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Thursday, December 10, 2015 | as of 9:40  
AM ET

Regional News

## Port of Seattle Budget Approved

by [Kyle Glazier](#)

DEC 8, 2015 4:20pm ET

PHOENIX - The Port of Seattle Commission approved a \$408.4 million budget for 2016 that includes infrastructure investments as part of a more than \$2 billion capital improvement plan.

The new budget, approved late last month, is designed to support significant growth at both Seattle-Tacoma International Airport and the cruise ship business, the port said in a release. The port forecasts 12.5% growth in airport passengers for 2015 over 2014, expecting to see over 42 million passengers pass through Sea-Tac by year's end. The airport is likely to be among the fastest-growing top 20 airports in the country, the port said.

The port also experienced a 9% increase in cruise passengers this year over 2014, achieving a record year with 898,032 passengers sailing via Seattle. Estimates indicate that 2016 will see another 6.8% increase.

"This is not a status-quo budget," said port chief executive officer Ted Fick. "This is a growth-oriented budget so we can spur the regional economy, expand opportunities for small and disadvantaged businesses, increase family-wage jobs, help people acquire skills to move up the career ladder, and protect our environment."

The Port of Seattle, a major issuer with some \$2 billion of outstanding debt, the port sold nearly \$600 million of bonds in July in part to finance runway extensions and additional gates at the city's airport.

In August it joined forces with the Port of Tacoma to form the Northwest Seaport Alliance. While Seattle continues to handle its financials independently from Tacoma, the two Washington ports made the move to coordinate the handling of freight while avoiding duplicate capital investments. The net income from the alliance will be distributed evenly between the two home ports and the Port of Seattle's 50% share of the net income will be included as revenues in the portwide financial statements.

"This is a business plan that is built on partnerships," said Port Commission co-president Stephanie Bowman. "Partnering with our cruise and airline customers allows us to create the infrastructure that benefits the region's economy, while maintaining the highest environmental standards. And by partnering with the Port of Tacoma, we have created the third largest container cargo port in the nation through the Northwest Seaport Alliance."

The expansion and the alliance were seen by many as important steps to ensuring the Port of

Seattle's continuing competitiveness with other West Coast ports. Regional seaports may struggle to remain competitive with larger facilities capable of handling the massive cargo ships that can be accommodated by the Panama Canal expansion set to open in 2016, Fitch Ratings said in August.

The port's 2016 budget assumes a tax levy amount of \$72 million, a reduction of \$1 million from 2015. The port had held the levy amount constant for the past four years adjusting the levy rate downward as property values have increased. A typical King County single-family homeowner will pay \$82 per year to fund the port in 2016, according to the port.



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