

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

**COMMISSION AGENDA**

**Item No.** 7b

**Date of Meeting** April 13, 2010

**DATE:** March 24, 2010

**TO:** Tay Yoshitani, Chief Executive Officer

**FROM:** Eric Hanson, Manager, Seaport Planning

**SUBJECT:** Briefing of Strategic Planning for Future Development of Terminal 91

**SYNOPSIS**

Seaport and Real Estate Division staff are commencing a joint planning endeavor to determine how best to develop significant portions of Terminal 91. This brief will discuss planning goals, working assumptions, anticipated schedule and a proposed budget. Staff intends to return to Commission later this year seeking funding approval in the amount of \$350,000.

**BACKGROUND**

Terminal 91 is historically one of Seattle's most venerable maritime facilities. It has hosted a variety of activities such as being the origin of the famous silk trains, being a naval base and handling petroleum products and automobile imports. Currently, the facility is a major marine complex used by the Alaskan fishing fleet; seafood storage and processing companies; cruise ship operators; and a variety of other marine industrial businesses.

Each new use brings a need to modernize the facility. In 2001, the departure of the Port's last auto import customer left significant portions of the terminal underutilized. The terminal has seen significant new development south of the Magnolia Bridge over the last decade. Significant areas north of the bridge however, remain vacant or under-utilized.

Many factors are driving the need to commence this planning project. Existing customers have expressed desires to expand at Terminal 91. The opening of the Smith Cove Cruise Terminal on Pier 91 has brought new dynamics to the operational character of the terminal. Our current economic climate provides an opportunity to carefully assess future development in order to be appropriately positioned for an economic recovery. Now is an ideal time for planning the future!

## **COMMISSION AGENDA**

T. Yoshitani, Chief Executive Officer

March 24, 2010

Page 2 of 3

## **PLANNING GOALS**

The planning work is significantly influenced by a desire to accommodate expressed expansion opportunities of existing businesses, as well as setting the stage for additional businesses to utilize the site. Specific goals are to:

- Devise an integrated and comprehensive site plan that identifies types of infrastructure development and their costs that may require use of the Port's levy.
- Formulate Port policies that will guide specific future development actions. Examples:
  - o What is the appropriate level of Port investment in new infrastructure?
  - o What is the optimal balance in achieving regional economic benefits, environmental stewardship and desired financial goals?
  - o How should the Port develop the site?
  - o How should it be funded?
- Increase revenue generation for the Port.
- Increase regional economic benefits.

## **WORKING ASSUMPTIONS**

The working assumptions closely correlate to the Century Agenda, Recommended Guiding Principles adopted by the Port Commission in August 2009. Major assumptions guiding this endeavor:

- Pursue expansion of "core mission" customers at the site.
- Seek "broader types of economic activity" that are permissible under the site's existing industrial zoning.
- Ensure new development is as financially "self sustaining as possible."
- Perform a broad and transparent public process that specifically engages various stakeholders and community groups vested in the site.
- Apply modern principles of sustainable growth into the planning process.

## **COMMISSION AGENDA**

T. Yoshitani, Chief Executive Officer

March 24, 2010

Page 3 of 3

## **SCHEDULE**

Prevalent throughout the planning process will be Commission briefings and/or action requests and numerous public outreach efforts. Other milestones:

- Development Options Study. This product will create a number of site plan alternatives each with development costs, expected revenues and overall financial implications. Anticipated completion date: December 2010.
- Preferred Alternative. This product will preliminarily identify what is measured by staff to be the best comprehensive plan of developments meeting the stated goals of the planning process. It may be one of the specific alternatives identified in the Development Options Study or potentially a hybrid of two or more of the alternatives. Anticipated completion date: January 2011.
- Environmental Review. Staff will complete the environmental review required by the State Environmental Policy Act (SEPA). Anticipated completion date: Spring 2011.
- Plan Implementation. Implementation of a final development plan can take many forms and potentially take many years. However, staff envisions moving ahead quickly for funding requests associated with Port action to build specific improvements and/or initiating a process to select a private sector development partner. Anticipated date: Summer 2011.

## **BUDGET**

Funding for this expense project is anticipated to be \$350,000 over a two year budget period and will be shared between the Real Estate and Seaport Divisions. This budget is expected to cover costs associated with creation of the Development Options Study, public outreach, the Preferred Alternative and environmental review. The 2010, Operating Expense Budget includes \$125,000 for this work. Additional funds will be budgeted for 2011. Staff will return to Commission seeking authorization to proceed with the full expenditure of \$350,000.