



THE NORTHWEST
SEAPORT ALLIANCE

Q4 2020 Financial Results

As of December 31, 2020

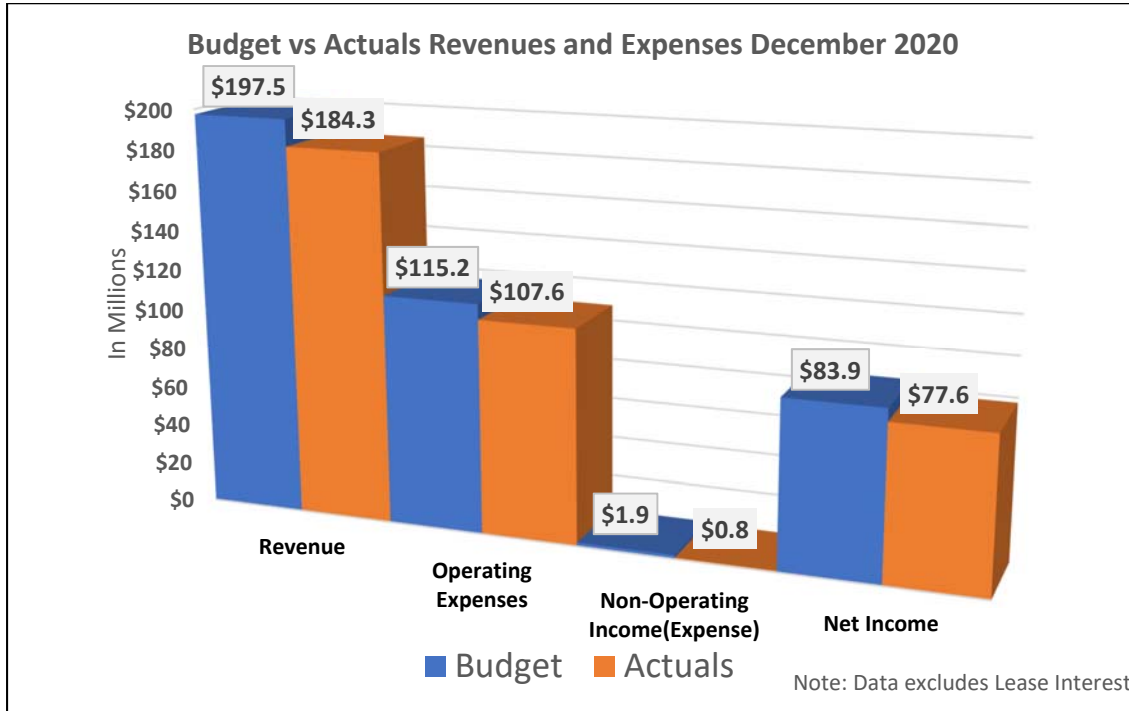
UNAUDITED

February 18, 2021

Northwest Seaport Alliance 2020 Operating Results

Executive Summary

Budget vs Actual



Revenue (before lease interest) for the year of \$184.3 million was \$13.1 million, 7% below budget. The pandemic drove declines in TEU's of 18%, breakbulk tonnage of 39% and auto units of 14%, resulting in lower variable revenues in the Container and Non-container businesses and a total revenue decline of \$10.9 million and \$2.5 million, respectively. The NWSA experienced 63 cancelled container vessel sailings in 2020 compared to 58 in 2019.

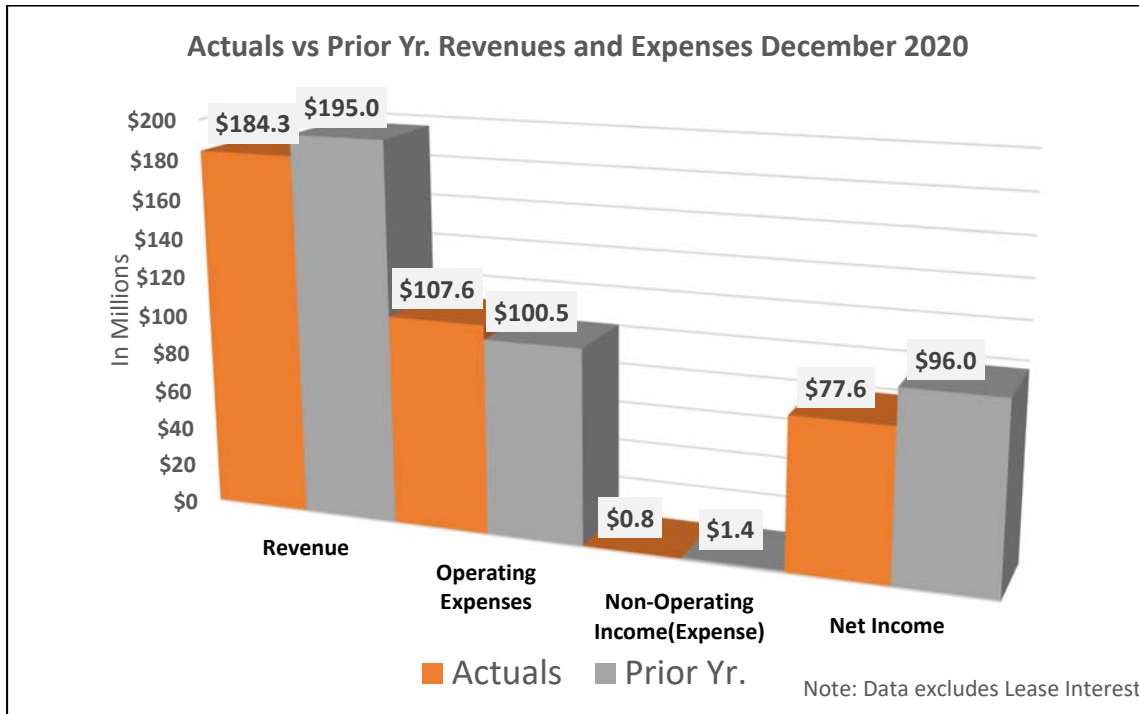
Operating expense of \$107.6 million was below budget \$7.6 million, 7%, primarily due to reduced operations and maintenance costs directly related to the lower container and non-container volumes and cost reduction measures. In early spring as the pandemic began to spread, cost saving measures were put in place, lowering outsourced maintenance, administrative and consulting costs. In addition, the NWSA recorded a non-cash reduction in expense for its share of the state's PERS pension liability. This non-cash adjustment reduced expenses by \$0.6 million and the non-cash pension expense reduction from the homeport support services agreements reduced expenses by an additional \$2.4 million. Offsetting the savings were one-time costs associated with modernizing our terminals and reacting to the changes in the shipping industry. Significant expenses not budgeted include crane removal costs of \$2.8 million at T5 which were planned to be spent in 2021 but was accelerated and \$5.5 million for the planned restructuring of the current APL agreement to secure the lease of Phase II of T5.

Operating income (before lease interest adjustment) was \$76.7 million and \$5.5 million, or 7% below budget.

Grant income was down \$3.1 million due to lower TIGER grant income of \$2.6 million and \$0.5 million for the FRATIS CCTV project that will not be done.

The net income after depreciation of \$77.6 million was \$6.3 million below budget and is split 50/50 as each homeport recorded income from the NWSA JV through December of \$38.8 million (rounded).

Actual vs Prior Year



Revenue (before lease interest) of \$184.3 million was \$10.7 million less than the prior year. Container business revenues were down \$8.0 million primarily due to lease terminations/amendments at T46 and E Sitcum and lower variable intermodal revenues of \$3.0 million due to lower volumes. Non-Container revenues were down \$3.8 million driven by volumes as breakbulk tonnage was down 20% and auto units were down 13%. Industrial real estate revenues were up over the prior year by \$0.1 million from the new UPS lease at T25 that increased revenue by \$0.3 million and was offset by \$0.2 million for terminated leases at T115.

Operating expenses of \$107.6 million increased \$7.1 million or 7%, over the prior year primarily from costs to modernize our strategic container terminals for ultra-large ships that require larger cranes and associated terminal infrastructure improvements. Costs for the disposition of old cranes at Husky and T5, paving repairs at T46 and costs related to the expected restructuring of a long-term agreement with APL for the development of Terminal 5, Phase II increased operating expenses by \$7.1 million. The modernization effort also increased depreciation by \$2.5 million. Of significance were four super-post-Panamax cranes went into service last year at Husky terminal (in addition to the four cranes that arrived in 2018) increasing depreciation by \$1.2 million over the prior year. Offsetting these variances were cost saving measures implemented early in the year to offset revenue declines and lower revenue related

operating costs.

This resulted in operating income before lease interest of \$76.7 million, which was \$17.8 million less than the prior year.

Net non-operating expense (before lease interest) was \$0.6 million less than the prior year as the TIGER grant income was down \$1.7 million and was offset by lower T5 public expenses which have been deferred to 2021.

All of this resulted in net income of \$77.6 million, which was \$18.4 million less than the prior year.

**NWSA
Budget vs Actual
December 31, 2020**

(Dollars in Thousands) DESCRIPTION	2020				2019		
	BUDGET	ACTUAL	FAV/(UNFAV)	%	ACTUAL	FAV/(UNFAV)	%
Operating Revenue	\$ 197,475	\$ 184,326	\$ (13,149)	-7%	\$ 195,022	\$ (10,696)	-5%
Revenue before Lease Interest	197,475	184,326	(13,149)	-7%	195,022	(10,696)	-5%
Lease Interest	(47,571)	(49,532)	(1,961)	-4%	-	(49,532)	0%
Total Revenue	149,904	134,794	(15,110)	-10%	195,022	(60,228)	-31%
Operating Expenses	115,231	107,605	7,626	7%	100,501	(7,104)	-7%
Operating Income	34,673	27,189	(7,484)	-22%	94,521	(67,332)	-71%
<i>Memo: Operating Income before Lease Interest</i>	<i>82,244</i>	<i>76,721</i>	<i>(5,523)</i>	<i>-7%</i>	<i>94,521</i>	<i>(17,800)</i>	<i>-19%</i>
Non-Operating Income(Expense)							
Interest Income	1,636	1,605	(31)	-2%	2,013	(408)	-20%
Non-Operating Income(Expense)	(5,004)	(2,893)	2,111	42%	(4,444)	1,551	35%
Grant income	5,277	2,129	(3,148)	-60%	3,868	(1,739)	-45%
Non-Operating Income(Expense) Before Lease Interest	1,909	841	(1,068)	-56%	1,437	(596)	-41%
Lease Interest Income	47,571	49,532	1,961	4%	-	49,532	0%
Lease Interest Expense	282	0	282	100%	-	-	0%
Lease Interest Income, Net	47,289	49,532	2,243	5%	-	49,532	0%
Net Income	\$ 83,871	\$ 77,564	\$ (6,307)	-8%	\$ 95,958	\$ (18,394)	-19%

Operating Income by Line of Business (excludes Lease Interest – GASB 87)

(Dollars in Thousands)		2020				2019		
DESCRIPTION	BUDGET	ACTUAL	FAV/(UNFAV)		ACTUAL	FAV/(UNFAV)		
			\$	%		\$	%	
Container								
Operating Revenue	\$163,394	\$152,527	(\$10,867)	-7%	\$160,566	(\$8,039)	-5%	
Operations	29,919	32,317	(2,398)	-8%	26,533	(5,784)	-22%	
Maintenance	12,432	10,119	2,313	19%	11,604	1,485	13%	
Depreciation	12,978	12,563	415	3%	10,286	(2,277)	-22%	
Total Operating Expense	55,329	54,999	330	1%	48,423	(6,576)	-14%	
Operating Income - Container	108,065	97,528	(10,537)	-10%	112,143	(14,615)	-13%	
Non- Container								
Operating Revenue	21,493	18,948	(2,545)	-12%	21,550	(2,602)	-12%	
Operations	8,492	9,107	(615)	-7%	9,386	279	3%	
Maintenance	1,985	1,365	620	31%	1,942	577	30%	
Depreciation	1,516	828	688	45%	614	(214)	-35%	
Total Operating Expense	11,993	11,300	693	6%	11,942	642	5%	
Operating Income - Non-Container	9,500	7,648	(1,852)	-19%	9,608	(1,960)	-20%	
Real Estate								
Operating Revenue	12,588	12,851	263	2%	12,906	(55)	0%	
Operations	367	253	114	31%	261	8	3%	
Maintenance	787	148	639	81%	378	230	61%	
Depreciation	101	101	0	0%	101	0	0%	
Total Operating Expense	1,255	502	753	60%	740	238	32%	
Operating Income - Real Estate	11,333	12,349	1,016	9%	12,166	183	2%	
Other Expenses								
Commercial Administration	12,799	13,570	(771)	-6%	11,112	(2,458)	-22%	
Infrastructure and Administration Expense	33,855	27,234	6,621	20%	28,283	1,049	4%	
Total Operating Income	\$82,244	\$76,721	(\$5,523)	-7%	\$94,521	(\$17,800)	-19%	

* This table excludes lease interest.

Actual vs Budget By Line of Business

Container Business (Container Terminals and Intermodal)

Summary: Container business (containers and intermodal) revenues were down \$10.9 million. This was mostly driven by intermodal volumes and crane/strad variable revenue being lower than expected, due to 18% less TEUs than expected. 2020 had a total of 63 blank sailings (2019 had 58 blank sailings), where a ship scheduled to call does not call. Operations expense was up \$2.4 million mostly due to the pending restructuring of the APL agreement (\$5.5 million) offset by lower direct labor at NIM (volume driven expense). Maintenance expense was down \$2.3 million due to timing of project spending (budgeted quarterly). This caused container business operating income to be \$10.5 million lower than budget.

Operating revenues of \$152.5 million were below budget \$10.9 million.

- Total intermodal revenue was down \$7.7 million – NIM, HIM, PIM and SIM lift revenues were down \$5.2 million, \$1.3 million, \$0.7 million and \$0.6 million, respectively (volumes down 26%, 32%, 47% and 6%, respectively); offset by lift minimum guarantee up \$0.8

million at the NIM and \$0.4 million at the PIM.

- Terminal 18 revenue down \$1.2 million due to lower minimum annual guarantee (\$1.3 million).
- Husky strad and crane rents were down \$2.1 million driven by lower TEU's than expected, down 5% at Husky.
- West Sitcum revenue up \$0.9 million for the stormwater contribution.
- Lot F revenue up \$0.3 million for new lease.

Operating Expenses of \$55.0 million were \$0.3 million and 1% below budget.

- T-5 operations expense up \$4.6 million and T-18 up \$2.0 million due to recording of APL restructuring expense.
- Operations expense at Husky was down \$1.2 million due to lower strad expenses of \$1.0 million and lower crane removal costs of \$0.3 million.
- Operations expense at NIM was down \$1.9 million due to lower longshore labor of \$1.4 million and lower strad expenses of \$0.6 million.
- Maintenance expense down \$2.3 million due to project spending; \$0.5 million at T-46 for bulkhead rehabilitation, \$0.4 million at E. Sitcum and \$0.2 million at Husky due to lower crane expenses, \$0.3 million at T-18 for stormwater utility upgrade, \$0.3 million at T-5 for waterpipe repair, \$0.2 million at WUT for barrier and striping and \$0.2 million for roof repair of T-7 warehouse.
- T-46 operations expense down \$1.3 million for pavement rehabilitation.

Non-Container Business (Autos and Breakbulk)

Summary: Non-Container business (autos and breakbulk) revenues were down \$2.5 million. This was driven primarily by breakbulk volumes and auto revenues being lower than expected due to the effects of covid-19. Operating expenses were down \$0.7 million mostly due to delays on paving repairs at West Sitcum and AWC. This caused Non-Container business operating income to be \$1.9 million lower than budget.

Operating Revenues of \$18.9 million were \$2.5 million and 12% below budget.

- Breakbulk revenues were below budget \$2.3 million as volumes were down 39%. Revenues at EB-1 terminal were below budget \$4.3 million due to lower volumes related to Covid-19; offset by P-7 revenues exceeding budget by \$2.0 million due to unbudgeted military cargoes and additional overflow cargo handled at the terminal.
- Auto revenues were below budget \$0.3 million as units were down 14% due to the effects of Covid-19 on the auto industry. The pandemic led to a shutdown of auto production early in the year as well as the closure of dealerships for early in the year.

Operating Expenses of \$11.3 million were \$0.7 million and 6% below budget.

- Depreciation expense was lower than planned by \$0.7 million due to timing of new assets being placed into service as well as the budget anticipating expense for depreciation on leased assets under the new lease accounting standard that were not incurred.
- Maintenance costs were lower than planned by \$0.5 million due to timing delays on planned paving repairs of \$0.4 million at West Sitcum and \$0.2 million at AWC.

Real Estate

Operating Revenues of \$12.9 million were above budget \$0.3 million and 2%.

- Rent revenue was up \$0.2 million at T25 due to the new lease with UPS.

Operating Expenses of \$0.5 million were below budget \$0.8 million and 60%.

- Project spending down \$0.4 million.

Other (not LOB-specific) Operating Expenses

- Commercial and Administrative expenses were above budget by \$0.8 million, primarily due to expense reduction measures instituted in the spring that resulted in lower consulting, travel and the non-cash pension expense reduction reduced labor and support services costs which was offset by the crane removal at T-5 of \$2.8 million that was budgeted to be spent in 2021 but was completed early based on the agreement with SSA that moved Matson Hawaii to Tacoma.
- Infrastructure and other Administration expenses were below budget by \$6.6 million as administration costs due to lower homeport support service agreement allocations (driven by consulting services, IT data services and hardware/software maintenance spending below plan, pension credit) travel consulting, labor. Environmental costs below budget \$1.2 million due to timing on project spending on the Soundkeeper/APMT project, of \$0.4 million and 0.3 million for the electrification roadmap project and the ISGP policy and strategy projects and more project expenses charged to terminals than planned.

Operating income (before lease interest adjustment) was \$76.7 million and \$5.5 million, or 7% below budget.

Non-operating expenses (public expenses for City power infrastructure, rail and road improvements) related to the T5 development were \$2.9 million and \$3.1 million under budget.

Grant income was down \$3.1 million due to lower TIGER grant income of \$2.6 million and \$0.5 million for the FRATIS CCTV project that will not be done.

The net income after depreciation of \$77.6 million was \$6.3 million below budget and is split 50/50 as each homeport recorded income from the NWSA JV through November of \$38.8 million (rounded).

Year to Date vs. Prior Year By Line of Business

Container Business (Container Terminals and Intermodal)

Summary: Container business (containers and intermodal) revenue decreased \$8.0 million over the prior year. This was mostly driven by TEUs volumes down 12% versus the prior year. There were 3 blank sailings for the month of December and 63 blank sailings in 2020 versus 13 blank sailings in December 2019 and 58 for 2019; and lower revenue from the new leases at East Sitcum and T-46. Operations expense increased \$6.6 million as 2020 had APL restructuring expense and increased

depreciation for new assets which were offset by 2019 costs for the removal of cranes at T-18 and T-46 and the Puget Soundkeeper lawsuit. This caused container business operating income to be \$14.6 million lower than the prior year.

Operating Revenues of \$152.5 million decreased \$8.0 million and 5% versus the prior year.

- Total intermodal revenue decreased \$3.0 million – lift revenues were down \$1.9 million at NIM, \$1.0 million at HIM and \$0.7 million at PIM (volumes down 17%, 31% and 36%, respectively) and lift minimum guarantee down \$0.1 million at PIM; offset by lift minimum guarantee up \$0.8 million at NIM and lift revenues up \$0.7 million at SIM.
- Land rent revenue decreased \$3.3 million due to new leases at East Sitcum (revenue down \$2.2 million), T-46 (revenue down \$4.1 million due to 2019 TTI lease incentive write-off; offset by T-18 revenue up \$1.1 million for minimum annual guarantee and Husky revenue up \$1.5 million for additional acreage and lease escalations.
- Crane and straddler revenue decreased \$2.2 million at East Sitcum for Ports America termination.

Operating Expenses of \$55.0 million increased \$6.6 million and 14% from the prior year.

- T-5 operations expense increased \$4.4 million due to recording of APL restructuring expense.
- Husky operations expense increased \$3.0 million for 2020 crane removal and maintenance up \$0.5 million primarily for crane maintenance.
- Depreciation expense increased by \$2.3 million, primarily due to the improvements at Husky for new cranes, West Sitcum and T-46.
- Operations expense at T-46 decreased \$1.5 million as 2019 had expenses for the removal of cranes (\$0.8 million) and reserve for litigation costs related to the Soundkeeper lawsuit (\$0.4 million) which was offset by 2020 pavement rehabilitations.
- Operations expense at NIM decreased \$1.1 million due to lower volumes.
- E. Sitcum operations expense decreased \$0.7 million, and maintenance decreased \$0.5 million due to lower activity.
- W. Sitcum maintenance decreased \$0.9 million, 2019 included roof coating and paving repairs.
- Operations expense at T-18 decreased \$0.9 million as 2019 had expense for the removal of cranes which was offset by 2020 APL bad debt expense.

Non-Container Business (Autos and Breakbulk)

Summary: Non-Container business (autos and breakbulk) revenues decreased \$2.6 million, 12% over the prior year. This was driven primarily by lower breakbulk and auto volumes of 20% and 13%, respectively, over the prior year, due to the effects of Covid-19. Operating expenses decreased \$0.7 million due to lower break bulk longshore costs related to 20% lower volumes over the prior year. This caused non-container business operating income to be \$1.9 million lower than the prior year.

Operating Revenues of \$18.9 million were \$2.6 million, 12% less than the prior year.

- Breakbulk revenues were down \$1.7 million as volumes decreased by 20%. Revenues at EB-1 terminal were down \$3.1 million over the prior year due to lower volume because of Covid-19; offset by P-7 revenues exceeding the prior year by \$1.5 million due to increased military cargoes and additional overflow cargo handled at the terminal.
- Auto revenues were down \$1.0 million as volumes were down 13%.

Operating Expenses of \$11.3 million were down \$0.7 million compared with the prior year.

- Longshore expenses were down \$0.5 million, mainly due to the decrease in breakbulk.

- Maintenance costs were down \$0.5 million, due to a decrease in repairs and planned maintenance costs.
- Depreciation costs increased \$0.2 million over prior year due to new asset additions.

Real Estate

Operating Revenues of \$12.9 million were comparable to prior year.

- Rent revenue was up \$0.2 million at T25 due to the new lease with UPS and was offset \$0.2 million for terminated leases at T115 General Industrial.

Operating Expenses of \$0.5 million were down \$0.2 million compared with the prior year.

Other (not LOB-specific) Operating Expenses

- Commercial Administration expenses of \$13.6 million increased by \$2.5 million, primarily for crane removal at T-5 of \$2.8 million.
- Infrastructure and other Administration expenses were down \$1.0 million primarily due to the covid cost saving measures, lower consulting and legal and support services costs.

This resulted in operating income before lease interest of \$76.7 million, which was \$17.8 million less than the prior year.

Non-Operating

UNAUDITED

Net non-operating income (before lease interest) was \$0.6 million less than the prior year as TIGER grant income was down \$1.7 million and was offset by lower T5 public expenses (for City power infrastructure, rail and road improvements).

Non-operating expenses (public expenses related to the T5 development were \$2.8 million and \$3.1 million under budget.

All of this resulted in net income of \$77.6 million, which was \$18.4 million less than the prior year.

NW Seaport Alliance Scorecard

December 31, 2020



CARGO VOLUME

	2019 Total	2020 YTD Actuals	2020 Budget
<u>Containers (TEUs)</u>			
International	3.1 M	2.6 M	3.3 M
Domestic	0.7 M	0.7 M	0.7 M
Break Bulk (Metric Tons NH & SH)	246 K	292 K	306 K
Autos (Units NWSA & POT)	192 K	156K	207 K



JOB CREATION

	2019 Total	2020 YTD Actuals	2020 Target
ILWU Hours	4.7 M	3.8 M	4.7 M



FINANCIAL RETURNS

<i>\$ in millions</i>	2019 Total	2020 YTD Actuals	2020 Total Budget
Operating Income <i>(Before GASB 87 Adjustment & Depreciation)</i>	\$105.8	\$90.5	\$97.6
Return on assets	7.1%	5.4%	5.8%



ENVIRONMENTAL STEWARDSHIP

	2019 Results	2020 Actuals	2020 Target
Water Quality (Improve Source Control)	195 Acres	Total 79 Acres: NIM - 22, NIM N. - 12 E. Sitcum - 14, Maint. Shop - 3, EB1 - 6, SIM - 22	65 Acres
Air Quality (Reduce Greenhouse Gas Emissions)	15% Terminals; Executed Fuel Efficiency Plans	15% Terminals; Executed Fuel Efficiency Plans	36% Container Terminals Executed Fuel Efficiency Plans



NORTHWEST SEAPORT ALLIANCE
Statement of Revenue and Expense
North & South Harbor
December 31, 2020

CURRENT MONTH				YEAR TO DATE					
BUDGET	ACTUAL	VARIANCE	%	DESCRIPTION	BUDGET	ACTUAL	VARIANCE	%	PRIOR YEAR
18,105,720	14,906,676	(3,199,044)	-17.7%	Operating Revenues	197,474,202	184,326,912	(13,147,290)	-6.7%	195,022,433
18,105,720	14,906,676	(3,199,044)	-17.7%	Revenue Before Lease Interest	197,474,202	184,326,912	(13,147,290)	-6.7%	195,022,433
(3,881,560)	(4,557,013)	(675,453)	-17.4%	Lease Interest	(47,571,010)	(49,532,354)	(1,961,344)	-4.1%	-
14,224,160	10,349,663	(3,874,497)	-27.2%	Total Revenue	149,903,192	134,794,558	(15,108,634)	-10.1%	195,022,433
5,587,623	12,424,848	(6,837,225)	-122.4%	Operations	47,886,809	53,092,799	(5,205,990)	-10.9%	45,026,160
2,275,656	447,152	1,828,504	80.4%	Maintenance	21,254,649	15,937,046	5,317,603	25.0%	18,459,589
1,886,429	1,007,799	878,630	46.6%	Administration	22,425,501	18,214,072	4,211,429	18.8%	19,681,391
474,543	319,358	155,185	32.7%	Security	5,653,528	5,141,793	511,735	9.1%	4,774,490
1,370,017	712,578	657,439	48.0%	Depreciation	15,351,188	13,809,899	1,541,289	10.0%	11,272,413
668,587	317,415	351,172	52.5%	Environmental	2,659,086	1,409,284	1,249,802	47.0%	1,287,241
12,262,855	15,229,150	(2,966,295)	-24.2%	Total Operating Expense	115,230,761	107,604,893	7,625,868	6.6%	100,501,284
1,961,305	(4,879,487)	(6,840,792)	-348.8%	Operating Income	34,672,431	27,189,665	(7,482,766)	-21.6%	94,521,149
3,881,560	4,557,013	675,453	17.4%	Lease Interest Revenue	47,571,010	49,532,354	1,961,344	4.1%	-
136,330	113,103	(23,227)	-17.0%	Interest Income	1,635,961	1,404,683	(231,278)	-14.1%	1,608,437
-	28,324	28,324	0.0%	Market Value Adjustment	-	200,615	200,615	0.0%	404,841
(21,311)	78,982	100,293	470.6%	Interest Expense	(282,076)	-	282,076	100.0%	-
1,271,655	1,035,497	(236,158)	-18.6%	Grant Income	5,276,655	2,129,195	(3,147,460)	-59.6%	3,867,796
(1,061,912)	(1,724,876)	(662,964)	-62.4%	Misc. Non Op Income(Expense)	(4,980,346)	(2,870,901)	2,109,445	42.4%	(4,145,681)
(1,711)	(1,543)	168	9.8%	Other Non Operating	(23,527)	(22,031)	1,496	6.4%	(298,133)
4,204,611	4,086,500	(118,111)	-2.8%	Non-Operating Revenue (Expense)	49,197,677	50,373,915	1,176,238	2.4%	1,437,260
6,165,916	(792,987)	(6,958,903)	-112.9%	Income Before Levy & Expense	83,870,108	77,563,580	(6,306,528)	-7.5%	95,958,409
6,165,916	(792,987)	(6,958,903)	-112.9%	Net Income/(Loss)	83,870,108	77,563,580	(6,306,528)	-7.5%	95,958,409

NORTHWEST SEAPORT ALLIANCE
North & South Harbor
Trended Statement of Revenue and Expense
December 31, 2020
(Dollars in Thousands)

	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>	<u>Jul-20</u>	<u>Aug-20</u>	<u>Sep-20</u>	<u>Oct-20</u>	<u>Nov-20</u>	<u>Dec-20</u>
Operating Revenue	16,294	15,672	14,926	15,063	14,314	14,686	15,093	14,503	15,394	16,949	15,844	16,976	14,907
Revenue Before Lease Interest	16,294	15,672	14,926	15,063	14,314	14,686	15,093	14,503	15,394	16,949	15,844	16,976	14,907
Lease Interest	-	(5,282)	(4,459)	(3,372)	(4,105)	(4,092)	(4,078)	(3,420)	(4,060)	(4,048)	(4,030)	(4,028)	(4,557)
Total Operating Revenue	16,294	10,390	10,467	11,690	10,209	10,595	11,015	11,083	11,334	12,901	11,814	12,948	10,350
Operations	3,436	3,217	3,057	3,358	3,277	3,017	3,233	3,396	3,818	6,696	4,174	3,425	12,425
Maintenance	2,600	1,137	1,463	1,453	1,922	1,201	1,197	1,498	1,686	1,267	1,513	1,153	447
Administration	1,404	1,552	1,536	1,699	1,552	1,504	1,669	1,483	1,551	1,508	1,559	1,593	1,008
Security	278	502	411	423	405	396	430	453	440	483	438	441	319
Depreciation	1,096	1,144	1,222	1,188	1,189	1,210	1,199	1,192	1,203	1,206	1,151	1,192	713
Environmental	89	63	128	99	71	91	138	160	79	81	99	83	317
Total Operating Expense	8,903	7,616	7,817	8,220	8,416	7,420	7,866	8,181	8,778	11,242	8,934	7,887	15,229
Operating Income	7,392	2,774	2,649	3,470	1,793	3,175	3,149	2,901	2,556	1,660	2,880	5,061	(4,879)
<i>Memo Line: Op. Income excluding Lease Interest</i>	<i>7,392</i>	<i>8,056</i>	<i>7,109</i>	<i>6,843</i>	<i>5,899</i>	<i>7,267</i>	<i>7,227</i>	<i>6,321</i>	<i>6,616</i>	<i>5,708</i>	<i>6,910</i>	<i>9,089</i>	<i>(322)</i>
Lease Interest	-	5,282	4,459	3,372	4,105	4,092	4,078	3,420	4,060	4,048	4,030	4,028	4,557
Interest Income	117	116	107	110	354	47	41	40	37	213	111	116	113
Market Value Adjustment	(2)	29	75	(17)	(27)	16	39	80	(42)	(33)	(24)	76	28
Interest Expense	-	-	(23)	(8)	(10)	(10)	(10)	(10)	(9)	(9)	9	-	79
Grant Income	989	-	-	19	(51)	51	27	55	-	-	776	216	1,035
Misc. Non Op Income/(Expense)	(1,861)	252	(244)	(976)	(104)	9	221	(210)	(96)	(6)	11	(24)	(1,726)
Non-Operating Revenue (Expense)	(757)	5,679	4,374	2,501	4,268	4,205	4,397	3,375	3,950	4,213	4,913	4,412	4,087
Net Income/(Loss)	6,634	8,453	7,024	5,971	6,061	7,380	7,546	6,277	6,506	5,873	7,793	9,473	(793)

NORTHWEST SEAPORT ALLIANCE
Statement of Net Position
North & South Harbor
December 31, 2020
(Dollars in Thousands)

	<u>Current Year</u>	<u>12/31/2019</u>
ASSETS		
CURRENT ASSETS		
Cash	\$5,295	\$1,083
Investments, at fair value	40,340	76,246
Net Trade A/R	8,649	18,844
Grants Receivable	1,035	1,786
Prepayments and other current assets	54,910	1,031
Related Party Receivable - JV	12,654	14,781
Total Current Assets	122,883	113,771
NON-CURRENT ASSETS		
Capital Assets	293,109	284,191
Construction in Process	173,957	50,016
Total cost	467,066	334,207
Less: Accumulated Depreciation	32,571	20,260
Capital Assets, Net	434,495	313,947
Lease Receivable - GASB 87	1,156,467	102
Total Non-Current Assets	1,156,467	102
Total Assets	\$1,713,845	\$427,820
Deferred Outflows of Resources		
Pension Deferred Outflow	1,377	1,488
Total Assets and Deferred Outflows	\$1,715,222	\$429,308
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts Payable and accrued liabilities	\$34,950	\$26,627
Related Party Payable - JV	11,922	25,956
Payroll and Benefits Liabilities	1,626	1,527
Total Current Liabilities	48,498	54,110
NON-CURRENT LIABILITIES		
Rent Deposits	1,276	14,676
Net Pension Liability	2,232	2,316
Other Noncurrent Liabilities	2,838	3,435
Total Non-Current Liabilities	6,346	20,427
Total Liabilities	54,844	74,537
Deferred Inflows of Resources		
Lease Deferred Inflows - GASB 87	1,210,328	0
Pension Deferred Inflow	758	1,395
Total Equity	449,292	353,376
Total Liabilities, Deferred Inflows & Equity	\$1,715,222	\$429,308

NORTHWEST SEAPORT ALLIANCE
Summary of Cash Activities
December 31, 2020
(Dollars in Thousands)

	2020	2019
Operating Income	\$ 28,204	\$ 94,153
Less: Non-cash income/expense items		
Depreciation	13,810	11,272
APL revenue earned	(9,000)	(9,000)
Cash earned in the current year	<u>33,014</u>	<u>96,425</u>
Adjustments		
Collection of APL lease term fee billed in prior year	9,000	9,000
Return of SSA Deposit	(13,321)	-
Increases/decreases in payables and receivables	7,751	9,761
Net cash provided by operating activities	<u>36,444</u>	<u>115,186</u>
Membership interest affirmation payment rec'd from Port of Seattle	11,000	-
Distribution of membership interest affirmation payment	(11,000)	-
Current year distributable cash	(100,928)	(115,190)
Timing on current year distributions	10,340	18,270
Prior Year distributable cash paid in current year	(18,270)	(7,580)
Distribution of accumulated interest and grants 2016-2019	(10,228)	-
Cash received from federal and state grants	-	-
Net cash provided by non-capital & related financing activities	<u>(119,086)</u>	<u>(104,500)</u>
Cash received from Homeports for Capital Construction Fund	131,018	80,748
Cash received from federal grants	2,219	5,719
Acquisition and construction of capital assets (net)	(133,427)	(99,271)
Net cash provided/(used) from Capital & Financing Activities	<u>(190)</u>	<u>(12,804)</u>
GASB 87 Lease Interest	49,532	-
Cash from/(to) investments	37,512	(7,060)
Net cash from/(to) investments	<u>87,044</u>	<u>(7,060)</u>
Total Increase(Decrease) in Cash	<u>4,212</u>	<u>(9,178)</u>
Plus: Beginning Cash Balance	1,083	10,261
Ending Cash & Investments	<u>\$ 5,295</u>	<u>\$ 1,083</u>

*2019 Lease Interest is in Operating Income

The Northwest Seaport Alliance
Statement of Managing Members' Equity
December 31, 2020
(Dollars in Thousands)

Description	12/31/2019	2020 Changes	Ending Balance 12/31/2020
Working capital	\$ 51,000	\$ -	\$ 51,000
Membership Interest Affirmation	-	11,000	11,000
Capital construction	297,197	129,618	426,815
Non-cash CWIP	16,792	-	16,792
Total Contributions	<u>\$ 364,989</u>	<u>\$ 140,618</u>	<u>\$ 505,608</u>
Net income from JV	\$ 440,851	\$ 77,564	\$ 518,415
Cash distributions	(452,574)	(111,156)	(563,730)
Membership Interest Affirmation Distribution	-	(11,000)	(11,000)
End Balance	<u><u>\$ 353,266</u></u>	<u><u>\$ 96,026</u></u>	<u><u>\$ 449,292</u></u>

UNAUDITED

Northwest Seaport Alliance
 Managing Members Cash Distribution Report
 December 31, 2020

The cash distributions per Article IV of the Charter are shared 50/50 by each homeport. Homeports will receive 50% of the \$10,340,000 or \$5,170,000 each.

Distribution Date*	Fiscal Month/Yr	Amount	YTD Distributions
2/25/21	December 2020	\$10,340,000	\$122,156,082

UNAUDITED

*Distribution date is approximate, actual cash transfer date is determined by NWSA Treasurer and is typically one week prior to month-end.

Note:

- This report is per Article IV cash distributions, reserves and member bond obligations, section 4.1(a)
- The PDA through the CEO will make distributions of all Distributable Cash to the Managing Members as soon as practicable after each Calculation Period. Prior to executing any distribution, the CEO shall provide a report of planned distributions to Managing Members.”

NORTHWEST SEAPORT ALLIANCE
Capital Investment Plan Actual vs Original Budget by LOB
Year-to-Date Spending through December 31, 2020

LOB	Actual YTD	Budget 2020	Variance (over)/under
Automobiles	\$411,951	\$241,000	(\$170,951)
Container Business	\$127,231,285	\$118,304,000	(\$8,927,285)
Industrial-Commercial Real Estate		\$150,000	\$150,000
Intermodal	\$767,105	\$268,000	(\$499,105)
Port-Operated Facilities	\$1,169,125	\$1,946,000	\$776,875
Port-Wide Infrastructure	\$38,900	\$3,100,000	\$3,061,100
Grand Total	\$129,618,366	\$124,009,000	(\$5,609,366)
Project Breakdown by LOB - Material Projects (Projects \$300k and up)			
LOB	Actual YTD		
Automobiles →			
201104.01 Blair Dock Fender Replacement	380,822		
Other Automobiles	31,129		
Total	\$411,951		
Container Business →			
U00100 T5 Berth Construction	104,980,277		
201029.07 Husky Tenant Improvements	5,170,637		
201019.01 Pier 4 Container Crane Acquisition	4,100,859		
U00303 T18 Stormwater Utility Upgrade	2,170,240		
U00347 T46 Stormwater Improvments - Basin 2	1,723,641		
U00572 T5 Stormwater Treatment System	1,652,376		
201070.01 Wapato Creek Bridge & Culvert Removal	1,617,132		
201062.04 Bldg 900 & 700 Roof Replacements (W. Sitcum)	1,137,612		
201112.01 SH CBP Office Improvements	1,097,406		
104827 T46 Dock Rehabilitation	856,973		
U00568 Marine Building North	610,864		
201090.01 WUT Utility Vault Upgrades	370,810		
201100.01 Terminal 3/4 Shore Power	365,376		
Other Container Business	1,377,080		
Total	\$127,231,285		
Industrial-Commercial Real Estate →			
Other Industrial-Commercial Real Estate			
Total			
Intermodal →			
201055.02 NIM Stormwater Pipe Extension	767,105		
Other Container Business	0		
Total	\$767,105		
Port-Operated Facilities →			
201099.01 Kone Reachstackers	1,051,992		
Other Port-Operated Facilities	117,133		
Total	\$1,169,125		
Port-Wide Infrastructure →			
Other Port-Wide Infrastructure	38,900		
Total	\$38,900		
Grand Total	\$129,618,366		



**THE NORTHWEST
SEAPORT ALLIANCE**

The Northwest Seaport Alliance 5-Year Cargo Volume History:

CONTAINERIZED VOLUME (TEUs)								
	2015	2016	2017	2018	2019	Dec 19 YTD	Dec 20 YTD	% Change Y-O-Y
Int'l Import full TEUs	1,308,214	1,391,590	1,380,785	1,452,623	1,369,251	1,369,251	1,253,818	-8.4%
Int'l Export full TEUs	871,522	984,274	964,067	953,495	913,332	913,332	790,620	-13.4%
Int'l Empty TEUs	581,072	482,951	650,459	705,114	775,763	775,763	591,197	-23.8%
Total International TEUs	2,760,808	2,858,815	2,995,311	3,111,232	3,058,346	3,058,346	2,635,635	-13.8%
Total Domestic TEUs	768,633	756,938	706,863	686,394	716,957	716,957	684,744	-4.5%
Grand Total TEUs	3,529,441	3,615,752	3,702,174	3,797,626	3,775,303	3,775,303	3,320,379	-12.1%
CARGO VOLUME (METRIC TONS)								
Container Cargo	24,965,859	26,766,258	26,105,730	28,868,125	28,671,813	28,671,813	25,508,550	-11.0%
Breakbulk	235,476	181,372	210,725	249,055	246,412	246,412	291,623	18.3%
Autos	270,744	246,421	224,864	228,295	305,816	305,816	244,612	-20.0%
Logs	236,557	176,928	278,078	116,790	75,757	75,757	0	-100.0%
Petroleum	815,380	612,224	715,546	665,670	636,150	636,150	677,469	6.5%
Molasses	43,731	43,666	35,980	45,686	46,661	46,661	42,400	-9.1%
Grand Total (Metric Tons)	26,567,747	28,026,869	27,570,924	30,173,621	29,982,608	29,982,608	26,764,655	-10.7%
Vessel Calls	2,043	1,995	1,946	1,930	1,870	1,870	1,684	-9.9%
Autos (Units)	183,305	165,687	146,885	141,143	155,930	191,822	156,205	-18.6%

Auto unit count includes units handled at Port of Tacoma (POT) facilities

Breakbulk volume includes both North and South Harbor

NORTHWEST SEAPORT ALLIANCE
SOUTH HARBOR
Intermodal Lifts, Crane & Strad Hours
December 31, 2020

Volume Activity	Year to Date				Prior Year		
	Budget	Actual	Fav/ (Unfav)	%	Prior Yr.	Fav/ (Unfav)	%
CRANE HOURS							
Husky	13,520	11,954	(1,566)	-11.6%	12,989	(1,036)	-8.0%
OCT	2,220	548	(1,673)	-75.3%	2,153	(1,606)	-74.6%
CRANE HOURS	15,740	12,501	(3,239)	-21%	15,143	(2,642)	-17%
STRAD HOURS							
Husky	10,544	6,626	(3,918)	-37.2%	7,188	(562)	-7.8%
OCT	10,320	2,305	(8,015)	-77.7%	9,894	(7,589)	-76.7%
NIM	13,686	11,135	(2,551)	-18.6%	12,190	(1,055)	-8.7%
STRAD HOURS	34,550	20,066	(14,484)	-42%	29,271	(9,205)	-31%
INTERMODAL LIFTS (South Harbor only)							
NIM	199,997	147,271	(52,726)	-26.4%	178,177	(30,906)	-17.3%
SIM/SIM-UP	95,505	89,521	(5,984)	-6.3%	86,271	3,250	3.8%
HIM	126,056	85,401	(40,655)	-32.3%	123,716	(38,315)	-31.0%
PIM	85,875	45,684	(40,191)	-46.8%	71,310	(25,626)	-35.9%
INTERMODAL LIFTS (South Harbor only)	507,433	367,877	(139,556)	-28%	459,474	(91,597)	-20%