

**RESOLUTION # 2010-23**

**RESOLUTION OF THE PORT COMMISSION OF THE PORT OF  
CHELAN COUNTY AUTHORIZING AN INCREASE IN TAX LEVY  
CAPACITY 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 2011 current expense budget was held by this Commission on November 15, 2010; 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 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 according to the Chelan County Assessor occurs in the 2009 levy for taxes collected in the year 2010 (the "2009 Levy") and is equal to \$2,528,065 ("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 2009 Levy (e.g. an increase of \$25,280) plus 2010 increases in new construction and improvements, increases in state-assessed property and reclassified reforestation, annexations and refunds multiplied by 2009's levy rate in the amount of \$24,062 ("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 \$2,577,407; 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 2009 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 2009 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 2010 levy in the amount of \$49,342, which is a percentage increase of 1% over the 2009 Levy, plus the Add-ons. Therefore, the Highest Allowable Levy multiplied by 101%, plus Add-ons, would be equal to \$2,577,407 for the 2010 levy (2011 collections), a total percentage increase of 1.95%.

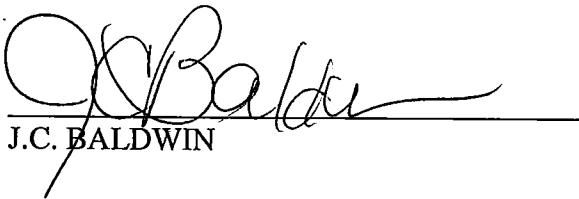
This Resolution shall become effective immediately upon its adoption.

ADOPTED by the Commission of the Port of Chelan County at a regular meeting thereof held this 24<sup>th</sup> day of November, 2010.

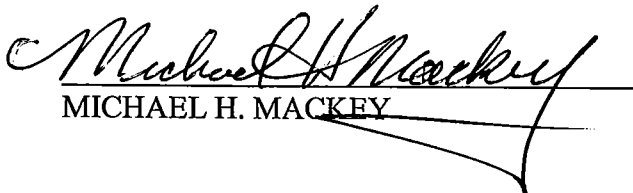
PORT OF CHELAN COUNTY



CRAIG N. LARSEN



J.C. BALDWIN



MICHAEL H. MACKEY

**EXHIBIT A  
TO RESOLUTION # 2010-23**

Because of the anticipated income in 2011 and other revenues, the 2010 levy for taxes to be collected in 2011 as set forth in Resolution 2010-22 should fully fund the Port's budget, including its capital improvement program for 2011.

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. 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.
2. The Pangborn Memorial Airport master plan contemplates the extension of the main runway and the relocation of Grant Road in order to continue to meet the operational requirements of air carriers likely to serve this market. 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. While FAA funding is expected to be available, the local matching share will be considerable.
3. 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.
4. The Port is in the process of 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, utilities, road and frontage improvements and the removal of large quantities of wood waste left over from the historical use of the property as a lumber mill.
5. The Port has made and continues to make strategic investments in marinas located in Chelan County, and anticipates requests for waterfront improvements in the City of Chelan and the City of Entiat.
6. The Port purchased the Morse Steel property, which is part of the south node of the Wenatchee Columbia Riverfront Master Plan and has entered agreements with the City of Wenatchee to create a public market and spur private development as a centerpiece and focal point of riverfront redevelopment.
7. The Port anticipates completion of a feasibility and market analysis for the Peshastin Mill Site in 2011. The investment to implement the analysis will likely be significant.

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 2008 Levy (2009 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 as part of any future budget process.*