



# Port of Seattle Regular Commission Meeting

October 28, 2025



## COMMISSION REGULAR MEETING AGENDA

October 28, 2025

To be held virtually via MS Teams and in person at the Seattle-Tacoma International Airport – Conference Center, International Room, located at 17801 International Blvd, Seattle WA, Mezzanine Level. You may view the full meeting live at [meetings.portseattle.org](https://meetings.portseattle.org). To listen live, call in at +1 (206) 800-4046 or (833) 209-2690 and Conference ID 319 639 133#

### ORDER OF BUSINESS

10:30 a.m.

#### 1. CALL TO ORDER

2. **EXECUTIVE SESSION** – *if necessary, pursuant to RCW 42.30.110 (executive sessions are not open to the public)*

#### ► 12:00 p.m. – PUBLIC SESSION

Reconvene or Call to Order and Pledge of Allegiance

3. **APPROVAL OF THE AGENDA** (*at this time, commissioners may reorder, add, or remove items from the agenda*)

#### 4. SPECIAL ORDERS OF THE DAY

#### 5. EXECUTIVE DIRECTOR'S REPORT

#### 6. COMMITTEE REPORTS

7. **PUBLIC COMMENT** – *procedures available online at <https://www.portseattle.org/page/public-comment-port-commission-meetings>*

During the regular order of business, those wishing to provide public comment (in accordance with the Commission's bylaws) on Commission agenda items or on topics related to the conduct of Port business will have the opportunity to:

**1) Deliver public comment via email:** All written comments received by email to [commission-public-records@portseattle.org](mailto:commission-public-records@portseattle.org) will be distributed to commissioners and attached to the approved minutes. Written comments are accepted three days prior to the meeting and before 9 a.m. on the day of the meeting. Late written comments received after the meeting, but no later than the day following the meeting, will be included as part of the meeting record.

**2) Deliver public comment via phone or Microsoft Teams conference:** To take advantage of this option, please email [commission-public-records@portseattle.org](mailto:commission-public-records@portseattle.org) with your name and agenda item or topic related to the conduct of Port business you wish to speak to by 9:00 a.m. PT on Tuesday, October 28, 2025. **(Please be advised that public comment is limited to agenda items and topics related to the conduct of Port business only.)** You will then be provided with instructions and a link to join the Teams meeting.

**3) Deliver public comment in person by signing up to speak on your arrival to the physical meeting location:** To take advantage of this option, please arrive at least 15 minutes prior to the start of any regular meeting to sign-up on the public comment sheet available at the entrance to the meeting room to speak on agenda items and topics related to the conduct of Port business.

**For additional information**, please contact [commission-public-records@portseattle.org](mailto:commission-public-records@portseattle.org).

**8. CONSENT AGENDA** (*consent agenda items are adopted by one motion without discussion*)

8a. Approval of the Special Meeting Minutes and Regular Meeting Minutes of October 14, 2025. **(no enclosure)**

8b. Approval of the Claims and Obligations for the Period of September 1, 2025, through September 30, 2025, Including Accounts Payable Check Nos. 959757 through 960163 in the Amount of \$9,038,050.38; Accounts Payable ACH Nos. 077290 through 078131 in the Amount of \$119,800,058.15; Electronic Fund Transfer Nos. 069517 through 069527 in the Amount of \$8,416,886.22; Payroll Check Nos. 229549 through 1275687 in the Amount of \$133,961.61; and Payroll ACH Nos. 1272512 through 1277586 in the Amount of \$18,965,977.55, for Total Payments of \$156,354,933.91. **(memo enclosed)**

8c. Authorization for the Executive Director to Advertise and Execute a Construction Contract for Snow Storage Expansion Phase II Adjacent to the Industrial Wastewater System Lagoon 3 in the Requested Amount of \$14,403,000, for a Total Estimated Project Cost of \$24,800,000. (CIP #C801171) **(memo and presentation enclosed)**

8d. Authorization for the Executive Director to Advertise and Execute a Major Public Works Construction Contract for the Building 161E Renovation Project at Seattle-Tacoma International Airport in the Requested Amount of \$10,891,000, for a Total Project Authorization of \$13,989,000. (CIP #C801179) **(memo and presentation enclosed)**

8e. Authorization for the Executive Director to Increase the Project Budget by \$225,000 for a Final Revised Total Budget of \$2,115,000 for the Rental Car Facility Quick Turn-Around Boiler Skids 1 and 2 Replacement. (CIP #C801325) **(memo enclosed)**

8f. Authorization for the Executive Director to Execute a Term Lease Agreement with Pacific Cruise Ship Terminals LLC (Metro Cruise) for Smith Cove Cruise Terminal at Pier 91, for a Proposed Lease Term of Five Years with a Five Year Option to Extend, Effective November 1, 2025. **(memo and presentation enclosed)**

**9. UNFINISHED BUSINESS**

**10. NEW BUSINESS**

10a. Adoption of Resolution No 3838: A Resolution of the Port of Seattle Commission Establishing a Revised Welcoming Port Policy Directive and Amending Resolution No. 3747, in Order to Demonstrate the Port's Ongoing Commitment to Supporting Immigrants, Refugees, and International Visitors In Line with the Port's Mission and Values. **(memo, resolution and presentation enclosed)**

- 10b. Authorization for the Executive Director to Advertise and Execute Two Construction Contracts for 2026 Airfield Projects and Limited Utility Installation Scope in the S Concourse Evolution Program Located in the S Concourse Taxilane Between the Southwest Corner of the S Concourse and the Cargo 7 Hardstand Area; and to Authorize Use of Port Crews for Abatement Work in the Requested Amount of \$73,040,000, for a Total Estimated Project Cost of \$400,000,000. (CIP #s C801379 and C801203) **(memo and presentation enclosed)**

## 11. PRESENTATIONS AND STAFF REPORTS

- 11a. Sustainable Airport Master Plan Near-Term Projects Final National Environmental Policy Act Environmental Assessment, Federal Aviation Administration Finding of No Significant Impact, Record of Decision, and State Environmental Policy Act Next Steps. **(memo and presentation enclosed)**

- 11b. 2026 Aviation Division Capital Budget Briefing. **(memo and presentation enclosed)**

- 11c. Briefing on the Tax Levy and Draft Plan of Finance for 2026-2030. **(memo and presentation enclosed)**

## 12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

## 13. ADJOURNMENT





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[www.portseattle.org](http://www.portseattle.org)  
206.787.3000

## **APPROVED MINUTES COMMISSION SPECIAL MEETING**

**October 14, 2025**

The Port of Seattle Commission met in a special meeting per RCW 42.30.080 on October 14, 2025. The meeting was held at the Port of Seattle Headquarters Building Commission Chambers, located at 2711 Alaskan Way, Seattle, Washington. Commissioner Cho was absent and excused from attendance.

### **1. CALL to ORDER**

The meeting convened at 9:04 a.m. by Commission President Toshiko Hasegawa for the purpose of holding a budget study session for the 2026 Aviation Operating and Capital Budget.

### **2. ITEM OF BUSINESS**

Aviation Division Finance and Budget Director, Hiedi Popochock, Interim Aviation Managing Director, Arif Ghouse; and Jeff Wolf, Director of Aviation Commercial Management, presented.

The presentation addressed:

- the Port's strategy to achieving its budget; strategic priorities; an overview of the 2026 Aviation budget – 2026 operating and capital; and equity in spending highlights;
- portwide strategic alignment under the Century Agenda;
- SEA's mission and vision;
- priorities in 2026;
- enplanement forecasting in the 2026 budget shows conservative growth compared to 2025;
- growing baseline costs (primarily payroll);
- increase capital capacity - managing growth of costs and consistently growing non-aeronautical revenues;
- 2026 operating budget uncertainties and risks;
- a summary of operating revenues in 2026;
- capital program spending \$5M higher in 2026;
- the total airport expense summary;
- budget requests by business plan category;
- largest approved budget requests;
- 2026 Aviation budget full-time employees;
- aeronautical net operating income;
- non-aeronautical net operating income;
- 2026 Commission aviation budget priorities;

*Digital recordings of the meeting proceedings and meeting materials are available online – [www.portseattle.org](http://www.portseattle.org).*

- equity in spending highlights; and
- 2026 aviation budget key takeaways.

Executive Director Metruck provided a presentation regarding Capital Delivery.

The presentation addressed:

- growing the Port of the future;
- operational and construction jobs generated by and through the airport;
- new facilities needed to sustain operations;
- expanding economic activity;
- creating additional jobs; and
- creating a foundation for future revenue;
- affordability factors;
- capital delivery improvements;
- improved capital execution;
- budget/schedule for maritime and aviation;
- hard costs vs. soft costs;
- emphasizing long-range planning and prioritization, including for revenue;
- alternative delivery methods and finance strategies;
- regional owners' collaboration; and
- integrating technology to improve efficiency.

It was noted that the full Capital Improvement Program briefing is scheduled for October 28, 2025.

Discussion ensued regarding:

- declining parking revenues and methods to market the Port's services when there is a drop in revenue;
- increasing traffic to SEA's online applications for reservations;
- being able to look at data, for example, ascertaining how much light rail increased use explain parking revenue decline, and attaining empirical data around the use of private vehicle drop-offs;
- potentially exploring options like dynamic pricing with reserved parking;
- receiving the tracking parameters for ascertaining that public parking is down;
- revenue shortfalls in non-aeronautical creating pressure with respect to debt service to capital;
- exploring sponsorship opportunities;
- augmenting the airport's volunteer program during FIFA World Cup and advertising for clients for World Cup through Clear Channel;
- costs of supplies for construction projects and strategizing around ordering long-term material in advance project by project; and
- streamlining permitting in major capital construction.

Executive Director Metruck stated that additional information would come forward regarding additional sources of revenue.

3. ADJOURNMENT

The meeting adjourned at 10:26 a.m.

Prepared:

Attest:

\_\_\_\_\_  
Michelle M. Hart, Commission Clerk

\_\_\_\_\_  
Sam Cho, Commission Secretary

Minutes approved: October 28, 2025

DRAFT

**COMMISSION**  
**AGENDA MEMORANDUM**

Item No. 8b

**ACTION ITEM**

**Date of Meeting** October 28, 2025

**DATE:** October 13, 2025  
**TO:** Steve Metruck, Executive Director  
**FROM:** Eloise Olivar, Assistant Director of Disbursements  
**SUBJECT:** **Claim and Obligations – September 2025**

**ACTION REQUESTED**

Request Port Commission approval of the Port Auditor's payment of the salaries and claims of the Port pursuant to RCW 42.24.180 for payments issued during the period September 01 through 30, 2025 as follows:

| <b>Payment Type</b>                              | <b>Payment Reference<br/>Start Number</b> | <b>Payment Reference<br/>End Number</b> | <b>Amount</b>           |
|--------------------------------------------------|-------------------------------------------|-----------------------------------------|-------------------------|
| Accounts Payable Checks                          | 959757                                    | 960163                                  | \$9,038,050.38          |
| Accounts Payable ACH                             | 077290                                    | 078131                                  | \$119,800,058.15        |
| Accounts Payable Electronic Fund Transfers (EFT) | 069517                                    | 069527                                  | \$8,416,886.22          |
| Payroll Checks                                   | 229549                                    | 1275687                                 | \$133,961.61            |
| Payroll ACH                                      | 1272512                                   | 1277586                                 | \$18,965,977.55         |
| <b>Total Payments</b>                            |                                           |                                         | <b>\$156,354,933.91</b> |

Pursuant to RCW 42.24.180, "the Port's legislative body" (the Commission) is required to approve in a public meeting, all payments of claims within one month of issuance.

**OVERSIGHT**

All these payments have been previously authorized either through direct Commission action or delegation of authority to the Executive Director and through his or her staff. Detailed information on Port expenditures is provided to the Commission through comprehensive budget presentations as well as the publicly released Budget Document, which provides an even greater level of detail. The Port's operating and capital budget is approved by resolution in December for the coming fiscal year, and the Commission also approves the Salary and Benefit Resolution around the same time to authorize pay and benefit programs. Notwithstanding the Port's budget approval, individual capital projects and contracts exceeding certain dollar thresholds are also subsequently brought before the Commission for specific authorization prior to commencement of the project or contract - if they are below the thresholds the Executive Director is delegated authority to approve them. Expenditures are monitored against budgets monthly by management and reported comprehensively to the Commission quarterly.

Meeting Date: October 28, 2025

Effective internal controls over all Port procurement, contracting and disbursements are also in place to ensure proper central oversight, delegation of authority, separation of duties, payment approval and documentation, and signed perjury statement certifications for all payments. Port disbursements are also regularly monitored against spending authorizations. All payment transactions and internal controls are subject to periodic Port internal audits and annual external audits conducted by both the State Auditor's Office and the Port's independent auditors.

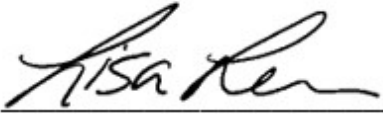
For the month of September 2025, over \$137,254,994.75 in payments were made to nearly 678 vendors, comprised of 2,427 invoices and over 8,679 accounting expense transactions. About 95 percent of the accounts payable payments made in the month fall into the Construction, Employee Benefits, Contracted Services, Payroll Taxes, Utility Expenses, Janitorial Services, Sales Taxes, Software, Room-Space-Land Rental and Miscellaneous Expense. Net payroll expense for the month of September was \$19,099,939.16.

### Top 10 Payment Category Summary:

| Category                | Payment Amount          |
|-------------------------|-------------------------|
| Construction            | 94,474,824.77           |
| Employee Benefits       | 12,622,290.92           |
| Contracted Services     | 8,904,457.21            |
| Payroll Taxes           | 3,780,187.32            |
| Utility Expenses        | 3,306,896.64            |
| Janitorial Services     | 2,383,297.52            |
| Sales Taxes             | 2,026,434.79            |
| Software                | 1,524,431.18            |
| Room/Space/Land Rental  | 1,001,576.71            |
| Miscellaneous Expense   | 849,789.18              |
| Other Categories Total: | 6,380,808.51            |
| Net Payroll             | 19,099,939.16           |
| <b>Total Payments</b>   | <b>\$156,354,933.91</b> |

Meeting Date: October 28, 2025

Appropriate and effective internal controls are in place to ensure that the above obligations were processed in accordance with Port of Seattle procurement/payment policies and delegation of authority.

  
\_\_\_\_\_  
**Lisa Lam/Port Auditor**

At a meeting of the Port Commission held on October 28, 2025, it is hereby moved that, pursuant to RCW 42.24.180, the Port Commission approves the Port Auditor's payment of the above salaries and claims of the Port:

\_\_\_\_\_  
  
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\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
**Port Commission**

**COMMISSION  
AGENDA MEMORANDUM**

**Item No.**

8c

**ACTION ITEM**

**Date of Meeting**

October 28, 2025

**DATE:** October 17, 2025

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Eileen Francisco, Director Aviation Project Management  
Keri Stephens, Director, Aviation Facilities and Capital Programs

**SUBJECT: Snow Storage Expansion Phase II Construction Authorization**

**Amount of this request:** \$14,403,000

**Total estimated project cost:** \$24,800,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to advertise and execute a construction contract for Snow Storage Expansion Phase II (C801171) adjacent to the Industrial Wastewater System (IWS) Lagoon 3.

The amount of this authorization request is \$14,403,000 with the total project value at \$24,800,000.

**EXECUTIVE SUMMARY**

The Snow Storage Expansion project expands the laydown area available for stockpiling and managing snow on the airfield during winter storm events to meet the operational and FAA certification needs. The Lagoon 3 snow storage site, in conjunction with the constructed North and South snow storage sites, will provide snow storage capacity for a 12" precipitation event on the airfield ramp. Snowmelt runoff containing aircraft deicers will be routed to the Port's IWS for treatment meeting regulatory requirements.

**JUSTIFICATION**

The Lagoon 3 Snow Storage Site constitutes the final and essential phase of the broader Snow Storage Expansion Project, which is a key infrastructure initiative aimed at enhancing the airport's ability to manage winter weather impacts. This site has been specifically designed to accommodate the accumulation and controlled handling of snow volumes generated by a 12-inch precipitation event across the airfield ramp, a critical operational area for aircraft movement and ground handling activities.

Meeting Date: October 28, 2025

By providing dedicated snow storage capacity in this location, the project significantly strengthens the airport's overall winter operations resilience. It minimizes the risk of weather-related operational disruptions, particularly those affecting airline schedules and ramp logistics, and supports continuous airfield availability during major snow events. The infrastructure is engineered to collect and channel meltwater along with any associated deicing chemicals into the Port's IWS, thereby ensuring full compliance with the Port's National Pollutant Discharge Elimination Systems (NPDES) permit requirements and advancing the airport's environmental stewardship objectives.

The completion of Lagoon 3 not only fulfills regulatory and operational needs but also delivers measurable benefits in terms of public safety, environmental protection, and service reliability.

***Diversity in Contracting***

The project staff, in coordination with the Diversity in Contracting Department, have set goals for this contract. This contract is not federally funded and as such will include a 12% Woman and Minority Business Enterprise (WMBE) aspirational goal.

**DETAILS**

This contract will involve limited interface with other projects and airline operations. Continual coordination, where required, with Airport Operations, Airlines, and related Tenants will ensure the least possible operational impact during construction.

***Scope of Work***

This scope of work in Phase II covers the development of the Lagoon 3 Snow Storage Site, which will supplement the North and South Snow Storage Sites constructed in Phase I.

**Site Grading and Laydown Area Expansion:**

Earthwork and grading will be performed to create a stable, appropriately sized laydown area suitable for the stockpiling, handling, and controlled melting of collected snow. The design will ensure drainage compatibility and structural resilience for continuous snow management operations.

**Meltwater Collection and Conveyance System:**

The site will be equipped with infrastructure to collect meltwater and associated deicing chemicals and direct these flows to the existing Port IWS. This system will be designed to comply with NPDES permit requirements for water quality and discharge standards.

**Access Improvements – Vehicle Service Road, Gate, and Perimeter Fence:**

Modifications will be made to the existing vehicle service road at the site entrance to achieve appropriate roadway geometry and surface grading. The perimeter gate and fencing will be



Meeting Date: October 28, 2025

widened and upgraded to accommodate large snow handling equipment, ensuring safe and efficient site access under winter operational conditions.

**Perimeter Intrusion Detection System (PIDS) Modifications:**

Existing PIDS infrastructure located near the modified gate area will be adjusted to maintain the integrity of the airport's perimeter security system. All adjustments will be coordinated to ensure no disruption to current security monitoring capabilities.

**Site Lighting Installation:**

New lighting fixtures will be installed at strategic locations to support safe nighttime and low-visibility snow management activities. The lighting design will comply with airport standards minimizing glare and light spill.

***Schedule***

***Activity***

|                                       |                |
|---------------------------------------|----------------|
| Commission construction authorization | 2025 Quarter 4 |
| Construction start                    | 2026 Quarter 2 |
| In-use date                           | 2026 Quarter 4 |

***Cost Breakdown***

|              | This Request | Total Project |
|--------------|--------------|---------------|
| Design       | \$0          | \$2,500,000   |
| Construction | \$14,403,000 | \$22,300,000  |
| Total        | \$14,403,000 | \$24,800,000  |

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

As part of the planning and environmental review process for the Snow Storage Expansion Project, the Port conducted a comprehensive alternatives analysis to evaluate a range of viable options for managing snow accumulation on the airfield during major winter storm events. This evaluation considered technical feasibility, regulatory compliance, operational efficiency, environmental impacts, and life-cycle costs.

**Alternative 1 – Status Quo**

Status quo was considered as a baseline scenario. While this alternative would avoid capital expenditures and reduce infrastructure near sensitive wetland buffer areas, it presents

Meeting Date: October 28, 2025

significant risks, including potential violations of the Port's NPDES permit during heavy snow events if sufficient designated storage areas are not available.

Cost Implications: \$0

Pros:

- (1) The avoidance of capital expenditures, resulting in immediate cost savings for the Port.
- (2) By not constructing new infrastructure, this option minimizes disturbance to areas adjacent to existing wetlands and reduces potential impacts to sensitive wetland buffer zones.

Cons:

- (1) Potential NPDES permit violation if snow is stored outside of a snow storage site during heavy snow. NPDES violations could result in immediate fines, costly remediation mandates, long-term operational burden, and strategic risks to capital programs and grant funding.

This is not the recommended alternative.

**Alternative 2 – Snow Melters with Snow Storage Pad**

This alternative involves a capital investment of approximately \$26,261,000 for the procurement and installation of snow melting equipment and associated infrastructure, along with ongoing operating expenses, including fuel, maintenance, staffing, and transportation logistics. While the initial capital outlay may appear comparable to the snow storage site alternative, the recurring operational costs over the system's life cycle contribute to a higher total cost of ownership.

Cost Implications: Capital cost of 26,261,000 & annual expense cost

Pros:

- (1) Avoidance of full infrastructure build-out if snow events are infrequent: One potential benefit of deploying snow melters is that the equipment could remain idle in years with lower-than-average snowfall, thereby delaying or avoiding some operational expenses. In such years, the overall expenditure could be lower than for a dedicated snow storage facility that requires ongoing maintenance regardless of snowfall volume.
- (2) Operational flexibility and potential rapid snow removal: Snow melters provide a mechanical means of quickly reducing snow volumes without requiring extensive land area for storage. In certain scenarios, this method may expedite snow disposal compared to traditional haul-and-dump operations, particularly when space is constrained.

Meeting Date: October 28, 2025

Cons:

- (1) High fuel consumption and long-term operational burden: Snow melters require significant fuel inputs to operate, particularly under heavy load conditions. This leads to substantial greenhouse gas emissions, increased dependency on fuel supply chains, and elevated operating costs. Infrequent use can further degrade equipment life expectancy, resulting in more frequent replacement cycles and higher long-term capital reinvestment needs.
- (2) Infrastructure and site constraints limit feasibility: Port lacks the necessary ramp-side infrastructure and spatial layout to support the effective use of snow melters on or near the airfield. There is insufficient room for the staging, maneuvering, and operation of these units in high-traffic aircraft movement areas. Consequently, snow would still need to be trucked—sometimes long distances—off the ramp to a melting location such as Lagoon 3, thereby negating much of the time and labor savings typically associated with this equipment. This added complexity undermines operational efficiency and adds further logistical burden.

This is not the recommended alternative.

**Alternative 3 – Lagoon 3 Snow Storage**

This alternative represents the currently planned approach and carries a total Capital Improvement Program (CIP) cost of \$23,800,000, which includes design, permitting, construction of the Lagoon 3 snow storage site, and integration with the previously constructed North and South sites. While this represents a substantial capital investment, the cost is aligned with the scale of infrastructure needed to meet regulatory and operational demands for airfield snow management.

Cost Implications: Total CIP cost of \$24,800,000

Pros:

- (1) Ensures NPDES regulatory compliance during major snow events: This alternative provides dedicated infrastructure to collect and manage snow and meltwater in a controlled environment, ensuring that runoff containing deicing agents and other pollutants is properly routed to the Port's IWS. This design is purpose-built to maintain full compliance with the Port's NPDES permit, specifically for storm events of up to 12 inches of precipitation—a threshold based on historical snowfall data and operational modeling.
- (2) Improved operational efficiency, reliability, and resilience: Purpose-built snow storage sites significantly improve airfield snow removal efficiency by offering strategically located, high-capacity laydown areas that minimize travel distances for snow-hauling equipment. This reduces turnaround time during active weather events, enhances ramp safety, and improves airline and ground crew operating conditions. The infrastructure also supports 24/7 operations with lighting and access improvements, enabling consistent response during low-visibility or night-time conditions.

Meeting Date: October 28, 2025

Cons:

- (1) Capital costs.

***This is the recommended alternative.***

**FINANCIAL IMPLICATIONS**

| <b><i>Cost Estimate/Authorization Summary</i></b> | <b>Capital</b> | <b>Expense</b> | <b>Total</b> |
|---------------------------------------------------|----------------|----------------|--------------|
| <b>COST ESTIMATE</b>                              |                |                |              |
| Original estimate                                 | \$17,450,000   | 50,000         | \$17,500,000 |
| Previous changes                                  | 7,300,000      | 0              | 7,300,000    |
| <b>AUTHORIZATION</b>                              |                |                |              |
| Previous authorizations                           | \$10,347,000   | \$50,000       | \$10,397,000 |
| Current request for authorization                 | \$14,403,000   | 0              | \$14,403,000 |
| Total authorizations, including this request      | \$24,750,000   | \$50,000       | \$24,800,000 |
| Remaining amount to be authorized                 | \$0            | \$0            | \$0          |

***Annual Budget Status and Source of Funds***

This project, CIP 801171, was included in the 2025-2029 capital budget and plan of finance with a budget of \$24,750,000. The funding sources include the Airport Development Fund and revenue bonds. This project received Majority-In-Interest (MII) approval from the airlines on October 20, 2021.

***Financial Analysis and Summary***

|                                                         |                                                                                                             |
|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Project cost for analysis                               | \$24,800,000                                                                                                |
| Business Unit (BU)                                      | Airfield Movement Area                                                                                      |
| Effect on business performance (NOI after depreciation) | NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base |
| IRR/NPV (if relevant)                                   | N/A                                                                                                         |
| CPE Impact                                              | \$0.08 in 2027                                                                                              |

***Future Revenues and Expenses (Total cost of ownership)***

Aviation Maintenance does not anticipate any material increase in operating expenses as a result of the added pavement surface.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides

Meeting Date: October 28, 2025

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

October 25, 2022 – The Commission authorized the Executive Director to advertise a construction contract, and include a project labor agreement, for Snow Storage Expansion project Phase 1 at Seattle-Tacoma International Airport (SEA) for a Total Request Amount of \$6,900,000 and a total project authorization of \$10,347,000, and the Estimated Overall Project Cost of \$17,500,000.

October 26, 2021 – The commission authorized the Executive Director to design and prepare construction documents for the Snow Storage Expansion project at Seattle-Tacoma International Airport (SEA) for a Total Request Amount of \$2,500,000 and a Total Project Authorization of \$2,794,000, and the Estimated Overall Project Cost of \$17,500,000.

|                 |                  |
|-----------------|------------------|
| Item No.        | 8c_supp          |
| Date of Meeting | October 28, 2025 |

# Snow Storage Expansion Phase II Construction Authorization CIP# C801171

Seattle-Tacoma  
International Airport



## Action Requested

Request Commission authorization for the Executive Director to advertise and execute a construction contract for Snow Storage Expansion Phase II (CIP# C801171) adjacent to the Industrial Wastewater System (IWS) Lagoon 3.

The total request for this action will be \$14,403,000 for a total project authorization to date of \$24,800,000. The estimated overall cost of the project is \$24,800,000.

# Project Overview

This project is needed to meet regulatory requirements and operational demands for airfield snow management.

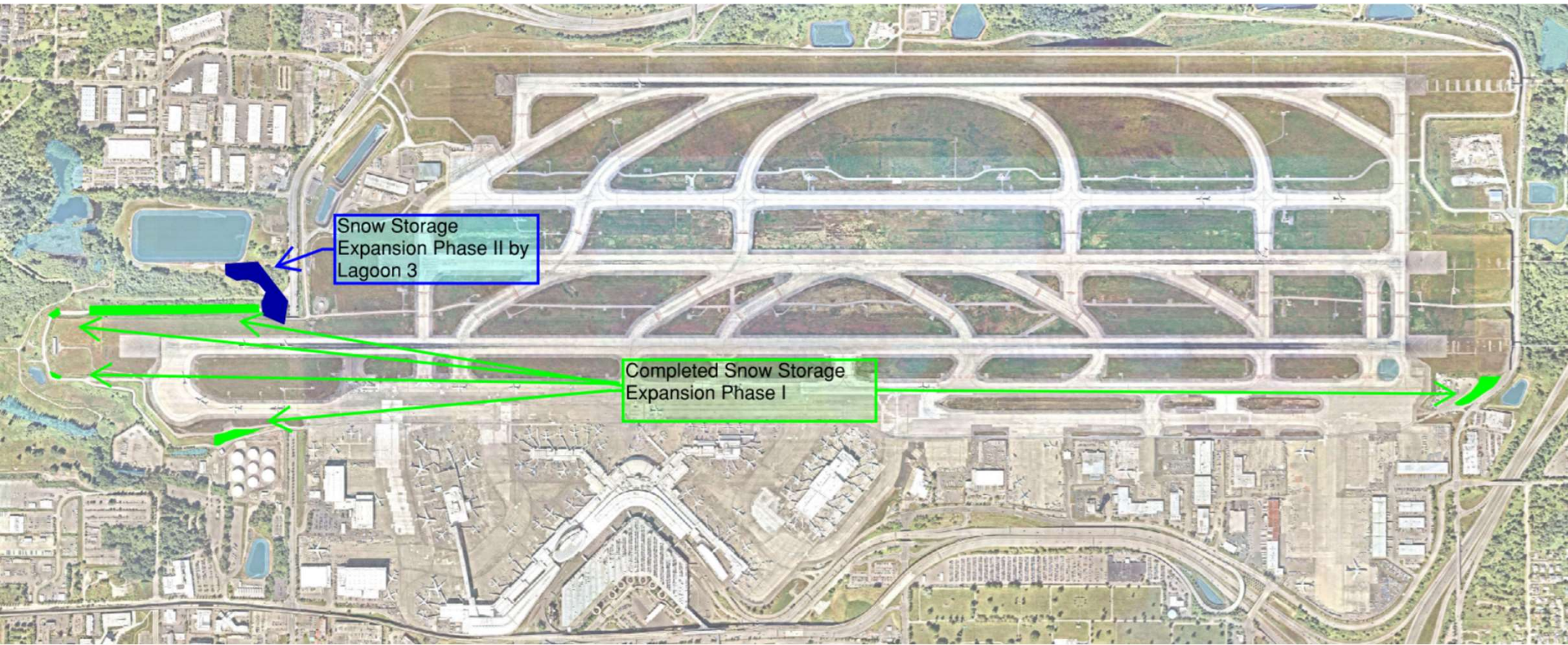
- Provide additional snow storage capacity connected to the Industrial Wastewater System (IWS)
  - Historical excess snow storage areas are now occupied by Cargo/Remaining Overnight (RON) aircrafts
  - Snow storage capacity at completion of the project: 12" precipitation event
  - All snow melt areas will be connected to IWS to ensure compliance with National Pollutant Discharge Elimination Systems (NPDES) Permit Compliance
- Increase operational safety for snow operations vehicles
- Reduce operational expenses from rehandling snow



# Project Scope

- Phase I – Completed in 2023
  - North Snow Storage Area
    - Expand existing asphalt pad and upgrade the IWS Pump Station
  - South Snow Storage Area
    - Expand existing truck turnaround for maneuverability and safety
  - Vehicle Service Road (south and west of RW 16L/34R)
    - Widen asphalt road for snow removal vehicle safety
- Phase II - 2026 Construction
  - Construct New Snow Storage Area adjacent to IWS Lagoon 3

# Snow Storage Expansion Sites



# Construction Schedule

- Phase II
  - Commission Authorization for Construction Q4 2025
  - Issue Notice to Proceed: Q2 2026
  - In-Service Q4 2026

# Budget

| Snow Storage Expansion Project (C801171) | This Request | Total Program |
|------------------------------------------|--------------|---------------|
| Design                                   | \$0          | \$2,500,000   |
| Construction                             | \$14,403,000 | \$22,300,000  |
| Total                                    | \$14,403,000 | \$24,800,000  |

# Project Risks

| RISK                       | DESCRIPTION                                                                                                                                                    | PROBLEM | IMPACT | MITIGATION PLAN                                                                                                       |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|-----------------------------------------------------------------------------------------------------------------------|
| Weather Delay              | Construction may be impacted by inclement weather.                                                                                                             | Low ●   | Med ●  | Include additional time in schedule for weather risks.                                                                |
| Increased Cost             | Market conditions may change and result in bids exceeding Port estimate.                                                                                       | Med ●   | High ● | Use historical pricing with thoughtful adjustment for current market conditions. Include contingency in the estimate. |
| Unforeseen Site Conditions | Possible conditions include: <ul style="list-style-type: none"> <li>• Buried debris</li> <li>• Archaeological</li> <li>• Unsuitable soil conditions</li> </ul> | Med ●   | High ● | Implement monitoring and action plan for construction for possible discoveries.                                       |

# Project Opportunities

- Support other program scopes and schedules
  - Airfield Pavement and Supporting Infrastructure Replacement Program
  - Perimeter Intrusion detection System (PIDS)
- Reduce project impacts, schedule and safety risks by avoiding construction in the winter season.



# Thank You!



## SEA

Seattle-Tacoma  
International  
Airport

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Operated by the  
Port of Seattle

FlySEA.org



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.**

8d

**ACTION ITEM**

**Date of Meeting**

October 28, 2025

**DATE:** October 17, 2025

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Sabin Mudaliar, Acting Director, Airport Operations  
Eileen Francisco, Director, AV Project Management Group

**SUBJECT: Building 161E Renovation Construction Authorization (CIP #C801179)**

**Amount of this request:** \$10,891,000

**Total requested project cost:** \$13,989,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to advertise and execute a major public works construction contract for the Building 161E Renovation project at Seattle-Tacoma International Airport. The amount requested under this authorization is \$10,891,000 for a total project authorization of \$13,989,000.

**EXECUTIVE SUMMARY**

In September 2022, Commission authorized design of this project. Today's request authorizes construction. The Building 161E Renovation project updates building mechanical, lighting, and fire protection systems, improves the building's restrooms and adds an entry management system. This project is necessary to improve operational efficiency and facility maintainability for continued lease revenue. Pending this authorization, construction will begin next year.

**JUSTIFICATION**

As previously described in the September 2022 request, the building remains difficult (and costly) to maintain and repair as most systems have long exceeded their life cycles. Completing the project will reduce repair calls and expenditures and reduce the risk of system failures. New systems will reduce energy use and improve air quality, supporting the Port's Century Agenda goals.

***Diversity in Contracting***

The Design contract has achieved 40% WMBE participation. Port staff have established a 10% WMBE aspirational goal for the construction portion of the contract.



Meeting Date: October 28, 2025

**DETAILS**

Building 161E is an Air Cargo/Multiple-use Port-owned facility built in 1981. This 25,600 square-foot facility serves multiple tenants, including airlines and service providers. This facility consists of approximately 10,000 square feet of warehouse space, 5,000 square feet of Ground Service Equipment (GSE) mechanical repair space, and 10,600 square feet of office space. In 2015, Building 161E reverted to Port ownership upon expiration of a thirty (30) year ground lease.

This building is currently occupied by multiple tenants and is serving multiple needs including air cargo and ground equipment maintenance in an airport environment with limited land use options. Moving tenants to other facilities is infeasible as such facilities either do not exist or are at full capacity. Therefore, this building will need to remain open and operational during construction. Construction will need to be phased.

***Scope of Work***

Building upgrades include:

- (1) Replacing building's heating and cooling systems with higher efficiency systems
- (2) Replacing underperforming and failing windows, skylights, and doors.
- (3) Upgrading existing lighting to LED fixtures.
- (4) Improving restroom fixtures and finishes.
- (5) Installing a means to control access to the building, and
- (6) Providing a new fire alarm panel and alarm devices.

***Schedule******Activity***

|                     |                |
|---------------------|----------------|
| Construction starts | 2026 Quarter 2 |
| In-use date         | 2027 Quarter 3 |

***Cost Breakdown***

|              | This Request | Total Project |
|--------------|--------------|---------------|
| Design       | \$0          | \$3,098,000   |
| Construction | \$10,891,000 | \$10,891,000  |
| Total        | \$10,891,000 | \$13,989,000  |

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Construct the project as originally scoped, including additional building amenities as a part of the project.

Cost Implications: \$14,700,000

Meeting Date: October 28, 2025

Pros:

- (1) Office flooring would be replaced with new carpet.
- (2) Locker room new showers would be provided.

Cons:

- (1) Additional budget would be required.

This is not the recommended alternative.

**Alternative 2** – Construct the project as originally budgeted, by removing certain amenities.

Cost Implications: \$13,989,000

Pros:

- (1) Budget stays within approved amount.
- (2) Building receives needed improvements.

Cons:

- (1) Certain building amenities, such as additional carpeting, are not provided. Building functionality is not impacted.

***This is the recommended alternative.***

**FINANCIAL IMPLICATIONS**

| <b><i>Cost Estimate/Authorization Summary</i></b> | <b>Capital</b> | <b>Expense</b> | <b>Total</b> |
|---------------------------------------------------|----------------|----------------|--------------|
| <b>COST ESTIMATE</b>                              |                |                |              |
| Original estimate                                 | \$13,989,000   | \$0            | \$13,989,000 |
| <b>AUTHORIZATION</b>                              |                |                |              |
| Previous authorizations                           | \$3,098,000    | \$0            | \$3,098,000  |
| Current request for authorization                 | 10,891,000     | \$0            | 10,891,000   |
| Total authorizations, including this request      | \$13,989,000   | \$0            | \$13,989,000 |
| Remaining amount to be authorized                 | \$0            | \$0            | \$0          |

***Annual Budget Status and Source of Funds***

This project, CIP C801179, was included in the 2025-2029 capital budget and plan of finance with a budget of \$13,989,000. The funding sources will be Airport Development Fund (ADF) and Revenue Bonds.

Meeting Date: October 28, 2025

***Financial Analysis and Summary***

|                                                         |                                                                                                                                                                    |
|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project cost for analysis                               | \$13,989,000                                                                                                                                                       |
| Business Unit (BU)                                      | Airfield Commercial Cargo                                                                                                                                          |
| Effect on business performance (NOI after depreciation) | NOI after depreciation will increase                                                                                                                               |
| IRR/NPV (if relevant)                                   | NPV \$(1.0M)<br>NOI after debt service will be negative between (\$293K and \$10K) during 2028-2037.<br>NOI after debt service becomes positive in year 13 (2038). |
| CPE Impact                                              | N/A                                                                                                                                                                |

***Future Revenues and Expenses (Total cost of ownership)***

As a result of this project, Aviation Maintenance will see a reduction in service calls and repairs and an increase in preventive maintenance support. Future lease revenues may increase due to improvements to the building's condition that will make the facility more attractive to tenants.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

September 13, 2022 – The Commission authorized \$2,900,000 for the design of this project.

|                 |                  |
|-----------------|------------------|
| Item No.        | 8d_supp          |
| Date of Meeting | October 28, 2025 |

# Building 161E Renovation Construction Authorization

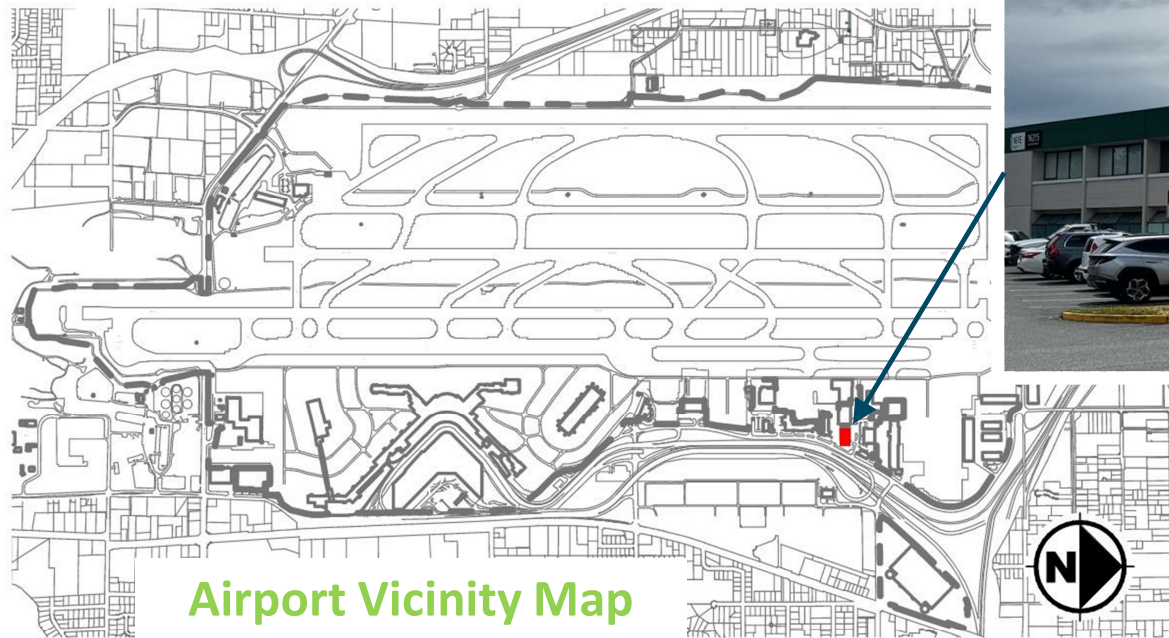
October 28, 2025  
Commission Meeting



# SEA Cargo Program

1. SEA is the Pacific Northwest region's major hub for air cargo
2. In 2024, more than 460,000 metric tons of air cargo moved through SEA, including international commodities valued in excess of \$26 billion
3. 14 cargo facilities at SEA total approximately 425,000 square feet, mostly built between the 1970s and 1990s, and are at 100% occupancy
4. Many of the cargo buildings are older and have outdated building systems that are beyond their expected lifecycles

# Project Location



**161E**

# Project Scope

Building upgrades include:

1. Replacing warehouse and office heating and cooling systems with higher efficiency system
2. Replacing underperforming and failing windows, skylights, and doors
3. Upgrading existing lighting to LED fixtures
4. Improving restroom fixtures and finishes
5. Installing a means to control access to the building, and
6. Providing a new fire alarm panel and alarm devices

# Existing Conditions

1. Building systems (heating and cooling, electrical, fire protection, controls) are past useful life.
2. Windows, skylights, and doors are underperforming relative to current energy standards or failing due to age and condition.
3. Restroom fixtures and surfaces are aging, appearing unhygienic and outdated.



# Existing Conditions

## Heating and Cooling System

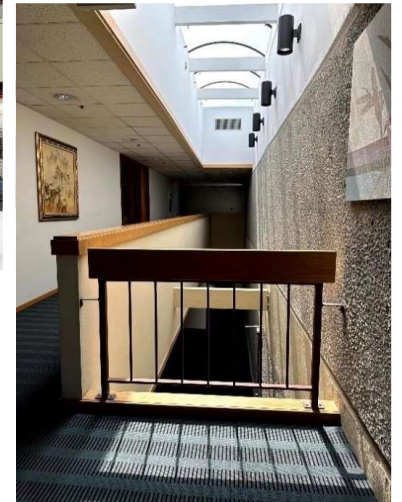
Exceeded Service Life  
Natural Gas



# Existing Conditions



**Aging Skylights**  
Leak Water and Heat



# Existing Conditions



**1980 Windows**  
50%  
Less Efficient  
than today's models



# Existing Conditions

## Restroom Fixtures and Surfaces Unhygienic Water Wasting Fixtures



## Inefficient or Broken Water Heaters

# Project Cost and Schedule

## *Cost Breakdown*

|                    | This Request | Total Project |
|--------------------|--------------|---------------|
| Design Phase       | 0            | \$3,098,000   |
| Construction Phase | \$10,891,000 | \$10,891,000  |
| Total              | \$10,891,000 | \$13,989,000  |

## **Schedule**

Construction Start: Q2 2026

Project in Use: Q3 2027

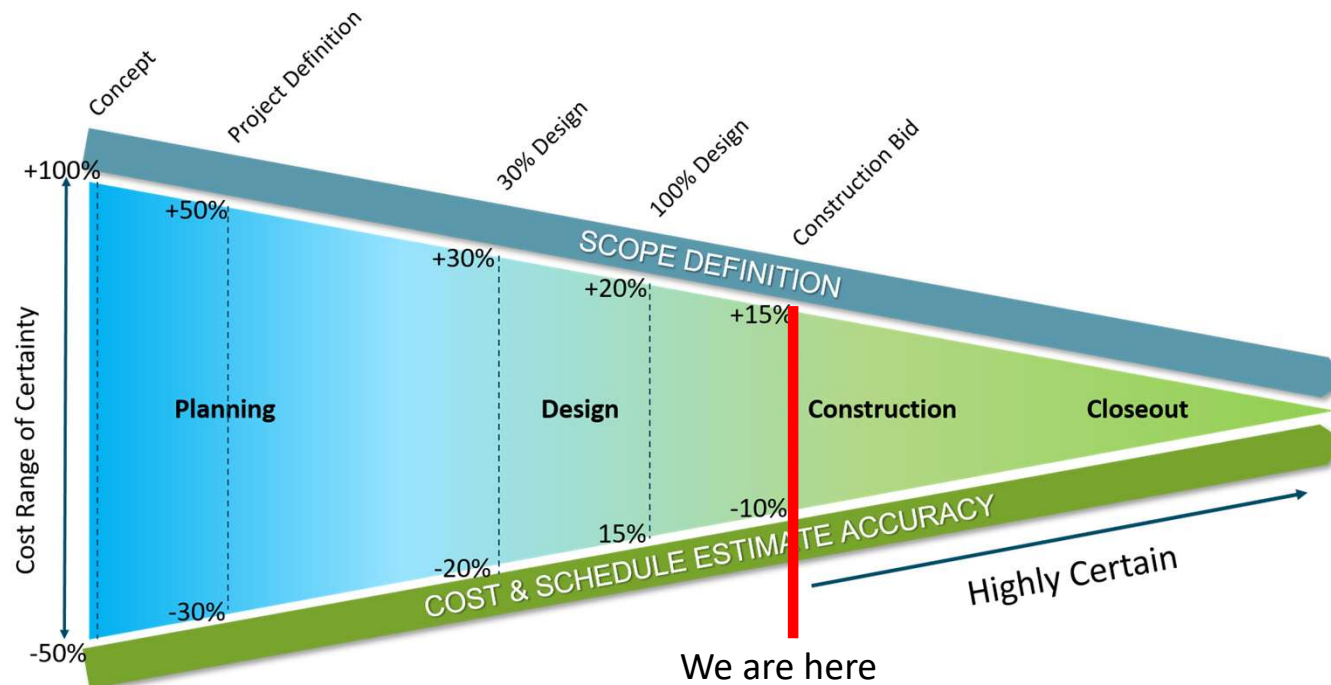
# Financial Analysis

|                                                                |                                                                                                                                                                                             |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Project cost for analysis</b>                               | <b>\$13,989,000</b>                                                                                                                                                                         |
| <b>Business Unit (BU)</b>                                      | <b>Airfield Commercial Cargo</b>                                                                                                                                                            |
| <b>Effect on business performance (NOI after depreciation)</b> | <b>NOI after depreciation will increase</b>                                                                                                                                                 |
| <b>IRR/NPV (if relevant)</b>                                   | <b>NPV \$(1.0M)</b><br><br><b>NOI after debt service will be negative between (\$293K and \$10K) during 2028-2037.</b><br><b>NOI after debt service becomes positive in year 13 (2038).</b> |
| <b>CPE Impact</b>                                              | <b>N/A</b>                                                                                                                                                                                  |

## Assumptions:

- 30 years analysis as that is estimated asset useful life.
- The building is leased, and it generates about \$750K annual lease revenue.
- The base case is that the building won't be leased to the tenants due to its condition.
- 7.6% discount rate based on risk scoring.
- Annual debt service is around \$1.2M based on 5.25% interest rate.
- 3% annual rent increase due to inflation and additional 10% annual market rent increase attributable to renovation. Business & Properties will need to confirm with tenants to make sure this is acceptable.

# Project Cone of Certainty



# Questions?





**COMMISSION  
AGENDA MEMORANDUM**

**Item No.**

8e

**ACTION ITEM**

**Date of Meeting**

October 28, 2025

**DATE:** October 15, 2025

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Keri Stephens, Director, Aviation Facilities and Capital Programs  
Eileen, Francisco, Director Aviation Project Management

**SUBJECT: C801325- Rental Car Facility (RCF) Quick Turn-Around (QTA) Boiler Skids 1&2 Replacement – Additional Funds**

**Amount of this request:** \$225,000

**Total estimated project cost:** \$2,115,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to increase the project budget by \$225,000 for a final revised total budget of \$2,115,000.

**SUMMARY**

This project will be replacing boiler skids 1 & 2 that provide heat and hot water to the RCF QTA offices and operations. Boiler skid 1 (South end of the facility) has already failed mainly due to exposure to the elements and boiler skid 2 (North end of the facility) is at risk of failure as well. Each boiler is the sole source of heating for occupied service offices at the Rental Car Facility, and the Port is obligated to replace these systems. Due to the failure of boiler skid 1 and need to bring in a temporary boiler system and design development, the project schedule has been delayed. Additional funding is needed to complete the project as intended. The equipment was designed as a modular build and is being fabricated off site and will be brought in to speed up installation. The project team is working with the contractor to optimize installation to recover time while keeping a heating supply to the facility.

This project was authorized through Delegation of Responsibility & Authority (DORA) process, but the budget will exceed the limit of that authorization. The project is funded through the Customer Facility Charge (CFC's) for rental car transactions and has not had any significant impacts from tariffs.

There are no attachments to this memo.

**COMMISSION  
AGENDA MEMORANDUM**

**Item No.**

8f

**ACTION ITEM**

**Date of Meeting**

October 28, 2025

**DATE:** September 29, 2025

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Linda Springmann, Director of Cruise Business & Elliott Bay Operations  
Marie Ellingson, Sr. Manager, Cruise Operations & Business Development

**SUBJECT: Terminal 91 Cruise Facility Lease Agreement**

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute a Term Lease Agreement with Pacific Cruise Ship Terminals LLC (Metro Cruise) for Smith Cove Cruise Terminal at Pier 91. The proposed lease term is for five (5) years with a five (5) year option to extend, effective November 1, 2025.

**EXECUTIVE SUMMARY**

Smith Cove Cruise Terminal at Pier 91 was opened in April of 2009. The current lease of the cruise terminal manager expires at the end of October 2025. A Request for Proposals was issued on April 24, 2025, soliciting offers for a tenant to manage cruise operations. Key services include, but are not limited to, passenger flow, baggage operations both terminal and pier side, terminal security, traffic circulation, customer service, berthing plans, long term parking, accommodating access to accessibility equipment, crew store and services, and facility maintenance.

A diverse review panel was assembled to review the four proposals received. The panel included port representatives from Finance, Environmental, Facilities, and Cruise. Although all offerors were well qualified, the Port's assessment of the proposals revealed that Metro Cruise provided a proposal that generated the best overall value to the Port and yielded the greatest level of confidence in successful performance.

**JUSTIFICATION**

The port is expecting a record year in 2026 with 330 vessel calls and 2 million revenue passengers. The port will also welcome two new cruise lines to Seattle, MSC Cruises and Virgin Voyages. A multi-year lease agreement provides a greater degree of certainty to the port and the cruise lines than shorter-term alternatives. Metro Cruise demonstrated they would bring diverse perspectives and innovative ideas based on relevant experience in terminal management, security, and stevedoring.

Meeting Date: October 28, 2025

**LEASE TERM DETAILS**

Preferential Use of the Terminal 91 Preferential Use Area – applies only to cruise vessels and associated ship activities during the cruise season.

|                               |                                                                                                                                                                                                                                                                                              |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Term                          | Five years with an option to extend five additional years at port discretion                                                                                                                                                                                                                 |
| Percentage Rent               | Tenant shall pay the port 93.5% of the port directed cruise fees (passenger fee and dockage)                                                                                                                                                                                                 |
| Flow Through Event Revenue    | Tenant grants the port an event license.<br>Tenant shall pay port 50% of flow-through event revenue                                                                                                                                                                                          |
| Additional Responsibilities   | In addition to percentage rent, tenant shall pay taxes, insurance, operating expenses, utilities, maintenance & repairs, and any other cost associated with tenant's operations                                                                                                              |
| Security                      | Tenant maintains corporate surety bond, letter of credit, or other security in the amount of \$5,000,000                                                                                                                                                                                     |
| Tenants Operation of Premises | scheduling, security, passenger transportation, baggage operations, deliveries, stevedoring, hospitality services, long term parking, traffic control & directional signage, contracts for goods & services, billing, tours, marketing, compliance with 100% shore power of homeport vessels |
| New to Cruise Terminal Lease  | Green Lease Terms that are now standard to Maritime lease are incorporated                                                                                                                                                                                                                   |

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

To evaluate the implications and requirements of each operating model, cruise forecasts, income and expenses for the port, income and expenses for a third-party operator, potential capital programs, and future maintenance requirements were taken into consideration.

**Alternative 1 – Port Self Operating** (the port assumes all operations currently managed by a third party)

**Pros:**

- (1) More operational control
- (2) Potential for higher revenue

**Cons:**

- (1) Higher direct costs and overhead budget
- (2) Constrained by established organizational process and procedure risking the ability to respond in a timely manner to critical circumstances and time sensitive issues.
- (3) Financial Risk

This is not the recommended alternative.

Meeting Date: October 28, 2025

**Alternative 2 – Enter into a lease agreement for management of the cruise terminal**

Pros:

- (1) Updated terms with increased profit share and more favorable terms
- (2) Fixed lease payments provide financial stability
- (3) Maintenance responsibilities and associated costs fall to tenant
- (4) The port cannot achieve the same operational efficiencies as a third-party operator

Cons:

- (1) Port responsible for capital programs
- (2) May yield less revenue compared to alternative 1

***This is the recommended alternative.***

**FINANCIAL IMPLICATIONS**

The proposed agreement is structured as a revenue-sharing lease. The tenant will collect the passenger and dockage fees (per Terminal Tariff No. 5) from the cruise lines, and the Port will bill the tenant for its share of the fee revenue. The Port's revenue share of passenger and dockage fees would increase to 93.5% in the new agreement, which will have a positive impact on future cruise revenues to the Port.

Additional costs to the Port are minimal. The tenant will be responsible for leasehold taxes, insurance, operating expenses, utilities, maintenance & repairs, and any other cost associated with tenant's operations. The prior lease included annual capital and maintenance fund allowances that the Port provided the tenant for repair and maintenance, which are no longer included in the proposed lease and will reduce costs to the Port.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

December 14, 2021 – The Commission authorized to change the term of the Cruise Facility Lease Agreement for two years with two additional one-year extension options at the port's discretion (2024 – 2025)

October 22, 2019 – Commission action to extend Cruise Facility Lease Agreement for two years with two one-year extension options at the port's discretion (2020-2024)

September 11, 2012 – The Commission authorized seven years extension of Cruise Facility Lease Agreement (2013-2019)

December 11, 2005 – The Commission authorized Cruise Facility Lease Agreement (2006-2012)

# Terminal 91 Cruise Facility Lease Agreement



Linda Springmann, Director Cruise Business  
& Elliott Bay Operations



# Terminal 91 Cruise Facility Lease Agreement

- Present the outcome of an RFP conducted this summer for Terminal Operations at our T91 Cruise Facility
- Request **Commission authorization** for the Executive Director to execute a Lease Agreement with Pacific Cruise Ship Terminals LLC (Metro Cruise) for Smith Cove Cruise Terminal at Pier 91.

## 2026 Highlights

### Sailings

- 330 total vessel calls
  - 235 calls at Pier 91
- 10 Cruise brands
  - 8 Cruise brands at Pier 91
- 16 Homeport vessels
- Two New Homeports  
MSC Poesia & Virgin  
Voyage's Brilliant Lady

### Passengers

- 2 million total estimated revenue passengers
- 5.25% increase from 2025

### Economic Impact

- \$1.2 billion in total business output
- 5,120 total jobs supported
- \$328 million total employee compensation

# Competitive Bid Process

- Four proposals were received.
- Based on the initial ratings received for each criterion, all four proposers were shortlisted.
- All were provided with an opportunity to respond to follow-up questions and submit a best and final financial proposal.
- Review Panel of five Port participants representing Cruise, Finance, Environmental & Facility Management with Legal advisor.
- Operational Approach was the most important factor and was followed by Financial Proposal, Management Approach, and Environmental Stewardship.



# Terminal 91 Cruise Facility Lease Terms

| <b>Term</b>                                 | Five years with an option to extend five additional years at port's discretion                                                 |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| <b>Percentage Rent</b>                      | Tenant shall pay the port 93.5% of the port directed cruise fees (passenger fee and dockage)                                   |
| <b>Flow Through Event Revenue</b>           | Tenant grants the port an event license.<br>Tenant shall pay port 50% of flow-through event revenue                            |
| <b>Tenant's Additional Responsibilities</b> | Taxes, insurance, operating expenses, utilities, maintenance & repairs, and any other cost associated with tenant's operations |
| <b>Security</b>                             | Tenant maintains corporate surety bond, letter of credit, or other security in the amount of \$5,000,000                       |
| <b>New to Cruise Terminal Lease</b>         | Green Lease Terms that are now standard to Maritime lease are incorporated                                                     |

# Thank you



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 10a

**ACTION ITEM**

**Date of Meeting** October 28, 2025

**DATE:** October 15, 2025

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Eric Schinfeld, Senior Manager, Federal & International Government Relations

**SUBJECT: Adoption of Resolution No. 3838: Amending the Welcoming Port Policy Directive**

**ACTION REQUESTED**

Request Commission approval of Resolution 3838, a resolution of the Port of Seattle Commission establishing a revised Welcoming Port Policy Directive and amending Resolution No. 3747, in order to demonstrate the Port's ongoing commitment to supporting immigrants, refugees, and international visitors in line with the Port's mission and values.

**EXECUTIVE SUMMARY**

The Port of Seattle Commission first adopted its Welcoming Port Policy Directive as Resolution No. 3747 on May 8, 2018 as a way to affirm the Port of Seattle's commitment to the safety, inclusion, and engagement of immigrants, refugees, and international visitors who interact with our facilities or services. For the Port, this is not only a deeply held value, but also an economic imperative – given how much our facilities rely on both a workforce that includes immigrants as well as international cargo and international passengers.

Since that time, the Port has fully implemented this directive and developed numerous deep partnerships with community groups and organizations to continue expanding the ways in which Port facilities can be welcoming to immigrants, refugees and foreign visitors. In addition, in 2019, the Washington State Legislature passed the Keep Washington Working Act, which made numerous changes to state law for the stated purpose of “ensuring the state of Washington remains a place where the rights and dignity of all residents are maintained and protected in order to keep Washington working.” The Port has fully complied with these mandates.

Given recent changes in federal immigration policies, programs, and practices, the Port Commission seeks to update and expand its strategies to respond to current events and new challenges to the Port's Welcoming Port vision. The Port of Seattle values the work of our federal partners to keep our facilities safe, and nothing in this Policy Directive is intended to impede the travel facilitation work of federal personnel like U.S. Customs and Border Protection and the U.S. Transportation Security Administration. However, the Port believes strongly that it can continue to uphold its values; be safe and secure; comply with all federal law; and simultaneously be

Meeting Date: October 28, 2025

welcoming, accessible to all, and supportive of those immigrants, refugees, and foreign visitors who use our facilities.

### **DETAILS**

The updated 2025 Welcoming Port Policy Directive aims to advance the following five (5) goals while remaining in accordance with local, state and federal law and within its authority and resources:

- 1) The Port will do everything within its power and resources to make all visitors to its facilities feel welcome, safe, and comfortable when accessing services, benefits, and opportunities.
- 2) The Port will not deny anyone services based on immigration status – whether they are travelers, local residents, or employees of the Port, its tenants, its vendors, or its contractors.
- 3) The Port will take advantage of the broad and diverse resources that already exist in the Puget Sound region to create and enhance partnerships with local immigrant and refugee community stakeholders, advocates, and community-based organizations to identify new or expanded opportunities, where possible, to advance the Port’s goals of being a welcoming gateway.
- 4) The Port will prohibit any Port employees, including Port law enforcement officers, from asking about place of birth, citizenship, or immigration status or collecting information on place of birth, citizenship, or immigration status, and information about family members, except when required by a criminal investigation.
- 5) The Port will not use its resources to facilitate the enforcement of civil immigration law.

To implement this vision, the Port will comply with the following policies:

#### ***A. Limits on Port Data Collection***

- 1) Related to visitors to Port facilities, applicants for Port grants, and participants in Port programs: All applications, questionnaires, and forms used in relation to the provision of Port opportunities or services shall not include required disclosure of information related to place of birth, citizenship or immigration status.
- 2) Related to travelers through air and cruise gateways: The Port is committed to non-discrimination, data privacy, and the dignity of all travelers, regardless of immigration status. Port employees are prohibited from collecting or sharing the immigration status of travelers.
- 3) Related to Port law enforcement personnel: Consistent with the Keep Washington Working Act, Port law enforcement is prohibited from collecting information about immigration or citizenship data unless there is a demonstrated connection between such information and an investigation into a violation of state or local criminal law. Port law

Meeting Date: October 28, 2025

enforcement is also prohibited from providing information pursuant to notification requests from federal immigration authorities for the purposes of civil immigration enforcement.

*B. Interpretation and Translation:*

- 1) Commission Order 2023-05 directs the creation of a Language Access Policy. This policy ensures access to translation and interpretation services, as both a value of the Port as well as an essential business requirement. Therefore, to ensure that everyone who engages with the Port feels welcome, the Port will strive to provide free interpretation and translation services for the most prevalent languages spoken in our region. This effort applies to Port employees, job seekers, participants in Port programs, and travelers through our facilities. In addition, the Port will offer access to its translation and interpretation services to federal agencies operating in our facilities, to ensure that their interactions are fully understood by all travelers.
- 2) The Port employs a large number of bilingual and multilingual staff members who assist travelers and members of the public with language interpretation needs on a regular basis, particularly related to travel through our facilities. Bilingual and multilingual staff members may assist travelers and members of the public with language interpretation needs related to basic immigration resources, while ensuring professional interpreters are engaged in issues related to civil immigration law or other sensitive topics beyond their professional expertise.

*C. Compliance with Keep Washington Working and Prohibiting the Use of Port Resources for Immigration Enforcement:*

- 1) The Port will continue to ensure that all employees – including Port law enforcement officers – are committed to welcoming and respectful treatment of immigrants, refugees, and foreign visitors. Consistent with the Keep Washington Working Act, Port law enforcement officers, including both Port of Seattle Police officers and any law enforcement officers contracted by the Port, are prohibited from initiating police action based solely on an individual's place of birth, citizenship, or immigration status, or using stops for minor offenses or requests for voluntary information as a pretext for discovering a person's immigration status.
- 2) Furthermore, no Port employee shall expend time, money, or other resources on facilitating the civil enforcement of federal immigration law or participating in civil immigration enforcement operations, except where required by state or federal law, regulation, or a court order.

*D. Detainees:*

- 1) The Port will continue to defer immigration detainer requests from ICE or CBP to King County Jail or SCORE, as the Port does not manage a correctional facility. The Port will comply with the Keep Washington Working Act and will not enter into any contract, agreement, or arrangement that would grant federal civil immigration enforcement authority or power over the Port or its law enforcement officers; nor will Port law

Meeting Date: October 28, 2025

enforcement carry out a civil arrest based on an administrative warrant separately or in combination with an ICE or CBP detainer request.

- 2) The Port will continue to share its expectations that – when individuals are detained by CBP in the International Arrivals Facility or are being transported through our facilities by federal law enforcement officers– these individuals will have full access to their legal rights and are receiving all federally required and otherwise appropriate treatment.

*E. Partnerships:*

- 1) The Port will work in collaboration with local immigration services, refugee resettlement organizations, and community-based organizations to explore additional ways to use its facilities to support immigrant and refugee communities, including: providing access to information for travelers; potential partnerships on workforce development and economic development; and facilitating refugee arrivals through SEA. In addition, the Port will continue to partner with local organizations to support immigration and citizenship application efforts, including by providing a list of existing resources for individuals who need services that the Port cannot provide, such as access to legal resources.

*F. Safe and Welcoming Workplace:*

- 1) The Port remains steadfastly opposed to harassment and discrimination in our workplace. Port Policy CC-8 – Anti-Harassment prohibits harassment against any employee, including based on national origin or any related characteristic.
- 2) The Port’s immigration-related policies and protocols shall be fully integrated into all relevant aspects of Port operations and administration – including the development of appropriate training programs for Port employees.

*G. Employee Responses to Federal Immigration Policy and Enforcement:*

- 1) The Port prohibits employees from providing federal immigration officials with information about individuals or any other non-public information, or assisting in accessing an area restricted to Port employees or tenants. However, Port employees should not interfere with immigration officials or immigration enforcement actions.
- 2) The Port has developed its Employee Guidance on Immigration training, which includes proper protocols to respond to requests from federal immigration enforcement and to travelers or other visitors to Port facilities seeking guidance related to immigration.

*H. Program Implementation and Evaluation.*

- 1) The Port will formally establish an Immigration Working Group composed of key staff members from throughout the organization. This Working Group will serve as a central point of contact for connecting a broad group of stakeholders to identify, elevate, and develop shared strategies and solutions; streamline and strengthen efforts; and address the most pressing issues related to this topic. The Working Group will have oversight of relevant communications, new program development, and monitoring of this Policy Directive. The Executive Director may disband the working group at their discretion when

Meeting Date: October 28, 2025

it is no longer needed. The Working Group shall include the Commission President, or their delegate, as an ex officio member of the committee.

- 2) Within three (3) months of the passage of this policy, the Port will create a centralized tracking system to record immigration-related interactions with individuals or federal agencies. This data will be used to identify patterns, training needs, or compliance issues. A summary of these interactions, stripped of identifying details, shall be provided to the Commission no later than six (6) months from the date this tracking system is implemented.
- 3) By December 31, 2025, the Executive Director shall report to the Commission on the implementation and estimated cost of these policies, procedures, and programs.
- 4) Annually, the Executive Director shall empower key staff to conduct a review of Port actions to ensure that staff continue to comply fully with this directive.

**FINANCIAL IMPLICATIONS**

To the extent the Welcoming Port Policy Directive has financial implications, these will be identified and evaluated annually for inclusion in applicable Port of Seattle operating budget proposals to the Port of Seattle Commission.

**ATTACHMENTS**

- (1) Resolution No. 3838 – Amendment to Welcoming Port Policy Directive
- (2) Presentation

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- 9/9/26 – Introduction of Resolution No. 38383 – Amendment to Welcoming Port Policy Directive



**PORT OF SEATTLE  
RESOLUTION NO. 3838**

**A RESOLUTION** of the Port of Seattle Commission, establishing a revised Welcoming Port Policy Directive and amending Resolution No. 3747, in order to demonstrate the Port's ongoing commitment to supporting immigrants, refugees, and international visitors in line with the Port's mission and values.

**WHEREAS**, the Port of Seattle – as both an international gateway and a countywide special purpose government – is committed to supporting the safety, inclusion, and engagement of all members of our community; and

**WHEREAS**, we strive to protect the rights and uphold the dignity of every King County resident and every person who uses our facilities, and to provide fair and equal access to services, benefits, and opportunities; and

**WHEREAS**, the Port has an essential obligation to foster a culture and environment that make it possible for our region to remain a vibrant and welcoming global gateway, through which our immigrant and refugee residents and foreign visitors can fully participate in – and be integrated into – the social, civic, and economic fabric of our region; and

**WHEREAS**, the Port not only has a moral obligation to support immigrant communities, but also an economic imperative, in that every part of our organization depends on connection to the global economy – from the immigrants who work at our facilities to the foreign visitors that utilize our airport and cruise terminals, to the foreign-born workers who create goods and services that travel through our air and sea cargo gateways; and

**WHEREAS**, in 2018, in response to changes in federal immigration policy, the Port of Seattle Commission passed Resolution No. 3747, the Welcoming Port Policy Directive, as a way to formally demonstrate the Port's commitment to supporting immigrants, refugees, and international visitors; and

**WHEREAS**, the year 2025 has once again brought immigrant, refugee, and foreign visitor issues to the forefront though changes in federal policy that have the potential to conflict with the full exercise of the Port's values and our ability to continue to be a fully welcoming gateway; and

**WHEREAS**, we are concerned for the safety and dignity of our region's immigrant and refugee residents; and



47       **WHEREAS**, we are concerned about the impact of these federal immigration policy  
48 changes on international tourism through our gateway – particularly in advance of the 2026 FIFA  
49 World Cup, which has the opportunity to bring economic and tourism benefits to our region; and  
50

51       **WHEREAS**, in response to these national policies, the Port has been instituting new  
52 programs, policies, and partnerships to address any uncertainty and fear that these federal policy  
53 changes may have created; and  
54

55       **WHEREAS**, while the Port of Seattle’s essential relationship with federal agency partners  
56 allows us to operate our air and sea gateways and to keep them safe, the Port can continue to uphold  
57 its values; be safe and secure; comply with all federal law; and simultaneously be welcoming,  
58 accessible to all, and supportive of those immigrants, refugees, and foreign visitors who use our  
59 facilities.  
60

61       **NOW, THEREFORE, BE IT RESOLVED** by the Port of Seattle Commission as follows:  
62

63       SECTION 1. The amended Welcoming Port Policy Directive as shown in the attached Exhibit  
64 A is hereby adopted in order to advance the following five (5) goals while remaining in accordance  
65 with local, state and federal law and within its authority and resources:  
66

- 67       a) First and foremost, the Port will do everything within its power and resources to make all  
68 visitors to its facilities feel welcome, safe, and comfortable when accessing services,  
69 benefits, and opportunities.  
70
- 71       b) The Port will not deny anyone services based on immigration status – whether they are  
72 travelers, local residents, or employees of the Port, its tenants, its vendors, or its  
73 contractors.  
74
- 75       c) The Port will take advantage of the broad and diverse resources that already exist in the  
76 Puget Sound region to create and enhance partnerships with local immigrant and refugee  
77 community stakeholders, advocates, and community-based organizations to identify new  
78 or expanded opportunities, where possible, to advance the Port’s goals of being a  
79 welcoming gateway.  
80
- 81       d) The Port will prohibit any Port employees, including Port law enforcement officers, from  
82 asking about place of birth, citizenship, or immigration status or collecting information on  
83 place of birth, citizenship, or immigration status, and information about family members,  
84 except when required by a criminal investigation.  
85
- 86       e) The Port will not use its resources to facilitate the enforcement of civil immigration law.  
87

88       SECTION 2. The policy directive contained in Exhibit A and attached to this resolution shall  
89 be labeled and catalogued as appropriate, together with other Commission Policy Directives, and  
90 shall be made readily available for use by Port staff and members of the public as a governance  
91 document of the Port of Seattle.  
92

93            SECTION 3. Scrivener’s Errors. The Commission Clerk is hereby authorized to execute  
94 scrivener’s error revisions in finalizing amendments to the policy directive made through adoption  
95 of this resolution, as needed, to address technical corrections.  
96

97            SECTION 4. Effective Date. This resolution is effective upon adoption.  
98

99            **ADOPTED** by the Port of Seattle Commission at a duly noticed public meeting thereof,  
100 held this 28th day of October, 2025, and duly authenticated by the signatures of the commissioners  
101 voting in favor thereof and the seal of the commission.  
102

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108 Port of Seattle Commission  
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139 **EXHIBIT A to Resolution 3838**

140  
141 **WELCOMING PORT POLICY DIRECTIVE**  
142 **As proposed September 9, 2025**  
143

144 **SECTION 1. Purpose.**

145 A. The purpose of this policy directive is to reaffirm the Port of Seattle’s commitment to the safety,  
146 inclusion, and engagement of immigrants, refugees, and international visitors who interact with  
147 our facilities or services.  
148

149 B. The Port Commission seeks to update and expand its strategies to respond to current events and  
150 shifting national policies that create new opportunities and challenges to fulfill the Port’s  
151 Welcoming Port vision.  
152

153 C. The Port aims to foster a culture and environment that make it possible for our region to remain  
154 a vibrant and welcoming global gateway where our immigrant communities, refugee residents,  
155 and foreign visitors can fully participate in – and be integrated into – the social, civic, and  
156 economic fabric of our region.  
157

158 D. For the Port of Seattle, this is not only a deeply held value, but also an economic imperative –  
159 given how much our facilities rely on both a workforce that includes immigrants as well as  
160 international cargo and international passengers.  
161

162 E. The Port first adopted its Welcoming Port Policy Directive as Resolution 3747 on May 8, 2018.  
163 Since that time, the Port has fully implemented this directive, and developed numerous deep  
164 partnerships with community groups and organizations to continue expanding the ways in which  
165 Port facilities can be welcoming to immigrants, refugees and foreign visitors. For example:

- 166 • Commission Order 2023-05 (Language Access Policy);
- 167 • Providing space for OneAmerica Citizenship Application Workshops; and
- 168 • Collaborating with World Relief case workers on refugee arrivals at Seattle-Tacoma  
169 International Airport (SEA).  
170

171 F. In addition, in 2019, the Washington State Legislature passed the Keep Washington Working  
172 Act, which made numerous changes to state law for the stated purpose of “ensuring the state of  
173 Washington remains a place where the rights and dignity of all residents are maintained and  
174 protected in order to keep Washington working.” The Port has fully complied with these mandates,  
175 and is updating this Welcoming Port Policy accordingly.  
176

177 G. The Port of Seattle values the work of our federal partners to keep our facilities safe, and nothing  
178 in this Policy Directive is intended to impede the travel facilitation work of federal personnel like  
179 U.S. Customs and Border Protection and the U.S. Transportation Security Administration.  
180

181 **SECTION 2. Definitions.**  
182

183 When used in this policy directive, the following words and phrases shall have the meanings given  
184 below unless the context clearly indicates otherwise:

“Administrative warrant” means a noncriminal immigration warrant of arrest, order to detain or release aliens, notice of custody determination, notice to appear, removal order, warrant of removal, or any other document, issued by Immigration and Customs Enforcement (ICE), Customs and Border Protection (CBP), or U.S. Citizenship and Immigration Services (USCIS) that can form the basis for a person’s arrest or detention for a civil immigration enforcement purpose. ICE administrative warrant forms include the U.S. DHS form I-200 (Rev. 09/16) “Warrant for Arrest of Alien” and Form I-205 “Warrant of Removal/Deportation,” as well as predecessor and successor versions. “Administrative warrant” does not include any criminal warrants issued upon a judicial determination of probable cause and in compliance with the Fourth Amendment to the United States Constitution.

“Citizenship or immigration status” means a person’s recorded citizenship or immigration status, as such status is defined in the Immigration and Nationality Act, at the time an agent or agency receives the information.

“Civil immigration enforcement operation” means an operation that has as one of its objectives the identification, apprehension or transport of a person or persons in order to investigate them for a violation of the immigration laws and subject them to one or more of the following:

1. Civil immigration detention;
2. Removal proceedings; or
3. Removal from the United States.

“Immigration detainer” means a request by ICE to a federal, state, or local law enforcement agency to provide notice of release or maintain custody of a person based on an alleged violation of a civil immigration law. “Immigration detainer” includes a detainer issued under Sections 236 or 287 of the Immigration and Nationality Act or 287.7 or 236.1 of Title 8 of the Code of Federal Regulations. “Immigration detainer” includes a detainer issued under DHS form I-274A entitled Immigration Detainer – Notice of Action, as well as predecessor and successor versions.

### **SECTION 3. Scope and Applicability.**

- A. This policy directive pertains to the activities of Port of Seattle employees; all policies in this directive are bounded by the parameters set by local, state and federal law, and the Port is expected to implement this directive in ways that are legally compliant.
- B. Nothing in this directive shall be interpreted to prohibit Port employees from engaging productively with federal agency personnel in the normal course of port-related business, including travel facilitation or participating with local or federal law enforcement authorities for other criminal law enforcement activities.
- C. In accordance with 8 U.S.C. Sec. 1373, nothing in this directive prohibits any Port agent or employee from sending to, or receiving from, federal immigration authorities, the citizenship or immigration status of a person when required by federal law. Also, nothing in this directive prohibits any Port agent or employee from sending to, receiving from, requesting from or exchanging with any federal, state or local government agency

information regarding the immigration status of a person or from maintaining such information, when required by federal law.

#### **SECTION 4. Responsibilities.**

A. The Executive Director shall ensure the policies and procedures in use by employees of the Port of Seattle are consistent with the principles of this policy directive, and shall promulgate such additional policies and procedures as may be needed to operationalize the intent of this policy directive.

B. The Executive Director shall ensure that Port employees are appropriately informed and trained on the provisions of these policies on a regular basis to ensure compliance with both the substance and intention of this document.

#### **SECTION 5. Policy.**

##### **A. Limits on Port Data Collection**

- 1) *Related to visitors to Port facilities, applicants for Port grants, and participants in Port programs:* All applications, questionnaires, and forms used in relation to the provision of Port opportunities or services shall not include required disclosure of information related to place of birth, citizenship or immigration status.
- 2) *Related to travelers through air and cruise gateways:* The Port is committed to non-discrimination, data privacy, and the dignity of all travelers, regardless of immigration status. Port employees are prohibited from collecting or sharing the immigration status of travelers.
- 3) *Related to Port law enforcement personnel:* Consistent with the Keep Washington Working Act, Port law enforcement is prohibited from collecting information about immigration or citizenship data unless there is a demonstrated connection between such information and an investigation into a violation of state or local criminal law. Port law enforcement is also prohibited from providing information pursuant to notification requests from federal immigration authorities for the purposes of civil immigration enforcement.

##### **B. Interpretation and Translation:**

- 1) Commission Order 2023-05 directs the creation of a Language Access Policy. This policy ensures access to translation and interpretation services, as both a value of the Port as well as an essential business requirement. Therefore, to ensure that everyone who engages with the Port feels welcome, the Port will strive to provide free interpretation and translation services for the most prevalent languages spoken in our region. This effort applies to Port employees, job seekers, participants in Port programs, and travelers through our facilities. In addition, the Port will offer access to its translation and interpretation services to federal agencies operating in our facilities, to ensure that their interactions are fully understood by all travelers.
- 2) The Port employs a large number of bilingual and multilingual staff members who assist travelers and members of the public with language interpretation needs on a regular basis, particularly related to travel through our facilities. Bilingual and multilingual staff members

may assist travelers and members of the public with language interpretation needs related to basic immigration resources, while ensuring professional interpreters are engaged in issues related to civil immigration law or other sensitive topics beyond their professional expertise.

**C. Compliance with Keep Washington Working and Prohibiting the Use of Port Resources for Immigration Enforcement:**

- 1) The Port will continue to ensure that all employees – including Port law enforcement officers – are committed to welcoming and respectful treatment of immigrants, refugees, and foreign visitors. Consistent with the Keep Washington Working Act, Port law enforcement officers, including both Port of Seattle Police officers and any law enforcement officers contracted by the Port, are prohibited from initiating police action based solely on an individual’s place of birth, citizenship, or immigration status, or using stops for minor offenses or requests for voluntary information as a pretext for discovering a person’s immigration status.
- 2) Furthermore, no Port employee shall expend time, money, or other resources on facilitating the civil enforcement of federal immigration law or participating in civil immigration enforcement operations, except where required by state or federal law, regulation, or a court order.

**D. Detainees:**

- 1) The Port will continue to defer immigration detainer requests from ICE or CBP to King County Jail or SCORE, as the Port does not manage a correctional facility. The Port will comply with the Keep Washington Working Act and will not enter into any contract, agreement, or arrangement that would grant federal civil immigration enforcement authority or power over the Port or its law enforcement officers; nor will Port law enforcement carry out a civil arrest based on an administrative warrant separately or in combination with an ICE or CBP detainer request.
- 2) The Port will continue to share its expectations that – when individuals are detained by CBP in the International Arrivals Facility or are being transported through our facilities by federal law enforcement officers– these individuals will have full access to their legal rights and are receiving all federally required and otherwise appropriate treatment.

**E. Partnerships:**

- 1) The Port will work in collaboration with local immigration services, refugee resettlement organizations, and community-based organizations to explore additional ways to use its facilities to support immigrant and refugee communities, including: providing access to information for travelers; potential partnerships on workforce development and economic development; and facilitating refugee arrivals through SEA. In addition, the Port will continue to partner with local organizations to support immigration and citizenship application efforts, including by providing a list of existing resources for individuals who need services that the Port cannot provide, such as access to legal resources.

**F. Safe and Welcoming Workplace:**

- 1) The Port remains steadfastly opposed to harassment and discrimination in our workplace. Port Policy CC-8 – Anti-Harassment prohibits harassment against any employee, including based on national origin or any related characteristic.

- 323
- 324 2) The Port’s immigration-related policies and protocols shall be fully integrated into all relevant
- 325 aspects of Port operations and administration – including the development of appropriate
- 326 training programs for Port employees.
- 327

328 **G. Employee Responses to Federal Immigration Policy and Enforcement:**

- 329 1) The Port prohibits employees from providing federal immigration officials with information
- 330 about individuals or any other non-public information, or assisting in accessing an area
- 331 restricted to Port employees or tenants. However, Port employees should not interfere with
- 332 immigration officials or immigration enforcement actions.
- 333
- 334 2) The Port has developed its *Employee Guidance on Immigration* training, which includes proper
- 335 protocols to respond to requests from federal immigration enforcement and to travelers or other
- 336 visitors to Port facilities seeking guidance related to immigration.
- 337

338 **SECTION 6. Program Implementation & Evaluation.**

339

340 **A. Establishment of a Port Immigration Working Group:**

- 341 1) The Port will formally establish an Immigration Working Group composed of key staff
- 342 members from throughout the organization.
- 343 a. This Working Group will serve as a central point of contact for connecting a broad group
- 344 of stakeholders to identify, elevate, and develop shared strategies and solutions; streamline
- 345 and strengthen efforts; and address the most pressing issues related to this topic.
- 346 b. The Working Group will have oversight over relevant communications, new program
- 347 development, and monitoring of this Policy Directive.
- 348 c. The Executive Director may disband the working group at their discretion when it is no
- 349 longer needed.
- 350 d. The Working Group shall include the Commission President, or their delegate, as an ex
- 351 officio member of the committee.
- 352

353 **B. Tracking and Reporting**

- 354 2) Within three (3) months of the passage of this policy, the Port will create a centralized tracking
- 355 system to record immigration-related interactions with individuals or federal agencies. This
- 356 data will be used to identify patterns, training needs, or compliance issues. A summary of these
- 357 interactions, stripped of identifying details, shall be provided to the Commission no later than
- 358 six months from the date this tracking system is implemented.
- 359
- 360 3) By December 31st, 2025, the Executive Director shall report to the Commission on the
- 361 implementation and estimated cost of these policies, procedures, and programs.
- 362
- 363 4) Annually, the Executive Director shall empower key staff to conduct a review of Port actions
- 364 to ensure that staff continue to comply fully with this directive.
- 365

366 **SECTION 7. Findings.**

367

- 368 A. Engaging with people from around the world is essential to the success of the Port

of Seattle – both morally and economically:

(1) We benefit from international travelers who use our airport and cruise terminals, and who drive the continued expansion of new direct international flights in and out of SEA – which we estimate to generate between \$80-100 million annually for each new route.

(2) We thrive when international goods are shipped through our container terminals or our air cargo facilities.

(3) We celebrate the 500,000 pounds of seafood shipped through Port facilities each year, caught by the hundreds of North Pacific fishing boats that homeport at Fishermen's Terminal – including many foreign-born crew members.

(4) We know that immigrants are key to the creation of so many Washington goods and services – from Eastern Washington agricultural products that we ship via the seaport and airport to technology companies and global health organizations that utilize our airport to connect with customers, clients, and partners.

(5) We welcome the thousands of immigrants who work at the port itself, and those who work for other companies and at or around our facilities such as concessionaires, taxi, and rideshare drivers serving our airport and cruise terminals, truck drivers at the seaport, and the crews of cruise ships and container ships. We encourage their participation in the family-wage jobs that the Port helps create.

(6) We rely on our immigrant and refugee residents to foster both economic growth and cultural vibrancy, and we benefit tremendously from the large number of diverse immigrants and refugees who contribute to the development of a diverse and enriched community.

B. As a global gateway, these issues are particularly relevant to our region and state. In King County, Washington, approximately 25% of all residents are foreign-born, as are approximately 43% of all public-school students in King County. Some of our most famous residents, entrepreneurs, elected officials, and business leaders are foreign born, all of which have created benefits for everyone in the Puget Sound region.

C. In 2019, the Washington State Legislature passed the Keep Washington Working Act, which made numerous changes to state law for the stated purpose of “ensuring the state of Washington remains a place where the rights and dignity of all residents are maintained and protected in order to keep Washington working.”

D. Since January 20, 2025, the federal government has issued numerous Executive Orders, instituted new policies, and changed long-standing practices to significantly increase immigration enforcement, cease refugee admissions, and to deny benefits and opportunities to non-citizens.



413 E. On July 1, 2025, the King County Council's Health, Housing and Human Services Committee  
414 passed Proposed Substitute Motion 2025-0173.2, which expressed the Council's commitment to  
415 welcoming and actively supporting immigrants and refugees.

# Resolution 3838: 2025 Welcoming Port Policy Directive

Tyler Emsky, Strategic Advisor, Commission Office  
Eric Schinfeld, Senior Manager,  
Federal & International Government Relations



# Action Requested

- Adoption of the amended 2025 Welcoming Port Policy Directive
- Updates 2018 Welcoming Port Policy Directive
- Reaffirms and enhances the Port's commitment to immigrants, refugees and international visitors
- Institutionalizes existing, ongoing efforts at the Port

## Background

- In 2018, Port Commission passed the first Welcoming Port Policy in response to federal policies and programs at the time – particularly the “Travel Ban” Executive Order
- Since that time, the Port has fully implemented this policy, and incorporated WA’s “Keep Washington Working” law
- The significant increase/changes in federal policies, programs and activities related to immigration and international travel make it appropriate to update/enhance/reaffirm this policy

# Key Provisions

- Make all visitors to its facilities feel welcome, safe, and comfortable.
- Not deny anyone services based on immigration status.
- Create and enhance partnerships with local immigrant and refugee stakeholders
- Prohibit Port employees from asking about or collecting immigration status, except when required by a criminal investigation.
- Not use resources to facilitate the enforcement of civil immigration law.

# Implementation

## **Specific Port Policies:**

- Limits on Port Data Collection
- Interpretation and Translation
- Compliance with Keep Washington Working
- Prohibiting the Use of Port Resources for Immigration Enforcement
- Deferral of immigration detainer requests
- Appropriate treatment of detainees by federal law enforcement
- Partnerships
- Safe and Welcoming Workplace
- Employee Responses to Federal Immigration Policy and Enforcement

## **Administration:**

- Training
- Budget
- Establishment of an Immigration Working Group
- Creation of Tracking Systems
- Reporting

**QUESTIONS?**



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 10b

**ACTION ITEM**

**Date of Meeting** October 28, 2025

**DATE:** October 17, 2025

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Eileen Francisco, Director Aviation Project Management  
Sabin Mudaliar, Acting Director Airport Operations  
Keri Stephens, Director Aviation Facility and Capital Program

**SUBJECT:** 2026 Airfield Projects and SCE Spot 99 Utility Scope Construction Authorization  
(CIP# C801379 and C801203)

|                                      | 2026-2030 Airfield Program<br>(CIP# C801379) | SCE Program<br>(CIP# C801203) |
|--------------------------------------|----------------------------------------------|-------------------------------|
| <b>Amount of this request:</b>       | \$64,400,000                                 | \$8,640,000                   |
| <b>Total estimated project cost:</b> | \$400,000,000                                | \$2.5B                        |

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to (1) advertise and execute two construction contracts for 2026 Airfield Projects and limited utility installation scope in S Concourse Evolution (SCE) Program located in the S Concourse Taxilane between the Southwest Corner of the S Concourse and the Cargo 7 hardstand area (Spot 99); and (2) authorize use of Port crews for abatement work.

The total amount of this authorization request is \$73,040,000

**EXECUTIVE SUMMARY**

These two construction contracts are comprised of two interdependent Capital Improvement Projects (CIPs). Construction Contract #1 encompasses federally funded pavement and utility infrastructure scope while Construction Contract #2 consists of all other airfield project work in 2026 and SCE utility installation scope in Spot 99 area. Due to overlapping design functionality, interdependent operational impacts, and shared 2026 schedule milestones, the Spot 99 utility scope as part of the SCE Program was designed and phased to be delivered concurrently with the Airfield Program scopes for purposes of Airfield safety, efficiency, and minimization of operational impacts. The details of the authorization for individual CIPs are shown below.



Meeting Date: October 28, 2025

| CIP Name/#                            | Amount of this Request | Amount Authorized to Date, incl. this Request | Total Estimated Project Cost |
|---------------------------------------|------------------------|-----------------------------------------------|------------------------------|
| 2026-2030 Airfield Program C801379    | \$64,400,000           | \$135,400,000                                 | \$400,000,000                |
| S Concourse Evolution Program C801203 | \$8,640,000            | \$261,390,000                                 | \$2.5B                       |
| Total Authorization of this Request   |                        | \$73,040,000                                  |                              |

**JUSTIFICATION**

The 2026 Airfield scope is part of the 2026-2030 Airfield Program, which is a continuation of a programmatic approach for airfield infrastructure renewal and replacement, as well as projects needed to keep the airfield within regulatory compliance. The overarching goal of the Program is to provide safe and efficient conditions for aircraft operations at SEA and meet FAA and other regulatory requirements.

The Spot 99 Utility scope is the first construction component of the SCE program. The electrical power supply pathway from the Airport's South Main Substation to the S Concourse is critical infrastructure for the SCE building as both normal power and emergency power will be fed from the new feeders to be installed in the future. This work is needed to provide the required power per electrical code to support the future buildout of S Concourse and replace the decades old electrical feeders. Operational impacts and phasing are a major cost driver to the SCE Program and moving this work forward will reduce impacts at spot 99, which is a critical taxiway for aircraft operations at A, B, and S Concourses. Future work will connect this duct bank to the S concourse and the main electrical substation.

***Diversity in Contracting***

The project staff, in coordination with the Diversity in Contracting Department, have set goals for both contracts. However, Airfield Contract #1 is federally funded work and due to the most recent Federal adjustments to their Disadvantaged Business Enterprises (DBE) program, this goal will be TBD. Contract #2 is not federally funded and as such will include a range of 14% Woman and Minority Business Enterprise (WMBE) aspirational goal. These goals are based upon the projects' scopes of work, and baseline availability of certified DBE and WMBE businesses to perform the work under the two separate contracts.

**DETAILS**

2026 Airfield Contract #1 encompasses federally funded scope with Entitlement Funding of approximately \$15M anticipated. Both construction projects will interface with other projects and airline operations. Continual coordination with Airport Operations, Airlines, and related Tenants will ensure the least possible operational impact during construction.

Meeting Date: October 28, 2025

***Scope of Work***

The 2026 Airfield scope includes replacement of distressed pavement at RW 16C/34C, connecting taxiways, TW B, N Concourse taxiway, Cargo areas and vehicle service road; replacement of aging and failing airfield utilities located within the Runway Safety Area (RSA) for RW16C/34C; replacement of failing non-standard flush fire hydrant access hatches; replacement of aging electrical circuits with low megger readings and installation of LED lighting fixtures and signs for RW 16C/34C, connecting taxiways and TW N and TW Z located between RW16R/34L and TW T; removal of turf edge dams along RW16C/34C, connecting taxiways and access roads; mitigation of ponding spots and installation of anti-perching devices within RW 16C/34C RSA.

The Spot 99 utility work includes two electrical duct banks that run parallel to each other across Spot 99. The Normal Power Electrical duct bank is required to provide new electrical infrastructure to S Concourse as the existing feeders are over 40 years old. Additionally, to meet current code requirements, a new emergency power duct bank will be built in parallel with the normal power to support two new generators that will be installed on the south end of the airport. This is the first portion of the duct bank installation and will be needed for any future work at S Concourse.

***Schedule******Activity***

| <b>Construction Contract #</b> | <b>Contract #1</b> | <b>Contract #2</b> |
|--------------------------------|--------------------|--------------------|
| Construction start             | 2026 Quarter 2     | 2026 Quarter 1     |
| In-use date                    | 2026 Quarter 4     | 2026 Quarter 4     |

***Cost Breakdown***

This Request

Total Project

| <b>2026-2030 Airfield Program (C801379)</b>    |              |                 |
|------------------------------------------------|--------------|-----------------|
| Design                                         | \$0          | \$71,000,000    |
| Construction                                   | \$64,400,000 | 329,000,000     |
| Total                                          | \$64,400,000 | \$400,000,000   |
| <b>S Concourse Evolution Program (C801203)</b> |              |                 |
| Design                                         | \$0          | \$400,000,000   |
| Construction                                   | \$8,640,000  | \$2,100,000,000 |
| Total                                          | \$8,640,000  | \$2,500,000,000 |

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Proceed only with federally funded 2026 Contract #1 Airfield work including the replacement of distressed pavement, aging and failing airfield utilities, non-standard flush fire hydrant access hatches, electrical circuits, lighting fixtures and signs; removal of turf edge dams; mitigation of ponding spots and installation of anti-perching devices at RW 16C/34C, connecting taxiways, infield areas and vehicle service road. Do not proceed with the scope in 2026 Contract

Meeting Date: October 28, 2025

#2 including replacement of distressed pavement at TW B, N Concourse taxiway and Cargo areas, and installation of power and communication utility in Spot 99 area.

Cost Implications: \$59.16M in Capital Cost for 2026 Contract #1.

Pros:

- (1) Reduced capital spending in 2026.
- (2) Less construction impacts to airport operations in 2026.
- (3) Grant funded renewal and replacement work will proceed.
- (4) Less complexity for budget tracking during construction.
- (5) In alignment with FAA's 5-year ACIP and receive grants.
- (6) Environmental benefits for LED lighting, signs and in-field work.

Cons:

- (1) Safety risks associated with failing airfield pavement and supporting infrastructure included in 2026 Contract #2 are not addressed.
- (2) Increased cost in the future due to escalation.
- (3) Operational impacts from emergency repair/replacement.

This is not the recommended alternative.

**Alternative 2 – Deliver each Work Project in separate construction contracts.**

Cost Implications: \$77.80M in Capital Cost

Pros:

- (1) Less complexity for budget tracking during construction.
- (2) Provides safe and efficient conditions for aircraft operations and meet Federal Aviation Regulations and other regulatory requirements.
- (3) Programmatic replacement of aged and distressed pavements and related infrastructures.
- (4) In alignment with FAA's 5-year ACIP and receive grants.
- (5) Reduces maintenance costs by investing in renewal of critical assets.
- (6) Environmental benefits for LED lighting, signs and in-field work.

Cons:

- (1) Reduce efficiencies due to multiple contracts and separate jurisdictional coordination such as with the FAA.
- (2) Additional labor costs for contractor on-boarding and mobilizations, multiple-project ramp up and close out.
- (3) Increase coordination required between overlapping projects.
- (4) Increase construction safety risk due to the interdependent operational impacts.
- (5) Additional and recurring impacts to airfield operations until all efforts are completed.
- (6) Large capital costs in 2026-2030.
- (7) Operational impacts during construction.

Meeting Date: October 28, 2025

This is not the recommended alternative.

### **Alternative 3 – Move forward with full scope proposed for 2026**

Cost Implications: 73.04M

Pros:

- (1) Provides safe and efficient conditions for aircraft operations and meet Federal Aviation Regulations and other regulatory requirements.
- (2) Programmatic replacement of aged and distressed pavements and related infrastructures.
- (3) In alignment with FAA’s 5-year ACIP and receive grants.
- (4) Reduces safety risks, minimizes operational impacts and increases efficiencies as coordination and construction is managed as combined construction contracts.
- (5) Reduces maintenance costs by investing in renewal of critical assets.
- (6) Environmental benefits for LED lighting, signs and in-field work.

Cons:

- (1) Large capital costs in 2026-2030.
- (2) Operational impacts during construction.
- (3) Increase coordination required between overlapping projects.
- (4) Increase construction safety risk due to the interdependent operational impacts.
- (5) Additional and recurring impacts to airfield operations until all efforts are completed.

***This is the recommended alternative.***

### **FINANCIAL IMPLICATIONS**

#### ***2026-2030 Airfield Program (C801379) Cost Estimate/Authorization Summary***

| <b>COST ESTIMATE</b>                         | Capital       | Expense      | Total         |
|----------------------------------------------|---------------|--------------|---------------|
| Original estimate                            | \$390,000,000 | \$10,000,000 | \$400,000,000 |
| <b>AUTHORIZATION</b>                         |               |              |               |
| Previous authorizations                      | 70,298,000    | 1,000,000    | 71,298,000    |
| Current request for authorization            | 64,000,000    | 400,000      | 64,400,000    |
| Total authorizations, including this request | 134,298,000   | 1,400,000    | 135,698,000   |
| Remaining amount to be authorized            | \$255,702,000 | \$8,600,000  | \$264,302,000 |

Meeting Date: October 28, 2025

***S Concourse Evolution Program (C801203)******Cost Estimate/Authorization Summary***

| <b>COST ESTIMATE</b>                         | <b>Capital</b>  | <b>Expense</b> | <b>Total</b>    |
|----------------------------------------------|-----------------|----------------|-----------------|
| Original estimate                            | \$1B            | \$0            | \$1B            |
| Previous changes – net                       | \$870M          | \$0            | \$870M          |
| Revised estimate                             | \$2.5B          | \$0            | \$2.5B          |
| <b>AUTHORIZATION</b>                         |                 |                |                 |
| Previous authorizations                      | \$252,750,000   | \$0            | \$252,750,000   |
| Current request for authorization            | \$8,640,000     | \$0            | \$8,640,000     |
| Total authorizations, including this request | \$261,390,000   | \$0            | \$261,390,000   |
| Remaining amount to be authorized            | \$2,238,610,000 | TBD            | \$2,238,610,000 |
|                                              |                 |                |                 |

***Annual Budget Status and Source of Funds******2026-2030 Airfield Program (C801379)***

2026-2030 Airfield program was not in the 2025-2029 capital budget and plan of finance. The capital budget of \$390,000,000 was transferred from the Aeronautical Allowance CIP C800753 resulting in no net change to the Airport capital budget. This project C801379 replaced an existing project C801302- Airfield Infrastructure and Security which was in the 2024 Plan of Finance with a budget amount of \$199,500,000. The budget for C801302- Airfield Infrastructure and Security was returned to the Aeronautical Allowance CIP C800753.

Project C801379 - 2026-2030 Airfield program anticipates approximately \$54M in Federal Aviation Administration (FAA) entitlement funds with the opportunity to receive additional discretionary funds. The funding sources will be the Airport Development Fund, FAA grants, and revenue bonds. This project is subject to the Port's Very Large Project Process per Signatory Lease Operating Agreement (SLOA) V.

***S Concourse Evolution Program (C801203)***

The S Concourse Evolution project, CIP C801203, was included in the 2025-2029 capital budget and plan of finance with a budget of \$1,870,000,000. The funding sources would be revenue bonds, Airport Development Fund (ADF), the Bipartisan Infrastructure Law (BIL) grant funding through the FAA-AIP program, other FAA Grants, and future Passenger Facility Charge.

Meeting Date: October 28, 2025

***Financial Analysis and Summary******2026-2030 Airfield Program (C801379)***

|                                                         |                                                                                                              |
|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Project cost for analysis                               | \$400,000,000                                                                                                |
| Business Unit (BU)                                      | Airfield movement and Airfield apron                                                                         |
| Effect on business performance (NOI after depreciation) | NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base. |
| IRR/NPV (if relevant)                                   | N/A                                                                                                          |
| CPE Impact                                              | Total project cost CPE of \$1.05 in 2031; annual CPE of \$0.17                                               |

***S Concourse Evolution Program (C801203)***

|                                                         |                                                                                                             |
|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Project cost for analysis                               | \$2,200,000,000                                                                                             |
| Business Unit (BU)                                      | Terminal Building                                                                                           |
| Effect on business performance (NOI after depreciation) | NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base |
| IRR/NPV (if relevant)                                   | NPV (50 years) for non-aero is negative \$130 million                                                       |
| CPE Impact                                              | \$4.39 in 2036                                                                                              |

***Future Revenues and Expenses (Total cost of ownership)******2026-2030 Airfield Program (C801379)***

This program will reduce the amount of time currently spent by the Port Maintenance team on joint seal and pavement spall repairs. The new pavement will have a 40-year asset life and a greatly reduced risk of loose gravel and rock Foreign Object Debris (“FOD”) that could be picked up by vehicle tires or blown by jet engine exhaust and spread across the apron, taxiways and runways.

The recircuiting scope will cause a decrease in annual operating & maintenance costs. This is because the project will install more resilient LED lighting and signs, which is easier to maintain as it has a longer life than the current incandescent lighting and signs. Furthermore, PVC conduit will be installed, which makes cable pulling easier.

***S Concourse Evolution Program (C801203)***

The cost savings of keeping the current terminal operational would likely present no long-term savings even with discounting the risk of a potential catastrophic failure; the terminal is still in need of upgrades driven by code and safety. Balancing the deferral of these costs against the structural, seismic, and operational needs of the terminal is not recommended.

**ADDITIONAL BACKGROUND**

- (1) Presentation slides

Meeting Date: October 28, 2025

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

**2026-2030 Airfield Program (CIP C801379)**

September 24, 2024 - The Commission authorized for the Executive Director to (1) advertise and execute a service agreement for design and engineering services for the airfield capital improvement program with the combined value not to exceed \$28,000,000; (2) authorize design and preparation of construction documents for the 2026-2030 Airfield Program at the Seattle-Tacoma International Airport (SEA); (3) procure long lead material items; (4) enter into agreements with the Federal Aviation Administration (FAA) and/or other public agencies for the evaluation of impacts, protection and/or relocation of utilities and performance of flight checks; and (5) approve the use of a project labor agreement (PLA) for each year's construction contract. The use of a PLA will be subject to approval by the FAA for work receiving federal funding. Total request for this action is \$71,000,000. The total program cost is estimated at \$400,000,000.

**S Concourse Evolution Program (C801203)**

May 27, 2025 – The Commission approved an increase in funding to support the following: completion of design; facilitating project construction at Gate D6, Cargo 3, and Cargo 6; and start design for Gate A6 replacement.

May 13, 2025 – The Commission was briefed on S Concourse Evolution and informed of an upcoming funding request to advance design, scope additions, and construction.

May 14, 2024 – The Commission authorized to Prepare design and construction bid packages for S Concourse facilitating project, Procure long-lead items.

October 22, 2022 – The Commission authorized to procure a Designer, GC/CM, Project Management/Controls Support, and Commissioning Agent for SCE.

September 27, 2022 - The Commission was briefed on S Concourse Evolution and project status.

April 13, 2021 – The Commission was briefed on SSAT Renovation Renewal PDD.

|                 |                  |
|-----------------|------------------|
| Item No.        | 10b_supp         |
| Date of Meeting | October 28, 2025 |

# 2026 Airfield Projects and SCE Spot 99 Utility Scope Construction Authorization (CIP# C801379 & C801203)

Seattle-Tacoma International Airport





## 2026 Airfield Projects & SCE Spot 99 Utility Scope

- **Request Commission authorization for the Executive Director to**
  - Advertise and execute two construction contracts for 2026 Airfield Projects and limited utility installation scope in S Concourse Evolution (SCE) Program located in the S Concourse Taxilane between the Southwest Corner of the S Concourse and the Cargo 7 hardstand area (Spot 99);
  - Authorize use of Port crews for abatement work.
- **The total amount of this authorization request: \$73,040,000**

|                               | 2026-2030 Airfield Program<br>(CIP# C801379) |  | SCE Program<br>(CIP# C801203) |
|-------------------------------|----------------------------------------------|--|-------------------------------|
| Amount of this request:       | \$64,400,000                                 |  | \$8,640,000                   |
| Total estimated project cost: | \$400,000,000                                |  | \$2.25B                       |

# 2026 Airfield Projects & SCE Spot 99 Utility Scope

Two construction contracts are comprised of interdependent Capital Improvement Projects (CIPs) with overlapping design functionality, interdependent operational impacts, and shared 2026 schedule milestones.

- 2026-2030 Airfield Program (C801379)
  - Airfield infrastructure renewal and replacement, as well as projects needed to provide safe and efficient conditions for aircraft operations at SEA and meet FAA and other regulatory requirements.
- S Concourse Evolution Program (C801203)
  - This work is needed to provide new electrical infrastructure to the S Concourse.

# 2026 Airfield Contract #1 – federally funded

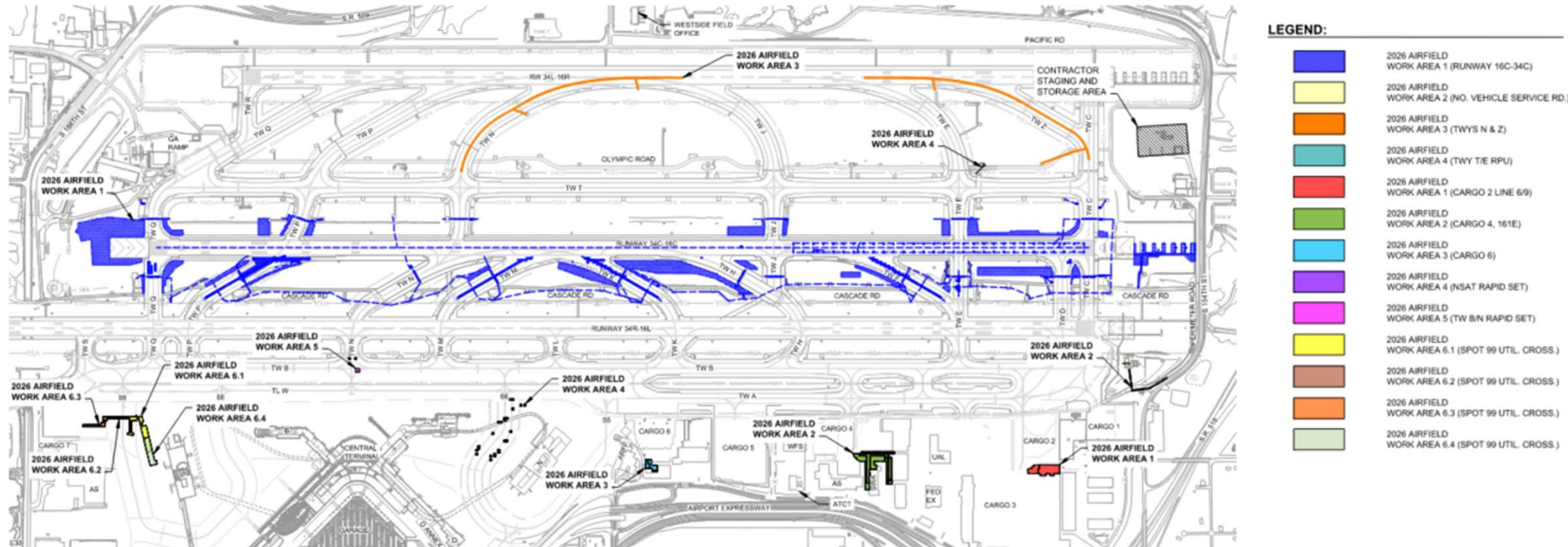
- 2026-2030 Airfield Program (C801379)
  - Replacement of distressed pavement, aging and failing utilities, non-standard flush fire hydrant access hatches, electrical circuits, lighting fixtures and signs at RW 16C/34C, connecting taxiways, infield areas and vehicle service road;
  - Removal of turf edge dams, mitigation of ponding spots and installation of anti-perching devices at RW 16C/34C, connecting taxiways and infield areas.

**Entitlement Funds Anticipated in 2026: ~\$15M**

## 2026 Airfield Contract #2

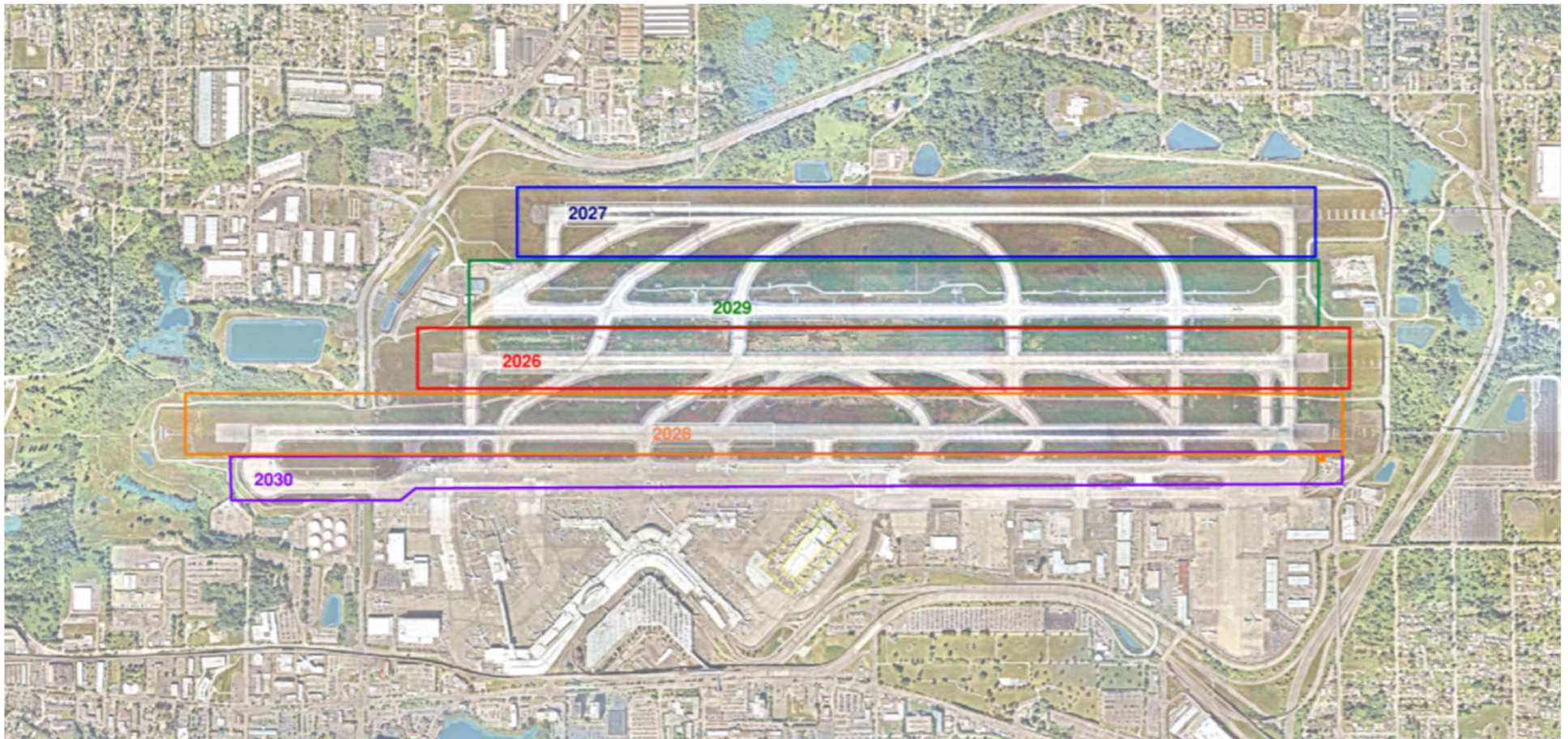
- 2026-2030 Airfield Program (C801379)
  - Replacement of distressed pavement at TW B, North Concourse taxilane and Cargo areas.
- S Concourse Evolution Program (C801203)
  - Installation of power utility duct bank in Spot 99 area, which is a critical taxiway around the S Concourse.

# 2026 Airfield Contracts Map





# 2026-2030 Airfield Program Overview



# 2026 Airfield Contracts Schedule

| Construction Contract # | Contract #1    | Contract #2    |
|-------------------------|----------------|----------------|
| Construction start      | 2026 Quarter 2 | 2026 Quarter 1 |
| In-use date             | 2026 Quarter 4 | 2026 Quarter 4 |

# 2026 Airfield Projects & SCE Spot 99 Utility Scope Budget

| CIP Name/#                                   | Amount of this Request | Amount Authorized to Date, incl. this Request | Total Estimated Project Cost |
|----------------------------------------------|------------------------|-----------------------------------------------|------------------------------|
| <b>2026-2030 Airfield Program C801379</b>    | \$64,400,000           | \$135,698,000                                 | \$400,000,000                |
| <b>S Concourse Evolution Program C801203</b> | \$8,640,000            | \$261,390,000                                 | \$2.5B                       |
| <b>Total Authorization of this Request</b>   | \$73,040,000           |                                               |                              |



# Thank You!



## SEA

Seattle-Tacoma  
International  
Airport

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Operated by the  
Port of Seattle

[FlySEA.org](http://FlySEA.org)



**COMMISSION**  
**AGENDA MEMORANDUM**

**Item No.**

11a

**BRIEFING ITEM**

**Date of Meeting**

October 28, 2025

**DATE:** October 17, 2025

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Sarah Cox, Director, Aviation Environment and Sustainability  
Steve Rybolt, Senior Environmental Program Manager, Aviation Environment and Sustainability

**SUBJECT: Sustainable Airport Master Plan Near-Term Projects Final National Environmental Policy Act Environmental Assessment, Federal Aviation Administration Finding of No Significant Impact, Record of Decision, and State Environmental Policy Act Next Steps**

**EXECUTIVE SUMMARY**

On October 14, Port Staff provided an overview of the Federal Aviation Administration's (FAA) Finding of No Significant Impact (FONSI) and Record of Decision (ROD) based on the outcome of the Final National Environmental Policy Act (NEPA) Environmental Assessment (EA) of the Sustainable Airport Master Plan (SAMP) Near-Term Projects (NTP). At the Commission's October 28 meeting, staff will provide a short update on the public outreach and engagement that has occurred since the FAA's documents were released, as well as an update on next steps for the State Environmental Policy Act (SEPA) process.

**DETAILS**

The FAA has completed the NEPA Final Environmental Assessment (FEA) of the SAMP NTPs and has issued a Finding of No Significant Impact (FONSI) and Record of Decision (ROD). The FEA was informed by a 53-day public comment period in 2024. The document is the result of rigorous analysis, extensive public outreach and engagement, reviewing, considering, and responding to comments submitted by the community and public agencies. It is important to note that in between the closure of the public comment period and the publication of the FEA the Administration implemented regulatory changes that removed analysis on environmental justice, climate, and cumulative impacts.

Based on the analyses within the Draft and Final NEPA EA, it was identified that all significant impacts could be mitigated. There were other impacts identified; however, these impacts did not exceed regulatory, or human health standards and FAA does not require any defined action to reduce, avoid, or mitigate them. Based on the information and analysis contained in the Final NEPA EA, the FAA issued a FONSI ROD on September 24, 2025 (published on September 26, 2025), identifying 18 requirements that the Port must adhere to should any of the NTPs move

Meeting Date: October 28, 2025

forward. The Final NEPA EA and ROD are published on the project website ([www.sampntpenvironmentalreview.org](http://www.sampntpenvironmentalreview.org)) and physical copies are available at Port of Seattle Sea-Tac Airport Office (Mezzanine Level), Port of Seattle Pier 69 Office, Burien Library, Des Moines Library, Federal Way, Valley View Library (SeaTac), White Center Library, Tukwila Library, and Vashon Library.

In February 2019, Port Staff confirmed that SEPA would commence following the completion of NEPA. This was a result of the Port wanting to better understand how human health and ultrafine particulate matter consideration might be incorporated into SEPA, as these are not typically evaluated in NEPA. The other resource categories that were removed by FAA from the NEPA documentation due to recent Administration regulatory changes will be moved into the Port's work under SEPA. This includes Environmental Justice, Climate, and Cumulative Impacts.

It is anticipated that a Draft SEPA Environmental Impact Statement (EIS) will be released in late first quarter of 2026, followed by a public comment period. The Port will provide a thorough and broad outreach and engagement program in support of the publication of the Draft SEPA EIS. This includes work to engage a variety of communities and using a range of media outlets, information on the project website, community meetings, interpretation and translating materials into additional languages.

Once the public comment period closes, the Port will review and respond to the comments received. These comments will be considered within Final SEPA EIS. It is expected that the Final SEPA EIS will be published in late 2026.

**SCHEDULE****NEPA**

|                                   |                                          |
|-----------------------------------|------------------------------------------|
| September 26, 2025<br>(Published) | FAA NEPA Final EA and Record of Decision |
|-----------------------------------|------------------------------------------|

**SEPA**

|                |                                                                                       |
|----------------|---------------------------------------------------------------------------------------|
| Quarter 1 2026 | Draft SEPA EIS released for public comment (minimum 30-day comment period [standard]) |
|----------------|---------------------------------------------------------------------------------------|

|                |                                                                         |
|----------------|-------------------------------------------------------------------------|
| Quarter 4 2026 | SEPA EIS Final Document & Determination (Port issues decision document) |
|----------------|-------------------------------------------------------------------------|

**ATTACHMENTS TO THIS BRIEFING**

- (1) Presentation slides

Meeting Date: October 28, 2025

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

October 14, 2025 – Commission Briefing: “Sustainable Airport Master Plan Near-Term Projects Environmental Review”

October 22, 2024 – Commission Briefing: “Sustainable Airport Master Plan Near-Term Projects Environmental Review - Draft NEPA Environmental Assessment Findings and Public Comment Period”

June 27, 2023 – Commission Action: “Sustainable Airport Master Plan (SAMP) Near-Term Projects Environmental Review – Update and Budget Increase”

February 25, 2020 – Commission Action: “Sustainable Airport Master Plan (SAMP) Near-Term Projects (NTP) Environmental Review Briefing and Request for Additional Funds”

January 28, 2020 – Commission Briefing: “Sustainable Airport Master Plan (SAMP) Near-Term Projects (NTP) Environmental Review Briefing – Forecast and Schedule Update”

February 26, 2019 – Commission Briefing: “Sustainable Airport Master Plan (SAMP) Near-Term Projects (NTP) Environmental Review Briefing – Scoping Report”

May 8, 2018 – Commission Briefing: “Sustainable Airport Master Plan (SAMP) Planning and Environmental Update”

February 13, 2018 - Commission Briefing: "Sustainable Airport Master Plan (SAMP) Planning Update"

# **Sustainable Airport Master Plan Near-Term Projects Update**

Sandy Kilroy, Senior Director, Environment &  
Sustainability

Eric Schinfeld, Senior Manager, Federal Government  
Relations



## FAA Completed Environmental Assessment on 9/26

- The FAA released their NEPA Final Environmental Assessment (EA) and Finding of No Significant Impact (FONSI) Record of Decision (ROD).
  - It found that completing these projects would have no significant impact.
- This was an important milestone in an ongoing process to evaluate the environmental impacts of the 31 proposed SAMP projects.
- The release of the FAA NEPA ROD starts a 60-day appeal period (as of 9/26/25).
- In the meantime, the Port will begin work on the SEPA EIS analysis.
  - This process will include community outreach and a public comment period

# The Port Has Worked To Raise Awareness of the FAA Decision and Next Steps

- Copies of NEPA documents available at SEA & Pier 69, and libraries in Burien, Des Moines, Federal Way, SeaTac, White Center, Tukwila and Vashon
- Notice sent via newspapers, email lists, websites and social media; press release sent to full media list
- 10/8 Webinar – over 100 registrations, 60+ attendees
  - Available for viewing on the Port's YouTube channel:  
<https://youtu.be/UreECgEQGlo?si=BC3ydIXCj3aey9Uk>
- Presentation and public comment at 10/14 and 10/28 Commission meetings

# SEPA Includes Additional Analyses

- Earth
- Air
- Water
- Plants and animals
- Energy and natural resources
- Environmental health
- Land and shoreline use
- Transportation
- Public services and utilities
- Climate\*
- Environmental Justice\*
- Cumulative Impacts\*

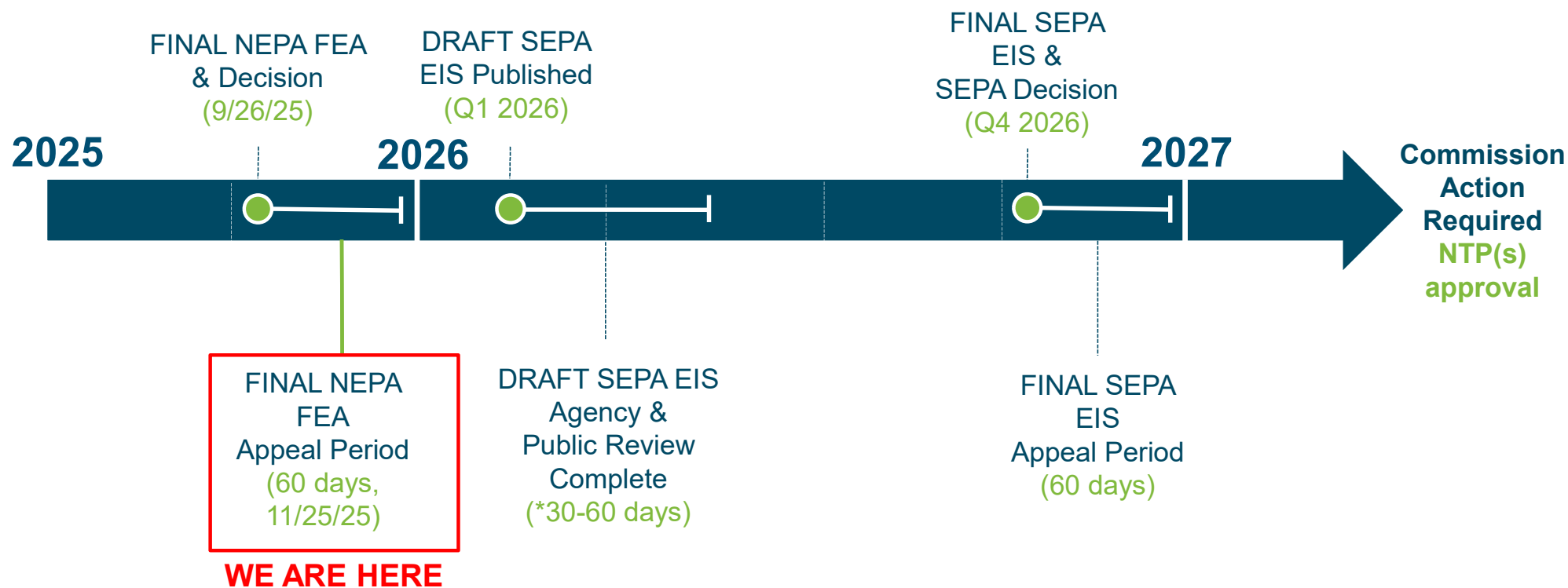
*\*Removed from NEPA Final EA*



## **SEPA Will Include Enhanced Outreach and Engagement**

- Provide 30+ days notice before publishing Draft EIS
- Materials and translation provided in seven languages
- Outreach to airport-area stakeholders, public meetings in multiple locations and virtual meetings for official comment
- Targeted engagement with BIPOC and underrepresented communities with an emphasis in South King County
- Outreach to public sector and regional leaders

# FAA NEPA FEA & ROD Are One Step In A Continuing Process



# Questions?



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 11b

**BRIEFING ITEM**

**Date of Meeting** October 28, 2025

**DATE:** October 7, 2025

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Arif Ghouse, Interim Managing Director, Aviation Division  
Hiedi Popochock, Director, Aviation Finance & Budget  
John Wellons, Aviation Chief Development Officer

**SUBJECT:** 2026 Aviation Division Capital Budget Briefing

**EXECUTIVE SUMMARY**

The purpose of this briefing is to discuss with the Commission the 2026 long range financial forecast and capital plan for the Aviation Division. Staff would also like to seek Commission feedback on the preliminary budget.

This is one of a series of budget briefings to the Commission starting from June. Staff discussed the operating divisions' budgets on October 14, 2025, and subsequently the Aviation Capital Improvement Plan, 2026 Tax Levy and Draft Plan of Finance on October 28, 2025, prior to the formal Commission reviews and approvals of the 2026 budget in November.

**ATTACHMENTS TO THIS BRIEFING**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- October 14, 2025 – 2026 Aviation Division Operating Budget Briefing
- September 23, 2025 – Central Services 2026 Preliminary Budget and Port-wide Rollup Briefing
- July 8, 2025 – 2026 Budget Development Briefing
- June 16, 2025 – Commission 2026 Budget Planning Retreat

# AVIATION DIVISION 2026 Capital Budget

**Commission Proposed Budget Briefing  
October 28, 2025**

# Outline for Aviation Division Presentation

1. Overview of Strategic & Financial Objectives
2. 2026 – 2030 (5-year) Financial Forecast
3. 2026 – 2030 (5-Year) Capital Forecast

# Aviation Strategic and Financial Objectives

- **Aviation Division's Strategic and Business Plan Objectives**
  - Level of Service Optimum
  - Top 25 ASQ World Ranking
  - 5-Star Skytrax rating
- **Ensure the airport's five-year financial outlook meets or exceeds the financial performance targets.**
  - Achieve debt service coverage of >1.40 times
  - Build cash balance in the Airport Development Fund to 18 months of O&M expenses
  - Consistently grow Non-aeronautical revenues

# 2026 – 2030 FINANCIAL FORECAST





# 2026-2030 Financial Forecast

| In \$000's                                            | Budget<br>2026 | Forecast<br>2027 | Forecast<br>2028 | Forecast<br>2029 | Forecast<br>2030 |
|-------------------------------------------------------|----------------|------------------|------------------|------------------|------------------|
| Aeronautical Revenue                                  | \$ 615,502     | \$ 714,959       | \$ 770,095       | \$ 831,247       | \$ 909,745       |
| Non-Aeronautical Revenue without GASB 87 <sup>1</sup> | 377,253        | 379,911          | 398,501          | 420,115          | 445,068          |
| Total Operating Revenue without GASB 87               | \$ 992,755     | \$ 1,094,870     | \$ 1,168,596     | \$ 1,251,362     | \$ 1,354,813     |
| Lease Income <sup>1</sup>                             | \$ (9,872)     | \$ (9,620)       | \$ (9,034)       | \$ (8,505)       | \$ (7,968)       |
| Total Operating Revenue with GASB 87                  | \$ 982,883     | \$ 1,085,250     | \$ 1,159,561     | \$ 1,242,857     | \$ 1,346,845     |
| Operating Expense                                     | 587,035        | 622,257          | 659,592          | 699,168          | 741,118          |
| Net Operating Income                                  | \$ 395,848     | \$ 462,993       | \$ 499,969       | \$ 543,689       | \$ 605,727       |
| Net Non-Operating Income/Expense <sup>3</sup>         | 19,929         | 12,727           | 14,095           | 17,269           | 20,214           |
| Lease Income <sup>2</sup>                             | 9,872          | 9,620            | 9,034            | 8,505            | 7,968            |
| Lease Expense                                         | (7,897)        | (8,303)          | (8,474)          | (8,664)          | (8,856)          |
| CFC Excess                                            | (11,702)       | (12,405)         | (12,588)         | (12,142)         | (12,760)         |
| Available for Debt Service                            | \$ 406,050     | \$ 464,632       | \$ 502,036       | \$ 548,658       | \$ 612,294       |
| Gross Debt Service (net of cap i)                     | \$ 383,437     | \$ 437,348       | \$ 481,664       | \$ 518,491       | \$ 584,174       |
| CP Principal & Interest                               | \$ 2,376       | \$ 2,714         | \$ 2,714         | \$ 2,714         | \$ 2,714         |
| CFC Offset                                            | (25,327)       | (24,580)         | (24,838)         | (26,202)         | (26,465)         |
| PFC Offset                                            | (100,000)      | (100,854)        | (104,950)        | (104,995)        | (112,945)        |
| Net Debt Service                                      | \$ 260,486     | \$ 314,629       | \$ 354,591       | \$ 390,009       | \$ 447,480       |
| Net Cash Flow                                         | \$ 145,564     | \$ 150,004       | \$ 147,446       | \$ 158,649       | \$ 164,814       |

<sup>1</sup> 2026 Budget figure was reduced by \$9.8M related to GASB 87 Lease Interest Income

<sup>2</sup> 2026 Budget figure was increased by \$9.8M related to GASB 87 Lease Interest Income

<sup>3</sup> Non-Operating Income/Expense includes ADF interest income, and election expenses.

- Aeronautical revenues forecast higher debt service when projects are completed.
- Consistent non-aero revenue growth but future impacts from tenant turnover and capital projects.
- Average annual net debt service is projected to grow by 18% due to growth in capital expenditures.
- Includes other divisions' projects funded by the airport

**CFC** = Customer Facility Charge  
**CP** = Commercial Paper

**PFC** = Passenger Facility Charge

# 2026-2030 Non-Aero Revenue Forecast

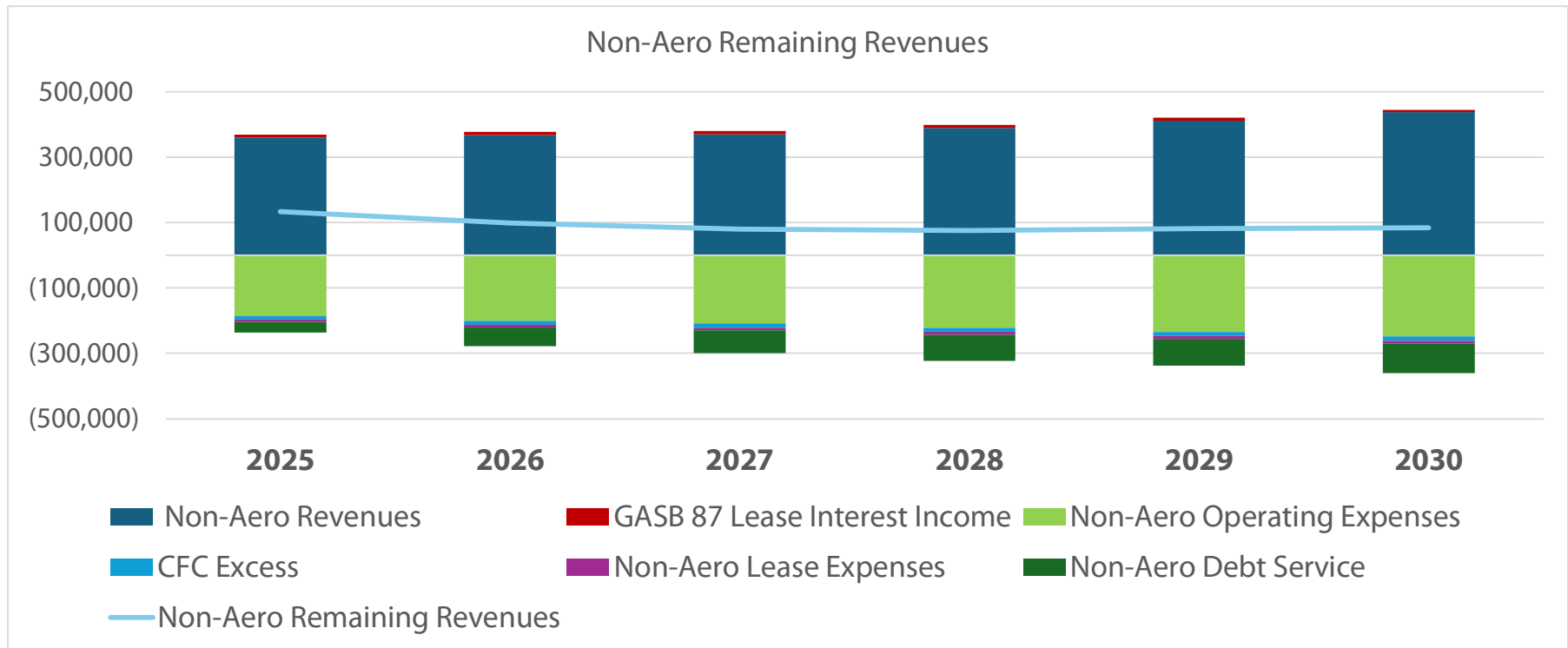
|                                                | Forecast<br>2025  | Budget<br>2026   | Forecast<br>2027 | Forecast<br>2028 | Forecast<br>2029 | Forecast<br>2030 |
|------------------------------------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
| Non-Aero Revenues                              |                   |                  |                  |                  |                  |                  |
| Public Parking                                 | 116,403           | 114,531          | 118,139          | 122,014          | 125,934          | 129,980          |
| Employee Parking includes TMA                  | 12,892            | 14,856           | 16,390           | 18,142           | 19,981           | 22,212           |
| Rental Car <sup>1</sup>                        | 68,153            | 69,549           | 72,222           | 73,792           | 75,209           | 77,765           |
| Ground Transportation                          | 24,578            | 24,896           | 24,834           | 25,250           | 25,668           | 26,134           |
| Concessions <sup>1</sup>                       | 72,799            | 78,369           | 71,959           | 80,166           | 92,047           | 95,406           |
| Tenant Marketing                               | 0                 | 503              | 2,086            | 2,168            | 2,252            | 2,340            |
| Commercial Properties <sup>1</sup>             | 22,921            | 24,505           | 27,721           | 28,376           | 28,956           | 29,662           |
| International Place Office                     | 12,420            | 14,484           | 14,884           | 15,622           | 15,742           | 16,058           |
| Non-Airline Terminal Leased Space <sup>1</sup> | 8,294             | 8,249            | 7,966            | 8,166            | 8,372            | 8,583            |
| Club International Lounge                      | 19,039            | 16,153           | 10,687           | 11,092           | 11,513           | 21,693           |
| Utilities                                      | 10,838            | 10,551           | 12,349           | 12,993           | 13,675           | 14,396           |
| Airport Conference                             | 200               | 228              | 250              | 275              | 300              | 350              |
| Service Orgs                                   | 381               | 381              | 423              | 445              | 467              | 490              |
| Total Non-aero Revenues without GASB 87        | 368,916           | 377,253          | 379,911          | 398,501          | 420,115          | 445,068          |
| Lease Interest Income <sup>2</sup>             | (9,743)           | (9,872)          | (9,620)          | (9,034)          | (8,505)          | (7,968)          |
| <b>Total Non-Aero Revenues with GASB 87</b>    | <b>359,174</b>    | <b>367,381</b>   | <b>370,291</b>   | <b>389,466</b>   | <b>411,610</b>   | <b>437,100</b>   |
| Non-Aero Operating Expenses                    | (185,207)         | (200,764)        | (208,832)        | (221,361)        | (234,643)        | (248,722)        |
| <b>Non-Aero Net Income</b>                     | <b>173,967</b>    | <b>166,617</b>   | <b>161,459</b>   | <b>168,105</b>   | <b>176,967</b>   | <b>188,378</b>   |
| Less: CFC Excess                               | (10,665)          | (11,896)         | (12,405)         | (12,588)         | (12,142)         | (12,760)         |
| Non-Aero Debt Service                          | (32,849)          | (57,208)         | (70,281)         | (81,134)         | (82,575)         | (90,454)         |
| Non-Aero CP Debt Service                       | 509               | (126)            | 129              | 129              | 129              | 129              |
| Lease Expenses                                 | (7,938)           | (7,938)          | (8,166)          | (8,389)          | (8,619)          | (8,856)          |
| Lease Interest Income <sup>2</sup>             | 9,743             | 9,872            | 9,620            | 9,034            | 8,505            | 7,968            |
| Total Non-aero Other Costs and Income          | (41,200)          | (67,295)         | (81,102)         | (92,948)         | (94,702)         | (103,973)        |
| <b>Non-Aero Remaining Revenues</b>             | <b>\$ 132,767</b> | <b>\$ 99,321</b> | <b>\$ 80,357</b> | <b>\$ 75,157</b> | <b>\$ 82,265</b> | <b>\$ 84,405</b> |

<sup>1</sup> Excludes GASB 87 revenues classified in non-operating revenues.

<sup>2</sup> Lease Interest Income budget as non-operating account.

|                                     |       |        |        |       |      |      |
|-------------------------------------|-------|--------|--------|-------|------|------|
| YOY Revenues with GASB growth       | 3.1%  | 2.3%   | 0.8%   | 5.2%  | 5.7% | 6.2% |
| YOY Expense growth                  | 13.4% | 8.4%   | 4.0%   | 6.0%  | 6.0% | 6.0% |
| YOY Non-aero Other Costs and Income | -19%  | 63%    | 21%    | 15%   | 2%   | 10%  |
| YOY Non-aero Remaining Revenues     | -0.7% | -25.2% | -19.1% | -6.5% | 9.5% | 2.6% |

# Decline of Remaining Non-Aero Revenues



# 2026–2030 Financial Forecast Assumptions

| Forecast Assumptions:                              | 2026 Budget | 2027  | 2028  | 2029  | 2030  |
|----------------------------------------------------|-------------|-------|-------|-------|-------|
| Base O&M growth                                    | 6.0%        | 6.0%  | 6.0%  | 6.0%  | 6.0%  |
| Expenditure Growth <sup>1</sup>                    | 4.4%        | 6.0%  | 6.0%  | 6.0%  | 6.0%  |
| Enplanement growth                                 | 1.7%        | 1.8%  | 0.8%  | 0.8%  | 0.8%  |
| Capital Expenditures (\$ in millions) <sup>2</sup> | 852         | 993   | 849   | 621   | 439   |
| Non-airline revenue growth                         | -0.4%       | 3.4%  | 4.9%  | 5.4%  | 5.9%  |
| Bond Interest Rate                                 | 5.25%       | 5.25% | 5.25% | 5.25% | 5.25% |
| Amortization Rate                                  | 4.3%        | 3.5%  | 3.5%  | 3.5%  | 3.5%  |
| Interest Earnings Rate                             | 3.3%        | 2.0%  | 2.0%  | 2.0%  | 2.0%  |
| Debt Service (\$ in millions)                      |             |       |       |       |       |

<sup>1</sup> Expenditure growth includes allocation from Central Services

<sup>2</sup> Capital Expenditures include public expenses, airport funded corporate and EDD capital projects

- *Expenditure growth differs from base O&M growth because Expenditure growth includes one-time items such as environmental remediation and airline realignment expenses*

# 2026-2030 Financial Forecast Metrics

|                                          | Budget<br>2026 | Forecast<br>2027 | Forecast<br>2028 | Forecast<br>2029 | Forecast<br>2030 |
|------------------------------------------|----------------|------------------|------------------|------------------|------------------|
| <b>Key Measures</b>                      |                |                  |                  |                  |                  |
| Debt Service Coverage                    | 1.56           | 1.48             | 1.42             | 1.41             | 1.37             |
| ADF Balance - Months of O&M              | 18             | 18               | 18               | 18               | 18               |
| CPE                                      | \$ 21.11       | \$ 24.31         | \$ 26.06         | \$ 27.91         | \$ 30.40         |
| O&M per Enplaned Passenger               | \$ 21.72       | \$ 22.61         | \$ 23.78         | \$ 25.01         | \$ 26.30         |
| Debt per Originating Passenger           | \$ 236         | \$ 268           | \$ 293           | \$ 308           | \$ 312           |
| <i>PFC fund balance (in \$000's)</i>     | \$ 55,572      | \$ 60,200        | \$ 61,616        | \$ 63,849        | \$ 32,007        |
| <i>CFC fund balance (in \$000's)</i>     | \$ 50,272      | \$ 49,323        | \$ 51,687        | \$ 61,134        | \$ 32,518        |
| <i>New Debt Service (in \$000's)</i>     | \$ 27,840      | \$ 76,850        | \$ 126,934       | \$ 174,447       | \$ 209,695       |
| <i>Capital Spending (in \$000's)</i>     | \$ 852,371     | \$ 993,458       | \$ 849,302       | \$ 621,320       | \$ 438,924       |
| <i>Capital Spending ADF (in \$000's)</i> | \$ 103,765     | \$ 97,350        | \$ 91,200        | \$ 98,972        | \$ 102,195       |
| <b>Activity</b>                          |                |                  |                  |                  |                  |
| Enplaned Passengers(000's)               | 27,031         | 27,517           | 27,737           | 27,959           | 28,182           |
| Enplanement Growth Rate                  | 1.7%           | 1.8%             | 0.8%             | 0.8%             | 0.8%             |

- Debt service coverage decreases between 1.35x and 1.37x in 2030-2032 and will increase to 1.40x in 2033.
- Debt Service Coverage is based on the Airport only calculation per Signatory Lease Operating Agreement (SLOA).

**ADF** = Airport Development Fund  
**CFC** = Customer Facility Charge

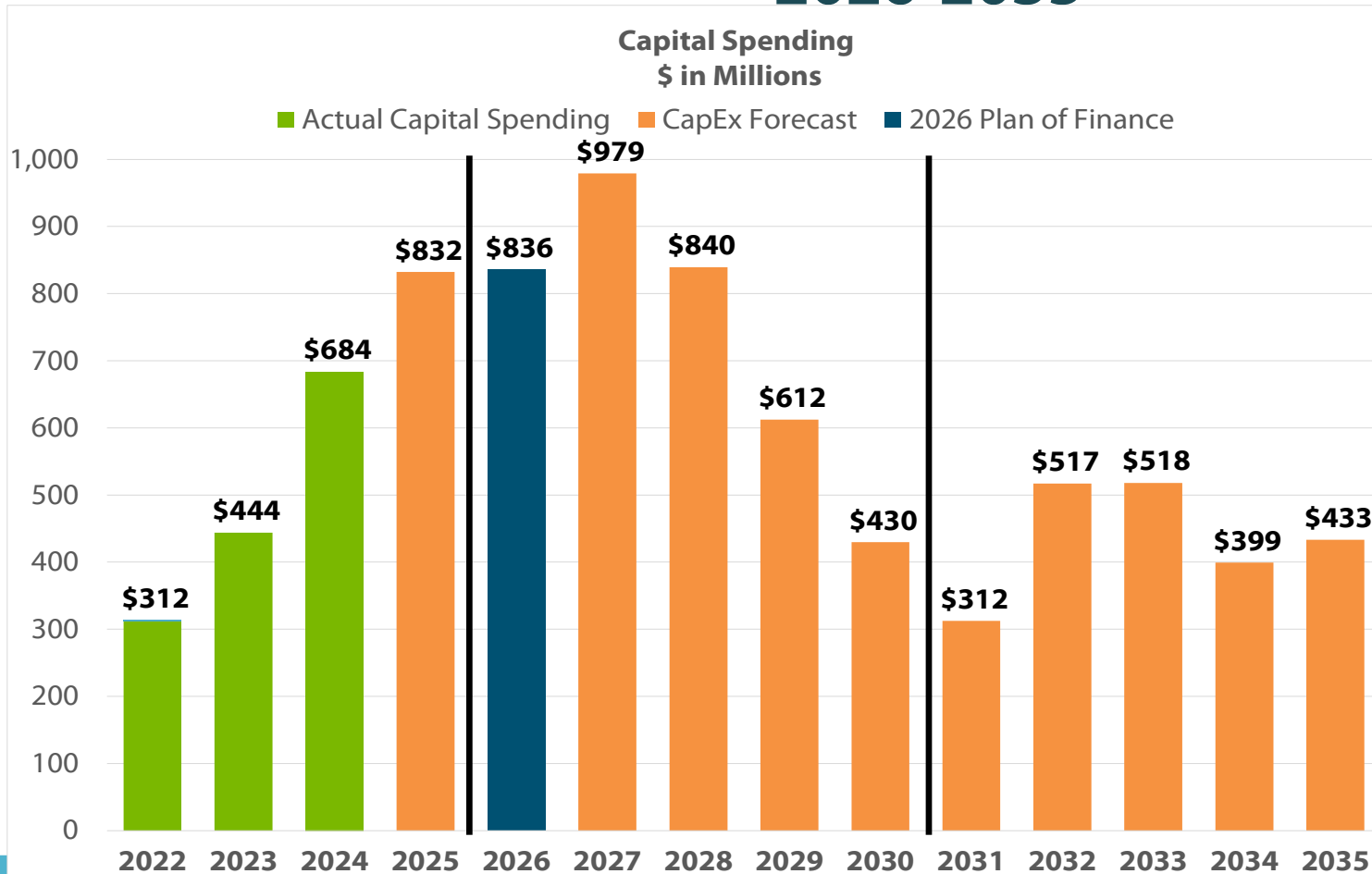
**CPE** = Cost Per Enplanement  
**O&M** = Operating & Maintenance

**PFC** = Passenger Facility Charge

# 2026 – 2030 CAPITAL FORECAST



# \$5.9B AV Capital Program over 10 Years 2026-2035



- **\$5.9B AV CIP Spending**
  - \$3.7B CIP spending forecast in first 5-year (2026-2030) period
  - \$2.2B CIP spending forecast in second 5-year (2031-2035) period
- **\$300M CIP reduction in 2026 POF versus 2025 POF**
  - 2026 POF CIP is \$6B over 10 years compared to \$6.3B over the same 10 years in the 2025 POF CIP
- Around 66% of first 5-year capital spending is from Mega projects with a budget of \$300M or more
- 10-year forecast includes \$290M for Sustainable Airport Master Plan (SAMP) Preliminary Planning & Design

CIP = Capital Improvement Program

POF = Plan of Finance

11

# 2026 – 2030 Capital Project Forecast Summary

|                                     | Cash Flows (Figures in \$000s) |                |                |                |                |                |                    |
|-------------------------------------|--------------------------------|----------------|----------------|----------------|----------------|----------------|--------------------|
|                                     | 2025                           | 2026           | 2027           | 2028           | 2029           | 2030           | 2026 - 30<br>TOTAL |
| <b>Mega Projects</b>                |                                |                |                |                |                |                |                    |
| S Concourse Evolution               | 39,529                         | 137,762        | 278,951        | 211,427        | 218,638        | 218,638        | 1,065,415          |
| Baggage Optimization                | 14,551                         | 120,752        | 160,897        | 163,553        | 103,907        | 33,452         | 582,561            |
| 2026-2030 Airfield Pavement Program | 5,400                          | 71,507         | 76,662         | 82,937         | 81,666         | 74,320         | 387,093            |
| Main Terminal Improvement           | 526                            | 836            | 100,000        | 100,000        | 50,000         | -              | 250,836            |
| C Concourse Expansion               | 129,188                        | 119,813        | 11,568         | -              | -              | -              | 131,381            |
| SEA Gateway                         | 150,483                        | 96,470         | 20,327         | -              | -              | -              | 116,797            |
| <b>Subtotal - Mega Projects</b>     | <b>339,677</b>                 | <b>547,140</b> | <b>648,404</b> | <b>557,917</b> | <b>454,210</b> | <b>326,410</b> | <b>2,534,082</b>   |
| Other Capital Projects              | 485,383                        | 393,359        | 243,986        | 123,837        | 86,138         | 59,115         | 906,436            |
| SAMP Preliminary Planning / Design  | 7                              | -              | 3,494          | 37,418         | 37,514         | 35,203         | 113,629            |
| Proposed New Projects               | 6,837                          | 8,673          | 1,560          | 58             | -              | -              | 10,291             |
| CIPs Reserves                       | -                              | 24,758         | 26,499         | 37,457         | 34,157         | 8,819          | 131,690            |
| <b>Subtotal</b>                     | <b>492,227</b>                 | <b>426,790</b> | <b>275,540</b> | <b>198,770</b> | <b>157,809</b> | <b>103,137</b> | <b>1,162,046</b>   |
| CIP Cashflow Adj Reserve            | -                              | (138,044)      | 55,217         | 82,826         | -              | -              | 0                  |
| <b>Total Proposed CIP</b>           | <b>831,904</b>                 | <b>835,887</b> | <b>979,162</b> | <b>839,513</b> | <b>612,019</b> | <b>429,546</b> | <b>3,696,127</b>   |

- 2026 capital spending has been reduced by \$138M CIP Cashflow Adjustment and moved to 2027 and 2028. CIP Cashflow Adjustment was implemented to adjust CIP cashflows to better reflect expected project spending trends in aggregate. This adjustment affects the timing of spending only.

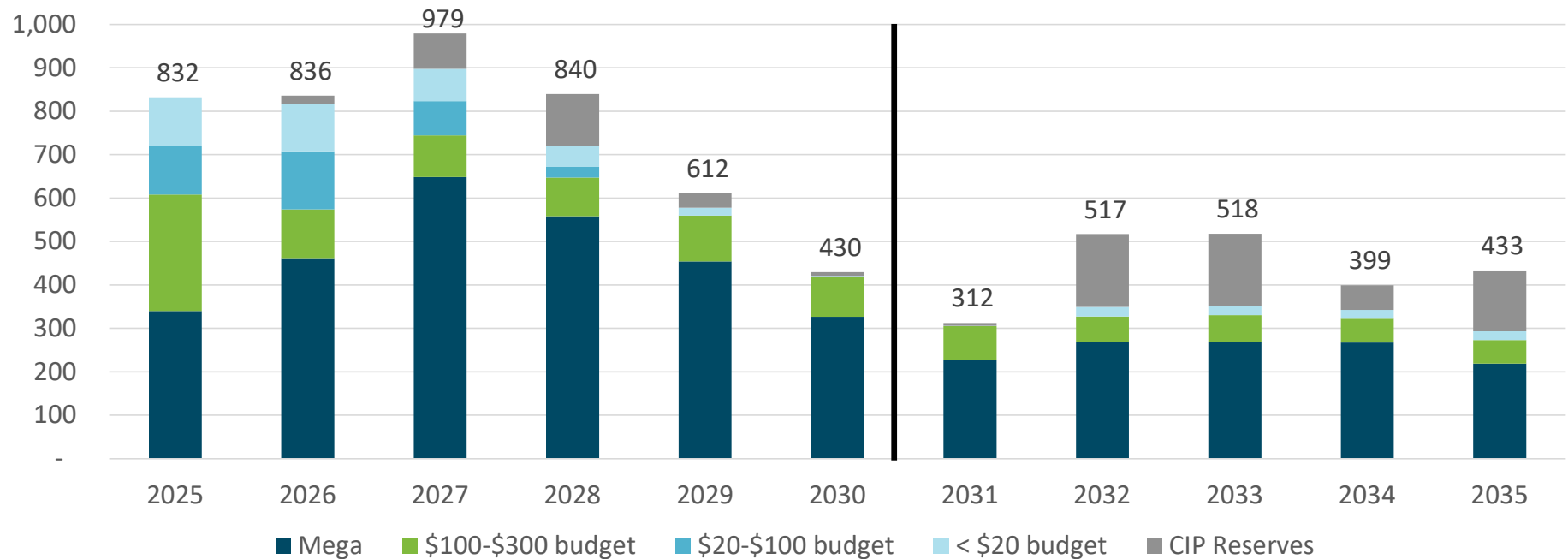
**CIP** = Capital Improvement Program  
**SAMP** = Sustainable Airport Master Plan

**SEA** = Seattle-Tacoma International Airport  
**AFLD PVMNTS** = Airfield Pavements



# Mega Projects Drive Capital Program

\$ in Millions

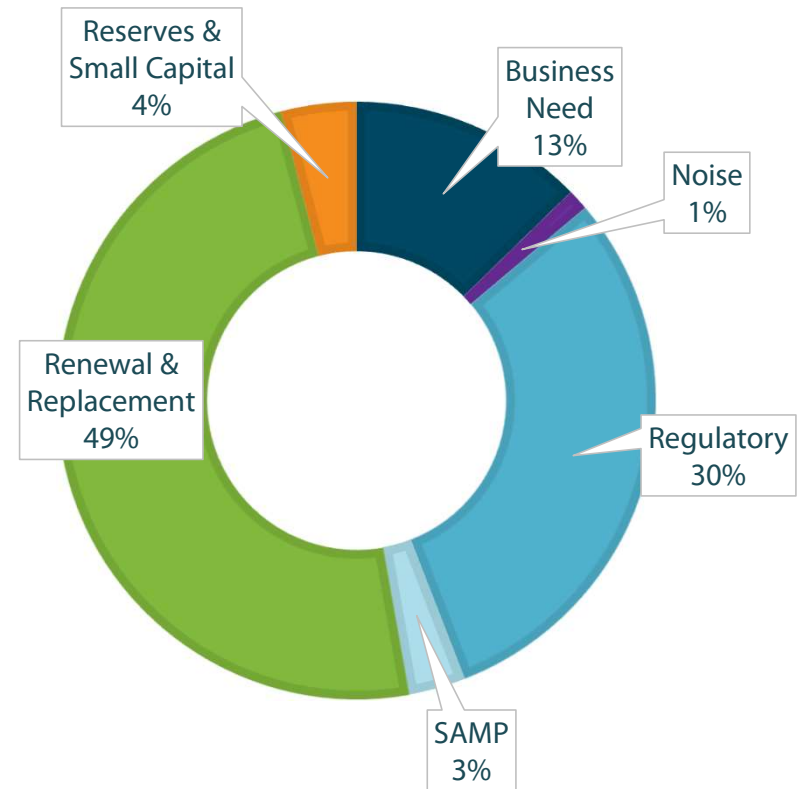


- **Total 2026-2030 mega projects of \$2.5B** include Baggage Optimization, C Concourse, SEA Gateway, S Concourse Evolution and Airfield Pavement, and Main Terminal Renovation
- 10-year CIP Reserves of \$670M
- Spending forecast includes Sustainable Airport Master Plan Preliminary Planning & Design for \$114M
- Excludes other divisions' projects funded by the airport

**CIP** = Capital Improvement Program  
**SEA** = Seattle-Tacoma International Airport

# 2026 – 2030 Capital Forecast

| Category                                   | Number of Projects* | Total 5-year Cash Flow* |
|--------------------------------------------|---------------------|-------------------------|
| Regulatory & Contractual                   | 18                  | \$1.1B                  |
| Renewal & Replacement                      | 57                  | \$1.8B                  |
| Business Needs                             | 32                  | \$470M                  |
| Noise                                      | 4                   | \$42M                   |
| SAMP Design Pre-approval in SLOA Agreement | 1                   | \$114M                  |
| Reserves & Small Capital                   | 7                   | \$151M                  |
| <b>TOTAL</b>                               | <b>119</b>          | <b>\$3.7B</b>           |



\*Excludes other divisions' projects funded by the airport

**CIP** = Capital Improvement Program  
**SAMP** = Sustainable Airport Master Plan

**SLOA** = Signatory Lease & Operating Agreement

# Summary of Proposed New Projects

| Justification     | Category            | CIP     | Description                    | Cost Estimate | Cash Flows (Figures in \$000s) |              |              |           |          |          | 2026-2030<br>Total | Total<br>Cashflows |
|-------------------|---------------------|---------|--------------------------------|---------------|--------------------------------|--------------|--------------|-----------|----------|----------|--------------------|--------------------|
|                   |                     |         |                                |               | 2025                           | 2026         | 2027         | 2028      | 2029     | 2030     |                    |                    |
| Asset Stewardship | Renewal Replacement | C802126 | PC AHU Replacement             | 4,065         | 160                            | 3,500        | 405          | -         | -        | -        | 3,905              | 4,065              |
| Asset Stewardship | Renewal Replacement | C802123 | Checkpoint Security Grill      | 2,700         | 150                            | 1,337        | 1,155        | 58        | -        | -        | 2,550              | 2,700              |
| Business Need     | Business Need       | C802119 | Master Park Landlord Improv    | 1,800         | 1,465                          | 335          | -            | -         | -        | -        | 335                | 1,800              |
| Asset Stewardship | Renewal Replacement | C802130 | BRITE Replace 16L 16R          | 1,800         | 800                            | 1,000        | -            | -         | -        | -        | 1,000              | 1,800              |
| Asset Stewardship | Renewal Replacement | C802127 | Pumphouse Valve & Vent Replace | 1,700         | 160                            | 1,540        | -            | -         | -        | -        | 1,540              | 1,700              |
| Asset Stewardship | Renewal Replacement | C802114 | Employee Parking Lot C improve | 1,300         | 726                            | 573          | -            | -         | -        | -        | 573                | 1,299              |
| Asset Stewardship | Renewal Replacement | C802115 | Rubber Removal Truck           | 1,150         | 1,150                          | -            | -            | -         | -        | -        | -                  | 1,150              |
| Asset Stewardship | Renewal Replacement | C802113 | Toll Plaza Drain Channel Repla | 776           | 568                            | 208          | -            | -         | -        | -        | 208                | 776                |
| Asset Stewardship | Renewal Replacement | C802128 | Parking Garage Dry Standpipe   | 500           | 500                            | -            | -            | -         | -        | -        | -                  | 500                |
| Asset Stewardship | Renewal Replacement | C802122 | Access Control Mezzanine Doors | 489           | 489                            | -            | -            | -         | -        | -        | -                  | 489                |
| Business Need     | Business Need       | C802117 | JetBlue Zone 2 Ticketing CUSE  | 359           | 180                            | 180          | -            | -         | -        | -        | 180                | 360                |
| Asset Stewardship | Renewal Replacement | C802120 | Swale Pond Improvement         | 350           | 350                            | -            | -            | -         | -        | -        | -                  | 350                |
| <b>Total</b>      |                     |         |                                | <b>16,989</b> | <b>6,698</b>                   | <b>8,673</b> | <b>1,560</b> | <b>58</b> | <b>-</b> | <b>-</b> | <b>10,291</b>      | <b>16,989</b>      |

**BRITE** = LED in-pavement runway guard lights for RWY 16L and 16R  
**CUSE** = Common Use Systems Equipment

**PC AHU** = Pre-Conditioned Air Handling Unit

# Aviation 2026-2030 Capital Budget Key Takeaways

## Financial Forecast

- Consistent non-aero revenue growth but future revenue impacts from tenant turnover and capital projects
- Debt service coverage at 1.56x in 2026
- 6% O&M growth rate starting in 2027
- 18 months of O&M cash on hand in 2026
- CPE forecast for 2026 is \$21.10

## Capital Forecast

- \$3.7B capital spending over the next five years
- 12 new capital projects totaling \$10.3M in spending over the next five years

QUESTIONS?



# APPENDIX



## 5-year Forecast Landing Fee, FIS Fee, Apron Fee and Terminal Rate

|               | <b>Actual<br/>2024</b> | <b>Budget<br/>2025</b> | <b>Budget<br/>2026</b> | <b>Forecast<br/>2027</b> | <b>Forecast<br/>2028</b> | <b>Forecast<br/>2029</b> | <b>Forecast<br/>2030</b> |
|---------------|------------------------|------------------------|------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Landing Fee   | \$ 5.27                | \$ 4.89                | \$ 5.15                | \$ 5.41                  | \$ 5.61                  | \$ 5.89                  | \$ 6.38                  |
| FIS Fee       | \$ 16.15               | \$ 17.05               | \$ 16.28               | \$ 15.08                 | \$ 15.40                 | \$ 16.51                 | \$ 17.93                 |
| Apron Fee     | \$ 0.69                | \$ 0.80                | \$ 0.83                | \$ 1.01                  | \$ 1.05                  | \$ 1.17                  | \$ 1.29                  |
| Terminal Rate | \$ 157.90              | \$ 151.54              | \$ 167.69              | \$ 198.48                | \$ 216.68                | \$ 231.52                | \$ 253.50                |

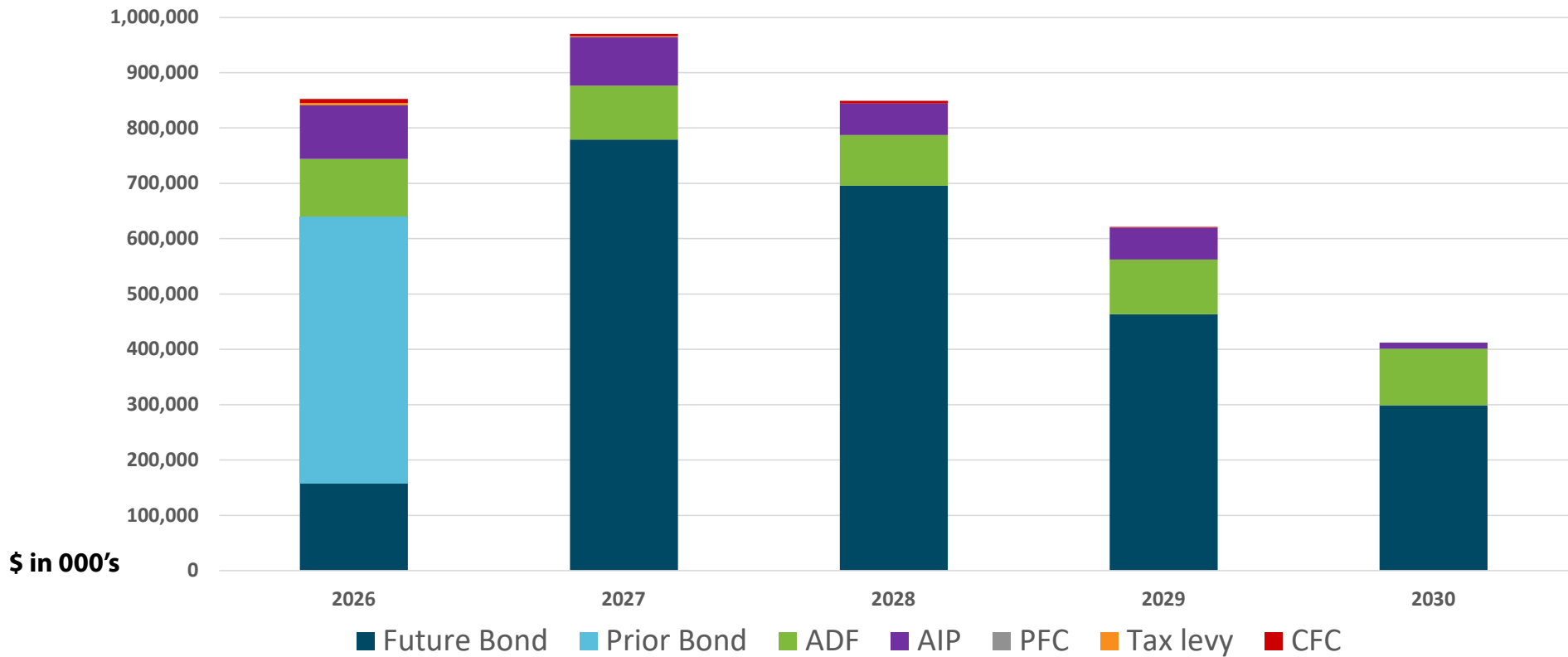
# 2026-2030 PFC Forecast

|                                      | Budget<br>2026        | Forecast<br>2027      | Forecast<br>2028      | Forecast<br>2029      | Forecast<br>2030      |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Available PFCs to Spend</b>       |                       |                       |                       |                       |                       |
| Beginning Balance                    | \$ 51,031,638         | \$ 55,572,317         | \$ 60,199,644         | \$ 61,616,368         | \$ 63,848,943         |
| Collections                          | \$ 102,053,053        | \$ 103,886,593        | \$ 104,717,687        | \$ 105,555,427        | \$ 106,399,871        |
| Interest income                      | 2,487,626             | 1,594,589             | 1,649,173             | 1,671,718             | 1,702,488             |
| PFC Revenues                         | \$ 104,540,679        | \$ 105,481,182        | \$ 106,366,860        | \$ 107,227,145        | \$ 108,102,359        |
| <b>Available PFC Revenues</b>        | <b>\$ 155,572,317</b> | <b>\$ 161,053,499</b> | <b>\$ 166,566,504</b> | <b>\$ 168,843,513</b> | <b>\$ 171,951,301</b> |
| Interest income rate                 | 3.25%                 | 2.00%                 | 2.00%                 | 2.00%                 | 2.00%                 |
| <b>PFC - USAGE</b>                   |                       |                       |                       |                       |                       |
| <u>Revenue Bond DS Offset:</u>       |                       |                       |                       |                       |                       |
| Third Runway                         | \$ 31,029,619         | \$ 31,027,282         | \$ 31,025,321         | \$ 31,023,868         | \$ 40,137,624         |
| Baggage - Existing                   | -                     | -                     | -                     | -                     | -                     |
| STS/STEP                             | 5,191,571             | 5,208,447             | 5,196,651             | 5,179,368             | 4,254,360             |
| IAF                                  | 31,440,223            | 33,593,239            | 37,950,162            | 38,194,412            | 37,956,642            |
| NSAT - Building                      | 26,305,546            | 24,991,211            | 24,797,458            | 24,654,412            | 24,653,844            |
| NSAT - Apron                         | 3,493,041             | 3,493,676             | 3,440,544             | 3,402,510             | 3,402,221             |
| NSAT - PLB                           | 1,550,000             | 1,550,000             | 1,550,000             | 1,550,000             | 1,550,000             |
| NSAT - GUTL                          | 990,000               | 990,000               | 990,000               | 990,000               | 990,000               |
| Future Project                       | -                     | -                     | -                     | -                     | -                     |
| <b>Total (B)</b>                     | <b>\$ 100,000,000</b> | <b>\$ 100,853,854</b> | <b>\$ 104,950,136</b> | <b>\$ 104,994,570</b> | <b>\$ 112,944,690</b> |
| <u>Pay-Go PFC spending:</u>          |                       |                       |                       |                       |                       |
| <b>Total Pay-Go PFC spending (C)</b> | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ 27,000,000</b>  |
| <b>Total PFC Usage (A+B+C)</b>       | <b>\$ 100,000,000</b> | <b>\$ 100,853,854</b> | <b>\$ 104,950,136</b> | <b>\$ 104,994,570</b> | <b>\$ 139,944,690</b> |
| <b>Ending Balance</b>                | <b>\$ 55,572,317</b>  | <b>\$ 60,199,644</b>  | <b>\$ 61,616,368</b>  | <b>\$ 63,848,943</b>  | <b>\$ 32,006,611</b>  |

- \$100M of PFC funds budgeted in 2026 for debt service offset
- \$56M year end balance forecasted in 2026
- Future application will spend down the balance for Pay-Go



# 2026 – 2030 Capital Funding Plan



Includes CIPs from Central Services and other divisions of \$59M

**ADF** = Airport Development Fund  
**AIP** = Airport Improvement Plan

**CFC** = Customer Facility Charge  
**CIP** = Capital Improvement Plan

**PFC** = Passenger Facility Charge

# Proposed New Project Descriptions

- **PC AHU Replacement:** 16 PC Air Handling Units (AHUs) have burst heating coils. These units provides heating from Central Mechanical Plant (CMP) so pilots do not use jet-fuel powered aircraft auxiliary power units.
- **Checkpoint Security Grill:** Checkpoint 4 security gate has had repeated maintenance issues, causing injuries to staff.
- **Master Park Landlord Improvement:** Reimburse Master Park for pre-possession improvements.
- **BRITE Replacement 16L & 16R:** Project will purchase the materials needed for the autonomous LED in-pavement runway guard lights for RWY 16L and 16R.
- **Pumphouse Valve & Vent:** Four pump valves need to be replaced immediately to comply with NFPA-25 code churn testing and prevent potential fines.
- **Employee Parking Lot C Improvement:** Per lease agreement, this project will complete tasks that were not part of the property owner's responsibilities to have the site operational for employee parking.
- **Rubber Removal Truck Purchase:** Purchase one rubber removal truck to remove rubber that accumulates from plane landing. Rubber removal helps with operations as it reduces friction of the runways.

**BRITE** = LED in-pavement runway guard lights  
**LED** = Light-Emitting Diode

**CMP** = Central Mechanical Plant  
**NFPA** = National Fire Protection Association

**PC AHU** = Pre-Conditioned Air Handling Unit  
**RWY** = Runway

22

# Proposed New Project Descriptions (cont'd)

- **Toll Plaza Drainage Replacement**: This project will replace two channel drains at the Toll Plaza exit booths that have been deteriorating, sections of which have already failed.
- **Parking Garage Dry Standpipe**: Replace two (2) and modify three (3) dry fire suppression standpipe systems located within the parking garage, ensuring full compliance with NFPA-25 standards.
- **Access Control on Mezzanine Doors**: This project will install access control and cameras for three sets of doors on the mezzanine level of the Main Terminal. This project aims to prevent unauthorized access.
- **JetBlue Zone 2 Ticketing CUSE**: Per SLOA Renewal, JetBlue does not qualify for Preferential Gate. This project will replace the JetBlue preferential ticket counters in Zone 2 ticketing with Port-standard CUSE ticket counters and equipment.
- **Swale Pond Improvement**: Stormwater quality treatment improvement required to meet the NPDES permit with the WA DOE for the Swale ponds.



Construction 50%

# Concourse C Expansion

**Scope:** Add 4 floors to the existing 3-floor C1 Building.  
Includes: Airport Dining and Retail space, office space, and lounge space, amenities such as nursing room, meditation room, and sensory room.

**Authorized Program Budget: \$400M**

**Schedule: Q2 2026**

Design Complete Q1 2023  
Early Work Packages Start Q2 2022  
Full Construction Starts Q2 2023  
Substantial Completion Q2 2026

# SEA Gateway/North Main Terminal Redevelopment Program

**Scope:** Alaska Airlines is designing and constructing a tenant reimbursement agreement program to redevelop their Ticketing and other support areas of the Main Terminal to improve passenger check-in, bag drop, and security screening capacity.

**Authorized Program Budget: \$546M**

**Schedule: Q1 2021 – Q2 2026**

- **Design Start:** Q3 2021
- **Phase A Construction:** Q3 2022 – Q4 2025  
(Bridge/Promenade & Baggage Claim)
- **Phase B Construction:** Q3 2023 – Q3 2026  
(Ticketing, Mezzanine & Checkpoint 5)





100% Construction Complete



# Concourse A Building Expansion for Lounges Project

**Scope:** Tenant Reimbursement Agreement project with Delta Air Lines to design and construct a building addition at the end of the A Concourse that will house a new Delta Sky Club, a new Delta One lounge, and an expanded shared-use lounge Club @ SEA.

**Authorized Project Budget: \$142.6M**

**Schedule: Q2 2021 – Q3 2025**

**Construction Q3 2022 – Q3 2025**  
TCO – 6/17/2025

SEA = Seattle-Tacoma International Airport  
TCO = Temporary Certificate of Occupancy

60% Design In Progress



# S Concourse Evolution

**Scope:** This project will seismically and structurally strengthen the South Concourse, complete the effort of bringing all its building systems up to date, completely replace the lower-level FIS facility, and remodel and expand the retail, dining, and club space on the upper floors of the facility.

**Target Estimated Budget Range: \$1.9B - \$2.5B**

**Schedule: Q4 2021 – TBD**

Design Begin Q3 2023

Construction NTP Q3 2025

Substantial Completion TBD

**FIS** = Federal Inspection Services (US Customs)    **SEA** = Seattle-Tacoma International Airport  
**NTP** = Notice to Proceed                                **SSAT** = South Satellite



PDD Initiated in 2022

# Main Terminal Improvements Program

**Targeted Estimated Program Budget:**  
**\$400M**

**Current Scope:** Includes limited infrastructure work, replacement, update, and addition of building life safety systems and associated architectural elements in the Main Terminal of SEA.

**Program Schedule TBD**

**PDD** = Project Definition Document  
**SEA** = Seattle-Tacoma International Airport





# Concourse A Duty Free

**Scope:** Design and construct a walk-through Duty Free on Concourse A, adjacent to the new IAF exit for connecting passengers. This 11,000 sq. ft. project will be delivered via a Tenant Reimbursement Agreement (TRA).

**Target Estimated TRA Budget: \$46M- \$72M**

**Schedule: Q3 2024 – Q4 2027**

In TRA negotiations until Q4 2025  
Design Completion Q1 2027  
Construction Q1 2027– Q2 2028

**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 11c

**BRIEFING ITEM**

**Date of Meeting** October 28, 2025

**DATE:** October 9, 2025

**TO:** Stephen Metruck, Executive Director

**FROM:** Elizabeth Morrison, Director, Corporate Finance  
Scott Bertram, Manager, Corporate Finance

**SUBJECT: Briefing on the Tax Levy and Draft Plan of Finance for 2026-2030**

**EXECUTIVE SUMMARY**

This briefing is intended to inform the Commission's decision on the amount of the tax levy for the 2026 budget year and to inform the Commission on the Port's funding of its 2026-2030 Capital Investment Plan (CIP) - the Draft Plan of Finance.

**BACKGROUND**

Ports in Washington State have authority to levy taxes on property within the port district, within certain statutory limits; the Port may use this strategic resource for any allowable port purpose other than the payment of revenue bond debt service. As part of the Port's budget process, the Commission establishes the amount of taxes to be levied within the Port district for the budget year. Staff will provide information on the uses of the tax levy and will seek Commission guidance on the establishment of the 2026 tax levy amount and uses. For the 2025 budget, the Commission authorized a levy of \$88.39 million. The Draft Plan of Finance incorporates a levy amount of \$90.18 million (a 2.0% increase) based on the Port's policy of using 75% of the maximum amount the Port is allowed to levy within statutory limits.

As part of the annual budget process, staff provides a Draft Plan of Finance that is updated each year for the subsequent five-year CIP and provides information on the funding sources available to support the CIP. The Draft Plan of Finance is intended to illustrate the Port's capacity to fund investments based on the projected available resources. Because it incorporates the 2026 operating budgets and forecasts and the tax levy, decisions made as part of the budget process affect funding resources. Staff has developed a Draft Plan of Finance for the Airport as a self-funding enterprise. The Port's non-Airport operations – Maritime, Economic Development and the Port's participation in the Northwest Seaport Alliance (NWSA) - share funding resources and the Draft Plan of Finance incorporates funding for both Port and NWSA CIPs.

Meeting Date: October 28, 2025

**ATTACHMENTS TO THIS BRIEFING**

- (1) Presentation – Tax Levy and Draft Plan of Finance 2026-2030

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

October 28, 2025 – Aviation Division CIP

October 14, 2025 – Maritime and EDD CIP and Operating Budgets Briefing, Aviation Division  
Operating Budget Briefing

September 23, 2025 – 2026 Central Services Preliminary Budget and Portwide Rollup Briefing

June 17, 2025 – Commission Budget Retreat

Item No. 11c supp

Date of Meeting: October 28, 2025

# Draft Plan of Finance 2026-2030 and Tax Levy Briefing

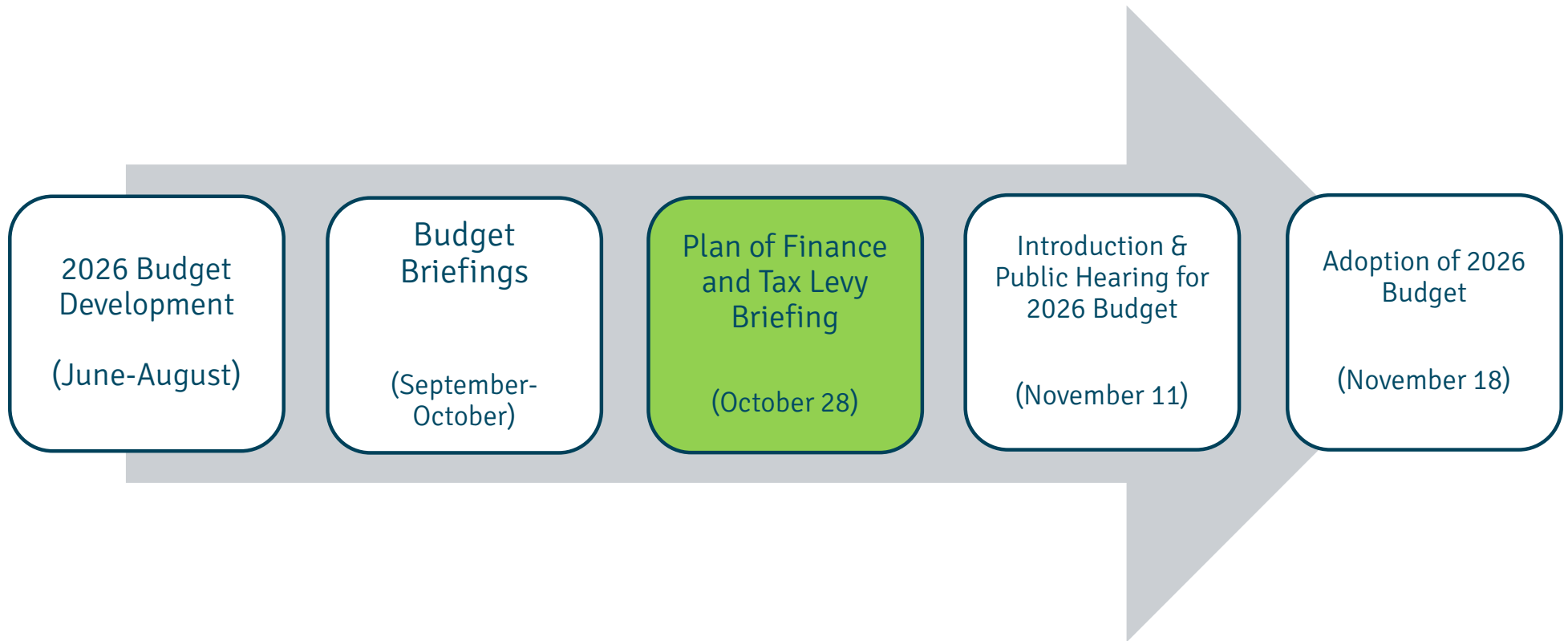
October 28, 2025



# 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

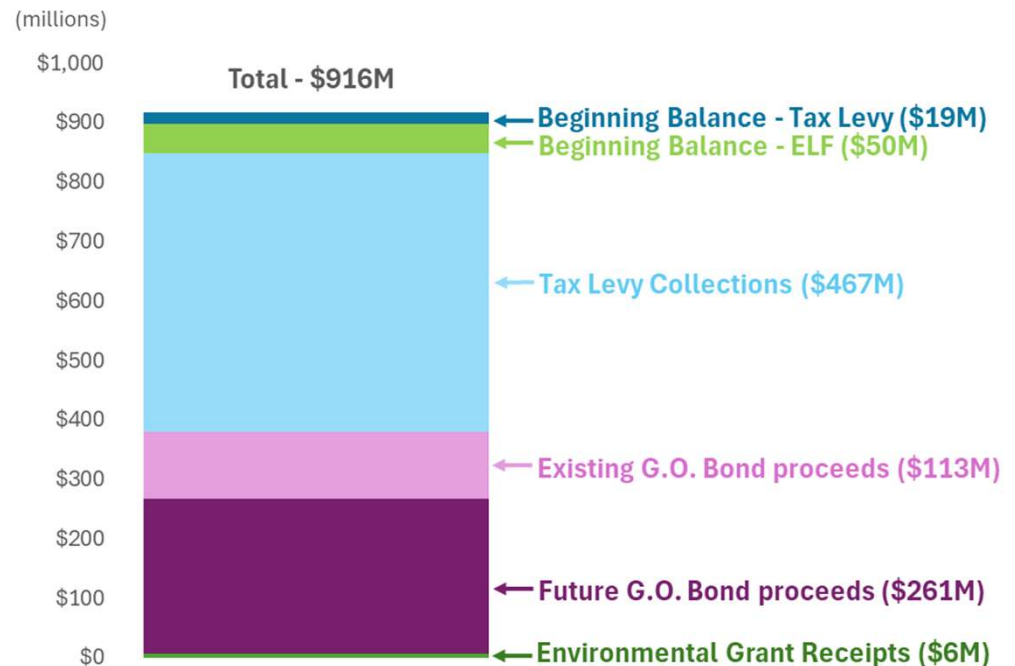
G.O. Bond debt service no more than 75% of annual levy

# 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

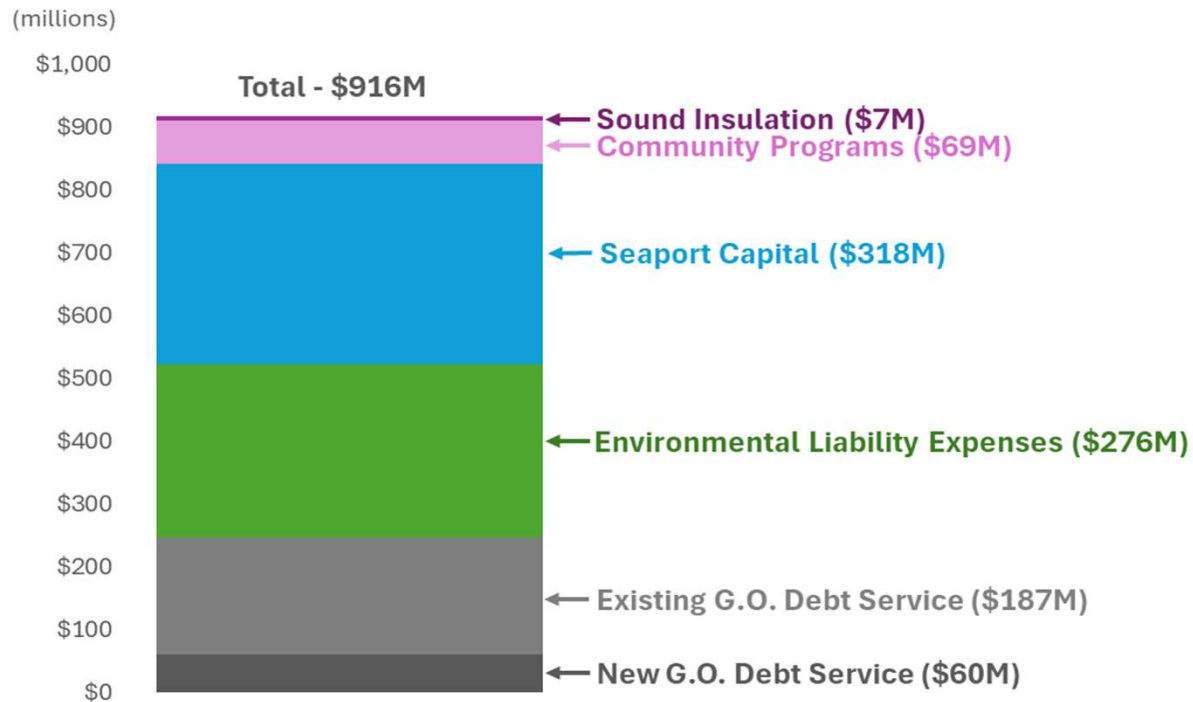
# Sources of Tax Levy & Related Funding 2026-2030

- 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 <sup>(1)</sup> 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

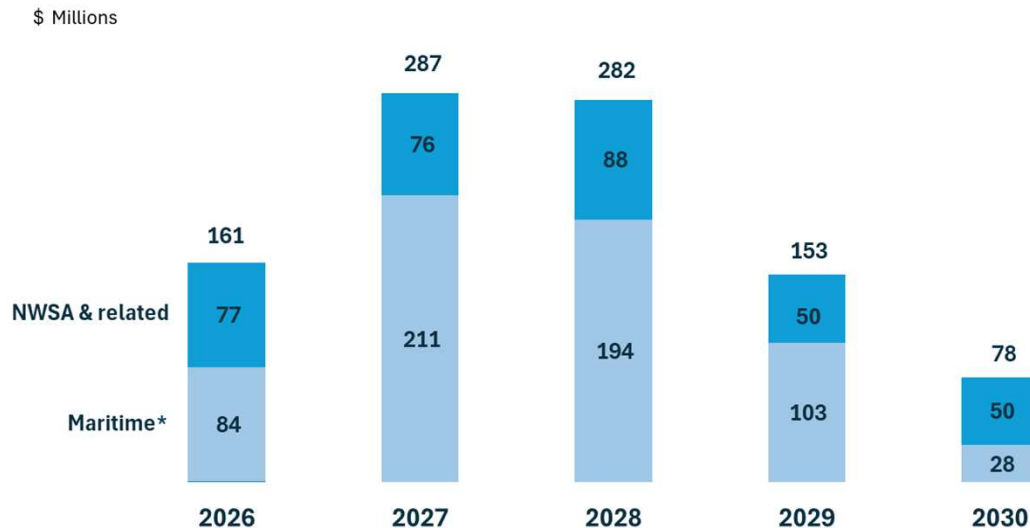
- Establish financial guardrails to manage uncertainty
- Provides a cushion for income variability

|         | Minimum Revenue Bond<br>Debt Service Coverage | Minimum Fund Balance |
|---------|-----------------------------------------------|----------------------|
| Airport | 1.40x <sup>(1)</sup>                          | 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



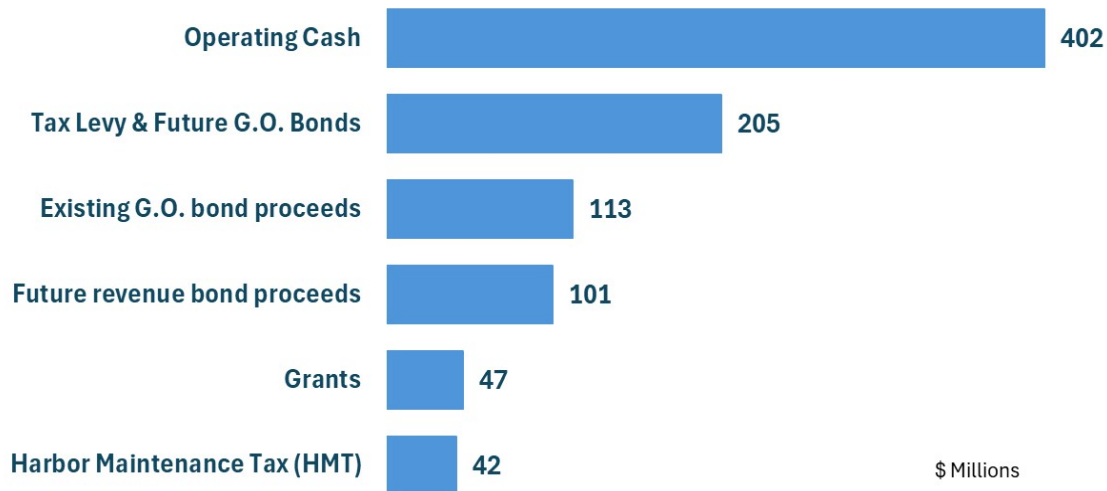
\* Includes \$12M of allocated Central Services CIP

- 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**

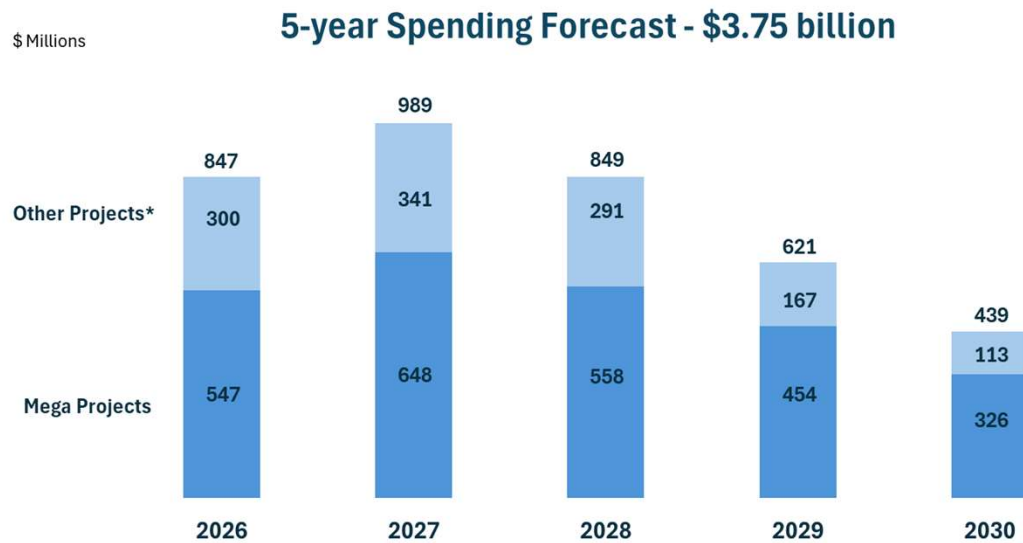
# Seaport Capital Funding (2026-2030)

## 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)

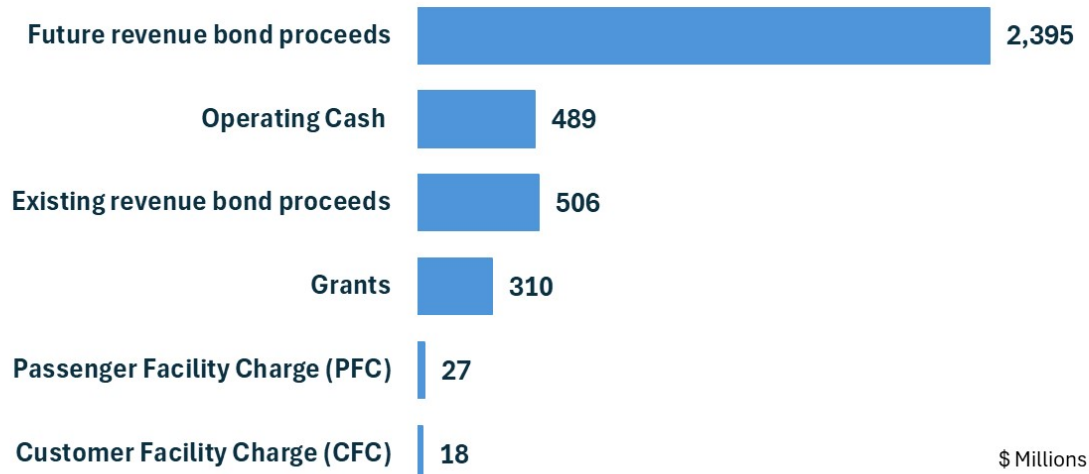


\* Includes \$49M of allocated Central Services CIP

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

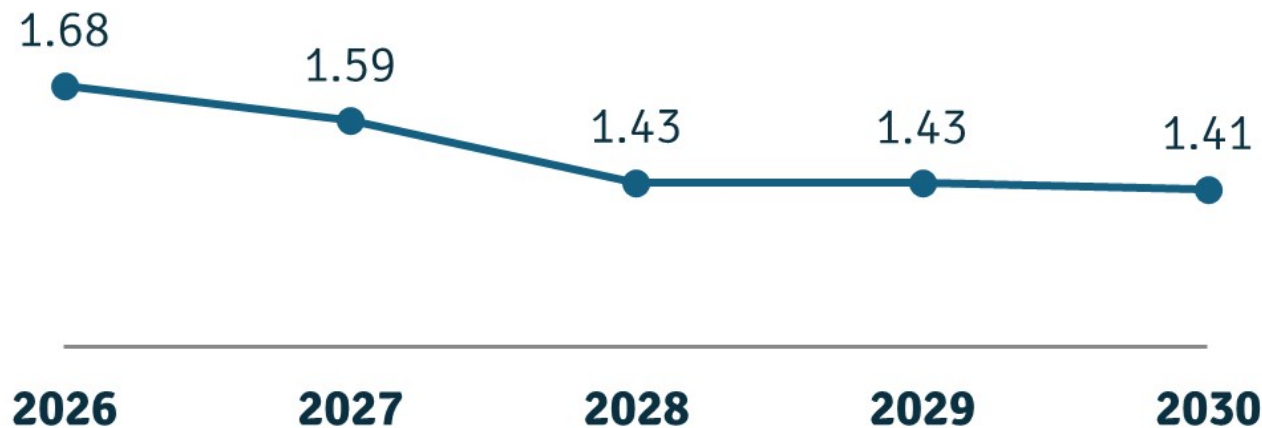
# Airport Capital Funding (2026-2030)

## 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

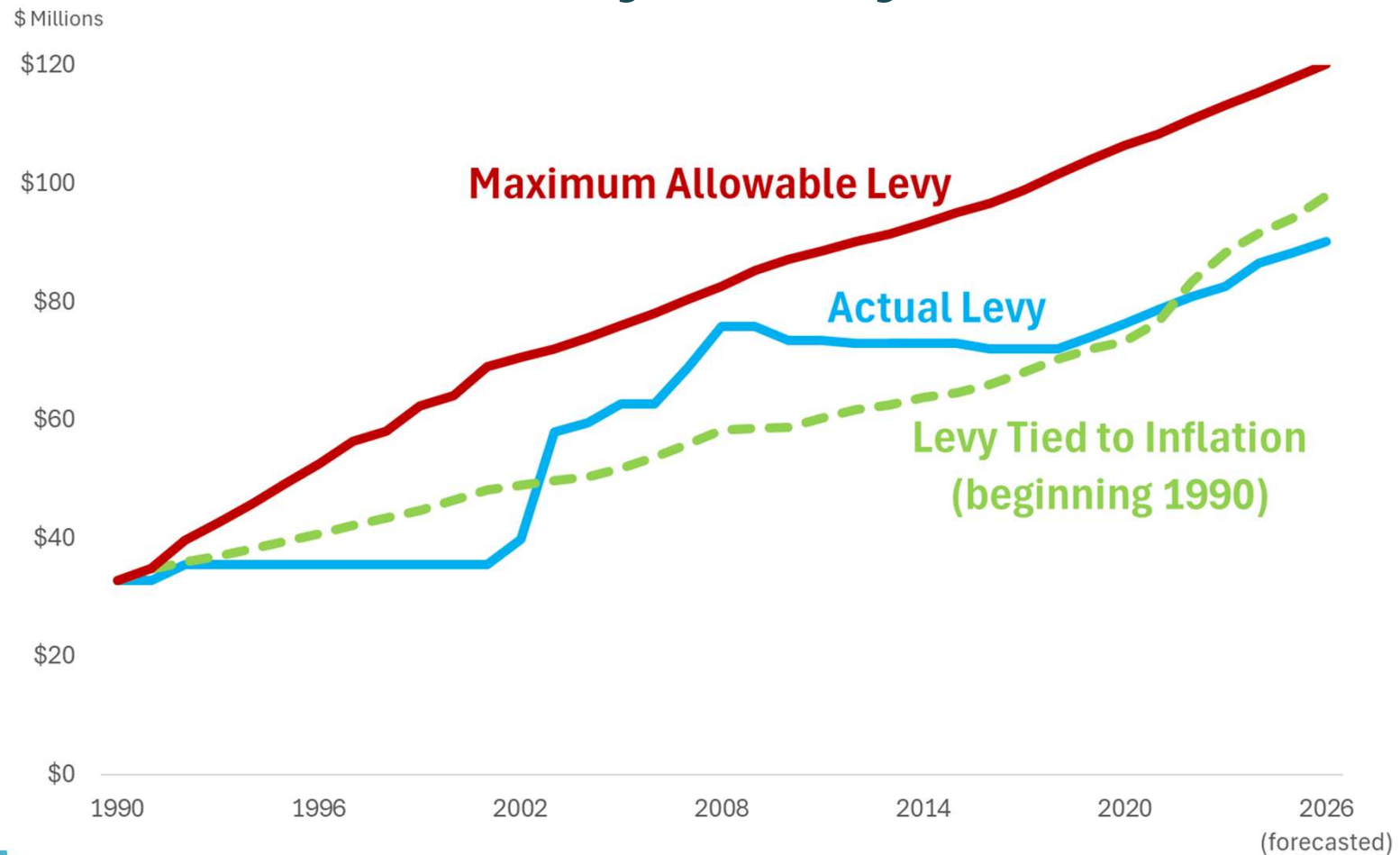
| <b>Pages</b> |                                                                            |
|--------------|----------------------------------------------------------------------------|
| 27           | Additional Tax Levy Information                                            |
| 45           | Industrial 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 lessor 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

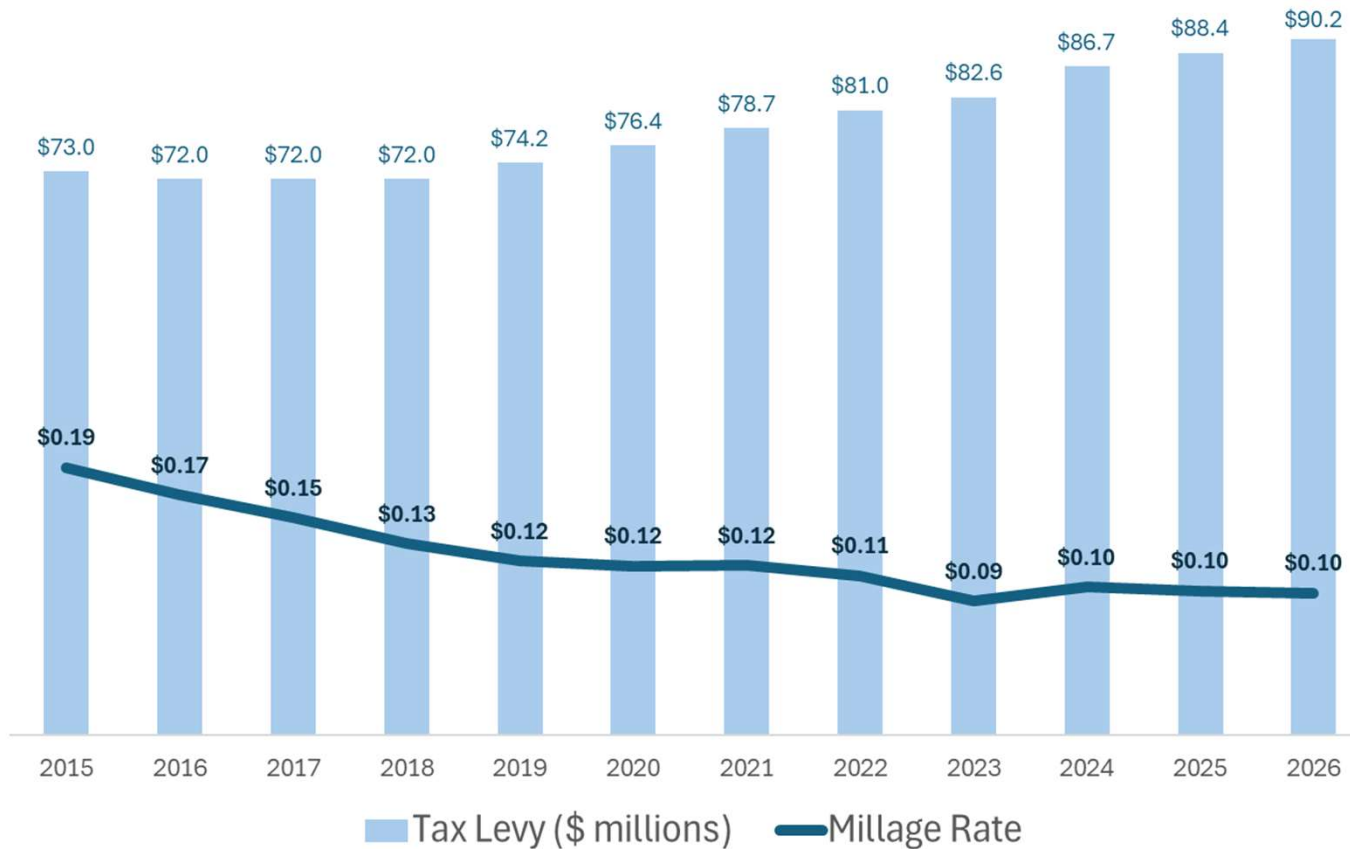


# Commission Established Levy Use Criteria for Capital Investments

**Uses: Established in 2015, updated in 2018**

|                              | <b>Operating Cash</b>                             | <b>Tax Levy</b>    |
|------------------------------|---------------------------------------------------|--------------------|
| <b>Asset Renewal</b>         | Business income sufficient to support investments | Economic benefit   |
| <b>Strategic Initiatives</b> | Short payback/<br>Self funding                    | No or long payback |
| <b>Location</b>              | 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<br>preliminary |
|------------------------------------------|---------|---------------------|
| Tax Levy (\$ million)                    | 88.4    | 90.2                |
| Estimated millage rate (\$/1000)         | 0.1012  | 0.1000              |
| Median home value (\$) <sup>(1)(2)</sup> | 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

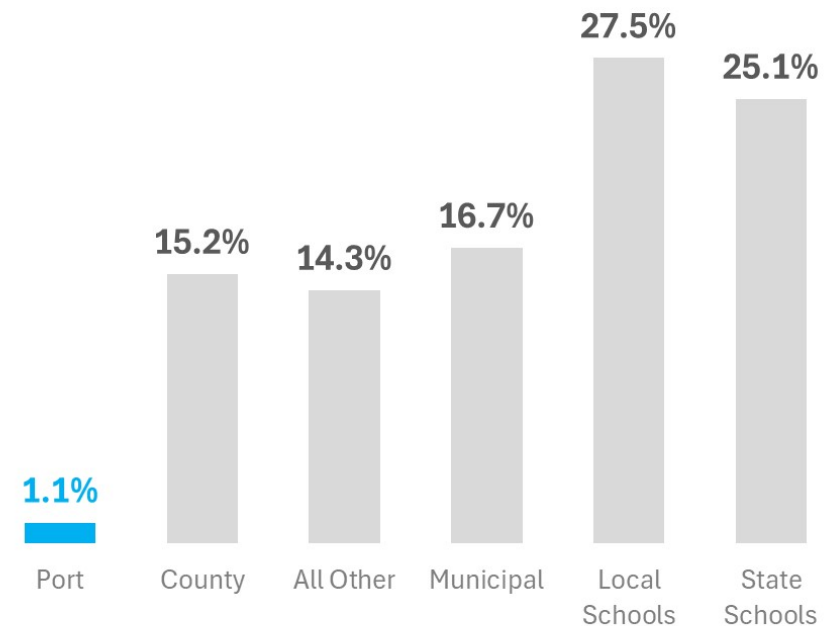
- The Port's levy increases by 2.0% in 2026; preliminary assessed valuation for 2026 is ~\$904 billion (increase of 3.5%) thus the millage rate decreased slightly
- The Port's levy was approximately 1.1% of total property taxes levied in King County in 2025



# 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)

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

| <b>Transportation Investments (\$ million)</b> | <b>2026</b>   | <b>2027</b>    | <b>2028</b>   | <b>2029</b>   | <b>2030</b>   | <b>2026-2030</b> | <b>Post 2030</b> |
|------------------------------------------------|---------------|----------------|---------------|---------------|---------------|------------------|------------------|
| 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             | -                |
| <b>TOTAL</b>                                   | <b>\$ 4.5</b> | <b>\$ 17.0</b> | <b>\$ 2.8</b> | <b>\$ 2.0</b> | <b>\$ 2.0</b> | <b>\$ 28.3</b>   | <b>\$ 6.2</b>    |

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)

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

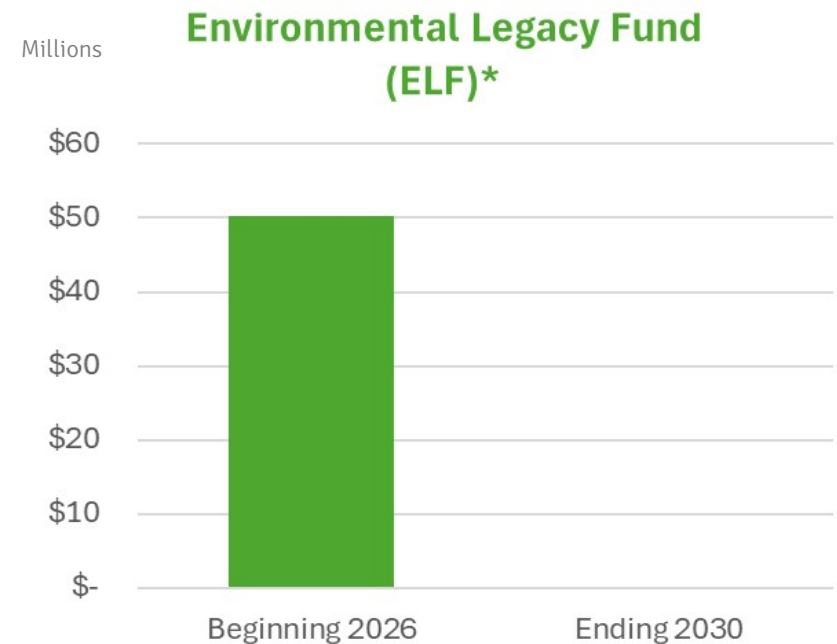
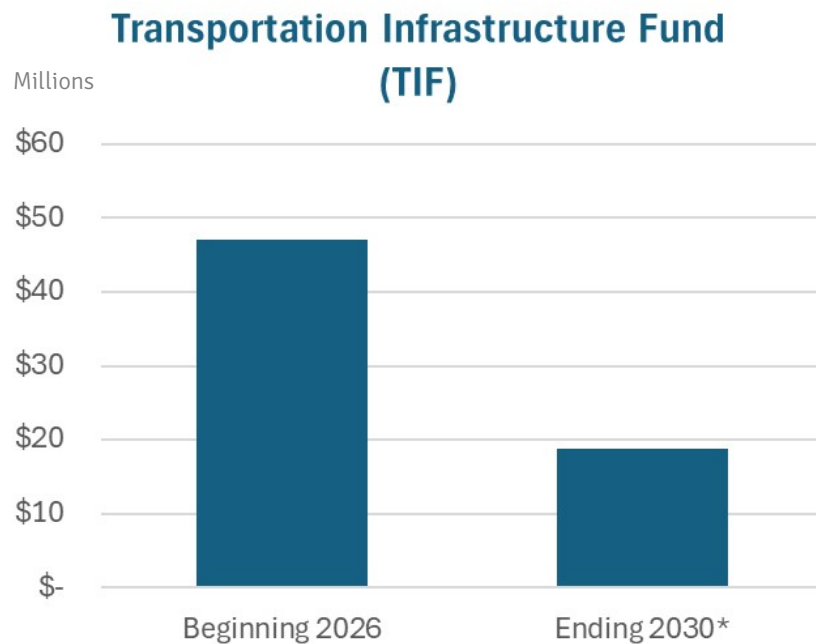
- ELF was established in 2023 to provide funding for legacy environmental liabilities
- Funded an estimated \$21.1 million of Seaport environmental remediation efforts through 2025
- Environmental efforts include, but are not limited to:
  - Lower Duwamish Superfund
  - T-108 Chiyoda site
  - Terminal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

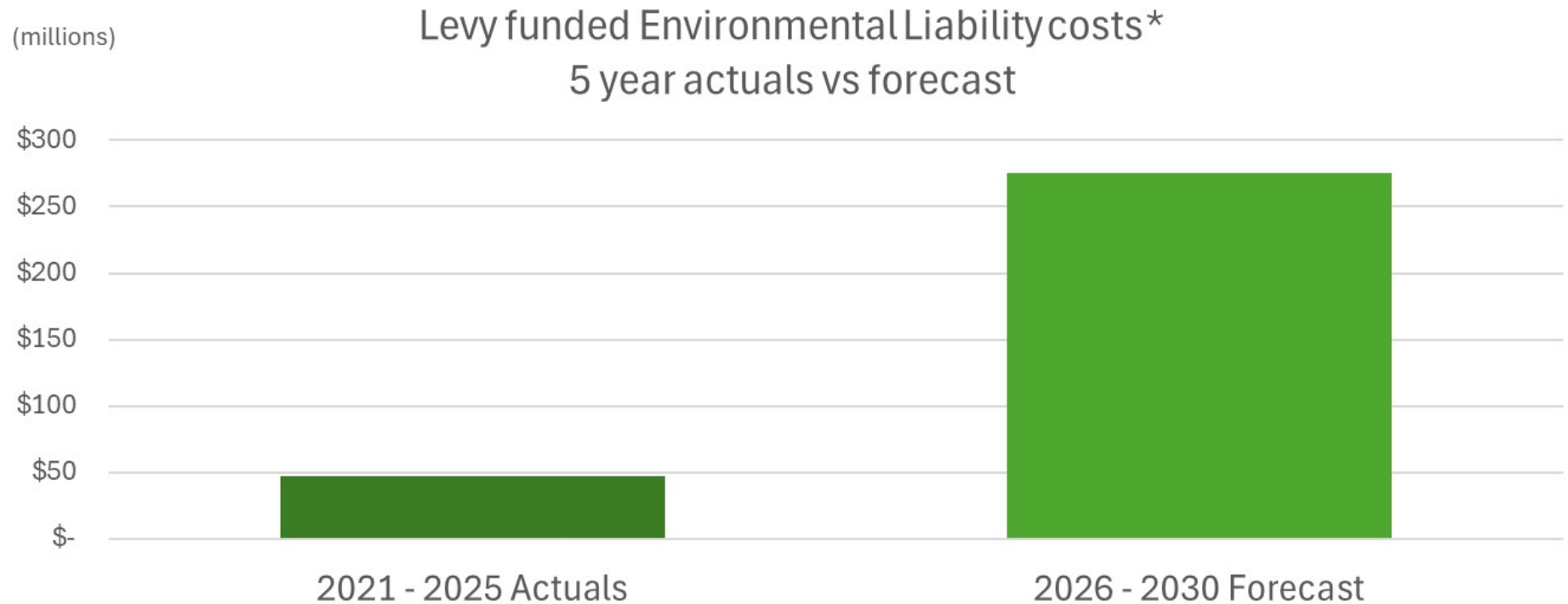
# Tax Levy Sub Fund Balances

Established by the Commission to Prepare for Future Obligations



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

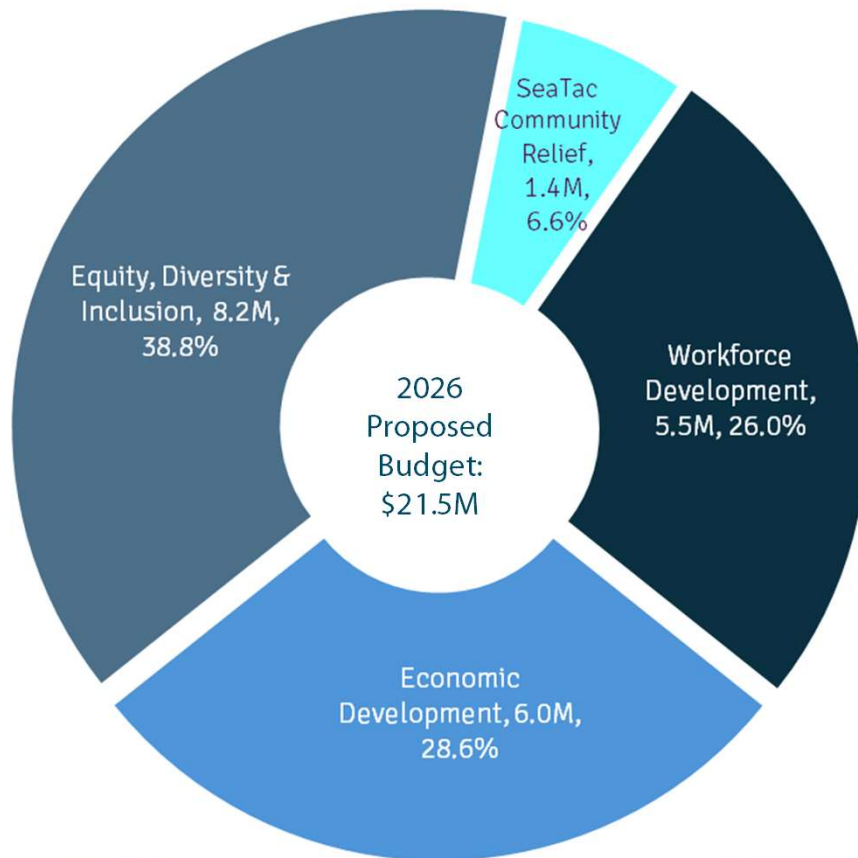
# Environmental Spending



\* 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<br>Budget | 2024<br>Budget | 2025<br>Budget | 2026<br>Proposed<br>Budget | 2026<br>Funded<br>by the levy | % of the 2026<br>Budget<br>Funded<br>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) <sup>1</sup> | 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 <sup>2</sup>                      | 2,299          | 2,304          | 2,356          | 2,463                      | 300                           | 12.2%                                            |
| a. Small Bus. Accelerator under SKCCIF <sup>2</sup>            | 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%                                             |
| <b>Sub Total</b>                                               | <b>18,691</b>  | <b>18,803</b>  | <b>19,591</b>  | <b>20,686</b>              | <b>13,577</b>                 | <b>66%</b>                                       |
| <b>Payroll charged to the Levy <sup>3</sup></b>                | <b>433</b>     | <b>589</b>     | <b>781</b>     | <b>848</b>                 | <b>848</b>                    | <b>100%</b>                                      |
| <b>Grand Total</b>                                             | <b>19,124</b>  | <b>19,392</b>  | <b>20,372</b>  | <b>21,535</b>              | <b>14,426</b>                 | <b>67%</b>                                       |

## 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<br>Funded<br>by the levy | 2024 Budget<br>Funded<br>by the levy | 2025<br>Funded<br>by the levy | 2026<br>Funded<br>by the levy | Inc/(Dec) from 2025<br>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) <sup>1</sup> | 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 <sup>2</sup>                   | 300                                  | 300                                  | 310                           | 300                           | (10)                                   | -3.3%       |
| a. Small Bus. Accelerator under SKCCIF <sup>2</sup>        | 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%      |
| <b>Total</b>                                               | <b>11,760</b>                        | <b>11,772</b>                        | <b>12,404</b>                 | <b>13,577</b>                 | <b>1,173</b>                           | <b>8.6%</b> |
| <b>Payroll charged to the Levy <sup>3</sup></b>            | <b>433</b>                           | <b>580</b>                           | <b>781</b>                    | <b>848</b>                    | <b>67</b>                              | <b>7.9%</b> |
| <b>Grand Total</b>                                         | <b>12,193</b>                        | <b>12,352</b>                        | <b>13,185</b>                 | <b>14,426</b>                 | <b>1,240</b>                           | <b>8.6%</b> |

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                |
| <b>Total Sources</b>             |

| <b>2025</b> |              |
|-------------|--------------|
| \$          | 39.4         |
|             | 88.4         |
|             | 3.8          |
|             | 0.9          |
| <b>\$</b>   | <b>132.4</b> |

## **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                                       |
| <b>Total Uses</b>                           |

|           |              |
|-----------|--------------|
| \$        | 45.5         |
|           | 32.0         |
|           | 15.6         |
|           | 14.2         |
|           | 5.0          |
|           | 1.5          |
| <b>\$</b> | <b>113.8</b> |

**Projected Ending 2025 Levy Fund Balance**

|           |             |
|-----------|-------------|
| <b>\$</b> | <b>18.6</b> |
|-----------|-------------|

Note: Excludes ELF and TIF

# 5-year Tax Levy Fund Sources and Uses

(\$ million)

## **SOURCES OF TAX LEVY & RELATED FUNDS**

Beginning Balance - Tax Levy  
Beginning Balance - ELF  
Tax Levy Collections  
Existing GO Bond Proceeds  
Future GO Bond Proceeds  
Environmental Grant Receipts

### **Total Sources**

| <b>2026-2030</b> |            |
|------------------|------------|
| \$               | 19         |
|                  | 50         |
|                  | 467        |
|                  | 113        |
|                  | 261        |
|                  | 6          |
| <b>\$</b>        | <b>916</b> |

## **USES OF TAX LEVY & RELATED FUNDS**

G.O. Bond Debt Service (existing)  
G.O. Bond Debt Service (new)  
Environmental Remediation Liability (Non-Airport)  
Seaport Capital Investments  
Sound Insulation  
Community Programs

### **Total Uses**

| <b>2026-2030</b> |            |
|------------------|------------|
| \$               | 187        |
|                  | 60         |
|                  | 276        |
|                  | 318        |
|                  | 7          |
|                  | 69         |
| <b>\$</b>        | <b>916</b> |

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

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

# Seaport CIP and Funding

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

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

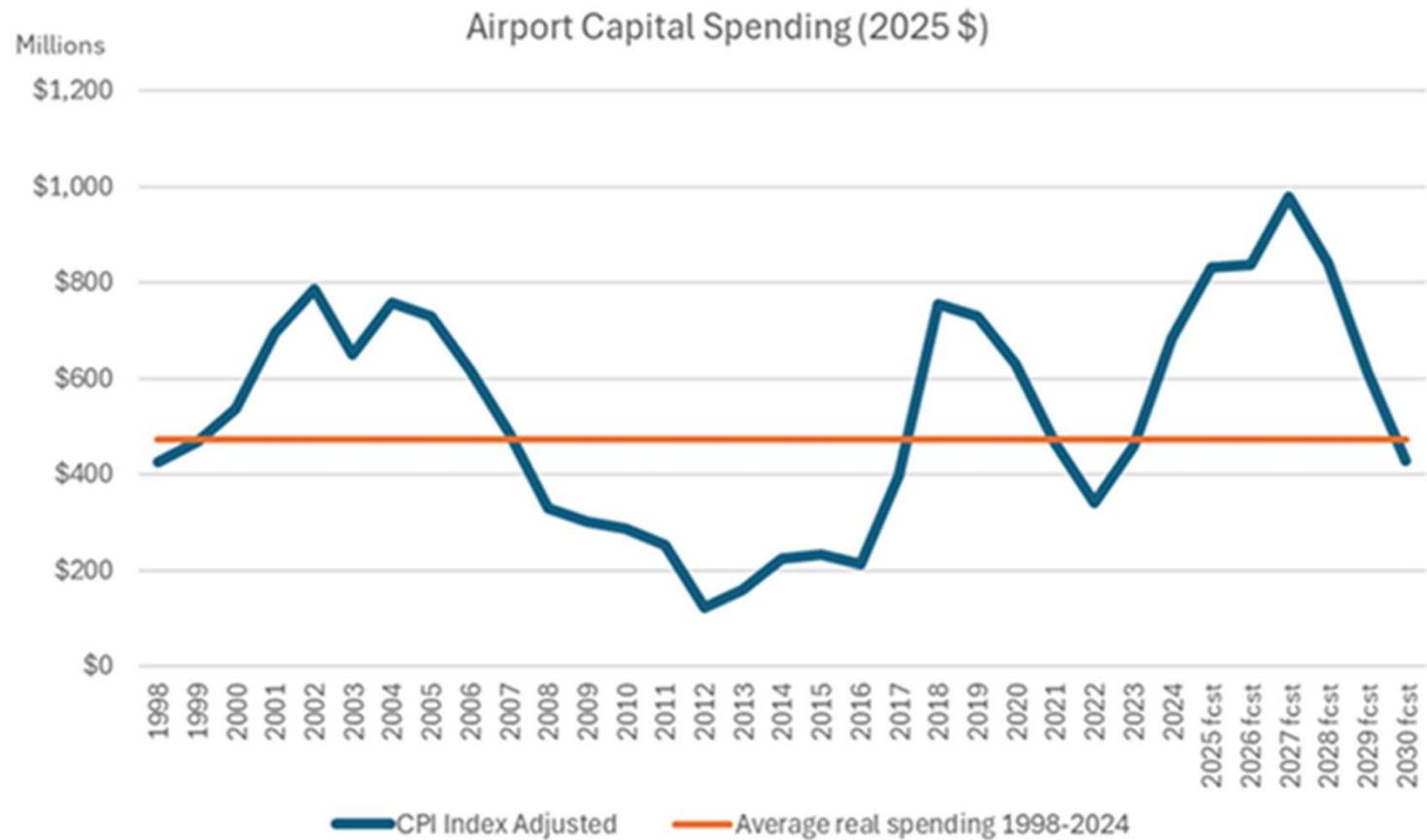
**Based on current forecast, approximately \$50M of the Maritime CIP may need to be deferred due to funding constraints**

# Airport CIP and Funding

| <b>Airport CIP</b>                                                              | <b>2026-2030<br/>(\$ million)</b> |
|---------------------------------------------------------------------------------|-----------------------------------|
| 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 <sup>(1)</sup>                                 | 113.6                             |
| Proposed New Projects                                                           | 10.3                              |
| CIP Reserves                                                                    | 131.7                             |
| <b>TOTAL</b>                                                                    | <b>\$ 3,696.1</b>                 |
| Allocated Central Services CIP                                                  | 48.8                              |
| <b>Total Airport Funded CIP</b>                                                 | <b>\$ 3,744.9</b>                 |
| (1) Sustainable Airport Master Plan<br>Note: totals may not add due to rounding |                                   |

| <b>Airport Funding Sources</b>                                                                                                | <b>2026-2030<br/>(\$ million)</b> |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Operating Cash <sup>(1)</sup>                                                                                                 | \$ 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                           |
| <b>Total Airport Funded CIP</b>                                                                                               | <b>\$ 3,744.9</b>                 |
| (1) Includes airport income available after payment of revenue bond debt service.<br>Note: totals may not add due to rounding |                                   |

# Airport Spending Cycles



# Revenue Bond Debt Service Coverage

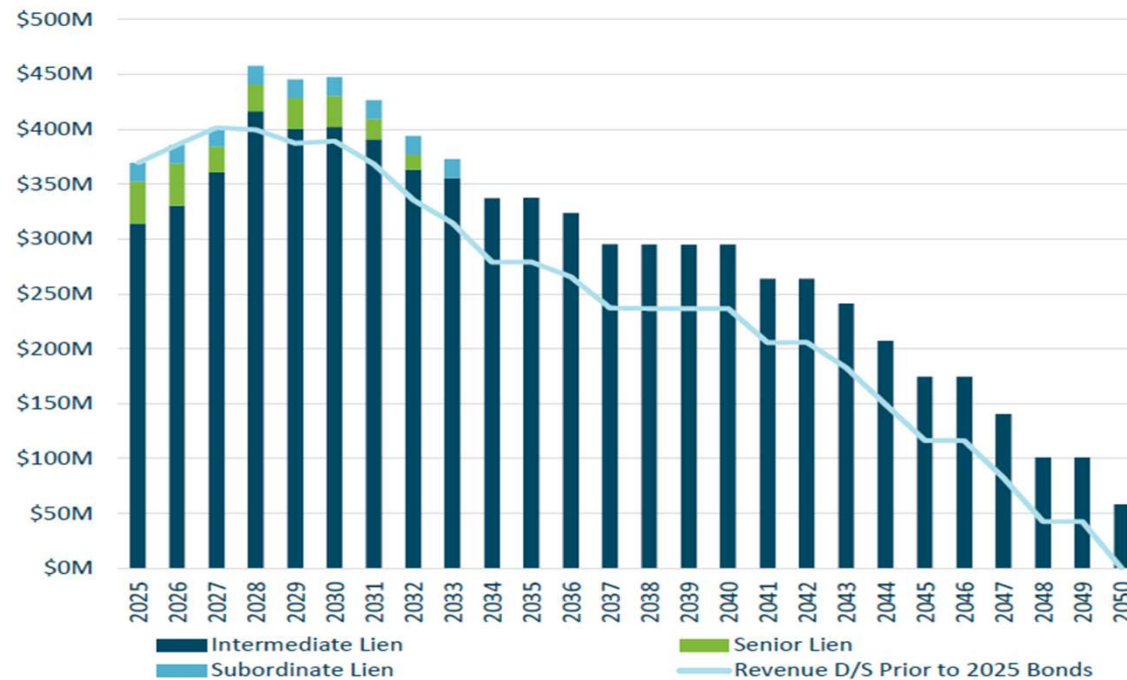
- Key metric of income available to pay debt service
  - Net income/debt service
- Management targets provide financial resilience
  - Airport 1.40x
  - Seaport 1.80x
- Legal obligation to investors
- Use of PFCs and CFCs to pay debt service improves coverage

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