

March 20, 2025



Looking out at Hood Canal and the Port of Hoodsport public dock (photo courtesy: Port of Hoodsport)

# March Updates at WPPA

As we spring forward into March, springtime, cherry blossoms, and post-7pm sunsets, the later evenings accompanied long days at WPPA World HQ. Legislative deadlines and tight budget projections keep WPPA staff, and members visiting for meetings in the capitol, busy and focused on the final few weeks before "sine die."

We always balance the WPPA's advocacy mission with our other work, and March exemplified that, as conference planning kicked into high gear and our new website debuted on Thursday, March 6<sup>th</sup>. The webpage going live is a big milestone in a long process, and we aren't done yet! Thanks to all the port members who've given their time and ideas in developing the site, including our current Chairs of the Communications Committee, and prior chairs and long-serving members of the committee. The bulk of work in the past few weeks was done by Mandy Lill, and she and James Cockburn will help manage content to keep the site up-to-date and make sure we're providing valuable resources to our members. Take a look at our new virtual home, at <u>https://washingtonports.org</u>.

And when we say this is a milestone, we are careful to confirm with you all here that it's not a finished product! We are adding more resources and templates to the "Resource Documents" page, and our web developer is hard at work on a new interactive map to help direct visitors to their port districts to learn more about what you all do in your communities. If anyone has additions they'd like to see made to the site, please send them our way, call us, email us, however you can get in touch—we're eager to hear from you all about how you use the site and how you find the changes.



Recapping some other important staff work, please take a look at James Cockburn's <u>blog on the Public Records</u> <u>Act</u>. In that piece, he goes over some recent discussions sparked by an Attorney General's office process developing "model rules," and highlights discussions that are ongoing with the Coalition for Open Government. Many of you received a survey we put together that accompanies those conversations with the Coalition, so please respond to that if you haven't already!

And finally, if you're visiting our website, or heeding our emails, make sure you look for Mandy's name in your email inbox and get registered for our 2025 Spring Meeting at the Historic Davenport hotel in Spokane, Washington. The Events section of this newsletter has more details, and the agenda is now live online. As more details are finalized, we will keep adding there, and if you have questions about any of what you see, we'd love to hear from you.

Please enjoy the newsletter, and we'll look forward to seeing many of you this spring!



Port Spotlight: Port of Hoodsport Celebrates Reopening of Public Dock and Pier

Boats at the newly upgraded Port of Hoodsport public dock (photo courtesy: Port of Hoodsport)

In the warmer months of last year, the Port of Hoodsport marked the much-anticipated reopening of its public dock and pier following extensive structural repairs. The dock sustained damage in late 2023, leading to a temporary closure that lasted an entire season. As one of the few public docks on Hood Canal, this vital community asset provides unparalleled access to the region's protected waters, renowned for their breathtaking scenery and exceptional underwater biodiversity.

Situated along the Pacific Coast Highway, adjacent to Hood Canal, the Port of Hoodsport has been serving the community since its establishment in 1951. Operating under a mission to "create and promote economic development and tourism that supports the preservation and public enjoyment of regional, cultural, and natural resources," the port manages a variety of public assets. These include a public beachfront, a six-slip dock, a waterfront park in downtown Hoodsport, and the nearby Hoodsport Trail Park—an 80-acre site featuring hiking trails and an 18-hole disc golf course.





The disc golf course is set to expand to a full 18 holes in May of this year (photo courtesy: Port of Hoodsport)

The public dock plays a crucial role as a transportation hub for nearby communities, as arriving by boat is often the fastest way to access town. It serves as a major attraction for visitors, drawing in divers, anglers, and outdoor enthusiasts eager to experience the Hood Canal—a 90-mile-long saltwater fjord on the eastern edge of the Olympic Peninsula. The fjord's deep underwater topography and unique marine life make it a world-renowned diving destination. Not only is the town of Hoodsport a tourist destination for boaters, hikers, fishermen, and campers – the public pier and dock in Hoodsport serve as the only access point for emergency medical services if U.S. Highway 101 encounters road closures. In this way, it's a vital connection point for the nearby communities of Liiliwaup, Skokomish, Potlach, and Lake Cushman.

Beyond its recreational, economic, and community significance, the dock is the launch site for the annual Fjordin Crossin, a Scandinavian cultural festival and paddle race on Hood Canal. Since the 1990s, the Port of Hoodsport has collaborated with community sponsors to many public events. Fjordin Crossin attendees enjoy local cuisine, shop from more than twenty vendors, and witness a Viking ship reenactment featuring the traditional transport of a barrel of Aquavit across the fjord. Participants and spectators alike revel in the excitement of the paddle race across the canal. This year, the Fjordin Crossin will be held on Saturday, June 28, 2025.

When the dock was deemed unsafe and closed in 2023, its absence was keenly felt. The closure not only limited public access to the waterfront but also impacted local businesses, including a neighboring dive shop and restaurant that rely on dock visitors. Recognizing its vital role in the community, the Port of Hoodsport prioritized repairs to restore accessibility and support the local economy.

The emergency repairs came with a significant financial burden, exceeding \$50,000. Given the port's annual budget of \$100,000, securing additional funding was imperative. Through an appeal to the state legislature and widespread community support, including letters from residents, local businesses, and organizations, the port successfully obtained the necessary funds. With financial backing secured, repairs commenced, culminating in a celebratory appreciation event upon the dock's reopening last summer.





From left: Eric ffitch, Senator Drew McEwan, K. Wyatt (Port Executive Director), Commissioners Kincannon and Morris, and Dan Griffey (District 35 Representative) and his son at the Appreciation Day held in October (photo courtesy: Port of Hoodsport)

With the immediate repairs complete, the port is now setting its sights on further improvements to enhance the dock's durability and environmental compliance. Exposure to the elements continues to stress the structure, and while originally built with a breakwater to mitigate damage from tides and winds, the dock's current configuration lacks flexibility. This rigidity can create structural strain during tidal shifts. The community has rallied and the upgrades enjoy ongoing support from many businesses and community members, with letter-writing campaigns and fundraisers being planned. To keep track of developments related to the pier, you can always visit: <u>https://portofhoodsport.us</u>.

Looking ahead, the port is committed to upgrading the dock with modern, sustainable materials that meet evolving environmental regulations. Ensuring public access to the Hood Canal—a treasured natural resource remains a core priority for Washington's ports. Thanks to the leadership and collaboration of the Port of Hoodsport and its community partners, the public dock will continue to serve as a hub for commerce, transportation, and recreation, offering a gateway to the stunning waters of Hood Canal for all who visit.

# Legislative Spotlight: 2025 Legislative Priorities & ISGP Updates

March 12<sup>th</sup> marked the House of Origin cutoff for the 2025 Legislative Session. This is the time when all policy bills must be passed by the full chamber in order to continue to be considered for passage (or considered alive) this session. This date also marks the unofficial shift in focus from policy legislation to the discussion of budgets and revenue. While some revenue bills have been introduced and have been making their way through the process, all three budgets along with a series of revenue bills are expected to be introduced in the next week and will dramatically change the dialogue in Olympia.



WPPA typically does not take a position on or weigh in on tax policy unrelated to our core interests, like transportation. However, given the possibility of significant cuts to important programs without an influx of new revenue, we are monitoring proposals closely. If necessary, WPPA will convene a meeting of our Legislative Committee Meeting or our Trade & Transportation Committee to discuss and determine whether to take a position on proposed revenue. Below are a few bills that have been proposed this session.

**Wealth Tax:** <u>HB 1319</u> would place a 1% property tax on investments and other intangible property over \$100 million. This tax is estimated to apply to 3,400 taxpayers and raise \$3.4 billion per year beginning in fiscal year 2027.

**Business & Occupation Tax Increase:** Raises the business and occupation tax on more than twenty discreet lines of business operating in the state. The tax increase would only apply to those businesses currently paying the tax. For those doing business in the service and other activities category, the increase would be 20% and would only apply to those businesses with revenue greater than \$1 million annually. This proposal would raise \$2.6 billion over the four-year budget beginning in fiscal year 2026.

**Payroll Tax:** A new payroll tax designed to affect high-wage earners has been proposed but has not yet been introduced. The concept most often discussed would be to tax wages about the federal social security cap at an equivalent 6.2 percent. No revenue projections are available for this proposal.

Some tax proposals being considered in Olympia this session include taxes that provide revenue to both the state and local governments as well.

**Taxing Short-Term Rentals:** <u>SB 5576</u> grants authority for cities or counties to impose an excise tax on revenue generated by short-term rentals. The tax would generate \$68 million during the 2025-27 biennium and more than \$100 million during the 2027-29 biennium. The funds would be placed in a state account and distributed to local governments for essential affordable housing programs.

Property tax continues to be a topic of discussion. Local governments have continued to message the need for more resources to perform the functions of general-purpose government.

**Property Tax Reform:** <u>HB 1334</u> would raise the annual limit on property tax from 1 percent to 3 percent. WPPA has supported this bill and will continue to advocate for this change.

Finally, transportation continues to be a core interest for ports and an area where the association has supported tax increases in the past. Last month we highlighted the Road Usage Charge proposal before the legislature. Several other tax proposals have been discussed to overcome the \$1 billion shortfall in the state's transportation budget.

**Vehicle Sales Tax Shift:** <u>SB 5026</u> would transition the 16.6% vehicle sales tax from the state operating budget to the transportation budget over a series of three biennia. The bill would result in \$250 million in additional funding for transportation in fiscal year 2027 and up to \$1.7 billion in fiscal year 2032 when the entire sales tax is diverted.

**Transportation Related Fee Increases:** It is expected that the 2025 transportation budget will include a series of transportation-related fee increases ranging from increases in licensing, vehicle weight fees, and tolling increases. There have also been conversations around a proposed increase in the state gas tax.

WPPA will continue to monitor the status of these proposals and seek guidance from our relevant committees as necessary. You can continue to stay on top if the latest information by subscribing to and receiving our <u>Legislative</u> <u>Report</u>.

# Knowing the Waters

In this month's edition of Knowing the Waters, Tim Schermetzler of CSD Attorneys at Law discusses legal standards on lobbying for port employees and elected officials. Guidelines apply to lobbying for Official Port Business, for Personal Business or Interests, or for Ballot Initiatives and Propositions. These legal guidelines provide a framework for appropriate conduct for port employees when discussing legislation. Read more in March's <u>Knowing</u> <u>the Waters</u> for a refresher on those guidelines!



# Grants and Resources for Ports

### PNWA & WPPA Joint Webinar on Stormwater Permitting – March 26, 12:00 p.m. – 1:00 p.m.

Please mark your calendars for a lunch-and-learn <u>webinar</u> on new requirements for Washington State Department of Ecology's Industrial Stormwater General Permit (ISGP) for ports and port properties. WPPA is cohosting the event with our partner, the Pacific Northwest Waterways Association (PNWA). <u>Maureen Bayer</u>, of Counsel Tonkon Torp, LLP will lead the webinar. The webinar will be held on Zoom from noon-1:00 p.m. on Wednesday, March 26<sup>th</sup>. Registration is not required; find the Zoom link <u>here</u>.

### Dept. of Commerce Salmon Recovery Planning Grants – applications due March 31, 2025

The Department of Commerce has partnered with the Puget Sound National Estuary Program and the Stormwater Strategic Initiative Lead to offer salmon recovery planning grants to local governments and tribes in the Puget Sound region. There is approximately \$1 million in funding available to cities, counties and tribes to assist in encouraging salmon recovery efforts. Applications are due by 4 p.m. on Monday, March 31. Read more at <u>Commerce's website</u>. No cost-sharing or match is required.

#### Commerce Innovation Cluster Accelerator Program (ICAP) – applications due April 2, 2025

Commerce is soliciting applications for a new cohort of organizations called the Innovation Cluster Accelerator Program (ICAP). ICAP is a means for organizations to work together to accelerate the pace of innovation and solve shared industry challenges. The program is supported with funding from Washington's Climate Commitment Act. The CCA supports Washington's climate action efforts by investing in the reduction of pollution, the creation of jobs and the improvement of public health. Applications are due by 5 p.m. on April 2. Learn more at <u>Commerce's website</u>.

#### USDOT Rural and Tribal Assistance Pilot Program – applications due April 3, 2025

The U.S. Department of Transportation will provide up to \$27 million for planning and design-phase activities for developing transportation projects in rural or tribal communities. Awards are expected to range between \$200,000 and \$750,000 for a single project and \$500,000 and \$2.25 million for communities submitting a joint application. \$10 million in awards is reserved for tribal governments, however local governments are eligible to apply for the remaining funds. **No match is required.** 

Funding can cover feasibility studies, environmental review, public engagement, property development, benefit studies and cost estimating. Learn more at the <u>Rural and Tribal Assistance Pilot Program page</u>. Applications are due by April 3, but awards are distributed on a first-come, first-served basis.

#### Commerce Energy Audit incentive for Public Buildings – applications due April 30, 2025

Publicly owned Tier 1 buildings are encouraged to apply now for energy audits. \$14.5 million in funding is available, calculated at \$0.50 per square foot of floor area of the building, excluding parking areas. Rural applicants and buildings larger than 220,000 square feet may be eligible for more money. Applications are due on April 30. Learn more at <u>Commerce's website</u>.

#### MARAD Port Infrastructure Development Program (PIDP) – applications due April 30, 2025

The US Department of Transportation's Maritime Administration (MARAD) has opened applications for their Port Infrastructure Development Program (PIDP). The PIDP administers funding for projects that improve safety, efficiency or reliability for port and freight infrastructure. Money is set aside for small ports, but funding is available for ports in both urban and rural areas.

Emissions mitigation projects are further flagged as priority areas, including projects on port electrification master planning; replacing diesel-powered vehicles, craft, or equipment with electric alternatives; developing port or terminal microgrids, and many more.

Applications are due by April 30. Learn more on the PIDP webpage.



# NOAA Coastal Habitat Restoration and Resilience Grants for Tribes and Underserved Communities – applications due May 12, 2025

The US National Oceanic and Atmospheric Administration is providing a total of \$20 million for coastal habitat restoration projects and is accepting proposals between \$75,000 and \$2 million. Projects that focus on capacity-building, engagement and restoration for tribes, tribal entities and underserved communities will receive priority consideration.

Tribes, local governments, nonprofits and for-profit organizations are eligible to apply, however applicants must demonstrate their connection to or status as a tribe, tribal entity, or underserved community. Learn more at the <u>Coastal Habitat Restoration and Resilience Grants for Tribes and Underserved Communities</u> page. Applications are due by May 12. **No match is required.** 

#### Ecology Independent Remedial Action Grants – applications due June 18, 2025

Ecology has opened applications for the Independent Remedial Action Grant program, which will provide between \$300,000 and \$400,000 to local governments who have:

- 1. Completed an independent cleanup through the Voluntary Cleanup Program, and
- 2. Received a determination of no further action from Ecology.

Funding can cover remediation actions, engineering design, operations and the development of remedial action plans and reports. Applications are due by 5 p.m. on June 18. <u>Read more at Ecology's website.</u>

# DOE Community Energy Innovation Prize – applications due June 20, 2025

The US Department of Energy (DOE) is providing \$8.42 million in cash prizes and in-kind support in the second edition of their Community Energy Innovation Prize. Organizations dedicated to advancing clean energy, manufacturing, and transportation technologies in historically underrepresented communities are encouraged to apply. Awards will range from \$75,000 to \$100,000 across three tracks:

- **Clean Energy Ecosystem Track** (\$3.22 million): Renewable energy projects, energy efficiency initiatives, and grassroots innovation to accelerate community-centric clean energy programs.
- **Manufacturing Ecosystem Track** (\$2.6 million): Partnering with local industry and academic solutions to innovate in clean energy manufacturing, workforce development, and supply chain resilience.
- Vehicles Ecosystem Track (\$2.6 million): Enhancing community access to electric vehicles, charging infrastructure, alternative fuels, and other clean transportation solutions.

Applications are due by 2 p.m. on June 20.

# Ecology Flood Control Assistance Account – applications due June 30, 2025

The Washington State Department of Ecology is providing \$1.5 million to communities to develop comprehensive floodplain management plans and put actions and projects in place to mitigate local flood hazards. Eligible applicants include local governments and special purpose districts, with a ceiling of \$500,000 in awards per county. Eligible projects include writing or updating a comprehensive flood hazard management plan; feasibility, mapping, and technical studies; permitting, outreach and public communications; matching federal funding; and emergency flood response and recovery. To learn more, visit the <u>Flood Control Assistance Account program</u> page.

- A 25 percent match for planning projects and a 20 percent match for emergency flood response projects is required.
- Prospective applicants must fill out a Notice of Intent to Apply form prior to applying.
- Applications are due by June 30, 2025.



# RCO Boating Infrastructure Grant Program – applications due July 17, 2025

The Washington State Recreation and Conservation Office is accepting applications for their Boating Infrastructure Grant Program, which will provide a total of \$2.2 million for the development and renovation of boating facilities that target recreational boats 26 feet long and larger.

Ports, local agencies, tribes, nonprofits and private marinas are all encouraged to apply. The money can cover guest dock renovation, installing utilities on moorage docks, moorage dock and float construction, and boater education. Learn more at RCO's website.

#### EPA Thriving Community Grant Makers – accepted on a rolling basis

The Environmental Protection Agency opened their Thriving Community Grantmakers Program on January 15 and are accepting applications on a rolling basis. The Grantmakers partner with community-based organizations from across a region to select partnerships and distribute funding. Funding is awarded in four different categories: Assessment projects, Planning projects, Development projects, and non-competitive fixed amounts. <u>Read more about how to apply here.</u> A <u>recorded webinar</u> on the program is available through the Center for Creative Land Recycling.

#### Commerce Clean Energy Tax Credit Assistance Program

Commerce has introduced a new initiative to help local governments, including ports, take advantage of clean energy tax credits. They are hosting monthly office hours to learn more about the opportunity, which can help ports access federal tax credits which can cover 30-70% of the cost of clean energy projects. Learn more at <u>Commerce's webpage</u>.

# Washington Climate Partnership Comprehensive Climate Action Plan (CCAP)

The Washington Climate Partnership is requesting public input on a new Comprehensive Climate Action Plan (CCAP) from now through April. They are hosting a series of virtual meetings, which will cover each sector of the state economy. The final version of the CCAP will describe specific actions Washington can take in each sector to meet their climate goals. All meetings are open to the public. Learn more on the <u>WCP website</u>.

# **Highlighted Events**



# WPPA Spring Meeting: May 14-16, Historic Davenport Lodge in Spokane

<u>Registration</u> is now open for the <u>2025 Spring Meeting</u> and you can find all the details <u>here</u> on our new website! This year we are featuring two training modules: Finance & Taxation and Communications & Outreach. These modules are an <u>additional registration</u> fee so don't forget to sign up! Make your room reservations now by calling 509.455.8888 or you can book them <u>online here</u>. Read more in our <u>event FAQ's</u>, check out our amazing <u>sponsors</u>, and contact <u>Mandy</u> Lill if you have any questions or would like sponsorship information.

#### Save the Dates: 2025 WPPA Event Calendar

- Finance and Administration Seminar: June 25-27 at the Marcus Whitman Hotel, Walla Walla
- Directors Seminar: July 9-11 at the Sleeping Lady Mountain Resort, Leavenworth
- Commissioners Seminar: July 21-23 at the Semiahmoo Resort, Blaine
- Environmental Seminar: September 25-26 at the Alderbrook Lodge, Union
- Small Ports Seminar: October 23-24 at Campbell's Resort, Chelan
- New Commissioners Seminar: November 18 19 at the Marriott Tacoma Downtown
- Annual Meeting: November 19 21 at the Marriott Tacoma Downtown





Arthur politely requests a snack suitable for a dog.

# As Arthur Sees It

#### Notes from the Executive Director and His Dog

It's a common refrain that Washington is the "most trade dependent state in the nation." You'll hear all kinds of figures—40 percent of jobs in the state are dependent on trade; 365,000 jobs are supported by the export economy; 12,000 businesses send products to international markets. And with those, you've no doubt heard recent concerns about the impact that a proposed tariff regime from the Trump Administration could mean for our trade-based economy. The issue was covered at length in the Seattle Times a few weeks ago. A source I often turn to on these issues—since I worked in Washington, D.C. when the U.S.-Korea free trade agreement was implemented in 2012—is the Washington Council on International Trade (WCIT), and I encourage you all to visit their <u>Northwest Trade Dashboard</u> for a closer look at the data.

With all the swirling concerns about trade changes and their impacts in Washington, I was glad to join WCIT for their annual Trade Summit, hosted on Monday, March 17<sup>th</sup> at Amazon's HQ in Seattle. There, I saw several members of the Washington Congressional Delegation address

the issue, and they were joined by some of our region's foremost experts on the export economy, from WPPA partners like the Washington Association of Wheat Growers and the Washington Potato Commission, to former U.S. Trade Representative Demetrios Marantis, to port representatives like Cmr. Bachman from the Port of Everett, Cmr. Sam Cho and several others from the Port of Seattle; and a strong turnout from the Columbia River, including the Port of Vancouver USA and the Port of Portland.

Some common and concerning themes emerged: we are reliant on trade, of course, but also, we are still recovering from the impacts of trade upheaval of the past decade. Increasing the cost of imports in the consumer sector is overlaid with the increased cost to WA families for the basics of daily life; and on the export side, growers who now see reduced international market opportunities are also seeing the higher cost of inputs and transportation. Congressman Rick Larsen commented on concerns that we lose China as a key export market and urged audience members to look elsewhere in Asia. Congresswoman DelBene worried that, even as Mexico and Canada tariffs are paused, the uncertainty is already impacting our trade sector: potato growers buy seeds from Canada, so any hiccups this month could impact potato harvest for this year and next. A manufacturer in Snohomish County shared with Rep. DelBene that they're already looking for another source for a critical input to their process, rather than wait and see what happens with their previous supplier from Canada. From agriculture to high-tech to manufacturing, every sector of Washington's economy seemed to share this concerning outlook.

Given that so many seemed to agree with the importance of trade to our economy—and that many speakers on Monday emphasized the critical role that our ports play, it is worth wondering what's happening just down the street. On Tuesday, the Seattle City Council voted to approve *a spot re-zone*—putting 900 plus units of so-called "workforce housing" directly across the street from Terminal 46, one of The Northwest Seaport Alliance's deepwater cargo terminals. I provided public comment prior to the vote, as I've done at two prior sessions, in addition to joining Port of Seattle Commissioner Hasegawa on a panel discussing the issue at a city council session in February. Longshoremen and shippers, the mariners working on the container ships and the truck drivers picking up the containers as they offload, all participants in our state's trade economy, asked the City Council *not to compromise* our trade infrastructure. More than thirty members of the Washington Legislature, from the East Side and West Side, Democrats and Republicans, emphasized their concerns with the City Council. And yet, the Council did not heed our concerns, voting 6-3 to <u>advance</u> the measure. Work will now turn to the Seattle Mayor, as we ask that he maintain his commitment to our trade economy. But given the rumblings in D.C., it was disheartening to see our own local elected officials not grasp the severity of the situation.



So, while the great 16<sup>th</sup> Century poet John Dunne was speaking metaphorically when he said, "no man is an island, entire of itself," he might as well have been a modern-day trade analyst or a speaker at the WCIT summit. In fact, one speaker put the same concept much more simply: "We can't produce everything we need in the U.S.; and we can't consume everything we produce." We need export markets to support our growers; we need affordable imports to support consumer choice and keep household expenses down. This will remain a matter of urgent concern for our port members, and an area where your Association will continue to advocate for common sense and logic, no matter how poetic it may sound.

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