



## JOINT NEWS RELEASE

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### **OLYMPIA AND TACOMA PORT COMMISSIONS APPROVE STRATEGIC PARTNERSHIP TO EXPLORE SOUTH SOUND LOGISTICS CENTER**

(July 18, 2006) - The Port of Olympia and Port of Tacoma Commissions have voted to adopt an Interlocal Agreement to form a strategic partnership that will improve regional rail system capacity, establish a center for warehousing and distribution and create a major South Puget Sound employment center.

The Port of Olympia Commission approved the Interlocal Agreement at its regularly scheduled public meeting Monday, July 17, and the Port of Tacoma Commission approved the Agreement at its public meeting today.

The Interlocal Agreement calls for the two ports to cooperatively purchase, plan and develop a South Sound Logistics Center on a 745-acre site in Thurston County, along Interstate 5. Under terms of the agreement, the two ports have until December 31, 2007 to sign a final Joint Operating Agreement.

The vision for the land - located south of Olympia near Maytown, Washington - may include facilities designed for handling the growing volume of international and domestic cargo, moving through the region via truck and rail.

"This land provides a strategic opportunity for our two ports, and our entire region, to work together to create additional rail capacity and efficiency through the South Puget Sound and the entire state," said Port of Olympia Commission President Steven C. Pottle. "Freight mobility and the economic benefits of maritime commerce do not end at county lines. We must work together regionally to improve our

transportation system.

“The real payoff of this project will be family-wage jobs, not just for Thurston County, but for the entire South Puget Sound,” said Pottle. “This cooperative project shows how ports can work together to create broad, regional economic opportunities. And I am confident that this project will help bring additional private investment to our area.”

The property is a former industrial site that now has permitting in place for gravel mining. The property is near rail tracks used by BNSF Railway, Union Pacific Railroad and the Mountain Division of Tacoma Rail, a division of Tacoma Public Utilities.

According to the Interlocal Agreement, the objectives and intended benefits of the joint project include:

- Expediting regional and statewide movement of goods;
- Reducing traffic impacts on local and interstate roadways;
- Increasing the capacity and operational efficiency of both ports;
- Expanding job opportunities for residents of Thurston County and Pierce County;
- Improving rail service and access for both ports;
- Reducing the environmental impact of diesel emissions, due to more efficient freight movement;
- Stimulating private investment in industrial, manufacturing and office facilities; and
- Enhancing the financial performance of both ports.

Container traffic through the Puget Sound region is projected to grow from its current level of 4.2 million TEUs (twenty-foot equivalent container units) to more than 8 million TEUs by 2015. Breakbulk cargo volumes, which have grown significantly over the past five years, are expected to double within the next 20 years, according to a Washington Public Ports Association 2004 freight mobility study.

“Numbers like this underscore the need for creative regional solutions to handle increased freight volumes and continue to keep South Sound competitive in an international arena,” said Port of Tacoma Commission President Connie Bacon.

The proposed South Sound Logistics Center will provide a centralized, rail-served location for manufacturers, distributors and cargo handlers. Co-locating businesses that use the state’s rail and highway networks at this center means that trains and trucks can avoid multiple stops every day at widely dispersed business locations to

receive or deliver rail cars or trailers. Instead, those businesses will be served at one location.

“The result is less time spent by trains stopping and starting on the main rail lines,” said Bacon. “Reducing the time spent moving cargo from one point to another increases available cargo handling capacity throughout our transportation system.”

The two ports entered into a Memorandum of Understanding in July 2006 that authorized the Port of Tacoma to conduct feasibility studies to acquire the necessary rights to purchase the site. With approval by both Port Commissions, the Port of Tacoma is now authorized to close escrow and acquire the site.

Under terms of the Interlocal Agreement:

- The Port of Tacoma will be responsible for the initial cost of due diligence and conceptual planning, and it will purchase the property, estimated at about \$20 million;
- The Port of Olympia will lead conceptual planning, land use and permitting, consulting with local stakeholders and identifying market opportunities;
- Both ports will collaborate on planning and operation of regional rail and intermodal functions; and
- Both ports intend to maximize the benefits to their respective ports, their communities and the region through existing and future operations from the proposed joint development.

Under Washington state law (RCW Sec. 53.08.240), port districts can invest in projects outside of their geographic port district boundaries, as long as they have the support and approval of the port in the neighboring county. Because this development is sited in Thurston County, the Port of Olympia will have approval on land uses.

### **About the Port of Olympia**

The southernmost deepwater port on Puget Sound, the Port of Olympia is Thurston County's partner in economic opportunity. The Port owns and operates a diversified international shipping terminal, an established niche facility that handles a range of breakbulk and project cargoes. The Port also owns and operates a strategically located regional airport, a vibrant 645-slip recreational marina and boat haulout/repair facility, and a thriving real estate division. A community port, it generates an estimated 2,600 jobs in Thurston County and indirectly over 5,000 jobs in Washington State. For more information, please call the Port at (360) 528-8000 or visit

[www.portolympia.com](http://www.portolympia.com).

### **About the Port of Tacoma**

A major gateway to Asia and Alaska, the Port of Tacoma is the sixth-largest container port in North America, handling an estimated \$35 billion in annual trade and a 2005 volume of 2.1 million TEUs (Twenty-foot Equivalent container Units). The Port is also a major center for bulk, breakbulk and project/heavy-lift cargoes, as well as automobiles. The Port of Tacoma is the economic engine of Pierce County, Washington, generating more than 43,000 family-wage county jobs and more than 113,000 jobs across Washington state. To learn more about the Port of Tacoma, visit [www.portoftacoma.com](http://www.portoftacoma.com).

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