

PULP NONFICTION: A CASE STUDY IN STRATEGIC TAX INCENTIVES

This month marks the opening of the new Columbia Pulp plant construction in Starbuck, WA. The new mill will use technology that pulls cellulose out of the abundant straw left over from wheat and alfalfa harvests.

The location along the Snake River is ideal for straw repurposing, and the new technology (developed by Renton-based Sustainable Fiber Technologies, and based on University of Washington research) uses less energy, and eliminates the chemicals that have traditionally been associated with the scent of pulp and paper mills.

Columbia Pulp is expected to provide approximately 90 jobs when it opens in the fourth quarter of 2018 - representing five percent of all the county's current jobs, with an expected annual payroll of approximately \$9 million.

It's a huge economic development gain for rural Columbia County, where agriculture represents the majority of business. In addition to direct employment, increases in the county's tax base and direct property tax revenues, the plant plans to purchase 240,000 tons of straw from farmers within a 100-mile radius annually. This is an entirely new revenue stream.

The process to bring business to rural locations has been a strategic mix of identifying markets that can provide businesses with lucrative federal and state tax incentives -- along with compiling their own local package of tax incentives. Of the local package, Port of Columbia manager Jennie Dickinson said that it's what's necessary for rural communities to attract new projects and diversify industries within rural destinations for long-term growth and survival.

In light of the investment in Columbia County, the local package waived the sales and use tax for the project's construction (representing approximately \$500,000 in tax revenue). The long-term benefit of increasing the tax base, property taxes and building new revenue sources for the county far outweighed the upfront cost of the tax incentive. In the case of Columbia Pulp, at the project's start in 2014, there was a high unemployment tax credit for the destination that could be utilized, along with a rural manufacturing tax credit and a new market federal tax credit that applied to the \$184 million project.

There are an incredible amount of tax incentives to build out a fully-rounded effort to attract new industries, expansions and relocations -- a sample of the current incentives include those for biofuel, food manufacturing, renewable energy, high technology, filmworkers, commutetrip reductions, and investing in community empowerment zones or rural counties.

For further information, visit the Department of Revenue's tax incentives page, at <http://dor.wa.gov/find-tax-rates/tax-incentives/incentiveprograms#1132>.

Need Access to the New WPPA Website Members' Section?

Port, Associate Members & Lifetime Members have access to the Members section, where past presentations, event registration and port-specific resources and templates can be found.

Your password is: ports2018

SPOTLIGHT

DEPARTMENT OF LICENSING REAL ID PROGRAM PARAMETERS

There's been a lot of confusion over the rollout of the new REAL ID law -- including the date of application. Currently, we have two years and nine months before the requirement for REAL ID extension ends on October 1, 2020.



(View instructive video by clicking play)

So what counts as REAL ID compliant?

- Permanent Resident /Green Card
- U.S. Military ID
- U.S. Passport
- Foreign Passport
- Enhanced Driver License (EDL)
- Enhanced Identification Card (EID)

That said, the type of ID required depends on the type of travel - you may already have what you need.

This only affects travel by plane and access to some federal facilities. A standard driver's license or ID card works for other U.S. travel, like driving in Washington, driving across state lines, or train travel. Standard driver's licenses or ID cards are available without U.S. citizenship; but starting **July 1, 2018**, these ID cards will feature a marking noting they may not be accepted for federal purposes. (Markings don't indicate citizenship or immigration status. A standard driver's license or ID still provides access to federal facilities like courts, Social Security offices, national parks, and health care facilities.

More info can be found at: id2020wa.com.

FASTBALLS, CURVE BALLS AND CHANGE-UPS



For the past twenty years there has been a constant background murmur in Olympia about the “culvert case”. It has been ever-present but not really noticed much – sort of like the hot-dog vendor who walks around the ballpark. You see them, but mostly you don’t pay much attention.

The gist of the case is that the state’s Tribes sued the state in federal court arguing that state culverts – most of them under state highways – blocked salmon spawning grounds. The state has been working to replace culverts, but there is substantial disagreement on the proper pace and scale of these efforts. The case has dragged along for twenty years, with the state losing most of the decisions along the way. Last week they lost at the final step, when the US Supreme Court declined to take up the case, letting the federal appeals court decision stand.

What does this mean for port districts? Well, that is a very good question. In a narrow sense, the case only applies to state-owned culverts. But the reasoning that the courts have used that ties culverts to salmon can also be applied to other things, like land use planning and water availability. That is why hundreds of other parties like local governments sent briefs to the court imploring them to take the case up and reverse it.

Counties, cities and the federal government will be most affected in the medium-term. But the effects could trickle down to things like docks and filled lands – where things get very interesting. That is all years away, if it happens at all. But this development underscores advice that I have given ports for years: work hard to establish a long-term, positive relationship with your tribe or tribes. Some ports have worked hard on this, others have become frustrated trying to do it.

If you think about it, ports and tribes actually have some things in common. We are both place-based, and governed by an elected board, and none of us are going away. That could be the beginnings of shared understandings, anyway. I do know that these relationships cannot be created as a group, or in Olympia. They have to be direct port-to-tribe interactions. This takes years to accomplish – just like building a winning baseball team.

EMPLOYMENT OPPORTUNITIES

Deputy Executive Director
Port of Long Beach, CA

Director, Communications
Port of Tacoma

Facilities Maintenance Manager
Port of Port Townsend

Airport Facilities & Maintenance Technician
Port of Olympia

Property Manager
Port of Olympia

Electrician & Maintenance Technician
Port of Port Townsend

Executive Director
Port of South Whidbey

Seasonal Maintenance Staff
Port of Shelton

Director of Marine Facilities
Port of Bremerton

Harbor Operations Supervisor
Shilshole Bay Marina, Port of Seattle

Maintenance Manager
Port of Poulsbo

Marine Terminal Administrator
Port of Kalama

Marina Facilities Supervisor
Port of Skagit

Assistant Airport Manager
Port of Friday Harbor

Airport Operations Development Manager
Port of Seattle

UPCOMING EVENTS

Director’s Seminar
July 12-13

McMenamins Harbor Lodge,
Kalama

Small Ports Seminar
October 18-19, 2018

Enzian Inn, Leavenworth

Commissioners Seminar
July 22-24, 2018

Suncadia Resort, Cle Elum

Annual Meeting
December 5-7, 2018

Hyatt Bellevue

Fall Environmental Meeting
September 27-28, 2018

Skamania Lodge, Stevenson

If you would like information on any of these positions, visit:

washingtonports.org/employment-opportunities-1