



Item No. 10a_supp

Date of Meeting: November 17, 2026

Introduction & Public Hearing of the Preliminary 2027 Budget

11/17/2026













Overview

- Changes after the Prelim Budget Doc
- 2027 Operating Budget Highlights
- 2027 Commission Priorities
- 2027 Major Budget Request Items
- 2027 Community Programs
- 2027 Budgeting with Equity
- 2027-2031 Capital Plan
- 2027 Sources and Uses of Funds
- 2027 Proposed Tax Levy
- Remaining 2027 Budget Schedule

Changes after the Preliminary Budget Published

Aviation Division – **Operating Revenue decreased $1.2M or -0.1%**

- Aeronautical revenues decreased ($149K):
  - ($149K) – decrease resulting from updated cost recovery calculation
- Non-Aeronautical revenue increased $68K:
  - $68K – increase to refine cost recovery for non-airline terminal lease space
- Non-Operating, GASB 103 Adjustment:
  - ($1,076K) – reclass Account Receivable Interest Income from Op to Non-op

Changes after the Preliminary Budget Published

Aviation Division – **Operating Expense increased $1.7M or 0.4%**:

- $758K – increase for new collective bargaining agreement for Electrical Workers and Electronic Technicians (contingent upon Commission approval of agreement) and Utility Workers (contingent upon Commission approval of agreement)
- $500K – Airport Dining & Retail cost of doing business study
- $300K – increase in Siemens Direct Digital Controls system contract (contingent upon Commission approval of contract)
- $162K – increase in SmartCarte contractual rate increase
- $3K – B&O Adjustments based on Revenue changes
- ($50K) – Reduction of Childcare Bridge Strategy to $200K
- ($15K) – Baseline reduction refinements



Changes after the Preliminary Budget was Published

- Maritime Division
  - Reclass $207K revenue from Op to Non-Op (GASB 103 Accounts Receivable Interest Income adjustment)
  - $38K increase in O&M mainly due to SWU
  - $245K reduction in NOI
- Economic Development Division
  - No change
- Central Services
  - No change
- Storm Water Utilities
  - $164K increase in Revenue due to the rate increase
  - $15K increase in O&M due to utility tax
  - $149K increase in NOI
- NWSA/Joint Venture
  - $3.6K increase in O&M due to SWU

Environmental Scan Summary

- Unprecedented **political and economic uncertainty**
- Effects of **trade, immigration and other policy actions**
- Post pandemic **growth moderating**
- Multiple years of **rapid expense growth**
- **Federal funding reductions** and **weakening operating revenues**
- **Cuts in federal climate change** programs and funding
- Impact of **increased inflation due to tariffs** on operating, capital and environmental costs
- **Rapid technological advances** including Artificial Intelligence and growing sophistication of cyber threats

2027 Budget Strategies

- Review and prioritize operational needs to **limit expense growth**
- Review the needs to fill **all the vacant positions**
- **Limit new FTEs** to roles that support revenue growth, economic development, or efficiency measures
- Assess **affordability of capital plans** considering increased inflation and revenue risks
- Strengthen the **focus on sustainability, adaptability and resiliency** in spending and business plans

2027 Operating Budget Highlights

($ in thousands)

	2024 Actual	2025 Actual	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 2026 Revised Budget($)	Inc/(Dec) from 2026 Revised Budget(%)
Operating Revenues	**1,021,838**	**1,122,446**	**1,158,895**	**1,135,885**	**1,225,404**	**89,520**	**7.9%**
GASB 87_96_103 Revenues	28,945	11,611	1,002	24,791	27,343	2,552	10.3%
Total Operating Revenues GASB Comparable Basis	**1,050,783**	**1,134,057**	**1,159,897**	**1,160,676**	**1,252,747**	**92,072**	**7.9%**
O&M Expenses w/o Pension Credit	**675,431**	**698,282**	**731,141**	**758,484**	**786,717**	**28,234**	**3.7%**
DRS Pension Credit	(22,790)	(25,970)	-	-	-	-	0.0%
O&M Expenses with Pension Credit	**652,642**	**672,311**	**731,141**	**758,484**	**786,717**	**28,234**	**3.7%**
GASB 87_96_103 Expenses	6,731	4,698	35,864	8,521	8,795	274	3.2%
Total Operating Expenses GASB Comparable Basis	**659,373**	**677,009**	**767,005**	**767,004**	**795,512**	**28,507**	**3.7%**
Net Operating Income (with Pension Credit)	**369,196**	**450,135**	**427,754**	**377,401**	**438,687**	**61,286**	**16.2%**

- Operating revenues up 7.9% to $1,225 million from 2026 revised budget
- Operating expenses up 3.7% to $787 million from 2026 revised budget
- Net Operating Income up 16.2% to $439 million from 2026 revised budget

Commission 2027 Budget Priorities (Aviation)

- **$200K Childcare Bridge Strategy** to support SEA childcare policy implementation efforts in partnership with External Relations and Office of Equity, Diversity, and Inclusion.

- **$500K Airport Dining & Retail Cost of Doing Business Study** to assess tenant competitiveness, passenger behavior, and the full cost of doing business at SEA, with the first report to the Aviation Committee by end of Q2 2027.

- Continue to make progress on preconditioned air equipment maintenance, replacement, and usage.



Commission 2027 Budget Priorities (Maritime)

$81K Duwamish Hub/Environmental Outreach to support operations of the community resource space, collaborate with residents on local restoration efforts, and advance environmental stewardship and green initiatives.



$50K Sea Lion Mitigation to find new & innovative ways to address this issue.

$50K Cruise Alternative Fuel Tariff Assessment to explore an alternative fuel tariff that could help accelerate low-carbon fuel adoption by offsetting cost barriers for cruise operators; the Port will conduct legal and economic analysis to understand its feasibility and potential impacts. *In Legal Budget*.



Commission 2027 Budget Priorities (EDD)

$200K English for Speakers of Other Languages (ESOL) Pathways- (included in baseline budget) to support English language learners in accessing workforce development programs that require English proficiency.

$100K Green Economy (included in baseline budget) to advance the Port' sustainability goals.

$50K Advancing Sustainable Fuels (included in baseline budget) to advocate for sustainable fuel development, industry collaboration, and decarbonization objectives.

$50K Phase II: Small Business Contract Readiness (included in baseline budget) to implement outreach and technical assistance initiatives to help small business partners.

$50K Core Plus Maritime Funding (included in baseline budget) to promote curriculum program in near-port and tribal schools managed by Muckleshoot and Suquamish Tribes.






Commission 2027 Budget Priorities (Central Services)

$546K Duwamish Valley Community Equity Program to support green jobs, and programs that promote community-port collaboration.

$134K for Language Access Program to increase language access for speakers with limited English proficiency.

$88K for Anti-Human Trafficking to support the Port's anti-human trafficking campaign efforts.

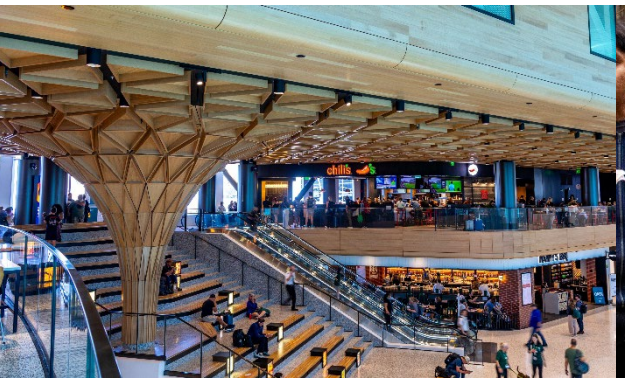
$37K Port U: Port 101 Adult Education Series to increase awareness of Port programs, initiatives, and facilities.





2027 Major Budget Request Items

Description	Total ($ in thousands)
STAC/TSA Staffing – Exit Lane Coverage & Divesting (AV)	$4,830
Expense Items with Capital Projects (AV)	$2,181
Tenant Project Manager Support – Tenant/ADR (AV)	$1,855
Part 150 Noise and Land Use Compatibility Study (AV)	$1,400
Self Contained Breathing Apparatus (SCBA) Replacement (AV)	$750
Clean Buildings Energy Efficiency Measures (AV)	$700
Pavement Management Plan (AV)	$460
New Air Service Incentives (AV)	$350







2027 Major Budget Request Items

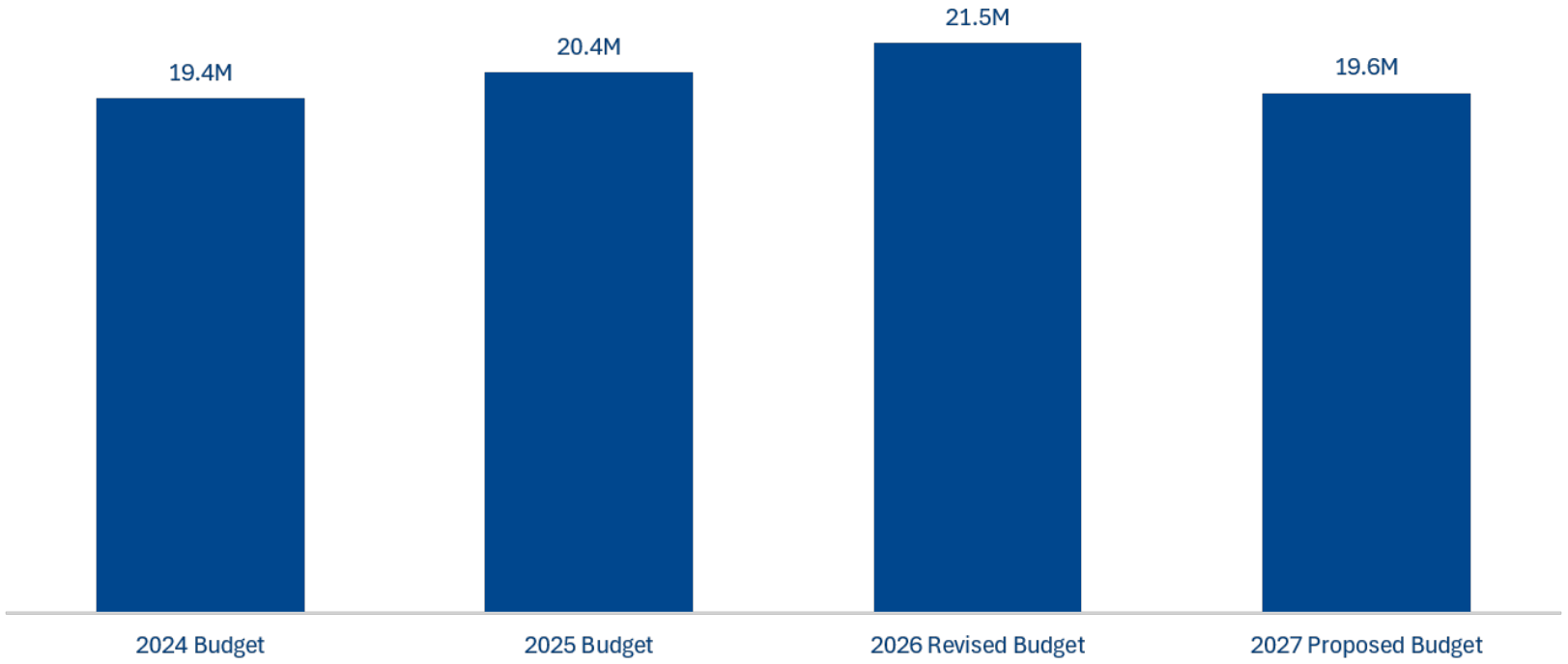
Description	Total ($ in thousands)
Outside Services for Derelict Vessels Support (MD)	$350
Public Defenders Office and King County Jail Contract (CS)	$185
Green Economy, Energy Sandbox, and T91 DOE Grant (EDD)	$177
Police Portable Radios, Marine Patrol Unit dive equipment & other items (CS)	$144
WPPA, SnoValley Heritage Trail & Multi sector sponsorships (EDD)	$115
Computer Replacement (CS)	$100
Data Modernization & Group Policy Management tool (CS)	$95
Mental Health and Wellness Program (CS)	$71
Construction outreach, training, placement and retention program (EDD)	$50








Port Community Programs



* Detailed list included in the Appendix.

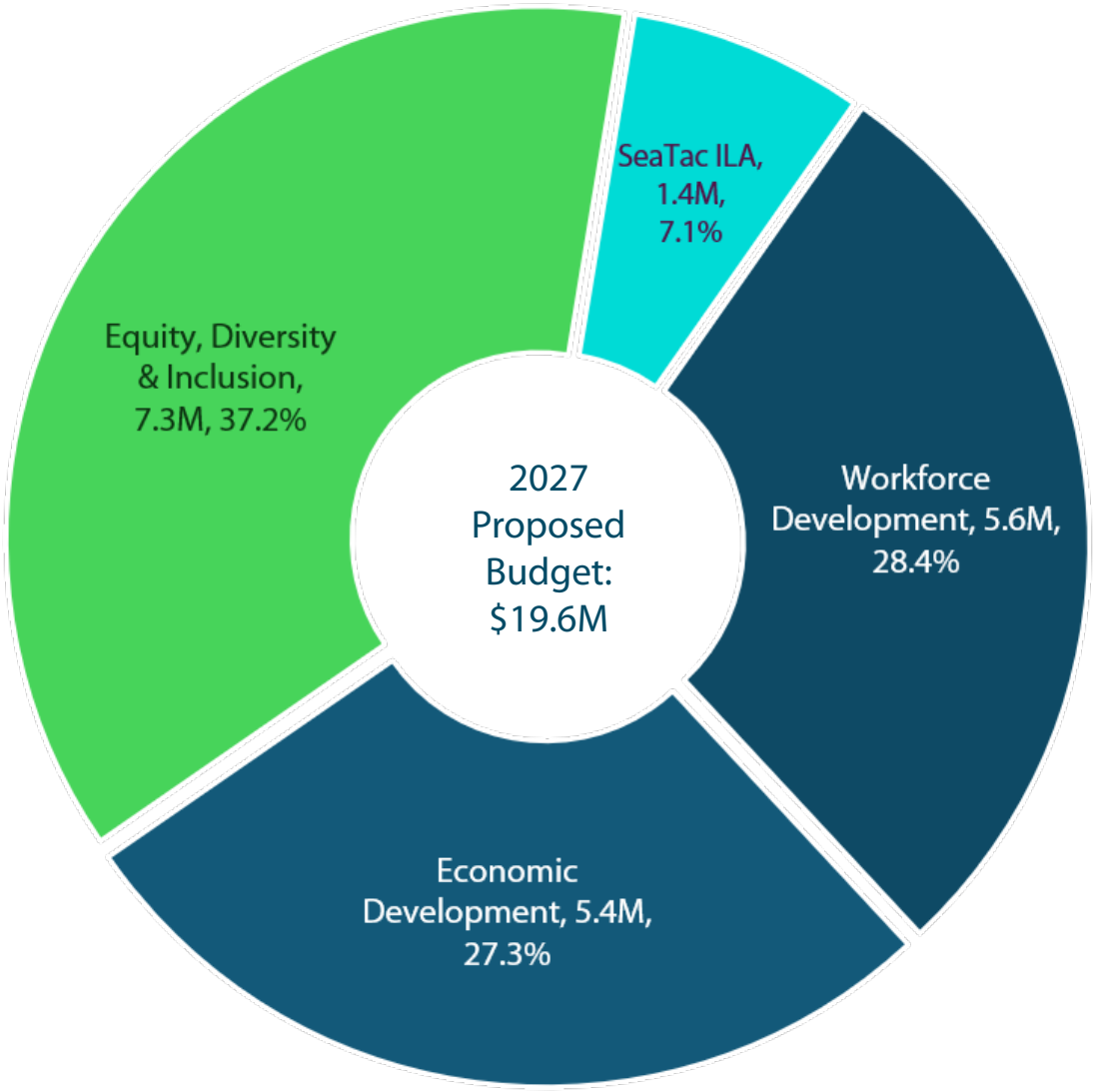
Duwamish Valley Job Fair



SKPC EIP Meeting



2027 Port Community Program Funding by Activity



Economic Development

- **Diversity in Contracting -**$2.2M (excludes the $250K for SKPC)
- **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

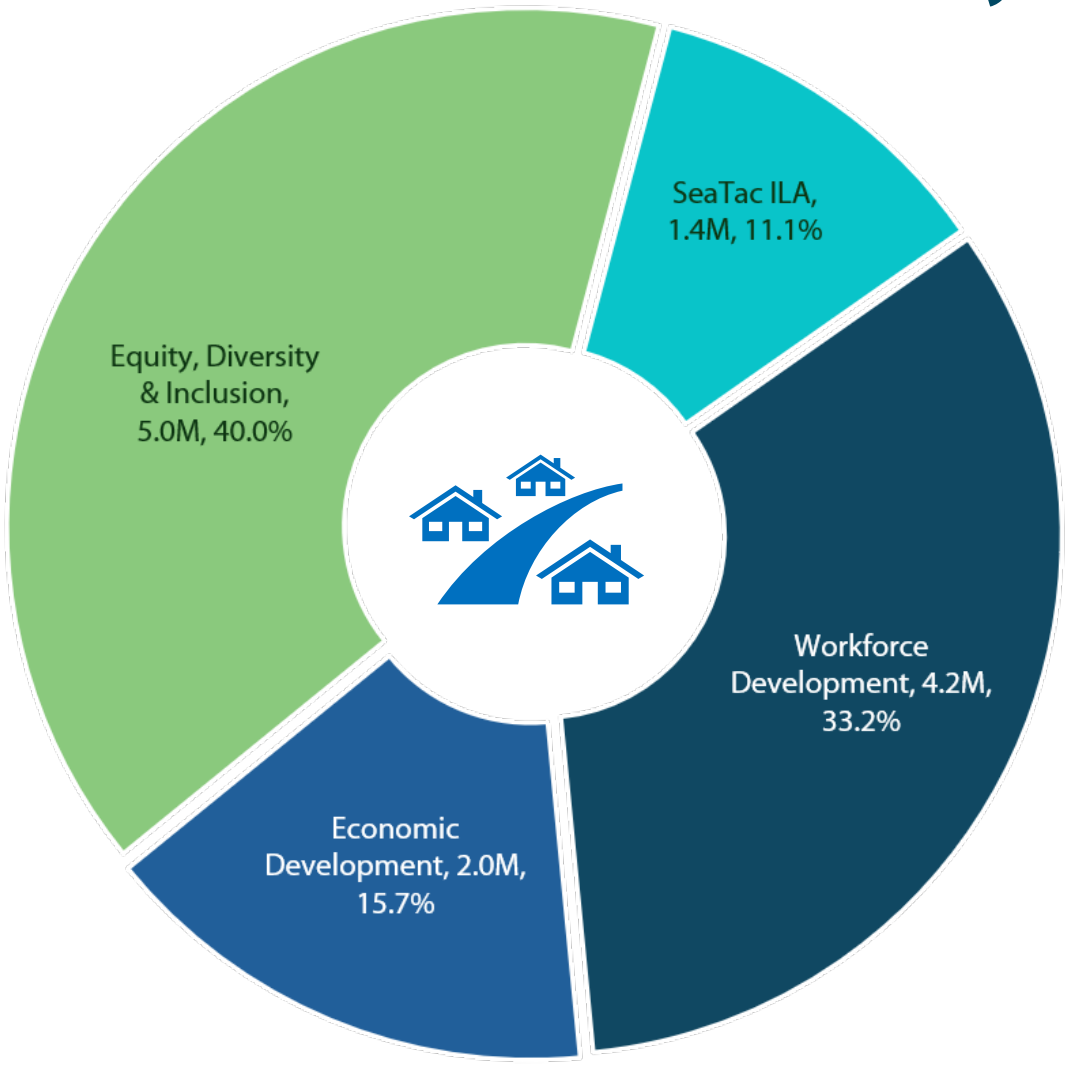
- **OEDI Department -** $4.4M (includes $1.9M for SKPC)
- **South King and Port Communities Fund –** $750K without the $1.9M from EDI (shown above). Total for the whole program $2.6M
- **Friends of the Waterfront–** $750K
- **Staff Costs supporting DVCEP & SKCCIF –** $776K
- **Duwamish Community Equity program (DVCEP) –** $627K

SeaTac ILA

- $1.4M

* Detailed list included in the Appendix.

2027 Port Community Program funded by the levy



2027 Proposed Budget funded by the levy: $12.6M

Economic Development

- **EDD Partnership Grants -** $950K
- **Tourism Marketing Support -** $870K
- **Maritime Blue -** $100K
- **Diversity in Contracting -**$50K

Workforce Development

- **Workforce Development Department -** $3.9M
- **High School Interns -** $299K

Equity, Diversity & Inclusion

- **OEDI Department -** $2.1M (includes $1.9M for SKPC)
- **South King and Port Communities Fund –** $750K without the $1.9M from EDI (shown above). Total for the whole program $2.6M
- **Staff Costs supporting DVCEP & SKCCIF –** $776K
- **Friends of the Waterfront–** $750K
- **Duwamish Community Equity program (DVCEP) –** $627K

SeaTac ILA

- $1.4M

* Detailed list included in the Appendix.

2027 Budgeting With Equity Summary



Equity Spending Definition

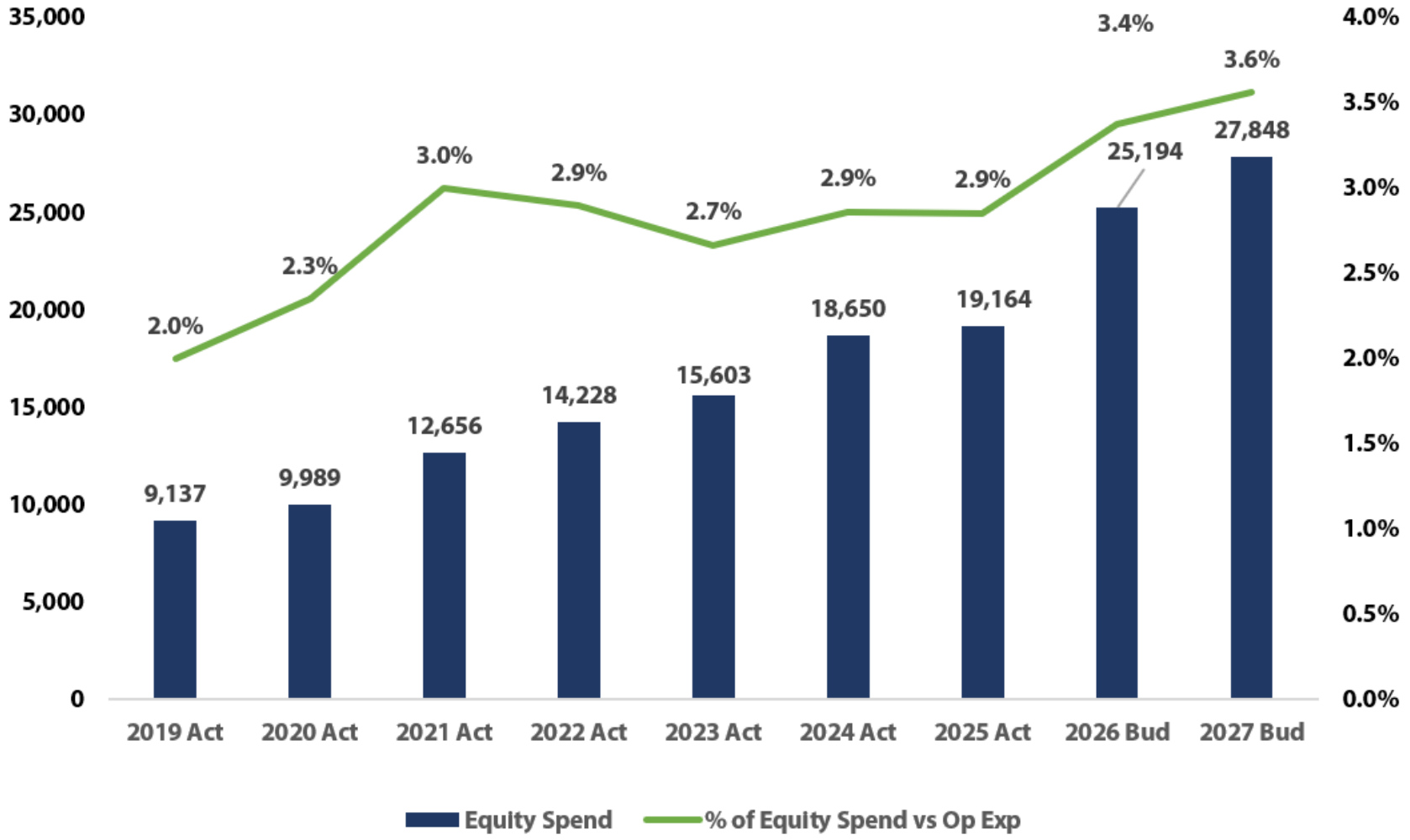
The Port of Seattle defines *equity spending* as Port investments that:

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



2027-2031 CIP











2027-2031 CIP Summary

	2027 Budget	2027-2031 CIP	% of 2027 Total Committed
Committed Capital Projects			
Aviation Division	896,343	3,177,858	81.8%
Maritime Division	185,633	418,731	16.9%
Central Services	13,598	33,272	1.2%
Other	647	27,535	0.1%
Total Committed	**1,096,221**	**3,657,396**	**100.0%**
Business Plan Prospective Projects	**101,617**	**1,223,241**	
CIP Cashflow Adjustment Reserve	**(180,902)**	**0**	
Total CIP	**1,016,936**	**4,880,638**	

Notes:
1) Definitions and details of the capital budget can be found in Section IX.
2) Includes the Stormwater Utility and NWSA Joint Venture

2027 Sources and Uses of Funds



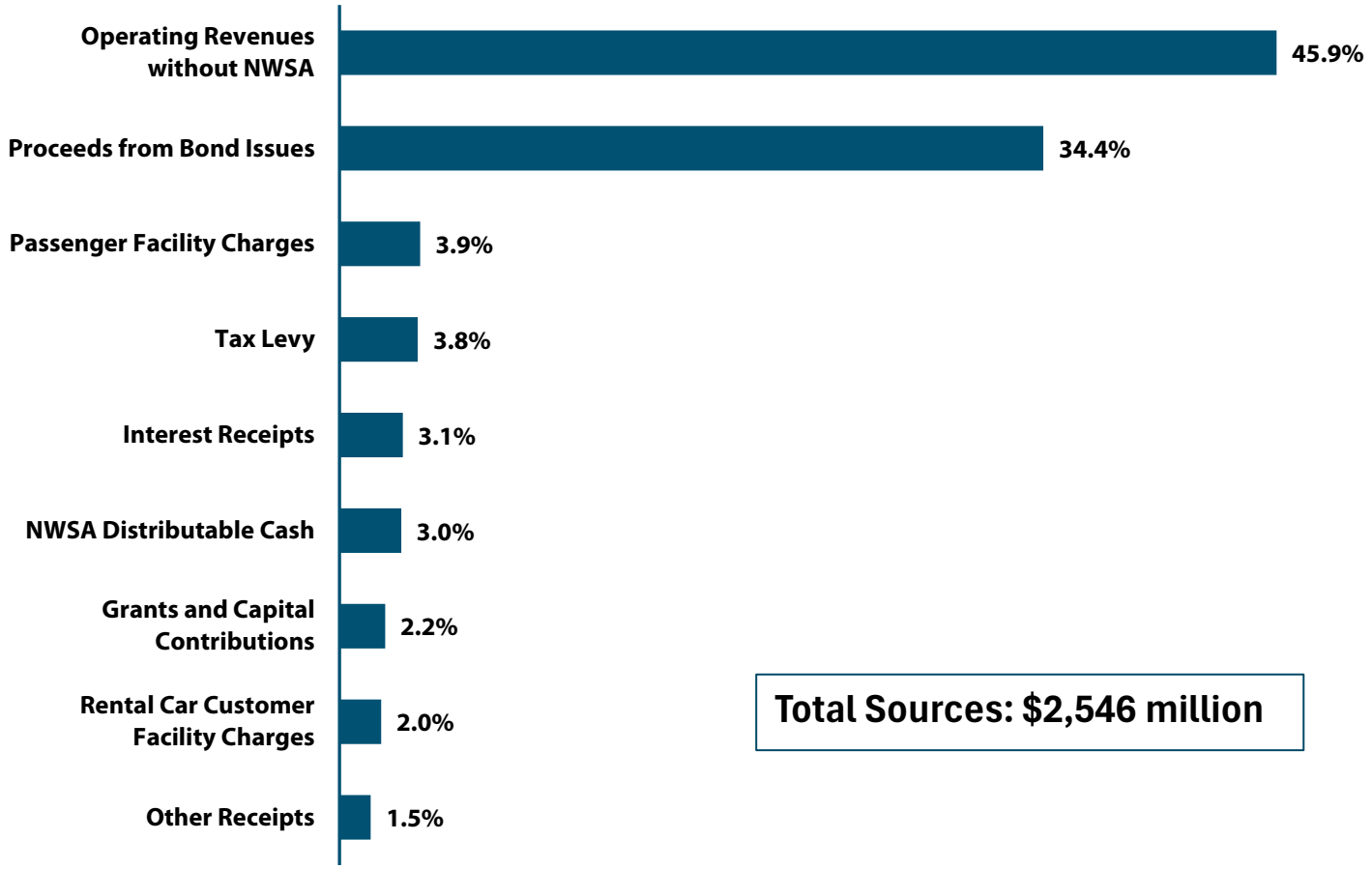








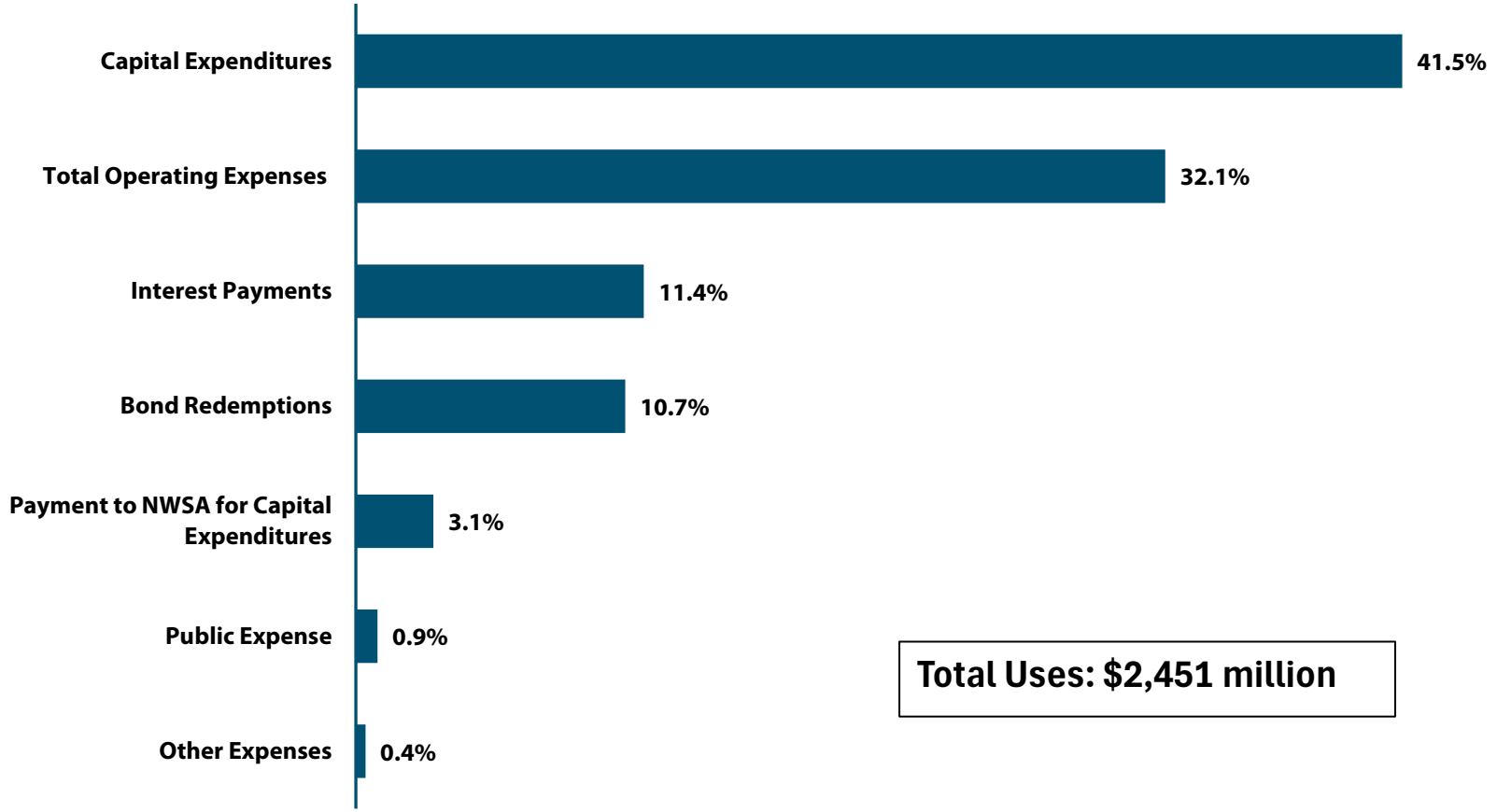
2027 Sources of Funds



Total Sources: $2,546 million

- 45.9% of funding sources comes from operating revenues w/o NWSA
- 34.4% of funding sources comes from bond proceeds
- The tax levy makes up 3.8% of total funding sources in 2027

2027 Uses of Funds



Total Uses: $2,451 million

- Plan to spend about 41.5% of total funds on capital projects in 2027
- 32.1% of total expenditures on operating expenses

2027 Tax Levy









Context of the Levy Discussion

2026 Levy Discussion

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

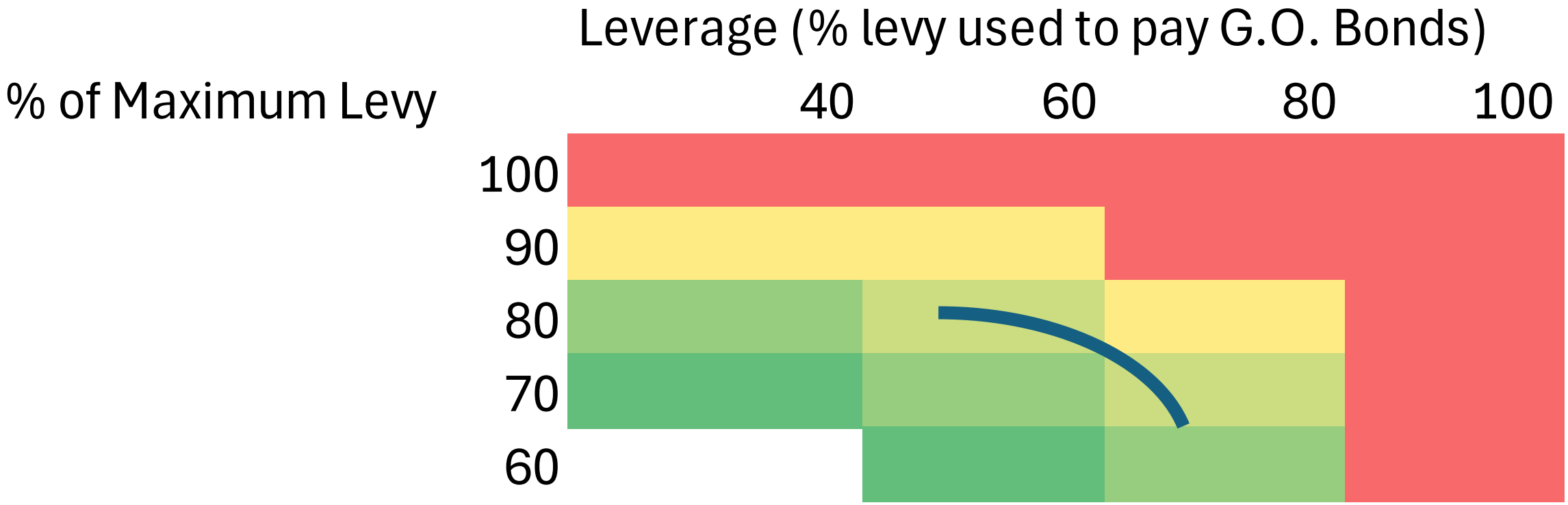
March Retreat

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

Proposal

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

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



Levy Scenarios

	Taxpayer Lense	Investor Lense	Change in Resource Capacity 2026-2030
Current – 75/75	Modest annual increases, funds key initiatives	Provides financial flexibility by managing levy amount and leverage	
Maximum levy - rainy day fund	Sharp increase in the levy, no immediate benefit	Concern that levy will remain high and rainy-day fund will be spent	$33 million one time
Maximum levy - invest	Sharp increase in the levy, value depends on use	Concern that levy will remain high, reason on investment will be an issue	$33 million one time
Adjusted current – e.g., 80/70	Moderate increase in the levy, value depends on use	Provides financial flexibility by managing levy amount and leverage	$67 million 2027-2035

Managing the Levy Using a Balanced Approach

GOAL

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

RECOMMENDATION

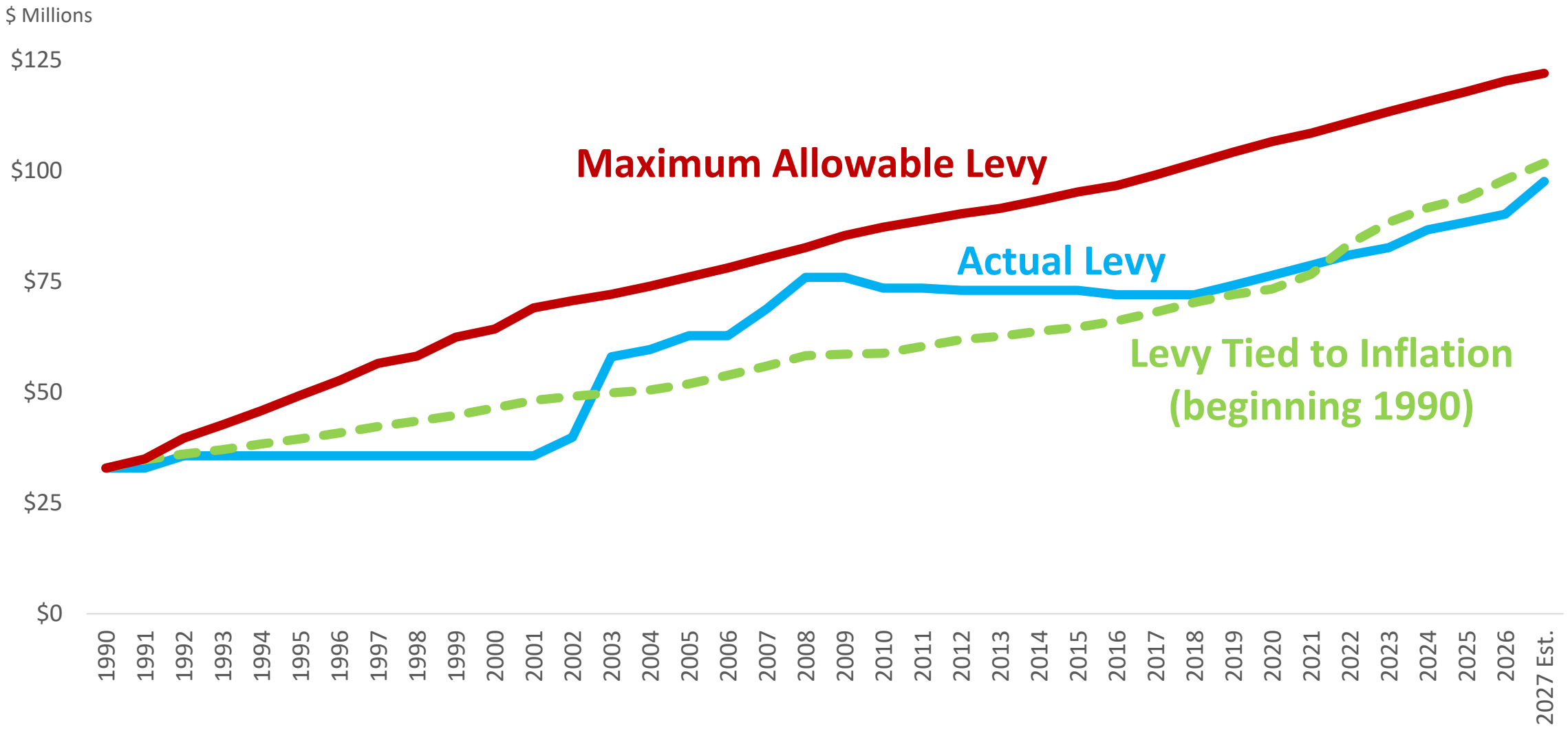
Move from **75/75** to **80/70**

- 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

Levy History



Levy Background: A Tool Managed with Discipline

1911

King County voters create the Port as a public port district

1961

State expands the Port's taxing authority

2010

Transportation & Infrastructure Fund created for regional commitments

2015

Commission sets levy use criteria for capital (updated 2018)

2023

Environmental Legacy Fund created; $62M deposited to date

2027

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 **assets**. The Commission has chosen to keep it well below the legal maximum.

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.

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

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 rises 8.2% in 2027, then returns returns to ~2% annual growth 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.

Remaining 2027 Budget Schedule

- Adoption of 2027 Budget on Nov. 23, 2026
- File the Statutory Budget with King County by Nov. 30, 2026
- Release the 2027 Final Budget Document on Dec. 4, 2026

Appendix


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2027 Budget Process Recap

Jun 23	Commission Budget Study Session (Commission Priorities)
Jul 14	Commission Budget Study Session (Commission Priorities) & 2027 Budget Development Briefing
Sept 22	2027 Central Services Operating and Capital Budgets Briefing and Port Wide Rollup
Oct 13	2027 Aviation Division Operating Budget Briefing
Oct 13	2026 Maritime and EDD Operating and Capital Budgets Briefing
Oct 20	Preliminary 2027 Budget Document provided to the Commission
Oct 22	Preliminary 2027 Budget Document released to the public
Oct 27	Tax Levy & Draft Plan of Finance Commission Briefing
Nov 17	Introduction & Public Hearing of the Preliminary 2026 Budget
Nov 23	Adoption of the 2026 Budget
Nov 30	File the 2026 Statutory Budget with King County
Dec 4	Release the 2026 Final Budget and Draft Plan of Finance

2026-7 Business Activity Forecasts

Aviation Division:

- Passenger volumes for 2027 projected to be 53.8M, 1.3% higher than 2026 forecast
- Funding operating needs and capital program:
  - Manage growth of costs
  - Deliver consistent growth through innovation in non-aeronautical revenues

Maritime Division:

- Cruise forecasts 329 vessel sailings with over 2.0 million
- Grain volume budgeted at 3.5 million metric tons, a 9.0% increase from the 2026 budget
- Commercial Properties target 90% occupancy rate at the end of 2026
- Conference and Event Center expects a 20.6% revenue increase from the 2026 revised budget, driven by waterfront revitalization

Economic Development Division:

- Investing in regional economic growth through key initiatives. Expand the talent pipeline to address labor shortages and workforce needs in the maritime, aviation, and construction sectors

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 ILA*	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	2,438	300	12.3%
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**	**18,861**	**11,796**	**63%**
Payroll charged to the Levy [4]	**589**	**781**	**848**	**776**	**776**	**100.0%**
Grand Total	**19,392**	**20,372**	**21,491**	**19,637**	**12,572**	**64.0%**

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 Funded by the levy**	**2025 Funded by the levy**	**2026 Funded by the levy**	**2027 Funded by the levy**	**Inc/(Dec) from 2026 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 ILA*	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:
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) 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

2027 Operating Budget for Aviation

($ in thousands)

	2024 Actual	2025 Actual	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 2026 Revised Budget($)	Inc/(Dec) from 2026 Revised Budget(%)
Aeronautical Revenues	520,942	545,307	617,786	618,565	683,800	65,235	10.5%
Airport Non-Aero Revenues	340,360	363,215	367,381	343,592	355,463	11,871	3.5%
Total Operating Revenue	**861,301**	**908,522**	**985,167**	**962,157**	**1,039,262**	**77,105**	**8.0%**
GASB 87_96_103 Revenues	15,287	(8,407)	(13,917)	9,872	13,195	3,323	33.7%
Total Operating Revenues GASB Comparable Basis	**876,588**	**900,116**	**971,250**	**972,029**	**1,052,457**	**80,429**	**8.3%**
O&M Expenses w/o Pension Credit	**548,405**	**558,138**	**588,135**	**589,858**	**604,041**	**14,183**	**2.4%**
DRS Pension Credit	(18,577)	(21,111)	-	-	-	-	0.0%
O&M Expenses with Pension Credit	**529,828**	**537,028**	**588,135**	**589,858**	**604,041**	**14,183**	**2.4%**
GASB 87_96_103 Expenses	2,033	5,167	9,800	8,101	8,265	165	2.0%
Total Operating Expenses GASB Comparable Basis	**531,861**	**542,195**	**597,935**	**597,958**	**612,306**	**14,348**	**2.4%**
Net Operating Income (with Pension Credit)	**331,473**	**371,495**	**397,032**	**372,299**	**435,221**	**62,922**	**16.9%**

2027 Operating Budget for Seaport

($ in thousands)

	2024 Actual	2025 Actual	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 2026 Revised Budget($)	Inc/(Dec) from 2026 Revised Budget(%)
Maritime	92,952	101,085	110,425	110,425	122,417	11,992	10.9%
Economic Development	8	1	16	16	-	(16)	-100.0%
Joint Ventures [1]	61,406	105,850	56,972	56,972	55,943	(1,029)	-1.8%
Stormwater Utility/ELIM	5,635	6,525	6,057	6,057	7,416	1,359	22.4%
Central Services	534	463	259	259	366	107	41.4%
Operating Revenues	**160,537**	**213,924**	**173,728**	**173,728**	**186,142**	**12,414**	**7.1%**
GASB 87_96_103 Revenues	13,658	20,018	14,919	14,919	14,148	(771)	-5.2%
Total Operating Revenues GASB Comparable Basis	**174,195**	**233,941**	**188,647**	**188,647**	**200,290**	**11,643**	**6.2%**
Maritime	101,991	111,423	115,962	140,628	142,437	1,809	1.3%
Economic Development	2,974	2,663	3,390	3,390	4,372	981	28.9%
Joint Ventures	2,354	11,516	5,154	5,564	17,711	12,147	218.3%
Stormwater Utility/ELIM	5,953	6,338	5,661	5,688	7,003	1,315	23.1%
Central Services	13,754	8,203	12,839	13,357	11,154	(2,203)	-16.5%
O&M Expenses w/o Pension Credit	**127,026**	**140,143**	**143,007**	**168,626**	**182,676**	**14,051**	**8.3%**
DRS Pension Credit	(4,212)	(4,860)	-	-	-	-	0.0%
O&M Expenses with Pension Credit	**122,814**	**135,284**	**143,007**	**168,626**	**182,676**	**14,051**	**8.3%**
GASB 87_96_103 Expenses	4,698	(469)	26,063	420	529	109	25.9%
Total Operating Expenses GASB Comparable Basis	**127,512**	**134,814**	**169,070**	**169,046**	**183,205**	**14,159**	**8.4%**
Net Operating Income (with Pension Credit)	**37,723**	**78,640**	**30,721**	**5,102**	**3,465**	**(1,636)**	**-32.1%**

Table Notes:

1) Includes NWSA Distributable Revenue

2027 Comprehensive Budget

(Combined Operating & Non-Operating Items)

($ in thousands)

	2024 Actual	2025 Actual	2026 Budget	2026 Revised Budget	2027 Proposed Budget	Inc/(Dec) from 2026 Revised Budget($)	Inc/(Dec) from 2026 Revised Budget(%)	Explanations
Revenues								
1. Operating Revenues	1,021,838	1,122,446	1,158,895	1,135,885	1,225,404	89,520	7.9%	Higher operating revenues from each division
2. Tax Levy	85,885	87,841	90,180	90,180	97,588	7,408	8.2%	A 8.2% increase proposed in 2027
3. Passenger Facilities Charges	99,364	98,144	102,054	102,054	100,350	(1,704)	-1.7%	Lower enplanements than 2027
4. Customer Facilities Charges	24,896	24,821	25,327	49,634	51,947	2,313	4.7%	Higher CFC revenue in 2027
5. Fuel Hydrant	6,389	6,561	6,986	6,986	6,986	()	0.0%	
6. Non-Capital Grants and Donations	3,491	3,052	2,209	2,209	3,417	1,208	54.7%	Higher Non-Capital Federal Grant in 2027
7. Capital Contributions	94,282	40,308	54,699	54,699	53,390	(1,309)	-2.4%	Lower Capital Federal Grant in 2027
8. Interest Income	81,374	117,805	74,857	74,857	78,812	3,955	5.3%	Higher interest rates and fund balance in 2027
9. Other Noncapital Subsidies	25,110	2,952	2,923	2,923	2,974	51	1.7%	In line with the 2026 budget
10. Lease Interest Income	21,711	26,964	24,791	24,791	27,343	2,552	10.3%	Higher GASB 87 lessor lease interest income in 2027
Total	**1,464,341**	**1,530,894**	**1,542,920**	**1,544,217**	**1,648,211**	**103,994**	**6.7%**	
Expenses								
1. Operating Expenses	652,642	672,311	731,141	758,484	786,717	28,234	3.7%	Higher operating expenses from operating divisions
2. Depreciation	277,917	298,355	308,165	308,165	342,538	34,372	11.2%	More new assets coming to service
3. Revenue Bond Interest Expense	150,434	174,153	210,147	210,147	222,468	12,321	5.9%	New bond issuances and higher interest rates in 2027
4. GO Bond Interest Expense	14,365	15,184	17,309	17,309	20,848	3,539	20.4%	Higher Go Bonds Interest Expense in 2027
5. Public Expense	11,150	4,320	6,263	6,263	20,999	14,736	235.3%	Higher Public Expenses in 2027 mainly due to WSDOT Gateway Program
6. Other Non-Op Rev/Expenses	41,608	(46,161)	34,873	8,048	7,744	(304)	-3.8%	Higher SBITA and Lease interest expenses offset by Acct Recv Interest
7. Special Item Income/Expense	91,107	-	-	-	-	-	0.0%	
Total	**1,239,222**	**1,118,162**	**1,307,899**	**1,308,416**	**1,401,314**	**92,898**	**7.1%**	
Revenues over Expenses	**225,118**	**412,732**	**235,021**	**235,800**	**246,897**	**11,096**	**4.7%**	

2027 FTE Summary

	Aviation	Maritime	Econ Dev.	Central Services	Total
2026 Approved FTE's	**1,387.4**	**324.5**	**18.0**	**985.0**	**2,714.8**
Mid Year Approval	-	-	-	1.5	1.5
Eliminated	-	-	-	(4.6)	(4.6)
Net Transfers	-	-	5.0	(5.0)	-
Adjusted 2026 FTE's [1]	1,387.4	324.5	23.0	976.9	2,711.8
2027 Budget					
Eliminated	(45.3)	(2.0)	-	(39.0)	(86.3)
Transferred	-	-	-		-
New FTE's	-	-	-	2.0	2.0
Repurposed	-	-		(2.0)	(2.0)
Total 2027 Changes	(45.3)	(2.0)	-	(39.0)	(86.3)
Proposed 2027 FTE's	**1,342.1**	**322.5**	**23.0**	**937.9**	**2,625.5**

Notes:

1) Includes FTEs from Stormwater Utility in Maritime Division.

Equity in Budgeting Highlights











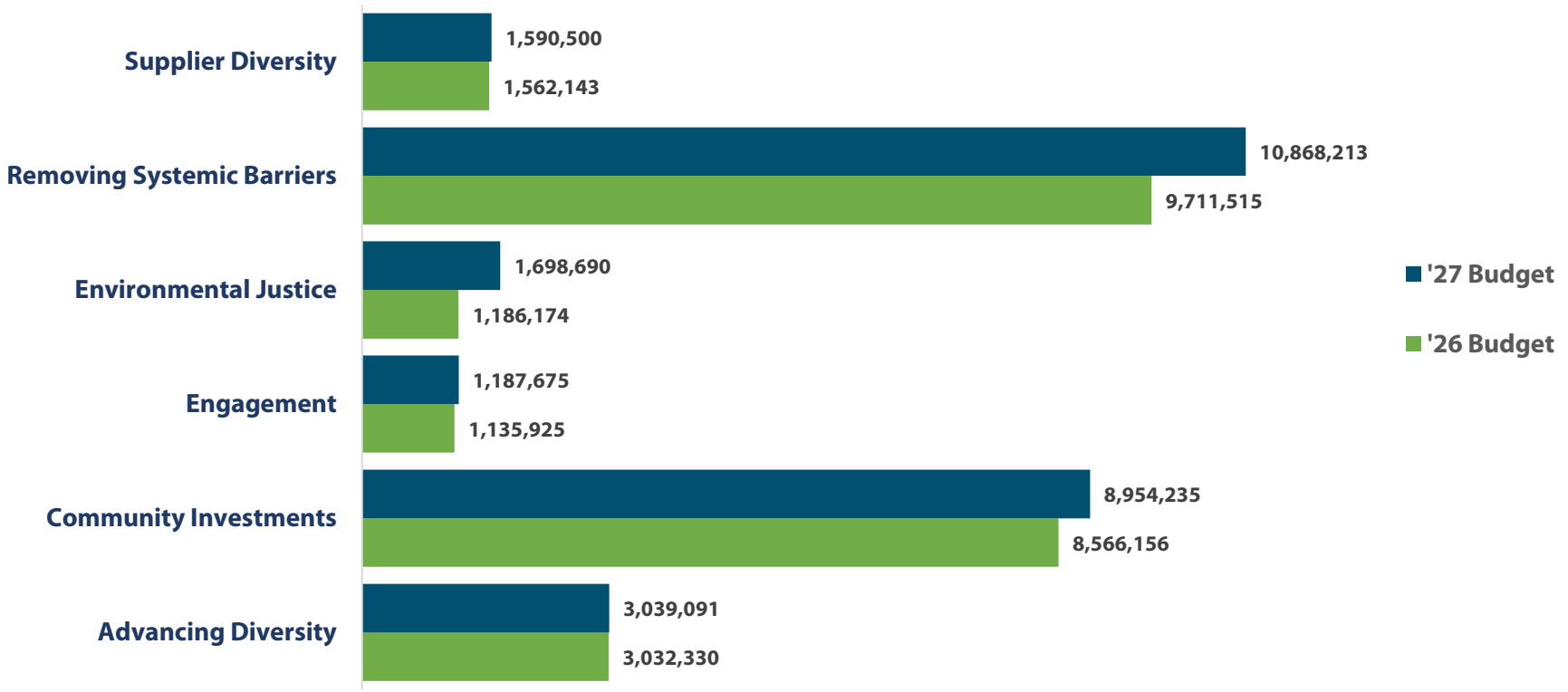


Equity Spending Criteria

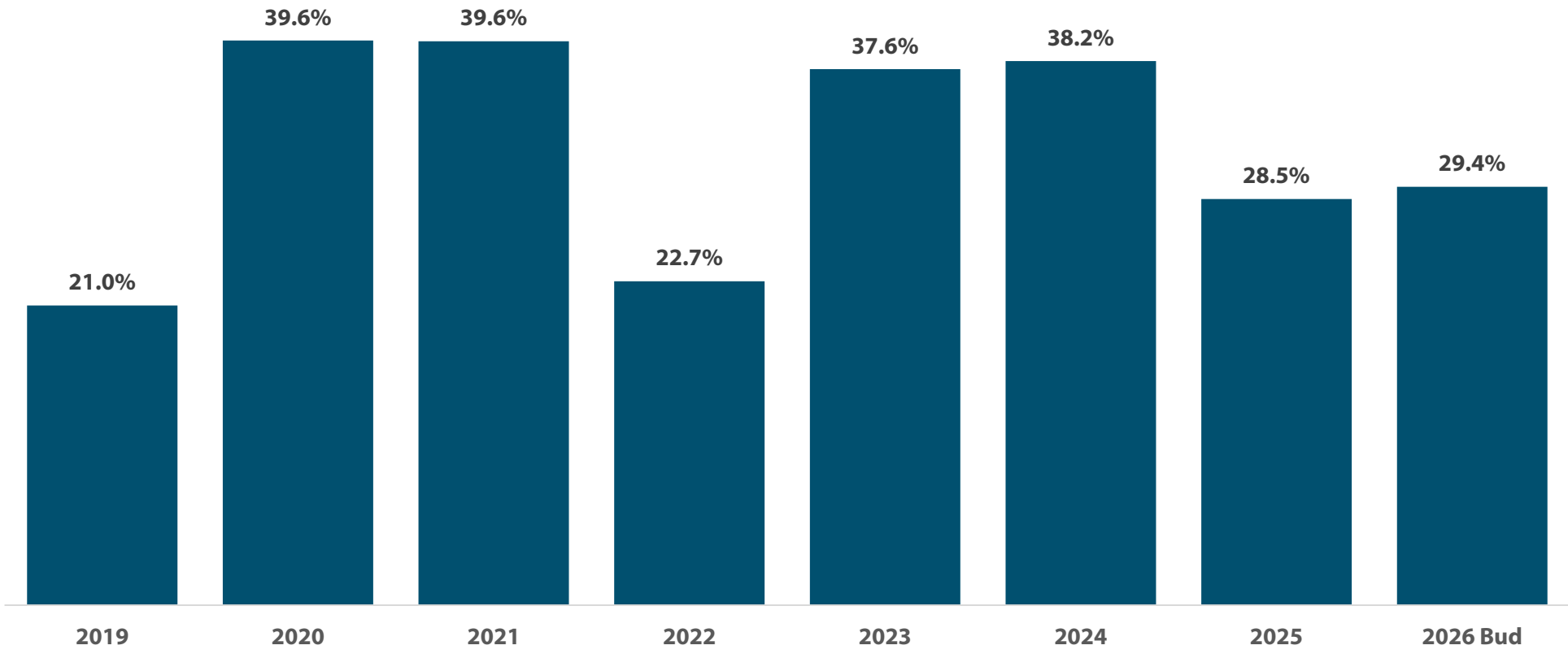
If an investment meets one of the definitions, then it must also meet at least one of the key criteria:

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.

2027 Port Wide Equity Spending by Category



Port Wide Equity Spending Funded by Tax Levy



2027 Equity Spending Highlights

- Workforce Development Programs ($3,974K)
  - Airport Employment Center ($1,145K)
  - Youth Career Launch Program ($670K)
  - Taxi Driver Employment Navigator ($375K)
  - Construction Pre-Apprenticeship Services ($375K)
- South King and Port Communities Fund ($2,398K)
  - Total SKPCF is $2,648K if including $250K in Diversity in Contracting in EDD
- Noise Part 150 Study ($1,397K)
- Transportation Pilot for SEA workers "SEA Moves" ($1,500K)
- EDD Partnership Grants ($950K)

2027 Equity Spending Highlights - Con't

- Duwamish Valley Community Equity Program ($626K)
- ADR Rental Equity Study ($500K)
- Veteran's Program ($378K)
- High School Internship Program ($299K)
- Childcare Bridge Strategy ($200K)
- Language Access Fund ($134K)
- Clean Fuel Policy Advocacy and Coalition Building ($100K)
- Anti-Human Trafficking ($83K)
- Equity Assessment Implementation ($50K)*
- Equity Index ($50K)
- Employee Resource Groups ($32K)

5-year Tax Levy Fund Sources and Uses

($ million)

SOURCES OF TAX LEVY & RELATED FUNDS	2027-2031
Beginning Balance - Tax Levy	$ 38
Beginning Balance - ELF	31
Tax Levy Collections	502
Existing GO Bond Proceeds	78
Future GO Bond Proceeds	250
Environmental Grant Receipts	4
Total Sources	$ 903

USES OF TAX LEVY & RELATED FUNDS	2027-2031
G.O. Bond Debt Service (existing)	$ 180
G.O. Bond Debt Service (new)	73
Environmental Remediation Liability (Non-Airport)	263
Seaport Capital Investments	318
Sound Insulation	7
Community Programs	63
Total Uses	$ 904

Note: Excludes TIF

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 debt service. The rest is cash for capital and programs. 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

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.

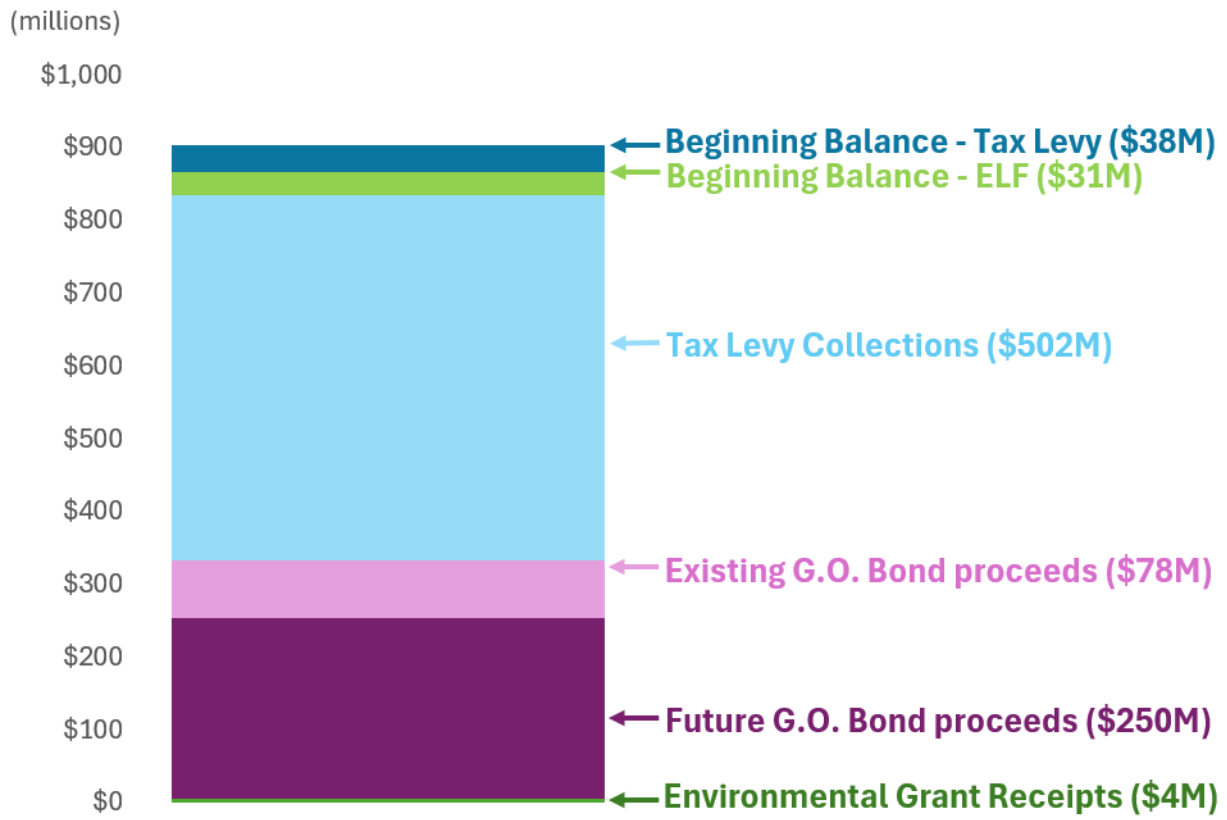
The Long-Term Commitment

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

Sources of Tax Levy & Related Funding: 2027-2031

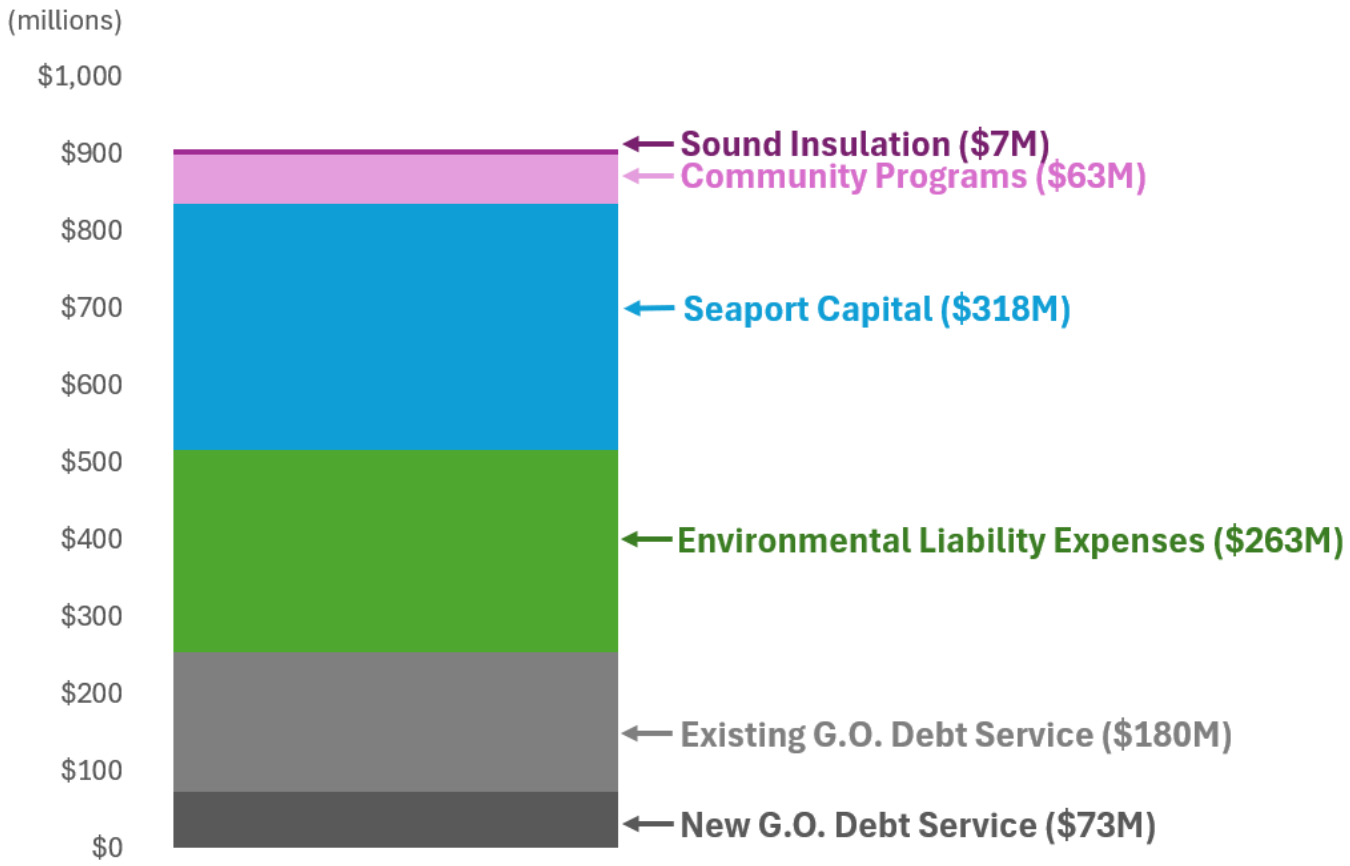
Total Sources - $904M

- 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

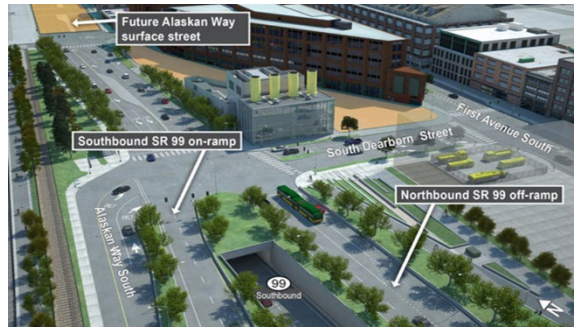
- Existing GO Bonds DS includes both Seaport capital investments and SR-99 tunnel contribution
- Environmental costs are projected to continue well past 2031, but are fully funded with levy resources including G.O. bonds
- Assumes continuation of levy funded Community Programs at ~$13M annually

Note: Excludes TIF spending

Tax Levy Summary

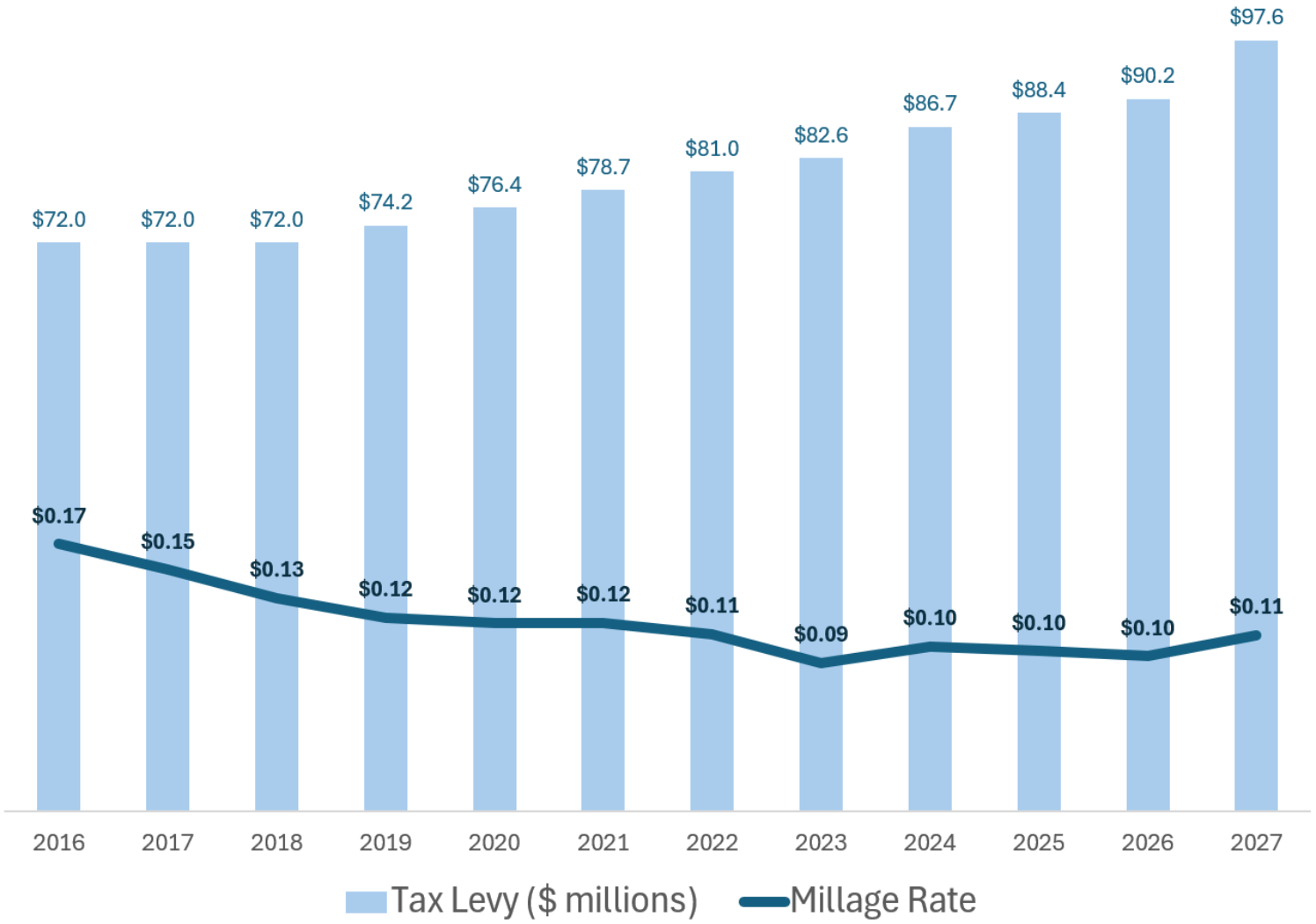
- Levy amount is approved annually by the Commission
- Levy can be leveraged by issuing General Obligation (G.O.) bonds
- Current Levy uses:
  - G.O. bond debt service
  - Environmental remediation and sustainability
  - Regional transportation mobility
  - Community: equity, workforce, economic development
  - Investments in seaport infrastructure
- The Port may approve a levy amount up to the maximum allowable within statutory limits ($122.0 million in 2026)
- 2027 levy proposed to be $97.6 million







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

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.