Washington’s Public Ports

Introduction and Overview

Washington’s public ports provide an important link in the regional transportation system. They allowed more than $50 billion in trade to move through the state in 1989. Estimates of the proportion of foreign exports from the Port of Seattle originating from businesses within the region range as high as 80 to 90 percent, according to port officials.

And, the ports provide important linkages nationally and internationally. According to the U.S. Department of Commerce, the state’s two largest ports, Seattle and Tacoma, ranked fourth and fifth nationwide, with more than $50 billion of total (two-way) trade in 1989.

A Growing Role for West Coast Ports

With international trade intensifying and shipping technology changing the transportation industry, Washington’s ports are being pushed to redefine their competition and their role in economic development within their districts and the state.

Burgeoning economies in Pacific Rim countries and cost advantages of moving products overland by rail between the East and West coasts have stimulated trade along the entire West Coast. In 1982, Pacific Rim trade surpassed cross-Atlantic trade for the first time, and in 1988, the San Pedro Harbor ports of Los Angeles and Long Beach outpaced the Port of New York and New Jersey by several different measures. According to the Pacific Maritime Association, Washington ports handled 25 percent of all U.S. West Coast tonnage shipped in 1989.

At the same time, advances in rail technology — such as rail cars capable of carrying double-stacked containers — and use of intermodal yards, which allow dockside transfer of goods between ship, rail and truck, have sped overland shipment between the two coasts. Goods shipped overland across the United States arrive as much as seven to 10 days faster than those shipped through the Panama Canal.

This is important for Washington ports. Unlike the San Pedro area, where local consumer markets are the final destination for most inbound cargo, only 25 percent of the products shipped into Washington harbors are destined for consumption in the Northwest. Instead, the state’s geographic position, one to two days sailing time closer to Pacific Rim markets than Southern California, has boosted its value as a gateway for trade between Midwest and East Coast markets and both Pacific Rim countries and Europe.

Future Opportunities

Potential for foreign commerce promises even greater opportunities for our state in the future as trade and competition heat up worldwide, according to Bill King of the state Department of Trade and Economic Development.

Washington exported $14 billion worth of its products in 1988. Almost $4 billion each went to Japan and Europe. Between 1985 and 1995, foreign sales of state exports are expected to nearly double, as Japan’s economy continues to expand and the European Economic Community begins to remove trade barriers through its Europe 1992 plan, King said. These areas promise to become increasingly important trading partners for the state.

Recent Interest in Ports

In recent years, there has been growing community interest in port authorities — how they serve local strategies for regional transportation and economic development; how they fit into a community’s growth management goals; how they serve broader state and national interests in trade and commerce development; and the extent to which they should and do cooperate with one another.

In 1989, following recommendations in the state Economic Development Board’s report on future economic goals for Washington, the state legislature authorized Washington ports to create a federation to strengthen their international trading capabilities and market the region’s products worldwide. Indicating that “ports should work together as a federation, coordinating their efforts further still with other public entities as well as the private sector,” Substitute Senate Bill 5648 requires ports to report to the legislature regularly on ways to increase efficiency.

This bill created a task force to identify and examine cooperative measures which would improve the individual and collective coordination and efficiency of ports and other entities involved in economic development. A report is due out shortly.
Public Policy Issues

Ports focus their resources primarily on industrial development and commerce-related transportation activities. Their transportation activities primarily include marine shipping, fishing terminal development and air transport.

In the area of industrial development, ports were for many years the only public entity in Washington—including state government—that promoted industrial development. In 1985, the state legislature, in response to severe economic recession, allowed industrial development authority to cities and counties.

The roles played by ports in industrial development are similar to those played by private-sector developers. Ports buy and develop land for industrial purposes. They provide public utilities to industrial sites and construct buildings for particular uses. And they manage long-term leases with port tenants. Because of the nature of the development services they provide, the characteristics of some port activities are similar to their private sector counterparts.

However, ports are established to serve a public purpose. As a result, they have taxing authority, and with it, the responsibility for public accountability.

Accountability Requires Information

Accountability depends on a knowledgeable public with the ability to make informed judgments.

In this Report

This paper examines the Washington system of public ports: how they are structured, governed, financed and operated, as well as how they fit into the state’s system of public service.

In 1986, $319 million in revenue was collected by the state’s 17 major marine-commerce ports. This figure belies their importance to the state’s economy, amounting to only a fraction of the total trade they allow to move through the state—more than $50 billion in 1989.

Put another way, combined port revenue represented only about a third of the annual revenue for the City of Seattle in the same year and was about $30 million less than 1988 revenue collected by the City of Tacoma.

Ports levied only about 3 percent of the $2.1 billion in property taxes levied statewide in 1988, with the balance going to schools (55 percent), counties (19 percent), cities (14 percent) and fire districts (5 percent).

The $319 million total revenue figure for the 17 ports reviewed also obscures the dominance of the ports of Seattle and Tacoma, which together represented more than 65 percent of total port revenue in 1988. In terms of property taxation, the Port of Seattle alone was the sixth largest local taxing district in Washington with its tax levy of more than $27 million in 1988.

Several public policy issues which grew out of this analysis are discussed in the following section and include several specific recommendations.

After the issues discussion is a brief history of public port development in Washington, a summary of the mechanics of port district formation, a discussion of Washington’s port governance compared with other West Coast ports and an outline of public port functions and powers in Washington state.

The paper then focuses on a five-year financial history and analysis of 17 major Washington marine-commerce ports. Revenue sources and expenditure patterns over the period from 1984 to 1988 are illustrated and discussed for the ports of Seattle and Tacoma. These two largest Washington ports represent more than $215 million of the total $319 million in revenue collected in 1988 by the 17 ports reviewed. Abbreviated data and analysis are presented for the remaining 15 ports reviewed.
financial presentation so that they are easier to find and evaluate.

Another important component of information necessary to public understanding is financial reporting by major area of spending.

Cities and counties are required by the State Auditor to report spending by major program such as law enforcement, fire protection or public works. By comparison, ports are not required to separate spending on marine terminals from airport activities or fishing terminals from recreational development. Information on different segments of port operations will sometimes be provided in the footnotes of port annual reports, but this practice is not universal and detailed financial data by program are not readily available.

The result is an inability to analyze program cost-effectiveness or to understand fully port operations without more time and diligence than most citizens — and probably many elected port officials — are able to devote.

Performance Evaluation

For the same reason, port performance is not possible to analyze. Indicators of growth in various types of product movement are available for some ports. However, without the financial detail, referred to above, for the specific port operations to which these product movements apply, meaningful conclusions are difficult to substantiate.

For example, data are available on the growth in container cargo movement through the Port of Seattle. However, without the ability to separate spending for marine terminal operations from spending for the airport, the growth in spending necessary to support the growth in container cargo movement cannot be evaluated.

In this analysis, Seattle's airport operation was separated from the rest of the port's operations. However, further separation of the marine numbers to isolate commerce from fishing terminals or recreational or commercial development was not feasible — nor were these data readily available from other ports.

Local Governance and Regional Purpose

Public ports are governed at the local level. In 1911, when this governance structure was adopted, geographic areas were more independent of each other, both in terms of their economic structures and their transportation services and facilities. Growth and development of motorized transportation has resulted in a highly integrated network of federal, state and local ground, air and marine transport. Today, this network, in which ports play an integral role, crosses the boundaries of individual political jurisdictions.

Similarly, a port's economic development function promotes job growth within a particular labor market — that area within which labor moves freely between residence and work.

As with regional transportation, the labor market that stands to gain or lose by a port's economic development activity has grown beyond individual jurisdictional boundaries in many areas.

Currently the locally governed public ports exist to fulfill two major regional purposes — transportation and economic development. In the central Puget Sound area, in particular, both the regional transportation network and the labor market span the better part of at least three counties. In effect, three or more politically autonomous ports serve a single regional marketplace for transportation and economic development.

**Competition and Cooperation Among Ports**

Some competition probably occurs among ports. However, due to their public nature, ports do not operate within a traditional free-market competitive environment.

The Port of Tacoma, for example, cannot simply buy the Port of Seattle, nor put it out of business by using greater efficiency or better development methods and services. Ports, like other government entities, do not go out of business. Instead, the citizens of particular districts, through their tax dollars, provide risk-capital insulation against potential economic downturns or development failures in their respective port districts.

The question becomes "is a system of individual, locally governed ports the most efficient way to allocate regional resources?"

Port officials say that the current system not only results in efficient resource allocation, but promotes it through rate structures and facilities, which reflect individual ports doing those things that they do best.

To the extent that closer coordination would result in better resource allocation, they say, it can best be achieved through closer cooperation between the governmental entities currently involved.

The ports throughout the state are closely interrelated and often interdependent. For this reason, the interests of individual ports often are best served by cooperating with one another and by coordinating activities that might otherwise seem disparate.

In discussions with port officials, the Council explored these relationships and were offered numerous examples.

Port officials describe the deepwater ports as "gateways" for Eastern Washington goods, as well as for commodities traveling to and from the U.S. interior. As such, they serve state and national interests ranging well beyond their local political boundaries.

"Upriver ports rise and fall with Port of Portland," said Roy Nishi, retiring manager of the Port of Walla Walla, describing
his port’s dependence on the gateway ports to ship grain from Eastern Washington.

Adding that the dependencies work both ways, he said: “Walla Walla’s port has five union employees working for Cargill Grain Inc. If they go on strike, they can shut down the grain terminals of Portland and Seattle.”

In a related way, if the ports of Tacoma and Seattle compete successfully with the Port of Portland by capturing a larger share of cargo business from Portland, the Port of Walla Walla, because of its close relationship with the Port of Portland, is also affected, Nishi said.

Although Washington ports are not required to coordinate their activities, ports have cooperated informally for more than 40 years, according to Washington Public Ports Association (WPPA) Executive Director Don White. The association has 65 member districts and has been in existence formally since 1961.

Legislation passed in 1989 further encourages coordination between ports—suggesting numerous activities such as marketing of the state’s trade resources, operation of export trading companies and export assistance—through the newly formed Federation of Washington Ports. The federation is an adjunct to the WPPA.

In the absence of a statutory mandate, however, such cooperation has resulted from and will continue to be the result of individuals voluntarily working together when it serves the best interests of their respective port districts.

Port Purposes and Growth Management

Finally, given ports’ transportation and economic development purposes, close coordination between ports and their respective local and state planning functions is important.

According to White, the WPPA was concerned about budget approval requirements in recent growth management legislation passed by the 1990 Legislature. Engrossed Substitute House Bill (ESHB) 2929 went beyond planning and coordination, requiring conformity of capital budgeting decisions with comprehensive land use plans, White said.

Under provisions of ESHB 2929, more formal planning and coordination is required between local, regional and state entities which affect land use. Section 18 of the bill specifies that “all special districts shall perform their activities which affect land use, including capital budget decisions, in conformity with the state policy goals and the comprehensive land use plan of the county or city having jurisdiction in the area where the activities occur.” Later, this section states, “this section shall not apply to port districts or municipal airports.”

The governor subsequently vetoed the exemptions in ESHB 2929, stating that, “…the exemptions provided...for port districts and municipal airports do not promote consistency and may unintentionally result in ports and municipal airports being exempted from all land use requirements.”

As the state defines its interests in managing growth and development, the transportation and economic development roles of ports must also be assessed.

Conclusions and Recommendations

Financial and Performance Evaluation

Beyond the current reporting requirements with which ports conform, the following informational detail is necessary to public understanding:

- A separate statement of taxes and their uses should be added to the current set of financial reports prepared by ports.
- Financial information should be prepared and regularly made available to the public in a form that separates expenditures associated with major types of port activities.
- Performance indicators, like cargo tonnages or revenue, associated with particular types of facilities, should be kept in a consistent manner to allows comparison with appropriate financial data and evaluation of the cost effectiveness of particular types of port activities.

Ports and Growth Management

Ports, due to their major purposes of transportation and economic development, directly affect and are directly affected by the growth management goals of the areas in which they are located.

Ports should be closely involved in the comprehensive planning processes in which their individual communities seek to determine how to manage growth–related issues. And within the context of these larger community plans, ports should have well-defined operational and capital objectives against which their achievements can be measured and evaluated.

Port Structure and Governance

Finally, further review of port structure and governance needs to occur. More than those of any other local unit of government, port purposes transcend local political boundaries.

The question that needs to be addressed directly is whether the allocation of regional resources necessary to the regional transportation and economic development purposes, which ports have been established to fulfill, can be best served through the current system of autonomous, cooperative entities, or whether regional resources would be better allocated through a more centralized port authority.
History of Washington's Public Port Districts

Development of Washington ports began long before the state entered the Union in 1889, when settlers built near water for convenient transportation. Reliance on ships and other waterborne craft for trade created a need for waterfront facilities. Docks, floats and other structures were built, and often monopolized, by private owners who controlled the price and use of facilities, as well as the movement of goods.

Following lengthy debate at the state's Constitutional Convention in 1889 over the fate of harbor areas, the fledgling state took title to the beds, tidelands and shorelands of navigable waters within its boundaries.

In the wake of a grassroots populist movement in Washington and after considerable resistance, the state legislature in 1911 passed Chapter 53.04 of the Revised Code of Washington (RCW), enabling the creation of locally controlled public port districts to promote and protect all commerce. Many private entrepreneurs considered it a radical idea bordering on socialism or communism, according to Padraic Burke's book, A History of the Port of Seattle.

A New Type of Special District

These local special districts were granted power by the state to acquire, develop, construct, maintain, operate and regulate facilities and services for all forms of transporting goods and people within the harbor lines — the state—set geographic lines that define a harbor area for port development. The rights to sell bonds and levy property taxes to finance port activities also were granted to port districts at this time.

In September 1911, the Port of Seattle became the first autonomous municipal corporation in the nation to engage in port terminal operation and commerce development. It also became the object of private sector attempts to abolish the port or severely restrict its powers. At stake were not only large portions of Seattle's lucrative waterfront, which were still privately owned, but also the concept of commerce as the exclusive sphere of private enterprise.

It was several years before Seattle worked through the lengthy land condemnation process required to gain waterfront land once owned by the private sector, primarily by the railroads. And it was not until World War I, when German submarine success in the Atlantic threatened war shipments to allied forces, that Seattle's port began to flourish. By the end of the war in 1918, goods moved regularly through Seattle, across the Pacific Ocean and Asia to supply European allies. In the process, Seattle's port surpassed all but New York's in terms of the value of pass-through cargo.

Many attribute the proliferation of publicly managed ports along the West and Gulf coasts to the success of Seattle's public port during those years.

Amendments Add Flexibility

The basic tenets of the 1911 law remain unchanged today, although port powers have expanded through the years to include airport and industrial development, as well as formation of dryland port districts.

Following the Depression, when many Washingtonians felt overburdened by the state's property taxes, a flurry of citizen initiatives was directed toward lowering and limiting taxes. One such initiative — the Forty–Mill Law, as it was called — had important consequences for Washington's ports.

The Forty–Mill Law, which established the basic structure of property taxes levied in Washington today, set out millage rates for each of the state's taxing districts. Ports and public utility districts (PUDs) were not specifically mentioned in the law, and their eligibility for property tax proceeds was assumed to fall within the counties' regular levy. Another citizens' initiative, passed by state voters two years later, specified, among other things, that port districts should not be limited by the Forty–Mill Law.

The state legislature reenacted the Forty–Mill law, with the revision excluding ports, every two years until 1944, when it was made part of Amendment 17 of the state constitution. This amendment limits regular property tax levies of all state and local taxing districts, except those of ports and PUDs, to 1 percent of the value of property in the state.

A 1965 amendment to the state constitution provided another key element of ports' wide-ranging economic development authorities. Article VIII, Section 8, of the constitution stipulates that "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, and shall not be deemed a gift within the provisions of section 7 of this Article.** Section 7 prohibits any municipal corporation of the state from lending its "credit to or in aid of any individual, association, company or corporation ...."**

**Port District Formation**

Public port districts are geographic areas varying in size from those as small as a city or town to others spanning an entire county.

Port districts in Washington are formed with simple majority approval of voters residing within the proposed district's boundaries. A proposal for creating a district can either be placed on the ballot by the board of county commissioners or by a petition signed by at least 10 percent of county voters.

Originally, a port district could be countywide or smaller in size. Boundaries were defined when the district was formed. In 1971, legislation was enacted prohibiting establishment of any port district encompassing an area smaller than a whole county. However, a state law passed in 1986 allowed formation of such smaller districts until the end of 1988. The ports of Chehalis and Centrailia were incorporated under this modified authority. As of 1989, all new port districts must again encompass an entire county.

Washington has 76 public port districts in 33 of its 39 counties. Only Ferry, Kittitas, Lincoln, Okanogan, Spokane and Stevens counties do not have at least one port district. Twenty-two of the 76 districts are located in just two counties, with the largest number — 12 — in Kitsap County and another 10 in Grant County. Many of these smaller districts are recreational in purpose.

Washington's public port districts vary greatly in size, characteristics and complexity. They range from ports that operate only recreational facilities — such as the ports of Allyn and Dewatto — to the Port of Seattle's diverse marine cargo terminals, marina, warehouses and international airport. Washington's public port districts may be located on the water or far from any direct access to water.

Within a county and with voter approval, ports can annex territory or consolidate with another public port district to cover a larger area. Consolidation also can take place across county lines with an affirmative vote of each area's residents. To date, no districts have been consolidated across county lines. Annexation and consolidation can be initiated by the county commissioners or by petition of at least 10 percent of the voters in each of the affected port districts.

A port can be dissolved if a majority of its commissioners requests the action of the county Superior Court. If the court agrees, it issues a dissolution order. Only the Port of Kittitas, formed in 1956, has been dissolved, an action that took place in 1972.

Ports also can be dissolved if they become inactive. In this case the county prosecutor would file a petition for dissolution.

Although port districts are formed by voter approval, they may not be formally dissolved by citizens' initiatives, according to the Secretary of State's Office of Elections' interpretation of RCW 53.48. However, voters could informally petition the port commission for consideration of a dissolution request to the Superior Court.

**Port Governance**

Port governance can take many different forms, as a review of major West Coast ports illustrates. Table 1 summarizes the major governance characteristics of several West Coast ports and compares them with those in Washington.

In Washington, ports are municipal corporations of the state and are classified as "special purpose districts." They have a unique form of governance among West Coast ports in that port policies are set by a board of directly elected port commissioners. By contrast, most California ports are semi-autonomous departments of city government, and their port commissioners are appointed by the mayor and city council. At the ports of Long Beach and San Francisco, final budget approval rests with the city council (or Board of Supervisors, in the case of San Francisco).

In Oregon, the Port of Portland is a regional entity and its commissioners are appointed by the governor. And in British Columbia, the Vancouver Port Corporation — like all Canadian ports — falls under federal auspices, with commissioners appointed by the Canadian Minister of Transportation.

Commission size in Washington is determined by port district population. Districts with more than 500,000 residents may choose to have five commissioners. The ports of Seattle and Tacoma, the only districts currently eligible, have both opted to have five commissioners. All other Washington ports have three commissioners. Consolidated districts — those combining two or more port districts to form one larger district — may choose to have a three-, five- or seven-member commission. The state currently has no consolidated districts.

By comparison, all other major West Coast ports have at least five commission members. The ports of Oakland and Vancouver, B.C., each have seven, and the Port of Portland has nine.

Washington's port commissioners typically serve six-year terms, with one commissioner elected every two years. At other major West Coast ports, terms of office are generally shorter, varying from one year at the Port of Los Angeles to a limit of two six-year terms at the Port of Long Beach.

Washington's commissioners are not salaried but receive compensation for each day they attend port-related meetings or perform other services for the port district. The limit is $50 per day up to $5,800 per year, plus expenses (or $4,800 per year if the district's gross operating income is less than $25 million for the previous calendar year).

Commissioners may also be covered under a port's group health and accident insurance policies. The legislation allow-
ing this coverage indicates that it "shall not be considered" compensation.

**Port Management**

Although port governing power rests solely with the commission, commissioners typically delegate authority for operations to a manager, whom they appoint. This is done by passing a resolution that includes management guidelines and procedures. Port managers are responsible for day-to-day port operations. Their staff prepares information on measures to be voted on by commissioners at their meetings.

Most port commissions meet once or twice a month, although small districts may choose to meet less often. All official actions of the port district are the responsibility of the commission and must be a matter of public record. Port commission meetings are subject to the state's open meeting laws. Public disclosure laws make port district records open upon request, with a few exceptions, such as when disclosure violates the right of privacy or commercial interests override public interest.

**Port Budget Process**

According to RCW 53.35, a port's preliminary budget for the ensuing fiscal year (which for ports is the calendar year) must be prepared no later than Sept. 15 each year. A final budget hearing — at which any district citizen present may make objections to the preliminary budget — and budget adoption must take place at a meeting no later than the first Tuesday following the first Monday in October. A copy of a port's final budget, which contains specifics on the amount of property taxes to be levied for the ensuing fiscal year, must be filed with the clerk of the county commissioners no later than the Wednesday following the first Monday in October.

An alternative budget process may be followed if there are no provisions of the law to the contrary in the county. Under the alternative schedule, the commission may file the port's

**Table 1**

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<tr>
<th>WASHINGTON PORTS</th>
<th>OTHER WEST COAST PORTS</th>
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<td><strong>Selection of port commissioners</strong></td>
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<td><strong>Port director appointed by</strong></td>
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<td><strong>Separate professional commission staff</strong></td>
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<td><strong>Direct taxing authority/4</strong></td>
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<td><strong>Final budget approval</strong></td>
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<td><strong>Major facilities approval</strong></td>
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1/ San Francisco is a combined city/county government. The Board of Supervisors is the chief decision-making body.
2/ Appointments are subject to approval by Canada's Federal Cabinet.
3/ Two-term limit.
4/ California ports have indirect access to the general taxing authorities of their respective municipal governments.
5/ Canada's seven port corporations, including the Vancouver Port Corp., are taxpayers. The port pays grants in lieu of property taxes to eight nearby municipalities; a dividend to its federal parent corporation, Ports Canada; and a dividend to the federal treasury, which currently is set at 30 percent of the port's net income.
6/ All Oregon government entities, including the port, are required by state law to submit budgets to a tax conservation commission (in Portland's case, the Multnomah County Tax Conservation Commission) for review.
7/ Any planning and development must comply with plans of the Bay Conservation and Development Commission (a state regulatory agency) and the City Planning Commission's Northeast Waterfront Study, a comprehensive plan.
final budget no later than the first Monday in December, with preliminary budget dates and hearings adjusted accordingly.

One or more supplemental budgets can be adopted by a port commission by resolution at any time during the fiscal year, but only after public hearings preceded by published notice five to 15 days prior to the hearing.

Functions and Powers

The original law, RCW 53.04, gave port districts authority to acquire, construct, maintain, operate, develop and regulate within the district all types of facilities and services needed to transfer and transport people and goods. Those purposes were later expanded to include industrial and economic development. In many Washington counties, a public port district is the principal local public agency dealing with economic development. Given their legal and taxing authorities for transportation and economic development, ports have the most flexible and far-reaching powers granted to public entities in Washington.

The extent to which individual ports exercise specific authorities is primarily determined by regional economic conditions. These conditions dictate the operations that are most feasible and the financial resources available to fund necessary investments in capital facilities.

As illustrated in table 2, Washington port operations involve most areas of transportation: marine, air and land. This has led to development of facilities such as marine terminals, piers, wharfs, boat landings, marinas and airports, large and small. Supporting facilities—for example, warehouses, storehouses, multiple-use buildings, grain elevators, conveyors and cold storage facilities—also have resulted.

In one of the few limitations placed on port authorities, RCW 53.08.250 prohibits port districts from engaging in motorized transport of goods for compensation outside district boundaries. It also restricts port involvement with rail equipment and services outside district boundaries except to link port facilities to an interstate railroad system.

Port authority to promote economic development has led to land development for manufacturing and commercial enterprises. Economic development programs of various Washington ports include property purchase, lease and sale; operation of trade centers, export trading companies and foreign trade zones; and tourist promotion.

In carrying out their functions and powers, ports are subject to local, state and federal regulations. For example, they must comply with local building permit and zoning regulations; state shoreline and environmental protection acts; federal permit processes of the U.S. Army Corps of Engineers for dredging or altering navigable waterways; and U.S. Coast Guard fire and safety regulations.

Table 2

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<th>Port of</th>
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<th>Port District Facilities</th>
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<td>Deepwater</td>
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1/ Barge services available.

specific powers which enable ports to carry out their functions include authority to:

- Levy property taxes, outside of the 1 percent constitutional limit.
- Sell general obligation and revenue bonds.
- Acquire land by cash, condemnation or right of eminent domain.
- Improve, lease and sell district lands and buildings.
- Construct, improve and maintain harbor improvements and improve navigable and non-navigable waters.
- Create and maintain foreign trade zones.
- Acquire — or build — and operate airports.
- Promote and advertise facilities and services to attract new industry.
- Entertain for the purposes of industrial promotion or conduct any other activities, as deemed appropriate by the legislature, outside of the constitutional provision prohibiting lending the public’s credit for private gain.
- Create industrial development districts for purposes of attracting development.
- Appoint police officers with full police powers if the district operates an airport or is designated as a port of entry by the federal government.

Revenues from operations — principally property leases, rental revenues and user fees — constitutes the largest portion of port revenue, accounting for $227 million in 1988, more than 72 percent of total revenues.

Taxes levied against the assessed valuation of taxable property within port district boundaries account for the next major source of revenue. Because of their importance in the context of this report, port taxing authorities are discussed in detail in the next section.

Taxes totaled about $52 million in 1988, representing about 17 percent of total revenue. Taxes collected to support port operations and development totaled almost $6 million in 1988. These accounted for about 11 percent of total taxes collected by ports. In addition, about $47 million (89 percent) in property taxes were collected to support capital facility development. These taxes were used to repay port general obligation bond debt and to fund industrial development activities.

Port district taxes are reported in two different places in port financial reports. Because they are used primarily to pay for developing a port’s capital facilities, much of a port district’s property taxes are accounted for as a contribution to equity on port balance sheets. Other taxes are reported in a port’s statement of revenue and expenses (essentially, these are income statements). This particular accounting standard, which separates taxes, makes it difficult to analyze a port’s use of its taxing authorities and is the subject of recommendations in this report.

For purposes of this analysis, all annual tax levies have been included in the statement of revenue and expenses. And, even though 11 percent is used to support operations by some ports, all taxes are shown together as a non-operating source of revenue on tables in this report.

Other non-operating revenue, which made up about 13 percent of total port revenue in 1988, comes primarily from interest income ($21 million), which is earned on cash and investments, and grants ($9 million), which comes mostly from the federal government.

**Port Taxing Authorities**

Washington’s public ports can raise revenue through direct taxation of property within the port district. As discussed earlier, this authority is unusual among West Coast ports.

Washington’s ports finance the bulk of their activities through debt, earnings and grants — just as other West Coast ports do. Unlike most other West Coast ports, Washington ports are not required to rely exclusively on revenue bonds to finance port debt. Although much of the San Pedro ports’ extensive harbor development was paid for with oil severance tax revenue, those ports currently finance the bulk of their development activities using revenue bonds. The ability of Washington ports to issue general obligation bonds not only allows them greater financing flexibility, but also allows more favorable financing rates.

In addition, their authorities for direct taxation provide Washington ports and their bondholders greater insulation against the risks of their investment decisions.

Port taxing authorities in Washington are also unusual among state taxing districts — the state, cities, counties and special districts — in that ports are not subject to some of the constitutional and statutory limits on property taxation. With the exception of public ports and PUDs, state taxing districts operate under a constitutional property tax limit of 1 percent of assessed value ($10 per $1,000 of assessed value), as well as a statutory property tax limit of $9.50 per $1,000 of assessed value. This latter limitation essentially allocates taxes collected under the 1 percent lid among the state’s taxing districts.

Ports are subject to the state’s 106 percent levy limit. In an effort to lessen the impact of rapidly increasing property values on property tax bills, RCW 84.55.011 limits property tax collections to no more than 106 percent of the largest levy collected in the past three years, not counting increases in property values due to new construction. If assessed values increase by more than 6 percent, levy rates are decreased to keep collections within the limit. This lid may be lifted with
voter approval.

Ports in 1988 levied $11 million dollars less in property tax revenues than they would have levied in the absence of this limitation. Six million dollars of these taxes — or 57 percent — would have been levied by the Port of Seattle, according to the state Department of Revenue's Property Tax Statistics.

Property taxes levied to finance construction activities of ports, cities, and counties associated with industrial development are not subject to the 106 percent property tax limit. As a result, a major part of the activities for which ports are authorized to levy property taxes is not subject to the limitation. Table 3 details the taxing options available to ports.

As illustrated in table 3, state law authorizes port districts to raise revenue for port operations and development in several ways. Without voter approval, ports may levy property taxes for the following:

- General port purposes, to supplement operating revenue and to establish funds for future capital improvements. This can be done by levying an annual tax on the district's taxable property of up to $0.45 per $1,000 of assessed valuation.

- Industrial development purposes, up to $0.45 per $1,000 of assessed valuation for a limited period of up to 12 years. These taxes may be levied for current development projects, and, if not entirely spent, may be carried over for future development purposes. The first six years do not require voter approval. The last six years may be subject to voter approval if the port commission is formally petitioned by the port district citizens.

- Principal and interest payments on its general obligation bonded indebtedness.

With voter approval, ports may levy an additional tax specifically for dredging, canal construction and land—leveling or filling purposes.

### Debt and Debt Limits

Port capital projects, which normally involve using some form of debt, can be financed in three basic ways:

- They can be paid for from money earned by the port and set aside for such projects.

- Money may be raised through issuing general obligation bonds, which are backed by the full faith and credit of port district taxpayers. Issuance of general obligation bonds, in turn, creates future need for tax levies and/or earned income to repay the debt.

As shown in table 4, a port can obligate the taxpayers of its district, without voter approval, up to an amount equal to 0.375 percent of the value of the property in the district. The maximum amount of debt a port can incur cannot exceed 1.25 percent of the value of property in a port district.

- Revenue bonds are another commonly used financing option for public port districts. These bonds are guaranteed by port revenues received from a particular activity, such as rent from leased port facilities.

The amount of revenue bonds a port district may issue is not legally limited. It is, however, constrained by financial industry requirements and is dependent on a port's ability to repay both principal and interest solely from district operating revenue. According to annual port financial report footnotes, the financial industry currently requires port operating income sufficient to cover 135 percent of annual revenue bond debt service costs.

Property tax revenue of a port district may not be used to pay the principal and interest on revenue bonds. As noted in table 3, they can be used to pay for port operations expenses. Up to $0.45 per $1,000 of property assessed value can be used for this purpose. This practice helps free up operating revenue, which then can be used to cover revenue bond debt service and to help ports secure better bond ratings.

Higher bond ratings indicate lower financial risk to potential lenders, which is reflected in a lower interest cost on the revenue bonds. The more operating revenue available for revenue bond debt service, the more debt the port can carry.

Revenue bonds have been a significant source of financing for Washington ports. They have been used to attract new industrial activity to areas by offering lower costs to construct facilities than would have been incurred through most other financing methods.
### Table 4
General Obligation Debt Limits
(percent of district assessed valuation)

<table>
<thead>
<tr>
<th>General obligation debt for:</th>
<th>Without voter approval</th>
<th>Voter approval required</th>
</tr>
</thead>
<tbody>
<tr>
<td>General purposes</td>
<td>0.250%</td>
<td>0.750%</td>
</tr>
<tr>
<td>Airport capital improvements/1</td>
<td>0.125%</td>
<td>0.375%</td>
</tr>
<tr>
<td>Foreign trade zones/2</td>
<td>0.125%</td>
<td>0.750%</td>
</tr>
<tr>
<td><strong>Total /3</strong></td>
<td>0.375%</td>
<td>1.250% /3</td>
</tr>
</tbody>
</table>

1/ Allows ports with less than $200 million in taxable property to pay for airport capital improvements.
2/ May be used to acquire land for sites and construct warehouses, storage facilities and other facilities within a foreign trade zone.
3/ Total general obligation indebtedness for all port purposes may not exceed 0.75 percent, except for districts with less than $200 million in assessed valuation with an airport, in which case they may not exceed 1.25 percent of the assessed value of the district.

### Port Financial Trends

For the purposes of this study, the Council gathered financial data on 17 of the state's 76 ports. Selection was based on the availability of marine terminal facilities, a factor which provided consistency and similar data availability.

The overview, which is provided below, presents financial information on all 17 ports and provides a framework within which to understand Washington public ports. Because the ports of Seattle and Tacoma overwhelm the statistics, conclusions should not be drawn based solely on the aggregate data. In 1988, $227 million, or 69 percent of the total $319 million in major marine port revenue, was collected by the deepwater ports of Seattle and Tacoma (see figure 1).

The remaining 15 ports are loosely grouped into two broad geographical categories: Other deepwater ports include other Puget Sound, coastal and some Columbia River ports. These ports collected $91 million and represented 28 percent of total port revenue collections in 1988. The remaining Columbia/Snake River ports, collected $10 million in 1988, accounting for the remaining 3 percent. These groupings include the following ports:

- **Other deepwater:** Anacortes, Bellingham, Everett, Grays Harbor, Kalama, Longview, Olympia, Port Angeles and Vancouver.
- **Columbia/Snake River:** Benton, Kennewick, Klickitat, Pasco, Walla Walla and Whitman County.

Although it provides only barge service, the Port of Kennewick is included with the Columbia/Snake River analysis because of its close ties with the Tri-ports, a cooperative association of the ports of Benton, Kennewick and Pasco.

### Financial Overview

Washington's 17 major marine ports collected $319 million in revenue in 1988. About 72 percent of this revenue came from port operations—primarily user fees, as well as property leases and rental incomes. Another 17 percent came from tax levies. This percentage is up slightly from 1984, when approximately 15 percent of total port revenue was raised from taxes. The remaining 11 percent of total revenues is from interest earnings, grants and other non-operating revenue sources.

About 84 percent of all port expense was for operations, with the remaining 16 percent paying for interest on port debt and other non-operating expenses.

With 1988 operating revenue of $227 million and expenditures of about $200 million, including $47 million in depreciation, ports had about $27 million in net earnings from operations. This is a similar figure to net operational earnings in 1984, although it represents a lower ratio of earnings to total revenue—net operating earnings were 12 percent of total revenue.

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**Figure 1**
Total Port Revenue Collections
$319 million in 1988
operating revenues in 1988, compared with 16 percent in 1984. This drop was chiefly the result of growing operating losses in the marine terminal operation at the Port of Seattle. Depressed regional economies affecting the Columbia/Snake River ports and economic diversification efforts at the Port of Bellingham have also resulted in some increased operating deficits, as the detailed presentations illustrate.

Over the same period, income from other non-operating sources (primarily interest income on cash and investments) declined 21 percent — from about $44 million in 1984 to $35 million in 1988. Offsetting this decline was a 37 percent increase in taxes collected, from $38 million in 1984 to $52 million in 1988. The effect was an 8 percent increase in total net income (net income from operations plus non-operating income) over the period, from $75 million in 1984 to $81 million in 1988.

Of the more than $52 million collected in taxes by ports in 1988, slightly more than 50 percent ($27 million) was collected by the Port of Seattle. The Port of Tacoma raised 12 percent ($6 million) of the total. A summary of taxes collected by port in 1988 is presented in Table 5.

### Table 5
**Port District Property Taxes**

<table>
<thead>
<tr>
<th>Port of:</th>
<th>Totals for Port &amp; Industrial Prop Tax</th>
<th>Total Prop Tax Collections</th>
<th>Change in Total Collections from 1984</th>
<th>Base Assessed Value (in $1,000s)</th>
<th>Total Tax Rate ($/1000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GO Debt Service &amp; Industrial</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anacortes</td>
<td>$386,804</td>
<td>$386,804</td>
<td>36.6%</td>
<td>$393,272</td>
<td>$0.4127</td>
</tr>
<tr>
<td>Bellingham</td>
<td>$685,574</td>
<td>$3,103,782</td>
<td>19.8</td>
<td>4,285,409</td>
<td>0.8842</td>
</tr>
<tr>
<td>Benton</td>
<td>$564,342</td>
<td>$125,745</td>
<td>24.6</td>
<td>1,282,634</td>
<td>0.5380</td>
</tr>
<tr>
<td>Everett</td>
<td>$301,606</td>
<td>$1,590,453</td>
<td>46.0</td>
<td>3,345,139</td>
<td>0.5656</td>
</tr>
<tr>
<td>Grays Harbor</td>
<td>$839,010</td>
<td>$934,827</td>
<td>71.7</td>
<td>1,860,150</td>
<td>0.9536</td>
</tr>
<tr>
<td>Kalama</td>
<td>92,505</td>
<td>92,505</td>
<td>9.0</td>
<td>153,537</td>
<td>0.6025</td>
</tr>
<tr>
<td>Kennelwick</td>
<td>98,569</td>
<td>574,571</td>
<td>31.8</td>
<td>1,673,933</td>
<td>0.4021</td>
</tr>
<tr>
<td>Klickitat</td>
<td>56,071</td>
<td>56,071</td>
<td>9.9</td>
<td>229,738</td>
<td>0.2441</td>
</tr>
<tr>
<td>Longview</td>
<td>455,191</td>
<td>810,566</td>
<td>(4.2)</td>
<td>2,811,290</td>
<td>0.4503</td>
</tr>
<tr>
<td>Olympia</td>
<td>568,785</td>
<td>2,813,042</td>
<td>24.4</td>
<td>4,458,832</td>
<td>0.7585</td>
</tr>
<tr>
<td>Pasco</td>
<td>462,933</td>
<td>462,933</td>
<td>9.0</td>
<td>1,083,635</td>
<td>0.4352</td>
</tr>
<tr>
<td>Port Angeles</td>
<td>340,647</td>
<td>780,447</td>
<td>311.1</td>
<td>1,772,062</td>
<td>0.6326</td>
</tr>
<tr>
<td>Seattle</td>
<td>0</td>
<td>27,333,000</td>
<td>8.4</td>
<td>63,145,846</td>
<td>0.4329</td>
</tr>
<tr>
<td>Tacoma</td>
<td>0</td>
<td>6,618,005</td>
<td>41.9</td>
<td>15,297,266</td>
<td>0.4061</td>
</tr>
<tr>
<td>Vancouver</td>
<td>424,692</td>
<td>1,664,616</td>
<td>27.3</td>
<td>4,700,662</td>
<td>0.4445</td>
</tr>
<tr>
<td>Walla Walla</td>
<td>0</td>
<td>619,361</td>
<td>31.4</td>
<td>1,461,639</td>
<td>0.4180</td>
</tr>
<tr>
<td>Whitman Co.</td>
<td>423,452</td>
<td>423,452</td>
<td>13.4</td>
<td>943,958</td>
<td>0.4866</td>
</tr>
<tr>
<td>Total</td>
<td>$5,700,181</td>
<td>$46,536,515</td>
<td>36.8%</td>
<td>$109,383,062</td>
<td>$0.4776</td>
</tr>
</tbody>
</table>

1/ Property tax revenues for general port purposes can be used to supplement revenue derived from port operations and for establishing a fund for future capital improvements. Data were not available to distinguish the actual use of tax revenues for port operations from those used for capital development.

Source: Port district financial reports.
In 1988, Columbia/Snake River ports derived 49 percent of their total revenue from port operations. Taxes collected represented 31 percent of total revenue. In addition to placing a greater emphasis on economic diversification efforts, these ports rely more heavily on property leases and rental revenue. This revenue source has not kept pace with operating expenses for some ports, due to depressed regional economies. Other non-operating revenue—primarily interest income and grants—account for the balance of total revenue, 19 percent.

The remaining sections of this report focus on financial conditions of individual ports. First, Washington’s two major ports of Seattle and Tacoma are discussed. Then, summary information is presented for each of the remaining 15 marine ports on pages 16 through 30.

**Port of Seattle**

With almost $27 billion of foreign imports and exports in 1989, the Port of Seattle ranked fourth among ports nationwide and has carved out a significant niche in the international trade market. Among West Coast ports, Seattle ranks third behind the Southern California ports of Los Angeles and Long Beach.

Port operating revenue increased from $92 million in 1984 to $114 million in 1988—a rise of 24 percent (see figure 2). Over the same period, operating expenses grew from $76 million to $103 million, representing an increase of 36 percent.

The resulting net earnings from operations fell 30 percent over the period, from about $17 million in 1984 to about $12 million in 1988. This decline in total net operating revenue was due principally to growing operating deficits in Seattle’s marine terminals operation. Net earnings from marine operations fell 132 percent from $4 million in 1984 to $1 million in 1988.

These figures include depreciation expense, which is a non-cash accounting convention intended to spread the cost of capital over an asset’s useful life. If depreciation is not included, cash flow in Seattle’s marine terminals, is positive in all years and was about $13 million in 1988.

In 1985, Sealand Inc. moved its operation from the Port of Seattle to the Port of Tacoma. The effect of this loss on Seattle’s marine operation shows up in a decline in operating revenue from marine terminals from $45 million in 1985 to $40 million in 1986. By 1987, however, Seattle had recovered its 1985 levels, with $46 million in revenues from marine terminals.

Revenue from Seattle–Tacoma International Airport totaled $68 million in 1988, accounting for almost 59 percent of Seattle’s total operating revenue. The port operates the airport on a cost-reimbursement basis, with operating revenue equaling the sum of operating expenses plus 135 percent of the airport’s annual debt service on revenue bonds.

Net non-operating revenues at the port declined 3 percent, from about $24 million in 1984 to $23 million in 1988. This was due to increased interest expenses (primarily paying off revenue bonds), reduced interest income (as restricted cash assets were used to pay debt), and to a lesser extent, a
Detailed figures for Seattle's marine and air terminal operations are not shown in this report, but are available on request.

Just as a homeowner increases the equity in his or her home by paying the mortgage (debt) and making improvements, a port increases its equity holdings principally by paying off debt and purchasing additional assets.

The Port of Seattle increased its equity in port assets 34 percent from $410 million in 1984 to $550 million in 1988 (see figure 3). This was accomplished by investing in additional assets and paying down long-term debt.

The Port of Seattle has expanded the value of its net capital assets (land, buildings and other structures and equipment) 28 percent over the last five years, from a total value of $594 million in 1984 to $763 million in 1988. To help finance this development, the port increased its long-term debt by 15 percent, from $262 million in 1984 to $300 million in 1988. General obligation debt almost doubled (a 91 percent increase), from $19 million in 1984 to $37 million in 1988. And revenue bond debt increased 9 percent, from $243 million to $264 million.

According to sources at the Port of Seattle, general obligation debt is used by the port only to finance development at its marine terminals. The expansion in marine terminal development has led to levying additional property taxes to pay for general obligation debt and capital improvements.

Revenue bonds are the major source of financing developments at the airport and also are used to finance marine terminal development.

Seattle has been paying off long-term debt obligations incurred in 1985. According to financial notes in its 1985 Annual Report, the port issued $29 million in general obligation bonds; $27 million in revenue bonds to refinance previous revenue bond debt; and $41 million in revenue bonds for land acquisition, airport noise abatement and terminal building expansion at the airport. The port's indebtedness took another jump in 1990, when almost $150 million in revenue bonds were issued to refinance old debt, expand marine and airport facilities and construct a new port headquarters building.

Since 1984, tax levies to cover general obligation debt and capital improvements at Seattle's port have grown 40 percent, from $20 million to $27 million in 1988 (see figure 4). This compares with growth in the King County economy of about 36 percent, as measured by county personal income, and to growth in assessed values of 18 percent. The gap between tax levy growth and assessed value growth is the result of tax rate increases from $0.37 per $1,000 of property assessed value in 1984 to $0.43 per $1,000 of property assessed value in 1988.

**Port of Tacoma**

Like neighboring Seattle, the Port of Tacoma has gained a significant position nationwide in terms of the dollar value of foreign imports and exports handled. In 1989, the port nudged out the Port of Houston for fifth place, just behind Seattle, handling two-way trade valued at $26 billion, according to U.S. Department of Commerce figures.

With operating revenues of less than one-third those of the Seattle in 1984, the Port of Tacoma experienced a 68 percent increase from $29 million in 1984 to $48 million in 1988 (see figure 5). By 1988, Tacoma's operating revenues were up to 42 percent of the Port of Seattle's. Operating expenses also increased, from $22 million in 1984 to $37 million in 1986.

Net non-operating revenues, on the other hand, fell 34 percent over the five-year period, from $5 million to $3 million. This is the result of a decline in interest income (from restricted cash assets held to cover debt) and an increase in interest expense (as debt was repaid).

The Port of Tacoma increased its equity in port assets about 29 percent from $130 million in 1984 to almost $169 million in 1988 (see figure 6).
Like the Port of Seattle, Tacoma has increased its capital investment in port facilities. According to port financial reports, the port has invested in a new container facility, road expansion to its industrial area and industrial area development. From 1984 to 1988, the Port of Tacoma increased net capital assets by 35 percent, from $172 million to $233 million.

To help finance these purchases, Tacoma increased its total long-term debt by 26 percent, from $85 million in 1984 to $106 million in 1988. The port has relied primarily on revenue bonds to finance its development. Between 1984 and 1988, Tacoma’s long-term revenue bond debt increased 31 percent, from $51 million to almost $67 million. By comparison, the port’s use of general obligation debt declined over the period, from $33 million in 1984 to $30 million in 1988.

The port’s use of long-term capital leases to finance development increased almost 800 percent, from $1 million in 1984 to almost $9 million in 1988. There are no statutory limits currently on capital leasing obligations.

Property tax levies at the Port of Tacoma increased 42 percent between 1984 and 1988, from about $4 million to $6 million (see figure 7). This increase was ahead of growth in the Pierce County economy, as measured by county personal income. The increase has been used to pay off a portion of the port’s general obligation bond debt and to help finance some of its capital investments. Over the same period, taxable property values increased 22 percent. Like the Port of Seattle, the Port of Tacoma increased tax rates to accommodate this growth, from $0.35 per $1,000 of assessed value in 1984 to $0.41 per $1,000 of assessed value in 1988.

The following pages present summarized data and analysis on the 15 remaining marine ports in alphabetical order.
Port of Anacortes
Other Deepwater

- Located on Puget Sound in Skagit County.
- Major facilities include: marine/barge terminals, marina, industrial sites and airport.
- Total 1988 revenue was $5,886,000, up 109 percent from 1984. In 1988, operating revenue accounted for 75 percent of the total, property tax revenue 7 percent and other non-operating revenue 18 percent.
- Total 1988 expenses were $3,979,000, up 101 percent from 1984. In 1988, operating expenses, including depreciation, represented 88 percent of total expenses and non-operating expenses 12 percent.
- Net earnings from operations were $920,000 in 1988, an increase of 116 percent from 1984 to 1988.
- Net income in 1988 was $1,907,000, an increase of 127 percent over 1984.

- Net capital assets were $13,401,000 in 1988, up 53 percent from 1984.
- Long-term debt was $6,035,000 in 1988, up 27 percent from 1984.
- Port equity (total assets less total liabilities) was $10,238,000 in 1988, up 56 percent from 1984.

- Property taxes levied for operations, GO debt service and industrial development.
- Taxes levied were $386,000 in 1988, up 39 percent from 1984.
- Assessed value (AV) of the port's property tax base increased 15 percent from 1984 to 1988.
- Property tax rate was $0.41 per $1,000 AV in 1988, up 20 percent from 1984.
Port of Bellingham
Other Deepwater

- Located on Puget Sound in Whatcom County.
- Major facilities include: marine/barge terminals, marina, industrial facilities and sites, airport and foreign trade zones.
- Total 1988 revenue was $9,981,000, up 34 percent from 1984. In 1988, operating revenue accounted for 50 percent of the total, property tax revenue 38 percent and other non-operating revenue 12 percent.
- Total 1988 expenses were $6,580,000, up 56 percent from 1984. In 1988, operating expenses, including depreciation, represented 93 percent of total expenses and non-operating expenses 7 percent.
- Net earnings from operations were -$1,111,000 in 1988, a decrease of 1,634 percent from 1984 to 1988.
- Net income in 1988 was $3,401,000, an increase of 6 percent over 1984.

- Net capital assets were $41,511,000 in 1988, up 44 percent from 1984.
- Long-term debt was $9,208,000 in 1988, up 43 percent from 1984.
- Port equity (total assets less total liabilities) was $45,853,000 in 1988, up 51 percent from 1984.

- Property taxes levied for operations, GO debt service and industrial development.
- Taxes levied were $3,791,000 in 1988, up 20 percent from 1984.
- Assessed value (AV) of the port's property tax base increased 7 percent from 1984 to 1988.
- Property tax rate was $0.88 per $1,000 AV in 1988, up 11 percent from 1984.

1/ Operating revenue increased 31 percent from 1984. Operating expenses were up 64 percent, due to depreciation and a near three-fold increase in general and administrative expenses.
Port of Benton
River

- **Located on** the Columbia River in Benton County.
- **Major facilities include**: barge terminals, industrial facilities and sites and airport.
- **Total 1988 revenue** was $1,702,000, up 17 percent from 1984. In 1988, operating revenue accounted for 48 percent of the total, property tax revenue 41 percent and other non-operating revenue 11 percent.
- **Total 1988 expenses** were $1,287,000, up 6 percent from 1984. In 1988, operating expenses, including depreciation, represented 77 percent of total expenses and non-operating expenses 23 percent.
- **Net earnings from operations** were −$171,000 in 1988, an decrease of 102 percent from 1984 to 1988. /1
- **Net income** in 1988 was $415,000, an increase of 72 percent over 1984.

- **Net capital assets** were $8,824,000 in 1988, down 9 percent from 1984.
- **Long-term debt** was $3,800,000 in 1988, down 29 percent from 1984.
- **Port equity** (total assets less total liabilities) was $7,515,000 in 1988, up 24 percent from 1984.

- **Property taxes** levied for operations and GO debt service.
- **Taxes levied** were $696,000 in 1988, up 26 percent from 1984.
- **Assessed value** (AV) of the port's property tax base decreased 9 percent from 1984 to 1988.
- **Property tax rate** was $0.54 per $1,000 AV in 1988, up 39 percent from 1984.

1/ Property lease/rental revenues have not kept pace with maintenance, general and administrative expenses.
Port of Everett
Other Deepwater

Total Revenue and Expenses
(dollars in thousands)

- Located on Puget Sound in Snohomish County.
- Major facilities include: marine/barge terminals, marina and industrial facilities and sites.
- Total 1988 revenue was $13,568,000, up 13 percent from 1984. In 1988, operating revenue accounted for 55 percent of the total, property tax revenue 14 percent and other non-operating revenue 31 percent.
- Total 1988 expenses were $7,669,000, down 7 percent from 1984. In 1988, operating expenses, including depreciation, represented 68 percent of total expenses and non-operating expenses 32 percent.
- Net earnings from operations were $2,258,000 in 1988, a decrease of 6 percent from 1984 to 1988.
- Net income in 1988 was $13,886,000, an increase of 267 percent over 1984.

- Net capital assets were $57,647,000 in 1988, down 9 percent from 1984.
- Long-term debt was $37,910,000 in 1988, down 19 percent from 1984.
- Port equity (total assets less total liabilities) was $78,717,000 in 1988, up 66 percent from 1984.

- Property taxes levied for operations and GO debt service.
- Taxes levied were $1,895,000 in 1988, up 41 percent from 1984.
- Assessed value (AV) of the port's property tax base increased 14 percent from 1984 to 1988.
- Property tax rate was $0.57 per $1,000 AV in 1988, up 23 percent from 1984.
Port of Grays Harbor
Other Deepwater

- Located on the Washington coast in Grays Harbor County.
- Major facilities include: marine/barge terminals, marina, industrial facilities and sites and airport.
- Total 1988 revenue was $11,903,000, up 54 percent from 1984. In 1988, operating revenue accounted for 69 percent of the total, property tax revenue 15 percent and other non-operating revenue 16 percent.
- Total 1988 expenses were $8,448,000, up 46 percent from 1984. In 1988, operating expenses, including depreciation, represented 95 percent of total expenses and non-operating expenses 5 percent.
- Net earnings from operations were $169,000 in 1988, an increase of 121 percent from 1984 to 1988.
- Net income in 1988 was $3,455,000, a decrease of 8 percent from 1984.

- Net capital assets were $41,969,000 in 1988, up 17 percent from 1984.
- Long-term debt was $4,967,000 in 1988, down 14 percent from 1984.
- Port equity (total assets less total liabilities) was $46,785,000 in 1988, up 23 percent from 1984.

- Property taxes levied for operations, GO debt service and industrial development.
- Taxes levied were $1,770,000 in 1988, up 70 percent from 1984. /1
- Assessed value (AV) of the port's property tax base decreased 12 percent from 1984 to 1988.
- Property tax rate was $0.95 per $1,000 AV in 1988, up 92 percent from 1984.

1/ The increase in 1988 reflects the industrial development levy for harbor improvements and cargo facilities at the port.
1% of Wash. port district total revenue

**Port of Kalama**

*Other Deepwater*

- **Located on** the Columbia River in Cowlitz County.
- **Major facilities include:** barge terminals, marina, industrial sites, foreign trade zone and recreational facilities.
- **Total 1988 revenue** was $2,734,000, up 17 percent from 1984. In 1988, operating revenue accounted for 92 percent of the total, property tax revenue 3 percent and other non-operating revenue 5 percent.
- **Total 1988 expenses** were $1,783,000, up 24 percent from 1984. In 1988, operating expenses, including depreciation, represented 80 percent of total expenses and non-operating expenses 20 percent.
- **Net earnings from operations** were $1,095,000 in 1988, an increase of 28 percent from 1984 to 1988.
- **Net income** in 1988 was $950,000, an increase of 6 percent over 1984.

- **Net capital assets** were $12,156,000 in 1988, up 17 percent from 1984.
- **Long-term debt** was $4,225,000 in 1988, down 31 percent from 1984.
- **Port equity** (total assets less total liabilities) was $9,684,000 in 1988, up 34 percent from 1984.

- **Property taxes** levied for operations.
- **Taxes levied** were $70,000 in 1988, down 17 percent from 1984. /1
- **Assessed value** (AV) of the port's property tax base increased 3 percent from 1984 to 1988.
- **Property tax rate** was $0.46 per $1,000 AV in 1988, down 19 percent from 1984.

1/ The decline in 1986 reflects the drop in the capital development levy and partially the decline in assessed valuation.
Port of Kennewick
River

- Located on the Columbia River in Benton County.
- Major facilities include: barge service, marina and industrial facilities and sites.
- Total 1988 revenue was $1,136,000, up 13 percent from 1984. In 1988, operating revenue accounted for 29 percent of the total, property tax revenue 59 percent and other non-operating revenue 12 percent.
- Total 1988 expenses were $435,000, up 33 percent from 1984. In 1988, operating expenses, including depreciation, represented 89 percent of total expenses and non-operating expenses 11 percent.
- Net earnings from operations were -$61,000 in 1988, a decrease of 353 percent from 1984 to 1988. /1
- Net income in 1988 was $700,000, an increase of 4 percent over 1984.

- Net capital assets were $6,750,000 in 1988, up 60 percent from 1984.
- Long-term debt was $705,000 in 1988, down 42 percent from 1984.
- Port equity (total assets less total liabilities) was $8,327,000 in 1988, up 46 percent from 1984.

- Property taxes levied for operations and industrial development.
- Taxes levied were $676,000 in 1988, up 32 percent from 1984.
- Assessed value (AV) of the port’s property tax base decreased 10 percent from 1984 to 1988.
- Property tax rate was $0.40 per $1,000 AV in 1988, up 47 percent from 1984.

1/ Operating revenue has been outpaced by operating expenses, primarily depreciation and general administrative expenses.
Port of Klickitat River

- Located on the Columbia River in Klickitat County.
- Major facilities include: barge terminals, marina and industrial facilities and sites.
- **Total 1988 revenue** was $300,000, down 6 percent from 1984. In 1988, operating revenue accounted for 47 percent of the total, property tax revenue 19 percent and other non-operating revenue 34 percent.
- **Total 1988 expenses** were $422,000, up 53 percent from 1984. In 1988, operating expenses, including depreciation, represented 85 percent of total expenses and non-operating expenses 15 percent.
- **Net earnings from operations** were $-217,000 in 1988, a decrease of 143 percent from 1984 to 1988. /1
- **Net income** in 1988 was $-122,000, a decrease of 376 percent from 1984.

- **Net capital assets** were $3,172,000 in 1988, up less than 1 percent from 1984.
- **Long-term debt** was $350,000 in 1988, down 8 percent from 1984.
- **Port equity** (total assets less total liabilities) was $3,118,000 in 1988, down 11 percent from 1984.

- **Property taxes** levied for operations.
- **Taxes levied** were $56,000 in 1988, up 10 percent from 1984.
- **Assessed value** (AV) of the port's property tax base increased 8 percent from 1984 to 1988.
- **Property tax rate** was $0.24 per $1,000 AV in 1988, up 2 percent from 1984.

1/ Operating revenue has remained stable since 1984, while operating expenses have increased 53 percent.
Port of Longview
Other Deepwater

- Located on the Columbia River in Cowlitz County.
- Major facilities include: marine/barge terminals, industrial facilities and sites and foreign trade zone.
- Total 1988 revenue was $14,329,000, up 31 percent from 1984. In 1988, operating revenue accounted for 86 percent of the total, property tax revenue 9 percent and other non-operating revenue 5 percent.
- Total 1988 expenses were $11,949,000, up 19 percent from 1984. In 1988, operating expenses, including depreciation, represented 93 percent of total expenses and non-operating expenses 7 percent.
- Net earnings from operations were $1,269,000 in 1988, an increase of 925 percent from 1984 to 1988.
- Net income in 1988 was $2,380,000, an increase of 153 percent over 1984.

- Net capital assets were $27,641,000 in 1988, up 8 percent from 1984.
- Long-term debt was $8,339,000 in 1988, down 2 percent from 1984.
- Port equity (total assets less total liabilities) was $29,521,000 in 1988, up 32 percent from 1984.

- Property taxes levied for operations and GO debt service.
- Taxes levied were $1,264,000 in 1988, down 4 percent from 1984.
- Assessed value (AV) of the port's property tax base decreased 4 percent from 1984 to 1988.
- Property tax rate was $0.45 per $1,000 AV in 1988, no change from 1984.
• Located on Puget Sound in Thurston County.

• Major facilities include: marine/barge terminals, marina, industrial facilities and sites and airport.

• Total 1988 revenue was $8,443,000, up 50 percent from 1984. In 1988, operating revenue accounted for 53 percent of the total, property tax revenue 40 percent and other non-operating revenue 7 percent.

• Total 1988 expenses were $5,421,000, up 43 percent from 1984. In 1988, operating expenses, including depreciation, represented 83 percent of total expenses and non-operating expenses 17 percent.

• Net earnings from operations were −$44,000 in 1988, an increase of 87 percent from 1984 to 1988. /1

• Net income in 1988 was $2,588,000, an increase of 39 percent over 1984.

• Net capital assets were $35,070,000 in 1988, up 14 percent from 1984.

• Long-term debt was $10,491,000 in 1988, down 7 percent from 1984.

• Port equity (total assets less total liabilities) was $31,443,000 in 1988, up 33 percent from 1984.

• Property taxes levied for operations, GO debt service and industrial development.

• Taxes levied were $3,363,000 in 1988, up 24 percent from 1984.

• Assessed value (AV) of the port’s property tax base increased 10 percent from 1984 to 1988.

• Property tax rate was $0.75 per $1,000 AV in 1988, up 13 percent from 1984.

1/ The operating deficit has been declining since 1984 due to operating revenue almost doubling.
Port of Pasco
River

- Located on the Columbia River in Franklin County.
- Major facilities include: barge terminals, industrial facilities and sites and airport.
- Total 1988 revenue was $3,927,000, down 9 percent from 1984. In 1988, operating revenue accounted for 61 percent of the total, property tax revenue 12 percent and other non-operating revenue 27 percent.
- Total 1988 expenses were $3,236,000, up 54 percent from 1984. In 1988, operating expenses, including depreciation, represented 89 percent of total expenses and non-operating expenses 11 percent.
- Net earnings from operations were −$467,000 in 1988, a decrease of 212 percent from 1984 to 1988. /1
- Net income in 1988 was $691,000, a decrease of 69 percent from 1984.

- Net capital assets were $25,880,000 in 1988, up 64 percent from 1984.
- Long-term debt was $3,904,000 in 1988, down 7 percent from 1984.
- Port equity (total assets less total liabilities) was $23,803,000 in 1988, up 27 percent from 1984.

- Property taxes levied for operations.
- Taxes levied were $479,000 in 1988, down 12 percent from 1984.
- Assessed value (AV) of the port's property tax base decreased 12 percent from 1984 to 1988.
- Property tax rate was $0.45 per $1,000 AV in 1988, no change from 1984.

1/ Airport expansion, airport operating expenses and depreciation have grown faster than operating revenue.
• Located on Washington coast in Clallam County.

• Major facilities include: marine/barge terminals, marina, industrial sites and airport.

• Total 1988 revenue was $7,820,000, up 62 percent from 1984. In 1988, operating revenue accounted for 74 percent of the total, property tax revenue 14 percent and other non-operating revenue 12 percent.

• Total 1988 expenses were $6,481,000, up 67 percent from 1984. In 1988, operating expenses, including depreciation, represented 80 percent of total expenses and non-operating expenses 20 percent.

• Net earnings from operations were $635,000 in 1988, an increase of 342 percent from 1984 to 1988.

• Net income in 1988 was $1,339,000, an increase of 43 percent over 1984.

• Net capital assets were $29,842,000 in 1988, up 14 percent from 1984.

• Long-term debt was $12,788,000 in 1988, up 837 percent from 1984.

• Port equity (total assets less total liabilities) was $22,017,000 in 1988, up 5 percent from 1984.

• Property taxes levied for operations, GO debt service and industrial development.

• Taxes levied were $1,122,000 in 1988, up 281 percent from 1984.

• Assessed value (AV) of the port's property tax base increased 4 percent from 1984 to 1988.

• Property tax rate was $0.63 per $1,000 AV in 1988, up 268 percent from 1984.

1/ The increase in 1986 represents the tax levy to cover debt service for industrial development activities at the port.
Port of Vancouver
Other Deepwater

- Located on the Columbia River in Clark County.
- Major facilities include: marine/barge terminals and industrial facilities and sites.
- Total 1988 revenue was $14,398,000, down 17 percent from 1984. In 1988, operating revenue accounted for 69 percent of the total, property tax revenue 14 percent and other non-operating revenue 17 percent.
- Total 1988 expenses were $12,053,000, down 17 percent from 1984. In 1988, operating expenses, including depreciation, represented 77 percent of total expenses and non-operating expenses 23 percent.
- Net earnings from operations were $609,000 in 1988, a decrease of 67 percent from 1984 to 1988.
- Net income in 1988 was $2,346,000, a decrease of 20 percent over 1984.

- Net capital assets were $41,395,000 in 1988, up 22 percent from 1984.
- Long-term debt was $37,785,000 in 1988, down 27 percent from 1984.
- Port equity (total assets less total liabilities) was $42,475,000 in 1988, up 35 percent from 1984.

- Property taxes levied for operations and GO debt service.
- Taxes levied were $2,115,000 in 1988, up 29 percent from 1984.
- Assessed value (AV) of the port's property tax base increased 12 percent from 1984 to 1988.
- Property tax rate was $0.45 per $1,000 AV in 1988, up 16 percent from 1984.
Port of Walla Walla River

Total Revenue and Expenses
(dollars in thousands)

- Located on the Columbia and Snake rivers in Walla Walla County.
- Major facilities include: barge terminals, industrial sites and airport.
- Total 1988 revenue was $1,454,000, up 58 percent from 1984. In 1988, operating revenue accounted for 41 percent of the total, property tax revenue 43 percent and other non-operating revenue 16 percent.
- Total 1988 expenses were $684,000, up 116 percent from 1984. In 1988, operating expenses, including depreciation, represented 69 percent of total expenses and non-operating expenses 31 percent.
- Net earnings from operations were $129,000 in 1988, an increase of 2,181 percent from 1984 to 1988.
- Net income in 1988 was $770,000, an increase of 27 percent over 1984.

- Net capital assets were $7,815,000 in 1988, up 90 percent from 1984.
- Long-term debt was $3,005,000 in 1988, up 771 percent from 1984.
- Port equity (total assets less total liabilities) was $8,581,000 in 1988, up 41 percent from 1984.

- Property taxes levied for industrial development.
- Taxes levied were $622,000 in 1988, up 32 percent from 1984.
- Assessed value (AV) of the port's property tax base increased 3 percent from 1984 to 1988.
- Property tax rate was $0.42 per $1,000 AV in 1988, up 29 percent from 1984.
1% of Wash. port district total revenue

**Port of Whitman County**

**River**

- Located on the Snake River in Whitman County.
- Major facilities include: barge terminals, marina and industrial facilities and sites.
- Total 1988 revenue was $800,000, up 19 percent from 1984. In 1988, operating revenue accounted for 37 percent of the total, property tax revenues 53 percent and other non-operating revenue 10 percent.
- Total 1988 expenses were $563,000, up 37 percent from 1984. In 1988, operating expenses, including depreciation, represented 99 percent of total expenses and non-operating expenses, 1 percent.
- Net earnings from operations were −$275,000 in 1988, a decrease of 65 percent from 1984 to 1988. /1
- Net income in 1988 was $217,000, a decrease of 12 percent from 1984.

- Net capital assets were $4,446,000 in 1988, up 19 percent from 1984.
- Long-term debt was $55,000 in 1988, down 88 percent from 1984.
- Port equity (total assets less total liabilities) was $5,331,000 in 1988, up 20 percent from 1984.

- Property taxes levied for operations.
- Taxes levied were $425,000 in 1988, up 13 percent from 1984.
- Assessed value (AV) of the port's property tax base increased 7 percent from 1984 to 1988.
- Property tax rate was $0.45 per $1,000 AV in 1988, up 6 percent from 1984.

1/ Maintenance, as well as general, administrative and depreciation expenses have increased faster than operating revenue.
Methodology

The financial data presented in this report were compiled from port annual reports and financial statements submitted to the State Auditor's Office, as required of all municipal corporations. Due to differences in reporting formats among ports and changes in reporting formats over time, port financial data was compiled using a general balance sheet and statement of revenue and expenses developed by the Washington Research Council. This format provided for consistency and comparability of financial information among ports over time.

The format developed for this analysis is similar to the recommended reporting format for financial information jointly developed by the State Auditor's Office and the Finance Committee of the WPPA. Ports will begin using their format with the 1990 financial reports.

The format developed for this analysis differs from port annual reports and financial statements in that the information contained in the port's statement of changes in equity (principally, grants and property tax revenue for capital development) has been incorporated into the statement of revenue and expenses used for this analysis. Reporting of financial information contained in this analysis otherwise follows the format generally used by most ports included in the study.

The consolidated financial data for each port was submitted to each port financial officer for review, correction and comment. A meeting with the port finance committee and the state auditor was also held to clarify issues of data accuracy, completeness, presentation and analysis. All corrections and modifications were reviewed by port financial officers and the data presented in this report includes all changes received.

The preparation of the report included a review of numerous publications, news articles, legal statutes, recent legislation, financial reports and brochures. Interviews also were conducted with numerous West Coast port and government officials, as well as with individuals with specific port or finance expertise. In addition, two meetings were held with port policy representatives to discuss public policy issues facing ports and to discuss their review of a draft technical report.

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*Transportation: The Problems and the Politics*; Nancy L. Nihan and Joshua Foreman; October 1989.
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Note: A complete bibliography of publications used in the preparation of this report is available on request.
### 1988 Balance Sheets
(dollars in thousands)

<table>
<thead>
<tr>
<th>Port of:</th>
<th>Anacortes</th>
<th>Bellingham</th>
<th>Benton</th>
<th>Everett</th>
<th>Grays Harbor</th>
<th>Kalama</th>
<th>Kennewick</th>
<th>Klickitat</th>
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</thead>
<tbody>
<tr>
<td><strong>TOTAL ASSETS:</strong></td>
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<td>$11,530</td>
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Percent Change from 1984 for:
- Net Capital Assets: 52.7% Increase
- Long-Term Debt: 26.8% Increase
- Equity: 55.6% Increase
- Levy Base AV: 15.3% Increase
- Taxes Levied: 38.7% Increase

1/ Adjustment to retained earnings due to accounting correction for prior years.
2/ Adjustments for leasehold taxes recorded as rental income rather than the collections of a receivable in 1987.

Source: Port district annual reports. Presentation format developed by the Washington Research Council.
### 1988 Balance Sheets
*(dollars in thousands)*

<table>
<thead>
<tr>
<th>Longview</th>
<th>Olympia</th>
<th>Pasco</th>
<th>Port Angeles</th>
<th>Seattle</th>
<th>Tacoma</th>
<th>Vancouver</th>
<th>Walla</th>
<th>Walla County Total</th>
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<td>25,590</td>
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<td>0 $44,109</td>
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<th>$11,987</th>
<th>$4,479</th>
<th>$15,808</th>
<th>$351,169</th>
<th>$124,533</th>
<th>$42,524</th>
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<td>1,316</td>
<td>562</td>
<td>3,020</td>
<td>50,674</td>
<td>12,638</td>
<td>2,208</td>
<td>80</td>
<td>107 $81,031</td>
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<td>3,904</td>
<td>12,788</td>
<td>300,495</td>
<td>106,087</td>
<td>37,785</td>
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<tr>
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<td>4,145</td>
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<td>30,360</td>
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<td>3,530</td>
<td>3,719</td>
<td>6,685</td>
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<td>66,905</td>
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<td>151</td>
<td>185</td>
<td>1,958</td>
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<td>11,606</td>
<td>4,261</td>
<td>93,215</td>
<td>8,043</td>
<td>11,963</td>
<td>0</td>
<td>953 $160,144</td>
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<tr>
<td>17,635</td>
<td>17,337</td>
<td>0</td>
<td>0</td>
<td>344,482</td>
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<td>0</td>
<td>7,369</td>
<td>6,212 $416,768</td>
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<tr>
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<td>6,410</td>
<td>12,197</td>
<td>17,756</td>
<td>112,422</td>
<td>160,675</td>
<td>30,512</td>
<td>1,212</td>
<td>-1,834 $515,335</td>
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| 0        | 0       | -139 /1 | 0    | 0 | 0 | -11 /2 | 0       | -150 |

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<th>$4,459</th>
<th>$1,064</th>
<th>$1,772</th>
<th>$63,146</th>
<th>$15,237</th>
<th>$4,701</th>
<th>$1,482</th>
<th>$944 $109,383</th>
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<tbody>
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<td>1,264</td>
<td>3,363</td>
<td>479</td>
<td>1,122</td>
<td>27,381</td>
<td>6,188</td>
<td>2,115</td>
<td>622</td>
<td>425 $52,300</td>
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<tr>
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<td>0.7543</td>
<td>0.4503</td>
<td>0.6332</td>
<td>0.4336</td>
<td>0.4061</td>
<td>0.4500</td>
<td>0.4196</td>
<td>0.4500 0.4781</td>
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</table>

| 7.7%     | 13.5%   | 63.7%  | 14.0%        | 28.4%   | 35.3%   | 22.3%     | 90.2% | 18.8% 26.4%        |
| -1.9     | -6.7    | -7.4   | 837.4        | 14.7    | 25.5    | -27.0     | 770.9 | -88.3 9.7          |
| 31.9     | 33.2    | 27.2   | 4.8          | 34.1    | 29.4    | 34.9      | 40.5  | 19.7 34.3          |
| -4.3     | 9.5     | -11.9  | 3.7          | 17.5    | 21.5    | 12.1      | 2.5   | 6.7 13.7          |
| -4.2     | 23.5    | -11.9  | 281.1        | 39.5    | 42.3    | 29.4      | 32.3  | 13.1 36.3          |
### 1988 Statement of Revenue and Expenditures

(dollars in thousands)

<table>
<thead>
<tr>
<th>Port of:</th>
<th>Anacortes</th>
<th>Bellingham</th>
<th>Benton</th>
<th>Everett</th>
<th>Grays Harbor</th>
<th>Kalam</th>
<th>Kennewick</th>
<th>Klickitat</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td>$4,407</td>
<td>$4,983</td>
<td>$817</td>
<td>$7,472</td>
<td>$8,238</td>
<td>$2,517</td>
<td>$327</td>
<td>$141</td>
</tr>
<tr>
<td>Port Operations</td>
<td>4,067</td>
<td>4,983</td>
<td>92</td>
<td>5,848</td>
<td>7,183</td>
<td>2,223</td>
<td>327</td>
<td>141</td>
</tr>
<tr>
<td>Property Lease/Rentals</td>
<td>340</td>
<td>0</td>
<td>718</td>
<td>1,625</td>
<td>1,055</td>
<td>290</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Operating Revenues</td>
<td>0</td>
<td>0</td>
<td>7</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

| **OPERATING EXPENSES:**| $3,488    | $6,094     | $988   | $5,215  | $8,069       | $1,421| $388      | $358      |
| Port Operations        | 2,043     | 2,213      | 0      | 2,420   | 2,427        | 606   | 3         | 0         |
| Property Lease/Rentals | 19        | 0          | 0      | 339     | 0            | 0     | 0         | 0         |
| Repairs and Maintenance | 251       | 544        | 132    | 0       | 2,953        | 0     | 0         | 0         |
| General and Administrative | 663      | 1,514      | 395    | 1,243   | 1,006        | 577   | 251       | 212       |
| Depreciation           | 511       | 1,823      | 461    | 1,213   | 1,684        | 239   | 135       | 146       |
| Other Operating Expenses | 0         | 0          | 0      | 0       | 0            | 0     | 0         | 0         |

| **NET EARNINGS FROM OPERATIONS** | $920 | -$1,111 | -$171 | $2,258 | $169 | $1,095 | -$61 | -$217 |

| **NON-OPERATING REVENUES (EXPENSES):** | $987 | $4,512 | $586  | $3,642 | $3,286 | -$145 | $761 | $95  |
| Taxes Collected          | 387   | 3,789  | 690   | 1,892  | 1,774  | 93    | 673  | 56   |
| Grants and Contributions | 280   | 243    | 42    | 0      | 0      | 0     | 0    | 0    |
| Interest Income          | 154   | 602    | 144   | 4,308  | 799    | 108   | 134  | 41   |
| Other Non-operating Revenues | 658  | 364    | 9     | -104   | 1,092  | 16    | 1    | 61   |
| Interest Expense         | -492  | -302   | -295  | -2,446 | -327   | -45   | -64  | 61   |
| Other Non-operating Expenses | 0    | -184   | -4    | -8     | -52    | 0     | -3   | 0    |

| Adjustments              | 0     | 0      | 0     | 7,966  | 1000   | 0     | 0    | 0    |

| **NET INCOME**           | $1,907| $3,401 | $415  | $13,866| $3,455 | $950  | $700 | -$122|

**Percent Change from 1984 for:**

- Operating Revenues: 125.0% 31.2% 11.2% 0.9% 89.6% 28.7% 22.0% -1.8%
- Operating Expenses: 127.6 63.5 20.6 4.3 56.5 29.6 58.8 53.6
- Net Earnings from Ops. 115.6 -1,633.9 102.4 -6.2 -120.8 27.6 -353.3 142.8
- Net Income: 126.9 6.2 72.3 266.7 -8.3 5.7 3.7 -375.6

---

1/ Sale of property to U.S. government (net).

2/ Loss associated with refinancing 1982 revenue bonds.


Source: Port district annual reports. Presentation format developed by the Washington Research Council.
## 1988 Statement of Revenue and Expenditures
(dollars in thousands)

<table>
<thead>
<tr>
<th>Longview</th>
<th>Olympia</th>
<th>Pasco</th>
<th>Port Angeles</th>
<th>Seattle</th>
<th>Tacoma</th>
<th>Vancouver</th>
<th>Walla Walla</th>
<th>Whitman County</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$12,367</td>
<td>$4,458</td>
<td>$2,400</td>
<td>$5,792</td>
<td>$114,483</td>
<td>$47,836</td>
<td>$9,198</td>
<td>$600</td>
<td>$300</td>
<td>$227,055</td>
</tr>
<tr>
<td>12,367</td>
<td>3,978</td>
<td>2,400</td>
<td>5,264</td>
<td>114,483</td>
<td>27,484</td>
<td>7,674</td>
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<td>13</td>
<td>198,528</td>
</tr>
<tr>
<td>0</td>
<td>444</td>
<td>0</td>
<td>528</td>
<td>0</td>
<td>20,351</td>
<td>1,918</td>
<td>600</td>
<td>254</td>
<td>28,122</td>
</tr>
<tr>
<td>0</td>
<td>36</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>325</td>
<td>0</td>
<td>33</td>
<td>405</td>
</tr>
</tbody>
</table>

| $11,098  | $4,502   | $2,867 | $5,157       | $102,967| $36,788| $9,308    | $471        | $575           | $199,753   |
| 8,874    | 1,395    | 1,431  | 3,188        | 47,407  | 18,782 | 5,346     | 0           | 64             | 96,197     |
| 0        | 13       | 0      | 310          | 0       | 284    | 4         | 0           | 66             | 1,035      |
| 0        | 262      | 0      | 0            | 0       | 15,619 | 4,848     | 1,249       | 0              | 19         | 25,877     |
| 1,194    | 1,619    | 528    | 793          | 13,151  | 5,593  | 902       | 219         | 255            | 30,114     |
| 1,031    | 1,211    | 907    | 866          | 26,790  | 7,565  | 1,527     | 248         | 171            | 46,529     |
| 0        | 2        | 0      | 0            | 0       | 0      | 0         | 0           | 0              | 2          |

| $1,269   | -$44     | -$467  | $635         | $11,516 | $11,048| $609      | $129        | -$275          | $27,301    |
| 1,110    | 3,047    | 1,158  | 704          | 22,910  | 3,275  | 1,736     | 640         | 492            | 48,817     |
| 1,266    | 3,382    | 463    | 1,121        | 27,333  | 6,188  | 2,089     | 619         | 423            | 52,239     |
| 0        | 0        | 830    | 216          | 7,710   | 0      | 0         | 0           | 0              | 9,321      |
| 579      | 478      | 224    | 315          | 7,795   | 4,028  | 677       | 224         | 62             | 20,674     |
| 116      | 125      | 11     | 376          | 80      | 477    | 1,715     | 10          | 15             | 5,023      |
| -804     | -896     | -366   | -1,324       | -19,593 | -6,625 | -2,744    | -212        | -8             | -36,905    |
| -48      | -22      | -3     | 0            | -415    | -794   | 0         | -2          | 0              | -1,535     |
| 0        | -434.2   | 0      | 0            | -2,747.3| 0      | 0         | 0           | 0              | 4,785      |

| $2,380   | $2,588   | $691   | $1,339       | $34,426 | $11,575| $2,346    | $770        | $217           | $80,903    |

| 33.9%    | 94.8%    | 23.7%  | 47.5%        | 23.9%   | 67.5%  | -4.0%     | 119.7%      | 33.0%          | 33.7%      |
| 21.8     | 71.1     | 37.2   | 36.3         | 35.6    | 67.5   | 10.1      | 76.0        | 46.8           | 40.3       |
| 925.4    | 87.1     | -212.2 | 342.2        | -30.3   | 67.4   | -67.5     | 2,181.1     | -65.4          | -0.4       |
| 152.6    | 38.9     | -68.6  | 42.7         | -14.1   | 0.0    | -19.9     | 26.9        | -12.2          | 8.1        |
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