

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

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

**Item No.** 7e  
**Date of Meeting** March 8, 2016

**DATE:** February 19, 2016  
**TO:** Ted Fick, Chief Executive Officer  
**FROM:** Dave McFadden and Jeffrey Utterback  
**SUBJECT:** Real Estate Strategic Plan

**SYNOPSIS**

The Port of Seattle has the statutory powers and land resources to drive dramatic growth and achieve our Century Agenda goal to create 100,000 jobs by 2025. To provide a roadmap for real estate development and investment, the Economic Development Division is starting a strategic planning initiative that evaluates our real estate portfolio and properties the Port may want to acquire. This effort will help develop visionary, creative, and actionable plans that create middle class jobs and support the Port's key clusters.

**BACKGROUND**

The Real Estate Strategic Plan will help Port thoughtfully steward its use of real estate, capital assets and financial capabilities towards accomplishing the Century Agenda. It will address certain key questions and issues related to the Port's real estate portfolio. As examples:

- How can the Terminal 91 uplands be developed to help double the economic value of the fishing and maritime cluster?
- How can the Port acquire property to help create and retain middle class jobs?
- How can the Port's marine terminals support anticipated growth in cruise ship operations?
- How can the Port's portfolio enable the new Economic Development Division's broader priorities - including small business development, tourism, and workforce development?
- What types of real estate development or investment activities are needed to become the greenest most energy efficient port in North America?
- How can the Port work with its public and private partners in King County to steward our collective capabilities towards providing economic opportunity for all?

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**PROPERTIES BEING EVALUATED**

The Economic Development Division has taken a comprehensive look at the Port’s real estate portfolio. Staff is focusing the real estate strategic plan on every Port property that can support industrial or commercial development. This does exclude Seaport Alliance terminals, sites impacted by the SAMP, sites nearing development like NERA in Burien, and a few small sites (ex. Terminal 16/17).

The table below identifies how Port properties were selected for the strategic plan:

Being Evaluated	Evaluation Complete	Evaluation by NW Seaport Alliance
<b>Real Estate Plan</b>	<b>Shovel Ready</b>	Terminal 5
55-acre site (SeaTac)	Des Moines Creek Phase 2 (Des Moines)	Terminal 10
L-Shape (SeaTac)	Des Moines Creek Phase 3 (SeaTac)	Terminal 18
13-acre site (SeaTac)	NERA 2 and 3	Terminal 25
200 <sup>th</sup> Street (SeaTac)		Terminal 30
Terminal 91	<b>Fully Developed</b>	Terminal 46
Terminal 91 Uplands	Manufacturing Industrial Center	Terminal 103
Terminal 106	Harbor Corp. Marine Center (90% occupied)	Terminal 104
CEM Property		Terminal 105
Terminal 2		Terminal 107
		Terminal 108
<b>SAMP</b>		Terminal 115
South Airport (SASA)		Terminal 117
<b>Fisherman’s Terminal</b>		

Heartland (HL) is our consultant managing this project and is led by Matt Anderson. Matt and his team have done significant work on Port (POS) properties historically and HL has an outstanding reputation for facilitating and guiding development throughout the Puget Sound region. Matt’s team will evaluate current Port properties and analyze alternate sites throughout King County that could be acquired or controlled by the Port to create jobs and drive county-wide prosperity.

HL will be joined by New Harbor Consultants (NHC), a management consulting firm with significant economic development experience with ports and the maritime industry, and Cushman & Wakefield (CW), who will bring a deep knowledge of the industrial sub-markets in King County.

An internal Port employee team will support analysis of Port properties. An advisory committee composed of 10-12 representatives from local government and the private sector will be formed to guide the overall project. This group will help ensure project recommendations are understood and supported by the Port’s key stakeholders.

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To start the project focus groups will be held in various locations throughout King County to ensure broad stakeholder involvement and awareness. Two additional Commission briefings are also on the project calendar. Below is a working schedule of planned meetings:

Timeline/Milestones	FEB	MAR	APR	MAY	JUN	JUL	AUG →
PORT REAL ESTATE TEAM (PRET)	1	2	3	4	5	6	
EXTERNAL ADVISORY STEERING COMMITTEE		1		2		3	
FOCUS GROUPS		1		2	3		
PORT COMMISSION		1		2			3 PRESENTATION

## **ATTACHMENTS TO THIS BRIEFING**

PowerPoint Presentation: Real Estate Strategic Plan

## **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None