

Port of Seattle Roundtable:

Challenges and Opportunities for Warehouse and Distribution Centers and Manufacturing in the Kent/Auburn Valley



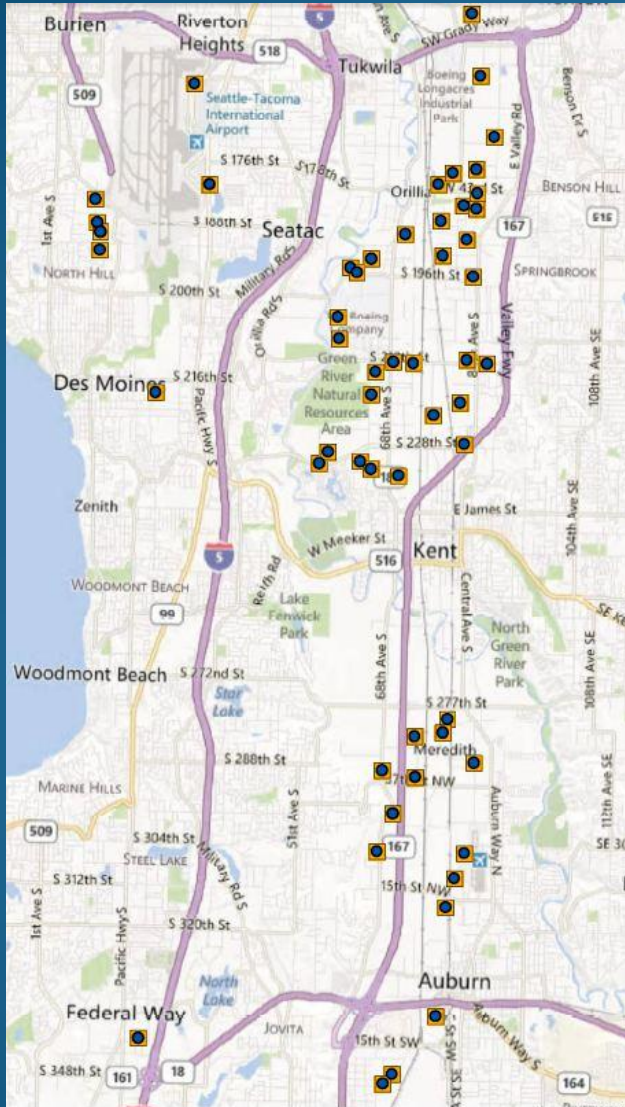
Auburn City Hall
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Challenges and Opportunities

- Goals and needs of warehouses/distribution centers and manufacturing in the Kent-Auburn Valley
- Funding for transportation and other infrastructure needs
- Incentives for and obstacles to business expansion
- Government policies that foster or discourage growth

What policies and actions can the state, King County, the Port and other agencies can take to support this major economic resource?

Kent/Auburn Valley



- Second largest manufacturing cluster on the West Coast. Companies include Boeing Space and Defense, Blue Origins Aerospace, Flow International.
- Fourth largest warehouse and distribution center in the United States. Logistics companies include Expeditors International, Air Sea America, Ceva Logistics.
- Also is a distribution center for retailers including REI and Starbucks.

Total Warehouse Space

- 2010: 105,308,039 Sq. Ft.
- 2012: 105,149,204 Sq. Ft.

Total Vacant Space

- 2010: 8,539,014 (rate = 8.1%)
- 2012: 6,820,319 (rate = 6.0%)

All space available for use as an FTZ facility.

Connection to I-5 Corridor and Primary Rail Corridors for Regional and National Trade



The Kent/Auburn Valley is a vital component of our regional truck freight routes as well as our national rail corridors. It is vital for both in-state cargo and discretionary cargo to the Midwest distribution points.

Streamlined Sales Tax Issue

- Previously, local sales tax was received by the municipality where the source of the product was shipped or delivered. For example, if a customer in Issaquah buys a couch from a retailer in Seattle, and that couch is shipped to the customer from a warehouse in Kent, Kent would have received the local sales tax revenue on that sale.
- Under the **destination-based sales tax** enacted in 2008, local sales tax now would go to Issaquah. This change in sales tax collection primarily affects retailing businesses that deliver products to customers, either directly from their stores or from warehouses.
- This lowers the amount of sales tax collected by cities in the Kent/Auburn valley, which affect their ability to pay for transportation maintenance and improvements, despite the fact that freight shipments of those same goods are a major source of wear and tear on those same roads that need the maintenance, repair, or improvement.