OH! THE PLACES YOU CAN GO... A REVIEW OF PORT POWERS

Washington Public Ports Association New Commissioners Seminar November 18, 2025

THE PANEL

Commissioner Glen Bachman,

Commissioner Port of Everett and President Washington Public Ports Association

Eric ffitch,

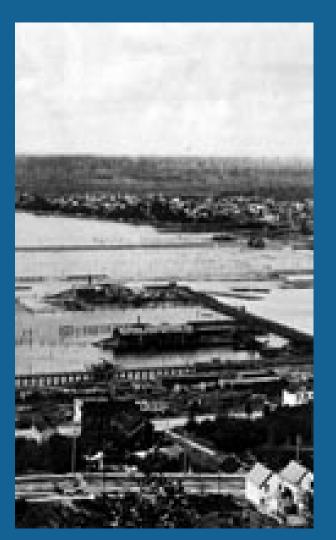
Executive Director – Washington Public Ports Association

Tim Schermetzler,

Washington Public Ports Association General Counsel

EVOLUTION OF PORT POWERS

- Ports' first authorized in 1911
 - Originally "transportation based" governments
 - System of harbor improvements
 - Rail and water transfer and terminal facilities
- Port powers have evolved to meet changing economic times
 - Now an economic development agency
 - Evolving to provide economic development for each generation,



1911 Port rail and water transportation – the "economic development" for that time

Port districts for the development and regulation of <u>a system of harbor improvements</u> and <u>rail and</u> water transfer and terminal facilities

1911 – 2025 Evolution of port powers

Port powers have expanded to meet the needs of the port districts' communities

This evolution is ongoing today and will continue tomorrow

BUT PORTS ARE STILL "SPECIAL PURPOSE MUNICIPAL GOVERNMENTS" (WITH EXTREMELY BROAD POWERS)

- The legislature has decided what the port can and cannot do - Title 53 RCW
 - Very broad powers subject to future definition by projects undertaken by ports
 - Subject to expansion by the legislature
- If there is a project, there usually is a power
 - Ultimately this is an analysis of the statutes and the appetite of the commission to define the bounds
 - The state auditor will review that "business decision"

1911 LEASING - RCW 53.08.080



For such purposes and upon such terms as the port commission deems proper

- Mixed use developments
- Commercial
- Recreational
- Industrial
- Tourism
- Transportation

1911 LEASING - RCW 53.08.080 - CONTINUED

- 50 years with renewals up to 80 years total
 - Airports are limited to 75 years
- Capital leases allowed
- Gifting of public funds
 - No "primary public purpose"
 - Donative intent
- True and Full Value
 - Government to government transfers
- Some think "related to port's other purposes"

1911 Local Improvement Districts -RCW 53.08.050

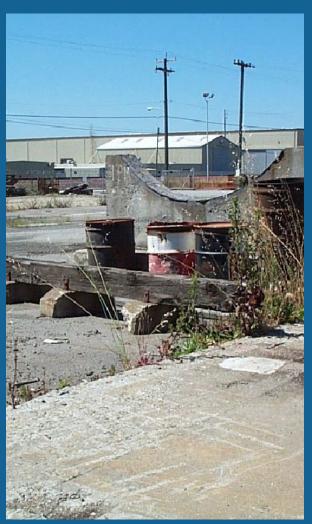
- Install improvements
- Issue local improvement bonds
- Levy assessments over a 10year period





1947 Studies, Investigations and Surveys - RCW 53.08.160

- All port owned property
- Industrial development of any property in the port district
 - But no port property can be developed by the port for agriculture or a dairy farm



1955 INDUSTRIAL DEVELOPMENT DISTRICTS – RCW 53.25

Create a geographic district defined by "marginal lands"

Acquire the property by purchase, condemnation or from the county

Plan and redevelop the property

Sell the property

1957 - The ability to levy a tax for the industrial development district

1955 SALE OF PROPERTY BY CONTRACT – RCW 53.08.091



- Original power of sale dates from
 1911
- 4% down
- 4% per year (24 years)
- 6% interest



1959 Toll Bridges and Toll Tunnels –RCW 53.34

- Construct, operate, purchase, lease, improve contract for operation
- Issue revenue bonds



1965 Park and Recreation Facilities

- RCW 53.08.270

"when such facilities are necessary to more fully utilize to port facilities"

Approved by local county or city

1967 Promotional Hosting Article VIII, Section 8 and RCW 53.36.120-150

"The use of public funds by port districts in such manner as may be prescribed by the legislature for industrial development or trade promotion and promotional hosting shall be deemed a public use for a public purpose"



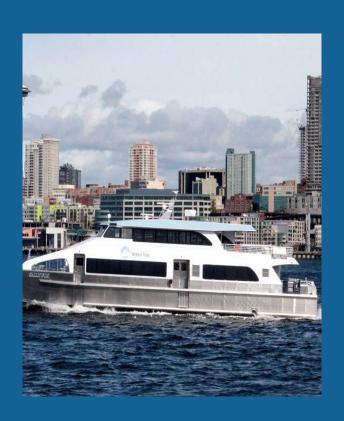
1975 POLLUTION CONTROL FACILITIES



Allows a benefit to be conferred by port districts to control; pollution

Clean Air Act - 1970

Clean Water Act - 1972



1980 Passenger Carrying Vessels - RCW 53.08.295

A port district may acquire, lease, construct, purchase, maintain and operate passenger carrying vessels on Puget Sound, interstate navigable rivers of the state, and intrastate waters of adjoining states



1980 Intermodal Cargo Movement - RCW 53.08.290

Ports may perform all necessary activities related to the intermodal movement of interstate and foreign cargo inside the port district

And rail service outside the port district

1984 Tourism Promotion and Tourism Related Facilities

- RCW 53.08.255

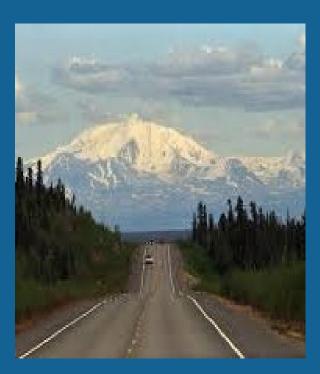
Expend monies and conduct promotion of resources and facilities in the district or general area by advertising, publicizing, or otherwise distributing information to attract visitors and encourage tourist expansion

- Very broad power
 - Community event facilities
 - Trash collection, swimming pools and beer festival grants



1985 Economic Development - RCW 53.08.245

- Engage in "economic development programs"
 - Contract with nonprofits for economic development
 - Programs for training
 - Very broad power
 - Funds for small communities and installation of infrastructure



1990 Street, Roads and Highways - RCW 53.08.330

- Construction, upgrading, improvement, or repair of any street, road, or highway that serves port facilities
 - Anywhere in Washington or adjoining states



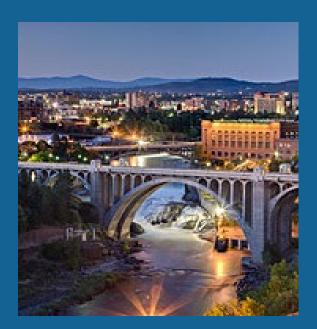
2000 Rural Port Districts - Telecommunications Facilities - RCW 53.08.370

- Construct, purchase, acquire telecommunications and internet services
 - No sale to end user
 - "Rural port district" means a port district located in a county with an average population density of fewer than one hundred persons per square mile as of June 8, 2000



2001 Grays Harbor Pilot Boats - RCW 53.08.390

 Port districts in Grays Harbor or Willapa Harbor only



2002 Community Renewal Agency - RCW 53.08.400 and 35.81

- Agreement with city or county
 - Port acts as the community renewal agency

2007 Tourism Related Facilities

When exercising the authority granted under (a) of this subsection, a port district may exercise any of the powers granted to a municipality under RCW 67.28.120, 67.28.130 through 67.28.170 and 67.28.220





2013 Brownfield Renewal Authority - RCW 70.105D.160

- Separate legal entity
 - Recognizes that Brownfield renewal is the new "urban redevelopment"



2015 PORT DEVELOPMENT AUTHORITY

Allowed the formation of the Northwest Seaport Alliance

Port of Seattle

Port of Tacoma

2021 RETAIL TELECOMMUNICATIONS



Open broadband infrastructure for underserved communities in Washington

Petrichor Broadband, LLC - 6 port districts serving 61,000 citizens

AND LEAST YOU FORGET A PORT DISTRICT CAN ALWAYS HAVE A



1974 Port Police Force - RCW 53.08.280

Must operate an airport or be a port of entry

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EXTENSION OF STATE ANTITRUST IMMUNITY

HB 1257 (2023) – extended the state's antitrust immunity to port districts to help promote infrastructure investment and regional and global competitiveness

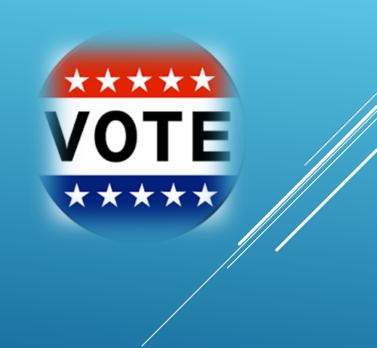


From left to Right, Dan Stahl (ED Port of Longview), Representative David Hackney, and Eric ffitch

CHANGES TO VOTING CHAPTER 53.12 RCW

> SSB 5370 (2025)

- Allows a vote to change commissioner terms from 4years to six years
- Process can be commenced either (1) by resolution of the Commission or (2) by petition of the voters
- Ballot proposition is then presented to the voters at the next general election occurring 60 or more days after the resolution or petition
- Simple majority vote to pass This law only applies to less than county-wide port districts with populations of less than 100,000 because RCW 53.12.221



PUSHING THE OUTSIDE OF THE ENVELOPE

BRINGING THE "NEW IDEA" TO LIFE

Think BIG early

Ask your port staff "how can we get this done?"

Ask port attorney "how can we make this work?"

Do we need legislation

Be prepared to articulate the "public good" in a public meeting

Consider a public hearing to link the "public good" to the port's statutory authority

Create a clear record – perhaps a resolution

Understand that is ultimately a "business risk" decision

PUBLIC HEARINGS

Public presentations with "experts" and "community leaders" creates a record

Economic development value

Trade and tourism

Importance to community



ACTION MEMOS AND RESOLUTIONS

Clearly written "action memos" that provide the port's thinking and rationale

Requires consistent analysis

Makes a record for the future port managers, the state auditor and the public

Carefully crafted resolutions that provide the link to a port statute

CASE STUDY – 2005 PORT OF BELLINGHAM PURCHASE OF 235-ACRE GEORGIA-PACIFIC MILL SITE

The central Bellingham Waterfront

\$100 million + in environmental cleanup

On the path to conversion to mixed use retail, commercial and residential development



CASE STUDY- 2015 COMBINING THE CARGO OPERATIONS OF THE PORTS OF SEATTLE AND TACOMA



Federal Maritime
Authority approved port
development authority

Required Washington legislation

CASE STUDY – 2020 THE CHELAN DOUGLAS REGIONAL PORT AUTHORITY

What was the community interest that was addressed?

What leadership was required?

Did it push the envelope?

How has it worked?

Was it worth the effort?



THANK YOU!

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