

CAPITAL DEVELOPMENT DIVISION

A. 2015 BUDGET SUMMARY

TABLE VII-1: 2015 BUDGET SUMMARY

(\$ in 000's)						
OPERATING RESULTS	Notes	2013 Actual	2014 Budget	2015 Budget	Change 2015 Bud- 2014 Bud	% Change 2015 Bud- 2014 Bud
Operating Revenue		\$ 26	\$ -	\$ -	\$ -	NA
Total Revenue		\$ 26	\$ -	\$ -	\$ -	NA
Operating Expense		\$ 14,554	\$ 17,000	\$ 18,194	\$ 1,194	7.0%
Total Operating Expense	1	\$ 14,554	\$ 17,000	\$ 18,194	\$ 1,194	7.0%
COMMITTED CAPITAL BUDGET	2	\$ 295	\$ 537	\$ 1,607	\$ 1,070	199.3%
EMPLOYMENT (TOTAL FTEs)		274.3	285.1	300.1	15.0	5.3%

CAPDEVSUM.XLS

Notes:

- 1) 2014 Budget includes the transfer of Construction Labor Group from Corporate to Capital Development Division.
- 2) See Section X for details of The Capital Budget.

B. DIVISION MISSION STATEMENT

MISSION:

The Capital Development Division (CDD) delivers projects and provides technical and contracting services in support of the business plans and infrastructure needs of the Port of Seattle.

VISION:

The CDD is a service provider to the business divisions of the Port, attuned to their needs and priorities. As Port employees we are public servants, conscious of our obligations to policy objectives for jobs creation, environmental protection and social responsibility and committed to openness and accountability for all our actions. We strive to employ the best available technology and most efficient business practices. Our employees are critical to short and long-term success of the organization.

STRATEGIES & OBJECTIVES:

Portwide STRATEGY: Implement Century Agenda Strategies: Position the Puget Sound region as premier international logistics hub

Objective 1: Grow Seaport annual container volume to more than 3.5M TEU's (Big Ship Ready)		
Performance Measures	Performance Target	Actions/Initiatives
T5 Berth Modernization Program (Dock, Berth, Power)	Achieve 90% design by end of Q4 2015	Conduct monthly stakeholder meetings to review progress and address challenges with scope, schedule, or budget

		Develop construction bid documents
Terminal 46 development program (including storm water improvements and dock upgrades)	Complete stormwater construction phase by Q2 2015	Manage construction contract Continue development of other lease commitment elements in close coordination with sponsor and tenant

Portwide STRATEGY: Implement Century Agenda Strategies: Advance this region as a leading tourism destination and business gateway

Objective 1: Support and develop Aviation’s business plan projects that meet the region’s needs for the next 25 years		
Performance Measures	Performance Target	Actions/Initiatives
Reconstruct Runway 16C/34C to replace aging concrete and add new technologies	Complete runway replacement of project by Q4 2015 and Complete taxiways and redesigned intersection at Runway 16L/34R and Taxiways H and J by Q4 2016	Manage project within budget and schedule
Renew aging landside infrastructure	Extend existing facilities life cycle by 20 years Achieve Federal Highway Administration Seismic Retrofitting Requirements	Manage projects within budget and schedule to achieve: <ul style="list-style-type: none"> • Complete South 160th Ground Transportation Lot Q1 2016 • Complete Service Tunnel renewal and replacement project Q3 2018
Provide an efficient and updated baggage system that incorporates new technology and efficient conveyor systems necessary to improve system performance and allow for future growth	Meet TSA security requirements (PGDS design standards), airline approvals of MII ballots, energy savings, and system capacity for 60 million annual passengers	Manage program and projects within budget and schedule to achieve: <ul style="list-style-type: none"> • Design Complete Q4 2015 • Phased construction completions through 2021
Progress all NorthSTAR program elements for completion by Q2 2020	Complete NorthSTAR program by 2020, including all North Satellite improvements	Manage program and projects within budget to achieve following schedule: <ul style="list-style-type: none"> • Concourse C Vertical Circulation Project construction completed by Q2 2015 • Associated Concourse C Vertical

	(eight additional jet bridge-equipped gates, additional concessions, adequate hold rooms, circulation, baggage system capability, and a new Alaska Board Room to meet passenger demand at a level of service to exceed IATA level C)	<p>Circulation AAG Tenant Improvement Work and eGSE relocations and reinstallations construction completed by Q2 2015</p> <ul style="list-style-type: none"> • Baggage System construction completed by Q2 2015 • Complete 100% design for renovation of NorthSTAR North STS Lobbies Project by Q1 2016 • Complete 100% design for renovation of North Satellite by 2016 • Complete 100% design for NorthSTAR Main Terminal Improvements by Q1 2017 • Complete Main Terminal construction by Q3 2018 • Complete STS Lobby construction by Q1 2020 • Complete North Satellite construction by Q1 2020
Increase performance and coverage of CCTV system	System upgrade in place using TSA grant funds by Q3 2016 Cameras included on new construction in high risk areas (ongoing)	<p>Manage project within budget and schedule to achieve:</p> <ul style="list-style-type: none"> • Install first phase of cameras, video system upgrade and mapping by 2016
Continuous electrical service availability for the Airport	Re-establishment of Airport electrical service within 1 hour after disruption from the grid by Q3 2018	<p>Manage project within budget and schedule to achieve:</p> <ul style="list-style-type: none"> • Present project to Commission, AAAC, and achieve affirmative MII ballot before end of Q1 2015 • Receive Commission authorization for full design by end of Q2 2015 • Complete Generator facility project by Q3 2017 • Complete SCADA controls project by Q3 2018
Traveler and operational Wi-Fi infrastructure capacity for 60 million annual passengers (MAP)	Travelers experience zero ‘drops’, and tenants and operating entities can connect easily to the cabling infrastructure	<p>Manage project within budget and schedule to achieve:</p> <ul style="list-style-type: none"> • Complete Concourse C by Q4 2015 • Complete remaining concourses and main terminal by 2016 • Complete ramp Wi-Fi and security cameras by Q2 2017 • Plan and implement further improvements on “just-in-time” schedule in future years

Objective 2: Develop Aviation’s business plan projects to make Sea-Tac Airport the West Coast “Gateway of Choice” for international travel		
Performance Measures	Performance Target	Actions/Initiatives
International Arrivals Facility designed and constructed to meet established program objectives	<ul style="list-style-type: none"> • Complete selection of Design-Build team by Q3 2015 • Construction begins 2016 • New facility opens Q4 2018 (to be confirmed) 	Manage program/projects within budget and schedule to achieve milestones listed
Facility improvements necessary to reduce processing time in existing FIS	APC kiosk additions for 50% reduction in primary inspection time Add wide body gates accessible to FIS Hardstand arrival facility completed	Manage projects within budget and schedule to achieve: <ul style="list-style-type: none"> • Add APC kiosks to accommodate additional eligible foreign national guests Q1 2015 • Construct 12th and 13th FIS gates in SSAT Q2 2015 • Commission Hardstand Arrivals Facilities Improvements Q2 2015
South Satellite refurbishment	Final design of project can begin in 2017	Develop staffing and resource approach to achieve milestones: <ul style="list-style-type: none"> • Analysis of SSAT refurbishments prepared by end of Q4 2015 • Prepare project scoping document (notebook), cost estimate, schedule, etc. by Q2 2016 for subsequent capital project(s)

Portwide STRATEGY: Implement Century Agenda Strategies: Use our influence as an institution to promote small business growth and workforce development

Objective 1: Increase the proportion of funds spent by the port with qualified small business firms on construction, goods and services to 40 percent of the eligible dollars spent		
Performance Measures	Performance Target	Actions/Initiatives
Ensure small works contracts are in place to meet the needs of the operating divisions	A minimum of one small works contract per trade with dollar capacity is in place at all times	<ul style="list-style-type: none"> • Bid open order contracts in advance of the work • Prepare plans and specifications for lump sum small works contracts • Keep small works roster updated
Promote opportunities for doing business with the port	40% funds on Port contracts small businesses	<ul style="list-style-type: none"> • Update categories on PeopleSoft for accurate accounting of small business

		<ul style="list-style-type: none"> • Outreach to Disparity Study List of interested vendors • Promote “networking” opportunities immediately following pre-proposal/pre-bid meetings by allowing time and a meeting room location for proposers bidders to meet/greet
Educate small businesses about doing business with the Port to promote opportunities		<ul style="list-style-type: none"> • Participate in Port 101 workshops for small businesses to understand how to successfully do business at the Port
Objective 2: Increase workforce training, job and business opportunities for local communities in trade, travel and logistics		
Performance Measures	Performance Target	Actions/Initiatives
Promote construction apprenticeship opportunities	<ul style="list-style-type: none"> • 15% of craft hours to apprentices, of which • 15% to minorities • 10% to women 	<ul style="list-style-type: none"> • Tailor apprenticeship goals to construction types in contracts • Monitor and report achievement both on PLA and non-PLA contracts • Encourage and recognize achievement on the part of employers and unions

Portwide STRATEGY: Implement Century Agenda Strategies: Be the greenest and most energy efficient port in North America

Objective 1: Restore, create, and enhance 40 additional acres of habitat in the Green/Duwamish watershed and Elliott Bay		
Performance Measures	Performance Target	Actions/Initiatives
Create 13 acres of habitat at T117 by 2016	Move project to construction execution in 2015	<ul style="list-style-type: none"> • Ready-to-bid in Q1 2015 • NTP by Q3 2015 • Manage construction contract
Objective 2 (Division level): Meet all increased energy needs through conservation and renewable sources.		
Performance Measures	Performance Target	Actions/Initiatives
Electric Ground Support Equipment	All phases of eGSE stations installed and 90% of all GSE vehicles use electricity by 2019	Manage project within budget and schedule to achieve milestone
Green Buildings/LEED	New Airport buildings achieve high levels of environmental performance in energy, building materials, water conservation and indoor environmental quality	Manage project within budget and schedule to achieve: <ul style="list-style-type: none"> • Complete LEED strategy and begin certification process for NSAT by Q1 2015, integrate into project and obtain certification by 2020 <ul style="list-style-type: none"> ○ NSAT: Incorporate major sustainable building components, systems and interactive passengers

	Achieve LEED certification for IAF and NSAT	<p>experience features by 2020</p> <ul style="list-style-type: none"> Integrate Aviation Division's IAF LEED recommendation fully into IAF design by Q2 2016
Annual electrical consumption in average megawatts (aMW)	<17.539 aMW	<p>Manage projects within budget and schedule to achieve milestones:</p> <ul style="list-style-type: none"> Complete garage lighting conservation project: floors 1 and 4 by 2016, floors 2-3 by 2017, floors 5-6 by 2018, and floors 7-8 by 2019 Complete central mechanical plant mechanical conservation stage 3 project by 2016 Complete design and installation of Smart Facility Management System by 2016
Provide a contracting mechanism to evaluate, design, and construct energy conservation methods Port-wide	Establish process no later than Q3 2015	Establish an approved Port-wide Energy Service Company (ESCO) list to measure consumption and evaluate energy conservation as requested by Port departments

Portwide STRATEGY: Consistently live by our values through our actions and priorities

Objective 1: Align Leadership, People and Systems with Strategic Priorities and Plans		
Performance Measures	Performance Target	Actions/Initiatives
PREP Plans include clear performance and development goals and are completed on time	98% are completed within 30 days of anniversary date and 100% are completed with 60 days	Managers and direct reports meet quarterly to ensure understanding of goals and timely submittal of PREPs
Complete a refresh of SPM and AVPMG positions by end of 2015	PMG staff document existing job responsibilities for evaluation by HRD	Managers and staff anticipate and prepare for refresh effort in 2015
Work continuity and succession planning	Develop work continuity and succession plan for department managers and senior staff	Work with HRD and department managers to develop this plan in 2015
Health and Safety Plan Audit	Score 90 or above	Safety regular topic in staff meetings, assigned safety representative, construction safety awareness training for all project managers

Objective 2: Strengthen a High Integrity, Continuous Improvement Culture		
Performance Measures	Performance Target	Actions/Initiatives
Identify and implement work process improvements	Identify and execute at least one effort to improve project delivery efficiency in SPM	Project will focus on selected area within SPM Project Delivery Process Manual
Identify and implement work process improvements	Complete review and implementation of at least one process to improve efficiency in AVPMG	Use new management analyst position to review status of open and pending positions and set priorities for improvement by Q3 2015
Evaluate opportunities to use technology for contracting and printings	Review and make determination/changes by Q4 2015	Managed Print Services Electronic bidding for Small Works and Major Construction
Incorporate mobile technology into construction management business processes	Implement by end of Q1 2015	Leverage new construction document management system functionality to streamline workflows and leverage the use of iPads/iPhones/PC tablets
Implementation of upgrade to construction document management system	Implement by Q2 2015	Work closely with ICT to implement the new system and migrate from old system
Implement new General Conditions for construction contracts	Complete by Q1 2015	Complete all SOP updates and training for full implementation on all construction contracts
Objective 3: Increase Organizational and Individual Ownership for Safe and Secure Work Practices and Healthy Living		
Performance Measures	Performance Target	Actions/Initiatives
Fishermen's Terminal Net Shed Buildings	Complete planned improvements by year-end 2015	Continue extensive communications and coordinate with PCS and FT customers to complete interior net locker improvements on schedule Manage construction contract to completion

Portwide STRATEGY: Manage our finances responsibly

Objective 1: Generate New Revenue By Increasing Property Utilization		
Performance Measures	Performance Target	Actions/Initiatives
Advance site plan update at Shilshole Bay Marina	Implement recommendations from site plan updated in 2014	SPM will support Real Estate Division in implementing both landside and marina improvements at SBM
Managing the project funding encumbrance	No more than 10% of the completed contracts have not been closed in PeopleSoft within 6 months of specified time (contract expiration for Service Agreement and Purchasing)	Close out contracts in PeopleSoft in a timely manner to free up encumbrances
Objective 2: Grow Seaport Revenue		
Performance Measures	Performance Target	Actions/Initiatives
Revenue growth for Commercial moorage increase	Open for barge moorage by Q2 2015	Manage construction contract to complete construction of P34 Mooring Dolphins
Objective 3: Develop Aviation Division business plan projects to increase Airport Dining & Retail sales per enplanement		
Performance Measures	Performance Target	Actions/Initiatives
Sales per Enplanement	\$12.60 by end of 2018	<p>Manage projects within budget and schedule to achieve:</p> <ul style="list-style-type: none"> • Initiate first construction contract for infrastructure work identified in Terminal Utility Upgrade Project (Phase 1) by end of Q3 2015 • Convert 6000 sq. ft. of underutilized and/or vacant terminal space and bring into revenue-generating service in accordance with the terminal block plan in the ADR Master Plan with improvements initiated by end of Q3 2015 • Complete re-demising of units in ADR Master Plan (phasing and leasing plan elements) Phase I by end of Q4 2015 in preparation for new leasing in 2016-2017

		<ul style="list-style-type: none"> Relocate and expand terminal support space for food service and retail in conjunction with Baggage Optimization Project Initiate first construction contract for infrastructure work identified in Terminal Utility Upgrade Project (Phase 2) by end of Q1 2017 Finalize planning and design for infrastructure to support new dining and retail in North Satellite by end of 2016
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Portwide STRATEGY: Exceed customer expectations

Objective 1: Solicit, receive and act on customer feedback		
Performance Measures	Performance Target	Actions/Initiatives
Meet customer expectations for procurement timeliness	75% of procurements meet agreed schedules	Commit to and meet milestones
Continued improvement by incorporating lessons learned in SPM Project Delivery Processes	100% of projects receive customer feedback via scorecard process	Engage customers to provide detailed feedback on various phases of project delivery
Objective 2: Successful implementation of new project delivery method		
Performance Measures	Performance Target	Actions/Initiatives
IAF program/projects stay within established budget and schedule	No negative adjustments to budget or schedule after established with Commission in early 2015	<ul style="list-style-type: none"> Validation of budget and schedule by selected Design-Build team by Q3 2015 Stakeholder engagement process established with senior management support and fully communicated to all involved staff and management by Q1 2015 Stakeholder engagement process followed and does not delay project or impose additional costs

Portwide STRATEGY: Support port mission with implementation of port divisions’ business plans

Objective 1: Improve procurement timeliness, responsiveness and efficiency		
Performance Measures	Performance Target	Actions/Initiatives
Implement changes developed as a result of the procurement efficiency review and improve team effectiveness during procurements	Evaluate and revise procurement processes and procedures	<ul style="list-style-type: none"> • Revise CPO-1; Develop and conduct training on delegation authority; evaluation process, contract management, developing more efficient flowcharts, etc. • Select portions of processes for improvement (CPI events; JDI) • Revise Port-level policies such as Resolution 3605, Equal Benefits Resolution, Consultant vs FTE analysis • Expand electronic submissions and bidding • Assume greater responsibility for Cat 1 and 2 service agreements • Revise Purchasing contracts • Conduct more procurement training • Revise Procurement timeliness metrics

KEY PERFORMANCE INDICATORS/MEASURES

Key Performance Indicators/Measures	2013 Actual	2014 Goal	2015 Goal
A. Implementation Century Agenda Strategies			
1) Small Business Participation - Annual (port-wide)	30%	30%	35%
2) Small Business Participation - Annual / Small Works (port-wide)	75%	90.0%	90.0%
3) Small Business Participation - Annual / Major Construction (port-wide)	35.9%	50.0%	50.0%
4) Small Business Participation - Annual / Goods & Services	10.6%	12.0%	12.0%
5) Small Business Participation - Annual / Service Agreements	27.6	30.0%	30.0%
B. Consistently Live by Our Values Through Our Actions and Priorities			
1a) Safety (Annual only)	93%	90.0%	97.0%
1b) Construction contractor recordable accident rate, goal = 4	4.72	5	4
1c) Construction contractor lost-time accident rate, goal = 2	0	2	2
1d) Port employee OIR (Occupational Incident Rate), goal = 2	2.77	3	2
2) Environment - Annual (Annual only)	95%	100.0%	100.0%
3) PREP Timeliness	76%	98.0%	98.0%
C. Manage Our Finances Responsibly			
1) Construction Soft Costs - Total Soft Costs (36 mos. avg)	25%	25.0%	25.0%
2) Construction Soft Costs - Total Construction Costs (36 mos. avg)	75%	75.0%	75.0%
D. Exceed Customer Expectations			
1) Customer Score Card - Annual (Annual only)	94.2%	85.0%	85.0%
2) Procurement Schedule - Major Public Works (Avg # days)	77	-	70
3) Procurement Schedule - Small Works (Avg # days)	54	-	45
4) Procurement Schedule - Goods & Services (Avg # days)	55	-	TBD
5) Procurement Schedule - Service Agreements (Avg # days)	169		TBD
E. Support Port Mission with Implementation of Port Divisions' Business Plan			
1) Construction Cost Growth - Discretionary Change	1.9%	5.0%	5.0%
2) Construction Cost Growth - Mandatory Change	6.5%	5.0%	5.0%
3) Project Schedule Growth - Design	13.4%	10.0%	10.0%
4) Project Schedule Growth - Construction	24.8%	10.0%	10.0%
5) Project Status - On Schedule / On Budget	48.5%		60%
6) Project Status - Either Schedule or Budget Off	49.5%		40%
7) Project Status - Both Schedule and Budget Off	2%		0

C. KEY FUNCTIONS & RESPONSIBILITIES

OVERVIEW:

The three operating divisions of the Port are supported by the CDD based on level of project and contracting services required to support their operations and capital and expense project needs. The services by the departments within the division are demand driven.

AVIATION PROJECT MANAGEMENT GROUP (AVPMG):

- Deliver capital and expense projects for Aviation Division on time, within budget, meeting agreed scope, and with minimal and mutually-agreed impacts on airport operations.
- Ensure that procurement meets requirements of State law, Port policies and procedures, federal grants, and other controlling regulations.
- Assist Aviation Division in initial project scoping, cost estimation, and development of project alternatives.

CENTRAL PROCUREMENT OFFICE (CPO):

- Manage the procurement process for all construction contracts, professional and personal service contracts, and goods and service contracts to ensure compliance with legal mandates.
- Draft and/or review change orders and amendments to ensure compliance with contract provisions, adequate content and procedural compliance; execute change orders.
- Provide advice and assistance in contract management, addressing performance problems.
- Review service directives to ensure compliance with contract provisions.
- Close out contracts, ensuring that all closing submittals have been received.
- Provide notification to Commission, with respect to public works contracting, as required to be in compliance with state law and Resolution 3605.
- Provide training and outreach on procurement and contract issues, including developing appropriate small business programs and opportunities.

ENGINEERING (ENG):

- Design and technical support for Port projects and facilities
 - Civil/Structural and Mechanical/Electrical design, analysis and CAD drafting
 - Seismic risk analysis and condition assessment of facilities
 - Central repository for all project drawings, as-built and soils information
 - Maintain technical master specifications
 - Quality Assurance/Quality Control/Quality review
- Construction management for all major construction projects and tenant construction oversight
 - Pre-construction services
 - Field observation/inspection and quality compliance checks
 - Change order management, disputes and claims resolution
 - Construction coordination with Port operations/tenants
 - Construction document management
 - Management of Project Labor Agreements (PLA)
- Construction safety compliance for all construction projects and provide orientation training
- Surveying and mapping of all Port properties
 - Topographic and hydrographic surveys
 - Legal descriptions and lease line layouts
 - Utility locates/mapping and aerial mapping
 - GIS data gathering
- Emergency Response and Declaration of Emergency Support

PORT CONSTRUCTION SERVICES (PCS):

- Management of Asbestos Abatement in support of construction projects
 - Review RMM design
 - Provide project monitoring and quality control
 - Manage project abatement
- Management of the Asbestos Operations & Maintenance program
 - Provide RMM tenant support
 - Provide RMM maintenance support
 - Make periodic inspections
 - Provide RMM routine housekeeping
 - Provide asbestos awareness training
 - Provide indoor air quality and mold inspections
- Construction Management of small works projects
 - Track project schedule and budgets
 - Prepare estimates
 - Prepare work authorizations and service directives
 - Perform construction quality inspections
- Small works construction
 - Provide craft labor resources (carpenters, laborers, operators, etc.)
 - Provide construction equipment (pick-up trucks, dump trucks, heavy equipment, small tools, etc.)
 - Maintain construction yard

SEAPORT PROJECT MANAGEMENT GROUP (SPM):

- Complete capital and expense projects at the best value to the Port, within approved budgets and within defined project scope.
- Support Real Estate and Seaport Divisions beyond projects including: budget plan development; business planning; asset management and reporting; community outreach; negotiations; contracting; and technical support and assistance.
- Support Capital Development Division by: coordinating with other CDD departments; complying with regulatory agencies; following policies, procedures, and guidelines; and responding to audit inquiries.
- Support the Real Estate and Seaport Divisions in development of a comprehensive asset management plan by providing technical expertise and services as needed.

D. CAPITAL DEVELOPMENT DIVISION BUDGET SUMMARY

The Capital Development Division is driven by the Port's Capital Program. As a service provider to the operating divisions of the Port, we size ourselves to their needs and priorities, delivering projects and technical and contracting services. Additionally, we strive continually to improve our processes.

Overall, capital costs increased \$3.3M or 11.3% from 2014 budget. In 2015, the International Arrivals Facility and NorthSTAR projects are fully engaged, requiring additional staff, equipment, space and consultants, plus a significant increase in Small Works construction contracts and charges to capital.

The move of the Construction Labor Group to CDD supports our policy objectives for job creation, plus openness and accountability. This also contributed to increased Salary & Benefits costs.

Operating expense costs are \$1.2M or 7.0% from 2014 budget. Besides added personnel costs, we see growing costs for budgeted expense projects in support of the business divisions, such as the Fishermen's Terminal Net Sheds, Terminal 5 Crane Sales, eGSE Relocation, Air Cargo Road Safety Improvements, Construction Logistics Expansion.

TABLE VII-2: CAPITAL DEVELOPMENT EXPENSE BY DEPARTMENT

(\$ in 000's)		2013	2014	2015	% Change
BY DEPARTMENT	Notes	Actual	Budget	Budget	2015 Bud- 2014 Bud
EXPENSES BEFORE CHARGES TO CAP/GOVT/ENVRS PROJECTS					
Capital Development Administration		\$ 380	\$ 404	\$ 419	3.7%
Central Procurement Office		5,020	5,332	5,604	5.1%
Engineering		13,304	16,346	17,524	7.2%
Port Construction Services		7,192	7,556	8,165	8.1%
Project Management Group - Aviation		7,285	13,260	16,350	23.3%
Project Management Group - Seaport		2,518	3,236	2,550	-21.2%
Total Expenses Before Charges to Cap/Govt/Envrs Projects		35,699	46,134	50,612	9.7%
CHARGES TO CAPITAL/GOVT/ENVRS PROJECTS					
		(21,145)	(29,134)	(32,418)	11.3%
OPERATING & MAINTENANCE EXPENSE					
Capital Development Administration		380	404	419	3.7%
Central Procurement Office		3,351	3,609	3,119	-13.6%
Engineering		4,999	5,490	5,637	2.7%
Port Construction Services		3,390	3,310	3,609	9.0%
Project Management Group - Aviation		1,157	2,601	4,583	76.2%
Project Management Group - Seaport		1,276	1,587	828	-47.8%
Total Operating Expenses	1	\$ 14,554	\$ 17,000	\$ 18,194	7.0%

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Notes:

- 1) 2014 Budget includes the transfer of Construction Labor Group from Corporate to Capital Development Division.

FIGURE VII-1: CAPITAL DEVELOPMENT EXPENSE BY DEPARTMENT

(\$ in 000's)

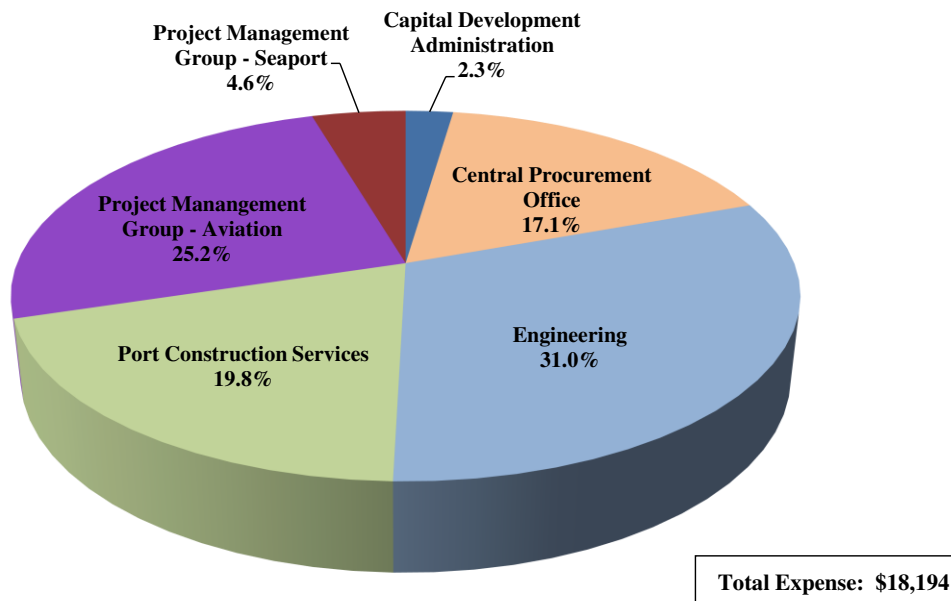


TABLE VII-3: REVENUES AND EXPENSES BY ACCOUNT

(\$ in 000's)		2013	2014	2015	% Change
BY ACCOUNT	Notes	Actual	Budget	Budget	2015 Bud- 2014 Bud
Revenue					
Other Revenue		\$ 26	\$ -	\$ -	0.0%
Total Revenue		26	-	-	0.0%
Expense					
Salaries, Wages, Benefits & Workers Compensation		29,465	35,300	37,947	7.5%
Equipment Expense		371	578	1,298	124.6%
Utilities		38	77	138	78.7%
Supplies & Stock		471	537	905	68.7%
Outside Services		4,029	8,970	9,235	2.9%
Travel & Other Employee Expenses		298	455	456	0.3%
Promotional Expenses		1	4	6	50.0%
Other		1,026	214	627	193.5%
Total O&M		35,699	46,134	50,612	9.7%
Charges to Capital/Govt/Envrs Projects		(21,145)	(29,134)	(32,418)	11.3%
Total Expense	1	\$ 14,554	\$ 17,000	\$ 18,194	7.0%

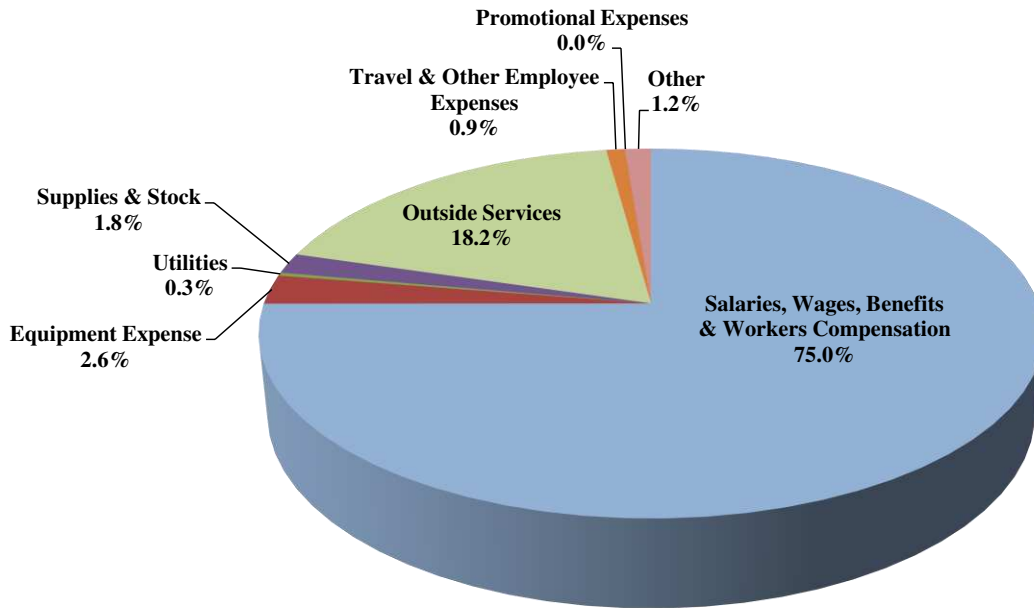
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Notes:

- 1) 2014 Budget includes the transfer of Construction Labor Group from Corporate to Capital Development Division.

FIGURE VII-2: CAPITAL DEVELOPMENT EXPENSE BY ACCOUNT

(\$ in 000's)



Total Before Charges to Capital/Govt/Envrs Projects: \$50,612
Charges to Capital/Govt/Envrs Projects: \$32,418
Total Expense: \$18,194

E. STAFFING

The following TABLE VII-4 depicts the proposed staffing requirements for 2015 by department for the Capital Development Division: Capital Development is budgeting 300.1 FTEs, which is 15 more than 2014 budget.

TABLE VII-4: CAPITAL DEVELOPMENT DIVISION STAFFING

STAFFING (Full-Time Equivalent Positions)		2013	2014	2014	2015	% Change
BY DEPARTMENT	Notes	Actual	Budget	Est. Act.	Budget	2015 Bud - 2014 Bud
Capital Development Administration		2.0	2.0	2.0	2.0	0.0%
Central Procurement Office	1	37.0	37.0	39.0	40.0	8.1%
Engineering	2	119.5	120.5	120.5	125.0	3.7%
Port Construction Services	3	50.0	50.3	50.3	50.3	0.0%
Aviation Project Management	4	48.8	57.3	59.3	65.8	14.8%
Seaport Project Management	5	17.0	18.0	18.0	17.0	-5.6%
TOTAL CAPITAL DIVISION		274.3	285.1	289.1	300.1	5.3%

FTE.XLS

Notes:

- 1) Central Procurement Office added 2 Limited Duration Contract Administrators and a 1 Sr. Contract Admin/LEAN.
- 2) Engineering added 1 Asset, Facility and Financial Specialist, received 1 PLA Specialist, CLG & Labor Relations Manager, Sr. CG Program Manager, and Administrative Staff Assistant.
- 3) Port Construction Services moved 1 Regular Wage employee to Temporary Wage status.
- 4) Aviation Project Management reclassified 1 Cost Engineer to Sr. Cost Engineer, added 1 Capital Project Mgr. 1 (ADR), 1 Program Controls Manager, 1 Sr. Administrative Assistant, 1 AVPMG Cost Estimator, 2 Cost Engineers, 1 Management Analyst
- 5) Seaport Project Management deleted 1 Project Manager Limited Duration position.

F. CAPITAL BUDGET

Please see Corporate section, VIII – F, for Capital Development Capital Budget information.

G. CAPITAL DEVELOPMENT DIVISION SUMMARY

TABLE VII-5: CAPITAL DEVELOPMENT DIVISION SUMMARY

(\$ in 000's)	Actual 2013	2014		Budget 2015	Growth 2015 Bud- 2014 Bud	
		Budget	Forecast			
OPERATING BUDGET	Notes					
Operating Revenue	\$ 26	\$ -	\$ -	\$ -	NA	
Operating Expense	14,554	17,000	15,614	18,194	7.0%	
Total Operating Expense	1	14,554	17,000	18,194	7.0%	
Income from Operations		\$ (14,528)	\$ (17,000)	\$ (15,614)	7.0%	
CAPITAL SPENDING	2	\$ 295	\$ 537	\$ 258	\$ 1,607	199.3%
TOTAL FTEs		274.3	285.1	289.1	300.1	5.3%

capdevhist.xls

Notes:

- 1) 2014 Budget includes the transfer of Construction Labor Group from Corporate to Capital Development Division.
- 2) See Table VIII-5, Corporate section for total capital growth from 2015-2019. See Section X for details of Capital Budget.

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