



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8c

ACTION ITEM

Date of Meeting June 23, 2026

DATE: June 5, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Chris Wimsatt, Chief Financial Officer
Scott Bertram, Manager, Corporate Finance
Angie Rose, Principal Financial Analyst, Corporate Finance

SUBJECT: Adoption of Resolution No. 3849 – Issuance and Sale of Intermediate Lien Revenue Refunding Bonds in the Aggregate Principal Amount of Not-to-Exceed \$250,000,000 and Resolution No. 3850 – Issuance and Sale of First Lien Revenue Refunding Bonds in the Aggregate Principal Amount of Not-to-Exceed \$70,000,000

ACTION REQUESTED

Adoption of the following Resolutions:

- Resolution No. 3849: A Resolution of the Port Commission of the Port of Seattle authorizing the issuance and sale of Intermediate Lien Revenue Refunding Bonds, Series 2026 in the aggregate principal amount of not to exceed \$250,000,000 (the “2026 Intermediate Lien Bonds”), for the purpose of refunding the Port’s Intermediate Lien Revenue Bonds, Series 2015C (the “2015C Bonds”) and the Port’s Intermediate Lien Revenue Refunding Bonds, Series 2016 (the “2016 Bonds”).
- Resolution No. 3850: A Resolution of the Port Commission of the Port of Seattle authorizing the issuance and sale of First Lien Revenue Refunding Bonds, Series 2026 in the aggregate principal amount of not to exceed \$70,000,000 (the “2026 First Lien Bonds”), for the purpose of refunding the Port’s First Lien Revenue Refunding Bonds, Series 2016B (the “2016B Bonds”).

Resolution No. 3849 and No. 3850 also set forth certain bond terms and covenants and delegate authority to approve final terms and conditions and the sale of the 2026 Intermediate Lien Bonds and 2026 First Lien Bonds, respectively.

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EXECUTIVE SUMMARY

Commission authorization is requested to 1. issue the 2026 Intermediate Lien Revenue Refunding Bonds in an amount not-to-exceed \$250,000,000 (including any cost of issuance) to refund up to \$225,740,000 outstanding 2015C Bonds and 2016 Bonds for debt service savings, and 2. to issue the 2026 First Lien Revenue Refunding Bonds in an amount not-to-exceed \$70,000,000 (including any cost of issuance) to refund up to \$66,365,000 outstanding 2016 Bonds for debt service savings.

JUSTIFICATION

As part of the Port’s debt management program, the Port monitors opportunities to reduce debt service. The Port has three outstanding series of revenue bonds that are currently callable and based on current market interest rates provide expected favorable refunding opportunities:

- 2015C and 2016 Bonds (Intermediate Lien)
 - Funded or refunded capital improvements at the airport
- 2016B Bonds (First Lien):
 - Refunded bonds issued in 2007 to fund various Seaport capital improvements

The Port expects to refund a total of \$225,740,000 of outstanding 2015C and 2016 Bonds and estimates present value savings of approximately \$8.3 million if savings targets are met. The Port expects to refund a total of \$66,365,000 of the 2016B Bonds and estimates present value savings of approximately \$2.0 million if savings targets are met.

ADDITIONAL BACKGROUND

The Port typically refinances bonds to achieve uniform annual savings by issuing new debt at lower interest rates. The Port may also choose to use cash instead of issuing new bonds to retire callable debt. This approach does not change the total amount of cash used over time; it simply accelerates when that cash is applied.

Contributing cash to the refunding reduces the amount of refunding bonds that will need to be issued, which lowers future debt service, and improves debt service coverage in the prepaid years. This strengthens Portwide financial flexibility and supports the Port’s strong credit.

Staff recommends that up to \$25 million of General Fund cash be used to accelerate payment of certain maturities of the 2016B First Lien Bonds in lieu of refunding with new bonds if market conditions warrant close to the time of the transaction. The General Fund balance currently exceeds the Seaport 12-month O&M fund balance target and exceeds the minimum fund balance forecast in the Plan of Finance over the next several years due to improvements in financial performance and one-time sources of funds. The exact general fund contribution amount and specific debt maturities targeted will be determined closer to the bond sale date in early August. Because this is merely an acceleration of the use of cash to pay debt service, no Commission

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action is required. The requested maximum par amount of the First Lien Refunding Bonds is based on no cash being used to prepay 2016B bonds.

DETAILS

The 2026 Intermediate Lien Bonds are being issued pursuant to the Intermediate Lien Master Resolution No. 3540 and this Resolution No. 3849. Resolution No. 3849 is similar in all material respects to other Intermediate Lien Series Resolutions.

The 2026 Intermediate Lien Bonds are expected to be issued in two series based on the tax status of the 2015C and 2016 Bonds being refunded:

- One series is expected to be issued as governmental bonds exempt from all federal income tax (Non-AMT). This series would be used to refund the outstanding 2016 bonds.
- A second series is expected to be issued as private activity bonds exempt from regular income tax but subject to the Alternative Minimum Tax (AMT). This is the most common type of tax-exempt bond that the Port issues because it allows the Port to lease facilities to airport and seaport tenants. This series would be used to refund the outstanding 2015C bonds.

The 2026 First Lien Bonds are being issued pursuant to the Amended and Restated Master Resolution No. 3577 and this Resolution No. 3850. Resolution No. 3850 is similar in all material respects to other First Lien Series Resolutions. The 2026 First Lien Bonds will be issued as tax-exempt private activity bond exempt from regular federal income tax, but subject to the alternative minimum tax (AMT).

Delegation of Authority

Both Resolutions No. 3849 and No. 3850 delegate to the Port’s Executive Director the authority to approve interest rates, maturity dates, redemption rights, interest payment dates, and principal maturities for the Bonds (these are generally set at the time of pricing and dictated by market conditions at that time). Commission parameters that limit the delegation are a maximum bond size, maximum interest rate, and expiration date for the delegated authority. If the 2026 First Lien Bonds and 2026 Intermediate Lien Bonds cannot be sold within these parameters, further Commission action would be required. The recommended delegation parameters are:

2026 Intermediate Lien Bonds:

Maximum size:	\$250,000,000
Maximum interest rate:	4.50%
Expiration of Delegation of Authority:	June 23, 2027

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2026 First Lien Bonds:

Maximum size:	\$70,000,000
Maximum interest rate:	4.50%
Expiration of Delegation of Authority:	June 23, 2027

Upon adoption, Resolutions No. 3849 and No. 3850 will authorize the Designated Port Representative (the Port’s Executive Director, the Deputy Executive Director or the Port’s Chief Financial Officer or their respective delegates) to approve the Bond Purchase Contract and escrow agreement, if any, pay the costs of issuance, execute all documents including the preparation and dissemination of a preliminary official statement and final official statement, provide for continuing disclosure and take other action appropriate for the prompt execution and delivery of the Intermediate Lien Bonds and First Lien Bonds, respectively.

The Intermediate Lien Bonds and First Lien Bonds will be sold through negotiated sale to Siebert Williams Shank & Co., LLC ⁽¹⁾, Goldman Sachs & Co. LLC, and Stern Brothers & Company ⁽¹⁾. Piper Sandler & Co. is serving as Financial Advisor and Pacifica Law Group LLP is serving as bond and disclosure counsel on the transaction.

(1) Woman or Minority owned firm

ATTACHMENTS TO THIS REQUEST

- (1) Draft Resolution No. 3849
- (2) Draft Resolution No. 3850
- (3) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 28, 2025 – The Commission was briefed on the 2026-2030 draft plan of finance.

June 9, 2026 – The Commission was briefed on the Introduction of Resolutions No. 3849 and No. 3850.