



**INDUSTRIAL DEVELOPMENT CORPORATION  
Port of Port Angeles**

P.O. Box 1350, Port Angeles, WA 98362 • (360) 457-8527

**AGENDA  
BOARD OF DIRECTORS MEETING**

**January 14, 2025**

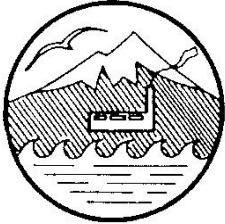
**(Immediately following the Port of Port Angeles Commission Meeting)**

*Welcome to the Industrial Development Corporation (IDC) Board Meeting. The purpose of this meeting is to hear reports from staff and to discuss policy issues relevant to IDC operations and administration.*

- I. Call to Order**
- II. Approval of January 9, 2024 Minutes**
- III. Annual Meeting**
  - A. Background**
    - 1. Overview
    - 2. History of Activity
  - B. Elect the IDC Officers**
  - C. Acknowledge receipt of the 2024 Annual Financial Report  
(Statement of Operations for Fiscal Year Ending 12/31/24)**
- IV. New Business**
- V. Public Comment**
- VI. Items not on the Agenda**
- VII. Next Meeting**

IDC special meetings will be held on an “as needed” basis. When scheduled, they will immediately follow the Port of Port Angeles Commission meeting. The regular annual meeting is held on the same day as the first regular meeting of the year of the Port Commission of the Port of Port Angeles.

- VIII. Adjourn**



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## AGENDA BOARD OF DIRECTORS MEETING

January 9, 2024

(Immediately following the Port of Port Angeles Commission Meeting)

*Welcome to the Industrial Development Corporation (IDC) Board Meeting. The purpose of this meeting is to hear reports from staff and to discuss policy issues relevant to IDC operations and administration.*

### I. Call to Order

Comm. Beauvais called the meeting to order at 9:37 am

### II. Approval of January 10, 2023 Minutes

- Discussion
- Motion to approve the January 10, 2023 minutes: Comm. Burke
- 2<sup>nd</sup>: Comm. Beauvais
- Vote: 2-0 (Unanimous)
- *\*Commissioner McAleer had an excused absence*

### III. Annual Meeting

#### A. Background

1. Overview
2. History of Activity

- Discussion
- No Action

#### B. Elect the IDC Officers

*\*Comm. McAleer joined the meeting at 9:41 am*

- Discussion
- Motion that the 2024 Port Commission officers serve as the 2024 IDC Officers: Comm. Burke
- 2<sup>nd</sup>: Comm. McAleer
- Vote: 3-0 (Unanimous)

**C. Acknowledge receipt of the 2023 Annual Financial Report (Statement of Operations for Fiscal Year Ending 12/31/23)**

- Discussion
- Comm. Beauvais acknowledged receipt of the 2023 Annual Financial Report

**IV. New Business**

None

**V. Public Comment**

None

**VI. Items not on the Agenda**

None

**VII. Next Meeting**

IDC special meetings will be held on an “as needed” basis. When scheduled, they will immediately follow the Port of Port Angeles Commission meeting. The regular annual meeting is held on the same day as the first regular meeting of the year of the Port Commission of the Port of Port Angeles.

**VIII. Adjourn**

Comm. Beauvais adjourned the meeting at 9:41 am.



# **INDUSTRIAL DEVELOPMENT CORPORATION**

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### **III. ANNUAL MEETING**

#### **A. BACKGROUND**

In 1982 the Industrial Development Corporation (IDC) of the Port of Port Angeles was formed. The IDC is a separate municipal corporation which has the authority, under RCW 39.84 and IRS 103(b), to issue nonrecourse revenue bonds on behalf of private companies. Such bonds are restricted to financing industrial development anywhere (Port or non-Port property) within the port district. These bonds are referred to as Industrial Revenue Bonds (IRB's). They allow a private company to obtain tax-exempt financing, which carries a lower interest rate.

Revenue bonds issued through the IDC are payable solely by the private company developing industrial facilities. The bonds are neither a liability nor a contingent liability of the IDC or the Port of Port Angeles. See the IDC "Overview" document and the "History of Activity" document for more information.

The most recent IDC bond activity was an inducement resolution executed on behalf of Black Ball Transport Inc. in February 2011. The inducement resolution indicates the intention of the IDC to issue IRB bonds if the private company wishes to take advantage of lower interest rates. Black Ball Transport has proceeded with their project without requesting an IRB.

Attachments: Overview and History of Activity

#### **B. ELECT IDC OFFICERS**

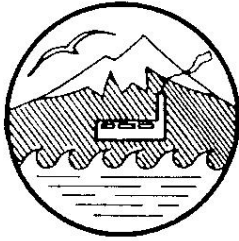
Resolution No. 529 of the Port of Port Angeles designates the incumbent Port of Port Angeles Commissioners as the Board of Directors of the IDC. Article 4 of the IDC's bylaws requires an annual meeting during January to elect officers.

#### **C. 2024 Annual Financial Reports**

Action is necessary to accept the Annual Financial Report of the IDC. Attached is the financial statement for calendar year 2024 in which \$.80 was earned in interest. Next year the fiscal report will cover the calendar year of 2025.

#### **RECOMMENDATIONS**

1. Elect the IDC officers: President, Vice President, Secretary/Treasurer
2. Acknowledge receipt of the 2024
3. Annual Financial Reports.



# INDUSTRIAL DEVELOPMENT CORPORATION

## Port of Port Angeles

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### Overview

In 1982 the Industrial Development Corporation (IDC) of the Port of Port Angeles was formed. The IDC is a separate municipal corporation which has the authority, under RCW 39.84 and IRS 103(b), to issue **nonrecourse** revenue bonds on behalf of private companies. Such bonds are restricted to financing industrial development anywhere (Port or non-Port property) within the port district. These bonds are referred to as Industrial Revenue Bonds (IRB's). They allow a private company to obtain tax-exempt financing, which carries a lower interest rate.

Revenue bonds issued through the IDC are payable solely by the private company developing industrial facilities. The bonds are neither a liability nor a contingent liability of the IDC or the Port of Port Angeles.

Bonds issued by the IDC must be approved by the Washington state tax exempt bond cap program which regulates total tax exempt bond issuances within the state.

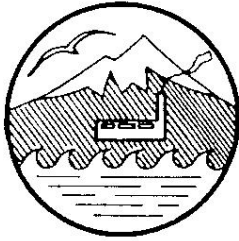
The IDC board is composed of the three current Port commissioners; the board operates under a separate set of bylaws. The IDC has no employees; all IDC work is performed by Port staff under a reimbursement agreement between the Port and the IDC.

The only sources of IDC revenue are bond issuance fees received when IDC bonds are actually issued. These fees, normally a few thousand dollars, are then transferred to Port accounts to reimburse the Port for time spent by Port staff on IDC issues.

IDC accounts are audited annually by the State Auditors' Office.

The IDC nonrecourse bond process involves the following steps:

1. Completion of an IRB application from by the private company
2. Adoption of an "Inducement Resolution" by the IDC - this resolution indicates the **intention** of the IDC to issue bonds for a qualified project, no bonds are issued at this time and no funds are generated
3. After review by IDC's bond counsel, project is submitted to Washington State bond cap program for approval - counsel works for IDC, fees are paid by private company
4. If approved by state, and private financing is negotiated, IDC will adopt IRB **issuance** resolution
5. On the bond closing date funds are transferred from financial institution to private company
6. The private company repays loan directly to financial institution



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## History of Industrial Revenue Bond Activity Inducement & Issuance Resolutions adopted through December 31, 2024

There are two types of resolutions adopted by the IDC:

- Inducement resolutions which indicate the intention of the IDC to issue Industrial Revenue Bonds (IRB) at a later time if a private company proceeds through the IRB process
- Issuance resolutions which trigger the actual issuance of an IRB bond

### IDC Inducement Resolutions

There have been nine inducement resolutions adopted by the IDC. The parties have three years from the date of the inducement resolution to agree to mutually acceptable terms to issue an IRB.

Date	Company	Amount
5/11/82	Seattle North Coast Railroad	\$ 5,000,000
8/17/82	Cedar-al Products, Inc.	\$ 50,000
3/26/85	Hiller Helicopters/Rogerson	\$ 4,000,000
12/19/85	Atlas Trucking	\$ 750,000
1/23/89	Daishowa	\$ 18,500,000
9/24/90	Daishowa	\$ 40,000,000
5/28/96	Admiral Marine Works, Inc.	\$ 7,000,000
1/13/97	K-Ply, Inc.	\$ 2,000,000
2/14/11	Black Ball Transport	\$ 8,000,000

### IDC Issuance Resolutions

There have been five IRB issuances approved by the IDC:

Date	Company	Amount	Outstanding Principal	Maturity Date
10/10/85	Hiller Helicopters/Rogerson	\$ 3,800,000	\$ 0	
5/13/91	Daishowa	\$ 13,200,000	\$ 0	
8/10/92	Daishowa	\$ 10,000,000	\$ 0	
11/23/92	Daishowa	\$ 16,550,000	\$ 0	
11/25/96	Admiral Marine Works, Inc.	\$ 2,500,000	\$ 0	

STATEMENT OF OPERATIONS  
FISCAL YEAR ENDING 12/31/2024

BEGINNING BALANCE	\$1,351.67	
INCOME:		
Interest	0.80	
TOTAL INCOME	0.80	
EXPENSES:		
TOTAL EXPENSES	0.00	
ENDING BALANCE 12/31/2023		<u><u>\$1,352.47</u></u>

BALANCE SHEET  
FISCAL YEAR ENDING 12/31/2024

	<u>DEBIT</u>	<u>CREDIT</u>
ASSETS:		
CASH ON HAND	\$1,352.47	
LIABILITIES & CAPITAL		
NET WORTH FROM OPERATIONS		\$1,352.47
	<u><u>\$1,352.47</u></u>	<u><u>\$1,352.47</u></u>