

Port Development and Financing

Maritime Administration's Port Facility Conveyance Program

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The Maritime Administration (MARAD), an agency within the U.S. Department of Transportation, administers a public-benefit conveyance program that transfers surplus federal real property to state and local public entities for the development and operation of port facilities. The purpose of the program is to create jobs, revitalize local economies, and increase maritime port capacity to meet the nation's commerce and

defense needs. Conveyances involve no monetary consideration provided the property is used and maintained in perpetuity as a port facility. MARAD defines *port facility* as either waterfront or inland property that is used or intended for use in developing, transferring, or assisting maritime commerce and water-dependent industries.

Applications for conveyance are filed with MARAD. Once an application has been approved, MARAD requests assignment of the property by the disposal agency, which makes the final disposal and assignment decisions. The disposal agency for surplus federal real property is either the General Services Administration (GSA) or, in the case of base closure property, a military department. The disposal process varies depending on whether the disposal agency is GSA or a military department. In either case, however, MARAD is required to consult with the U.S. Department of Labor on issues relating to serious economic disruption, such as high levels of unemployment, and with the U.S. Department of Commerce to review the economic development plan submitted by an applicant. The property must also meet National Environmental Policy Act (NEPA) and Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) requirements. Property assigned to MARAD is transferred by a deed that contains the terms, conditions, and restrictions of the conveyance. MARAD has oversight responsibility after a conveyance.

Since the program's inception, MARAD has received eight applications from both coastal and inland river ports.

Oxnard Harbor District, Port Hueneme, California. Approximately 33 acres of the former Naval Civil Engineering Laboratory was conveyed to the port in March 1997. The port is developing the property for terminal access improvements, additional cargo staging area, and expansion of cold/covered storage facilities.



Aerial view of Port Hueneme, California, port facilities and adjacent Naval Civil Engineering Laboratory acreage, which has been conveyed to the port for expansion and development.

Port of Benton, Richland, Washington. In September 1996, MARAD conveyed approximately 71 acres of the former U.S. Department of Energy Hanford 3000 Area to the port for development into a foreign-trade zone and industrial park. The property complements the marine port, which is located on the Columbia River.

Port of Los Angeles, Los Angeles, California. The application to convey approximately 26 acres of the former Long Beach Naval Station located in the city of Los Angeles has been tentatively approved. The principal use of the property is to provide rail access and a Seaside Avenue/Navy Way grade separation for cargo terminals on Terminal Island (Pier 300 and 400) and the dry bulk terminal.

Rhode Island Economic Development Corporation, North Kingstown, Rhode Island. The application and requested assignment of approximately 259 acres of property located at the former Naval Construction Battalion Center in North Kingstown, Rhode Island, has been approved. The property will be used for industrial and maritime/pier support purposes.

Port of Long Beach, Long Beach, California. Two applications from the port are under review by MARAD. The port is interested in acquiring the 240-acre site of the former Long Beach Naval Station, including the Navy mole. The port and the community are currently evaluating reuse alternatives.

Port of Stockton, Stockton, California. The port has requested conveyance of approximately 1450 acres known as Rough and Ready Island for development into a commercial port facility using existing warehouses and facilities. The property is adjacent to the current port.

Village of Harrisonburg, Harrisonburg, Louisiana. The village has requested conveyance of the former Harrisonburg Lock and Dam No. 2 for development into a port facility. The property is located on the Ouachita River.

Additional information and application forms for the conveyance program can be obtained from Director, Office of Ports and Domestic Shipping, Maritime Administration, 400 Seventh Street, N.W., Room 7201, Washington, D.C. 20590 (telephone: 202-366-4357).

Port Authorities and Downtown Development

**Case Study from
Cleveland-Cuyahoga County
Port Authority**

GARY L. FAILOR

During the past 200 years, marine ports have been a focal point of downtown and central city development in virtually all of the nation's coastal areas—Atlantic, Pacific, Gulf, and Great Lakes—as well as along the inland waterways. Ports have been vital to the growth of industry and commercial activity. However, as traffic has increased and port operations have expanded, much port-related activity in cities such as New York, Boston, and Chicago has moved from downtown to less populated areas, where more efficient facilities and intermodal

technologies and connections can be applied. In other cities, port activities have been moved to escape encroaching “waterfront gentrification.”

In addition, the local port authority has often branched out to encompass short-line railroads, airports, marinas, and other recreational facilities, as well as commercial and retail development and management. The American Association of Port Authorities (AAPA) estimates that more than 100 ports in the United States manage various types of enterprise operations that are largely unrelated to traditional port activities. Some port communities,

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