Port of Seattle

MUNICIPAL SECONDARY MARKET DISCLOSURE INFORMATION COVER SHEET

Submitted to
Municipal Securities Rulemaking Board ("MSRB")
pursuant to Securities and Exchange Commission rule 15c2-12
June 15, 2017

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

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

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

Number of pages of attached information: **31 pages in this document including cover sheet. The Audited Financial Statements, as required under SEC rule 15c2-12, are filed separately.**

Fiscal Period Covered: **January 1, 2016 to December 31, 2016**

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

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Non-Airport Operations:

Source is Port of Seattle unless otherwise indicated

I. Issues Covered in this Annual Disclosure Report:

Six-digit CUSIP Number **735388**

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

Six-digit CUSIP Number **735389**

- o Revenue Refunding Bonds, Series 2004 ("04")
- o Intermediate Lien Revenue and Refunding Bonds, Series 2005C ("05C")
- o Intermediate Lien Revenue Refunding Bonds, Series 2006 ("06")
- o Revenue Bonds, Series 2007A and 2007B ("07AB")
- o Revenue Bonds, Series 2009A, 2009B-1 and 2009B-2 ("09AB")
- o Intermediate Lien Revenue and Refunding Bonds, Series 2010A, 2010B and 2010C ("10ABC")
- o Revenue Refunding Bonds, Series 2011A and 2011B ("11AB")
- o Intermediate Lien Revenue and Refunding Bonds, Series 2012A, 2012B and 2012C ("12ABC")
- o Intermediate Lien Revenue and Refunding Bonds, Series 2013 ("13")
- o Intermediate Lien Revenue and Refunding Bonds, Series 2015A, 2015B and 2015C ("15ABC")
- o Intermediate Lien Revenue Refunding Bonds, Series 2016 ("16")
- o First Lien Revenue Refunding Bonds, Series 2016A, 2016B, 2016C ("16ABC")

Six-digit CUSIP Number **735387**

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

Six-digit CUSIP Number **735397**

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

Six-digit CUSIP Number **735371**

- o Limited Tax General Obligation Refunding Bonds 2004C ("04GO")
- o Limited Tax General Obligation Bonds, Series 2011 AMT
- o Limited Tax General Obligation Bonds, Series 2013A and 2013B ("13GO")
- o Limited Tax General Obligation and Refunding Bonds, Series 2015 ("15GO")
- o Limited Tax General Obligation Bonds, Series 2017 ("17GO")

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

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

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

II. Statement of Changes to Continuing Disclosure

Port of Seattle Organization Changes: In 2015-2016, the Port of Seattle underwent various organizational restructuring, including the formation of the Northwest Seaport Alliance. An overview of these changes and their impacts on current and future financial reporting is discussed further on page 3.

List of Airlines Serving Seattle-Tacoma International Airport: Table is no longer required. The number of charter airlines is now available in the section, "Number of Passenger, Charter, and All – Cargo Airlines."

Number of U.S. Flagged and Foreign Passenger Airlines and Number of Domestic and Foreign All – Cargo Airlines: Sections are now consolidated into the section, "Number of Passenger, Charter, and All – Cargo Airlines."

Port of Seattle Container Volumes: Table now includes a break-out of North Harbor, South Harbor, and Northwest Seaport Alliance totals. Table was renamed, "Container Volumes."

Containerized Cargo Trends and Market Share: Presents North Harbor information only.

Seattle's Share of Puget Sound Container Traffic: Percentage is now presented as a footnote in the "Container Volumes" table.

Exports and Imports to and from Asia: Presents North Harbor information only.

Container Cargo Carriers calling at the Port: Presents North Harbor information only. Table was renamed, "Container Cargo Carriers calling at the North Harbor as of 12/31/2016."

Container Terminals - South Harbor: This is a new disclosure requirement.

Port of Seattle Container Terminals: Presents North Harbor information only. Table was renamed, "Container Terminals - North Harbor."

Non - Container Terminal Leases: Table was revised to reflect updated non-airport division reporting. Table was renamed, "Non-Container Terminal Leases (Facility Gross Revenue ≥ $1 million)."

Non - Airport Operating Revenues and Expenses: Table was revised to better reflect total operating revenues and expenses for all non-airport division businesses.

Annual Seaport Alliance net income: This new disclosure requirement is available in the Port of Seattle's Comprehensive Annual Financial Report, Note 13. Joint Venture.

III. Disclosure Items

Port of Seattle Organization Changes

In August 2015, the ports of Seattle and Tacoma (the "ports") created the Northwest Seaport Alliance ("Seaport Alliance") to unify management of marine cargo terminal investments, operations, planning and marketing to strengthen the Puget Sound gateway and attract more businesses and jobs to the region. The Seaport Alliance, a Port Development Authority, is a separate legal and governmental entity governed by the ports as equal members, with each port acting pursuant to the Seaport Alliance Charter through its elected commissioners. Beginning on **January 1, 2016**, it is effectively accounted for as a joint venture between the ports. Although the ports retained ownership of their respective container terminals and other industrial properties licensed to the Seaport Alliance, operation of the Port of Seattle's marine cargo business (with the exception of the grain terminal facility) was transferred to the Seaport Alliance.

Following the formation of the Seaport Alliance, the Seattle harbor in and around Elliott Bay is referred to as the "North Harbor". The Tacoma harbor, located in and around Commencement Bay in the South Puget Sound, is referred to as the "South Harbor."

In conjunction with the creation of the Seaport Alliance in 2015, the Port announced a series of reorganizations. Effective **January 1, 2016,** the Port is comprised of three operating divisions: *Aviation*, *Maritime*, and *Economic Development (EDD)*. The Aviation Division manages operations at the Airport. The Maritime Division manages industrial property connected with maritime businesses, commercial and recreational marinas, cruise, grain, and maritime operations. The Economic Development Division manages certain commercial properties and has responsibility for the Port's broader economic development activities, including property development, tourism, small business initiatives, and providing for workforce development in the maritime, aviation, and construction industries. In addition to the Port's operating divisions, several port departments provide corporate and capital development services to the operating divisions; the costs associated with these services are charged or allocated to the operating divisions.

In 2014, the Port formed a stormwater utility to provide surface water and stormwater management and pollution control facilities and services to Port properties. In 2016, the Port entered into an interlocal agreement with the City of Seattle to transfer to the Port assets and liabilities of certain stormwater facilities on Port property.

Reporting changes resulting from the implementation of the Seaport Alliance, as well as the recent internal reorganization, are reflected in this Annual Disclosure document.

Port Labor Relations

As of April, 2017 approximately 936 employees belong to bargaining units under 22 labor contracts.

Port Outstanding Debt (in millions of dollars)

Type of Debt	12/31/2016
General Obligation(1)	$ 284
Revenue	
Senior Lien (2)	604
Intermediate Lien	1,579
Subordinate Lien	
Long-term(3)	303
Commercial Paper (4)	250
Other	
PFC - Revenue Bonds	111
Special Facility Revenue Bonds - Fuel Hydrant	79
TOTAL	$ 3,209

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

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

(2) Senior Lien Debt Outstanding shown includes accumulated accreted interest from the 2009 B-2 Capital Appreciation Bonds of $15.83 million at 12/31/2016.

(3) Long-term Subordinate lien debt consists of approximately $249.44 million in variable rate debt and approximately $53.18 million in fixed rate debt.

(4) The total authorized amount of Commercial Paper program is $250 million. Total outstanding CP as of 12/31/2016 was $29.66 million.

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

Year	Principal	Interest	Total Debt Service
2016	$21,915	$12,609	$34,524

Port of Seattle Surety Bonds as of 12/31/2016

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

	Final Maturity	Reserve Requirement ($)	Surety Provider
First Lien Bond Series			
Series 2003A	2021	$13,373,451	MBIA[1]
Series 2004 [3]	2017	2,500,000	FGIC[2]
Subordinate Lien Bond Series			
Series 1999AB	2020	$18,505,263	FGIC[2]

(1) Reinsured and administered by National Public Finance Guarantee Corporation.
(2) Reinsured by MBIA and currently reinsured and administered by National Public Finance Guarantee Corporation.
(3) Series 2004 bonds mature on June 1, 2017.

First Lien Common Reserve Funds

The First Lien Common Reserve Requirement at 12/31/2016 is $13,133,033, and is provided for by cash and securities. Only the 2011AB Revenue Bonds and 2016ABC Revenue Refunding Bonds are secured by the First Lien Common Reserve.

Intermediate Lien Common Reserve Funds

The Intermediate Lien Reserve Requirement at 12/31/2016 is $97,330,896, calculated pursuant to the Intermediate Lien Master Resolution, and is provided for by cash and securities. All Intermediate Lien Parity Bonds are secured by the Intermediate Lien Common Reserve.

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

		12/31/2016
First Lien Bonds [2]	Interest	$ 35,450
	Principal	16,870
Intermediate Lien Bonds [3]	Interest	84,406
	Principal	77,155
Subordinate Lien Bonds [4]	Interest	4,101
	Principal	18,425
Subordinate Lien Notes (Commercial Paper) [5]	Interest	1,260
	Principal	507

(1) These amounts are reported Gross of Capitalized Interest and any Premium or Discount Amortization. Principal amounts do not include refundings. Debt service in this schedule may not represent debt service in the coverage calculation.
(2) This amount excludes $15.83 million of Accreted Interest on the 2009B-2 Capital Appreciation Bonds.
(3) Includes optional redemption of 2005C bonds of $2.75 million.
(4) Includes optional redemptions of the 2008 VRDB and 1997 VRDB of $8.2 million and $7.1 million, respectively.
(5) The total authorized amount of Commercial Paper (CP) program is $250 million, but actual amount outstanding varies each year. CP debt service (above) is based on an amortization of outstanding CP at December 31, 2016 using the year-end Yield to Maturity rate of the 40-Bond Index (as published in *The Bond Buyer*). These debt service amounts are also used in the calculation of the Net Revenue Schedule, as included in the statistical section of the Port's CAFR. In 2016, the Port actually paid down $9 million of CP principal, and did not issue any new CP.

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

2016 Tax Year

2016 Port District Assessed Valuation	$ 426,335,605,837
Maximum Levy	96,659,602
Total Tax Levy	72,015,418
Total Tax Levy Rate [2]	0.17
2016 LTGO Bond Debt Service	34,524,417
Tax Levy Allocable for General Purposes	37,491,002

Note: Please refer to the 2016 CAFR (Schedules 13 and 14 in the Statistical Section) for more information on recent tax levy activity.
(1) The Maximum Levy is per the "Levy Limit Worksheet – 2016 Tax Roll" from the King County Assessor's Office. All other figures can be found in the King County Assessor's Annual Report - 2016.
(2) Per $1,000 of assessed value.

Insurance

General Overview

The Port has a comprehensive risk management program that financially protects the Port against loss from adverse events to its property, operations, third-party liabilities, and employees. The Port's insurance year for liability coverage runs from October 1, 2016 to October 1, 2017. The Port's insurance year for property coverage runs from July 1, 2016 to July 1, 2017. The Port utilizes the services of Alliant Insurance Services for the placement of its liability and property insurance. Alliant was selected through a competitive selection process. All of the Port's insurance carriers are rated "A" or better by the A.M. Best & Company and include American International Group, Liberty Mutual, Atlantic Specialty Company, Lexington, Navigators Insurance, and National Union.

Property Insurance

The Port maintains a comprehensive property insurance program for loss of, and damage to, Port property including business interruption and equipment breakdown with a $750.0 million per occurrence limit at a $500,000 per occurrence deductible for Aviation Division properties and $250,000 elsewhere. Terrorism coverage is purchased through the London market and is provided with a sub-limit of $350.0 million per occurrence. Coverage for flood is capped at an annual aggregate of $25.0 million above a flat $500,000 deductible. Property insurance coverage extends to contractors of the Port, in addition to the Port, for property damage to the capital improvements that are in the course of construction. This "course of construction" coverage has a maximum limit of $50.0 million per project. Projects under construction with values that exceed $50.0 million must be specifically underwritten. The total estimated replacement cost of insured Port property is $4.9 billion. Additional insurance, through a separate builder risk insurance policy was procured in the second quarter of 2016 to provide full replacement cost coverage for the North Satellite Renovation and Expansion project. A second similar builder risk policy was purchased separately for the International Arrivals Facility in April, 2017. These two separate builder risk policies insure the interests of both the Port and the contractor(s). The builder risk policies run through completion of the projects. The Port does not purchase earthquake insurance for its insured property unless it is part of a stand-alone builder risk property insurance policy specific to a project under construction.

Liability Insurance

The Port purchases excess non-aviation commercial general liability (namely bodily injury and property damage coverage) insurance, which covers losses involving actual or alleged bodily injury and/or property damage that arises from claims made against the Port by third parties. This is a primary policy with a $750,000 per occurrence (claim) retention for general liability occurrences and a limit of $10.0 million per occurrence. Excess to this primary policy is an excess marine policy with coverage up to a $150.0 million per occurrence limit, which provides coverage for Port marine exposures (cargo, cruise, marina, and terminal operations). This excess liability policy also includes coverage for the Port's non-aviation operational, automobile, employee benefits, and foreign liability exposures. Coverage includes claims resulting from bodily injury and property damage arising from terrorism acts (under the Terrorism Risk Insurance Program Reauthorization Act of 2007 and reauthorized in 2015). The Port also has a London-based terrorism liability policy that offers $15.0 million of limits per occurrence and in the annual aggregate for acts of terrorism (whether certified or not) that would apply to any Port operation at any Port location.

The Port purchases a separate airport operator's primary and excess liability insurance policy which covers liability claims from third parties that involve property damage and/or bodily injury arising out of airport operations. The limit of liability is $500.0 million with a $1.0 million per occurrence (claim) retention. The annual policy retention aggregate is $1.0 million. Coverage for events stemming from terrorism and/or war (malicious acts) is included under the Airport operator's primary insurance policy up to a limit of $100.0 million.

Liability insurance is also purchased to cover exposures and liabilities that could stem from the wrongful or non-intentional acts of Port employees, directors, and Commissioners (Public Official Liability), and employment practices liability ($10.0 million aggregate limit/$1.5 million per claim retention); fiduciary liability ($5.0 million limit/no deductible), and law enforcement liability ($10.0 million limit/$1.5 million per wrongful act retention). The Port also purchases an employee dishonesty policy (also known as a fidelity bond) protecting the Port from liability due to the dishonesty and/or fraudulent acts of Port employees. This policy has a $5.0 million limit. The Port self-insures its workers' compensation exposure. The Port also insures its vessels for liability under a separate policy with limits of $1.0 million per occurrence. The Port also has a foreign liability master policy which provides liability coverage for property damage and bodily injury for Port employees when engaged in foreign travel. This policy also has coverage for emergency medical expenses and coverage for kidnap and ransom. Finally, the Port has a cyber-liability policy that provides limits up to $5.0 million in the annual aggregate for various cyber exposures and liability, including breach notification response and expenses, cyber extortion, and damage to data including business interruption.

Third-Party Agreements

Contractors, tenants, and lessees are required to carry at least $1.0 million of commercial general liability insurance (up to $25.0 million or more for large construction projects and higher-risk projects) and automobile liability insurance of at least $1.0 million ($5.0 million for automobiles operated on the non-movement part of the aircraft operations area and $10.0 million for automobiles operated on the aircraft movement area of the aircraft operations area). The Port requires airline tenants, with aircraft operations on the airfield at the Airport to provide between $50.0 million and $300.0 million per-occurrence liability limits. Ground handlers, working for the airlines on the airfield, and under license to the Port are required to carry a minimum of $5.0 million per occurrence of general liability insurance and $5.0 million per occurrence of automobile liability insurance. Contractors and other third-party vendors working for the Port must also provide proof of workers' compensation coverage for their employees as well as Washington State "stop-gap" coverage that covers employers' liability. The Port requires all contractors, tenants, and lessees, to include the Port as an "additional insured" on their policies of commercial general liability insurance, along with a waiver of subrogation in favor of the Port, and endorsement that requires these parties insurance to be primary and non-contributory relative to any general liability insurance the Port carries. All contracts and lease agreements require that the Port, and its employees, officers, and Commissioners are to be held harmless and indemnified for all actual and alleged claims that arise out of the acts of the Port's contractors, consultants, vendors, licensees, and lessees. Professionals such as engineers, architects, and surveyors, are also required to carry professional liability (errors and omissions) insurance for work they do for the Port with minimum limits of $1.0 million per claim or wrongful act.

Owner Controlled Insurance Program

The Airport's Capital Improvement Program (ACIP) construction projects (built between 2001 and 2008) were insured against third party claims under an Owner Controlled Insurance Program (OCIP) that expired on December 31, 2008. All ACIP work completed prior to the OCIP termination date continued to be covered for potential future claims for property damage and bodily injury through December 31, 2016. The run out period has ended and there are no open or outstanding claim obligations remaining relative to this former policy. The collateral agreement has ended and there are no more funds to be returned to the Port or to be paid to the Port. All potential claims that may arise from errors and omissions involving professional work will be potentially covered under the OCIP program if the claim is reported prior to December 31, 2018. The Port still has an open collateral agreement for this coverage. There are no open claims or outstanding claim obligations owed under this policy.

Changes in the Identity of the Port's Treasurer

No change.

Changes in the Port's Investment Policy

No change.

For further details on the Port's cash & cash equivalents, and investments as of December 31, 2016, please refer to the Audited Financial Statements included in the 2016 CAFR.

Percentage of Domestic and International Flights

Of the approximately 22.8 million enplaned passengers in 2016, approximately 10.6% were on non-stop flights to international destinations and 89.4% were on domestic flights.

Enplanement Market Share by Airline

Rank	Airline	Enplaned Passengers	Market Share (%)
	Alaska Airlines (1)	8,806,292	38.6
	Horizon Airlines	2,561,063	11.2
1	**Alaska Air Group subtotal**	11,367,355	49.9
2	Delta Air Lines (2)	4,672,345	20.5
3	Southwest Airlines	1,710,854	7.5
4	United Airlines (3)	1,441,007	6.3
5	American Airlines (4)	1,387,114	6.1
6	JetBlue Airways	287,549	1.3
7	Virgin America (5)	271,757	1.2
	All Others (6)	1,658,137	7.3
	Airport Total	**22,796,118**	**100.0**

Note: Totals may not foot due to rounding.

(1) Includes flights operated by SkyWest.
(2) Includes Delta Connections (operated by SkyWest and Compass Airlines).
(3) Includes United Express (operated by SkyWest).
(4) Includes flights operated by American Eagle.
(5) In December, 2016, Alaska Air Group acquired Virgin America.
(6) Includes all airlines with less than one percent market share each.

Source: Port of Seattle

Number of Passenger, Charter, and All - Cargo Airlines

14 U.S. flagged passenger airlines and 14 foreign flagged passenger airlines served the Airport in 2016.

Source: Official Airline Guide (OAG)

3 charter airlines served the Airport in 2016.

Source: Official Airline Guide (OAG)

In 2016, Sea-Tac Airport was served by 6 U.S. flagged all-cargo carriers and 8 foreign flagged all-cargo carriers, each having a market share greater than 0.5%. These figures include passenger airlines that operate all-cargo aircraft. These figures do not include air mail.

Source: As reported to the Port by the airlines

Number of Domestic Daily Non-stop Cities Served

Passenger airlines provided daily non-stop service to 85 domestic cities in 2016.

Source: Official Airline Guide (OAG)

Percentage of Enplanements Traveling to Asia

In 2016, passengers traveling to Asia represented approximately 39.4% of international enplanements and 4.2% of all enplanements.

Customer Facility Charge Rate:

In 2016, the Customer Facility Charge (CFC) remained $6.00 per rental car transaction day.

Percentage of Origin and Destination (O&D) Passengers

For 2016, the estimated percentage of O&D passengers was 69.4%. O&D passengers are defined as passengers that start or end their trip in Seattle.

Source: U.S. Department of Transportation

Primary Domestic Origin and Destination Markets

Rank	Market [1]	Approximate air miles from Seattle	Share of market, based on enplaned passengers (%) [2]	Average daily non-stop departures
1	Los Angeles, CA	952	13.0	50
2	San Francisco, CA	674	10.6	50
3	Las Vegas, NV	889	4.4	18
4	New York City, NY	2,450	4.1	12
5	Phoenix, AZ	1,121	3.9	17
6	San Diego, CA	1,069	3.4	12
7	Chicago, IL	1,761	3.3	16
8	Denver, CO	1,037	3.1	20
9	Dallas/Ft Worth, TX	1,722	2.4	12
10	Sacramento, CA	612	2.2	12
11	Washington, DC	2,408	2.0	6
12	Boston, MA	2,567	2.0	5
13	Minneapolis/St. Paul, MN	1,448	1.8	10
14	Atlanta, GA	2,241	1.8	9
15	Salt Lake City, UT	701	1.7	12
16	Spokane, WA	224	1.6	21
17	Anchorage, AK	1,453	1.6	19
18	Houston, TX	1,909	1.5	7
19	Honolulu, HI	2,742	1.5	5
20	Orlando, FL	2,553	1.4	2
21	Kahului, HI	2,684	1.2	4
22	Detroit, MI	1,927	1.1	6
23	Boise, ID	402	1.1	12
24	Austin, TX	1,771	1.1	2
25	Portland, OR	130	1.1	30
		Subtotal	72.9	369
		All other cities	27.1	189
		Total	**100.0**	**558**

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

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

Scheduled International Service

Country	Percent of International Seating Capacity (%)
Canada	33
China	12
United Arab Emirates	8
South Korea	8
United Kingdom	8
Japan	6
Germany	5
Netherlands	5
Taiwan	4
Mexico	4
France	3
Iceland	3
	100

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

Source: Official Airline Guide (OAG)

Non-Stop Scheduled Departures by Airline

Airline	Average Daily Departures
Alaska Airlines	158
Horizon Air	110
Delta Airlines	61
Delta Connection/SkyWest [1]	39
Southwest Airlines	37
United Airlines	26
American Airlines	25
Delta Connection/Compass [1]	23
Alaska/SkyWest [2]	14
Virgin America	7
JetBlue Airways	6
Air Canada Jazz	5
Frontier Airlines	3
American Eagle/Compass [3]	2
United Express/SkyWest [4]	2
Hawaiian Airlines	2
British Airways	2
Emirates Airlines	2
Sun Country Airlines	2
Air Canada	2
Hainan Airlines	1
Icelandair	1
All Nippon Airways (ANA)	1
Lufthansa	<1
EVA Air	<1
Asiana Airlines	<1
Korean Air	<1
Condor	<1
	531

Note: Enplanements are reported separately in the table entitled, "Enplanement Market Share by Airline" on page 10.

(1) Enplanements are reported under Delta Airlines.
(2) Enplanements are reported under Alaska Airlines.
(3) Enplanements are reported under American Airlines.
(4) Enplanements are reported under United Airlines.

Source: Official Airline Guide (OAG

Airport Business Arrangements

The Airline Agreements

Status of Airline Agreements

The Port has begun negotiations with the airlines in connection with a new or amended lease and operating agreement to replace the current Signatory Lease and Operating Agreement ("SLOA III"), which is scheduled to expire on December 31, 2017. The Port expects to review its proposed agreement with the FAA prior to final adoption and to update its competition plan per the new or amended agreement.

Current Agreement. The Airport derives a significant portion of its revenues from air carriers using the Airport. Pursuant to FAA guidelines, the Airport passes aeronautical costs on to the air carriers. Traditionally this has been accomplished through lease and operating agreements at the Airport. In 2013, the Port approved SLOA III. By December 31, 2013, airlines representing 99.9 percent of passenger traffic were signatories. SLOA III will expire on December 31, 2017, unless terminated earlier or extended in accordance with its terms.

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

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

SLOA III also provides that if the Airport's Net Revenue (calculated as provided in SLOA III) exceeds 125 percent of total Airport-related debt service coverage in any fiscal year, 50 percent of the amount in excess of that threshold will be credited to the signatory airlines.

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

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

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

Capital Project Approval. SLOA III includes a list of previously approved capital improvement projects. SLOA III provides that if, by the time the Port elects to proceed with construction, the capital cost of any project on that approved list exceeds 110 percent of the cost to be included in the airline rate base presented in the agreement and the increase is not otherwise exempt under the agreement, the Port will notify the airlines and a Majority-in-Interest of the airlines may request a delay of 180 days on the project. A Majority-in-Interest is defined in SLOA III as air carriers that account for more than 55 percent of all signatory carriers and also account for more than 55 percent of terminal rents and landing fees paid by signatories in the preceding year. The Airport may notify the signatory airlines if it intends to construct any new project not included in the list of previously approved projects. If, within 30 days after the Port's notice, a Majority-in-Interest objects to the new project, the Airport must delay construction for 12 months.

Rates and Charges by Resolution. Pursuant to FAA guidelines, the Port can establish rates and charges by resolution or by a lease and use operating agreement. In the event that a lease and use operating agreement were not then in effect, rates and charges would be set by resolution. In 2013, the Port adopted Resolution No. 3677, unilaterally establishing rates and charges for airlines serving the Airport. Upon implementation of SLOA III, Resolution No. 3677 was suspended. Upon expiration of SLOA III and absent any further action by the Commission or any new or amended agreement with the airlines, the suspension of Resolution No. 3677 could be lifted upon notice from the Managing Director, Aviation.

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

Public Parking. The Aviation Division operates an eight-floor parking garage for short-term and long-term public parking and for use by employees. The Port also provides approximately 1,500 parking spaces in a remote lot operated by a third party. In addition, privately-owned parking facilities compete with

Airport parking. There are a number of privately owned and operated parking facilities offering a range of quality, cost and service, including facilities very near the Airport.

Rental Cars. The Airport leases space in a consolidated facility (which opened in 2012) to rental car operators and receives a concession fee based upon the gross revenues of rental car operations at the Airport and land rent. All rental car companies are required either to operate from the consolidated rental car facility or to use the facility to drop off or pick up their customers. At this time, nearly all of the rental car companies currently serving the Airport operate from the consolidated rental car facility.

Passenger Terminal Concession Agreements—Dining and Retail. The Airport offers a range of dining and retail options, which include restaurants, specialty retail, convenience retail, duty-free goods and personal services, to the traveling public. The Port currently uses a direct leasing model at the Airport. The majority of leases in the Airport's dining and retail program were scheduled to expire between mid-2015 and mid-2017. The Port has been taking a phased approach to handling these lease expirations by awarding new leases in groups of leasing opportunities. Leasing opportunities can include single or multiple units. Under the lease agreements, Airport dining and retail tenants pay rent based on a percentage of gross sales. The tenants are subject to Port oversight of operations and quality assurance standards. The tenants also must adhere to a policy requiring that prices charged at the Airport be consistent with local prices at comparable businesses located off of airport property, commonly referred to as "street pricing." To accommodate a recent increase in the minimum wage within the City of SeaTac, the street pricing policy was modified to include a 10 percent premium over comparable local prices; this premium gradually declines on an annual basis, reaching zero by January 1, 2020.

Miscellaneous Business Arrangements and Revenues. The Airport has agreements with a variety of ground transportation companies, under which the Port receives either concession fees or per-trip fees and permit fees. These include taxi and transportation network company service; various shuttle services also serve the Airport and pay a per-trip fee. In addition, there are standard land leases and other fees for other aeronautical and non-aeronautical tenants and users at the Airport, such as an in-flight kitchen and cargo hardstand revenues.

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

		2016
Aeronautical[(1)]		
Movement Area	$	94,725
Apron Area		14,028
Terminal Rents		155,846
Federal Inspection Services (FIS)		11,227
Total Rate Base Revenues	$	275,827
Commercial Area		9,379
Revenue Sharing		(37,395)
Total Aeronautical Revenues	**$**	**247,811**
SLOA III Incentive[(2)]	**$**	**(3,576)**
Non-Aeronautical		
Public Parking	$	69,540
Airport Dining & Retail		56,348
Rental Car		49,203
Ground Transportation		12,803
Utilities		7,233
Commercial Properties		9,992
Other		15,901
Total Non-Aeronautical Revenues	**$**	**221,021**
Total Aviation Division Operating Revenues	**$**	**465,256**

(1) For further breakout of Aeronautical Revenues, see "Calculation of Aeronautical Revenues" table on page 19.

(2) Represents the annual amortization of the lease incentive given under SLOA III on a straight-line basis of approximately $3.6 million per year through 2017.

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

	Terminal Revenue			Airfield Revenue				
	Terminal Building	FIS Area	**Total Terminal Revenue**	Movement Area	Apron Area	Commercial Area	**Total Airfield Revenue**	**Total Aeronautical Revenues**
Operating & Maintenance Costs	$ 87,039	$ 6,929	$ 93,968	$ 64,413	$ 7,046	$ 3,307	$ 74,766	**$ 168,734**
Capital Costs: Debt Service	56,726	2,928	59,654	20,430	5,726	3,320	29,476	**89,130**
Capital Costs: Amortization[2]	15,654	1,361	17,015	9,864	1,336	678	11,878	**28,893**
Other	(3,572)	9	(3,563)	18	(80)	2,074	2,012	**(1,551)**
Revenue Sharing	(21,428)	(1,512)	(22,940)	(12,562)	(1,893)	-	(14,455)	**(37,395)**
	$ 134,418	$ 9,716	$ 144,134	$ 82,163	$ 12,135	$ 9,379	$ 103,677	**$ 247,811**

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

(1) The presentation of aeronautical revenues in the table above is different from the presentation of aeronautical revenues in the Sources of Aviation Division Operating Revenue table on page 18, as well as the 2016 CAFR (see Statistical Section, Schedule 3). The totals, however, are the same, when factoring in annual amortization of the SLOA III lease incentive to the total above.

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

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

		2016
Direct Expenses		
Administrative Salaries and Benefits	$	35,406
Wages and Benefits		70,637
Travel and Other Employee Expenses		1,420
Outside Services		42,479
Supplies		6,239
Utilities		14,691
Other		25,484
Charges to Capital Projects		(5,499)
Total Direct Expenses		**190,857**
Corporate Allocations		**70,369**
Total Aviation Division Operating Expenses	**$**	**261,226**
Summary by Cost Center		
Aeronautical(1)	$	169,037
Non-Aeronautical		
Terminal and Properties(1)		36,905
Landside		55,609
Utilities(2)		(325)
Total Non-Aeronautical		92,189
Total Aviation Division Operating Expenses	**$**	**261,226**

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

(1) Aeronautical expense excludes the portion of Terminal Building expense that is allocated to Non-Aeronautical business activities, which falls under the Non-aeronautical "Terminal and Properties" cost center. Allocation is calculated as the percentage of rentable non-airline space out of total terminal rentable space. In 2016, 22.6%, or ~$21.8 million of Terminal Building expense was allocated to Non-aeronautical expenses.

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

Additional Pledged Revenue and any Changes of PFC Authorization

No Change.

Projects to be Funded with PFC Revenue -- Costs and Sources of Funds

No Change.

PFC Coverage Calculations

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

		2016
Passenger Facility Charge (PFC)		$4.50
Administration Costs		0.12
Net PFC		$4.38
Enplaned Passengers		22,796,118
Annual Percentage Increase		7.99%
Number PFC-Eligible		18,750,851
Percent PFC-Eligible		82.3%
Beginning Balance		$99,569,304
Plus: Annual PFC Collections	[A]	$82,128,727
Plus: Capital and Revenue Fund Interest Income (1), (2)	[B]	2,371,862
Total Deposits	[C] = [A]+[B]	$84,500,589
Available Amounts		$184,069,893
Gross Debt Service (First Lien PFC Bonds)	[D]	$18,767,100
Less: Debt Service paid from Reserve Account Interest Income (3)		(235,404)
Net Debt Service (First Lien PFC Bonds)		$18,531,696
Less: Pay-As-You-Go Expenditures (4)		38,800,000
Ending Balance (Unliquidated Revenue)		$126,738,197
PFC Debt Service Coverage: (5)		
PFC Collections only	[A]/[D]	4.38
PFC Revenue	[C]/[D]	4.50
PFC Revenue & First Lien PFC Reserve Account Interest Income (6)		4.52

(1) Beginning in 2013, the Port reclassified interest earnings on the PFC Debt Service Reserve Fund (DSRF) as PFC bond proceeds instead of PFC revenue, as previously reported to the FAA. As such, there will no longer be DSRF interest earnings reported to the FAA.

(2) Includes $1,004,967 in income from a one-time sale of property that had originally been funded with PFC revenues. Per GASB No. 34, Basic Financial Statements, this amount was reported as interest earned to the FAA.

(3) Represents total 2016 PFC debt service paid for with non-PFC revenue sources. For 2016, this is comprised solely of interest earnings on the PFC DSRF in excess of the DSRF requirement.

(4) Pay-As-You-Go Expenditures include the use of PFC's to pay debt service on certain revenue bonds, as authorized by the FAA.

(5) Coverage calculations are based on Gross Debt Service (First Lien PFC Bonds).

(6) Coverage includes $244,724 of PFC DSRF interest earnings, which constitutes a full calendar year of interest earnings.

PFC Unspent Authority & First Lien Sufficiency Covenant

First Lien Sufficiency Covenant Coverage is 7.62 which is calculated as follows:

			Through 2016
Total PFC Authority	[A]	$	2,167,378,460
Cumulative Collections and Interest Earned[1]	[B]	$	1,270,767,169
PFC Expenditures:			
Pay-as-you-go expenditures			521,662,089
PFC Bond Debt Service[1]			340,907,841
Revenue Bond Debt Service			281,459,042
Cumulative Total PFC Expenditures	[C]	$	1,144,028,972
Unliquidated PFC Revenue	= [B]-[C]	$	126,738,197
Unspent PFC Authority	[D] = [A]-[C]	$	1,023,349,488
Remaining Projected Aggregate PFC Bond Debt Service[2]	[E]	$	134,243,325
First Lien Sufficiency Covenant Coverage[3]	= [D]/[E]		7.62

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

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

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

Airport Grants Awarded in 2016

AIP Entitlement Grants	$	6,479,683
AIP Discretionary Grants		-
Other Grants		-

Container Volumes [1] (in thousands)

	International Containers						Domestic	Total [3]
	Imports		Exports					
Facility	Metric Tons[2]	Full TEUs	Metric Tons[2]	Full TEUs	Empty TEUs	Total Intl. TEUs	TEUs	TEUs
North Harbor	4,379	481	5,008	348	213	1,042	352	1,394
South Harbor	6,510	910	7,477	636	270	1,816	405	2,221
Seaport Alliance Total	10,889	1,392	12,485	984	483	2,859	757	3,616

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

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

(2) Approximate weight per full TEU is eight metric tons of import cargo and thirteen metric tons of export cargo.

(3) The North Harbor's share of Puget Sound (the ports of Seattle and Tacoma combined) container traffic in 2016 was 38.6%

Containerized Cargo Trends and Market Share (TEU's in thousands)

Estimates based on information publicly available from West Coast ports.

North Harbor		
TEU's	Estimated Percent of West Coast [1]	Estimated Percent of Pacific Northwest [2]
1,394	5.5%	19.1%

(1) West Coast ports include Seattle, Tacoma, Portland, Oakland, Los Angeles, Long Beach, Port Metro Vancouver, and Prince Rupert.

(2) Pacific Northwest ports include Seattle, Tacoma, Portland, Port Metro Vancouver, and Prince Rupert.

Source: Port of Seattle Marine Terminals Reporting System and other port websites

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

Export: 307,964 full TEU's
Import: 415,298 full TEU's

Source: Port of Seattle Marine Terminal Information System

Container Cargo Carriers calling at the North Harbor as of 12/31/2016[1]

T-18	T-30	T-46	T-115
ANL-US Line[2]	APL[2]	Maersk	Alaska Marine Line
APL[2]	CMA CGM[2]	MSC	Aloha Marine Line
CMA CGM[2]	COSCO Shipping[3]	Safmarine	
COSCO Shipping[3]	Hamburg Sud		
Hamburg Sud	K-Line		
Hapag Lloyd	Pacific International Lines		
Hyundai	United Arab Shipping Company		
Maersk	Yang Ming Line		
Matson			
MOL			
NYK Line			
OOCL			
Pacific International Lines			
United Arab Shipping Company			
Zim Line			

(1) Terminal 5 was closed for redevelopment on July 31, 2014 and remained closed to container traffic throughout 2016.
(2) In 2016, the parent company of APL (NOL) was acquired by CMA CGM. The APL brand remains intact. ANL-US Line is also a subsidiary of the CMA CGM Group.
(3) COSCO and China Shipping Container Lines (CSCL) merged to form COSCO Shipping.

Source: Marine Terminal Information System

Container Terminals – South Harbor

	APM	Husky	OCT	PCT	WUT	TOTE
Port Owner	Port of Tacoma	Port of Tacoma	Port of Tacoma	Port of Tacoma	Port of Tacoma	Port of Tacoma
Primary Lessee	APM Terminals	International Transportation Services	Olympic Container Terminal, LLC	Evergreen Marine Corporation	Washington United Terminals (WUT)	Totem Ocean Trailer Express (TOTE)
Terminal Area	135 acres	93 acres	54 acres	141 acres	123 acres	48 acres
Lease Expiration	2017	2046	2017	2024	2028	2034

Container Terminals – North Harbor

	Terminal 5[a]	Terminal 18	Terminal 30	Terminal 46
Port Owner	Port of Seattle	Port of Seattle	Port of Seattle	Port of Seattle
Primary Lessee	N/A	SSA Terminals, LLC and SSA Containers, Inc. [b] [c]	SSA Terminals (Seattle), LLC [d]	Terminal Investment Limited, TIL [e]
Terminal Area	185 acres (proposed to be redeveloped to handle bigger ships)	196 acres (expansion area completed in 2002)	70 acres (expansion area completed in 2009)	88 acres (improvements completed in 2004)
Lease Expiration	2017	2039	2039	2025
Acres Leased	50.40 acres at 12/31/2016	196 acres	70 acres	88 acres [j]
Berth Facilities	2,900 feet	4,440 feet	2,700 feet [i]	2,300 feet
Water Depth	45 ft to 50 ft below mllw	46 ft to 50 ft below mllw	50 ft below mllw	50 ft below mllw
Container Cranes [f]	Six (6) 100-ft gauge Post-Panamax cranes [g] [k]	Three (3) 50-ft gauge Post-Panamax cranes, and Three (3) 100-ft gauge Post-Panamax cranes [g] [l] Seven (7) 100-ft gauge Super Post-Panamax cranes [h]	Three (3) 50-ft gauge Panamax cranes and Three (3) 100-ft gauge Super Post-Panamax cranes [h]	Two (2) 100-ft gauge Post-Panamax cranes, and Three (3) 100-ft gauge Super Post-Panamax cranes [h]
Gross Revenues - 2016[m]	$15,944,034	$25,757,118	$8,584,183	$11,253,372

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

(a) T-5 was closed for redevelopment on July 31, 2014. In February 2015, the Port signed a two year lease agreement with Foss Maritime Company to lease 50.40 acres (2,195,424 square feet) of Terminal 5 space.

(b) Original lease named SSA Terminals, LLC and Stevedoring Services of America, Inc. as Lessees. Subsequent Lessee name changes from Stevedoring Services of America, Inc. to SSA Marine, Inc., and then to SSA Containers, Inc. were solely changes in identity and not in ownership or control.

(c) SSA Terminals, Inc. can be sole signer with consent from SSA Containers, Inc.

(d) SSA Terminals (Seattle), LLC is a joint venture between SSA Seattle, LLC and China Shipping Terminals (USA), LLC and Matson Seattle LLC.

(e) Terminal Investment Limited, SA took over the lease from Total Terminals International LLC when Hanjin Shipping Company, Ltd was declared bankrupt.

(f) Panamax cranes are designed to service container ships that can pass through the current Panama Canal lock system and are able to service vessels with a width of 12-13 rows of containers. Post-Panamax cranes are able to service vessels with widths accommodating up to 18 rows of containers and will be able to pass through the Panama Canal lock system. Super Post-Panamax cranes are designed for the next generation of ships, too wide to transit the new Panama Canal, and are able to service vessels with widths accommodating up to 24 rows of containers.

(g) Cranes owned by Port of Seattle. Cranes currently not in use and have been declared surplus.

(h) Cranes owned by Lessee.

(i) Comprised of two non-contiguous berths of approximately 1,200 and 1,500 linear feet respectively.

(j) Of the 88 acres at Terminal 46, 4.85 acres is being leased on a temporary basis by the Washington Department of Transportation (WSDOT) for use during construction of the Alaskan Way Viaduct replacement project. In approximately 2018, the 4.85 acres will revert back to use as part of the Terminal 46 container terminal.

(k) After unsuccessful efforts to sell these cranes, they were classified as impaired on the Ports financial records at year end 2014, and are expected to be removed prior to terminal redevelopment.

(l) The three 50-ft gauge Post-Panamax cranes owned by the Port of Seattle have been surplused. Ownership was transferred to SSA and the cranes are expected to be demolished in 2017; the three 100-ft gauge Post-Panamax cranes owned by the Port of Seattle were sold in 2015 to the lessee.

(m) Represents gross revenues as reported by the Seaport Alliance.

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

Port Division	Property	2016 Facility Gross Revenue[1]	Primary Lessee	Primary Operations	Date of Lease Expiration[2]
Port of Seattle Owned and Operated					
Maritime	T-91/P-66	$ 15,421,861	Cruise Terminals of America, NCL	Cruise Operations	Dec 2019
Maritime/EDD	T-91	10,190,473	Citylce Cold Storage LLC	Cold Storage	Dec 2029, Dec 2039, MTM
			Trident Seafoods Corporation	Seafood Processing	Nov 2020
			American Seafood Company	Seafood Processing	Apr 2019, Jul 2018, Jul 2018, Mar 2022
			Marel Seattle, Inc.	Manufacturing & Fabrication	Aug 2017, MTM
			Fisc, LLC	Fishing Vessels	Jan 2021
Maritime	SBM	9,908,989	Diversified Public Marina	Marina	Primarily MTM
			Seaview Boatyard West, Inc.	Boat Maintenance & Repair	Dec 2027
Maritime/EDD	FT	5,626,707	Diversified Public Marina	Marina	Primarily MTM
			Mad Anthony's, Inc.	Restaurant	Dec 2018
			Fishing Vessel Owners Marine Ways, Inc.	Trade Association	Apr 2020, Oct 2023
			Argus Pacific	Health and Safety Training	MTM, Jan 2018
			Everguard Insurance	Insurance Services	Apr 2018
Maritime	T-86	5,381,595	LDC Washington LLC	Bulk Grain	Oct 2034
Maritime/EDD	T-102	2,221,374	Diversified Public Marina	Marina	MTM
			Virtuoso, Inc.	Travel Agency	Mar 2019
			Puget Sound Institute of Pathology	Medical Institute	Jun 2018
			The Mountaineers Books, Inc.	Book Storage & Distribution	Aug 2017
EDD	Bell St. Garage	2,080,000	Republic Parking Northwest, Inc.	Parking Facility	MTM
EDD	WTC-West	1,170,887	Wounded Warrior	Support services	Sep 2019
			Columbia Hospitality	Conference, event services	Aug 2020
			Columbia Resource Group LLC	Event Planning	Feb 2020
Port of Seattle Owned, Operations shared between the Port of Seattle and Seaport Alliance					
Maritime / Seaport Alliance	T-106	1,859,814	WSDOT	Construction Staging	Dec 2017
			Conglobal Industries, Inc.	Container Storage & Repair	Dec 2026
			Savanah Logistics, LLC	Trucking company	Feb 2018
			Arctic Commercial Refrigeration Inc.[3]	Refrigeration Equip Storage	holdover
			Ash Grove Cement Company	Industrial Storage	holdover
Port of Seattle Owned, Operated by Seaport Alliance					
Seaport Alliance	T-115	5,126,116	Northland Services Inc[4]	Barges	Dec 2032
			Seafreeze Acquisition, LLC	Seafood Processing & Storage	Nov 2027
			Sea Pac Transport	Bulk shipping	De 2019
			Associated Petroleum Services	Fueling station	Feb 2019
			Gene Summy Lumber	Lumber company	Dec 2017
			Commercial Fence	Fencing company	holdover
Seaport Alliance	T-18	1,469,548	Kinder Morgan Liquids Terminals LLC	Storage & Distribution of Petroleum Products	May 2020, Sep 2018, Oct 2027
			Westway Feed Products, LLC	Storage & Distribution of Molasses	Sep 2018
			Pacific Coast Container Inc.	Container Freight Station	May 2020

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

(1) Gross revenues of Seaport Alliance properties represent gross revenues as reported by the Seaport Alliance, which makes periodic distributions to the Port of Seattle and Port of Tacoma.

(2) Indicates lease expiration date for significant lease agreements, by location.

(3) Lease renewal in negotiation

(4) In 2013, the parent company of Northland Services, Inc. was sold to Lynden, Inc., however Northland Services Inc. remains the lessee.

Non-Airport Operating Revenues and Expenses

The table below has been updated to reflect the current presentation of non-airport businesses lines. This table captures the activity under the Maritime and Economic Development operating divisions, the Port of Seattle's share of Seaport Alliance net income, as well as Corporate and stormwater utility activity. The 2015 financial results have also been restated to provide a year-over-year comparison.

	2015 (Restated)		2016	
	$ Thousands	% of Total	$ Thousands	% of Total
Operating Revenues by Business Unit				
Seaport Alliance[1]	$ -	0	$ 61,584	46
Cruise operations	14,414	11	15,422	12
Maritime portfolio[2]	9,983	7	10,255	8
Recreational boating[2]	9,736	7	10,255	8
Fishing and operations[2]	8,457	6	9,108	7
Grain terminal	4,685	3	5,382	4
Conference and event centers	10,396	8	8,022	6
Other[3][4]	78,371	58	13,183	10
Total Operating Revenues	**$136,041**	**100**	**$133,211**	**100**
Revenue by Cargo and Non-Cargo				
Cargo Services[5]	$ 66,085	49	$ 66,965	50
Non-Cargo[6]	69,956	51	66,246	50
Total Operating Revenues	**$136,041**	**100**	**$133,211**	**100**
Operating Expenses by Business Unit				
Cruise operations	$ 6,677	8	$ 7,096	11
Maritime portfolio	4,738	6	10,006	16
Recreational boating	8,687	11	9,239	14
Fishing and operations	12,661	16	12,257	19
Grain terminal	573	1	1,167	2
Conference and event centers	9,289	12	7,484	12
Other[3]	37,041	46	16,810	26
Total Operating Expenses	**$ 79,666**	**100**	**$ 64,059**	**100**
Net Operating Income	**$ 56,375**		**$ 69,152**	

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

(1) Represents the Port of Seattle's 50% share of Seaport Alliance net income after depreciation.

(2) Reported as 'Commercial Properties & Marina' and some components of 'Other' in the 2015 disclosure document.

(3) Included in 2015 were the revenues and expenses derived from the Port's container business and industrial properties that were licensed to and reported under the Seaport Alliance beginning in 2016.

(4) Includes stormwater utility revenue, which is restricted for use solely for utility purposes and an immaterial amount of corporate operating revenues.

(5) Cargo Services category is composed of $61.4 million of Other operating revenues and Grain Terminal operating revenues in 2015. In 2016, it is composed of Seaport Alliance net income and Grain Terminal operating revenues.

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