

Item #: 10C

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Briefing Earley Business Center (EBC)

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Port of Tacoma Commission Meeting

April 11, 2023



Presentation Objectives

1. Understand current site conditions and remediation obligations.
2. Understand tenant occupancy, uses, and lease obligations.
3. Understand how redevelopment could advance many of the Port of Tacoma Strategic Plan Foundational Goals.

Briefing - Earley Business Center (EBC)

Agenda

Site Conditions

- Project Location
- Background and history
- Environmental condition

Tenant Conditions

- Tenants
- Lease terms and uses

Master Plan

- Plan Outline
- Market Analysis
- Connections to Strategic Plan



Earley Business Center - Potential

*"This property has a great story and tons of **potential**."*

*"Can we make this look like a place we and the workers can be **proud** of?"*

*"Tenants are asking for **water access...a dock**."*

"I get a sense that the Port is very proud of having Silverback and Safe Boats."

*"Lots of opportunities to support the next generation of **family wage jobs** while building collaborative relationships with other local orgs, schools, nonprofits, etc."*

*"Let's invest to keep the tenants we have, but then let's **envision something really unique and innovative**."*

"Let's be known for something other than marine cargo."

Site Conditions

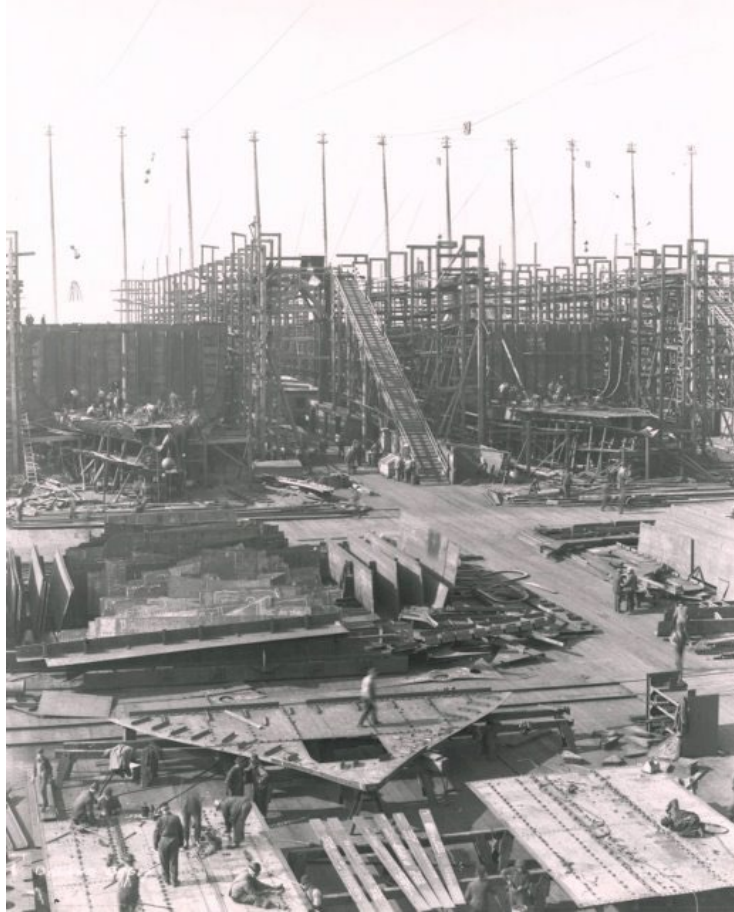
Sarah Weeks



Early days at the EBC

Todd Shipyards

Active from 1916 - 1925



Early days at the EBC

June 16, 1941



World War II shipbuilding

- Partnership between Todd and the U.S. Navy
- 33,000 + people working at the site



Shift change in August 1942

Early days at the EBC



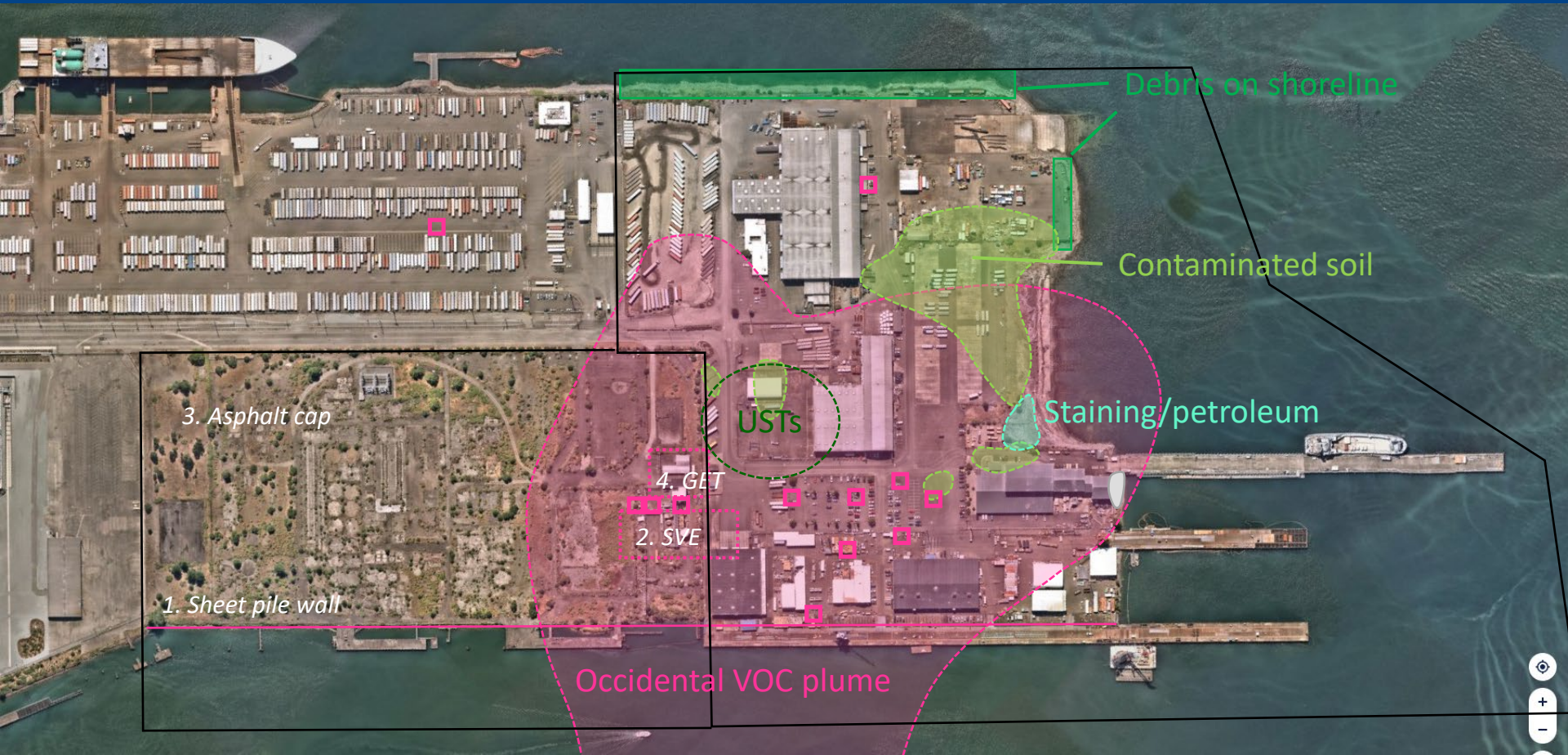
Post-war era (1946-1960)

- U.S. Naval Station: ship berthing & retrofitting

Port ownership (1960)

- Ship building, breaking & repair
- Tenants:
 - Zidell
 - Tacoma Boat Building
 - AK-WA Shipbuilding

Environmental Conditions



- Agreed order amendment
- Supplemental Remedial Investigation
- Supplemental Feasibility Study
- Amend draft Cleanup Action Plan
- Cleanup Action Consent Decree
- Cost Recovery
- Grant Management

Tenant Conditions

Gloria Fletcher



Current Conditions at the EBC



Current Tenants

US Army – National Guard

Silverback Marine

Pacific Steel Group

US Army Corps of Engineers

Supreme Northwest dba
Seattle Boats

Omega Morgan

Trident Seafoods

SAFE Boats

Kenan Advantage Group

Motive Power Marine

TOTE

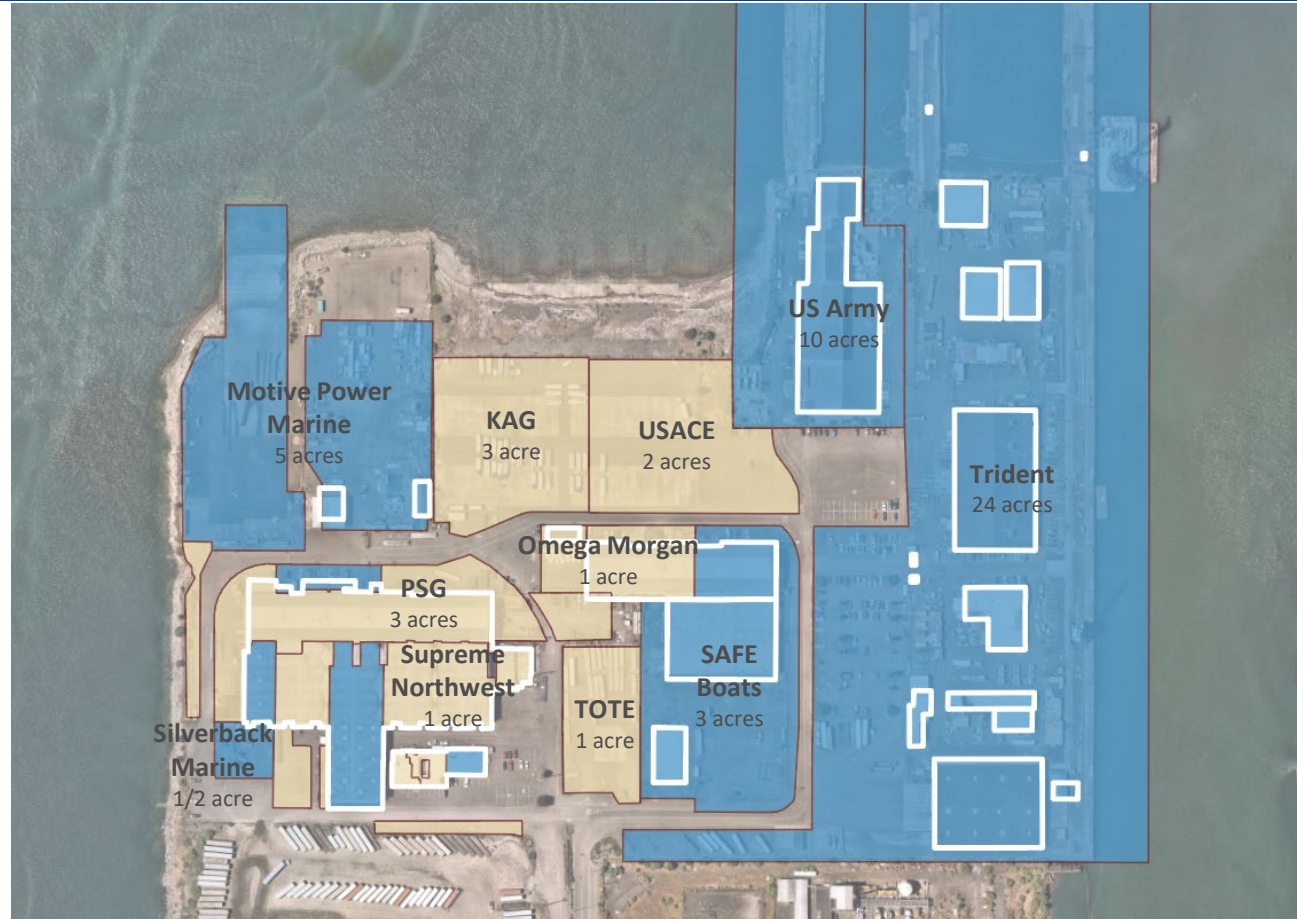
Current EBC Leases and Term

Water Dependent

- **Trident Seafoods** - 2036
- **Motive Power Marine** - M2M
- **US Army** - 2040
- **SAFE Boats** - 2024
- **Silverback Marine** - M2M

Non-Water Dependent

- **Pacific Steel Group** - 2023
- **TOTE** - M2M
- **USACE** - 2026
- **Supreme Northwest**
- **KAG**



Current Lease Conditions at the EBC



Kenan Advantage Group, M2M tenant

- 100% Occupied due to tight industrial market and competitive location
- Annual Revenue of \$2.9M
- Tenant investment approximately \$4M over past 5 years
- Consistent requests for repair and maintenance of buildings and property

Master Plan

Deirdre Wilson



Master Plan - Outline

Introduction

Background

Vision

Current Business

Existing Site Conditions

Industry Outlook and Market Analysis

Conceptual Future Site Plans

Outreach

Implementation

Potential Vision Statement:

Honor the historic significance of the site and re-establish Tacoma as a leader in water related industries.

Current Task – Market Analysis

Will Analyze

- Applicable development regulations, Shoreline Master Program, and Container Port Element policies.
- Regional economic and demographic trends, as well as the specifics of the local area.
- Ports along the west coast to compare with the existing uses of the Port of Tacoma.
- Local and regional property market, including supply and demand trends, rent levels, etc.
- Relevant industries of interest which would fit the needs of the for Port related developments.
- Existing economic development plans and market studies for the Tideflats.

Deliverable

- An opinion of the property's Highest and Best Use that best aligns with the economic goals and guiding principles stated in the Port of Tacoma Strategic Plan.

Advance living-wage job creation and business development opportunities in Pierce County with a focus on marine trade and transportation.



Trident is a long-term tenant at the EBC and an economic powerhouse for the region

EBC Opportunity

- Maintain and create new living wage jobs in the trades and other professional skilled positions
- Diversify port activity
- Support water dependent sectors like ship building and repair in support of defense, public safety, offshore wind, fishing, and research
- Potential for high job density per acre and big economic multiplier for job creation in the region
- Advance workforce development initiatives

Master Plan - Environmental Leadership

Protect and enhance the environment of Commencement Bay and the Puyallup River by continuing to clean up contaminated land, improve habitat and water quality, and minimize air emissions from Port operations.



Motive Power Marine was the 2nd shipyard in the nation to get Green Marine Certification

EBC Opportunity

- Cleanup historic contamination from shipyard activities
- Coordinate with and potentially influence cleanup of nearby properties
- Support green manufacturing and help Port tenants realize the Northwest Ports Clean Air Strategy
- Redevelop shoreline with habitat-friendly solutions
- Continue to support tenant compliance with water quality permitting requirements
- Be a leader in green jobs/manufacturing

Promote road, rail and navigation infrastructure and technology improvements to strengthen the regional maritime industry and economy.



SAFE Boats partners with EBC tenant Omega Morgan to bring MK VI vessel to worksite

EBC Opportunity

- Activate the waterfront to connect manufacturers to Commencement Bay
- Leverage use of Taylor Way as a Heavy Haul Corridor in support of manufacturing
- Explore rail opportunities and needs for marine manufacturing
- Expanded water access for tenants would reduce roadway trips for things like commissioning new vessels and testing boats

Master Plan - Community Connections

Engage and advance relationships with the Pierce County community and beyond in a timely, accessible, and inclusive way.



Silverback Marine carries on the shipbuilding practice at the EBC across generations

EBC Opportunity

- Honor the historic significance of the site and re-establish Tacoma as a leader in water related industries
- Support broader regional economic and environmental goals of partner agencies, business groups, and community-based organizations
- Maintain industrial use of the Blair-Hylebos Peninsula with nearby neighborhood concerns in mind

Create and sustain a transparent culture prioritizing the Port's fiduciary role as trustee of public assets and commitment to financial responsibility.



Proactive investment protects the Port and its tenants' operations

EBC Opportunity

- Reinvest in the EBC to protect its long-term success as an economic engine for the community.
- Support the work of our tenants to attract and retain a high-performing workforce.
- Promote Port of Tacoma values of equity, inclusion, health, and safety in maritime manufacturing.
- Create value and opportunity in our community.

Wrap up



2023

- May Update Briefing on Master Plan
- September Action Item – Agreed Order Amendment and Additional Project Authorization
- October Draft Master Plan
- December Final Master Plan

Questions & Discussion



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