

HOUSE BILL REPORT

HB 1595

As Reported by House Committee On:
Local Government

Title: An act relating to land acquired from a commercial waterway district.

Brief Description: Allowing port districts to lease land acquired from a commercial waterway district.

Sponsors: Representatives McDermott, Woods, Cody, Jarrett, Clibborn and Dunn.

Brief History:

Committee Activity:

Local Government: 1/25/06 [DP2S].

Brief Summary of Second Substitute Bill

- Grants broad authority to a port district to manage lands, wharves, docks and real and personal property acquired from commercial waterway districts.
- Allows a port commission to authorize the managing official of a district to sell and convey port district property obtained by the district from a commercial waterway district.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass. Signed by 5 members: Representatives Simpson, Chair; Clibborn, Vice Chair; B. Sullivan, Takko and Woods.

Minority Report: Do not pass. Signed by 2 members: Representatives Schindler, Ranking Minority Member and Ahern, Assistant Ranking Minority Member.

Staff: Thamas Osborn (786-7129).

Background:

Port Districts

Port districts are authorized for the purpose of acquisition, construction, maintenance, operation, development and regulation within the district of harbor improvements, rail or motor vehicle transfer and terminal facilities, water and air transfer and terminal facilities, or any combination of these facilities. A port district may also, through its commission, spend

money and conduct promotions of resources and facilities within the district or general area through advertising, publicizing, or marketing.

A port district is granted broad authority to lease all lands, wharves, docks, and all other property it owns and controls for whatever purposes it deems proper. Subject to specified exceptions, such leases are limited to a maximum of fifty years, but under certain circumstances may be subject to additional thirty year extensions.

Commercial Waterway Districts

In 1911, legislation was passed authorizing the creation of Commercial Waterway Districts (Districts), many of which were created during the ensuing decades. Following the creation of the Districts, a state court ruling caused the District in Seattle to lose the right to manage and control shoreline properties it owned along the Duwamish Waterway. The authorizing legislation creating the Districts was repealed in 1971, which resulted in their dissolution and the acquisition of District property by the Port Districts. As the result of this process, the Port of Seattle acquired the Duwamish Waterway properties subject to the court-imposed restrictions.

Summary of Second Substitute Bill:

A port district is granted broad authority to manage all lands, wharves, docks, and real and personal property acquired from commercial waterway districts. This authority includes granting licenses, leases and easements for all such property.

A port commission may authorize the managing official of a port district to sell and convey port district property obtained by the district from a commercial waterway district. This authority, however, is subject to all applicable statutes regarding the sale of port district property.

Second Substitute Bill Compared to Original Bill:

The second proposed substitute bill makes the following changes to the original bill:

- Authorizes a port district to exercise general managerial functions regarding property acquired from commercial waterway districts, including a range of functions that exceed the mere authority to enter into leases.
- Defines a port district's "management authority" to include granting licenses, leases, and easements with respect to property formerly owned by commercial waterway districts.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Second Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: This bill is necessary in order to address the problems stemming from the Port of Seattle's lack of authority to manage and control its properties adjacent to the Duwamish Waterway. For the last year the Port has been making great progress in negotiating a solution with the affected property owners. These negotiations have focused on the creation of affordable easements, which the property owners can purchase and thus protect their interests with respect to access to the waterway and control of their property. The terms of the easement agreements are very flexible and permissive, and many property owners want them. The terms of the easements will allow the property owners to conduct maintenance dredging. However, the easements cannot be granted by the Port absent the passage of this legislation, since at present the Port does not have the requisite authority.

Testimony Against: This bill is both unnecessary and unfair to the owners of property adjacent to the Duwamish Waterway. Negotiations have been ongoing for the last year and the parties are close to resolving the issues without the need for legislation. Accordingly, this would be a bad time to impose a legislative solution. Free access to the waterway is vital to businesses located on adjacent property and this bill poses a threat to the continued operation of these businesses. It is particularly important that the Port not be allowed to impede necessary dredging and the law must ensure that the waterway be maintained in order to keep it open and navigable. If any legislation is passed, it must contain language guaranteeing that the waterway be preserved and maintained for commerce and navigation purposes.

Persons Testifying: (In support) Terry Finn, Tom Tanaka, and Scott Pattison, Port of Seattle.

(Opposed) Mike Ryherd, Jack Jones, and Peter Buck, Delta Marine; Cliff Webster and Boyer Halvorsen, Boyer Towing; and Loren Stern, Department of Natural Resources.

Persons Signed In To Testify But Not Testifying: None.