

Item No. 11c supp

Date of Meeting: October 28, 2025

Draft Plan of Finance 2026-2030 and Tax Levy Briefing

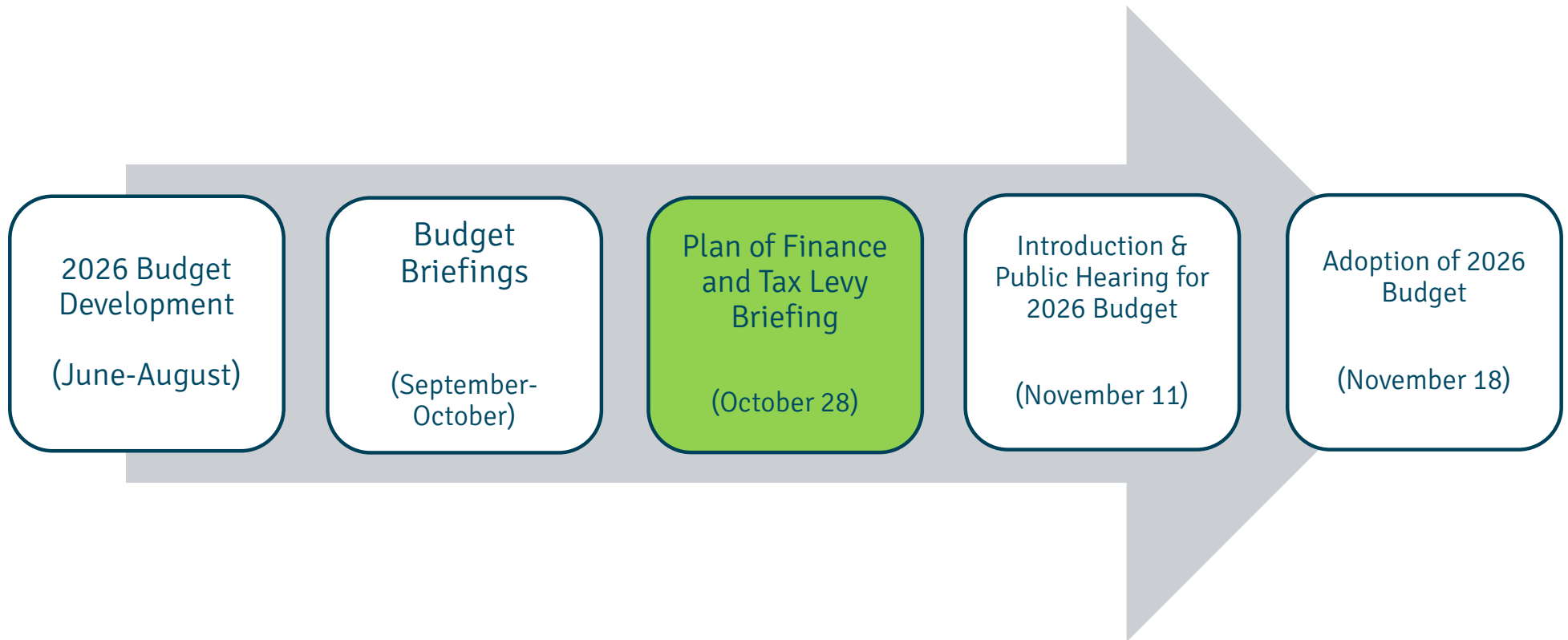
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Overview

- Tax Levy
- Draft Plan of Finance
- Appendix

2026 Budget Process



Operating and Capital Budget Reviews roll-up into Plan of Finance and Port-wide Budget

Tax Levy Background and Update

2026 Preliminary Budget
October 28, 2025



Bottom Line Up Front

- Stay the Course in 2026:
 - Maintain steady levy increase to improve position for future needs
 - No extraordinary needs in 2026
- Prepare for the Future:
 - Monitor and plan for environmental remediation
 - Continue to use the levy as a strategic credit strength for access to capital markets

Tax Levy Background

- Port establishes dollar amount of tax levy annually up to the statutory maximum
- Maximum levy increases an estimated 2% per year
- Levy can be used for any Port purpose except paying revenue bonds debt service
 - Commission can limit levy uses
- General Obligation (G.O.) bonds can be used instead of levy cash
 - G.O. bond debt service is the first claim on the levy

Port Levy Details	2025	2026 Assumption
Levy amount	\$88.4M	\$90.2M
Maximum levy	117.9M	120.2M
Percent of total levies in King County (est.)	1.1%	N/A

Responsibly Managing the Tax Levy

- **Levy Uses** focus on spending that returns community benefits rather than financial benefits
 - Environment
 - Community
 - Regional transportation
 - Capital investments



Levy Policies

Annual levy set at 75% of maximum levy

Retain 25% of annual levy as cash

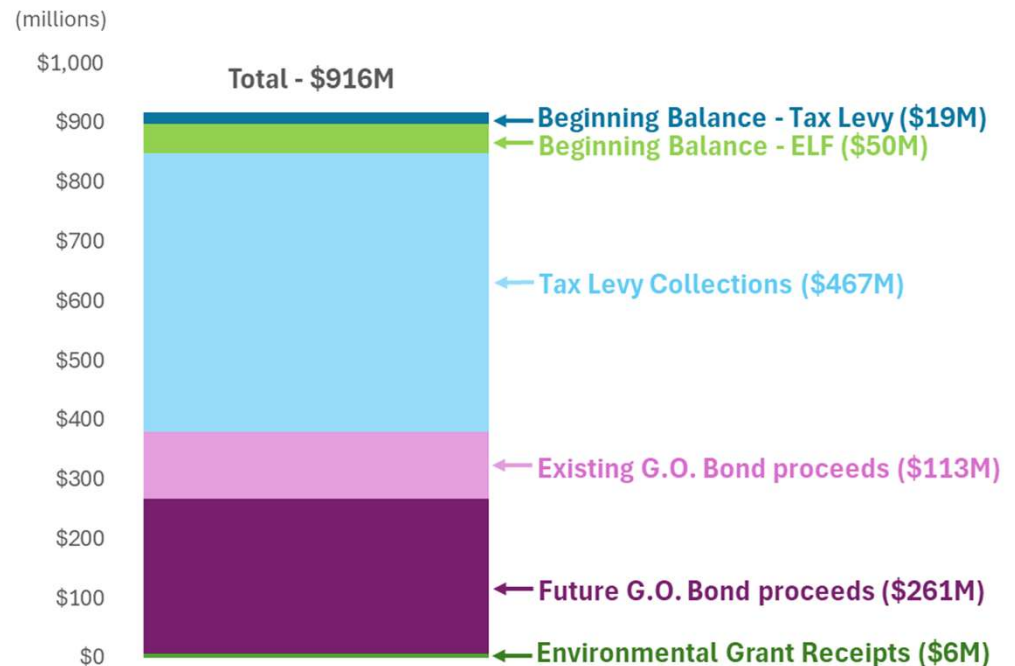
G.O. Bond debt service no more than 75% of annual levy

Tax Levy & Related Funds

- In addition to the tax levy fund, the Commission has established other related funds that are funded by the tax levy
- These funds are restricted by Port policy, not law, and currently include:
 - **Environmental Legacy Fund (ELF)** - established in 2023 to provide funding for legacy environmental liabilities. Will be used in combination with G.O. Bonds
 - **Transportation & Infrastructure Fund (TIF)** – established in 2010 to provide funding for the Port’s various regional transportation commitments. TIF is a stand-alone fund that fully funds current obligations
- The Port is also able to issue **General Obligation (G.O. Bonds)**. The proceeds of the bond sale can be used in lieu of levy cash
 - GO Bond debt service is paid from tax levy fund

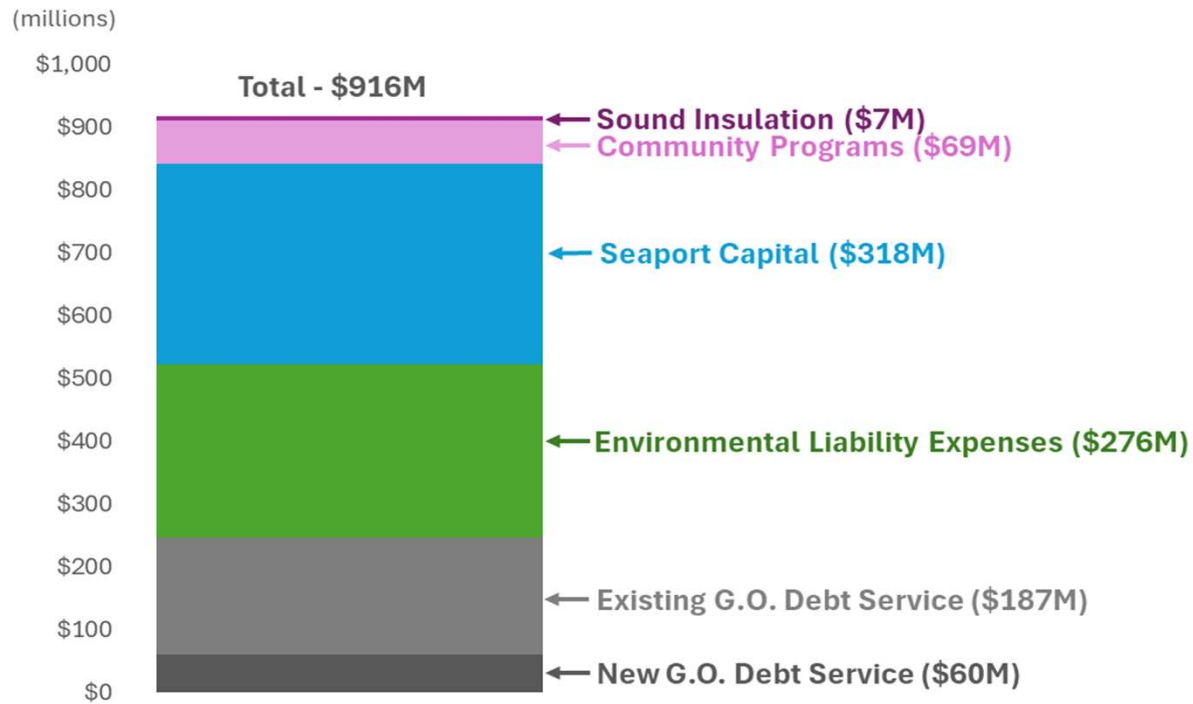
Sources of Tax Levy & Related Funding 2026-2030

- Future tax levy collections based on ~2% annual levy growth; annual levy set at 75% of maximum allowable
- \$113M of existing GO Bond proceeds from issuances in 2022 and 2024
- Forecasts assume \$261M of additional GO Bonds issue over the next 5 years to support capital investments and rising environmental costs



Note: Excludes TIF funds

Uses of Tax Levy & Related Funding 2026-2030



Note: Excludes TIF spending

- Existing GO Bonds DS includes both Seaport capital investments and SR-99 tunnel contribution
- Environmental costs are projected to continue well past 2030, but are fully funded with levy resources including G.O. bonds
- Assumes continuation of levy funded Community Programs at ~\$13M annually

The Environment and the Tax Levy

Legacy Costs and the Tax Levy

- Commission Order established the ELF in 2023 to provide funding for legacy environmental liabilities; \$62 million deposited to date
- Staff recommends **2026 ELF deposit of \$5M** from Levy
 - \$4M from reduced Levy funding need due to Maritime Innovation Center Grant
 - \$1M due to 2025 Interest Earnings in the Levy fund (un-budgeted)
- Legacy liabilities funding plan
 - The expected need is fully funded
 - ELF funding will be combined with G.O. bonds due to recent accounting rule changes that make bond funding advantageous

Port Businesses Invest in the Environment

- Operating revenues and grants fund many environmental initiatives, such as:
 - Airport industrial waste
 - Seaport stormwater management
 - Shore power
- Many capital projects include environmental components, e.g. LEED standards, asbestos removal
- Tax levy also supports:
 - Airport environmental programs ineligible for Airport funding:
 - Sustainable aviation fuels and Insulation Repair and Replacement Pilot Program

Tax Levy Summary and Recommendations

- Continue to manage the tax levy in a way that provides financial resilience and supports the Port's strong credit over the long-term
- Increase the 2026 tax levy to \$90.18 million
- Contribute additional \$5 million to ELF from the Tax Levy fund in 2026

Draft Plan of Finance 2026-2030

2026 Preliminary Budget
October 28, 2025



Bottom Line Up Front

- Financial Stewardship: Managing within established financial policies provides a foundation for the future; supports strong credit ratings and access to capital
- Future Resiliency: Decisions today affect the Port's future
- Prioritize interests:

The Port can have anything ⁽¹⁾ it wants, but not everything it wants

(1) Within its legal limitations

The Draft Plan of Finance

The Draft Plan of Finance is a funding plan for the Port's five-year Capital Improvement Program (CIP)

- A tool for the Commission to inform the budget process and long-term capital investment decisions
 - Flexible tool that is updated as circumstances change
 - Plan is developed based on a sustainable financial model
- An important tool for investors
 - Gauge the future financial health of the Port
 - Provides insight into Port's approach to financial stewardship

Funding Resiliency

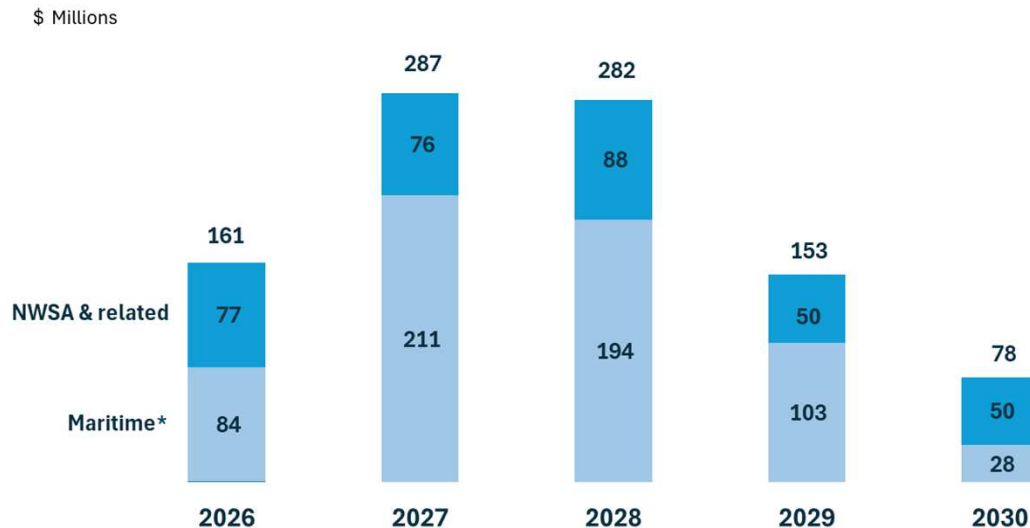
- Establish financial guardrails to manage uncertainty
- Provides a cushion for income variability

	Minimum Revenue Bond Debt Service Coverage	Minimum Fund Balance
Airport	1.40x ⁽¹⁾	18 months
Seaport	1.80x	12 months

(1) Calculation for rates and charges may differ from the calculation for bond compliance

Seaport Capital Spending (2026-2030)

5-year Spending Forecast - \$961 million



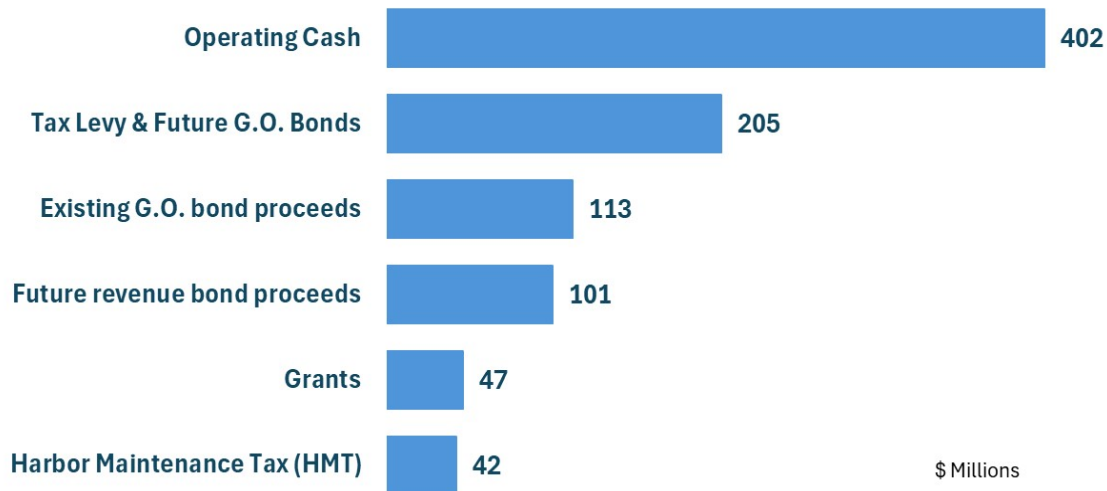
* Includes \$12M of allocated Central Services CIP

- Maritime \$608M
 - 58% in design or construction
 - \$55M (9% of CIP) reserves
- NWSA \$340M includes
 - Port's 50% share of NWSA CIP \$228M
 - Projects related to NWSA \$113M
- 2025-2029 CIP was \$945 million
- Stormwater Utility is self-funded and not included in the Draft Plan of Finance

Approximately \$50M of the Seaport CIP may need to be deferred due to funding constraints

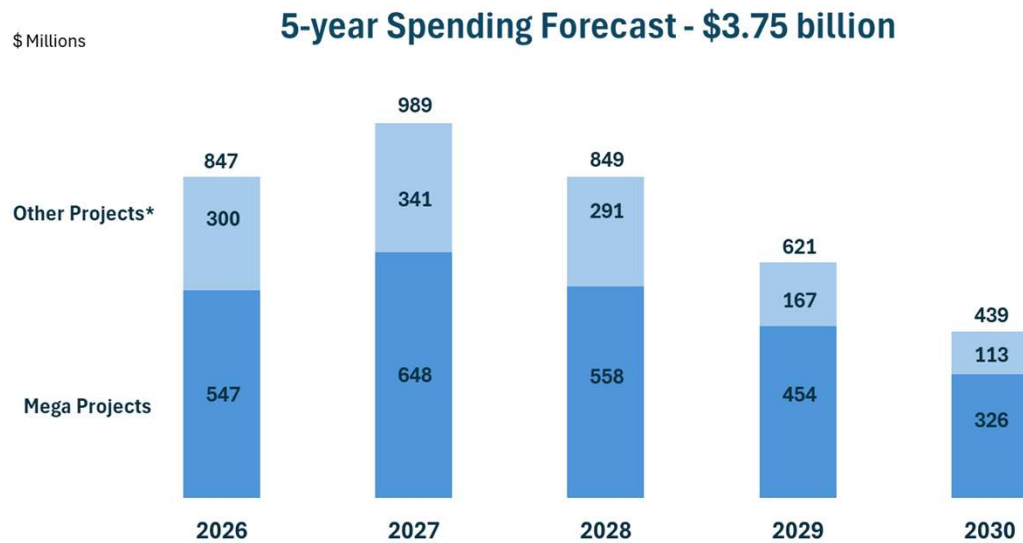
Seaport Capital Funding (2026-2030)

5-year Funding Forecast - \$911 million



- 55% of funding from operating sources:
 - Includes cash funding and revenue bonds paid from operating cash
 - Decrease in existing revenue bond debt service provides funding capacity
- 35% is from tax levy related sources:
 - Tax levy cash
 - G.O. bonds paid by the tax levy (some bonds will be used to fund environmental liabilities)
- 10% from other sources including grants and Harbor Maintenance Tax (HMT)/WRRDA
 - Funding sources limited to eligible projects

Airport Capital Spending (2026-2030)

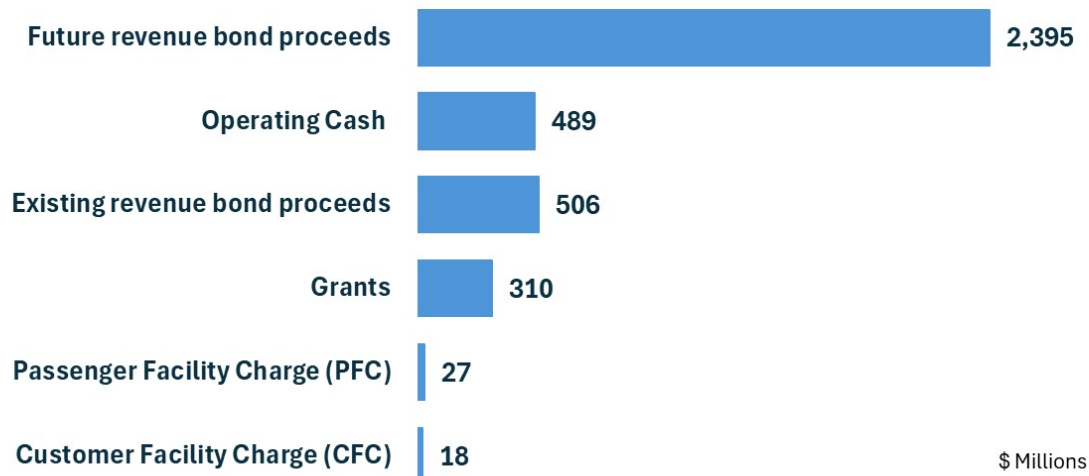


* Includes \$49M of allocated Central Services CIP

- Airport is a self-supporting enterprise
- 84% in design or construction
- \$132M (3.5% of CIP) in reserves for unanticipated needs

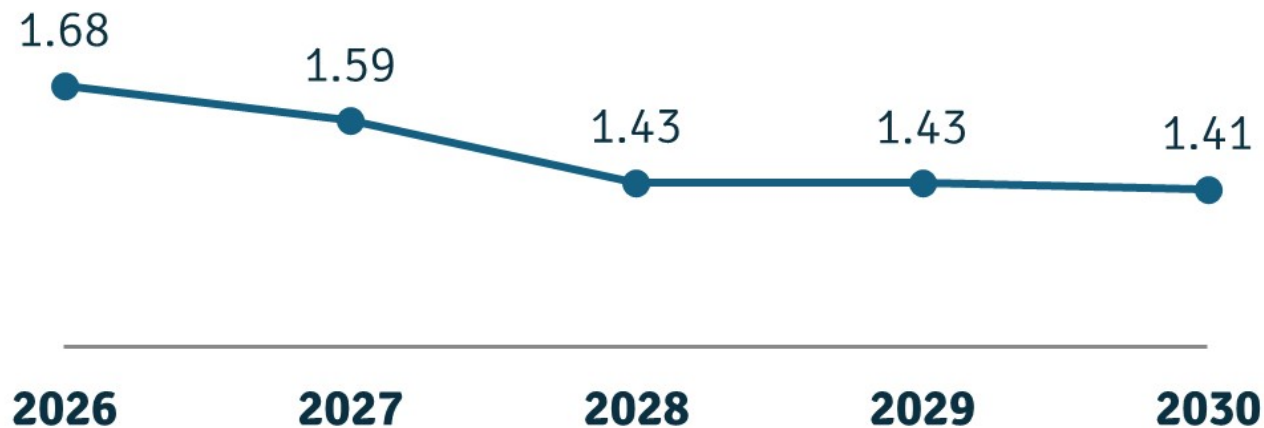
Airport Capital Funding (2026-2030)

5-year Funding Forecast - \$3.75 billion



- 91% funded from operating cash flow and revenue bonds
- \$310M capital grants (AIP, AIG, ATP)
 - S Concourse Evolution, Noise insulation projects, airfield pavement, others
- Other funding includes:
 - Customer Facility Charges after the payment of CFC eligible debt service
- Most PFC's are used to pay revenue bond debt service; remaining PFCs are available to cash fund capital

Port-wide Revenue Bond Debt Service Coverage Forecast



- Represents all net income of the Port (including Airport and Seaport) divided by all revenue bond debt service
- Tax levy after payment of G.O. bond debt service adds to coverage
- Coverage informs debt and capital management and provides a measure of financial sustainability and is critical to investors and rating agencies
- Decreasing Port-wide DS coverage is driven by large Airport capital spending but is consistent with the Port's strong credit rating

Managing for a Successful Port of the Future

Risks to the Plan

- Business disruptions – pandemic, recession
- Regulatory and legal requirements
- Federal funding uncertainty
- Aging infrastructure and unanticipated investments
- Limited flexibility to the CIP
- Looking beyond 2030
 - Airport and Seaport capital plans assume lower spending levels
 - Airport debt service coverage is at or below 1.40x

Mitigations

- Conservative budgeting provides upside potential
- Continued Demand for Airport and Cruise businesses
- Greater Cost certainty
 - Environmental Liabilities are being settled
 - Airport mega projects are being completed
- Resilient financial metrics
- Begin efforts to increase capital capacity

Risk of over-optimism is greater than the risk of pessimism

Increasing Financial Capacity for the Port of the Future

- **Operating Expenses**
 - continue efforts to reduce growth
- **Operating Revenues**
 - explore opportunities to generate revenues (without significant capital investments)
- **Capital Development**
 - review prioritization and delivery methods
- **Financial Management**
 - maintain strong credit and cost-effective debt issuance
 - ensure rigorous evaluation of investments

2026 Finance Initiatives

- Issue revenue bonds to continue funding Airport CIP as needed
 - Including potential variable rate debt
- Monitor need for new G.O. bonds to support Seaport capital needs
- Monitor debt for refunding opportunities to generate savings
 - Potentially refund outstanding commercial paper issued to fund International Place office complex acquisition
- Renewal or replacement of expiring letter of credit

Appendix

2026 Preliminary Budget
October 28, 2025



Contents

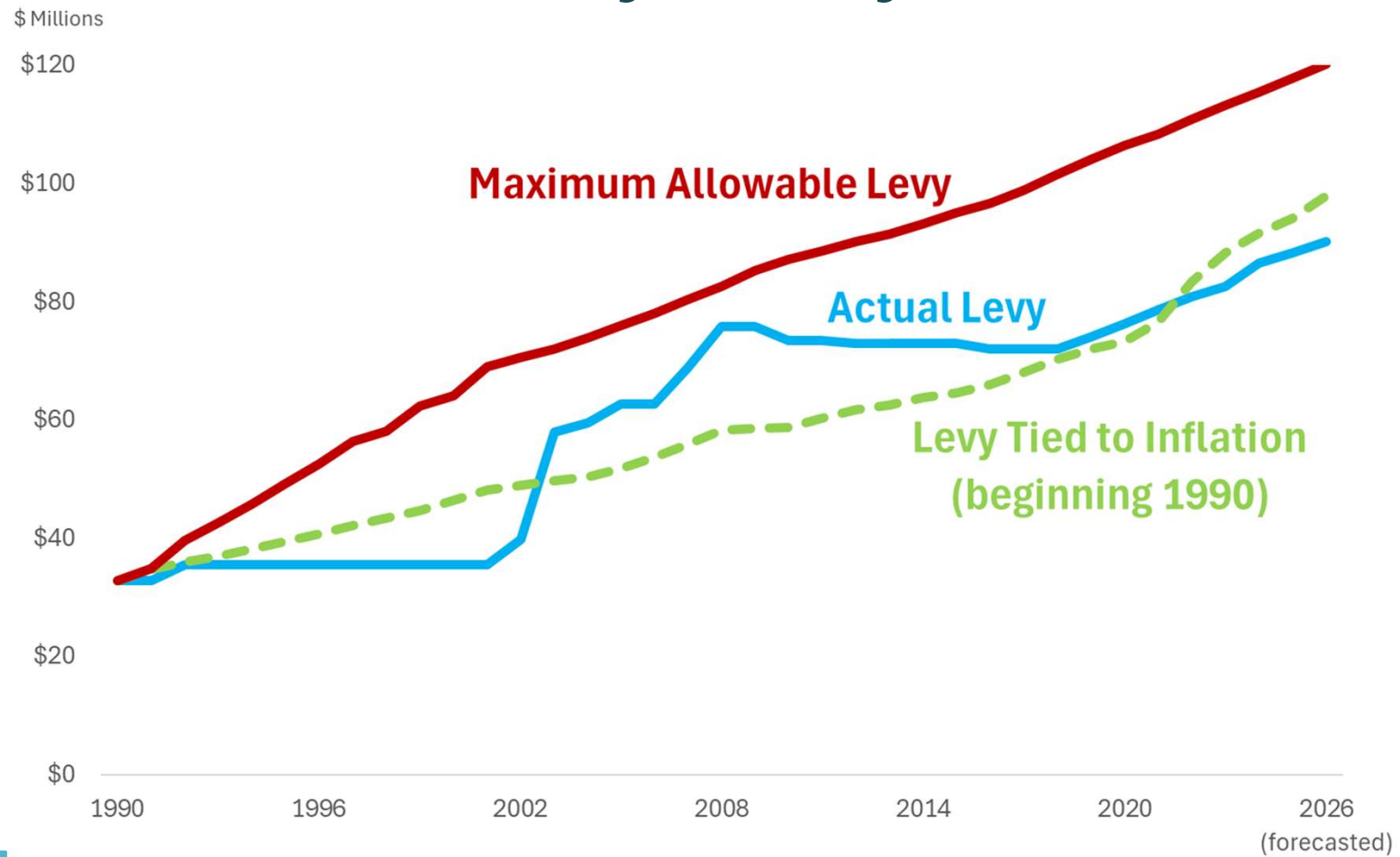
Pages	
27	Additional Tax Levy Information
45	Industrial Development District Levy & Tax Increment Financing Information
49	Airport and Seaport CIP and Funding
52	Revenue Bond Debt Service Coverage and Credit Ratings

Port's Taxing Authority

Port taxing limitations: Port is limited by the most restrictive – currently the 1% limit

- **1% limit**
 - The maximum levy is increased each year by the 1% limit factor
 - Prior year's maximum is increased by the lesser of 1% or inflation
 - New construction is added
 - The maximum levy for 2026 is estimated to be ~\$120.2 million
- **45 cent limit**
 - The amount of the tax levy in any given year is limited to 45 cents per \$1000 of assessed value
 - For 2026, this limit would translate to ~\$406.7 million
 - Excludes the amount needed to pay G.O. bond debt service

Levy History



Current Levy Policies and Practices

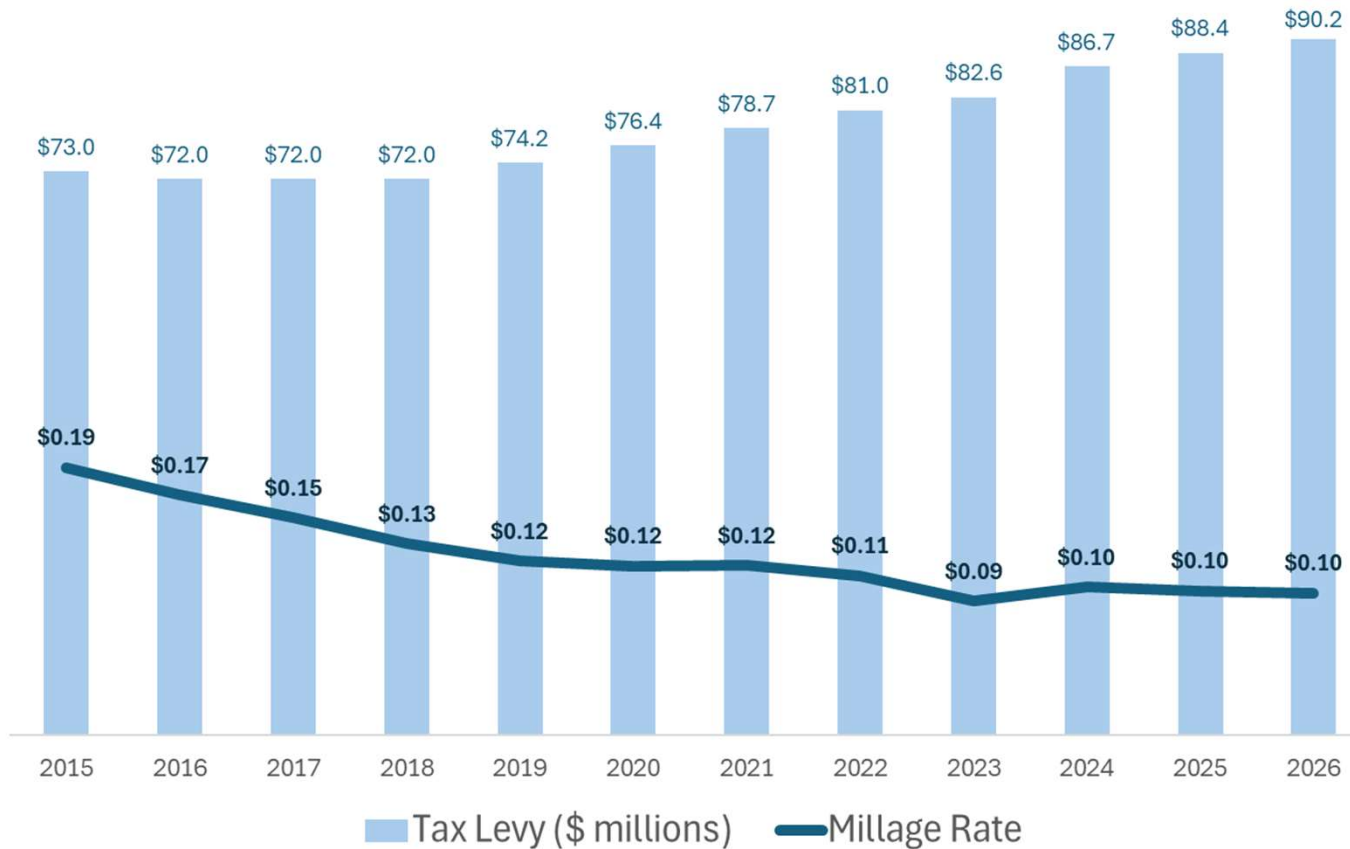
- Manage General Obligation (G.O.) debt service to no more than 75% of the annual levy
- Capital investment criteria
- Pay for legacy environmental costs
- Limited Airport use – costs ineligible for Airport funding per FAA
- Retain tax levy flexibility
 - The difference between the actual levy and the maximum reserves “dry powder” for future resiliency
 - Supports Port’s strong credit ratings

Commission Established Levy Use Criteria for Capital Investments

Uses: Established in 2015, updated in 2018

	Operating Cash	Tax Levy
Asset Renewal	Business income sufficient to support investments	Economic benefit
Strategic Initiatives	Short payback/ Self funding	No or long payback
Location	South Harbor	North Harbor

2015-2026 Tax Levy & Millage Rate (1)



(1) Millage rate represents the amount per every \$1,000 of assessed valuation

Taxpayer Impact

	2025	2026 preliminary
Tax Levy (\$ million)	88.4	90.2
Estimated millage rate (\$/1000)	0.1012	0.1000
Median home value (\$) ⁽¹⁾⁽²⁾	844,000	850,000
Estimated median home Port tax (\$)	\$85	\$85

(1) 2025 per King County; 2026 data is not yet available

(2) 2024 median assessed value was \$761,000

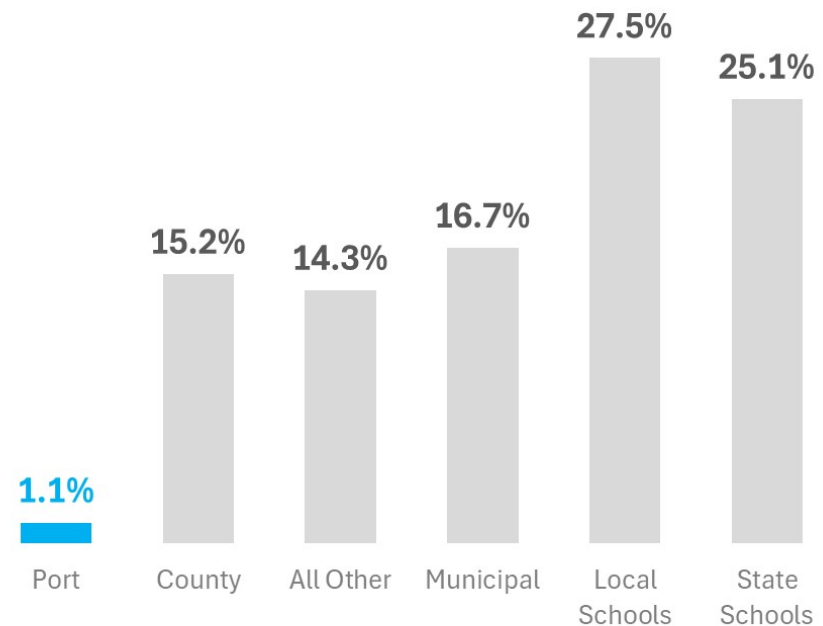
- The Port's levy increases by 2.0% in 2026; preliminary assessed valuation for 2026 is ~\$904 billion (increase of 3.5%) thus the millage rate decreased slightly
- The Port's levy was approximately 1.1% of total property taxes levied in King County in 2025



Overall Taxpayer Impact – 2025

- Of the \$7.7 billion of property taxes paid in King County, about 1.1% goes to the Port
- In 2025, the median homeowner paid \$7,465 in total property tax with **\$85 going to the Port**

Only 1.1% of King County taxes went to the Port for 2025



Transportation and Infrastructure Fund (TIF)

TIF (\$ million)	2026-2030	Post 2030
Beginning Balance	\$ 47.0	\$ 18.7
Transportation Investments	(28.3)	(6.2)
Ending Balance	18.7	12.5

Transportation Investments (\$ million)	2026	2027	2028	2029	2030	2026-2030	Post 2030
Seattle Heavy Haul Network	\$ 3.3	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 11.3	\$ 6.2
Fast Corridor II	\$ -	\$ -	\$ 0.8	\$ -	\$ -	0.8	-
Safe and Swift	1.2	-	-	-	-	1.2	-
Puget Sound Gateway (SR 509)	-	15.0	-	-	-	15.0	-
TOTAL	\$ 4.5	\$ 17.0	\$ 2.8	\$ 2.0	\$ 2.0	\$ 28.3	\$ 6.2

TIF has provided funding for other regional transportation efforts, including:

- West Seattle Bridge
- FAST Corridor I
- South Park Bridge
- East Marginal Way Grade Separation

Environmental Legacy Fund (ELF)

ELF (\$ million)	2026-2030	Post 2030
Beginning Balance	\$ 50.2	\$ -
Additional Contribution ⁽¹⁾	5.0	-
Environmental Remediation Liabilities	(61.4)	(6.1)
Environmental Grant Receipts ⁽²⁾	6.2	6.1
Ending Balance	-	-

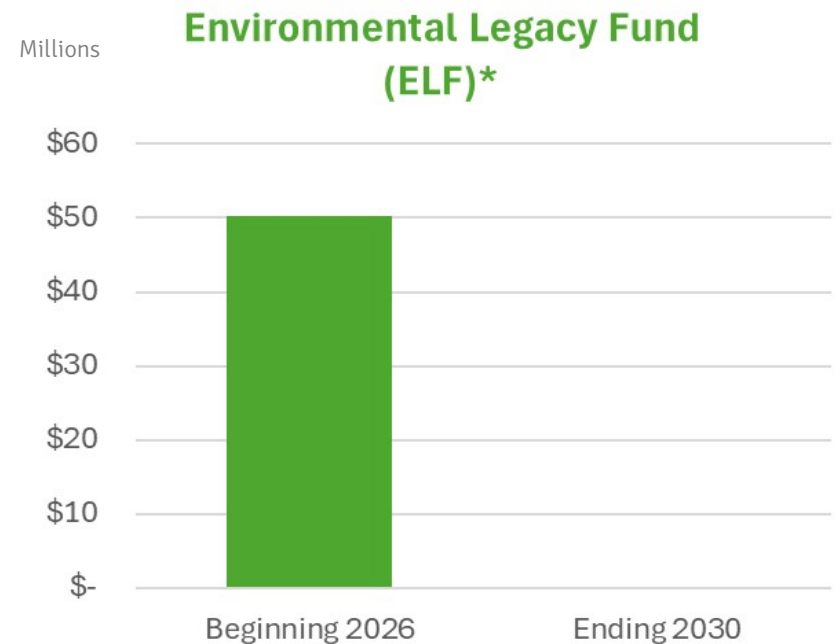
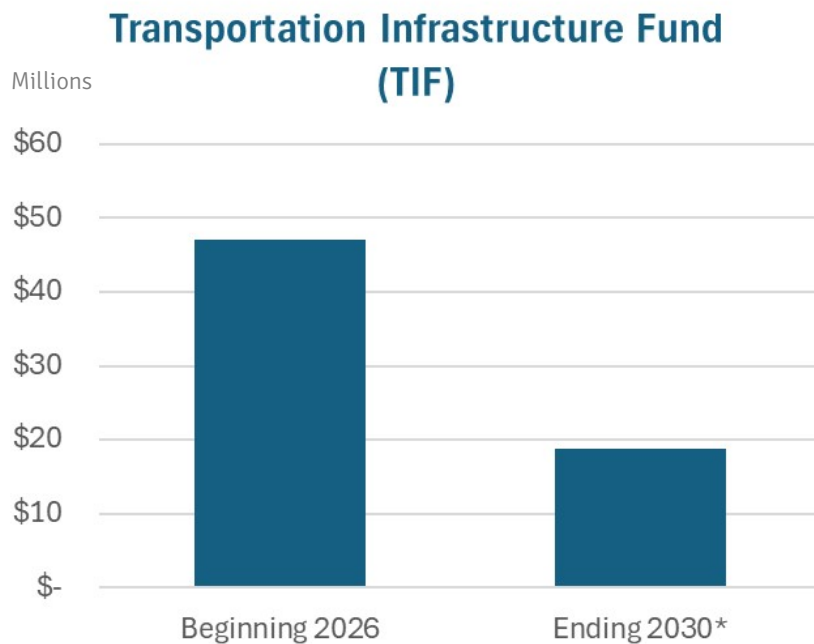
- ELF was established in 2023 to provide funding for legacy environmental liabilities
- Funded an estimated \$21.1 million of Seaport environmental remediation efforts through 2025
- Environmental efforts include, but are not limited to:
 - Lower Duwamish Superfund
 - T-108 Chiyoda site
 - Terminal 25 South
 - Terminal 115 (Boeing Plant 1)

(1) Assumes recommended \$5M contribution from the tax levy fund in 2026. Additional contributions will be reviewed on an annual basis.

(2) Does not represent all assumed environmental costs during the forecast period. Additional environmental liabilities assumed to be funded with tax levy fund upon depletion of ELF.

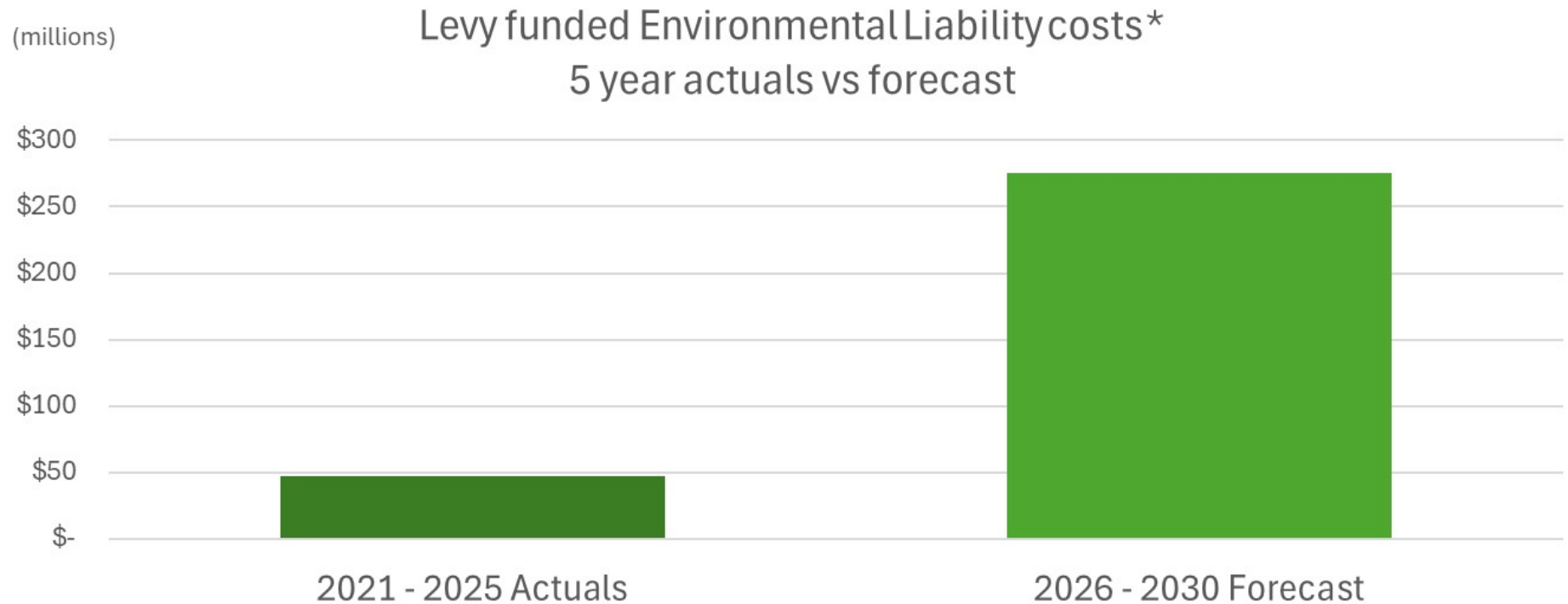
Tax Levy Sub Fund Balances

Established by the Commission to Prepare for Future Obligations



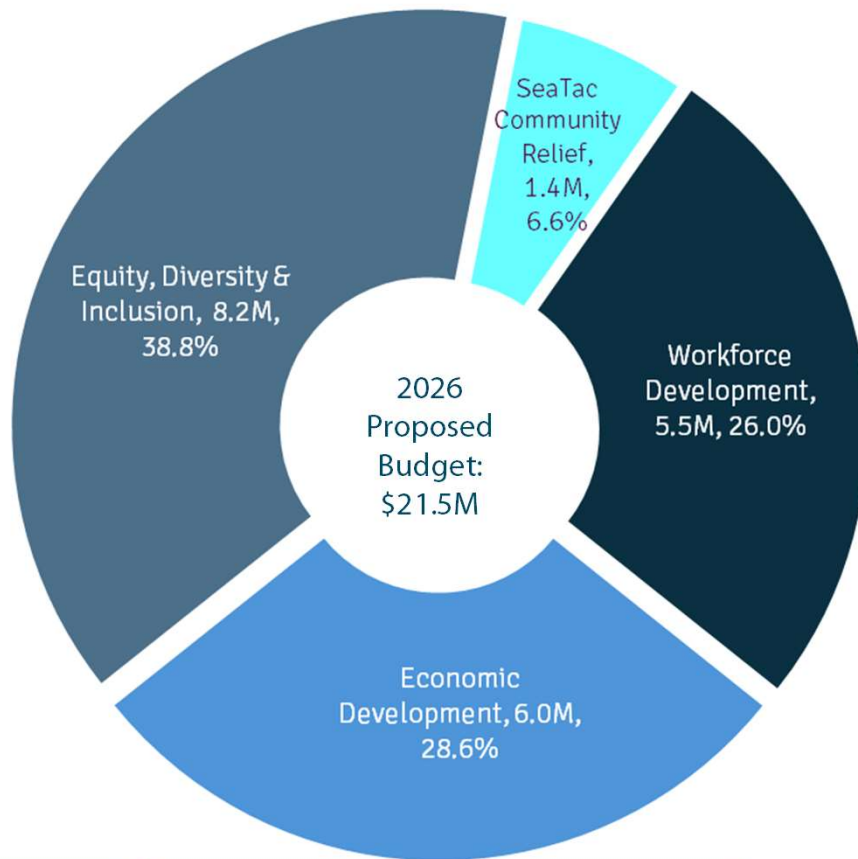
* For future commitments, currently forecast at \$6.2M

Environmental Spending



* Based on known liabilities only. Includes spending from tax levy, ELF and G.O. bond proceeds. Additional environmental remediation spending is expected beyond 2030

2026 Port Community Program Funding by Activity



Economic Development

- Diversity in Contracting - \$2.2M
- Tourism Marketing Support - \$2.2M
- EDD Partnership Grants - \$950K
- Spotlight Advertising - \$518K
- Maritime Blue - \$180K

Workforce Development

- Workforce Development Department - \$5.0M
- High School Interns - \$523K

Equity, Diversity & Inclusion

- South King and Port Communities Fund - \$2.2M
- OEDI Department - \$2.5M
- Friends of the Waterfront - \$2.0M
- Staff Costs supporting DVCEP & SKCCIF - \$848K
- Duwamish Community Equity program (DVCEP) - \$617K

SeaTac Community Relief - \$1.4M

Detailed list included in the Appendix.

2026 Proposed Community Programs

Program (in \$000)	2023 Budget	2024 Budget	2025 Budget	2026 Proposed Budget	2026 Funded by the levy	% of the 2026 Budget Funded by the levy
1) Energy & Sustainability Fund	120	-	-	-	-	0.0%
2) Airport Community Ecology (ACE) Fund	40	40	40	-	-	0.0%
3) South King and Port Communities Fund	2,214	2,214	2,205	2,195	2,195	100.0%
4) Duwamish Valley Community Equity Program	462	471	619	617	617	100.0%
5) EDD Partnership Grants	850	950	950	950	950	100.0%
6) Tourism Marketing Support Program	1,830	1,875	2,154	2,177	920	42.3%
7) Airport Spotlight Ad Program*	466	466	518	518	518	100.0%
8) City of SeaTac Community Relief*	1,400	1,400	1,400	1,400	1,400	100.0%
9) Maritime Blue (formerly Maritime Innovation Center)	150	175	175	180	180	100.0%
10) Workforce Development	5,186	5,077	4,976	4,972	3,827	77.0%
a. Maritime Workforce Investments (formerly YMCL) ¹	1,000	900	750	670	670	100.0%
b. Airport Employment Center	1,517	1,517	1,517	1,653	507	30.7%
11) High School Internship Program	457	486	520	523	290	55.4%
12) Diversity in Contracting ²	2,299	2,304	2,356	2,463	300	12.2%
a. Small Bus. Accelerator under SKCCIF ²	250	250	260	250	250	100.0%
b. DBE/ACDBE/WMBE Training Consultants & Outreach	50	50	50	50	50	100.0%
13) Equity, Diversity & Inclusion	1,767	2,065	2,459	2,540	230	9.1%
14) Seattle Aquarium Partnership	1,000	1,000	-	400	400	100.0%
15) Friends of the waterfront			750	2,000	2,000	100%
Sub Total	18,691	18,803	19,591	20,686	13,577	66%
Payroll charged to the Levy ³	433	589	781	848	848	100%
Grand Total	19,124	19,392	20,372	21,535	14,426	67%

Notes:

1 Maritime Workforce Investments (formerly YMCL) budget rolls up to Workforce Development total (item 10).

2 \$250K Small Business Accelerator under DIC is included in DIC total (Item 12) and SKCCIF (item 3).

3 2026 Payroll only for CPO & Ext. Rel. Other payroll from HS Interns, WFD, EDI are included in the individual items above.

* Non-Operating Accounts

Community Programs Funded by Tax Levy

Program (in \$000)	2023 Budget Funded by the levy	2024 Budget Funded by the levy	2025 Funded by the levy	2026 Funded by the levy	Inc/(Dec) from 2025 Approved Budget	
					\$ Change	% Change
1) South King and Port Communities Fund	2,214	2,214	2,205	2,195	(10)	-0.5%
2) Duwamish Valley Community Equity Program	462	471	619	617	(2)	-0.4%
3) EDD Partnership Grants	850	950	950	950	-	N/A
4) City of SeaTac Community Relief*	1,400	1,400	1,400	1,400	-	N/A
5) Maritime Blue (formerly Maritime Innovation Center)	150	175	175	180	5	2.8%
6) Workforce Development	3,785	3,863	3,762	3,827	66	1.7%
a. Youth Career Launch Program (formerly OYI) ¹	1,000	900	750	670	(80)	-11.9%
b. Airport Employment Center	303	303	303	507	204	40.2%
7) High School Internship Program	252	259	280	290	10	3.5%
8) Diversity in Contracting ²	300	300	310	300	(10)	-3.3%
a. Small Bus. Accelerator under SKCCIF ²	250	250	260	250	(10)	-4.0%
b. DBE/ACDBE/WMBE Training Consultants & Outreach	50	50	50	50	-	N/A
9) Equity, Diversity & Inclusion	138	203	226	230	4	1.9%
10) Seattle Aquarium Partnership	1,000	1,000	-	400	400	100.0%
11) Friends of the waterfront			750	2,000	1,250	62.5%
12) Other	1,108	806	1,608	1,438	(170)	-11.8%
Total	11,760	11,772	12,404	13,577	1,173	8.6%
Payroll charged to the Levy ³	433	580	781	848	67	7.9%
Grand Total	12,193	12,352	13,185	14,426	1,240	8.6%

1 Maritime Workforce Investments (formerly YMCL) budget rolls up to Workforce Development total (item 6).

2 \$250K Small Business Accelerator under DIC is included in DIC total (Item 5) and SKCCIF (item 5).

3 2026 Payroll only for CPO & Ext. Rel. Other payroll from HS Interns, WFD, EDI are included in the individual items above.

* Non-Operating Accounts

Major Capital Projects Funded with Levy/G.O. bonds

- T91 Berths 6&8 redevelopment and dock rehabilitation
- T91 Uplands development
- Fishermen's Terminal – docks, buildings and site improvements
- East and West Waterway deepening
- NWSA North Harbor projects – 50% share

Funding flexibility supports financial resilience

- Projects may be funded with either tax levy or G.O. bonds depending on funding availability
- Future funding availability may result in some projects being funded with the General Fund or Revenue Bonds



2025 Tax Levy Fund Sources and Uses

(\$ million)

SOURCES OF TAX LEVY FUNDS

2025 Beginning Levy Fund Balance
Annual Tax Levy
Grants & Reimbursements
Investment Income
Total Sources

2025	
\$	39.4
	88.4
	3.8
	0.9
\$	132.4

USES OF TAX LEVY FUNDS

G.O. bond debt service (existing)
Transfer to ELF
Non-Airport Capital Investments
Community Programs
NWSA Membership Interest Contribution - net
Other
Total Uses

\$	45.5
	32.0
	15.6
	14.2
	5.0
	1.5
\$	113.8

Projected Ending 2025 Levy Fund Balance

\$	18.6
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Note: Excludes ELF and TIF

5-year Tax Levy Fund Sources and Uses

(\$ million)

SOURCES OF TAX LEVY & RELATED FUNDS

	2026-2030
Beginning Balance - Tax Levy	\$ 19
Beginning Balance - ELF	50
Tax Levy Collections	467
Existing GO Bond Proceeds	113
Future GO Bond Proceeds	261
Environmental Grant Receipts	6
Total Sources	\$ 916

USES OF TAX LEVY & RELATED FUNDS

	2026-2030
G.O. Bond Debt Service (existing)	\$ 187
G.O. Bond Debt Service (new)	60
Environmental Remediation Liability (Non-Airport)	276
Seaport Capital Investments	318
Sound Insulation	7
Community Programs	69
Total Uses	\$ 916

Note: Excludes TIF

Airport and Seaport Benefit from the Tax Levy

Airport	Seaport
Certain Noise Mitigation Projects*	Legacy Environmental Remediation
City of Seatac Safety Payment under ILA (expires 2027)	Capital Investments (including G.O. Bonds)
Tourism	Tourism
Certain Community Programs	Certain Community Programs
Public Expense/Transportation Project	Public Expense/Transportation Project
Supports Revenue Bond Debt Service Coverage	Supports Revenue Bond Debt Service Coverage
Airport Spotlight program	

* Includes Sound Insulation Repair and Replacement Pilot Program & Highline School District NOISE spending not eligible for airport funding

IDD Levy - Background

- Port can levy property tax within an Industrial Development District (IDD)
 - In addition to regular property tax
 - A port can form multiple districts
 - Coextensive with port district, or
 - Smaller area within the Port district
 - The Port already has two Industrial Development Districts
- Port can implement the levy twice - Port of Seattle implemented first round in 1963
- Purpose is to provide for harbor improvements or industrial development of marginal lands
 - Broadly defined
 - Includes areas of poor planning or declining tax receipts

IDD Levy – Implementation

- Port may implement a second round based on a new formula
 - Maximum of ~\$2.5 billion over a period of up to 20 years
 - Average amount = ~\$125 million (for 20 years)
 - Port can establish a smaller IDD or collect a lesser amount, but cannot bank the unused capacity
- Process to implement
 - Publish notice by April 1 to begin collecting the next year
 - If within 90 days, a petition of 8% of voters (voting in the most recent gubernatorial election) opposes, the Port must hold a special election to approve the levy

IDD Levy Information: “Marginal lands” are defined to include property subject to the following (RCW 53.25.030) conditions:

1. An economic dislocation, deterioration, or disuse resulting from faulty planning.
2. The subdividing and sale of lots of irregular form and shape and inadequate size for proper usefulness and development.
3. The laying out of lots in disregard of the contours and other physical characteristics of the ground and surrounding conditions.
4. The existence of inadequate streets, open spaces and utilities.
5. The existence of lots or other areas which are subject to being submerged by water.
6. By a prevalence of depreciated values, impaired investments, and social and economic maladjustment to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered.
7. In some parts of marginal lands, a growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare.
8. In other parts of marginal lands, a loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere.
9. Property of an assessed valuation of insufficient amount to permit the establishment of a local improvement district for the construction and installation of streets, walks, sewers, water and other utilities.
10. Lands within an industrial area which are not devoted to industrial use but which are necessary to industrial development within the industrial area.

Tax Increment Financing

- RCW 39.114 allows certain jurisdictions to form Tax Increment Areas (TIA)
- Maximum area is \$200 million of assessed value
- Port taxes on any increase in assessed value goes to the TIA and not to the Port
- Approximately 40 jurisdictions can form TIAs within the Port's boundaries
- There are currently two active TIAs within King County; a third is being formed
- City of Bellevue is planning to form a TIA at \$500 million assessed value

<u>Impact on Port Tax Levy</u>	
	Port tax levy
Budget Year	Diverted to TIAs \$
2024	7,974
2025	12,436
2026	11,596
Total	32,006

Seaport CIP and Funding

Seaport CIP	2026-2030 (\$ million)
Maritime	\$ 608.1
NWSA - 50% Share (North & South Harbor)	227.9
NWSA - Reserve & Port Projects ⁽¹⁾	113.0
Total	\$ 949.1
Allocated Central Services CIP	11.8
Total Seaport Funded CIP	\$ 960.9
(1) Includes N. Harbor channel deepening and other 100% Port legacy costs in N. Harbor. Note: totals may not add due to rounding	

Seaport Funding Sources	2026-2030 (\$ million)
Operating Cash ⁽¹⁾	\$ 402.4
Grants	46.7
Harbor Maintenance Tax (HMT)	42.5
Tax Levy & Future GO Bond Proceeds ⁽²⁾	204.6
Existing G.O. bond proceeds	113.5
Future revenue bond proceeds	101.2
Total Seaport Funded CIP	\$ 910.9
(1) Includes non-airport income available after payment of revenue bond debt service. (2) Annual levy forecasted at 75% of the Port's maximum annual allowable levy. Note: totals may not add due to rounding	

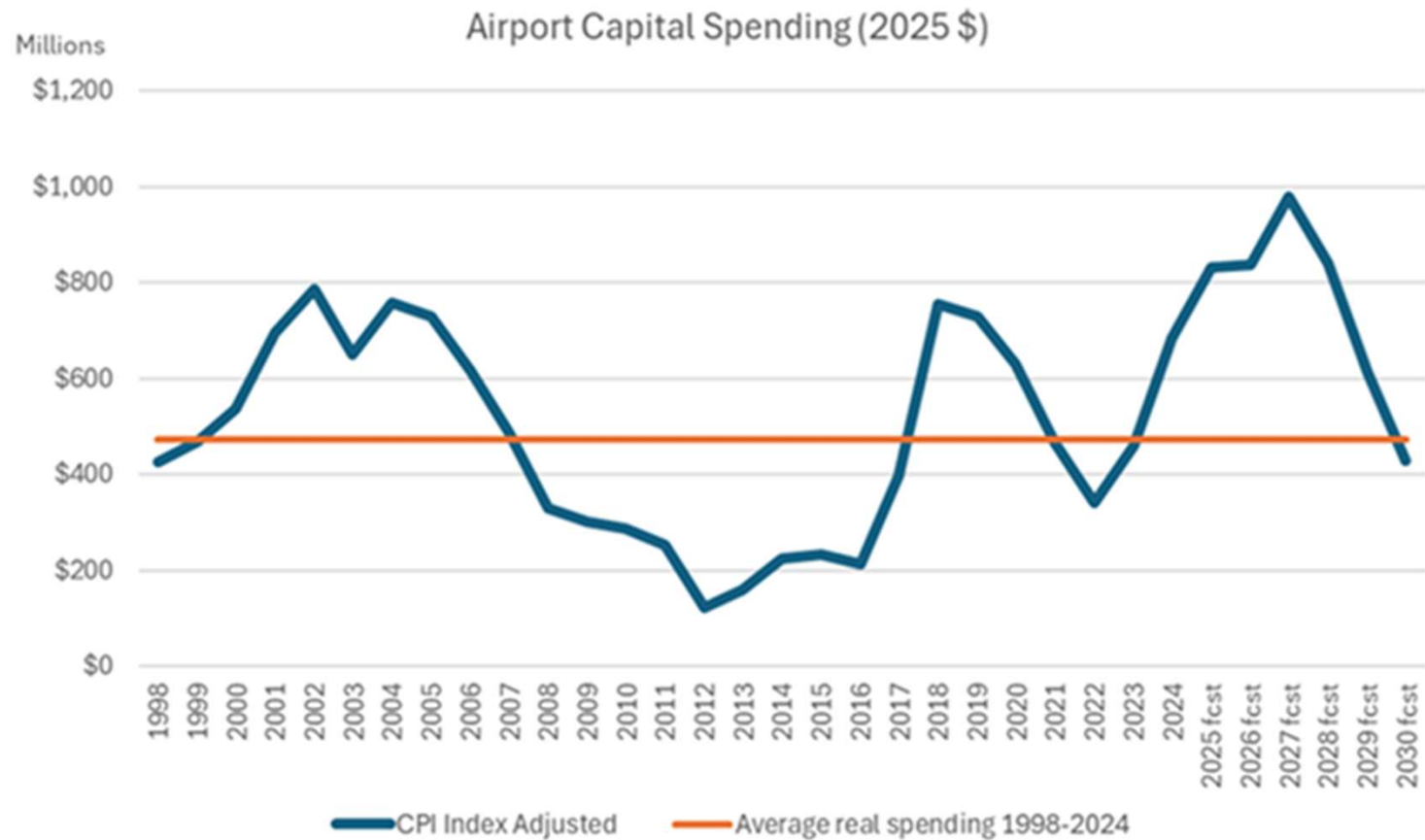
Based on current forecast, approximately \$50M of the Maritime CIP may need to be deferred due to funding constraints

Airport CIP and Funding

Airport CIP	2026-2030 (\$ million)
S Concourse Evolution	\$ 1,065.4
Baggage Optimization	582.6
2026-2030 AFLD PVMNTS	387.1
Main Terminal Improvement	250.8
C Concourse Expansion	131.4
SEA Gateway	116.8
Other Capital Projects	906.4
SAMP Preliminary Planning/Design ⁽¹⁾	113.6
Proposed New Projects	10.3
CIP Reserves	131.7
TOTAL	\$ 3,696.1
Allocated Central Services CIP	48.8
Total Airport Funded CIP	\$ 3,744.9
(1) Sustainable Airport Master Plan Note: totals may not add due to rounding	

Airport Funding Sources	2026-2030 (\$ million)
Operating Cash ⁽¹⁾	\$ 488.5
Grants	310.4
Passenger Facility Charge (PFC)	27.0
Customer Facility Charge (CFC)	18.2
Existing revenue bond proceeds	505.5
Future revenue bond proceeds	2,395.2
Total Airport Funded CIP	\$ 3,744.9
(1) Includes airport income available after payment of revenue bond debt service. Note: totals may not add due to rounding	

Airport Spending Cycles



Revenue Bond Debt Service Coverage

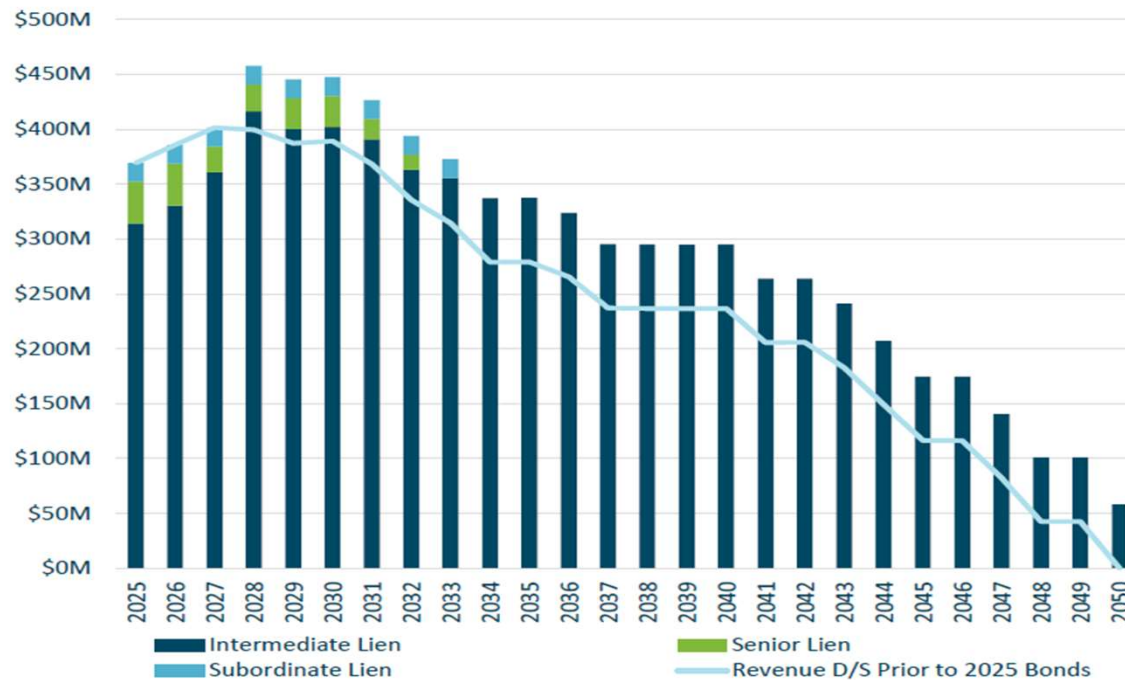
- Key metric of income available to pay debt service
 - Net income/debt service
- Management targets provide financial resilience
 - Airport 1.40x
 - Seaport 1.80x
- Legal obligation to investors
- Use of PFCs and CFCs to pay debt service improves coverage

Coverage Calculation	
	Airport & Non-Airport Revenues
Minus	<u>Expenses adjusted for tax levy ⁽¹⁾</u>
Equals	Available for debt service
Divide	Debt service net of payment from PFCs and CFCs
Equals	Debt Service Coverage

(1) Tax levy net of G.O. bond debt service is deemed to reduce expenses

Existing Revenue Bond Debt Service Structured to Provide Future Flexibility

SENIOR, INTERMEDIATE, AND SUBORDINATE LIEN ANNUAL DEBT SERVICE*



* Assumes level amortization of remaining subordinate lien debt 2025 through 2033 at assumed rate of 4.31%. Includes Series 2025 new money debt service. Excludes CP.

Current Credit Ratings

	<u>Fitch</u>	<u>Moody's</u>	<u>S&P</u>
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	A+
Fuel Hydrant Special Facility Bonds		A1	A+

In 2025 Moody's upgraded the Port's Intermediate and Subordinate Lien credits to Aa3 and A1, respectively

Noted Credit Strengths:

- Diverse asset and revenue base
- Airport's market position and enplanement levels
- Strong balance-sheet liquidity levels
- Conservative debt structure and healthy debt service coverage ratios
- Prudent management of the Tax levy including maintaining a cushion
- Strong governance and management
- Long-range strategic and sustainability plans
- Vibrant and resilient area economy