



**Port of Seattle Commission
SPECIAL MEETING – Study Session**

October 8, 2024 – 9 a.m.

The meeting is open to the public at its physical location from 9 a.m. through the end of the meeting; located at: 17801 International Blvd, Seattle WA, Mezzanine Level, SEA Conference Center. To listen remotely, please dial 425-660-9954, or 833-209-2690, Conference ID 430 877 852#

Port of Seattle Commissioners:

Ryan Calkins; Sam Cho; Fred Felleman; Toshiko Hasegawa, Hamdi Mohamed

- I. CALL TO ORDER – 9:00 A.M.
- II. Aviation Division Operating and Capital Budgets Briefing (9:00 a.m. - 10:30 a.m.) (p.2)
- III. Maritime Operating and Capital Budgets Briefing (10:30 a.m. - 11:30 a.m.) (p.120)
- IV. ADJOURNMENT



**COMMISSION
AGENDA MEMORANDUM**

Item No. Study Session

BRIEFING ITEM

Date of Meeting October 8, 2024

DATE: September 24, 2024

TO: Stephen P. Metruck, Executive Director

FROM: Lance Lyttle, Managing Director, Aviation Division
Hiedi Popochock, Director, Aviation Finance & Budget

SUBJECT: **2025 Aviation Division Operating and CIP Budgets Briefing**

EXECUTIVE SUMMARY

The purpose of this briefing is to discuss with the Commission the 2025 preliminary operating and CIP budgets for Aviation Division. Staff would also like to seek the Commission feedback on the preliminary budgets.

This is one of a series of budget briefings to the Commission starting from June. Staff plans to discuss the three operating divisions' operating and capital budgets on October 8, 2024, and the 2025 Tax Levy and Draft Plan of Finance on October 22, 2024, prior to the formal Commission reviews and approvals of the 2025 budget in November.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- September 24, 2024 – Central Services 2025 Preliminary Budget and Port-wide Rollup Briefing
- July 23, 2024 – 2025 Budget Development Briefing
- June 26, 2024 – Commission 2025 Budget Planning Retreat



Seattle-Tacoma
International
Airport

AVIATION DIVISION

2025 Preliminary Operating & Capital Budget

Commission Briefing

October 8, 2024

Outline for Aviation Division Presentation

- Strategy to Budget
- Strategic Priorities
- 2025 Preliminary Budget Overview
- 2025 Preliminary Operating Budget
- Budget Policy Considerations
- Equity in Spending Highlights
- 2025 – 2029 Preliminary Capital Forecast
- 2025 – 2029 Preliminary Financial Forecast
- Appendix

Century Agenda Drives Division Plans and Budgets

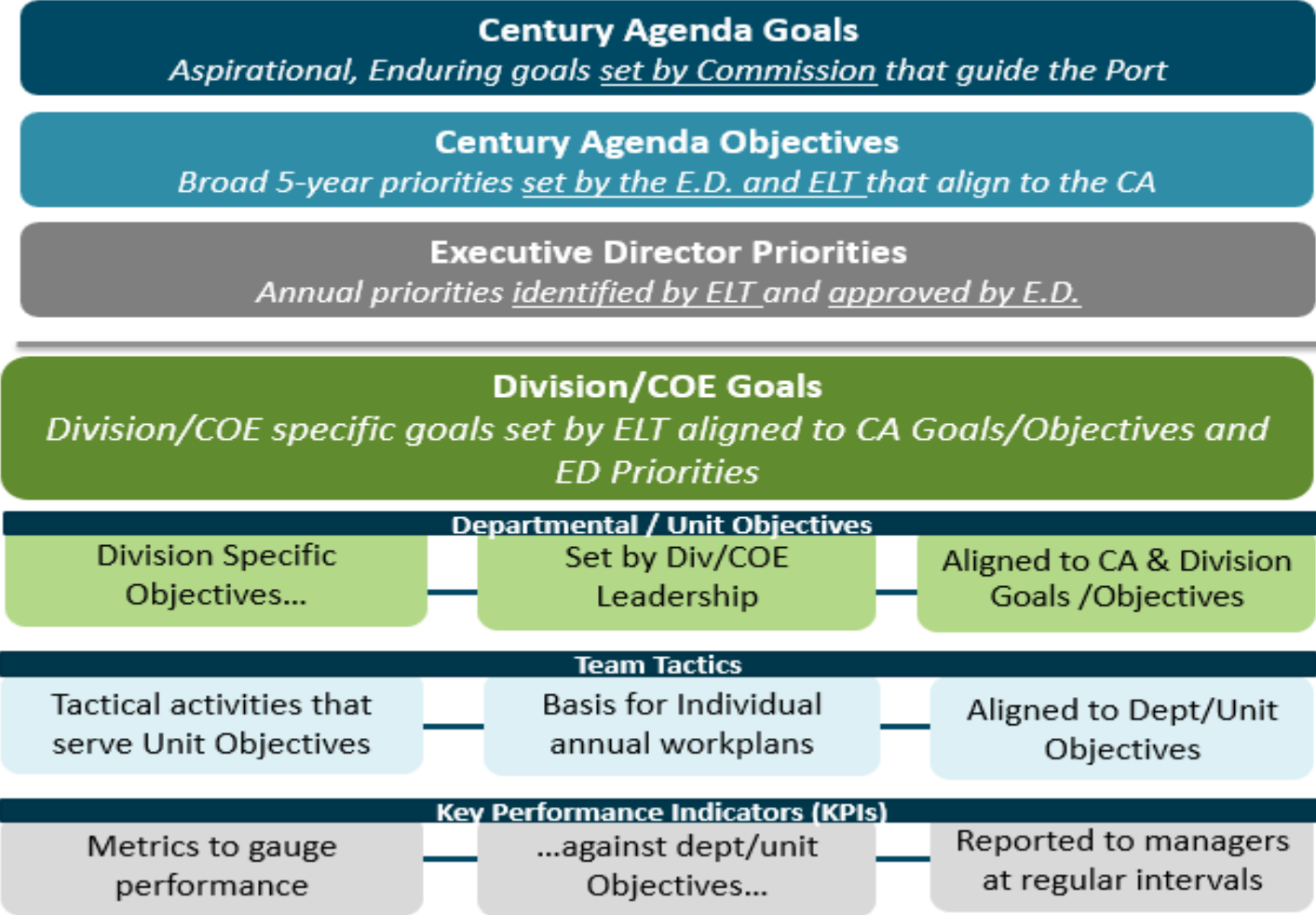
Port-wide Strategic Alignment under the Century Agenda

The Century Agenda (CA) is the guiding force behind Port business planning initiatives.

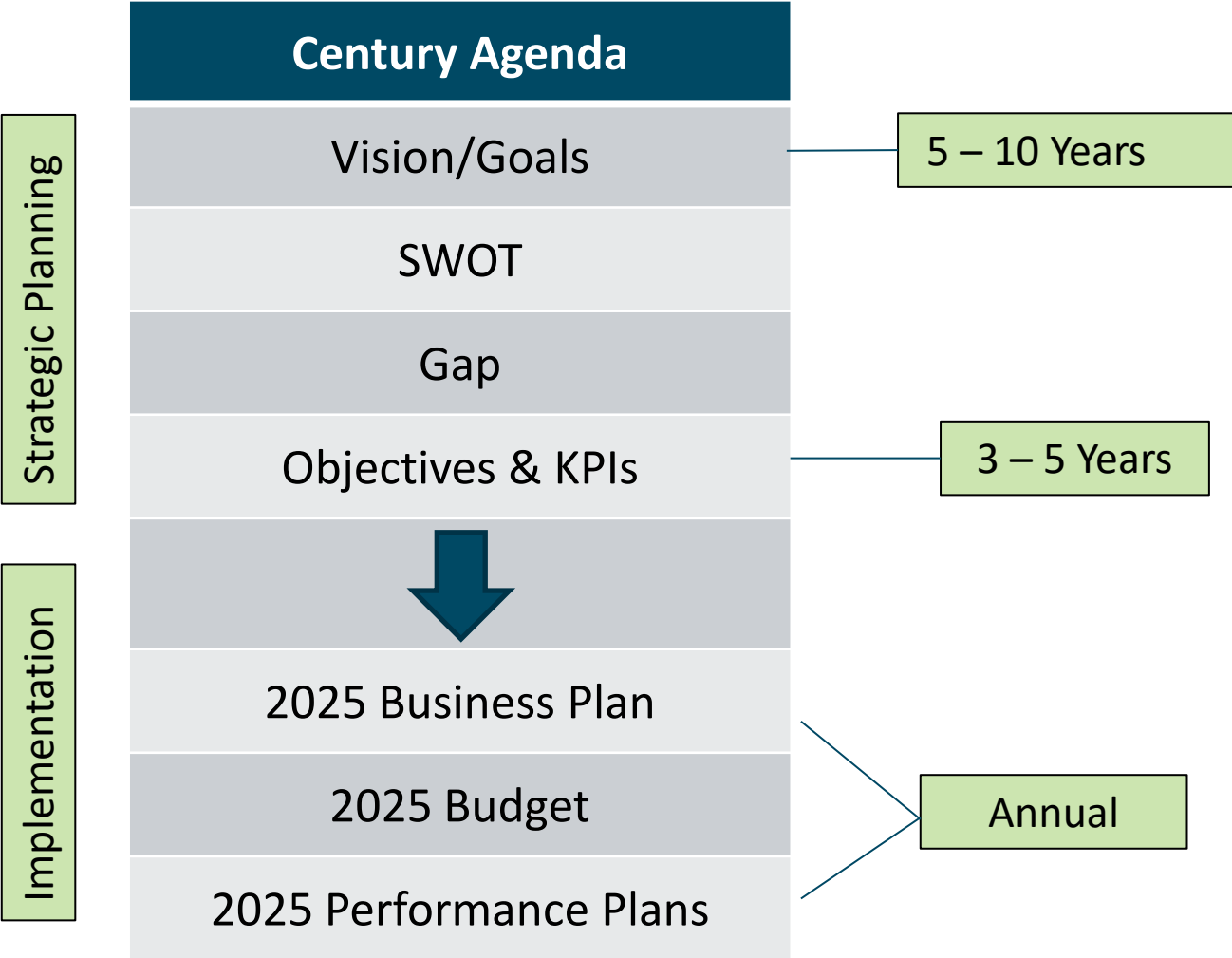
Widely embraced throughout the Port, Directors and Managers ensure vertical alignment of their operations and initiatives under the CA.

The Executive Director Priorities (EDPs) are the initiatives identified each year as being most important or impactful.

By aligning all our work under the CA, all Port staff can see and understand how their individual work contributes to Port goals.



Strategy to Budget Process



SEA: Mission and Vision

SEA MISSION

Seattle-Tacoma International Airport (**SEA**) promotes regional economic vitality by operating a world-class international airport, providing an extraordinary customer experience, and being a model of environmental innovation for our region and industry.

SEA VISION

Connecting the region to the world through flight. The journey begins here.

SWOT Profile

Strengths:

- New Facilities: International Arrivals Facility and North Satellite Gates
- Employees' ability to adapt and innovate
- SEA Brand, customer-focused culture

Opportunities:

- Regional economy, demand for travel
- Emerging technologies to enhance customer experience
- Growth through AAG alliance with **Oneworld**
- Community priorities

Weaknesses:

- Increasing airport cost to airlines/tenants
- Project construction impacts
- Capital program affordability; resources to deliver
- Staffing challenges

Threats:

- Cyber attacks
- High inflation, risk of recession, volatile construction market, supply chains, increasing costs
- Delay on Sustainable Airport Master Plan environmental review

Setting Aviation Division Priorities for 2025

- **Reviewed and updated for each of five focus areas:**
 - Vision and long-term goals
 - 2025 Objectives
- **Set priorities for 2025:**
 - Must Do/Regulatory
 - Wildly Important Goals (WIGs)
 - Pretty Important Goals (PIGs)

Mandatory/Regulatory

Health & Safety – Zero Major, intermediate, or repeat Part 139 discrepancies

Security

- Meet TSA Cyber Security Regulations
- Use AI integrated camera technology to mitigate risk for Piggy backing (SecOps)

Community – XX% completion, 2014 approved Part 150 noise remedy program, by end of Q4

Environment & Sustainability

- **Environmental Review:** Obtain SAMP NTP NEPA EA and SEPA EIS Records of Decisions
- **Flight Corridor:** Meet 2019 Phase 1 and 2 SEPA compliance obligations by conducting plantings and invasive removal by Q4
- **Stormwater:** Meet or exceed agency requirements for stormwater leaving Port-owned or operated facilities

Wildly Important Goals (WIGS)

Health & Safety – Achieve 5% reduction from the previous year in SMS major incident rate

Employee Engagement – Maintain 75% or higher in positive agreement in the 2025 Employee Engagement Survey

Innovation & Operational Efficiencies – 80% of people experience a TSA wait under 30 minutes

Customer Experience – Maintain Skytrax 4 Star - 2025

Financial – Achieve debt service coverage >1.4x

Pretty Important Goals (PIGS)

Health, Safety & Security

- Analyze feasibility of enhanced biometrics
- Initiate off property security access control program

Employee Engagement

- Develop facility standards (office, breakrooms, restrooms)
- Create staff reward program for Innovation

Sustainability, Community & Environment (Economic Opportunity; Social Responsibility; Environment)

- Conduct outreach events for WMBE firms by end of Q4
- Waste Reduction: Implement recommendations from Solid Waste Management Plan (5-year plan)

Customer Experience (Passengers & Tenants; Operational Excellence & Efficiencies)

- Improve airport information delivery through multi-language access tools and remote interpretation for deaf travelers by Q4
- Test/Pilot 3 Innovation opportunities for Safety, Customer Service, Operations, Maintenance or Sustainability in 2025

Financial Stewardship & Asset Management

- Achieve 75% of Capital Program schedule milestones in 2025 AV Business Plan Objectives and Actions
- Achieve 75% of planned expenditures for all CIP projects

2025 PRELIMINARY BUDGET OVERVIEW

2025 Aviation Division Preliminary Budget Context

- Passenger volume exceeds 2019 passenger level
- Non-Aeronautical revenues strong – 36% above 2019 level (pre-pandemic high)
- Planning for major capital program for next 5 – 10 years, so must increase capital capacity (how much we can afford):
 - Manage growth of costs
 - Consistently grow non-aeronautical revenues
- High inflation, baseline costs (payroll especially) growing

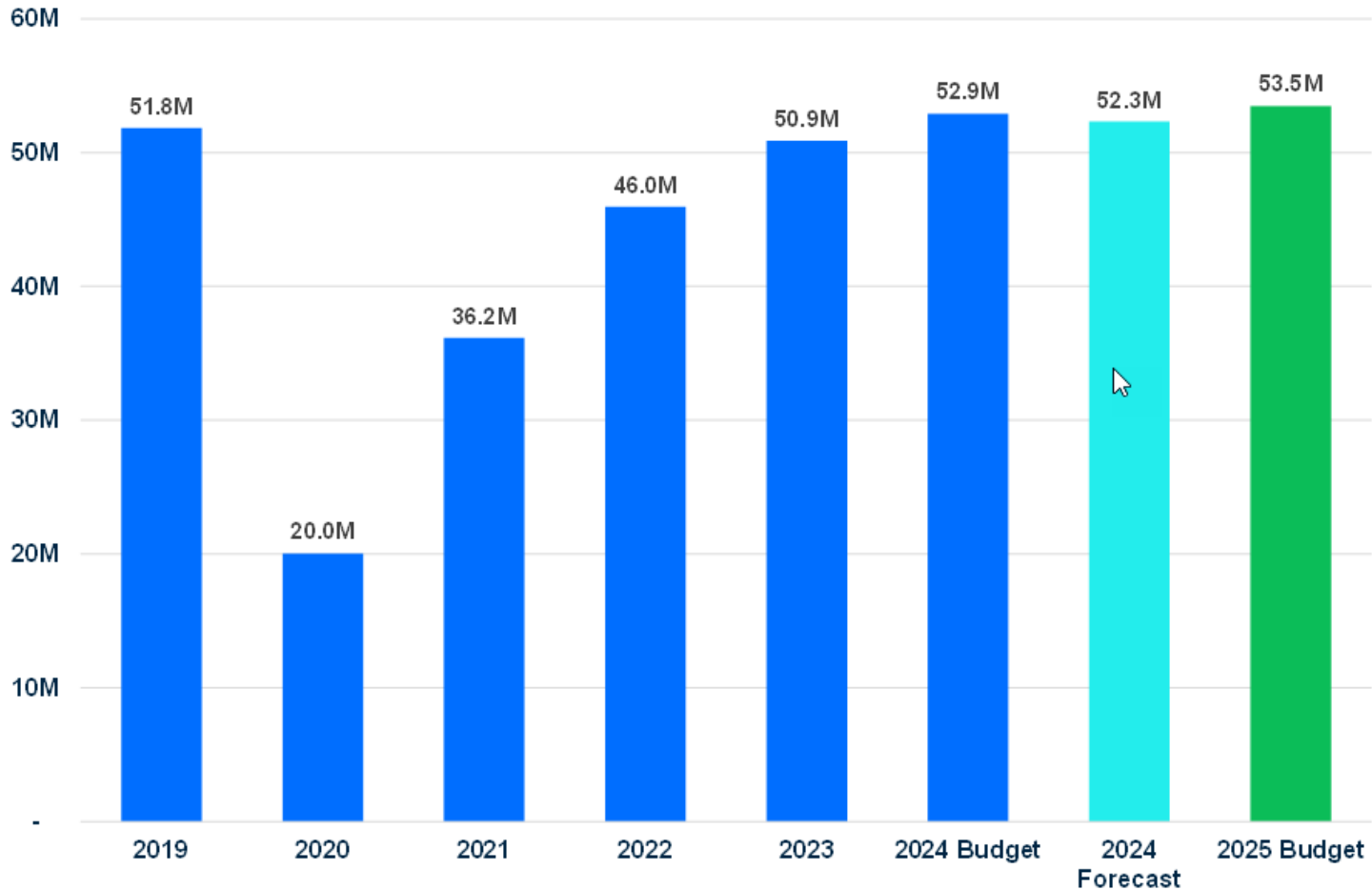
2025 Operating Budget Uncertainties/Risks

- Slowing economic growth
- Aviation Division Preliminary Budget:
 - Payroll vacancy rate of 5%
 - Medical benefit rate increases
 - HR compensation project not yet complete, impact estimated
 - Potential new air service incentives
 - Potential impacts of PFAS
 - Environmental remediation liability costs
 - Snow event(s)
 - Impacts of cyber incident

Passenger Recovery Forecast

Passengers 2019 - 2026

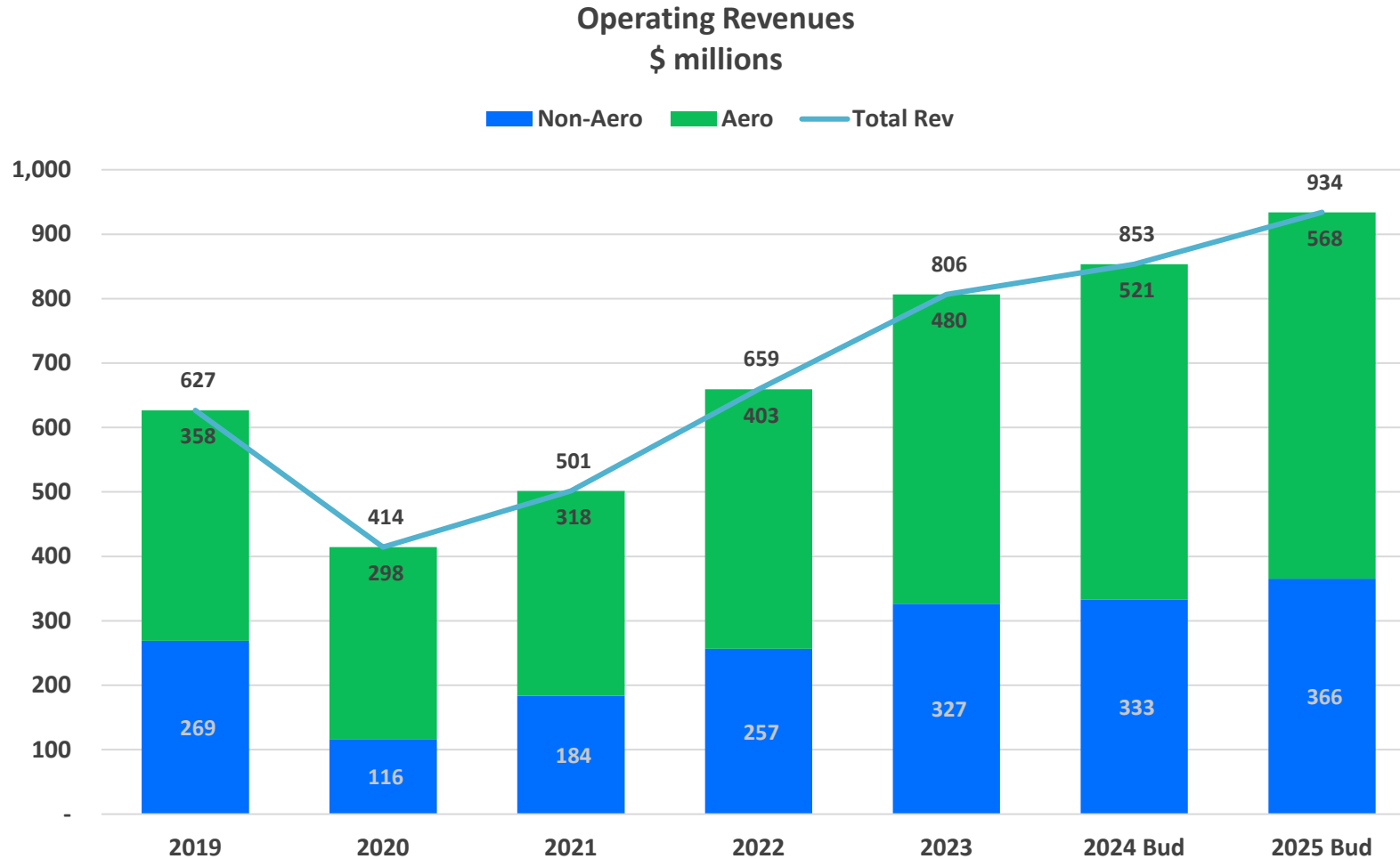
In millions



	Annual Change	Vs. 2019
2020	-61.3%	-61.3%
2021	80.4%	-30.2%
2022	27.1%	-11.3%
2023	10.7%	-1.8%
2024 F	2.8%	0.9%
2025 B	2.2%	3.2%

2025 Budget is expected to be 3.2% above 2019 passenger level.

Strong Operating Revenue Recovery

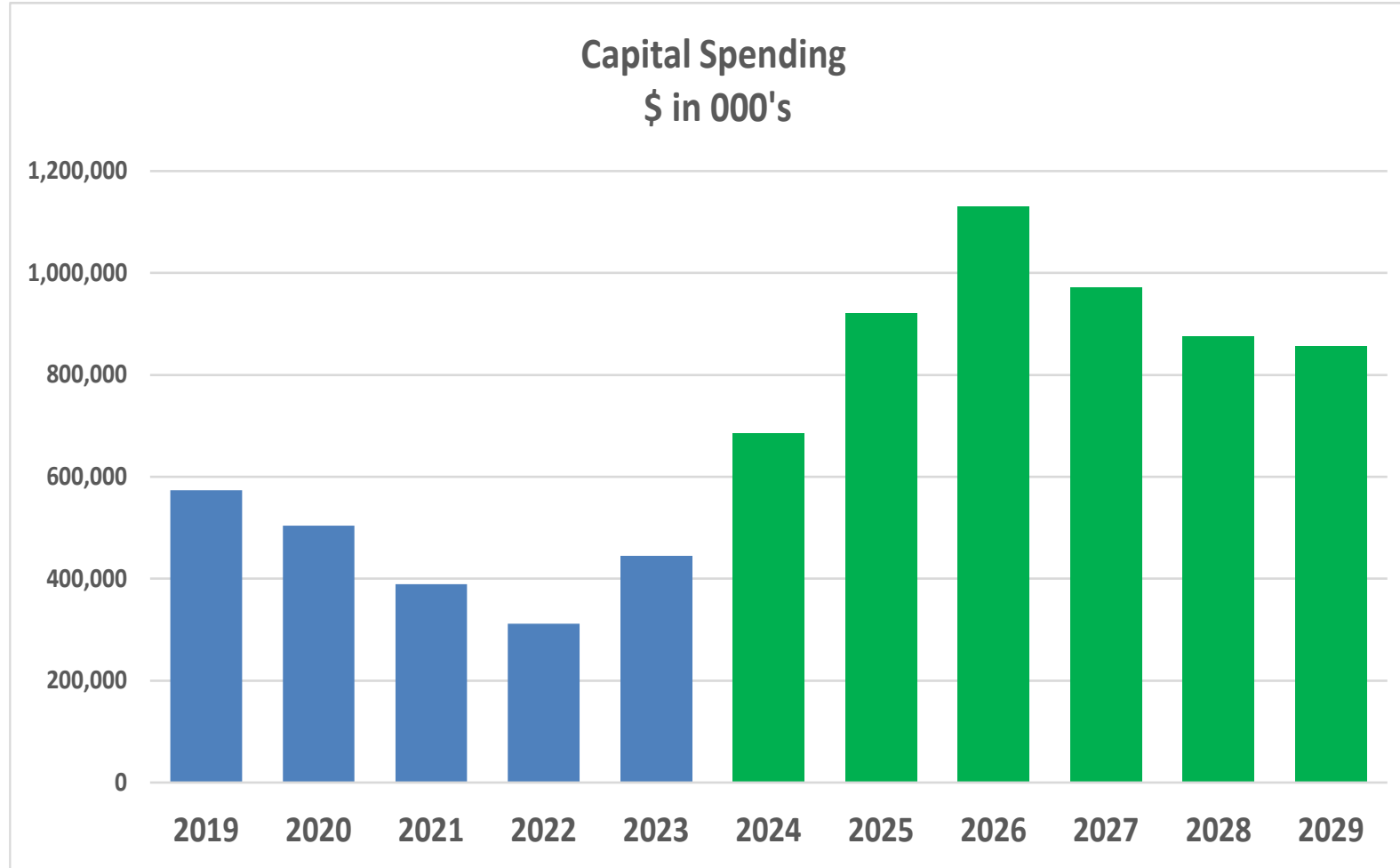


2025 Revenues:

- 9.4% above 2024 Budget
- 36% above 2019 Actuals
- Non-Aero revenue growing 10% compared to 2024 Budget
- Aero revenues are primarily cost recovery: costs are rising, and grant offsets are declining

Revenues and Expenses calculated using manual allocation methods due to Financial System Outage. 2025 Budget numbers provided are the best estimate and will be adjusted when system access restored.

Preparing for Major Growth of Capital Program



- 2026 would be highest annual spending ever
- 2025 Operating budget will add resources to effectively plan and deliver growing capital program
- Forecast includes Sustainable Airport Master Plan (SAMP) Preliminary Planning & Design for \$290M.

Budget Summary and Key Indicators

Budget Summary (\$ in 000's)	2021	2022	2023	2024	2025	Incr (Decr) Change from 2024	
	Actual	Actual	Actual	Budget	Proposed Budget	\$	%
Operating Revenue							
Aeronautical Revenues	317,513	402,540	479,697	520,600	568,372	47,772	9.2%
Non-Aeronautical Revenues	183,819	256,613	326,592	332,713	365,570	32,857	9.9%
Total Operating Revenues	501,332	659,153	806,289	853,313	933,942	80,629	9.4%
Total Operating Expenses	341,679	394,990	468,932	495,724	562,571	66,847	13.5%
Net Operating Income	159,652	264,163	337,358	357,589	371,370	13,782	3.9%
Debt Service Coverage	1.69	2.64	2.64	1.88	1.82	(0.06)	-3.2%
ADF Cash Balance - Months of O&M	12	14	14	17	18	1	5.9%
CPE	15.93	16.09	17.52	18.31	19.57	1.26	6.9%
Non-Aero NOI (\$ in 000s)	93,175	135,483	189,063	179,075	174,689	(4,385)	-2.4%
Enplaned passengers (in 000s)	18,073	22,966	22,966	26,457	26,737	280	1.1%
Capital Expenditures (in 000s)	389,051	311,631	311,631	717,598	920,089	202,491	28.2%

*Revenues and Expenses calculated using manual allocation methods due to Financial System Outage.
2025 Budget numbers provided are the best estimate and will be adjusted when system access restored.*

2025 PRELIMINARY OPERATING BUDGET

Total Airport Expense Summary

Total Airport Expense Summary (\$ in 000's)	2021	2022	2023	2024	2025	Incr (Decr)	
	Actual	Actual	Actual	Budget	Proposed Budget	Change from 2024 \$	%
Operating Expenses							
Payroll (excludes Pension Credit)	157,207	168,388	193,126	210,529	232,069	21,541	10.2%
Outside Services	62,382	75,064	87,450	126,842	134,358	7,516	5.9%
Utilities	20,175	22,880	23,285	23,938	26,966	3,028	12.7%
Charges to Capital	(22,399)	(20,460)	(24,378)	(48,627)	(40,184)	8,443	-17.4%
Other Expenses	23,918	35,602	42,037	39,226	51,834	12,608	32.1%
Total Airport Direct Charges	241,284	281,474	321,521	351,908	405,043	53,135	15.1%
Environmental Remediation Liability	1,583	(1,274)	13,017	157	639	482	307.0%
Airline Realignment	-	636	(86)	46	-	(46)	-100.0%
Capital to Expense	1,254	2,356	480	-	-	-	
Total Exceptions	2,837	1,718	13,411	203	639	436	215.2%
Total Airport Expenses	244,121	283,191	334,931	352,111	405,682	53,572	15.2%
Corporate	71,550	80,452	95,740	103,294	113,085	9,791	9.5%
Police	23,473	27,660	33,750	34,019	37,185	3,166	9.3%
Maritime/Economic Development/Other	2,536	3,687	4,510	6,301	6,620	319	5.1%
Total Charges from Other Divisions	97,558	111,799	134,000	143,614	156,889	13,275	9.2%
Total Operating Expenses (Before Pension Credit)	341,679	394,990	468,932	495,724	562,571	66,847	13.5%
Reduced by Pension Credit	(47,462)	(12,286)	(23,572)	-	-	-	
Total Operating Expenses (After Pension Credit)	294,217	382,704	445,360	495,724	562,571	66,847	13.5%

2025 Budget Expenses are calculated using manual allocation methods due to Financial System Outage.
2025 Budget numbers provided are the best estimate and will be adjusted when system access restored.

Payroll Expense:

- 5%* Represented staff contract increases placeholder
- 5% Non-represented staff average COLA/PFP
- 5% payroll vacancy
- \$3.6M pay equity preliminary estimate
- 64.4 new FTEs

Non-payroll Expense

- Other expenses related to Capital Projects
- Contractual increases

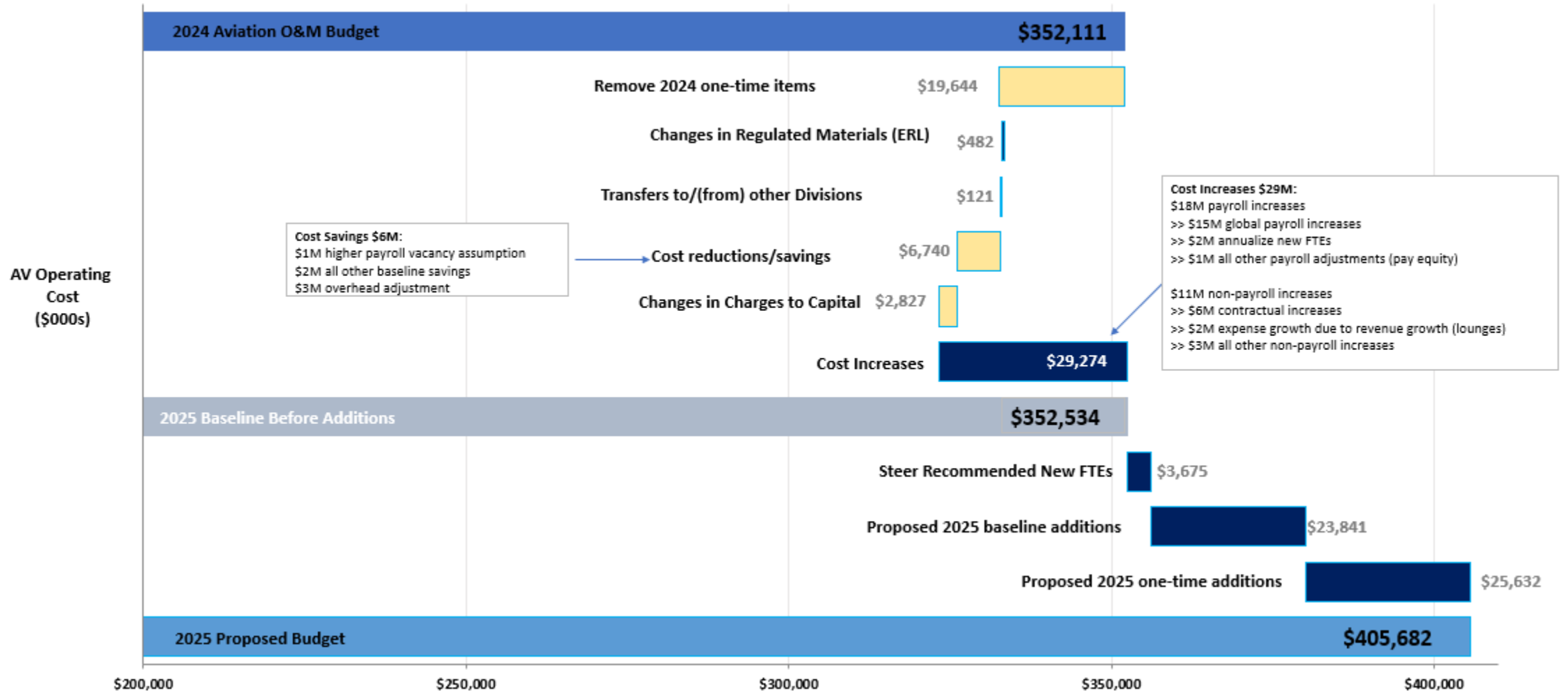
Charges from Maritime/Economic Development/Other include the airport's pro rata share of Pier 69 Facility Costs allocated to Port Operating Divisions.

Represented Wage increases will vary depending on final contract language. Several contracts impacting 2025 wage increases remain open as of this budget briefing.

Proposed Aviation Operating Expense Budget Summary

2024 Approved Budget	352,111	
<i>Remove 2024 One-time budget items</i>	<i>(19,644)</i>	
<i>Cost reductions & Charges to Capital</i>	<i>(9,688)</i>	
<i>Cost increases & Change in ERL</i>	<i>29,756</i>	
2025 Baseline	352,534	< 1%
<i>Proposed budget requests</i>	<i>28,361</i>	
Subtotal	380,895	8%
<i>Commission Priorities & Potential New Initiatives (excludes Noise Reinsulating categorized as non-operating expense)</i>	<i>24,787</i>	
2025 Proposed Budget	405,682	15%

Aviation Operating Expense Budget Changes



Note: Aviation division **Org Basis** – this chart does **not** include direct charges or allocations from other divisions.

Budget Requests by Strategic Focus

Budget Request Category	# of Requests	2025 Budget Requests (\$ in thousands)			
		FTEs	Baseline	Non-Recurring	Total
Financial Stewardship & Asset Management	59	0.4	\$ 1,429	\$ 9,258	\$ 10,687
Sustainability & Community	16	-	223	5,333	5,556
Health, Safety, and Security (includes passengers)	36	-	3,096	3,190	6,285
Customer Experience	26	-	817	1,194	2,011
Employee Engagement	17	-	131	16	147
Subtotal Total	79	0.4	\$ 5,696	\$ 18,990	\$ 24,686
STEER 2025 Staffing Recommendations	39	39.0	3,489	186	3,675
Commission Priorities & Potential New Initiatives	26	25.0	18,145	6,643	24,787
Total	118	39.4	\$ 9,185	\$ 19,176	\$ 53,148

Largest Approved Budget Requests

- Potential new real estate opportunities pending final Commission approval
- Community investments for noise attenuation by updating the Part 150 compatibility study and a sound insulation repair & replacement pilot program
- Sustainability projects for decarbonization, continuing the SAMP environmental review, and wastewater management compliance

Largest Approved Budget Request	Amount (\$ in 000s)
Potential New Real Estate Opportunities	\$ 18,666
Sound Insulation Repair & Replacement Pilot Program	\$ 4,000
Environmental Compliance	\$ 2,350
Onsite Consultants to Tenant Expense	\$ 2,000
Industrial Waste System (IWS) Flow Increase	\$ 1,600
Employee Parking Bus Drivers	\$ 1,515
Terminal Zone 1 Custodial Services Increase	\$ 1,500
Airport Noise Mitigation	\$ 1,500
Capital Programs Concept Development & Modeling	\$ 1,250
Central Mechanical Plant Decarbonization & Resiliency Study	\$ 1,000
Sustainable Airport Master Plan (SAMP) Environmental Review	\$ 1,000
DAAC (Daifuku Airport America Corporation) Baggage	\$ 800
New Air Service Incentive Program	\$ 775
Airport Childcare Initiative	\$ 550
Ramp Tower Incremental Funding	\$ 529

Aviation Workforce Analysis

- In 2023 the Port of Seattle engaged Steer, a global management consulting firm, to conduct a Workforce Analysis of the Aviation Division.
- Steer, supported by Seattle-based consultants Onit, carried out the work between October 2023 and April 2024.
- Steer's findings are complete and have been presented to the Aviation Directors along with supporting documentation to assist with onward communication of the findings throughout Aviation.

Approved New FTEs Summary

Strategic FTE additions to achieve key initiatives

Department Name	Position Title	FTEs	2025 Budget Impact
Airfield Operations	Manager, Airport Ops (Technology & Training)	1	\$113,260
Airport Director's Office	Art Program Manager	1	113,260
AV Building Dept	Building Inspector/Plans Examiner	1	89,695
AV Business & Properties	Business Analyst, Technology	1	98,664
AV Commercial Management	Manager, Aviation Commercial Management Project Development	1	113,260
AV Facilities & Infrastructure	Architect	1	99,664
	Assist. Manager, Mechanical	1	122,736
	Engineer, Assets	1	98,664
	Engineer, Electrical	1	98,664
	Structural Engineering Manager	1	133,159
	Signage & Wayfinding Specialist	1	83,223
AV Security Administration	Manager, Public Safety & Security Program	1	113,260
Aviation Finance & Budget	Principal Financial Analyst	2	212,991
Aviation Planning	Senior Planner	1	98,664
Combined Communication	Assistant Manager, ACC	1	96,814
	Operations Controller, ACC	1	69,878
Customer Communications	AV Storytelling Video/Graphics	1	84,189
Customer Care	Volunteer Specialist	1	77,339
Electric & Electronic Sys	Automated Control Specialist	2	194,558
	Foremen, Electronic	2	208,135

STEER Recommendations – approved 2024 Mid-Year Additions:

- Environmental Services & Sustainability - Climate Protection Specialist
- Facilities & Infrastructure - Fire Specialist

Department Name	Position Title	FTEs	2025 Budget Impact
Facility, Fleet, Sys & Grounds	Laborer Group 3	3	238,742
Fire Dept	Firefighter A	2	188,048
Innovation	Business Analyst	1	98,664
Janitorial Services	AVM FSCM Assistant Manager	1	89,695
	AVM FSCM Program Manager	1	104,646
Landside Operations	Landside Business Analyst	1	77,339
	Landside Supervisor (Parking)	1	96,814
Maintenance Asset Mgt & Logistics	AVM Inventory Specialist	1	64,543
	AVM Inventory Specialist	1	64,543
	AVM Senior Systems Analyst	1	98,664
	BIM Analyst	1	99,664
	Sr. Admin Assistant	1	77,339
Program Controls	Business Analyst, Technology	1	98,664
Subtotal STEER: 39 FTEs			\$3,717,442
Landside Operations	Landside Supervisors	3	407,796
	Landside Assistant Manager	1	147,740
	Bus Drivers	20	1,515,097
	Landside Senior Admin	1	106,668
Subtotal Potential New Initiatives: 25.0 FTEs			\$2,177,476
Ground Transportation	Cruise Transportation Coordinators	0.4	48,175
Other: 0.4 FTEs			\$48,175
GRAND TOTAL: 64.4 FTEs			\$5,942,918

Aeronautical NOI

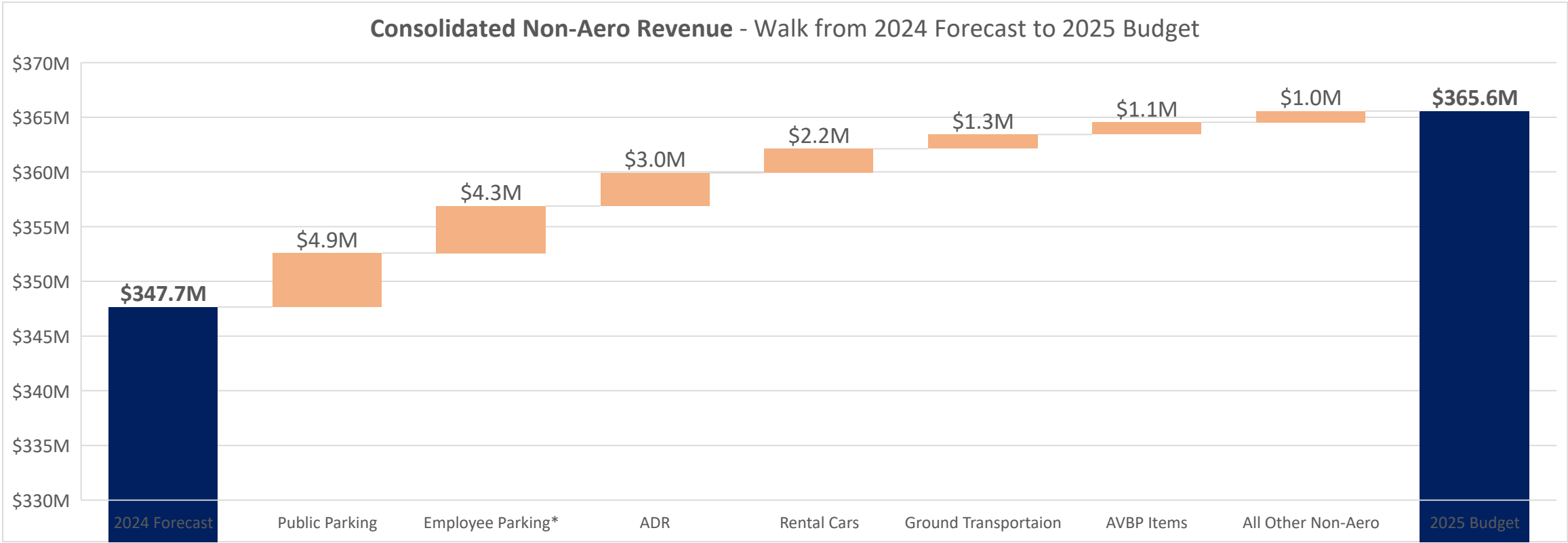
Aeronautical NOI (\$ in 000's)	2021	2022	2023	2024	2025	Incr (Decr) Change from 2024	
	Actual	Actual	Actual	Budget	Budget	\$	%
Rate Base Revenues							
Airfield Movement Area	88,061	118,240	142,797	153,782	167,627	13,845	9.0%
Airfield Apron Area	17,146	17,211	26,118	31,816	35,651	3,835	12.1%
Terminal Rents	184,625	220,399	251,892	274,654	288,047	13,392	4.9%
Federal Inspection Services (FIS)	10,978	29,347	41,214	41,326	50,910	9,584	23.2%
Total Rate Base Revenues	300,810	385,197	462,020	501,578	542,234	40,656	8.1%
Airfield Commercial Area	16,702	17,343	17,677	19,022	26,137	7,116	37.4%
Subtotal before Revenue Sharing	317,513	402,541	479,697	520,600	568,372	47,772	9.2%
Total Aeronautical Revenues	317,513	402,541	479,697	520,600	568,372	47,772	9.2%
Total Aeronautical Expenses	203,573	261,574	308,162	342,086	365,579	23,494	6.9%
Aeronautical NOI	113,940	140,967	171,535	178,514	202,792	24,278	13.6%
Debt Service	(80,554)	(101,159)	(144,395)	(154,613)	(179,527)	(24,915)	16.1%
Net Cash Flow	33,385	39,808	27,140	23,902	23,265	(637)	-2.7%

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2025 Budget numbers provided are the best estimate and will be adjusted when system access restored.*

Non-Aeronautical Revenue

Non-Aeronautical NOI (\$ in 000's)	2019	2023	2024	2024	2025	Incr (Decr) Change from 2024 Forecast		Incr (Decr) Change from 2024 Budget		Incr (Decr) Change from 2019 Actuals	
	Actual	Actual	Budget	Forecast	Budget	\$	%	\$	%	\$	%
Non-Aeronautical Revenues											
Public Parking	82,125	110,990	111,036	118,022	122,956	4,934	4.2%	11,920	10.7%	40,832	49.7%
Rental Cars	52,567	63,460	61,599	65,008	67,197	2,189	3.4%	5,598	9.1%	14,630	27.8%
Ground Transportation	20,765	24,878	25,333	24,657	25,962	1,305	5.3%	629	2.5%	5,197	25.0%
Employee Parking	10,438	10,574	11,656	11,051	15,350	4,299	38.9%	3,694	31.7%	4,913	47.1%
Landside Total	165,894	209,902	209,625	218,738	231,466	12,728	5.8%	21,840	10.4%	65,571	39.5%
Commercial Properties	15,773	20,370	20,496	20,724	21,574	850	4.1%	1,079	5.3%	5,802	36.8%
Non-Airline Terminal Leased Space	6,398	8,294	6,756	7,693	7,778	85	1.1%	1,022	15.1%	1,380	21.6%
Clubs and Lounges	10,274	11,710	12,024	15,685	15,868	183	1.2%	3,844	32.0%	5,594	54.5%
AV Properties Total	32,444	40,374	39,275	44,102	45,220	1,118	2.5%	5,945	15.1%	12,776	39.4%
Airport Dining & Retail	61,615	65,952	71,332	73,202	77,353	4,151	5.7%	6,022	8.4%	15,739	25.5%
Tenant Marketing	1,273	1,532	1,808	902	-	(902)	-100.0%	(1,808)	-100.0%	(1,273)	-100.0%
AOB Conference Center	462	185	203	237	280	43	18.1%	77	37.9%	(182)	-39.4%
Commercial Management Total	63,350	67,670	73,343	74,341	77,633	3,292	4.4%	4,290	5.8%	14,283	22.5%
Utilities	7,431	8,666	10,089	10,089	10,870	781	7.7%	781	7.7%	3,439	46.3%
Other	(82)	(20)	381	381	381	0	0.0%	0	0.0%	463	-563.8%
Total Non-Aeronautical Revenues	269,037	326,592	332,713	347,651	365,570	17,919	5.2%	32,857	9.9%	96,533	35.9%

Non-Aero Revenue Walk to 2025 Budget



2025 Total Non-Aero Revenues expected to grow by **\$17.9M / 5.2%** vs. the latest FY24 Forecast – and grow by **\$32.9M / 9.9%** vs. the 2024 Budget

- AVBP includes: Flight Kitchens, CLEAR, SEA Clubs & Lounges, and other non-aero lease agreements
- All Other includes: \$1.0M NOI-neutral tenant trash management revenue, AOB Conf Center, Tenant Marketing Fund, and Utilities (cost-recovery)

*Employee Parking is cost-recovery, and will be finalized later in the budget process

2025 Proposed Public Parking Rate Increases

Effective Jan 1, 2025

Product	Type	Current Rate	New Rate	\$ Change	% Change	Net Revenue to Port
General Parking <i>(Floors 1-3, 5-8)</i>	Hourly	\$8	\$8	NC	NC	\$3.50
	Daily	\$37	\$38	\$1	2.7%	\$30.73
	Weekly	\$222	\$266	\$44	19.8%	\$237.62
Reserved Parking <i>(Floor 4)</i>	Hourly	\$10	\$10	NC	NC	\$5.32
	Daily	\$47	\$48	\$1	2.1%	\$39.80
	Weekly	\$329	\$336	\$7	2.1%	\$301.14
Passport Parking <i>(Floors 1-3, 5-8)</i>	Monthly	\$500	\$550	\$50	10%	\$495.34
Passport Gold Parking <i>(Floor 4)</i>	Monthly	\$1000	\$1100	\$100	10%	\$994.43

SEA Parking rates are adjusted annually to maintain fair market rates and keep pace with inflation and local tax increases.

Rates are inclusive of all taxes and fees, including a City of SeaTac Commercial Parking Tax of \$4.14 per transaction and 10.2% WA State Sales Tax (Rates effective Jan 1, 2025).

Public Parking Rate Increase Summary

Public Parking Garage

Tariff Parking Rate Change Summary

General Parking (all other floors)	2007	2010	2017	2019	2022	2023	2024	2025
Hourly	\$ 2.00	\$ 3.00	\$ 4.00	\$ 5.00	\$ 6.00	\$ 8.00	\$ 8.00	\$ 8.00
Daily	\$ 26.00	\$ 28.00	\$ 30.00	\$ 32.00	\$ 34.00	\$ 37.00	\$ 37.00	\$ 38.00
Weekly	\$130.00	\$130.00	\$140.00	\$149.00	\$169.00	\$222.00	\$222.00	\$266.00
Hourly		50%	33%	25%	20%	33%	0%	0%
Daily		8%	7%	7%	6%	9%	0%	3%
Weekly		0%	8%	6%	13%	31%	0%	20%
Terminal Direct/Reserved (Floor 4)	2007	2010	2017	2019	2022	2023	2024*	2025
Hourly	\$ 4.00	\$ 4.00	\$ 5.00	\$ 6.00	\$ 7.00	\$ 10.00	N/A	N/A
Daily	\$ 35.00	\$ 35.00	\$ 37.00	\$ 39.00	\$ 42.00	\$ 47.00	\$ 47.00	\$ 48.00
Weekly	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Hourly		0%	25%	20%	17%	43%	N/A	N/A
Daily		0%	6%	5%	8%	12%	0%	2%
Weekly								

*Terminal Direct converting to Reserved Parking in late 2023, rate subject to demand-based adjustments

Rental Car CFC Rate Increase Summary

Rental Car CFC Rate Change Summary										
	2006	2009	2012	2021	2022	2023	2024	2025		
Daily CFC Rate	\$ 4.00	\$ 5.00	\$ 6.00	\$ 6.50	\$ 7.00	\$ 7.25	\$ 7.50	\$ 7.75		
CFC Rate Increase %		25%	20%	8%	8%	4%	3%	3%		

Planned annual CFC rate increases implemented beginning in 2022, support rental car facility capital projects and growth in CFC-eligible operating expenses.

BUDGET POLICY CONSIDERATIONS

2025 Budget Policy Considerations

- **\$19M for Potential New Real Estate Opportunities**
 - Commissioner briefings on potential opportunities are scheduled in October
- **FIFA Club World Cup in 2025 (recent development)**
- **SEA FIFA World Cup in 2026**
 - \$250K for planning work at the airport in 2025
 - **Status of Checkpoint Lanes during World Cup**
 - **Increased Throughput:** Removing Automated Screening Lanes (ASLs) at Checkpoints (CKP) 2 and 3 has consistently improved throughput efficiency. We'll apply the same approach for the new CKP-1 and the remodel of CKP-5.
 - **Checkpoint 1 Update:** Instead of demolishing the existing CKP-1, it will remain, and a new CKP-1 will be added, providing 3 additional lanes ahead of the FIFA World Cup.
 - **Checkpoint 5 Design:** The redesign ensures visible lanes and a straight queue, further increasing overall throughput.
 - **TSA Canine Use:** Without ASLs, TSA canine units can be deployed universally, also enhancing throughput efficiency.

2025 Budget Policy Considerations (cont'd)

Budget Request	2025 Budget Requests (\$ in thousands)		
	Baseline	Non-Recurring	Total
Sound Insulation Repair & Replacement Pilot Program	-	4,000,000	4,000,000
Expense Components of Capital Improvement Projects	-	2,350,000	2,350,000
Part 150 Noise Compatibility Study	-	1,500,000	1,500,000
Sustainable Airport Master Plan (SAMP) Environmental Review	-	1,000,000	1,000,000
Central Mechanical Plant (CMP) Decarbonization & Resiliency Study	-	1,000,000	1,000,000
PFAS Industrial Waste Treatment Plant Source Reduction Pilot	-	450,000	450,000
PFAS Ongoing Investigations & AFFF Transition Support	-	400,000	400,000
National Pollutant Discharge Elimination System (NPDES) Permit Renewal Sampling & Support	-	215,000	215,000
Clean Building Performance Standard Compliance	-	200,000	200,000
Healthcare Benefits for SEA Employees Study & Report	-	200,000	200,000
Electric Vehicle (EV) Charging - Near/Mid-Term Implementation	-	150,000	150,000
SEA Climate Action Plan	-	50,000	50,000
Stormwater Programmatic Permitting	-	50,000	50,000
Stormwater Programmatic Planning for 6PPD-q	-	50,000	50,000
Greenhouse Gas Reporting Rule Compliance	23,000	-	23,000
Total Sustainability & Community	23,000	11,615,000	11,638,000
Grant Offsets	-	(2,175,000)	(2,175,000)
Sustainability & Community net of Grants	23,000	9,440,000	9,463,000

\$11.7M in Sustainability & Noise Program Requests Recommended

\$4M Sound Insulation Repair & Replacement Pilot Program funded by tax levy

Grants offset \$2.2M of Sustainability Projects

2025 Budget Policy Considerations (cont'd)

Year	Project	Funding Source	Amount
Future Grants – Unobligated			
2026	South Concourse Evolution Construction	BIL Formula	\$189.0M
2026	Airfield Pavement & Infrastructure Program (2026-2030)	AIP Entitlement	\$40.0M
Subtotal			\$229.0M
Existing Grants – Obligated			
2023	South Concourse Evolution Design	BIL Formula	\$31.5M
2021	Sound Mitigation Measures (Apartment Buildings, Place of Worship, Single Family Home)	AIP - Noise	\$28.8M
2022	Restroom Renovation Concourses B, C and D (Phase 5)	BIL ATP	\$10.0M
2023	Checkpoint 1 Relocation	BIL ATP	\$13.8M
2023	Widen Airport Arrivals Drive	AIP Entitlement / BIL ATP	\$25.6M
2023	Snow Removal Equipment	AIP Entitlement	\$4.0M
2024	Part 150 Study	AIP Noise	\$5.7M
2024	Central Mechanical Plant Study	AIP Supplemental	\$0.9M
2024	PFAS Pilot Program	AIP Supplemental	\$0.5M
Subtotal			\$120.8M
Total			\$349.8M

- **\$229M** in *future* federal grants for 2 projects in 2026
 - 2024 Presidential election outcome may impact future grant opportunities
- **\$121M** in *existing* federal grants for 9 Aviation projects between 2021-2024

Commission 2025 Budget Priorities

\$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.

\$550K for Childcare Implementation – To implement recommendations from the 2024 childcare study.

\$850K for PFAS – To evaluate technologies to address and/or reduce PFAS in IWS flows (\$450K). To perform PFAS ongoing investigations and provide aqueous film forming foams transition support (\$400K).

Title VI Policy and Project Support – Aviation Division will utilize existing staff to support this work at the airport. Aviation will collaborate with the proposed new Civil Rights Program Manager FTE in OEDI for 2025.



Commission 2025 Budget Priorities (cont'd)

\$200K for Healthcare Benefits for SEA Employees Study & Report

– Engage consultant and conduct study to determine whether healthcare benefits for employees would benefit SEA business outcomes around safety improvements, worker retention, operations efficiencies, and customer satisfaction.

\$631K for SEA Moves – To implement an external-facing SEA employee transportation resource and benefits program by forming a Transportation Management Association (TMA).

\$500K for Transit Pass Program – A pilot transit pass program for SEA employees in 2025 as part of the TMA.

Child Protection Seat/Infant Docking Station – Aviation Division will try to have the seats installed at the airport by the end of 2024.

Period Products – Aviation Division will complete the installation of the hygiene product dispensers in the restrooms at the airport in late 2024.



EQUITY IN SPENDING

Equity Spending Highlights

New Equity Spending in 2025 Budget:

- \$550K - Airport Childcare Initiative
- \$200K - Healthcare Benefits for SEA Employees Study & Report

2025 – 2029 PRELIMINARY CAPITAL FORECAST

Aviation Capital Program Objectives

- **Provide facilities to meet or exceed the Strategic & Business Plan objectives**
 - 5-Star Skytrax Rating and top 25 Airport Service Quality (ASQ)
 - 80% of people experience a TSA line wait under 30 minutes
 - 45 minutes processing time for international arrivals
 - 75 minutes Minimum Connect Time (MCT)
 - Leader in Accessibility
 - Greenest Airport

Example Projects:

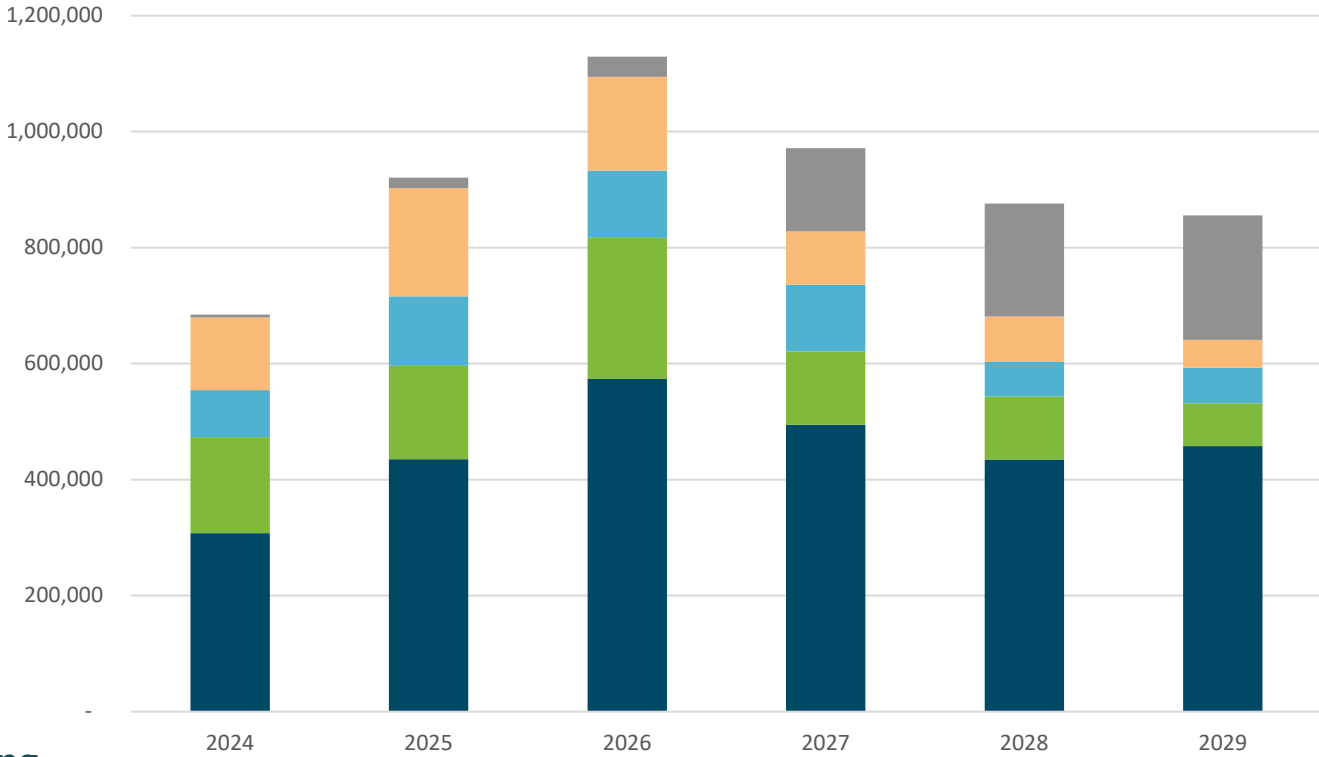
- *SEA Gateway/North Main Terminal Redevelopment Program*
- *C Concourse Expansion*
- *Baggage Optimization*

2025 – 2029 Preliminary Capital Forecast

	Cash Flows (Figures in \$000s)						2025 - 29 TOTAL
	2024	2025	2026	2027	2028	2029	
Mega Projects							
S Concourse Evolution	25,407	114,775	168,628	180,043	178,273	226,317	868,035
Baggage Optimization	58,942	74,655	90,351	103,540	107,184	83,099	458,829
SEA Gateway	159,612	156,409	80,829	49,916	-	-	287,153
C Concourse Expansion	62,238	142,789	110,285	20,394	-	-	273,467
Main Terminal Improvement	1,242	7,831	13,542	12,953	70,792	72,837	177,955
Subtotal - Mega Projects	307,440	496,458	463,635	366,845	356,249	382,253	2,065,440
Other Capital Projects	362,945	540,037	452,142	243,002	162,009	107,208	1,504,398
SAMP Preliminary Planning / Design	21	6,717	36,000	53,500	77,500	72,500	246,217
Proposed New Projects	14,692	29,733	84,847	83,175	85,344	78,961	362,060
CIPs Reserves	-	15,000	26,000	124,638	195,000	215,000	575,638
Subtotal	377,658	591,486	598,989	504,315	519,853	473,669	2,688,312
CIP Cashflow Adj Reserve	-	(166,955)	66,782	100,173	-	-	-
Total Proposed CIP	685,098	920,989	1,129,406	971,333	876,102	855,922	4,753,752

- Proposing 11 new projects totaling \$362M spending from 2025 through 2029
- CIP Reserve CIPs including Utility allowance represent around 12% of five-year capital forecast
- CIP cash flow adjustment reserve to adjust 2025 cash flows
- Excludes other divisions' projects funded by the airport

Major Projects Drive Capital Program



Mega projects 2025 – 2029:

- Baggage Optimization
- C Concourse Expansion*
- SEA Gateway*
- S Concourse Evolution
- 2026-2030 Airfield Pavement
- Main Terminal Renovation

Total spending for 2025 – 2029 = \$4.7 billion

**Mega projects completed prior to the FIFA World Cup in 2026*

Spending In \$000's

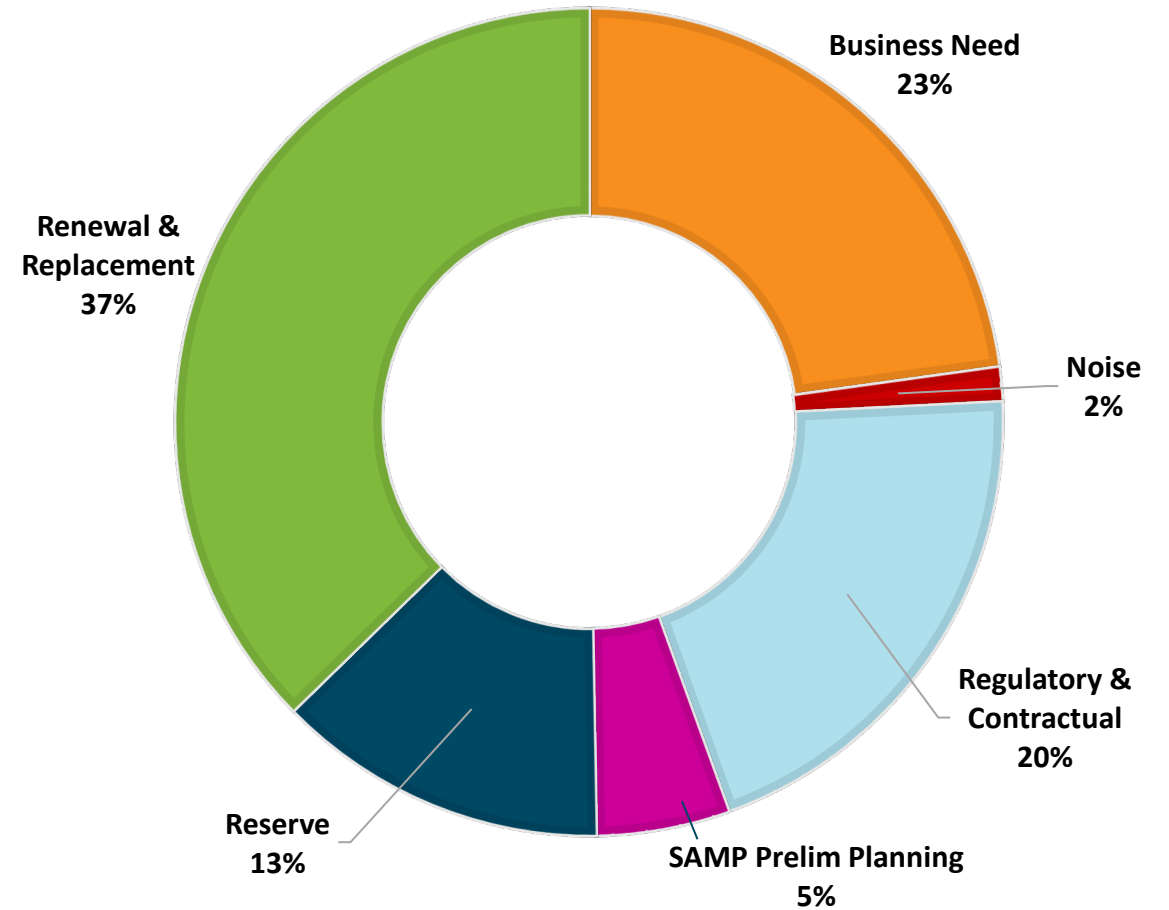
■ Mega ■ \$100-\$300 budget ■ \$20-\$100 budget ■ <\$20 budget ■ CIP Reserves

Spending forecast includes Sustainable Airport Master Plan Preliminary Planning & Design for \$246M. Excludes other divisions' projects funded by the airport

2025 – 2029 Preliminary Capital Forecast

Category Breakdowns

Category	Number of Projects	Total 5-year Cash Flow
Regulatory & Contractual	26	\$964M
Renewal & Replacement	67	\$1.8B
Business Needs	66	\$1.1B
Noise	5	\$64M
SAMP Design Pre-approval in SLOA Agreement	6	\$246M
Reserves & Allowances	12	\$615M
TOTAL	182	\$4.7B



Excludes other divisions' projects funded by the airport

Summary of Proposed New Projects

Justification	Category	CIP	Description	Cost Estimate	Cash Flows (Figures in \$000s)						2025-2029 Total
					2024	2025	2026	2027	2028	2029	
Asset Stewardship	Renewal Replacement	C801379	2026-2030 Airfield Pavements	390,000	109	17,527	76,108	76,845	78,547	75,807	324,834
Business Need	Business Need	C801427	Terminal ADR Shell & Core Renov	10,200	60	1,495	1,455	2,239	2,777	2,174	10,140
Regulatory	Regulatory	C801422	Elevator Lobby 2 Way Communications	9,952	-	170	1,482	3,300	4,020	980	9,952
Asset Stewardship	Renewal Replacement	C801377	STS Replacement	9,000	315	6,300	2,362	-	-	-	8,662
Regulatory	Regulatory	C801420	ASL replacement	8,250	6,076	63	-	-	-	-	63
Business Need	Business Need	C801436	Property Purchase Escrow Deposit	6,000	6,000	-	-	-	-	-	-
Asset Stewardship	Renewal Replacement	C801439	South STS Employee Screening Relocation	5,150	13	906	3,440	791	-	-	5,137
Asset Stewardship	Renewal Replacement	C801429	STS Standpipe Upgrades	1,971	719	1,252	-	-	-	-	1,252
Asset Stewardship	Renewal Replacement	C801440	Upper Drive Handrail	1,520	300	1,220	-	-	-	-	1,220
Asset Stewardship	Renewal Replacement	C801441	Bagwell Drive Improvements	1,200	400	800	-	-	-	-	800
Business Need	Business Need	C801428	DMC West Tract C	700	700	-	-	-	-	-	-
Total				443,943	14,692	29,733	84,847	83,175	85,344	78,961	362,060

2025 – 2029 PRELIMINARY FINANCIAL FORECAST

Aviation Financial Forecast Objectives

- **Ensure the airport's five-year financial outlook meets or exceeds the financial performance targets in the Aviation Division's Strategic and Business Plan Objectives.**
 - Level of Service Optimum
 - Top 25 ASQ World Ranking
 - 5-Star Skytrax rating
 - Achieve debt service coverage of >1.40 times
 - Build cash balance in the Airport Development Fund to 18 months of O&M expenses
 - Consistently grow Non-Aeronautical revenues >\$365 million

2025 – 2029 Preliminary Financial Forecast

In \$000's	Budget 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029
Aeronautical Revenue	\$ 568,372	\$ 681,290	\$ 788,739	\$ 845,504	\$ 907,886
Non-Aeronautical Revenue	365,570	385,495	419,572	438,226	443,687
Total Revenue	\$ 933,942	\$ 1,066,785	\$ 1,208,311	\$ 1,283,730	\$ 1,351,573
Operating Expense	562,571	609,651	645,978	687,402	728,219
Net Operating Income	\$ 371,371	\$ 457,133	\$ 562,332	\$ 596,328	\$ 623,354
Net Non-Operating Income/Expense	27,970	30,512	32,343	34,466	36,533
CFC Excess ^(b)	(9,215)	(10,313)	(11,519)	(11,656)	(11,189)
Available for Debt Service	\$ 390,125	\$ 477,333	\$ 583,156	\$ 619,137	\$ 648,699
Gross Debt Service (net of cap i)	\$ 332,325	\$ 385,939	\$ 467,998	\$ 519,053	\$ 564,740
CP Principal & Interest	\$ 6,901	\$ 2,798	\$ 2,798	\$ 2,798	\$ 2,798
CFC Offset	(25,060)	(25,315)	(24,568)	(24,827)	(26,191)
PFC Offset	(100,000)	(100,367)	(100,384)	(104,385)	(104,387)
Net Debt Service	\$ 214,166	\$ 263,055	\$ 343,046	\$ 389,841	\$ 434,162
Net Cash Flow	\$ 175,959	\$ 214,278	\$ 240,110	\$ 229,296	\$ 214,537

Includes other divisions' projects funded by the airport

- Aeronautical revenues forecast methodology based on existing Signatory Lease Operating Agreement (SLOA) IV which expires on 12/31/2024.
- Average annual net debt service is projected to grow by 20% due to growth in capital expenditures.

2025 – 2028 Preliminary Financial Forecast Metrics

	Budget 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029
Key Measures					
Debt Service Coverage	1.82	1.81	1.70	1.59	1.49
ADF Balance - Months of O&M	18	18	18	18	18
CPE	\$ 19.57	\$ 23.22	\$ 26.87	\$ 28.65	\$ 30.55
O&M per Enplaned Passenger	\$ 21.04	\$ 22.31	\$ 23.48	\$ 24.78	\$ 26.05
Debt per Originating Passenger	\$ 260	\$ 297	\$ 324	\$ 349	\$ 373
<i>PFC fund balance (in \$000's)</i>	\$ 48,760	\$ 54,206	\$ 60,466	\$ 63,680	\$ 67,800
<i>CFC fund balance (in \$000's)</i>	\$ 44,969	\$ 38,706	\$ 40,933	\$ 46,534	\$ 59,379
Enplaned Passengers(000's)	26,737	27,325	27,517	27,737	27,959
Enplanement Growth Rate	2.7%	2.2%	0.7%	0.8%	0.8%

2025 Aviation Preliminary Budget Key Takeaways

Revenues

- Passenger volume exceeds 2019 passenger level
- Non-Aeronautical revenues strong – well above 2019 level
- 9.4% increase in total revenues

Expenses

- 15.2% increase in total operating expenses
- 64 FTEs to achieve key initiatives
- Increases in payroll and medical benefits
- Increased spending to deliver capital program
- \$10M investment in the Aviation Sustainability plus \$1.4M in offsetting grants
- \$2.9M investment in Commission's budget priorities (includes \$2.1M also in equity spending below)
- \$4.6M planned equity spending at the airport

Financial Forecast

- Debt service coverage at 1.82x in 2025
- 18 months of O&M cash on hand in 2025
- CPE forecast for 2025 is \$19.57

Budget Uncertainties

- Slowing economic growth
- HR compensation project not complete yet
- Potential impacts of PFAS
- Environmental remediation liability costs
- Snow event(s)
- Impacts of cyber incident

QUESTIONS?



APPENDIX – AVIATION DIVISION

Aviation Appendix Table of Contents

1. 2025 Business Plan

2. Operating Budget

- 2025 Approved Budget Request Detail Listings
- Aeronautical Business Detail
- Non-Aeronautical Business Detail

3. Capital Program

- 2025-2029 Capital Funding Plan
- 2025-2029 Financial Forecast Assumptions
- Mega Capital Project Status Update

4. Other Supporting Information

- Environmental Remediation Liability Detail
- Acronym List

2025 BUSINESS PLAN



Aviation Division Strategic Focus Areas



Aviation Division 2025 Areas of Strategic Focus

1. Health, Safety, and Security (includes passengers)

2. Customer Experience:

- Passengers & Tenants
- Operational efficiencies & excellence



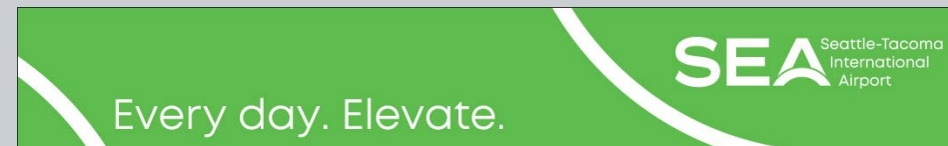
3. Financial Stewardship & Asset Management:

- Capital Program

4. Employee Engagement

5. Sustainability & Community:

- Economic Opportunity
- Social Responsibility
- Environment



Must Do/Regulatory

1. **Safety:** Zero major, intermediate or repeat Part 139 discrepancies
2. **Security:**
 - a. Meet TSA Cyber Security Regulations
 - b. Use AI integrated camera technology to mitigate risk for Piggy backing
3. **Community:** XX% completion, 2014 approved Part 150 noise remedy program by end of Q4
4. **Environment & Sustainability:**
 - a. **Environmental Review:** Obtain SAMP NTP NEPA EA and SEPA EIS Record of Decisions
 - b. **Flight Corridor:** Meet 2019 Phase 1 and 2 SEPA compliance obligations by conducting plantings and invasive removal by Q4
 - c. **Stormwater:** Meet or exceed agency requirements for stormwater leaving Port-owned or Port-operated facilities

Wildly Important Goals (WIGs)

- 1. Health and Safety:** Achieve 5% reduction from the previous year in SMS major incident rate (airport workers)
- 2. Employee Engagement:** Maintain 75% or higher in positive agreement in the 2025 Employee Engagement Survey
- 3. Innovations & Operational Efficiencies:** 80% of people experience a TSA line wait under 30 minutes
- 4. Customer Experience:** Maintain 4 Star Skytrax designation
- 5. Financial Stewardship:** Achieve debt service coverage >1.4x

Pretty Important Goals (PIGs)

Health, Safety, & Security

- a. Procure or deploy vehicle and employee screening technology at vehicle gates
- b. Analyze feasibility of enhanced biometrics
- c. Implement security standards for AV facilities-Offsite 1; parking garage; Offsite 2
- d. Initiate off property security access control program
- e. Achieve Lost Workday Rate of **XX%**

Employee Engagement

- a. Reduce **X%** of operational impacts (attrition, absenteeism, FMLA, turnover, snow time policy)
- b. Develop Facility standards (office, breakrooms, restrooms)
- c. Establish an AV Innovation Champion Program
- d. Create a staff reward program for Innovation

Pretty Important Goals (PIGs)

Sustainability, Community, & Environment (*Economic Opportunity; Social Responsibility; Environment*)

- a. Maintain a minimum 25% ACDBE share of ADR gross sales by end of Q4
- b. WMBE participation on non-construction services
- c. Achieve **XX%** DBE participation on FAA funded contracts (COO or CDO)
- d. Achieve **XX%** WMBE participation on Construction contracts
- e. And **XX** new WMBE firms with Aviation contracts
- f. Conduct outreach events for WMBE firms by end of Q4
- g. Scope 1 and 2 GHG emissions: Conduct research, develop and implement initiatives to maintain 50% goal and meet net zero by 2040
- h. Scope 3 GHG emissions: Conduct research, develop and implement initiatives to meet 2030 50% reduction goal and meet carbon neutral by 2050
- i. Waste Reduction: Implement recommendations from Solid Waste Management Plan (5-year plan)

Pretty Important Goals (PIGs)

Customer Experience (*Passengers & Tenants; Operational Excellence & Efficiencies*)

- a. Achieve a score of 30% or less on PETS (Passenger Experience Tracking System) of negative impacts on travel experience due to construction
- b. Develop baselines and 5-year plan to enhance workplace culture strengths and define priorities toward increased retention and surveyed job satisfaction
- c. Improve airport information delivery through multi-language access tools and remote interpretation for deaf travelers by Q4
- d. Expand inventory (parking stalls) & operations for employee parking Q2
- e. 25% increase in volunteer cohort
- f. Establish FIFA Working Group and Operation Plans by Q1
- g. Completed space planning recommendations for Port employees, airlines, and tenants
- h. Reduce international passenger requirement for in-bound passenger screening by **XX%**
- i. Test/Pilot 3 Innovation opportunities for Safety, Customer Service, Operations, Maintenance or Sustainability in 2025

Pretty Important Goals (PIGs)

Financial Stewardship & Asset Management

- a. Achieve cash balance of 18 months O&M (\$TBD million based on budget)
- b. Incorporate low interest government loans to implement the TIFIA & WIFIA loans
- c. Achieve 2025 O&M spending within +/-5% of budget (over/under \$TBD million based on budget)
- d. Achieve 2025 budget for non-aero revenues (\$TBD million)
- e. Create a Life Cycle Cost Analysis program to assist the division in making informed decision on assets early in the design phase
- f. Achieve all 2025 milestones for priority projects including SAMP NTP, planning studies and Asset Management by Q4
- g. Achieve 75% of Capital Program schedule milestones in the 2025 AV Business Plan Objectives and Actions
- h. Achieve 75% of planned expenditures for all CIP projects

2025 APPROVED BUDGET REQUESTS

Approved Budget Requests: Customer Experience

Business Plan Priority		Budget Request	2025 Budget Requests (\$ in thousands)			
			FTEs	Baseline	Non-Recurring	Total
Customer Experience	Equitable Opportunities for All	Accessibility Program Manager Budget	-	25,000	-	25,000
		Mobile Video Remote Interpretation	-	20,000	-	20,000
		Language Access	-	105,000	-	105,000
		Pet Relief Renew & Replacement	-	-	4,000	4,000
		Speech to Text & Ground Transportation Dynamic Content Software	-	20,000	-	20,000
	Customer Experience	Agents of Discovery CX Application/Game	-	5,000	-	5,000
		Ambient Scent Contract - Service Level Increase	-	140,000	-	140,000
		Concourse Furniture Renewal & Replacement (Dining Tables and Chairs)	-	10,250	-	10,250
		Customer Engagement & Branding General Supplies Increase	-	15,000	-	15,000
		FIFA World Cup Advance Planning Support	-	-	250,000	250,000
		Innovation Department Implementation Funding	-	200,000	-	200,000
		New Aviation Employees Welcome Kits	-	5,000	-	5,000
		SEA Badge Holder Engagement & Culture Survey	-	10,000	-	10,000
		Terminal Furniture Repair & Replacements Baseline Increase	-	100,000	-	100,000
		Volunteer Program Support	-	5,000	-	5,000
	XOVIS Sensor additions at SCP2	-	-	30,000	30,000	
	Processing Passengers	Consolidated Call Center Coverage	-	100,000	-	100,000
		DAAC (Daifuku Airport America Corporation) Baggage Communications	-	-	800,000	800,000
		Integrated Database Management System (IDMS) Software & Training	-	60,000	20,000	80,000
		Mobile Digital Signage	-	-	75,000	75,000
Motor Pool Operations Support		-	20,000	-	20,000	

Approved Budget Requests: Customer Experience (con't) & Employee Engagement

Business Plan Priority		Budget Request	2025 Budget Requests (\$ in thousands)			
			FTEs	Baseline	Non-Recurring	Total
Customer Experience	Processing Passengers	Parking Garage Maintenance Materials	-	20,000	-	20,000
		RSVPify Registration Software & Application	-	8,500	-	8,500
		SEA Volunteer Uniforms	-	-	15,000	15,000
		Signage Supplies Baseline Increase	-	50,800	-	50,800
		Station Manager In-Person Meetings Costs	-	2,000	-	2,000
		Subtotal, Customer Service	-	921,550	1,194,000	2,115,550
Employee Engagement	Attract & Retain Qualified Employees	Airport Childcare Initiative	-	-	550,000	550,000
		Aviation Directors Retreats	-	8,000	-	8,000
		Fire Department Events (Promotion, Recruiting & Awards)	-	15,000	-	15,000
	Invest in Employee Training	Airfield Marking Professional (AMP) Symposium	-	-	6,000	6,000
		Auto Mechanic Training	-	20,000	-	20,000
		Communications Training for Airport Communications Center	-	-	2,000	2,000
		Water Works Training	-	-	7,500	7,500
		Baseline Travel & Training Increase - Multiple Departments	-	88,300	-	88,300
		Subtotal, Employee Engagement	-	131,300	15,500	146,800

Approved Budget Requests: Financial Stewardship & Asset Management

Business Plan Priority		Budget Request	2025 Budget Requests (\$ in thousands)			
			FTEs	Baseline	Non-Recurring	Total
Financial Stewardship & Asset Management	Keeping Up with Growth at the Airport	Potential New Real Estate Opportunities	25.0	17,298,903	1,367,500	18,666,403
		Audio Visual Needs for SEA Conference Center	-	-	50,000	50,000
		Cruise Transportation Coordinators	0.4	44,175	4,000	48,175
		Development of Taxi Virtual Queue System	-	-	50,000	50,000
		IATA Airline Scheduling Software Implementation & Training	-	10,000	-	10,000
		New Air Service Incentive Program	-	-	775,000	775,000
		Terminal Flight Data Manager (TFDM) - Aerobahn Software	-	-	100,000	100,000
		Third Floor Ground Transportation (GT) Area Expansion	-	-	50,000	50,000
	Asset Management, Capital Development and Delivery Support	Capital Programs Concept Development & Modeling	-	-	1,250,000	1,250,000
		Capital Liaison Resources for AV Maintenance	-	-	750,000	750,000
		Capital Liaison Resources for AV Maintenance - Capital Offset	-	-	(750,000)	(750,000)
		Civil Asset Management Support	-	-	100,000	100,000
		Comprehensive Survey of Airport Property	-	-	200,000	200,000
		Consultant Resources for Controls (IDIQ Contract)	-	-	1,978,000	1,978,000
		Consultant Resources for Estimating (IDIQ Contract)	-	-	800,000	800,000
		Consultant Support for Capital Projects - Cost Offset	-	-	(2,720,000)	(2,720,000)
		Duty-Free Consultant Services	-	-	375,000	375,000
		Duty-Free Consultant Services - Capital Offset	-	-	(375,000)	(375,000)
		eGSE Charger Asset Management	-	90,000	-	90,000
		Enterprise Asset Management (EAM) Maximo System Enhancements	-	50,000	-	50,000

Approved Budget Requests: Financial Stewardship & Asset Management (con't)

Business Plan Priority		Budget Request	2025 Budget Requests (\$ in thousands)			
			FTEs	Baseline	Non-Recurring	Total
Financial Stewardship & Asset Management	Asset Management, Capital Development and Delivery Support	Expense Work for Capital CIPs for Port Shared Use Lounges	-	-	2,101,000	2,101,000
		Grant Offset - 160th Street Lot EV Chargers Tenant Reimbursement	-	-	(500,000)	(500,000)
		HVAC Small Works Construction Services	-	-	383,000	383,000
		Maintenance Inventory Management System	-	200,000	-	200,000
		Onsite Consultants to Capital - (100% capital)	-	-	12,889,803	12,889,803
		Onsite Consultants to Capital - Offset	-	-	(12,889,803)	(12,889,803)
		Onsite Consultants to Tenant Expense	-	-	2,000,000	2,000,000
		Small Works Construction Services for Cargo Operations	-	100,000	-	100,000
		Technical Support for Capital Planning Project Development	-	-	200,000	200,000
	Financial Sustainability	Financial Consulting Services	-	-	100,000	100,000
		Life Cycle Cost Analysis (LCCA) Implementation	-	-	100,000	100,000
	Address Maintenance Needs and Standards	ADR Food Incubator Equipment - Extended Warranty & Maintenance	-	-	100,000	100,000
		Airport-Wide Window Cleaning Services	-	400,000	-	400,000
		Art Cleaning Contractor Services	-	50,000	-	50,000
		BIM Modeling Contract (Year 2)	-	-	500,000	500,000
		Cleaning of Parking Garage Detention Vaults	-	-	60,000	60,000
		Clearing Vegetation Around Ponds	-	50,000	-	50,000
		Communication Infrastructure Assessment	-	-	150,000	150,000
Concrete Barrier Protection	-	-	50,000	50,000		
Dam Safety Inspections	-	-	50,000	50,000		

Approved Budget Requests: Financial Stewardship & Asset Management (con't)

Business Plan Priority	Budget Request	2025 Budget Requests (\$ in thousands)			
		FTEs	Baseline	Non-Recurring	Total
Financial Stewardship & Asset Management	De-icer Tank for Pickup Truck	-	-	14,000	14,000
	EZMaximo Licenses	-	-	41,250	41,250
	Fire Alarm System Master Plan	-	-	200,000	200,000
	Increased Material Budget for Electric Shop: Lighting, EGSE, and Airfield	-	50,000	-	50,000
	International Arrivals Facility (IAF) EasyPower Study Conversion	-	-	125,000	125,000
	iPhone/iPad Refresh Program: 90 Devices Every Two Years	-	56,250	-	56,250
	Landside Pavement Program: Condition Assessment	-	-	100,000	100,000
	License Plate Recognition (LPR) Software License & Support	-	10,000	-	10,000
	Lift Station Condition Assessment	-	-	100,000	100,000
	Materials Budget Increase for Satellite Transit System (STS)	-	30,000	-	30,000
	Mobile Airfield Light Monitoring System (MALMS) Support Contract	-	25,000	-	25,000
	New Leases for Microwave Tower Space	-	42,000	-	42,000
	New License and Support Contract for TKH Security (Park Assist)	-	222,000	-	222,000
	Preliminary Work for Rental Car Facility (RCF) Re-bid	-	-	100,000	100,000
	Rental Car Facility (RCF) Full Reallocation	-	-	50,000	50,000
	Schindler Electronic Devices for New Service Contract in Maximo	-	-	15,400	15,400
	Service Equipment Purchases for Radio Shop	-	-	20,000	20,000
	Structural Assessment of Upper and Lower Drives	-	-	200,000	200,000
	UPS & Fire-rated Communication Rooms Feasibility Study	-	-	250,000	250,000
	Water Distribution Asset Management	-	-	100,000	100,000
Water-Proof & Secure Storage Conex Boxes	-	-	11,000	11,000	
Subtotal, Financial Stewardship & Asset Management		25.4	18,728,328	10,625,150	29,353,478

Approved Budget Requests: Health, Safety & Security

Business Plan Priority		Budget Request	2025 Budget Requests (\$ in thousands)			
			FTEs	Baseline	Non-Recurring	Total
Health, Safety, and Security (includes passengers)	Maintain & Improve Safety of Airport Operations Area	AAAE Certified Member (C.M.) Review Course & Certification	-	-	45,000	45,000
		Airfield Safety & Standards Support & Implementation (IDIQ)	-	250,000	-	250,000
		Airport Operations Specialist Training	-	10,000	-	10,000
		Apparatus Parts & Maintenance for Mechanics	-	50,000	-	50,000
		Aviation Weather Forecast Service	-	-	20,000	20,000
		Fire Department Extinguisher Equipment and Supplies	-	-	42,000	42,000
		Fire Department Hazardous Materials Training & Equipment	-	-	235,000	235,000
		Fire Department Technical Rescue Equipment	-	-	45,000	45,000
		Fire Fighter Bunker Gear	-	-	145,000	145,000
		Fire Fighter Personal Protective Equipment (PPE), Safety Supplies, & Equipment	-	-	50,000	50,000
		Fire Fighter Uniform Replacement & Maintenance	-	100,000	-	100,000
		Incident Management Software for Tablet Command	-	-	65,000	65,000
		Machining Tools for Fire Department Mechanics	-	-	25,000	25,000
		New Avian Radar Vendor Transition & Onboarding	-	-	37,500	37,500
		Ramp Tower Incremental Funding	-	528,632	-	528,632
		Safety Management System (SMS) Safety Training for Employees	-	-	25,000	25,000
		Safety Risk Assessment (SRA) Facilitator Services	-	50,000	-	50,000
		Self-Contained Breathing Apparatus (SCBA) Inspection & Maintenance	-	-	75,000	75,000
Tools & Equipment for Fire Department Apparatus	-	-	60,000	60,000		
Wildlife Habitat & Vegetation Management	-	-	100,000	100,000		

Approved Budget Requests: Health, Safety & Security (con't)

Business Plan Priority	Budget Request	2025 Budget Requests (\$ in thousands)				
		FTEs	Baseline	Non-Recurring	Total	
Health, Safety, and Security (includes passengers)	Maintain & Enhance Overall Security at the Airport	Alarm Technician Equipment & Supplies	-	-	145,000	145,000
		Blank Slate Application Procurement	-	35,100	-	35,100
		Department of Homeland Security (DHS) Safety Act Certification	-	-	20,000	20,000
		Maintenance Service Plan for X-ray Machines - Employee Screening	-	20,196	-	20,196
		Rented Portable Cameras for Employee Parking Lots & Cargo Areas	-	99,600	-	99,600
	Operational Efficiencies	Accela & Bluebeam Plan Review Interface & Payment Adapter	-	-	25,000	25,000
		Elevator & Escalator Monitoring (Liftnet Replacement)	-	100,000	-	100,000
		Fire Blanket for Electric Vehicle Charging Area in Parking Garage	-	-	30,000	30,000
		Fire Protection Systems - Inspection, Testing, & Maintenance Services	-	200,000	-	200,000
		Fire Suppression Technology Feasibility Study	-	-	200,000	200,000
		HVAC Equipment Rental for Building 166B	-	81,500	-	81,500
		HVAC Equipment Rental for Building 167A	-	40,750	-	40,750
		Increase - ABD - Plan Review & Inspections	-	-	200,000	200,000
		Industrial Waste System (IWS) Flow Increase	-	-	1,600,000	1,600,000
		Stanchion Renewal & Replacement	-	30,000	-	30,000
		Terminal Zone 1 Custodial Services Increase	-	1,500,000	-	1,500,000
		Subtotal, Health, Safety, and Security (includes passengers)	-	3,095,778	3,189,500	6,285,278

Approved Budget Requests: Sustainability & Community

Business Plan Priority		Budget Request	2025 Budget Requests (\$ in thousands)			
			FTEs	Baseline	Non-Recurring	Total
Sustainability & Community	Airport Noise Mitigation	Part 150 Noise Compatibility Study	-	-	1,500,000	1,500,000
		Part 150 Noise Compatibility Study - Grant Offset	-	-	(1,200,000)	(1,200,000)
		Sound Insulation Repair & Replacement Pilot Program	-	-	4,000,000	4,000,000
	Be the Greenest, and Most Energy Efficient Port in North America	Central Mechanical Plant (CMP) Decarbonization & Resiliency Study - Year 2 Completion	-	-	1,000,000	1,000,000
		Clean Building Performance Standard Compliance	-	-	200,000	200,000
		CMP Decarbonization & Resiliency Study - Year 2 Completion (Grant Offset)	-	-	(750,000)	(750,000)
		Electric Vehicle (EV) Charging - Near/Mid-Term Implementation	-	-	150,000	150,000
		Greenhouse Gas Reporting Rule Compliance	-	23,000	-	23,000
		SEA Climate Action Plan	-	-	50,000	50,000
		Become a Model for Equity, Diversity and Inclusion	SEA Employee Shuttle Service Feasibility Study (Ground Transportation Action Plan Item)	-	-	300,000
	SEA MOVES		-	231,000	200,000	431,000
	South King County TRIPS: Support for Commuting Resource Programming for Southeast Employees		-	-	25,000	25,000
	Transit Pass Program		-	500,000	-	500,000

Approved Budget Requests: Sustainability & Community (con't)

Business Plan Priority		Budget Request	2025 Budget Requests (\$ in thousands)			
			FTEs	Baseline	Non-Recurring	Total
Sustainability & Community	Enhance Community Engagement	Anti Human Trafficking Campaign	-	-	88,000	88,000
		SEA Cultural Events	-	200,000	-	200,000
		Language Access	-	10,000	-	10,000
		IATA Slot Taskforce - SEA Hosting ACI North America and Slot	-	-	5,000	5,000
		Healthcare Benefits for SEA Employees Study & Report	-	-	200,000	200,000
	Environmental Compliance	Expense Components of Capital Improvement Projects	-	-	2,350,000	2,350,000
		National Pollutant Discharge Elimination System (NPDES) Permit Renewal Sampling & Support	-	-	215,000	215,000
		PFAS Industrial Waste Treatment Plant Source Reduction Pilot	-	-	450,000	450,000
		PFAS Industrial Waste Treatment Plant Source Reduction Pilot	-	-	(225,000)	(225,000)
		PFAS Ongoing Investigations & AFFF Transition Support	-	-	400,000	400,000
		Stormwater Programmatic Permitting	-	-	50,000	50,000
		Stormwater Programmatic Planning for 6PPD-q	-	-	50,000	50,000
		Sustainable Airport Master Plan (SAMP) Environmental Review	-	-	1,000,000	1,000,000
		Subtotal, Sustainability & Community	-	964,000	10,058,000	11,022,000

Approved Planning Studies Detail

On-Call Planning	Amount	Description
PM Support and Small Planning Tasks	\$325,000	Provides funds to conduct work outside of individual Service Directives, including conducting overall contract program management; responding to emerging issues and requests for planning assistance from other departments; and providing technical support as needed to Port Planning staff.
Airside Scenario Development and Modeling	\$200,000	Concept development and evaluation of airfield operational and facilities improvements to optimize efficiency. Anticipated work includes annual Airport Capacity Review.
GTAP Employee Shuttle Feasibility Study	\$200,000	Concept development and evaluation of landside operational and facilities improvements to optimize efficiency and increase capacity. Anticipated work includes Travel Demand Model (TDM) and microsimulation modeling support.
Terminal Scenario Development and Modeling	\$325,000	Concept development and evaluation of terminal operational and facilities improvements to optimize efficiency and increase capacity. Anticipated work includes continuation of Departures Hall Study initiated in 2024.
Landside Scenario Development and Modeling	\$200,000	Concept development and evaluation of landside operational and facilities improvements to optimize efficiency and increase capacity. Anticipated work includes Travel Demand Model (TDM) and microsimulation modeling support.
TOTAL	\$1,250,000	

AERONAUTICAL BUSINESS

Aeronautical Business

- Cost recovery of aeronautical operating and capital expenses
 - Per FAA regulations
 - Revenue use policy: all airport revenue must be used to support the operating and capital costs of the airport
 - Rates and Charges policy guides aeronautical rate setting
 - » Airline rates must be fair, reasonable and not unjustly discriminatory
 - » Airfield rates must be based on cost recovery
 - » Airports may set airline rates by resolution, ordinance or agreement
 - Based on Signatory Lease and Operating Agreement (SLOA)
 - Signatory Lease & Operating Agreement (SLOA IV ran from 2018 – 2022 but has been extended to 12/31/2024)
 - Positive cash flow after paying debt service due to equity amortization of cash funded capital projects
- Charge airlines for space and/or activity
- Cost per enplanement (CPE) is a key management metric

Aeronautical Business (cont'd)

- All Aero activity factors have recovered from the pandemic downturn.
- Cost increases reflect growth in rate based operating expenses and debt service on new assets placed in service. As a result, CPE increased by 7% in the 2025 Budget.

Aeronautical Cost Drivers

\$ in 000's	2024 Budget	2025 Budget	Impact on Aero Revenues Budget vs Budget	
			\$	%
O&M ⁽¹⁾	331,860	362,970	31,110	9.4%
Debt Service Before Offsets	225,815	237,222	11,407	5.1%
Debt Service PFC Offset	(91,493)	(93,230)	(1,737)	1.9%
Net Debt Service	134,322	143,993	9,670	7.2%
Amortization	36,873	36,712	(161)	-0.4%
Space Vacancy	(719)	(682)	37	-5.1%
TSA Operating Grant and Other	(758)	(758)	0	0.0%
Rate Base Revenues	501,578	542,234	40,656	8%
Commercial area	19,022	26,137	7,116	37%
Total Aero Revenues	520,600	568,372	47,772	9%

(1) O&M, Debt Service Gross, and Amortization do not include commercial area costs or the international incentive expenses

5-year Forecast Landing Fee, FIS Fee, Apron Fee and Terminal Rate

	Actual 2023	Budget 2024	Budget 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029
Landing Fee	\$ 4.35	\$ 4.56	\$ 5.03	\$ 5.80	\$ 6.40	\$ 6.67	\$ 6.96
FIS Fee	\$ 17.69	\$ 17.16	\$ 18.48	\$ 17.11	\$ 16.85	\$ 17.09	\$ 18.24
Apron Fee	\$ 0.55	\$ 0.67	\$ 0.83	\$ 1.03	\$ 1.30	\$ 1.44	\$ 1.65
Terminal Rate	\$147.19	\$149.25	\$153.79	\$195.33	\$227.55	\$244.52	\$ 268.43

2025-2029 PFC Forecast

<i>(\$ in thousands)</i>	Budget 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029
Available PFCs to Spend					
Beginning Balance (a)	\$ 44,715	\$ 48,208	\$ 53,654	\$ 59,914	\$ 63,128
Collections	\$ 100,944	\$ 103,164	\$ 103,887	\$ 104,718	\$ 105,555
Interest income	2,549	2,649	2,757	2,881	2,952
PFC Revenues (b)	\$ 103,493	\$ 105,813	\$ 106,644	\$ 107,599	\$ 108,507
Available PFC Revenues (c=a+b)	\$ 148,208	\$ 154,022	\$ 160,298	\$ 167,513	\$ 171,636
PFC - USAGE					
Revenue Bond DS Offset (d):					
Third Runway	\$ 30,988	\$ 30,988	\$ 30,986	\$ 30,984	\$ 30,982
Satellite Transit System (STS) & S. Terminal Expansion (STEP)	5,475	1,015	942	942	925
International Arrivals Facility (IAF)	31,382	33,543	33,630	37,940	38,184
North Satellite (NSAT) - Terminal Building	26,137	28,792	28,795	28,542	28,357
NSAT - Apron	3,490	3,490	3,491	3,437	3,399
NSAT - Passenger Loading Bridges	1,547	1,550	1,550	1,550	1,550
NSAT - Gate Utilities	980	990	990	990	990
Baggage - Existing	-	-	-	-	-
Subtotal, Debt Service Offset	100,000	100,367	100,384	104,385	104,387
Pay-Go PFC spending (e):	-	-	-	-	-
Total PFC Usage (f=d+e)	\$ 100,000	\$ 100,367	\$ 100,384	\$ 104,385	\$ 104,387
Ending Balance (c-f)	\$ 48,208	\$ 53,654	\$ 59,914	\$ 63,128	\$ 67,248

- \$100M of PFC funds budgeted in 2025 for debt service offset
- \$48M year end balance forecasted
- Future application will spend down the balance for Pay-Go

Cost per Enplanement (CPE) Metric

Airline cost per enplanement reflects the overall cost to the airlines for each passenger enplaned.

The CPE measures the total costs borne by the passenger airlines operating at the airport divided by the number of enplaned passengers (roughly half of the total passengers).

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget
Cost per Enplanement (CPE)	12.86	26.50	15.93	16.09	17.52	18.31	19.57

Cost per Enplanement at Other Airports

Airport (Large Hub)	2025 CPE Forecast
DEN*	15.82
LAX*	32.52
ORD*	29.08
<i>SEA</i>	<i>19.57</i>
SFO*	25.29

* Sources: 2025 Budget documents or Preliminary Official Statement on bond issuance

NON-AERONAUTICAL BUSINESS

Non-Aeronautical Business

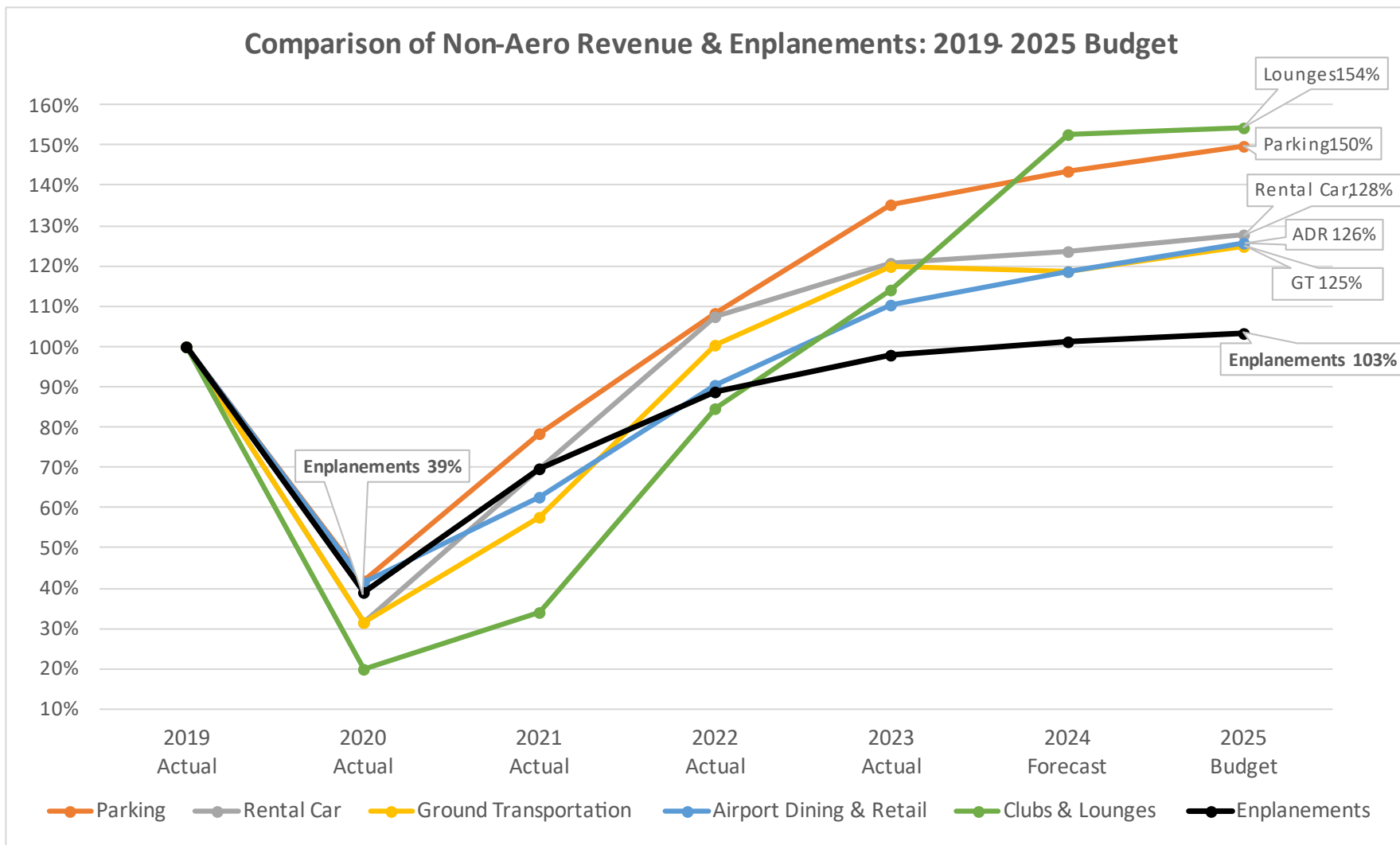
- Non-Aeronautical lines of business include:
 - Pre-security:
 - Parking, Rental Cars, Taxis and Ride Shares, Conference Center, Real Estate Leases, etc.
 - Air Terminal:
 - Dining and Retail, Clubs, Other Leased Space
- Most rates set based on fair market value
- Some rates set based on cost recovery
 - *e.g., Employee Parking and select Ground Transportation operators*
- Non-Aero lines of business generate cash flow used to reinvest in the Airport

Non-Aeronautical Revenue

Revenue Summary by Dept. <i>(Non-Aeronautical Operating Revenue) Rollup</i>	2019	2024	2024	2025	Inc/(Dec) from 2024 Forecast		Inc/(Dec) from 2024 Budget	
	Actual	Budget	Forecast	Proposed Budget	\$ Change	% Change	\$ Change	% Change
3420-Public Parking	82,124,696	111,036,321	118,022,119	122,956,258	4,934,139	4.2%	11,919,937	10.7%
3430-Rental Cars	52,566,544	61,599,042	65,007,767	67,196,700	2,188,933	3.4%	5,597,658	9.1%
3440-Employee Parking	10,437,611	11,656,480	11,051,337	15,350,480	4,299,143	38.9%	3,694,000	31.7%
3450-Ground Transportation	20,765,185	25,333,348	24,656,773	25,962,108	1,305,335	5.3%	628,760	2.5%
Landside	165,894,036	209,625,191	218,737,996	231,465,546	12,727,550	5.8%	21,840,355	10.4%
3630-Non-Aero Commercial Properties	15,772,806	20,495,504	20,724,426	21,574,438	850,012	4.1%	1,078,934	5.3%
3645-Non-Airline Terminal Leased Spc	6,398,122	6,756,195	7,692,894	7,778,058	85,164	1.1%	1,021,864	15.1%
3690-Club International Lounge	10,273,504	12,023,676	15,684,957	15,867,888	182,931	1.2%	3,844,212	32.0%
AV Business & Properties	32,444,432	39,275,375	44,102,277	45,220,384	1,118,107	2.5%	5,945,009	15.1%
3650-Airport Dining and Retail	61,614,369	71,331,628	73,201,769	77,353,184	4,151,415	5.7%	6,021,556	8.4%
3653-Tenant Marketing	1,273,472	1,808,303	901,844	0	(901,844)	-100.0%	(1,808,303)	-100.0%
4572-Airport Office Building Mgmt	461,711	203,000	237,142	280,000	42,858	18.1%	77,000	37.9%
AV Commercial Management	63,349,552	73,342,931	74,340,755	77,633,184	3,292,429	4.4%	4,290,253	5.8%
Utilities and Other	7,349,161	10,469,695	10,469,695	11,250,937	781,242	7.5%	781,242	7.5%
Non-Aeronautical Operating Revenue	269,037,181	332,713,191	347,650,723	365,570,051	17,919,328	5.2%	32,856,860	9.9%
<i>Total Enplanements</i>	<i>25,873,875</i>	<i>26,457,228</i>	<i>26,134,375</i>	<i>26,737,215</i>	<i>602,841</i>	<i>2.3%</i>	<i>279,987</i>	<i>1.1%</i>
<i>International Enplanements</i>	<i>2,857,964</i>	<i>2,927,471</i>	<i>3,253,709</i>	<i>3,338,279</i>	<i>84,570</i>	<i>2.6%</i>	<i>410,808</i>	<i>14.0%</i>
<i>O&D Enplanements</i>	<i>18,163,460</i>	<i>18,467,145</i>	<i>18,241,793</i>	<i>18,609,102</i>	<i>367,308</i>	<i>2.0%</i>	<i>141,956</i>	<i>0.8%</i>

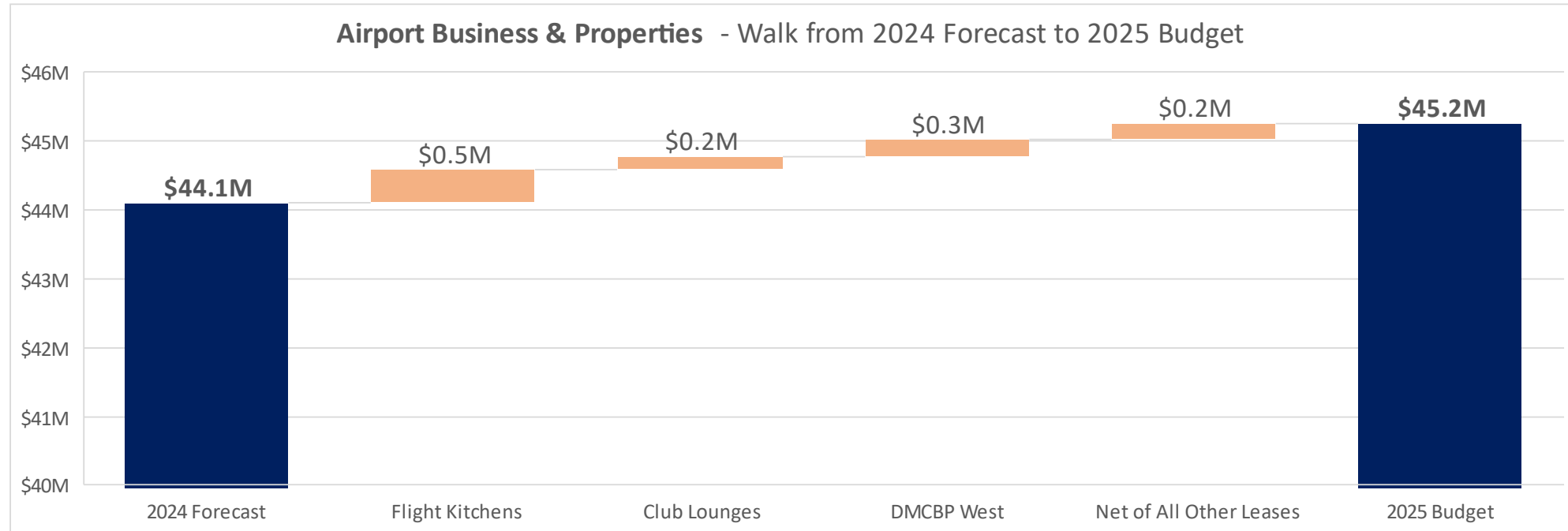
Non-Aero Revenue Recovery as % of 2019 Actual

Growth outpacing passenger volume recovery



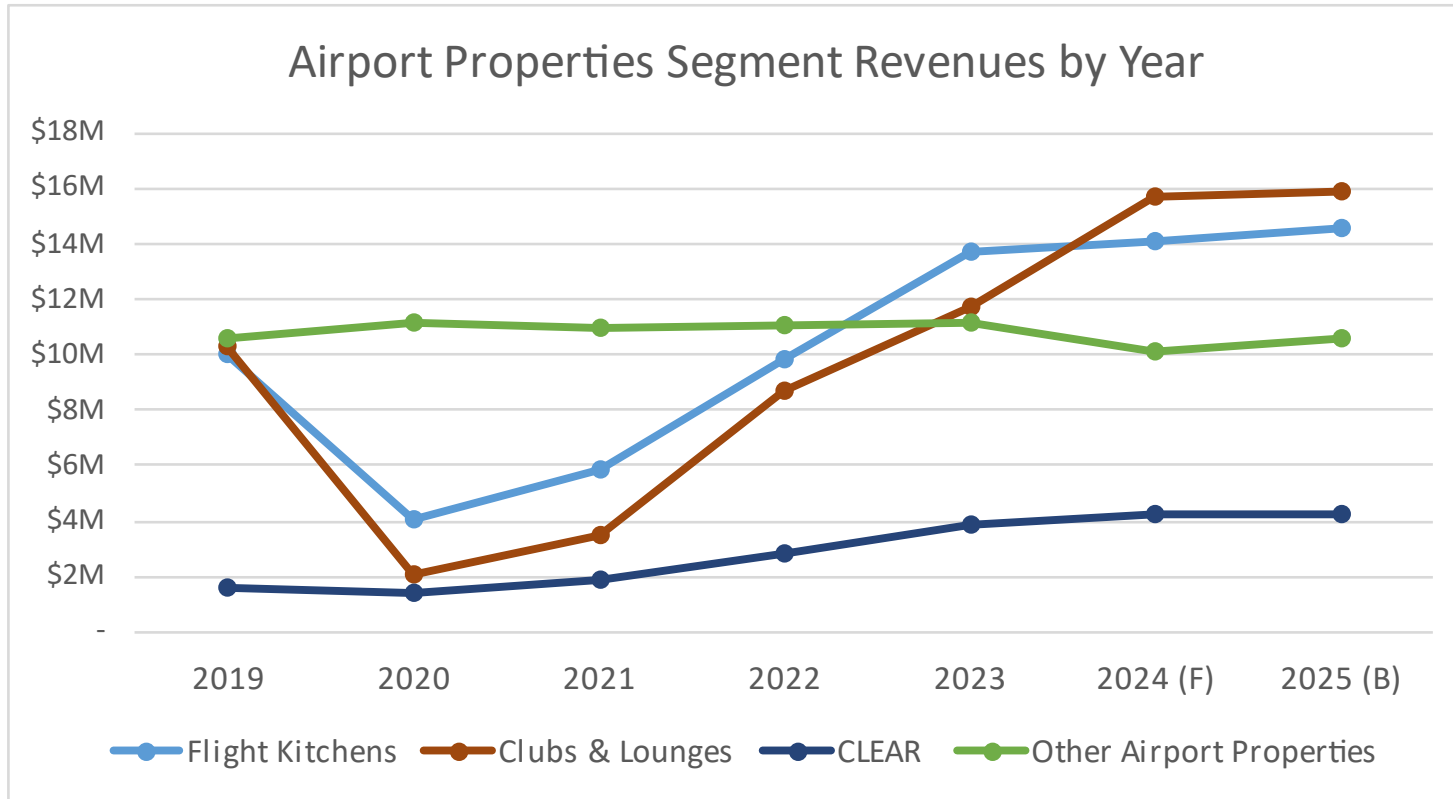
BUSINESS & PROPERTIES DETAIL

Walk to AVBP 2025 Revenue Budget



- 2025 AVBP Revenues are expected to come in **\$1.1M / 2.5%** above the FY24 Forecast (\$5.9M / 15.1% above the 2024 Budget)
- Key Drivers:
 - Flight Kitchens are expected to grow, before beginning to run into some capacity constraints
 - SEA’s Concourse A & SSAT Club lounges will continue to build upon a strong year in 2024, also grow largely in line with enplanements
 - DMCBP West construction rent estimated to commence no later than 4/1/2025 based on DRAFT 1st Amendment
 - A modest growth rate for CLEAR concession revenues is assumed, though is trickier to forecast precisely

Non-Aeronautical – Airport Properties Revenue



2025 Combined: 39.4% above 2019

Commercial Real Estate (Other Airport Properties) Revenues - primarily fixed rates per sq. ft. and therefore relatively unaffected by COVID-19 passenger volume declines/recovery.

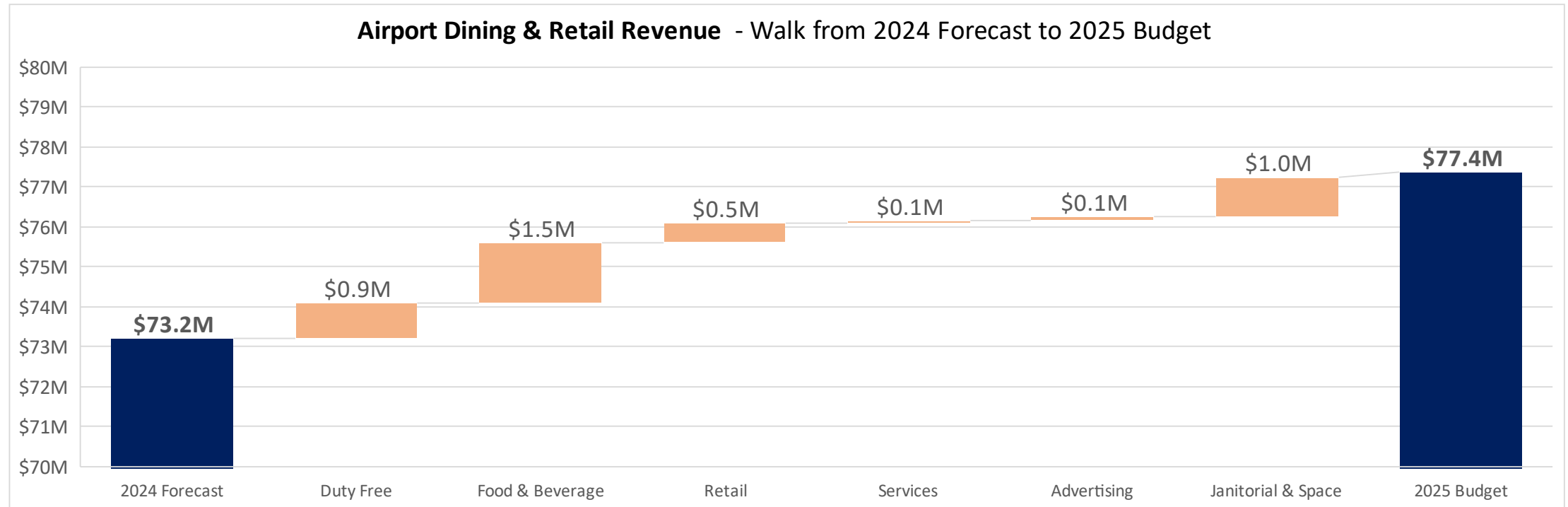
Flight Kitchen Revenue – Closely tied to passenger volume. Revenue growth reflects both strong demand and upward pressure on prices which is reflected in concession fees on higher gross sales. However, space constraint will be a challenge for further growth.

CLEAR Revenue – Concession fee on CLEAR memberships were relatively unaffected by passenger volume decline/recovery. These memberships provide expedited access to other large venues, in addition to airport checkpoint queuing.

Third-Party Lounges – Although recovered slower post-pandemic, demand continues to grow, and future outlook is strong with increased demand from growing international enplanements.

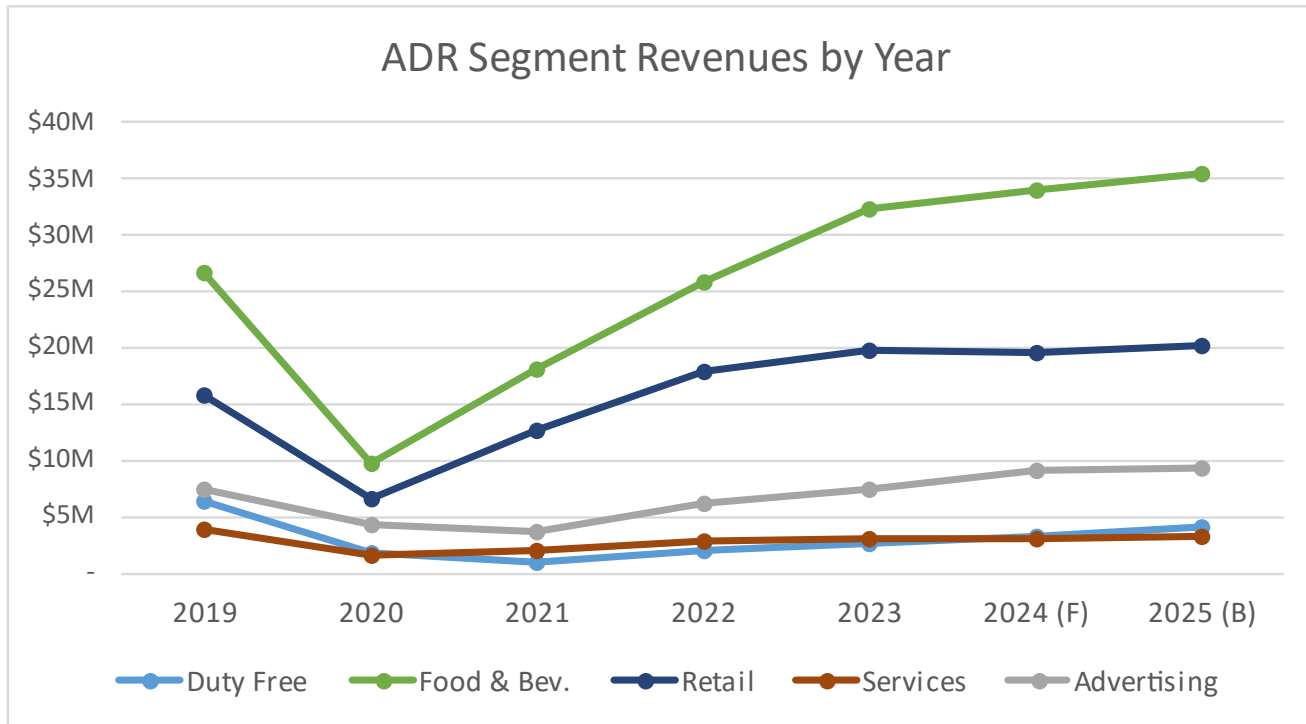
COMMERCIAL MANAGEMENT DETAIL

Walk to Airport Dining & Retail 2025 Revenue Budget



- Growth anticipated from higher enplanements and inflation/other factors are going to be partially offset by closures from the C Concourse Expansion project (currently estimated to be ~\$3.1M in 2025, or ~\$255K/month)
- *Note that the plan to execute and begin the \$1.0M of tenant janitorial trash removal may be subject to shifts, though any adjustment to revenue will also corresponds to an equal adjustment to expense*

Non-Aeronautical – Airport Dining & Retail Revenue



2025 Combined ADR: 25.5% above 2019

Airport Dining & Retail – recovery is ongoing, with certain elements rebounding more quickly than others. Despite strong demand from returning passengers, staffing issues among ADR concessionaires have somewhat dampened this growth. Looking ahead, while overall demand for ADR is expected to be strong, short-term revenue growth will face pressure due to the continued impacts of capital project construction.

Duty Free Revenue – was most dramatically impacted during pandemic, however with increase of international passengers and new lease agreement, growth continues into 2025.

Food & Beverage – faced challenges by mandated closures during 2020, and recovery was further slowed due to staffing challenges. Recent revenue growth reflects both strong demand and upward pressure on prices which is reflected in concession fees on higher gross sales.

Retail Revenue – continues to perform strongly after rapid recovery to exceed pre-pandemic levels in 2022

Advertising – building off strong performance in 2023 and 2024, ClearChannel revenue will continue to see modest growth

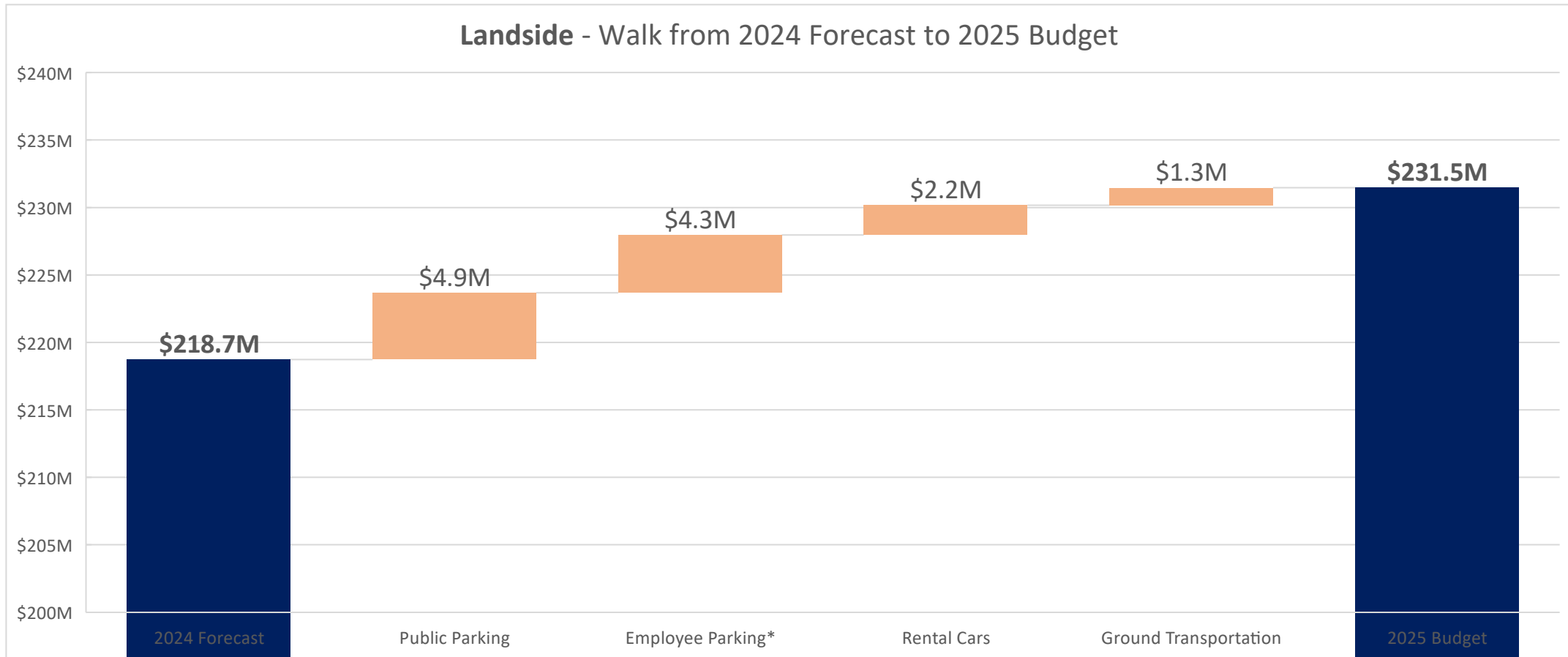
Service Revenue – slower recovery of international passengers impacts foreign currency vendor within this component of ADR

Other Commercial Management Revenue

- Tenant Marketing Fund collection has been intentionally paused effective July 2024 through December 2025 to spend down existing balance
- Conference Center Revenue is planned to be \$280K in the 2025 Budget, an increase of \$43K, or 18%, above the latest forecast for 2024
 - Approximately 69% of business is internal Port meetings and 31% external (revenue-generating)

LANDSIDE DETAIL

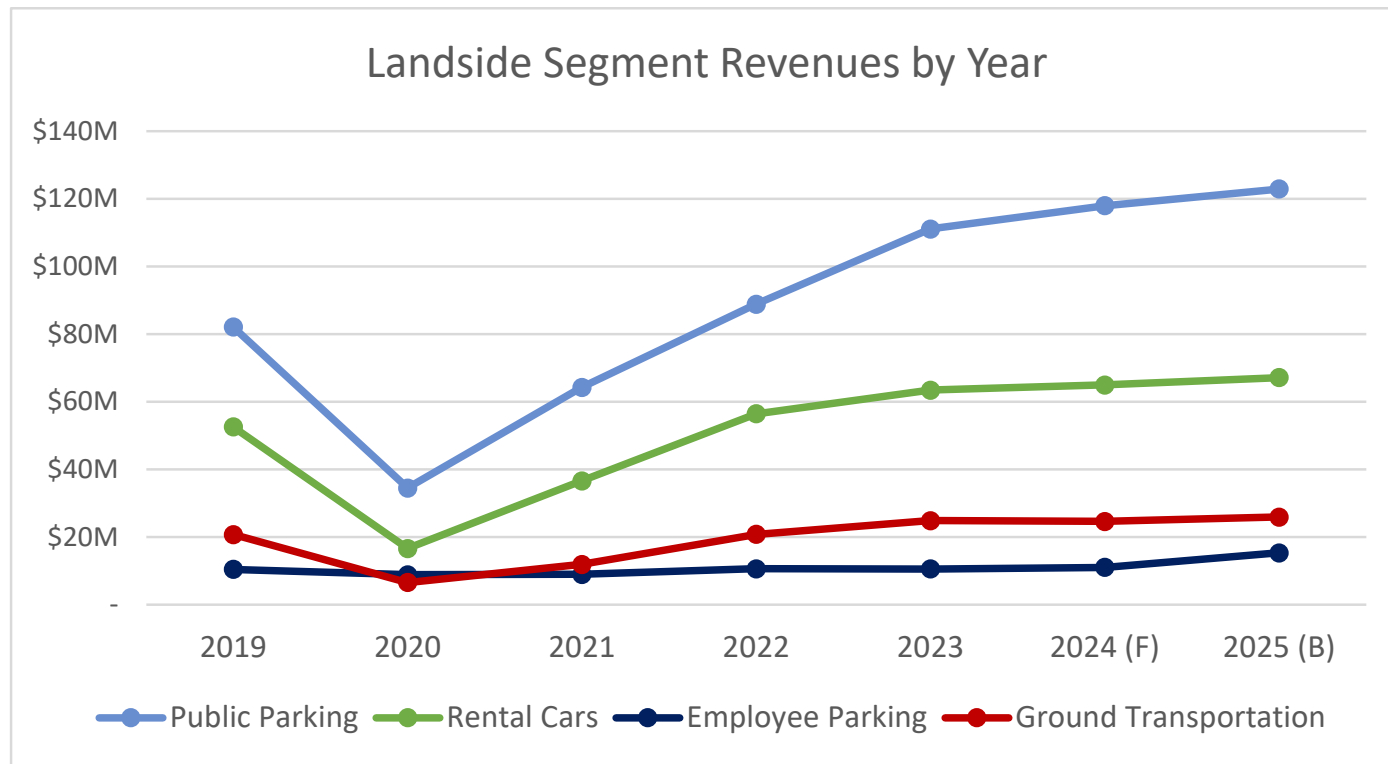
Walk to 2025 Landside Revenue Budget



- 2025 Landside Revenues are expected to be **\$12.7M / 5.8%** above the 2024 Forecast (\$21.8M / 10.4% above the 2024 Budget). Growth anticipated from higher enplanements, planned rate increases, and other factors.

*Employee Parking is cost-recovery, and will be finalized later in the budget process

Landside Revenue Recovery



2025 Combined: 39.5% above 2019

Parking is the largest source of Non-Aero revenue at the airport.

- Demand for self-parking remained relatively high during the pandemic
- Strong revenue recovery reflects continued preference for close-in parking, as well as parking rate increases (planned for January 1, 2025, prior increases implemented in 2019, 2022 & 2023)

Rental Cars – Limited vehicle availability since 2020 drove higher concession fees on lower activity volume. This has mostly stabilized, and we expect for rental rates to remain steady in 2025, with transaction growth also stabilizing. (~18%)

Ground Transportation – Slower recovery path reflected a longer timeline for customer preference to shift back to shared ride options, though now largely recovered

Employee Parking – Cost recovery revenue reflects only existing NEPL expenses

2025 Public Parking Revenue

- Parking Revenue is expected to be \$123.0M, an increase of \$4.9M, 4.2% over 2024
 - Demand for Public Parking expected to remain stable in 2025, growing with enplanements
 - Drive-Up Transactions: 2.02M, increasing 31k, ~2% over 2024
 - Reserved Transactions: 87k, increasing 2k, ~3% over 2024
 - Reserved Parking program launched in March 2024 on Floor 4 and has seen high utilization. Occupancy rate has averaged 93% since its launch. Planned expansion to Floor 5 in 2025.
- Parking rate increased proposed for January 1, 2025*
 - Drive-Up & Reserved: No change to hourly rates, \$1 increase in daily rates to reflect FMV pricing, Drive-Up weekly rate (7th day free) to be eliminated as part of a strategic shift toward growing the parking reservation program.
 - Monthly Parking program rates: Passport from \$500 to \$550, Passport Gold from \$1,000 to \$1,100

2025 Proposed Public Parking Rate Increases

Effective Jan 1, 2025

Product	Type	Current Rate	New Rate	\$ Change	% Change	Net Revenue to Port
General Parking <i>(Floors 1-3, 5-8)</i>	Hourly	\$8	\$8	NC	NC	\$3.50
	Daily	\$37	\$38	\$1	2.7%	\$30.73
	Weekly	\$222	\$266	\$44	19.8%	\$237.62
Reserved Parking <i>(Floor 4)</i>	Hourly	\$10	\$10	NC	NC	\$5.32
	Daily	\$47	\$48	\$1	2.1%	\$39.80
	Weekly	\$329	\$336	\$7	2.1%	\$301.14
Passport Parking <i>(Floors 1-3, 5-8)</i>	Monthly	\$500	\$550	\$50	10%	\$495.34
Passport Gold Parking <i>(Floor 4)</i>	Monthly	\$1000	\$1100	\$100	10%	\$994.43

SEA Parking rates are adjusted annually to maintain fair market rates and keep pace with inflation and local tax increases.

Rates are inclusive of all taxes and fees, including a City of SeaTac Commercial Parking Tax of \$4.14 per transaction and 10.2% WA State Sales Tax (Rates effective Jan 1, 2025).

Public Parking Rate Increase Summary

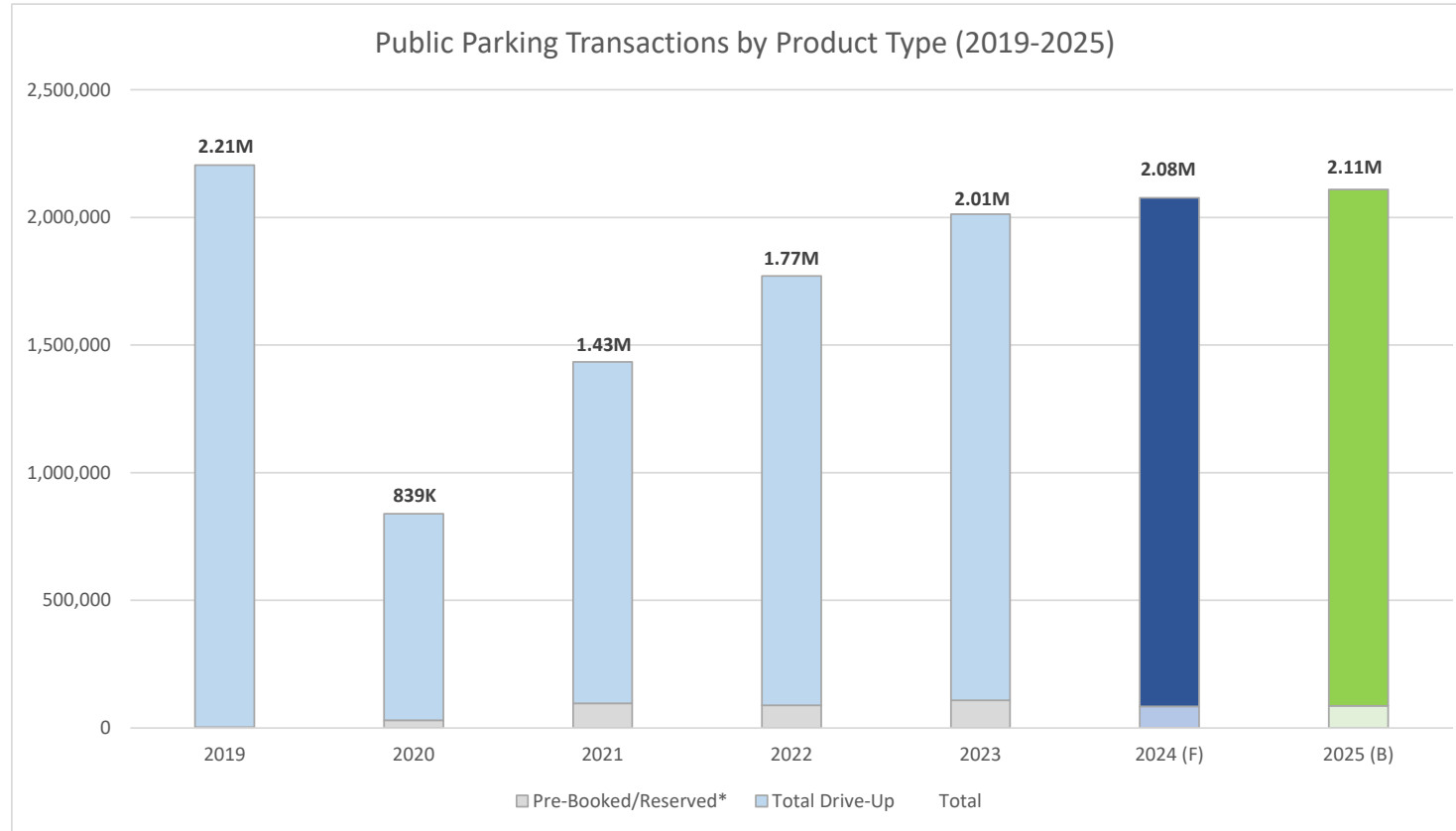
Public Parking Garage

Tariff Parking Rate Change Summary

General Parking (all other floors)	2007	2010	2017	2019	2022	2023	2024	2025
Hourly	\$ 2.00	\$ 3.00	\$ 4.00	\$ 5.00	\$ 6.00	\$ 8.00	\$ 8.00	\$ 8.00
Daily	\$ 26.00	\$ 28.00	\$ 30.00	\$ 32.00	\$ 34.00	\$ 37.00	\$ 37.00	\$ 38.00
Weekly	\$130.00	\$130.00	\$140.00	\$149.00	\$169.00	\$222.00	\$222.00	\$266.00
Hourly		50%	33%	25%	20%	33%	0%	0%
Daily		8%	7%	7%	6%	9%	0%	3%
Weekly		0%	8%	6%	13%	31%	0%	20%
Terminal Direct/Reserved (Floor 4)	2007	2010	2017	2019	2022	2023	2024*	2025
Hourly	\$ 4.00	\$ 4.00	\$ 5.00	\$ 6.00	\$ 7.00	\$ 10.00	N/A	N/A
Daily	\$ 35.00	\$ 35.00	\$ 37.00	\$ 39.00	\$ 42.00	\$ 47.00	\$ 47.00	\$ 48.00
Weekly	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Hourly		0%	25%	20%	17%	43%	N/A	N/A
Daily		0%	6%	5%	8%	12%	0%	2%
Weekly								

*Terminal Direct converting to Reserved Parking in late 2023, rate subject to demand-based adjustments

Public Parking Transactions



- Public Parking transactions are expected to increase by 30k, 1.4% over the 2024 Forecast
 - Reserved Parking transactions are expected to be relatively stable, given high occupancy rates (~93%) in 2024

2025 Rental Car Revenue

- Rental Car Revenue is expected to be \$67.2M, an increase of \$2.2M, 3.4% over 2024
 - Concession Revenue: \$46.1M, increasing \$638k, 1.4% over 2024
 - Average rental rates expected to stabilize in 2025; transactions growing with enplanements
 - Potential risk: Space constraints within Rental Car Facility + Project impacts
 - CFC Operating Revenue: \$21.6M, increasing \$1.6M, 7.7% over 2024
 - CFC Rate increase planned from \$7.50 to \$7.75
 - \$20M in Capital Projects between 2025-2028: RCF Fire Suppression System, RCF Customer Service Building Re-Demising, RCF Boiler Skid Replacement

Rental Car CFC Rate Increase Summary

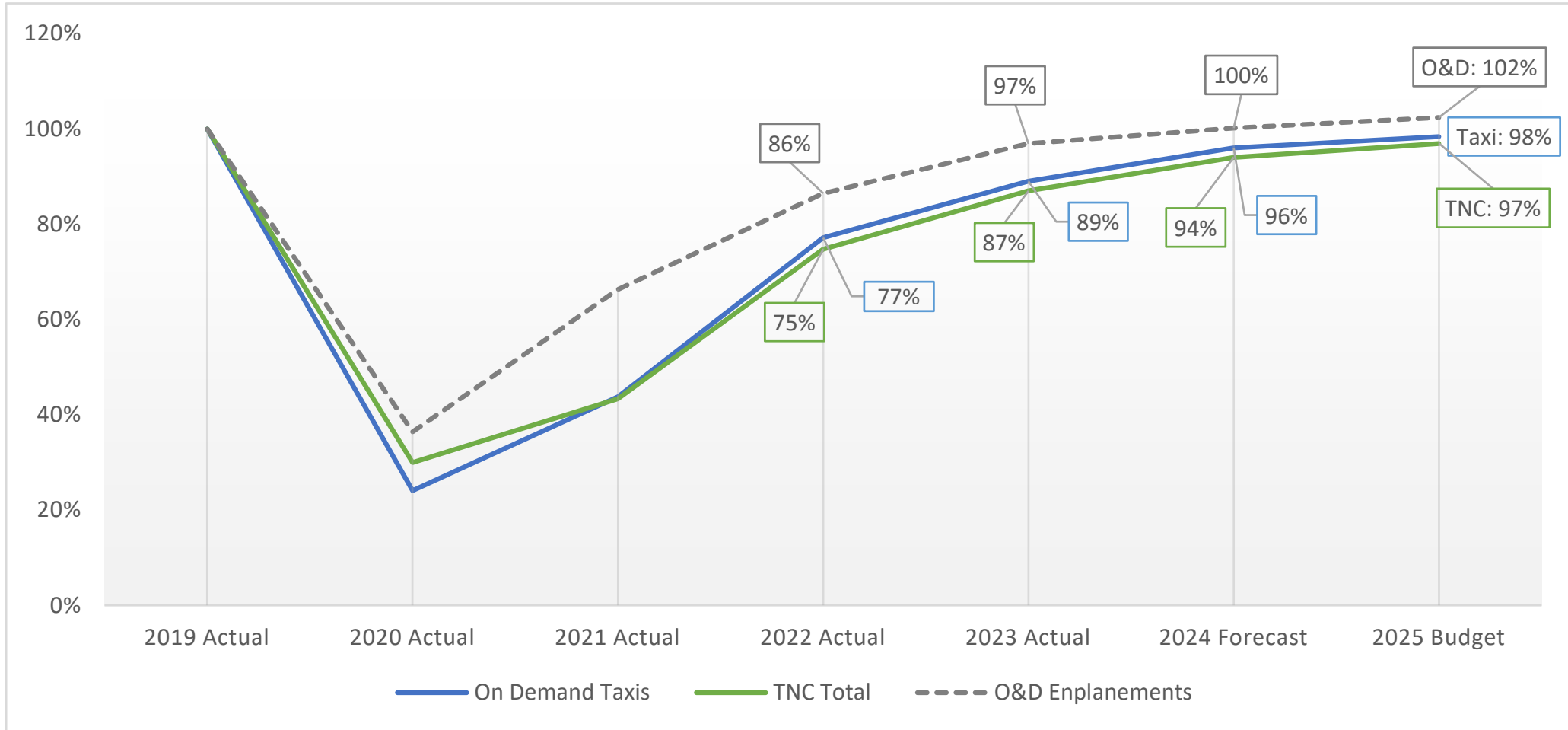
Rental Car CFC Rate Change Summary										
	2006	2009	2012	2021	2022	2023	2024	2025		
Daily CFC Rate	\$ 4.00	\$ 5.00	\$ 6.00	\$ 6.50	\$ 7.00	\$ 7.25	\$ 7.50	\$ 7.75		
CFC Rate Increase %		25%	20%	8%	8%	4%	3%	3%		

Planned annual CFC rate increases implemented beginning in 2022, support rental car facility capital projects and growth in CFC-eligible operating expenses.

2025 Ground Transportation Revenue

- Ground Transportation Revenue is expected to be \$26.0M, an increase of \$1.3M, 5.3% over 2024
 - TNC: \$19.3M, increasing \$1.2M, 6.6% over 2024
 - Primary Driver of Revenue Increase: Pick-up rate increasing from \$6.00 to \$6.50
 - TNC Activity expected to slightly outpace Enplanement growth
 - Total Expected Trips: 4.7M, up ~3% from 2024
 - On-Demand Taxi: \$3.7M, increasing \$90k, 2.5% over 2024
 - Total Expected Trips: 612k, up ~2.5% from 2024

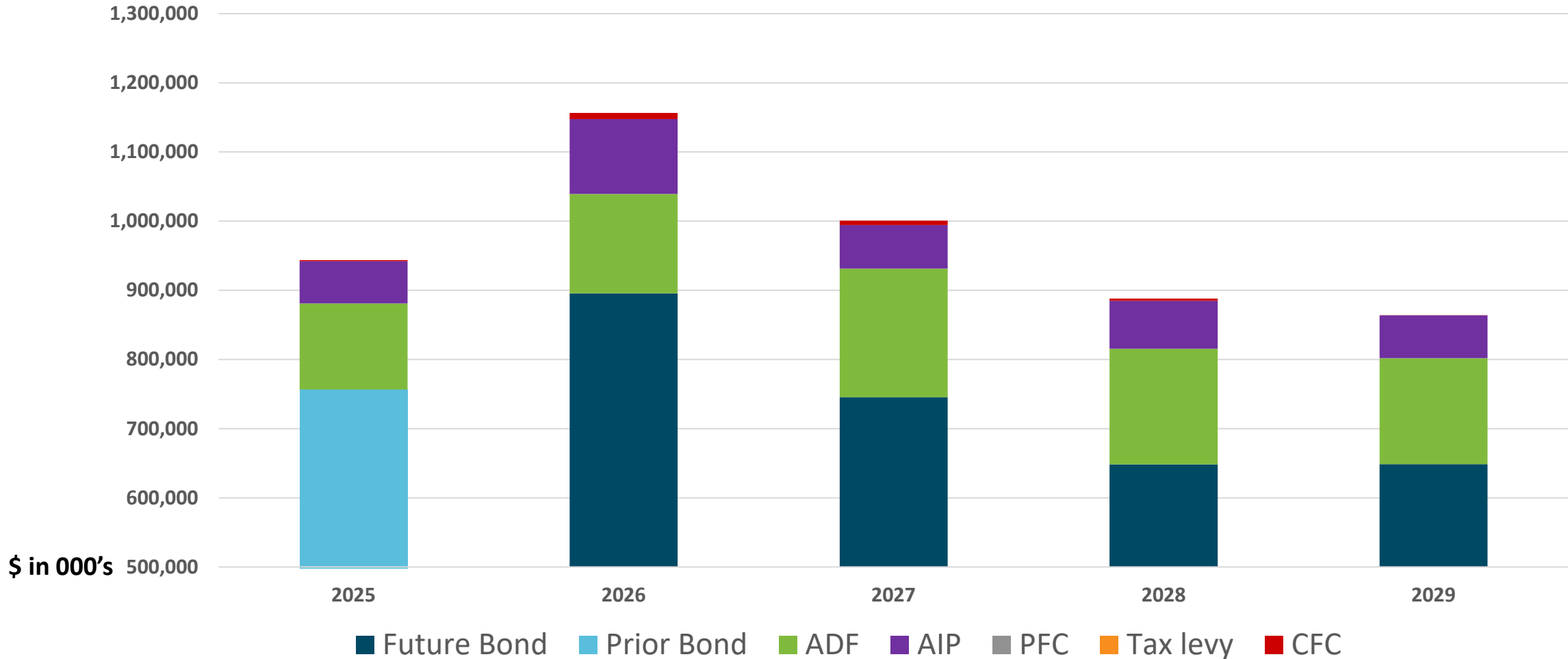
Ground Transportation – Trips & Metrics



- GT Compensatory trips continue to rebound; O&D Enplanements and TNC/Taxi trip growth converging

CAPITAL PROGRAM

2025 – 2029 Preliminary Capital Funding Plan



Includes CIPs from Central Services and other divisions of \$98.8M

2025 – 2029 Preliminary Financial Forecast Assumptions

Forecast Assumptions:	2025 Budget		2026		2027		2028		2029	
Base O&M growth	5.9%		7.0%		6.0%		6.0%		6.0%	
Expenditure Growth ¹	13.5%		8.4%		6.0%		6.4%		5.9%	
Enplanement growth	1.1%		2.2%		0.7%		0.8%		0.8%	
Capital Expenditures (\$ in millions) ²	\$	944	\$	1,156	\$	1,001	\$	888	\$	864
Non-airline revenue growth	9.9%		5.5%		8.8%		4.4%		1.2%	
Bond Interest Rate	5.25%		5.25%		5.25%		5.25%		5.25%	
Amortization Rate	4.6%		3.6%		3.6%		3.6%		3.6%	
Interest Earnings Rate	3.5%		3.5%		3.5%		3.5%		3.5%	

¹ Expenditure growth includes allocation from Central Services

² Capital Expenditures include public expenses, airport funded corporate and EDD capital projects

- *Expenditure growth differs from base O&M growth because Expenditure growth includes one-time items such as environmental remediation and airline realignment expenses*

Construction 20%



Concourse C Expansion

Scope: Add 4 floors to the existing 3-floor C1 Building.
Includes: Airport Dining and Retail space, office space, and lounge space, amenities such as nursing room, meditation room, and sensory room.

Authorized Program Budget: \$400M

Schedule: May 4, 2026

- Design Complete Q1 2023
- Early Work Packages Start Q2 2022
- Full Construction Starts Q2 2023
- Substantial Completion Q2 2026

LDING EXPANSION

SEA Gateway/North Main Terminal Redevelopment Program

Scope: Alaska Airlines is designing and constructing a tenant reimbursement agreement program to redevelop their Ticketing and other support areas of the Main Terminal to improve passenger check-in, bag drop, and security screening capacity.

Authorized Program Budget: \$546M

Schedule: Q1 2021 – Q2 2026

- **Design Start:** Q3 2021
- **Phase A Construction:** Q3 2022 – Q4 2024 (Bridge/Promenade & Baggage Claim)
- **Phase B Construction:** Q3 2023 – Q3 2026 (Ticketing, Mezzanine & Checkpoint 5)

Phase A – Construction 90%



Phase B – Construction 25%



70% Construction Complete

Concourse A Building Expansion for Lounges Project



Scope: Tenant Reimbursement Agreement project with Delta Air Lines to design and construct a building addition at the end of the A Concourse that will house a new Delta Sky Club, a new Delta One lounge, and an expanded shared-use lounge Club @ SEA

Authorized Project Budget: \$126.5M

Schedule: Q2 2021 – Q2 2025

Construction Q3 2022 – Q2 2025

TCO – Q2 2025

15% Design Complete



S Concourse Evolution

Scope: This project will seismically and structurally strengthen the South Concourse, complete the effort of bringing all its building systems up to date, completely replace the lower-level FIS facility, and remodel and expand the retail, dining, and club space on the upper floors of the facility.

Target Estimated Budget Range: \$1.9B - \$2.2B

Schedule: Q4 2021 – 2033

Design Begin Q3 2023

Construction NTP Q3 2025

Substantial Completion 2033

PDD Initiated in 2022



Main Terminal Improvements Program

Total Estimated Program Budget: \$1B to \$1.2B

Scope Includes: Smoke control and sprinkler installation, ceiling, lighting, mezzanine security improvements, restroom renovations, sewer & domestic water improvements, Baggage level optimization plan implementation, bag claim devices renewal and replacement, elevator renewal and replacement, new signage, updated standards/requirements, aesthetic visioning implementation, sustainability and innovation program allowances.

Program Schedule Duration to 2038

RFP Solicitation for Duty Free Vendor Released



Concourse A Duty Free

Scope: Design and construct a walk-through Duty Free on Concourse A, adjacent to the new IAF exit for connecting passengers. This 11,000 sq. ft. project will be delivered via a Tenant Reimbursement Agreement (TRA).

Target Estimated TRA Budget: \$33M – \$45M

Schedule: Q3 2024 – Q4 2027

Execute Lease Agreement w/ Duty Free Vendor Q4 2024

Design Start Q1 2025

Construction Q3 2025 - Q2 2027

PDD has started



PDD = Project Definition Document

STS Replacement

Scope: Timely and cost-effective renewal and replacement of Satellite Transit System (STS) is required by 2030-2035 to continue operation and maintain efficient airport. The scope include replacement of end-of-life STS vehicles, structural rehabilitation of the current STS tunnels, and construction of a new north pedestrian connector (NSAT to Concourse D).

Target Estimated Budget Range: \$800M - \$1B

Schedule:

PDD started in Q3 2024.
The total duration of PDD is 2 years.
Design and Construction duration is TBD.
The Project schedule will be determined during the PDD.

OTHER SUPPORTING INFORMATION

Environmental Remediation Liability (ERL) Expense

Environmental Remediation Liability Expense <i>Org Basis (in 000's)</i>	2023	2024	2024	2025	Budget Change 2025 B v 2024 B	
	Actuals	Budget	Forecast	Budget	\$	%
NMT - Task Order 1	178	-	187	-	-	-
NMT - Task Order 2	2,726	-	203	-	-	-
NMT - Task Order 3	3,853	-	658	-	-	-
NMT Redevelopment (SEA Gateway)	6,757	-	1,047	-	1,047	-
Country Square Apartments	-	-	-	109	(109)	-
Fairview Lenai Apartments	-	-	-	170	(170)	-
Hi View Apartments	-	-	-	104	(104)	-
Noise Abatement - Apartments	-	-	-	383	(383)	-
MT Low Voltage System Upgrade	5,386	-	-	-	-	-
Concourse A Lounge (Delta TRA)	683	-	-	-	-	-
C Concourse Expansion	185	-	105	-	-	-
Airline Realignment	-	157	152	-	157	-
Concourse Low Voltage Upgrades	-	-	-	116	(116)	-
Taxiway A Circuit Replacement	-	-	-	90	(90)	-
PIDS Infrastructure	-	-	100	-	-	-
Widen Arrivals	-	-	100	-	-	-
Snow Storage Expansion	-	-	-	50	(50)	-
All other RMM expense	6	-	3	-	-	-
Total ERL Expense	13,017	157	1,508	639	(482)	(307%)

MT = Main Terminal
NMT = North Main Terminal

RMM = Regulated Materials Management
SEA = Seattle-Tacoma International Airport

TRA = Tenant Reimbursement Agreement
PIDS = Perimeter Intrusion Detection System

Acronyms (A-J)

AAAE	American Association of Airport Executives
AAHT	Allies Against Human Trafficking
AAG	Alaska Air Group
ACDBE	Airport Concessions Disadvantaged Business Enterprise
ADR	Airport Dining & Retail
ADF	Aviation Development Fund
AFFF	Aqueous Film Forming Foam
AIP	Airport Improvement Plan
AOA	Airport Operations Area
AOB	Airport Office Building
ARPA	American Rescue Plan Act
ASL	Automated Screening Lanes
B&O Tax	Business & Occupation Tax
BIM	Building Information Modeling
CA	Century Agenda
CAGR	Compound Annual Growth Rate
CBP	US Customs & Border Protection
CFC	Customer Facility Charge
CIP	Capital Improvement Program
COE	Center of Expertise
COLA	Cost of Living Adjustment
CoST	City of SeaTac
CP	Commercial Paper
CPE	Cost Per Enplanement

DBE	Disadvantaged Business Enterprise
DMCBP	Des Moines Creek Business Park
DS	Debt Service
EA	Environmental Assessment
EDD	Economic Development Division
EDP	Executive Director Priorities
ELT	Executive Leadership Team
ERL	Environmental Remediation Liability
EV	Electric Vehicle
FAA	Federal Aviation Administration
FIFA	Fédération Internationale de Football Association
FIS	Federal Inspection Services (US Customs)
FOD	Foreign Object Damage/Debris
FTE	Full-Time Equivalent (employee)
GHG	Green House Gas
GIS	Geographic Information System
GMP	Guaranteed Maximum Price
GSE	Ground Service Equipment
GT	Ground Transportation
GTAP	Ground Transportation Access Plan
IAF	International Arrivals Facility
ICT	Information and Communications Technology (Port Dept)
ILA	Interlocal Agreement
ITS	Intelligent Traffic System
IWS	Industrial Wastewater System

Acronyms (K-Z)

KPIs	Key Performance Indicators
MAP	Million Annual Passengers
NEPA	National Environmental Policy Act
NMT	North Main Terminal Project
NPDES	National Pollutant Discharge Elimination System
NSAT	North Satellite
NTP	Near-Term Projects or Notice to Proceed
NOI	Net Operating Income
O&D	Origin & Destination
O&M	Operating & Maintenance
Part 139	FAA Airport Certification Status List
Part 150	FAA Regulation: Airport Noise Compatibility Planning
PDD	Pre-Design Definition
PETS	Passenger Experience Tracking Service
PFAS	Perfluoroalkyl and Polyfluoroalkyl Substances
PFC	Passenger Facility Charge
PFP	Pay for Performance
P&I	Principle & Interest
PIGs	Pretty Important Goals
PM	Project Manager
POS	Port of Seattle
POV	Privately Owned Vehicle
RFP	Request for Proposal

RMM	Regulated Materials Management
RPE	Revenue per Enplanement
RPIE	Revenue per International Enplanement
SAF	Sustainable Aviation Fuel
SAMP	Sustainable Airport Master Plan
SD	Service Directive
SEA	Seattle-Tacoma International Airport
SEPA	State Environmental Policy Act
SLOA	Signatory Lease & Operating Agreement
SMS	Surface Management System
SPU	Seattle Public Utilities
SSAT	South Satellite
StART	Sea-Tac Telecommunications Architecture Review Team
STS	Satellite Transit System
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TIFIA	Transportation Infrastructure Finance and Innovation Act
TCO	Temporary Certificate of Occupancy
TMF	Tenant Marketing Fund
TNC	Transportation Network Companies (e.g., Lyft, Uber)
TRA	Tenant Reimbursement Agreement
TSA	Transportation Security Administration (US Customs)
WIGs	Wildly Important Goals
WMBE	Women & Minority Business Enterprise
WIFIA	Water Infrastructure Finance and Innovation Act

**COMMISSION
AGENDA MEMORANDUM**

Item No. Study Session

BRIEFING ITEM

Date of Meeting October 8, 2024

DATE: September 20, 2024

TO: Stephen P. Metruck, Executive Director

FROM: Stephanie Jones-Stebbins, Managing Director, Maritime Division
Kelly Zupan, Director, Seaport Finance & Budget

SUBJECT: 2025 Maritime Operating and CIP Budgets Briefing

EXECUTIVE SUMMARY

The purpose of this briefing is to discuss with the Commission the 2025 preliminary operating and CIP budgets for Maritime Division. Staff would also like to seek the Commission feedback on the preliminary budgets.

This is one of a series of budget briefings to the Commission starting from June. Staff plans to discuss the three operating divisions' operating and capital budgets on October 8, 2024, and the 2025 Tax Levy and Draft Plan of Finance on October 22, 2024, prior to the formal Commission reviews and approvals of the 2025 budget in November.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- September 24, 2024 – Central Services 2025 Preliminary Budget and Port-wide Rollup Briefing
- July 23, 2024 – 2025 Budget Development Briefing
- June 26, 2024 – Commission 2025 Budget Planning Retreat



Maritime Division

2025 Preliminary Budget | October 8, 2024



Agenda

Morning Session

- Reorganization impact
- Total Seaport Funding Look
- Maritime Division Operating Budget
- Maritime Division Capital Plan

Afternoon Session

- Economic Development Division Operating Budget
- Next Steps

Reorganization

- **Maritime division will add from Economic Development:**
 - Entirety of the Real Estate Portfolio Asset Management
 - Pier 69 Facilities
 - Innovation FTE
- **Economic Development will retain:**
 - Real Estate Development & Planning
 - Tourism
 - Diversity in Contracting
 - Lower Duwamish Hub and Grant Programs
- **Impact:**
 - All revenues and allocations reside in Maritime
 - Capital Plan will reside in Maritime.
 - EDD Profit and Loss Statement – Levy, Tourism, and Duwamish Hub revenues & expenses.

Seaport Rollup

\$ in 000's	2021	2022	2023	2024	2024	2025	Change from 2024	
	Actual	Actual	Actual	Budget	Forecast	Proposed Budget	\$	%
Revenues								
Maritime	57,826	89,265	99,648	107,671	107,155	118,043	10,371	10%
Economic Development Division	(202)	69	(24)	3	3	3	0	0%
Joint Venture	54,842	55,381	57,636	55,881	55,881	55,613	(268)	0%
Total Revenue	112,467	144,715	157,261	163,555	163,039	173,659	10,103	6%
Expenses								
Maritime	65,174	81,655	93,768	100,171	99,369	105,343	5,172	5%
Economic Development Division	3,170	2,102	3,351	3,087	3,087	4,199	1,112	36%
Joint Venture	2,390	2,539	3,466	2,270	2,270	1,750	(519)	-23%
Total Expense	70,734	86,296	100,586	105,528	104,726	111,292	5,764	5%
NOI before Depreciation	41,733	58,419	56,676	58,028	58,314	62,367	4,339	7%
Depreciation	36,556	36,678	37,008	35,794	35,794	35,648	(146)	0%
NOI After Depreciation	5,177	21,741	19,667	22,233	22,519	26,719	4,485	20%

- Maritime – Cruise & Conference Center
- EDD – Contingency Payroll Vacancy Factor
- JV - Distributable Cash vs Income

- NOI Before Depreciation of \$62.4M is a proxy for the Operational Cash Flow absent:
 - Debt Service Payments (Both POS and NWSA)
 - Environmental Remediation Expense (Both POS and NWSA)
 - Public Expense
- Operational cash flow is available to pay for capital investments and any new expenses. Anything not paid from operational cash flow must rely on the tax levy.

Maritime: Interacting Mega Themes

Infrastructure ↔ Technology

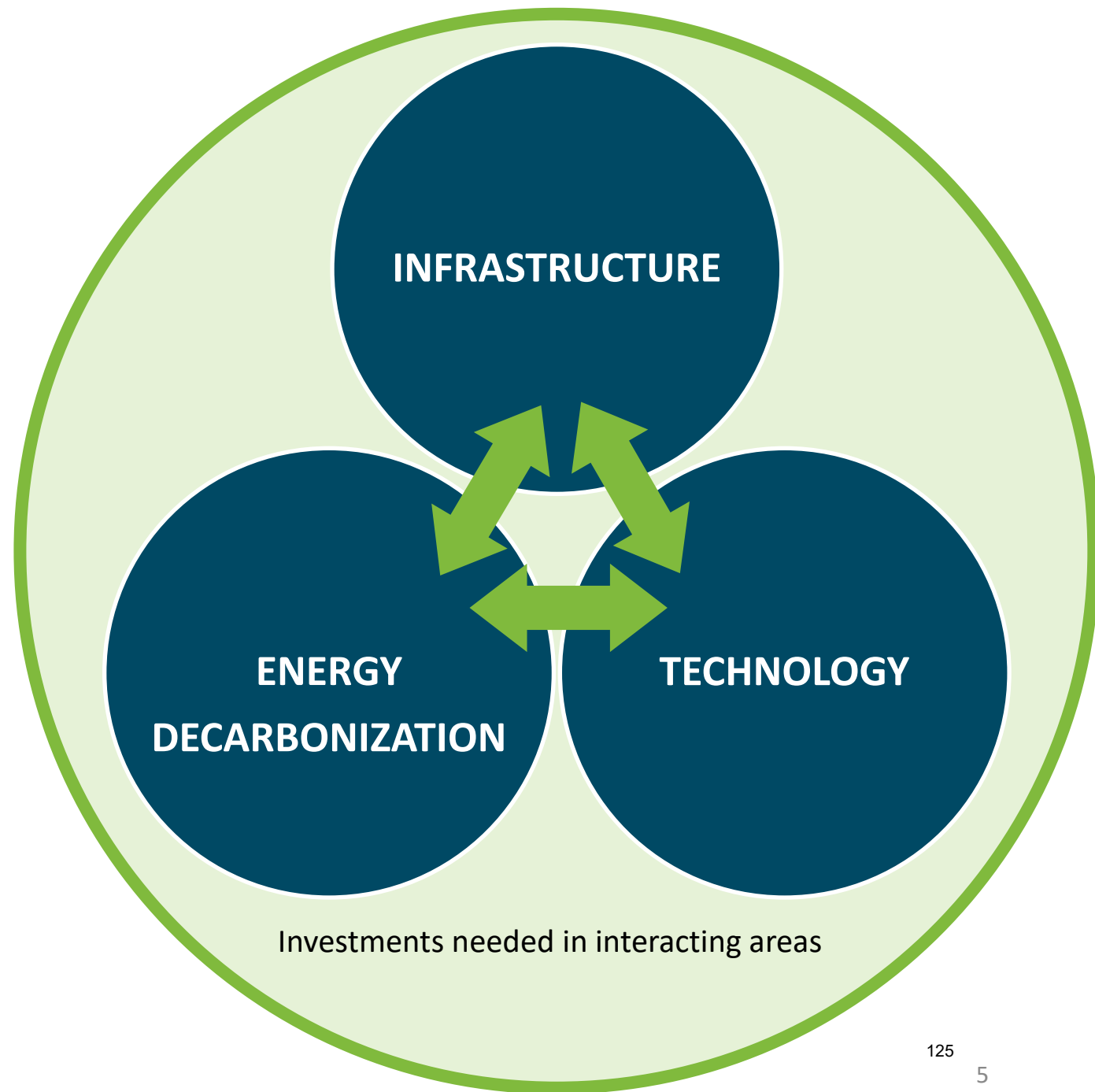
- Drones: supporting Capital, security, sustainability
- AI to support Asset Management
- Infrastructure needed to support IT

Technology ↔ Energy

- AI & Digitization
- Need for resilient technology

Energy ↔ Infrastructure

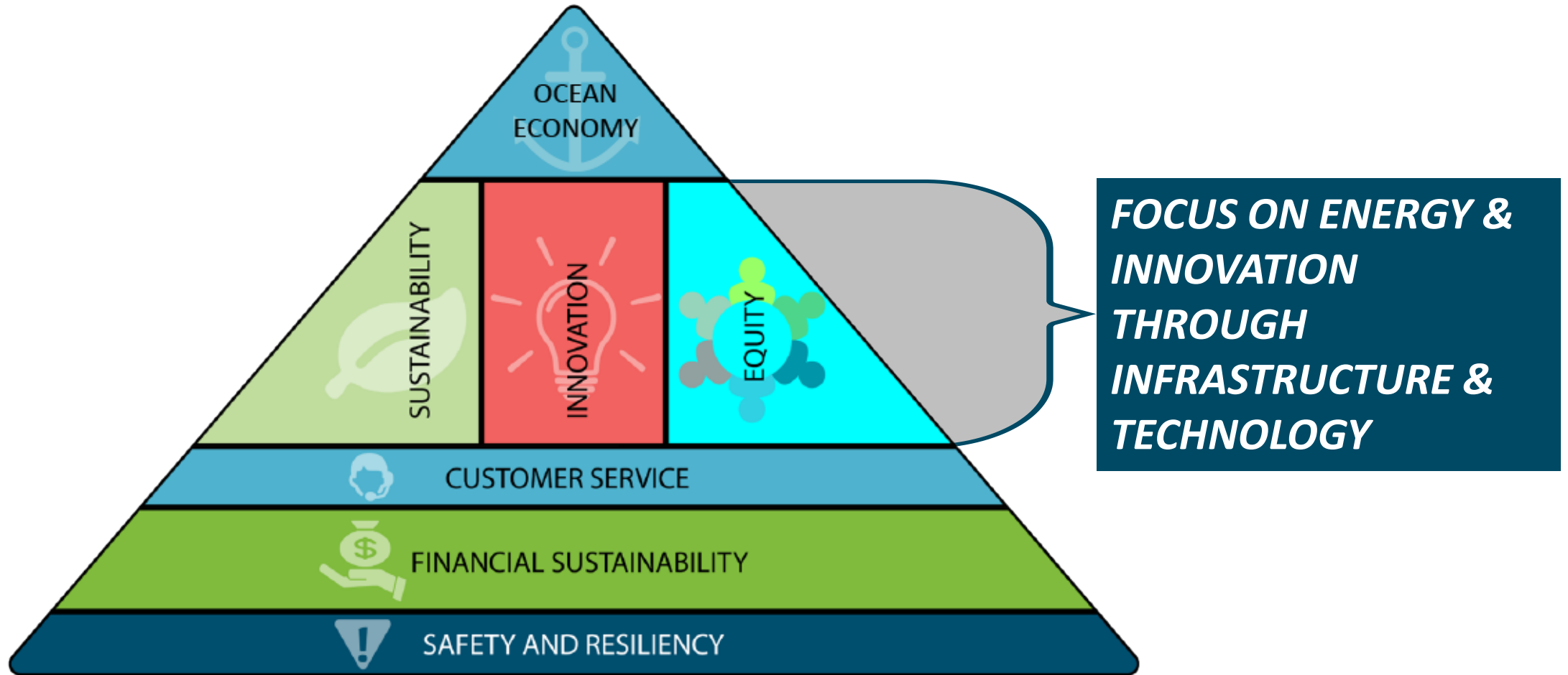
- Electrification upgrades
- **Fleet and Stormwater Utility Shop**
- IT



2025 Maritime Priorities

- Technology and Innovation:
 - AI/IOT/Digitization is disseminating rapidly in Maritime
 - Supporting Infrastructure is needed
 - Port Use
 - Customer use
 - Formation of Maritime Technology Working group
- Infrastructure: needed to support decarbonization and technology deployment
 - Shore power and electrification upgrades in Capital Plan
- Fleet and Stormwater Utility Shop
 - Technology infrastructure: infrastructure masterplan at T91
- Decarbonization: implementation
 - Advancing readiness
 - Workforce, safety procedures
 - Emissions Inventories: annual, transitioning to well to wake
- Equity and Resiliency:
 - Comprehensive advanced and resiliency planning for critical infrastructure to be energy independent
 - Parks upgrades based on [Duwamish Valley Parks Assessment](#)

Maritime Priorities 2025



2025 Maritime Key Projects

New Projects

- P66 & P91 (cruise & fishing) shore power – additional infrastructure (energy/infrastructure)
- Marine Maintenance (South) **Fleet and Stormwater Utility Shop**
 - – safety & workforce development (energy/infrastructure)
- Drones for Maritime data gathering/Operation inspections (technology/Infrastructure)

Existing Projects

- FT NW Dock Improvements – significant increase to \$80M (Infrastructure)
- Waterfront Smart Meters – \$3M increase (technology/energy)
- Portfolio: Building Demos at T91 – approx. \$10M (infrastructure)
- FT C15 Building Improvements - \$16M (energy)

Staff Engagement Projects

- Parks Amenities, Duwamish **River** Valley Parks – based on Parks assessment outcomes (equity/resiliency)

SWOT Analysis – Maritime Division



- Strong relationships with external & internal stakeholders in our businesses.
- Well-positioned infrastructure across each maritime business.
- Dedication to partnering with workforce development in the Region, focusing on BIPOC communities.

- Conflicting business demands at shared facilities.
- Communication across departments is challenging and can inhibit decision making; unclear ownership of decisions.
- Staffing level challenges; workload straining capacity on teams.

- Technology upgrades to enhance customer experience and revenue opportunities.
- Large scale events scheduled to come to Seattle (LPGA, FIFA)
- Further advance our collaboration with the NWSA

- Cost escalation impacting infrastructure improvements.
- Ongoing vandalization, thefts and public safety concerns.
- Environmental efforts are expensive and take extensive time to plan, permit & complete.

2025 Equity in Budgeting Highlights

- Funds added in Capital Plan to **implement Duwamish River Valley Parks Management Strategy.**
- Increased sponsorships that **support workforce development & equity.**
- Outside services contracts and service directives have a **15-20% WMBE Goal.**
- Equitable **professional development/training** incorporated across all budgets.

Commission 2025 Budget Priorities

\$3M in Capital Plan for Duwamish River Valley Parks Management– To implement park enhancements and evaluate concepts for incorporating elements from Parks Management Strategy.

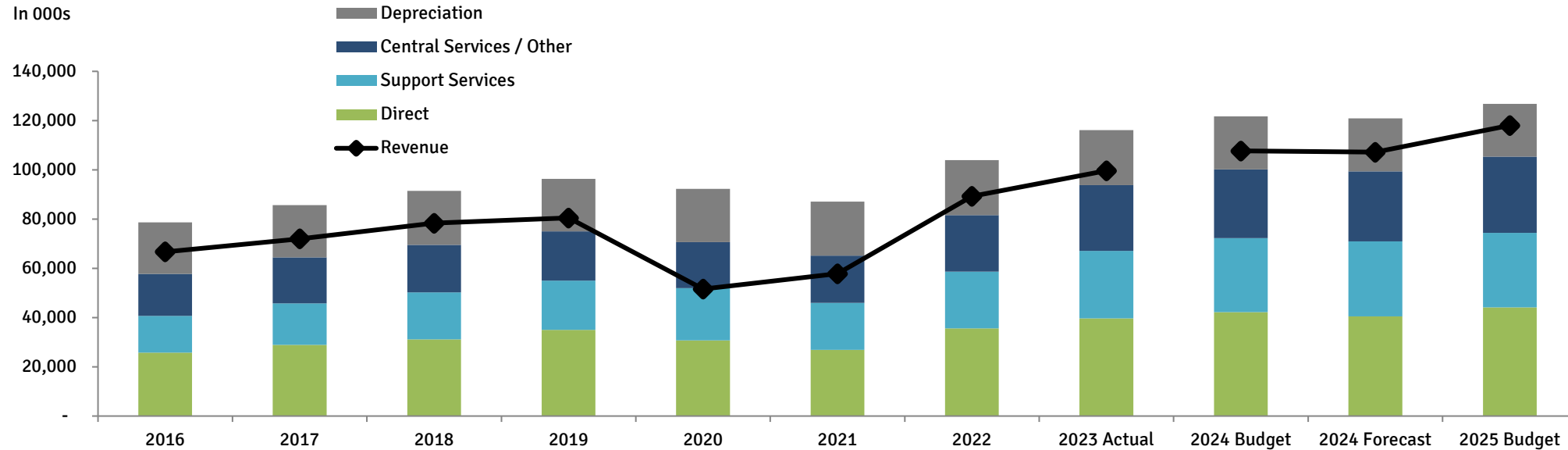
\$400K for Propeller Siting– To assess locations for the ferry propellers.

\$30K IMO Mentorship Program– To support exploration of programs that move toward decarbonization.

\$380K Maritime decarbonization clean fuels – Maritime Environmental budget includes \$380K for Green Corridor & maritime sustainable clean fuels work.



Total Maritime Trend



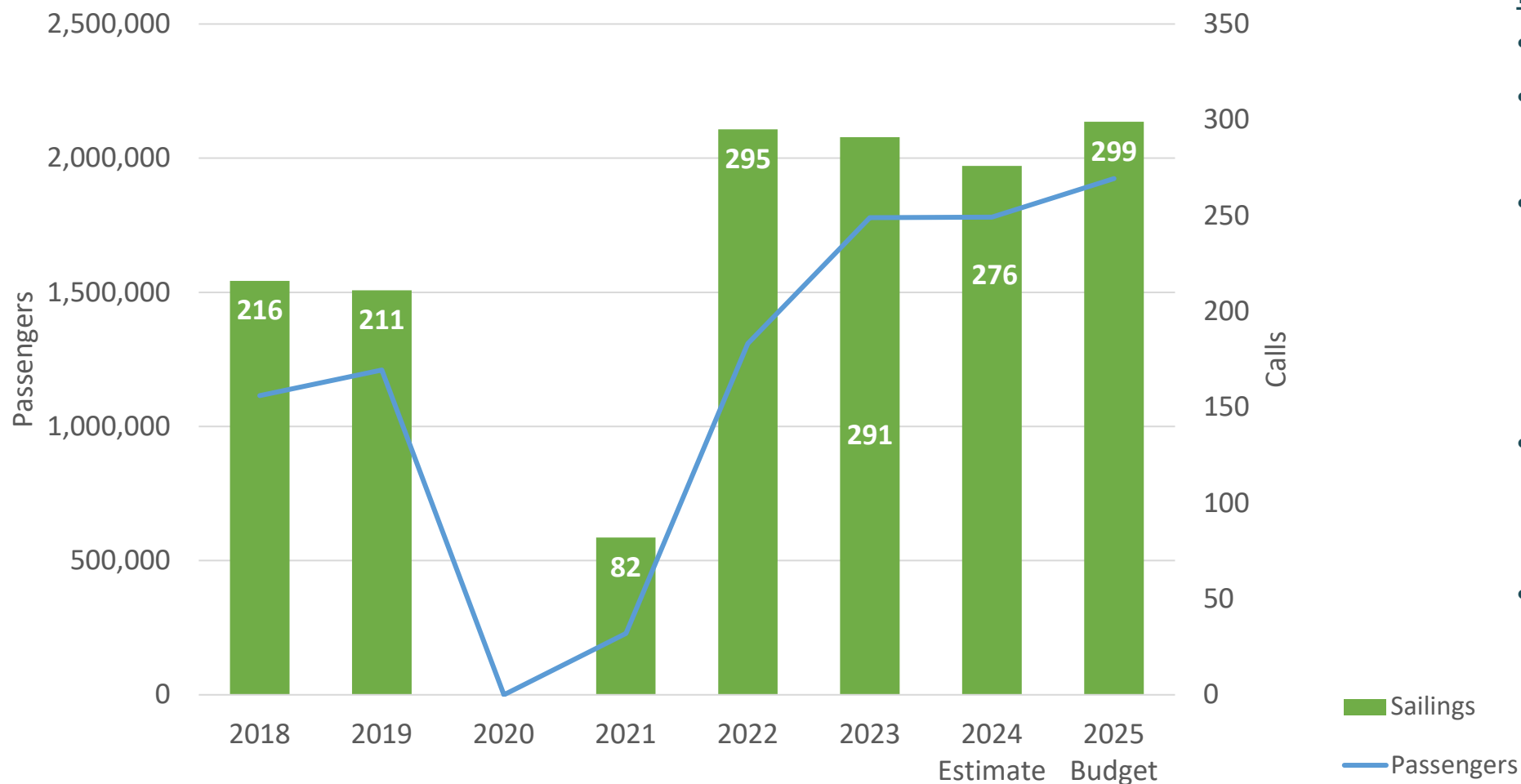
Revenue Impacts Post-Pandemic

- Growth in cruise
- T106 ground lease
- Conference & Events challenges
 - Teleconferencing
 - Competition
 - Construction on waterfront

Expense Impacts Post-Pandemic

- T46 lease payment starting in 2020
- Inflation:
 - Payroll (represented and non-represented)
 - Construction
 - Materials
- Lower Conference Center Expenses

Cruise Sailings & Passengers



In 2025:

- 299 sailings
- 1.9M passengers
- Assumes pre-pandemic average occupancy level of 104%
- 2 larger NCL ships (Joy & Riviera)
- 12 Cunard Queen Elizabeth sailings added

Cruise - Revenue Outlook

Rate increase assumptions:

- **Tariff**
 - Royal Caribbean & Celebrity
 - Rate Increase: 5%
- **NCLH**
 - Rate increase: 4.5%
- **Carnival Corporation**
 - Rate increase: 4.5%

In \$000s	2023 Actuals	2024 Budget	2025 Budget	24B v 25B (\$)	24B v 25B (%)
Terminal 91 Cruise	30,900	30,390	35,180	4,790	16%
Pier 66 Cruise	10,750	10,620	14,800	4,180	39%
Total Revenue	41,650	41,010	49,980	8,970	22%

- **Pier 66 Cruise growth driven by:**
 - Utility pass-through revenue from shorepower.
 - Larger Vessels in 2025
 - Norwegian Sun replaced by the Joy
 - Oceania Regatta replaced by the Riviera

Cruise – Expenses

- ❑ **Expense Growth**
 - ❑ P66 shorepower:
 - ❑ Electricity utilities (\$1.4M)
 - ❑ Recovered with utility sales revenue
 - ❑ Watts maintenance & repair contract (\$90K)

- ❑ **New Requests:**
 - ❑ New FTE, Manager Cruise Technical & Environmental Operations
 - ❑ Consultant – FIFA World Cup Impact Analysis (\$80K)

In \$000s	2023 Actuals	2024 Budget	2025 Budget	24B v 25B (\$)	24B v 25B (%)
Payroll	790	838	1,054	216	26%
Outside Service	1,687	1,901	1,921	20	1%
Other Expenses	3,265	3,274	4,823	1,549	47%
Total Expenses	5,742	6,013	7,798	1,785	30%

Note: Outside Services contains the Port Valet contract and Other Expenses contains Utilities and the \$2.1M payment to NWSA.

Recreational Boating Rates for 2025

- Business Fundamentals
 - Offer best possible rate while maintaining a financially self-sufficient marina (not rely on taxpayer dollars)
 - Do not disrupt market by undercutting private facilities who must also be profitable to remain open and available to recreational boaters
- 3rd party study developed 2025 Rate Change recommendations
 - Refined rate comparisons - by slip size
 - POS rates “re-balanced” by slip size to better reflect current market rates (80th percentile of peer marinas)
 - Cap amount of increase in a single year

Rec. Boating & Ship Canal Proposed Rates Increase in 2025

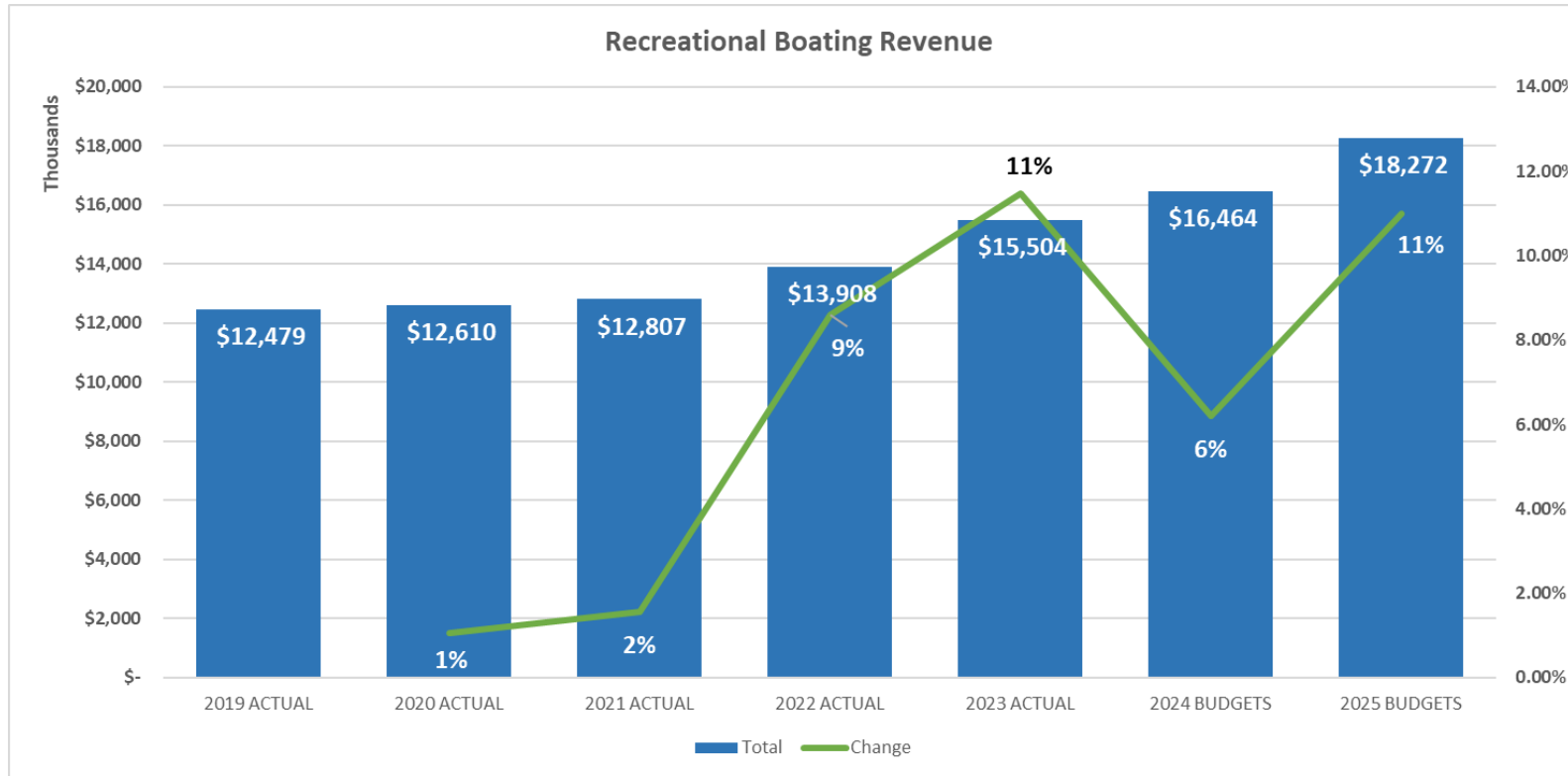
Location	Slip Size	Rate Change	Slip Size	Rate Change
SBM	30'	5%	60' ~ 64'	12%
	34'	12%	65' ~ 69'	12%
	36'	9%	70' ~ 110'	1%
	38'	9%	>110'	0%
	40'	9%	60' to 64' EOP	12%
	42'	5%	65' to 69' EOP	1%
	46'	11%	70' to 110' EOP	0%
	50'	11%		
	Dry Moorage	7%	Charter Vessels	5%
	Guest Moorage	0%	Fishing Vessels	5%
	Live-aboard	increase from \$149 to \$225		
	Laundry	increase from \$2.20 to \$2.50		
	Services & Other	7%		

HIM	Moorage	Rate Change
	Recreational	0%
	Commercial	5%
	Live-aboard	same as SBM

BHM	Slip Size	Rate Change
	36' to 40'	6%
	46' to 50'	4%
	56' to 60'	10%

Location	Slip Size	Rate Change	Location	Slip Size	Rate Change
FT/MIC	< 79'	5%	FT Rec	<= 40'	13%
	80' ~ 125'	7%		> 40'	16%
	> 126'	10%	SalBM	all	13%
All	Forklift Rental	5%	All	Services & Other	7%

Recreational Boating - Revenue

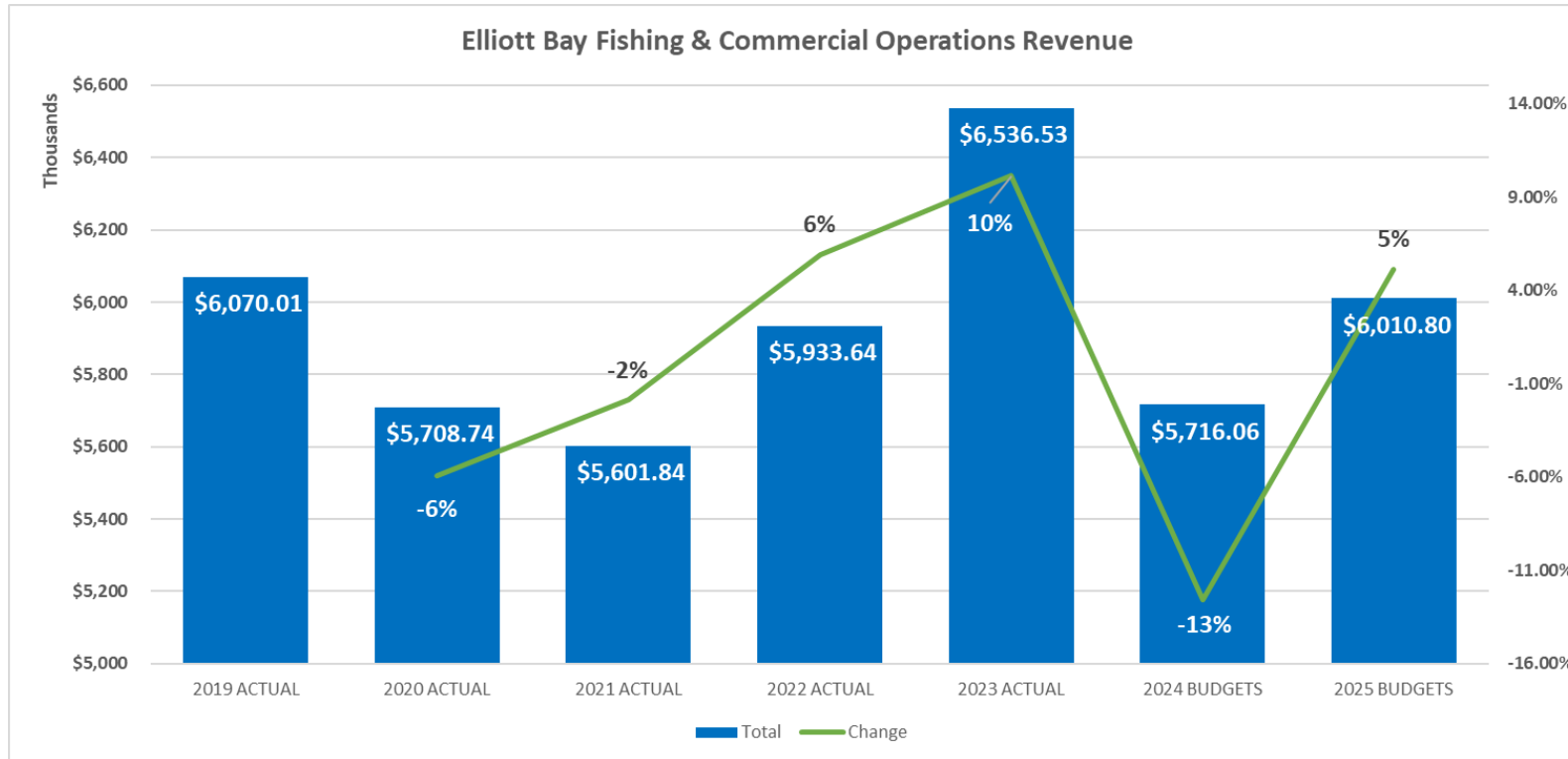


2025 Revenue

- Moorage rates vary from 0% to 12% based on slip size
- Service rate increases by 7%
- Live-aboard rate increases from \$149 to \$225

*Utility revenue and expenses are not included

Elliott Bay Fishing & Commercial Operations - Revenue

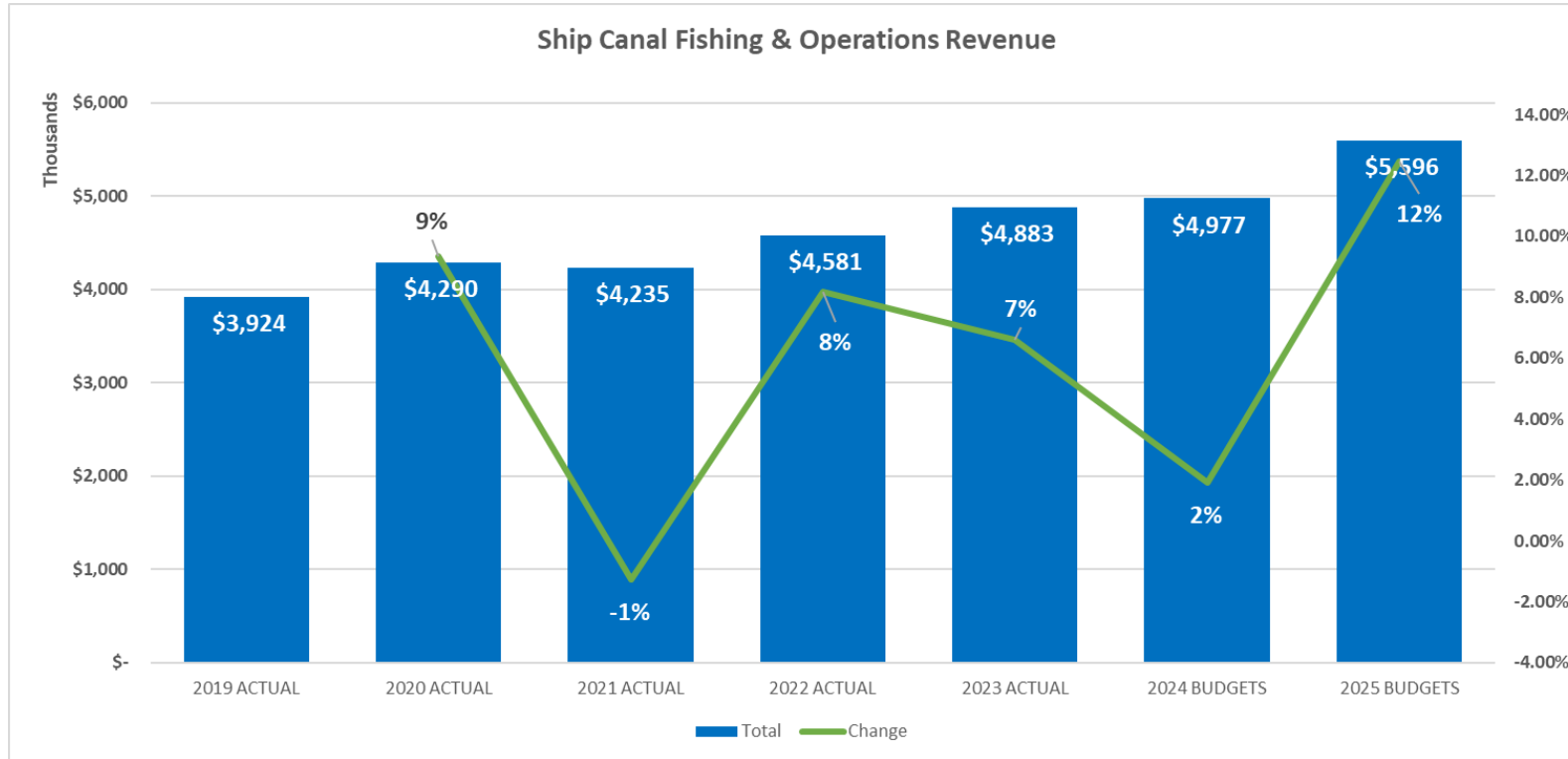


2025 Revenue

- Elliott Bay dockage/moorage rates are proposed to be increased by 5% unless indicated otherwise by the Consumer Price Index (CPI) in each lease agreement.

*Utility revenue and expenses are not included

Ship Canal Fishing & Operations - Revenue



2025 Revenue

- Moorage rates vary from 5% to 16% based on vessel size
- Service rate increases by 7%
- Forklift Rental rate increases by 5%

*Utility revenue and expenses are not included

Recreational Marinas & Commercial Operation Expenses

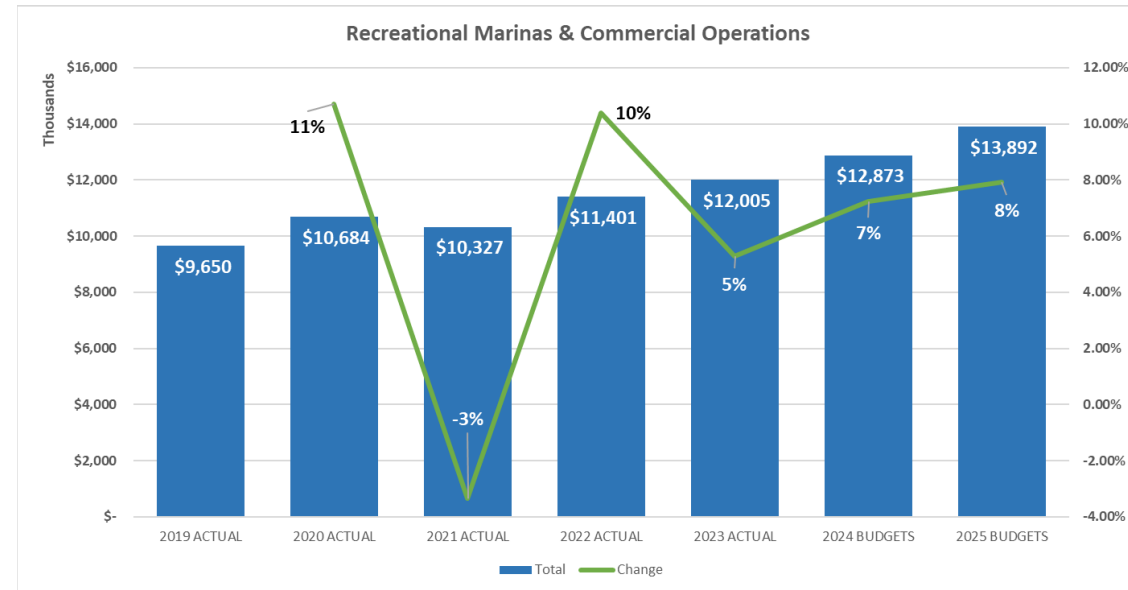
Expense Growth

- Outside Service: Security up (\$540K)/ 24%
- The Commissioners have approved \$30 million for security spending over the next five years, and we are currently in the process of searching for a new security services provider.

\$ in 000's	2023 Actual	2024 Budget	2025 Budget	25 vs 24 Bud Var	
				\$	%
Payroll	5,365	6,046	6,341	295	5%
Outside Service	2,162	2,386	2,982	597	25%
Other Expenses	4,478	4,442	4,569	127	3%
Total Operating Expenses	12,005	12,873	13,892	1,019	8%

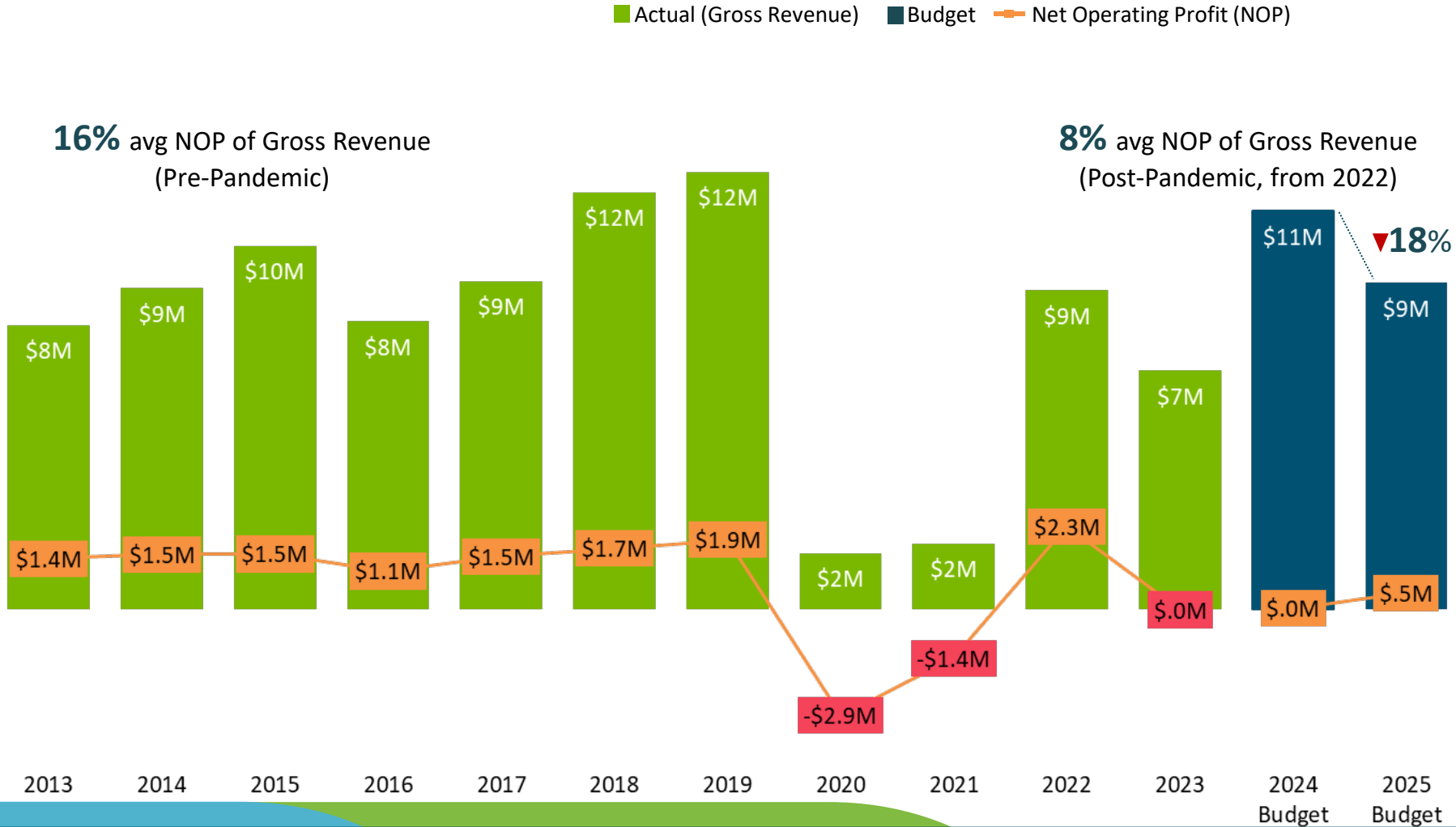
New Requests:

- 16 new washers & dryers (~\$50K) at SBM
- Security barriers (\$40K)



Revenue Outlook – Portfolio Management

Conference Events Centers (CEC)



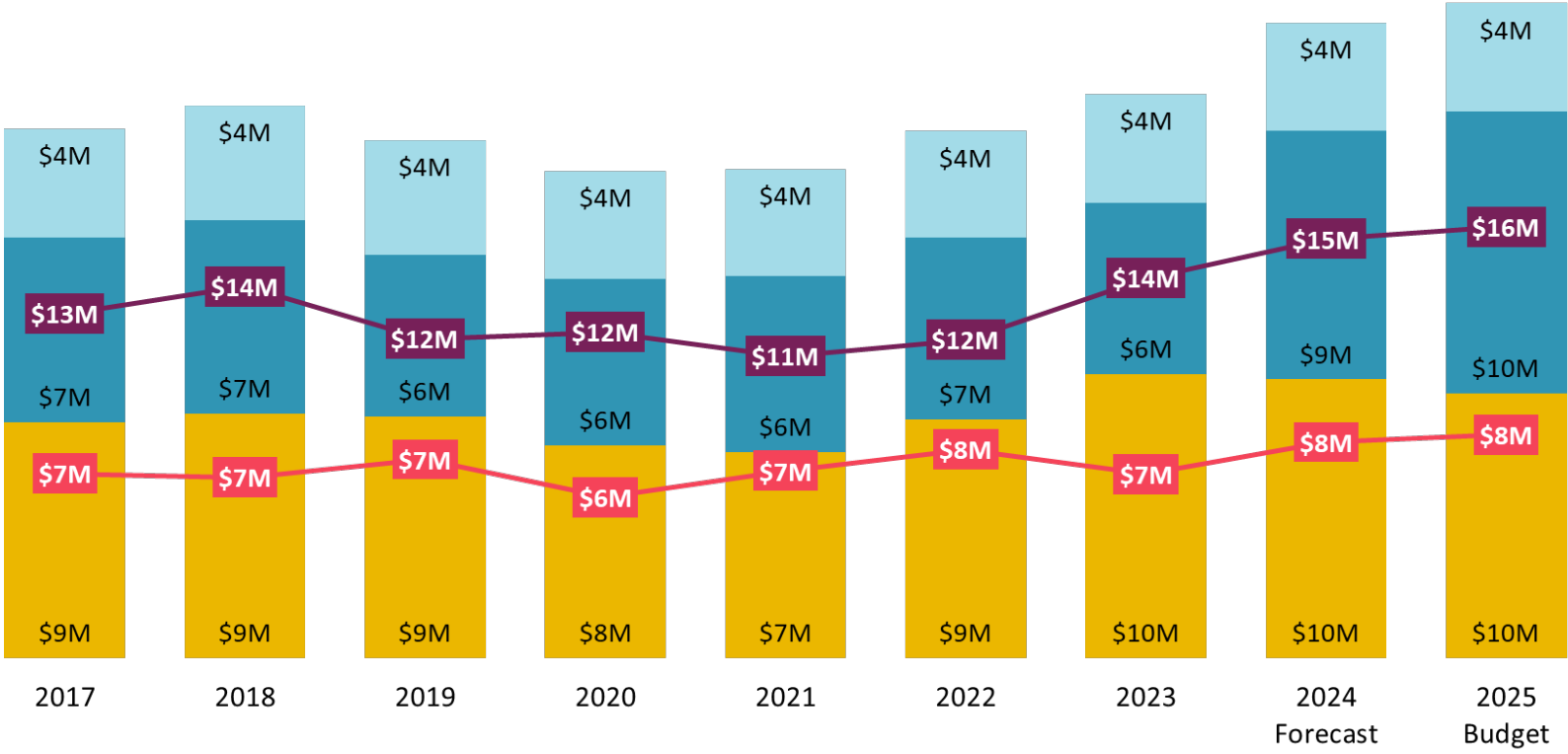
2025 Revenue Budget Drivers:

- Competitor loss-leading pricing
- Reduced corporate travel budgets (hybrid work model)
- Memberships & WTCSE event sponsorships still below pre-pandemic levels

- CEC budget provided by Columbia Hospitality
- NOP = Net Operating Profit or Revenues minus Direct Costs like Food, Labor, Management Fees, and Sales & Marketing.

Revenue Outlook – Portfolio Management

Lease, Parking Garage and Concession Rent (Non-CEC)



- 2025 Revenue Budget Drivers:**
- T91’s higher rates due Market Rate Reset
 - T106 Ground lease at full rate (construction completed in April 2024)
 - Competition and hybrid work model lead to lower occupancy at WTC West

Marina Office: FT, MIC, SBM, Salmon Bay Marina
Maritime Industrial: T91 (Piers), T106
Central Harbor: T91 Upland, T102, WTCW, P66, Bell Street Garage

Central Harbor Revenue Industrial Properties Revenue Marina Office & Retail Revenue NOP Total Direct Expense

Portfolio Management - Expenses

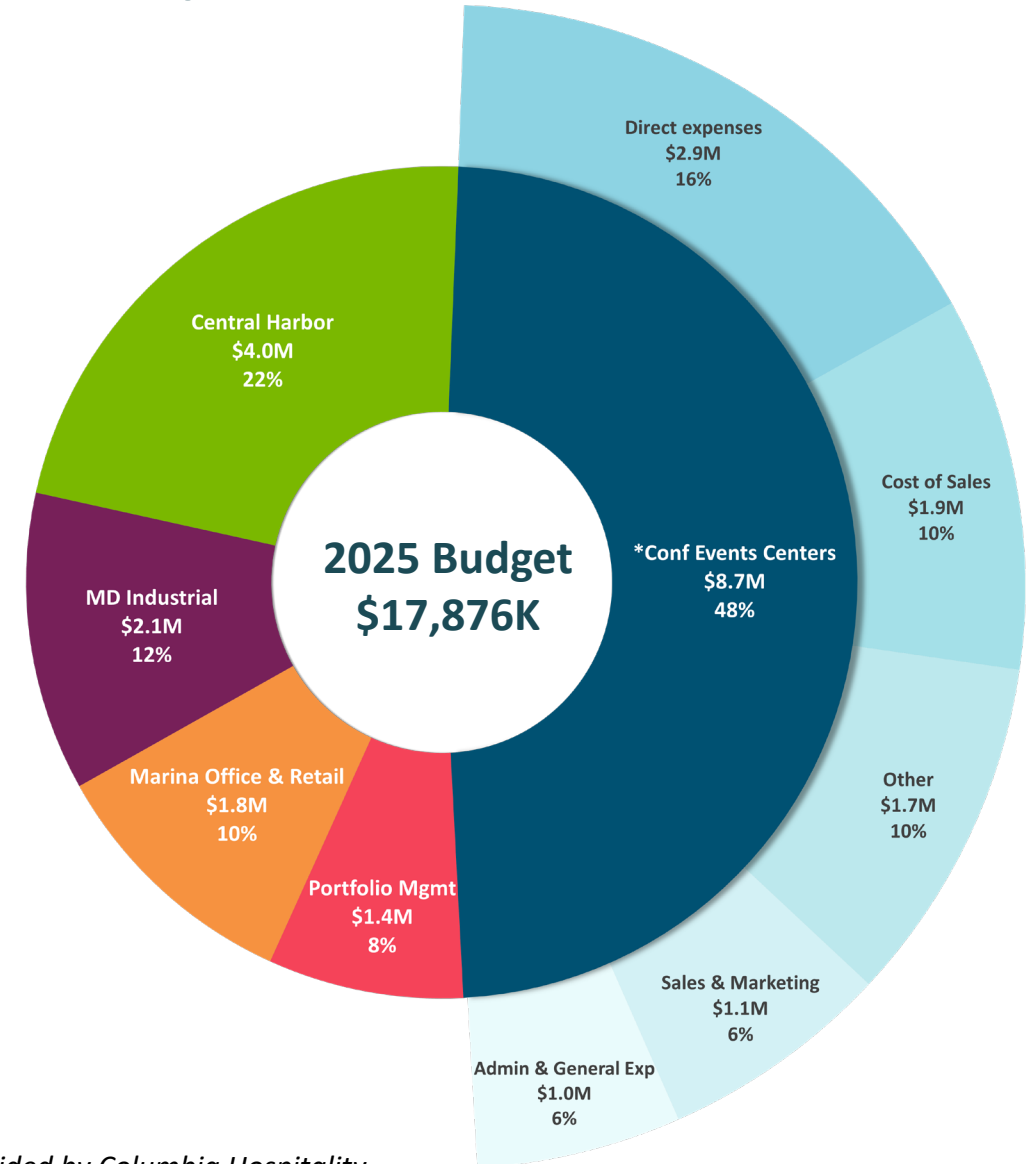
In \$000s	2023 Act	2024 Bud	2025 Bud	24B vs 25B (\$)	24B vs 25B (%)
Salary & Benefits	1,827	2,118	2,263	144	7%
Outside Service	495	965	1,099	135	14%
Other Expenses	12,007	15,824	14,515	(1,309)	(8%)
Total	14,329	18,907	17,876	(1,030)	(5%)

☐ Expense Decrease

5% lower than 2024 expense budget

Other Expenses

- General expenses down 9% mainly due to lower projected CEC business volume
- Utilities down 7%



* CEC budget provided by Columbia Hospitality

Marine Maintenance - Expenses

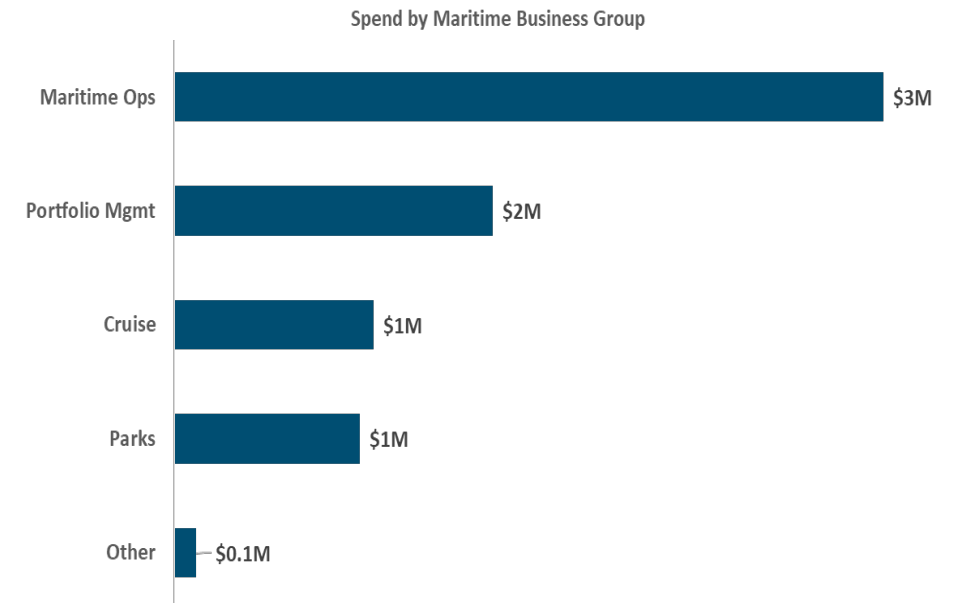
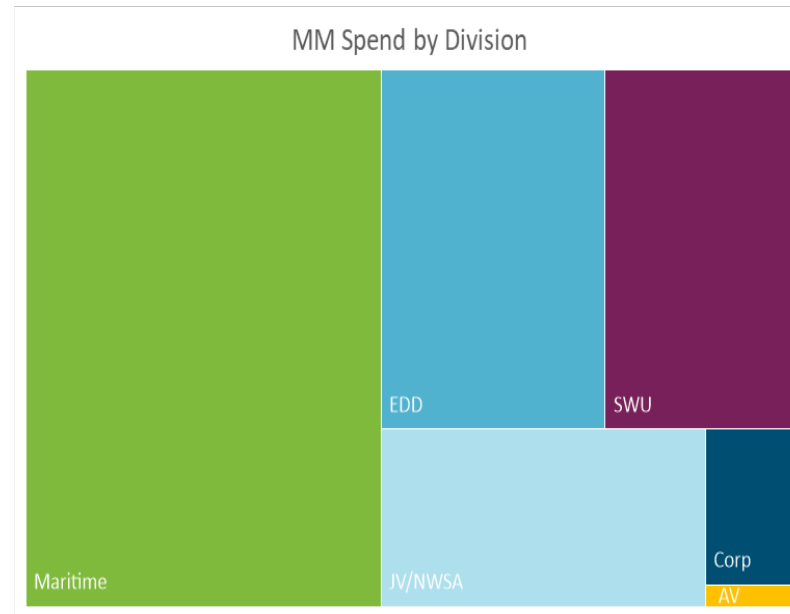
Expense Growth

- 6% Staff salary Increase
- Represented Wages overbudgeted in 2024. Reduction in 2025 to align with expectations.
- Outside Services reduced by \$200K due to parks survey budgeted in 2024.
- Travel/Training reduced \$77K -19%

In \$00s	2023 Act	2024 Bud	2025 Bud	24B vs 25B	%
Salary & Benefits	24,493	24,437	25,629	1,192	4.9%
Outside Service	894	789	808	18	2.3%
Other Expenses	6,334	5,563	5,495	-68	-1.2%
Total	29,721	30,789	31,932	1,143	3.7%

New Requests

- Sheet Metal Worker (\$200K)
- Plumber (\$200K)
- Automotive Mechanic (\$195K)
- Recording Amp Meters (\$20K)
- 2-20' Conex Style Storage Containers (\$24K)
- Emergency Life Saving Equipment for MM Port Vehicles (\$15K)



Waterfront Project Management – Expenses

- ❑ Expense Growth
 - ❑ Outside Services decrease from a reduction in small works projects from 2024 budget.

- ❑ New Requests
 - ❑ Professional services support to update and expand Project Delivery Process Manual (PDPM) - \$200,000. This is a one-time request and is an ongoing continuation of the 2024 project - \$50,000 budgeted in 2024

In \$000s	2023 Actuals	2024 Budget	2025 Budget	24B v 25B	% Growth
Payroll	5,394	7,596	7,749	153	2%
Outside Service	1,689	2,152	1,187	(965)	(45%)
Other Expenses	(2,809)	(4,470)	(4,302)	168	4%
Total Expenses	4,274	5,278	4,634	(644)	(6%)

Maritime Environmental & Sustainability

Expenses

- ☐ Expense Growth
 - ☐ Increase to payroll is mainly due to a reduction in Capital and ERL projected charging for 2025 (see Other Expenses)
 - ☐ All other

- ☐ New Request
 - ☐ Environmental Management Specialist \$30k Expense \$118k Capital
 - Increased workload from Capital Plan, Marine Maintenance and NWSA projects
 - New, more complex regulations
 - More complex projects
 - Staff will focus primarily on small capital and expense projects
 - 55 projects/yr 2018-2020
 - 102 Projects 2023
 - 107 Projects YTD August 2024

In \$000s	2023 Actuals	2024 Budget	2025 Budget	24B v 25B	% Growth
Payroll	3,686	4,436	4,814	378	9%
Outside Service	1,721	2,049	1,871	(178)	-9%
Other Expenses	(773)	(375)	(903)	(528)	-141%
Total Expenses	4,634	6,110	5,782	(341)	-5%

Note: Other expenses mostly charges to capital offset

Maritime Environment & Sustainability

Outside Services

<i>in \$000s</i>	2024 Budget	2025 Budget	<i>in \$000s</i>	2024 Budget	2025 Budget
Multi-Site Mitigation Bank	65	65	Energy Compliance Program	135	30
PORTfolio Planning Services & Corrective Actions	170	170	Maritime Energy Efficiency	80	80
Duwamish Basin Steward MOA	30	35	Maritime Fuels Program	205	280
Bankline Programmatic	25	25	Green Corridor	150	100
Smilth Cove Blue Carbon Project	0	40	Climate and Air Program	90	235
T117 DRPP Habitat Monitoring	240	250	Cruise Environmental	17	
UNMMP Implementation	50	90	Energy Planning P66 & T91	50	
Duwammish Calley Stewardship Env Justice	40	40	Total Climate & Sustainability	727	725
Total Habitat	620	715	Permitting Support	120	200
Solid / Hazardous Waste	30	30	Environmental Assessment and Coml	139	139
			Discontinued Projects	235	

<i>in \$000s</i>	2024 Budget	2025 Budget
Total	1,871	1,809

Note: Does not include \$62K in software expense.

Maritime Division FTEs

2025 Maritime FTEs

<u>Description</u>	<u>FTEs</u>
2024 Approved Budget	296.5
Changes in 2024:	
Mid-Year Approvals	0.0
Eliminated	0.0
Transfer	19.0
2024 Baseline	315.5
2025 Budget Changes:	
Transfer	0.0
Eliminated	0.0
New FTEs Approved	6.0
Net Change	6.0
2025 Proposed FTEs	321.5

Transfers from EDD to MD

- Innovation Mgr. - 1
- Portfolio Mgmt. – 13
- P69 Facilities - 5

New FTEs - 6

- Division Admin
 - Sr Planner Resiliency
- Maintenance
 - Plumber
 - Sheet Metal Worker
 - Automotive Machinist
- Environmental & Sustainability
 - Sr Program Mgr.
- Cruise Operation
 - Mgr. – Technical & Environmental



Maritime Division Draft 2025-29 Capital Improvement Plan (CIP)

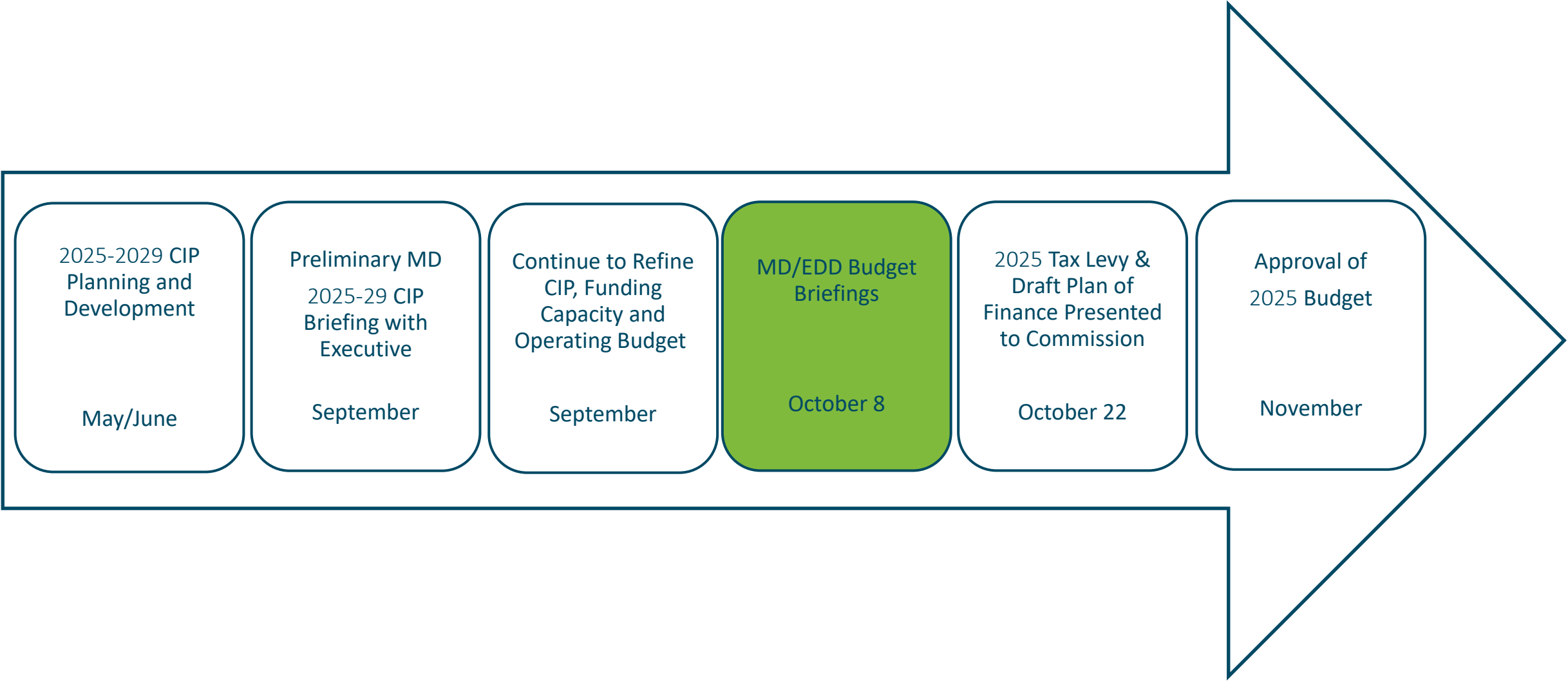
2025 Draft Budget | October 8, 2024



Agenda

- CIP Development Timeline
- CIP Dynamics and Development Summary
- Areas of Focus/Discussion
 - Waterfront, Environmental, P69
- Summary of Proposed CIP
 - New Projects Added
 - Projects Postponed
- Funding Factors
- Updates on Major Projects

CIP Timeline



2025 Capital Development Dynamics

- Managing large capital spend
 - Major projects in construction or nearing construction
 - Maritime Innovation Center, T91 Berths 6&8 Redevelopment, P66 Shore Power (nearing completion)
 - Preparation for major environmental clean-up work
 - Continued concurrent NWSA (North Harbor) project delivery
- Considerable asset preservation work on the horizon
 - FT NW Dock, Pier 69, Salmon Bay Marina, MIC, T91, and Central Waterfront
- Extended permitting durations impacting projects
- Expanded use of Alternative Delivery Methods
- Continued implementation of the Sustainable Evaluation Framework

CIP Development

- Over \$750M in spending requested for five-year CIP
 - Preliminary Funding Guidance: Not to Exceed approx. \$600M
- Emphasis:
 - Critical asset preservation work,
 - Environmental initiatives,
 - Expanded facility capacity,
 - Waterfront access & refurbishment

MD Capital Improvement Plan Priorities



Financial Sustainability:

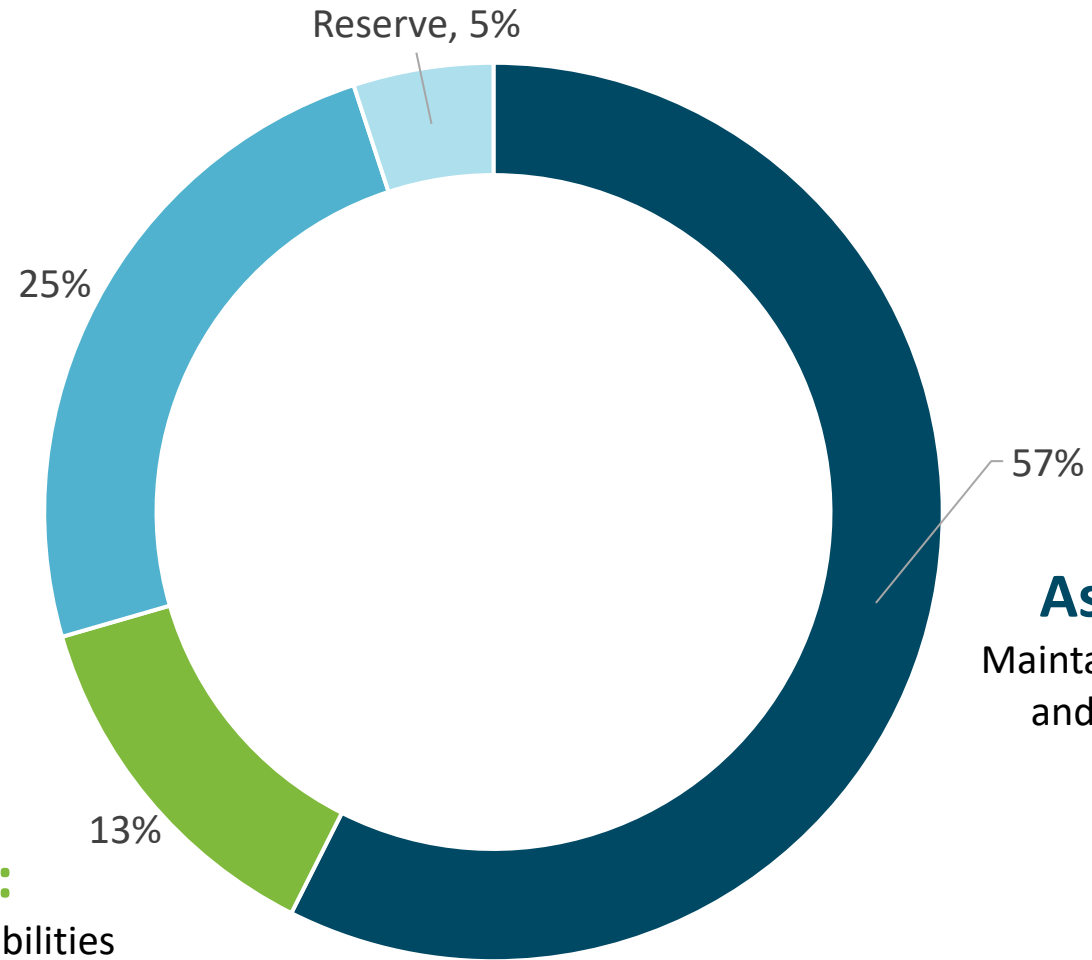
Making investments that support maritime industries and the Port's long term funding capacity



Community & Environment:

Stewarding our environment and social responsibilities

*All projects incorporate Community & Environment priorities when possible



Asset Stewardship:

Maintaining the Port's capital assets and preserving Seattle's iconic working waterfront

Over half of the CIP is dedicated to preservation of existing assets

Driving Sustainability

Project/Program	2025	2026	2027	2028	2029	5Y Total	Project Total
T91 Cruise Shore Pwr Extension	500	6,495	6,494			13,489	15,800
P66 Cruise Shore Power	52					52	39,419
P66 Cruise Shore Power Extension	500	3,500	3,500			7,500	7,500
Waterfront LED Lighting	1,050	3,612	500	0	0	5,162	5,922
Waterfront Smart Meters	1,940	3,714	3,783	3,763		13,200	13,404
Waterfront EV Infrastructure - Phase	930	4,171				5,101	5,300
Fleet EV Purchases*	1,132	924	820	280	614	3,770	8,212
Shoreline Habitat Improvements	940	965	500	500	500	3,405	4,604
Total	15,742	21,267	13,327	4,963	2,035	57,334	112,480

*Estimated EV fleet purchases, subject to model and charging infrastructure availability

Additional environmental enhancements included in projects

- Examples: Maritime Innovation Center (Living Building Challenge certification), FT C15 Building Improvements (energy efficiency), and T91 Berths 6&8 (stormwater upgrades)

Expanding Facility Capacity & Preserving Assets

- Cruise:
 - T91 & P66 Shorepower Ext: \$24M
 - T91 Dredging Berths J/K: \$4M
 - New Gangways: \$12.5M
- Fishing & Commercial
 - T91 Berths 6&8: \$89M
 - FT Northwest Dock: \$56M
 - T91 Dredging Berth M: \$4M
- Portfolio Management
 - Maritime Innovation Center: \$32M
 - T91 Uplands Development: \$115M
- Marine Maintenance
 - Fleet/SWU Facility: \$21M

Pier 69/Waterfront Projects

P69 Projects

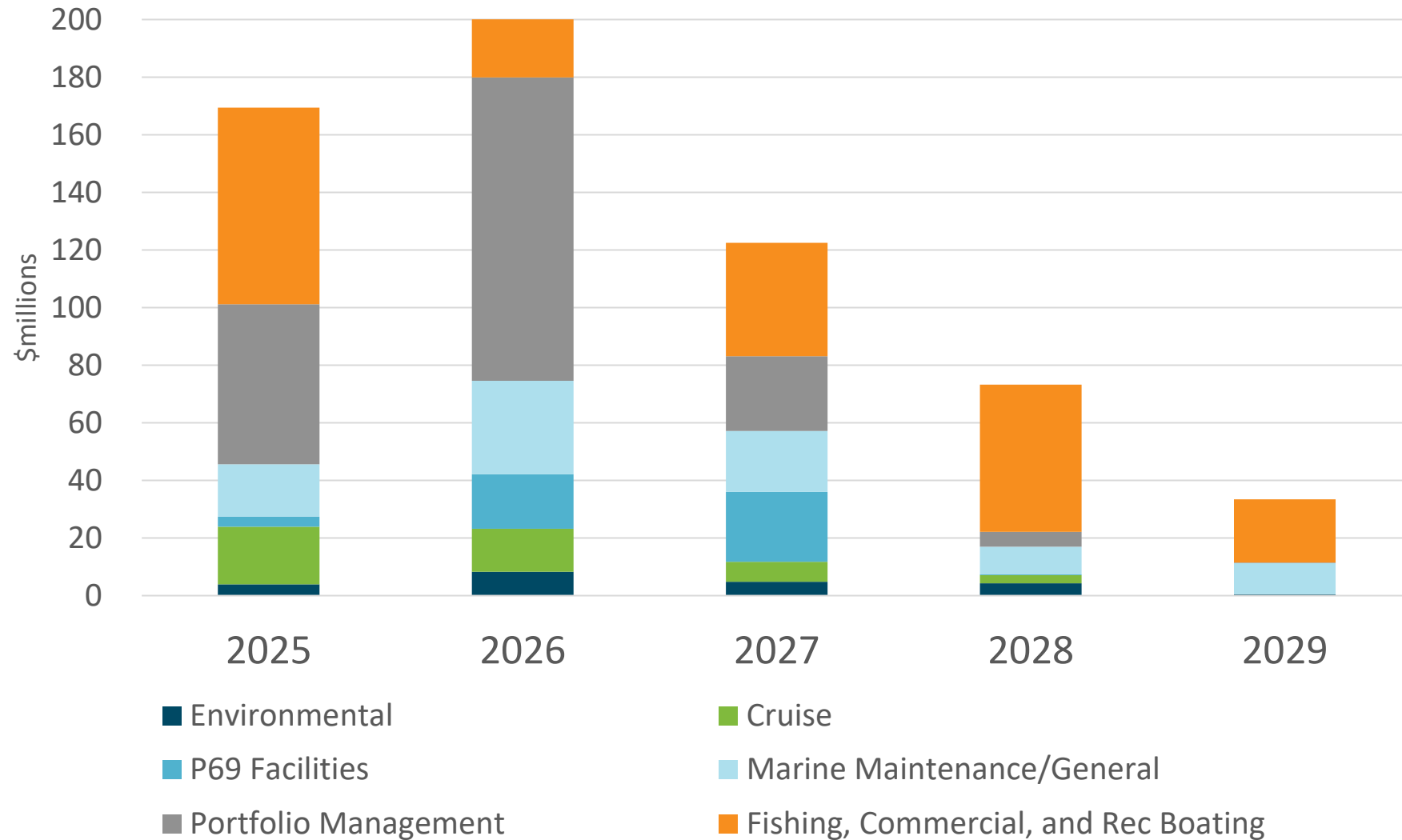
Project	2025	Total Project
P69 Concrete Dock Rehab	450	39,000
P69 HVAC System Modernization*	900	39,000
P69 Underdock Utility Replacement	5	5,443
P69 Clerestory and Skylight Replacement	0	2,975
P69 Elevator Control Modernization	1,412	2,499
P69 3rd Floor Terrace Repair	225	1,100
P69 Public Video Wall	326	650
P69 Computer Room Replacement	125	570
Total	3,443	91,237

*Design/construction planned for 2030+

P66 Projects

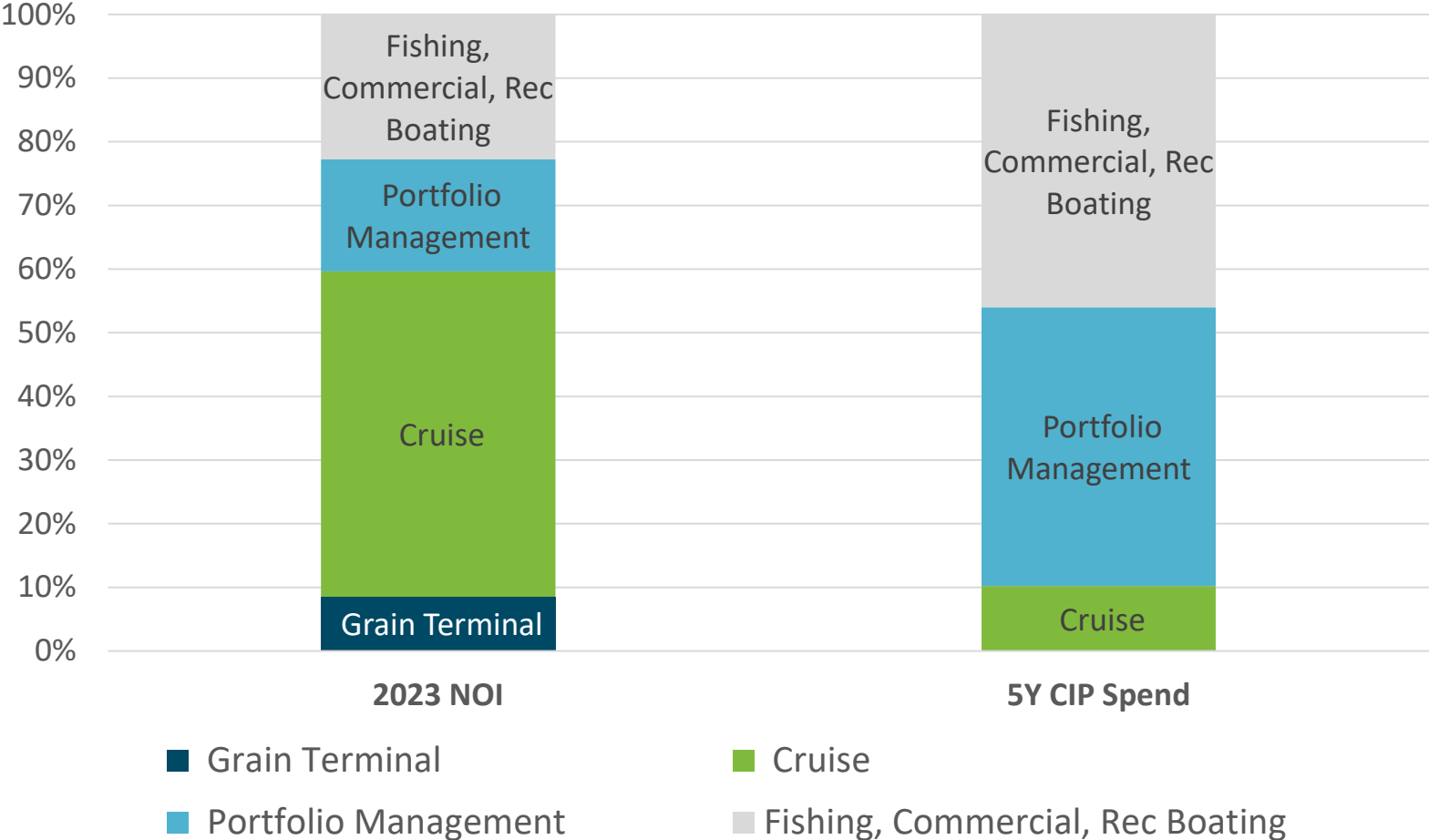
Project	2025	Total Project
P66 Shore Power	52	39,419
P66 Shore Power Extension	500	7,500
P66 Grand Staircase Replacement	360	7,984
P66 Fender Replacement	3,070	7,980
P66 New Cruise Passenger Gangway	475	6,250
Bell Street Bridge Refresh		5,815
P66 Retail HVAC Upgrade	4	5,231
Bell St Parking Garage Improvements	2,658	4,853
P66 Wave Break Cathodic Protec	1,250	3,950
Bell St Garage Elevator Mods	1,256	3,410
BHM Pile Wraps Cathodic Protection	1,586	3,145
P66 Public Access Mid-Apron	0.5	0.56
Total	11,212	95,538

5-Year Spend by Line of Business



*Environmental only – does not include environmental benefits of line of business projects (e.g. Cruise shore power). All projects evaluated under the Sustainable Evaluation Framework

Line of Business: Income & Capital Spend



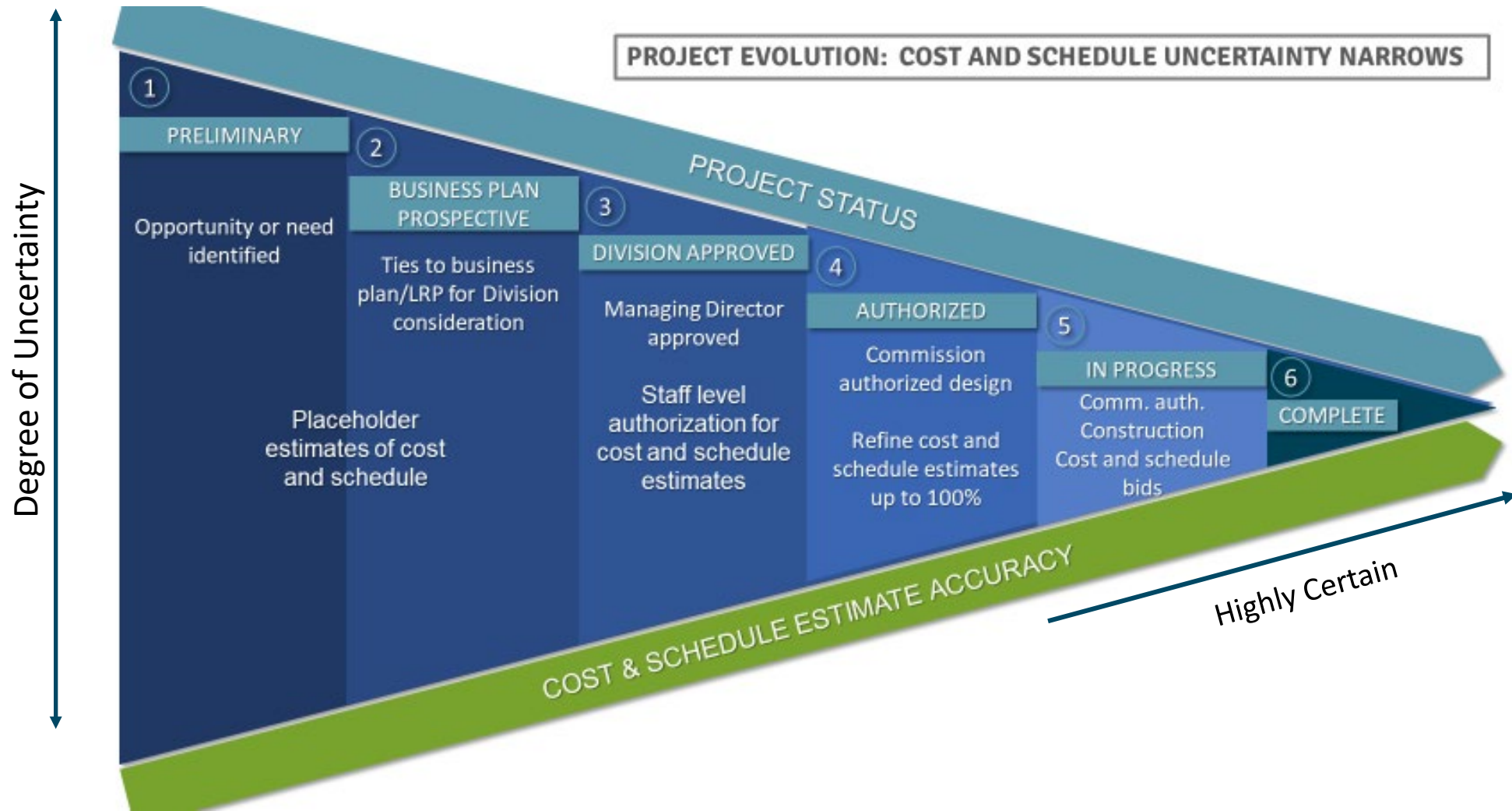
Cruise income supports other line of business capital investments.

- Cruise makes up nearly 50% of Maritime net operating income and accounts for approximately 10% of the 5-year CIP

Maritime Draft 2025 to 2029 CIP

	Primary LOB	Project	2025	2026	2027	2028	2029	5Y Total	Previous 5Y Total	Project Total	
Large Projects >\$5 million	Cruise	P66 Shore Power	52					52	28,570	39,419	
		T91 Cruise Shore Pwr Extension	500	6,495	6,494			13,489	10,807	15,800	
		T91 New Cruise Gangway	6,402					6,402	8,779	9,008	
		P66 Fender Replacement	3,070					3,070	4,194	7,980	
		P66 Shore Power Extension	500	3,500	3,500			7,500	0	7,500	
		P66 New Cruise Passenger Gangway	475	5,745				6,220	6,000	6,250	
	Fishing, Commercial, and Rec Boating	T91 Berth 6 & 8 Redev	59,766	2,680					62,446	72,707	88,934
		FT NW Dock West Improvements	470	930	7,800	30,000	16,760		55,960	39,450	55,990
		FT S Wall Cl Fndr Rp & Cor Prt					820		820	2,700	28,810
		P90/91 Dock Rehab	400	7,000	10,000	3,495			20,895	30,292	21,200
		FT W Wall N Fender Replacement				580	1,750		2,330	9,000	19,240
		Harbor Mooring Dolphins	40	120	7,800	10,500	513		18,973	17,460	19,000
		SaBM Docks A-C Roof Safety	220	3,629	9,833				13,682	4,000	14,000
		HIM Dock-E Improvements	2,070						2,070	3,934	5,350
	Portfolio Management	T91 Uplands Dev Phase I	3,700	81,577	14,675				99,952	77,000	105,300
		FT Maritime Innovation Center	22,675						22,675	22,674	33,336
		FT C15 Building Improvements	3,290	8,489	4,221				16,000	2,801	16,247
		MIC Electrical Replacements	9,640						9,640	6,695	12,408
		T91 Uplands Ph2 Infrastructure -Pad Rea	6,500	3,250					9,750	10,250	10,250
		P66 Grand Staircase Replacement	360	6,636	893				7,889	8,338	7,984
		Bell Street Bridge refresh		5	3,400	2,410			5,815	5,398	5,815
		P66 Retail HVAC Upgrade	4	219	2,485	2,463			5,171	6,199	5,231
	P69 Facilities	P69 Concrete Dock Rehab	450	16,545	21,990				38,985	26,900	39,000
		P69 HVAC System Modernization	900						900	7,974	39,000
		P69 Underdock Utility Rplc	5						5	200	5,443
	Environmental/Marine Maintenance/Parks/ Security	Waterfront Smart Meters	1,940	3,714	3,783	3,763			13,200	10,746	13,404
		MMSO Fleet & SWU Facility	1,200	9,918	9,918				21,036	0	21,036
		Maritime Video Camera Project	4,500	4,142					8,642	3,174	10,315
		Waterfront Fleet EV Infrastructure	930	4,171					5,101	4,772	5,300
		Mid-Cap (\$300k-\$5M)	23,544	26,395	7,694	10,219	2,616		70,468	78,628	
	Small (Less than \$300K)	5,522	440	500	500	500		7,462	9,969		
	Fleet/Tech	4,050	6,350	3,465	950	1,785		16,600	20,228		
	Reserves	699	6,528	8,645	8,311	8,260		32,443	71,953		
	Total	163,874	208,478	127,096	73,191	33,004		605,643	611,792		

Capital Improvement Plan Status & Certainty



A few key large projects are approaching construction authorization

Projects by Status

								Previous 5Y			
Primary LOB	Project	2025	2026	2027	2028	2029	5Y Total	Total	Project Total		
Large Projects >\$5 million	5 - Construction Authorized	T91 Berth 6 & 8 Redev	59,766	2,680				62,446	72,707	88,934	
		P66 Shore Power	52					52	28,570	39,419	
		FT Maritime Innovation Center	22,675					22,675	22,674	33,336	
		T91 New Cruise Gangway	6,402					6,402	8,779	9,008	
		P66 Fender Replacement	3,070					3,070	4,194	7,980	
		P69 Underdock Utility Rplc	5					5	200	5,443	
		HIM Dock-E Improvements	2,070					2,070	3,934	5,350	
		4 - Design Authorized	T91 Uplands Dev Phase I	3,700	81,577	14,675			99,952	77,000	105,300
			T91 Cruise Shore Pwr Extension	500	6,495	6,494			13,489	10,807	15,800
			SaBM Docks A-C Roof Safety	220	3,629	9,833			13,682	4,000	14,000
			MIC Electrical Replacements	9,640					9,640	6,695	12,408
		3 - Division Approved	FT NW Dock West Improvements	470	930	7,800	30,000	16,760	55,960	39,450	55,990
			Harbor Mooring Dolphins	40	120	7,800	10,500	513	18,973	17,460	19,000
			FT C15 Building Improvements	3,290	8,489	4,221			16,000	2,801	16,247
			Waterfront Smart Meters	1,940	3,714	3,783	3,763		13,200	10,746	13,404
			Maritime Video Camera Project	4,500	4,142				8,642	3,174	10,315
			P66 Grand Staircase Replacement	360	6,636	893			7,889	8,338	7,984
			Waterfront Fleet EV Infrastructure	930	4,171				5,101	4,772	5,300
			P66 Retail HVAC Upgrade	4	219	2,485	2,463		5,171	6,199	5,231
		2 - Business Plan Approved	P69 Concrete Dock Rehab	450	16,545	21,990			38,985	26,900	39,000
			P69 HVAC System Modernization	900					900	7,974	39,000
			FT S Wall Cl Fndr Rp & Cor Prt					820	820	2,700	28,810
			P90/91 Dock Rehab	400	7,000	10,000	3,495		20,895	30,292	21,200
			MMSO Fleet & SWU Facility	1,200	9,918	9,918			21,036	0	21,036
			FT W Wall N Fender Replacement				580	1,750	2,330	9,000	19,240
			T91 Uplands Ph2 Infrastructure -Pa	6,500	3,250				9,750	10,250	10,250
			P66 Shore Power Extension	500	3,500	3,500			7,500	0	7,500
			P66 New Cruise Passenger Gangwa	475	5,745				6,220	6,000	6,250
		Bell Street Bridge refresh		5	3,400	2,410		5,815	5,398	5,815	
		Mid-Cap (\$300k-\$5M)	23,544	26,395	7,694	10,219	2,616	70,468	78,628		
		Small (Less than \$300K)	5,522	440	500	500	500	7,462	9,969		
		Fleet/Tech	4,050	6,350	3,465	950	1,785	16,600	20,228		
		Reserves	699	6,528	8,645	8,311	8,260	32,443	71,953		
		Total	163,874	208,478	127,096	73,191	33,004	605,643	611,792		

Notable Existing Projects

- T91 Uplands Development Phase I (\$105M)
- T91 Berths 6&8 Redevelopment (\$89M)
- FT NW Dock Improvements (\$56M)
- P66 Shore Power (\$39M)
- P69 Concrete Dock Rehab (\$39M)
- FT Maritime Innovation Center (\$33M)

New Projects Added to Draft CIP

- MMSO Fleet & SWU Facility (\$21M)*
- P66 Shore Power Extension (\$7.5M)
- Parks Amenities Duwamish Valley (\$3M)
- Bell Street Parking Garage Improvements (\$4.9M)
- T91 Dredge Berth M (\$4M)
- T91 Dredge Berth J&K (\$3.7)

*Considered in 2024 Capital Plan - replaces several smaller projects budgeted last year

Top Mid-Cap Projects – Project Cost

Fishing & Commercial:

- T91 Dredge Berth M: \$4M
- BHM Pile Wraps & Cathodic Protection: \$2.8M
- T91 Domestic Water Lines: \$1.9M
- FT Net Shed 10 & 11 Roof Overlay: \$1.2M
- P69 Shoreside Harbor Craft Charging: \$1.2M
- MIC West & Central Piers Resurfacing: \$1M

Cruise:

- P66 Wave Break Cathodic Protection: \$3.7M
- T91 Dredge Berth J/K: \$3.7M

Rec Boating:

- SBM G Dock Rehab: \$3.4M
- SBM Dock A Fixed Pier Rehab: \$3.4M
- SBM Office Reconfiguration: \$1.6M
- SBM Dock X Pier Replacement: \$1.5M
- SBM Lower A dock Improvements: \$1.5M

Portfolio Management:

- Bell St Parking Garage Improvements: \$4.7M
- WTC (Bell St) Garage Elevator Mods: \$3.3M
- T91 Path & Bike Bridge: \$1.1M
- FT Site Improvements: \$1.1M

Facilities:

- P69 Clerestory and Skylights: \$3M
- P69 Elevator Control Mod: \$2.4M

Environmental:

- T91 LED Lighting Upgrades: \$3.4M
- Shoreline Habitat Improvements: \$2.5M
- T5 SE Shoreline Restoration: \$1.9M
- Waterfront LED Lighting: \$1.5M

Over \$75 million planned in small & mid (up to \$5M projects) over the next 5 years

Key Projects Unfunded/Reallocated

- T46 North Pier Rehabilitation (\$65M)
- T91 Commercial Fishing Shore Power Upgrades (\$28M)*
- Strategic Opportunity Fund/Acquisition (\$25M)
- P69 HVAC System (\$37M)
 - Completing pre-design/alternatives work, delaying major expenditures to 2030
- Environmental Placeholders Converted to Projects (\$26M)
 - Several specific environmental projects have been added to the capital plan
- P66 Terminal & Conference Center Envelope (\$10M)
- CEM Access Road (\$10M)
- P69 Shorepower (\$1.2M)*

*Potential for grant funding – will revisit, if awarded

Future Capital Funding Factors

- NWSA projects currently funded first
- Future funding is affected by:
 - Net income
 - Continuation of level of tax levy
 - Environmental remediation liability payments
 - Level of other commitments, including community programs and regional transportation contributions
 - Emergent needs
- Capital Capacity is Constrained

Next Steps

- ↳ 2025 Tax Levy & Draft Plan of Finance Commission Briefing (10/22)
- ↳ 2025 Preliminary Budget Document Available to the Commission (10/22)
- ↳ 2025 Preliminary Budget Document Available to the Public (10/24)
- ↳ NWSA Budget Adoption by Managing Members (11/5)
- ↳ Introduction and Public Hearing of the 2025 Budget (11/12)
- ↳ Commission Approval of the 2025 ILA between POS and the NWSA (11/12)
- ↳ Adoption of the 2024 Budget (11/19)
- ↳ Filing of 2024 Statutory Budget with King County Council & Assessor (11/27)
- ↳ Release of 2024 Budget to the Public (12/6)

Appendix

2025 Preliminary Budget
Oct 8, 2024



Total Maritime

	2021	2022	2023	2024	2024	2025	Change from	
\$ in 000's	Actual	Actual	Actual	Budget	Forecast	Proposed Budget	2024 Budget	\$ %
Ship Canal Fishing & Operations	4,240	4,592	5,076	4,984	5,084	5,596	612	12%
Elliott Bay Fishing & Commercial Operations	5,618	5,975	6,564	5,731	5,731	6,006	275	5%
Recreational Boating	12,851	13,978	15,505	16,468	16,568	18,273	1,805	11%
Cruise	9,517	30,469	41,726	41,057	43,057	49,977	8,921	22%
Grain	6,112	5,792	3,356	5,191	5,491	5,034	(157)	-3%
Conference & Event Centers	1,910	8,914	6,738	11,156	7,856	9,151	(2,005)	-18%
Leasing Portfolio	17,978	19,367	20,764	23,081	23,365	24,006	925	4%
Other	(401)	179	(80)	4	4	0	(4)	-100%
Total Revenue	57,826	89,265	99,648	107,671	107,155	118,043	10,371	10%
Expenses								
Total Direct	26,905	35,562	39,658	42,219	40,519	44,137	1,917	5%
Total Support Services	19,039	23,118	27,403	29,994	30,394	30,249	255	1%
Total Central Services / Other	19,230	22,975	26,707	27,958	28,456	30,957	2,999	11%
Total Expense	65,174	81,655	93,768	100,171	99,369	105,343	5,172	5%
NOI Before Depreciation	(7,348)	7,610	5,881	7,500	7,786	12,700	5,200	69%
Depreciation	21,923	22,314	22,314	21,549	21,549	21,427	(122)	-1%
NOI After Depreciation	(29,271)	(14,704)	(16,433)	(14,049)	(13,763)	(8,727)	5,322	38%
<i>Pension Credit Adjustment Impact</i>	<i>6,662</i>	<i>2,396</i>	<i>3,649</i>	<i>0</i>	<i>0</i>	<i>0</i>		

MD Admin

- Expense Growth:**
- New Requests:
 - Resiliency Position
 - Travel for Alaska Industry tour, Green Marine International & Singapore Maritime week
- Expense Decrease:**
 - Outside Services -removed Anti-Human Trafficking budget
 - Promotional Expense – removed Customer Holiday Luncheon budget

In \$000s	2023 Actuals	2024 Budget	2025 Budget	24B v 25B	% Var
Payroll	592	905	1,248	344	38%
Outside Service	83	51	31	(20)	(39%)
Other Expenses	528	162	202	40	26%
Total Expenses	896	1,118	1,481	363	33%

MD Planning

- Expense Growth:**
 - Innovation Manager (Transfer from EDD)
- Expense Decrease:**
 - Travel & Employee Expense – removed Registration and Lodging budget for WPPA conferences

In \$000s	2023 Actuals	2024 Budget	2025 Budget	24B v 25B	% Var
Payroll	350	580	1,069	489	84%
Outside Service	97	701	701	0	0%
Other Expenses	9	32	28	(4)	(12%)
Total Expenses	456	1,313	1,798	486	37%

P69 Facilities

- ❑ **Expense Growth:**
 - ❑ Outside Services – Increase in Janitorial Service costs & services
- ❑ **Expense Decrease**
 - ❑ Other Expenses
 - Equipment Expense – Removed budget for Office Space Furniture
 - General Expense – No budget for Postage & Delivery charges

In \$000s	2023 Actuals	2024 Budget	2025 Budget	24B v 25B	% Var
Payroll	526	612	613	1	0%
Outside Service	361	363	386	23	6%
Other Expenses	752	840	639	(201)	(24%)
Total Expenses	1,639	1,815	1,638	(177)	(10%)

2025 Equity in Budgeting

1. Did you have difficulty spending your budgeted equity dollars in 2024? And if so, why?
 - In 2024 Maritime budgets, equity dollars were focused on increasing WMBE utilization, community outreach and sponsorships that include workforce development.
 - Training and travel dollars for teams were added in to support continual employee development.
 - There was no difficulty spending our budgeted equity dollars.

2025 Equity in Budgeting

2. In your 2025 budget, how did your Division choose to prioritize equity programs with the available budget?

- At the division level, we prioritized equity programs by ensuring equitable opportunities for travel/training/development across all departments, and within individual departments, travel/training/development opportunities are distributed equitably amongst staff year over year.
- Additionally, we included several sponsorship opportunities for workforce development and teams added in funds to support workforce in the Maritime community.

2025 Equity in Budgeting

3. Additionally, is your Division implementing programs in an equitable way or plans to make programming more equitable, even if it's not directly associated with your budget or a budget request? If so, please explain.
 - No specific new programs – the Division supports equitable opportunities for travel/training/development across all departments, and within individual departments, travel/training/development opportunities are distributed equitably amongst staff year over year.

2025 Equity in Budgeting

3. How did you engage with staff and/or community during the 2025 budget process?
 - In Maritime we regularly engage staff through our business planning and budget planning process to determine priorities for the coming year. We incorporated Change Team members into our business planning process to ensure we were reviewing our business plan with an equity lens. In regards to budgeting, several teams weigh into the budget process throughout the budget season.
 - We partner with the community in a variety of ways to obtain feedback that contributes to our budgets each year and influences decisions

2025 Equity in Budgeting

4. What new items have you added related to Equity, Diversity, and Inclusion in your 2025 budget (new requests and baseline budget)?
 - New sponsorships to support Workforce Development – Raise the Sails for example. Training opportunities for staff who have not previously participated in travel/training opportunities.

Factors Driving Rate Study for 2025

- Primary alternative marina choices for SBM market audience based on:
 - Marina location
 - Marina size
 - Customer demographics
- Peer Marinas for SBM included: Elliot Bay, Anacortes, Cap Sante, Carillon Point, Des Moines, Edmonds, Everett N. Kirkland HP
- Other Recreational Marinas
 - Followed the same methodology and business fundamentals
 - HIM already at the top (100th percentile) of peer marinas
 - BHM adjust to (80th percentile) of peer slip size rates
 - FT Rec and Salmon Bay Marina adjust to peer average and capped

Stormwater Utilities Expenses

- ❑ Expense Growth
 - ❑ Payroll increases correspond to staff increases in 2024 and comp project increases.
 - ❑ Other expense increases are utilities, this is due to a change in accounting practice charging all Non-Tenant SWU charges to Org 8001. In prior years, these charges were included in property level Orgs. The projected 8% increase is applied. These numbers are preliminary.
- ❑ New Requests
 - ❑ Support for Industrial Stormwater Permit Transition - Net \$316,000 for two years. The total cost of this effort will be \$500,000.

In \$000s	2023 Actuals	2024 Budget	2025 Budget	24B v 25B
Payroll	528	711	749	38
Outside Service	361	488	803	315
Other Expenses	585	951	2,666	1,715
Total Expenses	1,474	2,150	4,218	2,068

Note: Other Expenses Reflect \$1.8M of utilities which will be allocated out.

Maritime SWU

\$ in 000's	2022	2023	2024	2025	Change from 2024	
	Actual	Actual	Budget	Proposed Budget	Variance \$	Variance %
Revenue						
NWSA	4,321	4,113	4,249	5,231	982	23.1%
Tenants Revenue	829	1,078	1,790	1,147	(643)	-35.9%
Port Non-tenants Revenue	1,690	1,721	1,609	1,882	273	17.0%
Total Revenues	6,840	6,913	7,648	8,260	612	8.0%
Expenses						NA
SWU	1,523	1,515	1,592	2,336	(744)	-46.7%
Maintenance Expenses	3,121	4,010	4,834	4,958	(124)	-2.6%
Central Waterfront PM	32	18	50	41	9	17.6%
Environmental & Sustainability	27	33	66	45	22	32.7%
Environmental Finance	34	20	113	81	32	28.4%
Other	2,194	2,116	2,159	2,353	(194)	-9.0%
Total Expenses	6,930	7,711	8,815	9,814	(999)	-11.3%
NOI Before Depreciation	(90)	(799)	(1,167)	(1,554)	387	-33.2%
Depreciation	1,272	1,028	1,008	1,042	(34)	-3.4%
NOI After Depreciation	(1,362)	(1,827)	(2,175)	(2,596)	421	-19.4%

- ❑ SWU Revenue 8% increase
- ❑ Other expense increases are utilities, this is due to a change in accounting practice charging all Non-Tenant SWU charges to Org 8001. In prior years, these charges were included in property level Orgs. The projected 8% increase is applied. These numbers are preliminary.
- ❑ New Requests
 - ❑ Support for Industrial Stormwater Permit Transition - Net \$316,000 for two years. The total cost of this effort will be \$500,000.

Updates on Major Projects Underway



T91 Berths 6 & 8 Redevelopment

Scope:

- **Berth Reconstruction**
 - Removal of existing creosote piles from water column
 - Overall reduction of overwater coverage
 - Slope rehabilitation & stabilization
 - Concrete pile supported replacement pier
 - Boathouse and float reconfiguration
 - Upgraded Electrical Power Supply/ Distribution
- **Uplands Improvements**
 - Replacement of support office buildings (Port & Tenant)
 - Stormwater upgrades

Estimated Cost: \$92 million*

**Includes Stormwater and ERL components under the same authorization*

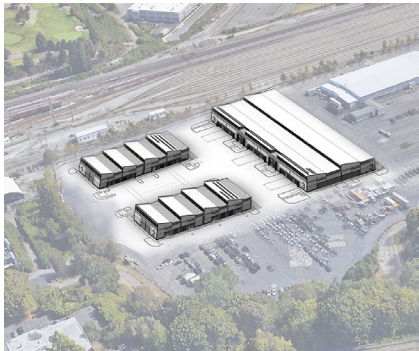
Schedule:

- Q3 2024: Construction Authorization
- Q2 2024: Construction Begin
- Q4 2025: Construction Complete

Terminal 91 Uplands Development

Scope:

- Develop 120,000 square feet of industrial buildings to support maritime suppliers and manufacturers along with associated utility and site infrastructure,
- Preparation for future building construction and associated utility and site infrastructure,
- Demolition of three buildings, and
- Evaluation of existing utilities and services in support of current and future redevelopment.



Phase I Development: \$105 million

Phase II Site Improvements: \$10 million

Building Demolition: \$10 million (expense)

Schedule:

Q2 2025: PDB Team Selected / Contract Executed

Q2 2025 – Q3 2025: Validation Period

Q3 2025 – Q1 2026: Design Dev (final GMP, schedule, scope)

Q4 2025 – Q2 2027: Demolition & Construction



Maritime Innovation Center

Scope: restoration and modernization of the Port’s historic Ship Supply Building into a Living Building Challenge-certified facility with advanced sustainability and resiliency features. The project will create 15,000 square feet of space offering an incubator and accelerator environment in support of maritime innovation. A related project will provide site improvements designed to enhance the experience of users and visitors of the Fishermen’s Terminal facility.

Estimated Cost: \$32.9 million

Schedule:

Q3 2023: Design Complete

Q2 2024: Construction Begin

Q4 2025: Building – Tenant Improvements Begin



P66 Shore Power

Scope: Provide shore power connection for cruise ships while at berth at Pier 66’s Bell Street Pier Cruise Terminal. Power to be provided across Terminal 46 via duct bank and then submarine cable in Elliott bay between terminals. Electrical equipment installed at the south end of Pier 66 will distribute the power to the cruise ship connection.

Estimated Cost: \$43 million*

**Includes approximately \$3.5M to be reimbursed by SCL*

Schedule:

Q3 2023: Construction Begins

Q3 2024: System in-use