

**RESOLUTION NO. 3095, As Amended**

**A RESOLUTION** of the Port Commission of the Port of Seattle amending the Harbor Development Strategy for Port Marine Cargo Facilities (the "HDS").

**WHEREAS**, the Port of Seattle (the "Port") Commission on August 12, 1986, by resolution, adopted the HDS as a flexible, long-term guide for the physical development of marine cargo facilities on Elliott Bay and its connecting waterways in order to make efficient use of a limited waterfront land base, meet severe inter-port competition, respond to rapid changes in business environment, provide for timely expansion of marine cargo capacity, and keep the public fully informed as to Port development intentions;

**WHEREAS**, the technical basis, findings and policies of the HDS are to be subject to periodic review and revision in order to respond to changing conditions;

**WHEREAS**, in 1991 Port staff prepared a resource and background document called the Container Terminal Development Plan, which includes, among other elements, a container cargo forecast, an assessment of container facility needs, an identification of project locations, and preliminary project cost estimates, so as to provide a more current, comprehensive, and flexible guide to container facility development to be used by Port staff and Commission as an aid to evaluating individual container facility project proposals;

**WHEREAS**, the findings of the Container Terminal Development Plan provide the analytical and informational bases for amending the Harbor Development Strategy as indicated herein;

**WHEREAS**, because container terminals are the Port's most visible and largest marine cargo facilities in terms of value of asset, size of land base and magnitude of economic and environmental impacts, and because the container shipping industry is characterized by rapidly changing business conditions, it is now desirable to put forth amendments to the HDS pertaining only to container terminal development;

**WHEREAS**, these amendments further the strategic objectives of the HDS policy directives to meet projected container shipping service demands by establishing an updated acreage need assessment and a more specific priority for intermodal rail and other terminal efficiency improvements, land acquisition and redevelopment for container terminal use;

**WHEREAS**, with respect to the potential environmental impacts associated with the Container Terminal Development Plan and related amendments to the HDS, the Port made a Determination of Significance, prepared a nonproject Environmental Impact Statement (EIS), and solicited public comment on the EIS and has incorporated environmental planning guidelines as part of the Container Terminal Development Plan;

**WHEREAS**, the Port provided a number of opportunities for public involvement in the preparation of the Container Terminal Development Plan which serves as the basis for these HDS amendments;

**WHEREAS**, because the Port Commission in 1989 adopted a Port Mission and Goals Statement, which in 1990 was made a part of the Port's official Purposes and Objectives, and which provides the overall strategic direction for Port activities, the Mission and Goals Statement shall be made part of the HDS in addition to the statement of the Port's basic purposes and objectives;

**WHEREAS**, an updated acreage needs assessment to the year 2010 has been made, based on a recent forecast of container trade through Puget Sound, which shall replace the original acreage needs assessment contained in the HDS;

**WHEREAS**, the HDS provision pertaining to the need for a new bridge shall be stricken because a new low-level Spokane Street bridge over the Duwamish waterway has been built;

**WHEREAS**, because the Container Terminal Development Plan is market-driven, the list of factors to be considered in development decision-making shall be expanded to include expected market share and customer needs as they relate to project scope and timing;

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**WHEREAS**, because the land banking provision in the HDS may be construed to discourage land acquisition necessary to implement the HDS and Container Terminal Development Plan, thereby limiting the Port's ability to achieve its primary mission and goals, it therefore shall be replaced with language recognizing the Ports need to acquire property for foreseeable business uses or property of unique value for Port uses;

**WHEREAS**, because the HDS contains a general priority of locations (by harbor area) for container facility development, which needs to be updated and more specific, a new priority of container terminal development sites based on the Container Terminal Development Plan Map shall replace the existing priority list;

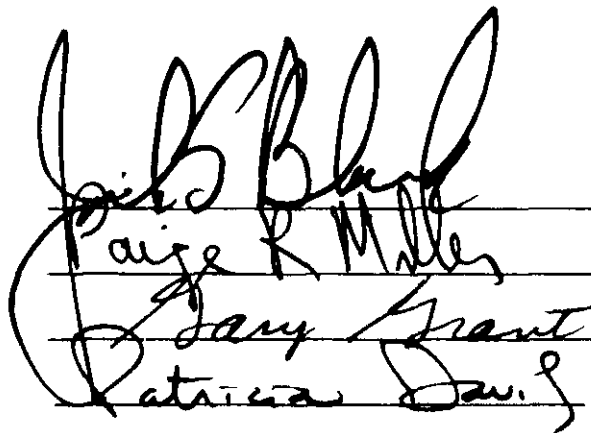
**WHEREAS**, in light of the increasing importance of fast and efficient intermodal rail transfer capability as a competitive factor, a provision encouraging intermodal transfer facilities shall be added to the HDS;

**WHEREAS**, in 1989 the Port Commission adopted a policy pertaining to container terminal development at Terminal 91, that policy shall be made a part of the HDS;

**NOW, THEREFORE**, be it resolved by the Port Commission of the Port of Seattle that the Harbor Development Strategy for Port Marine Cargo Facilities shall be amended as indicated in Exhibit "A," which is attached hereto and by this reference incorporated herein. The Container Terminal Development Plan, as may be updated from time to time, shall be used as a flexible guide and resource document to assist in the implementation of the amended HDS.

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ADOPTED by the Port Commission of the Port of Seattle this 12th day of November, 1991, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the seal of the Commission duly affixed.

  
Bill Blair  
Paige R. Miller  
Gary Grant  
Patricia Davis

Port Commission

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# Exhibit A to Resolution No. 3095, as Amended

## HARBOR DEVELOPMENT STRATEGY FOR PORT MARINE CARGO FACILITIES, AS AMENDED

### I. BACKGROUND

#### A. Purpose and Scope of Harbor Development Strategy

1. The Harbor Development Strategy effort was conducted within the context of existing Port of Seattle powers and Commission-adopted Purposes and Objectives (see I.B. below).
2. The strategy is intended as a set of flexible policies to guide Port decisions on the nature and timing of marine facilities development and on associated questions of land acquisition, navigational improvements, facility utilization and community impact.
3. These policies are structured so development decisions can be made in response to rapidly changing market conditions.
4. The scope includes Port marine cargo terminal and support facilities and excludes airport, marina and other commercial or industrial developments.
5. Study boundary includes all maritime industrial areas on Elliott Bay and its southern waterways as far as First Avenue South. Excludes the Central Waterfront and the Ship Canal as not suitable for substantial marine cargo terminal development.
6. Strategy considers all aspects--cargoes, market demand, land availability, navigability, inland connections, capacity, productivity, technology, costs, pricing, economic impact, environmental constraints, and others--of marine facility development over a 15-year time horizon.

#### B. Basic Port of Seattle Purposes and Powers (harbor only)\*

1. State legislation grants the Port broad powers to develop, promote and operate marine terminals and other transportation improvements, to acquire property through purchase or condemnation, and to levy property taxes and issue bonds.
2. The Port of Seattle's primary mission is to be a leader in providing services and facilities to accommodate the transportation of cargo and passengers by air, water, and land, and to provide a home for the fishing industry, to foster regional economic vitality and a quality life for King County citizens.

\* Please refer to Port of Seattle Purposes and Objectives (revised November 1990 by the Seattle Port Commission) for complete statement of Port purposes and powers.

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The Port will also pursue other opportunities if they enhance its ability to achieve its primary mission or if they preserve scarce land resources--marine or aviation--of unique value for Port uses.

In accomplishing its goals, the Port will work as a partner with other public and private entities. The intent is to complement, rather than duplicate or compete with, the functions of general purpose governments or the private sector.

The Commission has set the basic objective of the Port as "the development of an increasing flow of commerce into, out of and through the District, with the aim of broadening and strengthening the economic base of the District while working within the constraints of good environmental planning." To accomplish this objective, the Port is to "develop, maintain and operate adequate transportation facilities for water transportation within the Port district."

## II. HARBOR DEVELOPMENT FINDINGS AND STRATEGY

### A. Findings

These attempt to summarize briefly the main factual findings from Phase II (Inventory and Analysis) of the Harbor Development Strategy effort. It is based upon these findings that the strategy to guide future development was based.

1. Growth is forecast for all current major cargoes over the next 15 years, with the exception of breakbulk fruit exports. No new major cargo opportunities were identified.
2. Adequate marine facility capacity exists to handle all current cargoes up to the year 2000, except for containers and possibly barge cargoes.
3. Given that container cargo forecasts cover a broad range, no single estimate of container terminal space need in the year 2010 can be relied upon. The potential need for additional space ranges from 350 acres to as much as 500 acres. The space need may be reduced somewhat if the Port market share declines or if resources are effectively devoted to increasing terminal utilization and productivity. Cooperative container terminal development with other Puget Sound port districts may also be explored as a means of meeting market demand.
4. Expansion of container facilities in outer (non-Duwamish) harbor areas will increase pressure for displacement of non-container cargo terminal capacity.
5. Large blocks of land in the Southwest Harbor and on Harbor Island currently support activities providing substantial employment or cargo activities impractical to relocate, although the continuation of such employment is subject to rapid change.

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6. Major navigational improvements would not enable container terminal development for oceangoing ships south of Spokane Street and would not substantially increase potential for general cargo handling either. Duwamish marine facilities will continue to be useful for several types of cargo vessels (barge, container barge, breakbulk, steel, bulk) with or without navigation improvements.
7. Container terminal development costs vary over such a broad range (from \$0.4 to \$1.9 million per acre) that financial considerations must play a major role in decisions on location of future container development.
8. Economic (employment) impacts of cargoes vary widely, ranging from the maximum direct jobs per acre from containers to the minimum from autos, and must be weighed along with development cost and other factors in facility decisions.
9. With regard to container terminal development at Terminal 91:
  - a. A large container yard is infeasible. A large container terminal utilizing area north of the Garfield Street viaduct for container yard is not feasible due to noise impacts. (However, it may be feasible to locate an intermodal yard north of the viaduct to support a container yard south of the viaduct.)
  - b. A small container yard would have unacceptable impacts under current conditions. The technical studies indicate that a fully dedicated container terminal with a container yard south of the Garfield Street viaduct, utilizing current technology and transshipment methods (as analyzed in the preliminary assessment), would likely have unacceptable noise impacts on the nearby neighborhoods. This finding, however, does not pertain to the occasional loading of containers as an incidental part of other cargo movements.
  - c. Future changes are possible. Future changes in equipment technology, mitigation techniques and/or methods of operation (beyond those identified in the preliminary assessment) could possibly reduce the potential environmental impact of a container facility south of the viaduct on the nearby neighborhoods.
  - d. Future demand for additional container terminal likely. Based on current projections (and also on possible future changes in international cargo-handling routes) the Port will need additional container terminal space to meet demand in the post-2000 era. If Terminal 91 is not available for container use in the future, the Port will need to look to other possible facilities to meet the needs of our customers.

- 10. Environmental, community and road/rail transportation concerns also vary widely for different container terminal development locations and must play a major role in development location and timing decisions.
- 11. If a regional port becomes a reality, a broader range of marine facility use and development alternatives would be created, leading to a different "harbors" development strategy.

B. Strategy

1. Development Decision Process

- a. Implement a financially supportable program of marine terminal facility developments adequate to handle expected cargo volumes and to provide sufficient additional capacity for increasing market share of selected cargoes. Make decisions on facilities development project scope and timing after careful assessment of such factors as development costs, current cargo forecasts, expected market share, customer needs, terminal capacity, utilization/productivity improvements, land availability, environmental considerations, consistency with the Harbor Development Strategy and other factors.
- b. Apply cost/benefit analysis to all major acquisition, development and lease proposals for marine facilities. Recognize that Port economic contributions are both direct and indirect and that Port success cannot be measured simply as profit or loss. Define a cost/benefit method to help determine the most efficient use of available resources relative to all of King County.

Include in such cost/benefit analysis at least the following elements:

Cost: Direct development costs, such as land acquisition, construction, and environmental impacts.

Loss of existing uses, jobs and other tax base impacts.

Benefit: Increased employment and/or tax base in King County.

Net income to the Port.

Improved environment or amenities.

Enhanced development potential.

- c. Recognizing the substantial (3-5+ years) terminal development time frame, begin planning for terminals well before their anticipated use.

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- d. Recognize the importance of cooperative planning efforts in early stages of development projects, especially those with potential high levels of citizen interest and concern. Make resolving problems through negotiation rather than litigation a goal wherever possible.
- e. Make yearly staff reassessments of this strategy and progress reports on related efforts, and report to the Commission no later than end of second quarter of each year. Periodically seek broader industry/citizen review through an HDAC-type committee appointed by the Commission.

2. Cargo Market

- a. Pursue a development strategy designed to support an increase in the Port's market share of West coast container traffic.
- b. Subject to 2.a. above, continue role as full service Port by maintaining or increasing market share of selected non-container cargoes.
- c. Where land or other resource limitations require choices between cargoes, give priority to cargoes with higher employment impact and financial returns per unit of investment (land or capital).

3. Property Acquisition

- a. Acquire land which will be needed to support foreseeable Port uses. In light of changing real estate market conditions and land use patterns, it may be necessary to acquire land well in advance of development in order to preserve scarce land resources of unique value for Port uses. In such instances, possible interim uses as well as long-term uses of the property will be identified. Any acquisitions must be consistent with the Port Mission and Goals Statement, and should conform with long-term development or business plans and strategies.
- b. Other factors being equal, develop marine facilities on currently-owned Port properties prior to acquiring additional land.
- c. Give property contiguous to existing Port property higher priority for acquisition because of potential operating efficiencies and capital cost savings. Increase that priority when the adjacent property is necessary to expand marine facilities to an efficient scale of operations.
- d. Give property inland of existing container terminals higher priority for acquisition, provided any intervening roads, railroads or utilities and be relocated to allow incorporation of the property into the terminal.

- e. Place low priority for acquisition on blocks of land providing substantial employment or supporting existing cargo activities which are impractical to relocate.

4. Marine Facilities development

General

- a. Give highest priority for development of deep-water Port property (including the Duwamish) to marine cargo and water-related uses. Give lower priority to other uses which are not water-related.
- b. Prepare groundwork for development of sufficient container terminal space to handle maximum forecasted container cargo volumes, but maintain a flexible development schedule which implements facility project only as market demand requires it. Base decisions as to size and location of container facilities on updated medium-term forecasts (3-5 years) and market conditions, recognizing approximate five-year lead time needed to have new container facilities on-line.
- c. Take an active role in improving terminal capacity and utilization through all feasible means, including pricing policies, labor productivity programs, facility/equipment investments in conjunction with terminal operators and other harbor-related businesses, and Port investments in research and development on potential improvements in container terminal productivity.
- d. The general priority of locations for container terminal expansion is indicated on the Container Terminal Development Plan map attached as Figure 1\*, and incorporated by reference herein.
- e. Maintain existing non-containerized cargo facilities until a need for additional container space requires their conversion.
- f. Link existing container yards together wherever possible to increase potential for efficient space utilization.
- g. In light of the increasing industry usage of rail service for long-haul movements of containers, and the great importance of this intermodal cargo market to the Port of Seattle, all plans for further container terminal development will consider the provision of modern facilities for the transfer of containers between container yard and rail car. Such facilities will include, but are not limited to: on-dock intermodal rail yards; dedicated roadways or

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\*Included as Figure 6 in the text of the Plan.

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other means of speeding the conveyance of containers between container yard and railhead; equipment for the loading and unloading of containers to and from rail cars; and, automated equipment identification or other means of expediting the transfer of containers between ocean carrier and rail carrier.

#### Duwamish Waterway

- h. Discontinue financial support for widening and deepening the Duwamish, but retain that project as a possible option for future navigational improvement and continue full support for maintenance dredging.
- i. Provided the level of required Port financial contribution is only minimally more than current commitments, support the new low level bridge as a means to reduce existing hazards, open for widening and deepening at some future time. Further Port financial participation at any level should be contingent upon the City's agreement to share equally with the Port all costs of future improvements required in the event the channel is widened and deepened.
- j. With or without major navigational improvements, remove the Duwamish from consideration as a feasible location for container terminals serving oceangoing ships or for new auto import terminals.
- k. Use the Duwamish as the principal area for accommodating all types of barges and those non-containerized cargo vessels which can safely and economically use the existing channels (including breakbulk, chill, bulk and some steel vessels).
- l. Use the Duwamish as a relocation area, if needed and feasible, for uses displaced from the outer harbor by container or other cargo terminal developments (although such uses will be maintained in the outer harbor as long as possible).
- m. Concentrate marine facility development and any associated land acquisition north of the First Avenue South bridge.

#### Southeast Harbor/Harbor Island/Southwest Harbor Areas

- n. (See 3. - Property Acquisition and 4 - General.)

#### North Harbor (Terminal 91)

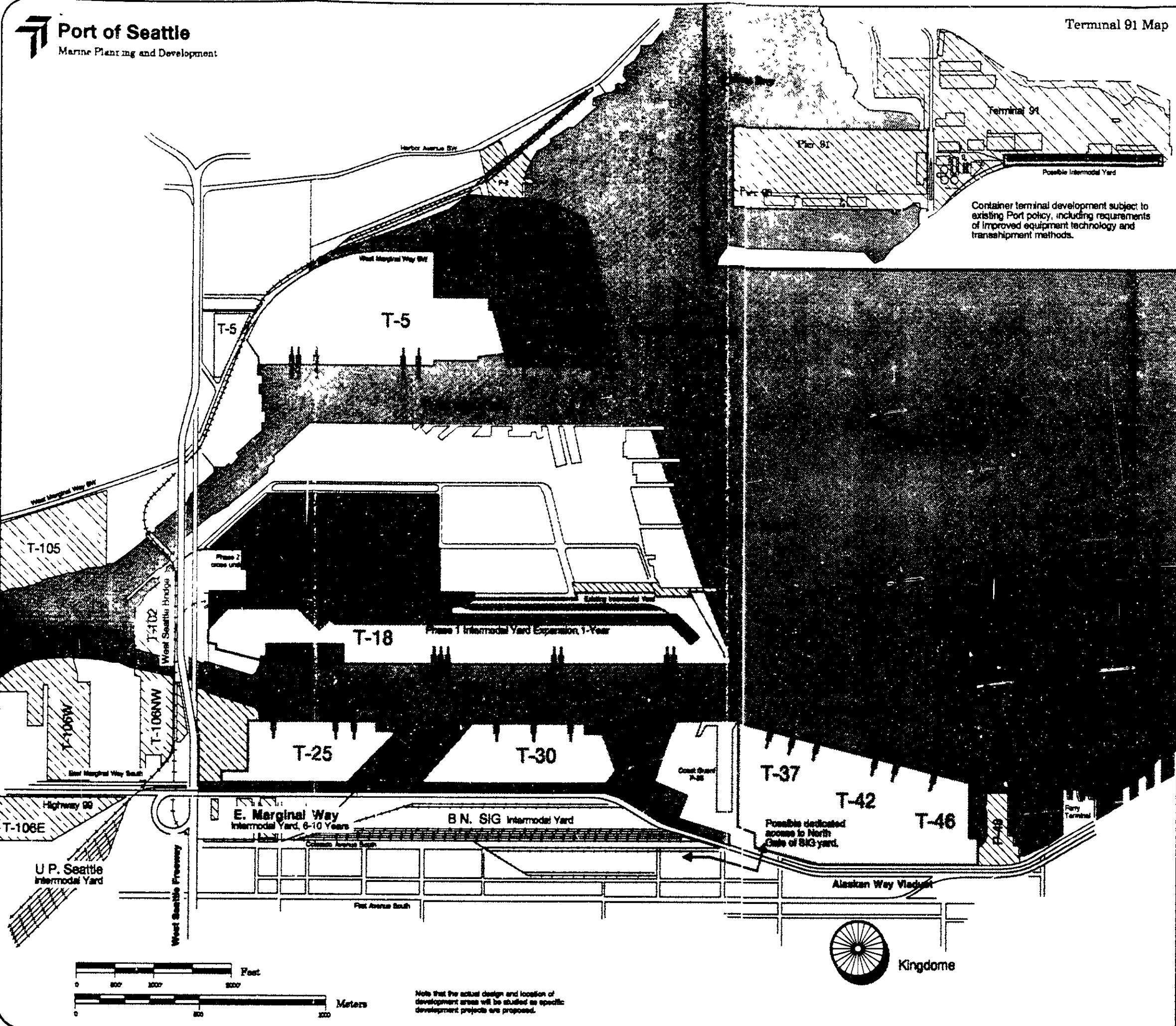
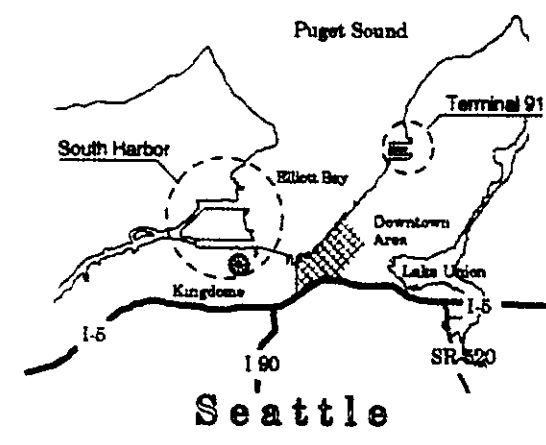
- o. Develop T-91 as a first class, modern cargo handling facility.

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With Regard to Container Terminal Development at Terminal 91:

- p. (1) Eliminate from further consideration, planning, or study any container terminal that would use the area north of the Garfield Street viaduct for container yard. Proceed to develop other plans for alternative uses for this area.
- (2) Eliminate from consideration the development of a fully dedicated container terminal south of the Garfield Street viaduct based on the equipment technology and transshipment methods currently in use and analyzed in the preliminary assessment.
- (3) Recognizing that future changes in technology and operations may substantially decrease the impact of a container facility on the nearby residential communities, proceed to:
- a. Plan for the near-term development of those uses that would be compatible with future major cargo development; and
  - b. Develop, as part of the Marine Division business planning process, a proposal for other long-term uses of Terminal 91, including, but not limited to, (1) those which might involve the occasional loading of containers incidental to other cargo movements, and (2) those which could be compatible with the use of this area for a container terminal at some future time as such a terminal's impacts can be adequately mitigated.
- (4) Recognizing that the Terminal 91 Shortfill Agreement remains in effect, continue to work with the Neighbors Advisory Committee in planning for near-term uses of Terminal 91 and on any future study of the feasibility of a new type of container terminal.

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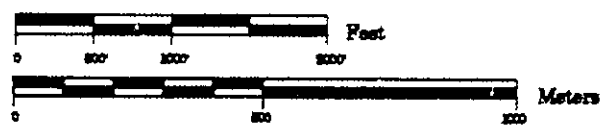


Container terminal development subject to existing Port policy, including requirements of improved equipment technology and transshipment methods.

**Port of Seattle**

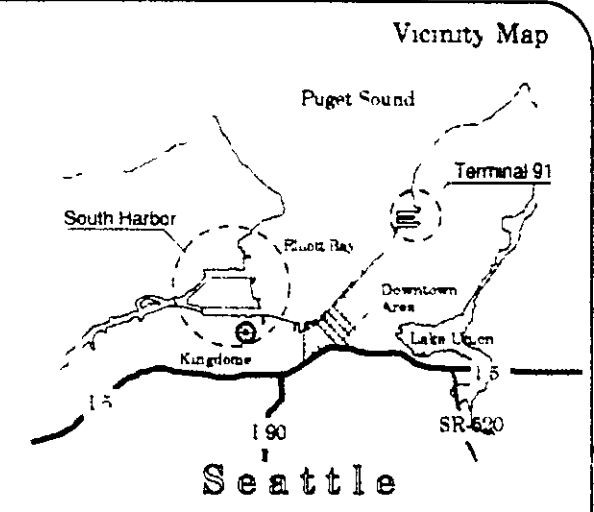
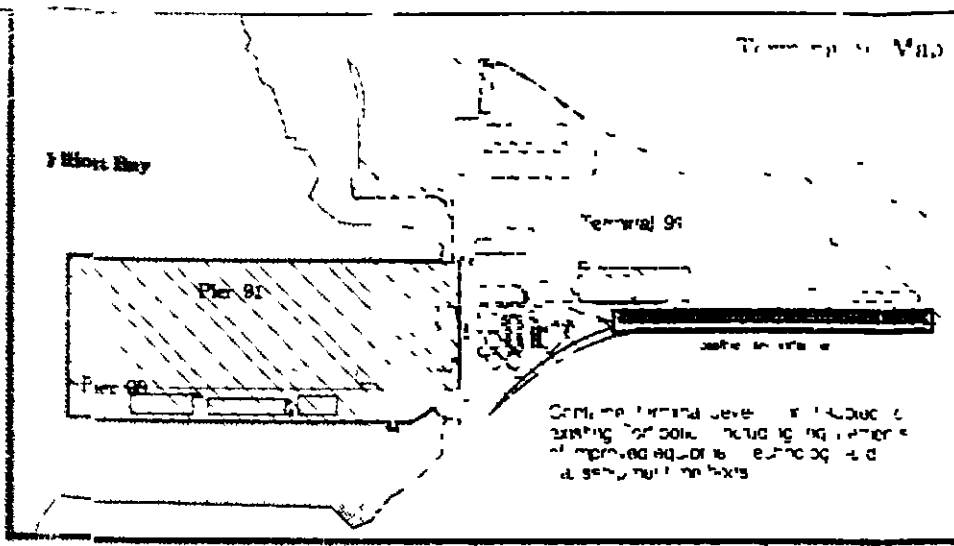
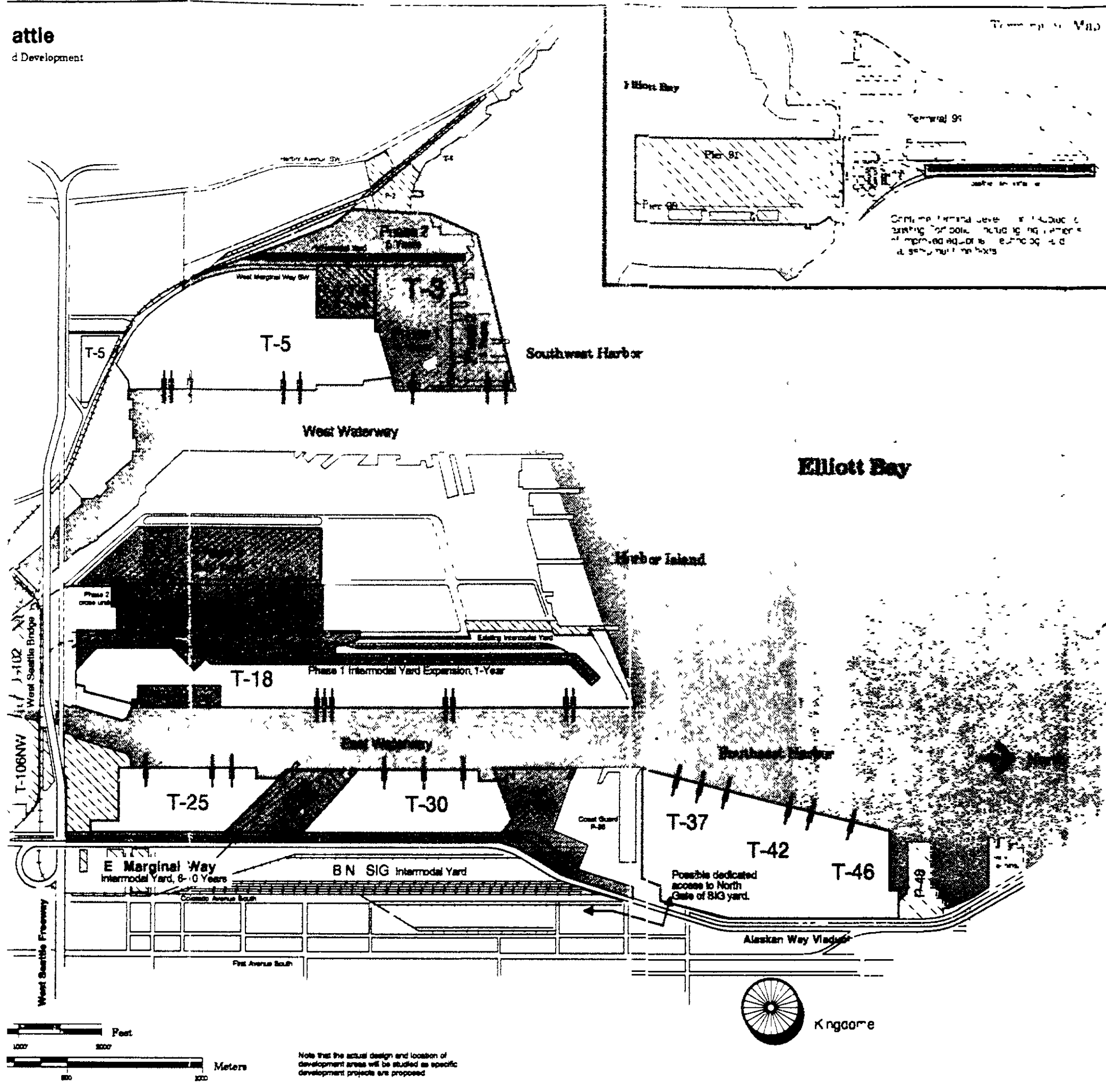
**Container Terminal Development Plan**

- Existing Container Terminal (Does not necessarily indicate title) **345 Acres (148 Hectares)**
  - Development by Year 2000 (Does not necessarily indicate title)
  - Possible Development Areas Beyond Year 2000 **400 Acres (162 Hectares)**
- Subject to property availability; discontinuation or relocation of uses; existing Port policy at T-61, and other factors.
- Port Property Outside Existing Container Terminal



Note that the actual design and location of development areas will be studied as specific development projects are proposed.

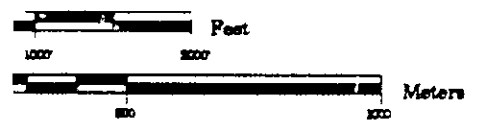
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**Figure 1 of MS**

# Port of Seattle Container Terminal Development Plan

- Existing Container Terminal (Does not necessarily indicate fill) 345 Acres (140 Hectares)
- Development by Year 2000 (Does not necessarily indicate fill) 400 Acres (162 Hectares)
- Possible Development Areas Beyond Year 2000 400 Acres (162 Hectares)
- Subject to property availability, discontinuation or relocation of uses, existing Port policy at T-91 and other factors
- Port Property Outside Existing Container Terminal



Note that the actual design and location of development areas will be studied as specific development projects are proposed