

6 Steps to Getting an IRB

1. Preview the situation. Before anything else, determine with bond counsel and Port staff if the project qualifies for an IRB under federal and state tax laws. Review and verify the project's qualifications. Extra care spent at this point will prevent costly false starts later. *Note: The IDC's bond counsel does not charge for prequalification reviews and preparing official action resolutions.*
2. Complete the initial paperwork.
 - Complete a formal application form for the IDC/Port (application fee \$1000), available on the Port's website
 - Bond counsel assembles and prepares information for preliminary approval
 - IDC/Port provides preliminary review and requests more information, if needed
 - Application will be presented to the IDC Board of Directors (Port Commissioners ex officio) at a formal meeting of the IDC, usually before a scheduled Commission Meeting
3. Decide on the best financing approach.
 - The applicant may work with its local bank or an underwriter; however, the applicant should consult with Port staff and bond counsel or a financial advisor on options available at the time of financing.
4. The Port and Bond counsel will assist the borrower in securing additional required approvals (local planning jurisdiction, state volume cap).
5. Bond documentation
 - Bond counsel will provide bond documentation. Other documents will be provided by the lender and the underwriter.
6. After all parties have agreed to terms, the IDC Board of Directors will schedule a public hearing to approve the bond resolution and other financing documents. The Port of Bellingham at that time will also approve documentation.

At this point, bonds are issued and purchased, delivered to purchasers, and then dispersed at various stages of project completion to pay for construction or other project costs.

A typical IRB can be issued within 60 days of the initial application.



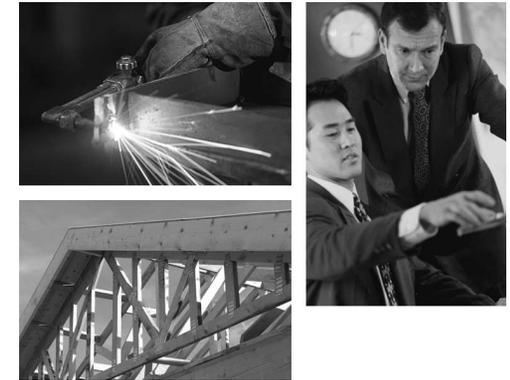
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Industrial Revenue Bonds

Tax Exempt Financing For Manufacturing & Processing



Partner with the Port



PORT OF BELLINGHAM
Washington State

Partner with the Port

Bellingham, Washington is a natural place for business, located 60 minutes south of Vancouver, B.C. and 90 minutes north of Seattle. With a highly developed industrial infrastructure, superb educational opportunities, and an unmatched recreation-oriented lifestyle, Bellingham offers the advantages growing companies seek.

Industrial Revenue Bonds

Tax exempt financing is available to qualifying companies with Industrial Revenue Bonds issued through the Port of Bellingham's Industrial Development Corporation. This financing mechanism offers manufacturing and processing companies the advantage of below market interest rates for purchasing land, constructing buildings, upgrading existing facilities, and purchasing new machinery or equipment.

Industrial Development Corporation

Industrial Revenue Bonds are available to businesses when issued through a public corporation. For projects in Whatcom County, the Industrial Development Corporation of the Port of Bellingham is the issuing agency.



Funding Amounts

Bond amounts range from under \$1 million to a maximum of \$10 million. The total capital expense of the project cannot exceed \$20 million.

Bond Security

Security to the bond purchasers is provided exclusively by the borrower. No public funds or security is offered. The Port of Bellingham acts solely as the sponsoring agent providing a conduit to the tax exempt bond markets.

Bond Purchasers

Bonds are typically purchased by banks and underwriting firms (securities dealers) who resell the bonds. These bonds are backed by letters of credit. Leasing companies also may purchase IRB's as a portfolio asset.

Professional Assistance

Bond counsel is used to help determine if the proposed project meets the requirements and to assist with details of application.



Tax-Free Investment

Industrial Revenue Bonds bear interest at rates lower than conventional rates because interest earned from the bond is exempt from federal income taxes in the same way municipal and other government sponsored bonds are tax-free.

Complete details of the Port of Bellingham's Industrial Development Corporation and the IRB application are available on the Port of Bellingham's website:

www.portofbellingham.com

Contact:

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