

PORT OF SEATTLE COMMISSION

**Motion Concerning the Proposal
for Siting a Sports Facility in SoDo**

August 7, 2012

Statement in Support of the Motion

The Port of Seattle Commission (the “Commission”) shares in the enthusiasm for the return of a professional basketball team to the Puget Sound region, but it does not want the location of the arena to become an obstacle to the vital role that the SoDo neighborhood plays in the state’s and region’s economy.

It is well known that Washington’s economy is the 3rd most trade dependent in the nation. In 2011, Washington state producers exported merchandise valued at \$64.7 billion. The Washington Department of Commerce has stated: “Exports drive the Washington economy accounting for over 30% of the economic growth over the past decade and contributing to almost half of the new jobs created over the past 30 years.” Governor Gregoire launched the Washington Export Initiative in June 2010. The goal of the initiative is to increase the number of Washington state companies exporting by 30% and help 5,000 Washington businesses achieve \$600 million in new export sales by 2015. The Port is a major supporter of the Washington Export Initiative because it drives job creation and economic recovery.

Washington state exporters depend on the network of businesses, seaport terminals and intermodal rail yards in SoDo. The Port is an important transportation link for agricultural and manufactured exports for Washington state. More than half of the exports shipped out of the Port are agricultural products, such as hay and apples. Manufacturers east of the Cascades also depend on the Port for convenient access to their markets in Asia and Europe. These companies include the SGL/BMW joint venture in Moses Lake; Wagstaff, Inc. in Spokane; the Caterpillar Group’s operations in Spokane; and Key Technology in Walla Walla.

In the past fifteen years, the Port and state and local governments have spent almost \$790 million to improve the state’s strategic freight corridors. These projects include the FAST Corridor projects, such as South Spokane Street, the East Marginal Way grade separation, the SR-519/Royal Brougham ramps, and the South Park Bridge. Additionally, since 1997, the Port has invested more than \$1.2 billion in harbor infrastructure, including terminal expansions and road and railroad improvements. The private sector has also invested in SoDo and the harbor. In July, SSA Marine announced the arrival of three new Super Post Panamax cranes to be installed at Terminal 18. These are the largest cranes in the Puget Sound region. Together with three Super Post Panamax cranes delivered earlier to Terminal 18, these six cranes represent an investment of \$54 million. These major public and private investments will be undermined by

another SoDo sports facility unless funding is also identified and made available to mitigate the transportation impacts.

The Port's Century Agenda is our strategic plan to add 100,000 new seaport, airport and tourism related jobs in the next 25 years to the existing 200,000 jobs dependent on the Port to bring the total number of these jobs to 300,000. Some of these jobs will come through growth in container operations by increasing throughput by 75% compared to 2012 volumes. This will benefit not just marine-related businesses, but the hundreds of businesses that rely on increased trade. Accommodating this growth will require both more strategic use of our land footprint and expanded operating hours. For example, marine cargo has grown 40% over the last ten years and doubled in value to \$3 billion annually. This has resulted in a 30% growth in marine jobs and a 143% growth of related state and local tax revenues.

The prospect of adding a third sports facility in the midst of that industrial-export nexus poses a problem for the movement of freight by creating bottlenecks in this area of statewide economic significance. The added congestion reduces our competitiveness. Further development pressures on these industrial lands increase the costs of doing business for Seattle's industrial and maritime companies. The Port and its customers rely on support activities in the industrial area, including warehouses, distribution centers, fulfillment processors, container and chassis maintenance, inspection and the rail yards. Their continued viability must be retained to support Seattle's and the region's economy.

Motion

The Commission believes additional study of this proposal is necessary, taking into account the concerns expressed by the Port, the Seattle City Planning Commission, the Washington State Transportation Commission, the Chairs and Ranking Members of both House and Senate Transportation Committees, BNSF Railway, the Manufacturing Industrial Council, the International Longshore and Warehouse Union, the Machinists Union, the Seattle Maritime Business Coalition, the Pacific Merchants Shipping Association, the Seattle Mariners, and others.

To this end, the Commission opposes the signing of binding commitments for the siting of a sports facility in the SoDo neighborhood prior to completing a full programmatic Environmental Impact Statement (EIS). The EIS needs to include the consideration of alternative sites, the types and cost of impacts on the maritime and industrial sectors and the identification and availability of funding to mitigate the impacts if a sports and entertainment facility is built in SoDo.