

# Q3 2023 Financial Performance Report



Port of Seattle®



# Key Highlights

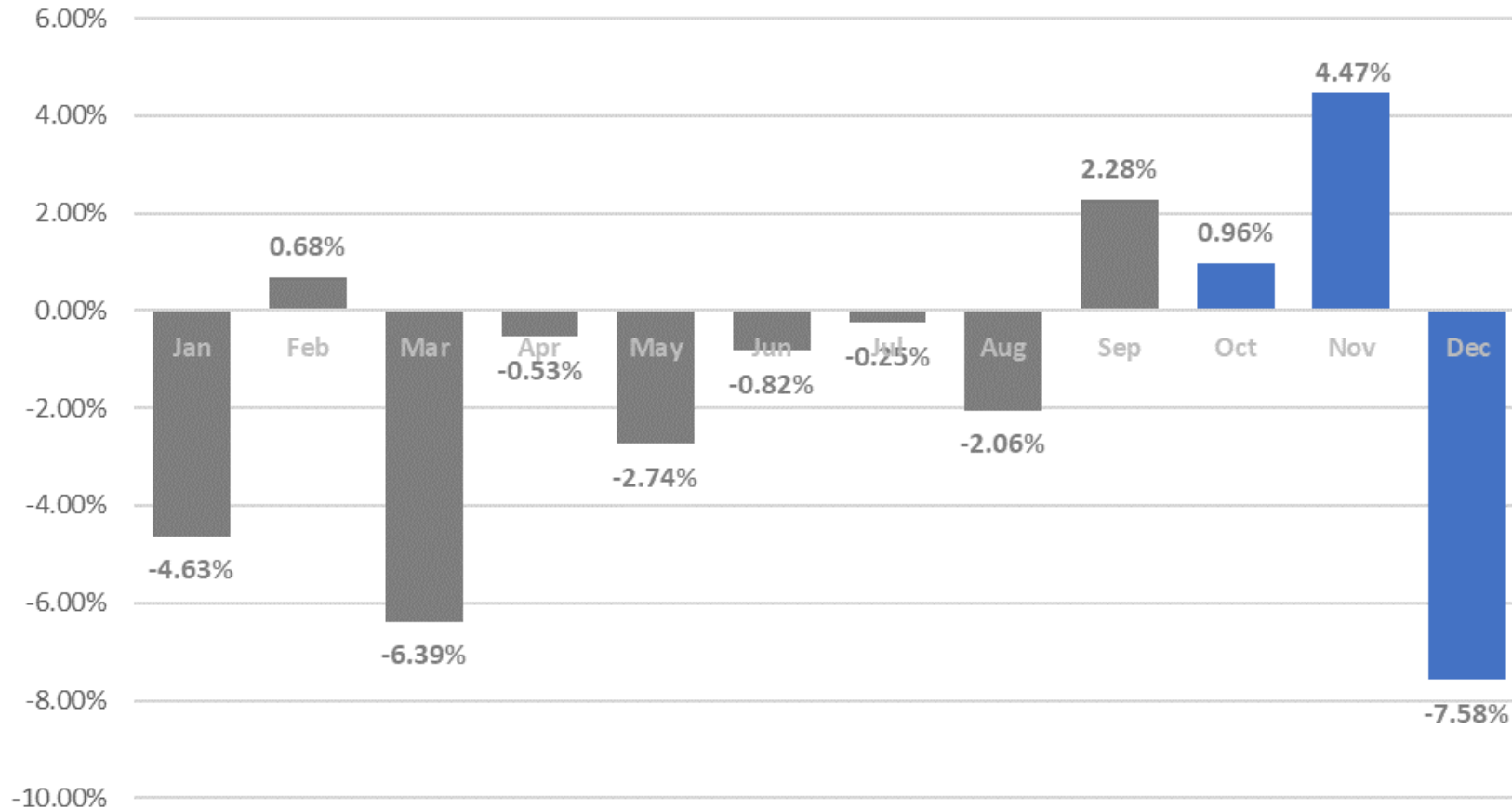
- Strong financial performance results in the first nine months of the year
- SEA passenger growth is rebounding; forecast is 1.4% lower than 2019 and 10.7% higher than 2022
- 2023 was a record-breaking cruise season for the second year in a row
- Total operating revenues were \$31.5M or 4.4% over the budget in Q3, and project to be \$17.7M over the budget on a full-year basis
- Total operating expenses were \$14.6M or 3.5% under the budget in Q3, and project to be \$4.2M under budget on a full-year basis
- Total capital spending forecast to be \$476.9M, 88.1% of the budget, for the year

# Aviation Division

## 2023 Q3 Financial Performance Report

# Passenger Growth Rebounding

## by Month for 2023 vs 2019



Passengers (millions)	
2019 Actual	51.8
2020 Actual	20.0
2021 Actual	36.2
2022 Actual	46.0
2023 Budget	48.9
2023 Forecast	51.0

**1.4%** ↓

*compared  
to 2019*

**10.7%** ↑

*compared  
to 2022*

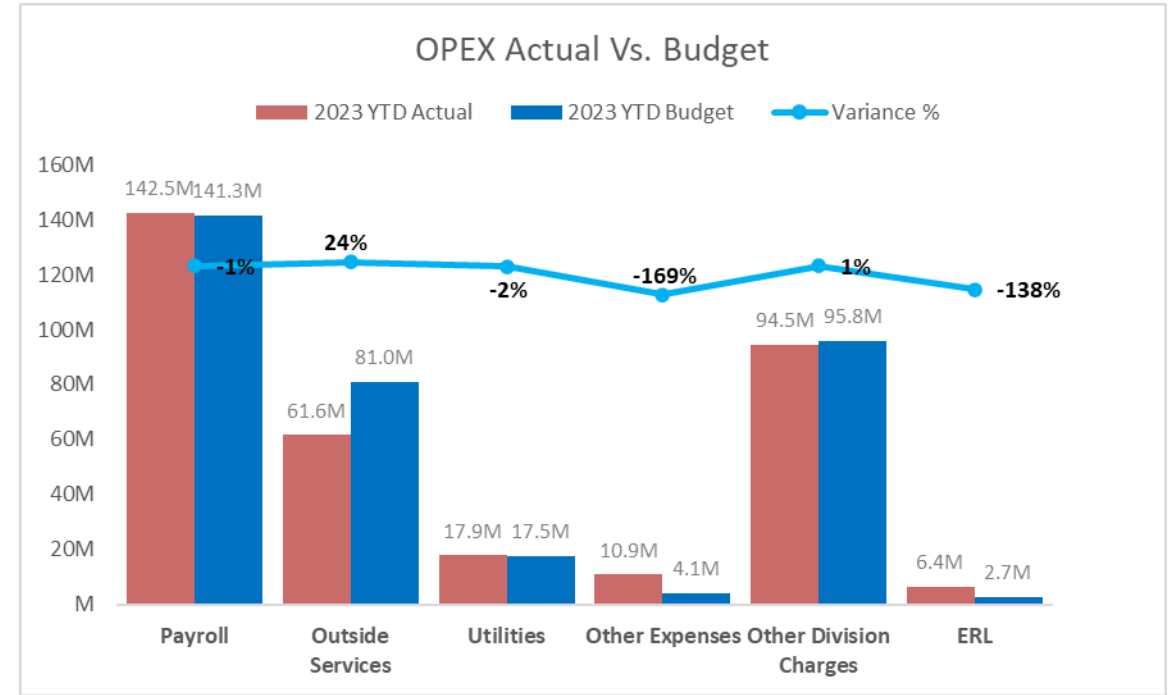
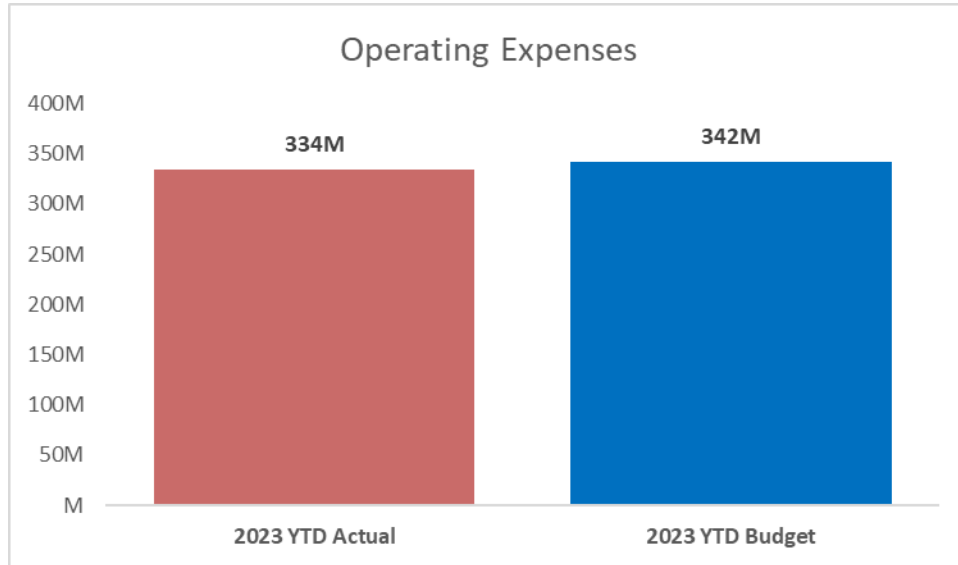
# Financial Summary

<i>Figures in \$000s</i>	<b>Forecast YE 2023</b>	<b>Budget YE 2023</b>	<b>Variance</b>
<b>Revenues</b>			
Aeronautical	494,916	504,948	(10,032)
Non-Aeronautical	321,614	296,102	25,511
<b>Total Revenues</b>	<b>816,530</b>	<b>801,051</b>	<b>15,480</b>
<b>Total O&amp;M Expenses</b>	<b>460,511</b>	<b>460,535</b>	<b>24</b>
Federal Relief	11,900	10,000	1,900
Concessions Relief	1,918	250	1,668
<b>NOI (after Federal Relief Grants)</b>	<b>369,837</b>	<b>350,765</b>	<b>19,072</b>
<b><u>Key Measures</u></b>			
Non-Aero NOI (in \$000s)	182,807	156,216	26,591
CPE (\$)	18.18	19.29	1.11
Debt Service Coverage	1.96	1.87	0.09
<b><u>Other Information</u></b>			
ADF Balance (in \$000s)	582,146	576,000	6,146
Capital Spending (in \$000s)	435,807	485,572	49,765

## Business/Financial Highlights

- Passenger forecast reduction: Now 1.4% lower than 2019
- Non-aero revenues recovering, forecast to exceed budget

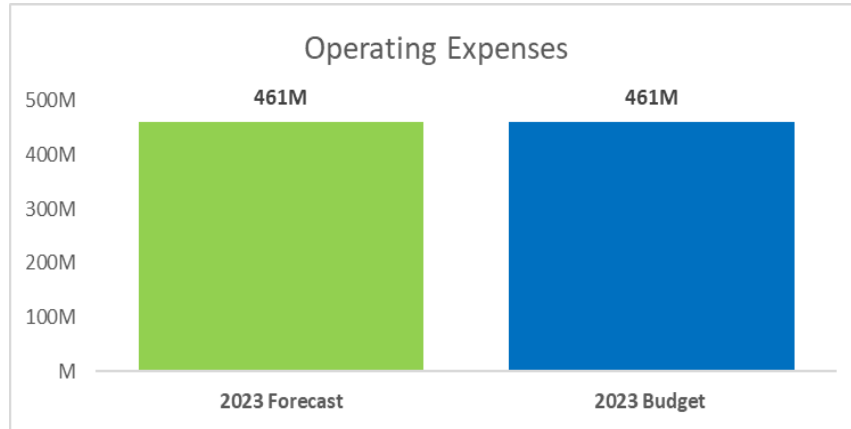
# Operating Expenses Summary (YTD)



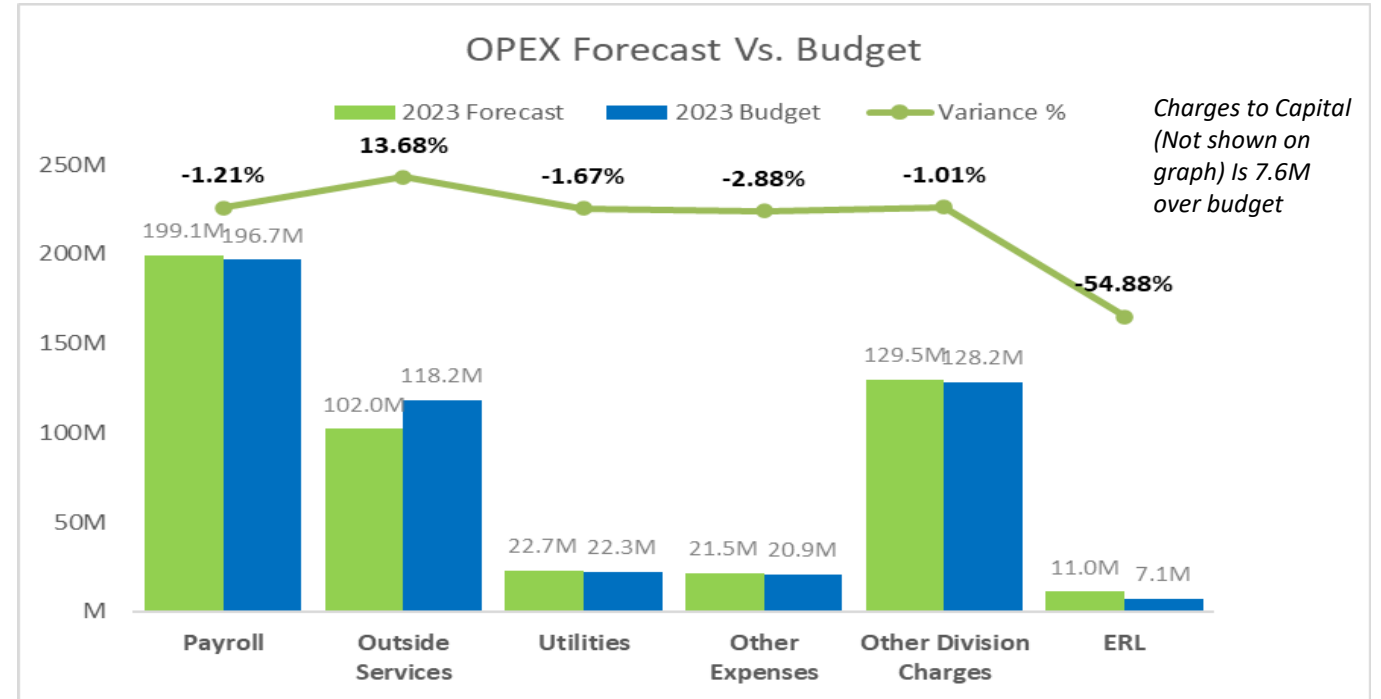
**\$8M or 2.4% Under budget**

- **Underspend** primarily in Outside Services of **\$19M** - driven by **\$10M** in savings from the Capital Development Program – driven by Airline Realignment costs has been classified as capital instead of expense, **\$2M** in savings from Maintenance custodial contracts and other saving due to project delays across various business orgs.

# Operating Expenses Summary (Full Year Forecast)



**\$24k or 0% under budget**



## Major Drivers:

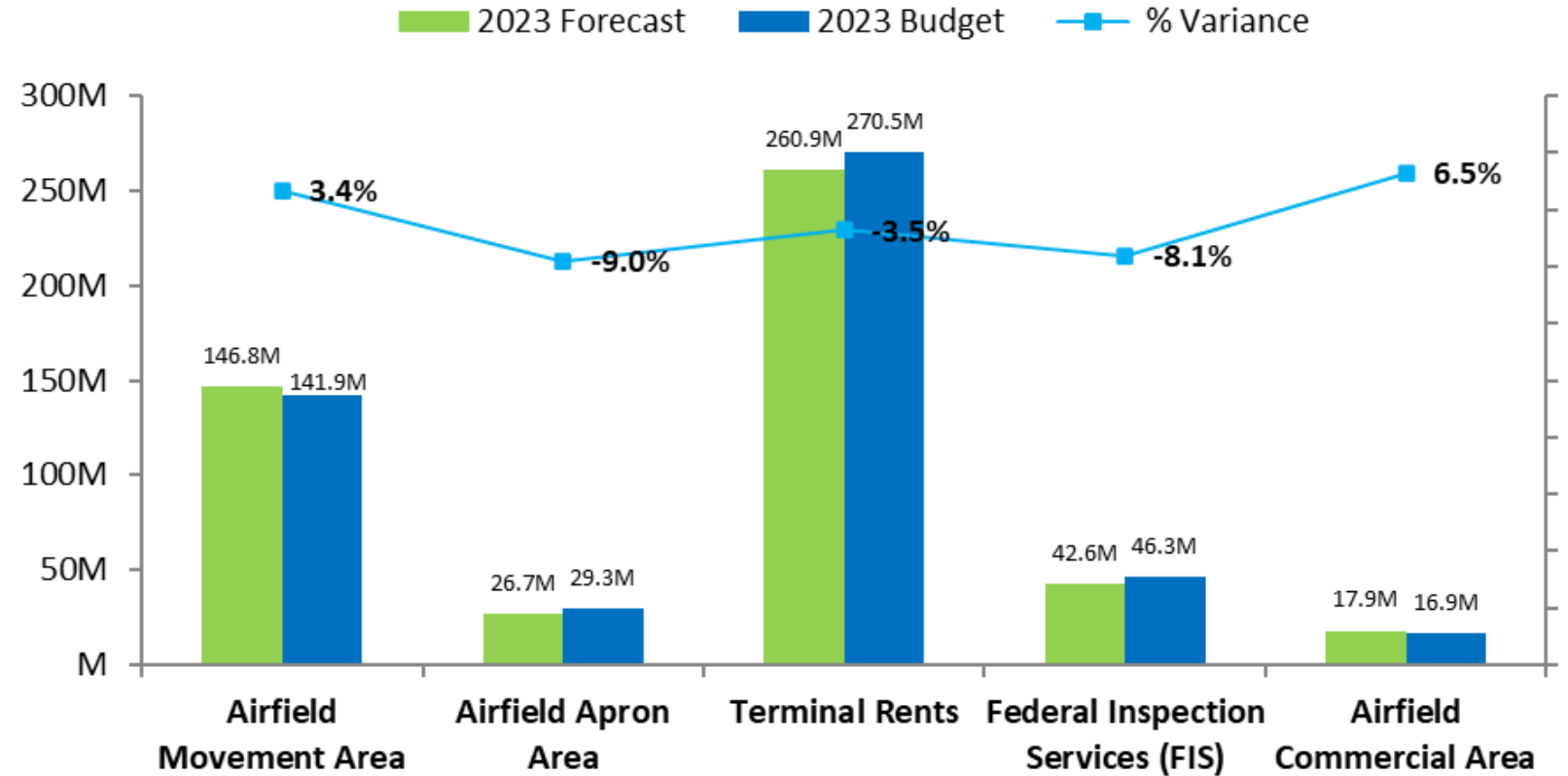
- Full Year Forecast is currently anticipated to be aligned to Budget at the net rollup.
- Large under-spends in Outside Services are almost 100% offset by over-runs in Payroll – savings from vacancies are offset by increased overtime in Fire and Maintenance. Non-Payroll overruns are driven by increased forecasted charges from Central Services and ERL.
- Vacancies in the capital programs contributed to less charges to capital

# Aeronautical Revenue

Forecast  
**\$495M**

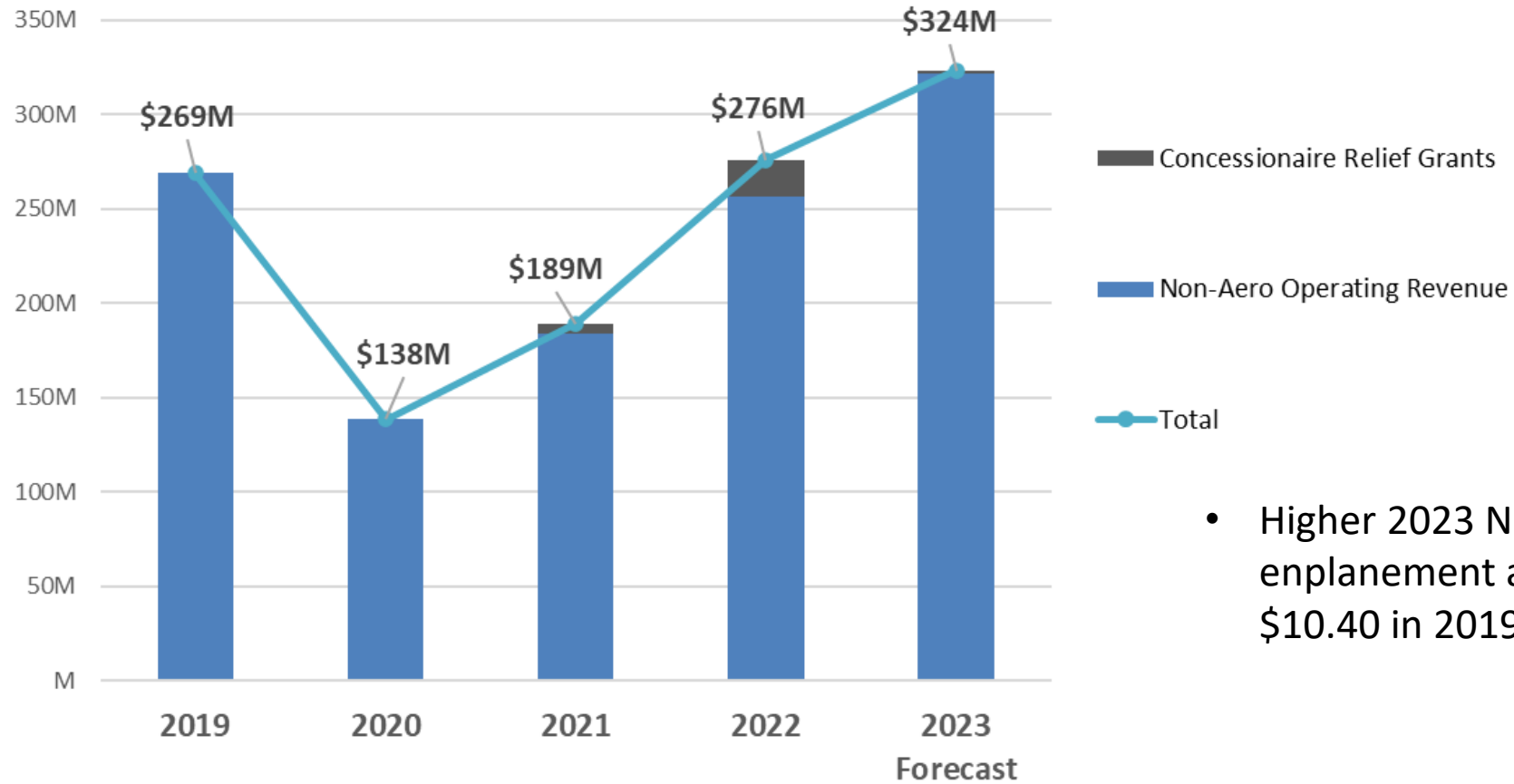
↓ -2.0%

Budget  
**\$505M**





# Non-Aero Revenue YoY with Concessions Grant Impact



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

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

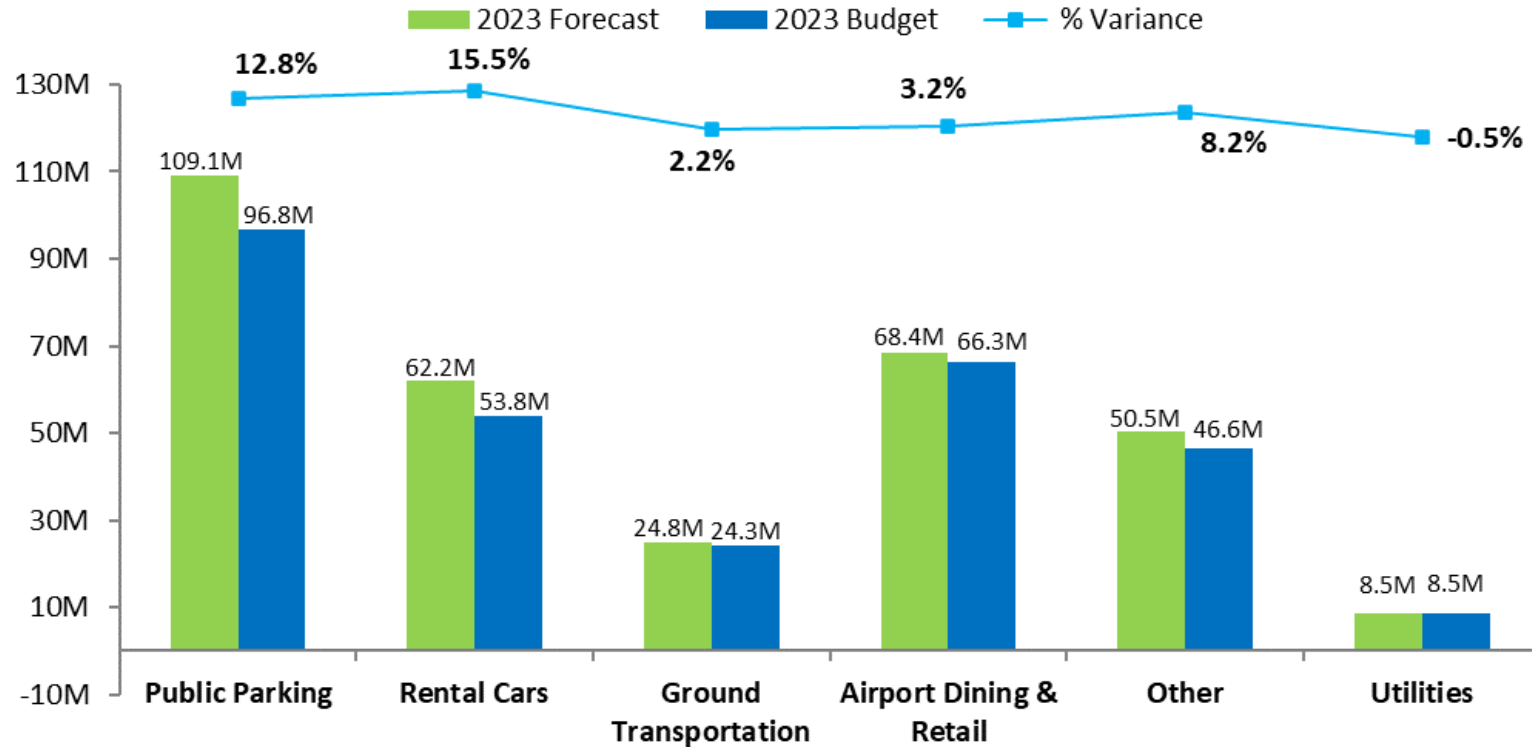
# Non-Aeronautical Revenues

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

Forecast  
**\$321.6M**

↑ 8.6%

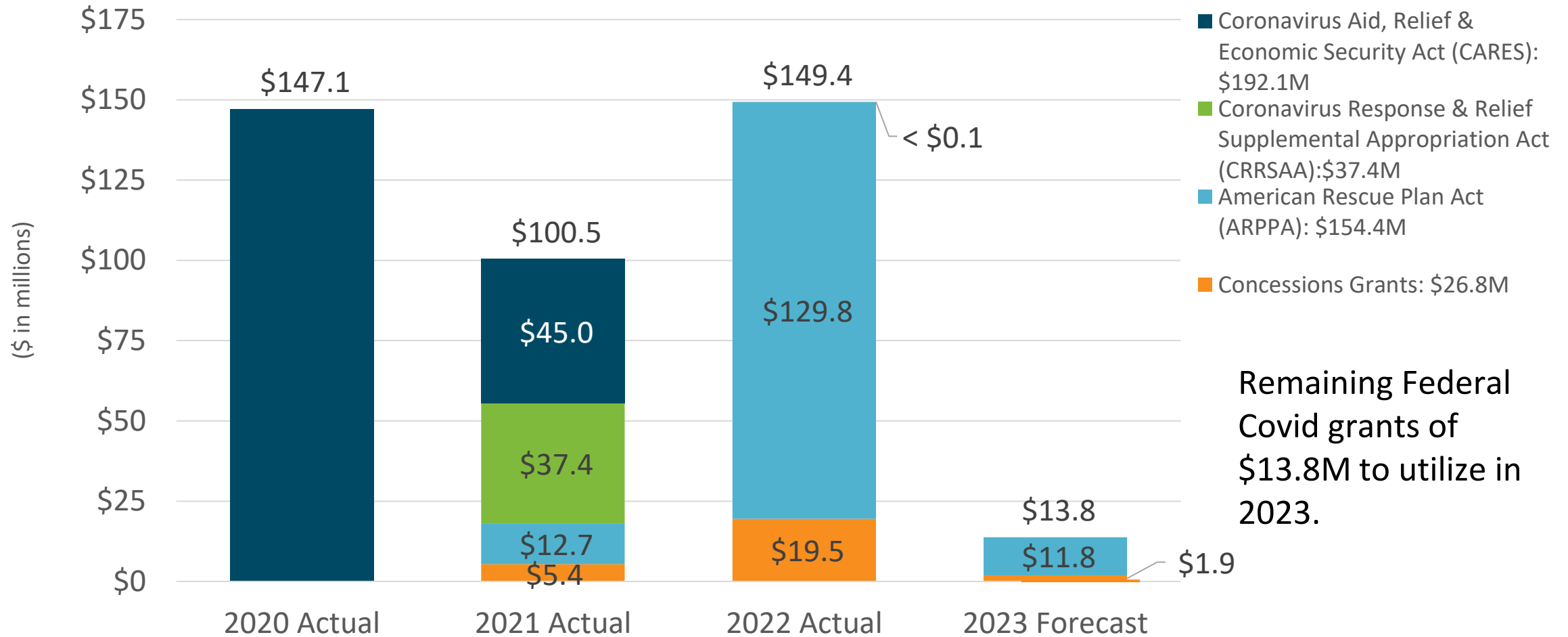
Budget  
**\$296.4M**



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

# Federal Relief Grant Summary

Total Grants \$410.6M



# Debt Service Ratio is projected to be better than budget

	in \$000's	2022 Actual	2023 Forecast	2023 Budget	Variance
<b>Revenues</b>					
Aero		402,540	494,916	504,949	(10,033)
Non-aero		256,613	321,614	296,102	25,512
<b>Total Revenues</b>		<b>659,153</b>	<b>816,530</b>	<b>801,051</b>	<b>15,479</b>
<b>O&amp;M</b>		<b>(382,704)</b>	<b>(460,511)</b>	<b>(460,535)</b>	<b>24</b>
<b>Net Operating Income</b>		<b>276,449</b>	<b>356,019</b>	<b>340,516</b>	<b>15,503</b>
Federal Relief Grants Non-op		24,477	2,498	-	2,498
Concession Rent Relief Grants		21,419	1,918	250	1,668
CFC Excess		(4,338)	(6,603)	(4,427)	(2,176)
Other net non-operating		5,034	13,878	13,635	243
<b>Available for debt service</b>		<b>323,040</b>	<b>367,710</b>	<b>349,974</b>	<b>17,737</b>
<b>Debt Service</b>					
Gross debt service (net of cap i)		316,133	312,871	316,397	(3,526)
CFC offset		(18,696)	(24,645)	(24,658)	13
PFC offset		(69,681)	(91,429)	(95,000)	3,571
Federal Relief Grants DS offset		(105,371)	(9,480)	(9,997)	517
<b>Net Debt Service</b>		<b>122,385</b>	<b>187,318</b>	<b>186,743</b>	<b>575</b>
<b>Debt Service Coverage</b>		<b>2.64</b>	<b>1.96</b>	<b>1.87</b>	<b>0.09</b>

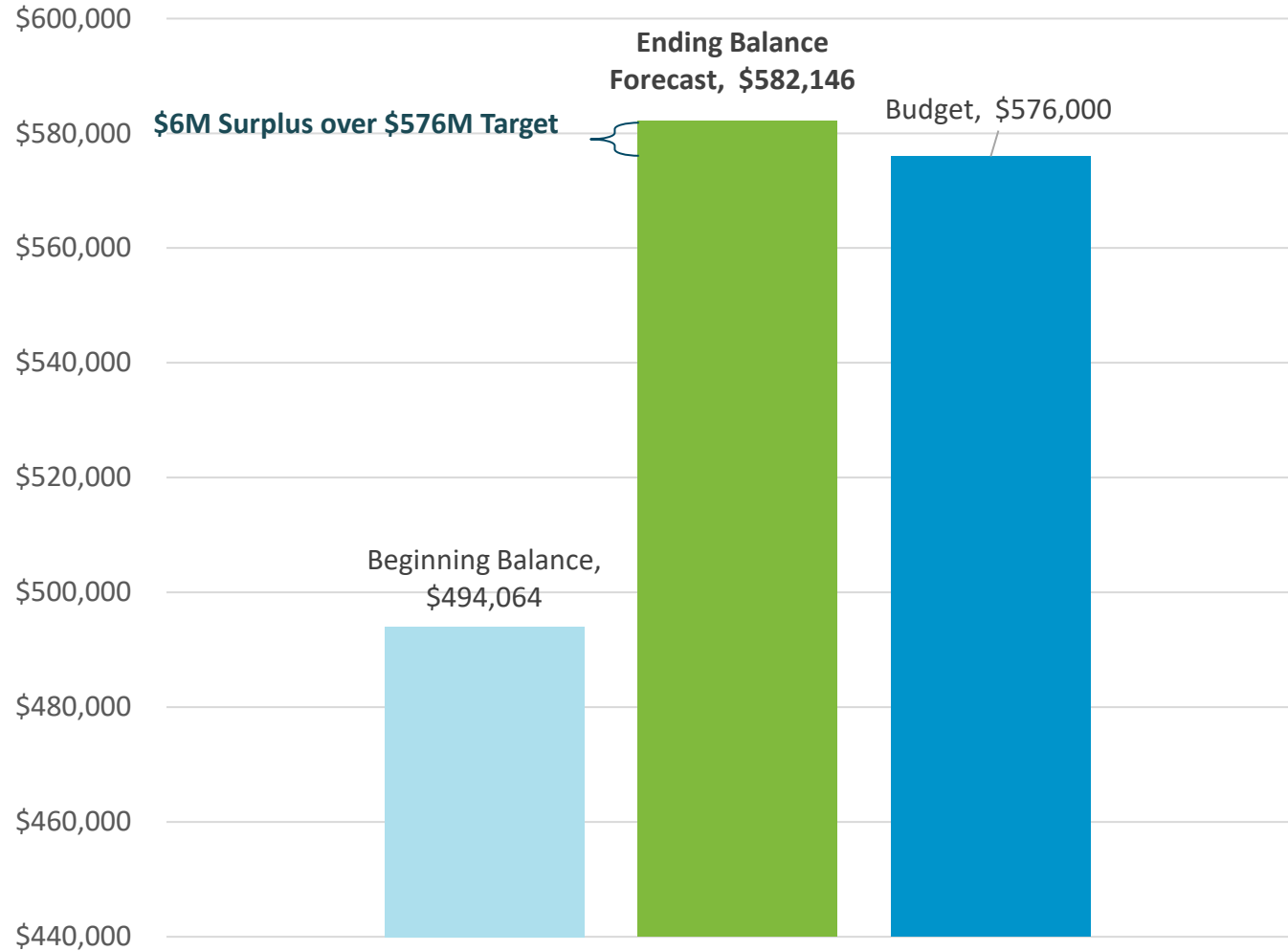
Note: DS Coverage is airport only debt service coverage, calculated in accordance with airline agreement.

- **Non-aero revenues** are projected to be around **\$26M higher** than budget (public parking by \$12M; rental car by \$8M; flight kitchen & space rentals by \$3M, and clubs/lounge by \$2M)
- **Aero revenues** 2023 forecast are **\$10M lower** than budget as lower debt service charges are not included in rate base due to delay in assets completion.
- **Total O&M** spending is close to budget



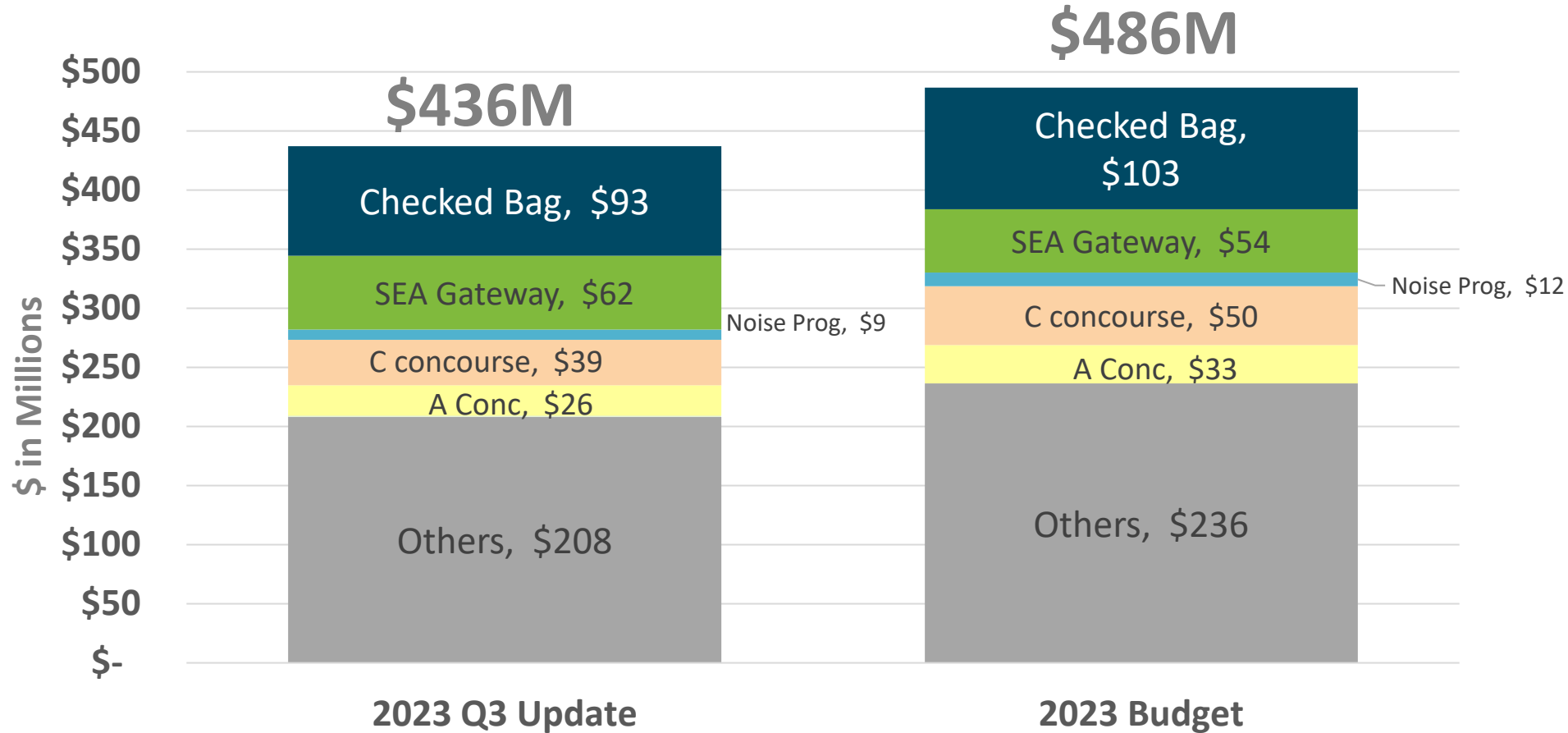
# Airport Development Fund Balance

\$ in 000's



- Ending balance forecast of \$582M exceeding target of \$576M (15 months of O&M in 2023) by \$6M
- ADF funded capital projects Forecast is \$50M

# 2023 Capital Spending forecast: 90% of Budget



- Most mega projects are projected to have spendings close to the budget
- SEA gateway is projected to spend more in 2023 than budget
- Schedule delays caused variance in other projects

# Seaport

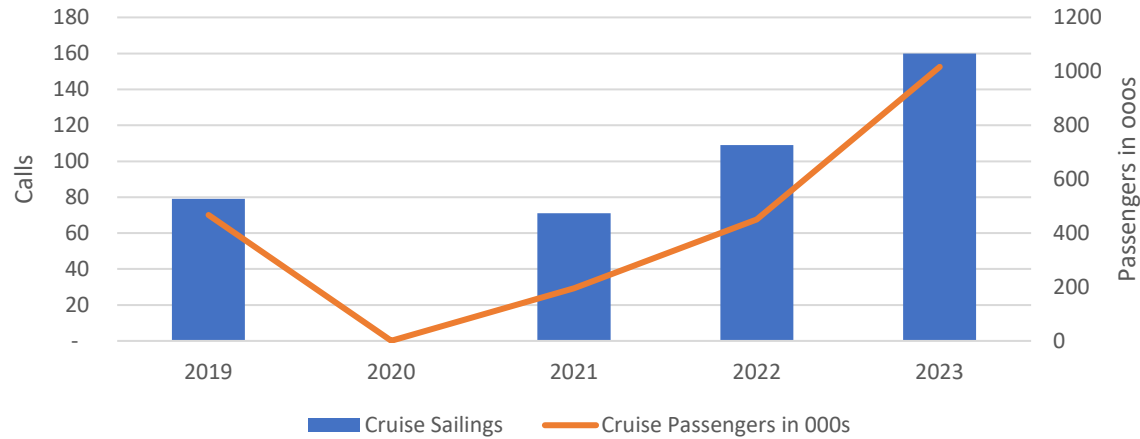
## 2023 Q3 Financial Performance Report



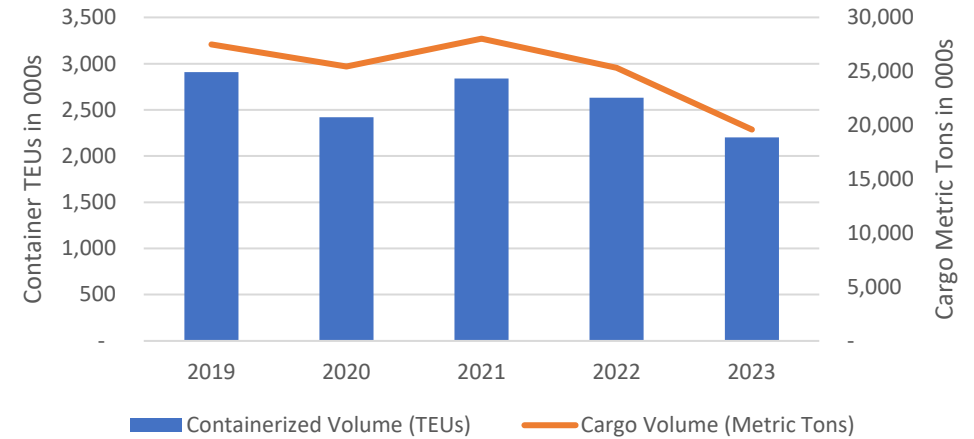
# Seaport Key Metrics

## Through Q3

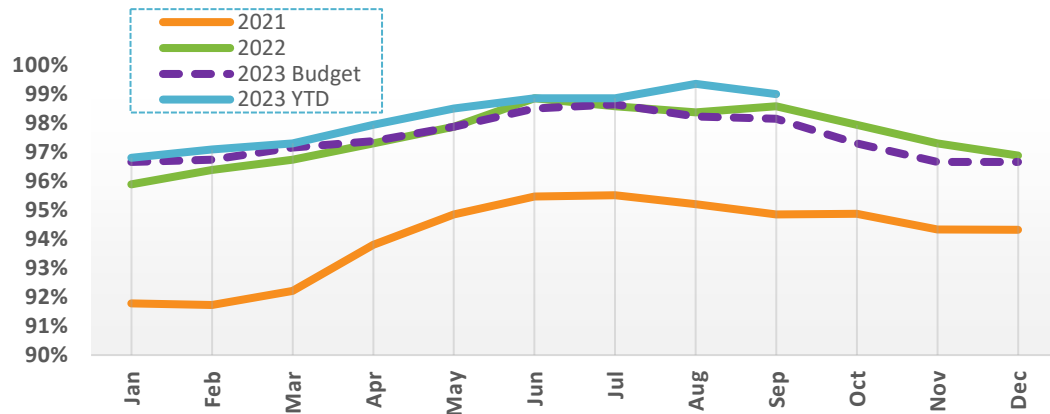
### Cruise Calls and Passengers



### NWSA Container and Cargo Volumes



### Occupancy at Shilshole Bay Marina



- Cruise increased sailings by 47% and passengers by 125%.
- NWSA Cargo Volumes continue to trend down.
- Q3 occupancy at an all-time high for Shilshole Bay Marina.



# Seaport Performance Summary

	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget Variance		Change from 2022		2023	2023	Fest vs. Budget Variance	
\$ in 000's	Actual	Actual	Budget	\$	%	\$	%	Forecast	Budget	\$	%
<b>Revenues</b>											
Maritime	59,814	69,947	63,209	6,738	11%	10,132	17%	80,745	75,875	4,870	6%
Economic Development Division	11,216	12,513	15,855	(3,342)	-21%	1,297	12%	18,951	22,201	(3,250)	-15%
Joint Venture	38,473	45,440	36,757	8,683	24%	6,967	18%	49,010	49,010	0	0%
<b>Total Revenue</b>	<b>109,504</b>	<b>127,900</b>	<b>115,821</b>	<b>12,079</b>	<b>10%</b>	<b>18,396</b>	<b>17%</b>	<b>148,706</b>	<b>147,086</b>	<b>1,620</b>	<b>1%</b>
<b>Expenses</b>											
Maritime	42,805	47,819	49,000	1,181	2%	5,014	12%	65,565	66,121	556	1%
Economic Development Division	16,731	17,415	20,948	3,534	17%	684	4%	26,900	30,149	3,249	11%
Joint Venture	1,300	1,884	1,546	(337)	-22%	584	45%	2,500	2,148	(352)	-16%
<b>Total Expense</b>	<b>60,835</b>	<b>67,117</b>	<b>71,495</b>	<b>4,378</b>	<b>6%</b>	<b>6,282</b>	<b>10%</b>	<b>94,965</b>	<b>98,418</b>	<b>3,453</b>	<b>4%</b>
<b>NOI Before Stormwater Utility</b>	<b>48,668</b>	<b>60,783</b>	<b>44,326</b>	<b>16,457</b>	<b>37%</b>	<b>12,114</b>	<b>25%</b>	<b>53,741</b>	<b>48,668</b>	<b>5,073</b>	<b>10%</b>
<b>Stormwater Utility NOI</b>	<b>1,582</b>	<b>1,305</b>	<b>1,220</b>	<b>85</b>	<b>7%</b>	<b>(277)</b>	<b>-18%</b>	<b>738</b>	<b>738</b>	<b>0</b>	<b>0%</b>
<b>Total Non-Aviation Business NOI</b>	<b>50,250</b>	<b>62,087</b>	<b>45,546</b>	<b>16,541</b>	<b>36%</b>	<b>11,837</b>	<b>24%</b>	<b>54,479</b>	<b>49,407</b>	<b>5,073</b>	<b>10%</b>

## Year-to-Date

- Better than expected waterside occupancy.
- Record Cruise Season
- Grain and Conference Center Challenges.
- NWSA – Lower Revenues, Lower Expenses.

## Forecast

- Revenue: Cruise up \$6M, Grain down \$2M.
- Conference Revenue down \$3.5M (\$0.8M Net).
- TI and Broker Fees below budget.
- Mitigation Expense for Joint Venture.

# Maritime Division

## 2023 Q3 Financial Performance Report

# Maritime Division

## Financial Summary

<i>Figure in \$000s</i>	<b>Forecast</b>	<b>Budget</b>	<b>Variance</b>
<b>Revenues</b>			
Fishing, Commercial, & Recreational			
Marinas	25,900	25,400	500
Cruise	40,445	34,445	6,000
Maritime Portfolio Mgmt.	10,562	10,192	370
Grain / Other	3,838	5,838	(2,000)
<b>Total</b>	<b>80,745</b>	<b>75,875</b>	<b>4,870</b>
<b>O&amp;M Expense</b>			
Direct	24,066	24,566	500
Support Services	21,721	21,771	50
Central Services and Other	19,777	19,783	6
<b>Total</b>	<b>65,565</b>	<b>66,121</b>	<b>556</b>
<b>Net Operating Income</b>	<b>15,181</b>	<b>9,755</b>	<b>5,426</b>
<b>Capital Spending</b>	<b>25,617</b>	<b>32,313</b>	<b>6,696</b>

## Business Highlights

- Cruise Occupancy YTD over 100% vs 85% budgeted.
- Grain Volumes down 49% Y/Y in first 6 months and forecasted down 35% from full year 2022.
- P66 Shore Power received NTP to start construction.
- Executed \$17M T5 MARAD 2022 Grant Agreement.
- Executed design agreement with USACE for the West Waterway Deepening Project.
- Green Corridor First Movers kicked off the first phase of a feasibility assessment with the Maersk McKinney Moller Center for Zero Carbon Shipping.
- Received \$3M in Ecology clean up grants.

# Maritime Q3 2023 Financials

**Net Operating Income is \$7.9M favorable to budget and \$5.1M better than 2022**

- Revenue is \$6.7M better than budget and \$10.1M above 2022 driven by increased cruise occupancy & impacts of canceling the Alaska Crab season, partially offset by reduced grain volumes.
- Expenses \$1.2M or 2% under budget driven by payroll savings, tenant improvements timing, and consulting costs. Expenses up \$5M Y/Y primarily due to Payroll.
- YTD Capital spending was \$9.9M and forecasted at \$25.6M or 79% of \$32.3M budget.

	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget Variance		Change from 2022	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
Total Revenues	33,836	59,814	69,947	63,209	6,738	11%	10,132	17%
Total Operating Expense	33,893	42,805	47,819	49,000	1,181	2%	5,014	12%
Net Operating Income	(57)	17,010	22,128	14,208	7,920	56%	5,118	30%
Depreciation	13,281	13,403	13,639	12,638	(1,001)	-8%	236	2%
Net Income	(13,338)	3,607	8,489	1,570	6,919	441%	4,882	135%



# Stormwater Utility Tracking to Budget Q03

	2021 YTD Actual	2022 YTD Actual	2023 YTD Actual	2023 YTD Budget	Actual vs. Budget Variance		Change from 2022	
\$ in 000's					\$	%	\$	%
<b>Revenue</b>								
NWSA	1,279	611	809	764	44	6%	197	32%
Tenants Revenue	2,322	3,256	3,127	3,258	(130)	-4%	(129)	-4%
Port Non-tenants Revenue	1,090	1,267	1,290	1,290	0	0%	23	2%
<b>Total Revenues</b>	<b>4,692</b>	<b>5,134</b>	<b>5,226</b>	<b>5,312</b>	<b>(86)</b>	<b>-2%</b>	<b>92</b>	<b>2%</b>
<b>Expenses</b>								
SWU	700	1,189	995	1,320	325	25%	(194)	-16%
Maintenance Expenses	1,996	2,171	2,801	2,605	(196)	-8%	630	29%
Central Waterfront PM	4	24	13	15	2	13%	(11)	-46%
Environmental & Sustainability	41	19	24	35	11	32%	5	28%
Environmental Finance	24	36	21	25	4	14%	(14)	-40%
Other Central Services	588	763	721	751	30	4%	(41)	-5%
<b>Total Expenses</b>	<b>3,353</b>	<b>4,201</b>	<b>4,575</b>	<b>4,751</b>	<b>176</b>	<b>4%</b>	<b>374</b>	<b>9%</b>
<b>NOI Before Depreciation</b>	<b>1,338</b>	<b>934</b>	<b>651</b>	<b>561</b>	<b>90</b>	<b>16%</b>	<b>(283)</b>	<b>-30%</b>
Depreciation	961	959	941	876	(65)	-7%	(18)	-2%
<b>NOI After Depreciation</b>	<b>378</b>	<b>(26)</b>	<b>(290)</b>	<b>(315)</b>	<b>25</b>	<b>-8%</b>	<b>(265)</b>	<b>1038%</b>

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

# Northwest Seaport Alliance Summary

NWSA Operating Income		Year-to-Date					
<i>Before GASB 87 Adjustment</i>	2022	2023		Budget Variance		Change from 2022	
\$ in 000's	Actual	Actual	Budget	\$	%	\$	%
Operating Revenue	154,680	175,100	176,522	(1,422)	-1%	20,420	13%
Operating Expense	67,689	74,335	86,192	11,857	14%	6,646	10%
Operating Income*	86,991	100,765	90,330	10,435	12%	13,774	16%
Depreciation	15,666	15,874	17,105	1,231	7%	208	1%
Net Operating Income	71,325	84,891	73,225	11,666	16%	13,566	19%
Cargo TEUs	2,633,054	2,203,757				(429,297)	-16.3%
Cargo Volume (Metric Tons)	25,324,973	19,598,071				(5,726,902)	-22.6%
<i>*Excludes Depreciation</i>							

## Revenue

- \$1.4M below budget related to impacts of 16% reduction in TEUs, partially offset by breakbulk from military vessels.
- \$20.4M higher than 2022 driven crane minimum revenue at Husky terminal, Coast Guard lease on 46, lease escalations, and higher Auto volumes.

## Operating Expense

- \$11.8M below budget from lower Maintenance and volume driven expenses.
- \$6.6M higher than 2022 from increased payroll cost.

# Joint Venture Q3 2023 Financials

	2022 YTD	2023 YTD	2023 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2022	
\$ in 000's	Actual	Actual	Budget	\$	%	\$	%
<b>Revenue</b>							
NWSA Distributable Revenue	38,532	45,317	37,729	7,588	20%	6,785	18%
Contra Joint Venture Revenue	(1,493)	(1,399)	(1,523)	124	-8%	94	-6%
<b>Subtotal Distributable Revenue from NWSA</b>	<b>37,039</b>	<b>43,918</b>	<b>36,207</b>	<b>7,711</b>	<b>21%</b>	<b>6,879</b>	<b>19%</b>
Other Service Revenue Tenant Reimbursements	656	604	427	177	42%	(52)	-8%
Port Revenue from NWSA Facilities	777	918	124	794	N/A	141	18%
<b>Total Revenues</b>	<b>38,473</b>	<b>45,440</b>	<b>36,757</b>	<b>8,683</b>	<b>24%</b>	<b>6,967</b>	<b>18%</b>
<b>Expenses</b>							
Maintenance Expenses	477	472	471	(0)	0%	(5)	-1%
JV Direct	248	493	75	(418)	-562%	245	99%
Security	137	151	148	(3)	-2%	15	
Environmental & Sustainability	173	412	435	23	5%	239	138%
Seaport Finance & Cost Recovery	115	227	205	(22)	-11%	112	98%
Seaport Project Management	27	43	57	14	24%	16	58%
Central Services / Other	123	85	155	70	45%	(38)	-31%
<b>Total Expenses</b>	<b>1,300</b>	<b>1,884</b>	<b>1,546</b>	<b>(337)</b>	<b>-22%</b>	<b>584</b>	<b>45%</b>
<b>NOI Before Depreciation</b>	<b>37,173</b>	<b>43,556</b>	<b>35,211</b>	<b>8,345</b>	<b>24%</b>	<b>6,383</b>	<b>17%</b>
Legacy Depreciation for NWSA Facilities	11,073	11,022	10,841	(181)	-2%	(51)	0%
<b>NOI After Depreciation</b>	<b>26,100</b>	<b>32,534</b>	<b>24,370</b>	<b>8,165</b>	<b>34%</b>	<b>6,434</b>	<b>25%</b>

## Home Port Activities

### Revenues:

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

### Expenses

- \$418K unbudgeted T5 environmental reserve adjustment expense

# Economic Development Division

## 2023 Q3 Financial Performance Report





# Economic Development Division

## Financial Summary

<i>Figure in \$000s</i>	<b>Forecast</b>	<b>Budget</b>	<b>Variance</b>
<b>Revenues</b>	18,951	22,201	(3,250)
<b>O&amp;M Expense</b>			
EDD & Maritime	14,845	17,900	3,055
Maintenance	3,253	3,303	50
Diversity in Contracting	250	250	0
Tourism	1,730	1,830	100
EDD Grants	1,450	1,450	0
Central Services and Other	5,373	5,417	44
<b>Total</b>	26,900	30,149	3,249
<b>NOI</b>	(7,949)	(7,948)	(1)
<b>Capital Spending</b>	7,001	8,086	1,085

## Business Highlights

- Maintained 90% occupancy.
- Competitor loss-leading pricing impacting Conference Center Revenues.
- Forecasting equal revenue reductions with expense reductions
- T91 Upland Redevelopment Phase I completed 30% design.
- FT Maritime Innovation Center and Site Improvements Project went out for bid advertisement.

# Economic Development Financial Highlights

## Net Operating Income \$192K favorable to budget and \$613K higher than 2022

- Revenue unfavorable to budget by \$3.3M and \$1.3M higher than 2022. Higher than anticipated conference cancellations partially offset by uptick in demand at the Bell Street Garage.
- Expenses favorable to budget by \$3.5M driven by less conferences than budgeted and less tenant improvements. Expenses are up by \$684K Y/Y due to increased Conference & Event Center volumes offset by Tourism expenses.
- Capital spending was \$3.5M and forecasted at \$7M or 87% of \$8.1M budget.

	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget		Change from 2022	
	Actual	Actual	Actual	Budget	Variance			
\$ in 000's					\$	%	\$	%
Total Revenues	6,849	11,216	12,513	15,855	(3,342)	-21%	1,297	12%
Total Operating Expense	13,228	16,731	17,415	20,948	3,534	17%	684	4%
Net Operating Income	(6,379)	(5,515)	(4,902)	(5,093)	192	4%	613	11%
Depreciation	2,879	2,932	3,092	2,874	(219)	-8%	160	5%
Net Income	(9,258)	(8,447)	(7,994)	(7,967)	(27)	0%	453	5%

# Central Services

## 2023 Q3 Financial Performance Report

# Central Services

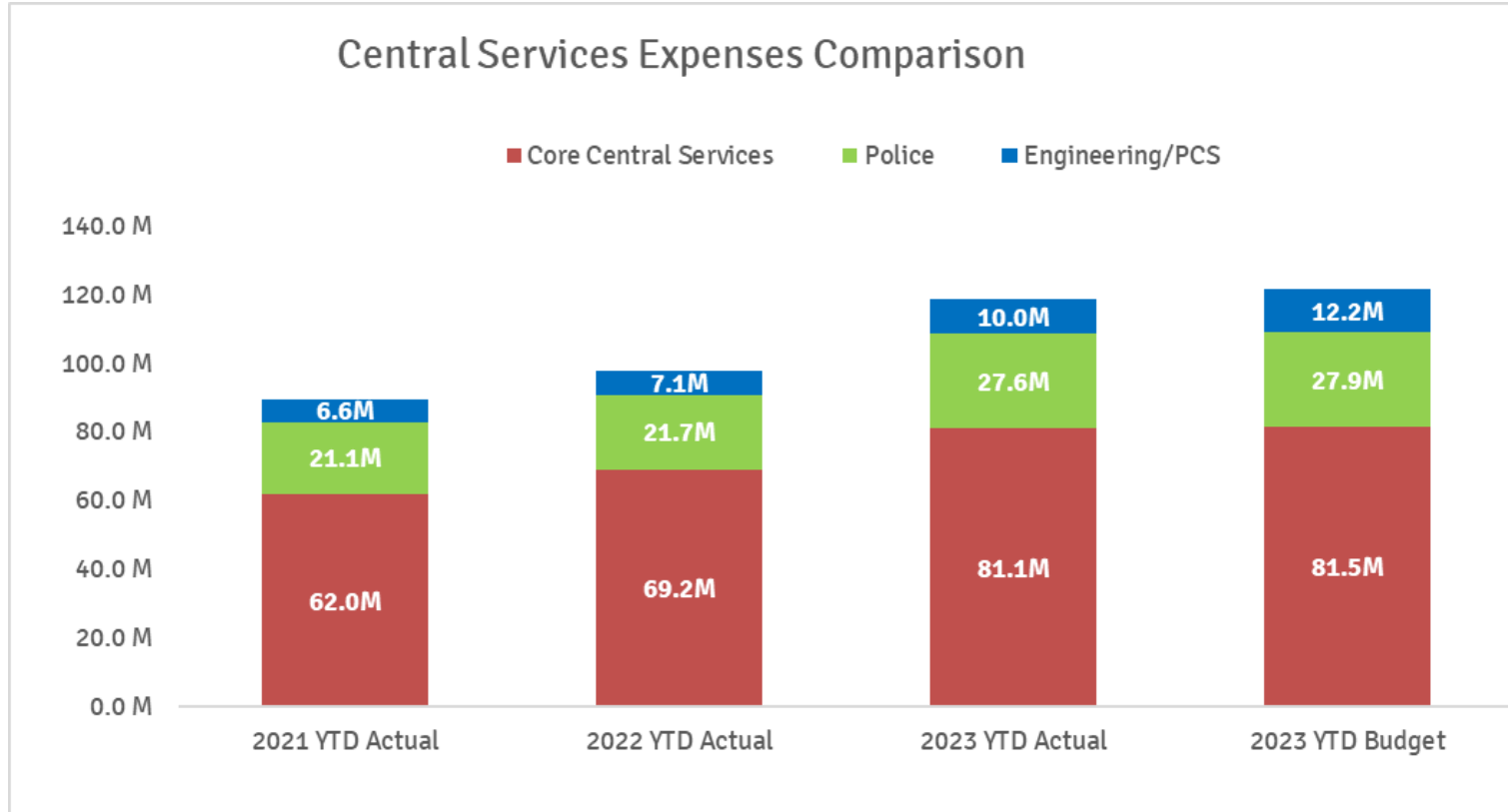
## Financial Summary

<i>Figures in \$000s</i>	<b>Forecast</b>	<b>Budget</b>	<b>Variance</b>
<b>Revenues</b>	<b>490</b>	<b>155</b>	<b>335</b>
Core Central Services	111,450	109,752	(1,699)
Police	37,611	36,673	(938)
Engineering/PCS	14,409	16,478	2,069
<b>O&amp;M Expenses</b>	<b>163,470</b>	<b>162,903</b>	<b>(567)</b>
<b>Capital Spending</b>	<b>7,621</b>	<b>13,178</b>	<b>5,557</b>

## Business Highlights

- Hosted celebratory signing ceremony of the **Industrial Lands and Maritime Strategy**
- Kicked off **Round 3 of the South King County Community Impact Fund** Environmental Grants Program.
- Hosted a series of **environmentally focused tours** aboard cruise ships for community, business and industry partners.
- Hosted the Asia Pacific Economic Cooperation **(APEC) Ministerial meetings** from July 29 to August 22.
- Supported the Muckleshoot Indian Tribe for their **Paddle to Muckleshoot Event**.

# Central Services YTD Financial Highlights



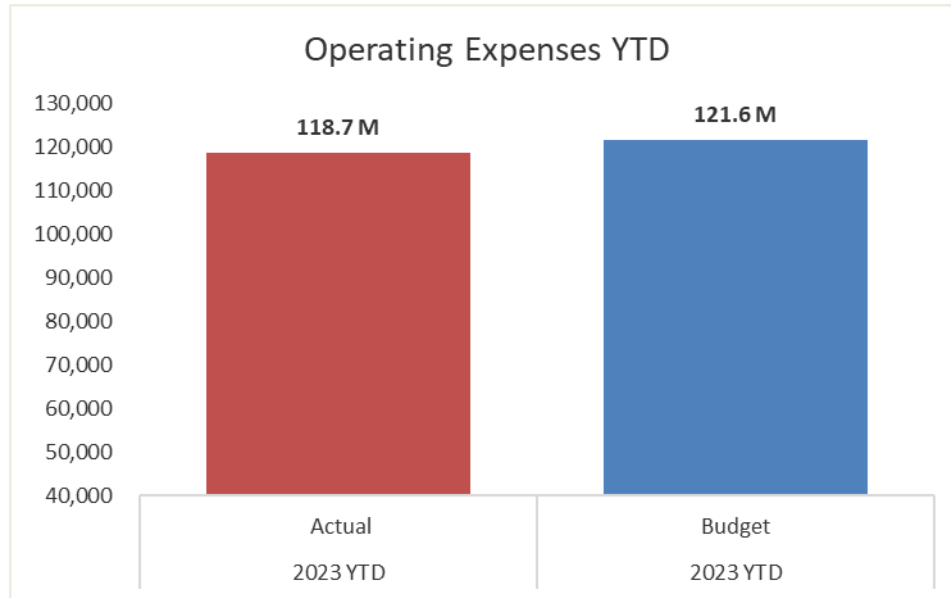
2023 YTD Total Operating Expenses are **\$2.9M below** budget due to:

- Lower Outside Services and Other Employee Expenses, partially offset by lower Charges to Capital Projects

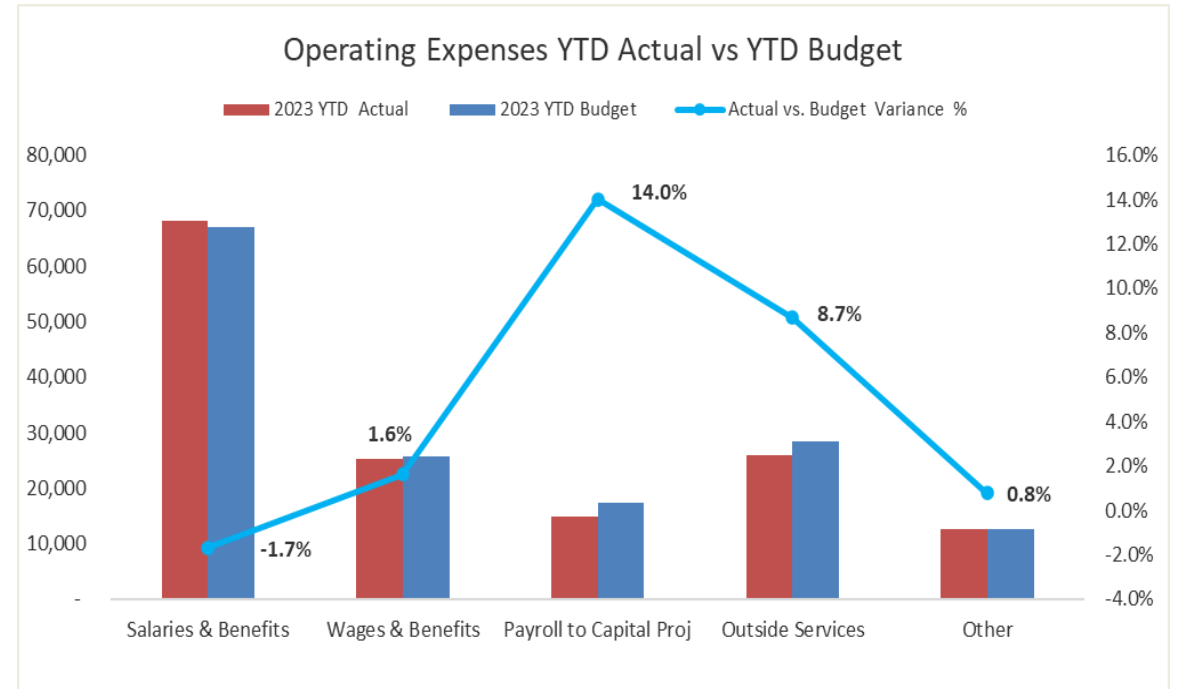
2023 YTD Total Operating Expenses are **\$20.7M higher** compared to 2022 due to:

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

# Operating Expenses Summary



**\$2.9M or 2.4% favorable**



- Payroll Expenses **\$724K** higher than budget
- Outside Services **\$2.5M** below budget
- Travel & Other Employee Expenses **\$1.2M** underspent
- Favorable variance partially offset by **\$1.4M** less Charges to Capital Projects

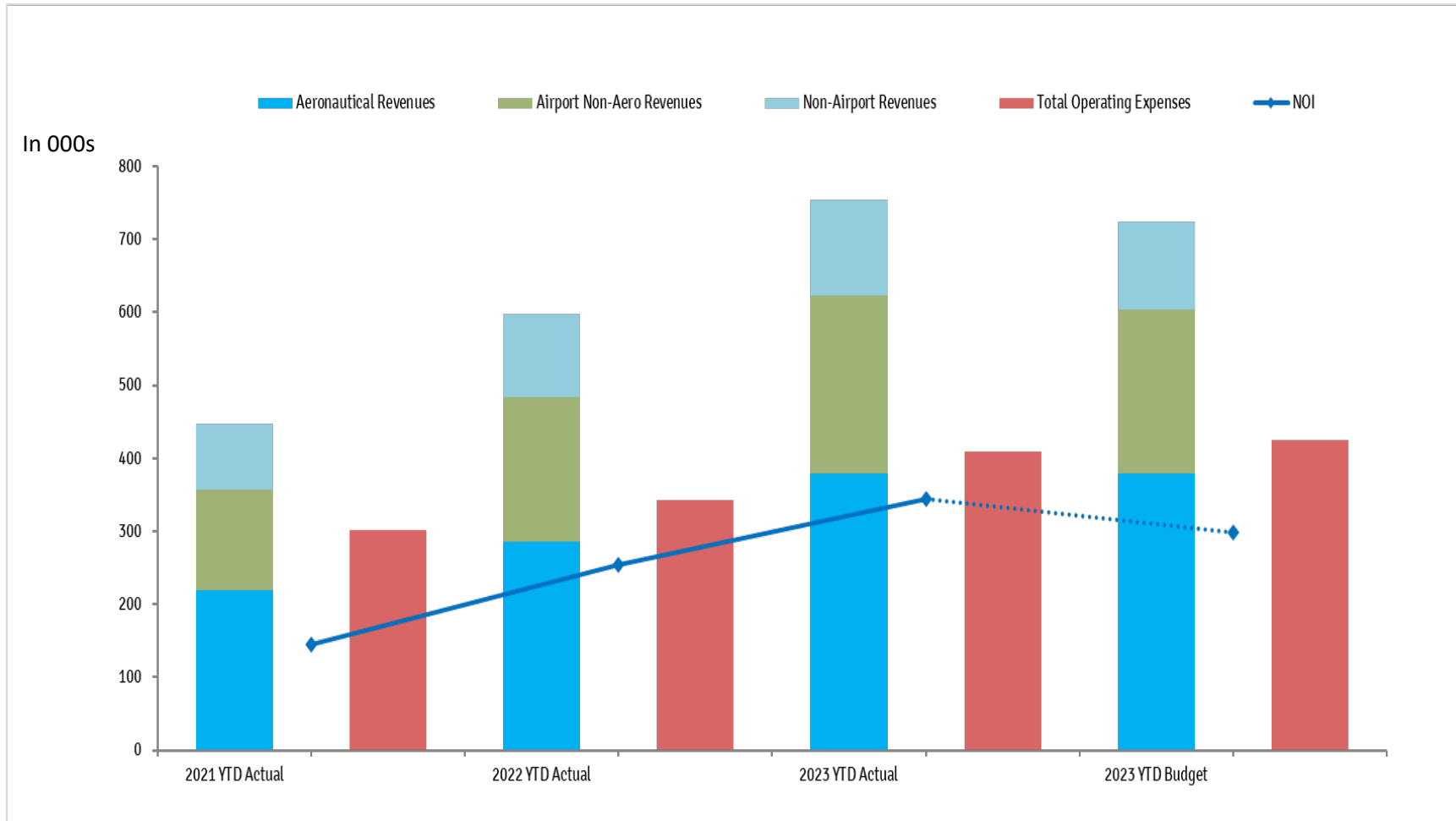
# Port Wide

## 2023 Q3 Financial Performance Report





# Port Wide Financial Summary



- Total Operating Revenues: \$31.5M above budget
- Total Operating Expenses: \$14.6M below budget
- NOI before Depreciation: \$46.2M above budget

# Port Wide Financial Summary (YE Forecast)

	2021	2022	2023	2023	Fest vs. Budget Variance		Change from 2022 Incr (Decr)	
\$ in 000's	Actual	Actual	Forecast	Budget	\$	%	\$	%
Aeronautical Revenues	317,513	402,540	494,916	504,948	(10,032)	-2.0%	92,376	22.9%
Airport Non-Aero Revenues	183,819	256,613	321,614	296,102	25,511	8.6%	65,001	25.3%
Non-Airport Revenues	120,689	150,977	154,839	152,634	2,205	1.4%	3,862	2.6%
<b>Total Operating Revenues</b>	<b>622,020</b>	<b>810,130</b>	<b>971,369</b>	<b>953,684</b>	<b>17,685</b>	<b>1.9%</b>	<b>161,239</b>	<b>19.9%</b>
Total Operating Expenses	364,656	475,739	569,259	573,431	4,173	0.7%	93,519	19.7%
<b>NOI before Depreciation</b>	<b>257,364</b>	<b>334,390</b>	<b>402,110</b>	<b>380,253</b>	<b>21,858</b>	<b>5.7%</b>	<b>67,720</b>	<b>20.3%</b>
Depreciation	190,683	232,236	207,951	207,951	-	0.0%	(24,285)	-10.5%
<b>NOI after Depreciation</b>	<b>66,681</b>	<b>102,155</b>	<b>194,160</b>	<b>172,302</b>	<b>21,858</b>	<b>12.7%</b>	<b>92,005</b>	<b>90.1%</b>

- Total Operating Revenues are expected to be \$17.7M above budget due to higher Airport Non-Aero Revenues and Cruise; partially offset by lower Aeronautical Revenues, Conference & Event Centers, and Grain.
- Total Operating expenses are expected to be \$4.2M below budget mainly due to vacant positions, lower Outside Services and Third-Party Management Expenses.
- Net Operating Income before Depreciation is forecasted to be \$21.9M above budget.

# Port Wide Capital Spending



- Q3 YTD total capital spending was \$317.3M
- For the full year, total capital spending is expected to be \$476.9M, 88.1% of the budget

# Aviation Division Appendix

## 2023 Q3 Financial Performance Report

# Airport Activity

	YTD 2021	YTD 2022	YTD 2023	% YTD Change from 2022
<b>Total Passengers (000's)</b>				
Domestic	25,063	31,085	34,240	10.1%
International	1,045	3,232	4,415	36.6%
Total	26,108	34,317	38,655	12.6%
<b>Operations</b>	280,435	303,020	318,331	5.1%
<b>Landed Weight (In Millions of lbs.)</b>				
Cargo	2,146	2,031	1,978	-2.6%
All other	17,520	19,696	24,121	22.5%
Total	19,666	21,727	26,099	20.1%
<b>Cargo - Metric Tons</b>				
Domestic freight	268,816	253,744	222,196	-12.4%
International & Mail freight	98,108	93,538	86,569	-7.5%
Total	366,924	347,282	308,765	-11.1%

## 2023 YTD Passenger volume:

- YTD through September passenger volume is 13% higher than YTD in 2022.
- Total passenger recovery is building, but volumes are expected to be 1.4% lower for full year 2023 than pre-pandemic volumes in 2019.

## Month summary (Sep 2023 vs. Sep 2022)

Airline	Code	Current pax	Market share	Previous pax	Pax % diff
Alaska Airlines (rollup)	AS	2,302,115	51.5%	2,240,519	2.7%
Delta Air Lines (rollup)	DL	1,030,495	23.0%	1,027,519	0.3%
United Airlines (rollup)	UA	255,273	5.7%	220,199	15.9%
American Airlines (rol..	AA	219,944	4.9%	170,213	29.2%
Southwest Airlines (r..	WN	202,421	4.5%	212,545	-4.8%

# Aviation Financial Summary

Financial Summary (\$ in 000's)	2021	2022	2023	2023	Actual vs. Budget Variance		Incr/(Decr) Change from 2022	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
<b>Operating Revenue</b>								
Aeronautical Revenues	317,513	402,540	494,916	504,948	(10,032)	-2.0%	92,376	22.9%
Non-Aeronautical Revenues	183,819	256,613	321,614	296,102	25,511	8.6%	65,001	25.3%
<b>Total Operating Revenues</b>	<b>501,332</b>	<b>659,153</b>	<b>816,530</b>	<b>801,051</b>	<b>15,480</b>	<b>1.9%</b>	<b>157,377</b>	<b>23.9%</b>
<b>Total Operating Expenses</b>	<b>341,679</b>	<b>394,990</b>	<b>460,511</b>	<b>460,535</b>	<b>24</b>	<b>0.0%</b>	<b>65,522</b>	<b>16.6%</b>
<b>Net Operating Income</b>	<b>159,652</b>	<b>264,163</b>	<b>356,019</b>	<b>340,515</b>	<b>15,504</b>	<b>4.6%</b>	<b>91,856</b>	<b>34.8%</b>
<b>CPE</b>	15.93	16.09	18.18	19.29	1.11	5.7%	2.09	13.0%
<b>Non-Aero NOI (\$ in 000s)</b>	135,483	142,159	175,103	150,386	(24,716)	-16.4%	32,944	23.2%
<b>Enplaned passengers (in 000s)</b>	18,073	22,966	25,470	24,444	(1,026)	-4.2%	2,504	10.9%
<b>Capital Expenditures (in 000s)</b>	<b>389,051</b>	<b>311,631</b>	<b>435,807</b>	<b>485,572</b>	<b>49,765</b>	<b>10.2%</b>	<b>124,176</b>	<b>39.8%</b>

# Key Performance Measures

	2021	2022	2023	2023	Actual vs. Budget Variance		Incr/(Decr) Change from 2022	
	Actual	Actual	Forecast	Approved Budget	\$	%	\$	%
<b>Key Performance Metrics</b>								
Cost per Enplanement (CPE)	15.93	16.09	18.18	19.29	1.11	5.7%	2.09	13.0%
Non-Aeronautical NOI (in 000's) <sup>1</sup>	93,175	30,256	175,103	150,386	24,716	16.4%	144,846	478.7%
<b>Other Performance Metrics</b>								
O&M Cost per Enplanement	16.28	3.86	18.08	18.84	0.76	4.0%	14.22	368.6%
Non-Aero Revenue per Enplanement	10.17	2.36	12.63	12.11	0.51	4.2%	10.27	434.7%
Debt per Enplanement (in \$)	198	-	148	154	6	4.0%	148	0.0%
Debt Service Coverage	1.69	2.64	1.96	1.87	0.09	4.8%	(0.68)	-25.8%
Days cash on hand (10 months = 304 days)	423	0	461	457	5	1.1%	461	0.0%
Aeronautical Revenue Sharing (\$ in 000's)	-	-	-	-	-	0.0%	-	0.0%
<b>Activity (in 000's)</b>								
Enplanements	18,073	22,966	25,470	24,444	1,026	4.2%	2,504	10.9%
Total Passengers	36,154	45,964	50,940	48,887	2,053	4.2%	4,976	10.8%



# Aviation Expense YTD Summary

Total Airport Expense Summary (\$ in 000's)	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget Variance		Incr/(Decr) Change from 2022	
	Actual	Actual	Actual	Budget	\$	%	\$	%
<b>Operating Expenses</b>								
Payroll	116,344	123,589	142,534	141,319	(1,214)	-0.9%	18,944	15.3%
Outside Services	42,255	50,041	61,610	80,993	19,383	23.9%	11,569	23.1%
Utilities	15,832	17,553	17,948	17,537	(411)	-2.3%	395	2.2%
Other Expenses	50	8,784	10,893	3,956	(6,937)	-175.3%	2,110	24.0%
<b>Total Airport Direct Charges</b>	<b>174,481</b>	<b>199,968</b>	<b>232,985</b>	<b>243,806</b>	<b>10,821</b>	<b>4.4%</b>	<b>33,017</b>	<b>16.5%</b>
Environmental Remediation Liability	801	(2,312)	6,377	2,680	(3,697)	-138.0%	8,689	-375.8%
Capital to Expense	319	46	359	-	(359)		313	676.2%
<b>Total Exceptions</b>	<b>1,120</b>	<b>(2,266)</b>	<b>6,737</b>	<b>2,680</b>	<b>(4,057)</b>	<b>-151.4%</b>	<b>9,002</b>	<b>-397.3%</b>
<b>Total Airport Expenses</b>	<b>175,601</b>	<b>197,702</b>	<b>239,722</b>	<b>246,486</b>	<b>6,765</b>	<b>2.7%</b>	<b>42,019</b>	<b>21.3%</b>
Corporate	51,642	57,550	68,136	68,749	613	0.9%	10,585	18.4%
Police	17,336	17,731	22,662	23,011	348	1.5%	4,931	27.8%
Maritime/Economic Development/Other	2,064	2,421	3,730	4,051	321	7.9%	1,309	54.1%
<b>Total Charges from Other Divisions</b>	<b>71,042</b>	<b>77,703</b>	<b>94,528</b>	<b>95,811</b>	<b>1,282</b>	<b>1.3%</b>	<b>16,826</b>	<b>21.7%</b>
<b>Total Operating Expenses</b>	<b>246,642</b>	<b>275,405</b>	<b>334,250</b>	<b>342,297</b>	<b>8,047</b>	<b>2.4%</b>	<b>58,845</b>	<b>21.4%</b>

# Aviation Expense YE Summary

Total Airport Expense Summary (\$ in 000's)	2021	2022	2023	2023	Actual vs. Budget Variance		Incr/(Decr) Change from 2022	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
<b>Operating Expenses</b>								
Payroll	157,207	168,389	191,843	189,477	(2,366)	-1.2%	23,455	13.9%
Outside Services	62,382	75,700	93,081	109,249	16,168	14.8%	17,380	23.0%
Utilities	20,175	22,880	22,693	22,321	(373)	-1.7%	(186)	-0.8%
Other Expenses	1,519	15,141	12,025	4,296	(7,729)	-179.9%	(3,116)	-20.6%
<b>Total Airport Direct Charges</b>	<b>241,284</b>	<b>282,110</b>	<b>319,642</b>	<b>325,342</b>	<b>5,700</b>	<b>1.8%</b>	<b>37,532</b>	<b>13.3%</b>
Environmental Remediation Liability	1,583	(1,274)	11,027	7,120	(3,907)	-54.9%	12,302	-965.2%
Capital to Expense	1,254	2,356	470	-	(470)		(1,886)	-80.0%
<b>Total Exceptions</b>	<b>2,837</b>	<b>1,081</b>	<b>11,497</b>	<b>7,120</b>	<b>(4,377)</b>	<b>-61.5%</b>	<b>10,416</b>	<b>963.3%</b>
<b>Total Airport Expenses</b>	<b>244,121</b>	<b>283,191</b>	<b>331,140</b>	<b>332,462</b>	<b>1,322</b>	<b>0.4%</b>	<b>47,948</b>	<b>16.9%</b>
Corporate	71,550	80,452	93,191	92,679	(513)	-0.6%	12,739	15.8%
Police	23,473	27,660	31,041	30,264	(777)	-2.6%	3,381	12.2%
Maritime/Economic Development/Other	2,536	3,687	5,139	5,131	(8)	-0.2%	1,453	39.4%
<b>Total Charges from Other Divisions</b>	<b>97,558</b>	<b>111,799</b>	<b>129,372</b>	<b>128,074</b>	<b>(1,298)</b>	<b>-1.0%</b>	<b>17,573</b>	<b>15.7%</b>
<b>Total Operating Expenses</b>	<b>294,217</b>	<b>382,704</b>	<b>460,511</b>	<b>460,535</b>	<b>24</b>	<b>0.0%</b>	<b>77,808</b>	<b>20.3%</b>

# Aeronautical Business YTD

Aeronautical NOI (\$ in 000's)	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget Variance		Incr/(Decr) Change from 2022	
	Actual	Actual	Actual	Budget	\$	%	\$	%
<b>Rate Base Revenues</b>								
Airfield Movement Area	63,808	81,929	110,726	107,185	3,541	3.3%	28,797	35.1%
Airfield Apron Area	13,028	12,714	22,808	21,817	991	4.5%	10,094	79.4%
Terminal Rents	122,406	159,848	198,944	203,275	(4,331)	-2.1%	39,097	24.5%
Federal Inspection Services (FIS)	7,928	19,144	32,985	34,957	(1,972)	-5.6%	13,841	72.3%
<b>Total Rate Base Revenues</b>	<b>207,170</b>	<b>273,635</b>	<b>365,463</b>	<b>367,235</b>	<b>(1,771)</b>	<b>-0.5%</b>	<b>91,829</b>	<b>33.6%</b>
Airfield Commercial Area	12,208	12,583	13,464	12,495	968	7.7%	881	7.0%
<b>Subtotal before Revenue Sharing</b>	<b>219,378</b>	<b>286,217</b>	<b>378,927</b>	<b>379,730</b>	<b>(803)</b>	<b>-0.2%</b>	<b>92,710</b>	<b>32.4%</b>
Revenue Sharing	-	-	-	-	-		-	
<b>Total Aeronautical Revenues</b>	<b>219,378</b>	<b>286,217</b>	<b>378,927</b>	<b>379,730</b>	<b>(803)</b>	<b>-0.2%</b>	<b>92,710</b>	<b>32.4%</b>
<b>Total Aeronautical Expenses</b>	<b>168,909</b>	<b>187,128</b>	<b>234,388</b>	<b>237,663</b>	<b>3,275</b>	<b>1.4%</b>	<b>47,260</b>	<b>25.3%</b>
<b>Aeronautical NOI</b>	<b>50,469</b>	<b>99,090</b>	<b>144,540</b>	<b>142,067</b>	<b>2,473</b>	<b>1.7%</b>	<b>45,450</b>	<b>45.9%</b>

# Aeronautical Business YE

Aeronautical NOI (\$ in 000's)	2021	2022	2023	2023	Actual vs. Budget Variance		Incr/(Decr) Change from 2022	
	Actual	Actual	Forecast	Budget	\$	%	\$	%
<b>Rate Base Revenues</b>								
Airfield Movement Area	88,061	118,240	146,769	141,938	4,831	3.4%	28,529	24.1%
Airfield Apron Area	22,016	17,211	26,696	29,330	(2,634)	-9.0%	9,485	55.1%
Terminal Rents	205,283	220,399	260,926	270,513	(9,587)	-3.5%	40,527	18.4%
Federal Inspection Services (FIS)	10,978	29,347	42,581	46,317	(3,736)	-8.1%	13,233	45.1%
<b>Total Rate Base Revenues</b>	<b>326,339</b>	<b>385,197</b>	<b>476,972</b>	<b>488,098</b>	<b>(11,126)</b>	<b>-2.3%</b>	<b>91,774</b>	<b>23.8%</b>
Airfield Commercial Area	16,702	17,343	17,945	16,850	1,095	6.5%	602	3.5%
<b>Subtotal before Revenue Sharing</b>	<b>343,041</b>	<b>402,541</b>	<b>494,916</b>	<b>504,948</b>	<b>(10,032)</b>	<b>-2.0%</b>	<b>92,376</b>	<b>22.9%</b>
Revenue Sharing	-	-	-	-	-		-	
<b>Total Aeronautical Revenues</b>	<b>343,041</b>	<b>402,541</b>	<b>494,916</b>	<b>504,948</b>	<b>(10,032)</b>	<b>-2.0%</b>	<b>92,376</b>	<b>22.9%</b>
<b>Total Aeronautical Expenses</b>	<b>203,573</b>	<b>261,574</b>	<b>320,610</b>	<b>320,649</b>	<b>39</b>	<b>0.0%</b>	<b>59,036</b>	<b>22.6%</b>
<b>Aeronautical NOI</b>	<b>139,468</b>	<b>140,967</b>	<b>174,306</b>	<b>184,300</b>	<b>(9,993)</b>	<b>-5.4%</b>	<b>33,340</b>	<b>23.7%</b>
Debt Service	(62,607)	(80,554)	(146,807)	(152,649)	5,842	-3.8%	(66,253)	82.2%
<b>Net Cash Flow</b>	<b>76,860</b>	<b>60,413</b>	<b>27,499</b>	<b>31,650</b>	<b>(4,151)</b>	<b>-13.1%</b>	<b>(32,913)</b>	<b>-54.5%</b>

# Aero Cost Drivers

\$ in 000's	2023 Budget	2023 Forecast	Impact on Aero Revenues Budget vs Budget	
			\$	%
O&M	310,618	315,836	5,218	1.7%
Debt Service Before Offsets	234,463	225,839	(8,623)	-3.7%
Debt Service PFC Offset	(89,720)	(85,506)	4,213	-4.7%
Federal Relief Grants Debt Service	-	(5,857)	(5,857)	0.0%
Net Debt Service	144,743	134,476	(10,267)	-7.1%
Amortization	35,561	35,289	(272)	-0.8%
Space Vacancy	(2,066)	(1,401)	665	-32.2%
TSA Operating Grant and Other	(758)	(3,993)	(3,235)	426.6%
<b>Rate Base Revenues</b>	<b>488,098</b>	<b>480,206</b>	<b>(7,892)</b>	<b>-2%</b>
Commercial area	16,850	17,945	1,095	6%
<b>Total Aero Revenues</b>	<b>504,948</b>	<b>498,151</b>	<b>(6,797)</b>	<b>-1%</b>

## 2023 Forecast to 2023 Budget

**O&M – \$5.2M higher**, increase in Aero allocated O&M (overall O&M slight decrease). Increases primarily in Gates, Mvmt Area and Terminal, partially offset by savings in FIS and Airline Realignment (changed from expense to capital).

**Net DS – (\$10.3M) lower**, decrease due to more DS Exclusions, add'l Federal Relief applied, partially offset by less PFC offset.

## **Federal Relief Grants Aero Portion:**

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

**Aero Cost Drivers Revenue is Operating and Non-Operating Revenue** – “Other” line has \$3.2M Insurance Claim Non-Op Revenue which offsets rates.

*This isn't included in prior slide Aero Revenue (Operating Only)*

# Non-Aeronautical Business YTD

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

Non-Aeronautical NOI (\$ in 000's)	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget Variance		Incr/(Decr) Change from 2022	
	Actual	Actual	Actual	Budget	\$	%	\$	%
<b>Non-Aeronautical Revenues</b>								
Public Parking	45,034	64,775	81,649	71,747	9,902	13.8%	16,874	26.1%
Rental Cars	26,998	38,906	49,945	43,695	6,250	14.3%	11,039	28.4%
Ground Transportation	8,171	15,406	18,781	18,150	631	3.5%	3,376	21.9%
Airport Dining & Retail	29,082	39,880	46,968	47,510	(541)	-1.1%	7,088	17.8%
Other	28,231	38,039	46,293	42,494	3,800	8.9%	8,254	21.7%
<b>Total Non-Aeronautical Revenue</b>	<b>137,516</b>	<b>197,006</b>	<b>243,637</b>	<b>223,596</b>	<b>20,041</b>	<b>9.0%</b>	<b>46,631</b>	<b>23.7%</b>
<b>Total Non-Aeronautical Expense</b>	<b>49,108</b>	<b>88,277</b>	<b>99,862</b>	<b>104,634</b>	<b>4,772</b>	<b>4.6%</b>	<b>11,585</b>	<b>13.1%</b>
<b>Non-Aeronautical NOI</b>	<b>88,408</b>	<b>108,728</b>	<b>143,774</b>	<b>118,962</b>	<b>24,813</b>	<b>20.9%</b>	<b>35,046</b>	<b>32.2%</b>

# Non-Aeronautical Business YE

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

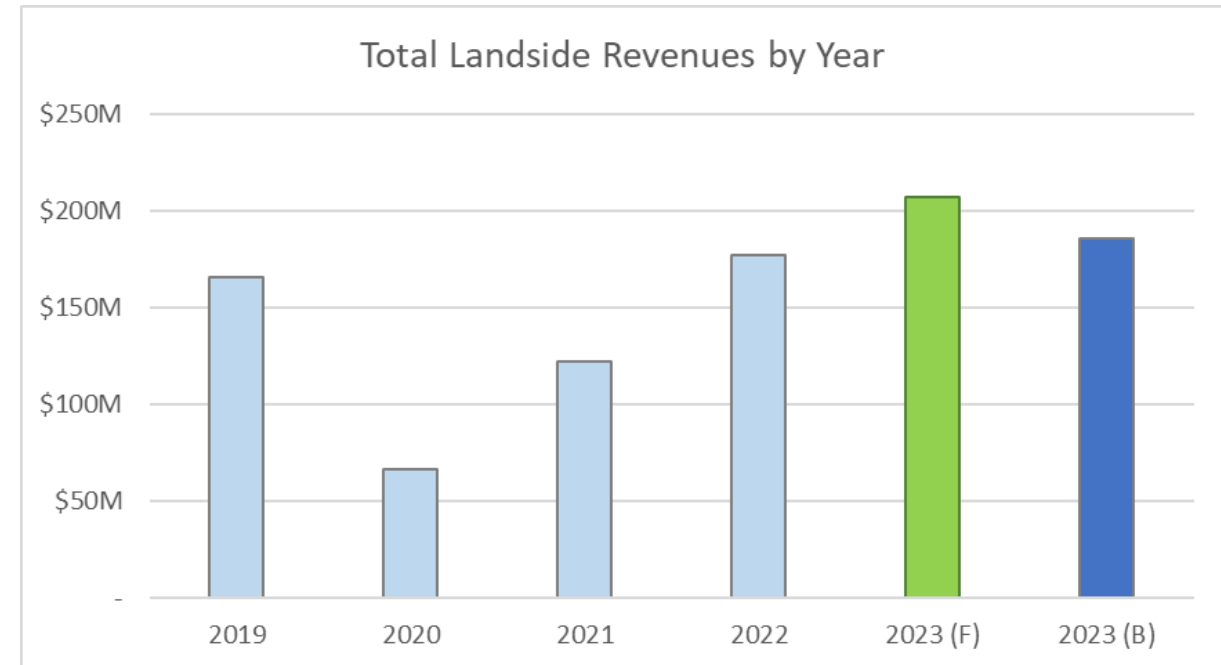
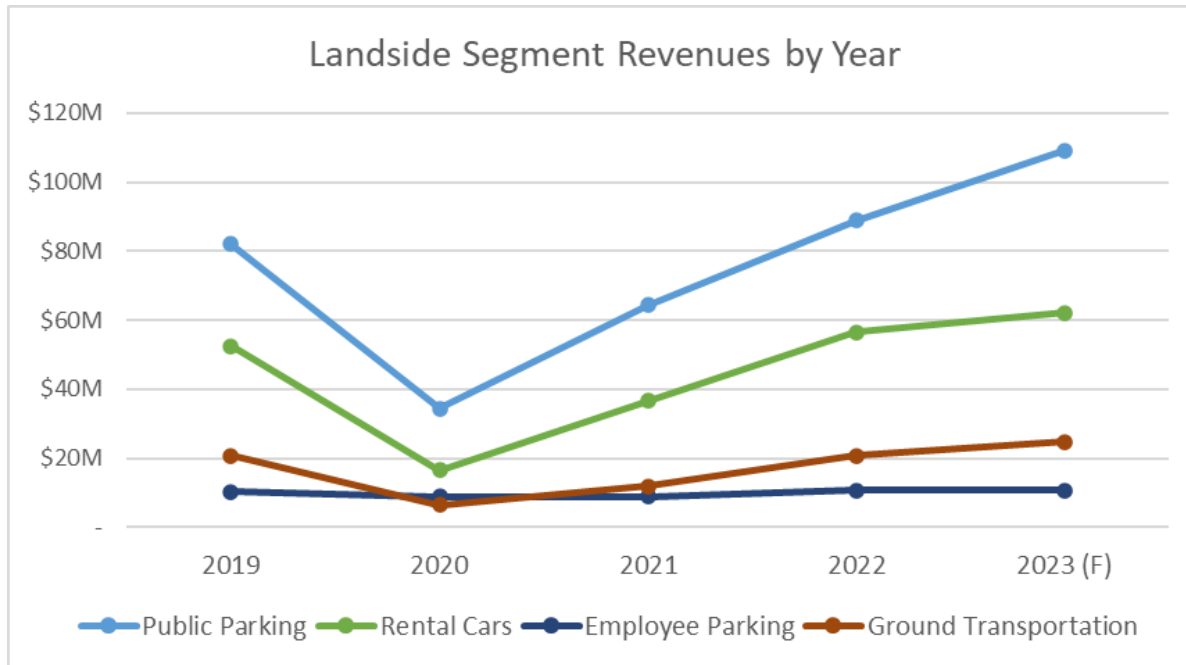
Non-Aeronautical Revenue Recovery Trend by Year  (\$ in 000's)	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Forecast	2023 Budget	Incr/(Decr) Change from 2023 Actual v. 2023 Budget \$ %		Fav(UnFav) 2023 FCST v. 2022 Actual Variance \$ %	
<b>Non-Aeronautical Revenues</b>										
Public Parking	82,125	34,502	64,289	88,899	109,149	96,768	12,381	12.8%	20,250	22.8%
Rental Cars	52,567	37,306	36,612	56,473	62,194	53,830	8,364	15.5%	5,721	10.1%
Ground Transportation	20,765	6,557	11,947	20,804	24,850	24,324	526	2.2%	4,045	19.4%
Airport Dining & Retail	61,615	25,418	38,693	55,719	66,465	64,520	1,945	3.0%	10,747	19.3%
Commercial Properties	15,773	10,766	12,520	16,747	19,785	16,959	2,826	16.7%	3,038	18.1%
Non-Airline Terminal Leased Space	6,398	5,816	6,159	6,954	8,081	9,090	(1,009)	-11.1%	1,127	16.2%
Clubs and Lounges	10,274	2,043	3,478	8,688	11,605	9,859	1,747	17.7%	2,917	33.6%
Utilities	7,431	5,672	6,350	7,943	8,498	8,541	(43)	-0.5%	555	7.0%
Other Non-Aero Revenue	12,091	10,281	9,072	13,932	12,904	12,461	443	3.6%	(1,027)	-7.4%
<b>Total Non-Aeronautical Revenues BEFORE grants</b>	<b>269,037</b>	<b>138,362</b>	<b>189,120</b>	<b>276,159</b>	<b>323,532</b>	<b>296,352</b>	<b>27,180</b>	<b>9.2%</b>	<b>47,373</b>	<b>17.2%</b>
less Concession Relief grants	-	-	(5,301)	(19,546)	(1,918)	(250)	(1,668)	667.3%	17,628	-90.2%
<b>Non-Aeronautical Operating Revenue</b>	<b>269,037</b>	<b>138,362</b>	<b>183,819</b>	<b>256,613</b>	<b>321,614</b>	<b>296,102</b>	<b>25,511</b>	<b>8.6%</b>	<b>65,001</b>	<b>25.3%</b>
<b>Total Enplanements</b>	<b>25,874</b>	<b>10,037</b>	<b>18,073</b>	<b>22,966</b>	<b>25,509</b>	<b>24,444</b>	<b>1,065</b>	<b>4.4%</b>	<b>2,543</b>	<b>11.1%</b>
International Enplanements	2,858	664	821	2,185	2,837	2,698	139	5.2%	652	29.8%
O&D Enplanements	18,163	6,614	12,073	15,617	17,703	16,964	739	4.4%	2,086	13.4%

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



# Non-Aero Detail: Landside Revenue Trends

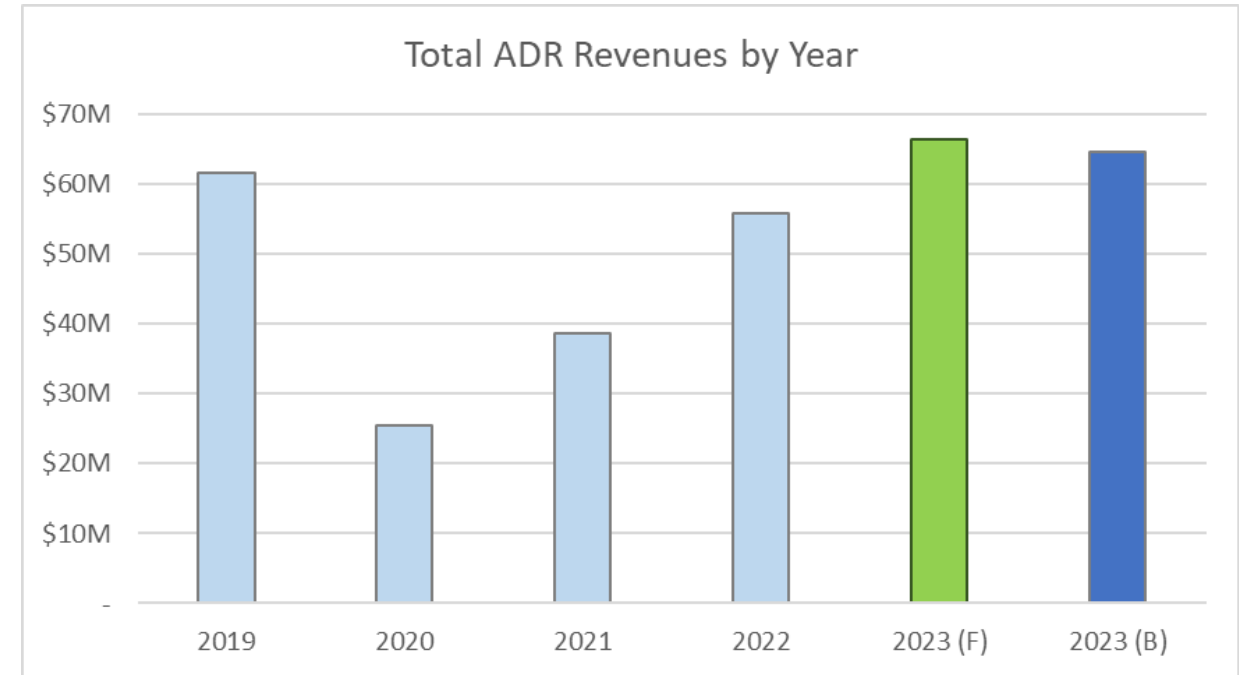
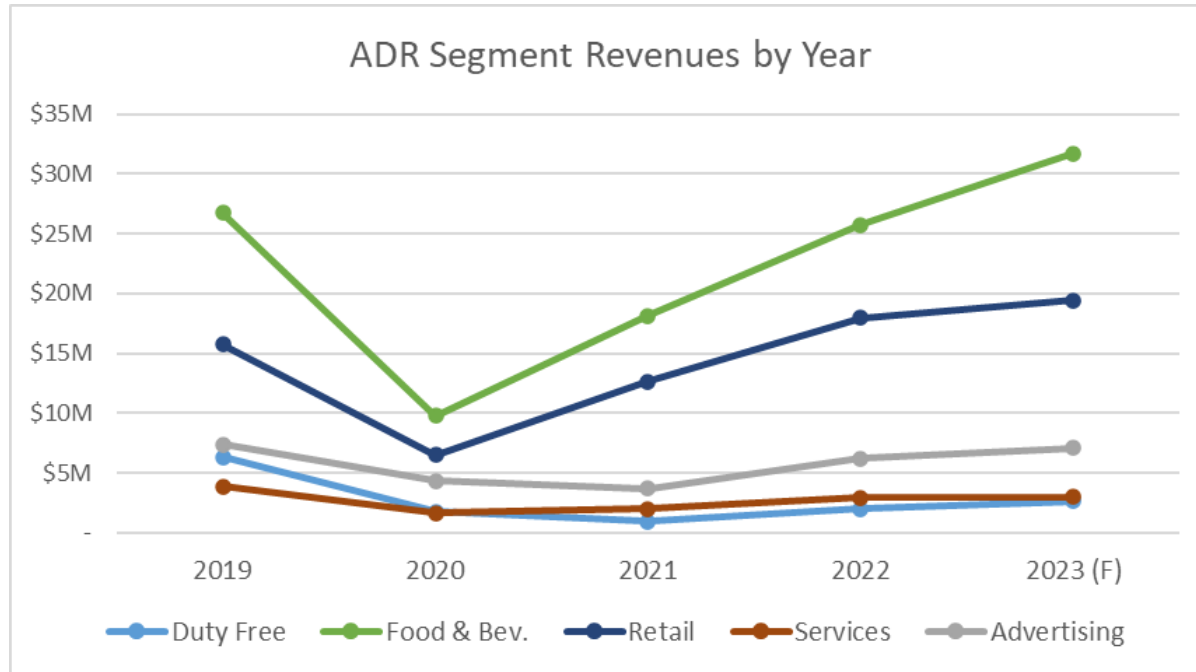
Each individual Landside revenue segment surpassed 2019 levels in 2022, and each segment is forecasted to continue growing through 2023



# Non-Aero Detail: ADR Revenue Trends

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

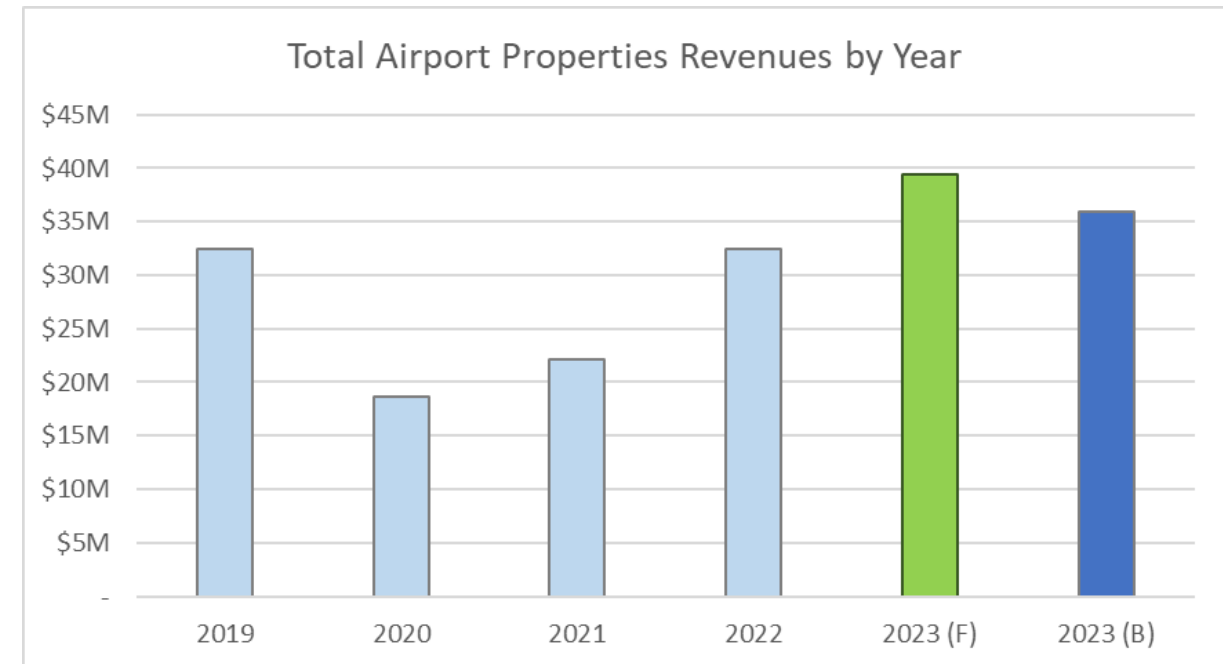
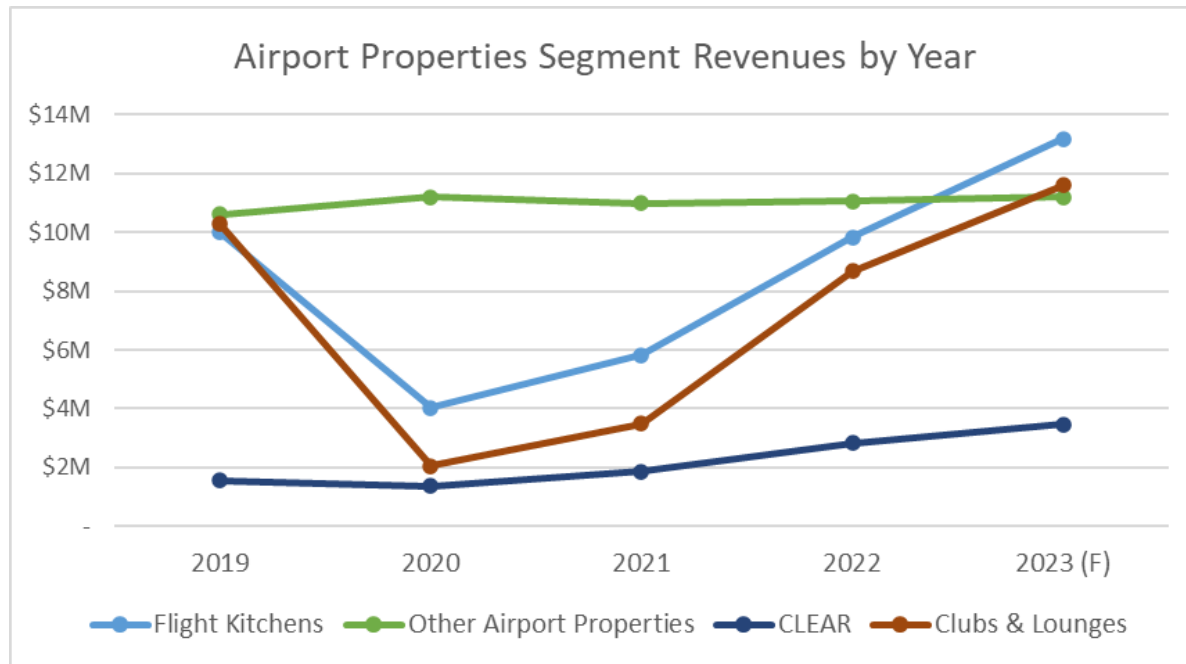
*Full recoveries from Food & Beverage and Retail lines of business offset slower recoveries in Duty Free, Services, and Advertising*



# Non-Aero Detail: AVBP Revenue Trends

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

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



# 2023 Capital Expenditures

	2023 YTD Actual	2023 Year-End Forecast	2023 Budget	2023 POF	Bud vs. Fcst	
\$ in 000's					\$	%
C concourse Expansion <sup>(1)</sup>	24,737	38,631	49,625	31,996	10,994	22.2%
Checked Bag Recap/Optimization <sup>(2)</sup>	68,905	92,550	102,855	131,600	10,305	10.0%
MT Low Voltage Sys Upgrade <sup>(3)</sup>	9,272	14,772	24,000	24,425	9,228	38.5%
SEA Gateway <sup>(4)</sup>	36,985	62,495	53,747	152,567	(8,748)	-16.3%
International Arrivals Fac-IAF <sup>(5)</sup>	2,354	3,156	10,700	11,479	7,544	70.5%
Concourse A Building Expansion <sup>(6)</sup>	17,653	25,803	32,455	46,110	6,652	20.5%
Fire Dept Apparatus Replace <sup>(7)</sup>	-	-	5,000	2,500	5,000	100.0%
Telecommunication Meet Me Room <sup>(8)</sup>	1,182	2,302	6,902	7,045	4,600	66.6%
Surface Area Management <sup>(9)</sup>	763	1,147	5,565	6,890	4,418	79.4%
Art Pool <sup>(10)</sup>	376	1,126	5,250	5,250	4,124	78.6%
Airfield Utility Improvements <sup>(11)</sup>	430	756	4,209	7,131	3,452	82.0%
All Other	135,705	210,810	263,123	357,643	52,314	19.9%
Subtotal	298,362	453,549	563,432	784,636	109,883	19.5%
CIP Cashflow Mgmt Reserve	-	(17,741)	(77,860)	(120,759)	(60,119)	77.2%
<b>Total Spending</b>	<b>298,362</b>	<b>435,807</b>	<b>485,572</b>	<b>663,877</b>	<b>49,764</b>	<b>10.2%</b>

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

(2) SSAT work has been delayed. Delays resulted in lower spending.

(3) Electrical Equipment manufacturing delays, resulting in Contractor payment delays; Contractor not able to perform work in the Central Power Center and adjacent spaces due to the delay in Lumen scope

(4) Alaska has caught up on invoice review/submission. Result is multiple invoices will be paid in 2023 that were assumed for 2024, therefore NMTRP is projected to overspend in 2023.

(5) Contractor isn't billing. Still reconciling contract. No additional payments to the design builder and writing deductive change orders.

(6) Negotiation delays. And TRA submittals are less than anticipation.

(7) Fire apparatus procurement has been pushed out to future year. Other options are being reviewed.

(8) Bldg Delivery and invoice delayed ~7Mo. Due to supply chain issue, construction started late. Fiber adv and constrution delayed along with building as well.

(9) Design changes and delays along with change to construction method have contributed to reduced spending in 2023 and increased cost forecast for 2024

(10) Delays in contract execution with artists

(11) Scope & budget have been transferred to C800930. 2023 AIP and AUI (C800930/C801177) were combined in July '23 due to construction scope similarity. Variance for combined CIPs is \$190k.

# Maritime Division Appendix

## 2023 Q3 Financial Performance Report

# Maritime 2023 YTD Q3 Financial Summary

	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget		Change from 2022	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
Ship Canal Fishing & Operations	3,186	3,394	3,779	3,457	322	9%	386	11%
Elliott Bay Fishing & Commercial Operation	3,427	3,751	4,163	3,865	298	8%	411	11%
Recreational Boating	9,639	10,549	11,700	11,718	(18)	0%	1,152	11%
Cruise	5,660	30,181	39,950	33,052	6,898	21%	9,769	32%
Grain	4,235	3,987	2,628	3,740	(1,112)	-30%	(1,359)	-34%
Maritime Portfolio Management	7,689	7,945	7,717	7,358	359	5%	(227)	-3%
Other	2	8	9	18	(9)	NA	1	13%
<b>Total Revenue</b>	<b>33,836</b>	<b>59,814</b>	<b>69,947</b>	<b>63,209</b>	<b>6,738</b>	<b>11%</b>	<b>10,132</b>	<b>17%</b>
<b>Expenses</b>								
Maritime (Excl. Maint)	10,259	13,700	13,514	13,683	170	1%	(186)	-1%
Economic Development	3,067	4,141	3,828	4,551	724	16%	(313)	-8%
<b>Total Direct</b>	<b>13,326</b>	<b>17,841</b>	<b>17,341</b>	<b>18,235</b>	<b>894</b>	<b>5%</b>	<b>(500)</b>	<b>-3%</b>
Maintenance Expenses	7,958	9,575	11,254	10,566	(688)	-7%	1,680	18%
Envir Services & Planning	1,053	1,510	2,195	2,471	276	11%	685	45%
Seaport Finance & Cost Recovery	747	724	962	1,004	42	4%	238	33%
Seaport Project Management	279	662	1,231	1,874	643	34%	569	86%
<b>Total Support Services</b>	<b>10,037</b>	<b>12,470</b>	<b>15,642</b>	<b>15,915</b>	<b>273</b>	<b>2%</b>	<b>3,171</b>	<b>25%</b>
IT	1,997	2,320	2,745	2,781	36	1%	425	18%
Police Expenses	2,260	2,387	3,542	3,645	103	3%	1,154	48%
External Relations	891	1,124	1,243	1,557	314	20%	120	11%
Other Central Services	5,137	6,385	7,064	6,600	(464)	-7%	678	11%
Aviation Division / Other	246	277	242	267	25	9%	(35)	-13%
<b>Total Central Services / Other</b>	<b>10,531</b>	<b>12,493</b>	<b>14,836</b>	<b>14,851</b>	<b>15</b>	<b>0%</b>	<b>2,343</b>	<b>19%</b>
<b>Total Expense</b>	<b>33,893</b>	<b>42,805</b>	<b>47,819</b>	<b>49,000</b>	<b>1,181</b>	<b>2%</b>	<b>5,014</b>	<b>12%</b>
<b>NOI Before Depreciation</b>	<b>(57)</b>	<b>17,010</b>	<b>22,128</b>	<b>14,208</b>	<b>7,920</b>	<b>56%</b>	<b>5,118</b>	<b>30%</b>
Depreciation	13,281	13,403	13,639	12,638	(1,001)	-8%	236	2%
<b>NOI After Depreciation</b>	<b>(13,338)</b>	<b>3,607</b>	<b>8,489</b>	<b>1,570</b>	<b>6,919</b>	<b>441%</b>	<b>4,882</b>	<b>135%</b>

## Variance from Budget

- Revenue \$6.4M favorable:
  - Ship Canal – Impacts from cancellation of Alaskan Crab Season and Early Return of Salmon Fishers.
  - Elliott Bay Fishing & Commercial – higher volumes.
  - Cruise – Higher Occupancy.
  - Maritime Portfolio Management – New Tenant at MIC and T106.
  - Grain – Lower Volumes.
- Operating Exp. \$1.9M lower:
  - Direct \$0.9M lower – Payroll savings and tenant improvements.
  - Support Services \$273K lower– Open FTEs, timing of outside services.
  - Central Services \$15K favorable – Open FTEs.

# Maritime 2023 Financial Forecast

	2021	2022	2023	2023	Actual vs. Budget Variance		Change from 2022	
\$ in 000's	Actual	Actual	Forecast	Budget	\$	%	\$	%
Ship Canal Fishing & Operations	4,240	4,592	4,855	4,555	300	7%	263	6%
Elliott Bay Fishing & Commercial Operation	5,618	5,975	5,453	5,253	200	4%	(521)	-9%
Recreational Boating	12,851	13,978	15,591	15,591	0	0%	1,613	12%
Cruise	9,517	30,469	40,445	34,445	6,000	17%	9,977	33%
Grain	6,112	5,792	3,814	5,814	(2,000)	-34%	(1,978)	-34%
Maritime Portfolio Management	10,392	10,550	10,562	10,192	370	4%	12	0%
Other	7	10	24	24	0	NA	14	152%
<i>Pension Revenue Adjustment</i>	<i>(408)</i>	<i>170</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>NA</i>	<i>(170)</i>	<i>NA</i>
<b>Total Revenue</b>	<b>48,331</b>	<b>71,534</b>	<b>80,745</b>	<b>75,875</b>	<b>4,870</b>	<b>6%</b>	<b>9,211</b>	<b>13%</b>
<b>Expenses</b>								
Maritime (Excl. Maint)	13,951	17,706	18,200	18,200	0	0%	494	3%
Economic Development	4,559	5,710	5,866	6,366	500	8%	156	3%
<b>Total Direct</b>	<b>18,510</b>	<b>23,416</b>	<b>24,066</b>	<b>24,566</b>	<b>500</b>	<b>2%</b>	<b>650</b>	<b>3%</b>
Maintenance Expenses	11,326	13,213	14,737	14,087	(650)	-5%	1,524	12%
Envir Services & Planning	2,018	3,120	3,703	3,853	150	4%	583	19%
Seaport Finance & Cost Recovery	1,163	1,087	1,342	1,342	0	0%	256	24%
Seaport Project Management	342	1,007	1,939	2,489	550	22%	933	93%
<b>Total Support Services</b>	<b>14,849</b>	<b>18,426</b>	<b>21,721</b>	<b>21,771</b>	<b>50</b>	<b>0%</b>	<b>3,295</b>	<b>18%</b>
IT	2,695	3,223	3,703	3,725	22	1%	480	15%
Police Expenses	3,064	3,662	4,905	4,781	(124)	-3%	1,244	34%
External Relations	1,222	1,552	1,642	2,045	403	20%	90	6%
Other Central Services	7,109	8,908	9,164	8,869	(295)	-3%	255	3%
Aviation Division / Other	336	368	363	363	0	0%	(6)	-2%
<b>Total Central Services / Other</b>	<b>14,426</b>	<b>17,714</b>	<b>19,777</b>	<b>19,783</b>	<b>6</b>	<b>0%</b>	<b>2,063</b>	<b>12%</b>
<b>Total Expense before Pension Adjustment</b>	<b>47,784</b>	<b>59,556</b>	<b>65,565</b>	<b>66,121</b>	<b>556</b>	<b>1%</b>	<b>6,009</b>	<b>10%</b>
<i>Pension Expense Adjustment</i>	<i>(7,070)</i>	<i>(2,396)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>NA</i>	<i>2,396</i>	<i>100%</i>
<b>Total Expense</b>	<b>40,714</b>	<b>57,160</b>	<b>65,565</b>	<b>66,121</b>	<b>556</b>	<b>1%</b>	<b>8,405</b>	<b>15%</b>
<i>NOI excluding Pension Adjustments</i>	<i>954</i>	<i>11,808</i>	<i>15,181</i>	<i>9,755</i>	<i>5,426</i>	<i>56%</i>	<i>3,372</i>	<i>29%</i>
<b>NOI Before Depreciation</b>	<b>7,616</b>	<b>14,375</b>	<b>15,181</b>	<b>9,755</b>	<b>5,426</b>	<b>56%</b>	<b>806</b>	<b>6%</b>
Depreciation	17,718	17,980	17,456	17,456	0	0%	(525)	-3%
<b>NOI After Depreciation</b>	<b>(10,101)</b>	<b>(3,606)</b>	<b>(2,275)</b>	<b>(7,701)</b>	<b>5,426</b>	<b>70%</b>	<b>1,330</b>	<b>37%</b>

## Variance from Budget

- **Revenue \$4.9M favorable:**
  - Ship Canal Fishing / Elliott Bay Fishing & Commercial favorable YTD Results.
  - Cruise Trending over 100% occupancy.
  - Grain – Anticipated 35% reduction in volumes due to lower near-term demand from China.
- **Operating Expense \$556K below:**
  - Direct – YTD spend on Tenant Improvements. Open FTEs.
  - Support Services & Central Services – Delays in filling Open FTEs.

# Cruise 2023 Financials

\$ in 000s	2022	2023	2023	Bud Var	
	Actual	Actual	Budget	\$	%
<b>Revenue by Facility:</b>					
P66 Cruise	7,148	9,579	7,898	1,682	21%
P66 Vessel Ops	112	20	86	(67)	-77%
T91 Cruise	22,563	29,957	24,785	5,172	21%
Utilities	359	395	284	111	39%
<b>Total Revenue</b>	<b>30,181</b>	<b>39,950</b>	<b>33,052</b>	<b>6,898</b>	<b>21%</b>
<b>Dept Expenses:</b>					
Staff	490	631	645	14	2%
Outside Services	547	695	801	106	13%
General Expenses	1,856	1,756	1,789	33	2%
Equipment & Supplies	53	205	153	(52)	-34%
Utilities	232	392	461	69	15%
<b>Support Services:</b>					
Maintenance	1,680	2,489	2,255	(234)	-10%
Project Management	112	237	270	32	12%
Environmental & Planning	362	401	576	175	30%
Economic Development	307	401	300	(100)	-33%
Police/Security	879	1,236	1,462	227	16%
Other/Central Services	2,920	3,360	3,618	257	7%
<b>Total Expense</b>	<b>9,436</b>	<b>11,804</b>	<b>12,330</b>	<b>526</b>	<b>4%</b>
<b>NOI Before Depreciation</b>	<b>20,746</b>	<b>28,146</b>	<b>20,722</b>	<b>7,424</b>	<b>36%</b>
Depreciation	4,483	4,508	4,302	205	5%
<b>NOI After Depreciation</b>	<b>16,262</b>	<b>23,639</b>	<b>16,420</b>	<b>7,219</b>	<b>44%</b>

## Variance from Budget

### Revenues

- Q3 YTD revenue \$6.9M more than budget due to higher occupancies than budgeted (85% budgeted vs >100% actual average)

### Expenses

- \$526K less than budget
- Less than budget:
  - Contract watchmen - \$189K
  - Other contracted services (mostly from env consultant) - \$75K
  - Promotional Expenses - \$75K
  - Utilities - \$63K

## Variance from 2022

### Revenues

- Higher revenue in 2023 due to higher occupancies

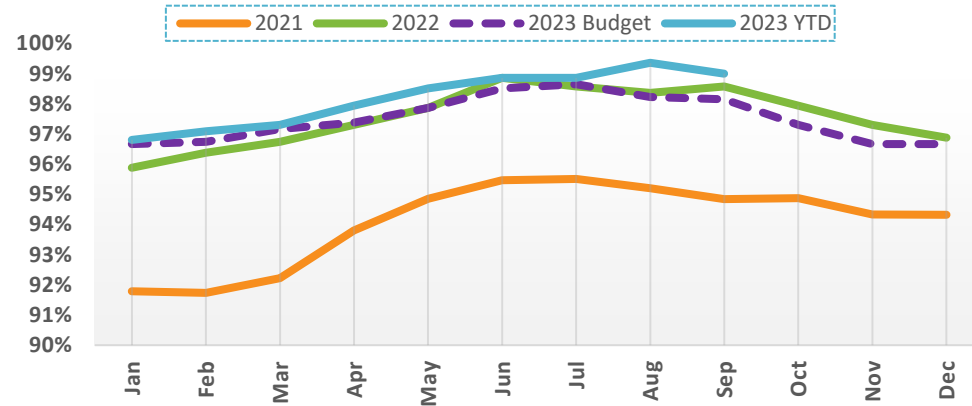
### Expenses

- \$526K increase in 2023
- Increased staffing levels + salary increases in 2023

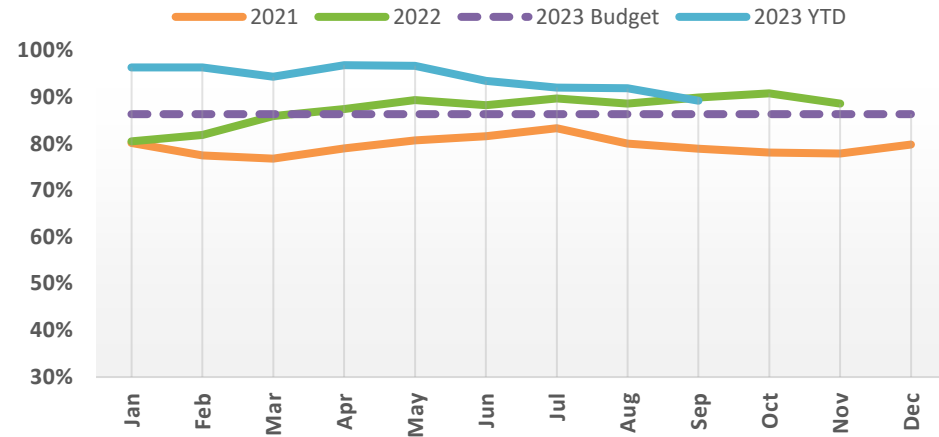


# Recreational Boating Occupancy

## Occupancy at Shilshole Bay Marina



## Occupancy at Harbor Island Marina



SBM Occupancy

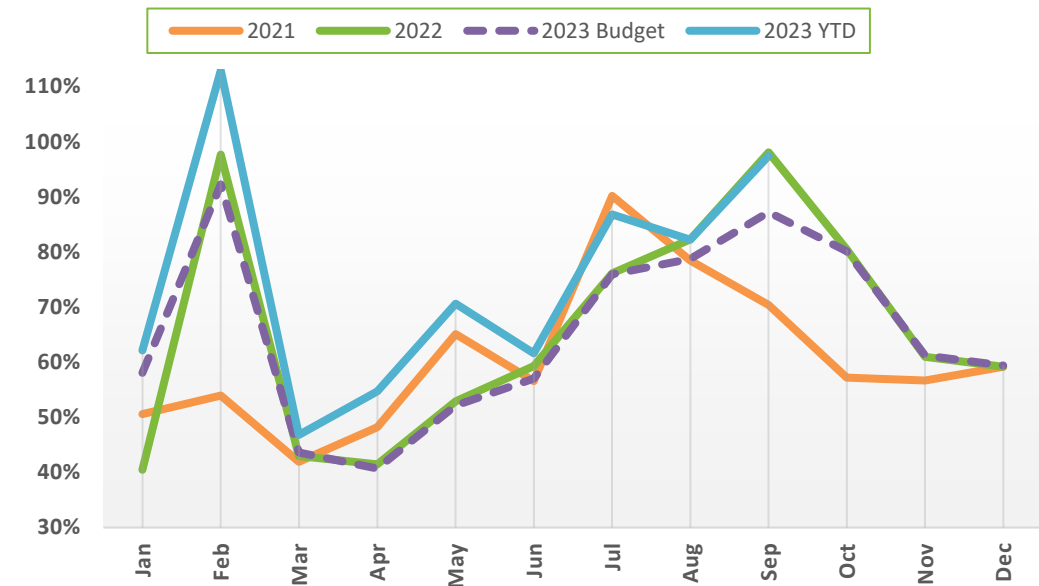
BHM Occupancy

HIM Occupancy

Total Recreational Marinas

	YTD BUD	YTD 2023	YTD 2022	Act vs Bud	'23 vs '22
SBM Occupancy	97.7%	98.2%	97.6%	0.49%	0.57%
BHM Occupancy	64.8%	74.6%	65.3%	9.84%	9.32%
HIM Occupancy	86.4%	94.1%	85.6%	7.78%	8.55%
Total Recreational Marinas	83.0%	89.0%	82.8%	6.04%	6.15%

## Occupancy at Bell Harbor Marina



# Recreational Boating

\$ in 000's

	2022	2023	2023	Bud Var	
	Actual	Actual	Budget	\$	%
<b>Revenue by Facility:</b>					
Shilshole Bay Marina	9,454	10,487	10,519	(32)	0%
Harbor Island Marina	364	421	389	32	8%
Bell Harbor Marina	343	397	369	28	8%
Utility Sales Revenue	387	395	441	(45)	-10%
<b>Total Revenue</b>	<b>10,549</b>	<b>11,700</b>	<b>11,718</b>	<b>(18)</b>	<b>0%</b>
<b>Dept Expenses:</b>					
Staff	1,704	1,985	2,014	29	1%
Outside Services	124	24	24	0	0%
General Expenses	101	147	91	(56)	-61%
Equipment & Supplies	40	76	112	36	32%
Utilities	940	964	905	(59)	-7%
<b>Support Services:</b>					
Maintenance	2,691	2,962	2,555	(407)	-16%
Project Management	183	213	169	(44)	-26%
Environmental & Planning	260	406	370	(36)	-10%
Economic Development	206	220	213	(7)	-3%
Police/Security	587	870	896	25	3%
Other/Central Services	3,390	3,765	4,005	239	-10%
<b>Total Expense</b>	<b>10,227</b>	<b>11,633</b>	<b>11,355</b>	<b>(277)</b>	<b>-2%</b>
<b>NOI Before Depreciation</b>	<b>322</b>	<b>68</b>	<b>363</b>	<b>(295)</b>	<b>81%</b>
Depreciation	2,463	2,463	2,287	(177)	-8%
<b>NOI After Depreciation</b>	<b>(2,141)</b>	<b>(2,396)</b>	<b>(1,924)</b>	<b>(472)</b>	<b>-25%</b>

## Occupancy

- SBM, HIM, and BHM occupancies are 0.49%, 7.78%, and 9.84% favorable to the budget, respectively.
- SBM, HIM, and BHM occupancies are 0.57%, 8.55%, and 9.32% increase from 2022, respectively.

## Variance from Budget

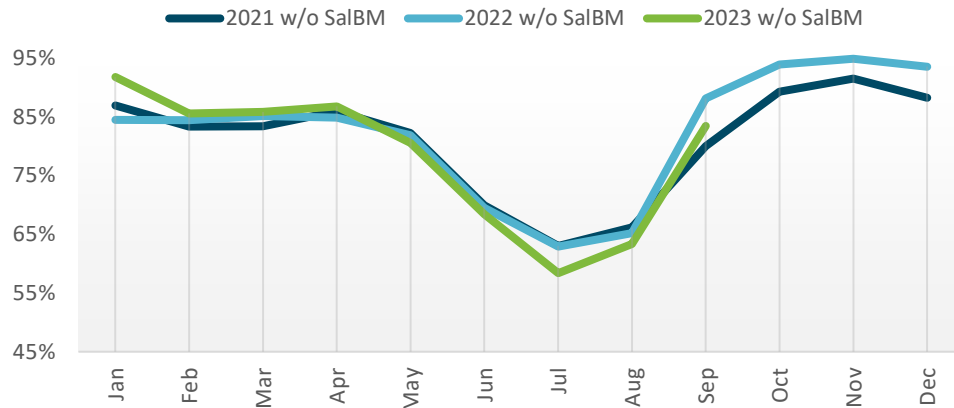
- Total Revenue of **(\$18K)** aligns with the budget. Slightly higher occupancy is offset by the moderate re-assigning of empty spaces at SBM.
- Total Expenses **\$277K** higher primarily due to \$407K higher expenses resulting in Maintenance, and partially offset by \$186K lower expenses in Corp Allocation.

## Variance from 2022

- Revenue of about **\$1.2M** or 11% increase related to a 10% rates increase in 2023 and increasing occupancy rate at SBM, HIM, and BHM.
- **\$1.4M** increase in total expenses, primarily in Corp Allocation.

# Ship Canal Fishing & Commercial Occupancy

## Occupancy at Fishermen's Terminal



## Occupancy

- Overall monthly occupancy rate increased about 1.1% from 2022

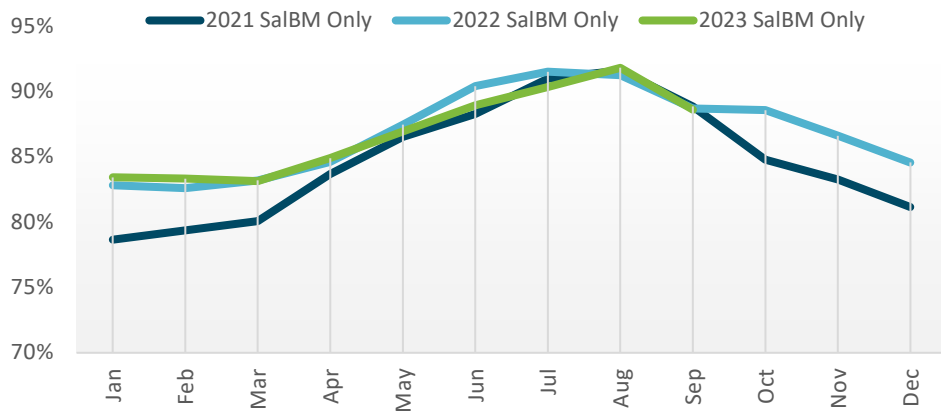
✓ FT Fishing up 2.2%

✓ SaBM down - 0.1%

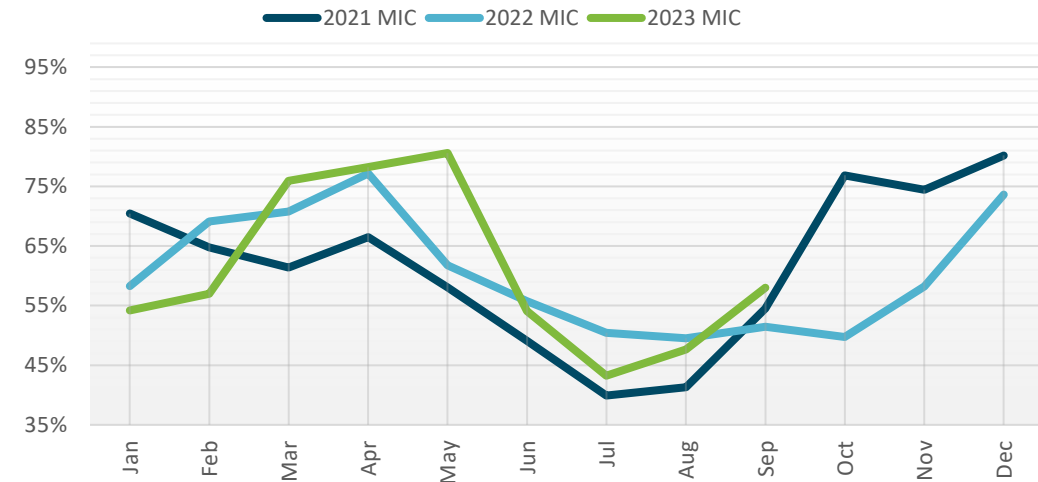
✓ FT RecBoating down - 2.5%

✓ MIC up 0.5%

## Occupancy at Salmon Bay



## Occupancy at Maritime Industrial Center



# Ship Canal Fishing & Operations

\$ in 000's

	2022	2023	2023	Bud Var	
	Actual	Actual	Budget	\$	%
Revenue by Facility:					
FT Commercial	1,812	2,151	1,881	271	14%
FT RecBoating	598	590	573	17	3%
Salmon Bay Marina	713	783	761	22	3%
Maritime Industrial Center	136	117	109	8	7%
Utility Sales Revenue	135	138	133	5	3%
<b>Total Revenue</b>	<b>3,394</b>	<b>3,779</b>	<b>3,457</b>	<b>322</b>	<b>9%</b>
<u>Dept Expenses:</u>					
Staff	836	915	1,085	170	16%
Outside Services	11	27	15	(12)	-76%
General Expenses	120	143	22	(121)	-538%
Equipment & Supplies	67	27	66	39	59%
Utilities	640	741	702	(39)	-6%
<u>Support Services:</u>					
Maintenance	1,768	1,658	1,766	108	6%
Project Management	118	347	534	187	35%
Environmental & Planning	217	205	246	41	17%
Economic Development	40	47	61	13	22%
Police/Security	259	390	402	11	3%
Other/Central Services	1,581	1,712	1,837	(29)	-10%
<b>Total Expense</b>	<b>5,655</b>	<b>6,214</b>	<b>6,737</b>	<b>524</b>	<b>8%</b>
<b>NOI Before Depreciation</b>	<b>(2,262)</b>	<b>(2,434)</b>	<b>(3,280)</b>	<b>846</b>	<b>26%</b>
Depreciation	1,771	1,785	1,700	(85)	-5%
<b>NOI After Depreciation</b>	<b>(4,033)</b>	<b>(4,219)</b>	<b>(4,980)</b>	<b>761</b>	<b>15%</b>

## Occupancy

- Overall monthly occupancy rate increased about 2.1% from 2022
  - ✓ FT Fishing up 2.2%
  - ✓ FT RecBoating down - 2.5%
  - ✓ SaBM down - 0.1%
  - ✓ MIC up 0.5%

## Variance from Budget

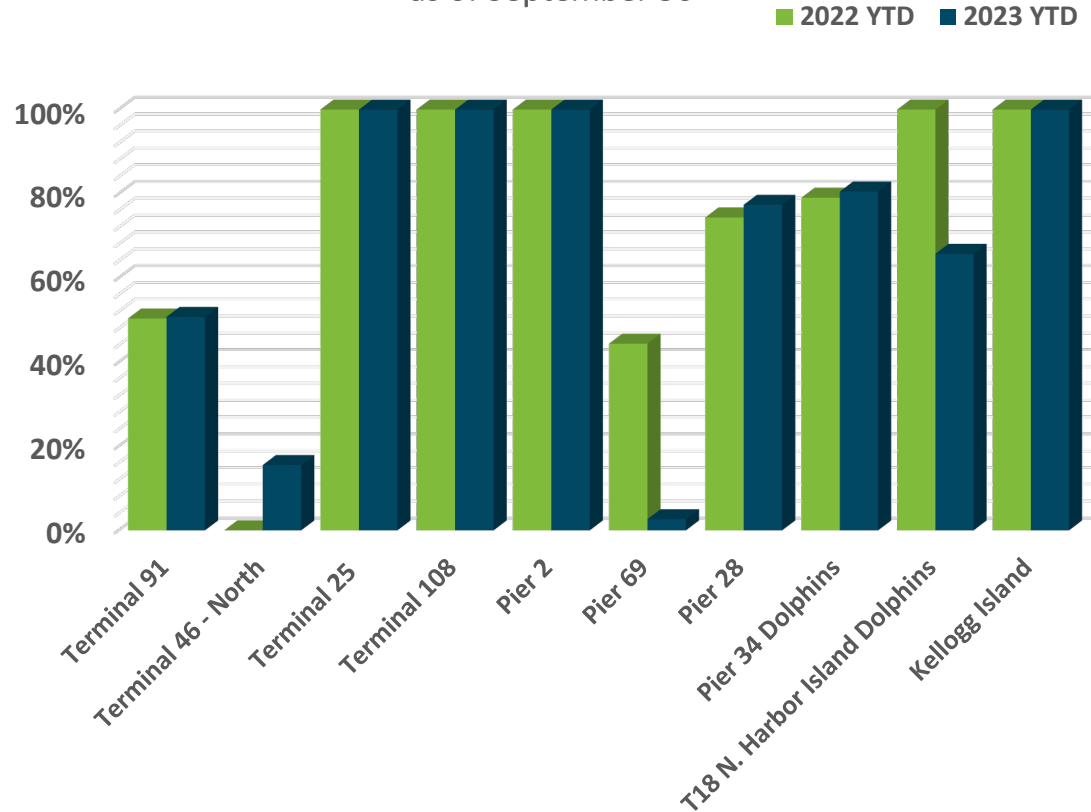
- \$322K** or 9% higher in Revenue partially related to a \$184K from the Derelict Vessels Program and higher revenue results in moorage associated with higher occupancy, as well as favorable locker rental;
- Expenses **\$524K** lower than the budget related to a lower result in Project management, Maintenance cost, and staff-related expenses primarily due to 1 vacant position at Salmon Bay.

## Variance from 2022

- A 5% rate increase at FT & MIC and 10% at FT RecBoating and SaBM, and higher occupancy at FT in 2023 contributed to a \$386K revenue increase. The \$184K Derelict Vessels program also contributed to the increases.
- Direct Operating Expenses are about a (\$84K) decrease, primarily due to (\$356K) decreased Maintenance expenses but offset by a \$184K in Derelict Vessels program expenses and a \$101K increase in utilities.

# Elliott Bay Fishing & Commercial Occupancy

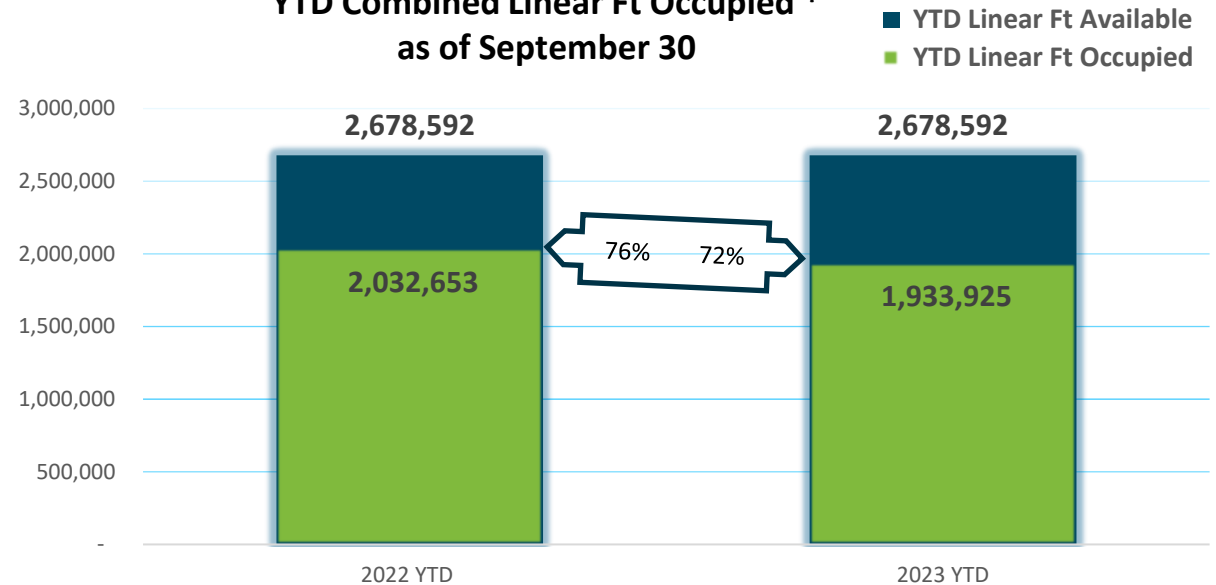
YTD Elliott Bay Fishing & Commercial Operations  
% Occupancy by locations  
as of September 30



## Occupancy

- Elliott Bay Occupancy 72%, (4%) down from 2022
  - % Occupied includes an allowance for lines and vessel spacing that varies by facility
  - T46 N: Pacific Pile, NOAA
  - P69: One time customer, Beyel Brothers, departure delayed by USCG
  - P28: New customer, Global Diving & Salvage
  - Spot moorage/dockage under TT5: T108, P28, P34, T18 N

YTD Combined Linear Ft Occupied \*  
as of September 30



\* Combined Occupied numbers are weighted average by

# Elliott Bay Fishing & Commercial

\$ in 000's	2022	2023	2023	Bud Var	
	Actual	Actual	Budget	\$	%
Revenue by Facility:					
T-91 Fishing Related	1,609	2,018	1,889	129	7%
T-91 Vessel Operations	483	453	431	22	5%
Kellogg Island – Moorage	299	321	314	7	2%
Terminal 25 Docks	319	301	301	0	0%
Terminal 18 North - Dolphins	254	193	169	24	14%
Pier 34 Dolphins	161	190	171	19	11%
Other (P2, P28, P69, T46,T108)	267	276	202	74	36%
Utility Sales Revenue	359	411	388	23	6%
<b>Total Revenue</b>	<b>3,751</b>	<b>4,163</b>	<b>3,865</b>	<b>298</b>	<b>8%</b>
Dept Expenses:					
Staff	472	543	570	27	5%
Outside Services	14	11	13	2	14%
General Expenses	137	128	74	(54)	-72%
Equipment & Supplies	7	10	19	9	48%
Utilities	1,179	1,008	1,148	140	12%
Support Services:					
Maintenance	922	1,115	1,120	5	0%
Project Management	67	85	199	114	57%
Environmental & Planning	143	202	217	15	7%
Economic Development	78	84	88	4	5%
Police/Security	295	434	446	13	3%
Other/Central Services	1,616	1,804	2,053	250	-10%
<b>Total Expense</b>	<b>4,928</b>	<b>5,424</b>	<b>5,949</b>	<b>526</b>	<b>9%</b>
<b>NOI Before Depreciation</b>	<b>(1,177)</b>	<b>(1,261)</b>	<b>(2,084)</b>	<b>823</b>	<b>39%</b>
Depreciation	2,596	2,518	2,425	(94)	-4%
<b>NOI After Depreciation</b>	<b>(3,773)</b>	<b>(3,779)</b>	<b>(4,509)</b>	<b>730</b>	<b>16%</b>

## Occupancy

- Elliott Bay Occupancy 72%, about (4%) down from 2022, primarily due to a one-time customer, the Beyel brothers, who stayed from Dec 2021 through April 2022

## Variance from Budget

- Revenue **\$298K** or 8% higher related to the increases in yard use, activities (Roe Auction), and dockage usage, as well as in water usage due to Garco Co's hydro-testing
- Expenses **\$526K** lower contributed by \$250K lower expense in Other/Central Service, \$140K lower in utility results due to timing, and \$114K lower in Project Management.

## Variance from 2022

- \$411K** or 11% increase in Revenue primarily related to the commercial vessels rate increased by 7% from 2022 and increased usage in yard use and activities (Roe Auction).
- Expenses **\$495K** increase in 2023 primarily related to \$516K increase in Corp Allocation. These increases were partially offset by (\$171K) decrease in utilities

# Maritime Portfolio Management

## Maritime Portfolio Management

\$ in 000s	2022 YTD	2023 YTD	2023 YTD	Bud Var	
Revenue by Facility:	Actual	Actual	Budget	\$	%
Terminal 91	3,020	2,743	2,714	28	1%
Terminal 106	179	251	153	98	64%
FT Office & Retail	1,687	1,564	1,521	43	3%
MIC Uplands	424	579	403	176	44%
Salmon Bay Marina Uplands	57	61	59	1	2%
SBM Office & Retail	424	449	393	57	15%
Other (T108, T115)	132	141	108	33	31%
Utilities	2,022	1,931	2,008	(77)	-4%
<b>Total Revenue</b>	<b>7,945</b>	<b>7,717</b>	<b>7,358</b>	<b>359</b>	<b>5%</b>
Dept Expenses:					
Staff	328	352	405	53	13%
Outside Services	43	12	464	452	97%
General Expenses	165	(137)	85	222	261%
Equipment & Supplies	39	0	0	0	100%
Utilities	2,278	2,156	2,194	38	2%
Support Services:					
Maintenance	2,318	2,742	2,725	(17)	-1%
Project Management	155	263	543	279	51%
Environmental & Planning	234	382	394	12	3%
Police/Security	675	932	1,011	78	8%
Other/Central Services	4,406	3,684	3,504	(179)	-5%
<b>Total Expense</b>	<b>10,640</b>	<b>10,386</b>	<b>11,325</b>	<b>938</b>	<b>8%</b>
<b>NOI Before Depreciation</b>	<b>(2,695)</b>	<b>(2,669)</b>	<b>(3,966)</b>	<b>1,297</b>	<b>-33%</b>
Depreciation	1,855	1,903	1,719	185	11%
<b>NOI After Depreciation</b>	<b>(4,550)</b>	<b>(4,572)</b>	<b>(5,685)</b>	<b>1,113</b>	<b>-20%</b>

## Occupancy

- Marina Office & Retail: 81%
- Maritime Industrial: 100%

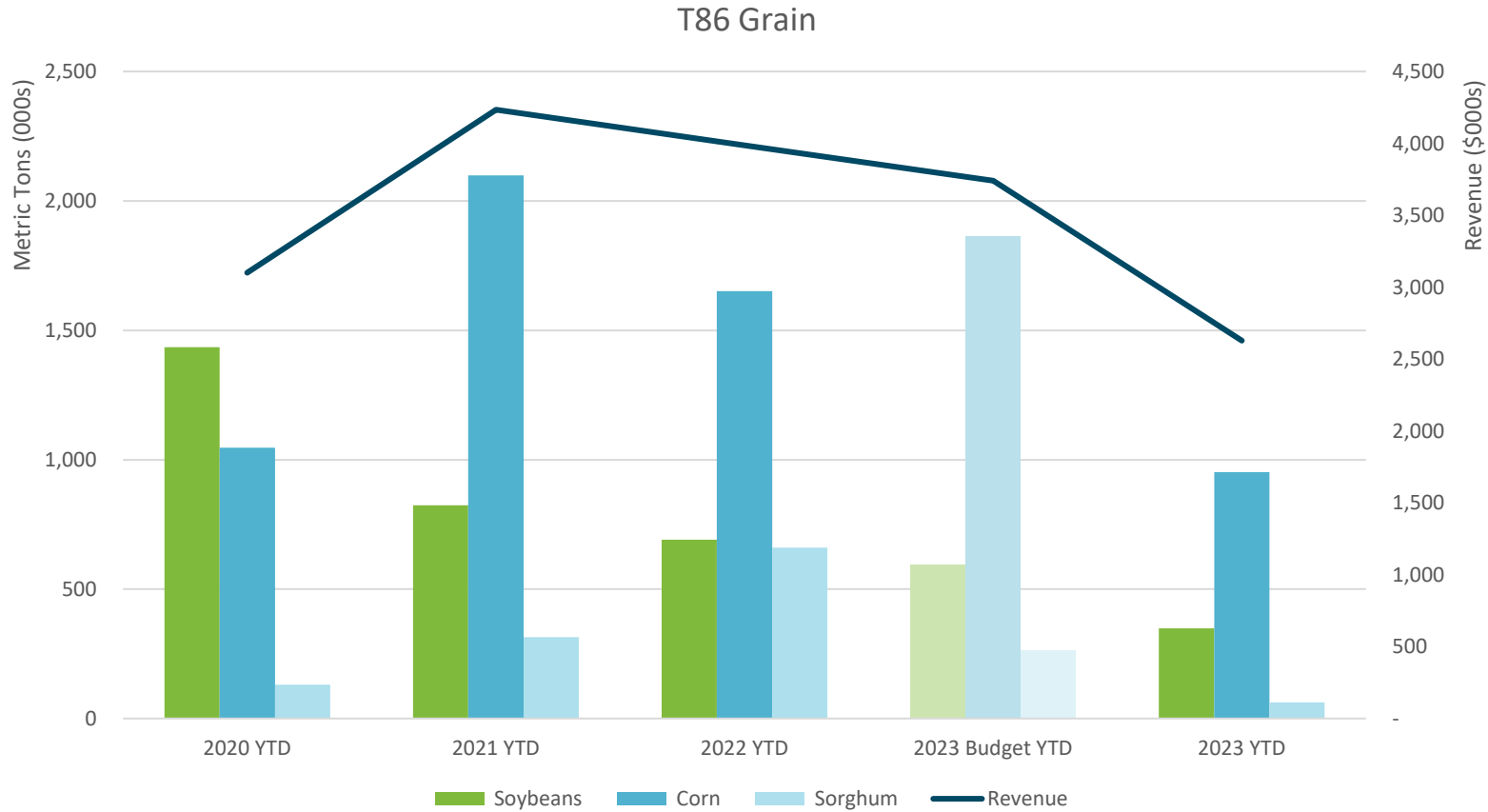
## Variance from Budget

- Revenues \$359K **Higher**
  - MIC: new tenant, The State of WA, \$107K
  - T106: TC Northwest Development Inc \$187K
- Expenses \$938K **Lower**
  - Outside Services \$452K lower: unspent TI and broker's fees at FT \$143K, MIC \$70K and SBM \$27K, preparation for leasing at T91 \$210K
  - General Expenses \$222K lower: \$124K FT's Bad Debt Expense settlement from FVO
  - Project Management \$279 lower: professional services \$249K primarily at FT & SBM

## Variance from 2022

- Revenue \$227K **Decrease**
  - T91 & T106: utilities \$103K & space rental \$271K
    - Partially offset by TC Northwest Development Inc \$187K and The State of WA \$107K
  - FT: discontinued lease by FVO (\$182K)
- Expenses \$254K **Decrease**
  - Utilities \$210K lower
  - \$124K Bad Debt Expense settlement from FVO

# Terminal 86



**Q3 YTD Revenue: \$1.1M or 30% under budget**

- Lower exports to China
- 2023 estimated to be down 35%
- Expecting some recovery in 2024

**Dept expenses up \$15K**

- staff charges for lease management



# Environmental Business Highlights

## **Maritime Environment & Sustainability**

- Green Corridor First Movers kicked off the first phase of a feasibility assessment with the Maersk Mc-Kinney Moller Center for Zero Carbon Shipping
- With Maritime Blue, CHARGE and NWSA, the Port convened researchers to share information about sustainable maritime fuels research underway in WA, a first step toward a maritime fuels collaborative
- Conducted a building tune-up audit at Pier 69 to identify low and no-cost energy saving opportunities and comply with Seattle Municipal Code.
- Received \$3,050,000 in Ecology cleanup grants for past and current costs at T91, T115, Lower Duwamish and East Waterway cleanup sites.

## **Marine Stormwater Utility**

- Conducted utility rate analysis and met with Advisory group to review rate increase proposal for 2024
- Completed two pipe repair projects at Terminal 91 uplands
- Completed an urgent repair at Terminal 25 that caused a sink-hole
- Organized and helped conduct environmental permit, stormwater and grading review trainings for Waterfront Project Management and Construction Inspectors
- Completed video for social media spotlight: Save it (the Environment) on a Rainy Day!

# Maritime Environment & Sustainability

## Q03

	2021	2022	2023	2023	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2022	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
<b>Expenses</b>								
Salaries & Benefits	1,506	1,995	2,707	2,652	(55)	-2%	712	36%
Wages & Benefits	6	6	4	8	4	46%	(2)	-31%
Payroll to Cap/Govt/Envrs Proj	653	576	619	706	87	12%	43	7%
Equipment Expense	3	31	23	36	13	36%	(8)	-26%
Utilities	1	1	2	-	(2)	NA	1	132%
Supplies & Stock	2	3	6	3	(3)	-121%	3	105%
Outside Services	353	551	668	1,083	415	38%	117	21%
Travel & Other Employee Exps	17	56	57	113	57	50%	0	1%
Telecommunications	11	11	13	14	1	5%	2	17%
Property Rentals	11	-	-	-	-	NA	-	NA
Promotional Expenses	2	11	-	7	7	100%	(11)	-100%
Worker's Compensation Expense	3	3	4	3	(1)	-56%	1	19%
General Expenses	3	20	33	16	(18)	-113%	13	63%
Overhead Allocations	123	(115)	(1)	-	1	NA	114	-99%
Charges to Cap/Govt/Envrs Proj	(1,061)	(920)	(1,051)	(1,222)	(172)	14%	(130)	14%
<b>Total</b>	<b>1,631</b>	<b>2,230</b>	<b>3,085</b>	<b>3,418</b>	<b>332</b>	<b>10%</b>	<b>855</b>	<b>38%</b>

Lower Staff costs to Capital and ERL than planned and delays in payments of invoices for Outside Services

# Stormwater Utility Tracking to Budget Q03

	2021 YTD Actual	2022 YTD Actual	2023 YTD Actual	2023 YTD Budget	Actual vs. Budget Variance		Change from 2022	
\$ in 000's					\$	%	\$	%
<b>Revenue</b>								
NWSA	1,279	611	809	764	44	6%	197	32%
Tenants Revenue	2,322	3,256	3,127	3,258	(130)	-4%	(129)	-4%
Port Non-tenants Revenue	1,090	1,267	1,290	1,290	0	0%	23	2%
<b>Total Revenues</b>	<b>4,692</b>	<b>5,134</b>	<b>5,226</b>	<b>5,312</b>	<b>(86)</b>	<b>-2%</b>	<b>92</b>	<b>2%</b>
<b>Expenses</b>								
SWU	700	1,189	995	1,320	325	25%	(194)	-16%
Maintenance Expenses	1,996	2,171	1,751	2,605	854	33%	(420)	-19%
Central Waterfront PM	4	24	13	15	2	13%	(11)	-46%
Environmental & Sustainability	41	19	24	35	11	32%	5	28%
Environmental Finance	24	36	21	25	4	14%	(14)	-40%
Other Central Services	588	763	1,771	751	(1,020)	-136%	1,008	132%
<b>Total Expenses</b>	<b>3,353</b>	<b>4,201</b>	<b>4,575</b>	<b>4,751</b>	<b>176</b>	<b>4%</b>	<b>374</b>	<b>9%</b>
<b>NOI Before Depreciation</b>	<b>1,338</b>	<b>934</b>	<b>651</b>	<b>561</b>	<b>90</b>	<b>16%</b>	<b>(283)</b>	<b>-30%</b>
Depreciation	961	959	941	876	(65)	-7%	(18)	-2%
<b>NOI After Depreciation</b>	<b>378</b>	<b>(26)</b>	<b>(290)</b>	<b>(315)</b>	<b>25</b>	<b>-8%</b>	<b>(265)</b>	<b>1038%</b>

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

# Grant Summary 2023 Q03 YTD

		2021 YTD Actual	2022 YTD Actual	2023 YTD Actual	2023 YTD Budget	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2022	
\$000s						\$	%	\$	%
DOE MTCA Grants									
	Accruals	\$ -	\$ (579)	\$ (148)	\$ 2,203	-2350.76879	-107%	430.97941	-74%
100917	Lower Duwamish Superfund	\$ -	\$ 643	\$ 226	\$ -	\$ 226	NA	\$ (417)	-65%
104124	T115N DOE AO	\$ (6)	\$ 6	\$ 11	\$ -	\$ 11	NA	\$ 5	94%
104136	NonERL D4831 EWW	\$ -	\$ -	\$ 0	\$ -	\$ 0	NA	\$ 0	NA
104137	NonERL 100917 LDW	\$ -	\$ 10	\$ 7	\$ -	\$ 7	NA	\$ (3)	-27%
105313	T91 RCRA Sediments RIFS	\$ -	\$ -	\$ 771	\$ -	\$ 771	NA	\$ 771	NA
105460	T115 (Boeing Plant 1) DOE- AO	\$ 62	\$ 86	\$ 65	\$ -	\$ 65	NA	\$ (21)	-24%
105510	NonERL- 105313 T91 Sediments	\$ -	\$ -	\$ 11	\$ -	\$ 11	NA	\$ 11	NA
105511	NonERL- T115N ERL Projects	\$ 3	\$ 2	\$ 2	\$ -	\$ 2	NA	\$ (0)	-21%
105706	NonERL Related to T115S ERL	\$ 2	\$ 2	\$ 2	\$ -	\$ 2	NA	\$ 0	7%
D4831	HI EWW Superfund	\$ -	\$ -	\$ 2,106	\$ -	\$ 2,106	NA	\$ 2,106	NA
Total DOE MTCA Grants		\$ 60	\$ 169	\$ 3,055	\$ 2,203	\$ 852	39%	\$ 2,885	1703%

NWSA is reported separately for T18 and T5  
D4831 over paid coordination with DOE.

# Maritime Cost Recovery Through Q03

Maritime Environmental Cost Recovery (Cash received - \$ in 000s)						
<b>Grants</b>						
Site	2022 Accrued	Q1	Q2	Q3	Q4	Total
LD	-	(226)	(178)	(55)	-	(459)
EWW	-	(1,230)	(877)	-	-	(2,107)
T115N	-	(2)	(12)	(3)	-	(17)
T115 Plant 1		(57)	(83)	(28)		(168)
T91	-	(718)	(753)	(29)	-	(1,501)
<b>Subtotal</b>	-	<b>(2,233)</b>	<b>(1,903)</b>	<b>(115)</b>	-	<b>(4,251)</b>
<b>Insurance</b>						
T91		-	(354)	(261)	-	(614)
<b>T91 Settlements</b>						
Settlement - Waste Management		(200)	-	-	-	(200)
Settlement - Exxon		(1,150)	-	-	-	(1,150)
Settlement - Crosby		(21)	(21)	(21)	-	(64)
Settlement -GAIC		-	-	-	-	-
<b>Subtotal</b>	-	<b>(1,371)</b>	<b>(375)</b>	<b>(282)</b>	-	<b>(2,028)</b>
<b>MOAs</b>						
LD		(1,190)	(0)	(2)	-	(1,193)
T117 Sediments		-	(22)	(3)	-	(25)
EWW		(7)	(7)	(75)	-	(89)
T108	-	(185)	(0)	(117)	-	(303)
T115 Plant 1	-	(0)	-	(0)	-	(0)
<b>Subtotal</b>	-	<b>(1,383)</b>	<b>(29)</b>	<b>(198)</b>	-	<b>(1,610)</b>
<b>Total</b>	-	<b>(4,987)</b>	<b>(2,307)</b>	<b>(595)</b>	-	<b>(7,889)</b>

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

# Waterfront PM

Waterfront Project Management					
\$ in 000s	2022	2023	2023	Bud Var F/(U)	
<b>Expenses</b>	Actual	Actual	Budget	\$	%
Payroll	3,582	4,418	5,200	782	15%
Outside Services	27	1,281	1,791	510	28%
Travel & Other Employee Exp	16	21	97	77	79%
Charges to Capital	(1,885)	(2,286)	(3,603)	(1,317)	37%
Other / OH Allocations	(154)	34	60	26	43%
<b>Total Expenses</b>	<b>1,585</b>	<b>3,468</b>	<b>3,545</b>	<b>78</b>	<b>2%</b>

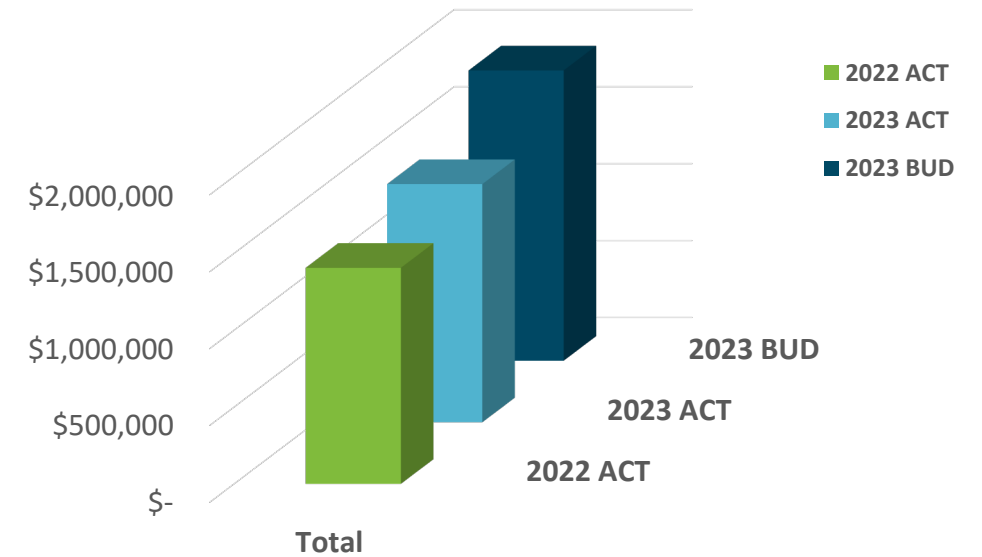
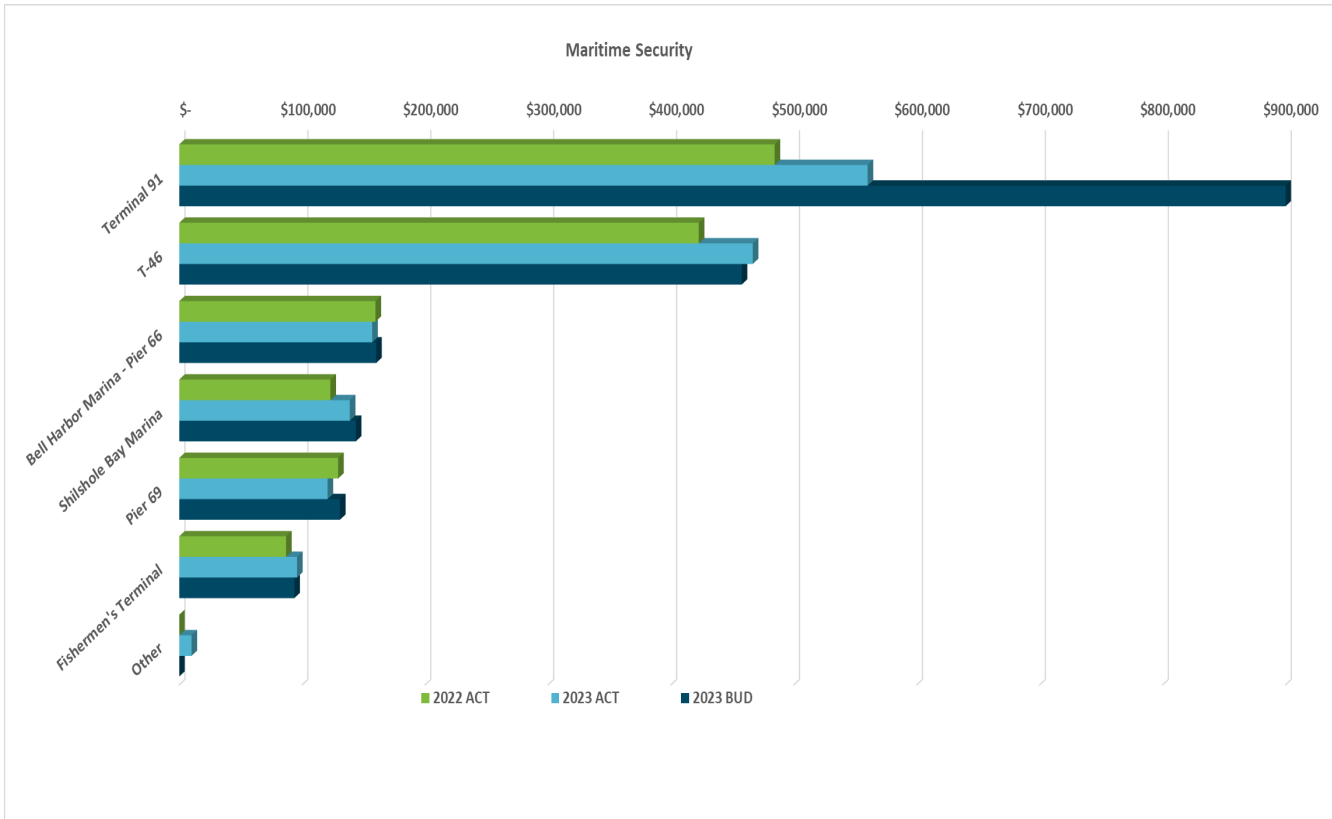
## Major Variances:

- The high variance in payroll is due to the vacant positions. As of today, there are 5 vacancies.
- Charges to Capital projects have been less than estimated due to the learning curve on new hires and more admin support (time charged to subclass 6260 is higher).
- Outside Services – SMWKS contracts budgeted in Org 6260 will continue to be utilized and paid for thru the year.

## Key Project Milestones:

- P66 Shore Power received NTP to start construction.
- T18 Dock Rehabilitation & Shore Power Projects received NWSA Managing Member design authorization.
- Executed \$17M T5 MARAD 2022 Grant Agreement.
- Executed design agreement with USACE for the West Waterway Deepening Project.
- T91 Bike Segment Widening & Bridge Removal Project received full Commission funding.
- FT Maritime Innovation Center and Site Improvements Project went out for bid advertisement.
- T91 Berths 6&8 Redevelopment received full Commission construction funding.
- T91 Upland Redevelopment Phase I completed 30% design.

# Maritime Security



## Variance from Budget

- 2023 actual is about \$337K lower than the budget related to timing due to billing issues at T91, as well as over-budgeted cruise-related activities

## Variance from 2022

- \$143K increase primarily related to an increase in break-ins/thefts at T91, T46, T-102, SBM, and FT

# Maritime Capital 2023

	2023 YTD Actual	2023 Year-End Forecast	2023 Budget	2023 POF	Budget vs Forecast	
\$ in 000's					\$	%
P66 Shore Power	4,749	10,782	8,817	15,390	(1,965)	-22%
P66 Fender Overhaul	86	1,580	3,227	3,939	1,647	51%
MD Reserve	0	2,000	2,000	2,000	0	0%
Maritime Video Camera Pro	153	253	1,800	1,800	1,547	86%
T117 Restoration	449	2,759	1,263	30	(1,496)	-118%
T91 Berth 6 & 8 Redev	633	840	1,193	734	353	30%
FT Maritime Innovation Center	463	1,287	1,103	3,297	(184)	-17%
Cruise Upgrades COVID19	0	0	1,000	0	1,000	100%
MD Fleet	1,138	2,785	6,555	4,790	3,770	58%
MD Small Projects	695	1,370	3,368	1,443	1,998	59%
All Other Project	1,562	4,309	8,983	20,668	4,674	52%
Subtotal	9,928	27,965	39,309	54,091	11,344	29%
CIP Cashflow Mgmt Reserve	0	(2,348)	(6,996)	(13,286)	(4,648)	66.4%
<b>Total Maritime</b>	<b>9,928</b>	<b>25,617</b>	<b>32,313</b>	<b>40,805</b>	<b>6,696</b>	<b>20.7%</b>

## Projects with Significant Variances

### Shore Power – FTBD

**P66 Fender Overhaul** – Waiting on completion of NTP for construction to begin.

**MD Video Camera** – Design delayed to 2024 to continue investigation of Port's camera ecosystem to determine best path forward

**P90E Timber Pile Caps (All other projects)** – Construction delayed to 2024/2025 due to delay in Pile Programmatic permitting process.



# Economic Development Division

## Appendix

2023 Q3 Financial Performance Report



# EDD YTD 2023 Financials

	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2022	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
Revenue	5,597	6,535	7,597	7,390	207	3%	1,062	16%
Conf & Event Centers	1,252	4,681	4,916	8,465	(3,549)	-42%	235	5%
<b>Total Revenue</b>	<b>6,849</b>	<b>11,216</b>	<b>12,513</b>	<b>15,855</b>	<b>(3,342)</b>	<b>-21%</b>	<b>1,297</b>	<b>12%</b>
<b>Expenses</b>								
Portfolio Management	2,408	2,879	2,406	2,692	285	11%	(472)	-16%
Conf & Event Centers	2,246	4,000	5,058	7,508	2,450	33%	1,058	26%
P69 Facilities Expenses	135	142	152	164	12	8%	10	7%
RE Dev & Planning	133	196	226	217	(9)	-4%	29	15%
EconDev Expenses Other	465	675	865	481	(384)	-80%	189	28%
Maintenance Expenses	2,784	2,712	2,518	2,477	(41)	-2%	(194)	-7%
Maritime Expenses (Excl Maint)	721	868	977	1,333	356	27%	108	12%
<b>Total EDD &amp; Maritime Expenses</b>	<b>8,893</b>	<b>11,472</b>	<b>12,201</b>	<b>14,871</b>	<b>2,670</b>	<b>18%</b>	<b>729</b>	<b>6%</b>
Diversity in Contracting	69	87	125	203	78	38%	38	44%
Tourism	652	1,343	733	1,373	640	47%	(610)	-45%
EDD Grants	109	2	301	450	149	33%	298	14166%
<b>Total EDD Initiatives</b>	<b>830</b>	<b>1,432</b>	<b>1,159</b>	<b>2,026</b>	<b>868</b>	<b>43%</b>	<b>(273)</b>	<b>-19%</b>
Environmental & Sustainability	16	16	34	57	23	40%	19	120%
Police Expenses	151	156	191	197	6	3%	35	22%
Other Central Services	3,204	3,545	3,722	3,701	(21)	-1%	177	5%
Aviation Division	133	110	109	97	(11)	-12%	(1)	-1%
<b>Total Central Services &amp; Aviation</b>	<b>3,505</b>	<b>3,827</b>	<b>4,055</b>	<b>4,051</b>	<b>(4)</b>	<b>0%</b>	<b>229</b>	<b>6%</b>
Envir Remed Liability	0	0	0	0	0	NA	0	NA
<b>Total Expense</b>	<b>13,228</b>	<b>16,731</b>	<b>17,415</b>	<b>20,948</b>	<b>3,534</b>	<b>17%</b>	<b>684</b>	<b>4%</b>
<b>NOI Before Depreciation</b>	<b>(6,379)</b>	<b>(5,515)</b>	<b>(4,902)</b>	<b>(5,093)</b>	<b>192</b>	<b>4%</b>	<b>613</b>	<b>11%</b>
Depreciation	2,879	2,932	3,092	2,874	(219)	-8%	160	5%
<b>NOI After Depreciation</b>	<b>(9,258)</b>	<b>(8,447)</b>	<b>(7,994)</b>	<b>(7,967)</b>	<b>(27)</b>	<b>0%</b>	<b>453</b>	<b>5%</b>

## Variance from Budget

Revenue \$3.3M unfavorable to budget

- Conferences and Events activity less than budgeted

Expenses \$3.5M below budget

- Timing of tenant improvements
- Service contracts taking longer to get through procurement
- Conference and Event center volumes driving reduced variable expenses.
  - 3rd Party Mangement - \$2.1M less
    - WTC - \$180K less
    - Bell Harbor - \$1.8M less
- Outside Services \$1.2M favorable to budget
  - \$450K less in tourism personal services

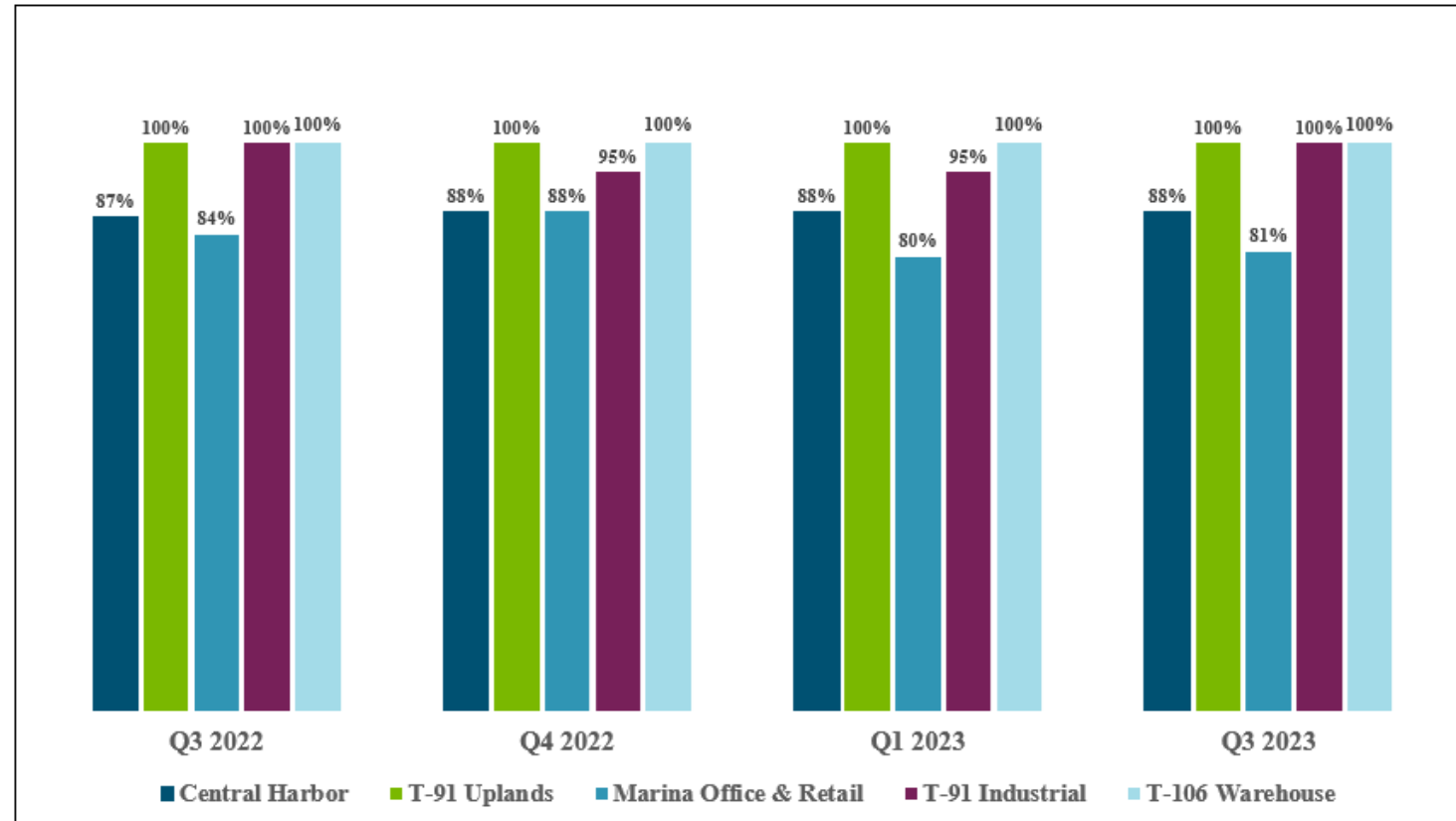
# EDD 2023 Forecast

	2021	2022	2023	2023	Fav (UnFav) Actual vs. Budget Variance		Incr (Decr) Change from 2021	
\$ in 000's	Actual	Actual	Forecast	Budget	\$	%	\$	%
Revenue	7,384	8,886	9,972	9,722	250	3%	1,087	12%
Conf & Event Centers	1,910	8,848	8,979	12,479	(3,500)	-28%	130	1%
<b>Total Revenue</b>	<b>9,294</b>	<b>17,734</b>	<b>18,951</b>	<b>22,201</b>	<b>(3,250)</b>	<b>-15%</b>	<b>1,217</b>	<b>7%</b>
<b>Expenses</b>								
Portfolio Management	3,737	3,653	3,620	3,905	285	7%	(33)	-1%
Conf & Event Centers	3,124	6,563	8,074	10,769	2,695	25%	1,512	23%
P69 Facilities Expenses	268	230	221	221	0	0%	(10)	-4%
RE Dev & Planning	231	299	294	294	0	0%	(5)	-2%
EconDev Expenses Other	736	1,058	900	900	0	0%	(158)	-15%
Maintenance Expenses	3,769	3,836	3,253	3,303	50	2%	(583)	-15%
Maritime Expenses (Excl Maint)	862	1,263	1,736	1,811	75	4%	472	37%
<b>Total EDD &amp; Maritime Expenses</b>	<b>12,727</b>	<b>16,902</b>	<b>18,098</b>	<b>21,203</b>	<b>3,105</b>	<b>15%</b>	<b>1,196</b>	<b>7%</b>
Diversity in Contracting	253	186	250	250	0	0%	64	34%
Tourism	1,877	1,737	1,730	1,830	100	5%	(7)	0%
EDD Grants	889	105	1,450	1,450	0	0%	1,345	1287%
<b>Total EDD Initiatives</b>	<b>3,019</b>	<b>2,028</b>	<b>3,430</b>	<b>3,530</b>	<b>100</b>	<b>3%</b>	<b>1,402</b>	<b>69%</b>
Environmental & Sustainability	24	35	60	83	23	28%	25	72%
Police Expenses	205	240	265	258	(7)	-3%	25	10%
Other Central Services	4,408	4,848	4,910	4,938	28	1%	61	1%
Aviation Division	177	147	138	138	0	0%	(9)	-6%
<b>Total Central Services &amp; Aviation</b>	<b>4,814</b>	<b>5,270</b>	<b>5,373</b>	<b>5,417</b>	<b>44</b>	<b>1%</b>	<b>103</b>	<b>2%</b>
				0				
<b>Total Expense before Pension Adjustmen</b>	<b>20,560</b>	<b>24,200</b>	<b>26,900</b>	<b>30,149</b>	<b>3,249</b>	<b>11%</b>	<b>2,700</b>	<b>11%</b>
Pension Expense Adjustment	(2,396)	(695)	0	0	0	NA	695	100%
<b>Total Expense</b>	<b>18,164</b>	<b>23,505</b>	<b>26,900</b>	<b>30,149</b>	<b>3,249</b>	<b>11%</b>	<b>3,395</b>	<b>14%</b>
<b>NOI Before Depreciation</b>	<b>(8,870)</b>	<b>(5,771)</b>	<b>(7,949)</b>	<b>(7,948)</b>	<b>(1)</b>	<b>0%</b>	<b>(2,178)</b>	<b>-38%</b>
Depreciation	3,841	3,954	3,741	3,741	0	0%	(213)	-5%
<b>NOI After Depreciation</b>	<b>(12,711)</b>	<b>(9,725)</b>	<b>(11,690)</b>	<b>(11,689)</b>	<b>(1)</b>	<b>0%</b>	<b>(1,965)</b>	<b>-20%</b>

## Variance from Budget

- Revenue forecasted \$3.3M below budget.
  - Predicting a 28% reduction in conference volumes based on feedback from CHI.
- Expenses forecasted \$3.2M below to budget.
  - Lower TI and Broker fees.
  - Conference and Event center volumes driving reduced variable expenses.

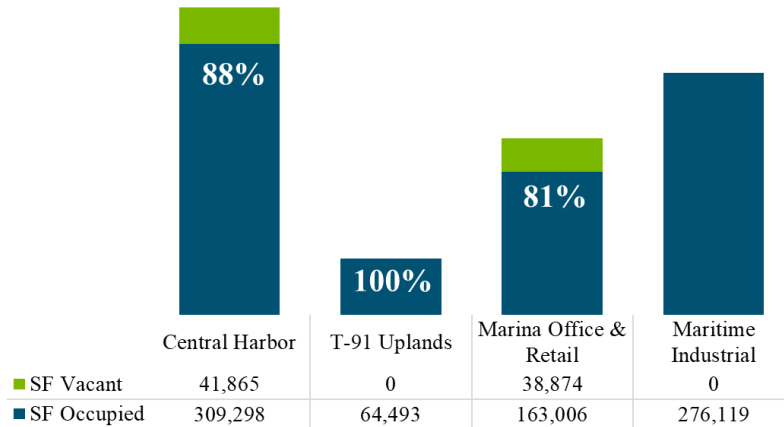
# All Portfolio Management Occupancy - Building



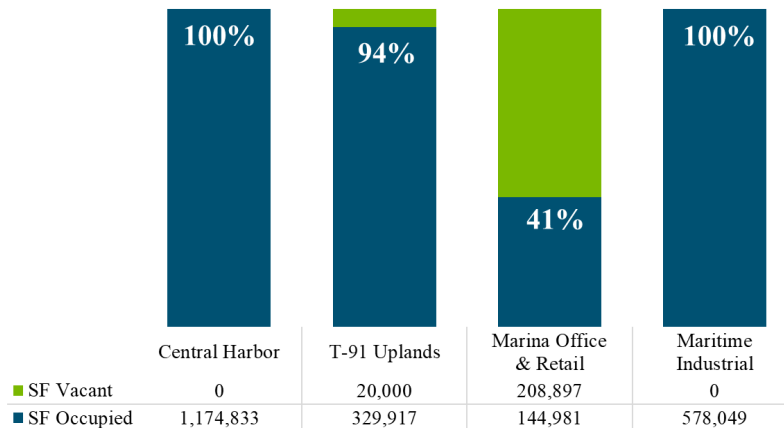
	Q3 2022	Q4 2022	Q1 2023	Q3 2023
Central Harbor	87%	88%	88%	88%
T-91 Uplands	100%	100%	100%	100%
Marina Office & Retail	84%	88%	80%	81%
T-91 Industrial	100%	95%	95%	100%
T-106 Warehouse	100%	100%	100%	100%

# All Portfolio Management Occupancy

## BUILDING OCCUPANCY



## LAND OCCUPANCY



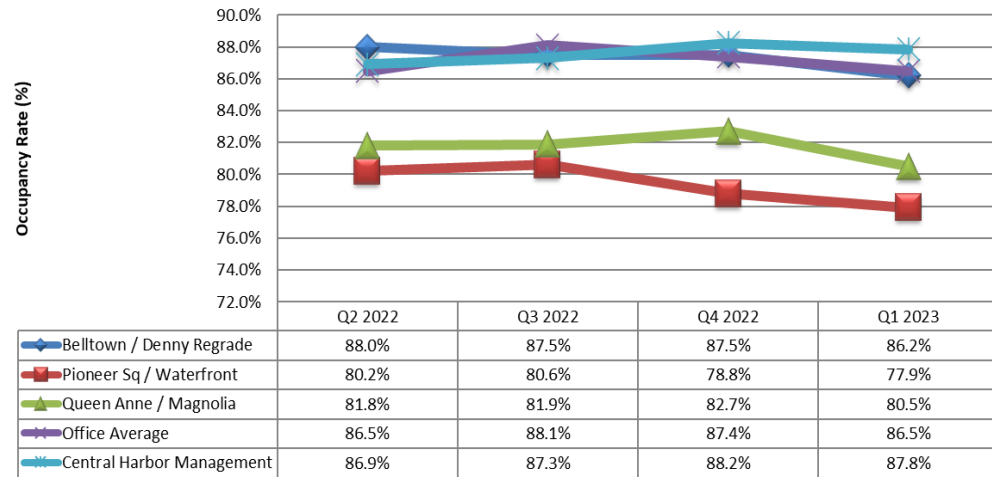
Buildings	# of Leases &			
	Agreements	SF Occupied	SF Vacant	% Occupied
Central Harbor	50	309,298	41,865	88%
T-91 Uplands	12	64,493	0	100%
Marina Office & Retail*	84	163,006	38,874	81%
Maritime Industrial*	11	276,119	0	100%
<b>Buildings Total</b>	<b>157</b>	<b>812,916</b>	<b>80,739</b>	<b>91%</b>
<b>Total SF Available</b>		<b>893,655</b>		

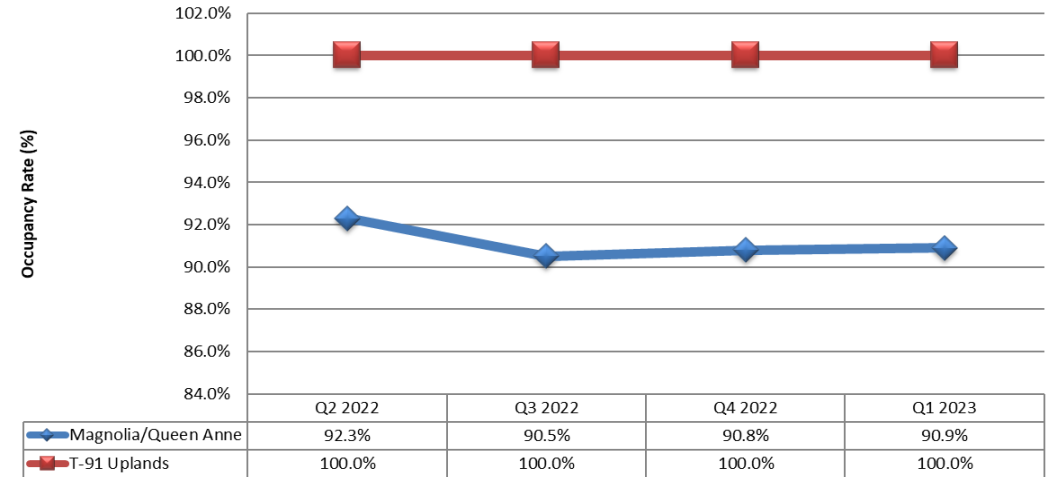
Land	# of Leases &			
	Agreements	SF Occupied	SF Vacant	% Occupied
Central Harbor	12	1,174,833	0	100%
T-91 Uplands	18	329,917	20,000	94%
Marina Office & Retail*	9	144,981	208,897	41%
Maritime Industrial*	14	578,049	0	100%
<b>Land Total</b>	<b>53</b>	<b>2,227,780</b>	<b>228,897</b>	<b>91%</b>
<b>Total SF Available</b>		<b>2,456,677</b>		

# All Portfolio Management Market Statistics

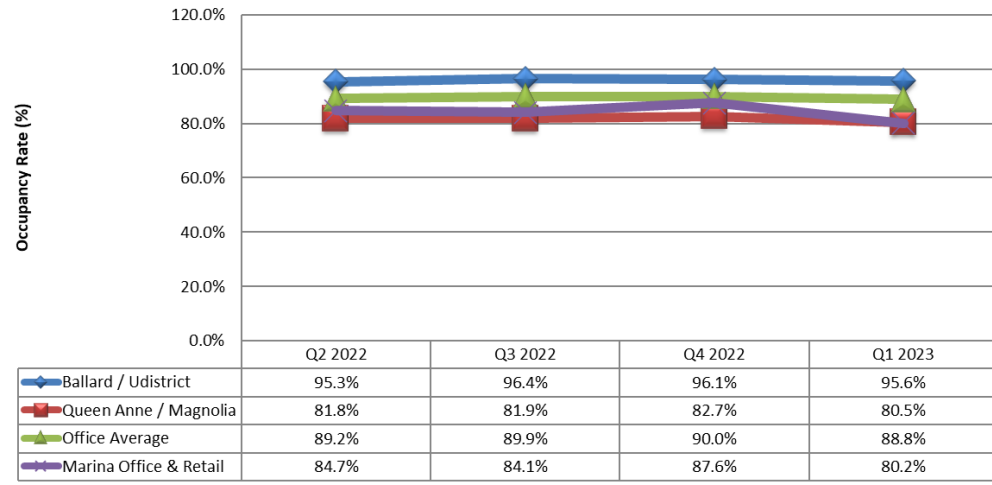
## Building Occupancy at Central Harbor (Office)



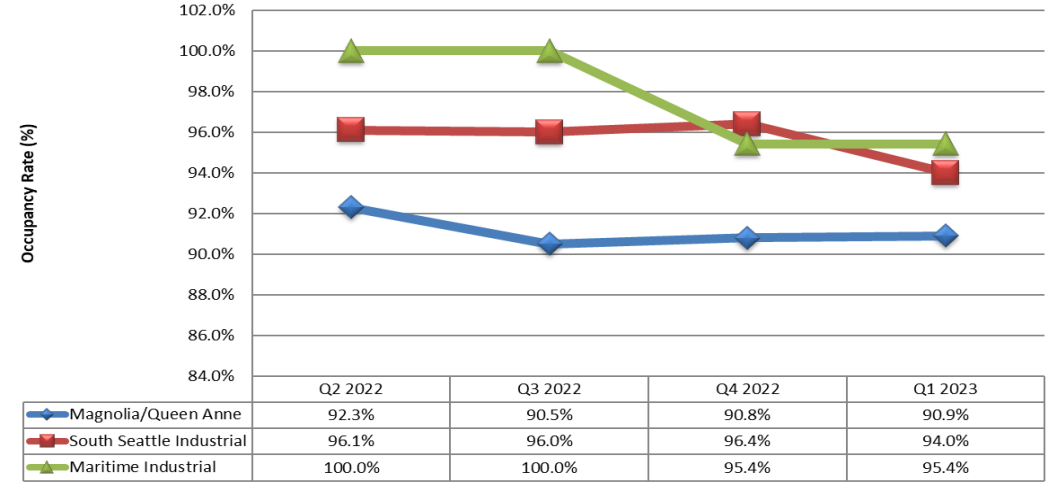
## Building Occupancy at T-91 Uplands (Industrial)



## Building Occupancy at Marina Office & Retail



## Building Occupancy at MIC (Industrial)



# EDD Capital 2023

\$ in 000's	2023 YTD Actual	2023 Year-End Forecast	2023 Budget	2023 POF	Budget vs Forecast	
					\$	%
T91 Uplands Dev Phase I	751	2,037	2,204	1,682	167	8%
WTCW Roof Replacement	1,104	1,470	1,841	1,003	371	20%
P69 Underdock Utility Rpl	893	1,153	999	547	(154)	-15%
CW Bridge Elev Modernizat	251	502	480	7	(22)	-5%
P66 Roof Upgrades	70	140	341	556	201	59%
P66 BHICC Interior Modern	0	0	276	0	276	100%
P69 3rd Floor Terrace Rep	0	0	262	262	262	100%
P69 and P66 Public Video	24	74	250	250	176	70%
Tenant Improvements - Capi	0	202	202	300	0	0%
T91 Ped Path and Bike Bri	24	139	150	300	11	7%
All Other Projects	404	2,524	3,274	3,780	750	23%
Subtotal	3,521	8,241	10,279	8,687	2,038	20%
CIP Cashflow Mgmt Reserve	0	(1,240)	(2,193)	(1,950)	(953)	43%
<b>Total Economic Development</b>	<b>3,521</b>	<b>7,001</b>	<b>8,086</b>	<b>6,737</b>	<b>1,085</b>	<b>13%</b>

**WTCW Roof** – Delay in water line connection is pushing the schedule out to Q1 2024.

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

**All Other Projects** - \$Mostly small cap projects pushed out to 2024 (PM constraints, LED projects).

# Central Services Appendix

## 2023 Q3 Financial Performance Report



# Central Services Business Events

- Produced annual Port community engagement events including Port Unplugged on the Eastside, four-part Port U Series: 101s on Duwamish River, Cargo, Ship Canal, and Airport, and Fishermen's Fall Festival with ship canal boat tours and outreach centered on the Maritime Innovation Center.
- Hosted celebratory signing ceremony of the Industrial Lands and Maritime Strategy by Seattle Mayor Bruce Harrell.
- Kicked off Round 3 of the South King County Community Impact Fund Environmental Grants Program.
- Hosted a series of environmentally focused tours aboard cruise ships for community, business and industry partners.
- Hosted the Asia Pacific Economic Cooperation (APEC) Ministerial meetings from July 29 to August 22.
- Hosted and provided a tour for the MARAD Administrator with NWSA on environmental & sustainability initiatives, and the Green Corridor.
- Supported the Muckleshoot Indian Tribe for their Paddle to Muckleshoot Event.
- Hosted annual SEA Charity Golf Tournament resulting in scholarships for Highline School District students.

# Central Services YTD Financial Highlights

	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget		Change from 2022	
					Variance		Incr (Decr)	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
<b>Total Operating Revenues</b>	<b>2,685</b>	<b>780</b>	<b>409</b>	<b>85</b>	<b>324</b>	<b>381.1%</b>	<b>(371)</b>	<b>-47.6%</b>
Core Central Support Services	61,963	69,244	81,139	81,524	385	0.5%	11,895	17.2%
Police	21,097	21,697	27,633	27,895	263	0.9%	5,936	27.4%
Engineering/PCS	6,580	7,085	9,953	12,223	2,271	18.6%	2,868	40.5%
<b>Total Operating Expenses</b>	<b>89,640</b>	<b>98,026</b>	<b>118,724</b>	<b>121,642</b>	<b>2,918</b>	<b>2.4%</b>	<b>20,698</b>	<b>21.1%</b>

2023 YTD Total Operating Expenses are \$2.9M under the budget due to:

- Delay in contract spending and lower Travel & Other Employee Expenses and less charges to Capital Projects

2023 YTD Total Operating expenses are \$20.7M higher compared to 2022 due to:

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

# Central Services YTD Expense by Category

	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget		Change from 2022	
					Variance		Incr (Decr)	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
Salaries & Benefits	53,709	58,116	68,283	67,147	(1,137)	-1.7%	10,168	17.5%
Wages & Benefits	20,453	20,116	25,231	25,644	413	1.6%	5,115	25.4%
Payroll to Capital Projects	12,199	12,526	14,948	17,382	2,435	14.0%	2,422	19.3%
Equipment Expense	1,063	1,674	2,006	2,164	158	7.3%	332	19.8%
Supplies & Stock	474	628	934	770	(164)	-21.2%	306	48.7%
Outside Services	18,508	18,786	25,992	28,465	2,473	8.7%	7,206	38.4%
Travel & Other Employee Expenses	672	1,169	1,641	2,837	1,196	42.2%	472	40.4%
Insurance Expense	2,390	3,038	3,434	3,360	(74)	-2.2%	396	13.0%
Litigated Injuries & Damages	-	2,169	987	-	(987)	0.0%	(1,182)	-54.5%
Other Expenses	1,843	2,158	3,595	3,562	(34)	-0.9%	1,438	66.6%
Charges to Capital Projects/Overhead Alloc	(21,671)	(22,353)	(28,328)	(29,690)	(1,362)	4.6%	(5,975)	26.7%
<b>TOTAL</b>	<b>89,640</b>	<b>98,026</b>	<b>118,724</b>	<b>121,642</b>	<b>2,918</b>	<b>2.4%</b>	<b>20,698</b>	<b>21.1%</b>

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

# Central Service Financial Summary (YE Forecast)

	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget		Change from 2022	
					Variance		Incr (Decr)	
\$ in 000's	Actual	Actual	Forecast	Budget	\$	%	\$	%
<b>Total Operating Revenues</b>	<b>(233)</b>	<b>2,538</b>	<b>490</b>	<b>155</b>	<b>335</b>	<b>216.4%</b>	<b>(2,048)</b>	<b>-80.7%</b>
Core Central Support Services	73,612	91,149	111,450	109,752	(1,699)	-1.5%	20,302	22.3%
Police	17,194	35,064	37,611	36,673	(938)	-2.6%	2,547	7.3%
Engineering/PCS	4,948	8,704	14,409	16,478	2,069	12.6%	5,704	65.5%
<b>Total Operating Expenses</b>	<b>95,753</b>	<b>134,917</b>	<b>163,470</b>	<b>162,903</b>	<b>(567)</b>	<b>-0.3%</b>	<b>28,553</b>	<b>21.2%</b>

# Central Services Capital Spending

\$ in 000's	2023 YTD Actual	2023 Year-End Forecast	2023 Budget	2023 POF	Budget Variance	
					\$	%
Engineering Fleet Replacement	477	627	3,065	1,600	2,438	79.5%
Corporate Fleet Replacement	890	1,567	1,836	1,274	269	14.7%
Infrastructure - Small Cap	270	420	1,865	1,500	1,445	77.5%
Services Tech - Small Cap	1,075	1,489	1,500	1,500	11	0.7%
Enterprise Network Refresh	39	1,472	1,603	2,000	131	8.2%
Office Wi-Fi Refresh	265	400	964	1,077	564	58.5%
Phone System Upgrade	520	862	862	120	0	0.0%
Radio Microwave Redund. Loop	222	524	760	1,000	236	31.1%
Storage Area Network Refresh	480	481	750	750	269	35.9%
Other (note 1)	850	1,779	5,573	6,738	3,794	68.1%
Subtotal	5,088	9,621	18,778	17,559	9,157	48.8%
CIP Cashflow Adjustment	-	(2,000)	(5,600)	(5,600)	(3,600)	64.3%
<b>TOTAL</b>	<b>5,088</b>	<b>7,621</b>	<b>13,178</b>	<b>11,959</b>	<b>5,557</b>	<b>42.2%</b>

Note:

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

# Portwide Appendix

## 2023 Q3 Financial Performance Report



# Port Wide Financial Summary

	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget Variance		Change from 2022 Incr (Decr)	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
Aeronautical Revenues	219,378	286,217	378,927	379,730	(803)	-0.2%	92,710	32.4%
Airport Non-Aero Revenues	137,516	197,006	243,637	223,596	20,041	9.0%	46,631	23.7%
Non-Airport Revenues	90,018	114,128	132,229	119,951	12,278	10.2%	18,101	15.9%
<b>Total Operating Revenues</b>	<b>446,912</b>	<b>597,351</b>	<b>754,793</b>	<b>723,277</b>	<b>31,516</b>	<b>4.4%</b>	<b>157,442</b>	<b>26.4%</b>
Total Operating Expenses	301,273	342,531	409,890	424,539	14,649	3.5%	67,359	19.7%
<b>NOI before Depreciation</b>	<b>145,639</b>	<b>254,819</b>	<b>344,903</b>	<b>298,737</b>	<b>46,165</b>	<b>15.5%</b>	<b>90,083</b>	<b>35.4%</b>
Depreciation	137,678	164,385	183,842	148,270	(35,571)	-24.0%	19,457	11.8%
<b>NOI after Depreciation</b>	<b>7,961</b>	<b>90,434</b>	<b>161,061</b>	<b>150,467</b>	<b>10,594</b>	<b>7.0%</b>	<b>70,627</b>	<b>78.1%</b>

- Total Operating Revenues: \$31.5M higher than budgeted
- Total Operating Expenses: \$14.6M below budget mainly due to delay in Outside Services spending and Travel & Other Employee Expenses.
- NOI before Depreciation: \$46.2M above budget

# Non-Airport YTD Financial Summary

	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget		Change from 2022	
					Variance		Incr (Decr)	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
NWSA Distributable Revenue	43,840	38,532	45,317	37,729	7,588	20.1%	6,785	17.6%
Maritime Revenues	33,836	59,814	69,947	63,209	6,738	10.7%	10,132	16.9%
EDD Revenues	6,849	11,216	12,513	15,855	(3,342)	-21.1%	1,297	11.6%
SWU & Other	5,492	4,565	4,452	3,158	1,294	41.0%	(113)	-2.5%
<b>Total Operating Revenues</b>	<b>90,018</b>	<b>114,128</b>	<b>132,229</b>	<b>119,951</b>	<b>12,278</b>	<b>10.2%</b>	<b>18,101</b>	<b>15.9%</b>
Total Operating Expenses	54,631	67,126	75,640	82,242	6,602	8.0%	8,514	12.7%
<b>NOI before Depreciation</b>	<b>35,387</b>	<b>47,001</b>	<b>56,589</b>	<b>37,709</b>	<b>18,880</b>	<b>50.1%</b>	<b>9,588</b>	<b>20.4%</b>
Depreciation	28,375	28,399	28,697	27,229	(1,468)	-5.4%	298	1.0%
<b>NOI after Depreciation</b>	<b>7,012</b>	<b>18,602</b>	<b>27,892</b>	<b>10,480</b>	<b>17,412</b>	<b>166.2%</b>	<b>9,290</b>	<b>49.9%</b>

- Non-Airport Operating Revenue: \$12.3M above budget due to higher revenues from NWSA Distributable Revenues and Cruise; offset by lower revenues from Grain and Conference & Event Center.
- Operating Expenses: \$6.6M lower than budget because of project spending delays and timing of tenant improvements and maintenance.



# Port Wide YTD Operating Revenues Summary

	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget		Change from 2022	
	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
\$ in 000's					\$	%	\$	%
Aeronautical Revenues	219,378	286,217	378,927	379,730	(803)	-0.2%	92,710	32.4%
Public Parking	45,034	64,775	81,649	71,747	9,902	13.8%	16,874	26.1%
Rental Cars - Operations	26,346	34,301	35,960	31,505	4,455	14.1%	1,659	4.8%
Rental Cars - Operating CFC	653	4,605	13,985	12,190	1,795	14.7%	9,380	203.7%
ADR & Terminal Leased Space	33,561	44,943	53,386	54,318	(932)	-1.7%	8,443	18.8%
Ground Transportation	8,171	15,406	18,781	18,150	631	3.5%	3,376	21.9%
Employee Parking	6,750	6,817	8,111	7,851	260	3.3%	1,293	19.0%
Airport Commercial Properties	9,012	12,101	14,904	12,682	2,222	17.5%	2,803	23.2%
Airport Utilities	4,633	5,864	6,438	6,406	32	0.5%	574	9.8%
Clubs and Lounges	2,187	6,055	8,704	7,252	1,452	20.0%	2,649	43.7%
Cruise	5,660	30,181	39,950	33,052	6,898	20.9%	9,769	32.4%
Recreational Boating	9,639	10,549	11,700	11,718	(18)	-0.2%	1,152	10.9%
Fishing & Operations	6,612	7,145	7,942	7,322	620	8.5%	797	11.2%
Grain	4,235	3,987	2,628	3,740	(1,112)	-29.7%	(1,359)	-34.1%
Maritime Portfolio Management	7,689	7,945	7,717	7,358	359	4.9%	(227)	-2.9%
Central Harbor Management	5,577	6,517	7,571	7,373	198	2.7%	1,054	16.2%
Conference & Event Centers	1,252	4,681	4,916	8,465	(3,549)	-41.9%	235	5.0%
NWSA Distributable Revenue	43,840	38,532	45,317	37,729	7,588	20.1%	6,785	17.6%
Other	6,686	6,730	6,207	4,689	1,518	32.4%	(523)	-7.8%
<b>Total Operating Revenues (w/o Aero)</b>	<b>227,534</b>	<b>311,133</b>	<b>375,866</b>	<b>343,547</b>	<b>32,319</b>	<b>9.4%</b>	<b>64,732</b>	<b>20.8%</b>
<b>TOTAL</b>	<b>446,912</b>	<b>597,351</b>	<b>754,793</b>	<b>723,277</b>	<b>31,516</b>	<b>4.4%</b>	<b>157,442</b>	<b>26.4%</b>

# Port Wide YTD Operating Expense Summary

	2021 YTD	2022 YTD	2023 YTD	2023 YTD	Actual vs. Budget Variance		Change from 2022 Incr (Decr)	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
Salaries & Benefits	108,770	117,525	138,077	137,555	(522)	-0.4%	20,551	17.5%
Wages & Benefits	98,801	105,358	122,627	117,165	(5,462)	-4.7%	17,269	16.4%
Payroll to Capital Projects	21,353	20,489	24,360	33,081	8,721	26.4%	3,871	18.9%
Outside Services	64,373	75,791	94,212	120,000	25,787	21.5%	18,422	24.3%
Utilities	20,166	23,622	24,001	23,547	(454)	-1.9%	379	1.6%
Equipment Expense	4,620	6,906	8,833	8,128	(705)	-8.7%	1,927	27.9%
Supplies & Stock	6,153	7,197	8,694	6,785	(1,909)	-28.1%	1,496	20.8%
Travel & Other Employee Expenses	1,315	2,624	3,562	6,140	2,577	42.0%	938	35.8%
Third Party Mgmt Op Exp	3,564	5,956	8,231	10,261	2,030	19.8%	2,275	38.2%
B&O Taxes	2,992	3,833	4,930	5,193	263	5.1%	1,097	28.6%
Other Expenses	9,648	13,375	20,172	16,714	(3,458)	-20.7%	6,797	50.8%
Charges to Capital Projects/Overhead Alloc	(40,481)	(40,145)	(47,809)	(60,028)	(12,220)	20.4%	(7,664)	19.1%
<b>TOTAL</b>	<b>301,273</b>	<b>342,531</b>	<b>409,890</b>	<b>424,539</b>	<b>14,649</b>	<b>3.5%</b>	<b>67,359</b>	<b>19.7%</b>

- Outside Services were \$25.8M under budget due to project delays.
- Travel & Other Employee Expenses were \$2.6M lower than budget due to delays in training and travel.
- Third Party Management Op Expense was \$2.0M under budget to less activities than budgeted.
- Charges to Capital Projects were lower by (\$12.2M) due to delays in Capital Projects.

# Port Wide Capital Spending Summary

\$ in 000's	2023 YTD Actual	2023 Year-End Forecast	2023 Budget	2023 POF	Budget Variance	
					\$	%
Aviation	298,362	435,807	485,572	663,877	49,765	10.2%
Maritime	9,928	25,617	32,313	40,805	6,696	20.7%
Economic Development	3,521	7,001	8,086	6,737	1,085	13.4%
Central Services & Other (note 1)	5,498	8,468	15,371	14,424	6,903	44.9%
<b>TOTAL</b>	<b>317,309</b>	<b>476,893</b>	<b>541,342</b>	<b>725,843</b>	<b>64,449</b>	<b>11.9%</b>

Note:

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