



**COMMISSION
AGENDA MEMORANDUM**

Item No. 11a

BRIEFING ITEM

Date of Meeting October 27, 2026

DATE: October 12, 2026

TO: Stephen Metruck, Executive Director

FROM: Chris Wimsatt, Chief Financial Officer
Scott Bertram, Interim Director Corporate Finance

SUBJECT: Briefing on the Tax Levy and Draft Plan of Finance for 2027-2031

EXECUTIVE SUMMARY

This briefing is intended to inform the Commission's decision on the amount of the tax levy for the 2027 budget year and on the Port's funding of its 2027-2031 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 2027 tax levy amount and uses.

At the October 27 Tax Levy and Plan of Finance Briefing, the Finance team will recommend a change to our approach for setting the Tax Levy in 2027 and potentially managing the annual levy going forward. Specifically, we will recommend increasing the annual levy from 75% of the maximum amount the Port is allowed to levy within statutory limits to 80%, while reducing maximum leverage (i.e. percentage of the annual levy used to pay G.O. bond debt service) from 75% to 70%. This change provides an increase in tax levy resources (cash) in the near-term while maintaining long-term funding capacity and financial resiliency of the Port.

As context, during the 2026 Budget briefing on the Tax Levy, the Commission charged the Corporate Finance team with analyzing several different levy approaches. Those approaches were subsequently previewed at the March Commission Budget Retreat, where this new levy approach was introduced.

This modest increase in the levy is important for two primary reasons. First, the increase would generate an additional \$67 million in funding capacity over the 10-year Plan of Finance, which

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can be used to support growing Seaport capital and on-going environmental efforts. Second, increasing the levy while reducing leverage would result in flat debt capacity, meaning that all new capacity would come in the form of cash funding for CIP and environmental projects. This could help reduce the growth of interest costs in a high-and-rising interest rate environment.

This recommendation results in a 2027 levy amount of ~\$97.59 million, an 8.2% increase from 2026 levied amount of \$90.18 million. In future years, assuming the Port continues with the 80% approach, the tax levy is expected to increase at ~2% annually, which is the approximate rate at which the maximum levy will increase. For taxpayers, the proposal would result in a 2027 tax increase of approximately \$8.

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 2027 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.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation – Tax Levy and Draft Plan of Finance 2027-2031

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 13, 2026 – 2027 Aviation Division Operating and Capital Budgets Briefing

October 13, 2026 – 2027 Maritime and EDD Operating and CIP Budgets Briefing

September 22, 2026 – 2027 Central Services Budget and Portwide Briefing to the Commission

July 14, 2026 – Commission Capital Budget Study Session

March 12, 2026 – Commission (Budget) Retreat