

STATE FUNDING FOR PORTS: SELECTED STATE SUMMARIES

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Common National Trends

- Increasing coastal property values and taxes
- Increasing demands for waterfront land (e.g. luxury condos)
- Complex and time-consuming permitting processes
- Declining U.S. fishing industry

Further exacerbating these pressures...

- A significant increase in population* is expected in coastal areas
- Waterfront land is essentially a nonrenewable resource
- Waterfront land suitable for water-dependent uses is scarce



Ports are associated with a variety economic and cultural benefits

- Economic: trade, jobs, recreation,* tourism, natural resources...
- Cultural/Social/Historical: fishing traditions, spiritual connections, recreation, Jimmy Buffet...



*However, *recreation* can cut both ways; as demand for space and resources for recreational boating may compete with the same for commercial

Port development, maintenance, and operation all cost money

- Dredging
- Infrastructure development and maintenance
- Acquiring adequate waterfront land
- Planning
- Port operations



State legislation can result in funding for ports...

- Grant or Loan programs
- Dedicated funds from transportation trust funds
- Bonding/Taxing power
- *One time appropriations for particular projects?
(uncertainty)*



Bonding/Taxing Powers

- Statewide port authorities created to oversee a particular waterfront area, or multiple areas
- Local governments conferred the authority to create port districts/authorities (by general law)
- Local port districts/authorities established by state legislation for a particular area (by special act)

Maryland & Virginia

- Both have one major port complex managed by one major port authority and both receive their funding from the state transportation trust fund*
- **Maryland Port Administration** (a modal unit of the Maryland Department of Transportation)
- **Virginia Ports Authority**** (an independently operated unit of the state)



*The Commonwealth Port Fund in VA was created within the transportation trust fund and it receives 4.2% of the fund's revenue each year (note that smaller ports in the state may apply to the Virginia Port Administration to receive funds from the 4.2%)

**The Virginia Port Administration has established a non-profit – Virginia International Terminals, Inc. – to manage day-to-day operations

Washington & Oregon

- Both states authorize port districts and confer the power to levy taxes and issue bonds
- **Washington** has the most port districts in the U.S. and is the largest locally controlled port system in the world
- **Oregon** offers a number of state funding programs in addition to broad powers local port districts may exercise



Alaska

- Municipalities may establish port authorities with the power to issue bonds, but not to levy taxes
- Notable and interesting funding opportunities
 - Municipal Harbor Facility Grant Fund for small boat facilities
 - Distributions from a Fisheries Business Tax and a “Cruise Ship Passenger Tax”



Ohio, Illinois, Minnesota, & Wisconsin

- All authorize local port districts in some form

- Ohio:

- Districts may issue bonds and levy taxes

- Illinois:

- Depends on particular enabling statute

- Minnesota:

- Districts may issue bonds
- Districts may not directly levy taxes (except for seaway port authorities)
- Upon request, cities with a port authority must levy taxes for the authority

- Wisconsin:

- Districts may issue bonds and levy taxes



Pennsylvania

- Directly created a variety of regional port entities
- Interstate compact creating Delaware Port Authority
- Indirectly authorized the creation of port authorities in certain classes of cities



Funding from the office of PennPORTS:

The authorities at Erie, Philadelphia, and Pittsburgh send funding requests to PennPORTS, and PennPORTS submits an annual request to the Governor for funds from the state General Fund

New York & New Jersey

- Port Authority of New York and New Jersey (created and governed by interstate compact)



Florida



- **Revenues from state motor vehicle registrations**
 - prescribed amount from MV registration annually deposited into Transportation Trust Fund
 - These revenues go to ports enumerated as part of the Florida Seaport Transportation and Economic Development *Council* (via the Florida Seaport Transportation and Economic Development *Program*)
- **Taxing and bonding powers of authorities**



Without Funding Programs...

- SC, NC, NY, NJ, IN, & GA → no funding program
- Rhode Island & Delaware → no funding program and no mechanism for public ports to impose taxes or issue bonds
- Alabama & Texas → funding programs exist, but not supported













Florida Focus

Florida has 15 Statutory Deepwater Ports.

Competition among each other for funding /support.

Traditional Working Water Fronts lose out. Florida's forgotten ports.

Working Waterfronts Legislation (2005).

Florida State Law Benefits Statutory Ports over Traditional Working Waterfronts

Funding Mechanisms

Taxing Authority

Bonding Authority

Local Political Control

Streamlined Permitting – “Port Conceptual Permits”

Florida's Forgotten Ports

Factors

- More people moving to the coast. More than half the U.S. population (153 million people) living in coastal zones.
- People 65+ in coastal zones expected to rise.
- Real estate values increase. Property Taxes.
- Development pressures to meet residential use demand ("Dock-o-miniums")
- Change in water related uses to more recreational. Emphasis on Cruise Ship Industry.
- Decline in fishing industry.

Traditional Working Water Fronts lose out. Similar themes nation-wide.

Florida has many smaller Working Waterfront Communities dotting coast.

Economic dependence on water related and water dependent activities.

Working Waterfronts Legislation (2005), established Working Waterfront Program.

Planning & Technical Assistance – Julie Dennis,
Planning Analyst, Florida Dept. of Economic
Opportunity.

Florida State Law & Working Waterfronts

Defines Recreational & Commercial Working Waterfronts.

Defines purpose of Waterfronts Florida Program

Florida Reform ideas-

Deep-water Dependency Test

CRA District expanded authority for water-related improvements.





To Gainesville
FL Hwy 24

Norwood
Marina

Residential

Shops

Tranquility

Town Marina

CK Beach

Town
Boat Launch

Shops/Restaurants

Town Dock

visitcedarkey.com









Conclusions

General Challenges for Working Waterfronts very similar nation-wide.

Independence of local governments and each state determines how Working Waterfronts are treated.

Legislation Specifically promoting Working Waterfronts can be helpful.
Statutory Definitions distinguishing water-related, water-dependent land uses must be implemented by the entities controlling ports/ working waterfronts.