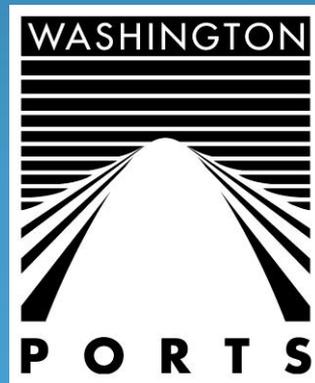


What are Washington's Public Port Districts and what powers do they have?

WPPA New Commissioner Seminar

November 17, 2015



Eric D. Johnson, Executive Director

You are about to become an elected official

- Congratulations! You now hold an office that can do great things for the citizens you represent.
- If you have never held office before – you are about to learn many things that will seem frustrating and unnatural.
- Be patient. Like any new job, this one takes a while to learn and master.

Some basics:

- The least powerful person at a port is a single commissioner.
- The most powerful thing at a port is a unified commission.
- The power of a commission is exercised through meetings of, and discussion amongst, the commissioners. These discussions are almost always in public.

More basics:

- The job of the commission is to set a vision and broad policy for the direction of the port.
- This vision and policy is carried out by port staff (although some ports are too small to have staff).
- The most important duty of the commission is to hire, and subsequently direct, a port director.
- In doing this, the port needs a plan.

What does a port plan look like?

- The key documents are:
 1. The ‘comprehensive scheme of harbor improvements’. This is the official development plan, even if you don’t have a harbor.
 2. The delegation of authority resolution setting forth what the director can do, and what they need to ask approval to do.
 3. The budget, which is approved every year.
 4. The organizational chart

What are port districts?

- Municipal corporations
- In our state they are special purpose districts
- In many states – division of state or city government
- In some states – regional collective of cities or cities/county

What is the “special purpose” or mission of public port districts?

- Primary mission is to promote economic development
- “Enterprise” units of government. We get to decide what things we want to get involved in. Few governments have this luxury.

Our ports represent community investment in long-term assets

- We are fundamentally about community control of important assets such as waterfronts, airports and industrial areas.
- Ports build and operate facilities that foster trade and economic development. Economic development means different things to different people (tourism for example).
- Ports provide four basic types of facilities:



▪ Marine terminals (16)



▪ Airports (31)



▪ Industrial areas (42)



▪ Recreational marinas/docks (41)

Washington's port system is rather unique:

- We have more ports than any other state, by a long ways (75)
- Our ports engage in more types of activity than in most states
- Our elected Commissioners (that's you) represent two of the most unique and important things about us: our autonomy and our accountability

Washington's public port system is unique

- Our port system is the largest locally-controlled port system in the world
- Port commissioners are directly elected
 - Makeup – Most have three, some have five
 - Elections and terms office – four or six year terms, elected in the odd-numbered years
 - Function – set vision and establish broad accountability

Commissioner Compensation: Salary

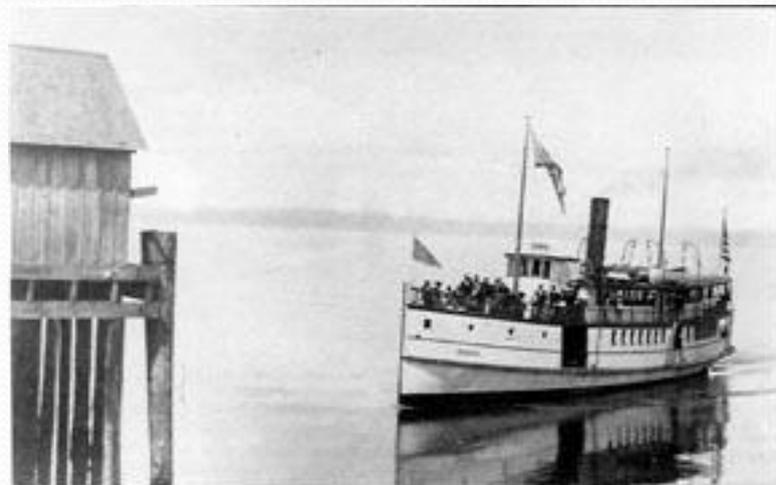
- With revenues over \$25 million a year: \$635/month
- Ports with revenues over \$1 million/ year: \$254/month
- Any port commission can set a different salary higher or lower, and some have. (Must be re-elected to collect)

Commissioner Compensation: Per Diem

- In addition to the salary just mentioned, ALL port commissioners receive “*per diem*” reimbursement for a day spent on port business. Currently \$114/day, to a maximum of \$10,944 per year. (\$13,680 for Seattle and Tacoma).
- The per diem and salary compensation are indexed every five years for inflation. The next indexing is in 2018.

How did Washington's public port system evolve?

- 1889 - beds of navigable waters belong to the people, harbor designation
- 1911 - citizens allowed to form port districts



How did Washington's public port system evolve?

- Evolution of powers
 - 1911 - maritime shipping facilities and rail/water transfer facilities
 - 1941 - build and operate airports
 - 1955 - establish industrial development districts
 - 1980s - develop economic development programs
 - 2007 - promote tourism

Port powers

- Limited to powers specifically granted by the legislature or reasonably implied from those granted powers
- You can only do what the law tells you that you have the power to do.
- You can do a lot of things.



A sampling of port powers

- Provide terminal facilities, airports, warehouses and improvements needed for industrial and manufacturing activities, including food processing. Own and operate railroads.
- Improve land by dredging and developing such land for sale or lease for industrial and commercial purposes
- Build and operate marinas, boat ramps, provide waterfront public access
- Build and operate tourism facilities

Ports can raise funds from a number of sources

- Service charges, lease and rental fees
- Grants and gifts
- Bonds:
 1. General obligation
 2. Revenue



Ports can raise funds from a number of sources

- Tax levies
 - General port levy (45 cents/\$1,000 assessed valuation)
 - Special property tax levies for dredging, canal construction, land leveling or filling (45 cents/\$1,000 – *rarely used*)
 - Industrial development district (IDD) tax levy (45 cents/\$1,000 assessed valuation – each port gets two. There are special rules for these)

Defining Return on Investment

- Direct returns. (The revenues you make)
- Indirect returns. (The revenues that others make.)
- Community returns, such as recreation or environmental projects.



Challenges

- Balancing business culture with public expectations
- Environmental impacts
- Resistance to tax levies
- Competitive pressures
- Transportation investment
- Land Use pressures/gentrification
- Access to infrastructure capital, especially as the state's revenues decrease

Helpful things to remember

- *You cannot do a single thing by yourself.* You need allies on the Commission.
- *You are now a public official in a fishbowl.* Learn the basics of the Open Public Meetings Act and the Public Records Act.
- *You are joining a port with plans and projects already in motion.* Understand and respect this reality.
- *Understand the role of the staff.* Work through the Executive Director.

Another hint: be patient

- Government processes take longer than you want them to. This is especially true if you want to build things.
- Government processes are not as efficient as you are used to. Get ready to be amazed at procurement and public works law, in particular.
- Washingtonians seem to love process.
- It takes time to understand your commission colleagues, and it will take some time for them to understand you. Invest time listening and explaining.

The Washington Public Ports Association is a valuable resource for you

- The WPPA has been established in state law as an organization to promote port cooperation, advocacy, and education. (Currently seven staff)
- We are the primary central advocates for you in the legislature, and with state and federal agencies.
- WPPA meetings and committees are an invaluable opportunity to network, learn and accomplish things. There are many tools and training opportunities for you to use and learn from.



Questions?