

# Port of Port Angeles

*Port Angeles, Washington*

## Commissioners' Resolution No. 10-995

A RESOLUTION of the Port Commission of the Port of Port Angeles, Washington approving and accepting a Recovery Zone Facility Bond allocation and a Recovery Zone Economic Development Bond allocation from Clallam County, designating an area within the Port as a recovery zone, confirming the Port's intention to utilize the Port's Recovery Zone Facility Bond and Recovery Zone Economic Development Bond allocation to the State.

WHEREAS Section 1401 of Title I of Division B of the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009) "ARRA"), added §§ 1400U-1 through 1400U-3 to the Internal Revenue Code of 1986, as amended authorizing State and local governments to issue Recovery Zone Bonds; and

WHEREAS, Recovery Zone Bonds include Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds; and

WHEREAS Section 1400U-1 imposes a national bond volume limitation ("volume cap") of \$10 billion for Recovery Zone Economic Development Bonds and \$15 billion for Recovery Zone Facility Bonds, which allocation is allocated among the States and counties and large municipalities within the States based on relative declines in employment in 2008; and

WHEREAS pursuant to authority granted by Section 1400U-1(a)(1)(A), the Secretary of the Treasury allocated the \$10 billion national volume cap for Recovery Zone Economic Development Bonds and the \$15 billion national volume cap for Recovery Zone Facility Bonds among the States, and the state of Washington received allocations of \$90,000,000 and \$135,000,000, respectively; and

WHEREAS, as provided in Section 2.04 of Notice 2009-50, the State's allocations were reallocated locally among counties and large municipalities

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within the State in a document regarding the Recovery Zone Bond volume cap and posted on the IRS website under the heading in the index entitled "IRS Releases Guidance on ARRA Bond Provisions"; and

WHEREAS which reallocations were made to Clallam County (the "County") in the amount of \$1,209,000 for Recovery Zone Facility Bonds and \$806,000 for Recovery Zone Economic Development Bonds; and

WHEREAS Recovery Zone Facility Bonds may be used to finance certain "recovery zone property" generally for use within designated "recovery zones" and Recovery Zone Economic Development bonds may be used to finance certain "qualified economic development purposes"; and

WHEREAS Section 1400U-2(b)(1) requires that all Recovery Zone Bonds be issued prior to January 1, 2011;

WHEREAS the County has evaluated projects for eligibility and timeliness and found that no County project is ready to be financed with Recovery Zone Bonds; and

WHEREAS the County may issue Recovery Zone Bonds itself or by a conduit borrower or other ultimate beneficiary of the issue of the bonds as long as the eligible costs for qualified economic development purposes or recovery zone property, as applicable, relate to any such purpose or property that is located within, or attributable to, both the jurisdiction of the issuer and the jurisdiction of the entity authorized to allocate volume cap; and

WHEREAS the County may allocate its volume cap to ultimate beneficiaries in any reasonable manner as it shall determine in good faith in its

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discretion for use for eligible costs for qualified economic development purposes or recovery zone property, as applicable; and

WHEREAS pursuant to Section 2.05 of Notice 2009-50, the County may waive any portion of its volume cap allocations in which case, the State shall be authorized to reallocate the waived volume cap in any reasonable manner as it shall determine in good faith; and

WHEREAS the Port of Port Angeles (the "Port") is situated within the County and has requested that the County allocate all its Recovery Zone Facility Bond allocation and all its Recovery Zone Economic Development Bond allocation to the Port in order to support the issuance by the Port of Recovery Zone Bonds for Infrastructure and Building at Composite Manufacturing Campus (the "Composite Campus Revitalization Zone"); and

WHEREAS, the Board of County Commissioners of Clallam County filed notices of intent with the Department of Commerce on December 22, 2009, allocating its entire Recovery Zone Facility Bond allocation of \$1,209,000 and its entire Recovery Zone Economic Development allocation of \$806,000 to the Port; and

WHEREAS the County has reviewed the requests and found them to be reasonable and has determined that no other projects are expected to be eligible within the County prior to January 1, 2011;

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF PORT ANGELES, WASHINGTON as follows;

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Section 1. The Port hereby accepts the Recovery Zone Facility Bond allocation of \$1,209,000 and the Recovery Zone Economic Development Bond allocation of \$806,000 from Clallam County.

Section 2. Pursuant to Section 2400U-1(b) of the Code, the Port hereby designates the area described on Exhibit A as a "recovery zone" by reason of having unemployment and general distress to be designated as the "Composite Campus Revitalization Zone."

Section 3. For purposes of ARRA, as shown in the following data, the Port has experienced an increase in the rate of unemployment and general economic distress:

A. Unemployment rates in the County rose from a low of 5.8% in 2007 to a high of 9.6% in 2009. The unemployment rate in the County currently is 11.7 %. Source: Washington State Employment Security Dept.

B. Median household income in Clallam County decreased 5% from \$45,746 in 2006 to a projected \$43,357 in 2009 (source: Washington State Office of Financial Management); building permits decreased 39.5% from 2008 to 2009 (source: Washington Center for Real Estate Research/Washington State University – WCRER/WSU); and housing median resale prices decreased 7.2% from 2008 to 2009 (source: WCRER/WSU).

Section 4. The Port intends to revitalize the Composite Campus Revitalization Zone through the issuance of Recovery Zone Facility Bonds allocation of \$1,209,000 and Recovery Zone Economic Development Bonds

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allocation of \$806,000 received from Clallam County to finance capital expenditures with respect to property in the Composite Campus Revitalization Zone to promote development and economic activity within such Zone.

Section 5. The Port shall issue the Recovery Zone Economic Development Bonds prior to January 1, 2011.

ADOPTED this 25<sup>th</sup> day of October, 2010.

PORT OF PORT ANGELES  
BOARD OF COMMISSIONERS

  
George H. Schoenfeldt, President

  
Jim McEntire, Vice President

  
John M. Calhoun, Secretary

**CERTIFICATE**

I, the undersigned, Secretary of the Port Commission (the "Commission") of the Port of Port Angeles, Washington (the "Port") and keeper of the records of the Commission, DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 10-995 of the Port Commission (the "Resolution"), duly adopted at a regular meeting thereof held on the 25th day of October, 2010;

2. That said meeting was duly convened and held in all respects in accordance with law, due and proper notice of such meeting was given, that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Commission voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 25th day of October, 2010.

  
Secretary, Port Commission