

TEMCO

Tacoma Export Marketing Company
11 Schuster Parkway, Tacoma WA 98402
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November 3, 2010

Mr. Stephen Atkinson
Associated Planner
Community and Economic Development City of Tacoma
747 Market Street
Suite 1036
Tacoma, WA 98402-3793

Re: Shoreline Master Program Update Comments

Dear Mr. Atkinson:

I am writing to express significant concerns and opposition to several aspects of the City of Tacoma's draft Shoreline Master Plan (SMP). The proposed changes, if implemented by the Tacoma Planning Commission and adopted by the Tacoma City Council, will severely and negatively impact TEMCO's business cost structure and ability to complete future projects at the elevator.

TEMCO operates the grain exporting terminal located on Schuster Parkway. We are located in the S-7 corridor along with BNSF Railway and Sperry Ocean Dock Company. TEMCO is presently the largest employer of longshore labor in Tacoma. Our business is dependent on the deep-water berth and access to mainline rail. Many of the same union contractors who work at Sperry on a regular basis provide time-sensitive repair work for vessels at TEMCO. Our business is extremely competitive. Subtle changes in the price structure of our business is the difference between TEMCO obtaining the business or losing this business to other competitors throughout the region and nation. The new grain export facility coming on line in Longview will only add to this competitive pressure and is a direct challenge to the business we have earned and the jobs we have created in Tacoma.

Over the past 15 years, TEMCO has completed several projects that have improved the facility and enhanced our ability to compete in the international marketplace – resulting in keeping and growing some of the highest-wage union jobs available in Tacoma.

TEMCO has several concerns with the draft SMP for S-7. TEMCO believes the proposal:

- Creates new intent language for S-7 that gives public access more deference when TEMCO seeks permits from the City. The current SMP clearly prioritizes the historical water-dependent commercial activities and the businesses that support these activities. This change is unnecessary as the city has demonstrated that through stakeholder inclusion and collaboration it can achieve public access goals without penalizing business that provide the

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highest-wage jobs in Tacoma which generate tax revenue to the city and have a multiplier effect on other job-creating activities throughout the community and region.

- Mandates that TEMCO pay for public access through a fee-in-lieu requirement – adding significant cost to projects that are necessary to improve our competitive position and protect the jobs we currently provide. Our competitors in the region and throughout the country do not have these type of requirements.
- Does not take into account flexibility for shoreline buffers which are needed to complete projects that have been routinely approved by the city in S-7.
- Prohibits the permitting of new rail lines which could easily restrict TEMCO's ability to add rail siding if necessary or for BNSF to improve rail capacity on the mainline to serve businesses and linked activities in other shoreline zones.
- Prohibits above-ground utilities – again adding significant costs to projects and provides no flexibility for various common sense considerations that should be taken into consideration.
- Offers a narrow definition of industry (Chapter 10) that fails to take into account the direct or indirect water-dependent uses these businesses require or support as well as their economic connection to the Port of Tacoma's overall port-marine activities.

TEMCO does not oppose public access in the S-7 corridor. In fact TEMCO is supportive of efforts to restore the Bayside Trail along the bluff opposite of the grain terminal. The City of Tacoma should continue to build on its historical success of using a process of stakeholder inclusion and collaboration under *existing* rules to achieve contiguous and connected access along the water or with views of the water.

Instead, the draft SMP:

- increases costs on businesses in S-7;
- diminishes TEMCO's competitive economic position and harms job retention and growth;
- attempts to create compatibility between water-dependent uses and public access that will unnecessarily restrain and constrict these businesses when mutually achievable goals can be accomplished without any changes to the SMP;
- goes beyond the state law that encourages public access – but does not require public access – on private property; and
- proposes a fee-in-lieu requirement that makes water-dependent businesses responsible for paying for new or additional public access for which the entire community receives a benefit.

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TEMCO appreciates your willingness to take our comments into consideration as you consider making changes to the SMP.

Sincerely

Paul Butters
General Manager

cc: Tacoma Planning Commission
Tacoma City Council
Mr. Eric Anderson, City manager, City of Tacoma
Mr. John Wolfe, Executive Director, Port of Tacoma
Port of Tacoma Commission
Tacoma-Pierce County Chamber of Commerce
Mr. Scott Mason, ILWU
Mr. Terry Finn, BNSF Railway
Mr. Gary Coy, Sperry Ocean Dock Company