



COMMISSION
AGENDA MEMORANDUM

Item No. 7a

BRIEFING ITEM

Date of Meeting October 25, 2016

DATE: October 25, 2016
TO: Ted Fick, Chief Executive Officer
FROM: Dave McFadden, Managing Director, Economic Development Division
Jeffrey Utterback, Director of Real Estate & Economic Development
SUBJECT: Real Estate Strategic Plan

EXECUTIVE SUMMARY

The Port's Real Estate Strategic Plan provides a road map to advance the Century Agenda, create middle class jobs and ensure that everyone shares in the region's economic prosperity.

King County is the 12th fastest growing large county in the country. The Puget Sound Regional Council projects that over the next 30 years, King County will add 300,000 residents and 600,000 new jobs. Fostering diverse economic growth requires a land base that can accommodate a wide range of uses, including industrial lands where employers manufacture and store goods within an ever evolving global supply chain.

The Port of Seattle owns approximately 4,000 acres of real estate in King County. Of the total holdings, nine properties totaling 123 acres have the potential for redevelopment. The Port can also use its statutory powers and financial capacity to acquire or control new properties that can drive economic prosperity throughout King County. Initial estimates suggest that Port real estate development activities can drive creation of 14,000+ jobs over the next ten years.

BACKGROUND

In February 2016, the Port engaged a team of consultants to work collaboratively with the Economic Development Division to create a Real Estate Strategic Plan to serve as a roadmap for allocating resources and making decisions associated with the Port's current and future real estate portfolio within the context of implementing the Century Agenda. Over the last 9 months, the multi-departmental Port Real Estate Team and consultant team prepared analyses, convened workshops and engaged an external Advisory Committee of industry representatives to formulate the plan.

Today's focus is on:

Real Estate Development Portfolio

- North Bay (T91 Uplands and Piers 90/91)

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- South Bay (CEM, P2 & T106)
- North SeaTac (55-Acre, 13-Acre, L shaped site)

Real Estate Acquisition Program

- Purpose/Intent
- Property Identification & Evaluation
- Target Submarkets

In addition to specific near, mid and long-term actions for each asset, the Real Estate Strategic Plan forecasts the financial and economic development impacts of implementation and identifies four guiding principles for managing port real estate:

1. Focus on middle class jobs creation through industrial development
2. Invest in key outcomes (Century Agenda)
3. Anticipate change
4. Take a balanced portfolio approach
 - maximize potential of every underdeveloped asset
 - measure financial and job output at the portfolio level
 - invest in key infrastructure (e.g. T-91)

Implementation of the Real Estate Strategic Plan will involve:

1. Building momentum by ground leasing “ready to go” sites.
2. Finalizing finance plan to support Real Estate Plan implementation
 - Determine whether sale of Port assets can support real estate development
3. Prioritizing acquisition targets
4. Educating stakeholders about real estate development aspirations and activities

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides
- (2) Real Estate Strategic Plan

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

Previous Commission Briefing include:

- August 9th 2016 Study Session
- July 26th, 2016 Study Session
- May 23rd 2016 Commission Retreat
- March 8th 2016 Commission Meeting