

# Oregon's Smaller Ports

## What They Do and How They Are Financed

Oregon's ports extend from Brookings, on Oregon's south coast, to Umatilla, where the Columbia River reaches Oregon from Washington. Approximately 90 percent of Oregon's land bordering the Pacific Ocean and the Columbia River is incorporated into port districts—23 in all (see map on p. 3). The economic activities of each port district reflect the natural and human resources of the area encompassed by the port. The Port of Portland, in terms of dollars, volume of trade, and employment, is larger than the other 22 ports combined. A recent study by the State Department of Economic Development's Ports Division indicates that two-thirds of Oregon's waterborne shipping tonnage and almost three-fourths of what the study identifies as "port district related payroll" can be attributed to this single port.

This circular focuses on Oregon's 22 smaller port districts: what these ports do; how they finance their activities; and how they are governed. It also outlines the method for forming new port districts in Oregon.

A port district is a local unit of government. Its purpose and authority encompass a wide variety of activities, from enhancing waterborne commerce, to managing recreational facilities, to promoting industrial development. These activities relate to stimulating economic development within port boundaries. The term "port" used in this publication, means the entire "port district," and not merely the lands *owned* by the port district or the area adjacent to a harbor.

### What Oregon's Smaller Ports Do

The primary charge of Oregon's smaller ports is to encourage economic activities within the district boundaries. Such enterprises often extend far beyond shipping activities. Oregon law allows ports to engage in such activities as the improvements of bays, rivers, and harbors; the construction and operation of wharves, warehouses, terminals, and other facilities; the operation of airports, railroad terminals, and interstate bridges; the construction and operation of public marine facilities and campgrounds; the operation of restaurants, lodging facilities, and other related activities; the operation of water transportation lines; trade development; the provision of water for domestic,



industrial, and irrigation purposes; the development of industrial parks and the construction and operation of sewage treatment and water facilities for these parks; erosion and flood control programs; and land development projects for lease or sale to industrial or agricultural clients (*Oregon Revised Statutes*, Chapter 777). One or another of Oregon's ports is engaged in almost all of these authorized activities. The accompanying table identifies the principal activities of Oregon's

Prepared by Bruce A. Weber, Extension economist, W. E. Schmisser, agricultural and resource economist, and J. W. Oyala, research assistant. All are members of the Department of Agricultural and Resource Economics, Oregon State University. This publication was produced with the partial financial support of the Oregon State University Sea Grant Program and Title V of the Rural Development Act of 1972. The Sea Grant University program is supported cooperatively by the National Oceanic and Atmospheric Administration, U.S. Department of Commerce, the State of Oregon, participating local governments, and industry. The Ports Advisory Program is funded under grant 04-7-158-44085.

Extension Circular 979

July 1979



OREGON STATE UNIVERSITY  
**EXTENSION  
SERVICE**

Extension Service, Oregon State University, Corvallis, Henry A. Wedaworth, director. This publication was produced and distributed in furtherance of the Act of Congress of May 8 and June 30, 1914. Extension work is a cooperative program of Oregon State University, the U. S. Department of Agriculture, and Oregon counties. Extension invites participation in its programs and offers them equally to all people, without discrimination.

smaller ports, and the taxes paid in support of these districts. The activities of the ports can be grouped into five categories:

- (1) facilitating commerce and shipping
- (2) operating or facilitating recreational enterprises
- (3) facilitating commercial fishing
- (4) encouraging industrial development
- (5) maintaining waterways.

### Commerce

Most of Oregon's smaller ports are involved in some way with commerce. Some ports own and operate storage facilities and docks. Others lease land, storage facilities and docks to private corporations to promote commerce. Coos Bay and Astoria are the leading small shipping ports in Oregon. Coos Bay primarily exports logs, lumber, and wood chips. Astoria exports both wood products and grain. Coos Bay's exportation of wood products is higher than any other of Oregon's smaller ports. However, the role of the port authority differs from that of Astoria. Astoria owns and operates the docks over which a large share of the timber products is shipped; Coos Bay does not. Involvement of the other ports ranges from no direct role in shipping to owning the docks and/or storage facilities and leasing them to those involved in shipping.

Some of Oregon's Columbia River ports (Astoria, The Dalles, Arlington, and Umatilla) are engaged in grain transshipment. Ports have entered into a variety of contractual arrangements with shippers for grain storage facilities. In some cases, the port owns facilities and leases them to the shipper. In other cases, there is a lease purchase agreement between port and shipper under which shippers eventually obtain title to the facilities.

The table shows that five of the small port districts operate airports. These districts are involved

in promoting air commerce and air travel. Cascade Locks and Hood River generate a large amount of their revenues from the operation of interstate bridges to Washington.

In addition to lumber and grain, commodities and commercial activities encouraged by the small port districts of Oregon include fish products, sand and gravel, industrial fuels, potato products, chemicals, metal, and machinery products. Even bikini bathing suits are listed among the many goods that are exported and imported through Oregon's smaller ports.

### Recreation

Fourteen port districts are heavily involved in recreational enterprises—to the extent of owning and operating recreational marinas (see table). Other recreational facilities owned and operated by some ports include restaurants, lodging and convention facilities, campground areas, and tour boats.

### Commercial fishing

Of Oregon's 22 smaller port authorities, 13 provide moorage for commercial fishing. And 10 port districts lease port land to fish buyers and/or processors. Other ports, such as Coos Bay, have been active in the development of facilities for the increased commercial harvest of fish species currently underharvested by local fishermen.

### Industrial development

The great majority of the 22 districts are involved in promoting industrial development, either through the ownership of industrial land for lease to private business or through operation of industrial parks. Some of the activities found in these parks include:

- Potato processing and storage
- Sporting goods manufacturing

Activities of and Taxes Levied to Support Oregon's Smaller Ports.

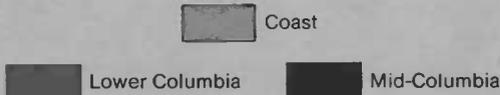
	Owns dock and/or storage for lease	Owns and operates docks and/or storage	Owns and operates interstate bridge	Operates local airport	Owns and operates marina	Provides moorage to commercial fishermen	Leases port property to fish buyer/seller	Owns and operates industrial park	Owns industrial land	Directly involved in snag, stump, debris removal	1977-78 tax rate (\$/1000 true cash value)	1977-78 property tax on a \$40,000 property
Umatilla	X				X			X	X		\$.16	\$ 6.40
Morrow								X	X		.13	5.20
Arlington									X		.10	4.00
The Dalles	X				X			X	X		.21	8.40
Hood River		X	X	X	X			X	X		.06	2.40
Cascade Locks		X	X		X	X		X	X		.07	2.80
St. Helens	X			X	X	X		X	X		no tax	no tax
Astoria	X	X		X	X	X	X	X	X		.34	13.60
Nehalem										X	.06	2.40
Bay City		X			X	X	X		X	X	.45	18.00
Tillamook Bay	X			X				X	X		.05	2.00
Newport		X			X	X	X			X	.11	4.40
Toledo	X					X			X	X	.09	3.60
Alsea	X				X	X			X	X	.07	2.80
Siustlaw		X			X	X	X	X	X	X	.22	8.80
Umpqua	X				X	X	X	X	X		.22	8.80
Coos Bay	X				X	X	X	X			.42	16.80
Bandon		X			X	X	X		X	X	.14	5.60
Coquille River									X	X	.06	2.40
Port Orford	X					X	X				.29	11.60
Gold Beach		X		X	X	X	X		X	X	.66	26.40
Brookings		X			X	X	X		X	X	.36	14.40

NOTE: Lack of an "X" in a particular column for a particular port does not necessarily indicate that such services are not available within the port district. It only means the port is not directly involved in providing the service. The information in this table is based on information provided by each of the ports.

## OREGON PORT DISTRICTS

- |                           |                            |
|---------------------------|----------------------------|
| 1. Port of Umatilla       | 13. Port of Newport        |
| 2. Port of Morrow         | 14. Port of Toledo         |
| 3. Port of Arlington      | 15. Port of Alsea          |
| 4. Port of The Dalles     | 16. Port of Siuslaw        |
| 5. Port of Hood River     | 17. Port of Umpqua         |
| 8. Port of Cascade Locks  | 18. Port of Coos Bay       |
| 7. Port of Portland       | 19. Port of Bandon         |
| 8. Port of St. Helens     | 20. Port of Coquille River |
| 9. Port of Astoria        | 21. Port of Port Orford    |
| 10. Port of Nehalem       | 22. Port of Gold Beach     |
| 11. Port of Bay City      | 23. Port of Brookings      |
| 12. Port of Tillamook Bay |                            |

## PORT REGIONAL TASK FORCES



- Garment industries
- Distilleries
- PVC pipe manufacturing
- Fiberglass parts production
- Lumber, veneer, and plywood production
- Mobile home manufacturing
- Electric power generation
- Fish processing.

Many of the ports are presently in the process of establishing or up-grading sewer, water, and electrical services for increased industrial use of their lands.

### Channel maintenance; snag and stump removal

Oregon's main shipping channels of navigation are maintained by the U.S. Army Corps of Engineers. However, maintenance of waterways in non-channel areas and smaller streams is often taken care of by local port authorities. For the Nehalem and Coquille River districts, snag clearing and maintenance of the waterway are the principal activities of the port. For a few ports, such as Astoria and The Dalles, periodic dredging activities are necessary to maintain adequate depths at pierside. The costs of these projects are financed by the ports.

The various activities of Oregon's smaller ports require the expenditure of public funds and, in most cases, the levying of property taxes. The last two columns of the table show the taxes local residents are paying to support the activities indicated in the first ten columns.

### How Do Ports Finance Their Activities?

Port districts, like other local units of government, may levy taxes, borrow money, issue bonds, receive grants, and charge for services.

#### Taxing power

In order to carry out its functions the port may levy an annual tax on all taxable real and personal property within the port district. By law, the tax

rate generally can not exceed \$2.50 per \$1,000 of true cash value. For most ports, however, tax rates are much lower than that, and are not the major source of revenue. On the average, property taxes financed less than 10 percent of the budgeted general fund expenditures of Oregon's smaller port districts in 1977-78. Nonproperty tax revenues (including grants, fees, and revenues from the sale of bonds) are the principal sources of support for port districts.

Furthermore, tax rates are generally less than \$.25 per \$1,000 true cash value. Columns 11 and 12 of the table list the 1977-78 tax rate for each port district and the total property tax paid by the owner of a \$40,000 property in any district to support port activities in 1977-78. Of the 21 districts levying a property tax, rates ranged to \$.66 per \$1,000 of true cash value. In only six cases are tax rates above \$.25 per \$1,000 true cash value (i.e., \$10 per year for the owner of a \$40,000 property).

#### User charges

Like private businesses, ports can charge fees for services rendered; lease land, buildings, and equipment; and wholesale and retail goods. Common user charges received by port districts include moorage fees and fees associated with grain storage.

#### Bonds

Port districts have the power to issue both general obligation bonds and revenue bonds. For most purposes, with voter approval, ports may issue general obligation bonds not to exceed at any given time 2½ percent of the true cash value of taxable property in the port district. These bonds are backed by the full faith and credit of the issuing port.

Ports may also issue and sell revenue bonds, which are not a general obligation of the district. For port districts, such bonds do not need prior approval of the voters. These bonds cannot be repaid from tax monies or from any non-tax rev-

enues not specifically pledged to revenue bond repayment. Industrial-development revenue bond proceeds may be used either for the port's own operations or for companies locating within a port district. Port districts are among the very few local governments (along with counties and the City of Portland) with the power to issue revenue bonds without voter approval, and port authority is less restricted than county authority. Port revenue bonds have raised more capital for industrial development than any other type of revenue bond.

### Grants and loans

Ports can receive state or federal grants and loans. State programs available to ports include the programs of the State Marine Board and the newly established Port Revolving Fund, a program under which the State Economic Development Commission may make loans of up to \$250,000 to port districts for port development projects. Among the federal programs for which port districts may qualify are Federal Aviation Administration grants for airport improvement, and Farmer's Home Administration loans to develop water and industrial disposal systems for food processors. Ports are also eligible to receive Coastal Energy Impact Program funds authorized under Section 308 of the Coastal Zone Management Act; this program is administered in Oregon through the Department of Land Conservation and Development.

### How Oregon's Smaller Ports are Governed

Port districts, like other local governments in Oregon, are governed by locally elected officials who exercise the authority given to the local district by Oregon law. Responsibility for port activities is held by a board of five commissioners, each of whom must be a registered voter residing within the boundaries of the port. Commissioners are elected biennially for staggered terms of 4 years.

Port districts may be divided into five sub-districts, if voters petition and vote for such a change. For ports with sub-districts, each port commissioner would be elected to represent a particular sub-district.<sup>1</sup>

The board is required to hold at least one regular meeting a month, on a day fixed by the board, and it may hold special meetings. The board chooses from its members a president, vice president, treasurer, and secretary. The monthly meetings are open to the public.

With few exceptions specified by Oregon law, all proceedings of the board must be entered in the records of the board. Again with a few exceptions,

all records and reports and other documents pertaining to port business are public records and, as such, are available for review by any citizen. Citizens also may have input into the port budgeting process by attending budget committee meetings and by speaking at the required public hearing on the budget.

The director of port operations is often called the port manager or the executive director. This manager implements the policy of the commission and functions at the will of the commission. Staff size varies according to the size of the port's operations. Five Oregon ports do not have managers—Aalsea, Arlington, Coquille River, Nehalem, and Toledo. The operation of these ports is carried out by the commissioners.

Since commissioners are elected representatives, the citizens of a port district have the right to express their desires and wishes concerning port operations to their elected representatives.

### How New Port Districts are Created

The formation of port districts in Oregon has been confined historically to territory adjacent to the Pacific Ocean and the Columbia River, but interior areas of the state are also legally able to form port districts and take advantage of the opportunities open to such districts. Indeed, during 1978, more than half a dozen interior local governments investigated the advantages and disadvantages of becoming "dryland ports."

To form a port district, a petition for formation is submitted to the Ports Division of the Oregon Department of Economic Development, 921 S.W. Washington, Suite 425, Portland, Oregon 97205, for approval or denial by the Economic Development Commission (EDC). If the EDC approves, the petition is filed with the appropriate county board of commissioners. If the county board approves, voters may petition for a referendum on the question of forming the port district, or the county board itself may submit the question to the voters. Public notice and hearings are provided for at each step of the process. Details of the port formation process are available from the Ports Division, Department of Economic Development.

Additional information about Oregon's ports is available from the Oregon Ports Division or from individual port district officials. Names and addresses of port officials and staff and time and place of regular port meetings are contained in the annual *Directory of Oregon Ports* published by the Port of Portland, P. O. Box 3529, Portland, Oregon 97208.

Oregon State University Extension Service has a number of publication which may be of interest to port officials and citizens. Consult the latest issue of the OSU Extension Service Publications Catalog available at County Extension offices or from Bulletin Mailing Services, Oregon State University, Corvallis, Oregon 97331.

<sup>1</sup> For additional information on the job of port commissioners and procedures for becoming a commissioner, see Extension Circular 971, available from the Bulletin Clerk, Oregon State University, Corvallis 97331.