

Item No.:
Meeting Date:

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June 9, 2015

2016 Maritime Business Plan

June 9, 2015



Industry/Business Context

- Cruise industry continues to grow with vessels upsizing and increased focus on Asia
- Alaskan cruising market remains strong with interest in homeporting larger ships
- Seattle market is mature - moderate growth expected with passenger counts of 900K
- The number of pre/post cruise passenger visits is steadily increasing in the region
- Industrial properties market remains consistent and steady driving higher occupancy at port properties

Cruise Business is mature, growing moderately and larger vessels expected

Industry/Business Context

- Bering Sea and Gulf of Alaska fisheries are the most sustainable fisheries in the world
- Alaska commercial fishing industry remains strong
- Alaska commercial fleet continues to homeport at Fisherman's Terminal & factory trawler fleet at T-91
- Commercial fishing industry is revitalizing their fleet; building new boats to replace aging ones
- Recreational Boating customers are demanding higher standards at marinas driving modernization
- Grain outlook is strong for soy exports to China

Legacy fishing fleets continue to homeport & revitalization of fleet has begun

Maritime: Mission, Vision & Alignment

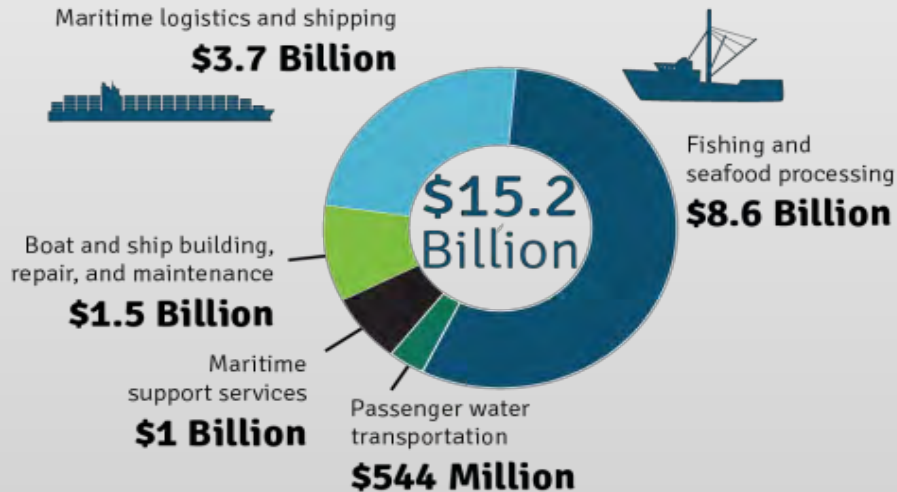


Vision A vibrant working waterfront generating economic vitality for the region

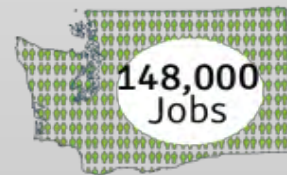
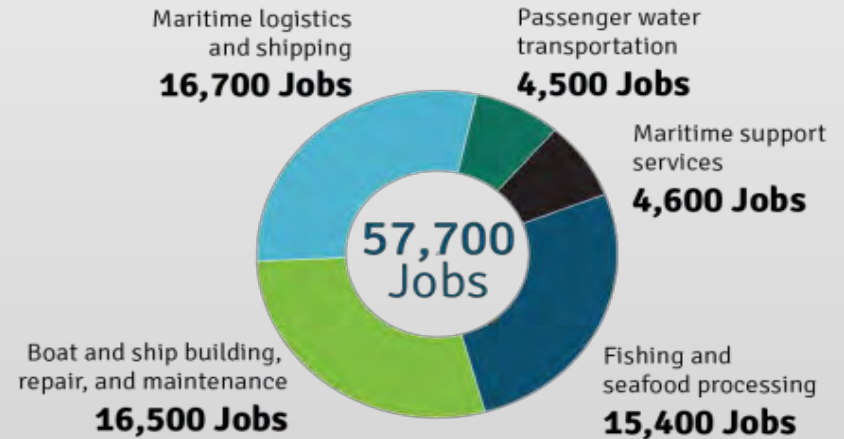
Century Agenda Alignment

Strategy: Position the Puget Sound as a premier international logistics hub

Business Income by Maritime Sector



Direct Jobs by Maritime Sector



Indirect Employment Supported by the Maritime Industry

IMPACT: Incremental growth 2010-2012
Added 1,600 Jobs and
\$1.5 Billion in business income growth



\$70,800 Average maritime industry annual salary
\$50,800 Average Washington state annual salary

Century Agenda Goal Double the economic value of the fishing and maritime cluster

Century Agenda Alignment

Strategy: Advance the region as a leading tourism destination & business gateway



\$485 million
annual business revenue &
local purchases



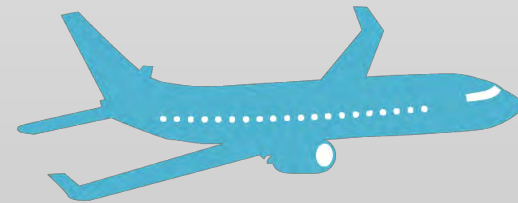
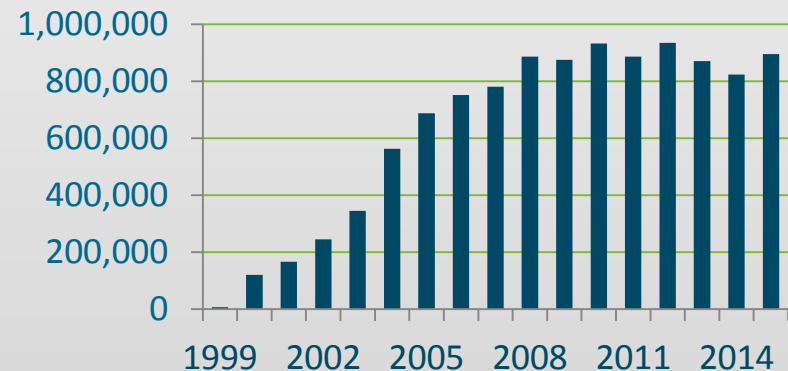
\$17.2 million
annual state & local taxes



= **\$2.5 million**


Each time a homeport ship docks it contributes **\$2.5 million** to the local economy.

Total Seattle Passengers 1999-2015



75% of Cruise Passengers Flew Through Sea-Tac International Airport

IMPACT: Over 3,600 Jobs due to the cruise industry in 2014

Century Agenda Goal Double the economic value of cruise traffic to Washington State

Century Agenda Alignment

Strategy: Be the greenest, most energy efficient port in North America



before remediation

Terminal 117

after remediation

IMPACT: Nearly 12 acres of habitat will be restored toward our 40 acre goal

Century Agenda Goal Restore, create & enhance 40 acres of habitat in the Green/Duwamish Watershed and Elliott Bay

Maritime Division Overview

Business Groups

- Cruise & Maritime Ops
- Commercial Moorage
- Recreational Boating
- Industrial Properties

Service Groups

- Marine Maintenance
- Environmental Svs
- Finance & Budget
- Maritime Security & Emergency Prep

Key Maritime Properties

- Cruise Facilities
- T-86 Grain Terminal
- T-91 Gen'l Purpose Terminal
- Fishermen's Terminal
- Maritime Industrial Center
- Shilshole Bay Marina
- Bell Harbor & Harbor Island Marinas
- Industrial Properties
- Public Access Sites

Mission Enrich our maritime legacy by leveraging our properties to create waterfront opportunities & grow maritime jobs in a financially & environmentally sustainable way

Maritime Division: Portfolio of Properties



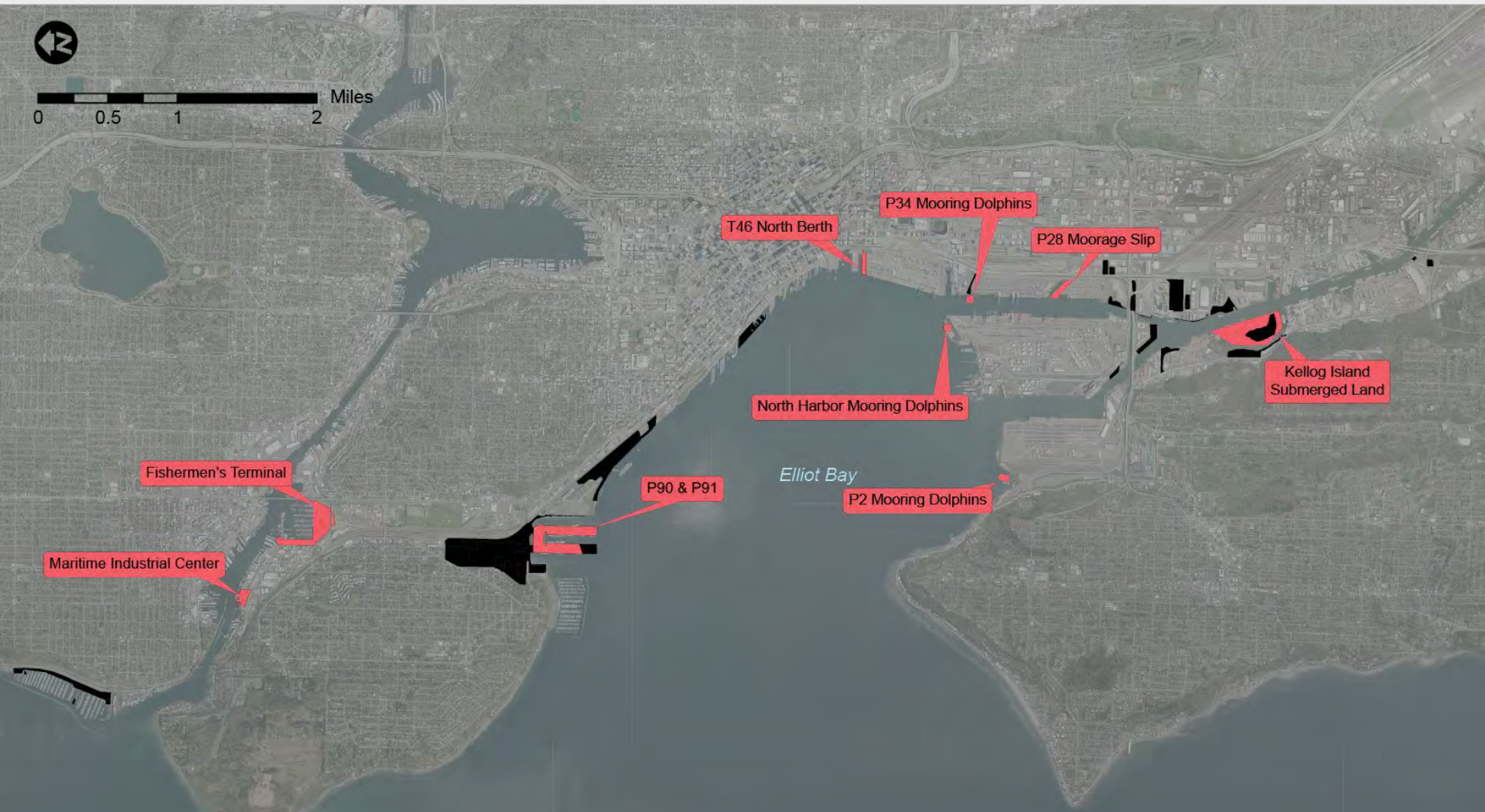
Diverse maritime properties & activities have served the community for over 100 yrs

Maritime Division: Cruise Terminals



Diverse maritime properties & activities have served the community for over 100 yrs

Maritime Division: Commercial Moorage Facilities



Diverse maritime properties & activities have served the community for over 100 yrs

Maritime Division: Industrial & Commercial



Diverse maritime properties & activities have served the community for over 100 yrs

Maritime Division: Recreational Boat Marinas



Diverse maritime properties & activities have served the community for over 100 yrs

Maritime: Public Access/Environmental Sites



Diverse maritime properties & activities have served the community for over 100 yrs

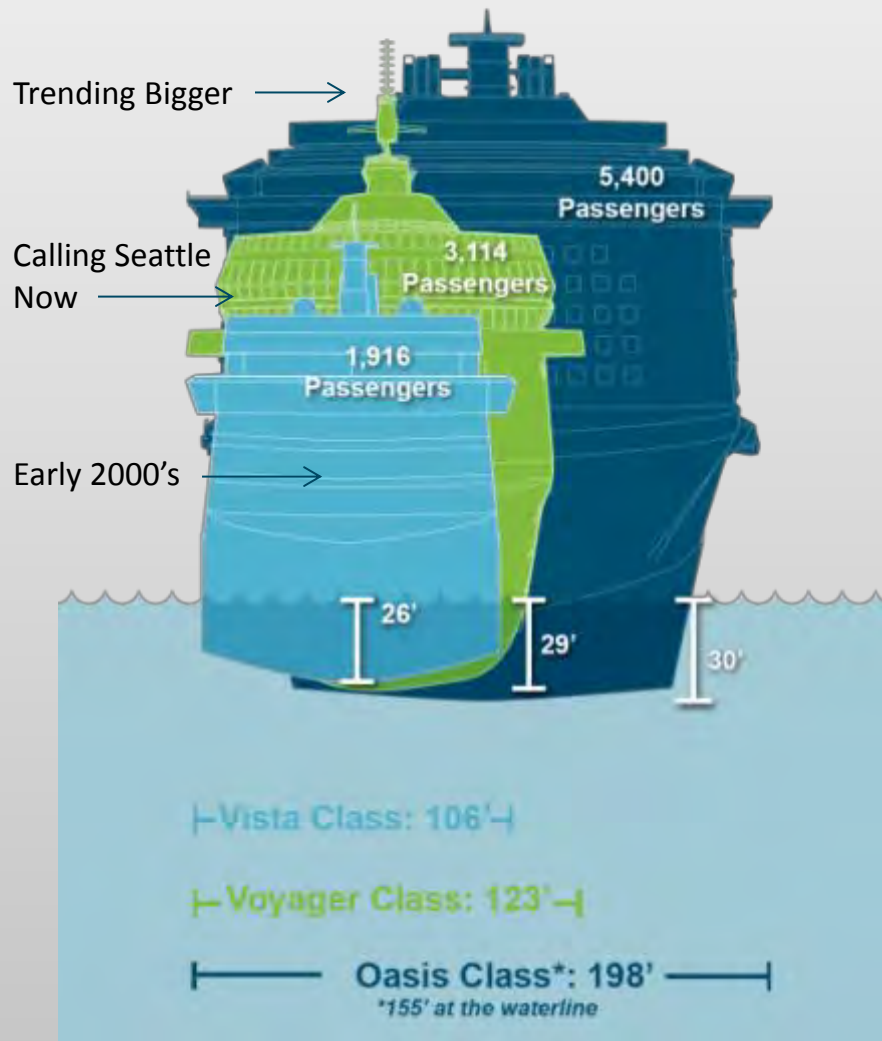
Maritime: Dramatic Growth Initiative

- Modernize Piers 66 & 90 for larger cruise vessels
- Develop Fisherman's Terminal Strategic Plan/obtain approval
- Fund/construct Shilshole Bay Marina bathroom facilities
- Develop waterfront habitat restoration into a line of business
- Develop business that optimizes utilization of port properties



Leverage maritime properties to grow net income and economic benefit

Modernize Our Cruise Facilities



Be Big Ship Ready

Pier 90



Pier 66

Modernize our cruise facilities for the future and the upsizing of cruise vessels

Fishermen's Terminal Strategic Plan



IMPACT: Preserving moorage for commercial fishing boats, has kept occupancy in the 74-84% range in recent years.

Continue our legacy as homeport to the North Pacific Fishing Fleet for over 100 years

Modernize Shilshole Bay Marina Facilities

Vintage 1960's Standard



Current SBM Facilities

Today's Standard



Port of Everett

Upgrade our recreational boating facilities to retain customers & foster growth

Maritime: High Performance Organization

Operational
Excellence

Deliver safe, compliant operations and maintain port assets

Talent
Development

Develop staff capabilities, bench strength and opportunities

Valued
Communication

Provide information that is clear, concise and relevant



Advancing workforce development and small business enterprise goals is a key priority

Deliver operational excellence and develop our employees

Maritime: Policy Challenges



Reinvestment in facilities for the future
(Modernize for bigger ships and modernize marinas)



Partnership with city/county on supporting maritime
(industrial land use, permit conditions, transportation)



Increase competitiveness of Puget Sound gateway
(cost efficient and attractive to customers)



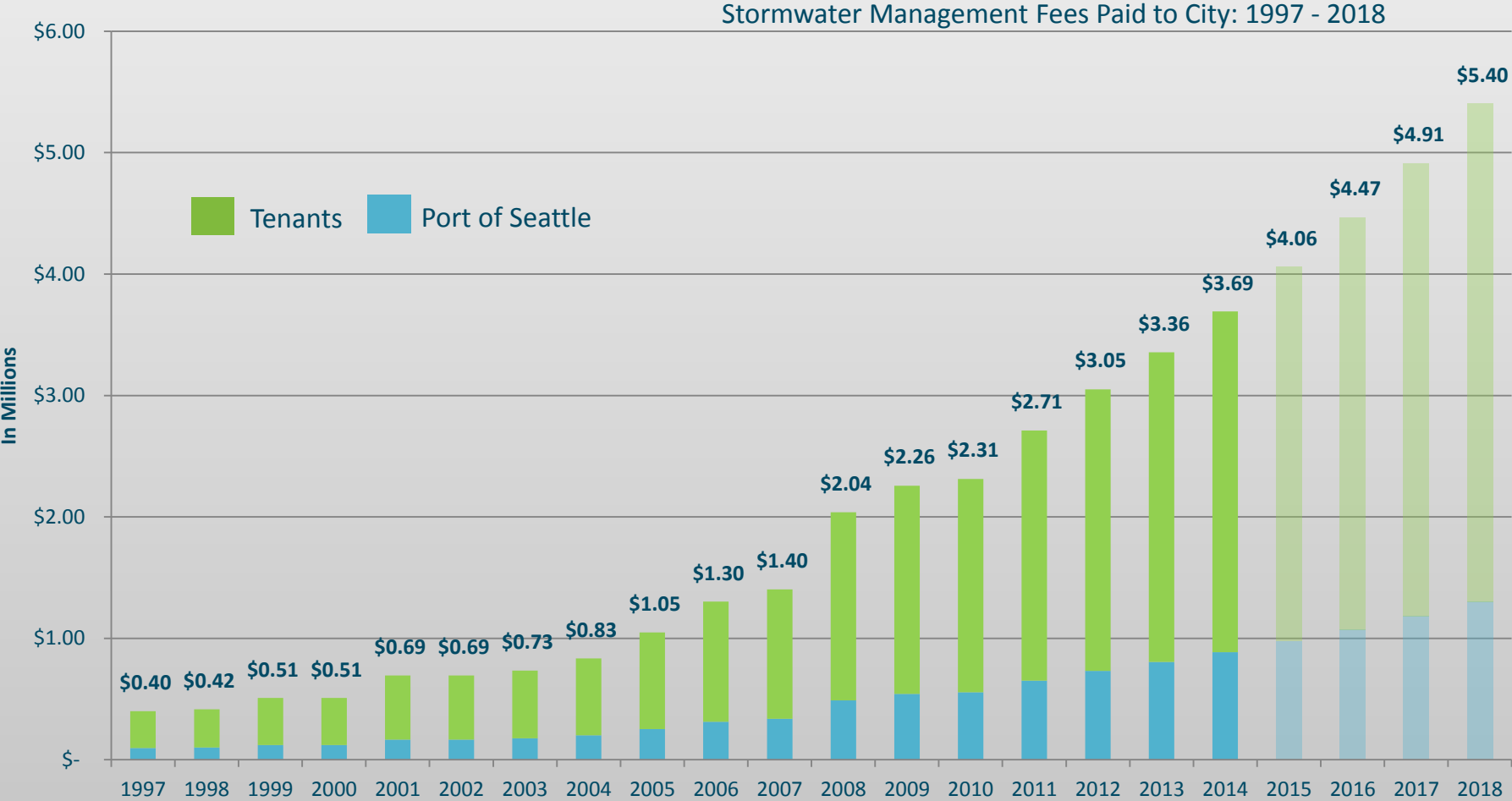
Support diversified maritime revenue growth
(adapting to new markets and lines of business)



Adapt and respond to regulatory environment
(changes more frequent/restrictive than competitors)

Stormwater Utility

Stormwater Utility: Transition to Port Operated Utility



Next 5 years: \$85-135 M investment in stormwater by Port/tenants; \$23M in fees