### Frequently Asked Questions Regarding the Port of Seattle's Proposed New Cruise Terminal

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#### 1. Why is the Port seeking to develop a new cruise terminal?

Over the past 20 years, Seattle has established itself as the hub for Alaska and Pacific Northwest cruises. The Port of Seattle's natural deep-water port makes Seattle an ideal location for Alaska's growing cruise industry. Seattle's spectacular setting and easy access to Seattle-Tacoma International Airport have made an Alaska cruise from Seattle a "bucket list" item for many.

In 2020, the Port expects 228 cruise vessel calls and more than one million passengers for the third consecutive year. With the expected growth of the global cruise industry and strong passenger demand for Alaska travel, the projected cruise demand cannot be accommodated at the Port's two existing terminals (Terminal 91 and Pier 66). A new terminal will support the Port Century Agenda goal to strengthen this region as a leading tourism destination and business gateway by doubling the economic value of cruise traffic to Washington state. A new cruise terminal would also support economic opportunities for the state, the region, and neighboring communities.

#### 2. How will the new cruise terminal benefit the surrounding community and region?

The Port of Seattle's cruise program benefits the <u>local economy</u>. Each vessel call supports an estimated \$4.2 million in <u>economic activity</u> for our region. <u>Cruise supports tourism</u>—the fourth largest economic sector in our state—through revenue to hotels, restaurants, attractions and tour operators. Local suppliers across the state, including florists, farmers, vineyards, and maritime industries have built strong businesses selling to cruise companies. In addition, Port programs such as the tourism marketing grant support program and economic development partnerships encourage cruise passengers to extend their stay in Seattle and Washington state, widening that economic activity even further.

Recognizing the importance of preserving existing maritime uses and the need for partnerships with local governments, tribes and communities, the Port Commission adopted a set of key <u>Cruise Business</u>

<u>Development Principles</u> to guide the development and operation of cruise terminals. The main principles are as follows:

- Maximize the use of the Port's deep-water facilities and industrial lands to serve maritime industrial uses
- Expand economic, cultural, and community benefits within cruise operations and development
- Support financial sustainability of the Port of Seattle
- Incorporate leading edge environmental stewardship and sustainability practices and facilities that can exceed existing regulations
- Facilitate improved transportation mobility of people and goods in the region
- Provide consistent excellence in customer service to strengthen Seattle's role as the West Coast's premier cruise port

### 3. Is there anything specific you envision for the Pioneer Square and Chinatown-International District neighborhoods? And anything specifically for local vendors?

The Port Commission's adopted <u>Cruise Business Development Principles</u> direct Port staff to incorporate the following community- and vendor-related goals into the development and operation of cruise terminals that: 1) support economic opportunities of cruise for neighboring and underserves communities, and 2) coordinate access to public spaces, downtown connectivity and other areas of interest with other stakeholders and public entities.

Strategies under these principles include: 1) promoting local, small, and women-, minority- and tribal-owned businesses; 2) supporting neighboring and local businesses' ability to benefit from cruise development; 3) respecting the integrity and character of the surrounding neighborhoods and 4) working to strengthen partnerships with near-port communities.

If the cruise facility is located at Terminal 46, the Port is committed to working closely throughout project development with the Pioneer Square and Chinatown International District neighborhoods as well as local vendors, to advance a collaborative vision.

#### 4. Where will the new cruise facility be located?

The preferred location for the proposed terminal is on 29 acres at the north end of Terminal 46, where King Street meets Alaskan Way (401 Alaskan Way, Seattle WA). Terminal 46 has historically been an active cargo terminal. The current plan for Terminal 46 is a flexible marine transportation facility which will serve a variety of maritime industrial uses.

### 5. Why is Terminal 46 the preferred site for a proposed new cruise terminal? What's happening with the current marine cargo business on Terminal 46?

The growing demand for Alaska, the Pacific Northwest, and West Coast cruises can no longer be met by the three existing berths. Terminal 91 and Pier 66 are currently at capacity on weekends and Terminal 91 is at capacity on Fridays. The addition of a fourth berth would allow the Port to meet demand for Seattle cruise services.

Terminals 25, 30 and 46 meet the space and berthing requirements for a cruise terminal, as well as the intent of the Port Commission adopted <u>Cruise Business Development Principles</u>. Terminal 46 is the preferred site because it is not within the East Waterway Harbor Island Superfund Site Cleanup, it is located closer to public transportation, and the site does not currently have a tenant.

With respect to the cargo business - the Northwest Seaport Alliance (NWSA) has released a Request for Proposals to identify a potential tenant for the south portion of the Terminal 46 property.

#### 6. Will the Port be discontinuing use of any of its current cruise terminals?

No, the Port of Seattle will continue to operate two berths at the <u>Smith Cove Cruise Terminal at Terminal</u> <u>91</u> and one berth at the <u>Bell Street Cruise Terminal at Pier 66</u>.

#### 7. How much will the new cruise facility cost?

Early estimates indicate the new cruise facility will cost approximately \$200 million. The Port of Seattle's current plan assumes the costs will be shared with a private partner with each party contributing approximately 50 percent. Final cost sharing will be negotiated prior to the Port entering into a long-term agreement with a selected partner. Project cost estimates will be updated at each major project milestone.

#### 8. When does the Port intend to open the new cruise terminal?

Pending completion of our environmental review currently anticipated in Q3/4 2020, partner negotiations, and Port of Seattle Commission approval, the new terminal would open for the 2023 cruise season.

#### 9. How will the terminal fit into the City of Seattle's new park and redeveloped waterfront?

The Port Commission's adopted <u>Cruise Business Development Principles</u> direct Port staff to incorporate community-related goals into the development and operation of cruise terminals, including coordination on access to public spaces, downtown connectivity and other areas of interest with other stakeholders and public entities.

If the cruise terminal is located at Terminal 46, the Port will work closely with the City of Seattle and other key partners to develop a facility that appropriately complements the new park and redeveloped waterfront to the north.

#### 10. How many ships are anticipated to be at the new terminal? What about passengers?

The proposed cruise terminal would only have one berth which means there would only be one ship at the facility at a time. It is too early in the project to know exactly how many ships will be present throughout the season, their size, and how many passengers. Weekend and Friday sailings are the current market demand, with potential for additional vessels in the future.

The Port is currently engaged in a competitive process to secure a partner in developing the terminal and is exploring a facility that would provide vessel capacity of at least 5,400 passengers. The environmental review will take a conservative approach and identify the maximum potential for the facility.

#### 11. What environmental benefits will be featured at the new cruise terminal?

The Port leads a long-standing cruise environmental program which sets protections for air and water quality. We intend for the same leading-edge practices to be utilized for this new terminal. At the new cruise facility, the Port will require that all homeport ships be shore power capable and connect to shore power while at berth starting in the first year of operation.

Ships must also comply with the Port's at-berth best management practices that ensure water quality is maintained while at berth. As of January 1, 2020, cruise ships at Port of Seattle berths are no longer permitted to discharge any wash water from exhaust gas cleaning systems (scrubbers). In addition, we are requesting the cruise terminal facility be at least LEED Gold certified (or equivalent nationally-recognized environmental certification) and incorporate sustainability features.

As laid out in the Port Commission adopted <u>Cruise Business Development Principles</u>, development of a new cruise terminal presents an opportunity for the Port to advance its world-class environmental stewardship and sustainability policies and practices that exceed existing regulations. It is anticipated this will allow cruise ships calling on Seattle to achieve the highest environmental standards.

Further details will become available in the future following negotiations with the cruise partner(s) and the release of the Environmental Impact Statement.

#### 12. What is shore power? Will ships plug into shore power? Will it be required?

Shore power allows a cruise ship to connect into an electrical power source for its energy needs and to eliminate emissions while at berth. The Port's early work in shore power has helped influence the installation of shore power in other ports over the last decade. In 2009, the new cruise terminal at Terminal 91 opened equipped with two shore power connections. In fact, this was the first homeport in the world to provide two vessel berths with shore power connections. The Port has also launched an effort to provide a shore power connection for cruise ships at Pier 66 as early as the 2022 cruise season.

In 2019, approximately 89 percent of shore power capable vessels plugged into shore power at Terminal 91. This resulted in a reduction of nearly 2,900 metric tons of CO<sub>2</sub> emissions which is equivalent to

7,000,000 miles driven in an average passenger car. For more information, <u>watch this video on shore</u> power on the Seattle waterfront.

At the proposed new cruise facility, the Port will require that all homeport ships be shore power capable and connect to shore power while at berth starting in the first year of operation. Homeport ships are those that begin and end their voyages in Seattle. While the number of homeport calls per season varies each year, historically about 90 to 95 percent of all cruise ship calls in Seattle are homeport ships.

#### 13. Does the Port require ships to use low sulfur fuel?

Since 2015, sulfur emissions in Puget Sound and all U.S. waters have been capped at 0.1 percent as part of the <u>North American Emissions Control Area</u> (ECA). This ECA limit is more stringent than global sulfur limits, which are capped at 0.5 percent. All ships calling on Port of Seattle, including cruise ships, must comply with this regulation.

To comply, ships may either use low sulfur fuels—commonly referred to as marine gas oil—or they may use higher sulfur fuels such as heavy fuel oil and an exhaust gas cleaning system (scrubber). Exhaust gas cleaning systems use a fresh or seawater spray inside the exhaust stack to remove sulfur from exhaust. These systems are an approved method to meet ECA requirements by the International Maritime Organization. As part of normal operations, some of these systems discharge closely monitored wash water back to sea, which is allowed under state, federal, and international law, as long as the wash water meets specific water quality parameters.

As of January 1, 2020, out of an abundance of caution and to aid in preservation of Puget Sound's sensitive marine environments, Port of Seattle prohibits all wash water discharges from cruise ships at berth. This prohibition also will apply to all cruise ships calling on the proposed berth at the new cruise terminal.

### 14. What is your response to climate change activists who argue that this cruise terminal/cruising will continue to negatively impact climate change?

The Port of Seattle has a long successful history of investing significantly in programs to protect and reduce impacts to air and water quality, address climate change and restore habitat. In preparation for the development of a new cruise berth, the Port Commission adopted <a href="Cruise Business Development">Cruise Business Development</a>
<a href="Principles">Principles</a> to grow the cruise industry while maintaining the Port's commitment to environmental and societal goals.

The Port is acutely aware of the urgency to address climate change and has set ambitious targets in alignment with the Paris Climate Agreement. Development of a new cruise terminal presents an opportunity for both the Port and a growing global cruise industry to maximize a variety of economic and other benefits while also minimizing climate impacts on every call. The Port seeks to demonstrate leadership in the global arena for a sustainable cruise industry and strive for cruise ships that call to follow the highest sustainability practices possible. The Port intends to fulfill its responsibility to address climate change through forward-looking environmental policy and agreements, significant investments in shoreside infrastructure like shore power, green building requirements at terminals, and a focus on energy efficiency and renewable energy in buildings, vehicles, and equipment.

We strongly encourage public and community input as the Port and its partner develop this project with strong environmental protections. The Port is currently undertaking environmental review of the proposed cruise terminal. The Port expects to release a Draft Environmental Impact Statement for public comment Q2 2020, which will provide information on potential environmental impacts.

#### 15. What will the Port do to minimize traffic impacts to the surrounding community?

The cruise terminal facility design will include vehicle queuing on the terminal property to minimize any impacts on Seattle streets.

According to the Port of Seattle's <a href="2019">2019</a> Alaska Cruise Passenger Survey, more than one third of Seattle's cruise passengers take a cruise line bus, airport shuttle, or hotel shuttle to the existing terminals. The Port will also seek opportunities to support innovative transportation solutions for passengers, terminal staff and cruise vessel provisions. In addition, the Port and its partner will seek vehicle trip reduction opportunities and provide options other than passenger vehicles for access to the terminal, such as encouraging use of Link light rail.

## 16. Will the pick-up and drop-off be on Alaskan Way? What about Uber and Lyft? What route will the cruise buses take from the airport?

The project is in too early of a planning stage to have developed these details. The Port is currently engaged in a competitive process to secure a partner in developing the terminal. Based on the Port Commission adopted <u>Cruise Business Development Principles</u>, the Port has been focused on sites such as Terminal 46 with sufficient space on-site for all traffic queuing, including Uber and Lyft. Therefore, currently we do not anticipate pick-up/drop-off on Alaskan Way or any other public streets.

# 17. Is there anything further you can share about the ongoing environmental review for this project? And what is currently being done to survey the terminal's impact on downtown traffic and Elliot Bay's water quality?

The Port released a statement of scoping for an Environmental Impact Statement on October 23, 2019. The scoping period allowed public, agency, and tribal comment on the scope of environmental analysis. The scoping period ended November 27, 2019. The Port expects to release the Draft Environmental Impact Statement (DEIS) Q2 2020. As with the scoping process, the Port will host several public meetings to outline the results of the DEIS, including project objectives, alternatives considered, elements of the environment covered by State Environmental Policy Act (SEPA – which include transportation and water quality), existing conditions, environmental impacts, and possible mitigation measures. Stay updated on the environmental review process and learn about the environmental review process by visiting <a href="https://T46cruise.participate.online">https://T46cruise.participate.online</a>. After SEPA environmental review, if the project is approved, we will be submitting for various permits. NEPA (National Environmental Policy Act) documentation, including Section 106 consultation, will be completed by the US Army Corps of Engineers as part of in-water work permitting.

#### 18. What were some of the comments or issues to arise from the scoping process?

The primary issues expressed during the scoping process related to:

- Air Quality, including Greenhouse Gas (GHG) Emissions
- Water Resources
- Environmental Justice

The Port will be publicly posting the scoping report and comments at https://T46cruise.participate.online.

#### 19. How did the Port conclude the need for a fourth berth?

Given the year-to-year growth occurring at each facility, there is insufficient cruise terminal berth capacity to meet long term demand.

- The Pier 66 Cruise Terminal was the Port of Seattle's first cruise terminal, a single berth facility, which began operations in 1999. The first year of operations, there were six vessels calls, totaling 6,615 passengers. In 2017, the passenger terminal was reconfigured to accommodate larger vessels. In 2019, Pier 66 accommodated over 410,000 passengers.
- The Smith Cove Cruise Facility at Terminal 91, which opened in April 2009, can accommodate two
  vessels simultaneously. In the last five years, it has accommodated seven to eight sailings per
  week, with several of those sailings in vessels of more than 3,000 passengers. In 2019, Terminal
  91 accommodated almost 800,000 passengers.

The Alaska Cruise Market is growing.

- According to a study by the Juneau Economic Development Council, cruise passenger volumes
  have been steadily increasing. Serving over one million passengers in 2016, cruise passenger
  volume grew six percent in 2017 and seven percent in 2018. The 2019 study projected a 15
  percent passenger increase in 2019 and an additional seven percent increase in 2020.
- Proven destination points in the Alaska cruise itineraries are investing in new infrastructure to meet the forecasted growth. Cruise lines are investing in new port of call facilities in Alaska.
   Victoria Harbor Port Authority is also expanding docking infrastructure to accommodate larger vessels.
- Seattle is in a prime position to capitalize on the ability to handle the new generation cruise ships. Seattle does not have any vessel height restriction due to channel obstructions (i.e., bridges), has deep water berthing, and has excellent passenger volume capacity at Seattle-Tacoma International Airport. Both Smith Cove and Pier 66 are at full capacity on the weekends, Saturday and Sunday. Smith Cove also is at full capacity on Fridays. The addition of a new cruise terminal to the cruise portfolio would allow the Port of Seattle to meet cruise demand projections.

#### 20. How does the Port of Seattle work with the Northwest Seaport Alliance?

The Northwest Seaport Alliance was established in 2015 as a joint venture between the ports of Seattle and Tacoma to cooperatively manage marine cargo operations in the Seattle and Tacoma harbors. The Port of Seattle leases some of its terminals to the Northwest Seaport Alliance (NWSA), which manages the properties for cargo operations. If sited at Terminal 46, the proposed development of a new cruise terminal facility would create a shared use flexible maritime facility, independently serving cargo and cruise along with other maritime uses. The NWSA and Port of Seattle have established an Interlocal agreement between the parties to ensure maximum utilization of the Terminal 46 facility, including potential development of the proposed new cruise terminal at the site. The NWSA would manage the cargo portion of the facility, and the Port of Seattle would manage the cruise terminal portion of the facility.

21. A <u>recent European study</u> showed that emissions from cruise ships were a significant source of emissions compared to cars. Will cruise ships have the same impact in Seattle?

No. The rules, agreements, and environmental programs within Unites States waters and at Port of Seattle specifically, are significantly different from the requirements applicable to most European cruise ports. The European study is not directly relevant to Port of Seattle cruise ports. Air emissions from ships calling on Port of Seattle are much lower for several important reasons:

- First, since 2015, all North American waters are covered under the North American Emissions Control Area (ECA), which limits sulfur emissions from ships to 0.10 percent. Due to this International Maritime Organization regulation and other actions by ports and industry, the North American ECA is expected to reduce air pollution by 920,000 metric tons annually—86 percent below predicted levels in 2020 absent the ECA. In the Pacific Northwest's major ports (Seattle, Tacoma, Northwest Seaport Alliance, and Vancouver-Fraser BC) we have seen an 80 percent reduction in diesel particulate matter between 2005 and 2016, and a 17 percent reduction in GHG emissions between 2005 and 2016.
- In comparison, Europe does not have a comprehensive emissions control area. The European ECA only covers ships sailing in the Baltic Sea, the North Sea, and the English Channel. Outside of these areas, prior to January 1, 2020, ships were allowed to use all types of fuel underway and at berth, including high sulfur bunker fuels. Therefore, emissions from ships in Europe are not equivalent to emissions from ships in the Pacific Northwest. As of January 1, 2020, globally ships must now abide by a 0.5 percent sulfur limit. The global limit is still higher than the US ECA limit of 0.1 percent sulfur.
- Seattle has long been a global leader in providing ships with shore power connections and is planning to provide new shore power at its Bell Harbor cruise berth by 2022 and at the new proposed cruise terminal by 2023. Shore power is the Port's best opportunity to eliminate local air pollution from ships at berth, and significantly reduce the climate impacts from the ships that come to Port of Seattle. For instance, at its two shore power berths in 2019, 89 percent of shore power capable ships connected for the duration of their time at berth and eliminated about 2,900 tons of carbon dioxide (CO2), the equivalent to 616 cars driven for one year. Those connections also avoided emitting an average of 1,400 kilograms of nitrogen oxide (NOx) emissions per call—the equivalent produced by 175 passenger cars driven for one year; and avoided 20 kilograms of exhaust particulates per call—equivalent to 60 passenger cars driven for one year. In addition to providing shore power at all cruise berths, the Port has set a long-term goal to achieve a 100 percent connection rate.
- In Europe, shore power availability and use remain very limited at cruise ports. According to
  Cruise Lines International Association, shore power connections are only currently available in
  two ports in all of Europe (Hamburg, Germany and Kristiansand, Norway), although many ports
  plan to install infrastructure in coming years. What this means is that most cruise ships that call
  in Europe are not able to shut down their engines while at berth.
- The Port's efforts to address climate change and improve air quality are not limited to just cruise ships. Robust and longstanding partnerships with other ports, industry, and regulators under the Northwest Ports Clean Air Strategy have already demonstrated significant results toward reducing emissions from ships, trucks, cargo handling equipment, and harbor craft. At the Port of Seattle, diesel particulate emission have been reduced 80 percent and greenhouse gas emissions have been reduced 17 percent since 2005.