

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**  
**STAFF BRIEFING**

**Item No.** 7a  
**Date of Meeting** September 24, 2013

**DATE:** September 18, 2013  
**TO:** Tay Yoshitani, Chief Executive Officer  
**FROM:** Mike Merritt, Manager, Puget Sound/Washington Government Relations  
Geri Poor, Regional Transportation Manager  
**SUBJECT:** Update on the Proposed SODO Sports Arena Environmental Impact Statement

**SYNOPSIS**

The City of Seattle has released a draft Environmental Impact Statement (DEIS) and Economic Impact Analysis on the proposed sports arena to be located at 1700 First Avenue South within the Duwamish Manufacturing-Industrial Center just north of Holgate Street.

Comments on the draft EIS are due September 30. Port staff currently is analyzing the DEIS and will prepare a comment letter for submission to the city. Staff will provide a briefing on our preliminary findings and conclusions about the EIS and the economic impact analysis.

**BACKGROUND**

The proposed sports and entertainment project was announced by developer Chris Hansen and officials of Seattle and King County on February 16, 2012. The Seattle and King County councils approved an interlocal agreement and memorandum of agreement with the investment group on October 15, 2012.

The proposed action is the future construction of a 20,000-seat sports facility of approximately 750,000 square feet. The arena has been proposed as a home for both professional basketball and hockey, as well as a venue for concerts, flat shows and exhibitions.

The proposed action also includes the vacation of a portion of Occidental Avenue S. between S. Holgate Street and S. Massachusetts Street. Parking is proposed to be provided by off-site commercial parking lots.

The EIS considered four alternatives: a no-action alternative; the proposed project; an 18,000 seat arena at the SODO site; a 20,000-seat arena on the site of the KeyArena at

## **COMMISSION AGENDA**

Tay Yoshitani, Chief Executive Officer

September 18, 2013

Page 2 of 3

Seattle Center; and a 20,000-seat arena at the location of the Seattle School District's Memorial Stadium.

The arena would be financed by a combination of private investment and contributions from Seattle and King County tax revenues up to \$200 million. Before public funds could flow to the project, however, the developer must secure permits and the street vacation for the project, certain financial guarantees, and an NBA team with a non-relocation agreement. The NBA, however, turned down a bid by the ownership group for the Sacramento Kings team and there is no immediate prospect of securing a team.

The Port, along with other stakeholders in the maritime and industrial communities, has expressed support for the return of NBA basketball to Seattle.

The Port's analysis of the SODO site, however, has identified a number of concerns:

- Development of the arena will result in increased pressure to change zoning and land uses within the Duwamish manufacturing and industrial center (MIC), potentially harming the long-term economic viability and the growth of family-wage jobs in the area.
- A third sports arena within the constrained Stadium Overlay and Transition District was never envisioned, and the area lacks sufficient transportation capacity and parking to accommodate the major new use, which may result in increased congestion and reduced safety on the streets.
- The arena proposal has not been subject to thorough review of alternative sites, and the Port has called for the City to review sites outside of the city.
- Transportation mitigation for the project has neither been identified nor funded.
- The Port, the City and stakeholders are currently undertaking a number of positive efforts to promote growth and improve the business climate within the industrial and manufacturing sectors; those efforts should be completed before proceeding with a major new facility within the Duwamish MIC.

The Duwamish industrial center connects vital international trade, manufacturing and transportation interests all at a crossroads in the heart of Seattle. It has a growing employment base of 50,000, a thriving seaport and busy warehouse, manufacturing and distribution centers served by two interstate highways and two major rail hubs connecting the region to markets around the U.S. The Duwamish industrial center is also home to King County Metro, Sound Transit and Amtrak maintenance facilities.

Export and manufactured goods from throughout Washington converge on this area, including aerospace products, equipment, seafood, and agricultural products from Eastern Washington and Idaho, with products arriving by rail across the northern tier of the United States. While as much as 70 percent of imported goods move by rail to the American Midwest, the remainder move by truck to the Kent Valley, Green River Valley, local distribution centers around the state and across multi-state networks on to Montana, Oregon, Alaska and Utah.

## **COMMISSION AGENDA**

Tay Yoshitani, Chief Executive Officer

September 18, 2013

Page 3 of 3

The value of two-way trade moving through the Port of Seattle was more than \$43 billion last year, generating 33,000 jobs in King County and \$450 million in state and local taxes from the Port of Seattle marine terminals in the Duwamish. Over half of all export cargo—most of which comes from within the state and the Pacific Northwest—is trucked to the marine terminals. These key truck routes are east of First Avenue S., and involve the interstate highway system, accessed by Edgar Martinez Drive-Atlantic Street, Spokane Street and East Marginal Way.

Current and future investment by state and local governments, and railroads, totals more than \$5.5 billion in infrastructure in the Duwamish, including the state's replacement of the Alaskan Way Viaduct with a new bored tunnel and other vital improvements. This infrastructure will speed the movement of people and goods via road, freight rail, passenger rail, light rail, commuter rail, transit, commercial vehicle and private auto.

The stadium overlay district in city planning was adopted to support and mitigate the two existing stadiums and to create a buffer with the adjacent industrial areas. The road network was designed originally to include major road projects for trucks to travel between and around the stadiums to reach the marine cargo terminals and rail facilities west of First Avenue South, and the highways, roads and railroad lines east of First Avenue. The network was not completed as planned, resulting in chronic congestion on east-west routes for freight, transit and auto traffic.

### **ATTACHMENTS TO THIS BRIEFING**

- Computer slide presentation.
- Port of Seattle EIS scoping letter.

### **PREVIOUS COMMISSION ACTIONS, BRIEFINGS AND STATEMENTS**

- May 22, 2012 – letter to Seattle and King County councils on port concerns with proposed arena.
- August 7, 2102 – briefing and motion calling for a full programmatic EIS prior to approval of arena project.
- September 11, 2012 – statement on proposed City-County agreement with arena investment group.
- January 8, 2013 – roundtable on industrial area challenges and opportunities.