



A T T H E C R O S S R O A D S

We are living in a time of great change in world markets. What we take for granted today will be outmoded within the next decade. Beyond a solid understanding of the market, investments in advanced technology and strong leadership, the ability to successfully compete

P O S I T I O N E D T O L E A D

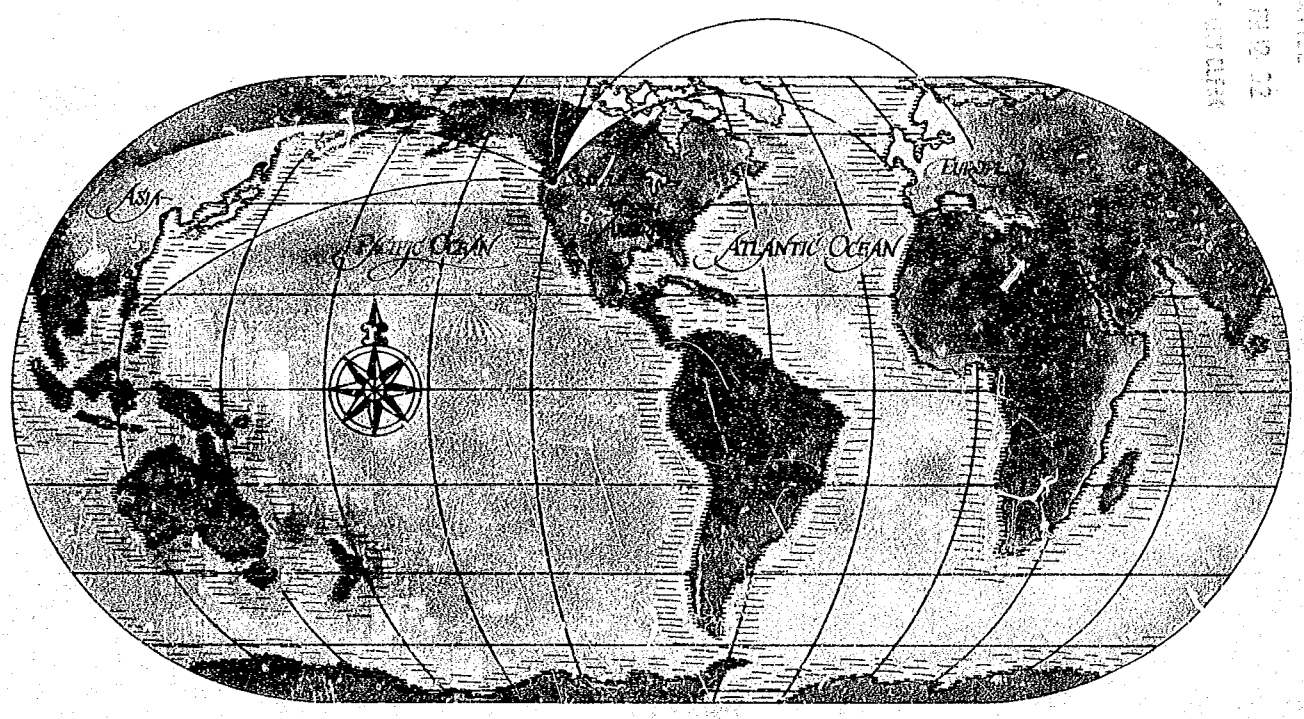
in the new global economy will require a mindset of innovation and adaptability. It also demands a cooperative and collaborative effort among the private and public sectors, labor and management, education and business. It takes all of us together.

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Globe
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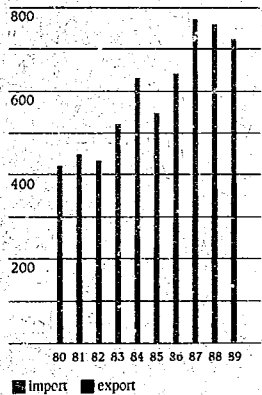
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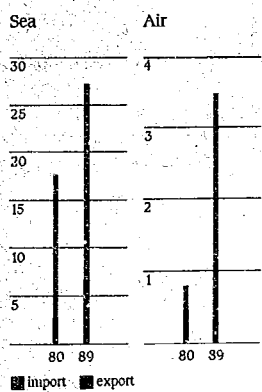
A D E C A I D E O F

A

Full Import/Export Containers Handled (Excludes Domestic Containers) Thousands



Two-Way Trade in Billions of Dollars



As we enter the 1990s, every economic forecaster predicts continuing growth for our regional economy. Similarly, a robust national economy is foreseen, and international markets appear healthy and strong.

Ten years ago, it was a dramatically different picture. Depressed... sluggish... downturn. Those were the words used to describe the economy not only of Washington state, but of the nation and world.

It was a difficult time for all those involved in the transportation industries: ports, steamship lines, airlines, railroads, trucking firms.

Some within the industry considered themselves successful if they just survived. But at the Port of Seattle, not only did we survive, we actually thrived. That's because we had an early sense of what was happening to the economies of Asian countries. We could see the boom was coming. We prepared for it by boldly investing in new ideas, new services, and new facilities. When, for the first time in history in 1983, more cargo crossed the Pacific Ocean than the Atlantic Ocean, we were ready. Our foresight paid off and, as business picked up, we were in position to take advantage of the new century of the Pacific.

Today, as attention is focused on developing Seattle as a crossroads city, strategically located between Asia and Europe, the same farsightedness which saw us through the 1980s will help secure our successes in the 1990s.

HEALTHY CORE BUSINESSES

The decade's trend toward solid growth in the Port's core businesses—marine and aviation—was continued in 1989, providing a solid foundation for the Port as it moves into the 1990s.

TWO-WAY TRADE. With trading partners in 125 countries around the globe, the Port of Seattle rang up a two-way trade worth \$30.3 billion in 1989, including \$3.6 billion in aviation cargo. Marine cargo was worth about \$1 billion more than 1988

and more than double what our marine trade was worth 10 years ago: \$12.2 billion.

SEAPORT. At the Port's marine facilities, we handled an all-time high of 12.3 million metric tons of cargo. The Seattle harbor handled nearly 20 million metric tons. A 10 percent increase in container volume by the current carrier base, an 89 percent increase in grain exports and a 24 percent fruit export gain led the growth. The Seattle harbor also handled more than one million containers for the third year in a row.

More importantly, though, is the fact that over the past 10 years, the Port of Seattle *alone* was responsible for more than two-thirds of all the *new* container business flowing into Puget Sound. That includes both new shipping lines as well as current lines whose container volumes grew. In 1989, a total of 1,966,000 containers entered Puget Sound, up by more than 1 million from a decade before.

This growth in new business highlights the Port's dedication to bringing in new business to Puget Sound.

These gains were made possible, in part, because of the increasingly close working relationship between management and labor, including labor participation on Port trips to meet current and potential customers. In 1989, container crane productivity for all terminals hit an all-time high with an average of nearly 24 moves per hour—a 41 percent climb over five years ago.

AIRPORT. The number of international visitors traveling through Sea-Tac reached a record 1.5 million in 1989, growing at nearly twice the rate of domestic passengers, and topping the ninth consecutive year increase. Total passenger volumes rose 5 percent as an all-time high of 15.2 million people used the regional Airport facility.

International air freight rose nearly 10 percent during 1989, to 54,453 metric tons, while total air cargo rose 6 percent to nearly 294,000 metric tons.

The Port's popular Sea-Air cargo program, which has made Sea-Tac the No. 1 sea-air airport in the United States, continued to enjoy a healthy growth rate of 9 percent in 1989. Some 22,600 metric tons of cargo were moved from Asia to Europe by combining the economy of ocean carriers calling at Seattle's marine port with the speed of aircraft service to Europe.

FISHING INDUSTRY. The Port took several steps in 1989 to develop sufficient facilities to accommodate the needs of the region's factory trawl fleet and to retain the significant economic benefits it provides. (In 1990, it is estimated that factory trawlers will account for 5,000 jobs and \$300 million in total economic activity in King County.)

To meet increased demand for moorage and dockside work space, the Port



began negotiating to buy the surplus U.S. Coast Guard property in Salmon Bay, just one-half mile west of Fishermen's Terminal. The Port will satisfy accompanying demand for additional cold storage capacity by leasing space at Terminal 105 to build a storage/fish processing facility.

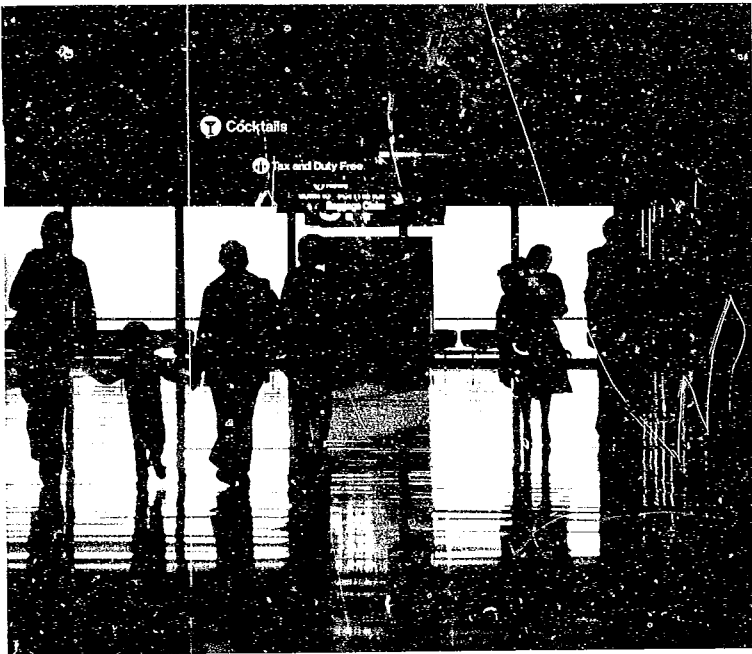
MAINTAINING A COMPETITIVE EDGE

To ensure our continued ability to compete and grow, the Port of Seattle undertook a massive modernization and expansion of its facilities—aviation, marine and distribution—during the 1980s. We invested an unprecedented \$512 million, enlarging Sea-Tac Airport's main terminal, constructing and remodeling numerous container facilities and doubling our warehousing space, among other projects.

And we were able to accomplish these massive improvements while maintaining an AA bond rating. We are one of only three U.S. ports to consistently receive such high marks for our financial management.

Over the next five years, we plan to spend at least another \$711 million on improvements, such as expansion of Sea-Tac's parking garage and concourses, the Noise Remedy Program and acquisition of key properties to expand maritime operations.

A C H I E V E M E N T



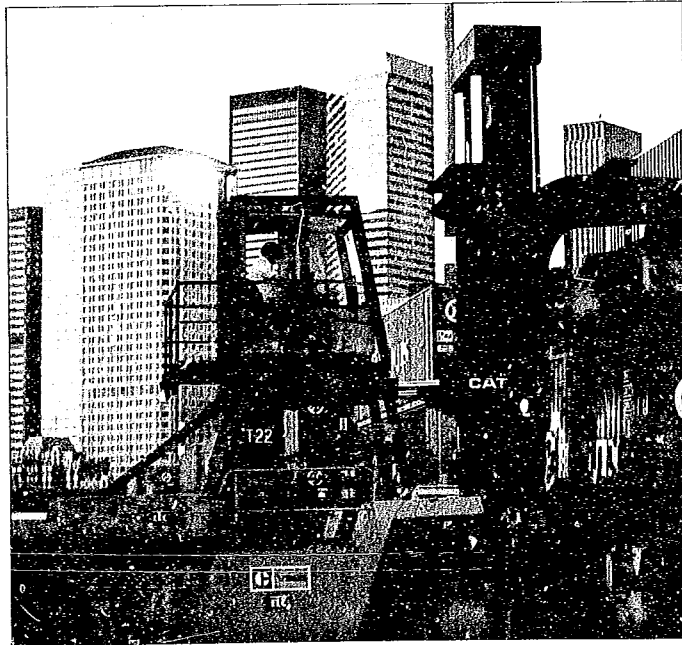
(far left) A record 15.2 million people traveled through Seattle-Tacoma International Airport in 1989. (left) An increasingly close working relationship between the Port and labor has contributed to steadily growing business through the harbor. (below) Shippers can choose from a complete menu of intermodal transportation services developed by the Port for both importers and exporters.

INNOVATIVE VALUE-ADDED SERVICES

The Port of Seattle is well-known in international transportation circles for its innovative and comprehensive value-added services developed for customers. In 1989, we continued to build upon that reputation.

DISTRIBUTION SERVICES. The Port further improved upon its unique value-added distribution services in 1989 by offering a new program for "fluffy" freight, which saved shippers \$1 million collectively, while adding more than \$1 million in new business. In all, the Port's Truck Contract Program in 1989 moved 92,000 shipments of exports and imports totaling 125,000 million pounds.

The Port developed the Truck Contract Program in 1981 in response to the deregulation of the trucking and rail industries, which created a complex, chaotic pricing system with little or no stability for shippers. Since 70 percent of the goods entering the Port are destined for distribution to inland markets, the Port took the initiative to establish a program to simplify and stabilize prices, and offer the kinds of services the industry had needed for a long time.



officials -- the whole gamut of individuals whose lives and jobs are affected by Port actions.

The Port has always taken that responsibility seriously by initiating the search for answers to problems often posed by growth. The Port has never been a passive player.

PUGET SOUND AIR TRANSPORTATION COMMITTEE. By bringing together citizens, business and government leaders from four counties, as well as members of the airline industry, the Port took the lead to set a direction for ensuring adequate air service capacity for the region beyond the year 2000, when Sea-Tac Airport is forecast to reach capacity.

AIRPLANE NOISE. With the Port's strong encouragement, Sea-Tac's fleet passed the half-way mark in 1989 in its use of aircraft modified to reduce noise emissions: 51 percent now use quieter Stage 3 aircraft. That's a significant improvement from just five years ago when only 18 percent of the fleet had the quieter planes.

The Port continued its mediation process with members of the communities throughout the Puget Sound region, airline pilots, the Federal Aviation Administration, the airlines, Airport users and the Port. The committee -- a "first" nationally -- is seeking ways to reduce aircraft noise over populated areas. As part of its ongoing Noise Remedy Program, the Port acquired an additional 91 homes and relocated 189 residents during 1989 to relieve those most severely impacted by aircraft noise. In addition, 80 homes were insulated from aircraft noise in 1989.

The total cost of the acquisition program since its implementation in 1974 approaches \$80 million. A total of 1,234 homes and parcels of property have been purchased; 1,035 residents have been relocated; 107 homes have been insulated against noise, and eight people received assistance in selling their homes after they were insulated.

COMMUNITY COOPERATION. Getting along with its immediate neighbors -- be they businesses, local governments or neighborhood groups -- received a high priority during the past decade, as the Port worked to build real bridges of understanding and cooperation with those closest to its operations.

Such an approach is the basis of an effort by the Port, begun in 1989, to explore the feasibility of funding and developing a south access road between Sea-Tac Airport and Interstate 5 to relieve local traffic congestion and getting even better connections with the interstate highway system. In a unique partnership between public agencies and local property owners, the Port gathered together nearby property owners and residents, representatives of

the City of SeaTac and Des Moines, METRO, King County and the Department of Transportation to address this problem. An opportunity exists to solve the growing traffic problems and, at the same time, promote economic development and plan for the future of the SeaTac community.

Solving problems which inevitably arise when homes are adjacent to busy marine terminals is the focus of the T-91 Neighbors Advisory Committee (NAC), which brings together Queen Anne and Magnolia residents with Port staff. NAC and the Port in 1989 celebrated six years of success, working on issues relating to Terminal 91.

The brand-new City of SeaTac, which nearly surrounds the Airport, was warmly welcomed in 1989 by the Port. Actions were taken immediately to resolve this new governmental entity's initiatives that could directly affect the lives of its citizens.

PUGET SOUND PORT COOPERATION

After years of head-to-head competition, the Ports of Seattle and Tacoma have recognized the importance of working together to increase this region's total market share, and in 1989 announced a roster of cooperative projects.

Potential cooperative programs are being evaluated in seven major areas: trade promotion, common systems, public education, joint planning, environmental issues, high-speed ferry service, and joint federal approaches. In addition, two joint projects were started: Development of a Community Cargo Release System for Puget Sound to eliminate paperwork bottlenecks for customers, and a Shared Foreign Sales Corporation to assist small exporters.

By exploring ways of doing things together that can't be done separately, the two ports are working to assure the state's future trade competitiveness. It also is expected that these cooperative ventures will offer spinoff benefits to other, smaller port districts in Washington State.



Today, shippers can choose from a complete menu of intermodal transportation services developed by the Port during the past decade, including a variety of trucking programs for importers and exporters of both marine and air cargo, as well as a rail program.

WAREHOUSING. The number of cartons entering and shipped out of the Port's warehouses in 1989 rose by 5 percent, to a high of 17.8 million, from 17 million the previous year. Today, the Port owns and operates three warehouses with more than 1.25 million square feet.

FOREIGN TRADE ZONE. Foreign Trade Zone status was conferred on 1,400 acres of Port property, incorporating virtually all services and facilities of the seaport and Sea-Tac. It was a giant leap from the previous 1.4-acre site, greatly expanding the variety of services the Port can offer to potential customers.

A GATEWAY TO THE CITY

A draft environmental impact statement (DEIS) for the Port's Central Waterfront Project was completed in 1989, paving the way for a Port Commission decision in 1990 on specific development plans for the 17 acres along the waterfront and east of Alaskan Way.

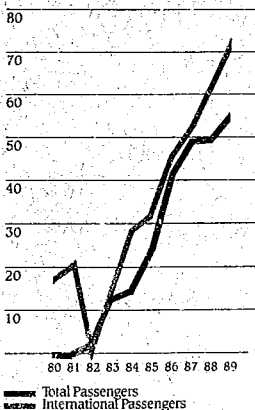
The Port purchased the various pieces of property in an effort to rehabilitate and revitalize an area which fell into disuse after maritime use of the central waterfront declined and the piers were abandoned.

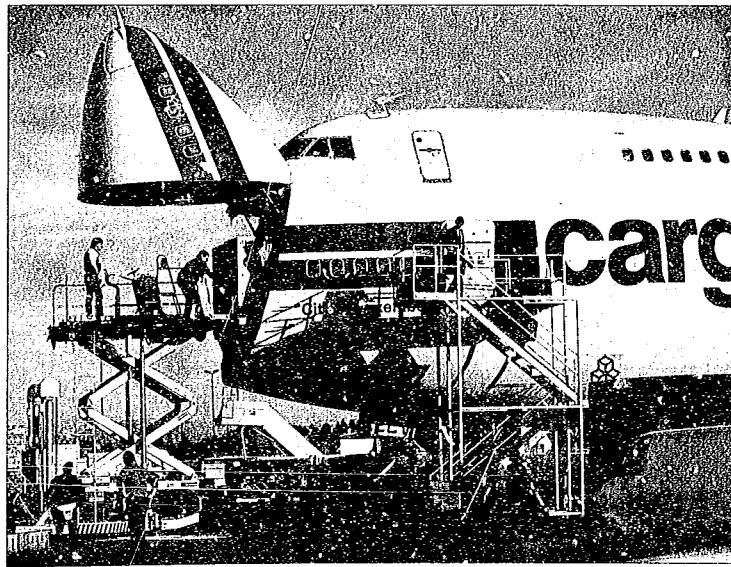
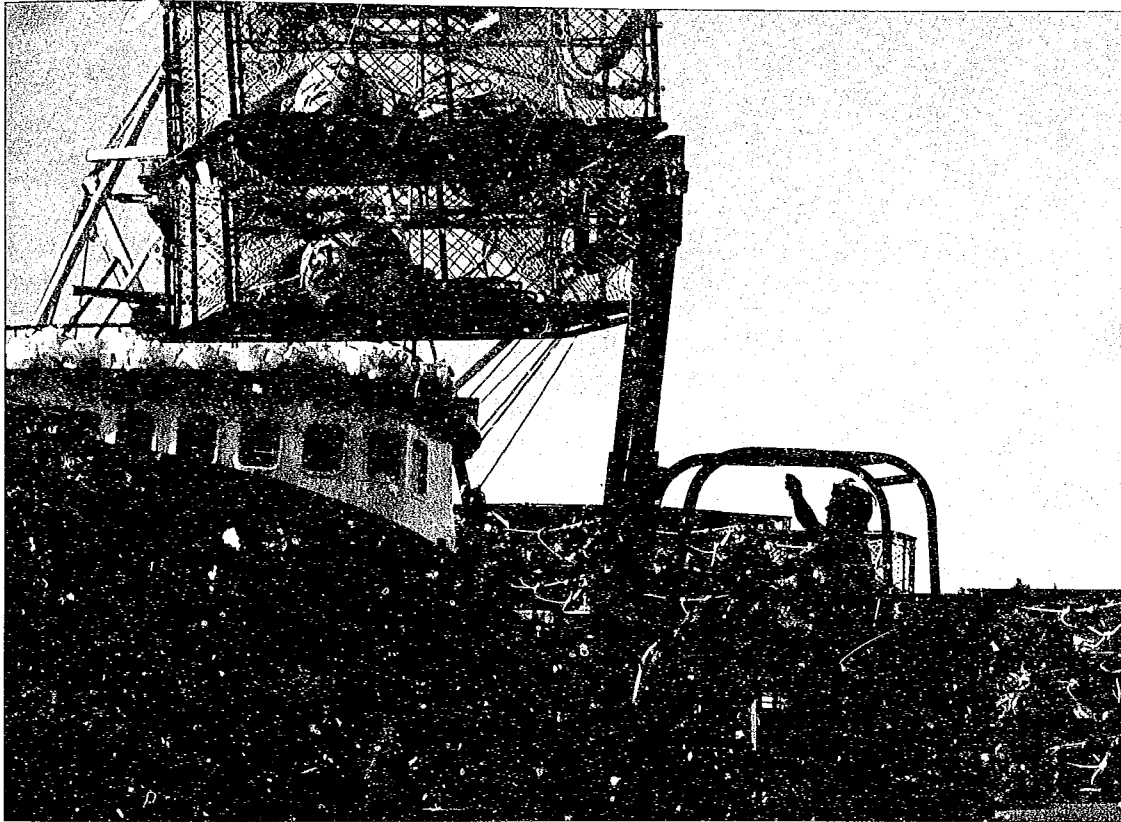
The DEIS evaluates four basic alternatives developed following several years of extensive community involvement. Guiding any development is the intent to provide public spaces and accessibility to the waterfront, promote water-dependent business and encourage round-the-clock use of the area.

A WORKING PARTNERSHIP

Along with growth comes even more responsibility to work as a partner not only with our customers but also with our neighbors, labor, King County citizens, business leaders, regional elected

Sea-Tac Passengers Percentage Rate of Growth





(opposite) The Port of Seattle operates the largest on-deck chill facility for fruit on the West Coast. (lower left) Container crane productivity for all terminals hit an all-time high in 1989, increasing by 41 percent the number of moves per hour over five years ago. (top) Fishermen's Terminal, the West Coast's premier fishing homeport, has been the base of the North Pacific fishing fleet for more than 75 years. (lower right) Seattle-Tacoma International Airport is the nation's No. 1 sea-air airport, accounting for 40 percent of the total U.S. sea-air market.

M O V I N G T O W A R D

A MESSAGE FROM THE EXECUTIVE DIRECTOR

W

hen I came to the Port of Seattle in 1989, I was attracted by the challenge of leading a port with a worldwide reputation as an innovator. To emerge a winner in today's highly competitive global economy, a port must be able to swiftly respond to volatile market conditions. To move quickly when it spots business opportunities.

It wasn't until I arrived here, however, that I fully appreciated the Port's history as a risk-taker and problem-solver. The Port of Seattle was founded to plan and develop vital waterfront land for the public good. In essence, a public enterprise to stimulate private business activity.

Since the existence of international trade in this region is neither preordained nor automatic, the Port has used its unique authority over the years to aggressively solicit and capture trade, to turn obstacles into opportunities.

As a result, when I arrived here I found a competitive Port with a solid base in the aviation, marine and fishing industries and an enviable international reputation for innovation and customer service.

In short, I found an excellent foundation to build upon as we move into the 1990s.

To know where we should go, it was necessary for the Port to look outside its headquarters' walls. The challenge to be competitive in global markets demands collaboration and cooperation among the private and public sectors, labor and management, education and business. And not just in the Puget Sound region. Success requires the building of bridges between Seattle and other international organizations and trade centers.

That's why I brought together not only staff, but also leaders in business, government and labor, as well as citizens within the region to formulate a long-range vision for the Port.

We took the opportunity to define just who we are, what we want to be, and how we're going to get there.

And what we decided is that we want to help make Seattle *the* international commercial center of the Pacific Northwest.

How do we get there? I hope the following helps to explain that.

OUR BASIC TOOLS. We will begin by building upon our core businesses in the marine and aviation industries, working to keep these industries strong by providing superior facilities and customer services. And I define "customer" more broadly than just those involved in the trading community. I believe Port customers include King County citizens, the regional business community, its governmental bodies, its educational institutions. We must work in partnership with *all* our customers to keep our core businesses healthy.

We recognize that the Port is a vital member of the total logistics chain in a door-to-door business, and what will differentiate us from the competition will be the value-added services we provide our customers. That's why we do not merely react to our customers' needs, but anticipate them. And then figure out a better way to serve them.



D S T H E F U T U R E

"NYK and the Port go back to 1896, when our *Mitsui Maru* sailed into Puget Sound and became the first vessel in your transpacific trade. We have stayed here quite simply because of the quality service we receive at a reasonable cost, including high labor productivity, state-of-the-art equipment and excellent inland transportation links. And we are impressed with the Port's constant search for improvement!"

Ike Nomoto, President
Nippon Yusen Kaisha
Tokyo, Japan



"The Port's strategic location, coupled with its successive investment and innovation of innovative programs, such as the Sea-Air program and the complementary Air/Truck program, has played a large role in our steady growth since we came to Seattle in 1981."

Martin Reindert, President
Martini Holland (N.V.)
Amsterdam, The Netherlands

Through the synergy of our seaport and Airport, we will continue to anticipate the need for new services, such as our successful Sea-Air Program and the Seattle Truck Contract Program. We also recognize that the Port is a vital member of the total logistics chain in a door-to-door business, and what will differentiate us from the competition will be the value-added services we provide our customers. There-

fore, we will emphasize Seattle as a distribution center not only for the Pacific Northwest, but also the United States and Canada.

I know that many businesses today are finally recognizing the value of providing customer service. That's something the Port has known for a long time. When trade does not flow naturally to your door, you quickly learn you must take care of your customers in order to get them—and keep them. That's why we do not just react to our customers' needs, but anticipate them. And then figure out a better way to serve them.

The Port has demonstrated the capability to develop the kinds of unique, value-added services needed to attract and capture customers, particularly in the marine and aviation industries.

PURSUE OTHER OPPORTUNITIES. With strong, state-of-the-art core businesses, we are in a position to invest in other activities which clearly support our goal of making Seattle an international commercial center. This includes commercial development activities—those which can help us in becoming an international center by using assets we have or should build. I am not talking about commercial development for its own sake because that would not support our key goal of becoming an international commercial center.

Our Central Waterfront Project is a good example of what I'm talking about. Here we have an opportunity not only to revitalize a significant portion of our city's doorstep, but to do so in a way that clearly enhances our ultimate goal. For instance, development of an International Conference Center, with sophisticated, simultaneous translation equipment, could help make Seattle a center for international conferences. Seattle would build a reputation as an important meeting place for diplomats, scientists and business leaders. The benefits to our universities, our businesses and citizens would be extraordinary.

AN INNOVATIVE LEADER. Talk of international communication logically flows to discussion of a teleport, which I believe represents the next step in port evolution. A teleport is a sophisticated telecommunications system that links regional businesses with other trade centers around the world through the use of satellites and a computer network.

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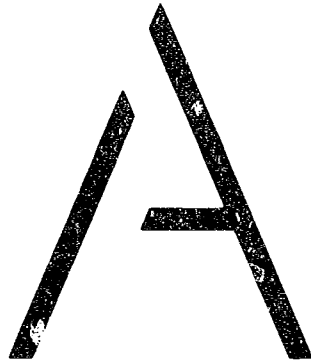
With strong core businesses, the Port is in a position to invest in other activities which clearly support our goal of making Seattle an international commercial center. Such as a world trade center, which would bring together people from around the globe to meet and transact business here. Or a teleport, which would link regional businesses with our trading partners around the world.



The Carter administration has
introduced a bill to
authorize the President to
suspend the arms embargo
on Cuba. The bill is
expected to pass the
House of Representatives
in the next few days.
The administration has
also announced that it
will review the arms
embargo on Cuba.
The administration has
also announced that it
will review the arms
embargo on Cuba.

James Earl
Ray
is
a
murderer.





teleport would serve the same function for the international movement of data that airports perform for airlines—provide common facilities that would be too expensive for individual operators to maintain. For large and small companies operating in dozens of fast-changing markets around the world, advanced global telecommunications is becoming a necessity of doing business. As companies' telecommunications

traffic grows and their needs become more sophisticated, teleports become a natural solution to high cost and complexity.

If there is significant need in the regional business community, we plan to act as a catalyst to develop such a teleport with private entrepreneurs.

A teleport is just one example of how we intend to use leading-edge technologies to maintain and enhance the Port's global reputation and competitive position as an innovative commercial, transportation and distribution center.

ECONOMIC VITALITY AND QUALITY OF LIFE. The Port of Seattle has often been cited as an engine which fuels our regional and state economies. In fact, fostering regional economic vitality is central to our mission. The critical question as we enter the 1990s and beyond is not whether to grow or not to grow. It is whether the change that growth brings is productive and desirable, and whether we can chart our own direction within that change.

Therefore, as we use our talents and resources to promote Seattle as the international commercial center of the Pacific Northwest, we need to undertake these challenges in the context of maintaining this region's values regarding the quality of life. Future decisions will have to be weighed against two equal and important considerations: Does this promote economic vitality for the region *and* preserve or enhance our quality of life?

When I first visited Seattle and the Pacific Northwest, I was struck by its natural beauty. I was delighted to observe kayakers and sea lions sharing the same waters as containerships. There are obvious reasons why the Pacific Northwest is becoming so popular—and all the more important that we must protect it.

At the same time, the issue of quality of life encompasses more than just the environment. It also covers work force issues. In other words, making certain our residents have the requisite skills they need to find employment. The fact is, this region already has more skilled jobs than it has skilled workers.

The challenge for us and others is to ensure that we have enough skilled workers to compete. That may involve training programs for those who have dropped out of school and the work force.

Quality of life is more than words at the Port of Seattle. It is a central part of our mission, recognizing that regional economic vitality cannot be achieved at the expense of quality lives for our citizens. Working to reduce noise, to assure a skilled work force and to keep Puget Sound clean are all part of this commitment.





"To be competitive in world markets, partnerships must be formed across the Fort, public, private, and academic sectors," said one of the speakers at the event. "The Fort's success depends on the community. We are creating ways to work together to create a more vibrant and inclusive community in King County, and then provide training to the Fort for all students. We need to work together to create a more vibrant and inclusive community. We are pleased with the work that the Fort is providing."

Chris Ortega, Director
Community Services
El Centro de la Raza
Seattle, Washington, U.S.A.

In today's society, traditional boundaries between cities, counties and other local jurisdictions increasingly are fading. Solutions to the region's complex issues today require a broader base of support. The Port intends to initiate and participate in productive, cooperative relationships with other ports, governments, unions, private industry and communities.

It certainly will mean striking out in new directions. But our future economic vitality—and quality of life—depend upon skilled workers, and the Port intends to play a leadership role in this area.

COOPERATIVE RELATIONSHIPS. Increasingly, traditional boundaries between cities, counties and other local jurisdictions are fading. Solutions to today's complex issues require a broader base of support. Sea-Tac Airport,

which serves an area considerably larger than King County, is a good example of that. How to meet the long-term air transportation needs of the Puget Sound region and the state is not a question the Port—or anyone—could answer alone. Yet no current mechanism exists to tackle the issue.

That's why the Port initiated the Puget Sound Air Transportation Committee, a multi-county, multi-government effort which also includes community, business and aviation representatives.

Together, we will find solutions for ensuring sufficient air travel capacity in the region's airport system into the next century.

It's the same idea with the region's other seaports. We have so many areas of mutual interest, and are moving forward with joint projects for the benefit of the region. These include Electronic Data Interchange (EDI) projects such as our Puget Sound Community Cargo Release System and joint marketing programs.

PUBLIC PARTNERSHIP. Maintaining a high level of public understanding of and confidence in Port activities is critical to our success. Without public support, we never could have taken the chances that made this Port what it is today. We need that public partnership not only because King County citizens pay a portion of their tax levy to support our activities, but also because we are here to act on behalf of the public to return *benefits* to them.

We have numerous programs which take us into the living rooms of individual homes to meet with neighborhood groups, or bring school children to the Port to learn about international trade. We meet regularly with members of service clubs and chambers of commerce.

We will continue to emphasize this responsibility; in fact, make it an important part of our everyday planning.

I believe the Port of Seattle is well-positioned not only to capitalize on the opportunities of the 1990s, but to create our own. Our ongoing strategic management effort is giving us the stability and direction we need to make long-term decisions, instead of just reacting to short-term crises.

I am convinced such an effort will make the difference between survival or prosperity.

Zeger J.J. van Asch van Wijck
Executive Director



MISSION AND GOALS STATEMENT

INTRODUCTION

The Port of Seattle is a public enterprise with unique authority operating in an international, market-driven environment. The Port provides services to its customers in order to return benefits to the citizens of King County, giving careful consideration to the economic, social and environmental implications of its decisions.

MISSION STATEMENT

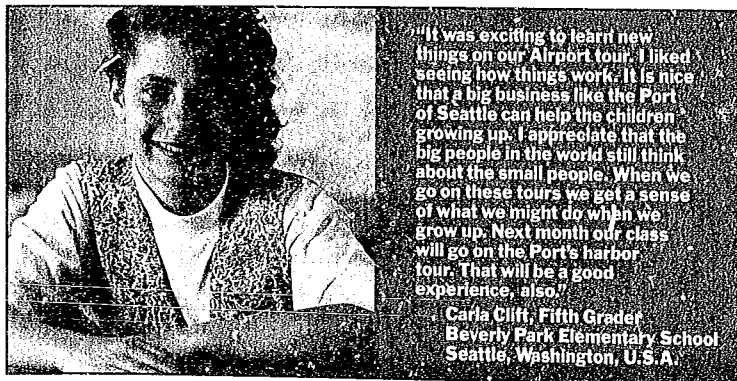
The Port of Seattle's primary mission is to be a leader in providing services and facilities to accommodate the transportation of cargo and passengers by air, water and land, and to provide a home for the fishing industry, to foster regional economic vitality and a quality life for King County citizens.

The Port will also pursue other opportunities if they enhance its ability to achieve its primary mission or if they preserve scarce land resources—marine or aviation—of unique value for Port uses.

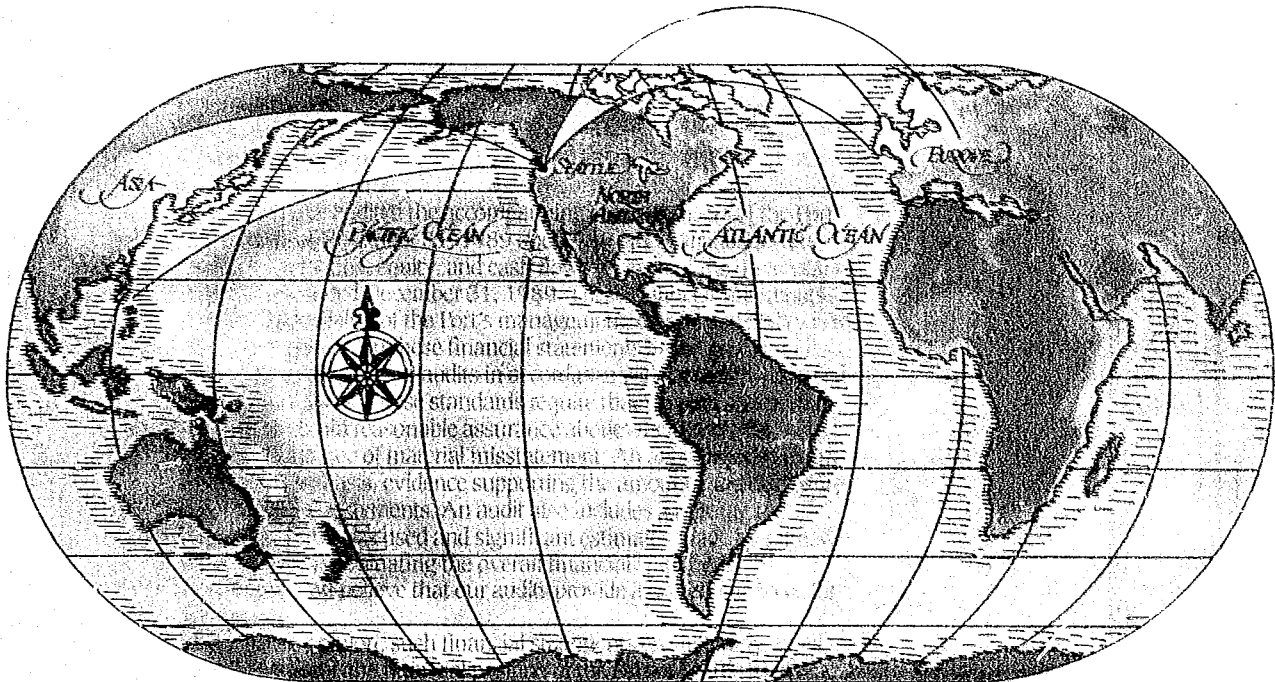
In accomplishing its goals, the Port will work as a partner with other public and private entities. The intent is to complement, rather than duplicate or compete with, the functions of general purpose governments or the private sector.

GOALS

- Provide excellent service to our customers.
- Maintain and enhance the Port's global reputation and competitive position as an innovative commercial transportation and distribution center.
- Create long-term benefits for the people of King County.



THE WORLD OF 1964



PORT OF SEATTLE FINANCIAL STATEMENTS 1989

INDEPENDENT AUDITOR'S REPORT

February 2, 1990

Port Commission
Port of Seattle
Seattle, Washington

We have audited the accompanying balance sheets of the Port of Seattle as of December 31, 1989 and 1988, and the related statements of operations, equity, and cash flows for each of the three years in the period ended December 31, 1989. These financial statements are the responsibility of the Port's management. Our responsibility is to express an opinion on these financial statements based on our audits.

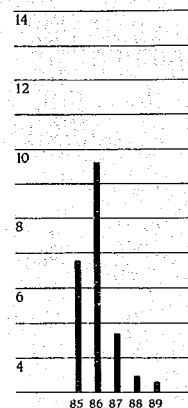
We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Port of Seattle as of December 31, 1989 and 1988, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1989 in conformity with generally accepted accounting principles.

Deloitte + Touche
Deloitte & Touche

E C A S T

Excess Revenue Over
Expense
Millions of Dollars



BALANCE SHEETS

ASSETS	December 31,	
	1989	1988
	(in thousands)	
LAND, FACILITIES AND EQUIPMENT, at cost	\$984,917	\$935,702
Less accumulated depreciation	240,664	213,258
Construction work in progress	744,253	722,444
Cash and cash equivalents restricted for debt service and acquisition of land, facilities and equipment	49,473	40,679
Investments and accrued interest restricted for debt service and acquisition of land, facilities and equipment		10,374
	30,219	26,766
	823,945	800,263
UNAMORTIZED BOND DISCOUNT AND DEFERRED FINANCE COSTS, net of accumulated amortization	4,539	4,934
CURRENT ASSETS:		
Cash and cash equivalents, including restricted amounts of \$7,849,923 and \$8,849,821	58,699	57,206
Investments, including restricted amounts of \$1,107,308 in 1989	15,466	17,675
Accounts and contracts receivable, less allowance of \$250,000 for doubtful accounts	11,929	10,928
Grant funds receivable	4,982	6,064
Taxes receivable	1,291	1,196
Maintenance supplies	2,991	2,757
Prepayments and other current assets	319	265
	95,677	96,091
	\$924,161	\$901,288

See notes to financial statements.

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

EQUITY AND LIABILITIES	December 31,	
	1989	1988
	(in thousands)	
EQUITY FROM:		
Operations	\$114,739	\$112,422
Taxation	372,164	344,482
Grants and donations	100,975	93,215
	587,878	550,119
LONG-TERM DEBT, less current maturities:		
Revenue bonds, net	249,381	263,965
General obligation bonds	33,185	36,530
	282,566	300,495
CURRENT LIABILITIES:		
Warrants outstanding	1,968	2,976
Accounts payable	9,902	8,417
Payroll and taxes	17,942	15,523
Bond interest payable	4,804	4,980
Lease deposits and customer advances	1,161	1,723
Current maturities of long-term debt	17,940	17,055
	53,717	50,674
COMMITMENTS AND CONTINGENCIES (Notes I and J)		
	\$924,161	\$901,288

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STATEMENTS OF OPERATIONS

(in thousands)	Year ended December 31,		
	1989	1988	1987
Revenue:			
Services	\$ 59,345	\$ 61,082	\$ 59,515
Property rentals	62,091	53,401	49,580
Other	7,595	7,875	8,827
	<u>129,031</u>	<u>122,358</u>	<u>117,922</u>
Expense:			
Operations	51,423	47,407	44,066
Depreciation	29,133	26,790	26,027
Revenue bond interest	16,803	17,400	17,258
Maintenance	15,747	15,619	13,507
Administration	10,532	9,628	8,942
Marketing	2,297	2,004	1,930
Engineering	1,403	1,519	1,153
Other	273	415	310
	<u>127,611</u>	<u>120,782</u>	<u>113,193</u>
EXCESS OF REVENUE OVER EXPENSE	\$ 1,420	\$ 1,576	\$ 4,729

See notes to financial statements.

STATEMENTS OF EQUITY

STATEMENTS OF EQUITY (in thousands)	Operations	Taxation	Grants and donations
BALANCE, JANUARY 1, 1987	\$104,368	\$296,487	\$ 76,423
Ad valorem tax levy, including supplements and cancellations		25,078	
Excess of revenue over expense	4,729		
General obligation bond interest		(2,223)	
Federal grants-in-aid funds			10,831
Transfer of depreciation on Federal grant assets	870		(870)
BALANCE, DECEMBER 31, 1987	109,967	319,342	86,384
Ad valorem tax levy, including supplements and cancellations		27,333	
Excess of revenue over expense	1,576		
General obligation bond interest		(2,193)	
Federal grants-in-aid funds			7,710
Transfer of depreciation on Federal grant assets	879		(879)
BALANCE, DECEMBER 31, 1988	112,422	344,482	93,215
Ad valorem tax levy, including supplements and cancellations		30,032	
Excess of revenue over expense	1,420		
General obligation bond interest		(2,350)	
Federal grants-in-aid funds			8,657
Transfer of depreciation on Federal grant assets	897		(897)
BALANCE, DECEMBER 31, 1989	<u>\$114,739</u>	<u>\$372,164</u>	<u>\$100,975</u>

See notes to financial statements.

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STATEMENTS OF CASH FLOWS

(in thousands):	Year ended December 31,		
	1989	1988	1987
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$145,434	\$143,190	\$140,536
Cash paid to suppliers and employees	(101,796)	(99,996)	(97,803)
Payment in lieu of taxes	(3,881)	(3,539)	(3,386)
Other operating expense	(1,144)	(1,189)	(248)
Net cash provided by operating activities	38,613	38,466	39,099
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(58,556)	(51,604)	(63,433)
Principal paid on revenue bonds	(13,815)	(13,090)	(12,315)
Principal paid on general obligation bonds	(3,240)	(3,045)	(2,850)
Interest paid on revenue bonds	(17,383)	(17,929)	(18,413)
Interest paid on general obligation bonds	(2,299)	(2,112)	(2,144)
Proceeds from sale of capital assets	75	739	152
Interest received on invested bond proceeds	180	631	1,309
Property tax levy receipts	30,416	27,659	25,393
Grant fund receipts	9,739	4,293	11,737
Bond issuance costs	(197)	(158)	(226)
Escrow receipts		529	619
Net cash used in capital and related financing activities	(55,080)	(54,087)	(60,171)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	(34,221)	(20,264)	(38,629)
Proceeds from sale and maturities of investment securities	33,579	20,132	49,428
Interest received on investments	8,299	7,162	7,224
Installment contract receipts		122	1,152
Investment costs	(71)	(97)	(66)
Net cash provided by investing activities	7,586	7,055	19,109
NET DECREASE IN CASH AND CASH EQUIVALENTS			
	(8,881)	(8,566)	(1,963)
CASH AND CASH EQUIVALENTS:			
Beginning of year	67,580	76,146	78,109
End of year	\$ 58,699	\$ 67,580	\$ 76,146

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 1989, 1988 and 1987.

NOTE A—ACCOUNTING POLICIES:

The Port of Seattle is a municipal corporation created through enabling legislation by consent of the voters within the Port district. The Port has no stockholders or equityholders. All revenues or other receipts must be disbursed in accordance with provisions of various statutes and agreements with the holders of its bonds.

The Port's general obligation bonds provide for the payment of principal and interest from ad valorem taxes levied upon all property within the Port district. Accordingly, general obligation bond interest is presented in the financial statements as a charge against equity from taxation. Ad valorem taxes received by the Port are accounted for as a contribution to equity and are utilized for the acquisition or construction of facilities or for the retirement of general obligation bonds which were issued for the acquisition or construction of facilities. Since the taxes are not used for operations but for the purposes previously described, they are substantially similar to contributions received in aid of construction and have been accounted for in a like manner.

The Port has, at various times, received Federal grants-in-aid funds for construction of airport and waterfront facilities. Depreciation from all assets is shown in the statements of operations, and depreciation applicable to assets acquired with grants-in-aid funds is transferred from equity from operations to equity from grants and donations.

Land, facilities and equipment are stated at cost, less accumulated depreciation. Costs applicable to noise damages and air rights, together with the cost of litigation, generally are capitalized as a cost of the property. Beginning January 1, 1988, depreciation is computed on a straight-line basis, except for airport facilities described below, with full recognition of gains and losses on disposal included in the statement of operations. In prior years, depreciation was computed on a straight-line basis using the group method, and gains and losses were credited or charged directly to accumulated depreciation. The change was determined to have an immaterial impact on the financial statements. Buildings and improvements are assigned lives of 30 to 50 years, equipment six to 20 years, and furniture and fixtures five to ten years.

Airport facilities constructed or acquired with proceeds from revenue bonds are to be recovered under the provisions of a contract with the tenant airlines. The contractual agreement with the airlines provides that they will pay annual charges which are based on the net cost of operating the airport plus the required debt service on the revenue bonds. The Port utilizes a method of accounting for the agreement which is similar to that utilized for long-term contracts wherein costs are accrued ratably as revenue is earned in accordance with contract provisions. Accordingly, the investment in airport facilities is being amortized on the basis of an annual charge which approximates the excess of annual debt service over the annual interest on the revenue bonds.

Eligible Port employees earn sick leave and vacation annually depending on length of service. A stipulated maximum of sick leave and vacation may be accumulated by employees. Terminated employees are entitled to be paid for unused vacation and, under certain conditions, a portion of unused sick leave. These benefits are accrued as earned. Additionally, the Port provides life insurance benefits for retired salaried employees. The Port recognizes the cost of these benefits by expensing monthly premiums when paid.

It is the Port's intention to hold investments to maturity except when early liquidation results in higher yields.

For purposes of the statements of cash flows, the Port has elected to adopt the provisions of the Governmental Accounting Standards Board's Statement Number 9. It is the Port's policy to consider all short-term investments with a maturity at date of purchase of three months or less to be cash equivalents.

Certain reclassifications of prior years' balances have been made to conform with the current year presentation.

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NOTE B—LAND, FACILITIES AND EQUIPMENT:

Land, facilities and equipment consist of the following (in thousands)—

	December 31,	
	1989	1988
Land	\$271,614	\$261,073
Facilities and improvements	597,731	570,312
Equipment, furniture and fixtures	115,572	104,317
	984,917	935,702
Less accumulated depreciation	240,664	213,258
	\$744,253	\$722,444

NOTE C—SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION:

A reconciliation of excess of revenue over expense to net cash provided by operating activities is as follows (in thousands)—

	Year ended December 31,		
	1989	1988	1987
Excess of revenue over expense	\$ 1,420	\$ 1,576	\$ 4,729
Adjustments to reconcile excess of revenue over expense to net cash provided by operating activities:			
Depreciation	29,133	26,790	26,027
Revenue bond interest	16,803	17,400	17,258
Loss (gain) on sale of assets	1,541	92	(287)
Gain on sale of investments		(31)	(173)
Investment expense	72	64	63
Provision for doubtful accounts	76	104	146
Miscellaneous income	(104)	(104)	(1,513)
Other tax receipts	(479)	(293)	(355)
Interest income	(8,480)	(7,795)	(7,900)
Overhead allocation to construction projects	(2,809)	(95)	(2,537)
	37,173	38,018	35,461
Changes in assets and liabilities—			
Accounts and contracts receivable	(1,001)	(566)	973
Maintenance supplies	(234)	(148)	(211)
Prepayments and other current assets	(54)	(183)	(56)
Warrants outstanding	(1,008)	(537)	1,918
Accounts payable	1,485	(1,153)	(59)
Payroll and taxes	2,419	1,828	1,556
Lease deposits and customer advances	(562)	807	(887)
Unamortized bond discount and deferred finance costs	395	400	404
	1,440	448	3,638
Net cash provided by operating activities	\$38,613	\$38,466	\$39,099

A reconciliation of cash and cash equivalents reflected in the statement of cash flows to the balance sheet is as follows (in thousands)—

	Current assets	Restricted assets	Statement of cash flows total
Cash and cash equivalents, January 1, 1989	\$57,206	\$10,374	\$67,580
Net increase (decrease)	1,493	(10,374)	(8,881)
Cash and cash equivalents, December 31, 1989	\$58,699	\$ —	\$58,699

NOTE D- DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:

The King County Treasurer is the ex officio treasurer of the Port of Seattle and, as such, makes investments at the direction of Port management. State investment statutes authorize King County to invest primarily in certificates of deposit issued by Washington State financial institutions, obligations of the U.S. Treasury, agencies and instrumentalities, repurchase agreements and bankers' acceptances issued in the secondary market.

DEPOSITS

The County holds all certificates of deposit in safekeeping in its vault. Certificates of deposit in excess of the \$100,000 Federal Deposit Insurance Corporation (FDIC) insurance limitation are collateralized by the financial institutions in the State of Washington Public Deposit Protection Commission (PDPC) pool. Deposits are carried at cost plus accrued interest.

	December 31, 1989	
	Carrying amount	Bank balance
Insured—FDIC	\$302,497	\$300,000
Collateralized—PDPC	657,400	650,000
	\$959,897	\$950,000

INVESTMENTS

The County's safekeeping bank, or its New York agent, takes possession of all investment securities including the underlying securities for all repurchase agreements. King County's investment policies require that securities underlying repurchase agreements must have a market value of at least 102% of the cost of the repurchase agreement for terms less than 30 days and 105% for terms in excess of 30 days. The County does not invest in repurchase agreements in excess of 60 days. Investments are carried at cost plus accrued interest, except for assets held under the deferred compensation plan, which are carried at market value.

	December 31, 1989	
	Carrying amount	Market value
U.S. Treasury Bills	\$ 5,879,935	\$ 5,875,299
U.S. Treasury Notes	28,647,212	28,008,058
FHLB	6,172,166	6,010,625
Bankers' acceptances	21,836,416	21,836,416
Repurchase agreements	33,109,272	33,109,272
	\$95,645,001	\$94,839,670

NOTE E—ACCOUNTING FOR LEASES:

Minimum future rental income on noncancellable operating leases on marine terminal facilities is as follows (in thousands)—

Year ending December 31,	
1990	21,006
1991	20,189
1992	17,209
1993	15,841
1994	12,154
1995 and later years	213,726
	\$300,125

A significant portion of the marine terminal land, facilities and equipment is leased to tenants under operating leases.

Due to the nature of the contractual agreement with tenant airlines as discussed in Note A, minimum rentals applicable to airport leases which are accounted for as operating leases are not determinable.

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NOTE F—LONG-TERM DEBT:

The outstanding long-term debt as of December 31, 1989 consists of the following (in thousands)—

	Earliest call or year last series matures	Long-term portion	Current maturities
Revenue bonds:			
4.50% - 6.00%	1999	\$ 13,265	\$ 1,165
8.40 - 10.50	1999	20,080	1,400
5.25 - 5.70	2001	84,291	5,615
4.00 - 8.25	2001	65,095	4,515
5.20 - 6.50	2009	43,150	1,000
Variable (5.9% - 6.3% at December 31, 1989)	2005	23,500	900
		<u>\$249,381</u>	<u>14,595</u>
General obligation bonds:			
4.50% - 5.25%	1990	\$ —	1,270
5.00 - 5.60	1997	8,385	1,075
Variable (7.25% at December 31, 1989)	2004	24,800	1,000
		<u>\$33,185</u>	<u>3,345</u>
			<u>\$17,940</u>

The general obligation bonds and interest thereon are payable from ad valorem taxes. The revenue bonds are secured by a pledge of gross revenues of the Port, payable from funds transferred to the Revenue Bond Redemption Fund prior to payment of maintenance and operating costs. At December 31, 1989, cash and marketable securities of \$35,203,000 were restricted for this purpose.

Interest costs capitalized were \$815,187 in 1989, \$712,845 in 1988 and \$1,113,900 (net of interest income of \$251,300) in 1987. As required by Statement of Financial Accounting Standards No. 62, interest income earned on funds provided from tax-exempt debt issued after August 31, 1982 was accounted for as a reduction of interest costs capitalized.

Aggregate annual principal payments on long-term debt for the next five years are as follows (in thousands)—

1990	17,940
1991	17,770
1992	19,030
1993	20,080
1994	21,295

The Port filed a preliminary official statement on February 2, 1990 for the sale of \$151,000,000 of revenue bonds. The proceeds from the sale of these bonds will be used to finance necessary capital improvements and to refund certain debt obligations presently outstanding.

NOTE G—PENSION PLANS:

All permanent Port employees, other than those covered under union plans, participate in one of two defined benefit plans, the Public Employees Retirement System of the State of Washington (PERS) or the Law Enforcement Officers and Firefighters Retirement System of the State of Washington (LEOFF). Both plans are multiple-employer public employee retirement systems. On December 31, 1989, the Port had 747 covered employees in the PERS system and 62 covered employees in the LEOFF system out of 1,210 total Port employees. Covered and total payrolls for the year ended December 31, 1989 were \$27,966,641 and \$41,879,902, respectively.

The PERS and LEOFF systems each consist of two separate plans which contain various eligibility and benefit provisions that fall within the following ranges—

Eligibility:	
Age	55 - 65
Years of service	5 - 30
Benefits	1% to 2% of final average salary for each year of membership service

Required contributions to the various plans as a percentage of salary are as follows—

	Employee	Employer
PERS (Plan I)	6.00%	6.50%
PERS (Plan II)	4.70	6.50
LEOFF (Plan I)	6.00	6.22
LEOFF (Plan II)	7.60	4.78

The Port made employer contributions to the plans at the rates above totalling \$1,753,010 in 1989, \$1,544,000 in 1988 and \$1,745,000 in 1987 in accordance with state funding requirements. Employee contributions in 1989 to PERS and LEOFF totalled \$1,379,476 and \$170,996, respectively.

The systems do not make separate measurements of assets and pension benefit obligations for individual employees. The most recent actuarial information concerning the PERS and LEOFF systems as a whole is set forth below.

	PERS	LEOFF
Most recent valuation date	12/31/89	12/31/88
	(dollars in millions)	
Actuarial present value of credited projected benefits	\$6,731	\$3,030
Net assets available for benefits (at market value)	\$5,296	\$2,127
Unfunded actuarial present value of credited projected benefits	\$1,435	\$903
Remaining funding period for unfunded present value	36.5 years	21 years

Ten-year historical trend information showing the systems' progress in accumulating sufficient assets to pay benefits when due is presented in the systems' December 31, 1989 actuarial valuation.

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NOTE H--DEFERRED COMPENSATION PLAN:

The Port offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is available to all salaried employees of the Port and to wage employees as negotiated. The plan permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Port (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Port's general creditors. Participants' rights under the plan are equal to those of general creditors of the Port in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the Port's legal counsel that the Port has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Port believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

The fair market value of plan assets and the corresponding liability of \$6,776,000 in 1989 and \$5,524,000 in 1988 are recorded in the financial statements.

NOTE I--CONTINGENT LIABILITIES:

The Port is a defendant in various legal actions and claims which arise during the normal course of business, some of which may be covered by insurance. Although certain lawsuits and claims are significant in amount, the final dispositions are not determinable and, in the opinion of management, the outcome of any litigation of these matters will not have a material effect on the financial position or results of operations of the Port.

NOTE J--COMMITMENTS:

As of December 31, 1989, the Port has authorized or made commitments for the acquisition and construction of facilities on the waterfront and at Sea-Tac International Airport as follows (in thousands)--

Funds committed:	
Marine terminals	\$ 32,328
Airport facilities	34,106
Funds authorized:	
Marine terminals	10,828
Airport facilities	150,603
	<hr/>
	\$227,865

NOTE K--INDUSTRIAL DEVELOPMENT CORPORATION OF THE PORT OF SEATTLE:

During 1982, the Port Commission of the Port of Seattle authorized the establishment of the Industrial Development Corporation of the Port of Seattle, a public corporation the purpose of which is to issue tax-exempt nonrecourse revenue bonds to finance industrial development within the corporate boundaries of the Port. The Corporation may construct and maintain industrial facilities which it leases or sells to industrial users. Revenue bonds issued by the Corporation are payable from revenues derived as a result of the industrial development facilities funded by the revenue bonds. The bonds are not a liability or contingent liability of the Port or a lien on any of its properties or revenues other than industrial facilities for which they are issued. At December 31, 1989, industrial revenue bonds outstanding totalled \$41,985,000, which were issued for the purposes of acquiring, constructing and renovating transshipment and manufacturing facilities.

NOTE L—INDUSTRY SEGMENT INFORMATION:

The Port's operations consist of marine terminals and the airport. Financial information by segment for the year ended December 31 is as follows (in thousands):—

	1989			1988			1987		
	Marine terminals	Airport	Total	Marine terminals	Airport	Total	Marine terminals	Airport	Total
Operating revenues	\$ 50,728	\$ 70,708	\$121,436	\$ 46,797	\$ 67,685	\$114,482	\$ 45,598	\$ 63,497	\$109,095
Income from operations before revenue bond interest	\$ 6,088	\$ 17,995	\$ 24,083	\$ 4,837	\$ 18,750	\$ 23,587	\$ 5,682	\$ 19,225	\$ 24,907
Revenue bond interest	(6,785)	(10,018)	(16,803)	(6,893)	(10,507)	(17,400)	(7,204)	(10,054)	(17,258)
Income (loss) from operations	\$ (697)	\$ 7,977	7,280	\$ (2,056)	\$ 8,245	6,187	\$ (1,522)	\$ 9,171	7,649
Other revenue, net			7,321			7,460			8,517
Administrative expense (including administrative depreciation)			(13,181)			(12,071)			(11,437)
Excess of revenue over expense			\$ 1,420			\$ 1,576			\$ 4,729
Identifiable assets	\$499,881	\$409,295	\$909,176	\$484,629	\$401,822	\$886,451	\$476,482	\$393,896	\$870,378
Cash, investments and facilities not identifiable to an industry segment			14,985			14,837			11,308
			\$924,161			\$901,288			\$881,686
Depreciation	\$ 15,323	\$ 11,220		\$ 14,082	\$ 10,270		\$ 14,124	\$ 9,408	
Capital expenditures	\$ 34,557	\$ 23,999		\$ 26,607	\$ 25,663		\$ 27,031	\$ 36,405	
Total debt (including current maturities)	\$141,310	\$159,196	\$300,506	\$149,938	\$167,612	\$317,550	\$158,071	\$175,073	\$333,144

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FINANCIAL REVIEW AND FORECAST

In 1989, Port of Seattle operating revenues increased 6.1 percent within a highly competitive business environment. Total revenues increased 5.5 percent.

Expenses rose 5.7 percent due primarily to a \$4.0 million increase in operating expense and a \$2.3 million increase in depreciation expense.

The Report on Examination of Financial Statements for the years ended December 31, 1989, 1988 and 1987 prepared by Deloitte & Touche, Certified Public Accountants, is included on the following pages.

TOTAL REVENUE. Total revenue for 1989 amounted to \$129.0 million, which represents an increase of 5.5 percent over 1988. Marine revenues increased \$3.9 million or 8.4 percent, while aviation revenues increased \$3.0 million or 4.5 percent.

TOTAL EXPENSE. Total expense for 1989 amounting to \$127.6 million reflected an increase of 5.7 percent from 1988. Marine operating and maintenance expense increased \$1.2 million or 4.6 percent, while aviation operating and maintenance expense increased \$3.0 million or 7.9 percent.

EXCESS REVENUE OVER EXPENSE. The excess of revenue over expense for the year 1989 amounted to \$1.4 million, which represents a decrease of \$156 thousand from 1988.

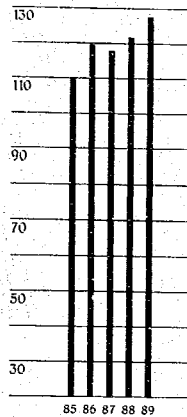
LONG-TERM DEBT. The Port did not issue debt during 1989. Long-term debt was reduced \$17.0 million, or 5.4 percent. The Port's debt coverage ratio remains a strong 2.37, well in excess of the Port's bond covenant requirement of 1.35.

CAPITAL EXPENDITURES. Capital expenditures for 1989 amounted to \$58.6 million compared to \$51.6 million for 1988. This is an increase of \$7.0 million, or 13.5 percent. Over the five-year period ending December 31, 1989, net capital improvements totalled \$321 million for an average annual expenditure of \$64 million.

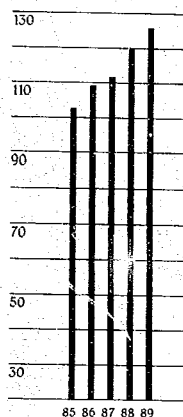
Seattle waterborne trade, which is mainly oriented toward Asia, will show advances. Export growth is expected to outpace import gains. The long-term future expectation for waterborne trade through the Seattle Harbor is for sustainable growth.

International air passenger traffic achieved record levels in 1989, as did air freight. Total air passenger traffic registered a 5.1 percent gain. Continued growth is anticipated in the air transportation sector for the upcoming year.

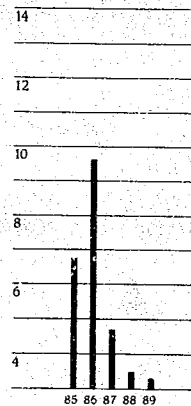
Total Revenue
Millions of Dollars



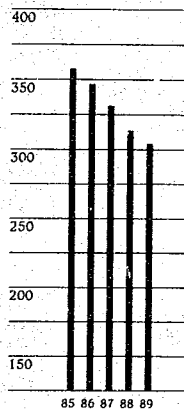
Total Expense
Millions of Dollars



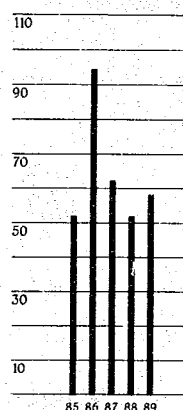
Excess Revenue Over
Expense
Millions of Dollars

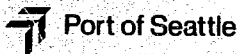


Long-Term Debt
Millions of Dollars



Capital Expenditures
Millions of Dollars





Port of Seattle

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& Port Auditor*
Frank H. Clark
Director, Marine Division
Andrea Beatty Riniker
Director, Aviation Division
Dan Dingfield
Director of Development
Stephen A. Sewell
General Counsel
Lynn Taylor
Director of Public Information

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Port of Seattle

May 29, 1990

file w/ City Clerk

 NORWARD J. BROOKS Seattle City Comptroller RECEIVED <i>[Signature]</i> JUN 01 1990						
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The Honorable Norward Brooks
 Seattle City Comptroller
 1200 Municipal Building
 600 Fourth Avenue
 Seattle, WA 98104

Dear Mr. Brooks:

I am pleased to present the Port of Seattle 1989 Annual Report.

It details a year of strong business accomplishments, capping a decade of successful performance.

It also describes a year of new directions and new initiatives. A vigorous strategic management planning effort was led by Zeger van Asch van Wijck, who took over as our executive director at the beginning of 1989.

As a result, we have mapped out where our Port will be heading in the nineties and on into the next century. Central to our redefined mission are three goals:

- * Providing excellent service to our customers,
- * Maintaining and enhancing the Port of Seattle's position as an international gateway and commercial center, and
- * Creating long term benefits for the people of King County.

That's why this year's Annual Report focuses not only on the happenings of 1989 and the previous decade, but also on where this Port is headed in the future and why.

I hope you will take the opportunity to review this report and share the pride and excitement we feel in our past accomplishments and in our global future.

Sincerely,

Patricia Davis

Patricia Davis, President
 Port of Seattle Commission

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