



PORT OF SEATTLE

Q4 2024 FINANCIAL PERFORMANCE REPORT

AS OF DECEMBER 31, 2024

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I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 12/31/24

I. PORTWIDE

EXECUTIVE SUMMARY

Passenger volume at SEA was 3.4% higher compared 2023 and 1.6% above the 2019 pre-pandemic volumes. The 2024 cruise season, representing the 25th year of cruises between Seattle and Alaska, ended on October 28 with 1.8 million revenue passengers.

The Port's operating revenues for 2024 were \$1,040.1 million, which is \$17.1 million above the budget and \$70.9 million higher than 2023. Public Parking, Rental Cars, Airport Dining & Retail, and Clubs & Lounges, Cruise, Fishing & Operations, Grain, and NWSA Distributable Revenue all exceeded revenue targets while Conference and Event Center, Employee Parking, and Ground Transportation were under budget.

Operating expenses (with the non-cash expense credit related to the Port's public pension plans) were \$646.9M, \$29.5M or 4.8% higher than budget due to higher Payroll, Legal Expenses, Highline Water Settlement, Maintenance Materials, less Charges to Capital, \$2.5M advanced payment to Seattle Aquarium, and \$2.0M payment to Friends of the Waterfront.

PORTWIDE FINANCIAL SUMMARY

	2022	2023	2024	2024	Actual vs. Budget		Change from 2023	
\$ in 000's	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
					\$	%	\$	%
Aeronautical Revenues	402,540	479,697	517,683	520,600	(2,917)	-0.6%	37,986	7.9%
Airport Non-Aero Revenues	256,613	326,592	348,212	332,713	15,499	4.7%	21,620	6.6%
Seaport Revenues	150,977	162,991	174,245	169,758	4,487	2.6%	11,254	6.9%
Total Operating Revenues	810,130	969,281	1,040,141	1,023,071	17,070	1.7%	70,860	7.3%
Total O&M Expenses w/o Pension True-up	490,431	579,607	669,661	617,406	(52,255)	-8.5%	90,054	15.5%
DRS Pension True-up Exp	(15,638)	(28,709)	(22,790)	-	22,790	0.0%	5,919	-20.6%
Total O&M Expenses with Pension True-up	474,793	550,899	646,871	617,406	(29,465)	-4.8%	95,972	17.4%
Depreciation	233,869	256,740	272,750	250,025	(22,725)	-9.1%	16,009	6.2%
NOI After Depreciation w/o Pension True-up	85,830	132,933	97,730	155,640	(57,910)	-37.2%	(35,203)	-26.5%
NOI After Depreciation with Pension True-up	101,467	161,642	120,520	155,640	(35,120)	-22.6%	(41,122)	-25.4%

2024 Actuals vs. 2024 Budget:

- Airport Non-Aero Revenues were up \$15.5M compared to budget mainly due to higher revenues from Public Parking, Rental Cars, Clubs and Lounges, and Airport Dining & Retail (ADR) & Terminal Leased Space.
- Seaport Revenues were \$4.5M above budget mainly due to higher NWSA Distributable Revenue, Cruise, Fishing & Operations, partially offset by lower revenues from Conference & Event Centers.
- Total Operating Expenses (without the non-cash expense credit related to the Port's public pension plans) were \$52.3M higher than budget due to higher Payroll, Legal Expenses, and less Charges to Capital.

2024 Actuals vs. 2023 Actuals:

- Total Operating Revenues were up \$71.0M compared to 2023 mainly due to higher revenues in most Non-Aeronautical lines of businesses (with the exception of Employee Parking and Ground Transportation), Grain, Maritime Portfolio Management, Conference & Event Center, and NWSA Distributable Revenue.
- Total Operating Expenses (without the non-cash expense credit related to the Port's public pension plans) were \$90.1M higher compared to 2023 due to higher Payroll, Outside Services, \$2.5M payment to Seattle Aquarium, \$2.0M payment to Friends of the Waterfront, and higher Legal Expenses.

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 12/31/24

SEAPORT FINANCIAL SUMMARY

	2022	2023	2024	2024	Actual vs. Budget		Change from 2023	
	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
\$ in 000's					\$	%	\$	%
NWSA Distributable Revenue	55,353	57,685	62,399	57,154	5,244	9.2%	4,714	8.2%
Maritime Revenues	71,534	82,410	89,163	86,132	3,031	3.5%	6,753	8.2%
EDD Revenues	17,799	17,215	17,506	21,542	(4,036)	-18.7%	291	1.7%
SWU & Other	6,291	5,681	5,177	4,929	248	5.0%	(504)	-8.9%
Total Operating Revenues	150,977	162,991	174,245	169,758	4,487	2.6%	11,254	6.9%
Total O&M Expenses w/o Pension True-up	95,481	110,345	126,034	121,682	(4,352)	-3.6%	15,689	14.2%
DRS Pension True-up Exp	(3,351)	(5,137)	(4,212)	-	4,212	0.0%	925	-18.0%
Total O&M Expenses with Pension True-up	92,129	105,208	121,821	121,682	(140)	-0.1%	16,614	15.8%
Depreciation	39,524	42,141	39,625	37,020	(2,605)	-7.0%	(2,516)	-6.0%
NOI After Depreciation w/o Pension True-up	15,973	10,506	8,586	11,056	(2,470)	-22.3%	(1,920)	-18.3%
NOI After Depreciation with Pension True-up	19,324	15,643	12,798	11,056	1,742	15.8%	(2,844)	-18.2%

2024 Actuals vs. 2024 Budget

- Seaport Operating Revenues were up \$4.5M compared to budget mainly due to higher NWSA Distributable revenue, Cruise, Fishing & Operations, partially offset by lower revenues from Conference & Event Centers.
- Seaport Operating Expenses (without the non-cash expense credit related to the Port's public pension plans) were \$4.4M higher than budget because of higher Payroll, Highline Water Settlement, Maintenance Materials, Legal Expenses, and less Charges to Capital.

2024 Actuals vs. 2023 Actuals

- Seaport Operating Revenues were \$11.3M higher compared to 2023 because of higher revenues from Grain, NWSA Distributable Revenue, Recreational Boating, and Maritime Portfolio Management.
- Seaport Operating Expenses (without the non-cash expense credit related to the Port's public pension plans) were \$15.7M higher than 2023 due to higher Payroll, Outside Services, \$2.5M payment to Seattle Aquarium, \$2.0M payment to Friends of the Waterfront, and higher Legal Expenses.

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 12/31/24

MAJOR OPERATING REVENUES SUMMARY

	2022	2023	2024	2024	Actual vs. Budget		Change from 2023	
	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
\$ in 000's					\$	%	\$	%
Aeronautical Revenues	402,540	479,697	517,683	520,600	(2,917)	-0.6%	37,986	7.9%
Public Parking	88,899	110,990	116,626	111,036	5,590	5.0%	5,637	5.1%
Rental Cars - Operations	44,302	46,506	45,399	42,201	3,198	7.6%	(1,107)	-2.4%
Rental Cars - Operating CFC	12,171	16,954	20,872	19,399	1,473	7.6%	3,917	23.1%
ADR & Terminal Leased Space	43,126	74,246	81,612	78,088	3,524	4.5%	7,366	9.9%
Ground Transportation	20,804	24,878	23,946	25,333	(1,387)	-5.5%	(932)	-3.7%
Employee Parking	10,645	10,574	10,462	11,656	(1,195)	-10.3%	(112)	-1.1%
Airport Commercial Properties	16,747	20,370	21,744	20,496	1,249	6.1%	1,375	6.7%
Airport Utilities	7,943	8,666	9,578	10,089	(511)	-5.1%	912	10.5%
Clubs and Lounges	8,688	11,710	16,709	12,024	4,686	39.0%	5,000	42.7%
Cruise	30,469	41,726	43,145	41,057	2,088	5.1%	1,419	3.4%
Recreational Boating	13,978	15,505	16,555	16,468	87	0.5%	1,050	6.8%
Fishing & Operations	10,566	11,640	11,771	10,715	1,056	9.9%	131	1.1%
Grain	5,792	3,356	5,920	5,191	729	14.0%	2,564	76.4%
Maritime Portfolio Management	10,550	10,263	11,762	12,697	(935)	-7.4%	1,499	14.6%
Central Harbor Management	8,791	10,465	9,993	10,363	(370)	-3.6%	(472)	-4.5%
Conference & Event Centers	8,914	6,738	7,490	11,156	(3,666)	-32.9%	752	11.2%
NWSA Distributable Revenue	55,353	57,685	62,399	57,154	5,244	9.2%	4,714	8.2%
Other	9,851	7,311	6,474	7,348	(874)	-11.9%	(837)	-11.4%
Total Operating Revenues (w/o Aero)	407,590	489,584	522,457	502,471	19,986	4.0%	32,874	6.7%
TOTAL	810,130	969,281	1,040,141	1,023,071	17,070	1.7%	70,860	7.3%

MAJOR OPERATING EXPENSES SUMMARY

	2022	2023	2024	2024	Actual vs. Budget		Change from 2023	
	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
\$ in 000's					\$	%	\$	%
Salaries & Benefits	159,305	187,197	218,314	212,222	(6,092)	-2.9%	31,117	16.6%
Wages & Benefits	146,887	167,928	191,736	171,752	(19,984)	-11.6%	23,808	14.2%
Payroll to Capital Projects	27,020	32,448	33,047	45,801	12,754	27.8%	599	1.8%
Outside Services	116,405	139,389	160,797	187,740	26,942	14.4%	21,408	15.4%
Utilities	31,202	31,226	33,786	32,604	(1,182)	-3.6%	2,560	8.2%
Equipment Expense	12,039	12,624	11,790	11,637	(152)	-1.3%	(834)	-6.6%
Supplies & Stock	11,549	12,956	12,983	9,290	(3,693)	-39.8%	27	0.2%
Travel & Other Employee Expenses	4,400	5,511	6,068	8,095	2,026	25.0%	557	10.1%
Third Party Mgmt Op Exp	8,985	10,930	12,960	14,570	1,611	11.1%	2,030	18.6%
B&O Taxes	5,406	6,431	7,216	6,700	(516)	-7.7%	785	12.2%
Other Expenses	21,353	39,824	58,527	19,603	(38,924)	-198.6%	18,703	47.0%
Charges to Capital Projects/Overhead Alloc	(54,120)	(66,857)	(77,564)	(102,609)	(25,045)	24.4%	(10,707)	16.0%
TOTAL w/o DRS Pension True-up	490,431	579,607	669,661	617,406	(52,255)	-8.5%	90,054	15.5%
DRS Pension True-up Credit	(15,638)	(28,709)	(22,790)	-	22,790	0.0%	5,919	-20.6%
TOTAL w/ DRS Pension True-up	474,793	550,899	646,871	617,406	(29,465)	-4.8%	95,972	17.4%

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 12/31/24

PORTWIDE COMPREHENSIVE FINANCIAL SUMMARY

	2022	2023	2024	2024	Actual vs. Budget		Explanation
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	
Revenues							
1. Operating Revenues	810,130	969,281	1,040,141	1,023,071	17,070	1.7%	
2. Tax Levy	80,785	82,313	85,885	86,665	(780)	-0.9%	In line with budget
3. PFCs	88,284	95,681	99,364	99,886	(522)	-0.5%	In line with budget
4. CFCs	24,461	24,657	24,896	24,899	(2)	0.0%	In line with budget
5. Fuel Hydrant	7,451	6,681	6,389	6,996	(607)	-8.7%	In line with budget
6. Non-Capital Grants & Donations	153,764	19,192	3,491	3,193	297	9.3%	In line with budget
7. Capital Contributions	38,116	36,309	94,282	63,421	30,861	48.7%	Mainly due to more Non-Capital Incentives than budgeted
8. Interest Income	(50,735)	94,541	81,374	64,541	16,834	26.1%	Mainly due to more Investment Interest Income than budgeted
Total	1,152,256	1,328,655	1,435,822	1,372,672	63,150	4.6%	
Expenses							
1. O&M Expense	490,431	579,607	669,661	617,406	(52,255)	-8.5%	Mainly due to higher Env Remediation Exp.
2. DRS Pension True-up Credit	(15,638)	(28,709)	(22,790)	-	22,790	0.0%	Unbudgeted DRS pension credit
3. Depreciation	233,869	256,740	272,750	250,025	(22,725)	-9.1%	More new assets came into service
4. Revenue Bond Interest Expense	140,838	146,686	150,418	162,463	12,045	7.4%	Less issue new bonds
5. GO Bond Interest Expense	11,877	10,162	14,365	15,819	1,455	9.2%	In line with budget
6. Public Expense	8,282	20,869	11,150	27,020	15,870	58.7%	Mainly due to less Non-Constructions
7. Non-Op Environmental Expense	1,296	10,056	2,747	14,800	12,053	81.4%	Less Non-op Environmental than budgeted
8. Other Non-Op Rev/Expense	58,630	944	13,273	1,745	(11,528)	-660.8%	Mainly due to unbudgeted Gain/Loss Sale Of Assets
Total	929,585	996,356	1,111,573	1,089,278	(22,296)	-2.0%	
Special Item	-	-	91,107	-	(91,107)	0.0%	Unbudgeted Special Item
Change In Net Assets	222,671	332,299	233,142	283,394	(50,252)	-17.7%	

KEY PERFORMANCE METRICS

	2023	2024	2024	Fav (UnFav)		Incr (Decr)	
	Actual	Actual	Budget	Act vs. Budget	Variance	Change from 2023	
				Chg.	%	Chg.	%
Total Passengers (in 000's)	50,885	52,641	52,914	274	0.5%	1,755	3.4%
Landed Weight (lbs. in millions)	32,064	32,806	32,726	(80)	-0.2%	741	2.3%
Passenger CPE (in \$)	17.52	18.14	18.31	0.17	0.9%	0.62	3.5%
Grain Volume (metric tons in 000's)	2,680	4,420	3,730	(690)	-18.5%	1,740	64.9%
Cruise Passenger (in 000's)	1,778	1,752	1,661	(91)	-5.4%	(26)	-1.5%
Shilshole Bay Marina Occupancy	98.1%	98.1%	96.4%	-1.7%	-1.7%	0.0%	0.0%

KEY BUSINESS EVENTS

The Port renewed the Memorandum of Understanding (MOU) with Washington Maritime Blue. This long-standing collaboration will continue to advance the maritime businesses in a global marketplace, create living wage jobs, and support an innovative hub to reinforce Washington's position as a leader in maritime innovation and sustainability. The Port and Washington Maritime Blue will work on the launch of the Maritime Innovation Center (MInC) at the Port's Fishermen's Terminal, which will serve as a hub for emerging maritime companies. Another initiative under this collaboration is the Quiet Sound which includes the installation of hydrophones, which will monitor underwater noise levels and support efforts to protect the endangered Southern Resident killer whales.

Commission authorized \$14 million for the second iteration of the South King County Community Impact Fund (SKCCIF) program over the next five years. This fund will continue to advance projects in the historically under-resourced, ethnically and culturally diverse communities that surround Seattle-Tacoma International Airport (SEA). The program will be expanded to include areas of King County that the Port of Seattle's Equity Index identifies as having the greatest disparities.

Shore power installation project was completed at the Bell Street Cruise Terminal at Pier 66. The Port invested \$44 million to equip all three cruise berths with shore power making Seattle one of the first cruise ports to offer shore power for simultaneous use at all its multiple berths. This technology allows ships to plug into the Seattle City Light grid and turn off their fuel-based engines, resulting in a significant reduction in air emissions and improving air quality. Additionally, the Port led the way to become the first port in the nation to require shore power usage by homeported cruise vessels, starting in the 2027 cruise season.

Commission directed staff to develop a plan to help address the commuting needs of the more than 20,000 Seattle-Tacoma International Airport (SEA) workers. This order comes after the adoption of a Ground Transportation Access Plan (GTAP) in 2019 which directed the Port to form SEA MOVES and committed SEA to transportation-related goals such as decreasing commuter trips in single-occupancy vehicles. The order approved five new programs for 2025 which includes a pilot program to evaluate the benefits of providing ORCA transit passes to a representative group of eligible airport workers, as well as a study of a potential employee bus shuttle. Similarly, the Port will explore the possibility of implementing health care requirements for the more than 20,000 SEA workers in a two-phase approach. The latest commission order seeks to understand how enhancing worker benefits can improve overall airport operations, including safety and customer service which ultimately advance the airport's goal of achieving a five-star Skytrax rating and higher competitiveness. SEA is currently a four-star Skytrax airport. The study will conclude in mid-2025 which will determine whether a policy directive will be considered next year and will be part of phase 2.

The Port announced 13 new dining and retail concepts with 10 concessionaires selected for SEA's C Concourse Expansion set to open in 2026. The concessionaires were selected after a thorough, and fair evaluation process with six rating criteria: background/experience and financial capability, concept development and customer experience, unit design and materials, financial offer, management/staffing and operations, and job quality/workforce development. The selection process included external independent facilitation and observation.

Commission authorized an order establishing the goal of permanently designating North SeaTac Park (NSTP) for recreational use. The Port has worked with U.S. Senator Maria Cantwell, U.S. Representative Adam Smith, and the rest of the Washington congressional delegation to include language amending the 2024 Federal Aviation Administration Reauthorization Act.

The Port, in partnership with Federal Aviation Administration (FAA), published the National Environmental Policy Act Environmental Assessment of the airport's Sustainable Master Plan, a set of 31 near-term projects that will improve efficiency, safety, access to the airport, and support facilities for airlines and the airport.

I. PORTWIDE FINANCIAL & PERFORMANCE REPORT 12/31/24**CAPITAL SPENDING SUMMARY**

\$ in 000's	2024	2024	2024	Budget Variance	
	Actual	Budget	Plan of Finance	\$	%
Aviation	683,833	682,384	717,598	1,449	0.2%
Maritime	81,062	72,976	84,825	8,086	11.1%
Economic Development	3,780	5,137	20,501	(1,357)	-26.4%
Central Services & Other (note 1)	10,511	20,716	19,742	(10,205)	-49.3%
TOTAL	779,186	781,213	842,666	(2,027)	-0.3%

Note:

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

PORTWIDE INVESTMENT PORTFOLIO

During the fourth quarter of 2024, the investment portfolio earned 3.82% versus the benchmark's (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index) of 4.26%. Over the last twelve months, the portfolio and the benchmark have earned 3.80% and 4.37%, respectively. Since the Port became its own Treasurer in 2002, the life-to-date earnings of the Port's portfolio and the benchmark are 2.42% and 2.00%, respectively.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/24

II. AVIATION DIVISION

FINANCIAL SUMMARY

Financial Summary (\$ in 000's)	2022	2023	2024	2024	Actual vs. Budget Variance		Incr/(Decr) Change from 2023	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Operating Revenue								
Aeronautical Revenues	402,540	479,697	517,683	520,600	(2,917)	-0.6%	37,986	7.9%
Non-Aeronautical Revenues	256,613	326,592	348,212	332,713	15,499	4.7%	21,620	6.6%
Total Operating Revenues	659,153	806,289	865,896	853,313	12,582	1.5%	59,606	7.4%
Total Operating Expenses w/o Pension True-Up	394,990	469,263	543,627	495,724	(47,903)	-9.7%	74,365	15.8%
DRS Pension True-Up Expense	(12,286)	(23,572)	(18,577)		18,577		4,994	-21.2%
Total Operating Expenses w/ Pension True-Up	382,704	445,691	525,050	495,724	(29,325)	-5.9%	79,359	17.8%
Net Operating Income	276,449	360,598	340,846	357,589	(16,743)	-4.7%	(19,753)	-5.5%
CPE	16.09	17.52	18.14	18.31	(0.17)	-0.9%	0.62	3.5%
Non-Aero NOI (\$ in 000s)	135,483	189,063	187,548	179,075	8,473	4.7%	(1,516)	-0.8%
Enplaned passengers (in 000s)	22,966	25,371	26,265	26,457	(192)	-0.7%	893	3.5%
Capital Expenditures (in 000s)	311,631	444,072	683,833	682,384	(1,449)	-0.2%	239,761	54.0%

2024 Actuals vs. 2024 Budget

Net Operating Income (NOI) including Pension True-up impact, was (\$16.7M) or (4.7%) lower than 2024 budget. This shortfall was driven by higher operating expenses.

Key Drivers:

- Aeronautical Revenues were (\$2.9M) or (0.6%) below budget, primarily due to:
 - Significant O&M overruns, particularly in legal expenses and internal cost allocations.
 - These increased costs were partially offset by grants, settlements, and a pension credit, bringing the total cost recovery lower than expected for the year.
- Non-Aeronautical Revenues came in \$15M or 4.7% higher than budget. Growth continued across several business lines:
 - Parking and Rental Car revenues outperformed expectations, reflecting sustained demand and higher utilization rates.
 - Port-owned Clubs & Lounges and Airport Dining & Retail also exceeded budget, benefiting from strong passenger volumes and continued recovery in travel spending.
- Total Operating Expenses exceeded budget by (\$29M) or (5.9%), driven by:
 - Increased contract rates and retroactive pay for contract negotiations completed during 2024.
 - Higher-than-anticipated costs in Environmental Remediation Liabilities.
 - Increased legal service charges and policing costs, particularly related to airport operations and support services.

2024 Actuals vs. 2023 Actuals

Net Operating Income for 2024 was (\$19.8M) or (5.5%) lower than the prior year, including the impact of the year-end Pension True-up.

- Higher Operating Revenue of \$59.6M or 7.4% compared to the prior year was driven by increased revenue from both Aeronautical and Non-Aeronautical sources.
- Higher Operating Expenses, including the Pension True-up impact, of \$79.4M or 17.8% compared to the prior year. This increase was primarily driven by higher Payroll, Outside Services, and Charges from Other Divisions. The impact of DRS Pension True-Up was lower in 2024 by (\$5M) compared to 2023.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/24

A. BUSINESS EVENTS

- Passenger levels exceeded pre-pandemic volume for the first time since 2019 by 1.6%, from 51.8M to 52.6M.
- New international airlines services at SEA:
 - Delta Air Line's service to Taipei, Taiwan
 - Lufthansa's service to Munich, Germany
 - Hainan Airlines' service to Chongqing, China and Taipei, Taiwan
 - Alaska Airlines' service to Toronto, Canada and Liberia, Costa Rica
 - Philippine Airlines' service to Manila, Philippines
- Reserved Parking launched at SEA

B. KEY PERFORMANCE METRICS

	2022	2023	2024	% Change from 2023
Total Passengers (000's)				
Domestic	41,582	45,090	46,052	2.1%
International	4,382	5,796	6,589	13.7%
Total	45,964	50,885	52,641	3.4%
Operations	401,351	422,497	434,321	2.8%
Landed Weight (In Millions of lbs.)				
Cargo	2,745	2,748	2,774	1.0%
All other	26,333	29,317	30,032	2.4%
Total	29,079	32,064	32,806	2.3%
Cargo - Metric Tons				
Domestic freight	335,514	305,141	345,181	13.1%
International & Mail freight	120,777	111,986	114,882	2.6%
Total	456,291	417,127	460,063	10.3%

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/24

Key Performance Measures

	2022	2023	2024	2024	Actual vs. Budget Variance		Incr/(Decr) Change from 2023	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Key Performance Metrics								
Cost per Enplanement (CPE)	16.09	17.52	18.14	18.31	(0.17)	-0.9%	0.62	3.5%
Non-Aeronautical NOI (in 000's)	135,483	189,063	187,548	179,075	8,473	4.7%	(1,516)	-0.8%
Other Performance Metrics								
O&M Cost per Enplanement	17.20	18.60	20.70	18.74	(1.96)	-10.5%	2.10	11.3%
Non-Aero Revenue per Enplanement	11.17	12.87	13.26	12.58	0.68	5.4%	0.39	3.0%
Debt per Enplanement (in \$)	193	166	157	136	(22)	-16.1%	(9)	-5.3%
Debt Service Coverage	2.64	2.02	1.90	1.88	0.02	1.1%	(0.12)	-5.9%
Days cash on hand (17 months = 517 days)	457	507	517	517	0	0.0%	10	2.0%
Activity (in 000's)								
Enplanements	22,966	25,371	26,265	26,457	(192)	-0.7%	893	3.5%
Total Passengers	45,964	50,885	52,641	52,914	(274)	-0.5%	1,755	3.4%

Key Performance Metrics

2024 Actuals vs. 2024 Budget

- Cost per Enplanement (CPE) was \$18.14 or 0.9% lower than budgeted CPE of \$18.31.
- Non-Aeronautical NOI was \$8.5M or 4.7% higher than budget due to strong performance in Parking and Rental Car, as well as significant growth in Port-owned Clubs.
- Total enplanements and passengers were both lower than budgeted by (192) and (274), respectively.

2024 Actuals vs. 2023 Actuals

- In 2024, SEA experienced an increase in both enplanements and total passengers compared to 2023. Cost per Enplanement (CPE) and O&M Cost per Enplanement also rose by \$0.62 and \$2.1 respectively.
- Non-Aeronautical NOI saw a decrease of (\$1.5M) or (0.8%) while non-Aeronautical revenue per enplanement increased by \$0.39 or 3%.
- Debt per enplanements decreased by (\$9) or (5.3%) and slightly improve days cash on hand to 517 days for 2024 from 507 days for 2023.
- Total enplanements and passengers were both higher for 2024 by 893 and 1,755 respectively.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/24

C. OPERATING RESULTS

Division Summary – YTD Actuals

Total Airport Expense Summary (\$ in 000's)	2022	2023	2024	2024	Actual vs. Budget Variance		Incr/(Decr) Change from 2023	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Operating Expenses								
Payroll	168,389	193,130	220,728	210,530	(10,198)	-4.8%	27,598	14.3%
Outside Services	75,700	87,364	103,263	126,888	23,625	18.6%	15,899	18.2%
Utilities	22,880	23,285	25,543	23,938	(1,606)	-6.7%	2,258	9.7%
Other Expenses	15,141	17,655	21,440	(9,402)	(30,842)	328.0%	3,785	21.4%
Total Airport Direct Charges	282,110	321,434	370,975	351,954	(19,021)	-5.4%	49,540	15.4%
Environmental Remediation Liability	(1,274)	13,017	2,600	157	(2,443)	-1556.1%	(11,059)	-85.0%
Capital to Expense	2,356	480	553	-	(553)		(172)	-35.8%
Total Exceptions	1,081	13,497	3,153	157	(2,996)	-1908.5%	(11,231)	-83.2%
Total Airport Expenses	283,191	334,931	374,128	352,111	(22,017)	-6.3%	39,197	11.7%
Corporate	80,452	95,740	124,120	103,294	(20,826)	-20.2%	28,379	29.6%
Police	27,660	33,750	39,388	34,019	(5,369)	-15.8%	5,637	16.7%
Maritime/Economic Development/Other	3,687	4,840	5,992	6,301	309	4.9%	1,151	23.8%
Total Charges from Other Divisions	111,799	134,331	169,499	143,614	(25,886)	-18.0%	35,168	26.2%
Total Operating Expenses w/o Pension True-Up	394,990	469,263	543,627	495,724	(47,903)	-9.7%	74,365	15.8%
DRS Pension True-up Exp	(12,286)	(23,572)	(18,577)	-	18,577		4,994	-21.2%
Total Operating Expenses w/ Pension True-Up	382,704	445,691	525,050	495,724	(29,325)	-5.9%	79,359	17.8%

Operating Expenses – 2024 Actuals vs. 2024 Budget

Full year 2024 Total Operating expenses was \$525M (including the \$18.6M pension true-up), exceeding the budgeted amount of \$496M by \$29M or 5.9%. Before considering the pension true-up, the Total Operating expenses were \$544M, \$48M or 9.7% higher than the budget. The variance was driven by the following key areas:

- **Payroll:** Actual payroll costs totaled \$221M, exceeding the budget by \$10M (4.8%). This variance is primarily due to higher wages and benefit costs, largely driven by new represented agreements that resulted in higher-than-expected retroactive increases. Additional contributing factors include increased non-exempt salaries and benefits, as well as higher wages and benefits in the Maintenance and Fire departments.
- **Non-Payroll:** Non-payroll costs exceeded the budget by \$12M, primarily due to an unbudgeted legal settlement and increased Environmental Remediation liability costs in support of capital projects.

Operating Expenses – 2024 Actuals vs. 2023 Actuals

The Operating expenses increased by \$74M or 15.8% compared to 2023 primarily driven by higher Payroll, Outside Services, and Charges from Central Services.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/24

Aeronautical Business Unit Summary

Aeronautical NOI (\$ in 000's)	2022	2023	2024	2024	Actual vs. Budget Variance		Incr/(Decr) Change from 2023	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Rate Base Revenues								
Airfield Movement Area	118,240	142,797	169,606	153,782	15,824	10.3%	26,810	18.8%
Airfield Apron Area	17,211	26,118	32,086	31,816	270	0.8%	5,968	22.8%
Terminal Rents	220,399	251,892	278,228	274,654	3,573	1.3%	26,336	10.5%
Federal Inspection Services (FIS)	29,347	41,214	14,841	41,326	(26,485)	-64.1%	(26,373)	-64.0%
Total Rate Base Revenues	385,197	462,020	494,761	501,578	(6,817)	-1.4%	32,741	7.1%
Airfield Commercial Area	17,343	17,677	22,922	19,022	3,900	20.5%	5,245	29.7%
Subtotal before Revenue Sharing	402,541	479,697	517,683	520,600	(2,917)	-0.6%	37,986	7.9%
Total Aeronautical Revenues	402,541	479,697	517,683	520,600	(2,917)	-0.6%	37,986	7.9%
Total Aeronautical Expenses	261,574	308,162	364,385	342,086	(22,299)	-6.5%	56,223	18.2%
Aeronautical NOI	140,967	171,535	153,298	178,514	(25,216)	-14.1%	(18,237)	-10.6%
Debt Service	(80,554)	(144,395)	(157,518)	(154,613)	(2,905)	1.9%	(13,122)	9.1%
Net Cash Flow	60,413	27,140	(4,220)	23,902	(28,121)	-117.7%	(31,360)	-115.5%

Aeronautical – 2024 Actuals vs. 2024 Budget

- Net Operating Income was \$25.2M (14.1%) lower than budget driven by higher operating expenses from legal issues and higher cost allocations.

Aeronautical – 2024 Actuals vs. 2023 Actuals

- Net Operating Income was \$18.2M (10.6%) lower than 2023, primarily because expenses increased at a higher rate than revenue. Revenue growth was lower in 2024 due to large offsetting grants/settlements, which impacted the reported figures despite underlying trends being typically comparable with Aero Cost Recovery. Slower passenger activity in 2024 also contributed to the reduced net operating income.

Airline Rate Base Cost Drivers

\$ in 000's	2024 Actual	2024 Budget	Impact on Aero Revenues Budget vs Actual	
			\$	%
O&M ⁽¹⁾	353,595	331,860	21,735	6.5%
Debt Service Before Offsets	226,565	225,815	750	0.3%
Debt Service PFC Offset	(91,643)	(91,493)	(150)	0.2%
Net Debt Service	134,922	134,322	600	0.4%
Amortization	36,935	36,873	62	0.2%
Space Vacancy	(2,041)	(719)	(1,322)	183.9%
TSA Operating Grant and Other	(28,676)	(758)	(27,918)	3681.8%
Rate Base Revenues	494,734	501,578	(6,844)	-1%
Commercial area	22,922	19,022	3,900	21%
Total Aero Revenues	517,657	520,600	(2,943)	-1%

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

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/24

2024 Actuals vs. 2024 Budget

- Rate Based Revenue is \$6.8M lower than budget based on overall cost increases offset by grants and other settlement reimbursements:
 - O&M – \$21.7M higher primarily due to higher Legal Costs. Significant unbudgeted items included TSA Exit Lane Staffing and increases in Represented Payroll with retroactive contract negotiations. Additional cost increases were driven higher allocations of costs across the board including law enforcement support. These increases were partially offset by Aero share of year-end Pension Credit.
 - Net Debt Service – \$0.6M higher due to very minimal changes.
 - TSA Operating Grant and Other – \$27.9M higher reflecting additional grants and \$28M IAF Settlement Reimbursement.

Non-Aero Business Unit Summary

Non-Aeronautical NOI (\$ in 000's)	2022	2023	2024	2024	Actual vs. Budget Variance		Incr/(Decr) Change from 2023	
	Actual	Actual	Actual	Budget	\$	%	\$	%
Non-Aeronautical Revenues								
Public Parking	88,899	110,990	116,626	111,036	5,590	5.0%	5,637	5.1%
Rental Cars	56,473	63,460	66,271	61,599	4,672	7.6%	2,810	4.4%
Ground Transportation	20,804	24,878	23,946	25,333	(1,387)	-5.5%	(932)	-3.7%
Airport Dining & Retail	36,581	65,952	73,703	71,332	2,372	3.3%	7,751	11.8%
Clubs and Lounges	8,688	11,710	16,709	12,024	4,686	39.0%	5,000	42.7%
Other	45,168	49,602	50,957	51,389	(432)	-0.8%	1,355	2.7%
Total Non-Aeronautical Revenues	256,613	326,592	348,212	332,713	15,499	4.7%	21,620	6.6%
Total Non-Aeronautical Expenses	121,130	137,529	160,665	153,639	7,026	4.6%	23,136	16.8%
Non-Aeronautical NOI¹	135,483	189,063	187,548	179,075	8,473	4.7%	(1,516)	-0.8%
Less: CFC Surplus	(4,338)	(7,686)	(10,174)	(7,385)	(2,789)	37.8%	(2,488)	32.4%
Adjusted Non-Aeronautical NOI	131,145	181,377	177,373	171,689	5,684	3.3%	(4,004)	-2.2%
Debt Service	(33,065)	(27,096)	(43,887)	(44,482)	595	-1.3%	(16,791)	62.0%
Net Cash Flow	98,079	154,281	133,486	127,207	6,279	4.9%	(20,795)	-13.5%

(1) Includes Federal Relief for Concessions

Non-Aeronautical Revenue – 2024 Actuals vs. 2024 Budget

Full year 2024 Non-Aero Revenue was \$15.5M (4.7%) favorable to budget:

- Public Parking - \$5.6M (5.0%) favorable to budget due to continued strong demand, including robust utilization of the parking reservation program.
- Rental Car - \$4.7M (7.6%) favorable to budget resulting from higher percentage of O&D passengers renting cars, continued higher than historical average rental costs, and slightly longer rental durations. These factors had favorable impact on both Rental Car concession revenue and CFC revenue.
- Airport Dining & Retail - \$2.4M (3.3%) favorable to budget due to steady growth across ADR (\$2.0M), as well as strong growth in advertising revenue, partially offset by the delayed implementation of expanded Janitorial services revenue (\$1.0M, *note this item has a NOI neutral impact*).
- Clubs & Lounges revenue grew significantly in 2024 due to expanded hours in the common use lounges to service new international air service routes and accommodate more flying passengers.
- Ground Transportation ended the year \$1.4M below the budget primarily due to reduced trip fees for TNC operators (\$1.0M) due to carbon reduction targets achieved. TNC operators earned deeper discounts on Drop-off Fees for increasing the ratio of electric vehicles in their fleet. Taxi revenue was also lower than budget (\$0.3M) due to challenges tracking all taxi trip activity during the cyberattack recovery period in late-2024.

II. AVIATION DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/24

Non-Aeronautical Revenue – 2024 Actuals vs. 2023 Actuals

- Non-Aeronautical Revenue grew by \$21.6M (6.6%) compared to prior year primarily due to the same factors explained above in the 2024 favorable performance compared to budget.

D. CAPITAL RESULTS

Capital Variance

\$ in 000's	2024	2024	2024	Budget vs. Actual	
	Actual	Budget	POF	\$	%
SEA Gateway ⁽¹⁾	172,720	136,612	106,366	36,108	26.4%
Checked Bag Recap/Optimization ⁽²⁾	50,631	69,654	111,869	(19,023)	-27.3%
Widen Arrivals Roadway ⁽³⁾	34,171	17,233	15,539	16,938	98.3%
International Arrivals Fac-IAF ⁽⁴⁾	18,052	7,281	4,809	10,771	147.9%
MT Low Voltage Sys Upgrade ⁽⁵⁾	36,379	25,860	26,000	10,519	40.7%
C concourse Expansion ⁽⁶⁾	75,135	85,192	109,662	(10,057)	-11.8%
Airline Realignment ⁽⁷⁾	28,736	20,899	12,894	7,837	37.5%
ASL Replacement ⁽⁸⁾	4,770	11,397	-	(6,627)	-58.1%
Parking Garage Elevators Moder ⁽⁹⁾	1,793	6,596	4,775	(4,803)	-72.8%
Concourse A Lounge Expansion ⁽¹⁰⁾	39,386	43,500	47,748	(4,114)	-9.5%
All Other	222,060	258,160	419,857	(36,100)	-14.0%
Subtotal	683,833	682,384	859,518	1,449	0.2%
CIP Cashflow Mgmt Reserve	-	-	(141,920)	-	
Total Spending	683,833	682,384	717,598	1,449	0.2%

- Work was completed on schedule with minor scope additions. The Program was able to tighten up the typical 60 to 90 days lag between completion of work and the reimbursement submittal to allow approval of one more reimbursement request than originally forecast before the end of 2024.
- Phase 2 Savings to Construction Contract Contingency wasn't assumed in the 2024 baseline; Phase 3 delays in Construction Start.
- Contractor's updated schedule resulted in higher 2024 costs than forecasted.
- Unplanned \$14M for Claims Settlement & Legal costs. It was slightly offset by \$3.3M for Delayed Const work & Soft Cost Underruns.
- Contractor re-sequenced work and increased crew sizes accelerating the 2024 cashflow basis to \$2.8M/Mo.
- 2024 actual costs were lower than budget because Structural Demolition and Utility Relocation work production was slower than planned. Structural Steel erection re-sequencing is expected to mitigate some of the delay.
- Delayed spending in previous months was realized in Q4 when the GCCM production and associated invoicing increased.
- Due to uncertainties at the start of this hot status project, high margin was included in the ROM estimate.
- Project progressed slower than expected, working to accelerate and rearrange the work.
- Const. TRA reimbursement submittals required additional review time. Due to the substantial backlog of outstanding change orders, the processing time to review the change order documentation and standard request for reimbursements has created a processing and reimbursement delay.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/24

III. MARITIME DIVISION

FINANCIAL SUMMARY (Excludes Pension Adjustments)

\$ in 000's	2022 Actual	2023 Actual	2024 Actual	2024 Budget	Actual vs. Budget Variance		Change from 2023 Incr (Decr)	
Total Operating Revenues	71,534	82,410	89,163	86,132	3,031	4%	6,753	8%
Total Operating Expenses	59,556	70,286	76,394	72,589	3,805	5%	6,108	8%
Net Operating Income	11,978	12,124	12,769	13,543	(774)	-6%	645	5%
DRS Pension True-up Exp	(2,396)	(3,649)	(2,985)					
Total Operating Income w/o Pension True-up	14,374	15,773	15,754	13,543	2,211	16%	(19)	0%

2024 Actuals vs. 2024 Budget

- Operating Revenues \$3M higher than budget primarily from higher cruise occupancy and grain volumes.
- Operating Expenses \$3M higher than budget from higher payroll expenses and unplanned legal expenses.
- Net Operating Income \$775K below budget.
- Capital Spending of \$81M or 111% of \$73M budget.

2024 Actuals vs. 2023 Actuals

- Operating Revenues \$6.8M higher than 2023 with from higher cruise occupancy, grain volumes, commercial moorage, and first full year impact of T106 ground lease.
- Operating Expenses \$6.1M higher than 2023 driven primarily by increases in payroll expenses for represented and non-represented staff, higher equipment expenses, and for unplanned legal expenses.
- Net Operating Income \$645K higher than 2023 actual.

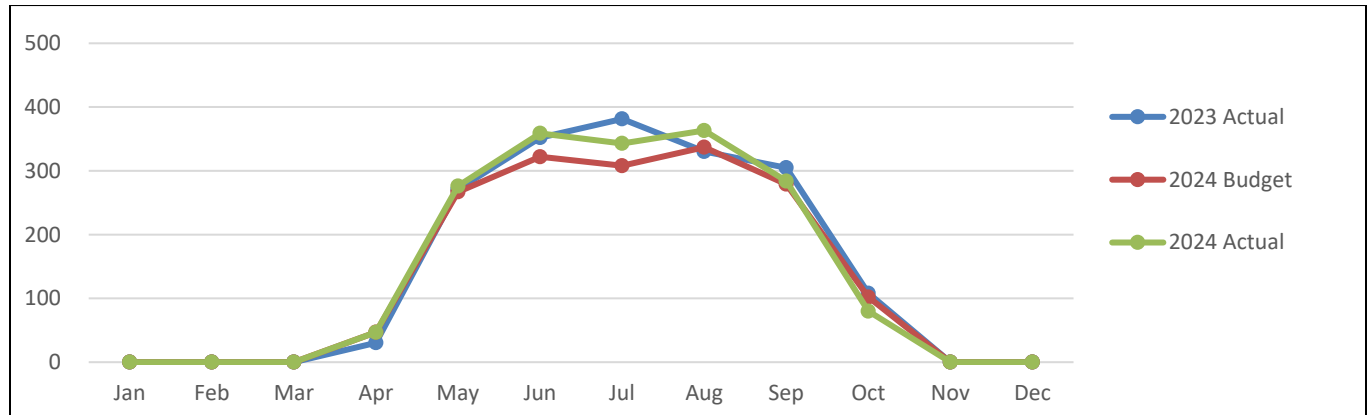
Net Operating Income before Depreciation by Business

\$ in 000's	2023	2024	2024	Actual vs. Budget Variance		Change from 2023	
	Actual	Actual	Budget	\$	%	\$	%
Ship Canal Fishing & Operations	(3,771)	(3,768)	(4,321)	554	13%	4	0%
Elliott Bay Fishing & Commercial Operations	(2,827)	(915)	(1,692)	777	46%	1,913	68%
Recreational Boating	(507)	(521)	628	(1,149)	-183%	(15)	-3%
Cruise	25,601	20,657	19,190	1,467	8%	(4,944)	-19%
Grain	1,235	3,090	3,149	(59)	-2%	1,855	150%
Maritime Portfolio	(5,408)	(3,623)	(2,810)	(813)	-29%	1,785	33%
Habitat	(1,057)	(1,221)	(1,313)	92	7%	(164)	-16%
All Other	(1,143)	(932)	712	(1,643)	-231%	212	19%
Total Maritime	12,124	12,769	13,543	(774)	-6%	645	5%

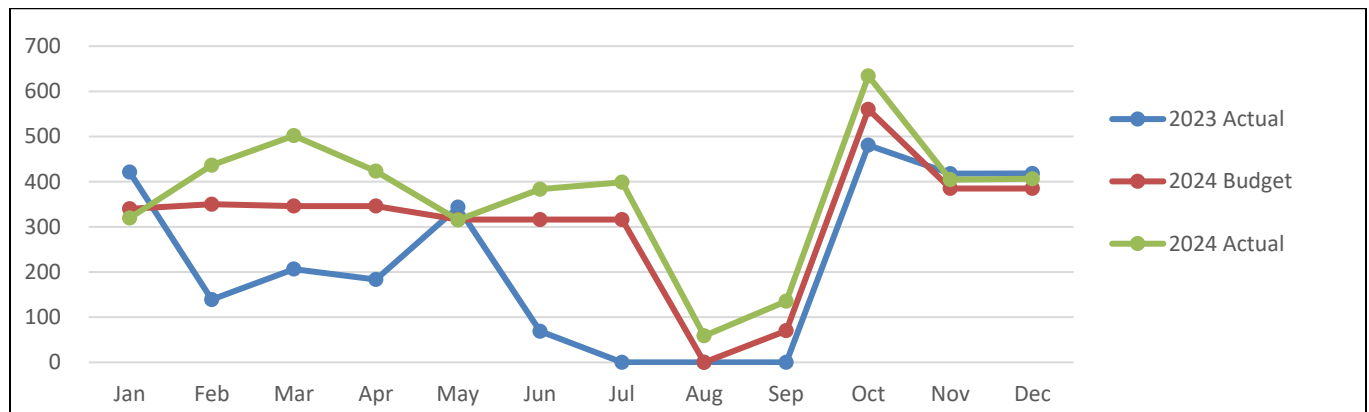
III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/24

A. KEY PERFORMANCE METRICS

Cruise Passengers in 000's



Grain Volumes in 000's



III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/24

B. OPERATING RESULTS

	2022	2023	2024	2024	Actual vs.		Change from	
\$ in 000's	Actual	Actual	Actual	Budget	Budget Variance		2023	
					\$	%	\$	%
Ship Canal Fishing & Operations	4,592	5,076	5,169	4,984	185	4%	93	2%
Elliott Bay Fishing & Commercial Operations	5,975	6,564	6,602	5,731	871	15%	39	1%
Recreational Boating	13,978	15,505	16,555	16,468	87	1%	1,050	6%
Cruise	30,469	41,726	43,145	41,057	2,088	5%	1,419	3%
Grain	5,792	3,356	5,920	5,191	729	14%	2,564	43%
Maritime Portfolio Management	10,550	10,263	11,762	12,697	(935)	-7%	1,499	13%
Other	179	(80)	10	4	6	165%	90	941%
Total Revenue	71,534	82,410	89,163	86,132	3,031	4%	6,753	8%
Expenses								
Maritime (Excl. Maint)	19,984	24,423	23,678	24,640	963	4%	(746)	-3%
Economic Development	5,603	4,855	5,206	6,326	1,120	18%	352	7%
Total Direct	25,586	29,278	28,884	30,966	2,082	7%	(394)	-1%
Maintenance Expenses	12,829	15,424	16,756	14,983	(1,772)	-12%	1,332	8%
Envir Services & Planning	750	1,289	1,756	1,718	(37)	-2%	467	27%
Seaport Finance and Cost Recovery	912	1,072	1,514	1,653	139	8%	442	29%
Seaport Project Management	882	1,654	2,328	3,117	788	25%	674	29%
Total Support Services	15,373	19,439	22,353	21,471	(882)	-4%	2,915	13%
IT	2,961	3,375	3,787	4,128	341	8%	412	11%
Police Expenses	3,854	4,803	5,258	4,929	(328)	-7%	455	9%
External Relations	1,483	1,663	2,009	2,158	149	7%	346	17%
Other Central Services	9,931	7,751	10,817	8,633	(2,184)	-25%	3,066	28%
Aviation Division / Other	366	329	302	304	2	1%	(28)	-9%
Total Central Services / Other	18,597	17,920	22,172	20,152	(2,020)	-10%	4,251	19%
Total Expense before Pension Adjustment	59,556	70,286	76,394	72,589	(3,805)	-5%	6,108	8%
<i>Pension Adjustment</i>	(2,396)	(3,649)	(2,985)	0				
Total Expense	57,160	66,637	73,409	72,589	(820)	-1%	6,772	9%
NOI excluding Pension Adjustment	11,978	12,124	12,769	13,543	(774)	-6%	645	5%
NOI Before Depreciation	14,375	15,773	15,754	13,543	(2,212)	-16%	(19)	0%
Depreciation	17,980	18,300	19,465	17,531	(1,934)	-11%	1,165	6%
NOI After Depreciation Excluding Pension Adjustment	(6,002)	(6,176)	(6,696)	(3,988)	(2,707)	-68%	(520)	-8%

2024 Actuals vs. 2024 Budget

- Operating Revenues were \$3,031K higher than budget driven by:
 - Ship Canal over \$185K from higher monthly moorage occupancy and utility sales.
 - Elliott Bay Fishing over \$871K due to new license agreements and longer than expected moorage of fishing vessels.
 - Recreational Boating over \$87K from stronger than expected demand for moorage.
 - Cruise \$2,088K over from higher than expected occupancies and early season billing at pre-agreement tariff rates.
 - Grain \$729K over from higher volumes of soybean exports.
 - Maritime Portfolio Management \$935K lower due to environmental remediation credit related to T106 ground lease.
- Operating Expenses were \$3,805K lower than budget:
 - Direct Expenses were \$2,082K lower than the budget
 - Elliot Bay Fishing and Commercial \$325K lower from bad debt recovery and utilities.
 - Recreational Boating \$26K lower from lower salaries & benefits expenses due to fewer employee turnover, but partially offset by utilities over the budget
 - Cruise \$163K over due to higher outside services for P66 construction traffic mitigation expenses.
 - Maritime Security \$250K over budget, as T-46 and FT requested additional security services.
 - Maritime Marketing \$283K below budget due to lower advertising, promotional, and outside services.

III. MARITIME DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/24

- Maritime Portfolio Management \$122K below budget from lower utilities and unspent outside services (TI/Broker Fees).
- Division Administration is under budget by \$239K from open positions and unspent budget for event and promotional expenses.
- Capital to expense for cancelled projects resulted in unbudgeted expenses of \$264K.
- Total Support Services/Maintenance were \$1.6M over budget primarily due to compensation project/retro pay and under allocation of staff costs to Maritime. Higher than expected material prices.
- Total Central Services / Other were \$2,020K over budget.
- Net Operating Income (excluding depreciation and DRS Pension Adjustment) was \$774K lower than budget.

2024 Actuals vs. 2023 Actuals

- Operating Revenues were \$6.8M higher than 2023 due to increase in grain volumes, the first full-year impact of T106 ground lease, and moorage rate increase.
- Operating Expenses (before DRS Pension Adjustment) were \$6,108K higher than 2023 actual driven primarily by payroll increases and unplanned legal expenses
- Net Operating Income (before depreciation and DRS Pension Adjustment) was \$645K higher than 2023 actual.

C. CAPITAL RESULTS

	2024 Actual	2024 Budget	2024 POF	Budget vs Forecast	
\$ in 000's				\$	%
P66 Shore Power	23,874	25,085	27,752	(1,211)	-5%
T91 Berth 6 & 8 Redev	22,682	21,931	19,223	751	3%
FT Maritime Innovation Center	9,227	7,384	14,789	1,843	25%
P66 Fender Replacement	3,730	2,800	2,382	930	33%
MIC Electrical Replacements	1,931	2,203	411	(272)	-12%
T91 New Cruise Gangway	2,342	2,090	3,040	252	12%
Sustainable Eval Framework Res	0	2,000	2,000	(2,000)	-100%
HIM Dock-E Improvements	3,050	1,920	2,350	1,130	59%
MD Small Projects	1,358	2,340	2,234	(982)	-42%
MD Fleet	3,399	4,038	4,503	(639)	-16%
All Other Projects	9,469	15,449	30,341	(5,980)	-39%
Subtotal	81,062	87,240	109,025	(6,178)	-7%
CIP Cashflow Mgt - MD	0	(14,264)	(24,200)	14,264	-100.0%
Total Maritime	81,062	72,976	84,825	8,086	11%
% of Capital Budget	111%	100%			

Note: POF (Plan of Finance) is the total estimated during the budget process.

Comments on Key Projects with Significant Variances

- **FT Innovation Center** – Additional workflow analysis through Forma resulted in the preorder of equipment that was originally planned to be purchased later.
- **HIM Dock-E Improvements** – The contractor performing the dock fabrication finished sooner than originally projected.
- **All other projects** – MD Video Camera Project (\$1.3M) delayed due to cyber incident.

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/24

IV. ECONOMIC DEVELOPMENT DIVISION

FINANCIAL SUMMARY

\$ in 000's	2022 Actual	2023 Actual	2024 Actual	2024 Budget	Actual vs. Budget Variance		Change from 2023 Incr (Decr)	
Total Operating Revenues	17,999	17,215	17,506	21,542	(4,036)	-19%	291	2%
Total Operating Expenses	23,571	25,494	26,777	30,669	(3,892)	-13%	1,283	5%
Net Operating Income	(5,572)	(8,279)	(9,271)	(9,127)	(144)	-2%	(992)	-11%
DRS Pension True-up Exp	(629)	(1,168)	(981)					
Total Operating Income w/o Pension True-up	(4,942)	(7,111)	(8,290)	(9,127)	837	-9%	(1,178)	-14%

2024 Actual vs. 2024 Budget

- Operating Revenues \$4M unfavorable to budget due to lower volumes at the Conference & Event Center.
- Operating Expenses \$3.9M below budget due to variable cost impact of lower Conference Center volumes and unspent Outside Services expenses.
- Net Operating Income \$144K below budget.
- Capital Spending 74% of \$5.1M budget.

2024 Actual vs. 2023 Actuals

- Operating Revenues \$291K higher than 2023 with increases in Conference & Event Center.
- Operating Expenses \$1.3M higher than 2023 due to payroll increases and Conference & Event Center volumes and change in the EDD Grants from 1yr to 2yr cycle.
- Net Operating Income \$1.18M lower than 2023 actual.

Net Operating Income before Depreciation by Business

	2023	2024	2024	Actual vs. Budget Variance		Change from 2023	
\$ in 000's	Actual	Actual	Budget	\$	%	\$	%
Portfolio Management	(2,069)	(3,566)	(3,613)	46	1%	(1,498)	-72%
Conference & Event Centers	(3,706)	(3,589)	(2,430)	(1,159)	-48%	117	3%
Tourism	(1,026)	(1,082)	(1,606)	524	33%	(56)	-5%
Small Business	0	0	(50)	50		0	
EDD Grants	(1,491)	(964)	(1,505)	541	36%	527	35%
Env Grants/Remed Liab	(333)	(424)	78	(501)	645%	(91)	-27%
Total Econ Dev	(8,625)	(9,626)	(9,127)	(499)	-5%	(1,001)	-12%

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/24

A. OPERATING RESULTS

	2022	2023	2024	2024	Actual vs. Budget		Change from 2023	
\$ in 000's	Actual	Actual	Actual	Budget	\$	%	\$	%
Revenue	8,886	10,477	10,016	10,386	(370)	-4%	(461)	-4%
Conf & Event Centers	8,914	6,738	7,490	11,156	(3,666)	-33%	752	11%
Total Revenue	17,799	17,215	17,506	21,542	(4,036)	-19%	291	2%
Expenses								
Portfolio Management	3,653	3,713	3,954	3,917	(37)	-1%	242	7%
Conf & Event Centers	6,563	6,632	7,150	9,602	2,452	26%	518	8%
P69 Facilities Expenses	230	254	237	225	(12)	-5%	(17)	-7%
RE Dev & Planning	299	340	235	249	14	6%	(105)	-31%
EconDev Expenses Other	1,058	1,734	1,488	1,058	(430)	-41%	(247)	-14%
Maintenance Expenses	3,836	3,498	3,532	4,024	492	12%	34	1%
Maritime Expenses (Excl Maint)	1,223	1,501	1,571	1,894	323	17%	70	5%
Total EDD & Maritime Expenses	16,863	17,672	18,168	20,971	2,803	13%	496	3%
Diversity in Contracting	186	268	253	250	(3)	-1%	(15)	-6%
Tourism	1,737	1,540	1,738	1,875	137	7%	197	13%
EDD Grants	105	1,491	964	1,505	541	36%	(527)	-35%
Total EDD Initiatives	2,028	3,300	2,955	3,630	675	19%	(345)	-10%
Environmental & Sustainability	30	53	72	108	36	33%	19	36%
Police Expenses	240	288	333	289	(44)	-15%	45	16%
Other Central Services	4,893	5,207	6,099	5,539	(560)	-10%	892	17%
Aviation Division	146	141	130	132	2	1%	(11)	-8%
Total Central Services & Aviation	5,309	5,689	6,635	6,068	(567)	-9%	945	17%
Total Expense before Pension Adjustment	24,200	26,661	27,758	30,669	2,911	9%	1,096	4%
<i>Pension Adjustment</i>	(629)	(1,168)	(981)	0	981	NA	187	16%
Total Expense with Pension Adjustment	23,571	25,494	26,777	30,669	3,892	13%	1,283	5%
NOI Before Depreciation	(5,772)	(8,279)	(9,271)	(9,127)	(144)	-2%	(992)	-12%
Depreciation	3,954	4,132	4,373	4,028	(346)	-9%	241	6%
NOI After Depreciation	(9,725)	(12,411)	(13,644)	(13,154)	(490)	-4%	(1,233)	-10%

2024 Actuals vs. 2024 Budget

- Operating Revenues were \$4M unfavorable to budget primarily due to lower volumes than budgeted at Conference & Event Center.
- Operating Expenses before Pension Adjustment were \$3M below budget:
 - Portfolio Management \$37K lower from lower Salary and Benefits due to unfilled position.
 - Conference and Event Center \$2.4M lower from lower activity.
 - Economic Dev. Other over budget \$430K from budgeted Levy grants (Community Business Connector) miscoded, should have been charged to Tax Levy cost center.
 - Marine Maintenance \$492K lower primarily due to Maintenance Materials and Labor charges due to lower activity.
 - Maritime Expenses (Excl Maintenance) \$373K lower due to timing of project spend primarily Small Works Construction Services and Contract Watchmen/Dispatchers.
 - EDD Initiatives \$807K below budget due to decrease in Tourism and Marketing support contracts caused by adjustments in grant cycle from two year to one year to align with partner's budget cycles. Small Business underspent budget in outside services and budget for Community Development Fund Training.
 - All other expenses net to \$2K under budget.
- Net Operating Income was \$490K under to budget.

2024 Actuals vs. 2023 Actuals

- Operating Revenues were \$291K higher than 2023 actual from fewer Conference & Event Centers event cancellations, and leases.
- Operating Expenses before Pension Adjustment were \$1.1M higher than 2023 actual:

IV. ECONOMIC DEVELOPMENT DIVISION FINANCIAL & PERFORMANCE REPORT 12/31/24

- Portfolio management \$242K higher due to higher Outside Services and bad debt recovery in 2023.
- Conference and Event Centers \$518K higher than 2023 due to variable costs associated with higher Conference and Event Center volumes.
- Econ Division other \$247K lower due to adjustments in grant cycles.
- Central services up \$1,000K from increased payroll
- Net Operating Income was \$1.23M lower than 2023 actual.

B. CAPITAL RESULTS

	2024 Actual	2024 Budget	2024 POF	Budget vs Forecast	
\$ in 000's				\$	%
T91 Uplands Dev Phase I	1,357	2,650	18,409	(1,293)	-49%
P69 Underdock Utility Rplc	854	1,050	600	(196)	-19%
P69 Public Video Wall	105	575	725	(470)	-82%
WTCW Roof Replacement	229	461	83	(232)	-50%
P69 Computer Room CRAC Repl	81	386	529	(305)	-79%
T91 Ped Path and Bike Bridge	180	346	1,350	(166)	-48%
EDD Tenant Improvements	0	300	300	(300)	-100%
EDD Technology Projects	0	250	250	(250)	-100%
CW Bridge Elev Modernizations	117	220	0	(103)	-47%
P69 3rd Floor Terrace Repair	0	130	775	(130)	-100%
All Other Projects	857	579	6,204	278	48%
Subtotal	3,780	6,947	29,225	(3,167)	-46%
CIP Cashflow Mgmt Reserve	0	(1,810)	(8,724)	1,810	-100%
Total Economic Development	3,780	5,137	20,501	(1,357)	-26%
% of Capital Budget	74%	100%			

Note: POF (Plan of Finance) is the total estimated during the budget process.

Comments on Key Projects

- **T91 Uplands** – Procurement delay due to change in delivery methodology. Moved from design-build to Progressive design-build which protracts the design process
- **P69 Public Video Wall** – Cost reduction using Port Engineering and PCS for construction vs. using outside contractor
- **P69 Computer Room CRAC** – Procurement delay due to cyber disruption.

V. CENTRAL SERVICES FINANCIAL & PERFORMANCE REPORT 12/31/24

V. CENTRAL SERVICES

FINANCIAL SUMMARY

	2022	2023	2024	2024	Actual vs. Budget		Change from 2023	
\$ in 000's	Actual	Actual	Actual	Budget	Variance	%	Incr (Decr)	%
					\$		\$	
Total Operating Revenues	2,538	(216)	403	163	240	146.8%	619	-286.6%
Core Central Support Services	96,695	111,368	152,018	120,940	(31,078)	-25.7%	40,650	36.5%
Police	33,487	41,023	46,691	40,538	(6,153)	-15.2%	5,668	13.8%
Engineering/PCS	10,593	14,241	17,334	19,488	2,154	11.1%	3,093	21.7%
Total O&M Expenses w/o Pension True-up	140,775	166,632	216,044	180,967	(35,077)	-19.4%	49,412	29.7%
DRS Pension True-up Exp	(6,666)	(14,479)	(11,743)	-	11,743	0.0%	2,736	-18.9%
Total O&M Expenses with Pension True-up	134,110	152,153	204,300	180,967	(23,334)	-12.9%	52,148	34.3%

2024 Actuals vs. 2024 Budget

- Operating Revenues favorable by \$240K due primarily to reimbursable revenues from Police.
- Operating Expenses (without the non-cash expense credit related to the Port's public pension plans) were \$35.1M unfavorable to budget mainly due to higher Payroll, Equipment Expense, Supplies & Stock, Insurance Expense, Promotional Expenses (\$2.5M payment to Seattle Aquarium and \$2.0M payment to Friends of the Waterfront), and Legal Expenses; partially offset by lower Outside Services and Travel.

2024 Actuals vs. 2023 Actuals

- Operating Revenues \$619K above 2023 mainly due to higher reimbursable revenues from Police.
- Operating Expenses (without the non-cash expense credit related to the Port's public pension plans) were \$49.4M higher than 2023 mainly due to higher Payroll, Equipment Expense, Promotional Expenses, Outside Services, Property Rentals, and General Expenses in 2024; partially offset by lower Supplies & Stock.

A. BUSINESS EVENTS

- Executive Director presented on decarbonization during the Ports Authority Roundtable.
- Received authorization for \$14M the second iteration of the South King County Community Impact Fund (SKCCIF) program over the next five years.
- Received the American Association of Port Authorities Lighthouse Award of Excellence in Economic Development Practices for the South King County Community Impact Fund.
- Hosted a hybrid format town hall with more than 500 online participants and approximately 70 in-person attendees.
- Commission presented the Port's activities and future plan at the State of the Port hosted by West Seattle Chamber State.
- Celebrated the Muckleshoot Tribe's Tomanamus Community Day at the Muckleshoot Job Fair & Community Gathering.
- Conducted the Data and Equity Workshop Series in partnership with We All Count with the goal to advance equity into data collection and analysis.
- Participated in over 83 outreach events focused on local Port communities to promote jobs at the Port. The Port hired 58 high school interns and 54 post-secondary interns in 2024.
- Conducted a total of 13 strategic planning and continuous process improvement classes.
- Restored and strengthened systems impacted by cyber incident
- Hosted SAMP Draft NEPA EA and Part 150 study public events
- Received \$3M Clean Ports EPA funding for planning
- Finalized the Memorandum of Understanding to extend the 2025 Airport Parking tax offset to some bargaining units; incorporated Gender Neutral/Inclusive Title changes for Marine and Aviation Maintenance Contracts.

V. CENTRAL SERVICES FINANCIAL & PERFORMANCE REPORT 12/31/24

B. KEY PERFORMANCE METRICS

Century Agenda Strategic Objectives	2022	2023	2024
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	1,479	1,594	1,202
B. Number of SEA Airport tenants supported in finding employees	94	93	111
C. Employment Center training completions	573	1,012	867
D. K-12 Career Connected Learning: WFD engagement with teachers/faculty	0	12	21
E. Community members entering employment in construction, maritime and environmental sustainability	53	70	96
F. Number of Job Openings Posted	355	336	285
G. Job applications received	13,990	18,830	17,753
H. Number of job interviews conducted	2,461	2,333	1,893
I. Number of new employees hired	557	495	405
J. Number of interns	104	133	123
K. Number of Veteran Fellows	6	5	3
L. Number of employees participating in Tuition Reimbursement	25	15	22
Become a Model for Equity, Diversity and Inclusion			
A. Employee participation in OEDI programming (Caucuses, Book Clubs, Town Halls, etc.)	2,229	2,907	3,368
Be a Highly Effective Public Agency			
A. Central Services costs as a % of Total Operating Expenses	27.7%	27.0%	30.9%
B. Investment portfolio earnings versus the benchmark (the Bank of America Merrill Lynch 1-3 Year US Treasury & Agency Index)	2.62%/4.50%	3.70%/4.34%	3.82%/4.26%
C. Comply with Public Disclosure Act and respond in a timely manner	803	1,204	1,339
D. Employee Development Class Attendees/Structured Learning	2,868	3,289	2,286
E. Total Recordable Incident Rate (previous Occupational Injury Rate)	3.72	4.16	3.11
F. Lost Work Day Rate (previously Days Away Severity Rate)	79.47	72.41	57.45

V. CENTRAL SERVICES FINANCIAL & PERFORMANCE REPORT 12/31/24

C. OPERATING RESULTS

Financial Summary

	2022	2023	2024	2024	Actual vs. Budget		Change from 2023	
	Actual	Actual	Actual	Budget	Variance		Incr (Decr)	
\$ in 000's					\$	%	\$	%
Total Revenues	2,538	(216)	403	163	240	146.8%	619	-286.6%
Executive	2,218	3,307	6,133	3,632	(2,502)	-68.9%	2,826	85.5%
Commission	2,360	2,623	3,170	3,485	316	9.1%	547	20.8%
Legal	8,540	10,674	10,524	6,018	(4,506)	-74.9%	(150)	-1.4%
External Relations	9,215	10,781	14,813	12,839	(1,974)	-15.4%	4,032	37.4%
Equity Diversity and Inclusion	4,406	5,641	6,565	7,142	577	8.1%	925	16.4%
Human Resources	11,921	14,580	16,859	17,303	443	2.6%	2,280	15.6%
Labor Relations	1,177	1,417	1,639	1,621	(18)	-1.1%	222	15.6%
Internal Audit	2,565	2,120	2,046	2,224	178	8.0%	(74)	-3.5%
Accounting & Financial Reporting Services	8,672	9,846	10,575	11,646	1,071	9.2%	729	7.4%
Information & Communication Technology	27,150	28,091	31,891	32,024	133	0.4%	3,800	13.5%
Information Security	1,703	2,193	2,739	2,886	147	5.1%	546	24.9%
Finance & Budget	2,499	2,868	3,258	3,336	78	2.3%	390	13.6%
Business Intelligence	1,496	1,740	1,969	2,178	210	9.6%	228	13.1%
Risk Services	5,144	5,845	7,352	6,877	(475)	-6.9%	1,507	25.8%
Office of Strategic Initiatives	974	1,396	1,200	1,508	308	20.4%	(195)	-14.0%
Central Procurement Office	6,072	7,306	7,711	9,019	1,308	14.5%	404	5.5%
Contingency	(268)	(251)	21,534	(4,990)	(26,524)	531.5%	21,784	-8680.8%
Core Central Support Services	95,845	110,178	149,978	118,749	(31,230)	-26.3%	39,800	36.1%
Police	33,487	41,023	46,691	40,538	(6,153)	-15.2%	5,668	13.8%
Total Before Cap Dev & Environment	129,332	151,201	196,670	159,287	(37,383)	-23.5%	45,468	30.1%
Capital Development								
Engineering	6,654	8,254	10,062	11,739	1,677	14.3%	1,808	21.9%
Port Construction Services	3,939	5,987	7,272	7,749	477	6.2%	1,285	21.5%
Sub-Total	10,593	14,241	17,334	19,488	2,154	11.1%	3,093	21.7%
Environment & Sustainability								
Environment & Sustainability	795	1,189	1,535	2,192	656	29.9%	347	29.2%
Sub-Total	795	1,189	1,535	2,192	721	32.9%	347	29.2%
Industrial Development Corporation	-	1	-	-	-	0.0%	(1)	-100.0%
Capital to Expense	56	-	499	-	(499)	0.0%	499	0.0%
TOTAL w/o DRS Pension True-up	140,775	166,632	216,044	180,967	(35,077)	-19.4%	49,412	29.7%
DRS Pension True-up Credit	(6,666)	(14,479)	(11,743)	-	11,743	0.0%	2,736	-18.9%
TOTAL w/ DRS Pension True-up	134,110	152,153	204,300	180,967	(23,334)	-12.9%	52,148	34.3%

2024 Actuals vs. 2024 Budget

Excluding the non-cash expense credit related to the Port's public pension plans, Operating Expenses for 2024 were \$35.1M above Budget due primarily to:

- **Executive** – unfavorable variance of (\$2.5M) primarily due to higher Promotional Expenses (\$2.5M).
- **Commission** – favorable variance of \$316K primarily due to lower Payroll of \$292K and Outside Services of \$48K
- **Legal** – unfavorable variance of (\$4.5M) due to higher Outside Services (\$3.8M) and Payroll of (\$417K).
- **External Relations** – unfavorable variance of (\$2.0M) primarily due to higher Promotional Expenses of (\$2.1M), offset by lower Outside Services of \$137K.
- **Equity, Diversity, and Inclusion** – favorable variance of \$577K primarily due to lower Outside Services of \$479K, Equipment Expense of \$23K, and General Expenses of \$18K.
- **Human Resources** – favorable variance of \$443K primarily due to lower Payroll of \$1.1M, Outside Services of \$503K, and Travel & Other Employee Expenses of \$220K, offset by higher General Expenses of (\$1.4M).
- **Labor Relations** – unfavorable variance of (\$18K) primarily due to higher Payroll (\$42K); offset by lower Travel & Other Employee Expenses of \$12K.
- **Internal Audit** – favorable variance of \$178K primarily due to lower Payroll of \$154K and Outside Services \$20K.
- **Accounting and Financial Reporting Services** – favorable variance of \$1.1M primarily due to lower Payroll of \$824K, Outside Services \$285K, and Travel & Other Employee Expenses of \$40K, offset by higher General Expenses of (\$107K).
- **Information & Communication Technology** –favorable variance of \$133K due to lower Outside Services of \$3.1M and Travel & Other Employee Expenses of \$91K, offset by higher Equipment Expense (\$664K), higher Payroll (\$2.4M) and less charges to Capital of \$2.2M.
- **Information Security** – favorable variance of \$147K primarily due to lower Outside Services of \$297K, offset by higher Payroll (\$141K).
- **Corporate Finance & Budget** –favorable variance of \$78K primarily due to lower Outside Services of \$257K, offset by higher Payroll of (\$188K).
- **Business Intelligence** – favorable variance of \$210K primarily due to lower Outside Services of \$176K and Travel & Other Employee Expenses of \$80K, offset by higher Payroll (\$51K).
- **Risk Services** – unfavorable variance of (\$475K) due to Insurance Expense of (\$513K), offset by lower Outside Services \$96K.
- **Office of Strategic Initiative** – favorable variance of \$308K primarily due to lower Payroll of \$205K, Travel & Other Employee Expenses of \$61K, and Outside Services of \$31K.
- **Central Procurement Office** – favorable variance of \$1.3M primarily due to lower Payroll of \$320K, Equipment Expense \$535K, and Travel & Other Employee Expenses of \$91K, offset by Outside services of (\$83K).
- **Police** – unfavorable variance of (\$6.2M) primarily due to higher Payroll (\$3.8M), General Expenses (\$2.5M), Workers Compensation of (\$126K); partially offset by lower Outside Services \$322K and Travel \$195K.
- **Engineering** – favorable variance of \$1.7M primarily due to lower Outside Services of \$860K Equipment Expense of \$222K, General Expenses of \$152K, and Travel & Other Employee Expenses of \$129K; offset by higher Property Rentals of \$177K and Payroll of (1.8M) and less charges to Capital of \$2.4M.
- **PCS** – favorable variance of \$477K primarily due to lower Payroll of \$1.0M, offset by higher Outside Services (\$856K) and General Expenses (\$76K).
- **Environment & Sustainability Admin** – favorable variance of \$656K primarily due to lower Outside Services of \$543K and Payroll of \$113K.
- **Contingency** – unfavorable variance of (\$26.5M) primarily due to General Expenses.

V. CENTRAL SERVICES FINANCIAL & PERFORMANCE REPORT 12/31/24

2024 Actuals vs. 2023 Actuals

2024 Operating Expenses (without the non-cash expense credit related to the Port's public pension plans) were \$49.4M higher than 2023 actuals mainly due to:

- **Core Central Support Services** – \$40.6M higher than 2023 primarily due to: higher payroll for current employees and new positions; contractual increases; addition of new initiatives to support growing needs of the organization.
- **Police** – \$5.7M above 2023 due to: increase in wages and benefits, new positions, vacant positions in 2024, and addition of new initiatives to enhance the safety and security of the public.
- **Capital Development** – \$3.1M higher than 2023 primarily due to the addition of new positions as well as contractual increases to support the capital program.

D. CAPITAL RESULTS

\$ in 000's	2024	2024	2024	Budget Variance	
	Actual	Budget	Plan of Finance	\$	%
Engineering Fleet Replacement	643	3,716	1,890	(3,073)	-82.7%
Corporate Fleet Replacement	269	1,189	920	(920)	-77.4%
Services Tech - Small Cap	1,155	1,623	1,500	(468)	-28.8%
Infrastructure - Small Cap	799	1,500	1,500	(701)	-46.7%
Enterprise Network Refresh	1,741	2,600	2,600	(859)	-33.0%
ID Badge System Upgrade	1,068	2,551	2,550	(1,483)	-58.1%
Radio Microwave Redundancy Loop	305	2,272	1,973	(1,967)	-86.6%
Public Safety Dispatch & Police RMS	567	950	1,720	(383)	-40.3%
Enterprise Firewall Refresh	483	1,550	1,460	(1,067)	-68.8%
Physical Access Control System Refresh	10	1,250	1,100	(1,240)	-99.2%
Office Wi-Fi Refresh	643	1,565	1,000	(922)	-58.9%
Other (note 1)	1,771	5,052	5,916	(3,281)	-64.9%
Subtotal	9,454	25,818	24,129	(16,364)	-63.4%
CIP Cashflow Adjustment	-	(6,800)	(6,200)	6,800	-100.0%
TOTAL	9,454	19,018	17,929	(9,564)	-50.3%

Note:

(1) "Other" includes remaining ICT projects and small capital projects/acquisitions.