

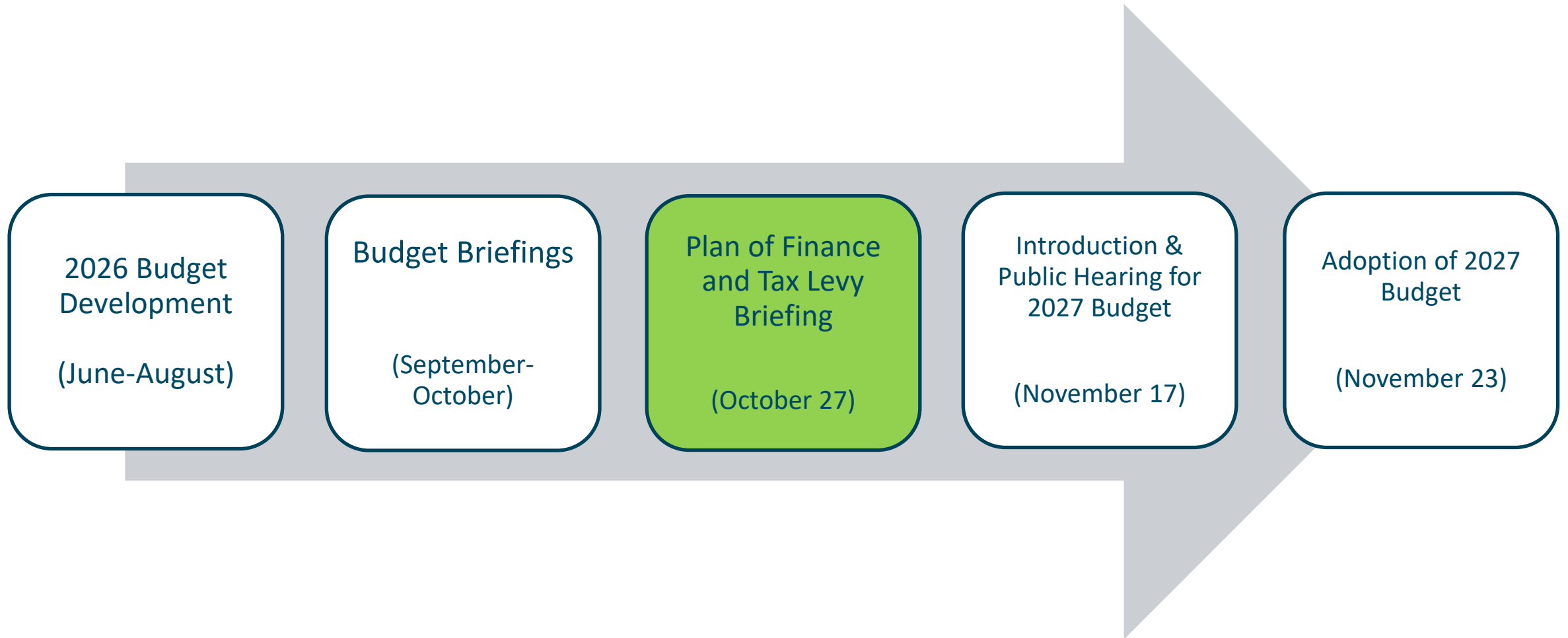
Draft Plan of Finance 2027-2031 and Tax Levy Briefing

October 27, 2026

Overview

- Tax Levy
- Draft Plan of Finance
- Appendix

2027 Budget Process



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

Tax Levy Background and Update

2027 Preliminary Budget

October 27, 2026



Managing the Levy Using a Balanced Approach

GOAL

Manage the levy to provide financial financial resilience and to support support the region, today and for for the long term

RECOMMENDATION

Move from **75/75** to **80/70**

- Levy at 80% of the maximum maximum
- Cap G.O. debt service at 70% of 70% of the annual levy

2027 ACTIONS

Set the 2027 levy at \$97.59M

Context of the Levy Discussion

2026 Levy Discussion

- In the 2026 Tax Levy Discussion, the Commission charged Corporate Finance with examining multiple levy scenarios.

March Retreat

- Those scenarios were previewed at the March retreat, as well as a new approach for increasing capacity without increasing debt.

Proposal

- The new approach previewed in March is today's baseline staff proposal.

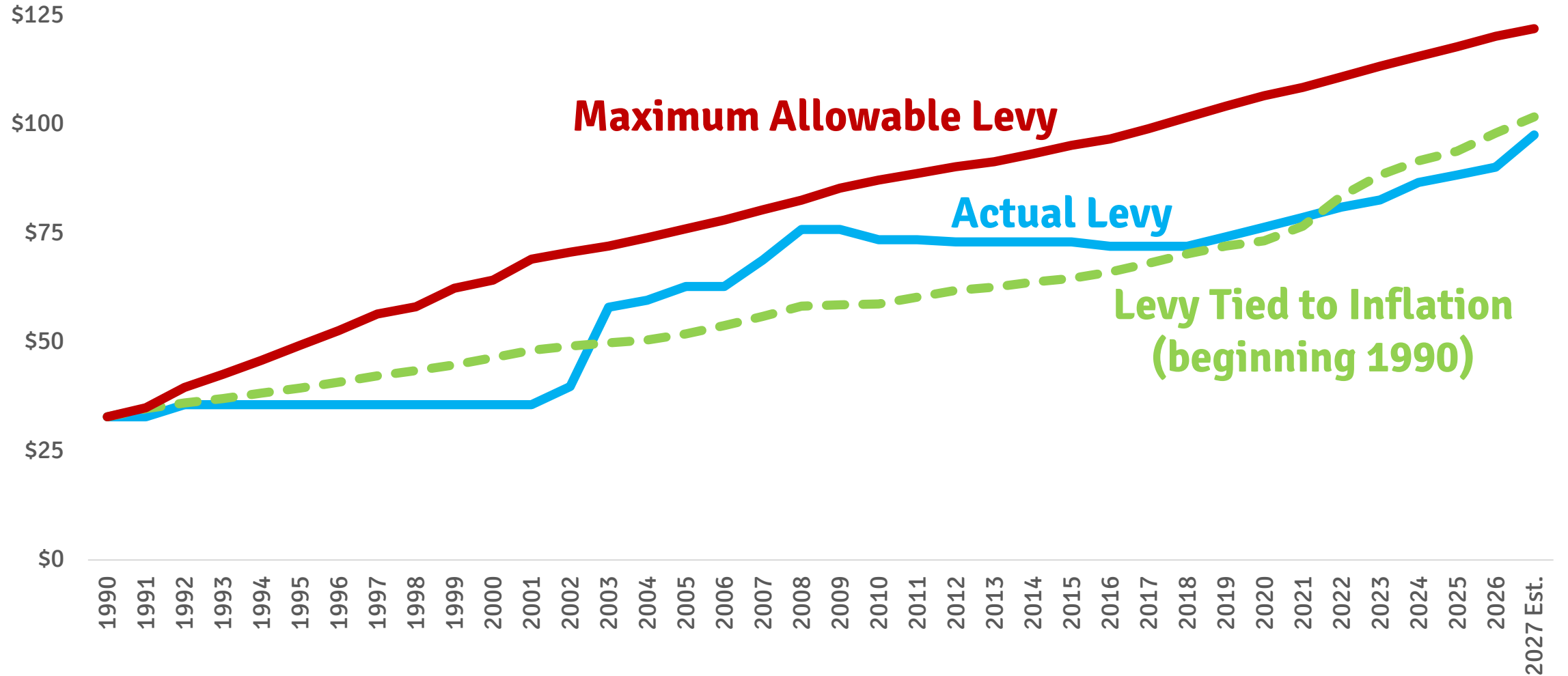
Levy Background: A Tool Managed with Discipline

1911	1961	2010	2015	2023	2027
King County voters create the Port as a public port district	State expands the Port's taxing authority	Transportation & Infrastructure Fund created for regional commitments	Commission sets levy use criteria for capital (updated (updated 2018)	Environmental Legacy Fund created; \$62M deposited to date	Proposed: 80/70 to fund resilience and revenue

Throughout, the levy has funded projects that promote resiliency and community benefit: **environmental cleanup, cleanup, community programs, regional transportation (including the SR-99 tunnel) and public waterfront assets**. The **waterfront assets**. The Commission has chosen to keep it well below the legal maximum.

Levy History

\$ Millions



A small share of the property tax bill

1.1%

of the \$8.5B in King County property property taxes went to the Port in in 2026

\$87

Port share of a median homeowner's homeowner's \$8,204 total property property tax bill (2026)

\$90.2M

2026 levy: 75% of the \$120.2M maximum; up 2.0% from \$88.4M

Because assessed value grew faster than the levy in 2026 (~3.5% vs. 2.0%), the millage rate edged down, from \$0.1012 to \$0.0980 per \$1,000.

Two levers set how the levy is used

Lever 1 • How much we levy

A percentage of the statutory maximum. The gap below the maximum is "dry powder" for future needs.

Lever 2 • How much we leverage

The share of the levy committed to G.O. bond debt service. The rest is cash for capital and programs.

THE RULES

- Commission sets the levy each year, up to the legal maximum
- The maximum grows about 2% a year (1% limit plus new construction); 2027 max ≈ \$122.0M
- Usable for any Port purpose except revenue bond debt service
- G.O. bond debt service is the first claim on the levy
- Commission can further restrict uses by policy

The levy punches above its weight

Direct value to the region

- Legacy environmental cleanup: Duwamish, T-108, T-25, T-115
- Community programs, about \$13M a year
- Regional transportation, including SR-99
- Public waterfront capital investments

Indirect value: our credit

- Levy net of G.O. debt service boosts revenue bond coverage
- Diversifies revenue beyond airport and maritime business
- Rating agencies cite "prudent management of the tax levy, including maintaining a cushion"

Up to \$25M

Added debt service from a credit downgrade (5–25 bp) on the new airport debt planned from 2027–2031

Our needs are outpacing the current approach

Infrastructure upgrades & modernization

- T-91 Electrical System Modernization
- Updating Infrastructure for Future fuels
- Waterfront Clean Energy Strategy Implementation
- Enhancing Infrastructure Resiliency

Aging and at-risk assets

- Seismic upgrades
- Pier 69 renewal
- Mooring dolphins
- FT North West Dock
- Salmon Bay Investments
- Bulkhead replacements

Mission opportunities

- Habitat acquisition
- Real Estate Acquisition
- Financial sustainability projects
- Needs beyond 2031, when capital plans assume lower spending

From 75/75 to 80/70: more cash, not more debt

2027, at the ~ \$122.0M maximum	Current 75/75	Proposed 80/70	Change
Levy as % of maximum	75%	80%	+ 5 pts
Levy amount	\$91.5M	\$97.6M	+ \$6.1M
Headroom below maximum	\$30.5M	\$24.4M	-\$6.1M
G.O. debt service cap (75% vs. 70%)	\$68.6M	\$68.3M	-\$0.3M
Levy cash after maximum G.O. debt service	\$22.9M	\$29.3M	+ \$6.4M



Debt capacity stays flat. The proportion of our capital funded with cash increases, mitigating growth in interest costs.

The Step Today: 80/70

Option	Taxpayer lens	Investor lens	Added capacity
Current 75/75	Modest annual increases; funds key initiatives	Flexibility from managing levy and leverage	Baseline
Proposed 80/70	Moderate increase; value depends on use	Flexibility maintained through levy and leverage limits	\$67M, 2027–2035

Because the levy base grows each year, the added capacity compounds, while the cushion below the maximum stays in place.

The Long-Term Commitment

Hold the Levy at this level and shape the capital plan to accommodate.

What it means for a typical homeowner

2026 PORT TAX

\$87

median home, levy \$90.2M



2027 Proposal (ESTIMATE)

≈\$95

median home, levy \$97.59M

+\$8 a year

About 67¢ a month. The levy rises 8.2% in 2027, then returns to ~2% annual growth with the maximum

Estimate assumes the median home's assessed value moves with the countywide total. Based on the preliminary assessed value the estimated median home price for 2027 is \$850,000.

The credit strengths investors value stay intact



Governance

Commission policy and use criteria still direct every levy dollar



Cushion kept

20% of capacity, about \$24M a year, stays untapped



Less leverage

G.O. debt service cap tightens from 75% to 70% of the levy



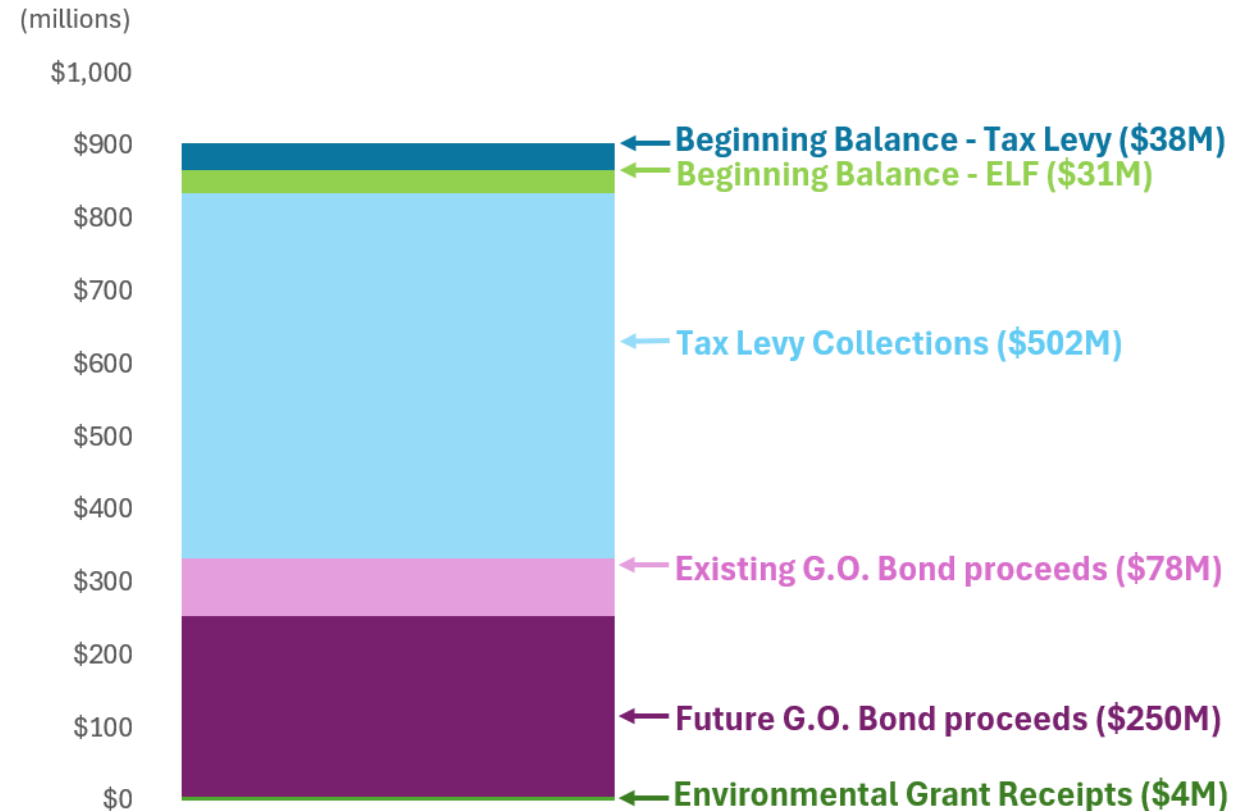
Coverage up

More levy net of G.O. debt service supports revenue bond coverage

Sources of Tax Levy & Related Funding: 2027-2031

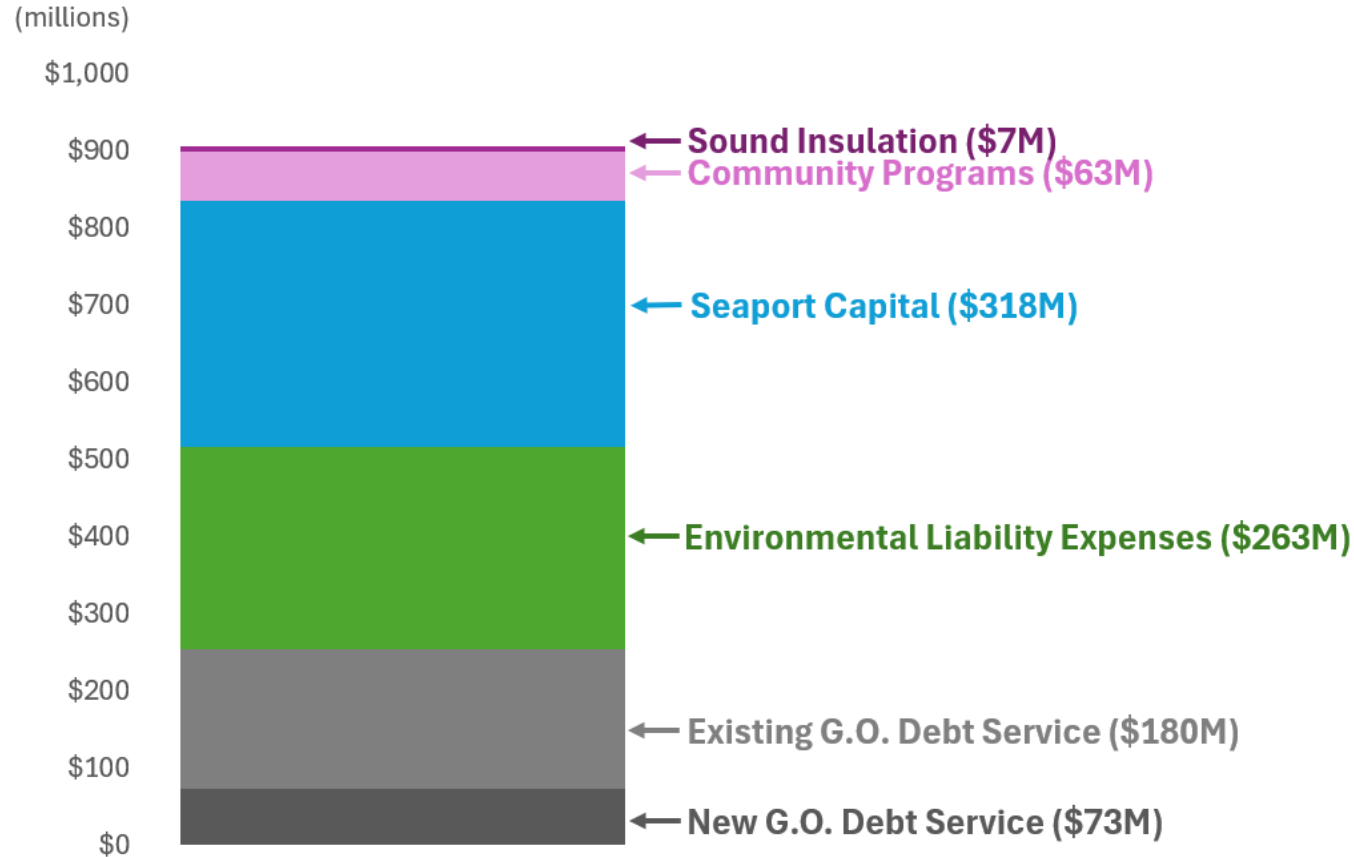
Total Sources - \$904M

- 2027 levy set at 80% of maximum allowable
- Future tax levy collections based on ~2% annual levy growth
- \$78M of existing GO Bond proceeds from issuances in 2022 and 2024
- Forecasts assume \$250M of additional GO Bonds issue over the next 5 years to support capital investments and environmental costs



Note: Excludes TIF funds

Uses of Tax Levy & Related Funding: 2027-2031



Total Uses - \$904M

- Existing GO Bonds DS includes both Seaport capital investments and SR-99 tunnel contribution
- Environmental costs are projected to continue well past 2031, but are fully funded with levy resources including G.O. bonds
- Assumes continuation of levy funded Community Programs at ~\$13M annually

Note: Excludes TIF spending

Managing the Levy Using a Balanced Approach

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Draft Plan of Finance 2027-2031

2027 Preliminary Budget
October 27, 2026



The Draft Plan of Finance

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

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

Funding Resiliency

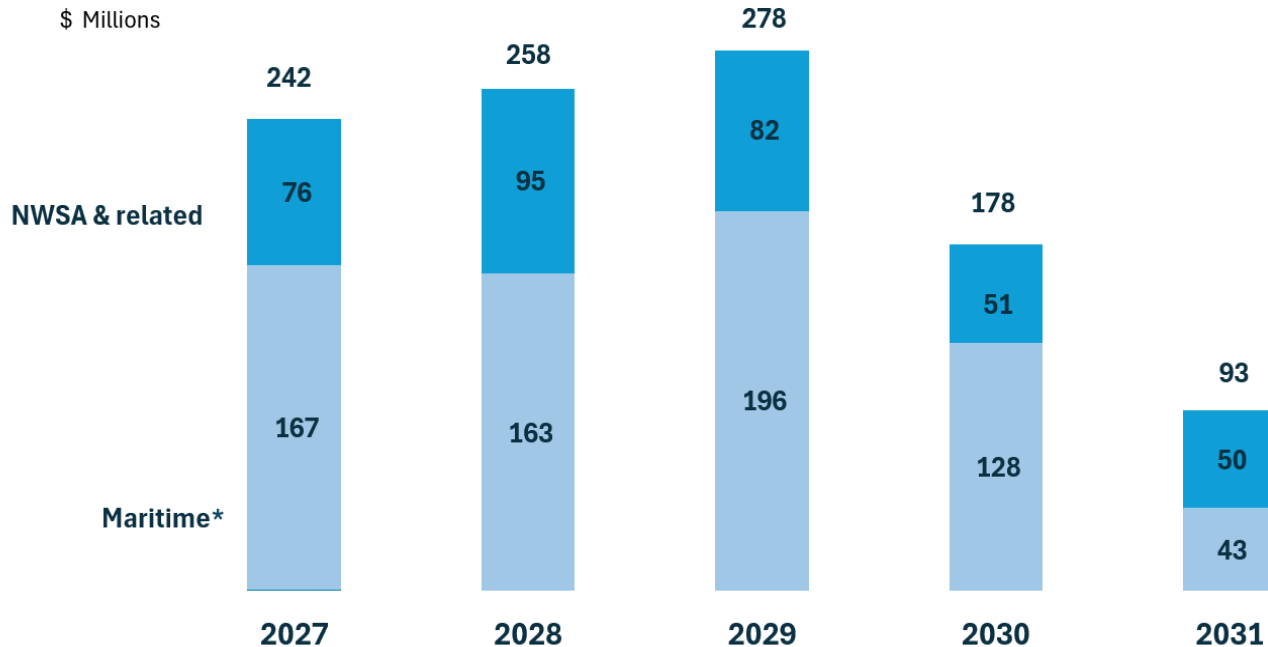
- Establish financial guardrails to manage uncertainty
- Provides a cushion for income variability

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

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

Seaport Capital Spending (2027-2031)

5-year Spending Forecast - \$1.05 billion

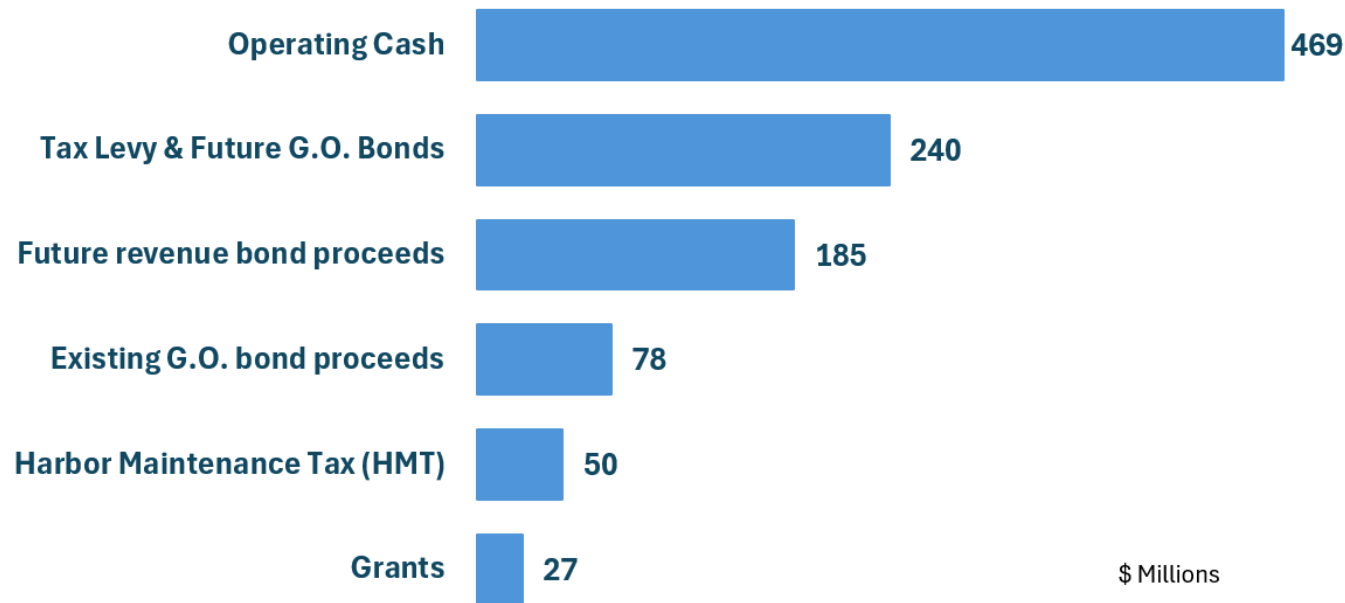


* Includes \$14M of allocated Central Services CIP

- Maritime \$682M
 - 44% in design or construction
 - \$50M (7% of CIP) reserves
- NWSA \$353M includes
 - Port's 50% share of NWSA CIP \$263M
 - Projects related to NWSA \$90M
- 2026-2030 CIP was \$961 million
- Stormwater Utility is self-funded and not included in the Draft Plan of Finance

Seaport Capital Funding (2027-2031)

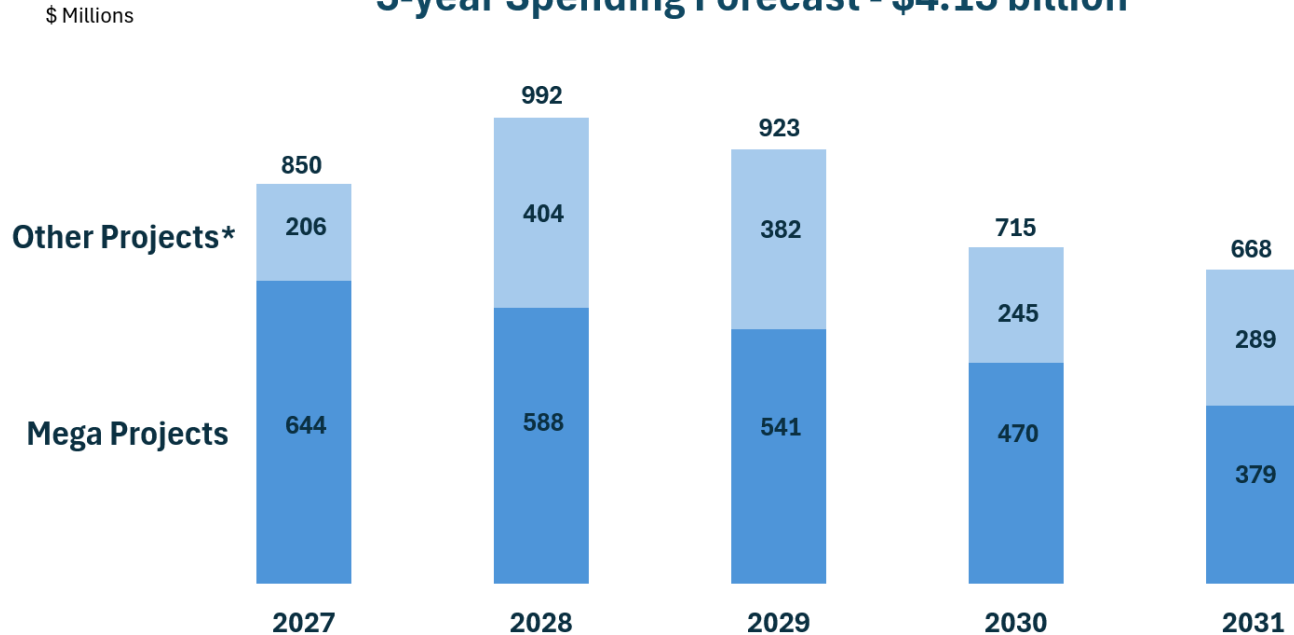
5-year Funding Forecast - \$1.05 billion



- 62% 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
- 30% is from tax levy related sources:
 - Tax levy cash
 - G.O. bonds paid by the tax levy
- 7% from other sources including grants and Harbor Maintenance Tax (HMT)/WRDA
 - Funding sources limited to eligible projects

Airport Capital Spending (2027-2031)

5-year Spending Forecast - \$4.15 billion

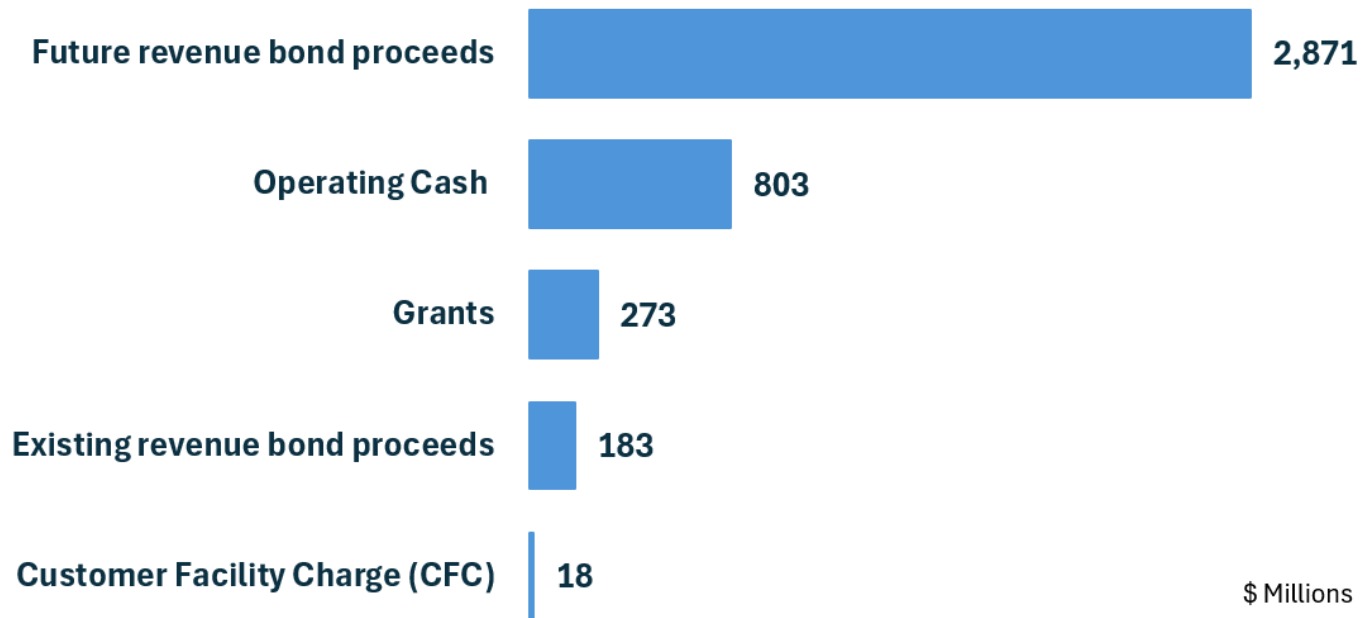


* Includes \$60M of allocated Central Services CIP

- Airport is a self-supporting enterprise
- 78% in design or construction
- \$213M (5.1% of CIP) in reserves for unanticipated needs

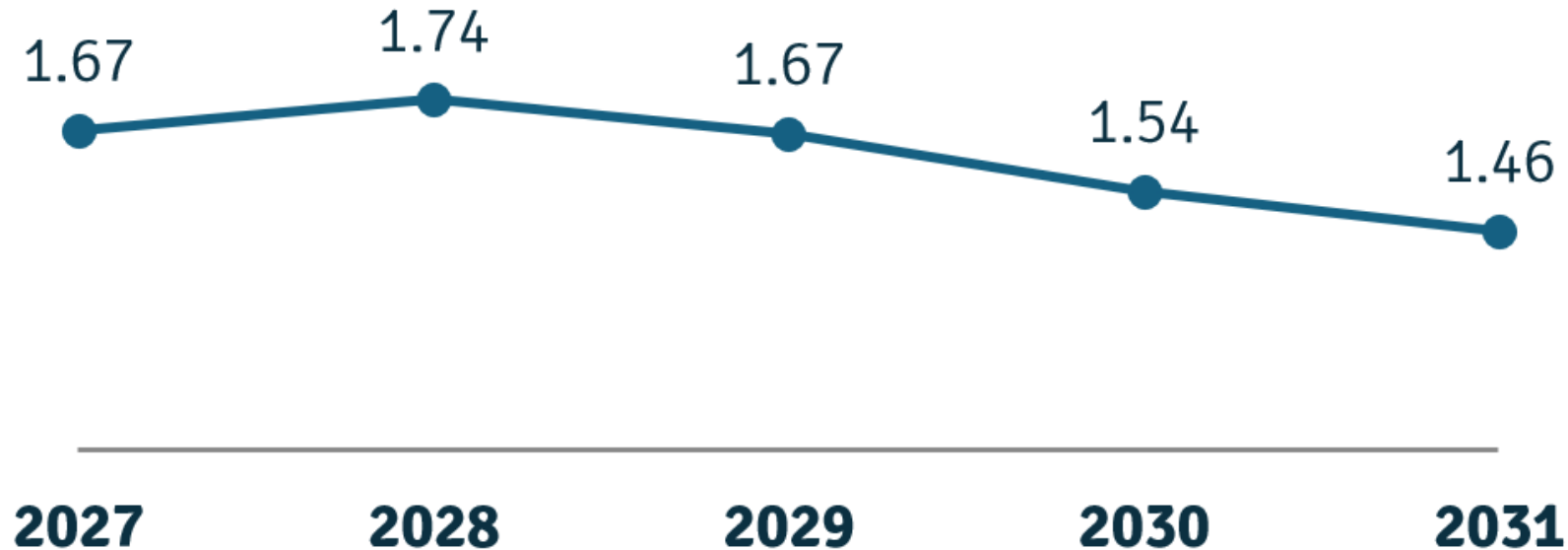
Airport Capital Funding (2027-2031)

5-year Funding Forecast - \$4.15 billion



- 93% funded from operating cash flow and revenue bonds
- \$273M 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

2026 Finance Accomplishments

- ✓ Refresh of the Port's Subordinate Lien
 - Adoption of Master Resolution and amendment of (2) Series Resolutions
- ✓ Extension of LOC supporting the Ports 2008 Variable Rate Demand Bonds (VRDBs)
- ✓ 2026 First & Intermediate Lien Revenue Refunding Bonds
 - Par Value: \$251.9 million; **resulted in \$16.4 million of NPV debt service savings**
- ✓ 2026A Subordinate Lien Revenue Bonds (VRDBs)
 - Par Value: \$225 million; proceeds used to fund Airport CIP
- ✓ 2026B Subordinate Lien Revenue Bonds (Direct Bank Loan)
 - Par Value: \$120 million; proceeds used to pay off outstanding commercial paper

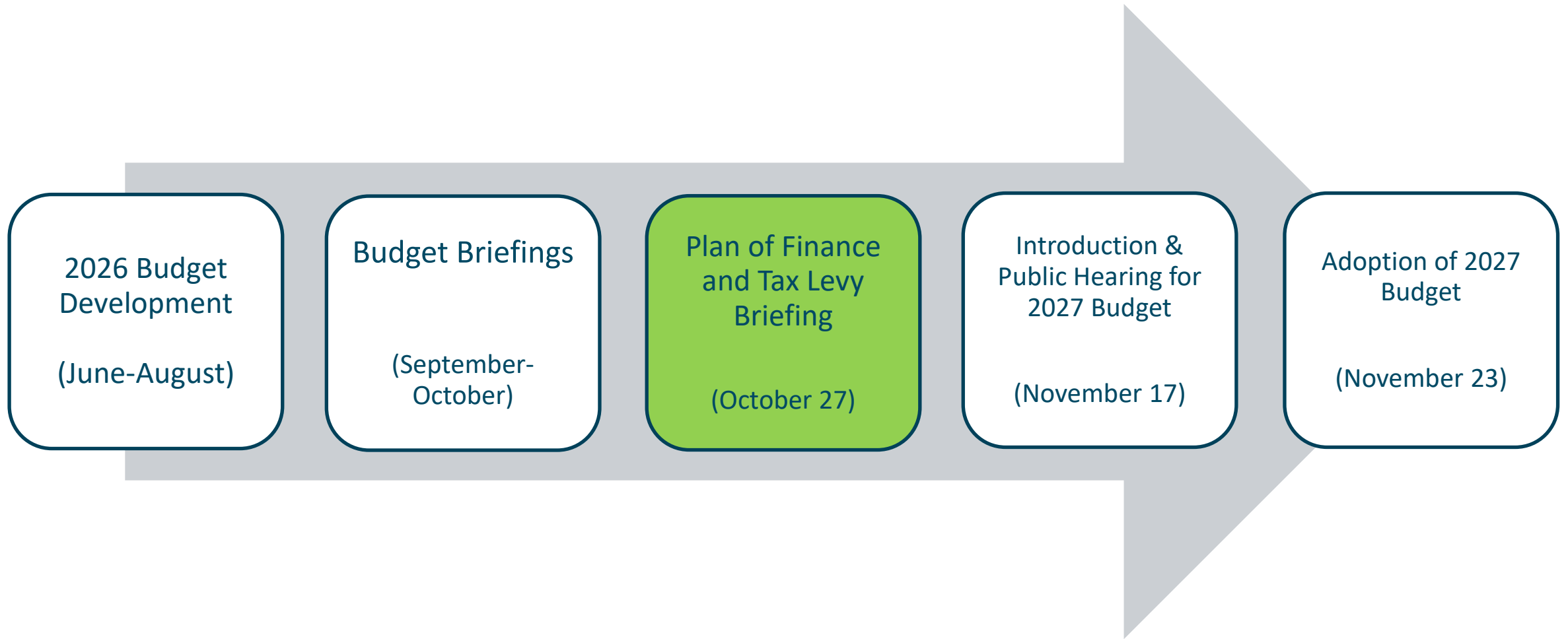
2027 Finance Initiatives

- Issue revenue bonds to continue funding Airport CIP
- Monitor need for new G.O. bonds to support Seaport capital needs
- Monitor opportunities to refund debt for interest savings
 - Port has outstanding Revenue and G.O. Bonds that will be callable in 2027
 - Refunding subject to market conditions and achieving Port debt service savings targets per policy
- Renewal or replacement of expiring letter of credit

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

2027 Budget Process: Next Steps



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

Appendix

2027 Preliminary Budget
October 27, 2026

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Port's Taxing Authority

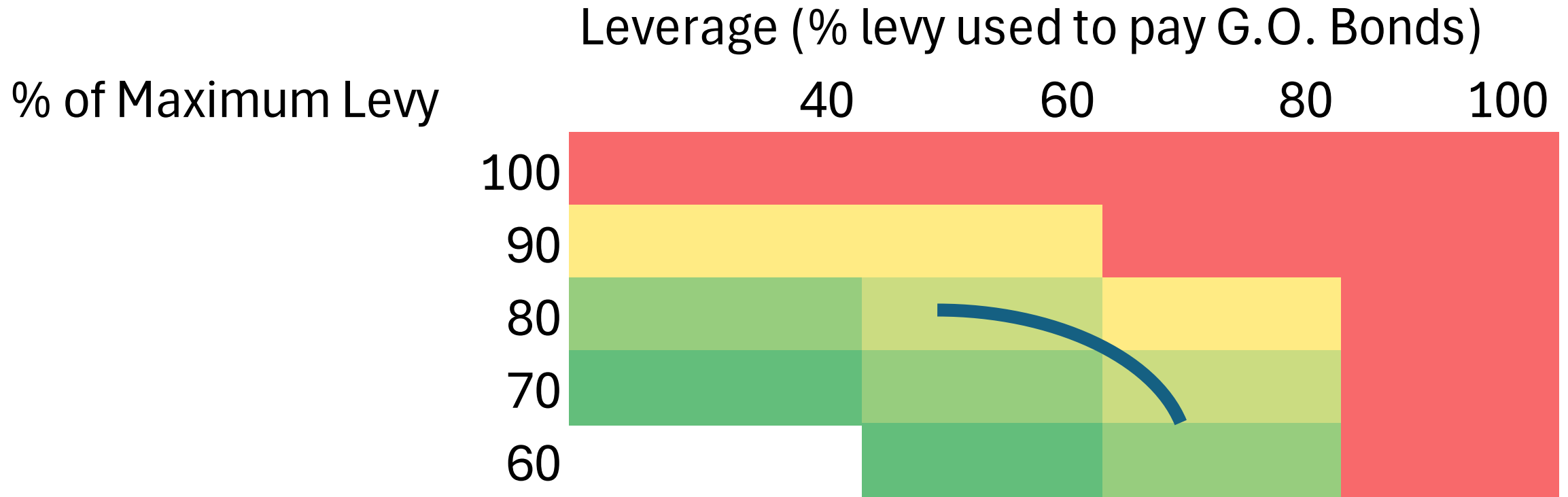
Port taxing limitations: Port is limited by the most restrictive – currently the 1% limit

- **1% limit**
 - The maximum levy is increased each year by the 1% limit factor
 - Prior year's maximum is increased by the lesser of 1% or inflation
 - New construction is added
 - The maximum levy for 2027 is estimated to be ~\$122.0 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 ~\$395.0 million
 - Excludes the amount needed to pay G.O. bond debt service

Levy Policies and Practices – 2027 Update

- Manage General Obligation (G.O.) debt service to no more than **70%** of the annual levy
 - Prior practice was limit G.O. debt service to 75% of annual levy
- Capital investment criteria
- Pay for legacy environmental costs
- Limited Airport use – costs ineligible for Airport funding per FAA
- Retain tax levy flexibility – levy below the statutory maximum
 - 2026 levy at 75% of the maximum; 2027 recommendation at **80%** of the maximum
 - The difference between the actual levy and the maximum reserves “dry powder” for future resiliency
 - Supports Port’s strong credit ratings

Optimizing Financial Flexibility – A Range of Options that Balance the two Levers of Flexibility

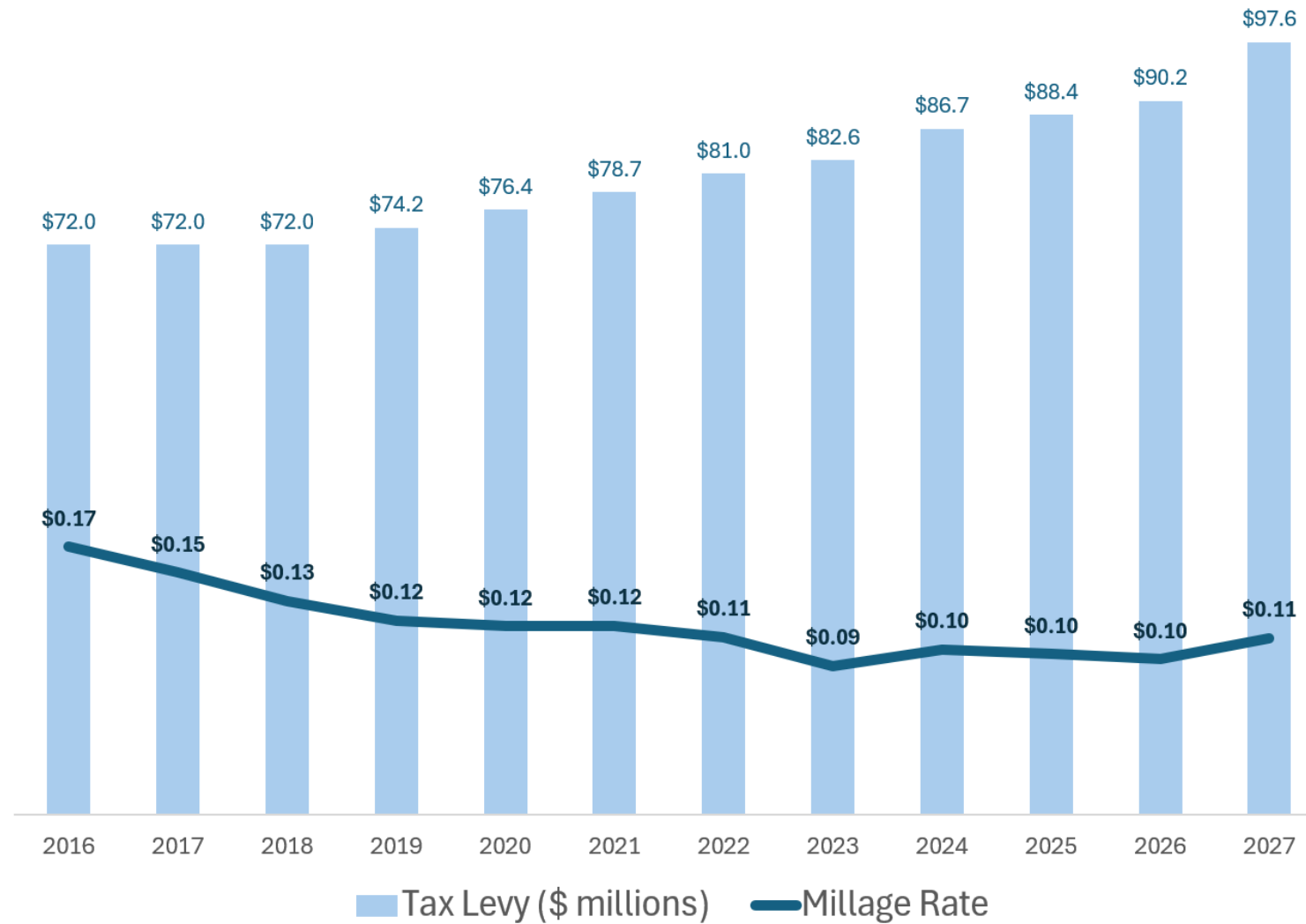


Tax Levy Use Criteria for Capital Investments

Uses: Commission established in 2015; updated in 2018

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

2016-2027 Tax Levy & Millage Rate ⁽¹⁾



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

Taxpayer Impact

	2026	2027 preliminary
Tax Levy (\$ million)	90.2	97.6
Estimated millage rate (\$/1000)	0.0980	0.1112
Median home value (\$) ⁽¹⁾⁽²⁾	887,000	850,000
Estimated median home Port tax (\$)	\$87	\$95

(1) 2026 per King County; 2027 data is not yet available

(2) 2025 median assessed value was \$844,000

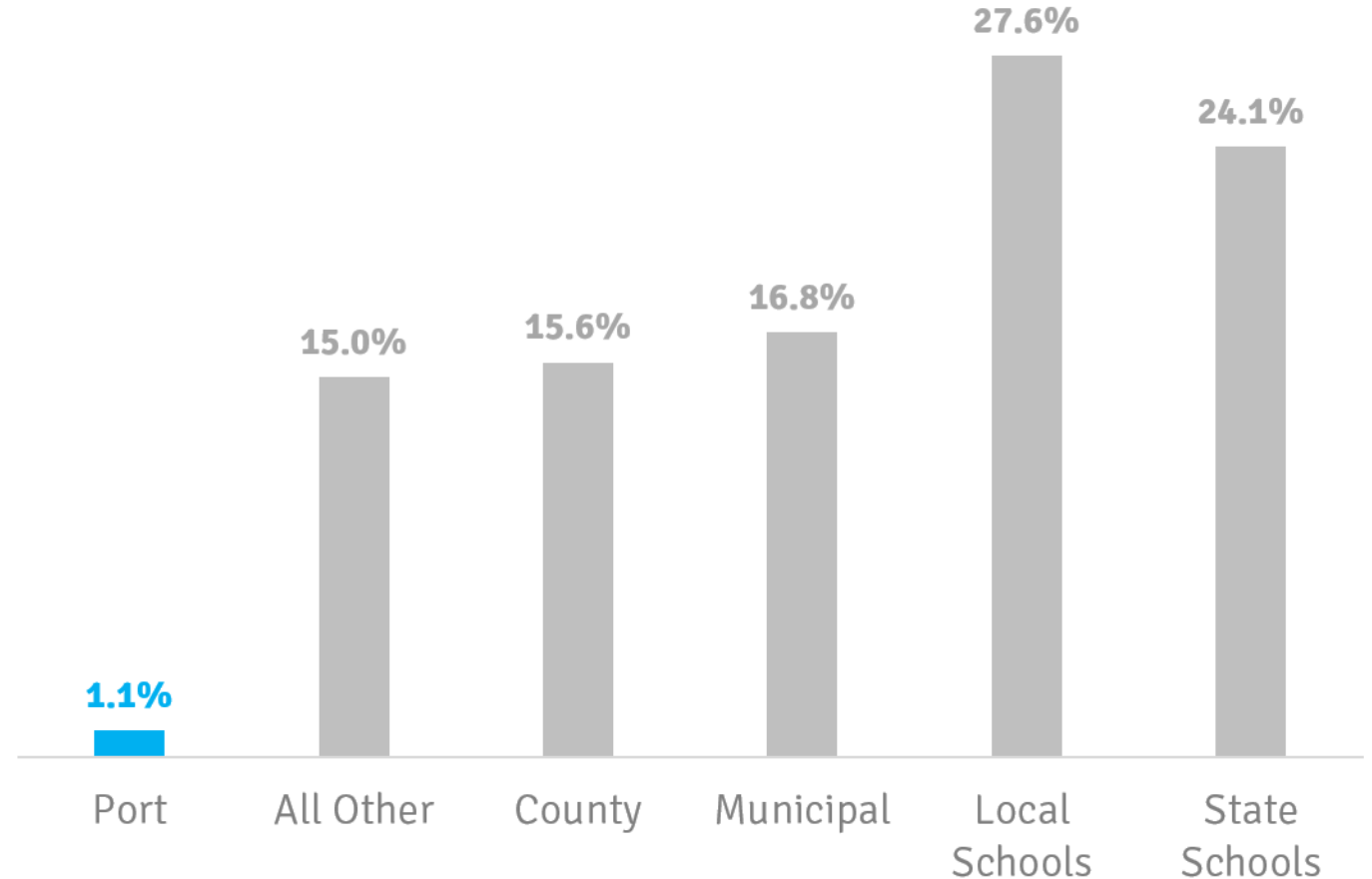
- The Port's levy was approximately 1.1% of total property taxes levied in King County in 2026



Overall Taxpayer Impact – 2026

Only 1.1% of King County taxes went to the Port for 2026

- Of the \$8.5 billion of property taxes paid in King County, about 1.1% goes to the Port
- In 2026, the median homeowner paid \$8,204 in total property tax with **\$87 going to the Port**



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

Transportation and Infrastructure Fund (TIF)

TIF (\$ million)	<u>2027-2031</u>	<u>Post 2031</u>
Beginning Balance	\$ 45.7	\$ 17.9
Transportation Investments	(27.8)	(4.0)
Ending Balance	17.9	13.9

<u>Transportation Investments (\$ million)</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2027-2031</u>	<u>Post 2031</u>
Seattle Heavy Haul Network	\$ 2.5	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 10.5	\$ 4.0
Fast Corridor II	-	0.8	-	-	-	0.8	-
Safe and Swift	1.5	-	-	-	-	1.5	-
Puget Sound Gateway (SR 509)	15.0	-	-	-	-	15.0	-
TOTAL	\$ 19.0	\$ 2.8	\$ 2.0	\$ 2.0	\$ 2.0	\$ 27.8	\$ 4.0

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

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

Environmental Legacy Fund (ELF)

ELF (\$ million)	<u>2027-2031</u>	<u>Post 2031</u>
Beginning Balance	\$ 31.2	\$ -
Additional Contribution ⁽¹⁾	-	-
Environmental Remediation Liabilities	(34.9)	(8.0)
Environmental Grant Receipts ⁽²⁾	3.7	8.0
Ending Balance	-	-

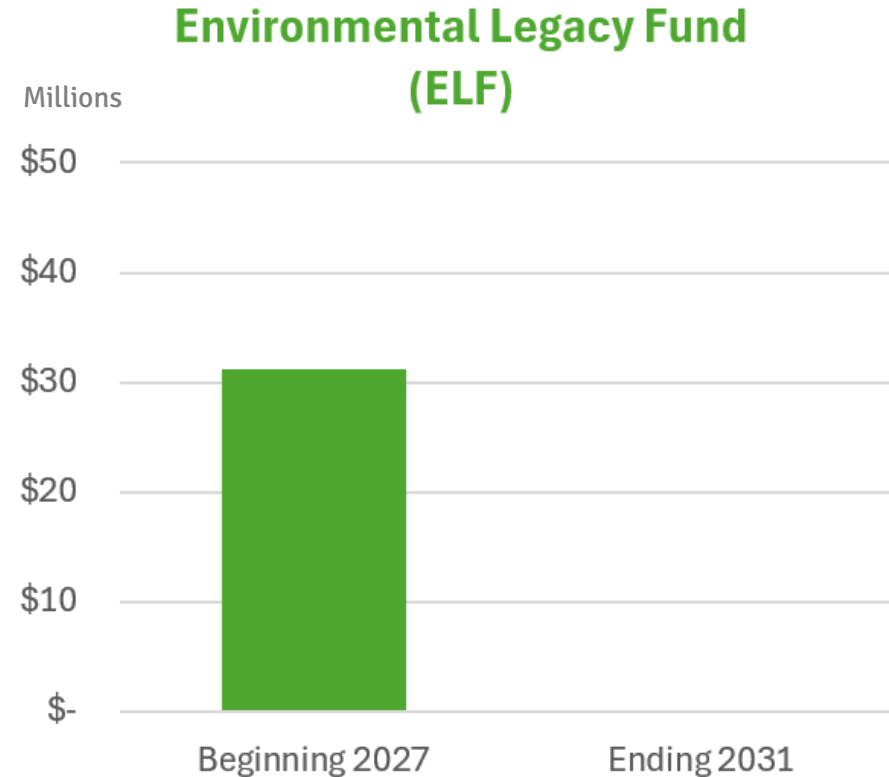
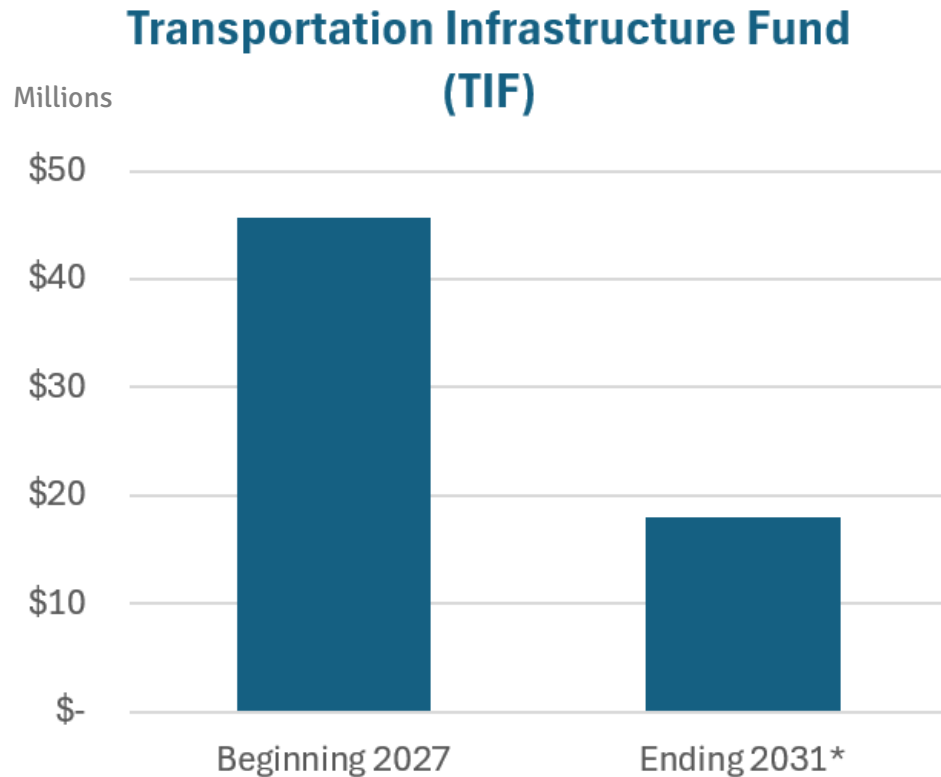
- ELF was established in 2023 to provide funding for legacy environmental liabilities
- Funded an estimated \$50.7 million of Seaport environmental remediation efforts through 2026 (including 2026 forecast)
- Environmental efforts include, but are not limited to:
 - Lower Duwamish Superfund
 - T-108 Chiyoda site
 - Terminal 25 South
 - Terminal 115 (Boeing Plant 1)

(1) No contribution currently assumed for 2027. 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



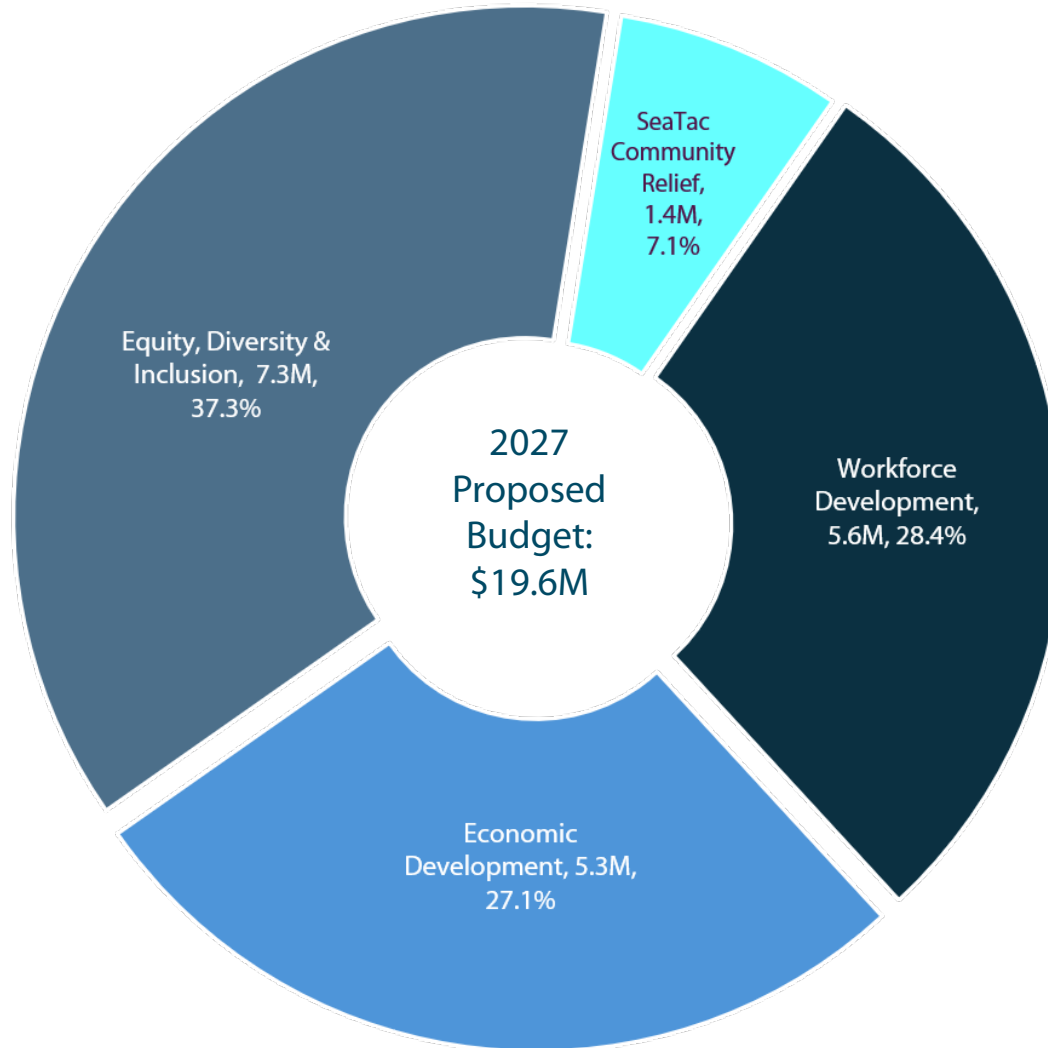
* For future commitments, currently forecast at \$4M

Environmental Spending



* Based on known liabilities only. Includes spending from tax levy, ELF and G.O. bond proceeds (if needed). Additional environmental remediation spending is expected beyond 2031

2027 Port Community Program Funding by Activity



Economic Development

- **Diversity in Contracting** - \$2.4M
- **Tourism Marketing Support** - \$2.1M
- **EDD Partnership Grants** - \$950K
- **Maritime Blue** - \$100K

Workforce Development

- **Workforce Development Department** - \$5.0M
- **High School Interns** - \$550K

Equity, Diversity & Inclusion

- **OEDI Department** - \$4.4M
- **South King and Port Communities Fund** - \$2.6M
- **Friends of the Waterfront** - \$750K
- **Staff Costs supporting DVCEP & SKCCIF** - \$776K
- **Duwamish Community Equity program (DVCEP)** - \$627K

SeaTac Community Relief

- \$1.4M

* Detailed list continued on next slides

2027 Proposed Community Programs

Program (in \$000)	2024 Budget	2025 Budget	2026 Revised Budget	2027 Proposed Budget	2027 Funded by the levy	% of the 2027 Budget Funded by the levy
1) South King and Port Communities Fund ¹	2,214	2,205	2,195	2,648	2,648	100.0%
2) Duwamish Valley Community Equity Program	471	619	617	627	627	100.0%
3) EDD Partnership Grants	950	950	950	950	950	100.0%
4) Tourism Marketing Support Program	1,875	2,154	2,134	2,124	870	41.0%
5) Airport Spotlight Ad Program*	466	518	518	-	-	0.0%
6) City of SeaTac Community Relief*	1,400	1,400	1,400	1,400	1,400	100.0%
7) Maritime Blue (formerly Maritime Innovation Center)	175	175	180	100	100	100.0%
8) Workforce Development	5,077	4,976	4,972	5,018	3,873	77.2%
9) High School Internship Program	486	520	523	550	299	54.4%
10) Diversity in Contracting ²	2,304	2,356	2,463	2,388	300	12.6%
11) Equity, Diversity & Inclusion ³	2,065	2,459	2,540	4,404	2,127	48.3%
12) Friends of the waterfront		750	2,000	750	750	100.0%
Sub Total	18,803	19,591	20,642	18,811	11,796	63%
Payroll charged to the Levy ⁴	589	781	848	776	776	100.0%
Grand Total	19,392	20,372	21,491	19,587	12,572	64.2%

Notes:

1) SKPC budgeted under Ext Rel, EDI, and DIC

2) \$250K Small Business Accelerator under DIC is part of item 1 SKPC

3) \$1.9M for Economic Opportunities for Communities (EOC) under EDI is part of item 1 SKPC

4) 2027 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)	2024	2025	2026	2027	Inc/(Dec) from 2026	
	Funded by the levy	Funded by the levy	Funded by the levy	Funded by the levy	Revised Budget \$ Change	% Change
1) South King and Port Communities Fund ¹	2,214	2,205	2,195	2,648	453	17.1%
2) Duwamish Valley Community Equity Program	471	619	617	627	10	1.6%
3) EDD Partnership Grants	950	950	950	950	-	0.0%
4) City of SeaTac Community Relief*	1,400	1,400	1,400	1,400	-	0.0%
5) Maritime Blue (formerly Maritime Innovation Center)	175	175	180	100	(80)	-80.0%
6) Workforce Development	3,863	3,762	3,827	3,873	46	1.2%
7) High School Internship Program	259	280	290	299	9	3.0%
8) Diversity in Contracting ²	300	310	300	300	-	0.0%
9) Equity, Diversity & Inclusion ³	203	226	230	2,127	1,897	89.2%
10) Friends of the waterfront		750	2,000	750	(1,250)	-166.7%
11) Other	806	1,608	1,438	870	(568)	-65.3%
Total	11,772	12,404	13,577	11,796	(1,781)	-15.1%
Payroll charged to the Levy ⁴	580	781	848	776	(72)	-9.3%
Grand Total	12,352	13,185	14,426	12,572	(1,854)	-14.7%

Notes:

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* 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



2026 Tax Levy Fund Sources and Uses

(\$ million)

SOURCES OF TAX LEVY FUNDS

2026 Beginning Levy Fund Balance

Annual Tax Levy

Investment Income

Total Sources

2026	
\$	25.0
	90.2
	0.7
\$	115.9

USES OF TAX LEVY FUNDS

G.O. bond debt service (existing)

Community Investments

Seaport Capital Investments

Transfer to ELF

Aviation NOISE

Other

Total Uses

\$	38.9
	15.2
	14.3
	5.0
	4.0
	0.4
\$	77.8

Projected Ending 2026 Levy Fund Balance

\$	38.1
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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

2027-2031	
\$	38
	31
	502
	78
	250
	4
\$	903

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

2027-2031	
\$	180
	73
	263
	318
	7
	63
\$	904

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

* 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 ~\$2.4 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 four active TIAs within King County
- City of Bellevue formed TIA in 2026 – Legislature increased maximum assessed value to \$500 million

Impact on Port Tax Levy	
<u>Port Tax Levy</u>	
<u>Year</u>	<u>Diverted to TIAs (\$)</u>
2024	5,537.98
2025	5,893.00
2026	11,232.79
Total	22,663.77

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 2031
 - Airport and Seaport capital plans assume lower spending levels

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
- HMT

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

Seaport CIP and Funding

Seaport CIP	2027-2031 (\$ million)
Maritime	\$ 681.9
NWSA - 50% Share (North & South Harbor)	263.4
NWSA - Reserve & Port Projects ⁽¹⁾	90.3
Total	\$ 1,035.6
Allocated Central Services CIP	13.8
Total Seaport Funded CIP	\$ 1,049.4
(1) Includes N. Harbor channel deepening and other 100% Port legacy costs in N. Harbor. Note: totals may not add due to rounding	

Seaport Funding Sources	2027-2031 (\$ million)
Operating Cash ⁽¹⁾	\$ 469.2
Grants	26.7
Harbor Maintenance Tax (HMT)	50.2
Tax Levy & Future GO Bond Proceeds ⁽²⁾	240.0
Existing G.O. bond proceeds	78.5
Future revenue bond proceeds	184.8
Total Seaport Funded CIP	\$ 1,049.4
(1) Includes non-airport income available after payment of revenue bond debt service. (2) Annual levy forecasted at 80% of the Port's maximum annual allowable levy. Note: totals may not add due to rounding	

Airport CIP and Funding

Airport CIP	2027-2031 (\$ million)
S Concourse Evolution	\$ 1,579.4
Baggage Optimization	449.0
2026-2030 AFLD PVMNTS	353.2
Main Terminal Improvement	195.8
SEA Gateway	35.1
C Concourse Expansion	9.5
Other Capital Projects	782.9
SAMP Preliminary Planning/Design ⁽¹⁾	161.9
Proposed New Projects	308.4
CIP Reserves	213.2
TOTAL	\$ 4,088.4
Allocated Central Services CIP	59.5
Total Airport Funded CIP	\$ 4,147.9
(1) Sustainable Airport Master Plan	
Note: totals may not add due to rounding	

Airport Funding Sources	2027-2031 (\$ million)
Future revenue bond proceeds	\$ 2,870.6
Operating Cash ⁽¹⁾	803.0
Grants	273.4
Existing revenue bond proceeds	183.3
Customer Facility Charge (CFC)	17.7
Total Airport Funded CIP	\$ 4,147.9
(1) Includes airport income available after payment of revenue bond debt service.	
Note: totals may not add due to rounding	

Current Credit Ratings

	<u>Fitch</u>	<u>Moody's</u>	<u>S&P</u>	<u>Noted Credit Strengths:</u>
General Obligation Bonds	AA-	Aaa	AA	• 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
First Lien Revenue Bonds	AA	Aa2	AA	
Intermediate Lien Revenue Bonds	AA-	Aa3	AA-	
Subordinate Lien Revenue Bonds	AA-	A1	AA-	
Fuel Hydrant Special Facility Bonds		A1	A+	