Port of Seattle Regular Commission Meeting

September 9, 2026

COMMISSION REGULAR MEETING AGENDA

September 9, 2026

To be held virtually via MS Teams and in person at Port of Seattle Headquarters Building, Commission Chambers, located at 2711 Alaskan Way, Seattle Washington. You may view the full meeting live at meetings.portseattle.org. To listen live, call in at +1 (206) 800-4046 or (833) 209-2690 and Conference ID 771 165 058#

ORDER OF BUSINESS

10:30 a.m.

1. **CALL TO ORDER**

2. **EXECUTIVE SESSION** – *if necessary, pursuant to RCW 42.30.110 (executive sessions are not open to the public)*

► **12:00 p.m. – PUBLIC SESSION**

Reconvene or Call to Order and Pledge of Allegiance

3. **APPROVAL OF THE AGENDA** *(at this time, commissioners may reorder, add, or remove items from the agenda)*

4. **SPECIAL ORDERS OF THE DAY**

5. **EXECUTIVE DIRECTOR'S REPORT**

6. **COMMITTEE REPORTS**

7. **PUBLIC COMMENT** – *procedures available online at https://www.portseattle.org/page/public-comment-port-commission-meetings*

During the regular order of business, those wishing to provide public comment (in accordance with the Commission's bylaws) on Commission agenda items or on topics related to the conduct of Port business will have the opportunity to:

1) Deliver public comment via email: All written comments received by email to *commission-public-records@portseattle.org* will be distributed to commissioners and attached to the approved minutes. Written comments are accepted three business days prior to the meeting and before 9.a.m. on the day of the meeting. Late written comments received after the meeting, but no later than the day following the meeting, will be included as part of the meeting record. All written comments must identify the purpose of the writing is for public comment at a Commission meeting.

2) Deliver public comment via phone or Microsoft Teams conference: To take advantage of this option, please email *commission-public-records@portseattle.org* with your name and agenda item or topic related to the conduct of Port business you wish to speak to by 9:00 a.m. PT on Wednesday, September 9, 2026. ***(Please be advised that public comment is limited to agenda items and topics related to the conduct of Port business only.)*** You will then be provided with instructions and a link to join the Teams meeting.

3) Deliver public comment in person by signing up to speak on your arrival to the physical meeting location: To take advantage of this option, please arrive at least 15 minutes prior to the start of any regular meeting to sign up on the public comment sheet available at the entrance to the meeting room to speak on agenda items and topics related to the conduct of Port business.

For additional information, please contact *commission-public-records@portseattle.org.*

8. **CONSENT AGENDA** *(consent agenda items are adopted by one motion without discussion)*

8a. Approval of the Regular and Special Meeting Minutes of August 11, 2026. **(no enclosure)**

8b. Monthly Notification of Prior Executive Director Delegation Actions August 2026. **(memo enclosed)** – For Information Only.

8c. Authorization for the Executive Director or Designee to Execute an Airport Term License Agreement with Comcast Cable Communications Management LLC and Other Service Providers to Use the Meet Me Room Building and Related Infrastructure at Seattle-Tacoma International Airport on a Non-Exclusive Basis for a Proposed Ten-Year License Term. **(memo and agreement enclosed)**

8d. Authorization for the Executive Director to Execute a Contract for Security Services to Support Employee Parking Operations at the North Employee Parking Lot and Three New Leased Parking Lots Known as Lots A, C, and M for a Total Estimated Cost of $6,200,000.00 Over Five Years, and Request for $700,000 to Fund and Maintain Existing Security Coverage for the Duration of the Request for Proposal Process and Through the Contract's Final Extension (October 2027), for a Total Authorization Requested of $6,900,000. **(memo and presentation enclosed)**

8e. Authorization for the Executive Director to Authorize an Additional $400,000 to Complete the 3rd Floor Ground Transportation Booth Enhancements Project at Seattle-Tacoma International Airport, Increasing the Total Authorization Amount from $5,000,000 to $5,400,000. (CIP #C801128) **(memo and presentation enclosed)**

8f. Authorization for the Executive Director to Execute a New Collective Bargaining Agreement Between the Port of Seattle and the International Brotherhood of Teamsters, Local 117, Representing Non-Sworn Communication Supervisors at the Police Department for the Port of Seattle Covering the Period from January 1, 2026, through December 31, 2028. **(memo and agreement enclosed)**

10. NEW BUSINESS

10a. Authorization for the Executive Director to Execute a Guaranteed Maximum Price Contract Amendment to the Alternative Public Works Progressive Design Build Contract for the T91/P66 Cruise Shore Power Extension Project to Complete Construction of the Pier 66 and Pier 91 East Shore Power Extension Systems, Bollards, and Limited Deck Panels Replacement and to Authorize Funding for a Validation Phase to Include the Rehabilitation of the Section of Pier 91 Delineated as Development Unit #9202; for a Total Requested Amount of $49,330,000, a Total Project Authorization of $69,980,000, and an Estimated Total Project Cost of $116,480,000. (CIP #C801983 and #C802116) **(memo and presentation enclosed)**

11. PRESENTATIONS AND STAFF REPORTS

11a. Q2 2026 Financial Performance Briefing.
(memo, report, and presentation enclosed)

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

13. ADJOURNMENT

P.O. Box 1209
Seattle, Washington 98111
www.portseattle.org
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APPROVED MINUTES
COMMISSION REGULAR MEETING

August 11, 2026

The Port of Seattle Commission met in a regular meeting Tuesday, August 11, 2026. The meeting was held at the Port of Seattle Headquarters Building Commission Chambers, located at 2711 Alaska Way, Seattle Washington, and virtually on Microsoft Teams. Commissioner Calkins was excused from attendance.

1. CALL to ORDER

The meeting was convened at 10:30 a.m. by Commission Vice-President Fred Felleman.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The public meeting recessed into executive session to discuss two items regarding Litigation/Potential Litigation/Legal Risk per RCW 42.30.110(1)(i) for approximately 50 minutes with the intention of reconvening the public session at 12:00 p.m. Following the executive session, the public meeting reconvened at 12:10 p.m. Commission Vice-President Felleman led the flag salute.

3. APPROVAL of the AGENDA

The agenda was approved as presented without objection.

4. SPECIAL ORDERS OF THE DAY

There were no Special Orders of the Day presented.

5. EXECUTIVE DIRECTOR'S REPORT

Executive Director Metruck previewed items on the day's agenda and made general and meeting-related announcements.

6. COMMITTEE REPORTS

Commission Clerk Michelle Hart provided the report.

<u>Governance Committee</u>
The Governance Committee met on July 30, 2026. At this time, Mary Van Biber, Strategic Business Planning Initiatives Manager, presented the updated Century Agenda objectives based on discussions with Commissioners Felleman and Cho, including Commissioner Felleman's edit to Goal 2 related to ecotourism and the addition of 'cruise and stay' language. Commissioner Cho's proposed edit to Objective 19 for Goal 6 was a wording change to "Drive responsible technological leadership and innovation to achieve Port initiatives." These changes resulted from 2:2:1s discussions with these Commissioners. Commissioner Hasegawa further requested additional changes to Goal 2 – to include the word 'equitable' in the language – to reflect equitable opportunity and to advance equity in tourism. She also stated that she would like to see the concept of 'sustainability' included." For next steps – a memo will be created and sent to Commissioners with the updates included. The Executive Leadership Team will also provide a review. Executive Director Metruck will finalize the memo and then alignment work with 2027 goals will begin.

7. PUBLIC COMMENT

- The following people spoke in support of Agenda Item 10a, supporting the S Concourse Evolution Project: Andreas Ornelas, Liuna; Brittani Cain, OPCMIA; Mike Brown, NCS Carpenters; and Joseph Bolden, Seattle Building Trades.

[Clerk's Note: There were no written comments submitted for this meeting.]

8. CONSENT AGENDA

[Clerk's Note: Items on the Consent Agenda are not individually discussed. Commissioners may remove items for separate discussion and vote when approving the agenda.]

8a. Approval of the Regular Meeting Minutes of July 28, 2026.

8b. Monthly Notification of Prior Executive Director Delegation Actions July 2026.

Request document(s) included an agenda memorandum for information only.

8c. Authorization for the Executive Director to Proceed with the SEA Meter Data Management System Project; to Execute Contract(s) for the Software License, Hardware, and Vendor Implementation and Support Services; and to Use Port Staff for Implementation, in the Requested Amount for Project Implementation of $4,025,000, for a Total Estimated Up to Ten-Year Contract Amount of $4,800,000. (CIP #C802153).

Request document(s) included an agenda memorandum.

8d. Authorization for the Executive Director to Proceed with the SEA Flight Information Display System Refresh Project; to Execute Contract(s) for the Software License, Hardware, and Vendor Implementation and Support Services; and to Use Port Staff for Implementation, in the Requested Amount for Project Implementation of $1,200,000, for a Total Estimated Up to Ten-Year Contract Amount of $3,800,000. (CIP #C802152).

Request document(s) included an agenda memorandum.

8e. Authorization for the Executive Director to Proceed with the OpsLAN Network Infrastructure Refresh Project; to Execute Contract(s) for the Software, Hardware and Vendor Implementation Services; and to Use Port Staff for Implementation, in the Requested Amount for Project Implementation of $7,000,000. (CIP #C802154).

Request document(s) included an agenda memorandum.

8f. Authorization for the Executive Director to Take All Steps Necessary to Complete the Central Terminal Roof Replacement Project at Seattle-Tacoma International Airport, in the Requested Amount of $6,685,000, of a Total Authorization of $7,585,000. (CIP #C801236).

Request document(s) included an agenda memorandum and presentation.

8g. Authorization for the Executive Director to Take All Steps Necessary to Complete the Operational Cameras Project in Non-Public Areas at Seattle-Tacoma International Airport, in the Requested Amount of $2,801,000, of a Total Project Authorization of $3,356,000. (CIP #C801320).

Request document(s) included an agenda memorandum and presentation.

8h. Order No. 2026-07: An Order Appointing a Public Member to the Port of Seattle Portwide Arts and Culture Board).

Request document(s) included an Order.

8i. Authorization for the Executive Director to Advertise, Award and Execute a Contract with a Medical Claims Administrator for the Port's Self-Insured Medical Plans for Up to Ten Years with the Estimated Total Contract Value of $14,000,000.

Request document(s) included an agenda memorandum.

8j. Authorization for the Executive Director to Extend Port Jobs' Contract to Operate the Airport Employment Center (AEC) for Two Optional Years, in the Requested Amount of $563,739, and a Total Contract Value of $11,298,739.

Request document(s) included an agenda memorandum, attachment 1, attachment 2, attachment 3, attachment 4, attachment 5, and presentation.

8k. Authorization for the Executive Director to Authorize Full Design and Preparation of Construction Documents for the Industrial Wastewater Treatment Plant Enhancements Projects; to Procure Long-Lead Items; to Authorize Port Construction

Services to Execute Small Works Contracts and Use Port Crews for Support of Construction; to Execute Early Work Packages with Hoffman Construction; and to Increase Project Authorization by $41,200,000, for a Total Project Authorization of $61,335,000, and a Total Estimated Industrial Wastewater Treatment Plan Enhancements Project Cost of $280,782,000. (CIP # C801234).

Request document(s) included an agenda memorandum and presentation.

The motion for approval of consent agenda items 8a, 8b, 8c, 8d, 8e, 8f, 8g, 8h, 8i, 8j, and 8k carried by the following vote:

In favor: Cho, Felleman, Hasegawa, and Mohamed (4)
Opposed: (0)

9. UNFINISHED BUSINESS

There was no Unfinished Business presented.

10. NEW BUSINESS

10a. Authorization for the Executive Director to Increase Project Authorization for the S Concourse Evolution Project by $1,100,000,000 for a Total Authorization of $1,400,000,000 to Provide Funding for All Activities Necessary to Advance the Program into 2029. (CIP #C801203)

Request document(s) included an agenda memorandum and presentation.

Presenter(s):
Wendy Reiter, Managing Director of Aviation
Stephen St. Louis, Capital Program Leader, AV Project Management Group

Clerk Hart read Item 10a into the record and Executive Director Metruck introduced the item.

The presentation addressed:
- the S Concourse Evolution Project (SCE) is part of Upgrade SEA;
- collaboration with the project team and Port departments;
- communications updates planned;
- program purpose and objectives – the SEA S Concourse renovation, renewal, and upgrade of a 50-year-old facility;
- repurposing space vacated by the International Arrivals Facility;
- elevating passenger experience through expanding dining, retail, and amenities;
- providing improved levels of service with larger boarding areas and technologies;
- achieving LEED Silver certification with reduced emissions and energy use;
- project status;
- multiple early work packages in procurement and permitting;
- facilitating projects;
- coordination for the November 2026 construction start;
- funding and requested authorization;

- the project construction schedule;
- building levels;
- current design renderings;
- a fly-through animation video for the proposed renewal project; and
- next steps.

Discussion ensued regarding:

- appreciation for the investments in workforce, as well as in infrastructure;
- taking economic factors into consideration across the life of the project and managing risks and costs;
- customer impacts and strategies in place to ensure a strong communication project plan through the project phases;
- the SCE project not part of the Sustainable Airport Master Plan;
- the SCE project being part of the existing footprint;
- project alignment with Century Agenda goals;
- job creation through the project, including permanent jobs;
- additional airport, dining, and retail (ADR) options created through the project;
- future Commission approval for the ADR plan;
- diversity in contracting goals;
- LEED Silver Certification;
- key sustainability features of the project;
- elevators available;
- the baggage system conveyor belt connection to the existing system;
- preparation for potential operational disruptions throughout project phases;
- ongoing community and airline outreach;
- project construction methodology selected;
- start of bus shuttling in November;
- project groundbreaking planning for the first quarter of 2027; and
- no new gates associated with the project.

The motion, made by Commissioner Cho, to approve Item 10a carried by the following vote:
In favor: Cho, Felleman, Hasegawa, and Mohamed (4)
Opposed: (0)

10b. Authorization for the Executive Director to Take All Steps Necessary to Complete the Rental Car Facility Customer Service Building Re-Demising Project at Seattle-Tacoma International Airport, in the Requested Amount of $17,900,000, for a Total Authorized Amount of $19,700,000. (CIP #C801209)

Request document(s) included an agenda memorandum and presentation.

Presenter(s):

Geoffrey Foster, Assistant Director AV Business Development, Commercial Management and Analysis
Heather Bornhorst, Capital Program Leader, AV Project Management Group

Clerk Hart read Item 10b into the record and Executive Director Metruck introduced the item.

The presentation addressed:
- project location;
- supporting the re-bidding of the concession agreement;
- scope of the project to reconfigure tenant lease spaces to support the new blocks; replacing existing wayfinding signage supporting new tenant locations; providing a new break room and flex space supporting transit operations; renovating existing well-worn restrooms in the Customer Service Building; and replacing existing end-of-life car washes in Quick Turn-Around Areas;
- project budget and schedule;
- project status; and
- the request for authorization for the Executive Director to take all steps necessary to complete the project at SEA.

Discussion ensued regarding:
- electric charging capability and potential future solar capability;
- reasons for the increase in cost and scope, mainly replacement of car wash systems; and
- long run cost savings.

The motion, made by Commissioner Mohamed, to approve Item 10b carried by the following vote:
In favor: Cho, Felleman, Hasegawa, and Mohamed (4)
Opposed: (0)

11. PRESENTATIONS AND STAFF REPORTS

11a. 2026 Police Department Update.

Presentation document(s) included an agenda memorandum, attachment 1, attachment 2, attachment 3, attachment 4, and presentation.

Presenter(s):
Sean Gillebo, Deputy Chief of Police/Interim Chief of Police

Clerk Hart read Item 11a into the record and Executive Director Metruck introduced the item.

The presentation addressed:
- department overview and highlights;
- the Vision, Purpose, and Guiding Principles of the Port of Seattle Police Department;
- community engagement;
- FIFA preparation efforts;
- status of 2024 – 2026 Strategic Plan goals;
- staffing;
- increasing capabilities for assisting people in crisis;
- use of force data;
- changes to uniforms;

- policing assessment implementation;
- department demographics;
- availability of the 2025 Annual Report; and
- the department's organizational chart.

Members of the Commission thanked Interim Police Chief Gillebo for standing in while the Port conducts its recruitment for a new chief.

Discussion ensued regarding:

- implementation of all recommendations from the policing assessment report;
- implementation of Order No. 2026-02;
- staff and story insights included in the report;
- de-escalating crisis incidents and providing assistance year-over-year;
- use of the drug interdiction fund to combat human trafficking and separately, to fund a mental health professional position;
- proactive community engagement;
- use of force data and the use of 'wrap' to reduce injuries;
- the importance of collecting accurate data on the use of force;
- public safety partnerships and joint operations; and
- general composition of the annual report.

Commission Vice-President Felleman thanked the police department for their transparency and great work.

12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

Commissioner Felleman reminded the audience of the 3:00 p.m. Special Meeting and that the August 18, 2026, Commission regular business meeting has been cancelled. The next regular business meeting will be held Wednesday, September 9, 2026.

13. ADJOURNMENT

The meeting adjourned at 2:16 p.m.

Prepared:	Attest:
Michelle M. Hart, Commission Clerk	Sam Cho, Commission Secretary

Minutes approved: September 9, 2026

P.O. Box 1209
Seattle, Washington 98111
www.portseattle.org
206.787.3000

APPROVED MINUTES
COMMISSION SPECIAL MEETING

August 11, 2026

The Port of Seattle Commission met in a special meeting per RCW 42.30.080 on August 11, 2026. The meeting was held at the Port of Seattle Headquarters Building Commission Chambers located at Pier 69, 2711 Alaskan Way, Seattle, Washington. Commissioner Calkins was excused from attendance.

I. CALL to ORDER

The meeting was convened at 3:00 p.m. by Commission Vice-President Felleman for the purpose of hearing public comments regarding the State Environmental Policy Act (SEPA) Sustainable Airport Master Plan (SAMP) Near-Term Projects (NTP) Draft Environmental Impact Statement (DEIS).

II. ITEMS OF BUSINESS

A court reporter was in attendance to capture SEPA comments entered for the record.

The following people provided comment: City of Burien Mayor Sarah Moore; Brian Davis, Burien Airport Committee; Mike Cooke; Sandy Hunt, Defenders of Highline Forest; Colin Lay; Ali Lee; and JC Harris, Sea-Tac Noise.Info.

Commissioner Mohamed and members of staff discussed the Port's public outreach efforts conducted to collect SEPA comments from the community regarding the SAMP NTP DEIS.

Having no one else presently signed up to speak, the Commission stood in recess pending any additional public comment until 4:00 p.m..

[Clerk's Note: The meeting recessed at 3:35 p.m. and reconvened at 3:59 p.m.]

III. ADJOURNMENT

The meeting adjourned at 4:00 p.m.

Prepared:	Attest:
Michelle M. Hart, Commission Clerk	Sam Cho, Commission Secretary

Minutes approved: September 9, 2026

COMMISSION
AGENDA MEMORANDUM

FOR INFORMATION ONLY

Item No. 8b

Date of Meeting September 9, 2026

DATE: September 1, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Karen R. Goon, Deputy Executive Director

SUBJECT: Monthly Notification of Prior Executive Director Delegation Actions August 2026

APPROVAL SUMMARY

Notification of the following Executive Director delegated approvals that occurred in August 2026.

Category of Approval	Request#	Description of Approvals August 2026	Category Amount
Projects & Associated Contracts	2893-2026	2026 Aviation Maintenance small capital purchases	$694,000.00
Projects & Associated Contracts	2965-2026	Xovis Cloud 2026	$1,200,000.00
Projects & Associated Contracts	2885-2026	Marine Maintenance North Office Locker Trailer Replacement Construction Funding	$420,000.00
Projects & Associated Contracts	2936-2026	Pre-Conditioned Air End of Line Bypass project	$808,887.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2942-2026	Agreement with Washington Department of Ecology for Washington Conservation Corps Stewardship Services	$499,590.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2919-2026	Chiller Maintenance Services (diagnosis and repair)	$1,250,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2958-2026	FreshService Contract Authorization 2026	$850,000.00
Non-Project Procurement of Goods & Purchased Service	2929-2026	International Waste Handling Contract (collection and preparation for disposal)	$950,000.00

Contracts, Other Contracts, & Tenant Reimbursement			
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement	2319-2025	Lumen NaaS WAN Services	$1,900,000.00
Non-Project Procurement of Goods & Purchased Service Contracts, Other Contracts, & Tenant Reimbursement			
Real Property Agreement		No Approvals in August	
Utilization of Port Crews		No Approvals in August	
Sale of Surplus Port Property		No Approvals in August	
Total Value of Executive Director Approvals			$8,572,477.00

TRANSPARENCY:

In approving the delegations for the Executive Director, the Commission requested that staff ensure transparency as it is paramount moving forward. As a result, staff will make approvals visible to the public in two ways. First, these types of approvals will be made visible in public Commission meetings via monthly reporting similar to this one. This approval is both timed and designed to be visible in a similar manner to the monthly Claims and Obligations reporting. Second, staff will publish these delegations to the web by publishing them in a PeopleSoft formatted report on the Port website in the same manner that all procurements, contracts, and other opportunities are made available to public communities.

BACKGROUND:

On January 24, 2023, the Commission approved and adopted Resolution No. 3810 that repealed related prior resolutions and increased the previously delegated Commission authority to the Executive Director and provided clarity in process directives to port staff. The approval made the Delegation of Responsibility and Authority to the Executive Director (DORA) effective on April 3, 2023, and the approvals made by the Executive Director for the month of April are identified in the table above. The foundation for Resolution No. 3810 included significant data analysis, employee surveys, and internal audit recommendation. Resolution No. 3810 also aligns with the Port Century Agenda in that it helps make the Port a more effective public agency. Many considerations and checks and balances have been built into the associated processes of Executive Director approvals including a high bar of transparency. Following significant analysis and multiple Commission reviews, the Commission approved the DORA on January 24, 2023. That reporting memo is available for review on the Port website under the January 24, 2023, Commission public meeting, and it provides detailed reasoning and explanation of Resolution No. 3810.

COMMISSION
AGENDA MEMORANDUM

ACTION ITEM

Item No. 8c

Date of Meeting September 9, 2026

DATE : August 14, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Jason Johnson, Asst Dir Airline Affairs & AV Properties
Matt Breed, Chief Information Officer

SUBJECT: **Meet Me Room Term License Agreement**

ACTION REQUESTED

Request Commission authorization for the Executive Director or Designee, to execute an Airport Term License Agreement with Comcast Cable Communications Management LLC (Comcast), and other service providers on a form substantially similar to this License Agreement with Comcast, to use the Meet Me Room (MMR) building and related infrastructure at Seattle-Tacoma International Airport (Airport) on a non-exclusive basis. The proposed license term is for ten (10) years.

EXECUTIVE SUMMARY

Part of the Airport's overall communication program is to improve core technology services and modernize our infrastructure in an effort to provide the airport tenants with multiple available service providers, while creating a new communication provider business model to recover some of the costs of the infrastructure that has been built and installed. The Airport is in the midst of completing (or has completed) multiple new communications infrastructure projects (i.e. the MMR, Fiber Upgrade Project, Tenant DMARCs or demarcation points) that updated outdated infrastructure. Upon completion, we will be able to connect the service providers from the street to our tenants in the terminal. The next stage is to get these service providers under license agreements so they can start providing telecommunication services (i.e. internet, phone, etc.) to our tenants.

JUSTIFICATION

The Port has invested over $20 million in infrastructure that allows multiple service providers to provide telecommunication services to our Airport tenants using Port-controlled fiber. This investment responds to a long-standing request from our tenants. To support this, Port Legal developed a license agreement that includes an easement exhibit, enabling service providers to connect their systems to our tenants.

This License with Comcast considers the installation of an empty conduit across International Boulevard (which will be memorialized in a separate agreement between the Port and Comcast) in lieu of furnishing the standard security deposit for the License. This conduit provides the Airport a pathway from the MMR to provide service to International Place (aka the SeaTac Office Center or STOC) that we recently acquired (subject to a future project to extend the service north on the east side of International Boulevard). The cost savings we will realize from them providing this pathway significantly exceeds the amount of the security deposit. The standard License Agreement (as attached to this item) with other service providers includes the security deposit requirement.

LICENSE TERM DETAILS

MMR Term License Agreement Terms	
Tenant Name	Comcast Cable Communications Management LLC
Term	10 years
Monthly License Fee	$993.27 per rack per month (total TBD based on design)
License Fee Adjustment	License Fee will increase 3% annually on June 1
Permitted Use	Comcast shall use the Licensed Premises for the purpose of providing communication services (on a non-exclusive basis) to the Port, its customers and tenants at the airport.
Security Requirement	Comcast is running an additional 2" conduit for the Port in lieu of providing a deposit. The License with other service providers will contain the standard security deposit requirement.
Insurance Requirement	General Liability ($5M), Auto ($5M)

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not execute a license with Comcast (or any other service provider)

Cost Implications:

Pros:

(1) None

Cons:

(1) Airport tenants remain limited to using the sole legacy provider, resulting in a potential single point of failure for tenant communications.

(2) The expensive assets we just built solely for this purpose sit empty/unused, or used only by the Port, which means the costs are recovered through airport rates and charges without receiving the benefit anticipated by the installation of those assets.

This is not the recommended alternative.

Alternative 2 – Execute a license with Comcast (and other service providers on the standard license form attached, as approved by Port Legal)

Cost Implications:

Pros:

(1) Utilize port-owned facilities and infrastructure by agreement which gives the Port more control over its assets and utilization.
(2) Airport tenants will have a choice of service providers, fostering competition and more robust products.
(3) We are able to recover some of the infrastructure costs through license fees, rather than solely through Airport rates and charges to Airport tenants.

Cons:

(1) None

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The license fee is $993.27 per rack per month. Number of racks a service provider uses will be determined during initial design, with some built in capacity for future growth. We can recover some infrastructure costs through license fees instead of relying only on Airport rates and charges to tenants.

ADDITIONAL BACKGROUND

Our airport is in a unique situation in that we own the fiber backbone infrastructure. We designed and implemented these integral projects (mentioned above) purposefully to connect service providers to our tenants. By owning this infrastructure, we are able to control where it is distributed throughout the Airport, rather than having service providers randomly distributing this infrastructure as they see fit. This allows us to keep more accurate information regarding this infrastructure in the future. We also keep these service providers from having to access operational areas of the Airport that they really have no need to access.

ATTACHMENTS TO THIS REQUEST

(1) MMR License Agreement (attached is the boilerplate that includes the security deposit language that will be used for other service providers)

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

September 12, 2023, Item 8d, Final authorization for MMR Fiber (and building) Construction.
March 14, 2023, Item 8c, Communication Enhancement – Construction Authorization.
March 12, 2019, Item 6c, Tenant Network Demarcation (DMARC) Upgrade.

MMR LICENSE AGREEMENT

Between the

PORT OF SEATTLE

And

Dated ___________________, 2026

TABLE OF CONTENTS

ARTICLE 1: DEFINITIONS	1
ARTICLE 2: NON-EXCLUSIVITY	3
ARTICLE 3: LICENSE	4
ARTICLE 4: TERM	5
ARTICLE 5: FEES	5
ARTICLE 6: LIMITATION OF LIABILITY AND INDEMNITY PROVISIONS	6
ARTICLE 7: INSURANCE	8
ARTICLE 8: OBLIGATIONS	11
ARTICLE 9: USE RESTRICTIONS; ALTERATIONS	11
ARTICLE 10: FAA NONDISCRIMINATION REQUIREMENTS.	16
ARTICLE 11: UTILITIES	16
ARTICLE 12: NO LIENS	17
ARTICLE 13: TAXES AND LICENSES	18
ARTICLE 14: DEFAULT	18
ARTICLE 15: REMEDIES	19
ARTICLE 16: TERMINATION OTHER THAN FOR DEFAULT	20
ARTICLE 17: ASSIGNMENT	21
ARTICLE 18: RIGHTS UPON EXPIRATION OR TERMINATION OF THE AGREEMENT	22
ARTICLE 19: INSPECTION OF MMR LICENSED PREMISES	23
ARTICLE 20: EASEMENTS.	24
ARTICLE 21: FORCE MAJEURE	24
ARTICLE 22: INTERRUPTIONS IN SERVICE	24
ARTICLE 23: ENVIRONMENTAL STANDARDS	25
ARTICLE 24: LABOR DISPUTES	27
ARTICLE 25: FAA SUBORDINATION CLAUSE AND OTHER LEGAL REQUIREMENTS	27
ARTICLE 26: FAA AIRPORT PROTECTION CLAUSE	28
ARTICLE 27: HOLDING OVER	28
ARTICLE 28: AIRPORT SECURITY	28
ARTICLE 29: NO THIRD-PARTY BENEFICIARIES	29
ARTICLE 30: PUBLIC RECORDS ACT	29
ARTICLE 31: GOVERNING LAW; VENUE	29
ARTICLE 32: HEADINGS	29
ARTICLE 33: NONWAIVER; RIGHT TO PERFORM	29
ARTICLE 34: TIME OF ESSENCE	30
ARTICLE 35: RELATIONSHIP	30
ARTICLE 36: NOTICES	30
ARTICLE 37: LIABILITY FOR FINES AND OTHER OBLIGATIONS	31
ARTICLE 38: ATTORNEYS' FEES.	31
ARTICLE 39: SURVIVAL OF INDEMNITIES.	32
ARTICLE 40: ENTIRE AGREEMENT	32
ARTICLE 41: AUTHORITY	32
ARTICLE 42: GENERAL	32

<u>MMR LICENSE AGREEMENT</u>

THIS LICENSE AGREEMENT (“Agreement”) is entered into this ____day of ____, 2026 (the “Effective Date”), by and between the PORT OF SEATTLE, a Washington municipal corporation (“the Port”) and ________________________________, a ______________________ corporation, on behalf of its affiliates (together “________________” or “Licensee”), each a “Party” and together, the “Parties.”

WHEREAS, the Port owns and operates the Seattle-Tacoma International Airport (“Airport”);

WHEREAS, the Port is interested in modernizing the Airport’s telecommunications infrastructure and promoting competition among providers of Communication Services at the Airport by creating one or more telecommunications hubs (each a “Meet-Me-Room” or “MMR”) in which competitive telecommunications providers will each locate state-of-the-art Communication Equipment to provide future Communication Services within the Airport using the Port’s Fiber Cable Infrastructure (as hereinafter defined);

WHEREAS, Licensee is interested in (a) installing and operating new, state-of-the-art Communication Equipment at the Airport’s Meet-Me Room(s) (“MMR Communication Equipment”), and (b) providing Communication Services from the MMR(s) to Customers at the Airport using the Port’s Fiber Cable Infrastructure;

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and conditions hereinafter set forth, the Parties, on behalf of themselves and their successors and permitted assigns, agree as follows:

ARTICLE 1: DEFINITIONS

The following terms shall have the following meanings unless otherwise specifically provided. Other terms may be defined in other parts of the Agreement.

“Access Infrastructure” shall have the meaning set forth in Section 3.C. below.

“Alterations” means any alterations, installations, additions, changes, replacements or improvements to the MMR Licensed Premises.

“Agreement” means this Agreement, together with its Addenda and Exhibits and all agreements, addenda and exhibits supplemental to or modifying this Agreement, whether made contemporaneously herewith or subsequent hereto.

“Airport” means Seattle-Tacoma International Airport.

“Airport Operations Area” or “AOA” means any area enclosed by the Airport security fence, including ramps, aprons, runways, taxiways, gate positions, Airport parking areas, and FAA facilities.

"Communication Equipment" means cable, fiber optic lines, copper wiring, conduit, innerduct, boxes, antennas, terminals, enclosures, electronics, equipment and related facilities and materials used to provide Communication Services.

"Communication Services" means the provision of telecommunications, communications, high speed Internet, data, and other related communication services that Licensee or other communication service providers is authorized to provide at the Airport, but excluding the commercial provision of any Wireless Communication Access System ("WCAS"), Wireless Cellular Network ("WCN"), Wireless Data System ("WDN"), Distributed Antenna System ("DAS"), or Neutral-Host Distributed Antenna System ("NHDAS") for Commercial Mobile Radio Services ("CMRS").

"Customer Ancillary Equipment" means any Customer owned or leased Communication Equipment located in the MMR Licensed Premises to enable Licensee to provide Communication Services to Customers at the Airport.

"Customers" means the Port and other governmental, non-governmental, aeronautical, and non-aeronautical persons and entities to whom Licensee provides Communication Services at the Airport.

"Customer's Licensed Premises" means that portion of the Airport that a Customer is authorized by written agreement to use.

"FAA" means the Federal Aviation Administration.

"Legal Requirements" means any and all applicable Federal, State, county, city and Port ordinances, laws, codes, rules, regulations, orders , injunctions, and decrees, all Port Standards, and all requirements, obligations and conditions of all instruments of record, all as now in force or hereafter in effect with respect to the Airport, the MMR Licensed Premises, or Licensee's permitted uses under this Agreement, including, without limitation, Legal Requirements relating to the operation, security or maintenance of the Airport, or to environmental matters.

"License" means the rights granted to Licensee under this Agreement.

"Licensee" means ________________________________, with a principal place of business at ____.

"MMR Building" means the building structure containing the Meet-Me-Room.

"Meet-Me-Room" or "MMR" means one or more telecommunications hubs to be designed, constructed, owned and operated by the Port at the Airport in which competitive telecommunications providers may, under a license from the Port, install and operate state-of-the-art Communication Equipment to provide Communication Services to Customers within the Airport using the Port's Fiber Cable Infrastructure.

"MMR Communication Equipment" means Communication Equipment, including any Customer Ancillary Equipment, installed and operated by Licensee in the MMR Licensed Premises pursuant to the terms of this Agreement to provide Communication Services to Customers at the Airport.

“MMR Licensed Premises” means the premises identified Exhibit 1.1, including the Access Infrastructure assigned to Licensee as designated on Exhibit 1.1.

“Port” or “the Port” means the Port of Seattle

“Port’s Fiber Cable Infrastructure” means the fiber optic cable network including without limitation network cable and fiber optic bundles owned and operated by the Port capable of providing a pathway to connect optical signals from Communication Equipment in the MMR to and from Communication Equipment in premises occupied by Tenants in the main terminal building at the Airport.

“Port Standards” means the Airport Schedule of Rules and Regulations, the Regulations for Airport Construction, the Tenant Design and Construction Process Manual (also known as, and referred to herein, as the “Tenant Roadmap”), the CAD Standards Manual, the Concession Design Standards, the Port’s Utility and Communication Standards, the Port’s mechanical, electrical, water and waste, and industrial waste and storm drainage standards and any other, similar document establishing requirements and/or standards for design and construction at the Airport of which Licensee has either actual notice or constructive notice through, for example, incorporation into the Airport Schedule of Rules and Regulations No. 5, or any successor thereto. A list containing links to the Port Standards documents is provided on Exhibit 1.2.

“Rent Commencement Date” means the date Licensee installs its first piece of MMR Communication Equipment in the MMR Licensed Premises. The Port shall provide a notice to Licensee memorializing this date.

“Services Demarcation Point” means the point at which Licensee connects to the Port’s Fiber Cable Infrastructure for services.

“Tenant” means any tenant, licensee, or occupant of the Airport conducting business under the terms of a separate lease, license agreement, or other occupancy agreement with the Port.

ARTICLE 2: NON-EXCLUSIVITY

Nothing herein contained shall be construed to grant or authorize an exclusive license, right or privilege to Licensee to provide Communication Services at the Airport; and Licensee expressly acknowledges and agrees that any license, right or privilege conferred by the Agreement for Licensee to provide Communication Services shall be non-exclusive. The Port fully reserves all rights and privileges to contract, under existing or future agreements, with other persons or entities, including without limitation other communication service providers, to provide Communication Services at the Airport, and including, without limitation, Communication Services to the Port, to Tenants, to other governmental, non-governmental, aeronautical, and non-aeronautical persons and entities, and to other customers of Communication Services, at the Airport; and Licensee expressly acknowledges and agrees that such Communication Services may be in direct competition with Communication Services provided by Licensee under this Agreement; provided, however, that such other Communications Services do not breach this Agreement. Further, the Port fully reserves all rights and privileges to contract with persons or entities, including without limitation FCC-licensed carriers or other service providers, to provide any WCAS, WCN, WDN, DAS, NHDAS, CMRS, or other commercial communication services at the Airport.

ARTICLE 3: LICENSE

A. License for MMR Communication Equipment.

Subject to the provisions, covenants, terms, and conditions contained in this Agreement, the Port hereby grants to Licensee a non-exclusive license for the Term (as hereinafter defined) to install, operate, inspect, monitor, maintain, repair, replace, upgrade and remove, at Licensee's sole cost and expense, the MMR Communication Equipment in the MMR Licensed Premises identified in Exhibit 1.1, in accordance with the Plans and Specifications (as hereinafter defined), for purposes of providing Communication Services to Customers at the Airport during the Term of the License for the MMR Licensed Premises.

In the future, the Port may construct other MMRs at the Airport, and any licensed use by Licensee in such other MMRs shall be subject to this Agreement and to future addenda and exhibits to be negotiated and agreed between the Parties with respect thereto at that time.

Licensee has been offered the opportunity to inspect the MMR Licensed Premises and accepts the MMR Licensed Premises in an "AS IS, WHERE IS" condition. The Port makes no representation or warranty regarding the condition of the MMR Licensed Premises and disclaims all express and implied warranties.

B. MMR Communication Equipment.

Licensee shall install, operate, inspect, monitor, maintain, repair, replace, upgrade and remove, at Licensee's sole cost and expense, its MMR Communication Equipment, in the MMR Licensed Premises, for purposes of providing Communication Services to Customers at the Airport during the Term of this License. In doing so, except as specifically approved by the Port in writing, Licensee shall conform to the following requirements:

1. Licensee shall abide by the provisions, covenants, terms, and conditions contained in this License.

2. Licensee shall utilize the Port's Fiber Cable Infrastructure to provide the Communications Services furnished by Licensee's MMR Communication Equipment pursuant to the Port's Fiber Cable Infrastructure.

3. Licensee shall coordinate all of its obligations concerning the MMR Licensed Premises with a Port project manager to be identified by the Port.

4. Licensee shall install its MMR Communication Equipment in good and workmanlike manner and in accordance with all Legal Requirements, the Port Standards, and the requirements of any insurance rating organization, and free and clear of all mechanics' or other liens and free and clear of all financing statements under the Uniform Commercial Code.

5. Licensee shall obtain all necessary permits, including any discretionary permits, necessary for its permitted use of the MMR Licensed Premises. In the event the Port is required or has obtained any of the necessary permits, Licensee will

reimburse the Port for any permit fees and associated actual costs in obtaining said permits within thirty (30) days of receipt of an invoice therefrom from the Port to Licensee.

6. Licensee shall install its MMR Communication Equipment, including any Customer Ancillary Equipment, wholly within the MMR Licensed Premises.

From time to time during the installation of Licensee's MMR Communication Equipment, the Parties may update and amend the MMR Licensed Premises and MMR Communication Equipment by mutual agreement acknowledged in writing.

C. Access Infrastructure; Designated Easement Area.

1. The license granted by the Port hereunder includes Licensee's non-exclusive right to access and utilize the Access Vault outside the MMR Building and the Access Conduit between the Access Vault and MMR Building (as identified in Exhibit 1.1), for Licensee to run its Communication Equipment from the Access Vault to the MMR Building (as used herein, the Access Vault and the Access Conduit shall together be referred to as the "Access Infrastructure").

2. Licensee's access to the Access Vault in, under, over, through Port property as necessary to bring its Communication Equipment to the Access Vault from off-Port property shall be within the designated easement area identified on Exhibit 1.1, subject to the terms of a separate non-exclusive easement in substantially the form attached hereto as Exhibit 1.1.1 to be executed by the Port and Licensee concurrently with execution of this Agreement (the "Access Easement").

ARTICLE 4: TERM

The term of this Agreement shall be ten (10) years commencing on the Effective Date and ending on the tenth anniversary of the Effective Date (the "Initial Term"), unless sooner terminated or extended in accordance with the terms and conditions of this Agreement as specified herein.

ARTICLE 5: FEES

A. Fees. The fees due and payable under this Agreement (collectively, including late fees referred to as "Fees") are:

1. License Fee. Commencing on the Rent Commencement Date, Licensee shall pay to the Port the License Fee of [spelled out rent dollars] Dollars and [spelled out rent cents] Cents ($#,###.##) as calculated below in advance on the first day of each and every month during the Term without any prior demand and without any abatement, deduction or setoff whatsoever. If the Rent Commencement Date falls on any day other than the first day of a calendar month, the License Fee for any fractional month shall be prorated based upon the actual number of days in such fractional month.

The License Fee is calculated as follows:

[#] racks @ $993.27/rack/month = $[$993.27]*

*plus applicable taxes, if any

2. The License Fee set forth in this Article 5 shall be increased by three percent (3%) on June 1 of each calendar year.

B. Late Fees. Any payments past due more than thirty (30) days shall also have interest added thereon at the rate of one and one-half percent (1.5%) per month (eighteen percent (18%) per annum) or the maximum rate provided by law, whichever is less, on any balance over thirty (30) days past due, provided, however, the minimum charge of interest shall be five dollars ($5.00).

C. Security.

1. Licensee shall, upon execution of this Agreement, obtain and deliver to the Port a good and sufficient corporate surety company bond, irrevocable stand-by letter of credit, cash deposit or other security in an amount equal to three (3) months' License Fees (hereinafter referred to as "Security"), to secure Licensee's full performance of this License, including the payment of all fees and other amounts now or hereafter payable to the Port hereunder. The form, provisions and nature of the Security, and the identity of the surety or other obligor thereunder, shall at all times be subject to the Port's approval. The Security shall remain in place at all times throughout the full term of this Agreement and throughout any holdover period. No interest shall be paid on the Security, and the Port shall not be required to keep the Security separate from its other accounts. No trust relationship is created with respect to the Security.

2. Return of Security. The Security is a part of the consideration for execution of this License. If Licensee shall have fully performed all terms and conditions of this License, any cash deposit security shall be paid to Licensee within thirty (30) days following the termination (or expiration) date without interest; otherwise the Port shall, in addition to any and all other rights and remedies available under this License or at law or equity, retain title thereto.

3. Application of Security. The Port may apply all or part of the Security to unpaid fees or any other unpaid sum due hereunder, or to cure other defaults of Licensee. If the Port uses any part of the Security, Licensee shall restore the Security to its then-currently required amount within fifteen (15) days after the receipt of the Port's written request to do so. In the event that the Security is in a form requiring periodic renewal, Licensee shall provide evidence of the renewal of the Security not later than forty-five (45) days prior to the date on which the Security would otherwise expire. The retention or application of such Security by the Port pursuant to this Section does not constitute a limitation on or waiver of the Port's right to seek further remedy under law or equity.

ARTICLE 6: LIMITATION OF LIABILITY AND INDEMNITY PROVISIONS

A. Limitation of Liability.

Except to the extent caused by the gross negligence or willful misconduct of the Port, its officers, employees, or agents, the Port, its officers, employees and agents shall not be liable for any injury (including death) to any persons or for damage to any property regardless of how such injury or damage is caused, sustained or alleged to have been sustained by Licensee or by others, including but not limited to all persons directly or indirectly employed by Licensee, or any agents, contractors, subcontractors, licensees or invitees of Licensee, as a result of any condition (including, without limitation, existing or future defects in the MMR Licensed Premises, the Port's Fiber Cable Infrastructure, or any building or improvement at the Airport) or occurrence (including, without limitation, failure or interruption of utility service or back-up power) whatsoever related in any way to Licensee's use or occupancy of the MMR Licensed Premises and of areas adjacent thereto. In no event shall either Party be liable or responsible to the other Party for any special, consequential, punitive, exemplary, or incidental damages arising hereunder, except for Article 23 (Environmental Standards) and Licensee's failure to vacate the MMR Licensed Premises at the end of the Term (as the same may be extended).

B. Indemnity.

To the maximum extent permitted by law, Licensee shall defend (with counsel reasonably approved by the Port), fully indemnify, and hold entirely free and harmless the Port and its Commissioners, officers, agents and employees (each a "Port Party" and, collectively, the "Port Parties") from any and all losses, claims, counterclaims, demands, actions, charges, liens, liabilities, damages, expenses, attorneys' fees, consultants' fees, court costs and other costs for, on account of or arising from: (1) anything and everything whatsoever arising from the condition of the MMR Licensed Premises or out of the use of the MMR Licensed Premises by Licensee or by any employee, agent, contractor, subcontractor, licensee, invitee, or assignee of Licensee, including, without limitation, the installation, operation, maintenance and use of the MMR Communication Equipment or the exercise of Licensee's rights hereunder; and (2) any accident, injury, death or damage to any party however caused in or about the MMR Licensed Premises, whether or not caused by the negligence of Licensee; and (3) any failure in connection with property damage and personal injury on Licensee's part to comply with any of the covenants, terms and conditions contained in this Agreement; and (4) any fault or negligence by Licensee or any agent, contractor, subcontractor, licensee, invitee, or assignee of Licensee or of any officer, agent, employee, guest or invitee of any such person; provided, however, nothing herein shall require Licensee to indemnify the Port Parties from any accident, injury, death or damage arising out of the gross negligence or willful misconduct of the Port Parties.

Both Parties agree that the foregoing indemnity specifically covers actions brought by their own employees, and thus each Party expressly waives its immunity under industrial insurance, Title 51, as necessary to effectuate this indemnity. Licensee's duty to defend the Port shall exist regardless of whether the Port or Licensee may ultimately be found to be liable for third party negligence. In the event that the Port's tender of defense is rejected by Licensee or Licensee's insurer, and Licensee is later found by a court of competent jurisdiction to have been required to indemnify the Port, then in addition to any other remedies the Port may have, Licensee shall pay the Port's actual, reasonable, and documented costs, expenses and attorney's fees in proving such liability, defending itself and enforcing this indemnity provision to the extent required by this

Article 6. The Parties recognize this waiver of immunity under Title 51 RCW was specifically entered into pursuant to the provisions of RCW 4.24.115, was the subject of mutual negotiation, and shall survive the expiration, revocation, or termination of this Agreement.

C. Concurrent Negligence.

Notwithstanding anything to the contrary in this Article 6, in the event of the concurrent negligence of Licensee, its agents, contractors, subcontractors, licensees, invitees, assignees, or employees, on the one hand and the negligence of the Port, its agents, employees or contractors on the other hand, which concurrent negligence results in injury or damage to persons or property of any nature and howsoever caused, and relates to the construction, alteration, repair, addition to, subtraction from, improvement to or maintenance of the MMR Licensed Premises such that RCW 4.24.115 is applicable, Licensee's obligation to indemnify the Port Parties as set forth in this Article 6 shall be limited to the extent of Licensee's negligence and that of Licensee's officers, assignees, agents, employees, contractors, subcontractors, invitees, or licensees, including Licensee's proportional share of costs, court costs, attorneys' fees, consultants' fees and expenses incurred in connection with any claim, action or proceeding brought with respect to such injury or damage.

D. Mutual Negotiation.

LICENSEE AND THE PORT AGREE AND ACKNOWLEDGE THAT THIS PROVISION IS THE PRODUCT OF MUTUAL NEGOTIATION.

E. Survival.

Licensee's obligations under this Article 6 shall survive the expiration or earlier termination of this Agreement (in whole or in part).

ARTICLE 7: INSURANCE

A. Required Policies.

Licensee shall obtain and keep in force, at its sole cost and expense, the following types of insurance, in the amounts specified.

1. General Liability Insurance. Licensee shall obtain and keep in force a commercial general liability policy of insurance, written on ISO Form CG 00 01 (or equivalent), that protects Licensee as named insured and the Port Parties, as additional insureds using ISO Form 20 10 and 20 37 or equivalent, against claims for bodily injury, personal injury and property damage based upon, involving or arising out of Licensee's insurable liabilities for its use, occupancy or maintenance of the MMR Licensed Premises and all areas appurtenant thereto, and specifically including Licensee's insurable liabilities for the action/inaction of any of its employees. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than five million dollars ($5,000,000) per occurrence. The policy shall contain a minimum $50,000 sub-limit that covers damage to the MMR Licensed Premises rented or leased to Licensee, including fire damage. The policy

shall be endorsed to make Licensee's insurance primary and non-contributory to any insurance the Port may carry as an additional insured with respect only to losses for which Licensee is responsible hereunder. Licensee shall submit to the Port upon Agreement inception, a copy of the ACORD Certificate of Insurance that evidences compliance with the coverage requirements of this Article 7. A copy of the primary and noncontributory endorsement and the additional insured endorsement shall be provided with the COI as required in Paragraph D Termination, Renewal and Evidence of Insurance.

2. Automobile Liability Insurance. Licensee shall obtain and keep in force a commercial automobile liability policy of insurance, written on ISO Form CA 00 01 (or equivalent), that protects Licensee as named insured and the Port Parties as additional insureds against Licensee's insurable liabilities for claims for bodily injury and property damage based upon, involving or arising out of motor vehicle operations on or about the MMR Licensed Premises and all areas appurtenant thereto. Such insurance shall cover any "Auto" (i.e. owned, hired and non-owned) and shall be on an occurrence basis providing single limit coverage in an amount not less than five million dollars ($5,000,000) per occurrence for vehicles to be driven on the non-movement area of the AOA; and one million dollars ($1,000,000) per occurrence for all vehicles driven off the AOA.

3. Property Insurance. Licensee shall obtain and keep in force property insurance using an ISO CP 10 20 Cause of Loss Broad Form (or an equivalent manuscript form) insuring Licensee's personal property and Alterations (specifically including "betterments" and "improvements") made by Licensee against physical damage, including loss of use of the MMR Licensed Premises. The amount of such insurance shall be procured on a replacement cost basis (or the commercially reasonable and available insurable value thereof if, by reason of the unique nature or age of the improvements involved, such latter amount is less than full replacement cost). Notwithstanding the foregoing, Licensee may elect to self-insure for such first-party property losses, so long as such self-insurance complies with all other applicable terms set forth in this Section 3 above.

Alternative to Property Insurance- Licensee may choose whether or not it wants to insure any personal property that will be stored on the licensed Premises throughout the term. The Port is not responsible for damage caused by any peril or disappearance caused by theft or disappearance of any personal property of the Licensee. Property insurance shall be provided for any improvements, alterations, or betterments made within the Premises during the term of the License.

4. Other Insurance. Licensee may utilize a combination of primary and umbrella liability policy to satisfy the insurance policy limit requirements herein. Blanket additional insured endorsements and a waiver of subrogation endorsement shall be required for the General Liability Insurance specified in Clause Section 7.A.1 and Auto Liability Insurance specified in Clause Section 7.1.B.

B. Insurance Companies.

Insurance required hereunder (other than a program of self-insurance) shall be with companies duly licensed or authorized to transact business in the State of Washington, and maintain during the policy term a General Policyholders Rating of ‘A-’ or better and a financial rating of ‘VII’ or better, as set forth in the most current issue of “Best’s Insurance Guide.”

C. Policies Primary; Deductibles.

All liability insurance required to be carried by Licensee shall be primary to and not contributory with any similar insurance carried by the Port as an additional insured, whose insurance as an additional insured shall be considered excess insurance only, with respect only to losses for which Licensee is responsible hereunder. Any deductible or self-insured retention on the required policies shall be the sole responsibility of the Licensee.

D. Termination, Renewal and Evidence of Insurance

Insurance is to remain current throughout the Term of the Agreement. The Port shall receive documentation annually to include a certificate of insurance to evidence the insurance required herein has been purchased and is compliant with the Agreement requirements within ten (10) days of each insurance renewal. Should any insurance required herein be terminated, cancelled and not replaced, or not renewed, Licensee will have thirty (30) days to obtain replacement insurance from the date of the termination, cancellation or non-renewal notice Licensee receives from its insurer(s). Licensee’s failure to replace the insurance within thirty (30) days will be considered a default under this Agreement, in accordance with Article 14 hereof.

E. No Limitation of Liability.

The limits of insurance required by this Agreement or as carried by Licensee shall not limit nor otherwise alter the liability of Licensee nor relieve Licensee of any obligation hereunder.

F. Waiver of Subrogation.

Without affecting any other rights or remedies, Licensee and the Port (for itself and on behalf of anyone claiming through or under it by way of subrogation or otherwise) hereby waives any rights it may have against the other Party, its officers and employees (whether in contract or in tort) on account of any loss or damage the insured party’s personal property under this Agreement. The effect of such release and waiver of the right to recover damages shall not be limited by any deductibles applicable thereto.

G. Increase in Port’s Cost of Insurance.

Licensee shall not use the MMR Licensed Premises in such a manner as to unreasonably increase the existing rates of insurance applicable to the buildings or structures of which the MMR Licensed Premises are a part. If it nevertheless does so, then, at the option of the Port, the full amount of any resulting increase in premiums paid by the Port with respect to the buildings or structures of which the MMR Licensed Premises are a part, and to the extent allocable to the Term of this Agreement, shall be paid by Licensee to the Port within fourteen (14) days of receipt of an invoice from the Port therefor.

ARTICLE 8: OBLIGATIONS

A. Licensee Obligations.

1. During the term of this Agreement, Licensee shall, at its sole cost and expense, monitor and maintain the MMR Communication Equipment in a functional and safe condition. All installation and maintenance of the MMR Communication Equipment shall be the responsibility of Licensee and shall be performed under its direction and, where required, by contractors whose access to the Airport is approved by the Port, such approval not to be unreasonably withheld. Licensee shall perform such maintenance as is reasonably necessary and customary for normal use of the MMR Communication Equipment. The installation and maintenance of the MMR Communication Equipment shall be performed in a manner that minimizes any interruption or disruption to utilities, other communication systems, and other users of the Airport.

2. If, in the course of Licensee's monitoring and maintenance of the MMR Communication Equipment, Licensee identifies any degradation, failures or defect in the MMR Licensed Premises or the Port's Fiber Cable Infrastructure, Licensee shall promptly report same to the Port.

3. Licensee shall be responsible for all damage, loss, and expense which may result by reason of defective material and/or workmanship in connection with work performed by Licensee under this Agreement. Licensee shall promptly repair such defect and pay, or cause to be paid, all expenses associated with said repair; and Licensee shall save and hold the Port harmless from all damages, loss, and expense occasioned by or resulting from such defect, except to the extent such damage, loss, or expense is caused by the gross negligence or willful misconduct of the Port.

4. Licensee shall keep the MMR Licensed Premises clean and free of debris at all times during the term of this Agreement. Licensee shall not store any products, equipment, tools, materials, or spare parts in the MMR Licensed Premises at any time.

B. Port Obligations.

Subject to the Limitation of Liability in Article 6.A, ongoing maintenance and repair of the Port's Fiber Cable Infrastructure shall be the responsibility of the Port and at the Port's sole expense, except that damage or degradation of the Port's Fiber Cable Infrastructure that is attributable to the use or negligence of Licensee shall be at the expense of Licensee. The Port shall maintain the Port's Fiber Cable Infrastructure in reasonable working condition.

ARTICLE 9: USE RESTRICTIONS; ALTERATIONS

A. MMR Licensed Premises: Licensee's use of the MMR Licensed Premises shall be solely for the purpose of installing, operating, repairing, replacing, inspecting, monitoring, maintaining, upgrading, and removing the MMR Communication Equipment used to provide Communication Services to its Customers at the Airport. The MMR Licensed Premises shall be used for MMR Communication Equipment only. No office or storage use is permitted and no Licensee personnel shall maintain a desk, workstation, lockers, or storage units in the MMR Licensed Premises. Licensee shall not use or occupy or permit the MMR Licensed Premises or any part thereof to be used or occupied, in whole or in part, in a manner which would in any way: (i) violate any present or future Legal Requirements, (ii) violate any of the covenants, agreements, provisions and conditions of this Agreement, (iii) violate the certificate of occupancy then in force with respect thereto, (iv) constitute a public or private nuisance, (v) impair or interfere with, in the Port's reasonable judgment, the character, reputation or appearance of the Airport, or (vi) occasion disturbance, discomfort, inconvenience or annoyance to either the Port or its tenants. Except as expressly provided herein or as otherwise required by law, Licensee shall not sell, convey, lease, sublease or otherwise permit any other person, firm or entity to utilize the MMR Licensed Premises without the express written permission of the Port. Licensee will provide an as-built plan of the MMR Communication Equipment and deployment to the Port within ninety (90) days of the completion of installation work.

B. Changes or Alterations: Except as permitted by this Agreement, Licensee shall not make any Alterations to the MMR Licensed Premises without the prior written approval of the Port and as provided in the Port Standards, as they may be amended from time to time in the Port's sole discretion. Licensee shall first deliver to the Port plans and specifications ("Plans and Specifications") for such Alterations for the Port's approval. All such Alterations shall be completed at Licensee's sole cost and expense and at such times and subject to such reasonable conditions as the Port may from time to time designate. Licensee shall obtain all necessary permits, including any discretionary permits, for any Alteration. In the event the Port is required or has obtained any of the necessary permits, Licensee will reimburse the Port for any permit fees and associated actual costs in obtaining said permits. Any Alterations permitted by the Port shall be constructed and performed: (i) in a good and workmanlike manner; (ii) in compliance with all Legal Requirements and Port Standards; and (iii) in a manner which will not unreasonably interfere with or disturb other tenants of the Port. In addition, prior to commencement of any Alterations, Licensee shall furnish to the Port proof of insurance for any and all contractors working on behalf of Licensee in the minimum form and limits as set forth in Article 7, and each such contractor shall include the Port as an additional insured by endorsement to their commercial general liability policy, in the manner set forth in Article 7.A. Notwithstanding the foregoing, the Port's authority shall not be required for the removal and replacement of MMR Communication Equipment within the MMR Licensed Premises. Any Alteration by Licensee to the MMR Licensed Premises may be inspected by the Port at all reasonable times; and shall (excluding MMR Communication Equipment and Licensee's personal property within the MMR Licensed Premises) become, immediately upon completion, the property of the Port and shall remain upon and be surrendered with the MMR Licensed Premises at the expiration or termination of this Agreement, as herein provided.

C. As-Built Drawings. Within ninety (90) days of the completion of any Alteration, Licensee shall provide the Port with: (a) a certification that the Alteration has been constructed in accordance with the approved Plans and Specifications and in strict compliance with all Legal Requirements and the Port Standards; (b) certified proof in writing demonstrating that no liens exist on the Alteration; and (c) a reproducible final copy of the plans as-built for the Alteration along with computer discs as electronic files in a format compatible with the Port's CAD Standards Manual, to enable the Port to upgrade its existing files to reflect the as-constructed changes made by Licensee.Damage from Misuse. Licensee shall not use the Port's Fiber Cable Infrastructure except as intended under this Agreement. If the Port's Fiber Cable Infrastructure damage is attributable to misuse or abuse by Licensee, Licensee shall pay the Port the actual cost for the repair or replacement of same within thirty (30) days of invoice thereof.

E. Use in Accordance with Law. Throughout the term of this Agreement, Licensee shall comply with, and shall be responsible for ensuring that its officers, employees, representatives, agents, servants, consultants, sub-consultants, contractors, subcontractors and suppliers comply with (1) all applicable Legal Requirements; (2) the requirements of any fire insurance rating organization and all insurance companies written policies covering the MMR Licensed Premises or any part or parts thereof; (3) all applicable rules and regulations pertaining to the Airport now in existence or hereafter promulgated for the general safety and convenience of the Port, its various tenants, invitees, licensees and the general public including, without limitation, the Airport Rules and Regulations as in effect, and as from time to time updated, supplemented or amended (which are available for review on the Port's website (www.portseattle.org); and (4) all permits, licenses, franchises and other authorizations required for Licensee's use of the MMR Licensed Premises or any part thereof. Any fees for any inspection of the MMR Licensed Premises during the Term by any federal, state, county or municipal officer and the fees for any so-called "certificate of occupancy" shall be paid by Licensee.

F. Access to MMR Building and MMR Licensed Premises. Subject to compliance with this Agreement (including without limitation the Airport Rules and Regulations regarding security and access, and Article 28 hereof, TSA Airport Security) and all Legal Requirements, for purposes of accessing the MMR Building and MMR Licensed Premises, Licensee and its officers, employees, representatives, agents, servants, consultants, sub-consultants, contractors, subcontractors and suppliers shall have at all reasonable times (1) the non-exclusive right of ingress and egress to and from the MMR Building over and across all public rights-of-ways, as well as all Port-owned open or restricted roadways serving the Airport, and (2) the non-exclusive right of access to the MMR Licensed Premises including Licensee's licensed portion of the Port's Fiber Cable Infrastructure for purposes of installing, operating, repairing, replacing, inspecting, monitoring, maintaining, upgrading, and removing, the MMR Communication Equipment. The Port hereby retains the right of access, ingress and egress over, through and across the MMR Licensed Premises including Licensee's licensed portion of the Port's Fiber Cable Infrastructure at any time, for any reasonable purpose; provided that the Port shall not interfere unduly with Licensee's operations. This right shall impose no obligation on the Port to make inspections to ascertain the condition of the MMR Licensed Premises, and shall impose no liability upon the Port for failure to make inspections. The Port hereby reserves such continuous access and utilities easements within or upon the MMR Building and/or MMR Licensed Premises as may in the opinion of the Port from time to time be desirable for the purpose of enabling it to exercise any right or reservation or to perform any obligation contained in this Agreement or in connection with the Port's ownership or operation of other properties. In no event, however, shall the Port be responsible for any reduced efficiency or loss of business occasioned thereby, except to the extent caused by the gross negligence or willful misconduct of the Port.

G. Interference Protection. Licensee shall not in connection with Licensee's use of the MMR Licensed Premises and Licensee's activities, operations, services, and uses under this Agreement, at any time interfere with, or cause any interference with: Airport operations, security, communications, aviation or flight safety, with public safety or emergency communication, including other Airport facilities or Airport tenants, licensees and users, or any other Communication Services, utility, carrier or provider at the Airport. In the event of such interference, Licensee shall, at its sole cost and expense, use its best efforts to immediately and continuously avoid and eliminate such interference. If such interference is unavoidable, Licensee shall, immediately and continuously and at its sole cost and expense, mitigate the adverse effects of such interference to the greatest extent possible, and, if requested by the Port, shall, at Licensee's sole cost and expense, immediately shut down Licensee's system or portion of Licensee's system causing the interference (except for intermittent testing, with the Port's permission, as to the cause of and remedy for such interference) until such interference is remedied. The Port shall require future licensees providing Communication Services in the Airport to protect Licensee's facilities from interference to the same extent required by Licensee in this Article 9.G; provided, however, the Port shall not be liable to Licensee at law or in equity or otherwise for any matters or claims arising out of or related to any such third party interference, and this provision shall survive the expiration, nonrenewal or termination of this Agreement (in whole or in part).

H. Control of Common Areas by the Port. The Port shall at all times have the exclusive control and management of all areas, improvements, facilities and/or special services, if any, provided by the Port for the general non-exclusive use, in common, of tenants of any larger property of which the MMR Licensed Premises are a part, including parking areas, access roads, driveways, sidewalks, entrances, exits, loading docks, signs, landscaped areas, washrooms, stairways and hallways ("common areas and facilities"). Without creating a duty to do so or limiting the Port's right of control and management, the Port specifically reserves the right to: (i) establish, modify from time to time, and enforce reasonable rules and regulations governing the use of the common areas and facilities; (ii) police the common areas and facilities; (iii) change the area, level, location and arrangement of parking and other areas or facilities within common areas and facilities; (iv) provided Licensee is not deprived of reasonable access to its MMR Licensed Premises, close all or any portion of the common areas and facilities; and (v) do and perform such other acts in and to the common areas and facilities as, in the use of good business judgment, the Port shall determine to be advisable with a view to the improvement of the convenience and use thereof by the Port and tenants of any larger property of which the MMR Licensed Premises are a part.

I. Parking. Licensee shall have a non-exclusive license to use in common with others the parking spaces adjacent to the MMR.

J. Signage. Licensee shall not, erect, maintain, or display any exterior signs (including without limitation advertising any signs, billboards, or symbols, posters, or any similar devices) on the Airport, any building or structure at the Airport, or the MMR Licensed Premises. Within the MMR Licensed Premises, Licensee may mark the MMR Communication Equipment with identification information, including company logos; provided, however, that all such identification signs shall be consistent with any sign program rules and regulations now or hereafter established or to be established by the Port.

K. Relocation. The Port in its sole discretion may, if it becomes necessary for the orderly development or operation of the Airport, require the relocation of the Licensee's MMR Communication Equipment within the MMR Licensed Premises to other space selected by the

Port within the Airport, which is reasonably suitable for the purposes for which this License is entered, as such purposes are set forth herein. Should such relocation be necessary, Licensee agrees to move, including without limitation its MMR Communication Equipment and any other personal property and equipment, to the new location identified by the Port upon no fewer than ninety (90) calendar days' prior written notice or such longer period of time as is agreed upon by the Parties. The Port shall reimburse Licensee for the actual reasonable cost of such relocation of Licensee's MMR Communication Equipment. Prior to incurring any relocation expenses, Licensee shall propose a scope of work and schedule of values for the Port's approval, and the Port shall establish a not-to-exceed amount.

L. Fiber License.Subject to Licensee's compliance with this License, the Port grants to Licensee the right to communicate over the Port's Fiber Cable Infrastructure originating in the MMR in connection with, and for the sole purpose of, providing Communication Services to Tenants at the Airport (the "Fiber License"). The Fiber License conveys no rights to Licensee except the right to use the Port's Fiber Cable Infrastructure and is revocable during the Term only for material default by Licensee under this License.

M. Licensee Responsible for Safety and Property. Licensee's activities within, on or about either the MMR Licensed Premises, the MMR or surrounding Port premises, shall be at Licensee's sole risk. The Port shall not be responsible for the safety of Licensee, its employees, agents, or contractors, or for the condition or loss of any items of their personal property on or about the MMR Licensed Premises, the MMR Building, the property surrounding the MMR Building or the Airport generally except to the extent caused by the gross negligence or willful misconduct of the Port.

N. Compliance with Laws, Rules, and Regulations. In connection with Licensee's use of the Leased Premises, the MMR, and the Port's Fiber Cable Infrastructure, Licensee shall comply fully with all applicable governmental laws, rules, regulations, and codes, specifically including those related to the protection of the environment and promulgated by the Port for the general safety and convenience of its Customers and the public. Licensee shall likewise obtain any and all permits, licenses, and approvals that may be required in order to make lawful Licensee's activities in connection with the use of the Leased Premises and the Port's Fiber Cable Infrastructure.

O. Intentionally deleted.

P. Loss of Service. In the event of a loss of service due to damage to the Port's Fiber Cable Infrastructure (or any terminations and/or connections), the Port shall diligently work in good faith with Licensee to restore service to the Port's Fiber Cable Infrastructure as quickly as commercially practicable. Licensee shall provide commercially reasonable cooperation to the Port and its contractors in such efforts. The Port shall have no obligation to provide an alternative pathway (other than the pathway specifically licensed by Licensee under the terms of this Fiber License) in an effort to restore connectivity more quickly. Maintenance and/or repair of the Port's Fiber Cable Infrastructure shall be the responsibility of the Port provided that Licensee shall be responsible for any and all damage thereto to the extent caused by Licensee, its agents, employees or contractors.

ARTICLE 10: FAA NONDISCRIMINATION REQUIREMENTS.

9. Title IX of the Education Amendments of 1972, as amended, which prohibits Contractor from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

ARTICLE 11: UTILITIES

A. HVAC. The Port will furnish to the MMR normal and reasonable quantities of conditioned air from the Port's heating, ventilating and air conditioning ("HVAC") system. Licensee shall pay the Port monthly for Licensee's proportionate share of HVAC usage as reasonably estimated by the Port. The Port shall not be liable to Licensee at law or in equity or otherwise for any damages or claims arising out of or related to the HVAC or the temperature of or related conditions within the MMR Building and the MMR Licensed Premises within the MMR Building, except to the extent caused by the Port's gross negligence or willful misconduct, and this provision shall survive the expiration, nonrenewal, or termination of this Agreement (in whole or in part).

B. Electricity. The Port will provide normal and reasonable quantities of electrical power to the MMR Building and the MMR Licensed Premises within the MMR Building considering the nature of the permitted use. The Port may, in its sole discretion, either: (i) require Licensee, at Licensee's sole cost and expense, to furnish, install and maintain an electric meter for the MMR Licensed Premises within the MMR Building at a location and of a type specified by the Port and to pay all costs for electricity used in association with said MMR Licensed Premises or (ii) where separate metering is not required, require Licensee to pay all costs for electricity used in association with said MMR Licensed Premises where such costs are calculated by the Port. In the event that the MMR Licensed Premises are part of a building or part of any larger premises to which any utility services are furnished on a consolidated or joint basis, Licensee agrees to pay to the Port the cost of any such services attributable to Licensee's occupancy. Licensee's share of any such services may be computed by the Port on any reasonable basis, and separate metering or other exact segregation of cost shall not be required. The Port shall provide documentation supporting the Port's computation of Licensee's share of such services upon request. The Port shall not be liable to Licensee at law or in equity or otherwise for any damages or claims arising out of or related to electricity for the MMR Licensed Premises, except to the extent caused by the Port's gross negligence or willful misconduct, and this provision shall survive the expiration, nonrenewal, or termination of this Agreement (in whole or in part).

C. Back-up Power

1. Port's Back-up Generator. Neither the MMR Licensed Premises within the MMR Building nor the Access Facilities have a direct connection to a generator system (emergency or standby). The Port may indirectly (but shall not be obligated to) provide a standby source of power connection for the MMR Licensed Premises within the MMR Building via the Port's Alternate Utility Facility ("AUF"). This standby source should not be relied on for local and segregated outage to the normal power for the MMR Licensed Premises within the MMR Building. A generator connection cabinet is provided at the MMR to mobilize a portable generator to

restore power to the building. The Port does not warrant the quality of the power supplied and Licensee will be responsible for any additional power conditioning equipment it requires for its efficient and continuous operations.

2. Licensee's Back-up Batteries. Licensee is responsible for installation and maintenance of an Uninterrupted Power Supply ("UPS") system for use by Licensee to minimize gaps and spikes in power supply in the event of the activation of the AUF or any other event that may interrupt the steady flow of power. Licensee at its sole cost and expense shall maintain and service the back-up batteries and conduct annual battery maintenance.

D. Utility Interruptions. The Port shall have the right to shut down electrical or other utility services to the MMR Licensed Premises or any portion thereof when necessitated by safety, repairs, alterations, connections, upgrades, relocations, reconnections, or for any other reason, with respect to any such utility system (singularly or collectively, "Utility Work"), regardless of whether the need for such Utility Work arises in respect to the MMR Licensed Premises, any other part of the building or Airport. The Port shall provide Licensee twenty-four (24) hours advance notice (except in the event of an emergency) of an electrical shut down. The Port shall not be liable to Licensee for any losses, including loss of income or business interruption, resulting from any interruptions or failure in the supply of any utility to the MMR Licensed Premises. Licensee's sole remedy in the event of utility interruption lasting twenty-four (24) hours or longer and caused by the Port's negligence or willful misconduct shall be abatement of rent during the period of interruption in the same proportion as the affected portion of the MMR Licensed Premises bears to the whole.

E. Trash, Recycling and Other Common Services. The Port may establish common use services at the Airport, including but not limited to trash and refuse removal, deliveries, and recycling. The Port reserves the right to establish charges for common use services based upon documented actual costs and to require the use of such common use services. Licensee is responsible for removal of trash from the MMR Building and MMR Licensed Premises.

F. Energy Conservation. The Port shall have the right to institute such reasonable policies, programs and measures as may be necessary or desirable, in the Port's discretion, for the conservation and/or preservation of energy or energy related services, or as may be required to comply with any applicable codes, rules and regulations, whether mandatory or voluntary.

ARTICLE 12: NO LIENS

Licensee will not directly or indirectly create or permit to be created and/or to remain, a Lien upon the MMR Building, the MMR Licensed Premises or any surrounding Port property, including any Alterations, fixtures, improvements or appurtenances thereto, except those Liens expressly permitted in writing by the Port. In the event any such Lien(s) have been created by or permitted by Licensee in violation of this provision, Licensee shall immediately discharge as of record, by bond or as otherwise allowed by law, any such Lien(s). Licensee shall also defend (with counsel approved by the Port), fully indemnify, and hold entirely free and harmless the Port from any action, suit or proceeding brought on or for the enforcement of such Lien(s). As used in this Article 12, "Lien" shall mean and refer to any mortgage, lien, security interest, encumbrance, charge on, pledge of, conditional sale or other encumbrance on the MMR Building, the MMR Licensed Premises or any surrounding Port property, any Alteration, fixture, improvement or appurtenance thereto, or any larger building and/or property of which the MMR Licensed Premises may be a part.

ARTICLE 13: TAXES AND LICENSES

A. Payment of Taxes.

Licensee shall be liable for, and shall pay throughout the Term of this Agreement, all license fees and all taxes payable for, or on account of, the activities conducted on the MMR Licensed Premises and all taxes on the property of Licensee on the MMR Licensed Premises and any taxes on the MMR Licensed Premises and/or on the interest created by this Agreement and/or any taxes levied in lieu of a tax on said interest and/or any taxes levied on, or measured by, the fees payable hereunder, whether imposed on Licensee or on the Port. With respect to any such taxes payable by the Port which are on or measured by the payments hereunder, Licensee shall pay to the Port with each payment an amount equal to the tax on, or measured by, that particular payment. All other tax amounts for which the Port is or will be entitled to reimbursement from Licensee shall be payable by Licensee to the Port at least fifteen (15) days prior to the due dates of the respective tax amounts involved; provided, that Licensee shall be entitled to a minimum of ten (10) days' written notice of the amounts payable by it.

B. Personal Property Taxes.

Licensee shall pay or cause to be paid, prior to delinquency, any and all taxes and assessments levied upon all trade fixtures, inventories and other real or personal property placed or installed in and upon the MMR Licensed Premises by Licensee. If any such taxes on Licensee's personal property or trade fixtures are levied against the Port or the Port's property, and if the Port pays the taxes based upon such increased assessment, Licensee shall, upon demand, repay to the Port the taxes so levied.

ARTICLE 14: DEFAULT

A. The occurrence of any one or more of the following events shall constitute a material default of this Agreement by Licensee with or without notice from the Port:

1. The vacating or abandonment of the MMR Licensed Premises by Licensee.

2. The failure by Licensee to make any payment of fees or any other payment required by this Agreement, as and when due.

3. The failure by Licensee to observe or perform any covenant, condition or agreement to be observed or performed by Licensee in this Agreement.

4. The discovery by the Port that any report, financial statement or background statement provided to the Port by Licensee, any successor, grantee or assign was materially false.

5. The filing by Licensee of a petition in bankruptcy, Licensee being adjudged bankrupt or insolvent by any court, a receiver of the property of Licensee being appointed in any proceeding brought by or against Licensee, Licensee making an assignment for the benefit of creditors, or any proceedings being commenced to foreclose any mortgage or any other lien on Licensee's interest in the MMR Licensed Premises or on any personal property kept or maintained on the MMR Licensed Premises by Licensee.

6. A default under any other lease and/or agreement under which Licensee uses or occupies any other premises at the Airport.

ARTICLE 15: REMEDIES

A. Whenever any default (other than a default under Article 7 above, upon which termination of this Agreement shall, at the Port's option, be effective immediately without further notice) continues unremedied in whole or in part for thirty (30) days after written notice from the Port is received by Licensee (or for ten (10) days after Licensee's receipt of written notice in the case of default for failure to pay any license fees, or other required payment when due), this Agreement and all of Licensee's rights under it will automatically terminate if the written notice of default so provides. Upon termination, the Port may reenter the MMR Licensed Premises using such force as may be necessary and remove all persons and property from the MMR Licensed Premises. The Port will be entitled to recover from Licensee all unpaid license fees or other payments and actual damages incurred because of Licensee's default including, but not limited to necessary renovations or repairs, and attorney's fees and costs ("Termination Damages"), together with interest on all Termination Damages at an annual rate equal to eighteen percent (18%), or the maximum rate provided by law, whichever is less (the "Default Rate"), from the date such Termination Damages are incurred by the Port until paid, provided, however, the minimum charge of interest shall be five dollars ($5.00).

B. <u>Orderly Transition Provisions Applicable to Termination, Nonrenewal or Expiration of Agreement</u>. Upon termination, nonrenewal, or expiration of this Agreement according to its terms, the Port and Licensee shall cooperate in an effort to ensure a smooth transition of Communication Services for the Port, and all other aeronautical and non-aeronautical commercial tenants and governmental agencies in the Airport, to which Licensee is then providing Communication Services at the Airport. Without limitation, Licensee and the Port may agree, or the Port may require by written notice to Licensee on or before the effective date of the expiration, termination or nonrenewal as applicable, that the effective date of the expiration, termination, or nonrenewal of the Agreement shall be stayed for a transition period, not to exceed one (1) year, to allow time for the parties to enter into a new contract replacing this Agreement or for the Port, Eligible Users, tenants and governmental agencies to transition and convert to subsequent or new contractor(s) of Communication Services at the Airport (the "Orderly Transition Period"). All applicable contract terms and conditions under this Agreement will apply during the Orderly Transition Period.

C. <u>Partial Termination</u>**.** In the event that Licensee's arrearage in the payment to Port under this Agreement or Licensee's default in the performance of any of the covenants and conditions under this Agreement affects some but not all of the MMR Licensed Premises, then the

Port may in its sole and absolute discretion specify that the Notice of Termination shall terminate the Agreement as to only the portion of the MMR Licensed Premises specified in the notice (a "Partial Termination"), and the Notice of Termination shall forthwith terminate the Agreement as to the portion of the MMR Licensed Premises specified in the notice. In the event of Partial Termination, as to the portion of the MMR Licensed Premises specified in the notice, the Port shall have all rights and remedies, and Licensee shall have all obligations, as if the Agreement had been terminated in full. If the Port does not specify that the Notice of Termination shall operate as a Partial Termination, then the Notice of Termination shall terminate the entire Agreement as to all MMR Licensed Premises.

D. Remedies Cumulative. All rights, options and remedies of the Port contained in this Agreement shall be construed and held to be distinct, separate and cumulative, and no one of them shall be exclusive of the other, and the Port shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law or in equity, whether or not stated in this Agreement.E. It is agreed that failure to declare this Agreement terminated by a Party hereto for any reasons set forth above shall not operate to bar or destroy the right of the non-defaulting Party to declare this Agreement terminated by reason of any subsequent violation of the terms of this Agreement.

ARTICLE 16: TERMINATION OTHER THAN FOR DEFAULT

A. Major Capital Improvement Relocation. In the event that the Port, at its sole discretion, shall require the use of all or a portion of the MMR Building and/or the MMR Licensed Premises for a major capital improvement for public or private use in connection with the operation of the business of the Port, then the Port may require the relocation of the MMR Communication Equipment within the MMR Licensed Premises to other space selected by the Port, which is reasonably suitable for the purposes for which this Agreement is entered, as such purposes are set forth herein. Should such relocation be necessary, Licensee agrees to move, including without limitation its MMR Communication Equipment and any other personal property and equipment, to the new location identified by the Port upon no fewer than ninety (90) calendar days' prior written notice or such longer period of time as is agreed upon by the Parties. The Port shall reimburse Licensee for the actual reasonable cost of such relocation of Licensee's MMR Communication Equipment.

B. Condemnation.

1. Total Taking. In the case of a taking by eminent domain of either all of the MMR Licensed Premises or such portion of either the MMR Licensed Premises or any buildings or structures of which the MMR Licensed Premises are a part as shall, in the Port's sole judgment, be required for reasonable use of the MMR Licensed Premises, this Agreement shall terminate as of the date of such taking. If Licensee is not in default under any of the provisions of this Agreement on said date, any license fee prepaid by Licensee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Licensee.

2. Partial Taking. In the case of a taking of a portion of the MMR Licensed Premises or any buildings or structures of which the MMR Licensed Premises are a part as shall not, in the Port's sole judgment, be required for reasonable use of the MMR Licensed Premises, this Agreement shall continue in full force and effect, and the license fee shall, as of the date of such taking, be equitably reduced based on the proportion by which the MMR Licensed Premises (but not the buildings or structures of which the MMR Licensed Premises are a part) is reduced.

3. Damages. The Port reserves all right to the entire damage award or payment for taking by eminent domain, and Licensee waives all claim whatsoever against the Port and/or the authority exercising eminent domain for damages for termination of its leasehold or for interference with its business. The Port and Licensee further agree that all decisions regarding how the eminent domain proceeding should be handled shall be made in the sole discretion of the Port (specifically including any response to a motion for order adjudicating public use and necessity or any request for immediate possession), and Licensee shall take no actions or steps which interfere with the Port's ability to control the handling of the eminent domain proceeding. Notwithstanding the foregoing, nothing in this Article 16 shall be considered to be a waiver or assignment by Licensee of any right to relocation assistance payments or relocation advisory services which may be available in connection with the eminent domain proceeding.

4. Eminent Domain. The term "eminent domain" as used in this Article 16 shall including taking or damaging of property by, through or under any governmental or quasi-governmental authority and the purchase or acquisition in lieu thereof.

C. Court Decree. In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by the Port of any of its obligations under this Agreement, then either Party hereto may terminate this Agreement by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the effective date of termination) shall thereupon terminate. If Licensee is not in default under any of the provisions of this Agreement on the effective date of such termination, any license fee prepaid by Licensee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Licensee. Licensee is not entitled to any compensation at termination for the bargain value of the MMR Licensed Premises or its associated rights under this Agreement.

ARTICLE 17: ASSIGNMENT

Absent the express written agreement of the Port, in the Port's sole and absolute discretion, Licensee shall not assign, transfer, convey, mortgage, pledge, hypothecate or encumber this Agreement or any interest therein, nor sublicense the whole or any portion of the MMR Licensed Premises, nor grant any license, concession, or other right to use or enter into agreements with other communications services providers that allow the co-location of any equipment owned by such other providers or vendors to be installed in any portion of the MMR Licensed Premises, nor shall this Agreement or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court, or otherwise. Licensee's entering into any operating agreement, license, sublicense or other agreement granting a third-party rights or privileges to utilize portions of the MMR Licensed Premises shall be an attempted assignment or sublicense within the meaning of this Article 17.

The prohibition against assigning or sublicensing contained in this Article 17 shall be construed to include a prohibition against any assignment or sublicensing by operation of law. Furthermore, for purposes of this Article 17, any sale, transfer or other disposition in the aggregate of fifty percent (50%) or more of the equity ownership in Licensee (i.e. stock with respect to corporation, partnership interests with respect to a partnership, etc.) shall be deemed an assignment. Absence the express written agreement of the Port, no assignment or sublicense shall affect the continuing primary liability of Licensee (which, following assignment, shall be joint and several with the assignee), and Licensee shall not be released from performing any of the terms, covenants and conditions of this Agreement.

Notwithstanding anything to the contrary set forth herein, Licensee shall have the right, with prior written notice to the Port, to assign this Agreement to any parent, affiliate or subsidiary corporation or to any corporation or other entity which purchases or acquires all or substantially all of the assets, stock or membership interests of Licensee whether by acquisition, merger, consolidation or otherwise or to any corporation or entity resulting from a merger or consolidation, or the formation of a joint venture or partnership, which affects all or a substantial portion of Licensee's operations provided that (i) such assignee has a positive net worth at least equal to the greater of that of Licensee on the date of this Agreement and the date of such assignment or subletting, and (ii) such assignee has the industry experience to perform Licensee's obligations under this Agreement.

ARTICLE 18: RIGHTS UPON EXPIRATION OR TERMINATION OF THE AGREEMENT

A. Upon the expiration or termination of this Agreement, except as set forth in the orderly transition provision in Article 15.B, Licensee's right to use the MMR Licensed Premises and any related access shall terminate. Upon expiration or termination of this Agreement, Licensee shall have no continuing rights hereunder, and any uncured defaults or any other obligations to the Port shall survive the expiration, nonrenewal, or termination of this Agreement (in whole or in part). Licensee agrees to return the MMR Licensed Premises to the Port in the same condition as received, except for normal wear and tear. Subject to the Port option to retain the Wiring pursuant to Article 18.C. below, the MMR Communication Equipment, and any personal property, including, without limitation, wiring, cables, conduit, risers equipment, boxes, terminals, and similar installations, and all equipment furnished or supplied by Licensee to inter-connect to the Port's Fiber Cable Infrastructure, shall remain the property of Licensee, and shall be removed by Licensee from the MMR Licensed Premises, at Licensee's sole cost and expense, within sixty (60) days of the expiration or termination of this Agreement. Prior to the expiration of such sixty (60) day period, Licensee may request the Port's approval to abandon or convey to the Port any property upon written agreement of the Parties; which request the Port may accept or reject in its sole discretion, in whole or in part, and the Port may condition any acceptance on such terms and conditions as the Port deems appropriate. Any and all equipment furnished or supplied by the Port under this Agreement shall remain the property of the Port.

B. If Licensee fails to so remove its MMR Communication Equipment and personal property within the sixty (60) day period set forth herein and the Port has not agreed to take ownership of such equipment, the Port shall be entitled to remove at Licensee's sole cost and expense all of the Licensee's MMR Communication Equipment and personal property from the MMR Licensed Premises, and the Port shall store such equipment and property at Licensee's sole cost and expense, including all actual removal, administrative and storage costs. After sixty (60) days from the date of removal, the Port may at Licensee's sole, actual cost dispose of such property and apply any proceeds to any amounts due to the Port by Licensee. Licensee's obligation to pay and reimburse the Port for all such actual, reasonable, and documented costs and expenses shall survive expiration, nonrenewal, or termination of this Agreement (in whole or in part).

C. Removal of Wires. Notwithstanding Licensee's obligation to remove the MMR Communication Equipment pursuant to Article 18.A. above, within ten (10) days following the expiration or earlier termination of this Agreement, the Port may elect by written notice to Licensee to either:

1. Retain, without necessity of payment, any or all wiring, cables, conduit, risers and similar installations installed by Licensee (for purposes of this Article 18, "Wiring") in the MMR Licensed Premises or any larger property (including buildings or structures) of which the MMR Licensed Premises are a part. In the event that the Port elects to retain the Wiring, Licensee covenants that: (i) it is the sole owner of the assets transferred or passing to the Port, (ii) it shall have the right to surrender the assets transferred or passing to the Port, (iii) the Wiring transferred or passing to the Port is free from all liens and encumbrances, (iv) the Wiring transferred or passing to the Port is in good condition, working order, in safe condition and comply with the requirements of this Agreement, and (v) that all wiring or cables included within the Wiring transferred or passing to the Port is properly labeled at each end, in each telecommunications/electrical closet and junction box, and otherwise as may be required by Port regulations, or

2. Remove, or require Licensee to remove, all such Wiring to the Services Demarcation Point and restore the MMR Licensed Premises and any larger property of which the MMR Licensed Premises are a part to their condition existing prior to the installation of the Wiring, all at Licensee's sole cost and expense.

D. This Article 18 shall survive the expiration, nonrenewal, or termination of this Agreement (in whole or in part).

ARTICLE 19: INSPECTION OF MMR LICENSED PREMISES

The Port and its authorized officers, employees, agents, contractors, subcontractors, and other representatives shall have the right to enter the MMR Licensed Premises at any and all reasonable times throughout the Term of this Agreement for any reasonable purpose including the following; provided, that this right shall impose no obligation on the Port to make inspections to ascertain the condition of the MMR Licensed Premises, and shall impose no liability upon the Port for failure to make inspections:

A. To inspect such MMR Licensed Premises at reasonable intervals during regular business hours (or at any time in case of emergency) to determine whether Licensee has complied and is complying with the terms and conditions of this Agreement.To perform maintenance or make repairs and replacements in any case where Licensee is obligated but has failed to do so after the Port has given reasonable written notice. If the work prescribed in the notice is not completed by Licensee in a manner reasonably satisfactory to the Port, and Licensee fails to correct such work within the time specified by the Port in the mailed notice, the Port may, at the Port's sole option, and at Licensee's sole cost and expense, enter upon the MMR Licensed Premises and perform whatever work may, in the reasonable opinion of the Port, be required to correct the maintenance deficiencies. If the Port exercises this option, Licensee shall pay to the Port a sum equal to the actual, direct cost of labor and materials expended for said work, plus a surcharge equal to twenty percent (20%) of said direct cost, which is a reasonable estimate of the administrative burden associated with such work.To do any and all things which the Port deems necessary for the proper general conduct, security, and operation of the Airport provided that the Port agrees not to treat Licensee less favorably than other licensees of the Port similarly situated.

ARTICLE 20: EASEMENTS.

The Port hereby reserves such continuous access and utilities easements within or upon the MMR Licensed Premises as may in the opinion of the Port from time to time be desirable for the purpose of enabling it to exercise any right or reservation or to perform any obligation contained in this Agreement or in connection with the Port's ownership or operation of the Airport. If the Port exercises this reservation of easement in any manner that substantially and negatively impacts Licensee, then Licensee shall so notify the Port in writing. Upon receipt of such written notice, the Port shall take reasonable and appropriate action (viewed in light of the Port's priorities at the Airport) to permit Licensee to continue to conduct Licensee's Communications Services from the MMR Licensed Premises or to relocate the MMR Licensed Premises pursuant to this Agreement. In the event the Port is unable to resolve such negative impacts or find a reasonable alternative location within ninety (90) days of receipt of Licensee's notice, Licensee shall, as its sole remedy, have the right to terminate this Agreement upon thirty (30) days' written notice to the Port. The Port shall not be liable to Licensee for any expenses or damages that it may suffer as a result of such interference and premature termination of this Agreement, except to the extent such expenses or damages are caused by the gross negligence or willful misconduct of the Port.

ARTICLE 21: FORCE MAJEURE

Any prevention, delay, or stoppage of performance of Licensee's or the Port's obligations hereunder, other than the payment of license fees or other amounts due hereunder, due to acts of God, governmental restrictions, governmental controls, governmental regulations, enemy or hostile government action, civil commotion, fire or other casualty, or any other causes beyond the reasonable control of either shall not be deemed to be a breach of this Agreement or a violation of or failure to perform any covenants hereof, and either shall have a reasonable time after cessation of any of such causes within which to render performance delayed thereby.

ARTICLE 22: INTERRUPTIONS IN SERVICE

The Port, its officers, employees and agents shall not be liable to Licensee for interruptions to Communication Services due to problems with or damages to the Port's Fiber Cable Infrastructure, or for any damages caused by users of the Airport or MMR, or caused by events beyond the Port's reasonable control, including without limitation acts of God, acts of any public enemy, criminal acts of third parties, floods, fire, electrical or equipment failure, broken pipes, servers overheating, strikes, statutory or other laws, regulations, rules or orders of the federal, state or local government or any agency thereof, except for property damage to MMR Communication Equipment caused by the gross negligence or willful misconduct of the Port or its employees acting within the scope of their employment, and subject to the Limitation of Liability and Indemnity in Article 6. This Article 22 is not in limitation of, but in furtherance of, the Limitation of Liability and Indemnity in Article 6.

ARTICLE 23: ENVIRONMENTAL STANDARDS

A. Definitions.

"Law or Regulation" as used in this Article shall mean any environmentally related local, state or federal law, regulation, ordinance or order (including insurance without limitation any final order of any court of competent jurisdiction), now or hereafter in effect. "Hazardous Substances" as used herein shall mean any substance or material defined or designated as a hazardous waste, toxic substance, or other pollutant or contaminant, by any Law or Regulation.

B. Hazardous Substances.

Licensee shall not allow the presence in or about the MMR Licensed Premises of any Hazardous Substance in any manner that could be a detriment to the MMR Licensed Premises or in violation of any Law or Regulation. Licensee shall not allow any Hazardous Substances to migrate off the MMR Licensed Premises, or the release of any Hazardous Substances into adjacent surface waters, soils, underground waters or air. Licensee shall provide the Port with Licensee's USEPA Waste Generator Number, and with copies of all Material Safety Data Sheets (MSDS), Generator Annual Dangerous Waste Reports, environmentally related regulatory permits or approvals (including revisions or renewals) and any correspondence Licensee receives from, or provides to, any governmental unit or agency in connection with Licensee's handling of Hazardous Substances or the presence, or possible presence, or any Hazardous Substance on the MMR Licensed Premises.

C. Violation of Environmental Law or Regulation.

If Licensee, or the MMR Licensed Premises, is in violation of any Law or Regulation concerning the presence or use of Hazardous Substances or the handling or storing of hazardous wastes, Licensee shall promptly take such action as is necessary to mitigate and correct the violation. If Licensee does not act in a prudent and prompt manner, the Port reserves the right, but not the obligation, to come onto the MMR Licensed Premises, to act in place of Licensee (Licensee hereby appoints the Port as its agent for such purposes) and to take such action as the Port deems reasonably necessary to ensure compliance or to mitigate the violation. If the Port has a reasonable belief that Licensee is in violation of any Law or Regulation, or that Licensee's actions or inactions present a threat of violation or a threat of damage to the MMR Licensed Premises, the Port reserves the right to enter onto the MMR Licensed Premises and take such corrective or mitigating action as the Port deems necessary. All actual, reasonable, and documented costs and expenses incurred by the Port in connection with any such actions shall become immediately due and payable by Licensee upon presentation of an invoice therefor.

D. Inspection; Test Results.

The Port shall have access to the MMR Licensed Premises to conduct an annual environmental inspection. In addition, Licensee shall permit the Port access to the MMR Licensed Premises at any time upon reasonable notice for the purpose of conducting environmental testing at the Port's expense. Licensee shall not conduct or permit others to conduct environmental testing on the MMR Licensed Premises without first obtaining the Port's written consent. Licensee shall promptly inform the Port of the existence of any environmental study, evaluation, investigation or results of any environmental testing conducted on the MMR Licensed Premises whenever the same becomes known to Licensee, and Licensee shall provide copies to the Port.

E. Removal of Hazardous Substances.

Prior to vacating the MMR Licensed Premises, in addition to all other requirements under this Agreement, Licensee shall remove any Hazardous Substances placed on the MMR Licensed Premises during the term of this Agreement or Licensee's possession of the MMR Licensed Premises, and shall demonstrate such removal to the Port's satisfaction. This removal and demonstration shall be a condition precedent to the Port's payment of any security deposit to Licensee upon termination or expiration of this Agreement.

F. Remedies Not Exclusive.

No remedy provided herein shall be deemed exclusive. In addition to any remedy provided above, the Port shall be entitled to full reimbursement from Licensee whenever the Port incurs any costs resulting from Licensee's use or management of Hazardous Substances on, in or around the MMR Licensed Premises, including but not limited to, costs of clean-up or other remedial activities, fines or penalties assessed directly against the Port, and injuries to third persons or other properties.

G. Environmental Indemnity.

In addition to all other indemnities provided in this Agreement, Licensee agrees to defend, indemnify and hold the Port Parties free and harmless from any and all claims, causes of action, regulatory demands, liabilities, fines, penalties, losses, and expenses, including without limitation cleanup or other remedial costs (and including attorneys' fees, costs and all other reasonable litigation expenses when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation), to the extent arising from the existence or discovery of any Hazardous Substance on, in or around the MMR Licensed Premises, or the migration of any Hazardous Substance from the MMR Licensed Premises to other properties or into the surrounding environment, whether (i) made, commenced or incurred during the term of this Agreement; or (ii) made, commenced or incurred after the expiration or termination of this Agreement if arising out of events occurring during the term of this Agreement, except to the extent caused by the gross negligence or willful misconduct of the Port Parties.

ARTICLE 24: LABOR DISPUTES

Licensee agrees to use its best efforts to avoid disruption to the Port, its tenants or members of the public, arising from labor disputes involving Licensee, and in the event of a strike, picketing, demonstration or other labor difficulty involving Licensee, to use its good offices, including the utilization of available legal remedies, to minimize and/or eliminate any disruption to the Port, its tenants or members of the public, arising from such strike, picketing, demonstration or other labor difficulty.

ARTICLE 25: FAA SUBORDINATION CLAUSE AND OTHER LEGAL REQUIREMENTS

A. FAA Subordination Clause.

To the extent required by law, including without limitation to the extent required for compliance with any existing or future agreements (including, without limitation, grant assurances) between the Port and the United States Government related to the Airport, and any applicable federal laws or regulations relative to the operation, security or maintenance of the Airport ("FAA Obligations"), this Agreement shall be subordinate to the provisions of any existing or future agreements between the Port and the United States Government related to the Airport, and any applicable federal laws or regulations relative to the operation, security or maintenance of the Airport, the execution of or compliance with which is, or will be required as a condition precedent to the granting of federal funds for the development, improvement, expansion, extension, or maintenance of the Airport to the extent that the provisions of any such existing or future agreements are generally required by the United States at other civil air carrier airports receiving federal funds. Licensee shall abide by the requirements of such agreements entered into between the Port and the United States Government and shall consent to amendments and modifications of this Agreement to the extent required by such agreements or if required as a condition of the Port's entry into such agreements. As soon as is reasonably practicable after the Port becomes aware that an amendment or modification to this Agreement may be required pursuant to this paragraph, the Port shall notify Licensee.

B. Other Legal Requirements.

The Parties agree to abide by all applicable Legal Requirements applicable hereto, and the Parties shall cooperate to ensure that this Agreement complies with and is implemented in accordance with the Legal Requirements.

C. Change of Law.

The terms, condition, and rates of this Agreement were composed in order to effectuate the Legal Requirements and/or parameters in effect at the time the Agreement was produced. In the event that any of the terms, conditions, and/or rates herein, or any of the laws or regulations that were the basis or rationale for such terms, conditions, and/or rates in this Agreement are invalidated, modified or stayed by any state, federal regulatory, or legislative bodies or courts of competent jurisdiction, the Parties shall expend diligent efforts to arrive at a written amendment regarding the appropriate conforming modifications to the Agreement.

D. Conflicts.

Where a conflict arises related to the Port's or Licensee's obligations under the FAA Obligations or the FAA Subordination Clause, on the one hand, and this Agreement, and/or Licensee's state tariffs on the other, the Port's FAA Obligations and the FAA Subordination Clause shall take precedence.

ARTICLE 26: FAA AIRPORT PROTECTION CLAUSE

Licensee understands and agrees that Port reserves the right of flight for the passage of aircraft above the surface of the MMR Licensed Premises hereunder in accordance with FAA criteria, and such right of flight shall include the right to cause in such airspace such noises as may be inherent to the operation of aircraft now known or hereafter used for navigation of or flight in the air; and that the Port reserves the right to use said airspace for landing at, taking off from or operating aircraft on or over said Airport.

ARTICLE 27: HOLDING OVER

If Licensee, with the consent of the Port, holds over after the expiration or sooner termination of this Agreement, the resulting tenancy will, unless otherwise mutually agreed, be for an indefinite period of time on a month-to-month basis. During such month-to-month tenancy, Licensee shall pay to the Port, at the Port's sole discretion, the same rates that were in effect immediately prior to the month-to-month tenancy times 150%. Licensee will continue to be bound by all of the additional provisions of this Agreement insofar as they may be pertinent. Any property of Licensee left at the MMR Licensed Premises without the consent of the Port after the expiration or sooner termination of this Agreement may be removed and disposed of by the Port at Licensee's sole expense and without liability for loss or damage thereto, or for any proceeds from the disposal thereof.

ARTICLE 28: AIRPORT SECURITY

Licensee acknowledges that security is of primary importance at the Airport, and that security requirements are likely to change during the term of this Agreement. Licensee, its employees, agents, and contractors shall at all times comply with all federal, state and local security laws, regulations, policies, requirements and directives whether written or verbal, including, without limitation, 49 CFR Part 1542 "Airport Security" or any amendment or successor thereto, and Licensee will work cooperatively with the Port in connection with the same. Licensee shall be solely responsible for complying with all security requirements. Licensee further agrees that it shall be responsible for the payment of any civil penalties assessed against the Port or Licensee relating to security issues caused by Licensee and shall be solely and fully responsible for any and all breaches of security caused by Licensee and its officers, employees, representatives, agents, servants, consultants, sub-consultants, contractors, subcontractors and suppliers and for the consequences thereof.

Licensee and its employees, agents, and contractors shall comply at all times with (a) all local, state and federal laws, rules and regulations relating to homeland security ("Security Laws"), (b) all Airport badging and security requirements ("Badging Requirements") and (c) any government-required security plan ("Security Plan") applying at the Airport. Licensee shall be solely responsible for all of its costs of complying with any applicable Security Laws, Badging Requirements or Security Plan as well as any fines or penalties incurred (whether by Licensee or the Port) as result of its failure to comply with such Security Laws, Badging Requirements or Security Plan.

ARTICLE 29: NO THIRD-PARTY BENEFICIARIES

This Agreement does not create and shall not be deemed or construed to create any third-party beneficiary rights whatsoever, express or implied, in any person or entity not a party to this Agreement. Without limitation, this Agreement does not confer upon or grant and shall not be deemed or construed to confer upon or grant to any third party or parties any rights to claim damages or to bring any suit, action or other proceeding against either the Port or Licensee because of any alleged breach hereof or because of any of the terms, covenants, agreements or conditions herein contained.

ARTICLE 30: PUBLIC RECORDS ACT

This Agreement, and all documents and records submitted by Licensee to the Port concerning this Agreement, are or may be subject to the disclosure, withholding, and exemption requirements of the Washington Public Records Act, RCW 42.56 et seq. In no event shall the Port be liable for any disclosure of documents and information it deems necessary to disclose under the law.

ARTICLE 31: GOVERNING LAW; VENUE

This Agreement shall be construed under the laws of Washington. Exclusive jurisdiction and venue for any action relating hereto shall be in the state or federal courts located in King County, Washington.

ARTICLE 32: HEADINGS

The Article headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this Agreement.

ARTICLE 33: NONWAIVER; RIGHT TO PERFORM

A. Non-Waiver.

The acceptance of any payment by the Port for any period or periods after a default by Licensee hereunder shall not be deemed a waiver of such default unless the Port shall so intend and shall so advise Licensee in writing. No waiver by the Port of any default hereunder by Licensee shall be construed to be or act as a waiver of any subsequent default by Licensee.

B. Port’s Right to Perform.

Upon Licensee’s failure to perform any obligation or make any payment required of Licensee hereunder, the Port shall have the right (but not the obligation) to perform such obligation of Licensee on behalf of Licensee and/or to make payment on behalf of Licensee to such parties.

Licensee shall reimburse the Port the actual and reasonable cost of the Port's performing such obligation on Licensee's behalf, including reimbursement of any amounts that may be expended by the Port, plus interest at the Default Rate.

ARTICLE 34: TIME OF ESSENCE

Time is of the essence of each and every one of Licensee's obligations, responsibilities and covenants under this Agreement.

ARTICLE 35: RELATIONSHIP

Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, partnership, or joint venture partners, and no provision contained in this Agreement, nor any acts of Licensee and the Port shall be deemed to create any relationship other than that of licensee and licensor.

ARTICLE 36: NOTICES

All notices hereunder shall be in writing and shall be delivered by certified or registered mail, or by recognized overnight courier addressed as follows:

To Port:

Physical/Delivery address:
Port of Seattle/Seattle-Tacoma International Airport
Attention: Assistant Director, Aviation Business & Properties
17801 Pacific Highway South
Main Terminal Building, Mezzanine Level, Room A6012M
SeaTac, WA 98158

Mailing address:
Port of Seattle
Attention: Assistant Director, Aviation Business & Properties
P. O. Box 68727
SeaTac, WA 98168

For payments only, the following mailing address should be used:

Port of Seattle
P. O. Box 24507
Seattle, WA 98124-0507

To Licensee:

____
____
____

or to such other respective addresses as either Party hereto may hereafter from time to time designate in writing. Notices shall be deemed delivered (i) on the third day after mailing when sent by certified or registered mail and the postmark affixed by the United States Postal Service shall be conclusive evidence of the date of mailing; or (ii) on the first business day after deposit with a recognized overnight courier if deposited in time to permit overnight delivery by such courier as determined by its posted cutoff times for receipt of items for overnight delivery to the recipient.

Notices hereunder may also be delivered by electronic mail (email) with acknowledgment of receipt requested to the email address (a) in the case of the Port, of the Director of Aviation Business and Properties, the Assistant Director of Airline Affairs and Aviation Properties, or such other email address as hereinafter provided by the Port in writing, or (b) in the case of Licensee, to the email address or addresses hereinafter provided by the Licensee in writing. Notices by email shall be deemed delivered when dispatched by the sender to the email address specified by the recipient prior to 5:00 p.m. (local time at the Airport) on any business day, or, if after 5:00 p.m. (local time at Airport), on the next business day. Provided, however, if the sender of the email notice receives a machine-generated message that delivery failed, or if the sender does not receive an acknowledgement of receipt within twenty four (24) hours of sending the email notice, the email notice will nevertheless be deemed to have been received when originally dispatched, as provided above, if no more than five (5) business days after the date of dispatch the sender delivers a tangible copy of that notice via mail or overnight courier as set forth in this Article 36 above. Payments may be made in the manner provided for notice or may be delivered by regular mail (postage prepaid); provided, payments made by regular mail (postage prepaid) shall be deemed delivered when actually received by the Port.

ARTICLE 37: LIABILITY FOR FINES AND OTHER OBLIGATIONS

Licensee is liable for and shall pay when due, or otherwise contest or dispute, the amount of any and all fines, penalties and fees any lawfully empowered entity imposes on the Port or any of its departments, employees, officers or agents, or on Licensee or any of Licensee's officers, employees, agents, representatives, servants, consultants, sub-consultants, contractors, subcontractors, or suppliers to the extent caused by any act or failure to act by Licensee or Licensee's officers, employees, agents, representatives, servants, consultants, sub-consultants, contractors, subcontractors or suppliers. Such fines shall include, but not be limited to, any fine, fee or penalty imposed by the FAA or TSA in connection with a violation of any security requirement. Any such payment by Licensee shall not be reimbursable by the Port. Licensee may contest the imposition of any such fine, fee or penalty solely at Licensee's expense, and the cost thereof shall not be reimbursable by the Port. In the event Licensee's contests any matter, Licensee shall take all reasonable steps necessary to prevent the imposition of any fines or adverse consequences on the Port or any of the Port's departments, officers, employees or agents, including, without limitation, paying any sum under protest and contesting the matter after such time.

ARTICLE 38: ATTORNEYS' FEES.

In the event that either Party shall be required to bring any action to enforce any of the provisions of this Agreement, or shall be required to defend any action brought by the other Party with respect to this Agreement, and in the further event that one Party shall substantially prevail in such action, the losing Party shall, in addition to all other payments required therein, pay all of the prevailing Party's actual costs in connection with such action, including such sums as the court or courts may adjudge reasonable as attorneys' fees in the trial court and in any appellate courts.

ARTICLE 39: SURVIVAL OF INDEMNITIES.

All indemnities provided in this Agreement shall survive the expiration or any earlier termination of this Agreement (in whole or in part). In any litigation or proceeding within the scope of any indemnity provided in this Agreement, Licensee shall, at the Port's option, defend the Port at Licensee's expense by counsel satisfactory to the Port.

ARTICLE 40: ENTIRE AGREEMENT

A. This Agreement supersedes and revokes all previous negotiations, arrangements, letters of intent, offers to lease, lease proposals, brochures, representations, and information conveyed, whether oral or in writing, between the Parties hereto or their respective representatives or any other person purporting to represent the Port or Licensee. Licensee acknowledges that it has not been induced to enter into this Agreement by any representations not set forth in this Agreement, it has not relied on any such representation or construction of this Agreement, and the Port shall have no liability for any consequences arising as a result of any such Representations.No alteration, amendment, change, or addition to this Agreement shall be binding upon the Port or Licensee unless in writing and signed by both Parties.

ARTICLE 41: AUTHORITY

Each individual executing this Agreement on behalf of the Port and Licensee represents and warrants that such individual is duly authorized to execute and deliver this Agreement on behalf of the Port or Licensee (as applicable). This Agreement may be executed in two or more counterparts, all of which shall constitute one and the same instrument.

ARTICLE 42: GENERAL

A. If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid or unenforceable, that provision will be enforced to the maximum extent permissible so as to effect the intent of the Parties, and the remainder of the Agreement shall remain in full force and effect.

B. No waiver of any breach of any provision of this Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provisions hereof, and no waiver shall be effective unless made in writing and signed by an authorized representative of the waiving Party.

C. If a dispute arises between the Parties regarding the terms of this Agreement and Licensee and the Port are unable to resolve such dispute, the Parties shall each appoint a senior level executive to meet in person and attempt to resolve any such disagreement over a thirty (30) day period ("Resolution Period"). The Resolution Period shall begin ten (10) days after delivery of notice by either Party invoking this resolution procedure. If the dispute is not resolved by the end of such Resolution Period, either Party may thereafter proceed with legal action.

D. Any action for breach of this Agreement or any claim related to this Agreement or its subject matter must be commenced within one (1) year of accrual of such cause of action.

Remainder of page intentionally left blank.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the day and year first above written.

PORT OF SEATTLE	________________________
By: ________________________	By: ________________________
Name: ________________________	Name: ________________________
Its: ________________________	Its: ________________________

ACKNOWLEDGEMENTS

STATE OF WASHINGTON)
COUNTY OF KING) ss

On this ___ day of ____________, 2026 before me personally appeared __________________________, to me known to be the __________________________________ of the PORT OF SEATTLE, the municipal corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute said instrument.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

____
(Signature)

____
(Print Name)
Notary Public, in and for the State of Washington,
residing at _____________________________________
My Commission expires: _________________________

STATE OF _______________)
COUNTY OF ____________) ss

On this ___ day of ____________, 2026 before me personally appeared __________________________, to me known to be the ____________________________________ of _______________________________________, the company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute said instrument.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

____
(Signature)

____
(Print Name)
Notary Public, in and for the State of _____________,
residing at _____________________________________
My Commission expires: _________________________

Exhibit 1.1

MMR Licensed Premises

(within MMR Building)

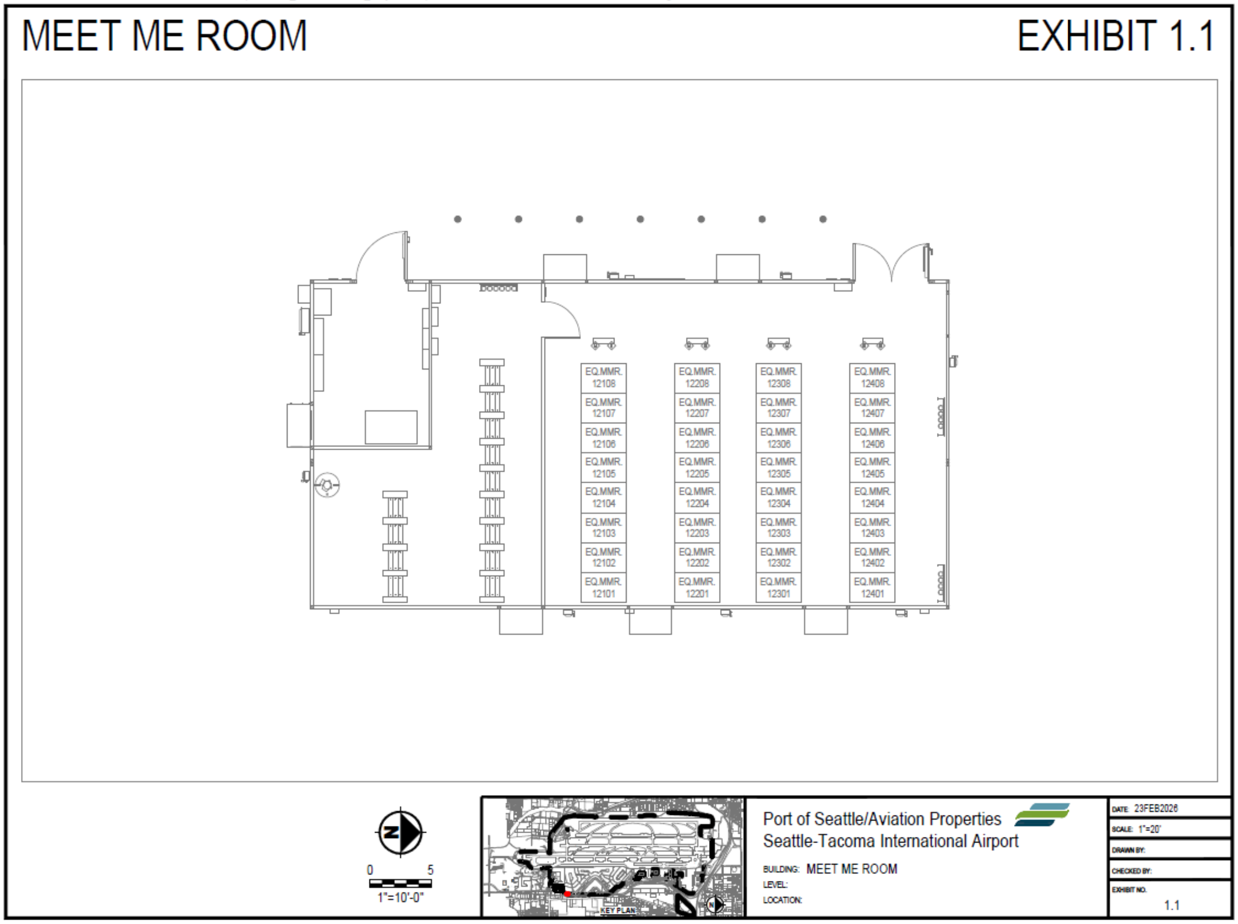


Exhibit 1.1 (continued)

Access Infrastructure

(Access Vault and Access Conduit)

Exhibit 1.1 (continued)

Designated Easement Area

Exhibit 1.1.1

Form of Access Easement

Exhibit 1.2

Port Standards List

Licensee understands that any or all of the Port Standards may in the future, change, be amended, supplemented or replaced. Licensee should confirm that they are working with the most current versions of the documents listed. The links to the documents below are provided as a courtesy and include, but are not limited to:

Tenant Construction and Design References - https://www.portseattle.org/sea-tac/leasing-tenant-resources/tenant-construction-and-design-reference-documents

Design Standards and Guidelines, CAD Standards, Communication System Standards, Electrical Standards - https://www.portseattle.org/page/design-standards-and-guidelines

Guide Specifications (Construction Contract Templates) - https://www.portseattle.org/page/guide-specifications-construction-contract-templates

Rules for Airport Construction - https://www.portseattle.org/sites/default/files/2025-04/RAC%2012_1_2024_FINAL.pdf

Schedule of Rules and Regulations No. 5 - https://www.portseattle.org/sites/default/files/2025-03/Rules%20and%20Regs%20No.%205%20rev%20Eff%204-1-25.pdf

Port of Seattle

COMMISSION
AGENDA MEMORANDUM

Item No. 8d

ACTION ITEM

Date of Meeting September 9, 2026

DATE: September 9, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Peter Lindsay, Assistant Director, Airport Operations

SUBJECT: SEA Airport Tenant Employee Parking Security Contract

Amount of this request: $6,900,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a contract for security services to support employee parking operations at the North Employee Parking Lot and three new leased parking lots known as Lots A, C, and M for a total estimated cost of $6,200,000 over five years. The initial contract will be for a 1-year base term with four annual renewal options at the discretion of the Port, for a maximum term of five years. Additionally, requesting $700,000 to fund & maintain existing security coverage for the duration of the RFP process and through the contract's final extension (October 2027). Total authorization requested is $6,900,000.

EXECUTIVE SUMMARY

On-site guard services are an expected service and best practice to safeguard tenant employees, Port of Seattle staff, and port assets supporting the airport's employee parking operation. For this procurement, guard services are proposed for the North Employee Parking Lot (NEPL) located north of the airfield and newly leased areas, specifically parking lots A, C, and M—located along International Boulevard in the City of SeaTac. Collectively, these parking facilities provide over 5,500 parking stalls and are designed to accommodate the needs of more than 18,000 airport tenants who work at SEA airport, ensuring they have reliable access to parking for the next decade.

Security guards provide essential support and access control for the airport's employee parking facilities. They continuously monitor the premises, manage access, and report any criminal or suspicious activities with either on-premises surveillance or patrol surveillance. Additionally, these guards oversee traffic control and deliver high-quality customer service to our airport tenant parkers.

This action seeks to award a contract for comprehensive security guard services for a duration of up to five (5) years through an RFP process. The contract will consist of an initial 1-Year term, with options for four (4) additional 1-Year extensions based on performance and service evaluations such as dependability, customer feedback, and responsiveness.

Guard service staffing is estimated at $1.2M to $1.3M annually, expenditures which are recovered through parking fees. The proposed expenditures will be absorbed within the existing phased annual rate plan, which assumes an average year-over-year increase of approximately 7.3% through 2031.

Employee Parking's existing security contract (S-00321204) is scheduled to expire in October 2027. Existing funds are insufficient to support the remaining term of the contract while completing procurement and transition to a successor contract. This authorization is requesting funding to both maintain uninterrupted security services under S-00321204 and procure a new security services contract.

JUSTIFICATION

To maintain a safe operation, security and access control are needed for airport employee parking lots as staff anticipate constant year-round use by employees. The contract specifications call for a constant guard presence, patrol, and on-duty 24-hours, 7-days a week, and 365-days per year with the following key scope elements:

- Ensure only authorized persons have access to the lot
- Assist customers when they have issues with their access cards
- Provide 24-hour surveillance of the lot
- Available security presence on-hand and ready to react to emergent issues if necessary

Diversity in Contracting

Staff have contacted the Diversity in Contracting Office, which recommended a 5% women and minority owned-business participation (WMBE). Previous iterations of the contract have successfully added to the Port of Seattle's diversity in contracting goals, and the current contract holder is a WMBE firm.

DETAILS

This request is to provide site security for the entire employee parking operation, to reduce the risk of criminal activity, provide customer assistance, and monitor access control for facility security. Some units will be located on-site while others will provide mobile patrol surveillance with a vehicle.

Scope of Work

The successful contractor shall provide patrol and on-duty guard services for the NEPL and Lot C. A mobile patrol guard service shall be provided to Lots A and M. The service shall be performed 24-hours, 7-days a week, including holidays. The contractor will ensure only authorized personnel are allowed access to the lot, report any operational issues to the Landside Control Center, maintain a daily log of events, and provide a weekly update to Landside Management.

Specific scope elements include:

(1) Security Guard Presence – one security guard on-duty throughout the day, including a mobile patrol guard
(2) Regular Operational Reports and Daily Log – regular communications to advise management of lot activity, irregularities, and concerns
(3) Access Control – assist with lot access and customer service
(4) Supplemental Security – enhanced patrols and security evaluations around the lot perimeter

Airport Operations intends to continue offering guard services with increased resources to allow flexibility, greater response for site security, and public safety needs.

Schedule

Activity

Commission Authorization	2026 Quarter 3
RFP Development	2026 Quarter 4
Solicitation	2027 Quarter 1
Proposal Reviews	2027 Quarter 2
Award Contract	2027 Quarter 3
Contract Start Date	2027 Quarter 4

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Add Port staff to perform these functions. This option would eliminate the need for a contract to provide guard services at Employee Parking facilities and task the Port of Seattle and SEA with responsibility for all site-security services.

Cost Implications: Preliminary analysis estimates an approximate cost of $2.1M annually to transition security services to Port employees. This estimate only includes wages and benefits required for a minimum staffing model of 15 full-time employees (FTE) which satisfy three required security posts for 24-hour, 7-days a week, and 365-days coverage. This estimate does not include indirect and overhead costs such as uniforms, equipment, fuel, training, and recruitment. The estimate also assumes no collective bargaining-related costs or negotiated wage adjustments.

Pros:

(1) Port staff are more knowledgeable of Port policies and procedures and Employee Parking procedures and could answer questions and provide improved customer service to Employee Lot customers.

Cons:

(1) Disruptive to business operations. New staff would be needed to perform this new role, and many lines of business have difficulty filling existing positions. Staff is concerned that business continuity and site security may suffer from a lack of headcount or the inability to find qualified personnel.

(2) Women and Minority Business Enterprise (WMBE) participation. The current security contract is 100% WMBE. Transitioning to a Port of Seattle employment model would eliminate the guard service contract opportunity for WMBE firms.

(3) Conflicting roles. There are multiple workgroups at the Port that may contest the right to this work and further disrupt the ability to staff this vital position.

This is not the recommended alternative.

Alternative 2 – Discontinue dedicated security services at Employee Parking facilities and rely on existing Port passive security measures such as cameras, lighting, access controls, and standard operational reporting procedures.

Cost Implications: Eliminates the cost of a dedicated security contract or equivalent in-house staffing costs. Reduces ongoing expenses to zero relating to security personnel, vehicles, & associated operating costs. May require future investments in security technology or infrastructure enhancements to mitigate reduced on-site presence.

Pros:

(1) Lowest overall operating costs while also allowing funding to be redirected to other operational or capital priorities.

(2) Eliminates long-term contractual or staffing obligations while reducing administrative oversight associated with managing a security program.

Cons:
(1) No site security presence to deter criminal activity or provide immediate response.
(2) Increased risk of theft, vandalism, trespassing, and customer safety concerns.
(3) Reduced ability to proactively identify and resolve operational or safety incidents.
(4) Increases potential for liability and risk following security and safety-related incidents.
(5) Increased reliance on Port Police or King County law enforcement, which may result in longer response times.

This is not the recommended alternative.

Alternative 3 – Execute a contract for security services. Consistent with existing customer expectations and service levels since the NEPL began operations, this option would maintain the practice of using a contract security firm for NEPL guard services.

Cost Implications: Guard service staffing is estimated at $1.2M to $1.3M annually, expenditures which are recovered through parking fees.

Pros:
(1) Provides operational flexibility to supplement security needs without adding Full Time Equivalent (FTE) employees.
(2) Efficient use of Port funds as the procurement process helps the business unit attain competitive rates for services.
(3) Provides opportunity for WMBE contract participation. The current contractor is a 100% WMBE firm.

Cons:
(1) Variability in guard experience due to third-party scheduling needs and staffing requirements. Although guards are typically dedicated to the operation, at times, personnel are moved between sites.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

As an enterprise, Employee Parking is a cost-recovery business whereby the expenditures necessary to operate and maintain the service are recovered directly from tenant customers and users of the service, inclusive of all necessary taxes and fees. As per existing SLOA agreements, current 2026 monthly parking rates are fixed at $107 per month; monthly parking rates are projected to increase to $114 per month for the 2027 calendar year, with the forecasted increase of approximately 7.3% annually through 2031.

Annual Budget Status and Source of Funds

The Employee Parking baseline budget in 2026 includes $1.19M in 2027 for guard services across all employee parking lots.

Financial Analysis and Summary

Project cost for analysis	$6,900,000.00
Business Unit (BU)	Landside Operations, Employee Parking
Effect on business performance (NOI after depreciation)	Absorbed in phased annual rate plan per SLOA, assuming average YOY increase of approx. 7.3% through 2031
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

Future Revenues and Expenses (Total cost of ownership)

Current financial analysis forecasts $14.1M in 2026 year-end revenue. This figure includes revenue generated from the recently opened employee expansion parking lots.

Cost Breakdown

	This Request
Existing Contract *(S-00321204) Expires Oct 2027*	$700,000
Contract Year 1 (*New Executed Agreement)*	$1,165,000
Contract Year 2	$1,200,000
Contract Year 3	$1,236,000
Contract Year 4	$1,273,000
Contract Year 5	$1,311,000
Total	**$6,900,000**

Note: Total sums are rounded.

ADDITIONAL BACKGROUND

None.

ATTACHMENTS TO THIS REQUEST

(1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

August 9, 2022 – The Commission authorized a 5-year contract for NEPL security services.
August 4, 2017 – The Commission authorized a 5-year contract for NEPL security services.

SEA Employee Parking Security Contract

SEA Employee Parking Facilities

<u>Locations:</u> Four (4) Remote Parking Sites

- North Employee Parking Lot (NEPL)
- Lot A
- Lot C
- Lot M

<u>Purpose:</u> To provide on site security guard services for 24-hour, 7-days a week, 365-days a year

<u>Scope:</u> Security guard presence; regular operational reports & daily log; Access Control; Supplemental Security

Facility Map

Action Requested

Request Commission authorization for the Executive Director to execute a new contract for security services in Q4 2027 to support employee parking operations at NEPL, Lot A, Lot C, & Lot M for a total estimated cost of $6,200,000.00 over five (5) years.

Additionally, requesting $700,000.00 to fund the existing security contract (S-00321204) for the duration of the new contract’s RFP process and through the contract’s final extension.

Total authorization requested is $6,900,000.00.

Contract Schedule

Cost Breakdown	This Request
Existing Contract *(S-00321204) Expires Oct 2027*	$700,000
Contract Year 1 (*New Executed Agreement)*	$1,165,000
Contract Year 2	$1,200,000
Contract Year 3	$1,236,000
Contract Year 4	$1,273,000
Contract Year 5	$1,311,000
Total	**$6,900,000.00**

Scheduled Milestones:

- RFP Development – 2026 Q4
- Solicitation & Reviews – 2027 Q1 to Q2

With additional authorization, existing security contract (S-00321204) expected to expire Q3 2027.

Anticipated completion of RFP process and award of new contract Q3 2027.

QUESTIONS?

Port of Seattle

COMMISSION
AGENDA MEMORANDUM **Item No.** 8e

ACTION ITEM **Date of Meeting** September 9, 2026

DATE: August 31, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Sabin Mudaliar, Interim Director, Airport Operations
Eileen Francisco, Director, Aviation Project Management Group

SUBJECT: **3rd Floor Ground Transportation Booth Enhancements (CIP #C801128) (Short Form)**

Amount of this request:	$400,000
Total estimated project cost:	$5,400,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to authorize an additional $400,000 to complete the 3rd Floor Ground Transportation Booth Enhancements project at Seattle-Tacoma International Airport (SEA). This request increases the total authorization amount from $5,000,000 to $5,400,000.

SUMMARY

This request is for additional funding authorization to complete the construction of the ground transportation booth located in the Ground Transportation Center on the third floor of SEA's Main Parking Garage. This request supports the Port's obligations for construction completion and closeout. The project achieved substantial completion in July 2026, and the project team anticipates project completion in Q4 2026 and the completion of project closeout in Q3 2027.

The project was re-advertised for construction bids in May 2025 and seven bids were received in June 2025 ranging from $2.2 million to $2.5 million. Bids were above the engineer's estimate of $1.7 million. Project staff reviewed the project budget and determined that the project could reasonably be completed within the current authorized budget. This utilized nearly all the project contingency however, leaving only the construction contingency to manage project risk. The contract was executed in July 2025, and the project team began actively managing and tracking costs due to the limited budget. This project was one of many identified and targeted to be completed in support of the 2026 FIFA World Cup, which contributed to the decision to move forward into construction.

During construction several conditions occurred that resulted in the need for additional funding:

- The project was initially planned and budgeted to be supported by Port staff. During construction, staff resources were constrained and a consultant construction manager was added to the project team increasing the overall costs.
- The project encountered unanticipated asbestos containing materials requiring abatement and support from Port Construction Services.
- The project duration was extended by three months, resulting in increased support costs.

ATTACHMENT

(1) Presentation

Item No.	8e_supp
Date of Meeting	September 9, 2026

3rd Floor GT Booth Completion Funding

Project Location, Purpose and Scope

<u>Location:</u> Ground Transportation Center (3rd Floor SEA Main Parking Garage)

<u>Purpose:</u> To renovate and expand the existing facility to support ground transportation operations

<u>Scope:</u> Expansion of administration space including a staff breakroom and restroom meeting accessibility requirements

Project Budget and Schedule

Current Budget:	$5,000,000
This Request:	$400,000
Revised Budget:	$5,400,000

The request supports the Port's obligations for construction completion and closeout

The project is funded by the Airport Development Fund

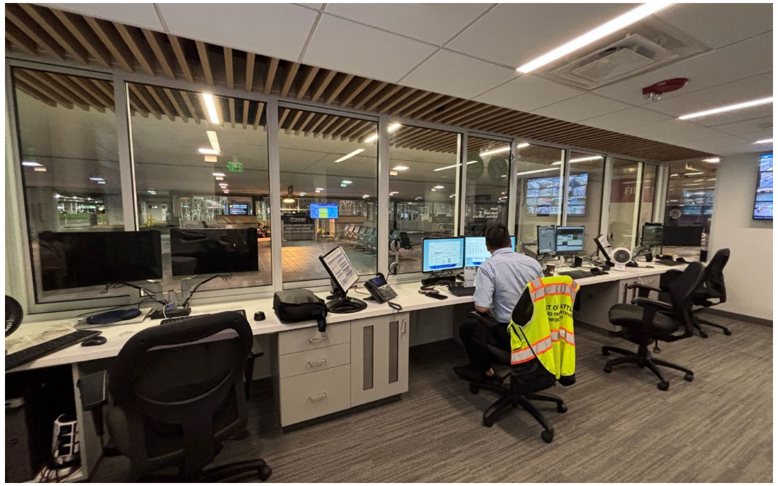
Schedule Milestones:

- Contract Executed July 2025
- Notice to Proceed October 2025
- Substantial Completion July 2026

Construction schedule extended three months

Anticipate project completion by Q4 2026 and closeout by Q3 2027

Project Photos



Action Requested

Request Commission authorization for the Executive Director to authorize an additional $400,000 to complete the 3rd Floor Ground Transportation Booth Enhancements project at Seattle-Tacoma International Airport (SEA).

This request increases the total authorization amount from $5,000,000 to $5,400,000.

Port of Seattle®

QUESTIONS?

COMMISSION
AGENDA MEMORANDUM

ACTION ITEM

Item No. 8f

Date of Meeting September 9, 2026

DATE: September 9, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Milton Ellis, Assistant Director of Labor Relations

SUBJECT: New Collective Bargaining Agreement Between the Port of Seattle and the International Brotherhood of Teamsters, Local 117, Teamsters, Representing Non-Sworn Supervisors

Total Port Cost Increase for the Duration of the Agreement: $201,211

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a new collective bargaining agreement between the Port of Seattle and the International Brotherhood of Teamsters, Local 117, representing Non-Sworn Communication Supervisors at the Police Department for the Port of Seattle covering the period from January 1, 2026, through December 31, 2028.

EXECUTIVE SUMMARY

Good faith bargaining between the International Brotherhood of Teamsters, Local 117, representing Non-Sworn Communication Supervisors and the Port of Seattle resulted in a fair collective bargaining agreement consistent with the Port's priorities.

There are currently three (3) Non-Sworn Communication Supervisors and one (1) Police Administrative Supervisor employed at the Port of Seattle who are assigned to the Port of Seattle Police Department. Non-Sworn Communication Supervisors are assigned to the Port of Seattle Police Department and supervise the Police/Fire Communications Specialists in the 911 call Center.

This agreement is for three years covering the period from January 1, 2026, through December 31, 2028. The estimated total additional cost for wages and benefit increases is $201,211.
The estimated cumulative cost per year of the contract is: year one, $35,843; year two, $66,671 and year three, $98,697.

The cost is based upon a four and a half percent (4.5%) increase in year one of the agreement effective January 1, 2026, a four percent (4.0%) increase in year two of the agreement effective January 1, 2027, and a four percent (4.0%) increase in year three of the agreement effective January 1, 2028.

The cost also consists of an estimated eight percent 4.5% increase in health insurance in year one of the agreement and an estimated 3.0% increase in health insurance in years two and three of the agreement.

Other additions to the agreement consist adding the Juneteenth holiday; members of the bargaining groups are now eligible to participate in the Public Service Employee Retirement System; all cash out and lump sum payments pension and benefits contributions shall be addressed in accordance with law; incorporate reference to the Port payroll calendar which will be used as an indicator of when an employee become eligible for health insurance; employee medical premium share has increased from one hundred fifty dollars ($150) per month to one hundred seventy dollars ($170) per month effective in the third year agreement, on October 1, 2028; and employees new to the bargaining unit will have to wait six months before receiving education premium.

JUSTIFICATION

RCW Chapter 41.56 requires the Port of Seattle to collectively bargain wages, hours and conditions of employment with the exclusive bargaining representative designated by the employees.

DETAILS

Term of the Agreement

Retroactive to January 1, 2026, through December 31, 2028.

<u>FINANCIAL IMPLICATIONS</u>

Wages

Classification	Service Time	Current Rate	Effective 1/1/26 Base Hourly Rate (4.5%)	Effective 1/1/27 Base Hourly Rate (4.0%)	Effective 1/1/28 Base Hourly Rate (4.0%)
Non-Sworn Communications Supervisor	Entry	$55.82	$58.33	$60.66	$63.09
	1 Year	$58.92	$61.57	$64.03	$66.60
	2 Year	$62.02	$64.81	$67.40	$70.10
Police Administrative Supervisor	Entry	$53.59	$56.00	$58.24	$60.57
	1 Year	$56.41	$58.95	$61.31	$63.76

Employees in the bargaining unit were provided with a four and a half percent (4.5%) increase in wages effective January 1, 2026, in the first year of the agreement. Employees were also provided with a four percent (4.0%) increase effective the second year of the agreement, January 1, 2027, and a four percent (4.0%) increase effective the third year of the agreement, January 1, 2028.

Health and Welfare

Members of the bargaining group are currently enrolled Teamsters Medical Plan A. Employees are currently paying one hundred and fifty ($150) dollars per month for premium share. Effective October 1, 2028, this premium share amount will increase by twenty dollars ($20) for a total of one hundred sixty dollars ($170) per month.

Other Changes/Additions include:

- Addition of the Juneteenth Holiday

- Employees are now eligible to participate in the Public Service Employee Retirement System
- Incorporation of Port Payroll Calendar in assessing medical eligibility

Cost Impact $	**Year 1**	**Year 2**	**Year 3**
Pay	$28,098	$52,846	$78,577
Benefits	$7,745	$13,825	$20,120
Total New Money	$35,843	$66,671	$98,697
Total Cumulative Cost	$35,843	$102,514	$201,211

The estimated total cumulative cost to the Port of Seattle for the duration of the contract is $201,211.

ATTACHMENTS TO THIS REQUEST

1. Collective Bargaining Agreement

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

Item No: 8f attach1
Meeting Date: September 9, 2026

SETTLEMENT AGREEMENT
(Non-Sworn Supervisor)

(July 17, 2026)

A G R E E M E N T

By and Between

TEAMSTERS LOCAL UNION NO. 117

Affiliated With The
International Teamsters Union

And

PORT OF SEATTLE
REPRESENTING
POLICE NON-SWORN SUPERVISORS

Term of Agreement

January 1, ~~2023~~ 2026– December 31, ~~2025~~2028

TABLE OF CONTENTS

PORT OF SEATTLE
POLICE NON-SWORN SUPERVISORS

ARTICLE	PAGE	ARTICLE NO.
Bereavement Leave	5	11
Bulletin Board and Union Communication	2	6
Compensation for Travel Time	12	15
Entire Agreement	22	25
Equal Employment Opportunity	2	7
Grievance Procedure	20	22
Health and Welfare Programs	18	21
Holidays	9	14
Hours of Work and Overtime	6	12
Jury Duty	5	10
Leave Without Pay	15	18
Letters of Agreement and Appendices	23	26
Long Term Disability	18	20
Management Rights	3	8
Payroll Deduction	2	4
Performance of Duty, Strikes, and Lockouts	22	23
Personnel File – Public Records Request	23	27
Professional Liability	13	16
Purpose of Agreement	1	1
Requested Benefits	13	17
Savings Clause	22	24
Seniority and Reduction in Force	4	9
Sick Leave	16	19
Term of Agreement	23	28
Union Recognition	1	2
Union Representative Access	2	5
Union Membership	1	3
Vacation	7	13
Appendix A – Pay Rates	24	
Appendix B – Substance Tests	27	

AGREEMENT
POLICE NON-SWORN SUPERVISORS

ARTICLE 1 – PURPOSE OF AGREEMENT

This mutual Collective Bargaining Agreement (hereinafter referred to as the Agreement) has been entered into by the International Brotherhood of Teamsters, Local No. 117 (hereinafter referred to as the Union), and the Port of Seattle (hereinafter referred to as the Port), which may hereinafter be referred to as the Parties. The purpose of this Agreement is the promotion of harmonious relations between the Port and the Union; the establishment of equitable and peaceful procedures for the resolution of differences; and the establishment of rates of pay, hours of work, benefits, and other terms and conditions of employment.

ARTICLE 2 – UNION RECOGNITION

2.01 The Port recognizes the Union as the sole and exclusive bargaining agent for the classification of Police Non-Sworn Supervisors, which includes the job titles as set forth in Appendix A.

2.02 In accordance with RCW 41.56.037, the Union will be given thirty (30) minutes to meet with new employees of the bargaining unit within ninety (90) days of employment at a mutually agreeable time to discuss matters concerning the rights of employees, responsibilities of the Union, and services available to the membership. A Union Representative, Shop Steward, and/or Local Union member will be responsible for the presentation. Only the new employee will be released from duty with pay.

ARTICLE 3 – UNION MEMBERSHIP

3.01 The Port shall notify the Union as soon as possible of any deduction authorization received by the Port. Upon receiving notice from the Union, the Port agrees to deduct from the paycheck of each Union member or each non-member voluntary financial supporter covered by this Agreement who has voluntarily so authorized it, the initiation fee, and regular monthly dues, assessments or voluntary non-member financial supporter fee. Such authorization for deductions may be made in writing, electronically or through recorded voice. The Port shall transmit fees and dues to the Union once each month on behalf of the employees involved. If a deduction error is identified, the error will be addressed as soon as practicable.

3.02 The Port agrees to notify the Union of any new employees employed in classifications covered by this Agreement within five (5) business days from date of hire.

3.03 A Union member or voluntary financial supporter of the Union may cancel their payroll deduction authorization in accordance with the terms of the Union's payroll deduction authorization form by giving written notification to the Union. If the Union receives such written notification, confirmation will promptly be sent to the Port by the Union when the terms of the employee's signed payroll deduction authorization form regarding cancellation have been met.

The Port will make an effort to end the automatic dues deduction effective the first pay period but no later than the second pay period after receipt of the written cancellation notice.

3.04 The Union agrees to indemnify and save the Port harmless against any liability, which may arise by reasons of any action(s) taken by the Port to comply with the provisions of this Article. The Union agrees to refund to the Port any amounts paid to it in error upon presentation of proper evidence thereof.

ARTICLE 4 – PAYROLL DEDUCTION

Democrat, Republican, Independent Voter Education (DRIVE). Both the Port and Local 117 agree to reopen the Agreement on DRIVE if any other Local 117 bargaining group with the Port of Seattle negotiate language in their respective Agreement on this issue at any time during the term of this Agreement.

ARTICLE 5 – UNION REPRESENTATIVE ACCESS

5.01 The Port agrees to allow reasonable access to Port facilities for Union Representatives who have been properly authorized by the Union. Such access shall be permitted in a manner as not to interfere with the functions of the Police Department (hereinafter referred to as the Department) or the Port. This Article shall apply within the constraints of Federal or State regulations, statutes, and the Airport Security Plan.

ARTICLE 6 – BULLETIN BOARD AND UNION COMMUNICATION

A bulletin board found to be acceptable and in compliance with the needs of limited use by the Union shall be provided by the Port. This bulletin board shall be used, maintained, and controlled by the Union. It is understood and agreed to that no material shall be posted which is obscene, defamatory, or which would impair Port operations.

Bargaining unit members are expected to comply with Port policies relating to the use of Port equipment and systems. In no circumstance shall use of the Port's equipment interfere with operations and/or service to the public.

Stewards and Union staff may use the Port's electronic mail system for communications related to contract administration to the extent that such use complies with applicable Port policies. The Parties understand and agree that there is no expectation of privacy of electronic mail messages.

ARTICLE 7 – EQUAL EMPLOYMENT OPPORTUNITY

The Port of Seattle is an equal opportunity employer. The Port embraces, and in fact relies on having a diverse workforce. Every employee has the right to work in surroundings that are free from all forms of unlawful discrimination. The Port and the Union will not engage in, or tolerate, any discrimination in the workplace prohibited by local, state or federal law. Specifically, no employee will be discriminated against on the basis of their age, race, color, national origin/ancestry, religion, disability, Family Medical Leave Act (FMLA) use, pregnancy, sex/gender, sexual orientation, whistleblower status, marital status, military status, use of workers' compensation, transgender status, political beliefs, or any other category protected by applicable federal, state or local law ("Protected Status").

The Port and the Union are committed to promoting equity, diversity, and inclusion in the workplace. The Port refers to equity as the fair treatment, access, opportunities, and advancement for all people while striving to identify and eliminate barriers that have prevented the full participation of historically oppressed communities.

ARTICLE 8 – MANAGEMENT RIGHTS

8.01 The Union recognizes the prerogatives of the Port to operate and manage its affairs in all respects in accordance with its responsibilities and powers of authority.

8.02 The Port reserves any and all exclusive rights concerning the management and operation of the Department, except as specifically limited in this Agreement. In exercise of such exclusive management rights, it is not intended that any other provision of this Agreement providing a specific benefit or perquisite to employees shall be changed, modified, or otherwise affected, without concurrence of the Union.

8.03 Subject to the provisions of this Agreement, the Port reserves the following specific and exclusive management rights:

(a) To recruit, assign, transfer, or promote members to positions within the Department, including the assignment of employees to specific jobs;

(b) To suspend, demote, discharge, or take other disciplinary action against members for just cause;

(c) To determine the keeping of records;

(d) To establish employment qualifications for new employee applicants, to determine the job content and/or job duties of employees, and to execute the combination or consolidation of jobs;

(e) To determine the mission, methods, processes, means, policies, and personnel necessary for providing service and Department operations, including, but not limited to: determining the increase, diminution, or change of operations, in whole or in part, including the introduction of any and all new, improved, automated methods of equipment; and making facility changes;

(f) To control the Departmental budget, and if deemed appropriate by the Port, to implement a reduction in force;

(g) To schedule training, work, and overtime as required in a manner most advantageous to the Department and consistent with requirements of municipal employment and public safety, subject to the provisions of this Agreement;

(h) To establish reasonable work rules, and to modify training;

(i) To approve all employees' vacation and other leaves;

(j) To take whatever actions are necessary in emergencies in order to assure the proper functioning of the Department; and

(k) To manage and operate its Departments, except as may be limited by provisions of this Agreement.

8.04 It is understood by the Parties that every incidental duty connected with operations enumerated in job descriptions is not always specifically described.

ARTICLE 9 – SENIORITY AND REDUCTION IN FORCE

9.01 An employee's seniority date shall be the date of hire in the Port. The probationary period for any employee appointed to a classification under this Agreement shall be for the twelve (12) calendar months following such appointment. The probationary period may be extended at the discretion of the Chief of Police (hereinafter referred to as the Chief) if the probationary employee has been absent due to bona fide illness or other legitimate reason. If an employee, who has promoted to the bargaining unit from a Police Communication Specialist or a Police Specialist position, fails to pass the probationary period, the employee shall be allowed to return to their former position provided there is an opening available. An employee returning to a former position under these circumstances shall resume their seniority within the former bargaining unit as if continuously employed there.

9.02 Seniority shall prevail in the event of a layoff; thus, the last employee hired in a classification shall be the first laid off. Employees laid off in accordance with the provisions of this Article will be eligible for rehire in the inverse order of layoff for a period of one (1) year following layoff. Employees who are separated from employment before the completion of their probationary period shall not be subject to recall rights as outlined in this Article.

9.03 In the event of an imminent reduction in force, written notice shall be provided to each employee scheduled for layoff at least fourteen (14) days prior to termination.

9.04 Vacation scheduling shall be done so that seniority is the primary consideration. Vacation scheduling shall be by Department Policy and Procedures.

9.05 Seniority shall only be broken in the event of retirement, voluntary quit, failure to return from an approved leave of absence, layoff exceeding one (1) year, or discharge for just cause.

9.06 A seniority list shall be provided to the Union on request.

ARTICLE 10 – JURY DUTY

10.01 When an employee is called for, and serves, on jury duty, that employee shall, during such service period, receive full regular compensation from the Port. Port compensation for service under this Section only applies to absence from scheduled work hours.

10.02 Communications Supervisors shall be assigned to a Monday through Friday workweek on day shift schedule for the period of jury duty service. Upon final release from jury duty, the Communications Supervisor will return to their regular schedule in such a way as to permit an uninterrupted continuation of compensation, and the maximum amount of work availability for the Port, provided that no Communications Supervisor regularly scheduled to work night shift shall be required to work on the night shift immediately following the conclusion of jury duty.

10.03 If an employee is released from jury service prior to the end of their scheduled work hours, the employee shall immediately call in to work and report to duty or use vacation time to cover the remaining hours. At management's discretion, an employee may work from home to cover the remaining hours.

10.04 For service as a subpoenaed witness on a Port-related case, Port compensation outside of regularly scheduled work hours is payable at the overtime rate if such service is in excess of the normal daily or normal weekly working hours' schedules.

10.05 Communication Supervisors who are lateral hires from within the State of Washington will be compensated for their appearances for their prior jurisdiction. Management shall adjust the employee's schedule to accommodate the appearance and avoid payment of overtime.

10.06 This Article shall not apply to either grievances or arbitrations, which are defined in Article 22 of this Agreement.

ARTICLE 11 – BEREAVEMENT LEAVE

11.01 Employees who have been employed for thirty (30) or more days of uninterrupted service, and who have suffered the loss by death of a member of their immediate family, as defined in this Article, shall be eligible to receive up to forty (40) hours of leave per bereavement, at the discretion of the employee's supervisor, and under the supervision of the Chief of Police. Such leave shall not result in compensation for more than the number of hours in any normal work week.

11.02 "Immediate family" shall be defined as the spouse or domestic partner of the employee, and the following relatives of either the employee, spouse, or domestic partner: child, stepchild, child's spouse, grandchild, parent, stepparent, grandparent, sibling, sibling's spouse, aunts, and uncles. In special circumstances, the Chief and/or Human Resources may include other relatives in the definition for purposes of bereavement leave.

11.03 Individual circumstances, such as distance to the funeral and the extent of employee involvement with the arrangements for the deceased, shall be considered in determining the number of hours to be granted an employee.

11.04 Following use of bereavement leave, in case of death of an employee's spouse, domestic partner (as defined under the Port's Salary and Benefits Resolution), or child, an employee may take up to two (2) work weeks of sick leave.

ARTICLE 12 – HOURS OF WORK AND OVERTIME

12.01 The normally scheduled workweek shall be comprised of forty (40) hours, defined by the Port as beginning at 12:01 a.m. on Sunday and ending at midnight on Saturday. Port payroll shall be on an eighty (80) hour biweekly basis.

12.02 Communication Supervisor. The normally scheduled workday shall be no less than eight (8) hours, at the discretion of the Chief or designee; provided, the employee shall be entitled to at least two (2) consecutive days off, and the Department shall provide the employee at least fourteen (14) days advance notice of schedule changes, except during a bona fide emergency. The workday shall include, at a minimum, a paid mealtime of thirty (30) minutes, a paid fifteen (15) minute rest period before mealtime, and a paid fifteen (15) minute rest period after mealtime. Employees may work alternative work schedules with the mutual agreement of management and the Union. Annually and for the term of the Agreement, no later than December 15th of each year, work schedules shall be selected by bargaining unit seniority order.

12.03 Overtime Pay and Exceptions. Hours worked in excess of the normal workday, or the normal forty (40) hour workweek, shall be compensated for at the overtime rate of one and one-half (1½) of the employee's regular straight time rate of pay (see Appendix A). All compensated hours shall apply to workdays and/or work weeks for the qualification of overtime; however, holiday cash-out pay, as specified in Article 14.02(b)(2), shall not count as hours worked or compensated for calculation of overtime thresholds.

12.04 There shall be no compounding or "pyramiding" of overtime pay.

12.05 Daylight Savings Time. When time is officially changed (as from standard time to daylight savings time or vice versa) during an employee's working hours, the employee shall be paid for actual hours worked. If the employee loses a straight-time (non-overtime) hour, the employee will not receive pay for that straight-time hour, unless the employee elects to use vacation to replace the lost hour. If an employee works an extra hour, the employee will receive pay subject to the overtime provisions of the Collective Bargaining Agreement.

12.06 In the event that an employee is called back to work from mealtime and is not provided a meal period of reasonable duration later in the scheduled workday, such employee shall receive overtime pay for the remainder of the mealtime not taken. If an employee independently and without proper authorization elects not to take a mealtime, such employee shall not receive overtime payment for the mealtime missed.

12.07 Approval for Overtime Work. Authority for approval of any overtime work shall be limited to Departmental management or its designees.

12.08 Cellular Phones & Stand-By. Employees may be required by the Department to carry and monitor cellular phones while off-duty. If an employee is specifically directed by a supervisor to be available and on stand-by for a specific assignment, such employee shall be considered available for work within one (1) hour, and will be compensated at ten percent (10%) of their straight-time hourly rate for each hour so assigned.

12.09 Call-Back. In the event that overtime, which has been specifically authorized by supervisory or command personnel, is not an extension at the beginning or end of a normal shift, the employee shall be paid for a minimum of four (4) hours at the overtime rate for the employee's classification, or for the actual hours worked at the overtime rate if in excess of four (4) hours.

12.10 Training. The normal workweek and normal workday for employees may be modified to accommodate training or educational requirements.

ARTICLE 13 – VACATION

Annual vacation with pay shall be granted to all employees on the following basis:

13.01 Scheduling of Vacation Leave. At any time after the successful completion of six (6) months of employment, regular permanent employees may request and use vacation leave of up to the number of hours accrued at the time of the desired vacation date, subject to the approval of the Manager or designee. Seniority shall be considered in accordance with Departmental procedures when scheduling vacations. Normally, requests for approval of vacation schedules shall be made to the Manager or designee on a vacation request form thirty (30) days or more in advance; more notice may be required by the Manager or designee when necessary to provide for proper scheduling of personnel.

13.02 Limits on Accumulating Vacation Leave. Vacation leave accumulation shall be limited to four hundred eighty (480) hours.

13.03 Rates of Accrual. Effective upon ratification between the parties, eligible employees shall receive vacation accruals based upon a pro rata share of a full-time work schedule. Vacation leave is earned as follows:

(a) 96 Hours of Vacation. Based on the first day of employment, from the first (1^{st}) full day of employment up to and including the forty-second (42^{nd}) full month of employment, permanent employees shall accrue vacation at the rate of eight (8) hours per month of active employment, or the equivalent of up to ninety-six (96) hours per year (8 hours per month X 12 months = 96 hours per year).

(b) 120 Hours of Vacation. From the forty-third (43rd) full month to and including the eighty-fourth (84th) full month of continuous employment, eligible employees shall accrue vacation at the rate of ten (10) hours per month of active employment, or the equivalent of up to one hundred twenty (120) hours per year (10 hours per month x 12 months = 120 hours per year).

(c) 140 Hours of Vacation. From the eighty-fifth (85th) full month to and including the one hundred and thirty-second (132nd) full month of continuous employment, eligible employees shall accrue vacation at the rate of eleven and sixty-seven hundredths (11.67) hours per month of active employment, or the equivalent of up to one hundred forty (140) hours per year.

(d) 160 Hours of Vacation. From the one hundred thirty-third (133rd) full month to and including the one hundred and ninety second (192nd) full month of continuous employment, eligible employees shall accrue vacation at the rate of thirteen and thirty-four hundredths (13.34) hours per month of active employment, or the equivalent of up to one hundred sixty (160) hours per year (13.34 hours per month X 12 months = 160 hours per year).

(e) 168 Hours of Vacation. From the one hundred ninety-third (193rd) full month, to and including the two hundred twenty-eighth (228th) full month of continuous employment, eligible employees shall accrue vacation leave at the rate of fourteen (14) hours per month of active employment, or the equivalent of up to one hundred sixty-eight (168) hours per year (14 hours per month X 12 months = 168 hours per year).

(f) 176 Hours Vacation. From the two hundred twenty-ninth (229th) full month, to and including the two hundred fortieth (240th) full month of continuous employment, eligible employees shall accrue vacation leave at the rate of fourteen and sixty seven hundredths (14.67) hours per year (14.67 hours per month X 12 months = 176 hours per year).

(g) 184 Hours of Vacation. From the two hundred forty-first (241st) full month, to and including the two hundred fifty-second (252nd) full month of continuous employment, eligible employees shall accrue vacation leave at the rate of fifteen and thirty-four hundredths (15.34) hours per month of active employment, or the equivalent of up to one-hundred and eighty-four (184) hours per year (15.34 hours per month X 12 months = 184 hours per year).

(h) 192 Hours Vacation. From the two hundred fifty-third (253rd) full month, to and including the two hundred sixty-fourth (264th) full month of continuous employment, eligible employees shall accrue vacation leave at the rate of sixteen (16) hours per month of active employment, or the equivalent of up to one-hundred and ninety-two (192) hours per year (16 hours per month X 12 months = 192 hours per year).

(i) 200 Hours of Vacation. From the two hundred sixty-fifth (265th), to and including all subsequent full month of continuous employment, eligible employees shall accrue vacation at the rate of sixteen and sixty-seven hundredths (16.67) hours per month of active employment, or the equivalent of up to two-hundred (200) hours per year (16.67 hours per month X 12 months = 200 hours per year).

13.04 Payment for Vacation Leave at Termination. Upon termination, regular permanent employees shall receive pay in lieu of unused vacation based on limitations stated above and as further limited by this Section.

Employees shall receive, upon termination, pay in lieu of unused vacation up to the limits as prescribed above. .~~.~~ Pension and benefit contributions associated with this lump sum payment shall be addressed in accordance with law. However, at their option, such employees may elect to take paid service time in lieu of termination pay.

Employees who terminate active employment before completing six (6) months of employment shall receive no vacation pay. Pay for unused vacation leave shall be computed through the last day of employment.

13.05 Cash Out Option. Employees may cash-out vacation leave according to the limits and procedures for the cash out of paid time off (PTO) as applied to non-represented employees. The Union shall be notified of changes to the limits and procedures affecting vacation leave cash out.

ARTICLE 14 – HOLIDAYS

14.01 Effective at the signing of this Agreement, for the Police Administrative Supervisor, ~~twelve~~ thirteen (~~12~~13) paid holidays shall be recognized and observed, as follows:

New Year's Day	January 1st
Martin Luther King's Birthday	Third Monday in January
Presidents' Day	Third Monday in February
Memorial Day	Last Monday in May
Juneteenth	June 19th
Independence Day	July 4th
Labor Day	First Monday in September
Thanksgiving Day	Fourth Thursday in November
~~Day after Thanksgiving~~Native American Heritage Day	Fourth Friday in November
Christmas Day	December 25th
One "Floating" Holiday	Designated by Port each year
Two "Floating" Holidays	Designated by Employee each year, with approval of the Manager

Any date commonly observed, as designated by State, national authority, or the Port of Seattle may be observed as a holiday and paid for as such in lieu of the date designated above for the paid holidays listed.

14.02 Police Administrative Supervisor. Holiday pay shall be one (1) day's pay at the straight-time rate, based on the employee's normal work schedule, and will not exceed one (1) regular workday; provided, holiday pay is subject to the following conditions:

(a) If Department management determines that it is possible to schedule an employee for a day off from the normal work schedule when a designated holiday occurs, such employee shall be required to take that holiday off.

(b) When the holiday falls on the employee's normal day off, the employee may choose from one of two options:

(1) The employee may elect to schedule any other day within the pay period as a day off on holiday pay; or

(2) The employee may elect not to take another day off, and instead, cash-out one (1) day's holiday pay at the straight time hourly rate. Selecting this option does not constitute hours worked or compensated for purposes of calculating overtime.

(c) Subject to (a) above, if the employee is required to work on the designated holiday, the employee may not elect to take another day off. Such employee shall receive one (1) day's holiday pay at the straight-time hourly rate, in addition to pay at the overtime rate for all hours worked on the designated holiday.

14.03

~~C~~Communications Supervisor. All eligible employees shall receive a pool of one hundred and fifty (150) holiday hours per year based upon ~~ten~~ eleven recognized holidays and four (4) floating holidays and a four (4) day ten (10) hour schedule. Holiday hours will accrue on the basis of the ~~ten~~ eleven (~~10~~11) recognized holidays listed in Article 14.04 below as they occur in the calendar year for a total of ten (10) hours per holiday on a four (4) day ten (10) hour schedule. The four (4) floating holidays will accrue as ten (10) hours for the month of January, ten (10) hours for the month of February, and ten ~~h~~(10) hours for the month of July, and ten (10) hours for the month of August. (TA)

14.04 The holidays are in recognition of ~~ten~~ eleven (~~10~~11) Port of Seattle holidays listed in the Port of Seattle Salary and Benefit resolution, HR-5 and serves as a basis for compensation. The ~~ten~~ eleven (~~10~~11) holidays are as follows:

New Year's Day
Martin Luther King Jr. Day
President's Day
Memorial Day
Juneteenth ~~Day~~
Independence Day
Labor Day
Thanksgiving Day
~~Day after Thanksgiving~~Native American Heritage Day
Christmas
Port Designated Floating Holiday (Day before or after Christmas as determined by the Port Human Resources Department).

Four (4) additional holidays that are noted in Section 14.03 above are designated as floating holidays and are not tied to any of the traditional recognized Port of Seattle holidays provided in this section.

Pooled holiday hours will not be carried over from year to year. The Port will ~~cash-out~~cash out any unused pooled holiday leave that have already accrued on the first paycheck of January of the subsequent year. Upon termination of employment, accrued, unused, holiday hours shall be cashed out, subject to proration.

A Communications Supervisor may request and use pooled holiday leave up to the number of hours that have already accrued at the time of the desired use, subject to the approval of the Communications Center Manager. Seniority shall be considered, in accordance with Departmental procedures, when scheduling such use. Normally, requests shall be made at least thirty (30) days or more in advance; however, requests made less than thirty (30) days in advance shall be considered and approved if it will not negatively impact Departmental operations.

Up to four (4) holidays not used or cashed out at the end of the calendar year can be exchanged for vacation that was already used at any time within the same calendar year.

Compensation tied to holiday cash out will only be reported to the Department of Retirement Service on the basis of the ~~ten~~ eleven (~~10~~11) Port of Seattle recognized holidays. Compensation tied to holiday cash out for the four (4) floating holidays will not be reported to the Department of Retirement Services unless they are used. .

14.05 Holiday pay shall be prorated for all employees who work less than a full-time schedule.

14.06 Effective January 1, 2024, and for the duration of the Agreement, in lieu of holidays, employees shall receive a pool of one hundred and fifty (150) holiday hours on January 1st of each year for the duration of the Agreement. It is understood that the pool of holiday hours is not tied to any designated Port holidays or a specific date. Changes in the number of pooled holiday hours due an employee resulting from a change of schedule, separation from the Department, or for any other reason, shall be prorated.

During the year, employees may request payment for their unused pooled hours, and such holiday leave cash-out (if requested by an employee) will occur twice (2x) per year, in the last paycheck of June and the last paycheck of December. Employees may request to cash-out up to a maximum of seventy (70) hours in the last paycheck of June. Employees may request to cash-out any remaining unused hours in the last paycheck of December. Pooled holiday hours will not be carried over from year to year. The Port will cash-out any unused pooled holiday leave that has already accrued on the first paycheck of January of the subsequent year. Upon termination of employment, accrued, unused holiday hours shall be cashed out, subject to proration. Pension and benefit contributions associated with cash out of holiday hours shall be addressed in accordance with law. .

14.07 A Communications Supervisor may request and use pooled holiday leave up to the number of hours that have already accrued at the time of the desired use, subject to the approval of the Communications Center Manager. Seniority shall be considered, in accordance with Departmental procedures, when scheduling such use. Normally, requests shall be made at least thirty (30) days or more in advance; however, requests made less than thirty (30) days in advance shall be considered and approved if it will not negatively impact Departmental operations.

Up to four (4) holidays not used or cashed out at the end of the calendar year can be exchanged for vacation that was already used at any time within the same calendar year.

Consistent with Department of Retirement Services rules and regulations, the pool of holiday hours will be considered leave hours and, therefore, will be reported to the Department of Retirement Services only if they are used as time off but not if they are cashed out.

14.08 Holiday pay shall be prorated for all employees who work less than a full-time schedule.

ARTICLE 15 – COMPENSATION FOR TRAVEL TIME

15.01 The Parties recognize federal and state audit ~~requirements, and~~requirements and hereby agree to comply with the Port's accounting and procurement policies relating to, among other things, reimbursement for work-related mileage, reasonable out-of-pocket expenses, proof of expenditures, reporting and audit requirements, travel authorizations, and use of a Port credit card.

15.02 When travel by an employee's private vehicle is required and authorized by Department management, such travel shall be reimbursed in accordance with the mileage reimbursement schedule as approved by the Port Commission for Port employees. However, at no time shall the amount be less than the IRS-approved mileage rate. Requests for mileage shall be submitted according to Port policy.

15.03 The normal pay and work schedule shall apply, as provided in this Agreement and subject to Article 12, in connection with travel assignments inside and outside of King County, as defined under the Fair Labor Standards Act (FLSA) guidelines. This provision does not restrict Management's ability to modify an employee's normal workweek and normal workday to accommodate training or educational requirement.

ARTICLE 16 – PROFESSIONAL LIABILITY

The Port shall provide professional liability coverage for employees when they are acting within the scope of their authority and duties with the Port of Seattle.

ARTICLE 17 - REQUESTED BENEFITS

The Port agrees to provide the following benefits requested by the Union:

(a) Washington State Public Employees Retirement System or Public Service Employees' Retirement System.

(b) Unemployment compensation benefits under the Washington State Employment Security Act.

(c) Social security insurance (FICA) as covered by the Federal Insurance Contribution Act. (Contingent on retention of the program for all Port employees.)

(d) Parking as currently provided limited to employees on-duty status in the parking garage. Off-duty employees may use alternative Port parking, during vacations and such, in the same manner as salaried employees.

(e) Lockers and lunchroom facilities.

(f) Washington State Self Insured Workers' Compensation.

(g) Educational assistance for employees shall be subject to approval of the Chief. Such assistance shall be on the following basis:

(1) For employees engaged in continuing education at accredited institutions to obtain a college degree, fifty percent (50%) of tuition costs following one year of continuous employment and seventy-five percent (75%) following four (4) years of continuous employment. Payment will be made upon evidence of satisfactory completion and will cover tuition fees only. Reimbursement may be applied for following each semester.

(2) After one year of continuous employment, for individual courses limited to job related educational curricula, one hundred percent (100%)

reimbursement for tuition only. Reimbursement shall be provided after evidence of satisfactory completion.

(3) For courses or seminars initiated for an individual employee at the direction of the Chief, reimbursement shall be provided for entire costs of such instruction. Reimbursement shall include amounts to cover tuition, books, and miscellaneous instructional fees.

(4) The employee must provide to the Department a detailed Letter of Commitment that captures their study and career goals.

(5) The employee should normally expect to provide a minimum of two (2) years of service to the Port upon completion of study towards a college degree. This is not a payback provision.

(h) As provided below in this paragraph, employees shall be eligible for participation in the Port of Seattle's Deferred Compensation Plan. Eligibility and participation of employees shall be subject to the terms and conditions of such plan including any plan amendments, revisions, or possible cancellation. It is further agreed that content of the plan itself, plan administration, and any determinations made under the plan shall not be subject to the Grievance Procedure or to any other provisions of this Collective Bargaining Agreement or to negotiation by the Union.

(i) Supplemental Pension. The Port agrees to contribute to the Pacific Coast Benefits Trust, on account of each of its employees who perform the work covered by this Agreement, for every hour for which compensation was paid as follows:

Effective January 1, 2008, in the amount of $1.50 per hour.

(j) The Port of Seattle shall allow all employees the opportunity to attend the Port of Seattle retirement planning seminars.

(k) Life Insurance. Effective the first (1st) of the month following date of hire or date of hire if on first (1st) of month, eligible employees shall receive life insurance benefits in the amount of two (2) times their annual base rate rounded up to the next one hundred dollars ($100). Eligible dependents shall receive life insurance benefits in such amount and in such manner as are provided in contracts by the Port to provide such benefits. Employees shall also be covered by the AD&D policy provided by the Port.

(l) Supplemental life insurance programs offered by the Port to salaried employees shall also be made available to employees covered by this Agreement.

(m) Paid Parental Leave. The Port shall continue to provide Paid Parental Leave to members of this bargaining unit. Eligibility, participation, and terms of the Paid

Parental Leave shall be as provided to non-represented employees as outlined in Port Policy HR-5. The Port may change or modify its Paid Parental Leave policy and/or procedure. If the Port desires a change/modification, the Port agrees to provide the Union with advance notice of any change.

(n) Commuter Benefits. Employees in the bargaining unit shall be eligible for the following benefits:

The One Regional Card for All ("ORCA Card") Program.

The Port offers ORCA cards to eligible employees at a substantially reduced cost for transportation on multiple regional transit systems. Employees who participate in the ORCA card program may also be eligible for additional subsidized transportation services. The availability of the ORCA program, annual cost, potential tax consequences for employees, and other provisions are subject to change based on guidelines provided by agencies with whom the Port contracts for the ORCA program benefits, IRS requirements, as well as the Port's discretion.

Ferry Reimbursement.

Employees who use the Washington State Ferry System for all or part of their work commute are eligible for reimbursement of ferry commuting costs up to a monthly maximum. This monthly maximum reimbursement amount is determined by the Port. Amounts and procedures can be found on the Total Rewards Compass Page and may be subject to tax.

The Port shall maintain full discretion to modify, change, amend, and/or discontinue either and/or both the ORCA program and the Ferry Reimbursement benefit;

Prior to modifying, changing, amending, and/or discontinuing either and/or both the ORCA program and the Ferry Reimbursement benefit, the Port agrees to provide advance notice to the Union.

(o) Port of Seattle Long Term Care Insurance. If the Port adopts a Long-Term Care Insurance Program, the parties will discuss the availability of such Long-Term Program, if applicable, to Non-Sworn Supervisors.

ARTICLE 18 – LEAVE WITHOUT PAY

18.01 After one (1) years' service, an employee shall be eligible for a leave of absence without pay, not to exceed six (6) work weeks. Requests for such leave shall be submitted in writing to the Chief for approval thirty (30) days in advance of the leave time period. In emergency situations, the notification may be waived at the option of the Chief.

18.02 Leave approval considerations shall include:

(a) The purpose and length of requested leave;

(b) The employee's length of service;

(c) The effect of such an extended absence on departmental operational efficiency;

(d) Employee past performance and attendance; and

(e) In establishing the priority for such leaves, mutual benefit to the Port shall also be a consideration. For example, leaves of absence for educational purposes shall receive greater priority than leaves for the purpose of travel.

18.03 In the event of special conditions, such as family emergencies or educational programs, leaves of absence may be extended beyond six (6) weeks, but shall not exceed one (1) year at the discretion and approval of the Chief and/or the Port's Executive Department. An employee shall suffer no loss of seniority for time spent on approved leave of absence of six (6) weeks or less. If the employee remains on approved Leave of Absence for more than six (6) weeks, the employee shall retain their original seniority date in the bargaining unit but shall not further accumulate seniority.

18.04 Under normal conditions, leaves of absence shall not be granted for the purpose of seeking or engaging in other employment. Any exception to this provision shall be at the sole discretion of the Chief.

ARTICLE 19 – SICK LEAVE

19.01 Based on a pro rata share of a full-time active work schedule, permanent employees shall accrue up to one (1) working day per month of sick leave, accrued at an hourly rate per each straight-time hour compensated (to be calculated based on work schedule).

Effective upon ratification between the parties and execution of the Agreement, sick leave is accrued from the first (1st) day of employment but may not be used until the completion of thirty (30) days of continuous employment and is to be used under the conditions stated in Section 19.02 of this Article.

19.02 Sick leave will be used only in instances of non-job-related employee or dependent illness or injury and as provided by law. However, sick leave may be used to cover normally scheduled workdays within the three (3) day exclusion of the Washington State Workers' Compensation program. Departmental management may require a physician's statement to justify use of sick leave and/or to determine that an employee's return from absence due to illness or injury is sanctioned by the attending physician, to the extent provided by law.

19.03 The Port will continue to identify the portion of accrued sick leave that is available for use according to the minimum requirements of the Washington Paid Sick Leave Law on each employee's paycheck (e.g., one hour of accrued sick leave for each 40 hours worked by eligible employees). This is not an additional accrual amount. It is a designation of a portion of current accrual amounts. Employees shall be entitled to carryover no more than forty (40) hours of Washington Paid Sick Leave into the following year, provided that any amount over the maximum will be maintained as general sick leave available for use under the terms of this Agreement.

19.04 Sick leave shall be applied in coordination with the Teamster Plans indicated in Article 21. In no case shall the combined effect of sick leave and/or other benefits be applied so that compensation exceeds the employee's normal rate of pay.

19.05 Upon termination or retirement following five (5) continuous years of active employment in a permanent position, qualified employees shall be compensated for fifty percent (50%) of their unused sick leave at the rate of pay at termination. Pension and benefit contributions associated with this lump sum payment shall be addressed in accordance with law. The Port will first deduct from the Washington Paid Sick Leave hours of a qualified employee and then the remainder from the regular sick leave hours of the qualified employee when compensating the employee fifty percent (50%) of their unused sick leave. Such accumulated sick leave payoff is payable to the employee's spouse or other designated beneficiary in the event of an employee's death. .

19.06 Family Medical Leave. Family leave will be administered in accordance with current Federal and State laws, and applicable Port policies.

The Port shall comply with the requirements of the Washington Paid Family and Medical Leave Act and shall have full discretion on meeting those requirements (e.g., Voluntary Plan), which shall not be subject to the grievance procedure or to any other provision of this Agreement or to negotiation by the Union. However, the Port agrees to provide to the Union advance notice of how the Port intends to comply, and when and if there are any changes.

Effective upon ratification between the parties and the execution of the Agreement, the Port will pay the employee portion of the premium associated with this provision.

Employees may use sick leave and/or vacation leave to supplement wages while using paid family medical leave.

19.07 Attendance Incentive.

(a) Five hundred dollars ($500.00) for any employee who has completed a full calendar year of continuous employment without any absence from work. Incentive pay will be subject to payroll withholding requirements.

(b) Any absence except the following will disqualify an employee:

(1) Vacation

(2) Holidays
(3) Bereavement Leave
(4) Comp Time
(5) Military Leave
(6) Jury Duty
(7) Subpoenaed Witness Serve on a Port-related case
(8) Appointment Time
(9) Effective January 1, 2018, the first .025 per hour worked of paid sick leave
(10) Other leave as protected by law.

(c) The Police Department timecards and payroll hours will be used to determine eligibility.

19.08 Appointments. Regular full-time employees who are scheduled to work a full-time schedule may be granted brief periods of paid time off for medical, dental, or other personal business appointments (such as appointments with attorneys) which could not be arranged during non-working hours. The Chief or designee may authorize time off for not more than twelve (12) hours of personal appointments during a calendar year.

19.09 Abuse of Sick Leave. Both parties are committed to work to minimize or eliminate any abuse of sick leave.

19.10 Shared Leave. The parties agree to adopt a Shared Leave Program under the terms and conditions set forth in applicable Port policies covering shared leave of salaried employees.

(a) Purpose. The Shared Leave Program enables employees to donate accrued sick leave to fellow employees who are faced with taking leave without pay or termination due to extraordinary or severe physical or mental illnesses. Implementation of the program for any individual employee is subject to agreement by the Port and the availability of shared leave from other employees. The Port's decisions in implementing and administering the shared leave program shall be reasonable.

(b) Participation. Participation in the Shared Leave Program is voluntary. No employee shall be coerced, threatened, intimidated, or financially induced into donating accrued leave for purposes of this program.

ARTICLE 20 – LONG TERM DISABILITY

Effective upon ratification and execution of the Agreement, employees in the bargaining group are eligible for long-term disability benefits on the first (1st) of the month following the date of hire or immediately if the employee is hired on the first (1st) of the month. Such coverage shall be the same as that provided for exempt and non-exempt employees as provided for in the Port's Salary and Benefit Resolution.

ARTICLE 21 – HEALTH AND WELFARE PROGRAMS

21.01 Effective January 1, ~~2023~~2026, (based on December 2022 hours) and each month thereafter during the period this Agreement is in effect, the Port agrees to pay to Washington Teamsters Welfare Trust c/o Northwest Administrators, Inc. for every eligible employee covered by this Agreement who was compensated for eighty (80) hours or more in the preceding Port payroll calendar month the following:

a. Health & Welfare. Contribute the sum of $1,615.00 per month for benefits under the **"Medical PLAN A"** as described below:

Medical Plan A	$~~1,567.60~~1761.40
Domestic Partner Coverage	$ 18.00
9-month Additional Waiver	$ 11.40
Time Loss Plan A ($400/wk)	$ 18.00
Total	**$~~1,615.00~~1808.80**

b. Dental. Contribute the sum of $122.70 per month for continued benefits under the **"PLAN A including domestic partner dental coverage."**

c. Vision. Contribute the sum of $17.30 per month for continued benefits under the **"EXTENDED BENEFITS PLAN including domestic partner vision coverage."**

21.02 Employee Premium Share.

~~Effective January 1, 2020, each employee eligible for benefits in any month shall contribute seventy-five dollars ($75) per month toward the cost of the Health and Welfare monthly premium.~~

~~Effective January 1, 2022, each employee shall contribute $125.00 per month toward the monthly premium costs in Article 21.01.~~

Effective January 1, 2024, each employee shall contribute $150.00 per month toward the monthly premium costs in Article 21.01.

Effective October 1, 2028, each employee shall contribute one hundred and seventy dollars ($170) per month towards the month premium cost in Article 21.01.

The Port will continue to cover at one hundred percent (100%) employee Dental and Vision benefit premiums during the life of the Agreement.

21.03 Retirees Health & Welfare. ~~The Port shall contribute the following for continued benefits under the Retirees Welfare Trust **"RWT-PLUS XL PLAN"**.~~

~~Effective January 1, 2023 $175.00~~

The Port shall contribute fifty dollars ($50) per month for the term of the Agreement toward the monthly premium of each member enrolled in the Teamsters Retiree Welfare Trust Plus XL plan. The balance of the monthly premium rate will be paid by members of the bargaining group through monthly payroll deduction. The Port will be absolved and indemnified by Local 117 from any liability associated with the Teamsters Retiree Welfare Trust plan.

21.04 Maintenance of Plans/ACA Plan Compliance. The Trustees may modify benefits or eligibility of any plan, in Sections 21.01 and 21.02 above, for the purposes of cost containment, cost management, changes in medical technology and treatment, and to maintain compliance with the Affordable Care Act. If increases are necessary to maintain the current benefits or eligibility, or benefits or eligibility as may be modified by the Trustees during the life of this Agreement, the Port shall pay such premium increases as determined by the Trustees. The Union will assist the Port in acquiring information from the medical benefits trust to ~~insure~~ensure that the Port is in compliance with the Affordable Care Act.

21.05 The Port agrees to provide Flexible Spending Accounts as provided for salaried employees, not to include Employer contributions, if any.

The level of benefits agreed upon in this Article at the signing of the Agreement shall remain in effect for the duration of the Agreement.

ARTICLE 22 – GRIEVANCE PROCEDURE

22.01 Grievance Defined. Any dispute regarding the interpretation or application of this Agreement shall be regarded as a grievance and shall be subject to the terms of this grievance procedure.

22.02 Discipline. The Parties agree that discipline is a command function. Decisions on disciplinary matters where discipline imposed involves a discharge, suspension, demotion, or written reprimand shall be subject to the grievance procedure; however written reprimands may not be pursued to arbitration.

22.03 Time Limits. All grievances shall be presented within twenty (20) days of the occurrence or the date that the employee actually knew or reasonably should have known of the occurrence, whichever is later. This time limit and the other time limits set forth in this Article may be extended by mutual agreement of the Employer and the Union. All references to time in this Article shall be to calendar days.

22.04 Election of Forum. An employee electing to pursue a matter through the Civil Service System may not also pursue to arbitration a grievance through this grievance procedure. Any complaint that a matter constitutes a violation of Article 7 of this Agreement may not be pursued to grievance arbitration if the matter has been challenged in any other administrative or judicial forum.

22.05 Informal Resolution. The Parties acknowledge that every effort should be made by the employee(s) and the supervisor(s) to resolve issues prior to initiating grievance procedures.

22.06 Grievance Procedure.

STEP ~~I~~

The affected employee shall present the grievance in writing to their division commander. If the division commander or the division commander's designee and the grievant are unable to arrive at a satisfactory settlement, the division commander (or designee) will issue a written response to the employee, with a copy to the Union's business representative. The response shall be issued no later than ten (10) days after the date that the grievance was initially filed. The Union may refer the grievance to Step 2 within ten (10) days of receipt of the division commander's response, or if the division commander's response is untimely, within ten (10) days of the date when the division commander's response was due.

STEP ~~II~~2

Initiation of Step 2. The Union's business representative shall present the grievance in writing to the Chief of Police or the Chief's designee. The written grievance shall contain a statement of the relevant facts, the section(s) of the Agreement allegedly violated, and the remedy that is sought.

Class Grievances. With respect to issues affecting more than one (1) employee, the Union may elect to file a grievance at Step 2 without the need for individual employees to file grievance at Step 1. The twenty (20) day time limit referenced in Section 22.03, as well as the other requirements of this Article, shall be applicable to such filings.

Step 2 Meeting. Within fourteen (14) days after the initiation of Step 2, the Union's business representative and the Chief or the Chief's designee shall meet to discuss possible resolution of the grievance. If the parties are unable to arrive at a satisfactory settlement, the Union may refer the grievance to Step 3 within ten (10) days of the meeting.

STEP ~~III~~3

Initiation of Step 3. The Union shall notify the Chief and the Port's Labor Relations representative, in writing, of its desire to move the matter to a Board of Adjustment.

Board of Adjustment. The parties shall schedule a Board of Adjustment hearing which shall be held no later than twenty (20) days after the initiation of Step 3. The purpose of the hearing is to evaluate all known facts relating to the grievance in order to determine an appropriate resolution. The Port's Labor Relations representative, the Chief or designee, and two (2) Union representatives shall be present, and both sides shall have an opportunity to present all information that they have relating to the grievance. If the parties are unable to arrive at a settlement, or if the Board of Adjustment hearing is not held within twenty (20) days after initiation of Step 3, the Union may refer the matter to Step 4. The parties may mutually agree to waive the Step 3 process.

STEP ~~IV~~4~~: ARBITRATION~~: ARBITRATION

Initiation of Step 4. The Union initiates Step 4 by filing a written request with the Port, specifying the issue to be arbitrated. The request must be submitted within ten (10) days of completion of the Board of Adjustment, or if no Board of Adjustment is scheduled within twenty (20) days after the initiation of Step 3, then within twenty-seven (27) days after the initiation of Step 3.

Selecting an Arbitrator. The Port and the Union mutually agree that either Party to this Agreement may apply to the Federal Mediation and Conciliation Service (FMCS) for a list of seven (7) persons who are qualified and available to serve as arbitrators for the dispute involved. The Parties agree to equally split any costs associated with obtaining a list of arbitrators from FMCS. Within ten (10) days of receipt of the FMCS list, the Parties will jointly select an arbitrator from the list by alternately striking one (1) arbitrator on the list until the final remaining arbitrator is selected as the arbitrator for the particular hearing. The Parties shall determine first initiative through a coin flip.

The Hearing. The hearing on the grievance shall be informal and the rules of evidence shall not apply. The arbitrator shall not have the power to add to, subtract from, or modify the provisions of this Agreement in arriving at a decision of the issue or issues presented; and shall confine their decision solely to the interpretation, application, or enforcement of this Agreement. The arbitrator shall confine themselves to the precise issue submitted for arbitration and shall not have the authority to determine any other issues not so submitted to them. The decision of the arbitrator shall be final and binding upon the aggrieved employee, the Union, and the Port. The fees and expenses of the arbitrator shall be equally split between the Parties; otherwise, each party shall pay its own fees, expenses and costs, including attorney fees and witness compensation. . (TA)

ARTICLE 23 – PERFORMANCE OF DUTY, STRIKES, AND LOCKOUTS

23.01 Nothing in this Agreement shall be construed to give an employee the right to strike, and no employee shall strike or refuse to perform assigned duties to the best of their ability. The Union agrees that it will not condone or cause any strike, slowdown, mass sick call, or any other form of work stoppage or interference with the normal operation of the Police Department or the Port.

23.02 The Port agrees that there shall be no lockouts.

23.03 The conditions stated in Sections 23.01 and 23.02 of this Article shall remain in effect with or without a signed Labor Agreement.

ARTICLE 24 – SAVINGS CLAUSE

If any Article of this Agreement or any Appendix hereto should be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Appendix should be restrained by such tribunal, the remainder of this Agreement and Appendices shall not be affected thereby, and the parties shall enter into immediate collective bargaining negotiations for the purpose of arriving at a mutually satisfactory replacement of such Article.

ARTICLE 25 – ENTIRE AGREEMENT

25.01 The Agreement expressed herein in writing constitutes the entire Agreement between the parties and no oral statement shall add to or supersede any of its provisions.

25.02 The parties acknowledge that each has had the unlimited right and opportunity to make demands and proposals with respect to any matter deemed a proper subject for collective bargaining. The results of the exercise of that right are set forth in this Agreement.

ARTICLE 26 – LETTERS OF AGREEMENT AND APPENDICES

By reference herein, the Letters of Agreement and Appendices listed below are hereby made part of this Agreement and do not require individual Employer-Union signatures.

1. Appendix A – Pay Rates
2. Appendix B – Drug Testing

ARTICLE 27 – PERSONNEL FILE - PUBLIC RECORDS REQUEST

The Port will comply with RCW 42.56.250 (12) when information contained in a member of the bargaining unit's personnel file is subject to a public records request.

ARTICLE 28 – TERM OF AGREEMENT: JANUARY 1, ~~2023~~2026 TO DECEMBER 31, ~~2025~~2028

All provisions of this Agreement shall extend from effective date to December 31, ~~2025~~2028. The Agreement may be opened by either party giving notice in writing not later than sixty (60) days prior to the expiration date.

PORT OF SEATTLE	**TEAMSTERS LOCAL UNION NO. 117/IBT**
STEPHEN METRUCK **Executive Director**	**JOHN SCEARCY** **Secretary-Treasurer**

Date	**Date**

APPENDIX A
PAY RATES

I. PAY SCHEDULES

A. Effective January 1, 2026, ~~the first full pay period of 2023,~~ the following wage rates shall apply:

Job Title	Length of Service	Rate of Pay
Police Administrative Support	Entry	$ ~~48.25~~56.00
	One (1) Year (Top Base)	$ ~~50.79~~58.95
Communications Supervisor	Entry	$ ~~50.25~~58.33
	One (1) Year	$ ~~53.04~~61.57
	Two (2) Year (Top Base)	$ ~~55.83~~64.81

As a condition of continued employment, all employees are required to participate in the Port's direct deposit program for payroll purposes.

~~The wage scales shall be adjusted by applying the Cost-of-Living Adjustments (COLA) to the top step of each scale as follows:~~

The parties recognize that they have historically based the annual cost of living increases on one hundred percent (100%) of the Seattle/Tacoma/Bellevue CPI-U (All Urban Consumers), October to October, with a zero percent (0%) minimum and a six percent (6%) maximum. Notwithstanding that past practice, the parties agree to the following wage increases for their 2026 to 2028 CBA.

(1) Effective January 1, 2026, ~~In addition, effective the first full pay period of 2023,~~ base hourly wage rates will be increased by four and a half percent (4.5 %)~~an amount equal to one hundred percent (100%) of the Seattle/Tacoma/ Bellevue CPI-U (All Urban Consumers), October 2021 to October 2022, with a zero percent (0%) minimum and a six percent (6%) maximum. In addition, members of the bargaining group will receive an additional three percent (3%)~~.

(2) Effective January 1, 2027, ~~Effective the first full pay period of 2024,~~ base hourly wage rates will be increased by four percent (4.0%) ~~an amount equal to one hundred percent (100%) of the Seattle/Tacoma/ Bellevue CPI-U (All Urban Consumers), October 2022 to October 2023, with a zero percent (0%) minimum and a six percent (6%) maximum. In addition, members of the bargaining group will receive an additional two percent (2%).~~

(3) Effective January 1, 2028, ~~Effective the first full pay period of 2025,~~ base hourly wage rates will be increased by four percent (4.0%) ~~an amount equal to one hundred percent (100%) of the Seattle/Tacoma/Bellevue CPI-U (All Urban Consumers), October 2023 to October 2024, with a zero percent (0%) minimum and a six percent (6%) maximum. In addition, members of the bargaining group will receive an additional one percent (1%)~~.

For Police Administrative Supervisor the Entry rate shall be ninety five percent (95%) of the One Year rate. For Communications Supervisor the One (1) Year rate shall be ninety five percent (95%) of the Two (2) Year rate; the Entry rate shall be ninety percent (90%) of the Two Year rate.

II. Differentials and other Considerations.

(A) Communication Supervisors' Differential. The entry level base pay rate for Non-Sworn Communication Supervisors shall be maintained at a level, which is at least nine point two percent (9.2%) above the top step base rate of pay for the Police/Fire Communications Specialists.

(B) Longevity Premium. Effective January 1, ~~2023~~2026, base hourly pay for all classifications shall be increased by the following longevity premium schedule, based upon date of hire into the Non-Sworn Supervisor's bargaining unit:

(1) 2% Longevity Premium: From the start of the sixty-first (61^{st}) full month to and including the one hundred twentieth (120^{th}) full month of continuous employment, permanent employees shall be paid a longevity premium of two percent (2%).

(2) 3% Longevity Premium: From the start of the one hundred twenty-first (121st) full month to and including the one hundred eightieth (180^{th}) full month of continuous employment, permanent employees shall be paid a longevity premium of three percent (3%).

(3) 4% Longevity Premium: From the start of the one hundred eighty-first (181^{st}) full month to and including the two hundred fortieth (240^{th}) full month of continuous employment, permanent employees shall be paid a longevity premium of four percent (4%).

(4) 5% Longevity Premium: From the start of the two hundred forty-first (241^{st}) full month to and including the three hundredth (300^{th}) full month of continuous employment, permanent employees shall be paid a longevity premium of five percent (5%).

(5) 6% Longevity Premium: From the start of the three hundred-first (301^{st}) full month to and beyond of continuous employment, permanent employees shall be paid a longevity premium of six percent (6%).

Effective upon ratification and execution between the parties, longevity placement will be based upon date of hire at the Port of Seattle.

(C) Educational Incentive. Effective upon ratification and execution between the parties, ~~B~~base pay for Communications Supervisors and Police Administrative Supervisors new to the Port Police Department with six (6) months service in the bargaining unit shall be increased by the following educational incentive schedule.

Percent of Base Rate	Degree
2%	Associates of Arts Degree
4%	Bachelor's Degree
6%	Advanced Degrees (e.g. MA, MBA, .JD)

(D) Shift Differential. Effective upon ratification between the parties, Communication Supervisors who are permanently assigned to night shift shall receive a two percent (2%) pay differential above the employee's base rate of pay for all hours worked.

(E) Working Out of Class. Issues involving employee(s) working out of class will be addressed on a case-by-case basis.

(F) Training. Effective upon ratification and execution of the Agreement, Communication Supervisors assigned to train new dispatchers for a minimum of one (1) full ~~work day~~workday or more, shall receive a ten percent (10%) premium above their straight time hourly rate of pay.

APPENDIX B
DRUG TESTING
SUBSTANCE TESTS

PREAMBLE

While abuse of alcohol and drugs among our members is the exception rather than the rule, the Teamsters Local 117 Non-Sworn Supervisors Employee's Negotiating Committee shares the concern expressed by many over the growth of substance abuse in American society.

The drug testing procedure, agreed to by labor/management, incorporates state-of-the-art employee protections during specimen collection and laboratory testing to protect the innocent.

In order to eliminate the safety risks which result from alcohol or drugs, the parties have agreed to the following procedures.

As referred to herein, testing shall be applicable to all entry level probationary employees and to any other employee for whom the Port has a reasonable suspicion that the employee is working while under the influence of alcohol or drugs.

A. Illicit substance or drug abuse by members of the Department is unacceptable and censurable conduct worthy of strong administrative action.

B. Preconditions to Drug Testing. Before an employee may be tested for drugs or alcohol based upon reasonable suspicion, the Port must meet the following prerequisites:

1. The Port shall inform employees in the bargaining unit what drugs or substances are prohibited.

2. The Port shall provide in-service training containing an educational program aimed at heightening the awareness of drug and alcohol related problems.

3. The Port and the Union shall jointly select the laboratory or laboratories which will perform the testing.

4. Lieutenants or higher ranked officers or managers shall be the department representative to authorize or approve a drug/alcohol test.

5. The Lieutenant or higher ranked officer or manager authorizing or approving a drug or alcohol test under this Appendix B shall provide a written report to the Chief of Police, or Department Director if the employee is not part of the Police Department, and to the employee. If requested, that documents the basis for ordering the test under the reasonable suspicion standard. The report shall be completed no later than the end of the shift on which the test was ordered.

6. The Port shall not use the drug testing program to harass any employee.

C. The Department shall also have the discretion to order any entry level probationary employee to submit to a blood, breath, or urine test for the purposes of determining the presence of a narcotic, drug, or alcohol a minimum of two (2) times during such employee's entry level probationary period. These tests will be conducted in the following manner:

1. Tests will be administered to each entry level probationary employee a minimum of two (2) times, at various intervals, during the probationary period.

2. Entry level probationary employees shall only be tested while on duty.

3. The providing of a urine sample will be done in private.

4. Obtaining of urine samples shall be conducted in a professional and dignified manner.

5. A portion of urine samples shall be preserved to permit the following:

   a. Positive samples shall be tested by a GC/MS test.

   b. A third test for positive samples shall be conducted if requested by the employee, at Port expense, by a reputable laboratory of mutual choice.

The exercise of this discretion by the Department shall be deemed a term and condition of such employee's period of entry level probation, and need not be supported by any showing of cause.

If any employee is ordered to submit to these tests involuntarily, the evidence obtained shall be used for administrative purposes only.

D. Testing Mechanisms. The following testing mechanisms shall be used for any drug or alcohol tests performed pursuant to the testing procedure:

1. It is recognized that the Employer has the right to request the laboratory personnel administering a urine test to take such steps as checking the color and temperature of the urine samples to detect tampering or substitution, provided that the employee's right of privacy is guaranteed, and in no circumstances may observation take place while the employee is producing the urine sample. If it is established that the employee's specimen has been intentionally tampered with or substituted by the employee, the employee is subject to discipline as if the sample tested positive. In order to deter adulteration of the urine sample during the collection process, physiologic determinations such as creatinine and/or chloride measurements may be performed by the laboratory.

2. The parties recognize that the key to chain of possession integrity is the immediate labeling and initialing of the sample in the presence of the tested employee. If each container is received at the laboratory in an undamaged condition with properly sealed, labeled and initialed specimens, as certified by the laboratory, the Employer may take disciplinary action based upon properly obtained laboratory results.

3. Any screening test shall be performed using the enzyme immunoassay, (EMIT) method.

4. Any positive results on the initial screening test shall be confirmed through the use of the high-performance thin-layer chromatography (HPTLC), gas chromatography (GC) and gas ~~chromotography~~chromatography/mass spectrometry (GC/MS). If at any time there exists a test with a higher rate of reliability than the GC/MS test, and if such test is reasonably accessible at a reasonable cost, such test shall be used in place of the GC/MS test if requested by the Union.

5. All samples which test negative on either the initial test or the GC/MS confirmation test shall be reported only as negative. Only samples which test positive on both the initial test and the GC/MS confirmation test shall be reported as positive.

6. In reporting a positive test result, the laboratory shall state the specific substance(s) for which the test is positive and shall provide the ~~quantative~~quantitative results of both the screening and the GC/MS confirmation tests, in terms of nanograms per milliliter. All positive test results must be reviewed by the certifying scientist or laboratory director and certified as accurate.

7. Employees tested for alcohol shall be subject to the collection of a breath sample(s), conducted as defined in E (9), to determine if current consumption of alcohol is present.

E. Procedures to be used when the sample is given. The following procedures shall be used whenever an employee is requested to give a blood or urine sample. Normally, the sample will be taken at the laboratory. If taken at another location, transportation procedures as identified shall be followed. All sample taking will be done under laboratory conditions and standards as provided by the selected laboratory:

1. Prior to testing, or if incapacitated as soon as possible afterwards, the employee will be required to list all drugs currently being used by the employee on a form to be supplied by the Port. The Employer may require the employee to provide evidence that a prescription medication has been lawfully prescribed by a physician. If an employee is taking a prescription or non-prescription medication in the appropriate described manner and has noted such use, as provided above, they will not be disciplined. Medications prescribed for another individual, not the

employee, shall be considered to be illegally used and subject the employee to discipline.

2. When a blood test is required, the blood sample shall be taken promptly with as little delay as possible. Immediately after the samples are drawn, the individual test tubes shall, in the presence of the employee, be sealed, labeled and then initialed by the employee. The employee has an obligation to identify each sample and initial same. If the sample is taken at a location other than the testing laboratory, it shall be placed in a transportation container after being drawn. The sample shall be sealed in the employee's presence and the employee given an opportunity to initial or sign the container. The container shall be stored in a secure and refrigerated atmosphere, and shall be delivered to the laboratory that day or the soonest normal business day by the fastest available method.

3. In testing blood samples, the testing laboratory will analyze blood/serum by using gas chromatography/mass spectrometry as appropriate. Where Schedule I and II drugs in blood are detected, the laboratory is to report a positive test based on a forensically acceptable positive quantum of proof. All positive test results must be reviewed by the certifying scientist or laboratory director and certified as accurate.

4. When a urine sample will be given by the employee, the employee shall be entitled, upon request, to give the sample in privacy. In most cases, this process will take place at a laboratory. The sample container shall remain in full view of the employee until transferred to, and sealed and initialed in the two (2) tamper resistant containers and transportation pouch.

5. Immediately after the sample has been given, it will be divided into two equal parts. Each of the two portions of the sample will be separately sealed, labeled. If the sample is taken at a location other than the laboratory, it shall be stored in a secure and refrigerated atmosphere. One of the samples will then be delivered to a testing laboratory that day or the soonest normal business day by the fastest available method.

6. The sample will first be tested using the screening procedure set forth in Section (D) (3) of this appendix. If the sample tests are positive for any prohibited drug, the confirmatory test specified in Section (D) (4) of the appendix will be employed.

7. If the confirmatory test is positive for the presence of an illegal drug, the employee will be notified of the positive results within 24 hours after the Port learns of the results, and will be provided with copies of all documents pertinent to the test sent to or from the Port by the laboratory. The employee will then have the option of submitting the untested sample to a laboratory of mutual choice, at the Port's expense.

8. Each step in the collecting and processing of the urine samples shall be documented to establish procedural integrity and a chain of evidence. All samples deemed "positive" by the laboratory, according to the prescribed guidelines, must be retained, for identification purposes, at the laboratory for a period of six (6) months.

9. All screening and confirmatory breath alcohol tests shall be conducted by certified breath alcohol technicians and in accordance with the procedures set forth in WAC 448.

F. Consequences of positive test results.

1. An employee who tests positive shall have the right to challenge the accuracy of the test results before any disciplinary procedures are invoked as specified in Section (E) (7) and the Departmental Grievance Procedure.

2. Consistent with the conditions of the appendix, the employer may take disciplinary action based on the test results as follows:

   Confirmed positive test - Employee is subject to discharge.

G. Employee rights.

1. The employee shall have the right to a Union Representative during any part of the drug testing process.

2. If at any point the results of the testing procedures specified in the appendix are negative, all further testing shall be discontinued. The employee will be provided a copy of the results, and all other copies of the results (including the original) shall be destroyed within 24 hours after the test results have been received by the employer. All positive test results will be kept confidential, and will be available only to the Chief, one designated representative of the Chief, and the employee.

3. Any employee who tests positive shall be given access to all written documentation available from the testing laboratory which verifies the accuracy of the equipment used in the testing process, the qualifications of the laboratory personnel, the chain of custody of the specimen, and the accuracy rate of the laboratory.

COMMISSION
AGENDA MEMORANDUM

ACTION ITEM

Item No.	10a
Date of Meeting	September 9, 2026

DATE: August 11, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Linda Springmann, Director, Cruise and Elliot Bay Operations
Kelly Purnell, Capital Project Manager, Waterfront Project Management

SUBJECT: Terminal 91/Pier 66 Cruise Shore Power Extension (CIP#s C801983, C802116) GMP Contract Amendment and DU#9202 Rehabilitation Validation Funding

Amount of this request:	$49,330,000
Total estimated project cost:	$116,480,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to approve funding to:

1. Execute a Guaranteed Maximum Price (GMP) Contract Amendment to the alternative public works Progressive Design Build contract, MC-0322060, for the T91/P66 Cruise Shore Power Extension project to complete construction of the Pier 66 and Pier 91 East shore power extension systems, bollards, and limited deck panels replacement.
2. Authorize funding for a Validation Phase to include the rehabilitation of the section of Pier 91 delineated as Development Unit (DU) #9202.

Total amount requested for this action is $49,330,000 for a total project authorization of $69,980,000, and an estimated total project cost of $116,480,000.

EXECUTIVE SUMMARY

In July 2024, the Port passed Commission Order No. 2024-08 mandating all homeport cruise ships to connect to shore power by 2027, three years earlier than the 2030 goal set in the Port's adopted Maritime Climate and Air Action Plan. The provision of shore power for cruise ships is the Port's greatest opportunity to improve local air quality and reduce Maritime greenhouse gas (GHG) emissions from ocean going vessels at berth.

Currently, the Port's Smith Cove Cruise Terminal at Terminal 91 at Pier 91 (P91) which opened in 2009 provides shore power at its two cruise berths. The single berth at the Bell Street Pier Cruise Terminal at Pier 66 (P66) which opened in 1999 has a new shore power system completed in September 2024. While all three of the Port's cruise berths are now electrified, upgrades to the shore power systems are required to provide the additional flexibility needed to accommodate all vessels and berthing configurations to meet Commission Order No. 2024-08.

The project utilizes the Progressive Design Build (PDB) alternative delivery method and selected Skanska USA Building, Inc. (Skanska) as the design-builder. In December 2025, Commission approved funding to execute a Post-Validation Amendment to move forward with design and final Guaranteed Maximum Price (GMP) development. In May 2026 Commission approved funding to execute an Early Work Amendment for early procurement of long lead materials.

In June 2026 shore power construction on the west berth of Pier 91 was reprioritized to address accelerating deterioration of the concrete precast deck panels in the section of the pier delineated as DU #9202 that falls within the project footprint. Further investigation into the condition of the panels has shown delamination, spalls, exposed/corroded reinforcing steel bar, and elevated concentration of chloride ions. Operational load restrictions have been implemented on twelve of the most deteriorated panels with further condition assessments required every six months. DU #9202 will be rehabilitated in conjunction with the shore power installation as the most expeditious option to eliminate the risk of additional load restrictions and subsequent operational impacts. In addition, through collaboration with the design-builder, an innovative structural solution was developed that will significantly reduce the cost of the structural rehabilitation, which will result in an estimated net cost reduction to the capital plan of $20M. P91 west berth shore-power extension and DU #9202 will be complete by the start of the 2028 cruise season. Two ships with approximately thirty calls each will not be able to connect in cruise season 2027. Temporary shore power solutions were evaluated by the Design-Builder in coordination with Watts Marine and proved to be unfeasible.

The contract will now proceed with two (2) separate milestone scopes for which separate GMPs will be negotiated:

> Milestone 1: completion of the Pier 66 and Pier 91 east shore power extension systems by the start of 2027 cruise season, including bollards and limited deck panel replacements (today's funding request).
>
> Milestone 2: completion of the Pier 91 west berth shore power extension and rehabilitation of DU #9202 by the start of 2028 cruise season (validation phase in today's request; GMP in future request).

Final GMP for Milestone 1 has been successfully negotiated between the Port and the Design-Builder with review by an Independent Cost Estimator. A GMP amendment is to be executed pending authorization of today's request.

Validation of the scope, schedule, and budget for Milestone 2 will begin pending authorization of today's request.

JUSTIFICATION

The Port of Seattle is an industry and regional leader in economic development and sustainability. The Port's investment in cruise terminals at P66 and P91 results in a significant contribution to the region's economy, generating more than 5,500 jobs and nearly $1.2 billion in total local business revenue each cruise season. The Port also recognizes its responsibility and the importance of concerted efforts to balance economic growth with sustainability. The Seattle Waterfront Clean Energy Strategic Plan and the adopted Maritime Climate and Air Action Plan provide a Port investment strategy to protect the environment and improve community health.

As a global leader in sustainability, the Port is committed to addressing global climate change and improving local air quality. In 2017 the Port's Commission adopted GHG reduction targets in alignment with the Paris Climate Agreement, then updated goals in October 2021 in recognition of the climate crisis. In November 2021, the Port Commission adopted the Maritime Climate and Air Action Plan which identifies strategies and actions the Port can take through 2030 to achieve Port's Century Agenda GHG target to reduce GHG emissions 50% by 2030 and to position the Port to phase out seaport-related emissions entirely by 2050. The plan includes a specific commitment to install shore power at all cruise berths and maximize connections by 2030. In May 2022, the Port launched a collaborative effort to explore the feasibility of a maritime green corridor aimed at accelerating the deployment of low and zero GHG emission cruise ships and operations between Alaska, British Columbia, and Washington. Most recently, the Port passed Commission Order No. 2024-08 mandating that all home ported cruise ships must connect to shore power by 2027, three (3) years earlier than the Maritime Climate and Air Action Plan 2030 goal.

Shore power can significantly reduce GHG and air pollution emissions with each connection. Staff estimate shore power can avoid approximately 268 thousand metric tons of carbon (CO_2e) cumulatively through 2050. Assuming a 25-year infrastructure life and $44 million cost, that represents a cost per ton of carbon reduced over the full lifespan to range from $164 to $406 per metric ton CO_2e. This range is based on the 2025 cruise schedule with the current ability to connect cruise ships to shore power at P91 and P66 (86% of homeport calls). If 100% of homeport ships plug-in consistent with the Commission Order No. 2024-08 in 2027, shore power use would result in an additional 45 thousand metric tons of cumulative carbon emissions avoided over a 25-year infrastructure life.

Diversity in Contracting

The project team in coordination with the Diversity in Contracting Department has included a 6% WMBE aspirational goal in the Progressive Design Build major work contract for this work to design and construct the pathway for the shore power system and other structural elements of the project and to install the Watts designed and procured shore power equipment.

The additional Milestone 2 scope was discussed with Diversity in Contracting. After review, the 6% WMBE goal will be maintained for the overall project, inclusive of both Milestone 1 and Milestone 2. While the additional scope represents a significant increase in the project value, some of the major added work, particularly the concrete-related scope, provides limited opportunities for additional WMBE utilization. However, there are other elements within the added scope that provide continued WMBE opportunities and should support the contractor in achieving the established 6% goal. Based on the review of the overall scope and available WMBE opportunities, the 6% goal remains appropriate for the project.

Community Engagement

Staff will brief Magnolia and Queen Anne community leaders at the Port's Neighbors Advisory Committee meeting on September 16 including project details and construction schedule. Similar outreach is scheduled for waterfront businesses and neighbors near Pier 66.

***Status**:*

The T91/P66 Cruise Shore Power Extension project is on schedule to meet the Commission order to plug-in all shore-power equipped homeported ships by 2027 at Pier 66 and on the East berth of Pier 91 (Milestone #1). The extension of the shore-power system on the west berth of Pier 91 (Milestone #2) will be completed the following year to plug-in all remaining homeport ships by 2028. Following completion of the Validation phase in November that resulted in the development of a Basis of Design, Target Budget, and Target Schedule, the project returned to Commission in December 2025 and received authorization to proceed into the design and GMP Development phase of the contract, and in May 2026 for authorization of an Early Work Amendment for long lead material procurement. The project has now progressed through final design for Milestone 1 and a GMP has been negotiated between the Port and the Design-Builder. Milestone 2 will progress through a Validation period once a Contract Amendment has been executed. The project will return to Commission in Q4 2026 for authorization to proceed to GMP Development for that scope of work.

Due to the proprietary nature of the electrical shore power equipment and the anticipated long lead time, a sole source purchasing contract with Watts Marine was executed to ensure that design and procurement of the equipment is completed and ready for installation in Q4 of 2026. Since the Commission authorization to purchase Watts shore power equipment, the equipment has been designed and ordered, and its delivery is scheduled to begin in late September 2026.

Scope:

This funding request is for the GMP for Milestone 1 scope package to be completed by cruise season 2027.

Milestone 1:

- **Pier 91**
    - East Berth
        - Construct two (2) new sawtooth boxes at footmark 450' and 849' and replace one (1) existing sawtooth box in place.
        - Construct conduit duct bank from existing electrical substations to each new sawtooth box.

        - Pull electrical conductor to each sawtooth box and complete electrical terminations.
        - Install new substation equipment and reconfigure existing equipment that will remain.
        - Commission new shore power equipment
    - West Berth
        - Replace 90 precast deck panels along the bull rail between footmark 200’ and 780’ and reconstruct the bull rail.
        - Install new substation equipment and reconfigure existing equipment that will remain
        - Install two (2) new 100-ton bollards on north end of west berth
    - South Bollards
        - Construct two (2) new 100-ton bollards on the south end of Pier 91.
- **Pier 66**
    - Construct under-pier scaffolding
        - To maximize construction efficiency, scaffolding must be installed under the pier for approximately 1,125 feet. To meet the in-use date at the start of cruise season 2027, installation of scaffolding must be completed prior to the end of the tribal fishery. Tribal concurrence negotiations are in progress to accommodate the schedule of this work.
    - Construct under-pier duct bank and install one under-pier splice vault
    - Construct one (1) new sawtooth box at footmark 352’
    - Pull new electrical conductor from existing electrical substation to new sawtooth box and complete electrical terminations
    - Install new ground switch in electrical substation
    - Commission new shore power equipment

Remaining Project Risks:

- Milestone 1 schedule is aggressive and has very little float to accommodate unforeseen conditions. Risk contingency has been allocated to mitigate, as well as shift differential allowance to allow for more days per week to work. Tribal concurrence is still being negotiated for Pier 66.
- Milestone 2 schedule is aggressive and has very little float to accommodate unforeseen conditions. This will require tribal concurrence to complete in a single season. West berth shore power will be prioritized for in-use by cruise season 2028, however potential need for a third season to complete all structural work exists.
- DU #9202 structural solution costs are preliminary. Costs could increase due to escalation, feasibility, and constructability. Cost estimates will be updated at contract phases, and design milestones and mitigation measures implemented as feasible and as needed.

Schedule

The schedule to meet Commission Order No. 2024-08 is aggressive. Project constraints including other concurrent or overlapping critical projects at P91, design and permitting schedule, supply chain uncertainty, and highly constrained construction work windows due to cruise and commercial fishing operations create the risk of schedule slippage. Schedule assumptions account for best case permitting scenarios, including avoidance of in-water work (work completed in the dry) and successful tribal negotiations to maximize work window between cruise seasons and the tribal fishery. Due to critical repairs required for DU #9202 of Pier 91 dock, the dock repairs have been added to the shore power scope, and the scope has been divided to be completed over two seasons. A Progressive Design Build project delivery with a sole source contract to Watts Marine for shore power equipment design and procurement was selected to mitigate schedule risk to the extent possible. This Progressive Design Build contract with Skanska allows for some acceleration of the design process and minimizes potential for unknown construction risks that cause delays assuming that all milestone dates are met, including this authorization of funding for the GMP for Milestone 1.

Activity

Commission Authorization – T91 Mobile Cable Positioning Devices (CPDs) and T91 Cruise Shore Power Extension North initial design funding	August 8, 2023
DORA – Progressive Design Build Procurement and Preliminary Design	October 16, 2024
Commission Authorization – Watts Marine, LLC Purchasing Contract	April 22, 2025
Commission Authorization - Progressive Design Build Contract – Validation Phase	July 8, 2025
Progressive Design Build Validation Period Execution	August 22, 2025
Commission Authorization – Post-Validation Amendment funding	December 9, 2025
Commission Authorization – Early Work Amendment funding	April 28, 2026
Commission Authorization – GMP - Milestone 1 Amendment funding	Q3 2026
Construction – Milestone 1	September 9, 2026
In-use date – Milestone 1	April 2027
Commission Authorization – Milestone 2 Validation funding	September 9, 2026
Commission Authorization – GMP – Milestone 2 Amendment funding	Q3 2027
Construction – Milestone 2	Q4 2027 – Q2 2028
In-use date – Milestone 2	April 2028

Cost Breakdown

	This Request	Total Project
Planning through Validation: Milestone 1	**$0**	**$2,450,000**
Pier 91	$0	$1,620,000
Pier 66	$0	$830,000
GMP Development: Milestone 1	**$0**	**$5,000,000**
Pier 91	$0	$3,800,000
Pier 66	$0	$1,200,000
Material Pre-Procurements (Watts)	**$0**	**$8,000,000**
Pier 91	$0	$7,000,000
Pier 66	$0	$1,000,000
Early Work Amendment	**$0**	**$5,200,000**
Pier 91	$0	$4,377,000
Pier 66	$0	$700,000
P91 South Bollards (C802116)	$0	$123,000
Construction-Final GMP (Milestone 1)	**$48,164,000**	**$48,164,000**
Pier 91	$33,724,000	$33,724,000
DU#9202*	$16,704,000	$16,704,000
Shore Power	$17,020,000	$17,020,000
Pier 66	$13,074,000	$13,074,000
P91 South Bollards (C802116)	$1,366,000	$1,366,000
Validation: Milestone 2	**$1,166,000**	**$1,166,000**
Remaining to be authorized: Milestone 2*	**$0**	**$46,500,000**
Pier 91 DU#9202	$0	$40,000,000
Pier 91 West berth shore power		$6,500,000
	Estimated Total Project Cost	**$116,480,000**

*Overall funding for DU#9202 has been accounted for through cash flow reduction in CIP #801294 T91 Dock Rehabilitation project. Funding for Validation scope will be accounted for in reduction of scope for T91 Programmatic Design contract P-00322462 SD1 – T91 Dock Rehab 30% Design. Overall Capital cost reduction of $20M is anticipated by combining west berth shore power and DU #9202 under the Progressive-Design-Build contract.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Advance GMP for full shore power scope without rehabilitation of DU #9202.

Cost Implications: $20M+ higher costs for full dock rehabilitation under separate project contract.

Pros:

(1) Targets implementation of complete shore power capability at all cruise berths by 2027.

Cons:

(1) Precludes consideration of all structural solutions for the rehabilitation of DU #9202 and would likely require rework of the shore power during the dock repair.
(2) Moves the repair of DU #9202 to the original schedule for completion by 2029, eliminating the opportunity to accelerate the project and avoid additional operational constraint.
(3) Adds risk probability that additional operational restrictions will be applied to DU #9202 deck panels as they continue to deteriorate.

This is not the recommended alternative.

Alternative 2 – Execute a GMP amendment for Milestone 1 scope to be completed by cruise season 2027, and authorize funding for Milestone 2 Validation scope and return to Commission to execute a GMP amendment for Milestone 2 scope by Q3 2027 for completion in 2028.

Cost Implications: Cost savings of $20M+ to integrate DU #9202 Rehabilitation into T91 shore power project.

Pros:

(1) Meets the mandate of Commission Order No. 2024-08 for Milestone 1.
(2) Provides additional time for design advancement and cost certainty for Milestone 2, primarily the development of a structural solution for DU #9202 of Pier 91.
(3) Accelerates the rehabilitation of DU #9202 by one year, minimizing risk of further operational restrictions as the deck panels deteriorate.
(4) Avoids potential rework of the west berth cruise shore power by integrating the shore power infrastructure with the dock rehabilitation solution.

Cons:

(1) Requires additional Commission authorizations for contract amendment milestones for Milestone 2 scope.
(2) Reprioritizes the schedule for west berth shore power to 2028.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary	Capital	Expense	Total
COST ESTIMATE			
Original estimate	$4,000,000	$0	$4,000,000
Previous changes – net	$55,800,000	$0	$55,800,000
Current change*	$56,680,000		$56,680,000
Revised estimate	**$116,480,000**	**$0**	**$116,480,000**
AUTHORIZATION			
Previous authorizations	**$0**	**$0**	**$20,650,000**
Pier 91	$0		$9,797,000
Pier 66	$0		$2,730,000
P91 South Bollards (C802116)	$0		$123,000
Watts Marine Sole Source Contract	$0		$8,000,000
Current request for authorization	**$49,330,000**	**$0**	**$49,330,000**
Pier 91	$33,724,000	$0	$33,724,000
DU#9202 – limited deck panels	$16,704,000	$0	$16,704,000
Shore Power	$17,020,000	$0	$17,020,000
Pier 66	$13,074,000	$0	$13,074,000
P91 South Bollards (C802116)	$1,366,000	$0	$1,366,000
Milestone 2 Validation	$1,166,000	$0	$1,166,000
Remaining amount to be authorized * *	**$46,500,000**	**$0**	**$46,500,000**

* The work completed through the design of the GMP Development phase of the contract resulted in the determination that the rehabilitation of DU #9202 should be constructed with the west berth shore power, two (2) 100-ton bollards will be added to the south end of P91 (funded under a separate CIP, C802116), and tie-downs for the new passenger gangways as these must be integrated in the shore power concrete work rather than waiting for construction of projects currently funded separately. Certain scope of the DU#9202 repair must be completed during Milestone 1.

**Remaining amount to be authorized is slated for Milestone 2 including majority scope of DU#9202 repair, and west berth shore power construction.

Annual Budget Status and Source of Funds

This project was included in the 2026 Capital Plan C801983 P66/P91 Shore Power Extension with a total project cost of $33,000,000 and C802116 P91 South Bollards with a total project cost of $650,000. C801294 T91 Dock Rehabilitation budget was included in the 2026 Capital Plan with a total project cost of $104,225,000. The Dock Rehabilitation budget has been further reduced to $18,400,000, and $52,000,000 has been transferred to C801983 P66/P91 Shore Power & DU9202 Rehab to integrate the repair work into the shore power project.

C801983 P66/P91 Shore Power & DU9202 Rehab is included in the draft 2027 Capital Plan with a total cost of $114,300,000. C802116 P91 South Bollard Upgrade is included in the draft 2027 Capital Plan with a total cost of $1,600,000.

This project will be funded by the General Fund.

Financial Analysis and Summary

Project cost for analysis	$116,480,000
Business Unit (BU)	Cruise Operations
Effect on business performance (NOI after depreciation)	No incremental operating revenue or cost-savings is directly associated with this project. • On-going maintenance expenses, if any, are not yet known. • Estimated annual depreciation is $4.7M
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

ADDITIONAL BACKGROUND

Originally, P91 and P66 cruise shore power projects were envisioned as two separate projects under two CIP #s. Initial funding for the P91 Cruise Shore Power Extension North was authorized by Commission on August 8, 2023, inclusive of the purchase of two (2) mobile cable positioning devices (CPD) under CIP # C801293. P66 Cruise Shore Power Extension was under CIP # C801983. As part of a DORA executed on October 16, 2024 for a Progressive Design Build procurement and early design for both projects, P91 Cruise Shore Power Extension, except for the costs associated with the purchase of the CPDs which remained under C801293, was transferred to CIP # C801983 with P66 to consolidate the projects under a single CIP and to help expedite both projects to meet the mandate of Commission Order No. 2024-008 to connect all home ported cruise ships to shore power by 2027.

ATTACHMENTS TO THIS REQUEST

(1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

April 28, 2026 – Funding authorization in the amount of $5,200,000 for execution and funding of an Early Work Amendment for procurement of long-lead materials.

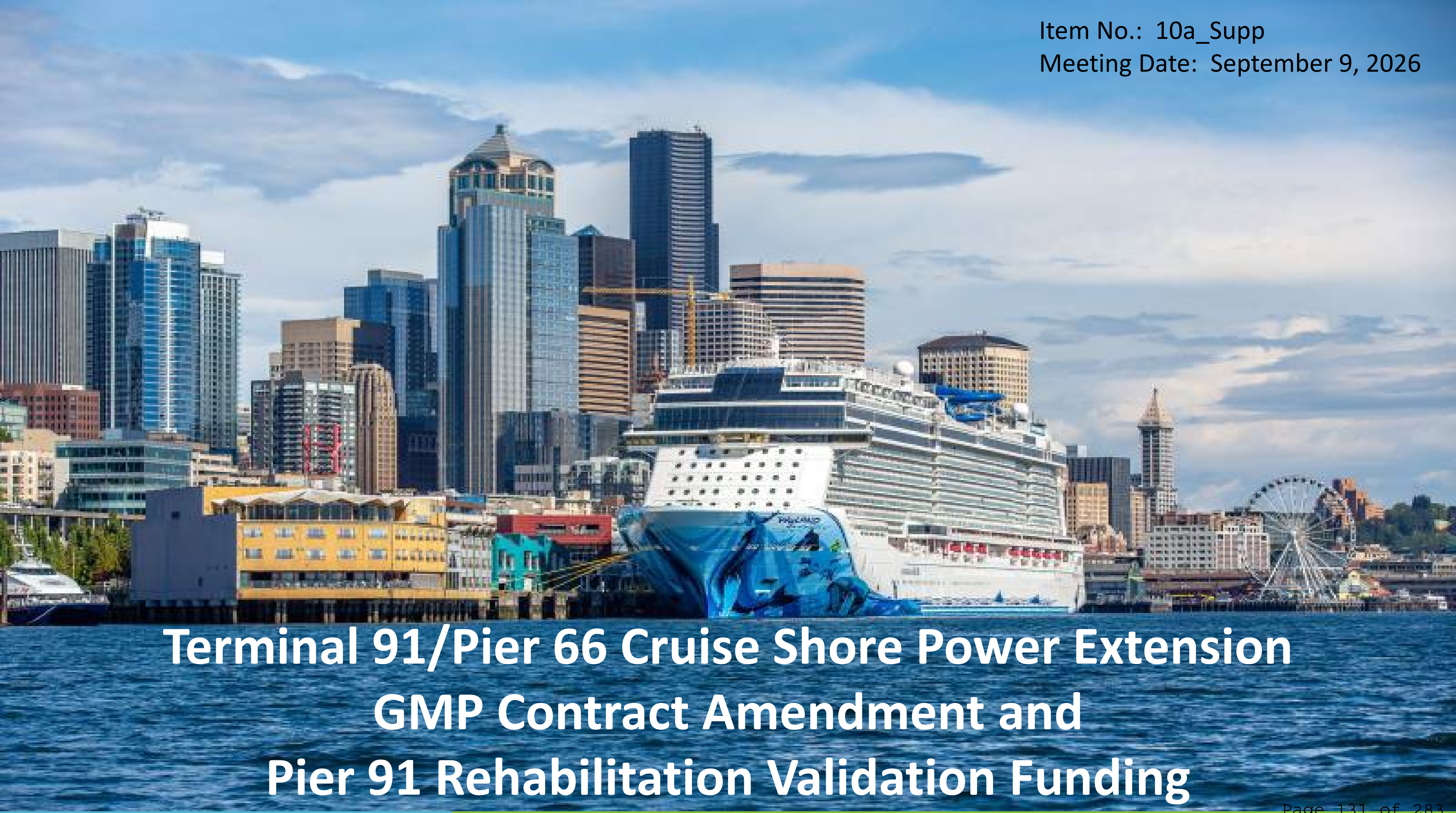
December 9, 2025 – Funding authorization in the amount of $5,000,000 for execution and funding of the Post-Validation phase of the major public works Progressive Design Build project.

July 8, 2025 – Funding authorization in the amount of $1,100,000 for award and execution of the Validation Period of the major public works Progressive Design Build project.

April 22, 2025 – Funding authorization in the amount of $8M for Watts Marine contract to purchase shore power equipment.

August 8, 2023 - The Commission authorized funding for P91 Cruise Shore Power Extension and CPDs in the amount of $2,500,000 for the purchase of the CPDs and early design funding of the extension.

Item No.: 10a_Supp
Meeting Date: September 9, 2026



Terminal 91/Pier 66 Cruise Shore Power Extension GMP Contract Amendment and Pier 91 Rehabilitation Validation Funding

Shore Power Project Purpose

- **In July 2024, Commission Order No. 2024-08 was passed mandating that all homeport cruise ships connect to shore power by 2027.**
- To meet the mandate, the existing shore power systems need to be extended at Pier 91 and Pier 66.
  - Currently, the shore power cables cannot reach from the berth connection point to plug-in locations on all shore power capable ships.
- This project will provide maximum flexibility in how ships with different shore power configurations berth at the pier so they can connect to shore power.

Structural Scope Addition – Pier 91 West

Precast concrete deck panels from below Pier 91

Precast concrete deck panels from top of Pier 91

- Latest inspections have shown that the condition of the pier structure in the project footprint (DU#9202) is deteriorating at an accelerated rate.

- Operational restrictions implemented on twelve (12) precast concrete deck panels.

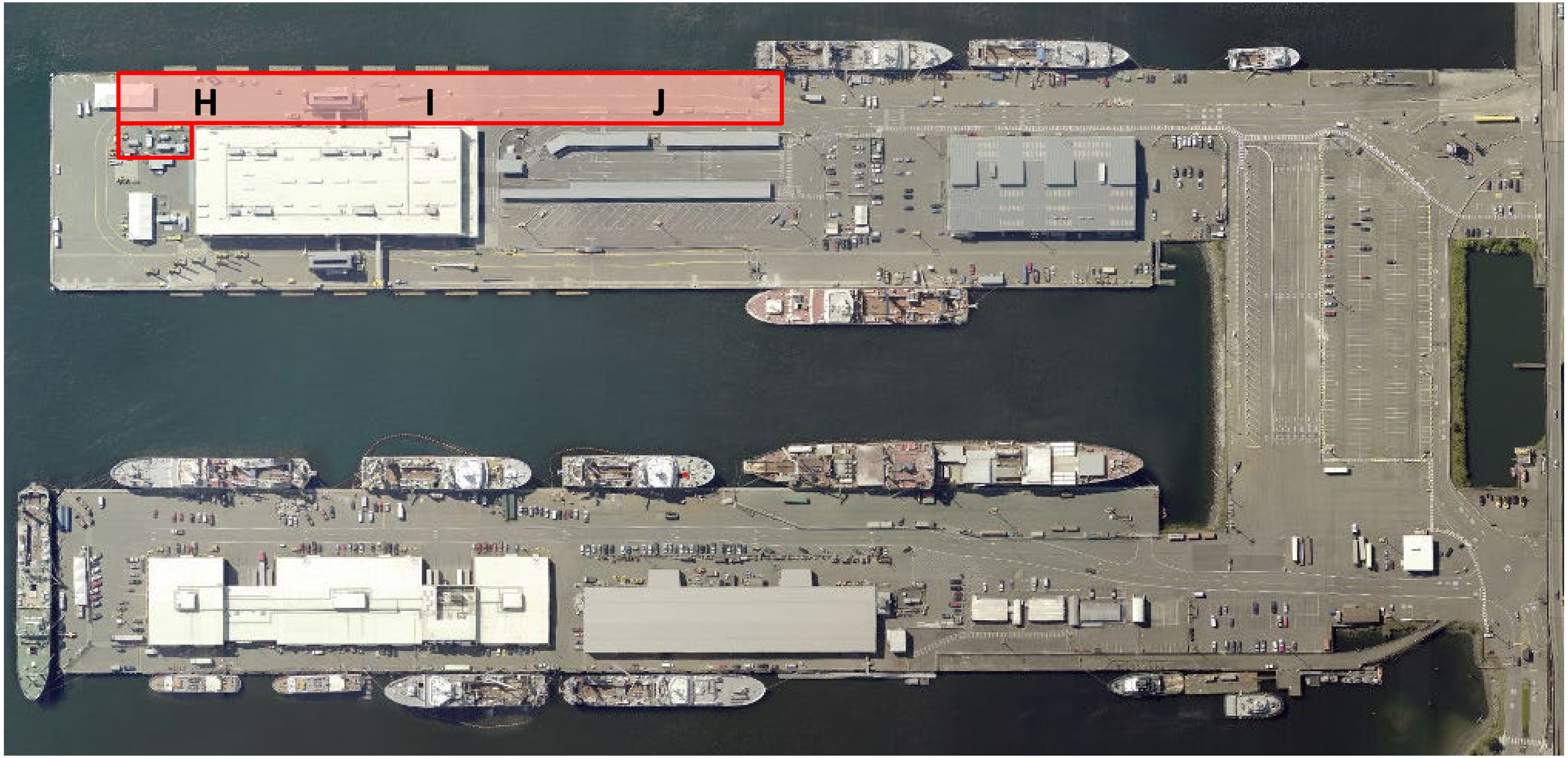
- Pier structure must be rehabilitated ahead of the west berth shore power to avoid impact to Cruise, resulting in 1-year delay. **P66 and P91 east berth will remain on schedule.**

- The cost of the project now includes the cost of the added scope previously budgeted under a separate CIP. Overall, combining the projects will result in an estimated **net savings of $20M to the capital plan** from efficiencies and innovative design approach.

Overlapping Project Areas

= Area of pier to be rehabilitated (DU #9202)

= Pier 91 west berth shore power project extent



Action Requested

Request Commission authorization for the Executive Director to approve funding to:

1. Execute a Guaranteed Maximum Price (GMP) Contract Amendment to the alternative public works Progressive Design Build contract, MC-0322060, for the T91/P66 Cruise Shore Power Extension project to complete construction of the Pier 66 and Pier 91 East shore power extension systems, bollards, and limited deck panels replacement.
2. Authorize funding for a Validation Phase to include the rehabilitation of the section of Pier 91 deck delineated as Development Unit (DU) #9202.

Total amount requested for this action is $49,330,000 for a total project authorization of $69,980,000, and an estimated total project cost of $116,480,000.

Details of Request

- The contract will now proceed with two (2) separate milestone scopes for which separate GMPs will be negotiated:

  – **Milestone 1 (2027)** - today's funding request

    A. Completion of Pier 66 shore power extension

    B. Completion of Pier 91 east berth shore power extension

    C. Limited deck panel replacements

  – **Milestone 2 (2028) -** validation phase in today's request

    D. Completion of the Pier 91 west berth shore power extension

    E. Full rehabilitation of Pier 91 west dock

    *Construction funding in future request

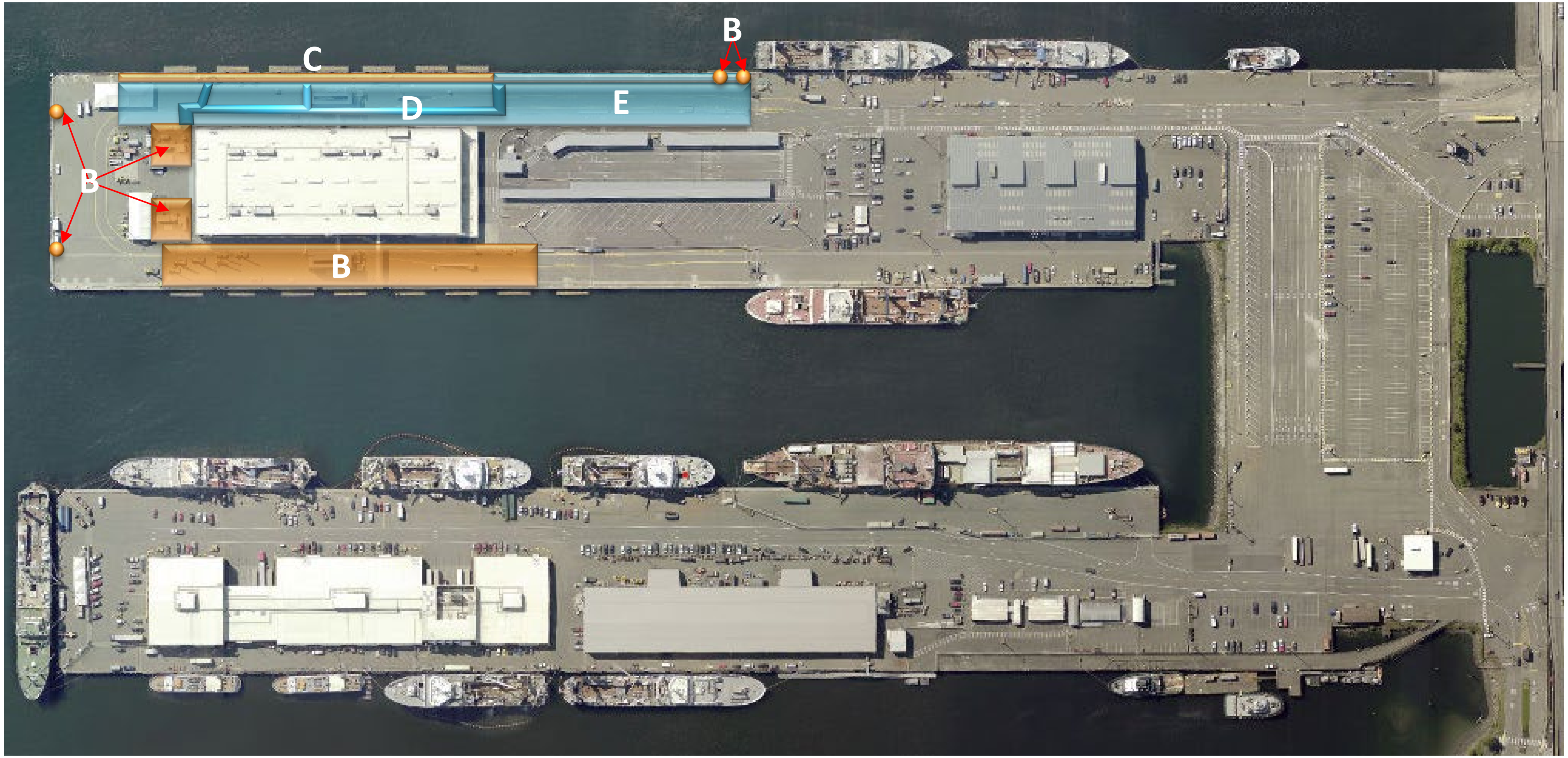
- Final GMP for Milestone 1 has been successfully negotiated and amendment execution will follow today's request.

Pier 66 Milestone Scope

Milestone 1 (2027)

Pier 91 Milestone Scopes

Milestone 1 (2027)
Milestone 2 (2028)



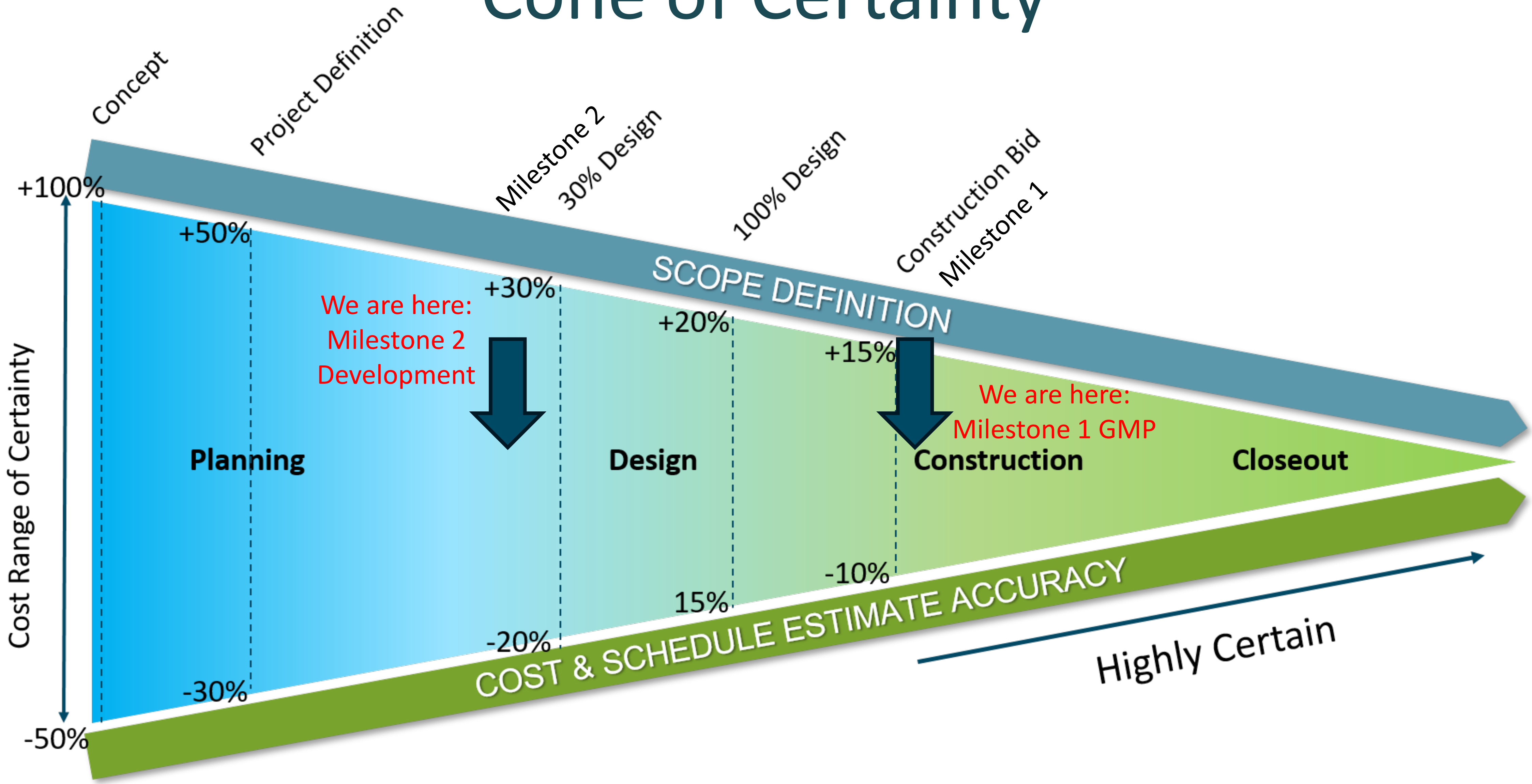
Cost Breakdown

Cost Element	Current Request	Total Cost
Planning through Validation (Milestone 1)	**$0**	**$2,450,000**
GMP Development (Milestone 1)	**$0**	**$5,000,000**
Material Pre-Procurements (Watts)	**$0**	**$8,000,000**
Early Work Amendment (Milestone 1)	**$0**	**$5,200,000**
Construction-Final GMP (Milestone 1)	**$48,164,000**	**$48,164,000**
Milestone 2 Validation	**$1,166,000**	**$1,166,000**
	Total Authorized including this request	**$69,980,000**
	Remaining to be authorized: Milestone 2	$46,500,000
	Estimated Project Total	$116,480,000

*Overall funding for DU#9202 has been accounted for through cash flow reduction in CIP #801294 T91 Dock Rehabilitation project. Funding for Validation scope will be accounted for in reduction of scope for T91 Programmatic Design contract P-00322462 SD1 – T91 Dock Rehab 30% Design. Overall Capital Plan reduction of $20M is anticipated by combining west berth shore power and DU #9202 under the Progressive-Design-Build contract.

RISKS	DESCRIPTION	PROBABILITY	IMPACT	MITIGATION
Constrained Schedule	Project schedule is highly constrained by regulated work windows	High	High	Utilize Progressive Design Build project delivery to accelerate timeline. Pre-purchase of long-lead items.
Seattle City Light Terminal 91 Operations Agreement	Existing operations agreement between cruise lines and SCL does not account for increased connections during peak power usage times during the week.	Med	High	Early engagement with SCL to do system impact study and begin negotiation of agreement terms for power delivery.
Supply chain uncertainty	Supply chain logistics could delay project delivery. Tariffs could impact ability to procure long-lead electrical equipment by 2027 and create uncertainty in pricing.	Med	High	Early execution of Watts contract to begin procurement of long-lead shore power equipment in advance.
Coordination with other projects at Terminal 91	There are many other projects scheduled on Pier 91 with similar timelines to the cruise shore power project: gangways, water line replacement, dock rehabilitation, west berth dredging.	High	Med	Identification of all on-going and upcoming construction work at Terminal 91. Requirement of logistics plan by PDB to account for constraints of other projects.
Tribal Concurrence	Constrained schedule requires some work during tribal fishing season. Concurrence needed at T91.	High	High	Tribal consultation and negotiation. Adjustment to means and methods.

Cone of Certainty



Next Steps

- Milestone 1 Construction Q4 2026 – Q2 2027
- Milestone 2 Validation and GMP development Q4 2026 – Q3 2027
- Milestone 2 Commission Authorization Final design/Construction Q3 2027
- Milestone 2 Construction Q4 2027 – Q2 2028


Questions?

Action Requested

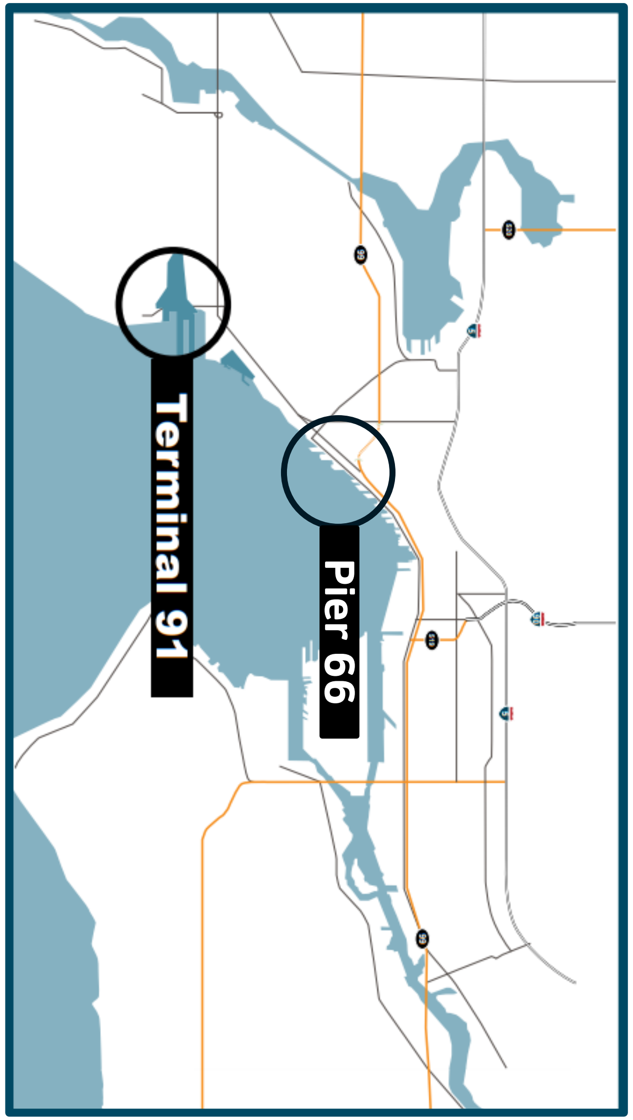
Request Commission authorization for the Executive Director to approve funding to:

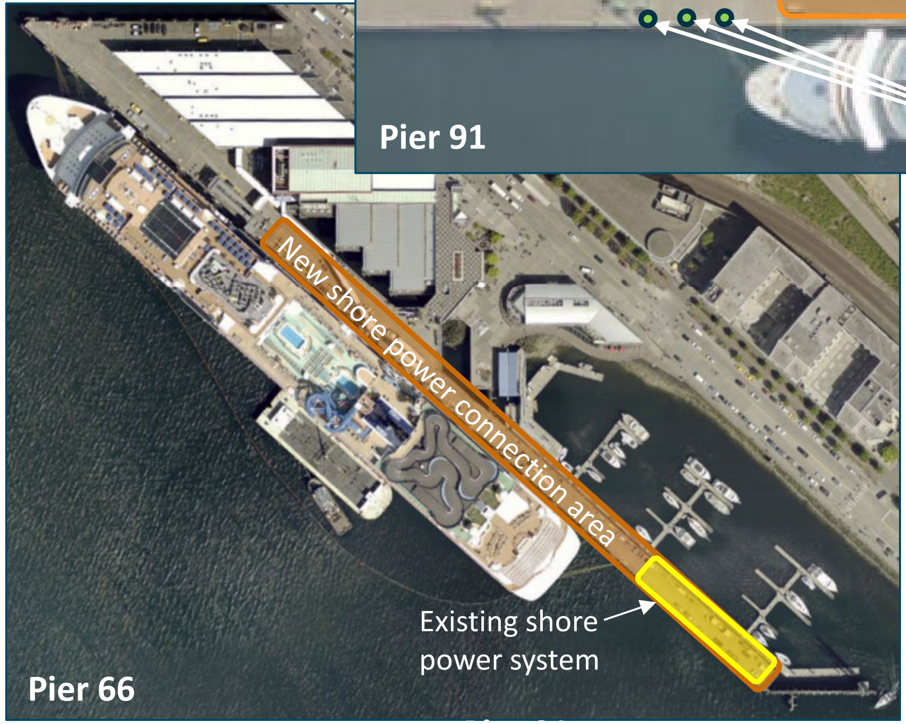
1. Execute a Guaranteed Maximum Price (GMP) Contract Amendment to the alternative public works Progressive Design Build contract, MC-0322060, for the T91/P66 Cruise Shore Power Extension project to complete construction of the Pier 66 and Pier 91 East shore power extension systems, bollards, and limited deck panels replacement.
2. Authorize funding for a Validation Phase to include the deck rehabilitation of Pier 91 Development Unit (DU) #9202.

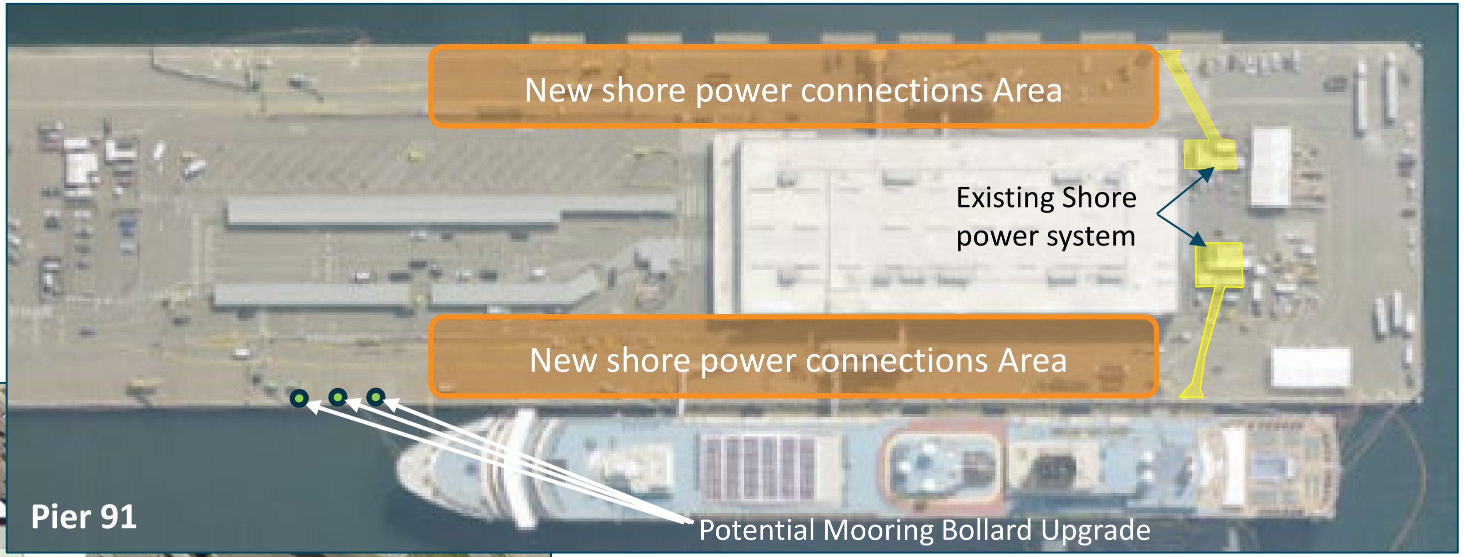
Total amount requested for this action is $49,330,000 for a total project authorization of $69,980,000, and an estimated total project cost of $116,480,000.

Appendix

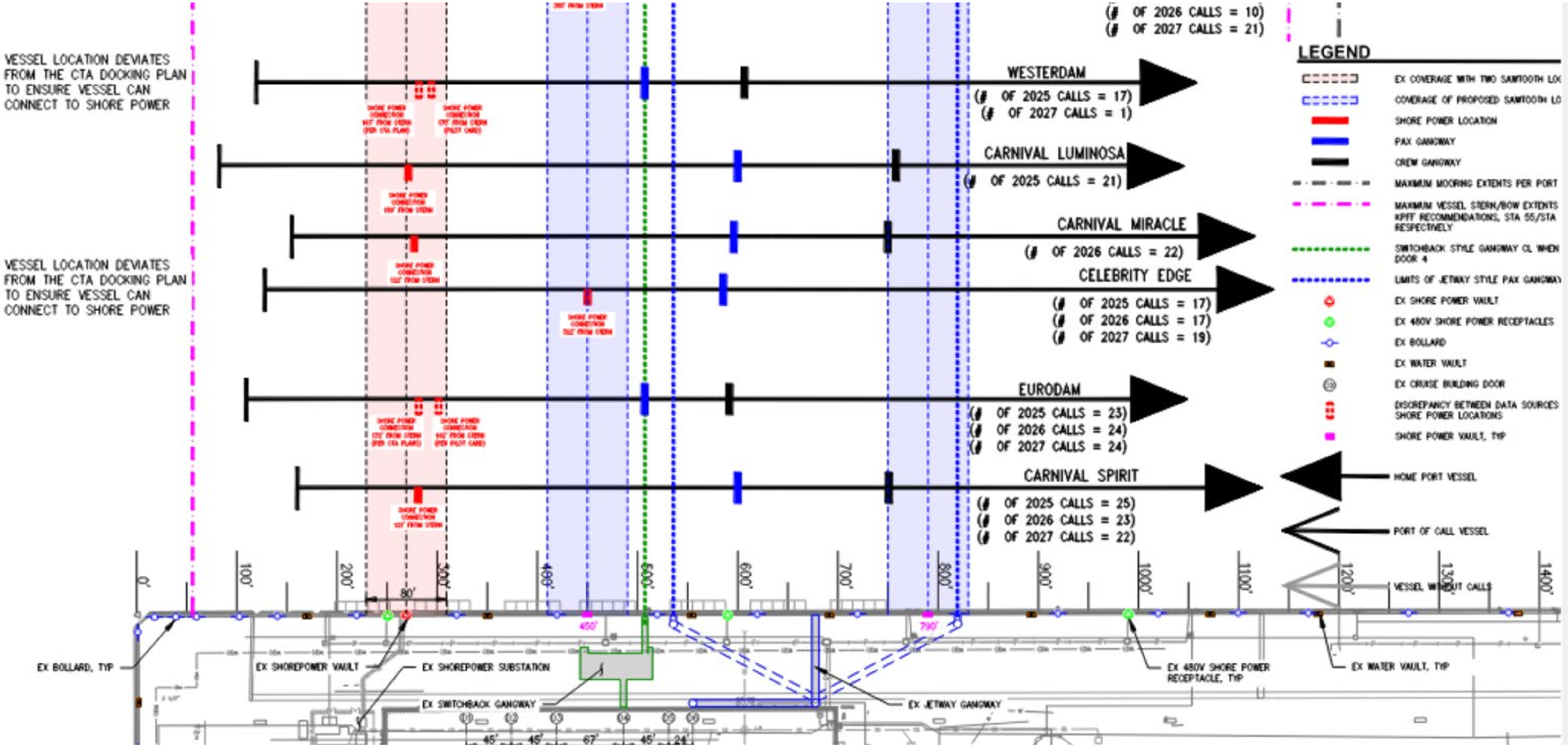
Project Areas – Pier 91/Pier 66







Example Terminal 91 Berthing Analysis



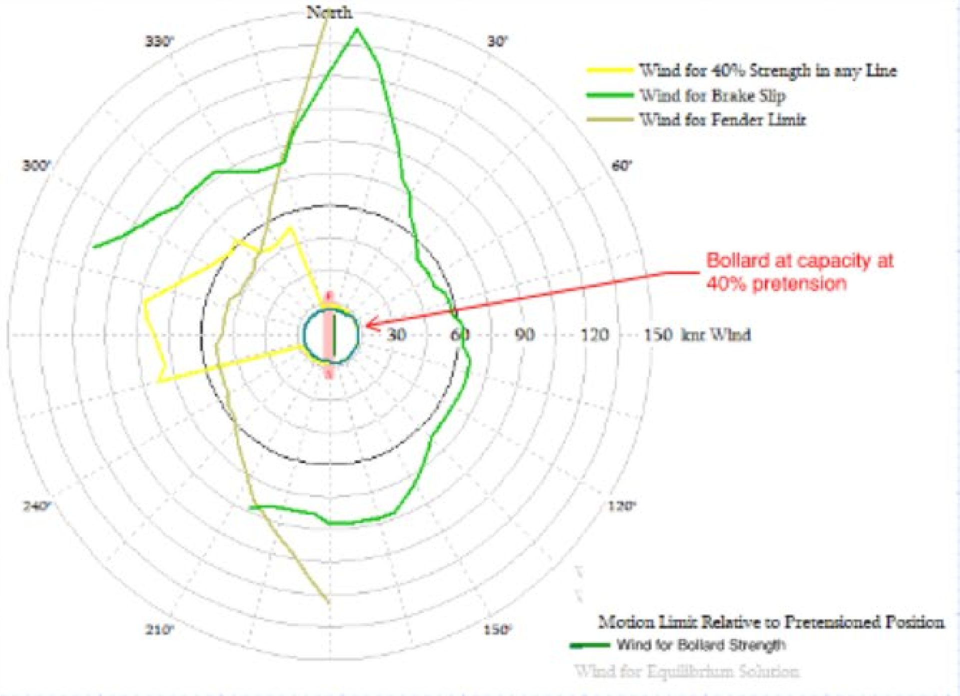
Example Terminal 91 Mooring Analysis

T91W - Quantum - 40% Pretension

8 lines bow, 8 lines stern

ARRANGEMENT PLAN

```
Analysis for Time: 0700 Mar 01 2007 (initialised at 0700 Mar 01 2007)
              Ref: 1700263 T91 Mooring
          Remarks: Remarks:
      Water Level:  11.36 above datum
            Draft:  27.9
             Trim:   0.0
```



WIND CAPACITY ROSE

35 knt Wind at All° True | 0.0 ft Sig Wave Height | 0.0 ft Sig Swell Height | Ref: 1700263 T91 Mooring
0.1 knt Current 270° True | Period 6.0 secs at 90° | Period 2.0 secs at 160° | Analysis for Time: 0700 Mar 01 2007
Movement of Vessel 2.10 (fwd) 0.70 (stbd) 0.1° (port) 0.00 (up) | Water Level 11.36 ft steady | Draft: 27.9 ft 0.1 Disequilibrium
at its Stbd Target 0.78 (fwd) 1.70 (stbd) -0.1° (stbd) 0.00 (up) | Bottom Clearance: 18.5 ft | Trim: 0.0 ft after 73 iterations

Line	1	2	3	4	5	6	13	14	15	16	18	20	22	24	28	30
to Bollard/Hook	C	C	B	B	D	D	F	F	'G	'G	'F	'F	Q	Q	O	N
Pull-In (ft)	2.95	2.91	3.10	3.13	2.82	2.76	3.67	3.64	3.50	3.37	3.16	3.16	2.96	3.01	2.31	2.58
Total Line Length	111.2	107.5	138.6	141.5	80.3	75.4	149.7	145.9	129.2	119.0	104.7	108.2	96.7	95.0	142.1	231.6
Inline Motion (±)																
Winch Slippage																
Worst Direction	130°	130°	130°	130°	130°	130°	330°	330°	50°	50°	50°	50°	50°	50°	50°	55°
Tension (kips)	133S	135S	132S	132S	123S	125S	100S	99.5S	131S	125S	116S	113S	136S	124S	181S	146S
% of Strength	41%	42%	41%	41%	38%	39%	31%	31%	41%	39%	36%	35%	42%	38%	56%	45%

☑ Auto-Calculation

Fender	aa	bb	cc	dd	ee	ff	gg
Thrust (kips)	51	259	260	262	271	279	287
Compression (ft)	0.30	1.70	1.70	1.73	1.81	1.89	1.96
Pressure (kips/ft²)	0.3	1.0	1.0	1.0	1.1	1.1	1.1

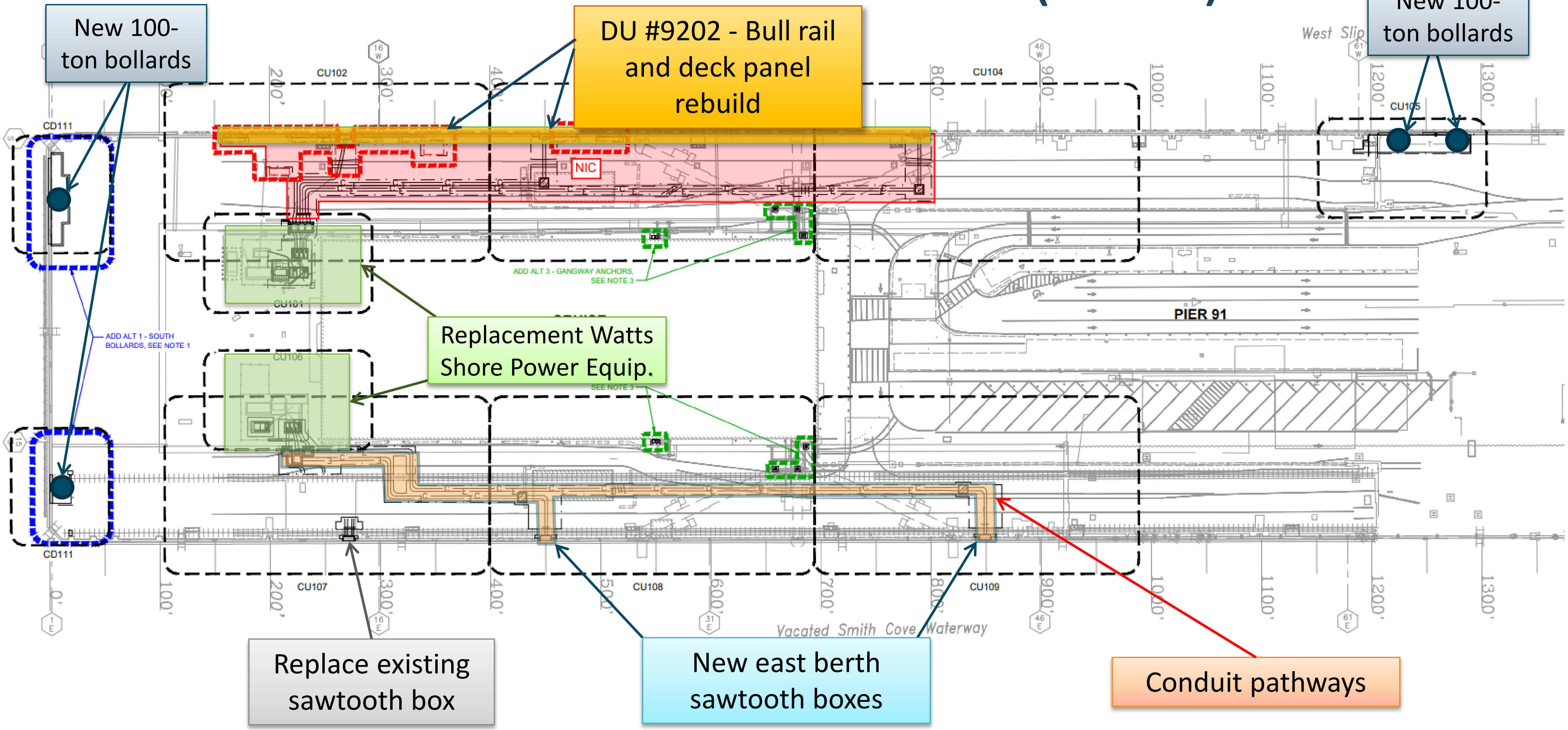
Bollard/Hook	B	C	D	F	N	O	Q	'F	'G
X-Force (kips)	-102.6	-78.5	-12.4	167.5	-139.7	-147.0	105.4	133.4	133.8
Y-Force (kips)	242.2	253.9	244.3	94.2	29.2	78.0	195.9	159.3	204.6
Other X-Load									
Other Y-Load									
Total Force	264.0	267.7	248.7	199.9	145.7	181.5	258.5	229.4	256.4
% Bollard Strength	120%	121%	113%	181%	66%	82%	117%	104%	117%
Direction in Plan	-23°	-17°	-3°	61°	-78°	-62°	28°	40°	33°
Bollard Uplift	23.3	32.1	45.0	54.8	29.2	72.3	131.7	97.1	77.1

MOORING RESULTS TABLES

kpff
1601 Fifth Avenue, Seattle, WA 98101
kpff.com

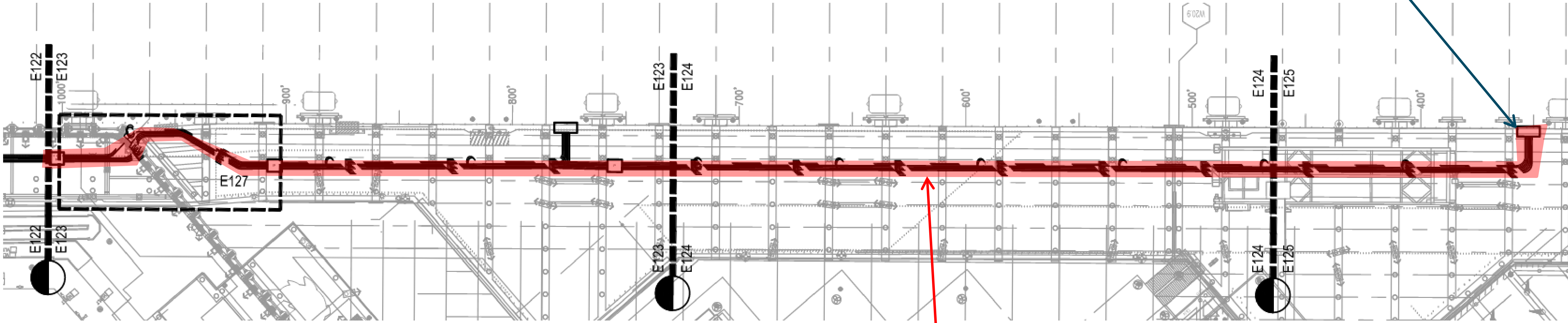
POS T91 CRUISE SHORE POWER	PROJECT NO. 250049	REFERENCE SHEET
40% PRETENSION OPTIMOOR RESULTS SUMMARY AT T91W - QUANTUM	DATE 10/29/2025	SKETCH NO. 1
	BY CH	

Pier 91 Milestone 1 (2027)



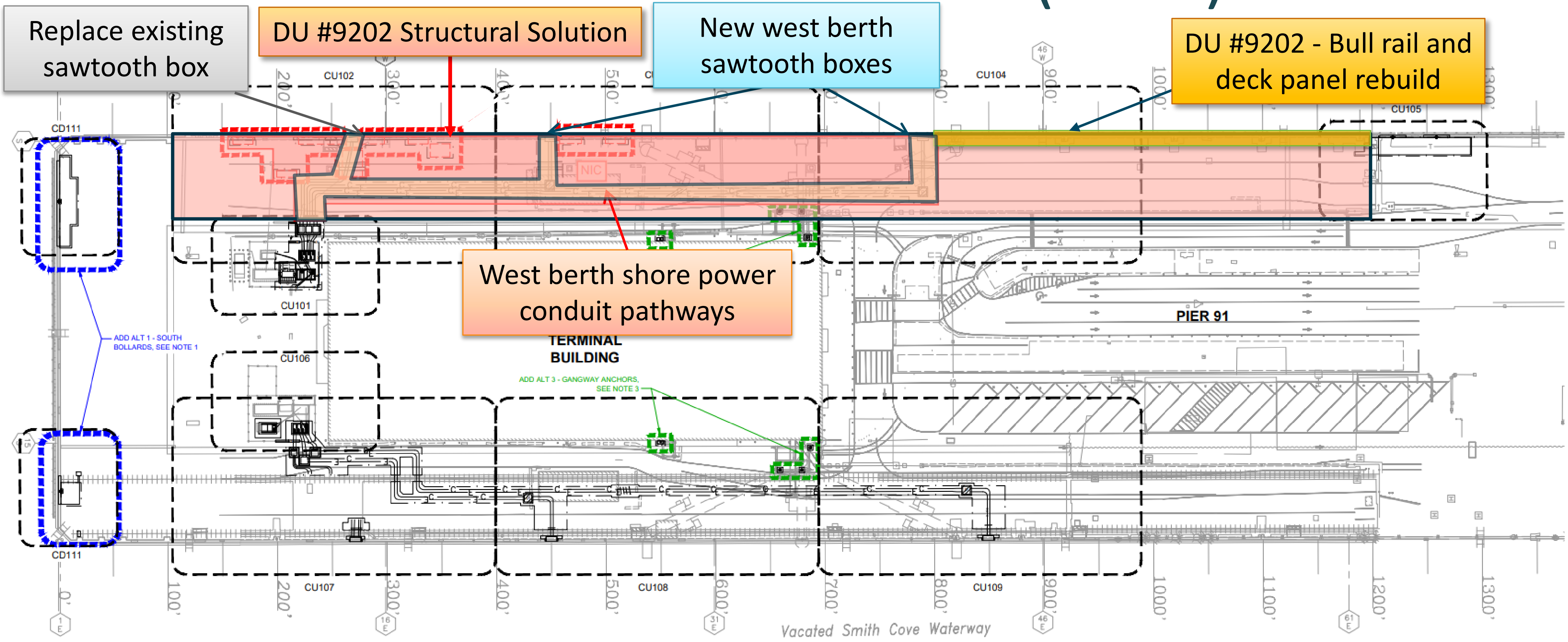
Pier 66 Milestone 1 (2027)

New sawtooth box



Conduit pathways below deck

Pier 91 Milestone 2 (2028)



COMMISSION
AGENDA MEMORANDUM | **Item No.** 11a

BRIEFING ITEM | **Date of Meeting** September 9, 2026

DATE: August 3, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Chris Wimsatt, Chief Financial Officer
Michael Tong, Director, Corporate Budget

SUBJECT: **Q2 2026 Financial Performance Briefing**

EXECUTIVE SUMMARY

The purpose of this presentation is to provide a status report of the Q2 2026 financial performance results.

BACKGROUND

The Port's overall operating revenues for Q2 2026 were $549.5 million, which is $1.6 million above the revised budget and $29.0 million higher than the same period last year. Excluding Aeronautical revenues, which are based on cost recovery, other Airport Non-Aero revenues were $165.7 million, $1.6 million above budget mainly due to higher revenues from Public Parking ($2.8M), Rental Cars ($1.0M), and Airport Utilities ($544K); partially offset by lower revenues from ADR & Terminal Leased Space ($1.7M), Airport Commercial Properties ($987K), and Ground Transportation ($786K).

Seaport revenues were $81.7 million, $276 thousand below the revised budget mainly due to lower NWSA Distributable Revenue ($2.2M) and Cruise ($588K), partially offset by higher revenues from Conference & Event Center ($549K), and Grain ($440K).

Total operating expenses for the first half of 2026 were $355.6 million, which is $14.6 million below the revised budget and $34.4 million higher than 2025. The favorable budget variance was largely due to delay in Outside Services spending, Travel & Other Employee Expenses, and Equipment Expense; partially offset by more Environmental Remediation Expense, less Charges to Capital Projects.

Net operating income before depreciation was $194.0 million, which is $16.2 million above the revised budget and $5.4 million lower than the same period last year.

The presentation outline is as follows:

1. Portwide Operating Results
2. Aviation Division Operating Results
3. Maritime Division Operating Results
4. Economic Development Division Operating Results
5. Central Services Operating Results

ATTACHMENTS TO THIS BRIEFING

(1) Q2 2026 Financial and Performance Report
(2) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None

Item No. 11a attach 1
Date of Meeting: September 9, 2026

PORT OF SEATTLE

Q2 2026 FINANCIAL PERFORMANCE REPORT

AS OF JUNE 30, 2026

TABLE OF CONTENTS

		Page
I.	Portwide Performance Report	3-7
II.	Aviation Division Report	8-16
III.	Maritime Division Report	17-21
IV.	Economic Development Division Report	22
V.	Central Services Division Report	23-27

I. PORTWIDE

EXECUTIVE SUMMARY

For 2026 financial reporting, the Port created the 2026 revised budget ledger in compliance with the new Governmental Accounting Standards Board (GASB)103 that redefined operating and non-operating revenues and expenses. Using the revised budget and forecast will help provide a better apple-to-apple comparison with the 2026 actuals. The implementation of this rule resulted in a $23.2M reduction in Operating Revenues and $27.3M increase in Operating Expenses (and $50.5M reduction in NOI) in the 2026 revised budget.

Airport passenger volume for the second quarter of 2026 was 0.1% higher than the same period in 2025. Domestic passenger volume was down 0.4% while international passengers increased by 2.9%. Passenger growth for 2026 is expected to be 0.8% higher compared to 2025 actual with approximately 53.1M passengers expected at Seattle-Tacoma International Airport (SEA) in 2026. Non-Aeronautical revenues are anticipated to be above the revised budget by $13.8M or 4.0% mainly due to projected higher revenues in Public Parking, Rental Cars, Flight Kitchens, and Airport Dining & Retail.

For the second quarter of the year, total operating revenues were $1.6M or 0.3% above revised budget and $29.0M or 5.6% increase compared to the same period in 2025 while total operating expenses were $14.6M or 3.9% lower than revised budget and $34.4M or 10.7% over the same period in 2025. Net operating income before depreciation was $16.2M or 9.1% above revised budget and $5.4M or 2.7% below 2025.

For the full year, we are projecting operating revenues to be $11.0M above revised budget and $25.1M or 2.2% higher than 2025. Operating expenses are expected to be $479K above revised budget and 86.7M or 12.9% over 2025. Excluding the $26.0M DRS pension credit and $21.8M in legal settlement credit in 2025, total operating expenses are projected to be $38.9M or 5.4% higher than 2025. The net income before depreciation is expected to be $10.5M above revised budget.

PORTWIDE FINANCIAL SUMMARY

	2024 YTD	2025 YTD	2026 YTD	2026 YTD	2026 YTD	Actual vs. Revsd_Bud Variance		Change from 2025 Incr (Decr)	
$ in 000's	Actual	Actual	Actual	Budget	Revsd_Bud	$	%	$	%
Aeronautical Revenues	252,437	273,752	302,116	301,475	301,855	262	0.1%	28,364	10.4%
Airport Non-Aero Revenues	154,536	166,188	165,737	172,005	164,133	1,604	1.0%	(451)	-0.3%
Seaport Revenues	78,665	80,616	81,686	81,912	81,962	(276)	-0.3%	1,070	1.3%
Operating Revenues	**485,638**	**520,555**	**549,539**	**555,392**	**547,950**	**1,589**	**0.3%**	**28,984**	**5.6%**
GASB 87_96_103 Revenues	1,875	6,969	14,485	4,573	12,395	2,090	16.9%	7,516	107.9%
Total Operating Revenues GASB Comparable Basis	**487,513**	**527,524**	**564,024**	**559,966**	**560,345**	**3,679**	**0.7%**	**36,500**	**6.9%**
O&M Expenses	**289,103**	**321,204**	**355,574**	**360,470**	**370,138**	**14,563**	**3.9%**	**34,371**	**10.7%**
GASB 87_96_103 Expenses	2,499	(4,995)	4,523	13,922	4,251	(272)	-6.4%	9,518	-190.6%
Total Operating Expenses GASB Comparable Basis	**291,602**	**316,209**	**360,097**	**374,392**	**374,388**	**14,291**	**3.8%**	**43,888**	**13.9%**
NOI before Depreciation	**196,535**	**199,352**	**193,965**	**194,923**	**177,812**	**16,153**	**9.1%**	**(5,387)**	**-2.7%**
Depreciation	130,832	142,924	157,292	154,578	154,578	(2,715)	-1.8%	14,369	10.1%
NOI after Depreciation	**65,703**	**56,428**	**36,672**	**40,345**	**23,235**	**13,438**	**57.8%**	**(19,756)**	**-35.0%**

2026 YTD Actuals vs. 2026 YTD Revised Budget:

- Total Operating Revenues: $1.6M higher than revised budget due to higher revenues in Aeronautical Revenues, Public Parking, Airport Utilities, and Conference & Event Centers.
- Total Operating Expenses: $14.6M below revised budget mainly due to delay in Outside Services spending, less Equipment purchases, Travel & Othe Employee expenses, and B&O Taxes.
- NOI before Depreciation: $16.2M above revised budget.

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 06/30/26

2026 YTD Actuals vs. 2025 YTD Actuals:

- Total Operating Revenues were $29.0M higher compared to 2025 mainly due to higher revenues in all lines of businesses, except Rental Cars and NWSA Distributable Revenue.
- Total Operating Expenses were $34.4M higher compared to 2025 due to higher expenses in Payroll, Outside Services, and Other Expenses.

MAJOR OPERATING REVENUES SUMMARY

	2024 YTD	2025 YTD	2026 YTD	2026 YTD	2026 YTD	Actual vs. Revsd_Bud Variance		Change from 2025 Incr (Decr)	
$ in 000's	Actual	Actual	Actual	Budget	Revsd_Bud	$	%	$	%
Aeronautical Revenues	252,437	273,752	302,116	301,475	301,855	262	0.1%	28,364	10.4%
Public Parking	58,986	58,697	59,817	57,030	57,030	2,787	4.9%	1,120	1.9%
Rental Cars - Operations	15,832	17,557	18,264	17,226	17,226	1,038	6.0%	707	4.0%
Rental Cars - Operating CFC	6,916	8,145	-	8,378	-	-	0.0%	(8,145)	-100.0%
ADR & Terminal Leased Space	35,435	36,331	39,230	40,662	40,921	(1,692)	-4.1%	2,898	8.0%
Ground Transportation	11,853	11,784	11,392	12,179	12,179	(786)	-6.5%	(391)	-3.3%
Employee Parking	5,223	6,272	6,764	6,959	6,959	(195)	-2.8%	492	7.8%
Airport Commercial Properties	7,900	8,926	8,539	9,526	9,526	(987)	-10.4%	(387)	-4.3%
Airport Utilities	4,513	5,287	5,529	4,985	4,985	544	10.9%	242	4.6%
International Place	-	4,143	6,029	5,775	5,775	253	4.4%	1,886	45.5%
Clubs and Lounges	6,753	8,859	8,916	8,633	8,633	283	3.3%	56	0.6%
Cruise	18,415	15,716	19,232	19,820	19,820	(588)	-3.0%	3,515	22.4%
Recreational Boating	8,321	9,130	9,570	9,497	9,497	73	0.8%	440	4.8%
Fishing & Operations	5,471	6,115	5,849	5,657	5,657	192	3.4%	(266)	-4.4%
Grain	2,355	2,933	2,652	2,212	2,212	440	19.9%	(280)	-9.6%
Maritime Lease Portfolio	8,341	8,182	9,090	9,099	9,099	(10)	-0.1%	908	11.1%
Conference & Event Centers	3,687	3,867	4,619	4,069	4,069	549	13.5%	752	19.4%
NWSA Distributable Revenue	29,664	32,221	27,023	29,201	29,201	(2,177)	-7.5%	(5,198)	-16.1%
Other	3,535	2,638	4,910	3,008	3,306	1,604	48.5%	2,272	86.1%
Operating Revenues (w/o Aero)	**233,201**	**246,804**	**247,423**	**253,917**	**246,095**	**1,328**	**0.5%**	**619**	**0.3%**
Total Operating Revenues	**485,638**	**520,555**	**549,539**	**555,392**	**547,950**	**1,589**	**0.3%**	**28,984**	**5.6%**
GASB 87_96_103 Revenues	1,875	6,969	14,485	4,573	12,395	2,090	16.9%	7,516	107.9%
Total Operating Revenues GASB Comparable Basis	**487,513**	**527,524**	**564,024**	**559,966**	**560,345**	**3,679**	**0.7%**	**36,500**	**6.9%**

MAJOR OPERATING EXPENSES SUMMARY

	2024 YTD	2025 YTD	2026 YTD	2026 YTD	2026 YTD	Actual vs. Revsd_Bud Variance		Change from 2025 Incr (Decr)	
$ in 000's	Actual	Actual	Actual	Budget	Revsd_Bud	$	%	$	%
Salaries & Benefits	103,497	118,613	122,618	121,288	121,288	(1,330)	-1.1%	4,005	3.4%
Wages & Benefits	88,341	98,903	103,307	102,669	102,669	(638)	-0.6%	4,404	4.5%
Payroll to Capital Projects	18,260	18,373	21,098	26,056	26,056	4,958	19.0%	2,725	14.8%
Outside Services	63,807	64,213	79,647	95,635	93,864	14,217	15.1%	15,434	24.0%
Utilities	17,162	18,235	16,909	17,508	17,508	599	3.4%	(1,326)	-7.3%
Equipment Expense	4,852	4,367	5,722	7,486	7,486	1,763	23.6%	1,355	31.0%
Supplies & Stock	5,686	6,204	5,994	5,688	5,688	(305)	-5.4%	(210)	-3.4%
Travel & Other Employee Expenses	2,827	3,129	2,802	5,342	5,342	2,541	47.6%	(328)	-10.5%
Third Party Mgmt Op Exp	6,110	9,669	11,808	11,177	11,177	(631)	-5.6%	2,139	22.1%
B&O Taxes	3,027	2,924	3,998	5,794	5,800	1,802	31.1%	1,074	36.7%
Other Expenses	13,261	14,149	26,893	13,051	24,483	(2,410)	-9.8%	12,745	90.1%
Charges to Capital Projects/Overhead Alloc	(37,726)	(37,576)	(45,222)	(51,225)	(51,225)	(6,003)	11.7%	(7,646)	20.3%
O&M Expenses	**289,103**	**321,204**	**355,574**	**360,470**	**370,138**	**14,563**	**3.9%**	**34,371**	**10.7%**
GASB 87_96_103 Expenses	2,499	(4,995)	4,523	13,922	4,251	(272)	-6.4%	9,518	-190.6%
Total Operating Expenses GASB Comparable Basis	**291,602**	**316,209**	**360,097**	**374,392**	**374,388**	**14,291**	**3.8%**	**43,888**	**13.9%**

PORTWIDE FINANCIAL YEAR-END FORECAST SUMMARY

$ in 000's	2024 Actual	2025 Actual	2026 Forecast	2026 Budget	2026 Revsd_Bud	Fcst vs. Revsd_Bud Variance $	%	Change from 2025 Incr (Decr) $	%
Aeronautical Revenues	520,942	545,307	613,884	617,786	618,565	(4,681)	-0.8%	68,577	12.6%
Airport Non-Aero Revenues	340,360	363,215	357,877	367,381	344,087	13,790	4.0%	(5,338)	-1.5%
Seaport Revenues	160,537	213,924	175,747	173,728	173,827	1,920	1.1%	(38,177)	-17.8%
Operating Revenues	**1,021,838**	**1,122,446**	**1,147,508**	**1,158,895**	**1,136,479**	**11,029**	**1.0%**	**25,062**	**2.2%**
GASB 87_96_103 Revenues	29,671	12,567	24,791	1,596	24,791	-	0.0%	12,224	97.3%
Total Operating Revenues GASB Comparable Basis	**1,051,509**	**1,135,013**	**1,172,299**	**1,160,491**	**1,161,270**	**11,029**	**0.9%**	**37,285**	**3.3%**
O&M Expenses	**652,642**	**672,311**	**758,963**	**731,141**	**758,484**	**(479)**	**-0.1%**	**86,652**	**12.9%**
GASB 87_96_103 Expenses	6,731	4,698	8,521	35,864	8,521	-	0.0%	3,823	81.4%
Total Operating Expenses GASB Comparable Basis	**659,373**	**677,009**	**767,484**	**767,005**	**767,004**	**(479)**	**-0.1%**	**90,475**	**13.4%**
NOI before Depreciation	**369,196**	**450,135**	**388,545**	**427,754**	**377,995**	**10,550**	**2.8%**	**(61,590)**	**-13.7%**
Depreciation	277,917	298,355	308,165	308,165	308,165	-	0.0%	9,811	3.3%
NOI after Depreciation	**91,279**	**151,780**	**80,380**	**119,588**	**69,830**	**10,550**	**15.1%**	**(71,400)**	**-47.0%**

Year-End Forecast

- Total Operating Revenues are expected to be $11.0M above revised budget due to higher Airport Non-Aero Revenues and Maritime Revenue.
- Total Operating expenses are expected to be $479K below revised budget mainly due to higher Payroll and Outside Services.
- Net Operating Income before Depreciation is expected to be $10.5M above revised budget.

KEY PERFORMANCE METRICS

	2025 YTD Actual	2026 YTD Actual	2025 Actual	2026 Forecast	2026 Budget	Fav (UnFav) Forecast vs. Budget Chg.	%	Incr (Decr) 2026 Forecat vs. 2025 Actual Chg.	%
Total Passengers (in 000's)	24,899	24,912	52,641	53,122	53,474	(352)	-0.7%	481	0.9%
Landed Weight (lbs. in millions)	15,885	16,112	32,806	33,138	32,916	222	0.7%	332	1.0%
Passenger CPE (in $)	N/A	N/A	19.06	21.43	21.19	0.2	1.1%	2.4	12.4%
Grain Volume (metric tons in 000's)	2,952	3,009	5,157	4,120	3,210	910	28.3%	(1,037)	-20.1%
Cruise Passenger (in 000's)	747	776	1,898	2,027	2,027	-	0.0%	129	6.8%
Shilshole Bay Marina Occupancy	97.2%	96.5%	97.2%	97.0%	97.7%	-0.7%	-0.7%	-0.2%	-0.2%

KEY BUSINESS EVENTS

Earlier this year, the Port welcomed the 2026 Alaska cruise season with 330 vessel calls and 2.1 million revenue passengers, the highest in Port history. MSC Cruises and Virgin Voyages joined the lineup, expanding the number of homeport vessels to 16. Eleven Seattle-based ships will connect to shore power this year, with additional connections planned at Pier 91 in 2027. The Port also approved a long-term lease amendment with Norwegian Cruise Line Holdings (NCLH), extending their homeport partnership through 2035, with a possible extension to 2045 based on sustainability progress. This agreement supports stable passenger volumes, advances environmental initiatives, and strengthens community benefits. NCLH will homeport four ships at Pier 66 in 2026, reinforcing Seattle's role as a leading Alaska cruise gateway.

Seattle-Tacoma International Airport (SEA) celebrated Alaska Airlines' new nonstop flights to London and Reykjavik, further expanding its international network. Alaska also launched its first European route with summer-season service to Rome, strengthening Seattle's global connectivity. SEA now offers 62 international options to 36 destinations on 29 airlines, including new services from Cathay Pacific and Delta.

Eighteen community-led organizations will receive $850,000 to support environmental improvement projects in neighborhoods surrounding Seattle–Tacoma International Airport (SEA), including Beacon Hill, Rainier Valley, Kent Valley, and the Duwamish Valley. This marks the largest group funded to date through the South King and Port Communities Fund Environmental Improvements Program. These projects will expand access to green spaces, restore habitats, and enhance environmental education in historically underserved communities.

The Port also awarded more than $600,000 to 35 tourism-related projects through the 2026–27 Tourism Marketing Support Program, following a record number of applications. These grants will help nonprofit and civic organizations promote visitor spending, support local jobs, and strengthen communities across King County and Washington state. The program emphasizes equity by supporting under-resourced partners and elevating lesser-known destinations where tourism can drive meaningful economic growth.

Additionally, the Port released the draft EIS for its Sustainable Airport Master Plan and opened it for public comment. The analysis reviews 31 proposed projects, including a second terminal, an elevated busway, new cargo facilities, and $40 million in road improvements.

The Port celebrated Earth Month by announcing its Sustainable Century and Fly Quiet Award winners. These awards recognize partners for environmental leadership, innovation, education, equity, and noise reduction. The Sustainable Century Awards recognizes voluntary efforts that support the environment and equitable communities across four categories. Fly Quiet promotes airline noise-abatement by evaluating flight procedures and aircraft noise levels. It honors airlines with the strongest performance in these areas.

The Port launched a summer of global soccer events at SEA with surprise performances and themed activities, supported by extensive preparation to ensure smooth travel. SEA brought on hundreds of volunteers and installed temporary banners, decals, digital signage, and a Big Screen Spectator Zone throughout the airport. SEA also completed the C Concourse Expansion, adding 145,000 square feet of bright, nature-inspired space with new dining and retail options, SEA Sparks kiosks, the Tree at C, and the Grand Stairs. New traveler amenities include prayer, sensory, and nursing rooms, a performance area, and The Lookout at C. This project is the first to fully apply the Port's Sustainable Evaluation Framework.

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 06/30/26

CAPITAL SPENDING SUMMARY

$ in 000's	2026 YTD Actual	2026 Forecast	2026 Budget	2026 Plan of Finance	Budget Variance $	Budget Variance %
Aviation	365,909	658,616	658,954	835,887	338	0.1%
Maritime	55,611	98,488	93,384	80,958	(5,104)	-5.5%
Central Services & Other (note 1)	4,430	14,817	19,817	16,088	5,000	25.2%
TOTAL	**425,950**	**771,921**	**772,155**	**932,933**	**234**	**0.0%**

Note:
(1) "Other" includes 100% Port legacy projects in the North Harbor and Storm Water Utility Small Capital projects.

Total capital spending is projected to be $771.9M, 100.0% of the budget for the year.

PORTWIDE INVESTMENT PORTFOLIO

During the second quarter of 2026, the investment portfolio earned 3.40% versus the benchmark's (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index) of 4.16%. Over the last twelve months, the portfolio and the benchmark have earned 3.50% and 3.78%, respectively. Since the Port became its own Treasurer in 2002, the life-to-date earnings of the Port's portfolio and the benchmark are 2.48% and 2.11%, respectively.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/26

II. AVIATION DIVISION

FINANCIAL SUMMARY

Figures in ($ in 000's)	2024 Actual	2025 Actual	2026 Forecast	2026 Budget	2026 Revsd_Bud	Fcst vs. Rvsd_Bud Variance $	Fcst vs. Rvsd_Bud Variance %	Change from 2025 Incr(Decr) $	Change from 2025 Incr(Decr) %
Operating Revenue									
Aeronautical Revenues	520,942	545,307	613,884	617,786	618,565	(4,681)	-1%	68,577	13%
Non-Aeronautical Revenues	340,360	363,215	357,877	367,381	344,087	13,790	4%	(5,338)	-1%
Total Operating Revenue	**861,301**	**908,522**	**971,761**	**985,167**	**962,652**	**9,109**	**1%**	**63,239**	**7%**
GASB 87_96_103 Revenues	15,948	(7,646)	9,872	(13,422)	9,872	-	0%	17,518	-229%
Total Operating Revenues GASB Comparable Basis	**877,249**	**900,876**	**981,633**	**971,745**	**972,524**	**9,109**	**1%**	**80,757**	**9%**
Total Operating Expenses[1]	**529,828**	**537,028**	**590,810**	**588,135**	**589,858**	**953**	**0%**	**53,783**	**10%**
GASB 87_96_103 Expenses	2,033	5,167	8,101	9,800	8,101				
Total Operating Expenses GASB Comparable Basis	**531,861**	**542,195**	**598,911**	**597,935**	**597,958**	**953**	**0%**	**56,716**	**10%**
Net Operating Income w/o GASB Comparable Basis	**331,473**	**371,495**	**380,951**	**397,032**	**372,795**	**8,157**	**2%**	**9,456**	**3%**
Net Operating Income GASB Comparable Basis	**345,388**	**358,681**	**382,722**	**373,810**	**374,566**	**8,157**	**2%**	**24,041**	**7%**
Debt Service Coverage	1.89	1.90	1.60	1.64	1.62	(0.02)	-1%	(0.30)	-16%
ADF Balance (in 000's)	743,355	828,716	882,596	882,204	882,204	392	0%	53,880	7%
CPE	18.26	19.06	21.43	21.16	21.19	0	1%	0	12%
Non-Aeronautical NOI ($ in 000's)[2]	178,268	184,831	157,488	170,452	146,253	11,235	8%	(27,344)	-15%
Enplanned Passengers (in 000's)	26,295	26,317	26,514	27,031	27,031	(517)	-2%	197	1%
Capital Expenditures (in 000's)	**684,442**	**840,459**	**658,616**	**658,954**	**658,954**	**(338)**	**0%**	**(181,843)**	**-22%**

[1] Payroll expenses include DRS pension credits in 2024 and 2025

[2] Unadjusted - not including CFC Surplus or GASB Comparable

2026 Forecast vs. 2026 Revised Budget

Total Operating Revenues are forecasted at $972M, an increase of $9M, 1%, above the Revised Budget, primarily driven by higher non-aeronautical revenues.

- Aeronautical Revenue is forecasted to be $4.7M below the Revised Budget, primarily due to a 3.2% ($5.8M) decrease in net debt service resulting from the delayed in-use date of Concourse A Expansion, partially offset by a $1.2M increase in expenses.
- Non-Aeronautical Revenue is forecasted to be $13.8M above the Revised Budget, reflecting higher revenues from Public Parking, Lounges, Rental Cars, Commercial Properties and Flight Kitchens. The South Concourse Lounge construction delay adds approximately three months of incremental operating revenue.

Operating Expenses are forecasted to be $953K above the Revised Budget.

- Payroll is forecasted to be $4.6M under budget, primarily due to vacancies and lower charges to capital on filled positions.
- Outside Services are forecasted to be $2.1M over budget, primarily due to a $6.1M capital-to-expense adjustment for the South Concourse Evolution (SCE) Cargo 7 Hardstand/Holdroom design work and $1.6M in on-site consultant costs related to the accelerated SCE project schedule, partially offset by $5.1M in projected savings in professional services, janitorial, and contract other equipment expenses.
- Other Expenses are forecasted to be $895K over budget, primarily due to $1.8M in maintenance materials, partially offset by savings in training and travel and lower charges to capital.
- Other Division Charges are forecasted to be $2.2M over budget, primarily from Central Services due to anticipated higher costs for Legal, External Relations, and Port Construction Services, partially offset by lower charges from Human Resources, Information & Communication Technology, Risk Management, and divisional allocations.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/26

A. BUSINESS EVENTS

- Cathay Pacific resumed non-stop service to Hong Kong
- Seattle Chocolate and Hudson closed temporarily and reopened
- C Concourse Expansion opened June 11, 2026

B. KEY PERFORMANCE METRICS

Passengers

	2024	2025	2026	YoY Change	YoY Change %
Domestic	21,469,999	21,516,077	21,430,851	-85,226	-0.40%
International	3,027,102	3,383,247	3,481,440	98,193	2.90%
Grand Total	24,497,101	24,899,324	24,912,291	12,967	0.05%

Landing Weight

All other	14,123,731	14,644,232	14,794,017	149,785	1.02%
Cargo only	1,395,113	1,240,949	1,317,973	77,024	6.21%
Grand Total	15,518,844	15,885,181	16,111,990	226,809	1.43%

Operations

Total	205,871	209,440	207,630	-1,810	-0.86%

Cargo

Domestic	174,322	146,307	153,274	6,968	4.76%
International	51,727	59,402	71,098	11,696	19.69%
Grand Total	226,048	205,709	224,372	18,664	9.07%

Key Performance Measures

	2024 Actuals	2025 Actuals	2026 Forecast	2026 Budget	2026 Revsd_Bud	Fcst vs Rsvd_Bud Variance $	Fcst vs Rsvd_Bud Variance %	Change from 2025 Incr(Decr) $	Change from 2025 Incr(Decr) %
Key Performance Metrics									
Cost per Enplanement (CPE)	18.26	19.06	21.43	21.16	21.19	(0.24)	-1.1%	2.37	12.4%
Non-Aeronautical NOI ($ in 000's)[1]	178,268	184,831	157,488	170,452	146,253	11,235	7.7%	(27,344)	-14.8%
Other Performance Metrics[2]									
O&M Cost per Enplanement	20.15	20.41	22.30	21.76	21.82	(0.47)	-2.2%	1.89	9.3%
Non-Aero Revenue per Enplanement	12.94	13.80	13.50	13.59	12.73	0.77	6.0%	(0.30)	-2.2%
Debt per Enplanement (in $)	157.12	182.47	173.21	165.46	165.46	(7.75)	-4.7%	(9.25)	-5.1%
Debt Service Coverage	1.89	1.90	1.60	1.64	1.62	(0.02)	-1.2%	(0.30)	-15.8%
Days cash on hand (18 months = 547 days)	512.10	563.25	544.96	547.50	545.90	(0.94)	-0.2%	(18.29)	-3.2%
Airport Activity									
Total Enplanements (in 000's)	26,295	26,317	26,514	27,031	27,031	(517)	-1.9%	197	0.7%
Total Passengers	52,641	52,715	53,116	54,062	54,062	(947)	-1.8%	401	0.8%

[1]Unadjusted - not including CFC Surplus or GASB Comparable

[2]Includes DRS pension credit

Key Performance Metrics - 2026 Forecast vs. 2026 Revised Budget

- Non-Aeronautical NOI is forecasted to be $11.2M (7.7%) above the Revised Budget, driven by higher non-aeronautical revenues.
- Debt Service Coverage is forecasted to be 1.60.

- Non-Aeronautical Revenue is forecasted to be $13.8M above the Revised Budget, reflecting higher revenues from Public Parking, Lounges, Rental Cars, Commercial Properties and Flight Kitchens.
- Total passenger volume is forecasted to decrease by 1.8%, with a higher forecasted cost per enplanement at $21.43.

C. OPERATING RESULTS

Division Summary – YTD Actuals

Total Airport Expense Summary (Q2)	2024 YTD (Q2)	2025 YTD (Q2)	2026 YTD (Q2)	2026 YTD (Q2)	2026 YTD (Q2)	Actual vs. Rvsd_Bud Variance		Change from 2025 Incr(Decr)	
Figures in ($ in 000's)	Actual	Actual	Actual	Budget	Revsd_Bud	$	%	$	%
Operating Expenses									
Payroll	102,225	117,688	123,360	124,973	124,973	1,614	1%	5,672	5%
Outside Services	42,557	43,919	51,665	59,975	59,971	8,306	14%	7,747	18%
Utilities	13,220	13,570	12,512	12,472	12,472	(39)	0%	(1,058)	-8%
Other Expenses	5,593	11,573	8,022	10,508	10,538	2,517	24%	(3,551)	-31%
Total Airport Direct Charges	**163,596**	**186,748**	**195,557**	**207,929**	**207,955**	**12,398**	**6%**	**8,809**	**5%**
Environmental Remediation Liability	1,308	1,609	1,748	1,667	1,667	(81)	-5%	139	9%
Total Exceptions	**1,566**	**2,184**	**2,450**	**1,667**	**1,667**	**(783)**	**-47%**	**266**	**12%**
Total Airport Expenses	**164,904**	**188,358**	**197,306**	**209,596**	**209,622**	**12,316**	**6%**	**8,949**	**5%**
Corporate	48,404	52,966	56,664	56,075	56,907	243	0%	3,698	7%
Police	18,735	19,705	20,177	20,585	20,585	408	2%	472	2%
Maritime/Economic Development/Other	2,586	3,118	3,471	3,679	3,679	208	6%	353	11%
Total Charges from Other Divisions	**69,724**	**75,789**	**80,312**	**80,339**	**81,170**	**858**	**1%**	**4,523**	**6%**
Total Operating Expenses	**234,629**	**264,146**	**277,617**	**289,935**	**290,793**	**13,175**	**5%**	**13,472**	**5%**
Total Operating Expenses w/Pension True-Up	**234,629**	**264,146**	**277,617**	**289,935**	**290,793**	**13,175**	**5%**	**13,472**	**5%**
GASB 87_96_103 Expenses	1,024	1,799	4,189	4,908	4,059	(130)	-3%	2,390	133%
Total Operating Expenses GASB Comparable Basis	**235,653**	**265,945**	**281,806**	**294,843**	**294,851**	**13,045**	**4%**	**15,862**	**6%**

2026 YTD Actuals vs. 2026 YTD Revised Budget

Total Operating Expenses are $13M, 5%, under budget, primarily driven by the following:

- Payroll is $1.6M under budget, primarily due to vacancy savings.
- Outside Services are $8.3M under budget, including $8.2M in underspending for Professional Services due to timing differences between budget and actuals and missed accruals. This is partially offset by $1.3M in overspending for on-site consultants related to the South Concourse Evolution, Emergency Repair of an Electrical Feeder, C Concourse Expansion, and North Main Terminal projects, as well as support for the Flight Corridor Safety Program and tenant projects.
- Other Expenses are $2.5M under budget, primarily due to lower spending on equipment, training and travel, and general expenses, partially offset by higher spending on supplies and stock driven by maintenance materials and capital-to-expense transfers.
- Charges from Other Divisions are $858K under budget, primarily due to lower direct non-payroll and wage costs, partially offset by higher allocated costs.

2025 YTD Actuals vs. 2026 YTD Actuals

Total Operating Expenses were $13.4M, 5%, higher compared to the same time period in 2025, primarily driven by the following:

- Payroll increased by $5.7M due to salaries and benefits increase year over year.
- Non-payroll increased by $3.2M due to $7.7M in higher on-site consultant costs related to accelerated schedule and timing of capital projects, along with $2.4M higher in equipment and other expenses, partially offset by $5.7M in charges to capital projects.
- Charges from other divisions increased by 6% or $4.5M due to higher Central Services allocated costs.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/26

Total Airport Expense Summary	2024	2025	2026	2026	2026	Fcst vs. Rvsd_Bud Variance		Change from 2025 Incr(Decr)	
Figures in ($ in 000's)	Actual	Actual	Forecast	Budget	Revsd_Bud	$	%	$	%
Operating Expenses									
Payroll	223,027	243,179	248,847	253,455	253,455	4,609	2%	5,667	2%
Outside Services	104,086	115,992	126,149	124,030	124,030	(2,120)	-2%	10,158	9%
Utilities	25,543	26,959	26,992	26,936	26,936	(56)	0%	33	0%
Other Expenses	22,150	24,957	20,612	19,657	19,717	(895)	-5%	(4,345)	-17%
Total Airport Direct Charges	**374,806**	**411,087**	**422,600**	**424,077**	**424,138**	**1,538**	**0%**	**11,513**	**3%**
Environmental Remediation Liability	2,600	2,693	2,587	2,267	2,267	(320)	-14%	(106)	-4%
Total Exceptions	**3,153**	**14,477**	**9,398**	**2,267**	**2,267**	**(7,131)**	**-315%**	**(5,079)**	**-35%**
Total Airport Expenses	**377,406**	**413,780**	**425,187**	**426,344**	**426,405**	**1,218**	**0%**	**11,407**	**3%**
Corporate	124,058	93,940	118,661	114,558	116,220	(2,441)	-2%	24,721	26%
Police	39,709	42,925	39,248	39,200	39,200	(49)	0%	(3,677)	-9%
Maritime/Economic Development/Other	7,232	7,493	7,714	8,033	8,033	319	4%	221	3%
Total Charges from Other Divisions	**170,999**	**144,358**	**165,623**	**161,790**	**163,453**	**(2,170)**	**-1%**	**21,265**	**15%**
Total Operating Expenses w/o Pension True-Up	**548,405**	**558,138**	**590,810**	**588,135**	**589,858**	**(953)**	**0%**	**32,672**	**6%**
DRS Pension True-up Exp	(18,577)	(21,111)	-	-	-	-		21,111	-100%
Total Operating Expenses w/Pension True-Up	**529,828**	**537,028**	**590,810**	**588,135**	**589,858**	**(953)**	**0%**	**53,783**	**10%**
GASB 87_96_103 Expenses	2,033	5,167	8,101	9,800	8,101	-	0%	2,933	57%
Total Operating Expenses GASB Comparable Basis	**531,861**	**542,195**	**598,911**	**597,935**	**597,958**	**(953)**	**0%**	**56,716**	**10%**

2026 Forecast vs. 2026 Revised Budget

Total Operating Expense is forecasted to be $953K over Revised Budget, driven by the following:

- Payroll under budget by $4.6M mostly due to vacancies and lower charges to capital on filled positions
- Outside Service over budget by $2.1M mostly due to $6.1M change of capital to expense for South Concourse Evolution (SCE) project Cargo 7 Hardstand/Holdroom and $1.6M onsite consultants mostly due to accelerated schedule for the SCE project, offset by projected under budget in professional, janitorial and contract other equipment expenses by $5.1M
- Other Expenses over budget by $895K due to maintenance material over by $1.8M, offset by savings in training and travels and lower charges to capital
- Other Division Charges are forecasted to be $2.2M over budget, primarily from Central Services due to anticipated higher costs for Legal, External Relations, and Port Construction Services, partially offset by lower charges from Human Resources, Information & Communication Technology, Risk Management, and divisional allocations.

Aeronautical Business Unit Summary – YTD Actuals

Aeronautical NOI (Q2)	2024 YTD (Q2)	2025 YTD (Q2)	2026 YTD (Q2)	2026 YTD (Q2)	2026 YTD (Q2)	Actual vs. Revsd_Bud Variance		Change from 2025 Incr(Decr)	
Figures $ in 000's	Actual	Actual	Actual	Budget	Revsd_Bud	$	%	$	%
Rate Base Revenues									
Airfield Movement Area	74,894	80,564	89,039	88,976	89,170	(130)	0%	8,476	11%
Airfield Apron Area	13,414	15,960	16,749	17,129	17,142	(393)	-2%	789	5%
Terminal Rents	134,447	140,124	156,944	156,639	156,797	147	0%	16,820	12%
Federal Inspection Services (FIS)	19,948	24,042	25,875	25,843	25,857	17	0%	1,832	8%
Total Rate Base Revenues	**242,702**	**260,690**	**288,607**	**288,587**	**288,966**	**(359)**	**0%**	**27,917**	**11%**
Airfield Commercial Area	9,735	13,062	13,509	12,888	12,888	621	5%	447	3%
Total Aeronautical Revenues	**252,437**	**273,752**	**302,116**	**301,475**	**301,855**	**262**	**0%**	**28,364**	**10%**
GASB 87_96_103 Revenues	4	293	-	-	-	-		(293)	-100%
Total Aeronautical Revenues GASB Comparable Basis	**252,441**	**274,045**	**302,116**	**301,475**	**301,855**	**262**	**0%**	**28,071**	**10%**
Total Aeronautical Expenses	**162,767**	**180,612**	**181,616**	**194,455**	**194,864**	**(13,248)**	**-7%**	**1,003**	**1%**
GASB 87_96_103 Expenses	150	146	144	88	88	56	64%	(2)	-1%
Total Aeronautical Expenses GASB Comparable Basis	**162,917**	**180,759**	**181,760**	**194,543**	**194,951**	**(13,192)**	**-7%**	**1,001**	**1%**
Aeronautical NOI GASB Comparable Basis	**89,524**	**93,286**	**120,356**	**106,932**	**106,903**	**13,453**	**13%**	**27,070**	**29%**

Aeronautical – 2026 YTD Actuals vs. 2026 YTD Revised Budget

Aeronautical operating expenses are $13.2M, or 7%, under budget due to lower year-to-date spending across total operating expenses. Aeronautical revenues are in line with the Revised Budget, coming in $262K above budget, resulting in Net Operating Income of $13.5M, or 13%, above budget for YTD Q2.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/26

Aeronautical – 2026 YTD Actuals vs. 2025 YTD Actuals

Year-to-date Q2 2026 Aeronautical expenses were $1.0M, or 1%, higher compared to Q2 2025, primarily driven by higher payroll costs of $1.9M, increased Outside Services costs of $1.0M, higher General and Promotional Expenses of $1.0M, and Other Expenses of $2.0M, partially offset by lower allocation costs of $4.9M.

Aeronautical Net Operating Income increased by $27M, or 29%, compared to 2025, primarily due to higher revenues from terminal rent and Airfield Movement Area charges.

Aeronautical Business Unit Summary - YE Forecast

Aeronautical NOI	2024	2025	2026	2026	2026	Fcst vs. Rvsd_Bud Variance		Change from 2025 Incr(Decr)	
Figures in ($ in 000's)	Actual	Actual	Forecast	Budget	Revsd_Bud	$	%	$	%
Rate Base Revenues									
Airfield Movement Area	170,821	164,804	180,891	183,818	184,220	(3,328)	-2%	16,087	10%
Airfield Apron Area	32,270	33,404	34,892	35,416	35,443	(552)	-2%	1,487	4%
Terminal Rents	279,722	271,462	320,057	319,223	319,543	514	0%	48,595	18%
Federal Inspection Services (FIS)	15,206	48,849	52,257	53,542	53,571	(1,314)	-2%	3,407	7%
Total Rate Base Revenues	**498,019**	**518,520**	**588,097**	**591,999**	**592,777**	**(4,681)**	**-1%**	**69,577**	**13%**
Airfield Commercial Area	22,922	26,787	25,787	25,787	25,787	-	0%	(1,000)	-4%
Total Aeronautical Revenues	**520,942**	**545,307**	**613,884**	**617,786**	**618,565**	**(4,681)**	**-1%**	**68,577**	**13%**
GASB 87_96_103 Revenues	7	415	-	-	-	-		(415)	-100%
Total Aeronautical Revenues GASB Comparable Basis	**520,949**	**545,722**	**613,884**	**617,786**	**618,565**	**(4,681)**	**-1%**	**68,162**	**12%**
Total Aeronautical Expenses	**367,736**	**358,644**	**390,421**	**391,206**	**392,023**	**1,603**	**0%**	**(31,777)**	**-9%**
GASB 87_96_103 Expenses	250	315	163	163	163	-	0%	152	48%
Total Aeronautical Expenses GASB Comparable Basis	**367,986**	**358,959**	**390,584**	**391,369**	**392,186**	**1,603**	**0%**	**(31,625)**	**-9%**
Aeronautical NOI GASB Comparable Basis	**152,956**	**186,348**	**223,300**	**226,417**	**226,378**	**(3,078)**	**-1%**	**36,952**	**20%**
Debt Service	(157,518)	(176,250)	(201,468)	(202,992)	(202,992)	1,524	-1%	(25,217)	14%
Net Cash Flow	**(4,562)**	**10,098**	**21,833**	**23,426**	**23,387**	**(1,554)**	**-7%**	**11,735**	**116%**

Aeronautical – 2026 Forecast vs. 2026 Revised Budget

Aeronautical expenses are forecasted to be $1.6M lower compared to budget. Aeronautical revenues are forecasted to be $4.7M lower compared to budget.

Airline Rate Base Cost Drivers

Aeronautical Cost Drivers ($ in 000's)	2026 Forecast	2026 Budget	2026 Revsd_Bud	Fcst vs. Rvsd_Bud Variance $	 %
O&M (1)	379,617	377,634	378,417	1,199	0.3%
Debt Service Before Offsets	272,098	277,614	277,614	(5,516)	-2.0%
Debt Service PFC Offset	(92,793)	(92,468)	(92,468)	(325)	0.4%
Net Debt Service	179,306	185,146	185,146	(5,841)	-3.2%
Amortization	33,879	33,685	33,685	193	0.6%
Space Vacancy	(2,916)	(2,710)	(2,714)	(203)	7.5%
Cost of Incentives	(1,225)	(1,194)	(1,196)	(30)	2.5%
Grants and Other	(563)	(563)	(563)	-	0.0%
Rate Base Revenues	**588,097**	**591,999**	**592,777**	**(4,681)**	**-1%**
Commercial area	25,787	25,787	25,787	-	0%
Total Aero Revenues	**613,884**	**617,786**	**618,565**	**(4,681)**	**-1%**

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

2026 Forecast vs. 2026 Revised Budget

Total Aeronautical Revenue is forecasted to be $4.7M below the revised budget, driven primarily by higher operating costs, offset by lower net debt service. Operating and Maintenance (O&M) expenses are forecasted to be $1.2M above budget, mainly due to $6M of capital-to-expense transfers impacting the terminal area, partially offset by savings across other areas. Net Debt Service is forecasted to be $5.8M below the revised budget due to the postponed in-use date of the Concourse A Expansion and changes in capitalized interest across several airfield projects, while amortization increased slightly due to a higher aeronautical allocation for Terminal B following Q2 space updates.

Non-Aero Business Unit Summary – YTD Actuals

Non-Aeronautical NOI (Q2) *Figures ($ in 000's)*	2024 YTD (Q2) Actual	2025 YTD (Q2) Actual	2026 YTD (Q2) Actual	2026 YTD (Q2) Budget	2026 YTD (Q2) Revsd_Bud	Actual vs. Rvsd_Bud Variance $	 %	Change from 2025 Incr(Decr) $	 %
Non-Aeronautical Revenues						-		-	
Public Parking	58,986	58,697	59,817	57,030	57,030	2,787	5%	1,120	2%
Rental Cars	22,748	25,702	18,264	25,604	17,226	1,038	6%	(7,438)	-29%
Ground Transportation	11,853	11,784	11,392	12,179	12,179	(786)	-6%	(391)	-3%
Airport Dining & Retail	31,931	32,319	34,955	36,378	36,637	(1,682)	-5%	2,636	8%
Other	29,018	37,686	41,310	40,814	41,062	248	1%	3,624	10%
Total Non-Aeronautical Revenues	**154,536**	**166,188**	**165,737**	**172,005**	**164,133**	**1,604**	**1%**	**(451)**	**0%**
GASB 87_96_103 Revenues	(2,855)	(3,286)	6,889	(3,183)	4,936	1,953	40%	10,175	-310%
Total Non-Aeronautical Revenues GASB Comparable Basis	**151,680**	**162,902**	**172,626**	**168,822**	**169,069**	**3,557**	**2%**	**9,724**	**6%**
Total Non-Aeronautical Expenses	**71,861**	**83,534**	**96,003**	**95,480**	**95,929**	**74**	**0%**	**12,469**	**15%**
GASB 87_96_103 Expenses	24	861	4,045	3,971	3,971	74	2%	3,184	370%
Total Non-Aeronautical Expenses GASB Comparable Basis	**71,886**	**84,395**	**100,047**	**99,451**	**99,900**	**148**	**0%**	**15,653**	**19%**
Non-Aeronautical NOI GASB Comparable Basis	**79,795**	**78,507**	**72,579**	**69,371**	**69,170**	**3,409**	**5%**	**(5,929)**	**-8%**

Non-Aeronautical Revenue – 2026 YTD Actuals vs. 2026 YTD Budget

YTD Q2 2026 Non-Aeronautical Revenues are higher than budget by $1.6M, or 1%. The performance compared to budget is highlighted by the 2025 SeaTac Office Center (STOC) acquisition at the end of Feb 2025, which annualized in Q1 2026. In addition, Public Parking, Rental Cars, and Flight Kitchens all performed well against budget but were partially offset by Airport Dining and Retail (lower due to monthly seasonality, which will normalize by the end of the year).

Non-Aeronautical Revenue – 2026 YTD Actuals vs. 2025 YTD Actuals

YTD Q2 2026 Non-Aeronautical Revenues are lower than 2025 by ($0.5M), or (0%). The decline is due to the accounting change for GASB 103, which has reclassified CFC operating revenue (under Rental Cars) to non-operating income. Excluding $8.2M in 2025 CFC revenue, YTD Q2 2026 Non-Aeronautical Revenues are up $7.6M, or 5%. The growth is highlighted by the 2025 SeaTac Office Center (STOC) acquisition at the end of Feb 2025, which was annualized in Q1 2026. In addition, Public Parking, Rental Cars, Airport Dining and Retail, and Flight Kitchens all showed solid growth YTD vs. 2025.

YTD Q2 2026 Non-Aero Expenses are higher due to allocations and annualization of STOC operating expenses (offset by revenue).

Non-Aero Business Unit Summary - YE Forecast

Non-Aeronautical NOI	2024	2025	2026	2026	2026	Fcst vs. Rvsd_Bud Variance		Change from 2025 Incr(Decr)	
Figures in ($ in 000's)	Actual	Actual	Forecast	Budget	Revsd_Bud	$	%	$	%
Non-Aeronautical Revenues									
Transportation Mgmt Association	-	-	717	717	717	-	0%	717	
Public Parking	116,535	116,870	118,419	114,531	114,531	3,889	3%	1,549	1%
Rental Cars	64,434	67,479	45,624	67,862	43,555	2,069	5%	(21,854)	-32%
Ground Transportation	23,946	24,376	23,758	24,896	24,896	(1,138)	-5%	(618)	-3%
Employee Parking[1]	10,462	12,532	14,092	14,138	14,138	(46)	0%	1,560	12%
Landside Total	**215,376**	**221,256**	**202,610**	**222,144**	**197,837**	**4,773**	**2%**	**(18,646)**	**-8%**
Airport Dining & Retail[1]	72,234	73,777	77,948	77,078	77,596	352	0%	4,170	6%
Tenant Marketing	902	1	1,919	503	503	1,416	281%	1,918	279778%
AOB Conference Center	252	205	200	228	228	(28)	-12%	(5)	-3%
Commercial Management Total	**73,388**	**73,983**	**80,067**	**77,809**	**78,327**	**1,740**	**2%**	**6,084**	**8%**
Non-Aero Commercial Properties	17,639	18,625	22,786	20,475	20,475	2,311	11%	4,161	22%
International Place (STOC)	-	10,174	12,214	11,712	11,712	503	4%	2,041	20%
Clubs and Lounges	16,709	19,528	19,292	16,153	16,153	3,139	19%	(236)	-1%
Non-AirlineTerminal Leased Spc	7,559	8,584	9,481	8,157	8,157	1,324	16%	897	10%
AV Business & Properties Total	**41,907**	**56,911**	**63,773**	**56,497**	**56,497**	**7,276**	**13%**	**6,862**	**12%**
Utilities	9,578	10,837	10,551	10,551	10,551	0	0%	(286)	-3%
Other	110	228	876	381	876	(0)	0%	648	284%
Total Non-Aeronautical Revenues	**340,360**	**363,215**	**357,877**	**367,381**	**344,087**	**13,790**	**4%**	**(5,338)**	**-1%**
GASB 87_96_103 Revenues	(12,757)	(10,962)	9,872	(13,917)	9,872	-	0%	20,834	-190%
Total Non-Aeronautical Revenues GASB Comparable Basis	**327,603**	**352,253**	**367,749**	**353,464**	**353,959**	**13,790**	**4%**	**15,496**	**4%**
Total Non-Aeronautical Expenses	**162,092**	**178,384**	**200,390**	**196,929**	**197,834**	**(2,555)**	**-1%**	**22,006**	**12%**
GASB 87_96_103 Expenses	79	5,084	7,938	7,938	7,938	-	0%	2,854	56%
Total Non-Aeronautical Expenses GASB Comparable Basis	**162,170**	**183,468**	**208,327**	**204,867**	**205,772**	**(2,555)**	**-1%**	**24,859**	**14%**
Non-Aeronautical NOI	**178,268**	**184,831**	**157,488**	**170,452**	**146,253**	**11,235**	**8%**	**(27,344)**	**-15%**
Less: CFC Surplus[2]	(10,174)	(9,385)	-	(11,702)	-	-		9,385	-100%
Adjusted Non-Aeronautical NOI	**168,094**	**175,446**	**157,488**	**158,750**	**146,253**	**11,235**	**8%**	**(17,958)**	**-10%**
Non-Aeronautical NOI GASB Comparable Basis	**165,433**	**168,785**	**159,422**	**148,597**	**148,187**	**11,235**	**8%**	**(9,364)**	**-6%**
Debt Service	(43,887)	(33,957)	(57,802)	(57,369)	(57,369)	(433)	1%	(23,845)	70%
Net Cash Flow	**124,206**	**141,489**	**99,686**	**101,381**	**88,884**	**10,801**	**12%**	**(41,803)**	**-30%**

[1] Includes lease payments from tenants as non-operating interest income instead of operating revenues

[2] The implementation of GASB 103 has reclassified CFC revenue from operating to non-operating, which is reflected in 2026 Forecast and Revised Budget

Note: Lease payments from tenants treated as non-operating interest income and lease interest expenses

Non-Aeronautical Revenue – 2026 Forecast vs. 2026 Budget

- Non-aero revenue forecast is $13.8M above revised budget, reflecting higher revenues across Public Parking, Rental Cars, and Flight Kitchens. The South Concourse Lounge construction delay also adds approximately three months of incremental operations revenues.
- Non-Aero Expenses are forecasted to be higher than budget by ($2.6M), with NOI higher than budget by $11.2M or 8%. Expenses are driven by higher allocations and additional operating expenses from the South Concourse Lounge remaining open for an additional three months.

D. CAPITAL RESULTS

$ in 000's	2026 YTD Actual	2026 Year-End Forecast	2026 Budget	2026 POF	Bud vs. Fcst $	Bud vs. Fcst %
SEA Gateway [1]	43,778	72,633	96,994	96,470	24,360	25.1%
S Concourse Evolution [2]	41,918	82,829	69,256	137,762	(13,573)	-19.6%
C Concourse Expansion [3]	83,689	115,689	108,970	119,813	(6,719)	-6.2%
Post IAF Airline Realignment [4]	22,147	41,579	35,377	39,040	(6,202)	-17.5%
2026-2030 AFLD PVMNTS [5]	13,770	34,012	38,287	71,507	4,275	11.2%
Checked Bag Recap/Optimization [6]	52,253	106,891	110,207	120,752	3,316	3.0%
Upgrades STS Train Control [7]	3,308	9,092	11,499	12,412	2,407	20.9%
Perimeter Intrusion Detect Sys [8]	196	2,796	5,081	6,472	2,285	45.0%
Airfield Snow Equipment [9]	5,230	6,615	4,558	915	(2,057)	-45.1%
Biffy Facility Improvement [10]	203	644	2,382	2,867	1,737	72.9%
All Other	99,417	235,835	252,696	394,832	16,861	6.7%
Subtotal	365,909	708,616	735,307	1,002,842	26,691	3.6%
CIP Cashflow Mgmt Reserve	-	(50,000)	(76,353)	(166,955)	(26,353)	34.5%
Total Spending	**365,909**	**658,616**	**658,954**	**835,887**	**338**	**0.1%**

1. Actuals lower due to increase in projected savings.
2. Design services effort heavier/front loaded than forecasted as the scheduled accelerated. And, $4M airfield 2026 contract work transferred to SCE.
3. The 2026 Q2 actual costs brought the project costs aligned with planned cost. Nearly $6M in unanticipated change orders for NSS spent in 2026 utilizing transferred program contingency caused overspending for the year.
4. Increased construction spending to support turnovers ahead of FIFA and unforeseen conditions and abatement work increased cost. United Airlines lounge project updated estimates show higher costs. This increase is projecting more spending in 2026 than anticipated.
5. $4M of SCE part of bid originally captured in this project was transferred to SCE.
6. Anticipate spending 98% of 2026 Baseline Forecast. Returning some savings from Phase 2.
7. Testing was delayed, including delays in static and dynamic testing, resulting in lower than projected invoiced amounts than planned.
8. Schedule delay because of delayed testing due to faulty equipment.
9. During budget, estimated 80% of the invoice to be spent in 2026 until the vendor completed the work to meet the requirements. Vendor is now on track to complete it in 2026.
10. Delays to the design periods - Construction costs pushed out along with final design costs.

III. MARITIME DIVISION

A. FINANCIAL SUMMARY (Excludes Pension Adjustments)

$ in 000's	2023 Actual	2024 Actual	2025 Actual	2026 Forecast	2026 Revised Budget	Actual vs. Revised Budget Variance $	%	Change from 2025 $	%
Total Revenues	99,738	106,809	116,917	126,589	125,344	1,245	-1%	9,672	8%
Total Operating Expenses	93,596	101,991	111,643	120,474	124,728	4,254	3%	8,831	9%
Net Operating Income	6,142	4,818	5,274	6,115	616	5,499	892%	842	14%
NOI Incl. GASB/Pension	*(12,519)*	*(15,905)*	*(31,534)*	*(51,053)*	*(57,272)*	*6,219*	*11%*	*(19,520)*	*156%*
Capital Expenditures	26,246	84,842	93,859	98,488	93,384	5,104	5%	4,629	18%

2026 Forecast vs. 2026 Revised Budget

- Operating Revenues forecasted at $1.2M above $125.3M from increased Cruise and Grain forecast.
- Operating Expenses forecasted $4.3M lower than revised budget from deferred T91 demolition costs.
- Net Operating Income forecasted $5.5M above revised budget.
- Capital Spending forecasted 105% of $93.4M revised budget.

2026 Forecast vs. 2025 Actuals

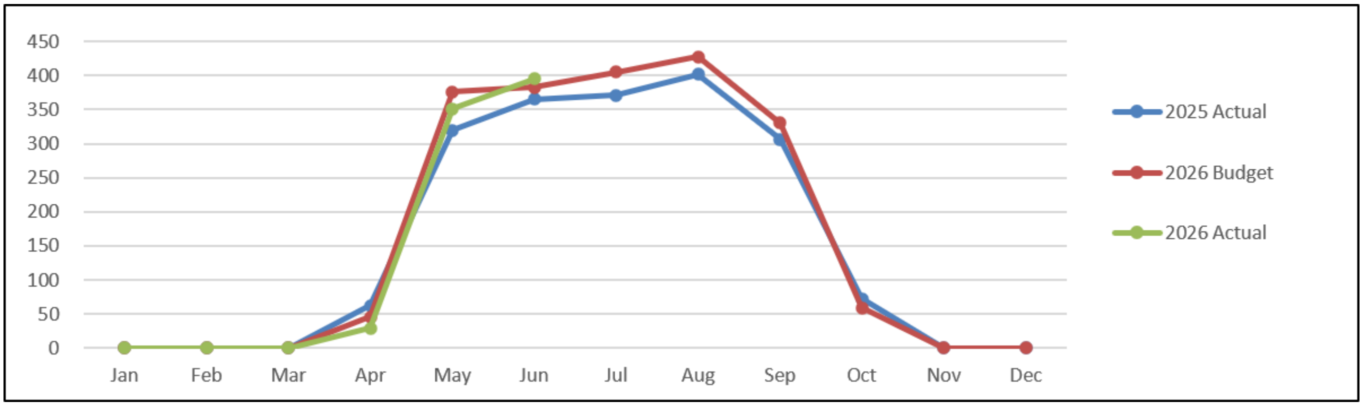
- Operating Revenues forecasted $9.6M higher than in 2025 from higher Cruise rates and volumes.
- Operating Expenses forecasted $8.8M higher than 2025 actual from higher payroll and increased ERL projects.
- Net Operating Income forecasted $0.8M higher than 2025 actual.

Net Operating Income before Depreciation by Business

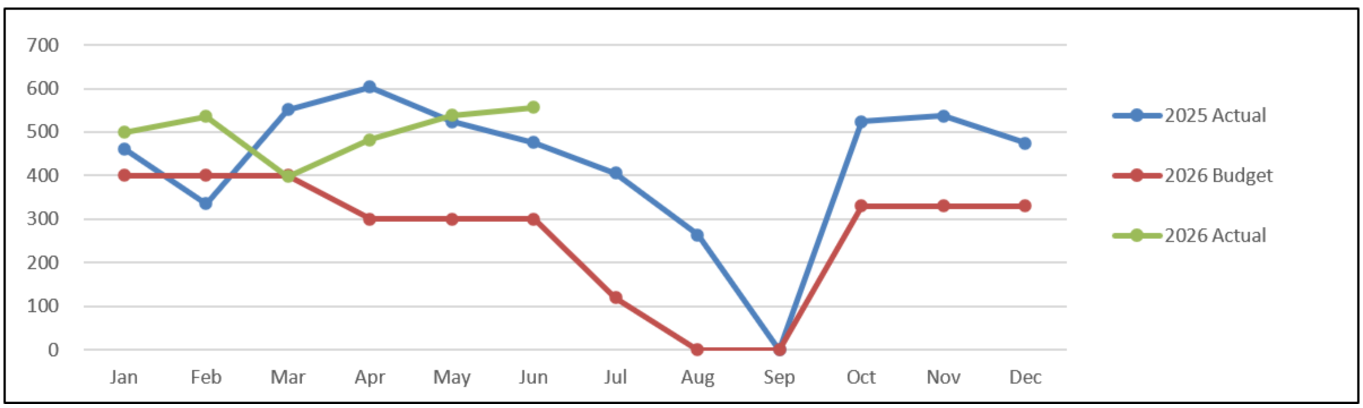
$ in 000's	2025 YTD Actual	2026 YTD Actual	2026 YTD Budget	Actual vs. Revised Budget Variance $	%	Change from 2025 $	%
Ship Canal Fishing & Operations	(1,948)	(5,041)	(3,440)	(1,601)	-47%	(3,093)	-159%
Elliott Bay Fishing & Commercial Operations	(1,310)	(597)	(1,219)	623	51%	713	54%
Recreational Boating	710	(52)	(291)	238	82%	(762)	-107%
Cruise	9,144	10,686	9,428	1,258	13%	1,542	17%
Grain	2,672	2,535	1,981	554	28%	(137)	-5%
Maritime Portfolio	(4,697)	(4,014)	(6,426)	2,412	38%	683	15%
All Other	(664)	(949)	212	(1,161)	-547%	(285)	-43%
Total Maritime	**3,907**	**2,567**	**246**	**2,322**	**946%**	**(1,339)**	**-34%**

B. KEY PERFORMANCE METRICS

Cruise Passengers in 000's



Grain Volumes in 000's



C. OPERATING RESULTS

$ in 000's	2023 YTD Actual	2024 YTD Actual	2025 YTD Actual	2026 YTD Actual	2026 YTD Revised Budget	Actual vs. Budget Variance $	Actual vs. Budget Variance %	Change from 2025 $	Change from 2025 %
Ship Canal Fishing & Operations	2,651	2,650	3,027	2,443	2,513	(69)	-3%	(584)	-19%
Elliott Bay Fishing & Commercial Operations	2,829	2,872	3,132	3,397	3,167	230	7%	265	8%
Recreational Boating	7,751	8,321	9,130	9,547	9,497	51	1%	418	5%
Cruise	15,437	19,027	19,994	23,236	23,787	(551)	-2%	3,242	16%
Grain	1,964	3,079	3,643	3,342	2,905	437	15%	(301)	-8%
Conference & Event Centers	3,377	3,687	3,867	4,619	4,069	549	13%	752	19%
Leasing Portfolio	10,180	11,272	11,122	11,897	11,876	20	0%	775	7%
Other	19	6	(10)	(6)	0	(6)		4	37%
Total Revenue	**44,209**	**50,915**	**53,905**	**58,474**	**57,814**	**660**	**1%**	**4,569**	**8%**
Expenses									
Total Direct	**16,176**	**18,074**	**19,987**	**22,298**	**21,222**	**(1,076)**	**-5%**	**2,311**	**12%**
Total Support Services	**13,082**	**14,006**	**15,454**	**18,009**	**20,830**	**2,821**	**14%**	**2,555**	**17%**
Total Central Services / Other	**12,092**	**13,588**	**14,557**	**15,600**	**15,517**	**(83)**	**-1%**	**1,043**	**7%**
Total Expense	**41,350**	**45,668**	**49,998**	**55,907**	**57,568**	**1,662**	**3%**	**5,909**	**12%**
NOI Before Depreciation	**2,859**	**5,247**	**3,907**	**2,567**	**246**	**2,322**	**946%**	**(1,339)**	**-34%**
Depreciation	11,183	11,132	11,897	13,498	13,539	41	0%	1,601	13%
NOI After Depreciation	**(8,324)**	**(5,885)**	**(7,990)**	**(10,931)**	**(13,294)**	**2,363**	**18%**	**(2,941)**	**-37%**
GASB/Pension/ Legacy ERL Impacts									
Total Revenue			**(7,973)**	**(7,469)**	**(7,414)**	**55**	**1%**	**504**	**6%**
Total Operating Expenses*			**(52)**	**5,801**	**7,950**	**2,149**	**27%**	**5,854**	**11167%**
Total Depreciation			**136**	**171**	**77**	**(93)**	**-121%**	**35**	**25%**
NOI After Depreciation with GASB	**(8,324)**	**(5,885)**	**(16,047)**	**(24,372)**	**(28,735)**	**(4,363)**	**-15%**	**(8,325)**	**-52%**

2026 YTD Actuals vs. 2026 YTD Revised Budget

- Operating Revenues were $660K higher than revised budget:
  - Ship Canal $69K lower due to unexpected customer vacancy at Fishermen's Terminal.
  - Elliott Bay Fishing $244K higher due to increased activity at T91, as well as P28 and P34 dolphins.
  - Recreational Boating $73K higher than budget due to utility sales revenue timing at Shilshole Bay Marina.
  - Cruise $555K lower due to early season, lower occupancies. Occupancies will increase in Q3.
  - Grain $437K higher due to soybean volumes rebounding.
  - Leasing Portfolio $20K higher due to higher rates from subtenant to direct lease conversions.
  - Conference and Event Centers are $549K higher due to returning customers/programs, higher short-term booking rates, and upselling activity.
- Operating Expenses were $1.7M below revised budget:
  - Direct Expenses were $1.1M higher than revised budget due to environmental remediation expenses.
  - Support Services $2.8M below revised budget from timing of Maintenance and small works projects. Projects to be completed Q2-Q4.
  - Central Services/Other $83K above revised budget.
- Net Operating Income after Depreciation was $2.4M higher than revised budget.

2026 YTD Actuals vs. 2025 YTD Actuals

- Operating Revenues were $4.6M higher than 2025 due to returning customers to Conference & Event Centers, returning demand for soybeans for Grain, and increased Elliott Bay Fishing & Commercial activity.
- Operating Expenses were $5.9M higher than 2025 from increased ERL, utilities, and derelict vessels as well as higher central services costs.
- Net Operating Income after Depreciation was $2.9M lower than 2025 actual from higher depreciation and one time ERL and Derelict Vessel expenses.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/26

$ in 000's	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Forecast	2026 Revised Budget	Forecast vs. Budget Variance $	Forecast vs. Budget Variance %	Change from 2025 $	Change from 2025 %
Ship Canal Fishing & Operations	4,592	5,076	5,169	5,562	4,503	4,503	0	0%	(1,059)	-19%
Elliott Bay Fishing & Commercial Operations	5,975	6,564	6,602	6,963	6,148	6,148	0	0%	(815)	-12%
Recreational Boating	13,978	15,505	16,555	18,058	20,000	20,000	0	0%	1,942	11%
Cruise	30,469	41,726	43,145	48,853	63,821	63,821	0	0%	14,968	31%
Grain	5,792	3,356	5,920	6,442	5,136	5,136	0	0%	(1,306)	-20%
Conference & Event Centers	8,914	6,738	7,490	8,654	9,430	11,285	(1,855)	-16%	776	9%
Leasing Portfolio	19,367	20,764	21,920	22,432	23,123	23,123	0	0%	691	3%
Other	10	10	8	(47)	0	0	0		47	100%
Total Revenue	**89,095**	**99,738**	**106,809**	**116,917**	**132,160**	**134,015**	**(1,855)**	**-1%**	**15,243**	**13%**
<u>Expenses</u>										
Total Direct	**33,680**	**37,061**	**36,595**	**47,675**	**44,619**	**43,119**	**(1,500)**	**-3%**	**(3,056)**	**-6%**
Total Support Services	**24,948**	**29,939**	**33,193**	**36,354**	**45,264**	**50,564**	**5,300**	**10%**	**8,910**	**25%**
Total Central Services / Other	**22,972**	**26,596**	**32,202**	**27,614**	**30,591**	**31,045**	**454**	**1%**	**2,977**	**11%**
Total Expense	**81,600**	**93,596**	**101,991**	**111,643**	**120,474**	**124,728**	**4,254**	**3%**	**8,831**	**8%**
NOI Before Depreciation	**7,495**	**6,142**	**4,818**	**5,274**	**11,686**	**9,287**	**2,399**	**26%**	**6,413**	**122%**
Depreciation	21,974	22,421	23,850	24,727	27,033	27,033	0	0%	2,306	9%
NOI After Depreciation	**(14,479)**	**(16,279)**	**(19,032)**	**(19,453)**	**(15,346)**	**(17,745)**	**2,399**	**14%**	**4,106**	**21%**
<u>GASB/Pension Credit Impacts</u>										
Total Revenue	**170**	**(90)**	**(18)**	**(15,889)**	**(14,828)**	**(14,828)**	**0**	**0%**	**1,061**	**7%**
Total Op Expenses, Pension Adj	**(2,561)**	**(3,850)**	**(3,145)**	**(4,092)**	**15,180**	**15,900**	**720**	**5%**	**19,272**	**471%**
Total Depreciation				**284**	**128**	**128**	**0**	**0%**	**(156)**	**-55%**
NOI After Depreciation with GASB	**(11,748)**	**(12,519)**	**(15,905)**	**(31,533)**	**(45,482)**	**(48,601)**	**(3,119)**	**-6%**	**(13,949)**	**44%**

<u>2026 Forecast vs. 2026 Revised Budget</u>

- Operating Revenues forecasted at $1.2M above $125.3M from increased Cruise and Grain forecast.
- Operating Expenses forecasted $4.3M lower than revised budget from deferred T91 demolition costs.
- Net Operating Income forecasted $5.5M above revised budget.
- Capital Spending forecasted 105% of $93.4M revised budget.

<u>2026 Forecast vs. 2025 Actuals</u>

- Operating Revenues forecasted $9.6M higher than in 2025 from higher Cruise rates and volumes.
- Operating Expenses forecasted $8.8M higher than 2025 actual from higher payroll and increased ERL projects.
- Net Operating Income forecasted $0.8M higher than 2025 actual.

D. CAPITAL RESULTS

$ in 000's	2026 Actual	2026 YE Forecast	2026 Budget	2026 POF	Budget vs Actual $	Budget vs Actual %
T91 Berth 6 & 8 Redev	19,289	25,931	26,207	13,654	(276)	-1%
P66/P91 Shore Power Extension	6,941	19,121	17,100	9,540	2,021	12%
T91 Uplands Dev Phase I	1,277	5,518	11,000	16,524	(5,482)	-50%
MIC Electrical Replacements	5,150	9,308	10,759	9,683	(1,451)	-13%
P66 Grand Staircase Replc	4,147	4,856	4,872	5,560	(16)	0%
FT Maritime Innovation Center	3,162	4,450	4,058	2,700	392	10%
Technology Project	928	2,148	4,250	4,250	(2,102)	-49%
T91 Shore Power System Purchas	3,600	3,600	3,600	0	0	0%
T91 New Cruise Gangway	1,609	2,086	2,300	2,446	(214)	-9%
Fleet	1,247	6,929	6,928	6,648	1	0%
All Other Projects	8,261	27,202	24,840	41,890	2,362	10%
Subtotal	55,611	111,149	115,914	112,895	(4,765)	-4%
CIP CashFlow Mgt	0	(12,661)	(22,530)	(31,937)	9,869	-43.8%
Total Maritime	**55,611**	**98,488**	**93,384**	**80,958**	**5,104**	**5%**
% of Capital Budget w/out CF Mgt	48%	96%				
% of Capital Budget including CF Mgt	60%	105%				

Note: POF (Plan of Finance) is the total estimated during the budget process.

Comments on Key Projects with Significant Variances

- **T91 Berth 6&8 –** Decrease reflects drop of risk after settlement with contractor.
- **Shore Power Ext –** Overall increase of $58M. DU2902 and structural slab. Further refinement of means and method.
- **T91 Uplands –** No change overall. Delayed billing and procurement pushed out to 2027.
- **MIC Electrical–** Substantial completion date pushed out, delayed billings.
- **Technology–** Video Camera pushing out contingencies.
- **Elliott Bay Connections–** Requests for reimbursement from EBC have been slower than anticipated.

IV. ECONOMIC DEVELOPMENT DIVISION

FINANCIAL SUMMARY

$ in 000's	2023 Actual	2024 Actual	2025 Actual	2026 Forecast	2026 Revised Budget	Forecast vs. Revised Budget Variance $	%	Change from 2025 $	%
Total Revenues	**24**	**(8)**	**21**	**16**	**16**	**0**	**0%**	**(5)**	**-25%**
Total Operating Expenses	**3,351**	**2,951**	**2,663**	**3,390**	**3,390**	**0**	**0%**	**727**	**22%**
Net Operating Income	**(3,328)**	**(2,959)**	**(2,643)**	**(3,374)**	**(3,374)**	**0**	**0%**	**(732)**	**-22%**
NOI Incl. GASB/Pension	***432***	***168***	***(1,873)***	***(3,374)***	***(3,374)***	***0***	***0%***	***(1,501)***	***-347%***

OPERATING RESULTS

$ in 000's	2023 YTD Actual	2024 YTD Actual	2025 YTD Actual	2026 YTD Actual	2026 YTD Revised Budget	Actual vs. Budget Budget Variance $	%	Change from 2025 $	%
Total Revenue	**8**	**9**	**11**	**6**	**8**	**(2)**	**1%**	**1,440**	**9%**
Expenses									
Division Admin	184	66	36	185	77	(108)	-139%	149	414%
Re Dev & Planning	0	0	(0)	25	(0)	(25)		25	
Small Business	0	0	0	0	25	25	100%	0	3%
Workforce Development	0	0	34	2	0	(2)		(32)	-95%
Tourism	524	558	757	733	902	169	19%	(24)	-3%
Total EDD	**707**	**624**	**827**	**945**	**1,004**	**59**	**6%**	**118**	**14%**
Maritime / Maintenance	10	11	22	13	13	(0)	0%	(9)	-42%
Central Services / IT	14	14	14	31	37	6	16%	17	120%
Total Support Services	**24**	**25**	**37**	**44**	**50**	**6**	**12%**	**7**	**20%**
Total Expense	**731**	**648**	**864**	**989**	**1,054**	**65**	**6%**	**125**	**15%**
NOI Before Depreciation	**(723)**	**(640)**	**(853)**	**(983)**	**(1,046)**	**63**	**6%**	**(130)**	**-15%**
Depreciation	6	5	7	14	11	(3)	-30%	7	91%
NOI After Depreciation	**(729)**	**(645)**	**(861)**	**(997)**	**(1,057)**	**59**	**6%**	**(137)**	**-16%**

2026 YTD Actuals vs. 2026 YTD Revised Budget

- Operating Revenues on budget from rental income at the Duwamish Hub.
- Operating Expenses were $65K below revised budget from timing of outside services. Economic Development Grants and Tourism spending.

V. CENTRAL SERVICES DIVISION

FINANCIAL SUMMARY

$ in 000's	2024 YTD Actual	2025 YTD Actual	2026 YTD Actual	2026 YTD Budget	2026 YTD Revsd_Bud	Actual vs. Revsd_Bud Variance $	Actual vs. Revsd_Bud Variance %	Change from 2025 Incr (Decr) $	Change from 2025 Incr (Decr) %
Operating Revenues	145	119	735	72	72	663	918.7%	616	516.4%
Pension Contra Revenue	-	-	-	-	-	-	0.0%	-	0.0%
Operating Revenues	**145**	**119**	**735**	**72**	**72**	**663**	**918.7%**	**616**	**516.4%**
GASB 87_96_103 Revenues	252	421	-	297	-	-	0.0%	(421)	-100.0%
Total Operating Revenues GASB Comparable Basis	**397**	**541**	**735**	**369**	**72**	**663**	**918.7%**	**195**	**36.0%**
Core Central Support Services	57,866	60,674	65,648	64,607	66,099	451	0.7%	4,974	8.2%
Police	22,275	23,145	24,640	25,318	25,318	678	2.7%	1,495	6.5%
Engineering/PCS	6,607	8,687	11,050	10,755	10,755	(294)	-2.7%	2,363	27.2%
Operating Expenses	**86,747**	**92,506**	**101,338**	**100,681**	**102,172**	**835**	**0.8%**	**8,832**	**9.5%**
GASB 87_96_103 Expenses	1,251	1,631	355	2,474	204	(151)	-74.2%	(1,276)	-78.2%
Total Operating Expenses GASB Comparable Basis	**87,998**	**94,136**	**101,693**	**103,155**	**102,376**	**683**	**0.7%**	**7,556**	**8.0%**

2026 YTD Actuals vs. 2026 YTD Revised Budget

- Operating Revenues favorable by $663K, primarily due to a cybersecurity insurance adjustment.
- Operating Expenses favorable by $835K, mainly due to lower Outside Services, Equipment Expense, Travel & Employee Expenses, and Other Expenses, partially offset by lower charges to Capital Projects, higher Payroll, and Litigated Injuries & Damages.

2026 YTD Actuals vs. 2025 YTD Actuals

- Operating Revenues $616K higher than 2025 mainly due to a cybersecurity insurance adjustment.
- Operating Expenses $8.8M higher than 2025 mainly due to higher Payroll, Equipment Expense, Outside Services, Insurance Expense, Litigated Injuries & Damages, and Other Expenses; partially offset by higher charges to Capital Project.

A. BUSINESS EVENTS

- Launched on site contract monitoring in June, with the Urban League of Metropolitan Seattle receiving the first visit. This new practice was developed in partnership with the Economic Opportunities program for SKPCF.
- Hosted and sponsored annual events including the Duwamish Alive Community Cleanup at Haapoos Park, the Multi Lingual Boat Tour of the Duwamish River, the Terminal 5 Bus Tour with NWSA, and the Maritime Industry Breakfast and Awards Ceremony.
- Produced career awareness tours, programming, and presentations for Highline Schools District 7th grade classes, Aeronautical Science Pathways, Chief Sealth High School, Rainier Beach High School, Duwamish Valley youth, and the Aviation High School Environmental Challenge. Also held the Port Pathways Hiring Fair with WFD, which drew more than 250 attendees.
- Executed two CFO Roadshow Breakfasts to share the Port's economic and financial outlook with Eastside and South King County elected officials, city staff, and Chamber of Commerce executives.
- Supported SAMP SEPA outreach through presentations to StART, ECOSS, Front & Centered, World Relief, and the Congolese Integration Network.
- Held the South King and Port Communities Partner Meeting for 18 newly contracted organizations through the Environmental Improvements Program.
- Collaborated with staff from the National Caucus of Environmental Legislators to host 20 state legislators from across the country for a briefing on the Port of Seattle, focusing on the Port's energy and environmental programs and sustainable economic development initiatives.
- Organized FIFA related events with international dignitaries, including officials from Belgium, Australia, Egypt, and Bosnia & Herzegovina. Supported a K pop group visit for a South Korean Consulate watch party, hosted Team Belgium in Seattle, conducted a day of business engagements with Australian representatives, and represented the Port at Bosnia & Herzegovina community events.

B. KEY PERFORMANCE METRICS

Century Agenda Strategic Objectives	YTD 2024	YTD 2025	YTD 2026
Responsibly Invest in the Economic Growth of the Region and all its Communities			
A. Job seekers placed in jobs at SEA Airport through the Employment Center	503	230	344
B. Number of SEA Airport tenants supported in finding employees	84	88	155
C. Employment Center training completions	267	220	126
D. K-12 Career Connected Learning: WFD engagement with teachers/faculty	10	11	12
E. Community members entering employment in construction, maritime and environmental sustainability	48	32	27
F. Number of Job Openings Posted	111	20	54
G. Job applications received	5,937	11,583	15,397
H. Number of job interviews conducted	659	1,271	1,373
I. Number of new employees hired	157	181	187
J. Number of interns	109	108	106
K. Number of Veteran Fellows	1	5	0
L. Number of employees participating in Tuition Reimbursement	17	11	15
Become a Model for Equity, Diversity and Inclusion			
A. Employee participation in OEDI programming (Caucuses, Book Clubs, Town Halls, etc.)	2,907	3,368	5,990
Be a Highly Effective Public Agency			
A. Central Services costs as a % of Total Operating Expenses	29.4%	28.1%	27.8%
B. Investment portfolio earnings versus the benchmark (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index)	3.82%/ 4.37%	3.53%/ 3.51%	3.40%/ 4.16%
C. Comply with Public Disclosure Act and respond in a timely manner	381	827	863
D. Employee Development Class Attendees/Structured Learning	1,655	4,496	18,045
E. Total Recordable Incident Rate (previous Occupational Injury Rate)	4.09	3.92	4.29
F. Lost Work Day Rate (previously Days Away Severity Rate)	16.73	73.37	40.75
G. Customer Survey for Police Service Excellent or Above Average	TBD	TBD	TBD

C. OPERATING RESULTS

Financial Summary (Year-End Forecast)

	2024	2025	2026	2026	2026	Fcst vs. Revsd_Bud Variance		Change from 2025 Incr (Decr)	
$ in 000's	Actual	Actual	Forecast	Budget	Revsd_Bud	$	%	$	%
Operating Revenues	**403**	**14**	**934**	**259**	**259**	**675**	**260.9%**	**920**	**6809.7%**
GASB 87_96_103 Revenues	281	1,435	-	594	0	-	0.0%	(1,435)	-100.0%
Total Operating Revenues GASB Comparable Basis	**684**	**1,449**	**934**	**853**	**259**	**675**	**260.9%**	**(515)**	**-35.6%**
Executive	6,025	2,771	3,502	3,407	3,407	(95)	-2.8%	731	26.4%
Commission	3,042	3,137	5,334	3,671	5,516	182	3.3%	2,197	70.0%
Legal	10,312	8,395	8,457	6,863	7,328	(1,129)	-15.4%	62	0.7%
External Relations	14,379	14,365	16,254	15,858	15,858	(397)	-2.5%	1,889	13.1%
Equity Diversity and Inclusion	1,922	1,975	2,488	2,540	2,540	52	2.1%	513	26.0%
Human Resources	16,099	16,506	17,960	19,160	19,160	1,200	6.3%	1,453	8.8%
Labor Relations	1,541	1,598	1,932	1,923	1,923	(9)	-0.5%	334	20.9%
Internal Audit	1,935	2,066	2,415	2,448	2,448	33	1.3%	349	16.9%
Accounting & Financial Reporting Services	10,003	11,173	12,789	12,807	12,807	19	0.1%	1,616	14.5%
Information & Communication Technology	30,410	31,476	33,507	34,080	34,080	573	1.7%	2,031	6.5%
Information Security	2,613	3,633	4,506	4,612	4,612	107	2.3%	872	24.0%
Finance & Budget	3,075	3,076	3,541	3,371	3,527	(14)	-0.4%	465	15.1%
Business Intelligence	1,888	2,235	2,559	2,633	2,633	74	2.8%	324	14.5%
Risk Services	7,395	7,144	8,206	8,642	8,642	436	5.0%	1,062	14.9%
Office of Strategic Initiatives	1,125	1,353	1,684	1,731	1,731	47	2.7%	332	24.5%
Central Procurement Office	7,079	7,588	9,588	9,756	9,756	168	1.7%	2,000	26.4%
Contingency	21,534	(22,019)	(2,340)	(6,184)	(5,666)	(3,326)	58.7%	19,679	-89.4%
Environment & Sustainability	1,479	1,968	2,373	2,306	2,306	(67)	-2.9%	405	20.6%
Core Central Support Services	**141,854**	**98,441**	**134,755**	**129,624**	**132,607**	**(2,148)**	**-1.6%**	**36,314**	**36.9%**
Police	43,591	46,327	48,296	48,213	48,213	(83)	-0.2%	1,970	4.3%
Total Before Cap Dev & Environment	**185,445**	**144,768**	**183,051**	**177,837**	**180,821**	**(2,231)**	**-1.2%**	**38,283**	**26.4%**
Capital Development									
Engineering	8,581	9,407	13,789	13,764	13,764	(25)	-0.2%	4,381	46.6%
Port Construction Services	7,063	8,849	8,451	8,123	8,123	(328)	-4.0%	(398)	-4.5%
Sub-Total	15,644	18,256	22,240	21,887	21,887	(352)	-1.6%	3,984	21.8%
Industrial Development Corporation	-	1	-	-	-	-	0.0%	(1)	-100.0%
Capital to Expense	499	-	-	-	-	-	0.0%	-	0.0%
O&M Expenses	**201,593**	**163,025**	**205,291**	**199,724**	**202,708**	**(2,583)**	**-1.3%**	**42,266**	**25.9%**
GASB 87_96_103 Expenses	3,227	1,131	443	4,983	443	-	0.0%	(688)	-60.9%
Total Operating Expenses GASB Comparable Basis	**204,820**	**164,156**	**205,734**	**204,707**	**203,151**	**(2,583)**	**-1.3%**	**41,578**	**25.3%**

- Total Operating Expenses are projected to be $2.6M or 1.3% over revised budget and $41.6M or 25.3% over 2025.
- Excluding the $13.2M DRS pension credit and $21.8M in legal settlement credit in 2025, total operating expenses are projected to be $6.6M or 3.3% increase from 2025.

V. CENTRAL SERVICES DIVISION FINANCIAL & PERFORMANCE REPORT 06/30/26

2026 Forecast vs. 2026 Revised Budget

Operating Expenses for 2026 are forecasted to be $1.0M over revised budget due primarily to:

- **Executive –** unfavorable variance of ($95K) primarily due to higher Travel & Other Employee Expenses ($90K), Promotional Expenses ($58K), and Payroll ($33K); partially offset by lower Outside Services $89K.
- **Commission** – favorable variance of $182K primarily due to lower Payroll $157K and Travel & Other Employee Expenses $25K; partially offset by higher General Expenses ($22K).
- **Legal** – unfavorable variance of ($1.1M) primarily due to higher Outside Legal Services ($1.2M); partially offset by lower Payroll $92K.
- **External Relations** – unfavorable variance of ($397K) primarily due to higher Outside Services ($328K) and Payroll ($246K); partially offset by lower Promotional Expenses $76K, General Expenses $64K, and Travel & Other Employee Expenses $34K.
- **Equity, Diversity, and Inclusion** – favorable variance of $52K primarily due to lower Payroll $61K and Travel & Other Employee Expenses $17K; partially offset by higher Outside Services ($31K).
- **Human Resources** – favorable variance of $1.2M primarily due to lower Payroll $793K, Outside Services $260K and Travel & Other Employee Expenses $104K.
- **Labor Relations** – unfavorable variance of ($9K) primarily due to higher Payroll ($39K); partially offset by lower Travel & Other Employee Expenses $26K.
- **Internal Audit** – favorable variance of $33K primarily due to lower Payroll $33K.
- **Accounting and Financial Reporting Services** – favorable variance of $19K primarily due to lower Outside Services $65K, Travel & Other Employee Expenses $58K, and higher charges to Capital Projects $30K; partially offset by higher Payroll ($136K).
- **Information & Communication Technology** – favorable $573K due to by lower Outside Services $881K, Equipment Expense $220K, and Payroll $92K; partially offset by lower charges to Capital Projects ($649K).
- **Information Security** – favorable variance of $107K primarily due to lower Payroll $70K and Outside Services $29K; partially offset by higher General Expenses ($7K).
- **Corporate Finance & Budget** – unfavorable variance of ($14K) primarily due to higher Payroll ($77K): partially offset by lower General Expenses $39K and Travel & Other Employee Expenses $51K.
- **Business Intelligence** – favorable variance of $74K primarily due to lower Outside Services 63K and Travel & Other Employee Expenses $15K; partially offset by higher Equipment Expense ($7K).
- **Risk Services** – favorable variance of $436K primarily due to lower General Expenses $513K; partially offset by higher Outside Services ($73K).
- **Office of Strategic Initiative –** favorable variance of $47K primarily due to lower Payroll $47K and Travel & Other Employee Expenses $44K; partially offset by higher Outside Services ($61K).
- **Central Procurement Office** – favorable variance of $168K primarily due to lower Payroll of $658K; partially offset by lower charges to Capital Projects ($467K) and higher General Expenses ($28K).
- **Environment & Sustainability Admin** – unfavorable variance of ($67K) primarily due to higher Payroll ($67K).
- **Police** – unfavorable variance of ($83K) primarily due to higher Supplies & Stock ($196K) and Outside Services ($87K); partially offset by lower Travel & Other Employee Expenses $148K and Worker's Compensation Expense $89K.
- **Engineering** – unfavorable variance of ($25K) primarily due to lower charges to Capital project ($2.9M) and higher General Expenses ($111K); partially offset by lower Payroll $1.0M, Equipment Expense $83K and Outside Services $1.8M.
- **Port Construction Services** – unfavorable variance of ($328K) primarily due to higher General Expenses ($1.1M), Payroll ($48K), Outside Services ($23K), and Equipment Expense ($20K); partially offset by higher charges to Capital project $602K, lower Worker's Compensation Expense $180K, and Travel & Other Employee Expenses $39K.
- **Contingency** – unfavorable variance of ($3.6M) due to vacancy factor.

2026 Forecast vs. 2025 Actuals

- Operating Expenses for 2026 are forecasted to be $41.6M higher than 2025 actuals, mainly due to:
  - **Core Central Support Services** – $36.3M higher than 2025 actuals primarily due to an actual credit adjustment in legal settlement for FY25 that is reflected a higher increase for 2026.
  - **Police** – $2.0M higher than 2025 actuals due to increase in salary and benefits for represented groups based on new contracts, new positions, and vacant positions in 2025.
  - **Capital Development** – $4.0M higher than 2025 primarily due to higher payroll and addition of new positions as well as contractual increases to support the capital program.

D. CAPITAL RESULTS

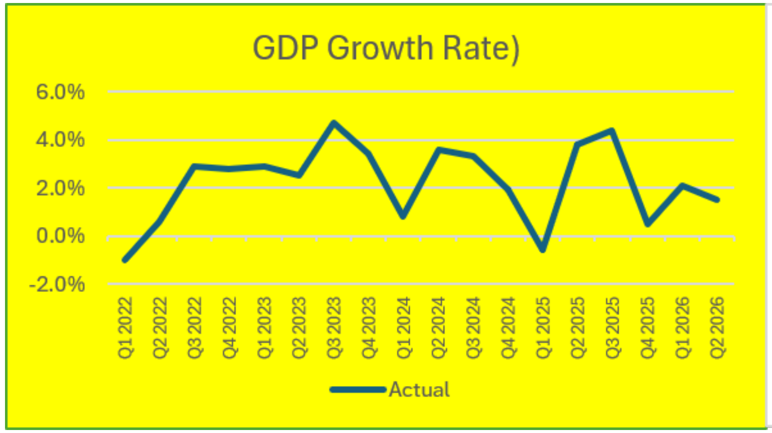
$ in 000's	2026 YTD Actual	2026 Year-End Forecast	2026 Budget	2026 Plan of Finance	Budget Variance $	Budget Variance %
Corporate Fleet Replacement	1,344	3,205	4,503	1,144	1,298	28.8%
Engineering Fleet Replacement	247	1,316	1,331	560	15	1.1%
Police Small Cap and Axon Contract	178	2,360	2,371	2,211	11	0.5%
Police IT System Upgrades	185	835	1,687	827	852	50.5%
Services Tech - Small Cap	458	854	1,500	1,388	646	43.1%
Infrastructure - Small Cap	417	2,060	1,500	1,500	(560)	-37.3%
PeopleSoft Financial System Upgrade	453	1,153	1,530	1,474	377	24.6%
Physical Access Control System Refresh	49	319	1,473	979	1,154	78.3%
Radio Microwave Redund. Loop	5	1,350	1,350	953	0	0.0%
Private Cellular Network (LTE)	0	0	1,250	2,000	1,250	100.0%
Maximo Software System Upgrade	195	645	1,200	600	555	46.3%
Other (note 1)	581	2,910	3,945	6,956	1,035	26.2%
Subtotal	4,112	17,007	23,640	20,592	6,633	28.1%
CIP Cashflow Adjustment	-	(4,900)	(6,800)	(6,400)	(1,900)	27.9%
TOTAL	**4,112**	**12,107**	**16,840**	**14,192**	**4,733**	**28.1%**

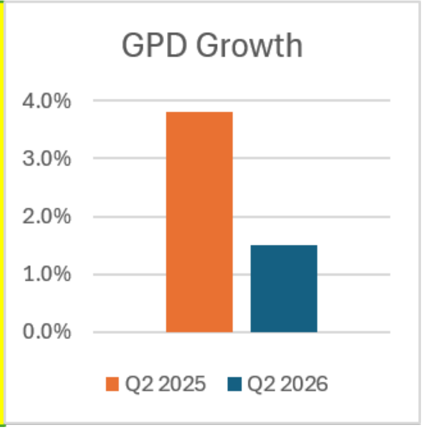
Note:
(1) "Other" includes remaining ICT projects and small capital projects/acquisitions.

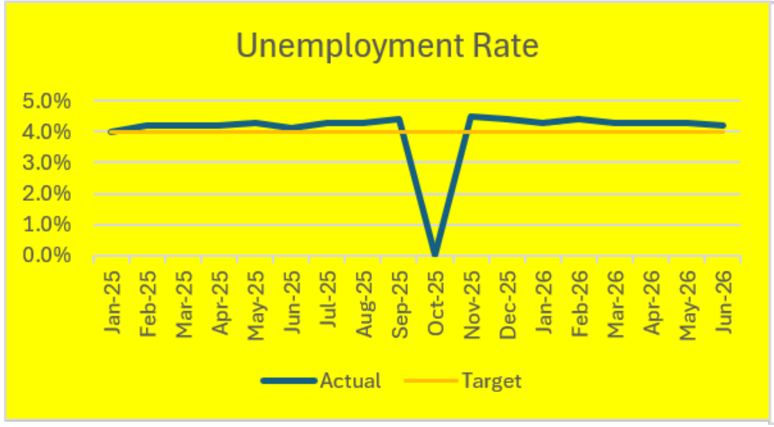
Agenda Item No. 11a_supp
Meeting Date: September 9, 2026

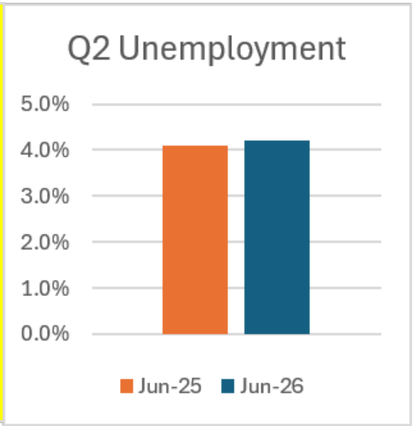
Port of Seattle
Q2 2026 Financial Performance Report

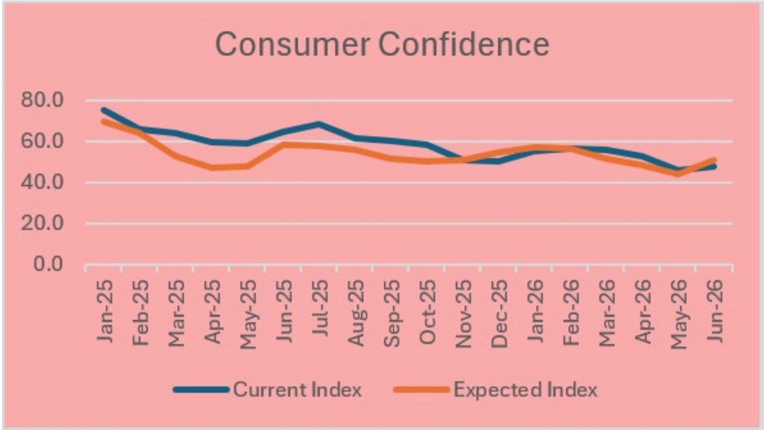
Economic Key Indicators

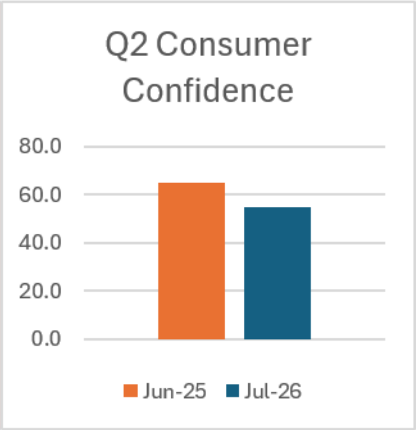


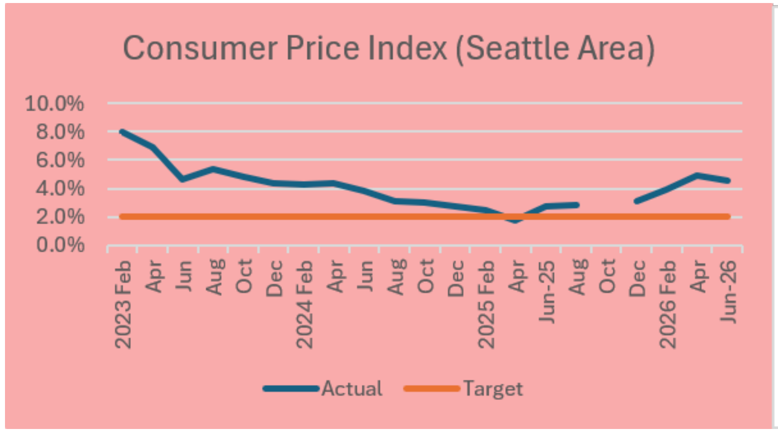


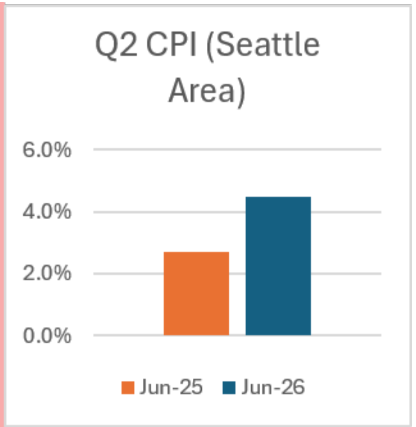








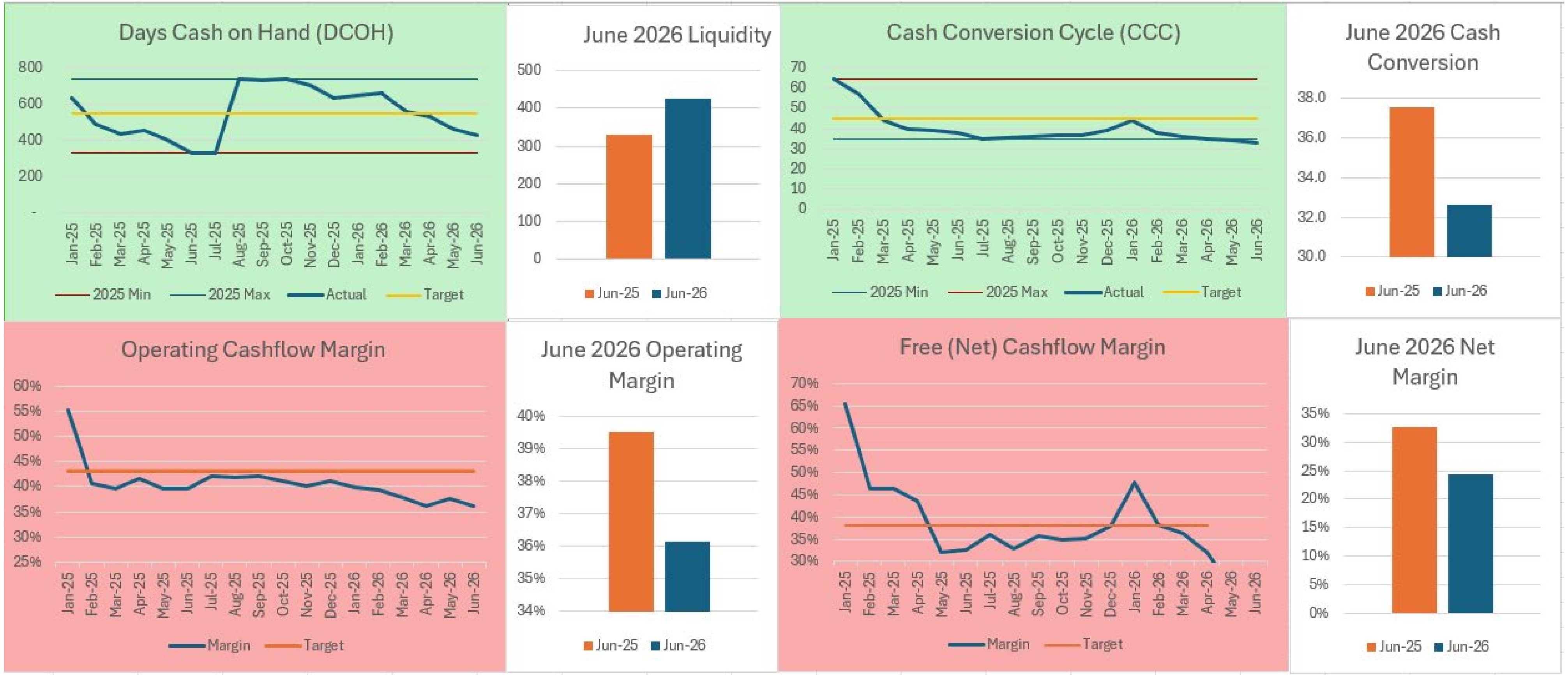




- CPI data for Oct 2025 is unavailable due to the 2025 lapse in appropriations.

* Green: Positive Signal *Yellow: Cautious Signal *Red: Negative Signal

Port Fiscal Health Indicators



* Green: Positive Signal *Yellow: Cautious Signal *Red: Negative Signal

Key Financial Highlights (YTD)

Total operating revenues were $1.6M or 0.3% above Revised Budget and $29.0M or 5.6% increase YoY in Q2

Total operating expenses were $14.6M or 3.9% below Revised Budget and $34.4M or 10.7% increase YoY in Q2

Total capital spending was $426M in Q2

Key Financial Highlights (YE Forecast)

Total operating revenues are projected to be $11.0M above Revised Budget and $25.1M or 2.2% increase YoY on a full-year basis

Total operating expenses are projected to be $479K above Revised Budget and 86.7M or 12.9% increase YoY on a full-year basis

Excluding the $26.0M DRS pension credit and $21.8M in legal settlement credit in 2025, total operating expenses are projected to be $38.9M or 5.4% increase

Total capital spending is projected to be $771.9M, in line with the budget for the year

Key Take Aways

Enplanements are forecasted to be 0.8% higher than 2025 and 1.8% below budget while cruise is expected to perform well compared to budget

Continue to monitor the unbudgeted or under budgeted items, such as retro tribal payments for NWSA J/V, ERL for T5, Organizational Continuity Resilience Program, and South King & Port Community Fund

Payroll expense is forecasted to be over revised budget mainly due to less Charge to Capital

Port Wide YTD Operating Expense Summary

$ in 000's	2024 YTD Actual	2025 YTD Actual	2026 YTD Actual	2026 YTD Budget	2026 YTD Revsd_Bud	Actual vs. Revsd_Bud Variance $	Actual vs. Revsd_Bud Variance %	Change from 2025 Incr (Decr) $	Change from 2025 Incr (Decr) %
Salaries & Benefits	103,497	118,613	122,618	121,288	121,288	(1,330)	-1.1%	4,005	3.4%
Wages & Benefits	88,341	98,903	103,307	102,669	102,669	(638)	-0.6%	4,404	4.5%
Payroll to Capital Projects	18,260	18,373	21,098	26,056	26,056	4,958	19.0%	2,725	14.8%
Outside Services	63,807	64,213	79,647	95,635	93,864	14,217	15.1%	15,434	24.0%
Utilities	17,162	18,235	16,909	17,508	17,508	599	3.4%	(1,326)	-7.3%
Equipment Expense	4,852	4,367	5,722	7,486	7,486	1,763	23.6%	1,355	31.0%
Supplies & Stock	5,686	6,204	5,994	5,688	5,688	(305)	-5.4%	(210)	-3.4%
Travel & Other Employee Expenses	2,827	3,129	2,802	5,342	5,342	2,541	47.6%	(328)	-10.5%
Third Party Mgmt Op Exp	6,110	9,669	11,808	11,177	11,177	(631)	-5.6%	2,139	22.1%
B&O Taxes	3,027	2,924	3,998	5,794	5,800	1,802	31.1%	1,074	36.7%
Other Expenses	13,261	14,149	26,893	13,051	24,483	(2,410)	-9.8%	12,745	90.1%
Charges to Capital Projects/Overhead Alloc	(37,726)	(37,576)	(45,222)	(51,225)	(51,225)	(6,003)	11.7%	(7,646)	20.3%
O&M Expenses	**289,103**	**321,204**	**355,574**	**360,470**	**370,138**	**14,563**	**3.9%**	**34,371**	**10.7%**
GASB 87_96_103 Expenses	2,499	(4,995)	4,523	13,922	4,251	(272)	-6.4%	9,518	-190.6%
Total Operating Expenses GASB Comparable Basis	**291,602**	**316,209**	**360,097**	**374,392**	**374,388**	**14,291**	**3.8%**	**43,888**	**13.9%**

- Outside Services were $14.2M under revised budget due to delay in spending
- Equipment Expense were $1.8M under revised budget due to delay in spending
- Travel & Other Employee Expenses were $2.5M under revised budget due to spending delays in training and travel
- B&O Taxes were $1.8M under revised budget
- Charges to Capital Projects/Overhead Allocations were under by ($6.0M) due to spending delays in Capital Projects

Port Wide Financial Summary (YE Forecast)

$ in 000's	2024 Actual	2025 Actual	2026 Forecast	2026 Budget	2026 Revsd_Bud	Fcst vs. Revsd_Bud Variance $	Fcst vs. Revsd_Bud Variance %	Change from 2025 Incr (Decr) $	Change from 2025 Incr (Decr) %
Aeronautical Revenues	520,942	545,307	613,884	617,786	618,565	(4,681)	-0.8%	68,577	12.6%
Airport Non-Aero Revenues	340,360	363,215	357,877	367,381	344,087	13,790	4.0%	(5,338)	-1.5%
Seaport Revenues	160,537	213,924	175,747	173,728	173,827	1,920	1.1%	(38,177)	-17.8%
Operating Revenues	**1,021,838**	**1,122,446**	**1,147,508**	**1,158,895**	**1,136,479**	**11,029**	**1.0%**	**25,062**	**2.2%**
GASB 87_96_103 Revenues	29,671	12,567	24,791	1,596	24,791	-	0.0%	12,224	97.3%
Total Operating Revenues GASB Comparable Basis	**1,051,509**	**1,135,013**	**1,172,299**	**1,160,491**	**1,161,270**	**11,029**	**0.9%**	**37,285**	**3.3%**
O&M Expenses	**652,642**	**672,311**	**758,963**	**731,141**	**758,484**	**(479)**	**-0.1%**	**86,652**	**12.9%**
GASB 87_96_103 Expenses	6,731	4,698	8,521	35,864	8,521	-	0.0%	3,823	81.4%
Total Operating Expenses GASB Comparable Basis	**659,373**	**677,009**	**767,484**	**767,005**	**767,004**	**(479)**	**-0.1%**	**90,475**	**13.4%**
NOI before Depreciation	**369,196**	**450,135**	**388,545**	**427,754**	**377,995**	**10,550**	**2.8%**	**(61,590)**	**-13.7%**
Depreciation	277,917	298,355	308,165	308,165	308,165	-	0.0%	9,811	3.3%
NOI after Depreciation	**91,279**	**151,780**	**80,380**	**119,588**	**69,830**	**10,550**	**15.1%**	**(71,400)**	**-47.0%**

- Total Operating Revenues are expected to be $11.0M above revised budget due to higher Airport Non-Aero Revenues and Seaport Revenues Portfolio Management.
- Total Operating expenses are expected to be $479K above revised budget mainly due to higher Payroll and Outside Services.
- Net Operating Income before Depreciation is forecasted to be $10.5M above revised budget.

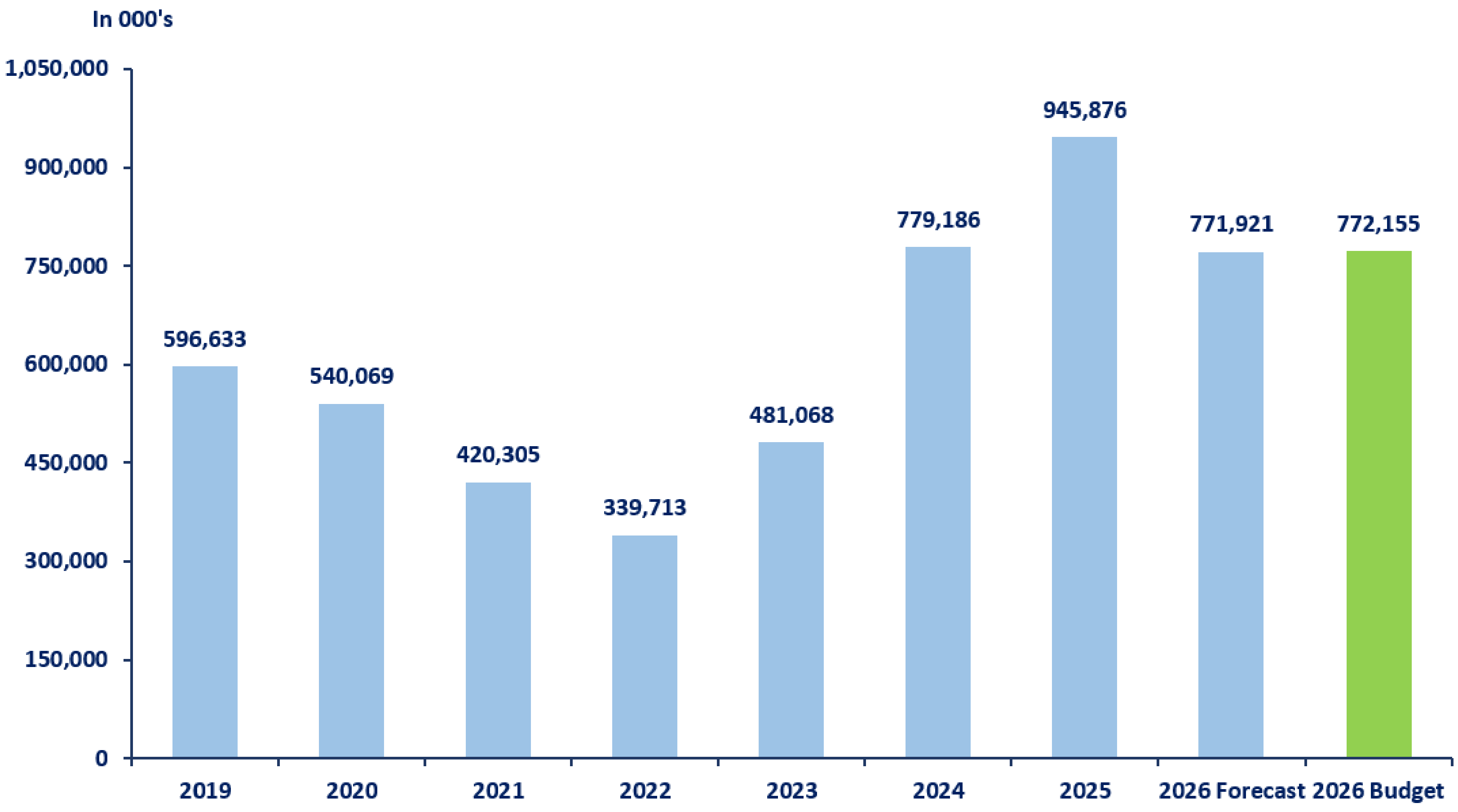
Port Wide Comprehensive Financial Summary

($ in 000s)		2024 YTD Actual	2025 YTD Actual	2026 YTD Actual	2026 YTD Budget	2026 YTD Revsd_Bud	Actual vs. Revsd_Bud Variance $	Actual vs. Revsd_Bud Variance %	Change from 2025 Incr (Decr) $	Change from 2025 Incr (Decr) %
Revenues										
1. Operating Revenues	1)	485,638	520,555	549,539	555,392	547,950	1,589	0.3%	28,984	5.6%
2. Tax Levy		42,807	43,902	44,886	45,090	45,090	(204)	-0.5%	984	2.2%
3. Passenger Facilities Charges		58,541	55,424	58,313	51,027	51,027	7,286	14.3%	2,889	5.2%
4. Customer Facilities Charges		12,449	12,528	21,524	12,663	21,042	483	2.3%	8,996	71.8%
5. Fuel Hydrant		3,183	3,037	3,300	3,494	3,494	(194)	-5.6%	263	8.7%
6. Non-Capital Grants and Donations		301	316	1,137	1,271	1,271	(134)	-10.5%	821	260.2%
7. Capital Contributions		4,411	1,101	4,543	13,500	13,500	(8,957)	-66.3%	3,442	312.4%
8. Interest Income		33,734	37,657	38,524	31,859	31,859	6,666	20.9%	867	2.3%
9. Other Noncapital Subsidies		63	9	103	1,462	1,462	(1,359)	-93.0%	94	1021.7%
10. Lease Interest Income		8,266	12,543	14,485	12,395	12,395	2,090	16.9%	1,942	15.5%
11. Other Non-Op Revenue		(1,609)	8,912	-	(9,115)	-	-	0.0%	(8,912)	-100.0%
Total		**647,784**	**695,987**	**736,355**	**719,038**	**729,089**	**7,266**	**1.0%**	**40,368**	**5.8%**
Expenses										
1. Operating Expenses	1)	289,103	321,204	355,574	360,470	370,138	14,563	3.9%	34,371	10.7%
2. Depreciation		130,832	142,924	157,292	154,578	154,578	(2,715)	-1.8%	14,369	10.1%
3. Revenue Bond Interest Expense		70,815	79,778	94,544	95,229	95,229	685	0.7%	14,766	18.5%
4. GO Bond Interest Expense		5,013	7,692	7,328	7,471	7,471	143	1.9%	(364)	-4.7%
5. Public Expense		3,033	4,227	3,652	6,149	6,149	2,497	40.6%	(574)	-13.6%
6. Other Non-Op Expenses		140	(14,831)	4,355	4,312	4,312	(43)	-1.0%	19,186	-129.4%
Total		**498,936**	**540,993**	**622,745**	**628,208**	**637,876**	**15,130**	**2.4%**	**81,753**	**15.1%**
Change In Net Assets		**148,848**	**154,994**	**113,609**	**90,830**	**91,213**	**22,396**	**24.6%**	**(41,385)**	**-26.7%**

Notes:

1) Prior Years Actuals and Currnet Year Budget don't include the GASB 87_96_103 adjustments

Port Wide Capital Spending



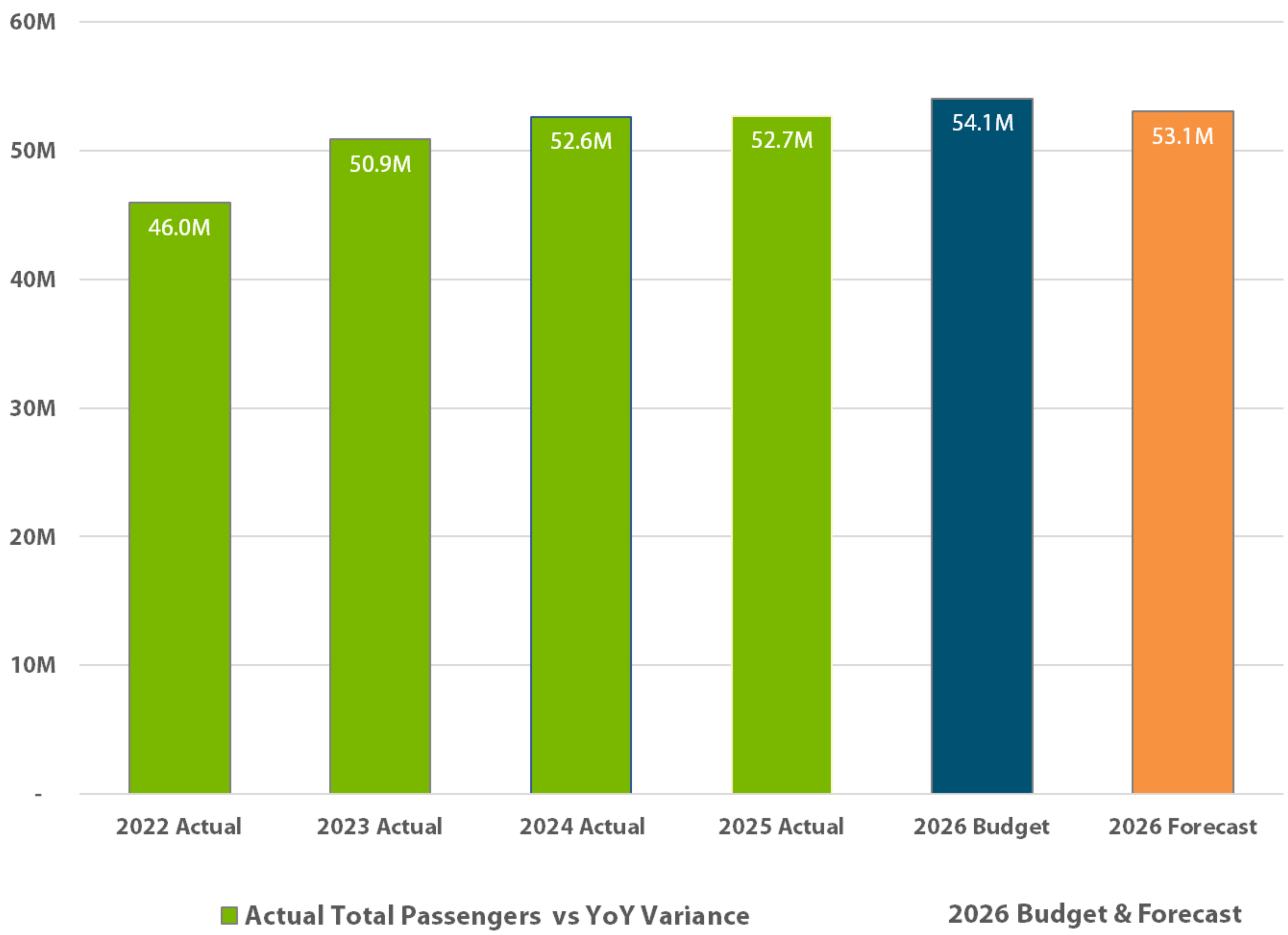
- Q2 YTD total capital spending was $426M
- Full year forecasted spending in line with budget

Aviation Division

2026 Q2 Financial Performance Report

Port of Seattle®

Passenger Growth



0.8%

Forecast Growth compared to 2025 Actual

-1.8%

2026 forecast is lower than budget

2025 Actual vs. 2026 Forecast
Domestic: ▲ 0.7% growth
International: ▲ 4% growth

Financial Summary

Figures in ($ in 000's)	2026 Forecast	2026 Budget	2026 Revsd_Bud	Fcst vs. Rvsd_Bud Variance
Revenues				
Aeronautical	613,884	617,786	618,565	(4,681)
Non-Aeronautical	357,877	367,381	344,087	13,790
Operating Revenue	**971,761**	**985,167**	**962,652**	**9,109**
Total Operating Expenses	**590,810**	**588,135**	**589,858**	**(953)**
NOI w/o Pension True-Up	**380,951**	**397,032**	**372,795**	**8,157**
2026 Net Debt Service	**259,270**	**251,360**	**251,360**	**7,910**
NOI after Debt Service	**121,681**	**145,672**	**121,435**	**247**
Key Measures				
Non-Aeronautical NOI ($ in 000's)	157,488	170,452	146,253	11,235
CPE ($)	21.43	21.16	21.19	0.24
Debt Service Coverage	1.60	1.64	1.62	(0.02)
Other Information				
ADF Balance ($in 000's)	882,596	882,204	882,204	392
Capital Spending ($ in 000's)	658,616	658,954	658,954	(338)

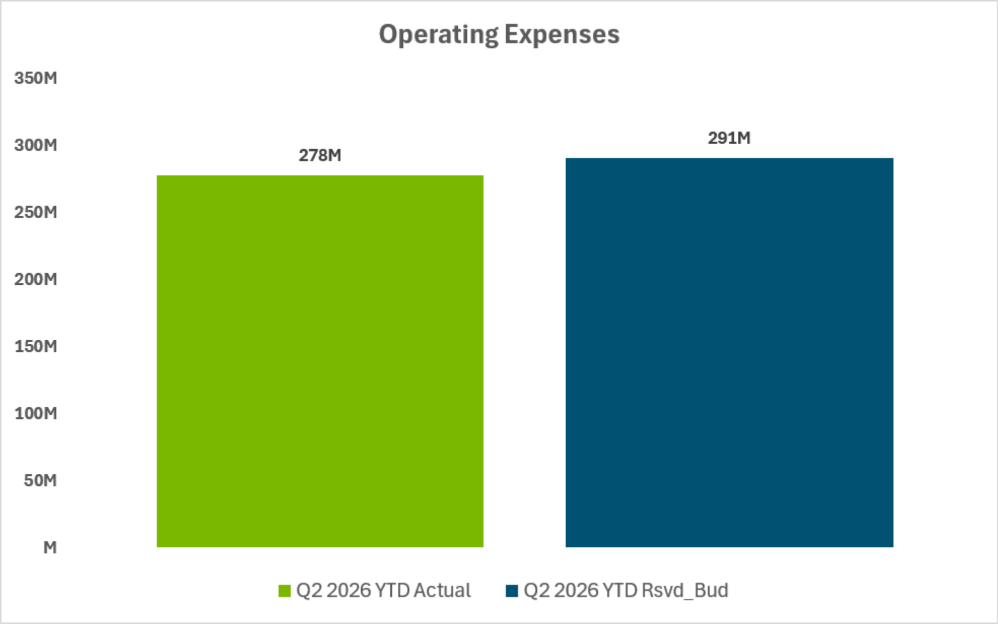
Business/Financial Highlights

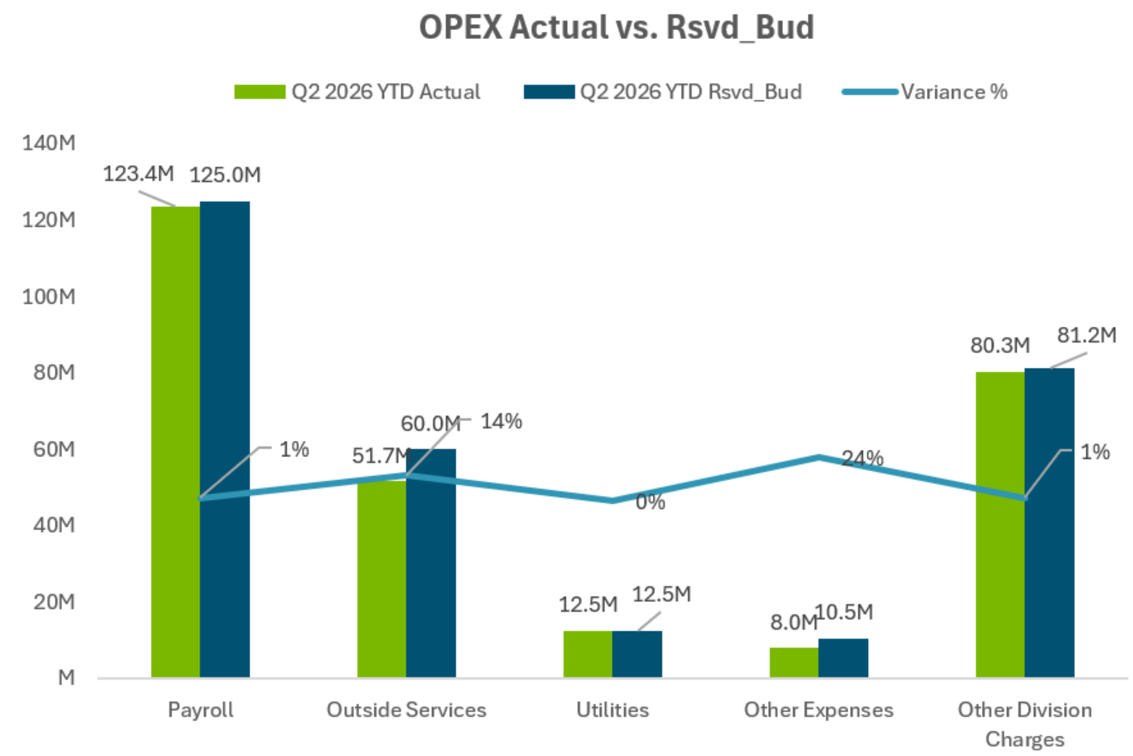
- Non-Aero revenues – increased by $13.8M compared to 2026 Revised Budget
  - Strength across Public Parking, Rental Cars, Flight Kitchens and Airport Dining and Retail.
  - The delayed construction closure for the South Concourse Lounge is providing an additional three months of operations compared to budget.
- Operating expenses are expected to be higher than the 2026 Revised Budget by $0.9M

NOI after Debt Service ensures we have 18 months of O&M and then use for capital projects to reduce issuing debt.

ADF = Airport Development Fund
CPE = Cost Per Enplanement
Fcst = Forecast
Forecast = estimate in time
NOI = Net Operating Income
Rvsd_Bud = Revised Budget
O&M = Operating & Maintenance

Operating Expenses Summary (Q2 2026)



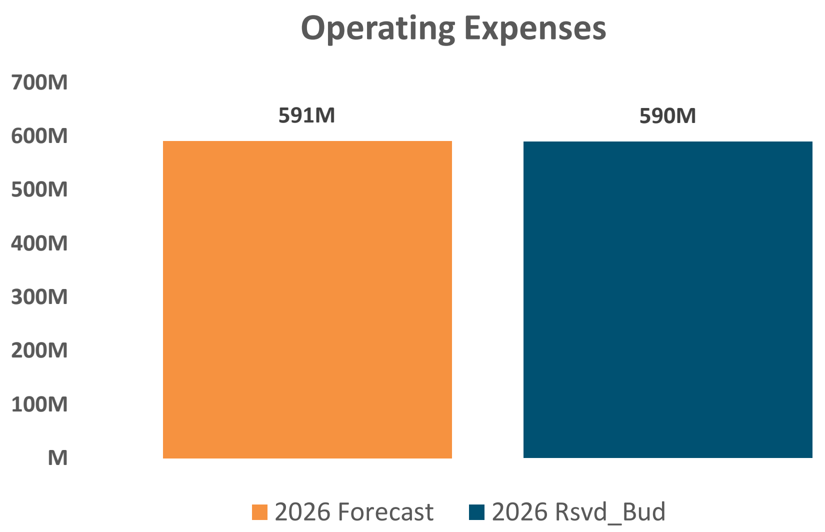


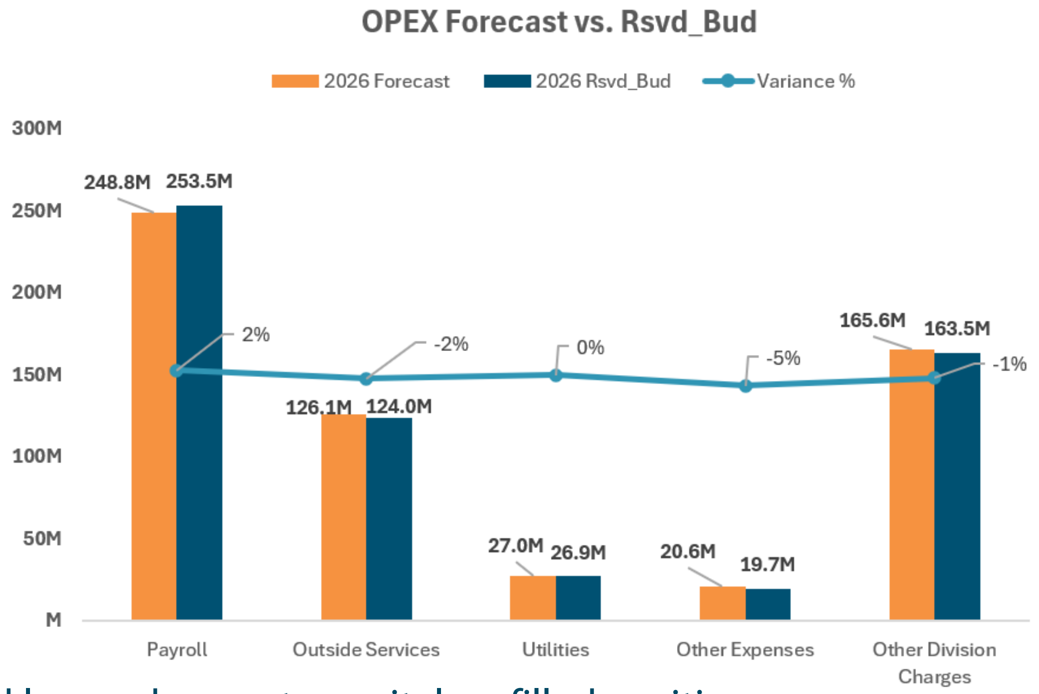
$13.2M or 4.5% under budget

- **Payroll underspent by $1.6M:** Driven by vacancy savings
- **Outside Services underspent by $8.3M:** $8.2M due to underspent in Professional, Personal, and Contracted Services due to timing between budget and actuals, missed accrual, and offset by overspend in On-site consultants ($1.3M) due to timing for projects such as the South Concourse Evolution, Emergency Repair of an Electrical Feeder, C Concourse Expansion and North Main Terminal projects, offset by Flight Corridor Safety program and Tenant projects support.
- **Other Expenses underspent by $2.5M:** Underspent in equipment, training & travel, general expenses, offset by overspent in Supplies and stock due to higher Maintenance material and charges from capital to expense.
- **Charges from other divisions underspent by $858K** mostly due to underspend in direct non-payroll and wages, offset by over allocated costs.

OPEX = Operating Expense
Rsvd_Bud = Revised Budget

Operating Expenses Summary (Full Year Forecast)





$953K or 0.2% Over budget

- **Payroll under budget by $4.6M** mostly due to vacancies and lower charges to capital on filled positions
- **Outside Service over budget by $2.1M** mostly due to $6.1M change of capital to expense for South Concourse Evolution (SCE) project Cargo 7 Hardstand/Holdroom and $1.6M onsite consultants mostly due to accelerated schedule for the SCE project, offset by projected under budget in professional, janitorial and contract other equipment expenses by $5.1M
- **Other Expenses over budget by $895K** due to maintenance material over by $1.8M, offset by savings in training and travels and lower charges to capital
- **Other Division Charges over budget by $2.2M** from Central Services due to anticipated higher costs in Legal, External Relations and Port Construction Services, offset by lower charges from HR, ICT, Risk Management and divisional allocations.

OPEX = Operating Expense
Rvsd_Bud = Revised Budget
SCE = South Concourse Evolution

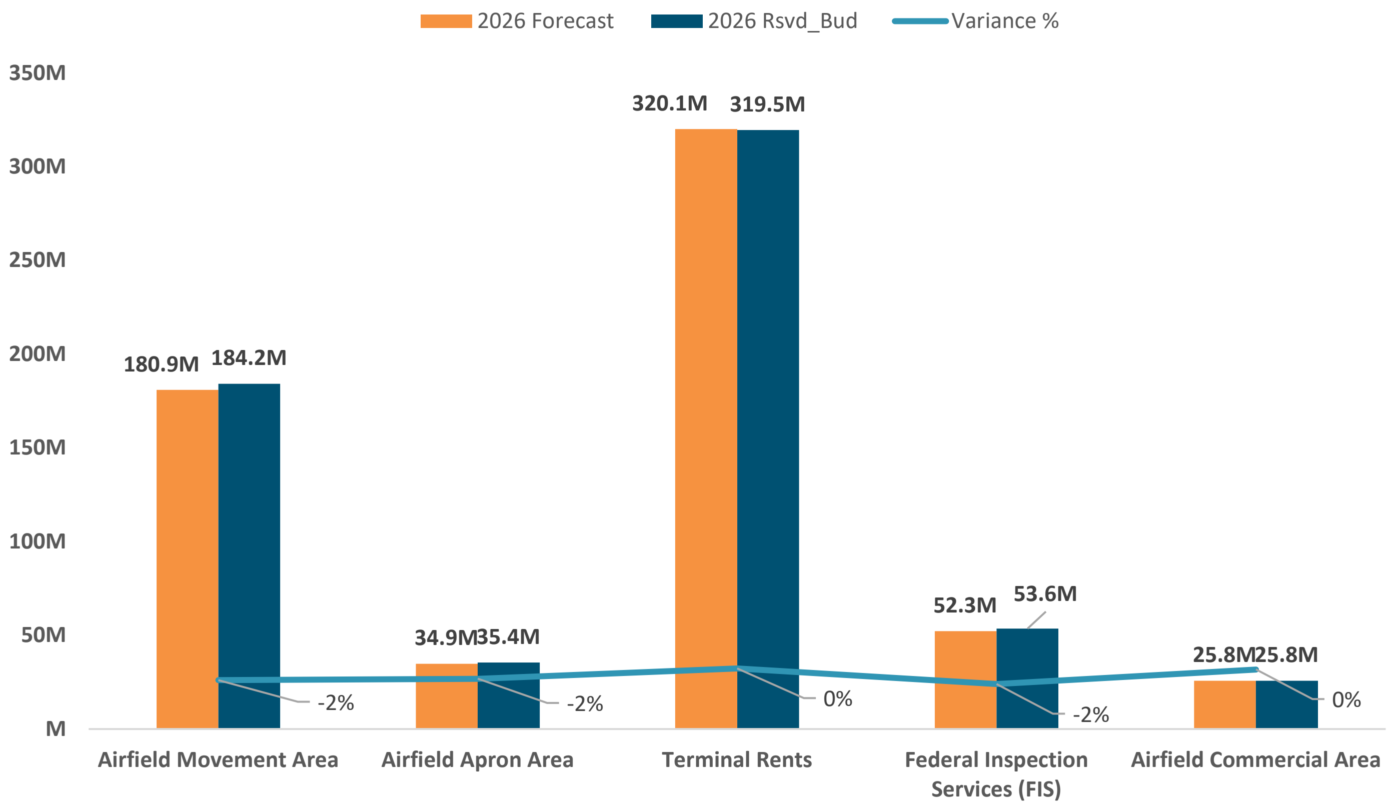
Aeronautical Revenue

Forecast

$614M

Budget

$618M



Aeronautical revenue forecast was decreased due to DS decrease, partially offset by GASB 103 adjustments and slight O&M increase.

DS = Debt Service
O&M = Operating & Maintenance
GASB = Government Accounting Standards Board
Rvsd_Bud = Revised Budget

Non-Aeronautical Revenue

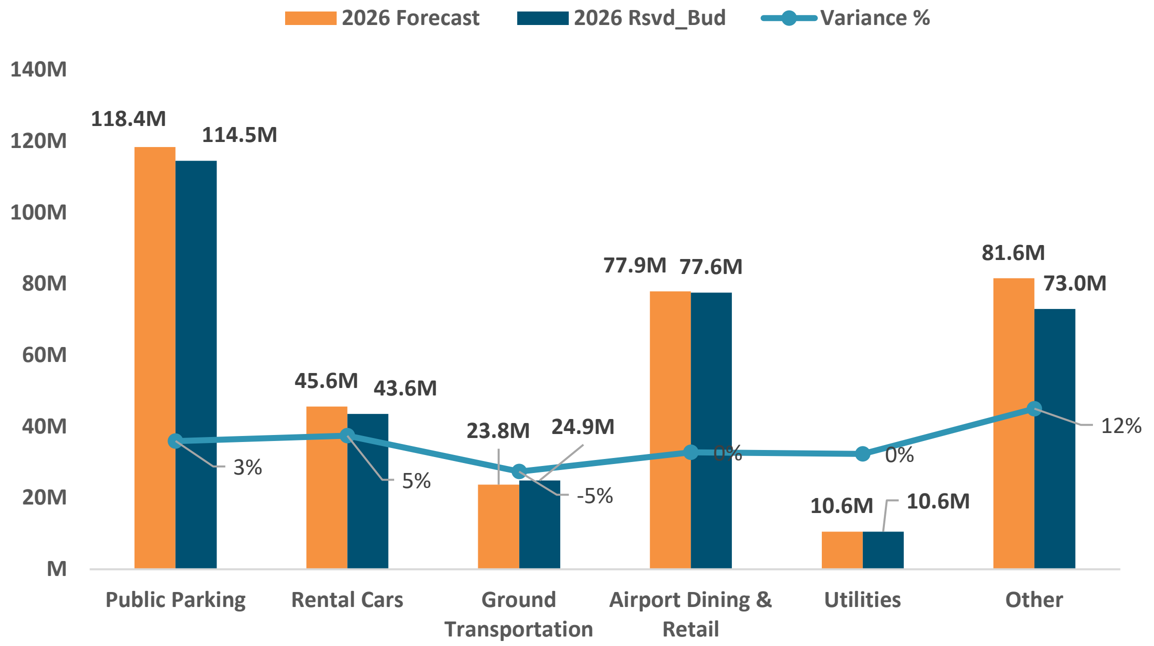
Forecast

$367.7M

$13.8M
+4.0%

Revised Budget

$353.5M



Non-Aero Revenue key drivers:

- Drive up parking revenue for longer term stays, as well as strong demand for reserved parking and an upcoming expansion of the reserved product, is accelerating Public Parking higher than budget.
- Rental Cars concessions are higher in both transaction volumes and average ticket prices.
- Flight Kitchens continues to grow and deliver strong results vs. budget.
- The delayed construction closure for the South Concourse Lounge is providing an additional three months of operations compared to the 2026 Revised Budget.

Rvsd_Bud = Revised Budget

Debt Service Coverage Ratio slightly below Revised Budget

Figures in $000's	2025 Actual	2026 Forecast	2026 Budget	2026 Revised Budget	Fcst vs. Rvsd_Bud Variance
Revenues					
Aero	545,288	613,884	617,786	618,565	(4,681)
Non-aero [(a)]	374,347	357,877	367,381	344,087	13,790
Total Revenues	**919,635**	**971,761**	**985,167**	**962,652**	**9,109**
O&M	**(537,028)**	**(590,810)**	**(588,135)**	**(589,858)**	**(952)**
Net Operating Income	**382,607**	**380,951**	**397,032**	**372,795**	**8,156**
Customer Facility Charge (CFC) Excess	(9,385)	(11,657)	(11,702)	(11,702)	45
Rental Car Facility CFC Revenues [(a)]		24,307		24,307	-
Other net non-operating	25,939	20,825	26,764	20,825	-
Available for debt service	**399,160**	**414,425**	**412,094**	**406,224**	**8,201**
Debt Service					
Gross debt service (net of cap i)	335,029	384,478	376,688	376,688	7,790
CFC offset	(24,821)	(25,327)	(25,327)	(25,327)	1
PFC offset	(100,000)	(99,881)	(100,000)	(100,000)	119
Net Debt Service	**210,208**	**259,270**	**251,360**	**251,360**	**7,909**
Debt Service Coverage	1.90	1.60	1.64	1.62	(0.02)

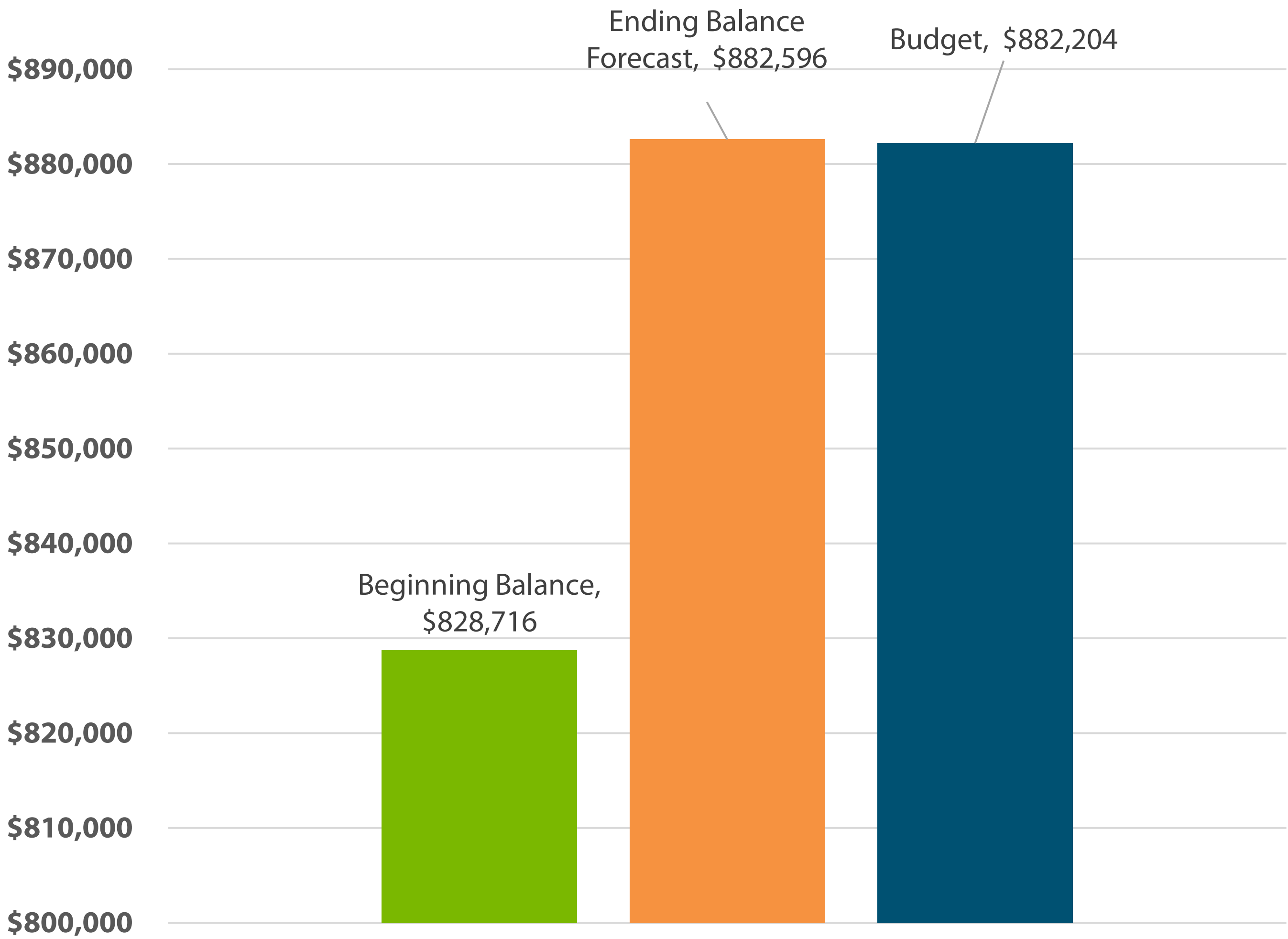
- Debt Service Coverage ratio forecast below revised budget, driven by higher net debt service.

(a) Rental Car Facility CFC Revenues are now categorized as non-operating revenues instead of operating revenue effective 1/1/2026 per Government Accounting Standard Board (GASB) 103.

CFC = Customer Facility Charge
DS = Debt Service
Fcst = Forecast
Forecast = estimate in time
O&M = Operating & Maintenance
PFC = Passenger Facility Charge
Rvsd_Bud = Revised Budget

Airport Development Fund Balance

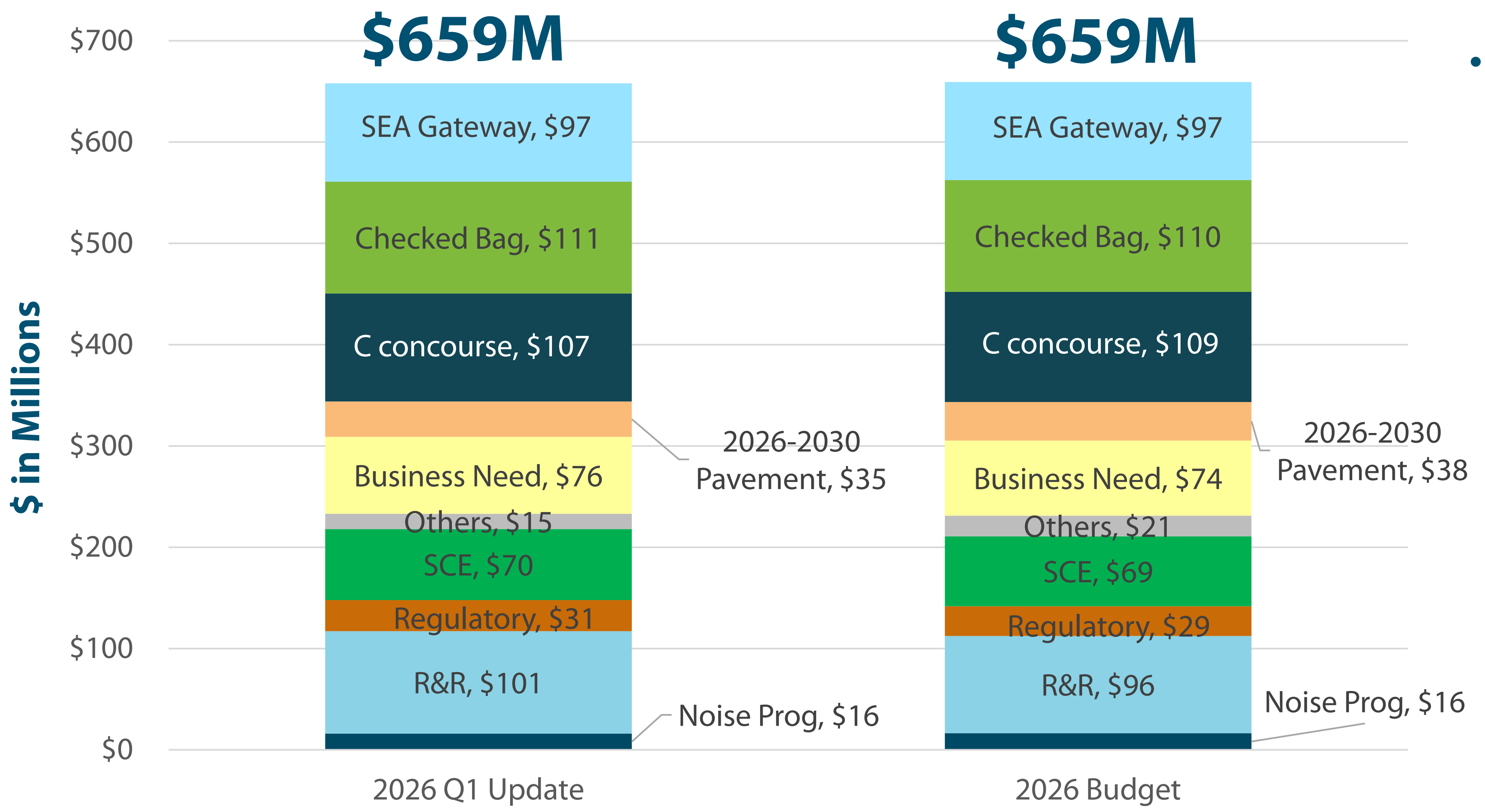
$ in 000's



- Ending balance is estimated at <u>$882M</u> which is the target of $882M (18 months of O&M in 2026).

ADF = Airport Development Fund
O&M = Operating & Maintenance

2026 Capital Spending Forecast



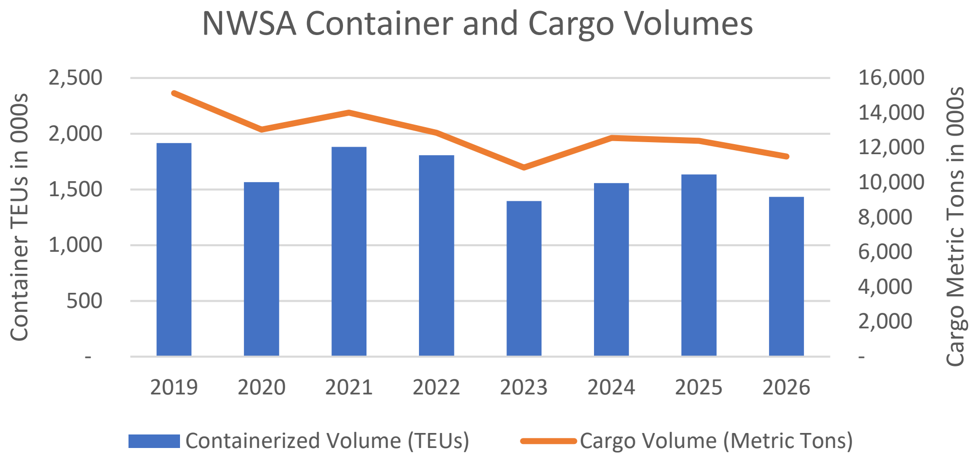
- 2026 capital spending forecast is $659M, and in line with the budget.
  - SCE project design spending has increased due to the accelerated scheduled.
  - SEA Gateway's spending is lower as projected savings increased.
  - CCE spending is higher due to unanticipated change orders.

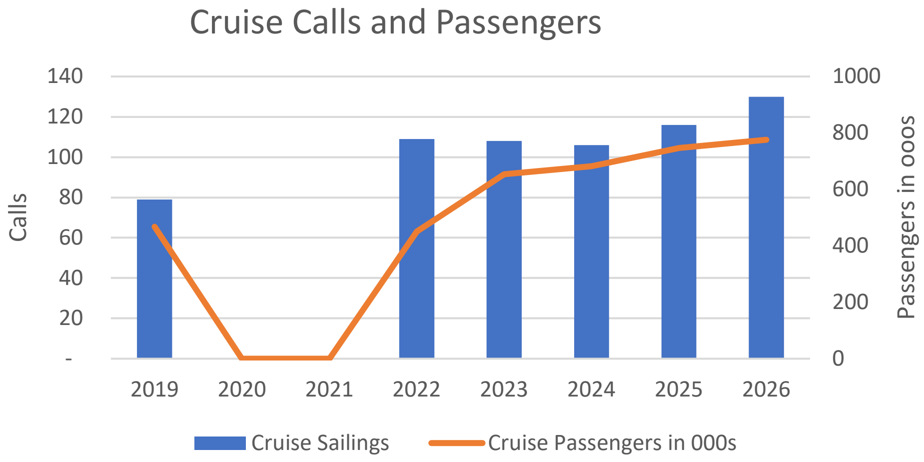
CCE = Concourse C Expansion
SEA = Seattle-Tacoma International Airport
R&R = Renewal & Replacement
SCE = South Concourse Evolution

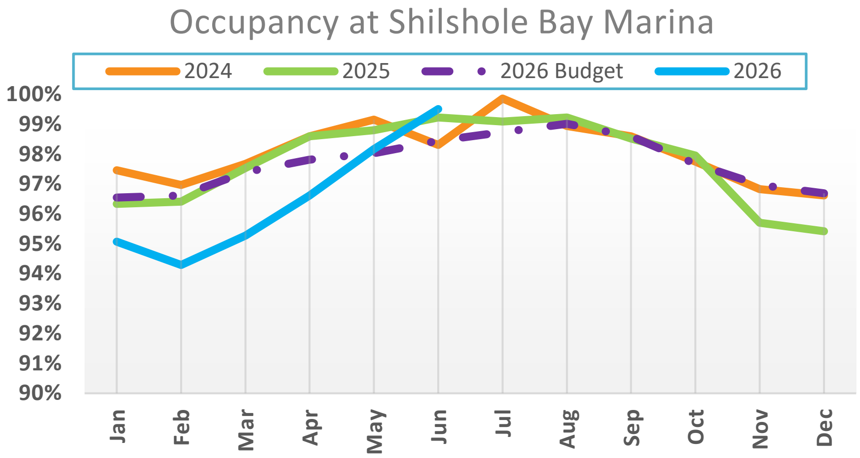
Seaport

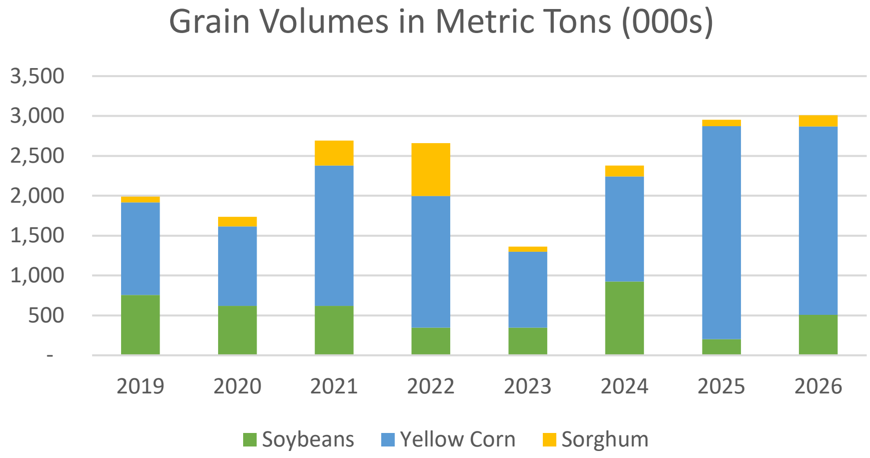
2026 Q2 Financial Performance Report

Seaport Key Metrics
Q2 2026









Seaport Performance Summary – Q2 2026

Excludes GASB adjustments

	2023 YTD	2024 YTD	2025 YTD	2026 YTD	2026 YTD	Actual vs. Budget Variance		Change from 2025		2026	2026	Fcst vs. Budget Variance	
$ in 000's	Actual	Actual	Actual	Actual	Budget	$	%	$	%	Forecast	Budget	$	%
Revenues													
Maritime	44,209	50,915	53,905	58,474	57,814	660	1%	2,990	6%	126,589	125,344	1,245	1%
Economic Development Division	8	9	11	6	8	(2)	-28%	2	21%	16	16	0	0%
Joint Venture	14,165	14,265	31,587	26,476	28,474	(1,997)	-7%	17,322	121%	56,972	56,972	0	0%
Total Revenue	**58,382**	**65,188**	**85,502**	**84,956**	**86,295**	**(1,339)**	**-2%**	**20,314**	**31%**	**183,576**	**182,331**	**1,245**	**1%**
Expenses													
Maritime	41,350	45,668	49,998	55,907	57,568	1,662	3%	4,330	9%	120,474	124,728	4,254	3%
Economic Development Division	3,351	2,951	2,663	3,390	3,390	0	0%	(288)	-10%	3,390	3,390	0	0%
Joint Venture	472	594	903	5,966	2,777	(3,190)	-115%	309	52%	9,982	5,564	(4,419)	-79%
Total Expense	**45,174**	**49,214**	**53,565**	**65,263**	**63,735**	**(1,528)**	**-2%**	**4,351**	**9%**	**133,846**	**133,681**	**(165)**	**0%**
Total Non-Aviation Business NOI	**13,209**	**15,975**	**31,937**	**19,693**	**22,560**	**(2,867)**	**-13%**	**15,962**	**100%**	**49,730**	**48,650**	**1,080**	**2%**

Year-to-Date

Revenue under Budget by $1.3M

- Cruise Occupancy Timing
- Grant Revenue at NWSA

Expenses over Budget by $3.2M

- Maritime ERL - $1.5M
- JV ERL - $1.5M net
- Tribal Payments - $1.8M -
- Partially Offset by some delayed projects/programs

Forecast

Revenue over Budget by $1.2M

- Cruise Projecting slightly higher Occupancy.
- NWSA currently in line with budget.
  - Down significantly from 2025 that included T30 lease cancellation.

Expenses

- Maritime T91 Demo - $6M deferred to 2027 offset by ERL
- JV – Tribal Payment $1.8M (for catchup) + $1.1M (annual) and Net ERL $1.5M

Environmental Remediation Liabilities (ERL) Deeper Dive

There Are 2 types of ERL

- **Business/Capital Project Related –**
  - Driven by capital projects or business-related activities.
  - Approved in Capital Project or one-off memos
  - Shows up in Operating Budget
  - Typically, 1–5-year duration
  - Booked to Actual
- **Legacy Driven (Legal Sensitivity)**
  - Historic Contamination not tied to principal operations.
  - Driven by governing bodies from federal and state agencies (EPA, NOAA, DOE).
  - Approved in Annual ERL Authorization
  - Shows up in GASB or what was Historically Non-Operating Expense.
  - Multi-Year/Decade Duration
  - Liability exists with multiple entities
- **Both Cleanups above can be driven by both Formal Orders or Voluntary Cleanups.**

Who gets charged

- **Maritime Division–**
  - Maritime businesses with projects triggering clean-ups.
  - Limited Legacy Driven outside of Terminal 91
- **Joint Venture**
  - NWSA businesses with projects triggering clean ups.
  - Capital projects authorized by NWSA MM, with ERL authorized the by Port of Seattle.
  - *Covers most of the **Legacy ERL** starting in Q3.

*Beginning in Q3 Legacy ERL projects tied to NWSA licensed properties will be applied to the Joint Venture

Key ERL Projects

Maritime YTD

- **Business/Capital Project Related ($1.5M) –**
  T91 Uplands Abattement Phase 2 Demos $1,000K
  T91 Intérim Action $285K
  FT Minc $175K

- ***Legacy Driven Top 6**
  T-25 NRD
  Lower Duwamish Superfund
  T108 Chiyoda Sediment
  T18 Harbor Island Sediments (E Waterway)
  EWW Early Action
  T25_CERCLA

Joint Venture YTD

- **Business/Capital Project Related ($1.5M) –**
  T5 Program ERL $(6,318K) - Closed
  T5 Gate and Reefer $2,080K
  T5 Phase II Paving $2,428K
  T5 Container Yd Expansion $1,439K
  T5 SE Soil Remediation $148K
  T18 Shore Power ERL $1,702K
  T18 Maintenance Dredging $(495K)
  - Able to dispose in open water

  T18 Transtainer Runs $531K
  West Waterway High Spot Dredging $70K
  T5 Free Product Discovery $(57K)
- ***Legacy Driven NA**

*Realignment for JV vs Maritime sites in progress

Maritime Division

2026 Q2 Financial Performance Report

Port of Seattle®

Maritime + NWSA/Joint Venture

Key Takeaways

Maritime

- Revenue YTD and Forecast tracking just ahead of budget.
- Expenses forecasted $4.3M under revised budget as **$6M in T91 demo costs moved to 2027**.
- **YTD Q2** Expenses 3% below budget from delayed project and maintenance spend, partially offset by Environmental Remediation costs and a Derelict Vessel at FT.

Joint Venture with NWSA

- Revenue tracking to budget but YTD and forecasted expenses higher from **Tribal Payments and Remediation.**

Maritime Division

Financial Summary

Figure in $000s	Forecast	Budget	Variance
Revenues			
Fishing, Commercial, & Recreational			
Marinas	30,172	30,152	20
Cruise	58,292	57,292	1,000
RE Portfolio Mgmt.	33,459	33,459	0
Grain / Other	4,665	4,440	225
Total	126,589	125,344	1,245
O&M Expense			
Direct	44,619	43,119	(1,500)
Support Services	45,264	50,564	5,300
Central Services and Other	30,591	31,045	454
Total	120,474	124,728	4,254
***Net Operating Income**	6,115	616	5,499
Capital Spending	98,488	93,384	(5,104)

*Excludes GASB items like legacy ERL and pension adjustments

Business Highlights

- Waterside Occupancy remains high.
- Cruise – New agreement and high July/Aug occupancy.
- Grain – Return of soybean exports.
- Capital Spending Tracking on Major Projects.
- Won $700k in commerce grant for energy compliance.

Maritime Q2 2026 Financials

Net Operating Income is $2.3M favorable to budget and $1.3M lower than 2025

- Revenue is $.7M above budget from higher grain volumes and short-term FIFA related events, offset by timing of bills at T91 cruise. Revenue up 8% from 2025 from Cruise and Conference Centers.

- Expenses $1.7M or 3% under budget driven by maintenance and delayed small works projects, offset by $1.5M in project related ERL costs and Quaker Maid derelict Vessel which will get partially reimbursed by the DNR in H2 . Expenses up $5.9M Y/Y primarily due to Payroll and one-time costs.

- YTD Capital spending was $55.6M through Q2 and in line with year-end budget.

$ in 000's	2024 YTD Actual	2025 YTD Actual	2026 YTD Actual	2026 YTD Revised Budget	Actual vs. Budget Variance $	Actual vs. Budget Variance %	Change from 2025 $	Change from 2025 %
Total Revenues	**50,915**	**53,905**	**58,474**	**57,814**	**660**	**1%**	**4,569**	**8%**
Total Operating Expenses	**45,668**	**49,998**	**55,907**	**57,568**	**1,662**	**3%**	**5,909**	**12%**
Net Operating Income	**5,247**	**3,907**	**2,567**	**246**	**2,322**	**946%**	**(1,339)**	**-34%**
Depreciation	***11,132***	***11,897***	***13,498***	***13,539***	***41***	***0%***	***1,601***	***13%***
Net Income	**(5,885)**	**(7,990)**	**(10,931)**	**(13,294)**	**2,363**	**18%**	**(2,941)**	**-37%**

Note: *Excludes GASB items like legacy ERL and pension adjustments

NWSA Financials

NWSA Operating Income *Before GASB 87 Adjustment* $ in 000's	Year-to-Date 2025 Actual	2026 Actual	2026 Budget	Fav (UnFav) Budget Variance $	Budget Variance %	Incr (Decr) Change from 2025 $	Change from 2025 %
Operating Revenue	133,960	133,951	128,796	5,155	4%	(9)	0%
Operating Expense	61,574	72,174	79,353	7,179	9%	10,600	17%
Operating Income*	**72,386**	**61,777**	**49,443**	**12,334**	**25%**	**(10,609)**	**-15%**
Depreciation	13,226	14,857	16,130	1,273	8%	1,631	12%
Net Operating Income	**59,160**	**46,920**	**33,313**	**13,607**	**41%**	**(12,240)**	**-21%**
Cargo TEUs	1,635,784	1,433,525				(202,259)	-12.4%
Cargo Volume (Metric Tons)	12,388,019	11,491,353				(896,666)	-7.2%
***Excludes Depreciation**							

Revenue Year to Date

- ***Budget Variance - $5.1M higher*** due to Non-Container Volume; Auto, Breakbulk, Military.
- ***Y/Y Variance Flat -*** Lower cargo offset by increased military and autos.

Operating Expense Year to Date

- ***Budget Variance – $7.2M under*** due to Maintenance project timing such as crane demo, work done in 2025 but budgeted in 2026.
- ***Y/Y Variance up 17%–*** Primarily rail incentive recognition.

Operating Income better than budget, but down from 2025

Joint Venture Q2 2026 Financials

$ in 000's	2025 YTD Actual	2026 YTD Actual	2026 YTD Budget	Actual vs. Budget Variance $	Actual vs. Budget Variance %	Change from 2025 $	Change from 2025 %
Revenue							
NWSA Distributable Revenue	32,221	27,023	29,201	(2,177)	-7%	(5,198)	-16%
Contra Joint Venture Revenue	(974)	(995)	(1,077)	82	8%	(21)	-2%
Subtotal Distributable Revenue frm NWSA	31,248	26,029	28,123	(2,095)	-7%	(5,219)	-17%
						-	
Other Service Revenue Tenant Reimbursements	210	177	268	(91)	-34%	(33)	-16%
Port Revenue from NWSA Facilities	129	271	83	189	229%	142	109%
Total Revenues	**31,587**	**26,476**	**28,474**	**(1,997)**	**-7%**	**(5,110)**	**-16%**
Expenses							
Maintenance Expenses	89	256	253	(3)	-1%	166	186%
JV Direct	141	(3,013)	398	3,411	857%	(3,154)	-2239%
Security	174	117	211	94	45%	(57)	
Environmental & Sustainability	192	2,298	285	(2,013)	-706%	2,106	1095%
Finance & Cost Recovery	225	302	330	28	9%	77	34%
Seaport Project Delivery Group	77	5,933	1,292	(4,641)	-359%	5,856	7587%
Central Services / Other	4	73	6	(66)	-1028%	68	1541%
Total Expenses	**903**	**5,966**	**2,777**	**(3,190)**	**-115%**	**5,063**	**561%**
NOI Before Depreciation	**30,683**	**20,510**	**25,697**	**(5,187)**	-20%	**(10,173)**	-33%
Legacy Depreciation for NWSA Facilities	5,655	5,716	5,650	(66)	-1%	61	1%
NOI After Depreciation	**25,028**	**14,795**	**20,047**	**(5,253)**	**-26%**	**(10,234)**	**-41%**
GASB/Pension Credit Impacts							
Total Revenue		**24**		**24**		**24**	
Total Operating Expenses				**0**		**0**	
Total Depreciation				**0**	**NA**	**0**	**NA**
NOI After Depreciation with GASB	**25,028**	**14,818**	**20,047**	**(7,295)**	**34%**	**(10,210)**	**-41%**

Home Port Activities

Revenues:

- NWSA Distributable Revenue = Port's 50% share of NWSA net income. Lower than budget with higher operating more than offset by less grant income than expected
- Other Service Revenue = NWSA tenant reimbursements from Port of Seattle maintenance work.
- Port Revenue from NWSA Facilities mostly POS portion of T46 Auto roll on lease.

Expenses

- JV Direct - $1.8M Tribal Payment Catch-up
- ERL- $1.5M Net
  - JV Direct – (5.0M)
  - Project Delivery - $4.4M
  - Environmental & Sustainability - $2.1M

Maritime Capital

$ in 000's	2026 Actual	2026 YE Forecast	2026 Budget	2026 POF	Budget vs Actual $	%
T91 Berth 6 & 8 Redev	19,289	25,931	26,207	13,654	(276)	-1%
P66/P91 Shore Power Extension	6,941	19,121	17,100	9,540	2,021	12%
T91 Uplands Dev Phase I	1,277	5,518	11,000	16,524	(5,482)	-50%
MIC Electrical Replacements	5,150	9,308	10,759	9,683	(1,451)	-13%
P66 Grand Staircase Replc	4,147	4,856	4,872	5,560	(16)	0%
FT Maritime Innovation Center	3,162	4,450	4,058	2,700	392	10%
Technology Project	928	2,148	4,250	4,250	(2,102)	-49%
T91 Shore Power System Purchas	3,600	3,600	3,600	0	0	0%
T91 New Cruise Gangway	1,609	2,086	2,300	2,446	(214)	-9%
Fleet	1,247	6,929	6,928	6,648	1	0%
All Other Projects	8,261	27,202	24,840	41,890	2,362	10%
Subtotal	55,611	111,149	115,914	112,895	(4,765)	-4%
CIP CashFlow Mgt	0	(12,661)	(22,530)	(31,937)	9,869	-43.8%
Total Maritime	**55,611**	**98,488**	**93,384**	**80,958**	**5,104**	**5%**
% of Capital Budget w/out CF Mgt	48%	96%				
% of Capital Budget including CF Mgt	60%	105%				

All Other Projects:

- MIC Fire Alarm, T91 Electric, Desimone Oxbow: $4.3M new projects added
- **T91 Uplands Pad –** Overall no change. 2026 reduced to reflect coordination between Ph1&2 scope ($875k)
- **SBM Little Coney -** Construction on hold, permitting questions ($365k)
- **T91 LED Lighting –** Delayed lighting demonstration & design ($302k)
- **P66 Building Envelope –** On hold pending completion of staircase ($262k)
- **T91 A2 Cruise Roof –** Considering solar options, cruise activities ($207k)

T91 Berth 6&8 – Decrease reflects drop of risk after settlement with contractor.

Shore Power Ext – Overall increase of $58M. DU2902 and structural slab. Further refinement of means and method.

T91 Uplands – No change overall. Delayed billing and procurement pushed out to 2027.

MIC Electrical– Substantial completion date pushed out, delayed billings.

Technology– Video Camera pushing out contingencies.

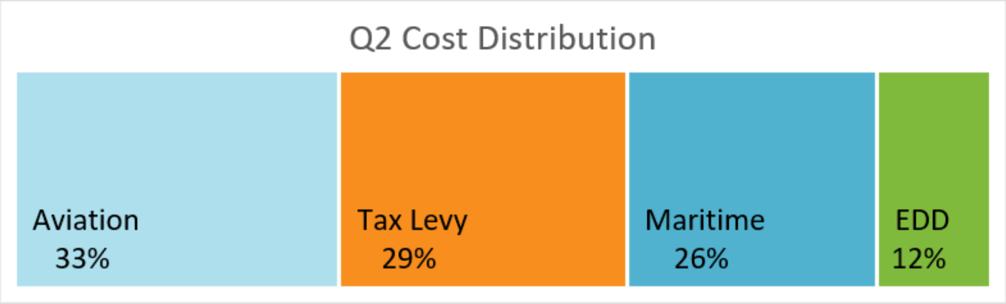
Economic Development Division

2026 Q2 Financial Performance Report

Economic Development Division – Q2 Summary

YTD Division Spend:

$ in 000s	2025 YTD Actual	2026 YTD Actual	2026 YTD Budget	Actual vs. Budget Variance $	Actual vs. Budget Variance %
Workforce Development	1,336	1,496	1,880	384	20%
Small Business	952	1,052	1,239	187	15%
EDD Administration	718	891	1,014	124	12%
Tourism	757	733	902	169	19%
Real Estate Development	435	531	785	254	32%
EDD Contingency	120	80	147	67	45%
Total	**$ 4,319**	**$ 4,783**	**$ 5,967**	**$ 1,184**	**20%**



- Overall, $1.2M or 20% below budget
- Outside Services ($1M) below due to timing of invoices/payments for Workforce Development, Real Estate Development, and Diversity in Contracting
  - Payments expected to be made by Q4
- Travel & Training down $205K
  - Taking a cautious approach for 2026
- Trade Business & Community
  - Delayed 2025 contribution for Community Connector Program
  - Seattle Climate Innovation Hub

Under budget YTD but spending expected to catch-up by Year-End

Central Services

2026 Q2 Financial Performance Report

Port of Seattle®

Central Services - Key Takeaways

- Total Operating Expenses were $835K or 0.8% below revised budget and $8.8M or 9.5% higher YoY in Q2
- Total Operating Expenses are projected to be $2.6M or 1.3% over revised budget and $41.6M or 25.3% increase YoY
- Excluding the $13.2M DRS pension credit and $21.8M in legal settlement credit in 2025, total operating expenses are projected to be $6.6M or 3.3% increase YoY

Central Services YTD Expense by Category

$ in 000's	2024 YTD Actual	2025 YTD Actual	2026 YTD Actual	2026 YTD Budget	2026 YTD Revsd_Bud	Actual vs. Revsd_Bud Variance $	Actual vs. Revsd_Bud Variance %	Change from 2025 Incr (Decr) $	Change from 2025 Incr (Decr) %
Salaries & Benefits	50,380	58,122	59,155	57,346	57,346	(1,809)	-3.2%	1,033	1.8%
Wages & Benefits	20,497	21,035	22,666	21,643	21,643	(1,023)	-4.7%	1,631	7.8%
Payroll to Capital Projects	11,343	10,353	12,212	14,395	14,395	2,184	15.2%	1,859	18.0%
Equipment Expense	578	748	1,351	1,586	1,586	235	14.8%	603	80.7%
Supplies & Stock	432	550	630	577	577	(53)	-9.3%	80	14.6%
Outside Services	17,065	15,929	18,700	24,474	22,707	4,007	17.6%	2,771	17.4%
Travel & Other Employee Expenses	1,239	1,426	1,383	2,145	2,145	762	35.5%	(43)	-3.0%
Insurance Expense	2,571	2,620	3,340	3,288	3,288	(52)	-1.6%	720	27.5%
Litigated Injuries & Damages	459	537	935	-	-	(935)	0.0%	398	74.0%
Other Expenses	3,867	2,371	5,006	2,608	5,867	862	14.7%	2,635	111.1%
Charges to Capital Projects/Overhead Alloc	(21,684)	(21,185)	(24,040)	(27,382)	(27,382)	(3,343)	12.2%	(2,854)	13.5%
O&M Expenses	**86,747**	**92,506**	**101,338**	**100,681**	**102,172**	**835**	**0.8%**	**8,832**	**9.5%**
GASB 87_96_103 Expenses	1,251	1,631	355	2,474	204	(151)	-74.2%	(1,276)	-78.2%
Total Operating Expenses GASB Comparable Basis	**87,998**	**94,136**	**101,693**	**103,155**	**102,376**	**683**	**0.7%**	**7,556**	**8.0%**

Total Operating Expenses: $835K or 0.8% below revised budget

- Payroll Expenses: $2.8M over revised budget
- Payroll to Capital: $1.9M below revised budget
- Outside Services: $4.0M below revised budget
- Litigated Injuries & Damages: 935K higher than revised budget
- Travel & Other Employee Expenses: $762K below revised budget

Total Operating Expenses: $8.8M or 9.5% higher YoY

- Payroll Expenses: $2.6M higher YoY
- Payroll to Capital: $1.9M higher YoY
- Outside Services: $2.8M higher YoY
- Election Expense: $911K higher YoY (GASB 103 Change)
- Insurance Expense: $720K higher YoY

Central Service Financial Summary (YE Forecast)

$ in 000's	2024 Actual	2025 Actual	2026 Forecast	2026 Budget	2026 Revsd_Bud	Actual vs. Revsd_Bud Variance $	Actual vs. Revsd_Bud Variance %	Change from 2025 Incr (Decr) $	Change from 2025 Incr (Decr) %
Total Operating Revenues	**403**	**14**	**934**	**259**	**259**	**675**	**260.9%**	**920**	**6689.1%**
GASB 87_96_103 Revenues	281	1,435	-	594	-	-	0.0%	(1,435)	-100.0%
Total Operating Revenues GASB Comparable Basis	**684**	**1,449**	**934**	**853**	**259**	**675**	**260.9%**	**(516)**	**-35.6%**
Core Central Support Services	142,358	98,442	134,755	129,624	132,607	(2,148)	-1.6%	36,313	36.9%
Police	43,591	46,327	48,296	48,213	48,213	(83)	-0.2%	1,970	4.3%
Engineering/PCS	15,644	18,256	22,240	21,887	21,887	(352)	-1.6%	3,984	21.8%
GASB 87_96_103 Expenses	3,227	1,131	443	4,983	443	-	0.0%	(688)	-60.9%
Total Operating Expenses GASB Comparable Basis	**204,820**	**164,156**	**205,734**	**204,707**	**203,151**	**(2,583)**	**-1.3%**	**41,578**	**25.3%**

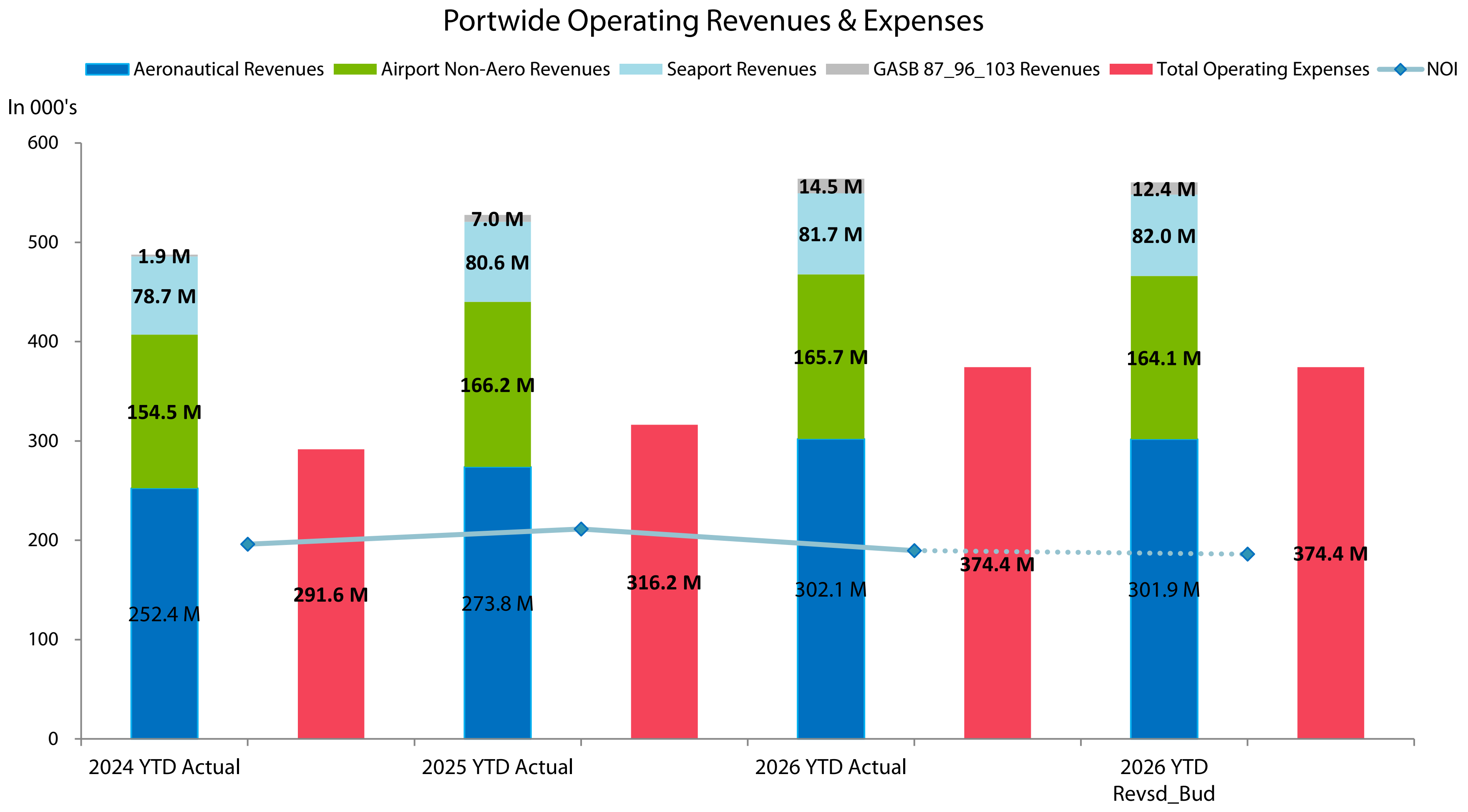
- Total Operating Expenses are projected to be $2.6M or 1.3% over revised budget and $41.6M or 25.3% increase YoY
- Excluding the $13.2M DRS pension credit and $21.8M in legal settlement credit in 2025, total operating expenses are projected to be $6.6M or 3.3% increase YoY

APPENDIX

Appendix
Portwide

2026 Q2 Financial Performance Report

Port Wide Financial Summary (YTD)



- Total Operating Revenues: $1.6M above revised budget
- Total Operating Expenses: $14.6M below revised budget
- NOI before Depreciation: $16.2M above revised budget

Port Wide Financial Summary

$ in 000's	2024 YTD Actual	2025 YTD Actual	2026 YTD Actual	2026 YTD Budget	2026 YTD Revsd_Bud	Act. vs. Revsd_Bud Variance $	%	Change from 2025 Incr (Decr) $	%
Aeronautical Revenues	252,437	273,752	302,116	301,475	301,855	262	0.1%	28,364	10.4%
Airport Non-Aero Revenues	154,536	166,188	165,737	172,005	164,133	1,604	1.0%	(451)	-0.3%
Seaport Revenues	78,665	80,616	81,686	81,912	81,962	(276)	-0.3%	1,070	1.3%
Operating Revenues	**485,638**	**520,555**	**549,539**	**555,392**	**547,950**	**1,589**	**0.3%**	**28,984**	**5.6%**
GASB 87_96_103 Revenues	1,875	6,969	14,485	4,573	12,395	2,090	16.9%	7,516	107.9%
Total Operating Revenues GASB Comparable Basis	**487,513**	**527,524**	**564,024**	**559,966**	**560,345**	**3,679**	**0.7%**	**36,500**	**6.9%**
O&M Expenses	**289,103**	**321,204**	**355,574**	**360,470**	**370,138**	**14,563**	**3.9%**	**34,371**	**10.7%**
GASB 87_96_103 Expenses	2,499	(4,995)	4,523	13,922	4,251	(272)	-6.4%	9,518	-190.6%
Total Operating Expenses GASB Comparable Basis	**291,602**	**316,209**	**360,097**	**374,392**	**374,388**	**14,291**	**3.8%**	**43,888**	**13.9%**
NOI before Depreciation	**196,535**	**199,352**	**193,965**	**194,923**	**177,812**	**16,153**	**9.1%**	**(5,387)**	**-2.7%**
Depreciation	130,832	142,924	157,292	154,578	154,578	(2,715)	-1.8%	14,369	10.1%
NOI after Depreciation	**65,703**	**56,428**	**36,672**	**40,345**	**23,235**	**13,438**	**57.8%**	**(19,756)**	**-35.0%**

- Total Operating Revenues: $1.6M higher than revised budget due to higher Non-Aero revenues than revised budget
- Total Operating Expenses: $14.6M lower than revised budget mainly due to delay in Outside Services spending, less Equipment purchases, Travel & Other Employee expenses, and B&O Taxes
- NOI before Depreciation: $16.2M higher than revised budget

Port Wide YTD Operating Revenues Summary

$ in 000's	2024 YTD Actual	2025 YTD Actual	2026 YTD Actual	2026 YTD Budget	2026 YTD Revsd_Bud	Actual vs. Revsd_Bud Variance $	Actual vs. Revsd_Bud Variance %	Change from 2025 Incr (Decr) $	Change from 2025 Incr (Decr) %
Aeronautical Revenues	252,437	273,752	302,116	301,475	301,855	262	0.1%	28,364	10.4%
Public Parking	58,986	58,697	59,817	57,030	57,030	2,787	4.9%	1,120	1.9%
Rental Cars - Operations	15,832	17,557	18,264	17,226	17,226	1,038	6.0%	707	4.0%
Rental Cars - Operating CFC	6,916	8,145	-	8,378	-	-	0.0%	(8,145)	-100.0%
ADR & Terminal Leased Space	35,435	36,331	39,230	40,662	40,921	(1,692)	-4.1%	2,898	8.0%
Ground Transportation	11,853	11,784	11,392	12,179	12,179	(786)	-6.5%	(391)	-3.3%
Employee Parking	5,223	6,272	6,764	6,959	6,959	(195)	-2.8%	492	7.8%
Airport Commercial Properties	7,900	8,926	8,539	9,526	9,526	(987)	-10.4%	(387)	-4.3%
Airport Utilities	4,513	5,287	5,529	4,985	4,985	544	10.9%	242	4.6%
International Place	-	4,143	6,029	5,775	5,775	253	4.4%	1,886	45.5%
Clubs and Lounges	6,753	8,859	8,916	8,633	8,633	283	3.3%	56	0.6%
Cruise	18,415	15,716	19,232	19,820	19,820	(588)	-3.0%	3,515	22.4%
Recreational Boating	8,321	9,130	9,570	9,497	9,497	73	0.8%	440	4.8%
Fishing & Operations	5,471	6,115	5,849	5,657	5,657	192	3.4%	(266)	-4.4%
Grain	2,355	2,933	2,652	2,212	2,212	440	19.9%	(280)	-9.6%
Maritime Lease Portfolio	8,341	8,182	9,090	9,099	9,099	(10)	-0.1%	908	11.1%
Conference & Event Centers	3,687	3,867	4,619	4,069	4,069	549	13.5%	752	19.4%
NWSA Distributable Revenue	29,664	32,221	27,023	29,201	29,201	(2,177)	-7.5%	(5,198)	-16.1%
Other	3,535	2,638	4,910	3,008	3,306	1,604	48.5%	2,272	86.1%
Operating Revenues (w/o Aero)	**233,201**	**246,804**	**247,423**	**253,917**	**246,095**	**1,328**	**0.5%**	**619**	**0.3%**
Total Operating Revenues	**485,638**	**520,555**	**549,539**	**555,392**	**547,950**	**1,589**	**0.3%**	**28,984**	**5.6%**
GASB 87_96_103 Revenues	1,875	6,969	14,485	4,573	12,395	2,090	16.9%	7,516	107.9%
Total Operating Revenues GASB Comparable Basis	**487,513**	**527,524**	**564,024**	**559,966**	**560,345**	**3,679**	**0.7%**	**36,500**	**6.9%**

Port Wide Capital Spending Summary

$ in 000's	2026 YTD Actual	2026 Forecast	2026 Budget	2026 Plan of Finance	Budget Variance $	Budget Variance %
Aviation	365,909	658,616	658,954	835,887	338	0.1%
Maritime	55,611	98,488	93,384	80,958	(5,104)	-5.5%
Central Services & Other (note 1)	4,430	14,817	19,817	16,088	5,000	25.2%
TOTAL	**425,950**	**771,921**	**772,155**	**932,933**	**234**	**0.0%**

Note:
(1) "Other" includes 100% Port legacy projects in the North Harbor and Storm Water Utility Small Capital projects.

Aviation Division Appendix

2026 Q2 Financial Performance Report

Port of Seattle

Financial Summary – GASB 103 Impact

Figures in $000s	2026 Budget	2026 Revised Budget	GASB 103 Impact
Revenues			
Aeronautical	617,786	618,565	779
Non-Aeronautical	367,381	344,087	(23,294)
Total Revenues	**985,167**	**962,652**	**(22,515)**
Total O&M Expenses	**588,135**	**589,858**	**(1,723)**
NOI	**397,032**	**372,795**	**(24,238)**

- Aeronautical revenue increased as a result of higher allocated expenses that changed from non-operating revenue to operating revenue due to the impact of GASB 103.
- Non-Aeronautical revenue decreased mostly due to reclassification of Customer Facility Charges from operating to non-operating revenue.

GASB = Government Accounting Standards Board
NOI = Net Operating Income
O&M = Operating & Maintenance

Airport Activity

Passengers

	2024	2025	2026	YoY Change	YoY Change %
Domestic	21,469,999	21,516,077	21,430,851	-85,226	-0.40%
International	3,027,102	3,383,247	3,481,440	98,193	2.90%
Grand Total	24,497,101	24,899,324	24,912,291	12,967	0.05%

Landing Weight

	2024	2025	2026	YoY Change	YoY Change %
All other	14,123,731	14,644,232	14,794,017	149,785	1.02%
Cargo only	1,395,113	1,240,949	1,317,973	77,024	6.21%
Grand Total	15,518,844	15,885,181	16,111,990	226,809	1.43%

Operations

	2024	2025	2026	YoY Change	YoY Change %
Total	205,871	209,440	207,630	-1,810	-0.86%

Cargo

	2024	2025	2026	YoY Change	YoY Change %
Domestic	174,322	146,307	153,274	6,968	4.76%
International	51,727	59,402	71,098	11,696	19.69%
Grand Total	226,048	205,709	224,372	18,664	9.07%

2026 Passenger volume:

- Domestic passenger volume is -0.4% lower than 2025, while international increased by 2.9%.
- Overall passenger volume is 0.1% higher than in 2025.

Total Airport YTD Summary

Total Airport Expense Summary (Q2)	2024 YTD (Q2)	2025 YTD (Q2)	2026 YTD (Q2)	2026 YTD (Q2)	2026 YTD (Q2)	Actual vs. Rvsd_Bud Variance		Change from 2025 Incr(Decr)	
Figures in ($ in 000's)	Actual	Actual	Actual	Budget	Revsd_Bud	$	%	$	%
Operating Expenses									
Payroll	102,225	117,688	123,360	124,973	124,973	1,614	1%	5,672	5%
Outside Services	42,557	43,919	51,665	59,975	59,971	8,306	14%	7,747	18%
Utilities	13,220	13,570	12,512	12,472	12,472	(39)	0%	(1,058)	-8%
Other Expenses	5,335	10,997	7,320	10,508	10,538	3,219	31%	(3,678)	-33%
Total Airport Direct Charges	**163,338**	**186,173**	**194,855**	**207,929**	**207,955**	**13,100**	**6%**	**8,682**	**5%**
Environmental Remediation Liability	1,308	1,609	1,748	1,667	1,667	(81)	-5%	139	9%
Capital to Expense	258	575	702	-	-	(702)		127	22%
Total Exceptions	**1,566**	**2,184**	**2,450**	**1,667**	**1,667**	**(783)**	**-47%**	**266**	**12%**
Total Airport Expenses	**164,904**	**188,358**	**197,306**	**209,596**	**209,622**	**12,316**	**6%**	**8,949**	**5%**
Corporate	48,404	52,966	56,664	56,075	56,907	243	0%	3,698	7%
Police	18,735	19,705	20,177	20,585	20,585	408	2%	472	2%
Maritime/Economic Development/Other	2,586	3,118	3,471	3,679	3,679	208	6%	353	11%
Total Charges from Other Divisions	**69,724**	**75,789**	**80,312**	**80,339**	**81,170**	**858**	**1%**	**4,523**	**6%**
Total Operating Expenses	**234,629**	**264,146**	**277,617**	**289,935**	**290,793**	**13,175**	**5%**	**13,472**	**5%**
						-		-	
Total Operating Expenses w/Pension True-Up	**234,629**	**264,146**	**277,617**	**289,935**	**290,793**	**13,175**	**5%**	**13,472**	**5%**
GASB 87_96_103 Expenses	1,024	1,799	4,189	4,908	4,059	(130)	-3%	2,390	133%
Total Operating Expenses GASB Comparable Basis	**235,653**	**265,945**	**281,806**	**294,843**	**294,851**	**13,045**	**4%**	**15,862**	**6%**

GASB = Government Accounting Standards Board

Total Airport Expense Summary

Total Airport Expense Summary *Figures in ($ in 000's)*	2024 Actual	2025 Actual	2026 Forecast	2026 Budget	2026 Revsd_Bud	Fcst vs. Rvsd_Bud Variance $	 %	Change from 2025 Incr(Decr) $	 %
Operating Expenses									
Payroll	223,027	243,179	248,847	253,455	253,455	4,609	2%	5,667	2%
Outside Services	104,086	115,992	126,149	124,030	124,030	(2,120)	-2%	10,158	9%
Utilities	25,543	26,959	26,992	26,936	26,936	(56)	0%	33	0%
Other Expenses	22,150	24,957	20,612	19,657	19,717	(895)	-5%	(4,345)	-17%
Total Airport Direct Charges	**374,806**	**411,087**	**422,600**	**424,077**	**424,138**	**1,538**	**0%**	**11,513**	**3%**
Environmental Remediation Liability	2,600	2,693	2,587	2,267	2,267	(320)	-14%	(106)	-4%
Total Exceptions	**3,153**	**14,477**	**9,398**	**2,267**	**2,267**	**(7,131)**	**-315%**	**(5,079)**	**-35%**
Total Airport Expenses	**377,406**	**413,780**	**425,187**	**426,344**	**426,405**	**1,218**	**0%**	**11,407**	**3%**
Corporate	124,058	93,940	118,661	114,558	116,220	(2,441)	-2%	24,721	26%
Police	39,709	42,925	39,248	39,200	39,200	(49)	0%	(3,677)	-9%
Maritime/Economic Development/Other	7,232	7,493	7,714	8,033	8,033	319	4%	221	3%
Total Charges from Other Divisions	**170,999**	**144,358**	**165,623**	**161,790**	**163,453**	**(2,170)**	**-1%**	**21,265**	**15%**
Total Operating Expenses w/o Pension True-Up	**548,405**	**558,138**	**590,810**	**588,135**	**589,858**	**(953)**	**0%**	**32,672**	**6%**
DRS Pension True-up Exp	(18,577)	(21,111)	-	-	-	-		21,111	-100%
Total Operating Expenses w/Pension True-Up	**529,828**	**537,028**	**590,810**	**588,135**	**589,858**	**(953)**	**0%**	**53,783**	**10%**
GASB 87_96_103 Expenses	2,033	5,167	8,101	9,800	8,101	-	0%	2,933	57%
Total Operating Expenses GASB Comparable Basis	**531,861**	**542,195**	**598,911**	**597,935**	**597,958**	**(953)**	**0%**	**56,716**	**10%**

DRS = Department of Retirement Systems
GASB = Government Accounting Standards Board

Airport Budget Summary and Key Indicators

Figures in ($ in 000's)	2024 Actual	2025 Actual	2026 Forecast	2026 Budget	2026 Revsd_Bud	Fcst vs. Rvsd_Bud Variance $	%	Change from 2025 Incr(Decr) $	%
Operating Revenue									
Aeronautical Revenues	520,942	545,307	613,884	617,786	618,565	(4,681)	-1%	68,577	13%
Non-Aeronautical Revenues	340,360	363,215	357,877	367,381	344,087	13,790	4%	(5,338)	-1%
Total Operating Revenue	**861,301**	**908,522**	**971,761**	**985,167**	**962,652**	**9,109**	**1%**	**63,239**	**7%**
GASB 87_96_103 Revenues	15,948	(7,646)	9,872	(13,422)	9,872	-	0%	17,518	-229%
Total Operating Revenues GASB Comparable Basis	**877,249**	**900,876**	**981,633**	**971,745**	**972,524**	**9,109**	**1%**	**80,757**	**9%**
Total Operating Expenses[1]	**529,828**	**537,028**	**590,810**	**588,135**	**589,858**	**953**	**0%**	**53,783**	**10%**
GASB 87_96_103 Expenses	2,033	5,167	8,101	9,800	8,101				
Total Operating Expenses GASB Comparable Basis	**531,861**	**542,195**	**598,911**	**597,935**	**597,958**	**953**	**0%**	**56,716**	**10%**
Net Operating Income w/o GASB Comparable Basis	**331,473**	**371,495**	**380,951**	**397,032**	**372,795**	**8,157**	**2%**	**9,456**	**3%**
Net Operating Income GASB Comparable Basis	**345,388**	**358,681**	**382,722**	**373,810**	**374,566**	**8,157**	**2%**	**24,041**	**7%**
Debt Service Coverage	1.89	1.90	1.60	1.64	1.62	(0.02)	-1%	(0.30)	-16%
ADF Balance (in 000's)	743,355	828,716	882,596	882,204	882,204	392	0%	53,880	7%
CPE	18.26	19.06	21.43	21.16	21.19	0	1%	0	12%
Non-Aeronautical NOI ($ in 000's)[2]	178,268	184,831	157,488	170,452	146,253	11,235	8%	(27,344)	-15%
Enplanned Passengers (in 000's)	26,295	26,317	26,514	27,031	27,031	(517)	-2%	197	1%
Capital Expenditures (in 000's)	**684,442**	**840,459**	**658,616**	**658,954**	**658,954**	**(338)**	**0%**	**(181,843)**	**-22%**

[1] Payroll expenses include DRS pension credits in 2024 and 2025

[2] Unadjusted - not including CFC Surplus or GASB Comparable

ADF = Airport Development Fund
CPE = Cost Per Enplanement

GASB = Government Accounting Standards Board
NOI = Net Operating Income

Aeronautical NOI – YTD

Aeronautical NOI (Q2)	2024 YTD (Q2)	2025 YTD (Q2)	2026 YTD (Q2)	2026 YTD (Q2)	2026 YTD (Q2)	Actual vs. Revsd_Bud Variance		Change from 2025 Incr(Decr)	
Figures $ in 000's	Actual	Actual	Actual	Budget	Revsd_Bud	$	%	$	%
Rate Base Revenues									
Airfield Movement Area	74,894	80,564	89,039	88,976	89,170	(130)	0%	8,476	11%
Airfield Apron Area	13,414	15,960	16,749	17,129	17,142	(393)	-2%	789	5%
Terminal Rents	134,447	140,124	156,944	156,639	156,797	147	0%	16,820	12%
Federal Inspection Services (FIS)	19,948	24,042	25,875	25,843	25,857	17	0%	1,832	8%
Total Rate Base Revenues	**242,702**	**260,690**	**288,607**	**288,587**	**288,966**	**(359)**	**0%**	**27,917**	**11%**
Airfield Commercial Area	9,735	13,062	13,509	12,888	12,888	621	5%	447	3%
Total Aeronautical Revenues	**252,437**	**273,752**	**302,116**	**301,475**	**301,855**	**262**	**0%**	**28,364**	**10%**
GASB 87_96_103 Revenues	4	293	-	-	-	-		(293)	-100%
Total Aeronautical Revenues GASB Comparable Basis	**252,441**	**274,045**	**302,116**	**301,475**	**301,855**	**262**	**0%**	**28,071**	**10%**
Total Aeronautical Expenses	**162,767**	**180,612**	**181,616**	**194,455**	**194,864**	**(13,248)**	**-7%**	**1,003**	**1%**
GASB 87_96_103 Expenses	150	146	144	88	88	56	64%	(2)	-1%
Total Aeronautical Expenses GASB Comparable Basis	**162,917**	**180,759**	**181,760**	**194,543**	**194,951**	**(13,192)**	**-7%**	**1,001**	**1%**
Aeronautical NOI GASB Comparable Basis	**89,524**	**93,286**	**120,356**	**106,932**	**106,903**	**13,453**	**13%**	**27,070**	**29%**

FIS = Federal Inspection Services (US Customs)
GASB = Government Accounting Standards Board
NOI = Net Operating Income

Aeronautical NOI

Aeronautical NOI *Figures in ($ in 000's)*	2024 Actual	2025 Actual	2026 Forecast	2026 Budget	2026 Revsd_Bud	Fcst vs. Rvsd_Bud Variance $	 %	Change from 2025 Incr(Decr) $	 %
Rate Base Revenues									
Airfield Movement Area	170,821	164,804	180,891	183,818	184,220	(3,328)	-2%	16,087	10%
Airfield Apron Area	32,270	33,404	34,892	35,416	35,443	(552)	-2%	1,487	4%
Terminal Rents	279,722	271,462	320,057	319,223	319,543	514	0%	48,595	18%
Federal Inspection Services (FIS)	15,206	48,849	52,257	53,542	53,571	(1,314)	-2%	3,407	7%
Total Rate Base Revenues	**498,019**	**518,520**	**588,097**	**591,999**	**592,777**	**(4,681)**	**-1%**	**69,577**	**13%**
Airfield Commercial Area	22,922	26,787	25,787	25,787	25,787	-	0%	(1,000)	-4%
Total Aeronautical Revenues	**520,942**	**545,307**	**613,884**	**617,786**	**618,565**	**(4,681)**	**-1%**	**68,577**	**13%**
GASB 87_96_103 Revenues	7	415	-	-	-	-		(415)	-100%
Total Aeronautical Revenues GASB Comparable Basis	**520,949**	**545,722**	**613,884**	**617,786**	**618,565**	**(4,681)**	**-1%**	**68,162**	**12%**
Total Aeronautical Expenses	**367,736**	**358,644**	**390,421**	**391,206**	**392,023**	**1,603**	**0%**	**(31,777)**	**-9%**
GASB 87_96_103 Expenses	250	315	163	163	163	-	0%	152	48%
Total Aeronautical Expenses GASB Comparable Basis	**367,986**	**358,959**	**390,584**	**391,369**	**392,186**	**1,603**	**0%**	**(31,625)**	**-9%**
Aeronautical NOI GASB Comparable Basis	**152,956**	**186,348**	**223,300**	**226,417**	**226,378**	**(3,078)**	**-1%**	**36,952**	**20%**
Debt Service	(157,518)	(176,250)	(201,468)	(202,992)	(202,992)	1,524	-1%	(25,217)	14%
Net Cash Flow	**(4,562)**	**10,098**	**21,833**	**23,426**	**23,387**	**(1,554)**	**-7%**	**11,735**	**116%**

[1]Aeronautical revenues follow a cost recovery model under FAA regulations and the Signatory Lease & Operating Agreement. Aeronautical operating , debt services of capital costs net of grants are recovered through airlines rates and charges. Increases in revenues are tied to increases in costs.

[2]Net cash flow balance increases due to equity amortization with cash funding on capital projects.

FAA = Federal Aviation Administration
FIS = Federal Inspection Services (US Customs)
GASB = Government Accounting Standards Board
NOI = Net Operating Income

Aeronautical Cost Drivers

Aeronautical Cost Drivers ($ in 000's)	2026 Forecast	2026 Budget	2026 Revsd_Bud	Fcst vs. Rvsd_Bud Variance $	Fcst vs. Rvsd_Bud Variance %
O&M [(1)]	379,617	377,634	378,417	1,199	0.3%
Debt Service Before Offsets	272,098	277,614	277,614	(5,516)	-2.0%
Debt Service PFC Offset	(92,793)	(92,468)	(92,468)	(325)	0.4%
Net Debt Service	179,306	185,146	185,146	(5,841)	-3.2%
Amortization	33,879	33,685	33,685	193	0.6%
Space Vacancy	(2,916)	(2,710)	(2,714)	(203)	7.5%
Cost of Incentives	(1,225)	(1,194)	(1,196)	(30)	2.5%
Grants and Other	(563)	(563)	(563)	-	0.0%
Rate Base Revenues	**588,097**	**591,999**	**592,777**	**(4,681)**	**-1%**
Commercial area	25,787	25,787	25,787	-	0%
Total Aero Revenues	**613,884**	**617,786**	**618,565**	**(4,681)**	**-1%**

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

Highlights

- **Total Aero Rev: -$4.7M vs. Rev Budget**
- **O&M: +$1.2M vs. Budget –** Main driver of increase is $6M Cap to Expense impacting terminal area, partially offset by other savings across all areas
- **Net Debt Service: -$5.8M vs. Rev Budget –** Main driver of decrease is postponed in-use date of Conc A Expansion impacting Terminal area & changes in Capital Interest in several Airfield areas.
- **Amortization**: Change due to slight increase in Aero portion of TermB allocation due to space changes captured at Q2.

O&M = Operating & Maintenance
PFC = Passenger Facility Charge

Non-Aeronautical Revenue

Figures in $000s	2026 Budget	2026 Revised Budget	GASB 103 Impact $	GASB 103 Impact %
Public Parking	114,531	114,531	-	0.0%
Rental Cars	67,862	43,555	(24,307)	-35.8%
Ground Transportation	24,896	24,896	-	0.0%
Airport Dining & Retail	77,078	77,596	518	0.7%
Clubs & Lounges	16,153	16,153	-	0.0%
Other	66,862	67,358	495	0.7%
Total Non-Aero Revenue	**367,381**	**344,087**	**(23,294)**	**-6.3%**

- Rental Cars operating revenue will decrease by $24.3 million (-35.8%) due to reclassification of Customer Facility Charges from operating revenue to non-operating revenue.
- The net impact on budgeted Non-Aeronautical revenue is ($23.3) million (-6.3%)

GASB = Government Accounting Standards Board

Non-Aeronautical Revenue

Revenue Summary by Dept. (in $000s) *Non-Aero Operating Revenue Subtotal* *Last refresh: 7/16/2026*	2024 Full Year Actual	2025 Full Year Actual	2026 Full Year Forecast	2026 Full Year Budget	2026 Full Year Revised Budget	Revised Budget Variance $ Var	Revised Budget Variance % Var	Inc/(Dec) from Prior Year Actuals $ Change	Inc/(Dec) from Prior Year Actuals % Change
3413-Transportation Mgmt Assoc	0	0	717	717	717	0	0.0%	717	
3420-Public Parking	116,567	116,983	118,419	114,531	114,531	3,889	3.4%	1,436	1.2%
3430-Rental Cars	64,434	67,479	45,624	67,862	43,555	2,069	4.8%	(21,854)	-32.4%
3440-Employee Parking	10,464	12,540	14,092	14,138	14,138	(46)	-0.3%	1,552	12.4%
3450-Ground Transportation	23,946	24,376	23,758	24,896	24,896	(1,138)	-4.6%	(618)	-2.5%
O3400-Landside	**215,411**	**221,378**	**202,610**	**222,144**	**197,837**	**4,773**	**2.4%**	**(18,767)**	**-8.5%**
3630-Non-Aero Commercial Properties	17,645	18,642	22,786	20,475	20,475	2,311	11.3%	4,144	22.2%
3635-SeaTac Office Center	0	10,174	12,214	11,712	11,712	503	4.3%	2,041	20.1%
3645-Non-AirlineTerminal Leased Spc	7,559	8,584	9,481	8,157	8,157	1,324	16.2%	897	10.4%
3690-Club International Lounge	16,694	19,515	19,292	16,153	16,153	3,139	19.4%	(223)	-1.1%
O3600-Airport Properties	**41,898**	**56,915**	**63,773**	**56,497**	**56,497**	**7,276**	**12.9%**	**6,859**	**12.1%**
3650-Airport Dining and Retail	72,246	73,770	77,948	77,078	77,596	352	0.5%	4,178	5.7%
3653-Tenant Marketing	902	1	1,919	503	503	1,416	281.3%	1,918	
4572-Conference Center	252	205	200	228	228	(28)	-12.3%	(5)	-2.6%
O3500-AV Commercial Management	**73,415**	**73,989**	**80,067**	**77,809**	**78,327**	**1,740**	**2.2%**	**6,078**	**8.2%**
Non-Aero Operating Revenue Subtotal	**330,724**	**352,281**	**346,450**	**356,450**	**332,661**	**13,790**	**4.1%**	**(5,831)**	**-1.7%**
Utilities and Other	**9,636**	**10,934**	**11,427**	**10,931**	**11,427**	**0**	**0.0%**	**493**	**4.5%**
Total Non-Aeronautical Revenue	**340,360**	**363,215**	**357,877**	**367,381**	**344,087**	**13,790**	**4.0%**	**(5,338)**	**-1.5%**
Total Enplanements	***26,295***	***26,317***	***26,514***	***27,031***	***27,031***	***(517)***	***-1.9%***	***197***	***0.7%***
O&D Enplanement	***18,354***	***18,316***	***18,401***	***18,760***	***18,760***	***(359)***	***-1.9%***	***84***	***0.5%***
International Enplanements	***3,276***	***3,528***	***3,788***	***3,819***	***3,819***	***(31)***	***-0.8%***	***260***	***7.4%***
GASB 103 Adj (CFC to Non-Op)									
3430-Rental Cars	43,557	44,382	45,624	67,862	43,555	2,069	4.8%	1,242	2.8%
O3400-Landside	194,535	198,281	202,610	222,144	197,837	4,773	2.4%	4,330	2.2%
Non-Aero Operating Revenue Subtotal	**309,847**	**329,185**	**346,450**	**356,450**	**332,661**	**13,790**	**4.1%**	**17,266**	**5.2%**
Total Non-Aeronautical Revenue	**319,483**	**340,118**	**357,877**	**367,381**	**344,087**	**13,790**	**4.0%**	**17,759**	**5.2%**

Highlights

- **Total Non-Aero: +$13.8M vs. Budget, +5.2% vs. 2025** (adjusted for CFC)
- **Landside: +$4.8M vs. Budget; +2.2% vs. 2025** (adjusted for CFC)
  - Public Parking +$3.9M vs. Budget, driven by Drive-Up
  - Rental Cars +$2.1M; (transactions up +1.1%, average ticket +2.7% YTD YoY)
- **Business & Properties: +$7.3M vs. Budget, +12.1% vs. 2025**
  - Comm Properties +$2.2M, driven by Flight Kitchens
  - Clubs & Lounges +$3.1M; S Lounge Q4 remaining open through Q4 for SCE
- **Commercial Management: +$1.7M vs. Budget; +8.2% vs. 2025**
  - ADR +$0.3M, driven by higher Food & Beverage
  - Tenant Marketing +$1.4M, highlighted by restarting collections in March

ADR = Airport Dining & Retail
CFC = Customer Facility Charge
O&D = Origin & Destination

Non-Aeronautical NOI – YTD

Non-Aeronautical NOI (Q2) *Figures ($ in 000's)*	2024 YTD (Q2) Actual	2025 YTD (Q2) Actual	2026 YTD (Q2) Actual	2026 YTD (Q2) Budget	2026 YTD (Q2) Revsd_Bud	Actual vs. Rvsd_Bud Variance $	Actual vs. Rvsd_Bud Variance %	Change from 2025 Incr(Decr) $	Change from 2025 Incr(Decr) %
Non-Aeronautical Revenues						-		-	
Public Parking	58,986	58,697	59,817	57,030	57,030	2,787	5%	1,120	2%
Rental Cars	22,748	25,702	18,264	25,604	17,226	1,038	6%	(7,438)	-29%
Ground Transportation	11,853	11,784	11,392	12,179	12,179	(786)	-6%	(391)	-3%
Airport Dining & Retail	31,931	32,319	34,955	36,378	36,637	(1,682)	-5%	2,636	8%
Other	29,018	37,686	41,310	40,814	41,062	248	1%	3,624	10%
Total Non-Aeronautical Revenues	**154,536**	**166,188**	**165,737**	**172,005**	**164,133**	**1,604**	**1%**	**(451)**	**0%**
GASB 87_96_103 Revenues	(2,855)	(3,286)	6,889	(3,183)	4,936	1,953	40%	10,175	-310%
Total Non-Aeronautical Revenues GASB Comparable Basis	**151,680**	**162,902**	**172,626**	**168,822**	**169,069**	**3,557**	**2%**	**9,724**	**6%**
Total Non-Aeronautical Expenses	**71,861**	**83,534**	**96,003**	**95,480**	**95,929**	**74**	**0%**	**12,469**	**15%**
GASB 87_96_103 Expenses	24	861	4,045	3,971	3,971	74	2%	3,184	370%
Total Non-Aeronautical Expenses GASB Comparable Basis	**71,886**	**84,395**	**100,047**	**99,451**	**99,900**	**148**	**0%**	**15,653**	**19%**
Non-Aeronautical NOI GASB Comparable Basis	**79,795**	**78,507**	**72,579**	**69,371**	**69,170**	**3,409**	**5%**	**(5,929)**	**-8%**

NOI = Net Operating Income

Non-Aeronautical NOI

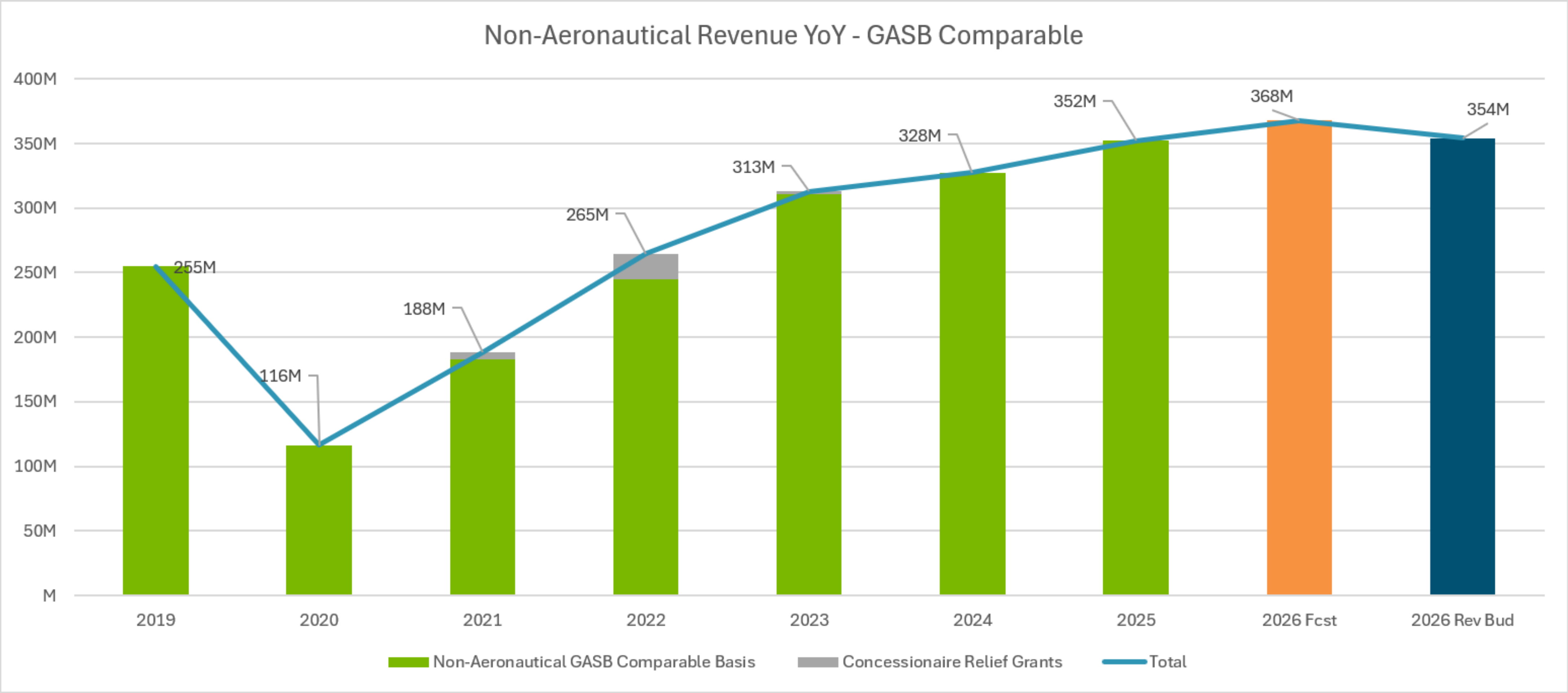
Non-Aeronautical NOI *Figures in ($ in 000's)*	2024 Actual	2025 Actual	2026 Forecast	2026 Budget	2026 Revsd_Bud	Fcst vs. Rvsd_Bud Variance $	 %	Change from 2025 Incr(Decr) $	 %
Non-Aeronautical Revenues									
Transportation Mgmt Association	-	-	717	717	717	-	0%	717	
Public Parking	116,535	116,870	118,419	114,531	114,531	3,889	3%	1,549	1%
Rental Cars	64,434	67,479	45,624	67,862	43,555	2,069	5%	(21,854)	-32%
Ground Transportation	23,946	24,376	23,758	24,896	24,896	(1,138)	-5%	(618)	-3%
Employee Parking[1]	10,462	12,532	14,092	14,138	14,138	(46)	0%	1,560	12%
Landside Total	**215,376**	**221,256**	**202,610**	**222,144**	**197,837**	**4,773**	**2%**	**(18,646)**	**-8%**
Airport Dining & Retail[1]	72,234	73,777	77,948	77,078	77,596	352	0%	4,170	6%
Tenant Marketing	902	1	1,919	503	503	1,416	281%	1,918	279778%
AOB Conference Center	252	205	200	228	228	(28)	-12%	(5)	-3%
Commercial Management Total	**73,388**	**73,983**	**80,067**	**77,809**	**78,327**	**1,740**	**2%**	**6,084**	**8%**
Non-Aero Commercial Properties	17,639	18,625	22,786	20,475	20,475	2,311	11%	4,161	22%
International Place (STOC)	-	10,174	12,214	11,712	11,712	503	4%	2,041	20%
Clubs and Lounges	16,709	19,528	19,292	16,153	16,153	3,139	19%	(236)	-1%
Non-AirlineTerminal Leased Spc	7,559	8,584	9,481	8,157	8,157	1,324	16%	897	10%
AV Business & Properties Total	**41,907**	**56,911**	**63,773**	**56,497**	**56,497**	**7,276**	**13%**	**6,862**	**12%**
Utilities	9,578	10,837	10,551	10,551	10,551	0	0%	(286)	-3%
Other	110	228	876	381	876	(0)	0%	648	284%
Total Non-Aeronautical Revenues	**340,360**	**363,215**	**357,877**	**367,381**	**344,087**	**13,790**	**4%**	**(5,338)**	**-1%**
GASB 87_96_103 Revenues	(12,757)	(10,962)	9,872	(13,917)	9,872	-	0%	20,834	-190%
Total Non-Aeronautical Revenues GASB Comparable Basis	**327,603**	**352,253**	**367,749**	**353,464**	**353,959**	**13,790**	**4%**	**15,496**	**4%**
Total Non-Aeronautical Expenses	**162,092**	**178,384**	**200,390**	**196,929**	**197,834**	**(2,555)**	**-1%**	**22,006**	**12%**
GASB 87_96_103 Expenses	79	5,084	7,938	7,938	7,938	-	0%	2,854	56%
Total Non-Aeronautical Expenses GASB Comparable Basis	**162,170**	**183,468**	**208,327**	**204,867**	**205,772**	**(2,555)**	**-1%**	**24,859**	**14%**
Non-Aeronautical NOI	**178,268**	**184,831**	**157,488**	**170,452**	**146,253**	**11,235**	**8%**	**(27,344)**	**-15%**
Less: CFC Surplus[2]	(10,174)	(9,385)	-	(11,702)	-	-		9,385	-100%
Adjusted Non-Aeronautical NOI	**168,094**	**175,446**	**157,488**	**158,750**	**146,253**	**11,235**	**8%**	**(17,958)**	**-10%**
Non-Aeronautical NOI GASB Comparable Basis	**165,433**	**168,785**	**159,422**	**148,597**	**148,187**	**11,235**	**8%**	**(9,364)**	**-6%**
Debt Service	(43,887)	(33,957)	(57,802)	(57,369)	(57,369)	(433)	1%	(23,845)	70%
Net Cash Flow	**124,206**	**141,489**	**99,686**	**101,381**	**88,884**	**10,801**	**12%**	**(41,803)**	**-30%**

Notes:
1. Includes lease payments from tenants as non-operating interest income instead of operating revenues

2. The implementation of GASB 103 has reclassified CFC revenue from operating to non-operating, which is reflected in 2026 Forecast and Revised Budget

AOB = Airport Office Building
CFC = Customer Facility Charge
GASB = Government Accounting Standards Board
NOI = Net Operating Income

Non-Aero Revenue YoY



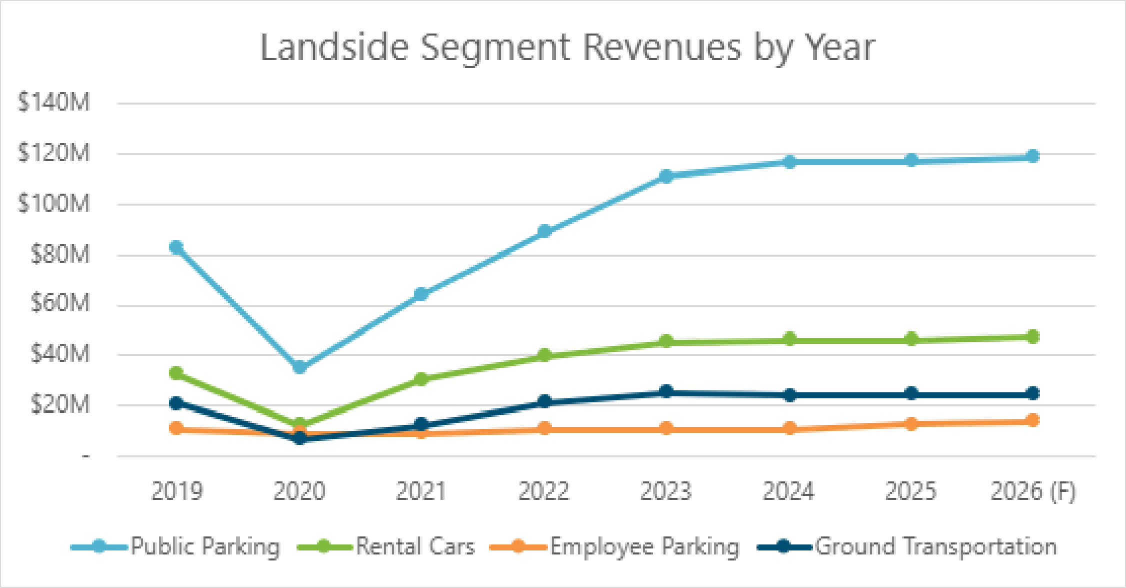
2026 Non-Aero revenue per enplanement is forecasted at $13.87, significantly higher than pre-pandemic best of $9.81 in 2019

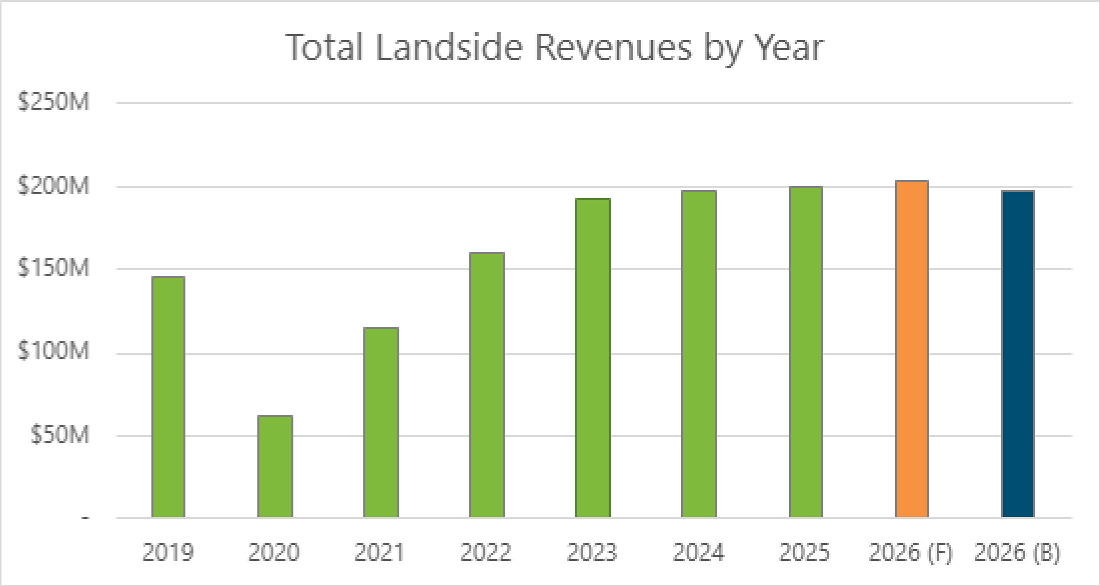
GASB = Government Accounting Standards Board

- ***All Concessionaire Relief grants fully utilized in prior years***
- ***Gross revenue; GASB Comparable***

Non-Aero Detail: Landside Revenue Trends

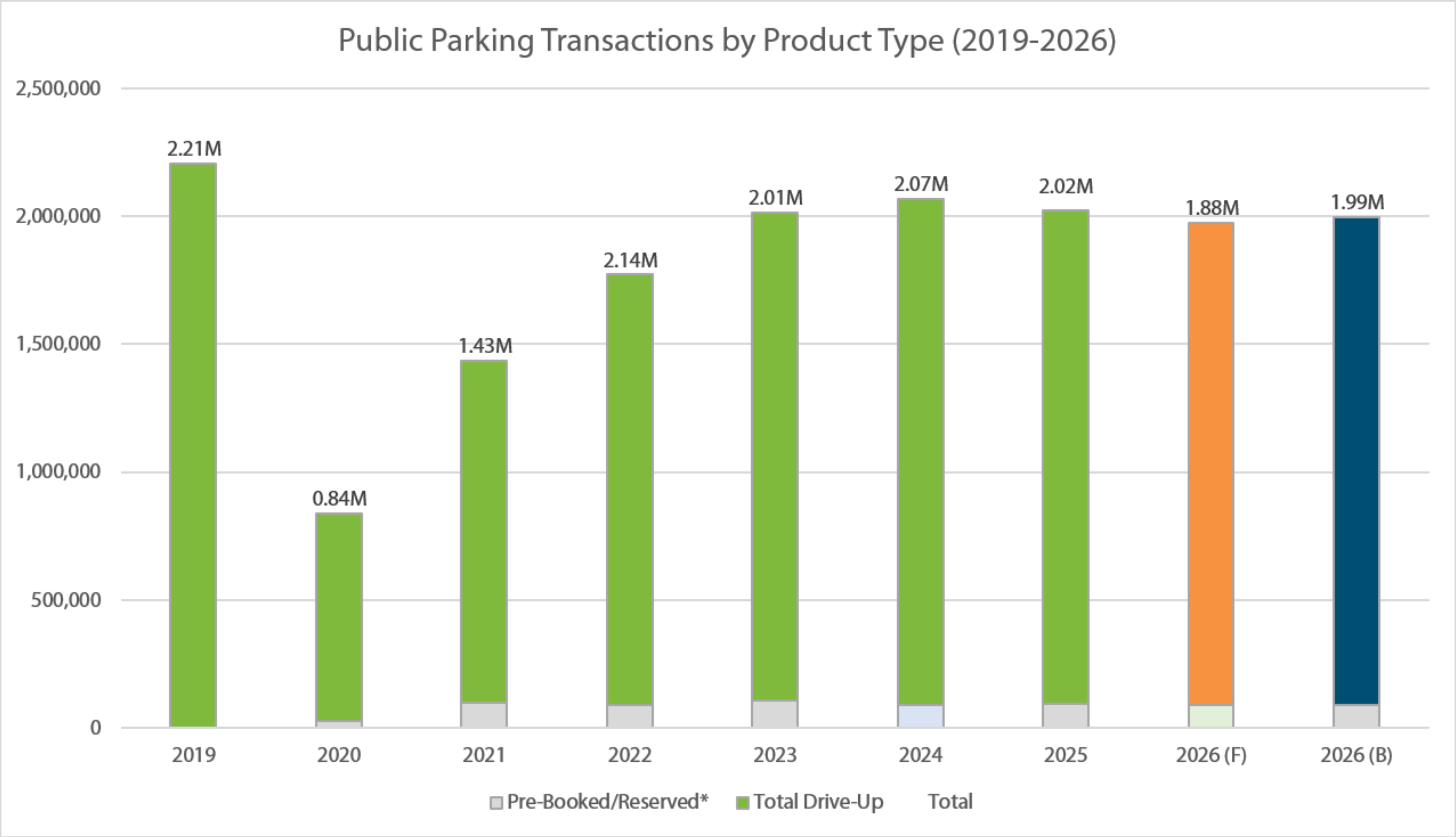
Each individual Landside revenue segment surpassed 2019 levels in 2022. All segments, except Ground Transportation, are all all-time highs in 2026.





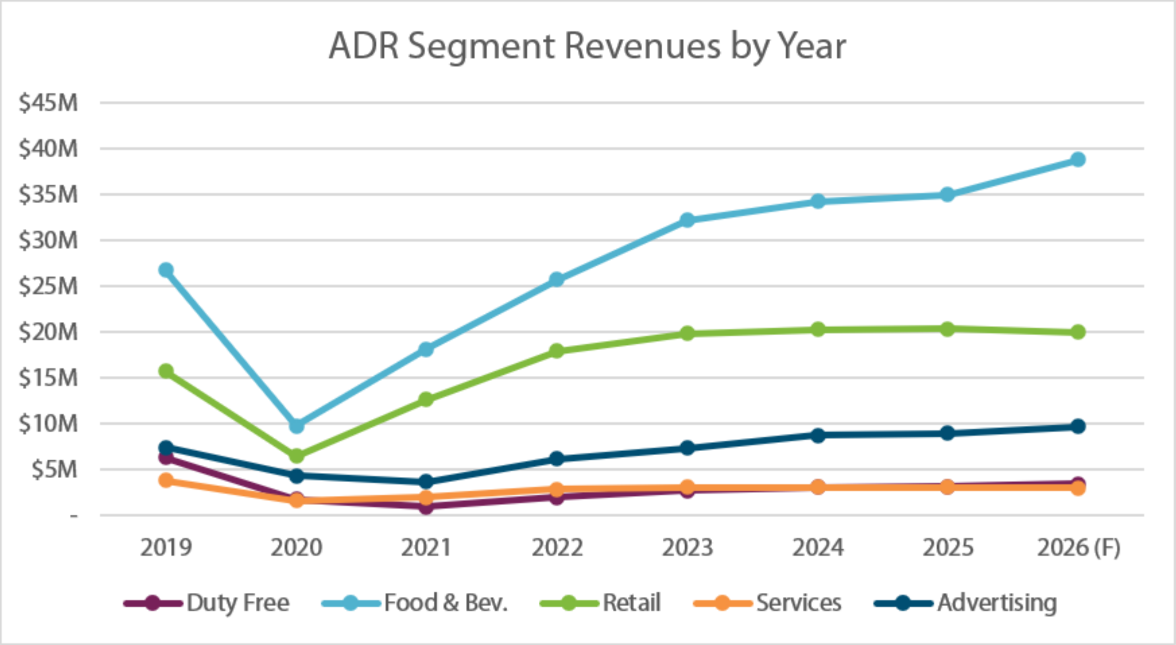
Non-Aero Detail: Public Parking Transactions

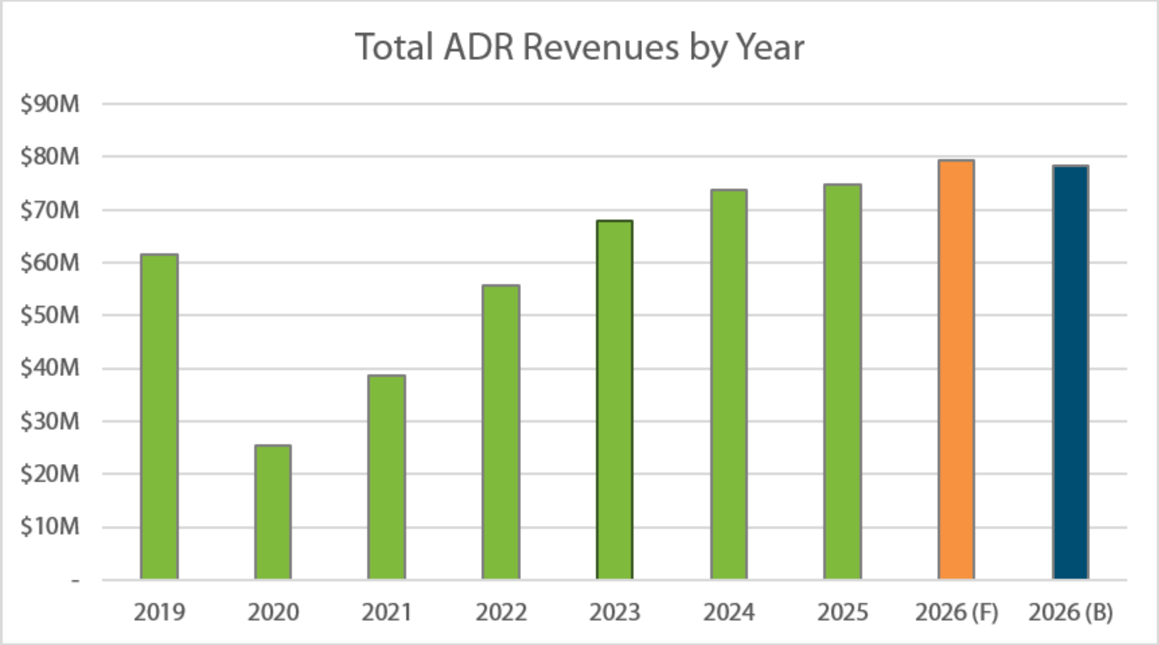
2026 annual Parking transactions are expected to be slightly below 2025 levels with <1-day transactions down, and >1-day transactions up. Resulting in less wear to the garage and increase revenue.



Non-Aero Detail: ADR Revenue Trends

Airport Dining & Retail revenues have maintained a steady upward trajectory since 2019. This momentum is projected to continue through 2026, strengthened by the opening of **Concourse C Expansion** (June 2026) and a delay in Concourse A Duty-Free unit closures.



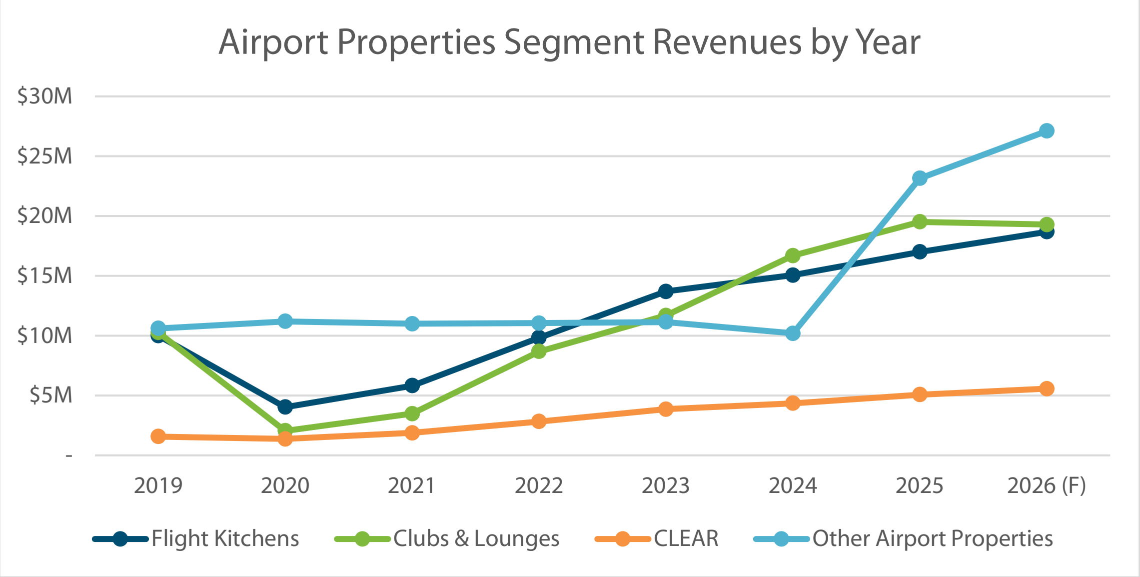


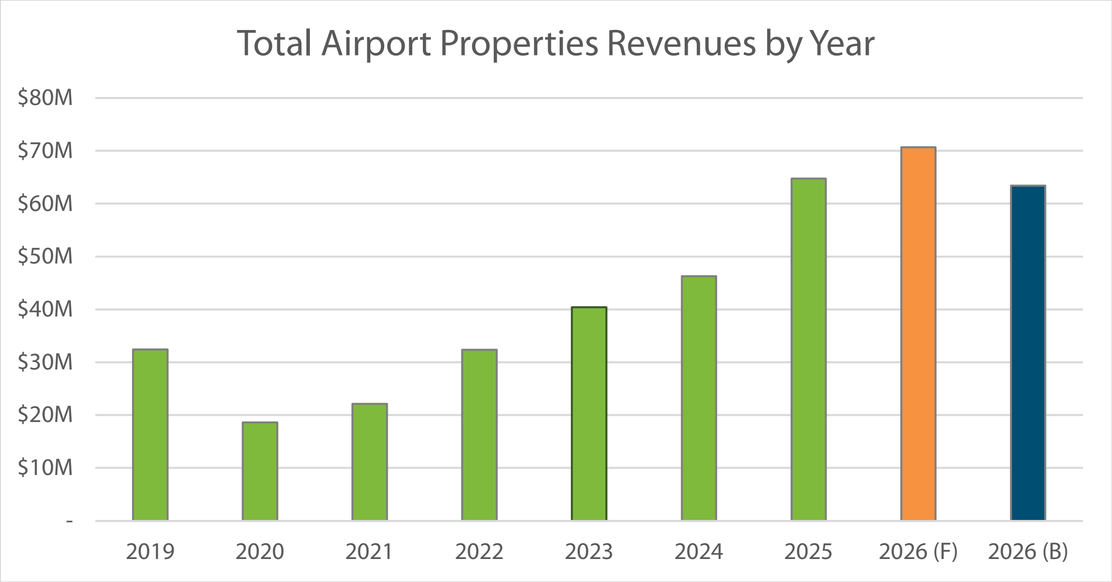
ADR = Airport Dining & Retail

Non-Aero Detail: AVBP Revenue Trends

Airport Business & Properties revenues have trended positively with solid growth across all segments the last several years. Growth accelerated in 2025 with the addition of the SeaTac Office Center (STOC) property.

2026 growth is highlighted by Flight Kitchens, Clear and land rent. The 2025 STOC acquisition fully annualizes in February, which provides two months of growth.





SEA = Seattle-Tacoma International Airport
AVBP = Aviation Business & Properties
STOC = SeaTac Office Center

2026 Capital Expenditures

$ in 000's	2026 YTD Actual	2026 Year-End Forecast	2026 Budget	2026 POF	Bud vs. Fcst $	Bud vs. Fcst %
SEA Gateway (1)	43,778	72,633	96,994	96,470	24,360	25.1%
S Concourse Evolution (2)	41,918	82,829	69,256	137,762	(13,573)	-19.6%
C Concourse Expansion (3)	83,689	115,689	108,970	119,813	(6,719)	-6.2%
Post IAF Airline Realignment (4)	22,147	41,579	35,377	39,040	(6,202)	-17.5%
2026-2030 AFLD PVMNTS (5)	13,770	34,012	38,287	71,507	4,275	11.2%
Checked Bag Recap/Optimization (6)	52,253	106,891	110,207	120,752	3,316	3.0%
Upgrades STS Train Control (7)	3,308	9,092	11,499	12,412	2,407	20.9%
Perimeter Intrusion Detect Sys (8)	196	2,796	5,081	6,472	2,285	45.0%
Airfield Snow Equipment (9)	5,230	6,615	4,558	915	(2,057)	-45.1%
Biffy Facility Improvement (10)	203	644	2,382	2,867	1,737	72.9%
All Other	99,417	235,835	252,696	394,832	16,861	6.7%
Subtotal	365,909	708,616	735,307	1,002,842	26,691	3.6%
CIP Cashflow Mgmt Reserve	-	(50,000)	(76,353)	(166,955)	(26,353)	34.5%
Total Spending	**365,909**	**658,616**	**658,954**	**835,887**	**338**	**0.1%**

(1) Actuals lower due to lower than expected billings, projected savings increased.

(2) Design services effort heavier/front loaded than forecasted as the scheduled accelerated. And, $4M airfield 2026 contract work transferred to SCE.

(3) The 2026 Q2 actual costs brought the project costs aligned with planned cost. Nearly $6M in unanticipated change orders for NSS spent in 2026 utilizing transferred program contingency caused overspending for the year

(4) increased construction spending to support turnovers ahead of FIFA and Unforseen conditions and abatement work increased cost. UA lounge updated Estimates show higher costs. This increase is projecting more spending in 2026 than anticipated

(5) $4M of SCE part of bid originally captured in this project was transferred to SCE

(6) Anticipate spending 98% of 2026 Baseline Forecast. Returningsome savings from Phase 2

(7) Alstom testing delayed, including delays in static and dynamic testing, resulting in lower than projected invoiced amounts than planned

(8) Schedule Delay as a result of delayed testing due to faulty equipment.

(9) During budget, estimated 80% of the invoice to be spent in 2026 until the vendor completed the work to meet the requirements. Vendor is now on track to complete it in 2026.

(10) Delays to the design periods - Construction costs pushed out along with final design costs.

AFLD PVMNTS = Airfield Pavements
CIP = Capital Improvement Plan
IAF = International Arrivals Facility
SEA = Seattle-Tacoma International Airport

Maritime Division Appendix

2026 Q2 Financial Performance Report

Maritime Q2 2026 YTD Financial Summary

$ in 000's	2023 YTD Actual	2024 YTD Actual	2025 YTD Actual	2026 YTD Actual	2026 YTD Revised Budget	Actual vs. Budget Variance $	Actual vs. Budget Variance %	Change from 2025 $	Change from 2025 %
Ship Canal Fishing & Operations	2,651	2,650	3,027	2,443	2,513	(69)	-3%	(584)	-19%
Elliott Bay Fishing & Commercial Operations	2,829	2,872	3,132	3,397	3,167	230	7%	265	8%
Recreational Boating	7,751	8,321	9,130	9,547	9,497	51	1%	418	5%
Cruise	15,437	19,027	19,994	23,236	23,787	(551)	-2%	3,242	16%
Grain	1,964	3,079	3,643	3,342	2,905	437	15%	(301)	-8%
Conference & Event Centers	3,377	3,687	3,867	4,619	4,069	549	13%	752	19%
Leasing Portfolio	10,180	11,272	11,122	11,897	11,876	20	0%	775	7%
Other	19	6	(10)	(6)	0	(6)		4	37%
Total Revenue	**44,209**	**50,915**	**53,905**	**58,474**	**57,814**	**660**	**1%**	**4,569**	**8%**
<u>Expenses</u>									
Total Direct	**16,176**	**18,074**	**19,987**	**22,298**	**21,222**	**(1,076)**	**-5%**	**2,311**	**12%**
Total Support Services	**13,082**	**14,006**	**15,454**	**18,009**	**20,830**	**2,821**	**14%**	**2,555**	**17%**
Total Central Services / Other	**12,092**	**13,588**	**14,557**	**15,600**	**15,517**	**(83)**	**-1%**	**1,043**	**7%**
Total Expense	**41,350**	**45,668**	**49,998**	**55,907**	**57,568**	**1,662**	**3%**	**5,909**	**12%**
NOI Before Depreciation	**2,859**	**5,247**	**3,907**	**2,567**	**246**	**2,322**	**946%**	**(1,339)**	**-34%**
Depreciation	11,183	11,132	11,897	13,498	13,539	41	0%	1,601	13%
NOI After Depreciation	**(8,324)**	**(5,885)**	**(7,990)**	**(10,931)**	**(13,294)**	**2,363**	**18%**	**(2,941)**	**-37%**
<u>GASB/Pension/ Legacy ERL Impacts</u>									
Total Revenue			**(7,973)**	**(7,469)**	**(7,414)**	**55**	**1%**	**504**	**6%**
Total Operating Expenses*			**(52)**	**5,801**	**7,950**	**2,149**	**27%**	**5,854**	**11167%**
Total Depreciation			**136**	**171**	**77**	**(93)**	**-121%**	**35**	**25%**
NOI After Depreciation with GASB	**(8,324)**	**(5,885)**	**(16,047)**	**(24,372)**	**(28,735)**	**(4,363)**	**-15%**	**(8,325)**	**-52%**

* Includes primarily legacy environmental liabilities and pension related cost for both Maritime & the legacy Warehousemen's Pension Trust.

<u>Revenue</u>

Variance from Budget

Revenue $660K over:

- Cruise – under $551K under from timing lower P66 Occupancy and timing of passengers at T91.
- Conference Center over $549K higher from intermittent FIFA related uses.
- Grain $437K over as Soybean volumes have begun to return.
- Recreational, Fishing, and Commercial Marinas are under trending just above budget.
- Utility Revenues under from bill timing.

<u>Direct Expenses Budget Variance ($1.1M over)</u>

- Remediation higher by $1.5M
- CEC higher by $.35M from volumes
- Capital to Expense higher $.25M
- Shorepower and B&O taxes lower by $1.2M from billing timing

<u>Support Svcs Budget Variance ($2.8M under)</u>

- Maintenance below by $1.2M
- EDD below by $0.5M
- PM Group below by $1.6M mostly Outside services
- ME&S over $0.5M unplanned Derelict Vessel

<u>Central Svcs Budget Variance ($83K over)</u>

- Engineering and PCS $400K over.
- All other groups $300K under.

Maritime 2026 Financial Forecast

$ in 000's	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Forecast	2026 Revised Budget	Forecast vs. Budget Variance $	%	Change from 2025 $	%
Ship Canal Fishing & Operations	4,592	5,076	5,169	5,562	4,504	4,684	(180)	-4%	(1,058)	-19%
Elliott Bay Fishing & Commercial Operations	5,975	6,564	6,602	6,963	6,574	6,374	200	3%	(389)	-6%
Recreational Boating	13,978	15,505	16,555	18,058	19,094	19,094	0	0%	1,036	6%
Cruise	30,469	41,726	43,145	48,853	58,292	57,292	1,000	2%	9,440	19%
Grain	5,792	3,356	5,920	6,442	4,665	4,440	225	5%	(1,777)	-28%
Conference & Event Centers	8,914	6,738	7,490	8,654	9,430	9,430	0	0%	776	9%
Leasing Portfolio	19,367	20,764	21,920	22,432	24,029	24,029	0	0%	1,597	7%
Other	10	10	8	(47)	0	0	0		47	100%
Total Revenue	**89,095**	**99,738**	**106,809**	**116,917**	**126,589**	**125,344**	**1,245**	**1%**	**9,672**	**8%**
Expenses										
Total Direct	**33,680**	**37,061**	**36,595**	**47,675**	**44,619**	**43,119**	**(1,500)**	**-3%**	**(3,056)**	**-6%**
Total Support Services	**24,948**	**29,939**	**33,193**	**36,354**	**45,264**	**50,564**	**5,300**	**10%**	**8,910**	**25%**
Total Central Services / Other	**22,972**	**26,596**	**32,202**	**27,614**	**30,591**	**31,045**	**454**	**1%**	**2,977**	**11%**
Total Expense	**81,600**	**93,596**	**101,991**	**111,643**	**120,474**	**124,728**	**4,254**	**3%**	**8,831**	**8%**
NOI Before Depreciation	**7,495**	**6,142**	**4,818**	**5,274**	**6,115**	**616**	**5,499**	**892%**	**842**	**16%**
Depreciation	21,974	22,421	23,850	24,727	27,033	27,033	0	0%	2,306	9%
NOI After Depreciation	**(14,479)**	**(16,279)**	**(19,032)**	**(19,453)**	**(20,917)**	**(26,416)**	**5,499**	**21%**	**(1,464)**	**-8%**
GASB/Pension Credit Impacts										
Total Revenue	**170**	**(90)**	**(18)**	**(15,889)**	**(14,828)**	**(14,828)**	**0**	**0%**	**1,061**	**7%**
Total Op Expenses, Pension Adj	**(2,561)**	**(3,850)**	**(3,145)**	**(4,092)**	**15,180**	**15,900**	**720**	**5%**	**19,272**	**471%**
Total Depreciation				**284**	**128**	**128**	**0**	**0%**	**(156)**	**-55%**
NOI After Depreciation with GASB	**(11,748)**	**(12,519)**	**(15,905)**	**(31,533)**	**(51,053)**	**(57,272)**	**(6,219)**	**-11%**	**(19,520)**	**62%**

Variance from Budget

- Revenue – Higher cruise occupancy expected
- Expenses – Delay in T91 Demos to 2027

Vs. 2025

Revenue **–**

- Cruise more sailings and increased rates
- Moorage Rate increases for Rec Boating
- Salmon Bay Marina Closures in Ship Canal
- Grain coming off top 10 year
- Improved use of conference and leasing facilities

Expenses **–**

- Direct – lower due to unusual one-time costs in 2025 including:
  - Salmon Bay Marina Impairment $4.5M
  - Capital to Expense $1.1M
- Support Services - higher due to:
  - Payroll
  - Increased Expense Projects
  - Derelict vessels
- GASB operating expenses are primarily pension and legacy ERL driven

Cruise

$ in 000s	2025 YTD	2026 YTD	2026 YTD	Bud Var	
Revenue by Facility:	Actual	Actual	RBudget	$	%
P66 Cruise	6,065	5,417	6,320	(903)	-14%
T91 Cruise	13,425	16,893	16,195	698	4%
Utilities	505	925	1,272	(346)	-27%
Total Revenue	**19,994**	**23,236**	**23,787**	**(551)**	**-2%**
Dept Expenses:					
Staff	546	619	656	36	6%
Outside Services	65	255	519	264	51%
General Expenses	1,204	1,156	1,434	278	19%
Equipment & Supplies	410	366	311	(56)	-18%
Utilities	442	437	1,326	888	67%
Support Services:					
Maintenance	1,653	1,811	1,768	(43)	-2%
Environmental	298	870	738	(132)	-18%
PMG	535	438	834	396	48%
Planning	103	129	289	160	55%
Economic Development	225	256	342	86	25%
Police/Security	866	918	932	14	1%
Other/Central Services	4,504	5,294	5,213	(82)	-2%
Total Expense	**10,850**	**12,550**	**14,359**	**1,809**	**13%**
NOI Before Depreciation	**9,144**	**10,686**	**9,428**	**1,258**	**13%**
Depreciation	3,521	4,144	3,682	(462)	-13%
NOI After Depreciation	**5,623**	**6,542**	**5,745**	**796**	**14%**

Vs. Budget

Revenue - $555K Below
- P66: Less passengers in April & May. More in June.
- T91: Higher POS revenue-share w/ new terminal operator
- T91 shore power utilities revenue billing timing

Expenses - $1.8M Below
- Utilities - $888K
  - T91 shore power billing timing
- PMG - $396K
  - T91 West Maintenance Dredging
- General Expenses - $278K
  - B&O tax timing
- Outside Services - $264K
  - Port Valet billing timing

Depreciation - $462K Higher
- T91 shore power equipment not included in budget

Vs. 2025

Revenue - $3.8M Higher
- More sailings at T91 w/ Virgin Voyages & MSC
- Higher POS revenue-share at T91

Expenses - $1.7M Higher
- Other/Central Services - $791K
- Environmental - $572K
  - $285K environmental remediation liability for T91 West Berth Dredging

Elliott Bay Fishing & Commercial

$ in 000s	2025 YTD	2026 YTD	2026 YTD	Bud Var	
Revenue by Facility:	Actual	Actual	RBudget	$	%
T91 Fishing	1,525	1,595	1,490	105	7%
T91 Vessel Ops	202	209	232	(23)	-10%
Kellogg Island	235	246	246	(0)	0%
T25 Docks	211	215	218	(3)	-1%
T18 Dolphins	166	186	177	9	5%
P34 Dolphins	166	190	126	65	52%
Other (P28, T46, T108)	291	428	286	142	50%
Utilities	335	342	394	(52)	-13%
Total Revenue	**3,132**	**3,412**	**3,167**	**244**	**8%**
Dept Expenses:					
Staff	369	377	455	78	17%
Outside Services	8	(9)	10	19	187%
General Expenses	109	90	66	(24)	-36%
Equipment & Supplies	3	1	9	8	90%
Utilities	563	413	569	156	27%
Support Services:				0	
Maintenance	779	696	813	117	14%
Environmental	762	185	235	50	21%
PMG	169	117	164	46	28%
Planning	60	72	86	14	16%
Economic Development	50	66	85	20	23%
Police/Security	323	427	393	(34)	-9%
Other/Central Services	1,246	1,559	1,502	(57)	-4%
Total Expense	**4,442**	**3,994**	**4,386**	**393**	**9%**
NOI Before Depreciation	**(1,310)**	**(582)**	**(1,219)**	**637**	**52%**
Depreciation	1,740	2,265	2,330	65	3%
NOI After Depreciation	**(3,050)**	**(2,847)**	**(3,549)**	**702**	**20%**

Vs. Budget

Revenue - $244K Higher

- T-91 Fishing Operations - $105K higher
  - Arctic Fjord and American Seafoods
- P28 & P34 Dolphins - $223K higher
  - Increased Olympic Tug & Barge activity
- Partially offset by Utilities - $52K lower

Expenses - $393K Below

- Utilities - $156K below
  - Primarily T91 billing timing
- Maintenance - $117K below
  - Mostly allocations
- Staff - $78K below
  - FTE vacancy & lower travel costs

Vs 2025

Revenue - $280K Higher

- Increased Olympic Tug & Barge activity - $204K higher
- 5% rate increases

Expenses - $448K Lower

- Environmental - $577K lower due to the T91 environmental remediation liability in 2025
- Utilities - $150K lower, mostly lower T91 sewer costs
- Partially offset by higher Central Services - $293K, due to allocation changes

Recreational Boating

$ in 000s	2025 YTD	2026 YTD	2026 YTD	Bud Var	
Revenue by Facility:	Actual	Actual	RBudget	$	%
Shilshole Bay Marina	8,182	8,357	8,569	(212)	-2%
Harbor Island Marina	284	319	311	8	3%
Bell Harbor Marina	238	274	246	28	11%
Utilities	426	620	371	249	67%
Misc Revenue	0	0	0	0	NA
Total Revenue	**9,130**	**9,570**	**9,497**	**73**	**1%**
Dept Expenses:					
Staff	1,358	1,548	1,457	(91)	-6%
Outside Services	69	84	83	(2)	-2%
General Expenses	286	163	108	(54)	-50%
Equipment & Supplies	68	37	123	85	70%
Utilities	562	989	673	(316)	-47%
Support Services:					
Maintenance	2,085	2,120	2,472	352	14%
Environmental	99	479	454	(25)	-5%
PMG	162	167	267	100	38%
Planning	60	62	143	82	57%
Economic Development	130	143	185	42	23%
Police/Security	729	859	841	(18)	-2%
Other/Central Services	2,812	2,838	2,981	143	5%
Total Expense	**8,420**	**9,489**	**9,788**	**298**	**3%**
NOI Before Depreciation	**710**	**80**	**(291)**	**371**	**128%**
Depreciation	1,910	2,158	2,087	(70)	-3%
NOI After Depreciation	**(1,200)**	**(2,077)**	**(2,378)**	**301**	**13%**

Vs. Budget

Revenue - $73K Above

- SBM - $212K under
  - Lower monthly moorage occupancy - $225K
  - LAB - $51K lower due to demand
  - 31 slips at SBM used for SaBM relocation
- Utilities - $249K above
  - Primarily at SBM
- BHM - $28K over
  - Stronger guest moorage

Expenses - $298K Below

- Maintenance - $352K (allocation-driven)
- Central Services - $143K (allocation-driven)
- PMG - $100K (allocation-driven)
- Partially offset by utilities - $316K higher electricity at BHM

Vs 2025

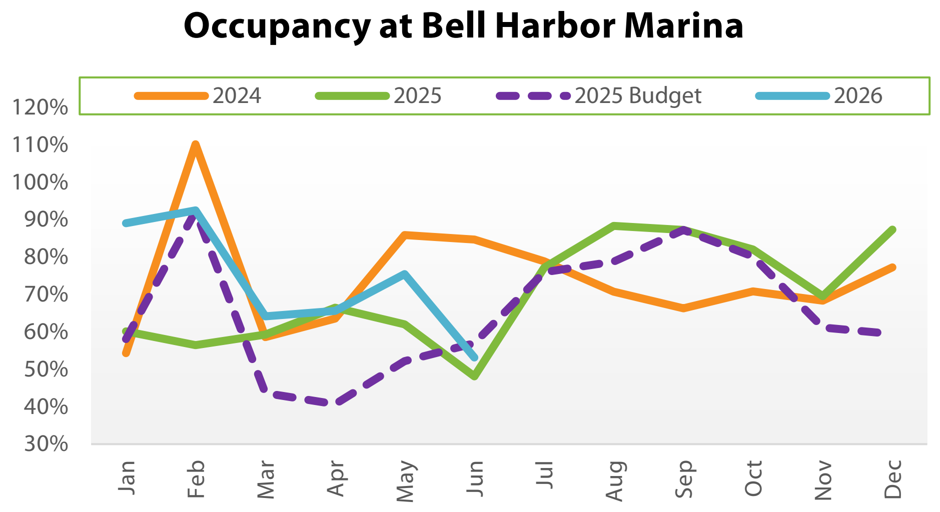
Revenue - $440K Higher

- Moorage rates increase - average of 4.7%
- Utilities at SBM - $189K higher

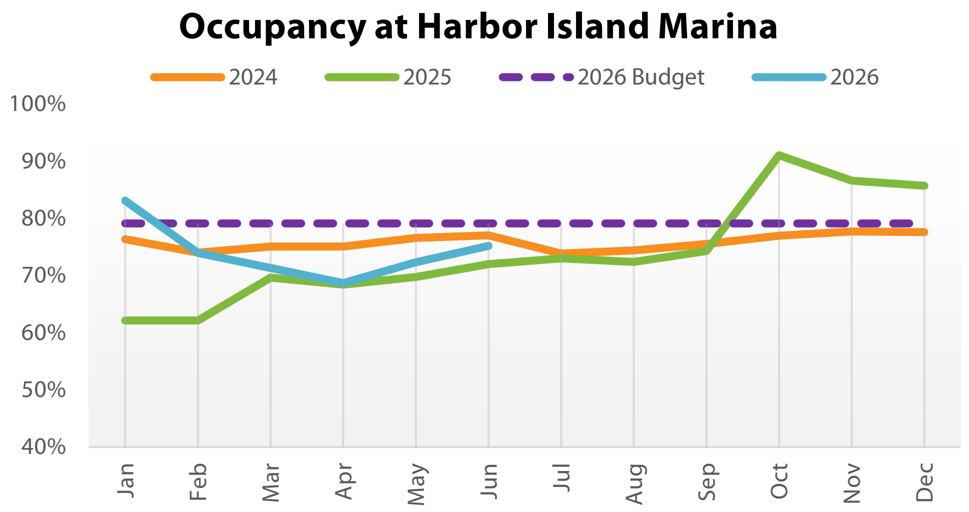
Expenses - $1,070K Higher

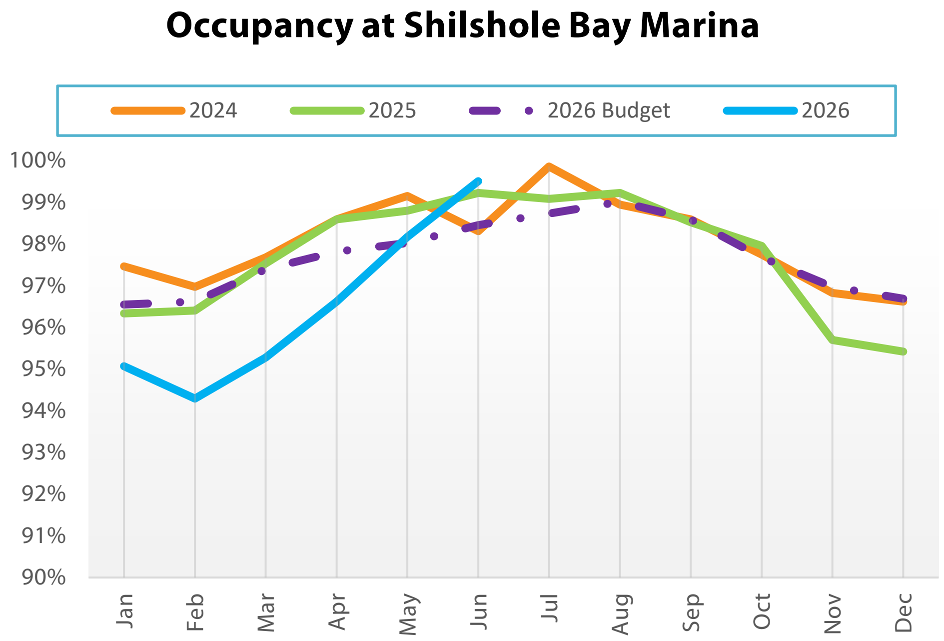
- Utilities - $428K higher, primarily due to electricity costs at BHM
- Environmental - $380K higher
  - Derelict Vessels: $220K, mainly due to a 2025 adjustment
  - Allocations: $115K
- Workers' Comp - $243K higher
- Partially offset by General Expense - $160K lower in bad debt expense

Recreational Boating Occupancy



	2026 BUD	2026 ACT	2025 ACT	Act vs Bud	'26 vs '25
SBM Occupancy	97.5%	96.5%	97.8%	-0.99%	-1.33%
BHM Occupancy	57.3%	73.3%	58.7%	16.01%	14.55%
HIM Occupancy	79.1%	74.1%	67.3%	-5.02%	6.75%
Total Recreational Marinas	**78.0%**	**81.3%**	**74.6%**	**3.33%**	**6.66%**





Ship Canal Fishing & Operations

$ in 000s	2025 YTD	2026 YTD	2026 YTD	Bud Var	
Revenue by Facility:	Actual	Actual	RBudget	$	%
FT Commercial	1,590	1,536	1,600	(64)	-4%
FT Rec Boating	515	540	507	33	6%
Salmon Bay Marina	592	140	197	(57)	-29%
Maritime Industrial Center	117	115	98	17	18%
Utilities	212	119	111	8	7%
Misc Revenue	0	(12)	0	(12)	NA
Total Revenue	**3,027**	**2,443**	**2,513**	**(69)**	**-3%**
Dept Expenses:					
Staff	733	744	782	38	5%
Outside Services	11	39	46	6	14%
General Expenses	374	463	126	(337)	-268%
Equipment & Supplies	14	19	38	19	50%
Utilities	456	414	488	74	15%
Support Services:				0	
Maintenance	1,326	1,361	1,512	151	10%
Environmental	207	1,954	222	(1,732)	-781%
PMG	130	354	686	332	48%
Planning	37	80	63	(16)	-26%
Economic Development	58	65	84	19	23%
Police/Security	320	404	378	(26)	-7%
Other/Central Services	1,309	1,587	1,529	(59)	-4%
Total Expense	**4,976**	**7,484**	**5,953**	**(1,531)**	**-26%**
NOI Before Depreciation	**(1,948)**	**(5,041)**	**(3,440)**	**(1,601)**	**-47%**
Depreciation	1,268	1,274	1,291	17	1%
NOI After Depreciation	**(3,216)**	**(6,315)**	**(4,731)**	**(1,584)**	**-33%**

Vs. Budget

Revenue - $69K Below
- SaBM closure - $57K below
- Silver Bay unexpectedly vacated in Sep 2025
- 14 slips at FT Rec Boating used for SaBM relocation

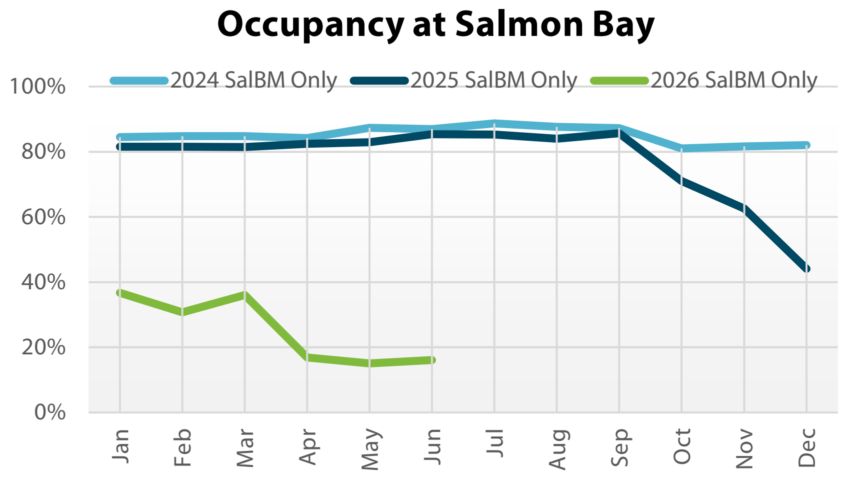
Expenses - $1.5M Higher
- Environmental: $1.7M higher
  - $1M remediation liability for T91 Uplands incorrectly charged; correction pending
  - Derelict Vessel Program: $745K higher for the Quaker Maid; expect to receive a $500K reimbursement from DNR
- General Expense: $337K higher, primarily due to bad debt
- Partially offset by PMG: $332K below, primarily for FT Pile Replacement project

Vs. 2025

Revenue - $584K Below
- SaBM closure - $452K lower
- Silver Bay departure from - $91K lower
- Rate increases from 0% to 10% based on vessel size

Expenses - $2.5M Higher
- Environmental: $1.7M higher (see above)
- Central Service: $278K higher (allocation-driven)
- PMG: $224K higher, primarily related to the FT NW Dock Bull rail Repairs and FT Aquatic Weed Control projects
- General Expenses: $89K higher, primarily due to higher Bad Debt Exp

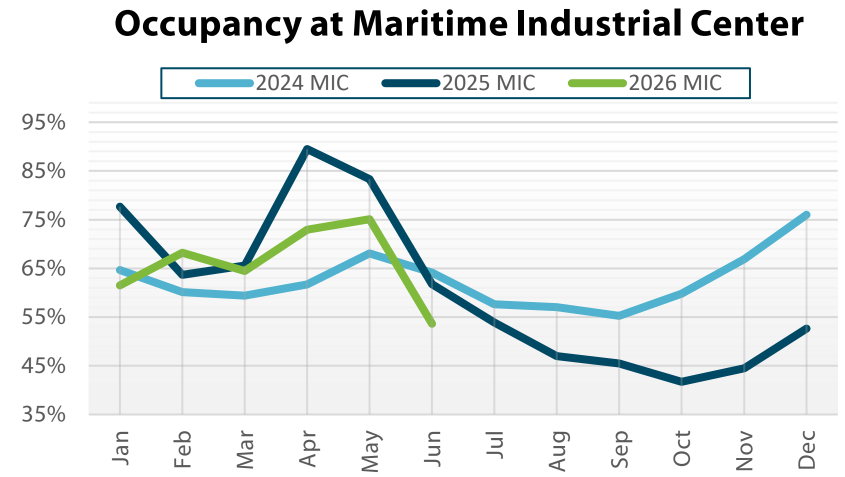
Ship Canal Fishing & Commercial Occupancy

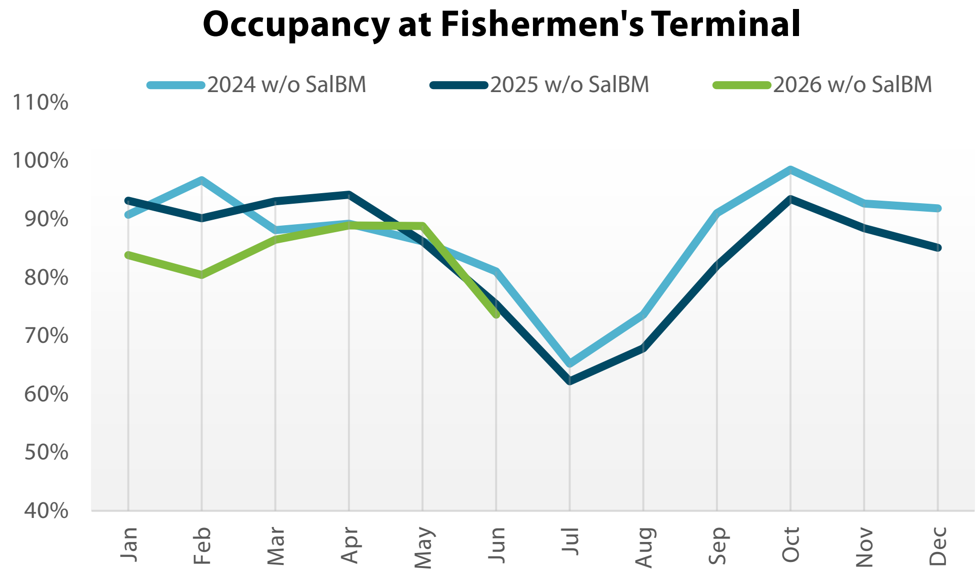


Occupancy

- Monthly occupancy rates per marina as of Q2:

✓ FT Fishing up 0.95%
✓ SaBM down -57.26%
✓ FT Rec Boating down -0.35%
✓ MIC down -7.62%





Portfolio Management

$ in 000s	2025 YTD	2026 YTD	2026 YTD	Bud Var	
Revenue by Facility:	**Actual**	**Actual**	**RBudget**	**$**	**%**
T91 Industrial & Uplands	3,325	3,499	3,430	69	2%
Conference Event Centers (CEC)	3,812	4,536	4,014	522	13%
Marina Office & Retail (FT,MIC,SaBM,SBM)	1,788	1,704	1,733	(30)	(2%)
WTCW	370	437	416	21	5%
Bell Street Garage & Retail	1,047	976	1,098	(122)	(11%)
T102	1,063	964	1,140	(175)	(15%)
T106	365	1,618	1,620	(2)	(0%)
Other (FTZ, P2, P69,T108,T34,T5 Tsubota)	925	996	897	99	11%
Utilities	2,293	1,784	1,597	188	12%
Total Revenue	**14,989**	**16,515**	**15,945**	**570**	**4%**
Dept Expenses:					
Staff	1,400	1,435	1,512	76	5%
Outside Services	264	306	385	79	21%
General Expenses	4,601	5,197	4,873	(324)	(7%)
Equipment & Supplies	112	129	174	45	26%
Utilities/Telecommunications	2,378	1,868	2,392	525	22%
Support Services:					
Maintenance	3,588	3,424	4,067	643	16%
Environmental	135	707	832	125	15%
PMG	685	678	886	209	24%
Planning	161	177	363	186	51%
Economic Development	532	646	946	300	32%
Police/Security	1,097	1,482	1,535	53	3%
Other/Central Services	4,734	4,479	4,404	(75)	(2%)
Total Expense	**19,686**	**20,530**	**22,371**	**1,842**	**8%**
NOI Before Depreciation	**(4,697)**	**(4,014)**	**(6,426)**	**2,412**	**38%**
Depreciation	3,257	3,518	3,877	359	9%
NOI After Depreciation	**(7,954)**	**(7,533)**	**(10,303)**	**2,771**	**27%**

Vs. Budget

Revenue - $570K Over
- Higher business activities at Conference Event Center
- Higher rates from subtenant to direct lease conversions at T91
- Higher utilities revenue
- **Partially offset** by lease termination, CAM reconciliation & billing timing

Expenses - $1.8M Below *
- Utilities- SPU misbilling and new RNG purchase model
- MM- Lower wages & benefits; timing of maintenance materials
- EDD- Timing of T91 pre-development and P2 CEM study costs
- Lower support service allocations

Vs. 2025

Revenue - $1.5M Higher
- Increased Conference Event Center activity
- T106 full year revenue. 2025 included environmental credits

Expenses- $843K Higher *
- Higher CEC business activity increased variable expenses
- $175K ERL for MiNC related project
- Higher support service allocations, particularly Environmental, EDD, and Police

Looking forward Q3 2026
- 2 potential new tenants at WTCW

*$1M ERL expenses related T91 Upland is incorrectly booked to a wrong subclass (Ship Canal). The correction is pending.

Portfolio Management – Conference Event Center

$ in 000s	2025 YTD	2026 YTD	2026 YTD	Bud Var	
Revenue by Facility:	**Actual**	**Actual**	**RBudget**	$	%
Conference Centers	3,435	4,133	3,589	544	15%
WTC	377	403	425	(23)	(5%)
Utilities	55	82	55	28	50%
Total Revenue	**3,867**	**4,619**	**4,069**	**549**	**13%**
Dept Expenses:					
Staff	1	1	1	(0)	(37%)
Outside Services	-	-	-	-	NA
General Expenses	3,797	4,393	4,031	(362)	(9%)
Equipment & Supplies	23	24	119	95	80%
Utilities/Telecommunications	76	85	106	21	19%
Support Services:					
Maintenance	447	424	493	69	14%
Environmental	19	134	206	72	35%
PMG	128	94	104	11	10%
Planning	37	28	85	57	67%
Economic Development	118	80	102	22	22%
Police/Security	152	285	293	9	3%
Other/Central Services	1,689	1,429	1,415	(14)	(1%)
Total Expense	**6,486**	**6,976**	**6,956**	**(20)**	**(0%)**
NOI Before Depreciation	**(2,619)**	**(2,357)**	**(2,887)**	**529**	**(18%)**
Depreciation	597	629	601	(28)	(5%)
NOI After Depreciation	**(3,216)**	**(2,986)**	**(3,488)**	**501**	**(14%)**

Vs. Budget

Revenue - $549K Over

- Higher short-term booking rates
- Strong demand from new and returning programs/clients
- Upsell activity

Expenses - $20K Over

- General Exp- higher variable expenses
- **Partially offset** by lower support service allocations

Vs. 2025

Revenue - $752K Higher

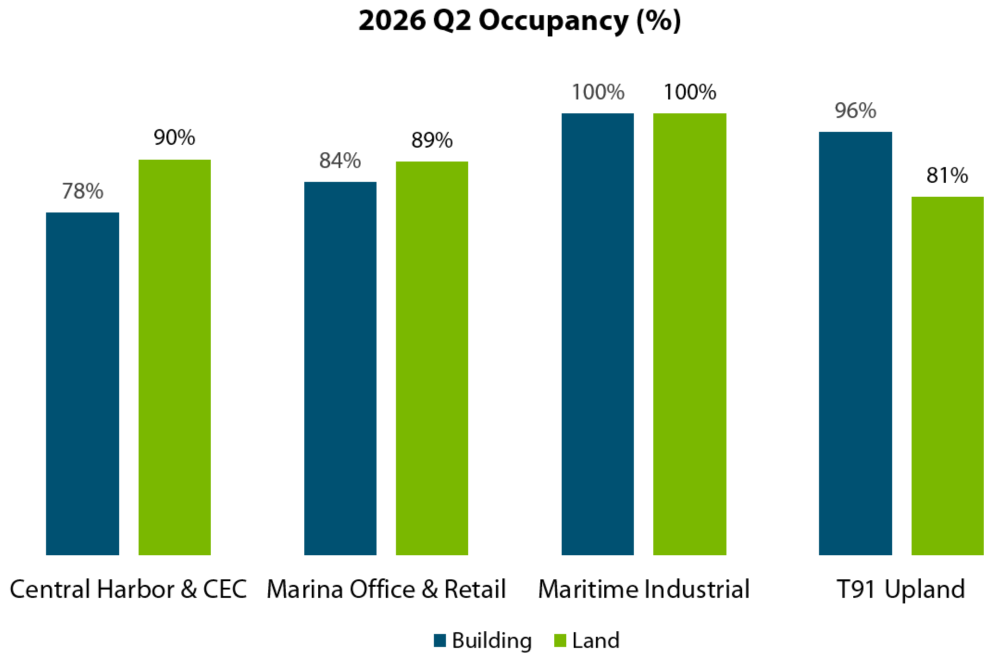
- Higher business volumes

Expenses- $490K Higher

- Higher CEC business activity increased variable expenses
- Higher allocations from Environmental and Police

Based on approved budget not revised budget

All Portfolio Management Occupancy

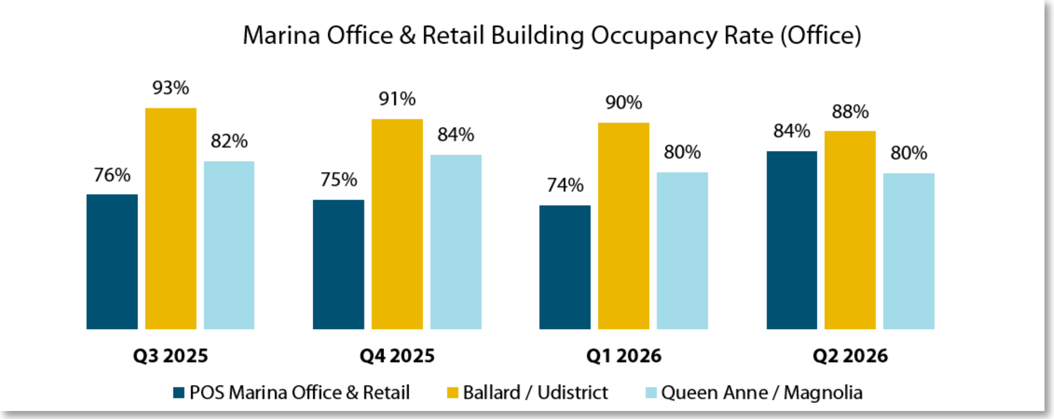


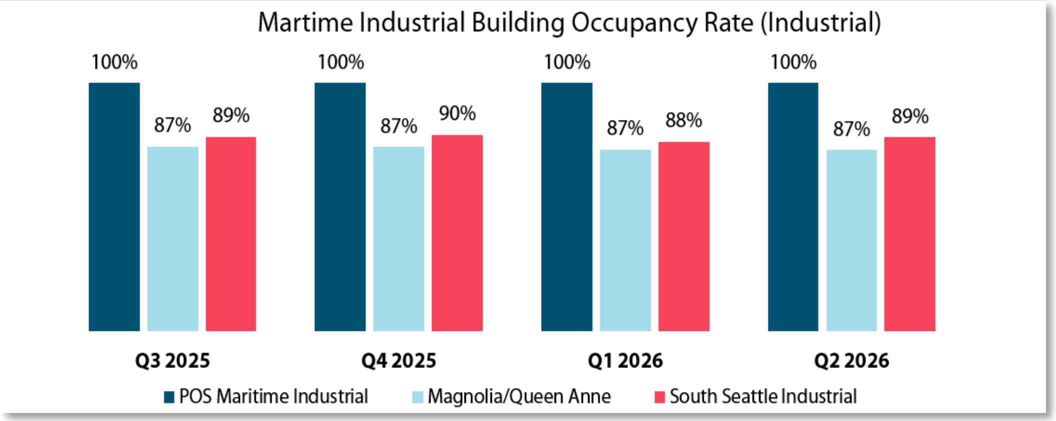
Overall, 91%: Building 87%, Land 92%

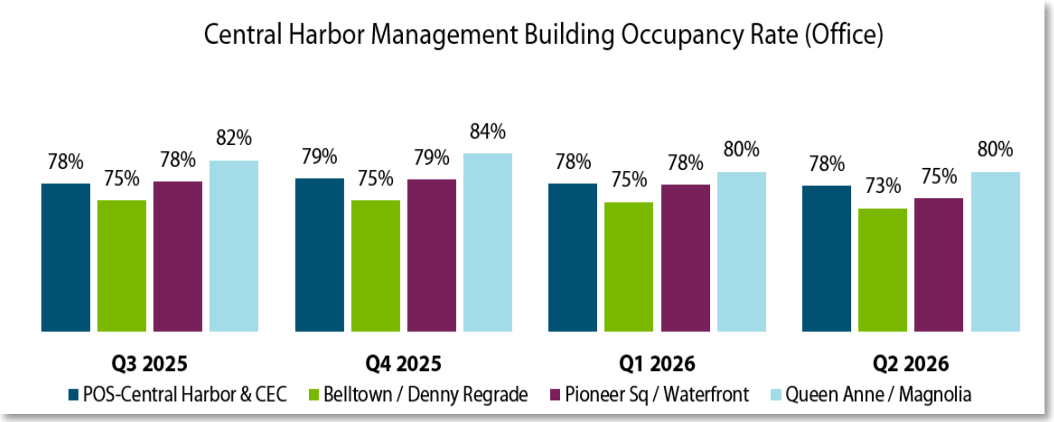
Total Available SF			**907,683**
Building	SF Occupied	SF Vacant	%Occupied
CEC	62,196	-	100%
Central Harbor	219,131	81,398	73%
Marina Office & Retail	177,512	32,678	84%
Maritime Industrial	271,370	-	100%
T91 Upland	60,706	2,692	96%
Total	**790,915**	**116,768**	87%

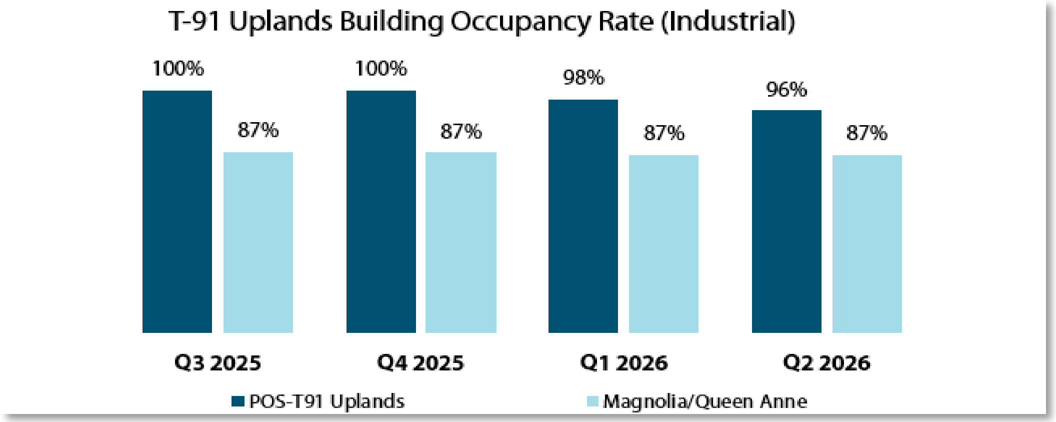
Total Available SF			**3,334,138**
Land	SF Occupied	SF Vacant	%Occupied
Central Harbor	1,235,339	143,173	90%
Marina Office & Retail	325,330	39,976	89%
Maritime Industrial	1,194,194	-	100%
T91 Upland	321,126	75,000	81%
Total	**3,075,989**	**258,149**	92%

All Portfolio Management Market Statistics









* Information source: Costar-Office & Industrial Market Averages (does not capture land only leases)

P69 Facilities

$ in 000s	2025 YTD	2026 YTD	2026 YTD	Bud Var	
Dept Expenses (Org basis):	**Actual**	**Actual**	**RBudget**	**$**	**%**
Salaries & Benefits	317	300	288	(12)	(4%)
Equipment Expense	28	27	17	(10)	(61%)
Supplies and Stock	33	22	35	12	36%
Outside Services	157	145	182	37	20%
Travel & Other Employee Exp	3	4	6	2	28%
Promotional Expenses	-	-	-	-	NA
General Expenses	45	48	50	2	3%
All Other Expenses	302	271	322	51	16%
Total Expense	**885**	**818**	**900**	**82**	**9%**

Vs. Budget

$82K Below

- $12K Supplies and Stock
- $37K Outside Services, mainly due to invoice timing carpet cleaning and lower laundry cleaning/software costs
- $51K Other Expenses:
  - $43K Utilities
  - $7K Department of Natural Resources
- **Partially offset** by $17K higher equipment costs from furniture purchase timing

Vs. 2025

$67K Lower

- $11K General Supplies
- $12K Outside Services due to software invoice timing
- $31K Utilities

Marine Maintenance

Marine Maintenance					
$ in 000s	2025 YTD	2026 YTD	2026 YTD	Bud Var	
Reimbursable Revenue	Actual	Actual	RBudget	$	%
JV	210	201	268	(67)	-25%
MD	134	333	170	164	96%
Total Reimbursable Revenue	**344**	**534**	**437**	**97**	**22%**
Labor:					
Staff	8,044	8,301	8,931	630	7%
Equipment & Supplies	1,120	975	1,420	445	31%
Outside Services	143	156	270	113	42%
Utilities	150	146	122	(24)	-20%
General Expenses	(227)	50	(11)	(61)	540%
Other Expenses	652	(290)	374	664	177%
SWU	1,549	1,425	1,632	207	13%
Facilities	1,293	1,281	1,276	(5)	0%
BOST	1,155	1,155	1,200	45	4%
Fleet	1,481	1,559	1,736	176	10%
Admin	85	149	260	111	43%
Total Expense	15,444	14,908	17,209	2,302	13%
Depreciation	943	1,109	1,173	64	5%
Overhead Rate	**39.4%**	**43.8%**	**41.9%**	**-1.9%**	**-4.6%**

Vs. Budget:

Reimbursable Revenue $97K Higher

- T18 (JV) $89K Below – minimal work, regulatory & compliance
- T91 $117K Higher – New Cruise Terminal operator requested - More Electrical work, Painting, Reader Boards, Barge Breasting

Expenses $2.3M Below

- Wages - $622K Below
  - Several Vacancies Laborers, Operators, Truck Drivers
  - Electrician's contract is not settled.
  - Workers Comp - $374K reversed a 2025 payment
- Materials - $500K Below – one time, expense projects
- Outside Services - $115K Below – one time and on call services

SWU $207K Below

- Wages $150K Below.
  - 1 EH was approved April, 1 Vacancy.
  - Flatten out because of OT with end of Cruise Season.

Fleet $176K Below

- Vacancies $100K Below- Auto Machinist (12/2025) & Manager
- Fuel $52K below. Usage is 5% Decrease over 2025; Diesel is up $2.19/gal to $6.14 from Q1. Unleaded is up $1.81/Gal to $5.19.

Admin $110 Below

- Miscoded utilities budget $33K below
- Salaries and contracts $40K below due to vacancy.

Vs. 2025:

Revenue: $190K Higher

- Terminal 91 work

Expenses: $536K Below

- Workers Comp Reserve, paid $374K in 2025 reversed in 2026.

Waterfront Development Office

Accomplishments & Milestones

Achieved Substantial Completion
Elliot Bay Connections
Pier 66 Grand Staircase
T91 Cruise Gangways
T5 Intermodal Yard Compressor
T5 Roof Replacement

Construction Permit/Authorization
T18 Shore Power – Notice to Proceed
T5 Container Yard Expansion – Construction Permit
FT C15 Building Improvements – Commission Construction Authorization

Waterfront Development Office

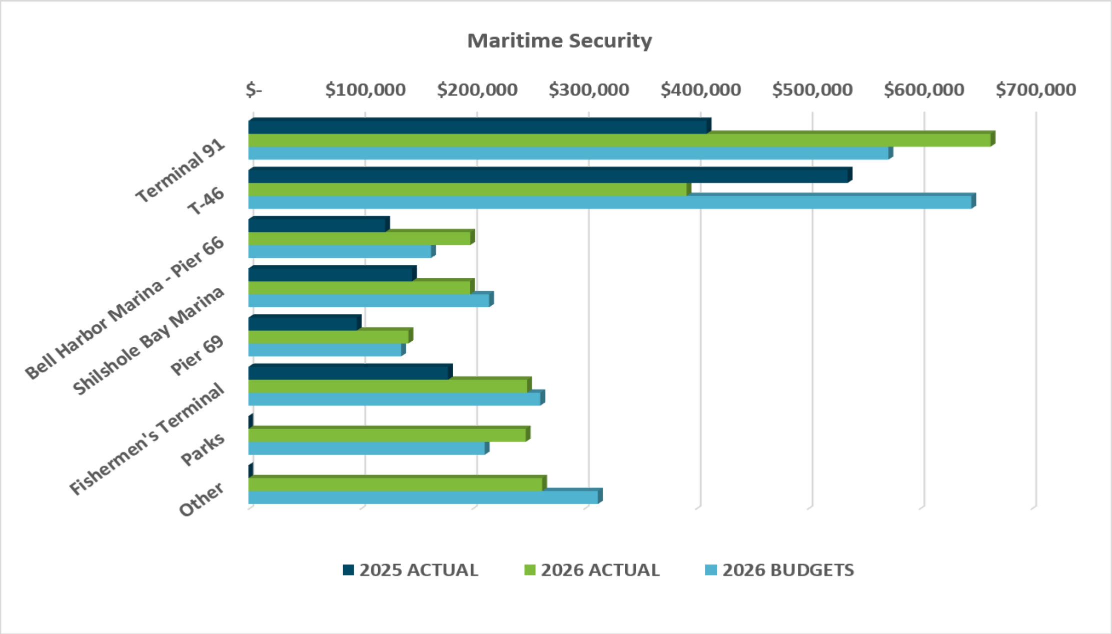
Maritime WDO						
	2025	2026	2026	2026		
$ in 000s	Actual	Actual	Budget	Rbudget	Bud Var	
Waterfront Project Management						
Payroll	3,716	3,756	4,171	4,171	(415)	-10%
Project Allocations	(1,978)	(2,161)	(2,540)	(2,540)	379	-15%
Outside Services					0	
POS	1,192	2,556	1,961	1,961	595	30%
NWSA	37	1,524	1,277	1,277	247	19%
Travel & Employee Exp	27	19	53	53	(34)	-65%
Other/OH Allocations	55	4,415	50	50	4,365	8751%
Total Waterfront Project Management	**3,049**	**10,108**	**4,972**	**4,972**	**5,137**	**103%**
Planning						
Payroll	477	486	599	599	(112)	-19%
Outside Services	6	34	350	350	(317)	-90%
Other	8	11	16	16	(5)	-32%
Total Planning	**491**	**531**	**965**	**965**	**(434)**	**-45%**
CDO Admin	0	181	176	176	5	3%
Total CDO	3,540	10,820	6,113	6,113	4,707	77%

Program	2026 Budget	Comment
T91 Energy & IT	175	To Date: $183k in billings, $261k in fees
CW Pilot Investment Strategy	250	$190k committed SD
FT Master Plan	175	On hold by Sponsor
Additional Support	100	
Total	700	

WPM:
- **Payroll:**
  - Open headcount (3)
- **Project Allocations**
  - 60% utilization vs 60% budget
- **Outside Services**
  - **$1.5 Over** budget Maintenance Dredging (T18/T45/T46)
  - T91 Rail Inspect deferred 2027 (105k)
  - T91 Uplands Roadway Assess cancelled ($230k)
  - FT C15 Patio Walkway leveling on hold ($99k)
- **Other Services**
  - **$4.3 Over** Miscoded ERL entries.

Planning:
- **Payroll:**
  - Sr. Program Manager (Resiliency) Position Filled! (Laura Wolfe)
- **Outside Services:**
  - $183k billings T91 Energy & IT (expected in July).
  - $190k committed SD for CWF Master Plan
- **Other:**
  - Equipment refresh, travel, conferences, unemployment benefits

Maritime Security

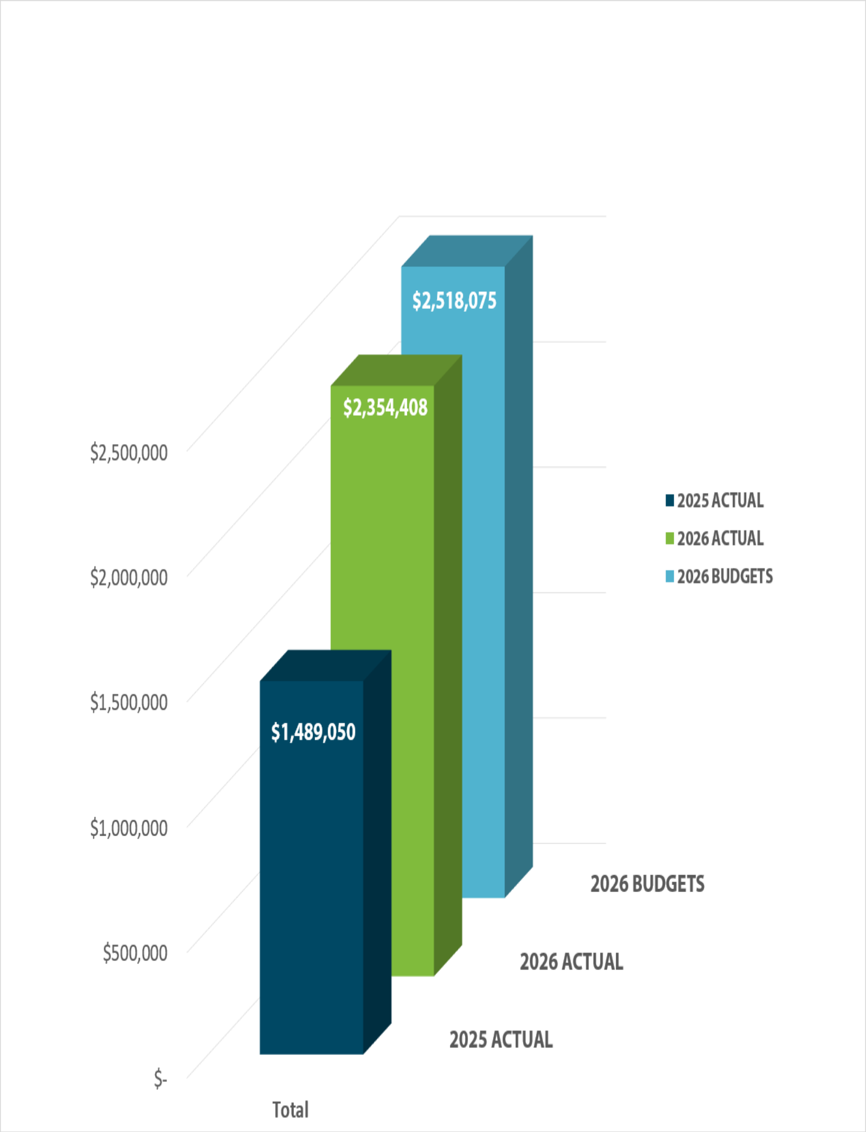


Variance from Budget

- The YTD actual expenses are approximately $164K below budget, primarily due to the reduction in the number of guards and the consolidation of the supervisor position at T-46.
  - Partially offset by the addition of a second vehicle and a driving patrol at T-91.

Variance from 2025

- Beginning in July 2025, the new security contract approved by the commissioners took effect with Prosegur



Stormwater Utility

$ in 000's	2024 YTD Actual	2025 YTD Actual	2026 YTD Actual	2026 YTD Budget	Actual vs. Budget Variance $	%	Change from 2025 $	%
Revenue								
NWSA	694	448	816	731	85	12%	368	82%
Tenants Revenue	2,131	2,530	2,604	2,826	(222)	-8%	74	3%
Port Non-tenants Revenue	814	932	1,090	966	124	13%	158	17%
Total Revenues	**3,639**	**3,909**	**4,510**	**4,523**	**(13)**	**0%**	**600**	**15%**
Expenses								
SWU	665	758	1,549	982	(567)	-58%	791	104%
Maintenance Expenses	1,918	2,231	2,114	2,627	513	20%	(117)	-5%
Central Waterfront PM	22	21	28	83	55	66%	7	30%
Environmental & Sustainability	21	73	131	190	58	31%	58	80%
Environmental Finance	25	39	47	45	(2)	-4%	8	20%
Other Central Services	500	721	666	638	(28)	-4%	(55)	-8%
Total Expenses	**3,151**	**3,844**	**4,535**	**4,565**	**29**	**1%**	**692**	**18%**
NOI Before Depreciation	**488**	**66**	**(26)**	**(42)**	**16**	**-39%**	**(91)**	**-139%**
Depreciation	631	666	715	708	(8)	-1%	49	7%
NOI After Depreciation	**(143)**	**(600)**	**(741)**	**(749)**	**8**	**-1%**	**(141)**	**23%**

- Revenue unfavorable 13K Tenant revenue unfavorable $220K and NWSA favorable $85K and Port Non-Tenant favorable $124k
- Expenses are unfavorable by 567K due primarily due to bad debt due to two NWSA tenants in default.
  - Under the SWU expenses of 585K
  - Offset by Marine Maintenance that is 513K
- Cash fund balance as of 6.30.2026 was $2.610M below the 50% revenue target of $4.543M (57% of Target met 6% lower than 63% target at end of Q01)

Maritime Division Admin

Q2 2026 came in **21% over budget,** resulting in a **($101K) overspend**

Admin - $ in 000's	2025 Actual	2026 Actual	YTD Budget	Budget Variance $	%
Salaries & Benefits	374	481	361	(120)	-33%
Travel & Other Employee Exp	40	52	85	33	39%
Outside Services	54	2	11	9	82%
Equipment Expense	19	1	2	1	59%
Promotional Expenses	(4)	33	7	(26)	-357%
All Other Expenses	7	5	7	2	29%
Total Operating Expense	**490**	**573**	**472**	**(101)**	**-21%**

Vs. Budget:

Salaries & Benefits: ($120K)
- Unbudgeted transfer of the Sr. Admin position from Fishing Ops mid-January
- Results of Compensation Project.

Travel & Other Employee Exp: $33K
- Unused budget for several international trips, includes airfare, lodging, meals, registration and local transportation.

Outside Services Exp: $9K
- Unused budget for Directors Retreat Facilitation Consultant -may be used in Q3.

Promotional Expenses: ($26K)
- Shared cost with Public Affairs for the SODO Business Improvement Area (BIA), $15K.
- 2025 invoice for the National Harbor Safety Conference meal sponsorship ($10K) was paid late due to the pause in TBC spending.

Vs. 2025:

$83K Higher
- Salary & Benefits increased due to transferred **Sr. Admin** position
- Three vacant positions moved to other LOBs in 2026.

Chief Development Officer (Transferred to Maritime Planning & Project Management Org 6260).

Innovation Program Manager & Sr. Resiliency Planner (Transferred to Seaport Strategic Plan & Policy Org 6250).

Economic Development Division Appendix

2026 Q2 Financial Performance Report

Port of Seattle®

EDD Q2 2026

$ in 000's	2023 YTD Actual	2024 YTD Actual	2025 YTD Actual	2026 YTD Actual	2026 YTD Revised Budget	Actual vs. Budget Budget Variance $	%	Change from 2025 $	%
Total Revenue	**8**	**9**	**11**	**6**	**8**	**(2)**	**1%**	**1,440**	**9%**
Expenses									
Division Admin	184	66	36	185	77	(108)	-139%	149	414%
Re Dev & Planning	0	0	(0)	25	(0)	(25)		25	
Small Business	0	0	0	0	25	25	100%	0	3%
Workforce Development	0	0	34	2	0	(2)		(32)	-95%
Tourism	524	558	757	733	902	169	19%	(24)	-3%
Total EDD	**707**	**624**	**827**	**945**	**1,004**	**59**	**6%**	**118**	**14%**
Maritime / Maintenance	10	11	22	13	13	(0)	0%	(9)	-42%
Central Services / IT	14	14	14	31	37	6	16%	17	120%
Total Support Services	**24**	**25**	**37**	**44**	**50**	**6**	**12%**	**7**	**20%**
Total Expense	**731**	**648**	**864**	**989**	**1,054**	**65**	**6%**	**125**	**15%**
NOI Before Depreciation	**(723)**	**(640)**	**(853)**	**(983)**	**(1,046)**	**63**	**6%**	**(130)**	**-15%**
Depreciation	6	5	7	14	11	(3)	-30%	7	91%
NOI After Depreciation	**(729)**	**(645)**	**(861)**	**(997)**	**(1,057)**	**59**	**6%**	**(137)**	**-16%**
GASB/Pension Credit Impacts									
Total Revenue				**0**		**(0)**		**0**	
Total Operating Expenses						**0**		**0**	
Total Depreciation						**0**		**0**	
NOI After Depreciation with GASB	**(729)**	**(645)**	**(861)**	**(997)**	**(1,057)**	**59**	**6%**	**(137)**	**-16%**

- Revenue includes Duwamish Hub rental – to be moved to MD in 2026
- Direct Charges include Tourism and EDD Tax Levy

EDD 2026 Forecast

$ in 000's	2023 Actual	2024 Actual	2025 Actual	2026 Forecast	2026 Revised Budget	Forecast vs. Budget Variance $	Forecast vs. Budget Variance %	Change from 2025 $	Change from 2025 %
Total Revenue	24	(8)	21	16	16	0	0%	(5)	-25%
Expenses									
Total Direct	3,301	2,897	2,582	3,288	3,288	0	0%	706	27%
Total Support Services	21	23	50	26	26	0	0%	(24)	-48%
Total Central Services / Other	30	31	32	76	76	0	0%	44	140%
Total Expense	3,351	2,951	2,663	3,390	3,390	0	0%	727	27%
NOI Before Depreciation	(3,328)	(2,959)	(2,643)	(3,374)	(3,374)	0	0%	(732)	-28%
Depreciation	12	14	16	21	21	0	0%	5	33%
NOI After Depreciation	(3,339)	(2,973)	(2,658)	(3,395)	(3,395)	0	0%	(737)	-28%
GASB/Pension Credit Impacts									
Total Revenue	(90)	(18)	(20)			0		20	100%
Total Op Expenses, Pension Adj	(3,850)	(3,145)	(790)			0		(790)	-100%
Total Depreciation						0		0	
NOI After Depreciation with GASB	421	153	(1,889)	(3,395)	(3,395)	0	0%	(1,507)	-80%

- Forecasting to budget as we anticipate catching up by EOY
- GASB includes legacy contra revenue for L2 Pension and POS pension credits in expense. Reduction in 2025 from 2024 driven by re-org.

Economic Development Division ~ Admin

Spending came in **19% under budget** or **$214K underspent**

$ in 000's	2025 YTD Actual	2026 YTD Actual	2026 YTD Budget	Budget Variance $	Budget Variance %
Salaries & Benefits	347	380	359	(21)	-6%
Travel & Other Employee Exp	34	66	204	138	68%
Outside Services (excludes Tax Levy)	266	172	341	168	49%
Outside Services Tax Levy	45	60	90	30	33%
Promotional Expenses	1	1	7	6	81%
Trade Business & Community	18	175	23	(153)	-678%
All Other Expenses	9	36	81	45	55%
Total Operating Expense	**718**	**891**	**1,104**	**214**	**19%**

Vs. Budget:

Travel & Other Employee Expenses: Underspent by $138K driven by**:**
- Memberships
  - SAF Cascadia payment in process, $100K.
  - Mass Timber Accelerator $10K.
  - WEDA Membership Dues $5K.
- Travel, Lodging & Meals $60K underspent.

Outside Services (excludes Tax Levy): **Underspent by $168K** driven by**:**
- Timing of Greater Seattle Partners invoices, $125K.
- Teal New Deal/Industrial Lands, no spending, $50K.
- High Peak underspend $31K.

Outside Services - Tax Levy: Underspent by $30K driven by**:**
- $30K underspend due to timing of Maritime Blue invoicing.

Trade Business & Community Expenses: Underspent by ($153K) primarily due to**:**
- Unbudgeted Seattle Climate Innovation Hub Sponsorship, ($25K).
- King County MOU Sponsorship ($125K)
- Community Business Connector program (Tax Levy). Delayed 2025 payment.

Vs. 2025: Total expenses are **$172K higher** than prior year driven by:
- Trade Business & Community Sponsorships ($157K).
- Advertising ($30K).
- Travel & Other Employee expenses ($26K).
- Maritime Blue Tax Levy expense ($15K).

Mission: Support economic recovery in King County and across the state by advancing trade and travel, promoting manufacturing and maritime growth, while advancing equity and sustainability.

Diversity In Contracting (Small Business)

Spending came in **15% under budget** or **$187K underspent**

Small Business - $ in 000's	2025 YTD	2026 YTD	2026 YTD	Budget Variance	
	Actual	Actual	Budget	$	%
Salaries & Benefits	853	859	864	6	1%
Travel & Other Employee Exp	20	14	37	23	62%
Outside Services (excludes Tax Levy)	13	15	95	80	84%
Outside Services Tax Levy	0	71	100	29	29%
Advertising	39	45	60	15	25%
Promotional Expenses	6	4	8	5	59%
Trade Business & Community	7	10	64	54	84%
All Other Expenses	14	35	10	(25)	-246%
Total Operating Expense	**952**	**1,052**	**1,239**	**187**	**15%**

Vs. Budget:

Outside Services: Spending came in **$80K** under budget driven by:
- A pending invoice for Mentor Protégé programs, $50K.
- Underspend at the Tabor 100 Resource Center $39K.

Outside Services - Tax Levy: Underspent by $27K
- Funding for DBE/WMBE Training and WMBE/SBE Capacity Building. Certifications will be reallocated, $25K.

Advertising: Underspent by $15K
- Full budget is still expected to be utilized by year-end.

Trade Business & Community: Underspent by $54K primarily due to:
- $20K in unspent WMBE/Chamber Community Connections budget.
- $20K for Port Industry Day venue rental planned to be repurposed.
- $18K is underspend for Industry Partner Training Classes.

All Other Expenses: Overspent by ($25K), driven by:
- $54K Political Subdivision Fee to certify OMWBE businesses budgeted in 2025, coded and applied to Miscellaneous Expense in 2026.

Vs. 2025: $100K Higher
- 2025 South King County Tax Levy payments to Northwest Mountain Minority Supplier processed in Q3 of 2026, $23K.
- Political Subdivision Fee to certify OMWBE businesses budgeted in 2025, applied in 2026, $54K.

Purpose: Advance equity and address contracting disparities by increasing the utilization of Women Minority Business Enterprises and other disadvantaged firms.

Real Estate Development & Planning

Spending came in **32% under budget** or **$254K underspent**

$ in 000's	2025 YTD Actual	2026 YTD Actual	2026 YTD Budget	Budget Variance $	Budget Variance %
Salaries & Benefits					
Aviaton Properties	*150*	*133*	*91*	(43)	-47%
Maritime Properties	*144*	*184*	*184*	0	0%
Travel & Other Employee Exp.	*1*	*8*	*14*	7	46%
Outside Services					
Aviaton Properties	132	152	161	9	6%
Maritime Properties	*9*	*105*	*334*	228	68%
All Other Expenses	*4*	*1*	*2*	1	69%
Total Operating Expense	***435***	***531***	***785***	**254**	**32%**

Vs Budget:

Salaries & Benefits: ($43K) overspent
- Overspent due to Allocation methodology

Travel & Other Employe Expenses: Underspent by $6K.
- The $7K budget for International Urban Land Institute travel was not used.

Outside Services: Total underspend of $237K,
- Maritime properties are **$228K underspent;**
  - Feasibility Analysis in progress for T91 Pre-Development efforts including communications support, $120K.
  - Feasibility Analysis/Due Diligence services in process for Bypass Road to CEM Study, $110K.
  - Strategic Development, Feasibility/Due Diligence services in process on P69 Space Planning and future planning, $15K.

Vs 2025: $96K Higher
Total spend year-over-year, primarily due to increased Outside Services costs associated with the CEM-Terminal 5 Freight Corridor spending and Salary & Benefit Allocation method.

RE Dev. & Planning: Facilitates the development of properties to maximize their mission performance and earning potential, identifies and evaluates new property acquisition opportunities and provides counsel to other divisions regarding real estate management and development.

Tourism

Spending came in **19% under budget** or **$169K underspent**

Tourism $ in 000's	2025 YTD Actual	2026 YTD Actual	2026 YTD Budget	Budget Variance $	Budget Variance %
Salaries & Benefits	331	333	316	(17)	-5%
Travel & Other Employee Exp	36	29	61	32	53%
Outside Services (excludes Tax Levy)	73	79	107	29	27%
Outside Services Tax Levy	221	196	300	104	35%
Advertising	28	14	50	36	72%
Promotional Expenses	42	44	52	8	15%
All Other Expenses	26	38	16	(22)	-141%
Total Operating Expense	**757**	**733**	**902**	**169**	**19%**

Vs. Budget:

Travel & Other Employee Expense: $32K underspent:
- The full budget is expected to be utilized, for events later in the year.

Outside Services (excludes Tax Levy): $29K underspent
- $35K budget for Responsible Tourism Data collection projects and Visitor information Chat Bot unspent.
- ($8K) overspent in Software for Simpleview License fee offset by Subscription budget.

Outside Services Tax Levy: $104K underspent on State of WA Tourism Contract.

Advertising: $36K underspent
- Budget for Marketing campaign underspent due to timing but will be utilized by year-end.

Promotional Expense: $8K underspent:
- $10K budget for State of WA Tourism annual conference.

All Other Expenses: ($22K) overspent pending Pcard expenses.

Vs. 2025 $24K Lower:

Outside Services-Tax Levy
- State of WA Tourism Contract payments will occur later in the year.

Port of Seattle Century Agenda Goal #2: *Advance this region as a leading tourism destination.*

Workforce Development

Spending came in **20% under budget** or **$384K underspent**

$ in 000's	2025 YTD	2026 YTD	2026 YTD	Budget Variance	
	Actual	Actual	Budget	$	%
Salaries & Benefits	485	478	485	7	2%
Travel & Other Employee Exp	2	3	8	6	67%
Outside Services	552	417	1,074	657	61%
Airport Workforce Dev.	285	573	287	(286)	-100%
Trade Business & Community	3	18	17	(1)	-6%
All Other Expenses	8	8	9	1	10%
Total Operating Expense	**1,335**	**1,496**	**1,880**	**384**	**20%**

Vs. Budget:

Travel & Other Employee Expenses: $6K underspent

- Airfare, Registration, Lodging and meals for West Premiere Sea Servies, Safe from Hate Summit and Women on the Water Conference not used.

Outside Services: $371K underspent

- $187K underspent in Maritime Workforce investments (SSC Maritime Welding MOA)
- $127K underspent in PORT JOBS NON- AIRPORT: Airport Employment Center.
- $42K budget for WFD Strategic Planning unspent
- $32K budget for Audio visual communication unspent.
- **Airport Workforce Development: ($287K) overspent** due to budget spread and timing of when invoices are received and processed.

Vs. 2025: $152K Higher Outside Services

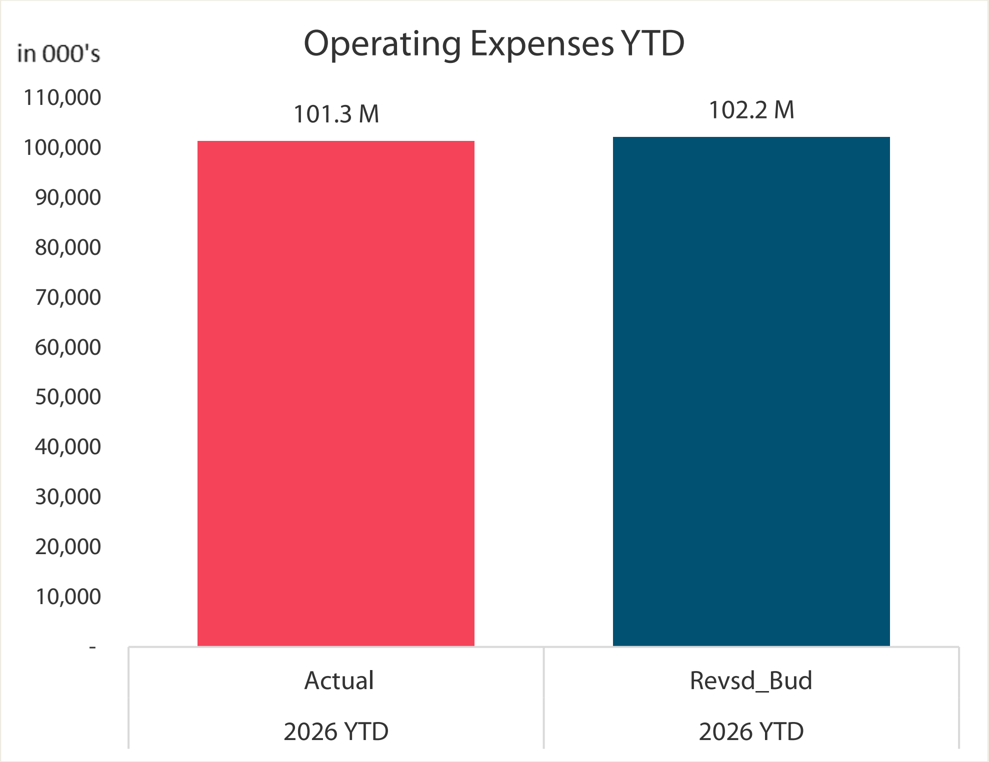
Timelier invoice processing for Port Jobs Employment Center Management and Construction Worker Outreach services.

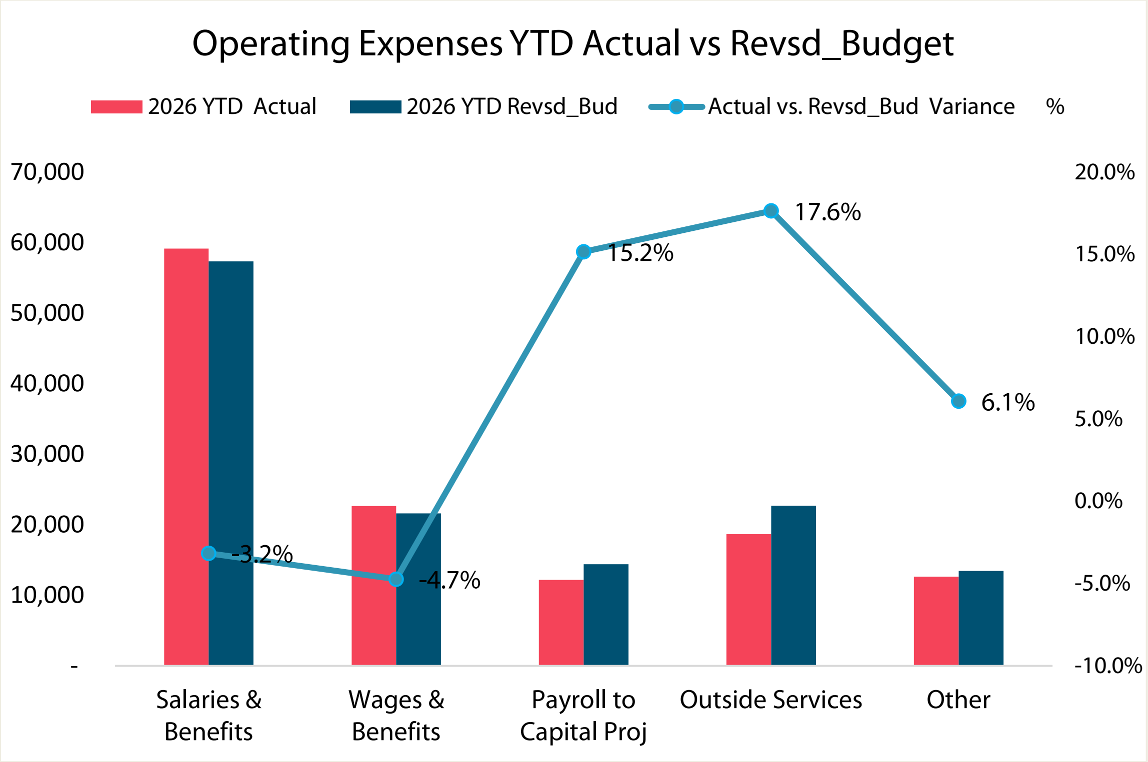
Century Agenda Objective 15: Advance regional workforce development in port-related industries by providing equitable access to quality careers

Central Services Appendix

2026 Q2 Financial Performance Report

Operating Expenses Summary (YTD)

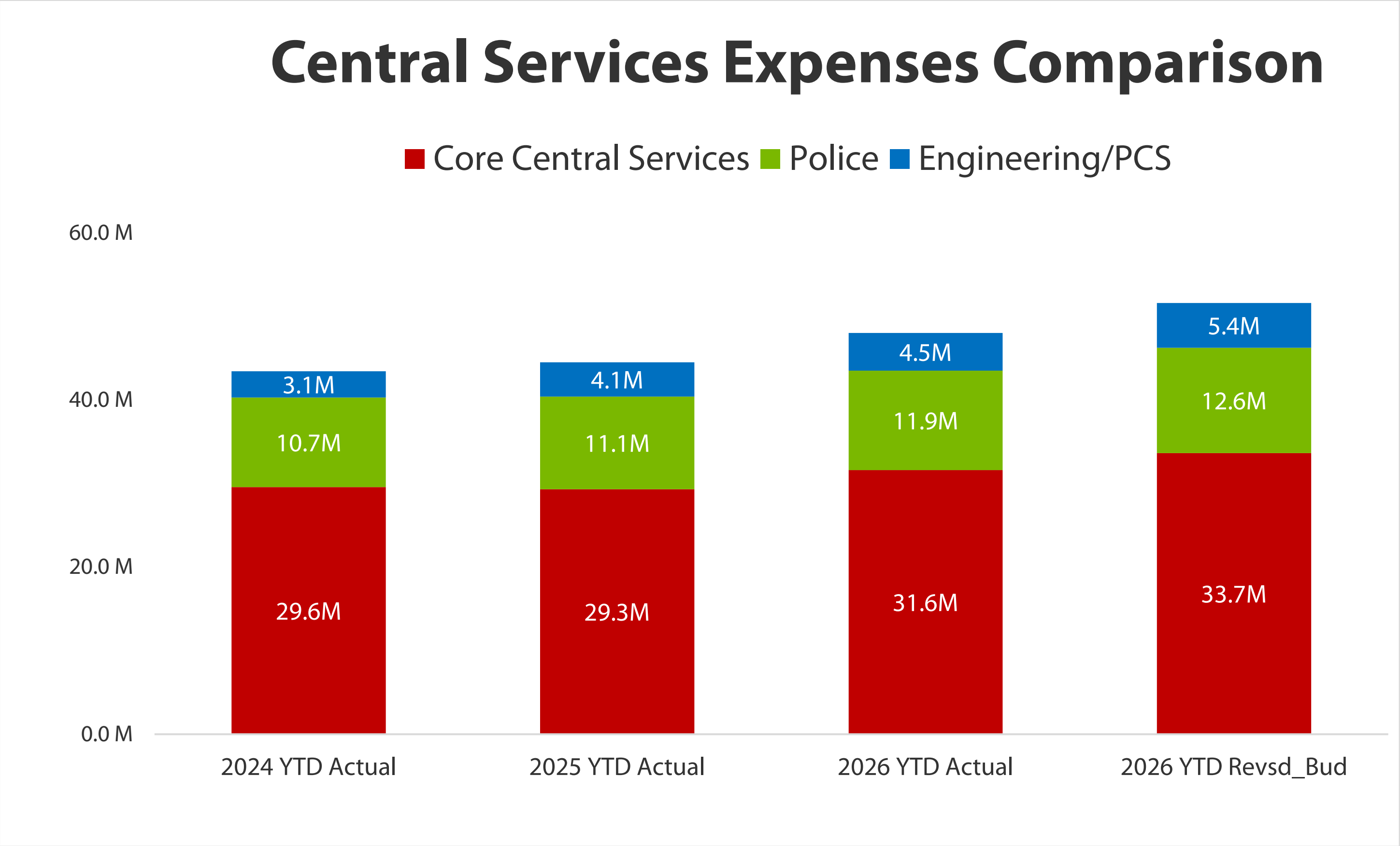




$835K or 0.8% favorable

- Payroll Expenses **$648K** higher than budget
- Outside Services **$4.0M** below budget
- Travel & Other Employee Expenses **$762K** below budget
- Litigated Injuries & Damages **935K** higher than budget
- Charges to Capital Projects **$3.3M** below budget

Central Services Financial Highlights (YTD)



2026 YTD Total Operating Expenses are **$8.8M higher** compared to 2025 due to:

- Higher Payroll, Equipment Expense, Outside Services, Insurance Expense, and General Expenses in 2025; partially offset by higher charges to Capital Projects.

Financial Forecast Summary

Figures in $000s	Forecast	Budget	Revsd_Bud	Variance
Revenues	**934**	**259**	**259**	**675**
GASB 87_96_103 Revenues	-	594	-	-
Total Operating Revenues GASB Comparable Basis	**934**	**853**	**259**	**675**
Core Central Support Services	134,755	129,624	132,607	(2,148)
Police	48,296	48,213	48,213	(83)
Engineering/PCS	22,240	21,887	21,887	(352)
GASB 87_96_103 Expenses	443	4,983	443	-
Total Operating Expenses GASB Comparable Basis	**205,734**	**204,707**	**203,151**	**(2,583)**
Capital Spending	**12,107**	**16,840**	**16,840**	**4,733**

- Core Central Services:
  - Payroll Expenses are higher than budgeted due to less Charges to Capital Projects.
  - Outside Services, Travel & Other Employee Expenses, and General Expenses are lower than budgeted.
- Police: Mainly due to higher Supplies & Stock than budgeted.
- Engineering & PCS: Mainly due to less Charges to Capital than budgeted.

Central Services YTD Financial Highlights

$ in 000's	2024 Actual	2025 Actual	2026 Forecast	2026 Budget	2026 Revsd_Bud	Actual vs. Revsd_Bud Variance $	Actual vs. Revsd_Bud Variance %	Change from 2025 Incr (Decr) $	Change from 2025 Incr (Decr) %
Total Operating Revenues	**403**	**14**	**934**	**259**	**259**	**675**	**260.9%**	**920**	**6689.1%**
GASB 87_96_103 Revenues	281	1,435	-	594	-	-	0.0%	(1,435)	-100.0%
Total Operating Revenues GASB Comparable Basis	**684**	**1,449**	**934**	**853**	**259**	**675**	**260.9%**	**(516)**	**-35.6%**
Core Central Support Services	142,358	98,442	134,755	129,624	132,607	(2,148)	-1.6%	36,313	36.9%
Police	43,591	46,327	48,296	48,213	48,213	(83)	-0.2%	1,970	4.3%
Engineering/PCS	15,644	18,256	22,240	21,887	21,887	(352)	-1.6%	3,984	21.8%
GASB 87_96_103 Expenses	3,227	1,131	443	4,983	443	-	0.0%	(688)	-60.9%
Total Operating Expenses GASB Comparable Basis	**204,820**	**164,156**	**205,734**	**204,707**	**203,151**	**(2,583)**	**-1.3%**	**41,578**	**25.3%**

2026 YTD Total Operating Expenses are $835K under revised budget due to:

- Payroll and General Expenses are higher than revised budget with lower charges to Capital Projects.
- Equipment Expense, Outside Services, Travel & Other Employee Expenses, and Worker's Compensation Expense are lower than revised budget due to the timely processing of actual expenses.

Central Services YTD Expense by Category

$ in 000's	2024 YTD Actual	2025 YTD Actual	2026 YTD Actual	2026 YTD Budget	2026 YTD Revsd_Bud	Actual vs. Revsd_Bud Variance $	Actual vs. Revsd_Bud Variance %	Change from 2025 Incr (Decr) $	Change from 2025 Incr (Decr) %
Salaries & Benefits	50,380	58,122	59,155	57,346	57,346	(1,809)	-3.2%	1,033	1.8%
Wages & Benefits	20,497	21,035	22,666	21,643	21,643	(1,023)	-4.7%	1,631	7.8%
Payroll to Capital Projects	11,343	10,353	12,212	14,395	14,395	2,184	15.2%	1,859	18.0%
Equipment Expense	578	748	1,351	1,586	1,586	235	14.8%	603	80.7%
Supplies & Stock	432	550	630	577	577	(53)	-9.3%	80	14.6%
Outside Services	17,065	15,929	18,700	24,474	22,707	4,007	17.6%	2,771	17.4%
Travel & Other Employee Expenses	1,239	1,426	1,383	2,145	2,145	762	35.5%	(43)	-3.0%
Insurance Expense	2,571	2,620	3,340	3,288	3,288	(52)	-1.6%	720	27.5%
Litigated Injuries & Damages	459	537	935	-	-	(935)	0.0%	398	74.0%
Other Expenses	3,867	2,371	5,006	2,608	5,867	862	14.7%	2,635	111.1%
Charges to Capital Projects/Overhead Alloc	(21,684)	(21,185)	(24,040)	(27,382)	(27,382)	(3,343)	12.2%	(2,854)	13.5%
O&M Expenses	**86,747**	**92,506**	**101,338**	**100,681**	**102,172**	**835**	**0.8%**	**8,832**	**9.5%**
GASB 87_96_103 Expenses	1,251	1,631	355	2,474	204	(151)	-74.2%	(1,276)	-78.2%
Total Operating Expenses GASB Comparable Basis	**87,998**	**94,136**	**101,693**	**103,155**	**102,376**	**683**	**0.7%**	**7,556**	**8.0%**

- Outside Services, Travel & Other Employee Expenses, and Other Expenses below revised budget due to timely processing of actual expenses.
- Litigated Injuries & Damages higher than revised budget and lower charges to Capital Projects.

Central Services Capital Spending

$ in 000's	2026 YTD Actual	2026 Year-End Forecast	2026 Budget	2026 Plan of Finance	Budget Variance $	Budget Variance %
Corporate Fleet Replacement	1,344	3,205	4,503	1,144	1,298	28.8%
Engineering Fleet Replacement	247	1,316	1,331	560	15	1.1%
Police Small Cap and Axon Contract	178	2,360	2,371	2,211	11	0.5%
Police IT System Upgrades	185	835	1,687	827	852	50.5%
Services Tech - Small Cap	458	854	1,500	1,388	646	43.1%
Infrastructure - Small Cap	417	2,060	1,500	1,500	(560)	-37.3%
PeopleSoft Financial System Upgrade	453	1,153	1,530	1,474	377	24.6%
Physical Access Control System Refresh	49	319	1,473	979	1,154	78.3%
Radio Microwave Redund. Loop	5	1,350	1,350	953	0	0.0%
Private Cellular Network (LTE)	0	0	1,250	2,000	1,250	100.0%
Maximo Software System Upgrade	195	645	1,200	600	555	46.3%
Other (note 1)	581	2,910	3,945	6,956	1,035	26.2%
Subtotal	4,112	17,007	23,640	20,592	6,633	28.1%
CIP Cashflow Adjustment	-	(4,900)	(6,800)	(6,400)	(1,900)	27.9%
TOTAL	**4,112**	**12,107**	**16,840**	**14,192**	**4,733**	**28.1%**

Note:
(1) "Other" includes remaining ICT projects and small capital projects/acquisitions.

Appendix – GASB 103

Port of Seattle®

New Accounting Standard GASB 103

The Governmental Accounting Standards Board (GASB) requires us to implement a new reporting standard, effective for the Port of Seattle on January 1, 2026.

The purpose of the new GASB 103 is to improve financial reporting and information for users.

GASB redefined operating and non-operating revenues and expenses, leading to changes in the current account structure.

GASB 103 resulted in $23.2M reduction in Operating Revenues and $27.3M increase in Operating Expenses (and $50.5M reduction in NOI) in the 2026 budget.

New Accounting Standard GASB 103

The definition of nonoperating revenues and expenses:

- (a) **subsidies** received and provided,
- (b) **contributions** to permanent and term endowments,
- (c) revenues and expenses related to **financing**,
- (d) resources from the **disposal** of capital assets and inventory, and
- (e) **investment** income and expenses.

If it doesn't meet the definition of nonoperating, it is operating.

GASB 103 Accounts Change Summary

GASB 103 Account Crosswalk			
Type	Old Account	GASB 103 Account	Account Description
OpRev→NonOp	49164	70405	RAC CFC Revenue
OpRev→NonOp	49275	70275	Federal Forfeitures
OpRev→NonOp	49282	70282	State Forfeitures
NonOp→OpRev	70120	49151	Accts Rec Int/Penalty- B&O Tax
NonOp→OpRev	70130	49152	PFC A/R Interest Income
NonOp→OpRev	70205	49205	ENVRS Recovery of Past Costs
NonOp→OpRev	70210	49130	Misc Revenue (Wholesale)
NonOp→OpRev	70212	49140	Misc Revenue (Retail) - Sls Tx
NonOp→OpRev	70213	49155	Misc Revenue - Leasehold Tx
NonOp→OpRev	70214	49145	Misc Revenue - Retail B&O Tx
NonOp→OpRev	70215	49160	Misc Revenue - Exempt
NonOp→OpRev	70320	49180*	Cashiers Over or Short
NonOp→OpExp	70380	67180	Election Expense
NonOp→OpExp	70390	67700	Business & Occupation Taxes
NonOp→OpExp	70400	67750	Miscellaneous Expense
NonOp→OpExp	70430	67950	Environmental Remediation Liab
NonOp→OpExp	70435	64200	Outside Legal Expense
NonOp→OpExp	70700	67730*	Banking Services
NonOp→OpExp	70710	67735	DVP - Custodial Costs
NonOp→OpExp	74010	67010	WPT GASB 68 Amort & Expense
	Existing Account		
	New Account		
**Repurposed/recycled accounts 49180 and 67730*			

GASB 103 Impacts on 2026 Budget

Old Accounts	New Accounts	REVSD BDGT 2026 Total Port of Seattle Changes	North Harbor Alliance Changes
70400-Miscellaneous Expense	67750-Miscellaneous Expense	8,567,776	-
70430-Non-Op Environmental Expense	67950-Environmental Remediation Liab	14,800,000	-
70700-Banking Services	67730*-Banking Services	138,000	2,750
70710-DVP - Custodial Costs	67735-DVP - Custodial Costs	15,000	-
70380-Election Expense	67180-Election Expense	1,844,952	-
70390-Administrative B&O Tax Expense	67700-Business & Occupation Taxes	12,403	-
70435-Enviromentl Recovery Legal Exp	64200-Outside Legal Expense	465,000	-
74010-Pension Trust Fund Contributio	67010-WPT GASB 68 Amort & Expenses	1,500,000	-
70210-Miscellaneous Revenue	49130-Misc Revenue (Wholesale)	-	-
70212-Misc Revenue - ST & BO Taxable	49140-Misc Revenue (Retail) - Sls Tx	-	-
70213-Misc Non-Op Revenue - LH Tax	49155-Misc Revenue - Leasehold Tx	-	-
70214-Retail B&O Taxable	49145-Misc Revenue - Retail B&O Tx	-	-
70215-Miscellaneous Revenue - Exempt	49160-Misc Revenue - Exempt	517,776	-
70120-Accts Rec Int/Penalty- B&O Tax	49151-Accts Rec Int/Penalty-B&O Tax	594,257	-
70130-PFC A/R Interest Income	49152-PFC A/R Interest Income	-	-
70320-Cashiers Over or Short	49180*-Cashiers Oiver or Short	-	-
49275-Federal Forfeitures	70275-Federal Forfeitures	-	-
49282-State Forfeitures	70282-State Forfeitures	-	-
49164-RAC CFC Operating Rev	70405-RAC CFC Revenues**	24,306,761	-
	TOTAL OPERATING REVENUE	**(23,194,728)**	**-**
	TOTAL OPERATING EXPENSE	**27,343,131**	**2,750**