Stay Tuned, the 2023 Airport Open House is about to begin.

OPEN HOUSE AGENDA

Leading the Recovery............................................. Executive Director Stephen P. Metruck
Chief Financial Officer Dan Thomas

2023 Aviation Division: A New Chapter ............. Managing Director Lance Lyttle

Public Port, Community Benefit ............................... Chief Financial Officer Dan Thomas

Your Questions

This presentation will be recorded and made available.
Stephen P. Metruck
Executive Director
Dan Thomas
Chief Financial Officer
2022
An update on our recovery
Return to Long-Term Priorities

- Position the Puget Sound Region as a Premier International Logistics Hub
- Advance this Region as a Leading Tourism Destination and Business Gateway
- Responsibly Invest in the Economic Growth of the Region and all its Communities
- Be the Greenest and Most Energy Efficient Port in North America
- Become a Model for Equity, Diversity and Inclusion
- Be a Highly Effective Public Agency
Economic Impact of the Port of Seattle

Capital Project Plan
$4.4 Billion
2022-2026

All Port Activities
121,200
Area Jobs

Total Economic Activity

SEA Airport
$22.5 B

Maritime Int’l Trade*
$16.3 B

Commercial Fishing
$1.4 B

Cruise
$900 M

* In the NWSA a partnership with the Port of Tacoma
Port-Wide Sources of Funds $2.0 Billion

Sources of Cash

- Operating Revenues: 45.2%
- Proceeds from Bonds: 35.0%
- Passenger Facility Charters: 4.7%
- Tax Levy: 4.1%
- Grants and Capital Contributions: 4.0%
- NWSA Distributable Cash: 3.1%
- Interest Receipts: 2.3%
- Rental Car Customer Facility Charges: 1.2%
- Fuel Hydrant Receipts: 0.3%
- Other Receipts: 0.1%

Tax Levy is 4.1% of Port Funds
2022 Restoring Operations

SEA AIRPORT

Passengers
2019 vs. 2022*  -10%

Passengers
2021 vs. 2022  +29.4%

*2019 peak pre-COVID pandemic levels
Airport Revenue

Aeronautical Revenues
- Landing Fees
- Hangars
- Terminal Rents
- Passenger Facility Charge

Non-Aeronautical Revenues
- Dining and Retail
- Ground Transportation
Lance Lyttle
Managing Director, Seattle-Tacoma International Airport (SEA)
2023 Aviation Division
IT TAKES MANY PIECES

- 5 Star Skytrax Rating
- 75 Minutes MCT
- 45 Minutes – Clocktower to Gate
- Level of Service – Optimum
- Top 25 ASQ World Ranking
### SEA Strategic Focus Remains the Same

**Aviation Areas of Strategic Focus**

1. Health and Safety
2. Security
3. Employee Engagement
4. Community
5. Innovations and Operational Efficiencies
6. Economic Opportunities and Social Responsibility
7. Customer Experience
8. Environment and Sustainability
9. Financial Sustainability
10. Asset Management, Capital Development and Delivery
Setting Priorities for 2023

• Reviewed and updated for each of ten focus areas:
  • Vision and long-term goals
  • 2027 Objectives
  • 2023 Objectives

• Set priorities for 2023:
  • Must Do/Regulatory
  • Wildly important goals (WIGs)
  • Pretty important goals (PIGs)
2023 Budget Context

• Still in recovery mode, approaching 2019 passenger level
• Planning for major capital program
• High inflation, baseline costs (payroll especially) growing
• Risk of economic recession
• Non-aero revenues rebounding – will be well above 2019
• Airline revenues (airport costs) growing significantly:
  – Increased capital and O&M costs due to new facilities (IAF, NSAT)
  – Little remaining federal relief grants in 2023 to offset costs
  – Aero revenues will be well above 2019, yet passenger level still below, so CPE will increase
Passenger Recovery Forecast

- 2022 forecast revised down from 2022 budget
- 2023 is 3.9% above 2022 Budget
- Near 2019 passenger level by 2024

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Change</th>
<th>Vs. 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>-61.2%</td>
<td>-61.2%</td>
</tr>
<tr>
<td>2021</td>
<td>79.1%</td>
<td>-30.5%</td>
</tr>
<tr>
<td>2022</td>
<td>29.4%</td>
<td>-10.1%</td>
</tr>
<tr>
<td>2023</td>
<td>8.2%</td>
<td>-2.8%</td>
</tr>
<tr>
<td>2024</td>
<td>2.6%</td>
<td>-0.2%</td>
</tr>
</tbody>
</table>
Preparing for Major Growth of Capital Program

- 2025 would be highest annual spending ever
- 2023 Operating budget will add resources to effectively plan and deliver growing capital program
- Forecast excludes Sustainable Airport Master Plan (SAMP) near-term projects
Largest Proposed Budget Requests

- Significant portions of Airline Realignment project are accounted for as expense
- Consolidated customer services contract for IAF, other areas
- Many continuing initiatives are re-approved annually to manage scope and cost
- ADR tenant janitorial is a pass-through (100% recovered from tenants)
- Sustainable AV fuels pilot project
- Air service incentives are contractual obligations.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount in $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airline Realignment</td>
<td>6,827</td>
</tr>
<tr>
<td>Consol. Cust. Services Contract</td>
<td>4,962</td>
</tr>
<tr>
<td>Planning consultant support (3)</td>
<td>2,625</td>
</tr>
<tr>
<td>New FTEs (23)</td>
<td>2,130</td>
</tr>
<tr>
<td>SAMP Env review</td>
<td>1,480</td>
</tr>
<tr>
<td>PMG expenses tied to CIPs</td>
<td>1,025</td>
</tr>
<tr>
<td>Smarte Carte contract increase</td>
<td>1,000</td>
</tr>
<tr>
<td>ADR tenant janitorial</td>
<td>1,000</td>
</tr>
<tr>
<td>SAF co-benefits pilot project</td>
<td>1,000</td>
</tr>
<tr>
<td>New air service incentives</td>
<td>900</td>
</tr>
<tr>
<td>Consultant PMs for tenant proj.</td>
<td>791</td>
</tr>
<tr>
<td>Asset management program</td>
<td>700</td>
</tr>
<tr>
<td>ABD &amp; Fire support services</td>
<td>505</td>
</tr>
<tr>
<td>Part 150 study</td>
<td>500</td>
</tr>
<tr>
<td>Cargo building fire protection</td>
<td>500</td>
</tr>
<tr>
<td>Art restoration</td>
<td>500</td>
</tr>
<tr>
<td>Other</td>
<td>9,571</td>
</tr>
<tr>
<td>Total</td>
<td>36,016</td>
</tr>
</tbody>
</table>
## Other Highlighted Budget Requests

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount in $000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environment &amp; Sustainability</strong></td>
<td></td>
</tr>
<tr>
<td>PFAS planning</td>
<td>400</td>
</tr>
<tr>
<td>Building energy efficiency audit</td>
<td>300</td>
</tr>
<tr>
<td>RCF electrical system planning</td>
<td>200</td>
</tr>
<tr>
<td>NREL passenger mode choice model</td>
<td>200</td>
</tr>
<tr>
<td>GT emissions reductions strategy</td>
<td>150</td>
</tr>
<tr>
<td>Preconditioned Air Support</td>
<td>150</td>
</tr>
<tr>
<td>Land stewardship goals &amp; tree standards</td>
<td>30</td>
</tr>
<tr>
<td><strong>Economic Opportunities &amp; Social Responsibility</strong></td>
<td></td>
</tr>
<tr>
<td>Child Care study</td>
<td>100</td>
</tr>
<tr>
<td>Anti-Human trafficking training</td>
<td>100</td>
</tr>
<tr>
<td><strong>Description</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Customer Experience</strong></td>
<td></td>
</tr>
<tr>
<td>Construction communication &quot;Upgrade SEA&quot;</td>
<td>300</td>
</tr>
<tr>
<td>Smart Restroom expansion</td>
<td>200</td>
</tr>
<tr>
<td>Virtual concierge software</td>
<td>160</td>
</tr>
<tr>
<td>Live music</td>
<td>80</td>
</tr>
<tr>
<td><strong>Financial Sustainability</strong></td>
<td></td>
</tr>
<tr>
<td>Appraisal for non-aero rent adjustments</td>
<td>200</td>
</tr>
<tr>
<td>Off-airport parking PR consultant</td>
<td>150</td>
</tr>
<tr>
<td>Non-aero revenue sponsorship study</td>
<td>150</td>
</tr>
<tr>
<td>ADR consultant</td>
<td>125</td>
</tr>
<tr>
<td>Real estate strategy</td>
<td>50</td>
</tr>
</tbody>
</table>
Infrastructure Investment

Federal Advocacy

State and Regional Coordination

Bipartisan Infrastructure Law (BIL)

GRANTS
Federal COVID Relief: Little Remaining for 2023

Federal Relief Grants updated to balance key financial measures.
Customer Service Focus
Making your trip predictable

- Parking Improvements
- Virtual Queuing
- Online Ordering
- SEA App
Garage Guidance System
Reserve Parking
Spot Saver (Virtual Queueing)
ORDERSEA
powered by grab

SKIP THE WAIT
ORDER NOW FROM YOUR PHONE
CHOOSE PICK-UP OR DELIVERY TO YOUR GATE

OrderSEA.org
Get the SEA Airport App

Track flights, search shops, transportation, and much more.
Accessibility
Consolidated Customer Service Contract

Security Lines

International Arrivals Facility
Capital Projects
Capital Improvement Plan Benefits

- Asset Stewardship
- Financial Sustainability
- Economic Development
- Environmental Sustainability
Major Projects Drive Capital Program

Mega projects 2023 – 2027:

- Baggage Optimization
- C Concourse Expansion
- SEA Gateway
- S Concourse Evolution
- Main Terminal Renovation

- Total spending for 2023 – 2027 = $4.6 billion

Spending forecast does not include Sustainable Airport Master Plan near-term projects.
The Upgrade SEA projects are unified by a shared, customer facing vision:

Picture an airport journey without long lines and overflowing crowds. You follow a predictable and easy path from curb to gate with the space, services, and amenities that make your trip just right. That is the future at Seattle-Tacoma International Airport. The Upgrade SEA program updates the airport you know and love with more of what you want and need.
C Concourse Expansion

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

Estimated Budget Range: $340M - $420M

Schedule: Q1 2021 – Q4 2027

Design Complete Q1 2023
Early Work Packages Start Q2 2022
Full Construction Starts Q2 2023
Substantial Completion Q4 2027
SEA Gateway/North Main Terminal Redevelopment Program

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

**Target Estimated Budget:** $400 - $525M

**Schedule:** Q1 2021 – Q2 2026

Design Start Q3 2021
Phase A Construction Q3 2022 (Bridge/Promenade)
Phase B Construction Q2 2024 (Ticketing & Checkpoint 5)
**Scope:** This project will seismically and structurally strengthen the SSAT, complete the effort of bringing all its building systems up to date, completely replace the lower-level FIS facility, and remodel and expand the retail, dining, and club space on the upper floors of the facility.

**Target Estimated Budget Range:** $1.4B - $1.7B

**Schedule:** Q4 2021 – 2030

Design Begin Q1 2023
Construction NTP Q1 2025
Substantial Completion 2030
Main Terminal Improvements Program

Total Program Budget: $800M

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

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

Program Schedule Duration to 2033

PDD Initiated in 2022
A Concourse Duty Free

Scope: Design and construct a walk-through Duty Free on the A Concourse, adjacent to the new IAF exit for connecting passengers. This project will provide 11,000 sq. ft. of new Duty Free space.

Target Estimated Budget: $45M

Schedule: Q2 2021 – Q3 2026

PDD Completion Q3 2022
TRA solicitation Q1 2023
TRA contract in place Q3 2023
Design start Q4 2023
Construction Q1 2025 - Q2/3 2026
Curbside Accessibility and Safety

**Scope:** Accessibility and safety enhancements to the main terminal which includes increasing the number of curbside accessible loading zones, and the installation of bollards on the curbsides, sky bridge entrances, and courtesy vehicle plaza.

**Target Estimated Budget:** $22.95 million

**Schedule:** Completion estimated Q2 2023
# Community Noise Mitigation

<table>
<thead>
<tr>
<th>Project</th>
<th>Estimated Cost</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-Family Home Sound Insulation</td>
<td>$16 Million</td>
<td>2021-2026</td>
</tr>
<tr>
<td>Condominium Sound Insulation</td>
<td>$6.4 Million</td>
<td>2022-2024</td>
</tr>
<tr>
<td>Apartment Sound Insulation</td>
<td>$133 Million</td>
<td>2022-2026</td>
</tr>
<tr>
<td>South Approach Transition Zone Voluntary Acquisition</td>
<td>$3 Million</td>
<td>2023-2026</td>
</tr>
<tr>
<td>Places of Worship Sound Insulation</td>
<td>$26 Million</td>
<td>2023-2026</td>
</tr>
</tbody>
</table>
Public Port, Community Benefit
Dan Thomas
Chief Financial Officer
## 2023 Community Programs

<table>
<thead>
<tr>
<th>Program (in $000)</th>
<th>2022 Budget</th>
<th>2023 Proposed Budget</th>
<th>2023 Budget Funded by the levy</th>
<th>% of the 2023 Budget Funded by the levy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Energy &amp; Sustainability Fund</td>
<td>160</td>
<td>120</td>
<td>120</td>
<td>100%</td>
</tr>
<tr>
<td>2) Airport Community Ecology (ACE) Fund</td>
<td>135</td>
<td>40</td>
<td>40</td>
<td>100%</td>
</tr>
<tr>
<td>3) South King County Community Impact Fund (SKCCIF)</td>
<td>2,195</td>
<td>2,214</td>
<td>2,214</td>
<td>100%</td>
</tr>
<tr>
<td>4) Duwamish Valley Community Equity Program</td>
<td>387</td>
<td>462</td>
<td>462</td>
<td>100%</td>
</tr>
<tr>
<td>5) EDD Partnership Grants</td>
<td>1,200</td>
<td>850</td>
<td>850</td>
<td>100%</td>
</tr>
<tr>
<td>6) Tourism Marketing Support Program</td>
<td>1,750</td>
<td>1,830</td>
<td>282</td>
<td>15%</td>
</tr>
<tr>
<td>7) Airport Spotlight Ad Program</td>
<td>466</td>
<td>466</td>
<td>466</td>
<td>100%</td>
</tr>
<tr>
<td>8) City of SeaTac Community Relief</td>
<td>1,400</td>
<td>1,400</td>
<td>1,400</td>
<td>100%</td>
</tr>
<tr>
<td>9) Maritime Blue (formerly Maritime Innovation Center)</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>100%</td>
</tr>
<tr>
<td>10) Workforce Development</td>
<td>4,390</td>
<td>5,186</td>
<td>3,785</td>
<td>73%</td>
</tr>
<tr>
<td>a. Youth Career Launch Program (formerly OYI)</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>100%</td>
</tr>
<tr>
<td>b. Airport Employment Center</td>
<td>1,096</td>
<td>1,517</td>
<td>303</td>
<td>20%</td>
</tr>
<tr>
<td>11) High School Internship Program</td>
<td>496</td>
<td>457</td>
<td>252</td>
<td>55%</td>
</tr>
<tr>
<td>12) Diversity in Contracting</td>
<td>1,836</td>
<td>2,299</td>
<td>300</td>
<td>13%</td>
</tr>
<tr>
<td>a. Small Bus. Accelerator under SKCCIF</td>
<td>250</td>
<td>250</td>
<td>250</td>
<td>100%</td>
</tr>
<tr>
<td>b. DBE/ACDBE/WMBE Training Consultants &amp; Outreach</td>
<td>-</td>
<td>50</td>
<td>50</td>
<td>100%</td>
</tr>
<tr>
<td>13) Equity, Diversity &amp; Inclusion</td>
<td>1,366</td>
<td>1,767</td>
<td>138</td>
<td>8%</td>
</tr>
<tr>
<td>14) Sustainable Aviation Fuels &amp; Air Emissions Program</td>
<td>200</td>
<td>100</td>
<td>100</td>
<td>100%</td>
</tr>
<tr>
<td>15) Low Carbon Fuel Standard Initiative</td>
<td>110</td>
<td>150</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>16) Community Biz Connector (Regional Small Biz Partnerships)</td>
<td>150</td>
<td>350</td>
<td>350</td>
<td>100%</td>
</tr>
<tr>
<td>17) Public Market Study</td>
<td>-</td>
<td>100</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>18) Seattle Aquarium Partnership</td>
<td>-</td>
<td>1,000</td>
<td>1,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td><strong>16,142</strong></td>
<td><strong>18,691</strong></td>
<td><strong>11,760</strong></td>
<td><strong>63%</strong></td>
</tr>
<tr>
<td><strong>Payroll charged to the Levy</strong></td>
<td><strong>483</strong></td>
<td><strong>433</strong></td>
<td><strong>433</strong></td>
<td><strong>100%</strong></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>16,625</strong></td>
<td><strong>19,124</strong></td>
<td><strong>12,193</strong></td>
<td><strong>64%</strong></td>
</tr>
</tbody>
</table>

Payroll charged to the Levy is 100% of the 2023 Budget.
Port Community Program Funding by Activity

**Economic Development**
- Tourism Dept.
- Spotlight Advertising
- City Economic grants
- Diversity in Contracting Dept.
- Maritime Innovation
- South King County Fund

**Workforce Development**
- High School Interns
- Workforce Development Department

**Equity, Diversity & Inclusion**
- EDI Department
- Duwamish Community Equity program

**SeaTac Community Relief**

**Sustainability**
- South King County Fund (continuing ACE Fund)
- E&S Committee
- Low Carbon Fuel Standard
- Sustainable Aviation Fuels

---

**2023 Proposed Budget**

- **Economic Development** $7.99M, 45%
- **Workforce Development** $5.88M, 33%
- **SeaTac Community Relief** $1.4M, 8%
- **Equity, Diversity, & Inclusion** $1.75M, 10%
- **Sustainability** $600K, 4%
About the Levy

**TAX LEVY USES**

- General Obligation Bond debt service
- Investments in maritime infrastructure
- Environmental sustainability
- Regional transportation mobility
- Community:
  - Workforce development, partnerships,
  - Grants
  - Near-Port communities
  - Tourism

King County Property Taxes by Jurisdiction, 2022
Tax Levy

In 2023, the median homeowner payment is estimated at $78.0

<table>
<thead>
<tr>
<th>Port of Seattle Tax Levy</th>
<th>2022 Estimate</th>
<th>2022 Actual</th>
<th>2023 Estimate</th>
<th>Change from 2022 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Levy Amount ($ mil)</td>
<td>$81.0</td>
<td>$81.0</td>
<td>$82.7</td>
<td>2.0%</td>
</tr>
<tr>
<td>Median homeowner payments ($)</td>
<td>$72.0</td>
<td>$78.0</td>
<td>$78.0</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Based on an estimated median King County home value of $830,000 per King County Accessor in 2023.
2023 Budget Timeline

- 2022 Business Plan and CIP Development (May/June)
- Budget Development Briefing (June/July)
- Budget Briefings (Sept/Oct.)
- First Reading & Public Hearing for 2022 Budget (Nov. 8)
- 2nd Reading & Final Passage of 2022 Budget (Nov. 29)
More about the budget:
https://www.portseattle.org/2023budget
Your Questions
Thank you