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July 23, 2009

Reverend Michael Ramos,
Church Council of Greater Seattle
4 Nickerson St., #300
Seattle, WA 98109

Dear Mr. Ramos,

Thank you for your ongoing communication with the Port of Seattle on behalf of the residents of Nickelsville. We appreciate the candid and constructive approach that you and your organization have taken while the Port of Seattle reviewed your request to make property available for the Nickelsville community.

In keeping with this collaborative approach, the Port of Seattle conducted two reviews simultaneously. Port staff reviewed the Terminal 107 (T-107) property, as you requested, and also conducted a fresh review of any additional port properties within the city of Seattle that could serve as potential sites for a homeless encampment of 100 people. Port staff also reviewed the port's actual legal authority to provide property should any prove appropriate to your needs.

As conveyed during our phone conversation on July 17, 2009, Port staff have come to the conclusion that the Port of Seattle is not able to provide property to the Nickelsville community. After assessing our property, we concluded that while the Port does own shoreline public access sites, many of them are tied to environmental mitigation requirements and have sensitive vegetation or habitat areas. In addition, they are often small sites located in heavy industrial areas, and would not be suitable for an encampment. Those other port properties included one with a redevelopment agreement underway, one in the middle of Harbor Island and others at Interbay currently in use by port tenants.

This underlies additional concerns such as lack of nearby amenities, non-existent sanitation infrastructure, no available services, and overall lack of security. We acknowledge the Nickelsville community has been able to provide some of these services, including self-policing, and that its residents are a well-organized, respectful group of citizens. Nonetheless, issues of liability, security and tenant concerns are likely to bring some incremental costs to the port. This creates not only a budgetary issue during times of budget cuts and reduced revenues, it also adds to an existing legal issue.

Legally, the Port has neither the authority in the housing area nor the ability to 'donate' property, as that would be contrary to state law. In 2005, the Washington State Auditor's Office (SAO) examined expenditures to community organizations. The SAO's December 2005 report found the "Port sometimes assists other organizations in the community or otherwise



participates in community events in ways that are outside of its authority," which ultimately constitutes a prohibited gift of public funds.

Among the improper expenditures cited was a contribution to the Housing Partnership. "Other local governments have the authority to provide services such as education, health and housing which are beneficial to the poor. However, such services are outside of those authorized by the Legislature for Washington State ports," the report said.

In its remarks, the SAO stated, "We recommend the Port revise its policy to require documentation for all its community relations expenditures that clearly demonstrates how the expenditures promoted tourism, or promoted, advertised, improved or developed Port properties, utilities and facilities." Contribution of Port funds, facilities or property for housing would fall outside the permitted uses identified by the Auditor. Subsequent to the report, in 2006 the Port instituted strict guidelines and oversight of its outside contributions. Because of this, we no longer make space available to Northwest Harvest or for temporary homeless shelters.

As you know, the Port of Seattle has a very specific mission: to create jobs and economic growth for the region. Our properties are dedicated to uses that support this goal. We believe the Port can best provide assistance to Seattle and the region by focusing on this core mission, as stated in our charter.

We share your commitment on the collective need to address homelessness in our community. Despite our statutory limitations, the Port of Seattle and its staff continues to contribute to community social services wherever possible, such as staff's annual participation in the Community Giving Campaign and volunteerism with area social services agencies.

I know this is a difficult situation for you, residents of Nickelsville, the Greater Church Council, and other stakeholders. The Port has endeavored to give this request a thoughtful and meaningful review to help find a solution that could work for all groups involved. However, we regret to inform you that we cannot accommodate your request to provide property for the encampment. Please feel free to contact me if I can answer any questions or clarify any of this information.

Sincerely,

A handwritten signature in black ink that reads "Kurt Beckett". The signature is written in a cursive style with a large, stylized initial "K".

Kurt Beckett
Director of External Affairs
Port of Seattle