



WASHINGTON PUBLIC PORTS ASSOCIATION

THE MANIFEST

March 8, 2023



Photo used with permission from the Port of Longview

March Updates at WPPA

The exciting buzz around WPPA offices this week was all about our new Senior Director of Environmental Policy. We've already thanked our interview panelists—seven port professionals who volunteered their time to make this a robust process—but it is worth thanking them again. And the outcome to which they devoted their time is a really good one: we got our hire, and Carly Michiels joins WPPA on April 3, moving to the Pacific Northwest from her current home in Madison, Wisconsin. She's a senior legislative liaison for the Department of Administration, known in Wisconsin as the "Department of Everything." She brings demonstrated expertise in legislative advocacy and a professional and academic background in environmental policy.

More biographical information and a formal introduction will follow, but given that this is the talk of the water cooler, I wanted to give you the news as soon as we had it. We feel lucky here at WPPA that she's decided to come to Washington, to our association, and to our port family. As a community, we will look to each of you to help get her up to speed and comfortable in her new role. Please stay tuned for more news on Carly's arrival.

Turning from the excitement of introducing a new member to the port community, to the other side of the coin: I want to recognize the upcoming retirement of one of our community's most respected voices. On May 31, Bob McChesney will retire from the Port of Edmonds, ending a thirty-four-year career serving Washington ports. Bob and I caught up last week, and I enjoyed learning more details about his career, which began first in international shipping. After seven years working for carriers, he got a Master of Marine Affairs in Port and Marine Transportation Management, and we both agreed it's a shame that degree is no longer available at the University of Washington!

Bob entered the ports world at the Port of Longview, and for anyone wondering how long ago it was, it was the same year that Eric Johnson was hired by the WPPA. His career continued with stints at the ports of Everett and Port Angeles before culminating in the job he has held for the past fourteen years at the Port of Edmonds. I don't think he would mind me sharing that when we talked last week, he referred to the Port of Edmonds as the "high point and delight of my career." I hope you all will join me in thanking Bob for his exemplary service to Washington ports over the past 34 years, and in wishing him a very happy and well-deserved retirement.



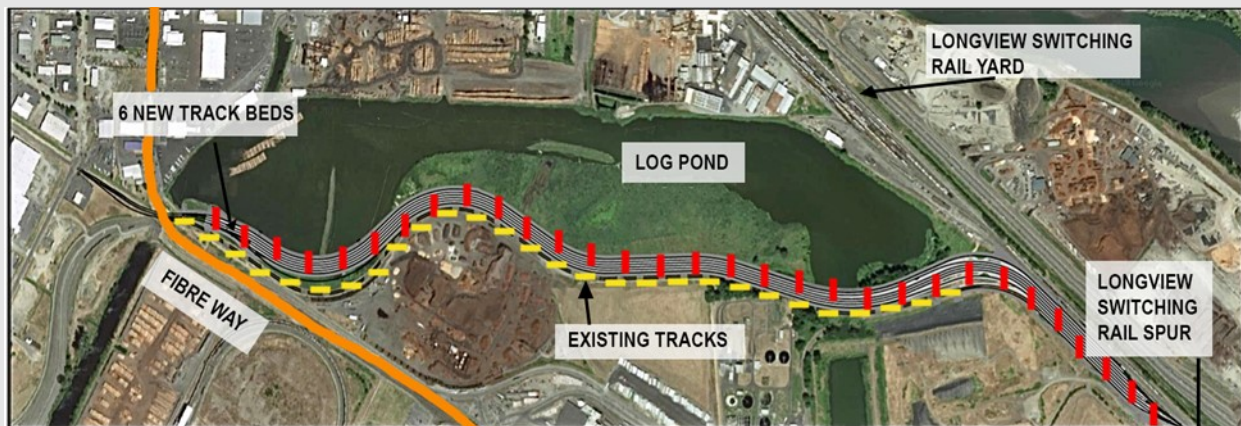
Spotlight: Port of Longview Expands Industrial Rail Corridor to Attract New Opportunities and Growth

The Port of Longview is entering the final stretch of preparation for expanding their Industrial Rail Corridor (IRC), which connects the port directly to BNSF and Union Pacific mainline rail service. This year will see permitting, engineering work, and land acquisition completed, with official construction scheduled to begin no later than 2024. Completion of the project, estimated in 2027, will double the port's freight capacity and generate significant benefits for the local community and our regional economy through increased cargo operations and marine terminal activity, new port tenants, and additional jobs.

The port has been hard at work fundraising for this ambitious project, which is estimated to cost more than \$80 million. The port has already secured \$16 million from the federal Rebuilding America's Infrastructure with Sustainability and Equity program and an additional \$2.5 million in congressionally directed federal funding. Dale Lewis, Director of External Affairs for the Port of

Longview, shared that the port is also working to secure \$2 million from Washington's Freight Rail Assistance Program to cover rising project costs. The port has prioritized funding this project without relying on any new taxpayer levies, with additional funding sources to include federal and state grants and federal transportation loans and bonds.

Expansion of the IRC includes building a new six-track rail bed adjacent to existing tracks, adding two 8,500-foot rail tracks, and increasing the length of current tracks from 7,500 feet to 8,500 feet to accommodate full-length unit trains. This allows port tenants to continuously load and unload trains in the rail terminal, which provides significant cost and time savings. Demand for this capability from current tenants has driven motivation for this project, along with the increased capacity to attract new tenants to the port. As the port develops the infrastructure needed for the IRC expansion, including a new rail embankment to extend east of the Longview switching yard, rail tracks, access roads, and stormwater and utility infrastructure to support the new railways, additional tracks can be added to the rail bed as demand and capacity needs increase.



The new rail bed will run adjacent to existing tracks and extend just east of the Longview switching rail yard.

This expansion will provide a 20-year update to the IRC, which was first completed in 2004 and resulted in nearly a 500% increase in cargo tonnage passing through the port. The IRC expansion goes hand in hand with revitalization efforts in the Port of Longview's Berth 4, which was constructed in 1927 to house the historic Continental Grain Terminal, which operated through the 1980s. In 2012, Export Grain Terminal, the port's largest tenant, constructed a \$200 million grain terminal at the Port of Longview. From 2014 – 2016, the port began to redevelop Berth 4 by replacing the old timber decks and pilings with dolphins used for tying up vessels waiting for loading and unloading. After a full site-hazard assessment and additional planning work, in 2022 the port obtained final permits to demolish the original grain complex and its adjacent facilities. This provides space for new tenants, which will bring jobs and increased economic opportunity to the Longview area.



Berth 4, formerly home to the Continental Grain Complex, will be revitalized to expand port operations.

Expansion of the IRC will dovetail with the redevelopment of Berth 4 by allowing the port to attract new tenants while also expanding the cargo capacity of existing tenants.

Asked for his thoughts on the two projects, Dan Stahl, CEO, Port of Longview shared the following:

"This rail project strategically positions the port for growth and will make a huge difference to our customers who rely on rail service. With the extra capacity, our existing customers will be able to move their cargo in and out of the port more efficiently than ever before, giving us an even greater competitive advantage and increasing our ability to attract a new tenant to our soon to be redeveloped Berth 4."

The Port of Longview's efforts to expand its rail corridor to support port and local industries is a perfect example of how Washington ports do the heavy lifting to bring economic vitality to their communities and our state. WPPA is pleased to support these efforts through our legislative priorities, which are informed and moved forward through your input and partnership. Learn more at www.washingtonports.org/legislative-session.

Legislative Spotlight

We are seeing a lot of movement this week in the State Legislature, with Wednesday, March 8 marking the deadline by which House bills must be passed to the Senate, and Senate bills must make their way to the House. This "House of Origin" cutoff generates major activity on the floors of both chambers, as we witnessed the House of Representatives voting until 2 a.m. on both Saturday and Sunday mornings. Many bills of port interest moved in the past few days, with legislation on clean energy facility siting, Associate Economic Development Organization (ADO) investment grants, tourism, broadband, and derelict vessels all making it through the House over the weekend. Monday saw a flurry of action on port-related issues, with WPPA's priority tax increment financing (TIF) fix bill receiving a strong 80-15 vote out of the House, and the Chelan-Douglas port authorities unified tax levy bill passing 95-0. Legislation relating to



lead content in aviation gas, of great interest to ports operating general aviation facilities, passed with an amendment by Rep. Dent that reflected significant feedback provided by WPPA members and staff over the past several weeks. More work remains on many of these bills, but progress on many port priorities reflects the engagement of port members with their legislators this session.

With the March 8 cutoff date, many ports are closely tracking legislation that would alter the way Department of Natural Resources manages timber lands. [HB 1789](#) has caused concern among timber communities regarding its impact to rural Washington, and WPPA has engaged with member ports and other stakeholders to share concerns on this bill. [HB 1789](#) remains at the Rules Committee at the time of writing and is still hotly debated at the doors of the House and Senate floor. Meanwhile, legislation to reform the Freight Mobility Strategic Investment Board, remains at the House Rules Committee, as does legislation to reform the Commercial Aviation Coordinating Commission and legislation to promote freight rail infrastructure investments. All three are supported by WPPA and need to move by 5 p.m. on Wednesday, March 8, to remain eligible to advance this year.

One additional point of interest which will influence upcoming budget negotiations is the first carbon credit auction under the state's recently enacted Cap and Trade program. On Tuesday, February 28, the State Department of Ecology held the first auction of compliance credits that "covered entities" subject to the carbon caps in the 2021 Climate Commitment Act must purchase. By this week, we will know what the cost of a credit is, how many were sold, and what amount of funding will be available for investments allowed by the bill, including shore power and other port decarbonization projects.

Knowing the Waters

This month's column walks through recent changes to the Open Public Meetings Act (OPMA) and what this means for port commission meetings. OPMA, as laid out in RCW 42.30, was passed by initiative of the people with the goal of ensuring that governing boards' actions and deliberations be conducted openly. State Legislature amended the statute in 2020 and 2022 with a goal to allow for public comment in decision-making processes, including virtually and in the event of a declared emergency. Allowing for public comment is highly encouraged even when not required by law. Read more about how to effectively implement OMPA requirements at your port in this month's [Knowing the Waters](#).

Grant Updates

Port Infrastructure Development Program (PIDP) Grant Application due April 28

The Maritime Administration (MARAD), part of the United States Department of Transportation (USDOT), has released a [Notice of Funding Opportunity](#) for the PIDP Grant Program. \$662 million in funding is available for the program in fiscal year 2023. As with past rounds, 25% of the funding must go towards projects sponsored by small ports. Webcasts providing technical assistance to potential applicants were held on February 15 and March 2 and can be found [here on MARAD's website](#). Another webcast will be held on March 8. Applications are due April 28, 2023.

Economic Development Administration Grant Opportunity

This week, WPPA staff were contacted by a representative of the Economic Development Administration (EDA) about a potential grant opportunity for WPPA members.

The EDA Public Works program can fund construction projects between \$1-3 million, and potential example projects mentioned by our agency rep included industrial parks, workforce training facilities, business incubators/accelerators, wastewater systems, broadband systems, and more.

Ports are eligible entities, but applicants must meet the "Distress Criteria" put forth by the EDA, summarized as:

- 24-month unemployment rate 1% or more above the national average
- Per capital income 80% or less than the national average

Projects must also align with EDA's "Investment Priorities," [linked here](#).

If you think your port has a project that could qualify under these criteria, and you're interested in putting forward an application, please reach out to Chris Herman (cherman@washingtonports.org) at WPPA who can help put you in touch with EDA.

Highlighted Events

Mid-Session Legislative Committee Lunch

WPPA is hosting a mid-session Legislative Committee Lunch, set for Friday, March 10, at Tugboat Annies in Olympia. If you plan to join us, please email your RSVP to [Mandy Lill](#) so we have a proper headcount for food. If you would like to attend virtually, please [email Mandy](#) for a Zoom link.



Upcoming Legislative Deadlines

- House of Origin Cutoff – Wednesday, March 8
- WPPA Legislative Preview – Friday, March 10
- Estimated end of Legislative Session – Tuesday, April 25

Application Open for WPPA Educational Scholarship

WPPA is pleased to announce that applications for the 2023 WPPA Educational Scholarship are now open. This \$1,500 educational scholarship is available to employees and commissioners of a Washington public port and their spouse, children, or grandchildren who (1) demonstrate financial need and (2) intend to pursue studies in academic areas related to port district purposes, including international trade, foreign languages, finance, business, engineering, environmental sciences, and other port related fields. The Association will accept scholarship applications between **now and March 31, 2023**.

Complete application packets must be sent electronically or received in the WPPA office no later than 4:00 p.m. Friday, March 31, 2023. Full instructions are located on the application, which can be found [here](#) on our website. The WPPA Executive Committee will select a winner and announce the 2023 scholarship recipient at the WPPA Spring Meeting, held May 17-19 in Spokane. Please email [Mandy Lill](#) with questions.

Spring Meeting, held May 17-19 at the Historic Davenport Hotel in Spokane

[Registration](#) for our Spring Meeting, held this year at the Davenport Hotel in Spokane, is now open! We have an exciting agenda in the works, which you can view [here](#). We anticipate rich discussion and learnings with our members and associate members and look forward to spending time reconnecting with all of you this spring. We encourage you to book your hotel reservations early, which can be made anytime by calling the Historic Davenport Hotel at (509) 455-8888 and letting them know you are with the Washington Public Ports Association, or online using this link: [WPPA group rate at Davenport Hotel](#). Please email [Mandy Lill](#) with any questions and for sponsorship inquiries.



As Arthur Sees It

Notes from the Executive Director and his dog

Planning for the Spring Meeting began in earnest as soon as the dust settled on Port Day, and we are in full swing now.



Many of our port members submitted ideas for issues to be covered in Spokane when they submitted their evaluations of the Annual Meeting, and please keep them coming! Learning what our members are interested in is key to developing a compelling program, and so far, I think we're on the right track.

Spring in the Lilac City is a thrilling prospect on cold February mornings, and the WPPA staff and I are excited to build on the momentum of our December gathering. Without a port district in Spokane to turn to for the first-hand local economic snapshot, I spent some time this past week perusing a cool

tool from our friends at the [Association of Washington Business—the “Vitals Tracker,”](#) with a range of economic indicators that you can modify based on region, as counted for their Metropolitan Statistical Area. Spokane, like much of the state, is seeing a year-over-year increase in its median household income, though the median income is still roughly \$20,000 year below the statewide average. When it comes to Housing Affordability, the trends in the Spokane MSA show that housing is slightly more affordable than in the rest of the state, but is still below the 100 point score on the index, and hence not technically “affordable.”

If you’re digging deep into the AWB vitals tracker, like I have been, you’ll notice that there is a section specifically for ports. It’s a simple indicator, based on the size of all port district annual expenditures on a per capita basis and per \$1,000 of total personal income. For the Spokane-Spokane Valley MSA, the Port of Pend Oreille is the only port district counted, and the trend from 2019 to 2020 shows a downward trajectory in their spending. Luckily, we have Port of Pend Oreille joining us at the Spring Meeting to provide a much-anticipated Port Report, and I am sure we can learn more about the local economy from them at that meeting.

One final reflection as I conclude my amateur economic analysis: I was sad to see news last month of the [closure of a Seattle industrial superstar: Ballard Oil](#), a staple of Seattle’s industrial maritime sector since it opened in 1937. My work on industrial lands preservation in the City of Seattle brought me into frequent contact with their charismatic owner, Warren Aakervik, known fondly as the Mayor of Ballard. He worked hard to maintain the critical service his business provided, but in the end saw his family business close due to a variety of factors, including worker shortage, cost of regulations, and zoning concerns. Warren’s work and longtime commitment to the industrial sector should be celebrated, and I’m sad to see his business go.

This kind of amateur statistical analysis tends to put readers, not to mention my dog Arthur, quickly to sleep, so I’ll stop it right there. We are looking forward to another good month here at WPPA, and the next time you read this newsletter, baseball season will have begun!



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