



MUNICIPAL SECONDARY MARKET DISCLOSURE INFORMATION COVER SHEET

Submitted to
Nationally Recognized Municipal Securities Information Repositories
pursuant to Securities and Exchange Commission rule 15c2-12
June 30, 2009

Issuer's Name: **Port of Seattle**

CUSIP Numbers: Information relates to **all securities** issued by the issuer having the following six-digit number(s): **735387, 735388, 735389, 735371, 735397**

Description of information attached: **Annual Disclosure Report**

Number of pages of attached information: **35 pages in this document including cover sheet. The Audited Financial Statements, as required under SEC rule 15c2-12, are filed separately.**

Fiscal Period Covered: **January 1, 2008 to December 31, 2008**

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

A handwritten signature in cursive script, appearing to read "Dan Thomas", written over a horizontal line.

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TABLE OF CONTENTS

| | | |
|-------------|--|----------|
| I. | <u>Issues Covered in this Annual Disclosure Report</u> | 1 |
| II. | <u>Statement of Changes to Continuing Disclosure</u> | 2 |
| III. | <u>Disclosure Items in This Report</u> | |
| | <u>General Port and Financial Information:</u> | |
| | Port Historical Operating Results as of December 31, 2008 | 3 |
| | Management Discussion of Historical Financial Results | 4 |
| | Management Discussion of Expected Results | 4 |
| | Amount and Percentage of Operating Revenues by Division | 4 |
| | Port Outstanding Debt | 4 |
| | Port of Seattle Estimated Debt Limit | 5 |
| | 2008 Port of Seattle Revenue Bond Debt Service | 5 |
| | 2008 Port of Seattle Limited Tax G.O. Bond Debt Service | 5 |
| | Tax Levy: Recent Tax Levy Activity | 6 |
| | Industrial Development Levy or Dredging Levy | 6 |
| | Tax Levy: “Tax Collection Record” | 6 |
| | Port of Seattle Capital Improvement Program | 7 |
| | Historical Debt Service Coverage for Period Ending December 31, 2008 | 8 |
| | Changes in the Identity of the Port’s Treasurer | 8 |
| | Changes in the Port’s Investment Policy | 8 |
| | Insurance | 9 |
| | <u>Aviation Operations:</u> | |
| | Total Annual Enplanements | 10 |
| | Percentage of Domestic and International Flights | 10 |
| | Enplanement Market Share by Airline in 2008 | 11 |
| | Number of U.S. Flagged and Foreign Passenger Airlines | 11 |
| | List of Airlines Serving Seattle-Tacoma International Airport | 12 |
| | Number of Total Airport Operations for 2008 | 12 |
| | Primary Domestic Origin and Destination Markets | 13 |
| | Percentage of Origin and Destination (O&D) Passengers | 14 |
| | Landed Weights of Top Ten Passenger Carriers for 2008 | 14 |
| | Number of Daily Non-stop Cities Served | 14 |
| | List of International Daily Non-stop Cities Served | 15 |
| | Scheduled International Service | 15 |
| | Non-Stop Scheduled Departures by Airline | 16 |
| | Percentage of Enplanements Traveling to Asia | 17 |
| | Number of Domestic and Foreign All-Cargo Airlines | 17 |
| | Metric Tons of Enplaned and Deplaned Cargo | 17 |
| | Additional Pledged Revenue and any Changes of PFC Authorization | 17 |
| | Projects to be Funded with PFC Revenue - Costs and Sources of Funds | 18 |

| | |
|--|----|
| Historical PFC Collection and Percentage of PFC Eligible Enplaned Passengers | 19 |
| Historical Application of PFC Revenue | 19 |
| Annual PFC Debt Service Coverage | 20 |
| PFC Unspent Authority & First Lien Sufficiency Covenant | 21 |
| Airport LOI and Other Federal Grants | 21 |
| Aviation Division Operating Expenses for 2008 | 22 |
| Sources of Aviation Division Revenue for 2008 | 23 |
| Calculation of Airline Terminal Rents Under Current Airline Agreements | 24 |
| Calculation of Airline Landing Fees Under Current Airline Agreements | 25 |
| Changes in the Method of Charging for the Use of Airport Facilities | 25 |
| Changes in the Type of Airline Business Agreements | 25 |
| <u>Seaport Operations:</u> | |
| Port of Seattle Container Volumes | 26 |
| Containerized Cargo Trends and Market Share for 2008 | 26 |
| Seattle Harbor Top Ten Foreign Trade Partners Total Exports and Imports | 26 |
| Annual Throughput Volume (in TEU's) at Terminal 18 | 27 |
| Seattle's Share of Puget Sound Container Traffic | 27 |
| Exports and Imports (in TEU's) to and from Asia in 2008 | 27 |
| Non-Container Cargo Trends in 2008 | 27 |
| Port of Seattle Cruise Passenger Volumes | 27 |
| Port of Seattle Container Terminals in 2008 | 28 |
| Non-Container Terminal Leases for 2008 | 29 |
| Seaport Division Operating Revenue for 2008 | 30 |
| Seaport Division Revenues and Expenses for 2008 | 30 |
| Percentage of Non-Cargo Revenue | 30 |
| Value and Type of Goods Imported and Exported Through the Port | 30 |
| Rent Schedule and Debt Service Coverage for Terminal 18 | 31 |
| <u>Real Estate Operations:</u> | |
| Real Estate Division Operating Revenue for 2008 | 31 |
| Real Estate Division Revenues and Expenses for 2008 | 31 |

Source is Port of Seattle if not otherwise indicated

I. Issues Covered in this Annual Disclosure Report:

Six-digit CUSIP Number **735388**

- Revenue Bonds Series, 1996A and 1996B (“96AB”)
- Revenue Refunding Bonds, Series 1998A (“98A”)
- Subordinate Lien Revenue Refunding Bonds, 1998 (“98SL”)
- Subordinate Lien Revenue Bonds Series 1997 (“97SL”)
- Subordinate Lien Revenue Bonds Series 1999A and 1999B (“99AB”)
- Revenue Bonds, Series 2000A and 2000B, and Revenue Refunding Bonds, Series 2000C and 2000D (“00ABCD”)
- Revenue Bonds, Series 2001A and 2001B, and Revenue Refunding Bonds, Series 2001C and 2001D (“01ABCD”)
- Revenue Bonds, Series 2003A and 2003B (“03AB”)

Six-digit CUSIP Number **735389**

- Subordinate Lien Revenue Bonds, Series 2003C (“03C”)
- Revenue Refunding Bonds, Series 2004 (“04”)
- Intermediate Lien Revenue and Refunding Bonds, Series 2005A (“05A”)
- Intermediate Lien Revenue Refunding Bonds, Series 2005B (“05B”)
- Subordinate Lien Revenue Bonds, Series 2005D (“05D”)
- Intermediate Lien Revenue Refunding Bonds, Series 2006 (“06”)
- Revenue Bonds, Series 2007A and 2007B (“07AB”)

Six-digit CUSIP Number **735387**

- Passenger Facility Charges Revenue Bonds Series 1998A and 1998B (“98PFC”)

Six-digit CUSIP Number **735397**

- Special Facility Revenue Bonds (Terminal 18 Project) Series 1999A, 1999B, and 1999C (“99SF”)
- Special Facility Revenue Bonds (SEATAC Fuel Facilities LLC) Series 2003 (“03SF”)

Six-digit CUSIP Number **735371**

- Limited Tax General Obligation Bonds, Series 2000A and 2000B (“00GO”)
- Limited Tax General Obligation Bonds, Series 2004A, 2004B and Limited Tax General Obligation Refunding Bonds 2004C (“04GO”)
- Limited Tax General Obligation Refunding Bonds 2006 (“06GO”)

II. Statement of Changes to Continuing Disclosure

Additional information presented: **Port of Seattle Cruise Passenger Volumes**

Additional information presented: Beginning January 1, 2008, the Port added the Real Estate Division. Accordingly, the **Real Estate Division Operating Revenues** and **Real Estate Division Revenues and Expenses** are included.

Additional information presented in the **Port Historical Operating Results**: Beginning January 1, 2008, the Port added the Real Estate Division. Accordingly, this schedule's format includes information for this division.

Additional information presented in the **Historical Debt Service Coverage** schedule: During 2008, the Port implemented using Passenger Facility Charges ("PFC") revenue toward other specific revenue bonds debt service related to eligible projects. This information is now included in this schedule.

III. Disclosure Items

Port Historical Operating Results as of December 31, 2008

| | (in thousands) | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| REVENUES: | 2004 | 2005 | 2006 | 2007 | 2008 |
| Operating | | | | | |
| Aviation | | | | | |
| Property Rentals | 161,170 | 189,915 | 209,975 | 213,367 | 208,577 |
| Landing Fees | 45,569 | 47,107 | 46,730 | 53,158 | 65,771 |
| Parking ⁽¹⁾ | 42,584 | 47,359 | 53,628 | 57,305 | 61,313 |
| Security grants ⁽²⁾ | 1,196 | 1,162 | 1,276 | 1,467 | 1,231 |
| Other Revenues | 17,279 | 26,272 | 25,891 | 22,191 | 21,437 |
| Total Aviation Revenues | 267,798 | 311,815 | 337,500 | 347,488 | 358,329 |
| Seaport ⁽⁴⁾ | | | | | |
| Property rentals | 51,119 | 61,086 | 71,314 | 73,746 | 68,828 |
| Equipment rentals | 9,922 | 11,244 | 10,441 | 9,689 | 8,944 |
| Security grants ⁽²⁾ | 23,199 | 5,462 | 4,268 | 2,762 | 10,169 |
| Other Revenues ⁽³⁾ | 24,830 | 26,462 | 24,482 | 26,122 | 7,165 |
| Total Seaport Revenues | 109,070 | 104,254 | 110,505 | 112,319 | 95,106 |
| Real Estate ⁽⁴⁾ | | | | | |
| Property rentals | | | | | 11,660 |
| Berthage and moorage | | | | | 9,073 |
| Utilities | | | | | 1,089 |
| Security grants ⁽²⁾ | | | | | 109 |
| Other | | | | | 12,976 |
| Total Real Estate Revenues | | | | | 34,907 |
| Other | | | | | |
| Other Revenues ⁽⁵⁾ | 334 | 456 | 444 | 1,339 | 654 |
| TOTAL OPERATING REVENUES | 377,202 | 416,525 | 448,449 | 461,146 | 488,996 |
| EXPENSES: | | | | | |
| Operating | | | | | |
| Aviation | 109,334 | 122,666 | 126,635 | 132,984 | 147,453 |
| Seaport | 63,454 | 46,383 | 46,384 | 45,759 | 26,287 |
| Real Estate | | | | | 32,990 |
| Environmental | 2,200 | 7,739 | (1,262) | 5,117 | 8,889 |
| Administration | 48,282 | 49,407 | 51,808 | 57,940 | 64,659 |
| TOTAL OPERATING EXPENSES | | | | | |
| BEFORE DEPRECIATION | 223,270 | 226,195 | 223,565 | 241,800 | 280,278 |
| DEPRECIATION | 110,175 | 129,788 | 140,189 | 141,588 | 144,208 |
| TOTAL OPERATING EXPENSES | 333,445 | 355,983 | 363,754 | 383,388 | 424,486 |
| OPERATING INCOME | 43,757 | 60,542 | 84,695 | 77,758 | 64,510 |

(1) Includes public parking and employee parking. Revenues derived from car rental companies are included as "property rentals".

(2) Through 2007, Security grants include Operation Safe Commerce and TSA operating grant revenues. The Operation Safe Commerce Grant ended in 2007. The Department of Homeland Security (DHS) is the primary grantor in 2008.

(3) Largest components of Other Revenues include dockage and wharfage, and sales of utilities.

(4) Effective January 1, 2008, certain business groups and services were moved from the Seaport & EDD Divisions to form the Real Estate Division.

(5) Through 2007, Other Revenues included combined revenues of the corporate services department and the Economic Development Division. For 2008, it is composed only of corporate services.

Source: Port of Seattle.

Management Discussion of Historical Financial Results

Per GASB 34, the Port's Audited Financial Statements now include Management's Discussion and Analysis (MD&A). Please see this section of the Statements for the Management Discussion of Historical Financial Results.

Management Discussion of Expected Results

Information presented in this section is found elsewhere in this disclosure document so has not been separately repeated here.

Amount and Percentage of Operating Revenues by Division

In 2008, the Seaport Division, the Aviation Division and the Real Estate Division accounted for approximately \$95.1 million (19.4%), \$358.3 (73.4%) and \$34.9 (7.2%) of the Port's total operating revenues, respectively.

Port Outstanding Debt (Amounts in \$ millions)

| Type of Debt | 12/31/2008 | 6/30/2009 |
|---|-------------------|------------------|
| General Obligation | 378 | 378 |
| Revenue | | |
| Senior Parity | 1,280 | 1,259 |
| Intermediate | 565 | 558 |
| Subordinate | | |
| Long-term | 584 | 584 |
| Commercial Paper Authority ⁽¹⁾ | 250 | 250 |
| Other | | |
| PFC - backed stand alone | 210 | 210 |
| Special Facility Revenue Bonds - Fuel | 110 | 110 |
| TOTAL | 3,377 | 3,349 |

(1) The total authorized amount of Commercial Paper is \$250 million. The actual amount outstanding as of 12/31/2008 and 6/30/2009 was \$153.540 million and \$149.280 million, respectively

Source: Port of Seattle.

Port of Seattle Estimated Debt Limit as of June 2009

| | |
|---|-------------------------|
| Value of Taxable Property ⁽¹⁾ | \$385,223,145,074 |
| Debt Limit, Non-Voted General Obligation Bonds (.25% of Value of Taxable Property) | \$ 963,057,863 |
| Less: Outstanding Non-Voted General Obligation Bonds | \$ 378,065,000 |
| Less: Capital leases and other general obligations | - |
| Remaining Capacity of Non-Voted General Obligation Debt | <u>\$ 584,992,863</u> |
| Debt Limit, Total General Obligation Debt (.75% of Value of Taxable Property) | \$ 2,889,173,588 |
| Less: Total Outstanding General Obligation | 378,065,000 |
| Less: Capital leases and other general obligations | - |
| Remaining Capacity of Total General Obligation Debt | <u>\$ 2,511,108,588</u> |

(1) Assessed valuation figure as reported in the 2008 King County's Assessor Annual Report. This 2008 assessed valuation figure is the basis for 2009 tax collections
Source: Port of Seattle.

2008 Port of Seattle Revenue Bond Debt Service⁽¹⁾ (in thousands of dollars)

| | | |
|--|-----------|----------|
| First Lien Bonds | Interest | 68,926.7 |
| | Principle | 36,325.0 |
| Intermediate Lien Bonds | Interest | 28,521.9 |
| | Principle | 8,140.0 |
| Subordinate Lien Bonds | Interest | 23,879.1 |
| | Principle | 8,910.0 |
| Subordinate Lien Notes (Commercial Paper) ⁽²⁾ | Interest | 9,043.5 |
| | Principle | 1,908.0 |

(1) These amounts reported Gross of Capitalized Interest and any Premium or Discount Amortization.

(2) This is based on amortization of outstanding Commercial Paper on December 31, 2008. Total CP authority is \$250 million, but actual amount outstanding varies.

2008 Port of Seattle Limited Tax G.O. Bond Debt Service (in thousands of dollars)

| Year | Principle | Interest | Total Debt Service |
|------|------------|------------|--------------------|
| 2008 | \$19,770.0 | \$20,664.3 | \$40,434.3 |

Source: Port of Seattle

Tax Levy: Recent Tax Levy Activity

2008 Tax Year

| | |
|---|-------------------|
| Port District Assessed Valuation | \$339,460,186,280 |
| Maximum Levy | \$82,628,783 |
| Total Tax Levy | \$75,931,051 |
| Total Tax Levy Rate | 0.22359 |
| Tax Levy Allocable for Limited Tax General Obligation Bonds | \$40,434,296 |
| Tax Levy Allocable for General Purposes | \$35,496,755 |

Source: King County Assessor's Office and Port of Seattle

Industrial Development Levy or Dredging Levy

The Port did not levy the Industrial Development Levy or the Dredging Levy in 2008.

Tax Levy: "Tax Collection Record"

| Year | Amount of Levy ⁽¹⁾ | Amount Collected in Year Due | % Collected In Year Due | Amount Collected as of 12/31/08 | % of Levy Collected as of 12/31/2008 |
|------|-------------------------------|------------------------------|-------------------------|---------------------------------|--------------------------------------|
| 2008 | \$75,931,051 | \$74,531,940 | 98.16% | \$74,531,940 | 98.16% |
| 2007 | 68,863,091 | 67,703,167 | 98.32% | 68,571,882 | 99.58% |
| 2006 | 62,805,613 | 61,701,749 | 98.24% | 62,708,998 | 99.85% |
| 2005 | 62,799,550 | 61,704,536 | 98.26% | 62,785,097 | 99.98% |
| 2004 | 59,680,132 | 58,630,165 | 98.24% | 59,672,986 | 99.99% |

(1) The amount of the levy varies from the budgeted amount because of adjustments in assessed values and levy rates made by the County.
Source: Port of Seattle, from King County Tax Receivables

Port of Seattle Capital Improvement Program for Period Ending December 31, 2008^(a)

| | Estimated Total Costs | Currently Funded^(b) | Future Bonds | Other^(c) |
|---|----------------------------------|---|---------------------|----------------------------|
| Phase 1 | | | | |
| Third Runway | 1,020,962,000 | 986,281,000 | 34,681,000 | |
| South Terminal Expansion Program | 431,397,000 | 431,397,000 | | |
| Terminal and Tenants Infrastructure | 334,851,000 | 331,882,000 | 2,969,000 | |
| Airfield | 235,868,000 | 235,868,000 | | |
| Satellite Transit System | 191,858,000 | 191,858,000 | | |
| Landside | 160,021,000 | 160,021,000 | | |
| Aviation Division Wide | 141,448,000 | 141,448,000 | | |
| Security | 58,691,000 | 58,691,000 | | |
| Business Development | 32,266,000 | 32,266,000 | | |
| | 17,629,000 | 17,629,000 | | |
| | 2,624,991,000 | 2,587,341,000 | 37,650,000 | |
| Noise | 401,998,000 | 369,164,000 | | 32,834,000 |
| All Other | | | | |
| Landside | 493,935,000 | 485,817,000 | 8,118,000 | |
| Aviation Division Wide | 283,570,000 | 264,287,000 | 19,283,000 | |
| Security | 253,262,000 | 252,932,000 | 330,000 | |
| Airfield | 181,239,000 | 144,813,000 | 36,426,000 | |
| Infrastructure | 166,227,000 | 99,461,000 | 66,766,000 | |
| South Terminal Expansion Program | 128,492,000 | 127,453,000 | 1,039,000 | |
| Terminal and Tenants | 116,532,000 | 58,560,000 | 57,972,000 | |
| Storm water | 78,698,000 | 60,398,000 | 18,300,000 | |
| Business Development | 46,353,000 | 39,006,000 | 7,347,000 | |
| | 1,748,308,000 | 1,532,727,000 | 215,581,000 | |
| Total Aviation Division | 4,775,297,000 | 4,489,232,000 | 253,231,000 | 32,834,000 |
| % of Total Aviation | 100.00% | 94.01% | 5.30% | 0.69% |
| SEAPORT DIVISION (2009-2013) | | | | |
| Total Seaport Division^(d) | 161,319,000 | | | |
| REAL ESTATE DIVISION (2009-2013) | | | | |
| Total Real Estate Division^(d) | 136,995,000 | | | |
| PROFESSIONAL & TECHNICAL SERVICES (2009-2013) | | | | |
| Total P&TS | 48,858,000 | | | |
| TOTAL PORT OF SEATTLE | \$5,122,469,000 | | | |

(a) Committed Program only.

(b) Includes existing revenue bond proceeds, PFC Bond proceeds, PFC revenues, Airport Improvement Program. (AIP) grants, Transportation Security Administration (TSA) grants, Letter of Intent grants, and the Airport Development Fund.

(c) Includes expected future AIP grants, PFC revenues, and other/equity.

(d) The Real Estate Division was established as of 1/1/08 and certain CIP's were transferred from Seaport to Real Estate as of that date.

Source: Port of Seattle.

Historical Debt Service Coverage for Period Ending December 31, 2008

Historical Debt Service Coverage Revenue Bonds (in thousands) For the Years Ended December 31

| <u>Fiscal Year</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Gross Revenue available for revenue bond debt service ^(a) | 375,960 | 412,481 | 439,819 | 452,539 | 488,283 |
| Operating Expenses | 223,270 | 226,195 | 223,564 | 241,238 | 279,904 |
| Less Port general purpose tax levy | <u>(20,865)</u> | <u>(24,233)</u> | <u>(23,828)</u> | <u>(27,928)</u> | <u>(34,712)</u> |
| Adjusted Operating Expenses | <u>202,405</u> | <u>201,962</u> | <u>199,736</u> | <u>213,310</u> | <u>245,192</u> |
| Non-operating revenue (net) ^(b) | 6,053 | 18,776 | 24,659 | 32,195 | 40,345 |
| Net revenue available for first lien debt service | <u>179,608</u> | <u>229,295</u> | <u>264,742</u> | <u>271,424</u> | <u>283,436</u> |
| Debt service on first lien parity bonds | 75,535 | 84,614 | 87,876 | 87,640 | 88,467 |
| Coverage on first lien parity bonds | 2.38x | 2.71x | 3.01x | 3.10x | 3.20x |
| Net revenue available for intermediate lien debt service ^(c) | 0 | <u>144,681</u> | <u>176,866</u> | <u>183,784</u> | 194,969 |
| Prior lien service offset paid by PFC Revenue ^(d) | 0 | 0 | 0 | 0 | 10,125 |
| Available for Intermediate Lien as first adjusted | 0 | 0 | 0 | 0 | <u>205,094</u> |
| Debt service on intermediate lien parity ^(c) | 0 | 2,167 | 7,269 | 14,079 | 22,330 |
| Coverage on intermediate lien parity bonds ^(c) | 0 | 66.77x | 24.33x | 13.05x | 9.18 |
| Net revenue available for subordinate lien debt service | <u>104,073</u> | <u>142,514</u> | <u>169,597</u> | <u>169,705</u> | <u>182,764</u> |
| Debt service on subordinate lien bonds | 23,382 | 27,813 | 39,067 | 42,006 | 41,511 |
| Coverage on subordinate lien bonds | 4.45x | 5.12x | 4.34x | 4.04x | 4.40x |

(a) Gross revenue represents total operating revenue adjusted for the following: Fuel hydrant rental income and difference of escalating rental income on straight-line basis versus contracted amount are excluded.

(b) Nonoperating revenue (net) is adjusted for the following: Interest expense on any obligations incurred in connection with and payable from gross revenue, income which is not legally pledged for revenue bond debt services namely passenger facility charges, and customer facility charges, grant and donation revenue, public expense, and non-cash items are excluded.

(c) No intermediate lien bonds were issued prior to 2005.

(d) During 2008, the Port implemented using Passenger Facility Charges ("PFC") revenue toward other specific revenue bonds debt service related to eligible projects. The Port, as authorized by the Federal Aviation Administration ("FAA"), has the authority to use PFC to: (i) pay PFC issued debt; (ii) pay eligible projects costs (definitions, terms and conditions are set by the FAA), and (iii) pay revenue bonds debt service related to PFC eligible projects. Historically, the Port used PFC to pay PFC debt service and to pay eligible projects costs. While the PFC revenue was used toward first lien bonds debt service, as permitted by the Port's Intermediate Lien Master Resolution No. 3540, as amended, this schedule applies the PFC revenue to the calculation for coverage on intermediate lien bonds.

Changes in the Identity of the Port's Treasurer

No change.

Changes in the Port's Investment Policy

No change.

Insurance

General Overview:

The Port has a comprehensive risk management program that financially protects the Port against loss from adverse events to its property, operations, third-party liabilities and employees. The Port's insurance year for liability coverage runs from October 1, 2008 to October 1, 2009. The Port's insurance year for property coverage runs from July 1, 2008 to July 1, 2009. The Port utilized the services of Hugh Wood Incorporated for the placement of its liability insurance. The Port utilizes Alliant Insurance Services to purchase its property insurance. All of the Port's insurance carriers are rated "A" or better by the A.M. Best & Co. and includes AIG, Lexington (AIG), ACE, Darwin, State National, National Union, Illinois Union, and Lloyds of London.

Property Insurance:

The Port maintains an "all risk" property insurance program for loss of and damage to Port property including business interruption and equipment breakdown with a \$1 billion per occurrence limit at a \$1 billion per occurrence deductible. Terrorism coverage is provided with a sub-limit of \$100 million per occurrence. Coverage for flood is capped at an annual aggregate of \$25 million above a flat \$25 million deductible. Builder risk coverage for property in the course of construction is provided with a sub-limit of \$50 million. For 2008-2009, the Port was able to secure a \$50,000 per occurrence deductible for builder risk (course of construction) coverage. In June of 2008, the Port purchased a three year stand alone builder risk property insurance policy to cover the construction of the Consolidated Rental Car Facility. The policy covers the Port and its contractor's interest in the property. Limits on this policy are \$280 million for "all-risk" coverage with separate limits to cover the perils of windstorm, flood, earthquake, and terrorism. The policy deductible is \$50,000 per occurrence. Earthquake limits are capped at \$150,000,000. The builders' risk coverage extends to both contractors and the Port for property damage to the Port's Capital Improvement Program assets that are in the course of construction. The Port carries a separate employee fidelity bond for crime coverage (employee dishonesty) with a \$1 million policy limit and a \$25,000 per claim deductible.

Liability Insurance:

The Port purchases excess commercial general liability insurance which covers losses involving bodily injury and property damage that arise from claims against the Port by third parties at all Port owned, rented or leased locations except the airport (which has a separate airport operator's liability policy). The excess general liability limit is \$50 million per occurrence with a \$1 million per claim retention. This excess liability coverage is for the Port's marine, automobile, employee benefits, and foreign liability exposures. Coverage includes events stemming from terrorism acts.

The Port purchases a separate airport operator's liability insurance policy, which covers liability losses involving property damage and bodily injury that arise out of airport operations. The limit of liability is \$300 million with a \$50,000 per claim retention. Coverage for events stemming from terrorism and/or war is excluded. In 2007, the Port added Robinson Aviation (ramp tower control vendor) as an insured onto this policy to cover the liability exposure of aircraft movement on the ramp area.

Separate liability policies have been purchased to cover the Port's public officials' and employment practices liability (\$5 million limit/\$1 million per claim retention); fiduciary liability (\$5 million

limit/no-deductible), and police professional liability (\$3 million limit/\$1 million per claim retention). The Port self-insures its workers' compensation exposure.

Third Party Agreements:

Contractors, tenants, and lessees, are required to carry at least \$1 million of commercial general liability insurance (\$10 million for large construction projects and higher-risk projects) and automobile liability insurance of at least \$1 million (\$5 million for automobiles operated on the non-movement part of the aircraft operations area and \$10 million for automobiles operated on the aircraft movement area of the aircraft operations area). The Port requires airline tenants at Sea-Tac airport to provide between \$100 million and \$300 million per occurrence liability limits. Contractors must also provide proof of workers' compensation coverage for their employees as well as Washington State "stop-gap" coverage that covers employers' liability. The Port requires all contractors, tenants, and lessees, to include the Port as an "additional insured" as their interests appear for their work, operations, or other activities, on Port property. All contracts and lease agreements require that the Port, and its employees, officers, and commissioners are to be held harmless and indemnified for all actual and alleged claims that arise out of the acts of the contractors and lessees.

Total Annual Enplanements

| <u>Year</u> | <u>Domestic</u> | <u>International</u> | <u>Total</u> | <u>Annual Increase/(Decrease)</u> |
|--------------------|-----------------|----------------------|--------------|-----------------------------------|
| 2008 (entire year) | 14,647,483 | 1,437,456 | 16,084,939 | 2.7% |
| January – May 2008 | 5,627,116 | 591,469 | 6,218,585 | ----- |
| January – May 2009 | 5,360,619 | 532,879 | 5,893,498 | -5.2 |

Percentage of Domestic and International Flights

Of the approximately 16.1 million enplaned passengers served by the Airport in 2008, 8.9% were on international flights and 91.1% were on domestic flights.

Enplanement Market Share by Airline in 2008

| <u>Rank</u> | <u>Airline</u> | <u>Enplaned Passengers</u> | <u>% Mkt Share</u> |
|-------------|------------------------------|--------------------------------|------------------------|
| 1 | Alaska Airlines | 5,523,387 | 34.3% |
| 2 | Horizon Air | 2,280,037 | 14.2% |
| | | 7,803,424 | 48.5% |
| 3 | Southwest Airlines | 1,425,062 | 8.9% |
| 4 | United Airlines ¹ | 1,285,294 | 8.0% |
| 5 | Northwest Airlines | 1,099,234 | 6.8% |
| 6 | Delta Air Lines ² | 965,727 | 6.0% |
| 7 | American Airlines | 736,657 | 4.6% |
| 8 | Continental Airlines | 678,505 | 4.2% |
| 9 | US Airways | 509,186 | 3.2% |
| 10 | Hawaiian Airlines | 197,592 | 1.2% |
| 11 | Virgin America | 188,984 | 1.2% |
| 12 | JetBlue Airways | 173,469 | 1.1% |
| 13 | Frontier Airlines | 161,123 | 1.0% |
| | Others ³ | 860,682 | 5.4% |
| | Airport total | 16,084,939 | 100.0% |

(1) United Airlines includes United Express.

(2) Includes Delta Connection (operated by SkyWest Airlines and ExpressJet)

(3) Airlines with less than 1% market share each

Source: As reported to the Port by the airlines.

Number of U.S. Flagged and Foreign Passenger Airlines

19 U.S. flagged passenger airlines and 11 foreign flagged passenger airlines served the Airport as of December 2008.

List of Airlines Serving Seattle-Tacoma International Airport as of December 2008

Scheduled Passenger Service

United States Flag airlines
AirTran Airways
Alaska Airlines
American Airlines
Continental Airlines
Delta Air Lines
Delta Connection/SkyWest Airlines
Frontier Airlines
Hawaiian Airlines
Horizon Air
JetBlue Airways
Midwest Airlines
Northwest Airlines
Southwest Airlines
Sun Country Airlines
United Airlines
United Express/SkyWest Airlines
US Airways
Virgin America

Foreign Flag Airlines

AeroMexico
Air Canada
Air Canada Jazz
Air France
Asiana Airlines
British Airways
EVA Air
Hainan Airlines
Korean Air
Lufthansa German Airlines
SAS Scandinavian Airlines

Charter Passenger Service

Allegiant Air
Xtra Airways

All-Cargo Service

Cargolux International
China Airlines
Empire Airlines
EVA Air
Fedex
Great Wall Airlines
Korean Air
Martinair Holland

Note: Criteria for inclusion on list (carriers serving Seattle-Tacoma Airport less than one year are automatically included)

- (1) Scheduled Passenger Airlines include carriers that carried at least 0.1% of all passengers in 2008
- (2) Charter Airlines include carriers that carried at least 1,000 passengers in 2008
- (3) Cargo Airlines include all-cargo carriers that had a minimum of 0.5% market share in 2008 plus EVA Air and Korean Air who also operate scheduled cargo-only freighters.

Source: Port of Seattle records

Number of Total Airport Operations for 2008

The Airport accommodated 345,242 airline operations (takeoffs and landings) in 2008.

Primary Domestic Origin and Destination Markets 2008

| Rank | Market of Origin or Destination | Air miles from Seattle ⁽¹⁾ | Percent share of market ^{(2)(a)} | Average daily non-stop departures ^(b) |
|------|---------------------------------|---------------------------------------|---|--|
| 1 | Los Angeles, CA ⁽³⁾ | 954 | 11.6 | 41 |
| 2 | Bay Area, CA ⁽⁴⁾ | 678 | 9.2 | 31 |
| 3 | Las Vegas, NV | 866 | 4.4 | 10 |
| 4 | New York, NY ⁽⁵⁾ | 2,421 | 3.9 | 11 |
| 5 | Phoenix, AZ | 1,107 | 3.8 | 11 |
| 6 | Denver, CO | 1,024 | 3.2 | 15 |
| 7 | San Diego, CA | 1,050 | 3.0 | 8 |
| 8 | Chicago, IL ⁽⁶⁾ | 1,721 | 3.0 | 13 |
| 9 | Spokane, WA | 224 | 2.6 | 20 |
| 10 | Sacramento, CA | 605 | 2.2 | 6 |
| 11 | Dallas, TX ⁽⁷⁾ | 1,660 | 2.1 | 11 |
| 12 | Honolulu, HI | 2,677 | 2.0 | 4 |
| 13 | Minneapolis, MN | 1,399 | 2.0 | 8 |
| 14 | Washington, D.C. ⁽⁸⁾ | 2,329 | 1.9 | 5 |
| 15 | Salt Lake City, UT | 689 | 1.9 | 7 |
| 16 | Atlanta, GA | 2,182 | 1.6 | 7 |
| 17 | Boise, ID | 399 | 1.6 | 7 |
| 18 | Anchorage, AK | 1,449 | 1.6 | 17 |
| 19 | Boston, MA | 2,496 | 1.6 | 3 |
| 20 | Orlando, FL | 2,553 | 1.4 | 2 |
| 21 | Houston, TX ⁽⁹⁾ | 1,874 | 1.3 | 7 |
| 22 | South Florida ⁽¹⁰⁾ | 2,717 | 1.2 | 1 |
| 23 | Baltimore, MD ⁽¹¹⁾ | 2,335 | 1.2 | <1 |
| 24 | Portland, OR | 129 | 1.1 | 33 |
| 25 | Kahului, HI | 2,640 | 1.1 | 2 |
| 26 | Reno, NV | 564 | 1.0 | 5 |
| 27 | Philadelphia, PA | 2,378 | 1.0 | 2 |
| 28 | Detroit, MI | 1,927 | 1.0 | 3 |
| | Sub total | | 73.6 | 290 |
| | All other cities | | 26.4 | 119 |
| | Total ⁽¹²⁾ | | 100% | 408 |

Note: Totals may not add to 100% as a result of rounding.

(1) In markets with multiple cities, distance is to city with largest passenger share.

(2) Includes cities with at least one percent market share.

(3) Los Angeles International, Bob Hope (Burbank), John Wayne (Orange County), Ontario International, and Long Beach airports.

(4) San Francisco, Oakland, and Mineta San Jose International airports.

(5) John F. Kennedy International, LaGuardia, and Newark Liberty International airports.

(6) Chicago O'Hare International and Midway airports.

(7) Dallas/Ft. Worth and Love Field airports.

(8) Washington Dulles International and Reagan Washington National airports.

(9) George Bush Intercontinental Airport Houston and Hobby airports

(10) Miami, Fort Lauderdale-Hollywood, and Palm Beach International airports.

(11) Baltimore has no direct flights, however, the market share is due to connecting flights.

(12) Remaining domestic cities and nonstop international departures included in the total.

Sources: (a) U.S DOT OD1A database; (b) Official Airline Guide (OAG) schedule

Percentage of Origin and Destination (O&D) Passengers

The estimated percentage of O&D passengers is 72.1%, based upon a recent U.S. Department of Transportation survey, as of twelve months ending December 31, 2008.

Landed Weights of Top Ten Passenger Carriers for 2008

| <u>Rank</u> | | <u>Metric Tons</u> | <u>% of Total</u> |
|-------------|---------------------------|----------------------|-------------------|
| 1 | Alaska Airlines | 6,589,822.00 | 30.6% |
| 2 | Horizon Airlines | 2,562,642.00 | 11.9% |
| 3 | Southwest Airlines | 2,034,934.00 | 9.5% |
| 4 | United Airlines | 1,607,860.00 | 7.5% |
| 5 | Northwest Airlines | 1,477,734.00 | 6.9% |
| 6 | Delta Airlines | 1,005,154.00 | 4.7% |
| 7 | American Airlines | 777,099.00 | 3.6% |
| 8 | Continental Airlines | 723,708.00 | 3.4% |
| 9 | Fedex | 679,644.00 | 3.2% |
| 10 | US Airways | 582,693.00 | 2.7% |
| | All Others ⁽¹⁾ | 3,477,271.00 | 16.2% |
| | | <u>21,518,561.00</u> | <u>100.0%</u> |

Number of Domestic Daily Non-stop Cities Served in 2008

Passenger airlines provided daily non-stop service to 76 cities.

List of International Daily Non-stop Cities Served in 2008

Non-stop daily international service was offered to 22 cities (some Mexico service is seasonal):

Amsterdam, Netherlands
Beijing, China
Calgary, Alberta, Canada
Cancun, Mexico
Copenhagen, Denmark
Edmonton, Alberta, Canada
Frankfurt, Germany
Kamloops, British Columbia, Canada
Kelowna, British Columbia, Canada
London, United Kingdom
Mazatlan, Mexico
Mexico City, Mexico
Paris, France
Prince George, British Columbia, Canada
Puerto Vallarta, Mexico
San Jose Del Cabo, Mexico
Seoul, South Korea
Taipai, Taiwan
Tokyo, Japan
Toronto, Ontario, Canada
Vancouver, British Columbia, Canada
Victoria, British Columbia, Canada

Source: Official Airline Guide (OAG)

Scheduled International Service

| <u>Country</u> | <u>Percent of Seating Capacity</u> |
|-----------------------|---|
| Canada | 38.4% |
| United Kingdom | 13.2% |
| Japan | 11.7% |
| Mexico | 7.2% |
| Taiwan | 6.4% |
| Korea | 6.1% |
| Netherlands | 4.5% |
| Denmark | 4.0% |
| France | 4.0% |
| Germany | 2.9% |
| China | 1.7% |
| | <hr/> <hr/> 100.0% <hr/> <hr/> |

Source: Official Airline Guide (OAG), June 2009

Non-Stop Scheduled Departures by Airline

| Airline | Number of average daily departures |
|-------------------------------------|---|
| Alaska Airlines | 134 |
| Horizon Air | 124 |
| Southwest Airlines | 46 |
| United Airlines | 26 |
| Northwest Airlines | 16 |
| American Airlines | 15 |
| Delta Air Lines | 15 |
| SkyWest Airlines ^a | 14 |
| Continental Airlines | 13 |
| US Airways | 11 |
| Air Canada Jazz | 7 |
| Virgin America ^b | 5 |
| jetBlue Airways | 4 |
| Frontier Airlines | 4 |
| Hawaiian Airlines | 3 |
| AirTran Airways ^c | 2 |
| Delta Connection/ExpressJet Airline | 2 |
| British Airways | 2 |
| Midwest Airlines ^d | 2 |
| Sun Country Airlines | 2 |
| Air Canada | 1 |
| AeroMexico | 1 |
| SAS Scandinavian Airlines | 1 |
| Air France | 1 |
| Lufthansa Airlines ^b | 1 |
| EVA Air | 1 |
| Korean Air | 1 |
| Asiana Airlines | 1 |
| China Airlines ^e | <1 |
| Hainan Airlines ^f | <1 |
| | 453 |

(a) operates as Delta Connection and United Express carrier

(b) service started March 2008

(c) operates seasonally

(d) service frequently increases during the summer months

(e) service ended September 2008

(f) service started June 2008

Source: Official Airline Guide (OAG), June 2009

Percentage of Enplanements Traveling to Asia

In 2008, approximately 2.2% of all enplanements, or 25% of international enplanements represented passengers traveling to Asia.

Number of Domestic and Foreign All-Cargo Airlines

6 domestic and foreign all-cargo airlines, having a market share greater than 0.5%, served the Airport in 2008 (these numbers do not include air mail).

Metric Tons of Enplaned and Deplaned Cargo

Total enplaned and deplaned cargo equaled 290,653 metric tons in 2008. This includes Domestic and International Air Freight and Domestic and International Air Mail.

Additional Pledged Revenue and any Changes of PFC Authorization

There were no changes in 2008.

Projects to be Funded with PFC Revenue -- Costs and Sources of Funds

PROJECTS TO BE FUNDED WITH PFC REVENUE--ESTIMATED COSTS AND SOURCES OF FUNDS

Port of Seattle, Washington
Seattle-Tacoma International Airport

| | Gross project costs | Sources of funds | | | | |
|---|---------------------------|-----------------------|---------------|------------------------------|------------------------------|---------------------------|
| | | Federal grants-in-aid | | Port funds ⁽¹⁾ | Pay-as-you-go PFC Revenue | 1998 PFC Bond proceeds |
| | | Entitlement | Discretionary | | | |
| 1998 PFC Bond Projects | | | | | | |
| Third runway ⁽²⁾ | \$947,279,393 | \$93,900,000 | \$202,635,256 | 404,023,029 | 132,388,108 | \$114,333,000 |
| South Terminal Expansion Program (STEP) ⁽³⁾ | 567,510,000 | | | 428,693,026 | 41,534,974 | 97,282,000 |
| Passenger Conveyance System (STS) ⁽⁴⁾ | 159,961,000 | | | 27,697,658 | 83,878,342 | 48,385,000 |
| Total 1998 PFC Bond Projects | \$1,674,750,393 | \$93,900,000 | \$202,635,256 | \$860,413,713 | \$257,801,424 | \$260,000,000 |
| Other--impose and use | | | | | | |
| ARFF regional training facility ⁽⁵⁾ | \$6,880,689 | | \$4,503,000 | 927,893 | \$1,449,796 | |
| Runway safety area improvements | 46,286,000 | | 25,500,000 | 12,286,000 | 8,500,000 | |
| Access roadway improvements | 73,815,316 | | | 49,650,053 | 24,165,263 | |
| Security system upgrade | 32,818,365 | | | 20,515,365 | 12,303,000 | |
| Airfield pavement and infrastructure improvements | 46,981,877 | | 7,883,000 | 10,818,017 | 28,280,860 | |
| Noise programs ⁽⁶⁾ | 137,800,000 | | 50,000,000 | 37,800,000 | 50,000,000 | |
| Total other--impose and use | \$344,582,247 | | \$87,886,000 | \$131,997,328 | \$124,698,919 | |
| Total projects | \$2,019,332,640 | \$93,900,000 | \$290,521,256 | \$992,411,041 | \$382,500,343 | \$260,000,000 |

(1) Including, but not limited to, Airport Development Fund moneys and revenue bond and commercial paper proceeds.

(2) Excludes some associated costs - \$33 million for Safety Area and \$35 million for Noise projects. When these costs are included, total Third runway project costs are \$1,128,801,000. As of 2008 total cost reduced by \$94M & \$7M in savings.

(3) Formally known as "Terminal expansion--Concourse A" & includes associated security systems

(4) Also known as Satellite Transit System (STS).

(5) Formally known as the "Aircraft Rescue and Fire Fighting Regional Training Facility"

(6) Total Noise project costs associated with the PFC Record of Decision (ROD)

Source: Port of Seattle.

Historical PFC Collection and Percentage of PFC Eligible Enplaned Passengers

Note that PFC collections figures are based on "PFC Quarterly Status Report – Revenue and Expenditures" filed with FAA and reported on a cash basis; thus PFC collections do not match the amounts reported in the Port of Seattle Financial Statements.

| | <u>2008</u> |
|---------------------------------|--------------|
| Enplaned passengers | 16,084,939 |
| Annual Percentage Increase | 2.7% |
| Passenger Facility Charge (PFC) | \$ 4.50 |
| Administration costs | <u>0.12</u> |
| Net PFC | <u>4.38</u> |
| PFC-eligible passengers | 14,037,265 |
| Percent of enplaned passengers | 87.3% |
| PFC Collections | \$61,483,221 |

Historical Application of PFC Revenue

| | <u>2008</u> ⁽¹⁾ |
|---------------------------------------|----------------------------|
| Beginning Balance | 17,990,483 |
| Plus Deposits: Annual PFC Collections | 61,483,221 |
| Annual Interest Income | <u>2,062,449</u> |
| Total Deposits | <u>63,545,670</u> |
| Available amounts | <u>81,536,153</u> |
| Less withdraws: Annual Debt Services | 20,423,677 |
| Pay-as-you-go Expenditures | <u>30,994,235</u> |
| Total Withdraws | <u>51,417,912</u> |
| Ending Balances | <u>30,118,241</u> |

⁽¹⁾ Figures are based on "PFC Quarterly Status Report - Revenue and Expenditures" filed with FAA

Annual PFC Debt Service Coverage

Note that PFC collections figures are based on “PFC Quarterly Status Report – Revenue and Expenditures” filed with FAA and reported on a cash basis; thus PFC collections do not match the amounts reported in the Port of Seattle Financial Statements.

| | <u>2008</u> | |
|--|-------------|------------------|
| PFC collections | [A] | \$61,483,221 |
| PFC Capital and Revenue Fund interest income | [B] | <u>2,062,449</u> |
| PFC Revenue | [A]+[B]=[C] | \$63,545,670 |
| First Lien PFC Reserve Account interest income | [D] | <u>862,747</u> |
| | [C]+[D]=[E] | \$64,408,417 |
| Annual PFC Debt Service | [F] | \$20,423,677 |

Annual PFC Debt Service coverage

| | | |
|--|-----------|------|
| PFC collections only | [A] / [F] | 3.01 |
| PFC Revenue | [C] / [F] | 3.11 |
| PFC Revenue and First Lien PFC Reserve Account Interest Income | [E] / [F] | 3.15 |

PFC Unspent Authority & First Lien Sufficiency Covenant

First Lien Sufficiency Covenant Coverage is 1.33 which is calculated as followed:

| | <u>2008</u> |
|---|-----------------------|
| Unspent PFC Authority (see detail below) | \$406,107,961 |
| Plus Projected Additional Pledged Revenue | |
| Remaining Unspent PFC Authority | <u>\$ 406,107,961</u> |
| Remaining Aggregate PFC Debt Service | \$306,355,435 |
| First Lien Sufficiency Covenant Coverage (minimum is 1.05) | 1.33 |
| <hr/> | |
| <u>Unspent PFC Authority</u> | |
| Beginning Aggregate PFCs authorized to be collected | \$501,541,977 |
| Plus: Net Annual Adjustment to Authorization | \$0 |
| Less: PFC Collected and Interest Earned | <u>(\$63,545,472)</u> |
| Ending Aggregate PFCs authorized to be collected | <u>\$437,996,505</u> |
| Less Adjusted Costs | |
| Costs of Projects Paid | \$9,567,173 |
| Costs of Projects Paid - Debt Service | \$20,423,678 |
| Costs of Projects Obligated | \$53,938,000 |
| Costs of Projects Obligated - Remaining Debt Service | \$306,355,435 |
| Less: Projected Aggregate Debt Service | (\$306,355,435) |
| Less: Amount on deposit in the Funds | (\$52,040,306) |
| Less: Costs of Projects Paid from Bond Proceeds | \$0 |
| Less: Costs of Projects Obligated from Bond Proceeds | <u>\$0</u> |
| Total Adjusted Costs | <u>\$31,888,544</u> |
| Total Unspent Authority | \$406,107,961 |

Airport LOI and Other Federal Grants - 2008

| | |
|--------------------------|--------------|
| Operating grants: | \$375,000 |
| Capital spending grants: | \$37,673,442 |

Aviation Division Operating Expenses for 2008

| | 2008 (in \$000's) |
|--|-----------------------------|
| Direct Expense Cost Centers | |
| Administration salaries and benefits | 28,040 |
| Wages | 56,854 |
| Travel and other employee expenses | 1,080 |
| Outside services | 31,928 |
| Supplies | 5,585 |
| Utilities | 12,636 |
| Other direct expenses | 23,990 |
| Charges to capital projects | (10,248) |
| Total Direct Operating Expenses | <u>149,865</u> |
| Indirect Expense Cost Centers | |
| Corporate allocations | |
| Total Indirect Operating Expenses | <u>45,318</u> |
| Total Operating Expenses | <u><u>195,183</u></u> |
| Summary by cost center | |
| Aeronautical ⁽¹⁾ | 131,024 |
| Landside | 38,886 |
| Business Dev & Mgmt ⁽²⁾ | 25,680 |
| Utilities ⁽³⁾ | (407) |
| Total Operating Expenses | <u><u>195,183</u></u> |

(1) Airfield and Air Terminal are combined to Aeronautical; adjusted for the 20.0% non-aeronautical terminal costs.

(2) Included 20.0% of the non-aeronautical terminal costs for Concessions.

(3) The cost center summary shows utilities O&M expense as a negative amount due to other charges such as depreciation and capital costs included in the rate base for the purpose of internal and external billing.

Source: Port of Seattle, Aviation Division

Sources of Aviation Division Revenue for 2008⁽¹⁾

| | 2008 (in \$000's) | % of Total |
|---|-----------------------------|-----------------------------|
| Airline Revenues | | |
| Landing Fee | 65,770 | 18.51% |
| Terminal Rents | 125,853 | 35.41% |
| Other | 11,651 | 3.28% |
| Total Airline Revenues | 203,274 | 57.20% |
| Non-Airline Revenues | | |
| Commercial Properties | | |
| In-Flight Kitchen | 3,437 | 0.97% |
| Commercial Property Leases | 2,577 | 0.72% |
| Commercial Properties Subtotal | 6,013 | 1.69% |
| Landside | | |
| Public Parking | 59,111 | 16.63% |
| Rental Cars | 35,592 | 10.01% |
| Employee Parking | 5,441 | 1.53% |
| Ground Transportation | 4,759 | 1.34% |
| Landside Subtotal | 104,903 | 29.52% |
| Concessions | | |
| Food and Beverage | 11,390 | 3.20% |
| News and Gift | 9,336 | 2.63% |
| Duty-Free | 1,703 | 0.48% |
| Other Concessions | 10,752 | 3.03% |
| Concessions Subtotal | 33,181 | 9.34% |
| Utilities | 5,973 | 1.68% |
| Other | 458 | 0.13% |
| Total Non-Airline Revenues | 150,528 | 42.35% |
| Security Grants | 1,087 | 0.31% |
| Fuel Hydrant Revenue ⁽²⁾ | 514 | 0.14% |
| Total Aviation Division Revenues | 355,403 | 100.00% |

(1) Revenues are by business unit, and thus amounts in some categories may differ from amounts disclosed in other tables within this and other reports, which may be presented by account.

(2) Fuel Facility Revenue of \$2.93 million for the payment of Special Facility Bonds debt service is excluded.

Source: Port of Seattle, Aviation Division

Calculation of Airline Terminal Rents

| Terminal Costs | 2008 (in \$000's) |
|---|-----------------------------|
| Cost Element | |
| a) Debt Service | 71,911 |
| b) Amortization | 836 |
| c) Interim Financing Costs | 414 |
| d) Terminal and Allocable O&M | 90,643 |
| f) Allocated P69 Debt Service | 395 |
| Subtotal | <u>164,199</u> |
| Less: | |
| Common Bridge/Gate Equip Revenues | (748) |
| Open Storage Revenue | (412) |
| Capital and O&M Costs for Airlines-Specific Systems | (16,822) |
| TSA Check Point Reimbursement | (1,087) |
| Terminal Costs to Airfield | (971) |
| Allocable Costs | <u>144,158</u> |
| Less: Terminal Costs for the Port, Public Areas, and Non-Aero | (28,832) |
| Less: Environmental Settlement from Northwest Airlines | (2,500) |
| Add Back: Capital and O&M Costs for Airline-Specific Systems | 16,822 |
| Required Change in Security Deposit | (76) |
| Terminal Revenue Requirement before FIS Cost Exclusion | <u>129,573</u> |
| Less: Federal Inspection Services (FIS) Cost Exclusion | <u>(5,250)</u> |
| Terminal Revenues | <u>124,323</u> |
| Add Back: | |
| Common Bridge/Gate Equip Revenues | 748 |
| Open Storage Revenue | 412 |
| Land for Common Gates | 370 |
| Terminal Revenues Requirement | <u>125,853</u> |
| Terminal Revenues Requirement | 125,853 |
| Terminal Revenues Billed, Adjustments and prior year deficit | <u>134,613</u> |
| Surplus (Deficit) | <u>8,760</u> |

Source: Port of Seattle, Aviation Division

Calculation of Airline Landing Fees

| Landing Fee Costs | 2008 (in \$000's) |
|---|-----------------------------|
| Cost Element | |
| a) Debt Service - Air Field | 17,211 |
| b) Amortization | 709 |
| c) Airfield and Allocable O&M ⁽¹⁾ | 55,881 |
| d) Interim Financing Costs | 2,935 |
| e) Allocated P69 Debt Service | 204 |
| f) Allocated Terminal Costs | 971 |
| Subtotal | 77,912 |
| Less: | |
| g) Other Airfield Revenues | |
| - Airfield Properties | (7,469) |
| - ODP Operating Grant | (144) |
| - ID Badging | (384) |
| - Gate Parking & Fuel Flowage | (2,614) |
| - Ramp Tower Fee | (980) |
| - Fuel Hydrant - Land Rental | (514) |
| Subtotal | (12,105) |
| Required Change to Security Deposit | (36) |
| Landing Fee Revenue Requirement | 65,770 |
| Landing Fee Revenue Requirement | 65,770 |
| Landing Fee Revenues Billed, Adjustments and prior year Surplus | 57,410 |
| Surplus (Deficit) | (8,361) |
| Total Landed Weight ⁽²⁾ | 21,516 |
| Landing Fee Rate Billed ⁽³⁾ | 2.62 |

(1) Includes all direct charges, division and corporate allocations.

(2) In 1,000 lb. units.

(3) Per 1,000 lb. unit.

Source: Port of Seattle, Aviation Division

Changes in the Method of Charging for the Use of Airport Facilities

Information on the changes is reported in the “Airline Business Agreements” section.

Airline Business Agreements

No Change.

Port of Seattle Container Volumes⁽¹⁾ (in thousands)

| Year | <u>International Containers</u> | | | | | <u>Domestic</u> | <u>Total</u> ⁽³⁾ | |
|---------------------|---------------------------------|-------------------|--------------------|-------------------|--------------------|-----------------|-----------------------------|--------------------|
| | <u>Inbound</u> | | <u>Outbound</u> | | | <u>TEU's</u> | <u>TEU's</u> ⁽²⁾ | |
| | <u>Metric Tons</u> | <u>Full TEU's</u> | <u>Metric Tons</u> | <u>Full TEU's</u> | <u>Empty TEU's</u> | | | <u>Total TEU's</u> |
| 2008 ⁽⁴⁾ | 4,988 | 664 | 5,568 | 435 | 277 | 1,376 | 328 | 1,704 |

1) Approximate weight per TEU at the Port is seven metric tons of import cargo and 13 metric tons of export (International) cargo.

2) Includes volumes handled by non-Port facilities in the Seattle harbor. Includes full and empty containers.

3) Total for the Seattle harbor. Total might not equal the sum of component parts due to rounding.

4) For the first five months of 2009 container traffic decreased 24.1% compared to the first five months of 2008.

Note: This table was called "International Containerized Trade" in Series 1996A&B and 1997A&B.

Source: Port of Seattle

Containerized Cargo Trends and Market Share for 2008 (TEU's in thousands)

Estimates based on information publicly available from West Coast ports.

| Seattle | | |
|---------|--|---|
| TEU's | Estimated Percent of West Coast ⁽¹⁾ | Estimated Percent of Pacific Northwest ⁽²⁾ |
| 1,704 | 7.4% | 26.3% |

1. West Coast is Seattle, Tacoma, Portland, Oakland, Los Angeles, Long Beach, and Vancouver, BC.

2. Pacific Northwest is Seattle, Tacoma, Portland and Vancouver, BC.

Source: Port of Seattle Containers

Seattle Harbor Top Ten Foreign Trade Partners Total Exports and Imports for 2008⁽¹⁾

| Country | Weight (in metric tons) | | | |
|-----------------------|-------------------------|-------------------|-------------------|----------------|
| | Import | Export | Total | Market Share |
| China | 2,735,850 | 3,457,899 | 6,193,749 | 31.5% |
| Japan | 560,675 | 3,273,851 | 3,834,526 | 19.5% |
| Canada ⁽²⁾ | 2,295,493 | 617,488 | 2,912,981 | 14.8% |
| South Korea | 414,791 | 1,696,861 | 2,111,652 | 10.7% |
| Taiwan | 126,656 | 748,373 | 875,029 | 4.5% |
| Indonesia | 94,244 | 375,607 | 469,851 | 2.4% |
| Mexico | 435,005 | 4,689 | 439,694 | 2.2% |
| Thailand | 165,163 | 184,919 | 350,082 | 1.8% |
| Australia | 74,601 | 198,426 | 273,027 | 1.4% |
| Philippines | 31,998 | 234,850 | 266,848 | 1.4% |
| Others | 526,095 | 1,399,427 | 1,925,521 | 9.8% |
| TOTAL | 7,460,571 | 12,192,390 | 19,652,961 | 100.00% |

(1) This table includes all cargoes that pass through the Seattle harbor, including cargoes handled by non-Port operators. Totals may not add to 100 percent due to rounding

(2) Canadian imports are primarily minerals, a bulk cargo not handled by the Port.

Source: U.S. Department of Commerce, Bureau of Census.

Annual Throughput Volume (in TEU's) at Terminal 18

567,951 TEU's in 2008

Seattle's Share of Puget Sound Container Traffic

Seattle's share of Puget Sound (the ports of Seattle and Tacoma combined) container traffic in 2008 was 47.8%.

Exports and Imports (in TEU's) to and from Asia in 2008

Export: 387,609 full TEU's

Import: 648,171 full TEU's

Non-Container Cargo Trends in 2008

| Cargo | Metric Tons (in 1000's Tons) |
|--------------|------------------------------|
| Grain | 6,401 |
| Breakbulk | 107 |
| Liquid Bulks | 1,003 |
| Total | <u>7,511</u> |

Source: Port of Seattle Containers, Cargo, and Cranes System

Port of Seattle Cruise Passenger Volumes in 2008

Passengers: 886,039

PORT OF SEATTLE CONTAINER TERMINALS in 2008

| Category | Terminal 5 | Terminal 18 | Terminal 30 | Terminal 46 |
|--|---|---|--|--|
| Primary Lessee | Eagle Marine Services, Ltd. ^(a) | SSA Terminals, LLC and SSA Containers, Inc. ^{(b) (c)} | SSA Terminals (Seattle), LLC | Total Terminals International LLC ^(d) |
| Terminal Area | 158 acres (expansion area completed 1998) <i>Leased - 158 acres</i> <i>Available for expansion - 24 acres</i> | 196 acres (expansion area completed 2002) <i>Leased - 196 acres</i> | 70 acres ^(e) <i>Leased - 70 acres</i> | 88 acres (improvements completed in 2004) <i>Leased - 88 acres</i> |
| Lease Expiration | 2028 | 2032 ^(f) | 2039 ^(e) | 2015, plus one 10-year extension |
| Berth Facilities | 2,900 feet | 4,500 feet | 2,700 feet | 2,780 feet |
| Water Depth | 45 ft to 50 ft below mllw | 46 ft to 50 ft below mllw | 50 ft below mllw | 50 ft below mllw |
| Container Cranes ^(g) | Six (6) 100-ft gauge Post-Panamax cranes ⁽ⁱ⁾ . | One (1) 50-ft gauge Panamax crane ^(h) , and Three (3) 100-ft gauge Super Post-Panamax cranes ⁽ⁱ⁾ . Four (4) 100-ft gauge Super Post-Panamax cranes ^(j) . | Three (3) 100-ft gauge Super Post-Panamax cranes and three (3) 50-ft gauge Panamax cranes ^(j) . | One (1) 50-ft gauge Panamax crane, Two (2) 100-ft gauge Post-Panamax cranes, and Three (3) 100-ft gauge Super Post-Panamax cranes ⁽ⁱ⁾ . |
| Gross Revenues | 21,173,329 | 15,516,979 ^(k) | 3,790,527 | 12,305,707 |

Notes:

- (a) Eagle Marine Services, Ltd. is a subsidiary of American President Lines, Ltd.
- (b) Original lease named SSA Terminals, LLC and Stevedoring Services of America, Inc. as Lessees. Subsequent Lessee name changes from Stevedoring Services of America, Inc. to SSA Marine, Inc., and then to SSA Containers, Inc. were solely changes in identity and not in ownership or control.
- (c) SSA Terminals, Inc. can be sole signer with consent from SSA Containers, Inc.
- (d) Total Terminals International LLC is a joint venture between Marine Terminals Corporation and Hanjin Shipping Company, Ltd.
- (e) An Amendment to the Terminal 25 lease was executed in May 2006 that will expand the site area to include Terminal 30 (an increase of approximately 38 acres) and will extend the Terminal 25/30 lease to a term of 30 years from the date of Substantial Completion of the defined Terminal 25/30 site improvements. Construction on the Terminal 25/30 site improvements commenced in late-2007, with Substantial Completion anticipated in June 2009, resulting in a new lease expiration date of Mid-2039. The lessee for the expanded T30 Terminal is an equity partnership between SSA Terminals, Inc and China Shipping Terminals to be named SSAT Terminals (Seattle), LLC.
- (f) An Amendment to the Terminal 18 lease was executed in April 2007 that will automatically extend the term of the Terminal 18 lease. This automatic lease extension will extend the Terminal 18 lease to be co-terminus with the Terminal 25/30 lease, for a term of 30 years from the date the Port achieves Substantial Completion of the required improvements at Terminal 25/30 - see note (e) above.
- (g) Panamax cranes are designed to service container ships that can pass through the Panama Canal (up to a width of 106 feet). Post-Panamax cranes and Super Post-Panamax cranes are designed to service container ships with a width in excess of 106 feet that are too wide to pass through the Panama Canal. Post-Panamax cranes are able to service vessels with a width to accommodate up to 17 rows of containers. Super Post-Panamax cranes are able to service vessels with a width to accommodate 18 or more rows of containers.
- (h) The one 50-ft gauge Panamax crane was demolished and removed from Terminal 18 in Q1 2009.
- (i) Cranes owned by Port of Seattle.
- (j) Cranes owned by Lessee.
- (k) Terminal 18 revenues are reported net of debt service paid on Special Facility Revenue Bonds Series 1999.

Source: Port of Seattle

Non-Container Terminal Leases for 2008

| Terminal | 2008 Facility Gross Revenue | Primary Lessee | Primary Operations | Date of Lease Expiration |
|----------|-----------------------------------|--|---|---------------------------------------|
| T-91 | \$7,315,734 | City Ice Cold Storage Company | Cold Storage | 6/30/2019; 2/29/2024 MTM; 9/9/2019 |
| | | Trident Seafoods Corporation | Seafood Processing | 11/30/2020 |
| | | American Seafood Company | Fishing Vessels, Storage & Maintenance of Seafood Processing Equipment | 3/31/2012 |
| | | Carnitech U.S., Inc. | Manufacturing & Fabrication | 8/31/2017 ; 9/30/2013 MTM |
| | | Olympic Tug & Barge, Inc. ⁽¹⁾ | Tugs & Barges | 4/30/2009 |
| | | Premier Pacific Seafoods | Fishing Vessels | 1/31/2010 |
| | | First Student, Inc. | Transportation Services | MTM |
| | | Supreme Alaska Seafoods ⁽²⁾ | Fishing Vessels | 1/31/2009 |
| | | Arctic Storm, Inc. | Fishing Vessels | 1/31/2010 |
| | | M.T. Housing, Inc. | Industrial Storage | MTM |
| T-115 | \$4,534,689 | Northland Terminal Services | Barges | 12/31/2032 |
| | | Seafreeze LTD Partnership | Seafood Processing & Storage | 12/31/2017 |
| | | Arctic Circle Consulting Group, Inc. | Distribution of Concrete | 12/31/2009 |
| T-86 | \$7,053,098 | Louis Dreyfus Corporation | Bulk Grain | 11/14/2010 |
| T-102 | \$2,238,080 | Virtuoso, Inc. ⁽²⁾ | General Office and Storage | 8/31/2009; MTM |
| | | ENSR Corporation ⁽¹⁾ | General Office and Warehouse | 12/31/2008 |
| | | Puget Sound Institute of The Mountaineers Books, Inc. | General Office & Laboratory General Office and Warehouse | 7/31/2011; MTM 8/31/2013 |
| | | Bowhead Holding Company | General Office, Warehouse & Storage | 8/31/2009; MTM |
| | | Department of Homeland Security | General Office and Warehouse | MTM |
| | | Starbucks Corporation | General Office and Warehouse | 10/31/2011 |
| | | AKS PS, Inc. | General Office and Warehouse | 3/14/2011 |
| | | Japan Radio Company LTD ⁽²⁾ | General Office and Warehouse | 5/31/2009 |
| T-106 | \$1,029,756 | Conglobal Industries, Inc. | Container Storage and Repair | 3/31/2013 |
| | | Ash Grove Cement West, Inc. | Industrial Storage | 12/31/2010 |
| T-108 | \$903,925 | Conglobal Industries, Inc. | Container Storage and Repair | 3/31/2013, MTM |
| | | Westway Feed Products, Inc. | Storage & Distribution of Molasses | 9/30/2018 |
| T-104 | \$753,598 | Western Cartage, Inc. ⁽³⁾ | Truck and Trailer Parking | 6/30/2010 |
| | | Clear Channel Outdoor | Outdoor Advertising | 8/25/2019 ; 11/9/2018 ⁽⁴⁾ |
| T-103 | \$537,692 | General Construction Company | Industrial Storage | 6/30/2011 |
| | | Northwest Aggregates Company | Rock Sales, Transport & Storage | 11/30/2011 |

(1) Tenant will/has vacate(d) upon expiration.

(2) Lease renewal is in negotiation.

(3) Tenant currently in default

(4) Tenant currently has three lease agreements, one expiring 8/25/2019 and two expiring 11/9/2018

Source: Port of Seattle

Seaport Division Operating Revenue for 2008

Port of Seattle Seaport Division 2008 Operating Revenue

| Seaport Division | Revenue (in millions) | <u>% of</u> <u>Total</u> |
|---|--|---|
| Cargo and Cruise Services | | |
| Containers | \$52.8 | 55.6% |
| Cargo Docks | 10.4 | 11.0% |
| Cruise | 9.4 | 9.9% |
| Subtotal | <u>72.6</u> | <u>76.4%</u> |
| Non-Cargo | | |
| Industrial & Container Support Property | 12.8 | 13.4% |
| Environmental Services | 8.8 | 9.3% |
| Security | 0.8 | 0.9% |
| Subtotal | <u>22.4</u> | <u>23.6%</u> |
| Total Seaport Operating Revenue | <u>\$95.1</u> | <u>100.0%</u> |

Note: Effective January 1, 2008 certain Seaport business groups and services were transferred to the Real Estate Division. Amounts and percentages may not foot due to rounding.

Source: Port of Seattle.

Seaport Division Revenues and Expenses for 2008

This information is reported in the table “Port Historical Operating Results as of December 31, 2008”, and in the Port’s Financial Statements.

Percentage of Non-Cargo Revenue

This information is included in the table “Seaport Division 2008 Operating Revenue.”

Value and Type of Goods Imported and Exported Through the Port

In 2008, the value of international goods handled by the Port was approximately \$40.0 billion. In 2007, the value of international goods handled by the Port was approximately \$39.5 billion.

In terms of commodity value, leading import products include Wearing Apparel; Toys and Sports Equipment; Electrical Machinery; Vehicles, not Railway; Footwear, Furniture and Bedding; Plastic, Iron/Steel Products. Leading export products include Misc Grain, Seed, Fruit; Machinery; Cereals; Fish and Seafood; Dairy, Eggs, Honey, etc.; Paper, Paperboard; Meat, Preserved Food.

Rent Schedule and Debt Service Coverage for Terminal 18

| | 9/1/2008 |
|---|-----------------|
| Net Revenue Available for Debt Service ⁽¹⁾ | 19,467,377 |
| Series 1999 Bond Net Debt Service ⁽²⁾ | 8,782,835 |
| Coverage | 2.22 |

(1) Rent for the months of September 2007 through August 2008

(2) Debt Service paid Net Revenue Available (excludes debt service paid from escrow for defeased bonds)

Real Estate Division Operating Revenue for 2008

Port of Seattle Real Estate Division 2008 Operating Revenue

| Real Estate Division | Revenue | % of |
|--|----------------------|--------------|
| | (in millions) | Total |
| Real Estate Services | | |
| Property Management/Business Development | 24.0 | 68.8% |
| Harbor Services | \$10.6 | 30.3% |
| Subtotal | 34.6 | 99.1% |
| Non-Real Estate | | |
| Facilities Mgmt & Other Services | 0.3 | 0.9% |
| Subtotal | 0.3 | 0.9% |
| Total Real Estate Operating Revenue | \$34.9 | 100.0% |

Note: Effective January 1, 2008 certain Seaport business groups and services were transferred to the Real Estate Division. Amounts and percentages may not foot due to rounding.

Source: Port of Seattle.

Real Estate Division Revenues and Expenses for 2008

This information is reported in the table "Port Historical Operating Results as of December 31, 2008", and in the Port's Financial Statements