

PORT OF SEATTLE 2018 FINANCIALS



The Port of Seattle provides critical and unique services on behalf of the people of King County and for the benefit of our region.

The Port invests in transportation infrastructure, maritime industrial development, tourism promotion and environmental programs to support communities and industries around Washington state.

The Port funds its operations and initiatives through revenue from user fees and charges, bonds, grants and a property tax levy.

The 2018 budget increases our investment in environmental stewardship, developing career opportunities in Port-related industries and supporting more equitable opportunities around our region.

2018 Budget Highlights

Funds redevelopment and strategic plan for Fishermen's Terminal, home of the North Pacific Fishing Fleet

Continues improvements at Terminal 91 to improve services for commercial fishing and cruise industries

Acquires Salmon Bay Marina to preserve maritime industrial space on the Ship Canal

Directs \$200,000 to study the feasibility of an Eastside Remote Bag Check-In and Mass Transit program

Expands the Port's marketing support for statewide tourism by dedicating an additional \$50,000 to promote local eco-tourism, and an additional \$50,000 to market the region to international visitors

Increases the Port's paid summer internship program, which primarily focuses on under-served high schools, from 82 to 90 interns

Hires new experts to implement Port policies to expand opportunities for women and minority-owned small businesses and to increase apprenticeship opportunities for women and minorities

Contributes \$90,000 in Port of Seattle funds to a Washington Department of Transportation statewide disparity study on Federal Aviation Administration funded projects at 64 Washington state airports

Actual vs. Maximum Allowable Levy



The Port has forgone \$491M in tax revenue since 1991

Washington State Ports have authority to levy taxes on property within the Port District (King County)

- 2017 levy is \$72 million (\$77 per year based on median home value)
- 2018 levy can be any amount up to \$101.6 million based on statutory limitations

Funding Resources: Airport

The airport is primarily self-funded and does not rely on tax levy resources.

OPERATING FUNDS AND OPERATING CASH FLOW:

From both aeronautical and non-aeronautical businesses

REVENUE BONDS: Paid from net income

TAX LEVY: A portion used to benefit communities near the Airport for costs that are ineligible for Airport funding per Federal Aviation Administration (FAA) restrictions

CAPITAL GRANTS: Restricted to specific projects

PASSENGER FACILITY CHARGES: Restricted to FAA approved projects

CUSTOMER FACILITY CHARGES: Restricted to consolidated rental car facility uses

Funding Resources: Non-Airport

We primarily fund non-airport projects through operating cash flow and tax levy funds. The Port uses the tax levy to invest in economic development and community initiatives.

OPERATING FUNDS AND OPERATING CASH FLOW:

From Northwest Seaport Alliance (NWSA), Maritime and real estate.

REVENUE BONDS: Paid from net income

TAX LEVY: Funds capital per levy policy

G.O. BONDS: Paid from tax levy

GRANTS: Restricted to specific projects

Budget Summary

Operating revenues are budgeted at **\$670.5M**

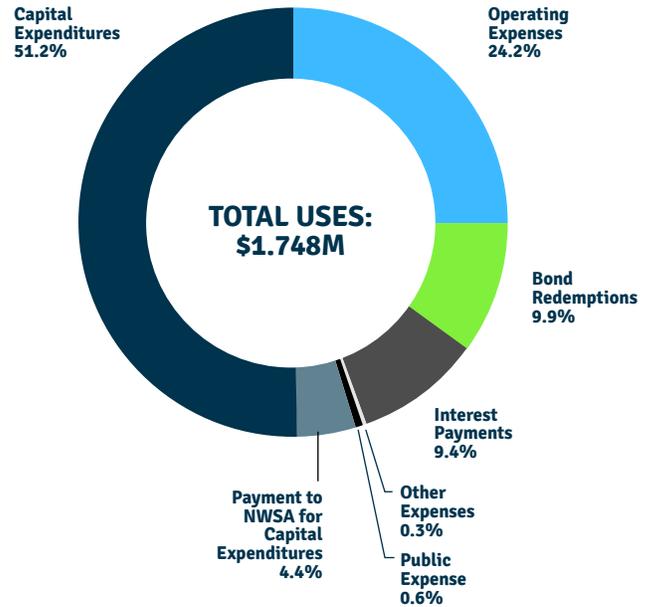
Operating expenses are budgeted at **\$422.9M**

Net Operating Income is budgeted at **\$247.6M**

The 2018 capital budget is **\$895.1M** and the five-year capital spending plan is **\$3.1B**

The proposed tax levy for 2018 is **\$72M**

Uses of Funds



Capital spending comprises more than half of Port expenditures

Tax Levy for Community Investment

The Commission uses tax levy funds for projects that create opportunities and improve communities.

Legacy environmental liability

Regional transportation

Highline Schools noise mitigation

Economic Development initiatives

- Workforce Development
- Economic Development Partnership and tourism programs

Capital projects that meet levy funding criteria

General Obligation (GO) Bond Debt Service