Item No. 10a supp
Date of Meeting: November 11, 2025

Port of Seattle

Introduction & Public Hearing of the Preliminary 2026 Budget

Date: November 11, 2025



Outline

- Changes after the Prelim Budget Doc
- 2026 Operating Budget Highlights
- 2026 Commission Priorities
- 2026-2030 Capital Plan
- 2026 Sources and Uses of Funds
- 2026 Budgeting with Equity
- 2026 Proposed Tax Levy
- Remaining 2026 Budget Schedule

Changes after the Preliminary Budget Published

- Aviation Division – **OPERATING EXPENSE increased $1.1M**:
    - $1.1M to support increased coverage needs in the preliminary STAC & TSA exit lane contract

- Aviation Division – **OPERATING REVENUE increased $2.3M**
    - Aeronautical revenues
        - $1.1M increase to recover costs for increased coverage in the preliminary STAC & TSA exit lane staffing contract
        - $853K increase to incorporate the recently approved Building 156A lease agreement with Amazon.com Services, LLC
        - Net of $0.4M from other cost recovery adjustments

STAC – Seattle-Tacoma Airline Consortium **TSA** – Transportation Security Administration **LLC** – Limited Liability Company

Changes after the Preliminary Budget was Published

- Maritime Division
  - No change
- Economic Development Division
  - No change
- Central Services
  - No change
- NWSA/Joint Venture
  - No change

2026 Operating Budget Highlights

($ in '000s) Notes	2023 Actual	2024 Actual	2025 Budget	2026 Proposed Budget	Inc/(Dec) Change from 2025 $	%
Operating Revenues	**969,281**	**1,043,549**	**1,119,593**	**1,158,895**	**39,302**	**3.5%**
Lease Interest Income	-	-	-	24,791	24,791	0.0%
Total Operating Rev plus Lease Interest Income	**969,281**	**1,043,549**	**1,119,593**	**1,183,686**	**64,093**	**5.7%**
O&M Expenses w/o Pension Credit	**579,607**	**675,431**	**678,288**	**731,141**	**52,853**	**7.8%**
DRS Pension Credit	(28,709)	(22,790)	-	-	-	0.0%
O&M Expenses with Pension Credit	**550,899**	**652,642**	**678,288**	**731,141**	**52,853**	**7.8%**
Lease Interest Expense	98	74	17	7,915	7,898	46899.4%
SBITA Interest Expense	578	932	412	606	194	47.0%
Total Operating Exp plus Lease Interest Exp	**551,575**	**653,648**	**678,717**	**739,662**	**60,945**	**9.0%**
Net Operating Income (with Pension Credit)	**418,382**	**390,907**	**441,305**	**427,754**	**(13,551)**	**-3.1%**

- Operating revenues plus Lease Interest Income up 5.7% to $1,184 million from 2025 Budget
- Operating expenses plus Lease & SBITA Interest Expenses up 9.0% to $740 million from 2025 Budget
- Net Operating Income down -3.1% to $428 million from 2025 Budget

2026 Key Budget Drivers

- **Payroll**
  - 4.0% average pay increase for non-represented employees
  - Wage increases for represented groups based on contracts
  - Annualize new mid-year FTEs approved in 2025, which carry over into 2026
  - Added a net increase of 12.0 FTEs for 2026, focused on strategic objectives and supporting critical operations
  - 4.0% vacancy factor

- **Non-Payroll**
  - Growing operational needs and capital investment program
  - Increase in contractual costs
  - Maintenance costs for new facilities
  - Added resources for customer service and safety & security for the travelling public
  - Additional resources for Environmental Review, Community Programs, and World Cup events

2026 Major New Non-Payroll Items

Description	Total ($000s)
TSA Exit Lane Staffing	$4,600
Expense Components Related to Capital Projects	$2,605
N06478 FCSP/Flight Corridor Safety Program - Port Property	$2,002
Onsite Consultants to Tenant Expense	$2,000
On Call Planning - Airfield Study	$1,725
Zone 2 - Custodial Service Contract New RFP	$1,650
Lounge Operating Expense Increase	$1,200
Computer Refresh Program	$782
SEA Moves: Contractor Support	$769
Part 150 Noise and Land Use Compatibility Study	$750
2026 New Air Service Incentive Program	$700
Checked Baggage Technical Contract for Onsite Support	$670
SAMP NTP Environmental Review (SEPA)	$550
World Cup and the nation’s Semi-Quincentennial Anniversary Events	$500
SEA Building Information Modeling	$500

Commission 2026 Budget Priorities (Aviation)

Investments in SEA Moves – Per Commission Order 2024-13 To implement an external-facing SEA employee transportation resource and benefits program by forming a Transportation Management Association (TMA). $500K will be funded by Tax Levy. (SEA)

$25K for Connector/Offsite Check-in Feasibility Study – Feasibility study to explore a landside bus service/offsite security check-in opportunity between Seattle-Tacoma International Airport and Paine Field.

Commission 2026 Budget Priorities (Maritime)

$400K for Propeller Siting – One propeller to be installed; assessing location of second ferry propeller.

$30K Sea Lion Mitigation – Seeking new & innovative ways to address this difficult challenge.

$12K ORCA Kiosks – To install an interpretive kiosk to educate public at Shilshole Bay Marina regarding whale sitings**.**

Commission 2026 Budget Priorities (EDD)

$150K Business & Economic Development Plan – To develop a comprehensive business strategy and tactical action plan for business and economic development.

$100K Shipbuilding Readiness – To conduct a comprehensive landscape analysis of workforce readiness, industry scalability, regulatory impacts, energy needs, and competitiveness, with the goal of becoming a "shipbuilding ready" center by 2026.

$100K SAF (Sustainable Aviation Fuels) – Invest in Cascadia Sustainable Aviation Institute as an active member of the board. Co-sponsor with Environmental & Sustainability Dept.

State of WA Rural Tourism Support Program (RTS) – Develop a new program in 2026 that launches with funding in 2027 that continues to focus on sustainable rural tourism development New grant program to start in 2027.

Rewriting the Map for Equitable Tourism (RMET) Program Engaging historically redlined communities in tourism opportunities ahead of FIFA. (included in Existing Programming)

Economic Development Strategic Planning Align economic development objectives to real estate strategy update.

Commission 2026 Budget Priorities (Central Services)

$670K for expanded Maritime Workforce Investments (formerly Youth Maritime Career Launch Program) – To provide career opportunities for youths in the Maritime industry.

$618K Duwamish Valley Community Equity Program – To support green jobs, and programs that promote community-port collaboration.

$200K Strengthen ESOL Pathway – Increase access to classes for English language learners to support them in workforce development programs that require English language fluency.

$100K for Language Access Program – To increase language access for speakers with limited English proficiency.

$100K for I-BEST Pilot Development/Partnership – Pilot program to invest in Basic Education and Skills Training.

Commission 2026 Budget Priorities (Central Services)

$100K Maritime High School – To support curricula focused on Port-related industries, including maritime and green jobs.

$88K for Anti-Human Trafficking – To complete the Port's 3-year anti-human trafficking campaign efforts. The airport's share of the Port-wide costs is $38K. Maritime and Corporate's share is $25K each.

$50K CorePlus – To support the pilot program in near-port and tribal schools managed by Muckleshoot and Suquamish Tribes.

$50K IMO Mentorship Program – To support exploration of programs that move toward decarbonization.

$32K Port U: Port 101 Adult Education Series – To increase awareness of Port programs, initiatives, and facilities.

2026 Community Programs

$21.5 million is being invested in 13 programs supporting equitable economic opportunities throughout the region and healthy communities and environment.

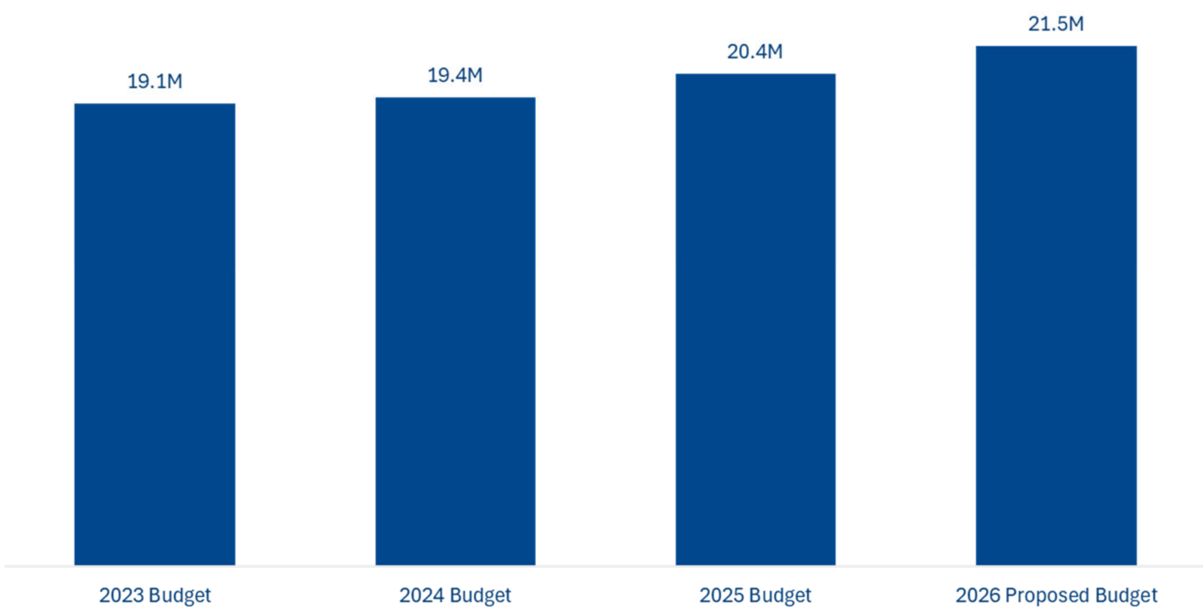
- Diversity in Contracting and DBE/WMBE Training
- Equity, Diversity and Inclusion
- City of SeaTac Community Relief

- Airport Employment Center
- Internship program
- Maritime High School
- Maritime Workforce Investments
- Construction Trades Pre-Apprenticeship Training and support

- South King and Port Communities Fund
- Duwamish Valley Community Equity Program
- Friends of the Waterfront

- Economic Development Partnership Program
- Tourism Marketing Support Program
- Community Advertising Program

Port Community Programs

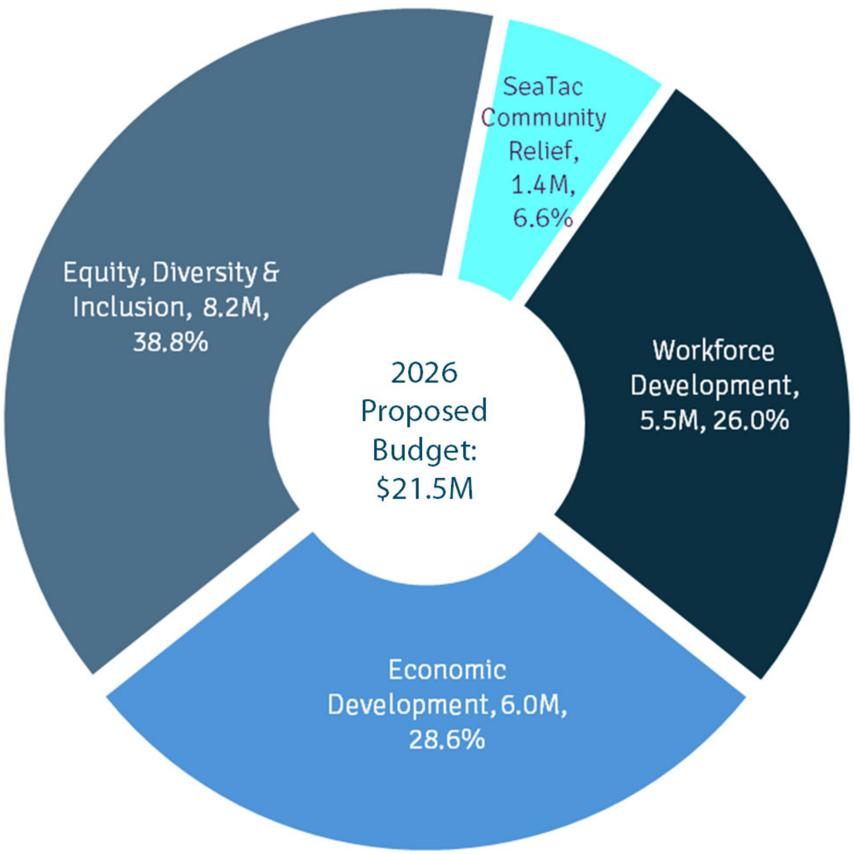


* Detailed list included in the Appendix.

Maritime High School

South King County Partners meeting

2026 Port Community Program Funding by Activity



Economic Development

- **Diversity in Contracting -**$2.5M
- **Tourism Marketing Support -** $2.1M
- **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.

2026-2030 CIP Summary

($ in 000's)	Notes	2026 Budget	2026-2030 CIP	% of 2026 Total Committed
Committed Capital Projects	1)			
Aviation Division		$ 931,831	$ 3,143,039	89.4%
Maritime Division		99,067	401,097	9.5%
Central Services		10,536	29,690	1.0%
Other		1,096	26,708	0.1%
Total Committed		**$ 1,042,530**	**$ 3,600,534**	**100.0%**
Business Plan Prospective Projects		**$ 66,783**	**$ 799,361**	
CIP Cashflow Adjustment Reserve		**$ (176,381)**	**$ 0**	
Total CIP		**$ 932,933**	**$ 4,399,895**	

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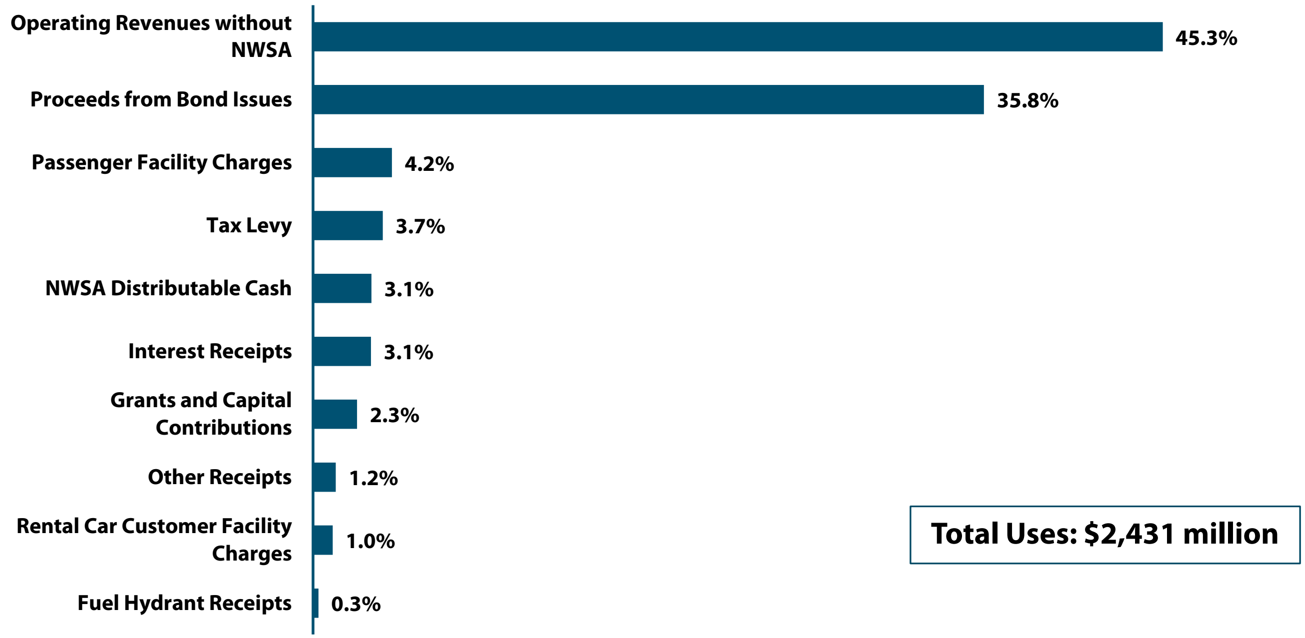
Notes:

1) Includes the Stormwater Utility and NWSA Joint Venture

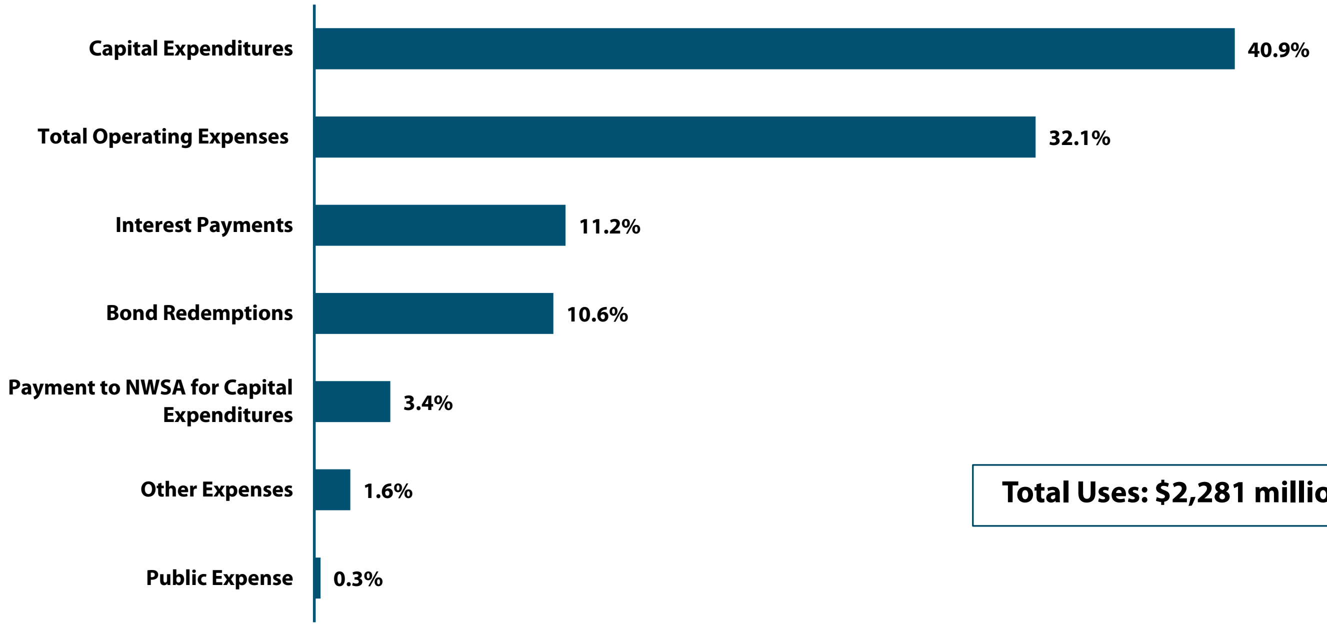
2026 Sources and Uses of Fund

2026 Sources of Funds



- 45.3% of funding sources comes from operating revenues w/o NWSA
- 35.8% of funding sources comes from bond proceeds
- The tax levy makes up 3.7% of total funding sources in 2026

2026 Uses of Funds



Total Uses: $2,281 million

- Plan to spend about 40.9% of total funds on capital projects in 2026
- 32.1% of total expenditures on operating expenses

2026 Budgeting With Equity Summary

Equity Spending Definition

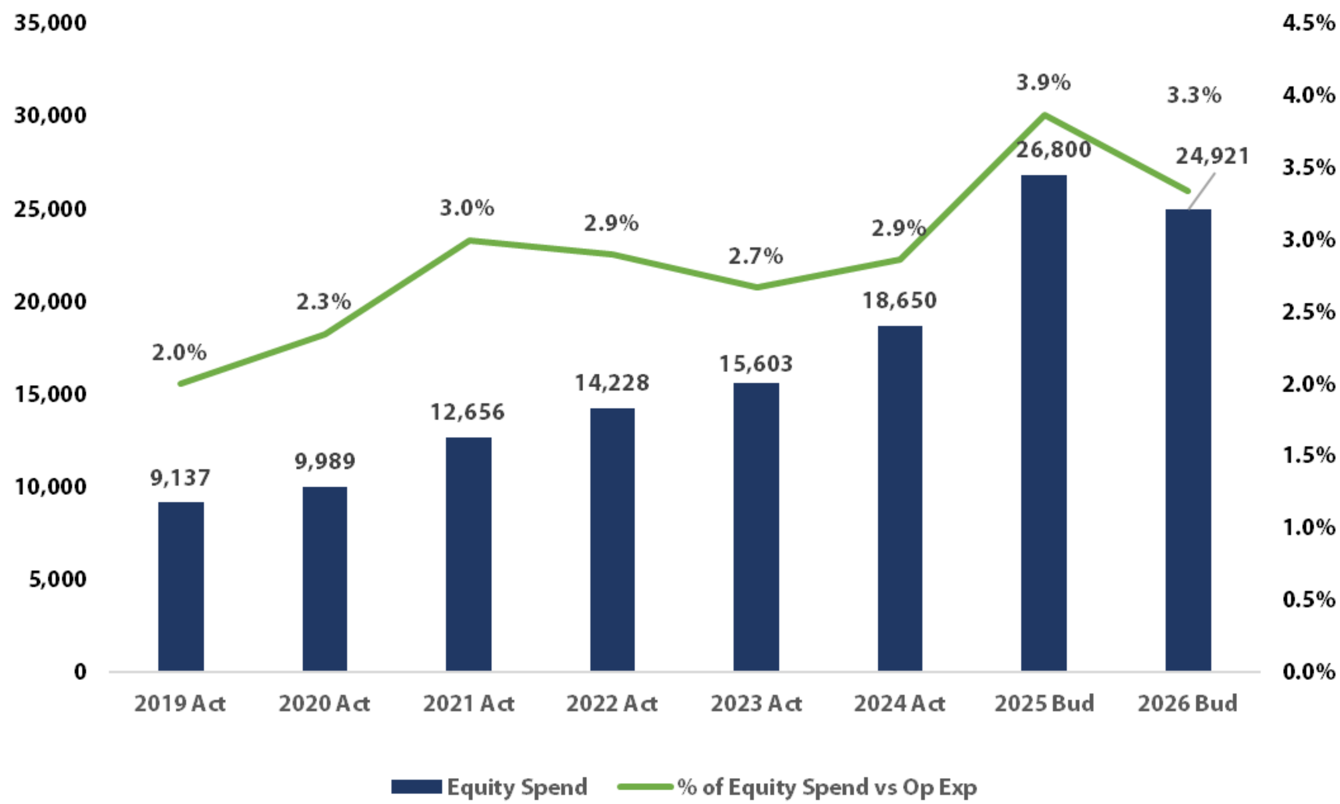
The Port of Seattle defines *equity spending* as Port investments that:

1) Invest directly in targeted communities, either through grants, contracts, programs, sponsorships, or dedicated facilities; OR

2) Invests in businesses and individuals outside the Port to help us realize our internal and external equity priorities; OR

3) Invests in Port staff whose essential work functions were designed to primarily focused on advancing equity work.

Port Wide Equity Spending as a Percentage of Total OpEx

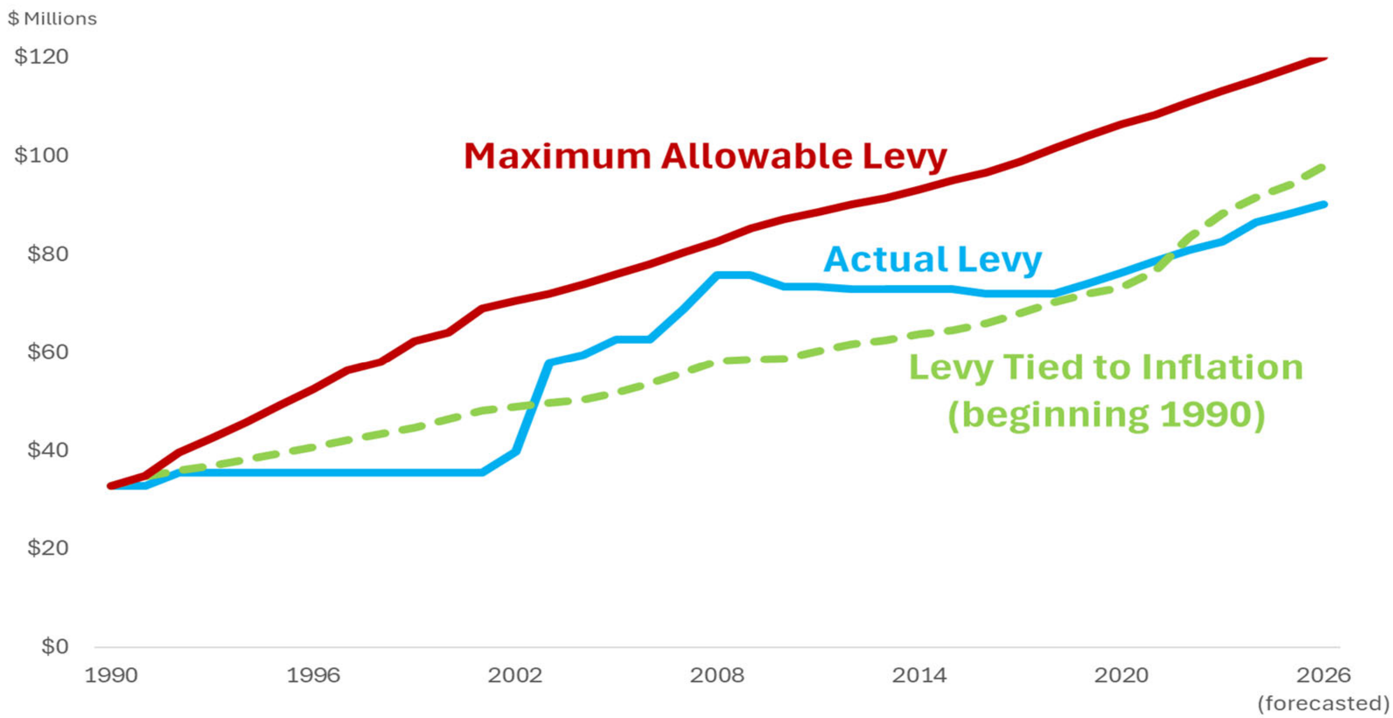


2026 Tax Levy

Bottom Line Up Front

- Recommend 2026 tax levy increase based on 75% of maximum
  - ~ 2.0% increase
- Develop and analyze levy scenarios for Commission consideration at the 2026 budget retreat including:
  - Assessment and prioritization of additional needs
  - Other funding opportunities
  - Appropriate communication with stakeholders – taxpayers, rating agencies and investors
  - Incorporating broader context of Port resilience

Levy History



Maximum levy is based on an estimated 2% annual increase: 1% levy limit plus new construction

Recent History

Budget Year	Levy Change	Approach
2019	3%	Preserve buying power
2020	3%	Preserve buying power
2021	3%	Preserve buying power
2022	3%; decreasing to 2% in subsequent years	Preserve buying power for 2022, preserve levy cushion thereafter
2023	2%	Maintain levy cushion
2024	4.8%	Establish levy cushion at 25% of maximum
2025	2%	Maintain levy cushion at 75% of maximum
2026 Recommendation	2%; assess levy scenarios for 2027	Maintain levy cushion at 75% of maximum

Potential Levy Scenarios for Consideration

	Amount	% Increase from 2025	Additional 2026 Levy collections	% of Max in 2026	Estimated Homeowner Impact
2025 Tax Levy	$ 88,385,601	0%	$ -	73.5%	
75% Levy	**$ 90,180,054**	**2.0%**	**$ 1,794,453**	**75.0%**	**$85**
Inflation rate increase	$ 92,274,567	4.4%	$ 3,888,966	76.7%	$87
1990 Inflation catch-up	$ 97,955,722	10.8%	$ 9,570,121	81.5%	$92

Scenarios – Pros and Cons

2026 Levy Scenario	Pros	Cons
Flat levy	Taxpayer relief	May require larger increase later
75% of Max in 2026, Evaluate alternatives for 2027 – recommended	**Maintains a steady increase** **Maintains cushion that supports high credit quality**	**May not keep up with inflation**
Inflation rate increase (4.4% based on King County forecast)	Provides additional levy dollars with a moderate increase	Does not provide significant additional levy dollars Reduces cushion If inflation exceeds 2%, cushion will be fully eroded over time Changes levy approach without sufficient analysis
Inflation catch-up (based on 1990 starting point)	Maintains buying power Adds additional dollars to levy collection and may reduce the need for future G.O. bond funding	Increases taxpayer burden Reduces cushion If inflation exceeds 2%, cushion will be fully eroded over time Changes levy approach without sufficient analysis

Recommendation – Stay the Course for 2026

- Staff recommendation provides for full funding of the Port's legacy environmental clean-up obligation based on current best estimates
- Taxpayers are experiencing tax increases as well as inflationary cost increases and softening economic growth
- Recommendation balances tax levy as a funding source and as support for a strong revenue bond rating
- 2026 has no funding constraints: levy projected to have a $24 million surplus balance in 2026
- **Fundamental problem is the 1% levy limit per RCW**

Further Recommendations – Evaluate Alternatives

- 2026 – Focus on resource conscious approach to add funding capacity
  - Manage expense growth
  - Increase revenues
  - Prioritize and value engineer capital spending
- Continue monitoring environmental liabilities and adjust strategy as needed to ensure full funding
- Monitor additional capital needs
- Develop scenarios and analysis for Commission consideration
- **Evaluate levy approaches that consider Port-wide resources and financial resiliency**

Remaining 2026 Budget Schedule

• Adoption of 2026 Budget	Nov. 18, 2025
• File the Statutory Budget with King County	Nov. 26, 2025
• Release the 2026 Final Budget Document	Dec. 5, 2025

Appendix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2026 Budget Process Recap

Jun 26	Commission Budget Retreat
Jul 23	2026 Budget Development Briefing
Sept 23	2026 Central Services Operating and Capital Budgets Briefing and Port Wide Rollup
Oct 14	2026 Aviation Division Operating Budget Briefing
Oct 14	2026 Maritime and EDD Operating and Capital Budgets Briefing
Oct 21	Preliminary 2026 Budget Document provided to the Commission
Oct 21	Preliminary 2026 Budget Document released to the public
Oct 28	2026 Aviation Division Capital Budget Briefing
Oct 28	Tax Levy & Draft Plan of Finance Commission Briefing
Nov 11	Introduction & Public Hearing of the Preliminary 2026 Budget
Nov 18	Adoption of the 2026 Budget
Nov 26	File the 2026 Statutory Budget with King County
Dec 5	Release the 2026 Final Budget and Draft Plan of Finance

2026 Business Activity Forecasts

Aviation Division:

- Passenger volumes for 2026 projected to be 54.1M, 1.7% higher than 2025 forecast
- Long-term focus on capital planning and projects

Maritime Division:

- Cruise forecasts a record 330 vessel sailings with over 2.0 million passengers and 102% occupancy rate
- Grain volume budgeted at 3.2 million metric tons, a 9.3% decrease from the 2025 budget

Economic Development Division:

- Commercial Properties target 90% occupancy rate at the end of 2026

2026 Proposed Community Programs

Program (in $000)	**2023 Budget**	**2024 Budget**	**2025 Budget**	**2026 Proposed Budget**	**2026 Funded by the levy**	**% of the 2026 Budget Funded by the levy**
1) Energy & Sustainability Fund	120	-	-	-	-	0.0%
2) Airport Community Ecology (ACE) Fund	40	40	40	-	-	0.0%
3) South King and Port Communities Fund	2,214	2,214	2,205	2,195	2,195	100.0%
4) Duwamish Valley Community Equity Program	462	471	619	617	617	100.0%
5) EDD Partnership Grants	850	950	950	950	950	100.0%
6) Tourism Marketing Support Program	1,830	1,875	2,154	2,134	920	43.1%
7) Airport Spotlight Ad Program*	466	466	518	518	518	100.0%
8) City of SeaTac Community Relief*	1,400	1,400	1,400	1,400	1,400	100.0%
9) Maritime Blue (formerly Maritime Innovation Center)	150	175	175	180	180	100.0%
10) Workforce Development	5,186	5,077	4,976	4,972	3,827	77.0%
a. Maritime Workforce Investments (formerly YMCL) [1]	1,000	900	750	670	670	100.0%
b. Airport Employment Center	1,517	1,517	1,517	1,653	507	30.7%
11) High School Internship Program	457	486	520	523	290	55.4%
12) Diversity in Contracting [2]	2,299	2,304	2,356	2,463	300	12.2%
a. Small Bus. Accelerator under SKCCIF [2]	250	250	260	250	250	100.0%
b. DBE/ACDBE/WMBE Training Consultants & Outreach	50	50	50	50	50	100.0%
13) Equity, Diversity & Inclusion	1,767	2,065	2,459	2,540	230	9.1%
Sustainable Aviation Fuels & Air Emissions Program	100	-	-	-	-	0.0%
Carbon Initiative	150	150	300		-	0.0%
Community Biz Connector (Regional Small Biz Partnerships)	350	380	380		-	0.0%
Public Market Study	100	-	-	-	-	0.0%
14) Seattle Aquarium Partnership	1,000	1,000	-	400	400	100.0%
Green Economy			50		-	0%
15) Friends of the waterfront			750	2,000	2,000	100%
Sub Total	**18,691**	**18,803**	**19,591**	**20,642**	**13,577**	**66%**
Payroll charged to the Levy [3]	**433**	**589**	**781**	**848**	**848**	**100%**
Grand Total	**19,124**	**19,392**	**20,372**	**21,491**	**14,426**	**67%**

Notes:

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

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

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

* Non-Operating Accounts

Community Programs Funded by Tax Levy

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

Notes:
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 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

2026 Operating Budget for Aviation

($ in '000s)	2023 Actual	2024 Actual	2024 Budget	2025 Budget	Inc/(Dec) Change from 2025 $	%
Operating Revenues						
Aeronautical	479,697	520,942	563,836	617,786	53,950	9.6%
Airport Non-Aero Revenues	326,592	348,212	372,280	367,381	(4,899)	-1.3%
Total	**806,289**	**869,154**	**936,117**	**985,167**	**49,050**	**5.2%**
Lease Interest Income	-	-	-	9,872	9,872	0.0%
Total Operating Rev plus Lease Interest Income	**806,289**	**869,154**	**936,117**	**995,039**	**58,922**	**6.3%**
O&M Expenses w/o Pension Credit	**469,263**	**548,405**	**553,222**	**588,135**	**34,913**	**6.3%**
DRS Pension Credit	(23,572)	(18,577)	-	-	-	0.0%
O&M Expenses with Pension Credit	**445,691**	**529,828**	**553,222**	**588,135**	**34,913**	**6.3%**
Lease Interest Expense	4	8	-	7,897	7,897	0.0%
SBITA Interest Expense	384	352	254	203	(51)	-19.9%
Total Operating Exp plus Lease Interest Exp	**446,079**	**530,187**	**553,476**	**596,235**	**42,759**	**7.7%**
Net Operating Income (with Pension Credit)	**360,598**	**339,326**	**382,895**	**397,032**	**14,138**	**3.7%**

2026 Operating Budget for Seaport

($ in '000s)		2023 Actual	2024 Actual	2024 Budget	2025 Budget	Inc/(Dec) Change from 2025 $	%
Operating Revenues							
Maritime		99,648	106,811	118,111	110,425	(7,686)	-6.5%
Economic Development		(24)	8	3	16	13	423.8%
NWSA/Joint Venture	1)	57,636	61,406	56,920	56,972	52	0.1%
Stormwater Utility/ELIM		5,192	5,635	8,260	6,057	(2,203)	-26.7%
Central Services		539	534	183	259	76	41.3%
Total		**162,991**	**174,395**	**183,476**	**173,728**	**(9,749)**	**-5.3%**
Lease Interest Income		-	-	-	14,919	14,919	0.0%
Total Operating Rev plus Lease Interest Income		**162,991**	**174,395**	**183,476**	**188,647**	**5,170**	**2.8%**
Operating Expenses							
Maritime		93,596	101,991	103,748	115,962	12,214	11.8%
Economic Development		3,351	2,951	3,890	3,344	(546)	-14.0%
Joint Venture		3,466	2,354	1,763	5,154	3,391	192.3%
Stormwater Utility/ELIM		4,726	5,953	5,574	5,661	88	1.6%
Central Services		5,205	13,777	10,092	12,885	2,793	27.7%
O&M Expenses w/o Pension Credit		**110,345**	**127,026**	**125,067**	**143,007**	**17,940**	**14.3%**
DRS Pension Credit		(5,137)	(4,212)	-	-	-	0.0%
O&M Expenses with Pension Credit		**105,208**	**122,814**	**125,067**	**143,007**	**17,940**	**14.3%**
Lease Interest Expense		95	67	17	18	1	5.8%
SBITA Interest Expense		194	580	158	402	244	154.7%
Total Operating Exp plus Lease Interest Exp		**105,496**	**123,460**	**125,241**	**143,427**	**18,185**	**14.5%**
Net Operating Income (with Pension Credit)		**57,784**	**51,581**	**58,410**	**30,721**	**(27,689)**	**-47.4%**

Notes:

1) Includes NWSA Distributable Revenue

2026 Comprehensive Budget

(Combined Operating & Non-Operating Items)

($ in 000s)	2023 Actual	2024 Actual	2025 Budget	2026 Proposed Budget	Inc/(Dec) Change from 2025 $	%	Explanations
Revenues							
1. Operating Revenues	969,281	1,043,549	1,119,593	1,158,895	39,302	3.5%	Higher operating revenues from each division
2. Tax Levy	82,313	85,885	88,390	90,180	1,790	2.0%	Proposed a 2.0% increase in 2026
3. Passenger Facilities Charges	95,681	99,364	100,944	102,054	1,110	1.1%	Higher enplanements than 2025 budget
4. Customer Facilities Charges	24,657	24,896	25,057	25,327	270	1.1%	Slightly increase from 2025 budget
5. Fuel Hydrant	6,681	6,389	6,985	6,986	1	0.0%	
6. Non-Capital Grants and Donations	19,192	3,491	4,884	2,209	(2,675)	-54.8%	Lower Non-Capital Federal Grant in 2026
7. Capital Contributions	36,309	94,282	53,329	54,699	1,369	2.6%	Higher Capital Federal Grant in 2026
8. Interest Income	94,541	81,374	72,631	74,857	2,226	3.1%	Higher interest rates and fund balance in 2026
9. Lease Interest Income	-	-	-	24,791	24,791	0.0%	Due to new GASB 87
Total	**1,328,655**	**1,439,231**	**1,471,812**	**1,539,997**	**68,185**	**4.6%**	
Expenses							
1. Operating Expenses	550,899	652,642	678,288	731,141	52,853	7.8%	Higher operating expenses from each division
2. Depreciation	256,740	277,917	267,028	308,165	41,137	15.4%	More new assets coming to service
3. Revenue Bond Interest Expense	146,686	150,434	182,905	210,147	27,242	14.9%	New bond issuances in 2026
4. GO Bond Interest Expense	10,162	14,365	15,323	17,309	1,986	13.0%	Higher Debt Insurance Costs in 2026
5. Non-Op Environmental Expense	10,056	3,072	14,800	14,800	-	0.0%	
6. Public Expense	20,869	11,150	7,597	6,263	(1,334)	-17.6%	Lower Public Expenses in 2026
7. Other Non-Op Rev/Expenses	944	13,425	(18,295)	17,150	35,445	-193.7%	Significant decrease in HMT
8. Special Item Income/Expense	-	91,107	-	-	-	0.0%	
Total	**996,356**	**1,214,112**	**1,147,646**	**1,304,976**	**157,329**	**13.7%**	
Revenues over Expenses	**332,299**	**225,118**	**324,166**	**235,021**	**(89,145)**	**-27.5%**	

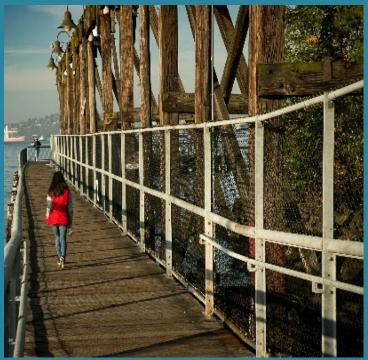
2026 FTE Summary

	Aviation	Maritime	Econ Dev.	Central Services	Total
2025 Approved FTE's	**1,381.4**	**321.5**	**18.0**	**976.8**	**2,697.6**
Mid Year Approval	3.0	3.0	-	6.2	12.2
Eliminated	(7.0)	-	-	-	(7.0)
Net Transfers	-	-	-	-	-
Adjusted 2025 FTE's [1]	1,377.4	324.5	18.0	983.0	2,702.8
2026 Budget					
Eliminated	-	-	-	(5.0)	(5.0)
Transferred	-	-	-	-	-
New FTE's	10.0	-	-	7.0	17.0
Total 2026 Changes	10.0	-	-	2.0	12.0
Proposed 2026 FTE's	**1,387.4**	**324.5**	**18.0**	**985.0**	**2,714.8**

- Propose a net increase of 12.0 FTEs for 2026
  - 10.0 for Aviation
  - 2.0 for Central Services

Notes:
1) Includes FTEs from Stormwater Utility in Maritime Division.

Equity in Budgeting Highlights by Division

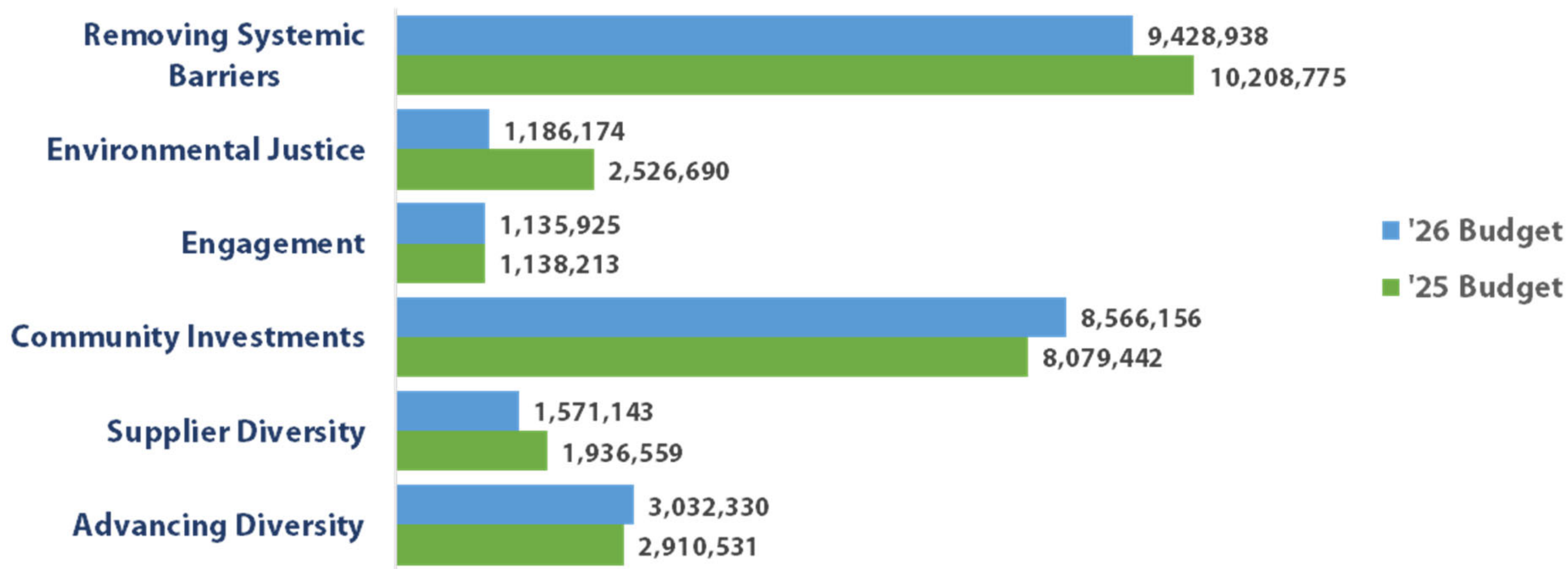


Equity Spending Criteria

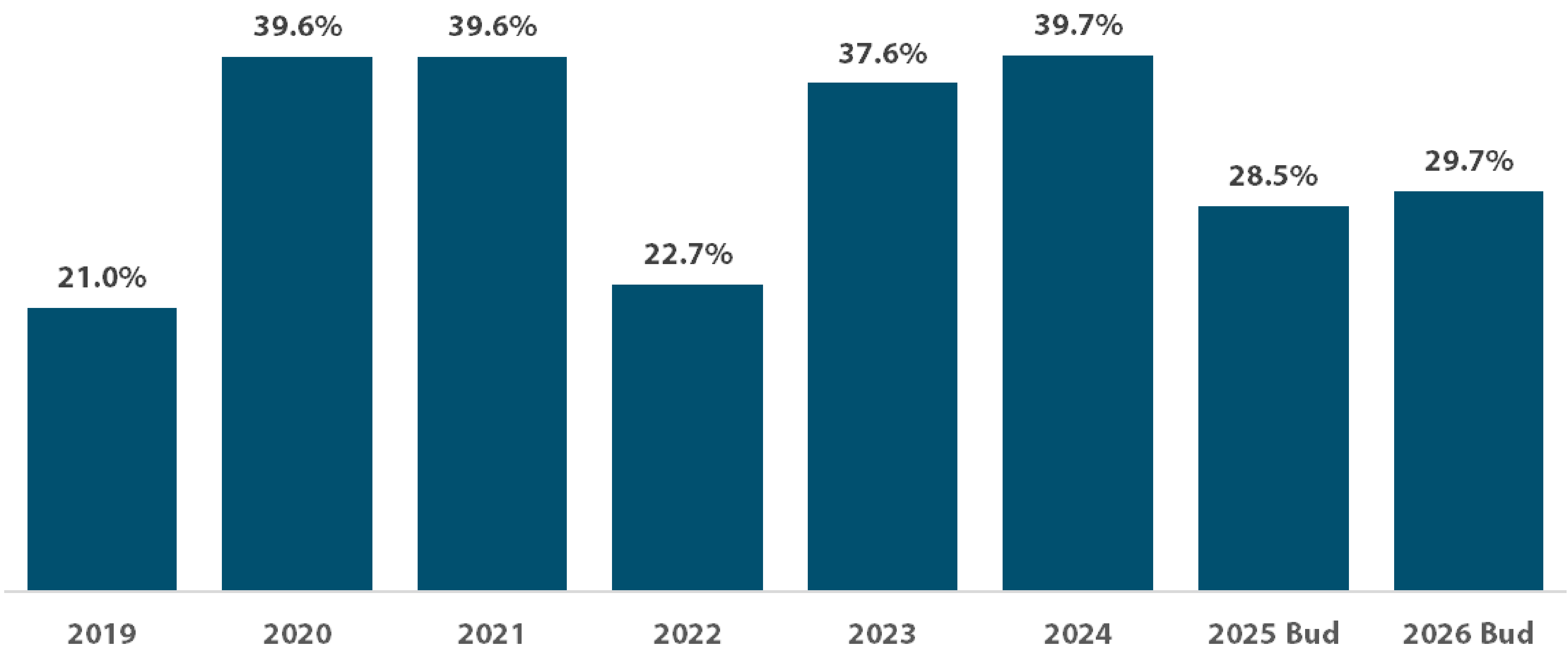
If an investment meets one of the definitions, then it must also meet at least one of the key criteria:

A. Advances diversity for the Port.
B. Removes systemic barriers for BIPOC or structurally excluded communities to participate in the Port.
C. Programs and funding that were developed through direct engagement with communities, and/or communities been consulted in design of the program.
D. Has a demonstrable impact in quality of life for BIPOC or structurally excluded communities.
E. Was intentionally designed to have a positive impact in BIPOC or structurally excluded communities .
F. Achieves our environmental justice goals and removes barriers for BIPOC or structurally excluded communities to live and enjoy a healthy environment.

2026 Port Wide Equity Spending by Category



Port Wide Equity Spending Funded by Tax Levy



2026 Equity Spending Highlights

- Workforce Development Programs ($4,173K)
  - Airport Employment Center ($1,653K)
  - Maritime Workforce Investments ($670K)
  - Construction Pre-Apprenticeship Program ($750K)
  - Maritime High School ($100K)
- South King and Port Communities Fund ($1,945K)
  - Total SKPCF is $2,195K if including $250K in Diversity in Contracting in EDD
- Noise Part 150 Study ($750K)
- Transportation Pilot for SEA workers "SEA Moves" ($750K)
- Duwamish Valley Community Equity Program ($617K)

2026 Equity Spending Highlights - Cont.

- Veteran's Program ($361K)
- Childcare Initiative Implementation ($350K)
- High School Internship Program ($290K)
- Language Access Fund – Port wide ($229K)
- Maritime Blue ($180K)
- Equity Assessment Part 2 ($100K)
- Taxi Driver Employment Navigator ($65K)
- Immigration Rapid Response Contract ($30K)
- Employee Resource Groups ($20K)

2026 levy Sources and Uses

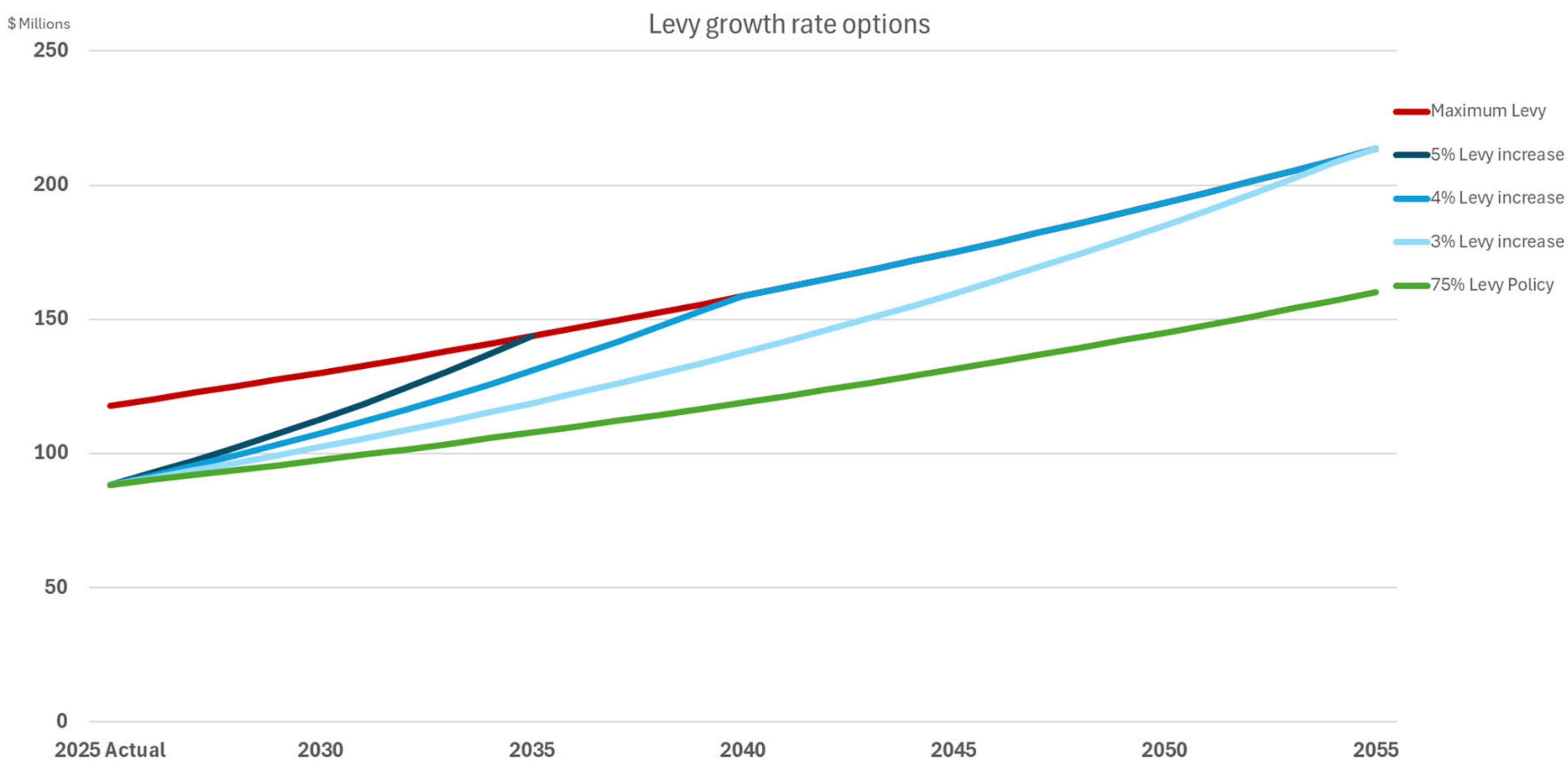
($ million)

	2026
SOURCES OF TAX LEVY FUNDS	
2026 Beginning Levy Fund Balance	$ 18.6
Annual Tax Levy	90.2
Total Sources	$ 108.8
USES OF TAX LEVY FUNDS	
G.O. bond debt service (existing)	$ 38.9
Non-Airport Capital Investments	25.4
Community Programs	15.5
Aviation NOISE	5.0
Total Uses	$ 84.8
Projected Ending 2026 Levy Fund Balance	$ 24.0

3%, 4%, 5% Annual Levy Increase Reference

	Amount	% Increase from 2025	Additional 2026 Levy collections	% of Max in 2026	Estimated Homeowner Impact
75% Levy	**$ 90,180,054**	**2.0%**	**$ 1,794,453**	**75.0%**	**$85**
3% Levy Increase	$ 91,037,169	3.0%	$ 2,651,568	75.7%	$86
4% Levy Increase	$ 91,921,025	4.0%	$ 3,535,424	76.4%	$86
5% Levy Increase	$ 92,804,881	5.0%	$ 4,419,280	77.2%	$87

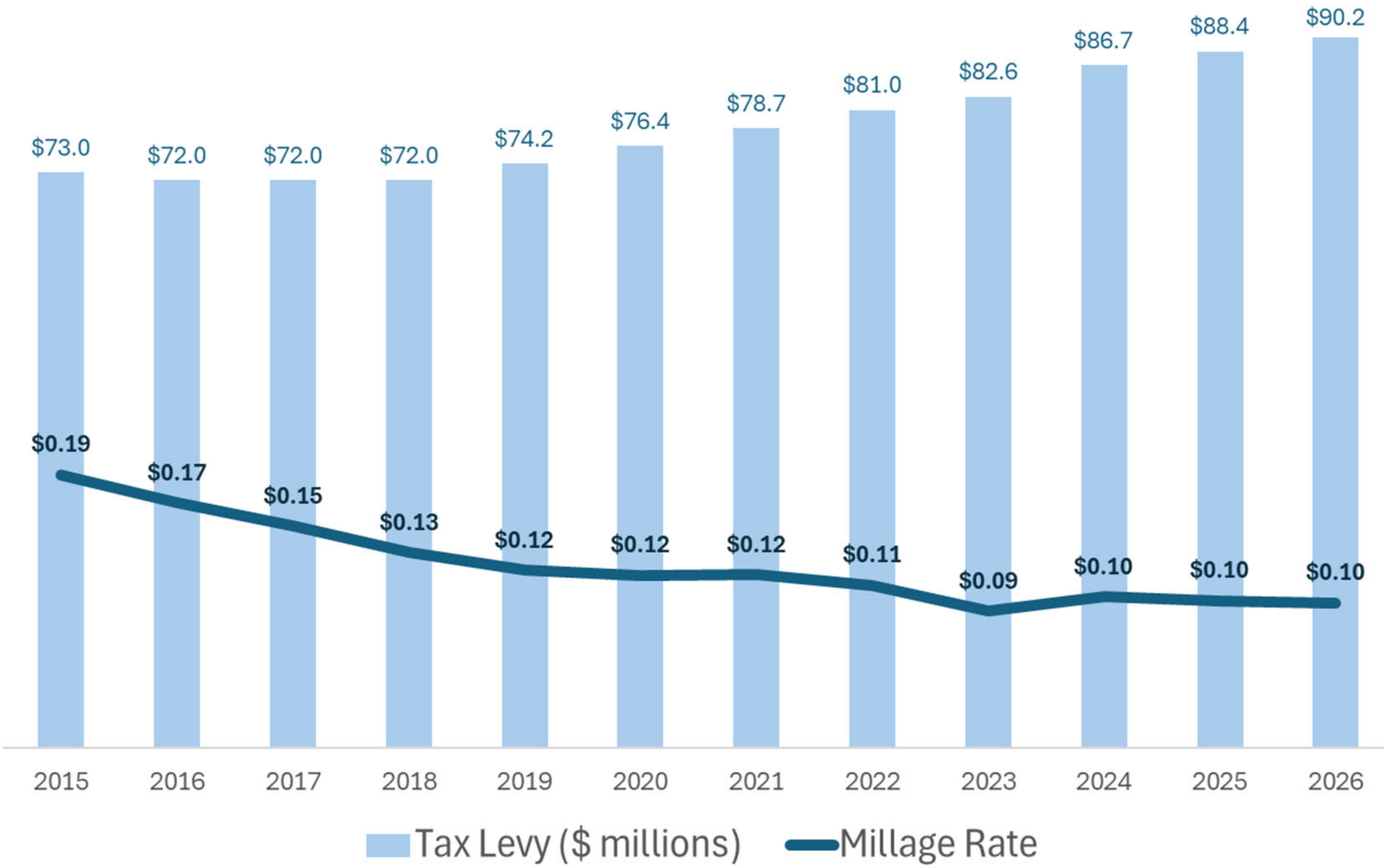
3%, 4%, 5% Annual Levy Increase Reference



Tax Levy Summary

- Levy amount is approved annually by the Commission
- Levy can be leveraged by issuing General Obligation (G.O.) bonds
- Current Levy uses:
  - G.O. bond debt service
  - Environmental remediation and sustainability
  - Regional transportation mobility
  - Community: equity, workforce, economic development
  - Investments in seaport infrastructure
- The Port may approve a levy amount up to the maximum allowable within statutory limits ($120.2 million in 2026)
- 2026 levy proposed to be $90.2 million

2015-2026 Tax Levy & Millage Rate (1)



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

Taxpayer Impact

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

(1) 2025 per King County; 2026 data is not yet available
(2) 2024 median assessed value was $761,000

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

GASBs 87 Lease and 96 SBITA Accounting Changes

- Require to report part of the lease payments from tenants (except for leases related to aeronautical revenues) as non-operating interest income, instead of operating revenues.
- No impact to the Port's overall Changes in Net Position.
- Treat leases more like a long-term financing arrangement, similar to a loan for our tenants to use the Port facilities, with part of the lease payments representing interest income on that financing arrangement.
- Conversely, when the Port makes lease or subscription payments to vendors (for the use of land, facilities, equipment, or subscription-based IT services) a portion of those payments is now classified as non-operating interest expense.