Port of Seattle

2027 Preliminary Budget

2027 Preliminary Budget

Prepared by the Finance
and Budget Departments

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January 01, 2026

Christopher P. Morrill

Executive Director

Table of Contents

I - Executive Summary 1
Port Business Outlook 2
2027 Key Initiatives and Budget Drivers 3
Budget Summary 4
Aviation Division 4
Maritime Division 4
Economic Development Division 4
The Northwest Seaport Alliance 4
Operating Budget 4
Aviation 5
Maritime 5
Economic Development 5
Central Services 5
Capital Budget 5
Tax Levy 6
2027 Budget Highlights 6
Table I-1: 2027 Budget Summary 7
Table I-2: Cash Flow Summary 8
Figure I-1: Sources of Cash 9
Figure I-2: Uses of Cash 9
II – PORT VIEW 10
A. The Port of Seattle 11
B. History of The Port of Seattle 11
C. Port of Seattle Facilities and Services 12
Figure II-1: Facility Map 13
D. Century Agenda Goals 14
Our Mission 14
Our Vision 14
Our Commitment 14
E. Century Agenda Goals and Objectives 15
Century Agenda and Annual Business Plans/Budgeting Process 16

Figure II-2: Port-wide Strategic Alignment under the Century Agenda 16
Commissioners and Officers 17
F. Organization Chart 18
Figure II-3: Organization Chart 18
III – BUDGET OVERVIEW 19
A. Financial Overview 20
Table III-1: Port of Seattle Financial Forecast 20
B. Operating Budget Overview 20
Table III-2: Revenues, Expenses, and Net Assets 22
Table III-3: Revenues By Major Businesses 23
Figure III-1: Revenues By Major Businesses 23
Table III-4: Expenses By Major Accounts 24
Figure III-2: Expenses By Major Accounts 24
C. Staffing Overview 25
Table III-5: Port Staffing by Division 26
Figure III-3: Port Staffing by Division 26
D. Capital Budget Overview 27
Table III-6: Capital Budget 27
Figure III-4: Committed Capital Budget 27
E. Tax Levy 28
Figure III-5: Tax Levy vs. Millage Rate 2015-2027 28
F. Equity In Budgeting 29
IV – AVIATION 30
A. 2027 Budget Summary 31
Table IV-1: Aviation Cash Flow Summary 31
Figure IV-1: Aviation Sources of Cash 32
Figure IV-2: Aviation Uses of Cash 32
Financial Forecast 33
Table IV-2: Aviation Financial Forecast 33
Table IV-3: Aviation Key Measures 34
B. Aviation Division Description/Business Assessment 35
Mission & Vision: 35
Major/New Initiatives: 35

Division Description: 35
Industry Assessment: 35
Business Assessment/Drivers: 35
Challenges and Opportunities: 37
C. Operating Budget Summary 38
Background 38
Overview of Major Changes in 2027 Budget 38
Revenues 38
Operating Expense Drivers 39
Table IV-11: Aeronautical Business 44
Table IV-12: Aeronautical Cost Drivers – Rate Base Only 45
Aeronautical Cost Driver Highlights (Change compared to 2026 Revised Budget): 45
Table IV-13: Non-Aeronautical Business 47
Non-Aeronautical Highlights (change compared to 2026 Revised Budget): 47
Table IV-14: Non-Aeronautical Key Indicators 48
Table IV-15: Aviation Revenue by Account 49
Figure IV-4: Aviation Revenue by Account 49
Table IV-16: Aviation Operating & Maintenance Expenses by Account 50
Figure IV-5: Aviation Expense by Account 51
Table IV-17: Aviation Revenue by Business Group/Department 52
Table IV-18: Aviation Expense by Business Group/Department 53
D. Staffing Overview 54
Table IV-19: Aviation Staffing 54
Table IV-20: Full-Time Equivalent (FTEs) – Summary of FTE Changes 55
Figure IV-6: Aviation FTEs 55
E. Aviation Capital Budget 56
Table IV-22: Aviation Capital Improvement Program (CIP) 56
Table IV-23: Aviation Capital Projects 57
Table IV-24: Aviation Approved New Projects 59
Table IV-25: 2027-2031 Capital Spending Forecast by Category 61
Figure IV-7: 2027-2031 Capital Spending Forecast by Category 62
Table IV-26: Aviation Capital Budget Summary 63
Figure IV-8: Aviation Capital Budget 63

F. Aviation Division Operating Statistics 64
Table IV-27: Aviation Division Operating Statistics 64
V – MARITIME 65
2027 Budget Summary 66
Table V-1: Maritime Cash Flow Summary 66
Figure V-1: Maritime Sources of Cash 67
Figure V-2: Maritime Uses of Cash 67
A. Financial Forecast 68
Table V-2: Maritime Financial Forecast 68
B. Maritime Division Description/Business Assessment 68
Mission & Vision: 68
Major/New Initiatives: 68
Division Description: 69
Industry Assessment: 69
Business Assessment: 71
Challenges and Opportunities: 73
C. Operating Budget Summary 76
Background 76
Assumptions 76
Operating Revenue 76
Operating Expense Drivers 79
Table V-5: Maritime Operating & Maintenance Expenses by Account 79
Figure V-4: Maritime Expense by Account 80
Table V-6: Maritime Revenue and Expense by Business Group/Department 81
D. Staffing Overview 82
Table V-7: Maritime Staffing 82
E. Maritime Capital Budget 83
Table V-8: Maritime Capital Budget Summary 83
Figure V-5: Maritime Committee Capital Budget 83
F. Maritime Division Operating Statistics 84
Table V-9: Maritime Operating Statistics 84
VI – ECONOMIC DEVELOPMENT 86
A. 2027 Budget Summary 87

Table VI-1: Economic Development Budget Summary 87
B. Economic Development Description/Business Assessment 87
Mission & Vision: 87
Major/New Initiatives: 88
Division Description: 89
Business Assessment: 91
Challenges and Opportunities: 95
C. Operating Budget Summary 95
Background 95
Assumptions 95
Major Changes in 2027 Budget 96
Operating Expense Drivers 96
Table VI-2: Economic Development Expenses by Account 97
Figure VI-1: Economic Development Expense by Account 97
Table VI-3: Economic Development Revenue and Expense by Department 98
D. Staffing Overview 99
Table VI-5: Economic Development Staffing 99
VII – CENTRAL SERVICES 101
A. 2027 Budget Summary 102
Table VII-1: Central Services Budget Summary 102
B. Central Services Description 102
Mission & Vision: 102
Major/New Initiatives: 102
C. Key Functions and Responsibilities 102
Overview: 102
Commission: 103
Executive: 104
Legal: 104
External Relations: 105
Accounting and Financial Reporting: 106
Information and communications Technology (ICT): 107
Finance and Budget: 107
Business Intelligence: 108

Risk Management: 108
Internal Audit: 109
Office of Strategic Initiatives: 109
Central Procurement Office 109
Human Resources: 110
Labor Relations: 113
Information Security: 113
Office of Equity, Diversity and Inclusion (OEDI): 114
Police: 115
Environment and Sustainability Administration: 115
Engineering: 115
Port Construction Services: 117
D. Operating Budget Summary 118
Background: 118
Overview of Major Changes in 2027 Budget: 118
Table VII-2: 2027 New Budget Additions (All Items) 119
Table VII-3: Central Services Revenues and Expenses by Account 120
Figure VII-1: Central Services Expense by Account 120
E. Staffing 122
Table VII-5: Central Services Staffing 122
F. Capital Budget 124
Table VII-6: Central Services Capital Budget 124
G. Financial and FTE Summary 124
Table VII-7: Financial and FTE Summary 124
VIII – TAX LEVY 126
A. Tax at a Glance 127
B. Tax Levy Sources 127
Figure VIII-1: Actual Tax Levy vs Maximum Allowable Levy: 1991-2027 128
Figure VII-2: Tax Levy vs Millage Rate 2016-2027 128
C. Tax Levy Uses 129
Table VII-1: Source and Uses of Tax Levy 131
Table VII-2: Existing G.O. Bond Debt Services by Project Type 132
Table VIII-3: Uses of Environmental Legacy Fund 133

Table VIII-4: Uses of Transportation and Infrastructure Fund 133
D. General Obligation Capacity 134
Table VIII-5: Estimated General Obligation Debt Limit 134
E. Taxpayer Effect 135
F. County Property Tax Comparison 135
Figure VIII-3: 2024 Percentage of Tax Levies by Taxing District 135
IX – CAPITAL IMPROVEMENT PLAN 137
Table IX-1: Capital Improvement Plan 139
A. Aviation Division Capital Improvement Plan 139
General: 139
Table IX-2: Aviation Division Capital Improvement Plan 140
Committed Capital Projects: 140
Business Plan Prospective CIP: 140
B. Maritime Division Capital Improvement Plan 142
General: 142
Table IX-3: Maritime Division Capital Improvement Plan 142
Committed Capital Projects: 142
C. Central Services Capital Improvement Plan 143
Table IX-4: Central Services Capital Improvement Plan 144
D. Other Port of Seattle CIP 144
Northwest Seaport Alliance (NWSA) Capital Improvement Plan 144
Table IX-5: NWSA Capital Improvement Plan 145
Public Expense 145
Table IX-6: Public Expense Projects 145
E. Non-Recurring CIP Impact 145
X – PLAN OF FINANCE 146
XI – STATUTORY BUDGET 149
A. Introduction 150
B. Statutory Budget Highlights 150
Table XI-1: Tax Levy Budget Detail 150
C. Resolutions 151
D. Tax Levy Calculation Sheet 155
Table XI-2: Tax Levy Calculation Sheet 155

E. Forecasted Cash Flow Summary 156
Table XI-3: Forecasted Cash Flow Summary 156
Figure XI-1: Sources of Cash 157
XII – THE NORTHWEST SEAPORT ALLIANCE (NWSA) 158
Port Interest in NWSA (Joint Venture) 159
Table XII-1: 2027 Operating Budget Summary 159
The Northwest Seaport Alliance 2027 Budget 160
Budget Document Overview 163
I. The Northwest Seaport Alliance Overview 159
Marine Cargo Operating Partnership 159
NWSA Strengths and Advantages 159
International & Domestic Trade 159
Port of Seattle & Port of Tacoma 160
King and Pierce Counties 160
Ports' Economic Impact 160
NWSA Facilities and Services 160
NWSA Managing Members 161
NWSA Managing Members Meetings 161
Organizational Structure 162
Executive Team 162
Commercial Group 162
Operations Group 163
Environmental/Planning Group 163
Support Services 164
Commitment to Fiscal Stewardship 164
Figure I-1: Northwest Seaport Alliance Facilities – Seattle Harbor 165
Figure I-2: Northwest Seaport Alliance Facilities – Tacoma Harbor 166
Figure I-3: The Northwest Seaport Alliance Organizational Chart 167
II. Budget Message 168
NWSA Mission 168
NWSA Vision 168
NWSA Values 168
NWSA Goal 168

Budget Environment 169
Revenues 169
2027 Budget 169
Capital Investment Plan Highlights 170
Financial Measures 170
Legislative Impact 170
III. Business Outlook 174
U.S. Economy 174
Shipping Industry 174
The Northwest Seaport Alliance Activity 175
Table III-1: Cargo Activity Five-Year Forecast 176
IV. Operating Budget 178
Overview 178
Nature of Business 178
Balanced Budget 178
Budget Process 179
Major Assumptions 179
Revenue 179
Direct Expenses 179
Home Port Services Provided 179
Estimating Revenues and Expenses 180
Financial Practices 180
Financial Tools 180
Table IV-1: Statement of Revenue, Expenses and Distributable Income by Business* 181
Table IV-2: Operating Revenue and Expense Detail* 182
Table IV-3: Statement of Revenues, Expenses and Changes in Net Position* 183
Table IV-4: Allocations and Direct Charges Summary* 184
Table IV-5: Five-year Statement of Revenue, Expenses and Change in Assets* 184
V. Capital Investment Plan 186
Overview 186
Summary of Major Projects 186
Table V-1: Planned Capitalized Project Spending 188
Capital Investment Plan Projects by Purpose 188

Funding 189
Table V-2: Five-Year Planned Capital Investment Plan by Purpose....190
Table V-3: Five-Year Planned Capital Investment Plan by Accounting Treatment 190
Table V-4: Five-Year Planned Projects by Line of Business....190
Table V-5: Depreciation Impact Due To Capitalized Projects....190
Capital Investment Plan Project Descriptions 191
Container Terminals Business 191
Non-Container Business & Real Estate 191
Figure V-1: Five-Year Capital Investment Plan by Line of Business....191
Alliance Infrastructure 191
Capital Investment Plan Revisions 192
VI. Environmental Stewardship and Planning 193
Water Quality Program....193
Industrial Stormwater Management Program 193
Research and Develop Cost-Effective Means to Manage Stormwater....194
Source Control 194
2027 Goals 195
Air Quality & Sustainable Practices Program....195
Key 2027 Goals....196
Planning & Logistics 196
Overview of services: 197
2027 Planning & Logistics Goals 197
Appendix A: NWSA Full Time Personnel 199
Northwest Seaport Alliance Average Compensation (excluding CEO) 199
Appendix B: NWSA Memberships....200
Overview 200
Port Authority Organizations....200
Economic Development Organizations....200
Regional Organizations 200
Industry and Professional Organizations 200
Trade Promotion Organizations....200
Community Service Groups 200
Annual NWSA Memberships & Personnel Memberships (estimated) 200

American Association of Port Authorities 200
Pacific Northwest Waterways Association 200
National Association of Waterfront Employers 200
Washington Council on International Trade 200
Green Marine 201
Distribution Business Management Association 201
XIII – APPENDICES 204
A. Budget Policy, Process, and Calendar 205
1. Operating Budget 205
2. Capital Budget 211
B. Financial Management Policies 214
1. Key Financial Tools 214
2. Financial Policies and Description of Major Funds 216
3. Revenue and Expense Assumptions 224
C. Business Assessment 225
1. National and Local Economy and Outlook 225
Table C-1: Summary Forecast 226
Table C-2: State Employment by Industry 226
Table C-3: Top 10 Public Companies in Washington 227
2. Economic Impact Study Summary: 227
D. Bond Amortization Schedules 229
Table D-1: Bond Amortization Schedule for 2027 229
Table D-2: Bond Amortization Schedule for 2026 231
Table D-3: 30 Year Bond Amortization Schedule 233
Table D-4: Bond Ratings Summary 234
E. Other Detailed Expenditures 234
Table E-1: Promotional Hosting by Division 234
Table E-2: Memberships 235
F. Changes Between Preliminary Budget to Final Budget 236
G. Glossary of Terms Used 237
H. Acronyms and Abbreviations 246

Budget Document Overview

This document contains the operating, capital and statutory budgets, Long Range Plan, and draft plan of finance for the Port of Seattle and is organized as follows:

- **Section I**, Executive Summary, provides key business outlook, key budget drivers, budget highlights, and budget summary.
- **Section II**, Port View, contains the Port's history, facilities and services, long range plans, commissioners and officers, and organizational chart.
- **Section III,** Budget Overview, presents the five-year financial forecast and outlines the Port's operating and non-operating budget, capital budget, and tax levy.
- **Sections IV through VI** feature the Operating Division summaries for Aviation, Maritime, and Economic Development, respectively. Each Division section presents a discussion of the budget and five-year financial forecast for each business group as well as operating budget, staffing, and capital budget. The operating budget is presented by business groups/departments and by major revenue and expense accounts.
- **Section VII**, Central Services, presents descriptions of each department as well as summaries of operating budgets, staffing, and capital budgets.
- **Section VIII**, Tax Levy, provides a detailed presentation and discussion of tax levy sources and uses including interaction between general purpose levy and general obligation debt capacity.
- **Section IX**, Capital Improvement Plan (CIP), provides detailed discussion and a summary page presenting the total CIP by business group and by division. A listing of the projects by business group and division is provided at the end of the section.
- **Section X**, Draft Plan of Finance, includes an overview of the funded CIP, a discussion of the airport and non-airport funding plan, financing initiatives and capital planning resources.
- **Section XI**, Statutory Budget, which is submitted to King County Council and King County Assessor, provides an introduction, budget highlights and resolution, and tax levy calculation.
- **Section XII,** NWSA, contains overview, budget message, business outlook, budget details, capital investment plan and environmental stewardship and planning for the Northwest Seaport Alliance (NWSA).
- **Section XIII,** Appendices, includes detailed information regarding the budget and financial policies, business assessment, bond amortization schedules, other detailed expenditures, a glossary of terms, and acronyms used.

I - Executive Summary

Executive Summary

The Port of Seattle is a regional driver of economic opportunity and job creation, with its business lines supporting nearly $39 billion in total business output, generating $396 million in total fiscal impact to the State of Washington, and sustaining more than 205,000 jobs. The 2027 budget builds on this foundation, reaffirming our commitment to sustain this momentum and to build a resilient, future ready Port that continues to serve the people and industries that depend on us.

As we navigate significant economic and political uncertainties, persistent high inflation, and rising benefit costs, the Port has adopted a conservative approach for 2027. Central to this effort was the Modified Zero-Based Budgeting (ZBB) review conducted in the spring, which required a comprehensive reassessment of all expense categories. This process resulted in the difficult but necessary reduction of programs and some filled and vacant positions, underscoring the Port's commitment to financial discipline while preserving the ability to invest strategically in regional economic development and essential operations.

Anchored in principles that strengthen sustainability, adaptability, and resiliency across all business lines, the 2027 budget prioritizes essential operations that support regional economic activity, workforce development through targeted training and upskilling, and continued advancement of key programs planned for 2027 and beyond. Together, these measures uphold disciplined resource allocation while enabling strategic investments that foster financial stability, operational performance, and long-term regional prosperity.

Following finalization of the 2026 budget, the Port implemented Governmental Accounting Standards Board (GASB) Statement No. 103, which redefined operating and non-operating revenues and expenses. Implementation of this standard resulted in a $23.2 million reduction in Operating Revenues, a $27.3 million increase in Operating Expenses, and a $50.5 million reduction in Net Operating Income in the revised 2026 budget. To provide a better apple-to-apple comparison with the 2026 numbers, we are comparing the 2027 budget with the 2026 revised budget in all the budget tables in this budget document.

Port Business Outlook

- The Airport expects total passengers of 53.8 million in 2027, a 1.3% growth from 2026 forecast.
- Cruise is expected to be flat compared to 2026 budget. The 2027 budget anticipates 329 vessel sailings with over 2.0 million passengers.
- Grain volume is budgeted at 3.5 million metric tons, a 9.0% increase from 2026 budgeted volumes.
- Recreational Marinas budgeted occupancy rate remains steady from previous years at Shilshole Bay Marina.
- Commercial properties target an occupancy of 90% or greater at year-end 2026, consistent with current results.
- Conference and Event Center expects a 20.6% revenue increase from the 2026 revised budget, driven by waterfront revitalization.

Below is a summary of the 2027 budget:

- Total operating revenues: $1,229.0 million; $92.5 million or 8.1% above the 2026 revised budget.
- Total operating expenses: $782.7 million; $24.2 million or 3.2% above the 2026 revised budget.
- Net operating income before depreciation: $446.3 million; $68.3 million or 18.1% above the 2026 revised budget.
- The 2027 capital budget is $1,016.9 million. Additionally, the Port supports capital investments for the NWSA and its 50% share is forecast to be $75.4 million in 2027.

2027 Key Initiatives and Budget Drivers

- Cultivate innovation initiatives to promote Port-wide collaboration
- Focus on Employee Engagement initiatives to attract and retain high-quality employees
- Begin major construction on South Concourse Evolution project
- Advance SEA Part 150 noise and land use compatibility study
- Increase partner participation in Allies Against Human Trafficking initiative
- Focus on long-term sustainable financial resources by strengthening financial performance, revenue enhancement and cost management
- Invest in aging assets to meet current demand; modernize maritime assets through coordinated planning and delivery; strengthen asset management for key facilities and lifecycle needs
- Advance terminal decarbonization through targeted infrastructure investments and Green Corridor partnerships; achieve full shore-power adoption for homeport cruise vessels
- Decarbonize port fleet through lifecycle and utilization reviews
- Continue to advance Maritime diversity in hiring strategy to build the next-generation talent pipeline
- Maintain or increase occupancy in Portfolio Asset Management properties
- Continue to incorporate updated Green Leasing terms in all Maritime leases, prioritizing green energy alternatives
- Strategically redevelop Port properties and evaluate real estate acquisitions to support the Port of the future
- Build partnerships with key tourism organizations, strengthening the visitor economy and increasing visitor spending
- Advance opportunities for Women/Minority Business Enterprises (WMBE), Disadvantaged Business Enterprises (DBE), and small businesses across the Port
- Invest in regional economic growth through initiatives such as the Economic Development City Partnership Program, support for Greater Seattle Partners, Maritime Innovations, and Washington Public Ports Association
- Support innovation initiatives that advance promising ventures and startups driving job creation and attract businesses to King County and Washington State
- Expand the talent pipeline to address labor shortages and workforce needs in the maritime, aviation, and construction sectors
- Advocate for state and national policies and participate in research and collaboratives supporting sustainable aviation and maritime fuels (including leading Clean Ports Grant)
- Advance East Waterway cleanup
- Continue habitat restoration and monitoring, including kelp research in partnership with other agencies
- Advance Community Investments 2.0 to better serve the needs of our community
- Continue to advance equity goals through initiatives such as language access, anti-human trafficking, immigration referral line, and community events

Budget Summary

The budget summary and highlights are provided in the next few pages as well as the budget details in various sections of the document.

Aviation Division

SEA serves as an important gateway for the region. To meet the growing demand for air travel, the airport is adding resources to address growing operating needs and customer service improvements. Major capital investments are also focused on meeting the expected needs for the coming years and work continues on environmental review and preliminary planning for the Sustainable Airport Master Plan (SAMP).

SEA's passenger growth is projected to continue in 2027. We anticipate a 1.3% growth in total passengers, which would bring SEA passenger traffic to 53.8 million.

Maritime Division

The Maritime Division will continue to support the region's ocean economy through its focus on managing the cruise business, four recreational marinas, Terminal 91, Fishermen's Terminal, and a variety of other maritime industrial facilities. Portfolio Asset Management and P69 Facilities were moved from Economic Development Division to Maritime Division in 2025.

Cruise activity is forecasted at 100% occupancy. Grain volume is expected to be 9.0% increase from 2026 budgeted volumes.

Economic Development Division

The Economic Development Division focuses on planning and developing the Port's real estate assets, promoting statewide tourism, economic development, and developing minority and women owned business opportunities.

The 2027 budget continues funding for the Port's diversity in contracting program, tourism initiatives, and economic development partnership grants for cities in King County.

The Northwest Seaport Alliance

The Northwest Seaport Alliance is a joint venture between the Port of Seattle and the Port of Tacoma established in 2015 to unify the two ports' marine cargo terminal investments, operations, planning, and marketing to strengthen the competitiveness of the Puget Sound gateway.

The net income from the NWSA is distributed evenly between the two home ports and the Port of Seattle's 50% share of the 2027 net income is forecast to be $57.8 million, which is included as operating revenue in the Portwide financial statements. The home ports also share equally in NWSA capital investments; the Port's share is forecast to be $75.4 million for 2027 and $263.4 million over the next 5 years.

Operating Budget

Prudent management of the budget helps ensure that the Port has the resources to invest in infrastructure and programs that support regional economic growth. In 2027, operating revenues are budgeted at $1,229.0 million, a $92.5 million or 8.1% increase from the 2026 revised budget.

Operating expenses are budgeted at $782.7 million, a $24.2 million or 3.2% increase compared to the 2026 revised budget. Net operating income before depreciation is $446.3 million, $68.6 million or 18.1% above the 2026 revised budget.

Aviation

The Aviation Division has two distinct lines of business: Aeronautical and Non-Aeronautical. Aeronautical revenues are based primarily on operating and capital cost-recovery formulas charged to airlines operating at SEA. On the Aeronautical side, 2027 operating revenue is budgeted at $683.9 million, which is 10.6% higher than the 2026 revised budget mainly due to cost recovery of increased operating expenses and debt service.

On the Non-Aeronautical side, budgeted operating revenues are $356.5 million, a $12.4 million or 3.6% decrease from the 2026 revised budget mainly driven by lower revenues from Public Parking and Ground Transportation. Total operating revenues are budgeted at $1,040.4 million, an 8.1% increase from 2026. Total operating expenses, including cost allocations from other divisions, are budgeted at $602.4 million, a 2.1% increase from 2026. Net operating income before depreciation is $438.0 million, a 17.5% increase from 2026.

Maritime

The Maritime Division's operating revenues are budgeted at $122.6 million, an 11.0% increase from 2026 mainly due to higher revenues from Cruise Operations and Conference & Event Centers. Operating expenses, including cost allocations from other divisions, are budgeted at $142.4 million, a 1.3% increase from 2026. Net operating income before depreciation is expected to be -$19.8 million in 2027.

Economic Development

The total operating expenses for Economic Development Division are budgeted at $13.8 million, a 0.3% decrease from 2026. Ongoing key budget initiatives in 2027 include strategic investments in diversity in contracting, tourism, and economic development.

Central Services

The operating divisions of the Port are supported by a number of administrative support departments and other service groups. These groups allocate their expenses according to the level of service they provide to the divisions and the NWSA. Central Services operating expenses are budgeted at $207.4 million, a $4.7 million or 2.3% increase from the 2026 revised budget.

Capital Budget

The Port's capital budget is $1,016.9 million for 2027 and $4.9 billion for the next five years. The plan includes investments in infrastructure renewal and those supporting growth in the Port's business gateways, creating near-term jobs and stimulating long-term economic vitality for the region.

The Airport's capital budget is $836.6 million for 2027 and $4.1 billion for the next five years. Major projects include S Concourse Evolution, Baggage Optimization, Airfield Pavement Program, and SEA Gateway improvements in the Main Terminal in partnership with Alaska Airlines.

The total 2027 capital budget is $180.3 million for Maritime, Stormwater Utility, legacy projects associated with facilities licensed to the NWSA and Central Services. Major capital projects include Terminal 91 Uplands Development, Fishermen's Terminal C15 Building Improvements, P69 Dock Rehab, and Pier 69/91 Shore Power Extension. In addition, the Port supports capital investments made by the NWSA; its 50% share is forecast to be $75.4 million in 2027 and $263.4 million over the next five years.

Tax Levy

The proposed 2027 tax levy amount is $97.6 million, an 8.2% increase from the 2026 levy of $90.2 million. Based on preliminary King County assessed valuation, the 2027 estimated millage rate is $0.1112, slightly higher than the $0.0998 in 2026.

2027 Budget Highlights

The Port strives to maintain a strong financial position while continuing to make investments that retain and attract customers, create jobs, provide community benefits, enhance equity, support sustainability and help position the Port for future growth.

- Total revenues are budgeted at $1,651.8 million, which includes $1,299.0 million of operating revenues and $422.8 million of non-operating revenues.
- Total sources of funds are forecast to be $2,548 million, with an estimated $877 million of expected proceeds in 2027 from sale of bonds.
- Operating revenues are budgeted at $1,299.0 million, a $92.5 million or 8.1% increase from the 2026 revised budget.
    - Aeronautical revenues, which are based on cost recovery, are budgeted to be $683.9 million, $65.4 million or 10.6% increase from the 2026 revised budget.
    - Airport Non-Aeronautical revenues are budgeted to be $356.5 million, a $12.4 million or 3.6% increase from the 2026 revised budget mainly driven by higher revenues from Public Parking, Rental Cars, and Employee Parking.
    - Seaport revenues are projected to be $188.6 million, a $9.7 million or 8.5% increase from the 2026 revised budget due to higher revenue from Cruise, Grains, and Conference & Event Centers.
- Total expenses are budgeted at $1,398.6 million, which includes:
    - $782.7 million of operating expenses.
    - $342.5 million of depreciation expenses.
    - $273.4 million of non-operating expenses, the majority of which are comprised of interest payments on outstanding bonds.
- Operating expenses are up $24.2 million, or 3.2% from the 2026 revised budget mainly due to:
    - Pay and benefits increases for represented and non-represented employees.
    - Annualized new Full-Time Equivalent Employees (FTEs) in the 2026 budget.
    - Added resources for safety & security for the travelling public.
    - Increased maintenance costs for facilities and higher utilities cost.
    - T91 Building demolition
    - Change of vacancy factor from 4.0% to 2.0%
- The 2027 operating budget includes:
    - $20.8 million in expenditures for environmental stewardship
    - $5.0 million for Workforce Development to support regional Port-related job-training programs.
    - $2.4 million for Diversity in Contracting to provide opportunities for women and minority business enterprises and other small businesses.
    - $2.6 million for the South King County Community Impact Fund.
    - $2.2 million for the Office of Equity, Diversity, and Inclusion.
- Net operating income before depreciation is $446.3 million, a $68.3 million or 18.1% increase from the 2026 revised budget.
- Net operating income after depreciation is $103.8 million, $54.7 million or 48.6% higher than the 2026 revised budget.

Table I-1: 2027 Budget Summary

($ in thousands)

COMPREHENSIVE BUDGET	Aviation	Non-Aviation	Total
Revenues			
1. Aeronautical Revenues	683,949	-	683,949
2. Other Operating Revenues [1]	356,471	188,581	545,052
Operating Revenues	**1,040,419**	**188,581**	**1,229,000**
3. GASB 87_96_103 Revenues	13,195	14,148	27,343
Total Operating Revenues GASB Comparable Basis	**1,053,614**	**202,729**	**1,256,343**
Non-Operating Revenues			
4. Tax Levy	5,772	91,816	97,588
5. Passenger Facility Charges (PFCs)	100,350	-	100,350
6. Rental Car Customer Facility Charges (CFCs)	51,947	-	51,947
7. Fuel Hydrant	6,986	-	6,986
8. Non-Capital Grants and Donations	1,927	1,491	3,417
9. Capital Contributions	53,390	-	53,390
10. Interest Income	61,492	17,319	78,812
11. Other Noncapital Subsidies	(77)	3,051	2,974
Total Non-Operating Revenues	**281,786**	**113,677**	**395,463**
Total Revenues	**1,335,400**	**316,407**	**1,651,807**
Expenses			
1. O&M Expense	602,382	180,312	782,694
2. GASB 87_96_103 Expenses	8,265	529	8,795
3. Depreciation	297,814	44,723	342,538
Non-Operating Expenses			
4. Revenue Bond Interest Expense	220,124	2,344	222,468
5. G.O Bond Interest Expense	-	20,848	20,848
6. Public Expense	632	20,367	20,999
7. Other Non-Op Rev/Expense	221	29	250
Total Non-Operating Expenses	**220,977**	**43,588**	**264,565**
Total Expenses	**1,129,439**	**269,152**	**1,398,591**
Revenues over Expenses	**205,961**	**47,255**	**253,216**
Change In Net Assets	**205,961**	**47,255**	**253,216**

CAPITAL BUDGET [2]	Aviation	Non-Aviation	Total
2027 Capital	836,631	180,305	1,016,936
5-Year CIP (2027-20231)	4,088,413	792,225	4,880,638

EMPLOYEES	Aviation	Non-Aviation	Total
Aviation	1,342.1		1,342.1
Maritime		322.5	322.5
Economic Development		23.0	23.0
Central Services		937.9	937.9
Total	**1,342.1**	**1,283.4**	**2,625.5**

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Table Notes:
[1] Other operating revenues for Non-Aviation include $57.8 million NWSA Distributable Revenue.
[2] The Capital Budget does not include $75.4 million of the Port's share of NWSA capital spending in 2027.

Table I-2: Cash Flow Summary

($ in thousands)

	2027	Percent of Total
Beginning balance of cash & investments	**2,171,557**	
SOURCES OF CASH		
Operating Revenues without NWSA	1,171,226	46.0%
NWSA Distributable Cash	76,934	3.0%
Interest Receipts	78,812	3.1%
Proceeds from Bond Issues	877,000	34.4%
Grants and Capital Contributions	56,807	2.2%
Tax Levy	97,588	3.8%
Passenger Facility Charges	100,350	3.9%
Rental Car Customer Facility Charges	51,947	2.0%
Other Receipts	37,626	1.5%
Total	**2,548,289**	**100%**
Anticipated available funds	**4,719,846**	
USES OF CASH		
Expenses from Operations:		
Total Operating Expenses	782,694	32.0%
Debt Service:		
Interest Payments	279,921	11.4%
Bond Redemptions	261,667	10.7%
Total Debt Service	541,589	22.1%
Other Expenses	9,367	0.4%
Public Expense	20,999	0.9%
Payment to NWSA for Capital Expenditures	75,426	3.1%
Capital Expenditures	1,016,936	41.6%
Total	**2,447,010**	**100%**
Ending balance of cash & investments	**2,272,835**	
Increase (decrease) of cash during year	**101,279**	

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Figure I-1: Sources of Cash

($ in thousands)

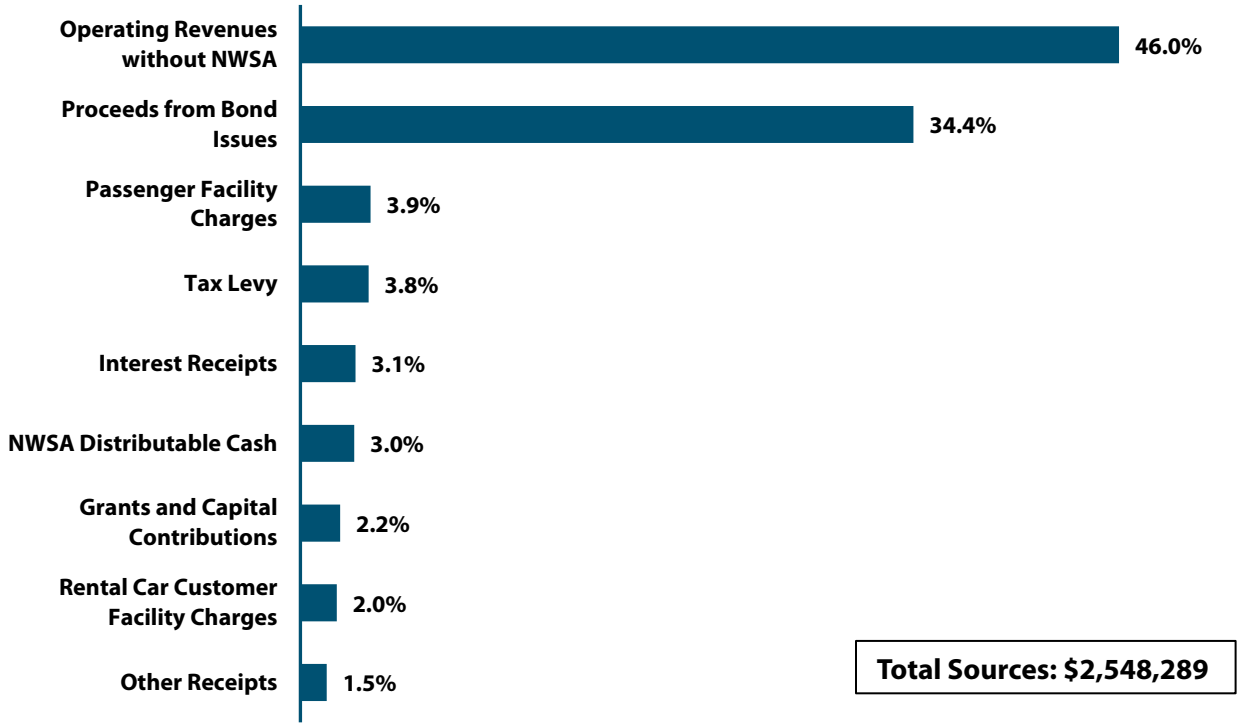
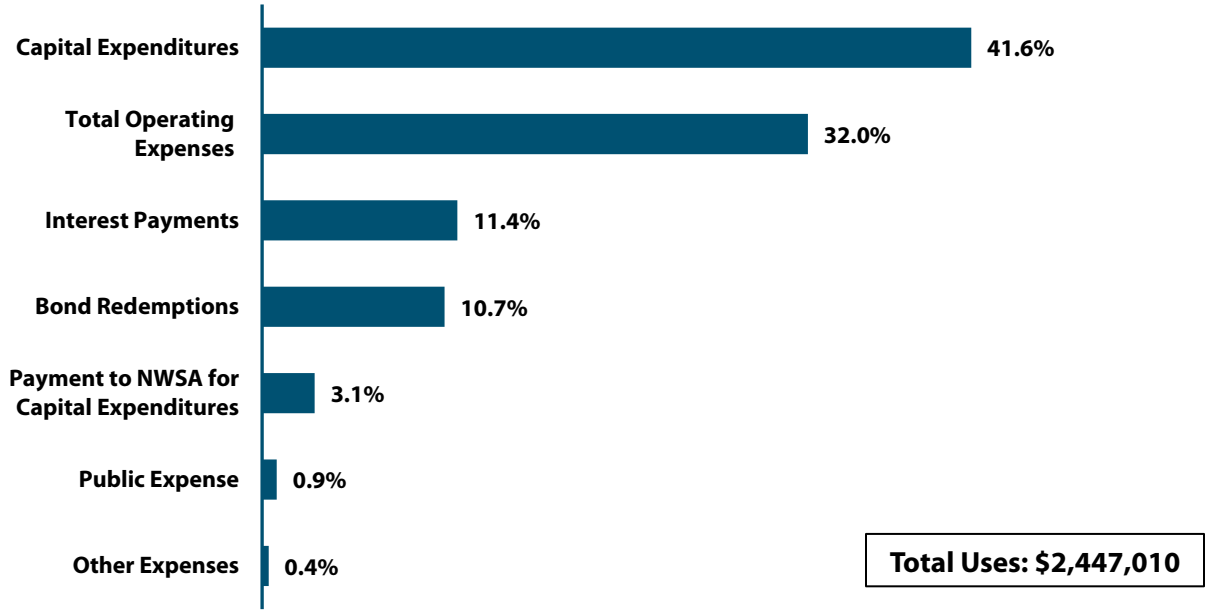


Figure I-2: Uses of Cash

($ in thousands)



II – PORT VIEW

Port View

A. The Port of Seattle

The Port of Seattle, (the "Port"), 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, carefully considering the economic, social, and environmental implications of its decisions.

The Port is now comprised of three operating divisions, namely Aviation, Maritime, and Economic Development. The Aviation Division manages the Seattle-Tacoma International Airport (SEA). The Maritime Division manages cruise, grain, commercial and recreational marinas, and industrial properties connected with maritime businesses. The Economic Development Division manages the Port's real estate portfolio and develops programs and initiatives to promote tourism in the region and provides support to small businesses. Aside from the three operating divisions, the Port also includes Central Services which provides high quality and cost-effective professional and technical services to the divisions and supports the overall goals of the Port.

B. History of The Port of Seattle

Founded in 1911 by a vote of the people as a special purpose government, the Port of Seattle was the first autonomous municipal corporation in the United States specifically tasked to develop harbor and Port facilities to encourage commerce. The Port was established in an effort by citizens to ensure public ownership of the Seattle harbor. In March 1912, voters approved the Port's projects that included a plan to build Fishermen's Terminal which officially opened its doors in January 1914 offering storage rooms, a locker room, offices, headquarters as well as moorage. The new terminal rapidly gained popularity among business and fishing vessel owners and has been home to the North Pacific fishing fleet for more than a century. By late 1915, the Port completed work on Bell Street Pier which housed the original Port headquarters before the relocation to Pier 69 in 1993.

The Port's concerted efforts to renovate the piers and offer competitive rates were instrumental in increasing domestic and international trade. In 1944, the Port completed construction of Seattle-Tacoma International Airport which was reserved for military use until after World War II. The airport's official dedication was held on July 9, 1949, attended by more than 30,000 people. During the late 1950s to the early 1970s, the South runway was repeatedly lengthened as airlines transitioned away from propeller-driven planes, four concourses were added increasing the number of gates, and Satellite terminals were added to the North and South of the main terminal. In recent years, The Port has undertaken major airport improvements to increase passenger satisfaction and safety such as the addition of the third runway, additional parking spaces, new surface detection radar and lighting, a new concourse, the International Arrivals Facility (IAF) and the North Satellite Modernization Project. Aside from investing in airport expansion, the Port has continually contributed to the development of public amenities along Seattle's waterfront through the improvement of container terminals, a grain terminal, cruise terminals, marinas, conference centers, and public parks.

The Port has stayed true to its original mission of promoting economic opportunities and improving the quality of life in the region by advancing trade, travel, and commerce in an equitable, accountable, and environmentally responsible manner. To preserve jobs and to strengthen the Puget Sound gateway, the Port of Seattle along with the Port of Tacoma formed The Northwest Seaport Alliance (NWSA) in August 2015. This partnership unified the two ports' marine cargo terminal investments, operations, planning, and marketing to make the region more competitive in the global economy, attract more marine cargo, and create new jobs in the region. Together, the ports can more efficiently

deploy the significant investments dedicated to infrastructure and speak with a stronger voice on pressing regional and industry-related issues.

In addition to investing in infrastructure, the Port is also committed in fulfilling its goal of becoming the greenest and most energy-efficient port by investing in projects such as restoring urban forests in near-airport communities and the Duwamish River ecology, promoting adoption of Sustainable Aviation Fuels, implementing green building practices, installing electric vehicle charging stations at the airport and other port facilities, becoming the first (and only) port in the U.S. to form its own stormwater utility, and many more. The Port is also fulfilling its goal of promoting racial equity, diversity, and inclusion through the implementation of policies and programs such Duwamish Valley Community Equity Program, South King County Community Impact Fund, and Youth Career Launch program. These programs not only address health and economic inequities but also provide training opportunities and resources for underserved communities to ensure that economic prosperity is equally shared by all communities regardless of race.

C. Port of Seattle Facilities and Services

The Aviation Division operates SEA, which is located on 2,800 acres, 12 miles south of downtown Seattle. The airport includes 3 runways that are 11,900 feet, 9,425 feet, and 8,500 feet in length and a subway system linking the concourses. SEA is the 11th busiest U.S. airport as measured by passenger volume in 2025 and compared to other large airports, it has relatively high originations and destinations traffic.

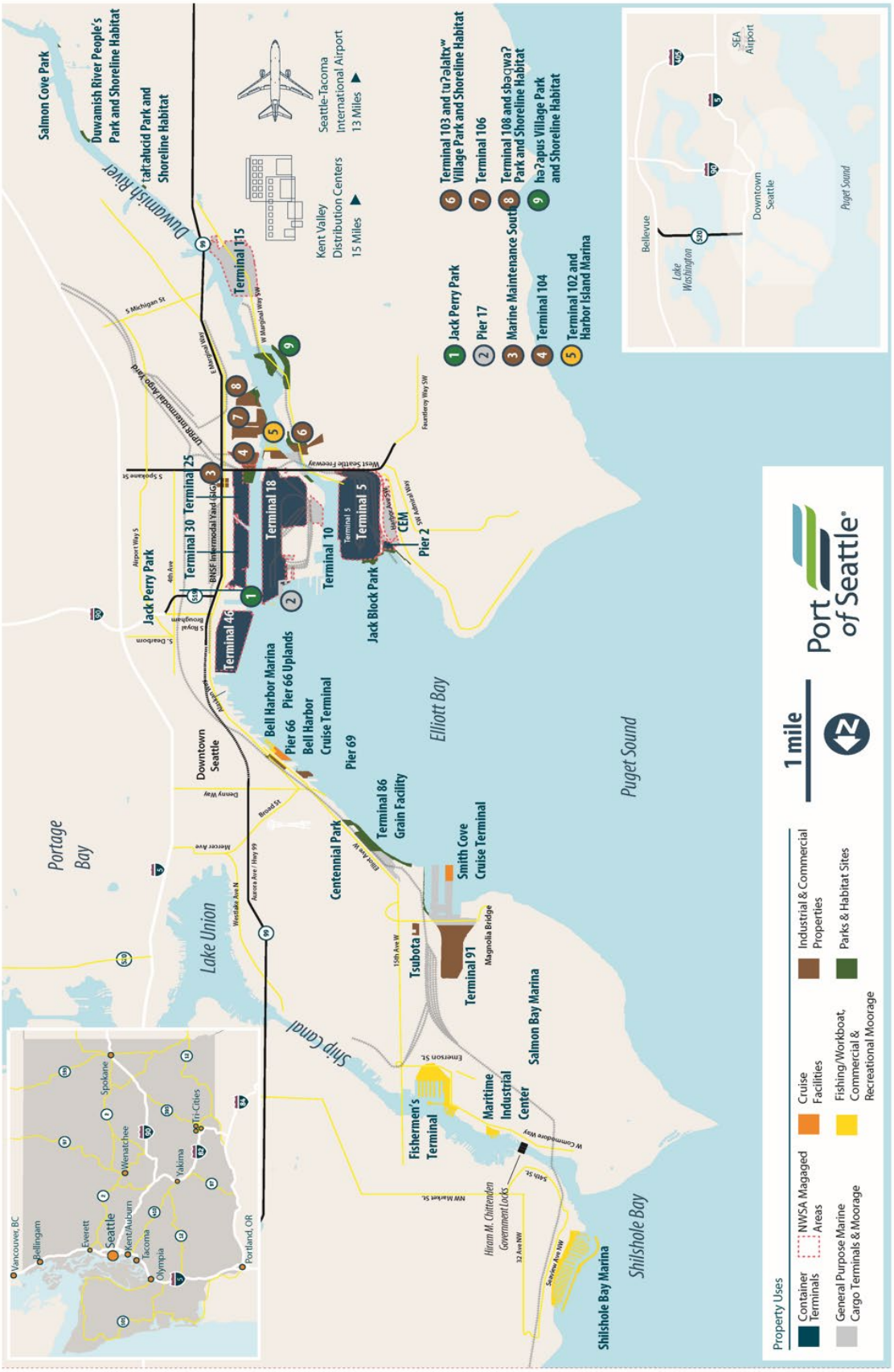
The Maritime Division operates 2 cruise vessel terminals with a total of 3 berths. The division also manages a fully automated grain terminal and Fishermen's Terminal, which is home to the North Pacific factory trawler fishing fleet as well as other general-purpose maritime facilities. In addition, the Maritime Division manages the Seaport real estate portfolio and leases industrial property connected with these cruise, cargo, and factory trawler fishing businesses.

The Economic Development Division manages the Port's tourism, small business opportunities, real estate development and planning, and workforce development in the maritime and aviation industries. This allows the Maritime and Aviation divisions to concentrate on their core businesses.

The NWSA, as a Port Development Authority (PDA), is a separate legal entity from the two home ports and acts as the exclusive manager and operator of the container, break-bulk, auto and some bulk terminals in Seattle and Tacoma. The NWSA is the fourth-largest trade gateway in North America, behind the ports of Los Angeles and Long Beach, the Port of New York/New Jersey, and the Port of Savannah. It is the first alliance of its kind in North America, and offers shorter U.S. to Asia transits, as well as a deep connection to Alaska.

The airport, cruise business, marinas, Fishermen's Terminal, grain terminals, and certain industrial real estate, such as the Northwest Innovation Works and Puget Sound Energy facilities, and Terminal 91 uplands, remain outside the Alliance.

Figure II-1: Facility Map



D. Century Agenda Goals

The Port celebrated 100 years of service to the Puget Sound region by creating a comprehensive, strategic initiative to guide Port priorities for the next quarter century in 2012. That initiative is the Century Agenda. The Century Agenda aligns the Port's and objectives across all divisions and departments as they address evolving challenges with innovative solutions.

For more than 100 years the Port has generated jobs and growth for King County and the greater region by advancing trade and commerce, promoting industrial growth, and stimulating economic development. The Port leverages its real estate, capital assets and financial capabilities to engage and improve the Puget Sound Region as an anchor institution and it brings those resources to bear in accomplishing the goals established by the Century Agenda.

Two years prior to the centennial, the Commission launched an extensive public engagement effort and formed a Century Agenda Committee to guide the Port's long-range vision. More than 1,000 people attended over 60 events and engagements to help develop what are now known as Strategies and Objectives, along with a proposed Mission and Commitment. Each year since, the Port staff has identified action plans that are incorporated in the Port business plans and budget to advance progress towards achieving the Century Agenda Vision, Strategies, and Objectives.

Since its inception, the Century Agenda has remained the cornerstone of the Port's long-term strategic planning. The Strategies and Objectives set out in the Century Agenda are reviewed every five years to ensure it remains a living document and that the aspirational aims it sets forth align with and reflect the current landscape and the Port's vision for the future.

Port of Seattle

Our Mission

The Port of Seattle's mission is to promote economic opportunities and quality of life in the region by advancing trade, travel, commerce, and job creation in an equitable, accountable, and environmentally responsible manner.

Our Vision

Our vision is to add 100,000 jobs through economic growth led by the Port, for a total of 300,000 Port-related jobs in the region, while reducing our environmental footprint.

Our Commitment

We are committed to creating opportunity for all, stewarding our environment responsibly, partnering with surrounding communities, promoting social responsibility, conducting ourselves transparently, and holding ourselves accountable.

Century Agenda Goals and Objectives

Goal 1: Position the Puget Sound region as a premier international logistics hub

Objective 1: Meet the Puget Sound region's int'l trade and cargo needs in an efficient and sustainable manner

Objective 2: Support the continued success and competitiveness of the NWSA

Goal 2: Advance this region as a leading tourism destination and business gateway

Objective 3: Continuously improve operational efficiency and customer experience.

Objective 4: Meet the region's aviation and maritime transportation needs by delivering vital Port facilities and infrastructure in a sustainable and cost-effective manner.

Objective 5: Expand the economic impact of SEA and cruise through strategic tourism development, destination stewardship, and cross-industry partnerships.

Objective 6: Protect cultural and natural resources and promote sustainable regional tourism through investments in responsible travel, community stewardship and resilient destination development.

Goal 3: Responsibly Invest in the Economic Growth of the Region and all its Communities

Objective 7: Increase utilization of WMBE, DBE, and small business firms and eliminate disparities in access to opportunities.

Objective 8: Advance Port related industries by fostering innovation, leveraging strategic future investments, while preserving industrial lands and ensuring efficient, responsible management of Port facilities.

Objective 9: Enhance the economic, cultural, and community benefits of Cruise operations through strategic growth and innovative collaboration.

Goal 4: Be the greenest and most energy-efficient port in North America

Objective 10: Meet Port energy demands by prioritizing energy efficiency, then electrification, and the zero-carbon energy resources.

Objective 11: Meet or exceed agency requirements for stormwater leaving Port-owned or operated facilities.

Objective 12: Reduce air pollutants and carbon emissions

Objective 13: Restore, create, and enhance 40 additional acres of habitat in the Green/Duwamish habitat

Goal 5: Become a Model for Equity, Diversity and Inclusion

Objective 14: Advance industry partnerships and access to increase career and small business opportunities for local communities.

Objective 15: Ensure that all internal and external programs, structures and practices provide equitable opportunities for all.

Objective 16: Advance regional workforce development in Port-related industries to increase equitable access to quality careers.

Goal 6: Be a Highly Effective Public Agency

Objective 17: Advance employee engagement, health, and safety while committed to Port values.

Objective 18: Advance the Port's financial ability for delivery on near- and long-term goals.

Objective 19: Partner and engage with external stakeholders to support healthy, safe and equitable communities.

Objective 20: Set the standard for effective asset management and high-quality, cost-effective, and timely delivery of capital programs.

Objective 21: Drive responsible technological leadership and innovation to achieve Port initiatives.

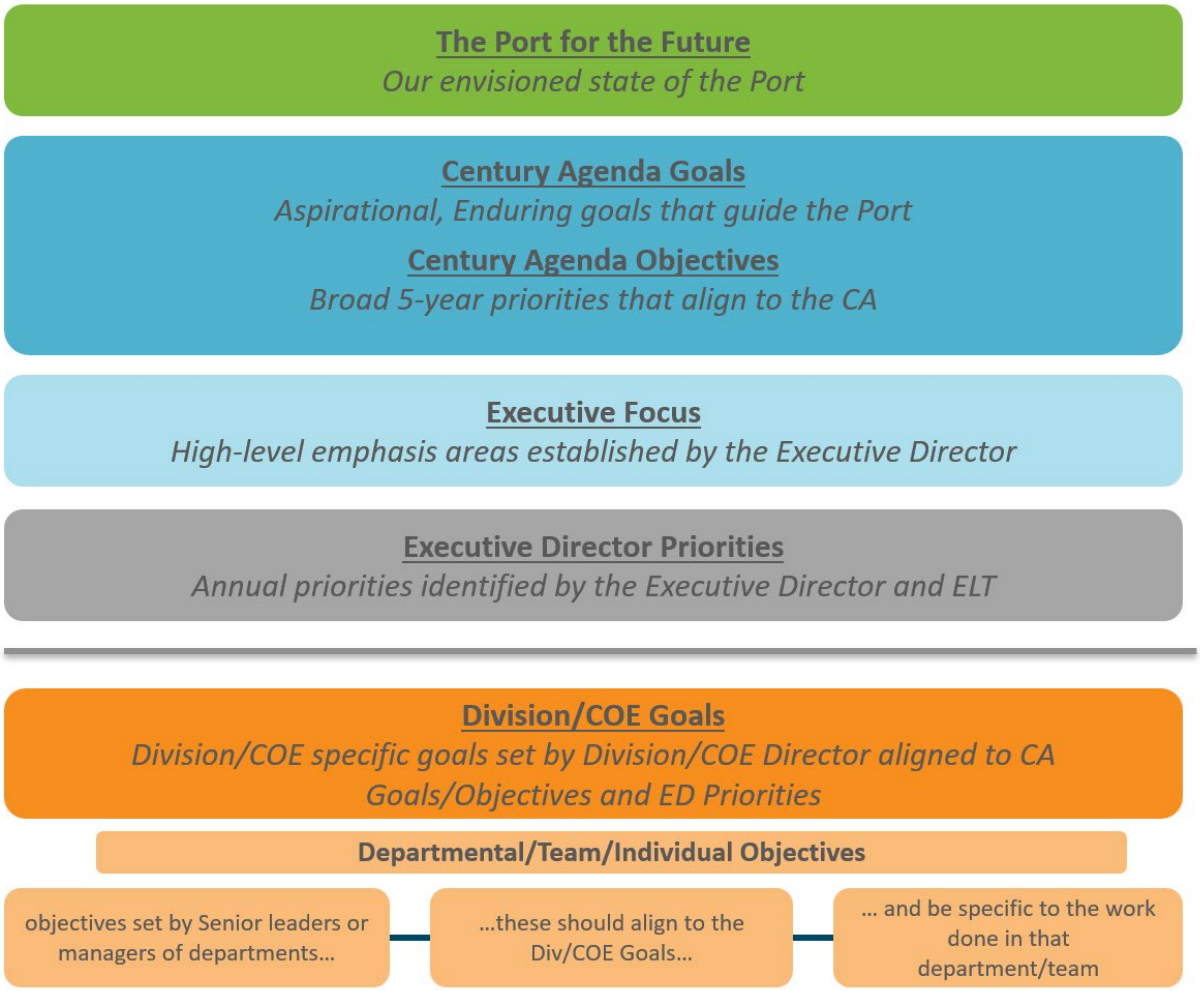
Century Agenda and Annual Business Plans/Budgeting Process

The Port for the Future represents a shared vision for the Port of Seattle's longevity and clarifies our work's purpose. The Century Agenda (CA) Goals and Objectives establish a framework that aligns all Port business with how divisions, departments, and teams' efforts cascade upward to this collective purpose.

The Executive Director sets the Executive Focus to emphasize priority areas requiring heightened attention from the executive team.The Executive Director Priorities (EDPs) are the initiatives identified each year as being most important or impactful.

By aligning operations and initiatives under the Century Agenda, all Port staff see and understand how their work contributes to Port goals.

Figure II-2: Port-wide Strategic Alignment under the Century Agenda



Commissioners and Officers

The Port Commission is the legally constituted governing body of the Port of Seattle. As a governing body of a special purpose municipal corporation, it is charged with the responsibility of fulfilling legislatively mandated purposes and objectives.

The Port Commission is made up of five elected individuals. At the time of this publication, they are:

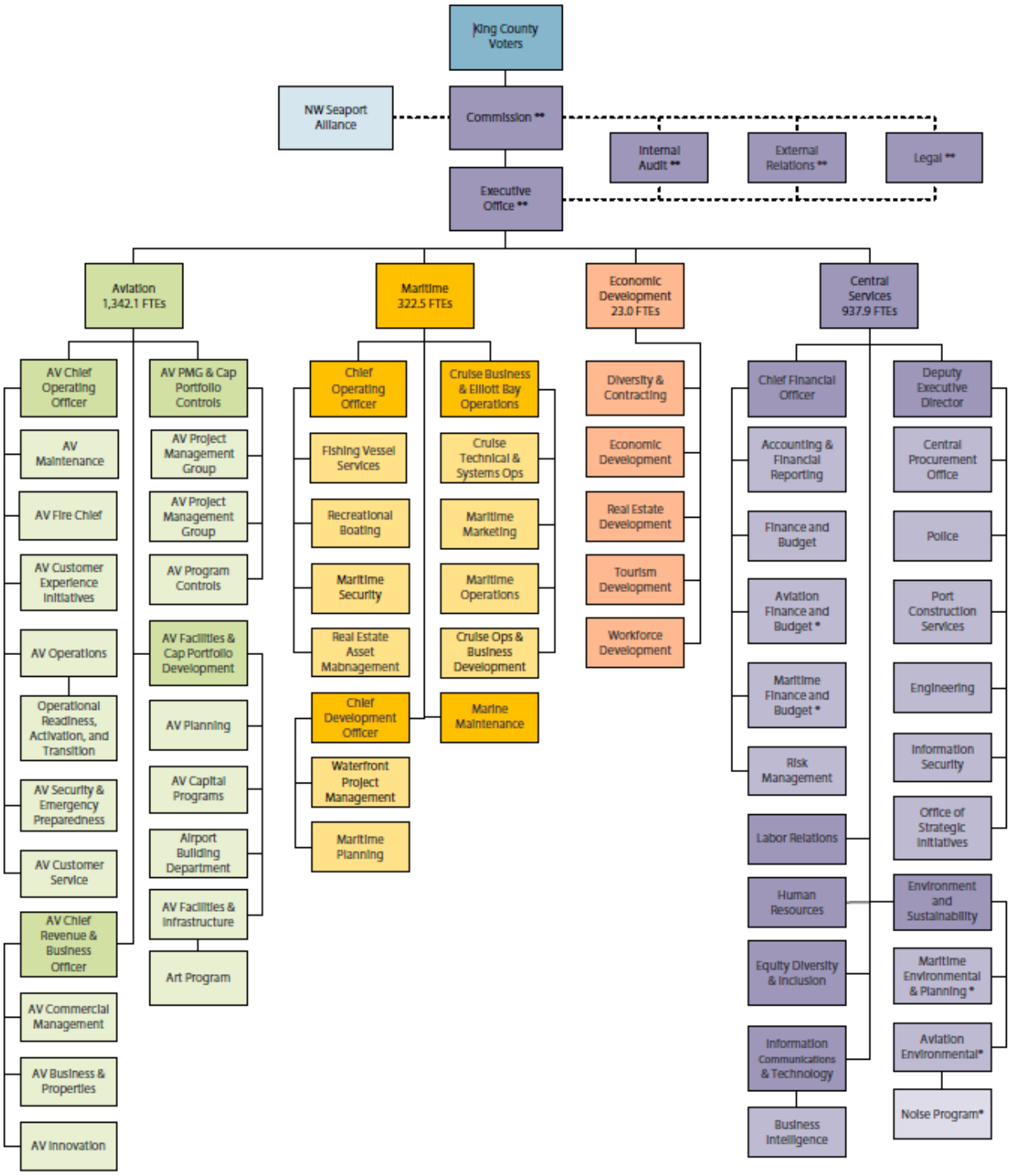
Toshiko Grace Hasegawa, Commissioner
Ryan Calkins, President
Sam Cho, Secretary
Fred Felleman, Vice President
Hamdi Mohamed, Commissioner

The senior officers of the Port are:

Steve Metruck, Executive Director
Karen Goon, Deputy Executive Director
A Boungjaktha, Managing Director, Economic Development Division
Pearse Edwards, Sr. Director, External Relations
Glenn Fernandes, Director, Internal Audit
Katie Gerard, Sr. Director, Human Resources
Bookda Gheisar, Sr. Director, Equity, Diversity, and Inclusion
Stephanie Jones Stebbins, Managing Director, Maritime Division
Sandy Kilroy, Sr. Director, Engineering, Environment and Sustainability
Mikel O'Brien, Sr. Director, Labor Relations
Pete Ramels, General Counsel & Chief Compliance Officer
Wendy Reiter, Managing Director, Aviation Division
Kathy Roeder, Chief of Staff
Chris Wimsatt, Chief Financial Officer

E. Organization Chart

Figure II-3: Organization Chart



* Reporting structure only. Financials and FTEs counted in the respective division being supported.
** For reporting purposes only. Commission, Executive Office, Internal Audit, External Relations, and Legal financials and FTEs roll up to Central Services.

III – BUDGET OVERVIEW

A. Financial Overview

Table III-1 below is a summary of the combined financial forecasts of the Port's operating divisions, which can be found in Sections IV, V, and VI.

Table III-1: Port of Seattle Financial Forecast

($ in thousands)

OPERATING BUDGET	Actual 2025	Budget 2026	Revised Budget 2026	Proposed Budget 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031	Compound Growth 2027-2031
Aeronautical Revenues	545,307	617,786	618,565	683,949	759,636	833,338	891,460	962,578	8.9%
Airport Non-Aero Revenues	363,215	367,381	344,087	356,471	392,847	420,789	434,593	456,060	6.4%
Seaport Revenues [1, 2]	106,933	115,327	115,425	130,806	138,246	146,710	154,681	167,554	6.4%
NWSA Distributable Revenue	106,991	58,401	58,401	57,774	49,374	44,997	43,601	44,868	-6.1%
Operating Revenues	**1,122,446**	**1,158,895**	**1,136,479**	**1,229,000**	**1,340,103**	**1,445,834**	**1,524,335**	**1,631,060**	**7.3%**
GASB 87_96_103 Revenues	12,567	1,596	24,791	27,343	-	-	-	-	
Total Operating Revenues GASB Comparable Basis	**1,135,013**	**1,160,491**	**1,161,270**	**1,256,343**	**1,340,103**	**1,445,834**	**1,524,335**	**1,631,060**	**6.7%**
Operating Expense w/o Pension Credit	**698,282**	**731,141**	**758,484**	**782,694**	**809,280**	**852,133**	**897,342**	**945,031**	**4.8%**
DRS Pension Credit	(25,970)								
Operating Expense with Pension Credit	**672,311**	**731,141**	**758,484**	**782,694**	**809,280**	**852,133**	**897,342**	**945,031**	**4.8%**
GASB 87_96_103 Expenses	4,698	35,864	8,521	8,795					
Total Operating Expenses GASB Comparable Basis	**677,009**	**767,005**	**767,004**	**791,488**	**809,280**	**852,133**	**897,342**	**945,031**	**4.5%**
Net Operating Income before Depreciation	**450,135**	**427,754**	**377,995**	**446,307**	**512,970**	**579,661**	**614,711**	**668,392**	**11.7%**
Total Depreciation Expense	298,355	308,165	308,165	342,538					
Net Operating Income After Depreciation	**151,780**	**119,588**	**69,830**	**103,769**					
									Total 2027-2031
Committed Capital Budget	937,972	826,789	826,789	1,096,221	980,475	720,008	523,182	337,510	3,657,396
Business Plan Prospective	7,904	51,049	51,049	101,617	234,047	256,874	260,755	369,949	1,223,241
CIP Cashflow Adj Reserve	0	(105,683)	(105,683)	(180,902)	(33,745)	150,769	59,878	4,000	(0)
Total Capital Budget [3]	**945,876**	**772,155**	**772,155**	**1,016,936**	**1,180,777**	**1,127,650**	**843,815**	**711,459**	**4,880,638**

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Table Notes:
[1] Includes revenue from Maritime, Economic Development, Central Services, and Stormwater Utility.
[2] Does not include NWSA Distributable Revenue.
[3] Does not include Port's share of NWSA CIP. See Section IX for details of Capital Improvement Plan.

B. Operating Budget Overview

The 2027 budget comprises of the Total Operating Revenues of $1,229.0 million and Total Operating Expenses of $782.7 million. Net Operating Income Before Depreciation calculates to $446.3 million. Net Operating Income After Depreciation is budgeted at $103.8 million.

- Aviation Division's Operating Revenues are $1,040.4 million, a $77.8 million or 8.1% increase from 2026 revised budget. Total Operating Expenses are budgeted at $602.4 million. This represents a $12.5 million or 2.1% increase compared to the 2026 budget. Net Operating Income Before Depreciation is $438.0 million.
- Maritime Division's Operating Revenues are $122.6, a $12.1 million or 11.0% increase from 2026 revised budget. Total Operating Expenses are $142.4 million, a $1.8 million or 1.3% increase from 2026 revised budget. Net Operating Income Before Depreciation is -$19.8 million.

- Total Operating Expenses for Economic Development Division are $4.3 million, a $1.0 million or 28.9% increase from 2026 revised budget.
- Total Operating Expenses for Central Services are $207.4 million, a $4.7 million or 2.3% increase from 2026 revised budget.
- The Net Income from the NWSA will be distributed evenly between the two home ports. The Port of Seattle's 50% share of the net income for 2027 is $57.8 million, which is included as Operating Revenue in the Port-wide financial statements.

The Non-Operating Revenues are $395.5 million while Non-Operating Expenses are $264.6 million for the 2027 budget. More information on the Non-Operating Revenues and Expenses can be found from Table III-2.

Table III-2: Revenues, Expenses, and Net Assets

($ in thousands)

BY ACCOUNT	2024 Actual	2025 Actual	2026 Budget	2026 Revised Budget	2026 Forecast	2027 Proposed Budget
Operating Revenue	**1,021,838**	**1,122,446**	**1,158,895**	**1,136,479**	**1,152,055**	**1,229,000**
GASB 87_96_103 Revenues	29,671	12,567	1,596	24,791	24,791	27,343
Total Operating Revenues GASB Comparable Basis	**1,051,509**	**1,135,013**	**1,160,491**	**1,161,270**	**1,176,846**	**1,256,343**
Operating Expenses w/o Pension Credit	**675,431**	**698,282**	**731,141**	**758,484**	**758,963**	**782,694**
DRS Pension Credit	(22,790)	(25,970)	-	-	-	-
Operating Expenses with Pension Credit	**652,642**	**672,311**	**731,141**	**758,484**	**758,963**	**782,694**
GASB 87_96_103 Expenses	6,731	4,698	35,864	8,521	8,521	8,795
Total Operating Expenses GASB Comparable Basis	**659,373**	**677,009**	**767,005**	**767,004**	**767,484**	**791,488**
NOI Before Depreciation (with Pension Credit) [1]	**369,196**	**450,135**	**427,754**	**377,995**	**393,092**	**446,307**
Depreciation	277,917	298,355	308,165	308,165	308,165	342,538
Operating Income [1]	**91,279**	**151,780**	**119,588**	**69,830**	**84,926**	**103,769**
Non-Operating Income (Expense):						
Ad valorem tax levy revenues	85,885	87,841	90,180	90,180	90,180	97,588
Passenger facility charges revenues	99,364	98,144	102,054	102,054	100,241	100,350
Customer facility charges revenues	24,896	24,821	25,327	49,634	50,634	51,947
Fuel hydrant facility revenues	6,389	6,561	6,986	6,986	6,786	6,986
Non capital grants and donations	3,491	3,052	2,209	2,209	1,708	3,417
Interest income & (expense)	81,374	117,805	74,857	74,857	80,857	78,812
Other Noncapital Subsidies	25,110	2,952	2,923	2,923	28,569	2,974
Revenue bonds interest expense	(150,434)	(174,153)	(210,147)	(210,147)	(194,801)	(222,468)
GO bond interest income (expense)	(14,365)	(15,184)	(17,309)	(17,309)	(17,309)	(20,848)
Public expense	(11,150)	(4,320)	(6,263)	(6,263)	(3,743)	(20,999)
Other Non-Op Revenue (Expense)	(63,977)	41,962	(122)	(122)	(928)	(250)
Total Non-Operating Income (Expense)	**86,585**	**189,481**	**70,695**	**95,002**	**142,192**	**77,508**
Income Before Capital Contributions	**221,944**	**372,424**	**180,323**	**181,102**	**243,388**	**199,826**
Capital Contributions	94,282	40,308	54,699	54,699	41,035	53,390
Income Before Special Item	**316,226**	**412,732**	**235,021**	**235,800**	**284,423**	**253,216**
Special Item	(91,107)	-	-	-	-	-
Increase In Net Position	**225,118**	**412,732**	**235,021**	**235,800**	**284,423**	**253,216**
Employment (FTES)	2,597.2	2,702.8	2,714.8	2,714.8	2,711.8	2,625.5

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Table Notes:
[1] Does not include GASB 87_96_103 Adjustments.

Table III-3: Revenues By Major Businesses

($ in thousands)

BY ACCOUNT	2024 Actual	2025 Actual	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 26 Rev Bud (%)
Aeronautical Revenues	520,942	545,307	617,786	618,565	683,949	10.6%
Public Parking	116,535	116,870	114,531	114,531	124,929	9.1%
Rental Cars - Operations	43,562	44,278	43,555	43,555	46,478	6.7%
Rental Cars - Operating CFC	20,872	23,201	24,307	-	-	0.0%
ADR & Terminal Leased Space	79,794	82,361	85,234	85,752	78,910	-8.0%
Ground Transportation	23,946	24,376	24,896	24,896	26,258	5.5%
Employee Parking	10,462	12,532	14,138	14,138	16,724	18.3%
Airport Commercial Properties	17,639	18,625	20,475	20,475	21,716	6.1%
Airport Utilities	9,578	10,837	10,551	10,551	12,140	15.1%
Clubs and Lounges	16,709	19,528	16,153	16,153	10,531	-34.8%
Cruise	36,723	40,359	49,359	49,359	57,277	16.0%
Recreational Boating	16,555	18,058	19,094	19,094	20,185	5.7%
Fishing & Operations	11,675	12,437	11,011	11,011	10,972	-0.4%
Bulk Terminals	4,478	5,028	3,055	3,055	3,780	23.7%
Central Harbor Management	9,129	8,478	8,805	8,805	8,352	-5.2%
Conference & Event Centers	7,490	8,654	9,430	9,430	11,372	20.6%
NWSA Distributable Revenue	62,399	106,991	58,401	58,401	57,774	-1.1%
Other Revenues	13,351	24,528	28,112	28,707	37,653	31.2%
Operating Revenue	**1,021,838**	**1,122,446**	**1,158,895**	**1,136,479**	**1,229,000**	**8.1%**
GASB 87_96_103 Revenues	29,671	12,567	1,596	24,791	27,343	10.3%
Total Operating Revenues GASB Comparable Basis	**1,051,509**	**1,135,013**	**1,160,491**	**1,161,270**	**1,256,343**	**8.2%**

TABLE4.xslx

Figure III-1: Revenues By Major Businesses

($ in thousands)

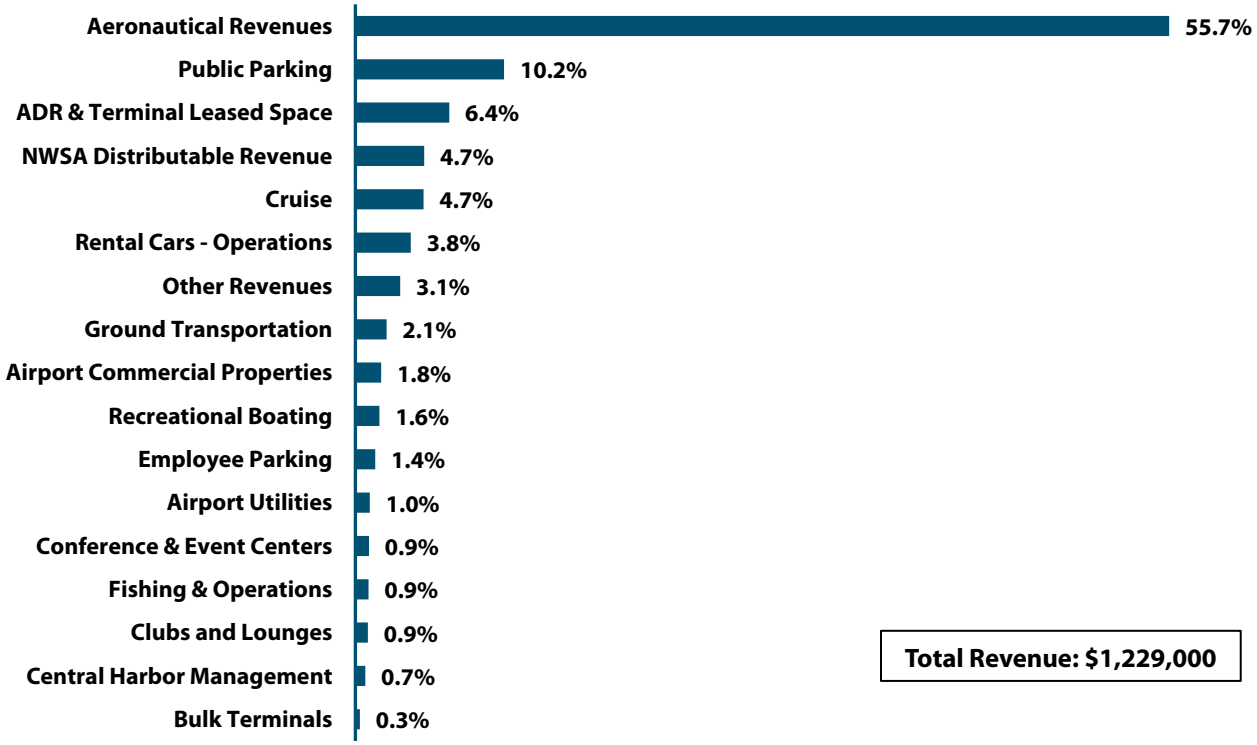


Table III-4: Expenses By Major Accounts

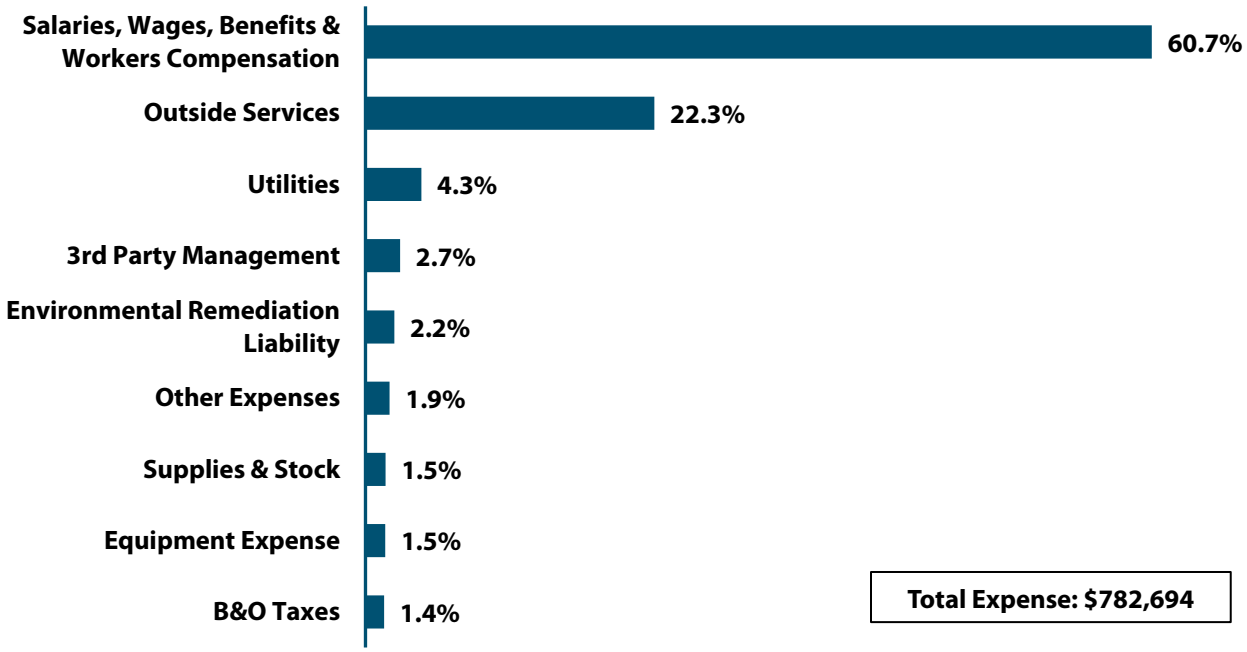
($ in thousands)

BY ACCOUNT	2024 Actual	2025 Actual	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 26 Rev Bud (%)
Salaries, Wages, Benefits & Workers Compensation	451,382	491,500	509,557	509,557	523,357	2.7%
Equipment Expense	11,790	11,582	14,503	14,503	13,165	-9.2%
Utilities	33,786	36,192	37,219	37,219	37,229	0.0%
Supplies & Stock	12,983	14,533	10,856	10,856	13,338	22.9%
Outside Services	161,476	176,059	200,212	198,677	192,282	-3.2%
Travel & Other Employee Expenses	6,068	6,799	8,685	8,685	7,931	-8.7%
Promotional Expenses	8,201	3,437	3,025	5,625	3,676	-34.7%
3rd Party Management	12,960	19,949	22,733	22,733	23,052	1.4%
B&O Taxes	7,216	7,487	11,770	11,783	12,387	5.1%
Other Expenses	45,637	(645)	13,503	24,968	16,054	-35.7%
O&M without Environmental	**751,499**	**766,893**	**832,064**	**844,607**	**842,470**	**-0.3%**
Environmental Remediation Liability	1,497	13,973	2,267	17,067	19,200	12.5%
O&M with Environmental	**752,996**	**780,866**	**834,331**	**861,674**	**861,670**	**0.0%**
Charges to Capital/Govt/Envrs Projects/Overhead Alloc	(77,564)	(82,584)	(103,190)	(103,190)	(78,977)	-23.5%
O&M Expenses w/o Pension Credit	**675,431**	**698,282**	**731,141**	**758,484**	**782,694**	**3.2%**
DRS Pension Credit	(22,790)	(25,970)	-	-	-	0.0%
O&M Expenses with Pension Credit	**652,642**	**672,311**	**731,141**	**758,484**	**782,694**	**3.2%**
GASB 87_96_103 Expenses	6,731	4,698	35,864	8,521	8,795	3.2%
Total Operating Expenses GASB Comparable Basis	**659,373**	**677,009**	**767,005**	**767,004**	**791,488**	**3.2%**

TABLE4.xslx

Figure III-2: Expenses By Major Accounts

($ in thousands)



C. Staffing Overview

The 2027 budget approach focused on reviewing vacant positions, limiting new FTEs to roles that support revenue growth, economic development, or efficiency measures, and prioritizing essential operational needs to keep expenses under control.

At the beginning of the budget cycle, departments across the Port carefully assessed their department goals and staffing needs to meet those goals. Departments submitted justifications for new budget requests including requests for additional staff, and departments presented their business cases to the Executive team. The new budget requests approved by the Executive team are included in the proposed 2027 budget.

The 2027 proposed Full-Time-Equivalent (FTE) budget is 2,625.5, a 3.3% decrease compared to the 2026 budget. Major staffing changes are outlined below:

- Aviation's proposed 2027 FTE budget is 1,342.1, representing a 3.3% decrease from the 2026 budget and reflecting a reduction of 45.3 FTEs.
- Maritime's proposed 2027 FTE budget is 322.5, a 0.6% decrease from the 2026 budget. This includes transferring the Facilities department (11.0 FTEs) from Marine Maintenance to the Waterfront Project Management department within the Maritime Division, as well as the elimination of 2.0 FTEs in 2027.
- Economic Development's proposed 2027 FTE budget is 23.0 which includes 5.0 FTEs (under Workforce Development) transferred from Central Services in early 2026.
- Central Services added 1.5 mid-year FTEs and eliminated 3.55 FTEs earlier this year. In addition, the Workforce Development department (5.0 FTEs) was transferred to the Economic Development Division. The proposed 2027 FTE budget is 937.9, representing a 4.7% reduction compared to the 2026 budget. This reflects the elimination of 39.0 filled and vacant FTEs, as well as the addition of 2.0 new FTEs that will replace existing vacant positions.

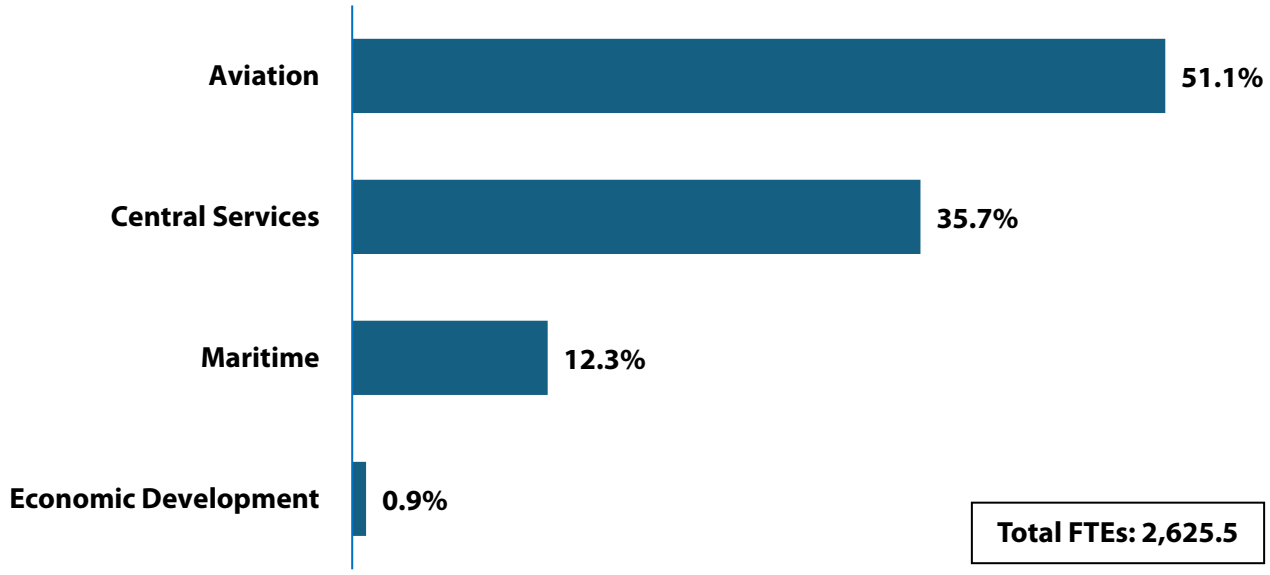
More staffing information is provided in the Aviation, Maritime, Economic Development, and Central Services sections of this document (Sections IV to VII).

Table III-5: Port Staffing by Division

Division	2024 Actual	2025 Actual	2026 Budget	2026 Est. Actual	2027 Proposed Budget	# Change 2026 Bud-2027 Bud	% Change 2026 Bud-2027 Bud
Aviation	1,317.0	1,377.4	1,387.4	1,387.4	1,342.1	-45.3	-3.3%
Maritime	315.5	324.5	324.5	324.5	322.5	-2.0	-0.6%
Economic Development	18.0	18.0	18.0	23.0	23.0	5.0	27.8%
Central Services	946.8	983.0	985.0	985.0	937.9	-47.1	-4.8%
Total FTE's	**2,597.2**	**2,702.8**	**2,714.8**	**2,719.8**	**2,625.5**	**-89.4**	**-3.3%**

FTE.xlsx

Figure III-3: Port Staffing by Division



D. Capital Budget Overview

For the Port to meet the waterborne and air transportation needs of the region and to serve its customers, it must invest in the acquisition, development, and maintenance of long-term assets. For an organization as large and diverse as the Port, this requires comprehensive long-term capital planning which synthesizes the existing and anticipated business environment, careful estimates of customer demand for facilities, available resources, and the priorities of the organization. The 2027 capital budget is $1.02 billion.

Table III-6: Capital Budget

($ in thousands)

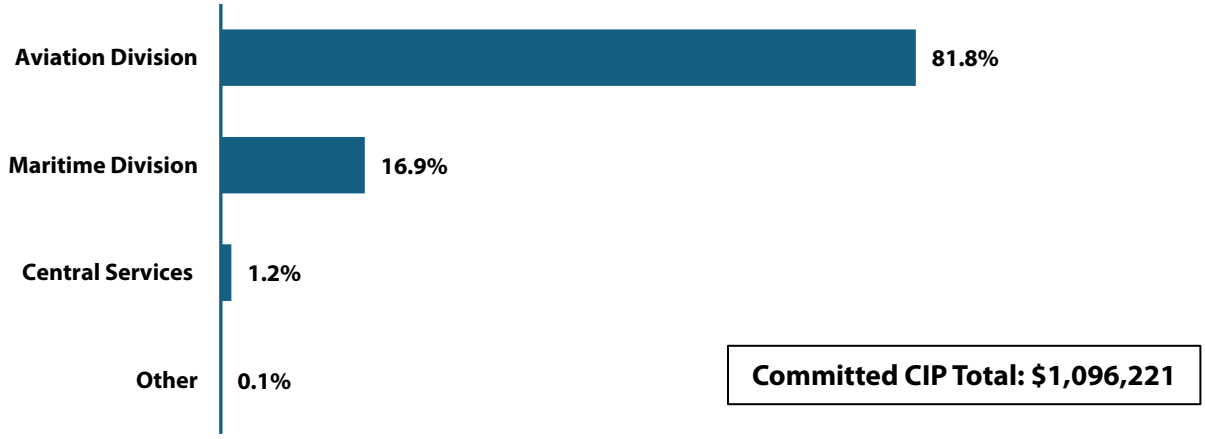
	2027 Budget	2027-2031 CIP	% of 2027 Total Committed
Committed Capital Projects			
Aviation Division	896,343	3,177,858	81.8%
Maritime Division	185,633	418,731	16.9%
Central Services	13,598	33,272	1.2%
Other [1]	647	27,535	0.1%
Total Committed	**1,096,221**	**3,657,396**	**100.0%**
Business Plan Prospective Projects	**101,617**	**1,223,241**	
CIP Cashflow Adjustment Reserve	**(180,902)**	**0**	
Total CIP [2]	**1,016,936**	**4,880,638**	

CAPSUM.xslx

Table Notes:
[1] Includes the Stormwater Utility and Port projects related to NWSA (Joint Venture); excludes the Port's share of NWSA CIP.
[2] Definitions and details of the capital budget can be found in Section IX.

Figure III-4: Committed Capital Budget

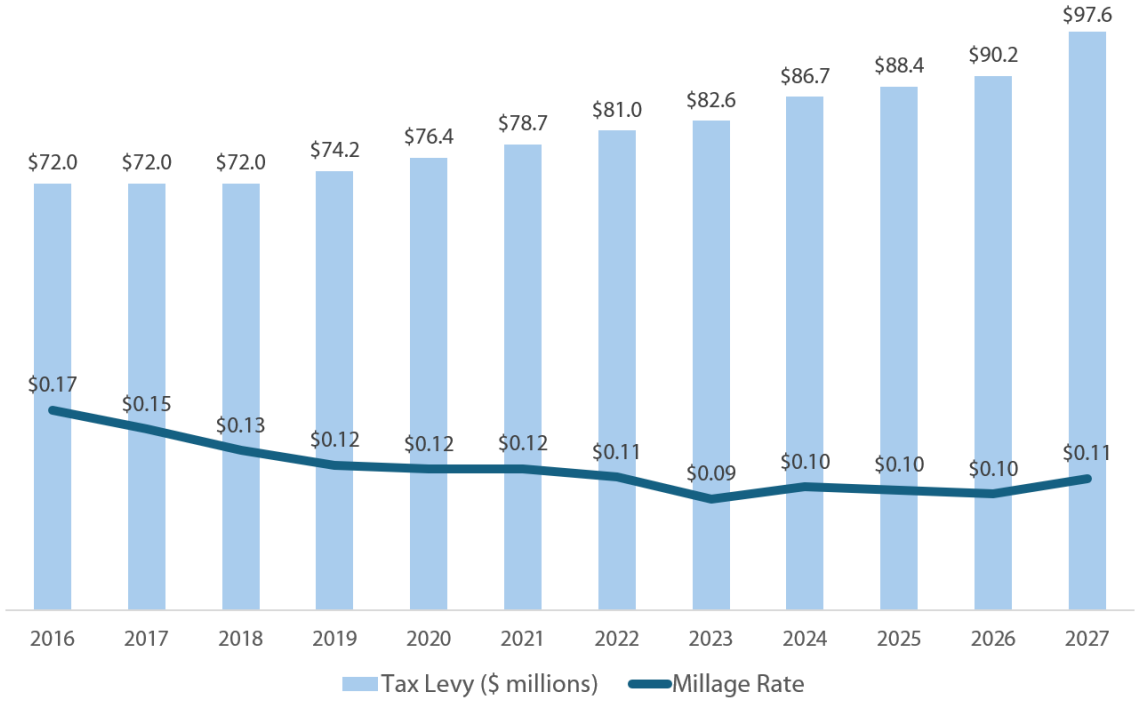
($ in thousands)



E. Tax Levy

- The preliminary maximum allowable levy for 2027 is $122.0M.
- For 2027 the preliminary levy is $97.6M, an 8.2% increase over the 2026 levy of $90.2M pending Commission approval.
- The estimated 2027 millage rate is $0.1112.
- Planned levy uses in 2027 include:
  - General Obligation (G.O.) Bond debt service.
  - Capital projects reviewed by the Commission.
  - Environmental and climate change initiatives.
  - Sound Insulation projects including Repair and Replacement Program.
  - Workforce development initiatives and community business assistance.
  - Economic development partnership grants.
  - Support for local and regional Tourism.
  - City of SeaTac safety enhancements.
  - South King and Port Communities Fund.
  - Duwamish Valley Community Equity Program.
  - Friends of the Waterfront contribution.
  - Support for the Equity, Diversity and Inclusion department and high school internship program.

Figure III-5: Tax Levy vs. Millage Rate 2015-2027



F. Equity In Budgeting

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Will be included in the Final Budget Document

IV – AVIATION

Aviation Division

A. 2027 Budget Summary

Table IV-1: Aviation Cash Flow Summary

($ in thousands)

	2027	Percent of Total
SOURCES OF CASH		
Operating Revenues	1,040,419	49.9%
Interest Receipts	61,492	2.9%
Proceeds from Bond Issues	750,000	36.0%
Grants and Capital Contributions	55,317	2.7%
Tax Levy	5,772	0.3%
Passenger Facility Charges	100,350	4.8%
Rental Car Customer Facility Charges	51,947	2.5%
Other Receipts	20,426	1.0%
Total	**2,085,723**	**100%**
USES OF CASH		
Expenses from Operations:		
Total Operating Expenses	602,382	31.1%
Debt Service:		
Interest Payments	254,044	13.1%
Bond Redemptions	231,672	12.0%
Total Debt Service	485,716	25.1%
Other Expenses	8,809	0.5%
Public Expense	632	0.0%
Capital Expenditures	836,631	43.3%
Total	**1,934,170**	**100%**

CASHFLW.xlsx

Figure IV-1: Aviation Sources of Cash

($ in thousands)

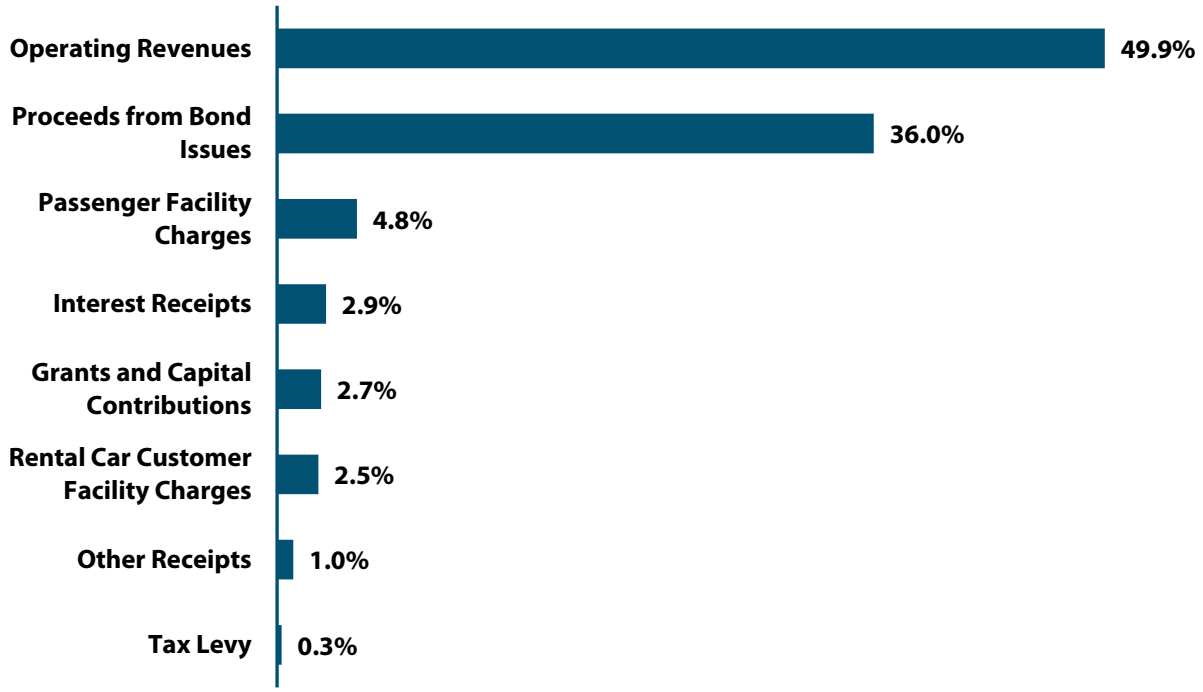
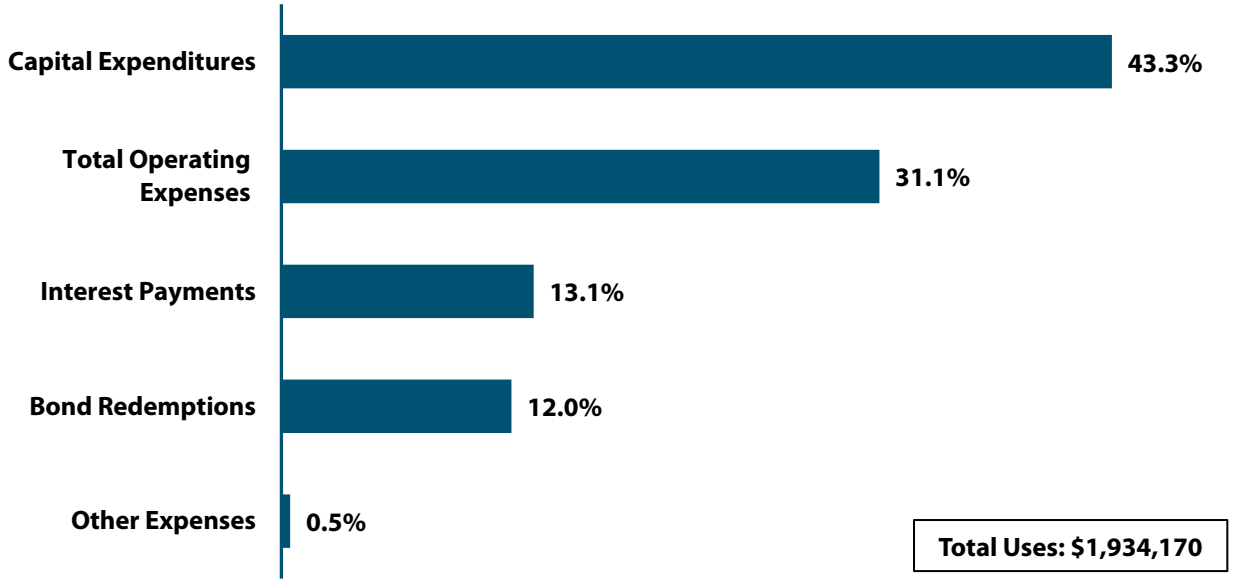


Figure IV-2: Aviation Uses of Cash

($ in thousands)



Financial Forecast

Table IV-2: Aviation Financial Forecast

($ in thousands)

OPERATING BUDGET	Actual 2025	Budget 2026	Revised Budget 2026	Proposed Budget 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031	Compound Growth 2027-2031
Aeronautical Revenues	545,307	617,786	618,565	683,949	759,636	833,338	891,460	962,578	8.9%
Non-Aeronautical Revenues [1]	363,215	367,381	344,087	356,471	392,847	420,789	434,593	456,060	6.4%
Operating Revenues	**908,522**	**985,167**	**962,652**	**1,040,419**	**1,152,483**	**1,254,127**	**1,326,053**	**1,418,638**	**8.1%**
GASB 87_96_103 Revenues	(7,646)	(13,422)	9,872	13,195	-	-	-	-	
Total Operating Revenues GASB Comparable Basis	**900,876**	**971,745**	**972,524**	**1,053,614**	**1,152,483**	**1,254,127**	**1,326,053**	**1,418,638**	**7.7%**
Operating & Maintenance Expense	413,780	426,344	426,405	435,581	462,431	487,705	514,370	542,501	5.6%
Central Services and other Division Costs	101,433	122,591	124,253	124,352	132,017	139,233	146,845	154,876	5.6%
Law Enforcement Costs	42,925	39,200	39,200	42,449	45,065	47,529	50,127	52,869	5.6%
Operating Expense w/o Pension Credit	**558,138**	**588,135**	**589,858**	**602,382**	**639,513**	**674,466**	**711,342**	**750,246**	**5.6%**
DRS Pension Credit	(21,111)	-	-	-	-	-	-	-	
Operating Expense with Pension Credit [2]	**537,028**	**588,135**	**589,858**	**602,382**	**639,513**	**674,466**	**711,342**	**750,246**	**5.6%**
GASB 87_96_103 Expenses	5,167	9,800	8,101	8,265					
Total Operating Expenses GASB Comparable Basis	**542,195**	**597,935**	**597,958**	**610,648**	**639,513**	**674,466**	**711,342**	**750,246**	**5.3%**
Net Operating Income before Depreciation	**345,217**	**387,232**	**364,694**	**429,772**	**512,970**	**579,661**	**614,711**	**668,392**	**11.7%**
Total Depreciation Expense	260,183	268,206	268,206	297,814					
Net Operating Income After Depreciation	**85,033**	**119,026**	**96,488**	**131,958**					
									Total 2027-2031
Committed Capital Budget	832,560	931,831	695,823	896,343	817,050	663,075	483,870	317,520	3,175,682
Business Plan Prospective	7,899	42,099	39,484	53,540	118,849	180,386	219,001	338,779	912,731
CIP Cashflow Adj Reserve		(138,044)	(76,353)	(113,252)	45,301	67,951	-	-	-
Total Capital Budget [3]	**840,459**	**835,887**	**658,954**	**836,631**	**981,200**	**911,412**	**702,871**	**656,299**	**4,088,413**

Table IV-2 and IV 3 Final.xlx

Table Notes:
[1] 2028-2031 forecast amounts are included in the Non-Aeronautical Revenues total.
[2] 2028-2031 forecast amounts are included in O&M Expense total.
[3] See Section IX for Capital Improvement Program details.

Table IV-3: Aviation Key Measures

Description	Actual 2025	Budget 2026	Revised Budget 2026	Proposed Budget 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Key Measures (in $'s)								
Cost per Enplanement (CPE)	9.06	21.16	21.19	23.56	26.01	28.34	30.12	32.40
O&M per Enplanement	20.41	21.76	21.82	21.72	23.44	24.53	25.66	26.88
Non-Aero Revenue per Enplanement	13.80	13.81	12.73	13.26	14.40	15.30	15.68	16.34
Debt per Enplanement	182.47	165.46	165.46	204.43	225.46	240.73	251.72	259.35
Debt Service Coverage [1]	1.90	1.56	1.57	1.56	1.63	1.62	1.58	1.52
Traffic (in thousands)								
Enplanements	26,317	27,031	27,031	26,890	27,279	27,497	27,717	27,911

Table IV-2 and IV 3 Final.xlx

Table Notes:
[1] Debt Service Coverage is based on the Airport only calculation per Signatory Lease & Operating Agreement (SLOA).

B. Aviation Division Description/Business Assessment

Mission & Vision:

Seattle-Tacoma International Airport (SEA) promotes regional economic vitality by operating a world-class international airport, providing extraordinary customer experience, and being a model of environmental innovation for our region and industry.

Connecting the region to the world through flight. The journey begins here.

Major/New Initiatives:

- Continue the Part 150 noise and land use compatibility study.
- Increase partner participation in Allies Against Human Trafficking initiative.
- Begin major construction on South Concourse Evolution project.
- Focus on Employee Engagement initiatives to attract and retain high-quality employees.

Division Description:

The Port of Seattle owns and operates Seattle-Tacoma International Airport (SEA), the largest airport in the state of Washington and the 12th busiest airport in the U.S. based on passenger volume in 2025. The Airport is located approximately 12 miles south of downtown Seattle. Currently, the Airport has facilities for commercial passengers, air cargo, general aviation, and aircraft maintenance on a site of approximately 2,800 acres. Airport facilities include the Main Terminal, the South and North Satellites, a parking garage, and a consolidated rental car facility. The Airport has three runways that are 11,900 feet, 9,425 feet, and 8,500 feet in length.

Industry Assessment:

Air travel demand has moderated but remains stable heading into the 2027 Budget. After passenger volumes held near 52.7 million in both 2024 and 2025, activity is expected to increase modestly to 53.1 million in the 2026 Forecast and 53.8 million in the 2027 Budget, reflecting steady but measured growth across the forecast period. International passengers continue to be a key contributor, supported by the ongoing expansion of international services in recent years.

Looking ahead to 2027, the high costs of fuel will, at least for the early part of year, contribute to higher airfares as well as airlines trimming capacity to focus on the most profitable routes. Travel demand is expected to remain resilient with passenger levels growing slightly.

SEA remains a hub for both Alaska and Delta Airlines. Alaska Airlines is building a long-haul international network from Seattle with at least two new international routes launching in 2027, and plans to serve 15 intercontinental destinations with its own aircraft from Seattle by 2030.

Business Assessment/Drivers:

Passenger volumes have remained relatively stable since 2023. After reaching 50.9 million passengers in 2023, volumes held at 52.7 million across both 2024 and 2025, indicating a leveling of demand. Forward-looking projections anticipate 53.1 million passengers in the 2026 forecast and 53.8 million in the 2027 budget, reflecting modest changes in travel activity.

Figure IV-3: Airport Passenger Forecast

This graph compares annual passenger volumes for the Aviation Division across 2023 Actual, 2024 Actual, 2025 Actual, 2026 Budget, 2026 Forecast, and 2027 Budget. Passengers grew from 50.9 million in 2023 to 52.7 million in 2024, then held flat at 52.7 million in 2025. The 2026 Budget of 54.1 million assumed further growth, but the 2026 Forecast is 53.1 million, about 1.0 million below budget. The 2027 Budget of 53.8 million is 0.7 million above the 2026 Forecast and 1.1 million above 2025 Actual. Overall, the graph shows growth that has leveled off, with the 2026 forecast softer than planned and the 2027 budget assuming a modest recovery.

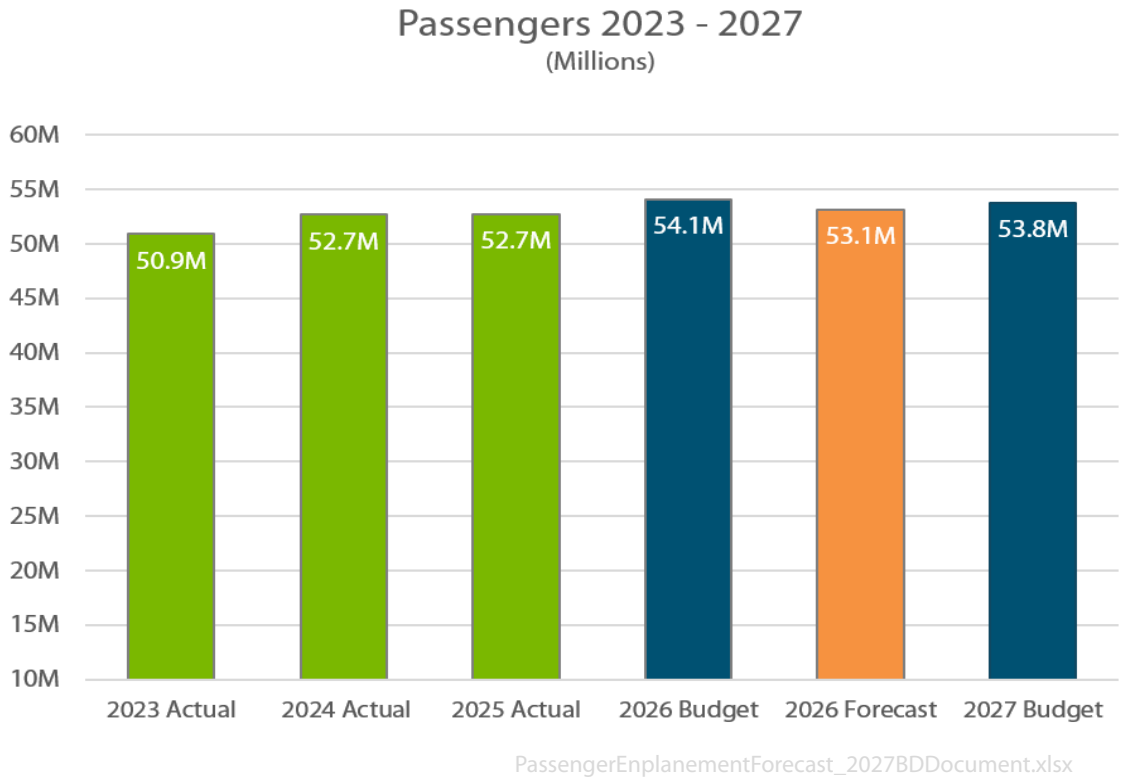


Table IV-4: Aviation Passenger Forecast

The table below summarizes annual passenger growth rates, highlighting a clear moderation in year-over-year change since 2023. Growth peaked at 10.7% in 2023, then slowed to 3.5% in 2024, and flattened to 0.1% in 2025, reflecting a leveling of passenger demand. Looking ahead, the 2026 Budget anticipates growth of 2.6%, while the 2026 Forecast represents a 0.8% increase over 2025 Actual. The 2027 Budget projects a further 1.3% increase over the 2026 Forecast, indicating modest, incremental growth as volumes stabilize across the forecast period.

Year	Growth %
2023 Actual	10.7%
2024 Actual	3.5%
2025 Actual	0.1%
2026 Budget	2.6%
2026 Forecast vs 2025 Actual	0.8%
2027 Budget vs 2026 Forecast	1.3%

PassengerEnplanementForecast_2027BDDocument.xlsx

Challenges and Opportunities:

Strengths:

- SEA Brand, customer-focused culture, tenant engagement.
- Opened Upgrade SEA projects to support efficient passenger movement and experience.
- Emerging technologies enhance customer experience, revenue and operational efficiencies.

Weaknesses:

- Increasing airport costs to airlines/tenants.
- Project construction impacts.
- Capital program affordability.
- Constrained and aging facilities.
- Staffing challenges.

Opportunities:

- Regional economy growth and demand for travel.
- Continued growth amongst two largest carriers at SEA.
- Community interests and alignment with shared economic development opportunities.

Threats:

- Global economic uncertainty.
- Regulatory uncertainty and lack of agency resources.
- Volatile construction market, supply chain issues, labor shortages, pilot shortage, increasing cost, tariffs.

C. Operating Budget Summary

Background

From a financial perspective, the Aviation Division operates two distinct sides of the business: Aeronautical and Non-Aeronautical. Together, these two sides determine how the airport earns revenue, manages costs, and funds future growth.

The Aeronautical side covers everything directly tied to aircraft and airline operations, such as the airfield, runways, and the portions of the terminal used by airlines. On this side, the rates airlines pay are set to recover the airport's actual costs rather than to generate a profit. The Port's goal is to keep costs efficient while maintaining safe, reliable, and effective airport operations.

The main measure of an airport's cost to airlines is the airline cost per enplanement (CPE), the average cost charged to airlines for each departing passenger. A lower CPE means the airport is more cost-competitive, making it more attractive to airlines when deciding where to add or expand service. These costs include airfield operations, the airlines' share of terminal costs, and the long-term capital costs of the infrastructure they use. Notably, the Port does not charge airlines for any assets or operations funded by Passenger Facility Charges (PFCs) or government grants.

The Non-Aeronautical side covers the commercial activities that serve passengers and the public, such as parking, dining, retail, rental cars, and other concessions. Unlike the Aeronautical side, the goal here is to generate as much cash flow as possible, measured by net operating income (NOI), which is essentially the revenue left over after operating expenses are paid.

This cash flow is important because it can be reinvested into the airport, funding capital improvements, supporting future growth, and building up cash reserves to ensure the Port stays financially healthy and can meet its liquidity targets.

Overview of Major Changes in 2027 Budget

The 2027 Budget forecasts an overall enplanement increase of 1.3% compared to the 2026 forecast. International passenger volumes are also projected to grow at 3.2% higher than 2026 forecast.

The 2027 Budget reflects a disciplined approach to managing operating costs while continuing to invest in the airport's growth. This includes supporting increasing passenger volumes, aligning resources with key airport initiatives, and funding the operating needs of the growing airport capital program. Total operating and maintenance (O&M) expenses are budgeted at $436.7 million, an increase of $9.3 million, or 2.2%, over the 2026 Budget. Through a zero-based budgeting review, the Division evaluated expenses to ensure resources match current operating needs. The budget includes no new positions and reduces staffing by 45.3 FTEs, primarily by eliminating vacant positions. Remaining cost increases are limited to essential pay adjustments and targeted operating needs.

Revenues

Aeronautical revenues are governed by a cost recovery framework, which directly aligns airline fees with the airport's operating and capital expenditures. Key cost drivers include rising payroll obligations, increased operational demands associated with the growth of the traveling public, the airport's expanding infrastructure and strategic investments in core airport initiatives.

These factors, combined with higher debt service obligations from capital development, are reflected in the aeronautical rate base for the 2027 Budget. Costs covered by federal grants are excluded from the cost recovery process.

Non-Aeronautical revenue growth was strong during 2026, outpacing the growth in passenger volumes in most lines of business (and adjusting for an accounting change that started in 2026 moving Customer Facility Charge revenues from operating to non-operating). Non-Aeronautical revenue growth is expected to be more modest in 2027, primarily due to impacts of capital construction around the airport.

Operating Expense Drivers

Total airport operating expenses (including costs from other divisions) are budgeted to increase by $12.5M or 2.0% compared to the 2026 Revised Budget.

The tables on the following pages summarize high level changes to the airport's direct operating and maintenance expense (O&M) portion of the Aviation Division budget and highlight key elements in the strategic cost increases reflected in the 2027 Budget. The detailed tables below do not include operating expenses for the Airport from Central Services and other divisions.

Table IV-5: Aviation Budget Summary – Incremental Changes Compared to 2026 Budget

($ in thousands)

Budget Component	Amount
Remove 2026 non-recurring expense	(21,233)
2027 Change in charges to Capital (decrease in Operating Expense)	12,704
2027 decrease to baseline budget	(1,326)
Exceptions: Change in regulated materials	2,733
Budget Reduction before new Budget Requests	**(7,122)**
Proposed 2027 additions (baseline)	6,602
Proposed 2027 additions (non-recurring)	9,799
Subtotal - New Budget Requests	**16,401**
Incremental Budget Change - Total O&M	**9,278**

2027 Budget Changes Summary.xlsx

Table IV-6: Aviation Payroll Cost Increases

($ in thousands)

2027 Payroll Cost Increases compared to 2026 Budget	Amount
Payroll Increases (before new FTE requests)	
Non-Represented Annual Increases (Pay & Benefits)	4,530
Represented Annual Increases (Pay & Benefits)	4,920
Annualized new FTEs approved in 2026 Budget	(41)
Add New FTEs approved in 2026 (mid-year approvals)	291
All other payroll increase/adjustments	(6,336)
Total Baseline Payroll Increases	**3,364**
Less incremental change in 2% Payroll Vacancy	**2,863**
Proposed new FTEs (budget requests)	**-**
2027 Payroll Cost Increases:	**6,227**

2027 Budget Changes Summary.xlsx

Table IV-7: Aviation Non-Payroll Cost Increases

($ in thousands)

2027 Non-Payroll Cost Increases compared to 2026 Budget	Detail	Total
Non-Payroll Cost Decrease SCE Construction		
Clubs & Lounges - SCE Lounge Construction Closure	(1,860)	
Credit Card usage fee decrease	(558)	
B&O tax correction	1,214	
Total Non-Payroll Cost decreases due to SCE Construction		**(1,204)**
Other Non-Payroll Cost Increases		
Aviation contract increases	615	
Utilities increase (rate & usage)	887	
All other Aviation Non-Payroll decrease to baseline budget	(1,250)	
Total Other Non-Payroll Cost Increases		**253**
Change to Charges to Capital (results in lower Operational Expense)		**12,704**
Net Increase to Non-Payroll Baseline Budget		**11,752**
Change in ERL expense	2,733	
Remove 2026 Budget "one-time" non-payroll items	(21,233)	
Proposed Non-Payroll expense (new 2027 Budget Requests)	9,799	
2027 Non-Payroll Cost Increase:		**3,051**

2027 Budget Changes Summary.xlsx

Table IV-8: Aviation Increase Charges to Capital Projects

($ in thousands)

Increase in 2027 Budget Charges to Capital compared to the 2026 Budget	Amount
Higher budgeted Charges to Capital (results in lower Operating Expense)	
Decreased payroll costs charged to Capital	2,478
All other increased Aviation payroll costs charged to Capital	2,534
Decrease in consulting & overhead charged to Capital	7,692
Total increase in Charges to Capital (decrease to Operating Expense)	**12,704**

2027 Budget Changes Summary.xlsx

Table IV-9: Aviation Approved Key Additions

The following table highlights a few of the key items included in the approved additions to the 2027 Budget.

($ in thousands)

Budget Request	Total
STAC/TSA Staffing – Exit Lane Coverage & Divesting	4,830
Expense Items with Capital Projects	2,181
Tenant Project Manager Support – Tenant/ADR	1,855
Part 150 Noise and Land Use Compatibility Study	1,400
Self-Contained Breathing Apparatus (SCBA) Replacement	750
Clean Buildings Energy Efficiency Measures	700
Pavement Management Plan	460
New Air Service Incentives	350

Table IV-9 and IV-10 - Aviation Budget Requests.xlsx

The full list of approved additions to the 2027 Budget are explained below in the context of the Problem/ Need/Opportunity they are identified to address.

Table IV-10: Aviation Approved Budget Additions

Asset & Financial Stewardship

($ in thousands)

Budget Request	Baseline	Non-Baseline	Total
Expense Items with Capital Projects	0	2,181	2,181
Tenant PM Support - Tenant/ADR	0	1,855	1,855
Pavement Management Plan	0	460	460
2027 New Air Service Incentives	0	350	350
New T2 Credit Card Readers Fee	265	0	265
2027 Baker Tilly PFC and Single Audit Fees	190	0	190
2027 SEA BIM Model	0	168	168
STOC Tenant Improvement/Rent Abatement	0	100	100
2027-2030 Airfield Projects	0	90	90
SCE Project – Parts Budget for 24 New Cobus buses	75	0	75
2027 Financial Consulting	0	50	50
Capital PM Support	0	6,460	6,460
Capital PM Support - Offset	0	(6,460)	(6,460)
Asset & Financial Stewardship Total	**530**	**5,253**	**5,783**

Table IV-9 and IV-10 - Aviation Budget Requests.xlsx

Employee Engagement

($ in thousands)

Budget Request	Baseline	Non-Baseline	Total
Workforce childcare bridge strategy - Commission Priority	0	200	200

Table IV-9 and IV-10 - Aviation Budget Requests.xlsx

Health, Safety, and Security

($ in thousands)

Budget Request	Baseline	Non-Baseline	Total
STAC/TSA Staffing - Exit Lane Coverage & Divesting	4,830	0	4,830
Self-Contained Breathing Apparatus (SCBA) Replacement	0	750	750
Fire Alarm System Upgrade	0	265	265
Airfield Study	0	200	200
GSE Tracking & Congestion Enforcement	200	0	200
Safedock Lasers – Increase to Operational Costs	196	0	196
Snow Removal Vendor Contract	165	0	165
Fire Alarm Equipment	80	36	116
Structural Consultant Services	100	0	100
Airfield Herbicide Project	100	0	100
CBP X-Ray Service Plan - US Testing	55	0	55
X-Ray Machine Repair -South Employee Screening	0	50	50
IDS5 Workstation Comms Software	35	0	35
Health, Safety, and Security (includes passengers) Total	**5,761**	**1,301**	**7,062**

Table IV-9 and IV-10 - Aviation Budget Requests.xlsx

Sustainability & Community

($ in thousands)

Budget Request	Baseline	Non-Baseline	Total
Part 150 Noise and Land Use Compatibility Study	0	1,400	1,400
Clean Buildings Energy Efficiency Measures	0	700	700
TNC EV (Transportation Network Companies Electric Vehicle) Charging	311	0	311
Electrical Demand/Supply Study	0	300	300
Sustainable Airport Master Plan (SAMP) Near Term Project (NTP) Environmental Review	0	300	300
PFAS (Perfluoroalkyl and Polyfluoroalkyl Substances) Pilot Study	0	200	200
Develop Programmatic 6pppd-q Biological Analysis for SEA Projects	0	60	60
Salmon Safe Certification	0	35	35
Sustainability & Community Total	**311**	**2,995**	**3,306**

Table IV-9 and IV-10 - Aviation Budget Requests.xlsx

Table IV-11: Aeronautical Business

($ in thousands)

Description	2024 Actual	2025 Actual	2026 Forecast	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 26 Rev Bud ($)	Inc/(Dec) from 26 Rev Bud (%)
Rate Base Revenues								
Airfield Movement Area	170,821	164,804	180,891	183,818	184,220	201,453	17,234	9%
Airfield Apron Area	32,270	33,404	34,892	35,416	35,443	40,328	4,884	14%
Terminal Rents	279,722	271,462	320,057	319,223	319,543	353,582	34,039	11%
Federal Inspection Services (FIS)	15,206	48,849	52,257	53,542	53,571	59,628	6,057	11%
Total Rate Base Revenues	**498,019**	**518,520**	**588,097**	**591,999**	**592,777**	**654,991**	**62,213**	**10%**
Airfield Commercial Area	22,922	26,787	25,787	25,787	25,787	28,958	3,170	12%
Total Aeronautical Revenues	**520,942**	**545,307**	**613,884**	**617,786**	**618,565**	**683,949**	**65,384**	**11%**
GASB 87_96_103 Revenues	7	415	-	-	-	-	-	0%
Total Aeronautical Revenues GASB Comparable Basis	**520,949**	**545,722**	**613,884**	**617,786**	**618,565**	**683,949**	**65,384**	**11%**
Total Aeronautical Expenses	**367,736**	**358,644**	**390,555**	**391,206**	**392,023**	**408,707**	**16,684**	**4%**
GASB 87_96_103 Expenses	250	315	163	163	163	210	47	29%
Total Aeronautical Expenses GASB Comparable Basis	**367,986**	**358,959**	**390,718**	**391,369**	**392,186**	**408,917**	**16,731**	**4%**
Aeronautical NOI	**153,205**	**186,663**	**223,329**	**226,580**	**226,541**	**275,241**	**48,700**	**21%**
Aeronautical NOI GASB Comparable Basis	**152,963**	**186,764**	**223,166**	**226,417**	**226,378**	**275,032**	**48,653**	**21%**
Debt Service	(157,518)	(176,250)	(201,468)	(202,992)	(202,992)	(248,741)	(45,750)	23%
Net Cash Flow [1]	**(4,554)**	**10,513**	**21,698**	**23,426**	**23,387**	**26,290**	**2,904**	**12%**

Financial_Reporting_Summary_27_BUDGET VERSION

Table Notes:
[1] On a GASB comparable basis

- Debt service costs increased due to completed projects, including the North Main Terminal Redevelopment and C Concourse Expansion.
- The 2027 Proposed Budget increases modestly over the 2026 Revised Budget, driven mainly by higher inter-divisional charges, general operating expenses, and rising environmental remediation costs. These increases are partially offset by reductions in payroll and outside services.
- Positive Net Cash Flow derives from charging Equity Amortization for construction of assets funded with Airport Development Fund (ADF).

Table IV-12: Aeronautical Cost Drivers – Rate Base Only

($ in thousands)

Aeronautical Cost Drivers	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Incr (Decr) Change from Bud ($)	Incr (Decr) Change from Bud (%)
O&M [1]	377,634	378,417	395,799	18,166	4.8%
Debt Service Before Offsets	277,614	277,614	320,081	42,467	15.3%
Debt Service PFC Offset	(92,468)	(92,468)	(92,758)	(290)	0.3%
Net Debt Service	185,146	185,146	227,324	42,177	22.8%
Amortization	33,685	33,685	37,997	4,311	12.8%
Space Vacancy	(2,710)	(2,714)	(3,090)	(380)	14.0%
Cost of Incentives	(1,194)	(1,196)	(1,789)	(595)	49.8%
Grants and Other	(563)	(563)	(1,250)	(688)	122.2%
Rate Base Revenues	**591,999**	**592,777**	**654,991**	**62,992**	**11%**
Commercial area	25,787	25,787	28,958	3,170	12%
Total Aero Revenues	**617,786**	**618,565**	**683,949**	**66,163**	**11%**

Aero Cost Drivers 2027 Bud Round 2B.xlsx

Table Notes:
[1] O&M (Operating & Maintenance), Debt Service Gross, and Amortization do not include commercial area costs or the international incentive expenses

Aeronautical Cost Driver Highlights (Change compared to 2026 Revised Budget):

Aeronautical rate-based revenue increased by $63M. Below is the breakout of the Aero Revenue Impact:

- Aeronautical Operating and Maintenance expenses increased by $18.1M.
  - Payroll costs increased by $1.9M, inclusive of capital offsets, driven mainly by minimal cost of living, performance and contractual pay and benefits increases. No new positions are planned for 2027.
  - Outside Services is budgeted to decrease by ($5.6M) from the 2026 Revised Budget to 2027. Most of the savings come from our Zero-Based Budgeting effort with the largest reductions in professional services, contracted janitorial, and other contracted services.
  - Other Expenses (Equipment, Utilities, Supplies, Promotional, Travel, and General/Other) had a net increase of $1.9M, driven mostly by increases in Maintenance Materials, rebuilt through our Zero-Based Budgeting exercise to better reflect actual needs, along with new budget requests. Reductions in other areas partially offset the increase.
  - Environmental Remediation Liability (ERL) expenses increased by $2.7M in the 2027 budget, primarily due to increase cost in Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS), offset by reduction in asbestos and soil remediation costs.
  - Overhead Allocations represent decrease of $0.4M.
  - Divisional Allocations and Internal Utility Allocations increase of $8.6M – roughly half of the increase is attributable to reduced Terminal Building (TermB) to Non-Aero Allocation. Change is due to a slight decrease in Non-Aero TermB % but also a decrease in TermB costs based on changes in allocation methodologies.
  - Other Division Allocations increase of $8.6M primarily from Law Enforcement Expenses.

- Debt Service net increased by $42.2M:
    - The $42.5M increase in debt service before offsets is driven by higher debt service on major projects placed in service across several key program areas – primarily the Terminal Building, Gates & Utilities, Airfield Movement Area, and Federal Inspection Service area.
    - The Terminal Building accounts for most of the increase as the North Main Terminal Redevelopment and C Concourse Expansion projects are placed in service. Other drivers are the Post International Arrivals Facility (IAF) Airline Realignment (Gates & Utilities), 188th Street Tunnel Lighting (Airfield Movement Area), and FIS's share of Terminal costs.
    - These increases are partially offset by higher Debt Service Exclusions for 2026A VRDB projects under construction and later in-use dates for Checked Bag Recap/Optimization and S Concourse Evolution.
    - PFC offsets remain consistent with 2026 at $100M in total, with only a slight rate base variation due to Terminal-to-Non-Aeronautical allocation changes.
- Amortization equity, use of Airport Development Funds (ADF) to fund construction capital projects, increased by $4.3M:
    - The increase is mainly due to new ADF-funded security and technology assets placed in service in 2026, including the ID Badge System Upgrade and Access Control ICS Network Refresh, and a higher administrative allocation.
    - This is partially offset by assets that became fully amortized in 2026, primarily in the Terminal Building and Airfield Movement Area.
- Space vacancy – increase due to very slight increase in Public-accessible Office space vacancy, plus higher terminal rate.
- Cost of incentives – increase due to SLOA V provision with all Landing Fee & FIS Fee Waiver Recovery flowing through rates and is a cost to the Port of Seattle for all waivers going forward – there are no longer any waivers left in pre-SLOA V provision.

Table IV-13: Non-Aeronautical Business

($ in thousands)

Description	2024 Actual	2025 Actual	2026 Forecast	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 26 Rev Bud ($)	Inc/(Dec) from 26 Rev Bud (%)
Non-Aeronautical Revenues								
Public Parking	116,535	116,870	118,419	114,531	114,531	124,929	10,399	9%
Rental Cars	64,434	67,479	45,624	67,862	43,555	46,478	2,924	7%
Ground Transportation	23,946	24,376	23,758	24,896	24,896	26,258	1,363	5%
Employee Parking [1]	10,462	12,532	14,092	14,138	14,138	16,724	2,586	18%
Airport Dining & Retail [1]	72,234	73,777	77,209	77,078	77,596	69,182	(8,413)	-11%
Non-Aero Commercial Properties	17,639	18,625	22,786	20,475	20,475	21,716	1,240	6%
International Place (STOC)	-	10,174	12,214	11,712	11,712	12,277	566	5%
Clubs and Lounges	16,709	19,528	19,292	16,153	16,153	10,531	(5,622)	-35%
Non-Airline Terminal Leased Space	7,559	8,584	9,481	8,157	8,157	9,727	1,571	19%
Utilities	9,578	10,837	11,202	10,551	10,551	12,140	1,589	15%
Other [2]	1,264	434	3,729	1,829	2,325	6,507	4,182	180%
Total Non-Aeronautical Revenues	**340,360**	**363,215**	**357,806**	**367,381**	**344,087**	**356,471**	**12,383**	**4%**
Less: Total Non-Aeronautical Expenses	**162,092**	**178,384**	**200,609**	**196,929**	**197,834**	**193,675**	**(4,159)**	**-2%**
Non-Aeronautical NOI	**178,268**	**184,831**	**157,197**	**170,452**	**146,253**	**162,796**	**16,543**	**11%**
GASB Comparable Basis Net [3]	(12,835)	(16,046)	1,957	(21,855)	1,934	5,139	3,205	166%
Non-Aeronautical NOI GASB Comparable Basis	**165,433**	**168,785**	**159,154**	**148,597**	**148,187**	**167,935**	**19,748**	**13%**
Debt Service	(43,887)	(33,957)	(57,802)	(57,369)	(57,369)	(60,331)	(2,962)	5%
Net Cash Flow [4]	**121,546**	**134,828**	**101,352**	**91,228**	**90,818**	**107,604**	**16,786**	**18%**

Financial_Reporting_Summary_27_BUDGET VERSION

Table Notes:

[1] Includes lease payments from tenants as non-operating interest income instead of operating revenues

[2] Other revenue also includes revenues from Transportation Management Association, Tenant Marketing, and Airport Office Building Conference Center

[3] The implementation of GASB 103 (Governmental Accounting Standards Board) has reclassified CFC (customer facility charge) revenue from operating to non-operating, which is reflected in 2026 Forecast and Revised Budget

[4] On a GASB comparable basis

Note: Lease payments from tenants treated as non-operating interest income and lease interest expenses

Non-Aeronautical Highlights (change compared to 2026 Revised Budget):

Non-Aeronautical Revenue

Non-Aeronautical Operating Revenue experienced strong growth in 2025 and is continuing into 2026, adjusting for reporting changes in GASB 103 (moves Customer Facility Charge in Rental Cars revenue from operating to non-operating in 2026). In most lines of business, revenue growth is outpacing passenger volume growth. Non-Aero revenue growth is expected to be more modest in 2027 due to capital construction impacts.

- Parking – strong 2027 revenue growth, with the first rate increases in 3.5 years, and the expansion of reserved parking. The last rate increase was performed in July 2023. This rate increase is expected to reduce demand and increase revenue in 2027.
- Rental Cars – concession revenue remains steady. Rental Car operations have stabilized after earlier COVID fleet vehicle shortages. Revenue growth in 2027 is expected to continue at a moderate rate.

- Ground Transportation (GT) – GT trip activity and revenue continue to grow at a modest pace. Demand for Transportation Network Company (TNC) trips is growing slightly faster than growth in passenger volumes. TNC revenue in the 2027 Budget start phasing out the EV discount. Taxi operations are expected to continue shrinking in 2027. The new EV charging service and pending peer-to-peer car sharing agreement will bring additional revenue in 2027.
- Aviation (AV) Business & Properties – real estate leases continue to be a stable source of revenue. Port-owned lounges, however, will be reduced due to closure from planned capital construction.
- Airport Dining & Retail (ADR) – Terminal construction projects continue into 2027 -- including Concourse A Duty-Free Expansion, S Concourse Evolution (SCE), and Tenant ADR Shell & Core Renovation (TASCR)— which have resulted in temporary closures and restricted access to tenant units. The proposed budget reflects the known impacts from these ongoing projects on Airport Dining and Retail revenue.

Non-Aeronautical Operating Expense

The Non-Aeronautical share of 2027 operating expenses are budgeted to increase $4.2M, or a 2% increase from 2026 revised budget. Ongoing operating expenses reflect planned increases in payroll, other contractual increases, and targeted spending to implement strategic initiatives.

Table IV-14: Non-Aeronautical Key Indicators

Non-Aeronautical Revenue per Enplanement	2023 Actual	2024 Actual	2025 Actual	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 26 Rev Bud ($)	Inc/(Dec) from 26 Rev Bud (%)
Revenue per Enplanement								
Transportation Mgmt Association	-	-	-	0.03	0.03	0.03	0.01	22.0%
Public Parking	4.37	4.43	4.44	4.24	4.24	4.65	0.41	9.7%
Rental Cars [1, 2]	2.50	2.45	2.56	2.51	1.61	1.73	0.12	7.3%
Ground Transportation	0.98	0.91	0.93	0.92	0.92	1.06	0.14	15.1%
Employee Parking	0.42	0.40	0.48	0.52	0.52	0.62	0.10	18.9%
Landside Total	**8.27**	**8.19**	**8.40**	**8.22**	**7.32**	**8.09**	**0.77**	**10.5%**
AV Business & Properties [2]	**1.59**	**1.59**	**2.16**	**2.09**	**2.09**	**2.02**	**(0.07)**	**-3.5%**
Airport Dining & Retail [2]	2.60	2.75	2.80	2.85	2.87	2.57	(0.30)	-10.4%
Tenant Marketing	0.06	0.03	0.00	0.02	0.02	0.06	0.04	237.0%
AOB Conference Center	0.01	0.01	0.01	0.01	0.01	0.01	(0.00)	-3.0%
AV Comm Management Total	**2.67**	**2.79**	**2.81**	**2.88**	**2.90**	**2.64**	**(0.25)**	**-8.8%**
Utilities	0.34	0.36	0.41	0.39	0.39	0.45	0.06	15.7%
Total Revenue per Enplanement	**12.87**	**12.94**	**13.80**	**13.59**	**12.73**	**13.26**	**0.53**	**4.1%**
ADR Sales per Enplanement	**16.64**	**17.22**	**17.60**	**18.30**	**18.30**	**17.73**	**-0.57**	**-3.1%**
Enplanements (in 000s)	**25,371**	**26,295**	**26,329**	**27,031**	**27,031**	**26,890**	**(141)**	**-0.5%**

Table IV-14 Non-Aero Key Indicators.xlsm

Table Notes:

[1] The implementation of GASB 103 has reclassified CFC (Customer Facility Charge) revenue from operating to non-operating, which is reflected in 2026 Revised Budget and 2027 Proposed Budget

[2] Removes tenant lease payments from operating revenues and moves to non-operating interest income starting in 2026.

Table IV-15: Aviation Revenue by Account

($ in thousands)

Description	2024 Actual	2025 Actual	2026 Forecast	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 26 Rev Bud ($)	Inc/(Dec) from 26 Rev Bud (%)
Equipment Rental	6,884	8,575	7,796	7,877	7,877	8,067	190	2.4%
Landing Fees	167,129	160,401	175,563	178,489	178,891	196,782	17,891	10.0%
Airport Transportation Fees	23,861	24,289	23,647	24,813	24,813	26,168	1,356	5.5%
Parking Revenue	122,548	124,683	128,019	124,258	124,258	137,493	13,235	10.7%
Car Rental Revenue	61,647	64,388	42,344	64,541	40,235	43,077	2,843	7.1%
Revenue from Sale of Utilities	7,818	8,099	9,164	9,164	9,164	11,102	1,938	21.1%
Property Rental Revenue	430,627	474,359	539,620	530,371	530,721	560,942	30,222	5.7%
Other Revenues	40,894	44,101	45,608	45,654	46,694	56,787	10,093	21.6%
Operating Revenue	**861,407**	**908,895**	**971,761**	**985,167**	**962,652**	**1,040,419**	**77,767**	**8.1%**
GASB 87_96_103 Revenues	15,512	(8,643)	9,872	(13,917)	9,872	13,195	3,323	**33.7%**
Total Operating Revenue GASB Comparable Basis	**876,919**	**900,252**	**981,633**	**971,250**	**972,524**	**1,053,614**	**81,090**	**8.3%**

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Figure IV-4: Aviation Revenue by Account

This graph shows the share of Aviation Division total operating revenue contributed by each revenue account, with total operating revenue of $1.04 billion. Property Rental Revenue is by far the largest source at 53.9%, more than half of all operating revenue. Landing Fees (18.9%) and Parking Revenue (13.2%) follow, and together with Property Rental they account for 86.0% of the total. The remaining accounts are much smaller: Other Revenues (5.5%), Car Rental Revenue (4.1%), Airport Transportation Fees (2.5%), Revenue from Sale of Utilities (1.1%), and Equipment Rental (0.8%). Overall, the graph highlights how heavily Aviation revenue depends on a few accounts, with Property Rental the clear leader.

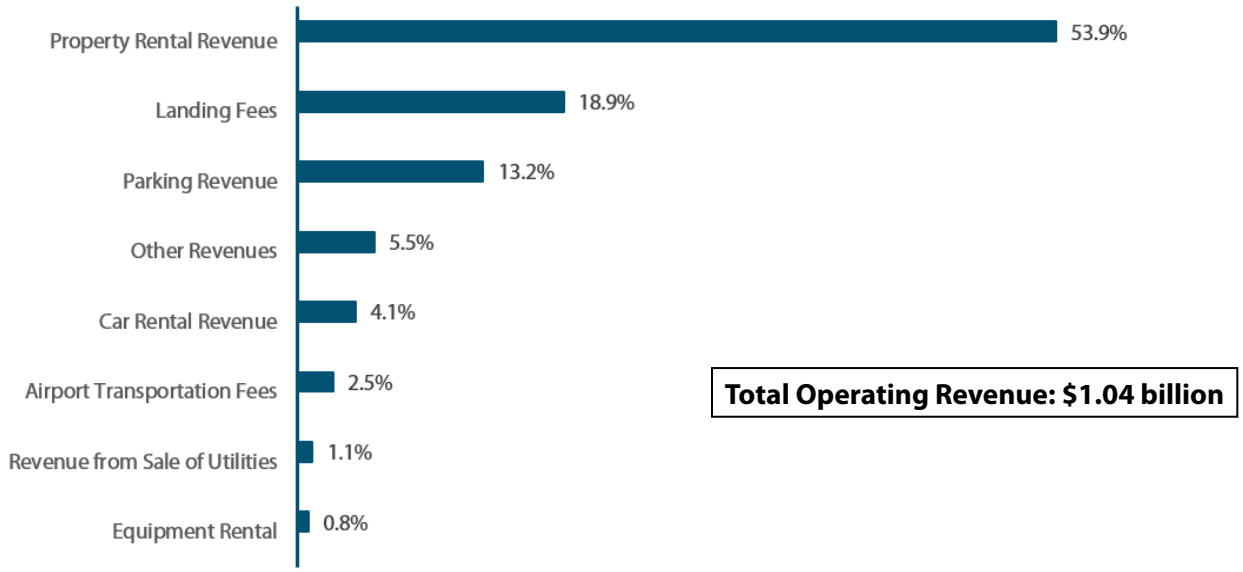

Table IV-16: Aviation Operating & Maintenance Expenses by Account

($ in thousands)

Description	2024 Actual	2025 Actual	2026 Forecast	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 26 Rev Bud ($)	Inc/(Dec) from 26 Rev Bud (%)
Salaries, Wage, Benefits & Worker's Compensation	226,345	248,506	252,823	257,458	257,458	264,676	7,219	2.8%
Equipment Expense	6,831	7,037	8,935	8,749	8,749	7,625	(1,124)	-12.8%
Utilities	25,557	26,968	27,019	26,963	26,963	27,850	887	3.3%
Supplies & Stock	9,753	10,663	8,803	7,432	7,432	10,172	2,740	36.9%
Outside Services	104,300	116,274	126,577	124,030	124,030	110,981	(13,049)	-10.5%
Travel & Other Employee Expenses	2,463	2,508	1,884	3,371	3,371	2,817	(555)	-16.5%
Promotional Expenses	1,446	1,671	996	1,007	1,007	650	(357)	-35.5%
Other Expenses	27,885	28,458	34,510	34,736	34,797	32,877	(1,920)	-5.5%
Total O&M without Environmental	**404,580**	**442,086**	**461,546**	**463,745**	**463,806**	**457,647**	**(6,158)**	**-1.3%**
Environmental Remediation Liability Expense	2,600	2,693	2,587	2,267	2,267	5,000	2,733	120.6%
Total O&M with Environmental	**407,180**	**444,779**	**464,133**	**466,012**	**466,073**	**462,647**	**(3,425)**	**-0.7%**
Charges to Capital/Govt/Envrs Projects	(29,084)	(30,208)	(37,812)	(38,631)	(38,631)	(25,928)	12,704	-32.9%
Total O&M Expenses (without Pension Credit)	**378,096**	**414,572**	**426,321**	**427,381**	**427,441**	**436,719**	**9,278**	**2.2%**
DRS Pension Credit	(8,645)	(10,134)	-	-	-	-	-	NA
Total O&M Expenses (After Pension Credit) [1]	**369,451**	**404,438**	**426,321**	**427,381**	**427,441**	**436,719**	**9,278**	**2.2%**
GASB 87_96_103 Expenses	343	5,410	8,078	8,078	8,078	8,180	102	1.3%
Total O&M Expenses GASB Comparable Basis	**369,794**	**409,848**	**434,399**	**435,459**	**435,519**	**444,900**	**9,380**	**2.2%**

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Table Notes:

[1] Tables IV-16, 17 & 18 differ from Table IV-2, in that they only reflect the division expenses and do not include Central Services allocations.

Figure IV-5: Aviation Expense by Account

This graph shows the share of Aviation Division total operating expenses attributed to each expense account, with total expense of $462.6 million. Salaries, Wages, Benefits & Workers' Compensation is the largest category at 57.8%, well over half of all expenses. Outside Services follows at 24.3%, and together these two accounts make up 82.1% of the total. The remaining accounts are much smaller: Other Expenses (7.2%), Utilities (6.1%), Supplies & Stock (2.2%), Equipment Expense (1.7%), Travel & Other Employee Expenses (0.6%), and Promotional Expenses (0.1%). Overall, the graph highlights that Aviation expenses are concentrated in personnel costs and outside services.

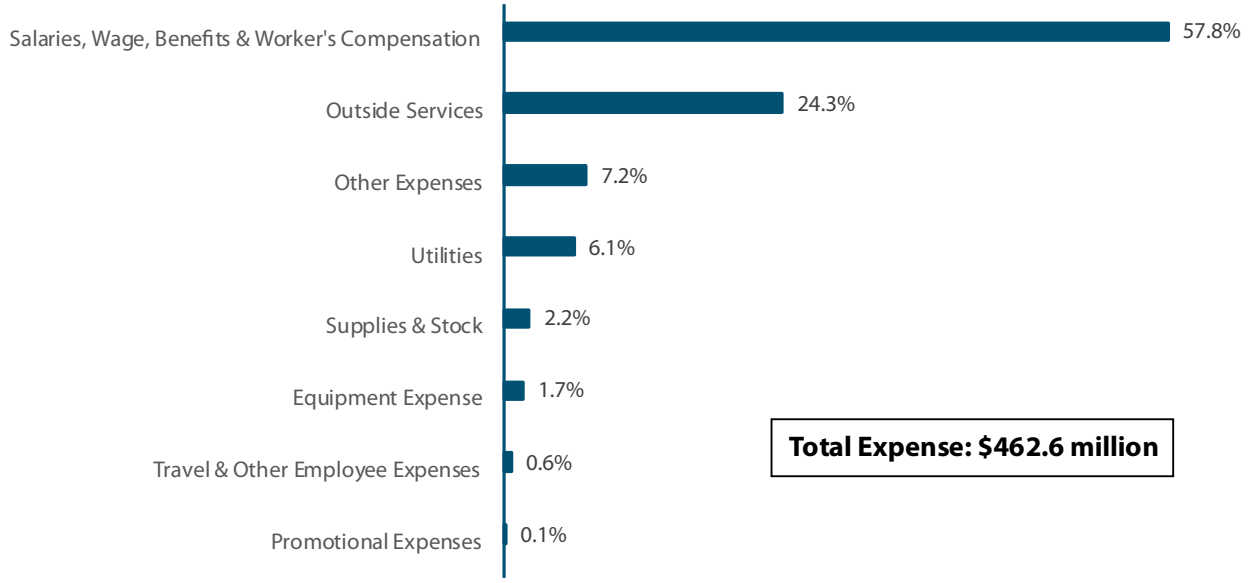

Table IV-17: Aviation Revenue by Business Group/Department

($ in thousands)

Description	2024 Actual	2025 Actual	2026 Forecast	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 26 Rev Bud ($)	Inc/(Dec) from 26 Rev Bud (%)
Airline Revenues								
Rate Base Revenues								
Airfield Movement Area	170,821	164,804	180,891	183,818	184,220	201,453	17,234	9.4%
Airfield Apron Area	32,270	33,404	34,892	35,416	35,443	40,328	4,884	13.8%
Terminal Rents	279,722	271,462	320,057	319,223	319,543	353,582	34,039	10.7%
Federal Inspection Services (FIS)	15,206	48,849	52,257	53,542	53,571	59,628	6,057	11.3%
Total Rate Base Revenues	**498,019**	**518,520**	**588,097**	**591,999**	**592,777**	**654,991**	**62,213**	**10.5%**
Airfield Commercial Area	22,922	26,787	25,787	25,787	25,787	28,958	3,170	12.3%
Total Aeronautical Revenues	**520,942**	**545,307**	**613,884**	**617,786**	**618,565**	**683,949**	**65,384**	**10.6%**
Non-Airline Revenues								
Public Parking	116,535	116,870	118,419	114,531	114,531	124,929	10,399	9.1%
Rental Cars	64,434	67,479	45,624	67,862	43,555	46,478	2,924	6.7%
Ground Transportation	23,946	24,376	23,758	24,896	24,896	26,258	1,363	5.5%
Airport Dining & Retail	72,234	73,777	77,948	77,078	77,596	69,182	(8,413)	-10.8%
Other	63,211	80,713	92,128	83,015	83,511	89,622	6,112	7.3%
Total Non-Aeronautical Revenues	**340,360**	**363,215**	**357,877**	**367,381**	**344,087**	**356,471**	**12,383**	**3.6%**
Operating Revenues (S3000 basis)	**861,301**	**908,522**	**971,761**	**985,167**	**962,652**	**1,040,419**	**77,767**	**8.1%**
GASB 87_96_103 Revenues	15,948	(7,646)	9,872	(13,422)	9,872	13,195	**3,323**	**33.7%**
Total Operating Revenues GASB Comparable Basis	**877,249**	**900,876**	**981,633**	**971,745**	**972,524**	**1,053,614**	**81,090**	**8.3%**

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Table IV-18: Aviation Expense by Business Group/Department

($ in thousands)

Description	2024 Actual	2025 Actual	2026 Forecast	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 26 Rev Bud ($)	Inc/(Dec) from 26 Rev Bud (%)
BUSINESS UNITS								
Airport Operations	66,702	70,913	78,200	81,128	81,128	82,917	1,789	2.2%
Aviation Utilities	21,492	30,088	38,029	37,464	37,464	34,752	(2,712)	-7.2%
Aviation Commercial Management	10,156	11,297	12,591	13,241	13,241	13,105	(136)	-1.0%
Airport Properties	10,212	17,377	23,558	22,343	22,343	20,369	(1,974)	-8.8%
TOTAL BUSINESS UNITS	**108,562**	**129,675**	**152,377**	**154,176**	**154,176**	**151,143**	**(3,033)**	**-2.0%**
AVIATION SERVICES								
Airport Innovation	1,125	1,414	1,880	1,880	1,880	1,277	(603)	-32.1%
Airport Security	24,103	28,235	30,802	32,116	32,116	33,139	1,023	3.2%
Aviation Building Department	674	686	1,826	2,072	2,072	1,772	(300)	-14.5%
Aviation Division Contingency	(0)	0	(7,165)	(10,012)	(10,012)	(4,491)	5,521	-55.1%
Aviation Environmental Programs	14,482	6,714	8,032	7,597	7,597	7,331	(266)	-3.5%
Aviation Finance & Budget	3,736	4,010	4,685	4,550	4,550	4,780	231	5.1%
Aviation Maintenance	142,725	150,381	159,587	163,742	163,742	165,340	1,598	1.0%
Customer Service Department	6,968	7,845	8,865	8,969	8,969	8,424	(544)	-6.1%
Fire Department	26,095	26,650	29,207	29,208	29,208	30,876	1,668	5.7%
Noise Programs	2,422	2,690	2,888	2,488	2,488	2,791	303	12.2%
Operational Readiness Activation	738	636	790	796	796	610	(186)	-23.4%
TOTAL AVIATION SERVICES	**223,068**	**229,261**	**241,397**	**243,406**	**243,406**	**251,851**	**8,445**	**3.5%**
CAPITAL DEVELOPMENT PROGRAM								
Aviation Facilities & Capital Programs	12,624	14,892	16,292	16,291	16,291	15,023	(1,268)	-7.8%
Aviation Project Management Group	7,194	5,546	6,989	8,957	8,957	9,210	253	2.8%
Planning, Development & Infrastructure	499	514	569	569	569	-	(569)	-100.0%
Project Controls	796	824	1,175	910	910	-	(910)	-100.0%
TOTAL CAPITAL DEVELOPMENT PROGRAM	**21,112**	**21,775**	**25,025**	**26,727**	**26,727**	**24,233**	**(2,494)**	**-9.3%**
OTHER								
Aviation Environmental Reserve	2,600	2,693	2,587	2,267	2,267	5,000	2,733	120.6%
Aviation Risk Expense	4,145	6,428	3,573	3,819	3,819	4,840	1,021	26.7%
Aviation Capital to Expense	553	11,783	6,811	-	-	-	-	NA
TOTAL OTHER	**7,298**	**20,905**	**12,971**	**6,086**	**6,086**	**9,840**	**3,754**	**61.7%**
Operating Expenses (Org Basis)	**369,451**	**404,438**	**426,321**	**427,381**	**427,441**	**436,719**	**9,278**	**2.2%**
GASB 87_96_103 Expenses	15,948	(7,646)	8,078	8,078	8,078	8,180	102	1.3%
Total Operating Expenses GASB Comparable Basis	**385,399**	**396,792**	**434,399**	**435,459**	**435,519**	**444,900**	**9,380**	**2.2%**

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D. Staffing Overview

Table IV-19: Aviation Staffing

(Full-Time Equivalent Positions)

Business Group/Department	2024 Actual	2025 Actual	2026 Budget	2026 Estimate	2027 Budget	# Change from 26 Budget	% Change from 26 Budget
Airport Operations							
Aeronautical Business Group	101.0	104.0	105.0	105.0	101.0	-4.0	-3.8%
Landside Business Group	152.1	179.5	179.5	178.5	176.5	-3.0	-1.7%
Total Airport Operations	**253.1**	**283.5**	**284.5**	**283.5**	**277.5**	**-7.0**	**-2.5%**
Commercial Management							
Aviation Properties	14.0	17.0	18.0	18.0	17.0	-1.0	-5.6%
Airport Dining & Retail	9.2	9.2	9.2	9.2	9.0	-0.2	-2.2%
AV Commercial Management	4.0	4.0	4.0	4.0	4.0	0.0	0.0%
Parking Revenue Management	4.0	4.0	4.0	4.0	3.0	-1.0	-25.0%
AV Commercial Mgmt & Analysis	2.0	3.0	3.0	3.0	3.0	0.0	0.0%
Airport Office Building Management	11.1	11.1	11.1	11.1	11.0	-0.1	-1.1%
Utilities	6.0	6.0	6.0	7.0	6.0	0.0	0.0%
Total Commercial Management	**50.3**	**54.3**	**55.3**	**56.3**	**53.0**	**-2.3**	**-4.2%**
Aviation Services							
Airport Director's Office	8.0	9.0	9.0	9.0	8.0	-1.0	-11.1%
Airport Innovation	5.0	6.0	6.0	6.0	4.0	-2.0	-33.3%
Fire Department	109.0	111.0	111.0	112.0	112.0	1.0	0.9%
Airport Security	183.4	184.4	184.4	184.4	183.4	-1.0	-0.5%
Maintenance	470.0	477.0	481.0	481.0	477.0	-4.0	-0.8%
Customer Service	40.2	42.2	43.2	43.2	41.2	-2.0	-4.6%
Aviation F&B	18.0	20.0	21.0	21.0	20.0	-1.0	-4.8%
Aviation Environmental	21.0	21.0	22.0	22.0	21.0	-1.0	-4.5%
Noise	8.0	8.0	8.0	8.0	6.0	-2.0	-25.0%
Total Aviation Services	**862.7**	**879.7**	**885.7**	**886.7**	**872.7**	**-13.0**	**-1.5%**
Facilities & Capital Programs							
Capital Development Program [1]	26.0	27.0	27.0	0.0	0.0	-27.0	-100.0%
Aviation Project Management	63.9	63.9	63.9	85.9	76.9	13.0	20.4%
Capital Dev. Program Management	9.0	9.0	9.0	9.0	7.0	-2.0	-22.2%
Planning	5.0	6.0	6.0	6.0	4.0	-2.0	-33.3%
Facilities & Infrastructure	31.0	36.0	37.0	41.0	35.0	-2.0	-5.4%
AV Signage	7.0	8.0	8.0	8.0	7.0	-1.0	-12.5%
Aviation Building Department	9.0	10.0	11.0	11.0	9.0	-2.0	-18.2%
Total Facilities & Capital Programs	**150.9**	**159.9**	**161.9**	**160.9**	**138.9**	**-23.0**	**-14.2%**
Total Aviation Division	**1,316.97**	**1,377.37**	**1,387.37**	**1,387.37**	**1,342.05**	**-45.32**	**-3.3%**

FTE 2027 – Aviation.xlsx

Table Notes:

[1] In 2026, the Port dissolved the Capital Development Program and reassigned its 27.0 FTEs within Facilities & Capital Programs. The Program Controls function (22.0 FTEs) merged into Aviation Project Management, and the remaining positions moved to Facilities & Infrastructure, with one position eliminated. As a result, the Capital Development Program shows no FTEs in the 2026 Estimate or the 2027 Budget. Staffing reductions in the 2027 Budget are summarized in Table IV-20.

Table IV-20: Full-Time Equivalent (FTEs) – Summary of FTE Changes

The table below is a summary of all changes in Aviation FTEs from the 2026 Budget to the 2027 Budget.

2027 Budget FTE Reductions	FTEs	%
2026 Approved Budget - funded FTEs	**1,387.37**	
2026 Mid-year Changes in FTEs	**0.00**	**0.0%**
FTEs in 2027 Baseline Budget before Budget Requests	**1,387.37**	
Reduction of FTEs in the 2027 Budget [1]	**(45.32)**	**-3.3%**
FTEs in Aviation 2027 Budget	**1,342.05**	**-3.3%**

2027 get – Summary of FTE Changes. xlsx

Table Notes:
[1] The 2027 Budget reduces Aviation Division staffing by 45.32 full-time equivalent (FTE) positions, or 3.3%, from 1,387.37 funded FTEs in the 2026 Approved Budget to 1,342.05 FTEs. The reduction reflects a division-wide review of positions to align staffing with current operating needs and capital program activity. Most of the reduction (32.32 FTEs) comes from eliminating vacant positions. The remaining 13 FTEs were filled positions eliminated in accordance with Port Policy HR-10. About half of the total reduction (22.0 FTEs) is in Facilities & Capital Programs. Together, these actions reduce recurring salary and benefit costs by approximately $7.0 million.

Figure IV-6: Aviation FTEs

Figure IV-6 presents Aviation Division staffing, measured in full-time equivalent (FTE) positions, over the five-year period from 2023 through the 2027 Budget. Staffing grew steadily from 1,277.0 FTEs in 2023 to 1,317.0 FTEs in 2024 and 1,377.4 FTEs in 2025, then leveled off at 1,387.4 FTEs in the 2026 Estimate. The 2027 Budget of 1,342.1 FTEs is the first reduction in the five-year period and brings Division staffing to its lowest level since 2024.

Figure IV-6 Aviation Division FTEs Graph.xlsx

E. Aviation Capital Budget

The business assessment at the beginning of this section provides the context for the following capital budget for the Aviation Division.

The Aviation Division's capital plan for 2027-2031 calls for spending of $4.1B. Six major projects make up $2.6 billion of the planned spending. These include the Baggage Recapitalization/Optimization effort, the 2026–2030 Airfield Pavement Program, Main Terminal Improvements, and the S Concourse Evolution, along with the closeout of the completed SEA Gateway and C Concourse Expansion projects.

Thirty-four (34) projects, totaling $308 million in spending from 2027 through 2031, were proposed for inclusion as business plan prospective. Of this amount, $162 million is designated for preliminary planning and design work on the Sustainable Airport Master Plan (SAMP). An additional $213 million remains in the Reserve Capital Improvement Projects (CIPs), representing undesignated future spending to support yet-to-be-defined projects or potential budget increases for existing ones. The CIP Reserve is incorporated into the 2027 budget to align cash flow with anticipated project spending patterns.

Table IV-22: Aviation Capital Improvement Program (CIP)

($ in thousands)

Description	2026	2027	2028	2029	2030	2031	2027 - 31 Total
Mega Projects							
S Concourse Evolution	82,829	381,496	357,035	299,798	278,114	262,974	1,579,417
Baggage Optimization	106,891	136,218	121,072	131,511	60,160	-	448,961
2026-2030 Airfield Pavement Program	34,012	76,668	98,969	79,224	81,835	16,510	353,205
Main Terminal Improvement	357	4,800	10,500	30,500	50,000	100,000	195,800
SEA Gateway	72,633	35,107	-	-	-	-	35,107
C Concourse Expansion	115,689	9,523	-	-	-	-	9,523
Subtotal - Mega Projects	**412,412**	**643,813**	**587,576**	**541,033**	**470,109**	**379,484**	**2,622,014**
Other Capital Projects	283,139	262,412	252,918	162,762	65,746	39,037	782,874
SAMP Preliminary Planning/Design	264	3,494	37,418	37,514	35,203	48,308	161,937
Proposed New Projects	4,255	13,665	20,530	67,995	122,995	83,175	308,360
CIPs Reserves	12,379	26,499	37,457	34,157	8,819	106,296	213,228
Subtotal	**300,037**	**306,070**	**348,323**	**302,427**	**232,762**	**276,815**	**1,466,399**
CIP Cashflow Adj Reserve	-	(113,252)	45,301	67,951	-	-	-
Total CIP	**712,449**	**836,631**	**981,200**	**911,412**	**702,871**	**656,299**	**4,088,412**

2027 Capital Budget Tables_Commission Review 5-year.xlsx

- Six mega projects account for $2.6B.
- Proposing 34 new projects totaling $308M spending from 2027 through 2031.
- Budget includes placeholder spending for undefined future projects and risks (called "CIPs Reserves") in amount of $213M.
- Proposing Sustainable Airport Master Plan (SAMP) preliminary planning/design spending of $162M through 2031 ($300M approved total in the airlines Signatory Lease and Operating Agreement IV). $128M is projected from 2031 through 2035.
- Besides preliminary planning/design funds, budget does not include potential projects to be identified by Sustainable Airport Master Plan (SAMP).

Table IV-23: Aviation Capital Projects

($ in thousands)

Capital Projects	2026	2027	2028	2029	2030	2031	2027 - 31 Total
Construction Authorized (Status 5-6)							
S Concourse Evolution	82,829	381,496	357,035	299,798	278,114	262,974	1,579,417
Baggage Optimization	106,891	136,218	121,072	131,511	60,160	-	448,961
2026-2030 Airfield Pavement	34,012	76,668	98,969	79,224	81,835	16,510	353,205
IWTP Enhancements	11,039	64,102	87,497	90,587	21,886	51	264,124
SEA Gateway	72,633	35,107	-	-	-	-	35,107
Post IAF Airline Realignment	41,579	10,227	5,728	-	-	-	15,955
C Concourse Expansion	115,689	9,523	-	-	-	-	9,523
Subtotal	464,673	713,342	670,301	601,119	441,995	279,535	2,706,293
Other Construction Authorized Capital Projects	212,479	168,329	114,485	18,883	2,296	-	303,993
Total - Construction Authorized	**677,152**	**881,672**	**784,785**	**620,003**	**444,291**	**279,535**	**3,010,286**
Design Authorized (Status 4)							-
Conc HVAC & replace	4,759	5,881	10,692	37,985	37,985	37,985	130,529
Tenant ADR Shell & Core Renov	316	481	530	645	303	-	1,959
Subtotal	5,075	6,362	11,223	38,630	38,288	37,985	132,488
Other Design Authorized Capital Projects	1,976	6,687	20,488	4,442	1,291	-	32,908
Total - Design Authorized	**7,051**	**13,049**	**31,711**	**43,072**	**39,579**	**37,985**	**165,396**
Pending Authorization (Status 2-3)							-
Main Terminal Improvement	357	4,800	10,500	30,500	50,000	100,000	195,800
Fuel Farm Resiliency	-	280	1,400	4,200	9,800	9,800	25,480
STS Replacement	2,516	2,329	2,169	-	-	-	4,498
SAMP Preliminary Planning / Design	-	3,494	37,418	37,514	35,203	48,308	161,937
Subtotal - Pending	2,873	10,903	51,487	72,214	95,003	158,108	387,715
Other Pending Capital Projects	12,993	17,760	30,459	74,014	115,180	74,375	311,788
Total - Pending Authorization	**15,867**	**28,663**	**81,946**	**146,228**	**210,183**	**232,483**	**699,503**
Subtotal	**700,070**	**923,384**	**898,442**	**809,303**	**694,052**	**550,003**	**3,875,185**
CIP Reserves	12,379	26,499	37,457	34,157	8,819	106,296	213,228
CIP Cashflow Adj Reserve	-	(113,252)	45,301	67,951	-	-	-
Grand Total	**712,449**	**836,631**	**981,200**	**911,412**	**702,871**	**656,299**	**4,088,412**

2027 Capital Budget Tables_Commission Review 5-year.xlsx

Descriptions of Capital Projects:

- S Concourse Evolution: Upgrade systems, reprogram the public facing areas, and add duty free, retail, and dining opportunities.
- Baggage Optimization: Replace and reconfigure baggage screening equipment and operations to improve operational efficiency and increase capacity.
- 2026-2030 Airfield Pavement: Provide budget for annual replacement of aging airfield pavement and supporting infrastructure.
- IWTP Enhancements: Install a pre-treatment system and upgrade the existing systems at Industrial Waste Treatment Plant (IWTP).
- SEA Gateway: Redevelop space at the north end of the Main Terminal Ticketing Level of the Airport to improve passenger processing, security throughput, and to elevate the overall passenger experience.
- Post IAF Airline Realignment: Relocate United Airlines domestic operations from Concourse A to Concourse B. This allows for airlines with international flights to use the vacated international capable gates on Concourse A.

- C Concourse Expansion: Construct four additional floors on top of the Airport's C Concourse C building to meet space needs for passenger restrooms, concessions, passenger lounges, and other tenant offices.
- Conc HVAC & Replace: Replacement of existing HVAC systems and the addition of smoke control systems within Concourses B, C, and D.
- Tenant ADR Shell & Core Renovation: Prior to tenant design, demolish the space and provide a "vanilla shell."
- Main Terminal Improvement Program: It will address code compliance issues and & replacement of critical systems in the Main Terminal. It will also provide architectural upgrades and other work to provide better experience for customers.
- Fuel Farm Resiliency: This project provides much needed slope stabilization in certain sloped areas and constructs a three-truck defueling system at the Fuel Farm.
- Satellite Transit System (STS) Replacement: Replace end-of-life STS vehicles, rehabilitate structures of the current STS tunnels, and construction of a new north pedestrian connector.
- SAMP – Preliminary Planning: This project is preliminary planning and design for Sustainable Airport Master Plan (SAMP).
- CIP Reserves: Placeholder CIPs for unknown or undefined future projects.

Table IV-24: Aviation Approved New Projects

($ in thousands)

CIP	Description	Cost Estimate	2026	2027	2028	2029	2030	2031	2027-2031 Total
C802148	PD Emergency Roof Replacement	642	642	-	-	-	-	-	-
C802152	FIDS System Replacement	1,200	25	1,175	-	-	-	-	1,175
C802153	Meter Data Management System (MDMS)	4,000	5	1,000	1,500	1,495	-	-	3,995
C802154	OpsLan Network Refresh	7,000	50	4,000	1,500	1,450	-	-	6,950
C802155	Vertical Transportation Monitoring System	485	-	485	-	-	-	-	485
C802156	Airline Activity Management (AAM)	500	-	500	-	-	-	-	500
C802171	PC Air Trolleys	2,000	1,000	1,000	-	-	-	-	1,000
C802172	PC Air endofline Bypass Install	808	808	-	-	-	-	-	-
C802170	Conference Center AV	1,200	200	1,000	-	-	-	-	1,000
C802181	Central Mechanical Plant Boiler	650	325	325	-	-	-	-	325
C802182	Rubber Removal Truck 2026	1,200	1,200	-	-	-	-	-	-
C802183	Baggage Claim 8 Replacement	5,000	-	250	750	2,500	1,250	250	5,000
C802174	Fuel Farm Resiliency	28,000	-	280	1,400	4,200	9,800	9,800	25,480
N1C802175	Garage Elevators Modernization Ph 2	12,000	-	120	1,200	1,800	4,800	2,400	10,320
N2C802175	Vertical Circulation Urgent R/R (Ph1A)	10,000	-	100	1,500	2,000	4,000	1,000	8,600
N3C802175	MT-1 Controls & Fixtures	2,000	-	100	200	1,000	400	300	2,000
N4C802175	MT-3F Full Replacement	4,000	-	200	400	2,000	800	600	4,000
RC802175	Vertical Circulation R/R Reserve	3,000	-	-	-	750	750	750	2,250
N1C802176	Air Cargo Road Phase 2	40,000	-	100	1,000	2,000	14,000	14,900	32,000
N2C802176	Parking Garage Rehabilitation + Security	65,000	-	130	650	6,500	13,000	16,250	36,530
N3C802176	Distribution Warehouse Structural Retrofit	10,000	-	25	300	3,500	5,000	1,175	10,000
RC802176	Landside Improvements Reserve	5,000	-	-	-	-	1,250	1,250	2,500
N1C802177	SD 6/7 Pipe Repair	1,000	-	100	555	300	45	-	1,000
N2C802177	Central Terminal Heat Exchange R/R	8,000	-	800	1,600	4,000	1,600	-	8,000
N4C802177	HVAC Burst Heating Coil R/R	6,000	-	300	900	3,000	1,500	300	6,000
N5C802177	STOC Boiler R/R	2,000	-	100	1,000	900	-	-	2,000
RC802177	Mechanical R/R Reserve	2,000	-	-	-	500	500	500	1,500
N1C802178	CT Infrastructure	40,000	-	200	1,000	6,000	12,000	14,800	34,000
N2C802178	Flight Information Displays Replacement	10,000	-	50	500	3,000	3,000	3,450	10,000
N3C802178	Signage and Wayfinding R/R (Ph1)	35,000	-	175	875	5,250	10,500	12,950	29,750
N4C802178	SEA WiFi Refresh	5,000	-	250	2,500	2,250	-	-	5,000
RC802178	Terminal Improvements Reserve	10,000	-	-	-	-	2,500	2,500	5,000
C802179	Fleet Purchase Program	6,000	-	900	1,200	2,100	1,800	-	6,000
C802180	RCF EV Buses	46,000	-	-	-	11,500	34,500	-	46,000
Grand Total		**374,685**	**4,255**	**13,665**	**20,530**	**67,995**	**122,995**	**83,175**	**308,360**

2027 Capital Budget Tables Commission Review 5-year.xlsx

A total of 34 new projects were approved through the Aviation Capital Board:

- PD Emergency Roof Replacement: This project will address the recurring roof leaks that are continuing to worsen on the 3rd floor of the Police Department.
- FIDS System Replacement: Project modernizes FIDS software with new Digital Signage Content Management System.
- Meter Data Management System (MDMS): Procure and implement a centralized Meter Data Management System to automate collection, validation, and management of data for 2,000+ smart electrical meters supporting Aviation electrical metering operations.
- OpsLan Network Refresh: Upgrade and modernize end-of-life Core, Distribution, and Access network infrastructure to strengthen operational resilience and cybersecurity.

- Vertical Transportation Monitoring System: Replace the end-of-life LiftNet system with Knaq's OEM-agnostic conveyance monitoring platform to restore full elevator, escalator, and walkway coverage and provide real-time reporting for asset management and capital planning.
- Rubber Removal Truck Purchase: Purchase one rubber removal truck to remove rubber that accumulates on runways from landing aircraft. Rubber removal helps with operations as it reduces friction of the runways.
- Airline Activity Management (AAM): Deliver a modern, secure, fully integrated replacement for the AAM system to improve automation, data integrity, and efficiency in airline activity reporting, billing, and public airport statistics.
- PC Air Trolleys: Purchase 55 PC Air hose trolleys to reduce hose kinks, improve airflow delivery to aircraft, and eliminate the need to drag heavy hoses across the ground at gate positions.
- PC Air End-of-Line Bypass Install: Install end-of-line bypass valves at 14 gates and integrate Siemens controls to provide more consistent chilled water for aircraft cooling, reduce APU fuel use, and enhance passenger comfort.
- Conference Center AV: Replace and upgrade all audio/visual systems in the AOB mezzanine Conference Center to improve functionality and reliability for meetings and events.
- Baggage Claim 8 Replacement: This project will replace the entire Baggage Claim 8 system, including the claim device and inbound conveyor line, and install new controls to integrate with the existing platform and reporting.
- Central Mechanical Plant Boiler: This project will replace or repair refractory system and four water tubes in Boiler #4 at the Central Mechanical Plant.
- B-4 Reconfiguration: This project is up-gauging Gate B4 to accommodate Group III Aircraft.
- Fuel Farm Resiliency: This project provides much needed slope stabilization in certain sloped areas and constructs a three-truck defueling system at the Fuel Farm.
- Airside Improvements Reserve: Provides reserve funding for future airside improvement needs to support safe and efficient airfield operations.
- Parking Garage Elevators Modernization Phase 2: Modernizes aging parking garage elevators to ensure reliability, code compliance, and improved passenger movement.
- Vertical Circulation Urgent R&R (Ph1A): Replaces critical elevator and escalator components that are past life expectancy and pose reliability risks.
- MT-1 Controls & Fixtures: Updates MT-1 elevator controls and fixtures that are obsolete, enabling continued safe and reliable operation.
- MT-3F Full Replacement: Fully replaces the MT-3F traction elevator due to obsolete parts and ongoing reliability issues.
- Vertical Circulation R&R Reserve: Provides reserve funding for future elevator and escalator replacement across the terminal.
- Air Cargo Road Phase 2: Reconstructs deteriorated pavement and adds pedestrian/ADA facilities and lighting to bring Air Cargo Road up to safety standards.
- Parking Garage Rehabilitation + Security: Repairs structural defects and enhances security controls in the aging parking garage to extend asset life and reduce safety risks.
- Distribution Warehouse Structural Retrofit: Implements seismic upgrades to achieve collapse-prevention performance and improve life-safety during an earthquake.
- Landside Improvements Reserve: Provides reserve funding to support future landside improvement needs across airport facilities.
- SD 6/7 Pipe Repair: Repairs a severely damaged storm drain segment to prevent failure, flooding, and major liability risks.
- Central Terminal Heat Exchange R&R: Replaces failing domestic hot water systems serving tenants and restrooms to prevent outages that disrupt operations.
- HVAC Burst Heating Coil R&R: Replaces burst heating coils in key HVAC units to restore reliable heating and cooling in airport facilities.

- STOC Boiler R&R: Replaces aging boilers in STOC's North and South towers to maintain reliable heating and avoid costly emergency failures.
- Mechanical R&R Reserve: Provides reserve funding for urgent repair and replacement of mechanical infrastructure across the airport.
- Computed Tomography Machines Infrastructure: Provides funding to upgrade and maintain core Central Terminal infrastructure systems.
- Flight Information Display Systems (FIDS) Replacement: Replaces aging FIDS screens and casework to ensure clear, reliable passenger flight information displays.
- Signage and Wayfinding R&R (Ph1): Replaces outdated signage with modern, consistent wayfinding solutions across key public areas of SEA.
- SEA Wi-Fi Refresh: Refreshes end-of-life Wi-Fi hardware and software to deliver reliable, secure, high-performance connectivity for passengers and staff.
- Terminal Improvements Reserve: Provides reserve funding for future terminal renovation and modernization needs.
- Fleet Purchase Program: Replaces aging fleet vehicles to support daily operational needs and transition to more efficient, lower-emission equipment.
- RCF EV Buses: Purchases 29 electric buses to replace aging CNG buses and meet SEA's emission reduction goals.

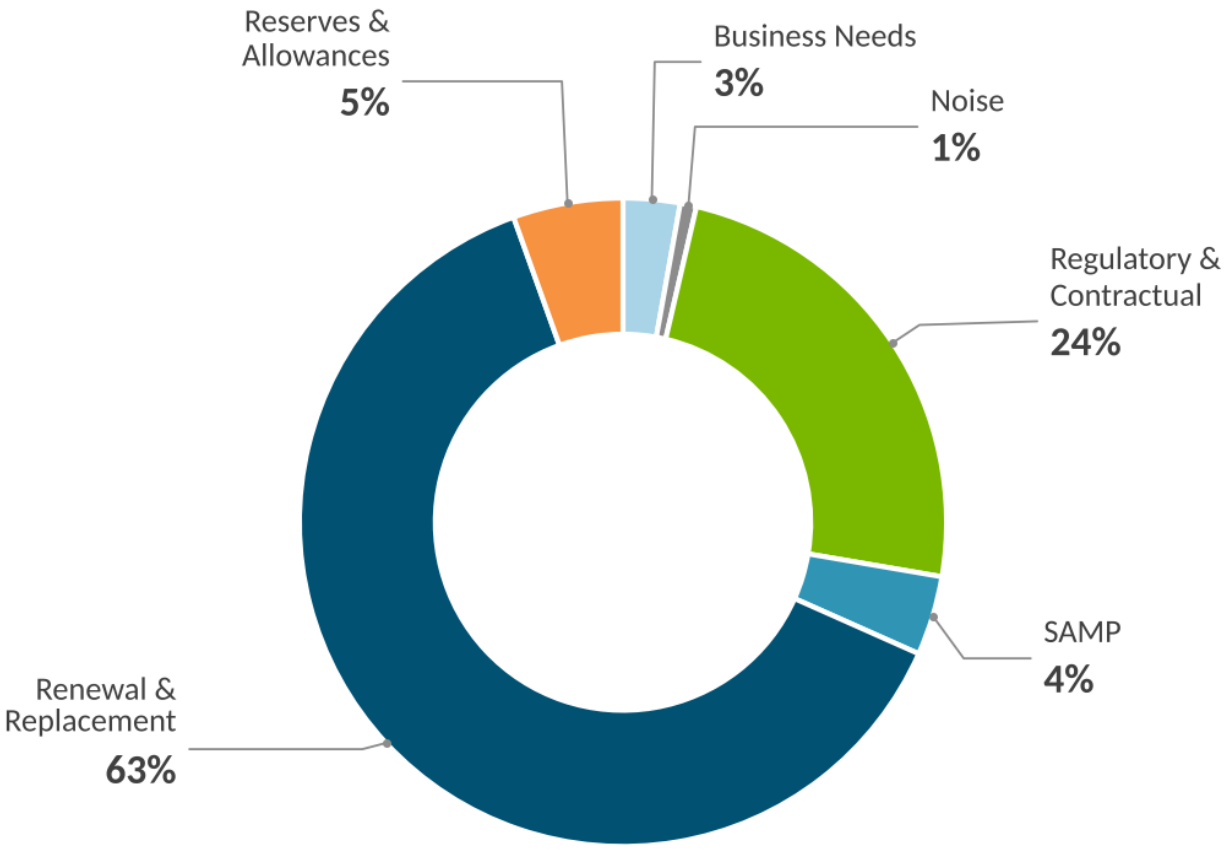
Table IV-25: 2027-2031 Capital Spending Forecast by Category

Category	Number of Projects	Total 5-Year Cash Flow ($ in thousands)
Regulatory & Contractual	17	982,842
Renewal & Replacement	69	2,570,000
Business Needs	21	116,004
Noise	4	33,169
SAMP Design Pre-approval in SLOA Agreement	1	161,937
Reserves & Allowances	6	224,460
TOTAL	**118**	**4,088,412**

2027 Capital Budget Tables_Commission Review 5-year.xlsx

Figure IV-7: 2027-2031 Capital Spending Forecast by Category

Figure IV-7 shows how the Aviation Division's planned capital spending of $4.1 billion for 2027 through 2031 is distributed across six project categories. Renewal and Replacement projects account for the largest share, at 63%, or $2.6 billion across 69 projects, reflecting the Port's continued investment in maintaining and modernizing existing airport facilities and infrastructure. Regulatory and Contractual projects represent 24%, or $983 million across 17 projects, and support work required to meet regulatory requirements and contractual obligations. Together, these two categories make up 87% of planned capital spending. The remaining 13% includes Reserves and Allowances at 5% ($224 million), preliminary planning and design for the Sustainable Airport Master Plan (SAMP) at 4% ($162 million), Business Needs projects at 3% ($116 million), and Noise programs at 1% ($33 million).



- **Renewal & Replacement** projects include S Concourse Expansion, Airfield Pavement, Main Terminal Low Voltage, Conc HVAC & replacement, and Parking Garage Rehabilitation.
- **Business Needs** include SEA Gateway, C Concourse Expansion, A Concourse Lounge Expansion, Fast Fleet EV Charging, and Post IAF Airline Realignment projects.
- **Regulatory & Contractual** projects include Industrial Waste Treatment Plant, Baggage Optimization, Utility Meter Networking, and S. 188th Tunnel Lighting.

Table IV-26: Aviation Capital Budget Summary

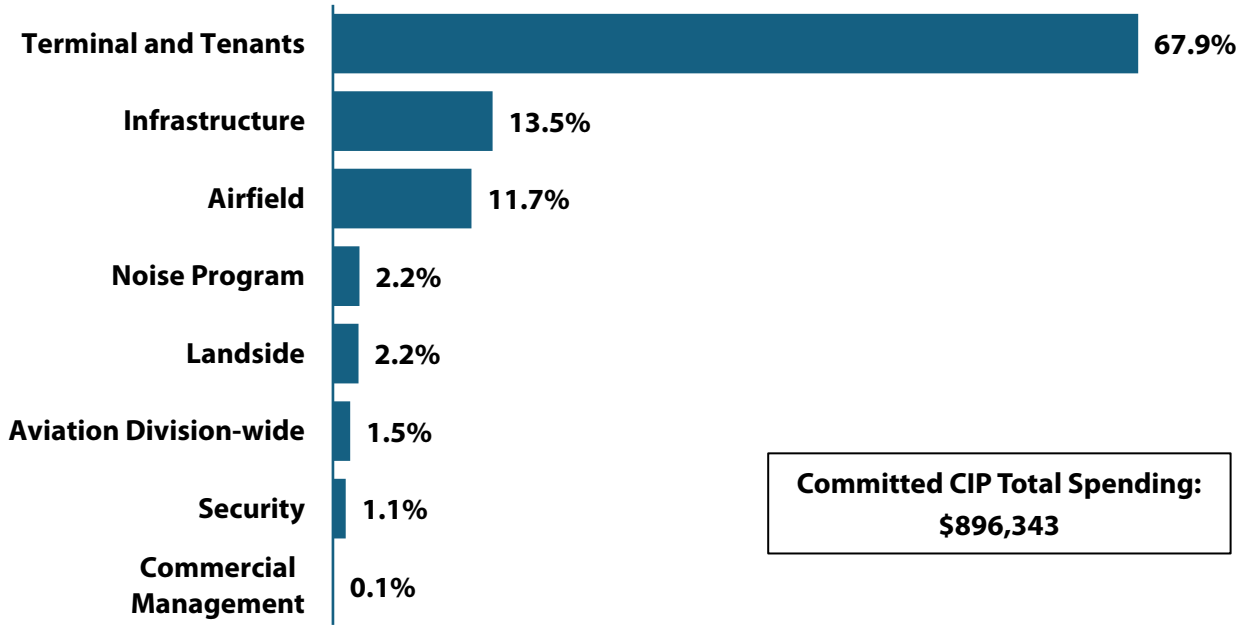
($ in thousands)

	2027 Budget	2027-2031 CIP	% of 2027 Total Committed
Committed Capital Projects			
Terminal and Tenants	608,438	2,281,663	67.9%
Infrastructure	120,674	380,873	13.5%
Airfield	104,642	407,005	11.7%
Noise Program	19,991	33,169	2.2%
Landside	19,306	32,480	2.2%
Aviation Division-wide	13,016	19,316	1.5%
Security	9,656	21,253	1.1%
Commercial Management	621	2,099	0.1%
Total Committed	**896,343**	**3,177,858**	**100.0%**
Business Plan Prospective Projects	**53,540**	**910,554**	
CIP Cashflow Adjustment Reserve	**(113,252)**	**-**	
Total CIP	**836,631**	**4,088,413**	

CAPSUM.xlsx

Figure IV-8: Aviation Capital Budget

($ in thousands)



F. Aviation Division Operating Statistics

Table IV-27: Aviation Division Operating Statistics

Year	Enplaned Passengers Number [1]	Enplaned Passengers Growth	Total Landed Weight Pounds [2]	Total Landed Weight Growth	Air Cargo Metric Tons [3]	Air Cargo Growth
2006	14,991	2.5%	20,362	0.9%	341,981	1.0%
2007	15,661	4.5%	21,014	3.2%	319,013	-6.7%
2008	16,085	2.7%	21,519	2.4%	290,205	-9.0%
2009	15,610	-3.0%	20,388	-5.3%	270,142	-6.9%
2010	15,773	1.0%	19,786	-3.0%	283,425	4.9%
2011	16,397	4.0%	20,123	1.7%	279,893	-1.2%
2012	16,597	1.2%	19,897	-1.1%	283,609	1.3%
2013	17,376	4.7%	20,949	5.3%	292,709	3.2%
2014	18,717	7.7%	22,505	7.4%	327,240	11.8%
2015	21,109	12.8%	24,757	10.0%	332,636	1.6%
2016	22,796	8.0%	27,118	9.5%	366,431	10.2%
2017	23,416	2.7%	28,267	4.2%	425,856	16.2%
2018	24,894	6.3%	30,109	6.5%	432,315	1.5%
2019	25,874	3.9%	31,381	4.2%	453,547	4.9%
2020 [4]	10,037	-61.2%	20,007	-36.2%	452,496	-0.2%
2021	18,073	80.1%	26,244	31.2%	498,741	10.2%
2022	22,966	27.1%	28,594	9.0%	456,289	-8.5%
2023	25,371	10.5%	31,521	10.2%	417,124	-8.6%
2024	26,295	3.6%	32,806	4.1%	460,064	10.3%
2025	26,329	0.1%	32,902	0.3%	426,932	-7.2%
2026 Budget	27,031	2.8%	34,215	4.3%	445,802	-3.1%
2026 Forecast	26,500	0.8%	33,329	1.6%	448,279	-2.6%
2027 Budget	26,890	1.5%	33,733	1.2%	461,727	3.0%
Annualized Growth Rate						
2017 - 2027		1.4%		1.8%		0.8%
2022 - 2027		3.2%		3.4%		0.2%

Table IV-27 Aviation Division Operating Statistics 2027.xlsx

Tables Notes:
[1] Enplaned Passengers in thousands
[2] Landed Weight in thousands
[3] Air Cargo in Metric Tons
[4] Contraction due to COVID-19 Pandemic impact

V – MARITIME

MARITIME DIVISION

2027 Budget Summary

Table V-1: Maritime Cash Flow Summary

($ in thousands)

	2027	Percent of Total
SOURCES OF CASH		
Operating Revenues	122,624	48.9%
Interest Receipts	14,680	5.9%
Proceeds from Bond Issues	63,500	25.3%
Grants and Capital Contributions	1,185	0.5%
Tax Levy	34,435	13.7%
Other Receipts	14,196	5.7%
Total	**250,619**	**100%**
USES OF CASH		
Expenses from Operations:		
Total Operating Expenses	142,399	43.5%
Debt Service:		
Interest Payments	11,768	3.6%
Bond Redemptions	9,422	2.9%
Total Debt Service	21,190	6.5%
Other Expenses	32	0.0%
Capital Expenditures	163,657	50.0%
Total	**327,278**	**100%**

MDCASHFLW.xslx

Figure V-1: Maritime Sources of Cash

($ in thousands)

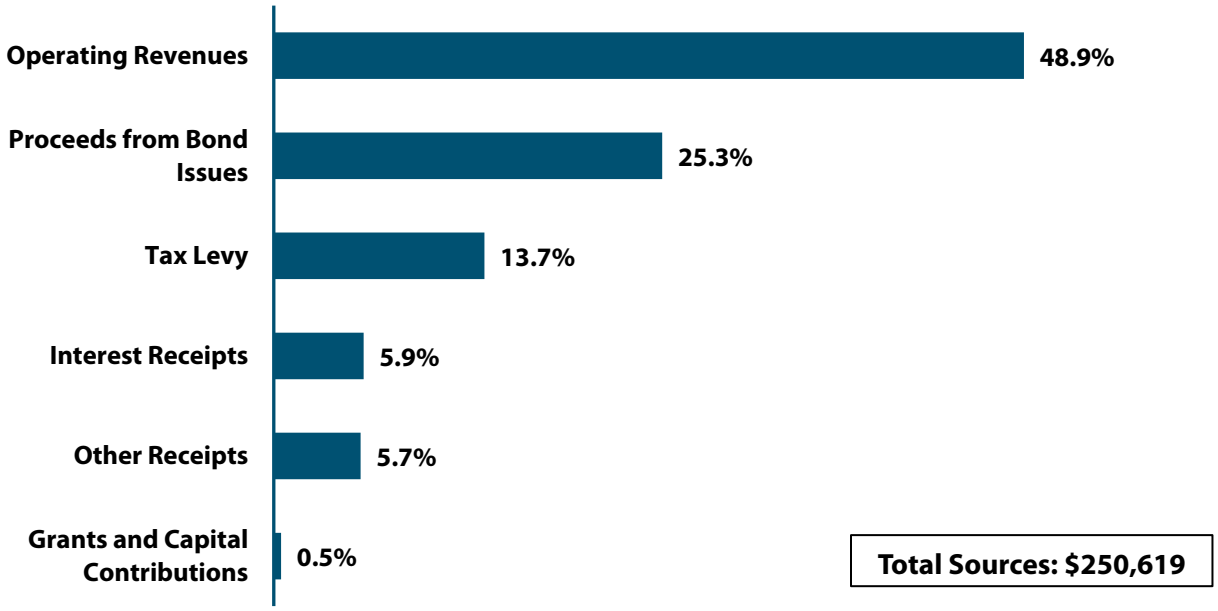
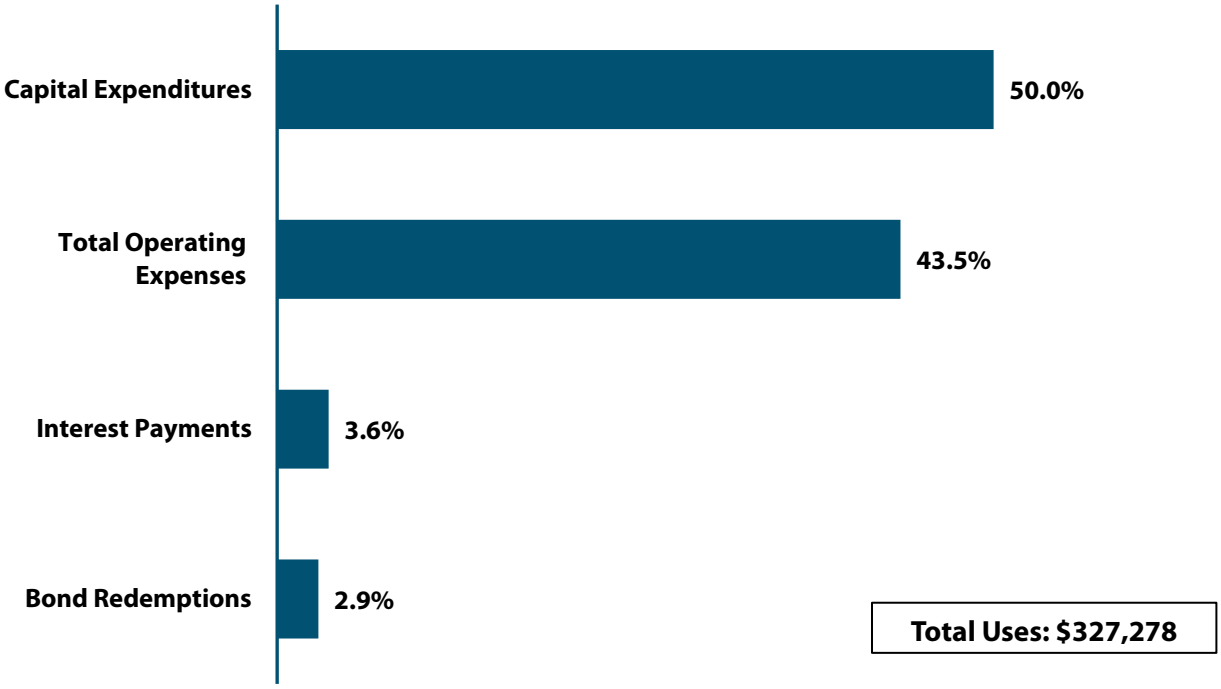


Figure V-2: Maritime Uses of Cash

($ in thousands)



A. Financial Forecast

Table V-2: Maritime Financial Forecast

($ in thousands)

OPERATING BUDGET	Actual 2025	Budget 2026	Revised Budget 2026	Proposed Budget 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031	Compound Growth 2027-2031
Operating Revenues	**101,085**	**110,425**	**110,516**	**122,624**	**129,292**	**136,923**	**143,993**	**155,894**	**6.2%**
GASB 87_96_103 Revenues	20,107	15,010	14,919	14,148					-100.0%
Total Operating Revenues GASB Comparable Basis	**121,192**	**125,435**	**125,435**	**136,772**	**129,292**	**136,923**	**143,993**	**155,894**	**3.3%**
Operating Expense w/o Pension Credit	**111,423**	**115,962**	**140,628**	**142,399**	**130,737**	**137,455**	**144,535**	**151,994**	**1.6%**
DRS Pension Credit	(3,872)	-	-	-					
Operating Expense with Pension Credit	**107,551**	**115,962**	**140,628**	**142,399**	**130,737**	**137,455**	**144,535**	**151,994**	**1.6%**
GASB 87_96_103 Expenses	(2,569)	25,096	6	7					
Total Operating Expenses GASB Comparable Basis	**104,982**	**141,059**	**140,634**	**142,405**	**130,737**	**137,455**	**144,535**	**151,994**	**1.6%**
Net Operating Income before Depreciation	**(6,466)**	**(5,537)**	**(30,112)**	**(19,775)**					
Total Depreciation Expense	25,010	27,161	27,161	32,093					
Net Operating Income after Depreciation	**(31,476)**	**(32,698)**	**(57,272)**	**(51,867)**					
									Total 2027-2031
Committed Capital Budget	93,859	111,974	111,974	185,633	133,540	51,555	33,502	14,501	418,731
Business Plan Prospective	-	3,940	3,940	39,174	103,443	58,962	36,224	25,385	263,188
CIP Cashflow Adj Reserve	-	(22,530)	(22,530)	(61,150)	(76,046)	82,317	54,878	-	0
Total Capital Budget [1]	**93,859**	**93,384**	**93,384**	**163,657**	**160,937**	**192,834**	**124,604**	**39,886**	**681,919**

MABBFORxslx

Tables Notes:
[1] See Section IX for details of Capital Improvement Plan.

B. Maritime Division Description/Business Assessment

Mission & Vision:

Build on our maritime legacy by leveraging our properties to create opportunities and support family wage jobs in the Maritime industry that are sustainable and equitable.

A vibrant working waterfront generating economic vitality for the region.

Major/New Initiatives:

- Support a long-term sustainable financial picture for the Maritime Division.
- Focus on occupancy rates at key facilities.
- Strengthening financial performance through improved cost-recovery.
- Continued investment in aging assets to meet current demand.
- Modernize maritime assets through coordinated planning and project delivery.
- Improve asset management planning for key facilities and lifecycle needs.
- Advance decarbonization at terminals through strategic infrastructure investments and collaboration on Green Corridor initiatives to accelerate zero-emission maritime operations.
- Expand shore power utilization to achieve 100% of homeport cruise vessels plugged in.
- Decarbonize port fleet through lifecycle and utilization reviews.
- Continue to advance Maritime diversity in hiring strategy to encourage the next generation of maritime industry workers.

- Provide contracting opportunities for WMBE and small businesses.
- Continue to incorporate revised more specific Green Leasing language in all Maritime leases, new and renewing and prioritizing green energy alternatives where possible.
- Maintain or increase in excess of 90% occupancy in Portfolio Asset Management properties.

Division Description:

Maritime Division is comprised of several major business groups: Cruise Operations, Recreational Boating, Fishing and Operations, Pier 69 Facilities and Portfolio Asset Management. Additionally, the division includes service groups such as Maritime Marketing, Security, Marine Maintenance, Maritime Environment and Sustainability, Maritime Planning and Waterfront Project Management.

The Maritime Division and its facilities serve a diverse mix of year-round and seasonal activities. From April through October, Smith Cove Cruise Terminal (Terminal 91) and Bell Harbor Cruise Terminal (Pier 66) serve as homeports for cruise ships headed to Alaska. From October through May, Fishermen's Terminal and Terminal 91, serve as homeports for the North Pacific fishing fleet and factory trawlers. Throughout the year, recreational boats are served at Bell Harbor Marina, Harbor Island Marina, and Shilshole Bay Marina – the latter being home to vibrant liveaboard communities.

The Portfolio and Asset Management group provides comprehensive property management including leasing, tenant improvements, maintenance, and asset management of over 4 million square feet of commercial retail, office, industrial warehouse and yard and conference facilities while promoting environmental sustainability initiatives. This includes, but is not limited to, the Bell Harbor International Conference Center, World Trade Center West, Harbor Island Corporate Center, Terminal 91-yard area and warehouses, uplands of marina properties and leasing Terminal 86, a fully automated grain terminal. It also optimizes the performance of the Bell Harbor International Conference Center (BHICC) through strategic planning, financial oversight, and stakeholder engagement.

Industry Assessment:

Cruise

A finding from the 2026 State of the Cruise Industry report by Cruise Lines International Association forecasts global industry growth through 2029 as new high-capacity ships continue to be deployed and new ships incrementally enter the market. Alaska is one of the top 6 cruise destinations internationally. Survey results show that 90% of those who have cruised intend to cruise again.

Fishing and Commercial Operations

Alaska's commercial fishing industry remains strong, and its fisheries are recognized as among the best managed in the world. However, volatile salmon and whitefish prices and the reduced snow crab quotas have created economic challenges for the Port's homeported fleet. Sustainable management practices in the Bering Sea, Bristol Bay, and the Gulf of Alaska help the industry weather seasonal anomalies and price swings from year to year, and the Seattle-based commercial fishing fleet remains stable.

The commercial fishing fleet is aging, and many owners are struggling to recapitalize. Workforce challenges and rising maintenance costs have owners to hold off on purchasing or building new vessels. Puget Sound has historically been an attractive off-season moorage location, offering established supply chains, a skilled labor force, and a robust maritime industry. However, rising local costs, threats to industrial lands, and growing safety and security concerns are leading some of the fleet to look to competing ports.

The industry is also adapting to an evolving regulatory environment and ongoing consolidation. As the fleet consolidates, operators need facilities and services that can support larger homeport operations. At the same time, suitable and affordable marine terminals are becoming increasingly scarce in the Northwest.

Grain

Terminal operator/tenant, Louis Dreyfus Company (LDC), is projecting grain volumes to be about 9% higher in 2027 from 2026 budget. After prior year challenges from reduced demand from China, volumes started to rebound in 2024 and are projected to exceed budgeted amounts in 2026. Per LDC, it is highly unpredictive to forecast volume for the next couple of years due to uncertain tariff shifts & negotiations, and changes in global grain trade and weather dependent grain harvest volume (supply).

Maritime Habitat Initiatives

Demand for compensatory mitigation credits in the watershed, as well as Natural Resource Damage credits in the Lower Duwamish River, is increasing due to evolving environmental regulations and pending claims. Large-scale projects in the Duwamish River and Elliott Bay may also create new demand. Currently the Port is evaluating several ongoing opportunities.

Recreational Boating

The recreational boating industry faces several challenges. These include the high cost of boat ownership, the difficulty of attracting younger boaters, emerging environmental regulations, and limited water access.

The Port continues to offer moorage at competitive market rates while maintaining public safety, minimizing environmental impacts, controlling costs, providing full amenities, and serving its liveaboard community.

Commercial Properties

Seattle's office market shows signs of stabilization, but high vacancy and competition for tenants are expected to limit rent growth in 2027. Companies continue to reduce their office space, and recovery varies across the region.

The completion of Waterfront Park in 2025 and Elliott Bay Connections in 2026 has improved access and waterfront connectivity. These improvements may strengthen the appeal of Port properties, including the World Trade Center West office building and Bell Harbor International Conference Center.

The Puget Sound industrial market is also expected to remain challenging in 2027, with excess space, slower leasing, and uncertainty about tariffs and international trade. Kidder Mathews reported regional industrial vacancy of 9.5% in the second quarter of 2026, up from 8.9% at year-end 2025. CoStar's September 2026 assessment also found that new warehouse and distribution space in the Seattle region continued to exceed demand, supporting cautious assumptions for rent growth.

Conference and Event Centers

The hospitality industry's 2027 outlook remains cautiously optimistic, supported by modest growth and sustained demand for in-person meetings, while economic and global uncertainty continue to create challenges. Softer convention and group business in Downtown Seattle is expected to put pressure on occupancy and revenue. However, technology-sector demand, leisure travel, and greater international awareness of Seattle support its long-term appeal for meetings and events.

Bell Harbor's waterfront location and partnerships with the Seattle Convention Center and Visit Seattle provide opportunities to attract more corporate events and other bookings. Maximizing profitable events, increasing referrals, and strengthening its position as a premier waterfront venue will remain key priorities in 2027.

Business Assessment:

Cruise

The total number of 2026 actual revenue passengers increased from 2025 with the addition of the MSC and Virgin Voyages ships. The 2027 budget assumes a flat number of vessel sailings compared to 2026 but with a few larger ships scheduled. Many of the sailing occupancies during peak season are above 100%, and the 2026 budget assumes an overall average occupancy of 100%. It is anticipated that 2027 will have a similar number of revenue passengers estimated at 2 million.

Fishing and Commercial Operations

Demand for commercial fishing moorage remains steady, with annual occupancy above 80%, even though many customers relocate to Alaska for work during part of the year. The small commercial fishing boat segment (under 40 feet) is particularly at risk due to rising operating costs, an aging owner base, and vessel relocations. However, this decline is offset by monthly moorage demand from other commercial vessels, such as charter boats relocating from South Lake Union, and from recreational vessels.

Demand for mooring dolphins in Elliott Bay and the Duwamish Waterway remains high. The terminal 91 reaches capacity in winter and spring, when the fishing fleet returns to Seattle.

In 2027, the Port will focus on retaining current tenants and developing new revenue streams. Priorities include maintaining excellent customer service, implementing rental rate increases upon renewal, accommodating requests for space reductions, and improving facility quality.

All dock and moorage assets at Fishermen's Terminal are relatively new except the Northwest Dock, which is nearly 30 years old. Shore power systems sized for a range of vessels give the Port a competitive edge.

Grain

The Terminal 86 Grain Terminal primarily handles corn and soybeans, along with smaller quantities of sorghum and wheat, depending on the year. These commodities are exported from the Upper Midwest states and Eastern Washington. In the past couple of years, the commodity mix has included a greater share of corn relative to soybeans. Since soybeans generally command a higher commodity value than corn, this shift in the commodity mix also affects LDC's overall revenue economics.

LDC has invested nearly $50 million cumulatively to date in maintaining, repairing, replacing, and improving T86 assets, including the docks, dust control systems, and grain elevator systems. LDC is

currently undertaking multiple projects to repair, rehabilitate, and replace dock piles, as well as upgrade dust control systems.

Major trends that can be anticipated to impact the real estate sector in 2027

Industrial leasing conditions are expected to remain competitive in 2027, with elevated vacancy and modest rent growth. CoStar's national forecast suggests slower construction and improving demand could support a gradual recovery later in the year.

Commercial Properties

Hybrid work arrangements are expected to continue affecting office demand, with tenants seeking flexible spaces that support collaboration.
For the Port's commercial properties, high regional vacancy and competition for tenants support cautious assumptions for rental rate growth and the time needed to lease vacant space. Waterfront improvements may enhance the appeal of the appeal of some properties, while building age, condition, and surrounding safety concerns may influence tenant decisions.
Industrial leasing is expected to remain competitive, with available supply and trade uncertainty expected to slow rent growth in the near term. Demand for the Port's warehouse and flex industrial properties will depend on location, functionality, condition, and pricing relative to competing Seattle close-in properties.

Maritime Industrial Portfolio and Asset Management staff will focus on sustainable revenue through tenant retention, targeted leasing, and market-aligned rental rates. Targeted property improvements and coordination on access and safety concerns will support occupancy efforts and the portfolio's long-term competitiveness.

Conference and Event Centers

Bell Harbor International Conference Center (BHICC) remains an established waterfront venue hosting conferences, meetings, and special events that support the regional visitor economy. For 2027, its waterfront setting, flexible meeting spaces, and proximity to downtown attractions provide opportunities to attract corporate meetings, association events, and social gatherings. Completed waterfront improvements may further strengthen its appeal to event planners and attendees.

Bell Harbor International Conference Center will focus on attracting local corporate and technology-sector events to offset softer convention demand in 2027. Priorities include full-building buyouts and events that generate strong returns from meeting space, food and beverage, and related services. Closer partnerships with Seattle Convention Center, Visit Seattle and waterfront hotels will help secure referrals for programs suited to Bell Harbor's size and waterfront setting.

Pier 69 Facilities Management

The Port's Pier 69 headquarters has been in operation since the late 1980s. The facility is well maintained, but the building is showing its age and will require significant investment over the next two decades.

An analysis of the Pier 69 building is being conducted assessing the required capital building upgrades and Market Rate value analysis to determine potential additional code requirements. The sum of the capital investments may not exceed 50% of the buildings' market value. Otherwise, seismic, flood plain and other code requirements are triggered at substantial costs. The intent is to bring forth the economic results of the proposed improvements and code implications to make a recommendation on the future use of Pier 69 to executive leadership in 2027.

Recreational Boating

Monthly moorage occupancy at Shilshole Bay Marina remains strong and is budgeted at approximately 98% for 2027. Because the marina has an existing waitlist, the opportunity to increase occupancy lies in faster slip turnaround. Moorage rates remain competitive in the Seattle market. The marina's continued success is attributed to its location, docks with good maneuverability and wide navigation channels, an active liveaboard community, and a strong customer focus.

Shilshole Bay Marina currently has 122 people on its waitlist, most of them waiting for monthly moorage slips. Liveaboard occupancy is 268 of the 350 allowable slips, or 77%, and commercial property occupancy is 100%. In 2027, the focus will be on retaining existing tenants and continuing to grow guest moorage.

Challenges and Opportunities:

Cruise, Elliott Bay Operations, & Maritime Marketing Challenges

- Ability for Alaska communities to accommodate increased growth of cruise passengers, especially during the early and late periods into the expanding season.
- The current cruise berth capacity does not meet preferred weekend demand.
- Cruise terminals require updates to remain competitive on operations and customer experience.
- Conflicting demands for shared Port facilities.
- Commercial fishing is highly regulated. Under the Magnuson–Stevens Fishery Conservation and Management Act, fisheries are subject to rules designed to manage harvested species and protect the environment sustainably.
- Capturing new business from the revitalized large commercial fleet is essential for Seattle to remain the homeport of the North Pacific fishing fleet.
- The timing of spring LNG fueling, and the related hot work ban during fueling, is costly and disruptive for the factory trawler fleet as it prepares for the fishing season.
- Controlling the cost of building, maintaining, and operating terminals.
- Future planning and capital investment in properties with aging infrastructure.
- Adapting facilities and operations to meet a dynamic regulatory environment.
- Attracting new maritime customers and vessel homeport bases within a changing land use environment.

Cruise, Elliott Bay Operations, & Maritime Marketing Opportunities

- Strong market demand for cruises brings continued interest in expansion in Seattle.
- Increased collaboration/partnerships with regional ports and cruise lines.
- Leadership in Green Port initiatives.
- Strong tourism, infrastructure cruise terminal locations.
- Increased investment into Alaska destinations by cruise lines.
- Retaining commercial fishing customers who are recapitalizing their fleets. Newer vessels are more fuel-efficient and have greater fishing capacity, so they can catch their quota faster, return to Terminal 91 earlier, and stay longer.
- Adjusting timing of LNG fueling to reduce impacts on factory trawler fleet preparations.
- Continuing to grow the recreational fleet during the off-season as space allows.
- Promoting legislation that supports continued growth of the fishing and maritime industries.
- Developing a "Blue Economy" framework by engaging new Washington State Maritime Cluster organizations; digitalizing and decarbonizing maritime machinery, systems, and platforms;

investing in workforce development and innovation; and continuing to grow and promote the Working Waterfront.
- Rehabilitating the Pier 91 deck panels at Terminal 91 to extend their service life while upgrading shore power for cruise and non-cruise customers.
- Attracting homeport bases for seafood, tug, and barge fleets.

Recreational Boating, Fishing and Operations, Pier 69 Facilities and Portfolio Asset Management Challenges

- Properties are challenging to lease (access points, amenities, aging infrastructure).
- Right-sizing security levels. Security services rely on contractors who make limited investment in the service.
- Regulatory, Policy & Environmental Constraints impact efficiency and market competitiveness
- Uncertainty about Sound Transit light rail and its future impact on Harbor Island.
- Global and regional sociopolitical scrutiny and change, and uncertain market trends affecting tenant business activity.
- Rising operating expenses (utilities, permits, materials, rate changes, and asset maintenance).
- Deferred investment in aging infrastructure due to competing priorities and limited resources.
- Competing priorities between environmental and sustainability initiatives and other capital projects.
- Limited WMBE contracting opportunities.
- Finding new revenue streams for marinas.
- Balancing Port initiatives with operational work.

Recreational Boating, Fishing and Operations, Pier 69 Facilities, and Portfolio Asset Management Opportunities

- Developing master development plans for each campus.
- Influencing the prioritization of sustainability and infrastructure improvement projects.
- Considering bringing security services in-house to improve accountability, living wages, career advancement, and stability.
- Capitalizing on current and emerging business trends and new revenue streams (e.g., charters).
- Leveraging new and improved technologies in asset management, marina software upgrades, Lease Revenue Management System and handheld technologies will improve outcomes.
- Improve lease language regarding tenant improvement requirements and process.
- Support sustainability initiatives (e.g., green leasing, Maritime Climate and Air Action Plan).
- Increasing moorage revenue through rate increases.
- Leveraging partnerships to create opportunities with organizations such as the Port of Seattle Workforce Development's Youth Maritime Collaborative, The Adventuress, and the Northwest Marine Trade Association.

Grain Challenges and Opportunities

- Grain volume can fluctuate significantly from year to year due to global trade policy / tariff changes, weather and global market conditions.
- Revenues from the grain terminal include a minimum annual guarantee and otherwise are subject to upside and downside depending on export volumes handled.
- Terminal 86 Grain Terminal's export volumes have historically depended largely on demand from East Asian countries such as China, Japan, South Korea, and Taiwan. In recent years, however, export destinations have diversified and expanded to include South and Southeast Asian countries such as Vietnam, Thailand, Bangladesh, and India.

Maritime Habitat Initiatives Challenges and Opportunities

- Construction costs associated with habitat projects in the urban maritime environment are escalating. However, these costs affect both the Port and our competition.
- NRD credit demand is directly correlated to the rate at which the Trustee Council generates settlements. While the size of the NRD market is potentially substantial, the Trustees have entered the formal Natural Resource Damage Assessment (NRDA) phase, which means that opportunities for early settlement have been suspended. Demand will increase once the formal NRDA is complete in 1 to 3 years.
- ESA mitigation demand is increasing as noted above. That said, the approval process for ESA credits is slow and difficult.
- The Port has significant land assets in the Duwamish Valley which are suitable for restoration purposes but more limited in the middle and upper watershed.

Marine Maintenance Challenges

- Aging assets, facilities and infrastructure. Several large modernization projects are underway and needed to support current operational needs and safety standards.
- Unpredictable materials and service costs - volatile pricing impacts budgeting and project planning.
- Limited storage and equipment space, hindering efficient equipment management and readiness.
- Cumbersome onboarding emergency hire employees. The onboarding process for represented emergency hire employees is cumbersome and slow, creating delays in mobilizing labor for urgent repairs, preventive maintenance, and dynamic project work. This lack of agility hampers Marine Maintenance's ability to respond effectively to shifting operational demands

Marine Maintenance Opportunities

- Leverage CPI Engagement. Continue empowering employees to apply Continuous Process Improvement (CPI) tools like Lean or Six Sigma to streamline workflows and reduce waste.
- Revise Billing Structures. Continue introduction for billing equipment usage and align labor rates with represented worker costs to improve cost recovery and transparency.
- Implementation of ISO Standards to shift toward predictive maintenance and standardized procedures.
- Maximize Maximo. Use Maximo's analytics and asset tracking to inform repair vs. replace decisions, optimize lifecycle costs, and schedule preventive maintenance.

Waterfront Project Management Challenges

- High variability in construction pricing.
- Environmental and structural code changes create unpredictability in schedule and cost.
- Navigating authorizations between Port of Seattle and Northwest Seaport Alliance.

Waterfront Project Management Opportunities

- Ability to expand Disadvantaged/Women & Minority Business Enterprises.
- Integrate new technologies in the workflow process.
- Take advantage of grants to fund capital projects.

C. Operating Budget Summary

Background

From a financial standpoint, the Maritime Division's activities are:

- Record year for cruise revenue in 2027.
- Managing other businesses in the portfolio to provide stewardship of public assets for taxpayers. These activities generate revenue through operations and expense through maintenance, repair, and renovation.
- Demand for Maritime properties is high, but the costs associated with maintaining those properties are going up proportionately.

Assumptions

The 2027 Maritime Division Budget is based on the following assumptions:

- Cruise forecasts an overall average of 100% occupancy rate with higher occupancies assumed during peak season and lower occupancies on tail-ends of the season, and a sailing schedule based on tentative berth reservations.
- Grain volume is budgeted at 3.5 million metric tons based on forecast from tenant, a 9% increase from 2026 budgeted volumes.
- Recreational Marinas occupancy rate budgeted to remain steady from previous years at Shilshole Bay Marina.
- Portfolio and Asset Management Commercial Building Properties target an occupancy of 90% or greater at year-end 2027.
- Revenue and expense budgets are expected to increase significantly from the 2026 budget due to a new financial reporting approach for service charges.
- Salaries and benefits are forecasted using the 2027 budget guidelines of 3.76% average pay increase.
- Utility rates are based on applicable rate changes posted by Seattle Public Utility, Seattle City Light, Puget Sound Energy, and other utility vendors.

Operating Revenue

- Overall Maritime Division Revenues are $11.2M above 2026 budget and $19.6M better than 2025 actuals.
- Cruise revenues are increasing from a combination of rate escalations, increased Port revenue-share with the new terminal operator lease at Terminal 91, and slightly more passengers than 2026.
- Bulk Terminals increase is based on projections from Louis Dreyfus Company at Terminal 86.
- Portfolio and Asset Management revenue increase driven by escalated rent and leasing vacancies.
- Elliott Bay Fishing and Operations revenues are expected to increase in 2027 from increased proposed tariff rates, while Ship Canal Fishing and Operations revenues are expected to decrease due to the loss of a customer at Fishermen's Terminal and the partial closure of Salmon Bay Marina.
- Recreational Boating revenue is budgeted 6% higher due to adjusting moorage rates based on market rate analyses.

Table V-3: Major Revenue Changes

($ in thousands)

	2024 Actual	2025 Actual	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 26 Rev Bud (%)
Cruise Operations	43,237	47,240	55,690	55,690	63,692	14.4%
Bulk Terminals	4,478	5,028	3,055	3,055	3,780	23.7%
Fishing & Operations						
Elliott Bay Fishing & Comm Ops	6,513	6,881	6,331	6,331	6,415	1.3%
Ship Canal Fishing & Operation	5,162	5,556	4,680	4,680	4,557	-2.6%
Portfolio & Asset Management						
Central Harbor Mgmt Group	9,129	8,478	8,805	8,805	8,352	-5.2%
Conference & Event Centers	7,490	8,654	9,430	9,430	11,372	20.6%
Foreign Trade Zone	15	15	15	15	20	33.3%
Recreational Boating						
Shilshole Bay Marina	15,539	16,862	17,933	17,933	18,797	4.8%
Other Marinas	1,016	1,196	1,162	1,162	1,388	19.4%
Parks/Other [1]	14,254	21,283	18,334	18,334	18,400	0.4%
Operating Revenue	**92,952**	**101,085**	**110,425**	**110,516**	**122,624**	**11.0%**
GASB 87_96_103 Revenues	13,880	20,107	15,010	14,919	14,148	-5.2%
Total Operating Revenues GASB Comparable Basis	**106,832**	**121,192**	**125,435**	**125,435**	**136,772**	**9.0%**

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Table Notes:
[1] Includes Aviation and Police miscellaneous revenue offsets to Maritime Division.

Table V-4: Maritime Revenue by Account

($ in thousands)

BY ACCOUNT	2024 Actual	2025 Actual	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 26 Rev Bud (%)
Dckg, Whrfg, Serv/Facility, Passenger Fee	10,404	12,699	12,774	12,774	13,836	8.3%
Berthage & Moorage	19,009	20,620	20,556	20,556	21,726	5.7%
Equipment Rental	319	377	357	357	328	-8.2%
Parking Revenue	115	115	115	115	118	3.3%
Property Rental Revenue	49,106	51,084	57,753	57,753	65,862	14.0%
Revenue From Sale of Utilities	4,927	5,795	7,802	7,802	7,714	-1.1%
3rd Party Management	7,154	8,280	8,926	8,926	10,959	22.8%
Other Revenues	2,464	2,687	2,701	2,792	2,446	-12.4%
Operating Revenue [1]	**93,498**	**101,658**	**110,985**	**111,076**	**122,990**	**10.7%**
GASB 87_96_103 Revenues	13,823	19,694	14,919	14,919	14,148	-5.2%
Total Operating Revenues GASB Comparable Basis	**107,321**	**121,352**	**125,904**	**125,995**	**137,138**	**8.8%**

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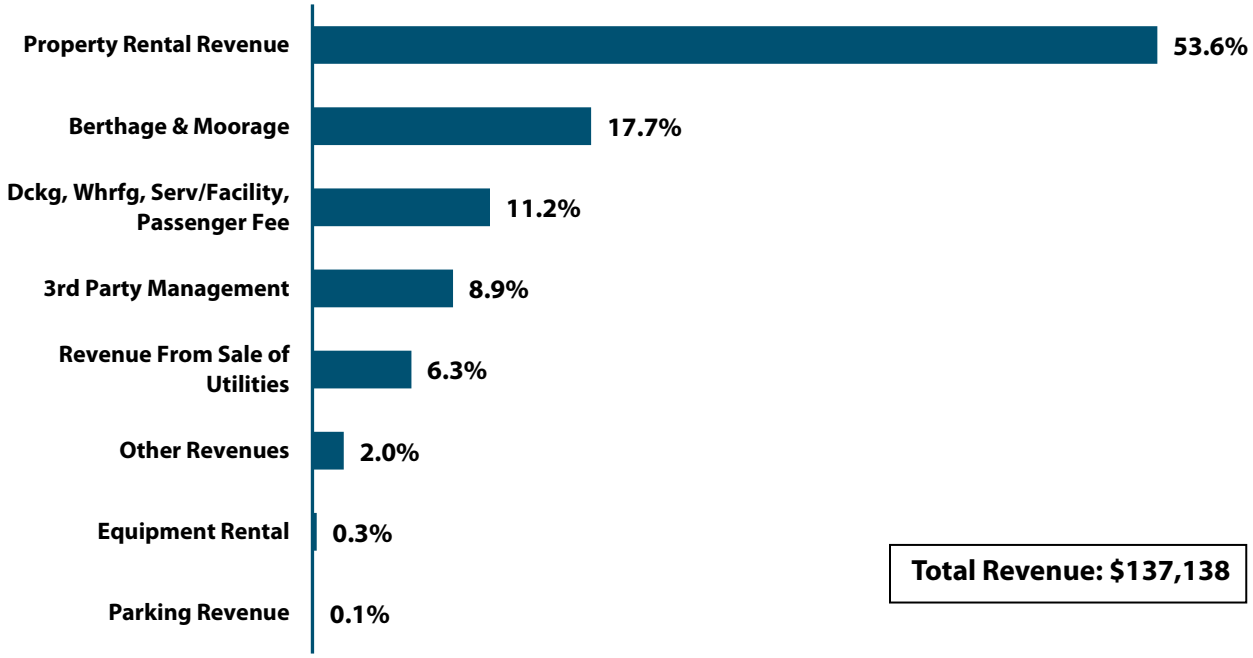
Table Notes:
[1] Tables V-4 & 5 differ from Table V-2, in that they only reflect the division expenses and do not include Central Services allocations.

Figure V-3: Maritime Revenue by Account

($ in thousands)



Operating Expense Drivers

Total Maritime Division operating expenses (including direct charges and allocations from Central Services and EDD services groups) are budgeted to increase by $14.3M or 11.5% from 2026. The increase is primarily due to higher environmental remediation liability expenses, the Terminal 91 demolition project, and large maintenance dredging and repair expense projects.

Table V-5: Maritime Operating & Maintenance Expenses by Account

($ in thousands)

BY ACCOUNT	2024 Actual	2025 Actual	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 26 Rev Bud (%)
Salaries, Wages, Benefits & Workers Compensation	53,875	58,140	59,908	59,908	63,443	5.9%
Equipment Expense	1,942	2,260	2,689	2,689	2,452	-8.8%
Utilities	9,644	8,989	11,675	11,675	11,523	-1.3%
Supplies & Stock	2,376	2,557	2,546	2,546	2,133	-16.2%
Outside Services	11,998	14,592	20,034	20,034	36,581	82.6%
Travel & Other Employee Expenses	714	754	1,057	1,057	927	-12.3%
Promotional Expenses	172	285	358	358	336	-5.9%
Other Expenses	12,372	18,693	14,034	23,536	16,978	21.0%
O&M without Environmental	**93,093**	**106,269**	**112,300**	**121,802**	**134,374**	**19.7%**
Environmental Remediation Liability	(358)	1,206	-	14,400	3,000	0.0%
O&M with Environmental	**92,736**	**107,475**	**112,300**	**136,202**	**137,374**	**22.3%**
Charges to Capital/Govt/Envrs Projects/Overhead Alloc	(6,241)	(6,787)	(7,981)	(7,981)	(7,871)	-1.4%
O&M Expenses w/o Pension Credit	**86,495**	**100,688**	**104,320**	**128,222**	**129,503**	**24.1%**
DRS Pension Credit	(2,123)	(2,379)	-	-	-	0.0%
O&M Expenses with Pension Credit [1]	**84,372**	**98,310**	**104,320**	**128,222**	**129,503**	**24.1%**
GASB 87_96_103 Expenses	2,706	(2,783)	22,400	-	3	-100.0%
Total Operating Expenses GASB Comparable Basis	**87,078**	**95,527**	**126,720**	**128,222**	**129,506**	**2.2%**

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Table Notes:
[1] Tables V-4, 5 & 6 differ from Table V-2, in that they only reflect the division expenses and do not include Central Services allocations.

Figure V-4: Maritime Expense by Account

($ in thousands)

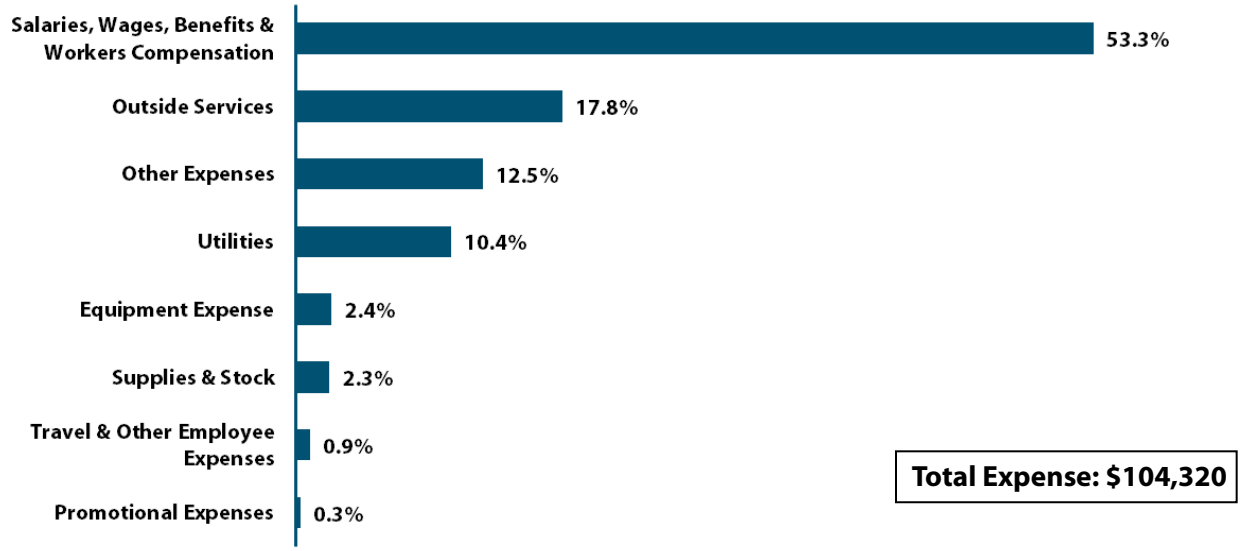

Table V-6: Maritime Revenue and Expense by Business Group/Department

($ in thousands)

BY BUSINESS GROUP/DEPARTMENT	2024 Actual	2025 Actual	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 2026 Rev Bud (%)
REVENUE						
Bulk Terminals	4,478	5,025	3,055	3,055	3,780	23.7%
Cruise Operations	36,679	40,277	49,319	49,319	57,211	16.0%
Fishing & Operations	11,629	12,391	10,973	10,973	10,895	-0.7%
Maritime Division Management	-	-	-	91	207	0.0%
Marine Maintenance	921	867	910	910	754	-17.2%
Parks	3	-	-	-	-	0.0%
Portfolio Management	23,243	25,040	27,637	27,637	29,960	8.4%
Recreational Boating	16,546	18,059	19,091	19,091	20,184	5.7%
Operating Revenue	**93,498**	**101,658**	**110,985**	**111,076**	**122,990**	**10.8%**
GASB 87_96_103 Revenues	13,823	19,694	14,919	14,919	14,148	-5.2%
Total Operating Revenues GASB Comparable Basis	**107,321**	**121,352**	**125,904**	**125,995**	**137,138**	**8.9%**
EXPENSES BEFORE CHARGES TO CAP/GOVT/ENVRS PROJECTS						
Business Groups:						
Bulk Terminals	88	72	95	95	115	20.8%
Cruise Operations	6,157	7,364	9,901	9,901	9,098	-8.1%
Fishing & Operations	5,622	10,061	5,813	5,813	5,593	-3.8%
Portfolio Management	15,331	16,484	17,540	17,540	20,092	14.5%
Recreational Boating	4,448	4,560	4,850	4,850	5,518	13.8%
Total Business Group Expense	**31,647**	**38,540**	**38,199**	**38,199**	**40,415**	**5.8%**
Service Groups and Other:						
Maritime Env & Sustainability	7,642	8,574	10,404	10,404	9,943	-4.4%
Maritime Finance	2,867	3,212	3,525	3,525	3,638	3.2%
Maritime Planning&Project Mgmt	916	1,001	2,289	2,289	2,614	14.2%
Marine Maintenance	32,251	32,730	35,251	35,251	33,387	-5.3%
Maritime Marketing	912	1,016	1,170	1,170	1,179	0.7%
Maritime Security	2,861	3,946	5,614	5,614	5,951	6.0%
P69 Facilities Management	1,584	1,631	1,782	1,782	1,884	5.8%
Waterfront Project Mgmt Group	9,098	11,433	14,714	22,714	31,496	114.0%
Maritime Division Management	885	1,033	(874)	628	895	-202.4%
Maritime Envr Remediation Liab	(358)	1,206	-	14,400	3,000	0.0%
Maritime Habitat Initiatives	2		1	1	1	7.9%
Parks	260	81	225	225	115	-48.8%
Others	46	691	-	-	-	0.0%
Total Service Group & Other Expense	**58,967**	**66,556**	**74,101**	**98,003**	**94,103**	**27.0%**
Total Expenses Before Charges to Cap/Govt /Envrs Projects [1&2]	**90,614**	**105,096**	**112,300**	**136,202**	**134,518**	**19.8%**
CHARGES TO CAPITAL/ GOVT /ENVRS PROJECTS	**(6,241)**	**(6,787)**	**(7,981)**	**(7,981)**	**(7,871)**	**-1.4%**
OPERATING & MAINTENANCE EXPENSE						
Business Groups:						
Bulk Terminals	88	72	95	95	115	20.8%
Cruise Operations	6,216	7,432	9,901	9,901	9,098	-8.1%
Fishing & Operations	5,806	10,241	5,813	5,813	5,593	-3.8%
Portfolio Management	15,480	16,642	17,540	17,540	20,092	14.5%
Recreational Boating	4,611	4,726	4,850	4,850	5,518	13.8%
Total Business Group Expense	**32,201**	**39,113**	**38,199**	**38,199**	**40,415**	**5.8%**
Service Groups and Other:						
Maritime Env & Sustainability	6,396	7,116	9,304	9,304	8,746	-6.0%
Maritime Finance	2,732	3,115	3,222	3,222	3,285	2.0%
Maritime Planning&Project Mgmt	947	1,044	2,289	2,289	2,578	12.6%
Marine Maintenance	31,796	31,994	33,792	33,792	31,927	-5.5%
Maritime Marketing	947	1,054	1,170	1,170	1,179	0.7%
Maritime Security	2,888	3,974	5,614	5,614	5,951	6.0%
P69 Facilities Management	1,625	1,668	1,782	1,782	1,884	5.8%
Waterfront Project Mgmt Group	5,856	7,762	9,596	17,596	26,671	177.9%
Maritime Division Management	936	1,086	(874)	628	895	-202.4%
Maritime Envr Remediation Liab	(358)	1,206	-	14,400	3,000	0.0%
Maritime Habitat Initiatives	1		1	1	1	7.9%
Parks	260	81	225	225	115	-48.8%
Others	266	1,474	-	-	-	0.0%
Total Service Group & Other Expense	**54,293**	**61,575**	**66,120**	**90,022**	**86,232**	**30.4%**
O&M Expenses w/o Pension Credit [3]	**86,495**	**100,688**	**104,320**	**128,222**	**126,647**	**21.4%**
DRS Pension Credit	(2,123)	(2,379)	-	-	-	0.0%
O&M Expenses with Pension Credit	**84,372**	**98,310**	**104,320**	**128,222**	**129,503**	**24.1%**
GASB 87_96_103 Expenses	2,706	(2,783)	22,400	-	3	-100.0%
Total Operating Expenses GASB Comparable Basis	**87,078**	**95,527**	**126,720**	**128,222**	**129,506**	**2.2%**

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Table Notes:
[1] Does include DRS pension credit.
[2] Does not include Central Services allocations.
[3] Does not include DRS pension credits.

D. Staffing Overview

Maritime Division's 2027 Budget is 322.5 Full-Time Equivalents (FTEs), a 0.6% decrease compared to the 2026 Budget. The following Table V-7 outlines the FTEs in the Maritime Division.

Table V-7: Maritime Staffing

BUSINESS GROUP/DEPARTMENT	2024 Actual	2025 Actual	2026 Budget	2026 Est. Actual	2027 Proposed Budget	# Change 2026 Bud-2027 Bud	% Change 2026 Bud-2027 Bud
Waterfront Project Management [1]	40.0	40.0	40.0	40.0	50.0	10.0	25.0%
Cruise Operations	4.0	5.0	5.0	5.0	5.0	0.0	0.0%
Marine Maintenance [2]	152.0	155.0	155.0	155.0	144.0	-11.0	-7.1%
Maritime Division Management	8.0	10.0	10.0	10.0	10.0	0.0	0.0%
Maritime Marketing	3.0	3.0	3.0	3.0	3.0	0.0	0.0%
Recreational Marinas & Commercial Operations	42.5	42.5	42.5	42.5	42.5	0.0	0.0%
Elliott Bay Fishing & Commercial Operations	4.0	4.0	4.0	4.0	4.0	0.0	0.0%
Fishing & Operations Admin	2.0	2.0	2.0	2.0	2.0	0.0	0.0%
Maritime Security	3.0	3.0	3.0	3.0	3.0	0.0	0.0%
Recreational Boating	21.5	21.5	21.5	21.5	21.5	0.0	0.0%
Ship Canal Fishing & Operations	12.0	12.0	12.0	12.0	12.0	0.0	0.0%
Maritime Environment & Sustainability [3]	27.0	30.0	30.0	30.0	29.0	-1.0	-3.3%
Seaport Finance	17.0	17.0	17.0	17.0	17.0	0.0	0.0%
Portfolio & Asset Management	13.0	13.0	13.0	13.0	13.0	0.0	0.0%
P69 Facilities Management	5.0	5.0	5.0	5.0	5.0	0.0	0.0%
Stormwater Utility	4.0	4.0	4.0	4.0	4.0	0.0	0.0%
TOTAL MARITIME DIVISION	**315.5**	**324.5**	**324.5**	**324.5**	**322.5**	**-2.0**	**-0.6%**

FTE.XLS

Table Notes:

[1] Waterfront Development Office will receive 11.0 FTEs from Marine Maintenance (Facilities) and eliminate 1.0 FTE (Cost Estimator - WDO).

[2] Marine Maintenance will transfer Facilities with 11.0 FTEs to Waterfront Development Office in 2027.

[3] Maritime Environment & Sustainability will eliminate 1.0 FTE (Sr Environmental Program Manager) in 2027.

E. Maritime Capital Budget

Table V-8: Maritime Capital Budget Summary

($ in thousands)

	2027 Budget	2027-2031 CIP	% of 2027 Total Committed
Committed Capital Projects			
Portfolio Management	98,909	131,495	53.3%
Cruise Operations	50,860	111,694	27.4%
Maritime General	14,654	81,121	7.9%
Fishing and Operations	10,006	48,550	5.4%
Environmental Services	7,589	26,394	4.1%
Security	2,500	4,163	1.3%
Recreational Boating	1,115	15,314	0.6%
Total Committed	**185,633**	**418,731**	**100.0%**
Business Plan Prospective Projects	**39,174**	**263,188**	
CIP Cashflow Adjustment Reserve	**(61,150)**	**0**	
Total CIP	**163,657**	**681,919**	

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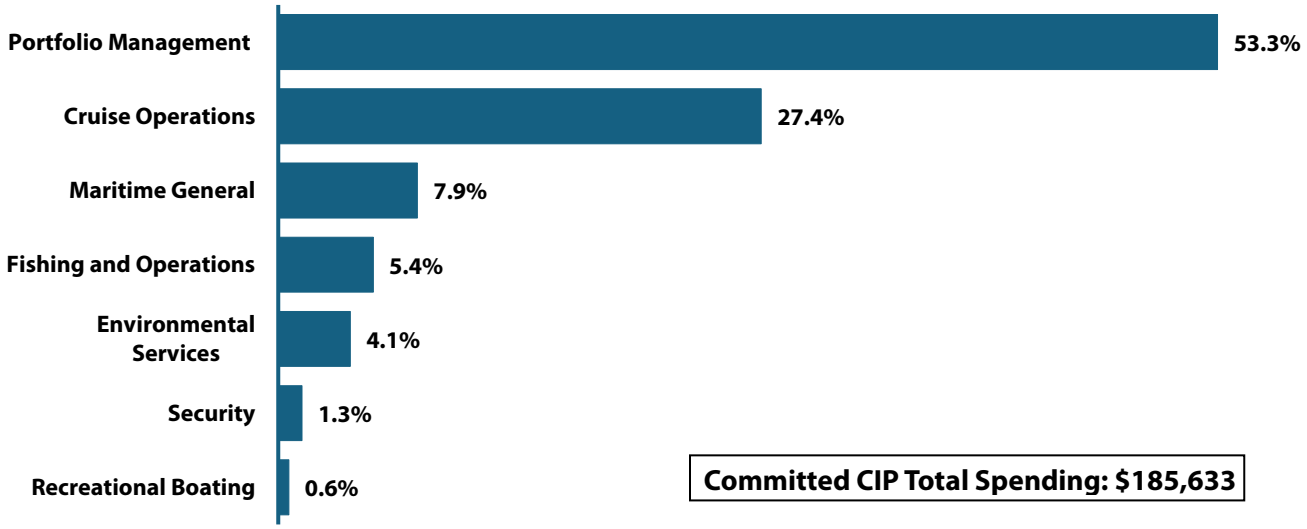
Figure V-5: Maritime Committee Capital Budget

($ in thousands)



F. Maritime Division Operating Statistics

Table V-9: Maritime Operating Statistics

Year	Cruise Ship Sailings		Cruise Passengers		Grain	
	Number	Growth	Number	Growth	Metric tons	Growth
2003	99		344,922		3,107,732	
2004	148	49.5%	562,308	63.0%	3,898,491	25.4%
2005	169	14.2%	686,978	22.2%	5,049,107	29.5%
2006	196	16.0%	751,074	9.3%	5,901,821	16.9%
2007	190	-3.1%	780,593	3.9%	5,333,018	-9.6%
2008	210	10.5%	886,039	13.5%	6,400,778	20.0%
2009	218	3.8%	875,433	-1.2%	5,512,164	-13.9%
2010	223	2.3%	931,698	6.4%	5,491,360	-0.4%
2011	195	-12.6%	885,949	-4.9%	5,026,868	-8.5%
2012	202	3.6%	935,000	5.5%	3,161,013	-37.1%
2013	187	-7.4%	870,994	-6.8%	1,351,417	-57.2%
2014	179	-4.3%	823,780	-5.4%	3,618,489	167.8%
2015	192	7.3%	895,055	8.7%	3,778,476	4.4%
2016	203	5.7%	983,539	9.9%	4,389,089	16.2%
2017	218	7.4%	1,071,594	9.0%	4,362,603	-0.6%
2018	216	-0.9%	1,114,888	4.0%	4,378,796	0.4%
2019	211	-2.3%	1,203,317	7.9%	3,403,662	-22.3%
2020	-	-	-	-	4,239,804	24.6%
2021	82		229,060		4,720,156	11.3%
2022	296	261.0%	1,309,306	472.0%	4,390,611	-7.0%
2023	291	-2.0%	1,778,193	36.0%	2,678,895	-39.0%
2024	275	-5.0%	1,751,892	-1.0%	4,417,694	64.9%
2025	298	8.4%	1,898,049	8.3%	5,157,450	16.7%
2026 Budget	330	10.7%	2,036,127	7.3%	3,210,000	-37.8%
2027 Budget	329	-0.3%	2,064,818	1.4%	3,500,000	9.0%

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VI – ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT DIVISION

A. 2027 Budget Summary

Table VI-1: Economic Development Budget Summary

($ in thousands)

OPERATING RESULTS	2024 Actual	2025 Actual	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 26 Rev Bud ($)	Inc/(Dec) from 26 Rev Bud (%)
Total Operating Revenue	**16**	**21**	**16**	**16**	**-**	**(16)**	**-100.0%**
GASB 87_96_103 Revenues	55	76	-	-	-	-	0.0%
Total Operating Revenues GASB Comparable Basis	**71**	**97**	**16**	**16**	**-**	**(16)**	**-100.0%**
O&M Expenses w/o Pension Credit	**11,830**	**11,191**	**14,134**	**14,134**	**13,769**	**(365)**	**-2.6%**
DRS Pension Credit	(282)	(307)	-	-	-	-	0.0%
O&M Expenses with Pension Credit	**11,548**	**10,883**	**14,134**	**14,134**	**13,769**	**(365)**	**-2.6%**
GASB 87_96_103 Expenses	395	932	400	-	-	-	0.0%
Total Operating Expenses GASB Comparable Basis	**11,943**	**11,815**	**14,534**	**14,134**	**13,769**	**(365)**	**-2.6%**
Excess of Revenue over Expense (with Pension Credit)	**(11,532)**	**(10,863)**	**(14,118)**	**(14,118)**	**(13,769)**	**349**	**-2.5%**
Employment (Total FTEs)	**18.0**	**18.0**	**18.0**	**18.0**	**23.0**	**5.0**	**27.8%**

EDSUM.xlsx

B. Economic Development Description/Business Assessment

Mission & Vision:

The Port's Economic Development Division drives economic development in King County and across Washington State by advancing trade, tourism, and industry development in advanced manufacturing, maritime, and aviation to support growth, jobs, and investments. At the core of this mission is a commitment to equity and sustainability, ensuring that economic benefits are shared broadly.

Public agencies, nonprofits, businesses, and communities are key partners in supporting sustainable economic growth and expanding opportunities for all. The Port of Seattle's Economic Development Division (EDD) envisions a region where prosperity is shared and a healthy economy is supportive of Port-related jobs and investments in sectors including aviation, maritime, tourism, construction and trade, green economy, and international trade development.

The Economic Development Division has several departments focused on:

1. Real Estate Development and Planning
2. Tourism Development
3. Diversity and Contracting
4. Regional Economic Development Initiatives and Innovation
5. Workforce Development

These departments implement plans and initiatives that expand economic development opportunities across King County and Washington State by:

- Strategically redeveloping Port properties and evaluating real estate acquisitions to serve the Port of the Future.
- Developing strong partnerships with tourism partners such as State of Washington Tourism (SWT), Visit Seattle, and other key industry partners while expanding the visitor economy and driving average spend per visitor.
- Advancing Women/Minority Business Enterprises (WMBE), Disadvantaged Business Enterprise (DBE), and small business opportunities across the Port of Seattle.
- Investing in regional economic growth through initiatives, such as the Economic Development City Partnership Program, support for Greater Seattle Partners, Maritime Innovations, and Washington Public Ports Association.
- Supporting Port-wide innovation initiatives to discover, promote, and advance promising innovations, ventures, and startups that lead to jobs creation that spur attraction of businesses into King County and the State of Washington.
- Expanding the talent pipeline to address labor shortages and workforce needs in the maritime, aviation, and construction sectors.

Major/New Initiatives:

Real Estate Development and Planning

- Updated real estate strategy
- T91 Uplands demolition and construction
- SEA new "non-aero" revenue
- STOC Business and Development planning
- SoDo and WOSCA Assessment
- Clean Energy Sandbox
- Upgrading land for "pad ready sites"
- Federal Center South
- T 91 Uplands – Phase 2
- Fishermen's Terminal / Salmon Bay Uplands – Development Planning

Tourism

- Increase the economic and community value generated per visitor through longer stays, greater spending, and stronger connections to local businesses and communities
- Focus on Business Traveler and Cruise Passenger Conversion
- Expansion of "Guided by Good" campaign to drive responsible tourism
- Explore a potential visitor rewards program inspired by successful international models
- Attain increased visitor data
- Increased involvement at committee/board level with global and local tourism leadership orgs
- Advance and foster projects funded Tourism Marketing Support Program

Diversity in Contracting

- Implement outreach and technical assistance initiatives to help small business partners.
- Establish advanced classes and accelerator training programs for WMBE and DBE businesses.
- Exceed EDD's aspirational goal of 10% WMBE utilization.
- Support departments and divisions to exceed the Port's goal of 16% Port-wide utilization in Construction and Non-Construction contracts. Additionally, set goals to exceed the number of WMBE firms utilized by the Port to 500 businesses.
- Develop a Professional Service Architectural and Engineering (A&E) program for Small Businesses.
- Adjust the Ports Federal DBE program in compliance with the U.S. DOTs direction.

Workforce Development

- Expand Maritime Industrial Base workforce development efforts in shoreside occupations.
- Implement port career related ESOL classes in South King County.
- Implement a revamped Construction Leadership Development course for trades workers to be mentored and prepared to enter supervisory roles.
- Increase hiring of pre-apprenticeship graduates on Port projects.
- Support expansion of maritime career connected learning in K-12 via investments and partnerships.
- Develop the Port & Clean Fuels Roadmap workforce analysis and plans
- Expand career navigation and job training partnerships in the Duwamish and support growing training opportunities with the Suquamish nation.
- Refine contract monitoring procedures and practices and continue with contract management improvements.
- Collect more program data, workforce demand analysis and partner feedback to improve program design, report on ROI and ensure investments are leading to equitable access and career advancement for near-port communities while meeting port related industry needs with cost effective services.

Regional Economic Development and Innovation Partnerships

- Support regional efforts through the Economic Development City Partnership Fund Program.
- Support Greater Seattle Partners' regional economic development programs, such as the Greater Seattle Export Accelerator and business attraction initiatives to drive investments in King County.
- Support maritime innovation initiatives to discover, promote, and advance promising maritime ventures and startups.
- Support Maritime industrial base and shipbuilding readiness and state Maritime Action Plan
- Support the Cascadia Sustainable Alternative Fuels Accelerator and Incubator (CSA) to rapidly accelerate the production, deployment, and adoption of sustainable aviation fuels (SAFs).

Division Description:

The division is comprised of the following five departments:

Real Estate Development and Planning

As one of the region's largest landowners, we leverage our real estate to promote innovation, sustainable job retention and growth, community development, and sustainability.

In a supportive role, the Real Estate Development team is responsible for advocating for the environmental, aviation, and maritime divisions and their real estate needs. The real estate team utilizes tools such as intellectual capital, a broad network, experience, and financial capabilities.

The Real Estate Development team facilitates the development of properties to maximize their mission performance and earning potential. The team also identifies and evaluates new property acquisition opportunities and provides counsel to other divisions regarding real estate management and development.

Diversity & Contracting (DC)

The DC department drives equitable economic development by supporting WMBE, DBE, and small businesses. The DC staff conducts outreach and training to ensure that WMBE and DBE firms are aware of Port contracting opportunities. DC staff also helps Port divisions/departments set annual WMBE non-construction utilization goals and helps identify WMBE utilization opportunities and requirements for upcoming Port procurements.

Tourism Development

The Tourism Development department maximizes the economic and community value generated by travelers who use SEA Airport and Seattle's cruise homeport. By leveraging the Port's global gateways, industry relationships, and partnerships, the team strengthens our region's global competitiveness while generating greater value per visitor through increased spending, longer stays, and benefits for communities throughout King County and Washington State.

Through business-to-business channels, Tourism Development works with travel producers, media, airlines, cruise lines, and leaders to influence how our region is promoted, recommended, packaged, and sold. The team focuses on high-value markets and visitor segments, business and cruise traveler conversion, and visitation during seasons and in communities where tourism can deliver the greatest benefit. Through Guided by Good, the Tourism Marketing Support Program (TMSP), visitor information technology, and community partnerships, the Port connects travelers with local businesses, neighborhoods, cultural and Indigenous experiences, transportation, and destinations throughout the region, creating a competitive, responsible, and resilient visitor economy.

Regional Economic Development and Innovation Initiatives

The team invests in regional economic development partnerships to enhance, grow jobs, attract strategic investments to the region, and support innovative efforts in Port-related industries. The economic development team supports key partnerships through the Economic Development City Partnership Fund program, Greater Seattle Partners, King County, City of Seattle, Washington Public Ports Association, and other organizations who drive economic development.

Through the Economic Development City Partnership Fund program, the Port collaborates and serves as a thought partner to cities across King County to support their economic development initiatives in the areas of small business growth, jobs, and economic activity in King County.

The Port also supports innovation through a partnership with incubators and accelerators throughout the greater Seattle region, such as the Blue Ventures Accelerator and Incubator program that offers innovation support for ocean-focused startups, high-impact mentorship engagement, access to venture funding, and industry connections.

Workforce Development

Since 2025, the workforce development team invested over $3.5M in workforce development services benefiting community members looking for work, port-related businesses and incumbent workers at SEA.

With collaboration across Port teams and with many community and employer partners, EDD works to expand the talent pipeline to address labor shortages in both Port of Seattle employment and maritime, aviation, and construction sectors. Building career awareness, offering workforce training and career services, and improving worker retention and promotion are all primary strategies used by the Port to meet our century agenda goals and prepare for the Port for the future.

Business Assessment:

Real Estate Development and Planning

Despite uncertainty in Washington state under the Trump Administration with trade and tariff policies, trends in commercial real estate are generally favorable with the exception of the office market, which has not made a full recovery since the COVID-19 pandemic. With the anticipated interest rate cuts and improvements in tax policy, private investment in various industrial and commercial sectors are set to surge in the next few years.

Nonetheless, though the Port made very favorable ground lease deals on its surplus properties in the early 2020s, such as T106 and Des Moines Creek West, where there are fewer new similar opportunities on Port land except for Terminal 91. Overall, the local industrial market has softened with vacancy rates, which have been at historic lows in recent years and are steadily climbing as industrial space is given back to the market at the same time new produce is being built that was planned and permitted when appetites are more robust. One bright spot in this market move from the Port's perspective is the market for new and smaller warehouses and industrial space (like what we are setting up to build at T91 Uplands), which is proving resilient in a marketplace that is giving back space that is older and larger.

The Real Estate Team is also tracking the potential for new industrial growth on Port lands to come out of the Clean Energy sector that has promise to invigorate the local industrial base and provide a new employment base tied to the region and the local economy and less "portable" than the tech industry has lately proven to be as the tech giants of the 2000's slim their workforce and relocate to other States and regions.

Office as a sector has stabilized but the shift in remote work has also stabilized, meaning that office displaced retail as the lowest-ranked property sector this year and conditions are unfavorable for any new office development, yet, as the Port discovered in negotiating to purchase the office complex International Place (STOC) across from the SEA terminal, there are bargains to be had for office acquisitions where uses can be assured. The pandemic forced structural shifts in how and where we work, and these changes continue to endure.

After four years of inflation above 3.5%, the regional economy saw slower cost increases in 2025. The Consumer Price Index settled at 2.6% for the year, which was average for the region from 2000 through 2020 and slightly below the nation. The reprieve is not expected to continue. The City of Seattle's Office of Economic and Revenue Forecasts projects a jump in inflation to 4.1% in 2026 and 3.2% in 2027. Other economic indicators suggest a 1.9% downturn in home values in 2026, that may continue into 2027.Seattle industrial vacancy rate has risen faster than the national average. The increasing vacancy is driven by new projects creating vacant space and some large sublease blocks becoming vacant. The Port continues to monitor this industrial market.

Diversity in Contracting

Market Analysis and Assessment

The economy in 2026 is showing a slowdown. Businesses are starting to struggle due to several challenges that range from technical and capital support, supply chain issues, tariffs, and a slowing economy.

Although these challenges are front-and-center in the market, the EDD's DIC program continues to push its robust outreach efforts, combined with effective business resiliency support by providing business opportunities, trainings, workshops, and accelerator programs to support small and WMBE firms. These efforts and more are supporting communities by supporting their staff and other beneficial economic activities.

As a result, the Port's EDD is viewed as a major contributor to the local and regional small business and WMBE economic engine among governments, non-profits, and chambers.

Although the Port's Capital Program for 2027 is in flux, the DIC department is a critical component to advancing the Port-wide WMBE and Federal DBE goals.

Tourism Development

Market Analysis and Assessment

As the US tourism industry faces continued global economic uncertainty, shifting traveler sentiment, and intense competition for international visitors, the Port and its tourism partners across Washington are focused on strengthening the region's position in the global visitor economy. By leveraging the Port's gateways and industry relationships to increase visitor spending, extend stays, and generate greater value per visitor, Tourism Development advances destination stewardship while expanding the economic, social, and cultural benefits of visitation across our communities.

Through partnerships with Visit Seattle and State of Washington Tourism (SWT), the Port helps Washington destinations and tourism businesses reach markets and industry channels they could not easily access on their own. The Port delivers additional value by connecting partners with global travel trade and travel media and helping communities understand how to participate in and benefit from these channels. This work complements domestic destination marketing while focusing Port resources on high-value international markets, cruise conversion, business and leisure travel, and other visitor segments with strong potential to increase spending and length of stay.

Building on these partnerships, Tourism Development will continue strengthening relationships with travel producers, advisors, media, airlines, cruise lines, and tourism leaders worldwide. In 2027, the team will participate in strategically selected trade shows, sales missions, conferences, co-ops, media programs, and familiarization trips that influence how Seattle and Washington are promoted, recommended, packaged, and sold. These efforts strengthen global competitiveness while connecting visitors with local businesses, attractions, neighborhoods, and destinations throughout the region.

Destination stewardship and responsible travel remain central to the Port's tourism strategy. In 2027, the Port will expand Guided by Good, its responsible tourism campaign encouraging visitors to shop locally, explore beyond traditional visitor areas, embrace local arts and culture, use sustainable transportation, respect the land, and support Indigenous communities. The program will increasingly connect responsible visitor choices with local businesses and experiences while directing visitation toward seasons and communities where tourism can deliver greater benefit. The Port will also explore the feasibility of a responsible visitor rewards program inspired by successful international models.

The Tourism Marketing Support Program (TMSP) remains an important tool for expanding community benefit. During the current two-year cycle, Tourism Development will work with funded partners to advance their projects, strengthen alignment with Port priorities, reach target visitors, and maximize local economic impact. The team will also evaluate opportunities for larger, multi-year responsible tourism investments capable of delivering measurable destination stewardship and community benefit at scale.

In 2027, Tourism Development will expand visitor research, market intelligence, technology, and performance measurement while exploring opportunities in meetings and business travel. Across this work, the Port will focus on strengthening Washington's global competitiveness and ensuring travelers using Port gateways stay longer, spend more, support more communities, and travel responsibly. The goal is a competitive, resilient visitor economy that creates lasting value for residents and visitors alike.

Economic Development and Innovation Initiatives

The Port's Economic Development and Innovation Initiatives advance regional economic competitiveness by strengthening partnerships, advancing global market access through its programs and foster innovation across key industries.

Market Analysis and Assessment

The Port of Seattle's economic development and innovation initiatives support regional economic competitiveness by strengthening small businesses, expanding access to international markets, fostering maritime innovation, and building partnerships that advance sustainable and inclusive economic growth. These programs respond to evolving market conditions, including trade uncertainty, emerging technologies, workforce needs, and opportunities to strengthen Washington's maritime industrial base.

Together, they position the Port to help businesses and communities capitalize on regional assets, address barriers to growth, and compete in domestic and international markets.

Economic Development City Partnership Fund Program

Funding supports a range of activities, including small business assistance, business recruitment and retention, tourism, trade, workforce development, and economic development planning. This approach recognizes that local economic conditions and development priorities vary across the region, while providing opportunities to align local investments with broader regional economic objectives.

The program provides a mechanism for the Port to support locally driven strategies, strengthen intergovernmental partnerships, and advance a more connected and resilient regional economy.

Greater Seattle Export Accelerator (GSEA)

International trade remains an important driver of economic activity in the Puget Sound region, but small and mid-sized businesses often face barriers to entering new markets. These include limited export expertise, uncertainty around international regulations and tariffs, financing constraints, and the complexity of developing international sales channels and supply chains.

From 2023 through 2026, the Port supported four cohorts of the Greater Seattle Export Accelerator through Greater Seattle Partners, reaching more than 65 small businesses across King, Pierce, and Snohomish counties. The program provides advanced export training, individualized advising, and guidance on international market access, with an emphasis on financial readiness, target market selection, and supply chain requirements.

The program's fifth cohort launched in fall 2026, with participating businesses representing technology, clean technology, food and beverage, consumer products, life sciences, logistics, and advanced manufacturing. This industry diversity reflects the region's broad export potential and the importance of helping businesses across multiple sectors develop the capabilities needed to compete globally.

The 2026 tariff environment and broader trade uncertainty present challenges for businesses considering international expansion, including increased costs, shifting market conditions, and uncertainty in supply chains. Nonetheless, continued participation in export training demonstrates the value businesses place on developing the knowledge and capabilities necessary to pursue international markets.

Maritime Innovation Initiatives

Washington's maritime industry is a significant contributor to the state economy, supporting approximately 175,000 jobs, $45.9 billion in business revenue, and $14.4 billion in labor income. The industry is also experiencing changes driven by decarbonization, digitalization, automation, evolving vessel technologies, and increasing demands for efficient and resilient maritime operations. These trends create opportunities for established businesses and emerging companies to develop and commercialize technologies that strengthen the region's maritime competitiveness.

Through its Maritime Blue Ventures partnership in 2024–2025, the Port supported startups working in areas including low-carbon propulsion, robotics, seafood innovation, and digitization. These activities advance the Port's Blue Economy objectives by encouraging innovation, supporting the development of new maritime businesses, and helping promising technologies move toward commercialization and market adoption.

As the Port prepares to compete its Maritime Innovations contract for the 2027–2028 program period, there is an opportunity to build on this foundation and strengthen the connection between maritime innovation, industry needs, and commercial deployment. Future initiatives can help promising companies validate their technologies, establish industry partnerships, access customers, and scale solutions that support maritime competitiveness and decarbonization.

Maritime Industrial Base and Shipbuilding Opportunities

The Port's Executive Director has identified the Maritime Industrial Base as an emerging strategic priority, creating an opportunity to assess how Washington's existing maritime businesses, workforce, infrastructure, and supply chains can support future shipbuilding, ship repair, maintenance, and related industrial activity. Potential developments in naval shipyard capacity in the Puget Sound region, alongside demand from commercial maritime operators, reinforce the importance of understanding the region's ability to respond to evolving industry requirements.

With the Navy's announcement to add an extra dry dock at the Puget Sound Naval Shipyard to the existing drydocks in the Puget Sound Area, there is an excellent opportunity to support the future of maritime innovation and shipbuilding in our region for both military and commercial industries. Currently, there are many businesses operating in this sector right now. More research needs to be done to assess the readiness and competitiveness in several areas to understand whether businesses can scale or remain competitive at a national and international level, much of this work will continue in 2027 with partners such as the Washington Public Ports Association.

Challenges and Opportunities:

Economic Development Division

Strengths:

- Strong Port leadership support for ED departments and their work
- Strategic investments and partnerships advance regional equitable economic development Meaningful impact and influence through EDD programs and relationships
- Talented, connected, trusted, and visible team within the broader economic development community

Weaknesses:

- Local, State, and Federal regulations and policies impact Port efficiency and competitiveness
- Legacy Port properties are expensive to develop due to environmental remediation, labor, and access to capital etc.
- Fractured regional efforts in workforce development, small business assistance, and WMBE support
- Staff reaching maximum capacity

Opportunities:

- Strategic direction: EDD Strategic Plan will guide project and division priorities
- Cross-Port collaboration: Partner across departments on complex, multidisciplinary initiatives
- Maritime investment: Use MINC and T-91 Uplands as models for sustainable, high-impact industrial land investments
- Responsible tourism: Advance Port values through ecotourism and responsible tourism campaigns
- Regional ecosystem leadership: Influence, invest in, and convene workforce development and small business partners

Threats:

- High cost of living, economic uncertainty, and geopolitics
- Difficulty aligning priorities through federal, state, city, and the Port
- Lack of regional and statewide collaboration prevents us from creating and attracting jobs & investments
- Climate Change

C. Operating Budget Summary

Background

From a financial standpoint, the EDD's activities are:

- Implement programs that directly support the Port's initiatives to promote WMBE, small businesses, tourism development, regional economic development, innovation within the maritime and aviation industries. In general, these activities do not directly generate revenue for the Port.
- Managing and developing real estate assets to support Century Agenda goals and to maximize financial returns for taxpayers. These activities additionally generate revenue for the Maritime and Aviation Divisions.

Assumptions

The 2027 Economic Development Division Budget is based on the following assumptions:

- Economic Development City Partnership Fund and Tourism Marketing Support Fund will continue.
- Salaries and benefits forecasted using the 2027 Budget guidelines of 4% average annual pay increase.

Major Changes in 2027 Budget

2027 continues to focus on advancing Responsible Tourism, development of a new program for a rural tourism development program, support of the Sound Industrial Alliance, implementation of the updated WMBE Disparity Study, finalizing and implementation of the Economic Development Strategy and Action Plan, executing and engagement with the Cascadia Sustainable Alternative Fuels Accelerator and Incubator (CSAI), and funding an analysis on economic opportunities within Maritime and Real Estate assets.

Operating Expense Drivers

The total operating expenses for the Economic Development Division's 2027 budget are approximately $500K lower or 4% below the 2026 budget. These reductions are the result of the modified zero-based budgeting process undertaken this year with savings resulting from lower property and feasibility study needs, scope revisions for support contracts, and a reorganization of rental expenses to the Maritime Division.

Table VI-2: Economic Development Expenses by Account

($ in thousands)

BY ACCOUNT	2024 Actual	2025 Actual	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 26 Rev Bud (%)
Total Operating Revenue	**16**	**21**	**16**	**16**	**-**	**-100.0%**
GASB 87_96_103 Revenues	55	76	-	-	-	0.0%
Total Operating Revenues GASB Comparable Basis	**71**	**97**	**16**	**16**	**-**	**-100.0%**
Expense						
Salaries, Wages, Benefits & Workers Compensation	4,076	4,605	4,758	4,758	5,148	8.2%
Equipment Expense	38	21	10	10	14	42.9%
Utilities	8	7	7	7	-	-100.0%
Supplies & Stock	4	7	9	9	5	-40.9%
Outside Services	7,113	5,869	8,169	8,169	7,314	-10.5%
Travel & Other Employee Expenses	124	203	391	391	619	58.2%
Promotional Expenses	211	186	313	313	313	-0.1%
3rd Party Management	-	-	-	-	-	0.0%
Other Expenses	222	234	476	476	356	-25.2%
O&M Expenses Before Charges to Cap/Govt/Envrs Projects	**11,797**	**11,131**	**14,134**	**14,134**	**13,769**	**-2.6%**
Charges to Capital/Govt/Envrs Projects/Overhead Alloc	33	60	-	-	-	0.0%
O&M Expenses w/o Pension Credit	**11,830**	**11,191**	**14,134**	**14,134**	**13,769**	**-2.6%**
DRS Pension Credit	(282)	(307)	-	-	-	0.0%
O&M Expenses with Pension Credit [1]	**11,548**	**10,883**	**14,134**	**14,134**	**13,769**	**-2.6%**
GASB 87_96_103 Expenses	395	932	400	-	-	-100.0%
Total Operating Expenses GASB Comparable Basis	**11,943**	**11,815**	**14,534**	**14,134**	**13,769**	**-5.3%**

EDBUD.xlsx

Table Notes:
[1] Does not include allocations from other divisions.

Figure VI-1: Economic Development Expense by Account

($ in thousands)

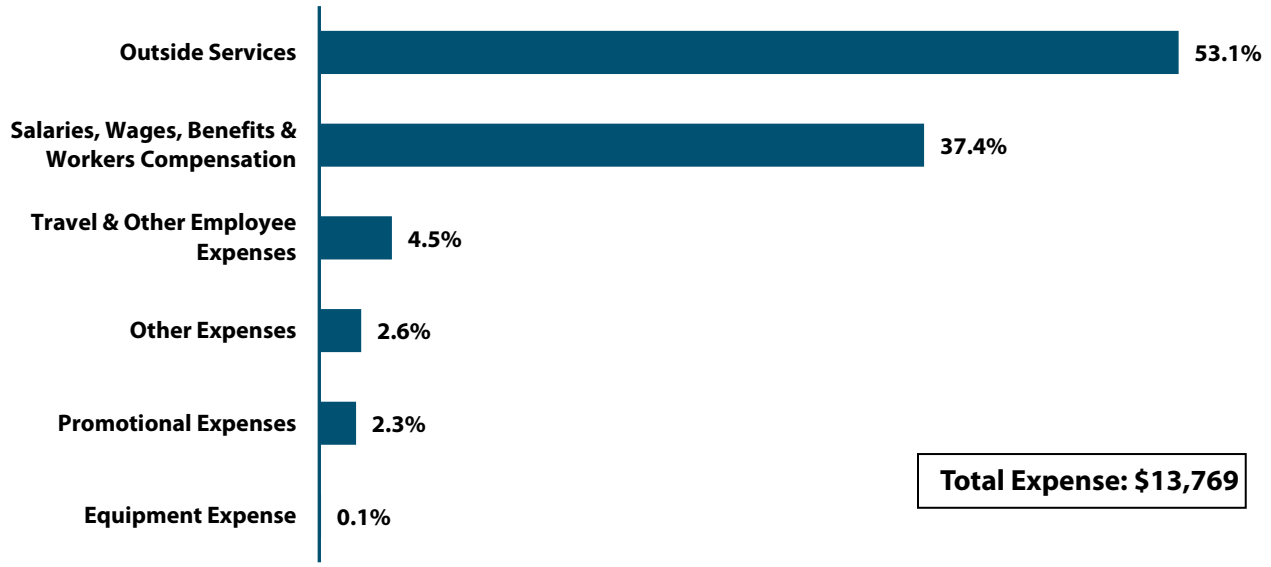

Table VI-3: Economic Development Revenue and Expense by Department

($ in thousands)

BY DEPARTMENT	2024 Actual	2025 Actual	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 26 Rev Bud (%)
Total Operating Revenue	**16**	**21**	**16**	**16**	**-**	**-100.0%**
GASB 87_96_103 Revenues	55	76	-	-	-	0.0%
Total Operating Revenues GASB Comparable Basis	**71**	**97**	**16**	**16**	**-**	**-100.0%**
OPERATING EXPENSE						
Real Estate Dev & Planning	1,020	866	1,608	1,608	1,368	-15.0%
Economic Development Management	2,401	1,568	2,956	2,956	2,821	-4.6%
Small Business	1,835	1,924	2,463	2,463	2,438	-1.1%
Workforce Development	4,528	4,557	4,972	4,972	5,018	0.9%
Tourism	1,707	1,908	2,134	2,134	2,124	-0.4%
Others	23	-	-	-	-	0.0%
Total Expenses Before Charges to Cap/Govt/Envrs Projects [1, 2]	**11,514**	**10,824**	**14,134**	**14,134**	**13,769**	**-2.6%**
Charges to Cap/Govt/Envrs Projects	33	60	-	-	-	0.0%
Operating & Maintenance Expense						
Real Estate Dev & Planning	1,062	908	1,608	1,608	1,368	-15.0%
Economic Development Management	2,459	1,610	2,956	2,956	2,821	-4.6%
Small Business	1,930	2,036	2,463	2,463	2,438	-1.1%
Workforce Development	4,580	4,622	4,972	4,972	5,018	0.9%
Tourism	1,743	1,955	2,134	2,134	2,124	-0.4%
Others	57	60	-	-	-	0.0%
O&M Expenses w/o Pension Credit [3]	**11,830**	**11,191**	**14,134**	**14,134**	**13,769**	**-2.6%**
DRS Pension Credit	(282)	(307)	-	-	-	0.0%
O&M Expenses with Pension Credit	**11,548**	**10,883**	**14,134**	**14,134**	**13,769**	**-2.6%**
GASB 87_96_103 Expenses	395	932	400	-	-	0.0%
Total Operating Expenses GASB Comparable Basis	**11,943**	**11,815**	**14,534**	**14,134**	**13,769**	**-2.6%**

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Table Notes:
[1] Does include DRS pension credit.
[2] Does not include Central Services allocations.
[3] Does not include DRS pension credits.

D. Staffing Overview

Economic Development's proposed 2027 budget is 23.0 Full-Time Equivalents (FTEs), a 27.8% increase compared to 2026. The following table outlines the FTEs in the Economic Development Division.

Table VI-5: Economic Development Staffing

BY DEPARTMENT	2024 Actual	2025 Actual	2026 Budget	2026 Est. Actual	2027 Proposed Budget	# Change 2026 Bud-2027 Bud	% Change 2026 Bud-2027 Bud
Economic Development Administration	3.0	3.0	3.0	3.0	3.0	0.0	0.0%
Workforce Development [1]	0.0	0.0	0.0	5.0	5.0	5.0	NA
Real Estate Development & Planning	3.0	3.0	3.0	3.0	3.0	0.0	0.0%
Diversity in Contracting	9.0	9.0	9.0	9.0	9.0	0.0	0.0%
Tourism	3.0	3.0	3.0	3.0	3.0	0.0	0.0%
TOTAL ECONOMIC DEVELOPMENT DIVISION	**18.0**	**18.0**	**18.0**	**23.0**	**23.0**	**5.0**	**27.8%**

FTE.XLS

Table Notes:
[1] Workforce Development (with 5.0 FTEs) was transferred from Central Services in early 2026.

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VII – CENTRAL SERVICES

CENTRAL SERVICES

A. 2027 Budget Summary

Table VII-1: Central Services Budget Summary

($ in thousands)

OPERATING RESULTS	2024 Actual	2025 Actual	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 26 Rev Bud ($)	Inc/(Dec) from 26 Rev Bud (%)
Total Operating Revenue	**403**	**14**	**259**	**259**	**366**	**107**	**41.4%**
GASB 87_96_103 Revenues	-	-	-	-	-	-	0.0%
Total Operating Revenues GASB Comparable Basis	**403**	**14**	**259**	**259**	**366**	**107**	**41.4%**
O&M Expenses w/o Pension Credit	**213,285**	**176,118**	**199,724**	**202,708**	**207,398**	**4,691**	**2.3%**
DRS Pension Credit	(11,691)	(13,093)	-	-	-	-	0.0%
O&M Expenses with Pension Credit	**201,593**	**163,025**	**199,724**	**202,708**	**207,398**	**4,691**	**2.3%**
GASB 87_96_103 Expenses	603	762	425	425	593	168	39.5%
Total Operating Expenses GASB Comparable Basis	**202,196**	**163,787**	**200,149**	**203,133**	**207,991**	**4,858**	**2.4%**
Excess of Revenue over Expense (with Pension Credit)	**(201,190)**	**(163,011)**	**(199,466)**	**(202,449)**	**(207,033)**	**(4,583)**	**2.3%**
Committed Capital Budget	6,973	7,825	16,150	16,150	13,598	(2,552)	-15.8%
Business Plan Prospective	2,481	5	7,490	7,490	8,903	1,413	18.9%
CIP Cashflow Adjustment Revenue	-	-	(6,800)	(6,800)	(6,500)	300	-4.4%
Total Capital Budget	**9,454**	**7,830**	**16,840**	**16,840**	**16,001**	**(839)**	**-5.0%**
Employment (Total FTEs)	**946.8**	**983.0**	**985.0**	**985.0**	**937.9**	**(47.1)**	**-4.8%**

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B. Central Services Description

Mission & Vision:

Central Services provides high quality and cost-effective professional and technical services to the operating divisions and supports the strategies and objectives of the Port.

Major/New Initiatives:

- Initiate Community Investments 2.0 to better serve the needs of our community.
- Add resources for Police to enhance public safety.
- Increase funding for cyber security and other infrastructure security and resilience.
- Continue to support the South King and Port Community Fund and other community programs.
- Continue to fund Anti-Human Trafficking and language access.
- Continue to support equity, diversity, and inclusion within the Port and across the region.

C. Key Functions and Responsibilities

Overview:

Central Services provides essential services to the three operating divisions of the Port and to the Northwest Seaport Alliance (NWSA) under established service agreements. These departments are vital to the success of the operating divisions and the NWSA and providing benefits to the public.

Central Services' functions have evolved over time and now include 20 departments following organizational restructuring in recent years. In addition to traditional support functions such as Accounting, Human Resources, and External Relations, Central Services also includes departments

such as Police, Engineering, and Port Construction Services, reflecting the broad range of services required to support Port operations.

Aviation Environmental, Noise Program, and Aviation Finance & Budget roll up into the Aviation Division. Maritime Environmental, Environmental Finance, and Maritime Finance roll up into the Maritime Division.

Commission:

The Port Commission is the legally constituted governing body of the Port of Seattle. Its primary duties are to establish policies on behalf of the community that guide the Port's future and maintain its global competitiveness, and to execute its fiduciary responsibilities in overseeing the expenditure of public funds. As a governing body of a special purpose municipal corporation, the Commission is charged with fulfilling the law as the basis for appropriate policy, and establishing policy as the basis for appropriate practices, activities, and procedures.

The Commission expresses its policy direction through the following mechanisms:

- Review the strategies that serve as the framework for the operating divisions' and Central Services departments' goals and objectives. These strategies provide the groundwork for prioritizing and allocating resources to programs and projects at the division level.
- Review and approve the annual budget. The budget is made available to the general public as required by RCW 53.35.010 and RCW 53.35.045. A Public Hearing for the Introduction of the Preliminary Budget is held before the final passage of the Budget, at which time the Port Commission will make final recommendations and adopt the budget.
- Set additional long-term policy goals during public Commission meetings through the passage by majority vote of Commission Resolutions in accordance with RCW 53.08 and the Master Delegation of Authority. These policy goals help advance the Commission's long-term mission of economic development and job creation through promotion of industrial growth and advancement of trade and commerce.
- Review and approve public session programs, projects, and select contracts through Commission motions that are introduced and seconded by Commission members, in accordance with the Master Delegation of Authority.
- Oversee the Executive Director to execute the Century Agenda, major programs and goals, objectives, and policy guidelines established by the Port Commission through majority vote at Commission meetings and by Commission approval of the Executive Director's performance goals and objectives. These include the general Delegation of Authority, policy goals and objectives related to achieving the Port's financial and budgetary annual performance goals, and aligning budget priorities to the Port's core mission, division goals and objectives that demonstrate that the Executive Director is holding his direct report managers accountable for division-level performance.
- Oversee the Internal Audit function of the Port of Seattle through the Audit Committee made up of two Port Commissioners and a third public member.
- Oversee External Relations and General Counsel which allows the Commission office to have greater input on communicating with the public and directing and accepting legal advice and direction
- Oversee Clerk's Office to ensure the public meeting calendar is both appropriate, timely, and takes into consideration the constituents of King County.

Executive:

- The Executive Department assists the Executive Director in leading the Port by setting the tone and philosophy along with coordinating with business units and other departments to gain well-balanced decisions and interactions with federal and state delegations, Commissioners, agencies, businesses, tenants, communities, labor, and other stakeholders.
- The Executive Director is responsible for engagement with the Commission to establish Port priorities and, through leadership of the organization, development of strategies to implement those policies.
- To implement executive priorities, the Executive Director develops appropriate budgets for Commission review to fund projects and programs, and exercises oversight of project and program delivery.
- Public awareness and support for the Port's role in the community is essential to our success, and thus the Executive Director has an important role in communicating to the public the purpose and operations of the Port, complementary to the Commission's policy role.
- The Port executes its policy and strategic direction though Commission actions. Commission requests must meet high standards of accuracy and transparency to gain approval, and they serve as important vehicles for communication to the public.

Legal:

Legal is comprised of Attorney Services and Records Management.

Attorney Services:

- Provide legal analysis, advice, expertise, opinions, and similar services, including: drafting, reviewing and interpretation of contracts, agreements, statutes, regulations, judicial opinions, and other legal materials and documents.
- Provide prosecution and defense of claims and litigation.
- Provide assistance with settlements and negotiations.
- Provide representation in arbitration, mediations, and other forms of dispute resolutions.
- Provide representation before hearings, boards, and other administrative or legislative bodies.

Records Management:

- Manage and provide public record administration.
- Provide Portwide assistance regarding records management issues including retention scheduling, archiving, and public disclosure.
- Manage Port records in accordance with State retention requirements.
- Manage the Portwide Records Center.

Public Disclosure:

- Manage and implement the Port's compliance with the Washington State Public Records Act (PRA), including fulfilling public disclosure obligations, training, reporting, and coordination.

External Relations:

The Port's External Relations department serves several key functions including federal, state, and local government relations; capital project delivery, which includes regional transportation technical and policy expertise; strategic communications; and external outreach and engagement.

Lead and Manage Staff:

- Provide leadership direction and vision for a team-focused culture of community and customer service.
- Provide clear understanding of staff roles and responsibilities to advance External Relations objectives and the broader goals of the Port.
- Provide counsel to the Executive Director, Commission President, and Executive Team.

External Outreach and Engagement:

- Develop and manage effective public engagement programs; prioritize staff understanding of issues and sentiment of King County residents.
- Work with Executive and Commission Chiefs of Staff and External Relations Directors to seek out strategically significant external opportunities to provide visibility and thought leadership recognition for Executive and Commission.
- Broaden and diversify the Port's partnerships with external organizations, business, and community groups to anticipate emerging issues and broaden the Port's awareness and understanding of community objectives and priorities.
- Build and sustain public trust in the Port.

Communications:

- Ensure utilization of effective communications tools to reach key audiences
- Develop and execute internal and external communication plans that align with legislative and community engagement objectives.
- Develop and implement media relations strategies that drive Port key messages, media channels, issues prioritization, and leverages opportunities for Commission and Executive visibility.

Government Relations:

- Develop and implement government relations strategies at the local, state and federal levels. Ensure high-level understanding of Commission priorities, and Port operations and business objectives.
- Anticipate and identify emerging political issues.
- Enhance Port's political relevance.

Regional Transportation:

- Protect and enhance freight mobility network in the county, region and state.

Accounting and Financial Reporting:

The Accounting and Financial Reporting (AFR) department's key operational responsibilities and services include:

Revenue Administration:

- Responsible for the Port's centralized revenue operations, systems, and business processes over customer billings, accounts receivable, credit & collection, lease (lessor) accounting, and revenue recognition.

Disbursement Administration:

Responsible for the Port's centralized disbursement operations, systems, and business processes over payroll, accounts payable (AP), travel & expense (T&E) programs, purchasing card (P-card) payment, and supplier management.

Capital Services:

- Responsible for the Port's centralized project costings and assets management operations, systems, and business processes over the entire life cycle of capital assets from acquisition (project costing), in-service (project closing, depreciation, and physical inventory), to deposition or retirement including lease (lessee) accounting and subscription-based information technology arrangements accounting.

Grant Fund Administration:

- Responsible for the Port's centralized accounting and reporting of subsidies (e.g. Passenger Facility Charges (PFC)) and state and federal grants compliance with grantors' requirements.

Joint Venture Accounting:

- Responsible for accounting and financial reporting of North Harbor of the Northwest Seaport Alliance (NWSA) and coordination with South Harbor for proper financial management of the NWSA.

General Accounting and Tax Administration:

- Responsible for the Port's centralized operations, systems, and business processes over the general ledger including proper accounting and reporting of all financial transactions, e.g. debt, environmental remediation liability, investment, other post-employment benefits, pension, etc., development and enforcement of Port-wide accounting policies and procedures, as well as business tax administration.

Financial Reporting and Technical Accounting:

- Responsible for producing the Annual Comprehensive Financial Report; providing industry-prescribed accounting and financial reporting standards compliance assurance through implementation of new accounting standards and technical accounting research for unusual transactions; mitigating audit exposure through external audits facilitation and issues resolution.

Enterprise Resource Planning Systems Functional Administration and Projects Delivery:

- Responsible for the functional administration of the Port's major financial and payroll systems including delivery of new functionality and integration of other Port's operating systems with the financial and payroll systems.

Information and communications Technology (ICT):

ICT provides state of the art technology and related services in a cost effective, secure, and highly reliable manner that can rapidly respond to the Division and individual department's requirements which will enable them to achieve their business objectives and to support Port strategies. Key functions include:

- Infrastructure (Data Management, Telephony, Network).
- Personal Computing (PC Support, Smartphone/iPad).
- Systems Delivery.
- 24/7 Service desk.
- Adapt and Leverage Technology Advances.
- Technology Training and Socialization to Maximize Investment.
- Cyber Security Infrastructure and continual monitoring for cyber security threats.
- Equip Port to take full advantage of current and emerging technologies.
- Vendor management.
- Strategic financial management.

Finance and Budget:

The overall goal of the Finance and Budget (F&B) department is to continuously improve the institution's management of its debts, assets, budget, and resources. Key functions include:

Budget:

- Plan, coordinate and manage the Port's budget planning process.
- Maintain, enhance, and manage the Port's financial planning and analysis system and its interfaces.
- Provide budget training, workshops, and Management Information System (MIS) training to Port-wide budget support staff.
- Review monthly variance reports and provide monthly Executive Summary Report to the Commission and Executive team.
- Plan, coordinate and manage the Port's quarterly financial performance reporting process.
- Develop and refine budget policies and procedures for the Port.
- Provide budget consultation and support to the operating divisions and Central Services departments.
- Provide ad-hoc financial analysis for the Port.

Finance:

- Existing debt management: bond proceeds usage reconciliation; regulatory compliance and financial reporting; bad money analysis; arbitrage rebate calculations; provide financial updates to ratings agencies; investor relations; letter-of-credit renewals and replacements.
- Manage new debt issuance.
- Manage engagements with outside financial advisor, bond and disclosure counsel and underwriters.
- Coordination of short and long-term funding plans for future capital needs; development and monitoring of the Port's annual Capital Budget and Plan of Finance; tax levy funds management.
- Industrial Development Corporation administration.
- Provide ad-hoc economic impact analysis.

Treasury:

- Treasury functions include Cash and Investment portfolio management and management of the Port's banking contract.

Business Intelligence:

The Business Intelligence Department's core purpose is to transform the ways the Port accesses, analyzes, and shares data. The Business Intelligence Center of Expertise provides advanced analytical and research support, creates efficiencies that eliminate information management waste, and fosters an analytical culture with data fluency. Key functions include:

- Facilitate development of Key Performance Indicators (KPIs) and other operational and performance measures, driven by Port focus on metrics and measurement.
- Reduce the level of effort, complexity, and process in preparing or mining data for analysis; support LEAN/CPI initiatives.
- Provide advanced analytical capabilities (e.g. forecasting, etc.) not widely present in organization; required to answer complex business problems.
- End-to-end custom customer research services including scoping and selection of survey methodology, questionnaire development, field data collection services, and reporting and insight generation.
- Facilitate growth of a data-literate, evidence-based decision-making culture at the Port; support Port's high-performance workforce goal.
- Data management process improvements that improve efficiency and give back time to staff. The digital transformation of processes leveraging enterprise grade analytics technologies such as Alteryx and Tableau.

Risk Management:

- Oversee Property/Casualty Insurance Program.
- Manage claims process, intake, and settlement.
- Recover and collect on claims/damages to the Port.
- Manage Driver/Commercial Driver's License (CDL) program (per Federal Motor Safety Carrier Act), the overall Port fleet safety program, and work with Fleet Management Oversight Team to ensure the Port purchases, maintains, and looks for green fleet opportunities.
- Contractual reviews of leases and goods/services agreements to ensure contain fair and reasonable indemnity and insurance requirements.
- Perform enterprise risk management analysis and training.
- Update annual statements in relation to risk, uncertainty, insurance, and claims; report lost and stolen assets to State Auditor.
- Collaborate with Health and Safety and Construction Safety to ensure a safe workplace for both employees and contractors and the public.
- Collaborate with Police, Fire, and Security to update emergency preparedness procedures and ensure trainings are kept current.
- Provide risk assessment and review of special events.
- Assist with the review and selection of self-funded Medical and Dental plans.
- Major construction support for design, insurance, loss prevention, builder risk insurance, and code compliance.

Internal Audit:

Internal Audit conducts risk-based operational/performance audits throughout the Port in accordance with applicable auditing standards and the best practices of the internal auditing profession. Audit results are designed to add value and improve and strengthen accountability, increase fiscal integrity, provide greater transparency in governance and decision making, and improve investment of public resources to advance trade and commerce, promote industrial growth, stimulate economic development, and create jobs. In addition, audit results are intended to enhance efficiency and effectiveness of management practices in governance, risk assessment, controls, and compliance.

Internal Audit work is guided by two professional standards:

- Government Auditing Standards – issued by the Comptroller General of the United States.
- International Professional Practices Framework (IPPF) – issued by the Institute of Internal Auditors.

Office of Strategic Initiatives:

Office of Strategic Initiatives (OSI) comprises of Strategic Planning unit and Continuous Process Improvement unit.

Strategic Planning:

- Manage Port-wide goals, Century Agenda, and Executive Director priorities.
- Re-evaluate the fundamentals of the long-term strategic planning.
- Host Disruption Summit to prepare the Port for potential disruption and disruptive innovation.
- SWOT and KPI training and consultation.

Continuous Process Improvement:

- Provide training in advanced waste reduction and problem-solving techniques, such as LEAN principles, across the Port which improves job satisfaction, efficiency, transparency, and productivity.
- Facilitate and identify opportunities for process improvement.
- Provide Gap analysis and process improvement to meet Port-wide goals.

Central Procurement Office:

- Manage the procurement process for all construction contracts, professional and personal service contracts, and goods and service contracts to ensure compliance with legal mandates.
- Lead team negotiations (price, contract terms and conditions) for base contract; draft and/or review, negotiate change orders and amendments.
- Provide advice and assistance in contract management, addressing performance problems.
- Close out contracts, ensuring that all closing submittals have been received.
- Provide notification to Commission, with respect to public works contracting, as required, for compliance with state law and Resolution 3605.
- Provide training and outreach on procurement and contract issues, including developing appropriate small business programs and opportunities.
- Develop program and training to include Diversity in Contracting in the Port's consulting procurements and major construction contracts. Active management of contract requirements. Provide updates to Commission on the program.

- Perform data analytics and reporting, including reporting on WMBE and DBE performance, managing workload reports, future procurement database, Vendor Connect database, and Contractor Data System (CDS).

Human Resources:

Apart from providing core services listed below, Human Resources is also focused on broader issues such as attracting and retaining a diverse work force; succession preparation; process improvement; performance management aligned with values, strategies, and business plans; and developing metrics that drive decisions.

The list that follows reflects services Human Resources provides daily, many of which also respond to the bigger picture, longer-term concerns described above.

Health & Safety:

- Continuous improvement of workplace health and safety, as well as ensuring compliance to all regulated safety programs, including oversight of the Port's self-insured, self-administered workers compensation program.
- Promote an active safety culture by teaming with employees and management to recognize, evaluate, communicate, and control workplace hazards to ensure every employee, contractor, and tenant goes home safely.

EEO and Professional Standards:

Employee Relations (ER)

- Provide guidance and direction to Port employees, including senior leadership, managers, and individual contributors, regarding employee performance management issues, as well as consultation to identify the appropriate ER intervention such as coaching, fact-finding, investigation, progressive discipline, facilitation/mediation, training, and conflict resolution.
- Manage the interactive process associated with employees' requests for reasonable accommodation.
- Ensure Port compliance with our affirmative action responsibilities, which informs, educates, and promotes the Port being an equitable, inclusive, and high performing organization.

Workplace Responsibility

- The Workplace Responsibility Office (WR) has overall responsibility for developing, implementing, and providing day-to-day leadership of the Port's WR program.
- WR provides direct support to the organization assuring port culture and employee behaviors aligning with port values and Code of Conduct expectations.
- WR provides advice on ethics and compliance issues to all sectors of the port.
- WR enforces the Port's Code of Conduct Policies.
- WR is responsible for responding to and documenting all complaints alleging violations of the Port of Seattle's Code of Conduct policies.
- The ER and WR functions ensure compliance with federal, state, and local regulations governing equal employment opportunity (EEO) and affirmative action (AA). ER and WR conduct workplace investigations as part of EEO/AA compliance.

Organizational Effectiveness:

Senior Organizational Business Partners

- Strategic advisors to the organization as a whole and Port of Seattle divisions ensuring the business has the skills, capabilities, structure, culture and change processes to execute their strategies and deliver on near and long-term goals.
- Lead Port-wide strategic initiatives such as engagement, culture and innovation and serve as a liaison between the HR Center of Expertise and assigned business units helping leaders to set direction and translate business goals into HR strategies.
- Address organization-wide business needs such as developing and aligning clear business goals, missions, visions and strategies, defining organization-wide structures, and clarifying roles and responsibilities.
- Provide leadership and support for the goals and methodology for improving employee engagement, innovation, building high performance teams, and developing and improving cross port collaborations.

HR Data Analytics

- Provide HR related data to the Port to help HR and other groups make decisions using relevant data.
- Increase business effectiveness through managing change, using data to measure success, and supporting organization-wide strategic development planning and culture initiatives.

Employee Communications

- Use internal communications as an engine to drive progress toward organizational goals and connect employees to information and resources about key programs, policies, initiatives, events, and opportunities that drive employee engagement and knit employees together as a single organization.
- Support the organization in achieving improved business results through organizational and people effectiveness and HR technical support to the department and internal communications.

HR Technology

- Responsible for enabling technology and business processes that make it easier to do HR business, and for other Port groups to do business with HR. This includes support and maintenance of existing technology systems and business processes, deployment of new functionality, and related improvements to business processes.

Talent Management:

Talent Connections:

- Partner with business lines to anticipate and support workforce planning needs, generating awareness through outreach of the Port as an employer of choice, identifying and evaluating top talent, building talent pipelines, promoting a learning culture, and continuously enhancing the experience of employees so they are and continue to be highly engaged.
- Generate increased awareness of the Port as an "employer of choice," identifying and evaluating top talent and building talent pipelines, promoting a learning culture, and continuously enhancing the experience of employees so they are and continue to be highly engaged. Through award winning internship and Veterans Fellowship programs, the HR Outreach

function provides opportunities for youth and transitioning veterans to gain professional civilian experience while developing skills necessary to succeed in their career.
- Manage the Port's Internship Program and Veterans Fellowship Program.

Talent Acquisition

- Promote an equitable, inclusive, and high performing organization by attracting, engaging, and developing diverse talent so that the Port is able to realize its strategic goals.

Talent Development & Diversity

- Promote an equitable, inclusive, and high performing organization by recruiting, engaging, and developing diverse talent so the Port realizes its business and community goals.
- Build employee effectiveness through development of common approaches to work, leader and manager preparation and development, employee development, and support of diversity programs and initiatives, the Port is able to build a high performing organization and culture that values learning, employee development, equity, diversity, and inclusion. Programs include such things as Learning Calendar opportunities, eLearning Development, employee resource groups, leadership & employee development groups and programs, tuition reimbursement, and recognition programs that inspire and engage our workforce.

Total Rewards:

Compensation

- Ensure the Port offers, directly or indirectly, a competitive total rewards package that supports retention and attraction of employees with the talents, skills, and knowledge necessary for the Port to fulfill its mission and vision. The Total Rewards package includes all things employees receive as result of their employment relationship with the Port.
- Ensure that pay programs for non-represented employees are internally equitable and externally competitive. To do this, employees supporting this function gather and analyze market pay data to maintain the Port's non-represented pay ranges at competitive levels, evaluate non-represented jobs to ensure they are administered in competitive pay ranges, and review requests for pay adjustments when employees are temporarily performing work at a documented higher level, and analyze employee pay levels to support pay equity.

Benefits

- Ensure the Port's benefits programs are competitive so they can support attraction and retention of the employees necessary for the Port to be a high performing organization. This includes managing the self-insured PPO and HDHP medical plans as well as the dental plans, the fully insured HMO, vision, life and disability insurance plans, accrued leave, holiday and other time off plans, the Port's self-administered and self-funded alternative to the Washington state required Paid Family and Medical Leave plan, the Employee Commuter Benefits Program that includes the required Commute Trip Reduction program and the teleworking program, the Employee Assistance Plan, the 457 and 401(a) deferred compensation plans, voluntary (fully paid) employee benefits, and the employee wellbeing program.

Recognition

- Responsible for the various recognition programs that support employee engagement by acknowledging actions and contributions that exceed what is normally expected.

Employee Records Maintenance

- Responsible for maintaining employee records in the Port's HR/Payroll system (HCM). This function also ensures employees are properly enrolled in appropriate health, life, disability, and pension plans.

Labor Relations:

Labor Relations (LR) offers the best possible representation of the Port's interests by engaging in collaborative relationships with employee organizations through open communication and dialogue. LR also provides strategic expertise and assistance to positively affect operations, reduce exposure and support a talented workforce to help propel the Port and region into the future. Key functions include:

- Prepare, negotiate, implement, and administer the Port's 26 bargaining agreements.
- Implement LR bargaining strategy and directives from the Commission and Executive Leadership Team.
- Contract implementation and administration includes HR, Payroll and department notifications regarding rate and benefit changes and providing assistance to managers and supervisors with contract interpretation and application.
- Process grievance and disciplinary procedures according to the agreements.
- Represent the Port in Public Employment Relations Commission (PERC) and Arbitration proceedings.
- Participate in Port oversight committees; provide consultation to all Port committees and all divisions on labor matters, including proposed changes in policies, practices and procedures in a manner designed to avoid labor disputes.
- Supervise and manage labor community outreach as well as Seaport Alliance LR work. Act as the Commission Liaison with Labor and support the Executive Director in their Labor Outreach strategy to facilitate positive labor relations across the region.
- Organize, manage, and attend labor business partnership meetings to resolve issues before they become grievances.
- Negotiate Project Labor Agreements (PLA) and assist with PLA policy and language.
- Engage the labor representatives on the Port's Equity, Diversity, and Inclusion (EDI) initiatives and will continue to promote safety in the workplace.
- Partners with others in the organization to engage with labor stakeholders on Port priorities.

Information Security:

Information Security provides Governance, Protection, Response and Recovery to reduce data risks and enhance the Port's continuity of business operations. The key functions include:

Integrate Cybersecurity with Business Strategies:

- Cybersecurity is no longer viewed from a protective lens.
- It now has a strategic role enabling business operations, innovation, and economic growth.
- This prioritizes cybersecurity efforts in protecting the Port's critical infrastructure and business resiliency.

Risk Assessments & Incident Response:

- Perform risk assessments to identify threats and threat actors, and the probability that these factors will result in an exposure or loss to the Port. This function is performed to determine if there are configuration changes that need to be made, updates that need to be applied, and/or controls that need to be put in place to mitigate the risk.

- Incident Management, the process of identifying, managing, recording and analyzing security threats or incidents in real-time, is performed daily by Information Security. The quantity of managed incidents is based on the number of incidents that are identified each day.

Business Continuity & Disaster Recovery:

- Support the essential function of ensuring the availability and resiliency of the Port's information assets. That support includes designing and conducting exercises and coordinating with Emergency Preparedness and other regional public and private partners in business continuity planning.
- Engage with Risk Management on cyber insurance coverage, and with the Legal Department on the retention of information and assets related to potential litigation.
- Provide consultation and support to ICT and business units regarding business continuity strategies and establishes security standards related to remote system access in business continuity incidents.
- Provide dedicated professional support to the Port's 911 Center to ensure this mission critical function operates reliably and securely in emergency response situations.

Awareness Training and a Risk Aware Culture:

- User Awareness program sets clear cybersecurity expectations for all employees and educates users how to recognize attack vectors, help prevent cyber-related incidents and report potential threats. This accomplished through online training, email notifications, seminars, and other awareness campaigns. There is an ongoing effort to build a cyber risk-aware culture by leveraging the Port's values and the behaviors of its leaders and employees collectively and actively to support the enterprise-wide cyber risk management strategies.

Technology Integration and IT Security Compliance:

- Work to ensure security architecture is scalable and flexible to accommodate current and future integrations.
- Compliance program uses risk-based controls to protect the integrity, confidentiality, and accessibility of information stored, processed, or transferred. This program includes ensuring the security requirements for HIPAA, CJIS, TSA, and PCI Compliance are met. This program participates in a multitude of compliance audits.
- Perform regular audits on the mandated controls standards and participates in audits scheduled and performed by the Internal Audit team.

Office of Equity, Diversity and Inclusion (OEDI):

The Office of Equity, Diversity, and Inclusion (OEDI), formed in 2019, is charged with ensuring that equity goals are incorporated throughout Port operations and in providing strategic and policy direction on equity issues. Key functions include:

- Advance the Port's Century Agenda goal to "Become A Model of Equity, Diversity, and Inclusion".
- Lead the conversation about equity with the primary goal to normalize, organize, and operationalize racial equity within the Port through modeling and tone setting by leadership, and employee dialogues and learning events that lead to meaningful results. Develop and implement organizational strategies and work plans to support an equity policy.
- Support and collaborate with Human Resources to ensure that the Port's workforce reflects King County demographics and diversity. Encourage equitable approaches to employee participation in Port processes so that all employees regardless of work schedule or shift, have equal opportunity to participate.

- Collaborate with Human Resources to examine disparities and barriers within recruitment, performance evaluation, compensation, and advancement/retention/promotion.
- Consult with various organizations (Employee Resource Groups, Diversity Development Council) to infuse equity principles and best practices. Lead and sponsor a national committee of Ports, working on equity strategies and share best practices.
- Create and conduct equity trainings for all employees.

Police:

- Provide a visible presence in and around the airport and seaport to assist in preventing crimes from occurring. Collaborate with stakeholders in identifying crime prevention methods to incorporate in their area of responsibility to reduce/prevent crime.
- Provide essential emergency and routine response capability allowing airport operations to continue, including traffic mitigation matters. Provide traditional law enforcement functions throughout the Port of Seattle jurisdiction.
- Through thorough investigations and utilization of available technological resources, apprehend criminals victimizing citizens and stakeholders within our region. Provide a community where stakeholders, employees, travelers, and the general public feel safe and secure.
- Provide essential emergency response to mitigate terrorist attacks and other acts of extraordinary violence. Respond with other first response partners to mitigate and stabilize unusual occurrences, disasters, and mechanical calamities in order to stabilize the scene and enhance continuity of operations.
- Provide emergency communications amongst first response partners and other critical personnel to assist in scene stabilization and deployment of appropriate resources. Allows for clear and concise communication to support maintaining continuity of operations.

Environment and Sustainability Administration:

The Environment and Sustainability Administration oversees the Aviation Environmental, Noise Program, and Maritime Environmental and Planning. Environment and Sustainability Administration's key functions and responsibilities are listed below:

- Comply with all federal and state environmental laws and regulations and meet all regulatory requirements.
- Develop and implement initiatives to meet Commission-directed Century Agenda goals, work with internal and external partners to advance key legislation, optimize energy use, and implement transportation strategies.
- Address noise concerns within the community and mitigate impacts through sound insulation, acquisition, and noise abatement programs.
- Provide technical services including engineering analysis, design, and construction management in support of the business plans and infrastructure needs of the Port and NWSA.

Engineering:

Design and Technical Support:

- Civil/Structural and Mechanical/Electrical design, analysis, and Computer-aided design (CAD) drafting: Project design development; Owner facility evaluations, analysis, and planning; and Owner technical design reviews.
- Seismic risk analysis and condition assessment of facilities.
- Emergency response and Damage Assessment Teams.
- Central repository for all project drawings, as-built, and soils information.

- Maintaining technical master specifications.
- CAD standards, systems, and compliance reviews.
- Development of Building Information Modeling (BIM) standards and systems.

Construction Management:

- Project delivery methodology selection.
- Pre-construction services.
- Field observation/inspection and quality compliance checks and non-conformance management
- Construction cost and change order management, disputes and claims resolution.
- Submittal, Pay applications and RFI review, processing and approval.
- Construction coordination with Port operations/tenants, F&I, Maintenance, and other stakeholders
- Construction document management.
- Management of Project Labor Agreements (PLA) including administration of Priority Hire program.
- Administration of Construction Apprenticeship Program.
- Maintaining general requirements guide specifications.

Surveying and Mapping:

- Topographic and hydrographic surveys.
- Jet Line and lease line layouts.
- Legal Descriptions and exhibits.
- Geographic Information System (GIS) data gathering.
- Boundary and Lease Drawings.
- Construction project staking and validation.
- Ground Penetrating Radar.
- 3D Laser Scanning.
- 360° Photo Tours.
- Utility Locates for Mapping and Construction.

Construction Safety:

- Provide Port Construction Safety Training and Orientations for contractors, consultants and employees.
- Review Contractors site safety plans for acceptance.
- Perform and document safety audits of construction projects.
- Coordinate with Operations, Fire Dept., PLA, Security, PCS, Risk Management, Health and Safety, Building Department and Maintenance.
- Response to and document incidents, hazardous conditions, and complaints.
- Manage safety equipment and PPE supplies for the Engineering Dept.
- Manage Emergency and Disaster preparedness supplies for the Engineering Dept.
- Provide data management of contactors safety plans, incidents corrective actions.
- Provide Construction Safety and Engineering Dept. Safety data management and documentation.

Engineering Business Operations and Administrations:

- Establish and manage operations of remote office facilities to support project requirements.
- Manage Engineering assets and fleet in support of project delivery.
- Provide Emergency Response and Declaration of Emergency Support.
- Provide administrative services to include payroll, payments/procurement, onboarding, travel.

Port Construction Services:

Capital and Expense Construction Management Portwide:

- Provide scope clarification and estimates against existing budgets.
- Provide reporting on budget and schedule.
- Provide small business opportunities in open order and project specific small works contracts.
- Coordinate contract requests with Central Procurement Office to identify opportunities for small businesses.

Regulated Materials Management (RMM) Portwide:

- Review RMM design.
- Provide project abatement, monitoring, and quality control.
- Provide RMM tenant support and maintenance support.
- Provide RMM routine housekeeping.
- Provide asbestos, lead, and silica awareness training.
- Provide indoor air quality and mold inspections.

Construction Crew Support:

- Provide craft labor resources (carpenters, laborers, operators, etc.).
- Provide construction equipment (pick-up trucks, dump trucks, heavy equipment, small tools, etc.).
- Recycle construction debris on projects.

On-Call Construction and IDIQ Contract Support:

Procure contracted public work resources with on-call construction contracts available for project needs as identified.

- Procure IDIQ Service Agreements for project needs as identified.

Emergency Response:

- Provide management, crews, and contract support for expedited emergency project needs.

D. Operating Budget Summary

Background:

Central Services departments are the primary supporters of the Port business units. Growing organizational needs, Century Agenda, Portwide goals, and division priorities drive the budget priorities of Central Services departments. The 2027 budget development approach included the following steps: scrutinizing line-items by account and making appropriate adjustments to the 2026 baseline budget; adding a 3.8% average pay increase and refreshing benefit costs for non-represented employees; reviewing new budget requests from individual departments and incorporating costs of approved items.

Overview of Major Changes in 2027 Budget:

The 2027 budget for Central Services is $207.4M, $4.7M or 2.3% higher than the 2026 revised budget. The budget before Capital Charges is $252.2M, a $7.1M or 2.7% decrease from the 2026 revised budget mainly due to reduced on-site consultants and eliminated FTEs for capital support. The 2027 budget includes $595K of new budget additions to enhance safety and security of the public, strengthen cyber security, and to meet organizational needs. The new budget additions are outlined in Tables VII-2 through VII-3.

The 2027 total payroll budget increased by $3.3M or 1.8% primarily due to (1) annualizing the pay for new FTEs approved in the 2026 budget, (2) a 2.0% COLA and 1.76% average Pay for Performance increase, (3) increase for represented groups based on contracts, and (4) lower the vacancy factor from 4.0% to 2.0%.

2027 non-payroll budget decreased by $696K or 2.2% primarily due to (1) lower On-site Consultants cost from Engineering, (2) one-time items in the 2026 revised budget, and (3) partially offset by contractual increases and unbudgeted/under budget items in the 2026 revised budget.

Table VII-2: 2027 New Budget Additions (All Items)

A total of 14 New Budget requests for $595K were incorporated into the Central Services Budget. The new items are summarized into major categories below:

Category	Justification	2027 Requests
Organizational Needs	Computer Replacement program supports the transition from individually assigned patrol laptops to a shared model consisting of desktop workstations and vehicle-mounted laptops, reducing the total number of deployed devices while lowering replacement and lifecycle costs.	100,000
	Data Modernization will initiate the Port's enterprise data modernization effort through the deployment of Microsoft's Purview Data Governance, establishment of a scalable Azure-based data lakehouse, and provisioning of supporting Azure platform services. The investment will enable ICT to implement a unified, secure, and well-governed data environment that improves data discoverability, lineage tracking, compliance management, and analytics readiness across the organization.	50,000
	Group Management Policy refers to the set of rules and configurations that are centrally administered by ICT to manage and configure operating system settings, applications, and user settings across user workstations and servers. Microsoft recently retired their legacy Advanced Group Policy Management (AGPM), a previously free tool. This replacement platform ensures continued policy governance, security compliance, and operational efficiency.	45,000
	Subtotal	**195,000**
Public Safety	(1) The Public Defender contract provides constitutionally required legal representation for indigent defendants charged with misdemeanor offenses prosecuted by the Port of Seattle. The contract rate will increase from $750 per case in 2026 to $900 per case in 2027, reflecting increased costs associated with Washington State's indigent defense standards established by the Washington Supreme Court. (2) King County Jail contract is projected to increase based on the Interlocal Agreement rate adjustments.	185,000
	(1) Mental Health and Wellness Program to support employee resilience, operational readiness, and retention by mitigating the cumulative effects of occupational stress and trauma. (2) Basic Law Enforcement Academy (BLEA) training costs will increase due to the increase in the number of recruit officers attending the academy from six (6) to eight (8) and the anticipated increase in per-student tuition and associated training costs effective July 2027. Funding is necessary to ensure the department can continue staffing sworn vacancies and meet operational staffing requirements.	91,400
	Portable radios are standard-issued equipment for every Port of Seattle Police Officer and are essential to daily law enforcement operations. Every uniformed member of the department carries a portable radio to communicate critical information with other officers and the Port of Seattle Police Department Dispatch, ensuring timely coordination of routine and emergency incidents.	90,000
	(1) Marine Patrol Unit Dive Equipment to replace critical diving equipment that has reached the end of its service life. Replacing aging equipment improves reliability, reduces the risk of equipment failure, and ensures the team can safely perform evidence recovery, vessel inspections, confined-space operations, and emergency response throughout Port facilities. (2) Marine Patrol Unit New Diver's Equipment for one new member and a new supervisor who will be selected for the dive team. (3) Vessel Maintenance necessary to keep the boat in safe and reliable operating condition.	25,600
	Annual contribution to the Valley Independent Investigative Team (VIIT). Participation in VIIT enables the department to meet Washington State's independent investigation requirements under RCW 10.114.011 and Chapter 139-12 WAC while providing immediate access to certified investigators, specialized resources, and trained community representatives. This regional partnership delivers a cost-effective, legally compliant response to qualifying incidents (officer involved shooting, death following a use of force situation, death while in police custody) while promoting accountability, transparency, and public trust.	8,000
	(1) Video Technology Manager would serve as the department's technology program manager and primary business owner for law enforcement technology systems (i.e. body worn cameras, in car cameras, TASER, FUSUS). (2) Public Disclosure Specialist will support public disclosure requests which have risen sharply in both volume and complexity. Police will repurpose vacant positions to accommodate these new approved positions.	0
	Subtotal	**400,000**
	Grand Total	**595,000**

The following Tables VII-3 and VII-4 and Figure VII-1 illustrate the administrative expense for Central Services by department and by account:

Table VII-3: Central Services Revenues and Expenses by Account

($ in thousands)

BY ACCOUNT	2024 Actual	2025 Actual	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 26 Rev Bud (%)
Operating Revenue	**403**	**14**	**259**	**259**	**366**	**41.4%**
GASB 87_96_103 Revenues	281	1,435	594	-	-	0.0%
Total Operating Revenues GASB Comparable Basis	**684**	**1,449**	**853**	**259**	**366**	**41.4%**
Operating Expense						
Salaries, Wages, Benefits & Workers Compensation	170,664	183,596	188,336	188,336	191,429	1.6%
Equipment Expense	3,021	2,343	3,051	3,051	3,071	0.7%
Utilities	98	70	88	88	89	1.0%
Supplies & Stock	1,106	1,535	1,129	1,129	1,243	10.1%
Outside Services	39,721	41,884	48,998	47,463	39,327	-17.1%
Travel & Other Employee Expenses	2,758	3,324	3,848	3,848	3,553	-7.7%
Promotional Expenses	6,372	1,295	1,347	3,947	2,377	-39.8%
Other Expenses	33,817	(10,593)	9,482	11,400	11,091	-2.7%
Total O&M Expenses Before Charges to Cap/Govt/Envrs Projects	**257,556**	**223,454**	**256,279**	**259,263**	**252,179**	**-2.7%**
Charges to Capital/Govt/Envrs Projects/Overhead Alloc	(44,272)	(47,336)	(56,555)	(56,555)	(44,781)	-20.8%
Total O&M Expenses w/o Pension Credit [1]	**213,285**	**176,118**	**199,724**	**202,708**	**207,398**	**2.3%**
DRS Pension Credit	(11,691)	(13,093)	-	-	-	0.0%
Total O&M Expenses with Pension Credit	**201,593**	**163,025**	**199,724**	**202,708**	**207,398**	**2.3%**
GASB 87_96_103 Expenses	3,227	1,131	4,983	443	611	38.1%
Total Operating Expenses GASB Comparable Basis	**204,820**	**164,156**	**204,707**	**203,151**	**208,010**	**2.4%**

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Table Notes:

[1] Does not include adjustment for charges into Central Services Subclasses from Divisions

Figure VII-1: Central Services Expense by Account

($ in thousands)

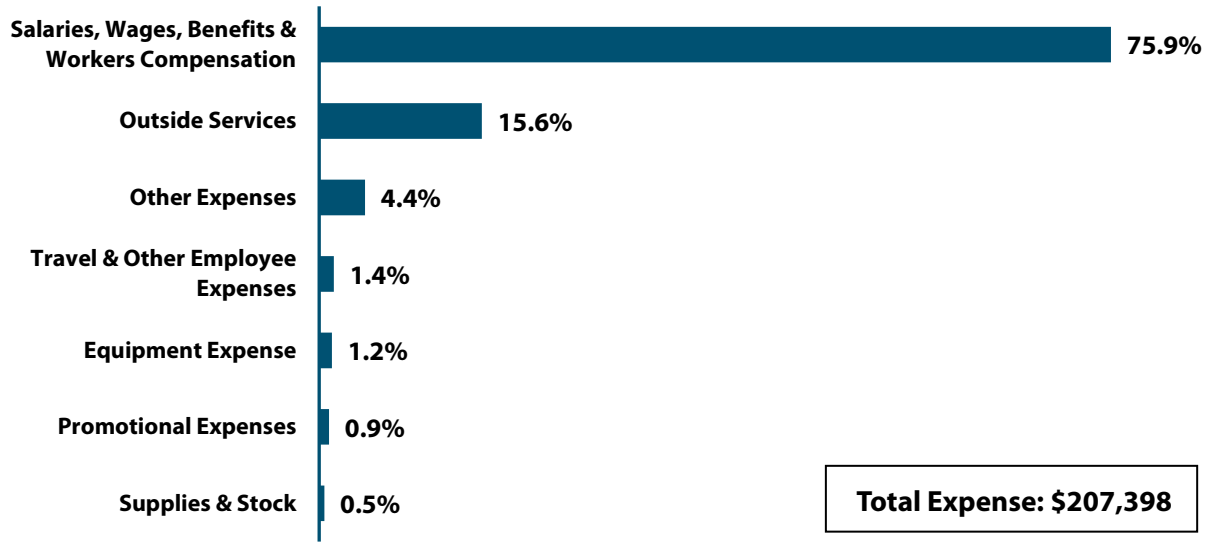

Table VII-4: Central Services Expense by Department

($ in thousands)

BY DEPARTMENT	2024 Actual	2025 Actual	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 26 Rev Bud (%)
EXPENSES BEFORE CHARGES TO CAP/GOVT/ENVRS PROJECTS						
Commission	3,042	3,137	3,671	5,516	5,430	-1.6%
Executive	6,025	2,771	3,407	3,407	2,903	-14.8%
Accounting & Financial Reporting	10,015	11,192	12,807	12,807	13,482	5.3%
Business Intelligence	1,888	2,235	2,633	2,633	2,590	-1.6%
Central Procurement Office	10,433	10,983	13,420	13,420	12,790	-4.7%
Engineering	40,993	45,201	55,756	55,756	42,099	-24.5%
Environment & Sustainability	1,479	1,968	2,306	2,306	1,974	-14.4%
Equity Diversity and Inclusion	1,922	1,975	2,540	2,540	4,404	73.4%
External Relations	14,380	14,365	15,858	15,858	13,565	-14.5%
Finance & Budget	3,075	3,076	3,371	3,527	3,586	1.7%
Human Resources	16,193	16,616	19,160	19,160	19,746	3.1%
Information & Communication Technology	33,077	33,842	39,119	39,119	39,519	1.0%
Information Security	2,641	3,655	4,634	4,634	5,814	25.5%
Internal Audit	1,935	2,066	2,448	2,448	2,593	5.9%
Labor Relations	1,541	1,598	1,923	1,923	1,825	-5.1%
Legal	10,312	8,395	6,863	7,328	7,628	4.1%
Office of Strategic Initiatives	1,125	1,353	1,731	1,731	1,706	-1.5%
Police	43,591	46,327	48,213	48,213	51,647	7.1%
Port Construction Services	12,900	14,457	13,961	13,961	12,591	-9.8%
Risk Services	7,395	7,144	8,642	8,642	8,714	0.8%
Contingency 1	21,534	(22,019)	(6,184)	(5,666)	(2,428)	-57.2%
Central Services Capital to Expense	389	-	-	-	-	0.0%
Industrial Development Corp	-	1	-	-	-	0.0%
Others	6	(1)	-	-	-	0.0%
Total Expenses Before Charges to Cap/Govt/Envrs Projects [2, 3]	**245,889**	**210,337**	**256,279**	**259,263**	**252,179**	**-2.7%**
CHARGES TO CAP/GOVT/ENVRS PROJECTS	**(44,296)**	**(47,312)**	**(56,555)**	**(56,555)**	**(44,781)**	**-20.8%**
OPERATING & MAINTENANCE EXPENSES						
Commission	3,191	3,287	3,671	5,516	5,430	-1.6%
Executive	6,150	2,926	3,407	3,407	2,903	-14.8%
Accounting & Financial Reporting	10,680	11,878	12,807	12,807	13,482	5.3%
Business Intelligence	1,998	2,359	2,633	2,633	2,590	-1.6%
Central Procurement Office	7,838	8,366	9,756	9,756	8,962	-8.1%
Engineering	10,322	11,363	13,764	13,764	11,904	-13.5%
Environment & Sustainability	1,544	2,046	2,306	2,306	1,974	-14.4%
Equity Diversity and Inclusion	2,015	2,090	2,540	2,540	4,404	73.4%
External Relations	14,884	14,938	15,858	15,858	13,565	-14.5%
Finance & Budget	3,285	3,297	3,371	3,527	3,586	1.7%
Human Resources	16,982	17,506	19,160	19,160	19,746	3.1%
Information & Communication Technology	32,142	33,278	34,080	34,080	34,413	1.0%
Information Security	2,759	3,800	4,612	4,612	5,772	25.1%
Internal Audit	2,064	2,222	2,448	2,448	2,593	5.9%
Labor Relations	1,654	1,711	1,923	1,923	1,825	-5.1%
Legal	10,616	8,754	6,863	7,328	7,628	4.1%
Office of Strategic Initiatives	1,211	1,433	1,731	1,731	1,706	-1.5%
Police	47,068	50,431	48,213	48,213	51,647	7.1%
Port Construction Services	7,381	9,226	8,123	8,123	6,980	-14.1%
Risk Services	7,462	7,223	8,642	8,642	8,714	0.8%
Contingency	21,534	(22,019)	(6,184)	(5,666)	(2,428)	-57.2%
Central Services Capital to Expense	499	-	-	-	-	0.0%
Industrial Development Corp	-	1	-	-	-	0.0%
Others	6	(1)	-	-	-	0.0%
O&M Expenses w/o Pension Credit [4]	**213,285**	**176,118**	**199,724**	**202,708**	**207,398**	**2.3%**
DRS Pension Credit	(11,691)	(13,093)	-	-	-	0.0%
O&M Expenses with Pension Credit	**201,593**	**163,025**	**199,724**	**202,708**	**207,398**	**2.3%**
GASB 87_96_103 Expenses	3,227	1,131	4,983	443	611	38.1%
Total Operating Exp plus Lease Interest Exp	**204,820**	**164,156**	**204,707**	**203,151**	**208,010**	**2.4%**

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Table Notes:

[1] Contingency includes a vacancy factor of 2% of salaries, wages, and benefits for 2027

[2] Does include DRS pension credits

[3] Does not include adjustment for charges into Central Services Subclasses from Divisions

[4] Does not include DRS pension credit

E. Staffing

Every budget cycle (which typically starts in July through December of the preceding year), Central Services departments may request to add new staff or full-time equivalents (FTEs). Each FTE request must include a justification write-up that goes through the executive review process. Once approved, the new FTE and all associated expenses (i.e., membership, equipment, training, etc.) are added in Adaptive Insights (the Port's financial planning and analysis system). The proposed FTE budget is included in the commission budget briefings starting in September through November when the budget is formally adopted.

During the budget year (and after the budget has been adopted), departments may request additional FTEs to meet unanticipated departmental needs. These are referred to as mid-year FTEs. The request must be approved by the review panel. The department must cover the additional mid-year FTE costs within their approved budget. The approved 2026 FTE budget was 985.0. A total of 1.5 mid-year FTEs were approved during the first and second quarters of 2026. Additionally, Workforce Development department with 5.0 FTEs was transferred to Economic Development, and 3.55 FTEs were eliminated. The 2027 Proposed FTE Budget is 937.9, a 4.8% reduction from the 2026 Budget. This number includes 39.0 eliminated filled and unfilled FTEs as well as 2.0 new FTEs that will replace existing vacant positions.

Table VII-5: Central Services Staffing

BY DEPARTMENT	2024 Actual	2025 Actual	2026 Budget	2026 Forecast	2027 Proposed Budget	Inc/(Dec) from 26 Bud (#)	Inc/(Dec) from 26 Budg (%)
Commission [1]	18.0	18.0	18.0	17.0	17.0	-1.0	-5.6%
Executive Office	7.0	7.0	7.0	7.0	7.0	0.0	0.0%
Legal	19.0	20.0	20.0	20.0	20.0	0.0	0.0%
External Relations [2]	39.8	41.0	41.0	41.5	41.5	0.5	1.2%
Human Resources	111.4	114.4	114.4	114.4	114.4	0.0	0.0%
Labor Relations [3]	7.0	8.0	8.0	7.0	7.0	-1.0	-12.5%
Internal Audit	11.0	11.0	11.0	11.0	11.0	0.0	0.0%
Accounting & Financial Reporting (AFR)	63.0	65.0	66.0	66.0	66.0	0.0	0.0%
Information & Communication Technology (ICT)	130.0	133.0	137.0	137.0	137.0	0.0	0.0%
Finance & Budget	13.0	13.0	13.0	13.0	13.0	0.0	0.0%
Business Intelligence	10.0	11.0	11.0	11.0	11.0	0.0	0.0%
Risk Services	6.0	7.0	7.0	7.0	7.0	0.0	0.0%
Office of Strategic Initiatives	7.0	7.0	7.0	7.0	7.0	0.0	0.0%
Central Procurement Office [4]	63.0	67.0	67.0	66.0	62.0	-5.0	-7.5%
Information Security	10.0	14.0	16.0	16.0	16.0	0.0	0.0%
Office of Equity, Diversity and Inclusion (OEDI) [5]	16.6	13.6	13.6	8.0	8.0	-5.6	-41.0%
Police [6]	184.0	195.0	195.0	196.0	196.0	1.0	0.5%
Engineering [7]	152.0	159.0	159.0	158.0	135.0	-23.0	-14.5%
Port Construction Services (PCS) [8]	74.0	74.0	69.0	69.0	57.0	-12.0	-17.4%
Environment & Sustainability	5.0	5.0	5.0	5.0	5.0	0.0	0.0%
TOTAL CENTRAL SERVICES	**946.8**	**983.0**	**985.0**	**976.9**	**937.9**	**-47.1**	**-4.8%**

FTE.XLS

Table Notes:
[1] Commission eliminated 1.0 FTE (Executive Assistant) earlier this year.
[2] External Relations added a part-time 0.5 mid-year FTE (LTD 2YR Part-time Duwamish River Community Hub Coordinator) earlier this year.
[3] Labor Relations eliminated 1.0 FTE (Manager) earlier this year.
[4] Central Procurement Office (CPO) eliminated 1.0 vacant FTE earlier this year and will eliminate 4.0 FTEs (Sr. Administrative Assistant, Procurement Officer IV, Procurement Officer V, Procurement Officer III) in 2027.
[5] Office of Equity, Diversity, & Inclusion eliminated a 0.55 FTE (LTD Metrics & Evaluation Program Assistant) earlier this year.
[6] Police added 1.0 FTE (Mental Health Professional) at the beginning of 2026. Police will repurpose 2.0 vacant FTEs to accommodate 2.0 new approved FTEs (Police Specialist Entry and Video Technology Manager).
[7] Engineering eliminated the director of design position in 2026 and will eliminate 23.0 positions (vacant & HR-10) in 2027.
[8] PCS will eliminate 10.0 seasonal represented and 2.0 (Construction Project Manager III, Construction Manager) non-represented FTEs in 2027.

F. Capital Budget

Central Services has a total capital budget of $16.0 million for 2027. For more details refer to the Capital Improvement Plan, Section IX.

Table VII-6: Central Services Capital Budget

($ in thousands)

	2027 Budget	2027-2031 CIP	% of 2027 Total Committed
Committed Capital Projects			
ICT Business Services	10,815	24,018	79.5%
General and Capital Development	2,783	9,254	20.5%
Total Committed	**13,598**	**33,272**	**100.0%**
Business Plan Prospective Projects	**8,903**	**40,078**	
CIP Cashflow Adjustment Reserve	**(6,500)**	**-**	
Total CIP	**16,001**	**73,350**	

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G. Financial and FTE Summary

Table VII-7: Financial and FTE Summary

($ in thousands)

OPERATING BUDGET	2024 Actual	2025 Actual	2026 Budget	2026 Revised Budget	2026 Forecast	2027 Proposed Budget	Inc/(Dec) from 26 Rev Bud (%)
Operating Revenue	**403**	**14**	**259**	**259**	**934**	**366**	**41.4%**
GASB 87_96_103 Revenues	281	1,435	594	-	-	-	0.0%
Total Operating Revenues GASB Comparable Basis	**684**	**1,449**	**853**	**259**	**934**	**366**	**41.4%**
Core Central Services	148,513	105,098	129,624	132,607	134,755	136,866	3.2%
Police Department	47,068	50,431	48,213	48,213	48,296	51,647	7.1%
Engineering/PCS	17,703	20,589	21,887	21,887	22,240	18,885	-13.7%
O&M Expenses w/o Pension Credit	**213,285**	**176,118**	**199,724**	**202,708**	**205,291**	**207,398**	**2.3%**
DRS Pension Credit	(11,691)	(13,093)	-	-	-	-	0.0%
O&M Expenses with Pension Credit	**201,593**	**163,025**	**199,724**	**202,708**	**205,291**	**207,398**	**2.3%**
GASB 87_96_103 Expenses	3,227	1,131	4,983	443	443	611	38.1%
Total Operating Expenses GASB Comparable Basis	**204,820**	**164,156**	**204,707**	**203,151**	**205,734**	**208,010**	**2.4%**
Net Operating Income (with Pension Credit)	**(201,190)**	**(163,011)**	**(199,466)**	**(202,449)**	**(204,357)**	**(207,033)**	**2.3%**
Capital Spending	**9,454**	**7,830**	**16,840**	**16,840**	**12,107**	**16,001**	**-5.0%**
Total FTEs	**946.8**	**983.0**	**985.0**	**985.0**	**976.9**	**937.9**	**-4.8%**

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VIII – TAX LEVY

A. Tax at a Glance

- The preliminary maximum allowable levy for 2027 is $122.0M.
- For 2027 the preliminary levy is $97.6M, an 8.2% increase over the 2026 levy of $90.2M pending Commission approval.
- The estimated 2027 millage rate is $0.1112.
- Planned levy uses in 2027 include:
  - General Obligation (G.O.) Bond debt service.
  - Capital projects reviewed by the Commission.
  - Environmental and climate change initiatives.
  - Sound Insulation projects including Repair and Replacement Program.
  - Workforce development initiatives and community business assistance.
  - Economic development partnership grants.
  - Support for local and regional Tourism.
  - City of SeaTac safety enhancements.
  - South King and Port Communities Fund.
  - Duwamish Valley Community Equity Program.
  - Friends of the Waterfront contribution.
  - Support for the Equity, Diversity and Inclusion department and high school internship program.

B. Tax Levy Sources

TYPES AND LIMITS OF LEVIES:

Regular Tax Levy

The County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Taxes are levied annually on January 1 on property values listed as of the prior year. Assessed values are established by the County Assessor at 100% of fair market value. A re-evaluation of all properties is required annually.

Taxes are due in two equal installments on April 30 and October 31. Collections are distributed to the Port by the County Treasurer.

Washington State ports are permitted to levy up to $0.45 per $1,000 of Assessed Valuation for general port purposes under Washington State law in Revised Code of Washington ("RCW") Chapter 53.36. The levy may go beyond the $0.45 limit to provide for G.O. Bond debt service. However, the rate may be reduced below the $0.45 limit for the following reason: RCW Chapter 84.55 limits the annual growth of regular property taxes to the lesser of 1% or the inflation rate, where inflation is measured by the percentage change in the implicit price deflator for personal consumption expenditures for the United States, after adjustments for new construction. This 1% limit factor was instituted by Initiative 747 that Washington State voters approved in November 2001 (for levy limit calculation see Section XI Statutory Budget). The Port's levy is limited by this 1% limit factor.

Figure VIII-1 shows the maximum levy permitted by law versus the actual levy levied by the Port from 1991 (the last year the Port levied the maximum) to 2027. In 1989, the law was changed whereby a port could have a levy at less than the maximum while preserving the ability to tax up to the maximum in the future if the need is justified. This allows a port to tax at the lower level in the years when the maximum levy is not required but return to the maximum level in years of need. Since 1991, on a cumulative basis, the Port has levied a total of $753M less than it could have if it had levied the maximum allowable levy each year.

Figure VIII-1: Actual Tax Levy vs Maximum Allowable Levy: 1991-2027

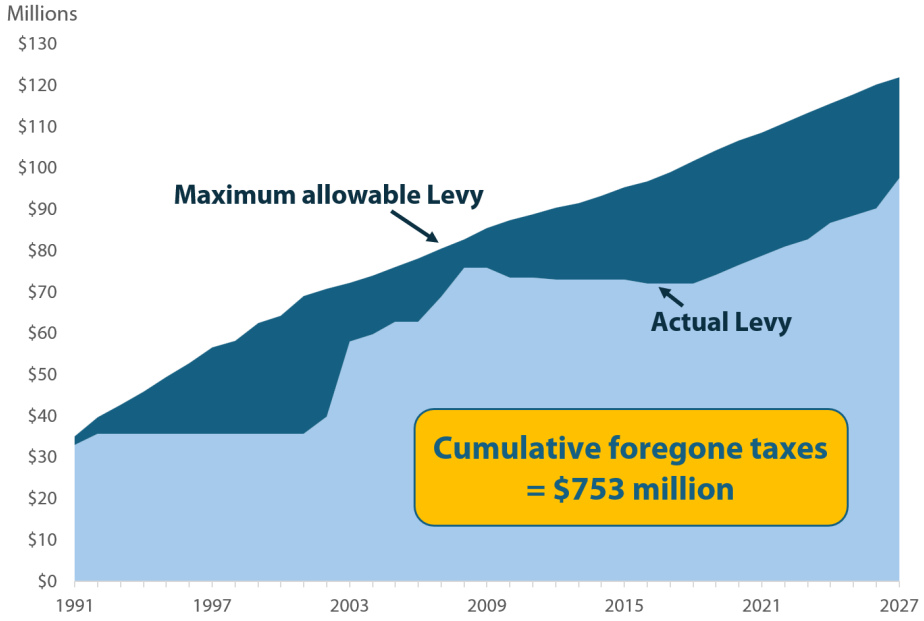
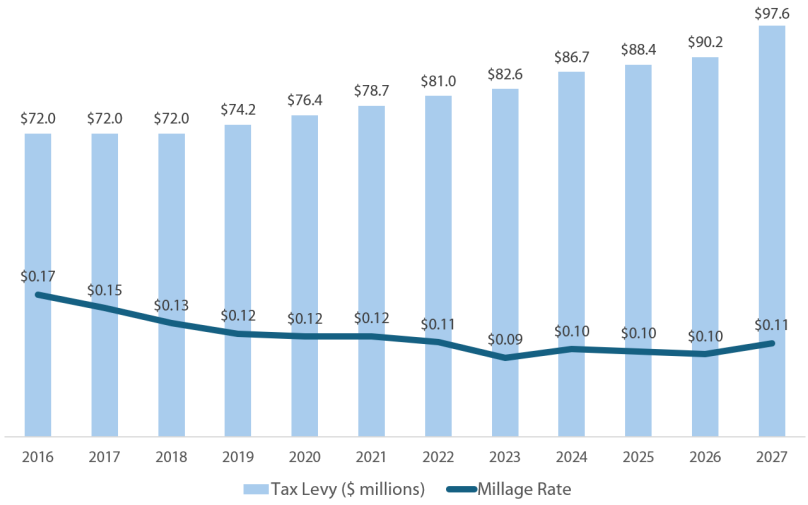


Figure VII-2: Tax Levy vs Millage Rate 2016-2027



Special Tax Levies

Special levies approved by the voters are not subject to the same limitations as the regular levy.

The Port can levy property taxes for dredging, canal construction, leveling or filling upon approval of the majority of voters within the Port District, not to exceed $0.45 per $1,000 of Assessed Value of taxable property within the Port District.

Industrial Development District Tax Levies

The Port may also levy property taxes for Industrial Development Districts (under a comprehensive scheme of harbor improvements), for two multi-year periods. The Port of Seattle levied the tax for a six-year period between 1963 and 1968 for property acquisition and development of the lower Duwamish River. In 2015, the rules governing the IDD tax levy were modified by the Washington State Legislature. Under the new rules, if the Port intends to levy this tax for a second multi-year period (not to exceed twenty years), the Port must adopt a resolution approving the use of the second levy period and publish notice of intent to impose such a levy no later than April 1 of the year prior to the first collection year. If a petition is filed with signatures of at least eight percent (8%) of the voters, the question of whether or not the levy can be imposed will be decided by voters.

The amount of the Industrial Development Levy that could be imposed is now calculated on the Assessed Valuation of taxable property within the Port District in the year prior to the first collection year. This aggregate amount is calculated at $2.70/$1,000 of assessed value and represents the total amount that can be levied over the second levy period. The Port has not levied the second multi-year period, but if the Port were to levy under this law, based on 2027 preliminary assessed value, the Port may levy up to an estimated $2.4B over the twenty-year period, with the collection period beginning no sooner than 2028.

C. Tax Levy Uses

During the annual budget process, the Commission reviews and approves the amount of and projected uses of the tax levy. For 2027, the preliminary levy is $97.6M pending Commission approval, an 8.2% increase from the $90.2M levy in 2026. This increase will help fund important capital investments in Seattle's working waterfront and maritime industries, as well as continued support of community programs and environmental remediation.

The 2027 levy is projected to fund $38.9M in existing G.O. bond debt service. See Table VIII-2 for the complete allocation of existing 2027 G.O. bond debt service by project type.

The tax levy is projected to fund an estimated $27.8M of capital improvements in 2027, including investments in key seaport projects aimed at maintaining Port assets, advancing maritime industries, supporting Seattle's working waterfront, and investing in local communities and the environment. Such projects include Northwest Seaport Alliance (NWSA) container terminal improvements in the North Harbor (Seattle), redevelopment efforts at Fishermen's Terminal and Terminal 91 (berth and uplands improvements as well as building and lighting upgrades), channel deepening to accommodate larger container vessels, and some park infrastructure and improvement projects at Pier 66, həʔapus Village Park, and Centennial Park.

Traditionally, the levy has also funded certain legacy environmental remediation expenses. Beginning in 2024, those expenses are now funded in part by the Environmental Legacy Fund (see Table VIII-3 for more detail).

The levy is also used to support a variety of programs and public investments that benefit the community. For 2027, the levy funding for these programs totals $17M.

- The levy has not traditionally been used for projects at the Airport; however, the Commission has approved the use of the levy for specific community benefit programs not otherwise eligible for Airport funding due to FAA regulations. These include safety enhancements in the City of SeaTac and certain noise mitigation improvements. The Port projects to contribute $1.4M to the City of SeaTac safety enhancements and $4.0M on the Sound Insulation Repair and Replacement Program from the Tax Levy in 2027.

- In 2019, the Commission approved an additional $15.0M in program funding for near-airport communities; spending on these programs is not eligible for airport funding and is funded from the tax levy. The programs support decarbonization efforts at the Airport and communities near the Airport in south King County and other Port communities. In 2021, the Commission approved Order 2021-12 to continue the South King and Port Communities Fund for 5 years with an additional $10.0M and in 2024 the Commission reauthorized the program for an additional $14.2M. For 2027 the Port projects to spend $2.6M of the South King and Port Communities fund to support environmental health and sustainability efforts as well as community equity programs and will fund an additional $776,000 towards staff costs to support the program as well as other community programs.

- Additional tax levy uses in 2027 include support for other community programs, such as: workforce development including Maritime Workforce Investments and the Airport Employment Center, tourism marketing support program, economic development partnership grant initiatives, Duwamish Valley Community Equity funding as well as FTE support for the program, partially funding costs for the Port's Equity, Diversity and Inclusion department and high school internship program, investments supporting Disadvantaged Business Enterprises (DBEs) and Women and Minority Owned Business Enterprises (WMBE) through training and consulting, and various efforts to support maritime sustainability and innovation and protect the Puget Sound waterway including an investment in the statewide non-profit Maritime Blue strategic alliance.

Table VIII-1 provides details of both the sources and uses of the tax levy. Some uses may have additional funding sources; the table only provides the amount to be funded by the tax levy in 2027, the projected ending balance is projected to fund future capital and expense projects as well as G.O. bond debt service.

Table VII-1: Source and Uses of Tax Levy

($ in thousands)

	2027
SOURCES	
Prior Year Tax Levy Fund Balance	38,141
Projected Tax Levy Collection	97,588
Grants & Other Reimbursements	-
Total Projected Sources	135,729
USES	
G.O. Bonds Debt Service - Existing	38,918
Capital Expenditures	27,832
Other Expenditures:	
Sound Insulation - Repair and Replacement Pilot	4,000
Workforce Development & Economic Development Programs	3,873
South King and Port Communities Fund	2,648
City of SeaTac Safety Enhancements	1,400
Economic Development Partnership Programs	950
Tourism Marketing Support Program	870
South King and Duwamish Valley Program FTE Support	776
Friends of the Waterfront contribution	750
Duwamish Valley Community Equity Program	627
SEA Moves Orca Pilot	500
High School Internship Program	299
Equity, Diversity and Inclusion	229
Maritime Blue	100
DBE/ACDBE/WMBE Training and Outreach	50
Total Projected Other Expenditures	17,072
Total Projected Uses	83,822
Projected Ending Tax Levy Fund Balance	51,907

The tax levy, by Washington State statute, may be used broadly for general Port purposes. The Port's policy has been to prioritize the use of the levy to first pay debt service on previously issued G.O. bonds. Proceeds from the most recent new money G.O. bond issuance, the 2024BC LTGO's, as well as the previous issuance, the 2022B LTGO's, have not been fully spent but to date they have funded (or partially funded) the Port's investment in Terminal 5 and the Terminal 91 berth redevelopment project along with other Port seaport and NWSA capital projects within the North Harbor. Prior to that the

2017 LTGO bonds funded the Port's contribution to the Alaskan Way Viaduct replacement program. G.O. bonds also helped fund critical capital infrastructure investments in and around the Seattle Harbor, including container terminal upgrades and expansions, Fishermen's Terminal improvements, and dock renewals and upgrades at the Terminal 86 grain facility and Terminal 115. The Port forecasts $38.9M in existing G.O. bond debt service in 2027, which is approximately 40% of total 2027 levy collections.

Table VII-2: Existing G.O. Bond Debt Services by Project Type

($ in thousands)

Spending Category	2027
Containers	4,431
Docks and Commercial Properties	5,661
Public Expense	15,989
Unallocated Debt Service	
2022B LTGO New Money [1]	4,885
2024C LTGO New Money [1]	7,953
Total G.O. Bond Debt Service	**38,918**

Table Notes:

[1] Proceeds of the 2024C and 2022B LTGO new money issuances are not fully spent. Debt service will be allocated after project spending is complete.

The Port has also used tax levy funds to support the following:

Environmental Legacy Fund (ELF)

On November 14, 2023, the Commission established the Environmental Legacy Fund (ELF) to help pay for environmental remediation. The fund was established with an initial deposit of $30M from the tax levy fund, which was the result of savings from G.O. bond refinancings as well as lower expenditures. The Port made an additional deposit of $32M in 2025 and a $5M contribution in 2026. Each year the Commission will review the ELF and assess the opportunity to make additional deposits. As of December 31, 2025, the Port had recognized approximately $249M of environmental liabilities primarily related to legacy contamination on sites now owned by the Port. Consistent with the Port's commitment to environmental stewardship and prudent financial management, the ELF will provide greater funding certainty for the Port to meet its obligations. In addition, the Port actively seeks funding from grants, as well as recoveries from insurance and from other parties that contributed to the pollution. Table VIII-3 provides details of the ELF for 2027.

Table VIII-3: Uses of Environmental Legacy Fund

($ in thousands)

	2027
Beginning ELF Balance	31,159
Transfer from Tax Levy fund	-
Environmental Grants & Other Reimbursements	905
Project Spending:	
Environmental Remediation Liability (Non-Aviation) [1]	13,349
Ending ELF Balance	18,714

Table Notes:

[1] Includes projected cashflows for environmental projects already or expected to be booked as liabilities.

Transportation & Infrastructure Fund (TIF)

From time to time, the Port partners with the State and other local governments to invest in mutually beneficial transportation initiatives. The Port currently has an estimated $45.7M of tax levy funds set aside in the Transportation & Infrastructure Fund (TIF), which has been and will be used to fund the Port's contribution and obligations towards multiple regional freight mobility and transportation efforts. Table VIII-4 provides details of the TIF for 2027.

Table VIII-4: Uses of Transportation and Infrastructure Fund

($ in thousands)

	2027
Beginning TIF Balance	45,679
Project Spending:	
Safe and Swift Corridor	1,477
Seattle Heavy Haul Network	2,490
State Route 509	15,000
Total Project Spending	18,967
Ending TIF Balance	26,712

- In 2015, the Port entered into a MOU with the City of Seattle to establish a heavy haul network, which will allow heavier cargo containers to be transported between Seattle cargo terminals, industrial businesses and rail yards. The MOU provides the framework to repair and build roadways within the network, calls for semi-annual safety inspections of heavy haul trucks, and aligns weight regulations with the state and other municipalities across the country. The heavy haul network will also eliminate citations from the State Patrol to truck drivers for carrying overweight loads. As part of this MOU, the Port agreed to fund between $10.0M and $20.0M over a 20-year period for existing and future roadway repairs and reconstruction within the network. The Port projects to fund $2.5M of that total in 2027.

- As the Puget Sound region continues to experience strong growth, vehicle traffic has created mobility and safety challenges within local transportation corridors. In 2017, the Port entered into an MOU with the City of Seattle for up to $20.0M to launch the Safe and Swift Corridor Program to support projects and other efforts to improve transportation flow and safety along key freight

transportation corridors, including South Spokane Street, 15th Avenue West/Elliott Avenue West/Mercer Street (known as the North of Downtown (NODO) Mobility Improvement project) and Lander Street Bridge (completed in October of 2020). The Port projects to complete the final financial commitment by funding $1.5M of this total in 2027.

- In 2018, the Port, along with multiple local cities and other agencies, entered into an MOU with the State of Washington for the Puget Sound Gateway Program. The Port agreed to provide $30.0M of funding for Washington State Route 509 improvements near the Airport. The Port contributed $15.0M of funding to the State in 2024 and expects to fund the remainder upon receipt of Washington State Department of Transportation (WSDOT) invoice in 2027.

- The TIF will also help continue funding other public expense items related to regional mobility and transportation such as the Freight Action Strategy for Seattle-Tacoma (FAST) Corridor Partnership.

D. General Obligation Capacity

Non-Voted and Voted General Obligation Debt Limitations

Under Washington State law the Port may incur indebtedness payable from ad valorem taxes in an amount not exceeding one-fourth of one percent of the value of the taxable property in the District without a vote of the people. With the assent of three-fifths of the voters voting thereon, the District may incur additional G.O. indebtedness provided the total indebtedness of the Port at any time shall not exceed three-fourths of one percent of the value of the taxable property in the District. For the Port, the following estimates the 2027 debt limit:

Table VIII-5: Estimated General Obligation Debt Limit

Value of Taxable Property [1]	**$ 877,853,709,907**
Debt Limit, Non-Voted General Obligation Bonds (.25% of Value of Taxable Property)	2,194,634,275
Less: Outstanding Non-Voted General Obligation Bonds as of 12/31/26	399,335,000
Less: Capital leases and other general obligations as of 9/30/2025	-
Remaining Capacity of Non-Voted General Obligation Debt	**$ 1,795,299,275**
Debt Limit, Total General Obligation Debt (.75% of Value of Taxable Property)	6,583,902,824
Less: Total Outstanding General Obligation as of 12/31/26	399,335,000
Less: Capital leases and other general obligations as of 9/30/2025	-
Remaining Capacity of Total General Obligation Debt	**$ 6,184,567,824**

Table Notes:
[1] Preliminary assessed valuation as of 10/1/2026.

The Port may levy property taxes sufficient for the payment of principal and interest on voted G.O. indebtedness. The existing limitation provides that unless a higher rate is approved by a majority of the voters at an election, the increase in regular total property taxes payable in the following year shall not exceed the lesser of inflation or one percent of the amount of regular property taxes lawfully levied for such district in the highest of the three most recent years in which such taxes were levied for such district, plus an additional dollar amount calculated by multiplying the increase in assessed value in that district resulting from new construction and improvements to property by the regular property

tax levy rate of that district for the preceding year. With a super majority vote, the Port Commission can increase the levy by 1% if inflation is less than 1%.

Interaction between General Purpose Levy and General Obligation Debt Capacity

Since the 101% levy limitation applies to the total levy for G.O. debt service and for general Port purposes, an increase in the tax levy for G.O. bonds may result in a decrease in the amount which could be levied for general Port purposes, unless a higher aggregate tax levy was approved by the voters.

The Port targets to use no more than 75% of the annual levy collection for debt service each year and to retain at least 25% for general purposes. An estimated 40% of the 2027 tax levy collections will be used to pay existing G.O. debt service in 2027.

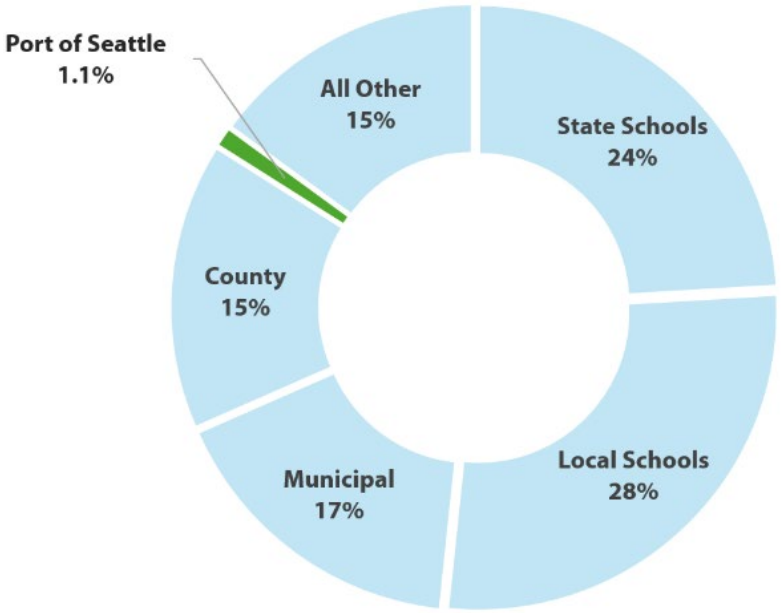
E. Taxpayer Effect

For 2027 the preliminary levy is $97.6M, an 8.2% increase from the $90.2M in 2026. In 2026 the median King County homeowner paid approximately $87 in taxes to the Port of Seattle based on the median home value provided by the King County assessor. Figure VIII-2 provides the historical millage rate from 2016 to 2027.

F. County Property Tax Comparison

In 2026, the Port accounted for 1.1% of the total property taxes collected by the County.

Figure VIII-3: 2024 Percentage of Tax Levies by Taxing District



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IX – CAPITAL IMPROVEMENT PLAN

Capital Improvement Plan

The following pages outline the 2027-2031 Capital Improvement Plan (CIP), including both the Port of Seattle CIP as well as the Port's 50% funding obligation in the Northwest Seaport Alliance (NWSA) CIP.

The Port of Seattle's CIP is derived primarily from its Aviation and Maritime operating divisions. It also includes capital spending related to Central Services, Stormwater Utility and other NWSA legacy projects that are assumed to be 100% funded by the Port of Seattle. Projects in the Port's CIP are divided into two categories. ***Committed Projects*** are ongoing projects or projects that are ready to move forward and for which a funding commitment will be secured. ***Business Plan Prospective Projects*** are less certain in timing or scope, but are considered critical for achieving business plan goals, and the business unit or division has approved them.

The Port is also responsible for funding 50% of the NWSA CIP, which includes investments in both North (Seattle) and South (Tacoma) Harbors. Additional detail on the NWSA CIP can be found in Section XII, "The Northwest Seaport Alliance (NWSA)."

In accordance with Generally Accepted Accounting Principles (GAAP) and Port policy, capital expenditures are defined as expenditures that arise from the acquisition or improvement of the Port's fixed assets, such as construction of new facility or renovation of an existing facility; or renewal, replacement or upgrading of existing Port assets. Capital assets cost $20,000 or more, with a useful life of three years or more, of which the Port has ownership.

The capital budget policy and process are described in Section XIII, "Appendices". In development of the CIP, the Port also develops a capital funding plan, "The Draft Plan of Finance," which is reviewed with the Port Commission and will be included as part of the 2027 Final Budget.

Historical analysis indicated that on average, the Port spends approximately 80% of its five-year CIP, but less than 60% of the budgeted (first year) CIP. Since the 2020 Final Budget, the Port has implemented a CIP Cashflow Adjustment Reserve to adjust each division's CIP cashflows to better reflect expected project spending trends in aggregate.

Table IX-1 summarizes the Port of Seattle CIP by division and the forecasted payment to the NWSA for capital expenditures. This table includes Committed and Business Plan Prospective projects. The Port of Seattle CIP is $1.0 billion for 2027 and $4.9 billion for 2027-2031. The forecasted payment to the NWSA for capital expenditures is $75.4 million for 2027 and $263.4 million for 2027-2031.

Table IX-1: Capital Improvement Plan

($ in thousands)

	2027	2028	2029	2030	2031	Total 2027-2031
Aviation	949,883	935,899	843,460	702,871	656,299	**4,088,413**
Maritime	224,807	236,983	110,517	69,726	39,886	**681,919**
Central Services	22,501	15,952	14,134	9,989	10,774	**73,350**
NWSA Joint Venture [1]	87	25,188	7,945	501	0	**33,721**
Stormwater Utility [2]	560	500	825	850	500	**3,235**
CIP Cashflow Adjustment Reserve	(180,902)	(33,745)	150,769	59,878	4,000	**(0)**
Subtotal - Port CIP	**1,016,936**	**1,180,777**	**1,127,650**	**843,815**	**711,459**	**4,880,638**
Payment to the NWSA for Capital Expenditures [3]	**75,426**	**69,992**	**74,553**	**33,446**	**9,950**	**263,367**
Total Port and 50% NWSA CIP	**1,092,362**	**1,250,769**	**1,202,204**	**877,261**	**721,409**	**5,144,005**

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Table Notes:

[1] Includes North Harbor (Seattle) channel deepening and other 100% Port legacy costs.

[2] CIP deferrals may be needed.

[3] Represents the Port of Seattle's 50% funding share of forecasted NWSA capital expenditures.

A. Aviation Division Capital Improvement Plan

General:

The Committed CIP is focused on meeting capacity, customer needs, and maintaining existing assets through ongoing renewal and replacement.

Table IX-2 below summarizes the 2027 Aviation Division CIP. The Aviation Division CIP is $836.6 million for 2027 and $4.1 billion for 2027-2031.

Table IX-2: Aviation Division Capital Improvement Plan

Committed Projects	2027	2028	2029	2030	2031	Total 2027-2031
Terminal and Tenants	608,438	523,803	472,204	376,259	300,959	**2,281,663**
Airfield	104,642	121,951	81,776	82,126	16,510	**407,005**
Infrastructure	120,674	142,131	95,114	22,903	51	**380,873**
Landside	19,306	7,265	4,456	1,453	0	**32,480**
Noise Program	19,991	11,209	1,969	0	0	**33,169**
Aviation Division-wide	13,016	3,355	2,945	0	0	**19,316**
Security	9,656	6,805	3,966	826	0	**21,253**
Commercial Management	621	530	645	303	0	**2,099**
Subtotal - Aviation Committed CIP	**896,343**	**817,050**	**663,075**	**483,870**	**317,520**	**3,177,858**
Business Plan Prospective Projects [1]	53,540	118,849	180,386	219,001	338,779	**910,554**
CIP Cashflow Adjustment Reserve [2]	(113,252)	45,301	67,951	0	0	**0**
Total Aviation CIP	**836,631**	**981,200**	**911,412**	**702,871**	**656,299**	**4,088,413**

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Table Notes:
[1] $161.9 million of Sustainable Airport Master Plan (SAMP) planning and design costs are included in Business Plan Prospective Projects in 2027-2031.
[2] Introduced in the 2020 Plan of Finance to reflect more achievable levels of capital spending.

Committed Capital Projects:

S Concourse Evolution: This project will renovate and modernize the South Concourse facility. Scope of work includes structural, HVAC, plumbing, electrical, fire suppression/life safety, building shell and communications systems replacement or upgrades as required; interior remodeling, and inclusion of passenger amenities. This project is anticipated to be completed in 2034.

Baggage Recapitalization/Optimization: This project will replace and reconfigure baggage screening equipment and operations to improve operational efficiency and increase capacity. The new outbound baggage system will accommodate 60 million annual passengers. The project will be completed in three phases, with the final phase projected to be substantially complete by the fourth quarter of 2029.

Airfield Pavement Replacement: Annual replacement of aging airfield pavement and joint seals.

SEA Gateway (North Main Terminal Redevelopment Program): This program redeveloped space at the north end of the Main Terminal Ticketing Level of the Airport to improve passenger processing, security screening throughput, and to elevate the overall passenger experience in these areas. This project is being completed via a tenant reimbursement agreement with Alaska Airlines and was in-use as of the first quarter of 2026.

C Concourse Expansion: Constructed four additional floors on top of the airport's existing C Concourse Building to meet space needs for passenger restrooms, concessions, passenger lounges and other tenant offices. This project was in-use as of in the second quarter of 2026.

Business Plan Prospective CIP:

The Aviation Business Plan Prospective CIP is composed of project spending for Airfield, Landside, Terminal, Infrastructure, and other Aviation needs including $161.9 million of Sustainable Airport Master Plan (SAMP) planning and design.

Main Terminal Improvement Program: The focus of the Main Terminal Improvement Program is to address code compliance issues and renewal/replacement of critical systems in the Main Terminal.

Satellite Transit System (STS) Replacement: Renewal and replacement of the Airport's STS is anticipated between 2030-2040 in order to continue operations and maintain efficiency. This project includes replacement of end-of-life STS vehicles, structural rehabilitation of the current STS tunnels, and construction of a new north pedestrian connector (North Satellite (NSAT) to Concourse D). The Project Definition Document (PDD) process started in 2024.

Also included is a reserve for undesignated future spending, which allows for the addition of currently undefined new projects and identifies work required to maintain existing systems. Prospective projects are, by definition, not yet well scoped, so there is greater uncertainty with regards to timing and costs than with Committed projects. As scoping, design and bidding occurs, each project moves forward in steps to the Commission to request authorization. See Section IV Aviation, for a description of major existing and new projects.

B. Maritime Division Capital Improvement Plan

General:

The Maritime Division's five-year CIP continues investments in waterfront facilities, infrastructure, and the environment.

Table IX-3 below summarizes the Maritime Division CIP from 2027-2031. The Maritime Division CIP is $163.7 million for 2027 and $681.9 million for 2027-2031.

Table IX-3: Maritime Division Capital Improvement Plan

Committed Projects	2027	2028	2029	2030	2031	Total 2027-2031
Portfolio Management	98,909	32,586	0	0	0	**131,495**
Cruise Operations	50,860	55,139	5,695	0	0	**111,694**
Maritime General	14,654	15,596	27,380	19,390	4,101	**81,121**
Fishing and Operations	10,006	17,549	8,480	2,115	10,400	**48,550**
Environmental Services	7,589	10,507	5,000	3,298	0	**26,394**
Recreational Boating	1,115	500	5,000	8,699	0	**15,314**
Security	2,500	1,663	0	0	0	**4,163**
Subtotal - Maritime Committed CIP	**185,633**	**133,540**	**51,555**	**33,502**	**14,501**	**418,731**
Business Plan Prospective Projects	**39,174**	**103,443**	**58,962**	**36,224**	**25,385**	**263,188**
CIP Cashflow Adjustment Reserve [1]	**(61,150)**	**(76,046)**	**82,317**	**54,878**	**0**	**0**
Total Maritime CIP	**163,657**	**160,937**	**192,834**	**124,604**	**39,886**	**681,919**

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Table Notes:
[1] Introduced in the 2020 Plan of Finance to reflect more achievable levels of capital spending.

Committed Capital Projects:

Terminal 91 Uplands Development: Construct approximately 120,000 square feet of industrial building space to support maritime suppliers and manufacturers, with associated utility and site infrastructure improvements, over approximately six acres of the site. This project is anticipated to be completed in 2028.

Terminal 91/Pier 66 Cruise Shore Power Extension: This project adds flexibility to shore power connection points on Pier 91 and at Pier 66 to increase the connection rate of shore power capable cruise ships and provide for 100% shore power connection of all home ported cruise ships by 2027 per Commission Order No. 2024-08. Additional connection points will be added on both the east and west berths of Pier 91. At least one new connection point will be added on Pier 66 north of the existing connection location. Adding this capacity provides flexibility to accommodate ships of many different shore power configurations.

Fishermen's Terminal Northwest Dock Improvements: This project will replace and upgrade piers, fenders, and utilities on the northwest dock and adjoining finger piers. Several existing timber piers will be replaced with concrete/steel structures.

Terminal 91 Pier 90 and Pier 91 Dock Rehabilitation: Pile cap and deck panel refurbishment at Pier 90 and Pier 91 to avoid load restrictions which would cause significant disruptions to the Cruise and Fishing operations.

Marine Maintenance South Fleet and SWU Facility: Redevelop a portion (east parcel) of Marine Maintenance South facility to build a new auto repair facility and space for the stormwater utility operations. Redevelopment will occur outside of the footprint of the existing fuel site and underground tanks.

Terminal 91 Berths 6 and 8 Redevelopment: Redevelopment of vessel pier moorings and adjoining apron areas of Berths 6 and 8 along the northeast side of Pier 90 to accommodate fishing and commercial vessels. This project is anticipated to be completed in the fourth quarter of 2026.

Fishermen's Terminal Maritime Innovation Center: This project updated and converted the existing Seattle Ship Supply building into a new Maritime Innovation Center, with advanced sustainability and resiliency features, in support of the Port's small business incubator program. This project was completed in March 2026.

Committed capital projects also includes replacement/preservation of docks and moorage, facility improvements, fleet replacement, and small capital (under $300,000) projects.

Business Plan Prospective CIP:

Significant projects include Pier 69 Concrete Dock Rehabilitation, multiple electrical substation and feeder replacements at Terminal 91, Pier 66 Building Envelope Rehabilitation, and a CIP reserve for unknown or undefined future projects.

C. Central Services Capital Improvement Plan

The Central Services five-year CIP consists predominately of technology improvements and upgrades. 2027 technology projects include refreshes of critical infrastructure and security enhancements required to maintain compliance with established industry standards and ensure availability of critical business systems. The remaining technology projects consist of new or upgraded business systems driven by business unit demands or are required to maintain system operations and on-going vendor support.

The remainder of the Central Services CIP consists of fleet replacement and small capital acquisition, which largely relates to the replacement of equipment and assets that are at or beyond the end of their useful lives. In 2027, the fleet projects will replace police patrol and other vehicles, and construction-related vehicles and equipment used by the Port Construction Services department. The remaining portion of the CIP is for engineering and surveying equipment and other small capital projects.

Table IX-4 below summarizes the Central Services CIP from 2027-2031. The Central Services CIP is $16.0 million for 2027 and $73.4 million for 2027-2031.

Table IX-4: Central Services Capital Improvement Plan

Committed Projects	2027	2028	2029	2030	2031	Total 2027-31
ICT Business Services	10,815	3,383	3,320	3,250	3,250	**24,018**
General	2,783	1,514	1,659	1,559	1,739	**9,254**
Subtotal - Central Services Committed CIP	**13,598**	**4,897**	**4,979**	**4,809**	**4,989**	**33,272**
Business Plan Prospective Projects	**8,903**	**11,055**	**9,155**	**5,180**	**5,785**	**40,078**
CIP Cashflow Adjustment Reserve [1]	**(6,500)**	**(3,000)**	**500**	**5,000**	**4,000**	**0**
Total Central Services CIP	**16,001**	**12,952**	**14,634**	**14,989**	**14,774**	**73,350**

CAPSUM.xlsx

Table Notes:
[1] Introduced in the 2020 Plan of Finance to reflect more achievable levels of capital spending.

D. Other Port of Seattle CIP

The Port of Seattle CIP also includes North Harbor (Seattle) waterway channel deepening projects and other NWSA legacy projects. These projects are assumed to be 100% funded by the Port of Seattle and thus are not included in the NWSA CIP to follow.

Additionally, the Port CIP includes projects for its Stormwater Utility, including infrastructure retrofitting, fleet vehicle purchases, asset renewal and replacement, and small capital acquisitions.

Northwest Seaport Alliance (NWSA) Capital Improvement Plan

The five-year NWSA CIP focuses on both strategic and maintenance projects, and invests in projects to increase the capacity, extend the life, or improve the safety or efficiency of NWSA-managed property and equipment.

Strategic development efforts focus on serving existing customers, attracting new customers, and building a diverse, dynamic and resilient business base. Strategic investments include modernization at Terminal 7D in the South Harbor (Tacoma), terminal expansion at Husky Terminal, construction of the shore power system at Terminal 18 and design of the shore power systems at WUT and PCT; construction of the toe wall and dredging at Husky Terminal and WUT, as well as construction of reefer racks and plugs at PCT. Maintenance investments include replacement of the lift station and waterlines at Terminal 18, Wapato Creek culvert rehabilitation, maintenance dredging at several container terminals of both harbors, as well as maintenance and rehabilitation of assigned assets.

Each homeport assumes funding of 50% of the total NWSA CIP. Although funds for a project are included in the CIP, projects are not automatically authorized to proceed; The NWSA Managing Members review and approve each project individually. To efficiently allocate resources, the NWSA uses a capital project prioritization methodology which includes three categories for internal management; "Budgeted" and "Authorized" projects, which are on-going or ready to move forward and have customer commitment or a high degree of certainty, and "Created" projects, which are based on an identified business need or opportunity but have not been fully developed in scope and cost. Only "Budgeted" and "Authorized" projects are included in the budget.

The Port of Seattle's 50% funding total of "Budgeted" and "Authorized" -status NWSA CIP is forecast to be $75.4 million for 2027 and $263.4 million for 2027-2031. Further information on the NWSA CIP can be found in Section XII The Northwest Seaport Alliance (NWSA).

Table IX-5: NWSA Capital Improvement Plan

The NWSA CIP will be presented to the Managing Members on October 15, 2026, and incorporated into the Port's final budget.

Public Expense

In addition to the Committed and Business Plan Prospective project categories, the Port may also invest in Public Expense projects. These are generally a collaboration with other local governments to provide funding without directly receiving an asset in return. Certain Public Expense costs are related to projects that would otherwise meet the criteria of a Committed or Business Plan Prospective capital project but are expensed (rather than capitalized) per accounting rules. Common examples of Port Public Expense projects include contributions toward improvements on non-Port properties, such as projects in support of regional transportation needs. Public Expense projects are often a required component of other Port Committed projects.

Table IX-6 below shows Public Expense projects by division from 2027-2031, which includes $19.6 million for 2027 and $29.1 million for 2027-2031.

Table IX-6: Public Expense Projects

($ in thousands)

($ in thousands) Division	Project Description	2027	2028	2029	2030	2031	Total 2027 - 2031
Airport	Flight Corridor Safety Program	$ 601	$ 393	$ 0	$ 0	$ 0	**$ 994**
	SR 509 Roadway Construction Support	31	40	271	24	-	**366**
	Subtotal - Airport Public Expense Projects	**$ 632**	**$ 433**	**$ 271**	**$ 24**	**$ 0**	**$ 1,360**
Joint Venture	Puget Sound Gateway SR 509 Program	15,000	-	-	-	-	**15,000**
	Seattle Heavy Haul Network	2,490	2,000	2,000	2,000	2,000	**10,490**
	Safe and Swift	1,477	-	-	-	-	**1,477**
	Fast Corridor II	-	799	-	-	-	**799**
	Subtotal - Joint Venture Public Expense Projects	**$ 18,967**	**$ 2,799**	**$ 2,000**	**$ 2,000**	**$ 2,000**	**$ 27,766**
	Total Port Public Expense Projects	**$ 19,599**	**$ 3,232**	**$ 2,271**	**$ 2,024**	**$ 2,000**	**$ 29,126**

The Port may also incur Public Expenses related to certain non-project expenditures, such as the Port's annual $1.4 million payment to the City of SeaTac for safety enhancements. This payment is made pursuant to an interlocal agreement between the Port and City of SeaTac and is to be used for public safety and enforcement of traffic and parking standards. This payment is not project-related and is excluded from the table above.

E. Non-Recurring CIP Impact

Table IX-7 shows certain non-recurring capital projects and their corresponding impact on the operating budget. Table IX-7 will be included in the Port's final budget.

X – PLAN OF FINANCE

2027-2031 DRAFT PLAN OF FINANCE

The Draft Plan of Finance will be included as part of the 2027 Final Budget

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XI – STATUTORY BUDGET

A. Introduction

The "statutory" budget, as defined in RCW 53.35.010, is to portray "the estimated expenditures and the anticipated available funds from which all expenditures are to be paid." As a cash budget, the Statutory Budget establishes the need for the tax levy, sets upper limits on expenditures, but is not used as an operating budget. The function of controlling and managing the operations of the Port is accomplished with the operating budget.

The 2027 Statutory Budget will be provided to the Port Commissioners and made available to the general public on October 22, 2026, as required by law (RCW 53.35.010 and RCW 53.35.045). Notices of the Public Hearing will be published on October 29 and November 5, 2026, in the DAILY JOURNAL OF COMMERCE, as required by law (RCW 53.35.020 and RCW 53.35.045). The notices include announcements: that copies of the preliminary budget would be available for distribution to any interested persons on October 22, 2026; that the introduction of the preliminary 2027 Budget and public hearing would be held on November 17, 2026; and that the adoption of the 2027 Budget would be held on November 23, 2026. The final statutory budget would be filed with the King County Council on November 30, 2026, as allowed by RCW 53.35.045. The Port will also adopt a separate resolution for an increase in the tax levy as required by RCW 84.55.120.

B. Statutory Budget Highlights

1. Tax Levy

For 2027, the tax levy is $97.6 million. The following is a comparison of the tax levy details between 2026 and 2027:

Table XI-1: Tax Levy Budget Detail

	Budget 2026		Budget 2027	
	Levy Rate	Levy Amount	Levy Rate	Levy Amount
For General Obligation Bonds	$ 0.0423	$ 38,914,539	$ 0.0443	$ 38,918,204
For General Purposes	$ 0.0557	$ 51,267,530	$ 0.0668	$ 58,669,731[1]
Total	**$ 0.0980**	**$ 90,182,069**	**$ 0.1112**	**$ 97,587,934[2]**

Table Note:
[1] This amount includes an estimated $335,344 for prior year refunds and $11,512 for Local Tax Increment Financings (LTIFs)
[2] 2027 Port levy is pending commission approval

2. Tax Levy Rate

The tax levy rate is a product of dividing the tax levy dollars by the assessed valuation of personal and real properties within the Port District. The exact levy rate is determined by the County Assessor after all taxing agencies have requested their levy dollars, and the assessed valuation dollars are certified. The 2026 preliminary assessed valuation as of October 1, 2026, is $ 877,853,709,907 after omitted assessments, which are not included in the Port's levy calculation. The 2026 assessed valuation is used for 2027 tax collection. This is a decrease from the final assessed valuation per the King County Annual Report for 2026 tax collection, which was $ 920,245,775,369 after omitted assessment.

C. Resolutions

RESOLUTION NO. 3853

A RESOLUTION of the Port Commission of the Port of Seattle adopting the final budget of the Port of Seattle for the year 2027; making, determining, and deciding the amount of taxes to be levied upon the current assessment roll; providing payment of bond redemptions and interest, cost of future capital improvements and acquisitions, and for such general purposes allowed by law which the Port deems necessary; and directing the King County Council as to the specific sums to be levied on all of the assessed properties of the Port of Seattle District in the Year 2027.

WHEREAS, the Port of Seattle in the Century Agenda commits to create economic opportunity for all, steward our environment responsibly, partner with surrounding communities, promote social responsibility, conduct ourselves transparently, and hold ourselves accountable; and

WHEREAS, the Port of Seattle's Century Agenda outlined goals of meeting current demand as a business gateway and tourism hub for the region, and further expressed the need to anticipate future growth of the region and to prepare for the ensuing demand for cruise, maritime, and aviation all for the economic benefit of the region; and

WHEREAS, the Port of Seattle Commission is committed to the responsible stewardship of public tax revenue, financial transparency, and an open budget process; and

WHEREAS, the Port of Seattle and its Commission are committed to making strategic investments necessary to promote a thriving maritime and industrial economy and recognize that increasing pressure on industrial lands and freight corridors in the region threatens the viability of this sector; and

WHEREAS, the long-term viability of the maritime and industrial sector is dependent on a robust and well-trained workforce and the sector is facing both an aging workforce and a limited influx of trained younger workers to replace those approaching retirement and the need to strengthen training and pathways into the sector; and

WHEREAS, the Port of Seattle Commission is committed to reducing our carbon footprint by investing in solutions to become the "greenest" and most efficient port in the nation and we are further committed to assisting and incentivizing those we do business in order to reach these goals; and

WHEREAS, the Port of Seattle Commission has determined that the mission of the Port is to create good jobs in the region by advancing trade and commerce, promoting manufacturing and maritime growth, and stimulating economic development; and

WHEREAS, the Port of Seattle Commission, on the 20th day of October, 2026, published the preliminary 2027 Budget of the Port of Seattle on the Port of Seattle website and, on the 22nd day of October, 2026, made hard copies available to the public; and on the 30th of October and 6th of November, 2026, published the Notices of the public hearing of the preliminary 2027 Budget to consider adoption of a final budget, with public hearing to be heard on the 17th day of November, 2026, when taxpayers might appear and present objections to the preliminary 2027 Budget; and

WHEREAS, a public hearing on the preliminary 2027 Budget was held in-person in the Port Commission Chambers, pursuant to notice duly given, in the City of Seattle, County of King, State of Washington, on the 17th of November, 2026, at 12 p.m.; and

WHEREAS, all parties present at said hearing would be afforded a full opportunity to present objections to the preliminary 2027 Budget, and the Port Commission being duly advised in the premises; and

WHEREAS, the King County Assessor notified the Commissioners of the Port of Seattle on the 1st day of October, 2026, that the preliminary regular levy assessed value of the property lying within the boundaries of the Port of Seattle district ("Port District") for the year 2026 is $877,853,709,907 (after omitted assessments); and

WHEREAS, the King County Assessor notified the Commissioners of the Port of Seattle on the 1st day of October, 2026, that the preliminary maximum allowable levy is $121,984,917 and the Port intends to retain this levy capacity; and

WHEREAS, the Port has outstanding General Obligation bonds due in 2027 and has a General Obligation line of credit, for the payment of the principal and interest on such indebtedness in 2026 the entire amount of the levy is required to be available to the Port.

NOW, THEREFORE, BE IT RESOLVED by the Port Commission of the Port of Seattle that the preliminary 2027 Budget, as updated and amended at the November 17, 2026, Port Commission hearing, and as may have been further amended by the Port Commission on this 23rd of November 2026, is hereby adopted as the final budget of the Port of Seattle for the Year 2027. Said final budget includes the statutory budget required under RCW 53.35.040. The final budget shall be made available to the public on the Port of Seattle website.

BE IT FURTHER RESOLVED that the amount of taxes to be levied by the Port of Seattle on the current assessment rolls to provide for payment of bond redemption and interest on the Port of Seattle General Obligation Bonds and line of credit, if any, and, as available, for future expenditures for acquisitions and capital improvements and for such general purposes allowed by law which the Port deems necessary be set and deposited is still pending commission approval.

BE IT FURTHER RESOLVED that the King County Council, State of Washington, be notified that the specific sum herein mentioned being a total of $97,587,934 is necessary to be raised by taxation to meet the payment of bond redemption and interest on Port of Seattle General Obligation Bonds and line of credit, if any, of future expenditures for acquisitions and capital improvements, and of costs for such general purposes allowed by law which the Port deems necessary (including an estimated $335,344 for prior year refunds and $11,512 for Local Tax Increment Financing (LTIF), as set forth for the period January 1, 2027, and thereafter; that said King County Council be respectfully requested to make a levy in said amount for the aforesaid purposes.

BE IT FURTHER RESOLVED that the above is a true and complete listing of levies for the Port District for collection in the year 2027 and they are within the maximums established by law.

ADOPTED by the Port Commission of the Port of Seattle at a duly noticed meeting held this 23rd day of November 2026 and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the seal of the Commission.

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Port Commission

RESOLUTION NO. 3854

A RESOLUTION of the Port Commission of the Port of Seattle specifying the dollar and percentage change in the regular property levy from the previous year per RCW 84.55.120; providing for an increase of the levy from $90,182,069 to $97,587,934

WHEREAS, the Port of Seattle in the Commission has met and considered its budget for the calendar year 2027; and

WHEREAS, the Port of Seattle's Commission, after hearing and duly considering all relevant evidence and testimony presented in a public hearing held pursuant to RCW 84.55.120, has determined the Port of Seattle requires a regular levy in the amount of $97,587,934, which represents the levy rate of approximately $0.1112 per thousand of assessed value; and

WHEREAS, the levy amount includes an increase in property tax revenue from the previous year to discharge the expenses and obligations of the district in its best interest.

NOW, THEREFORE, BE IT RESOLVED by the Port Commission of the Port of Seattle that a property tax levy is hereby authorized in the amount of $97,587,934, an increase of $7,405,865 (an estimated 8.2 percent increase from 2026). Excluding the new construction, any Tax Increment Finance Area, State Utilities Value, and refund amount, the increase is $6,516,884 (an estimated 7.2 percent from 2026) for tax filing purposes.

ADOPTED by the Port Commission of the Port of Seattle at a duly noticed meeting held this 23rd day of November, 2026, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the seal of the Commission.

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Port Commission

D. Tax Levy Calculation Sheet

Table XI-2: Tax Levy Calculation Sheet

Preliminary Worksheet 10.01.2026

TAXING DISTRICT **Port of Seattle** 2026 Levy for 2027 Taxes IPD: 1.03876

A. Highest regular tax which could have been lawfully levied beginning with the 1985 levy (refund levy not included).

Year	2026	119,885,569 (Highest Lawful Levy Since 1985)	x	1.01000 (Limit Factor/Max Increase 101%)	=	121,084,425

B. Current year's assessed value of new construction, improvements, and wind turbines, solar, biomass, and geothermal facilities in original districts before annexation occurred times last year's levy rate (if an error occurred or an error correction was made in the previous year, use the rate that would have been levied had no error occurred).

5,605,311,244 (A.V.)	*	0.09877 (Last Year's Levy Rate)	÷	1,000	=	553,637

C. Tax Increment finance area increment AV increase (RCW 84.55.010(1)€) (value included in B & D cannot be included in C)

116,553,180 (A.V.)	*	0.09877 (Last Year's Levy Rate)	÷	1,000	=	11,512

D. Current year's state assessed property value less last year's state assessed property value. The remainder is to be multiplied by last year's regular levy rate (or the rate that should have been levied).

8,863,198,412 (Current Year's A.V.)	-	8,863,198,412 (Previous Year's A.V.)	=	0		
0 (Remainder from Line D)	*	0.09877 (Last Year's Levy Rate)	÷	1,000	=	0

E. 1st Year Lid Lift & Limit Factor>1%

F. Regular property tax limit: A+B+C+D+E = 121,649,573

Parts G through I are used in calculating the additional levy limit due to annexation.

G. To find the rate to be used in H, take the levy limit as shown in Line F above and divide it by the current assessed value of the district, excluding the annexed area.

121,649,573 (Total in Line F)	÷	877,853,709,907 (Assessed Value Less Annexed AV)	*	1,000	=	0.13857

H. Annexed area's current assessed value including new construction and improvements, times the rate in Line G.

0 (Annexed Area's A.V.)	*	0.13857 (Annexation Rate)	÷	1,000	=	0

I. Regular property tax limit including annexation F+H = 121,649,573

J. **Statutory maximum calculation**

Only enter fire/RFA rate, library rate, & firefighter pension fund rate for cities annexed to a fire/RFA or library or has a firefighter pension fund.

0.45000 (District base levy rate)	-	(Fire Rate)	-	(Library Rate)	+	0.00000 (Firefighter Pension Fund)	=	0.45000 (Statutory Rate Limit)
877,853,709,907 (Regular Levy AV)	*	0.45000 (Reg Statutory Rate Limit)	÷	1,000	=	**395,034,169** (Statutory Amount)		

K. **Highest Lawful Levy For This Tax Year** (Lesser of I and J) = **121,649,573**

L. **New highest lawful levy since 1985** (Lesser of I minus C and J, unless A (before limit factor increase) is greater, then A **121,638,061**

M.	Lesser of J and K	121,649,573
N.	Refunds	335,344
O.	**Total: M+N** (unless stat max)	**121,984,917**
P.	**Levy Corrections** Year of Error: ____ Did the district cause the error?	
	1. Minus amount over levied (if applicable)	0
	2. Plus amount under levied (if applicable)	0
Q.	**Total Allowable Levy**	**121,984,917**
R.	**Tax Base For Regular Levy**	
	1. Total district taxable value (including state-assessed property, and excluding boats, timber assessed value, and the senior citizen exemption for the regular levy)	877,853,709,907
S.	**Tax Base for Excess, Voted Bond Levies and Sr Exempt Lid Lifts**	
	2. Excess AV	871,581,304,697
	3. Plus Timber Assessed Value (TAV)	0
	4. Tax base for excess and voted bond levies (2+3)	871,581,304,697
T.	**Increase Information**	
	1. Levy rate based on allowable levy	0.13895
	2. Last year's ACTUAL regular levy	90,180,055
	3. Dollar Increase over last year other than New Construction (-) Annexation	30,904,370
	4. Percent Increase over last year other than New Construction (-) Annexation	34.26963%

E. Forecasted Cash Flow Summary

Table XI-3: Forecasted Cash Flow Summary

($ in thousands)

	2027	Percent of Total
Beginning balance of cash & investments	**2,171,557**	
SOURCES OF CASH		
Operating Revenues without NWSA	1,171,226	46.0%
NWSA Distributable Cash	76,934	3.0%
Interest Receipts	78,812	3.1%
Proceeds from Bond Issues	877,000	34.4%
Grants and Capital Contributions	56,807	2.2%
Tax Levy	97,588	3.8%
Passenger Facility Charges	100,350	3.9%
Rental Car Customer Facility Charges	51,947	2.0%
Other Receipts	37,626	1.5%
Total	**2,548,289**	**100%**
Anticipated available funds	**4,719,846**	
USES OF CASH		
Expenses from Operations:		
Total Operating Expenses	782,694	32.0%
Debt Service:		
Interest Payments	279,921	11.4%
Bond Redemptions	261,667	10.7%
Total Debt Service	541,589	22.1%
Other Expenses	9,367	0.4%
Public Expense	20,999	0.9%
Payment to NWSA for Capital Expenditures	75,426	3.1%
Capital Expenditures	1,016,936	41.6%
Total	**2,447,010**	**100%**
Ending balance of cash & investments	**2,272,835**	
Increase (decrease) of cash during year	**101,279**	

CASHFLW.xlsx

Figure XI-1: Sources of Cash

($ in thousands)

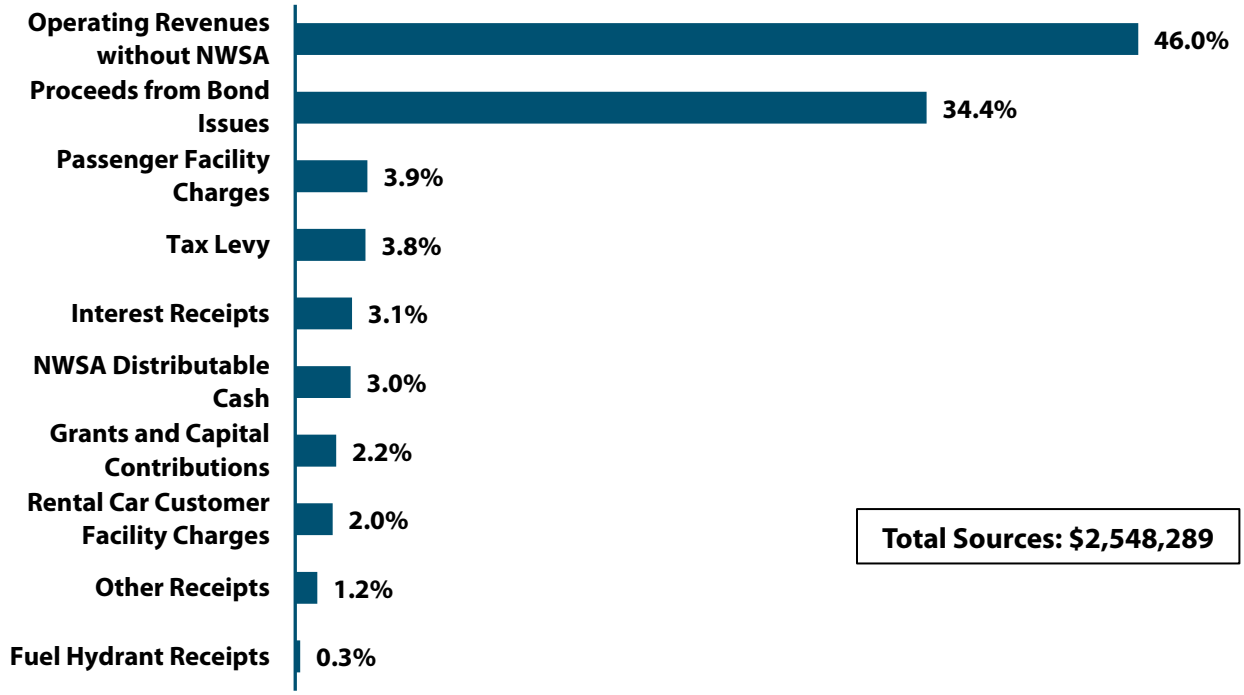
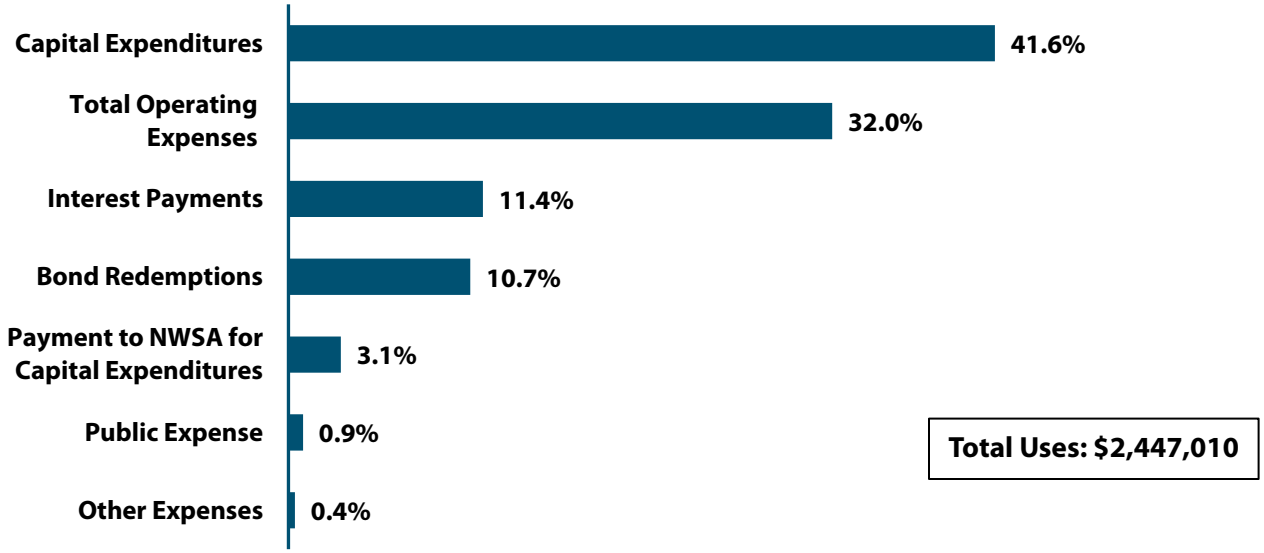


Figure XI-2: Uses of Cash

($ in thousands)



XII – THE NORTHWEST SEAPORT ALLIANCE (NWSA)

NORTHWEST SEAPORT ALLIANCE (NWSA)

Port Interest in NWSA (Joint Venture)

The NWSA is a joint venture with the Port of Tacoma for the management of certain facilities licensed to the NWSA including the Port's container terminals. Each Port is a 50% member – receives 50% of distributable revenue and provides 50% of funding including funding for capital investments.

Table XII-1 provides information on the Port's operating revenues and expenses related to the NWSA. The NWSA Distributable Revenues are net of NWSA operating expenses (including depreciation of NWSA assets). The Port, through an Interlocal Agreement, pays the NWSA for the use of a portion of Terminal 46 and this is recognized as a Contra Revenue. The Port also has revenues and expenses related to the NWSA and its facilities; the most significant is depreciation expense for the Port owned facilities licensed to the NWSA.

Table XII-1: 2027 Operating Budget Summary

($ in thousands)

	2024 Actual	2025 Actual	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 26 Rev Bud (%)
Revenue						
NWSA Distributable Revenue	62,399	106,991	58,401	58,401	57,774	-1.1%
Contra Joint Venture Revenue	(1,906)	(1,947)	(2,154)	(2,154)	(2,197)	2.0%
Subtotal	**60,493**	**105,043**	**56,247**	**56,247**	**55,577**	**-1.2%**
Other Service Revenue Tenant Reimbursements	914	807	725	725	366	-49.5%
Total Revenues	**61,406**	**105,850**	**56,972**	**56,972**	**55,943**	**-1.8%**
Expense						
Maintenance Expenses	622	456	492	492	567	15.2%
JV Direct	(547)	10,319	145	545	12,504	2193.7%
Security	212	307	422	422	360	-14.7%
Environmental & Sustainability	1,082	(94)	608	608	840	38.1%
Cost Recovery	206	354	729	729	1,047	43.6%
Seaport Project Management	74	382	2,585	2,585	1,971	-23.7%
Central Services / Other	704	(208)	171	181	417	130.1%
Total Operating Expenses w/o Pension Credit	**2,354**	**11,516**	**5,154**	**5,564**	**17,707**	**218.3%**
DRS Pension Credit	(241)	(196)	-	-	-	
Total Operating Expenses with Pension Credit	**2,113**	**11,320**	**5,154**	**5,564**	**17,707**	**218.3%**
NOI Before Depreciation	**59,293**	**94,531**	**51,818**	**51,408**	**38,236**	**-25.6%**
Legacy Depreciation for NWSA Facilities	14,462	11,370	11,290	11,290	11,101	-1.7%
NOI After Depreciation	**44,831**	**83,160**	**40,528**	**40,118**	**27,135**	**-32.4%**

JVRNOI.xlsx

The Port also makes capital investments. The Port provides 50% of the funding for the NWSA capital investments described in the NWSA budget and included in Section IX, "Capital Improvement Plan". In addition, the Port has certain legacy obligations related to Port owned facilities licensed to the NWSA; these are entirely funded by the Port. More information on the NWSA and Port legacy projects can be found in Section IX.

The Northwest Seaport Alliance 2027 Budget

Operating Budget and Capital Investment Plan
adopted: October 30, 2026

In June 2026, *Inbound Logistics* magazine named The Northwest Seaport Alliance in its annual list of "Green 75" supply chain partners. This is the tenth consecutive year that the NWSA has been recognized for its environmental programs and commitment to sustainability.

The Northwest Seaport Alliance joined Green Marine in 2016 and has maintained its continued improvement every year since becoming a member. Green Marine is a voluntary marine industry initiative with the goal of achieving levels of environmental performance that exceed regulatory requirements in areas such as air emissions, greenhouse gases, cargo waste management, community impacts (noise, dust, odors, and light), water and land pollution prevention and environmental leadership. There are currently more than 100 ship owners, port authorities, terminals, and shipyards from coast to coast, in Canada and the United States, participating in the program.

THE NORTHWEST
SEAPORT ALLIANCE
Gateway to Solutions
nwseaportalliance.com

To: Managing Members
Date: October 30, 2026
Subject: The Northwest Seaport Alliance Operating Budget and Five-Year Capital Investment Plan

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Staff is pleased to present the 2027 Northwest Seaport Alliance (NWSA) Budget. This document outlines the NWSA's overall goals and strategies as well as the business environment in which we operate. It highlights the strategic investments that will deliver competitive financial results, build infrastructure in an environmentally sustainable manner, and create jobs and economic wealth in the Puget Sound region.

In 2026, the global shipping industry continued to operate in an environment shaped by geopolitical uncertainty, evolving trade policies, and shifting cargo flows. Cargo volumes and trade patterns continued to deviate from traditional norms as tariff uncertainty influenced supply chain planning. Conflict in the Middle East also affected global shipping routes and supply chain operations.

The NWSA is committed to best-in-class infrastructure investment and customer service that drives competitive opportunities and economic growth across the region. We are initiating key strategies to grow international container volumes, strengthen our gateway's competitive position, and support the efficient movement of goods to and from the Pacific Northwest and inland U.S. markets.

The NWSA generates significant economic activity while maintaining a strong commitment to environmental stewardship. We continue to invest in more sustainable gateway operations through the development of shore power infrastructure, the expansion of zero-emission drayage truck utilization, and advanced stormwater treatment systems and sweeping programs that help protect the health of the Puget Sound.

Together, NWSA and our customers generate more than 18,000 direct jobs and nearly $14 billion in total business output throughout Washington state based on the most recent study released in 2025 from 2023 data.

The current NWSA's Strategic Business Plan includes:

- Improve the efficiency and cost competitiveness of the supply chain
- Enhance NWSA, local and regional transportation infrastructure
- Advance the NWSA's market position in the international and domestic shipping industry
- Increase revenue through growth, diversification and best in class performance
- Advance environmental stewardship

The NWSA is well positioned for future growth. Our infrastructure investments and commitment to environmental leadership will continue to solidify our position as a premier North American port. Our team remains dedicated to responsible financial practices, operational excellence, and fostering economic prosperity throughout the region.

John Wolfe
Chief Executive Officer

Budget Document Overview

The Budget Document consists of these major sections:

I. Overview*:* This section provides information about the NWSA's facilities and customers. It examines the economic context of the NWSA's operating environment and outlines the NWSA's organizational structure.

II. Budget Message*:* This includes an overview of the budget challenges and opportunities, revenue types, and expenditures. The Budget Message outlines the priorities and issues for the budget year and describes changes from the previous year.

III. Business Outlook*:* This section describes the NWSA's overall goals and strategies. It includes assumptions, potential obstacles, and trends that staff used to develop the forecast. These serve as the foundation for the Operating Budget.

IV. Operating Budget*:* This section provides a summary of the assumptions that form the basis for the NWSA's operating budget. This section includes the operating budget with revenue and expenses by line of business, and details of expected operating costs. This section also provides a five-year financial forecast for the alliance.

V. Five-Year Capital Investment Plan (CIP)*:* The CIP consists of all capitalized and expensed projects that the NWSA plans to complete in the next five years. Capitalized projects affect the NWSA's Profit and Loss statement through depreciation while expensed projects flow directly to the NWSA's net income in the year the expenses are incurred. This section provides details on the CIP including the impact of capital spending on profitability.

VI. Environmental Stewardship and Planning: This section provides a historical context for the environmental challenges and opportunities facing our gateway and the surrounding communities. This section also discusses the role of the NWSA Planning and Logistics department and its work to integrate land use, transportation and facilities planning into the alliance.

I. The Northwest Seaport Alliance Overview

Marine Cargo Operating Partnership

The Northwest Seaport Alliance (NWSA) was formed when the ports of Seattle and Tacoma joined forces in August 2015 to unify management of marine cargo facilities and business to strengthen the Puget Sound gateway and attract more marine cargo and jobs to the region.

NWSA Strengths and Advantages

Located in the Pacific Northwest in Washington state, the NWSA offers short transit times between the US and Asia, and the terminal and landside infrastructure necessary to quickly move cargo to the U.S. Midwest. NWSA strengths and advantages include:

- One gateway, two harbors and multiple terminal facilities offering more choices for shippers using the gateway.
- Naturally deep-water harbors and marine terminals with big-ship handling capabilities.
- Vessel service from the international container shipping alliances and all major international container carriers. In all, thirteen international and four domestic container carriers make regular port calls at NWSA facilities.
- Dual service from the two West Coast transcontinental railroads (Union Pacific Railroad, BNSF Railway) with competitive transit times to Chicago and other major Midwest markets.
- Excellent on-dock rail facilities and inland rail service. Two domestic rail operators.
- Close proximity to the second largest concentration of warehousing on the West Coast.
- Over 100 transload warehouses supplying logistics services to shippers using the gateway, many rail-served.

International & Domestic Trade

The NWSA ranked in the top 100 among the world's top container gateways and was a leading gateway for containerized cargo in North America in 2025. Retention and growth of cargo volumes shipped between Asia and major distribution points in the Pacific Northwest, Midwest, Ohio Valley, and the East Coast is a primary focus for the alliance. The NWSA also has a very active trade with Alaska and Hawaii.

The NWSA is a major center for bulk, breakbulk, and project cargoes. The NWSA is also the Northwest home port for processing KIA, Mazda, and Mitsubishi automobiles and trucks while The Port of Tacoma has a separate facility, managed by the NWSA, that processes Hyundai, Nissan, and Volvo vehicles.

The value of NWSA's two-way international vessel trade totaled $67.7 billion in 2025. Imports were $54.3 billion, and exports were $13.4 billion. Through June 2026, the two ports handled roughly $34.9 billion of international vessel trade. Based on vessel dollar value, China (including Hong Kong) was the NWSA's largest trading partner in 2025. Other major international trading partners include:

- Japan
- South Korea
- Vietnam
- Taiwan
- Thailand
- Indonesia
- Australia
- Cambodia
- Malaysia

Seattle-Tacoma is recognized as "The "Gateway to Alaska"; with more than 80 percent of trade between Alaska and the lower 48 states handled at the two harbors. In 2025, 3 million metric tons of domestic cargo were shipped between

Alaskan ports and NWSA terminals. Matson, TOTE Maritime Alaska, Northland, and Alaska Marine Lines are the primary shipping lines plying the Alaska trade. Trade with Alaska is estimated at $5.4 billion, making it NWSA's fifth largest trading partner based on value of trade. The NWSA also provides connections to Hawaii with services from Matson and Aloha Marine Lines.

Port of Seattle & Port of Tacoma

The Port of Seattle was created September 5, 1911, in an effort by citizens to ensure public ownership of the Seattle harbor. The Port of Seattle was the first autonomous municipal corporation in the United States specifically tasked to develop harbor and port facilities to encourage commerce. The Port opened Fishermen's Terminal in 1914, its first warehouse in 1915 and began working on the creation of Harbor Island.

The Port of Tacoma was created on November 5, 1918, by Pierce County voters to create job opportunities through trade and promote economic development in Pierce County and the state of Washington.

The Port of Seattle and the Port of Tacoma's geographic boundaries lie within King and Pierce counties, respectively. They are situated on Elliott and Commencement bays in Puget Sound. Because of this strategic location, they offer efficient connections to sea, rail, highway, and air transportation networks.

King and Pierce Counties

King and Pierce counties are the first and second most populous metropolitan areas in Washington, respectively. The two counties represent a combined population of approximately 3.2 million or 41% of the population of the state of Washington.

Located about halfway between the Oregon and Canadian borders, King and Pierce counties cover 3,916 square miles.

Ports' Economic Impact

The ports serve as a major economic engine for Pierce County, King County, and the state of Washington, creating thousands of family-wage jobs and serving as a catalyst for economic development.

In 2025, the NWSA updated results from a joint economic impact study of the marine cargo activities of the North and South Harbor. According to the updated study based on 2023 data, in 2023 marine cargo activities directly supported 18,000 jobs in Washington state and contributed $14 billion in total business output. On average, cargo-handling and leasing activities generated more than $136 million in local and state taxes in Washington each year.

NWSA Facilities and Services

The ports have licensed assets to the NWSA related to maritime commerce. The licensed assets include facilities for handling containerized cargo, automobiles, breakbulk cargo, heavy-lift and project cargoes, and intermodal rail operations. The NWSA's four major waterways – two in Seattle and two in Tacoma – provide 33 ship berths on waterways that are about 51 feet deep. The NWSA facilities are located near I-5 and I-90, providing highway access to the Puget Sound market and beyond.

BNSF Railway and the Union Pacific Railroad serve the NWSA's nine on-dock and near-dock intermodal rail yards. The NWSA's intermodal rail facilities help save shippers and shipping lines both time and money for cargo destined to Midwest locations.

In Tacoma, Tacoma Rail, a division of Tacoma Public Utilities, provides switching and terminal rail service. Arrival and departure tracks help ensure efficient and reliable access to the mainline railroads.

The NWSA is both a landlord and an operating port. The NWSA's maritime marketing efforts focus on attracting cargo and additional

shipping lines to its facilities. The NWSA also works with charter shippers and others to move their cargoes through both NWSA and customer-operated facilities in the Puget Sound.

Many of the two home ports' efforts are focused on industrial development and real estate. They each work to attract major manufacturers and warehouse/distribution centers to King and Pierce counties.

See Figures 1-1 and 1-2 for an overview of The Northwest Seaport Alliance facilities.

The Northwest Seaport Alliance governance

The NWSA was established as a Port Development Authority (PDA), separate from the two home ports, like Public Development Authorities formed by cities and counties. In 2015, the ports successfully sought and received an amendment to Washington law RCW 53 that allows the ports of Tacoma and Seattle to form a PDA for management of maritime activities.

The NWSA is governed by the two ports as equal members, with each port acting through its elected commissioners. Each Port Commission is a Managing Member of the NWSA, with each Managing Member being represented by its Port Commission. Votes by the Managing Members require a simple majority from each commission.

Each port remains a separate legal entity, independently governed by its own elected commissioners. Each port has granted the PDA a license for the PDA's exclusive use, operation, and management of certain facilities, including the collection of revenues. Ownership of the licensed facilities remains with the ports, not the PDA.

The ports remain responsible for their own debt and debt service; the PDA will not borrow funds.

The ports set up an initial 50/50 investment in the PDA; operating income is reported, and cash is distributed back to the ports on a monthly basis. The PDA has its own annual operating budget and five-year capital investment plan.

The ports contribute to capital construction subject to Managing Members' approval; capital funding does not come from working capital generated by the NWSA.

NWSA Managing Members

The Managing Members are the commissions for each of the two home ports. The citizens of Pierce and King counties each elect a five-member Port Commission to govern the ports of Tacoma and Seattle. Each Commission seat is elected every four years, on a staggered basis.

The Managing Members are the final authority for approval of the NWSA's annual budget, long-term leases, policies, long-range development plans, and all construction projects and spending in amounts exceeding the authority of the Chief Executive Officer.

The members of the commissions at the time of this publication are:

Port of Seattle
- Ryan Calkins
- Sam Cho
- Fred Felleman
- Toshiko Hasegawa
- Hamdi Mohamed

Port of Tacoma
- Kristin Ang
- Deanna Keller
- Dick Marzano
- John McCarthy
- JT Wilcox

NWSA Managing Members Meetings

Managing Member meetings are open to the public and are held at various locations in both King and Pierce counties and online.

For the location and agenda for upcoming Managing Member meetings, as well as minutes for previous Managing Member

meetings, visit www.nwseaportalliance.com.

The NWSA streams all Managing Member meetings live on the website, which are archived for future viewing.

Citizens may contact the Managing Members by calling 800-657-9808. Correspondence may be mailed to:

The Northwest Seaport Alliance
P.O. Box 2985
Tacoma, WA 98401-2985

Organizational Structure

The NWSA's daily operations are led by the Chief Executive Officer and the NWSA Executive Team. See the Organizational Chart (Figure I-3 on page I-8).

Executive Team

The Executive Team is comprised of the following positions:

- Chief Executive Officer (CEO)
- Deputy CEO
- General Counsel
- Chief Commercial and Strategy Officer
- Chief Financial Officer
- Chief Operations Officer
- Sr. Director of Engineering
- Sr. Director of Environmental/Planning Programs
- Sr. Director, NWSA Real Estate
- Director of Communications
- Director, Government Affairs, Public Affairs
- Director, Business Development
- Director, Marketing & Business Services
- Director, Planning and Permitting

The Executive Team oversees all business activities and departments, and with the Managing Members, provides long-term strategic direction. The Executive Team ensures compliance with all regulations relevant to NWSA and port activities, including public meetings and information, environmental protection, labor relations, procurement, security, financial management and other issues. The Chief Operations Officer, Sr. Director of Engineering and Sr. Director of Environmental Programs provide day-to-day management of some port staff working on both Port and NWSA-related items.

Commercial Group

Led by the Chief Commercial and Strategy Officer, the Commercial Group is comprised of the Container Cargo Business Development team, the Non-Container Business Development team, the Marketing & Business Services team, and the Real Estate team.

Business Development Teams: International and domestic container, breakbulk, and bulk cargo are core business segments for the NWSA. The Container Cargo Business Development and Non-Container Cargo Business Development teams are responsible for cargo and terminal business development and management, and delivering customer service to ocean carriers, marine terminals, and shippers. The Business Development teams play an important role coordinating efforts across the entire supply chain, including customers, terminal facilities, railroads, and trucking companies. These teams, in cooperation with the Operations Team and our customers, identify and implement operational improvements to enhance the overall efficiency at the NWSA's terminals.

The gateway's on-dock and near-dock intermodal rail yards, along with international and domestic rail services to the U.S. Midwest, are key assets and an integral part of the NWSA businesses. Relationship management with Tacoma Rail, BNSF, and Union Pacific (UP) and other rail stakeholders is a key function of both the Container and Non-Container teams.

While the Container Cargo Business Development Team is focused on both the domestic and international container cargo trade, the Non-Container Cargo Business

Development team is focused on the robust non-container business. Comprised of breakbulk (Roll-on/Roll-off, also known as RoRo), Military, bulk and auto cargoes, these non-container segments contribute to revenue and further diversify the gateway's business portfolio. Also, the NWSA's Tacoma Harbor is designated as a strategic military port for transporting military cargoes.

Auto customers of the NWSA include KIA, Mazda, and Mitsubishi. Automobile imports are processed on property leased by Auto Warehousing Company (AWC), the largest auto processor on the U.S. West Coast. The Port of Tacoma has a separate auto facility leased by Wallenius Wilhelmsen Solutions, which processes Hyundai, Nissan and Volvo imports.

Exports of petroleum products and molasses add to the diversified cargo mix.

The NWSA offers competitive rates and full service to all customers. To help facilitate and grow the cargo business, the NWSA has trade and business development representation in China, Vietnam, and Korea.

Marketing and Business Services Team: This team supports the business outreach activities of the Business Development team and is responsible for market research and business intelligence and analysis, marketing, and advertising activities. It also supports the goals of the Commercial Group with cargo volume tracking and volume forecasting services.

Real Estate Team: Non-terminal industrial and commercial properties and facilities in the Seattle and Tacoma harbors are included in the assets assigned to the NWSA. These properties are a significant source of revenue for the NWSA. Real estate personnel are responsible for leasing, divesting, and managing the Port's real estate portfolio.

Located in an industrial zone with room for growth, tenants offer a broad range of services for the NWSA's international and domestic customers including warehousing and distribution, manufacturing and marine services.

Operations Group

The Operations Group, responsible for the daily operations of NWSA facilities at both ports, consists of two departments.

The Operations Service Center Department coordinates vessel arrivals and departures, and with the associated stevedores monitors cargo flow in the container terminals. The major focus is to ensure the proper processing of all vessels and freight shipments moving through the Puget Sound gateway.

The Port Operations Department manages labor at the North Intermodal Yard (also known as NIM) and breakbulk terminals. This department is also responsible for providing customer service to non-container customers. The NIM is the only port-operated intermodal yard on the U.S. West Coast with dedicated rail services personnel. Both harbors offer competitive rail service via BNSF Railway and the UP Railroad and are a major gateway for handling discretionary cargo destined for the Midwest.

Environmental/Planning Group

The Environmental and Planning Group is responsible for long range strategic planning, including land use, transportation, facility and grant program management.

In addition, the team manages water quality initiatives that support best in class advanced treatment deployment, development of best management practices and other initiatives that deliver above and beyond regulatory compliance.

This team also is responsible for managing the NWSA's commitment to clean air/climate solutions and sustainable practices – including the Northwest Ports Clean Air Strategy and the NWSA's corresponding 5-year Clean Air Implementation plan, which focus on reducing both diesel pollution and greenhouse gas emissions. Priority emission-reduction initiatives focus on ocean-going vessels, cargo handling

equipment, and drayage trucks that serve our gateway.

Support Services

Support services such as maintenance, security, government affairs, communications, engineering, environmental programs, planning, and financial services are provided by NWSA staff and / or service agreements between the alliance and the two ports. Costs for these services are charged by the ports to the alliance based on agreed upon methodologies including direct charge and purchased services.

Commitment to Fiscal Stewardship

The NWSA is intended to support the credit profiles of both ports, and its financial framework is intended to preserve both ports' commitment to financial strength and fiscal stewardship.

Both ports have a solid record of accomplishment of prudent financial management and strong financial results, including solid debt service coverage and ample liquidity balances.

The ports are committed to ensuring that existing bond pledges and covenants will not be negatively affected. Outstanding bonds will remain obligations of each individual port.

To maintain the rights of each port's existing bondholders, the charter prohibits the NWSA from issuing debt.

Figure I-1: Northwest Seaport Alliance Facilities – Seattle Harbor

Figure I-2: Northwest Seaport Alliance Facilities – Tacoma Harbor

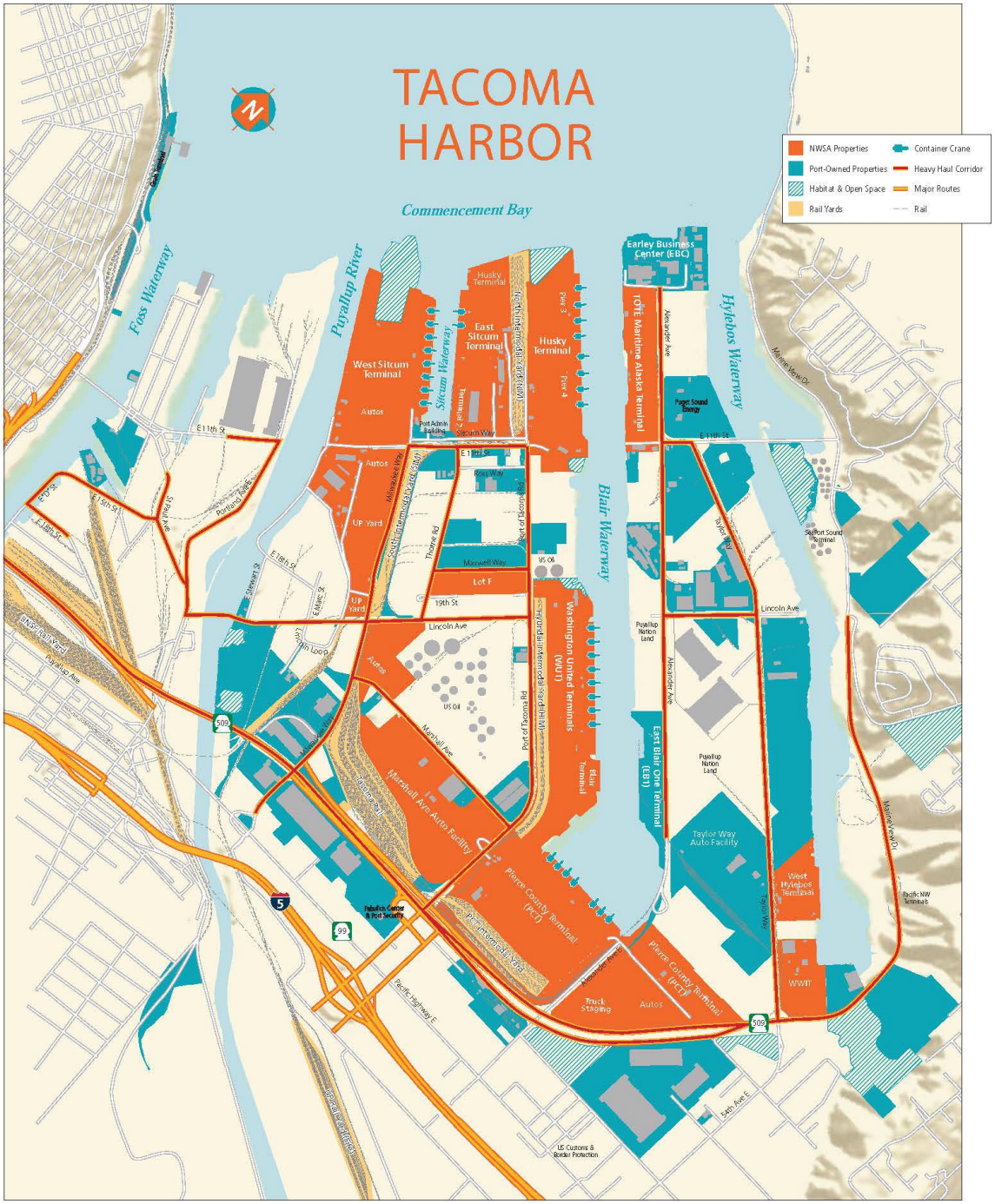
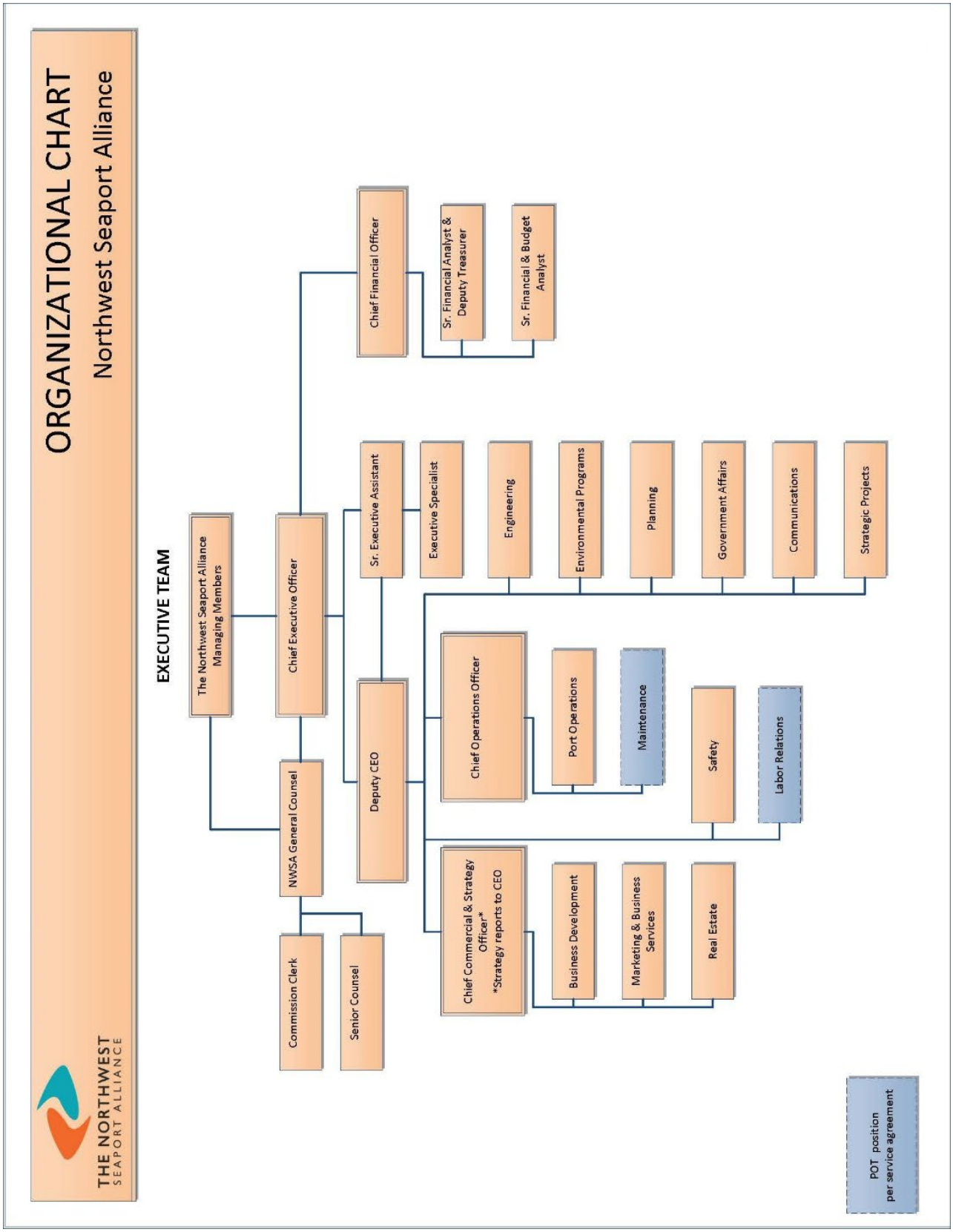


Figure I-3: The Northwest Seaport Alliance Organizational Chart



II. Budget Message

NWSA Mission

The NWSA's mission is to create sustainable economic opportunities for our region by increasing cargo volumes and supporting a healthy supply chain ecosystem.

NWSA Vision

The NWSA's vision is to be the gateway of choice through best-in-class customer experience, environmental leadership, and competitive services.

NWSA Values

1. **Service Excellence and Partnership**
   We value partnership and prioritize service excellence to deliver best-in-class service.

2. **Boldness, Innovation and Adaptability**
   We act with boldness and innovation, challenging ourselves to be adaptable and cultivate solutions that meet the demands of the dynamic marketplace.

3. **Environmental Leadership**
   We are responsible stewards of our shared natural environment, prioritizing facilities and operations that support the health of our air, water, and land resources.

4. **Fiscal Responsibility**
   We conduct all business and decision-making with integrity and transparency, providing long term financial stewardship to achieve our environmental and economic development objectives.

5. **Asset Management**
   As responsible stewards, we manage and develop facilities to protect public assets and create economic opportunities across our region.

6. **Health & Safety**
   We commit to the health and safety of our team, taking accountability for our actions and treating people with honesty and respect.

NWSA Goal

The NWSA has four objectives in place to achieve the goal to retain and grow cargo throughput, expand cargo diversity and enrich the supply chain ecosystem by providing best-in-class service and trade development, facilities, environmental stewardship, and organizational performance. Each objective has strategies listed below with key initiatives for each strategy.

1. Best-In-Class Service and Trade Development

a. Retain and attract new container cargo business.
b. Expand the gateway's non-container business.
c. Strengthen stakeholder partnerships and deliver exceptional customer service.
d. Create operational value proposition that sets NWSA apart from alternative gateways.
e. Enrich supply chain ecosystem to help attract and anchor cargo business.
f. Advance a comprehensive Multi-Year Statewide Trade Development Strategy that drives sustained growth of ocean cargo through WA State.
g. Maximize outside funding to support gateway and supply chain operations.
h. Promote the mission, objectives, and activities of the NWSA to increase cargo growth.

2. Best-In-Class Facilities

a. Develop and maintain best-in-class cargo infrastructure and equipment to support efficient cargo movement.

b. Identify best use of and opportunities to leverage licensed properties supporting cargo growth and the supply chain.

3. **Best-In-Class Environmental Stewardship**
   a. Accomplish the goals set forth in the Northwest Port's Clean Air Strategy and the NWSA's 2026-2030 Clean Air Implementation Plan.
   b. Balance industry needs with effective stormwater management through continued leadership on water quality in Washington state.

4. **Best-In-Class Organizational Performance**
   a. Meet or exceed our budget objectives, as adjusted for dynamic business decisions of the NWSA.
   b. Improve organizational culture and internal operations.

Budget Environment

The NWSA operates principally in two industries: terminal services and property rentals. Terminal services involve marine-oriented services including dockage, cargo-handling, storage and related activities. Property rentals include facilities and land used for container terminals, industrial activities, and storage.

As described in further detail in Section III, increased competition from Canadian ports as well as ports located on the U.S. West, Gulf and East coasts, has negatively impacted container volumes for the Puget Sound gateway. The expansion of the Panama Canal and access via the all-water route to the Gulf and East coasts offers an alternative for US-bound shipments. Despite these challenges, NWSA staff continue to work on future projects to retain and grow our cargo volumes.

Revenues

The NWSA has both fixed and variable revenue streams. The majority of NWSA's revenue comes from fixed revenue streams, primarily from leased properties. The leased properties are mainly container terminals, buildings, and industrial and commercial land. The NWSA's container terminal leases with shipping lines can last 20 years or longer depending on carrier requirements. Building and land leases with more than one year remaining are considered fixed. Minimum crane hours and minimum intermodal lift requirements specified in certain terminal leases are considered fixed.

The balance of NWSA revenue comes from variable services provided to customers. These services include intermodal lifts for railcar loading above specified minimums and per unit charges for automobile unloading and breakbulk cargo. Variable revenues also include hourly equipment rental for crane hours above specified minimums and on straddle carriers used by terminal leaseholders, and month-to-month building or land leases.

GASB 87: GASB 87 move a significant amount of revenue from Operating Revenue to non-operating revenue. For clarity and to avoid confusion, the impact of GASB 87 will not be incorporated into this budget document.

2027 Budget

The NWSA has developed an overall operating budget with projected revenue of $271.6 million. Operating income is budgeted to be $80.6 million, resulting in an operating margin of 29.7 percent. The NWSA net distributable revenue of $115.5 million, which includes grant and interest. Distributable Cash of $153.9 million will be shared evenly between the two home ports. Each port's portion of net income will be included as revenue in their financial reports. The amount of cash earned does not include any Harbor Maintenance Tax funding provided to the two

homeports directly by the Federal government.

NWSA financial performance reflects the investments it is making to successfully complete our customer commitments while meeting the NWSA financial goals. The operating and capital budgets are based on the cargo forecast in Section III.

Capital Investment Plan Highlights

NWSA projects for the next five years reflect a focus on strategic container terminal development in both harbors. With this focus the NWSA has reviewed potential assets for revenue generation to ensure that financial and economic growth goals are met.

Major 2027 - 2031 capital projects include:

Seattle Harbor

- Replace the N & NW bulkhead at T46
- Construction of shore power at T18
- Design and construction of North & South water main and valve at T18
- Rehabilitate the wharf at T30

Tacoma Harbor

- Expand Husky terminal
- Construct the Husky and WUT toe wall and deepen the berth
- Rebuild the Wapato Creek culvert
- Modernize terminal 7D
- Replace wooden light poles at several terminals
- Design of shore power systems at PCT and WUT
- Upgrade bollard at PCT and WUT
- Construct of reefer racks and plugs at PCT
- Ongoing maintenance of facilities

Both Harbors

- Clean air/climate and stormwater investments
- Asset preservation projects such as paving and fender repairs
- Maintenance dredging at multiple terminals in both harbors

The NWSA's 2027 Capital Investment Plan of $167.3 million represents the first year of the NWSA's
2027 - 2031 CIP – a package totaling $573.3 million in new projects and investments. See Section V for additional details on the Capital Investment Plan.

Financial Measures

Financial measures for the NWSA have been developed to monitor financial performance. The two measures are (1) Net Distributable Cash and (2) Return on Revenue (operating income divided by revenue). These measures help ensure that the NWSA provides the necessary financial performance required by each home port.

Legislative Impact

Transportation Funding

The NWSA relies on an efficient and well-maintained road and rail network to ensure the smooth movement of cargo to and from its facilities.

2026 marks two important milestones in this regard. First, the City of Fife broke ground on the final phase of the Interstate 5/Port of Tacoma Road Interchange Improvement Project. The current interchange is a chokepoint for trucks travelling to and from the NWSA's marine cargo facilities in Tacoma. The project will improve level of service for those vehicles, as well as improve the operation of the I-5 mainline and all streets and intersections in the project vicinity.

The second important project involves the completion of State Route 167, a critical last mile connector for goods transiting to and from the South Harbor. The Washington State Department of Transportation opened the first major section of the new highway to traffic this fall, connecting NWSA terminals directly to Interstate 5. It also broke ground on the very last phase of the project, which will

connect Interstate 5 to the City of Puyallup and, in turn, the Kent Valley—home to the second largest distribution center network on the West Coast.

Shore Power Infrastructure Funding

Through the 2020 update to the Northwest Ports Clean Air Strategy, the NWSA established an aspirational goal to install shore power at its major international container terminals by 2030. In support of this goal, shore power has been installed at TOTE Terminal, Husky Terminal and Terminal 5. The NWSA has also begun construction of shore power at two berths at T-18, with the third berth planned to begin construction in 2028. Additionally, design of shore power is underway for both Pierce County Terminal and Washington United Terminals in Tacoma.

The NWSA has leveraged a number of sources of external funding to support the shore power installations that are underway. The NWSA has received a $2 million grant from the Washington State Department of Ecology to support the design and construction of a shore power system for two berths at Terminal 18. The alliance has secured two allocations of $14 million each for a total of $28 million from the state transportation budget for construction of the project. NWSA received an additional $8 million in congressionally directed spending from the FY26 federal appropriations bill that will enable the NWSA to install shore power at a third berth at Terminal 18.

The NWSA continues to plan future shore power installations, ensure that terminal designs and redevelopments include shore power, and pursue additional opportunities to leverage external funding to support shore power installations. Planning work associated with future shore power projects will allow the NWSA to accurately account for them in the Capital Investment Program and position the organization well to apply for external funding.

Navigation Improvement Projects

The largest container vessels calling West Coast ports today have over two times the capacity of those that called just 10-15 years ago. While channels serving Seattle and Tacoma are mostly -51 feet or deeper, depth limitations present navigational and safety challenges for these larger vessels. To remain a competitive trade gateway, the NWSA is deepening berth areas and working with the ports of Seattle and Tacoma to deepen the navigation channels that serve its facilities in both harbors. These projects will enable the NWSA to handle fully laden ships larger than 18,000 TEUs.

In 2018, the U.S. Army Corps of Engineers (USACE) completed a chief's report recommending deepening in specific areas adjacent to the NWSA's container terminals in Seattle Harbor. Congress subsequently authorized the project in 2018, and USACE and NWSA are now moving forward with the West Waterway portion of the project. Additionally, in 2022 Congress authorized a project to deepen the Blair Waterway, which serves NWSA's three international container terminals in Tacoma. Design for both projects is nearly complete, and construction is scheduled to begin on both projects in 2028.

When the deepening projects move to construction, it also will require a local financial match of federal dollars, which will come from the Port of Seattle and Port of Tacoma.

Harbor Maintenance Tax (HMT)

The HMT is assessed on ocean-going international imports that land at U.S. ports to pay for maintenance dredging of waterways through the Harbor Maintenance Trust Fund. It is not, however, assessed on importers who route cargo through non-U.S. ports and afterwards move the cargo into U.S. markets by land. Moreover, the NWSA traditionally has received little, if any, benefit from the fund because its facilities are located on natural deep-water harbors that do not require significant maintenance dredging. Since 1986

the ports of Seattle and Tacoma have sought reform of the HMT to provide a greater return to donor ports, such as the NWSA, and to ensure U.S. tax code does not disadvantage U.S. ports and maritime cargo.

A longstanding goal was achieved in December 2020 when Congress passed comprehensive HMT reform legislation as part of the Water Resources Development Act (WRDA) of 2020. The bill sets aside 8% of annual HMT collections for donor ports like Seattle and Tacoma. In 2026, the ports of Seattle and Tacoma received $27.7 million and $32.7 million respectively.

Funding for the HMT donor port program is not guaranteed in future years, but NWSA has worked with AAPA and other donor and energy transfer ports to include provisions in the 2026 Water Resources Development Act to limit the ability of the Executive Branch to restrict distribution of these funds. We are hopeful these provisions will be retained in the final bill, which Congress is anticipated to pass by the end of the calendar year.

Donor port funding secured in future years will be used by the NWSA or home ports to fund eligible infrastructure projects to enhance the competitiveness of our cargo operations.

Conclusion

The realities of the changes in the global economy and federal and state administrations have led all ports to examine business and operational strategies.

The NWSA is focused on maximizing the use of existing facilities, working with existing customers to keep them competitive and successful, attracting new business and making strategic infrastructure investments such as the construction of world class terminals in both harbors that position the gateway for long-term growth. Through coordinated investments in maritime assets, the NWSA will help ensure the growth in the flow of cargo throughout the Puget Sound.

The NWSA is placing increased emphasis on the importance of developing and strengthening relationships with labor partners, industry stakeholders, customers, local, state and tribal governments and near-port communities to collaboratively achieve its future vision. This vision includes the road and rail infrastructure that ties the whole supply chain system together.

Despite the challenging realities of today's global economy, NWSA management is confident that the plans outlined in this budget will help the gateway remain financially strong, competitive, and successful.

West Sitcum Terminal Operations.

III. Business Outlook

U.S. Economy

Despite headwinds, the U.S. economy has been resilient in 2026. Consumer spending, which accounts for roughly 70% of U.S. GDP, has been relatively stable despite stubborn inflation and higher prices fueled by U.S. tariff policy and geopolitical conflicts. Economic growth has been moderate but resilient, with real GDP growth estimated at 1.8% for the full year, supported by capital expenditures, especially in the AI and technology sectors, and sustained consumer spending. In 2027, the economy is expected to experience moderate, sustained growth due to continued investment in AI technology and infrastructure and consumer demand supported by household wealth and favorable tax policies. Inflation is expected to cool, unemployment is expected to remain steady, and interest rates are expected to decline.

Employment is expected to remain stable through 2027, ranging from 4% to 4.6%. Higher unemployment could lead to a drop in consumer spending and slower economic growth.

Some forecasters continue to warn about the possibility of a recession, however, most expect moderate economic growth to continue at a slower pace than the post-pandemic years.

There are risks. U.S. trade and tariff policies are unpredictable at best. A prolonged Middle East conflict could lead to even higher energy and fuel prices, driving inflation and higher interest rates. If inflation remains high, interest rates are expected to remain elevated. If inflation is higher than wage growth, consumer spending may suffer.

Shipping Industry

Tariff uncertainty coupled with ongoing wars are making it difficult for long-term sourcing planning.

The U.S.-China trade war and COVID pandemic caused U.S. importers to accelerate efforts to shift sourcing and production from China to countries in SE Asia or use a "China + 1" strategy to diversify supply chain risk. are. It will take some time before these countries can compete with the infrastructure and skilled labor China offers. That said, while manufactured imports from Vietnam and other SE Asian countries have grown considerably, many of the origin and transshipment ports in SE Asia are geographically closer (transits shorter and less expensive) to the U.S. East Coast. As sourcing activity shifts, there is a risk that cargo that had been produced in China will more to countries for which vessel service with NWSA is limited .

Russian's invasion of the Ukraine and the conflicts in the Middle East continue to inject uncertainty and risk into supply chains..

Alliances have concentrated capacity in fewer hands, allowing ocean carriers to exercise greater control over capacity on major trade lanes through coordinated changes to vessel sailings, schedules, and transit times. In 2026, the composition of carriers that make up the various shipping alliances remains unchanged:

- Gemini Cooperation – Maersk and Hapag-Lloyd
- Premier Alliance – Yang Ming, ONE, and HMM
- Ocean Alliance – CMA CGM, COSCO Shipping, Evergreen, and OOCL
- Major Independent Carriers – MSC, Swire (Westwood), and SM Line.

The Northwest Seaport Alliance Activity

Containers:

Through July 2026, the NWSA has handled 1.7 million TEUs (twenty-foot equivalent units), an 11.3% decrease year-to-date due to tariff-induced frontloading in 2025 and the suspension of the UWL Sun Chief service, which was driven by market conditions.

An influx of containerized cargo volume is expected later in the year. Congestion at Southern California ports resulting from weather-related shipping delays in Asia will support cargo diversion to NWSA and other West Coast gateways. Separately, El Nino-related draft restrictions and a reduction in the number of daily transits at the Panama Canal have reduced vessel capacity. This will support cargo diversion from East and Gulf Coast to West Coast ports.

NWSA container volume is projected to increase in 2027. Continued inflation, high gas prices, and high interest rates, which reduce consumer spending, could negatively impact the forecast.

Competition from ports in British Columbia, Canada, and other North American gateways or a protracted decline in global trade due to ongoing trade friction or other geopolitical events could impact container volume. In addition, near sourcing from Mexico, which faces issues, could also have an impact.

Breakbulk:

Breakbulk cargo is comprised of commodities that are too large or heavy for containerized shipment. In the case of The Northwest Seaport Alliance, this consists largely of building materials, heavy machinery, boats, and agricultural and construction equipment.

Revenue breakbulk tonnage is estimated to reach approximately 245 metric tons in 2027. GLOVIS America is establishing a high-and-heavy equipment processing center in Tacoma, which will drive new business through the gateway. The continued focused on AI data centers is also expected to support a higher volume of energy-related shipments.

Demand for agricultural and industrial equipment has been negatively impacted by high interest rates, tariffs, and inflation. Although U.S. farmers are under pressure due to increased fuel and fertilizers costs driven by the Iran War, older fleets will need to be replaced soon.

High operating costs, trade disruptions, and suppressed industrial activity due to the war are downside threats to heavy machinery demand.

Autos:

NWSA/POT auto units for 2027 are forecasted to reach 325K units. Subaru Canada, a new auto brand for the gateway, has entered into a three-year agreement. Diversion of auto shipments from Canada due to port congestion is also expected in 2027.

High interest rates, inflation, and tariffs have made new automobiles less affordable, negatively impacting demand. The average cost of a new car as of September 2026 has risen to *$43,925 and the average monthly loan payments to *$770. This has caused some consumers to delay new car purchases in favor of maintaining older vehicles or purchasing used cars.

Molasses and Petroleum:

Molasses volumes are forecasted to be 31K metric tons in 2027. The rise in protein-rich products coupled with increased awareness of animal health and nutrition has increased the demand for premium feed ingredients.

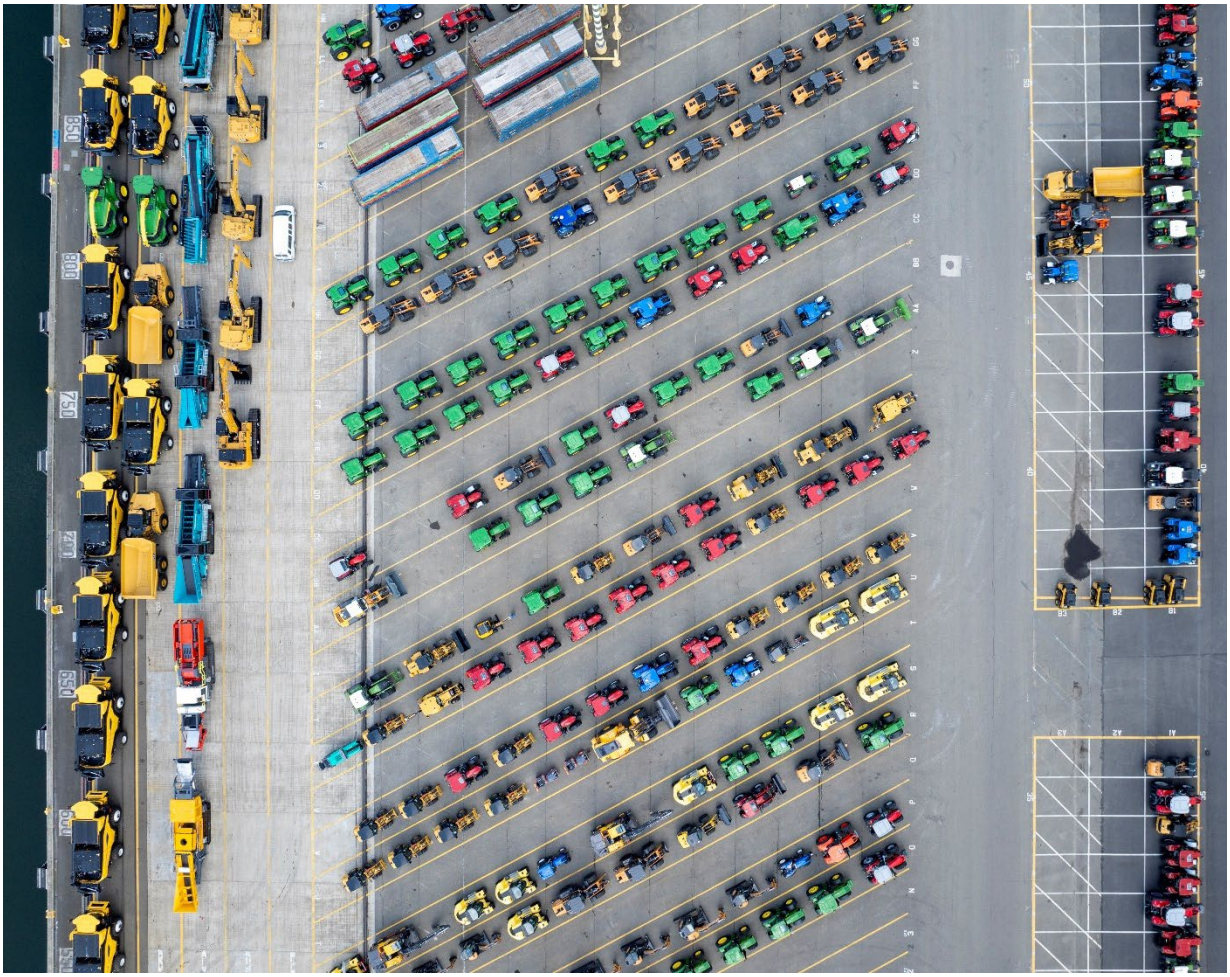
Petroleum volumes are forecasted to be 847K metric tons in 2027 — contingent on contracts with cruise lines. The terminal operator does not expect major volume changes in outlying years.

Table III-1: Cargo Activity Five-Year Forecast

THE NORTHWEST SEAPORT ALLIANCE CARGO ACTIVITY 5-YEAR FORECAST

						Actuals	Forecast					
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Non-Container Forecast (Thousands of Metric Tons)												
Revenue-Generating Breakbulk	170	239	342	321	273	223	236	245	249	254	259	263
Autos	245	262	288	567	578	471	497	488	490	502	516	526
Petroleum	677	524	709	785	880	840	840	847	851	855	859	864
Molasses	42	33	32	39	15	14	26	31	32	34	35	37
Total Tonnage	**1,134**	**1,058**	**1,371**	**1,712**	**1,746**	**1,548**	**1,600**	**1,610**	**1,622**	**1,644**	**1,669**	**1,691**
Year over Year change	-11.2%	-6.7%	29.5%	24.9%	2.0%	-11.3%	3.4%	0.6%	0.7%	1.4%	1.5%	1.3%
Container Forecast (Thousands of TEUs)												
International	2,636	2,992	2,650	2,237	2,610	2,419	2,205	2,221	2,258	2,309	2,362	2,416
Domestic	685	744	734	738	730	738	737	744	751	759	766	774
Total TEUs	**3,320**	**3,736**	**3,384**	**2,974**	**3,341**	**3,157**	**2,942**	**2,965**	**3,009**	**3,068**	**3,128**	**3,190**
Year over Year change	-12.1%	12.5%	-9.4%	-12.1%	12.3%	-5.5%	-6.8%	0.8%	1.5%	2.0%	2.0%	2.0%
Intermodal Yard Lifts*												
Hyundai Intermodal Yard	85,401	125,228	101,828	140,865	147,935	113,627	83,459	86,600	88,332	90,099	91,901	93,739
North Intermodal Yard	147,269	159,023	91,583	110,369	159,154	163,174	152,245	152,000	155,040	158,141	161,304	164,530
South Intermodal Yard	89,529	102,168	121,561	120,885	111,657	122,532	114,250	107,040	109,181	111,364	113,592	115,864
Pierce County Intermodal Yard	45,684	27,856	33,926	40,056	48,491	35,623	31,398	30,800	31,416	32,044	32,685	33,339
Total Intermodal Lifts	**367,883**	**414,275**	**348,898**	**412,175**	**467,237**	**434,956**	**381,352**	**376,440**	**383,969**	**391,648**	**399,481**	**407,471**
Year over Year change	-20.1%	12.6%	-15.8%	18.1%	13.4%	-6.9%	-12.3%	-1.3%	2.0%	2.0%	2.0%	2.0%
Vehicle Units (NWSA+POT)	**156,205**	**162,484**	**172,979**	**338,917**	**337,749**	**274,186**	**306,640**	**325,047**	**326,347**	**334,370**	**344,107**	**350,989**
Year over Year change	-18.6%	4.0%	6.5%	95.9%	-0.3%	-18.8%	11.8%	6.0%	0.4%	2.5%	2.9%	2.0%

* Intermodal Lifts Reported for South Harbor only



Roll On Roll Off Cargo at East Blair 1 Terminal Tacoma.

IV. Operating Budget

Overview

The NWSA operating budget revenue is based on cargo volume forecasts (see Table III-1), existing terminal and property leases and contractual and tariff-generated revenue. Operating budget expenses were projected based on historical information, as well as levels of expenditure required to support the increases in revenue.

From this information, NWSA staff prepared a realistic budget that supports both the strategic priorities and financial goals of the NWSA.

Departmental budgets estimate expenses that will be generated in support of the NWSA and its businesses. Expenses fall into one of five categories: Administration, Operations, Security, Environmental or Maintenance. Administration expenses are incurred in the day-to-day management of the NWSA. Operations and Maintenance expenses support the day-to-day management of business activities. Security support is provided by each home port. Environmental expenses are a subset of overall environmental spending, and include clean air and clean water activities, and close coordination with each home port on compliance and monitoring activities.

Business budgets are projections of revenues earned and expenses incurred in the operation of a particular business line. In addition, the NWSA expects to receive funds from other sources including user fees, and investment earnings.

Although capital project spending is planned within the capital budget, capital projects will impact operating budgets for future years through new sources of revenues and increased operating expenses and depreciation costs.

Nature of Business

Washington law authorizes ports to provide and charge rents, tariffs and other fees for docks, wharves, and similar harbor facilities, including associated storage and traffic-handling facilities for waterborne commerce. Ports also may provide freight and passenger terminals and transfer and storage facilities for other modes of transportation, including air, rail and motor vehicles. Finally, ports may acquire and improve lands for sale or lease for industrial or commercial purposes and may create industrial development districts.

The NWSA is a joint venture that operates with the two ports as enterprise funds, allowing the NWSA and the ports to operate in much the same manner as a private business. Operating revenues are comprised of charges to its customers to cover costs associated with the service provided and to support investment in future projects.

Balanced Budget

Based on the Government Finance Officers Association (GFOA) Recommended Budget Practices, a balanced budget "is a basic budgetary constraint intended to ensure that a government does not spend beyond its means."

The NWSA defines "balanced budget" in the following way: Total revenues are sufficient to cover operating expenses for the budget year and to offset the cost of capital investments (depreciation) and anticipated debt costs for any planned future capital investments.

The NWSA uses the full-accrual basis for budgeting, consistent with the basis for accounting. This method recognized the financial effect of events that impact the Port during the accounting period, regardless of whether cash was received or spent.

Budget Process

The NWSA budget is a guideline used by management to direct strategic and tactical operations. Typically, more projects and spending are budgeted than may actually occur. This conservative approach ensures that the NWSA's financial goals are still met if business conditions support the full budgeted spending.

The NWSA operates on a calendar year budget cycle that must integrate the budget schedule needs of both home ports. The operating budget and the capital budget are the NWSA's plan for meeting the current needs of its customers, and for implementation of the strategic goals.

The annual budget development begins in June and continues through November. The process begins with the development of strategic objectives and initiatives, which are reviewed by the Managing Members and the Chief Executive Officer. The Managing Members and Chief Executive Officer communicate any strategy changes or policy concerns and gather additional input.

Cargo forecasts, available at the beginning of the budget process, are used to develop the variable portion of the operating budget. During a study session, the Managing Members are presented with a draft budget.

In November, a public hearing is held by each home port to allow for public comment, and to adopt the statutory budget and approve the property tax levy for the home ports. The NWSA's operating income is split evenly between the ports and is shown as revenue to the home ports. After the home port Commission approves and adopts its statutory budget, it is submitted, with the related home port resolutions, to the respective County Councils and Assessor Treasurer offices.

Major Assumptions

Major drivers of the operating budget are a result of economic and industry trends represented in the cargo forecast.

Revenue

- Existing leases continue per existing lease terms and contracts
- Cargo volumes drive equipment and intermodal revenues and expenses
- Auto and breakbulk imports continue to provide revenue diversity
- Tariff rates are projected to increase between 3% and 5%
- Property lease rental rates will increase as specified in contracts

Direct Expenses

- The NWSA has a direct headcount of 69 positions. Salaries are expected to increase between 4% and 7%
- Major operating expenses include construction of non-NWSA owned infrastructure, and ongoing maintenance of terminal paving, bulkheads and fender systems
- Depreciation for licensed assets at the time of the formation of the NWSA will remain on the books of the home ports. Depreciation of any new investments that are jointly funded are charged against the NWSA

Home Port Services Provided

Each home port provides services to the alliance, and some NWSA personnel provide services back to the home ports. These services are provided either by direct charge or purchased services through Inter-local Agreements.

Table IV-4 shows the approximate value of Operating, Maintenance, Environmental, Security and Administrative services purchased by the NWSA from each of the home ports and the services purchased by the Port of Tacoma from the NWSA. This table does not include the value of services provided for capitalized and expensed projects.

Estimating Revenues and Expenses

The NWSA uses several different methods of projecting revenues, depending upon the nature and materiality of the revenue item and the projection period. Specific revenue projection techniques include:

- **Historical Data**: Future revenues are based on historical trends with the assumption that they will continue in the future. When using historical data as a means for projecting revenues, the NWSA analyzes as many as 10 years of data to estimate a rate of growth
- **Business Operations**: Terminal lease/rental agreements, grant agreements, and service contracts provide information for this projection method. These projections may be adjusted to reflect the probable impacts of anticipated changes in the economy, legislation and inflation
- **Judgment Estimates**: This method relies on a personal knowledge in the field, often a department director, who prepares a revenue projection based on awareness of past and present conditions including fee changes, development plans, marketing campaigns, usage activity, frequency, volume, weight and similar determinations
- **Current Data**: This method predicts future revenue based on actual or annualized current year revenues and often is used when historical data and trends are not available, or if used, would result in an inaccurate revenue projection
- **Volume**: The NWSA uses the five-year cargo forecast to project volume-related revenues

Financial Practices

The NWSA manages its operations to maximize its financial capacity - to provide adequate cash flow to the home ports to support debt service coverage ratios.

Financial Tools

- **Cargo Forecasts**: The NWSA maintains a cargo estimate for each of the next five years. (See Table III-1)
- **Five-Year Financial Forecast**: A portion of the operating budget is driven by volumes from the cargo forecast while the majority of the revenue comes from major lease contracts. Planned revenue-generating capital projects are aligned with new revenues and expenses in the five-year operating forecast. The operating budget is monitored throughout the year, noting any variances that may require corrective action. The Managing Members, Chief Executive Officer and Executive Team review these semi-annually

- **Five-Year Capital Investment Plan**: This plan ties directly to the strategy developed during the budget process. Updated semi-annually, it identifies all proposed projects. Some projects are capitalized and impact future year forecasts through depreciation, while others are expensed in the current year

- **Home Port Plan of Finance**: The financial output of the NWSA will be shared evenly between the home ports and is an input into each home port's five-year plan that identifies each port's ability to fund their business objectives

- **Financial Analysis of Investments**: The NWSA reviews significant capital investments and their related assumptions prior to acceptance into the planned capital budget. Revenue-generating projects are expected to earn a return on investment that meets or exceeds the standards

- **Financial Reporting:** The NWSA creates a variety of reports available electronically or in hard copy

For additional information on accounting policies, see each home port's budget and annual financial reports.

Table IV-1: Statement of Revenue, Expenses and Distributable Income by Business*

($ millions)	2025 Actual	2026 Budget	2026 Forecast	2027 Budget
Operating Revenues				
Container	296.6	219.0	213.9	216.2
Non Container	33.6	28.0	38.2	36.7
Real Estate	18.9	19.2	18.4	18.7
Other	0.0	0.0	0.0	0.0
Total Operating Revenues	**349.1**	**266.3**	**270.4**	**271.6**
Direct and Maintenance Expenses				
Container	54.0	57.4	70.5	54.3
Non Container	23.4	22.8	22.3	22.9
Real Estate	1.9	1.3	1.2	1.5
Other	18.7	32.8	18.7	35.1
Total Direct & Maintenance Expenses	**98.0**	**114.3**	**112.8**	**113.9**
Administration	24.5	26.8	24.8	27.1
Security	5.4	7.3	6.8	7.3
Environmental	2.3	6.7	3.7	4.4
Total Operating Expense before Depreciation	130.2	155.1	148.2	152.7
Operating Income before depreciation	*218.8*	*111.2*	*122.1*	*118.9*
Depreciation & Amortization	26.7	34.3	30.7	38.3
Total Operating Expense	**156.9**	**189.4**	**178.9**	**191.0**
Income from Operations	**$192.1**	**$76.9**	**$91.5**	**$80.6**
Return on Revenue	*55.0%*	*28.9%*	*33.8%*	*29.7%*
Non Operating Income (Expense)	21.8	39.9	31.6	34.9
Distributable Income before Special Item	**214.0**	**116.8**	**123.0**	**115.5**
Special Item				
Distributable Income	**$214.0**	**$116.8**	**$123.0**	**$115.5**
Distributable Cash	**$240.7**	**$151.1**	**$153.7**	**$153.9**

* Amounts may not foot due to rounding.

Table IV-2: Operating Revenue and Expense Detail*

($ millions)	2025 Actual	2026 Budget	2026 Forecast	2027 Budget
Property Rental	$71.3	$69.5	$67.1	$70.5
Sale of Utilities	3.2	4.0	3.2	3.5
Services Marine Terminals	172.9	166.1	171.5	172.4
Equipment Rentals	18.9	19.5	23.5	23.1
Other Revenue	82.9	7.2	5.1	2.1
Operating Revenue	**349.1**	**266.3**	**270.4**	**271.6**
Home Port Services Provided	27.4	29.7	28.3	30.7
Port Salaries & Benefits	12.2	14.8	14.8	15.2
Outside Services	6.0	7.0	5.1	6.6
Longshore Labor & Fringe	15.1	14.3	14.8	15.1
Direct Expenses	31.0	40.4	37.3	40.7
Marketing & Global Outreach	0.7	0.9	0.8	0.9
Travel & Hosting	0.9	1.4	1.1	1.2
Maintenance	26.4	32.8	36.6	31.5
Office Equipment & Supplies	0.3	0.3	0.3	0.5
Utilities	6.4	8.4	7.1	7.7
Other Employee Exp	0.2	0.3	0.2	0.3
Other Expenses	3.0	-0.1	0.1	0.0
Environmental	0.7	5.0	1.8	2.3
Total Operating Expenses before Dep.	**130.2**	**155.1**	**148.2**	**152.7**
Operating Income before Depr.	*218.8*	*111.2*	*122.1*	*118.9*
Depreciation & Amortization	26.7	34.3	30.7	38.3
Total Operating Expenses	**$156.9**	**$189.4**	**$178.9**	**$191.0**
Operating Income	**$192.1**	**$76.9**	**$91.5**	**$80.6**
Return on Revenue	*55.0%*	*28.9%*	*33.8%*	*29.7%*
Non Operating Revenue and Expenses	21.8	39.9	31.6	34.9
Net Assets Before Special Items	**214.0**	**116.8**	**123.0**	**115.5**
Increase in Net Assets	**$214.0**	**$116.8**	**$123.0**	**$115.5**
Distributable Cash (calculated)	**$240.7**	**$151.1**	**$153.7**	**$153.9**

* Amounts may not foot due to rounding.

Table IV-3: Statement of Revenues, Expenses and Changes in Net Position*

Statement of Revenues, Expenses and Changes in Net Position

Company: The Northwest Seaport Alliance

	2025 Actual	2026 Forecast	2027 Budget	Change from Prior Year Forecast
($ Millions)				
Operating Revenue	$349.1	$270.4	$271.6	0.5%
Total Operating Expenses before Dep.	(130.2)	(148.2)	(152.7)	3.0%
Depreciation & Amortization	(26.7)	(30.7)	(38.3)	25.0%
Operating Income	**192.1**	**91.5**	**80.6**	**-11.9%**
Non Operating Revenues (Expenses)				
Interest Income	5.0	4.1	3.1	-24.6%
Premium Discount	(0.1)	(0.0)	0.1	-363.6%
Market Value Adjustments	0.5	(0.1)	0.0	-100.0%
Grant Income	17.0	24.8	30.4	22.4%
Other Non Operating Revenue (Expense)	(0.6)	2.7	1.4	-50.0%
Total Non Operating Income (Expense)	**21.8**	**31.6**	**34.9**	**10.7%**
Net Distributable Revenue (Net Income)	**214.0**	**123.0**	**115.5**	**-6.1%**
Distributable Cash				
Net Distributable Revenue (Net Income)	214.0	123.0	115.5	-6.1%
Add Depreciation and Amortization	26.7	30.7	38.3	25.0%
Distributable Cash*	**240.7**	**153.7**	**153.9**	**0.1%**
Net Position				
Net Position beginning of year	660.2	724.3	775.9	7.1%
Add Contributions and Expected Capital Construction	79.7	82.3	150.6	83.0%
Add Net Distributable Revenue (Net Income)	214.0	123.0	115.5	-6.1%
Less Cash Distributions	(229.6)	(153.7)	(153.9)	0.1%
Net Position end of year	**$724.3**	**$775.9**	**$888.3**	**14.5%**

* Per charter section 5.3 and charter definition 1.1 (p)

* Amounts may not foot due to rounding.

Table IV-4: Allocations and Direct Charges Summary*

($ Millions)	2025 Actual	2026 Budget	2026 Forecast	2027 Budget
Port of Tacoma to NWSA	$33.8	$37.4	$36.2	$39.0
Port of Seattle to NWSA	$15.0	$12.5	$12.5	$13.7
NWSA to Port of Tacoma	$0.9	$0.9	$0.8	$0.9

Table IV-5: Five-year Statement of Revenue, Expenses and Change in Assets*

($ millions)	2027	2028	2029	2030	2031
Operating Revenue	$271.6	$277.7	$287.8	$296.0	$305.0
Total Operating Expenses before Dep.	(152.7)	(157.6)	(153.6)	(156.2)	(157.6)
Depreciation & Amortization	(38.3)	(45.1)	(49.5)	(56.5)	(61.0)
Operating Income	**80.6**	**75.0**	**84.7**	**83.3**	**86.3**
Grant Income	30.4	20.8	2.1	0.8	0.0
Other Non Operating Income	4.5	2.9	3.3	3.1	3.4
Net Distributable Revenue	**115.5**	**98.7**	**90.0**	**87.2**	**89.7**
Distributable Cash (calculated)	$153.9	$143.8	$139.5	$143.7	$150.7

* Amounts may not foot due to rounding.

Container Ship at Husky and WUT Terminals in Tacoma.

V. Capital Investment Plan

Overview

The Northwest Seaport Alliance invests in projects to increase the capacity, extend the life or improve the safety or efficiency of alliance-managed property and equipment.

New projects on the Capital Investment Plan that are $100,000 or greater have been vetted through the Investment Decision and Development Process (IDDP). The IDDP is a two-stage planning development.

- Stage 1 (Opportunity Assessment) is to document new investment opportunities, identify any conflicts and receive input from all potentially affected departments/teams. The leadership management makes the decision to pursue the opportunity to the next stage.

- Stage 2 (Alternatives Analysis) is to assess the initial viability of a project, consider and evaluate alternatives, conduct a project screening, and consider long-range capital planning and potential grants.

The five-year Capital Investment Plan (CIP) identifies all projects planned or underway. The CIP provides a mechanism for tracking and managing project budgets and cash flows for five years into the future. Table V-1 shows planned spending on capitalized projects for the five-year time frame. Projects are associated with a program that fall under one of the businesses or under a category called "Infrastructure."

Although funds for a project are included in the CIP, the project is not automatically authorized to proceed. The alliance Managing Members review and approve each project individually. Projects must have the necessary permitting before proceeding.

To achieve its goals, the alliance continues to invest in revenue-generating capital projects that support its businesses. Although the home ports are responsible for the general infrastructure in each respective county, the alliance may also invest in infrastructure projects that support the NWSA's maritime business, as well as increasing rail and road transit of cargo within boundaries between the ports of Seattle and Tacoma. Often, these infrastructure projects are expensed versus capitalized due to accounting requirements.

In addition, environmental projects are planned for meeting or maintaining regulatory requirements, including the development of mitigation and remediation projects. Projects may be expensed or capitalized according to accounting rules.

Summary of Major Projects

During 2026, the NWSA worked on the following capital projects:

- Maintenance dredging at several terminals
- Design plans for the toe wall and berth deepening at Husky and WUT terminals
- Construct the transtainer runs, shore power and repair fenders at T18
- Complete several projects at T5 including uplands paving, container yard expansion, and reefer high voltage distribution

The 2027 - 2031 Capital Investment Plan focuses on the following strategic and maintenance projects:

Strategic investments:

- Modernization at Terminal 7D in Tacoma
- Terminal expansion at Husky
- Construction of shore power system at T18, and design of shore power at WUT and PCT
- Construction of toe wall and dredging at Husky terminal and WUT
- Construction of reefer racks and plugs at Pierce County Terminal

Maintenance investments:

- Replace lift station at T18
- Design of North & South water main and valve at T18
- Rehabilitate Wapato creek culvert
- Maintenance dredging at several container terminals of both harbors

The alliance has a strong commitment to the protection and improvement of the environment. Examples of this commitment include the Clean Truck Program, the Northwest Ports Clean Air Strategy, and significant investment in storm-water improvements.

Strategic development efforts focus on serving existing customers, attracting new customers, and building a diverse, dynamic and resilient business base.

Table V-1: Planned Capitalized Project Spending

($ Millions)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Historical Capital	90.6	58.8	53.6	56.3						
Planned Capital					82.1	148.6	139.8	149.1	66.9	19.9
Grand Total	**$ 90.6**	**$ 58.8**	**$ 53.6**	**$ 56.3**	**$ 82.1**	**$ 148.6**	**$ 139.8**	**$ 149.1**	**$ 66.9**	**$ 19.9**

Capital Investment Plan Priorities

To efficiently allocate human and financial resources, the alliance uses a capital project prioritization methodology. For internal management, the alliance uses three project stages:

- **Budgeted and Authorized**: These are ongoing projects or projects ready to proceed based on customer commitments or a high degree of certainty. Both are included in the budget.
- **Created:** These are projects based on an identified business need or opportunity but have not been fully developed in scope and cost.

Capital Investment Plan Projects by Purpose

The alliance classifies CIP projects into three types, (as shown below in Table V-2):

- **Revenue Renewal**: Projects developed to renovate or replace obsolete or aging revenue- producing assets. These projects serve to extend existing revenue streams or ensure existing streams are not lost and may offer additional revenue if replacements enhance the efficiencies of operations or offer additional capabilities or value.
- **Infrastructure**: Projects developed to enhance infrastructure, support multiple or future customers or to enhance public infrastructure. Sometimes, other public agencies may participate in funding. Infrastructure projects are often complex in nature, with multiple public agencies involved in the planning process and execution.
- **Revenue-Generating**: Projects developed for a specific customer that will result in a new revenue stream.

Table V-3 shows Budgeted and Authorized (excludes Created) project expenditures during the five-year planning horizon as categorized by accounting treatment.

Accounting rules require some spending to be capitalized and depreciated over time, while other spending is expensed as incurred.

The NWSA's alliance's policy is to capitalize all asset additions greater than $20,000 and with an estimated life of more than three years. Depreciation is computed on the straight-line method. The economic lives of capitalized assets range from three years to 20 years for machinery and equipment while economic lives of buildings and improvements range from 10 years to 75 years.

Table V-3 shows that the NWSA intends to implement
$573.3 million worth of planned projects in the next five years, with $167.3 million of that total earmarked for 2027.
Non-operating and operating projects will be expensed as incurred and are included in the operating budget.

Table V-4 shows the five-year CIP by Line of Business.

Table V-5 shows the expected increase in depreciation when planned projects are completed. The CIP is the total expected spending of 146 projects, 80 of which are capitalized and 66 expensed as incurred.

The expensed projects are captured as

expenses in the current year budget and four-year operating forecast as incurred. The costs of the capitalized projects are captured as depreciation expense over the estimated life of the projects. Depreciation expenses expect to increase when these projects are complete: redevelopment of Terminal 5 phase 2, modernization at Terminal 7D, Terminal 18 shore power, T18 pile cap rehab, and construction to replace aging assets of the Wapato creek culvert.

Funding

Capitalized projects are funded by the two homeports. Expensed projects are funded by cash generated by the NWSA. Projects may be qualified to be funded by HMT funds, grants or other 3rd party funds if available

Table V-2: Five-Year Planned Capital Investment Plan by Purpose

($ Millions)

	2027	2028	2029	2030	2031	Total
Infrastructure	$13.8	$9.2	$3.2	$2.2	$0.7	$29.0
Renewal	139.6	126.1	141.7	66.7	21.8	495.9
Revenue	13.9	20.3	10.9	3.3	0.0	48.4
Grand Total	**$167.3**	**$155.6**	**$155.7**	**$72.2**	**$22.5**	**$573.3**

Amounts may not foot due to rounding

Table V-3: Five-Year Planned Capital Investment Plan by Accounting Treatment

($ Millions)

	2027	2028	2029	2030	2031	Total
Capitalized	$148.6	$139.8	$149.1	$66.9	$19.9	$524.2
Operating Expense	18.7	15.8	6.6	5.3	2.6	49.0
Non-Operating Expense	0.0	0.0	0.0	0.0	0.0	0.0
Grand Total	**$167.3**	**$155.6**	**$155.7**	**$72.2**	**$22.5**	**$573.3**

Amounts may not foot due to rounding

Table V-4: Five-Year Planned Projects by Line of Business

($ Millions)

	2027	2028	2029	2030	2031	Total
Container Business	$145.0	$119.4	$117.2	$66.4	$21.8	$469.7
Non Container Business	$10.7	$22.9	$30.5	$3.6	$0.0	67.7
Real Estate	$2.0	$8.6	$4.3	$0.1	$0.1	15.0
Infrastructure	$9.6	$4.7	$3.7	$2.2	$0.7	20.8
Grand Total	**$167.3**	**$155.6**	**$155.7**	**$72.2**	**$22.5**	**$573.3**

Amounts may not foot due to rounding

Table V-5: Depreciation Impact Due To Capitalized Projects

($ Millions)

	2027	2028	2029	2030	2031	Total
Container Business	$ (9.7)	$ (16.2)	$ (20.4)	$ (23.6)	$ (28.4)	$ (98.3)
Non Container Business	(0.5)	(0.9)	(1.1)	(4.7)	(4.9)	$ (12.1)
Real Estate	(0.1)	(0.1)	(0.3)	(0.6)	(0.6)	$ (1.7)
Infrastructure	-	-	-	-	-	$ -
Grand Total	**$ (10.3)**	**$ (17.3)**	**$ (21.8)**	**$ (28.9)**	**$ (33.8)**	**$ (112.0)**

Amounts may not foot due to rounding

Capital Investment Plan Project Descriptions

The NWSA's five-year CIP has been categorized on a business basis, as shown in Figure V-1. The following section provides details of major planned improvements within each business and only includes major projects and equipment.

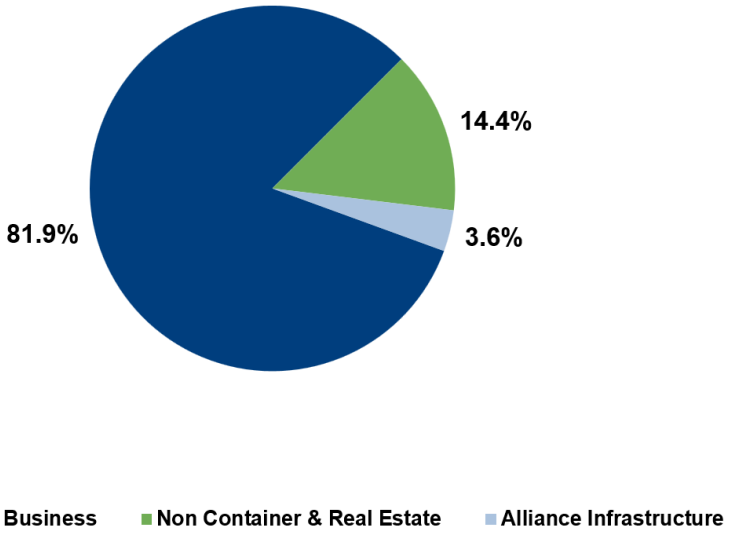
Container Terminals Business

Planned capital expenditure for container terminals will total approximately $470 million over the next five years. The CIP for this business will provide the funds necessary to complete the remaining projects to support the completion of modernizing Terminal 7D and terminal expansion at Husky in the South Harbor; shore power construction and wharf rehabilitation at Terminal 18; maintenance and berth dredging at several container terminals; rebuild Wapato creek culvert and expand reefer plugs at PCT.

Non-Container Business & Real Estate

Approximately $83 million will be spent on facility improvement for terminal operations, auto, bulk and real estate businesses.

Figure V-1: Five-Year Capital Investment Plan by Line of Business



Alliance Infrastructure

This section includes capital expenditures that are not specific to a single business and are in support of the alliance's infrastructure or environmental improvements.

- Environmental Programs: These projects include reduction and monitoring of emissions, and ongoing cleanup projects. This also includes purchase of electric straddle carriers for its operations. The Clean Truck Program and the Clean Cargo Handling Equipment Incentive Program provide matching funds and incentives to help cover the cost of replacing older trucks or handling equipment with cleaner new ones.

- Technology: The alliance continues to invest in an operations service center that will allow customers and cargo owners to track their cargo as it moves through the gateway.

Capital Investment Plan Revisions

The CIP is an integral part of the budget planning process and is reviewed and revised semi-annually. Adjustments in amount and timing are made as required to meet changes in customer or infrastructure requirements.

VI. Environmental Stewardship and Planning

Environmental stewardship and sustainable practices are a high priority for the NWSA. Working with our partners – including shippers, ocean carriers, marine terminal operators, drayage trucking companies, near-port community groups, and many others – the NWSA developed a best-in-class approach to environmental stewardships built on the following principles:

- Fully integrate environmental, economic and financial/business planning and decision-making; .
- Collaborate, and be responsive to the market, our customers and operating partners, and near-port communities;
- Identify and pursue innovative, collaborative, cost-effective, and sustainable solutions.

Program areas of emphasis include:

- Water Quality
- Air Quality and Sustainable Practices
- Planning and Logistics
    - Transportation
    - Land Use
    - Facilities

In 2027, the NWSA plans to focus its environmental efforts on water and air quality and greenhouse gas emission reductions, with the bulk of that work on NWSA licensed properties in the Seattle and Tacoma harbors.

In addition, the NWSA has partnered with the Ports of Seattle and Tacoma along with other key industry, environmental, state and federal stakeholders and partners to develop a large commercial vessel Quiet Sound program. This program is managed by Maritime Blue and promotes ways to reduce noise impacts to Orca and other marine mammals in Washington State Waters. The Ports of Seattle, Tacoma and the NWSA have committed a total of over $200,000 in 2026 towards this effort to sustain the program. In 2024-25, 64% of vessel transits slowed, leading to a 20% underwater noise reduction in frequency used for Southern Resident Killer Whale (SRKW) communication.

Water Quality Program

NWSA's Water Quality (WQ) team is comprised of professionals with experience in site inspection, monitoring, water quality treatment project development and delivery, and policy analysis.
The goal of this program is to work with internal and external stakeholders to design highly effective, low-cost treatment and compliance solutions that meet or exceed Washington State's high water quality standards.

Industrial Stormwater Management Program

The WQ team manages an industrial stormwater program that is a collaborative effort to engage customers, agencies, and environmental organizations in both the Seattle and Tacoma harbors. The goal of the program is to discover and create solutions for emerging stormwater issues, solve common problems and provide stormwater technical assistance to our customers at their request. Staff engage in extensive stakeholder outreach that includes customers, regulators, and environmental organizations.

In 2026, Water Quality staff continued s implementing the 2025 Industrial Stormwater General Permit (ISGP), which took effect January 1, 2025. This included:

- Collecting samples from overwater structures.
- Working with Ecology on settlement agreements
- Participating in early input sessions

facilitated by the Washington Stormwater Center for the 2029 ISGPGP

- Port representative on Ecology Statewide Stormwater Action Monitoring (SAM) workgroup
- Completing industrial and outfall site inspections ahead of schedule.
- Working with Maintenance to complete maintenance on treatment systems ahead of first flush to ensure we are prepared for the rainy season.
- Educating internal and external stakeholders on the 2025 ISGP.

Additionally, Water Quality Staff continued to provide technical support for multiple legal cases related to the ISGP, including providing testimony to the Pollution Control Hearings Board in support of Ecology at the 2025 ISGP appeal hearing in February.

Research and Develop Cost-Effective Means to Manage Stormwater

The NWSA continues previous work initiated separately by the two ports. The NWSA implements innovative cost-effective treatment methods in the field and focuses on practical, effective stormwater Best Management Practices (BMPs). This includes conducting pilot studies of new and existing treatment infrastructure while sharing results with tenants and stakeholders. In 2025, the WQ Team received pilot use designation from Ecology's Emerging Stormwater Technologies (TAPE) Program, for treatment systems designed for use at the Tacoma and Seattle harbors. This stems from a 2024 application submitted through Ecology's General Use Level Designation (GULD) website.

In 2027, the WQ Team plans to submit another application for this program. Successful inclusion of our treatment systems on Ecology's GULD website allows ports and other permittees to use the information when installing industrial stormwater treatment on their sites and may help to expedite permit approvals from local jurisdictions when installing treatment on North and South Harbor properties.

Source Control

Controlling pollutants at or near the source is the most cost-effective way to reduce pollution in stormwater runoff, manage the risk of costly corrective actions for treatment, and reduce the cost of operations and maintenance of installed stormwater treatment systems. NWSA WQ staff work with customers (as requested) to identify pollutants close to the source and eliminate the source where possible. The WQ team assists customers with effective and low-cost solutions.

Seattle Harbor Focus

Most Seattle Harbor tenants have installed stormwater treatment at their facilities. The challenge going forward is to reduce the cost of operating and maintaining these systems. The WQ team continues to focus on maintaining relationships with tenants/ customers and working with them to implement at- source and near-source BMPs with these goals in mind.

2026 Accomplishments included:

- Work with Commercial to provide stormwater information on terminals to attract business to the north harbor.
- Assistance with tenant stormwater pollution prevention plans.
- Continued coordination with Marine Maintenance and Stormwater utility on water quality issues in the North Harbor.
- Provide lease review and project support for new projects in the North Harbor.
- T-30 pilot study to determine the most cost-effective stormwater treatment approach for that facility.

Tacoma Harbor Focus

The WQ team continues to work with tenants/customers to implement at-source and near-source BMPs to facilitate cost-effective and successful solutions, and to focus on customers that may face site challenges to meet water quality criteria or regulatory policy issues. In the Tacoma Harbor, the priority for 2027 will be continuing to implement of the 2025 ISGP.

2026 Accomplishments included:

- WQ staff continued working with the City of Tacoma to negotiate terms of our Interlocal Agreement, coordinate on permitting issues, the MS-4 permit, and business inspections.
- Developed innovative treatment technology involvement with design of future Port of Tacoma Administration building and Maritime 253 building.
- Continue to provide design assistance to Port of redevelopment opportunities.
- Finalized West Sitcum Settlement
- WQ Design support for EBC redevelopment.

Additionally, the WQ Team completed an Enhanced Maintenance Plan for Port of Tacoma MS4 stormwater management program. Although initially created for a new state of the art decant facility and testing area, the plan will be updated to include water quality program wide items. We expect to reapply for an Ecology grant in 2027 for the EMP. Following acceptance from Ecology for the EMP, we will be able to pursue grant funding for items listed in the approved plan. for a new state of the art decant facility and testing area.

2027 Goals

In 2027, the WQ team will continue to

- Support projects including ditch maintenance in the Tacoma Harbor, and the Thorne Road Off-Dock Container Expansion yard for which Ecology funded a $4.37 million stormwater grant.
- Engage with Ecology on early input for the 2029 Industrial Stormwater General Permit (ISGP).
- Implement the 2025 ISGP on Port and NWSA operated facilities.
- Work towards certification for treatment systems with Ecology GULD/TAPE program.
- Share stormwater information with tenants and assist with stormwater management issues.
- Utilize drone technology for outfall and other permit required inspections, derelict vessel investigations, and shoreline mapping.
- Implement the 2024 MS-4 Phase I permit for the Port of Tacoma.
- Be a leader in the stormwater section of Green Marine Certification.
- Support Engineering for all capital improvement projects including the T-30 stormwater treatment system
- Seek grant support for additional TAPE projects.

Air Quality & Sustainable Practices Program

The Air Quality & Sustainable Practices Program jointly serves the Port of Tacoma and The Northwest Seaport Alliance and focuses on two goals: 1) reducing – and, ultimately, phasing out - air and climate pollution from seaport related activities; and 2) advancing environmentally sustainable corporate practices. The program collaborates with a wide range of internal and external partners to develop, find funding for, and implement a suite of initiatives to advance the 2020 Northwest Ports Clean Air Strategy (NWPCAS) and implement the NWSA's 2021-2025 Clean Air Implementation Plan. Key initiatives include the Clean Truck Program (including the newly formed Zero Emission Truck

Collaborative); the Clean Vessels Program (including shore power installations at major container terminals); and the Clean Cargo Handling Equipment (CHE) Program.

Key 2026 Accomplishments

Key accomplishments during 2026 include the following:

- Led development and adoption of the NWSA's 2026-2030 Clean Air Implementation Plan.
- Continued to lay the foundation for the first deployment of 19 battery-electric trucks in the NWSA gateway, slated to be in operation by mid-2027.
- Launched ZEDAP (Zero-Emission Drayage Assistance Program) to help drayage trucking companies serving the NWSA gateway navigate the transition to cleaner trucks.
- Helped re-launch the Puget Sound Zero Emission truck Collaborative to advance implementation of the Decarbonizing Drayage Roadmap published in April 2025.
- Coordinated implementation of the Clean Truck Program rule domestic terminals while continuing to implement the Diesel Truck Scrap-and-Replace Program.
- Developed a program to encourage increased use of renewable diesel in drayage trucks and cargo-handling equipment operating in the gateway.
- Continue to advance the NWSA's ZE CHE goals by: purchasing electric forklifts to serve the East Blair One Terminal; initiating ZE terminal planning at WUT and EB-1; and launching a ZE CHE Incentive Program.
- Continued to advance the NWSA's ZE vessels goals by: completing feasibility studies for green shipping corridors between the NWSA gateway and Korean ports: initiating development of a Clean Vessels Recognition Program and a cross-port Sustainable Maritime Fuels Strategy; and supporting the creation of the Sustainable Maritime Fuels Collaborative.
- Continued to support the shore power program, including construction at T-18 and design at WUT, PCT, and EB-1.
- Continued to publish the Ports Clean Air Quarterly
- Launched www.nwcleanports.org, a cross-port web portal offering "one stop shopping" for near-port communities and other stakeholders seeking information on port-related clean air and climate solutions.

Key 2027 Goals

Key goals for 2027 include the following:

- Through the NWSA's ZE Drayage Incentive Program, complete the first deployment of 19 battery-electric drayage trucks in the NWSA gateway.
- Through the NWSA's Zero Emission CHE Incentive Program, put in operation at least 10 additional pieces of ZE CHE.
- Complete ZE Terminal Plans at WUT and EB-1, and initiate ZE terminal planning at one or more additional terminals
- Complete development of a gateway-wide Sustainable Maritime Fuels Strategy, in partnership with the homeports.
- Develop and implement programs for increasing the use of renewable diesel in CHE and drayage trucks.
- Initiate an on-going clean air and climate community forum in both harbors.

Planning & Logistics

Planning and Logistics provides a range of services intended to support NWSA Charter goals from strategic to site planning. Some primary services include planning for marine terminals and supporting infrastructure, advocating for multi-modal freight related

transportation systems, and facilitating port visioning. The Planning team also coordinates baseline studies to facilitate decision making about investments and operations.

Overview of services:

- **Land Use Planning and Advocacy**: Provide expert level land use planning services to protect manufacturing and industrial lands for seaport operations; review and provide comments on local and regional land use policies and regulations; provide technical support and advice on relevant state and federal policies.

- **Facility Planning**: Services include facility design, facility resilience assessment and planning, assessment of infrastructure needs for operational efficiency, and documentation of current and planned facilities.

- **Transportation Planning and Advocacy**: Monitor traffic congestion data and support advance warning technology projects, analyzing off-terminal traffic flow and circulation, truck parking, and preservation of freight and heavy haul routes.

- **Project Feasibility Development**: Support strategic port planning and the opportunity assessment process by maintaining a general understanding of all focus areas within the Department, especially the environmental specialties.

- **Strategic Planning and Visioning**: Support development of strategic and business plans including internal and external engagement and consultant services. The team also supports periodic updates of the Port's Economic Impact Analysis.

- **Grant Program Coordination**: Coordinate grant application efforts to ensure a unified and proactive approach. Grants are sought to help offset the cost of infrastructure, equipment, transportation technology, and planning, whenever feasible. Coordination efforts encompass tracking priority projects and grant opportunities. The team also provides staff support to the Grant Steering Committee and communication with staff involved in grant writing as well as providing commission updates.

2026 Planning & Logistics Key Accomplishments

- Advanced concept design for accommodation of 10,000-foot arrival departure train tracks in the Tacoma harbor. Completed concept design for additional rail on Terminal 18 in the Seattle harbor. Completed concept design for a 6-berth terminal in the Tacoma harbor on the Blair Waterway.

- Updated the NWSA Property Book.

- Prepared a long-term Gateway Growth Concept for NWSA facilities.

2027 Planning & Logistics Goals

- Support implementation of the Resilient Gateway Program Implementation Plan.

- Provide technical support for Sound Transit Link extensions and Sounder expansion.

- Advocate for NWSA priorities at Puget Sound Regional Council staff committees.

- Manage the NWSA/POT Grant Program.

- Complete bathymetric survey for both harbors.

- Advance the 10,000 arrival and departure track designs

- Advance the T-18 rail design

- Advance NWSA growth opportunities through strategic property evaluations

Automobile cargo at T46 in Seattle.

Appendix A: NWSA Full Time Personnel

	NWSA			
	2025 Actual	2026 Budget	2026 Actual	2027 Budget
Executive	11	11	11	11
Human Resources	-			
Government Affairs & Communications	4	5	5	5
Finance & Administration	2	2	2	2
Commercial Business	19	21	21	21
Operations	12	12	11	12
Engineering, Environmental & Planning	16	18	18	18
Total	64	69	68	69

*2026 Actual is 2026 forecasted ending headcount

Northwest Seaport Alliance Average Compensation (excluding CEO)

The 2027 staffing budget of $15,181,158 includes the following:

- $10,898,199 for salaried employees which includes:
  - $279,531 for annual pay increases for salaried employees starting April.
  - $24,665 for annual recognition program paid to salaried employees in April.
  - $49,329 for marketplace adjustment for salaried employees during the year.
  - Average salary of $159,126
- Total benefits of $4,282,959

Appendix B: NWSA Memberships

Overview

The NWSA and alliance staff are members of several organizations. The NWSA believes that participating in these partnership organizations plays a key role in advancing the NWSA's business objectives and ensures NWSA staff is knowledgeable and productive. These memberships are in addition to or supplement the home port memberships.

Port Authority Organizations

These memberships assist the NWSA's lobbying efforts on both the state and national levels and keep staff informed about major issues and developments that affect NWSA operations. Membership with the Washington State Public Ports Association remains with the home ports.

Economic Development Organizations

Economic development is a major part of the NWSA's mission. These memberships help strengthen the NWSA's visibility throughout the world through trade missions and trade shows.

Regional Organizations

Memberships in regional organizations demonstrate the NWSA's commitment to trade on a statewide and regional basis.

Industry and Professional Organizations

These organizations ensure that staff obtain the latest in technical development by taking advantage of meetings, networks and special programs.

Trade Promotion Organizations

These memberships give the marketing and sales staff important contacts and current industry trade information that enhances the NWSA's marketing efforts.

Community Service Groups

The NWSA maintains memberships in these groups as part of its effort to build better community relations, to work more effectively with businesspeople and to ensure that the NWSA's interests and concerns are addressed in the community.

Annual NWSA Memberships & Personnel Memberships (estimated)

Organization	Annual Dues
American Association of Port Authorities	$95,000
Pacific Northwest Waterways Association	40,000
National Association of Waterfront Employers	20,000
Washington Council on International Trade	20,000
Green Marine	12,000
DBM Association	11,667
All Other Memberships	86,938
Total NWSA Memberships	**$285,605**

American Association of Port Authorities

AAPA is an alliance of leading ports in the Western Hemisphere that protects and advances the common interests through advocacy, professional development, relationships, and public awareness.

Pacific Northwest Waterways Association

The Association advocates funding for navigation projects including those on the Columbia Snake River System, in the Puget Sound and along the coast.

National Association of Waterfront Employers

The Association promotes marine cargo efficiency, security and health, environmental stewardship, international trade, and economic growth through advocacy, education, and industry cooperation.

Washington Council on International Trade

The Council advocates for policies that increase Washington's international competitiveness.

Green Marine

Green Marine is an environmental certification program for the North American marine industry.

Distribution Business Management Association

DBMA provides a forum among industry leaders and academia that seeks solutions to supply chain issues.

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XIII – APPENDICES

APPENDICES

A. Budget Policy, Process, and Calendar

1. Operating Budget

a. Budget Policy:

The Port established a budget policy to provide systematic planning as part of the management performance and control. The purpose of this policy is to allow the capability to forecast realizable financial results over definite periods of time. This is accomplished through planning and coordination of the various complex operations and functions of the Port, through systematic communication and the use of the Port's financial control and management information system.

The Operating Budget is an essential tool for business planning, resource allocation, and control. It quantifies business groups and departmental plans for future periods in strategic, operational, and monetary terms. This facilitates coordination of plans between divisions/departments and provides a basis for control once the plan is in effect.

Various inputs to the budget planning process are required for it to be meaningful, including forecast of economic trends and business activity levels. Above all, goals, objectives, programs, action plans and performance measures are defined and reviewed annually for consistency and support of the Port's overall mission.

The budget plan is based on assumptions about the success of marketing efforts, demand for services, and the cost, availability and need for people and materials. The budget process provides continual feedback which compares not only actual performance to the plan but also the validity of the assumptions on which the plan was based.

The Operating Budget is a management tool for controlling and analyzing each area of responsibility. Budgeting, as well as the recording of actual costs, is done on an Org basis. An Org is a distinct functional and physical unit. Its performance responsibility can be assigned to one person. There are over 200 Orgs at the Port, and each Org has a budget.

Allocated and/or indirect expenses are not budgeted for by the recipient Org. These are costs that are allocated to the business groups/units from service providers. Allocated costs are general support costs that cannot be directly attributed to a business unit but instead support the entire Port. Costs can come from within the division (intra-division allocation) or from outside the division (inter-department allocation).

Department Directors are responsible for preparing the operating budget for their areas of responsibility, subject to review and approval by several levels within the organization. Orgs can be combined to analyze and report on budgets by functional or business units. Port management needs current, timely, and accurate information to make informed decisions. The objective of the budget process is to provide resource allocation, accountability, performance, and control to enhance effective management.

In addition to planning for the business needs of the organization, this process results in a method of comparing actual financial results with the approved budget plan. The appropriateness of the pricing structure or the effects of changes in costs or activity can be observed. This approach gives management the flexibility to evaluate the performance of a particular activity. The Budget Report (a comparison of the proposed budget to the current year's budget and last year's actual) and the

Responsibility Report (a comparison of current year actuals to current year budget) can advise a manager if things are not going as expected, whether strategies are being accomplished, and give them clues as to what might be wrong.

The annual budget process includes several Commission briefings by the Operating Divisions and Central Services during the year to update the Commission on key issues facing the business groups and to solicit input into overall strategies and objectives. The divisions update the Commission on each business unit with background information, discuss capital and operating plans, and dialogue on major policy issues.
Divisions fine-tune their business and operating goals based on Commission input and put together their budgets.

Key budget events include the following:

- Conduct budget planning meetings with the Executive Management team.
- Publish the budget guidelines/instructions and budget calendar.
- Provide financial planning and analysis system training to budget staff.
- Division and department budget staff prepare their respective budgets.
- Conduct internal budget reviews which include in-depth discussion of revenue and expense assumptions; new programs, initiatives, or other proposed increases in revenue and expenses.
- Review and approval of budget by the Executive Management and Commissioners.
- Release of the budget to the Port Commission and public stakeholders.

The budget staff responds to inquiries of commission and interested stakeholders during commission budget workshops, first and second reading, and adoption of the budget after the public hearings.

In addition to the Operating Budget as stated above, the budget staff prepares the Statutory Budget as defined in RCW 53.35.010 to show "estimated expenditures and the anticipated available funds from which all expenditures are paid." Being a cash budget, the Statutory Budget establishes the level of the Port's property tax levy and sets upper limits of expenditures and is not used as an Operating Budget.

b. <u>Budget Adoption</u>:

The budget is provided to the Port Commission and must be made available to the general public as required by law - RCW 53.35.010 and RCW 53.35.045. A Public Hearing for the Introduction of the Preliminary Budget is held before the final passage of the Budget, at which time the Port Commission will make final recommendations and adopt the budget. An announcement of the public hearing is made in the DAILY JOURNAL OF COMMERCE newspaper and copies of the preliminary budget are made available for distribution to any interested persons by a specified date as required by laws - RCW 53.35.020 and RCW 53.35.045.

Subsequent to the public hearing and Commission adoption of a final plan, the Statutory Budget is then filed with the King County Council and King County Assessor as required by law, by a specified date as allowed by RCW 53.35.045.

c. <u>Monitoring of Budget</u>:

Once an annual budget is in place, the Responsibility Report (comparing actual results to budget) is generated monthly and variances from the budget are analyzed and reported on a monthly basis, and more extensively each quarter, to determine if corrective action is needed. Divisions and departments prepare a quarterly year-end forecast, which is incorporated into the quarterly Financial Performance Report. The Financial Performance Report is a report in narrative format explaining the reason or causes of variances between actual revenues and expenses versus budgeted amounts on a quarterly

basis. A good and accurate monthly and quarterly variance/Financial Performance Report is a very important tool for management. The Financial Performance Report is presented to Executive Management and the Commission quarterly. This allows Executive Management and the Commission to make timely and well-informed decisions.

d. Amending the Operating and Capital Budgets:

The Executive Director of the Port of Seattle is authorized "Within Budget Limits" to transfer budgeted amounts between departments; however, any revisions that alter the total expenses Portwide that are not within the Executive Director Authorized Budget Limits require authorization from the Port Commission.

As per Resolution 3605, as amended, the Port Commission has adopted policy directives delegating administrative authority to the Executive Director for the purpose of day-to-day management and administration of the Port and as stated in sections 20.2.1 and 20.2.2 of said resolution:

20.2.1. "Annually Approved Capital Budget" means the list of capital projects (including small works projects) and the projected total dollar amount of upcoming budget-year spending associated with those projects which is presented to, and reviewed by, the Commission as part of the budget review process (i.e., the first year of the Capital Improvement Plan), or as subsequently amended by the Commission during the budget year.

20.2.2. "Annual Operating Budget" means the budgeted operating and non-operating revenues and expenses reviewed and approved by the Commission as part of the budget process, or as subsequently amended by the Commission during the budget year.

e. Operating Budget Process:

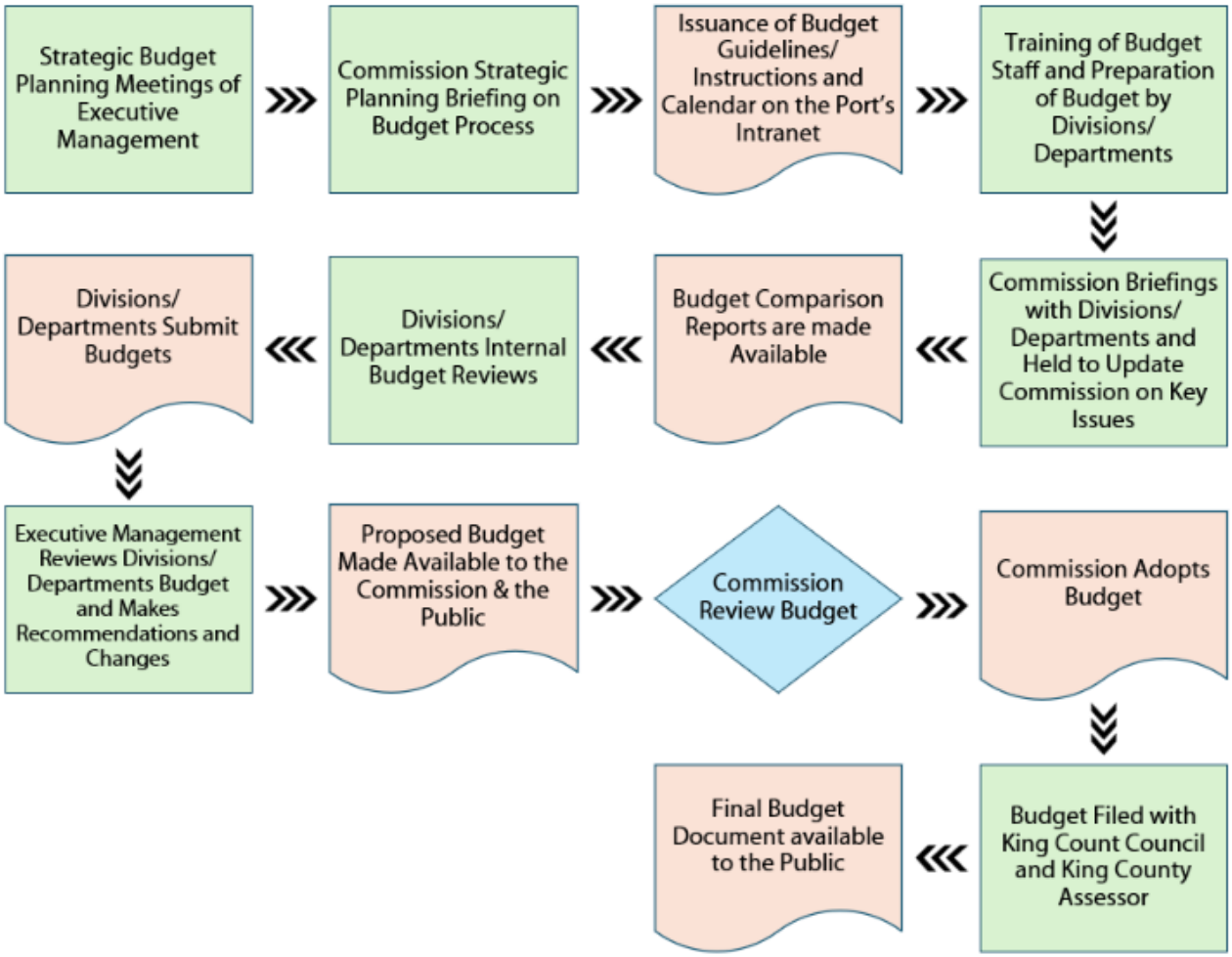
The steps in the 2027 operating budget process are as follows:

- Coordinate with the NWSA to make sure all the key dates for both the operating and capital budgets from the two entities work for each other at the beginning of the year.
- Budget planning meetings with the Executive Team to discuss key strategic initiatives and budget process.
- Commission strategic and business planning.
- Financial planning and analysis system training for budget users from the various divisions.
- Commission briefing on budget process and providing key budget assumptions to the Commission.
- Issuance of budget guidelines/instructions and budget calendar on the Port's intranet.
- For the operating divisions, targets are developed based on the divisions' business forecast.
- For Central Services, initial targets are based on a bottom-up assessment of needed resources to accomplish Portwide strategy/actions plans.
- Several Commission briefings by Central Services and the operating divisions are held during the year to update the Commission on key issues facing the business groups/departments and to solicit input for any changes in strategy.
- Financial planning and analysis system is prepared and made available for input.
- Actual preparation of the budget by divisions/departments.
- Costs of service departments are charged/allocated to the operating divisions and the NWSA according to the policy and the Service Agreements.
- Finance and Budget generates a budget comparison report that compares the proposed budget to the current year's budget and last year's actual. Finance and Budget also produces the current year's Forecast Report.
- Divisions/departments complete their detailed budgets and are reviewed internally by their senior

managers and Finance and Budget staff. These reviews include in-depth discussion of revenue and expense assumptions, new programs, initiatives, or other proposed increases in revenue, expenses as well as operational needs.

- Divisions/departments budgets are submitted to Finance and Budget and then reviewed against targets by the Executive Team.
- Executive Team makes recommendations and changes, which are incorporated into divisions and departments budgets.
- Several Commission budget briefings are held on divisions/departments capital budget, operating budget, and Draft Plan of Finance.
- All budget issues are resolved, and changes are entered into the financial planning and analysis system.
- Finance and Budget staff generates various reports, ascertains that all approved changes are incorporated into the budget and reports are accurate.
- Finance and Budget prepares the preliminary budget document and releases the proposed budget to the Port Commission and to the public approximately three weeks before the Introduction and Public Hearing of the 2027 Budget.
- The Introduction and Public Hearing of the budget are held on November 17th.
- The Adoption of the budget is held on November 23rd.
- Statutory Budget is filed with King County Council and the King County Assessor as required by law by November 30.
- Finance and Budget staff prepares and releases the final budget document to the public.

Figure A-1: Operating Budget Process Flow Chart



f. Operating Budget Planning Calendar:

Date	Activity
3/12/26	Commission Retreat on Resource Conscious & Levy Scenario
5/8/26	2027 Budget Planning with the Executive Leadership Team
6/11/26	Commission Budget Study Session on Commission Priorities
7/4/26	Budget Guidelines/Instructions and Calendar Available
7/4/26	Budget planning and analysis system available for input
7/6 - 10/2/26	Preparation of budget by divisions/departments
7/14/26	Budget Development Commission Briefing
7/31/26	Central Services Departments New Budget Requests Due to Finance & Budget (F&B)
8/3/26	Central Services Allocation forms available for review
8/12 -8/20/26	Executive Review of Central Services Department Budgets
8/26/26	Central Services Departments Final Entries Completed
8/28/26	Non-Operating Budgets due to F&B
8/28/26	Central Services Budget Support Documentation due to F&B
9/8/26	Executive Review of Central Services' Operating & Capital Budgets
9/10/26	Executive Review of Maritime's Operating and Capital Budgets
9/10/26	Executive Review of EDD's Operating and Capital Budgets
9/12/26	Executive Review of Aviation's Operating and Capital Budgets
9/23/26	Commission Briefing on Central Services Operating and Capital Budgets
10/13/26	Commission Briefing on Aviation Operating and Capital Budget
10/13/26	Commission Briefing on Maritime & EDD Operating and Capital Budgets
10/20/26	2027 Preliminary Budget document is available to the Commission
10/22/26	2027 Preliminary Budget document is released to the Public
10/27/26	Tax Levy and Draft Plan of Finance Commission Briefing
11/17/26	Introduction of the 2027 Preliminary Budget and Public Hearing
11/23/26	Adoption of the 2027 Budget
11/30/26	Filing of Budget with King County Council & King County Assessor as required by law
12/4/26	Release of the 2027 Final Budget

2. Capital Budget

a. Capital Budget Policy:

As part of the strategic budgeting process, Finance and Budget produces the Capital Budget and the Draft Plan of Finance. The Capital Budget consists of capital plans or the Capital Improvement Plan (CIP), over a five-year period, for all divisions. The Draft Plan of Finance is a funding plan of the CIP that the Port publishes on an annual basis.

The divisions review and revise their CIP in conjunction with the review of their existing business goals and strategies. The CIP is comprised of Committed and Business Plan Prospective projects from the 2027-2031 CIP Divisions are encouraged to review CIP cash flows with respect to timing and reasonableness to ensure effective use of capital capacity.

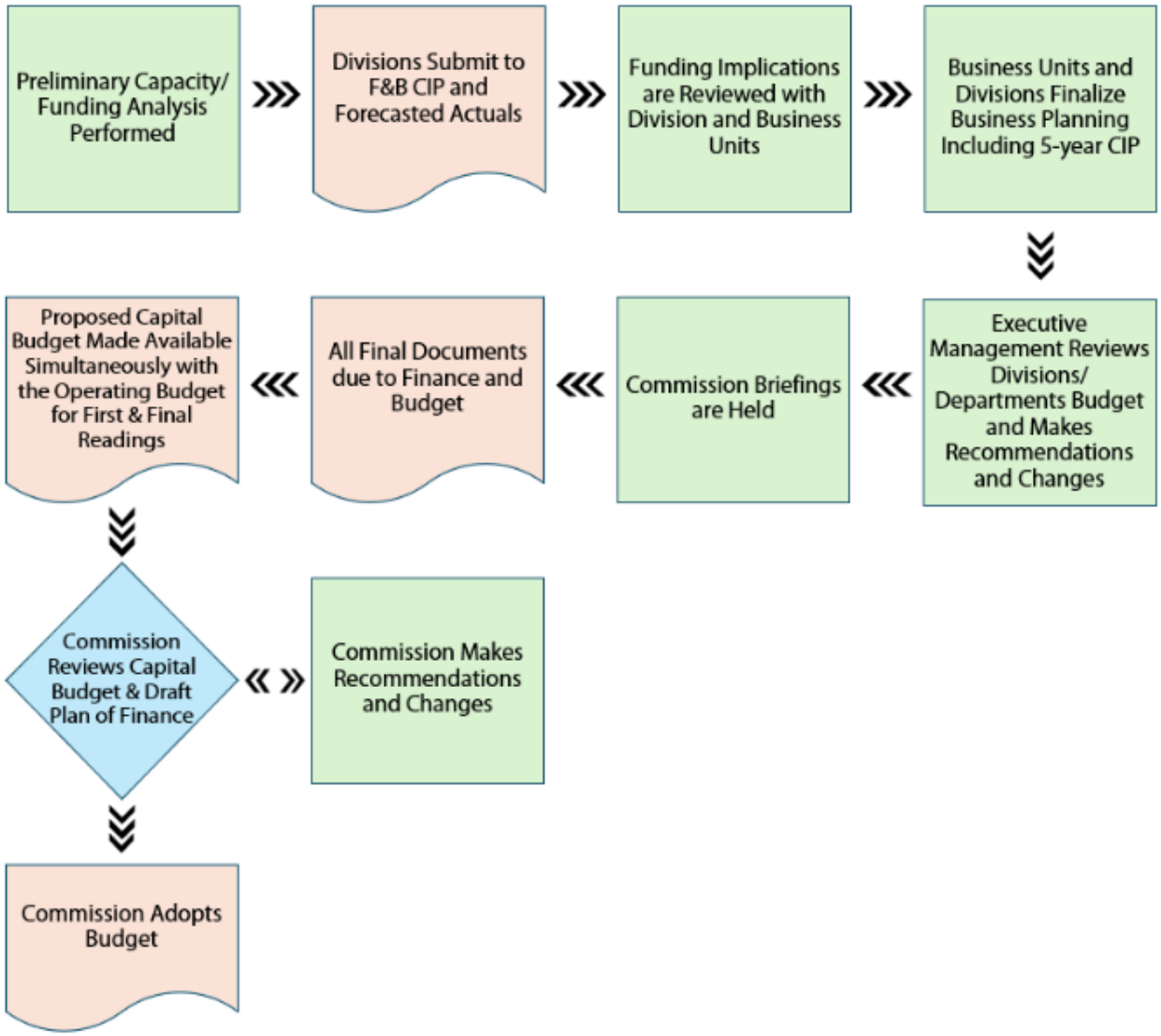
b. Capital Budget Process:

- A preliminary capacity/funding analysis is performed once the second quarter update is completed.
- At the end of September, divisions submit to Finance and Budget the 2027-2031 CIP and 2026 forecasted CIP (which includes actual CIP spending through second quarter). The funding implications of these capital plans are then reviewed with the divisions and business units.
- Following Finance and Budget funding analysis and Executive review of preliminary plans, business units and divisions finalize their operating and financial goals, including their CIP for 2027-2031.
- This information is then reviewed by Executive, presented to the Commission, and included in the 2027 Final Budget document.

After the close of the 2026 fourth quarter in January 2027 and based on the 2026 fourth quarter CIP update, the divisions typically have more refined capital spending estimates for 2027. Each division may choose to adjust the spending from the original list of projects in the Capital Budget, to establish the 2027 approved funding amount for each project and for the division as a whole. The adjusted Capital Budget will become the "Approved 2027 Capital Budget" and will be used for quarterly variance reporting during the year.

Note: Even though the Commission reviews the Capital Budget in November, each individual CIP project, with a total cost in excess of $2.0M, is presented and approved by the Commission in public meeting for spending authority.

Figure A-2: Capital Budget Process Flow Chart



c. Capital Budget Planning Calendar:

Following is the 2027 Capital Budget planning calendar:

Date	Activity
3/12/26	Commission Retreat on Resource Conscious & Levy Scenario
7/14/26	Budget Development Commission Briefing
8/14/26	Preliminary Maritime, EDD, and Central Services Forecast Model due to F&B
9/4/26	Preliminary Aviation Forecast Model due to F&B
9/22/26	Commission Briefing on Central Services Operating and Capital Budgets
9/23 - 10/2/26	F&B finalizes Capacity/Funding Analysis
10/13/26	Commission Briefing on Maritime and EDD Operating and Capital Budgets
10/13/26	Commission Briefing on Aviation Operating and Capital Budget
10/22/26	2027 Preliminary Budget document is released to the Public
10/27/26	Tax Levy and Draft Plan of Finance Commission Briefing
11/17/26	Introduction and Public Hearing of the 2027 Budget
11/23/26	Adoption of the 2027 Budget
11/30/26	Filing of Budget with King County Council & King County Assessor as required by law
12/4/26	Release of the 2027 Final Budget

B. Financial Management Policies

The primary purpose of the Port is to broaden and strengthen the economic base of the port district. The Port uses key criteria in various combinations as it pursues its capital and operating programs and projects. Clearly, national and international economic strengths or weaknesses have a direct bearing upon the Port's financial viability and role as an economic engine for the region.

1. Key Financial Tools

The Port uses several tools to monitor its financial performance, and these are described below:

a. **Long-term Targets**: The Port's long-term targets provide high-level policy guidance. These targets provide guidance to business planning for each division.

b. **Operating Budget**: The Operating Budget is an essential tool for the Port's management planning, resource allocations, and control. It quantifies line of business and departmental plans for the next year in both operational and monetary terms. Throughout the year, the Responsibility Reports (which compare actual results to budget) are generated monthly and variances from budget are analyzed on a monthly basis, and more extensively each quarter, to determine if corrective action is needed. Divisions and departments prepare a quarterly forecast, which is incorporated into the quarterly Performance Report, which provides explanation of variances from the approved plan and is presented quarterly to Executive Management and Commission in public meetings, as necessary.

c. **Balanced Budget**: The Port prepares an annual budget and supports, encourages, and commits to a balanced budget in which revenues exceed expenses. In so doing, the practice is to pay for all current operating expenses with current revenues and not postpone current year operating expenses to future years or accrue future year's revenues to the current year. The Port's policy further requires that budgeted operating expenses do not exceed budgeted revenues, and on-going expenses do not exceed on-going revenues.

d. **Operating Forecasts**: Included in the budget document are five-year forecasts or projections of the division's operating revenues and expenses. The first year of this forecast is the Operating Performance Budget.

e. **Capital Budget and Capital Improvement Plan**: A detailed plan of proposed outlays or capital expenditures arising from the acquisition or improvement of the Port's fixed assets and the proposed means of financing them through bond proceeds, grants, and operating revenues. This document serves as an operational and planning tool and it is directly tied to the business goals. The document identifies proposed capital projects at the airport and on the waterfront and prioritizes those projects.

f. **Capital Improvement Plan (CIP) Reserve**: The Capital Improvement Plan may include one or more CIP reserves to ensure funding capacity for unspecified projects (e.g., renewal and replacement), new initiatives and unforeseen needs. However, CIP reserves are not intended to anticipate all potential future spending and amounts will be determined by considering the data on historical capital trends, existing asset conditions, the status (level of certainty) of CIP forecasts, and any contingent risks that may require funding. The use of CIP reserves will be reviewed with the Commission annually during the budget process.

g. **Capital Expenditures**: Expenditures that arise from the acquisition or improvement of the Port's fixed assets such as construction of new facility or renovation of existing facility; renewal, replacement or upgrading of mechanical, electrical, communications, HVAC, and plumbing systems; computer and office equipment; furniture and fixtures; vehicles, etc.

h. **Capital Budget Impact on the Operating Budget**: Its impact on the Operating Budget is through Capitalized Labor or Charges to Capital Projects, which include the salaries and benefits costs associated with capital projects. These costs are subtracted out of the operating budget and then budgeted in the capital budget as part of the cost of the project(s). The Operating Budget is also impacted in the form of increased operating, maintenance, and depreciation expenses because of the new assets. Depreciation is a non-cash item that represents the use of long-term assets. Port assets are given a useful life of more than three years when they become active and each year some of that useful life is used up, worn, or depreciated. The capitalized labor or charges to capital projects is displayed in Table III-3 and the depreciation is displayed in Table III-2. The capitalized labor is also displayed in similar tables in Sections IV through VII.

i. **Plan of Finance**: The Five-year Capital Budget is the basis of the Plan of Finance. This document provides a funding plan of the capital program developed within the financial targets and forecasts described within the Draft Plan of Finance section. The Draft Plan of Finance is prepared and presented to the Port Commission concurrently with the Operating Budget. See further discussion in the Draft Plan of Finance, section X of this document.

j. **Capital Investment Matrix**: The matrix provides an analytical framework for capital projects. The results of the analysis provide financial and non-financial information for the Port Commission as a guide for capital investment decisions.

k. **Financial and Operational Indicators Report**: The Port uses financial and operating indicators to monitor its financial performance and budget. This report is produced and distributed monthly to the Port Commission and Executive Management.

l. **Treasury Management**: Using its internal Treasury since July 2002, the Port has experienced increased investment earnings, faster mobilization of funds, on-line banking capabilities, easier accounts and full control of its cash and investments.

m. **General Coverage Ratios and Cash Flow Margins**: As part of its financial modeling, the Port targets that Airport cash flow equals 1.40x of all Airport related revenue debt (1.25x required) and that Non-Airport cash flow equals 1.8x of all Non-Airport related revenue debt. In addition, the Port targets general obligation bond debt service not to exceed any more than seventy-five percent of the annual tax levy.

n. **Bond Coverage Ratios**: The Port, through financial modeling, runs projections for its revenue bond debt service coverage ratio. Although the Port has an obligation under First Lien Revenue Bond covenants to maintain a ratio of 1.35x, as a matter of practice a ratio of at least 1.8x is maintained. Debt service coverage may fall below this target level during periods of construction borrowing prior to the time that revenue producing assets come on-line. The Intermediate Lien Revenue Bond covenant requires a debt service coverage ratio of 1.25x.

o. **Fund Balances**: Working capital fund balances are maintained in the General Fund and the Airport Development Fund. The targeted level for the General Fund is approximately twelve months of operating and maintenance expenses other than Airport related expenses. The targeted level for the Airport Development Fund is eighteen months of Airport related operating and maintenance expenses to be achieved by 2026. $5M in the Renewal and Replacement Fund as required by bond documents.

p. **Performance/Variance Report**: This report is in narrative format explaining the reasons for or causes of variances between actual revenues and expenses versus budgeted amounts on a quarterly basis. A good and accurate monthly and quarterly performance/variance report is a very important tool for management. Divisions and departments prepare a quarterly year-end forecast, which is incorporated into this report and it is presented quarterly to Executive Management and the Commission in public meetings.

2. Financial Policies and Description of Major Funds

This section provides a summary of the Port's major financial policies and descriptions of its major funds.

a. **Organization:** Founded in 1911 by a vote of the people as a special purpose government, the Port of Seattle's mission is to promote economic opportunities and quality of life in the region by advancing trade, travel, and commerce in an equitable, accountable, and environmentally responsible manner. The Port is considered a special purpose government with a separately elected commission of five members and is legally separate and fiscally independent of other State or local governments.

b. **Reporting Entity:** The Port uses the Enterprise Fund to account for all activities and operations of the Port.

There are dozens of sub-funds that are summarized into the Enterprise Fund. The Enterprise fund is used to account for operations and activities that are financed at least in part by fees or charges to external users of Airport Facilities, Maritime and Economic Development properties. Therefore, the Port of Seattle summarizes all of its sub-fund activities in the Enterprise Fund. This includes the Port's major business activities, which are comprised of three operating divisions - Aviation, Maritime, and Economic Development.

Within the Enterprise Fund, the Port segregates non-operating expenses made for other public entities which are generally funded by the ad valorem tax levy. This includes expenses for Airport noise mitigation at district schools and transportation infrastructure improvements to the state and region in conjunction with other agencies. These projects are controlled by other governmental entities and are not reflected as Port assets.

In 2015, the Port underwent a series of reorganizations to strategically position the Port to achieve future growth, operational excellence, and talent development.

Operation of the Port's main cargo business was transferred to the Northwest Seaport Alliance, a joint venture with the Port of Tacoma, which unified the two ports' marine cargo terminal investments, operations, planning and marketing to strengthen the Puget Sound gateway and attract more marine cargo to the region. The remaining Seaport businesses became a part of the new Maritime Division.

The Northwest Seaport Alliance is one of the largest trade gateways in North America. The Pacific Northwest is a key region for inbound and outbound United States cargo, moving cargo not only for the regional trade, but also cargo headed to destinations throughout the entire U.S. Midwest, and this Alliance helps the region remain competitive into the future. This historic cooperation between the ports combines the strong cargo terminal operations making the region more competitive in the global economy and supports jobs in Washington.

The two ports have moved from fierce competitors to bold collaborators to form a new business model for the greater good of the region. The ports recognized how critical the maritime industry is to the state's economy and are proud to strengthen it even more.

Together, the ports more efficiently deploy the significant investments each port has devoted to infrastructure and speak with a stronger voice on pressing regional and industry-related issues. While the ports remain separate organizations that retain ownership of their respective assets, they formed a port development authority (PDA) to manage the container, break-bulk, auto and some bulk terminals in Seattle and Tacoma. The PDA is governed jointly by the two ports through their elected commissions.

Effective January 1, 2016, the Port is comprised of three operating divisions, namely Aviation, Maritime and Economic Development.

The Aviation Division ("Aviation") operates Seattle-Tacoma International Airport (SEA) which serves the predominant air travel needs of a five-county area. The Airport is ranked as 11th busiest airport in the U.S. serving 50.9 million passengers in 2024. Currently 41 airlines serve 95 non-stop domestic and 36 international destinations including Canada, Mexico, and seasonal operations.

The Maritime Division manages industrial property connected with maritime businesses, recreational marinas, Fishermen's Terminal, cruise, grain, maritime operations, and real estate portfolio asset management.

The Economic Development Division focuses on real estate development and planning, tourism, developing small business opportunities, and managing Lower Duwamish Hub and Grant Programs.

Central Services provides high quality and cost-effective professional and technical services to the divisions and supports the overall goals of the Port; it also delivers projects and provides technical and contracting services in support of the operating and infrastructure needs of the Port through Capital Development. Central Services expenses are allocated and charged to the operating divisions.

c. **Basis of Accounting and Budgeting:** The Port does not distinguish between the Basis of Accounting and the Basis of Budgeting since the principles set forth as the Basis of Accounting are observed in the budgeting process. The Port is accounted for on a flow of economic resources measurement focus. The financial statements and the budget are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units using the accrual basis of accounting under which revenue transactions are recognized when earned and expenses are recognized when incurred, regardless of the time the cash is received or disbursed.

   The Government Accounting Standard Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Port adopted the provisions of GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and American Institute of Certified Public Accountants (AICPA) Pronouncements. This statement incorporates into GASB's authoritative literature certain accounting and financial reporting guidance issued by Financial Accounting Standard Board ("FASB") pronouncements which does not conflict with or contradict GASB pronouncements and eliminates the option to apply post-November 30, 1989, FASB pronouncements that do not conflict with or contradict GASB pronouncements.

d. **Use of Estimates:** The preparation of the Port's budget in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions in reporting of revenues and expenses in certain instances. Thus, actual amounts could differ from those estimates.

e. **Operating Revenues:** Fees for services, rents, and charges for the use of Port Facilities such as: Dockage, Wharfage, Berthage and Moorage, Airport Transportation Fees, Airport Landing Fees, Equipment, Property Rentals, and other revenues generated from the Port's operations are reported as operating revenue.

f. **Non-Operating Revenues:** Revenues that do not result from the normal operation of the Port's business such as: Ad Valorem Tax Levy, Interest Income, Non-operating Grants, Passenger Facilities

Charges, Customer Facilities Charges, and other revenues generated from non-operating sources are classified as non-operating.

g. **Operating & Maintenance Expenses:** Cost or charges that arise from the normal operation of the Port's business. These are costs or services required for a department/division to function. These include Salaries and Benefits, Equipment expense, Supplies and Stock, Travel and Other Employee expenses and all Direct Charges, even those from Central Services and from other Divisions.

h. **Non-Operating Expenses:** Cost or charges that do not arise from the normal operation of the Port's business. An example is interest expense.

i. **Capital Policy:** The Port's policy is to capitalize all asset additions or **Tangible Assets (Property, Plant, and Equipment)** and **Intangible Assets,** if they exceed $20,000, whether it is a single payment or an accumulation of related costs and with an estimated useful life of more than three years. Any asset costing less than $20,000 is expensed. Land, facilities, and equipment are stated at cost, less accumulated depreciation. Depreciation is computed on a straight-line basis. Buildings and improvements are assigned lives of 30 to 50 years, equipment 3 to 20 years, and furniture and fixtures 5 to 10 years.

j. **Debt Policy:** The Port's debt policy is designed to ensure appropriate use and management of debt including compliance with various laws, regulations and agreements and effective management of risk. The policy requires use of an independent financial advisor and describes the roles of Commission and staff. The policy describes the type and structure of debt and sets forth limitations on new debt. Key limitations include minimum debt service coverage requirements for revenue bond debt of 1.25x for the Airport (target is 1.40x) and 1.8x for the Non-Airport businesses and that General Obligation bond debt service cannot exceed 75% of the annual tax levy. The policy establishes savings targets for refunding ranging from 3% for a current refunding with a short-term maturity/call date to 9% for a LIBOR based swap refunding with a long-term maturity/call date. The policy also provides guidelines for the sale of bonds.

k. **Ad Valorem Tax Levy:** Ad valorem taxes received by the Port are utilized for the acquisition and construction of facilities, for the payment of principal and interest on GO bonds issued for the acquisition or construction of facilities, for contributions to regional freight mobility improvements, for environmental expenses, for certain operating expenses, and for public expenses. The Port includes ad valorem tax levy revenues and interest expense on GO bonds as non-operating income in the Statement of Revenues and Expenses. The King County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Taxes are levied annually on January 1 on property values listed as of the prior year. The lien date is January 1. Assessed values are established by the County Assessor at 100% of fair market value. A re-evaluation of all property is required annually. Taxes are due in two equal installments on April 30 and October 31. Collections are distributed to the Port by the County Treasurer.

l. **Description of Funds:** The Port has a single Enterprise Fund and for management purposes the Port has established multiple sub-funds. The Enterprise Fund accounts for all activities and operations of the Port and for all of its assets and liabilities. The Enterprise fund is connected to the functional units in that it is used to account for operations and activities that are financed at least in part by fees or charges to external users of Airport Facilities, Maritime and Economic Development properties.

   Therefore, the Port of Seattle summarizes all its fund activities in the Enterprise Fund. This includes the Port's major business activities, which are comprised of three operating divisions (Aviation, Maritime, Economic Development), and Central Services.

Included in the Enterprise Fund is the Port's Tax levy sub-fund and related Environmental Legacy and Transportation and Infrastructure sub-funds; these are the Port's Governmental Funds. The Port's enterprise fund increased primarily due to the bond proceeds from a revenue bond issuance in July 2021. The Tax levy sub-funds declined primarily due to spending from the Harbor Development fund on the construction of terminal 5.

Table B-1: Fund Balances

	General Government	**Debt Service**	**Assets (1) as of September 30, 2025 ($ million)**	**Assets (1) as of September 30, 2026 ($ million)**	**Change ($ million)**
Enterprise Fund (2)	X	X	2,591.02	2,230.50	-360.52
Tax levy Sub-funds (3)	X	General Obligation only	118.76	99.26	-19.5

Table Notes:
[1] Includes, cash, short-term investments, and long-term investments.
[2] Includes Tax levy sub-funds. Estimate based on cash and investment allocated to the sub-funds, not accrued assets.
[3] Tax levy sub-funds: Tax Levy, Environmental Legacy and Transportation and Infrastructure.

There is no separate appropriation process to make payments from the Enterprise Fund; funds are deemed appropriated upon spending authorization. Most operating expenditures are authorized with adoption of the budget. Larger contracts, either operating or capital require separate authorization. Sub-funds are used to pay expenditures based on the described uses of the sub-fund.

Descriptions of some of the major sub-funds are:

Table B-2: Fund Descriptions

Types of Sub-Funds	Sub-Fund Name	Sub-Fund #	Sub-Fund Description
1. Operating	Airport Development Fund (ADF)	03040	This is the operating fund for the Seattle-Tacoma International Airport (Aviation division). The fund receives operating revenues derived from all airport sources and funds operating and maintenance expenses related to the Airport. The fund also receives Airport Improvement Program grants reimbursement receipts. Transfers made from this fund include funding for Aviation related revenue bond fund debt service. Capital acquisition expenditures which are not otherwise funded are also made from this fund. Other expenditures include operating and administrative expenses and non-operating expenditures associated with Central Services that are allocated to Aviation.

Types of Sub-Funds	Sub-Fund Name	Sub-Fund #	Sub-Fund Description
	General Fund	00010	The general fund is the operating and capital fund for all Port-owned properties with the exception of the Seattle-Tacoma International Airport (Aviation). This includes Maritime, Economic Development, and the Port's membership interest in the NWSA (collectively referred to as "non-airport" businesses). Operating revenues derived from these other sources and excluding the Industrial Development Corporation are deposited to this fund. The fund also receives non-operating revenues that are associated with these non-airport businesses or are Central Services in nature. Expenditures from this fund include: • Non-airport operating and administrative expenses; capital equipment purchases and construction projects, excluding projects funded with other funding sources (for example, certain expenses may be funded from the tax levy fund, as directed by Port Commission) • Operating expenses for Central Services allocated to the non-airport businesses • Central Services capital equipment purchases and capital projects that are ultimately allocated to the operating divisions through allocated depreciation and appropriate portions of capital that is split between the airport and non-airport businesses. • Non-operating expenditures that are directly associated with non-airport businesses. • Port payrolls, purchases of materials, supplies and services, and non-airport capital acquisition expenditures which are not otherwise funded are made from this fund. Periodic reports are generated indicating what general fund monies have been expended for payrolls or accounts payable that properly should have been paid out of the other funds. These amounts will then be transferred from such other funds to the general funds as reimbursements.
	Tax Levy	00020	The Tax Levy fund was established in 2002 and is used to receive the ad valorem taxes levied on real properties within the Port's District (King County). Prior to 2002, the tax levy proceeds were deposited into the General Fund. Other items deposited to this fund include Receipts in lieu of taxes, Tax sales and refunds, Investment income and expense, Tax adjustments, Tax supplements and cancellations. Proceeds are used for General Obligation (G.O.) bonds debt service, and to fund capital, expense and special item projects that meet criteria established by the Port, or as directed by Port Commission.
	Transportation & Infrastructure Reserve (TIF)	00021	Established in 2010, as per the 2010 Commission approved budget, the TIF can be used for any lawful purpose just the same as Tax Levy Fund. The TIF initial funding source is from the Tax Levy fund, and the fund balance is reviewed at least annually with Port staff and Commission.

Types of Sub-Funds	Sub-Fund Name	Sub-Fund #	Sub-Fund Description
	Harbor Development Fund (HDF)	00022	In 2017 the Port set aside funds in the HDF to help fund future development in the North Harbor (NWSA). The HDF was initially funded with tax levy cash that was reimbursed upon issuance of the 2017 G.O. which were issued to reimburse the Port for prior year cash payments made to the State of Washington on the Alaska Way Viaduct project. The funds were used to pay costs associated with the redevelopment of Terminal 5 and are now depleted.
	Environmental Legacy Fund (ELF)	00023	Beginning in 2023, the Port began to set aside funds to pay for legacy environmental remediation liabilities.
	Customer Deposits	06010	This fund has been established as a depository of lease deposits and other monies held by the Port as surety but belonging to Port of Seattle customers.
2. Special Facility	Passenger Facility Charges (PFCs) • Revenue • Capital	06054 03060	PFC Revenues are derived from passenger facility charges levied on embarking passengers at Seattle-Tacoma International Airport. The collected revenues are used to pay debt service on PFC Revenue Bonds, debt service on other revenue bonds related to FAA approved projects, and for specifically designated airport facility improvements projects. All PFC's revenues are deposited to the Revenue fund (06054). From the Revenue fund, there is a required monthly transfer to the Debt Service fund (by the 25th of each month) equal to 1/6th of semi-annual PFC debt service payment. The remaining balance in the Revenue fund, which includes interest earnings, is then transferred to Capital fund (03060).
	Customer Facility Charge (CFC)	CFC01	Established in 2006, the CFC Fund holds revenue derived from charges imposed upon customers of rental car companies accessing the Airport, and taxable revenue bond proceeds issued to fund the Consolidated Rental Car Facility (CRCF). Funds are to be used to pay debt service on those bonds, construction costs for the CRCF project, any future capital maintenance projects, and specified CRCF operating expenses.
	Fuel Hydrant Fund • Revenue • Debt Service • Project • Reserve	Held in Trust	The funds accruing to the Fuel Hydrant Revenue Fund are derived from Pledged Lease Revenue and Other Revenue as defined in Resolution No. 3504, as amended. Funds are to be used to pay Fuel Hydrant bonds debt service. All Fuel Hydrant revenues are deposited to the Revenue account. From the Revenue account, there is a required monthly transfer to the Debt Service account equal to 1/6th of the semi-annual interest and 1/12th of the annual principal amounts. The remaining balance of the Reserve account, which is interest earnings, is then transferred to Capital account.
3. Debt Related	Bond Funds	Various	The Port of Seattle issues bonds pursuant to bond resolutions to fund its Capital Improvement Program. Proceeds from bond issues are used to fund construction, capitalized interest, and reserves, see below.

Types of Sub-Funds	Sub-Fund Name	Sub-Fund #	Sub-Fund Description
	Capitalized Interest Fund (Cap-I)	Various	Established at the time of bond issuance, Cap-I funds are additional bond proceeds to be used to pay interest expense on the bonds before the capital assets funded by the bonds go into use and are able to generate revenue to repay principal.
	Construction Fund (CF)	Various	Proceeds from bond issues are used for the Port's facilities expansions and improvements, land acquisition, and/or pay interest. Separate funds are set up for each bond issue to allow for the tracking and reconciliation of bond proceeds expenditures.
	Debt Service Reserve Fund (DSRF)	Various	Established at the time of bond issuance for the purposes of securing the payment of principal and interest on related outstanding bonds. Terms set forth in the bond covenants dictate how much the Port is required to maintain in the Reserve fund. Not all bond issues have a cash funded Reserve fund; the Port may instead choose to maintain qualified surety and/or a qualified letter of credit.
	Debt Service Fund (DSF)	Various	DSF's serve as pass-through funds. Transfers are made periodically to the DSF, typically on the debt service date, for an amount sufficient to meet the debt service requirements. The source of the funds transfer depends on the related debt and may be made, legally, from any operating fund, but it is the Port's intent to make such transfers from the General Fund, Tax Levy Fund and/or Airport Development Fund.
4. Other Operating	Repair and Renewal Fund	03150	Established pursuant to Master Resolution 3577, Section 4. (b), the proceeds of the fund may be used by the Port to pay extraordinary operating and maintenance expenses, make capital replacements, additions, expansions, repairs, and renewals of the facilities of the Port.
	Environmental Settlement	ENVIR	Established 2008, the fund is used for environmental settlement money received for cleanup work the Port is engaged to do. Consequently, there are restrictions on how proceeds are used.
	Industrial Development Corporation (IDC)	IDC01	The IDC of the Port of Seattle is a special purpose government with limited powers. It was established in 1982 pursuant to Revised Code of Washington (Chap. 39.84) for the purpose of facilitating industrial expansion through tax-exempt financing. The IDC fund balance is comprised from compensation from companies that borrow through the IDC, and investment earnings. IDC "surplus" funds may be used for any allowable purposes as provided by state law: allowable under the Port's authorized powers to engage in economic development programs, and for growth management, planning or other economic development purposes.

3. Revenue and Expense Assumptions

The 2027 Operating Revenues are developed based on the terms of various lease agreements and on forecasted activity levels. Operating Expenses are developed based on historical experience, forecasted activity levels and inflation.

Aviation aeronautical revenues, which are based on cost-recovery, are budgeted at $683.9 million, an increase of 10.6% compared to the 2026 revised budget. Non-aeronautical revenues are budgeted at $356.5 million, which is $12.4 million or 3.6% higher than the 2026 revised budget mainly driven by higher revenues from Public Parking and Ground Transportation. Total operating revenues are budgeted at $1,040.4 million, an 8.1% increase from 2026 revised budget. The 2026 Aviation expenses are expected at $602.4 million, an increase of 2.1% from the 2026 revised budget mainly driven by increases in payroll, and other contractual expenses.

The Maritime Division's operating revenues are budgeted at $122.6 million, an 11.0% increase from 2026 mainly due to higher revenues from Cruise and Conference & Event Centers. Total operating expenses, including cost allocations from other divisions, are forecasted at $142.4 million, a 1.3% increase from 2026.

The total operating expenses for Economic Development Division are budgeted at $13.8 million, a 2.6% decrease from 2026. Ongoing key budget initiatives in 2027 include strategic investments in diversity in contracting, tourism, and economic development.

Below is a summary of revenue assumptions:

- The Airport expects total passengers of 53.8 million, a 1.3% growth from 2026 forecast.
- Cruise forecasts a flat number of vessel sailings compared to 2026 with over 2.0 million passengers, and 100 percent occupancy rate based on tentative berth reservations.
- Grain volume is budgeted at 3.5 million metric tons, a 9.3% increase from 2026 budgeted volumes.
- Recreational Marinas budgeted occupancy rate remains steady from previous years at Shilshole Bay Marina.
- Commercial properties target an occupancy of 90% or greater at year-end 2026, consistent with current results.
- Conference and Event Center expects a 20.6% revenue increase from the 2026 revised budget.

Salaries and benefits for represented employees are based on union contracts. Salaries for non-represented (exempt and non-exempt) employees are budgeted for a 3.8% average annual pay increase. Benefit costs for employees in non-union jobs are budgeted in two parts:

- The first part is a flat dollar amount per employee per month and covers costs that are not related to employees' pay. This includes medical and dental coverage, Wellness Rewards Program costs, 401(a) contributions, and Flexible Spending Account fees. This amount is $1,798.44 per employee per month.

- The second part covers costs that are related to employees' pay. This includes FICA, PERS, life and disability insurance as well as PTO and Sick Leave amounts together with the new Washington Paid Family and Medical Leave Act. These items are an estimated 17.546% of pay in 2027.

C. Business Assessment

1. National and Local Economy and Outlook

The near-term economic outlook has weakened as the war in Iran and the closure of the Strait of Hormuz pushed energy prices sharply higher. Although oil prices are expected to decline once the strait reopens, inventory damage will slow the return to normal conditions.

The second estimate of the second quarter real GDP estimate shows a moderation in economic growth from the previous quarter. U.S. real GDP grew 1.5% (SAAR) in the second quarter of 2026 compared to 2.1% in the first quarter. The upward movement in GDP primarily reflects increases in consumer spending, fixed investment, and exports, partially offset by a decline in government expenditures and a rise in imports, which subtract from GDP.

Seasonally adjusted consumer prices rose 0.4% in August compared to a 0.1% increase the month before. On a year-over-year basis, prices were up 3.4%. Core inflation, excluding food and energy, increased 2.4% compared with August 2025.

National employment expanded by 162,000 positions in August, and updated data for June and July resulted in a combined upward revision of 55,000 jobs due to revised seasonal factors. The strongest employment gains for the month were recorded in leisure and hospitality with 62,000, health care and social assistance with 28,400, and government with 35,000. Employment declined in several sectors, including information which is down 23,000, financial activities decreased by 11,000, and arts, entertainment, and recreation lost 6,300.

Washington added 13,800 seasonally adjusted nonfarm jobs over June through August. Construction employment rose by 300, manufacturing by 2,800, and education and health services posted the strongest private-sector gain with 5,900 new jobs. Employment services saw the largest decline, losing 3,000 positions. Government employment increased by 1,900, driven by state and local hiring.

A downward revision to May employment reduced estimated levels by 6,000 jobs (0.2%). Combining this revision with stronger-than-expected recent growth, total employment in August stands 6,800 jobs (0.2%) above the level projected in the June forecast.

Washington's unemployment rate has declined for two consecutive months, reaching 4.9% in August, while labor force participation dipped slightly to 62.0%, well below its 2023 peak. Housing activity strengthened in the second quarter, with total permits rising to 49,800 units (driven largely by multi-family construction) and exceeding earlier forecasts. Looking ahead, the preliminary September outlook anticipates an average of 39,400 new housing units annually from 2026 to 2031, modestly higher than the prior projection.

Seattle-area inflation remains high rising 4.4% from August 2025 to 2026, compared with 3.4% for the U.S. overall. Oil prices have spiked due to the war in Iran and reduced tanker traffic through the Strait of Hormuz. Energy costs jumped 15.9% compared to last year. Shelter costs rose moderately, 2.6% in Washington and 3.0% nationwide. Core inflation which food and energy also stayed elevated at 3.3% in Seattle and 2.4% for the U.S. City average. Inflation for non-durable goods remained very high, rising 6.0% over the year.

Sources:
https://erfc.wa.gov/publications-June Quarterly and September Monthly

Table C-1: Summary Forecast

(Annual Percent Change)	2026	2027	2028	2029	2030
Washington State Economic Forecast					
Non-Farm Payroll Employment	0.2	0.6	0.6	0.8	0.9
Unemployment Rate	5.1	5.1	5.0	4.8	4.7
Real Personal Income	0.5	3.6	3.8	3.3	3.0
Consumer Price Index	4.1	2.3	2.5	2.4	2.3
Housing Permits	17.7	(10.9)	2.6	4.3	2.4
Total Population (in thousands)	8,185.2	8,246.6	8,307.9	8,373.8	8,439.6
% Change	0.9	0.8	0.7	0.8	0.8

Source: Washington State Economic and Revenue Forecast Council, June quarterly and September monthly report

Table C-2: State Employment by Industry

Washington State 2025 Average Employment Classified by Industry

Industry description	Average Firms	Average Annual Employment	Average Annual Wage
Agriculture, forestry, fishing, and hunting	5,535	92,638	$ 43,854
Mining	138	2,043	$ 95,570
Utilities	250	5,796	$ 145,457
Construction	27,336	207,412	$ 89,778
Manufacturing	7,857	268,559	$ 102,938
Wholesale trade	11,727	130,572	$ 112,120
Retail trade	14,101	325,246	$ 50,594
Transportation & warehousing	4,815	148,144	$ 79,824
Information	8,197	142,458	$ 290,455
Finance and insurance	7,328	94,387	$ 146,335
Real estate, rental and leasing	6,665	57,476	$ 80,304
Professional, scientific, and technical services	39,731	253,339	$ 166,310
Management of companies and enterprises	746	101,918	$ 256,540
Administrative and waste management services	14,358	175,603	$ 75,197
Educational services	4,202	51,822	$ 50,092
Health care and social assistance	22,067	486,198	$ 73,059
Arts, entertainment, and recreation	3,331	57,939	$ 46,902
Accommodation and food services	15,498	281,088	$ 35,376
Other services (except public administration)	19,584	104,692	$ 60,536
Government	2,112	596,005	$ 88,695
Total [1]	**215,575**	**3,583,335**	**$ 96,434**

Table Notes:
[1] Total and average of statewide rollup data. Employment and wages are not shown for some subsectors to avoid disclosure of data for ind. employer.

Source: https://esd.wa.gov/labormarketinfo/covered-employment

Table C-3: Top 10 Public Companies in Washington

Top 10 Companies with HQ in Washington State
(ranked by Revenues)

Company	No. of Employees	Revenues	Website
Amazon.com	1,575,000	$775.7B	www.amazon.com
Microsoft	228,000	$331.8B	www.microsoft.com
Costco Wholesale	341,000	$275.2B	www.costco.com
T-Mobile	75,000	$92.2B	www.t-mobile.com
Starbucks	381,000	$38.3B	www.starbucks.com
Coupang	108,000	$35.5B	www.aboutcoupang.com
Paccar	25,900	$27.8B	www.paccar.com
Expedia Group	16,000	$15.7B	www.expedia.com
Alaska Air Group Inc	31,996	$14.7B	www.alaskaair.com
Expeditors International	19,800	$12.0B	www.expedia.com

Sources: https://www.financecharts.com/screener/biggest-state-wa

2. Economic Impact Study Summary:

The joint economic impact analysis report shows that the Northwest Seaport Alliance (NWSA), the Port of Tacoma, and the Port of Seattle collectively generated $17.7 billion in wages and benefits and nearly $55 billion in business output and supported more than 265,000 jobs in 2023. The report includes an analysis of direct jobs and provides a comprehensive snapshot of both indirect jobs and induced economic benefits. This is the first time that all lines of business have been evaluated together. The Port of Seattle's business lines supported over 205,000 total jobs, almost $39 billion in total business output, and $396 million in total fiscal impact to the state. Seattle-Tacoma International Airport (SEA), the Port's largest business line, supported nearly 175,000 jobs in 2023, $10.5 billion in wages and benefits, and $33.3 billion in business output. Meanwhile, the Cruise business supported 5,120 jobs in 2025, $327 million in wages and benefits, and $1.2 billion in business output.

Seattle-Tacoma International Airport (SEA)

Seattle-Tacoma International Airport (SEA) is one of the Pacific Northwest's leading economic engines. From airport workers who live in neighboring communities to cherry farmers in Central Washington, and from shops in tourist destinations like Pike Place Market to corporate giants like Microsoft and Boeing, SEA touches nearly every aspect of the economy.

The Port of Seattle, operator of SEA, retained Community Attributes to measure the airport's economic contribution based on business activity data collected in 2023. Results demonstrate SEA is a strong driving force for sustainable regional prosperity. Activity on-site at the airport and throughout Washington state resulting from purchases by visitors arriving at SEA generates the following:

- $33.4 billion in total business output
- 174,950 total jobs supported
- $10.5 billion in total employee compensation
- $342 million in total state fiscal impact

Maritime Cargo

The combined total impact of maritime industries was found to include 52,105 jobs and $14 billion in total business revenue. These figures reflect activity at both the Seattle and Tacoma cargo terminals that are managed by The Northwest Seaport Alliance (NWSA).

In 2015 the ports of Seattle and Tacoma joined forces to unify management of our marine cargo facilities and business to strengthen the Puget Sound gateway and attract more marine cargo and jobs for the region. The Northwest Seaport Alliance was the first of its kind in North America.

In 2023 the Northwest Seaport Alliance commissioned a report on the economic impact of marine cargo. The Northwest Seaport Alliance represents one of the largest cargo loading centers in the U.S. In 2023, nearly three million twenty-foot equivalents (TEU) carrying 23.8 million metric tons of cargo (including 22 million metric tons of containerized cargo) were handled at the Northwest Seaport Alliance across facilities at the Ports of Seattle and Tacoma. Nearly 80% of TEUs at the NWSA represent international imports or exports, with the remaining 20% representing containers shipped domestically to Alaska and Hawaii.

The report found that, combined across all marine cargo activities, the NWSA directly an estimated 52,100 jobs, $4.4 billion in total compensation, and $14 billion in total business output throughout the state of Washington. The direct and secondary economic activities related to marine cargo at the NWSA generate nearly $134 million in Washington state sales and use taxes, Washington state business, and occupation taxes and other statewide taxes.

Commercial Fishing and Recreational Boating Industries

The Port of Seattle announced new economic impact report figures on the local fishing and recreational boating industries, highlighting the importance of maritime industrial properties in the region. Commercial fishing facilities on Port property hauled in over $1 billion, supporting over 8,800 direct jobs, with recreational boating related facilities floating nearly $154 million, and more than 1,000 jobs.

Cruise Industry

The results of a new economic impact report show that the Port's projected cruise business for 2025 creates nearly $1.2 billion a year in total local business revenue and supports over 5,120 jobs, with $326.6 million in total compensation (wages and benefits).

During the 2024 and 2025 cruise seasons, the Port of Seattle hosted 275 and 300 calls, respectively. From 2014 through 2019, the Port of Seattle averaged 203 cruise ship calls per year, whereas from 2022 to 2024, the average increased to 284 calls. Between 2014 and 2024 total cruise passenger traffic at the Port of Seattle grew by 8% annually, on average.

D. Bond Amortization Schedules

Table D-1: Bond Amortization Schedule for 2027

Bond Type Series	Original Issue Amount		Issue Date	Outstanding Jan. 1, 2027	2027 Principal Payments Due Date	Amount		Outstanding Dec. 31, 2027		Interest Payments [1] Due Date		Amount	
GENERAL OBLIGATION BONDS													
Limited Tax G.O., Series 2017	$127,345,000		03/07/17	98,295,000	01/01/27	4,110,000		94,185,000		01/01, 07/01		4,812,000	
Limited Tax G.O., Series 2022A	$15,115,000	[3]	01/26/22	6,465,000	12/01/27	2,050,000		4,415,000		06/01, 12/01		323,250	
Limited Tax G.O., Series 2022B	$94,345,000	[4]	01/26/22	59,765,000	12/01/27	3,415,000		56,350,000		06/01, 12/01		1,469,551	
Limited Tax G.O., Series 2024A	$94,695,000	[5]	06/20/24	80,430,000	06/01/27	7,735,000		72,695,000		06/01, 12/01		3,763,425	
Limited Tax G.O., Series 2024B	$65,745,000		06/20/24	65,745,000	06/01/27	-		65,745,000		06/01, 12/01		3,287,250	
Limited Tax G.O., Series 2024C	$95,775,000		06/20/24	88,635,000	06/01/27	3,840,000		84,795,000		06/01, 12/01		4,112,728	
TOTAL GENERAL OBLIGATION BONDS				399,335,000		21,150,000		378,185,000				17,768,204	
REVENUE BONDS													
First Lien Bonds													
Series 2009B-2	$22,000,326	[6]	07/16/09	46,651,757	05/01/27	2,717,451		39,774,935	[6]	05/01		7,182,549	
Series 2026 Ref. 2016B AMT	$38,840,000	[7]	08/05/26	38,840,000	10/01/27	8,845,000		29,995,000		04/01, 10/01		2,163,172	
Total First Lien Bonds				85,491,757		11,562,451		69,769,935				9,345,721	
Intermediate Lien Bonds													
Series 2017A Revenue Refunding	$16,705,000	[8]	08/22/17	16,705,000	05/01/27	8,145,000		8,560,000		05/01, 11/01		631,625	
Series 2017B Revenue Refunding	$264,925,000	[8]	08/22/17	157,605,000	05/01/27	1,325,000		156,280,000		05/01, 11/01		5,750,150	
Series 2017C New Money	$313,305,000		08/22/17	251,670,000	05/01/27	10,515,000		241,155,000		05/01, 11/01		12,445,625	
Series 2017D New Money	$93,230,000		08/22/17	12,210,000	05/01/27	12,210,000		-		05/01		305,250	
Series 2018A New Money	$470,495,000		06/21/18	390,700,000	05/01/27	15,015,000		375,685,000		05/01, 11/01		18,672,125	
Series 2018B New Money	$85,145,000		06/21/18	22,020,000	05/01/27	10,740,000		11,280,000		05/01, 11/01		832,500	
Series 2019 New Money	$457,390,000		08/07/19	393,055,000	04/01/27	13,835,000		379,220,000		04/01, 10/01		18,906,875	
Series 2021A New Money	$12,610,000		06/30/21	7,725,000	12/01/27	1,795,000		5,930,000		06/01, 12/01		386,250	
Series 2021B Revenue Refunding	$148,765,000	[9]	06/30/21	121,865,000	06/01/27	6,230,000		115,635,000		06/01, 12/01		5,409,800	
Series 2021C New Money	$470,065,000		06/30/21	430,355,000	08/01/27	13,270,000		417,085,000		02/01, 08/01		20,617,150	
Series 2021D New Money	$41,395,000		06/30/21	26,455,000	08/01/27	5,105,000		21,350,000		02/01, 08/01		506,438	
Series 2022A Revenue Refunding	$206,200,000	[10]	08/11/22	173,305,000	08/01/27	17,695,000		155,610,000		02/01, 08/01		8,665,250	
Series 2022B New Money	$551,615,000		08/11/22	522,665,000	08/01/27	15,570,000		507,095,000		02/01, 08/01		25,845,025	
Series 2022C New Money	$39,275,000		08/11/22	30,515,000	08/01/27	4,625,000		25,890,000		02/01, 08/01		1,190,710	
Series 2024A Revenue Refunding	$168,975,000	[11]	08/01/24	148,035,000	03/01/27	11,475,000		136,560,000		03/01, 09/01		7,114,875	
Series 2024B New Money	$566,930,000		08/01/24	564,965,000	06/01/27	13,525,000		551,440,000		01/01, 07/01		29,122,375	
Series 2024B Revenue Refunding	$82,010,000	[12]	08/01/24	49,540,000	06/01/27	15,820,000		33,720,000		01/01, 07/01		2,477,000	
Series 2025A New Money	$74,235,000		08/05/25	74,235,000		-		74,235,000		04/01, 10/01		3,755,063	
Series 2025B New Money	$650,460,000		08/05/25	650,460,000		-		650,460,000		04/01, 10/01		33,537,975	
Series 2025C New Money	$22,550,000		08/05/25	22,550,000		-		22,550,000		03/01, 09/01		960,016	
Series 2026A Revenue Refunding	$66,485,000	[13]	08/05/25	66,485,000	02/01/27	15,525,000		50,960,000		04/01, 10/01		2,760,678	
Series 2026B Revenue Refunding	$146,580,000	[14]	08/05/25	146,580,000	04/01/27	10,275,000		136,305,000		04/01, 10/01		7,072,125	
Total Intermediate Lien Bonds				4,279,700,000		202,695,000		4,077,005,000				206,964,880	
Subordinate Lien Bonds													
Series 2008	$200,715,000	[15]	06/11/08	95,715,000	2027	14,810,000	[2]	80,905,000		Various	[2]	3,062,880	[2]
Series 2026A	$225,000,000		08/24/26	225,000,000	2027	6,230,000	[2]	218,770,000		Various	[2]	7,200,000	[2]
Series 2026B	$120,000,000	[16]	08/10/26	120,000,000		-	[2]	120,000,000		Various	[2]	5,796,000	[2]
Total Subordinate Lien Bonds				440,715,000		21,040,000		419,675,000				16,058,880	
TOTAL REVENUE BONDS				4,805,906,757		235,297,451		4,566,449,935				232,369,481	

SPECIAL FACILITY REVENUE BONDS

Fuel Facilities Series 2013 ref	$88,660,000	[17]	06/13/13	37,815,000	06/01/27	5,220,000	32,595,000	06/01, 12/01	1,665,295
TOTAL SPECIAL FACILITY REVENUE BONDS				37,815,000		5,220,000	32,595,000		1,665,295

Table Notes:

[1] - Interest Payments shown in this schedule are gross amounts before use of any Capitalized Interest.

[2] - Estimated annual total. Interest paid monthly. Principal paid annually or at maturity. Annual principal payments are voluntary.

[3] - Series 2022A G.O. refunded a portion of the Port's B-1 Commercial Paper.

[4] - Series 2022B G.O. Revenue and Refunding bonds fully refunded the outstanding 2011 G.O refunding bonds. The 2011 G.O. bonds refunded the 2000B G.O bonds.

[5] - Series 2024A G.O. fully refunded the outstanding Series 2015 G.O. Ref. Bonds. The 2015 G.O. fully refunded the outstanding Series 2006 G.O. Ref. Bonds.

[6] - Series 2009B-2 First Lien Capital Appreciation Bonds were issued at $22,000,326 par. The estimated outstanding principal balance at 12/31/2026 includes $33,534,276 of accumulated accreted interest.

[7] - Series 2026 Refunding bonds refunded the outstanding Series 2016B First Lien Refunding bonds. The Series 2016B bonds refunded the 2007B First Lien bonds.

[8] - Series 2017A Int. Lien Revenue Refunding bonds fully refunded the Series 2009A First Lien Revenue Bonds. The 2017B bonds refunded a portion of the 2009B-1 First Lien Revenue bonds.

[9] - Series 2021B Ref. Intermediate Lien bonds fully refunded the outstanding 2010B Ref. Intermediate Lien bonds. The Series 2010B-Ref. 2005D Intermediate Lien bonds fully refunded the 2005D Subordinate Lien series bonds.

[10] - Series 2022A Ref. Intermediate Lien Bonds partially refunded the Series 2012A Intermediate Lien bonds. The Series 2012A Intermediate Lien bonds refunded the Port's 1999A Subordinate Lien bonds, 2001A First Lien bonds, and 2003A First Lien Bonds.

[11] - Series 2024A Intermediate Lien bonds refunded the outstanding Series 2015A New Money and Series 2015B Intermediate Lien bonds. The 2015B bonds refunded the outstanding Series 2005A Intermediate Lien bonds.

[12] - Series 2024B Revenue Refunding Intermediate Lien bonds refunded the outstanding Series 2013 Revenue Refunding Intermediate Lien bonds. The 2013 bonds refunded the outstanding 2003B First Lien bonds.

[13] - Series 2026A Revenue Refunding Intermediate Lien bonds refunded the outstanding Series 2016 Int Lien Refunding bonds. The Series 2016 Int Lien bonds refunded the outstanding Series 2006A bonds.

[14] - Series 2026B Revenue Refunding Intermediate Lien bonds refunded the outstanding Series 2015C Intermediate Lien bonds.

[15] - Series 2008 Subordinate Lien bonds refunded the 2003C Subordinate Lien bonds.

[16] - Series 2026B Subordinate Lien bonds refunded a portion of the Port's D-1 Commercial Paper.

[17] - Series 2013 Special Facility Fuel Hydrant bonds fully refunded the 2003 Special Facility Fuel Hydrant bonds. Debt service for Fuel Facilities is paid directly from Fuel Hydrant Facility income, not out of operating cash flows.

The Port has authority to issue up to $400 million in Commercial Paper, as of 10/31/2026 the Port had no Commercial Paper outstanding.

Table D-2: Bond Amortization Schedule for 2026

Bond Type Series	Original Issue Amount		Issue Date	Outstanding Jan. 1, 2026	2026 Principal Payments Due Date	Amount		Outstanding Dec. 31, 2026		Interest Payments [1] Due Date		Amount	
GENERAL OBLIGATION BONDS													
Limited Tax G.O., Series 2017	$127,345,000		03/07/17	102,205,000	01/01/26	3,910,000		98,295,000		01/01, 07/01		5,012,500	
Limited Tax G.O., Series 2022A	$15,115,000	[3]	01/26/22	8,420,000	12/01/26	1,955,000		6,465,000		06/01, 12/01		421,000	
Limited Tax G.O., Series 2022B	$94,345,000	[4]	01/26/22	63,125,000	12/01/26	3,360,000		59,765,000		06/01, 12/01		1,523,311	
Limited Tax G.O., Series 2024A	$94,695,000	[5]	06/20/24	87,785,000	06/01/26	7,355,000		80,430,000		06/01, 12/01		4,140,675	
Limited Tax G.O., Series 2024B	$65,745,000		06/20/24	65,745,000	06/01/26	-		65,745,000		06/01, 12/01		3,287,250	
Limited Tax G.O., Series 2024C	$95,775,000		06/20/24	92,295,000	06/01/26	3,660,000		88,635,000		06/01, 12/01		4,289,803	
TOTAL GENERAL OBLIGATION BONDS				419,575,000		20,240,000		399,335,000				18,674,539	
REVENUE BONDS													
First Lien Bonds													
Series 2009B-2	$22,000,326	[6]	07/16/09	57,537,187	05/01/26	4,280,110		46,651,757	[7]	05/01		10,219,890	
Series 2016B - Ref. 2007B	$124,380,000	[7]	08/02/16	75,660,000	10/01/26	9,295,000		66,365,000		04/01, 10/01		3,783,000	
Series 2016C - Ref. Taxable	$6,180,000	[7]	08/02/16	3,395,000	10/01/26	445,000		2,950,000		04/01, 10/01		102,189	
Series 2021 Refunding	$43,015,000	[8]	06/30/21	9,540,000	09/01/26	9,540,000		-		03/01, 09/01		477,000	
Total First Lien Bonds				146,132,187		23,560,110		115,966,757				14,582,079	
Intermediate Lien Bonds													
Series 2015C New Money	$226,275,000		08/06/15	165,730,000	04/01/26	9,280,000		156,450,000		04/01, 10/01		8,054,500	
Series 2016 Refunding	$99,095,000	[9]	08/02/16	84,555,000	02/01/26	15,265,000		69,290,000		02/01, 08/01		3,846,125	
Series 2017A Revenue Refunding	$16,705,000	[10]	08/22/17	16,705,000		-		16,705,000		05/01, 11/01		835,250	
Series 2017B Revenue Refunding	$264,925,000	[10]	08/22/17	161,930,000	05/01/26	4,325,000		157,605,000		05/01, 11/01		5,837,568	
Series 2017C New Money	$313,305,000		08/22/17	261,675,000	05/01/26	10,005,000		251,670,000		05/01, 11/01		12,958,625	
Series 2017D New Money	$93,230,000		08/22/17	23,830,000	05/01/26	11,620,000		12,210,000		05/01, 11/01		901,000	
Series 2018A New Money	$470,495,000		06/21/18	404,975,000	05/01/26	14,275,000		390,700,000		05/01, 11/01		19,404,375	
Series 2018B New Money	$85,145,000		06/21/18	32,225,000	05/01/26	10,205,000		22,020,000		05/01, 11/01		1,356,125	
Series 2019 New Money	$457,390,000		08/07/19	406,220,000	04/01/26	13,165,000		393,055,000		04/01, 10/01		19,581,875	
Series 2021A New Money	$12,610,000		06/30/21	9,430,000	12/01/26	1,705,000		7,725,000		06/01, 12/01		471,500	
Series 2021B Revenue Refunding	$148,765,000	[11]	06/30/21	127,790,000	12/01/26	5,925,000		121,865,000		06/01, 12/01		5,713,675	
Series 2021C New Money	$470,065,000		06/30/21	443,015,000	08/01/26	12,660,000		430,355,000		02/01, 08/01		21,250,150	
Series 2021D New Money	$41,395,000		06/30/21	31,490,000	08/01/26	5,035,000		26,455,000		02/01, 08/01		576,223	
Series 2022A Revenue Refunding	$206,200,000	[12]	08/11/22	190,155,000	08/01/26	16,850,000		173,305,000		02/01, 08/01		9,507,750	
Series 2022B New Money	$551,615,000		08/11/22	537,495,000	08/01/26	14,830,000		522,665,000		02/01, 08/01		26,586,525	
Series 2022C New Money	$39,275,000		08/11/22	34,975,000	08/01/26	4,460,000		30,515,000		02/01, 08/01		1,352,073	
Series 2024A Revenue Refunding	$168,975,000	[13]	08/01/24	158,955,000	03/01/26	10,920,000		148,035,000		03/01, 09/01		7,674,750	
Series 2024B New Money	$566,930,000		08/01/24	566,930,000	06/01/26	1,965,000.00		564,965,000		01/01, 07/01		29,220,625	
Series 2024B Revenue Refunding	$82,010,000	[14]	08/01/24	65,925,000	06/01/26	16,385,000		49,540,000		01/01, 07/01		3,296,250	
Series 2025A New Money	$74,235,000		08/05/25	74,235,000		-		74,235,000		04/01, 10/01		3,755,063	
Series 2025B New Money	$650,460,000		08/05/25	650,460,000		-		650,460,000		04/01, 10/01		33,537,975	
Series 2025C New Money	$22,550,000		08/05/25	22,550,000		-		22,550,000		03/01, 09/01		986,683	
Total Intermediate Lien Bonds				4,471,250,000		178,875,000		4,292,375,000				216,704,685	
Subordinate Lien Bonds													
Series 2008	$200,715,000	[15]	06/11/08	110,333,000	2026	14,620,000	[2]	95,713,000		Various	[2]	2,923,878	[2]
Total Subordinate Lien Bonds				110,333,000		14,620,000		95,713,000				2,923,878	
TOTAL REVENUE BONDS				4,727,715,187		217,055,110		4,504,054,757				234,210,641	

SPECIAL FACILITY REVENUE BONDS									
Fuel Facilities Series 2013 ref	$88,660,000	[16]	06/13/13	42,860,000	06/01/26	5,045,000	37,815,000	06/01, 12/01	1,853,980
TOTAL SPECIAL FACILITY REVENUE BONDS				42,860,000		5,045,000	37,815,000		1,853,980

Table Notes:

[1] - Interest Payments shown in this schedule are gross amounts before use of any Capitalized Interest.

[2] - Estimated annual total. Interest paid monthly. Principal paid annually or at maturity. Annual principal payments are voluntary.

[3] - Series 2022A G.O. refunded a portion of the Port's B-1 Commercial Paper.

[4] - Series 2022B G.O. Revenue and Refunding bonds fully refunded the outstanding 2011 G.O refunding bonds. The 2011 G.O. bonds refunded the 2000B G.O bonds.

[5] - Series 2024A G.O. fully refunded the outstanding Series 2015 G.O. Ref. Bonds. The 2015 G.O. fully refunded the outstanding Series 2006 G.O. Ref. Bonds.

[6] - Series 2009B-2 First Lien Capital Appreciation Bonds were issued at $22,000,326 par. The estimated outstanding principal balance at 12/31/2026 includes $33,534,276 of accumulated accreted interest.

[7] - Series 2016 ABC First Lien bonds refunded a portion of the outstanding Series 2007A First Lien bonds and all of the Series 2007B First Lien bonds.

[8] - Series 2021 First Lien bonds refunded a portion of the Series 2011B First Lien bonds. The Series 2011AB First Lien bonds fully refunded the 1999B and 1999C Special Facility bonds and the 1998 Subordinate Lien bonds.

[9] - Series 2016 Int Lien Refunding bonds refunded the outstanding Series 2006A bonds. The Series 2006A Intermediate Lien bonds refunded the outstanding 2000A First Lien series bonds.

[10] - Series 2017A Int. Lien Revenue Refunding bonds fully refunded the Series 2009A First Lien Revenue Bonds. The 2017B bonds refunded a portion of the 2009B-1 First Lien Revenue bonds.

[11] - Series 2021B Ref. Intermediate Lien bonds fully refunded the outstanding 2010B Ref. Intermediate Lien bonds. The Series 2010B-Ref. 2005D Intermediate Lien bonds fully refunded the 2005D Subordinate Lien series bonds.

[12] - Series 2022A Ref. Intermediate Lien Bonds partially refunded the Series 2012A Intermediate Lien bonds. The Series 2012A Intermediate Lien bonds refunded the Port's 1999A Subordinate Lien bonds, 2001A First Lien bonds, and 2003A First Lien Bonds.

[13] - Series 2024A Intermediate Lien bonds refunded the outstanding Series 2015A New Money and Series 2015B Intermediate Lien bonds. The 2015B bonds refunded the outstanding Series 2005A Intermediate Lien bonds.

[14] - Series 2024B Revenue Refunding Intermediate Lien bonds refunded the outstanding Series 2013 Revenue Refunding Intermediate Lien bonds. The 2013 bonds refunded the outstanding 2003B First Lien bonds.

[15] - Series 2008 Subordinate Lien bonds refunded the 2003C Subordinate Lien bonds.

[16] - Series 2013 Special Facility Fuel Hydrant bonds fully refunded the 2003 Special Facility Fuel Hydrant bonds. Debt service for Fuel Facilities is paid directly from Fuel Hydrant Facility income, not out of operating cash flows.

The Port has authority to issue up to $400 million in Commercial Paper, as of 10/31/2025 the Port had $120 million in Commercial Paper outstanding.

Table D-3: 30 Year Bond Amortization Schedule

Port of Seattle

Statement of 30 Years - Calendar Year Mode
Outstanding Debt Service
As of 1/1/2027
Primary Sort Issue Group
(in thousands)

	2027	2028	2029	2030	2031	2032 2036	2037 2041	2042 2046	2047 2051	2052 2056	Total
GO Bonds											
INTEREST	17,768	16,826	15,845	14,933	14,213	58,793	34,015	13,485	2,377	0	188,254
PRINCIPAL	21,150	21,910	22,880	16,715	17,425	99,450	117,600	51,195	31,010	0	399,335
Rev Int Lien											
INTEREST	206,965	197,475	187,259	176,976	166,416	679,014	439,532	207,265	41,021	0	2,301,922
PRINCIPAL	202,695	216,205	210,265	222,585	220,845	1,020,110	989,870	845,045	352,080	0	4,279,700
Rev Sr. Lien											
INTEREST	9,346	9,472	12,082	11,824	3,970	0	0	0	0	0	46,694
PRINCIPAL	11,562	12,247	13,432	13,691	1,025	0	0	0	0	0	51,957
Rev Sub Lien [12]											
INTEREST	18,813	18,832	18,841	18,821	18,774	78,468	71,334	71,336	71,218	67,281	453,717
PRINCIPAL	0	0	0	0	0	110,335	0	0	0	345,000	455,335
Special Facility Rev Bonds-FH											
INTEREST	1,665	1,463	1,217	927	623	373	0	0	0	0	6,269
PRINCIPAL	5,220	5,420	5,660	5,940	6,240	9,335	0	0	0	0	37,815
Interest Total	254,557	244,068	235,245	223,480	203,995	816,647	544,880	292,085	114,617	67,281	2,996,855
Principal Total	240,627	255,782	252,237	258,931	245,535	1,239,230	1,107,470	896,240	383,090	345,000	5,224,142
Grand Total	495,185	499,850	487,482	482,411	449,530	2,055,877	1,652,350	1,188,325	497,707	412,281	8,220,997

Table Note:

[1] The Port has three variable rate bonds outstanding as of October 31, 2026. This schedule assumes a per annum rate of 4.13% for the 2008 Bonds, 3.80% for the 2026A Bonds, and 4.69% for the 2026B Bonds (the latest available rates).

[2] Excludes the Port's Subordinate Lien Commercial Paper program, which is authorized in the amount of $400M, and as of October 31, 2026 the Port had no Commercial Paper outstanding.

The Port maintains credit ratings with three rating agencies: Moody's Investor Services, S&P Global Ratings and Fitch Ratings. Ratings are maintained on The Port's general obligation credit and on three liens of revenue bond credit.

Table D-4: Bond Ratings Summary

	Fitch	Moody's	S&P
General Obligation Bonds	AA-	Aaa	AA
First Lien Revenue Bonds	AA	Aa2	AA
Intermediate Lien Revenue Bonds	AA-	Aa3	AA-
Subordinate Lien Revenue Bonds	AA-	A1	AA-
Fuel Hydrant Special Facility Bonds		A1	A+

E. Other Detailed Expenditures

a. Promotional Hosting

Promotional hosting consists of expenses incurred by officials and employees of the Port in connection with hosting others for the purpose of promoting the increased use of Port facilities and services.

Table E-1: Promotional Hosting by Division

($ in thousands)

Division	2025 Actuals	2026 Budget	2026 Revised Budget	2027 Proposed Budget
Aviation	459,977	542,075	542,075	536,370
Maritime	119,175	157,048	157,048	175,863
Economic Development	44,153	183,345	183,345	401,010
Central Services	690,981	745,489	745,489	742,620
Total	**1,314,286**	**1,627,957**	**1,627,957**	**1,855,863**

Promo.xlsx

b. Memberships

The 2027 Budget for the Port of Seattle is $1,836,543. The Executive Director may approve additional memberships and increases in dues which could not be foreseen during 2026 budget preparation, provided that the increases do not exceed 10% of the total membership budget.

Memberships are for: (1) associations for the purpose of participating on a cooperative basis with other port districts, airports and with operators of terminal and transportation facilities; (2) associations providing specialized information and services; (3) associations to better qualify certain employees in the performance of specified duties which are assigned to such employees; and (4) associations which are considered to be of particular and special value in connection with the carrying out of the Port's promotion and advertising activities. Membership is an effective way to leverage scarce resources to accomplish objectives that might otherwise be omitted.

Table E-2: Memberships

Memberships	2027 Budget
Airport Council International	$ 209,860
Greater Seattle Partners	$ 200,000
Washington Public Ports Association - AV	$ 150,000
Washington Public Ports Association - Maritime	$ 150,000
Puget Sound Regional Council & Economic Development	$ 85,200
American Association of Airport Executives	$ 77,500
American Association of Port Authorities	$ 68,000
US Travel Association	$ 65,000
Greater Seattle Metropolitan Chamber of Commerce	$ 52,300
SAF Cascadia	$ 50,000
WPPA	$ 50,000
American Association of Airport Executives	$ 46,180
Airports Council International - North America	$ 27,816
Cruise Line International Association	$ 25,000
MMIA - Sound Industrial Alliance	$ 25,000
Seattle Climate Hub	$ 25,000
MS-ISAC	$ 17,500
Washington Health Alliance	$ 15,500
Airport Minority Advisory Council (AMAC)	$ 15,000
Maritime Innovation Collaboration	$ 15,000
Green Marine	$ 12,500
Clean Tech Alliance	$ 10,000
Washington Council on International Trade	$ 10,000
Global Biorisk Advisory Council (GBAC) Accreditation	$ 10,000
International Air Transport Association	$ 10,000
Other	$ 414,187
Total	**$ 1,836,543**

F. Changes Between Preliminary Budget to Final Budget

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Will be updated in the Final version.

G. Glossary of Terms Used

Account: A record of an activity as revenue or expense, such as fees for services, rents, or as salaries, equipment, supplies, travel, etc.

Accrual: Represents an outstanding obligation for goods and services received or performed but for which payment has not been made.

Accrual Basis of Accounting: It is the basis of accounting under which revenue transactions are recognized when earned and expenses are recognized when incurred, regardless of the time the cash is received or disbursed, or the recording of revenue or expense in the absence of a cash transaction.

Actions: The specific tactics, actions and projects an organization will undertake in an effort to meet the objectives. These statements should reflect how objectives will be achieved.

Actual: Earned revenue or incurred expense during the stated fiscal year.

Ad Valorem Tax Levy: Ad valorem taxes received by the Port are utilized for the acquisition and construction of facilities, for the payment of principal and interest on GO bonds issued for the acquisition or construction of facilities, for contributions to regional freight mobility improvements, for environmental expenses, for certain operating expenses, and for public expenses. The Port includes ad valorem tax levy revenues and interest expense on GO bonds as non-operating income in the Statement of Revenues and Expenses.

Allocated Expense: These are costs allocated to business groups from service providers. Allocated costs are general support costs that cannot be directly attributed to a business unit, but instead support the entire Port and all its Business Groups. Costs can come from within the division (intra-division) or from outside the division (inter-division).

Amortization: The gradual reduction in the book value of Fixed or Intangible Assets having a limited life by allocating the original cost over the life of the asset. (See Depreciation).

Annual Financial Report: This document is produced by the Port of Seattle annually detailing financial, statistical, budgetary, and demographic data and it is distributed to the public.

Appropriation: Authorization granted by a legislative body to make expenditures and to incur obligations for a specific use and contains specific limitations as to the amount, purpose, and time when it may be expended.

Assessed Valuation: Is an official government valuation set upon real estate and personal property by the King County Assessor, as a basis for levying property taxes.

Audit: A formal examination of an organization accounts or financial situation.

Balanced Budget: The Port prepares an annual budget and supports, encourages, and commits to a balanced budget in which revenues exceed expenses. In so doing, the practice is to pay for all current operating expenses with current revenues and not postpone current year operating expenses to future years or accrue future year's revenues to the current year. The Port policy further requires that budgeted operating expenses do not exceed budgeted revenues, and on-going expenses do not exceed on-going revenues.

Bonds: Is an interest-bearing written instrument promising to pay a specified sum of money (the face value or principal amount) on a specified date (the maturity date) at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond resolution or ordinance.

Budget: A financial plan, forecast or projection of the Port's revenues and expenses expected during the stated budget year.

Budget Calendar: A schedule of key dates that the Port follows in the preparation, review, and adoption of its annual budget.

Budget Document: The Port's official written approved budget in document format, prepared by the Port's Finance and Budget teams.

Budget Message: A general discussion of the proposed budget presented in written format by the Executive Director of the Port to the Port Commission and Public.

Business & Occupation (B&O) Tax: It is a gross receipt tax levied on businesses. Washington State does not have a corporate or personal income tax. Washington's B&O Tax is calculated on the gross income from activities.

Capital Capacity: An estimated calculation of the maximum amount available to spend on capital projects, given assumptions about future revenues and expenses and the ability to cover future interest payments per bond covenants and Port policies. See further discussion in the Draft Plan of Finance, section X.

Capital Expenditures: In accordance with Generally Accepted Accounting Principles (GAAP) and Port policy, capital expenditures are defined as expenditures that arise from the acquisition or improvement of the Port's fixed assets, such as construction of new facility or renovation of an existing facility; or renewal, replacement or upgrading of existing Port assets. Capital assets cost $20,000 or more, with a useful life of 3 years or more, of which the Port has ownership.

Capital Improvement Plan (CIP) and Draft Plan of Finance: A detailed five-year plan of proposed capital expenditures arising from the acquisition or improvement of the Port's fixed assets and the means of financing them through bond proceeds, grants, and operating revenues. This document serves as an operational and planning tool. The document identifies proposed capital projects at the airport and on the waterfront and prioritizes those projects.

Capitalized Labor or Charges to Capital Projects: Includes the salaries and benefits costs associated with capital projects. These costs are subtracted out of the operating expense and then input into the capital budget as part of the cost of the project(s).

CARES Act: The Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act.

Cash Disbursements: Is the disbursement or payment of cash for cost incurred in the operation of the Port's business.

Cash Flow: Illustrates the flow of funds over a period of time incorporating both the operating budget and the capital budget and determines the financial needs.

Cash Receipts: The collection of cash from services and from Port facilities and equipment leased or operated.

Chart of Accounts: It is a long list ("index") of account numbers and their descriptions.

Chartfield: A field that contains information that defines a transaction in terms of account number, department code, subclass, fund, or program.

Contingency: A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Continuous Process Improvement Program (CPI): CPI is the port's official program to establish a continuous and enduring culture of improvement by utilizing a disciplined and time-tested improvement methodology called "LEAN." A culture of CPI will expand and improve the Port's capabilities, making the Port a stronger, more competitive organization. The CPI program focuses on four key elements:

- Organizational strategies, objectives, and metrics
- Employee empowerment and engagement
- Efficiency
- Innovation

Cost Per Enplanement (CPE): Airline cost per enplanement reflects the overall cost to the airlines for each passenger enplaned. The CPE measures the total costs borne by the passenger airlines operating at the airport divided by the number of enplaned passengers (roughly half of the total passengers). CPE is a key indicator used by the airlines to measure the relative costs of airports.

Cost Recovery: is a method of rate setting and revenue recognition based on recovering costs associated with a specific business operation. Costs included in the recovery methodology include operating expenses, debt service costs, and amortization for assets associated with a specific business operation.

Customer Facility Charges (CFCs): As determined by applicable State legislation, customer facility charges generate revenue to be expended by the Port for eligible capital projects and the payment of principal and interest on specific revenue bonds.

Department/Org: An organizational unit within the Port which is part of a division.

Depreciation: This is a non-cash item that represents the use of long-term assets. Port assets are given a useful life of more than three years when they become active and each year some of that useful life is used up, worn, or depreciated (See Amortization).

Direct Charge: The ability to direct charged for services instead of allocating them, which is charging against another division's/department's subclass to represent where resources were used and dollars spent for the work that was actually performed.

Draft Plan of Finance: The five-year Capital Budget is the basis of the Plan of Finance. A funding plan for the Capital Budget that identifies the types and amounts of funding sources that are expected to be available in the five-year planning period, developed within the financial targets and forecasts described within the Draft Plan of Finance section. The Draft Plan of Finance is prepared and presented to the Port Commission concurrently with the Operating Budget. See further discussion in the Draft Plan of Finance section.

Enterprise Fund: There are dozens of funds that are summarized into the Enterprise Fund. The Enterprise Fund accounts for all activities and operations of the Port. The Enterprise fund is connected to the functional units in that it is used to account for operations and activities that are financed at least in part by fees or charges to external users of Airport Facilities, Maritime and Economic Development properties. Therefore, the Port of Seattle summarizes all of its fund activities in the Enterprise Fund. This includes the Port's major business activities, which are comprised of three operating divisions (Aviation, Maritime, Economic Development), and Central Services.

Environmental Remediation Liability: The Port's policy requires accrual of pollution remediation obligation amounts when (a) one of the following specific obligating events is met and (b) the amount can be reasonably estimated. Obligating events include: imminent endangerment to the public; permit violation; named as party responsible for sharing costs; named in a lawsuit to compel participation in pollution remediation; or commenced or legally obligated to commence pollution remediation. Potential cost recoveries such as insurance proceeds, if any, are evaluated separately from the Port's pollution remediation obligation.

Costs incurred for pollution remediation obligation are recorded as environmental expenses unless the expenditures meet specific criteria that allow them to be capitalized. Capitalization criteria include: preparation of property in anticipation of a sale; preparation of property for use if the property was acquired with known or suspected pollution that was expected to be remediated; performance of pollution remediation that restores a pollution-caused decline in service utility that was recognized as an asset impairment; or acquisition of property, plant, and equipment that have a future alternative use not associated with pollution remediation efforts.

Equity: The excess of assets over liabilities.

Estimates: Prediction of revenues and expenditures.

Fiscal Year: The Port's annual accounting period for recording financial transactions begins January 1 and ends December 31, which is the same as the calendar year. It is also called the budget year.

Forecast: An estimate, projection or prediction of revenues and expenses.

Full-Time Equivalent: Full-Time Equivalent (FTE) employee, where "full-time" equals 100% of a full-time schedule. A full-time employee is represented as a "1.0 FTE" where 1.0 = 100% of a full-time schedule. FTEs represented by less than 1.0, such as 0.8, represent less than a full-time schedule. For example, "0.8 FTE" represents 80% of a full-time schedule.

Fund: Enterprise Fund. The establishment of a sub-fund is to account for money set aside for some specific purpose.

Fund Balance: The Net Position of the Enterprise Fund.

Generally Accepted Accounting Principles (GAAP): Standards and guidelines by which Accounting and Financial Reporting are governed.

General Obligation (GO) Bonds and Interest: The Port can borrow money which is intended to be paid back through its taxing authority. The tax levy (See Section VIII) funds the repayment of the principal and interest of these bonds. Port financial policies dictate that G.O. bonds be used for projects that have a long lag between project costs and revenues or are insufficient to support

revenue bond financing, the project generates significant economic benefits for taxpayers, and the project is critical to the Port's core business.

Goals: Written statements that declare what the port/division/department plan to achieve to fulfill its mission.

Governmental Accounting Standards Board (GASB): It is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government Finance Officers Association (of USA and Canada) (GFOA): The purpose of the Government Finance Officers Association is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and practices and promoting them through education, training, and leadership.

Investment in Joint Venture: The Port adopted Joint Venture Accounting beginning January 1, 2016, to account for its 50% share in the Northwest Seaport Alliance (NWSA).

Inter-Division Allocation (Charges): Allocation or Charges from one division to another.

Intra-Division Allocation (Charges): Allocation or Charges from within the division.

Landing Fee: The landing fee rate and resulting landing fee revenues are based on the contractual agreement between the Port's Aviation Division and the airlines. This contractual agreement permits the airlines to land and operate at Sea-Tac Airport. See the discussion of landing fees in Appendix E.

LEAN: Is a management philosophy, a process improvement approach, and a set of methods that seek to identify, eliminate, and reduce non-value added activities or waste within a process. Lean is time tested and is used by several companies, industries, and agencies around the world. Key principles of LEAN are:

- Guiding team members through the steps in process improvement with a trained facilitator.
- Measuring the current state of a process.
- Analyzing problem areas within a process.
- Brainstorming improvement ideas, implementing improvements, and putting in place controls to sustain improvements.

Major Funds: There are dozens of funds that are summarized into the Enterprise Fund, which is used to account for operations and activities that are financed at least in part by fees or charges to external users of Airport Facilities, Maritime and Economic Development properties. Therefore, the Port of Seattle summarizes all of its activities in the Enterprise Fund. This includes the Port's major business activities, which are comprised of three operating divisions – Aviation, Maritime and Economic Development, and Central Services.

Majority in Interest (MII): Under the terms of the current agreement between the airlines and the airport, the airlines are entitled to vote their approval for particular capital projects that affect the airline rate base.

Millage: A tax rate on property, expressed in mills per dollar of value of the property.

Mission: A brief statement that describes the purpose of an organization's existence. It defines the core purpose of the organization: What your organization does and for whom.

Net Assets: As required by GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments, net assets (equity) have been classified on the statement of net assets into the following categories:

- Invested in capital assets – net of related debt: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- Restricted: Net Assets subject to externally imposed stipulations on their use.
- Unrestricted: All remaining net assets that do not meet the definition of "invested in capital assets – net of related debt" or "restricted".

When both restricted and unrestricted resources are available for the same purpose, restricted assets are considered to be used first over unrestricted assets.

Net Operating Income before Depreciation (NOI): Income from operations after all direct and allocated expenses, but before depreciation, non-operating revenues and expenses has been included.

Non-Aeronautical Revenues: Include concession, parking and other fees not charged directly to the airlines. These revenues help offset the residual landing fee requirement.

Non-Airport Revenues: All revenues at the Port not related to the Airport, includes all Maritime, EDD, Stormwater Utilities, Central Services, and NWSA distributable revenues.

Non-Operating Expenses: Cost or charges that do not arise from the normal operation of the Port's business. An example is interest expense.

Non-Operating Revenues: Revenues that do not result from the normal operation of the Port's business such as: Ad Valorem Tax Levy, Interest Income, Non-operating Grants, Passenger Facilities Charges, Customer Facilities Charges, and other revenues generated from non-operating sources.

Northwest Seaport Alliance (NWSA): A Joint Venture between the Port of Seattle and the Port of Tacoma formed the Northwest Seaport Alliance, which unifies the two ports' marine cargo terminal investments, operations, planning and marketing to strengthen the Puget Sound gateway and attract more marine cargo to the region. It is the fourth-largest trade gateway in North America, behind the ports of Los Angeles and Long Beach, the Port of New York/New Jersey, and the Port of Savannah. It is a separate governmental entity established as a Port Development Authority, similar to Public Development Authorities formed by cities and counties. It is governed equally by the Managing Members who are acting through its home port's elected commissioners. The citizens of Pierce and King Counties each elect a five-member Port Commission to govern the ports of Tacoma and Seattle every four years, on a staggered basis. Each home port will remain a separate legal entity, independently governed by its own elected commissioners.

Objectives: Are statements of specific outcomes that are related to achieving the desired goals/strategies.

Operating Income before Allocations & Depreciation: Direct operating revenues minus direct operating expenses. This does not include any allocated expenses.

Operating & Maintenance Expenses: Cost or charges that arise from the normal operation of Port's business. These are cost or services required for a department/division to function. These include Salaries and Benefits, Equipment expense, Supplies and Stock, Travel and Other Employee expenses and all Direct and allocated charges, from Central Services and from other Divisions.

Operating Revenues: Fees for services, rents, and charges for the use of Port facilities such as: Dockage, Wharfage, Berthage and Moorage, Airport Transportation Fees, Airport Landing Fees, Equipment Rentals, Property Rentals, and other revenues generated from port's operations are reported as operating revenue.

ORG: Is an abbreviated term for "Organization" and is the number that identifies departments. It shows where cost originates.

Other Post-Employment Benefits (OPEB): According to the Governmental Accounting Standard Board (GASB) statement 45, government agencies are required to record post-employment benefit costs other than pensions as a liability based on actuarial costs.

Passenger Facility Charges (PFCs): As determined by applicable federal legislation, passenger facility charges generate revenue to be expended by the Port for eligible capital projects and the payment of principal and interest on specific revenue bonds. PFC revenues received from the airlines are recorded as non-operating income in the statements of revenues, expenses, and changes in net assets upon passenger enplanement.

Passenger Facility Charges (PFCs) Bonds: Bonds backed by Passenger Facility Charges.

Passenger Traffic: Enplanements, deplanements and connecting passenger activity.

Performance Indicators or Measures: Metrics used by Port management to determine whether a program is achieving or accomplishing its mission efficiently and effectively.

Performance or Operating Budget: A financial plan that incorporates an estimate of proposed revenues and expenses for a given period. A department's budget includes only those revenues and expenditures for which it has control.

Performance or Variance Report: A report in narrative format explaining the reason or causes of variances between actual revenues and expenses versus budgeted amounts for a given period. A good and accurate monthly and quarterly performance/variance report is a very important tool for management. Divisions and departments prepare a quarterly year-end forecast, which is incorporated into this report and it is presented quarterly to Executive Management and the Commission in public meetings.

Port Commission: It is the governing body of the Port of Seattle, which is comprised of five commissioners elected by the voters of King County to serve four-year terms and to establish Port policy.

Program: Represents costs that are tracked and tend to enhance account information.

Repairs and Maintenance: Expenditures for routine maintenance and repairs to structure and minor improvements to property, which do not increase the value of the capital assets.

Resolution: A formal expression of opinion or determination adopted by the Port Commission.

Revenue Bonds: A type of borrowing that is repaid through the dedication of revenues intended to be generated by the investment being funded by the bonds.

Revenue over Expense: The excess or deficit of revenues (operating and non-operating) over expenses (operating and non-operating). The excess of revenues over expenses increases equity, whereas the deficit, expenses over revenues, decrease equity.

Seasonally Adjusted: Monthly figures are seasonally adjusted to account for typical seasonal variations which allows for month-to-month comparison.

Seasonally Adjusted Annualized Rate: A calculated rate to reflect the full year and adjusted to account for the seasonal variations.

Statutory Budget: A plan that depicts the cash flows of the Port. It shows the beginning balance, cash receipts and cash disbursements and the balance at the end of the year. This budget must be filed with the King County Council and the King County Assessor as required by law by a specific date. See Section XI.

Strategies: The broad, overall priorities adopted by the organization in recognition of its operating environment and in pursuit of its mission and vision. Strategies set the stage for decisions on budget, resources, and timeframes.

Subclass: Shows where resources were used and spending occurred. It shows who benefited from the work.

Tax Levy: The amount of money to be raised by the imposition of property taxes. See Section VIII.

Transfers: The movement of money from one fund to another.

Transportation Worker Identification Credential (TWIC): The Transportation Worker Identification Credential, also known as TWIC®, is required by the Maritime Transportation Security Act for workers who need access to secure areas of the nation's maritime facilities and vessels. It is a tamper-resistant biometric identification card system established through the U.S. Congress Maritime Transportation Security Act (MTSA) and administered by the Transportation Security Administration (TSA) and U.S. Coast Guard. TSA conducts a security threat assessment (background check) to determine a person's eligibility and issues the credential. U.S. citizens and immigrants in certain immigration categories may apply for the credential. Most mariners licensed by the U.S. Coast Guard also require a credential.

Twenty-foot Equivalent Unit (TEU): The international standard of measurement for the container volume that moves through the Port. One forty-foot container is equivalent to two TEUs.

Vacancy Factor: A percentage applied to total payroll to account for potential turnover and delays in hiring to depict a more accurate estimated payroll budget.

Values: Principles, standards, characteristics, or qualities held in high positive regard by an individual or group. They are often used to guide day-to-day actions.

Variances: The difference between "actual" and "budget" amounts for revenues and for expenses, which could be either favorable or unfavorable.

Favorable Variance: This is a positive variance, and it exists when, in a given period:

- Revenues: Actual revenues are higher than budgeted revenues.
- Expenses: Actual expenses are lower than budgeted expenses.

Unfavorable Variance: This is a negative variance, and it exists when, in a given period:

- Revenues: Actual revenues are lower than budgeted revenues.
- Expenses: Actual expenses are higher than budgeted expenses.

Vision: A word picture or brief statement of what the organization intends to become or how it sees itself at some point in the future.

H. Acronyms and Abbreviations

AAPA	American Association of Port Authorities
AAAE	American Association of Airport Executives
AAG	Alaska Airlines Group
ACI	Airports Council International
ACI-NA	Airports Council International-North America
AEC	Airport Employment Center
AICPA	American Institute of Certified Public Accountants
AIR 21	Aviation Investment & Reform Act for the 21st Century
AOA	Air Operations Area
APM	Automated People Mover
ARFF	Aviation Regional Fire Fighting
ARPA	American Rescue Plan Act
ATC	Air Traffic Control
B&OT	Business and Occupation Tax
BHICC	Bell Harbor International Conference Center
BHM	Bell Harbor Marina
BHS	Baggage Handling System
BLS	Bureau of Labor Statistics
BMPs	Best Management Practices
CBP	Customs and Border Protection
CDD	Capital Development Division
CERT	Community Emergency Response Team
CFCs	Customer Facility Charges
CFO	Chief Financial Officer
CIP	Capital Improvement Program
CJIS	Criminal Justice Information Services
CMMS	Computerized Maintenance Management System
COO	Chief Operating Officer
CPE	Cost Per Enplanement
CPI	Consumer Price Index / Continuous Process Improvement
CPO	Central Procurement Office, a Port department
CTE	Central Terminal Expansion
CY	Calendar Year / Container Yard
DBE	Disadvantaged Business Enterprises
DHS	Department of Homeland Security
DIC	Diversity in Contracting
DNR	Department of Natural Resources
DOT	Department of Transportation
ED	Executive Director
EDD	Economic Development Division
EDI	Equity, Diversity, and Inclusion, a Port Department
EIS	Environmental Impact Statement
ELT	Executive Leadership Team
EPA	Environmental Protection Agency

ESA	Endangered Species Act
ESGR	Employer Support of the Guard Reserve
FAA	Federal Aviation Administration
FAR	Federal Aviation Regulations
FASB	Financial Accounting Standard Board
FAST	Freight Action Strategy Corridor
F&B	Finance and Budget, a Port Department
FEMA	Federal Emergency Management Agency
FIMS	Flight Information Management System
FIS	Federal Inspection Services (US Customs)
FMC	Federal Maritime Commission
FOD	Foreign Object Damage/Debris
FTE	Full-time Equivalent (Employee)
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GBAC	Global Biorisk Advisory Council Accreditation
GFOA	Government Finance Officers Association (of USA and Canada)
GIS	Geographical Information System
GO	General Obligation (Bond)
GT	Ground Transportation
HCM	Human Capital Management
HDF	Harbor Development Fund
HDS	Harbor Development Strategy
HIPAA	Health Insurance Portability and Accountability Act
HMT	Harbor Maintenance Tax
HR	Human Resources, a Port department
HVAC	Heating, Ventilation and Air Conditioning
IAF	International Arrivals Facility
IATA	International Air Transport Association
ICT	Information and Communications Technology, a Port Department
IDC	Industrial Development Corporation
IDIQ	Indefinite Delivery Indefinite Quantity
ILA	Interlocal Agreement
IMC	Intermodal Center
JV	Joint Venture
KPIs	Key Performance Indicators
LEAN	Lean Education Academic Network
LEOFF	Law Enforcement Officers' and Fire Fighters' Retirement System
LOI	Letter of Intent
LOC	Letter of Credit
LR	Labor Relations, a Port Department
LRP	Long Range Plan
LTGO	Limited Tax General Obligation
MAP	Million Annual Passengers
WMBE	Women & Minority Owned Business Enterprise
MD	Managing Director

MIC	Maritime Industrial Center
MIS	Management Information System
MOBI	Marina Operation Boating Inventory System
MOU	Memorandum of Understanding
NAMF	North Area Maintenance Facility
NAC	Neighborhood Advisory Committee
NEPA	National Environmental Policy Act
NMA	National Management Association
NOAA	National Oceanic and Atmospheric Administration
NOI	Net Operating Income
NRD	Natural Resource Damage
NRDA	Natural Resource Damage Assessment
NREL	National Renewable Energy Laboratory
NSAT	North Satellite Terminal
NTSB	National Transportation Safety Board
NWMTA	Northwest Marine Terminal Association
NWSA	Northwest Seaport Alliance
OEDI	Office of Equity, Diversity, and Inclusion, a Port Department
O&D	Origin and Destination
O&M	Operating and Maintenance Expense
OPEB	Other Post-Employment Benefits
ORG	Organization
PCS	Port Construction Services, a Port department
PCI	Payment Card Industry
PDA	Port Development Authority
PERS	Public Employees' Retirement System
PFCs	Passenger Facility Charges
PLA	Project Labor Agreement
PLBs	Passenger Loading Bridges
PM	Project Manager
PMA	Pacific Maritime Association
PMG	Project Management Group, a Port department
PNWA	Pacific Northwest Waterways Association
POS	Port of Seattle
PPE	Personal Protective Equipment
PPM	Post Panamax
PREP	Performance Review, Evaluation & Planning
PSA	Professional Service Agreement
PSCAA	Puget Sound Clean Air Agency
PSRC	Puget Sound Regional Council
RCF	Rental Car Facility
RCW	Revised Code of Washington
RFP	Request for Proposal
RMM	Regulated Materials Management
SAAR	Seasonally Adjusted Annualized Rate
SAF	Sustainable Aviation Fuels
SBM	Shilshole Bay Marina

SDS	Stormwater Drainage System
SEA	Seattle-Tacoma International Airport (Airport Code)
SEPA	State Environmental Policy Act
SKC	South King County
SLOA	Signatory Airline Lease and Operating Agreements
SSA	Stevedoring Services of America
STEP	South Terminal Expansion Project
STS	Satellite Transit System
SWOT	Strengths, Weaknesses, Opportunities, and Threats
SWT	State of Washington Tourism
SWU	Storm Water Utility
USCG	United States Coast Guard
USDA	United States Department of Agriculture
TEU	Twenty-foot Equivalent Unit (shipping container)
TSA	Transportation Security Administration
TWIC	Transportation Worker Identification Credential
UBC	Uniform Building Code
WASPC	Washington Association of Sheriffs and Police Chiefs
WMBE	Women and Minority Business Enterprises
WSCC	Washington State Convention Center
WSDOE	Washington State Department of Ecology
WSDOT	Washington State Department of Transportation
WTC	World Trade Center
WPPA	Washington Public Ports Association

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