

[Innovative] Revenue Sources for Ports and Harbors

A presentation and discussion
led by Mike Fisher

AAHPA Conference
October 1, 2019



Agenda

Part 1: Presentation

Revenue sources to consider

Revenue sources we're using

Rate increases

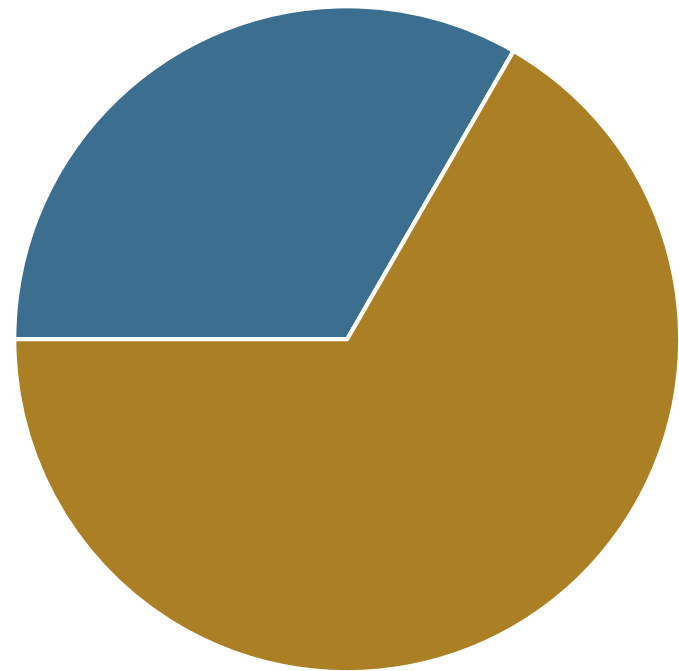
Challenges

Adaptations

Part 2: Discussion

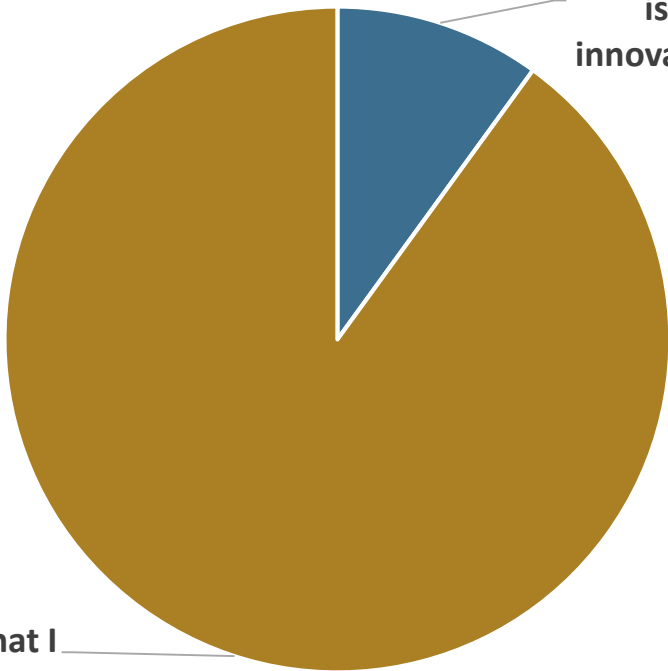
Innovative revenue sources

Preferred Time Allocation



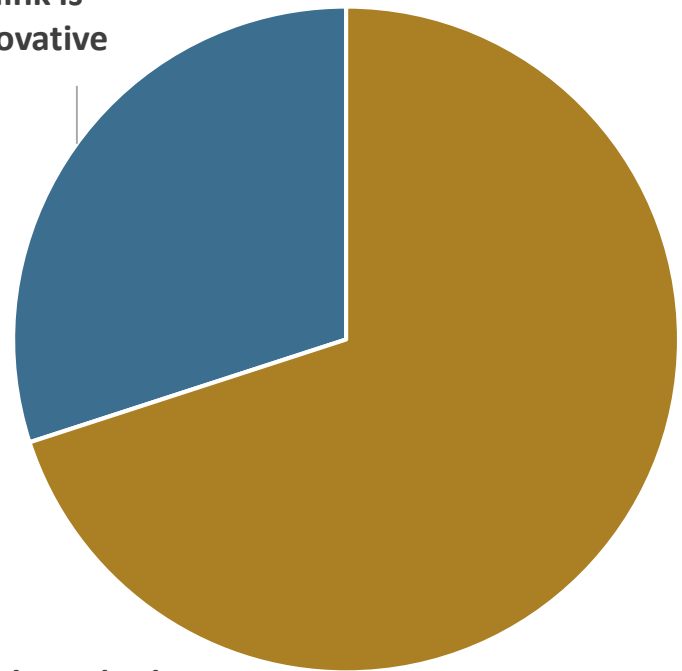
“What’s Actually Innovative?”

What I do
that I think
is
innovative



What I
do that I
think is
routine

What I do
that others
think is
innovative



What I do that
others think is
routine

Funding Mechanisms

General Income/Consumption Taxes

Broad-based taxes on residents, businesses, and visitors

Activity-Based User Fees

Charges for use of facilities

Administrative Fees/Fines

Derived through authorization, administration, and enforcement activities

Value Capture

Capture the increased value created by facilities or services

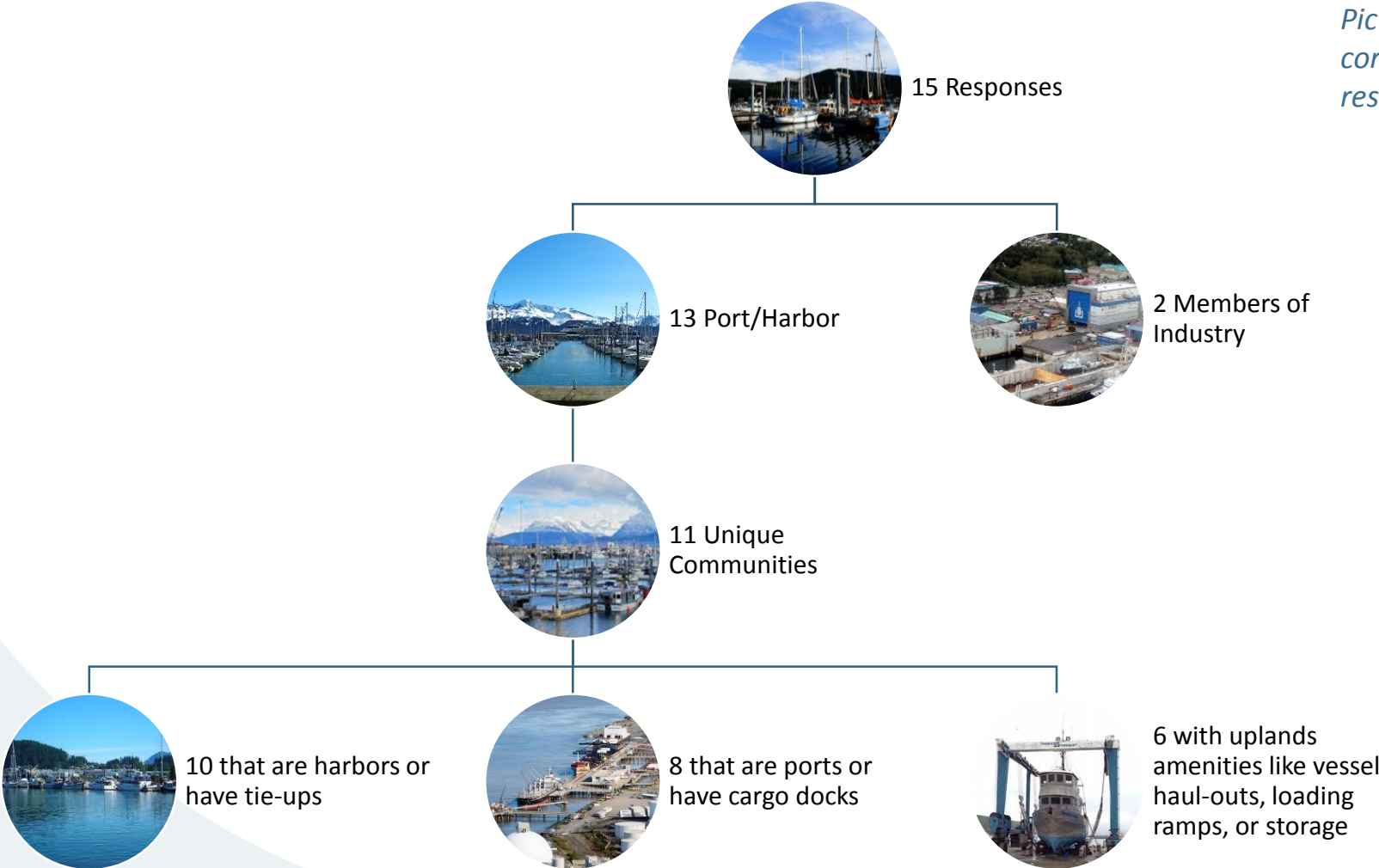
Joint Participation/Public-Private Partnerships

Contracts for direct provision of facilities or services

See *The Innovative DOT Focus Area 1: Revenue Sources* for much more detail, at www.infrastructureusa.org/the-innovative-dot-focus-area-1-revenue-sources/

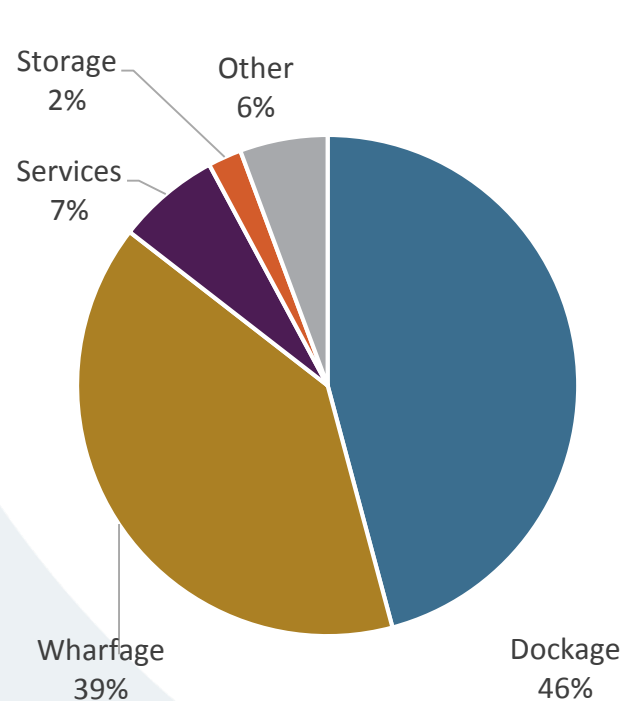
Survey

Pictures do not correspond to respondents!

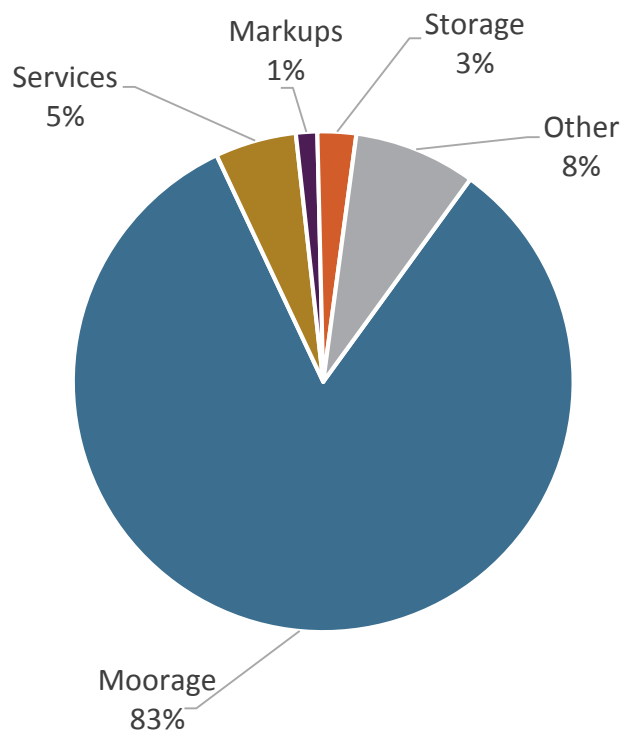


Your Revenue Sources

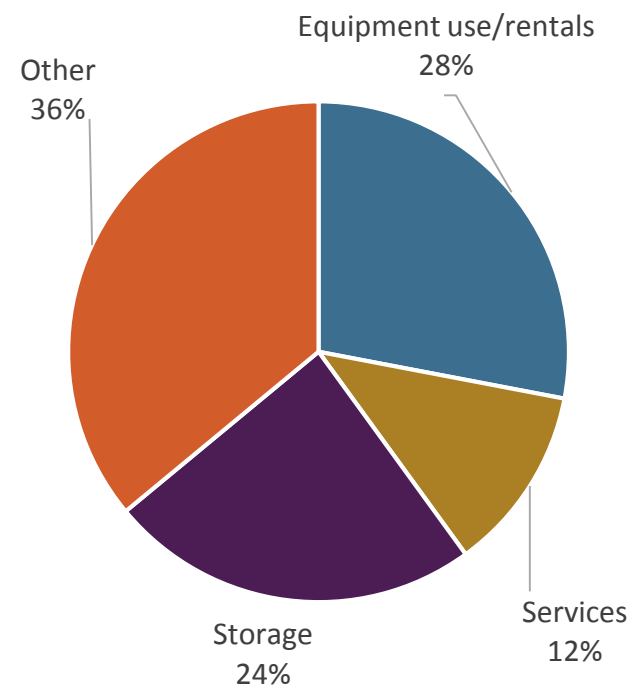
Ports/Docks



Harbors/Tie-ups



Uplands and Other



Charts show simple average of responses, with zeroes added for blanks.

Other Revenues

Selling water to ships

Loading zone and vendor
brokerage permits

Vehicle access passes

Charter boat loading zone passes

Raw fish taxes

Investment income

Waterfront/land leases, including
tour sales booth spaces

Yard fees

Tideland leases

Liveaboard fees

Wait list fees

Ice and fuel sales

Launch ramp fees

Grid use fee

Sales tax CIP funds

Transfers and Grants Received

Funds Received

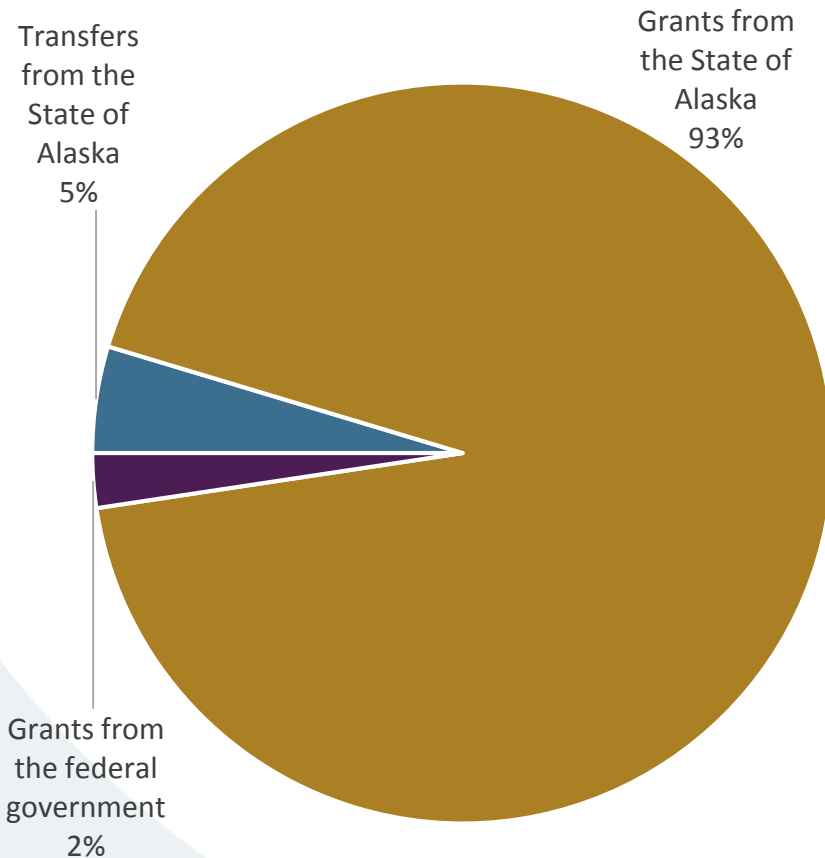


Chart shows the percentages based on total amount received as given by respondents.

Grants Received

FEMA Port Security Grants

TIGER Grants

State Harbor Grants

Clean Vessel Act Grants

Alaska Division of Forestry Volunteer Firefighters Fund

Homeland Security Grants

Legislative Grants

USACE Section 107 Dredge Grants

State Capital Grants

Innovative Approaches

(and lessons learned)

Charge tour brokerage companies to sell tours along seawalk

Land leases for waterfront, docks, and communications towers (no incentives without performance requirements and sunset clauses; public facilities mean open access)

Paid parking (need reliable and easy to use parking payment kiosks)

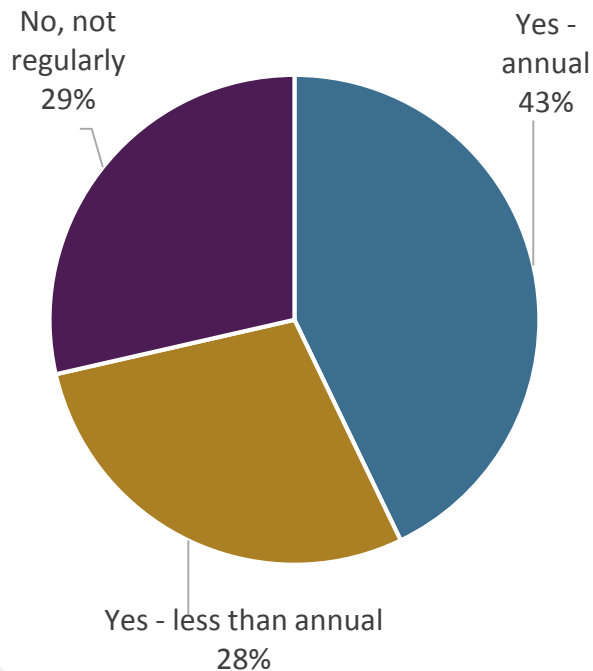
Vendor booth leases along the waterfront

Passenger fee for embarking on a charter boat cruise

Management of tideland leases

Rate Increases and Responses

Regular rate increases?



How do users respond?

They complain but they pay it. Some say they are happy to pay more if the harbor maintenance gets done.

They complain and I show them the comparison chart for other Alaska harbors.

Customers adjusted. No loss of revenue or patronage. Occasional grumbling about hungry children and pets.

Complaints. Cancellations in off seasons for small vessels.

What are Our Challenges?

Drugs on vessels

Derelict vessels

Switch to trailered vessels rather than using harbors

Lack of space and long waiting list

Excess summer demand

Facilities are in disrepair or are damaged and need upgrades

Lack amenities like work floats, hoists, drive down docks, gear storage

Transition in users from commercial to recreational

Increasing size of tour boats

Increasing maintenance costs

Environmental issues

How We've Adapted to Challenges

Provide better customer service

Raising rates to fund a specific project

Making the best temporary repairs they can

Investing in new sectors to diversify

Adding tourist amenities and signs, and having staff attentive to tourist needs

Adding maintenance staff and money

Improve user amenities like fish cleaning and pump out stations

Restrictions on use of certain facilities

User education about the reality of what can be provided without rate adjustments

Other Survey Findings

Funding Needs

How much money do you estimate your facility/facilities will need for replacement?

5 Respondents: **\$1.25 billion**

What is the timeline for these major investment needs?

Anywhere from **1-2 years** to **50 years**

What portion of your current need do you have available to you from a replacement fund or other reserves?

Total: **~\$160-250 million (~13-17%)**

Other Support

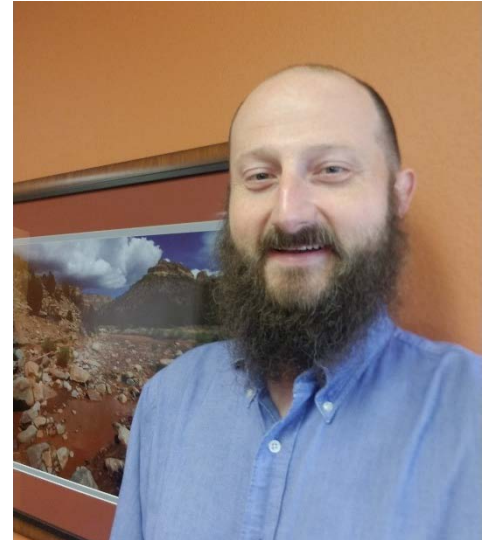
“Would like to hear about ways the Association could advocate for continued State/Federal support of these public facilities.”

Your Turn!

What are you doing that you think
(or that others have told you)
is **innovative**?

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