

**COMMISSION
AGENDA MEMORANDUM**

Item No. 6c

ACTION ITEM

Date of Meeting November 8, 2016

DATE: November 1, 2016 – **Corrected November 8, 2016**

TO: Ted Fick, Chief Executive Officer

FROM: Pearse Edwards, Director, Government Relations
Eric ffitch, Manager, State Government Relations

SUBJECT: Final Adoption of 2017 State Legislative Agenda

ACTION REQUESTED

Request Commission authorization to pursue the following legislative priorities, both specific agenda items along with general issue areas, during the 2017 state legislative session, convening January 9, 2017 in Olympia, WA.

EXECUTIVE SUMMARY

In advance of the 2017 state legislative session in Olympia, Port of Seattle government relations staff has worked with Commissioners, executive team members, internal subject matter experts, and external stakeholders, to develop an agenda to guide Port advocacy efforts. The following Draft 2017 State Legislative Agenda consists of two categories: Priority agenda items, and priority issue areas. The “items” section is comprised primarily of specific actions that Port staff will work to accomplish with the help of allies in the state legislature. The priority “areas” are more general and could encompass a range of efforts, allowing the Port staff the flexibility to work with key allies and advocate for priorities that may arise during session.

The 2017 State Legislative Agenda that is included below has been updated to include commissioner feedback that was provided during the staff briefing on at the October 25, 2016 commission special meeting.

DRAFT STATE LEGISLATIVE AGENDA

Priority Agenda Items

- **Maritime and manufacturing land use:** Provide detailed information to legislators and to House and Senate Committees on the current land use issues facing Washington ports, with a specific focus on zoning issues related to the Growth Management Act that may affect port competitiveness. This may include testimony from subject matter experts or Commissioners, letters to relevant committees, along with potential legislative changes that are consistent with, but not limited to, the recommendations

Meeting Date: November 8, 2016

from the state legislature’s Spring 2016 Joint Task Force on the Economic Resilience of Maritime and Manufacturing report, and reflect the “Guiding Principles: Stewardship, Enhancement, and Protection of Maritime and Manufacturing Lands” document that was adopted by the Northwest Seaport Alliance on November 1, 2016.

- **Workforce development:** Support proposals to enhance state investments in workforce development in the maritime, manufacturing, and industrial sectors. This may include advocating for additional funding for the Core-Plus Program and possible amendments to port statute to ensure ports can continue to play a role in workforce development in these sectors. Continue to support funding for high school students to pursue summer internships in maritime and manufacturing related fields.
- **Fishing fleet modernization:** Support policies that will promote construction of new fishing boats in Washington State shipyards while making the fleet more efficient, both operationally and environmentally. Identify additional funding mechanisms through the state that can further lower the cost of building new fishing boats in Washington shipyards.
- **Statewide tourism marketing authority:** Support efforts to establish a statewide tourism funding authority to fund statewide tourism marketing efforts. Identify a means of funding the statewide tourism authority, and ensure that funds collected for tourism marketing are maintained for that explicit purpose.
- **REAL ID compliance:** Provide detailed information on the potential ramifications of Washington State’s continued non-compliance with federal REAL ID law, and work with legislators and stakeholders to build collective support behind a legislative solution that will bring the state into compliance with federal law prior to the January 2018 deadline.

Priority issue areas:

- **Transportation:** Closely monitor, and support continued funding of, state transportation projects that are critical to Port of Seattle and Northwest Seaport Alliance operations, including the Puget Sound Gateway Project, the Lander Street Grade Separation Project, the Alaskan Way Viaduct Replacement Project, and others. Support proposals that speed the movement of freight from origin to destination, and to export markets through seaport and airport facilities.
- **Environment:** Closely monitor, and support continued funding of, state investments in environmental cleanup programs. That includes those programs funded through the

Meeting Date: November 8, 2016

Model Toxics Control Act, such as Remedial Action Grants, Public Participation Grants, and local stormwater grants, that assist Port efforts to promote environmental stewardship and support Washington State’s pursuit of a healthier Puget Sound.

- **Quality Jobs:** Support proposals that seek to provide equity in the workplace for disadvantaged groups, including through the possible repeal of Initiative 200, and augment existing Port efforts to promote the health of small businesses, including disadvantaged, minority, and women owned business enterprises.
- **Energy:** Support proposals that may reduce carbon emissions from Port operations and promote energy efficient operation of transportation infrastructure. This may include proposals to allow municipal utilities broader flexibility in installing infrastructure that can incent energy consumers to transition to clean sources of power; proposals that seek to incentivize biofuel production for aviation purposes; and policies that promote renewable energy generation, among others.
- **Tax:** Support tax policy that promotes the efficient movement of freight and supports those communities that house the warehousing and distribution infrastructure necessary to enable the Port of Seattle, the Northwest Seaport Alliance, and its partner entities to serve Washington State businesses, including in agricultural, manufacturing, and trade sectors.

ADDITIONAL BACKGROUND

Below you will find the “problem statements” to accompany each of the policy statements in the first section of the draft state legislative agenda.

Maritime and manufacturing land use: In 2007, Governor Gregoire convened a group of city, state, and port representatives to identify recommendations for improvements to land use policy that could “help ensure the effective function and long-term viability of the state’s marine container ports.” The recommendations made by that work group were passed into law in the 2009 legislative session. Among its many provisions, the law required the cities of Seattle and Tacoma to consider the efficient and effective functioning of their large container ports when making land use decisions. Since that time, the City of Seattle, the Port, and the broader industrial community, have had different ideas about how the law should be implemented. The most recent example of this issue, the proposed siting of a sports arena near Terminal 46 and the Duwamish MIC, caused significant concern in the industrial community and with some in the state legislature.

Workforce development: The maritime, manufacturing, and industrial sectors are critical to the economic vitality of the Puget Sound region. The workforce in those sectors is aging and

Meeting Date: November 8, 2016

nearing retirement, and there is not currently a new generation of workers with the skills required to support the growth of these sectors. From a lack of clear understanding from students, teachers, counselors, and parents of the opportunities that are available to young people in maritime, manufacturing, and industrial jobs, to a lack of investment at the state level into Career and Technical Education (CTE) programs, the challenges to building a strong workforce are myriad. The future economic success of the region, and the state as a whole, relies on addressing this challenge and building a skilled workforce in these critical sectors.

Fishing fleet modernization: The North Pacific Fishing Fleet, based at the Port of Seattle’s Fishermen’s Terminal, is comprised of vessels that have an average age of 30 years. Many of these boats are in need of replacement. The cost of replacing the fleet is estimated at \$14.3 billion. New vessels are more fuel efficient and can allow fishermen to make better use of raw products thus earning them more money. But the cost to replace a vessel is a barrier to many fishermen. Action at the state and federal level, and from other entities such as the Port of Seattle, could help reduce the cost and incentivize the replacement of many boats in the fleet. Such action could also promote replacing the vessels with ships built in Washington shipyards. This process would have long-term economic benefits to the region as a whole.

REAL ID: Currently, Washington State is out of compliance with a federal law passed in 2005 known as REAL ID. That law established minimum security standards for state-issued driver’s licenses and identification cards, including the requirement that the issuing agency verify the legal status of the applicant. Washington State is currently the only state in the union that does not require proof of legal status when issuing a driver’s license. Beginning January 22, 2018, driver’s licenses issued by the Washington State Department of Licensing, with the exception of the Enhanced Driver’s License, will not be sufficient for federal purposes. This would prevent Washington residents from passing through Transportation Security Administration checkpoints at airports across the state, significantly complicating the process of airline travel and harming the economy in the process.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 25, 2016 – The Commission was briefed on the Draft 2017 State Legislative Agenda in public session.