

Port of Coupeville

Public Hearing

7 PM....September 22, 2021



- Formation of Industrial Development District
- Creation of Tax levy for Industrial Development Purposes



Today's Topics

Three separate, but related actions...

- Forming an Industrial Development District
- Adopting an Industrial Development Tax Levy
- Amending the Port's Comprehensive Scheme of Harbor Improvements (CSHI)

Forming an Industrial Development District

- ✓ The Commission must make a determination that lands within the proposed district are “marginal” under the State’s definition.
- ✓ “Marginal lands” are defined as being encumbered by conditions such as faulty planning, inadequate utilities, subject to being submerged by water, and lack of proper utilization.
- ✓ The Port undertook a District- wide analysis of conditions captured in a *Findings Memorandum, April 4, 2021*, which identified the existence of “marginal lands” within the District.

Forming an Industrial Development District

Findings Memorandum, April 4, 2021

Findings Memorandum

Port of Coupeville
Industrial Development District

April 4, 2021

Introduction

The Port of Coupeville, like all Washington port authorities, has the statutory ability to create industrial development districts and levy an additional property tax to fund needed capital improvements to develop or further redevelop marginal lands. Marginal lands, as defined in RCW 53.25.030, are those properties that are encumbered by one or more of these conditions:

- (1) An economic dislocation, deterioration, or disuse resulting from faulty r
- (2) The subdividing and sale of lots of irregular form and shape and inad
- (3) The laying out of lots in disregard of the contours and other physi
- (4) The existence of inadequate streets, open spaces, and utilitie
- (5) The existence of lots or other areas which are subject to be

Marginal Lands Criteria RCW 53.25.030	Consideration or Condition	Wharf	GB Farm	Regional
(1) Faulty Planning	One of the issues that needs to be addressed is the definition of appropriate small scale and tourism uses that should be allowed to expand or locate in the rural area of Island County.			<input checked="" type="checkbox"/>
	There is a need to encourage a diverse range of economic activities within appropriate areas of Island County.			<input checked="" type="checkbox"/>
(4) Inadequate utilities	Supporting telecommunications technology adaptations that will support advances in workplace function.			<input checked="" type="checkbox"/>
(5) Submerged underwater	Coordinate new development with the provision of adequate services and facilities, such as water, sanitary sewer, parks, transportation, and schools. New development should occur only when and where adequate facilities exist or will be provided			<input checked="" type="checkbox"/>
(7) Lack of proper utilization	With sea level rise the underlying pier (wharf) structure is subject to damage and flooding			<input checked="" type="checkbox"/>
	Support efforts to enhance the profitability of forestry operations with value added and specialtyenerative marketing programs.			<input checked="" type="checkbox"/>
	Support facilities including consistent and parking areas and restrooms.			<input checked="" type="checkbox"/>
	Employment centers has created a unique character of the island community.			<input checked="" type="checkbox"/>
	Within Island County is unincorporated, based zoning or adequate growth.			<input checked="" type="checkbox"/>
	and commercial development sites.			<input checked="" type="checkbox"/>



Forming an Industrial Development District

- ✓ The Commission is considering whether lands within the District are “marginal” and if those deficiencies can be corrected through the creation of an Industrial Development District.
- ✓ It is soliciting public input to inform its decision.

Adopting an Industrial Development Tax Levy

- ✓ Port's regular levy is up to \$.45/\$1,000 AV.
- ✓ In 1957 the State Legislature gave ports the authority to levy an additional tax focused on investments in an industrial development district (IDD) to address “marginal lands”.
- ✓ This additional tax levy is calculated as \$.45/\$1,000 AV over a 6-year period = \$7,505,802.
- ✓ More recently the State authorized ports, under RCW 53.36.160, the flexibility to collect the same amount of levy (\$7,505,802) over a 20-year period with no more than \$1,250,967 in any given year.

Adopting an Industrial Development Tax Levy

- ✓ The Port has developed a *Capital Finance Plan (CFP)* to forecast the needed investment it needs to make within the District
- ✓ Because of the flexibility in the recently adopted statute it can vary the rate and skip years of collection based on when it needs the funds for capital improvements as forecasted in the Capital Finance Plan (CFP).
- ✓ First year levy will generate \$1,250,967 in 2022 for immediate need projects.

Adopting an Industrial Development Tax Levy

Capital Finance Plan (CFP)

- ✓ The Port has identified \$13,645,925 in total needed projects:

Wharf	\$9,954,125
Greenbank Farm.....	\$3,588,800
Collections Building.....	\$103,000

- ✓ These total needed projects will be addressed with the Industrial Development Tax Levy and other sources such as grants.

Adopting an Industrial Development Tax Levy

Capital Finance Plan (CFP)

- ✓ The 2022 projects are projected to include these estimated projects:

Wharf

Piling and structure rebuild.....	\$978,000
Roof & Seismic Stabilization.....	\$303,000
Water & Sewer Line.....	\$146,000

Amending the CSHI

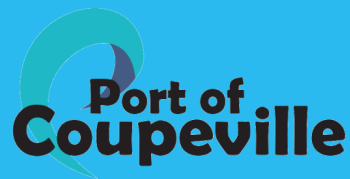
- ✓ The Port is required to maintain a current and updated Comprehensive Scheme of Harbor Improvements (CSHI) to identify what specific capital projects the Port is going to undertake.
- ✓ The Port last updated the CSHI in 2018 following a rigorous public engagement process that included a Citizen Advisory Committee.
- ✓ Since the 2017 adoption of the CSHI the Port has further refined its capital needs.

Amending the CSHI

The proposed changes to the CSHI in 2021 include:

- 1. Amending the 'Comprehensive Scheme Project Matrix' to include the updated project list from the 'Capital Finance Plan'.*
- 2. Updating the Port's financials to FY 2021.*
- 3. Include description of the Industrial Development District and proposed Tax Levy.*

Amending the CSHI: From the Capital Finance Plan



Port of Coupeville Projects	
Coupeville Wharf Projects	Estimated Cost
Pilings, understructure repairs/replacement.	\$958,000
Fire Suppression system replacement "As Is"	\$177,000
Replace wharf roof, gutters, and perform seismic stabilization to wharf building walls.	\$303,000
Front St Building roof and both Kiosks (cedar shingles)	\$15,000
Feasibility Study then Dredging	\$3,200,000
Causeway and Wharf Building Tidal and Rising Sea Level Adjustment	\$4,000,000
Moorage floats replacement	\$650,000
Doors and windows repair and replacements	\$228,105
Repair, Replace, and Paint Siding and Trim	\$342,020
Bow Rail/decking, moorage floats & causeway	\$68,000
Replace fuel shed roof	\$1,000
Causeway partial planking replacement	\$10,000
Replace garbage storage on wharf	\$2,000
Estimated Totals	\$9,954,125

Greenbank Farm Projects	Estimated Cost
Barn A shingle roof replacement	\$120,000
Barn B shingle roof replacement	\$95,000
Barn A, B, C, D, and JD House Breaker ID, meter placement and panel installation	\$62,500
New septic system Barn A	\$78,000
Siding/roofing repair on pump house by arena/EV Charging station	\$3,000
Barn C Overhang Replacement x 3	\$10,500
Replacement irrigation system to upper farm and pea patch from pond	\$100,000
Replace parking lot and outside barn lights to LED	\$118,800
5000 Square Foot Multi-Use Building	\$2,500,000
Replace four (4) windows Barn C upper	\$5,000
Pond aerator system	\$150,000
Barn A siding/painting	\$125,000
Barn B painting & light siding repair	\$45,000
Barn C painting & light siding repair	\$50,000
JD House & Schouten Studio painting	\$22,000
JD House excavate crawlspace to code 18"-24"	\$18,000
JD House plumbing	\$12,000
JD House heat pump	\$5,000
Individual water meters each tenant	\$22,000
Caretaker Cottage shingle roof replacement	\$47,000
Estimated Totals	\$3,588,800

Collections Building	Estimated Cost
Basement supporting pile structure	
Pier cement pad, under structure to 24 Front St office, stairs	\$55,000
Repair, rehabilitate, paint North, East and West walls	\$34,000
New door/frame	\$4,000
New windows North and West side of the building	\$10,000
Estimated Totals	\$103,000

Total CR&M Planned Expenditures/Year	\$13,645,925.00
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Next Steps

1. Take **public comments** at today's public hearing on forming the Industrial Development District; the Industrial Development Tax Levy; and updates to the Comprehensive Scheme of Harbor Improvements.
2. Commission considers adopting resolutions establishing the Industrial Development District and amending the Comprehensive Scheme of Harbor Improvements. (October)
3. Conduct a public hearing to take **public comments** on the proposed Industrial Development Tax Levy and the Port's regular Operating Tax Levy. (November)
4. Commission considers establishing the Industrial Development Tax Levy and the regular Operating Tax Levy for fiscal year 2022, as well as adopting the Operating and Capital Budget for fiscal year 2022. (November)



Overall Timeline: Industrial Development

