

PORT OF TACOMA COMMISSION
STAFF BRIEFING MEMO



Item No: 10A
Meeting Date: 7/18/2023

DATE: 7/10/2023

TO: Port of Tacoma Commission

FROM: Eric Johnson, Executive Director
Sponsor: Eric Johnson, Executive Director
Project Manager: Deirdre Wilson, Senior Planning Manager

SUBJECT: Earley Business Center Market Analysis and High and Best Use Study Briefing

A. BRIEFING REQUESTED

Market Analysis and Highest & Best Use Study briefing in support of the master planning effort for the Earley Business Center (EBC), by Cushman and Wakefield.

B. BACKGROUND

After an extensive review of the various users and user-types active in the Pierce County Industrial market the consultants have prepared a study that aligns with advancing the Port of Tacoma Strategic Plan foundational goals and related strategies.

Economic Vitality: This foundational goal focuses on the advancement of business development opportunities and creation of living wage jobs within Pierce County, specifically focusing on marine trade, transportation, and logistics. The Port has integrated strategies of supporting maritime trade activity of the Port and NWSA through development of real estate, supporting living-wage job creation, career development and business growth in Pierce County, and supporting land use and infrastructure policies that protect the cargo supply chain.

Organizational Success: The Port strives to prioritize its fiduciary role as trustee of public assets and commitment to financial responsibility through creating a transparent culture. Strategies include continuing to provide Port financial success and performance, protecting the public's investments by maintaining existing assets, developing a new Port staff workspace that supports community engagement, integration of the Port's values, and creating an organizational culture that supports a diverse and engaged workforce.

After consideration of the market information available, the study identifies uses and user types which would demand similar waterfront industrial space, and would fit the criteria of highest and best use and the Port of Tacoma's foundational goals:

- Commercial Fishing & Seafood Processing
- Ship and Boat Building, Repair and Maintenance
- Government Support Facilities
- Offshore Wind Support
- eTug Operations

- Maritime Educational and Training Program
- Maritime Support Services and Technology
- Aerospace Supply Chain and Manufacturing
- Cold-Storage Warehouse
- Cross-Laminated Timber Manufacturing

The study concludes that, generally, the existing uses at the EBC are consistent with highest and best use, but that certain areas of the site are underutilized, and some improvements have exceeded or are nearing the end of their *economic life*.

- For the areas improved with structures which have exceeded or are nearing the end of their economic life, the highest and best use is for immediate or near-term replacement.
- For the areas of the site which currently function as excess surface storage, the highest and best use is for immediate or near-term development with warehouse structure to support uses listed above.
- For the areas of the site where the buildings improvements have considerable remaining economic life, the highest and best use is for continued use and maintenance of the buildings as currently improved.
- It is recommended that any redevelopment of the property incorporates an expansion of water-access opportunities which serve the site and upgrade major site infrastructure.

C. SCOPE OF WORK

The study includes analysis of the Port of Tacoma Strategic Plan and related documents to formulate and understand the Port's current major business areas, missions, values, & goals. The consultants also sought information regarding how the Earley Business Center property fits into the Port of Tacoma's long-term vision. Included also is analysis of the Earley Business Center's current uses and review for underutilized area or uses inconsistent with the determined highest and best use.

The consultants inspected the property from the ground and an aerial inspection and have aggregated and reviewed all assessor-related information on the tax parcels. They studied at a Port of Tacoma submarket area level, City of Tacoma, Pierce County, and regional analysis overview to understand the macro- and micro-economic factors which are relevant to the greater Seattle-Tacoma CBSA area. The study also includes information about similar properties at other ports in the state.

D. RELATED NEXT STEPS

- EBC coordination continues with Ecology, staff plan to brief the Commission in August.
- Engineering has EBC facility assessments underway and anticipate consultant reports in October.
- Planning staff will return to the Commission with an EBC informational briefing in November, based on feedback July meeting and the facility information,
- Air Quality and Sustainability team is working to develop policy and implement a program for sustainable building practices in new Port-owned buildings and major remodel projects.