



Project Impacts on Maritime Industries

Executive Summary
May 4, 2004

Introduction

Seattle became the center of the North Pacific fishing fleet early in the 1900s. Today, the Washington-based, at-sea processing fleet produces over \$1 billion of seafood annually, most of which is exported. Washington currently exports more processed fish and seafood products, in both value and weight, than the rest of the United States combined.

Seattle's Unique Maritime Industries

The Seattle-based seafood industry enjoys advantages over other regions due to its relatively easy access to Alaska's abundant fisheries resources, proximity to product markets, and access to regional, national, and international transportation modes. As such, the Seattle-based seafood industry can harvest, process, and transport North Pacific seafood products more efficiently than entities operating out of other west coast ports, including those in Alaska.

The Northbay Sub-Cluster

Seattle hosts diverse firms offering marine support services, including maritime law, customs brokerage, freight forwarding, warehousing, distribution, and financial and accounting services. These interdependent businesses rely on their close physical proximities and interrelated services to operate efficiently, creating what is known as a "cluster economy." Within the larger maritime cluster are "sub-clusters," or smaller groups of businesses that operate interdependently – and would collectively suffer if one business were to close or move to a distant location.

The Northbay sub-cluster, located on Port of Seattle property north of Terminal 90/91, is a group of marine businesses that rely on immediate proximity (co-location) to process, store, and distribute seafood. The Magnolia Bridge Replacement Project could directly impact this sub-cluster. Businesses in the Northbay sub-cluster are identified below, along with a description of potential impacts that could result from the project.

Northbay Sub-Cluster Employee Statistics

- 478 Employees
- 338 Full-Time
- 140 Part-Time*
- 351 (73.5%) identified as non-Caucasian

*Seasonal or temporary day workers for large shipments

City Ice

Provides cold storage space for neighboring businesses

- Alternative D would require removal/relocation of one (of five) buildings
- Construction impacts or new roads that impede free-flow of products between sub-cluster buildings would impact efficiency

Trident Seafood

Processes seafood for distribution

- Removal or relocation would not be required under Alternatives A or D
- Significant disruption due to construction (including, relocation of City Ice) or placement of new ramps and a surface road could impede product flow and impact efficiency
- Soil problems, settling, and liquefaction issues are a concern

Anthony's Seafood Distributing

Distributes seafood to local restaurant chain

- Physically connected to existing bridge and City Ice
- Alternative A and D would require relocation
- Operates 363 days per year – would require smooth transition between existing and new facilities to prevent closures

Average Annual Maritime Sector Wage (2000)

Seattle: ~\$54,000

**Northbay Sub-Cluster:
~\$28,000 - \$36,000***

* Employment in the affected area is dominated by processing and cleaning, jobs that tend to pay a lower wage than the national cluster average

Independent Packers

Processes and packages seafood

- Though not required to relocate under Alternatives A or D, Independent Packers would be adversely affected by the movement of other businesses in the sub-cluster (works interdependently with City Ice)

Snider Petroleum

Provides local lubricants and fuels to maritime clients

- Alternative D would require removal/relocation

Tsubota Family Property

Nearby property seeking developers

- Alternative D would take the southwest section of the property and the southernmost building
- Alternative D could significantly reduce property value

Key Relocation Concerns

- **Maintain maritime cluster** – Losing even one business could place undue hardship on the entire sub-cluster
- **Ensure reasonable rents** – Low rents are a distinct advantage of the existing location
- **Security** – Adequate security would be needed for all facilities

Possible Mitigation Measures

- Maintain good communication with affected businesses to assess operational impacts as the project progresses
- Address technical requirements of each business to support and maintain appropriate operational and product transportation conditions
- Appoint City staff liaisons to communicate and coordinate with affected businesses during construction