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**35<sup>TH</sup> SENATE DISTRICT**  
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**SB 63 (Hall) Seaport Enhanced Infrastructure Financing Districts**  
**FACT SHEET**

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**ISSUE**

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California's ports and harbors are major contributors to the state's economy, employing tens of thousands of workers, investing billions in local and state businesses and creating hundreds of millions in state and local tax revenues. Currently, our ports are losing market share to competitors outside of the state partially because other jurisdictions are subsidizing their infrastructure improvements.

Most of California's ports operate under a landlord-tenant model where the public agency leases a marine terminal to a private company to conduct business. As a result, port infrastructure is generally financed entirely through revenue bonds backed by private user fees and other lease revenues and there is no local taxpayer participation. Port tenants do however pay possessory interest taxes on the value of their leases on public property.

Last year the State of California revamped its public financing tools to provide for Enhanced Infrastructure Financing Districts (EIFDs) in the wake of the elimination of redevelopment agencies. EIFDs can provide reinvestment financing to projects which span a wide range of public infrastructure and private development projects, including highways and transit infrastructure. EIFDs are formed by local governments and their bond underwriting approvals are subject to local voter approvals.

Unfortunately, seaports are not included in the listed categories of approved infrastructure for EIFD financing.

**SOLUTION**

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SB 63 adds seaports to the list of EIFD approved projects and allows for access to new and vital seaport infrastructure financing.

This bill will protect both the taxpayers and the state's interests in its own tidelands by preserving the local-vote requirement for EIFD approval and by requiring the State Lands Commission to sign-off on the district's underwriting before it becomes effective.

Ultimately, SB 63 will enable California seaports to compete with competitors outside of the state, allowing them to continue to provide to California's economy.

## **SUPPORT**

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Pacific Merchant Shipping Association (Sponsor)  
Associated General Contractors  
City of Los Angeles  
Port of San Diego

(As amended 9/1/15)