

PORT OF PORT TOWNSEND AGENDA COVER SHEET

MEETING DATE	August 10, 2022
AGENDA ITEM	<input type="checkbox"/> Consent <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input checked="" type="checkbox"/> Regular Business <input type="checkbox"/> Informational
AGENDA TITLE	VIII. D. IDD Quarter 2 Report
STAFF LEAD	Abigail Berg, Director of Finance and Administration
REQUESTED	<input checked="" type="checkbox"/> Information <input type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion
ATTACHMENTS	Informational Memorandum <u>IDD Levy Quarter-to-date Report</u>

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 8/10/2022
TO: Port Commission
FROM: Abigail Berg, Director of Finance & Administration
SUBJECT: IDD Levy Financial Report, YTD Qtr. 2, 2022

ISSUE

NA

BACKGROUND/DISCUSSION

Per RCW 53.25, port districts are authorized to adopt an Industrial Development District (IDD) levy for the redevelopment of lands in an IDD designated area. The IDD Levy was adopted by the Commission via resolution 698-19 after a vote of the people approved it in the November 2019 election and includes all three districts of Jefferson County.

The purpose of this report is to keep the Commission apprised of the Industrial Development District (IDD) receipts and authorized capital expenditures activity during the term of the levy. It includes the annual budgeted tax receipts and capital project expenses as well as the actual year-to-date tax receipts and capital project expenses since the inception of the levy. In addition, we have included the running total of the estimated remaining levy amount that can be taxed, the annual millage rate, and the reserve fund balance as of the date of the reported quarter's reconciliation transfer.

Monthly IDD-funded capital expenses are paid from the Port's general fund, but the general fund is not reimbursed from the IDD reserve until the quarterly reconciliations are prepared and executed. When the quarter-end reconciliation is created and the transfer (reimbursement) is made to the general fund, those figures are entered into this report.

FISCAL IMPACT

The report shows the income, expenditures, and current balance of the IDD Reserve fund. The largest project planned for this year is Point Hudson Jetty replacement, a 2-year phased project, that is approximately 2/3 of the year's capital budget that is partially funded by the IDD. This project is moving forward to commence construction in September.

RECOMMENDATION

NA

IDD Tax Levy Activity
as of end of Quarter 2, 2022

Details: This report provides the current quarter-to-date IDD capital expenses authorized to be funded by the IDD levy. It also includes the IDD levy receipts, quarter-to-date, and fund transfers made one month subsequent to quarter end, to reconcile capital work.

Approved by voters November 5, 2019

First year of collection 2020

Base Year AV 2019

Annual maximum millage rate per \$1,000

total estimated IDD Levy (updated Jan. 2022)

\$ 5,988,145,402
\$ 0.45
\$ 16,878,967

Annual millage rate

\$ 0.13

\$ 0.26

\$ 0.26

Total Received since start of levy (a)

\$ 797,610

\$ 2,439,350

\$ 4,026,351

Estimated remaining balance to tax

\$ 16,069,613

\$ 14,435,324

\$ 11,801,035

	2020 (b)		2021		2022	
	budget	actual	budget	actual	budget	actual
Revenues						
Total IDD Revenue (a)	809,354	868,941	1,634,289	1,674,283	2,634,289	1,587,001
Capital Expenses						
PH Replacement of North & South Jetties (c)	590,000	194,646	300,000	191,369	2,030,000	66,542
Boat Haven Linear Dock Electrical (55%)	30,050	22,899	-	-	-	-
Main Stormwater Pump Station Repairs	-	-	100,000	53,497	-	-
Dock Renovations & Piling Replacement (c)	80,272	-	-	13,018	-	-
Sperry Bldgs. Capital Maintenance	-	-	70,000	30,117	100,000	-
Work & Boat Yard Electrical Design/Construction (c)	-	-	75,000	-	-	-
Quilcene Dredging Design	25,000	-	-	-	-	-
Reconstruct Old Coast Guard Bldg. (Moorage/Yard office)	-	-	15,000	-	191,250	171,778
NORTHwest Yard Expansion (25-feet)					250,000	376
JCIA Underground Fuel Tank Replacement	-	-	-	-	100,000	-
BH Dock Renovation & Piling Replacement	-	-	-	-	133,191	-
70/75 Ton & 300 Ton Yard Electrical Design	-	-	-	-	30,000	-
70/75 Ton & 300 Ton Yard Electrical Infrastructure	-	-	-	-	75,000	-
BH Stormwater Treatment Compliance Upgrade	-	-	-	-	661,500	-
Quilcene Restoration Program	-	-	-	-	100,000	-
Point Hudson Preservation (incl. roofs)	-	-	-	-	40,000	-
total IDD Capital Expenses	725,322	217,545	560,000	288,001	3,710,941	238,696
Unused Current Year Remaining Levy	84,032	651,396	1,074,289	1,386,282	(1,076,652)	1,348,305
Ending IDD Reserve Account Balance		651,396		\$ 2,037,679		\$ 3,385,983

Notes:

(a) "Total Received since start of levy" reports only IDD levy receipts. When compared to the "Total IDD Revenue" line in the Actual column, the actual is higher because it includes other taxes received as the result of the adopted levy, i.e. State Timber Tax, etc.

(b) A budget for IDD Levy funding use was not developed in the original 2020 budget since the election results were not certified until after budget adoption. The voters did pass the IDD Levy referendum and on April 22, 2020, Port staff presented the Commission with a proposed budget for the 2020 IDD Levy capital expenditures. This was later revised several times during 2020.

(c) At the June 23, 2021 Commission meeting, an updated CIP budget for 2021 was approved. The Point Hudson Jetty project expense was increased from \$226,700 to \$300,000 due to permitting costs. The Dock Renovation & Piling Replacement project was removed from the 2021 budget, though expenses had already been incurred. The Work & Boat Yard Electrical Design project was increased from \$30,000 to \$75,000 to include Construction.