The Northwest Seaport Alliance 2027 Budget

THE NORTHWEST SEAPORT ALLIANCE



Operating Budget and Capital Investment Plan adopted:
October 30, 2026

In June 2026, *Inbound Logistics* magazine named The Northwest Seaport Alliance in its annual list of "Green 75" supply chain partners. This is the tenth consecutive year that the NWSA has been recognized for its environmental programs and commitment to sustainability.

The Northwest Seaport Alliance joined Green Marine in 2016 and has maintained its continued improvement every year since becoming a member. Green Marine is a voluntary marine industry initiative with the goal of achieving levels of environmental performance that exceed regulatory requirements in areas such as air emissions, greenhouse gases, cargo waste management, community impacts (noise, dust, odors, and light), water and land pollution prevention and environmental leadership. There are currently more than 100 ship owners, port authorities, terminals, and shipyards from coast to coast, in Canada and the United States, participating in the program.

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THE NORTHWEST SEAPORT ALLIANCE
Gateway to Solutions
nwseaportalliance.com

To: Managing Members
Date: October 30, 2026
Subject: The Northwest Seaport Alliance Operating Budget and Five-Year Capital Investment Plan

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Staff is pleased to present the 2027 Northwest Seaport Alliance (NWSA) Budget. This document outlines the NWSA's overall goals and strategies as well as the business environment in which we operate. It highlights the strategic investments that will deliver competitive financial results, build infrastructure in an environmentally sustainable manner, and create jobs and economic wealth in the Puget Sound region.

In 2026, the global shipping industry continued to operate in an environment shaped by geopolitical uncertainty, evolving trade policies, and shifting cargo flows. Cargo volumes and trade patterns continued to deviate from traditional norms as tariff uncertainty influenced supply chain planning. Conflict in the Middle East also affected global shipping routes and supply chain operations.

The NWSA is committed to best-in-class infrastructure investment and customer service that drives competitive opportunities and economic growth across the region. We are initiating key strategies to grow international container volumes, strengthen our gateway's competitive position, and support the efficient movement of goods to and from the Pacific Northwest and inland U.S. markets.

The NWSA generates significant economic activity while maintaining a strong commitment to environmental stewardship. We continue to invest in more sustainable gateway operations through the development of shore power infrastructure, the expansion of zero-emission drayage truck utilization, and advanced stormwater treatment systems and sweeping programs that help protect the health of the Puget Sound.

Together, NWSA and our customers generate more than 18,000 direct jobs and nearly $14 billion in total business output throughout Washington state based on the most recent study released in 2025 from 2023 data.

The current NWSA's Strategic Business Plan includes:

- Improve the efficiency and cost competitiveness of the supply chain
- Enhance NWSA, local and regional transportation infrastructure
- Advance the NWSA's market position in the international and domestic shipping industry
- Increase revenue through growth, diversification and best in class performance
- Advance environmental stewardship

The NWSA is well positioned for future growth. Our infrastructure investments and commitment to environmental leadership will continue to solidify our position as a premier North American port. Our team remains dedicated to responsible financial practices, operational excellence, and fostering economic prosperity throughout the region.

John Wolfe
Chief Executive Officer

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Budget Document Overview

The Budget Document consists of these major sections:

I. Overview*:* This section provides information about the NWSA's facilities and customers. It examines the economic context of the NWSA's operating environment and outlines the NWSA's organizational structure.

II. Budget Message*:* This includes an overview of the budget challenges and opportunities, revenue types, and expenditures. The Budget Message outlines the priorities and issues for the budget year and describes changes from the previous year.

III. Business Outlook*:* This section describes the NWSA's overall goals and strategies. It includes assumptions, potential obstacles, and trends that staff used to develop the forecast. These serve as the foundation for the Operating Budget.

IV. Operating Budget*:* This section provides a summary of the assumptions that form the basis for the NWSA's operating budget. This section includes the operating budget with revenue and expenses by line of business, and details of expected operating costs. This section also provides a five-year financial forecast for the alliance.

V. Five-Year Capital Investment Plan (CIP)*:* The CIP consists of all capitalized and expensed projects that the NWSA plans to complete in the next five years. Capitalized projects affect the NWSA's Profit and Loss statement through depreciation while expensed projects flow directly to the NWSA's net income in the year the expenses are incurred. This section provides details on the CIP including the impact of capital spending on profitability.

VI. Environmental Stewardship and Planning: This section provides a historical context for the environmental challenges and opportunities facing our gateway and the surrounding communities. This section also discusses the role of the NWSA Planning and Logistics department and its work to integrate land use, transportation and facilities planning into the alliance.

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I The Northwest Seaport Alliance Overview

Marine Cargo Operating Partnership

The Northwest Seaport Alliance (NWSA) was formed when the ports of Seattle and Tacoma joined forces in August 2015 to unify management of marine cargo facilities and business to strengthen the Puget Sound gateway and attract more marine cargo and jobs to the region.

NWSA Strengths and Advantages

Located in the Pacific Northwest in Washington state, the NWSA offers short transit times between the US and Asia, and the terminal and landside infrastructure necessary to quickly move cargo to the U.S. Midwest. NWSA strengths and advantages include:

- One gateway, two harbors and multiple terminal facilities offering more choices for shippers using the gateway.
- Naturally deep-water harbors and marine terminals with big-ship handling capabilities.
- Vessel service from the international container shipping alliances and all major international container carriers. In all, thirteen international and four domestic container carriers make regular port calls at NWSA facilities.
- Dual service from the two West Coast transcontinental railroads (Union Pacific Railroad, BNSF Railway) with competitive transit times to Chicago and other major Midwest markets.
- Excellent on-dock rail facilities and inland rail service. Two domestic rail operators.
- Close proximity to the second largest concentration of warehousing on the West Coast.
- Over 100 transload warehouses supplying logistics services to shippers using the gateway, many rail-served.

International & Domestic Trade

The NWSA ranked in the top 100 among the world's top container gateways and was a leading gateway for containerized cargo in North America in 2025. Retention and growth of cargo volumes shipped between Asia and major distribution points in the Pacific Northwest, Midwest, Ohio Valley, and the East Coast is a primary focus for the alliance. The NWSA also has a very active trade with Alaska and Hawaii.

The NWSA is a major center for bulk, breakbulk, and project cargoes. The NWSA is also the Northwest home port for processing KIA, Mazda, and Mitsubishi automobiles and trucks while The Port of Tacoma has a separate facility, managed by the NWSA, that processes Hyundai, Nissan, and Volvo vehicles.

The value of NWSA's two-way international vessel trade totaled $67.7 billion in 2025. Imports were $54.3 billion, and exports were $13.4 billion. Through June 2026, the two ports handled roughly $34.9 billion of international vessel trade. Based on vessel dollar value, China (including Hong Kong) was the NWSA's largest trading partner in 2025. Other major international trading partners include:

- Japan
- South Korea
- Vietnam
- Taiwan
- Thailand
- Indonesia
- Australia
- Cambodia
- Malaysia

Seattle-Tacoma is recognized as "The "Gateway to Alaska"; with more than 80 percent of trade between Alaska and the lower 48 states handled at the two harbors. In 2025, 3 million metric tons of domestic cargo were shipped between Alaskan ports and NWSA terminals. Matson, TOTE Maritime Alaska, Northland, and Alaska Marine Lines are the primary shipping lines plying the Alaska trade. Trade with Alaska is estimated at $5.4 billion, making it NWSA's fifth largest trading partner based on value of trade. The NWSA also provides connections to Hawaii with services from Matson and Aloha Marine Lines.

Port of Seattle & Port of Tacoma

The Port of Seattle was created September 5, 1911,

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in an effort by citizens to ensure public ownership of the Seattle harbor. The Port of Seattle was the first autonomous municipal corporation in the United States specifically tasked to develop harbor and port facilities to encourage commerce. The Port opened Fishermen's Terminal in 1914, its first warehouse in 1915 and began working on the creation of Harbor Island.

The Port of Tacoma was created on November 5, 1918, by Pierce County voters to create job opportunities through trade and promote economic development in Pierce County and the state of Washington.

The Port of Seattle and the Port of Tacoma's geographic boundaries lie within King and Pierce counties, respectively. They are situated on Elliott and Commencement bays in Puget Sound. Because of this strategic location, they offer efficient connections to sea, rail, highway, and air transportation networks.

King and Pierce Counties

King and Pierce counties are the first and second most populous metropolitan areas in Washington, respectively. The two counties represent a combined population of approximately 3.2 million or 41% of the population of the state of Washington.

Located about halfway between the Oregon and Canadian borders, King and Pierce counties cover 3,916 square miles.

Ports' Economic Impact

The ports serve as a major economic engine for Pierce County, King County, and the state of Washington, creating thousands of family-wage jobs and serving as a catalyst for economic development.

In 2025, the NWSA updated results from a joint economic impact study of the marine cargo activities of the North and South Harbor. According to the updated study based on 2023 data, in 2023 marine cargo activities directly supported 18,000 jobs in Washington state and contributed $14 billion in total business output. On average, cargo-handling and leasing activities generated more than $136 million in local and state taxes in Washington each year.

NWSA Facilities and Services

The ports have licensed assets to the NWSA related to maritime commerce. The licensed assets include facilities for handling containerized cargo, automobiles, breakbulk cargo, heavy-lift and project cargoes, and intermodal rail operations. The NWSA's four major waterways – two in Seattle and two in Tacoma – provide 33 ship berths on waterways that are about 51 feet deep. The NWSA facilities are located near I-5 and I-90, providing highway access to the Puget Sound market and beyond.

BNSF Railway and the Union Pacific Railroad serve the NWSA's nine on-dock and near-dock intermodal rail yards. The NWSA's intermodal rail facilities help save shippers and shipping lines both time and money for cargo destined to Midwest locations.

In Tacoma, Tacoma Rail, a division of Tacoma Public Utilities, provides switching and terminal rail service. Arrival and departure tracks help ensure efficient and reliable access to the mainline railroads.

The NWSA is both a landlord and an operating port. The NWSA's maritime marketing efforts focus on attracting cargo and additional shipping lines to its facilities. The NWSA also works with charter shippers and others to move their cargoes through both NWSA and customer-operated facilities in the Puget Sound.

Many of the two home ports' efforts are focused on industrial development and real estate. They each work to attract major manufacturers and warehouse/distribution centers to King and Pierce counties.

See Figures 1-1 and 1-2 for an overview of The Northwest Seaport Alliance facilities.

The Northwest Seaport Alliance governance

The NWSA was established as a Port Development Authority (PDA), separate from the two home ports, like Public Development Authorities formed by cities and counties. In 2015, the ports successfully sought and received an amendment to Washington law RCW 53 that allows the ports of Tacoma and Seattle to form a PDA for management of maritime activities.

The NWSA is governed by the two ports as equal members, with each port acting through its elected

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commissioners. Each Port Commission is a Managing Member of the NWSA, with each Managing Member being represented by its Port Commission. Votes by the Managing Members require a simple majority from each commission.

Each port remains a separate legal entity, independently governed by its own elected commissioners. Each port has granted the PDA a license for the PDA's exclusive use, operation, and management of certain facilities, including the collection of revenues. Ownership of the licensed facilities remains with the ports, not the PDA.

The ports remain responsible for their own debt and debt service; the PDA will not borrow funds.

The ports set up an initial 50/50 investment in the PDA; operating income is reported, and cash is distributed back to the ports on a monthly basis. The PDA has its own annual operating budget and five-year capital investment plan.

The ports contribute to capital construction subject to Managing Members' approval; capital funding does not come from working capital generated by the NWSA.

NWSA Managing Members

The Managing Members are the commissions for each of the two home ports. The citizens of Pierce and King counties each elect a five-member Port Commission to govern the ports of Tacoma and Seattle. Each Commission seat is elected every four years, on a staggered basis.

The Managing Members are the final authority for approval of the NWSA's annual budget, long-term leases, policies, long-range development plans, and all construction projects and spending in amounts exceeding the authority of the Chief Executive Officer.

The members of the commissions at the time of this publication are:

Port of Seattle
- Ryan Calkins
- Sam Cho
- Fred Felleman
- Toshiko Hasegawa
- Hamdi Mohamed

Port of Tacoma
- Kristin Ang
- Deanna Keller
- Dick Marzano
- John McCarthy
- JT Wilcox

NWSA Managing Members Meetings

Managing Member meetings are open to the public and are held at various locations in both King and Pierce counties and online.

For the location and agenda for upcoming Managing Member meetings, as well as minutes for previous Managing Member meetings, visit www.nwseaportalliance.com.

The NWSA streams all Managing Member meetings live on the website, which are archived for future viewing.

Citizens may contact the Managing Members by calling 800-657-9808. Correspondence may be mailed to:

The Northwest Seaport Alliance
P.O. Box 2985
Tacoma, WA 98401-2985

Organizational Structure

The NWSA's daily operations are led by the Chief Executive Officer and the NWSA Executive Team. See the Organizational Chart (Figure I-3 on page I-8).

Executive Team

The Executive Team is comprised of the following positions:

- Chief Executive Officer (CEO)
- Deputy CEO
- General Counsel
- Chief Commercial and Strategy Officer
- Chief Financial Officer
- Chief Operations Officer
- Sr. Director of Engineering
- Sr. Director of Environmental/Planning Programs
- Sr. Director, NWSA Real Estate

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- Director of Communications
- Director, Government Affairs, Public Affairs
- Director, Business Development
- Director, Marketing & Business Services
- Director, Planning and Permitting

The Executive Team oversees all business activities and departments, and with the Managing Members, provides long-term strategic direction. The Executive Team ensures compliance with all regulations relevant to NWSA and port activities, including public meetings and information, environmental protection, labor relations, procurement, security, financial management and other issues. The Chief Operations Officer, Sr. Director of Engineering and Sr. Director of Environmental Programs provide day-to-day management of some port staff working on both Port and NWSA-related items.

Commercial Group

Led by the Chief Commercial and Strategy Officer, the Commercial Group is comprised of the Container Cargo Business Development team, the Non-Container Business Development team, the Marketing & Business Services team, and the Real Estate team.

Business Development Teams: International and domestic container, breakbulk, and bulk cargo are core business segments for the NWSA. The Container Cargo Business Development and Non-Container Cargo Business Development teams are responsible for cargo and terminal business development and management, and delivering customer service to ocean carriers, marine terminals, and shippers. The Business Development teams play an important role coordinating efforts across the entire supply chain, including customers, terminal facilities, railroads, and trucking companies. These teams, in cooperation with the Operations Team and our customers, identify and implement operational improvements to enhance the overall efficiency at the NWSA's terminals.

The gateway's on-dock and near-dock intermodal rail yards, along with international and domestic rail services to the U.S. Midwest, are key assets and an integral part of the NWSA businesses. Relationship management with Tacoma Rail, BNSF, and Union Pacific (UP) and other rail stakeholders is a key function of both the Container and Non-Container teams.

While the Container Cargo Business Development Team is focused on both the domestic and international container cargo trade, the Non-Container Cargo Business Development team is focused on the robust non-container business. Comprised of breakbulk (Roll-on/Roll-off, also known as RoRo), Military, bulk and auto cargoes, these non-container segments contribute to revenue and further diversify the gateway's business portfolio. Also, the NWSA's Tacoma Harbor is designated as a strategic military port for transporting military cargoes.

Auto customers of the NWSA include KIA, Mazda, and Mitsubishi. Automobile imports are processed on property leased by Auto Warehousing Company (AWC), the largest auto processor on the U.S. West Coast. The Port of Tacoma has a separate auto facility leased by Wallenius Wilhelmsen Solutions, which processes Hyundai, Nissan and Volvo imports.

Exports of petroleum products and molasses add to the diversified cargo mix.

The NWSA offers competitive rates and full service to all customers. To help facilitate and grow the cargo business, the NWSA has trade and business development representation in China, Vietnam, and Korea.

Marketing and Business Services Team: This team supports the business outreach activities of the Business Development team and is responsible for market research and business intelligence and analysis, marketing, and advertising activities. It also supports the goals of the Commercial Group with cargo volume tracking and volume forecasting services.

Real Estate Team: Non-terminal industrial and commercial properties and facilities in the Seattle and Tacoma harbors are included in the assets assigned to the NWSA. These properties are a significant source of revenue for the NWSA. Real estate personnel are responsible for leasing, divesting, and managing the Port's real estate portfolio.

Located in an industrial zone with room for growth, tenants offer a broad range of services for the NWSA's international and domestic customers including warehousing and distribution, manufacturing and marine services.

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Operations Group

The Operations Group, responsible for the daily operations of NWSA facilities at both ports, consists of two departments.

The Operations Service Center Department coordinates vessel arrivals and departures, and with the associated stevedores monitors cargo flow in the container terminals. The major focus is to ensure the proper processing of all vessels and freight shipments moving through the Puget Sound gateway.

The Port Operations Department manages labor at the North Intermodal Yard (also known as NIM) and breakbulk terminals. This department is also responsible for providing customer service to non-container customers. The NIM is the only port-operated intermodal yard on the U.S. West Coast with dedicated rail services personnel. Both harbors offer competitive rail service via BNSF Railway and the UP Railroad and are a major gateway for handling discretionary cargo destined for the Midwest.

Environmental/Planning Group

The Environmental and Planning Group is responsible for long range strategic planning, including land use, transportation, facility and grant program management.

In addition, the team manages water quality initiatives that support best in class advanced treatment deployment, development of best management practices and other initiatives that deliver above and beyond regulatory compliance.

This team also is responsible for managing the NWSA's commitment to clean air/climate solutions and sustainable practices – including the Northwest Ports Clean Air Strategy and the NWSA's corresponding 5-year Clean Air Implementation plan, which focus on reducing both diesel pollution and greenhouse gas emissions. Priority emission-reduction initiatives focus on ocean-going vessels, cargo handling equipment, and drayage trucks that serve our gateway.

Support Services

Support services such as maintenance, security, government affairs, communications, engineering, environmental programs, planning, and financial services are provided by NWSA staff and / or service agreements between the alliance and the two ports. Costs for these services are charged by the ports to the alliance based on agreed upon methodologies including direct charge and purchased services.

Commitment to Fiscal Stewardship

The NWSA is intended to support the credit profiles of both ports, and its financial framework is intended to preserve both ports' commitment to financial strength and fiscal stewardship.

Both ports have a solid record of accomplishment of prudent financial management and strong financial results, including solid debt service coverage and ample liquidity balances.

The ports are committed to ensuring that existing bond pledges and covenants will not be negatively affected. Outstanding bonds will remain obligations of each individual port.

To maintain the rights of each port's existing bondholders, the charter prohibits the NWSA from issuing debt.

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Figure I-1.... Northwest Seaport Alliance Facilities – Seattle Harbor



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Figure I-2.... Northwest Seaport Alliance Facilities – Tacoma Harbor

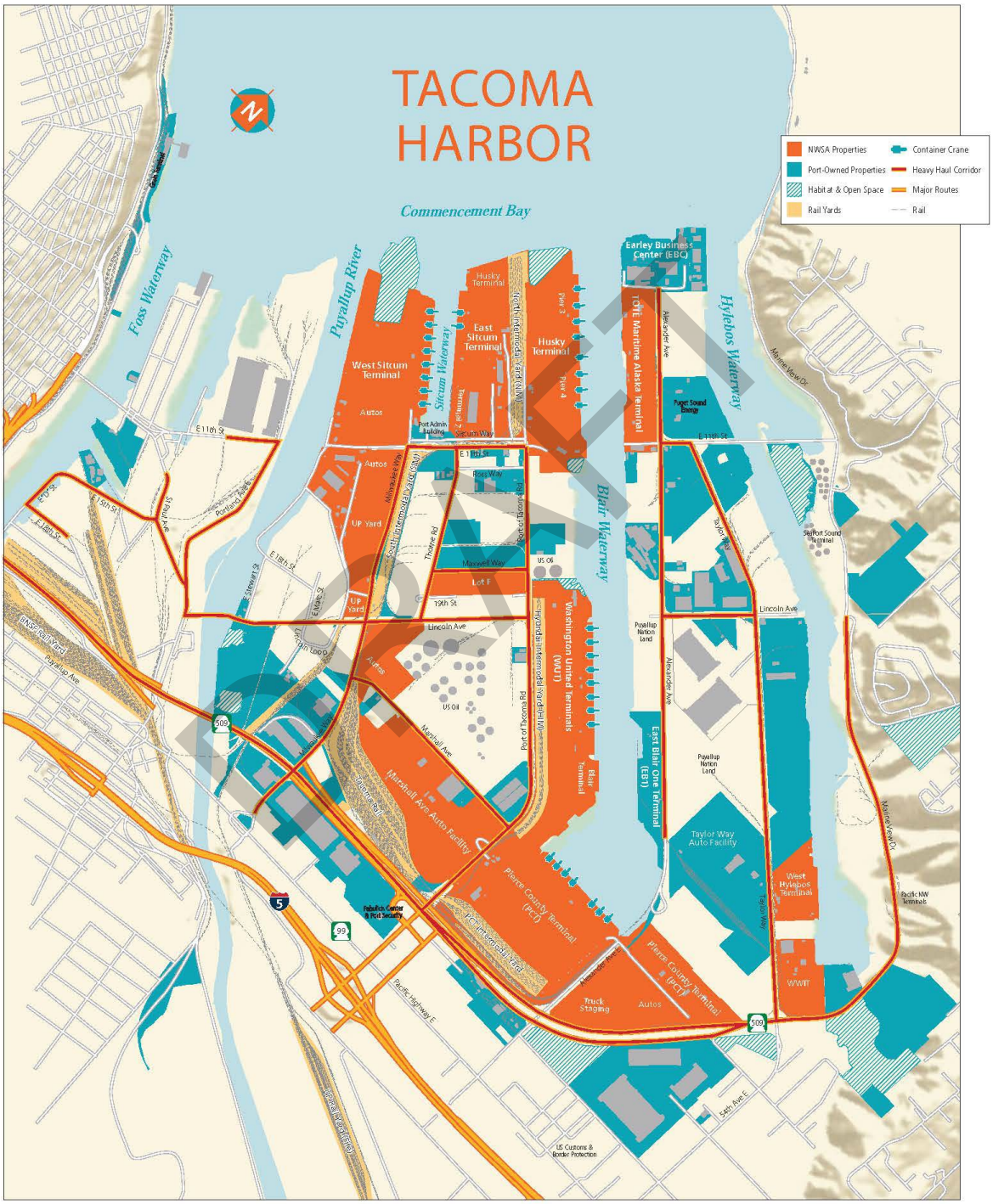
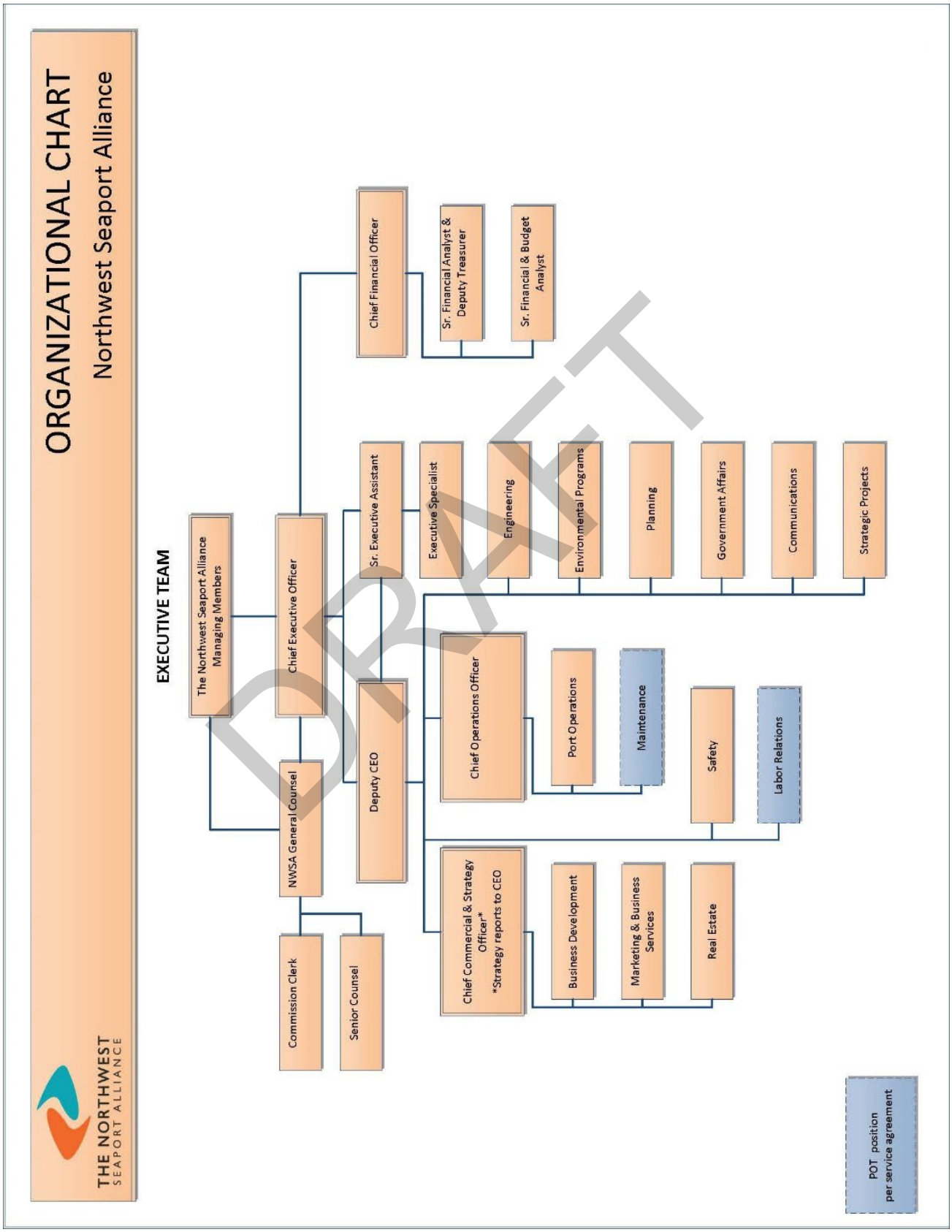


Figure I-3.... The Northwest Seaport Alliance Organizational Chart



II Budget Message

NWSA Mission

The NWSA's mission is to create sustainable economic opportunities for our region by increasing cargo volumes and supporting a healthy supply chain ecosystem.

NWSA Vision

The NWSA's vision is to be the gateway of choice through best-in-class customer experience, environmental leadership, and competitive services.

NWSA Values

1. **Service Excellence and Partnership**
   We value partnership and prioritize service excellence to deliver best-in-class service.

2. **Boldness, Innovation and Adaptability**
   We act with boldness and innovation, challenging ourselves to be adaptable and cultivate solutions that meet the demands of the dynamic marketplace.

3. **Environmental Leadership**
   We are responsible stewards of our shared natural environment, prioritizing facilities and operations that support the health of our air, water, and land resources.

4. **Fiscal Responsibility**
   We conduct all business and decision-making with integrity and transparency, providing long term financial stewardship to achieve our environmental and economic development objectives.

5. **Asset Management**
   As responsible stewards, we manage and develop facilities to protect public assets and create economic opportunities across our region.

6. **Health & Safety**
   We commit to the health and safety of our team, taking accountability for our actions and treating people with honesty and respect.

NWSA Goal

The NWSA has four objectives in place to achieve the goal to retain and grow cargo throughput, expand cargo diversity and enrich the supply chain ecosystem by providing best-in-class service and trade development, facilities, environmental stewardship, and organizational performance. Each objective has strategies listed below with key initiatives for each strategy.

1. **Best-In-Class Service and Trade Development**
   a. Retain and attract new container cargo business.
   b. Expand the gateway's non-container business.
   c. Strengthen stakeholder partnerships and deliver exceptional customer service.
   d. Create operational value proposition that sets NWSA apart from alternative gateways.
   e. Enrich supply chain ecosystem to help attract and anchor cargo business.
   f. Advance a comprehensive Multi-Year Statewide Trade Development Strategy that drives sustained growth of ocean cargo through WA State.
   g. Maximize outside funding to support gateway and supply chain operations.
   h. Promote the mission, objectives, and activities of the NWSA to increase cargo growth.

2. **Best-In-Class Facilities**
   a. Develop and maintain best-in-class cargo infrastructure and equipment to support efficient cargo movement.
   b. Identify best use of and opportunities to leverage licensed properties supporting cargo growth and the supply chain.

3. **Best-In-Class Environmental Stewardship**
   a. Accomplish the goals set forth in the Northwest Port's Clean Air Strategy and the NWSA's 2026-2030 Clean Air Implementation Plan.
   b. Balance industry needs with effective stormwater management through continued leadership on water quality in Washington state.

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4. **Best-In-Class Organizational Performance**
    a. Meet or exceed our budget objectives, as adjusted for dynamic business decisions of the NWSA.
    b. Improve organizational culture and internal operations.

Budget Environment

The NWSA operates principally in two industries: terminal services and property rentals. Terminal services involve marine-oriented services including dockage, cargo-handling, storage and related activities. Property rentals include facilities and land used for container terminals, industrial activities, and storage.

As described in further detail in Section III, increased competition from Canadian ports as well as ports located on the U.S. West, Gulf and East coasts, has negatively impacted container volumes for the Puget Sound gateway. The expansion of the Panama Canal and access via the all-water route to the Gulf and East coasts offers an alternative for US-bound shipments. Despite these challenges, NWSA staff continue to work on future projects to retain and grow our cargo volumes.

Revenues

The NWSA has both fixed and variable revenue streams. The majority of NWSA's revenue comes from fixed revenue streams, primarily from leased properties. The leased properties are mainly container terminals, buildings, and industrial and commercial land. The NWSA's container terminal leases with shipping lines can last 20 years or longer depending on carrier requirements. Building and land leases with more than one year remaining are considered fixed. Minimum crane hours and minimum intermodal lift requirements specified in certain terminal leases are considered fixed.

The balance of NWSA revenue comes from variable services provided to customers. These services include intermodal lifts for railcar loading above specified minimums and per unit charges for automobile unloading and breakbulk cargo. Variable revenues also include hourly equipment rental for crane hours above specified minimums and on straddle carriers used by terminal leaseholders, and month-to-month building or land leases.

GASB 87: GASB 87 move a significant amount of revenue from Operating Revenue to non- operating revenue. For clarity and to avoid confusion, the impact of GASB 87 will not be incorporated into this budget document.

2027 Budget

The NWSA has developed an overall operating budget with projected revenue of $271.6 million. Operating income is budgeted to be $80.6 million, resulting in an operating margin of 29.7 percent. The NWSA net distributable revenue of $115.5 million, which includes grant and interest. Distributable Cash of $153.9 million will be shared evenly between the two home ports. Each port's portion of net income will be included as revenue in their financial reports. The amount of cash earned does not include any Harbor Maintenance Tax funding provided to the two homeports directly by the Federal government.

NWSA financial performance reflects the investments it is making to successfully complete our customer commitments while meeting the NWSA financial goals. The operating and capital budgets are based on the cargo forecast in Section III.

Capital Investment Plan Highlights

NWSA projects for the next five years reflect a focus on strategic container terminal development in both harbors. With this focus the NWSA has reviewed potential assets for revenue generation to ensure that financial and economic growth goals are met.

Major 2027 - 2031 capital projects include:

Seattle Harbor

- Replace the N & NW bulkhead at T46
- Construction of shore power at T18
- Design and construction of North & South water main and valve at T18
- Rehabilitate the wharf at T30

Tacoma Harbor

- Expand Husky terminal
- Construct the Husky and WUT toe wall and deepen the berth
- Rebuild the Wapato Creek culvert
- Modernize terminal 7D
- Replace wooden light poles at several

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terminals
- Design of shore power systems at PCT and WUT
- Upgrade bollard at PCT and WUT
- Construct of reefer racks and plugs at PCT
- Ongoing maintenance of facilities

Both Harbors
- Clean air/climate and stormwater investments
- Asset preservation projects such as paving and fender repairs
- Maintenance dredging at multiple terminals in both harbors

The NWSA's 2027 Capital Investment Plan of $167.3 million represents the first year of the NWSA's 2027 - 2031 CIP – a package totaling $573.3 million in new projects and investments. See Section V for additional details on the Capital Investment Plan.

Financial Measures

Financial measures for the NWSA have been developed to monitor financial performance. The two measures are (1) Net Distributable Cash and (2) Return on Revenue (operating income divided by revenue). These measures help ensure that the NWSA provides the necessary financial performance required by each home port.

Legislative Impact

Transportation Funding

The NWSA relies on an efficient and well-maintained road and rail network to ensure the smooth movement of cargo to and from its facilities.

2026 marks two important milestones in this regard. First, the City of Fife broke ground on the final phase of the Interstate 5/Port of Tacoma Road Interchange Improvement Project. The current interchange is a chokepoint for trucks travelling to and from the NWSA's marine cargo facilities in Tacoma. The project will improve level of service for those vehicles, as well as improve the operation of the I-5 mainline and all streets and intersections in the project vicinity.

The second important project involves the completion of State Route 167, a critical last mile connector for goods transiting to and from the South Harbor. The Washington State Department of Transportation opened the first major section of the new highway to traffic this fall, connecting NWSA terminals directly to Interstate 5. It also broke ground on the very last phase of the project, which will connect Interstate 5 to the City of Puyallup and, in turn, the Kent Valley—home to the second largest distribution center network on the West Coast.

Shore Power Infrastructure Funding

Through the 2020 update to the Northwest Ports Clean Air Strategy, the NWSA established an aspirational goal to install shore power at its major international container terminals by 2030. In support of this goal, shore power has been installed at TOTE Terminal, Husky Terminal and Terminal 5. The NWSA has also begun construction of shore power at two berths at T-18, with the third berth planned to begin construction in 2028. Additionally, design of shore power is underway for both Pierce County Terminal and Washington United Terminals in Tacoma.

The NWSA has leveraged a number of sources of external funding to support the shore power installations that are underway. The NWSA has received a $2 million grant from the Washington State Department of Ecology to support the design and construction of a shore power system for two berths at Terminal 18. The alliance has secured two allocations of $14 million each for a total of $28 million from the state transportation budget for construction of the project. NWSA received an additional $8 million in congressionally directed spending from the FY26 federal appropriations bill that will enable the NWSA to install shore power at a third berth at Terminal 18.

The NWSA continues to plan future shore power installations, ensure that terminal designs and redevelopments include shore power, and pursue additional opportunities to leverage external funding to support shore power installations. Planning work associated with future shore power projects will allow the NWSA to accurately account for them in the Capital Investment Program and position the organization well to apply for external funding.

Navigation Improvement Projects

The largest container vessels calling West Coast ports today have over two times the capacity of those that called just 10-15 years ago. While channels serving Seattle and Tacoma are mostly -51 feet or deeper, depth limitations present navigational and safety challenges for these larger vessels. To remain a competitive trade gateway, the NWSA is deepening berth areas and working with the ports of Seattle and

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Tacoma to deepen the navigation channels that serve its facilities in both harbors. These projects will enable the NWSA to handle fully laden ships larger than 18,000 TEUs.

In 2018, the U.S. Army Corps of Engineers (USACE) completed a chief's report recommending deepening in specific areas adjacent to the NWSA's container terminals in Seattle Harbor. Congress subsequently authorized the project in 2018, and USACE and NWSA are now moving forward with the West Waterway portion of the project. Additionally, in 2022 Congress authorized a project to deepen the Blair Waterway, which serves NWSA's three international container terminals in Tacoma. Design for both projects is nearly complete, and construction is scheduled to begin on both projects in 2028.

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When the deepening projects move to construction, it also will require a local financial match of federal dollars, which will come from the Port of Seattle and Port of Tacoma.

Harbor Maintenance Tax (HMT)

The HMT is assessed on ocean-going international imports that land at U.S. ports to pay for maintenance dredging of waterways through the Harbor Maintenance Trust Fund. It is not, however, assessed on importers who route cargo through non-U.S. ports and afterwards move the cargo into U.S. markets by land. Moreover, the NWSA traditionally has received little, if any, benefit from the fund because its facilities are located on natural deep-water harbors that do not require significant maintenance dredging. Since 1986 the ports of Seattle and Tacoma have sought reform of the HMT to provide a greater return to donor ports, such as the NWSA, and to ensure U.S. tax code does not disadvantage U.S. ports and maritime cargo.

A longstanding goal was achieved in December 2020 when Congress passed comprehensive HMT reform legislation as part of the Water Resources Development Act (WRDA) of 2020. The bill sets aside 8% of annual HMT collections for donor ports like Seattle and Tacoma. In 2026, the ports of Seattle and Tacoma received $27.7 million and $32.7 million respectively.

Funding for the HMT donor port program is not guaranteed in future years, but NWSA has worked with AAPA and other donor and energy transfer ports to include provisions in the 2026 Water Resources Development Act to limit the ability of the Executive Branch to restrict distribution of these funds. We are hopeful these provisions will be retained in the final bill, which Congress is anticipated to pass by the end of the calendar year.

Donor port funding secured in future years will be used by the NWSA or home ports to fund eligible infrastructure projects to enhance the competitiveness of our cargo operations.

Conclusion

The realities of the changes in the global economy and federal and state administrations have led all ports to examine business and operational strategies.

The NWSA is focused on maximizing the use of existing facilities, working with existing customers to keep them competitive and successful, attracting new business and making strategic infrastructure investments such as the construction of world class terminals in both harbors that position the gateway for long-term growth. Through coordinated investments in maritime assets, the NWSA will help ensure the growth in the flow of cargo throughout the Puget Sound.

The NWSA is placing increased emphasis on the importance of developing and strengthening relationships with labor partners, industry stakeholders, customers, local, state and tribal governments and near-port communities to collaboratively achieve its future vision. This vision includes the road and rail infrastructure that ties the whole supply chain system together.

Despite the challenging realities of today's global economy, NWSA management is confident that the plans outlined in this budget will help the gateway remain financially strong, competitive, and successful.

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III Business Outlook

U.S. Economy

Despite headwinds, the U.S. economy has been resilient in 2026. Consumer spending, which accounts for roughly 70% of U.S. GDP, has been relatively stable despite stubborn inflation and higher prices fueled by U.S. tariff policy and geopolitical conflicts. Economic growth has been moderate but resilient, with real GDP growth estimated at 1.8% for the full year, supported by capital expenditures, especially in the AI and technology sectors, and sustained consumer spending. In 2027, the economy is expected to experience moderate, sustained growth due to continued investment in AI technology and infrastructure and consumer demand supported by household wealth and favorable tax policies. Inflation is expected to cool, unemployment is expected to remain steady, and interest rates are expected to decline.

Employment is expected to remain stable through 2027, ranging from 4% to 4.6%. Higher unemployment could lead to a drop in consumer spending and slower economic growth.

Some forecasters continue to warn about the possibility of a recession, however, most expect moderate economic growth to continue at a slower pace than the post-pandemic years.

There are risks. U.S. trade and tariff policies are unpredictable at best. A prolonged Middle East conflict could lead to even higher energy and fuel prices, driving inflation and higher interest rates. If inflation remains high, interest rates are expected to remain elevated. If inflation is higher than wage growth, consumer spending may suffer.

Shipping Industry

Tariff uncertainty coupled with ongoing wars are making it difficult for long-term sourcing planning.

The U.S.-China trade war and COVID pandemic caused U.S. importers to accelerate efforts to shift sourcing and production from China to countries in SE Asia or use a “China + 1” strategy to diversify supply chain risk. are. It will take some time before these countries can compete with the infrastructure and skilled labor China offers. That said, while manufactured imports from Vietnam and other SE Asian countries have grown considerably, many of the origin and transshipment ports in SE Asia are geographically closer (transits shorter and less expensive) to the U.S. East Coast. As sourcing activity shifts, there is a risk that cargo that had been produced in China will more to countries for which vessel service with NWSA is limited .

Russian’s invasion of the Ukraine and the conflicts in the Middle East continue to inject uncertainty and risk into supply chains..

Alliances have concentrated capacity in fewer hands, allowing ocean carriers to exercise greater control over capacity on major trade lanes through coordinated changes to vessel sailings, schedules, and transit times. In 2026, the composition of carriers that make up the various shipping alliances remains unchanged:

- Gemini Cooperation – Maersk and Hapag-Lloyd
- Premier Alliance – Yang Ming, ONE, and HMM
- Ocean Alliance – CMA CGM, COSCO Shipping, Evergreen, and OOCL
- Major Independent Carriers – MSC, Swire (Westwood), and SM Line.

The Northwest Seaport Alliance Activity

Containers:

Through July 2026, the NWSA has handled 1.7 million TEUs (twenty-foot equivalent units), an 11.3% decrease year-to-date due to tariff-induced frontloading in 2025 and the suspension of the UWL Sun Chief service, which was driven by market conditions.

An influx of containerized cargo volume is expected later in the year. Congestion at Southern California ports resulting from weather-related shipping delays in Asia will support cargo diversion to NWSA and other West Coast gateways. Separately, El Nino-related draft restrictions and a reduction in the number of daily transits at the Panama Canal have reduced vessel capacity. This will support cargo diversion from East and Gulf Coast to West Coast ports.

NWSA container volume is projected to increase in 2027. Continued inflation, high gas prices, and high

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interest rates, which reduce consumer spending, could negatively impact the forecast.

Competition from ports in British Columbia, Canada, and other North American gateways or a protracted decline in global trade due to ongoing trade friction or other geopolitical events could impact container volume. In addition, near sourcing from Mexico, which faces issues, could also have an impact.

Breakbulk:

Breakbulk cargo is comprised of commodities that are too large or heavy for containerized shipment. In the case of The Northwest Seaport Alliance, this consists largely of building materials, heavy machinery, boats, and agricultural and construction equipment.

Revenue breakbulk tonnage is estimated to reach approximately 245 metric tons in 2027. GLOVIS America is establishing a high-and-heavy equipment processing center in Tacoma, which will drive new business through the gateway. The continued focused on AI data centers is also expected to support a higher volume of energy-related shipments.

Demand for agricultural and industrial equipment has been negatively impacted by high interest rates, tariffs, and inflation. Although U.S. farmers are under pressure due to increased fuel and fertilizers costs driven by the Iran War, older fleets will need to be replaced soon.

High operating costs, trade disruptions, and suppressed industrial activity due to the war are downside threats to heavy machinery demand.

Autos:

NWSA/POT auto units for 2027 are forecasted to reach 325K units. Subaru Canada, a new auto brand for the gateway, has entered into a three-year agreement. Diversion of auto shipments from Canada due to port congestion is also expected in 2027.

High interest rates, inflation, and tariffs have made new automobiles less affordable, negatively impacting demand. The average cost of a new car as of September 2026 has risen to *$43,925 and the average monthly loan payments to *$770. This has caused some consumers to delay new car purchases in favor of maintaining older vehicles or purchasing used cars.

Molasses and Petroleum:

Molasses volumes are forecasted to be 31K metric tons in 2027. The rise in protein-rich products coupled with increased awareness of animal health and nutrition has increased the demand for premium feed ingredients.

Petroleum volumes are forecasted to be 847K metric tons in 2027 — contingent on contracts with cruise lines. The terminal operator does not expect major volume changes in outlying years.

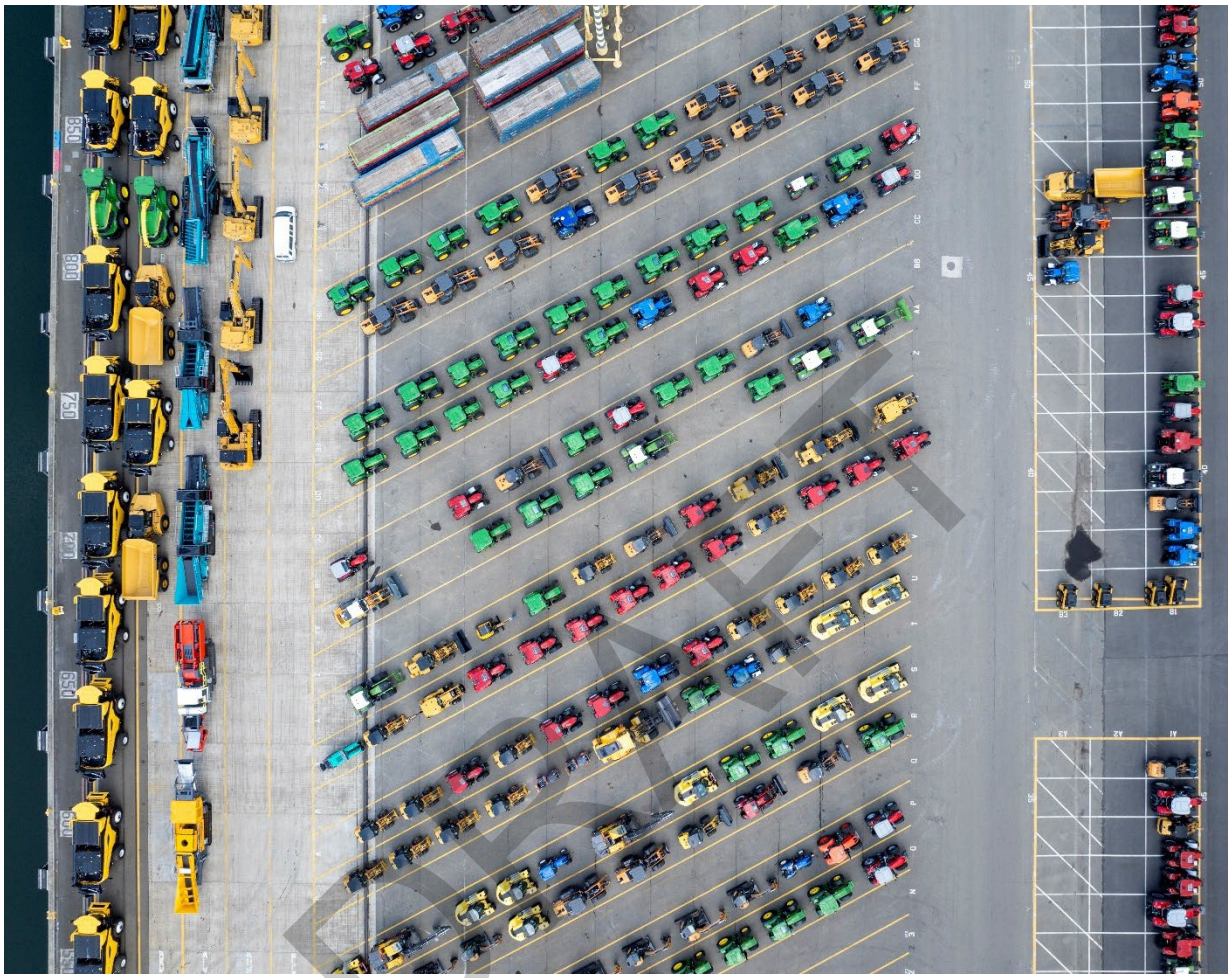
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Table III-1.... Cargo Activity Five-Year Forecast

THE NORTHWEST SEAPORT ALLIANCE CARGO ACTIVITY 5-YEAR FORECAST

						Actuals	Forecast					
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Non-Container Forecast (Thousands of Metric Tons)												
Revenue-Generating Breakbulk	170	239	342	321	273	223	236	245	249	254	259	263
Autos	245	262	288	567	578	471	497	488	490	502	516	526
Petroleum	677	524	709	785	880	840	840	847	851	855	859	864
Molasses	42	33	32	39	15	14	26	31	32	34	35	37
Total Tonnage	**1,134**	**1,058**	**1,371**	**1,712**	**1,746**	**1,548**	**1,600**	**1,610**	**1,622**	**1,644**	**1,669**	**1,691**
Year over Year change	-11.2%	-6.7%	29.5%	24.9%	2.0%	-11.3%	3.4%	0.6%	0.7%	1.4%	1.5%	1.3%
Container Forecast (Thousands of TEUs)												
International	2,636	2,992	2,650	2,237	2,610	2,419	2,205	2,221	2,258	2,309	2,362	2,416
Domestic	685	744	734	738	730	738	737	744	751	759	766	774
Total TEUs	**3,320**	**3,736**	**3,384**	**2,974**	**3,341**	**3,157**	**2,942**	**2,965**	**3,009**	**3,068**	**3,128**	**3,190**
Year over Year change	-12.1%	12.5%	-9.4%	-12.1%	12.3%	-5.5%	-6.8%	0.8%	1.5%	2.0%	2.0%	2.0%
Intermodal Yard Lifts*												
Hyundai Intermodal Yard	85,401	125,228	101,828	140,865	147,935	113,627	83,459	86,600	88,332	90,099	91,901	93,739
North Intermodal Yard	147,269	159,023	91,583	110,369	159,154	163,174	152,245	152,000	155,040	158,141	161,304	164,530
South Intermodal Yard	89,529	102,168	121,561	120,885	111,657	122,532	114,250	107,040	109,181	111,364	113,592	115,864
Pierce County Intermodal Yard	45,684	27,856	33,926	40,056	48,491	35,623	31,398	30,800	31,416	32,044	32,685	33,339
Total Intermodal Lifts	**367,883**	**414,275**	**348,898**	**412,175**	**467,237**	**434,956**	**381,352**	**376,440**	**383,969**	**391,648**	**399,481**	**407,471**
Year over Year change	-20.1%	12.6%	-15.8%	18.1%	13.4%	-6.9%	-12.3%	-1.3%	2.0%	2.0%	2.0%	2.0%
Vehicle Units (NWSA+POT)	**156,205**	**162,484**	**172,979**	**338,917**	**337,749**	**274,186**	**306,640**	**325,047**	**326,347**	**334,370**	**344,107**	**350,989**
Year over Year change	-18.6%	4.0%	6.5%	95.9%	-0.3%	-18.8%	11.8%	6.0%	0.4%	2.5%	2.9%	2.0%
* Intermodal Lifts Reported for South Harbor only												

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Roll On Roll Off Cargo at East Blair 1 Terminal Tacoma.

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IV Operating Budget

Overview

The NWSA operating budget revenue is based on cargo volume forecasts (see Table III-1), existing terminal and property leases and contractual and tariff-generated revenue. Operating budget expenses were projected based on historical information, as well as levels of expenditure required to support the increases in revenue.

From this information, NWSA staff prepared a realistic budget that supports both the strategic priorities and financial goals of the NWSA.

Departmental budgets estimate expenses that will be generated in support of the NWSA and its businesses. Expenses fall into one of five categories: Administration, Operations, Security, Environmental or Maintenance. Administration expenses are incurred in the day-to-day management of the NWSA. Operations and Maintenance expenses support the day-to-day management of business activities. Security support is provided by each home port. Environmental expenses are a subset of overall environmental spending, and include clean air and clean water activities, and close coordination with each home port on compliance and monitoring activities.

Business budgets are projections of revenues earned and expenses incurred in the operation of a particular business line. In addition, the NWSA expects to receive funds from other sources including user fees, and investment earnings.

Although capital project spending is planned within the capital budget, capital projects will impact operating budgets for future years through new sources of revenues and increased operating expenses and depreciation costs.

Nature of Business

Washington law authorizes ports to provide and charge rents, tariffs and other fees for docks, wharves, and similar harbor facilities, including associated storage and traffic-handling facilities for waterborne commerce. Ports also may provide freight and passenger terminals and transfer and storage facilities for other modes of transportation, including air, rail and motor vehicles. Finally, ports may acquire and improve lands for sale or lease for industrial or commercial purposes and may create industrial development districts.

The NWSA is a joint venture that operates with the two ports as enterprise funds, allowing the NWSA and the ports to operate in much the same manner as a private business. Operating revenues are comprised of charges to its customers to cover costs associated with the service provided and to support investment in future projects.

Balanced Budget

Based on the Government Finance Officers Association (GFOA) Recommended Budget Practices, a balanced budget "is a basic budgetary constraint intended to ensure that a government does not spend beyond its means."

The NWSA defines "balanced budget" in the following way: Total revenues are sufficient to cover operating expenses for the budget year and to offset the cost of capital investments (depreciation) and anticipated debt costs for any planned future capital investments.

The NWSA uses the full-accrual basis for budgeting, consistent with the basis for accounting. This method recognized the financial effect of events that impact the Port during the accounting period, regardless of whether cash was received or spent.

Budget Process

The NWSA budget is a guideline used by management to direct strategic and tactical operations. Typically, more projects and spending are budgeted than may actually occur. This conservative approach ensures that the NWSA's financial goals are still met if business conditions support the full budgeted spending.

The NWSA operates on a calendar year budget cycle that must integrate the budget schedule needs of both home ports. The operating budget and the capital budget are the NWSA's plan for meeting the current needs of its customers, and for implementation of the strategic goals.

The annual budget development begins in June and continues through November. The process begins with

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the development of strategic objectives and initiatives, which are reviewed by the Managing Members and the Chief Executive Officer. The Managing Members and Chief Executive Officer communicate any strategy changes or policy concerns and gather additional input.

Cargo forecasts, available at the beginning of the budget process, are used to develop the variable portion of the operating budget. During a study session, the Managing Members are presented with a draft budget.

In November, a public hearing is held by each home port to allow for public comment, and to adopt the statutory budget and approve the property tax levy for the home ports. The NWSA's operating income is split evenly between the ports and is shown as revenue to the home ports. After the home port Commission approves and adopts its statutory budget, it is submitted, with the related home port resolutions, to the respective County Councils and Assessor Treasurer offices.

Major Assumptions

Major drivers of the operating budget are a result of economic and industry trends represented in the cargo forecast.

Revenue

- Existing leases continue per existing lease terms and contracts
- Cargo volumes drive equipment and intermodal revenues and expenses
- Auto and breakbulk imports continue to provide revenue diversity
- Tariff rates are projected to increase between 3% and 5%
- Property lease rental rates will increase as specified in contracts

Direct Expenses

- The NWSA has a direct headcount of 69 positions. Salaries are expected to increase between 4% and 7%
- Major operating expenses include construction of non-NWSA owned infrastructure, and ongoing maintenance of terminal paving, bulkheads and fender systems
- Depreciation for licensed assets at the time of the formation of the NWSA will remain on the books of the home ports. Depreciation of any new investments that are jointly funded are charged against the NWSA

Home Port Services Provided

Each home port provides services to the alliance, and some NWSA personnel provide services back to the home ports. These services are provided either by direct charge or purchased services through Inter-local Agreements.

Table IV-4 shows the approximate value of Operating, Maintenance, Environmental, Security and Administrative services purchased by the NWSA from each of the home ports and the services purchased by the Port of Tacoma from the NWSA. This table does not include the value of services provided for capitalized and expensed projects.

Estimating Revenues and Expenses

The NWSA uses several different methods of projecting revenues, depending upon the nature and materiality of the revenue item and the projection period. Specific revenue projection techniques include:

- **Historical Data**: Future revenues are based on historical trends with the assumption that they will continue in the future. When using historical data as a means for projecting revenues, the NWSA analyzes as many as 10 years of data to estimate a rate of growth
- **Business Operations**: Terminal lease/rental agreements, grant agreements, and service contracts provide information for this projection method. These projections may be adjusted to reflect the probable impacts of anticipated changes in the economy, legislation and inflation
- **Judgment Estimates**: This method relies on a personal knowledge in the field, often a department director, who prepares a revenue projection based on awareness of past and present conditions including fee changes, development plans, marketing campaigns, usage activity, frequency, volume, weight and similar determinations
- **Current Data**: This method predicts future revenue based on actual or annualized current year revenues and often is used when historical data and trends are not available, or if used, would result in an inaccurate revenue projection

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- **Volume**: The NWSA uses the five-year cargo forecast to project volume-related revenues

Financial Practices

The NWSA manages its operations to maximize its financial capacity - to provide adequate cash flow to the home ports to support debt service coverage ratios.

Financial Tools

- **Cargo Forecasts**: The NWSA maintains a cargo estimate for each of the next five years. (See Table III-1)
- **Five-Year Financial Forecast**: A portion of the operating budget is driven by volumes from the cargo forecast while the majority of the revenue comes from major lease contracts. Planned revenue-generating capital projects are aligned with new revenues and expenses in the five-year operating forecast. The operating budget is monitored throughout the year, noting any variances that may require corrective action. The Managing Members, Chief Executive Officer and Executive Team review these semi-annually
- **Five-Year Capital Investment Plan**: This plan ties directly to the strategy developed during the budget process. Updated semi-annually, it identifies all proposed projects. Some projects are capitalized and impact future year forecasts through depreciation, while others are expensed in the current year
- **Home Port Plan of Finance**: The financial output of the NWSA will be shared evenly between the home ports and is an input into each home port's five-year plan that identifies each port's ability to fund their business objectives
- **Financial Analysis of Investments**: The NWSA reviews significant capital investments and their related assumptions prior to acceptance into the planned capital budget. Revenue-generating projects are expected to earn a return on investment that meets or exceeds the standards
- **Financial Reporting:** The NWSA creates a variety of reports available electronically or in hard copy

For additional information on accounting policies, see each home port's budget and annual financial reports.

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Table IV-1....Statement of Revenue, Expenses and Distributable Income by Business*

($ millions)	2025 Actual	2026 Budget	2026 Forecast	2027 Budget
Operating Revenues				
Container	296.6	219.0	213.9	216.2
Non Container	33.6	28.0	38.2	36.7
Real Estate	18.9	19.2	18.4	18.7
Other	0.0	0.0	0.0	0.0
Total Operating Revenues	**349.1**	**266.3**	**270.4**	**271.6**
Direct and Maintenance Expenses				
Container	54.0	57.4	70.5	54.3
Non Container	23.4	22.8	22.3	22.9
Real Estate	1.9	1.3	1.2	1.5
Other	18.7	32.8	18.7	35.1
Total Direct & Maintenance Expenses	**98.0**	**114.3**	**112.8**	**113.9**
Administration	24.5	26.8	24.8	27.1
Security	5.4	7.3	6.8	7.3
Environmental	2.3	6.7	3.7	4.4
Total Operating Expense before Depreciation	130.2	155.1	148.2	152.7
Operating Income before depreciation	*218.8*	*111.2*	*122.1*	*118.9*
Depreciation & Amortization	26.7	34.3	30.7	38.3
Total Operating Expense	**156.9**	**189.4**	**178.9**	**191.0**
Income from Operations	**$192.1**	**$76.9**	**$91.5**	**$80.6**
Return on Revenue	*55.0%*	*28.9%*	*33.8%*	*29.7%*
Non Operating Income (Expense)	21.8	39.9	31.6	34.9
Distributable Income before Special Item	**214.0**	**116.8**	**123.0**	**115.5**
Special Item				
Distributable Income	**$214.0**	**$116.8**	**$123.0**	**$115.5**
Distributable Cash	**$240.7**	**$151.1**	**$153.7**	**$153.9**

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* Amounts may not foot due to rounding.

Table IV-2…Operating Revenue and Expense Detail*

($ millions)	2025 Actual	2026 Budget	2026 Forecast	2027 Budget
Property Rental	$71.3	$69.5	$67.1	$70.5
Sale of Utilities	3.2	4.0	3.2	3.5
Services Marine Terminals	172.9	166.1	171.5	172.4
Equipment Rentals	18.9	19.5	23.5	23.1
Other Revenue	82.9	7.2	5.1	2.1
Operating Revenue	**349.1**	**266.3**	**270.4**	**271.6**
Home Port Services Provided	27.4	29.7	28.3	30.7
Port Salaries & Benefits	12.2	14.8	14.8	15.2
Outside Services	6.0	7.0	5.1	6.6
Longshore Labor & Fringe	15.1	14.3	14.8	15.1
Direct Expenses	31.0	40.4	37.3	40.7
Marketing & Global Outreach	0.7	0.9	0.8	0.9
Travel & Hosting	0.9	1.4	1.1	1.2
Maintenance	26.4	32.8	36.6	31.5
Office Equipment & Supplies	0.3	0.3	0.3	0.5
Utilities	6.4	8.4	7.1	7.7
Other Employee Exp	0.2	0.3	0.2	0.3
Other Expenses	3.0	-0.1	0.1	0.0
Environmental	0.7	5.0	1.8	2.3
Total Operating Expenses before Dep.	**130.2**	**155.1**	**148.2**	**152.7**
Operating Income before Depr.	*218.8*	*111.2*	*122.1*	*118.9*
Depreciation & Amortization	26.7	34.3	30.7	38.3
Total Operating Expenses	**$156.9**	**$189.4**	**$178.9**	**$191.0**
Operating Income	**$192.1**	**$76.9**	**$91.5**	**$80.6**
Return on Revenue	*55.0%*	*28.9%*	*33.8%*	*29.7%*
Non Operating Revenue and Expenses	21.8	39.9	31.6	34.9
Net Assets Before Special Items	**214.0**	**116.8**	**123.0**	**115.5**
Increase in Net Assets	**$214.0**	**$116.8**	**$123.0**	**$115.5**
Distributable Cash (calculated)	**$240.7**	**$151.1**	**$153.7**	**$153.9**

* Amounts may not foot due to rounding.

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Table IV-3….Statement of Revenues, Expenses and Changes in Net Position*

Statement of Revenues, Expenses and Changes in Net Position

Company: The Northwest Seaport Alliance

	2025 Actual	2026 Forecast	2027 Budget	Change from Prior Year Forecast
($ Millions)				
Operating Revenue	$349.1	$270.4	$271.6	0.5%
Total Operating Expenses before Dep.	(130.2)	(148.2)	(152.7)	3.0%
Depreciation & Amortization	(26.7)	(30.7)	(38.3)	25.0%
Operating Income	**192.1**	**91.5**	**80.6**	**-11.9%**
Non Operating Revenues (Expenses)				
Interest Income	5.0	4.1	3.1	-24.6%
Premium Discount	(0.1)	(0.0)	0.1	-363.6%
Market Value Adjustments	0.5	(0.1)	0.0	-100.0%
Grant Income	17.0	24.8	30.4	22.4%
Other Non Operating Revenue (Expense)	(0.6)	2.7	1.4	-50.0%
Total Non Operating Income (Expense)	**21.8**	**31.6**	**34.9**	**10.7%**
Net Distributable Revenue (Net Income)	**214.0**	**123.0**	**115.5**	**-6.1%**
Distributable Cash				
Net Distributable Revenue (Net Income)	214.0	123.0	115.5	-6.1%
Add Depreciation and Amortization	26.7	30.7	38.3	25.0%
Distributable Cash*	**240.7**	**153.7**	**153.9**	**0.1%**
Net Position				
Net Position beginning of year	660.2	724.3	775.9	7.1%
Add Contributions and Expected Capital Construction	79.7	82.3	150.6	83.0%
Add Net Distributable Revenue (Net Income)	214.0	123.0	115.5	-6.1%
Less Cash Distributions	(229.6)	(153.7)	(153.9)	0.1%
Net Position end of year	**$724.3**	**$775.9**	**$888.3**	**14.5%**

* Per charter section 5.3 and charter definition 1.1 (p)

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* Amounts may not foot due to rounding.

Table IV-4….Allocations and Direct Charges Summary*

($ Millions)	2025 Actual	2026 Budget	2026 Forecast	2027 Budget
Port of Tacoma to NWSA	$33.8	$37.4	$36.2	$39.0
Port of Seattle to NWSA	$15.0	$12.5	$12.5	$13.7
NWSA to Port of Tacoma	$0.9	$0.9	$0.8	$0.9

Table IV-5….Five-year Statement of Revenue, Expenses and Change in Assets*

($ millions)	2027	2028	2029	2030	2031
Operating Revenue	$271.6	$277.7	$287.8	$296.0	$305.0
Total Operating Expenses before Dep.	(152.7)	(157.6)	(153.6)	(156.2)	(157.6)
Depreciation & Amortization	(38.3)	(45.1)	(49.5)	(56.5)	(61.0)
Operating Income	**80.6**	**75.0**	**84.7**	**83.3**	**86.3**
Grant Income	30.4	20.8	2.1	0.8	0.0
Other Non Operating Income	4.5	2.9	3.3	3.1	3.4
Net Distributable Revenue	**115.5**	**98.7**	**90.0**	**87.2**	**89.7**
Distributable Cash (calculated)	$153.9	$143.8	$139.5	$143.7	$150.7

* Amounts may not foot due to rounding.

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Container Ship at Husky and WUT Terminals in Tacoma.

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V Capital Investment Plan

Overview

The Northwest Seaport Alliance invests in projects to increase the capacity, extend the life or improve the safety or efficiency of alliance-managed property and equipment.

New projects on the Capital Investment Plan that are $100,000 or greater have been vetted through the Investment Decision and Development Process (IDDP). The IDDP is a two-stage planning development.

- Stage 1 (Opportunity Assessment) is to document new investment opportunities, identify any conflicts and receive input from all potentially affected departments/teams. The leadership management makes the decision to pursue the opportunity to the next stage.

- Stage 2 (Alternatives Analysis) is to assess the initial viability of a project, consider and evaluate alternatives, conduct a project screening, and consider long-range capital planning and potential grants.

The five-year Capital Investment Plan (CIP) identifies all projects planned or underway. The CIP provides a mechanism for tracking and managing project budgets and cash flows for five years into the future. Table V-1 shows planned spending on capitalized projects for the five-year time frame. Projects are associated with a program that fall under one of the businesses or under a category called "Infrastructure."

Although funds for a project are included in the CIP, the project is not automatically authorized to proceed. The alliance Managing Members review and approve each project individually. Projects must have the necessary permitting before proceeding.

To achieve its goals, the alliance continues to invest in revenue-generating capital projects that support its businesses. Although the home ports are responsible for the general infrastructure in each respective county, the alliance may also invest in infrastructure projects that support the NWSA's maritime business, as well as increasing rail and road transit of cargo within boundaries between the ports of Seattle and Tacoma. Often, these infrastructure projects are expensed versus capitalized due to accounting requirements.

In addition, environmental projects are planned for meeting or maintaining regulatory requirements, including the development of mitigation and remediation projects. Projects may be expensed or capitalized according to accounting rules.

Summary of Major Projects

During 2026, the NWSA worked on the following capital projects:

- Maintenance dredging at several terminals
- Design plans for the toe wall and berth deepening at Husky and WUT terminals
- Construct the transtainer runs, shore power and repair fenders at T18
- Complete several projects at T5 including uplands paving, container yard expansion, and reefer high voltage distribution

The 2027 - 2031 Capital Investment Plan focuses on the following strategic and maintenance projects:

Strategic investments:

- Modernization at Terminal 7D in Tacoma
- Terminal expansion at Husky
- Construction of shore power system at T18, and design of shore power at WUT and PCT
- Construction of toe wall and dredging at Husky terminal and WUT
- Construction of reefer racks and plugs at Pierce County Terminal

Maintenance investments:

- Replace lift station at T18
- Design of North & South water main and valve at T18
- Rehabilitate Wapato creek culvert
- Maintenance dredging at several container terminals of both harbors

The alliance has a strong commitment to the protection and improvement of the environment. Examples of this commitment include the Clean Truck Program, the Northwest Ports Clean Air Strategy, and significant investment in storm-water improvements.

Strategic development efforts focus on serving existing customers, attracting new customers, and building a diverse, dynamic and resilient business base.

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Table V-1….Planned Capitalized Project Spending

($ Millions)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Historical Capital	90.6	58.8	53.6	56.3						
Planned Capital					82.1	148.6	139.8	149.1	66.9	19.9
Grand Total	**$ 90.6**	**$ 58.8**	**$ 53.6**	**$ 56.3**	**$ 82.1**	**$ 148.6**	**$ 139.8**	**$ 149.1**	**$ 66.9**	**$ 19.9**

Capital Investment Plan Priorities

To efficiently allocate human and financial resources, the alliance uses a capital project prioritization methodology. For internal management, the alliance uses three project stages:

- **Budgeted and Authorized**: These are ongoing projects or projects ready to proceed based on customer commitments or a high degree of certainty. Both are included in the budget.
- **Created:** These are projects based on an identified business need or opportunity but have not been fully developed in scope and cost.

Capital Investment Plan Projects by Purpose

The alliance classifies CIP projects into three types, (as shown below in Table V-2):

- **Revenue Renewal**: Projects developed to renovate or replace obsolete or aging revenue-producing assets. These projects serve to extend existing revenue streams or ensure existing streams are not lost and may offer additional revenue if replacements enhance the efficiencies of operations or offer additional capabilities or value.
- **Infrastructure**: Projects developed to enhance infrastructure, support multiple or future customers or to enhance public infrastructure. Sometimes, other public agencies may participate in funding. Infrastructure projects are often complex in nature, with multiple public agencies involved in the planning process and execution.
- **Revenue-Generating**: Projects developed for a specific customer that will result in a new revenue stream.

Table V-3 shows Budgeted and Authorized (excludes Created) project expenditures during the five-year planning horizon as categorized by accounting treatment.

Accounting rules require some spending to be capitalized and depreciated over time, while other spending is expensed as incurred.

The NWSA's alliance's policy is to capitalize all asset additions greater than $20,000 and with an estimated life of more than three years. Depreciation is computed on the straight-line method. The economic lives of capitalized assets range from three years to 20 years for machinery and equipment while economic lives of buildings and improvements range from 10 years to 75 years.

Table V-3 shows that the NWSA intends to implement $573.3 million worth of planned projects in the next five years, with $167.3 million of that total earmarked for 2027.
Non-operating and operating projects will be expensed as incurred and are included in the operating budget.

Table V-4 shows the five-year CIP by Line of Business.

Table V-5 shows the expected increase in depreciation when planned projects are completed. The CIP is the total expected spending of 146 projects, 80 of which are capitalized and 66 expensed as incurred.

The expensed projects are captured as expenses in the current year budget and four-year operating forecast as incurred. The costs of the capitalized projects are captured as depreciation expense over the estimated life of the projects. Depreciation expenses expect to increase when these projects are complete: redevelopment of Terminal 5 phase 2, modernization at Terminal 7D, Terminal 18 shore power, T18 pile cap rehab, and construction to replace aging assets of the Wapato creek culvert.

Funding

Capitalized projects are funded by the two homeports. Expensed projects are funded by cash generated by the NWSA. Projects may be qualified to be funded by HMT funds, grants or other 3rd party funds if available.

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Table V-2....Five-Year Planned Capital Investment Plan by Purpose

($ Millions)

	2027	2028	2029	2030	2031	Total
Infrastructure	$13.8	$9.2	$3.2	$2.2	$0.7	$29.0
Renewal	139.6	126.1	141.7	66.7	21.8	495.9
Revenue	13.9	20.3	10.9	3.3	0.0	48.4
Grand Total	**$167.3**	**$155.6**	**$155.7**	**$72.2**	**$22.5**	**$573.3**

Amounts may not foot due to rounding

Table V-3....Five-Year Planned Capital Investment Plan by Accounting Treatment

($ Millions)

	2027	2028	2029	2030	2031	Total
Capitalized	$148.6	$139.8	$149.1	$66.9	$19.9	$524.2
Operating Expense	18.7	15.8	6.6	5.3	2.6	49.0
Non-Operating Expense	0.0	0.0	0.0	0.0	0.0	0.0
Grand Total	**$167.3**	**$155.6**	**$155.7**	**$72.2**	**$22.5**	**$573.3**

Amounts may not foot due to rounding

Table V-4....Five-Year Planned Projects by Line of Business

($ Millions)

	2027	2028	2029	2030	2031	Total
Container Business	$145.0	$119.4	$117.2	$66.4	$21.8	$469.7
Non Container Business	$10.7	$22.9	$30.5	$3.6	$0.0	67.7
Real Estate	$2.0	$8.6	$4.3	$0.1	$0.1	15.0
Infrastructure	$9.6	$4.7	$3.7	$2.2	$0.7	20.8
Grand Total	**$167.3**	**$155.6**	**$155.7**	**$72.2**	**$22.5**	**$573.3**

Amounts may not foot due to rounding

Table V-5....Depreciation Impact Due To Capitalized Projects

($ Millions)

	2027	2028	2029	2030	2031	Total
Container Business	$ (9.7)	$ (16.2)	$ (20.4)	$ (23.6)	$ (28.4)	$ (98.3)
Non Container Business	(0.5)	(0.9)	(1.1)	(4.7)	(4.9)	$ (12.1)
Real Estate	(0.1)	(0.1)	(0.3)	(0.6)	(0.6)	$ (1.7)
Infrastructure	-	-	-	-	-	$ -
Grand Total	**$ (10.3)**	**$ (17.3)**	**$ (21.8)**	**$ (28.9)**	**$ (33.8)**	**$ (112.0)**

Amounts may not foot due to rounding

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Capital Investment Plan Project Descriptions

The NWSA's five-year CIP has been categorized on a business basis, as shown in Figure V-1. The following section provides details of major planned improvements within each business and only includes major projects and equipment.

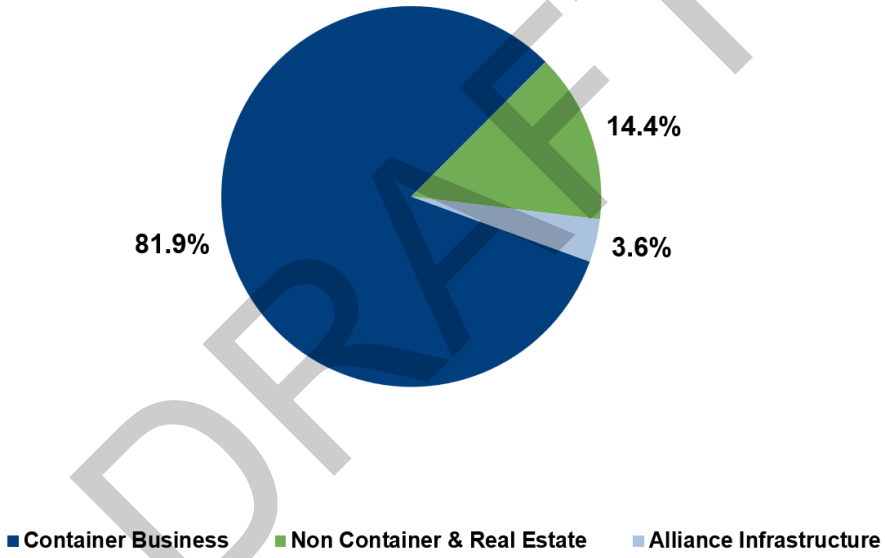
Container Terminals Business

Planned capital expenditure for container terminals will total approximately $470 million over the next five years. The CIP for this business will provide the funds necessary to complete the remaining projects to support the completion of modernizing Terminal 7D and terminal expansion at Husky in the South Harbor; shore power construction and wharf rehabilitation at Terminal 18; maintenance and berth dredging at several container terminals; rebuild Wapato creek culvert and expand reefer plugs at PCT.

Non-Container Business & Real Estate

Approximately $83 million will be spent on facility improvement for terminal operations, auto, bulk and real estate businesses.

Figure V-1….Five-Year Capital Investment Plan by Line of Business



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Alliance Infrastructure

This section includes capital expenditures that are not specific to a single business and are in support of the alliance's infrastructure or environmental improvements.

- Environmental Programs: These projects include reduction and monitoring of emissions, and ongoing cleanup projects. This also includes purchase of electric straddle carriers for its operations. The Clean Truck Program and the Clean Cargo Handling Equipment Incentive Program provide matching funds and incentives to help cover the cost of replacing older trucks or handling equipment with cleaner new ones.
- Technology: The alliance continues to invest in an operations service center that will allow customers and cargo owners to track their cargo as it moves through the gateway.

Capital Investment Plan Revisions

The CIP is an integral part of the budget planning process and is reviewed and revised semi-annually. Adjustments in amount and timing are made as required to meet changes in customer or infrastructure requirements.

VI Environmental Stewardship and Planning

Environmental stewardship and sustainable practices are a high priority for the NWSA. Working with our partners – including shippers, ocean carriers, marine terminal operators, drayage trucking companies, near-port community groups, and many others – the NWSA developed a best-in-class approach to environmental stewardhips built on the following principles:

- Fully integrate environmental, economic and financial/business planning and decision-making; .
- Collaborate, and be responsive to the market, our customers and operating partners, and near-port communities;
- Identify and pursue innovative, collaborative, cost-effective, and sustainable solutions.

Program areas of emphasis include:

- Water Quality
- Air Quality and Sustainable Practices
- Planning and Logistics
    - Transportation
    - Land Use
    - Facilities

In 2027, the NWSA plans to focus its environmental efforts on water and air quality and greenhouse gas emission reductions, with the bulk of that work on NWSA licensed properties in the Seattle and Tacoma harbors.

In addition, the NWSA has partnered with the Ports of Seattle and Tacoma along with other key industry, environmental, state and federal stakeholders and partners to develop a large commercial vessel Quiet Sound program. This program is managed by Maritime Blue and promotes ways to reduce noise impacts to Orca and other marine mammals in Washington State Waters. The Ports of Seattle, Tacoma and the NWSA have committed a total of over $200,000 in 2026 towards this effort to sustain the program. In 2024-25, 64% of vessel transits slowed, leading to a 20% underwater noise reduction in frequency used for Southern Resident Killer Whale (SRKW) communication.

Water Quality Program

NWSA's Water Quality (WQ) team is comprised of professionals with experience in site inspection, monitoring, water quality treatment project development and delivery, and policy analysis.
The goal of this program is to work with internal and external stakeholders to design highly effective, low-cost treatment and compliance solutions that meet or exceed Washington State's high water quality standards.

Industrial Stormwater Management Program

The WQ team manages an industrial stormwater program that is a collaborative effort to engage customers, agencies, and environmental organizations in both the Seattle and Tacoma harbors. The goal of the program is to discover and create solutions for emerging stormwater issues, solve common problems and provide stormwater technical assistance to our customers at their request. Staff engage in extensive stakeholder outreach that includes customers, regulators, and environmental organizations.

In 2026, Water Quality staff continued s implementing the 2025 Industrial Stormwater General Permit (ISGP), which took effect January 1, 2025. This included:

- Collecting samples from overwater structures.
- Working with Ecology on settlement agreements
- Participating in early input sessions facilitated by the Washington Stormwater Center for the 2029 ISGPGP
- Port representative on Ecology Statewide Stormwater Action Monitoring (SAM) workgroup
- Completing industrial and outfall site inspections ahead of schedule.
- Working with Maintenance to complete maintenance on treatment systems ahead of first flush to ensure we are prepared for the rainy season.

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- Educating internal and external stakeholders on the 2025 ISGP.

Additionally, Water Quality Staff continued to provide technical support for multiple legal cases related to the ISGP, including providing testimony to the Pollution Control Hearings Board in support of Ecology at the 2025 ISGP appeal hearing in February.

Research and Develop Cost-Effective Means to Manage Stormwater

The NWSA continues previous work initiated separately by the two ports. The NWSA implements innovative cost-effective treatment methods in the field and focuses on practical, effective stormwater Best Management Practices (BMPs). This includes conducting pilot studies of new and existing treatment infrastructure while sharing results with tenants and stakeholders. In 2025, the WQ Team received pilot use designation from Ecology's Emerging Stormwater Technologies (TAPE) Program, for treatment systems designed for use at the Tacoma and Seattle harbors. This stems from a 2024 application submitted through Ecology's General Use Level Designation (GULD) website.

In 2027, the WQ Team plans to submit another application for this program. Successful inclusion of our treatment systems on Ecology's GULD website allows ports and other permittees to use the information when installing industrial stormwater treatment on their sites and may help to expedite permit approvals from local jurisdictions when installing treatment on North and South Harbor properties.

Source Control

Controlling pollutants at or near the source is the most cost-effective way to reduce pollution in stormwater runoff, manage the risk of costly corrective actions for treatment, and reduce the cost of operations and maintenance of installed stormwater treatment systems. NWSA WQ staff work with customers (as requested) to identify pollutants close to the source and eliminate the source where possible. The WQ team assists customers with effective and low-cost solutions.

Seattle Harbor Focus

Most Seattle Harbor tenants have installed stormwater treatment at their facilities. The challenge going forward is to reduce the cost of operating and maintaining these systems. The WQ team continues to focus on maintaining relationships with tenants/ customers and working with them to implement at- source and near-source BMPs with these goals in mind.

2026 Accomplishments included:

- Work with Commercial to provide stormwater information on terminals to attract business to the north harbor.
- Assistance with tenant stormwater pollution prevention plans.
- Continued coordination with Marine Maintenance and Stormwater utility on water quality issues in the North Harbor.
- Provide lease review and project support for new projects in the North Harbor.
- T-30 pilot study to determine the most cost-effective stormwater treatment approach for that facility.

Tacoma Harbor Focus

The WQ team continues to work with tenants/customers to implement at-source and near-source BMPs to facilitate cost-effective and successful solutions, and to focus on customers that may face site challenges to meet water quality criteria or regulatory policy issues. In the Tacoma Harbor, the priority for 2027 will be continuing to implement of the 2025 ISGP.

2026 Accomplishments included:

- WQ staff continued working with the City of Tacoma to negotiate terms of our Interlocal Agreement, coordinate on permitting issues, the MS-4 permit, and business inspections.
- Developed innovative treatment technology involvement with design of future Port of Tacoma Administration building and Maritime 253 building.
- Continue to provide design assistance to Port of redevelopment opportunities.
- Finalized West Sitcum Settlement
- WQ Design support for EBC redevelopment.

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Additionally, the WQ Team completed an Enhanced Maintenance Plan for Port of Tacoma MS4 stormwater management program. Although initially created for a new state of the art decant facility and testing area, the plan will be updated to include water quality program wide items. We expect to reapply for an Ecology grant in 2027 for the EMP. Following acceptance from Ecology for the EMP, we will be able to pursue grant funding for items listed in the approved plan. for a new state of the art decant facility and testing area.

2027 Goals

In 2027, the WQ team will continue to

- Support projects including ditch maintenance in the Tacoma Harbor, and the Thorne Road Off-Dock Container Expansion yard for which Ecology funded a $4.37 million stormwater grant.
- Engage with Ecology on early input for the 2029 Industrial Stormwater General Permit (ISGP).
- Implement the 2025 ISGP on Port and NWSA operated facilities.
- Work towards certification for treatment systems with Ecology GULD/TAPE program.
- Share stormwater information with tenants and assist with stormwater management issues.
- Utilize drone technology for outfall and other permit required inspections, derelict vessel investigations, and shoreline mapping.
- Implement the 2024 MS-4 Phase I permit for the Port of Tacoma.
- Be a leader in the stormwater section of Green Marine Certification.
- Support Engineering for all capital improvement projects including the T-30 stormwater treatment system
- Seek grant support for additional TAPE projects.

Air Quality & Sustainable Practices Program

The Air Quality & Sustainable Practices Program jointly serves the Port of Tacoma and The Northwest Seaport Alliance and focuses on two goals: 1) reducing – and, ultimately, phasing out - air and climate pollution from seaport related activities; and 2) advancing environmentally sustainable corporate practices. The program collaborates with a wide range of internal and external partners to develop, find funding for, and implement a suite of initiatives to advance the 2020 Northwest Ports Clean Air Strategy (NWPCAS) and implement the NWSA's 2021-2025 Clean Air Implementation Plan. Key initiatives include the Clean Truck Program (including the newly formed Zero Emission Truck Collaborative); the Clean Vessels Program (including shore power installations at major container terminals); and the Clean Cargo Handling Equipment (CHE) Program.

Key 2026 Accomplishments

Key accomplishments during 2026 include the following:

- Led development and adoption of the NWSA's 2026-2030 Clean Air Implementation Plan.
- Continued to lay the foundation for the first deployment of 19 battery-electric trucks in the NWSA gateway, slated to be in operation by mid-2027.
- Launched ZEDAP (Zero-Emission Drayage Assistance Program) to help drayage trucking companies serving the NWSA gateway navigate the transition to cleaner trucks.
- Helped re-launch the Puget Sound Zero Emission truck Collaborative to advance implementation of the Decarbonizing Drayage Roadmap published in April 2025.
- Coordinated implementation of the Clean Truck Program rule domestic terminals while continuing to implement the Diesel Truck Scrap-and-Replace Program.
- Developed a program to encourage increased use of renewable diesel in drayage trucks and cargo-handling equipment operating in the gateway.
- Continue to advance the NWSA's ZE CHE goals by: purchasing electric forklifts to serve the East Blair One Terminal; initiating ZE terminal planning at WUT and EB-1; and launching a ZE CHE Incentive Program.
- Continued to advance the NWSA's ZE vessels goals by: completing feasibility studies for green shipping corridors between the NWSA gateway and Korean ports: initiating development of a Clean Vessels Recognition Program and a cross-port Sustainable

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Maritime Fuels Strategy; and supporting the creation of the Sustainable Maritime Fuels Collaborative.

- Continued to support the shore power program, including construction at T-18 and design at WUT, PCT, and EB-1.
- Continued to publish the Ports Clean Air Quarterly
- Launched www.nwcleanports.org, a cross-port web portal offering "one stop shopping" for near-port communities and other stakeholders seeking information on port-related clean air and climate solutions.

Key 2027 Goals

Key goals for 2027 include the following:

- Through the NWSA's ZE Drayage Incentive Program, complete the first deployment of 19 battery-electric drayage trucks in the NWSA gateway.
- Through the NWSA's Zero Emission CHE Incentive Program, put in operation at least 10 additional pieces of ZE CHE.
- Complete ZE Terminal Plans at WUT and EB-1, and initiate ZE terminal planning at one or more additional terminals
- Complete development of a gateway-wide Sustainable Maritime Fuels Strategy, in partnership with the homeports.
- Develop and implement programs for increasing the use of renewable diesel in CHE and drayage trucks.
- Initiate an on-going clean air and climate community forum in both harbors.

Planning & Logistics

Planning and Logistics provides a range of services intended to support NWSA Charter goals from strategic to site planning. Some primary services include planning for marine terminals and supporting infrastructure, advocating for multi-modal freight related transportation systems, and facilitating port visioning. The Planning team also coordinates baseline studies to facilitate decision making about investments and operations.

Overview of services:

- **Land Use Planning and Advocacy**: Provide expert level land use planning services to protect manufacturing and industrial lands for seaport operations; review and provide comments on local and regional land use policies and regulations; provide technical support and advice on relevant state and federal policies.
- **Facility Planning**: Services include facility design, facility resilience assessment and planning, assessment of infrastructure needs for operational efficiency, and documentation of current and planned facilities.
- **Transportation Planning and Advocacy**: Monitor traffic congestion data and support advance warning technology projects, analyzing off-terminal traffic flow and circulation, truck parking, and preservation of freight and heavy haul routes.
- **Project Feasibility Development**: Support strategic port planning and the opportunity assessment process by maintaining a general understanding of all focus areas within the Department, especially the environmental specialties.
- **Strategic Planning and Visioning**: Support development of strategic and business plans including internal and external engagement and consultant services. The team also supports periodic updates of the Port's Economic Impact Analysis.
- **Grant Program Coordination**: Coordinate grant application efforts to ensure a unified and proactive approach. Grants are sought to help offset the cost of infrastructure, equipment, transportation technology, and planning, whenever feasible. Coordination efforts encompass tracking priority projects and grant opportunities. The team also provides staff support to the Grant Steering Committee and communication with staff involved in grant writing as well as providing commission updates.

2026 Planning & Logistics Key Accomplishments

- Advanced concept design for accommodation of 10,000-foot arrival departure train tracks in the Tacoma harbor. Completed concept design for

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additional rail on Terminal 18 in the Seattle harbor. Completed concept design for a 6-berth terminal in the Tacoma harbor on the Blair Waterway.

- Updated the NWSA Property Book.
- Prepared a long-term Gateway Growth Concept for NWSA facilities.

2027 Planning & Logistics Goals

- Support implementation of the Resilient Gateway Program Implementation Plan.
- Provide technical support for Sound Transit Link extensions and Sounder expansion.
- Advocate for NWSA priorities at Puget Sound Regional Council staff committees.
- Manage the NWSA/POT Grant Program.
- Complete bathymetric survey for both harbors.
- Advance the 10,000 arrival and departure track designs
- Advance the T-18 rail design
- Advance NWSA growth opportunities through strategic property evaluations

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Automobile cargo at T46 in Seattle.

Appendix A: NWSA Full Time Personnel

	NWSA			
	2025 Actual	2026 Budget	2026 Actual	2027 Budget
Executive	11	11	11	11
Human Resources	-			
Government Affairs & Communications	4	5	5	5
Finance & Administration	2	2	2	2
Commercial Business	19	21	21	21
Operations	12	12	11	12
Engineering, Environmental & Planning	16	18	18	18
Total	64	69	68	69

*2026 Actual is 2026 forecasted ending headcount

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Northwest Seaport Alliance Average Compensation (excluding CEO)

The 2027 staffing budget of $15,181,158 includes the following:

- $10,898,199 for salaried employees which includes:
  - $279,531 for annual pay increases for salaried employees starting April.
  - $24,665 for annual recognition program paid to salaried employees in April.
  - $49,329 for marketplace adjustment for salaried employees during the year.
  - Average salary of $159,126
- Total benefits of $4,282,959

Appendix B: NWSA Memberships

Overview

The NWSA and alliance staff are members of several organizations. The NWSA believes that participating in these partnership organizations plays a key role in advancing the NWSA's business objectives and ensures NWSA staff is knowledgeable and productive. These memberships are in addition to or supplement the home port memberships.

Port Authority Organizations

These memberships assist the NWSA's lobbying efforts on both the state and national levels and keep staff informed about major issues and developments that affect NWSA operations. Membership with the Washington State Public Ports Association remains with the home ports.

Economic Development Organizations

Economic development is a major part of the NWSA's mission. These memberships help strengthen the NWSA's visibility throughout the world through trade missions and trade shows.

Regional Organizations

Memberships in regional organizations demonstrate the NWSA's commitment to trade on a statewide and regional basis.

Industry and Professional Organizations

These organizations ensure that staff obtain the latest in technical development by taking advantage of meetings, networks and special programs.

Trade Promotion Organizations

These memberships give the marketing and sales staff important contacts and current industry trade information that enhances the NWSA's marketing efforts.

Community Service Groups

The NWSA maintains memberships in these groups as part of its effort to build better community relations, to work more effectively with businesspeople and to ensure that the NWSA's interests and concerns are addressed in the community.

Annual NWSA Memberships & Personnel Memberships (estimated)

Organization	Annual Dues
American Association of Port Authorities	$95,000
Pacific Northwest Waterways Association	40,000
National Association of Waterfront Employers	20,000
Washington Council on International Trade	20,000
Green Marine	12,000
DBM Association	11,667
All Other Memberships	86,938
Total NWSA Memberships	$285,605

American Association of Port Authorities

AAPA is an alliance of leading ports in the Western Hemisphere that protects and advances the common interests through advocacy, professional development, relationships, and public awareness.

Pacific Northwest Waterways Association

The Association advocates funding for navigation projects including those on the Columbia Snake River System, in the Puget Sound and along the coast.

National Association of Waterfront Employers

The Association promotes marine cargo efficiency, security and health, environmental stewardship, international trade, and economic growth through advocacy, education, and industry cooperation.

Washington Council on International Trade

The Council advocates for policies that increase Washington's international competitiveness.

Green Marine

Green Marine is an environmental certification program for the North American marine industry.

Distribution Business Management Association

DBMA provides a forum among industry leaders and academia that seeks solutions to supply chain issues.

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