

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA – STAFF BRIEFING

Item No. 7a

Date of Meeting September 12, 2011

DATE: September 2, 2011

TO: Tay Yoshitani, Chief Executive Officer

FROM: Michael Ehl, Director, Airport Operations
Tom Green, Senior Manager, Air Cargo Operations and Development

SUBJECT: Air Cargo Logistics Development Strategy Briefing

BACKGROUND:

The air cargo business at Seattle-Tacoma International Airport (Airport) supports the mission of the Port of Seattle to create regional economic vitality. The Port owns and operates the Airport, a major geographic gateway connecting passengers and cargo to the world by air.

Air cargo operations at the Airport support the Port's regional economic development initiatives by providing the businesses of Seattle, King County and Washington State with cost-effective air access to the global supply/distribution system, and by generating airside and landside revenue through the development of logistics-related services. The air cargo logistics industry, together with the export-oriented regional manufacturers and producers it supports, is an important job-creating economic force.

On February 22, 2011, airport staff briefed the Commission on the fundamentals of the air cargo industry and provided a background discussion of the facilities, operations, customers and regional value of the Port's air cargo services. Staff also discussed the current trend at many gateway airports of actively supporting development of facilities for the logistics supply chain industry, and described opportunities for the Airport to leverage its off-airfield properties in a similar manner.

As part of the Century Agenda, a "Moving Cargo" roundtable was held on June 7, 2011, which produced preliminary goals calling for strong air cargo growth over the next 25 years and for positioning the region as a premier international logistics hub.

BRIEFING SYNOPSIS:

The Airport's air cargo focus is comprised of three initiatives:

- Air service marketing and business development;
- On-Airport capital facilities renovation and development; and
- Off-Airport logistics support facilities development.

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Each will be discussed in today's staff briefing with the emphasis on further detailing off-airport logistics facilities development on Port-owned property in the cities of SeaTac and Burien.

OTHER DOCUMENTS ASSOCIATED WITH THIS BRIEFING:

PowerPoint presentation.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

- September 6, 2007 – Air cargo strategy briefing addressed how best to ensure sufficient airfield and off-airfield capacity to accommodate expected growth in demand for international and domestic air cargo service.
- February 22, 2011 – Air cargo operations and development briefing addressed the facilities, operations, customers and regional value of the Port's air cargo services, and described the strategic growth strategy, on and off the airfield.
- June 7, 2011 – Approval of the Century Agenda Committee's preliminary goals for "Moving Cargo," and approval of a refined Century Agenda goal for "Fostering Economic Growth."
- July 12, 2011 – Approval of the Century Agenda Committee's preliminary goals for "Moving People." Included overview of "Moving Cargo" strategic goals and milestones, and the following considerations: Capacity enhancements, facilities, associated development, and freight mobility.