

SB

168



Alaska State Legislature

SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811

(907) 465-4766

COMMITTEES:
FINANCE
RESOURCES
BUDGET AND AUDIT

M E M O R A N D U M

February 29, 1988

To: Senator Arliss Sturgulewski
Chair, Senate Community & Regional Affairs

From: Senator Jim Duncan

Subject: SB 168 Relating to establishment of a port authority

I would like to request that you schedule SB 168 for another hearing before the Senate Community and Regional Affairs Committee. I have reviewed the proposed legislation with the Juneau Economic Development Committee Chairman and staff and believe that we should continue to work to have the provisions of this measure approved and enacted into law.

This legislation was drafted after considering port authority statutes from several other states and modeling the best of what they had to offer while considering Alaska's unique situation. I would recommend that the Committee make some minor technical changes similar to those made in House Bill 209, the House version of this measure and move it on to the next committee of referral.

I look forward to seeing SB 168 on your Committee calendar again soon.

UNIVERSITY OF WASHINGTON
SEATTLE, WASHINGTON 98195

Institute for Marine Studies, HF-05
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Telephone: (206) 543-7004

August 31, 1987

Mr. G. V. McCorkle
Harbormaster/Port Administrator
City of Kodiak
P.O. Box 1397
Kodiak, Alaska 99615

Dear Corky:

You asked me to jot down some of the pros and cons of a port authority for Alaska communities and provide some comments on the potential viability of such authorities in Alaska. On the surface this sounded like an interesting challenge - as it turned out this was a pretty complex question and a far bigger challenge than anticipated. There are lots of things to consider in this type of analysis. However, the areas of control, administration and financing appear to be the key factors.

From the standpoint of control of the harbor, there are mainly pros to consider. The formation of a port authority would provide for more direct control of the harbor by an autonomous government agency whose sole concern is the harbor. No longer would the Harbormaster have to find ways to bring harbor issues to the attention of the City or Borough Mayor, Council, Manager and staff. The authority's budget, harbor policies and other harbor business would be the only things on the agenda and final and prompt decisions could be made by the Port Authority's Board without concurrence of a City or Borough governing body. The potential drawback here is that there would be several areas (zoning, tax collections, etc.) that would require coordination and cooperation between independent government organizations. Overall, there would certainly be better (or at least more direct) control over the harbor with a port authority.

Another area that would be impacted by the formation of a port authority is administration. Presently the Harbormaster has a small staff that is directly involved in running the harbor. The Harbormaster depends on City or Borough staff for finance, legal, police and other administrative support. In the vast majority of cases, the Harbormaster's department is not charged for these services since it is just another City/Borough department. With a port authority, the authority would need its own staff to perform these functions. This would be an added expense that must be considered when forming a port authority.

The area that has far more negative than positive aspects is finance. A port authority would have to have some form of continuing tax support since most harbor operations in Alaska are not self-supporting. This tax support would need to be in the form of an operating levy that does not require a periodic vote of the taxpayers to revalidate it since the port authority would need this tax revenue base to sustain its viability. Thus operating revenues for a port authority would come from moorage and service fees, rents, and taxes.

Funding for capital improvements brings out another set of positives and negatives. From a positive standpoint, a port authority with its own general obligation and revenue bonding powers ensures that the harbor will not have to seek funding from a City or Borough organization in competition with street, sewer/water and other civic needs. It would also insure that federal or state grant/loan funding could be more aggressively sought for harbor improvements. However, the port authority would probably have to seek voter approval for any significant financing effort and this might place the port authority in direct competition with City or Borough issues with a more universal public purpose (schools, water/sewer systems, etc.).

Lastly, if there were a negative cash flow in any period, it would be more difficult for a port authority to seek a short-term loan from a bank than for a City or Borough to simply transfer funds from one internal account to another on an interim loan basis.

One suggestion that has recently surfaced in Alaska is the formation of regional port authorities. This is a good idea if your community hasn't the capability to operate as an independent port authority. But, for a community that has significant financial capability, such as Kodiak, Dutch Harbor, Sitka, Anchorage or Ketchikan, etc., a regional port authority has little positive value - especially if financing for such an authority would be secured by property taxes or harbor revenues of all the communities in the region. A regional port authority might have validity if the State of Alaska would pledge itself to secure the debt issued by such an authority, but that appears unlikely.

As an overall statement, it is difficult for me to understand what advantage there is to forming an independent port authority in the majority of Alaska communities. For most Alaska communities the subject of port authorities arises due to frustration on the part of port users with what they see as non-responsiveness of the Harbormasters and/or frustration on the part of Harbormasters with what they see as non-responsiveness of Mayors, Councils, Managers and staffs to requests for prompt consideration and resolution of harbor-related issues. If this is true, then rather than create another layer of government by forming a port authority, it might be more productive to change how harbors are administered by City or Borough governments.

Strengthening the tie between the harbor and the Mayor, Council, and Manager may well solve some of this frustration. This could be accomplished in several ways. Two that appear most effective are the formation of a semi-autonomous Harbor Committee or the formation of a Harbor Board.

The Harbor Committee would be appointed by the City or Borough Mayor and Council to work with the Harbormaster to oversee policy and facilitate the operational management of the harbor (set rates, formulate budgets, and provide a forum to discuss harbor-related matters). Certain decisions of the Harbor Committee would be subject to approval by the Mayor, Council and/or Manager, but many administrative matters could be handled by this Committee without concurrence by others.

The Harbor Board is a stronger form of management. The Board would be composed of Council Members who would be charged with harbor responsibilities. This Board would give a formal report to the Council (or Assembly) at regular intervals and would bring before the Council any actions requiring confirmation. The Mayor and/or Manager might be ex-officio members of this Board.

Both the Committee and Board structure would act as a quasi-legislative body, the Board, of course, being the more autonomous body. The Committee or Board format still ensures that the harbor operates as a part of the City or Borough and, thus, would not increase the cost of harbor administration. In effect, they would favorably affect the control of the harbor without incurring any of the administrative or financial negatives of a port authority.

There are both positive and negative factors to consider in forming independent port authorities in Alaska. However, in my opinion, the negatives far outweigh the positives in the majority of Alaska communities.

Corky, I hope this adequately answers the questions you posed.

Sincerely,



Thomas J. Dowd
Affiliate Professor

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
TIM KELLY, Vice Chairman
RICK HALFORD
MIKE SZYMANSKI
FRED ZHAROFF



P. O. BOX V
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Senate Community and Regional Affairs Committee

TO: Senate C&RA Members

March 24, 1987

FROM: Senate C&RA Staff

ME

RE: SB 168 - "An Act relating to establishment of a port authority by a municipality."

SB 168 is designed to enable municipalities to to establish their own port authority commissions. The bill's goal is to create a mechanism that municipalities can use to focus on water related economic development.

Alaska currently has a port facilities and development act, however, it stipulates that funding must be appropriated by the state. SB 168 would allow funds to be raised by any legal means approved by the appropriate city council or borough assembly.

The bill provides that a municipality's port authority commission would be established by ordinance and three commissioner's elected. The commission would do its own budget and long range planning. The bill is based on legislation from the State of Washington.

This packet contains a memo from the sponsor and his sectional analysis, a memo from the Senate Advisory Council, and the existing state law on ports.



Official Business

Alaska State Legislature

Senate

MAR 10 1987

P.O. BOX V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

DATE: March 9, 1987

TO: Senator Arliss Sturgulewski
Chairman
Community & Regional Affairs Committee

FROM: Senator Jim Duncan

RE: SB 168, Port Authorities bill

I respectfully request that a hearing for Senate Bill No. 168 be scheduled at the earliest convenience.

The Port Authority bill would enable local governing bodies to establish their own Port Authority Commissions which, in turn, will allow them to focus some attention on waterfront development. It is my contention that Alaska has a great potential for waterfront development and we need to initiate the necessary action it will take to unleash that potential. I believe the Port Authority bill is a good start.

The economic growth to many of Alaska's communities could be tremendous through development and planning of our Ports while utilizing creative financing. A Port Commission would be established by ordinance and have three elected officials. No state dollars are to allocated through this legislation.

Thank you for your consideration on SB 168.



Official Business

Alaska State Legislature

Senate

P.O. BOX V
State Capitol
Juneau, Alaska 9981

BILL ANALYSIS OF

SENATE BILL NO. 168

"An Act relating to establishment of a port authority by a municipality."

The legislation would be added to Title 29, Chapter 35 of the Alaska Statutes.

Under Section 29.35.600, the Port Authority Commission may be established with the adoption of an ordinance by the governing body. Also include in this section are the procedures for the nomination and ensuing election of commissioners.

Under Section 29.35.610, the Port Authority is supervised and controlled by the Port Commission. This section explains the term of a Port Commissioner and allows for the adoption of meeting rules.

Under Section 29.35.620, the Port Commission may employ a director, retain legal counsel, and employ other personnel deemed necessary.

Under Section 29.35.630, the powers of the Port Commission are described including economic analysis, acquisition of property, development of plans, entering into contracts, raise revenues, lease property, and accept grants and donations.

Under Section 29.35.650, the financing of the Port Authority is explained. Finances may be obtained through donations, borrowed money, revenues from any property, building, or facility under its control, and the issuance of revenue bonds (these revenue bonds are not a debt of the municipality or state).

Under Section 29.35.660, when the Port Commission proposes a project using revenue bonds, a Development Plan is to be prepared and submitted to the governing body. This section explains what a Development Plan must contain.

Under Section 29.35.670, the procedure for the approval of a Development Plan from the Port Commission is covered.

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Under Section 29.35.680, the budget shall be prepared by the Director of the Port Authority with approval by the governing body. The budget may not include money of the municipality except if authorized by the governing body.

Alaska State Legislature

Senate Advisory Council



P.O. Box V
State Capitol
Juneau, Alaska 99811
Phone: (907) 465-3114

MEMORANDUM

TO: Senator Duncan
Alaska State Senate

ATTN: Ron Whitcraft

FROM: Lee Ann Lucas *ml*
Senate Advisory Council

DATE: February 18, 1987

RE: Port Authorities

Referencing your request for information on the organization, administration and authorities of various port authorities, I offer the following.

Today, there are 105 state, local, county or independent public seaports in the United States and its territories, 76 of them Corporate members of the American Association of Port Authorities (AAPA). Historically, port development and operation in the United States has been a local or state function. There is considerable variety in the structure, powers and the purpose of port authorities in the United States.

I contacted Mr. Rexford Sherman, Director for Research and Information Services with the AAPA. Mr. Sherman provided a copy of a report entitled "Public Port Agencies In The United States and Canada" (copy attached) which gives an overview of port authorities.

Also attached is a listing of the AAPA Corporate Member Ports. As you can see, the complexity becomes evident in looking at just the port authorities that comprise the U.S. corporate membership of the APPA. Some are administrative divisions of state government. Others are in effect public corporations set up under state law and directed to develop specific port areas in the public interest. Some are state port authorities with responsibility for the several ports that may lie in a given state. In other instances, states have created port administrations that are basically political subdivisions of the state, frequently called navigation districts, which like other such subdivisions (e.g., school districts or

Senator Duncan
2/18/87
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townships) have the power to tax and float bonds. In addition there are county and municipal port departments and, to further complicate the picture, bi-state port authorities with jurisdictions covering two states.

In the North Atlantic, the preference appears to have been for public corporations, state port administrations and bi-state ports. State port authorities are most common in the South Atlantic. Independent navigation districts are particularly popular in the Gulf and Pacific Northwest, while municipal port departments are favored in California.

The variety of port structure types and their distribution among the various U.S. port ranges is indicated in the attached chart. For example, the Massachusetts Port Authority is a autonomous public corporation set up through an act of the legislature which has a seven-member Board of Directors appointed by the Governor. The Port of Bellingham is defined as an independent navigation district which has three elected Commissioners. Attached are the enabling acts for the State of Washington and the State of Massachusetts.

Most U.S. port authorities (though there are exceptions) are governed by a board of commissioners (or directors) which oversee port policy and operations as custodians of the public interest. But among the 80 U.S. member port authorities, most boards (48) are appointed, usually by a governor (sometimes with the advice and consent of the state legislature), mayor, city council or county commissioners. Twenty-two boards, however, are elected by local voters. Nine have no board whatsoever. Elected boards are most common among independent navigation districts. On the other hand, state port authorities and other state-chartered port corporations are generally appointive. Typically, state port departments do not have a board of any sort.

After you have had a chance to review the attached materials, please call me and I will collect the enabling acts, charters and information you feel may be useful in formulating similar legislation.

LAL:lal
Attachments

Attached materials available from
Senator Duncan's office.

(3) "cost" includes the cost of acquisition or construction of all or any part of transportation facilities and of all or any property, rights, easements and franchises considered by an authority to be necessary, useful, or convenient, including without limitation reimbursements to the authority or any other person of money expended for the purposes of the authority and interest or discount on bonds to finance those expenses, engineering and inspection costs and legal expenses, the cost of financial, professional and other advice, and the cost of issuance of bonds;

(4) "district" means the area within the boundaries of an authority;

(5) "person" includes a corporation, company, partnership, firm, association, organization, business trust, society, state or agency or subdivision of the state, municipality of the state, or an authority, as well as a natural person.

(6) "transportation facilities", or "facilities", or "projects" means harbor, port, shipping and transportation facilities of all kinds, including harbors, channels, turning basins, anchorage areas, jetties, breakwaters, waterways, canals, locks, tidal basins, wharves, docks, piers, slips, bulkheads, public landings, warehouses, terminals, refrigerating and cold storage plants, rolling stock, car ferries, tugs, boats, conveyors, tunnels, bridges, highways, roads and railroads, and appliances of all kinds for the handling, storage, inspection and transportation of freight and natural resource products; it also includes all property, rights, easements and franchises relative to a facility and necessary or convenient for the acquisition, construction or operation of the facility, but does not include airport facilities. (§ 2 ch 98 SLA 1983)

Chapter 15. State Participation in Port Facilities and Development.

Section	Section
10. State grants for port facilities construction	50. Combined port and ferry terminal facilities
20. Criteria for establishing eligibility	60. Regulations
30. Limitation on grants	70. Definitions
40. Disposition of state land for port facilities development projects	80. Short title

Sec. 30.15.010. State grants for port facilities construction. To the extent funds are appropriated by the legislature, or from the proceeds from the sale of bonds, the state may make grants to municipalities to finance a portion of the cost of constructing local, regional or state port facilities. The state shall participate only in those projects approved by the governor on recommendation of the commissioner. (§ 1 ch 85 SLA 1974; am E.O. No. 39, § 11 (1977))

Sec. 30.15.020. Criteria for establishing eligibility. (a) Before a grant may be awarded under this chapter, the commissioner shall determine that

- (1) the grant is for a feasible project;
- (2) the project is endorsed by resolution of the governing body of the sponsoring municipality on its own behalf, or on behalf of a service area in an organized borough if a service area is established to finance and construct port facilities and operate and maintain them once constructed; and
- (3) the municipality can clearly demonstrate its ability to finance the local share of project costs.

(b) A grant may not be awarded under this chapter for a port facility development project until a study of its feasibility is conducted and submitted with the application for the grant. The project also must be justifiable on the basis of public convenience and necessity. The study shall be conducted by consultants, engineers or other technical experts, who may be officers or employees of the municipality in making application for a grant. (§ 1 ch 85 SLA 1974; am E.O. No. 39, § 11 (1977))

Sec. 30.15.030. Limitation on grants. Grants for the development of port facilities may not exceed

- (1) 90 per cent of project costs for municipalities under 5,000 population;
- (2) 80 per cent of project costs for municipalities 5,000 population and over. (§ 1 ch 85 SLA 1974)

Sec. 30.15.040. Disposition of state land for port facilities development projects. The division of lands in the Department of Natural Resources, subject to the applicable provisions of AS 38.05 and 38.10, may convey title or other interests in state land, provide for the exchange of state land, or make other arrangements with respect to state land that may be necessary to complete a project for which a state grant is approved under this chapter. (§ 1 ch 85 SLA 1974)

Sec. 30.15.050. Combined port and ferry terminal facilities. A grant may be awarded under this chapter for a port facilities development project that includes, or combines, state ferry terminal facilities as a part of the project. However, the state shall pay the proportionate projects costs attributable to the ferry terminal including but not limited to vehicle staging areas, transfer spans and aprons, passenger terminal facilities and offices, docks and other docking facilities for ferry vessels. (§ 1 ch 85 SLA 1974)

Sec. 30.15.060. Regulations. The commissioner shall adopt regulations under the Administrative Procedure Act (AS 44.62) that the commissioner considers necessary to carry out the provisions of this chapter. (§ 1 ch 85 SLA 1974; am E.O. No. 39, § 11 (1977))

Sec. 30.15.070. Definitions. In this chapter

- (1) "commissioner" means commissioner of transportation and public facilities;
- (2) "department" means Department of Transportation and Public Facilities;
- (3) "municipality" means a home rule or general law borough or city including but not limited to a unified municipality organized under AS 29.68;
- (4) "port facilities" means docks, wharves, bulkheads, seawalls, landfills, warehouses, staging areas, transfer spans and aprons, lifting equipment and similar structures together with the necessary equipment and facilities required to accommodate waterborne commerce and shipping, including but not limited to combined port and ferry terminal facilities;
- (5) "project costs" means the cost of financing or borrowing, site acquisition and rights-of-way, planning, engineering and designing, construction, equipment acquisition and installation, but does not include the cost of operation or maintenance of the port facilities once constructed or the cost of feasibility studies required in making application for a grant under this chapter. (§ 1 ch 85 SLA 1974; am E.O. No. 39, § 11 (1977))

Sec. 30.15.080. Short title. This chapter may be cited as the Port Facilities Development Act. (§ 1 ch 85 SLA 1974)

Chapter 20. Regulation of Tank Vessel Traffic.

[Repealed, § 11 ch 115 SLA 1980.]

Chapter 25. Oil Terminal Facilities; Transfer of Crude Oil, Refined Petroleum Products or Their By-Products.

[Repealed, § 11 ch 116 SLA 1980.]

Chapter 30. Abandoned and Derelict Vessels.

Article

1. Abandoned Vessels (§§ 30.30.010 — 30.30.080)
2. Derelict Vessels (§§ 30.30.090 — 30.30.100)
3. Vessels Abandoned on Business Premises of Persons Engaged in Repair Business (§§ 30.30.110 — 30.30.150)
4. Miscellaneous (§§ 30.30.160 — 30.30.180)



Official Business

Alaska State Legislature

Senate

3/15/81
PRINT/TV

P.O. BOX V
State Capitol
Juneau, Alaska 99811

NEWS RELEASE

CONTACT:
Ron Whitcraft
465-4766

JUNEAU --- LEGISLATION WAS INTRODUCED TODAY (FRIDAY), IN THE ALASKA SENATE, THAT WOULD GIVE AN ECONOMIC BOOST TO MANY COMMUNITIES IN THE STATE. THE MEASURE WOULD ENABLE LOCAL GOVERNING BODIES TO ESTABLISH THEIR OWN PORT AUTHORITY COMMISSIONS AND THEREBY GIVE THEM THE ABILITY TO FOCUS SOME ATTENTION ON WATERFRONT DEVELOPMENT.

THE BILL'S AUTHOR, SENATOR JIM DUNCAN OF JUNEAU, STATED THAT ALASKA HAS A GREAT POTENTIAL FOR WATERFRONT DEVELOPMENT. ALTHOUGH ALASKA HAS A PORT FACILITIES AND DEVELOPMENT ACT IN PLACE NOW, IT STIPULATES THAT FUNDS ARE APPROPRIATED BY THE STATE. SENATE BILL ONE SIXTY-EIGHT ALLOWS PORT DEVELOPMENT DOLLARS TO BE RAISED HOWEVER THE COMMISSION SEES FIT WHETHER BY REVENUE BONDS, WORKING WITH THE PRIVATE SECTOR, OR WHATEVER MECHANISM IS SUITABLE FOR A COMMUNITY.

SENATOR DUNCAN SAID, "THE BILL IS AN ATTEMPT TO STRENGTHEN OUR ABILITY IN THIS STATE TO DEVELOP OUR WATERFRONT AREAS AND TO BRING MORE ECONOMIC ACTIVITY INTO THE COMMUNITIES OF ALASKA."

S-B ONE SIXTY-EIGHT PROVIDES THAT A COMMUNITY'S PORT AUTHORITY COMMISSION WOULD BE ESTABLISHED BY ORDINANCE AND THAT THREE COMMISSIONERS ARE ELECTED TO SERVE THE BODY. THE COMMISSION

PAGE TWO

WOULD ALSO CREATE ITS BUDGET AND DO ITS OWN LONG RANGE PLANNING,
ALL DESIGNED TO PROMOTE THE ECONOMIC GROWTH OF A COMMUNITY.

"IT IS NOT AN ATTEMPT TO BUILD ANOTHER BUREAUCRACY AND WE'RE NOT
ASKING FOR ANY STATE MONEY," DUNCAN ADDED. "IT'S PURELY UP TO
LOCAL COMMUNITIES TO MAKE THE DECISION AS TO WHETHER THEY WANT TO
FOCUS IN ON THAT TYPE OF DEVELOPMENT."

A M E N D M E N T

1

Offered in the SENATE

By Duncan

TO: SB 168

Page 1, lines 11 and 12:

Delete "borough, unified municipality, or city in the unorganized
borough"

Insert "municipality, other than a second class city,"

Page 3, line 28, after "municipality":

Insert "that establishes a port authority"

A M E N D M E N T

Offered in the SENATE

By Duncan

TO: SB 168

Page 3, line 18, after "duties":

Insert ", including agreements with other port commissions providing for shared development or management of facilities located within the jurisdiction of any of the commissions"



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

P.O. Box Y, State Capitol
Juneau, Alaska 99811-3100
Mail Stop 3100
(907) 465-3991

March 25, 1987

MEMORANDUM

TO: Representative Mike Davis

ATTN: Catherine Reardon

FROM: Jay Moor *JM*
Legislative Analyst

RE: Port Authorities: Feasibility in Alaska
Research Request 87.186

You have asked for a general description of public port authorities (also called port districts), how they are established, how they work, how they are financed, and whether they might be feasible for communities in Alaska. In responding to the request, this memorandum looks at the experience with port authorities around the country, highlighting that of Washington State.

CONCLUSIONS

Looking at successful port authorities across the country, there are many models from which to select. The formation of any local or statewide port authority in Alaska depends, first, upon the enactment of enabling legislation. For a port authority in Alaska to be feasible, once formed, requires that the enabling legislation be responsive to Alaska's unique political and economic conditions.

Because of its great number of successful local port districts, the state of Washington is often viewed as a model for Alaska. However, Washington State may not be the most appropriate model for Alaska--its advantages may not necessarily accrue to the communities of this state. As a result of a constitutional provision, for example, an independent port district in Alaska, unlike its counterpart in Washington, would not have any general taxing authority. Without an areawide property tax as security for indebtedness, bonds (a major source of port district funds) would be more expensive to float.

Washington port districts are at one extreme on a spectrum of relative autonomy, where they operate more or less independently from the surrounding general purpose governments. While this allows for greater economic adaptability and flexibility, it has also created unnecessary conflict between the development objectives of the port and the more comprehensive objectives of the community at large. Enabling legislation should ensure that a port authority's objectives are publicly discussed and incorporated into the general planning for a city or borough and that the port's authority is subordinate to that of the general purpose government on matters of zoning and permitting.

There are almost as many configurations for setting up port districts as there are ports in the United States. Some states have a single authority providing financial backing, planning, and marketing resources to all local ports. Other states, like Washington, allow each local port district to undertake those same functions using local resources. While this latter situation works well where there is a broad and solid general revenue base--derived from extensive existing development--newly developing ports in localities having limited economic bases may have difficulty in supporting themselves from local revenues alone.

Alternatives to autonomous local port districts that might be considered for Alaska are: a) the port run as a city department; and b) a statewide development authority. Criteria for evaluation of these options should include scale of operations, revenue base, available local resources, relative degree of local development, and desired degree of adaptability and flexibility. The Alaska Industrial Development Authority might, for example, be allowed to provide regional economic planning for a group of ports, extend its bonding capacity to help finance port projects, and supply staff for issuance of revenue bonds, general administration and marketing. As a city department, a port would have the backing of municipal faith and credit as security for its bonds and could make use of all departmental resources for administration, rather than duplicating many ongoing city functions. Where ports are of small size, this "piggybacking" could be a more efficient solution than independent districts.

Finally, there is no reason why legislation cannot offer more than one option for the formation of port districts. Oregon legislation establishes local port authorities but also sets up a state port revolving fund and a state ports division. A separate enabling statute addresses the Port of Portland,¹ an entity of quite different type and scale from the smaller, local ports.¹

¹Oregon Revised Statutes, Chapters 777 and 778.

PORTS: A PUBLIC ASSET

Ports, as transfer points for commercial and industrial goods and as access points for regional services, are among a community's primary economic assets. Port activities generate income, which in turn produce revenue. The multiplier effect from a port permeates a local economy, affecting all levels and sectors. A port and its facilities deserve and often receive a special place in the economic development plan for a community and its region. The port is the key infrastructure component to a flow of goods and services upon which most economic activity in the community may depend.

Many public port authorities were first formed in the United States as a means for wresting control of commercial ports from the railroads, which often had a monopoly over waterfront facilities. A railroad with trunk line terminals at more than one port would allow selective financial and physical deterioration to occur. The Washington State Port District Act of 1911 was a response to this situation with regard to the ports of Tacoma and Seattle. Port authorities were intended to ensure the continued development of harbor facilities in the public interest. Thus, it is not surprising that port areas have been seen as unique developmental opportunities and given special legal status.

RANGE OF RESPONSIBILITIES

Many port authorities (or port districts) are not limited in their range of responsibilities to waterfronts and harbors. Clearly, a port's developmental potential is dependent upon other physical assets, the operation of which is equally in the public interest. In some states, legislation, written to enable special purpose districts to control water-related functions, also provides for district authority over the development and operation of airports, rail facilities, and industrial districts for enterprises that require port access. The Port of New York Authority, for example, was formed to help develop land transportation systems, providing access to hinterland regions, and was given power to construct bridges and tunnels. Under Washington State law, broadened in 1963 to include many nonharbor functions, any local port district may:

...construct, condemn, purchase, acquire, add to, maintain, conduct and operate systems of sea walls, jetties, piers, wharves, docks, boat landings, and other harbor improvements, warehouses, storehouses, elevators, grainbins, cold storage plants, terminal icing plants, bunkers, oil tanks, ferries, canals, locks, tidal basins, bridges, subways, tramways, cableways, conveyors, administration buildings, fishing terminals, together with modern appliances and buildings for the economical handling, packaging, storing, and transporting of freight and handling of passenger traffic, rail and motor vehicle transfer and terminal facilities, water transfer and terminal facilities, air transfer and terminal facilities, and any combination of such transfer and terminal facilities, commercial transportation, transfer, handling, storage and terminal facilities,

and improvements relating to industrial and manufacturing activities within the district, and in connection with the operation of the facilities and improvements of the district, it may perform all customary services including the handling, weighing, measuring, and reconditioning all commodities received. A district may also construct, condemn, purchase, acquire, add to and maintain facilities for the freezing or processing of goods, agricultural products, meats or perishable commodities. A port district may also construct, purchase and operate belt line railways, but shall not acquire the same by condemnation.²

Washington statutes expressly allow port districts to establish, operate, and maintain foreign trade zones, pursuant to permission of the U.S. government (RCWA 53.08.030). Districts may improve lands for sale or lease for industrial and commercial purposes and may develop sewer, water, and pollution control facilities to serve their own properties (RCWA 53.08.040). Local improvement districts, where special levies can be assessed, may be set up within port districts (RCWA 53.08.050). Washington port districts may lease and sell their property (RCWA 53.08.080-091). They are further empowered "to initiate and carry on the necessary studies, investigations and surveys required for the proper development, improvement and utilization of all port properties, utilities and facilities, and for industrial development with the district when such agricultural and industrial development is carried out by a public agency, institution, or body for a public purpose, and to assemble and analyze the data thus obtained...."(RCWA 53.08.160).

Washington port districts may also develop and operate public park and recreation facilities if needed to utilize port property more fully (RCWA 53.08.260).

Port districts must adopt a comprehensive scheme or plan of harbor improvement before creating such improvement (RCWA 53.20.010).

Port districts may create industrial development districts within their boundaries for the purpose of developing "marginal lands," making use of a grant of the power of eminent domain, as required (RCWA 53.25).

Washington port districts may establish trade centers (RCWA 53.29.020) and develop and operate toll bridges, tunnels, and highway approaches (RCWA 53.34.010).

Generally, U.S. port authorities as public corporations may exercise the power of eminent domain, conduct studies and develop plans, levy facility charges, issue bonds, sue and be sued, apply for federal grants, and enter into contracts and agreements. Many have police powers for purposes of

²Revised Code of Washington 53.08.020.

maintaining security and of enforcing ordinances applying to port properties. A few may have regulatory authority, such as the licensing of stevedores, enforcement of environmental and land-use regulations, and management of submerged lands within a port's jurisdiction.³

POLITICAL STATUS AND ORGANIZATION

Examining a random selection of port authorities in only a few states may lead one to an unwarranted conclusion that the national history of such authorities has tended toward a steady evolution of the species. Actually, viewed over the long term nationwide, the political status of port authorities is in constant flux and seems to depend upon current perceptions of where the power lies to control public assets most effectively. The Maryland Port Authority (now the Maryland Port Administration), for example, was set up by the state in 1956 to take control of the Port of Baltimore from a city agency; but in California, the state gave back control of the San Francisco waterfront to the Port of San Francisco in 1969.

Degrees of autonomy may vary. The statewide Massachusetts Port Authority, for example, is nearly autonomous and "shall not be subject to the supervision or regulation of the [state] department of public works or of any department, commission, board, bureau or agency of the Commonwealth." Certain decisions made by the North Carolina State Ports Authority, on the other hand, require review and approval by the governor and council of state, and management personnel are appointed by the state's secretary of commerce. Employee salaries are fixed by the governor.⁴

Some port authorities are integral administrative divisions of state, county, or municipal government. State departments administer port authorities in Alabama and Maryland, among other, mostly East Coast, states. Municipal port departments run ports for Los Angeles, Pensacola, Milwaukee, Providence, and Richmond in California. The Port of Miami is run by a Dade County department.⁵

Port authorities operate as independent political subdivisions in Ohio, Washington, Oregon, and Texas.

³Rexford B. Sherman, "Public Port Agencies in the United States and Canada," The American Association of Port Authorities, Alexandria, Virginia, September, 1985, pp. 6 - 7.

⁴Ibid., p. 3.

⁵Ibid., p. 5.

The most common types of port authority organization are:

- 1) municipal or county public corporation;
- 2) independent municipal or county commission;
- 3) municipal or county public department;
- 4) state public corporation;
- 5) state independent commission;
- 6) district public corporation;
- 7) private corporation;
- 8) bi-state public corporation;
- 9) state government department;
- 10) district independent commission.

The principal factors of government organization are: a) the political unit which selects the members of the port authority (i.e., board of commissioners); and b) the political unit giving financial support to the port authority. In instances where these two have not been the same, the alternative arrangements seldom prove practical.⁶

Commissions have, to a great degree, political independence and can combine legislative and administrative powers, but they do not have the right to sue and be sued or to issue securities under their own corporate name. They may, however, acquire land and facilities by condemnation, do economic and physical development planning, construct facilities, and regulate privately owned terminals.

Port authorities, as either state or local public corporations, are independent from other units of government but are subordinate to the unit of government creating them. They may sue and be sued, incur debt, enter contracts under their own seals, and issue securities in the name of the corporation. They provide maximum freedom of action in development and administrative activity and maximum insulation from partisan politics.

In the state of Washington, port districts are established as limited purpose municipal corporations, although with their broad grant of powers they bear some resemblance to general purpose governments (i.e., cities and counties). In both Washington and Oregon, port districts are authorized to assess, levy, and collect taxes on all real and personal property situated within the district. This provides a relatively certain base of revenue for operations. In Oregon, districts coincide with all or part of river basin drainages (ORS Chapter 777). Since 1972, in Washington, new port districts must coincide with county boundaries, although a two-year moratorium on this requirement was set in 1986.

⁶Marvin L. Fair, Port Administration in the United States, Cambridge, Maryland, Cornell Maritime Press, 1954, pp. 61 - 62.

Of 105 U.S. port authorities, 66 governing bodies are appointed, 27 elected, and 9 have no governing body. In three instances, county commissioners also constitute the port authority board. Appointments may be made by the governor, mayor, or board of county commissioners or they may be a mixture of state and local appointments. Specific geographical and professional criteria may be set out in the enabling legislation, requiring selection from the state at large and/or specific economic sectors (e.g., agriculture, industry, or fishing). The number of commissioners or directors ranges from 3 (normal for local commissions in Washington State) to 33 (Board of the Philadelphia Port Corporation).

In Washington State, a port commission is responsible for organizing itself, electing its officers and adopting its rules of organization and official seal. A port district may be formed pursuant to a majority of county voters voting in favor of it in the form of a resolution, placed on the ballot by the board of county commissioners. By petition of at least 10 percent of the voters, the commissioners may be required to place the issue on the ballot (RCWA 53.04.020).

FINANCING

Investment needs of a port vary with its plans for development. Real estate acquisition, terminal facility construction or improvement, parks and tourist facility development, warehousing, commercial space, and costs of servicing bonds and notes are all investment costs, direct and indirect. Operating expenses vary with size of port and with type and extent of maintenance and operations. Staff is needed to handle maintenance, operations, traffic, and promotion, and administration including accounting, engineering, and planning.

The possible sources of funding for a port authority include:

- 1) taxes levied by the port;
- 2) taxes levied on behalf of the port by the parent political unit or units;
- 3) bond issues secured by taxable wealth of the local entity or state;
- 4) bonds and other forms of indebtedness secured by income of the port as a whole;
- 5) bonds issued with specific revenues of the port pledged;
- 6) income from bridges, tunnels, industries, and other nonport operating sources;
- 7) appropriations as subsidies from state or local governments (operating revenues may or may not be turned back into the city, county, or state treasuries); and
- 8) port revenues.

7 "Public Port Agencies in the United States and Canada," pp. 8-9.

The mix of sources may change as a port develops. Substantial appropriations or a bond issue may provide initial financing, whereas continuing development and operations would ideally be provided through port revenues. Flexibility in financing methods is essential and, in this regard, public corporations enjoy an advantage.⁸

Port income is usually split between wharfage, dockage, and tollage, other terminal services, rentals and leases, and other operating means. Income may be used as a basis for bond security. Bond security may also be based on taxation (of all kinds), revenue from specific facilities, and general obligation (or "full faith and credit" of the state or general purpose unit of government). Some sources of bond security have been unique. At one time, for example, New Orleans received 9/20 of one cent per gallon of the state gas tax which was dedicated to the retirement of port bonds.

In constructing specific income-generating facilities, port authorities will often use revenue bonds as the means for financing. There must be adequate assurance, though, that sufficient revenues will be available to service revenue bonds with a satisfactory safety margin provided. Otherwise there will be no market for the bonds.

Whether or not a port should be self-supporting is open to debate. As a public corporation engaged in a revenue recovery business (similar to power and light utilities and to railroads), the port should perhaps be self-supporting. On the other hand, public benefit from well-developed port facilities argues that only marginal costs or operating activities be self-sustaining. Still another argument maintains that a port is so essential to everyday life that even its operations ought to be subsidized as necessary.⁹ Generally, the greater the subsidy, the greater will be the eventual political pressure for oversight by the subsidizing entity.

In Washington State, all port districts may levy a basic tax for general port purposes to a maximum of 45 cents per \$1,000 of assessed valuation on all property in the district (which can cover a whole county). When an industrial development district has been formed, commissioners may levy an additional 45 cents per \$1,000 assessed valuation for up to 12 years. Any port district may levy up to another 45 cents per \$1,000 valuation for dredging, canal construction, and land leveling purposes. Local improvement assessments may be made for necessary land improvements in industrial

⁸Port Administration in the United States, pp.135-137, and Marc Hershman, et al, Under New Management: Port Growth and Emerging Coastal Management Programs, Seattle and London, A Washington Seagrant Publication, distributed by the University of Washington Press, 1978, p. 14.

⁹Port Administration in the United States, pp. 143 - 144.

development districts. For county property valued at \$100,000, yearly property assessments by a port district could amount to \$135 plus local improvement assessments.

General obligation bonds in Washington may not exceed 1/4 of one percent of the total assessed valuation of the taxable property within the port district without a vote of the people. With voter approval, general obligation bonds up to 3/4 of one percent of the assessed valuation may be issued. Additional indebtedness up to 1/2 of one percent of the assessed valuation may be incurred by ports with less than \$200 million of assessed valuation for airport capital improvement purposes. Of this 1/2 of one percent, 1/8 of one percent may be incurred without a vote of the people. The remainder would require approval of the voters. Total indebtedness for all port purposes cannot exceed 1-1/4 percent of the assessed value of taxable property within the district.¹⁰

THREE PORTS IN WASHINGTON STATE: BELLINGHAM, EVERETT, PORT ANGELES

Following are summaries of information obtained from representatives of port authorities and planning departments in three cities in Washington State. Each was asked to discuss the operation of the local port authority from his or her professional perspective and to evaluate strengths and weaknesses of the authority, especially as it relates to the general purpose unit of government.

Bellingham

The Bellingham Port Commission is made up of an attorney, a fisherman, and a general member, resident of the county. Each is elected for a four-year term, and elections generate much public participation.

The port consists of a special district inside the city limits that contains the main waterfront area and a number of properties including the airport, marina in Blaine, industrial park at Sumas, a northern terminal inside the city, and deepwater port to the south.

Development goals for the port have been adopted by the city as a basis for its planning. Neither the city planner nor the port representative felt there were any conflicts between the port's goals and the city's, although apparently there has been some controversy over the development of various properties.

¹⁰Washington Public Ports Association, "Knowing the Waters: Basic Legal Guidelines for Port District Officials," no date.

The Port Authority must go through normal city zoning procedures for changes in land use. The city planner felt that, despite the lack of real conflict between port goals and the city's, it would be good to clarify, in the enabling statute, the connection between the two entities--especially with regard to fire, police, and planning responsibilities.

Everett

The Port of Everett controls the main marine terminal and a 2,200-slip marina with more than 60 acres of adjacent land. It does not have jurisdiction over the airport or over nonwater-oriented facilities.

Several years ago, the port had considerable success in developing three acres next to its fisheries wharves as a commercial village with retail space. A California developer did the project so well he was asked to develop the remaining 60+ acres. He proposed condominiums, restaurants, and offices, displacing many of the marine-related uses like dredging and boat building.

While there was congruence between city planning and port district objectives in promoting the project, there was a fatal backlash from the affected interest groups, primarily the existing businesses and marine users. They had not been consulted in the planning process. While the concept may have been a revenue generator (of the type seen in San Diego, where waterfront marine terminal facilities are minimized in favor of residential and retail activities), an incomplete planning process squelched the original project.

Policy of both port and city now gives high priority to water-oriented land uses and plans have been reworked accordingly. This, of course, does not preclude such uses as parks and recreation or even hotel complexes, which can be lucrative sources of revenue.

In Washington, the Shoreline Master Planning process and the State Environmental Policy Act requirements force a public dialogue during the project development process. While the enabling legislation for ports is weak on planning requirements, a port must eventually face citizens' committees and various interest groups as a result of other mandated local planning programs. Everett discovered that public involvement at the front end of a project can save a lot of expense and good will later.

Port Angeles

The Port of Port Angeles is involved in a controversy of another type. The port controls the airport, marina, and two industrial parks. The city, county, and port had been working on a joint harbor plan for two and one-half years without much friction at the staff level. At the policy level, however, the timber and fishing interests guiding the port wanted to

designate downtown land for log storage and fish processing. The city, on the other hand, took a more long-range, strategic view and saw wood products exports dying down as a result of the state's sustained yield logging policy. With a national park on its doorstep and direct access to travelers from Victoria, the city also felt that tourism potential was relatively untapped. There was an inherent clash between two proposed goals for waterfront development.

As in Everett, the local planning process broke down because of the lack of attention to front-end policy planning and community participation. This state of affairs was fostered by enabling legislation for ports (and for cities) that does not clarify the relationship between port and city planning. Who, for example, was to be the lead agency and what was to be the mechanism for public oversight?

Correspondents in the three Washington cities above made some general observations on problems of port districts and offered suggestions for improving their operation in the state of Washington.

First, port districts have not been open to the public and have not encouraged citizen participation in goal setting. A port district is less of a local team player, using the press to exert pressure to obtain needed permits and to place the general government administration in a bad light.

Second, port districts have developed more from a subjective, intuitive base than from a solid market analysis and analytical information. One port district has, for the first time, hired a director from outside the interest group of major users and has found that some basic developmental assumptions are being challenged--by the director. His business background (as a private sector economist) brings with it a set of logical questions about markets and rates of return which had not been asked before.

Third, Washington is fortunate in having state-mandated local planning processes in place to safeguard the general public interest and to resolve conflicts. Even though enabling legislation for ports requires only minimal planning, the ports are beginning to hire planners who must project and evaluate consequences of port action before the fact. One correspondent suggested that the process could be improved by requiring a port to have a five-year master development plan and a capital improvements plan, updated yearly. Other suggestions were to make the port's authority subordinate to local zoning and building codes and to explicitly permit port districts to undertake recreation and other noneconomic development projects.

Fourth, in Washington, port districts have considerable independence. They have broad and flexible revenue-generating capability, much like general purpose governments, but without the same kind of public oversight. As a marketing entity, for example, a port district maintains an entertainment "slush" fund unhampered by adequate accounting procedures. On the positive

side, funding flexibility and relative independence of action allows port districts in Washington to respond quickly to changing economic and technological conditions. The Port of Seattle was one of the first ports in the country to take advantage of containerization technology. And Washington ports were able to install coal tipping facilities ahead of the ports in Oregon which were inhibited by the planning and permitting processes of state agencies.

Fifth, commissions with only three members can easily circumvent discussion of issues. One commissioner with an idea needs agreement from only one other commission member to translate the idea into action. This may be done before any negative aspects become apparent. Increasing the number of elected commissioners to five would help ensure adequate airing of all points of view and would increase community representation.

COMMENTS OF PROFESSOR DAVID OLSON, UNIVERSITY OF WASHINGTON

Professor David Olson, Chair of the Political Science Department at the University of Washington, a recognized authority on port districts, provided the following comments when asked about their political organization related to economic performance.

The great advantage of a port district with general taxing authority in Washington is that it can obtain money at a cheaper rate than can a general purpose government. By dedicating a stream of revenue from a specific project as security for revenue bonds, it can realize lower interest rates. This is not necessarily true where a project may be financially marginal and the financing process includes a market test.¹¹

The advantage of having a port commission or authority separate from city operations is that liability extends to the port as an entity, not to the municipality, and a port's accountability is not diluted by actions and responsibilities of other city departments. In one major California city, named by Professor Olson, where the port is operated as a city department, the city overbills the port (a major source of revenue) as much as ten times for fire services, data processing, etc. These services would be supplied on contract or by staff at a lower cost if the port were a separate entity.

¹¹In fact, the director of the Alaska Housing Finance Corporation has stated that the bonds of special purpose units of government in Alaska are rated at least one notch below bonds of its parent entity, largely because of a district's or authority's lack of general taxing powers.

Representative Davis
March 25, 1987
Page 13

State oversight or involvement in port business can be good in that it provides a broader base for financing and helps coordinate among competing port districts, improving their efficiency. The tradeoff is in loss of local control and decreased adaptability and flexibility. Decision time becomes longer with the decrease in autonomy.

If you have questions or need additional information, please contact this agency.

Attachments:

- 1) State of Oregon ports enabling legislation.
- 2) Gretchen Keiser, "Port of Seattle Commission," House Research Agency, Research Memorandum 85.341, June 6, 1985 (includes the State of Washington ports enabling legislation).
- 3) Washington Public Ports Association, "Knowing the Waters: Basic Legal Guidelines for Port District Officials," no date.
- 4) "The Public Port Concept and Its Contribution to the Economic Development of Washington," no date.

Introduced: 3/6/87
Referred: Community & Regional Affairs,
Labor & Commerce & Finance

5-0727A

*financial responsibility of
2nd class cities*

*check w/ bond council on munic. liability -
extrajurisdictional powers - amendment?*

ownership of property

1 IN THE SENATE

BY DUNCAN, ZHAROFF,
KERTTULA AND SZYMANSKI

SENATE BILL NO. 168

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIFTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to establishment of a port authority
by a municipality."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 29.35 is amended by adding new sections to read:

ARTICLE 9. PORT AUTHORITIES.

Sec. 29.35.600. ESTABLISHMENT OF AUTHORITY. (a) A borough,
unified municipality, or city in the unorganized borough may establish
a port authority. The authority shall be a corporate public body that
may sue and be sued in any court of the state. The authority pos-
sesses all powers specified in the ordinance under which it is formed
in addition to those enumerated in AS 29.35.600 - 29.35.690.

(b) In a resolution proposing formation of a port authority, the
governing body shall set a date for the holding of a public hearing on
the adoption of a proposed ordinance establishing the authority and
designating the powers of the authority. After the public hearing, if
the governing body intends to proceed with the establishment of the
authority, it must do so by ordinance subject to voter approval.

(c) At the time of adopting an ordinance proposing formation of
a port authority, the governing body shall issue a call for nomination
of port commissioners, specifying the filing deadline and procedure
for making nominations. The election of the initial members of the
port commission shall take place at the same time as the election on
the question of forming a port authority. If at least one candidate
for each of the three commission seats is not nominated, the proposal

*Airport 2
3 seaport
4 now airport working
5*

1 to form a port authority is void and no election on the question shall
2 be held.

3 Sec. 29.35.610. PORT COMMISSION. (a) A port authority shall be
4 under the supervision and control of a port commission consisting of
5 three elected members. The term of a member is six years, except that
6 one initial member shall serve a term of four years, and one initial
7 member shall serve a term of five years, to be determined by lot.
8 Commission members may be reelected.

9 (b) A vacancy on the commission shall be filled by appointment
10 by the mayor. An appointed member serves for the remainder of the
11 term to which appointed. On notice and an opportunity to be heard, a
12 member of the commission may be removed for cause by the governing
13 body. Removal of a member is subject to review by the superior court.

14 (c) The commission shall adopt rules governing its procedure and
15 the holding of regular meetings. Special meetings may be held when
16 called in the manner provided in the rules of the commission.

17 Sec. 29.35.620. EXECUTIVE DIRECTOR AND EMPLOYEES. (a) The port
18 commission may employ and fix the compensation of a director, subject
19 to the approval of the governing body of the municipality. The direc-
20 tor serves at the pleasure of the commission. A member of the commis-
21 sion is not eligible to hold the position of director.

22 (b) The commission may retain legal counsel to advise the com-
23 mission in the proper performance of its duties. The legal counsel
24 shall represent the commission in actions brought by or against the
25 commission.

26 (c) The commission may employ other personnel considered neces-
27 sary by the commission.

28 (d) The employees of the commission may participate in municipal
29 retirement and insurance programs of the municipality.

OWN 7

1 Sec. 29.35.630. POWERS. The port commission may
2 (1) study and analyze the effect of economic changes and
3 growth on the waterfront and waterways;
4 (2) acquire, construct, repair, renovate, and manage sea
5 walls, jetties, piers, wharves, docks, boat landings, and other harbor
6 improvements, warehouses, cold storage plants, grain bins, bunkers,
7 ferries, bridges, and other facilities for the handling, storing, and
8 transporting of freight and passengers, or the processing of seafood,
9 agricultural products, and other goods;
10 (3) develop long-range plans, in cooperation with the
11 governing body, designed to promote the economic growth of the
12 municipality;
13 (4) implement any plan of development in waterways or in
14 the waterfront areas in accordance with the powers of the port au-
15 thority under AS 29.35.600 - 29.35.690 or the ordinance under which
16 the authority is established;
17 (5) make and enter into contracts necessary or incidental
18 to the exercise of its powers and the performance of its duties;
19 (6) acquire and convey, or otherwise dispose of, land and
20 other property;
21 (7) fix, charge, and collect fees, rents, and charges for
22 the use of a building or property under its control or any part of it,
23 or facility in it, and pledge the fees, rents, and charges for the
24 payment of revenue bonds issued by the authority;
25 (8) lease a building or property under its control;
26 (9) accept grants and donations from a public or private
27 source.
28 Sec. 29.35.640. EMINENT DOMAIN. A municipality may take private
29 property under AS 09.55.420 - 09.55.460 for the purpose of transfer to

1 the port authority, and may transfer the property to the authority on
2 terms and conditions it considers appropriate, and the taking, trans-
3 fer, and use shall be considered necessary for public purposes and for
4 the benefit of the public.

5 Sec. 29.35.650. FINANCING. (a) The activities of the port
6 authority shall be financed from one or more of the following sources:

7 (1) donations to the authority for the performance of its
8 functions;

9 (2) money borrowed and to be repaid;

10 (3) revenue from any property, building, or facility owned,
11 leased, licensed, or operated by the authority or under its control,
12 subject to the limitations imposed upon the authority by trusts or
13 other agreements;

14 (4) money obtained from other sources approved by the
15 governing body of the municipality.

16 (b) Upon approval of a development plan under AS 29.35.670, the
17 authority may borrow money and issue negotiable revenue bonds as
18 provided for a municipality under AS 29.47. Revenue bonds issued by
19 the authority are not a debt of the municipality or the state.

20 Sec. 29.35.660. DEVELOPMENT PLAN. When the port commission
21 decides to finance a project in whole or in part by the use of revenue
22 bonds, it shall prepare a development plan for submission to the
23 governing body. The development plan must contain

24 (1) the boundaries of the project area in relation to
25 highways, streets, streams, or otherwise and a legal description of
26 the area;

27 (2) the location and extent of existing streets and other
28 public and private structures within the project area and a
29 designation of the location, character, and extent of the categories

- 1 of public and private land uses proposed for the project area;
- 2 (3) a description of existing improvements in the project
- 3 area to be demolished, repaired, or altered, a description of any
- 4 repairs and alterations, and an estimate of the time required for
- 5 completion;
- 6 (4) the location, extent, character, and estimated cost of
- 7 the improvements including rehabilitation contemplated for the project
- 8 area and an estimate of the time required for completion;
- 9 (5) a statement of the construction or stages of construc-
- 10 tion planned, and the estimated time of completion of each stage;
- 11 (6) a description of any parts of the project area to be
- 12 left as open space and the use contemplated for the space;
- 13 (7) a description of any portions of the project area that
- 14 the commission intends to sell, donate, exchange, or lease to or from
- 15 the municipality and the proposed terms;
- 16 (8) a description of desired zoning changes and changes in
- 17 streets, street levels, intersections, and utilities;
- 18 (9) an estimate of the cost of the project and a statement
- 19 of the proposed method of financing the project and the ability of the
- 20 authority to arrange the financing;
- 21 (10) designation of the person to whom all or a portion of
- 22 the project is to be leased, sold, or conveyed if that information is
- 23 available to the commission.

24 Sec. 29.35.670. APPROVAL OF DEVELOPMENT PLAN. (a) Upon receipt
25 of a development plan from the port authority, the governing body
26 shall hold a public hearing on the plan. After the public hearing,
27 the governing body shall by ordinance approve or reject the plan, or
28 approve it with modification.

29 (b) Amendments to an approved development plan must be submitted

*Clarify
evolution
of development
plan*

1 by the authority to the governing body for approval or rejection.

2 Sec. 29.35.680. BUDGET. The director of the port authority
3 shall prepare and submit for the approval of the port commission a
4 budget for the operation of the authority for the ensuing fiscal year.
5 The budget shall be prepared in the manner and contain the information
6 required of municipal departments. Before the budget may be adopted
7 by the commission, it must be approved by the governing body of the
8 municipality. Money of the municipality may not be included in the
9 budget of the authority except that money authorized by the governing
10 body of the municipality.

11 Sec. 29.35.690. DISSOLUTION. A port authority may be dissolved
12 by ordinance approved by the voters. The property and assets of the
13 authority remaining after the satisfaction of the obligations of the
14 authority belong to the municipality.

A M E N D M E N T

Offered in the SENATE

By Duncan *

TO: SB 168

Page 1, lines 11 and 12:

Delete "borough, unified municipality, or city in the unorganized
borough"

Insert "municipality, other than a second class city,"

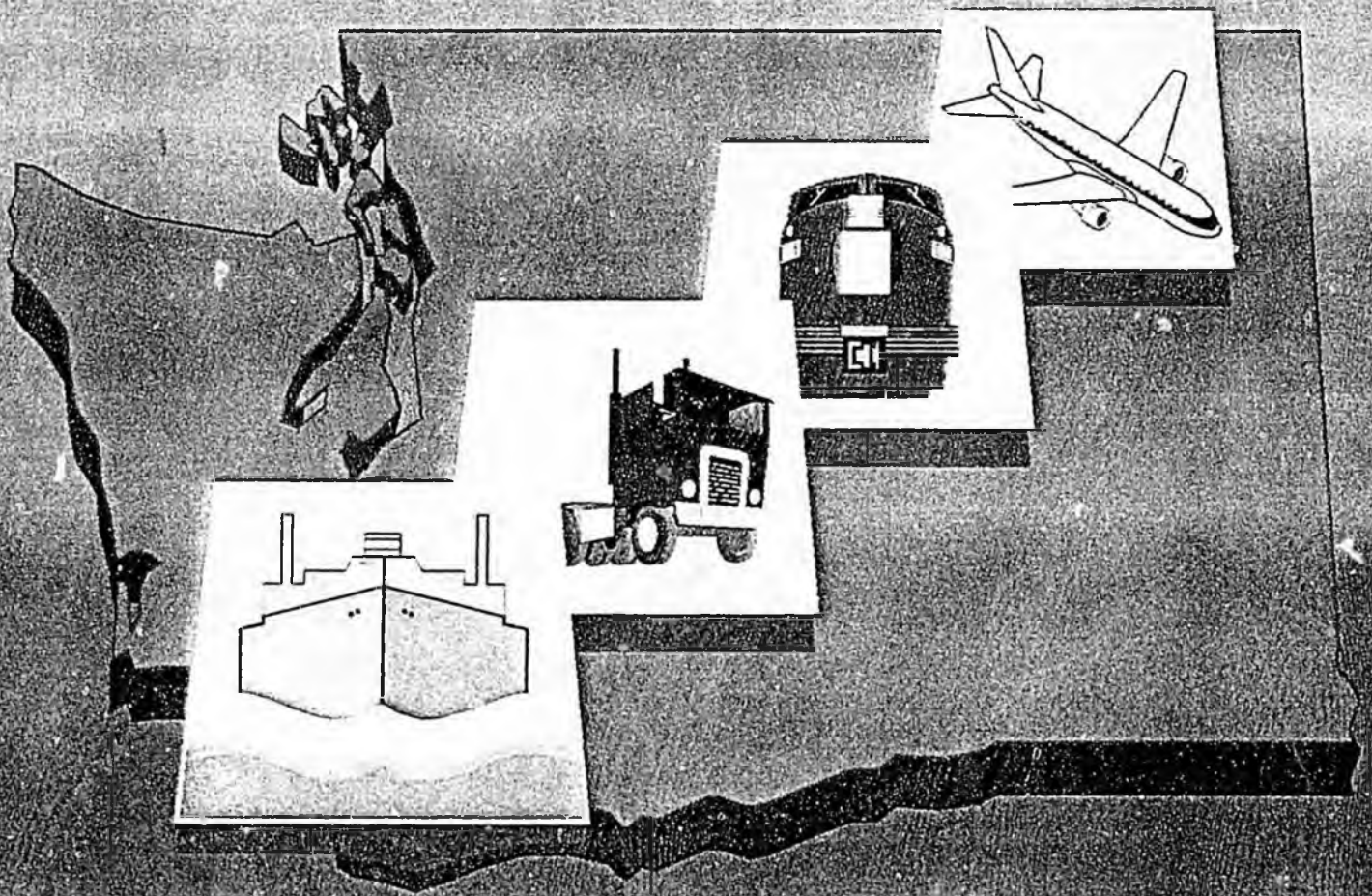
Page 3, line 28, after "municipality":

Insert "that establishes a port authority"

PORTS AND TRANSPORTATION SYSTEMS STUDY

For the Public Ports of Washington State

EXECUTIVE SUMMARY



TAMS

TIPPETTS-ABBETT-McCARTHY-STRATTON ■ ENGINEERS AND PLANNERS

1985

PORTS AND TRANSPORTATION SYSTEMS STUDY

For the Public Ports of Washington State

EXECUTIVE SUMMARY

of

**The Second Update of the 1975
Public Ports System Study**

Prepared for
WASHINGTON PUBLIC PORTS ASSOCIATION
and the
WASHINGTON STATE TRANSPORTATION COMMISSION,
THE WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
in cooperation with
THE U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

December 1985

THE CONTENTS OF THIS REPORT REFLECT THE VIEWS OF THE AUTHORS WHO ARE RESPONSIBLE FOR THE FACTS AND THE ACCURACY OF THE DATA PRESENTED HEREIN. THE CONTENTS DO NOT NECESSARILY REFLECT THE OFFICIAL VIEWS OR POLICIES OF THE WASHINGTON PUBLIC PORTS ASSOCIATION, THE WASHINGTON STATE TRANSPORTATION COMMISSION, WASHINGTON STATE DEPARTMENT OF TRANSPORTATION OR THE STATE OF WASHINGTON. THIS REPORT DOES NOT CONSTITUTE A STANDARD, SPECIFICATION OR REGULATION.

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This study is the result of a cooperative effort between the Washington Public Ports Association and the Washington State Department of Transportation to develop a long range strategic planning document which identifies and examines the physical, operational, administrative and legislative policy factors that impact the movement of waterborne commerce through the state.

This is the third Public Ports System Study carried out by the WPPA. The first, in 1975, covered the deep draft ports of Washington and also included the port of Portland, Oregon. The second study in 1980 considered all of the public ports in the state, including the upper Columbia River and inland waterway system and also examined the impact of the Extended 200-Mile Fishery Limit.

In recent years the increased level of competition between shippers, carriers and the ports that serve them has brought about an increased awareness of the need for operational and economic efficiencies through the complete transportation chain from initial origin to final destination. Since partial deregulation in 1980, considerable technological developments and innovative pricing structures have improved the efficiency of the national railroad system and this in turn has impacted trucking and highway system needs. In recognition of this growing importance of the inland transportation system to the port industry, the scope of this latest study includes the rail, highway, air cargo and pipelines systems in addition to ports and waterways.

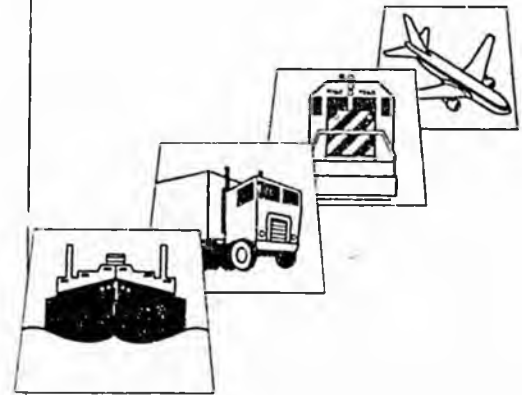
The efficient movement of commodities within and through Washington is dependent upon an integrated transportation network. Changes and new developments in any component of the network of highways, airports, railroads, ports and waterways may impact all other transport modes. The principal goal of this study is to evaluate the state freight transportation system and recommend any necessary improvements so that existing and future trade opportunities may evolve under a minimum of constraint.

Specifically, the study presents an analysis of the existing and future status of Washington's freight transportation system. The performance and capacity of each component of the transportation network is examined, trends in commodity movements are discussed and major issues impacting the system are identified. Future waterborne commerce volumes are projected and compared with the system capacity in order to assess future facility needs.

Finally, the study examines the informational bases available for strategic modal planning decisions, reviews funding mechanisms, and discusses port related policy and legislative actions.

This Executive Summary presents the highlights and key conclusions of the study.

Introduction



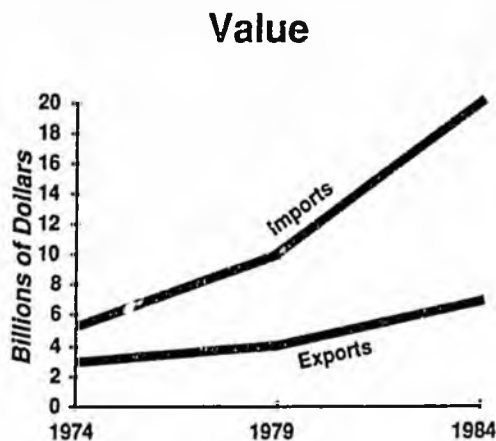
The Existing Transportation Network

Waterborne Commerce

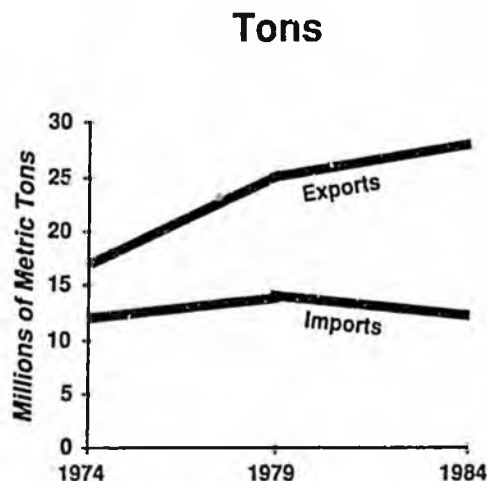
The existing statewide transportation network consists of a system of public and private ports and waterways, railroads, roads and highways, pipelines and airports. Each component of the transportation network facilitates the movement of a vast range of commodities and products through the state. Current and future commodity flows were investigated for each of the major transport modes.

Of the 53.8 million metric tons of cargo handled through the statewide port system in 1984, 41.8 million tons were international cargoes. Although export tonnages exceeded import tonnage by a factor of 2.5, these exports were worth just 25 percent of the estimated \$21.3 billion value of all import cargoes.

Figure 1: International Trade, through Washington State 1974-1984



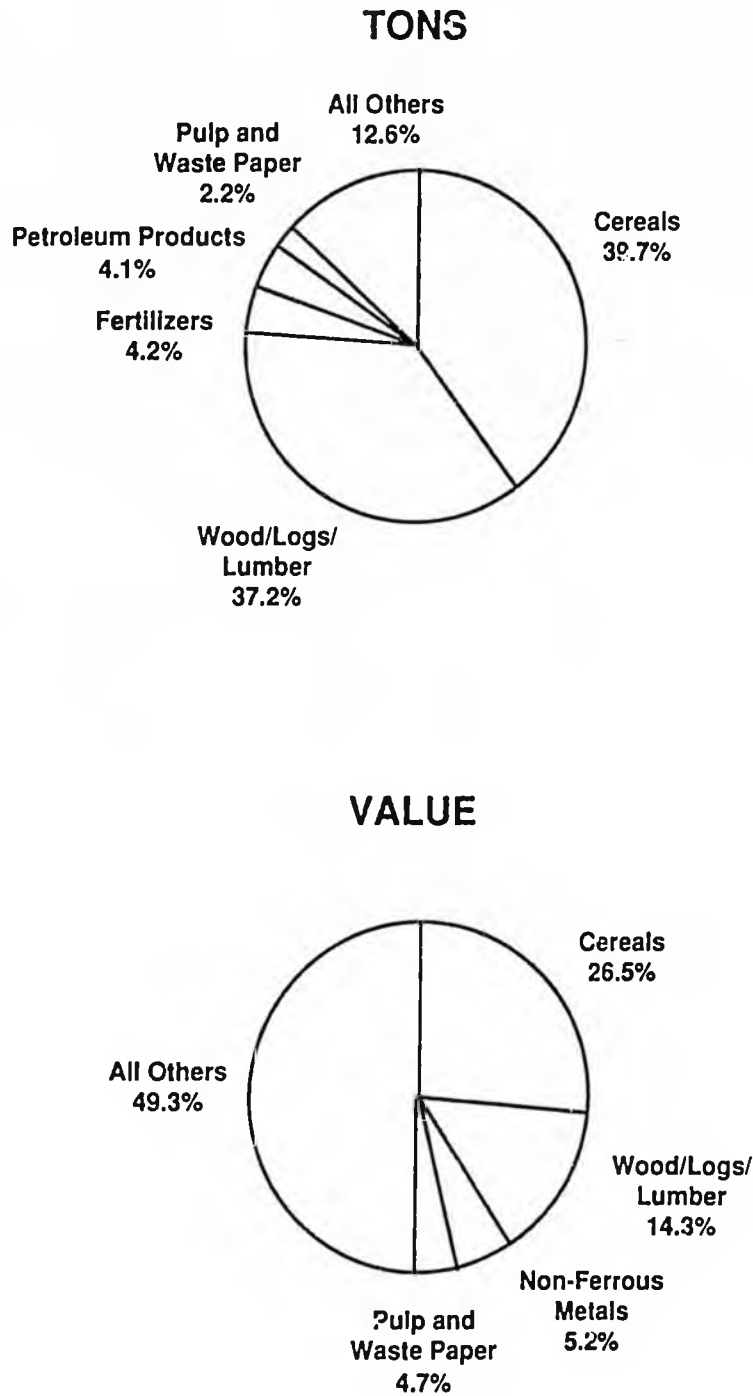
Since 1974, Washington ports have maintained a fairly consistent share of total West Coast international trade. In the past ten years, the statewide market share of all West Coast import tonnage has ranged between 24 and 31 percent while export tonnage has remained at a relatively stable 40 percent of total West Coast exports.



Washington is a production and export center for raw materials and natural resources. Five of the top ten export commodities are forest products, representing 39.4 percent of all exports from the state.

Exports

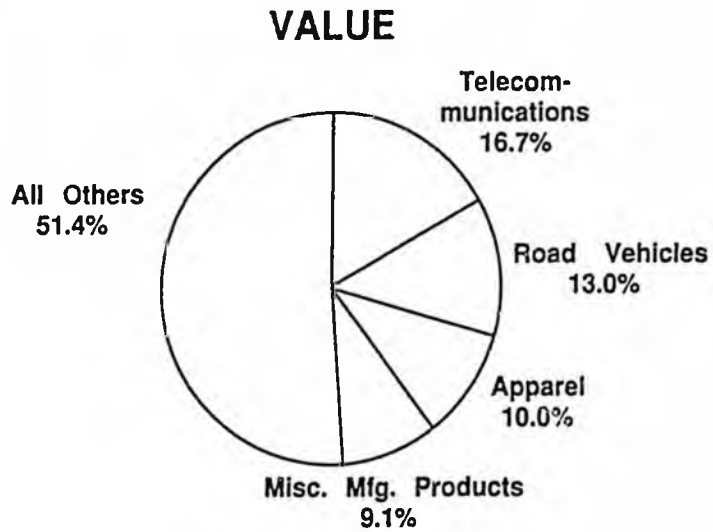
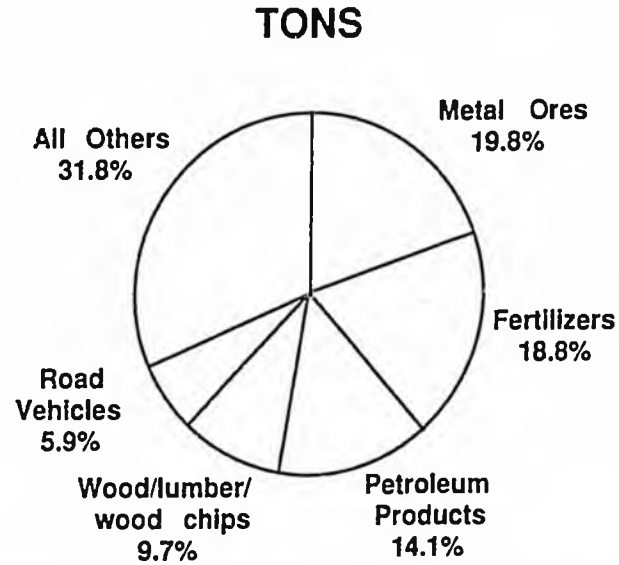
Figure 2: Washington State Exports; Leading Commodities, 1984



Imports

In terms of tonnage, the top ten import commodities are principally metal ores and fertilizers. However, high value consumer goods such as telecommunications equipment, vehicles and apparel dominate the mix of import commodities in terms of product value.

Figure 3: Washington State Imports;
Leading Commodities, 1984



Trading Partners

The principal trading partners for both exports and imports are Pacific Rim nations. Japan is the leading destination for Washington exports in terms of tonnage and value, and the leading import source in terms of commodity value.



Railroads

Railroads play a significant role in the economic development of the Washington port system. The statewide rail network, covering approximately 4,000 miles is a key component of a state freight transportation system which contains a combination of heavily used mainlines and moderate to low use branch lines.

Two rail carriers, Burlington Northern (BN) and Union Pacific (UP), own and operate over 90 percent of the rail trackage within the state. The remainder is owned by a variety of shortline, terminal, and rail district operators.

Since partial deregulation of the industry, the mainline rail system has become much more competitive with other inland transportation modes. At the same time, the increased level of competitiveness at all levels of world trade has imposed severe economic pressures on shipping companies and ports, resulting in an increasing emphasis on the efficiency of the inland transportation network.

The most notable changes in rail traffic patterns in the past decade include:

- A shift from boxcar to intermodal container (COFC) or trailer (TOFC) on flat car modes.
- A growth in intermodal traffic and a shift to rail from trucking for containerized cargoes.
- The introduction of twin stack rail cars.
- A decrease in forest products carried.
- An increase in grain traffic for export destinations.
- An increase in imported automobiles transported to final markets.

Agricultural and forest products dominate rail freight tonnage originating and terminating in the state. Contrary to popular opinion, the total tonnage handled by the rail companies has not increased significantly in the past ten years. During 1984 the total gross railroad tonnage, which includes the weight of rolling stock, locomotives etc, originating and terminating in Washington reached 45.7 million metric tons, compared with 43.5 million tons in 1975.

Trends in Rail Freight Transportation

Figure 4: Total Cargoes;
1974-1984 (Millions of Metric Tons)



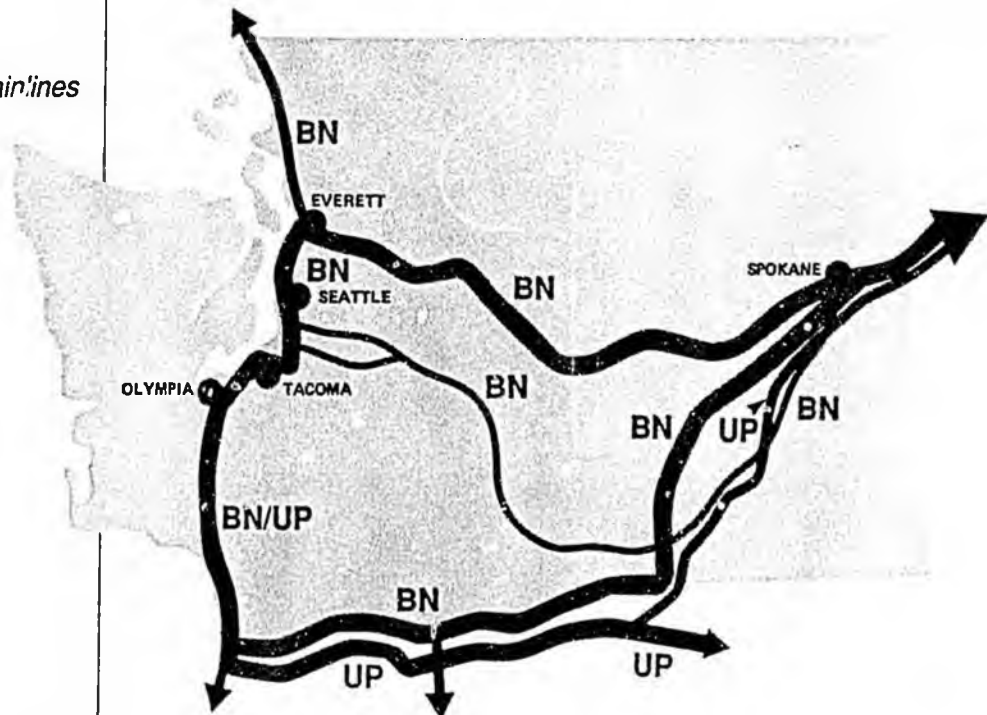
However, major changes have taken place in the distribution of traffic within this total. In particular, the volume of intermodal containerized general cargoes originating in Washington has risen dramatically, increasing from 8 percent of all traffic in 1975 to 33 percent in 1984. During the same period, movements of farm products, principally grains and cereals, have also increased, although less spectacularly.

Rail Condition

Mainlines: The mainlines owned and operated by Burlington Northern and Union Pacific often exceed federal and state track and safety standards. As a consequence, the mainline system in the state is in excellent condition and is likely to remain so in the foreseeable future.

Currently, the main rail lines in Washington carry an average of 15 million gross tons per year over a particular section of rail. The theoretical potential capacity of a rail corridor is an imprecise number which includes many route and operational criteria. An order of magnitude estimate of 55 million gross tons per year for single track and 220 million gross tons for double track is often considered as an average. Centralized Traffic Control (CTC) raises the capacity of a single track to 99 million gross tons. This is well above the heaviest volume of 62 million gross tons recorded in Washington in 1984 over the single track, CTC, Burlington Northern Spokane to Sandpoint corridor.

Figure 5: Railroad Mainlines



Low density lines are those rail lines that function as branches or feeders to the mainline system. Typically, a low density line will carry less than one million tons of freight per year. The low volume lines are susceptible to pressure for abandonment as revenues decline. This is particularly the case on those lines that carry single commodities which may undergo extreme fluctuations due to market or international economic conditions.

Percent Share of Originating Carloads

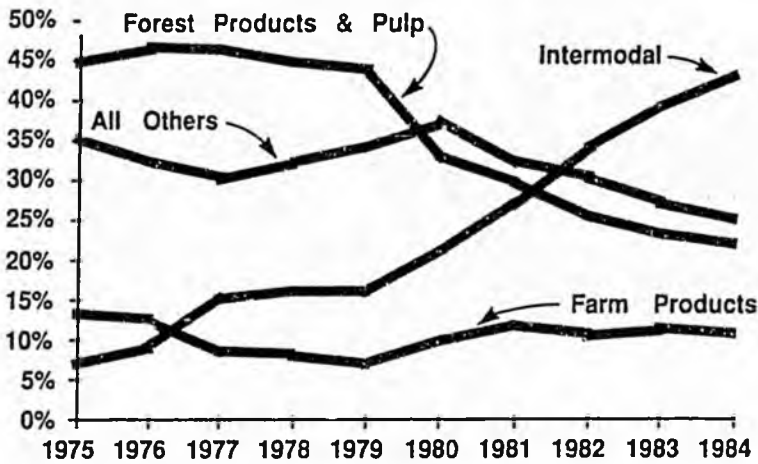
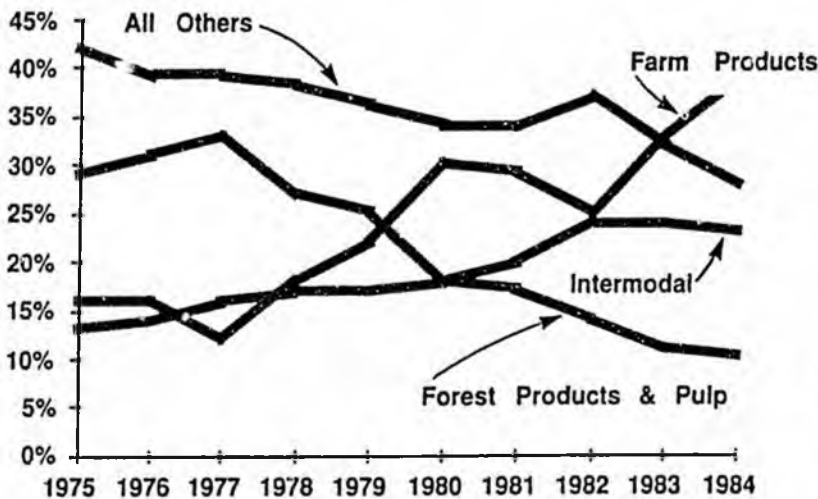


Figure 6: Percent Share of Originating and Terminating Cargos; 1974-1984

Percent Share of Terminating Carloads



Pressure to abandon low revenue branch lines is expected to continue as the major railroad companies concentrate on the economic performance and efficiency of the mainline system.

Since federal partial deregulation, the railroads have begun to increase service in high density traffic corridors at the expense of the low density lines. Increasingly, uneconomic lower density rail lines are either being abandoned, used sparsely, or provided lower quality

Rail Line Abandonment



service. This normally results in a reduced level of service for the low density and feeder lines as the railroads change from a network system to a hub to hub configuration.

Consequently, a number of communities are expected to experience economic difficulties directly related to the

loss or reduction of local rail service. This is particularly critical in many of the agricultural and timber production areas of the state.

Though outside port jurisdiction, ports should monitor the competitive aspect of vertical clearance limitations between competing west coast railroads. The BN and UP companies can currently accommodate one high cut e container (9' 6") and one standard 8' 6" unit, while the Southern Pacific railroad can carry two high cube containers over certain corridors. If eastern railroads increase clearance height and BN and UP do not follow suit, Northwest ports could be competitively disadvantaged.

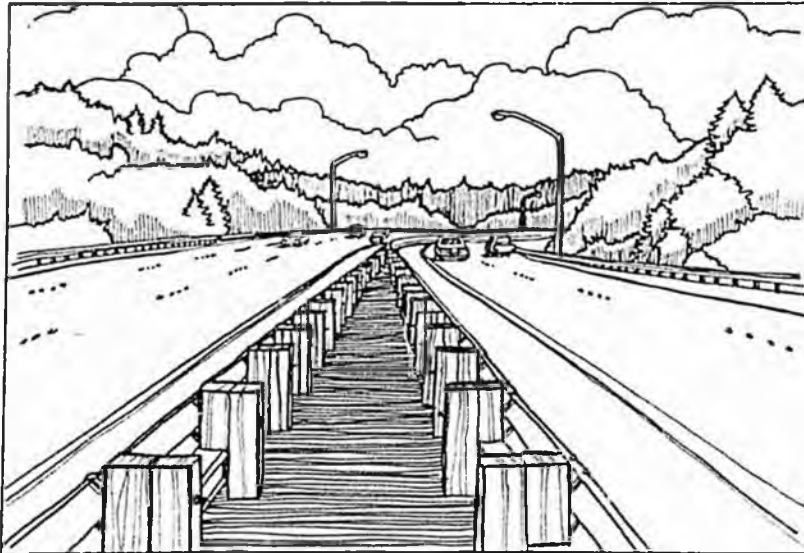
Although no projected capacity constraints are expected on Washington's major rail lines during the next two decades, local access to the mainline system may become more difficult in the future. This situation has come about as a result of the transformation of the mainline railroads into a freeway type of system where multiple car trains make fewer and fewer stops between the main loading and unloading points. This is a concern to a number of Washington ports since competitive status in current and future markets will be increasingly dependent upon the availability of an efficient rail system.

Recommendations

There is a need for a mechanism that will permit the evaluation of feeder service lines in order to determine the current and future viability of rail service to an area. In order to preserve low density lines threatened with deteriorating levels of service and possible abandonment, a coordinated effort will be required by port, city, county and state agencies and user groups.

Recommendations to intercept the low density rail abandonment cycle before it becomes too far advanced include:

- The creation of rail service areas in order to evaluate the viability and future of low density lines on an area basis. The boundaries of these service areas will be based upon the tributary of a particular rail line and cross established political, administrative and geographical boundaries. Shippers, carriers, users, and public agencies within the service areas would all participate jointly in decisions regarding the future of rail service in the relevant area.
- The organization of short line railroads.
- Increased support for additional federal program funding and a state loan program.



Roads and Highways

The identification and examination of Washington's major highway freight routes is a key component in analyzing the performance of the total transportation network in the state.

Although there are comprehensive records on vehicle volumes over the state and county highway systems, there is very little historical data on the origin, destination and routing of major commodities. The manifests and bills of lading used by the transportation companies are not circulated or collated by any public or private agency, primarily due to the proprietary nature of the material.

Therefore, it was not possible to apply the same analytical techniques to the highway network as the other modal systems. In order to identify commodities and product volumes transported by truck over the identified corridors, the study team carried out an extensive program of interviews and discussions with over 800 representatives of companies engaged in the transportation of commodities originating or terminating in public ports. This direct approach was preferred since the more traditional mailing of questionnaire forms rarely produces a response from more than ten percent of the recipients.

During the interviews, data on commodity classifications, product volumes and origins and destinations was collected. Much of the information gathered was general in nature, and often confidential. Nevertheless, the interview process was extremely useful in creating a picture of the major movements of key commodities now being carried over the state roads and highway system. Almost all of the representatives and officials interviewed provided useful information and perceptions on the highway system. Respondents were also asked to identify any problem roads and highways that might impact the efficient performance of their business.

Key commodities trucked within and through the state include a variety of forest and agricultural products, non-bulk commodities including logs, iron and steel, and autos, and bulk products including chemicals, fertilizers, and scrap metals.

Shipper Interviews

Highway System Performance

The selection of an inland transportation mode is determined by cost, availability and timeliness of competing transport modes. The results of the interview process confirmed that trucking is generally preferred for haul distances of less than 500 miles, principally due to the more efficient and timely service and the competitiveness of the trucking industry over these shorter haul distances. The main exceptions to this general conclusion are the high density traffic areas, such as the Seattle-Tacoma-Portland corridor, where economic rail feeder service is being established over much shorter haul distances.

Basically, the highway system in Washington performs satisfactorily and presents few, if any major constraints to the efficient handling of cargoes through the public and private ports system.

With few exceptions, the route segments perceived by shippers to have condition or capacity limitations had already been identified and selected for improvement by the responsible county, state or appropriate agency.

Trucking companies hauling logs on the Olympic Peninsula and agricultural products in Eastern and Central Washington expressed concern over temporary weight restrictions imposed during winter and spring thaws. The imposition of these restrictions is considered to be a constraint to the efficient movement of export and domestic products. A number of bridges on Highway 101 were also identified as having height and weight restrictions.

The Major Corridors

The only areas of congestion on the interstate system are in the sections through the Seattle, Tacoma, and Olympia urban areas on I-5 and in Seattle and Spokane on I-90.

The congestion is caused by peak hour automobile commuter traffic. Traffic counts show no major variations in truck traffic volumes during these peak periods and to date the level of congestion does not appear to be a major constraint to the efficiency of freight movements.

The consistency of truck traffic volumes also indicates that the urban area congestion does not cause any significant diversions of truck traffic to alternative routes.

Congestion that is increasing on I-5, I-405, and I-90, in the Seattle metropolitan area is expected to be alleviated by 1993 when ongoing projects to increase the capacity of Interstate Routes 405 and 90 are complete. Congestion in Olympia and Tacoma will be alleviated with the completion of Interstate 705 and 5 in the early 1990's. Construction activities on I-90 in Spokane are anticipated to continue for the next several years, dependent upon the availability of federal construction funds, after which congestion should be moderate.

Port Access

In general, port officials are satisfied with the existing state, county, and local road network. Availability of access roads was the chief concern, followed by congestion and general roadway conditions in the urban and immediate port terminal areas.

Although the existing highway system is considered to adequately support the efficient movement of freight by truck, there are a number of trends now developing that will require attention by the appropriate agencies in the future.

As unit container weights continue to increase, more trucks will carry loads that exceed current standard axle limits. Carriers are also expected to press for an extension of the maximum trailer combination length to 105 feet to align with current regulations in Oregon, Idaho, and other west coast states.

Increased truck traffic is expected on local freight routes in many areas. This increase is attributable to the change in transportation mode from rail to truck due to shipper choice, market conditions, poor rail service, or track deterioration. The eventual result is normally the abandonment of the rail line and all commodities are then shipped by truck, unless the industries previously served by the rail link cease to exist.

This will lead to increased road maintenance requirements, placing a greater financial burden on county and local authorities with jurisdiction over these freight corridors.

At a state level, there is real need to identify the major inland transportation routes, commodity mix and technological trends in cargo handling, since these may all impact future strategic planning and maintenance decisions.

With this in mind, it is recommended that the state of Washington, public ports, and local agencies undertake a joint project aimed at collecting information on directional commodity flows, types of products carried, weights, and timing of shipments on the highway system.

This might be achieved by a questionnaire supplemented by specific on-site survey information, and supported by commodity and multimodal data from port, state and other agency files.

Long term impacts and associated costs of commodity movements shifting from rail to truck due to marketing decisions and low density rail line abandonment should be monitored by affected agencies and shippers. Results should be shared in order to coordinate a collective stance on rail line abandonment that best serves the interests of state, county and local communities and the port and maritime industries.

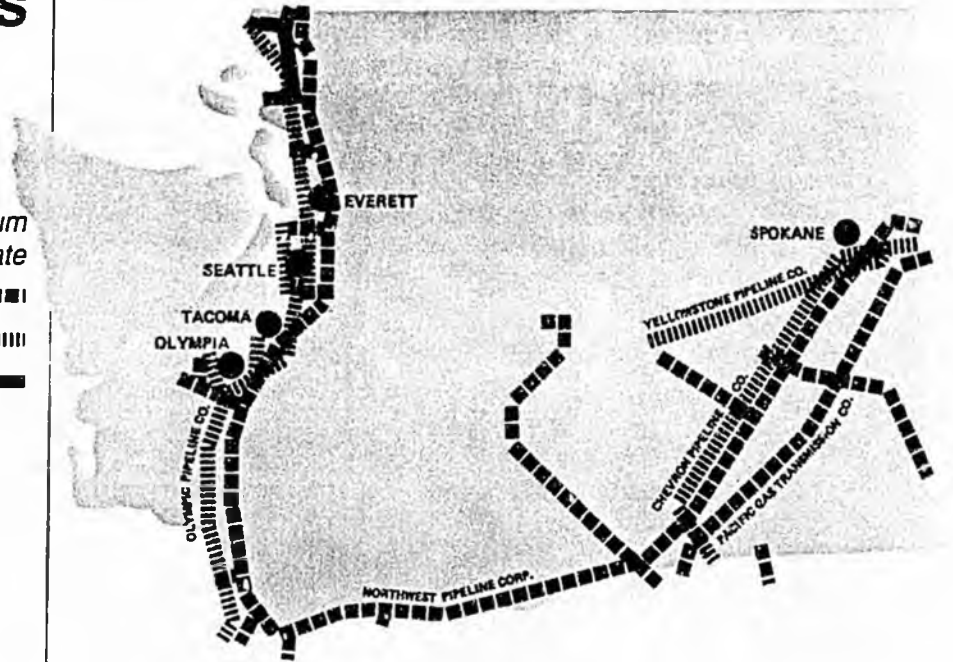
Constraints to Future Freight Transportation

Recommendations

Pipelines

Figure 7: Major Gas and Petroleum Pipelines of Washington State

Gas ■■■■
 Petroleum Products |||||
 Crude Oil ———

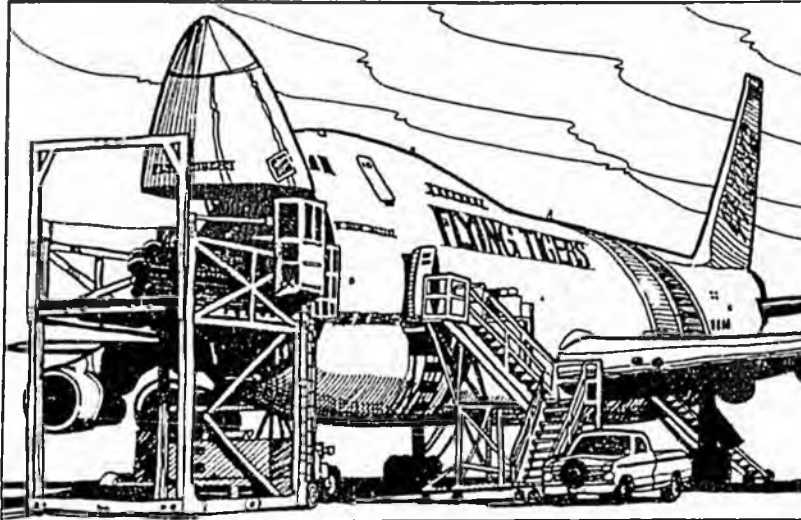


There are two natural gas, one crude oil, and three refined petroleum products pipelines in Washington. The gas lines transfer natural gas from Canada to serve Washington, Oregon, and California. The Trans Mountain crude oil pipeline is now used when a US/Canadian exchange agreement requires that Canada is given access to US reserves or vice versa. Petroleum products are moved through a variety of pipeline systems operated by the Olympic Pipeline Company, Chevron, the Yellowstone Pipeline Co. and the Buckeye Pipeline Co.

All Washington pipeline companies were contacted by the study team and none of the company officials interviewed expressed concerns over capacity limitations or policy considerations.

Recommendations

With no apparent capacity problems, the statewide pipeline system offers no major constraints to existing or projected future levels of trade. Although no changes in the present system are recommended, the collection of basic data on flows and volumes, trends and origin and destination of products enables any future trends to be identified at an early stage.



Air Cargo

There are six major air cargo airports in Washington.

- Sea-Tac International
- Spokane International
- King County International - Boeing Field
- Tri-Cities Airport at Pasco
- Bellingham International
- Yakima Air Terminal

The volume of cargo handled through airports in the state has increased from 135,000 metric tons in 1974 to 178,000 metric tons in 1984. Shipments through Sea-Tac International airport dominate all air cargo movements in Washington, accounting for 90 percent of the total air cargo tonnage. Almost 85 percent of Washington's total air freight is transported to domestic markets. The remaining 15 percent is destined for international markets, primarily in Canada, the Far East and Europe.

Sea-Tac International Airport	167,704
Spokane International Airport	4,567
King County/Boeing Field	4,236
Tri-Cities Airport	504
Bellingham International	453
Yakima International	150
Total	177,614

Fifty carriers serve the six Washington airports. The largest air cargo carrier in the state is Northwest Orient Airlines which flies into Sea-Tac and Spokane airports. Other major carriers servicing state airports include Alaska Airlines, Flying Tigers, United Airlines, PSA, Federal Express, and Western Airlines.

Air transported products are typically time and market sensitive goods such as perishable foods, fashion apparel and high value products. Primary products transported by Washington air carriers are fresh fish and flowers, high value consumer products such as computers and medical equipment, sports apparel, replacement parts, equipment, machinery and agricultural products that include mushrooms, berries, and asparagus. The overnight package industry has also expanded rapidly over the last 5 years.

Table 1: Major Air Cargo Airports in Washington State; Tonnage in 1984 (Metric Tons)

Airport Future Expansion

In anticipation of growth in air cargo volumes, several airports are considering facility expansion.

The most recent Master Plan produced for Sea-Tac International Airport calls for an additional 50 to 105 acres of air cargo space. The Port of Bellingham is planning an additional facility for air cargo and has applied for foreign trade zone status to attract foreign investment in high technology manufacturing. The ports of Bremerton, Olympia and Pasco are also giving high priority to the acquisition of additional air freight business.

Further information on small airports and air cargo trends is expected to be forthcoming from the Washington State Airport Systems Plan. The three-year study is now in its first year of preparation.

Recommendations

As a rapid growth sector of the Washington state port industry, the provision of air cargo service is an increasingly attractive element in the development of new industrial and marine related business in port districts.

With the exception of Sea-Tac Airport, the existing facilities in Washington are adequate to meet current and future demand for the efficient transportation of air cargo. In a highly competitive marketplace, efforts to enhance the attraction of the statewide air cargo system are expected to provide economic benefits to private industry and the public sector and should therefore be supported by local, county and state governments in addition to the local port district or sponsoring agency.

Ports and Waterways

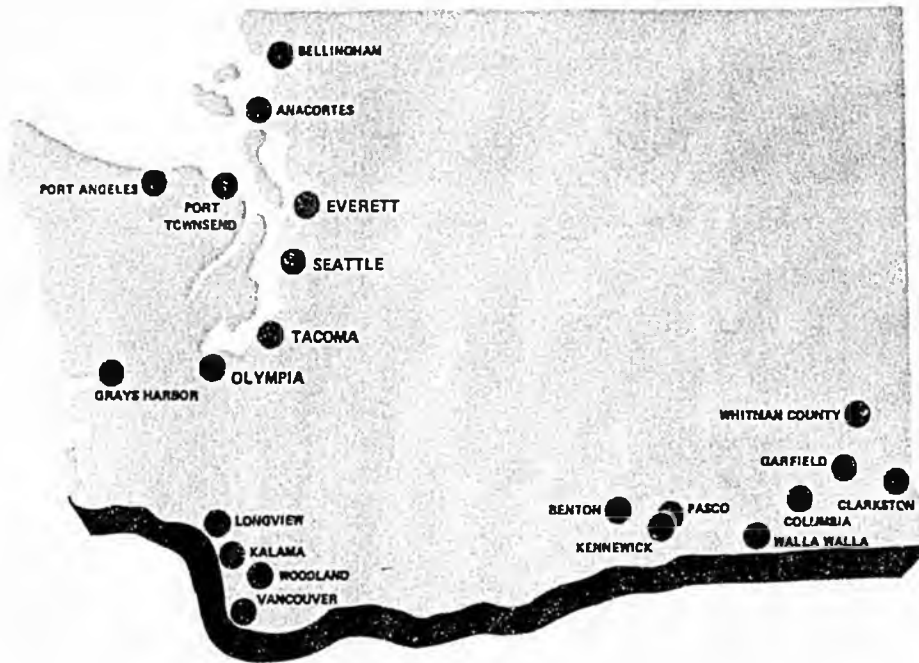


Figure 8: Public ports in Washington with Marine Terminals

The need for additional port facilities to handle future waterborne commerce is dependent upon future international and domestic waterborne trade and trends in cargo handling. Eighteen WPPA member ports have public facilities for handling waterborne commerce. Trade projections prepared for the study cover both these public ports and the many private or leased single user facilities in the following regions:

- Puget Sound
- Lower Columbia
- Washington Coast
- Mid-Columbia/Snake River

Projections of waterborne commerce were prepared for each major trade component, including imports, exports, and domestic movements. They were also aggregated by cargo handling mode to include containers, breakbulks, drybulks, liquid bulks, neobulks and grain.

The waterborne commerce projections represent what is best described as a baseline forecast. Although they include a number of the more probable future cargo trends, other less quantifiable possibilities are not included. Specifically, the forecasts exclude factors such as major changes in market shares between west coast ports, potential long-term market opportunities, and the impacts of intense marketing campaigns by one or more ports in the statewide system.

Any long term projections must therefore be viewed with some caution since the impacts of regional competition and a multiplicity of operational, economic and technological factors will all affect the actual volumes of cargoes handled by Washington ports in the future.

Waterborne Commodity Forecasts

The forecasts indicate that by the year 2005, total trade through Washington ports will reach 82.4 million metric tons, representing a 50 percent increase over the tonnage handled in 1984.

Table 2: Washington State - Projected Waterborne Commerce to 2005 (Metric Tons)

	1984 ²	1990	1995	2000	2005
Imports ¹	12,506,930	15,170,771	16,921,340	19,687,830	23,210,840
Exports	31,735,880	32,721,899	35,465,102	38,480,857	41,965,520
Shipments	4,283,300	4,738,100	5,512,600	6,181,300	7,940,500
Receipts	5,621,768	7,080,660	8,323,790	9,211,200	10,249,410
All Modes	54,147,878	59,711,430	66,222,832	73,561,227	82,366,270

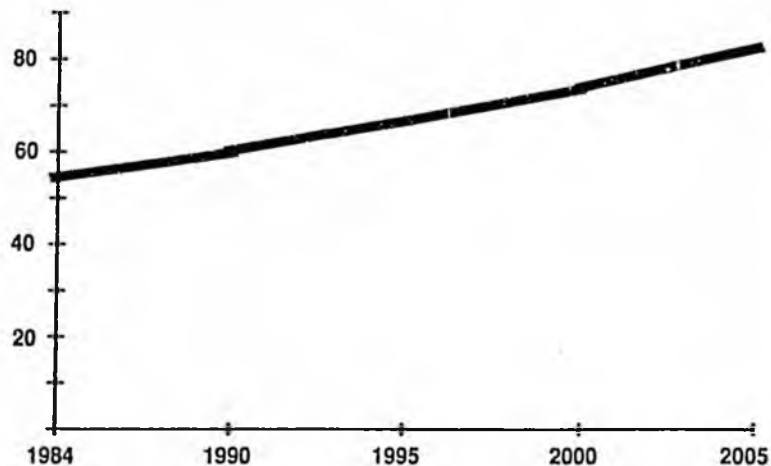
1) Imports and Exports are international trade. Shipments and Receipts are domestic movements.

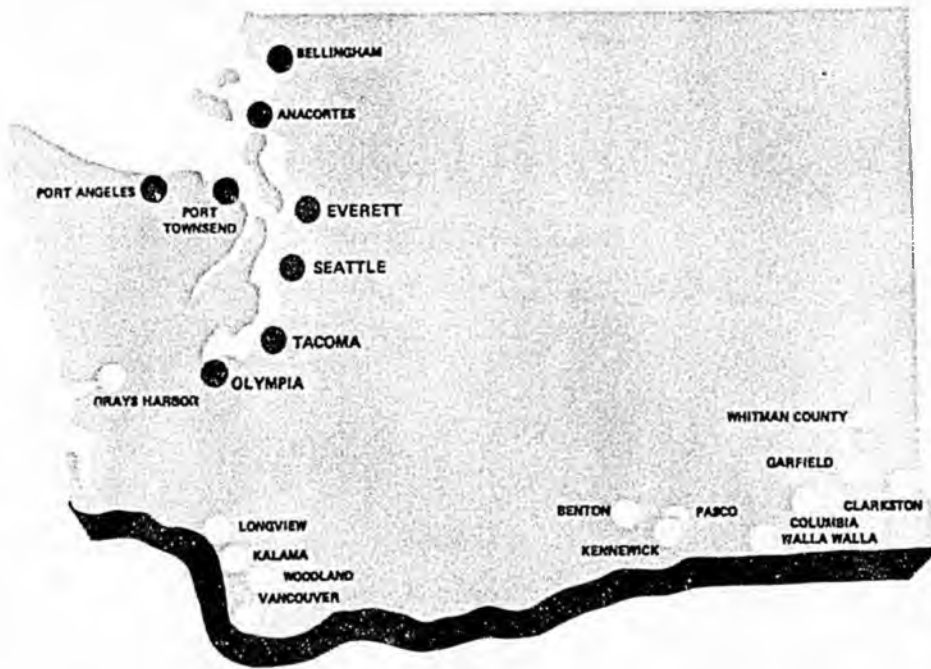
2) Domestic movements based on 1983 data, international movements based on 1984 information.

Table 3: Washington State - Projected Waterborne Commerce to 2005 by Cargo Handling Mode (Metric Tons)

	1984	1990	1995	2000	2005
Containers	7,510,114	9,823,690	12,274,295	15,395,700	19,444,105
Dry Bulks	10,104,150	11,375,701	11,371,784	12,102,080	12,914,196
Grain	13,215,910	11,118,200	12,806,700	14,783,800	17,078,900
Liq. Bulks	10,077,480	11,547,480	13,426,180	14,763,830	16,265,610
Neobulks	10,951,700	12,877,700	13,096,400	13,047,600	13,029,700
Breakbulks	2,286,540	2,966,669	3,245,478	3,466,217	3,631,754
All Modes	54,147,878	59,711,430	66,222,832	73,561,227	82,366,270

Figure 9: Washington Total Trade, 1984-2005, Millions of Metric Tons





The Puget Sound Port Region

Figure 10: Ports of Puget Sound

The Puget Sound port region will continue to be the most active center for waterborne commerce in Washington, handling 73 percent of all statewide waterborne commerce. Containerized general cargoes are projected to reach 19 million metric tons by 2005. Liquid bulk commodities, mostly crude oil receipts from Alaska, are projected to reach 15 million metric tons, and will be the second largest contributor to total Puget Sound trade.

	1984	1990	1995	2000	2005
Containers	7,240,000	9,527,000	11,946,800	15,034,300	19,044,700
Drybulks	7,829,700	8,798,881	8,597,350	9,148,740	9,778,000
Liquid Bulks	9,343,200	10,662,800	12,413,100	13,645,200	15,034,600
Breakbulks	1,437,100	1,963,580	2,137,550	2,308,820	2,510,250
Neobulks	5,999,100	7,048,700	7,244,900	7,274,300	7,326,100
Grain	5,746,500	3,974,700	4,590,800	5,325,200	6,208,900
All Modes	37,595,600	41,974,781	46,930,500	52,736,560	59,902,550

Table 4: Puget Sound Ports - Projected Total Trade to 2005 (Metric Tons)

The distribution of tonnage by trade designation is not expected to alter significantly. Total waterborne trade will continue to be dominated by international movements, but the relative share of imports to exports will increase slightly. The percentage of domestic movements as compared to total trade, will remain virtually unchanged.

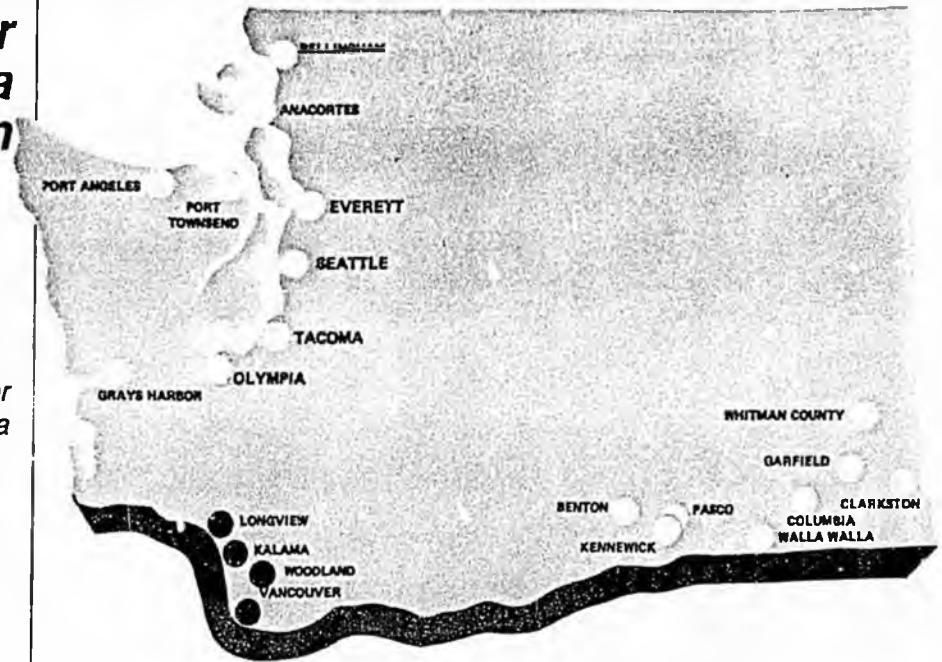
Significant changes within cargo handling modes for all waterborne commodities are anticipated during the next 20 years. The percentage share of cargoes handled in containerized form is expected to represent 32 percent of all tonnage handled through the region by 2005. Total tonnage for all commodities is expected to increase from 37.9 million tons in 1984 to 59.9 million tons by the end of the study period.

	1984		2005	
Foreign Imports	10,540,600	28%	19,781,500	33%
Exports	17,507,100	46%	23,381,250	39%
Shipments	4,060,900	11%	6,687,200	11%
Coastwise Receipts	5,847,000	15%	10,052,600	17%
Total	37,955,600	100%	59,902,550	100%

Table 5: Puget Sound Ports - Distribution of Trade - 1984 and 2005 (Metric Tons)

The Lower Columbia Port Region

Figure 11: Ports of the Lower Columbia



Waterborne commerce movements through Lower Columbia River ports in Washington State are anticipated to increase by over 35 percent by the year 2005. As a result, total trade will reach approximately 15.6 million metric tons. Tonnages handled through Lower Columbia ports will continue to be dominated by exports, which presently constitute 25 percent of total trade. In spite of considerable uncertainty over the long term future of world markets, grain exports are expected to represent 56 percent of all trade through Lower Columbia ports by 2005.

The forecasts also indicate a potential increase in the tonnages of miscellaneous dry bulk commodities handled through the River ports.

Table 6: Lower Columbia River Ports Changes in Commerce by Cargo Handling Mode - 1984 to 2005

	Percent of Total Trade 1983/1984	2005
Containers	1	1
Dry bulk	19	15
Grain	53	56
Liquid bulk	1	2
Neobulk	19	20
Breakbulk	7	6
Total	100	100

Although grain exports at a statewide level are only expected to experience modest increases over the next twenty years, the tonnages handled through elevators on the Lower Columbia River are projected to increase from 6.1 million to 8.7 million

metric tons by the end of the study period. Much of this increase is expected to come from a continuing trend for rail shipments of grain to move along the Columbia River corridor, shifting exports away from Puget Sound ports.

Table 7: Lower Columbia River Ports - Projected Total Trade to 2005 (Metric Tons)

	1984	1990	1995	2000	2005
Containers	90,130	94,700	104,500	115,400	127,400
Drybulks	2,200,400	2,086,732	2,216,588	2,327,353	2,429,968
Grain	6,089,000	5,655,500	6,531,900	7,552,600	8,714,000
Liquid Bulks	175,300	197,200	216,100	238,700	259,500
Neobulks	2,180,500	3,058,300	3,094,600	3,084,700	3,081,500
Breakbulks	797,820	872,740	974,820	1,025,350	990,500
All Modes	11,533,150	11,965,172	13,138,508	14,344,103	15,602,868

The Washington Coast Port Region

Figure 12: Ports of the Washington Coast



In 1984, total waterborne commerce through Washington Coast ports was 2.85 million metric tons. In 1984, 98 percent of the total trade was export business, with logs representing the bulk of the tonnage.

The projections of trade for the port region indicate that total trade is expected to decrease slightly to 2.82 million metric tons by the year 2005. The primary source for the predicted decline in cargo volumes is an overall 1.5 percent annual decrease in log exports partially offset by a two percent annual increase in woodchip exports after 1995.

	1984	1990	1995	2000	2005
Drybulks	29,650	83,288	86,246	79,387	72,428
Breakbulks	51,620	130,349	133,108	132,047	131,004
Neobulks	2,772,100	2,770,700	2,756,900	2,688,600	2,622,100
All Modes	2,853,370	2,984,337	2,976,254	2,900,034	2,825,532

Table 8: Washington Coast - Projected Total Trade to 2005 (Metric Tons)

In 1984, total waterborne commerce volume through Mid-Columbia River ports reached 2.2 million metric tons. Outbound grain shipments represented 64 percent of the total tonnage. Other significant outbound cargoes included containerized agricultural and forest products. Major inbound commodities were petroleum products, chemicals, and fertilizers.

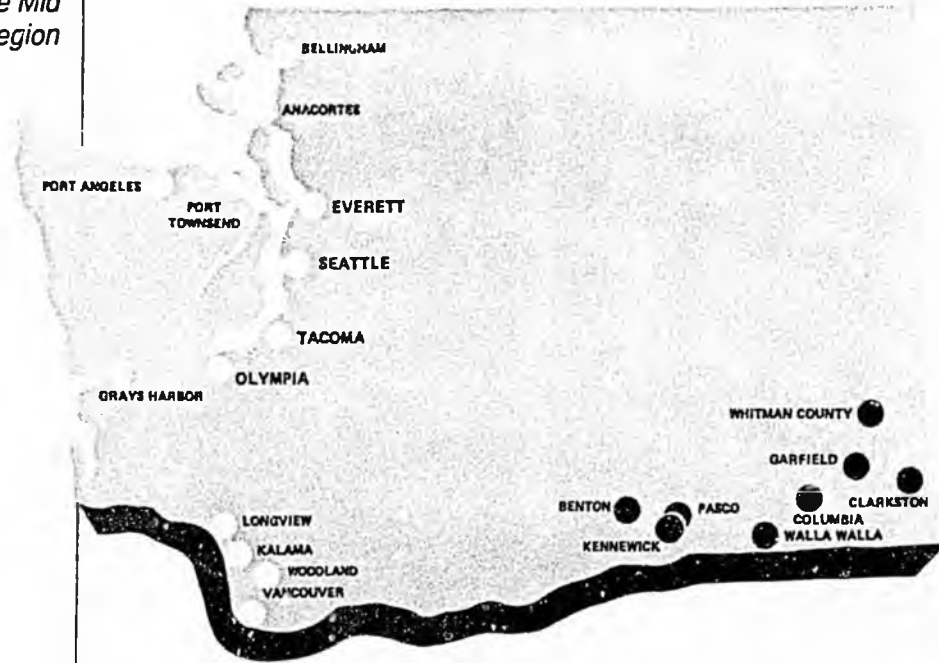
Waterborne commerce volumes are projected to reach approximately four million metric tons by 2005. Moderate growth, between two and three percent per year, is anticipated for the major inbound and outbound commodities.

	1983	1990	1995	2000	2005
Inbound	563,280	1,045,680	1,212,280	1,361,330	1,529,610
Outbound	1,598,510	1,736,600	1,961,300	2,215,300	2,501,700
Total	2,161,790	2,782,280	3,173,580	3,576,630	4,031,310

Mid Columbia/ Snake River Region

Table 9: Mid Columbia/Snake River Region - Projected Cargo Movements to 2005 (Metric Tons)

Figure 13: The Ports of the Mid Columbia/Snake River Region



Port Facilities Inventory

The port and waterway system inventory was derived from information presented in the WPPA system study of 1980, the US Army Corps of Engineers facility handbook and discussions and visits to each of the ports.

Table 10: Public and Private Cargo Handling Berths in Washington State (1985)

Description	Puget Sound	Lower Columbia River	Mid Columbia River	Wash. Coast	Total All Regions
General Cargo					
-Containerized	24	2	5	0	31
-Break Bulk	54	5	6	.	66
-RO/RO	1	1	0	0	2
-Railroad/Barge	3	0	0	0	3
Neobulks					
-Automobiles	6	1	0	0	7
-Logs	15	2	0	6	23
-Steel	2	1	0	2	5
-Forest Products	20	10	0	2	32
Bulk Terminals					
-Dry Bulks	33	9	1	1	44
-Grain	2	4	15	0	21
-Liquid Bulks	12	3	4	0	19
-Wood Chips	2	0	0	1	3
Totals	174	38	31	13	256

Note: List includes barge and ship berths, public and private terminals.

New Facilities and Terminal Upgrades

Since the 1980 WPPA Port System Study, there have been several facility changes in each port region.

Puget Sound: Changes in the Puget Sound Region include the completion of Terminal 30 in Seattle and the Tacoma and Alaska terminals in the Port of Tacoma. Since 1980, Terminal 46 in Seattle has also become fully operational. The Port of Anacortes has expanded berthing space and storage for bulk exports at Pier 2. In addition, a

dry bulk unloader was also installed. The Port of Port Angeles completed the reconstruction and expansion of a log loading and general cargo pier at Terminal 3 in 1985. Finally, the Port of Everett purchased two docks from Weyerhaeuser which are awaiting marine terminal improvements.

Lower Columbia River: The Ports of Vancouver, Kalama and Longview in the Lower Columbia port region have all upgraded facilities in the past five years. At Vancouver, the dry bulk facility at Berth 7 was completed, and extension of Berth 8/9 is underway. Grain elevator storage was also upgraded from 3.1 to 5 million bushels.

The Peavey Grain Facility, constructed in 1983 at the Port of Kalama, has 2.0 million bushels of storage and is able to service two unit trains. The Port of Wacosta has purchased waterfront land for a deepwater terminal site.

Berths 1, 2, and 5, at Port Longview, were all reconfigured and upgraded to handle new and additional cargoes. Berth 1 will handle exports of beet and alfalfa pellets and animal feeds, bulk chemical exports will be shipped from Berth 2, and the Arco calcined coke facility was upgraded at Berth 5.

Washington Coast: At the Port of Grays Harbor in the Washington Coast port region, the pier at Terminal 1 has now been removed and the outer end rebuilt as a bunker barge facility.

Mid Columbia/Snake River: Improvements in the Mid-Columbia River port region include new container terminals in Clarkston and Walla Walla, and expanded grain storage at the Ports of Columbia, Garfield, and Walla Walla with a combined storage increase of 3.3 million bushels.

Existing throughput capacity of the statewide port system was compared to projected waterborne commerce volumes in order to identify any large scale facility limitations that may constrain future freight movements and inhibit the economic development of the various port regions.

Facility analysis was based upon berth and apron transfer capacity, storage capacity, and hinterland transfer capacity. This means that the overall capacity of each facility is controlled by the component having the lowest capacity. As an example, containerized general cargo terminals are land intensive and are often limited by storage area rather than by berth or hinterland transfer capacities.

Where the projected level of waterborne commerce exceeded the system capacity for a particular cargo mode, the equivalent capacity of a typical facility is divided into the forecast shortfall to obtain the number of additional typical facilities required. The comparison of existing cargo terminal capacity with the baseline waterborne commerce forecasts shows no major existing constraints to commodity movements. Between 1990 and 1995, a shortage of containerized general cargo terminals is expected as volumes of imports continue to increase, and more export cargoes are containerized to fill vessels on backhaul routes to Pacific Rim nations. A shortage of capacity to handle imported automobiles is also expected by 1995.

Facility Requirements

Container Terminals

Table 11: Container Terminals: Comparison of Forecasted Demand with System Capacity

At the present time there is an excess of containerized general cargo handling capacity in the state, primarily as a result of the recent construction of terminals in Tacoma. However, the study indicates that demand should be greater than existing system capacity sometime between 1990 and 1995. By the year 2005, demand is expected to exceed 1985 capacity by 9.25 million tons per year.

Region	No. of Berths	Existing Capacity (1000MT)	Actual Tonnage 1985	Projected Cargo Vol. (1,000 MT)			
				1990	1995	2000	2005
Puget Sound	24	9,514	8,775 ₁	9,527	11,947	15,030	19,045
Lower Columbia River	2	400	n/a	95	104	115	127
Mid Columbia Ports	5	277	n/a	200	221	224	270
All facilities	31	10,191		9,822	12,272	15,369	19,442

Note: Puget Sound tonnage for 1985 estimated from Port of Seattle and Port of Tacoma records, supplemented by unaudited data on private terminals.

Based upon current typical levels of throughput for multi-user terminals, this translates to a need for up to 11 new container terminals in the region by the end of the study period.

Table 12: Containerized Cargo Handling Requirements - 1985 to 2005

Year	Berths	Storage Area (Acres)	Equivalent Modular Terminals
1985	0	0	0
1990	0	0	0
1995	6	150	3
2000	8	200	4
2005	8	200	4
Total	22	550	11

Note 1: A modular terminal is considered to require 2,000 ft of berth space, with 45 ft depth of water and up to 75 acres of back up storage and marshalling area. An intermodal yard and mainline rail access are also considered essential to the efficient operation of a modern terminal.

Grain Terminals

Table 13: Grain Terminal: Comparison of Existing Capacity to Forecasted Demand 1985-2005

The outlook for grain terminals is unclear and exports during 1985 declined drastically. They are expected to recover somewhat but are unlikely to regain former growth trends as long-time importing nations begin to grow more domestic grains. Although not shown in Table 13 below, there has recently been an increasing trend towards consolidation of grain exports on Lower Columbia river ports. This is likely to result in a surplus of capacity at Puget Sound facilities and in turn may lead to long term need for additional capacity on the Columbia River. It is anticipated that this shortfall, if it occurs, will be met by increasing the capacity of existing terminals and is unlikely to result in the construction of a new grain terminal.

Region	No. of Terminals	Exist Capacity (1000MT)	1984 ₁	1990	1995	2000	2005
Puget Sound	2	11,000	5,746	3,975	4,591	5,325	6,208
Wash. Coast	0	0	0	0	0	0	0
Lower Columbia	4	10,400	6,089	5,655	6,532	7,553	8,714
Mid Col/Snake ₂	15	4,160	1,380	1,488	1,684	1,906	2,156
	21	25,560	13,215	11,118	12,807	14,784	17,078

Note 1: Actual Tonnage; Note 2: Mid Columbia/Snake River terminals are shallow draft barge facilities.

Miscellaneous dry bulk cargo opportunities are increasing and a modest increase in facility needs is anticipated. Since most dry bulk terminals are specialized facilities with greatly varying capacity, it is difficult to predict berth, storage and infrastructure needs on a regional basis.

Increasing volumes of automobile imports to the Puget Sound and Lower Columbia port regions will require additional terminals in these areas. The ports of Tacoma and Seattle have a combined capacity of approximately 450,000 metric tons per year, and the Port of Vancouver has an estimated 50,000 metric tons. The current level of automobile imports is expected to almost double to 825,000 metric tons in the next two decades. Additional capacity for approximately 325,000 metric tons per year will be needed. Although most of the existing terminals are located in Puget Sound, other port regions have the necessary attributes to offer a competitive service to handle the future new business.

Region	1990	1995	2000	2005
Puget Sound	0	1	1	1
Wash. Coast	0	0	0	0
Lower Columbia	0	0	0	0
Total	0	1	1	1

Note: Requirements are based on a modular terminal having one berth and 20 acres of storage to give a capacity of 120,000 metric tons/year (110,000 vehicles). Additional uplands area is required for vehicle processing and distribution.

The study group identified no additional major capacity constraints that might impact the efficient movement of the remainder of the commodities historically handled through the statewide port system. These commodities include logs, woodchips and other forest products, breakbulk and liquid bulk cargoes.

During the next twenty years, increasing excess capacity for breakbulk cargoes will become available as more goods are shipped in containers. This will especially impact a number of the smaller ports in Washington as more of their traditional cargoes are diverted to the larger container load centers of Seattle, Tacoma, and the Port of Portland.

In many instances, these breakbulk terminals will be converted to miscellaneous or special purpose bulk terminals to offer maximum flexibility to capture new business or cargoes displaced from the larger container load centers.

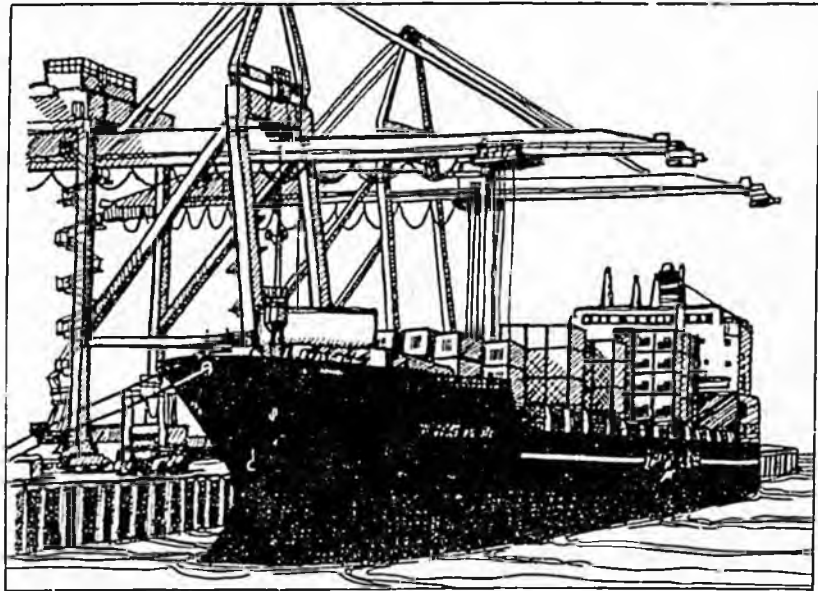
Dry Bulk Facilities

Automobile Terminals

Table 13: Additional Automobile Import Terminal Requirements to 2005

Other Commodities

Future Transportation Patterns and Technology Trends



Cargo handling, distribution and operational techniques are undergoing a second level of development in the 1980's. The move to containerization of general cargo is well established although the trend to increasingly large vessels has slowed, perhaps temporarily, in response to a surplus of capacity in the shipping industry and diminished profit margins. This second level of technology developments includes service and cargo handling efficiency improvements such as twin stacked rail cars for container cargoes, intermodal rail yards, through service from origin to destination by multiple transportation modes, and computerized systems.

Vessel Size and Terminal Requirements

General Cargo Vessels: Container ships continue to increase in capacity but the dimensional limits still remain within the size of the Panama Canal Locks. Although there has been considerable discussion and speculation that a new breed of containerships, too large to transit the Canal, will shortly be built, no major steamship line has yet placed an order for construction.

As vessel size increases, carriers will make fewer calls en route. Increasingly sophisticated marine terminals will be required in the future in order to persuade shipping lines to include a port as a regular, scheduled port of call.

A typical 1990's container ship calling at a major load center will require a 1,000 foot long marginal wharf with up to 4 cranes capable of lifting up to 50 tcns. With a 25 to 35 acre storage area required to support each berth, a modular terminal of the future will be a two berth facility, with 50 to 75 acres of open storage and an adjacent intermodal rail yard or piggyback service. A completely automated, computer controlled container storage and distribution yard is technically possible at this time and could well represent the state of the art within the next ten years. Given the extremely high investment needed to provide a modern and efficient facility, the trend in general cargo handling continues to move toward the load center concept.

At the present time the economic success of a major load center is increasingly dependent upon the quality and efficiency of intermodal rail service. With increasing competition between Puget Sound and California ports, it is not clear whether the final outcome will be a number of smaller but important west coast load centers, or just one or two major cargo corridors to and from the Pacific Rim.

Bulk Carriers: With the worldwide reduction in bulk cargo commodity movements in the past five years, there is a considerable surplus of vessels with intense competition for cargoes. Few new vessels have been commissioned and the Panamax size limits envisioned in the 1975 and 1980 WPPA studies still hold good for most bulk carrier vessels.

Grain Ships: Grain carriers calling at Columbia River and Puget Sound ports are typically sized at or near Panamax limits, although few actually traverse the Canal. No major increases in vessel size are anticipated in the next 20 years.

Log ships: A typical log carrier is a special purpose 20,000 to 30,000 dwt ship, 500 to 600 feet long, drawing 35 to 40 feet fully laden with four 25-ton capacity on board cranes, requiring four gangs to load. Newer vessels expected to call at Pacific Northwest ports are in the 600 to 650 foot range and many are now being designed as combination log/bulk carriers. Shipboard cranes are still standard equipment but a number are being upgraded to 35 ton capacity.

Intermodal Traffic: The most significant recent developments are the introduction of intermodal service for general cargo, something that was little known ten years ago. The advent of the intermodal yard adjacent to a container terminal has become a necessity if a port is to compete successfully.

Intermodal traffic originating in Washington State in 1984 was 2.33 million tons compared with 487,000 tons in 1975, almost a fivefold increase. Following partial deregulation of the rail industry, intermodal, piggyback and container traffic on the Burlington Northern and Union Pacific railroads within the state increased from less than 10 percent of all rail traffic in 1975 to over 42 percent in 1984.

The introduction of twin stack rail cars capable of carrying two stacked 40 foot units is reducing shipping costs. With the exception of the high density traffic I-5 corridors, rail is now the favored form of transportation for containers destined for inland locations more than 500 miles distance from the port of entry.

New developments in the future may include the use of combination rail/road trailers. The concept, which is at an advanced experimental stage involves the use of a trailer with two sets of axles and equipped with rubber tired and steel wheels for use on rail or highways.

Cargo Handling - Technology

If successful, the concept could have far reaching effects in the way general cargo containers and trailers are handled.

Containers: The height of containers is unlikely to increase substantially as it is limited by the 13.5 feet maximum height regulations on the highway system, and existing vertical bridge clearances. However the length of container boxes has increased from 40 feet to 42.5 feet and more recently, 45 feet and 48 feet units are being seen.

"Domestic" containers, are being developed to fill multiple car trains on the east west backhaul routes. In order to compete with highway transportation these new units are being designed to maximum truck dimensions of 48 feet in length. Few, if any, will actually be carried on vessels, but most will be transferred through intermodal facilities at container terminals, and distributed within the region of influence of the port.

At the same time, the unit weight of cargo carried in each container is steadily increasing and loads of 10 tons per twenty foot equivalent unit (TEU) are not uncommon for export containers. This is resulting in increased truck axle loads, which in turn, increases the rate of deterioration of pavements and requires truckers to obtain "over legal" permits.

Backhaul Cargoes

As economic and competitive pressures continue to increase on maritime carriers, more and more ports and shipping lines are developing market strategies based on backhaul opportunities. One result is the containerization of cargoes such as scrap metal, lumber and even bulk cargoes all of which were not previously considered suitable for containers. As the containers are being moved through the large load centers such as Seattle and Tacoma, the result is a diversion of certain cargoes from a number of ports in the Pacific Northwest.

In order to offer the maximum flexibility to replace lost break bulk or neobulk cargoes, these ports must now offer multipurpose facilities capable of handling bulks, breakbulk or neobulk commodities as the market dictates.

Computers and Computerized Cargo Tracking

Major ports in the nation are investing in computerized systems designed to track, invoice and monitor cargo from point of entry to final destination and to enhance customs and manifest documentation. Operational systems such as berth allocation, equipment distribution, survey, maintenance, safety and support services are also being linked to central computerized control systems.

A new development in computer use is in the construction of sophisticated port modeling and simulation systems, particularly for operational and facility planning purposes.

Vessel Traffic Control

In an effort to monitor increasing levels of vessel traffic in Puget Sound the U.S. Coastguard recently instituted a state of the art monitoring system that tracks all vessels

larger than fishing boats or pleasure craft. Vessel operators must first contact the Coast Guard and report their proposed destination, current location, and indicate an estimated time of arrival. The vessel is then tracked through Puget Sound to its final destination. With the overall objective of an increase in vessel safety, the system also permits a larger volume of traffic to operate in the area than would be possible under previous systems.

Ports and carriers are constantly seeking to reduce costs in order to remain competitive and differences in work rules and labor rates have the potential to shift business from one area or state to another. Although union leadership has generally responded favorably to this need for greater economic efficiency, an increasing number of non union terminals are being introduced in eastern and Gulf Coast ports.

In the event that a non union terminal is established in the Pacific Northwest, the competitive status of a number of the major terminals could undergo significant change.

Labor

Modal Choice

The selection of a preferred mode of transportation requires consideration of a number of factors. With the exception of air cargo, which was not included in this analysis, the most important parameter is usually bottom line cost. This in turn is affected by many criteria, including return on investment, basic operational costs, system availability, legal and administrative issues, system efficiency and technology.

Although economic comparisons of transport mode choice based on cost are valid, they do not take into account special factors that may induce a shipper to select a particular mode over another. These include convenience and speed of delivery against product value and carrier rates that may be below actual long term costs due to market considerations. In particular, some haulers may be prepared to cut rates below actual costs in order to survive or generate new business, while others may arbitrarily set high rates where competition does not exist.

An analysis was made of the major cost components between truck, barge and rail modes of transportation including piggyback, multiple car grain shipments, and container cargoes. The results indicated that in general, the break even point on total cost per mile traveled for rail and highway modes will vary from 75 to 500 miles depending on commodity and local factors. An equivalent barge - highway haul break point of 100 miles is accepted as reasonable by many shippers, dependent upon the commodity handled.

Barge haul for all commodities is generally the least costly transportation alternative on the mile by mile basis. However, this advantage is often eliminated by the cost of drayage from the point of origin of a commodity to the barge terminal.

Rail (carload) transportation costs tend to be next lowest except at very short lengths of haul. Freight transport by piggyback rail mode tends to be more expensive than for transport by carload, by a relatively small amount on a ramp-to-ramp basis, and by a substantial amount when local pickup and delivery costs are included. Highway transportation costs tend to exceed all other mode costs except for short lengths of haul.

As the length of haul increases, costs of highway transportation currently exceed those of rail at distances varying from 100 to over 500 miles, depending on particular commodities and circumstances. Nonetheless, significant volumes of freight move by highway transportation in preference to rail, even where the underlying carrier cost does not appear to favor trucking. This is probably due to some operators being willing to move limited amounts of freight at rates to cover only short term costs, which may be much less than long term costs. Highway carriers may also haul freight at relatively low rates in order to fill available back haul capacity.

Convenience is a major modal choice factor which favors trucking, and shippers are often prepared to pay some

premium to take advantage of this improved service, particularly when the cost differential is low compared to the value of the commodity being transported.

The cost analysis between transport modes was tested for sensitivity by varying fuel prices 50 percent above and below the current price levels.

It was found that rail costs per mile are less sensitive than truck and barge costs but large variations are apparent between commodities. This reflects the varying energy consumption associated with alternative types of rail equipment used for different products. As an example, the use of a double stack intermodal train is considered to increase fuel consumption by 25 percent over that of a similar length conventional container on flat car (COFC) train, while the capacity of the train has almost doubled.

The analysis also showed that costs incurred at origins and destinations are mainly dependent upon labor rates and are not particularly sensitive to variations in fuel costs. Since the proportion of these labor costs, as a percentage of total costs, decreases with increasing haul distance, it follows that the relative sensitivity of total costs to fuel prices will increase as haul distance increases.

Sensitivity Analysis

Political and Other Issues Impacting Port Development

Environmental Issues

The uncertainties, delays and costs associated with the acquisition of environmental permits is probably the largest single issue confronting ports desiring or determined to follow a structured plan of facility expansion and development of new business opportunities. Indeed, the federal, state, and local resource agency approach to projects in shoreline areas is becoming increasingly cautious, and developers face a formidable array of regulations, agencies and interest groups.

Specific areas of greatest concern in the permitting process currently include:

- Dredging and treatment of contaminated sediments in Puget Sound
- Corps of Engineers Areas of Jurisdiction
- Mitigation for habitat loss
- Agreement on the criteria needed to establish "Need for Project"

Currently, a large number of government agencies including local government, the Corps of Engineers, Ports, and the Puget Sound Estuarine Program share responsibility for managing the quality of Washington State waters. They often have overlapping roles and jurisdictions.

It is difficult to predict when and if the current caution of the resource and permitting agencies will ease. At the present time, concerns over contaminated sediments, water quality requirements, local shorelines factors and natural habitat losses are causing significant delays to the development of waterfront properties for commercial or other use. Agencies such as the U.S. Army Corps of Engineers are developing programs that establish unified evaluation criteria for items such as contaminant testing, turbidity monitoring and other dredge and fill related issues. However, there seems to be no mechanism in place to systematically compare the economic benefits of a project in terms of employment or revenues with the environmental impacts.

The ability to develop port facility projects by public ports prior to the acquisition of a tenant or user is being constrained by regulatory and permitting agencies.

The preparation of Port Comprehensive Plans and Regional Master Plans goes part way toward this goal. However, the nature of port development does not generally allow the proof of need or demand sufficiently ahead of development to serve as an absolute guarantee that a proposal will be used specifically as expected at the planning stage. In a competitive environment where the carrier or shipper has a wide range of options, environmental restrictions have the potential to shift development to other regions or states. It also has far reaching consequences as competition between west coast ports intensifies.

Recommendations

There is an overwhelming need for improvement in the coordination between local, federal and state agency requirements during the permitting process. Measures that are urgently required include a methodology to assess

mitigation needs and a better distribution of responsibilities for the various aspects of habitat replacement.

The timing of the federal (NEPA) and state (SEPA) environmental processes also requires further coordination. Although the federal government has agreed to accept SEPA Environmental Impact Statements as part of the NEPA process, the reverse has not been accepted and the timing of the two processes does not match.

Foresight and cooperative planning efforts are required where fast tracking of projects is desired. A clear definition of mitigation will go a long way towards achieving this goal.

Currently there are several major navigational projects planned for implementation within the study period. The construction of any or all of these major projects will bring about significant changes in waterborne commerce patterns within and through the state. It will also enhance the surrounding regional economies.

Bonneville Lock Expansion. The project of greatest interest to Columbia River ports and the shipping industry is the plan to construct a new lock at Bonneville Dam at Mile 146. This lock is smaller than the other locks on the river and is a serious constraint to efficient barge operations.

With the federal appropriation of \$10 million for rail relocation and excavation work, and the receipt of bids on the first two major construction contracts, the Lock Expansion project is now moving into the construction phase.

Upper Columbia/Snake River Navigation. In the 1960's The Corps of Engineers determined that the extension of navigation on the Columbia River to Wenatchee was feasible. In 1982 the Corps' Columbia Snake River System Study proposed several alternatives to extend navigation. More recently, a number of studies have been undertaken to reduce the total cost of the project. Proposals to utilize shiplift devices in place of locks appear to offer substantial potential savings and are being investigated for specific cost and feasibility.

Grays Harbor Deep Draft Navigation Project. In 1982 the Corps of Engineers completed an Interim Feasibility Report on navigation improvements to Grays Harbor. The study determined that the present 30-foot channel is too shallow for ocean going vessels and severely constrains the maritime and economic development potential of the region. The Corps recommended that a 38 foot deep navigational channel should be dredged, with deeper sections of 40 and 42 feet at the entrance to the harbor.

Final environmental studies are now approaching completion and a Design Memorandum will be prepared in July 1986 as a preparatory step before final designs and contract documents are assembled.

Navigation Issues

User Fees

Authorization of most of the navigation projects is tied to resolution of the User Fee issue at federal level. In order to meet the Administration's criteria, legislation to resolve the issue must contain the concept of local cost sharing of projects, combined with a general port user fee based on cargo value and an inland navigation fuel tax. At a local level the implications of cost sharing also require resolution, as many of the schemes will benefit large areas not within any convenient political boundary.

Separate bills containing similar language were recently approved by the House and Senate and at this writing, are in the conference stage. Since both bills generally meet the Administration guidelines for establishment of a User Fee and Local Cost sharing requirements, it is anticipated that most, if not all of the projects will soon be authorized.

The successful completion of any of the projects listed above is considered by many experts to be vital to the future economic health of key areas of the state.

Bridges

Most of the bridges in Washington State do not represent a significant constraint to the efficient movements of cargoes. Port officials identified only four bridges which present safety problems or limit the efficient transit of vessels. At the present time, attempts are being made to obtain funding to improve navigation through the Blair and Hylebos Bridges in Tacoma, the BN and Spokane Street bridges over the Duwamish Waterway in Seattle and the UP bridge over the Chehalis River in Grays Harbor.

The 1984 Shipping Act

The extensive efforts of the federal government to deregulate the transportation industry have had a direct impact on international trade. The 1984 Shipping Act, which allowed significant changes in the control of international freight and redefined the power of the federal government, has generally been well received by the majority of shippers and to date, has not had a significant impact on ports.

Most experts consider that it is too early to decide on the long term implications of the legislation and continued analysis of potential impacts on Washington State trade is recommended.

A simplified decision making tool to determine port financial performance has been developed as part of the Washington Sea Grant Program at the University of Washington. The system uses a combination of financial indicators to assess the performance of a particular port. The approach was applied to fifteen ports in the state that had comparable facilities and financial situations.

Item	1980	1981	1982	1983	1984
Operating Rev.	153,400	153,172	155,313	159,034	168,786
Operating Exp.	100,488	103,364	99,691	99,175	108,811
Net Operating Income	52,912	49,808	55,622	59,859	59,977
Non-Operating Revenues	19,803	29,618	26,559	27,187	34,860
Non-Operating Expenses	24,247	22,093	26,717	30,494	34,663
Net Income	48,468	57,333	55,464	56,552	60,174
Depreciation	22,182	25,324	29,399	30,216	31,245
Tax Revenues	16,973	23,225	24,844	27,767	29,193
Net Income After Depreciation and Including Tax Revenues	43,259	55,234	50,909	54,103	58,122

Source: Annual reports as compiled by TAMS.
Note: Financial indicators not shown.

These revenues from port operations are generated from tariff charges and miscellaneous real estate and other contracts. Airport revenues are generated by landing fees, parking fees, and industrial leases. Washington State operating revenues for major port and airport facilities remained stable from 1980 through 1982, then increased by 2.5 percent in 1983 and by 5.7 percent in 1984. The relatively poor performance from 1980 through 1982 resulted mainly from the international recession. Future near term increases are unlikely due to vessel and carrier over-capacity in both the Alaskan and Transpacific trades which is severely constraining profit margins.

Non-operating revenues consisting of interest income have provided a major source of revenues representing more than 15 percent of total income in 1984. Under the terms of the Tax Reform Bill of 1986, interest income from future tax exempt bond issues will be eliminated. The Bill also requires that all bond proceeds be spent within three years. If passed in its proposed form, the Act will have a negative impact on port financing costs and sources of non operating revenues.

Property taxes for operations may be levied by ports on the basis of not more than \$0.45 per \$1,000 of assessed valuation within the port district. This source of revenue, which is also constrained by the 106 percent state levy lid, increased at an average rate of 14.5 percent between 1980 and 1984. It now represents 12 percent of total income.

Port Financial Performance

Table 14: Washington State Port and Airport Financial Performance - 1980 to 1984 (\$ x 1000)

Operating Revenues

Non-operating Revenues

Property Taxes

Expenses

Ports also have a unique industrial development capability which includes a tax of \$0.45 per \$1,000 of assessed valuation. The levy is for a six year period but may be extended for a future six years in certain circumstances.

Expenses for operations, maintenance, administration and general costs increased at a rate of two percent annually from 1980 to 1984. Ports responded to the constraints on operating revenues by controlling costs in almost every category.

Maintenance management and other means of cost reductions will continue to be important keys to financial performance in the near future.

Non-operating expenses consisting mainly of interest income rose at an average annual rate of 9.3 percent from 1980 to 1984.

Net Operating Income

Net operating income, defined as operating revenues less operating expenses rose at an average annual rate of 3.2 percent, due to the slightly faster rate at which revenues grew. This increase is not adjusted for inflation.

Future Finance Requirements

Several financing mechanisms are used to fund port industrial development and port improvements including:

- Net operating revenues
- Revenue bonds
- General obligation bonds
- Industrial revenue bonds.

Financing for future improvements will come primarily from revenue bond and general obligation bond issues. While there is an expected shortfall of bonding capacity, the provisions of the Tax Reform Act of 1986 may also increase the costs associated with financing, thus compounding the financial difficulties of ports in the near term future.

Port Facility Construction

The Tax Reform Bill will limit all peripheral, projects considered to be nonessential from tax exempt status. As an example, dock and wharf facilities will no longer be tax exempt if 10 percent of the proposed debt is used to finance a private facility. Tax exempt status will also be withdrawn for those facilities which are not considered to be directly related and essential to the transport of passengers and cargo by water. Typical facilities that will be affected include:

- Structures alongside a dock.
- Marine equipment.
- Parking areas for passengers and employees.
- Road and rail interchanges.
- Ship repair and maintenance facilities.

Ports are once again entering a period of substantial change. Increasing competition at all levels of the maritime industry has fostered technological, operational and economic innovations that in turn will cause a redistribution of cargoes among many ports.

The waterborne commerce forecasts indicate that import volumes, principally high value consumer goods, will increase from 12.5 million metric tons in 1984 to 23.2 million metric tons by the year 2005. Exports of lower value raw products such as farm and forest products and chemicals are expected to increase from 31.7 to 41.9 million metric tons in the same period. Total international and domestic trade will increase from 54.1 million metric tons to 82.4 million metric tons by 2005, representing an overall growth rate of 52 percent.

With the cost and functional requirements of container terminals steadily increasing, the load center concept is expected to further concentrate all general cargo movements in the Puget Sound area. At the same time, the need for backhaul cargoes on the Transpacific shipping routes is leading to the containerization of commodities that were traditionally shipped in break bulk mode. This trend is emphasized by moves to obtain more domestic freight to fill empty rail cars on the east-west corridors.

The result appears to be a trend towards a redistribution of cargoes among ports in this state. The commerce projections and capacity analyses in this study indicate a need for up to eleven new container terminals by the year 2005. Given the limited waterfront land with deepwater access presently available, it appears that many of the commodities currently handled through Puget Sound ports may be displaced to other port regions within the state to make way for the increased containerized cargo requirements.

It is not unreasonable to expect that these displaced break bulk, dry and liquid bulk and neo bulk commodities represent opportunities for the Lower Columbia, Washington and non container Puget Sound ports to increase their shares of statewide commerce.

The study also shows the strength of Washington public ports at a national and international level. In many instances, ports in this state lead the world in technological innovation and at the same time are continuing to negotiate more efficient operating agreements with organized labor. This represents an opportunity to improve the competitive status of the major load centers against other west coast ports.

The study indicates that the movement of waterborne commodities through and within the state is supported by an efficient inland transportation system. It is estimated that the main line railroads have adequate capacity to handle up to twice the expected traffic volumes and very few concerns were expressed over the efficiency and performance of the statewide highway system.

The Future

Recommendations

As the number of access points to the main rail lines decreases, the traditional feeder rail lines are becoming increasingly isolated. With more and more short-haul freight moving by truck, the added pressure is most severe on the county road system. A number of these rural roads have been upgraded through the Rural Arterial Program but others are in poor condition.

Continued attention will be required to this important link between the consumer or producer and the state, interstate highway and mainline rail systems in order to maintain the efficiency of the entire statewide freight transportation system.

Although capacity and condition are not current problems for the highway system, there is no convenient database available to identify commodity types, characteristics and routings. While high quality commodity specific origin and destination data is on file for the port and rail systems, information on highway movements is generally limited to axle counts, vehicle distributions and sample survey or census data.

In order to coordinate the future development of the public port system with strategic highway maintenance and planning decisions, it is recommended that a program be instituted to obtain an integrated multi modal database.

Finally, with environmental and permitting procedures continuing to tighten, the acquisition of the necessary federal, state and local permits for waterfront projects is becoming increasingly time consuming. The extended lead time required to resolve resource agency concerns on items such as dredge disposal in Puget Sound, need for project, mitigation for habitat displacement and uplands fill has the potential to divert new economic and business opportunities to other regions or states.

Policy, legislative and local jurisdiction changes are required urgently in order that the permitting process may be streamlined. Approval and permitting procedures should be better coordinated in order to maintain a consistency of approach which gives sufficient lead time to both the resource agencies and the applicant.

The unique entrepreneurial nature of public port development needs to be better recognized by the permitting agencies. If ports are unable to attract new maritime business, the economic benefits of new opportunities available to the Pacific Northwest may be lost to other regions.

Glossary

Apron -- The space on a pier or wharf measured between the outer edge of berth and storage area or shed.

Backup Area -- The area of a marine terminal consisting of paved open storage at the inshore or upland side of a pier or wharf.

Beam -- The extreme width or breadth of a ship

Berth -- The water area at the face of a wharf or at the head and/or sides of a pier where vessels moor or dock for the transfer of cargo.

Breakbulk Cargo -- Heterogeneous items of general cargo that are packaged and moved as single parcels or assembled together on pallet boards.

Bulk Terminal -- A marine terminal which handles loose, grained, free-flowing, solid or liquid cargoes by specialized mechanical handling equipment.

Container -- A standard sized box into which cargo may be packed for shipment aboard oceangoing containerships and designed to be easily interchangeable between ship, truck, and rail.

Containerizable Cargo -- Cargo that will physically fit into a container and result in an economical shipment consistent with delivery requirements.

Deadweight Ton (dwt) -- The cargo carrying capacity of a vessel, including the weight in long tons of cargo, fuel, water, stores, crew and their effects that can be safely carried by the ship.

Double-Stack or TwinStack Railcar - the trademark name for the first rail flatcar capable of stacking two containers on top of each other.

Draft -- The depth of a vessel between the waterline and the vessel's keel.

Drayage -- Charge for the movement of freight between terminals or terminals and warehouse by trucks or other motor vehicles.

Dry-Bulk Cargo -- Cargo which may be either loose, grained, free-flowing or solid, but is not shipped in packaged form, and is usually handled at specially designed dry-bulk terminals.

Feeder Line - Interchangeable with the term Branchline, is a low density line that collects and/or distributes rail traffic between railcar loading/unloading terminals and a rail mainline.

General Cargo -- Miscellaneous goods and commodities shipped in various types of packaging of irregular size and weight or uniform size and weight. The shipping and handling techniques will vary depending on whether the cargo is breakbulk, containerized, or neobulk general cargo.

General Obligation Bond -- A type of bond issue that a public port authority may seek as a means of raising capital financing for port improvements. The issuer of the bond, is required to back the bond by pledging its full faith and credit.

Gross Ton -- When used in the context of a railroad, signifies the total tonnage carried including the weight of the rail car.

Hinterland -- The geographical area served by or tributary to a port, and where a port's exports are produced and its imports are marketed.

Intermodal -- Used to describe the capability of marine containers to be moved, transported, or interchanged between rail and truck and ship in any order.

Landbridge -- A joint water, rail or truck container movement from one foreign port to another foreign port through the United States.

Liquid-Bulk Cargo -- Liquid cargo shipped in large enough quantities to make it practical to employ tankers or tank barges rather than handling in barrels, casks, or drums as breakbulk general cargo.

Load Center -- A concept applied to the establishment of a few large intermodal ports on each coast of the United States which are served by the newer and larger ships, leaving the remaining ports to be served by smaller feeder ships from the load centers.

Low Density Line - generic term for any rail line that collects and/ or distributes rail traffic between rail terminals and a rail mainline.

Mainline -- A major rail line that provides a connecting link between significant transportation centers and capable of carrying a high volume of traffic.

Marine Terminal -- Consists of pier or wharf structure located in a harbor used for transferring cargo between ship and shore, and includes one or more ship berths together with cargo handling equipment, railroad and truck accommodations, covered and open storage space, and other facilities.

Marshalling Yard -- Open space adjacent to containership berthing facilities at marine container handling terminals designed for parking and stacking inbound and outbound containers moving between ship and terminal storage and between the hinterland and terminal storage.

Metric Ton -- A weight measure. One metric ton (or tonne) weighs 1,000 kilograms (kg)

Mitigation -- A form of action taken to reduce harmful environmental effects. Mitigation is usually achieved by the provision, at a new location, of natural habitat lost by a project.

Multiple Car Rates - pricing mechanism to allow a railroad to pass on cost savings incurred from large units of traffic being assembled by the shipper.

Neobulk Cargo -- Used to describe general cargo of a single type handled in uniform size units and shipped in very large quantities, frequently as an entire shipload. Automobiles, steel, logs, lumber, scrap, and other cargoes are some typical examples of neobulk cargo.

Pacific Rim -- A loosely defined group of nations located in a circle around the Pacific Ocean. Japan, China, Taiwan, Singapore, Korea, Hong Kong, Alaska and the West Coast of the United States are traditionally considered Pacific Rim nations. Australia and New Zealand are newer members.

Panamax -- Ships designed within the dimensional limitations of the locks of the Panama Canal are often called Panamax vessels. The locks are 1000 ft long, 109 ft wide and generally operate with 39 ft of water over the sills.

Piggyback -- A term describing a "Trailer on Flatcar" (TOFC) operation where a container attached to a removable chassis is loaded on a railcar for transport.

Port Capacity -- In terms of tons per year, the total capability of a port to move cargoes through terminal facilities located within the port precincts.

Receipts -- Commodities received by a port from another domestic port outside the region.

Ro/Ro -- Abbreviation for "Roll-on/Roll-off", and identifies a cargo vessel designed to allow containerized or unitized cargo loading without ship's gear or wharf cranes, but by wheeled trailers driven on and off the vessel by tractor power via ship's ramps at the cargo terminal Ro/Ro berth.

Shipments -- Commodities shipped by a port to another domestic port outside the region.

Short Ton -- A standard measure of weight used in the United States. A short ton has 2,000 lbs. A long ton has 2,240 lbs.

Stevedore -- A firm or individual who contracts to load or discharge a vessel's cargo. In order to perform his responsibilities, the stevedore employs "longshoremen," who perform the physical work of loading and unloading ships.

TEU -- Abbreviation for "Twenty-foot Equivalent Unit," and is used as a standard measure of a vessel's container carrying capacity in terms of an 8x8x20-ft. size container.

Throughput Capacity -- The estimated total tons of cargo that can be processed and handled through a port terminal or berthing facility in the course of one year.

Unit Train -- Loosely defined as a dedicated set of multiple car rail equipment to a particular operation on a fixed schedule that bypasses classification yards for a designated point-to-point service. Usually one bill of lading will be issued for the entire train.

Wharf -- A general term for any structure at which vessels berth or dock. The term is also used specifically for berthing structure of open piling construction, aligned parallel with the shoreline, and referred to as a marginal wharf.

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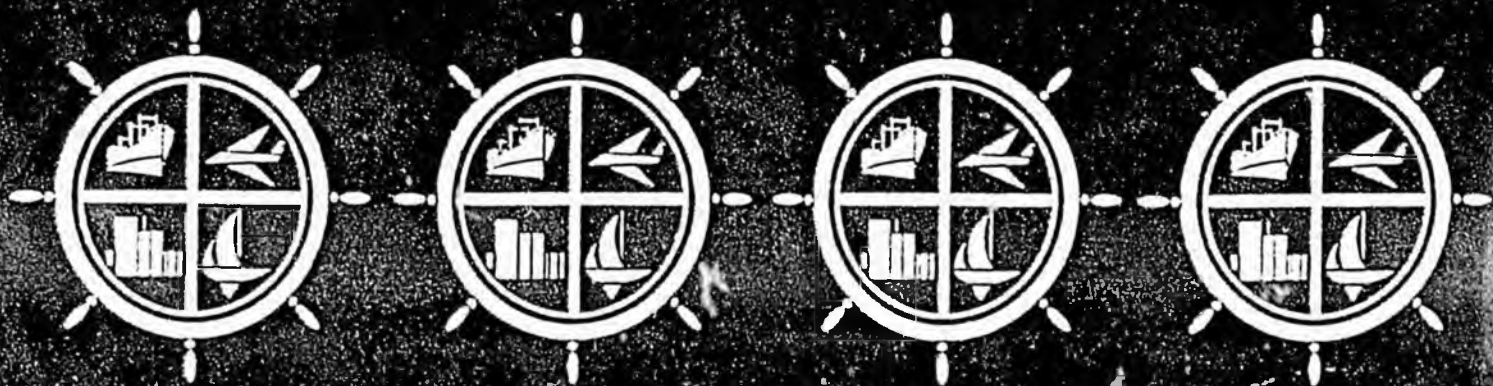
WASHINGTON PUBLIC PORTS ECONOMIC STUDY

Prepared For

The Washington Public Ports Association

DECEMBER, 1978

SUMMARY REPORT



Prepared By

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Lewis R. Holcomb Executive Director

December 7, 1978

TO: Members of the Washington Public Ports Association
SUBJECT: Ports Economic Study

We are pleased to send to you this report on the Ports Economic Study. The study was the culmination of an idea which began in the fall of 1977 and was approved by the Board of Trustees, at the 1977 Annual Meeting, held in Olympia on December 2, 1977.

During the early months of 1978 the Association membership actively assisted in establishing the parameters for the study through meetings in both Western Washington and Eastern Washington. Also, a Technical Committee and a Policy Committee developed the specific statement of work, selected the consulting firm and served as study supervisors.

We are grateful for the time and effort our port officials spent in providing information used in making this comprehensive study. We are particularly thankful for the involvement of the four members of the Washington State Legislature who gave freely of the time to monitor the progress and thus help assure a creditable product. We trust this study report will be meaningful and helpful to our port members and to the people of the State of Washington.

DEAN S. HAGERTY
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Lawrence E. Williams Jr.
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December 15, 1978

Mr. Lewis R. Holcomb
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Dear Mr. Holcomb:

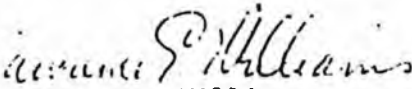
In accordance with our contract dated May 12, 1978, we are pleased to submit this summary of our technical report for the Washington Public Ports Economic Study. The study presented a challenging assignment for our firm but one which has given us a great deal of satisfaction in preparing. The assistance of you and your staff, particularly Mr. Donald R. White - Assistant Director and Project Coordinator, and the Policy and Technical Committees has been greatly appreciated. This cooperation and help in obtaining the enormous amount of information we needed for the study and facilitating our dealings with the participating member port districts contributed significantly to the study.

This report includes a statement of the study's purpose and scope, highlights of information presented in the economic profile of the Washington public port districts, a summary of the economic and fiscal impacts generated by port-related private industrial activities and answers to the five primary study questions posed by the Policy and Technical Committees. The reader of this report should, of course, be advised that detailed research and analysis is provided in the technical report.

We appreciated the opportunity to serve WPPA and the Washington public port districts on this assignment and look forward to being of further service in the future.

Very truly yours,

WILLIAMS-KUEBELBECK AND ASSOCIATES, INC.


Lawrence E. Williams
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PURPOSE AND SCOPE OF THE STUDY

In 1977, the Washington Public Ports Association (WPPA) determined that a private consulting organization should be retained to conduct a Public Ports Economic Study. After making this decision, WPPA organized both a Policy and a Technical Committee to select the consultant and to assist with and monitor the conduct of the study. The Committees established criteria for the consultant selection and prepared a statement of work. The statement of work required the consultant to provide necessary research and analysis to answer five questions which were developed by the Committees:

1. *What are the socio-economic effects accruing from the public ports to Washington State? Can they be documented in tangible form?*
2. *What are the financial means which enable the public ports to operate? What portion stems from tax sources?*
3. *What is the net balance between port tax levies and the overall amount of state and local taxes the public port district activities generate?*
4. *What are the alternatives to the current taxing authority of the public port districts?*
5. *Could all public port districts fulfill their present roles if the tax levy were eliminated? Under what circumstances could a public port district become self-sufficient? Could ports meet future needs without a levy?*

In April 1978, Williams-Kuebelbeck and Associates, Inc. (WK&A) was selected to prepare the study. A contract was then negotiated and signed on May 12, 1978 with the work to be completed by December 15, 1978.

This presentation summarizes the 135-page Technical Report which resulted from WK&A's six-month research and analysis program. The Technical Report was presented in four chapters. Chapter I summarized the findings of the report.

Chapter II summarized the powers of public port districts in Washington and compared them with similar entities on the West Coast.

Chapter III presented a profile of the Washington public port districts. This chapter dealt with Question 3: *What are the financial means which enable the public ports to operate? What portion stems from tax sources?* In addition to addressing this question, the chapter presented basic organizational, financial and functional information which served as foundation material for use in the remainder of the study.

Chapter IV presented an assessment of the economic impact of Washington's public port districts on the state and their service areas. This chapter dealt with Question 1: *What are the socio-economic effects accruing from the public ports to Washington State? Can they be documented in tangible form?* The chapter included an explanation of the economic impact assessment method used in the study and why it was selected and a presentation of results of the assessment including the state and local taxes generated due to port district activities.

Chapter V presented a discussion of taxation and the Washington public port districts. The chapter dealt with Questions 3: *What is the net balance between port tax levies and the overall amount of state and local taxes the public port district activities generate?* 4. *What are the alternatives to the current taxing authority of the public port districts?* and 5: *Could all the public port districts fulfill their present roles if the tax levy were eliminated? Under what circumstances could a public port district become self-sufficient? Could ports meet future needs without a levy?* In addition to these tax dependency questions, the chapter also presented information on the issue of how well the public port districts have been fulfilling the roles prescribed to them under state law.

WASHINGTON PUBLIC PORT DISTRICT POWERS, ACTIVITIES,
CHARACTERISTICS AND FINANCING

Districts in the Study

Currently there are 73 public port districts in the State of Washington. These districts exist in 32 of the state's 39 counties. Fourteen of these districts were not covered in the study since they are not members of the Washington Public Ports Association. Pend Oreille port district, which was formed in September 1978, was not included since it has no record of activities. Therefore, the study includes 58 of the state's 73 public port districts which are now in existence.

For the purposes of this study, the 58 public port districts were classified into five geographic regions in the state. These include:

- . *The Puget Sound Region* - including 12 counties bordering the Puget Sound with 25 districts. The largest districts in this region include the Ports of Seattle, Tacoma, Olympia, Bellingham, Everett and Port Angeles.
- . *The Pacific Region* - including two Pacific Coast counties with five public port districts. The largest district in the region is the Port of Grays Harbor.
- . *The Lower Columbia Region* - including five counties with nine public port districts. The largest districts in this region are Vancouver and Longview.
- . *The Mid-Columbia and Snake Region* - including eight counties with nine public port districts. The largest districts in the region are Pasco and Benton.
- . *The Upper Columbia Region* - including four counties with ten public port districts. The largest district in this region is the Port of Moses Lake.

Public port districts in Washington generally fall into three district organizational categories. These include countywide districts, districts in multiple-district counties where the districts collectively occupy all of the area within the county and districts in multiple-district counties where the districts' collective area does not cover the entire area within the county.

The names, counties of location and area locations for all the 72 public port districts which existed in Washington on June 1, 1978 are shown for each of the regions on the exhibit maps in the back of this report.

Obtaining Information for the Study

Initial research for the study included the collection and analysis of all available information regarding the history, characteristics and recent activities of the public port districts. This research was conducted by interviews with the Washington Public Ports Association staff, public port district commissioners and staff, state and local government agencies, university and college personnel and private groups, including public port district lessees. It was soon concluded that much of the information required to properly address the key questions in the study had to be obtained directly from the public port districts, both individually and collectively. In order to obtain such information reported in a uniform manner, WK&A developed a Public Port District Questionnaire. The questionnaire, which was 35 pages in length, contained two parts: Part I - General Information; and Part II - Port and Port-Related Activities. The first part of the questionnaire included 15 questions that were to be answered by all public port districts. These 15 questions included requests for information on the following topics:

- . the estimated value of all property held by the public port district;
- . the number of employees and their payroll expenses;
- . all revenues of the public port district by their source from 1968 through 1978;

- . amounts and types of funds flowing to the public port districts from sources other than gross operating revenues for the period 1968 through 1978;
- . amounts and types of public port district expenditures for the period 1968 through 1978;
- . population, year of formation, and other baseline data.

The second part of the questionnaire dealt more specifically with the four major functions of the public port districts: marine terminals, industrial development, marinas and airports. The questions posed in this part of the questionnaire were designed to provide a current inventory of land and facilities owned by the public port districts and how these were acquired, developed and are managed for each of the public port district major functions. The answers to these more detailed questions allowed WK&A to obtain a more precise breakdown of the general information provided in the first part of the questionnaire. In addition to detailing the information provided in the first part of the questionnaire, this part obtained information on port-related businesses and their employment. The reason for obtaining this information was to provide input for the economic impact assessment.

It was understood by WK&A that broad judgment would be exercised in answering some questions; so thoughtful estimates were encouraged. Nevertheless, the questionnaire was determined to be the most realistic and economical approach to obtaining such information.

After the questionnaire was drafted by WK&A, it was pre-tested by the Technical Committee of the Washington Public Ports Association. The Technical Committee determined whether or not the questions presented by WK&A could be reasonably answered by all of the public port districts. The Technical Committee also suggested a number of additions, deletions and modifications to the questionnaire directed at both enhancing its comprehensiveness and increasing the probability of gaining meaningful and complete response from all of the 58 public port districts.

The questionnaires were mailed on July 5, 1978 and the final response date was established as September 15, 1978. During this period, each of the 11 larger cargo handling ports, as well as seven other selected public port districts were visited by the WK&A team. The primary purpose of the visits was to conduct field inspections, interview appropriate district officials and to collect data which would supplement the questionnaire itself. The public port districts visited were:

- | | |
|-------------------|----------------|
| . Anacortes | . Longview |
| . Bellingham | . Moses Lake |
| . Benton | . Olympia |
| . Camas-Washougal | . Pasco |
| . Chelan | . Port Angeles |
| . Everett | . Seattle |
| . Grays Harbor | . Tacoma |
| . Kalama | . Vancouver |
| . Kennewick | . Walla Walla |

As a result of the questionnaire and supplemental interviews, detailed information was obtained from 55 of the 58 public port districts currently active in the state. The information obtained from the questionnaires served as the primary data used in preparing an economic profile of the Washington public port districts.

District Powers

The functions performed by the public port districts flow from a variety of powers available to them under state law and in response to the needs of the communities they serve. A generalized chronology of state laws, legislative actions and judicial decisions relating to Washington's public port districts is presented in Table 1.

The public port districts' powers are essentially to plan, acquire, develop, operate and maintain facilities for all forms of transfer -- air, land and marine. Under this primary power the districts may:

Table 1
CHRONOLOGY OF LAWS RELATING TO PUBLIC PORT DISTRICTS

Washington Public Ports Economic Study

I. GENERAL PUBLIC PORT DISTRICT ACTIVITIES:

- 1911 - Legislature authorized establishment of public port districts.
- 1951 - Legislature authorized City of Seattle, King County, and the Port of Seattle to develop an industrial development district jointly.
- 1955 - Legislature authorized public port districts to establish industrial development districts.
- 1957 - Legislature authorized public port districts to levy for industrial development districts, outside statutory millage limit, limited to a six year period and one time only.
- 1959 - Legislature authorized public port districts to be established in areas lacking appropriate bodies of water.
- 1961 - Legislature authorized the establishment of the Washington Public Ports Association.
- 1966 - Constitutional Amendment 45 reaffirmed industrial development role of public port districts.
- 1971 - Washington Shorelines Management Act passed.
- 1972 - State Environmental policy Act went into effect.

II. SOURCES OF REVENUE

- 1911 - Legislature authorized public port districts to levy property tax.
- 1937 - Entire proceeds of tidelands leases earmarked for local public port districts.
- 1967 - Tidelands leases changed to 20 percent for local public port districts and 80 percent going to the state general fund with certain exceptions.
- 1970 - Washington Supreme Court expanded application of leasehold tax.
- 1971 - 106 percent property tax levy limitation passed by Legislature.
- 1974 - Tax levies subjected to 106 percent lid.
- 1976 - Public port districts collect leasehold tax from tenants and give over 90 percent to the state.

III. SPECIAL CAPABILITIES AND CONSTRAINTS

- 1959 - State Supreme Court decision in Hoque vs. Port of Seattle clarifies public port districts' industrial development role.
- 1965 - Amendatory Act passed providing for consolidation of one or more public port districts.
- 1966 - Constitutional Amendment passed reaffirming industrial development role of public port districts, also allowing promotional hosting by public port districts to attract trade.
- 1970 - Foreign Trade Zone capabilities of public port districts expanded by Legislature.
- 1971 - Legislation passed requiring that subsequently formed public port districts have boundaries coextensive with the limits of a county.
- 1971 - Legislation passed providing for dissolution of inactive public port districts.
- 1972 - Legislature authorized public port districts to issue revenue bonds for pollution abatement facilities.
- 1974 - Revenue bonds issued for pollution abatement facilities declared unconstitutional by Washington Supreme Court. Port of Longview case.

- . provide terminal facilities, airports, multi-use buildings, warehouses, elevators, canals, locks, tidal basins, rail and motor vehicle freight and passenger handling facilities, and improvements needed for industrial and manufacturing activities;
- . Construct, purchase or maintain facilities and equipment needed for the freezing or processing of goods and agricultural products;
- . improve land by dredging, filling, bulkheading, providing waterways, or developing such land for sale or lease for industrial and commercial purposes;
- . install waste disposal, sewer, water, and other utilities when not adequately provided by other governmental entities;
- . improve any waterway, create new waterways, widen, deepen, or otherwise improve water courses, bays, lakes or streams;
- . install pollution abatement facilities for new or existing business firms and industries under certain conditions;
- . develop and maintain public parks and recreational facilities in order to more fully utilize boat landings, harbors, wharves and other facilities of the districts; and
- . establish, operate and maintain foreign trade zones, with permission of the federal government, and construct and maintain warehouses and other facilities within such zones.

In order to exercise these powers, the public port districts may receive funds from a number of sources, the primary of which are: user charges; lease rental payments; interest income and payments from government; capital grant proceeds; bond proceeds; and property tax levies. State law authorizes the public port districts to use four separate property tax levies which are

determined based upon tax rates applied against the assessed valuation of all taxable property located within the boundaries of each district. These levies and their limitations are as follows:

- . Regular property tax levy - for general district purposes up to a maximum of 45¢ per \$1,000 assessed valuation annually;
- . General obligation bond debt service levy - for the payment of the principal and interest on bonded indebtedness for general obligation bonds annually subject to maximum indebtedness restrictions;
- . Industrial development district levy - for creating and funding improvements within industrial development districts. This levy power can be used only once for six consecutive years and is allowable up to a maximum of 45¢ per \$1,000 assessed valuation annually; and
- . Harbor improvement levy - for dredging, canal construction or land leveling or filling purposes. This levy must be authorized by a majority of district voters and when enacted may be up to a maximum 45¢ per \$1,000 assessed valuation annually. This levy power has never been used.

Prior to 1971, property taxing powers of the public port districts were limited through maximum tax rates per assessed valuation and general obligation bond limitations. In 1971 the Legislature passed the 106 percent levy limitation which applies to all district tax levies. This tax lid has imposed limits which are significantly more restrictive on the districts than any of the prior limitations.

History of District Formation

The Legislature authorized the formation of public port districts in 1911. The Port of Seattle was formed that year as the first district in the state. By 1925 most of the Puget Sound districts had been formed. Vancouver was

the first Lower Columbia district to form in 1912. There was little impetus to form districts during the depression and the war years, however, the 1950's and 60's saw a resurgence of district formations, especially along the Upper Columbia and the inland areas. Two actions of the Legislature triggered this resurgence in district formation -- the 1955 authorization for districts to establish industrial development districts and the 1959 authorization to establish inland districts. The most recent district to be formed was Pend Oreille in September, 1978. A chronology of public port district formation is presented on Table 2.

District Characteristics

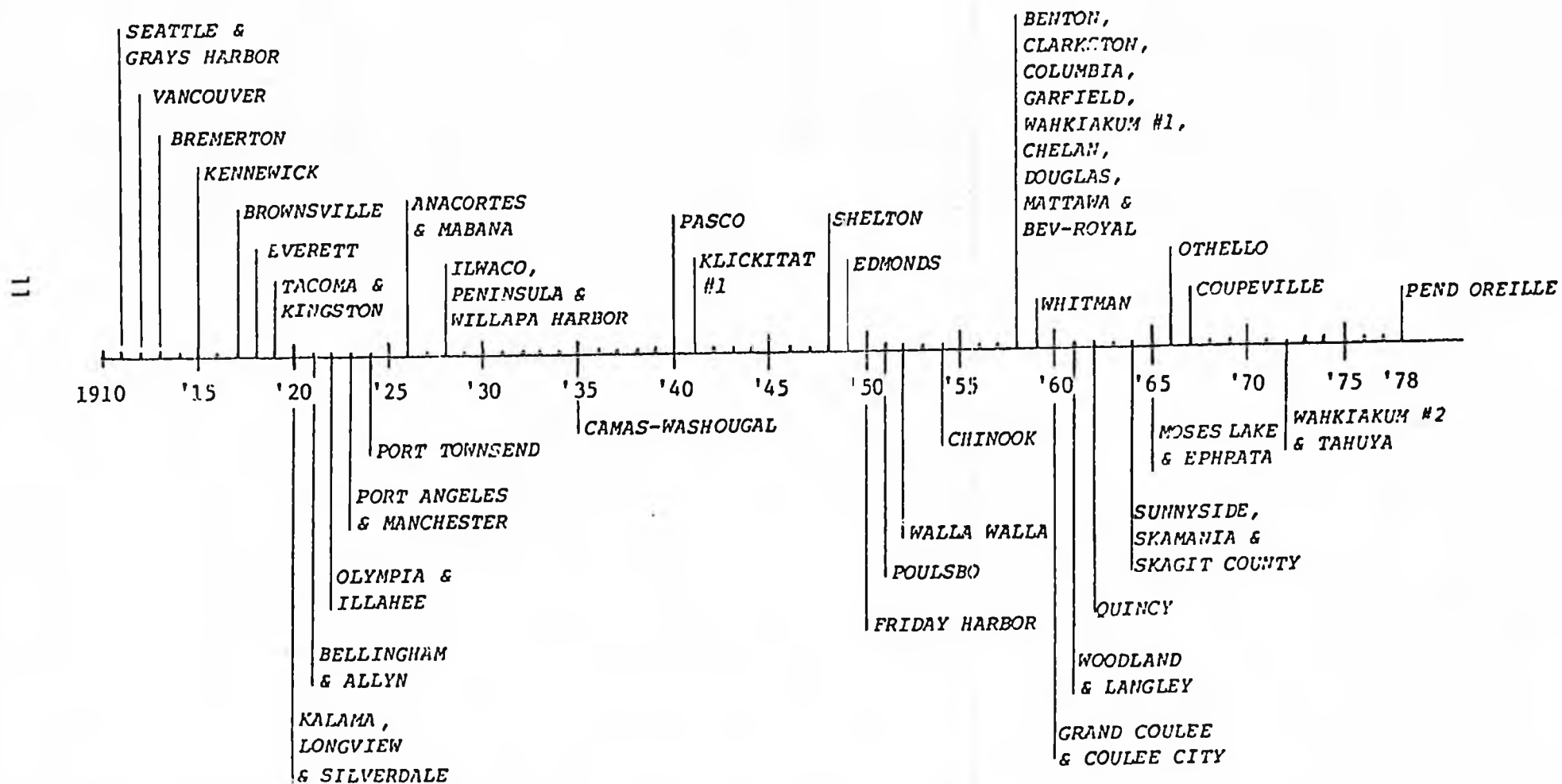
In 1977 public port district constituents included 76 percent or 2,781,200 of the state's total 3,662,000 residents. The two largest districts in the state were the Ports of Seattle and Tacoma with populations of 1,164,400 and 422,400 persons, respectively. These two large districts include 43 percent of the state's entire population as constituents. Only seven more districts had a population of 50,000 or more. These included: Vancouver, Olympia, Bellingham, Bremerton, Everett, Longview and Grays Harbor. All of the remaining 49 districts included in the study had populations under 50,000.

The property tax base of the state's public port districts in 1978 is \$45.5 billion, 77 percent of the state's total tax base in terms of taxable property assessed valuation. Seattle and Tacoma currently have the largest tax bases of \$20.3 and \$5.4 billion, respectively, the total of which amounts to 43 percent of the total state property tax base.

The public port districts own or manage about 2 percent of all the 3,600 miles of shoreline on Washington's coastlines, bays and rivers. The districts own 38,500 acres, approximately one-tenth of one percent of the total area in the state.

The estimated 1978 value of all land, buildings, and equipment owned by Washington's public port districts is about \$1,454.6 million.

Table 2
CHRONOLOGY OF PUBLIC PORT DISTRICT FORMATION: 1911 TO 1978
 Washington Public Ports Economic Study



Source: Public Port Districts of the State of Washington; Williams-Kuebelbeck and Associates, Inc.

District Financial Activities

Table 3 presents a financial history of the 58 public port districts for selected years during the last ten-year period, 1968-1977. The presentation shows the major income and expenditure categories for both operations and capital improvements. Several important statewide trends related to the financial activities of the public port districts are shown in Table 3. One of the first items illustrated is that operating income has increased significantly. Operating income in 1977 was 234 percent higher than in 1968. This was caused by increases in all three major operating income categories; charges, leases and interest income and payments from government. The largest aggregate and percentage increases occurred in the charges category. This was largely due to the results of aggressive capital improvement programs conducted by the districts.

Operating expense, also increased significantly over the last ten years but at a rate somewhat less than the increase in operating income. This has resulted in the growth of operating surpluses (net operating income) to the districts. This operating surplus is normally used for capital improvement programs or to provide the necessary reserve requirements for the districts to maintain viable revenue bond programs. The primary components of the districts' capital improvement programs are: operating surpluses, property tax levies, proceeds from general obligation and revenue bonds and proceeds from capital grants. Table 4 presents the bonded debt of the public port districts in 1977. It may be noted that 85 percent of this debt, which created the capital improvements that generated increases in operating income, was for revenue bonds. The primary security for repaying revenue bonds is from operating surpluses generated by individual district projects or operating surpluses of the entire district operation. The operating surplus must not only cover the payment of principal and interest on the revenue bonds but must also maintain a 35 percent cushion above that amount (debt coverage ratio of 1.35 times).

Table 3 also illustrates the declining reliance of the public port districts on property tax levies. It may be noted that in 1968 the districts collected

Table 3
FINANCIAL HISTORY OF THE PUBLIC PORT DISTRICTS: 1968-1977
 Washington Public Ports Economic Study
 (All Figures in Millions)

	Years					
	1968	1973	1974	1975	1976	1977
OPERATING INCOME	\$36.7	\$ 81.8	\$ 91.3	\$101.0	\$113.7	\$122.6
Charges	23.6	58.2	64.5	70.4	80.9	86.2
Leases	10.1	17.9	20.8	24.4	27.2	29.5
Other ^{1/}	3.0	5.7	6.0	6.2	5.6	6.9
Minus: OPERATING EXPENSES	27.3	52.1	63.3	68.2	73.1	78.8
Maintenance and Operations	23.7	49.6	59.3	65.2	71.1	76.2
Other ^{2/}	3.6	2.5	4.0	3.0	2.0	2.6
Equals: OPERATING SURPLUSES	\$ 9.4	\$ 29.7	\$ 28.0	\$ 32.8	\$ 40.6	\$ 43.8
Plus: TAXES COLLECTED	17.3	17.8	18.7	18.4	19.6	19.6
Plus: PROCEEDS FROM BONDS & GRANTS	21.3	22.3	27.4	39.0	33.4	35.5
Revenue Bonds	16.6	17.3	8.5	31.0	15.9	19.1
General Obligation Bonds	1.8	.1	8.8	1.3	13.9	7.2
Grants	2.9	4.9	10.1	6.7	3.6	9.2
Equals: FUNDS FOR CAPITAL IMPROVEMENTS	\$48.0	\$ 69.8	\$ 74.1	\$ 90.2	\$ 93.6	\$ 98.9
Minus: CAPITAL IMPROVEMENTS	40.5	84.0	82.0	75.0	75.9	69.2
Capital Improvement Projects	31.3	57.6	56.4	45.7	48.9	42.4
Bond Repayment	9.2	26.4	25.6	29.3	27.0	26.8
Equals: INCREASES OR (DECREASES) IN RESERVE FUNDS	\$ 7.5	(\$ 14.2)	(\$ 7.9)	\$ 15.2	\$ 17.7	\$ 29.7

^{1/} Includes interest income and payments from government.

^{2/} Includes payments to government other than sales and leasehold taxes.

Sources: Public Port Districts of the State of Washington; Williams-Kuebelbeck and Associates, Inc.

Table 4
PUBLIC PORT DISTRICT BONDED DEBT IN 1977
 (All Figures in Millions Except Percentages)
 Washington Public Ports Economic Study

<u>State Regions/Districts</u>	<u>Revenue Bonds</u>	<u>General Obligation Bonds</u>			<u>Total</u>	<u>Percent of Total</u>	<u>Annual Bond Repayment Requirement</u>
		<u>Voted</u>	<u>Non-Voted</u>	<u>Total</u>			
Puget Sound	\$302.1	\$2.4	\$44.8	\$47.2	\$349.3	93%	\$24.7
Seattle	215.1	-	30.5	30.5	245.6	65	17.9
Tacoma	58.5	-	11.0	11.0	69.5	19	4.3
Others	28.5	2.4	3.3	5.7	34.2	9	2.5
Pacific	7.3	.4	1.0	1.4	8.7	2	.6
Lower Columbia	6.3	3.0	3.4	6.4	12.7	4	.9
Mid-Columbia and Snake	4.2	.5	.5	1.0	5.2	1	.5
Upper Columbia	<u>.7</u>	<u>.2</u>	<u>-</u>	<u>.2</u>	<u>.9</u>	<u>-</u>	<u>.1</u>
Totals	\$320.6	\$6.5	\$49.7	\$56.2	\$376.8	100%	\$26.8
Percentage of Totals	85%	2%	13%	15%	100%		

Source: Washington State Auditor; Public Port Districts of the State of Washington; Williams-Kuebelbeck and Associates, Inc.

\$17.3 million in property taxes while in 1977 this figure amounted to \$19.6 million. If the two figures were adjusted to 1977 constant dollars, it is shown that property tax take by the districts has actually decreased since 1968 at an annual rate of minus 4.5 percent. Another way of looking at the property tax dependency of the public port districts is to assess the relative proportion taxes constitute of district funds available for capital improvements. The 1968 and 1977 comparisons are shown following:

<u>Categories of Funds for Capital Improvements</u>	<u>Funds Available in Millions</u>		<u>Percentages of Total Funds Available</u>	
	<u>1968</u>	<u>1977</u>	<u>1968</u>	<u>1977</u>
. Operating Surpluses	\$ 9.4	\$43.8	20%	44%
. Taxes Collected	17.3	19.6	36	20
. Proceeds from Bonds and Grants	21.3	35.5	44	36
Revenue Bonds	16.6	19.1		
General Obligation Bonds	1.8	7.2		
Grants	2.9	9.2		
. Total Funds for Capital Improvements	\$48.0	\$98.9	100%	100%

It may be noted that property taxes constituted 36 percent of funds available for capital improvements in 1968, while in 1977 this component represented only 20 percent.

The statewide public port district financial history allows a reviewer to observe general relationships and trends. The Technical Report also presented financial characteristics for the five regions and the Ports of Seattle and Tacoma separately. Although detailed analysis is not the intent of this Summary Report, several observations on a region-by-region basis seemed appropriate. The Puget Sound Region, due to its dominance among the five regions, fairly well mirrors statewide financial relationships and trends discussed above.

The Pacific Region's financial history has been dictated largely by the Port of Grays Harbor. Contrary to statewide trends, the region's operating expenses have increased faster than operating income. This region has not been dependent

on tax levies and its capital improvement programs have been funded equally from operating surpluses and bond proceeds.

Districts in the Lower Columbia Region have relied more heavily than districts statewide on taxes to finance both operations and capital improvements. In fact, the region is the only one in the state where operating expenses have been subsidized by the tax levies.

Operating expenses for the districts in the Mid-Columbia and Snake Region have increased at a rate about 2.5 times the increase in operating income over the last ten years. About two-thirds of the operating income of districts in this region comes from leases. This differs significantly from all other regions where user charges constitute the largest income component. The region relies heavily on taxes to fund their capital improvement programs.

Operating income and expenses for districts in the Upper Columbia Region have been quite stable over the last few years. Like the Mid-Columbia and Snake Region, this region's districts rely more heavily on lease income than districts statewide. The region's districts are distinguished by the fact that they have the smallest proportionate reliance on bonds and grants for funding their capital improvement programs than any other region. Capital improvements are funded by operating surpluses and tax income on a two to one ratio.

In 1977, the state's public port districts spent \$148 million on operations and capital improvements. Since 1972, all the districts' average expenditures for their primary functions have been: 84 percent for marine terminals and industrial development, 13 percent for airports, and 3 percent for marinas.

Maritime commerce is the traditional and primary activity of the state's large public port districts. Deep water districts include the ports of:

- . Seattle
- . Tacoma
- . Anacortes
- . Bellingham
- . Everett
- . Olympia
- . Port Angeles
- . Grays Harbor
- . Longview
- . Vancouver
- . Kalama

In addition to these 11 deep water ports, there are seven slack water ports which accommodate barge traffic. These are the ports of:

- . Pasco
- . Benton
- . Clarkston
- . Columbia
- . Walla Walla
- . Whitman
- . Willapa Harbor

The districts rely primarily on their operating income, 63 percent of the total, to finance their maritime operations and capital improvements. Secondary sources of funding include revenue bonds and taxes which constitute 17 and 15 percent of total expenditures, respectively.

The majority of the public port districts, 38 of the 58 districts, engage in industrial development. This activity is both in direct connection with their marine terminal and airport operations and separate from them. Eleven of the districts have created industrial development districts under the 1955 law. All but two of these have used up their six years' taxing capability under this authority. Industrial development activities have been financed largely through revenue and general obligation bonds, 37 percent of total expenditures, and taxes, 21 percent of the total. Tax income is therefore very important to the districts in this regard.

As in the case of industrial development, the majority of public port districts, 33 of 58 districts, engage in marina development and operations. Such facilities are provided for both recreational and commercial fishing boat owners. It is notable that many of the districts' sole function is the operation of a marina. This is particularly true for many of those districts in the Puget Sound Region. The Puget Sound and Pacific Regions provide about 90 percent of all moorages offered by the districts statewide. Revenue bonds are an important source of funding for marina development and marinas rely on tax income to a lesser extent than all other district functions except airports.

Airport development and operations are performed by 23 of the 58 public port districts. Seattle, Moses Lake and Pasco are the largest operations. Revenue bonds and operating income pay the largest share of airport expenditures, 77 percent. Grants are a very important source for capital funding for airports in the state, constituting 22 percent of total expenditures. Only 1 percent of the total expenditures on airports is from tax income.

BENEFITS FROM WASHINGTON'S PUBLIC PORT DISTRICTS

Washington's public port districts generate both economic and fiscal impacts statewide and to the local areas they serve. These impacts, as estimated in the study, are from expenditures by private businesses whose activities are totally or partially related to the public port districts' functions and from expenditures induced by these private businesses.

The economic impacts estimated in this study for 1976 include employment; payrolls; final demand, which is gross state product plus imports; and gross output, or total sales. A summary of these estimated economic impacts, both statewide and by region, is shown in Table 5.

Table 5
SUMMARY OF ECONOMIC IMPACTS
GROSS OUTPUT, FINAL DEMAND, PAYROLLS, EMPLOYMENT
PORT DISTRICT RELATED PRIVATE INDUSTRIAL ACTIVITIES
 Washington Public Ports Economic Study

<u>Area</u>	<u>Gross Output</u> <u>(\$000's)</u>	<u>Final Demand</u> <u>(\$000's)</u>	<u>Employment</u>	<u>Payroll</u> <u>(\$000's)</u>
State	\$4,465,852	\$2,078,510	99,091	\$1,391,297
Puget Sound	3,159,593	1,432,240	70,419	994,845
Pacific	655,238	246,330	10,954	160,607
Lower Columbia	163,448	86,940	4,209	55,729
Mid-Columbia and Snake	435,167	288,190	11,985	160,810
Upper Columbia	52,406	33,810	1,524	19,306

Source: 1972 Washington Input-Output Model; 1976 Update; Williams-Kuebelbeck and Associates, Inc.

The results of the study show that about 99,100 jobs in the state are related to the activities of the public port districts. Seventy-one percent of these jobs are in the Puget Sound Region providing employment for 70,400 Washingtonians. On a statewide basis, public port districts generate about 9 percent

of total employment. These 99,100 jobs created payrolls of about \$1.4 billion.

Public port district activities generated final demand of \$2.08 billion and gross output, or total sales, of \$4.5 billion in 1976. These estimates represent about 5 percent of the state total for both factors.

The fiscal impacts of the public port districts were estimated in terms of state and local tax revenue generated by public port district related activities. These total tax benefits in 1976 were estimated at \$211.6 million -- \$90.3 million in property taxes; \$87.6 million in sales taxes; and \$33.7 million in business and occupation (B&O) and public utility taxes.

ANSWERS TO THE QUESTIONS POSED BY THE
WASHINGTON PUBLIC PORTS ASSOCIATION

The information presented to this point provides answers to two of the five questions posed by WPPA for research and analysis in the Public Ports Economic Study. The questions and our answers to them are presented below.

Question 1: What are the socio-economic effects accruing from the public ports to Washington State? Can they be documented in tangible form?

Answer: The socio-economic effects can be documented in tangible form and have been estimated for 1976 using the results of an updating of the 1972 Washington State input-output tables and information provided by the public port districts.

The economic and fiscal impacts generated by the public port districts were shown in the prior section.

Question 2: What are the financial means which enable the public ports to operate? What portion stems from tax sources?

Answer: The public port districts receive funds from: charges for the use of facilities and services provided by the districts; lease payments from private users of district owned land, improvements and equipment; interest from reserve funds being held for a future capital project use; payment of operating funds from other levels of government, particularly the federal and state governments; grant funds for capital improvements; proceeds of bonds; and taxes.

The proportion of funding support provided to the public port districts through taxes has been declining in recent years. The proportionate shares which each component of district funding made up in 1977 is shown below:

<u>Funds From</u>	<u>Total in Millions</u>	<u>Percent of Total</u>
Charges	\$ 86.2	48%
Leases	29.5	17%
Interest Income and Payments from Government	6.9	4%
Capital Grant Proceeds	9.2	5%
Bond Proceeds	26.3	15%
Taxes	19.6	11%
Total	<u>\$177.7</u>	<u>100%</u>

It may be noted that taxes constituted 11 percent of all funds available to the districts in 1977.

Question 5: What is the net balance between port tax levies and the overall amount of state and local taxes the public port district activities generate?

Answer: Tax impacts estimated in the study included property taxes, sales taxes, business and occupation taxes and public utility taxes. They amounted to \$211.6 million statewide in 1976. A summary of gross state and local tax benefits, by type and region, is presented in Table 6.

Tax take has been defined to include the district levies, property tax exemptions and government payments of tax funds received by the districts minus payments they make to other levels of government. These tax take items will amount to \$36 million statewide in 1978. A summary of tax take, by category and region, is presented in Table 7.

Therefore, the gross tax benefit to tax take ratio for Washington's public port districts is 5.9 to 1.0. In essence, for every dollar of tax levy or exemption realized by the public port districts, district activities generated a gross amount of \$5.90 in state and local taxes. A summary of tax benefit-tax take ratios, by region, is presented in Table 8.

Table 6

PUBLIC PORT DISTRICT STATE AND LOCAL TAX BENEFITS IN 1976(All Figures in Millions Except Percentages)

Washington Public Ports Economic Study

<u>State Region</u>	<u>Taxes By Type</u>			<u>Total Tax Benefits</u>	<u>Percent of Total</u>
	<u>Property</u>	<u>Sales</u>	<u>Business & Occupation and Public Utility</u>		
Puget Sound	\$63.2	\$62.7	\$23.9	\$149.8	71%
Pacific	9.7	10.1	4.9	24.7	12
Lower Columbia	4.7	3.5	1.2	9.4	4
Mid-Columbia and Snake	11.1	10.1	3.3	24.5	12
Upper Columbia	<u>1.6</u>	<u>1.2</u>	<u>.4</u>	<u>3.2</u>	<u>1</u>
Total	\$90.3	\$87.6	\$33.7	\$211.6	100%

Source: Public Port Districts of the State of Washington; Williams-Kuebelbeck and Associates, Inc.

Table 7
PUBLIC PORT DISTRICT TAX TAKE IN 1978
 (All Figures in Millions Except Percentages)
 Washington Public Ports Economic Study

		Public Port District Regions					
		Puget Sound Region	Pacific Region	Lower Columbia	Mid Columbia & Snake	Upper Columbia	State Totals
	Property Tax Levy	\$17.7	\$0.1	\$2.1	\$1.7	\$0.5	\$22.1
Plus:	Property Tax Exemption	19.2	0.8	1.5	0.8	0.2	22.5
Plus:	Payments From Government	<u>1.3</u>	<u>0.1</u>	<u>0.5</u>	<u>0.0</u>	<u>0.0</u>	<u>1.9</u>
Equals:	Gross Tax Take	\$38.2	\$1.0	\$4.1	\$2.5	\$0.7	\$46.5
Minus:	Payments to Government	8.9	0.3	0.8	0.3	0.2	10.5
	o Leasehold Tax	2.8	0.1	0.2	0.1	0.1	3.3
	o State Assessed Property Tax	1.5	0.0	0.0	0.1	0.0	1.6
	o Other Taxes ^{1/}	<u>4.6</u>	<u>0.2</u>	<u>0.6</u>	<u>0.1</u>	<u>0.1</u>	<u>5.6</u>
Equals:	Total Net Tax Take	\$29.3	\$0.7	\$3.3	\$2.2	\$0.5	\$36.0
	Percentages of Total	82%	2%	9%	6%	1%	100%

^{1/} Sales and Business and Occupation taxes paid by the public port districts.

Source: Washington State Department of Revenue; Public Port Districts of the State of Washington; Williams-Kuebelbeck and Associates, Inc.

Table 8

PUBLIC PORT DISTRICT TAX BENEFIT TO TAX TAKE RATIOS
BY REGION AND STATEWIDE
 Washington Public Ports Economic Study

(Figures in Millions)

<u>State Region</u>	<u>State and Local Tax Benefits</u>	<u>Tax Take</u>	<u>Tax Benefit/ Tax Take Ratios</u>
Puget Sound	\$149.8	\$29.3	5.1/1.0
Pacific	24.7	.7	35.3/1.0
Lower Columbia	9.4	3.3	2.8/1.0
Mid-Columbia and Snake	24.5	2.2	11.1/1.0
Upper Columbia	<u>3.2</u>	<u>.5</u>	6.4/1.0
Totals	\$211.6	\$36.0	5.9/1.0

Source: Public Port Districts of the State of Washington; Williams-Kuebelbeck and Associates, Inc.

Question 4: What are the alternatives to the current taxing authority of the public port districts?

Answer: The most logical alternative to the use of tax income by the public port districts is for them to increase operating surpluses (net operating incomes). The districts are limited in their ability to increase net operating incomes due to a number of factors. For example, charges which are the largest component of operating incomes, are set by agreements, competitive factors and by local conditions. Lease income is dictated by the terms of lease agreements, many of which call for flat rental payments which do not respond directly to inflation or to changes in business volume of the lessee. On the other hand, operating expenses of the districts will continue to increase.

Another alternative to the use of tax income for capital projects is grants and bond proceeds. Our analysis indicates that the districts are sensitive to the need to increase the flow of grant funds and have been endeavoring to do so. Additional bonds, the major portion of which must be revenue bonds, must be geared to the flow of net operating income.

At the present time, no realistic alternative to the maintenance of tax levy powers of the Washington public port districts has exhibited itself to WK&A.

Question 5: Could all public port districts fulfill their present roles if the tax levy were eliminated? Under what circumstances could a public port district become self-sufficient? Could public port districts meet future needs without a levy?

Answer: The dependency of the Washington public port districts on the tax levy varies between region and individual districts. The nature of this inquiry, which dealt with 58 separate districts

throughout the state, dictated a degree of generalization on this important question.

Three of the public port district regions in the state have been experiencing an increase in net operating income over the last ten years -- Puget Sound, Pacific and Upper Columbia. This is not the conclusion, however, for the Mid-Columbia and Snake Region and the Lower Columbia Region. Therefore, on the basis of future trends, as we can best forecast them for these two latter regions, any reduction of tax levies would be extremely detrimental.

With reference to the remaining regions, if they are to continue a reasonable level of capital improvements, any reduction in tax levy power would be most damaging. Support for this conclusion is illustrated in Table 9 which presents an analysis of the tax dependency question for the Puget Sound Region districts. This analysis, although it does not specifically include the Pacific and Upper Columbia regions, applies to financial considerations within these regions. The analysis is for the Puget Sound Region since that region is so financially dominant in the state. The table presents a three step process to determine tax levy requirements. Step 1 assumes that the Puget Sound districts do not have their tax levy power for the sake of this illustration. Columns 1 through 3 on the table show the amount which would be required from bond proceeds under the following assumptions:

- . The districts continue to fund a \$50 million annual capital improvement program;
- . Existing bonded debt outstanding is repaid with interest and a 1.35 times debt coverage ratio is maintained;

Note: These two assumptions are built into Column 1 in Table 9.

Table 9
PUGET SOUND REGION PUBLIC PORT DISTRICTS' TAX
DEPENDENCY ANALYSIS - TEN YEAR PROJECTION: 1979-1988
(All Figures in Millions - 1977 Price Levels)
 Washington Public Ports Economic Study

Years	Funding Using Operating Surpluses			Need for Tax Levy			Equals: Surplus After Using Tax Income (7)
	Capital Improvements Funding Requirements ^{1/} (1)	Minus: Operating Surpluses and Grant Funds ^{2/} (2)	Equals: Annual Bonding Requirements ^{3/} (3)	Cumulative Bonded Debt Required (4)	Bond Repayment Required For Taxes ^{4/} (5)	Minus: Estimated Tax Income ^{5/} Available ^{5/} (6)	
1979	\$83.3	\$50.9	\$32.4	\$ 32.4	\$ -	\$18.8	\$N.A.
1980	83.3	53.9	29.4	61.8	3.8	19.9	16.1
1981	83.3	56.8	26.5	88.3	7.3	21.1	13.8
1982	83.3	59.8	23.5	111.8	10.4	22.4	12.0
1983	83.3	62.8	20.5	132.3	13.1	23.7	10.6
1984	83.3	65.8	17.5	149.8	15.5	25.1	9.6
1985	83.3	68.8	14.5	164.3	17.7	26.6	8.9
1986	83.3	71.8	11.5	175.8	19.3	28.2	8.9
1987	83.3	74.8	8.5	184.3	20.7	29.9	9.2
1988	83.3	77.8	5.5	189.8	21.7	31.7	10.0

N.A. = not applicable.

- ^{1/} Capital improvement funding includes \$50.0 million annually for capital projects, \$24.7 million annually for bond repayment on bonds outstanding in 1978 and 8.6 annually as a debt coverage reserve based on 1.35 times the \$24.7 million.
- ^{2/} Operating surpluses increasing based on historic trends and grants assumed at an annual level of \$4 million.
- ^{3/} Amount of bond proceeds necessary to maintain a \$50 million per year capital improvements program plus repayment of existing bonded debt after using operating surpluses and capital grant funds.
- ^{4/} Level payments of principal and interest on 20-year bonds at 6 percent per annum interest (factor = .087185) with a 1.35 times debt coverage reserve.
- ^{5/} Projection of 1978 tax levy at 6 percent per year compounded to reflect the effect of the tax lid.

Source: Williams-Kuebelbeck and Associates, Inc.

- . Operating surpluses continue to increase based upon historic trends and grants available to the districts amount to \$4 million per year;

Note: These assumptions are built into Column 2 in Table 9.

- . Capital improvement funds not provided from operating surpluses and grants will be provided from revenue bond or voted general obligation bond proceeds which will be repaid over 20 years at 6 percent average annual interest; and

Note: These assumptions are built into Columns 4 and 5 in Table 9.

- . All tax income to the districts will continue to be limited by the 106 percent lid.

Note: Shown in Column 6 of Table 9.

It should be noted that the projections in Table 9 are based upon the preceding assumptions and these assumptions may certainly change in the future. Nevertheless, the assumptions are considered realistic for making such a future projection.

The results of the tax dependency analysis is shown clearly in Columns 5 through 7 of Table 9. Column 5 shows the districts' bond repayment funding requirements prior to use of tax income assuming full use of increasing operating surpluses, a reasonable level of grants from other governmental agencies, sale of new bonds and the maintenance of a \$50 million annual capital improvement program. The need for tax income shown in Column 5 increases consistently from \$3.8 million to \$21.7 million over the next ten year period. Therefore, flow of tax income for current and future use by the public port districts to maintain their current level of capital improvements is, as shown in Columns 6 and 7 of Table 9, unquestionable.

The circumstances which would allow certain public port districts in the state to become financially self-sufficient would be a major reduction in capital improvement programs. The capital improvement programs of the public port districts, supported by tax levies, has allowed the districts to successfully compete for business in the past. Any diminution of this competitive ability would damage the districts competitive advantage in the short term and negatively impact the economic benefits generated by the districts and their fiscal health in the long term.

Therefore, our conclusion is that the public port districts in Washington are essentially doing quite well financially even with recent limitations placed upon their tax levy powers. However, any further diminution of such powers would have damaging effects on the public port districts and the state's economy.

PUBLIC PORT DISTRICT REGION
MAP EXHIBITS

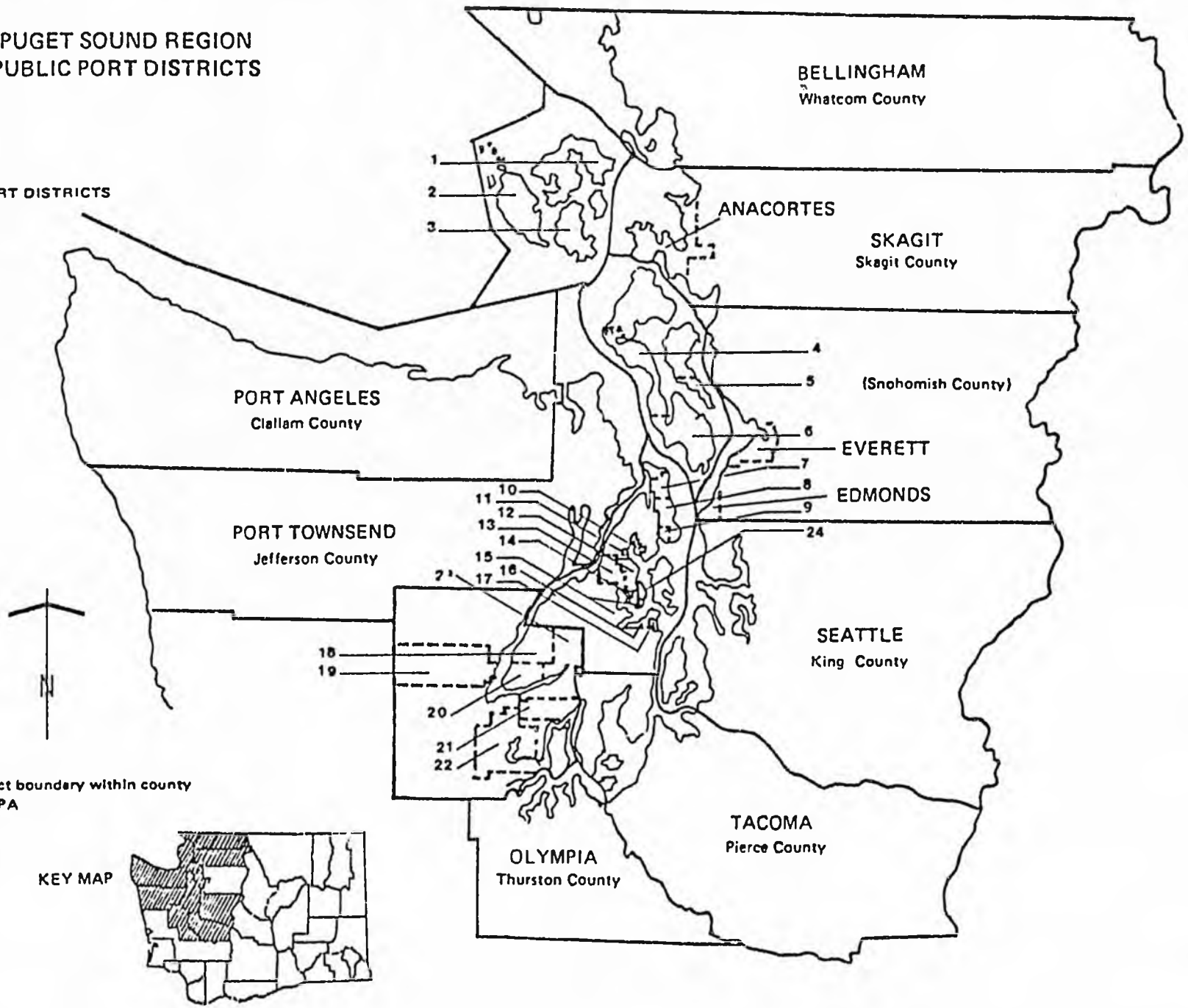
Washington Public Ports Economic Study

PUGET SOUND REGION PUBLIC PORT DISTRICTS

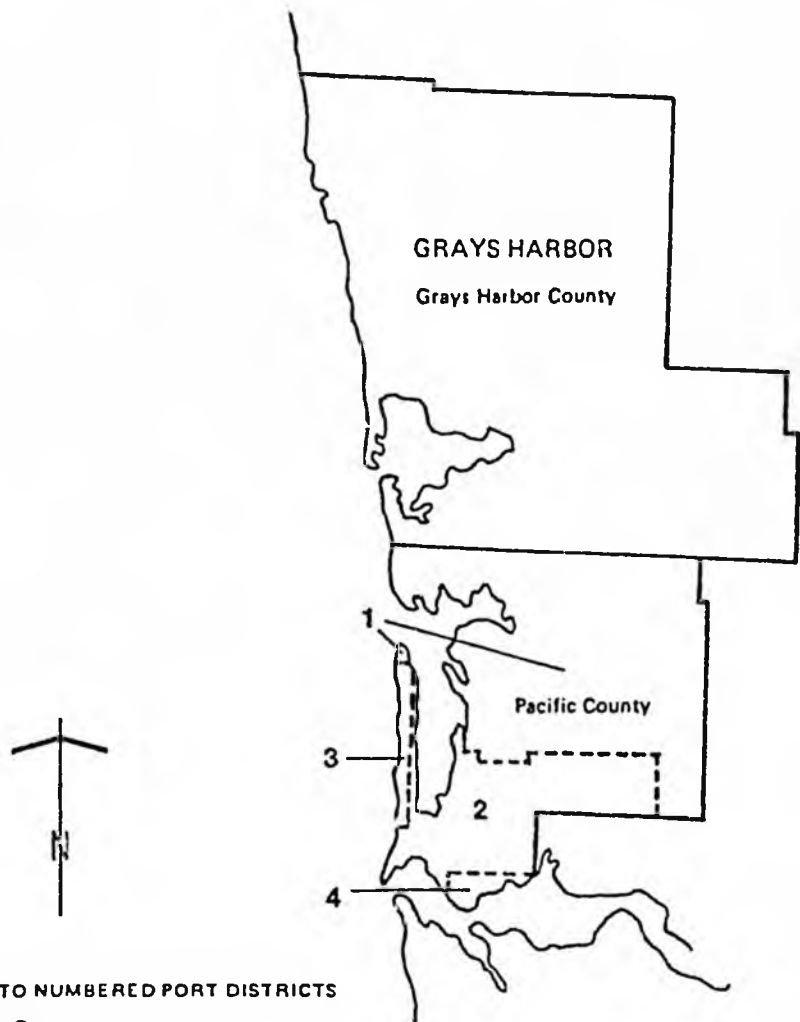
KEY TO NUMBERED PORT DISTRICTS

- San Juan County
 - 1. ORCAS*
 - 2. FRIDAY HARBOR
 - 3. LOPEZ*
- Island County
 - 4. COUPEVILLE
 - 5. MABANA
 - 6. LANGLEY
- Kitsap County
 - 7. EGLON*
 - 8. KINGSTON
 - 9. INDIANOLA*
 - 10. POULSUO
 - 11. KEYPORT*
 - 12. BROWNSVILLE
 - 13. SILVERDALE
 - 14. TRACYTON*
 - 15. BREMERTON
 - 16. WATERMAN*
 - 17. MANCHESTER
- Mason County
 - 24. ILLAHEE
- Other Districts
 - 18. DEWATTO
 - 19. HOODSPORT*
 - 20. TAHUYA
 - 21. GRAPEVIEW*
 - 22. SHELTON
 - 23. ALLYN

--- Indicates Port District boundary within county
 * Not members of WPPA



PACIFIC REGION
PUBLIC PORT DISTRICTS

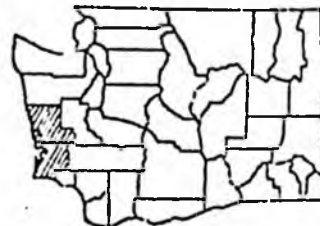


KEY TO NUMBERED PORT DISTRICTS

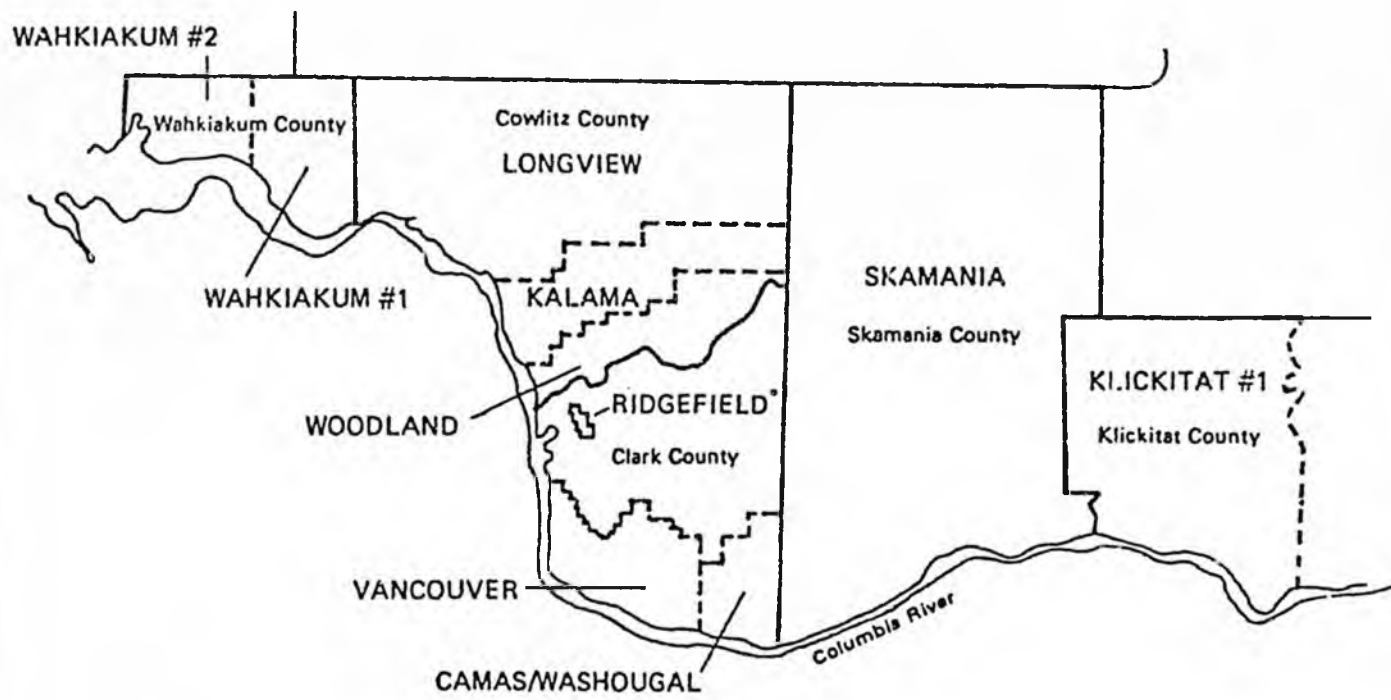
- Pacific County
- 1. WILLAPA HARBOR
 - 2. ILWACO
 - 3. PENINSULA
 - 4. CHINOOK

- - - Indicates Port District boundary within county

KEY MAP

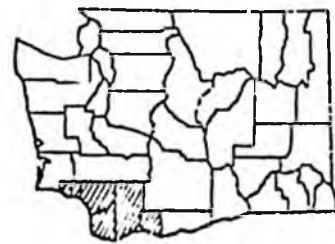


LOWER COLUMBIA REGION PUBLIC PORT DISTRICTS

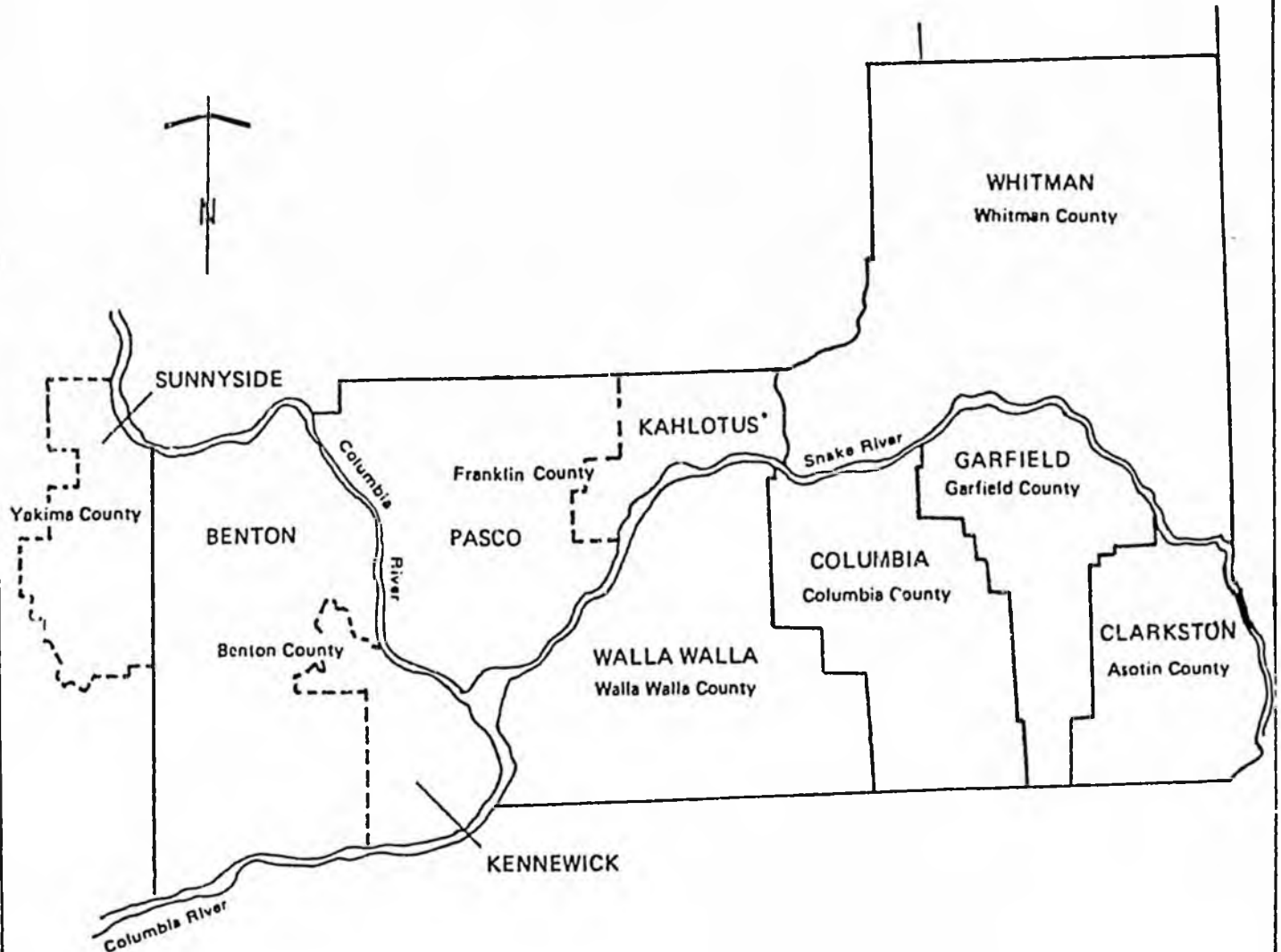


--- Indicates Port District boundary within county.
 • Not members of WPPA

KEY MAP

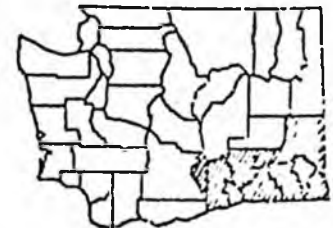


MID COLUMBIA AND SNAKE REGION PUBLIC PORT DISTRICTS

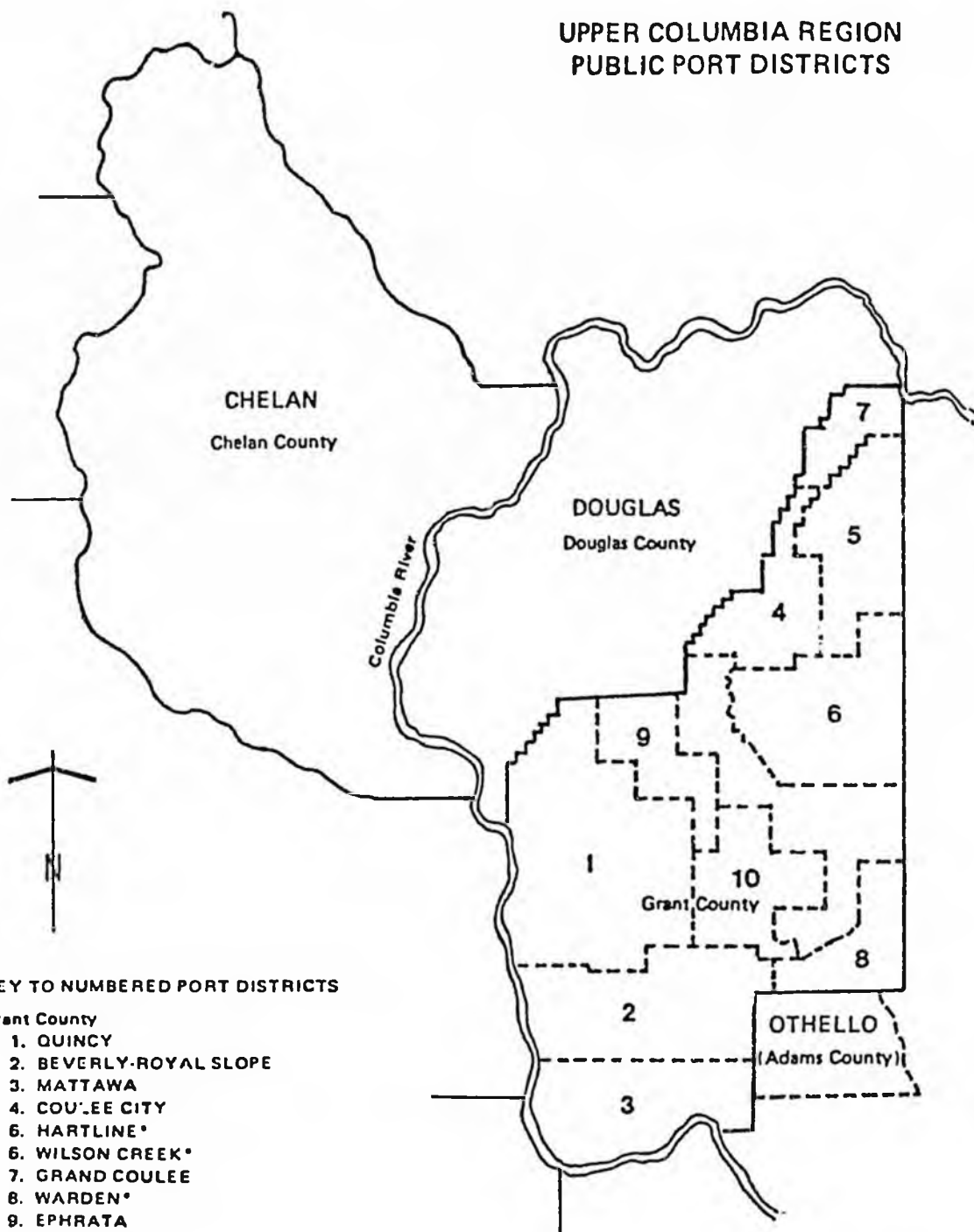


--- Indicates Port District boundary within county.
 • Not members of WPPA

KEY MAP



UPPER COLUMBIA REGION
PUBLIC PORT DISTRICTS

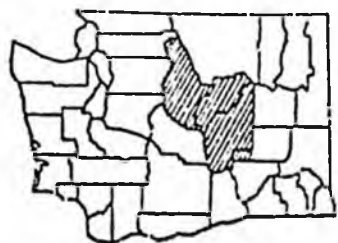


KEY TO NUMBERED PORT DISTRICTS

- Grant County
- 1. QUINCY
 - 2. BEVERLY-ROYAL SLOPE
 - 3. MATTAWA
 - 4. COULÉE CITY
 - 6. HARTLINE*
 - 6. WILSON CREEK*
 - 7. GRAND COULEE
 - 8. WARDEN*
 - 9. EPHRATA
 - 10. MOSES LAKE

----- Indicates Port District boundary within county.
 • Not members of WPPA

KEY MAP



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**SURVEY OF STATE FUNDING OF
LANDSIDE PORT FACILITIES
AND CARGO TERMINALS
1983**



An Informational Report

by the

STANDING COMMITTEE ON WATER TRANSPORTATION

AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS

444 N. CAPITOL STREET, N.W., SUITE 225

WASHINGTON, D.C. 20001

INTRODUCTION

SURVEY OF STATE FUNDING OF LANDSIDE PORT FACILITIES AND CARGO TERMINALS, 1983

A. Survey Participants

Members of the Standing Committee on Water Transportation of the American Association of State Highway and Transportation Officials, who include representatives of state departments of transportation (DCT's), departments of highways, and port authorities, provided the data included in this survey report. The report is based upon a 1982 report by the same name, updated with information gathered in early 1983.

Of the 41 states located on commercially navigable waterways, 22 states have programs to fund the construction of landside port facilities and cargo terminals. In addition, with the exception of Vermont, all 41 of the states on navigable waterways have either state port authorities or local port authorities, port districts or dock boards responsible for port and terminal development. All 41 states on the navigable waterway system, along with a response from Puerto Rico, are included in this report.

B. AASHTO Survey Activities

Objectives of the Standing Committee on Water Transportation are to develop an understanding of port development programs by each of the states and to distribute information on port programs to the member states in the interests of encouraging the development of a strong national waterway system. The Survey of State Funding of Landside Port Facilities and Cargo Terminals represents an in-depth analysis of one of the major state

responsibilities identified in the AASHTO "Survey on State Involvement in Water Transportation and Port Development"* which was published in October, 1981. That first survey by the Standing Committee on Water Transportation provided an overview on state responsibilities in the planning, funding, operation and promotion of cargo ports and ferry service.

C. Report Format

A narrative discussion of each question in the survey is presented in this report, followed by a table which presents the responses for each of the individual states.

An Appendix at the end of the report indicates projects which have been funded by states, primary commodities handled and the amount of state funding at individual ports.

*Copies are available from AASHTO, 444 N. Capitol Street, N.W., Suite 225, Washington, D.C. 20001

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PURPOSE OF THE SURVEY

A number of respondents to the AASHTO "Survey on State Involvement in Water Transportation and Port Development" expressed concerns over the sharp increase in costs for all modes of transportation including port and terminal facilities, the movement in Congress to limit the use of tax-exempt industrial revenue bonds by local units of government including port authorities, and the strong likelihood for changes in the traditional division of responsibility between the federal government and the states, local port authorities and private sector in the development of the Nation's water transportation system. Throughout the 200-year development period of the water transportation system, which now comprises 189 deep-draft ports and 25,000 miles of navigable inland and intracoastal waterways, the federal government has been responsible for construction, maintenance and operation of the navigation channels, harbors and locks for the waterway system, and the states, local agencies and the private sector have developed the landside port and terminal facilities which handle the loading and unloading of vessels and the storage and inter-modal transfer of the cargoes.

Changes are now being proposed to this historic division of responsibility, with the likelihood that there will be a significant reduction in the federal role and federal financial support for both the deep-draft and inland waterway water transportation systems. The states should be aware of the changes that are being proposed, and may desire to assume the additional responsibilities that could come if some of the bills pending before Congress or cost sharing approaches being considered by the Corps of Engineers are passed or implemented. While payment of part of the costs of the waterway system may be imposed on the shippers and vessels using the ports and waterways, the states and other local interests may find it necessary to assume part of the costs if projects are to go forward, or perhaps to provide upfront financing for needed waterway projects with the option of collecting the costs of the project from the users.

To provide information on how state governments can conduct needed waterway, port and terminal development in light of increasing costs, pending restrictions on present sources of financing and changed federal/state responsibilities, the members of the Standing Committee on Water Transportation requested that AASHTO conduct a survey of methods used by states to fund landside port and terminal facilities and amounts of funds invested in such facilities. This report on the landside port and terminal funding programs used by states throughout the country over the last six years should be a valuable resource for states and port authorities in developing new and expanded means of obtaining funds for future port development projects and in preserving existing funding tools such as industrial revenue bonds.

SIGNIFICANT FINDINGS

Some of the significant findings of the AASHTO Survey of State Funding of Landside Port Facilities and Cargo Terminals are as follows:

- Nationally, of the 41 states located on navigable waterways, 22 have funding programs for landside port facilities and cargo terminals.
- States invested \$733.5 million in port facilities and terminals during the six-year period, 1977-1982.
- \$603.5 million was expended by states on tidewater landside port and terminal facilities, \$52.1 million at Great Lakes ports and \$77.9 million for inland waterway terminals.
- East Coast states invested \$303.1 million in port and terminal development, the Gulf Coast states invested \$255.4 million, the Midwest states invested \$101.1 million and the West Coast/Pacific states invested \$73.9 million in port projects.
- State port and terminal construction funds are administered by nine state departments of transportation, eight state port authorities, four state economic development agencies and one capital development agency.
- In terms of the state agencies responsible for administering state funds for port and terminal projects, \$342.8 million was administered by state departments of transportation, \$329.7 million by state port authorities and \$54.7 million by state departments of commerce or other state agencies.
- Twelve states authorize a state agency to fund projects at the discretion of the state agency, while 10 states report that the state legislature provides funds for port projects on the basis of recommendations by a state agency, and in five states the legislature authorizes funds on a project-by-project basis without regard for the recommendations of a state agency.
- The sources of state funds invested in landside port facilities and terminals included general obligation bonds, \$324.5 million; general revenue funds, \$163.4 million; revenue bonds, \$143.2 million; charges on users, \$49.4 million; and excise taxes, \$34.4 million.
- Besides the eight state port authorities, states and local units of government have created 239 local port authorities, port departments, dock boards or port commissions to develop port facilities.

USE OF GEOGRAPHIC REGIONS

To assist in the analysis of survey responses, the United States was divided into five regions: East Coast, Gulf Coast, Mississippi Valley/Midwest, West Coast/Pacific and West Region (which includes the nine states which have no navigable waterways). Responses were grouped according to these regions, which correspond roughly to U.S. coastal areas, to identify any patterns in the port and terminal funding programs of the various waterway states. The states in each of these regions are presented below and on the figure on the following page.

East Coast

Connecticut, Delaware, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Vermont, Virginia

Gulf Coast

Alabama, Florida, Louisiana, Mississippi, Texas

Mississippi Valley/Midwest

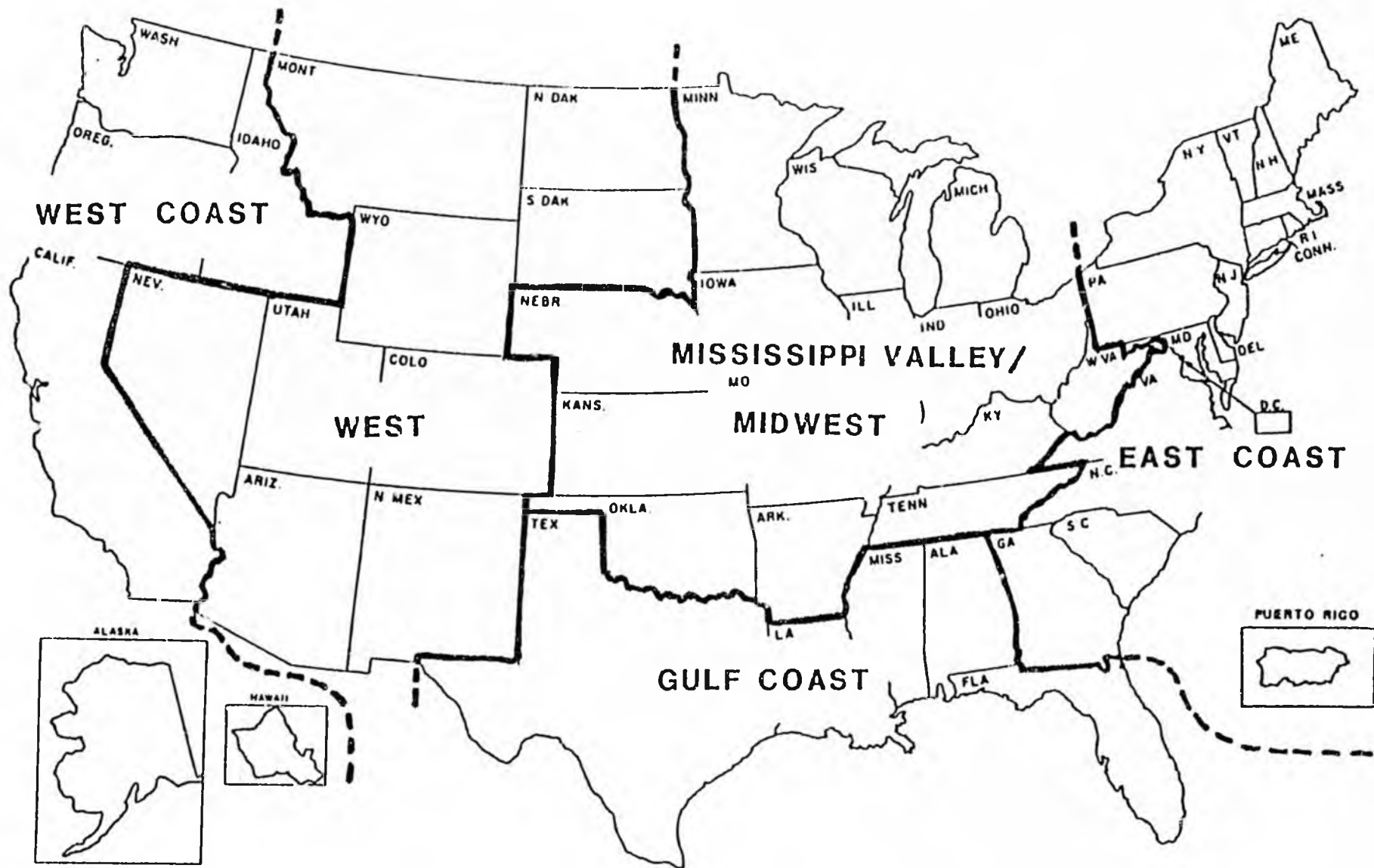
Arkansas, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, Tennessee, West Virginia, Wisconsin

West Coast/Pacific

Alaska, California, Hawaii, Idaho, Oregon, Washington

West Region (no commercially navigable waterways)

Arizona, Colorado, Montana, Nevada, New Mexico, North Dakota, South Dakota, Utah, Wyoming



REGIONS USED IN ANALYZING DATA-SURVEY OF STATE FUNDING OF LANDSIDE PORT FACILITIES AND CARGO TERMINALS AASHTO

NATIONAL SUMMARY

1. Construction Funding

Does the state or any state agency fund the construction of landside port facilities and water cargo terminals or collect funds or charges which are used for terminal construction?

Nationally, of the 41 states located on navigable waterways, 22 states have programs to fund the construction of landside port facilities and water cargo terminals. In addition, Puerto Rico funds terminal construction. A water cargo terminal is a cargo handling facility, within a deep-draft port or on an inland river, which includes the dock, transfer equipment, storage area and buildings, landside access and other related cargo handling facilities.

Eleven of the states that fund terminals are located on the East Coast, including Connecticut, Delaware, Georgia, Maine, Maryland, New Hampshire, New York, North Carolina, Rhode Island, South Carolina and Virginia. Five states in the Mississippi Valley/Midwest region, including Illinois, Indiana, Kentucky, Missouri and Wisconsin, have port funding programs. On the Gulf Coast, the states of Alabama, Louisiana and Mississippi fund water terminals. In the West Coast/Pacific region, Alaska and Hawaii have funding programs, and Oregon is the only mainland state which funds ports. Table 1 indicates the states that have or do not have funding programs, grouped by region.

Table 1

State Funding of Landside Port Facilities and Cargo Terminals

<u>East Coast</u>	<u>Does State Fund Ports and Terminals?</u>	
Connecticut	Yes	
Delaware	Yes	
Georgia	Yes	
Maine	Yes	
Maryland	Yes	
Massachusetts		No
New Hampshire	Yes	
New Jersey		No
New York	Yes	
North Carolina	Yes	
Pennsylvania		No
Puerto Rico	Yes	
Rhode Island	Yes	
South Carolina	Yes	
Vermont		No
Virginia	Yes	
<u>Gulf Coast</u>		
Alabama	Yes	
Florida		No
Louisiana	Yes	
Mississippi	Yes	
Texas		No
<u>Mississippi Valley/Midwest</u>		
Arkansas		No
Illinois	Yes	
Indiana	Yes	
Iowa		No
Kansas		No
Kentucky ^a	Yes	
Michigan		No
Minnesota		No
Missouri ^b	Yes	
Nebraska		No
Ohio		No
Oklahoma		No
Tennessee		No
West Virginia		No
Wisconsin	Yes	
<u>West Coast/Pacific</u>		
Alaska	Yes	
California		No
Hawaii	Yes	
Idaho		No
Oregon	Yes	
Washington		No
<u>West Region ^c</u>		
Arizona		No
Colorado		No
Montana		No
Nevada		No
New Mexico		No
North Dakota		No
South Dakota		No
Utah		No
Wyoming		No

a. Kentucky funded cargo terminal projects during the period through 1981, but there are presently no plans to continue the program.

b. The Missouri legislature has authorized the Highway and Transportation Commission to provide funds to port authorities for capital projects, and a voter referendum in June 1982 approved a bond issue for transportation improvements including highways and non-highway projects such as ports, railroads and airports.

c. States which do not have commercially navigable waterways.

2. Agencies Handling Funding Programs

What state agency administers the state's port and terminal funding program?

In the 22 states that fund port and terminal development, the administration of the programs are the responsibility of nine state departments of transportation, eight state port authorities or commissions, four state economic development agencies and one state project construction agency. In Puerto Rico, a single port authority, which is part of the Puerto Rico Department of Transportation and Public Works, administers the program. The various state agencies are indicated in Table 2.

State port authorities which administer state funds for landside port and terminal projects include the Georgia Ports Authority, New Hampshire State Port Authority, North Carolina State Port Authority, Rhode Island Port Authority, South Carolina State Ports Authority and Virginia Port Authority. The Alabama State Docks Department and the Indiana Port Commission are the other two administrative bodies for port funds. Only the Massachusetts Port Authority receives no state funds for port projects.

State DOT's which administer state port funding programs include Alaska, Connecticut, Hawaii, Louisiana, Maine, Maryland (the Maryland Port Administration was consolidated into Maryland DOT in 1971), Missouri, New York and Wisconsin. State economic development departments administer port funding in Delaware, Kentucky, Mississippi and Oregon, while the Capital Development Board in Illinois directs the construction of state funded port projects.

Table 2

State Agencies That Administer
Port and Terminal Funding Programs

East Coast

State Agency

Connecticut	Department of Transportation
Delaware	Economic Development Division
Georgia	Georgia Ports Authority
Maine	Department of Transportation
Maryland	Maryland Port Administration (DOT)
New Hampshire	New Hampshire State Port Authority
New York	Department of Transportation
North Carolina	North Carolina State Port Authority
Puerto Rico	Puerto Rico Ports Authority (DOT)
Rhode Island	Rhode Island Port Authority
South Carolina	South Carolina State Ports Authority
Virginia	Virginia Port Authority

Gulf Coast

Alabama	Alabama State Docks Department
Louisiana	Department of Transportation
Mississippi	Department of Economic Development

Mississippi Valley/Midwest

Illinois	Capital Development Board
Indiana	Indiana Port Commission
Kentucky	Commerce Cabinet
Missouri	Highway and Transportation Department
Wisconsin	Department of Transportation

West Coast/Pacific

Alaska	Department of Transportation
Hawaii	Department of Transportation
Oregon	Department of Economic Development

3. Funding Levels, 1977-1982

What is the amount of state funds used to finance landside port facilities and cargo terminals during each of the past six calendar years?

The amount of state funds invested in landside port facilities and terminal development was reported by 25 states. These 25 states invested a total of \$733.5 million in state funds during the six-year period 1977-1982. Because for some projects, state funds were used to match federal and local funds, the total project costs and the actual dollar investment in port facilities generated by this investment of state funds was somewhat greater than the totals presented in this report.

Table 3A indicates the yearly investment of states in landside port facilities and terminal development during the six-year period. The twelve East Coast states invested \$303.1 million in port development, while the Gulf Coast states invested \$255.4 million, the Midwest states invested \$101.1 million and the West Coast/Pacific states invested \$73.9 million in port projects. Leading the states in the funding of ports and terminals were Louisiana, \$199 million; South Carolina, \$88.3 million; Georgia, \$78.6 million; Indiana, \$57.7 million; Alabama, 46.5 million.

A comparison of the amounts of state funds in deep-draft and shallow-draft (inland waterway) port and terminal facilities, presented in Table 3B, indicates that most state funds are used for deep-draft projects. During the six-year period 1977-1982, a total of \$655.5 million was expended on deep-draft ports, whereas only \$77.9 million in state funds were expended for inland waterway port projects. The deep-draft funding can be separated into tidewater and Great Lakes projects. The tidewater state investment was \$603.5 million during the six-year period, while \$52.1 million in state funds were invested in Great Lakes ports.

In terms of the state agencies (where identified) responsible for administering state funds for port and terminal projects, \$342.8 million was administered by state departments of transportation, \$329.7 million by state port authorities and \$54.7 million by state departments of commerce or other state agencies.

Table 3a

State Funding of Port and Terminal Projects
Calendar Years 1977 - 1982

	1977	1978	1979	1980	1981	1982	Six Year Total
East Coast							
Connecticut			\$ 500,000	\$ 500,000	\$ 500,000	\$ 30,000	\$ 1,530,000
Delaware				\$ 1,250,000	\$ 800,000		\$ 2,050,000
Georgia	\$ 21,646,000	\$ 16,404,000	\$ 10,065,000	\$ 4,715,000	\$ 12,144,000	\$ 12,900,000	\$ 78,874,000
Maine	\$ 595,000	\$ 393,000	\$ 613,000	\$ 619,000	\$ 676,000	\$ 141,000	\$ 3,027,000
Maryland	\$ 13,276,000	\$ 11,629,000	\$ 2,739,000	\$ 4,882,000	\$ 1,847,000		\$ 34,373,000
New Hampshire	\$ 1,700,000		\$ 90,000	\$ 25,000			\$ 1,815,000
New York	\$ 1,400,000	\$ 5,700,000	\$ 7,800,000	\$ 8,500,000	\$ 7,600,000		\$ 31,000,000
North Carolina	\$ 5,306,000	\$ 1,645,000	\$ 2,646,000	\$ 2,000,000	\$ 2,448,000	\$ 2,524,000	\$ 16,569,000
Pennsylvania				\$ 50,000		\$ 5,571,000	\$ 5,621,000
Puerto Rico ^b							
Rhode Island				\$ 12,000,000			\$ 12,000,000
South Carolina				\$ 41,000,000	\$ 40,000,000	\$ 7,325,000	\$ 88,325,000
Virginia	\$ 1,184,000	\$ 1,717,000	\$ 12,058,000	\$ 6,275,000	\$ 4,822,000	\$ 2,109,000	\$ 28,225,000
Sub-Total							\$303,109,000
Gulf Coast							
Alabama	\$ 6,762,000	\$ 3,545,000	\$ 15,847,000	\$ 10,690,000	\$ 9,656,000	\$ 0	\$ 46,500,000
Louisiana	\$ 27,514,000	\$ 31,365,000	\$ 46,770,000	\$ 39,115,000	\$ 45,255,000	\$ 9,500,000	\$199,519,000
Mississippi	\$ 7,400,000	\$ 2,000,000					\$ 9,400,000
Sub-Total							\$255,419,000
Mississippi Valley							
Illinois		\$ 1,776,000	\$ 12,750,000	\$ 5,000,000		\$ 0	\$ 19,526,000
Indiana	\$ 12,627,000	\$ 5,756,000	\$ 8,103,000	\$ 15,354,000	\$ 31,183,000		\$ 57,669,000
Kentucky	\$ 3,429,000	\$ 3,430,000	\$ 3,568,000	\$ 3,568,000	\$ 1,669,000		\$ 15,664,000
Missouri						\$ 766,000	\$ 766,000
Ohio ^c				\$ 4,000,000		\$ 0	\$ 4,000,000
Tennessee						\$ 775,000	\$ 775,000
Wisconsin ^d					\$ 1,500,000	\$ 1,186,000	\$ 2,686,000
Sub-Total							\$101,086,000
West Coast - Pacific							
Alaska	\$ 1,500,000	\$ 880,000	\$ 1,000,000	\$ 3,000,000	\$ 12,150,000		\$ 18,530,000
Hawaii	\$ 2,970,000	\$ 10,670,000	\$ 3,145,000	\$ 10,459,000	\$ 8,128,000	\$ 16,010,000	\$ 51,382,000
Oregon ^e						\$ 0	\$ 4,000,000
Sub-Total							\$ 73,912,000
Total	\$107,299,000	\$96,910,000	\$127,694,000	\$173,002,000	\$165,784,000	\$ 58,837,000	\$733,526,000

- a. One-time grant from the State Bureau of Appalachian Development for railroad rehabilitation in the Port of Philadelphia - 1980.
- b. Port projects are funded by the Puerto Rico Ports Authority, but the amount of funds was not indicated in the survey.
- c. One-time appropriation to DOT for land acquisition for a port authority on the Ohio River - 1980.
- d. New program initiated in 1981. Projects in the first year involved harbor dredging, not landside port development. Funds were committed but not spent.
- e. State has a revolving loan fund which has been used for a wide range of small-scale projects.
- f. The sum of each of the five years is \$4 million less than the five-year total, as the Oregon funds are not allocated by year.

Table 3B

State Funding of Ports and Terminals
By Deep and Shallow Draft Waterways

<u>Deep-Draft Tidewater States</u>	<u>State Funding 1977 - 1982</u>
Alabama	\$ 46,500,000
Alaska	\$ 18,530,000
Connecticut	\$ 1,530,000
Delaware	\$ 2,050,000
Georgia	\$ 78,574,000
Hawaii	\$ 51,382,000
Louisiana	\$173,534,000
Maine	\$ 3,027,000
Maryland	\$ 34,373,000
Mississippi	\$ 9,400,000
New Hampshire	\$ 1,815,000
New York	\$ 28,000,000
North Carolina	\$ 16,569,000
Oregon	\$ 4,000,000
Pennsylvania	\$ 5,621,000
Rhode Island	\$ 12,000,000
South Carolina	\$ 88,325,000
Virginia	\$ 28,225,000
Sub-Total	<u>\$603,455,000</u>
<u>Deep-Draft Great Lakes States</u>	<u>State Funding 1977 - 1982</u>
Illinois	\$ 15,000,000
Indiana	\$ 31,441,000
New York	\$ 3,000,000
Wisconsin	\$ 2,686,000
Sub-Total	<u>\$ 52,127,000</u>
<u>Inland Waterway States</u>	<u>State Funding 1977 - 1982</u>
Illinois	\$ 4,526,000
Indiana	\$ 26,228,000
Kentucky	\$ 15,664,000
Louisiana	\$ 25,985,000
Missouri	\$ 766,000
Ohio	\$ 4,000,000
Tennessee	\$ 775,000
Sub-Total	<u>\$ 77,944,000</u>
<u>Total</u>	\$733,526,000

4. Funding Sources

Indicate the sources and amounts of funds used by the state for landside port and terminal development projects during the six-year period 1977-1982.

There are five primary sources of funds which were used by the states to fund port development during the years 1977-1982. These funding sources included state general revenue funds, general obligation bonds, revenue bonds, excise taxes and charges on users. Table 4 indicates the sources of funding by state, and each funding source is discussed below.

General Revenue Fund - The GRF, in most states, is the primary source of funds for government expenditures. Various state taxes and other revenues are deposited in the GRF, and the state legislature appropriates the funds for specific purposes. GRF expenditures of \$163.4 million by 14 states represented the second most important source of state funds for port development, after general obligation bonds, during the years 1977-1982. Indiana used \$38.6 million and New York used \$31 million for port development from the GRF, which represents 40 percent of the total used by the states.

General Obligation Bonds - G.O. bonds were the leading source of state funding for port and terminal development during the years 1977-1982, as 15 states issued a total of \$324.5 million in G.O. bonds. These bonds are backed by the full faith and credit of the state.

Revenue Bonds - Unlike G.O. bonds which are backed by the credit of the state, revenue bonds are generally payable solely from the revenue or income to be derived from the operation of the financed port and terminal facilities. For this reason, interest rates on revenue bonds generally exceed the rate on G.O. bonds. Seven states issued a total of \$143.2

million in revenue bonds to finance port facilities in the years 1977-1982, including Alabama, Georgia, Hawaii, Indiana, Louisiana, South Carolina and Virginia. Louisiana accounted for over 40 percent of the total, having issued \$75 million in revenue bonds.

Excise Taxes - Excise taxes provide funds for selected government purposes by taxing the purchase or use of specified items or services. Maryland and Alabama are the only states that levied excise taxes for port development.

Maryland has a transportation trust fund which is the primary source of funding for all modes of transportation. The main sources of funds for the trust fund include a 9-cent per gallon tax on gasoline sales, vehicle license fees, port revenues and the sale of consolidated transportation (revenue) bonds. A total of \$34.4 million was appropriated from the trust fund during the years 1977-1981 to finance projects in the Port of Baltimore.

In Alabama, export coal mined in the state is charged 13.5 cents per ton, and these revenues are used for payment of the debt service on \$5.5 million in revenue bonds which were issued by the Alabama State Docks Department to finance the McDuffie Coal Terminal in the Port of Mobile. The charge is collected annually up to the amount of the debt service on the bonds. Only the revenue bonds issued to construct the coal terminal are included in Table 4.

Charges on Users - During the years 1977-1982, four states funded \$49.4 million in port projects from charges on users of the state-owned facilities. The states included Alabama, \$31.2 million; South Carolina, \$11.7 million; Hawaii, \$5.7 million; Maine, \$.8 million.

Table 4

Sources of State Funds for Port and Terminal Development
Calendar Years 1977 - 1982

	<u>General Revenue Fund</u>	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Excise Taxes</u>	<u>Charges on Users</u>
<u>East Coast</u>					
Connecticut	\$ 1,500,000				
Delaware		\$ 2,050,000			
Georgia	\$ 12,806,000	\$ 64,243,000	\$ 1,525,000		
Maine	\$ 1,098,000	\$ 950,000			\$ 838,000
Maryland	\$			\$34,373,000	
New Hampshire		\$ 1,815,000			
New York	\$ 31,000,000				
North Carolina	\$ 16,569,000				
Pennsylvania	\$ 5,571,000				
Rhode Island		\$ 12,000,000			
South Carolina		\$ 60,116,000	\$ 16,526,000		\$11,683,000
Virginia	\$ 8,392,000	\$ 8,508,000	\$ 9,565,000		
<u>Gulf Coast</u>					
Alabama		\$ 9,834,000	\$ 5,499,000		\$31,166,000
Louisiana	\$ 9,500,000	\$115,019,000	\$ 75,000,000		
Mississippi		\$ 9,400,000			
<u>Mississippi Valley/Midwest</u>					
Illinois		\$ 19,526,000			
Indiana	\$ 38,640,000		\$ 19,029,000		
Kentucky	\$ 15,664,000				
Missouri		\$ 766,000			
Ohio	\$ 4,000,000				
Wisconsin a		\$ 2,686,000			
<u>West Coast/Pacific</u>					
Alaska	\$ 14,650,000	\$ 3,880,000			
Hawaii		\$ 13,736,000	\$ 16,044,000		\$ 5,715,000
Oregon	\$ 4,000,000				
<u>Total</u>	\$163,390,000	\$324,529,000	\$143,188,000	\$34,373,000	\$49,402,000

a. Funds were committed but not spent.

5. Funding Authorization Procedures

Which of the following procedures are used by the state to authorize the funding of landside port facilities and cargo terminal development projects?

1. State legislature authorizes the funding of port and terminal facilities on a project-by-project basis without regard for state port plans.
2. State legislature authorizes funding to local port authorities for individual projects recommended by the DOT or other state agency.
3. State legislature authorizes funding for individual projects recommended by the state port authority.
4. State legislature authorizes the DOT or other state agency to fund projects at the discretion of the agency.
5. State legislature authorizes the state port authority to fund projects at the discretion of the authority.

While 22 states and Puerto Rico have cargo terminal development funding programs, three of the 22 states report that the legislature may authorize port funds using more than one method. The procedures used in each state are indicated in Table 5. For analysis purposes, the above five questions pertaining to the state authorization process for port project funding can be grouped into three categories:

Question 1 - The state legislature maintains control over the port funding program. Generally, projects are authorized by the state legislatures on the basis of political trade-offs without formal

requirements for objective evaluation or analysis of all proposed projects. In these states, because there is no reliance upon a state port plan, there are apparently no assurances that the port development program will be funded on a continuing annual basis.

This funding method, which can contribute to uncertainty among shippers of the ability of the state to accommodate future demands for waterborne facilities, is used by five states, including Alabama (for inland river ports only), Alaska, Delaware, Illinois and New York. During the period 1977-1981, a total of \$71.1 million was expended by these states without regard for state port plans.

Questions 2 and 3 - In some states, the appropriate state agency, such as the DOT, state port authority or other state agency, makes port project recommendations to the state legislature. The legislature then decides how much funding is to be provided for the recommended projects. Under this approach, port development should occur in a programmatic manner based upon the port needs studies conducted by the responsible state agency.

A total of 10 states report that the state legislature provides funds for port projects on the basis of recommendations by a state agency. In the states of Hawaii and Maine and, at times, in Alaska and New York, the state legislatures authorize funds for port projects on the basis of recommendations by the state DOT, while the recommendations of the state port authority are used to authorize funds for port projects in the states of Alabama (inland river ports only), Georgia, New Hampshire, North Carolina, Rhode Island and Virginia. During the period 1977-1981, \$157.9 million was invested in ports on the basis of the recommendations of projects by a state agency to the state legislature.

Questions 4 and 5 - For the port development program to be the most responsive to market conditions and demands for transportation services and facilities, it appears logical that overall responsibility and authority be placed in a state agency for funding port development projects. The agency must formulate state-level and port-specific plans for implementation, and program the expenditure of state funds to ensure that projects are completed in response to the needs of the shippers for waterborne facilities.

Twelve states authorize a state agency to fund projects at the discretion of the state agency. The state DOT has this authority in Connecticut, Louisiana, Maryland, Missouri and Wisconsin; the state economic development agency in Kentucky, Mississippi and Oregon; and the state port authority in Alabama (deep-draft ports), Indiana, Puerto Rico and South Carolina. During the five-year period 1977-1981, \$444.5 million was invested in port projects in these states at the discretion of the responsible state agency.

Table 5

State Authorization Procedures
For Port and Terminal Funding

1. State legislature authorizes funding to port authorities on a project-by-project basis without regard for state port plans.
2. State legislature authorizes funding to port authorities for individual projects recommended by the DOT or other state agency.
3. State legislature authorizes funding for individual projects recommended by the state port authority.
4. State legislature authorizes the DOT or other state agency to fund projects at the discretion of the agency.
5. State legislature authorizes the state port authority to fund projects at the discretion of the authority.

The number on each column corresponds to the above numbered funding methods. An "X" under a column indicates a method which is used by the state to authorize the funding of cargo terminals.

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
<u>East Coast</u>					
Connecticut				x	
Delaware	x				
Georgia			x		
Maine		x			
Maryland				x	
New Hampshire			x		
New York	x	x (at times)			
North Carolina			x		
Puerto Rico					x
Rhode Island			x		
South Carolina					x
Virginia			x		
<u>Gulf Coast</u>					
Alabama	x (inland)		x (inland)		x (ocean)
Louisiana				x	
Mississippi				x	
<u>Mississippi Valley/Midwest</u>					
Illinois	x				
Indiana					x
Kentucky					x
Missouri				x	
Wisconsin				x	
<u>West Coast/Pacific</u>					
Alaska	x	x			
Hawaii		x			
Oregon				x	

6. Planning Required for Project Approval

Before state funds or funds collected by the state are authorized for the construction of a public cargo terminal, which types of plans must recommend the specific project, if any?

1. The proposed cargo terminal project must be included in the state multi-modal transportation plan.
2. The cargo terminal must be included in a statewide port development master plan.
3. A local port authority or the state port authority must have its own adopted port development master plan for the area or waterways encompassed by the port authority.
4. State funds may be authorized for cargo terminal projects without any of the above levels of port development master planning.

For those states which have port funding programs, projects are selected either on the basis of a planning process or by political choices made by the state legislature. Eleven of the 22 states which fund port development, including Alabama, Alaska, Georgia, Illinois, Louisiana, Mississippi, North Carolina, Oregon, Rhode Island and Wisconsin, rely upon the state legislature to award funds for port projects without any requirements for statewide or local port plans.

There are three generally recognized levels of planning which are in use to precede port development. These include the preparation of a multi-modal state transportation plan which includes recommendations for port development, a statewide port development master plan or port capital development program, and port development plans for local port authorities.

Only four of the states, Connecticut, Hawaii, Maine and New Hampshire, require that port projects be included in a state multi-modal transportation plan to receive state funding. In addition, both Connecticut and Hawaii require that specific port projects be included in a statewide port development plan and in the master plan for the individual port in order to receive state funds. In Puerto Rico, while there is no requirement for port projects to be included in a multi-modal transportation plan, the Puerto Rico Ports Authority must recommend specific projects in the island's port plan and in the Authority's plans for individual ports.

Besides Connecticut and Hawaii, eight other states and Puerto Rico require that port projects must be recommended in a port master plan for the area or waterways within the port authority. Such a requirement applies to six state port authorities: Georgia Ports Authority, Indiana Port Commission, New Hampshire State Port Authority, North Carolina State Port Authority, South Carolina State Ports Authority and Virginia Port Authority; two DOT's: Hawaii and Missouri; and the Kentucky Commerce Cabinet.

Table 6
Plans Required For State Funding of Ports

1. The proposed cargo terminal project must be included in the state multi-modal transportation plan.
2. The cargo terminal must be included in a statewide port development master plan.
3. A local port authority or the state port authority must have its own adopted port development master plan for the area or waterways encompassed by the port authority.
4. State funds may be authorized for cargo terminal projects without any of the above levels of port development master planning.

The number on each column below corresponds to the above numbered types of plans. An "X" under a column indicates a type of plan which is required by the state.

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
<u>East Coast</u>				
Connecticut	x	x	x	
Delaware				x
Georgia			x	
Maine	x			
Maryland	x			
New Hampshire			x	
New York				x
North Carolina			x	
Puerto Rico		x	x	
Rhode Island				x
South Carolina			x	
Virginia			x	
<u>Gulf Coast</u>				
Alabama				x
Louisiana				x
Mississippi				x
<u>Mississippi Valley/Midwest</u>				
Illinois				x
Indiana			x	
Kentucky			x	
Missouri			x	
Wisconsin				x
<u>West Coast/Pacific</u>				
Alaska				x
Hawaii	x	x	x	
Oregon				x

7. Project-Specific Studies Required for Project Approval

Before state funds or funds collected by the state are authorized for an individual port or public terminal project, which types of project-specific studies or analyses must be completed?

1. Engineering cost study
2. Project revenue analysis
3. Benefit-cost study
4. Commodity flow projections
5. Other studies (specify)

This question received responses from 17 of the states which fund port development projects. Sixteen states require the completion of engineering cost studies, 10 states require commodity flow projections, eight states require benefit-cost studies and seven states require project revenue analyses. The only states to require all four types of special studies include Connecticut, Georgia, Mississippi, and Missouri. In addition, the states of Maryland, Virginia and Wisconsin reported that environmental studies or reviews must be prepared, New York requires economic studies and Alaska requires feasibility studies. Louisiana reports that no special studies are necessary for funds to be authorized by the state for a port project. Puerto Rico reports that all four types of special studies are required before funds are authorized for a port project. The responses are presented in Table 7.

Table 7

Project-Specific Studies Required
For State Funding Of Ports

1. Engineering cost study
2. Project revenue analysis
3. Benefit-cost study
4. Commodity flow projections
5. Other studies (specify)

The number in each column below corresponds to the above numbered types of studies. An "X" under a column indicates a study which is required by the state.

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
<u>East Coast</u>					
Connecticut	x	x	x	x	
Georgia	x	x	x	x	
Maine	x		x	x	
Maryland	x			x	x
					(Environmental Studies)
New Hampshire	x			x	
New York	x				x
					(Economic Studies)
North Carolina	x				
Puerto Rico	x	x	x	x	
Virginia	x				x
					(Environmental Impact Studies)
<u>Gulf Coast</u>					
Alabama	x	x			
Louisiana					x (No Studies Necessary)
Mississippi	x	x	x	x	
<u>Mississippi Valley/Midwest</u>					
Illinois	x	x			
Indiana	x		x	x	
Missouri	x	x	x	x	
Wisconsin	x		x	x	x
					(Environmental Review)
<u>West Coast/Pacific</u>					
Alaska	x				x (Feasibility Studies)
Hawaii	x				

8. Types of Eligible Projects

Indicate the types of landside port and terminal development projects for which state funds or funds collected by the state may be expended.

Twenty of the states which fund port development projects responded to this question. Due to the relative similarities among the state programs, only the aggregated totals are indicated below. The responses for each state are presented in Table 8.

<u>Type of Project</u>	<u>Number of State Programs</u>
1. Land purchase	19
2. Construction of piers, docks, wharfs	20
3. Construction of buildings	19
4. Construction of storage areas and facilities	19
5. Purchase of cargo handling equipment	15
6. Construction of access roadways and rail spurs	18
7. Purchase of barges, towboats, vessels	8
8. Dredging between the dock and navigation channel	17
9. Insurance for the cargo terminal	12
10. Security facilities	16
11. Other purposes (specify)	
Rehabilitation of facilities	1
Maintenance of dock walls	1

Table 8

Types of Landside Port and Terminal Projects
Funded By States

1. Land purchase
2. Construction of piers, docks, wharfs
3. Construction of buildings
4. Construction of storage areas and facilities
5. Purchase of cargo handling equipment
6. Construction of access roadways and rail spurs
7. Purchase of barges, towboats, vessels
8. Dredging between the dock and navigation channel
9. Insurance for the cargo terminal
10. Security facilities
11. Other purposes (specify)

The number on each column below corresponds to the above numbered types of terminal development projects. An "X" under a column indicates a type of project which can be funded.

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>
<u>East Coast</u>											
Connecticut	x	x	x	x				x	x	x	
Georgia	x	x	x	x	x	x	x	x	x	x	
Maine	x	x				x		x	x	x	
Maryland	x	x	x	x	x	x	x	x		x	
New Hampshire	x	x	x	x				x		x	
New York	x	x	x	x	x	x					x (Rehabilitation of facilities)
North Carolina	x	x	x	x	x	x		x	x	x	
Puerto Rico	x	x	x	x		x	x	x	x	x	
South Carolina	x	x	x	x	x	x		x	x	x	
Virginia	x	x	x	x	x	x		x	x	x	
<u>Gulf Coast</u>											
Alabama	x	x	x	x	x	x	x	x	x	x	
Louisiana	x	x	x	x	x	x	x	x	x	x	
Mississippi		x	x	x	x	x		x			
<u>Mississippi Valley/Midwest</u>											
Illinois	x	x	x	x	x	x		x		x	
Indiana	x	x	x	x	x	x	x	x	x	x	
Kentucky	x	x	x	x	x	x					
Missouri	x	x	x	x	x	x				x	
Wisconsin	x	x	x	x	x	x		x			x (Maintenance of dock walls)
<u>West Coast/Pacific</u>											
Alaska	x	x	x	x	x	x	x	x	x	x	
Hawaii	x	x	x	x		x		x	x	x	

9. Grants and Loans for Port Projects

If the state provides funds to the state port authority, local port authorities or other units of government for cargo terminal development, are the funds grants (no payback required) or loans (payback of funds to state required)?

Of the 22 states which have port and terminal funding programs, 13 states provide funds for port development projects in the form only of grants to the state port authority, local port authorities or other units of government. These grants have no payback requirement. Five states provide only loans for port development, requiring a payback to the state. Four states provide both grants and loans for port development. The state responses are indicated in Table 9.

Table 9

State Grants And Loans For Port Projects

	<u>Grants</u>	<u>Loans</u>
<u>East Coast</u>		
Connecticut	x	
Delaware	x	
Georgia		x
Maine	x	
Maryland	x	
New Hampshire	x	
New York	x	x
North Carolina	x	
Rhode Island	x	
South Carolina	x	
Virginia	x	x
<u>Gulf Coast</u>		
Alabama	x	x
Louisiana	x	
Mississippi		x
<u>Mississippi Valley/Midwest</u>		
Illinois		x
Indiana	x	x
Kentucky	x	
Missouri	x	
Wisconsin	x	
<u>West Coast/Pacific</u>		
Alaska	x	
Hawaii		x
Oregon		x

10. Terms of Project Loans

For states that loan funds for cargo terminal projects:

- a. How many years are allowed for the port authority or other recipient of the funds to pay back the state?
- b. What is the current interest rate charged to port authorities on state loans for port development?
- c. How is the applicable interest rate determined by the state on loans for port projects?
- d. Are payments to the state on loans returned to the General Revenue Fund or placed in a special fund for port development?

There are nine states which loan funds to a state port authority or to local port authorities for port and terminal development projects. Seven of these states responded to this question. In general, the loans are long-term obligations in which the interest on such loans is set at or near the cost of money to the state in the states of Georgia, Mississippi, Oregon and Virginia, or which are interest-free in the states of Indiana, Illinois and New York. The state responses are indicated in Table 10.

Table 10

Terms Of State Loans
For Port Projects

<u>State</u>	<u>Payback Period</u>	<u>Interest Rate</u>	<u>How Interest Rate Determined</u>	<u>Payments to GRF or SF*</u>
Georgia	20 years	Varies	Set when bonds are issued, at the cost of money to the state.	General Revenue Fund
Illinois	Until cost of project repaid.	0%	Interest free loans.	General Revenue Fund
Indiana	Until cost of project repaid.	0%	Interest free loans.	General Revenue Fund
Mississippi	25 years	9%-11% as of February 1982	-	General Revenue Fund
New York	30+ years	0%	Interest free loans.	General Revenue Fund.
Oregon	10 years	12.75% as of December 1981	2% higher than last state revenue bond issue.	Special Fund
Virginia	2 years	Varies	Set when bonds are issued, at the cost of money to the state.	Special Fund

*General Revenue or Special Fund

11. Funding Powers of State Port Authorities

For state port authorities, what powers are authorized by the state to fund port, terminal and related industrial development (not including revenues from terminal operations)?

<u>Funding Power</u>	<u>Number of State Port Authorities</u>
1. Issue port authority revenue bonds	5
2. Issue general obligation bonds	0
3. Issue industrial revenue bonds (IRB's)	2
4. Borrow monies	5
5. Receive grants or loans from the state	7
6. Receive grants or loans from federal agencies	6
7. Levy taxes	0

Six state port authorities and the Puerto Rico Ports Authority responded to this question. All seven respondents have the authority to accept grants or loans from the state, and six may accept grants or loans from federal agencies. In addition, five of the port authorities can issue port authority revenue bonds and two of these can issue industrial revenue bonds (IRB's). The two types of revenue bonds are differentiated by the types of facilities financed. Port authority revenue bonds can generally be used only to finance water-dependent facilities, and revenues from cargoes and vessels and related charges are used to pay the debt service on the bonds. IRB's are used to finance both water-dependent facilities and other landside industrial structures and facilities that may or may not use water transportation. The revenues from leases or other payment arrangements between the developer and the port authority are used to pay the debt service on the bonds.

Other funding powers available to state port authorities include acceptance of grants or loans from federal agencies and borrowing of monies. Table 11 presents the funding sources for the seven port authorities that responded to the question.

Table 11

Funding Powers Of
State Port Authorities

1. Issue port authority revenue bonds
2. Issue general obligation bonds
3. Issue industrial revenue bonds (IRB's)
4. Borrow monies
5. Receive grants or loans from the state
6. Receive grants or loans from federal agencies
7. Levy taxes

The number on each column below corresponds to the above numbered funding powers. An "X" under a column indicates a power which can be used by the state port authority to fund port projects.

<u>State</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
Georgia				x	x	x	
Indiana	x		x		x	x	
New Hampshire					x	x	
North Carolina	x			x	x		
Puerto Rico	x			x	x	x	
South Carolina	x			x	x	x	
Virginia	x		x	x	x	x	

12. Number of Local Port Authorities

For states that do not have a single statewide port authority, how many local port authorities are there and in what manner are they created?

A total of at least 239 local port authorities have been established to serve the needs of water transportation and to develop port facilities. Because port development is the responsibility of a number of state port authorities on the East Coast, this region has the smallest number of local port authorities. On the Gulf Coast, Louisiana has 37 port authorities while Florida has 27. On the West Coast, Oregon has 23 port authorities, Washington 12 and California 10. The number of port authorities varies in the Midwest, with the largest numbers of port authorities being 20 in Wisconsin and 17 in Tennessee.

Local port authorities, also known as dock boards or port commissions, are created by the state in nine states, by a local unit of government in 12 states and by either the state or local governments in nine states. Table 12 indicates the number of local port authorities in each state and how the port authorities are created.

Table 12

Local Port Authorities

<u>East Coast</u>	<u>Number of Local Port Authorities</u>	<u>Created By State</u>	<u>Created by Local Government Unit</u>
Connecticut	0	x	x
Maine	2	x	
Massachusetts	1	x	
New Jersey	3	x	x
New York	5	x	
Pennsylvania	3	x	x
<u>Gulf Coast</u>			
Florida	27	x	x
Louisiana	37	x	
Mississippi	9	x	
Texas ^a	8		x
<u>Mississippi Valley/Midwest</u>			
Arkansas	4		x
Illinois	13	x	
Iowa ^a	2		x
Kansas	2		x
Kentucky	9		x
Michigan	1		x
Minnesota	3	x	x
Missouri	10		x
Nebraska ^a	4		x
Ohio	8		x
Oklahoma	5	x	x
Tennessee	17	x	
West Virginia	0	x	x
Wisconsin ^a	20		x
<u>West Coast/Pacific</u>			
Alaska ^a	0		x
California ^a	10	x	x
Idaho	1	x	
Oregon	23	x ^b	x
Washington	<u>12</u>		x
<u>Total</u>	239		

a. These states have local dock boards or commissions which operate as a department within a local unit of government. California and Texas have both port authorities and port departments within local governments.

b. State legislature authorizes the Economic Development Commission to approve locally created port authorities.

13. Funding Powers of Local Port Authorities

What powers do local port authorities have to fund landside port, terminal and related industrial development (not including revenues from terminal operations)?

<u>Funding Power</u>	<u>Number of States</u>
1. Issue port authority revenue bonds	23
2. Issue general obligation bonds	13
3. Issue industrial revenue bonds (IRB's)	17
4. Borrow monies	14
5. Receive grants or loans from the state	21
6. Receive grants or loans from federal agencies	22
7. Levy taxes	8

Local port authorities rely most heavily on revenue bonds for funding landside port, terminal and related industrial development - both port authority revenue bonds and IRB's - and grants and loans from the federal and state governments.

In 13 states, local port authorities are empowered to issue general obligation (G.O.) bonds. Before G.O. bonds can be issued by port authorities, the voters in the geographic area encompassed by the port authority must approve a tax levy to provide for payment of the debt service on the bonds.

While local port authorities in 14 states may borrow monies, this is an infrequently used power since many port authorities receive operating and administrative funds, as well as capital funds, from the state. The powers of local port authorities in each of the states are indicated in Table 13.

Table 13

Funding Powers of Local Port Authorities

1. Issue port authority revenue bonds
2. Issue general obligation bonds
3. Issue industrial revenue bonds
4. Borrow monies
5. Receive grants or loans from the state
6. Receive grants or loans from federal agencies
7. Levy taxes

The number on each column below corresponds to the above numbered funding powers. An "X" under a column indicates a power which can be used to fund port and terminal development.

<u>East Coast</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
Maine	x						
Massachusetts	x	x		x	x	x	
New Jersey	x	x	x	x	x	x	
New York	x	x	x	x	x	x	
Pennsylvania	x	x			x	x	
Virginia	x		x	x	x	x	
<u>Gulf Coast</u>							
Alabama	x		x		x	x	
Florida	x	x	x		x	x	x
Louisiana	x	x	x	x	x	x	x
Mississippi		x		x	x	x	
Texas	x						
<u>Mississippi Valley/Midwest</u>							
Arkansas	x		x			x	
Illinois	x	x	x	x	x	x	x
Indiana	x		x		x	x	
Iowa ^a		x	x				
Kansas	x		x	x	x	x	x
Kentucky					x	x	
Michigan	x		x	x	x	x	
Minnesota	x	x	x	x	x	x	x
Missouri	x			x	x	x	
Nebraska ^a							
Ohio	x	x	x		x	x	
Oklahoma	x			x	x	x	
Tennessee	x		x	x	x	x	
Wisconsin ^a							
<u>West Coast/Pacific</u>							
California	x						x
Idaho	x	x	x		x	x	x
Washington	x	x	x	x	x	x	x

a. Local dock boards or commissions have the powers of the unit of government which creates the port body.

14. Terminal Operating Authority

Are port authorities in the state authorized to operate cargo terminals or to contract for their operation, or both?

With the exception of two states, state and local port authorities in all states are authorized to both operate terminals or to contract for their operation. The North Carolina State Port Authority is required to operate its own terminals, and local dock boards in Iowa must contract for the operation of all terminals. .

15. Eligibility of Local Governments for State Funding

Besides port authorities or port districts, are any other units of government in the state eligible to receive state funds for port and terminal construction?

Municipalities are eligible to receive state funds for port and terminal development in the states of Alaska, Connecticut, Virginia and Wisconsin, and counties are eligible in Wisconsin. In none of these four states are local port authorities established by the state.

In the State of Alaska, the constitution restricts the creation of single purpose governments and independent taxing authorities. Ports in Alaska, therefore, are owned, managed and operated by local municipal governments or by private industry. Local public ports are generally the responsibility of a municipal department, although appointed commissions are also used in some locations.

APPENDIX

Indicate the names or locations of water terminals and landside port facilities constructed with state funds, and the primary commodities handled.

Seventeen states which fund port and terminal projects responded to this question. Table 14 presents the responses for each state.

Table 14

Port and Terminal Projects
Funded By States
1977-1982

<u>East Coast</u>	<u>Name/Location of Project</u>	<u>Primary Commodities</u>	<u>Funds Provided By State</u>
Connecticut	New London		\$ 30,000
Delaware	Wilmington	Containers	\$ 2,050,000
Georgia	Containerport Terminal	Containers	\$ 31,240,000
	Ocean Terminal	Clay, Wood/Paper Products	\$ 19,695,000 .
	Garden City Terminal	Grain, Clay Wood/Paper Products	\$ 9,978,000
	Brunswick Terminal	Potash, Wood Pulp	\$ 4,762,000
Maine	Sears Island	Bulk, Containers	\$ 141,000
New Hampshire	Portsmouth	General Cargo	\$ 1,886,000
New York	Albany	Grain, Gen. Cargo	\$ 16,000,000
	New York	Containers	\$ 12,000,000
	Buffalo	Bulk	\$ 2,000,000
	Oswego	Grain	\$ 1,000,000
North Carolina	Wilmington	General Cargo	\$ 11,448,000
	Wilmington	Containers	\$ 2,046,000
	Morehead City	General Cargo	\$ 4,907,000
Pennsylvania	Philadelphia		\$ 4,950,000
	Erie		\$ 371,000
	Pittsburgh		\$ 250,000
South Carolina	Wando Terminal	Containers	\$ 81,000,000
Virginia	Norfolk Inter- national Terminal		\$ 15,627,000
	Newport News Marine Terminal		\$ 5,390,000

Table 14 cont.

<u>East Coast</u>	<u>Name/Location of Project</u>	<u>Primary Commodities</u>	<u>Funds Provided By State</u>
Virginia (cont.)	Portsmouth Marine Terminal		\$ 5,004,000
	Lambert Point Docks		\$ 74,000
<u>Gulf Coast</u>	<u>Name/Location of Project</u>	<u>Primary Commodities</u>	<u>Funds Provided By State</u>
Alabama	Mobile	Dry Bulk	\$ 15,197,000
	Mobile	Grain	\$ 10,957,000
	Mobile	General & Bulk Cargoes	\$ 7,823,000
	Mobile	General Cargo	\$ 7,024,000
	Mobile	Coal	\$ 5,499,000
Alabama - Projects authorized in 1981, but to be completed in later years.			
	Mobile	Coal	\$ 55,000,000
	Mobile	Grain	\$ 14,000,000
	Mobile	Dry Bulk	\$ 5,500,000
Louisiana	New Orleans		\$153,174,000
	Lake Charles		\$ 19,250,000
	Iberia Port Commission		\$ 6,950,000
	Greater LaFourche		\$ 6,180,000
	Caddo-Bossier Port Commission		\$ 4,000,000
	Abbeville Harbor and Terminal District		\$ 3,690,000
	Terrebone Parish		\$ 2,750,000
	West St. Mary Parish Port Commission		\$ 2,415,000

Table 14 cont.

<u>Gulf Coast</u>	<u>Name/Location of Project</u>	<u>Primary Commodities</u>	<u>Funds Provided By State</u>
Louisiana (cont.)	St. Bernard		\$ 1,000,000
	South Louisiana Port Commission		\$ 110,000
Mississippi	Gulfport	Bananas, Illiminite, Steel, Frozen Products	\$ 7,400,000
	Jackson County Port Authority (Pascagoula)	Grain, Rubber	\$ 2,000,000
<u>Mississippi Valley/Midwest</u>	<u>Name/Location of Project</u>	<u>Primary Commodities</u>	<u>Funds Provided By State</u>
Illinois	Chicago Regional Port District	Containers	\$ 15,000,000
	Tri-City Regional Port District	Grain	\$ 2,750,000
	Shawneetown Regional Port District	Coal	\$ 1,776,000
Indiana	Burns Harbor		\$ 31,441,000
	Southwind Maritime Centre		\$ 25,334,000
	Clark Maritime Centre		\$ 894,000
Missouri	St. Louis		\$ 458,000
	Kansas City		\$ 200,000
	Pemiscot Co.		\$ 73,000
	Southeast Mo. Reg. Port Auth.		\$ 35,000
Tennessee	Nickajack		\$ 400,000
	Tellico		\$ 300,000
	Celina		\$ 30,000
	Four County		\$ 25,000

Table 14 cont.

<u>Mississippi Valley/Midwest</u>	<u>Name/Location of Project</u>	<u>Primary Commodities</u>	<u>Funds Provided By State</u>
Wisconsin ^a	Ports of Milwaukee and Superior	Dredging	\$ 2,686,000
	Kenosha		\$ 33,000
<u>West Coast/Pacific</u>	<u>Name/Location of Project</u>	<u>Primary Commodities</u>	<u>Funds Provided By State</u>
Alaska	Dillingham	General Cargo	\$ 4,000,000
	Homer	General Cargo	\$ 3,800,000
	Unalaska	General Cargo	\$ 3,350,000
	Seward	General Cargo	\$ 3,000,000
	Cordova	General Cargo	\$ 1,000,000
	Naknek	General Cargo	\$ 1,000,000
	Yakutat	General Cargo	\$ 1,000,000
	Petersburg	General Cargo	\$ 880,000
	Kodiak	General Cargo	\$ 500,000
Hawaii	Oahu	Container, General Cargo	\$ 38,881,000
	Maui	Inter-island, General Cargo	\$ 4,574,000
	Hawaii	Inter-island, General Cargo, Containers	\$ 1,599,000
	Kauai	Inter-island, General Cargo, Containers	\$ 681,000
	Statewide Ports		\$ 417,000
	Neighbor Island Ports		\$ 50,000

a. Funds were committed but not spent.

Title 53

PORT DISTRICTS

Chapters

- 53.04 Formation.
- 53.06 Coordination of administrative programs and operations.
- 53.08 Powers.
- 53.12 Commissioners—Elections.
- 53.14 Revision of commissioner districts.
- 53.18 Employment relations—Collective bargaining and arbitration.
- 53.20 Harbor improvements.
- 53.25 Industrial development districts—Marginal lands.
- 53.29 Trade center act.
- 53.34 Tug facilities.
- 53.35 Budgets.
- 53.36 Finances.
- 53.40 Revenue bonds and warrants.
- 53.44 Funding and refunding indebtedness—1947 act.
- 53.46 Consolidation.
- 53.47 Dissolution of inactive port districts.
- 53.48 Dissolution of port and other districts.
- 53.49 Disposition of funds on dissolution of certain districts.
- 53.54 Aircraft noise abatement.

Airport districts: Chapter 14.08 RCW.

Assessments against public lands: Chapter 79.44 RCW.

Conveyance of real property by public bodies—Recording: RCW 65.08.095.

Disincorporation of water and other districts in class A or AA counties: Chapter 57.90 RCW.

Hospitalization and medical aid for public employees and dependents—Premiums, governmental contributions authorized: RCW 41.04.180, 41.04.190.

Material removed for channel or harbor improvement, or flood control—Use for public purpose: RCW 79.90.150.

Municipal corporation may authorize investment of funds which are in custody of county treasurer or other municipal corporation treasurer: RCW 36.29.020.

Offshore items, use of in performance of public contracts: Chapter 39-.25 RCW.

Outdoor recreation land acquisition or improvement under marine recreation land act: Chapter 43.99 RCW.

Pollution control—Municipal bonding authority: Chapter 70.95A RCW.

Public bodies may retain collection agencies to collect public debts: RCW 19.16.500.

Title to certain second class shorelands vested in port districts: RCW 79.94.230

Vacation of streets or alleys abutting on bodies of water, prohibited unless to be used by city or port district for port, recreational, educational, etc. purposes: RCW 35.79.030.

Chapter 53.04

FORMATION

Sections

- 53.04.010 Port districts authorized—Purposes.
- 53.04.015 Port districts in areas lacking appropriate bodies of water—Authorized—Purposes.
- 53.04.016 Port districts in areas lacking appropriate bodies of water—Authority an additional and concurrent method.
- 53.04.017 Port districts in areas lacking appropriate bodies of water—Elections.
- 53.04.020 Formation of district.
- 53.04.060 District declared formed.
- 53.04.070 Expense of election.
- 53.04.080 Annexation of territory—Petition—Election.
- 53.04.085 Petition by electors of area desiring annexation to port district.
- 53.04.100 Order of annexation—Liability of area annexed.
- 53.04.110 Change of name.
- 53.04.120 Transfer of port district property to adjacent district—Procedure—Boundary changes—Jurisdiction.

53.04.010 Port districts authorized—Purposes. Port districts are hereby authorized to be established in the various counties of the state for the purposes of acquisition, construction, maintenance, operation, development and regulation within the district of harbor improvements, rail or motor vehicle transfer and terminal facilities, water transfer and terminal facilities, air transfer and terminal facilities, or any combination of such transfer and terminal facilities, and other commercial transportation, transfer, handling, storage and terminal facilities, and industrial improvements. [1963 c 147 § 1; 1911 c 92 § 1; RRS § 9688.]

Construction—1911 c 92: "This act shall not be construed to repeal, amend or modify any law heretofore enacted providing a method of harbor improvement, regulation or control in this state, but shall be held to be an additional and concurrent method providing for such purpose." [1911 c 92 § 14.]

Establishment of harbor lines: State Constitution Art. 15 § 1 (Amendment 15).

53.04.015 Port districts in areas lacking appropriate bodies of water—Authorized—Purposes. In areas which lack appropriate bodies of water so that harbor improvements cannot be established, port districts are hereby authorized to be established under the laws of the state, for the purposes for which port districts may be established under RCW 53.04.010, and such port districts shall have all of the powers, privileges and immunities conferred upon all other port districts under the laws of this state, including the same powers and rights relating to municipal airports that other port districts now have or hereafter may be granted. [1963 c 147 § 2; 1959 c 94 § 1.]

53.04.016 Port districts in areas lacking appropriate bodies of water—Authority an additional and concurrent method. RCW 53.04.015 shall not be construed to repeal, amend or modify any law heretofore enacted providing a method of harbor improvement, regulation or control; acquisition, maintenance and operation of municipal airports; or industrial development; but shall be held to be an additional and concurrent method providing such purposes. [1959 c 94 § 2.]

53.04.017 Port districts in areas lacking appropriate bodies of water—Elections. All elections with respect to any such port districts authorized by RCW 53.04.015 and 53.04.016 shall be held, conducted and the results canvassed in the same manner and at the same time as now or hereafter provided by law for other port districts. [1959 c 94 § 3.]

53.04.020 Formation of district. At any general election or at any special election which may be called for that purpose, the board of county commissioners of any county in this state may, or on petition of ten percent of the qualified electors of such county based on the total vote cast in the last general county election, shall, by resolution submit to the voters of such county the proposition of creating a port district which shall be co-extensive with the limits of such county as now or hereafter established. Such petition shall be filed with the county auditor, who shall within fifteen days examine the signatures thereof and certify to the sufficiency or insufficiency thereof, and for such purpose the county auditor shall have access to all registration books in the possession of the officers of any incorporated city or town in such proposed port district. If such petition be found to be insufficient, it shall be returned to the persons filing the same, who may amend or add names thereto for ten days, when the same shall be returned to the county auditor, who shall have an additional fifteen days to examine the same and attach his certificate thereto. No person having signed such petition shall be allowed to withdraw his name therefrom after the filing of the same with the county auditor. Whenever such petition shall be certified to as sufficient, the county auditor shall forthwith transmit the same, together with his certificate of sufficiency attached thereto, to the board of county commissioners, who shall submit such proposition at the next general election or, if such petition so requests, the board of county commissioners shall, at their first meeting after the date of such certificate, by resolution, call a special election to be held not less than thirty days nor more than sixty days from the date of such certificate. The notice of election shall state the boundaries of the proposed port district and the object of such election. In submitting the said question to the voters for their approval or rejection, the proposition shall be expressed on said ballot substantially in the following terms:

"Port of _____, Yes." (giving the name of the principal seaport city within such proposed port district, or if there be more than one city of the same class

within such district, such name as may be determined by the board of county commissioners).

"Port of _____, No." (giving the name of the principal seaport city within such port district, or if there be more than one city of the same class within such district, such name as may be determined by the board of county commissioners). [1971 ex.s. c 157 § 1; 1913 c 62 § 1; 1911 c 92 § 2; RRS § 9689. Formerly RCW 53.04.020 through 53.04.040.]

Effective date—1971 ex.s. c 157: "The effective date of this act shall be May 1, 1972." [1971 ex.s. c 157 § 4.]

53.04.060 District declared formed. Within five days after an election held under the provisions of RCW 53.04.020, the board of county commissioners shall canvass the returns, and if at such election a majority of the voters voting upon the proposition shall vote in favor of the formation of the district, the board of county commissioners shall so declare in its canvass of the returns of such election, and the port district shall then be and become a municipal corporation of the state of Washington and the name of such port district shall be "Port of _____" (inserting the name appearing on the ballot). [1959 c 17 § 2. Prior: 1913 c 62 § 2, part; 1911 c 92 § 3, part; RRS § 9690, part.]

53.04.070 Expense of election. All expenses of elections for the formation of such port districts shall be paid by the county holding such election, and such expenditure is hereby declared to be for a county purpose, and the money paid out for such purpose shall be repaid to such county by the port district, if formed. [1959 c 17 § 6. Prior: 1913 c 62 § 2, part; 1911 c 92 § 3, part; RRS § 9690, part.]

53.04.080 Annexation of territory—Petition—Election. At any general election or at any special election which may be called for that purpose the board of county commissioners of any county in this state in which there exists a port district which is not coextensive with the limits of the county, shall on petition of the commissioners of such port district, by resolution, submit to the voters residing within the limits of any territory which the existing port district desires to annex or include in its enlarged port district, the proposition of enlarging the limits of such existing port districts so as to include therein the whole of the territory embraced within the boundaries of such county, or such territory as may be described in said petition by legal subdivisions. Such petition shall be filed with the county auditor, who shall forthwith transmit the same to the board of county commissioners, who shall submit such proposition at the next general election, or, if such petition so request, the board of county commissioners, shall at their first meeting after the date of filing such petition, by resolution, call a special election to be held not less than thirty days nor more than sixty days from the date of filing said petition. The notice of election shall state the boundaries of the proposed enlarged port district and the object of the special election. In submitting said

question to the voters of the territory proposed to be annexed or included for their approval or rejection, the proposition shall be expressed on the ballots substantially in the following terms:

"Enlargement of the port of _____, yes." (Giving then name of the port district which it is proposed to enlarge);

"Enlargement of the port of _____, no." (Giving the name of the port district which it is proposed to enlarge).

Such election, whether general or special, shall be held in each precinct wholly or partially embraced within the limits of the territory proposed to be annexed or included and shall be conducted and the votes cast thereat counted, canvassed, and the returns thereof made in the manner provided by law for holding general or special county elections. [1935 c 16 § 1; 1921 c 130 § 1; RRS § 9707. Formerly RCW 53.04.080 and 53.04.090.]

Elections: Title 29 RCW.

53.04.085 Petition by electors of area desiring annexation to port district. If an area, not currently part of an existing port district desires to be annexed to a port district in the same county, upon receipt of a petition bearing the names of ten percent of the qualified electors residing within the proposed boundaries of the area desiring to be annexed, the commissioners of such port district shall petition the board of county commissioners to annex such territory, as provided in RCW 53.04.080. [1971 ex.s. c 157 § 2.]

Effective date—1971 ex.s. c 157: See note following RCW 53.04.020.

53.04.100 Order of annexation—Liability of area annexed. If a majority of all the votes cast at any such election upon the proposition of enlarging such port district shall be for the "Enlargement of the port of _____, yes" then and in that event the board of county commissioners shall enter an order declaring such port district enlarged so as to embrace within the limits thereof the territory described in the petition for such election, and thereupon the boundaries of said port district shall be so enlarged and the commissioners thereof shall have jurisdiction over the whole of said district as enlarged to the same extent, and with like power and authority, as though the additional territory had been originally embraced within the boundaries of the existing port district: *Provided, however,* That none of the lands or property embraced within the territory added to and incorporated within such port district shall be liable to assessment for the payment of any outstanding bonds, warrants or other indebtedness of such original port district, but such outstanding bonds, warrants or other indebtedness, together with interest thereon, shall be paid exclusively from assessments levied and collected on the lands and property embraced within the boundaries of the preexisting port district. [1921 c 130 § 2; RRS § 9708.]

53.04.110 Change of name. Any port district now existing or which may hereafter be organized under the laws of the state of Washington is hereby authorized to change its corporate name under the following conditions and in the following manner:

(1) On presentation, at least thirty days before any general port election to be held in said port district, of a petition to the commissioners of any port district now existing or which may hereafter be established under the laws of the state of Washington, signed by not less than two hundred fifty electors residing within said port district and asking that the corporate name of said port district be changed, it shall be the duty of said commissioners to submit to the electors of said port district at the next general port election held in said port district the proposition as to whether the corporate name of said port shall be changed.

(2) Said petition shall contain the present corporate name of said port district and the corporate name which is proposed to be given to said port district.

(3) On submitting said proposition to the electors of said port district it shall be the duty of said port commissioners to cause to be printed on the official ballot used at said election the following proposition:

"Shall the corporate name, 'Port of _____' be changed to 'Port of _____'YES
"Shall the corporate name, 'Port of _____' be changed to 'Port of _____'NO"

(4) At the time when the returns of said general election shall be canvassed by the commissioners of the said port district, it shall be the duty of said commissioners to canvass the vote upon said proposition so submitted, recording in their record the result of said canvass.

(5) Should a majority of the electors of said port district voting at said general port election vote in favor of said proposition it shall be the duty of said port commissioners to certify said fact to the auditor of the county in which said port district shall be situated and to the secretary of state of the state of Washington, under the seal of said port district. On and after the filing of said certificate with the county auditor as aforesaid and with the secretary of state of the state of Washington, the corporate name of said port district shall be changed, and thenceforth said port district shall be known and designated in accordance therewith. [1929 c 140 § 1; RRS § 9689-1.]

53.04.120 Transfer of port district property to adjacent district—Procedure—Boundary changes—Jurisdiction. Property may be acquired and owned by any port district, at least one boundary of which property is contiguous to or within one-quarter air mile of such port district and is also located in an adjacent port district, and such property may be transferred to the owning port district upon unanimous resolution of the boards of commissioners of both port districts authorizing the same. The resolution of the port district within which such property is located shall be a resolution to

permit the acquisition and to make the transfer, while the resolution of the port district which owns the property shall be a resolution to acquire and own the property and to accept the transferred property. Upon the filing of both official resolutions with the legislative authority and the auditor of the county or counties within which such port districts lie, together with maps showing in reasonable detail the boundary changes made, such acquisition and ownership shall be lawful and such transfer shall be effective and the commissioners of the port district acquiring, owning and receiving such property shall have jurisdiction over the whole of said enlarged port district to the same extent, and with like power and authority, as though the additional territory had been owned by and originally embraced within the boundaries of the port district. [1979 c 72 § 1; 1977 ex.s. c 91 § 1.]

Validity—Ratification—1979 c 72: "Any purchase or other acquisition of such property by any port district which occurred prior to the enactment of this 1979 amendatory act is hereby confirmed and ratified and shall not be deemed to have been ultra vires." [1979 c 72 § 2.] This applies to the 1979 amendments to RCW 53.04.120 and 53.32.050. The effective date of 1979 c 72 is March 21, 1979.

Severability—1979 c 72: "If any provision of this 1979 amendatory act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1979 c 72 § 4.]

Chapter 53.06

COORDINATION OF ADMINISTRATIVE PROGRAMS AND OPERATIONS

Sections

53.06.010	Declaration of necessity.
53.06.020	Actions required of commissions—Joint reports to governor and legislature.
53.06.030	Washington public ports association as coordinating agency—Purposes, powers and duties.
53.06.040	Dues and assessments may be paid association from district funds—Limitation on amount.
53.06.050	Further action by commissions authorized—Meetings.
53.06.060	Financial records of association subject to audit by division of municipal corporations.

53.06.010 Declaration of necessity. The necessity and desirability of coordinating the administration programs and operations of all the port districts in this state is recognized and declared as a matter of legislative determination. [1961 c 31 § 1.]

53.06.020 Actions required of commissions—Joint reports to governor and legislature. It shall be the duty of the port district commissions in the state to take such action to effect the coordination of the administrative programs and operations of each port district in the state and to submit to the governor and the legislature biennially a joint report or joint reports containing the recommendations for procedural changes which would increase the efficiency of the respective port districts. [1961 c 31 § 2.]

53.06.030 Washington public ports association as coordinating agency—Purposes, powers and duties.

The port district commissions in this state are empowered to designate the Washington public ports association as a coordinating agency through which the duties imposed by RCW 53.06.020 may be performed, harmonized or correlated. The purposes of the Washington public ports association shall be:

(1) To initiate and carry on the necessary studies, investigations and surveys required for the proper development and improvement of the commerce and business generally common to all port districts, and to assemble and analyze the data thus obtained and to cooperate with the state of Washington, port districts both within and without the state of Washington, and other operators of terminal and transportation facilities for this purpose, and to make such expenditures as are necessary for these purposes, including the proper promotion and advertising of all such properties, utilities and facilities;

(2) To exchange information relative to port construction, maintenance, operation, administration and management;

(3) To promote and encourage port development along sound economic lines;

(4) To promote and encourage the development of transportation, commerce and industry;

(5) To operate as a clearing house for information, public relations and liaison for the port districts of the state and to serve as a channel for cooperation among the various port districts and for the assembly and presentation of information relating to the needs and requirements of port districts to the public. [1961 c 31 § 3.]

53.06.040 Dues and assessments may be paid association from district funds—Limitation on amount. Each port district which designates the Washington public ports association as the agency through which the duties imposed by RCW 53.06.020 may be executed is authorized to pay dues and/or assessments to said association from port district funds in any calendar year in an amount not exceeding a sum equal to the amount which would be raised by a levy of one cent per thousand dollars of assessed value against the taxable property within the port district. [1973 1st ex.s. c 195 § 55; 1970 ex.s. c 47 § 3; 1961 c 31 § 4.]

Severability—Effective dates and termination dates—Construction—1973 1st ex.s. c 195: See notes following RCW 84.52.043.

53.06.050 Further action by commissions authorized—Meetings. The port district commissions are authorized to take such further action as they deem necessary to comply with the intent of this chapter, including the attendance at state and district meetings which may be required to formulate the reports provided for in RCW 53.06.020. [1961 c 31 § 5.]

53.06.060 Financial records of association subject to audit by division of municipal corporations. The financial records of the Washington public ports association shall be subject to audit by the Washington state division of municipal corporations of the state auditor. [1961 c 31 § 6.]

Chapter 53.08

POWERS

Sections	
53.08.010	Acquisition of property—Levy of assessments.
53.08.015	Exemption of farm and agricultural land from special benefit assessments.
53.08.020	Acquisition and operation of facilities.
53.08.030	Operation of foreign trade zones.
53.08.040	Improvement of lands for industrial and commercial purposes—Providing sewer and water utilities—Providing pollution control facilities.
53.08.041	Pollution control facilities or other industrial development actions—Validation—Implementation of Article 8, section 8 of the Constitution.
53.08.045	Facilities constructed under authority of chapter subject to taxation of leasehold interest.
53.08.047	Chapter not to be construed as restricting or limiting powers of district under other laws.
53.08.050	Local improvement districts—Assessments—Bonds.
53.08.060	Improvement of waters and waterways.
53.08.070	Rates and charges—Government contracts.
53.08.080	Lease of property—Authorized—Duration.
53.08.085	Lease of property—Security for rent.
53.08.090	Sale of property.
53.08.091	Sale of property—Contract sales—Terms and conditions.
53.08.092	Sale of property—Taxes and assessments against property sold by contract.
53.08.110	Gifts—Improvement.
53.08.120	Contracts for labor and material—Small works roster.
53.08.130	Notice—Award of contract.
53.08.135	Construction projects over forty thousand dollars—Contracting out.
53.08.140	Leases or contracts without bond.
53.08.150	Notices when no newspaper in county.
53.08.160	Studies, investigations, surveys—Promotion of facilities.
53.08.170	Employment—Wages—Benefits—Agents—Insurance for port district commissioners.
53.08.171	Employment relations—Collective bargaining and arbitration.
53.08.175	Commissioners, officers, and employees—Reimbursement of expenses.
53.08.176	Commissioners, officers, and employees—Regulation of expenses.
53.08.180	Federal old age and survivors' insurance for employees.
53.08.190	Federal old age and survivors' insurance for employees—Plan for extension of benefits.
53.08.200	Federal old age and survivors' insurance for employees—Contributions.
53.08.205	Liability insurance for officials and employees.
53.08.207	Liability insurance for officers and employees authorized.
53.08.208	Actions against officer, employee, or agent—Defense and costs provided by port district—Exception.
53.08.210	Quorum.
53.08.220	Regulations authorized—Adoption as part of ordinance or resolution of city or county, procedure—Enforcement—Penalty for violation.
53.08.230	Making motor vehicle and other police regulations applicable to district property—Filing plat with county auditor—Duty of law enforcement officers.
53.08.240	Joint exercise of powers and joint acquisition of property—Contracts with other governmental entities.
53.08.245	Economic development programs authorized.
53.08.250	Participation in world fairs or expositions authorized.
53.08.255	Tourism promotion authorized.
53.08.260	Park and recreation facilities.
53.08.270	Park and recreation facilities—Approval of other agencies.
53.08.280	Police officers—Appointment authorized—Jurisdiction.

53.08.290	Intermodal movement of interstate and foreign cargo—Restrictions.
53.08.295	Passenger carrying watercraft.
53.08.300	Rewards for arrest and conviction of persons committing criminal offenses against port district authorized.
53.08.310	Moorage facilities—Definitions.
53.08.320	Moorage facilities—Regulations authorized—Port charges, delinquency—Abandoned vessels, public sale.

Acquisition of vacated waterways: RCW 79.93.060.

Actions by and against public corporations: RCW 4.08.110 and 4.08.120.

Airport districts: Chapter 14.08 RCW.

Deferral of special assessments: Chapter 84.38 RCW.

Emergency public works: Chapter 39.28 RCW.

Heating systems authorized: RCW 35.97.020.

Industrial development revenue bonds: Chapter 39.84 RCW.

Lien for labor and materials on public works: Chapter 60.28 RCW.

Permits to use waterways within a port district: RCW 79.93.040.

Public contracts: Chapters 39.04 through 39.32 RCW.

Special purpose districts, expenditures to recruit job candidates: RCW 42.24.170.

53.08.010 Acquisition of property—Levy of assessments. A port district may acquire by purchase, for cash or on deferred payments for a period not exceeding twenty years, or by condemnation, or both, all lands, property, property rights, leases, or easements necessary for its purposes and may exercise the right of eminent domain in the acquirement or damaging of all such lands, property, and property rights, and may levy and collect assessments upon property for the payment of all damages and compensation in carrying out its purposes, and such right shall be exercised in the same manner and by the same procedure as provided for cities of the first class insofar as consistent with this title, and in connection therewith the county treasurer shall perform the duties of the treasurers of such cities. [1983 c 24 § 1; 1955 c 65 § 2. Prior: 1953 c 171 § 1; 1943 c 166 § 2, part; 1921 c 183 § 1, part; 1917 c 125 § 1, part; 1913 c 62 § 4, part; 1911 c 92 § 4, part; Rem. Supp. 1943 § 9692, part.]

Eminent domain: State Constitution Art. 1 § 16 (Amendment 9).

Eminent domain by cities: Chapter 8.12 RCW.

53.08.015 Exemption of farm and agricultural land from special benefit assessments. See RCW 84.34.300 through 84.34.380 and 84.34.922.

53.08.020 Acquisition and operation of facilities. A port district may construct, condemn, purchase, acquire, add to, maintain, conduct, and operate sea walls, jetties, piers, wharves, docks, boat landings, and other harbor improvements, warehouses, storehouses, elevators, grainbins, cold storage plants, terminal icing plants, bunkers, oil tanks, ferries, canals, locks, tidal basins, bridges, subways, tramways, cableways, conveyors, administration buildings, fishing terminals, together with modern appliances and buildings for the economical handling, packaging, storing, and transporting of freight and handling of passenger traffic, rail and motor vehicle transfer and terminal facilities, water transfer and terminal facilities, air transfer and terminal facilities, and any combination of such transfer and terminal facilities.

commercial transportation, transfer, handling, storage and terminal facilities, and improvements relating to industrial and manufacturing activities within the district, and in connection with the operation of the facilities and improvements of the district, it may perform all customary services including the handling, weighing, measuring and reconditioning of all commodities received. A port district may also construct, condemn, purchase, acquire, add to and maintain facilities for the freezing or processing of goods, agricultural products, meats or perishable commodities. A port district may also construct, purchase and operate belt line railways, but shall not acquire the same by condemnation. [1963 c 147 § 3; 1961 c 126 § 1; 1955 c 65 § 3. Prior: 1953 c 171 § 2; 1943 c 166 § 2, part; 1921 c 183 § 1, part; 1917 c 125 § 1, part; 1913 c 62 § 4, part; 1911 c 92 § 4, part; Rem. Supp. 1943 § 9692, part.]

Severability—1961 c 126: "If any provision of this act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected." [1961 c 126 § 2.]

Essential rail assistance account, distribution of moneys to port districts: RCW 47.76.030.

53.08.030 Operation of foreign trade zones. A district may apply to the United States for permission to establish, operate, and maintain foreign trade zones within the district: *Provided*, That nothing herein shall be construed to prevent such zones from being operated and financed by a private corporation(s) on behalf of such district acting as zone sponsor: *Provided further*, That when the money so raised is to be used exclusively for the purpose of acquiring land for sites and constructing warehouses, storage plants, and other facilities to be constructed within the zone for use in the operation and maintenance of the zones, the district may contract indebtedness and issue general bonds therefor in an amount, in addition to the three-fourths of one percent hereinafter fixed, of one percent of the value of the taxable property in the district, as the term "value of the taxable property" is defined in RCW 39.36.015, such additional indebtedness only to be incurred with the assent of three-fifths of the voters of the district voting thereon. [1977 ex.s. c 196 § 7; 1970 ex.s. c 42 § 31; 1955 c 65 § 4. Prior: 1943 c 166 § 2, part; 1921 c 183 § 1, part; 1917 c 125 § 1, part; 1913 c 62 § 4, part; 1911 c 92 § 4, part; Rem. Supp. 1943 § 9692, part.]

Effective date—1977 ex.s. c 196: See note following RCW 24.46.010.

Severability—Effective date—1970 ex.s. c 42: See notes following RCW 39.36.015.

Foreign trade zones: Chapter 24.46 RCW.

53.08.040 Improvement of lands for industrial and commercial purposes—Providing sewer and water utilities—Providing pollution control facilities. A district may improve its lands by dredging, filling, bulkheading, providing waterways or otherwise developing such lands for sale or lease for industrial and commercial purposes. A district may also acquire, construct, install, improve, and operate sewer and water utilities to serve its own

property and other property owners under terms, conditions, and rates to be fixed and approved by the port commission. A district may also acquire, by purchase, construction, lease, or in any other manner, and may maintain and operate other facilities for the control or elimination of air, water, or other pollution, including, but not limited to, facilities for the treatment and/or disposal of industrial wastes, and may make such facilities available to others under terms, conditions and rates to be fixed and approved by the port commission. Such conditions and rates shall be sufficient to reimburse the port for all costs, including reasonable amortization of capital outlays caused by or incidental to providing such other pollution control facilities: *Provided*, That no part of such costs of providing any pollution control facility to others shall be paid out of any tax revenues of the port: *And provided further*, That no port shall enter into an agreement or contract to provide sewer and/or water utilities or pollution control facilities if substantially similar utilities or facilities are available from another source (or sources) which is able and willing to provide such utilities or facilities on a reasonable and nondiscriminatory basis unless such other source (or sources) consents thereto.

In the event that a port elects to make such other pollution control facilities available to others, it shall do so by lease, lease purchase agreement, or other agreement binding such user to pay for the use of said facilities for the full term of the revenue bonds issued by the port for the acquisition of said facilities, and said payments shall at least fully reimburse the port for all principal and interest paid by it on said bonds and for all operating or other costs, if any, incurred by the port in connection with said facilities: *Provided, however*, That where there is more than one user of any such facilities, each user shall be responsible for its pro rata share of such costs and payment of principal and interest. Any port intending to provide pollution control facilities to others shall first survey the port district to ascertain the potential users of such facilities and the extent of their needs. The port shall conduct a public hearing upon the proposal and shall give each potential user an opportunity to participate in the use of such facilities upon equal terms and conditions. [1972 ex.s. c 54 § 1; 1967 c 131 § 1; 1955 c 65 § 5. Prior: 1943 c 166 § 2, part; 1921 c 183 § 1, part; 1917 c 125 § 1, part; 1913 c 62 § 4, part; 1911 c 92 § 4, part; Rem. Supp. 1943 § 9692, part.]

Severability—1972 ex.s. c 54: "If any provision of this 1972 amendatory act or the application thereof to any person or circumstance, is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this 1972 amendatory act are declared to be severable." [1972 ex.s. c 54 § 5.]

53.08.041 Pollution control facilities or other industrial development actions—Validation—Implementation of Article 8, section 8 of the Constitution. All actions heretofore taken by port districts in conformity with the provisions of this chapter, and the provisions of *this 1975 amendatory act hereby made applicable thereto, relating to pollution control facilities or other industrial development, including, but not limited to, all

bonds issued for such purposes, shall be deemed to have been taken pursuant to Article 8, section 8 of the Washington state Constitution and are hereby declared to be valid, legal and binding in all respects. All provisions of Title 53 RCW directly or indirectly relating to pollution control facilities or other industrial development are hereby found and declared to be legislation implementing the provisions of Article 8, section 8 of the Washington state Constitution. [1975 c 6 § 5.]

*Reviser's note: For meaning of "this 1975 amendatory act" [1975 c 6], see note following RCW 70.95A.035.

Severability—1975 c 6: See RCW 70.95A.940.

Construction—1975 c 6: See RCW 70.95A.912.

53.08.045 Facilities constructed under authority of chapter subject to taxation of leasehold interest. Facilities constructed by a port district under authority of this chapter will be subject to taxation of leasehold interest pursuant to applicable laws as now or hereafter enacted. [1972 ex.s. c 54 § 3.]

Severability—1972 ex.s. c 54: See note following RCW 53.08.040.
Taxation of leasehold estates: Chapter 84.40A RCW.

53.08.047 Chapter not to be construed as restricting or limiting powers of district under other laws. Neither this chapter nor anything herein contained shall be construed as a restriction or limitation upon any powers which a district might otherwise have under any laws of this state, but shall be construed as cumulative. [1972 ex.s. c 54 § 4.]

Severability—1972 ex.s. c 54: See note following RCW 53.08.040.

53.08.050 Local improvement districts—Assessments—Bonds. (1) A district may establish local improvement districts within the district, and levy special assessments, in annual installments extending over a period not exceeding ten years on all property specially benefited by the local improvement, on the basis of special benefits, to pay in whole or in part the damages or costs of the local improvement, and issue local improvement bonds to be paid from local improvement assessments. The levy and collection of such assessments and issuance of such bonds shall be as provided for the levy and collection of local improvement assessments and the issuance of local improvement bonds by cities and towns, insofar as consistent with this title: *Provided*, That the duties of the treasurers of such cities and towns in connection therewith shall be performed by the county treasurer. Such bonds may be in any form, including bearer bonds or registered bonds as provided in RCW 39.46.030.

(2) Notwithstanding subsection (1) of this section, such bonds may be issued and sold in accordance with chapter 39.46 RCW. [1983 c 167 § 132; 1955 c 65 § 6. Prior: 1943 c 166 § 2, part; 1921 c 183 § 1, part; 1917 c 125 § 1, part; 1913 c 62 § 4, part; 1911 c 92 § 4, part; Rem. Supp. 1943 § 9692, part.]

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

Cities

issuance of local improvement bonds. Chapter 35.45 RCW.

levy and collection of local improvement assessments: Chapters 35.44, 35.49 RCW.

Public lands subject to local assessments: RCW 79.44.010.

53.08.060 Improvement of waters and waterways. A district may improve navigable and nonnavigable waters of the United States and the state of Washington within the district; create and improve for harbor purposes new waterways within the district; and regulate and control all such waters and all natural or artificial waterways within the district and remove obstructions therefrom, and straighten, widen, deepen, and otherwise improve any water, watercourses, bays, lakes or streams, whether navigable or otherwise, flowing through or located within the district. [1979 ex.s. c 30 § 8; 1955 c 65 § 7. Prior: 1943 c 171 § 1; 1943 c 166 § 2, part; 1921 c 183 § 1, part; 1917 c 125 § 1, part; 1913 c 62 § 4, part; 1911 c 92 § 4, part; Rem. Supp. 1943 § 9692, part.]

53.08.070 Rates and charges—Government contracts. A district may fix, without right of appeal therefrom the rates of wharfage, dockage, warehousing, and port and terminal charges upon all improvements owned and operated by it, and the charges of ferries operated by it. The port commission shall file with the utilities and transportation commission its schedule of rates and charges so fixed, as required of public service corporations. It may change any rate and charge so filed by filing with the commission a notice of the proposed change not less than thirty days before the change shall go into effect.

It may fix, subject to state regulation, rates of wharfage, dockage, warehousing, and all necessary port and terminal charges upon all docks, wharves, warehouses, quays, and piers owned by it and operated under lease from it.

Notwithstanding any provision of this section, a port district may enter into any contract for wharfage, dockage, warehousing, or port or terminal charges, with the United States or any governmental agency thereof or with the state of Washington or any political subdivision thereof under such terms as the commission may, in its discretion, negotiate. [1955 c 65 § 8. Prior: 1943 c 166 § 2, part; 1921 c 183 § 1, part; 1917 c 125 § 1, part; 1913 c 62 § 4, part; 1911 c 92 § 4, part; Rem. Supp. 1943 § 9692, part.]

Utilities and transportation commission: Chapter 80.01 RCW.

53.08.080 Lease of property—Authorized—Duration. A district may lease all lands, wharves, docks and real and personal property owned and controlled by it, upon such terms as the port commission deems proper: *Provided*, That no lease shall be for a period longer than fifty years with option for extensions for up to an additional thirty years, except where the property involved is or is to be devoted to airport purposes the port commission may lease said property for such period as may equal the estimated useful life of such work or facilities, but not to exceed seventy-five years: *Provided further*, That where the property is held by the district under lease from the United States government or the

state of Washington, or any agency or department thereof, the port commission may sublease said property, with option for extensions, up to the total term and extensions thereof permitted by such lease, but in any event not to exceed ninety years. [1983 c 64 § 1; 1973 c 87 § 1; 1961 ex.s. c 8 § 1; 1959 c 157 § 1; 1955 c 65 § 9. Prior: 1953 c 243 § 1; 1943 c 166 § 2, part; 1921 c 183 § 1, part; 1917 c 125 § 1, part; 1913 c 62 § 4, part; 1911 c 92 § 4, part; Rem. Supp. 1943 § 9692, part.]

Lease of

county property for airport purposes: RCW 36.34.180.

municipal property for airport purposes: RCW 14.08.120.

Restrictions on leases of harbor areas: State Constitution Art. 15 § 2.

53.08.085 Lease of property—Security for rent. Every lease of all lands, wharves, docks, and real and personal property of a port district for a term of more than one year shall have the rent secured by rental insurance, bond, or other security satisfactory to the port commission, in an amount equal to one-sixth the total rent, but in no case shall such security be less than an amount equal to one year's rent or more than an amount equal to three years' rent. Evidence of the existence of such insurance, bonds, or security shall be on file with the commission at all times during the term of the lease: *Provided*, That nothing in this section shall prevent the port commission from requiring additional security on leases or provisions thereof, or on other agreements to use port facilities: *Provided further*, That any security agreement may provide for termination on the anniversary date of such agreement on not less than one year's written notice to the port if said lease is not in default at the time of said notice: *Provided further*, That if the security as required herein is not maintained throughout the full term of the lease, said lease shall be considered in default: *Provided, however*, That the port commission may in its discretion waive the rent security requirement or lower the amount of such requirement on the lease of real and/or personal port property. [1981 c 125 § 1; 1977 c 41 § 1; 1973 c 87 § 2.]

53.08.090 Sale of property. A port commission may, by resolution, authorize the managing official of a port district to sell and convey port district property of less than twenty-five hundred dollars in value. Such authority shall be in force for not more than one calendar year from the date of resolution and may be renewed from year to year. Prior to any such sale or conveyance the managing official shall itemize and list the property to be sold and make written certification to the commission that the listed property is no longer needed for district purposes. Any large block of such property having a value in excess of twenty-five hundred dollars shall not be broken down into components of less than twenty-five hundred dollars value and sold in such smaller components unless such smaller components be sold by public competitive bid. A port district may sell and convey any of its real or personal property valued at more than twenty-five hundred dollars when the port commission has, by resolution, declared the property to be no longer needed for district purposes, but no property which is a

part of the comprehensive plan of improvement or modification thereof shall be disposed of until the comprehensive plan has been modified to find such property surplus to port needs. The comprehensive plan shall be modified only after public notice and hearing provided by RCW 53.20.010.

Nothing in this section shall be deemed to repeal or modify procedures for property sales within industrial development districts as set forth in chapter 53.25 RCW. [1981 c 262 § 1; 1969 ex.s. c 30 § 1; 1965 c 23 § 1; 1955 c 65 § 10. Prior: 1943 c 166 § 2, part; 1921 c 183 § 1, part; 1917 c 125 § 1, part; 1913 c 62 § 4, part; 1911 c 92 § 4, part; Rem. Supp. 1943 § 9692, part.]

Restriction on sale of harbor rights and property: State Constitution Art. 15 § 1 (Amendment 15).

53.08.091 Sale of property—Contract sales—Terms and conditions. Except in cases where the full purchase price is paid at the time of the purchase, every sale of real property or personal property under authority of RCW 53.08.090 or RCW 53.25.110 shall be subject to the following terms and conditions:

(1) The purchaser shall enter into a contract with the district in which the purchaser shall covenant that he will make the payments of principal and interest when due, and that he will pay all taxes and assessments on such property. Upon failure to make payments of principal, interest, assessments or taxes when due all rights of the purchaser under said contract may, at the election of the district, after notice to said purchaser, be declared to be forfeited. When the rights of the purchaser are declared forfeited, the district shall be released from all obligation to convey land covered by the contract, and in the case of personal property, the district shall have all rights granted to a secured party under chapter 62A.9 RCW;

(2) The district may, as it deems advisable, extend the time for payment of principal and interest due or to become due;

(3) The district shall notify the purchaser in each instance when payment is overdue, and that the purchaser is liable to forfeiture if payment is not made within thirty days from the time the same became due, unless the time be extended by the district;

(4) Not less than four percent of the total purchase price shall be paid on the date of execution of the contract for sale and not less than four percent shall be paid annually thereafter until the full purchase price has been paid, but any purchaser may make full payment at any time. All unpaid deferred payments shall draw interest at a rate not less than six percent per annum.

Nothing in this section shall be deemed to supersede other provisions of law more specifically governing sales of port district property. It is the purpose of this section to provide additional authority and procedures for sale of port district property no longer needed for port purposes. [1982 c 75 § 1; 1969 ex.s. c 11 § 1; 1965 c 23 § 2.]

53.08.092 Sale of property—Taxes and assessments against property sold by contract. A copy of all

contract sales of port district property shall be filed with the county assessor within thirty days after the first payment is received by the port. The assessor shall place such property on the tax rolls of the county and the purchaser of such property shall become liable for all levies and assessments against such property. The port shall not be liable for any taxes or assessments, but if any outstanding taxes are not paid the property may be sold by the county as with other property with delinquent taxes due. Any amounts accruing from such a sale by the county, not required to pay outstanding and delinquent taxes or assessments and foreclosure costs, shall be paid to the port district. [1965 c 23 § 3.]

53.08.110 Gifts—Improvement. Port commissioners of any port district are hereby authorized to accept for and on behalf of said port district gifts of real and personal property and to expend in improvements and betterment such amount as may be necessary. [1921 c 39 § 4; RRS § 9705.]

53.08.120 Contracts for labor and material—Small works roster. All material required by a port district may be procured in the open market or by contract and all work ordered may be done by contract or day labor. All such contracts for work, the estimated cost of which exceeds forty thousand dollars, shall be let at public bidding upon notice published in a newspaper in the district at least ten days before the letting, calling for sealed bids upon the work, plans and specifications for which shall then be on file in the office of the commission for public inspection. The same notice may call for bids on such work or material based upon plans and specifications submitted by the bidder.

Each port district shall maintain a small works roster which shall be comprised of all contractors who have requested to be on the roster and are, where required by law, properly licensed or registered to perform such work in the state of Washington.

Whenever work is done by contract, the estimated cost of which is forty thousand dollars or less, the managing official of the port district shall invite proposals from all appropriate contractors on the small works roster: *Provided*, That not less than five separate appropriate contractors shall be invited to submit proposals on any individual contract: *Provided further*, That whenever possible, the managing official shall invite at least one proposal from a minority contractor who shall otherwise qualify under this section. Such invitation shall include an estimate of the scope and nature of the work to be performed, and materials and equipment to be furnished.

When awarding such a contract for work, the estimated cost of which is forty thousand dollars or less, the managing official shall give weight to the contractor submitting the lowest and best proposal, and whenever it would not violate the public interest, such contracts shall be distributed equally among contractors, including minority contractors, on the small works roster. [1982 c 92 § 1; 1975 1st ex.s. c 47 § 1; 1955 c 348 § 2. Prior: 1921 c 179 § 1, part; 1911 c 92 § 5, part; RRS § 9693, part.]

Severability—1955 c 348: "If any provision of this act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected." [1955 c 348 § 7.]

53.08.130 Notice—Award of contract. The notice shall state generally the nature of the work to be done and require that bids be sealed and filed with the commission at a time specified therein. Each bid shall be accompanied by a bid proposal deposit in the form of a cashier's check, money order, or surety bid bond to the commission for a sum not less than five percent of the amount of the bid, and no bid shall be considered unless accompanied by such bid proposal deposit. At the time and place named the bids shall be publicly opened and read and the commission shall proceed to canvass the bids and, except as otherwise in this section provided, shall let the contract to the lowest responsible bidder upon plans and specifications on file, or to the best bidder submitting his own plans and specifications. If, in the opinion of the commission, all bids are unsatisfactory, they may reject all of them and readvertise, and in such case all such bid proposal deposits shall be returned to the bidders; but if the contract is let, then all bid proposal deposits shall be returned to the bidders, except that of the successful bidder which shall be retained until a contract is entered into for the purchase of such materials or doing such work, and a bond given to the port district for the performance of the contract and otherwise conditioned as required by law, with sureties satisfactory to the commission, in an amount to be fixed by the commission, but not in any event less than twenty-five percent of the contract price. If said bidder fails to enter into the contract in accordance with his bid and furnish such bond within ten days from the date at which he is notified that he is the successful bidder, the check or money order and the amount thereof shall be forfeited to the port district or the port district shall recover the amount of the surety bid bond. [1971 ex.s. c 258 § 2; 1955 c 348 § 3. Prior: 1921 c 179 § 1, part; 1911 c 92 § 5, part; RRS § 9693, part.]

Severability—1971 ex.s. c 258: See note following RCW 28B.10.350.

Severability—1955 c 348: See note following RCW 53.08.120.

Contractor's bond: Chapter 39.08 RCW.

Lien on public works, retained percentage of contractor's earnings: Chapter 60.28 RCW.

53.08.135 Construction projects over forty thousand dollars—Contracting out. Port districts shall determine if any construction project over forty thousand dollars can be accomplished less expensively by contracting out. If contracting out is less expensive, the port district may contract out such project. [1982 c 92 § 2.]

53.08.140 Leases or contracts without bond. Port districts may enter into leases and contracts of every kind and nature with the United States of America or any of its departments, the state of Washington or any of its departments, or its political subdivisions or with any municipal corporation or quasi municipal corporation of the state of Washington, without requiring said

port district or public bodies to provide bonds to secure the performance thereof. All such leases or contracts heretofore entered into are hereby ratified. [1943 c 136 § 1; Rem. Supp. 1943 § 9710.]

53.08.150 Notices when no newspaper in county. Notices required in port districts in which no newspaper is published may be given by publication in any newspaper of general circulation in the county. [1921 c 39 § 3; RRS § 9704.]

53.08.160 Studies, investigations, surveys—Promotion of facilities. All port districts organized under the provisions of this act shall be, and they are hereby, authorized and empowered to initiate and carry on the necessary studies, investigations and surveys required for the proper development, improvement and utilization of all port properties, utilities and facilities, and for industrial development within the district when such agricultural and industrial development is carried out by a public agency, institution, or body for a public purpose, and to assemble and analyze the data thus obtained and to cooperate with the state of Washington, other port districts and other operators of terminal and transportation facilities for these purposes, and to make such expenditures as are necessary for said purposes, and for the proper promotion, advertising, improvement and development of such port properties, utilities and facilities: *Provided however,* That nothing in this section shall authorize a port district to develop its properties as an agricultural or dairy farm. [1973 1st ex.s. c 55 § 1; 1947 c 24 § 2; Rem. Supp. 1947 § 9692A.]

53.08.170 Employment—Wages—Benefits—Agents—Insurance for port district commissioners. The port commission shall have authority to create and fill positions, to fix wages, salaries and bonds thereof, to pay costs and assessments involved in securing or arranging to secure employees, and to establish such benefits for employees, including holiday pay, vacations or vacation pay, retirement and pension benefits, medical, surgical or hospital care, life, accident, or health disability insurance, and similar benefits, already established by other employers of similar employees, as the port commissioner shall by resolution provide: *Provided,* That any district providing insurance benefits for its employees in any manner whatsoever may provide health and accident insurance, and business related travel, liability, and errors and omissions insurance, for its commissioners, which insurance shall not be considered to be compensation.

The port commission shall have authority to provide or pay such benefits directly, or to provide for such benefits by the purchase of insurance policies or entering into contracts with and compensating any person, firm, agency or organization furnishing such benefits, or by making contributions to vacation plans or funds, or health and welfare plans and funds, or pension plans or funds, or similar plans or funds, already established by other employers of similar employees and in which the port district is permitted to participate for particular

classifications of its employees by the trustees or other persons responsible for the administration of such established plans or funds: *Provided further,* That no port district employee shall be allowed to apply for admission to or be accepted as a member of the state employees' retirement system after January 1, 1965 if admission to such system would result in coverage under both a private pension system and the state employees' retirement system, it being the purpose of this proviso that port districts shall not at the same time contribute for any employee to both a private pension or retirement plan and to the state employees' retirement system. The port commission shall have authority by resolution to utilize and compensate agents for the purpose of paying, in the name and by the check of such agent or agents or otherwise, wages, salaries and other benefits to employees, or particular classifications thereof, and for the purpose of withholding payroll taxes and paying over tax moneys so withheld to appropriate government agencies, on a combined basis with the wages, salaries, benefits, or taxes of other employers or otherwise; to enter into such contracts and arrangements with and to transfer by warrant such funds from time to time to any such agent or agents so appointed as are necessary to accomplish such salary, wage, benefit, or tax payments as though the port district were a private employer, notwithstanding any other provision of the law to the contrary. The funds of a port district transferred to such an agent or agents for the payment of wages or salaries of its employees in the name or by the check of such agent or agents shall be subject to garnishment with respect to salaries or wages so paid, notwithstanding any provision of the law relating to municipal corporations to the contrary. [1985 c 81 § 1; 1973 1st ex.s. c 6 § 1; 1965 c 20 § 1; 1955 c 64 § 1.]

Garnishment: Chapter 7.33 RCW.

Payroll deductions: RCW 41.04.020.

Prevailing wages on public works: Chapter 39.12 RCW.

53.08.171 Employment relations—Collective bargaining and arbitration. See chapter 53.18 RCW.

53.08.175 Commissioners, officers, and employees—Reimbursement of expenses. Employees, officers, and commissioners of port districts shall, when engaged in official business of the port district, be entitled to receive their necessary and reasonable travel and other business expenses incurred on behalf of the port district. Reimbursement of such expenses may be granted, whether incurred within or without the port district, when submitted on a voucher with appropriate evidence of payment by such employee or official. [1965 c 101 § 1.]

Section headings—1965 c 101: "Section headings as used in this act do not constitute any part of the law." [1965 c 101 § 3.]

53.08.176 Commissioners, officers, and employees—Regulation of expenses. Each port district shall adopt a resolution (which may be amended from time to time) which shall establish the basic rules and regulations governing methods and amount of reimbursement

payable to such port officials and employees for travel and other business expenses incurred on behalf of the district. The resolution shall, among other things, establish procedures for approving such expenses; set forth the method of authorizing the direct purchase of transportation; the form of the voucher; and requirements governing the use of credit cards issued in the name of the port district. Such regulations may provide for payment of per diem in lieu of actual expenses when travel requires overnight lodging: *Provided*, That in all cases any per diem payment shall not exceed twenty-five dollars per day. The state auditor shall, as provided by general law, cooperate with the port district in establishing adequate procedures for regulating and auditing the reimbursement of all such expenses. [1965 c 101 § 2.]

Section headings—1965 c 101: See note following RCW 53.08.175.

53.08.180 Federal old age and survivors' insurance for employees. As used in RCW 53.08.180 through 53.08.200, the term "employees" shall be as defined in RCW 41.48.020 and no distinction shall be made for the purposes of coverage under the social security act, between persons employed by a port district on a casual or temporary basis, or on a regular or steady basis, or between persons paid hourly wages and persons paid wages on a weekly, monthly, or other periodic basis. It being the intent of RCW 53.08.180 through 53.08.200 that all employees shall be entitled to the coverage of the federal social security act for work performed in the service of a port district, which is not covered by the state employees' retirement system. [1955 c 219 § 1.]

Public employees' retirement system: Chapter 41.40 RCW.

53.08.190 Federal old age and survivors' insurance for employees—Plan for extension of benefits. Each port district, which has not previously done so, shall within thirty days of June 8, 1955, submit for approval by the governor a plan for extending the benefits of Title II of the federal social security act, as amended, in conformity with applicable provisions of said act as set forth in chapter 41.48 RCW, to employees of such port district who are employed in positions not covered by the employees' retirement system of the state of Washington. The plan required to be submitted by this section shall be as set forth in RCW 41.48.050 and shall be in conformance therewith. [1955 c 219 § 2.]

53.08.200 Federal old age and survivors' insurance for employees—Contributions. All port districts are authorized to make contributions on employees' wages, and to impose upon their employees contributions with respect to their wages in accordance with RCW 41.48.030 through 41.48.050. [1955 c 219 § 3.]

53.08.205 Liability insurance for officials and employees. The board of commissioners of each port district may purchase liability insurance with such limits as they may deem reasonable for the purpose of protecting their officials and employees against liability for personal or

bodily injuries and property damage arising from their acts or omissions while performing or in good faith purporting to perform their official duties. [1973 c 125 § 4.]

53.08.207 Liability insurance for officers and employees authorized. See RCW 36.16.138.

53.08.208 Actions against officer, employee, or agent—Defense and costs provided by port district—Exception. Whenever any action, claim or proceeding is instituted against any person who is or was an officer, employee, or agent of a port district established under this title arising out of the performance or failure of performance of duties for, or employment with any such district, the commission of the district may grant a request by such person that the attorney of the district's choosing be authorized to defend said claim, suit or proceeding, and the costs of defense, attorney's fees, and any obligation for payment arising from such action may be paid from the district's funds: *Provided*, That costs of defense and/or judgment or settlement against such person shall not be paid in any case where the court has found that such person was not acting in good faith or within the scope of his employment with or duties for the district. [1975 c 60 § 1.]

53.08.210 Quorum. See RCW 53.12.246.

53.08.220 Regulations authorized—Adoption as part of ordinance or resolution of city or county, procedure—Enforcement—Penalty for violation. A port district may formulate all needful regulations for the use by tenants, agents, servants, licensees, invitees, suppliers, passengers, customers, shippers, business visitors, and members of the general public of any properties or facilities owned or operated by it, and request the adoption, amendment, or repeal of such regulations as part of the ordinances of the city or town in which such properties or facilities are situated, or as part of the resolutions of the county, if such properties or facilities be situated outside any city or town. The port commission shall make such request by resolution after holding a public hearing on the proposed regulations, of which at least ten days' notice shall be published in a legal newspaper of general circulation in the port district. Such regulations must conform to and be consistent with federal and state law. As to properties or facilities situated within a city or town, such regulations must conform to and be consistent with the ordinances of the city or town. As to properties or facilities situated outside any city or town, such regulations must conform to and be consistent with county resolutions. Upon receiving such request, the governing body of the city, town, or county, as the case may be, may adopt such regulations as part of its ordinances or resolutions, or amend or repeal such regulations in accordance with the terms of the request. Any violation of such regulations shall constitute a misdemeanor which shall be redressed in the same manner as other police regulations of the city, town, or county, and it shall be the duty of all law enforcement officers to

enforce such regulations accordingly: *Provided*, That violation of a regulation relating to traffic including parking, standing, stopping, and pedestrian offenses is a traffic infraction, except that violation of a regulation equivalent to those provisions of Title 46 RCW set forth in RCW 46.63.020 remains a misdemeanor. [1979 ex.s. c 136 § 103; 1961 c 38 § 1.]

Effective date—Severability—1979 ex.s. c 136: See notes following RCW 46.63.010.

53.08.230 Making motor vehicle and other police regulations applicable to district property—Filing plat with county auditor—Duty of law enforcement officers. A port district may at its option file with the county auditor a plat of any of its properties or facilities, showing thereon such private streets, alleys, access roads, parking areas, parks and other places as the port district may wish to have treated as public for purposes of motor vehicle or other police regulations. Such plat may be amended at any time by the filing of an amendatory plat, and may be vacated at any time by the filing of a resolution of vacation. So long as any such plat or amendatory plat is on file and not vacated, the motor vehicle or other police regulations of the state, and the motor vehicle regulations of the city, town or county, as the case may be, in which the areas described in the plat are situated, shall apply to such areas as though they were public streets, alleys, access roads, parking areas, parks or other places, and it shall be the duty of all state and local law enforcement officers to enforce such regulations accordingly. [1961 c 38 § 2.]

53.08.240 Joint exercise of powers and joint acquisition of property—Contracts with other governmental entities. Any two or more port districts shall have the power, by mutual agreement, to exercise jointly all powers granted to each individual district, and in the exercise of such powers shall have the right and power to acquire jointly all lands, property, property rights, leases, or easements necessary for their purposes, either entirely within or partly within or partly without or entirely without such districts: *Provided*, That any two or more districts so acting jointly, by mutual agreement, shall not acquire any real property or real property rights in any other port district without the consent of such district.

A district may enter into any contract with the United States, or any state, county, or municipal corporation, or any department of those entities, for carrying out any of the powers that each of the contracting parties may by law exercise separately. [1961 c 24 § 1.]

53.08.245 Economic development programs authorized. It shall be in the public purpose for all port districts to engage in economic development programs. In addition, port districts may contract with nonprofit corporations in furtherance of this and other acts relating to economic development. [1985 c 125 § 1.]

53.08.250 Participation in world fairs or expositions authorized. See chapter 35.60 RCW.

53.08.255 Tourism promotion authorized. Any port district in this state, acting through its commission, has power to expend moneys and conduct promotion of resources and facilities in the district or general area by advertising, publicizing, or otherwise distributing information to attract visitors and encourage tourist expansion. [1984 c 122 § 10.]

53.08.260 Park and recreation facilities. A port district may construct, improve, maintain, and operate public park and recreation facilities when such facilities are necessary to more fully utilize boat landings, harbors, wharves and piers, air, land, and water passenger and transfer terminals, waterways, and other port facilities authorized by law pursuant to the port's comprehensive plan of harbor improvements and industrial development. [1965 c 81 § 1.]

53.08.270 Park and recreation facilities—Approval of other agencies. Before undertaking any such plan for the acquisition and operation of any park or recreational facility the proposed plan therefor shall be first submitted in writing to the director of the parks and recreation commission and to the governing body of any county or municipal park agency having jurisdiction in the area. The state director and/or such county or municipal park agency shall examine the port's proposed plan, and may disapprove such proposed plan if it is found to be in conflict with state or local park and recreation plans for the same area. If such proposed port plan is disapproved the port district shall not proceed further with such plan. If the state director or the governing body of the county or municipal agency does not respond in writing to the port within sixty days, it shall be deemed that approval has been granted. [1965 c 81 § 2.]

53.08.280 Police officers—Appointment authorized—Jurisdiction. Any port district operating an airport with a police department as authorized by RCW 14.08.120 or designated as a port of entry by the federal government is authorized to appoint police officers with full police powers to enforce all applicable federal, state, or municipal statutes, rules, regulations, or ordinances upon any port-owned or operated properties or operations: *Provided*, That such police officers must have successfully graduated from a recognized professional police academy or training institution. [1981 c 97 § 1; 1974 ex.s. c 62 § 1.]

53.08.290 Intermodal movement of interstate and foreign cargo—Restrictions. In addition to the other powers under this chapter, a port district, in connection with the operation of facilities and improvements of the district, may perform all necessary activities related to the intermodal movement of interstate and foreign cargo: *Provided*, That nothing contained herein shall authorize a port district to engage in the transportation of commodities by motor vehicle for compensation outside the boundaries of the port district. A port district may, by itself or in conjunction with public or private entities,

acquire, construct, purchase, lease, contract for, provide, and operate rail services, equipment, and facilities inside or outside the port district: *Provided*, That such authority may only be exercised outside the boundaries of the port district if such extraterritorial rail services, equipment, or facilities are found, by resolution of the commission of the port district exercising such authority, to be reasonably necessary to link the rail services, equipment, and facilities within the port district to an interstate railroad system; however, if such extraterritorial rail services, equipment, or facilities are in or are to be located in one or more other port districts, the commission of such other port district or districts must consent by resolution to the proposed plan of the originating port district which consent shall not be unreasonably withheld: *Provided further*, That no port district shall engage in the manufacture of rail cars for use off port property. [1981 c 47 § 1; 1980 c 110 § 2.]

Purpose—1980 c 110: "The purpose of this act is to:

(1) Clarify existing law as to the authority of port districts to perform certain cargo movement activities and to contract for or otherwise provide facilities for rail service for the movement of such cargo; and

(2) Provide authority for port districts to assist in development of the recreation-tourism industry by acquiring and operating certain watercraft in limited areas." [1980 c 110 § 1.]

53.08.295 Passenger carrying watercraft. A port district may acquire, lease, construct, purchase, maintain, and operate passenger carrying vessels on interstate navigable rivers of the state and intrastate waters of adjoining states. Service provided shall be under terms, conditions, and rates to be fixed and approved by the port commission. Operation of such vessels shall be subject to applicable state and federal laws pertaining to such service. [1980 c 110 § 3.]

Purpose—1980 c 110: See note following RCW 53.08.290.

53.08.300 Rewards for arrest and conviction of persons committing criminal offenses against port district authorized. See RCW 10.85.030.

53.08.310 Moorage facilities—Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout this section and RCW 53.08.320.

(1) "Port charges" mean charges of a moorage facility operator for moorage and storage, and all other charges owing or to become owing under a contract between a vessel owner and the moorage facility operator, or under an officially adopted tariff including, but not limited to, costs of sale and related legal expenses.

(2) "Vessel" means every species of watercraft or other artificial contrivance capable of being used as a means of transportation on water and which does not exceed two hundred feet in length. "Vessel" includes any trailer used for the transportation of watercraft.

(3) "Moorage facility" means any properties or facilities owned or operated by a moorage facility operator which are capable of use for the moorage or storage of vessels.

(4) "Moorage facility operator" means any port district, city, town, metropolitan park district, or county which owns and/or operates a moorage facility.

(5) "Owner" means every natural person, firm, partnership, corporation, association, or organization, or agent thereof, with actual or apparent authority, who expressly or impliedly contracts for use of a moorage facility. [1983 c 188 § 1.]

Construction—Savings—1983 c 188: "Nothing contained in RCW 53.08.310 and 53.08.320 may be construed as a limitation of any rights, privileges, or remedies previously existing under any applicable laws of port districts, cities, towns, metropolitan park districts, or counties." [1983 c 188 § 3.]

Severability—1983 c 188: "If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1983 c 188 § 5.]

53.08.320 Moorage facilities—Regulations authorized—Port charges, delinquency—Abandoned vessels, public sale. A moorage facility operator may adopt all regulations necessary for rental and use of moorage facilities and for the expeditious collection of port charges. The regulations may also establish procedures for the enforcement of these regulations by port district, city, county, metropolitan park district or town personnel. The regulations shall include the following:

(1) Procedures authorizing moorage facility personnel to take reasonable measures, including the use of chains, ropes, and locks, to secure vessels within the moorage facility so that the vessels are in the possession and control of the moorage facility operator and cannot be removed from the moorage facility. These procedures may be used if an owner mooring or storing a vessel at the moorage facility fails, for more than sixty days after being notified that charges are owing, to pay the port charges owed. Notification shall be by registered mail to the owner at his last known address. If no address was furnished by the owner, the port district, city, county, metropolitan park district, or town need not give such notice. At the time of securing the vessel, an authorized moorage facility employee shall attach to the vessel two readily visible notification stickers. The stickers shall be of a reasonable size and shall contain the following information:

(a) The date and time the stickers were attached;

(b) The identity of the authorized employee;

(c) A statement that if the account is not paid in full within one hundred eighty days from the time the stickers are attached, the vessel may be sold at public auction to satisfy the port charges; and

(d) The address and telephone number where additional information may be obtained concerning release of the vessel.

If the vessel is the subject of a delinquent moorage account, and sixty days have expired since notification pursuant to subsection (1) of this section, the moorage facility operator shall review its records to ascertain the identity of the owner. The operator shall make a reasonable effort to contact the owner by registered mail in order to give the owner the information on the notification stickers.

(2) Procedures authorizing moorage facility personnel at their discretion to move moored vessels ashore for storage within properties under the operator's control or for storage with private persons under their control as bailees of the moorage facility, if the vessel is, in the opinion of port personnel, in danger of sinking or of sustaining other damage. Reasonable costs of any such procedure shall be paid by the vessel's owner.

(3) If a vessel is secured under subsection (1) of this section or moved ashore under subsection (2) of this section, the owner who is obligated to the moorage facility operator for port charges may regain possession of the vessel by:

(a) Making arrangements satisfactory with the moorage facility operator for the immediate removal of the vessel from the moorage facility or for authorized moorage; and

(b) Making payment to the operator of all port charges, or by posting with the operator a sufficient cash bond or other security acceptable to such operator, to be held in trust by the operator pending written agreement of the parties with respect to payment by the vessel owner of the amount owing, or pending resolution of the matter of the port charges in a civil action in a court of competent jurisdiction. After entry of judgment, including any appeals, in a court of competent jurisdiction, the trust shall terminate and the moorage facility operator shall receive so much of the bond or other security as is necessary to satisfy any judgment, costs, and interest as may be awarded to the moorage facility operator. The balance shall be refunded immediately to the owner at his last known address.

(4) If a vessel moored or stored at a moorage facility is abandoned, the port district, city, county, metropolitan park district, or town, may, by resolution of its legislative authority, authorize the public sale of the vessel by authorized personnel to the highest and best bidder for cash as follows:

(a) If a vessel has been secured by the moorage facility operator under subsection (1) of this section and is not released to the owner under the bonding provisions of this section within one hundred eighty days after notifying the owner under subsection (1) of this section, or in all other cases, for one hundred eighty days after the operator secures the vessel, the vessel shall be conclusively presumed to have been abandoned by the owner;

(b) Before the vessel is sold, the owner of the vessel shall be given at least twenty days' notice of the sale in the manner set forth in subsection (1) of this section if the name and address of the owner is known. The notice shall contain the time and place of the sale, a reasonable description of the vessel to be sold, and the amount of port charges owed with respect to the vessel. The notice of sale shall be published at least once, more than ten but not more than twenty days before the sale, in a newspaper of general circulation in the county in which the moorage facility is located. Such notice shall include the name of the vessel, if any, the last known owner and address, and a reasonable description of the vessel to be sold. The moorage facility operator may bid all or part

of its port charges at the sale and may become a purchaser at the sale;

(c) The proceeds of a sale under this section shall first be applied to the payment of port charges. The balance, if any, shall be paid to the owner. If the owner cannot in the exercise of due diligence be located by the moorage facility operator within one year of the date of the sale, the excess funds from the sale shall revert to the department of revenue pursuant to chapter 63.29 RCW. If the sale is for a sum less than the applicable port charges, the moorage facility operator is entitled to assert a claim for a deficiency.

(5) The regulations authorized under this section shall be enforceable only if the moorage facility has had its tariff containing such regulations conspicuously posted at all moorage facility offices at all times. [1985 c 7 § 124; 1983 c 188 § 2.]

Severability—Construction—Savings—1983 c 188: See notes following RCW 53.08.310.

Chapter 53.12

COMMISSIONERS—ELECTIONS

Sections

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Elections: Title 29 RCW.

Redistricting by local governments and municipal corporations—Census information for—Plan, prepared when, criteria for, hearing on, request for review of, certification, remand—Sanctions when review request frivolous: RCW 29.70.100.

Special purpose districts, elected officials, immunity from civil liability: RCW 4.96.040.

53.12.010 Port commission—Number of commissioners. The powers of the port district shall be exercised

through a port commission consisting of three members. In port districts located in a class AA county the members shall be residents of the county in which the port district is located. In all other port districts, three commissioner districts, numbered consecutively, having approximately equal population and boundaries following ward and precinct lines, shall be described in the petition for the formation of the port district, and one commissioner shall be elected from each of said commissioner districts.

In port districts having additional commissioners as authorized by RCW 53.12.120 and 53.12.130, the powers of the port district shall be exercised through a port commission consisting of five members constituted as provided therein. [1965 c 51 § 1; 1959 c 17 § 3. Prior: 1913 c 62 § 2; 1911 c 92 § 3; RRS § 9690.]

53.12.020 Qualifications. In port districts located in a class AA county no person shall be eligible to hold the office of port commissioner unless he is a qualified voter of the district. In all other port districts except those located in a class AA county the person must be a qualified voter of the commissioner district from which he is elected. [1965 c 51 § 2; 1959 c 175 § 1; 1959 c 17 § 4. Prior: 1913 c 62 § 2, part; 1911 c 92 § 3, part; RRS § 9690, part.]

53.12.035 Declarations of candidacy in class AA and A counties—Place, time, and manner of filing. All candidates for district offices in port districts of class AA and class A counties shall file their declarations of candidacy with the county auditor of the county as set forth in RCW 29.21.060, as now or hereafter amended and in the same manner as candidates for county offices. In port districts located in a class AA county the declaration may be for any numbered port commissioner position to be open in the next port district election. In port districts with five commissioners in existence on July 1, 1965, the respective numbered positions shall correspond to the numbers of the county commissioner districts from which the three original commissioners in the port districts were elected, with the central district being numbered one, and with positions four and five being assigned to the original at large commissioner positions for which the first incumbents received, respectively, the greater and lesser number of votes cast.

In all port districts in a class AA county, with three port commissioners there shall be three positions denominated positions one, two and three, and declarations of candidacy shall be for a specific position. Where a proposition for an increased number of port commissioners is on the ballot under RCW 53.12.120 and RCW 53.12.130, the two additional positions shall be denominated positions four and five, and candidates for the positions thus proposed to be created shall file declarations of candidacy for a specific position. [1965 c 51 § 3; 1959 c 175 § 9.]

53.12.040 Declarations of candidacy, except districts in class AA county—Place of filing. In port districts, other than port districts located in a class AA county,

port commissioners shall file declarations of candidacy with the county auditor in which the port district is located for the commissioner district in which the candidate is a resident. [1965 c 51 § 4; 1959 c 175 § 2; 1959 c 17 § 7. Prior: 1951 c 69 § 2; 1913 c 62 § 2, part; 1911 c 92 § 3, part; RRS § 9690, part. Cf. 1923 c 53 § 5; RRS § 5148-1.]

53.12.044 Declarations of candidacy, except districts in class AA and class A counties—Time of filing. In all port districts, except port districts in class AA and class A counties, declarations of candidacy shall be filed with the county auditor not more than sixty nor less than forty-six days prior to the date of the election; declarations of candidacy for an election for the formation of a port district shall be filed with the county auditor not more than sixty nor less than twenty days prior to such election. [1963 c 200 § 21; 1959 c 175 § 4; 1951 c 69 § 3.]

53.12.050 Election of commissioners. At the same election at which the proposition is submitted to the voters as to whether a port district shall be formed, three commissioners shall be elected to hold office as provided by law. All candidates shall be voted upon by the entire port district. [1959 c 17 § 5. Prior: 1913 c 62 § 2, part; 1911 c 92 § 3, part; RRS § 9690, part.]

53.12.055 Primaries in class AA and A counties. In the event that more than two candidates are filed after the last day for withdrawal of candidacy, in port districts in class AA and class A counties, the county auditor shall conduct a port district primary at the time provided by general law for such primaries.

In the event that after the last day for withdrawal of candidacy no more than two candidates are filed for the office of port district commissioner in any port commissioner district of a port district located in a class A county or for any numbered position for port district commissioner in any port district in a class AA county, the county auditor shall not conduct a primary and shall notify the candidates that there will be no primary. [1965 c 51 § 5; 1959 c 175 § 10.]

53.12.057 Ballots—Rotating names of candidates. The names of candidates for each position for port commissioner shall be rotated in the manner provided in RCW 29.30.040. [1965 c 51 § 6.]

53.12.060 Elections. A general election shall be held in conjunction with county elections for the election of a port commissioner or commissioners and for the submission of propositions, and special elections shall be held at such times and for such propositions as the port commission may by resolution prescribe, subject to the limitations and pursuant to the requirements of this act.

There shall be not less than one polling place in each of the various wards of any incorporated city within such port district, and one polling place within each precinct of each port district not within the limits of any incorporated city: *Provided*, That the commissioners of any

port district having a population of less than two hundred and fifty registered voters, may, by resolution, provide that all elections of said district be held at one central polling place to be designated by them. It shall be the duty of the county commissioners in the formation of a port district, and of the port commission in all subsequent elections, to, at least twenty days before each election, designate the polling places and appoint three election officers for each place of voting. At all elections the vote shall be by ballot. The polls shall be open between such hours of the day as the commission shall designate, but in every case the polls shall be open between one o'clock p.m. and eight o'clock p.m. All electors who are, at the time of such election, duly qualified to vote within their respective precincts under the general election laws for state and county officers shall be entitled to vote at any election held in such port district.

Officers of the city and county having charge of the registration books of any city or precinct in a port district shall deliver the same for the use of the election officers at all port elections. In the event of such registration books being required by law to be used by any school district or other public corporation at the same time as the use thereof will be necessary by the port district, such books shall be delivered to the port commission and school district or other public corporation jointly, and the same polling places and registration books may be used jointly in such cases, and the same individuals may serve as election officers for all such joint elections, and in such cases the compensation of such election officers and other expense shall be so divided that the port district shall bear only its proportionate share thereof.

The manner of conducting and voting at elections under this act, opening and closing of polls, keeping of poll lists, canvassing the votes, declaring the result, and certifying the returns, shall be the same as provided by the general election laws governing the election of state and county officers, except as otherwise provided in this act. [1959 c 175 § 6; 1927 c 204 § 1; 1913 c 62 § 3; RRS § 9691. Formerly RCW 53.12.060, part, and 53.12.070 through 53.12.110. FORMER PART OF SECTION: 1913 c 62 § 2, part, now codified in RCW 53.12.010.]

Elections: Title 29 RCW.

53.12.120 Increasing number of commissioners to five—Proposition—Numbered positions. When the population of a port district reaches five hundred thousand, in accordance with the latest United States regular or special census or with the official state population estimate, there shall be submitted to the voters of the district, at the next general election or at a special port election called for that purpose, the proposition of increasing the number of commissioners to five. At any general election thereafter, the same proposition may be submitted by resolution of the port commissioners, by filing a certified copy of the resolution with the county auditor at least four months prior to the general election. If the proposition is adopted, the commission in that port district shall consist of five commissioners in positions

numbered as specified in RCW 53.12.035, the additional commissioners to take office five days after the election. [1982 c 219 § 1; 1965 c 51 § 7; 1959 c 175 § 3; 1959 c 17 § 10. Prior: 1953 c 198 § 1; 1913 c 62 § 2, part; 1911 c 92 § 3, part; RRS § 9690, part.]

53.12.130 Increasing number of commissioners to five—Election of additional commissioners—Commencement and term of office. At the same general election the names of the candidates for the additional port commissioner positions numbered four and five shall be printed on the ballot and voted on, but the election of such additional commissioners shall be contingent upon the adoption of the proposition for a commission of five members. The candidate for each additional numbered position receiving the highest number of votes shall be elected, and shall take office five days after the election. The additional commissioner thus elected receiving the highest number of votes shall hold office for six years and the other shall hold office for four years from the date provided by law for port commissioners to next commence their terms of office.

A successor to a commissioner holding position four or five whose term is about to expire, shall be elected at the general election next preceding such expiration, for a term of six years. [1965 c 51 § 8; 1959 c 17 § 11. Prior: 1953 c 198 § 2; 1913 c 62 § 2, part; 1911 c 92 § 3, part; RRS § 9690, part.]

53.12.140 Vacancy, how caused. A vacancy in the office of port commissioner shall occur by death, resignation, removal, conviction of a felony, nonattendance at meetings of the port commission for a period of sixty days unless excused by the port commission, by any statutory disqualification, or by any permanent disability preventing the proper discharge of his duty. [1959 c 17 § 9. Prior: 1913 c 62 § 2, part; 1911 c 92 § 3, part; RRS § 9690, part.]

53.12.150 Vacancies, how filled. A vacancy in the office of port commissioner created by death, resignation, or otherwise, shall be filled as follows:

(1) If there are simultaneously such number of vacancies that less than a majority of the full number of commissioners fixed by law remain in office, the legislative authority of the county shall within thirty days of such vacancies appoint the number of commissioners necessary to provide a majority. The commissioners thus appointed, together with any remaining commissioners, shall then, within sixty days of their appointment, meet and appoint the number of commissioners needed to complete the board of commissioners. However, if they fail to fill the remaining vacancies within this sixty-day period, the legislative authority of the county shall make the necessary appointments.

(2) If a majority of the full number of commissioners fixed by law remains on the board, the remaining commissioners shall fill any vacancies. However, if they fail to fill any vacancy within sixty days of its occurrence, the legislative authority of the county shall make the necessary appointment.

(3) A person appointed to fill a vacancy in the office of port commissioner shall serve until a successor is elected and qualified at the next district general election occurring sixty or more days after the vacancy has occurred. The person who is elected shall take office immediately after he or she is qualified and shall serve the remainder of the unexpired term. However, if at this next district general election an election would have otherwise been held to elect a person to the position in which a vacancy has occurred, a separate election shall not be held to elect a person to fill the vacancy during the remainder of the unexpired term. The person who is elected at this election for this position shall take office immediately upon being qualified and shall serve for both the remainder of the unexpired term in addition to the full term to which he or she is elected. [1985 c 87 § 1; 1983 c 11 § 1; 1959 c 175 § 8; 1959 c 17 § 8. Prior: 1913 c 62 § 2, part; 1911 c 92 § 3, part; RRS § 9690, part.]

53.12.160 Elections in districts less than entire county. In port districts comprising less than the entire county, except port districts in class AA and class A counties, elections for the selection of commissioners shall be held at the same time as the county general election is held: *Provided*, That if the petition for the organization of the district so requests, the first election of commissioners may be held at a special election which shall be called and held in the manner provided for special organization elections of port districts. [1963 c 200 § 19; 1951 c 68 § 1; 1941 c 17 § 1; 1935 c 133 § 1; Rem. Supp. 1941 § 9691A-1.]

Construction—1935 c 133: "This act shall not be construed as repealing, amending or modifying any law now in effect, except as to the time of election and the tenure of office of port commissioners in port districts comprising less than the entire county, and the manner of holding elections and canvassing returns of such port districts." [1935 c 133 § 11.]

53.12.172 Terms in districts less than entire county. In every such port district the term of office of each port commissioner shall be six years and until his or her successor is elected and qualified, and one commissioner shall be elected at the time of the general election in each odd-numbered year for the term of six years beginning in accordance with RCW 29.04.170: *Provided*, That the terms of office of the port commissioners shall be staggered in any district hereafter organized as follows: (1) The candidate residing in the first commissioner district receiving the highest number of votes in the port district at the election organizing the district shall hold office until a successor assumes office who is elected from the election held in the sixth year after the organizational election, if such organizational election was held in an odd-numbered year, or from the election held in the fifth year after the organizational election if such organizational election was held in an even-numbered year; (2) the candidate residing in the second commissioner district receiving the highest number of votes in the port district at such organizational election shall hold office until a successor assumes office who is elected from the election held in the fourth year after

the organizational election, if such organizational election was held in an odd-numbered year, or from the election held in the third year after the organizational election if such organizational election was held in an even-numbered year; and (3) the candidate residing in the third commissioner district receiving the highest number of votes in the port district at such organizational election shall hold office until a successor assumes office who is elected from the election held in the second year after the organizational election, if such organizational election was held in an odd-numbered year, or from the election held in the first year after the organizational election if such organizational election was held in an even-numbered year. [1979 ex.s. c 126 § 34; 1951 c 68 § 2. Prior: (i) 1935 c 133 § 2; RRS § 9691A-2. (ii) 1935 c 133 § 3; RRS § 9691A-3. (iii) 1935 c 133 § 4; RRS § 9691A-4. (iv) 1935 c 133 § 5; RRS § 9691A-5. (v) 1935 c 133 § 6; RRS § 9691A-6. (vi) 1935 c 133 § 7; RRS 9691A-7.]

Purpose—1979 ex.s. c 126: See RCW 29.04.170(1).

53.12.180 Conduct of elections in districts less than entire county. Notice of such election shall be given in the same manner and for the same time and by the same officials as is provided by law for the general biennial election in such counties, and in the matter of polling places, election boards, manner of conducting and voting, time for opening and closing the polls, keeping poll lists, canvassing the votes, declaring the result of the election, certifying the returns and in all other particulars as nearly as may be such election shall be called, held and conducted as is provided by law and as a part of the general biennial election in such counties; except that separate ballots shall be used for the port district and returns shall be made on the respective candidates and on each proposition or propositions which may be submitted, but all such returns shall be made by the regular election board and canvassed by the board or body that canvass the general county and state election. [1935 c 133 § 8; RRS § 9691A-8.]

Construction—1935 c 133: See note following RCW 53.12.160.
Elections: Title 29 RCW.

53.12.190 Cost of election notice and ballots. The cost of printing and publishing the notices of such port election and the printing of the ballots shall be paid by the port district for which they are prepared. [1935 c 133 § 10; RRS § 9691A-10.]

Construction—1935 c 133: See note following RCW 53.12.160.
Printing must be done in state: RCW 43.78.130.

53.12.200 Separate ballots and returns for each district. In case of two or more port districts comprising part of the same voting precinct the election officers shall be furnished ballots for each of said separate port districts, and each voter will be given the port district ballot for the port district in which he or she may reside, and said election officers shall in making their returns make a separate return covering each port district, although such separate returns may be in the same book

as the returns for the general county and state election, but shall be separately stated. [1935 c 133 § 9; RRS § 9691A-9.]

Construction—1935 c 133: See note following RCW 53.12.160.

53.12.210 Elections in districts covering entire county. In every port district the boundaries of which are coextensive with the county in which it is located, except port districts in class AA and class A counties, all elections for port commissioners shall be held at the same time as the county general biennial election is held: *Provided*, That if the petition for organization of such port districts so requests, the first election of commissioners may be held at a special election, which shall be called and held in the manner provided by law for special organization elections for such port districts. [1963 c 200 § 70; 1941 c 45 § 1; 1925 ex.s. c 113 § 1; Rem. Supp. 1941 § 9691-1.]

Time for holding elections: Chapter 29.13 RCW.

53.12.220 Terms—Districts covering entire county. In every such port district the term of office of each port commissioner shall be six years and until his or her successor is elected and qualified, and one port commissioner shall be elected at the time of the general election in each odd-numbered year for the term of six years beginning in accordance with RCW 29.04.170: *Provided*, That the terms of office of the port commissioners shall be staggered in any such district hereafter organized as follows: (1) The candidate residing in the first commissioner's district receiving the highest number of votes in the port district at the election organizing the district shall hold office until a successor assumes office who is elected from the election held in the sixth year after the organizational election, if such organizational election was held in an odd-numbered year, or from the election held in the fifth year after the organizational election if such organizational election was held in an even-numbered year; (2) the candidate residing in the second commissioner district receiving the highest number of votes in the port district at such organizational election shall hold office [until] a successor assumes office who is elected from the election held in the fourth year after the organizational election, if such organizational election was held in an odd-numbered year, or from the election held in the third year after the organizational election if such organizational election was held in an even-numbered year; and (3) the candidate residing in the third commissioner district receiving the highest number of votes in the port district at such organizational election shall hold office until a successor assumes office who is elected from the election held in the second year after the organizational election, if such organizational election was held in an odd-numbered year, or from the election held in the first year after the organizational election if such organizational election was held in an even-numbered year. [1979 ex.s. c 126 § 35; 1941 c 45 § 2; 1925 ex.s. c 113 § 2; Rem. Supp. 1941 § 9691-2. Formerly RCW 53.12.220 and 53.12.230.]

Purpose—1979 ex.s. c 126: See RCW 29.04.170(1).

Validating—1929 c 219: "Each port district election which was called by the election board for any class 'A' county or county of the first class, and which was held at the time of the last general election in November, 1928, and at which a proposition for the issuance of bonds of such district was approved by three-fifths of the voters therein voting on such proposition, is hereby validated, notwithstanding any irregularity or omission in the calling or holding of such election." [1929 c 219 § 1.]

53.12.245 Organization of commission—Powers and duties—Record of proceedings. The port commission shall organize by the election of its own members of a president and secretary, shall by resolution adopt rules governing the transaction of its business and shall adopt an official seal. All proceedings of the port commission shall be by motion or resolution recorded in a book or books kept for such purpose, which shall be public records. [1955 c 348 § 6.]

Severability—1955 c 348: See note following RCW 53.08.120.
Public records: Title 40 RCW, chapter 42.17 RCW.

53.12.246 Quorum. A majority of the persons holding the office of port commissioner at any time shall constitute a quorum of the port commission for the transaction of business, and the concurrence of a majority of the persons holding such office at the time shall be necessary and shall be sufficient for the passage of any resolution, but no business shall be transacted unless there are in office at least a majority of the full number of commissioners fixed by law. [1959 c 17 § 12. Prior: 1913 c 62 § 2, part; 1911 c 92 § 3, part; RRS § 9690.]

53.12.260 Compensation. Each commissioner of a port district shall receive fifty dollars per day or portion thereof spent (a) in actual attendance at official meetings of the port district commission, or (b) in performance of other service in behalf of the district: *Provided*, That no commissioner shall receive compensation to exceed five thousand eight hundred dollars for any calendar year: *Provided further*, That no commissioner of a port district shall receive compensation to exceed four thousand eight hundred dollars for any calendar year if the port district had gross operating income of less than twenty-five million dollars in the preceding calendar year.

For any commissioner who has not elected to become a member of public employees retirement system before May 1, 1975, the compensation provided pursuant to this section shall not be considered salary for purposes of the provisions of any retirement system created pursuant to the general laws of this state nor shall attendance at such meetings or other service on behalf of the district constitute service as defined in RCW 41.40.010(9): *Provided*, That in the case of a port district when commissioners are receiving compensation and contributing to the public employees retirement system, these benefits shall continue in full force and effect notwithstanding the provisions of RCW 53.12.260 and 53.12.265. [1985 c 330 § 3; 1975 1st ex.s. c 187 § 1.]

53.12.265 Waiver of compensation. A commissioner of any port district may waive all or any portion of his

compensation payable under RCW 53.12.260 as to any month or months during his term of office, by a written waiver filed with the secretary of the commission. The waiver, to be effective, must be filed any time after the commissioner's election and prior to the date on which said compensation would otherwise be paid. The waiver shall specify the month or period of months for which it is made. [1975 1st ex.s. c 187 § 2.]

53.12.270 Delegation of powers to managing official of port district. The commission may delegate to the managing official of a port district such administrative powers and duties of the commission as it may deem proper for the efficient and proper management of port district operations. Any such delegation shall be authorized by appropriate resolution of the commission, which resolution must also establish guidelines and procedures for the managing official to follow. [1975 1st ex.s. c 12 § 1.]

Chapter 53.16

REVISION OF COMMISSIONER DISTRICTS

Sections

53.16.010	Revision authorized.
53.16.020	Notice of hearing on revision.
53.16.030	Change not to affect term of office.

53.16.010 Revision authorized. At whatever time as they in their judgment deem appropriate, except between thirty days prior to the closing of filings of candidacy for port commissioner until the next ensuing election thereof, the port commissioners may, and upon petition signed by not less than two hundred and fifty electors residing in the district shall, reestablish the boundaries of the commissioner districts in the port district, so that each commissioner district shall comprise as nearly as possible one-third of the population of the port district: *Provided*, That no voting precinct shall be divided by the boundary lines of a commissioner district. [1969 ex.s. c 9 § 1; 1957 c 69 § 2. Prior: (i) 1933 c 145 § 1; RRS § 9708-1. (ii) 1933 c 145 § 2; RRS § 9708-2.]

53.16.020 Notice of hearing on revision. The revision of boundary lines provided for in this chapter shall be made only at a meeting of the board of port commissioners with attendance of all of the members of the commission, which meeting shall be public, following notice of said meeting, and the purpose thereof published in a newspaper of general circulation within the port district, or, if there be no such newspaper published within the district, in a newspaper published at the county seat of the county in which such port district is located. Such notice shall be published not less than twice, the date of the first publication to be not less than fifteen nor more than twenty days prior to the date fixed for said hearing, and shall state the time, place and purpose of the hearing. [1933 c 145 § 3; RRS § 9708-3.]

53.16.030 Change not to affect term of office. Any change of boundary lines provided for in this chapter

shall not affect the term for which a commissioner shall hold office at the time the change is made, and the requirement of two years' residence within the commissioner district for eligibility for office of port commissioner shall not apply to incumbent commissioners seeking election at any port district election held within three years of the change of such district boundaries: *Provided*, That at the time of nomination the incumbent commissioner resides in the commissioner's district for which he seeks election. [1933 c 145 § 4; RRS § 9704-8.]

Chapter 53.18

EMPLOYMENT RELATIONS—COLLECTIVE BARGAINING AND ARBITRATION

Sections

53.18.010	Definitions.
53.18.015	Application of public employees' collective bargaining act.
53.18.020	Agreements authorized.
53.18.030	Criteria for choice of employee organization—Procedures for resolution of controversy.
53.18.040	Incidental powers of district.
53.18.050	Agreements—Authorized provisions.
53.18.060	Restraints on agreement.

53.18.010 Definitions. "Port district" shall mean a municipal corporation of the state of Washington created pursuant to Title 53 RCW. Said port districts may also be hereinafter referred to as the "employer."

"Employee" shall include all port employees except managerial, professional, and administrative personnel, and their confidential assistants.

"Employee organization" means any lawful association, labor organization, union, federation, council, or brotherhood, having as its primary purpose the representation of employees on matters of employment relations.

"Employment relations" includes, but is not limited to, matters concerning wages, salaries, hours, vacation, sick leave, holiday pay and grievance procedures. [1967 c 101 § 1.]

53.18.015 Application of public employees' collective bargaining act. Port districts and their employees shall be covered by the provisions of chapter 41.56 RCW except as provided otherwise in this chapter. [1983 c 287 § 1.]

Severability—1983 c 287: See note following RCW 41.56.450.

53.18.020 Agreements authorized. Port districts may enter into labor agreements or contracts with employee organizations on matters of employment relations: *Provided*, That nothing in this chapter shall be construed to authorize any employee, or employee organization to cause or engage in a strike or stoppage of work or slowdown or similar activity against any port district. [1967 c 101 § 2.]

53.18.030 Criteria for choice of employee organization—Procedures for resolution of controversy. In determining which employee organization will represent them, employees shall have maximum freedom in exercising their right of self-organization.

Controversies as to the choice of employee organization within a port shall be submitted to the public employment relations commission. Employee organizations may agree with the port district to independently resolve jurisdictional disputes: *Provided*, That when no other procedure is available the procedures of RCW 49.08.010 shall be followed in resolving such disputes. In such case the chairman of the public employment relations commission shall, at the request of any employee organization, arbitrate any dispute between employee organizations and enter a binding award in such dispute. [1975 1st ex.s. c 296 § 38; 1967 c 101 § 3.]

Effective date—1975 1st ex.s. c 296: See RCW 41.58.901.

Powers and duties of public employment relations commission: Chapter 41.58 RCW.

53.18.040 Incidental powers of district. Port districts exercising the authority granted by RCW 53.18.020 may take any of the following actions as incidental thereto: Make necessary expenditures; act jointly with other ports or employers; engage technical assistance; make appearances before and utilize the services of state or federal agencies, boards, courts or commissions; make retroactive payments of wages where provided by agreements; and exercise all other necessary powers to carry this chapter into effect, including the promulgation of rules and regulations to effectuate the purposes of this chapter. [1967 c 101 § 4.]

53.18.050 Agreements—Authorized provisions. A labor agreement signed by a port district may contain:

(1) Provisions that the employee organization chosen by a majority of the employees in a grouping or unit will be recognized as the representative of all employees in the classification included in such grouping or unit;

(2) Maintenance of membership provisions including dues check-off arrangements; and

(3) Provisions providing for binding arbitration, the expenses being equally borne by the parties, in matters of contract interpretation and the settlement of jurisdictional disputes. [1967 c 101 § 5.]

53.18.060 Restraints on agreement. No labor agreement or contract entered into by a port district shall:

(1) Restrict the right of the port district in its discretion to hire;

(2) Limit the right of the port to secure its regular or steady employees from the local community; and

(3) Include within the same agreements: (a) Port security personnel, or (b) port supervisory personnel. [1967 c 101 § 6.]

Chapter 53.20

HARBOR IMPROVEMENTS

Sections

- 53.20.010 Adoption of harbor improvement plan.
 53.20.020 Improvement to follow plans adopted.
 53.20.030 Improvements—Ownership of.
 53.20.040 Fifty percent of cost of local improvement may be paid from general fund.
 53.20.050 Local improvements upon majority petition.

Joint improvement of navigable rivers: RCW 88.32.240 and 88.32.250.

53.20.010 Adoption of harbor improvement plan. It shall be the duty of the port commission of any port district, before creating any improvements hereunder, to adopt a comprehensive scheme of harbor improvement in the port district, after a public hearing thereon, of which notice shall be published once a week for two consecutive weeks in a newspaper of general circulation in the port district, and no expenditure for the carrying on of any harbor improvements shall be made by the port commission other than the necessary salaries, including engineers, clerical and office expenses of the port district, and the cost of engineering, surveying, preparation and collection of data necessary for the making and adoption of a general scheme of harbor improvements in the port district, unless and until the comprehensive scheme of harbor improvement has been so officially adopted by the port commission. [1985 c 469 § 51; 1943 c 166 § 3; 1913 c 62 § 6; 1911 c 92 § 6; Rem. Supp. 1943 § 9694.]

53.20.020 Improvement to follow plans adopted. When such general plans shall have been adopted or approved, as aforesaid, every improvement to be made by said commission shall be made substantially in accordance therewith unless and until such general plans shall have been officially changed by the port commission after a public hearing thereon, of which at least ten days' notice shall be published in a newspaper in general circulation in such port district. [1947 c 24 § 1; 1913 c 62 § 7; 1911 c 92 § 7; Rem. Supp. 1947 § 9695.]

53.20.030 Improvements—Ownership of. No improvements shall be acquired or constructed, by the port district, unless such improvements shall, when completed, be the property of such port district, the county in which such port district is located, any city within such port district, the state of Washington or the United States of America, and the funds of such port district may be expended in the acquirement or construction of any harbor improvement embraced in such general plan adopted as in this chapter provided in conjunction with the county in which such port district is located, any city in such port district, the state of Washington or the United States of America, or all or any of them. [1979 ex.s. c 30 § 9; 1913 c 62 § 8; 1911 c 92 § 8; RRS § 9696.]

53.20.040 Fifty percent of cost of local improvement may be paid from general fund. Whenever any improvement shall be ordered, payment for which shall be made

in part from assessments against property specially benefited, not more than fifty percent of the cost thereof shall ever be borne by the entire port district, nor shall any sum be contributed by it to any improvement acquired or constructed with or by any other body, exceed [exceeding] such amount, unless a majority vote of the electors of the port district shall consent to or ratify the making of such expenditure. [1911 c 92 § 11; RRS § 9698.]

53.20.050 Local improvements upon majority petition. Whenever a petition signed by one hundred freeholders in the district to be therein described, shall be filed with the port commission, asking that any portion of the general plan adopted be ordered, and defining the boundaries of a local improvement district to be assessed in whole or in part to pay the cost thereof, it shall be the duty of the port commission to fix a date for hearing on the petition, after which it may alter the boundaries of the proposed district and prepare and adopt detail plans of any such local improvement, declare the estimated cost thereof, what proportion of the cost shall be borne by the proposed local improvement district, and what proportion of the cost, if any, but in any event not to exceed fifty percent, shall be borne by the entire port district. At any time within two years thereafter, upon petition of the owners of a majority of the lands in the proposed local improvement district, fixed by the port commission, as shown in the office of the auditor of the county, asking that the improvement be ordered, the port commission shall forthwith by resolution order the improvement, provide the general funds of the port district to be applied thereto, acquire all lands necessary therefor, pay all damages caused thereby, and commence in the name of the port district such eminent domain proceedings and supplemental assessment or reassessment proceedings to pay all eminent domain awards as may be necessary to entitle the port district to proceed with such work, and shall thereafter proceed with the work, and shall make and file with the county treasurer its roll levying special assessments in the amount to be paid by special assessment against the property situated within the local improvement district in proportion to the special benefits to be derived by the property in the local improvement district from the improvement. Before the approval of the roll a notice shall be published once a week for two consecutive weeks in one or more newspapers of general circulation in the local improvement district, stating that the roll is on file and open to inspection in the office of the clerk of the port commission, and fixing a time not less than fifteen nor more than thirty days from the date of the first publication of the notice within which protests must be filed with the clerk of the port commission against any assessments shown thereon, and fixing a time when a hearing shall be held by the commission on the protests. After the hearing the port commission may alter any and all assessments shown on the roll and may then by resolution approve the same, but in the event of any assessment being raised a new notice similar to the first notice shall be given, after which final approval of the

roll may be made by the port commission. Any person feeling aggrieved by any such assessments shall perfect an appeal to the superior court of the county within ten days after the approval in the manner now provided by law for appeals from assessments levied by cities of the first class in this state. Engineering and office expenses in all cases shall be borne by the general district. [1985 c 469 § 52; 1911 c 92 § 10; RRS § 9697. Formerly RCW 53.20.050 through 53.20.080.]

Appeal from assessments: RCW 35.44.200 through 35.44.270.

Special assessments for local improvement: State Constitution Art. 7 § 9.

Chapter 53.25

INDUSTRIAL DEVELOPMENT DISTRICTS— MARGINAL LANDS

Sections	
53.25.010	Marginal lands—Declaration of policies and purposes.
53.25.020	Marginal lands—Further declaration.
53.25.030	"Marginal lands" defined.
53.25.040	Industrial development districts authorized.
53.25.050	Tax title lands may be conveyed to district.
53.25.060	Private lands may be conveyed to district—Cancellation of taxes.
53.25.070	Discharge of trust.
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53.25.210	Determination that land sought by eminent domain is marginal.
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53.25.910	Severability—1955 c 73.

53.25.010 Marginal lands—Declaration of policies and purposes. It is hereby declared to be the public policy of the legislature of the state of Washington, that it is in the public interest to employ the power of eminent domain and advance and expend public moneys for the purposes herein contained, and to provide for means by which marginal area properties may be developed or redeveloped in accordance with the legislative policies hereinafter stated:

(1) A sound development of the economic security of the peoples of the state of Washington is dependent upon proper development and redevelopment of marginal properties, and the general welfare of the inhabitants of the port districts in which they exist require the remedying of such injurious conditions marginal properties are now subjected to; and

(2) The development and redevelopment of such marginal area properties cannot be accomplished by private

enterprise alone without public participation and assistance in the acquisition of land and planning and in the financing of land assembly in the work of clearance, development and redevelopment, and in the making of improvements necessary therefor.

(3) To protect and promote sound development and redevelopment of marginal lands as hereinafter defined, and the general welfare of the inhabitants of the port districts in which they exist, to remedying such injurious conditions through the employment of all appropriate means.

(4) That whenever the development or redevelopment of such marginal lands cannot be accomplished by private enterprise alone, without public participation and assistance in the acquisition of land and planning and in financing of land assembly in the work of clearance, development and redevelopment, and in the making of improvements necessary therefor it is in the public interest to employ the power of eminent domain, to advance and expend public moneys for those purposes, and to provide for means by which such marginal lands may be developed or redeveloped.

(5) That the development or redevelopment of such marginal lands and the provision of appropriate continuing land use constitute public uses and purposes for which public moneys may be advanced or expended and private property acquired, and are governmental functions and are of state concern in the interest of health, safety and welfare of the state of Washington, and of the communities in which such areas exist.

(6) That the necessity in the public interest for the provision of this chapter is declared to be a matter of legislative determination. [1955 c 73 § 1.]

53.25.020 Marginal lands—Further declaration. It is further found and declared that:

(1) The existence of such marginal lands characterized by any or all of such conditions constitutes a serious and growing menace which is condemned as injurious and inimical to the public health, safety, and welfare of the people of the communities in which they exist and of the people of the state.

(2) Such marginal lands present difficulties and handicaps which are beyond remedy and control solely by regulatory processes in the exercise of the police power.

(3) They contribute substantially and increasingly to the problems of, and necessitate excessive and disproportionate expenditures for, crime prevention, correction, prosecution and punishment, the treatment of juvenile delinquency, the preservation of the public health and safety, and the maintaining of adequate police, fire and accident protection and other public services and facilities.

(4) This menace is becoming increasingly direct and substantial in its significance and effect.

(5) The benefits which will result from the remedying of such conditions and the redevelopment of such marginal lands will accrue to all the inhabitants and property owners of the communities in which they exist.

(6) Such conditions of marginal lands tend to further obsolescence, deterioration, and disuse because of the lack of incentive to the individual landowner and his inability to improve, modernize, or rehabilitate his property while the condition of the neighboring properties remains unchanged.

(7) As a consequence the process of deterioration of such marginal lands frequently cannot be halted or corrected except by redeveloping the entire area, or substantial portions of it.

(8) Such conditions of marginal lands are chiefly found in areas subdivided into small parcels, held in divided and widely scattered ownerships, frequently under defective titles, and in many such instances the private assembly of the land areas for redevelopment is so difficult and costly that it is uneconomic and as a practical matter impossible for owners to undertake because of lack of the legal power and excessive costs.

(9) The remedying of such conditions may require the public acquisition at fair prices of adequate areas, the redevelopment of the areas suffering from such conditions under proper supervision, with appropriate planning, and continuing land use.

(10) The development or redevelopment of land, or both, acquired under the authority of this chapter constitute a public use and are governmental functions, and that the sale or leasing of such land after the same has been developed or redeveloped is merely incidental to the accomplishment of the real or fundamental purpose, that is, to remove the condition which caused said property to be marginal property as in this chapter defined. [1955 c 73 § 2.]

53.25.030 "Marginal lands" defined. "Marginal lands" is defined and characterized by any one or more of the following described conditions:

(1) An economic dislocation, deterioration, or disuse resulting from faulty planning.

(2) The subdividing and sale of lots of irregular form and shape and inadequate size for proper usefulness and development.

(3) The laying out of lots in disregard of the contours and other physical characteristics of the ground and surrounding conditions.

(4) The existence of inadequate streets, open spaces, and utilities.

(5) The existence of lots or other areas which are subject to being submerged by water.

(6) By a prevalence of depreciated values, impaired investments, and social and economic maladjustment to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered.

(7) In some parts of marginal lands, a growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare.

(8) In other parts of marginal lands, a loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the

taxpayer for the creation of new public facilities and services elsewhere.

(9) Property of an assessed valuation of insufficient amount to permit the establishment of a local improvement district for the construction and installation of streets, walks, sewers, water and other utilities.

(10) Lands within an industrial area which are not devoted to industrial use but which are necessary to industrial development within the industrial area. [1955 c 73 § 3.]

53.25.040 Industrial development districts authorized. A port commission may, after a public hearing thereon, of which at least ten days' notice shall be published in a newspaper of general circulation in the port district, create industrial development districts within the district and define the boundaries thereof, if it finds that the creation of the industrial development district is proper and desirable in establishing and developing a system of harbor improvements and industrial development in the port district. [1985 c 469 § 53; 1955 c 73 § 4. Prior: 1943 c 166 § 1; 1939 c 45 § 1; Rem. Supp. 1943 § 9709-1; RCW 53.24.010.]

53.25.050 Tax title lands may be conveyed to district. Any lands in an industrial development district acquired by the county by tax foreclosure, may, if the county commissioners deem the lands chiefly valuable for industrial development purposes, be conveyed to the port district. The lands shall be held in trust by the port district and may be managed, developed, leased, or sold by it as provided in this chapter.

From the proceeds of the sale or lease of the lands, the district shall first reimburse itself for any expense incurred by it in managing and developing the lands and any balance shall be paid to the county, which shall distribute it the same as general taxes collected in that year. [1955 c 73 § 5. Prior: 1939 c 45 § 2; RRS § 9709-2; RCW 53.24.020.]

53.25.060 Private lands may be conveyed to district—Cancellation of taxes. With the approval of the county commissioners, any lands in an industrial development district, owned privately, which the port commission deems valuable for industrial development purposes, may be deeded to and accepted by the port district, subject to delinquent general taxes thereon. When the commission has recorded the deed and notified the county commissioners thereof, the county commissioners shall order all taxes assessed against the lands canceled and the county treasurer shall record the cancellation, and remove the lands from the tax rolls. Thereafter the lands shall be held in trust, managed, developed, leased, and sold by the district, and the proceeds therefrom disposed of in the same manner as hereinabove provided. [1955 c 73 § 6. Prior: 1939 c 45 § 3; RRS § 9709-3; RCW 53.24.030.]

53.25.070 Discharge of trust. With the approval of the county commissioners, a port district may free any lands acquired by it pursuant to this chapter from the

trust imposed upon it herein, by paying to the county the amount of the delinquent taxes against the land at the time the county acquired it by tax foreclosure, or the amount of the delinquent taxes against it when it was conveyed to the district by the private owner. [1955 c 73 § 7. Prior: 1939 c 45 § 4; RRS § 9709-4; RCW 53.24.040.]

53.25.080 When lands revert to county. Ten years from the date of its acquisition, property acquired by a port district pursuant to this chapter shall revert to the county to be used the same as property acquired by tax foreclosure, and upon demand by the county commissioners the port commission shall convey the property to the county, unless before the expiration of the ten year period, the port district has adopted a comprehensive plan of harbor improvement which provides for the improvement of an industrial development district which includes such lands or the district has freed the land from the trust imposed upon it as provided in this chapter. [1955 c 73 § 8. Prior: 1939 c 45 § 8; RRS § 9709-8; RCW 53.24.050.]

53.25.090 Conditions precedent to making improvements. No expenditure for improvement of property in an industrial development district, other than the expense of preparing and submitting a plan of improvement shall be made by a port district, and no property shall be acquired by it therefor except as provided for hereinbefore until it has been made a part of the comprehensive scheme of harbor improvements and industrial developments or amendments thereto.

That said comprehensive scheme or amendments thereto shall provide for the development or redevelopment of those marginal lands acquired and a provision for the continuing of the land uses which are hereby declared to constitute public uses and the purposes for which public moneys may be advanced and provide property acquired. [1955 c 73 § 9. Prior: 1939 c 45 § 5; RRS § 9709-5; RCW 53.24.060.]

53.25.100 Powers as to industrial development districts. All port districts wherein industrial development districts have been established are authorized and empowered to acquire by purchase or condemnation or both, all lands, property and property rights necessary for the purpose of the development and improvement of such industrial development district and to exercise the right of eminent domain in the acquirement or damaging of all lands, property and property rights and the levying and collecting of assessments upon property for the payment of all damages and compensation in carrying out the provisions for which said industrial development district has been created; to develop and improve the lands within such industrial development district to make the same suitable and available for industrial uses and purposes; to dredge, bulkhead, fill, grade, and protect such property; to provide, maintain, and operate water, light, power and fire protection facilities and services, streets, roads, bridges, highways, waterways, tracks, and rail and water transfer and terminal facilities and other harbor

and industrial improvements; to execute leases of such lands or property or any part thereof; to establish local improvement districts within such industrial development districts which may, but need not, be coextensive with the boundaries thereof, and to levy special assessments, under the mode of annual installments, over a period not exceeding ten years, on all property specially benefited by any local improvement, on the basis of special benefits, to pay in whole or in part the damages or costs of any improvement ordered in such local improvement district; to issue local improvement bonds in any such local improvement district; to be repaid by the collection of local improvement assessments; and generally to exercise with respect to and within such industrial development districts all the powers now or hereafter conferred by law upon port districts in counties of the first class: *Provided*, That the exercise of powers hereby authorized and granted shall be in the manner now and hereafter provided by the laws of the state for the exercise of such powers by port districts under the general laws relating thereto insofar as the same shall not be inconsistent with this chapter. [1955 c 73 § 10. Prior: 1939 c 45 § 6; RRS § 9709-6; RCW 53.24.070.]

Eminent domain: State Constitution Art. 1 § 16 (Amendment 9); Title 8 RCW.

53.25.110 Sale authorized in industrial development district. When a port commission deems it for the best interests of the district and the people thereof and in furtherance of its general plan of harbor improvement, or industrial development, or both, it may sell and convey any property or part thereof owned by it within an industrial district. This section shall not be limited by chapter 53.08 RCW, pertaining to powers of port districts. [1955 c 73 § 11. Prior: 1939 c 45 § 9; RRS § 9709-9; RCW 53.28.010.]

53.25.120 Notice of hearing on sale—Hearing—Plans and specifications—Conditions—Devotion of property to public use. The port commission shall give notice of the proposed sale by publication in a newspaper of general circulation in the county, and by posting in three public places in the port district at least ten days before the date fixed for the hearing thereon.

The notice shall describe the property to be sold and state that at the time and place specified therein, the commission will meet at its usual meeting place, designating it, to hear and determine the advisability of the sale.

The hearing shall be held not more than twenty days from the publication of notice. At the hearing the commission shall hear the reasons of any taxpayer in the port district, for or against the sale.

No sales shall be made, however, of the property of any industrial development district until the purchaser thereof shall have submitted to the port commission plans and specifications for the development of the property, and the plans and specifications shall be approved in writing before the property shall be conveyed, and the conditions upon which the properties are conveyed shall be set forth in the instrument conveying title

thereof with the further condition that all of the conditions set forth shall be covenants running with the land. All properties acquired in the manner herein set forth shall be devoted to the public use herein provided for. [1985 c 469 § 54; 1963 c 138 § 1; 1955 c 73 § 12. Prior: 1939 c 45 § 10; RRS § 9709-10; RCW 53.28.020.]

Validating—1963 c 138: "All sales made prior to the effective date of this amendatory act which are otherwise valid except for compliance with the limitation in section 12, chapter 73, Laws of 1955, which provided that the hearing shall be held not more than ten days from the publication of notice, are hereby ratified and validated.

All sales made prior to the effective date of this amendatory act under the provisions of section 18, chapter 73, Laws of 1955 and RCW 53.25.180 are hereby ratified and validated." [1963 c 138 § 3.]

53.25.130 Findings and determination—Record—Appeal. Within three days after the hearing the commission shall make its findings and determination on the advisability of making the sale and enter its determination in its records. Any aggrieved party may appeal the determination of the commission by filing appeal with the superior court of the county in which the district is located within twenty days of the entry of the determination but no appeal shall be allowed except on the grounds that the action of the commission was arbitrary, capricious, or unlawful. [1955 c 73 § 13. Prior: 1939 c 45 § 11; RRS § 9709-11; RCW 53.28.030.]

53.25.140 Action on determination—Sale by competitive bid or negotiation. If the determination is against the sale, all proceedings thereon shall terminate. If the commission determines in favor of the sale by at least a two-thirds vote of the full commission, it shall in its discretion, either enter an order fixing a period, not less than twenty nor more than thirty days from the date of the order, during which bids will be received for the property or any part thereof, and give notice thereof in the same manner as for the hearing on the proposal to sell or negotiate the sale with an appropriate purchaser, provided that in any such negotiated sale the purchase price must not be less than the fair market value of the property which shall be determined by an average of at least two independent appraisals performed by licensed real estate brokers or professionally designated real estate appraisers as defined in RCW 74.46.020. Whether the property is sold by competitive bidding or negotiation, other real property conveyed by the purchaser to the commission may constitute all or a portion of the consideration for the sale. [1984 c 195 § 1; 1955 c 73 § 14. Prior: 1939 c 45 § 12; RRS § 9709-12; RCW 53.28.040.]

53.25.150 Competitive bids—Conditions—Acceptance. If the commission chooses to sell the property through competitive bidding under RCW 53.25.140:

(1) Bids may be submitted for the property or any part of it, shall state the use which the bidder intends to make of it, and the commission may require the successful bidder to file additional information as to the intended use, and may require of him security as assurance that the property will be used for that purpose;

(2) All sales shall be made to the best bidder, and in determining the best bid, the commission may also consider the nature of the proposed use and the relation thereof to the improvement of the harbor and the business and facilities thereof;

(3) Within thirty days after the last day for submitting bids, the commission shall decide which if any bids it accepts. All sales shall be made upon such terms and conditions as the commission may prescribe. [1984 c 195 § 2; 1955 c 73 § 15. Prior: 1939 c 45 § 13, part; RRS § 9709-13, part; RCW 53.28.050.]

53.25.160 Devotion of property to intended use—Remedy—Restraint on alienation. The purchaser shall, within one year from the date of purchase, devote the property to its intended use, or shall commence work on the improvements thereon to devote it to such use, and if he fails to do so, the port commission may cancel the sale and return the money paid on the purchase price, and title to the property shall revert to the district. This remedy shall be in addition to any other remedy under the terms of the sale. No purchaser shall transfer title to such property within one year from the date of purchase. [1955 c 73 § 16. Prior: 1939 c 45 § 13, part; RRS § 9709-13, part; RCW 53.28.060.]

53.25.170 Covenant running with the land—Forfeiture. All sales made in accordance with the provisions of this chapter shall have incorporated in the instrument of conveyance of title the conditions of this chapter relating to the use of the land as a covenant running with the land. Any violation of such covenant shall result in a right by the commission, as grantee, to forfeit the land. [1955 c 73 § 17.]

53.25.190 Eminent domain. All port districts of the state of Washington which have created or may hereafter create industrial development districts in the manner provided by law, in addition to all powers possessed by such port districts, be and are hereby granted power of eminent domain to acquire real property within the limits of such industrial development district which property is marginal lands as the term is herein defined. The exercise of the power granted in this section shall be exercised in the same manner and by the same procedure as in or may be provided by law for cities of the first class except insofar as such duties may be inconsistent with the provisions of this chapter and the duties devolving upon the city treasurer under said law be and the same are hereby imposed upon the county treasurer for the purposes of this chapter. [1955 c 73 § 19.]

*Eminent domain: State Constitution Art. 1 § 16 (Amendment 9).
Eminent domain by cities: Chapter 8.12 RCW.*

53.25.200 Advances of general fund moneys or credit. Port districts are hereby granted the power to advance their general fund moneys or credit, or both, without interest to accomplish the objects and purposes of this chapter, which fund shall be repaid from the sale or lease, or both, of such developed or redeveloped lands, provided, if the money advanced for such development

or redevelopment was obtained from the sale of general obligation bonds of the port, then such advances shall bear the same rate of interest that said bonds bore. [1955 c 73 § 20.]

53.25.210 Determination that land sought by eminent domain is marginal. The determination that property sought by eminent domain proceedings is marginal lands as herein defined is a judicial question, provided that a duly adopted resolution of the commissioners of the port district that the property sought is marginal lands as the term is herein defined, setting forth the characteristics of the lands sought to be acquired which constitutes the marginal lands as herein defined, shall be prima facie evidence that such land is marginal lands as defined in this chapter. [1955 c 73 § 21.]

53.25.900 Repeal and saving. Chapter 53.24 RCW and chapter 53.28 RCW and chapter 45, Laws of 1939, as last amended by section 1, chapter 166, Laws of 1943 are repealed: *Provided*, That nothing herein contained shall be construed as affecting any existing right acquired under the provisions of said act. [1955 c 73 § 22.]

53.25.910 Severability—1955 c 73. Should any section or provision of this chapter be held invalid by any court of competent jurisdiction, the same shall not affect the validity of the chapter as a whole or any part thereof other than the portion held to be invalid. [1955 c 73 § 23.]

Chapter 53.29

TRADE CENTER ACT

Sections	
53.29.010	Declaration of purpose.
53.29.020	Power to establish trade centers—Facilities authorized.
53.29.030	Cooperation with other entities—Annual service fee for support of local government.
53.29.900	Short title—Liberal construction—Powers cumulative.
53.29.910	Severability—1967 c 56.

53.29.010 Declaration of purpose. It is declared to be the finding of the legislature of the state of Washington that:

(1) The servicing functions and activities connected with the oceanborne and overseas airborne trade and commerce of port districts, including customs clearance, shipping negotiations, cargo routing, freight forwarding, financing, insurance arrangements and other similar transactions which are presently performed in various, scattered locations in the districts should be centralized to provide for more efficient and economical transportation of persons and more efficient and economical facilities for the exchange and buying, selling and transportation of commodities and other property in world trade and commerce;

(2) Unification, at a single, centrally located site of a facility of commerce, i.e., a trade center, accommodating the functions and activities described in subsection (1) of

this section and the appropriate governmental, administrative and other services connected with or incidental to transportation of persons and property and the promotion and protection of port commerce, and providing a central locale for exhibiting, and otherwise promoting the exchange and buying and selling of commodities and property in world trade and commerce, will materially assist in preserving the material and other benefits of a prosperous port community;

(3) The undertaking of the aforesaid unified trade center project by a port district has the single object of preserving, and will aid in the promotion and preservation of, the economic well being of the port district and the state of Washington and is found and determined to be a public purpose. [1967 c 56 § 1.]

53.29.020 Power to establish trade centers—Facilities authorized. In addition to all other powers granted to port districts, any such district may acquire, as provided for other port properties in RCW 53.08.010, construct, develop, operate and maintain all land or other property interests, buildings, structures or other improvements necessary to provide a trade center including but not limited to:

(1) A facility consisting of one or more structures, improvements and areas for the centralized accommodation of public and private agencies, persons and facilities in order to afford improved service to waterborne and airborne import and export trade and commerce;

(2) Facilities for the promotion of such import and export trade and commerce, inspection, testing, display and appraisal facilities, foreign trade zones, terminal and transportation facilities, office meeting rooms, auditoriums, libraries, language translation services, storage, warehouse, marketing and exhibition facilities, facilities for federal, state, county and other municipal and governmental agencies providing services relating to the foregoing and including, but not being limited to, customs houses and customs stores, and other incidental facilities and accommodations. [1967 c 56 § 2.]

53.29.030 Cooperation with other entities—Annual service fee for support of local government. In carrying out the powers authorized by this chapter, port districts are authorized to cooperate and act jointly with other public and private agencies, including, but not limited to the federal government, the state, other ports and municipal corporations, other states and their political subdivisions, and private nonprofit trade promotion and development organizations.

Port districts operating trade center buildings shall pay an annual service fee to the county treasurer wherein the center is located for municipal services rendered to the trade center building. The measure of such service fee shall be equal to three percent of the gross rentals received from the nongovernmental tenants of such trade center building. Such proceeds shall be distributed by the county treasurer as follows: Forty percent to the school district, forty percent to the city, and twenty percent to the county wherein the center is

located: *Provided*, That if the center is located in an unincorporated area, twenty percent shall be allocated to the fire district, forty percent to the school district, and forty percent to the county. [1967 c 56 § 3.]

53.29.900 Short title—Liberal construction—Powers cumulative. This chapter, which may be known and cited as the "Trade Center Act", shall be liberally construed, its purpose being to provide port districts with additional powers to provide trade centers and to promote and encourage trade through the ports of the state of Washington. The powers herein granted shall be in addition to all others granted to port districts. [1967 c 56 § 4.]

53.29.910 Severability—1967 c 56. If any provision of this chapter, or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons and circumstances is not affected. [1967 c 56 § 5.]

Chapter 53.34 TOLL FACILITIES

Sections	
53.34.010	Toll bridges, tunnels authorized—Highway approaches.
53.34.020	Contracts for use of projects—Regulations—Controversies.
53.34.030	Revenue bonds and notes—Authorized—Purposes—Sale, maturity, cost.
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53.34.050	Covenants to safeguard and secure bonds and notes.
53.34.060	Notes.
53.34.070	Bonds and notes payable solely from revenues, etc.—Adequate rates and charges to be established.
53.34.080	Special funds and accounts—Disposition.
53.34.090	Pledge of moneys, when binding—When lien attaches.
53.34.100	No personal liability on bonds or notes.
53.34.110	District may purchase bonds or notes.
53.34.120	State not to limit or alter rights of district or impair rights or remedies of bond or note holders.
53.34.130	Bonds, notes, obligations not state or district debt—No ad valorem taxes.
53.34.140	Registration of bonds and notes—Prima facie validity.
53.34.150	Bonds and notes as legal investment and security.
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53.34.170	District's power to acquire property, rights, etc.—Gifts—Condemnation—Contracts by public agencies authorized.
53.34.180	Public agencies authorized to contract with district for contribution of money, property, services, etc.
53.34.190	Bylaws, rules for management, uses, charges—Penalty for violation.
53.34.200	Actions for damages, injuries, death—Allegation in complaint of presentment of claim.
53.34.210	Actions—Statute of limitations—Notice and statement to be filed with district.
53.34.220	Chapter supplemental to other laws—Liberal construction.
53.34.900	Severability—1959 c 236.
53.34.910	Chapter controls inconsistent acts.

53.34.210 Actions—Statute of limitations—
Notice and statement to be filed with district. No action against a district for damages for injuries to real or personal property, or for the destruction thereof, or for personal injuries or death, alleged to have been sustained in connection with the acquisition, construction, reconstruction, operation, or maintenance of a project shall be commenced more than one year after the cause of action therefor shall have accrued nor unless a notice of intention to commence such action and of the time when and place where the damages or personal injuries or death were incurred or sustained, together with a verified statement showing in detail the property alleged to have been damaged or destroyed and the value thereof or the personal injuries alleged to have been sustained and by whom, shall have been filed with the secretary of the district in the principal office of the district within six months after such cause of action shall have accrued. [1959 c 236 § 21.]

53.34.220 Chapter supplemental to other laws—
Liberal construction. The powers and rights granted to port districts and public agencies by the provisions of this chapter are in addition and supplemental to and not in substitution of the powers and rights heretofore or hereafter granted to such districts and public agencies by any other law or city charter, and no limitations or restrictions or proceedings for the exercise of powers and rights by port districts and public agencies contained in any other laws or city charters shall apply to the exercise of powers and rights granted by the provisions of this chapter, and the provisions of this chapter shall be liberally construed to permit the accomplishment of the purposes hereof. [1959 c 236 § 22.]

53.34.900 Severability—1959 c 236. If any section, clause or provision of this chapter shall be declared unconstitutional or invalid in whole or in part, to the extent that this chapter is not unconstitutional or invalid this chapter shall be valid and effective, and no other section, clause, or provision hereof shall on account of such declaration be deemed invalid or ineffective. [1959 c 236 § 23.]

53.34.910 Chapter controls inconsistent acts. Insofar as the provisions of this chapter are inconsistent with the provisions of any other act or of any city charter, the provisions of this chapter shall be controlling. [1959 c 236 § 24.]

Chapter 53.35 BUDGETS

Sections	
53.35.010	Preliminary budget.
53.35.020	Publication of notice of preliminary budget and hearing.
53.35.030	Hearing—Final budget.
53.35.040	Final budget to be filed with county commissioners.
53.35.045	Alternate date for filing final budget.
53.35.050	Supplemental budgets.
53.35.060	Fiscal year.

53.35.070	Chapter exclusive method for budgets.
53.35.071	Expenditures for industrial development, trade promotion or promotional hosting—Budgeting required.
53.35.900	Severability—1959 c 159.

53.35.010 Preliminary budget. On or before the 15th day of September of each year each port commission shall prepare a preliminary budget of the port district for the ensuing fiscal year showing the estimated expenditures and the anticipated available funds from which all expenditures are to be paid. [1959 c 159 § 1.]

53.35.020 Publication of notice of preliminary budget and hearing. Following the preparation of the preliminary budget, the port commission shall publish a notice stating that the preliminary budget of the port district has been prepared and placed on file at the office of the port district; that a copy thereof may be obtained by any taxpayer at an address set forth in the notice; that the commission will meet at a date, hour and place set forth in the notice, such date to be not earlier than September 15th and not later than the first Tuesday following the first Monday in October, for the purpose of fixing and adopting the final budget of the port district for the ensuing year. The notice shall be published once each week for two consecutive weeks in a legal newspaper of the district, or if there is none, in any newspaper of general circulation in the county, the first publication to be not less than nine days nor more than twenty days prior to the date of the hearing. [1959 c 159 § 2.]

53.35.030 Hearing—Final budget. On the day set by the notice provided for in RCW 53.35.020 the commission shall meet at the place and hour designated for the purpose of a hearing on the budget and adoption of a final budget. Any person may present objections to the preliminary budget following which the commission shall, by resolution adopt a final budget. [1959 c 159 § 3.]

53.35.040 Final budget to be filed with county commissioners. It shall be the duty of the commissioners of port districts, for the purpose of levying port district taxes, to file with the clerk of the board of county commissioners on or before the Wednesday next following the first Monday in October in each year a certified copy of such final budget which shall specify the amounts to be raised by taxation on the assessed valuation of the property in the port district. [1959 c 159 § 4.]

53.35.045 Alternate date for filing final budget. Notwithstanding any provision of law to the contrary, the board of commissioners of a port district may file with the clerk of the county legislative authority a certified copy of the port district final budget, provided for in RCW 53.35.040, on the first Monday in December. The board of port commissioners may also set other dates relating to the budget process, including but not limited to the dates set in RCW 53.35.010 and 53.35.020 to conform to the alternate date for final budget filing. [1974 ex.s. c 19 § 1.]

53.35.050 Supplemental budgets. A port commission may adopt by resolution one or more supplemental budgets at any time during the fiscal year. Such supplemental budget shall be adopted only after public hearing. Notice of such hearing shall be given by a single publication of notice of the date, place and hour of the hearing in a legal newspaper of the district, or if there is none, in any newspaper of general circulation in the county, the publication of such notice to be at least five days and not more than fifteen days prior to the hearing date. [1959 c 159 § 5.]

53.35.060 Fiscal year. The fiscal year for a port district shall be the calendar year. [1959 c 159 § 6.]

53.35.070 Chapter exclusive method for budgets. The provisions of this chapter shall constitute the exclusive requirement and authority for the preparation, adoption, certification and filing of port district budgets. [1959 c 159 § 7.]

53.35.071 Expenditures for industrial development, trade promotion or promotional hosting—Budgeting required. See RCW 53.36.120.

53.35.900 Severability—1959 c 159. Should any section or parts of sections of this chapter be declared unconstitutional it shall in no case affect the validity of other provisions of this chapter. [1959 c 159 § 8.]

**Chapter 53.36
FINANCES**

Sections	
53.36.010	District treasurer.
53.36.020	Tax levy—Limitation.
53.36.030	Indebtedness—Limitation.
53.36.040	Funds in anticipation of revenues—Warrants.
53.36.050	County treasurer—General and special funds— Depositories—Investment of excess funds.
53.36.060	Incidental expense fund.
53.36.070	Levy for dredging, canal construction, or land leveling or filling purposes.
53.36.080	Collection of levies for dredging, canal construction, or land leveling or filling purposes.
53.36.100	Levy for industrial development district purposes— Notice—Petition—Election.
53.36.110	Levy for industrial development district purposes— Excess funds to be used solely for retirement of gen- eral obligations.
53.36.120	Expenditures for industrial development, trade promo- tion, or promotional hosting—Budgeting required.
53.36.130	Expenditures for industrial development, trade promo- tion, or promotional hosting—Source and amount of funds.
53.36.140	Expenditures for industrial development, trade promo- tion, or promotional hosting—Rules and regula- tions—Authorizations—Vouchers.
53.36.150	Expenditures for industrial development, trade promo- tion, or promotional hosting—Duties of state auditor.

Accounting system and state examination: RCW 43.09.190 through 43.09.230.

Disposition of rentals from waterways located within a port district: RCW 79.93.040.

Tax district relief: Chapter 39.64 RCW.

Vouchers on public funds: Chapter 42.24 RCW.

53.36.010 District treasurer. The treasurer of the county in which a port district is located shall be treasurer of the district unless the commission of a port district which has for the last three consecutive years received annual gross operating revenues of one hundred thousand dollars or more, excluding tax revenues and grants for capital purposes, designates by resolution some other person having experience in financial or fiscal matters as treasurer of the port district to act with the same powers and under the same restrictions as provided by law for a county treasurer acting on behalf of a port district: *Provided*, That any port district which was authorized by the county treasurer to appoint its own treasurer prior to July 24, 1983, may continue to appoint its own treasurer. The commission may, and if the treasurer is not the county treasurer it shall, require a bond, with a surety company authorized to do business in the state of Washington, in an amount and under the terms and conditions which the commission by resolution from time to time finds will protect the district against loss. The premium on such bonds shall be paid by the district. All district funds shall be paid to the treasurer and shall be disbursed by him upon warrants signed by a port auditor appointed by the port commission, upon vouchers approved by the commission. [1983 c 250 § 1; 1974 ex.s. c 13 § 1; 1955 c 348 § 5. Prior: 1921 c 179 § 1, part; 1911 c 92 § 5, part; RRS § 9693, part.]

Severability—1955 c 348: See note following RCW 53.08.120. County treasurer, calling warrants: RCW 36.29.060.

53.36.020 Tax levy—Limitation. A district may raise revenue by levy of an annual tax not to exceed forty-five cents per thousand dollars of assessed value against the assessed valuation of the taxable property in such port district for general port purposes, including the establishment of a capital improvement fund for future capital improvements, except that any levy for the payment of the principal and interest of the general bonded indebtedness of the port district shall be in excess of any levy made by the port district under the forty-five cents per thousand dollars of assessed value limitation. The levy shall be made and taxes collected in the manner provided for the levy and collection of taxes in school districts of the first class. [1973 1st ex.s. c 195 § 56; 1955 c 65 § 11. Prior: 1951 c 133 § 1; 1943 c 166 § 2, part; 1921 c 183 § 1, part; 1917 c 125 § 1, part; 1913 c 62 § 4, part; 1911 c 92 § 4, part; Rem. Supp. 1943 § 9692, part.]

Severability—Effective dates and termination dates—Construction—1973 1st ex.s. c 195: See notes following RCW 84.52.043.

Budgets: Chapter 53.35 RCW.

Levy of taxes: Chapter 84.52 RCW.

Limitation on levies: State Constitution Art. 7 § 2 (Amendments 55 and 59); RCW 84.52.050 through 84.52.056.

School district levy: Chapter 28A.44 RCW.

53.36.030 Indebtedness—Limitation. A district may at any time contract indebtedness or borrow money for district purposes and may issue general obligation

bonds therefor not exceeding an amount, together with any existing indebtedness of the district not authorized by the voters, of one-fourth of one percent of the value of the taxable property in the district; and, with the assent of three-fifths of the voters voting thereon at a general or special port election called for that purpose, may contract indebtedness or borrow money for district purposes and may issue general obligation bonds therefor provided the total indebtedness of the district at any such time shall not exceed three-fourths of one percent of the value of the taxable property in the district: *Provided further*, That port districts having less than two hundred million dollars in value of taxable property and operating a municipal airport may at any time contract indebtedness or borrow money for airport capital improvement purposes and may issue general obligation bonds therefor not exceeding an additional one-eighth of one percent of the value of the taxable property in the district without authorization by the voters; and, with the assent of three-fifths of the voters voting thereon at a general or special port election called for that purpose, may contract indebtedness or borrow money for airport capital improvement purposes and may issue general obligation bonds therefor for an additional three-eighths of one percent provided the total indebtedness of the district for all port purposes at any such time shall not exceed one and one-fourth percent of the value of the taxable property in the district. Any district may issue general district bonds evidencing any indebtedness, payable at any time not exceeding fifty years from the date of the bonds. Such elections shall be held as provided in RCW 39.36.050.

The term "value of the taxable property" shall have the meaning set forth in RCW 39.36.015.

Such bonds shall be issued and sold in accordance with chapter 39.46 RCW. [1984 c 186 § 41; 1970 ex.s. c 42 § 32; 1965 ex.s. c 54 § 1; 1959 c 52 § 1; 1955 c 65 § 12. Prior: 1943 c 166 § 2, part; 1921 c 183 § 1, part; 1917 c 125 § 1, part; 1911 c 92 § 4, part; Rem. Supp. 1943 § 9692, part.]

Purpose—1984 c 186: See note following RCW 39.46.110.

Severability—*Effective date*—1970 ex.s. c 42: See notes following RCW 39.36.015.

Elections to authorize port district bonds: Chapter 39.40 RCW.

General provisions applicable to district bonds: Chapter 39.44 RCW.

Limitation upon indebtedness: State Constitution Art. 8 § 6 (Amendment 27); Chapter 39.36 RCW.

Port district indebtedness authorized, emergency public works: RCW 39.28.030.

53.36.040 Funds in anticipation of revenues—Warrants. (1) Any port commission is hereby authorized, prior to the receipt of taxes raised by levy, to borrow money or issue the warrants of the district in anticipation of the revenues to be derived by such district and such warrants shall be redeemed from the first money available from such taxes when collected. Such warrants may be in any form, including bearer warrants or registered warrants as provided in RCW 39.46.030.

(2) Notwithstanding subsection (1) of this section, such warrants may be issued and sold in accordance

with chapter 39.46 RCW. [1983 c 167 § 136; 1921 c 179 § 2; 1911 c 92 § 12; RRS § 9699.]

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

53.36.050 County treasurer—General and special funds—Depositories—Investment of excess funds. The county treasurer acting as port treasurer shall create a fund to be known as the "Port of ----- Fund," into which shall be paid all money received by him from the collection of taxes in behalf of such port district, and shall also maintain such other special funds as may be created by the port commission into which shall be placed such moneys as the port commission may by its resolution direct. All such port funds shall be deposited with the county depositories under the same restrictions, contracts and security as is provided by statute for county depositories and all interest collected on such port funds shall belong to such port district and shall be deposited to its credit in the proper port funds: *Provided*, That any portion of such port moneys determined by the port commission to be in excess of the current needs of the port district may be invested in certificates, notes, bonds, or other obligations of the United States of America, or any agency or instrumentality thereof, and all interest collected thereon shall likewise belong to such port district and shall be deposited to its credit in the proper port funds. [1959 c 52 § 2; 1921 c 179 § 3; 1911 c 92 § 13; RRS § 9700.]

County depositories: Chapter 36.48 RCW.

53.36.060 Incidental expense fund. The port commission of any port district may, by resolution, create an incidental expense fund in such amount as the port commission may direct. Such incidental expense fund may be kept and maintained in a bank or banks designated in the resolution creating the fund, and such depository shall be required to give bonds or securities to the port district for the protection of such incidental expense fund, in the full amount of the fund authorized by the said resolution. Vouchers shall be drawn to reimburse said incidental expense fund and such vouchers shall be approved by the port commission. Transient labor, freight, express, cartage, postage, petty supplies, and minor expenses of the port district may be paid from said incidental expense fund and all such disbursements therefrom shall be by check of the port auditor or such other officer as the port commission shall by resolution direct. All expenditures from said incidental expense fund shall be covered by vouchers drawn by the port auditor and approved by the manager or such other officer of the port district as the port commission may by resolution direct. The officer disbursing said fund shall be required to give bond to the port district in the full authorized amount of the said incidental expense fund for the faithful performance of his duties in connection with the disbursement of moneys from such fund. [1933 c 189 § 16; RRS § 9699-1.]

53.36.070 Levy for dredging, canal construction, or land leveling or filling purposes. Any port district organized under the laws of this state shall, in addition to the powers otherwise provided by law, have the power to raise revenue by the levy and collection of an annual tax on all taxable property within such port district of not to exceed forty-five cents per thousand dollars of assessed value against the assessed valuation of the taxable property in such port district, for dredging, canal construction, or land leveling or filling purposes, the proceeds of any such levy to be used exclusively for such dredging, canal construction, or land leveling and filling purposes: *Provided*, That no such levy for dredging, canal construction, or land leveling or filling purposes under the provisions of RCW 53.36.070 and 53.36.080 shall be made unless and until the question of authorizing the making of such additional levy shall have been submitted to a vote of the electors of the district in the manner provided by law for the submission of the question of providing additional levies in school districts of the first class at an election held under the provisions of RCW 29.13.020 and shall have been authorized by a majority of the electors voting thereon. [1983 c 3 § 162; 1973 1st ex.s. c 195 § 57; 1965 ex.s. c 22 § 1; 1925 c 29 § 1; RRS § 9692-1.]

*Severability—Effective dates and termination dates—Construction—*1973 1st ex.s. c 195: See notes following RCW 84.52.043.

53.36.080 Collection of levies for dredging, canal construction, or land leveling or filling purposes. Whenever such additional levy for dredging, canal construction, or land leveling or filling purposes shall have been authorized by the electors of the district at an election, held subsequent to the time of making the levy for the district for general purposes, in any year, such levy shall be certified by the port commission in the manner provided by law for certifying levies for general purposes of the district, and shall be forthwith spread and extended upon the tax rolls for the current year, and the taxes so levied and extended shall be collected in the manner provided by law for the collection of general taxes. [1965 ex.s. c 22 § 2; 1925 c 29 § 2; RRS § 9692-2.]

Collection of taxes, generally: Chapter 84.56 RCW.

53.36.100 Levy for industrial development district purposes—Notice—Petition—Election. A port district having adopted a comprehensive scheme of harbor improvements and industrial developments may thereafter raise revenue, for twelve years only, in addition to all other revenues now authorized by law, by an annual levy not to exceed forty-five cents per thousand dollars of assessed value against the assessed valuation of the taxable property in such port district. Said levy shall be used exclusively for the exercise of the powers granted to port districts under chapter 53.25 RCW except as provided in RCW 53.36.110. The levy of such taxes is herein authorized notwithstanding the provisions of RCW 84.52.050 and 84.52.043. The revenues derived from levies made under RCW 53.36.100 and 53.36.110 not expended in the year in which the levies are made may be paid into a fund for future use in carrying out

the powers granted under chapter 53.25 RCW, which fund may be accumulated and carried over from year to year, with the right to continue to levy the taxes provided for in RCW 53.36.100 and 53.36.110 for the purposes herein authorized.

If a port district intends to levy a tax under this section for one or more years after the first six years authorized in this section, the port commission shall publish notice of this intention, in one or more newspapers of general circulation within the district, by June 1 of the year in which the first levy of the seventh through twelfth year period is to be made. If within ninety days of the date of publication a petition is filed with the county auditor containing the signatures of eight percent of the number of voters registered and voting in the port district for the office of the governor at the last preceding gubernatorial election, the county auditor shall canvass the signatures in the same manner as prescribed in RCW 29.79.200 and certify their sufficiency to the port commission within two weeks. The proposition to make these levies in the seventh through twelfth year period shall be submitted to the voters of the port district at a special election, called for this purpose, no later than the date on which a primary election would be held under RCW 29.13.070. The levies may be made in the seventh through twelfth year period only if approved by a majority of the voters of the port district voting on the proposition. [1982 1st ex.s. c 3 § 1; 1979 c 76 § 1; 1973 1st ex.s. c 195 § 58; 1957 c 265 § 1.]

*Effective date—*1982 1st ex.s. c 3: "This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect April 1, 1982." [1982 1st ex.s. c 3 § 3.] This applies to the enactment of RCW 84.55.045 and the 1982 1st ex. sess. amendment of RCW 53.36.100.

*Severability—Effective dates and termination dates—Construction—*1973 1st ex.s. c 195: See notes following RCW 84.52.043.

Levy by port district under RCW 53.36.100—Application of chapter 84.55 RCW: RCW 84.55.045.

53.36.110 Levy for industrial development district purposes—Excess funds to be used solely for retirement of general obligations. In the event the levy herein authorized shall produce revenue in excess of the requirements to complete the projects of a port district then provided for in its comprehensive scheme of harbor improvements and industrial developments or amendments thereto, said excess shall be used solely for the retirement of general obligation bonded indebtedness. [1957 c 265 § 2.]

53.36.120 Expenditures for industrial development, trade promotion, or promotional hosting—Budgeting required. Under the authority of Article VIII, section 8, of the state Constitution, port district expenditures for industrial development, trade promotion or promotional hosting shall be pursuant to specific budget items as approved by the port commission at the annual public hearings on the port district budget. [1967 c 136 § 1.]

53.36.130 Expenditures for industrial development, trade promotion, or promotional hosting—Source and

amount of funds. Funds for promotional hosting expenditures shall be expended only from gross operating revenues and shall not exceed one percent thereof upon the first two million five hundred thousand dollars of such gross operating revenues, one-half of one percent upon the next two million five hundred thousand dollars of such gross operating revenues, and one-fourth of one percent on the excess over five million dollars of such operating revenues: *Provided, however,* That in no case shall these limitations restrict a port district to less than twenty-five hundred dollars per year from any funds available to the port. [1967 c 136 § 2.]

53.36.140 Expenditures for industrial development, trade promotion, or promotional hosting—Rules and regulations—Authorizations—Vouchers. Port commissions shall adopt, in writing, rules and regulations governing promotional hosting expenditures by port employees or agents. Such rules shall identify officials and agents authorized to make such expenditures and the approved objectives of such spending. Port commissioners shall not personally make such expenditures, or seek reimbursement therefor, except where specific authorization of such expenditures has been approved by the port commission. All payments and reimbursements shall be identified and supported on vouchers approved by the port auditor. [1967 c 136 § 3.]

53.36.150 Expenditures for industrial development, trade promotion, or promotional hosting—Duties of state auditor. The state auditor shall, as provided in chapter 43.09 RCW:

(1) Audit expenditures made pursuant to RCW 53.36.120 through 53.36.150; and

(2) Promulgate appropriate rules and definitions as a part of the uniform system of accounts for port districts to carry out the intent of RCW 53.36.120 through 53.36.150: *Provided,* That such accounts shall continue to include "gross operating revenues" which shall be exclusive of revenues derived from any property tax levy except as provided in RCW 53.36.130. [1967 c 136 § 4.]

Chapter 53.40

REVENUE BONDS AND WARRANTS

Sections

53.40.010	Revenue bonds authorized.
53.40.020	Purposes for which bonds may be issued and sold.
53.40.030	Bonds—Term, form, etc.
53.40.040	Bonds payable solely out of revenues—Special funds.
53.40.050	Sale of bonds to federal government.
53.40.110	Interest, signatures, sale of bonds—Covenants—Safeguards—Enforcement.
53.40.120	Irregularity in bonds or use of funds no defense.
53.40.130	Funding, refunding bonds.
53.40.135	Revenue warrants.
53.40.140	Construction of chapter.
53.40.150	Validation—1959 c 183.

53.40.010 Revenue bonds authorized. The port commission of any port district is authorized for the purpose of carrying out the lawful powers granted port districts by the laws of the state to contract indebtedness and to

issue revenue bonds evidencing such indebtedness in conformity with this chapter. [1959 c 183 § 1; 1957 c 59 § 1; 1949 c 122 § 1; Rem. Supp. 1949 § 9711-1.]

Declaratory judgments of local bond issues: Chapter 7.25 RCW.

53.40.020 Purposes for which bonds may be issued and sold. All such revenue bonds authorized under the terms of this chapter may be issued and sold by the port district from time to time and in such amounts as is deemed necessary by the port commission to provide sufficient funds for the carrying out of all port district powers, and without limiting the generality thereof, shall include the following: Acquisition, construction, reconstruction, maintenance, repair, additions and operation of port properties and facilities, including in the cost thereof engineering, inspection, accounting, fiscal and legal expenses; the cost of issuance of bonds, including printing, engraving and advertising and other similar expenses; payment of interest on the outstanding bonds issued for any project during the period of actual construction and for six months after the completion thereof, and the proceeds of such bond issue are hereby made available for all such purposes. [1959 c 183 § 2; 1957 c 59 § 3. Prior: 1949 c 122 § 2, part; Rem. Supp. 1949 § 9711-2, part.]

53.40.030 Bonds—Term, form, etc. (1) The port commission shall determine the form, conditions, and denominations of all such bonds, the maturity date or dates which the bonds so sold shall bear, and the interest rate or rates thereon. It shall not be necessary that all bonds of the same authorized issue bear the same interest rate or rates. Principal and interest of the bonds shall be payable at such place or places as may be fixed and determined by the port commission. The bonds may contain provisions for registration thereof as to principal only or as to both principal and interest as provided in RCW 39.46.030. The bonds shall have interest payable at such time or times as may be determined by the port commission and in such amounts as it may prescribe. The port commission may provide for retirement of bonds issued under this chapter at any time or times prior to their maturity, and in such manner and upon the payment of such premiums as may be fixed and determined by resolution of the port commission.

(2) Notwithstanding subsection (1) of this section, such bonds may be issued and sold in accordance with chapter 39.46 RCW. [1983 c 167 § 137; 1970 ex.s. c 56 § 73; 1969 ex.s. c 232 § 37; 1959 c 183 § 3; 1957 c 59 § 4. Prior: 1949 c 122 § 2, part; Rem. Supp. 1949 § 9711-2, part.]

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

Purpose—1970 ex.s. c 56: See note following RCW 39.52.020.

Validation—Saving—Severability—1969 ex.s. c 232: See notes following RCW 39.52.020.

Bonds—Form, terms of sale, payment, etc.: Chapter 39.44 RCW.

53.40.040 Bonds payable solely out of revenues—Special funds. Bonds issued under the provisions of this chapter shall be payable solely out of operating revenues

of the port district. Such bonds shall be authorized by resolution adopted by the port commission, which resolution shall create a special fund or funds into which the port commission may obligate and bind the port district to set aside and pay any part or parts of, or all of, or a fixed proportion of, or a fixed amount of the gross revenue of the port district for the purpose of paying the principal of and interest on such bonds as the same shall become due, and if deemed necessary to maintain adequate reserves therefor. Such fund or funds shall be drawn upon solely for the purpose of paying the principal and interest upon the bonds issued pursuant to this chapter.

The bonds shall be negotiable instruments within the provisions and intent of the negotiable instruments law of this state, even though they shall be payable solely from such special fund or funds, and the tax revenue of the port district may not be used to pay, secure, or guarantee the payment of the principal of and interest on such bonds. The bonds and any coupons attached thereto shall state upon their face that they are payable solely from such special fund or funds. If the port commission fails to set aside and pay into such fund or funds the payments provided for in such resolution, the owner of any such bonds may bring suit to compel compliance with the provisions of the resolution. [1983 c 167 § 138; 1959 c 183 § 4; 1957 c 59 § 5; 1949 c 122 § 4; Rem. Supp. 1949 § 9711-4.]

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

Negotiable instruments—Uniform Commercial Code: Title 62A RCW.

53.40.050 Sale of bonds to federal government. Port districts may, but are not required by the terms of this chapter to do so, sell any or all such bonds issued pursuant to this chapter to the federal government, or any agency of the federal government, at private sale and without the necessity of public advertisement or calling for bids. [1959 c 183 § 5; 1957 c 59 § 6; 1949 c 122 § 3; Rem. Supp. 1949 § 9711-3.]

Bonds sold to government at private sale: Chapter 39.48 RCW.

53.40.110 Interest, signatures, sale of bonds—Covenants—Safeguards—Enforcement. (1) The bonds issued pursuant to the provisions of this chapter shall bear interest at such rate or rates as authorized by the port commission; shall be signed on behalf of the port district by the president of the port commission and shall be attested by the secretary of the port commission, one of which signatures may be a facsimile signature, and shall have the seal of the port district impressed thereon; any interest coupons attached thereto shall be signed by the facsimile signatures of said officials. Such bonds shall be sold in the manner and at such price as the port commission shall deem best, either at public or private sale.

The port commission may provide such covenants as it may deem necessary to secure the payment of the principal of and interest on such bonds and may but shall

not be required to include covenants to create a reserve fund or account and to authorize the payment or deposit of certain moneys therein for the purpose of securing the payment of such principal and interest; to establish, maintain, and collect tariffs, rates, charges, fees, rentals, and sales prices on facilities and services the income of which is pledged for the payment of such bonds, sufficient to pay or secure the payment of such principal and interest and to maintain an adequate coverage over annual debt service; and to make any and all other covenants not inconsistent with the provisions of this chapter which will increase the marketability of such bonds. The port commission may also provide that revenue bonds payable out of the same source or sources may later be issued on a parity with any revenue bonds being issued and sold. The provisions of this chapter and any resolution or resolutions providing for the authorization, issuance, and sale of such bonds shall constitute a contract with the owners of such bonds, and the provisions thereof shall be enforceable by any owner of such bonds by mandamus or any appropriate suit, action or proceeding at law or in equity in any court of competent jurisdiction.

(2) Notwithstanding subsection (1) of this section, such bonds may be issued and sold in accordance with chapter 39.46 RCW. [1983 c 167 § 139; 1970 ex.s. c 56 § 74; 1969 ex.s. c 232 § 38; 1959 c 183 § 6; 1949 c 122 § 9; Rem. Supp. 1949 § 9711-8.]

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

Purpose—1970 ex.s. c 56: See note following RCW 39.52.020.

Validation—Saving—Severability—1969 ex.s. c 232: See notes following RCW 39.52.020.

Mandamus: Chapter 7.16 RCW.

53.40.120 Irregularity in bonds or use of funds no defense. The Reconstruction Finance Corporation, or any other agency of the United States government making any such loan, or any other holder or owner of any bonds issued pursuant to this chapter, shall not be required to see to the application of the moneys derived from such bonds to the purposes for which the bonds are issued as specified in any resolution authorizing the issuance thereof. No defense of invalidity, or irregularity in any such bonds funded or refunded by the issuance of bonds hereunder, shall be a valid defense in any action at law or equity for a judgment upon or for the enforcement or collection of any bonds issued pursuant to this chapter, and no court shall have jurisdiction to entertain any such defense in any such action or proceeding. [1957 c 59 § 10. Prior: 1949 c 122 § 7, part; Rem. Supp. 1949 § 9711-6, part.]

53.40.130 Funding, refunding bonds. (1) The port commission of any port district may by resolution, from time to time, provide for the issuance of funding or refunding revenue bonds to fund or refund any outstanding revenue warrants, bonds, and any premiums and interest due thereon at or before the maturity of such warrants or bonds, and may combine various outstanding revenue warrants and parts or all of various series

and issues of outstanding revenue bonds and any matured coupons in the amount thereof to be funded or refunded.

The port commission shall create a special fund for the sole purpose of paying the principal of and interest on such funding or refunding revenue bonds, into which fund the commission shall obligate and bind the port district to set aside and pay any part or parts of, or all of, or a fixed proportion of, or a fixed amount of the gross revenue of the port district sufficient to pay such principal and interest as the same shall become due, and if deemed necessary to maintain adequate reserves therefor.

Such funding or refunding bonds shall be negotiable instruments within the provisions and intent of the negotiable instruments law of this state, and the tax revenue of the port district may not be used to pay, secure, or guarantee the payment of the principal of and interest on such bonds. Such bonds may be in any form, including bearer bonds or registered bonds as provided in RCW 39.46.030.

The port district may exchange such funding or refunding bonds for the warrants, bonds, and any coupons being funded or refunded, or it may sell such funding or refunding bonds in the manner, at such rate or rates of interest and at such price as the port commission shall deem to be for the best interest of the district and its inhabitants, either at public or private sale.

The provisions of this chapter relating to the terms, conditions, covenants, issuance, and sale of revenue bonds shall be applicable to such funding or refunding bonds except as may be otherwise specifically provided in this section.

(2) Notwithstanding subsection (1) of this section, such bonds may be issued and sold in accordance with chapter 39.46 RCW. [1983 c 167 § 140; 1970 ex.s. c 56 § 75; 1969 ex.s. c 232 § 39; 1959 c 183 § 7; 1949 c 122 § 8; Rem. Supp. 1949 § 9711-7.]

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

Purpose—1970 ex.s. c 56: See note following RCW 39.52.020.

Validation—Saving—Severability—1969 ex.s. c 232: See notes following RCW 39.52.020.

53.40.135 Revenue warrants. Port districts may also issue revenue warrants for the same purposes for which they may issue revenue bonds, and the provisions of this chapter relating to the terms, conditions, covenants, issuance, and sale of revenue bonds shall be applicable to such revenue warrants. [1959 c 183 § 8.]

53.40.140 Construction of chapter. This chapter shall be complete authority for the issuance of the bonds and warrants hereby authorized, and shall be liberally construed to accomplish its purposes. Any restrictions, limitations or regulations relative to the issuance of such bonds or warrants contained in any other act shall not apply to the bonds or warrants issued under this chapter. Any act inconsistent herewith shall be deemed modified to conform with the provisions of this chapter for the

purpose of this chapter only. [1949 c 122 § 10; Rem. Supp. 1949 § 9711-9.]

53.40.150 Validation—1959 c 183. Any sale of revenue bonds or warrants of port districts heretofore made, whether at public or private sale and whether at par or less than par as authorized herein, and any terms, conditions, and covenants of any revenue bonds or warrants of port districts heretofore issued, are hereby declared to be valid, legal, and binding in all respects: *Provided, however,* That this section shall not be construed to exonerate any officer or agent of any such district from any liability for any acts which were committed fraudulently or in bad faith. [1959 c 183 § 9.]

Chapter 53.44

FUNDING AND REFUNDING INDEBTEDNESS— 1947 ACT

Sections

53.44.010 Funding and refunding authorized.
53.44.030 Maturities—Payment.

Funding and refunding revenue bonds: RCW 53.40.130.

Public bonds, form, terms of sale, payment, etc.: Chapter 39.44 RCW.

53.44.010 Funding and refunding authorized. The board of commissioners of any port district of the state may fund or refund any of the general bonded indebtedness and/or warrants of the district now or hereafter existing and accrued interest thereon, and may combine various series and/or issues of warrants and/or bonds into a single issue of funding or refunding bonds, by the issuance of general obligation funding or refunding bonds, when the board, by resolution, finds, determines, and declares that such proposed funding or refunding will inure to the benefit and credit of the district and will not result in an increase of the district's indebtedness or in an increase in the rate of interest borne by the indebtedness so funded or refunded. Such funding or refunding may be accomplished by the sale of said funding or refunding bonds or by their exchange for the bonds and/or warrants to be refunded. General obligation bonds of a port district which do not provide for prior redemption, may also be refunded with the consent of the holders thereof. Such bonds shall be issued in accordance with chapter 39.46 RCW. [1984 c 186 § 42; 1947 c 239 § 1; Rem. Supp. 1947 § 5623-1.]

Purpose—1984 c 186: See note following RCW 39.46.110.

53.44.030 Maturities—Payment. Such funding or refunding bonds shall run for a period of not exceeding twenty years from date thereof. The board may apply to the payment of the funding or refunding bonds and to the prior redemption thereof any other moneys or funds belonging to the district which are legally available for such purpose. [1984 c 186 § 43; 1947 c 239 § 3; Rem. Supp. 1947 § 5623-3.]

Purpose—1984 c 186: See note following RCW 39.46.110.

1 IN THE SENATE

BY DUNCAN, ZHAROFF,
KERTTULA AND SZYMANSKI

2

SENATE BILL NO. 168

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to establishment of a port authority
7 by a municipality."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 29.35 is amended by adding new sections to read:

10

ARTICLE 9. PORT AUTHORITIES.

11

Sec. 29.35.600. ESTABLISHMENT OF AUTHORITY. (a) A borough,
12 unified municipality, or city in the unorganized borough may establish
13 a port authority. The authority shall be a corporate public body that
14 may sue and be sued in any court of the state. The authority pos-
15 sesses all powers specified in the ordinance under which it is formed
16 in addition to those enumerated in AS 29.35.600 - 29.35.690.

17

(b) In a resolution proposing formation of a port authority, the
18 governing body shall set a date for the holding of a public hearing on
19 the adoption of a proposed ordinance establishing the authority and
20 designating the powers of the authority. After the public hearing, if
21 the governing body intends to proceed with the establishment of the
22 authority, it must do so by ordinance subject to voter approval.

23

(c) At the time of adopting an ordinance proposing formation of
24 a port authority, the governing body shall issue a call for nomination
25 of port commissioners, specifying the filing deadline and procedure
26 for making nominations. The election of the initial members of the
27 port commission shall take place at the same time as the election on
28 the question of forming a port authority. If at least one candidate
29 for each of the three commission seats is not nominated, the proposal

1 to form a port authority is void and no election on the question shall
2 be held.

3 Sec. 29.35.610. PORT COMMISSION. (a) A port authority shall be
4 under the supervision and control of a port commission consisting of
5 three elected members. The term of a member is six years, except that
6 one initial member shall serve a term of four years, and one initial
7 member shall serve a term of five years, to be determined by lot.
8 Commission members may be reelected.

9 (b) A vacancy on the commission shall be filled by appointment
10 by the mayor. An appointed member serves for the remainder of the
11 term to which appointed. On notice and an opportunity to be heard, a
12 member of the commission may be removed for cause by the governing
13 body. Removal of a member is subject to review by the superior court.

14 (c) The commission shall adopt rules governing its procedure and
15 the holding of regular meetings. Special meetings may be held when
16 called in the manner provided in the rules of the commission.

17 Sec. 29.35.620. EXECUTIVE DIRECTOR AND EMPLOYEES. (a) The port
18 commission may employ and fix the compensation of a director, subject
19 to the approval of the governing body of the municipality. The direc-
20 tor serves at the pleasure of the commission. A member of the commis-
21 sion is not eligible to hold the position of director.

22 (b) The commission may retain legal counsel to advise the com-
23 mission in the proper performance of its duties. The legal counsel
24 shall represent the commission in actions brought by or against the
25 commission.

26 (c) The commission may employ other personnel considered neces-
27 sary by the commission.

28 (d) The employees of the commission may participate in municipal
29 retirement and insurance programs of the municipality.

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Sec. 29.35.630. POWERS. The port commission may

(1) study and analyze the effect of economic changes and growth on the waterfront and waterways;

(2) acquire, construct, repair, renovate, and manage sea walls, jetties, piers, wharves, docks, boat landings, and other harbor improvements, warehouses, cold storage plants, grain bins, bunkers, ferries, bridges, and other facilities for the handling, storing, and transporting of freight and passengers, or the processing of seafood, agricultural products, and other goods;

(3) develop long-range plans, in cooperation with the governing body, designed to promote the economic growth of the municipality;

(4) implement any plan of development in waterways or in the waterfront areas in accordance with the powers of the port authority under AS 29.35.600 - 29.35.690 or the ordinance under which the authority is established;

(5) make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties;

(6) acquire and convey, or otherwise dispose of, land and other property;

(7) fix, charge, and collect fees, rents, and charges for the use of a building or property under its control or any part of it, or facility in it, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority;

(8) lease a building or property under its control;

(9) accept grants and donations from a public or private source.

Sec. 29.35.640. EMINENT DOMAIN. A municipality may take private property under AS 09.55.420 - 09.55.460 for the purpose of transfer to

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1 the port authority, and may transfer the property to the authority on
2 terms and conditions it considers appropriate, and the taking, trans-
3 fer, and use shall be considered necessary for public purposes and for
4 the benefit of the public.

5 Sec. 29.35.650. FINANCING. (a) The activities of the port
6 authority shall be financed from one or more of the following sources:

7 (1) donations to the authority for the performance of its
8 functions;

9 (2) money borrowed and to be repaid;

10 (3) revenue from any property, building, or facility owned,
11 leased, licensed, or operated by the authority or under its control,
12 subject to the limitations imposed upon the authority by trusts or
13 other agreements;

14 (4) money obtained from other sources approved by the
15 governing body of the municipality.

16 (b) Upon approval of a development plan under AS 29.35.670, the
17 authority may borrow money and issue negotiable revenue bonds as
18 provided for a municipality under AS 29.47. Revenue bonds issued by
19 the authority are not a debt of the municipality or the state.

20 Sec. 29.35.660. DEVELOPMENT PLAN. When the port commission
21 decides to finance a project in whole or in part by the use of revenue
22 bonds, it shall prepare a development plan for submission to the
23 governing body. The development plan must contain

24 (1) the boundaries of the project area in relation to
25 highways, streets, streams, or otherwise and a legal description of
26 the area;

27 (2) the location and extent of existing streets and other
28 public and private structures within the project area and a
29 designation of the location, character, and extent of the categories

- 1 of public and private land uses proposed for the project area;
- 2 (3) a description of existing improvements in the project
3 area to be demolished, repaired, or altered, a description of any
4 repairs and alterations, and an estimate of the time required for
5 completion;
- 6 (4) the location, extent, character, and estimated cost of
7 the improvements including rehabilitation contemplated for the project
8 area and an estimate of the time required for completion;
- 9 (5) a statement of the construction or stages of construc-
10 tion planned, and the estimated time of completion of each stage;
- 11 (6) a description of any parts of the project area to be
12 left as open space and the use contemplated for the space;
- 13 (7) a description of any portions of the project area that
14 the commission intends to sell, donate, exchange, or lease to or from
15 the municipality and the proposed terms;
- 16 (8) a description of desired zoning changes and changes in
17 streets, street levels, intersections, and utilities;
- 18 (9) an estimate of the cost of the project and a statement
19 of the proposed method of financing the project and the ability of the
20 authority to arrange the financing;
- 21 (10) designation of the person to whom all or a portion of
22 the project is to be leased, sold, or conveyed if that information is
23 available to the commission.

24 Sec. 29.35.670. APPROVAL OF DEVELOPMENT PLAN. (a) Upon receipt
25 of a development plan from the port authority, the governing body
26 shall hold a public hearing on the plan. After the public hearing,
27 the governing body shall by ordinance approve or reject the plan, or
28 approve it with modification.

29 (b) Amendments to an approved development plan must be submitted

*approve
plan with
mod.*

1 by the authority to the governing body for approval or rejection.

2 Sec. 29.35.680. BUDGET. The director of the port authority
3 shall prepare and submit for the approval of the port commission a
4 budget for the operation of the authority for the ensuing fiscal year.
5 The budget shall be prepared in the manner and contain the information
6 required of municipal departments. Before the budget may be adopted
7 by the commission, it must be approved by the governing body of the
8 municipality. Money of the municipality may not be included in the
9 budget of the authority except that money authorized by the governing
10 body of the municipality.

11 Sec. 29.35.690. DISSOLUTION. A port authority may be dissolved
12 by ordinance approved by the voters. The property and assets of the
13 authority remaining after the satisfaction of the obligations of the
14 authority belong to the municipality.

Alaska State Legislature

ARLISS STURGUIEWSKI, Chairman
TIM KELLY, Vice Chairman
RICK HALFORD
MIKE SZYMANSKI
FRED ZHAROFF



P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4989

Senate Community and Regional Affairs Committee

TO: Senate C&RA Members

March 24, 1987

FROM: Senate C&RA Staff

ME

RE: SB 168 - "An Act relating to establishment of a port authority by a municipality."

SB 168 is designed to enable municipalities to establish their own port authority commissions. The bill's goal is to create a mechanism that municipalities can use to focus on water related economic development.

Alaska currently has a port facilities and development act, however, it stipulates that funding must be appropriated by the state. SB 168 would allow funds to be raised by any legal means approved by the appropriate city council or borough assembly.

The bill provides that a municipality's port authority commission would be established by ordinance and three commissioner's elected. The commission would do its own budget and long range planning. The bill is based on legislation from the State of Washington.

This packet contains a memo from the sponsor and his sectional analysis, a memo from the Senate Advisory Council, and the existing state law on ports.



Official Business

Alaska State Legislature

Senate

MAR 10 1987

P.O. BOX V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

DATE: March 9, 1987

TO: Senator Arliss Sturgulewski
Chairman
Community & Regional Affairs Committee

FROM: Senator Jim Duncan

RE: SB 168, Port Authorities bill

I respectfully request that a hearing for Senate Bill No. 168 be scheduled at the earliest convenience.

The Port Authority bill would enable local governing bodies to establish their own Port Authority Commissions which, in turn, will allow them to focus some attention on waterfront development. It is my contention that Alaska has a great potential for waterfront development and we need to initiate the necessary action it will take to unleash that potential. I believe the Port Authority bill is a good start.

The economic growth to many of Alaska's communities could be tremendous through development and planning of our Ports while utilizing creative financing. A Port Commission would be established by ordinance and have three elected officials. No state dollars are to allocated through this legislation.

Thank you for your consideration on SB 168.



Official Business

Alaska State Legislature

Senate

P.O. BOX V
State Capitol
Juneau, Alaska 99811

BILL ANALYSIS OF
SENATE BILL NO. 168

"An Act relating to establishment of a port authority by a municipality."

The legislation would be added to Title 29, Chapter 35 of the Alaska Statutes.

Under Section 29.35.600, the Port Authority Commission may be established with the adoption of an ordinance by the governing body. Also include in this section are the procedures for the nomination and ensuing election of commissioners.

Under Section 29.35.610, the Port Authority is supervised and controlled by the Port Commission. This section explains the term of a Port Commissioner and allows for the adoption of meeting rules.

Under Section 29.35.620, the Port Commission may employ a director, retain legal counsel, and employ other personnel deemed necessary.

Under Section 29.35.630, the powers of the Port Commission are described including economic analysis, acquisition of property, development of plans, entering into contracts, raise revenues, lease property, and accept grants and donations.

Under Section 29.35.650, the financing of the Port Authority is explained. Finances may be obtained through donations, borrowed money, revenues from any property, building, or facility under its control, and the issuance of revenue bonds (these revenue bonds are not a debt of the municipality or state).

Under Section 29.35.660, when the Port Commission proposes a project using revenue bonds, a Development Plan is to be prepared and submitted to the governing body. This section explains what a Development Plan must contain.

Under Section 29.35.670, the procedure for the approval of a Development Plan from the Port Commission is covered.

Page two

Under Section 29.35.680, the budget shall be prepared by the Director of the Port Authority with approval by the governing body. The budget may not include money of the municipality except if authoized by the governing body.

Alaska State Legislature

Senate Advisory Council



P.O. Box V
State Capitol
Juneau, Alaska 99811
Phone: (907) 465-3114

MEMORANDUM

TO: Senator Duncan
Alaska State Senate

ATTN: Ron Whitcraft

FROM: Lee Ann Lucas *ml*
Senate Advisory Council

DATE: February 18, 1987

RE: Port Authorities

Referencing your request for information on the organization, administration and authorities of various port authorities, I offer the following.

Today, there are 105 state, local, county or independent public seaports in the United States and its territories, 76 of them Corporate members of the American Association of Port Authorities (AAPA). Historically, port development and operation in the United States has been a local or state function. There is considerable variety in the structure, powers and the purpose of port authorities in the United States.

I contacted Mr. Rexford Sherman, Director for Research and Information Services with the AAPA. Mr. Sherman provided a copy of a report entitled "Public Port Agencies In The United States and Canada" (copy attached) which gives an overview of port authorities.

Also attached is a listing of the AAPA Corporate Member Ports. As you can see, the complexity becomes evident in looking at just the port authorities that comprise the U.S. corporate membership of the APPA. Some are administrative divisions of state government. Others are in effect public corporations set up under state law and directed to develop specific port areas in the public interest. Some are state port authorities with responsibility for the several ports that may lie in a given state. In other instances, states have created port administrations that are basically political subdivisions of the state, frequently called navigation districts, which like other such subdivisions (e.g., school districts or

Senator Duncan
2/18/87
Page 2

townships) have the power to tax and float bonds. In addition there are county and municipal port departments and, to further complicate the picture, bi-state port authorities with jurisdictions covering two states.

In the North Atlantic, the preference appears to have been for public corporations, state port administrations and bi-state ports. State port authorities are most common in the South Atlantic. Independent navigation districts are particularly popular in the Gulf and Pacific Northwest, while municipal port departments are favored in California.

The variety of port structure types and their distribution among the various U.S. port ranges is indicated in the attached chart. For example, the Massachusetts Port Authority is a autonomous public corporation set up through an act of the legislature which has a seven-member Board of Directors appointed by the Governor. The Port of Bellingham is defined as an independent navigation district which has three elected Commissioners. Attached are the enabling acts for the State of Washington and the State of Massachusetts.

Most U.S. port authorities (though there are exceptions) are governed by a board of commissioners (or directors) which oversee port policy and operations as custodians of the public interest. But among the 80 U.S. member port authorities, most boards (48) are appointed, usually by a governor (sometimes with the advice and consent of the state legislature), mayor, city council or county commissioners. Twenty-two boards, however, are elected by local voters. Nine have no board whatsoever. Elected boards are most common among independent navigation districts. On the other hand, state port authorities and other state-chartered port corporations are generally appointive. Typically, state port departments do not have a board of any sort.

After you have had a chance to review the attached materials, please call me and I will collect the enabling acts, charters and information you feel may be useful in formulating similar legislation.

LAL:lal
Attachments

Attached materials available from
Senator Duncan's office.

A M E N D M E N T

1

Offered in the SENATE

By Duncan

TO: SB 168

Page 1, lines 11 and 12:

Delete "borough, unified municipality, or city in the unorganized
borough"

Insert "municipality, other than a second class city,"

Page 3, line 28, after "municipality":

Insert "that establishes a port authority"

A M E N D M E N T

Offered in the SENATE

By Duncan

TO: SB 168

Page 3, line 18, after "duties":

Insert ", including agreements with other port commissions providing for shared development or management of facilities located within the jurisdiction of any of the commissions"

3/6/87
PRINT/TV



Alaska State Legislature

Senate

Official Business

P.O. BOX V
State Capitol
Juneau, Alaska 99811

NEWS RELEASE

CONTACT:
Ron Whitcraft
465-4766

JUNEAU --- LEGISLATION WAS INTRODUCED TODAY (FRIDAY), IN THE ALASKA SENATE, THAT WOULD GIVE AN ECONOMIC BOOST TO MANY COMMUNITIES IN THE STATE. THE MEASURE WOULD ENABLE LOCAL GOVERNING BODIES TO ESTABLISH THEIR OWN PORT AUTHORITY COMMISSIONS AND THEREBY GIVE THEM THE ABILITY TO FOCUS SOME ATTENTION ON WATERFRONT DEVELOPMENT.

THE BILL'S AUTHOR, SENATOR JIM DUNCAN OF JUNEAU, STATED THAT ALASKA HAS A GREAT POTENTIAL FOR WATERFRONT DEVELOPMENT. ALTHOUGH ALASKA HAS A PORT FACILITIES AND DEVELOPMENT ACT IN PLACE NOW, IT STIPULATES THAT FUNDS ARE APPROPRIATED BY THE STATE. SENATE BILL ONE SIXTY-EIGHT ALLOWS PORT DEVELOPMENT DOLLARS TO BE RAISED HOWEVER THE COMMISSION SEES FIT WHETHER BY REVENUE BONDS, WORKING WITH THE PRIVATE SECTOR, OR WHATEVER MECHANISM IS SUITABLE FOR A COMMUNITY.

SENATOR DUNCAN SAID, "THE BILL IS AN ATTEMPT TO STRENGTHEN OUR ABILITY IN THIS STATE TO DEVELOP OUR WATERFRONT AREAS AND TO BRING MORE ECONOMIC ACTIVITY INTO THE COMMUNITIES OF ALASKA."

S-B ONE SIXTY-EIGHT PROVIDES THAT A COMMUNITY'S PORT AUTHORITY COMMISSION WOULD BE ESTABLISHED BY ORDINANCE AND THAT THREE COMMISSIONERS ARE ELECTED TO SERVE THE BODY. THE COMMISSION

PAGE TWO

WOULD ALSO CREATE ITS BUDGET AND DO ITS OWN LONG RANGE PLANNING,
ALL DESIGNED TO PROMOTE THE ECONOMIC GROWTH OF A COMMUNITY.

"IT IS NOT AN ATTEMPT TO BUILD ANOTHER BUREAUCRACY AND WE'RE NOT
ASKING FOR ANY STATE MONEY," DUNCAN ADDED. "IT'S PURELY UP TO
LOCAL COMMUNITIES TO MAKE THE DECISION AS TO WHETHER THEY WANT TO
FOCUS IN ON THAT TYPE OF DEVELOPMENT."

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
TIM KELLY, Vice Chairman
RICK HALFORD
MIKE SZYMANSKI
FRED ZHAROFF



P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4989

Senate Community and Regional Affairs Committee

TO: Senate C&RA Members

March 24, 1987

FROM: Senate C&RA Staff

ME

RE: SB 168 - "An Act relating to establishment of a port authority by a municipality."

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Official Business

Alaska State Legislature

Senate

MAR 10 1987

P.O. BOX V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

DATE: March 9, 1987

TO: Senator Arliss Sturgulewski
Chairman
Community & Regional Affairs Committee

FROM: Senator Jim Duncan

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Senator Duncan
2/18/87
Page 2

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