

RESOLUTION # 2006-14

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 2007 current expense budget has been held by this Commission; 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 by Initiative 747; 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 2005 levy for taxes collected in the year 2006 (the "2005 Levy") and is equal to \$2,203,846 ("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 2005 Levy (e.g. \$22,038) plus 2006 increases in new construction and improvements, increases in state-assessed property and reclassified reforestation, annexations and refunds multiplied by 2005's levy rate in the amount of \$59,300 ("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 \$2,285,184; 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 2005 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 2005 Levy, plus the Add-ons, for purposes of establishing the Highest Allowable Levy permitted to the Port.

(2) Pursuant to Section 209 of Chapter 3, Laws of 1997, codified in RCW 84.55.120 and RCW 84.55.092, the Port Commission hereby authorizes an increase in its tax levy capacity for the 2006 levy in the amount of \$81,338, which is a percentage increase of 1% over the 2005 Levy, plus the Add-ons. Therefore, the Highest Allowable Levy multiplied by 101%, plus Add-ons, would be equal to \$2,285,184 for the 2006 levy (2007 collections), a total percentage increase of 3.69%.

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 15th day of November, 2006.

PORT OF CHELAN COUNTY



MICHAEL MACKEY

Excused Absence

J.C. BALDWIN



JAMES H. KNAPP

**EXHIBIT A
TO RESOLUTION # 2006-14**

Because of the anticipated income in 2007 and other revenues, the 2006 levy for taxes to be collected in 2007 can be set at the amount equal to 1% above the taxes actually collected in 2006, plus the anticipated additions allowed by RCW 84.55.010, which should fully fund the Port's budget, including its capital improvement program for 2007.

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. Average wages in Chelan County still lag significantly below the statewide average. Not coincidentally, the percentage of the total number of jobs in the county that come from the manufacturing sector also lag significantly below the statewide average. The Port is a primary developer of industrial property which is essential for the development of businesses and industries that will ultimately increase average wages and other forms of compensation to local workers.
2. 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.
3. As Pangborn Memorial Airport completes the instrument landing system project and the adoption of the Airport Overlay District, 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.
4. 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.
5. The inventory of readily available buildings in the Olds Station Business Park is declining and may necessitate the construction of additional buildings as demands and opportunities arise.
6. The Port is actively pursuing industry cluster opportunities, including the alternative fuel and solar power initiatives.
7. The Port is updating its Comprehensive Plan. As part of the process, the Port will identify strategic investments within the County.

8. 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 2006 Levy (2007 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.***