



Comprehensive Scheme of Harbor Improvements and Strategic Plan

Adopted December 21, 2010 – Last Amended July 21, 2015



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Amendments to Comprehensive Scheme by Resolution:

- Resolution 6-12 (June 5, 2012)
- Resolution 9-12 (November 6, 2012)
- Resolution 5-13 (February 19, 2013)
- Resolution 9-13 (September 3, 2013)
- Resolution 10-13 (October 15, 2013)
- Resolution 4-14 (February 4, 2014)
- Resolution 6-15 (April 7, 2015)
- Resolution 9-15 (July 7, 2015)
- Resolution 11-15 (July 21, 2015)

CHAPTER 1: INTRODUCTION

A. PURPOSE OF COMPREHENSIVE PLAN

By legislative design, ports are flexible, responsive, municipal corporations. This Comprehensive Plan is expected to reflect those business traits and is adopted with the intent that additions and modifications, as provided by law, will permit the Plan to remain at all times a useful and up-to-date reference in assisting public and private decisions relating to the development and operation of the Port of Camas-Washougal. This Plan has been prepared to meet the following Port needs:

1. Provide a plan to enhance the economic development of East Clark County. This plan will be a flexible guideline for the Port Commissioners to make sound fiscal policy and planning decisions.
2. Establish short- and long-term planning and development goals and implementation strategies.
3. Provide a flexible strategy for retaining existing business and attracting new business and industry to enhance local economic development and tourism efforts.
4. Adopt a prioritized Capital Improvement Plan, updated annually, and feasible funding strategies.
5. Assist neighboring jurisdictions and the community in making decisions concerning properties which influence the Port's activities.
6. Provide the community, potential customers, and business leaders with an overall understanding of the Port of Camas-Washougal.
7. Comply with state law (RCW 53.20) that requires that the Port prepare and adopt a "comprehensive scheme of harbor improvements" prior to expenditure of funds for improvement of property.

B. MISSION

It is the mission of the Port of Camas-Washougal to make strategic investments and develop effective partnerships that enhance the community's quality of life by bringing jobs, infrastructure, and recreational opportunities to East Clark County.

CHAPTER 2: HISTORY & EXISTING CONDITIONS

A. HISTORY OF WASHINGTON PORTS

Each of Washington's 76 ports has its own characteristics. Ports range in size, in the scope of their facilities and operations, and in their locations—some are on water, while others are far inland.

Historically, private owners—primarily railroads—exercised monopolistic control over shipping rates and made arbitrary decisions about which products were allowed to pass across the wharves. In order to promote and protect all commerce, the state legislature responded in 1911 by authorizing the public ownership and management of Washington's ports. The legislature passed an enabling act permitting the creation of public port districts. On a broad scale, ports engage in economic development activities. Ports are the only public agencies whose primary mission is to spur economic development. Ports do this by acquiring, developing, leasing or selling, operating, and maintaining facilities for all forms of transfer—air, land, and marine—in accordance with RCW 53.08.

B. FORMATION OF PORT OF CAMAS-WASHOUGAL

The Port of Camas-Washougal, a political subdivision of the State of Washington, was established in 1935 by a vote of the people to create a favorable climate for economic development in the Camas-Washougal area.

C. GOVERNANCE

A three-member commission governs the Port. All commissioners are elected by voters within the district and members serve 4-year terms. The Port District encompasses approximately 102 square miles within Clark County.

The Public Industrial Corporation (PIC) was established on January 11, 1982, in response to the 1981 Washington State Economic Development Act. The PIC has the authority to issue tax-exempt industrial revenue bonds, which provide below-market interest financing for private industries to construct manufacturing facilities. The PIC program is intended to expand existing manufacturing operations and encourage new industries to locate in the Camas-Washougal area.

The Commission sets policy and delegates authority for the day-to-day operations of the Port District to its Executive Director and staff. The Port office is located adjacent to the Marina, at 24 South 'A' Street in Washougal.

D. EXISTING CONDITIONS

Description of Port of Camas-Washougal Properties

The Port's real estate holdings are all located within Clark County, which encompasses 656.6 square miles and ranks 35th out of the 39 Washington counties in terms of size.

During the Port's 75-year existence, three operating areas have been developed:

- **Industrial Park:** In 1966, the U.S. Army Corps of Engineers constructed a flood retention levee, thereby enabling the development of land behind the levee for industrial uses. The levee eliminated flooding of the area by the Columbia River and, in 1970, businesses began to locate within the 310-acre Industrial Park, which currently averages a 90+ percent occupancy rate and provides the community with approximately 1000 jobs and an annual payroll of over \$30 million.

The levee created a separation between the Industrial Park and Port-owned Cottonwood Beach on the shores of the Columbia River and, in 2001, the Port, Clark County, and the cities of Washougal and Camas formed a partnership to create a regional park at Cottonwood Beach. Subsequently dedicated in 2005, and renamed "Captain William Clark Park at Cottonwood Beach," it encompasses 85 acres between the levee and the Columbia River.

In addition, the Port is master planning an additional 120+ acres of undeveloped property east of and adjacent to the Industrial Park known as the Steigerwald Commerce Center. The infrastructure in Phase 1, which encompasses approximately 25 acres of the development, was completed in June 2013 and includes water, sanitary sewer, lighting, roadway and sidewalks.

Resolutions 6-15 adopted April 7, 2015, declared .23 acres of Industrial Park property on the south end of 28th Street as surplus to Port needs and deleted from this Plan.

Resolution 9-15 adopted July 7, 2015 declared 2.607 acres of Steigerwald Commerce Center at the east end of Lincoln Street as surplus to Port needs and deleted from this Plan.

Resolution 11-15 adopted July 21, 2017 declared 19.65 acres of Steigerwald Commerce Center at the southeast end of Lincoln Street as surplus to Port needs and deleted from this Plan.



- Marina: The recreational boat marina was constructed in 1968 and expanded over the years and now provides moorage facilities for 350+ vessels. It also features a 4-lane launch ramp, an on-the-water restaurant, yacht club, self-service fuel dock, electricity on the breakwater/guest dock, parking areas for boat trailers and vehicles and self-contained RVs, the Marina Park featuring summertime concerts, and Parker’s Landing Historical Park which showcases the history of the area.



- General Aviation Airport. When the Port first acquired it in 1962, fewer than 10 airplanes were based at Grove Field. The airport is currently home to approximately 100 aircraft, and offers 79 hangars and 14 tie-downs, with limited aircraft services and a self-service fueling facility. In addition, the Port leases approximately one acre of adjacent land to Immelman Hangar Development which offers privately owned hangars.



- Other Real Estate Holdings. In addition to the three operating areas described above, the Port’s real estate holdings include 14 acres of undeveloped property South of State Route 14, and West of South 6th Street, in the City of Washougal, Clark County, Washington, currently referred to as the 6th Street Property.

The Port also owns the following parcels of property directly East of and adjacent to the 6th Street Property:

.0976 acres	Purchased in 2006	.2296 acres	Purchased in 2012
.11 acres	Purchased in 2007	.23 acres	Purchased in 2012

In November 2012, the Port acquired approximately 13.25 acres of Waterfront Property, with plans to build a waterfront trail connecting Marina Park with Steamboat Landing in Washougal WA.

The Port shall continue to actively plan for development, including commercial development, of Port-owned property and to pursue acquisition of available property for development, all for benefit of the public, in accordance with **Goal 3**, page 3.3 herein.

Tourism Promotion

- Fly-in at Grove Field Airport
- Host July 4 Celebration at Marina Park
- Christmas Ships Parade
- Riverside Concert Series
- Participate in Annual Sportsmen's Show
- Host Boating Season Closing Ceremonies
- Public Recreational Marina
- Annual Earth Day Activities
- Puffin Café
- Parker's Landing National Historic Site
- Port Community Appreciation Day
- Commercial and Guide Fishing Opportunities
- Fishing Tournaments



Local Economic Development Group

In 2010, the Port initiated formation of a local economic development partnership with representatives of the cities of Camas and Washougal to collaborate on economic development opportunities within the Port District. Designated as the “Camas-Washougal Economic Development Association,” its purpose is to act as ambassador for the three entities in economic growth through business recruitment and retention on an ongoing basis.

MISSION STATEMENT: The mission of the Camas-Washougal Economic Development Association (CWEDA) is to help retain and expand existing companies as well as bring new businesses to the community.



CHAPTER 3: GOALS, STRATEGIES & TACTICS

The Port of Camas/Washougal, like all port districts in the State of Washington, operates from two tiers of authority. The first tier derives from Washington's statutes, which enable ports to pursue economic development activities that strengthen the economies of their regions. The second tier is established by a port's comprehensive scheme of harbor improvements (comprehensive plan), which sets forth goals and implementation strategies and tactics designed to pursue specific local economic development initiatives that are consistent with the authority granted by state statute. The comprehensive plan is intended to guide a port's decision-making while at the same time providing the port with the flexibility needed to respond to unseen demands and emerging opportunities and markets. The following goals and implementation strategies and tactics represent that second tier.

Goal 1: Enhance economic development through partnerships to leverage strategic investments.

- Strategy 1.1 Pursue opportunities and strategic investments to facilitate the retention, expansion, and recruitment of a diverse array of employers.
 - Strategy 1.2 Leverage resources by working collaboratively on infrastructure planning and development efforts with the Port's local, regional, and state economic development partners.
 - Strategy 1.3 Make targeted infrastructure investments when doing so would leverage additional investment from other sources, advance the economic position of the community, or result in some other clear economic benefit and when doing so is consistent with the Port's legal authority, mission, goals, and strategies.
 - Strategy 1.4 Seek to diversify the geographic distribution of strategic investments throughout the Port District.
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- Tactic 1 Continue to meet with CWEDA members on a regular basis to review, discuss, and identify opportunities for targeted infrastructure investments. The review should include status of current capital improvement plans.
 - Tactic 2 Review and consider potential infrastructure investments to ensure they are consistent with the Port's Strategic Comprehensive Plan, Capital Improvement Plan, and any pertinent guiding principles or other implementation guidance.
 - Tactic 3 Maintain regular contact with Port District industrial park tenants, the Columbia River Economic Development Council, CWEDA and potential partners to identify needs and opportunities to further leverage existing investments or expand economic development opportunities (i.e., permitting assistance, supplier chain relocation, etc.).
 - Tactic 4 Track and report to the Commission and public the geographic distribution of the Port's strategic investments.
 - Tactic 5 Pursue non-local funding opportunities (i.e., state and federal grants, loans, etc.) to further leverage resources.

Goal 2: Improve local economic opportunities by supporting the retention, expansion, and recruitment of preferred employers.

Strategy 2.1 Retain, expand, and recruit industries and employers that exhibit several of the following characteristics:

- Increases overall community economic well-being and stability.
- Diversifies the community's economic base.
- Supports or strengthens other area businesses.
- Offers wages and other forms of compensation that will increase the average earnings within the Port district.
- Has or shows the potential to increase the average per acre employment density.
- Exhibits the willingness and ability to make capital investments.
- Supports and/or enhances tourism opportunities associated with the area's unique natural assets, such as Steigerwald Lake, the Columbia River and Gorge, and the National Wildlife Refuge.
- Avoids, minimizes, or adequately mitigates potential negative environmental impacts.

Strategy 2.2 Use creative lease structures or other incentives to retain and/or attract new, emerging, and relocating employers. Lease and rental rates may be structured to meet the specific needs of a prospective employer if the employer meets one or more of the following criteria:

- Has or shows the potential to significantly increase the number and compensation level of jobs.
- Demonstrates that it can significantly improve the local economy.
- Is a start-up or developing business with a solid business plan.
- Is a preferred employer as defined by Strategy 2.1.

Tactic 1 Meet regularly with the cities of Camas and Washougal and existing industrial employers to identify opportunities to support growth and expansion.

Tactic 2 Participate in the countywide industry cluster analysis with CWEDA.

Tactic 3 Develop a recruitment incentive policy and plan that are responsive to the needs of targeted employers using the results of industry cluster analysis.

Tactic 4 Develop and implement a recruitment plan that is responsive to the needs of the targeted employers.

Tactic 5 Explore the feasibility of a new and more direct access point from Highway 14 to the Steigerwald Commerce Center.

Goal 3: Promote sustainable community prosperity by ensuring an ample supply of land, infrastructure, and facilities to meet the needs of potential employers.

Strategy 3.1 Maintain an ample supply of land and incubator space to meet the needs of preferred employers.

Strategy 3.2 Acquire additional property according to one or more of the following criteria:

- The acquisition is consistent with Port's economic development mission.
- The cost of acquiring the land and infrastructure improvements is appropriate, given market conditions, and is consistent with the Port and City of Camas or Washougal's capital improvement plans.
- The site is or can be made marketable to desired employers or industries.
- Due to the nature of this site and because it is difficult to develop the Port could acquire it for development at a favorable price without competing with the private sector.
- The acquisition contributes to maintaining the Port's inventory of developable land.

Strategy 3.3 Consider the sale of property when doing so would better advance Goal 2.

Tactic 1 Participate on the Columbia River Economic Development Council Industrial Lands for Jobs Committee to accurately identify available land (particularly Port-owned land) and land demands.

Tactic 2 Develop a list of land needs to meet the needs of preferred employers (i.e., size, infrastructure, etc.).

Tactic 3 Review and update the Port's land inventory and capital improvement plan at least annually to assess if Port is meeting current needs. Adjust the capital improvement plan as necessary to be responsive to preferred employer needs.

Tactic 4 Revisit the guiding principles adopted during the rezone assessment of the East Industrial Park (now known as Steigerwald Commerce Center) to determine the degree to which they are broadly applicable to other acquisition and disposition decision-making processes.

Goal 4: Lead a collaborative effort to develop a more vibrant, economically viable, and publicly accessible Columbia River waterfront.

- Strategy 4.1 Work collaboratively with property owners, the public, and the Port’s agency partners to develop a master plan for the future development and redevelopment of the Columbia River waterfront property for the area within the Port District. The master plan should provide sufficient flexibility to attract a range of users and employers.
- Strategy 4.2 Prefer land uses and employers on the waterfront that are water-dependent, -oriented, or -related.
- Strategy 4.3 Manage marina operations, capital facilities, and lands in a manner that strives to generate sufficient revenues to offset marina operating expenses.
- Strategy 4.4 Strongly support the provision of continuous public access along the Columbia River shoreline.
- Strategy 4.5 Maintain Captain William Clark Park, the Parkersville Historic Park, Marina Park, and the boat launch facility as public recreation areas and initiate construction of a waterfront trail.
- Tactic 1 Pursue funding and acquisition of property and/or easements to support the development of continuous public access along the Columbia River shoreline within the Port district.
- Tactic 2 Continue conversations with the cities of Camas and Washougal regarding their participation in a collaborative effort to develop a master plan for the development and redevelopment of the Columbia River waterfront within the Port district.
- Tactic 3 Lead the development of a waterfront master plan that includes, but is not limited to land uses, public access to shorelines and other recreation amenities, demand for water-dependent, -oriented, or –related services, and parking needs.

Goal 5: Operate Grove Field in a safe and economically sustainable manner.

Strategy 5.1 Operate Grove Field as a general aviation airport in a manner that:

- recognizes the safety needs of the flying community and the surrounding residents and property owners;
- advocates for compatible surrounding comprehensive plan and zoning designations and land uses;
- supports and increases/augments the essential contribution of the airport to regional public safety infrastructure; and
- supports all aspects of general aviation including recreational flying.

Strategy 5.2 Manage airport operations, capital facilities, and lands in a manner that strives to generate sufficient revenues to offset airport operating expenses.

Strategy 5.3 Work collaboratively with the Camas-Washougal Aviation Association, property owners, the Port's agency partners and private interests to encourage the development of airport-related services and jobs to create a more fiscally sustainable model.

Tactic 1 Identify economic development opportunities.

Tactic 2 Review successful business models for comparable airports and implement applicable elements.

Tactic 3 Retain specialized expertise in airport development as needed.

Goal 6: Increase constituent understanding, sense of ownership, and support of the Port and its initiatives.

Strategy 6.1 Provide multiple opportunities for input from the Port’s constituents and partners, carefully consider the input, and respond in a timely manner.

Strategy 6.2 Communicate regularly with Port stakeholders about Port activities and plans.

Strategy 6.3 Establish a dialogue with citizens and stakeholders to solicit broad community input on key issues and initiatives.

Tactic 1 Conduct economic impact assessments on a regular basis to identify and measure the results of the Port’s economic development efforts.

Tactic 2 Continue to develop communication methods, evaluate them regularly, and improve their effectiveness.

Tactic 3 Offer and/or support community events that bring the community to the Port (i.e., Christmas Ships, concerts, etc.)

Tactic 4 Continue outreach efforts, including

- open houses
- annual ‘Lunch with Executive Director’
- community appreciation events
- online and in-person surveys
- active social media participation
- annual community report
- informative presentations on lobby display screen
- semi-annual Port Report
- monthly newsletter
- press releases
- ongoing advertising in local news publications
- maintain a current web presence and an active email database

CHAPTER 4: FINANCIAL PLAN

A. PORT OF CAMAS-WASHOUGAL FINANCIAL POLICIES

The Port of Camas-Washougal's financial policies set forth the basic framework for the overall fiscal management of the Port. These policies provide a financial platform for evaluating both current activities and proposals for future programs. From time to time, it is anticipated that these policies will be modified to provide financial guidance for issues and situations which were not previously anticipated. The following are the port's financial policies:

1. Operating Budget
2. Revenue
3. Cash Reserves
4. Operating Rates
5. Cash Management/Investment
6. Debt
7. Capital Improvement Budget

B. BUSINESS PRACTICES

The business practices of the Port of Camas-Washougal are directed toward achieving the strategic plan goals and strategies set forth in Chapter 3. Flexibility is needed, however, in order to adapt to changing conditions of competition and community needs and desires. Accordingly, the statements that follow are typical business practices of the Port, subject to change as conditions warrant.

1. The Port will construct, operate and maintain facilities for industrial and commercial business use. These facilities may be made available to private/public business for lease or, if determined after a public hearing to be surplus, sale, as directed by the Commission.
2. Rate charges for the use of Port facilities (i.e., airport, marine facilities, and real estate/industrial property) will be set at market rate except in those circumstances determined by the Commissioners to be in the best interest of the Port. Rates will be designed to recoup over time all expenses, including general and administrative, depreciation, debt service, and some return to the Port. Consideration will also be given to the overall economic impact that a tenant will have on the community in determining rates.
3. It is the goal of the Port to increase revenue from economic development and strategic investments in order to decrease its dependency on tax revenues.
4. Properties required for Port purposes will be acquired by negotiation, and it is the Commission's objective to complete land acquisitions at market rate except in those circumstances determined by the Commissioners to be in the best interest of the Port. Properties identified as needed for long-range needs will be acquired by negotiation and held for future development. Whenever possible, these properties will be leased for interim uses in an effort to generate operating revenue to offset the cost of the acquisition until further development occurs.
5. As part of the Port's economic development goals, the Port will lease its land and/or facilities in order to generate revenue in accordance with the Port's financial goals and policies.
6. The Port will cooperate with other public and private organizations (including other port districts) to

reduce impediments to trade, improve the efficiency and economy of Port operations, maintain national security, and establish equitable and compensatory charges for services.

7. It is the responsibility of the Port Executive Director to operate the Port under the goals, policies, and objectives adopted by the Port.
8. In meeting the requirements of land use planning and the shoreline management act, the state and national environmental policy acts (SEPA and NEPA), and other applicable laws and regulations, the Port recognizes its responsibility to minimize the impact of its development projects on public health and safety, the environment, and adjoining properties.
9. As a public entity, the Port conducts its official actions in public meetings and maintains its official records in accordance with the open public meetings act. The Port will timely respond to all requests for public records, with a preference for release. In the event the Port determines any record is exempt from disclosure pursuant to state law, it will promptly notify the requesting party in writing of the basis for exemption.
10. Port Commissioners and staff are encouraged to participate in community, regional, state, and national organizations to both give information and become informed about matters affecting or of interest to the district.
11. Port Commissioners and staff are encouraged to participate in appropriate educational opportunities (e.g., Washington Public Ports Association) to further their professional development.

C. PORT DISTRICT FINANCING

To finance projects and activities, port districts utilize several sources of revenue. A port's revenues comprise non-operating income, (i.e., tax levy), operating income, (i.e., lease income), grants, and borrowed funds, (i.e., debt). It is the Port's policy to obtain the lowest cost funds to finance Port projects. Brief descriptions of each option available to the Port follow. Subject to Port Commission direction, Port staff will actively pursue grants and low-interest governmental loans to fund Port projects.

1. Tax Levies

To supplement revenue generated by Port operations, state statutes authorize port districts to levy taxes on the valuation of the taxable property in the district as described below.

a. Basic Regular Levy

In accordance with RCW 53.36.020, a port is allowed to levy a tax up to 0.45 per \$1,000 of assessed valuation of the port district for general port purposes, including the establishment of a capital improvement fund.

b. Extra Voter-Approved Tax Levy

Port districts are allowed to levy up to an additional 0.45 per \$1,000 of assessed valuation in taxes for dredging, canal construction or land leveling or filling, per RCW 53.36.070. The Port has never sought to impose this additional tax levy, and does not envision doing so unless community needs alter to the extent that it should be considered.

c. Industrial Development District Tax Levy

A port district can levy an additional 0.45 per \$1,000 of assessed valuation in taxes to finance Industrial Development District (IDD) improvements. These improvements must be set forth in the port district's "Comprehensive Scheme of Harbor Improvements and Strategic Plan," and adopted in accordance with RCW 53.25. This tax levy is limited to 12 annual levies, six of which may be subject to voter approval. The levies need not be taken in consecutive years.

The Port has taken both six-year levies: one from 1958-1964 and one from 1985-1990.

d. General Obligation Bond Tax Levy

A port district can levy taxes as required to service interest and principal payments on General Obligation Bonds.

e. One Percent (1%) Levy Lid

The total revenues from regular property taxes cannot increase by more than one percent each year, unless a majority vote approves a higher levy, excluding new construction. In any year when a port levy is less than the maximum amount allowed by the one percent, whether voluntarily or as a result of dollar rate limit, the one percent lid for succeeding years will be calculated as though the maximum levy amount allowed by the one percent lid limit had been levied (referred to as “protection of future levy capacity”).

2. Port Debt

As a municipal corporation, a port district is expressly permitted by law to issue debt. This borrowing must be in the right form, and must be used for the purposes that are expressly allowed by law. The types of port debt and limitations are summarized below.

a. General Obligation Bonds

An important financing option for a port is through the issuance of general obligation bonds; these are limited by law as follows:

b. Basic Limit

A port is allowed a total of non-voted debt equal to one-quarter of one percent of the assessed value of the taxable property in the district as determined by the County Assessor (RCW 53.36.030). General obligation bonds are limited to a maximum maturity of 50 years (except those subject to a 25-year limit as described in section d below).

c. Voted Debt

With the approval of 60 percent of the voters, general obligation bonds may be issued in an amount not to exceed (together with the existing indebtedness of the district not authorized by the voters) three-quarters of one percent of the assessed value of the taxable property in the district as determined by the County Assessor.

d. Small Ports Exception

Districts with less than \$1.5 billion in taxable property may issue up to three-eighths of one percent of additional debt, per RCW 53.36.030. Maturity of these bonds may exceed 25 years. A port must have a comprehensive plan and a long-term financial plan approved by the Washington State Department of Community, Trade, and Economic Development prior to accessing this additional debt. The Port is considered a Small Port for this exception.

3. Revenue Bonds

Revenue bonds are payable from a stream of non-tax revenues and are not classified as general obligation debt. Tax revenues cannot be used to repay revenue bonds. Although technically there is no legal limit on the amount of revenue bonds a port may issue, as a matter of practice and policy, the limit of a port-issued revenue bond depends on the port’s ability to repay the principal and interest from operating revenues. Annual revenue bond payments thereon are a lien against the current year’s operating revenue. A port may mortgage facilities financed with revenue obligations, per RCW 53.40.125.

4. Short Term Obligations

Ports have several short-term financing methods. A port may issue tax-anticipation notes (TANS), bond

anticipation notes (BANS), and revenue anticipation notes (RANS). TANS must mature no later than 6 months into the next fiscal year.

A port issues warrants to meet its ongoing financial obligations. These can be interest-bearing revenue or tax-backed general obligation warrants. A port can also access a line of credit for short-term finance needs. A line of credit is usually evidenced by a note.

5. Industrial Development Revenue Bonds

A port is allowed to issue industrial development revenue bonds (IRBs) for funding of private projects through a special port-created industrial development corporation (IDC). Only projects which involve facilities for manufacturing and processing activities may qualify for this type of financing. Interest paid on these bonds is not taxable, thus resulting in below market interest to the qualifying borrower. The transaction is between private lender and private borrower, with the Port acting as a conduit and ensuring that the transaction is properly qualified.

Parties wishing to access this source of funding through the Port's Industrial Development Corporation must be funding a project within Clark County, meet the qualifications for IRB financing, and submit an application to the Port.

6. State and Federal Loan and Grant Programs

As a municipal corporation, a port is eligible to apply for several state and federal loan and grant programs. These loans and grants are typically for infrastructure and industrial facility development. These loans do not apply against a Port's statutory debt limit, but do count against its constitutional debt limit.

APPENDIX A: POLICIES

POLICIES

OPERATING BUDGET POLICY

- The Commission will set a budget on an annual basis. The Port budget will balance operating and non-operating revenues with operating and non-operating expenditures with general fund tax levy revenue being used for capital improvement projects or for the Port reserve fund.
- The annual budget will take into account a reserve fund with at least 6 months' worth of future operating expenditures.
- The annual budget will be prepared to meet established maintenance schedules. All equipment replacement and maintenance needs for the next five years will be projected and the projection will be updated each year. A maintenance and replacement schedule based on this projection will be developed and followed. Capital spent for maintenance, repair, and replacement will be timed at fairly stable intervals so as not to spend excessively in one year and restricted in the next.
- On a quarterly basis, the Port Finance Director will make available to the Commission a report of year-to-date revenues and expenditures through that quarter, against budget, and report to the Commission any material trends and unexpected developments. Financial reports providing balance sheet, income statement, and operating area financials will be provided along with the capital improvement budget. At any quarterly review, should the Port Commissioners determine that there are significant differences in the actual financial performance of the Port compared to the budget, the Executive Director and Finance Director will immediately develop a plan to bring the operating budget back in line. This plan will be presented to the Commission promptly for consideration and approval.
- The proposed annual budget will be presented on the Port website for better communication of financial information to citizens and other interested parties at least two weeks before the public hearing. The adopted budget will be available on the Port website before the new fiscal year begins.
- Quarterly reports will be presented on the Port website for better communication of financial information to citizens and other interested parties.

REVENUE POLICY

- It is the goal of the Port to develop and maintain a diversified and stable stream of operating revenues to shelter it from short-run fluctuations in any one revenue source.
- Restricted revenue will be used only for legally permissible purposes. Programs and services funded by restricted revenue will be clearly designated as such.
- Property tax levy revenue received by the Port will be expended in accordance with the following prioritization:
 - Payment of interest on Port general obligation bonds,
 - Retiring general obligation bonds (principal),
 - Payment of principal and interest on all other lease and debt obligations,
 - Capital expenditures as identified by the Port Commission,
 - Support of Port operations,
 - Reserve fund, and

- Community projects.
- Grants will be sought to supplement projects which support the Port's goals, policies, and strategies.

CASH RESERVES POLICY

- To mitigate current and future revenue shortfalls, unanticipated expenditures, and maintain the Port's credit rating, the Port will maintain sufficient cash reserves to pay an average of six months of operating and general and administrative expenses, equating to the Port maintaining approximately 25% of total budgeted expenditures in its cash reserves. Should cash reserves fall to levels insufficient to meet these obligations, the Executive Director will immediately take action to raise the level of cash through operations and/or reduction of expenditures.
- The Port will maintain a sufficient fund balance necessary to meet all debt covenants. When it is apparent that the Port will not be in compliance with these cash flow guidelines, a detailed plan to increase the cash flow either through raising of revenues, reduction of expenses, restructuring of debt, or a combination of these, to meet these requirements will be submitted promptly by the Executive Director to the Commission.

OPERATING RATES POLICY

- The Port's "Schedule of Rates and Fees" will be reviewed annually and shared with the Commission. The schedule listing all fees and charges of the Port will be maintained and updated concurrent with the annual budget.
- Port user fees and charges will cover the cost of that service except to the extent that the Commission has determined that the service in question provides a general public benefit.
- The Port will require reimbursement for expenses incurred on behalf of other parties responsible for damages to Port-owned and/or -managed facilities and state waters within Port-owned and/or -managed facilities.
- To establish appropriate pricing of leases, the Port will use the current market value of the leasable assets (land, buildings, and/or related infrastructure) as the basis for rent calculation. The asset will be revalued as appropriate and the pricing will be adjusted as warranted.
 - The Port will charge lease rates that over time will generate sufficient revenue to cover all proportionate direct and indirect costs of operations associated with the use of that asset. When necessary to meet Port economic development objectives, the Commission, on a case by case basis, may also structure leases with deferred payments or reduced rents for a fixed and limited period.
 - It is the policy of the Commission to require security from all Port tenants in accordance with RCW 53.08.085. The security will be in a form acceptable to the Port, and is typically provided by the tenant to the Port in the form of a security deposit of two (2) months' rent under the terms of the lease agreement between Port and the tenant. The Port will realize the security in the event of a default by the tenant. The Commission reserves the right to waive this requirement on a case by case basis.

CASH MANAGEMENT/INVESTMENT POLICY

- All cash and/or checks received by the Port will be immediately receipted and deposited to the bank depository account within that day unless unforeseen circumstances occur; in that case, monies will be placed in a fireproof safe until the next business day and then deposited. These

deposits will then be transferred to the Clark County Treasurer's Office and invested in a manner that will maximize the interest earnings within acceptable measures of risk.

- The Clark County Treasurer acts as the Port's Treasurer. The Port has an Investment Service Agreement with the Clark County Treasurer whereby the Port participates in the Clark County Investment Pool program.
- Investments made by the County Treasurer will be made in conformance with Investment Guidelines as stated within the laws of the State of Washington.
- All directives on investments from the Port to the County Treasurer will be made with maturities that assure adequate resources for payment of all warrants submitted to the County Treasurer on a monthly basis without the premature liquidation of temporary investments.
- Reconciliation of bank statements will be done each month by an employee who has no authorization to write checks.
- The Port will collect all receivables in a manner that will provide for timely receipt of funds owed to the Port. When a receivable is deemed to be uncollectible, the receivable will be referred to the Port's attorney or to a collection agency for collection.

DEBT POLICY

- The Port will not borrow on a short-term basis to cover routine operations. In no instance should short-term borrowing be considered as a financing option unless a detailed plan for repayment of the borrowing is presented to the Commission and subject to their approval prior to the issuance of the debt.
- The Port may use general obligation bonds to finance only those capital improvements and long-term assets which have been determined to be essential to the maintenance of, or improvements to, the Port's infrastructure, or for the purchase of land and buildings which do not have revenue sources sufficient to support repayment of the debt.
- Generally, debt (other than general obligation bonds) should be used only to finance specific improvements that can generate operating cash flows sufficient to service the debt. When the debt is used to finance specific capital projects, the means of repayment must be reasonably certain prior to the debt being issued. All repayment schedules must be submitted to the Commission for review and approval.
- The Port may utilize revenue-supported bonds to finance public improvements which can be shown to be self-liquidating. Financial feasibility studies will be presented for each project to show evidence of the self-liquidating nature of the project.
- At the first optional redemption date for each general obligation or revenue bond issue, an analysis will be done to determine if exercising a call would be financially prudent at that time. If the bonds are not called at that time, this analysis will continue at least every two years.
- Efforts should be made by the Executive Director to maintain or improve the Port's general obligation bond rating.
- The Port will comply with Internal Revenue Service arbitrage regulations for bond issues.

CAPITAL IMPROVEMENT BUDGET POLICY

- The Port will develop a multi-year capital improvement plan (CIP) that will be updated annually. Efforts will be made to invest in capital assets based on the details of the plan. When Port staff or the Commission determines that a project not included in the CIP is of sufficient urgency to be

proposed for completion in the current fiscal year, following a detailed review of the project the Commission may approve proceeding with the project and will amend the Port's CIP if necessary.

- Capital improvements will be funded by non-operating revenues, operating revenues, debt, or grants.
- The Port will maintain its physical assets at a level adequate to protect the Port's capital investments and minimize future maintenance and replacement costs. A detailed maintenance schedule will be developed and maintained, and sufficient levels of funding for maintenance will be included in the Port's annual budget.

APPENDIX B: CAPITAL IMPROVEMENT PLAN

See attached.

APPENDIX C: GLOSSARY

GLOSSARY

- Economic Development:** Ports are public agencies whose primary purpose is economic development. Job creation and economic growth may be accomplished in diverse ways, including owning, developing, and/or operating marinas and docks, airports, industrial or commercial sites, railroads, and water-related facilities. Other economic development programs may include import/export assistance, tourism promotion, business retention, expansion and recruitment, establish and operate foreign trade zones.
- Industry:** A broad range of economic development and employment generating activity including, but not limited to, light and heavy manufacturing, professional office and business parks, research and development facilities, technology, agricultural tourism, and commercial development.
- Industry Cluster:** A geographical concentration of interconnected companies with close supply links, specialist suppliers, service providers, and related industries and institutions.
- Partnership:** A relationship where two or more public, private, or non-profit entities are conducting business together for mutual benefit. The Port seeks partnerships where the other entity or entities approach the Port with a financial commitment to the partnership. As a whole, the Port's partnerships should have direct or indirect benefits.
- Stakeholders:** Include, but are not limited to, Port tenants, economic development partners, elected officials and agency staff, Port district taxpayers, and the community.
- Surplus Real Estate:** Real property that the Port has determined no longer meets one or more of the land acquisition criteria of Strategy 3.2 or no longer supports the mission of the Port. In furtherance of the Port's mission, existing conditions, and ownership of or interest in adjacent or nearby property, the Port may retain long-term interest in the property in the form of covenants or easements. The Port may also, upon further consideration, consistent with Strategies 3.1 and 3.2, decide to retain property it had previously declared surplus.