Port of Vancouver USA

2027 Budget



TABLE OF CONTENTS

	Page
OVERVIEW	
Budget in Brief	1
Commissioner Districts	3
STRATEGIC PLAN	
Status of Strategic Plan Initiatives	4
FINAL BUDGET	
Sources and Uses	10
CAPITAL BUDGET	
Overview	11
Capital Program	12
TAX LEVY	14
DEBT SERVICE	16
OTHER INFORMATION	
Budget Calendar	20
Glossary of Terms	21

BUDGET IN BRIEF

The Port of Vancouver USA is an economic engine for Southwest Washington. The port provides quality jobs, international trade connections, a strong industrial land base and economic stability by producing revenue for state and local services. Through the Columbia River and along efficient national rail and road systems, the port connects our community to the global marketplace – a key factor in bringing community prosperity to Clark County. Our budget reflects financial sustainability strategies that also consider the need for a healthy environment and community to ensure the port remains a unique and vibrant center of trade.

The port budgets and operates under the laws applicable to a public port district as a municipal corporation under the provisions of Chapter 53 of the *Revised Code of Washington*. The port's focus on long-term strategies provides context for its budget and results. While the port's current financial outlook remains positive, the potential financial impacts of economic uncertainty and volatility in national and global economics, growth and shifts in markets and trade patterns, considerable capital requirements for rail infrastructure, terminal developments and continued regulatory requirements and environmental risks remain challenging. The port also operates sustainably, using an all-inclusive approach that enhances profitability while allowing it to operate responsibly within the larger community.

The port operates principally in two industries: terminal operations and industrial/commercial property leases. Terminal operations involve marine-oriented operations, including dockage, cargo handling, storage and related activities. Industrial/commercial property leases include facilities leases, industrial activities, and storage. The annual operating and capital budgets are a forecast of expected resources and the purposeful distribution of those resources. This forecast is developed based on historical trends in revenue and expenses, information from customers and tenants, market projections, and key economic and regulatory assumptions. It is also recognized that budget adjustments may be made as the port maintains agility to take advantage of unforeseen opportunities or the need to react to unanticipated market and economic conditions. Given the need to manage overall costs and continue investing in the port's key initiatives, the following issues were considered in preparing the 2027 budget:

- Continued strong marketing efforts in marine and industrial markets through customer contact. Diversification of business lines has been important in stabilizing operating revenues.
- 2027 budgeted volumes are projected at 7.11 million metric tons, representing an 11.3% increase over the 2026 budget. The increase is primarily driven by higher anticipated volumes of soda ash, grain, automobiles, and other breakbulk commodities.
- Continue construction of the new dock at Terminal 1 and planning for the port's future public market on the Columbia River.
- Continue to develop Terminal 5 berth facilities to support maritime opportunities and future bulk facilities.
- Continue working with Bulk Mineral Facilities Operator on the redevelopment of Berth 7 and Terminal 2 and 3 to support existing and new commodities.
- Implementation of an Enterprise Resource Planning (ERP) system to ensure operational efficiency and ensure long-term financial stability.
- Continued focus on maintaining existing public assets, including marine terminals, rail, facilities, and equipment as a result of significant development of new infrastructure.
- Debt service on Limited Tax General Obligation Bonds is $7.95 million. Revenue Bond debt service is $5.30 million.
- The Port plans to issue Limited Tax General Obligation and Revenue Bonds in 2027 to support the continued advancement of key strategic initiatives.
- In 2027, the port will continue receiving allocated property tax revenues from its Tax Increment Area at the Terminal 1 Waterfront project, supporting the construction of a new dock as well as several other key infrastructure projects.
- Assessed property values in the port district increased 0.14% from 2026 to 2027. The port's 2027 certified levy is $14.49 million. The budget is based on the port taking a 1 percent increase, utilization of 100 percent of banked capacity and new construction. The levy limit is based on the lower of the implicit price deflator (IPD) of 3.88% or 1% per Initiative I-747.

- Continue advancement of many strategies from the port's 2018 Strategic Plan. The plan guides the port's activities and budget for the next decade.

The Port of Vancouver prepares its budgets using the cash basis of accounting. Under this method, revenues are recognized when they become both measurable and available to cover current period expenses, and expenditures are recognized when paid. Cash basis budgeting helps assess whether the entity has enough cash to sustain regular operations and ensures that excess cash is not left in unproductive capacities. This method is different from the full accrual basis of accounting, also known as Generally Accepted Accounting Principles (GAAP), which is used for financial statement purposes.

Revenues: The 2027 budget projects operating revenues of $58.48 million. 61% of projected 2027 operating revenue is from marine, terminal and security, and 39% is from commercial, industrial property leases, rail, and facilities.

Non-operating revenues include property tax in the amount of $14.49 million. Property tax receipts will be used for debt service payments on general obligation bonds, capital projects and environmental remediation. The non-operating budget also includes $23.61 million of other contributions and grants awarded for electric cranes and infrastructure, port security, and stormwater improvement related projects and $3.04 million in investment income.

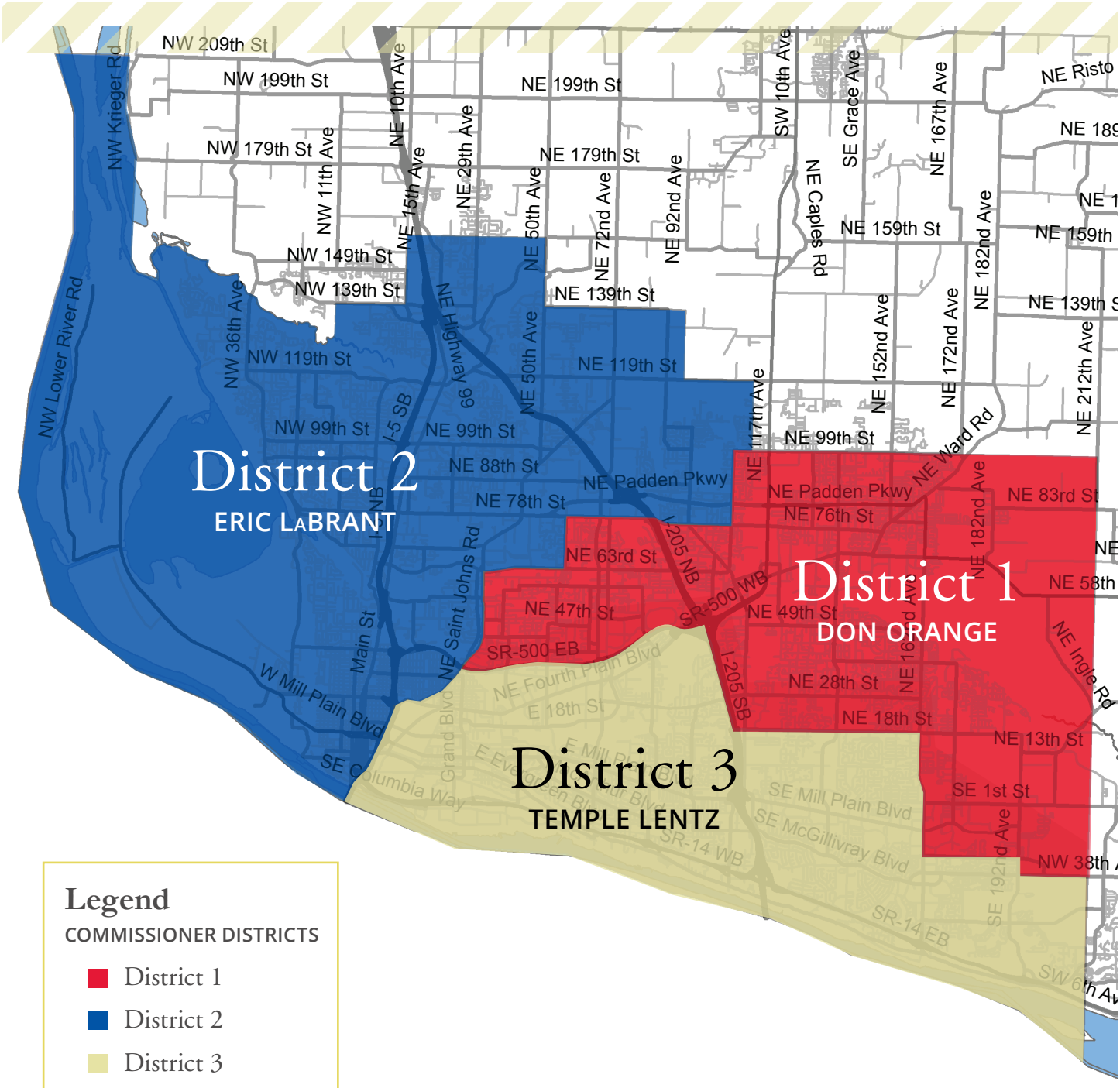
Expenses: The 2027 budget includes $50.71 million in operating expenses, representing a 13.7% increase over the 2026 estimated operating expense forecast. The increase is primarily driven by anticipated shifts in the commodity mix due to global market conditions in addition to the continued investment in the ports workforce. The 2027 non-operating expenses include debt service of $13.25 million and continuing costs for environmental remediation of $1.35 million.

Capital Improvement Program (CIP): The 2027 capital budget reflects the port's ongoing commitment to promoting regional economic activity with an investment of over $71.73 million in economic development, expansion, and renewal of port facilities. Of this, 8% is designated for waterfront projects, 18% to Terminal Projects, 16% for Terminal Rehabilitation and Improvement Projects (TRIP), 1.4% for public recreation projects, and 20% for maintaining port infrastructure and IT systems. The remainder will fund projects supporting the advancement of the ports Climate Action Plan, and facility and terminal improvements.

Conclusion: Despite the challenging realities of today's global economy, the Port of Vancouver remains committed to its vision and mission. The leadership is confident that the 2027 budget initiatives will ensure the port and the surrounding region continue to thrive financially, remain competitive, and achieve lasting success.

Port of Vancouver USA

COMMISSIONER DISTRICTS



Legend

COMMISSIONER DISTRICTS

- District 1
- District 2
- District 3

For more info:
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or visit us at **portvanusa.com**

Port of Vancouver USA

Port of Vancouver

Status of Strategic Plan Initiatives

Revision Date: September 29, 2026

✓ ***Indicates the year significant work on the initiative began, and continues going forward***

Strategic Goal	Strategies	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Community											
STRENGTHEN COMMUNITY OUTREACH AND COMMUNICATION	1. Increase opportunities to engage the community in mutual discussions and provide education about port activities, including port tours and the lecture series.	✓									
	2. Use a variety of mediums, including social media, to reach a wide and diverse audience about port programs and activities.	✓									
	3. More clearly communicate the review process for new commodities and tenants to evaluate economic, financial, environmental, community, and other impacts.	✓									
BUILD PARTNERSHIPS TO ADVANCE AND COMMUNICATE SHARED GOALS	1. Create a program by which port commissioners, leaders and staff discuss opportunities, port goals, and progress with partners, including port tenants, labor organizations, municipalities, tribes, non-profit organizations, neighboring ports, educators, and the business community.				✓						
	2. Develop a program in which port employees proactively participate in environmental stewardship programs, business development activities, education and workforce development, and other volunteer activities.							✓			
	3. Pursue opportunities to share port knowledge and resources with community partners to advance shre goals.	✓									
IMPLEMENT THE VISION OF A DESTINATION WATERFRONT AT TERMINAL 1	1. Build a public marketplace on the Columbia River.						✓				
	2. Create a financially independent business model at Terminal 1 by securing long-term partnerships to support the operating and capital costs.		✓					✓			
	3. Support public enjoyment and tourism through activities such as river cruises and events at Terminal 1.						✓				
	4. Explore partnerships in arts, culture, and history interpretation.					✓					
PROVIDE TRAILS AND PUBLIC ACCESS OPPORTUNITIES ON PORT PROPERTIES	1. Create a Trails and Access Plan.						✓				
	2. Identify opportunities and events to increase public access on port property.		✓								
	3. Seek funding opportunities to expand the Renaissance Trail as well as the portside trail system.		✓								

Status of Strategic Plan Initiatives

Strategic Goal	Strategies	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Economic Development											
SUPPORT LOCAL EFFORTS TO MAINTAIN AN ADEQUATE SUPPLY OF COMMERCIAL AND INDUSTRIAL REAL ESTATE	1. Work with the Columbia River Economic Development Council and other partners to identify and seek consensus on a minimum available land supply to support a reasonable expansion of the job sector, and further define the port's longer-term role in maintaining that inventory.	✓									
	2. Develop an actionable plan for the development and expansion of existing industrial and commercial port property, including the permitting process for undeveloped properties.						✓				
	3. Recommend a 20-year land use strategy that includes key properties that would help to achieve long-term port and community economic goals.		✓								
	4. Support development of shovel-ready sites within the port district with the necessary and appropriate infrastructure, including broadband and utilities.						✓			✓	
	5. Take an active role in participating in regional economic development efforts and be a vested stake holder with partner organizations.	✓									
TAKE A LEADERSHIP ROLE IN SUPPORTING REGIONAL, MULTI-MODAL TRANSPORTATION AND IMPROVING FREIGHT MOBILITY	1. Convene key stakeholders to address specific issues of concern regarding freight mobility that directly impact the port and its tenants, including river, road, and rail.	✓									
	2. Support and track regional discussions on issues such as the I-5 Bridge, commercial surface transportation and impacts on local roads, and regional access.		✓								
	3. Work with sister ports, advocacy groups, and associations to ensure continued operations and maintenance of the Columbia River channel.	✓								✓	
	4. Work with local, state, and federal elected officials and agencies to support and promote the importance of freight mobility.	✓									
SUPPORT THE DEVELOPMENT OF A SKILLED WORKFORCE TO ALIGN WITH REGIONAL NEEDS AND INCREASE JOB OPPORTUNITIES ACROSS THE PORT DISTRICT	1. Partner with local businesses, associations, and the legislature to support workforce development porgrams.					✓					
	2. Meet with port tenants to discuss workforce challenges, apprenticeship, and training opportunities.		✓								
	3. Partner with local colleges, high schools, skill centers, and vocational training programs to support education and workforce development, particularly for manufacturing and trade-related jobs.			✓						✓	
	4. Support apprenticeship and vocational training opportunities for port public works projects.			✓							
	5. Establish an apprenticeship program for port trade employees.	✓									

Status of Strategic Plan Initiatives

Strategic Goal	Strategies	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Environmental											
PROTECT AIR QUALITY, WATER RESOURCES, AND LAND MANAGED BY THE PORT TROUGH DELIBERATE AND PROACTIVE EFFORTS IN ALL ASPECTS OF THE PORT'S OPERATIONS	1. Develop a Climate Action Plan through analysis of internal programs and policies, regulatory and voluntary emission programs, and best practices, consistent with the port's commitment to sustainability.		✓								
	2. Implement storm water management practices that include innovative strategies to protect water quality, such as targeted treatment media, enhanced Grattix boxes, and floating treatment wetlands.	✓								✓	
MAINTAIN THE PORT'S SUSTAINABILITY PROGRAM TO ENSURE THAT PORT OPERATIONS ARE BASED ON ECONOMIC, ENVIRONMENTAL, AND SOCIAL VALUES	1. Maintain Sustainability Program and ensure all departments are represented on Sustainability Committee.	✓									
	2. Integrate the goals of the port's Sustainability Program into other planning documents, such as the Annual Budget and Comprehensive Scheme of Harbor Improvements.	✓									
STRENGTHEN COMMUNITY CONNECTIONS BY ACTIVELY ENGAGING WITH OUR ENVIRONMENTAL STAKEHOLDERS	1. Develop an outreach program to discuss environmental stewardship at the port.	✓									
	2. Work with partners to create ecological benefit and improved operating and permitting efficiencies.	✓									
	3. Establish regular communications with tribal entities.	✓									
	4. Seek ways to improve the stewardship of our industry and region by sharing knowledge and techology.	✓									

Status of Strategic Plan Initiatives

Strategic Goal	Strategies	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Financial											
STRENGTHEN THE PORT'S FINANCIAL SUSTAINABILITY	1. Pursue business opportunities that increase cargo volumes, maximize utilization of port assets, and achieve revenue goals.	✓								✓	
	2. Develop tools to analyze and report the financial viability of the movement of individual commodities.	✓								✓	
	3. Support a diverse revenue base through tax, industrial, marine, commercial, and grants, when strategically appropriate.		✓								
	4. Continually improve the precision of the port's ten-year operating and capital forecast with key informative metrics.		✓							✓	
DEVELOP AND COMMUNICATE A LONG-TERM STRATEGY FOR THE USE OF PROPERTY TAXES AND DEBT FINANCING POLICIES AND TOOLS	1. Identify a tax strategy that addresses long term use of taxes.	✓									
	2. Develop a strategy to address debt financing options, including general obligation bonds, revenue bonds, and other financing tools.		✓								
DEVELOP A ROLLING 20-YEAR COMPREHENSIVE, SCHEDULED MAINTENANCE PLAN TO MAXIMIZE OPERATIONAL CAPACITY, EFFICIENCY AND LIFE EXPECTANCY OF PORT ASSETS	1. Continue to expand uses of technology to develop tools to support maintenance and management of port assets.		✓							✓	
	2. Develop and implement a proactive ten- to twenty-year repair and replacement plan for building, fleet, rail, and infrastructure assets.		✓								
	3. Assess future space planning needs and develop long-term plan.			✓							

Status of Strategic Plan Initiatives

Strategic Goal	Strategies	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Marine & Industrial Business											
PURSUE OPPORTUNITIES THAT UTILIZE THE PORT'S PROPERTY AND INFRASTRUCTURE INVESTMENTS TO CREATE JOBS AND SUPPORT THE ECONOMY	1. Emphasize and increase marketing efforts to pursue innovative business opportunities and renewable, clean energy projects.	✓									
	2. Increase marketing efforts to pursue business opportunities that increase cargo volumes, maximize utilization of port assets, and achieve revenue goals.	✓									
	3. Maximize utilization of rail infrastructure to support the efficient movement of commodities.		✓								
ENSURE THE PORT'S CARGO PORTFOLIO IS DIVERSIFIED BY LEVERAGING RESOURCES TO RESPOND TO CUSTOMER NEEDS AND MARKET DEMANDS	1. Extend contracts with existing customers and tenants.	✓									
	2. Develop an understanding of global markets and reinforce strong relationships with customers to ensure the port can adapt to market conditions and competitively attract new cargo opportunities.	✓									
	3. Market business resources and incentive programs, including Foreign Trade Zone, to existing and potential businesses.				✓						
	4. Conduct study of port operational capacity to handle high and heavy cargo and roll- on/roll-off cargo.		✓								
	5. Evaluate future investment in marine and industrial development at Columbia Gateway.						✓				
CONTINUE TO PLAY A KEY ROLE IN MAINTAINING NAVIGABILITY OF THE COLUMBIA RIVER SYSTEM, INCLUDING BERTHING SYSTEMS, ANCHORAGE, TURNING BASINS, AND THE SHIPPING CHANNEL	1. Work with industry associations, policy makers, and elected officials at the local, state and federal levels to continue supporting the critical role of navigation for international trade and the regional economy.	✓							✓		
SUPPORT GROWTH AND ECONOMIC OPPORTUNITIES FOR EXISTING TENANTS AND STRENGTHEN OUTREACH	1. Act as a resource and regularly reach out to existing tenants to assess business, workforce, and facility needs, and to provide support for opportunities.	✓									
	2. Establish quarterly tenant events with information, speakers and a platform for networking.		✓								
	3. Provide regular communications with current tenants and points of contact with port staff.	✓									

Status of Strategic Plan Initiatives

Strategic Goal	Strategies	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Organizational											
RECRUIT AND RETAIN TALENTED AND DIVERSE STAFF WHO SUPPORT EFFECTIVE INTERNAL AND EXTERNAL COMMUNICATIONS, CONTINUOUS IMPROVEMENT AND INNOVATION OF PORT BUSINESS AND SERVICE TO THE COMMUNITY	1. Incorporate goals of the strategic plan into the port's operations and develop ongoing communications about staff's role in measuring progress.	✓									
	2. Analyze staffing levels and develop staff resource and succession plan.			✓							
	3. Develop staff recognition program.			✓							
	4. Develop a training and leadership program that aligns port goals and employee growth.		✓								
	5. Actively promote employee diversity.	✓									
ENSURE ALIGNMENT OF KEY PORT PLANNING DOCUMENTS	1. Align key documents to reflect new Strategic Plan.	✓									
	2. Annually review and update core planning documents to reflect best management practices and statutory requirements.		✓								
ANALYZE RISKS AND DEVELOP A PLAN FOR BUSINESS CONTINUITY, RESILIENCY, AND DISASTER RECOVERY	1. Create risk assessment documents that include buildings, fleet, rail and infrastructure; staffing; information technology; financial; commodities; and operational components.	✓									
	2. Develop a plan to address risk and ensure community safety and business continuity.	✓									
	3. Finalize emergency preparedness plan and develop comprehensive training program for staff.	✓									

Port of Vancouver USA

2027 Budget

SOURCES

Operating Revenues		
15-Rail		1,887,770
16-Finance & Accounting		100,000
17-Sales		25,000
18-Commercial		911,898
19-Industrial		19,770,784
20-Facilities		225,000
21-Marine Operations		27,310,219
22-Security		956,829
40-Marine Terminal		7,290,151
	Total Operating Revenues	$ 58,477,651
Non-operating Revenues		
Ad Valorem Taxes		14,494,857
TIF Revenue		500,000
Interest Income		3,038,000
Grants & Other Contributions		23,612,000
Proceeds from Sale of Property		20,000
Other		118,600
	Total Non-operating Revenues	$ 41,783,457
	Total Revenues	$ 100,261,108
	Transfer from General Fund/Financing	$ 37,598,509
	TOTAL SOURCES	**$ 137,859,617**

USES

Operating Expenses		
05-Executive		1,079,363
06-Economic Development		1,312,232
10-Administration		1,627,637
11-External Affairs		2,606,626
12-Information Technology		2,315,936
13-Procurement & Contracts		960,883
14-Human Resources		710,755
15-Rail		1,450,652
16-Finance & Accounting		4,167,668
17-Sales		2,747,329
18-Commercial		271,466
19-Industrial		2,430,113
20-Facilities		10,504,902
21-Marine Operations		2,447,179
22-Security		3,389,317
32-Environmental		2,044,705
40-Marine Terminal		10,642,916
	Total Operating Expenses	$ 50,709,680
Non-operating Expenses		
Debt Service		13,248,436
Environmental Remediation		1,352,500
Interest Expense		820,000
	Total Non-operating Expenses	$ 15,420,936
	Total Expenses	$ 66,130,617
	Capital Projects	$ 71,729,000
	TOTAL USES	**$ 137,859,617**

The port invests in the acquisition, development, and maintenance of long-term assets to meet its mission of providing economic benefit to the community and serving its tenants and customers. This investment is evident in the renovation of facilities and terminals, construction of infrastructure, environmental remediation projects, and the acquisition and development of property. The port's continuing commitment to its investment in long-term assets requires a comprehensive long-term capital planning approach.

The port's capital planning process begins by reviewing the existing and anticipated business environment, estimates of tenant and customer demand for facilities, and available resources. Several additional factors are considered when evaluating and prioritizing specific projects. Among these are number of jobs created, financial performance and rate of return, and safety and environmental impacts. Other aspects may be appropriate to consider based on the port's overall mission, strategic plan and regional opportunities and constraints.

The port's Capital Improvement Program (CIP) is the primary tool used to plan for major capital projects and acquisition needs over a multi-year forecast period. The CIP forecasts expenditures to be incurred for projects and acquisitions, identifies capital funding sources, and shows the impact on future operating budgets. The planning horizon for the port's capital budgets is 7-10 years. This period enables the port to determine emerging capital needs, estimate project costs and allow time to plan projects and arrange funding.

The 2027 capital budget reflects the port's continuing commitment to promoting regional economic activity through the investment of over $71.73 million in economic development and expansion and renewal of port facilities. In 2027 the port will perform tenant improvements, continue advancing a multi-year investment in the port's waterfront development, advancement of the ports Climate Action Plan, improvements to marine, terminal and rail infrastructure and perform significant maintenance related improvements to existing port facilities. Financing for the 2027 capital program will come from current revenues, tax levy revenue, grants, and other contributions and debt financing.



Port of Vancouver
Capital Projects Budget - 2027
Page 1 of 2

Description	*2027*
Climate Action	
Terminal 1 Shore Power	2,700,000
Terminal 2 Equipment Electric Vehicle Chargers	735,000
Climate Action Plan Vehicles & Equipment	410,000
Terminal Lighting Upgrades	1,200,000
Electric Cranes	11,900,000
Electric Crane Electrical Infrastructure	5,300,000
Subtotal: Climate Action	**22,245,000**
Environmental	
In-water Mitigation Credits	162,500
Tree and Wetland Mitigation Credits	315,000
Subtotal: Environmental	**477,500**
Industrial	
Terminal 7 Substation Permitting and Pad	1,500,000
Subtotal: Industrial	**1,500,000**
Maintenance	
Terminal 5 Waterline Redundancy	50,000
Terminal 7 Berm Landscape Replacement	200,000
Buildings: Annual 2027 Building Maintenance Package	65,000
Buildings: Building 2601 Tenant Improvements	750,000
Buildings: Building 2835 Roof coating/design	50,000
Buildings: Building 3103 South Admin Bathroom/Kitchen	25,000
Buildings: Building 3205 Emergency Egress	50,000
Buildings: Building 3205 Office Improvements	250,000
Buildings: Building 3203/3205 Maintenance and Security Backup Generator	1,537,000
Buildings: Building 3210 Operations Building Backup Generator	350,000
Buildings: Kotobuki Way Accessory Buildings Package	120,000
Stormwater: Terminal 2 Dust Control Systems	630,000
Stormwater: Terminal 2 Polishing System	75,000
Stormwater: Terminal 2 Industrial Area Stormwater Conversion	1,500,000
Stormwater: Terminal 4 Stormwater Facility Treatment Upgrade	4,600,000
Paving and Striping: Terminal 2	660,000
Paving and Striping: Terminal 4 Harborside Drive Paving Replacement Plus Waterline	75,000
Paving and Striping: ADA Remedial Program	125,000
Rail: Mill Plain Rail Crossing Replacement	800,000
Equipment: Vibratory Roller	89,000
Equipment: Air Compressor	12,500
Equipment: Multipurpose Bucket	6,000
Equipment: Smooth Bucket	6,000
Equipment: Back Hoe Bucket	6,000
Equipment: Light Towers	45,000
Equipment: F550 Service	100,000
Equipment: Sweeper	400,000
IT: Enterprise Resource Planning	1,000,000
IT: WIFI Upgrade	150,000
IT: Camera Switch Replacement	250,000
IT: Printer Replacements	40,000
Fire Systems	100,000
Tenant Improvements	250,000
Subtotal: Maintenance	**14,366,500**

Description	2027
Recreation	
Trail Segment 5b	1,000,000
Subtotal: Recreation	**1,000,000**
Terminals	
Terminal 2 Berth 5 Repairs	600,000
Terminal 2 Vacant Structure	300,000
Terminal 2 Paceco Crane Demo	1,250,000
Terminal 4 Customer Expansion Area	200,000
Terminal 5 In-water Improvements	10,000,000
Terminal 7 North Industrial Park Binding Site Plan	500,000
Subtotal: Terminals	**12,850,000**
Terminal Rehabilitation and Improvement Plan (TRIP)	
Terminal 2 Berth 1 Upstream Half Rehabilitation	2,000,000
Terminal 2 Berth 4 and 5 Ro-Ro Improvements	2,350,000
Terminal 3 Berth 8 and 9 Engineering/Permitting	250,000
Terminal 4 Berth 10 Mooring Improvements	50,000
Terminal 5 Berth 17 Mooring Upgrades	3,700,000
Terminal 5 Berth 17 Shore Power	3,000,000
Subtotal: Terminal Rehabilitation and Improvement Plan (TRIP)	**11,350,000**
Waterfront	
Terminal 1 Dock	3,000,000
Terminal 1 Debris Boom	200,000
Terminal 1 Access Roadway	400,000
Terminal 1 Marketplace Design	2,000,000
Remaining Public Amenities	100,000
Subtotal: Waterfront	**5,700,000**
Labor Capitalization	
Labor Capitalization	2,240,000
Subtotal: Labor Capitalization	**2,240,000**
Total Capital Projects	**71,729,000**
Grants and Other Contributions	
Terminal 2 Berth 5 Repairs: Cost Sharing from Tenants	(400,000)
Terminal 2 Polishing System Tenant Contribution	(200,000)
Terminal 2 Equipment EV Chargers Clark Public Utility Port Drayage Electrification Grant	(500,000)
Terminal 4 Stormwater Facility Treatment Upgrade Ecology Grant	(3,750,000)
Electric Crane: Federal Grant	(15,480,000)
Environmental Protection Agency Clean Ports Grant	(2,430,000)
Rail: Mill Plain Rail Crossing Replacement City Share	(480,000)
IT: Camera Switch Replacement Port Security Grant Program	(50,000)
Buildings: Building 3203/3205 Backup Generator Port Security Grant Program	(306,000)
Subtotal: Grants	**(23,596,000)**
Total Capital Projects net of Grants and Other Contributions	**48,133,000**

TAX BUDGET SUMMARY

- The port's 2027 certified levy is $14,494,857. The budget is based on the port taking a 1 percent increase, utilization of 100 percent of banked capacity and new construction. The levy limit is based on the lower of the implicit price deflator (IPD) of 3.876 percent or 1 percent per Initiative I-747. The 2026 certified levy was $14,136,669.
- In 1998, the Port of Vancouver Board of Commissioners adopted a resolution establishing a separate account for the deposit of tax receipts. The Board of Commissioners also approved Resolution No. 4-02 which authorizes tax levy proceeds to be used only for payment of debt service, capital improvements, and environmental remediation. The 2027 levy will be used for:

Debt Service (GO Bonds)	$7,948,160	54.8%
Environmental Remediation	1,352,500	9.3%
Capital Projects	5,194,197	35.8%
Total	$14,494,857	100.0%

TAX LEVY SOURCES

Regular Tax Levy (RCW 53.36.020)

In the State of Washington, the county assessors ("Assessor") determine the value of all real and personal property throughout their respective counties that is subject to *ad volorem* taxation. The assessor's duties and methods of determining value are prescribed and controlled by statute and by detailed regulations promulgated by the Department of Revenue. For tax purposes, the assessed value of property is set at 100% of its actual value. All property is subject to revaluation every four years. The property is listed by the assessor on a tax roll at its current value and the tax roll is filed in the assessor's office.

The assessor's determinations are subject to revision by the county Board of Equalization and, for certain property, subject to further revision by the State Board of Equalization. After all administrative procedures are completed; the port commission receives the assessor's final certificate of assessed value of property within the port. The 2026/2027 Taxable Assessed Value increased approximately 0.14 percent for this tax cycle.

Levy rates determine the amount of tax that a property owner pays per thousand dollars of assessed value. RCW 53.36.020 provides that a district may raise revenue by levy of an annual tax not to exceed 45 cents per thousand dollars of assessed value. However, the passage of Initiative 747 in 2001 limited the maximum growth in property taxes from existing property to the lesser of the percentage increase in the implicit price deflator (IPD) or 1%.

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Taxes are levied annually on January 1 on property values listed as of the prior May 31. The lien date is January 1. Taxes are due in two equal installments on April 30 and October 31. Collections are distributed monthly to the port by the county treasurer.

Special Tax Levies (RCW 53.36.070).60

The port can levy property taxes for dredging, canal construction, land leveling or filling purposes. These levies must be approved by the majority of voters within the port district and may not exceed $0.45 per $1,000 of the assessed value of taxable property within the port district. The port has not requested this levy.

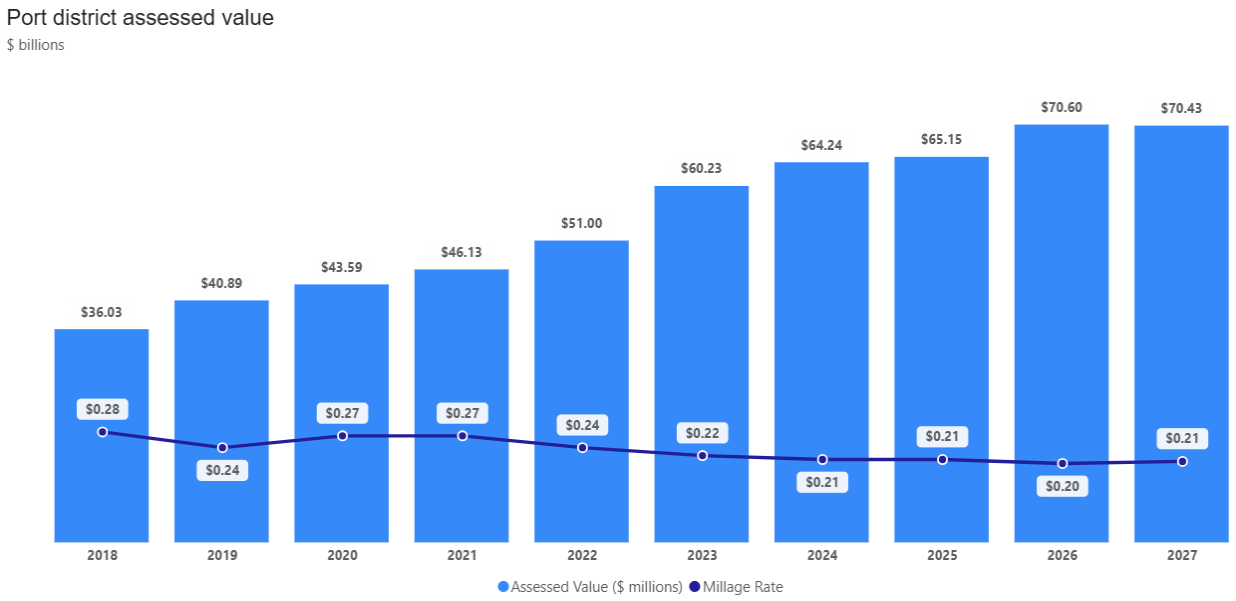
Levy for Industrial Development District (RCW 53.36.100)

A port district having adopted a comprehensive scheme of harbor improvements may levy property taxes for Industrial Development Districts for 12 years only. The levy cannot exceed $0.45 per $1,000 of assessed value of taxable property within the port district. If a port district intends to levy this tax for one or more years after the first six years, the port must publish notice of intent to impose such a levy. If signatures of at least eight percent (8%) of the voters protest the levy, a special election must be held with majority approval required. The port levied the tax for a 6-year period between 1958 and 1963 for property acquisition. The

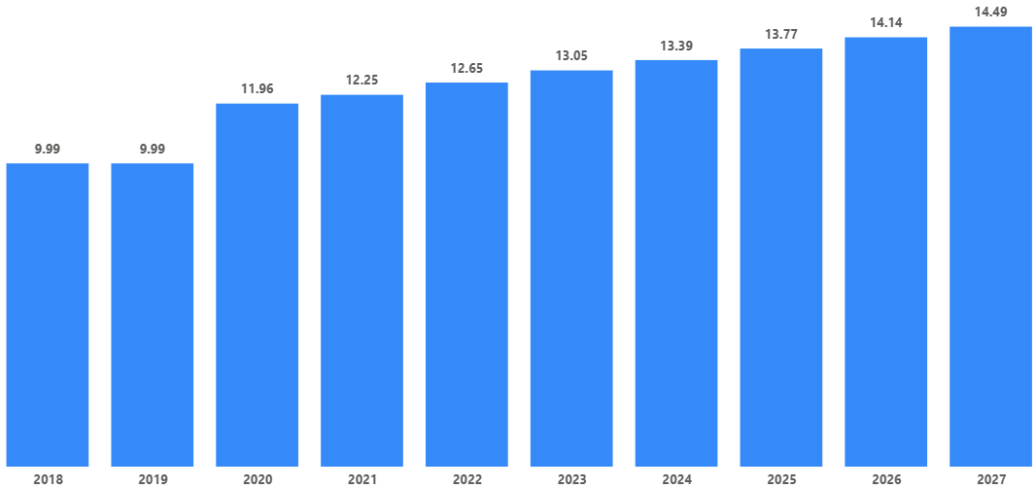
port has not levied the seventh through twelfth year period. The port's advancement of an Industrial Development District levy in August of 2007 was not successful.

FIGURES

Tax Levy vs. Millage Rate 2018-2027



Certified Tax Levy (in Millions)



Assessed Value ($ billions)	$36.03	$40.89	$43.59	$46.13	$51.00	$60.23	$64.24	$65.15	$70.60	$70.43
Assessed Value % Change	8.91%	13.49%	6.62%	5.81%	10.58%	18.09%	6.66%	1.42%	8.37%	-0.24%
Certified Levy ($ millions)	9.99	9.99	11.96	12.25	12.65	13.05	13.39	13.77	14.14	14.49
Certified Levy % Change	0.00%	0.00%	19.73%	2.42%	3.30%	3.16%	2.61%	2.84%	2.69%	2.49%

Financing Team: The port employs outside financial specialists to assist in developing a bond issuance strategy, preparing bond documents and marketing bonds to investors. The key players in the port's financing transactions include its financial advisor, bond counsel, the underwriter and the port's finance and accounting team.

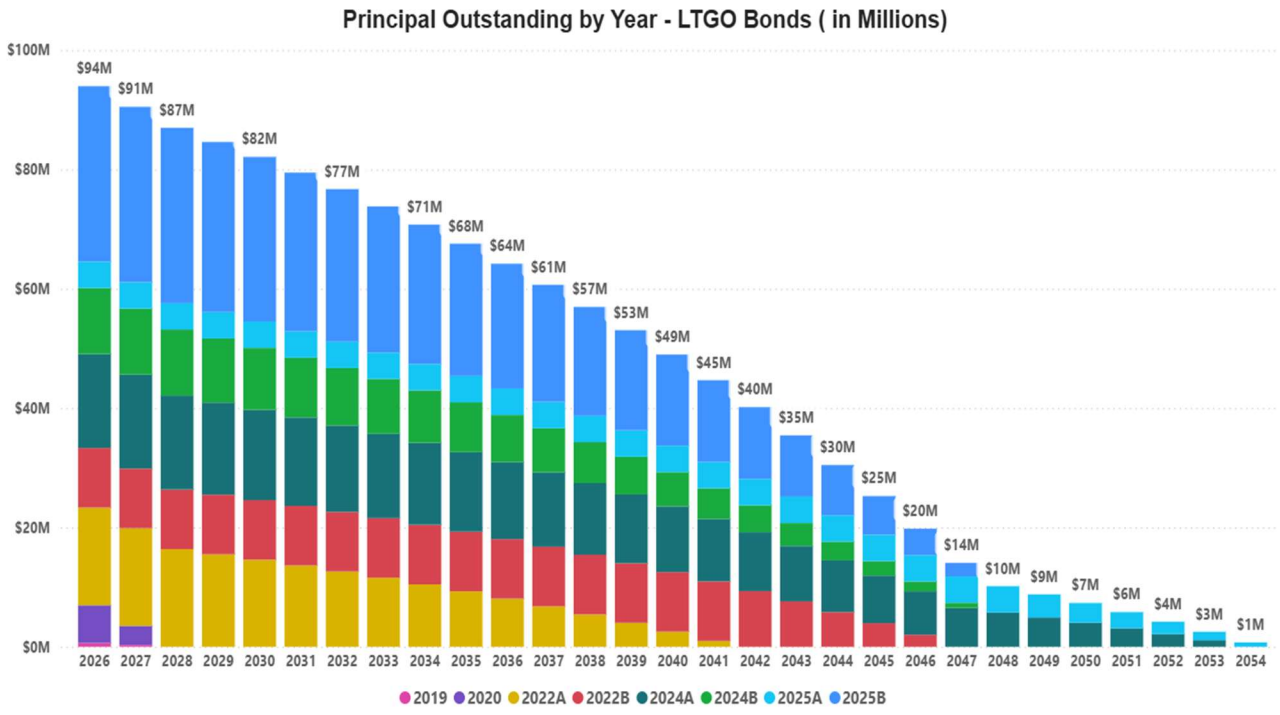
Credit Ratings: The Chief Financial Officer is responsible for maintaining relationships with the rating agencies that assign ratings to the port's various debt obligations. This effort includes providing periodic updates on the port's general financial condition along with coordinating meetings and presentations in conjunction with a new debt issuance. For the port's LTGO bonds, Moody's Rating Committee has assigned an Aa2 rating, and Standard & Poor's has assigned an A+ stable rating. For the port's Revenue bonds, Standard & Poor's has assigned an A+ stable rating.

In addition, Standard & Poor's Ratings Services has also affirmed the port's 'A' issuer credit rating (ICR) with a stable outlook. This is a separate rating from the port's LTGO bond rating and Revenue bond rating and focuses on the port's overall financial capacity (its creditworthiness) to pay its financial obligations.

LIMITED TAX GENERAL OBLIGATION BONDS

Overview: Limited Tax General Obligation (LTGO) bonds are general obligations of the port payable from general (ad valorem) taxes, subject to certain constitutional and statutory limitations. The port plans long-term debt issuance to finance its capital program based on its cash flow needs, sources of revenue, capital construction periods and market conditions. Borrowings by the port mature over a term that does not exceed the economic life of the improvements that they finance.

Outstanding Limited Tax General Obligation Bonds: $93,955,000 LTGO bonds remain outstanding as of December 31, 2026.



Obligation	Purpose	Interest Rate	Final Maturity	Original Issue	Balance 12/31/26
2019	Refunding Bonds	2.49%	2028	5,625,000	635,000
2020	Refunding Bonds	0.615-1.720%	2028	18,665,000	6,330,000
2022 Series A	Property Improvements	5.00%	2042	16,365,000	16,365,000
2022 Series B	Property Improvements	4.125-4.375%	2047	9,995,000	9,995,000
2024 Series A	Property Improvements	4.90-5.50%	2054	15,745,000	15,745,000
2024 Series B	Property Improvements	5.00%	2048	11,070,000	11,070,000
2025 Series A	Property Improvements	5.125-5.25%	2055	4,425,000	4,425,000
2025 Series B	Property Improvements	5.00%	2048	29,390,000	29,390,000
			Total GO Bonds	**$ 111,280,000**	**$ 93,955,000**

INDEBTEDNESS LIMITATION (RCW 53.36.030)

Under Washington State law the port may incur indebtedness payable from ad valorem taxes in an amount not exceeding one-fourth of one percent of the value of the taxable property in the district without a vote of the people. With the assent of three-fifths of the voters voting thereon, the district may incur additional general obligation indebtedness provided the total indebtedness of the port at any time shall not exceed three-fourths of one percent of the value of the taxable property in the district. The following estimates the 2026 debt limit. The port does have debt capacity to issue additional general obligation bonds.

Value of Taxable Property (2027 Collection Year)	70,753,648,343
Limited Tax General Obligation Debt Capacity (Non-voted)	
0.25% of Assessed Value	176,884,121
Less: Outstanding Limited Tax GO Debt @12/31/26	(93,955,000)
Remaining Capacity (Non-voted)*	$ 82,929,121
* Increase of 16.11% from prior year	

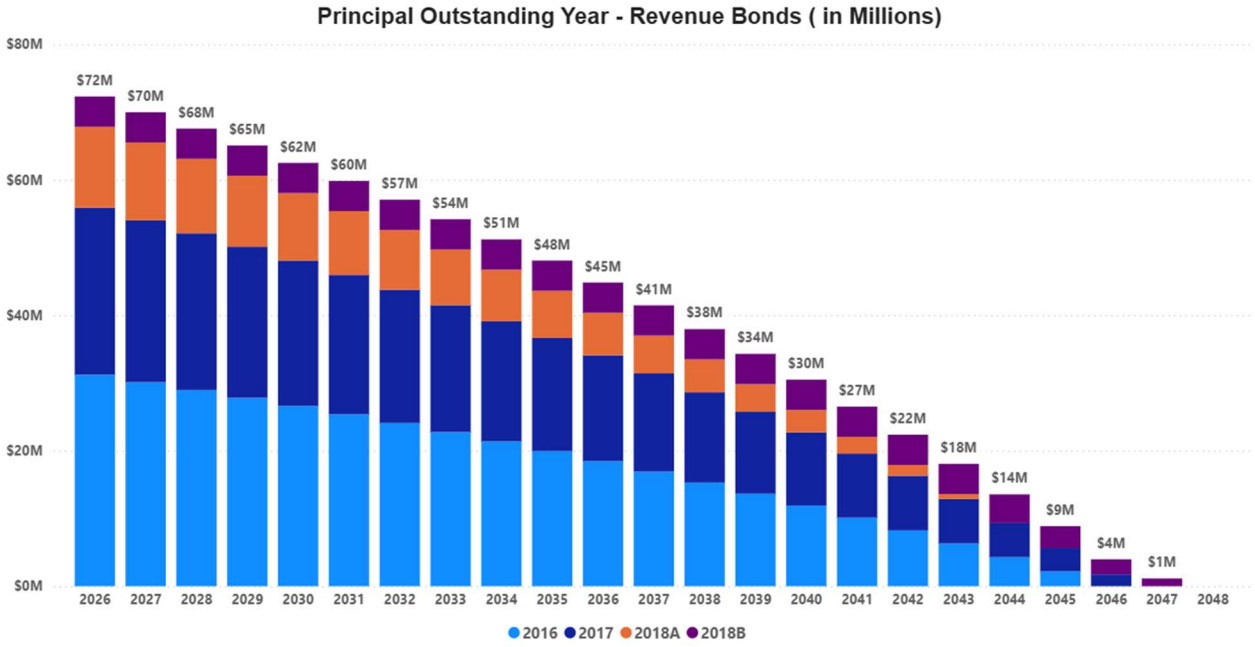
SPECIAL FACILITY REVENUE BONDS

Special facility revenue bonds were issued on behalf of United Grain Corporation. A lease agreement provides for unconditional payment of rent equal to the debt service of the special revenue bonds. The bonds are not general obligations of the port, are payable solely from the pledged revenues of the lease and do not constitute a lien on the unpledged revenues of the port. The outstanding special revenue bonds in the principal amount of $25,000,000 are adjustable tender bonds subject to purchase on demand of the holder at a price equal to the principal plus accrued interest under certain notification requirements. The special revenue bonds are supported by direct payment of irrevocable bank letters of credit.

REVENUE BONDS

Overview: Revenue bonds are obligations of the port payable solely from the port's net operating revenues. The port plans long-term debt issuance to finance its capital program based on its cash flow needs, sources of revenue, capital construction periods and market conditions. Borrowings by the port mature over a term that does not exceed the economic life of the improvements that they finance.

Outstanding Revenue Bonds: $72,290,000 Revenue bonds remain outstanding as of December 31, 2026.



Obligation	Purpose	Interest Rate	Final Maturity	Original Issue	Balance 12/31/26
2016 Rev Bonds	Property Acquisitions	1.325% - 4.010%	2046	40,000,000	31,205,000
2017 Rev Bonds	Property Acquisitions	2.001% - 4.693%	2047	30,000,000	24,665,000
2018 Rev Bonds (A)	Property Acquisitions	2.850% - 4.250%	2044	14,885,000	11,960,000
2018 Rev Bonds (B)	Property Acquisitions	5.000%	2048	4,460,000	4,460,000
			Total Revenue Bonds	$ 89,345,000	$ 72,290,000

LINE OF CREDIT

In 2013, the port issued a request for proposals to retain a financial institution to serve as the port's Credit Facility Provider. Key Bank was chosen as the most qualified financial institution to serve as the sole Holder and a Credit Facility Agreement was developed. The Credit Facility Agreement was subsequently modified four different times to either change definitions, provide for a method to extend the maturity date, reduce the applicable rate and unused commitment fee and other changes, and address the process and procedures related to the anticipated termination of LIBOR as pricing index for computing interest.

In 2023, the port entered into a replacement revolving line of credit with Key Bank "Series 2023 Taxable Revenue Bonds" with a principal amount not to exceed $35,000,000. The revenue bond restricts a portion of the port's net operating revenue to secure a $35,000,000 Line of Credit. In 2025, the Credit Facility Agreement was again extended.

The Line of Credit bears an interest rate equal to the sum of the Term SOFR for a period of 30 days for that SOFR Interest Calculation Period applicable for said advances plus 115 basis points (1.15%). The Term SOFR Rate for a period of 30 days on September 30, 2026 was 3.746%%. The port has agreed to pay the Series 2023 Credit Facility Provider an unused commitment fee in the amount of 25 basis points per annum (0.25%).

The port uses this Line of Credit as complementary financing to operating cash flows. This agreement matures on September 25, 2028. The maturity date can be extended annually by one year at the request of the port and the sole consent of Key Bank. Currently there is no outstanding balance on the Line of Credit.

DEBT POLICY AND POST ISSUANCE COMPLIANCE POLICY AND PROCEDURES

The port has developed a debt policy and post issuance compliance policy and procedures. The objective of the debt policy is to establish criteria that will protect the port's financial integrity while providing a funding mechanism to meet the port's capital needs. The post issuance compliance policy is designed to support successful debt management and compliance with related laws, rules and regulations and contractual requirements. These policies establish practices that will protect the port's ability to access the bond markets and support future debt financing of the port's capital projects.

Port of Vancouver USA

2027
Budget Calendar
6/15/2026

July 2026

S	M	T	W	T	F	S
			1	2	**3**	4
5	6	7	8	9	10	11
12	13	**14**	**15**	16	17	18
19	20	21	22	23	24	25
26	27	**28**	29	30	31	

July

3 Port Holiday - Independence Day Observed
14 Regular commission meeting
15 Distribute preliminary budget documents to departments ***(Prerequisets - June closed by 7/13)***
28 Regular commission meeting
29 Leadership Team Meeting - Budget Kickoff

August 2026

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	**11**	**12**	13	14	15
16	17	18	**19**	20	21	22
23	**24**	**25**	**26**	27	28	29
30	31					

August

11 Regular commission meeting
12 Leadership Team Meeting - *ELT to communicate budget priorities*
19 **Departments submit final budgets to finance**
24 Finance to distribute consolidated budget documents to Leadership Team
25 Regular commission meeting
26 Leadership Team Meeting - *Finance team attends to answer any budget related questions.*

September 2026

S	M	T	W	T	F	S
		1	2	3	4	5
6	**7**	**8**	**9**	10	11	12
13	14	15	16	17	18	19
20	21	**22**	**23**	24	25	26
27	28	29	30			

September

7 Port Holiday - Labor Day
8 Regular commission meeting
9 Leadership Team Meeting - *Finance team attends to answer any budget related questions.*
22 Regular commission meeting
23 **Leadership Team budget workshop (Leadership Presentation Round Table with ELT/CEO)**

October 2026

S	M	T	W	T	F	S
				1	**2**	3
4	5	6	7	**8**	9	10
11	12	**13**	14	15	**16**	17
18	19	20	21	22	23	24
25	26	**27**	28	29	30	31

October

2 Departments submit final corrected budgets to Finance
8 Distribute Preliminary Budget Documents to the Commissioners
13 **Regular commission meeting - 2026 Preliminary Budget Administrative Work Session (Required)**
16 Submit commission agenda item for preliminary budget; 1st public notice; preliminary budget prepared/final hearing scheduled
27 **Regular commission meeting - approve preliminary budget**

November 2026

S	M	T	W	T	F	S
1	**2**	3	4	5	**6**	7
8	9	**10**	**11**	12	13	14
15	16	17	18	19	20	21
22	23	24	25	**26**	**27**	28
29	30					

November

2 Submit commission agenda item for final budget
6 2nd public notice for final budget
10 **Regular commission meeting - approve final budget**
10 Certify to County Assessor amount of taxes levied; file final budget
11 Port Holiday - Veterans Day
26 Port Holiday - Thanksgiving Day
27 Port Holiday - Day after Thanksgiving

- **Compound Average Growth Rate** – The year-over-year growth rate of an investment over a specified period of time.
- **Cost of Capital** – The cost of funds used for financing a business.
- **Covenants** – Binding terms between a lender and a borrower in which the borrower agrees to certain financial performance measures by which they must operate their business to.
- **Debt Capacity** - Assessment of the amount of debt an entity can repay in a timely manner without jeopardizing its financial viability. This is typically restricted by loan covenants or board mandated.
- **Debt Service** – Principal and interest payments on debt.
- **Debt Service Coverage Ratio** – Operating income/debt service payments.
- **Discounted Cash Flow** (DCF) – A valuation method used to estimate the attractiveness of an investment opportunity. Discounted cash flow (DCF) analysis uses future free cash flow projections and discounts them to arrive at a present value, which is used to evaluate the potential for investment.
- **Cash Flow** – A revenue or expense stream that changes an entities cash position over a given period. Cash inflows usually arise from one of three activities: financing, operations (revenue) or investing. Cash outflows result from expenses or investments.
- **Present Value** – The current worth of a future sum of money or stream of cash flows given a specified rate of return. Future cash flows are discounted at the discount rate, and the higher the discount rate, the lower the present value of the future cash flows.
- **Discount Rate** – The discount rate in DCF analysis that takes into account not just the time value of money, but also the risk or uncertainty of future cash flows - the greater the uncertainty of future cash flows, the higher the discount rate.
- **Internal Rate of Return (IRR)** – The discount rate where the net present value of all cash flows from a particular project are equal to zero. When comparing various projects, the project with the highest IRR is generally considered the best and is undertaken first.
- **Millage Rate** – The amount per $1,000 that is used to calculate taxes on property.
- **Net Present Value (NPV)** – The difference between the present value of cash inflows and the present value of cash outflows over the life of an investment.
- **Non-operating Expenses** – Expenses from interest expense on debt, environmental remediation, and other non-operating expenditures.
- **Non-operating Revenue** – Revenues from tax levies, interest income, sale of property, and other non-operating revenues.
- **Operating Expenses** – Expenses incurred from operations of the port, excludes depreciation expense.
- **Operating Income** – Operating revenue less operating expenses.
- **Operating Revenue** – Revenue generated from operations of the port includes: dockage, wharfage, storage, rail, and lease income.
- **Parity Debt** – Debt issued with equal rights to one another.
- **Payback Period** – The number of years to payback the initial cost of the investment from the investments cumulative cash flow streams (revenue less expenses).
- **Return on Investment** – A performance measure used to evaluate the efficiency of an investment calculated as: (Gain on investment-cost of investment) divided by cost of investment.



Port of Vancouver USA

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