Port of Seattle

MUNICIPAL SECONDARY MARKET DISCLOSURE INFORMATION COVER SHEET

Submitted to
Municipal Securities Rulemaking Board ("MSRB")
pursuant to Securities and Exchange Commission rule 15c2-12
June 14, 2019

Issuer's Name: **Port of Seattle**

CUSIP Numbers: Information relates to all securities issued by the issuer having the following six-digit number: **735387**, **735388**, **735389**, **735371**, **735397**

Description of information attached: **Annual Disclosure Report**

Number of pages of attached information: **30 pages in this document including cover sheet. The Audited Financial Statements, as required under SEC rule 15c2-12, are filed separately.**

Fiscal Period Covered: **January 1, 2018 to December 31, 2018**

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

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Source is Port of Seattle unless otherwise indicated

I. Issues Covered in this Annual Disclosure Report:

Six-digit CUSIP Number **735388**

- Subordinate Lien Revenue Bonds, Series 1999A ("99A")
- Revenue Bonds, Series 2003A ("03A")

Six-digit CUSIP Number **735389**

- Revenue Refunding Bonds, Series 2004 ("04")
- Revenue Bonds, Series 2009B-1 and 2009B-2 ("09AB")
- Intermediate Lien Revenue and Refunding Bonds, Series 2010A, 2010B and 2010C ("10ABC")
- Revenue Refunding Bonds, Series 2011A and 2011B ("11AB")
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- Intermediate Lien Revenue Bonds, Series 2018A, 2018B ("18AB")

Six-digit CUSIP Number **735387**

- Passenger Facility Charges Revenue Bonds, Series 1998A ("98PFC")
- Passenger Facility Charges Revenue Refunding Bonds, Series 2010A ("10PFC")

Six-digit CUSIP Number **735397**

- Special Facility Revenue Refunding Bonds (SEATAC Fuel Facilities LLC), Series 2013 ("13SF")

Six-digit CUSIP Number **735371**

- Limited Tax General Obligation Refunding Bonds 2004C ("04GO")
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- Limited Tax General Obligation and Refunding Bonds, Series 2015 ("15GO")
- Limited Tax General Obligation Bonds, Series 2017 ("17GO")

Note: The Port is exempt from the continuing disclosure requirements of SEC Rule 15c2-12 for the following variable rate demand bonds, while in daily or weekly mode:

- SUBORDINATE LIEN REVENUE BONDS SERIES 1997 (AMT) (WA) --- CUSIP 735388H52
- SUBORDINATE LIEN REVENUE BONDS SERIES 2008 (AMT) (WA) --- CUSIP 735389LY2

The Port has, however, chosen to voluntarily disclose historical Annual Disclosure and external financial reporting information for these bonds, but has no obligation to do so in the future.

II. Statement of Changes to Continuing Disclosure

No changes.

Port Labor Relations

As of April, 2019 approximately 1,048 employees belong to bargaining units under 22 labor contracts.

Port Outstanding Debt (in millions of dollars)

Type of Debt	12/31/2018
General Obligation[1]	$ 362
Revenue	
Senior Lien [2]	295
Intermediate Lien	2,673
Subordinate Lien	
Long-term[3]	233
Commercial Paper [4]	250
Other	
PFC - Revenue Bonds	82
Special Facility Revenue Bonds - Fuel Hydrant	73
TOTAL	$ 3,968

Note: Totals may not foot as a result of rounding.

(1) 100% of the Port's General Obligation debt is non-voted. See FN 5 of the Comprehensive Annual Financial Report (CAFR) for a listing of General Obligation issues, maturity dates and amounts outstanding.

(2) Senior Lien Debt Outstanding shown includes accumulated accreted interest from the 2009 B-2 Capital Appreciation Bonds of $21.75 million at 12/31/2018.

(3) Long-term Subordinate lien debt consists of approximately $204.65 million in variable rate debt and approximately $28.01 million in fixed rate debt.

(4) The total authorized amount of Commercial Paper program is $250 million. Total outstanding CP as of 12/31/2018 was $118.66 million.

Port of Seattle Limited Tax G.O. Bond Debt Service (in thousands of dollars)

Year	Principal	Interest	Total Debt Service
2018	$25,970	$17,477	$43,447

Port of Seattle Surety Bonds as of 12/31/2018

Surety Bonds for Port Revenue Bonds that are not secured by Common Reserve Funds

	Final Maturity	Reserve Requirement ($)	Surety Provider
First Lien Bond Series			
Series 2003A	2021	$13,373,451	MBIA[1]
Subordinate Lien Bond Series			
Series 1999AB	2020	$18,505,263	FGIC[2]

(1) Reinsured and administered by National Public Finance Guarantee Corporation.
(2) Reinsured by MBIA and currently reinsured and administered by National Public Finance Guarantee Corporation.

First Lien Common Reserve Funds

The First Lien Common Reserve Requirement at 12/31/2018 is $12,516,720, and is provided for by cash and securities. Only the 2011AB Revenue Bonds and 2016ABC Revenue Refunding Bonds are secured by the First Lien Common Reserve.

Intermediate Lien Common Reserve Funds

The Intermediate Lien Reserve Requirement at 12/31/2018 is $157,939,362, calculated pursuant to the Intermediate Lien Master Resolution, and is provided for by cash and securities. All Intermediate Lien Parity Bonds are secured by the Intermediate Lien Common Reserve.

Port of Seattle Revenue Bond Debt Service [1] (in thousands of dollars)

		12/31/2018
First Lien Bonds [2]	Interest	$ 13,373
	Principal	19,425
Intermediate Lien Bonds	Interest	112,926
	Principal	79,095
Subordinate Lien Bonds [3]	Interest	5,389
	Principal	30,315
Subordinate Lien Notes (Commercial Paper) [4]	Interest	4,853
	Principal	2,084

(1) These amounts are reported Gross of Capitalized Interest and any Premium or Discount Amortization. Principal amounts do not include refundings. Debt service in this schedule may not represent debt service in the coverage calculation.

(2) This amount excludes Accreted Interest on the 2009B-2 Capital Appreciation Bonds.

(3) Includes optional redemptions of the 2008 VRDB and 1997 VRDB of $8.73 million and $8.67 million, respectively.

(4) The total authorized amount of Commercial Paper (CP) program is $250 million, but actual amount outstanding varies each year. CP debt service (above) is based on an amortization of outstanding CP at December 31, 2018 using the year-end Yield to Maturity rate of the 40-Bond Index (as published in *The Bond Buyer*). These debt service amounts are also used in the calculation of the Net Revenue Schedule, as included in the statistical section of the Port's CAFR. In 2018, the Port actually paid down $1 million of CP principal, and issued $100 million of new CP.

Tax Levy: Recent Tax Levy Activity [1] (in dollars)

2018 Tax Year	
2018 Port District Assessed Valuation	$ 534,662,434,753
Maximum Levy	101,612,964
Total Tax Levy	72,012,219
Total Tax Levy Rate [2]	0.13
2018 LTGO Bond Debt Service	43,446,809
Tax Levy Allocable for General Purposes	28,565,411

Note: Please refer to the 2018 CAFR (Schedules 13 and 14 in the Statistical Section) for more information on recent tax levy activity.

(1) The Maximum Levy is per the "Levy Limit Worksheet – 2018 Tax Roll" from the King County Assessor's Office. All other figures can be found in the King County Assessor's Annual Report - 2018.

(2) Per $1,000 of assessed value.

Insurance

General Overview

The Port has a comprehensive risk management program that financially protects the Port against loss from adverse events to its property, operations, third-party liabilities, and employees. The Port's insurance year for liability coverage runs from October 1, 2018 to October 1, 2019. The Port's insurance year for property coverage runs from July 1, 2019 to July 1, 2020. The Port utilizes the services of Alliant Insurance Services for the placement of its liability and property insurance. Alliant was selected through a competitive selection process. All of the Port's insurance carriers are rated "A" or better by the A.M. Best & Company and include American International Group, Liberty Mutual, Atlantic Specialty Company, Lexington, Navigators Insurance, and National Union.

Property Insurance

The Port maintains a comprehensive property insurance program for loss of and damage to Port property, including business interruption and equipment breakdown with a $1 billion per-occurrence limit and a $500,000 per-occurrence deductible for Aviation Division properties and $250,000 elsewhere. Terrorism coverage is purchased through the London market and is provided with a sub-limit of $350 million per occurrence. Coverage for flood is capped at an annual aggregate of $50 million above a flat $500,000 deductible. The total estimated replacement cost of insured Port property is $5.76 billion. The Port does not purchase earthquake insurance for its insured property unless it is part of a builder risk property insurance policy specific to a project under construction. Property insurance coverage extends to contractors of the Port working on Port assets, for property damage to the work or improvements, that are in the contractor's scope of work, and that have been scheduled to the Port's insurer. Property not in the scope of work, not scheduled with the insurer, and adjacent Port property the contractor is not working on, is not covered for the contractor. This "course of construction" coverage has a maximum limit of $50 million per project. Many of these types of projects are upgrades or restoration to existing assets, in which a new asset is not created, such as re-reroofing an existing roof or runway re-paving. Projects under construction (or restoration) over $50 million must be specifically underwritten under a separate policy, and these policies are referred to as builder risk policies.

Builder Risk (Property Insurance for Construction in Process)

Larger projects, typically over $50 million in completed values require separate property insurance during the time the assets are being constructed. These are referred to as builder risk policies that cover the asset and value of the assets as they are constructed and completed. Both the owner and contractor have an insurable interest in the policy for physical loss to the asset up until the completion of the project. Upon project completion, the value of the asset is then transferred to the owner's insurance policy for coverage throughout its operational life cycle. Additional insurance, through a separate builder risk insurance policy was procured in the second quarter of 2016 to provide full replacement cost coverage for the North Satellite Renovation and Expansion Project Phase I. This policy expired on May 30, 2019 and the Phase I work is now insured on the Port's main property policy. A new policy for Phase II of the North Satellite Renovation and Expansion Project was purchased to cover this second phase from June 1, 2019 to August 1, 2021.

A similar builder risk policy was purchased separately for the International Arrivals Facility (IAF) in April 2017. This policy will now run through May 30, 2020. Another builder's risk policy will be purchased for the Terminal 5 Modernization Project which also has two phases and an insured construction value of about $185 Million which includes soft costs and delay in completion. This builder's risk policy will run from July 15, 2019 through December 30, 2022. These various builder risk policies will insure the interests of both the Port and the contractor(s). Coverage for terrorism, flood, and earthquake is included in the builder risk policies.

Liability Insurance

The Port purchases excess non-aviation commercial general liability (namely bodily injury and property damage coverage) insurance, which covers losses involving actual or alleged bodily injury and/or property damage that arises from claims made against the Port by third parties. This is a primary policy with a $1,000,000 per occurrence (claim) retention for general liability occurrences and a limit of $10 million per occurrence. In addition to this primary policy is an excess marine policy with coverage up to a $50 million per occurrence limit, which provides coverage for Port marine exposures (cargo, cruise, marina, and terminal operations). This excess liability policy also includes coverage for the Port's non-aviation operational, automobile, employee benefits, and foreign liability exposures. Coverage includes claims resulting from bodily injury and property damage arising from terrorism acts (under the Terrorism Risk Insurance Program Reauthorization Act of 2007 and reauthorized in 2015). The Port also has a London-based terrorism liability policy that offers $15 million of limits per occurrence and in the annual aggregate for acts of terrorism (whether certified or not) that would apply to any Port operation at any Port location.

The Port purchases a separate airport operator's primary and excess liability insurance policy which covers liability claims from third parties that involve property damage and/or bodily injury arising out of airport operations. The limit of liability is $500 million with a $1 million per occurrence (claim) retention. The annual policy retention aggregate is $1 million. Coverage for events stemming from terrorism and/or war (malicious acts) is included under the Airport operator's primary insurance policy up to a limit of $100 million.

Liability insurance is also purchased to cover exposures and liabilities that could stem from the wrongful or non-intentional acts of Port employees, directors, and Commissioners (Public Official Liability), and employment practices liability ($15 million aggregate limit/$1.5 million per claim retention); fiduciary liability ($5 million limit/no deductible), and law enforcement liability ($10 million limit/$1.5 million per wrongful act retention). The Port also purchases an employee dishonesty policy (also known as a fidelity bond) protecting the Port from liability due to the dishonesty and/or fraudulent acts of Port employees. This policy has a $5 million limit. The Port self-insures its workers' compensation exposure. The Port also insures its vessels for liability under a separate policy with limits of $1 million per occurrence. The Port has a foreign liability master policy that provides liability coverage for property damage and bodily injury for Port employees when engaged in foreign travel. This policy also has coverage for emergency medical expenses and coverage for kidnap and ransom. Finally, the Port has a cyber-liability policy that provides limits up to $10 million in the annual aggregate for various cyber exposures and liability, including breach notification response and expenses, cyber extortion, and damage to data including business interruption.

Third-Party Agreements

Contractors, tenants, and lessees are required to carry at least $1 million of commercial general liability insurance (up to $25 million or more for large construction projects and higher-risk projects) and automobile liability insurance of at least $1 million ($5 million for automobiles operated on the non-movement part of the aircraft operations area and $1 million for automobiles operated on the aircraft movement area of the aircraft operations area). The Port requires airline tenants, with aircraft operations on the airfield at the Airport, to provide between $5 million and $300 million per-occurrence liability limits. Ground handlers, working for the airlines on the airfield and under license to the Port, are required to carry a minimum of $5 million per occurrence of general liability insurance and $5 million per occurrence of automobile liability insurance. Contractors and other third-party vendors working for the Port must also provide proof of workers' compensation coverage for their employees as well as State "stop-gap" coverage that covers employers' liability. The Port requires all contractors, tenants, and lessees to include the Port as an "additional insured" on their policies of commercial general liability insurance, along with a waiver of subrogation in favor of the Port, and endorsement that requires these parties' insurance to be primary and non-contributory relative to any general liability insurance the Port carries. All contracts and lease agreements require that the Port and its employees, officers, and Commissioners are to be held harmless and indemnified for all actual and alleged claims that arise out of the acts of the Port's contractors, consultants, vendors, licensees, and lessees. Professionals such as engineers, architects, and surveyors are also required to carry professional liability (errors and omissions) insurance for work they do for the Port, with minimum limits of $1 million per claim or wrongful act.

Owner Controlled Insurance Program

The Airport's Capital Improvement Program ("ACIP") construction projects (built between 2001 and 2008) were insured against third-party general liability claims for property damage and bodily injury under policy that was part of the Owner Controlled Insurance Program ("OCIP") that expired on December 31, 2008. All ACIP work completed prior to the OCIP termination date continued to be covered for potential future claims for property damage and bodily injury through December 31, 2016. The run-out period has ended and there are no open or outstanding claim obligations remaining relative to this former policy. The collateral agreement has ended and there are no more funds to be returned to the Port or to be paid to the Port.

All potential claims that may arise from errors and omissions involving professional work were covered under an OCIP policy covering contactor's pollution liability and errors and omissions (from professional work of engineers and architects). The policy period in which the work leading to the liability occurred ended on December 31, 2018 with a 10-year reporting tail for claims noted following the termination of the policy. The Port secured this policy with collateral that. was paid prior to 12/31/2000. Once claim against this policy was reported in 2018, prior to the end of the 10-year tail reporting period. The 10-year tail reporting period ended on 12/31/2018, and in Q2 of 2019, the Port received the balance of the collateral back, along with interest, in an amount that equaled $1,296,431. The Port submitted a claim in May 2018 against the OCIP professional liability coverage policy for damages associated with the glass wall at the Central Terminal Building at the airport. The outcome of this claim is unknown. This was the only claim submitted against the policy. There are no more open policies or collateral agreements that remain in effect relative to the OCIP.

Changes in the Identity of the Port's Treasurer

No change.

Changes in the Port's Investment Policy

The Port's investment policy was amended by resolution on May 22, 2018, to authorize investments in the Washington State Local Government Investment Pool (LGIP).

For further details on the Port's cash & cash equivalents, and investments as of December 31, 2018, please refer to the Audited Financial Statements included in the 2018 CAFR.

Percentage of Domestic and International Flights

Of the approximately 24.9 million enplaned passengers in 2018, approximately 10.8% were on non-stop flights to international destinations and 89.2% were on domestic flights.

Enplanement Market Share by Airline

Rank	Airline	Enplaned Passengers	Market Share (%)
	Alaska Airlines (1)	9,776,937	39.3
	Horizon Airlines	2,281,352	9.2
	Virgin America (2)	144,724	0.6
1	**Alaska Air Group subtotal**	12,203,013	49.1
2	Delta Air Lines (3)	5,747,298	23.1
3	United Airlines (4)	1,609,517	6.5
4	Southwest Airlines	1,583,717	6.4
5	American Airlines (5)	1,397,371	5.6
6	Spirit Airlines	294,975	1.2
7	JetBlue Airways	279,100	1.1
	All Others (6)	1,779,347	7.1
	Airport Total	**24,894,338**	**100.0**

Note: Totals may not foot due to rounding.
(1) Includes flights operated by SkyWest.
(2) In December, 2016, Alaska Air Group acquired Virgin America, and in 2018 consolidated branding Virgin America flights into Alaska Airline flights.
(3) Includes Delta Connections (operated by SkyWest and Compass Airlines).
(4) Includes United Express (operated by SkyWest).
(5) Includes flights operated by American Eagle.
(6) Includes all airlines with less than one percent market share each.

Source: Port of Seattle

Number of Passenger, Charter, and All - Cargo Airlines

14 U.S. flagged passenger airlines and 21 foreign flagged passenger airlines served the Airport in 2018.

Source: Official Airline Guide (OAG)

3 charter airlines with more than 1,000 passengers served the Airport in 2018.

Source: Official Airline Guide (OAG)

In 2018, Sea-Tac Airport was served by 6 U.S. flagged all-cargo carriers and 4 foreign flagged all-cargo carriers, each having a market share greater than 0.5%. These figures include passenger airlines that operate all-cargo aircraft. These figures do not include air mail.

Source: As reported to the Port by the airlines

Number of Domestic Daily Non-stop Cities Served

Passenger airlines provided daily non-stop service to 92 domestic cities in 2018.

Source: Official Airline Guide (OAG)

Percentage of Enplanements Traveling to Asia

In 2018, passengers traveling to Asia represented approximately 34.8% of international enplanements and 3.8% of all enplanements.

Customer Facility Charge Rate:

In 2018, the Customer Facility Charge (CFC) remained $6.00 per rental car transaction day.

Percentage of Origin and Destination (O&D) Passengers

For 2018, the estimated percentage of O&D passengers was 71.2%. O&D passengers are defined as passengers that start or end their trip in Seattle.

Source: U.S. Department of Transportation

Primary Domestic Origin and Destination Markets

Rank	Market [1]	Approximate air miles from Seattle	Share of market, based on enplaned passengers (%) [2]	Average daily non-stop departures
1	Los Angeles, CA	952	11.7	49
2	San Francisco Bay, CA	674	10.3	52
3	Las Vegas, NV	889	4.5	18
4	New York City, NY	2,450	4.3	15
5	Phoenix, AZ	1,121	4.0	17
6	Denver, CO	1,037	3.5	19
7	San Diego, CA	1,069	3.5	13
8	Chicago, IL	1,761	3.3	18
9	Dallas/Ft Worth, TX	1,722	2.6	14
10	Sacramento, CA	612	2.2	14
11	Boston, MA	2,567	2.0	6
12	Minneapolis / St. Paul, MN	1,448	1.9	10
13	Washington, DC	2,408	1.9	6
14	Honolulu, HI	2,742	1.7	5
15	Spokane, WA	224	1.7	22
16	Atlanta, GA	2,241	1.6	9
17	Salt Lake City, UT	701	1.6	12
18	Houston, TX	1,909	1.6	7
19	Anchorage, AK	1,453	1.6	19
20	Orlando, FL	2,553	1.4	3
21	Austin, TX	1,771	1.2	3.1
22	Boise, ID	402	1.2	13
23	Kahului, HI	2,643	1.1	4
24	Detroit, MI	1,927	1.1	7
25	Portland, OR	130	1.0	29
		Subtotal	72.5	384
		All other cities	27.5	129
		Total	**100.0**	**513**

Note: Market share percentages represent an average for the year. Totals may not add to 100% as a result of rounding.
(1) Each market includes the major airports within the market.
(2) Compiled by the Port from U.S. Department of Transportation statistics.

Sources: US Department of Transportation OD1A database; Official Airline Guide (OAG) schedule

Scheduled International Service

Country	Percent of International Seating Capacity (%)
Canada	32.3
China	9.6
United Kingdom	9.5
South Korea	8.2
Mexico	6.7
Germany	5.8
Netherlands	4.8
Japan	4.7
United Arab Emirates	4.4
France	4.1
Taiwan	4.0
Iceland	3.0
Hong Kong	2.1
Ireland	1.0
Total	100.0

Note: Totals may not add to 100% as a result of rounding.

Source: Official Airline Guide (OAG)

Non-Stop Scheduled Departures by Airline

Airline	Average Daily Departures
Alaska Airlines	176
Horizon Air	103
Delta Air Lines	81
Delta Connection/Compass [1]	44
Southwest Airlines	34
United Airlines	28
American Airlines	24
Delta Connection/SkyWest [1]	17
Alaska/SkyWest [2]	16
JetBlue Airways	6
Spirit Airlines	6
Air Canada Jazz	5
American Eagle [3]	4
Virgin America	3
Frontier Airlines	2
Hawaiian Airlines	2
British Airways	2
United/SkyWest [4]	2
Icelandair	1
Sun Country Airlines	1
Hainan Airlines	1
Air Canada	1
EVA Air	1
All Nippon Airways (ANA)	1
Emirates Airlines	1
AeroMexico	1
Virgin Atlantic Airways	1
Lufthansa	1
Asiana Airlines	1
Korean Air	1
Condor	1
Volaris	1
Norwegian Air UK	<1
Air France	<1
Xiamen Airlines	<1
Aer Lingus	<1
Norwegian Air Shuttle	<1
Total	571

Note: Enplanements are reported separately in the table entitled, "Enplanement Market Share by Airline" on page 10.
(1) Enplanements are reported under Delta Airlines.
(2) Enplanements are reported under Alaska Airlines.
(3) Enplanements are reported under American Airlines.
(4) Enplanements are reported under United Airlines.

Source: Official Airline Guide (OAG

Airport Business Arrangements

The Airline Agreements

Status of Airline Agreements. In February 2018, the Port reached agreement on key terms for a new Signatory Lease and Operating Agreement ("SLOA IV"), which took effect on June 1, 2018, and applied retroactively to January 1, 2018; it expires on December 31, 2022.

SLOA IV Terms. The Airport derives a significant portion of its revenues from air carriers using the Airport. Pursuant to FAA guidelines, the Airport passes aeronautical costs on to the air carriers. Traditionally this has been accomplished through lease and operating agreements at the Airport. Many of the terms of the SLOA IV agreement are similar to the prior "SLOA III" agreement; key changes include the reduction in revenues shared with the airlines as described under the heading "Revenue Sharing" below and the changes in the gate allocation methodology. SLOA IV limits the number of gates that the Airport can withhold for common use, while also establishing a minimum of six aircraft turns per day for preferential use gates. This provides greater certainty of preferential gate use to airlines while allowing the Airport to maintain adequate flexibility to accommodate carriers at common use gates.

Fee Structure. In calculating each type of rates and charges under SLOA IV, the Port is required to reduce the applicable capital or operating costs by any amounts reimbursed or covered by government grants or PFCs, any insurance or condemnation proceeds or other third-party payments, any reimbursements made by an airline in connection with projects undertaken for the benefit of an airline and any premiums paid by non-signatory airlines. Total costs are comprised of operating and capital costs allocated to the various components of the Airfield and the terminal.

Capital costs include a charge for cash-funded assets placed into service on or after 1992, debt service costs (net of PFCs) allocable to revenue bond-funded capital improvements placed into service, and a debt service coverage fee if necessary to maintain total Airport-related debt service coverage at no less than 125 percent of debt service for that fiscal year. The debt service coverage fee provides a mechanism for the Port to increase charges if necessary to achieve 1.25 times Airport-related debt service coverage.

Revenue Sharing. SLOA IV also provides that if the Airport's net revenue (calculated as provided in SLOA IV) exceeds 125 percent of total Airport-related debt service in any fiscal year, 20 percent of the amount in excess of that threshold will be credited to the signatory airlines for 2019 and 0 percent in 2020-2022. The primary source of revenue shared with the airlines is from non-aeronautical sources.

Airfield Rates and Charges. As defined in SLOA IV, the "Airfield" is comprised of three areas: the Airfield Apron Area (the area immediately adjacent to the terminal building and areas for overnight aircraft parking), the Airfield Movement Area and the Airfield Commercial Area (including, but not limited to, the land, taxi lanes, ramps and the terminal used primarily for cargo activities and aircraft maintenance), and related costs and fees are calculated separately for each area. The most significant fee is the landing fee charged for use of the landing areas, runways, taxiways, adjacent field areas and related support facilities that comprise the Airfield Movement Area. The landing fee is computed by (i) adding budgeted capital costs (including Airport-related debt service and debt service coverage, if required) and operating expenses allocable to the Airfield Movement Area, (ii) subtracting other fees for use of the Airfield Movement Area and any nonsignatory airline premium payments, and then (iii) dividing the total by the maximum gross landed weight estimated by the Port for the next fiscal year. Similarly, fees for use of the Airfield Apron Area are calculated based on the operating and capital costs, including Airport-related debt service and Airport-related debt service coverage if required, allocable to those areas and charged to carriers based on landed weight. The Airfield Commercial Area is a separate compensatory (not cost recovery) cost center.

Terminal Rates and Charges. Airline terminal rental rates are based in part on the Terminal Building Requirement, which is computed by multiplying the total of budgeted operating expenses and capital costs, including Airport-related debt service and Airport-related debt service coverage (if required) allocated to the terminal, by the ratio of airline rentable space to total rentable space, less any non-signatory airline premiums included in rent payable by non-signatory airlines. Excluded from the cost recovery formula is any publicly accessible airline office or club space that is vacant. Use of the baggage system, passenger loading bridges, airline support systems and equipment and the federal inspection facility is calculated and charged separately; these are also based upon operating expenses and capital costs, and the Port may use non-aeronautical revenues to offset costs associated with the federal inspection facility cost center.

Rates may be adjusted mid-year upon 30 days of notice to the airlines if actual results are expected to vary from budget projections by more than 10 percent. A final adjustment is made each year for the actual results of the prior year.

Capital Project Approval. SLOA IV includes a list of previously approved capital improvement projects totaling approximately $3 billion. SLOA IV provides that if, by the time the Port elects to proceed with construction, the capital cost of any project on that approved list exceeds 110 percent of the cost to be included in the airline rate base presented in the agreement and the increase is not otherwise exempt under the agreement, the Port will notify the airlines and a Majority-in-Interest of the airlines may request a delay of 180 days on the project. A Majority-in-Interest is defined in SLOA IV as air carriers that account for more than 55 percent of all signatory carriers and also account for more than 55 percent of the revenues of the cost center affected by the capital costs subject to the MII. The cost centers are the Airfield Movement Area, Airfield Apron Area, Terminal and Federal Inspection Area. The Airport may notify the signatory airlines if it intends to construct any new project not included in the list of previously approved projects. If, within 30 days after the Port's notice, a Majority-in-Interest objects to the new project, the Airport must delay construction for 12 months.

Rates and Charges Alternatives. Pursuant to FAA guidelines, the Port can establish rates and charges by a lease and use operating agreement or, if a lease and use operating agreement is not in effect, by resolution. In 2013, the Port adopted Resolution No. 3677, as amended, unilaterally establishing rates and charges for airlines serving the Airport. Upon execution of SLOA III in 2013, the implementation of Resolution No. 3677, as amended, was suspended and it remains suspended.

Other Airport Businesses and Agreements. The Aviation Division's non-airline revenues include revenue from public parking, terminal concession agreements, ground transportation, rental car and other concession fees, employee parking fees, and revenue from Airfield cargo leases, terminal space rent, and other commercial property leases.

Public Parking. The Aviation Division operates an eight-floor parking garage for short-term and long-term public parking and for use by employees. The Port also provides approximately 1,500 parking spaces in a remote lot operated by a third party. In addition, privately-owned parking facilities compete with Airport parking. There are a number of privately owned and operated parking facilities offering a range of quality, cost and service, including facilities very near the Airport.

Rental Cars. The Airport leases space in a consolidated facility to rental car operators and receives a concession fee based upon the gross revenues of rental car operations at the Airport and land rent. All rental car companies are required either to operate from the consolidated rental car facility or to use the facility to drop off or pick up their customers. At this time, nearly all of the rental car companies currently serving the Airport operate from the consolidated rental car facility. Rental car companies continue to report a decline in one-day rentals directly attributable to the increasing availability of ground transportation alternatives and ongoing shifts in passenger preferences. Customer demand for longer duration car rentals remains strong.

Passenger Terminal Concession Agreements—Dining and Retail. The Airport offers a range of dining and retail options, which include restaurants, specialty retail, convenience retail, duty-free goods and personal services, to the traveling public. The Port currently uses a direct leasing model at the Airport. The Port takes a staggered approach to handling these leases by soliciting proposals in groups of leasing opportunities. The Port manages the program to provide passengers with a range of dining and retail options throughout the terminal. Under the lease agreements, Airport dining and retail tenants pay rent based on a percentage of gross sales subject to a minimum annual guarantee. The tenants are subject to Port oversight of operations and quality assurance standards. The tenants also must adhere to a policy requiring that prices charged at the Airport be consistent with local prices at comparable businesses located off of airport property, commonly referred to as "street pricing." To accommodate an increase in the minimum wage within the City of SeaTac, where the Airport is located, the street pricing policy was modified to include a 10 percent premium over comparable local prices; this premium gradually declines on an annual basis, reaching zero by January 1, 2020.

Ground Transportation. The Airport has agreements with a variety of ground transportation companies, under which the Port receives either concession fees or per-trip fees and permit fees. These include taxi and transportation network company service (Uber, Lyft, etc.). Various shuttle services also serve the Airport and pay a per-trip fee.

Miscellaneous Business Arrangements and Revenues. There are standard land leases and various fees for other aeronautical and non-aeronautical tenants and users at the Airport, such as an in-flight kitchen food providers and cargo hardstand revenues.

Sources of Aviation Division Operating Revenue (in thousands of dollars)

		2018
Aeronautical[1]		
Movement Area	$	116,703
Apron Area		15,627
Terminal Rents		169,318
Federal Inspection Services (FIS)		16,226
Total Rate Base Revenues	$	317,874
Commercial Area		10,257
Revenue Sharing		(36,863)
Total Aeronautical Revenues	**$**	**291,268**
Non-Aeronautical		
Public Parking	$	80,212
Airport Dining and Retail / Terminal Leased Space		64,323
Rental Car and Operating CFC's		53,569
Ground Transportation		18,772
Utilities		7,206
Commercial Properties		15,435
Other		18,189
Total Non-Aeronautical Revenues	**$**	**257,706**
Total Aviation Division Operating Revenues	**$**	**548,974**

(1) For further breakout of Aeronautical Revenues, see "Calculation of Aeronautical Revenues" table on page 18.

Calculation of Aeronautical Revenues [1] (in thousands of dollars)

	Terminal Revenue			Airfield Revenue				
	Terminal Building	FIS Area	Total Terminal Revenue	Movement Area	Apron Area	Commercial Area	Total Airfield Revenue	Total Aeronautical Revenues
Operating & Maintenance Costs	$ 101,580	$ 12,229	$ 113,809	$ 83,919	$ 8,347	$ 4,623	$ 96,889	$ 210,698
Capital Costs: Debt Service	52,045	2,254	54,299	22,311	5,821	2,782	30,915	85,215
Capital Costs: Amortization [2]	18,679	1,739	20,418	10,531	1,421	1,114	13,067	33,485
Other	(2,986)	4	(2,982)	(59)	37	1,738	1,716	(1,266)
Revenue Sharing	(19,917)	(1,842)	(21,759)	(13,353)	(1,751)	-	(15,105)	(36,863)
	$ 149,401	$ 14,384	$ 163,786	$ 103,349	$ 13,876	$ 10,257	$ 127,482	$ 291,268

Note: Totals may not foot as a result of rounding.

(1) The presentation of aeronautical revenues in the table above is different from the presentation of aeronautical revenues in the Sources of Aviation Division Operating Revenue table on page 17, as well as the 2018 CAFR (see Statistical Section, Schedule 3). The totals, however, are the same.

(2) Represents a charge for cash-funded assets placed into service on or after 1992.

Sources of Aviation Division Operating Expenses (in thousands of dollars)

		2018
Direct Expenses		
Administrative Salaries and Benefits	$	45,867
Wages and Benefits		76,667
Travel and Other Employee Expenses		1,874
Outside Services		60,967
Supplies		7,028
Utilities		18,240
Other		32,210
Charges to Capital Projects		(4,177)
Total Direct Expenses		**238,676**
Corporate Allocations		**80,173**
Total Aviation Division Operating Expenses	**$**	**318,849**
Summary by Cost Center		
Aeronautical(1)	$	211,101
Non-Aeronautical:		
Terminal and Properties(1)		45,800
Landside		61,121
Utilities(2)		827
Total Non-Aeronautical		107,748
Total Aviation Division Operating Expenses	**$**	**318,849**

Note: Aviation operating expenses in the table above are organized by cost center, which may be different from how such revenues are organized in other disclosures and reports, including the CAFR. Total operating expenses, however, will be the same, with the potential exception of small rounding differences.

(1) Aeronautical expense excludes the portion of Terminal Building expense that is allocated to Non-Aeronautical business activities, which falls under the Non-aeronautical "Terminal and Properties" cost center. Allocation is calculated as the percentage of rentable non-airline space out of total terminal rentable space. In 2018, 22.7%, or ~$25.5 million of Terminal Building expense was allocated to Non-aeronautical expenses.

(2) Utilities are charged to other Aviation business units based on the preceding years' budget rates, and operate on a cost recovery basis.

Changes of PFC Authorization, Additional Pledged Revenue, and Projects to be Funded

No change.

PFC Coverage Calculations

This table is based on the "PFC Quarterly Status Report – Revenue and Expenditures" filed with the Federal Aviation Administration and is reported on a cash basis; thus amounts in this table may not match those reported in the CAFR.

		2018
Passenger Facility Charge (PFC)		$ 4.50
Administration Costs		0.11
Net PFC		$ 4.39
Enplaned Passengers		24,894,338
Annual Percentage Increase		6.3%
Number PFC-Eligible		22,332,858
Percent PFC-Eligible		89.7%
Beginning Balance		$ 158,864,570
Plus: Annual PFC Collections	[A]	98,041,248
Plus: Capital and Revenue Fund Interest Income [(1)]	[B]	3,111,710
Total Deposits	[C] = [A]+[B]	$ 101,152,958
Available Amounts		$ 260,017,528
Gross Debt Service (First Lien PFC Bonds)	[D]	$ 20,128,600
Less: Debt Service paid from Reserve Account Interest Income[(2)]		(364,517)
Net Debt Service (First Lien PFC Bonds)		$ 19,764,083
Less: Pay-As-You-Go Expenditures[(3)]		149,055,867
Ending Balance (Unliquidated Revenue)		$ 91,197,578
PFC Debt Service Coverage:[(4)]		
PFC Collections only	[A]/[D]	4.87
PFC Revenue	[C]/[D]	5.03
PFC Revenue & First Lien PFC Reserve Account Interest Income[(5)]		5.04

(1) Beginning in 2013, the Port reclassified interest earnings on the PFC Debt Service Reserve Fund (DSRF) as PFC bond proceeds instead of PFC revenue, as previously reported to the FAA. As such, there will no longer be DSRF interest earnings reported to the FAA.
(2) Represents total 2018 PFC debt service paid for with non-PFC revenue sources. For 2018, this is comprised solely of interest earnings on the PFC DSRF in excess of the DSRF requirement.
(3) Pay-As-You-Go Expenditures include the use of PFC's to pay debt service on certain revenue bonds, as authorized by the FAA.
(4) Coverage calculations are based on Gross Debt Service (First Lien PFC Bonds).
(5) Coverage includes $385,440 of PFC DSRF interest earnings, which constitutes a full calendar year of interest earnings.

PFC Unspent Authority & First Lien Sufficiency Covenant

First Lien Sufficiency Covenant Coverage is 25.96 which is calculated as follows:

			Through 2018
Total PFC Authority	[A]	$	3,841,864,375
Cumulative Collections and Interest Earned[(1)]	[B]	$	1,461,467,084
PFC Expenditures:			
Pay-as-you-go expenditures			641,917,956
PFC Bond Debt Service[(1)]			379,292,508
Revenue Bond Debt Service			349,059,043
Cumulative Total PFC Expenditures	[C]	$	1,370,269,507
Unliquidated PFC Revenue	= [B]-[C]	$	91,197,577
Unspent PFC Authority	[D] = [A]-[C]	$	2,471,594,868
Remaining Projected Aggregate PFC Bond Debt Service[(2)]	[E]	$	95,200,125
First Lien Sufficiency Covenant Coverage[(3)]	= [D]/[E]		25.96

(1) During 2013, the Port determined that the source of the "PFC Debt Service Reserve Fund" was bond proceeds, not PFC revenue. Therefore the 2013 interest earnings on the PFC DSRF have been excluded from the Cumulative Collections and Interest Earned line item, and the PFC debt service paid by the PFC DSRF interest earnings has been excluded from the PFC Bond Debt Service line item.

(2) Includes debt service on all outstanding 1998 and 2010 PFC Bonds.

(3) Minimum First Lien Sufficiency Covenant Coverage is 1.05.

Airport Grants Awarded in 2018

AIP Entitlement Grants	$	14,526,800
AIP Discretionary Grants		1,876,800
Other Grants		-

Container Volumes [1] (in thousands)

	International Containers						Domestic	Total [2]
	Imports		Exports					
Facility	Metric Tons[3]	Full TEUs	Metric Tons[3]	Full TEUs	Empty TEUs	Total Intl. TEUs	TEUs	TEUs
North Harbor	6,594	703	5,651	411	392	1,505	320	1,825
South Harbor	6,710	750	6,484	543	314	1,606	366	1,972
Seaport Alliance Total	13,304	1,453	12,136	953	705	3,111	686	3,798

Note: Total might not equal the sum of component parts due to rounding.

(1) Following the formation of the Seaport Alliance, the Seattle Harbor in and around Elliott Bay is referred to as the "North Harbor." The Tacoma harbor, located in and around Commencement Bay in the South Puget Sound, is referred to as the "South Harbor." The North harbor includes volumes handled at non-Port facilities.

(2) The North Harbor's share of Puget Sound (the ports of Seattle and Tacoma combined) container traffic in 2018 was 48.1%.

(3) Approximate weight per full TEU is eight metric tons of import cargo and eleven to eighteen metric tons of export cargo.

North Harbor Exports and Imports to and from Asia (in TEU's)

Export: 338,975 full TEU's
Import: 592,423 full TEU's

Source: Port of Seattle Marine Terminal Information System

Container Cargo Carriers calling at the North Harbor as of 12/31/2018(1)

T-18	T-30 (2)	T-46	T-115
ANL (3)	COSCO Shipping	Hamburg Sud	Alaska Marine Line
APL	Matson	Maersk	Aloha Marine Line
CMA-CGM	OOCL	MSC	
COSCO Shipping	Pacific International Lines	Safmarine	
Evergreen	Wan Hai Lines (4)		
Hamburg Sud	Yang Ming		
Hapag Lloyd			
ONE(5)			
OOCL			
Pacific International Lines			
SM Line(6)			
Yang Ming			

(1) Terminal 5 was closed for redevelopment on July 31, 2014. The terminal was reactivated in 2019.
(2) PSW4 service (ANL, APL, CMA CGM, COSCO Shipping, Evergreen, OOCL, Pacific International Lines, Yang Ming) suspended in August. AAC service (COSCO Shipping, OOCL, Pacific International Lines, Wan Hai Lines, Yang Ming) started in September.
(3) ANL was previously labeled as US Lines.
(4) Wan Hai began calling in September as part of AAC service.
(5) "K" Line, MOL and NYK container brands merged as Ocean Network Express (ONE).
(6) SM Line began calling in May.

Source: Marine Terminal Information System

Container Terminals – South Harbor

	West Sitcum[1]	Husky (T-3 and T4)	East Sitcum[2]	PCT	WUT	TOTE
Port Owner	Port of Tacoma	Port of Tacoma	Port of Tacoma	Port of Tacoma	Port of Tacoma	Port of Tacoma
Primary Lessee	SSA Terminals (Tacoma), LLC	International Transportation Services (ITS)	Ports America Washington	Evergreen Marine Corporation	Washington United Terminals	Totem Ocean Trailer Express
Terminal Area[3]	108 acres[4]	90 acres	54 acres	141 acres	123 acres	48 acres
Lease Expiration	2027	2046	Month-to-month	2027	2028	2034

(1) Formerly referred to as "APM".
(2) Formerly referred to as "OCT".
(3) Represents acres leased.
(4) The new tenant, SSA Terminals (Tacoma) LLC, has leased 108 acres of the 135-acre terminal area.

Container Terminals – North Harbor

	Terminal 5[1]	Terminal 18[2]	Terminal 30	Terminal 46[3]
Port Owner	Port of Seattle	Port of Seattle	Port of Seattle	Port of Seattle
Primary Lessee	N/A	SSA Terminals, LLC and SSA Containers, Inc.	SSA Terminals (Seattle), LLC	Terminal Investment Limited
Terminal Area	185 acres	196 acres	70 acres	88 acres
Lease Expiration	N/A	2039	2039	2025
Acres Leased	N/A	196 acres	70 acres	88 acres
Berth Facilities	2,900 feet	4,440 feet	2,700 feet[4]	2,300 feet
Water Depth	45 ft to 50 ft below mllw	46 ft to 50 ft below mllw	50 ft below mllw	50 ft below mllw
Container Cranes	Six (6) 100-ft gauge Post-Panamax cranes[5]	Three (3) 50-ft gauge Post-Panamax cranes[6] Three (3) 100-ft gauge Post-Panamax cranes[7] and Seven (7) 100-ft gauge Super Post-Panamax cranes[7]	Three (3) 50-ft gauge Panamax cranes and Three (3) 100-ft gauge Super Post-Panamax cranes[7]	Two (2) 100-ft gauge Post-Panamax cranes and Three (3) 100-ft gauge Super Post-Panamax cranes[7]
Gross Revenues - 2018[8]	$10,207,596	$28,311,795	$8,826,567	$10,316,409

Note: The table above presents the Port of Seattle's primary container terminals. There is some incidental container activity at Terminal 115, which is not presented in this table.

(1) T-5 was closed for redevelopment on July 31, 2014. The terminal was reactivated in 2019; 65 acres are currently under lease and occupancy is expected in 2021. Matson has "step-in" rights until that time.
(2) Lease has been extended from 2039 to 2049.
(3) Lease will be terminated early on December 31, 2019. The Port will pay the Seaport Alliance for 29 acres to develop a new cruise facility. The remaining acres will be available for cargo use.
(4) Comprised of two non-contiguous berths of approximately 1,200 and 1,500 linear feet respectively.
(5) Cranes owned by Port of Seattle. As of April 2, 2019 four (4) of the cranes are being operated by Matson and two (2) have been declared surplus and will be used for parts.
(6) Cranes owned by Port of Seattle. Cranes currently not in use and have been declared surplus.
(7) Cranes owned by Lessee.
(8) Represents gross revenues as reported to the Seaport Alliance. In 2018, Terminal 5 gross revenues includes an annual lease termination payment.

Non-Container Terminal Leases (Facility Gross Revenue ≥ $1 million)

Port Division	Property	2018 Facility Gross Revenue[1]	Primary Lessee	Primary Operations	Date of Lease Expiration[2]
Port of Seattle Owned and Operated					
Maritime	T-91/P-66	$ 18,879,880	Cruise Terminals of America, NCL	Cruise Operations	Dec 2019
Maritime/EDD	T-91	11,132,595	CityIce Cold Storage LLC	Cold Storage	Dec 2029, Dec 2039, MTM
			Trident Seafoods Corporation	Seafood Processing	Nov 2020, Jul 2023
			American Seafood Company	Seafood Processing	Apr 2020, Dec 2020, July 2023
			Marel Seattle, Inc.	Manufacturing & Fabrication	Aug 2027, Aug 2020
			Fisc, LLC	Fishing Vessels	Jan 2021
Maritime	SBM	11,602,622	Diversified Public Marina	Marina	Primarily MTM
			Seaview Boatyard West, Inc.	Boat Maintenance & Repair	Dec 2027
Maritime/EDD	FT	5,934,860	Diversified Public Marina	Marina	Primarily MTM
			Mad Anthony's, Inc.	Restaurant	Dec 2018 [3]
			Fishing Vessel Owners Marine Ways, Inc.	Trade Association	Apr 2020, Oct 2023
			Argus Pacific	Health and Safety Training	MTM, Sep 2018 [3]
			Everguard Insurance	Insurance Services	Apr 2020
			Innersea Discoveries, LLC	Travel	Jun 2020
Maritime	T-86	5,167,022	Louis Dreyfus Company Washington LLC	Bulk Grain	Oct 2034
Maritime/EDD	T-102	2,650,956	Diversified Public Marina	Marina	MTM
			DWA (Jim Clark Marina)	Leased Marina	Jun 2027
			Virtuoso, Inc.	Travel Agency	Mar 2019
			Tideworks Technology, Inc	Software	Apr 2024
			The Mountaineers Books, Inc.	Book Storage & Distribution	Aug 2022
EDD	Bell St. Garage	2,066,129	Republic Parking Northwest, Inc.	Parking Facility	MTM
EDD	WTC-West	1,562,252	Wounded Warrior	Support services	Feb 2020
			Columbia Hospitality	Conference, event services	Oct 2020
			Opus Solutions, LLC	Event Planning	Apr 2023
Port of Seattle Owned, Operations shared between the Port of Seattle and Seaport Alliance					
Maritime / Seaport Alliance	T-106	2,136,561	WSDOT	Construction Staging	Lease ended in 2018 [3]
			Conglobal Industries, Inc.	Container Storage & Repair	Dec 2026
			Savanah Logistics, LLC	Trucking company	Feb 2019
			Arctic Commercial Refrigeration Inc.	Refrigeration Equip Storage	MTM
			Ash Grove Cement Company	Industrial Storage	holdover
Port of Seattle Owned, Operated by Seaport Alliance					
Seaport Alliance	T-115	5,406,926	Northland Services Inc [4]	Barges	Dec 2032
			Seafreeze Acquisition, LLC	Seafood Processing & Storage	Nov 2027
			Sea Pac Transport	Bulk shipping	Dec 2019
			Associated Petroleum Services	Fueling station	Feb 2019
			Gene Summy Lumber	Lumber company	Dec 2019
			Unimacts Global	Fencing company	MTM
Seaport Alliance	T-18	1,443,806	Kinder Morgan Liquids Terminals LLC	Storage & Distribution of Petroleum Products	May 2020, Sep 2018 [3], Oct 2027
			Westway Feed Products, LLC	Storage & Distribution of Molasses	Sep 2018 [3]
			Pacific Coast Container Inc.	Container Freight Station	May 2020

Note: MTM refers to a month-to-month lease term.

(1) Gross revenues of Seaport Alliance properties represent gross revenues as reported by the Seaport Alliance, which makes periodic distributions to the Port of Seattle and Port of Tacoma.
(2) Indicates lease expiration date for significant lease agreements, by location.
(3) Lease currently under negotiation
(4) In 2013, the parent company of Northland Services, Inc. was sold to Lynden, Inc., however Northland Services Inc. remains the lessee.

Non-Airport Operating Revenues and Expenses

This table captures the activity under the Maritime and Economic Development operating divisions, the Port of Seattle's share of Seaport Alliance net income, as well as Corporate and stormwater utility (SWU) activity.

	2018	
	$ Thousands	% of Total
Operating Revenues by Business Unit		
Seaport Alliance[1]	$ 55,993	40
Cruise operations	18,880	13
Recreational boating	12,529	9
Maritime portfolio	11,305	8
Fishing and operations	9,763	7
Grain terminal	5,167	4
Conference and event centers	11,703	8
Other[2]	15,077	11
Total Operating Revenues	**$ 140,417**	**100**
Revenue by Cargo and Non-Cargo		
Cargo Services[3]	$ 61,160	44
Non-Cargo[4]	79,257	56
Total Operating Revenues	**$ 140,417**	**100**
Operating Expenses by Business Unit		
Cruise operations	$ 9,850	13
Maritime portfolio	10,208	13
Recreational boating	10,267	13
Fishing and operations	11,348	14
Grain terminal	1,737	2
Conference and event centers	11,658	15
Other[5]	23,722	30
Total Operating Expenses	**$ 78,790**	**100**
Net Operating Income	**$ 61,627**	

Note: Totals may not add to 100% as a result of rounding.

(1) Represents the Port of Seattle's 50% share of operating revenues derived from the Seaport Alliance after depreciation.

(2) Includes space rental revenue from multiple facilities in the Economic Development division, SWU revenue which is restricted for use solely for utility purposes, and an immaterial amount of other operating revenues.

(3) Includes Seaport Alliance net income and Grain Terminal operating revenues.

(4) Non-Cargo category is composed of the remaining non-airport lines of business: Cruise, Maritime portfolio, Recreational boating, Fishing and operations, Conference and event centers, and Other.

(5) Includes operating expenses of the Central Harbor Management group in the Economic Development division, SWU expense, and an immaterial amount of other operating expenses.