conducted After gap Analysis, Report delivered</p> <p>Conduct Hazardous Materials/Env. Awareness class for at least 20 Seaport Managers & staff</p> <p>Plan updated to include env. Preparedness, training, exercises and response</p> <p>Updated plan delivered and approved by Seaport Leadership</p>	<p>1. Q1; Q2</p> <p>2. Q2</p> <p>Q2 Q3 Q4</p> <p>Q3</p> <p>Q2</p> <p>End of Q3</p>

What?	How?	How will we know?	
Key Goals	Major Tasks	Measure	Targets
2) Business Continuity Preparation	1) Interagency coordination ensured (City/County/State/Federal)	Quarterly meetings to coordinate Emergency Response Planning. Meeting accomplishments and remaining issues report produced at end of each quarter.	Quarterly
		Participate in 100% of monthly Area Maritime Security Committee Meetings	Monthly
		Participate in quarterly interagency drills and exercises with partner agencies	Quarterly
	2) High focus on employee training	Publish 2008 training calendar and conduct courses. Report Seaport division employee attendance	Quarterly
		Seaport Security and Emergency Preparedness Staff complete ICS 300 level course	By End of Q3
		Complete draft communication interoperability plan	Q1
		Complete interagency, tenant and Seaport facility communications exercise	Quarterly
		Conduct Seaport Emergency Response Plan drills	Quarterly
		Conduct Seaport Emergency Response Plan Exercise	Annual
3) Ensure Compliance with Federal Security Regulations	1) Comply with Federal Security Regulations	Complete security drill at T91	Quarterly
		Complete security exercise at T91	Annual
		Complete audit of T91 facility Security Plan	End of Q4
	2) Assist Properties and Seaport tenants in evaluating securities, technologies, practices and options	Host Facility Security Officer Roundtable	Monthly
		Perform semi-annual security audits of Seaport Properties and tenants	End of Q2 and Q4

What?	How?	How will we know?	
Key Goals	Major Tasks	Measure	Targets
	Apply and/or recommend funding opportunities that could assist the Port or its customers and partners to mitigate risk	<p>Develop and perform semi-annual risk/hazard assessment</p> <p>Develop list of top 5 projects to be funded by grants.</p> <p>Submit application for applicable grants within the application window</p> <p>Completion of all grant activities within conditions of grant</p> <p>Complete awarded grant within budget</p>	<p>End of Q2 and Q4</p> <p>Review at end of each quarter</p> <p>When due</p> <p>When due</p> <p>When due</p>
4) Provide a Leadership role in implementation of the Transportation Worker Identification Credential (TWIC)	<p>1) Be a focal point or clearing house for TWIC security program information.</p> <p>2) Make staff available to customers to provide advice and recommendations regarding TWIC implementation requirements</p> <p>3) Comply with federal regulations for TWIC implementation</p>	<p>Communicate updates to customers at Facility Security Officer (FSO) meetings</p> <p>Have area-wide TWIC update meetings, and follow-up with specific customers and stakeholders as needed. Report progress in meetings to senior management.</p> <p>Develop minimum technical standards for TWIC infrastructure and share with tenants</p> <p>Update Port ID Badge system to be interoperable with TWIC</p> <p>Develop Port of Seattle TWIC policy and procedure</p> <p>Have all applicable Port of Seattle employees enrolled in the TWIC program</p> <p>Install TWIC infrastructure at applicable Port facilities</p>	<p>Monthly</p> <p>Quarterly</p> <p>End of Q2</p> <p>End of Q4</p> <p>End of Q2</p> <p>Date determined by Coast Guard</p> <p>Prior to USCG required date</p>

TABLE VI-5: SEAPORT SECURITY BUSINESS PLAN FORECAST

(in 000's)		Budget	Budget	Forecast				Compound
	Notes	2007	2008	2009	2010	2011	2012	Growth
								2007-2012
OPERATING BUDGET								
Operating Revenue		\$0	\$5,004					
Operating & Maintenance Expense		1,070	6,180	1,108	1,136	1,164	1,193	2.2%
Corporate Administrative Expense	1	328	280	297	315	334	347	
Total Operating Expense		1,398	6,460	1,405	1,451	1,498	1,540	2.0%
Net Operating Income Before Depreciation		(\$1,398)	(\$1,456)	(\$1,405)	(\$1,451)	(\$1,498)	(\$1,540)	2.0%
Total Depreciation Expense		39	128					
Net Operating Income After Depreciation		(\$1,437)	(\$1,584)					
								Total
COMMITTED CAPITAL BUDGET	2	\$2,486	\$5,947	\$1,802	\$0	\$0	\$0	2008-2012
								\$7,749

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Notes:

- 1) Consists of remaining Corporate costs to be allocated to Business Groups after direct charges have been coded to Groups and Divisions or other costs allocated to Divisions. Most costs are allocated using a formula based on Expenses and employees. For some departments specific allocation methodologies, such as employees for Human Resources & Development, are used.
- 2) See Section IX for details of Capital Budget - does not include business plan prospective projects.

E. SEAPORT OPERATING BUDGET SUMMARY

TABLE VI-6: REVENUE BY ACCOUNT

		(in 000's)			
Revenue by Account		2006 Actual	2007 Budget	2008 Budget	% Change 2008 Bud-2007 Bud
Operating Revenue					
Dckg, Whrfg, Serv/Facility, Passenger Fee		\$1,737	\$1,674	\$1,443	-13.8%
Distribution & Storage		7	14	24	71.4%
Marine Services		-	-	-	
Equipment Rental		10,441	9,168	8,779	-4.2%
Berthage & Moorage		7,272	7,139	885	-87.6%
Parking Revenue		64	67	-	-100.0%
Revenue From Sale of Utilities		4,325	4,542	3,715	-18.2%
Property Rental Revenue		69,503	70,825	67,840	-4.2%
Other Revenues		17,156	11,080	5,296	-52.2%
Total Operating Revenue	1	\$110,505	\$104,509	\$87,982	-15.8%

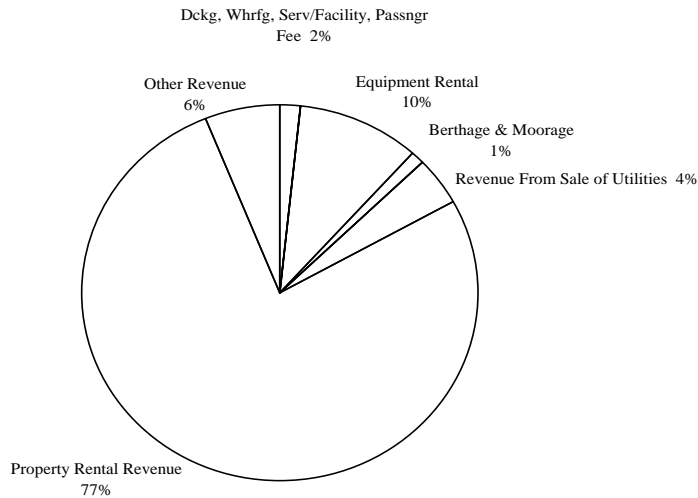
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Notes:

- 1) Effective in 2008, certain business groups and services formerly within the Seaport Division were transferred to the new Real Estate Division. Accordingly, 2006 Actual and 2007 Budget amounts are not directly comparable with the 2008 Budget.

FIGURE VI-1: SEAPORT DIVISION REVENUE BY ACCOUNT

(\$ in 000's)



Total Revenue: \$87,982

TABLE VI-7: OPERATING AND MAINTANENCE EXPENSES BY ACCOUNT

(in 000's)	2006	2007	2008	% Change
Expense by Account	Actual	Budget	Budget	2008 Bud- 2007 Bud
Salaries, Wages, Benefits & Wrkmns Comp	\$18,311	\$23,011	\$11,651	-49.4%
Equipment Expense	2,009	525	407	-22.4%
Utilities	6,013	5,974	4,131	-30.9%
Supplies & Stock	1,355	1,019	257	-74.8%
Outside Services	7,427	5,403	10,859	101.0%
Travel & Other Employee Expenses	713	816	859	5.2%
Promotional Expenses	161	255	414	62.6%
Other Expenses	12,067	15,330	4,099	-73.3%
Divisional Allocation			1,324	
Subtotal	48,055	52,333	34,002	-35.0%
Charges to Capital Projects	(2,992)	(4,213)	(3,555)	-15.6%
Total Budgeted Operating Expense 1	45,064	48,119	30,447	-36.7%
<u>Corporate Allocation:</u>				
Law Enforcement	3,674	3,645	2,723	-25.3%
Administration	10,200	12,064	10,310	-14.5%
Total Corporate Allocation	13,874	15,709	13,033	-17.0%
Total Operating Expense	\$ 58,938	\$ 63,828	\$ 43,480	-31.9%

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Notes:

- 1) Effective in 2008, certain business groups and services formerly within the Seaport Division were transferred to the new Real Estate Division. Accordingly, 2006 Actual and 2007 Budget amounts are not directly comparable with the 2008 Budget.

FIGURE VI-2: SEAPORT DIVISION EXPENSE BY ACCOUNT

(\$ in 000's)

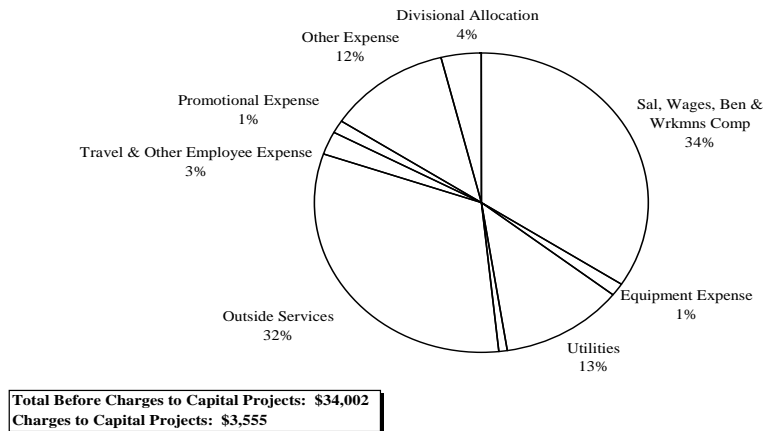


TABLE VI-8: SEAPORT DIVISION BUDGET BY BUSINESS GROUP/DEPARTMENT

(in 000's)					
BY BUSINESS GROUP/DEPARTMENT	Notes	Actual 2006	Budget 2007	Budget 2008	% Change 2008 Bud - 2007 Bud
REVENUE					
Cargo & Cruise Services		\$64,268	\$63,436	-	-100.0%
Harbor Services		8,481	8,351	-	-100.0%
Seaport Real Estate		32,920	32,372	-	-100.0%
Container and Support Services				56,939	
Cruise and Industrial Properties				25,832	
Seaport Security		2,740	-	5,004	
Seaport Maintenance		12			
Environmental Services			350	207	-40.9%
Total Operating Revenue	1	108,422	104,509	87,982	-15.8%
OPERATING EXPENSE					
Business Groups:					
Cargo & Cruise Services		6,884	5,057		-100.0%
Harbor Services		3,805	3,877		-100.0%
Seaport Real Estate		16,260	14,465		-100.0%
Container and Support Services				5,904	
Cruise and Industrial Properties				5,274	
Total Business Group Expense		26,949	23,399	11,178	-52.2%
Service Depts:					
Finance & Asset Management					
Seaport Finance		423	495	558	12.6%
Seaport Project Management		157	977	946	-3.2%
Seaport Maintenance		9,603	9,331	-	-100.0%
Seaport Environmental		-	4,619	4,153	-10.1%
Other					
Seaport Administration		1,280	1,244	1,398	12.4%
Seaport Security		3,173	806	5,993	643.8%
Seaport Strategic Planning & Policy		654	1,010	796	-21.2%
Contingency		-	1,800	500	-72.2%
Seaport Capital to Expense		171		-	
Total Services Expense		15,461	20,282	14,344	-29.3%
Total Division Expense	1	\$ 42,411	\$ 43,680	\$ 25,522	-41.6%

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Notes:

- 1) Effective in 2008, certain business groups and services formerly within the Seaport Division were transferred to the new Real Estate Division. Accordingly, 2006 Actual and 2007 Budget amounts are not directly comparable with the 2008 Budget.

F. STAFFING

The following Table VI-10 outlines the Full-Time Equivalents (FTEs) for both the Regular and Other categories in the Seaport Division. Seaport is budgeting 81.8 FTE's. The reduction of FTE's in Seaport is due primarily to the re-organization transfers from the Seaport to the new Real Estate group.

TABLE VI-9: SEAPORT DIVISION STAFFING

STAFFING					
(Full-Time Equivalent Positions)					
BUSINESS GROUP/DEPARTMENT	Notes	2007 Budget	2007 Est. Act.	2008 Budget	% Change 2008 Bud- 2007 Bud
Business Groups:					
Cargo & Cruise Services:	2	12.0	20.0	0.0	-100.0%
Container Marketing	2		0.0	7.0	0.0%
Container Operations and Support Properties	2		0.0	6.0	0.0%
Cruise and Industrial Properties	2		0.0	9.0	0.0%
Harbor Services	3	29.0	29.0	0.0	-100.0%
Property Management	3	14.8	10.5	0.0	-100.0%
Total Business Groups		55.8	59.5	22.0	-60.6%
Professional and Technical Services:					
Seaport Finance		4.6	4.6	4.6	0.0%
Seaport Project Management		16.0	16.0	16.0	0.0%
Seaport Maintenance	3	87.3	81.3	0.0	-100.0%
Seaport Environmental		17.0	18.0	19.0	11.8%
Seaport Security		5.0	5.0	5.0	0.0%
Seaport Strategic Planning		5.0	4.0	4.0	-20.0%
Other					
Seaport Administration		7.0	7.5	7.5	7.1%
Real Estate Administration	1	0.0	3.0	0.0	0.0%
Total Professional and Technical Services		141.9	139.4	56.1	-60.5%
TOTAL SEAPORT DIVISION REGULARS		197.7	198.9	78.1	-60.5%
Limited Duration		0.0	0.0	0.8	0.0%
Temporary		0.3	0.0	0.0	0.0%
Interns		4.0	2.9	2.9	-28.5%
On Call		0.0	0.0	0.0	
Commissioner		0.0	0.0	0.0	
TOTAL SEAPORT DIVISION		202.0	202.6	81.8	-59.5%

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Notes:

- 1) Real Estate Administration, 3 FTEs were approved during 2007.
- 2) Cargo and Cruise Services was divided into three separate depts:
 - 1) Container Marketing, 7 FTEs total, including 1 new approved during 2007 and 1 in 2008.
 - 2) Container Operations and Support Properties, 6 FTEs total, including 2 transfers from Maintenance and 2 from Property Management
 - 3) Cruise and Industrial Properties, 9 FTEs total, including 2 transfers from Property Management and 1 from Maintenance and 1 approved in 2008.
- 3) Harbor Services, Property Management and Seaport Maintenance were transferred to the new Real Estate Division with 122.8 FTEs total.

G. SEAPORT CAPITAL BUDGET

The business plan summaries at the beginning of this section provide the context for the following capital budget for the Seaport Division.

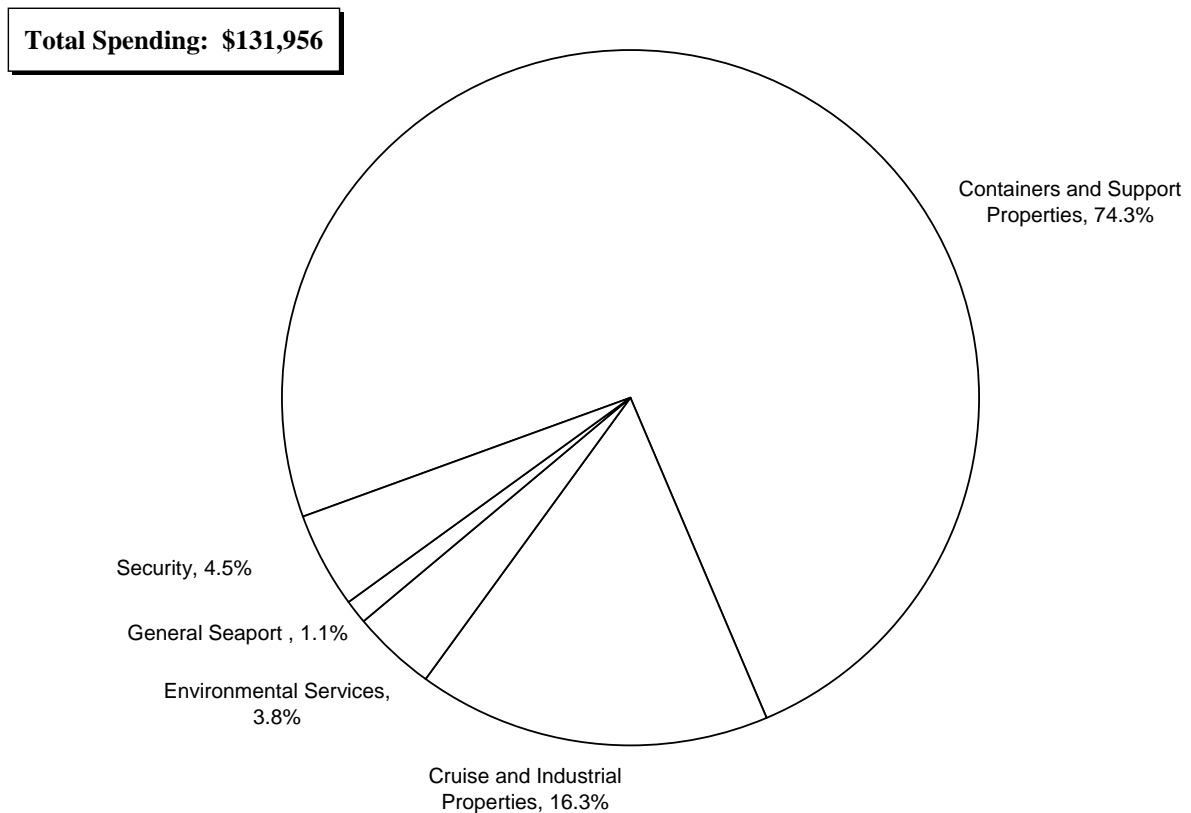
Table VI-11 provides a summary of the Seaport Division's 2008 capital budget.

TABLE VI-10: SEAPORT DIVISION CAPITAL BUDGET SUMMARY

(\$ in 000's)	2008 Budget	2008-2012 CIP	% of Total
Committed Capital Projects			
Containers and Support Properties	\$98,023	\$193,401	74.3%
Cruise and Industrial Properties	21,506	26,667	16.3%
Environmental Services	5,000	25,000	3.8%
General Seaport	1,480	6,316	1.1%
Security	5,947	7,749	4.5%
Total	\$131,956	\$259,133	100.0%
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FIGURE VI-3: SEAPORT DIVISION COMMITTED CAPITAL BUDGET

(\$ in 000's)



H. SEAPORT DIVISION OPERATING STATISTICS

TABLE VI-11: SEAPORT DIVISION OPERATING STATISTICS

Year	International Containerized Trade				Total Int'l & Dom. TEUS				
	Metric Tons		Total TEU's		Port of Seattle	Other			Seattle Harbor
	(in 1000's)	Growth		Growth	Total TEU's	Growth	Total TEU's	Total TEU's	Growth
1996	9,181	-2.6%	1,197,344	-2.5%	1,358,920	-0.9%	114,641	1,473,561	-0.4%
1997	8,300	-9.6%	1,195,470	-0.2%	1,360,308	0.1%	115,505	1,475,813	0.2%
1998	8,342	0.5%	1,258,104	5.2%	1,424,415	4.7%	119,311	1,543,726	4.6%
1999	8,940	7.2%	1,195,150	-5.0%	1,354,619	-4.9%	135,429	1,490,048	-3.5%
2000	9,899	10.7%	1,201,841	0.6%	1,346,830	-0.6%	141,437	1,488,267	-0.1%
2001	8,366	-15.5%	1,052,789	-12.4%	1,163,388	-13.6%	151,721	1,315,109	-11.6%
2002	8,407	0.5%	1,173,248	11.4%	1,291,790	11.0%	147,082	1,438,872	9.4%
2003	7,891	-6.1%	1,184,698	1.0%	1,397,658	8.2%	88,724	1,486,382	3.3%
2004	9,720	23.2%	1,466,251	23.8%	1,687,768	20.8%	88,090	1,775,858	19.5%
2005	11,975	23.2%	1,745,798	19.1%	1,968,455	16.6%	119,474	2,087,929	17.6%
2006	11,377	-5.0%	1,636,261	-6.3%	1,858,652	-5.6%	128,708	1,987,360	-4.8%
2007 Forecast	11,301	-5.6%	1,614,471	-7.5%	1,837,268	-6.7%	100,000	1,937,268	-7.2%
2008 Forecast	11,060	-2.8%	1,580,000	-3.4%	1,800,000	-3.2%	100,000	1,900,000	-4.4%
Compound Growth									
1996-2006		2.2%		3.2%		3.2%			3.0%
2001-2006		6.3%		9.2%		9.8%			8.6%

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Year	Port of Seattle Facilities Total Tonnage					
	Domestic Metric Tons		International Metric Tons		Total Metric Tons	
	(in 1000's)	Growth	(in 1000's)	Growth	(in 1000's)	Growth
1996	3,358	17.9%	12,765	-16.2%	16,123	-10.9%
1997	3,608	7.4%	11,986	-6.1%	15,594	-3.3%
1998	3,179	-11.9%	9,873	-17.6%	13,052	-16.3%
1999	3,548	11.6%	11,045	11.9%	14,593	11.8%
2000	3,405	-4.0%	12,225	10.7%	15,630	7.1%
2001	2,611	-23.3%	11,214	-8.3%	13,825	-11.5%
2002	2,055	-21.3%	10,141	-9.6%	12,196	-11.8%
2003	2,341	13.9%	11,062	9.1%	13,403	9.9%
2004	2,453	4.8%	13,676	23.6%	16,129	20.3%
2005	2,369	-3.4%	17,078	24.9%	19,447	20.6%
2006	2,614	10.3%	17,327	1.5%	19,941	2.5%
2007 Forecast	2,386	-8.7%	15,842	-8.6%	18,228	-8.6%
2008 Forecast	2,525	5.8%	16,600	4.8%	19,125	4.9%
Compound Growth						
1996-2006		-2.5%		3.1%		2.1%
2001-2006		0.0%		9.1%		7.6%

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Source: Port of Seattle Internal Tonnage Reporting Statistics System.