Port of Tacoma
Developing Partnerships
Feb 27, 2008
AAPA
Partnerships in Planning and Development
Guiding Principles

Help our Current Customers Grow

Prepare for the Future

Be a Good Neighbor
Port Governance

- In 1911, the state legislature authorized the Port District Act, allowing citizens to create port districts. Since that time, our state has grown to be the most trade-dependent in the union. And that trade activity is responsible for one in every four jobs in Washington.

- Ports in Washington are governed by local county-wide elected boards, separate from city or county governmental agencies.

- Ports bring economic development - investment and jobs - to their communities.
• “Industry Only” Zone

• Reduced traffic congestion on rails and roads.

• Reduced Emissions

• Reduced Population Density

• Actively Worked to secure a Buffer Zone between Residential and Industrial uses
Good Neighbor Initiatives
The Industrial Past on Tideflats

- Shipbuilding activities
- Heavy Industrial
The Early Years
Re-development

1960’s Port
Dredged Blair
Waterway

1 mile and
created 1600
acres of
Industrial
Lands with
Dredge
Materials
Re-development
Philosophy

We believe our Port growth is in harmony with environmental protection.

Ships travel and salmon swim in the same waterways.
Over the last 20 years, the Port has invested $162 USD million to:
- Clean up Tacoma Tideflats
- Develop mitigation sites
- Brownfield conversion, Kaiser project
- Terminal densification
Land

Brownfield Conversion

Former Kaiser Aluminum Smelter

Before

After
Materials recycled from the former Kaiser Aluminum Smelter

- Aluminum: 2,680 tons
- Steel: 11,000 tons
- Copper: 860 tons
- Carbon: 4,530 tons
- Alumina ore: 8,200 tons
- Transformer oil: 473,000 liters
Land

Create Critical Habitats
Future Growth and Air Quality: poor on cold foggy days due to woodstove use
Help our Customers Grow
Inland Strategy

Recognizing the different needs of each Business Unit

A Sustainable Business Unit that provides Internal and External Customers a Seamless Solution to the North America marketplace – “An Expressway to your customers’ door”
Projected Port Freight Demand

Volume of trade 2004 (actual) v. 2020 (unconstrained)*

* Forecast figures are based on an unconstrained 10-year linear regression, and do not reflect the expected capacity of each port in 2020.
What we know

• China Continues to Grow
• Shipping Lines are asking about our ability to take more intermodal cargo
• Shippers are looking for alternative supply chains to get their cargo to market
• Pacific Northwest (PNW) is being sold as an alternative to PSW for Chicago Traffic
• Ships are getting BIGGER
6800 TEU Ship in Tacoma
How Big?

Today’s Mega Ships - Measuring Up

Eiffel Tower – 990 feet

Regina Maersk – 1043 Ft, 140 Ft wide, 6000+ TEUs
The New Mega-vessel
Comparative Carrying Capacity

10,000 TEU Vessel
85% Discharge / Load
50% Local/ 50% Intermodal

1 10,000 TEU Container Ship

18 8,000 Foot Double-Stack Trains (27 Miles) (50 Acres)

5,800 Trucks (60 Miles) (95 Acres)

DISCHARGE OR LOAD ONLY!
Impacts to Infrastructure

• Container Yards-
  – Land availability (current productivity 4500-8000 TEUs per acre)
  – Productivity (first train out within 4 hours of vessel berthing)

• Road Infrastructure (City, State and Federal)

• Tideflats Rail Capacity (land availability)

• Mainline Rail Capacity (BNSF and UP)

• Environmental Capacity (????)
Challenges

• Growth is uneven year to year
• Infrastructure takes up to 10 years to build
• Who should pay for the infrastructure?
• Who truly benefits from the infrastructure?
• Funding is always an issue
2M TEU
6M Intermodal Lifts
600 Acres
Port of Tacoma Partnerships
Maximizing Economic Opportunity
In 1989, President George H. W. Bush signed into law the “Puyallup Tribal Indians Settlement Act of 1989”.
In 1997, the Blair Bridge was removed, unlocking the full development potential of Tribal and Port land on the upper Blair Waterway.
In 1990’s Port and Tribe prepared a joint proposal for Auto Facility
Port and Tribe cooperation

Opening of Evergreen Terminal

• Coordination on Alexander Avenue Vacation

• Relocation of Tribal gaming activities from the Blair Waterway to the current location on I-5
Port and Tribe cooperation

Joint Mitigation Sites
Expansion of Gog-le-hi-te
Re-development for NYK
Stakeholder Outreach

• Transparency of Decisions
  – Web streaming Meetings
  – Public Friendly Public Comment Format
  – Freedom of Information Act
  – Open Meetings Act

• Public Awareness
  – Open Houses
  – Commission Work sessions
  – Editorial Boards

• Communication of Future Plans
  – Local Communities
  – Local Cities
  – Community Groups
The Local Community Issues

• Good Neighbor Policy-Environmentally Friendly Growth
  – Noise
  – Lights
  – Emissions

• How to Balance Economic Development for Region vs. Individual?
  – Eminent Domain Authority
Growth with Care

Environmental Provisions:
Promote “Environmentally Conscientious Practices”

Goal: Maintain the most environmentally conscientious practices by using **best management practices** and **latest technology**.

- Explicitly acknowledges benefits of **stewardship practices** and **emphasizes mutual commitment**.

- Practices to be **reviewed and updated every 3 years** during the lease term.
Initial Agreement on Environmental Practices:

**Renewable Power:**
- Maximize renewable energy use and electric powered equipment

**Clean Fuel, Clean Engines:**
- **Terminal**: ULSD/biodiesel, LNG, and Electric; Best Engine Technology
- **Vessels**: Fuel Switching & Emission Control Technologies

**Compliance with Port-Established Standards:**
- Port-administered municipal stormwater permit program
- Hazardous waste management and reporting
- Spill Response and Prevention
- Ballast Water Management and Invasive Species Prevention

**Also:**
- Low-Impact Development Practices for Terminal Facilities
- Noise and Light Pollution Limits
- Protection of Adjacent Habitats and Use of Native Species for Landscaping
NYK Group Environmental Management Vision
We aim to manage environmental risk and strike an optimal balance between the environment and the economy, with the goal of contributing to a sustainable society.

Recent Voluntary Accomplishments:

- Per ton-mile **CO2 Emissions** are at ~60% of 1990 levels and falling
- Research and Implementation of **Ballast Water Treatment Systems**
- Aggressive Group-wide **Environmental Management System**
- NYK’s **“EcoShips”** have advanced environmental protection features
- NYK Proprietary Advanced **Bilge Water Treatment Systems**
Intermodal Rail is a Environmentally Friendly way to Move Cargo
#1 Goal for the Port of Tacoma

- The Port of Tacoma to be the most efficient and reliable intermodal gateway in North America

70% of our int’l cargo goes to the MW and upper NE
Increasing Capacity

- Balancing Port Capacity – Land Use
  - Container Yard Acres
  - Intermodal On-dock Acres
  - What is the right formula?

- Balancing Densification of Storage with Velocity of Rail
  - Decrease the Dwell & Increased Capacity
  - Do you stack it higher, or move it faster
Conceptual Road and Rail Infrastructure Schematic
Capacity Improvement Process

- Build new Intermodal Facilities
- Model current Facilities
- Develop Web based Decision Tools
- Improve Financial Returns
- Improve Cashflows
- Document Processes- look for opportunities to improve efficiency
Collaboration with BNSF/UP Rail Partners

Seattle

Portland

Tacoma-Vancouver
Union Pacific and BNSF
Intermodal Traffic

Stevens Pass – BNSF
Intermodal Traffic

Stampede Pass – BNSF
Intermodal Traffic

BNSF Intermodal

Union Pacific Intermodal

Tacoma

Everett

Seattle
Maytown Property

- Port of Tacoma
- Port of Olympia
What it’s going to take

We all must Be TEAM PLAYERS, It’s a Team Sport.

• Continue developing the regional perspective on growth and demand
• Continue engaging the mainlines – understand their plans and sharing ours
• Define what is Public and what is Private
• Investigate a wider range of funding options
• Engagement with our neighbors – preventing deterioration of relationships
Questions?