

RESOLUTION # 2007-17

RESOLUTION OF THE PORT COMMISSION OF THE PORT OF CHELAN COUNTY AUTHORIZING AN INCREASE IN TAX LEVY CAPACITY PURSUANT TO SECTION 209 OF REFERENDUM 47 (RCW 84.55.120) AND FINDING SUBSTANTIAL NEED TO BANK THE HIGHEST ALLOWABLE LEVY FOR FUTURE BUDGET NEEDS

WHEREAS, a public hearing on the revenue sources for the Port's 2008 current expense budget was held by this Commission on November 21, 2007; and

WHEREAS, increases in regular property taxes imposed by the Port are limited by RCW Chapter 84.55, as amended by Referendum 47, codified by Chapter 3, Laws of 1997; and

WHEREAS, the Port has consistently banked the highest allowable levy allowed by law and by this Resolution expresses its intent to bank the highest allowable levy permitted by law; and

WHEREAS, with the recent decision by the Supreme Court of the State of Washington that Initiative 747 is unconstitutional, the highest allowable levy since 2002 would have been limited to the implicit price deflator (also known as the limit factor), which is an inflationary index described by RCW Chapter 84.55, rather than the one percent (1%) limitation contained in Initiative 747; and

WHEREAS, HB 2416 (passed by the Legislature and signed into law on November 29, 2007) retroactively imposed the limitations of Initiative 747 back to 2002; and

WHEREAS, the highest regular tax which could have been lawfully levied by the Port, beginning with the Port's 1985 levy, occurs in the 2006 levy for taxes collected in the year 2007 (the "2006 Levy") and is equal to \$2,285,313 ("Highest Allowable Levy"); and

WHEREAS, the commissioners of the Port of Chelan County, after a hearing and due consideration of the issue, believe that there is a substantial need to bank the Highest Allowable Levy for future budget needs for a variety of reasons, including those reasons set forth on attached Exhibit "A" which is incorporated herein by this reference;

WHEREAS, the Highest Allowable Levy may be increased by an amount equal to 101% times the 2006 Levy (e.g. \$22,853) plus 2007 increases in new construction and improvements, increases in state-assessed property and reclassified reforestation, annexations and refunds multiplied by 2006's levy rate in the amount of \$65,037 ("Add-ons"); and

WHEREAS, the Highest Allowable Levy increased by the 101% factor and by the Add-ons set forth in the preceding "whereas" provision would be equal to \$2,373,203; and

WHEREAS, any increase in the Highest Allowable Levy must be approved by a resolution;

BE IT RESOLVED BY THE COMMISSIONERS OF THE PORT OF CHELAN COUNTY as follows:


(1) The Port Commission hereby finds that there is a substantial need to protect the Port's Highest Allowable Levy by providing for an increase equal to 101% times the 2006 Levy, plus the Add-ons, to meet substantial future budgeting needs of the Port, as set forth on attached Exhibit "A" which is incorporated herein by this reference, and the Port Commission hereby establishes an increase equal to 101% times the 2006 Levy, plus the Add-ons, for purposes of establishing the Highest Allowable Levy permitted to the Port.

(2) The Port Commission hereby authorizes an increase in its tax levy capacity for the 2007 levy in the amount of \$87,890, which is a percentage increase of 1% over the 2006 Levy, plus the Add-ons. Therefore, the Highest Allowable Levy multiplied by 101%, plus Add-ons, would be equal to \$2,373,203 for the 2007 levy (2008 collections), a total percentage increase of 3.85%.

This Resolution shall become effective immediately upon its adoption.

ADOPTED by the Commission of the Port of Chelan County at a regular meeting thereof held this 5th day of ~~November~~, 2007.
December


PORT OF CHELAN COUNTY



MICHAEL H. MACKEY



J.C. BALDWIN



CRAIG N. LARSEN

**EXHIBIT A
TO RESOLUTION # 2007-17**

Because of the anticipated income in 2008 and other revenues, the 2007 levy for taxes to be collected in 2008 can be set at the amount equal to 1% above the taxes actually collected in 2007, plus the anticipated additions allowed by RCW 84.55.010, which should fully fund the Port's budget, including its capital improvement program for 2008.

However, several significant factors are present in the local economy, and several others loom on the horizon, which when taken together, constitute what the commissioners find to be a substantial need, within the meaning of Referendum 47, bank the highest allowable levy for future budgetary needs. Those factors include, without limitation, the following:

1. Private land in general, and industrially zoned land in particular is of limited quantity in Chelan County. The private sector does not aggressively develop industrial land for the sole purpose of recruitment of new, job intensive industry, as does the Port. The Port district requires the financial resources necessary to acquire, develop and market this type of property for this purpose.
2. The Endangered Species Act (ESA) listings of several fish species will likely increase the cost of development of industrial property by requiring additional measures to collect and treat storm water runoff and to protect riparian areas and wetlands.
3. The Port, being charged by statute with responsibility for industrial developments and economic development programs within Chelan County, must position itself to be fiscally prepared to address and be able to provide operating and capital resources to try to alleviate the concerns and to meet the opportunities set out above.
4. The Pangborn Memorial Airport completed installation of the instrument landing system project. It is anticipated that additional land acquisitions and capital improvements will be necessary into the foreseeable future to maintain and protect the airport as a critical component of the valley's economic future and as a result of the study initiated to evaluate the extension of the main runway, which would require the relocation of Grant Road.
5. The infrastructure in the Olds Station Business Park is aging and future capital improvements are anticipated to maintain the upgrade the current inventory of buildings.
6. The inventory of readily available buildings in the Olds Station Business Park is limited and may necessitate the construction of additional buildings as demands and opportunities arise.
7. The Port is in the process of acquiring, rehabilitating and redeveloping property commonly known as the Cashmere Mill Site, a commercial and industrial property that has remained significantly underutilized for several years. This property presents a number of unique issues, including wetland and riparian buffers, and the removal of large quantities of wood waste left over from the historical use of the property as a lumber mill.

8. The Port is updating its Comprehensive Plan. As part of the process, the Port will identify strategic investments within the County.

9. The Port is making significant and strategic investments in marinas located in both the City of Wenatchee and the City of Chelan.

These factors significantly determine the environment in which the Port operates. While it appears the Port does not need to levy at a higher capacity than that already established for the 2007 Levy (2008 collections), in the event that the county is presented with either tremendous positive economic opportunities or extremely serious economic threats, it is necessary and prudent for the Commission to take action to protect the ability of the Port to increase its levy to greater levels if circumstances dictate that it do so. ***It cannot go without saying that this additional levy capacity would be drawn upon only after public notice has been provided, and public comment has been solicited, received and thoroughly considered.***