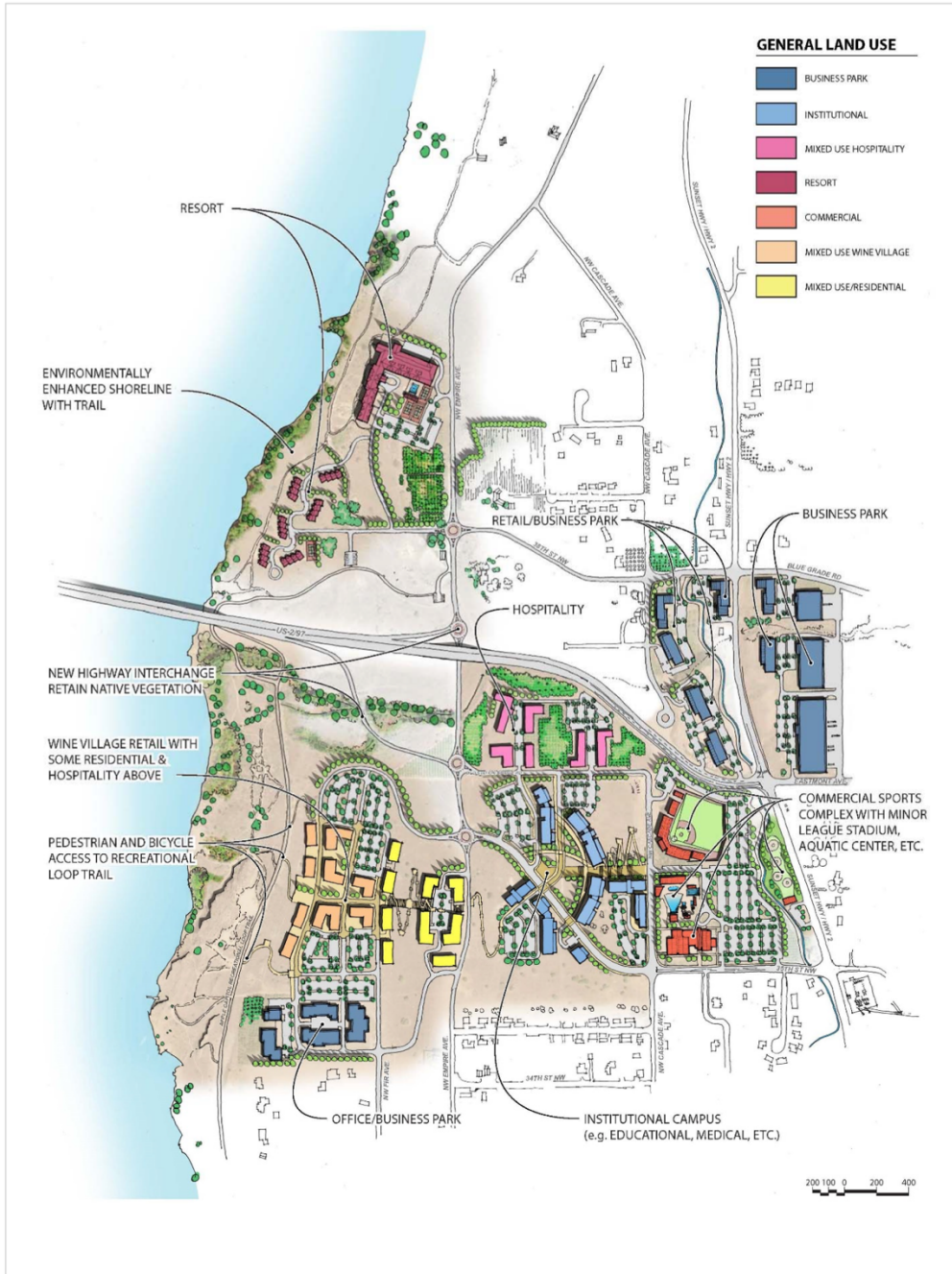


DOUGLAS COUNTY – WENATCHI LANDING TAX INCREMENT FINANCING (TIF) PROJECT ANALYSIS



February 6, 2025
Submitted to OST on February 8, 2025 & Clarified on April 1, 2025

ACKNOWLEDGEMENTS

This Project Analysis was prepared for Douglas County by Stowe Development & Strategies, LLC in association with ECONorthwest (SDS/ECO team).

The Project Analysis represents a thorough and comprehensive evaluation of a future Tax Increment Financing program and establishment of a Tax Increment Area for a significant development opportunity in the Wenatchi Landing area. The production of this report would not have been possible without the participation, collaboration, and guidance of the following individuals and groups.

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About Douglas County

Douglas County is located near the geographic center of Washington. The Columbia River binds it on the north, the west, and the south.

Douglas County is geographically diverse with elevations ranging from 600 feet above sea level near the Columbia River to more than 4,000 feet on Badger Mountain. Basalt rock outcrops and glacial erratic's can be found in close proximity to fertile farmland. Irrigated orchard lands are located primarily in the lower elevations while dryland farming dominates the upland areas. Forested areas and areas with steppe shrub vegetation provide diverse wildlife habitat in the County.

With an area of 1,820 square miles, Douglas County ranks 17 in size of Washington's 39 counties. The estimated 2023 population is 44,500 providing a population density of 21.1 persons per square mile. The U.S. Census Bureau categorizes 63.4% of the population of Douglas County as white and 32.3% of the population is identified as being of Spanish origin. In 2018 there were an estimated 2.73 persons per household in Douglas County with a median household income of \$62,951.

The primary industry in Douglas County is agriculture including the raising of crops and associated industries including packaging, warehousing, shipping, and processing. Apples, wheat and cattle are the primary crops although there are significant other crop varieties in the County. Approximately 33% of the workforce in Douglas County is employed in agriculture, twice that of retail trade, which is the second highest employment sector.

Introduction/Summary

This Project Analysis explains in detail the proposed TIA designation, the County's public improvement projects, the envisioned private development, and the associated tax increment revenue to fund the public improvement projects.

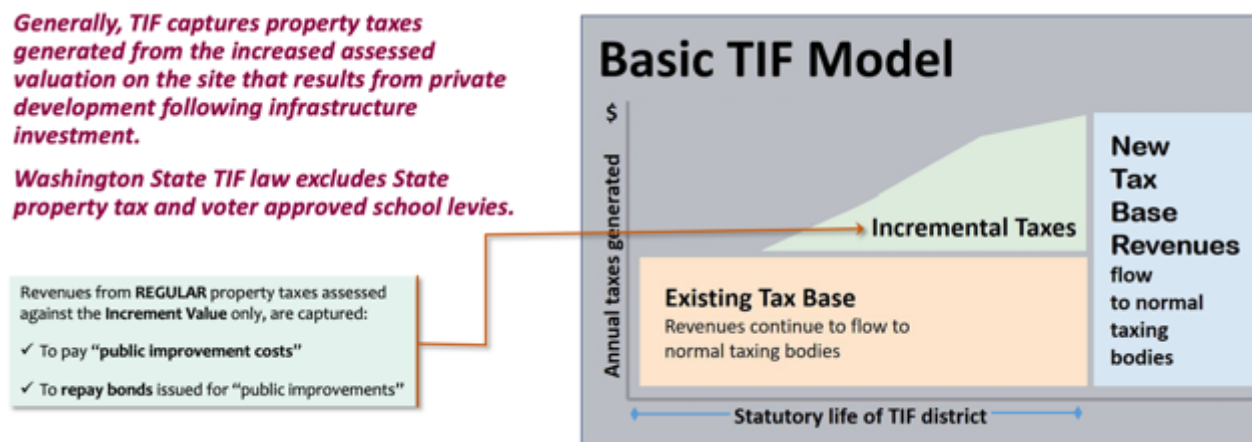
Highlights

- **TIA Size/Value:** 318 Acres/Assessed Value of \$18,529,000
- **TIA Levy Rate:** \$4.0365
- **Total TIF Public Improvements:** \$25+ Million
- **TIF Property Tax Revenue at Full Build-Out Over 25 Years (present value at 5%)**
 - Baseline: \$44.93 million
 - Moderate: \$27.80 million
 - Conservative: \$12.29 million
- **Market Value of Private Development at Build-Out**
 - Baseline: \$1.28 Billion
 - Moderate: \$741 Million
 - Conservative: \$370 Million
- **Additional Tax Revenue (present value at 5.0%)**
 - Baseline: \$26.83 Million
 - Moderate: \$14.57 Million
 - Conservative: \$6.97 Million
- **Temporary Construction Jobs**
 - Baseline: 4,300
 - Moderate: 2,500
 - Conservative: 1,300
- **Ongoing Jobs**
 - Baseline: 3,046
 - Moderate: 1,523
 - Conservative: 762

Tax Increment Financing (TIF) is a powerful economic development tool adopted into law in Washington State in 2021. The Washington state legislature created the TIF authority through House Bill 1189 (now codified as chapter 39.114, Revised Code of Washington (RCW)) for a city, county, or port district to designate a geographical area within the jurisdiction as a tax increment area (TIA). The increment property tax revenue funds the public infrastructure needed by private development in the TIA. Jurisdictions throughout the United States use TIFs to promote economic development.

In general, our State’s TIF is a financing option that allows a city, county, or port to fund publicly owned infrastructure determined necessary to encourage private development within a TIA. As private development occurs because of the public agency’s investment in public improvements, property values rise, and the public agency uses the newly generated property tax dollars to pay for the public improvements. After the costs are paid, the public agency retires the TIA. Sponsoring jurisdictions identify TIAs and the public infrastructure, including costs of construction by ordinance. The sponsoring jurisdiction may incur debt through bond issuance to secure financing to make public improvements in the TIA.

Figure 1: TIF Model



Source: Stowe Development & Strategies, 2025

Statutory limits on TIF

- No more than two active increment areas per sponsoring jurisdiction, which cannot overlap, and cannot be changed.
- Increment areas (combined) may not total more than \$200 million in assessed valuation, or more than 20% of the total assessed valuation of the sponsoring jurisdiction, whichever is less.
- Once public improvements are identified, additional public improvements cannot be TIF financed.
- Construction of public improvements must begin within 5 years following adoption of the TIF ordinance (with an ability to extend for good cause).
- Sponsoring jurisdiction may only receive TIF revenues for the time period necessary to pay for the public improvements.
- TIA must be retired no more than 25 years after the first year in which tax allocation revenues are collected from the TIA.

Risks

Because increased tax revenue is generated after a local government begins construction on public infrastructure and after private development occurs, using TIF can be risky. Understanding and accepting a certain level of risk is important as the County will be obligated for the repayment of any debt that is issued for the infrastructure improvements, regardless of whether the projected private development and property tax materialize. Sponsoring jurisdictions must evaluate risks associated with TIF. The two main risks are: 1) expected private development does not occur; occurs slower than expected; and/or, the type of development and its magnitude is less than expected, and 2) the cost for infrastructure improvements is higher than projected. These risks impact the expected TIF revenues and/or the public infrastructure improvements cost. If revenues are not sufficient to cover the cost, the sponsoring jurisdiction must then use other sources of revenue to pay for the public infrastructure. A mitigation plan may alleviate some risks. Other risks include over-investment of infrastructure, or building infrastructure that isn't necessary for development to occur, resulting in loss of tax dollars that could have been used for other public purposes. Local governments can guard against and potentially avoid over-investing and under-development by carefully evaluating the local market conditions and analyzing the But-For requirement. Utilized correctly, growth and development in a TIA will help pay for the infrastructure investments that encouraged it.

A risk and mitigation plan is included in this Project Analysis.

Other Revenues and Options

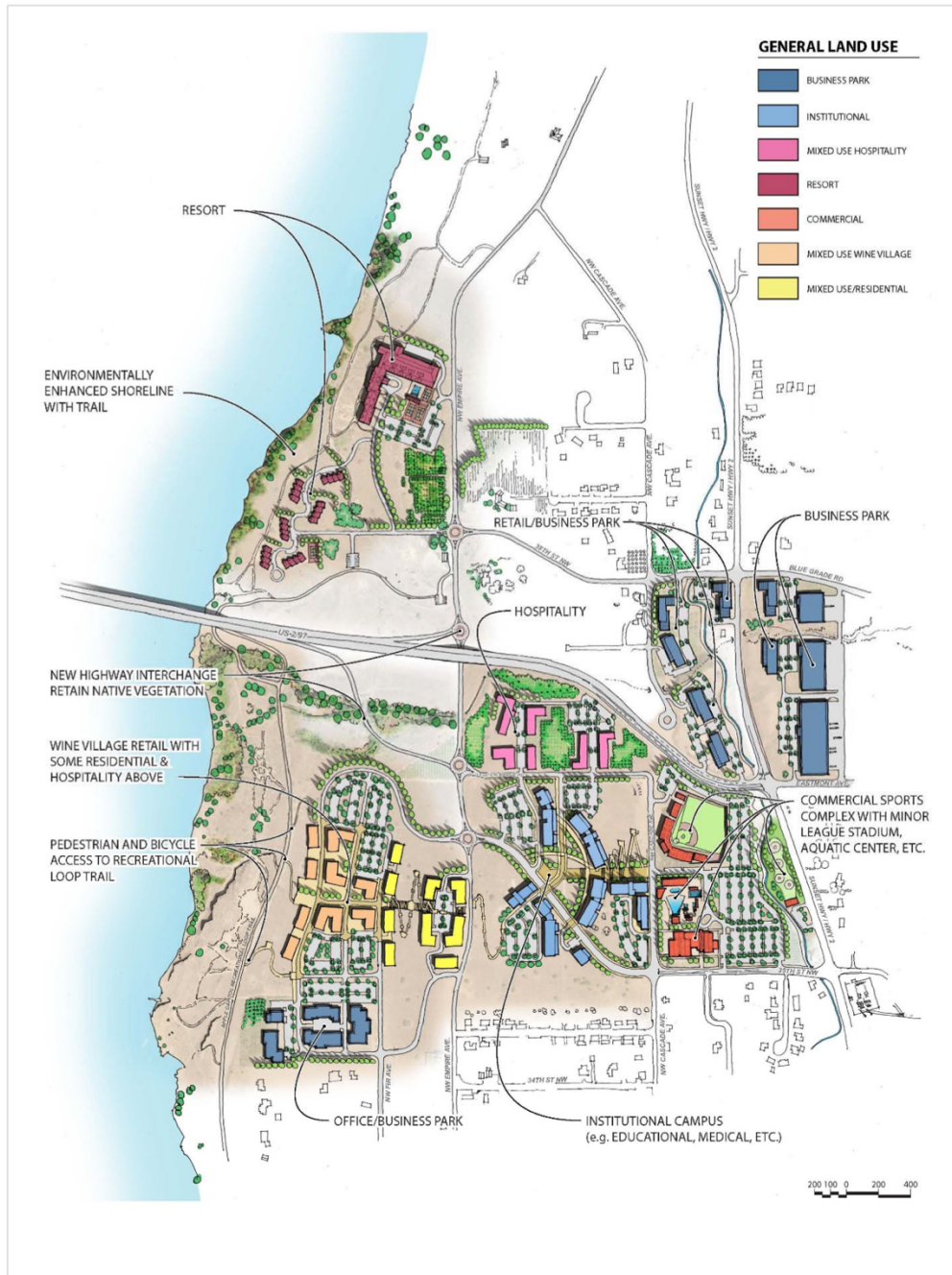
This Project Analysis also examines other anticipated revenues from the projected private development, including sales tax on construction and ongoing sales tax. Additionally, we examine sequencing appropriate infrastructure improvements with multiple bond issues over time (e.g., 5-year period) as well as structuring debt service to align with projected property tax revenues generated to better manage risks. Following TIA adoption, the County has multiple levers to direct a successful project utilizing TIA generated revenues and safeguarding its other resources. These options include the amount of debt issued and when to issue debt based upon expected private development type and scale, as well as refinement of infrastructure cost estimates.

Private development interest and anticipated interest rates will drive the County's actions; the County can proceed with the development plan identified here, or, because the County has up to five years after passing the TIF ordinance (more time for cause), may modify it as conditions may change. The County could choose not to issue any debt, especially if development interest substantially changes to a very low level or the cost of debt is too high. The County could use a pay-as-you-go strategy for the infrastructure; however, doing so will likely delay the timing and reduce the scale of the private development. Finally, the County could also rescind or retire the TIA by ordinance before incurring debt.

Development Vision & Potential Development Plan

The Wenatchi Landing development vision shown in figure below was created as part of the North End Master Site Plan (NEMSP), adopted by Douglas County in October 2016. The vision includes a mix of land uses which primarily consist of residential, retail, office, recreational, resort, institutional /educational and hospitality uses.

Figure 2: Wenatchi Landing Concept Plan



Source: North End Master Plan; 2016

Infrastructure Needs

The following three key public transportation improvements have been identified by the County to incentivize private development in Wenatchi Landing.

1. **Wenatchi Landing Interchange and Empire Avenue to 35th Street NW - \$25,130,800**
2. 38th Street NW – Interchange to NW Cascade Avenue - \$13,131,000
3. NW Empire Avenue – Interchange to Cascade Avenue NW - \$21,596,000

Public improvements will likely be phased based on private development needs and interests with the first phase being the construction of the Interchange and Empire Avenue to 35th Street NW with a projected cost of \$25,130,800. For purposes of this initial analysis, we have assumed that only this project will use TIF resources. If sufficient TIF resources exist, the County may use TIF as a means to fund the other needed public improvements or in combination with other sources of funds. Phasing details will be influenced by the extent private development is ready to initiate immediately following the initial improvements.

Private Development Assumptions

The MEMSP projected certain types of development and their projected size which was used to develop and create the following three development scenarios of Baseline (the most aggressive development scenario), Moderate, and Conservative. The Baseline Development Scenario uses the number of units and square footage of commercial buildings established as part of the NEMSP. Stowe Development & Strategies (SDS) modified the number of units and sizes of buildings in both the Moderate and Conservative Development scenarios. The values within each of the development scenarios represent estimates of market sale values in 2025 dollars.

It is important to note that all the development projections presented in this initial analysis are speculative and have not been confirmed by any specific development proposal and will require further sensitivity analysis prior to the issuance of County debt to arrive at reliable revenue projections in which to support certain public improvements.

Figure 3: Baseline Development Scenario Assumptions

Baseline					
Product Type	Units/SF	Value Per Unit/SF	Start	Build-Out/Years	Market Value
Dwellings	227	\$ 300,000	2026	5	\$ 68,100,000
Resort Hospitality	544	\$ 150,000	2032	5	\$ 81,600,000
Business Park or Winery	1,437,600	\$ 375	2030	10	\$ 539,100,000
Office	679,039	\$ 350	2030	15	\$ 237,663,650
Institutional	536,803	\$ 450	2030	15	\$ 241,561,350
Retail	269,782	\$ 325	2029	10	\$ 87,679,150
Commercial Recreation	87,564	\$ 250	2028	5	\$ 21,891,000
					1,277,595,150

Source: Stowe Development & Strategies, 2025

Figure 4: Moderate Development Scenario Assumptions

Moderate					
Product Type	Units/SF	Value Per Unit/SF	Start	Build-Out/Years	Market Value
Dwellings	454	\$ 300,000	2026	10	\$ 136,200,000
Resort Hospitality	272	\$ 150,000	2032	3	\$ 40,800,000
Business Park or Winery	718,800	\$ 375	2030	10	\$ 269,550,000
Office	339,520	\$ 350	2030	15	\$ 118,831,825
Institutional	268,402	\$ 450	2028	15	\$ 120,780,675
Retail	134,891	\$ 325	2029	10	\$ 43,839,575
Commercial Recreation	43,782	\$ 250	2028	5	\$ 10,945,500
					740,947,575

Notes: Dwellings: 150% Increase from Baseline + 5 more years of build-out. All other product types: 50 % Decrease from Baseline

Source: Stowe Development & Strategies, 2025

Figure 5: Conservative Development Program Scenario

Conservatative					
Product Type	Units/SF	Value Per Unit/SF	Start	Build-Our/Years	Market Value
Dwellings	227	\$ 300,000	2027	20	\$ 68,100,000
Resort Hospitality	136	\$ 150,000	2032	2	\$ 20,400,000
Business Park or Winery	359,400	\$ 375	2030	15	\$ 134,775,000
Office	169,760	\$ 350	2028	15	\$ 59,416,000
Institutional	134,201	\$ 450	2028	15	\$ 60,390,450
Retail	67,446	\$ 325	2029	10	\$ 21,919,950
Commercial Recreation	21,891	\$ 250	2028	10	\$ 5,472,750
					370,474,150

Notes: Dwellings: Baseline + 15 more years to Build-out. All other product types: 75 % Decrease from Baseline; Added 5 years to Baseline to Winery & Commercial Recreation Build-out.

Source: Stowe Development & Strategies, 2025

These scenarios have been developed to help assess potential risk based on different levels of development within the TIA. Understanding and accepting a certain level of risk is important as the County will be obligated for the repayment of any bond debt that is issued for the infrastructure improvements, regardless of whether the projected private development and property tax materialize. The County has identified the Conservative Scenario as the most likely development scenario to occur at this time unless a specific and planned development is identified.

Tax Increment Area

The proposed TIA includes approximately 318 acres and includes the area known as the Wenatchi Landing. The assessed valuation of the TIA in 2024 (2023 certified values for 2024 taxes) is approximately \$18,529,000. This figure is well below either the \$200 million assessed valuation threshold or 20 percent of the County's total regular assessed valuation of \$9,150,816,276 since the TIA is only 0.2% of the total valuation.

Figure 6: Potential Tax Increment Area



Source: ECONorthwest; 2025

The below table in Figure 7 summarizes the parcel identification numbers and assessed values of properties in the TIA.

Figure 7: Summary of Tax Parcels

Parcel ID	Area (acres)	Real Market Value	Parcel ID	Area (acres)	Real Market Value
23202330006	10.9	\$404,500	23202710134	0.9	\$484,800
23202330008	0.2	\$100,000	23202710087	0.5	\$801,400
23202330013	0.4	\$90,000	23202710130	0.3	\$360,900
23202330018	0.3	\$100,000	23202710060	9.9	\$352,600
23202330012	2.1	\$174,700	23202710088	0.3	\$283,600
40500007206	1.0	\$543,200	23202710023	0.1	\$35,000
40500007207	0.1	\$1,000	23202330009	2.8	\$259,600
40500007201	1.0	\$460,900	40600000105	1.0	\$621,600
40500007209	0.1	\$3,200	40500007202	1.5	\$464,500
40500007303	0.0	\$1,300	40500007204	0.5	\$501,800
40500007302	5.3	\$750,800	40400005100	3.4	\$178,500
40400004601	0.9	\$168,000	23202710021	0.6	\$27,400
40400006201	3.6	\$228,300	40500007301	0.2	\$8,900
52500000303	0.1	\$43,500	52500000000	53.0	\$0
52500000600	1.1	\$142,400	40400004605	0.0	\$0
52500000701	7.1	\$481,100	40600000106	0.0	\$0
52500000704	0.8	\$429,000	40600000103	3.5	\$224,000
52500000804	7.3	\$300,700	40500007203	0.9	\$384,200
52500000301	0.6	\$391,100	40500007205	1.4	\$455,000
40600000112	0.5	\$389,100	40600000303	1.5	\$183,500
40600000113	0.5	\$430,300	23202710147	2.5	\$107,600
40600000408	0.9	\$268,100	23202710005	22.8	\$480,700
40600000409	0.5	\$383,500	23202710146	14.7	\$359,300
40600000410	0.5	\$389,400	23202710150	8.9	\$224,000
40600000102	0.1	\$100	23202710151	1.9	\$200,400
40600000301	8.2	\$441,100	23202710145	2.0	\$193,000
40600000302	2.9	\$316,500	23202600003	0.1	\$5,700
40600000403	1.0	\$387,000	23202710129	12.1	\$845,600
23202710133	2.1	\$886,500	23202710008	25.4	\$1,780,100

Source: Douglas County Assessor, 2025

Tax Increment Revenue Projections

Overview of TIF Allocation Revenues

Following guidance issued by the Washington State Department of Revenue (June 29, 2022), the analysis estimates the apportionment of taxes to the TIA. These revenues are available to the sponsoring local jurisdiction for funding the identified public infrastructure projects (that are named in the ordinance). Under the TIF legislation, only certain regular levies are available to the TIA. Using the latest tax rates available (tax year 2024), levy rates in the proposed TIA use \$4.0365 of the \$8.41202 total levy, approximately 48% of the total 2024 levy rate.

Since these are regular levies, the taxes must conform with the constitutional 1% limit as well as the \$5.90 aggregate limits. Both parts of the State School levy as well as local school district excess levies are excluded. In addition, any taxes levied by port districts for the purpose of making payments on bonds would be excluded.

Broadly, TIF in Washington allocates a portion of incremental property taxes to the TIA based on the amount of assessed value added to the TIA. This means that each taxing district in the TIA will receive that portion of its regular property taxes produced by the rate of tax levied by the taxing district based on the assessed value of real property located in the area for taxes imposed in the year that the TIA was created. This amount will flow to the member districts for the period that the TIA is in place.

The local government that created the TIA will receive a portion of the regular property taxes levied by each taxing district based off the increment value within the increment area. For the local government that created the TIA, this includes their own portion of their regular levy. Those affected levies will be able to include an increment add-on value (similar to the new construction add-on value) as part of their levy for the years that TIF is in place. Property taxes from the TIA begin on the calendar year following the passage of the ordinance. The County Treasurer will distribute these funds to the agency that created the TIA. The Project Analysis (Step 2) will also evaluate any impacts to taxing districts caused by the formation of a TIA.

The table below shows the Levy Rate Composition for 2024 Taxes.

Figure 8: TIA Levy Rates in Use

TIF Levy Rate Capture 48.0%

Levy Code Area 55	2024 Taxes Rates	Exempt: State Property Tax	Exempt: Excess and Other Levies	Available for TIF allocation
Total	\$8.41202	\$2.3782	\$1.9974	\$4.0365
State				
Part 1	\$1.54828	\$1.5483		\$0.0000
Part 2	\$0.82991	\$0.8299		\$0.0000
County				
Regular: Current Expense	\$0.81679			\$0.8168
Regular: Veterans Aid	\$0.01125			\$0.0113
Regular: Behavioral Health	\$0.01250			\$0.0125
LID LIFT: Dev Disabilities	\$0.01250			\$0.0125
Road Levy	\$1.16681			\$1.1668
Regional Port				
General Fund	\$0.15478			\$0.1548
Bond Fund	\$0.00000		\$0.0000	\$0.0000
Eastmont MPD				
Regular Levy	\$0.16538			\$0.1654
Capital	\$0.04521		\$0.0452	\$0.0000
Eastmont School District #206				
Enrichment	\$1.70057		\$1.7006	\$0.0000
Bond	\$0.25157		\$0.2516	\$0.0000
Capital	\$0.00000		\$0.0000	\$0.0000
WVFD/Fire District #2				
Regular Levy	\$1.43185			\$1.4319
Bond Fund	\$0.00000		\$0.0000	\$0.0000
North Central Library District				
Regular Levy	\$0.26461			\$0.2646

Source: ECONorthwest analysis of District Levy Rates, 2025

TIA Allocation Revenue Modeling

New incremental development in the TIA will drive future growth in incremental assessed value. These values will then be multiplied by the levy rate in the respective years to estimate the amount of TIA allocation revenues. To accomplish this, there are four separate analyses that must be completed.

- **Forecast incremental TIA assessed value.** Based on the development program, the future assessed value is estimated by assigning market-based improvement prices based on the land use and size of the proposed development.
- **Forecast jurisdiction assessed value.** Outside of growth in the incremental assessed value in the TIA, it is necessary to forecast growth in the County's overall assessed value (not counting the incremental growth in the TIA).
- **Forecast the highest lawful levy.** For each taxing jurisdiction in the TIA, future levies must be estimated. To do so, the amount of new construction, other add-on value, 101% limit factor, total levy limit, and the maximum allowable levy must be taken into consideration. From that interplay, it is possible to estimate what the given levy will be for any respective jurisdiction in the future.
- **Forecast levy rates.** Once the levy and assessed value are known in future years, it is possible to calculate the levy rate (divide levy by thousands of assessed value). TIA allocations are made by multiplying the levy rate by the incremental TIF assessed value.

To model TIA allocation of property tax revenues, a 25-year cash flow model was created to reflect development over time and applied the appropriate property tax base productivity and property tax rates to estimate the stream of future property tax revenues.

TIA Allocation Revenues

Using the private development assumptions identified above, future assessed values of those improvements are estimated and serve as a foundation for the expected TIA allocation revenues. For example, if a building is constructed in a certain year, the assessor assesses it, and the incremental assessed value is determined by subtracting that base value. This increment value is then multiplied by a forecast of the levy rate in the respective year to determine the TIA allocation revenues from all the affected TIF regular levies.

The following tables summarize the discounted value of 25 years of TIA allocation revenues that would flow to the County based on each of the identified development program scenarios. The analysis assumed the TIA is created in 2025 using 2025 certified values. TIA revenues will start to be assessed in 2026 but due to the lagging nature of when property taxes are distributed, the first year of the calculated increment will occur in 2027. Therefore, TIA allocation revenues are shown to run from tax year 2027 through the end of tax year 2051.

The revenues are shown in present value and nominal dollars. The present values are discounted at a rate of 5% to approximate the County's cost of capital (debt and issuance costs) to give some approximate value of the TIA cash flows. The nominal dollars are shown since this is ultimately

the amount that the County can draw upon to service principal and interest on its debt payments. These values are shown in the figures below.

Figure 9: TIF Allocation Revenues for Baseline Scenario

	TIA Allocation Revenue	
	Present Value	Nominal Value
Douglas County	\$22,660,000	\$50,868,000
Regional Port	\$1,710,000	\$3,837,000
Eastmont MPD	\$1,830,000	\$4,099,000
WVFD/Fire District 2	\$15,810,000	\$35,499,000
North Central Library District	\$2,920,000	\$6,560,000
Total	\$44,930,000	\$100,860,000

Source: ECONorthwest calculations, 2025.

Figure 10: TIF Allocation Revenues for Moderate Scenario

	TIA Allocation Revenue	
	Present Value	Nominal Value
Douglas County	\$14,020,000	\$30,837,000
Regional Port	\$1,060,000	\$2,328,000
Eastmont MPD	\$1,130,000	\$2,484,000
WVFD/Fire District 2	\$9,780,000	\$21,521,000
North Central Library District	\$1,810,000	\$3,978,000
Total	\$27,800,000	\$61,148,000

Source: ECONorthwest calculations, 2025.

Figure 11: TIF Allocation Revenues for Conservative Scenario

	TIA Allocation Revenue	
	Present Value	Nominal Value
Douglas County	\$6,200,000	\$14,048,000
Regional Port	\$470,000	\$1,060,000
Eastmont MPD	\$500,000	\$1,132,000
WVFD/Fire District 2	\$4,320,000	\$9,802,000
North Central Library District	\$800,000	\$1,813,000
Total	\$12,290,000	\$27,856,000

Source: ECONorthwest calculations, 2025.

Impacts to Other Taxing Districts

TIF in Washington State as adopted and amended, is designed to provide a source of tax revenue to pay for needed public improvements that incentivize desired development while creating no financial harm to those taxing districts that contribute tax allocation dollars as part of their levy inside a TIA. TIF sponsors are required to prepare a project analysis that includes:

- An assessment of impacts on local fire services, public hospital services, emergency medical services, and other junior taxing districts within the TIA.
- Identification of any necessary mitigation for these services.

To estimate the levy impact on jurisdictions, it is essential to examine two key factors: first, the portion of property taxes redirected within the TIA that results in reduced collections for taxing districts at the TIA level; and second, the overall levy impact at the broader jurisdiction level, which is supported by adjustments to the levy calculation process. While taxing districts may experience a temporary reduction in direct property tax revenue due to the allocation of increment funds to the TIA, the changes to the levy calculation—such as increases in assessed values from new construction, state-assessed property, and increment growth—can offset these losses. These adjustments ensure that the district’s overall levy capacity and ability to fund public services are preserved or enhanced over time, aligning with TIF’s goal of creating no financial harm to contributing districts.

How do Jurisdictions have their Property Taxes Allocated under TIF

When a TIA is established, property taxes are divided into two portions. First, the base value represents the assessed value of real property within the area before it was designated. Taxes based on this value continue to go to the taxing districts, such as fire districts, library districts, or counties, at their regular levy rates. Second, the increment value—the increase in property value within the TIA generates additional tax revenues, which are allocated to the local government that created the TIA. These increment funds are used exclusively to finance public improvements within the TIA.

For example, consider a generic taxing district scenario:

- In the 2021/2022 tax year, before the TIA was established, the total assessed value (AV) was \$1,000,000 with a levy rate of \$1.25 per \$1,000 AV, resulting in \$1,250 in total taxes, all allocated to the taxing district.
- In 2022/2023, after the TIA was created, the base value remains \$1,000,000, but an increment value of \$200,000 is added due to increased property assessments. With a reduced levy rate of \$1.20 per \$1,000 AV, the total tax is \$1,440. Of this, \$1,200 is allocated to the taxing district (based on the base value), while \$240 is allocated to the local government to fund the identified public improvements.

- In 2023/2024, the base value is still \$1,000,000, and the increment value grows to \$400,000. At a levy rate of \$1.10 per \$1,000 AV, the total tax is \$1,540, with \$1,100 going to the taxing district and \$440 allocated to the local government for the identified public improvements.

This apportionment ensures that taxing districts continue to receive revenues based on the base value, while the local government captures the increment value to fund public improvements, incentivizing further development.

Levy Calculation and Changes Under Tax Increment Financing

In Washington State, regular property tax levies are primarily non-voted and are governed by several legal limitations to ensure fairness and prevent excessive taxation. These limitations define how much taxing districts can levy and include:

1. Certified Levy Request Amount: The amount a taxing district requests through its budget process.
2. Authorized Levy Amount: The levy amount approved by the district's governing body through a resolution or ordinance.
3. Statutory Dollar Rate Limit: Caps the maximum levy rate per \$1,000 of assessed property value, specific to each type of taxing district.
4. Levy Limit (101 Percent Growth Limit): Restricts the increase in a taxing district's levy to 1% over the highest levy amount from the past three years, plus an allowance for new construction and state-assessed utility value.
5. \$5.90 Aggregate Limit: Prevents the total of all regular levies (excluding state levies and a few others) from exceeding \$5.90 per \$1,000 of assessed value.
6. One Percent Constitutional Limit: Ensures that the total property tax on any property does not exceed 1% of its true and fair market value, except for voter-approved excess levies.

Washington's Constitution mandates that property taxes must be uniform within a taxing district, meaning properties of equal market value must be taxed at the same rate. The only exception is for agricultural, timber, and open-space lands, which may be assessed based on their current use rather than market value, as authorized by the Constitution. These legal constraints ensure that property taxation is both equitable and predictable, balancing the need for government funding with taxpayer protections. While most regular levies are subject to these limitations, there are specific variations depending on the type of levy, as detailed in taxing district regulations.

The 101 percent levy limit restricts most taxing districts in Washington State to an annual property tax levy increase of no more than 1% over the highest lawful levy from prior years, unless specific conditions are met. Additional funds for new construction, property improvements, annexations, and refunds are allowed, along with increases in value from state-assessed property and tax increment financing areas.

The creation of a TIA affects the county assessor's levy calculations by increasing the levy limit based on the rise in assessed value within the increment area, similar to state-assessed utility value

adjustments. However, this increase does not carry forward as part of the district's highest lawful levy since 1985. The assessor must determine two key components:

- **Tax Allocation Base Value:** This is the assessed value of real property within the increment area during the year before the increment area is designated. For example, if the area is designated in 2022, the base value is based on the 2021 assessment year for taxes payable in 2022.
- **Increment Value:** This is the increase in the assessed value of real property above the base value within the increment area. This value cannot be included in other levy calculations, such as for new construction or state-assessed utility value.

These rules ensure the proper calculation of levy limits while keeping the increment value separate from other taxable components.

Figure 12 below is from the Department of Revenue that demonstrates how taxing districts calculate their maximum allowable levy using factors like new construction and increment value. Included directly below are descriptions of key tax terms:

1. **Highest Lawful Levy:** The district's highest lawful levy is calculated at \$16,665,000 by applying the 101% limit factor to the prior highest lawful levy of \$16,500,000.
2. **New Construction Addition:** The value of new construction (\$450,000,000) is multiplied by the prior year's levy rate (\$0.21 per \$1,000 AV) to add \$94,500 to the levy.
3. **Utility Increase:** A utility value increase of \$24,000,000 adds \$5,040 to the levy, using the same rate.
4. **Increment Value:** The increment value of \$30,000,000 (excluding new construction) adds another \$6,300 to the levy.
5. **Total Levy Limit:** Adding these components yields a total levy limit of \$16,770,840.
6. **Statutory Maximum Levy:** The district's total taxable value (\$38,300,000,000) multiplied by the statutory maximum rate (\$0.45 per \$1,000 AV) results in a maximum statutory levy of \$17,235,000.
7. **Maximum Allowable Levy:** The lesser of the total levy limit (\$16,770,840) and the statutory maximum levy (\$17,235,000) determines the district's maximum allowable levy, set at \$16,770,840.
8. **New Highest Lawful Levy:** The increment value increase (\$6,300) is excluded when calculating the new highest lawful levy, resulting in a final figure of \$16,764,540.

Figure 12: DOR Example of Levy Calculation

Step	Description	Calculation	Result
a.)	Highest lawful levy	\$16,500,000 x 101% limit factor	\$16,665,000
b.)	New construction	\$450,000,000 x \$0.21 / \$1,000 AV	\$94,500
c.)	Utility increase	\$24,000,000 x \$0.21 / \$1,000	\$5,040
d.)	Increment value, less new construction in increment area	\$30,000,000 x \$0.21 / \$1,000	\$6,300
e.)	Total levy limit (sum of a through d)	Sum of a through d	\$16,770,840
f.)	Statutory maximum levy	\$38,300,000,000 x \$0.45 / \$1,000	\$17,235,000
g.)	Maximum allowable levy for this year (lesser of e or f)	Lesser of e or f	\$16,770,840
h.)	New highest lawful levy since 1985 (Lesser of e minus d, or f. If f is the lesser, carry forward the greater of a or f)	Lesser of e minus d, or f	\$16,764,540

Source: Department of Revenue Special Notice (https://dor.wa.gov/sites/default/files/2022-07/sn_22_LegislativeChangesTaxIncrementFinancing.pdf), 2024.

The DOR calculation illustrates how districts integrate growth from new construction and increment values into their levy limits while adhering to statutory constraints.

How Development in a TIA grows a District’s Levy

When development occurs within a TIA, it directly increases a district’s levy through two key mechanisms: new construction and increment value growth.

- Year 1: New Construction
 - Assume \$10 million in new construction occurs within the TIA during the first year. This new construction is added to the district’s assessed valuation and contributes to the levy add-on amount. If the prior year’s levy rate was \$1.00 per \$1,000 AV, the new construction adds \$10,000 to the district’s levy. This amount becomes part of the district’s levy capacity for the current year.
- Year 2: Increment Value Growth
 - By the second year, additional property value growth in the TIA occurs, with the total increment value increasing by \$15 million, including \$5 million from new construction. The new construction is treated as before, adding \$5,000 to the levy at the same rate of \$1.00 per \$1,000 AV. The remaining \$10 million in increment

value (less the new construction value) is also added to the district's levy calculation, contributing an additional \$10,000 to the levy.

- Cumulative Impact on Levy
 - Year 1: \$10,000 added from \$10 million in new construction.
 - Year 2: \$5,000 from new construction + \$10,000 from increment value growth = \$15,000. Total Levy Add-On by Year 2: \$25,000.

Over time, both new construction and the increment value growth (excluding the value of new construction) contribute to the district's levy add-on amount. As development within the TIA continues, these additions ensure that the district benefits financially from increased property values while supporting public improvements funded by the TIA.

Projecting Potential District Impacts

This analysis examines the impacts on jurisdictions by comparing the property taxes within the proposed TIA that are allocated to the sponsoring jurisdiction—Douglas County in this case—with the additional levy capacity enabled by the development. It also considers changes to the levy computation for affected tax increment levies. Specifically, this includes:

- The add-on value above the 1% limit factor for new construction.
- The add-on value for the tax increment value.

This approach ensures that the needs of junior taxing districts are considered while maintaining the viability and benefits of TIF for local governments.

District's levy rates are projected forward by estimating assessed valuation growth and new construction across the entire district. The projected levy rate is then applied in two ways:

- Tax Apportionment: It is used to apportion property taxes between the base value and increment value in the TIA. This represents the amount the jurisdiction contributes to the TIA from its general revenues.
- Levy Growth: The projected levy rate is also used to calculate the district's overall levy contributions from new construction add-ons and increment add-ons. Together, these elements uphold the "no harm" provision by compensating for the district's contributions to the TIA.

For jurisdictions approaching their statutory maximum levy, the analysis is based on long-term trends in assessed valuation growth and the 101% limit factor. Most districts are projected to see their levy rates decline over time due to rising property values, reducing the likelihood of hitting their statutory maximum rates. However, real estate market volatility and potential policy decisions, such as levy lifts or other tax measures, could influence future levy rates and raise this risk.

Jurisdictions can ask voters to approve a levy lid lift, either for a single year or for multiple years (up to 6 years), allowing them to exceed the 101% levy growth limit up to the statutory maximum. While a taxing district with an approved levy lid lift may see a relative reduction in "taxes-in" due

to the formation of a TIA, this impact is likely minor compared to the overall revenue increase generated by the levy lid lift—particularly if the TIA represents a small portion of the district’s total area.

Given these dynamics, the results should be interpreted as projections under current conditions, recognizing the uncertainties inherent in a 25-year analysis. While the apportionment and levy mechanisms are modeled based on the best available data, actual outcomes may differ due to policy shifts, market changes, or other unforeseen factors.

The table below compares the total taxes apportioned to each jurisdiction with the total district levy growth, which includes new construction and increment growth enabled by the development within the TIA. In nearly all cases, the total taxes apportioned (those tax dollars that are allocated to pay for TIF public improvements) are slightly less than the total district levy growth, demonstrating that the value added by the increment and new construction offsets most of the taxes apportioned to the jurisdiction. The combination of the add-on value for new construction and increment growth which is applied to the levy across the entire district, provides a source of revenue to pay for service demands which may be caused by the development inside the TIA – creating the “no-harm” provision referenced above

Figure 13: TIF Allocation Revenues Compared to District Levy Gains (Conservative Scenario, Nominal amount)

Jurisdiction	Taxes Out	Taxes In		
	Total Taxes Apportioned	District Levy Growth: Total	District Levy Growth: New Construction	District Levy Growth: Increment
Douglas County	\$14,048,000	\$14,273,000	\$879,000	\$13,394,000
Regional Port	\$1,060,000	\$1,080,000	\$67,000	\$1,013,000
WVFD/Fire District 2	\$9,802,000	\$9,955,000	\$611,000	\$9,344,000
Eastmont MPD	\$1,132,000	\$1,148,000	\$69,000	\$1,079,000
Library	\$1,813,000	\$1,842,000	\$115,000	\$1,727,000
Total	\$27,855,000	\$28,298,000		

Source: ECONorthwest calculations, 2025. (Note: numbers may not total due to rounding)

Key Comparisons:

- **Douglas County:** Total taxes apportioned are \$14.05 million, slightly less than the district levy growth of \$14.27 million, which includes \$880,000 from new construction and \$13.39 million from the increment.
- **Regional Port:** Total taxes apportioned are \$1.06 million, marginally below the district levy growth of \$1.08 million, with \$70,000 from new construction and \$1.01 million from the increment.
- **WVFD/Fire District 2:** Total taxes apportioned are \$9.8 million, slightly less than the district levy growth of \$9.96 million, which includes \$610,000 from new construction and \$9.35 million from the increment.

- **Eastmont MPD:** Total taxes apportioned are \$1.13 million, just under the district levy growth of \$1.15 million, including \$70,000 from new construction and \$1.08 million from the increment.
- **Library:** Total taxes apportioned are \$1.81 million, slightly below the district levy growth of \$1.84 million, with \$110,000 from new construction and \$1.73 million from the increment.

This demonstrates that the development-driven growth within the proposed TIA supports district levy increases that approximate the taxes apportioned, benefiting each jurisdiction overall.

The following figures provide a summary account of all affected taxing levies, offering insight into how property tax revenues are distributed and the fiscal impact of development within the TIA on taxing jurisdictions.

This analysis includes:

- **Base Value and Increment Value:** A summary of the original property value and the additional value generated by development within the TIA.
 - **Tax Rate for the Given Year:** The levy rate applied to the base and increment values.
 - **Total Property Tax Collected:** Split into the portion allocated to the TIA and the portion allocated to the taxing district itself.
- Levy Add-Ons: Separate columns detail the additional levy capacity generated from new construction and the increment value.

How to read the following tables

This section explains how taxes and levy add-ons are calculated and apportioned in a Tax Increment Financing (TIF) district, using the columns in the provided table:

1. **Assessment Year (Column 1):** This represents the year in which the county assessor evaluates property values within the TIA. These assessments determine the taxes for the following year.
2. **Base Value (Column 2):** The base value is the property value within the TIA at the time the TIF ordinance is created. This value is frozen and forms the basis for calculating taxes allocated to the original taxing jurisdictions.
3. **Increment Value (Column 3):** The increment value is the portion of the property value above the base value. This additional value is used to calculate the portion of property taxes allocated to the TIA and reflects the amount of development that is projected within the baseline, moderate, conservative scenarios, outlined in this report.
4. **Levy Rate (Column 4):** This is the projected property tax rate for the taxing jurisdiction in the assessment year. It is applied to the base and increment values to determine the total property taxes collected.
5. **Total Property Tax (Column 5):** This is the total property tax collected within the TIA for the respective assessment year. It is calculated by applying the levy rate to the total assessed value (base value + increment value).

6. **Tax Allocated to TIF (Column 6):** This is the portion of property taxes allocated to TIF. This represents the **Total Taxes Out**. It is calculated by multiplying the increment value by the levy rate for the respective year.
7. **Tax Allocated to County (Column 7):** This is the portion of property taxes allocated back to the taxing jurisdiction (e.g., the County). It is calculated by multiplying the base value by the levy rate for the respective year.

Factors Impacting Levy Add-ons:

- A. **New Construction (Column A):** This reflects the value of new development in the TIA for the respective assessment year. It is estimated by multiplying the amount of new units or square footage by market-derived value assumptions as part of the development projection.
- B. **Levy Add-on for New Construction (Column B):** This is the additional levy revenue generated by new construction. It is calculated by multiplying the new construction value by the levy rate from the previous year, consistent with standard levy calculation practices.
- C. **Increment Value Excluding New Construction (Column C):** This adjusts the increment value (Column 3) by subtracting the value of new construction, ensuring that new construction is not double-counted in levy add-ons.
- D. **Levy Add-on for Increment Value (Column D):** This is the additional levy revenue generated from the adjusted increment value (Column C). It is calculated by multiplying the adjusted increment value by the levy rate from the previous year.
- E. **Total Taxes In:** at the bottom of the table, the total taxes in is summed. It sums Column B (the levy add on from new construction) and Column D (the levy add-on from increment value).

This framework shows how the apportionment of property taxes within the TIA works while capturing the benefits of new construction and increment growth in the taxing jurisdiction's overall levy.

Figure 14: TIF Summary for Douglas County (Conservative Scenario)

Douglas County											
1	2	3	4	5	6	7	A	B	C	D	E
Assessment Year	Base Value	Increment Value	Levy Rate	Total Property Tax	Tax Allocated to TIF	Tax Allocated to Douglas County	New Construction	Levy Add-on: New Constr.	Increment Value (less New Construction)	Levy Add-on: Increment Value	Total Taxes In (Column B +D)
2025	\$18,529,000	\$0	\$2.020	\$37,000	\$0	\$37,000	\$0	\$0	\$0	\$0	\$0
2026	\$18,529,000	\$0	\$1.927	\$36,000	\$0	\$36,000	\$0	\$0	\$0	\$0	\$0
2027	\$18,529,000	\$0	\$1.897	\$35,000	\$0	\$35,000	\$0	\$0	\$0	\$0	\$0
2028	\$18,529,000	\$3,721,000	\$1.868	\$42,000	\$7,000	\$35,000	\$3,721,000	\$7,000	\$0	\$0	\$7,000
2029	\$18,529,000	\$17,576,000	\$1.838	\$66,000	\$32,000	\$34,000	\$13,756,000	\$26,000	\$3,819,000	\$7,000	\$33,000
2030	\$18,529,000	\$34,751,000	\$1.810	\$96,000	\$63,000	\$34,000	\$16,710,000	\$31,000	\$18,041,000	\$33,000	\$64,000
2031	\$18,529,000	\$63,612,000	\$1.781	\$146,000	\$113,000	\$33,000	\$27,940,000	\$51,000	\$35,672,000	\$65,000	\$116,000
2032	\$18,529,000	\$94,076,000	\$1.754	\$197,000	\$165,000	\$32,000	\$28,778,000	\$51,000	\$65,298,000	\$116,000	\$167,000
2033	\$18,529,000	\$139,132,000	\$1.726	\$272,000	\$240,000	\$32,000	\$42,563,000	\$75,000	\$96,569,000	\$169,000	\$244,000
2034	\$18,529,000	\$186,658,000	\$1.699	\$349,000	\$317,000	\$31,000	\$43,839,000	\$76,000	\$142,819,000	\$247,000	\$323,000
2035	\$18,529,000	\$223,051,000	\$1.673	\$404,000	\$373,000	\$31,000	\$31,447,000	\$53,000	\$191,605,000	\$326,000	\$379,000
2036	\$18,529,000	\$261,352,000	\$1.647	\$461,000	\$430,000	\$31,000	\$32,390,000	\$54,000	\$228,962,000	\$383,000	\$437,000
2037	\$18,529,000	\$301,640,000	\$1.621	\$519,000	\$489,000	\$30,000	\$33,362,000	\$55,000	\$268,278,000	\$442,000	\$497,000
2038	\$18,529,000	\$343,996,000	\$1.596	\$578,000	\$549,000	\$30,000	\$34,363,000	\$56,000	\$309,633,000	\$502,000	\$558,000
2039	\$18,529,000	\$387,677,000	\$1.571	\$638,000	\$609,000	\$29,000	\$34,566,000	\$55,000	\$353,112,000	\$563,000	\$618,000
2040	\$18,529,000	\$430,139,000	\$1.546	\$694,000	\$665,000	\$29,000	\$32,188,000	\$51,000	\$397,951,000	\$625,000	\$676,000
2041	\$18,529,000	\$474,691,000	\$1.522	\$751,000	\$723,000	\$28,000	\$33,153,000	\$51,000	\$441,537,000	\$683,000	\$734,000
2042	\$18,529,000	\$521,418,000	\$1.498	\$809,000	\$781,000	\$28,000	\$34,148,000	\$52,000	\$487,270,000	\$742,000	\$794,000
2043	\$18,529,000	\$570,408,000	\$1.475	\$869,000	\$841,000	\$27,000	\$35,172,000	\$53,000	\$535,235,000	\$802,000	\$855,000
2044	\$18,529,000	\$607,249,000	\$1.452	\$909,000	\$882,000	\$27,000	\$21,726,000	\$32,000	\$585,523,000	\$864,000	\$896,000
2045	\$18,529,000	\$645,719,000	\$1.429	\$949,000	\$923,000	\$26,000	\$22,378,000	\$32,000	\$623,341,000	\$905,000	\$937,000
2046	\$18,529,000	\$669,165,000	\$1.407	\$968,000	\$942,000	\$26,000	\$6,334,000	\$9,000	\$662,831,000	\$947,000	\$956,000
2047	\$18,529,000	\$693,422,000	\$1.385	\$986,000	\$960,000	\$26,000	\$6,524,000	\$9,000	\$686,898,000	\$967,000	\$976,000
2048	\$18,529,000	\$711,798,000	\$1.363	\$996,000	\$971,000	\$25,000	\$0	\$0	\$711,798,000	\$986,000	\$986,000
2049	\$18,529,000	\$730,660,000	\$1.342	\$1,006,000	\$981,000	\$25,000	\$0	\$0	\$730,660,000	\$996,000	\$996,000
2050	\$18,529,000	\$750,023,000	\$1.321	\$1,015,000	\$991,000	\$24,000	\$0	\$0	\$750,023,000	\$1,007,000	\$1,007,000
2051	\$18,529,000	\$769,899,000	\$1.301	\$1,025,000	\$1,001,000	\$24,000	\$0	\$0	\$769,899,000	\$1,017,000	\$1,017,000
Total Taxes Out (Sum of Column 6)					\$14,048,000	Total Taxes In (Sum of Column B+D)					\$14,273,000

Source: ECONorthwest calculations, 2025.

Figure 15: TIF Summary for Regional Port (Conservative Scenario)

Regional Port											
1	2	3	4	5	6	7	A	B	C	D	E
Assessment Year	Base Value	Increment Value	Levy Rate	Total Property Tax	Tax Allocated to TIF	Tax Allocated to Regional Port	New Construction	Levy Add-on: New Constr.	Increment Value (less New Construction)	Levy Add-on: Increment Value	Total Taxes In (Column B +D)
2025	\$18,529,000	\$0	\$0.148	\$3,000	\$0	\$3,000	\$0	\$0	\$0	\$0	\$0
2026	\$18,529,000	\$0	\$0.145	\$3,000	\$0	\$3,000	\$0	\$0	\$0	\$0	\$0
2027	\$18,529,000	\$0	\$0.143	\$3,000	\$0	\$3,000	\$0	\$0	\$0	\$0	\$0
2028	\$18,529,000	\$3,721,000	\$0.141	\$3,000	\$1,000	\$3,000	\$3,721,000	\$1,000	\$0	\$0	\$1,000
2029	\$18,529,000	\$17,576,000	\$0.139	\$5,000	\$2,000	\$3,000	\$13,756,000	\$2,000	\$3,819,000	\$1,000	\$3,000
2030	\$18,529,000	\$34,751,000	\$0.137	\$7,000	\$5,000	\$3,000	\$16,710,000	\$2,000	\$18,041,000	\$3,000	\$5,000
2031	\$18,529,000	\$63,612,000	\$0.134	\$11,000	\$9,000	\$2,000	\$27,940,000	\$4,000	\$35,672,000	\$5,000	\$9,000
2032	\$18,529,000	\$94,076,000	\$0.132	\$15,000	\$12,000	\$2,000	\$28,778,000	\$4,000	\$65,298,000	\$9,000	\$13,000
2033	\$18,529,000	\$139,132,000	\$0.130	\$21,000	\$18,000	\$2,000	\$42,563,000	\$6,000	\$96,569,000	\$13,000	\$19,000
2034	\$18,529,000	\$186,658,000	\$0.128	\$26,000	\$24,000	\$2,000	\$43,839,000	\$6,000	\$142,819,000	\$19,000	\$25,000
2035	\$18,529,000	\$223,051,000	\$0.126	\$30,000	\$28,000	\$2,000	\$31,447,000	\$4,000	\$191,605,000	\$25,000	\$29,000
2036	\$18,529,000	\$261,352,000	\$0.124	\$35,000	\$32,000	\$2,000	\$32,390,000	\$4,000	\$228,962,000	\$29,000	\$33,000
2037	\$18,529,000	\$301,640,000	\$0.122	\$39,000	\$37,000	\$2,000	\$33,362,000	\$4,000	\$268,278,000	\$33,000	\$37,000
2038	\$18,529,000	\$343,996,000	\$0.120	\$44,000	\$41,000	\$2,000	\$34,363,000	\$4,000	\$309,633,000	\$38,000	\$42,000
2039	\$18,529,000	\$387,677,000	\$0.118	\$48,000	\$46,000	\$2,000	\$34,566,000	\$4,000	\$353,112,000	\$43,000	\$47,000
2040	\$18,529,000	\$430,139,000	\$0.117	\$52,000	\$50,000	\$2,000	\$32,188,000	\$4,000	\$397,951,000	\$47,000	\$51,000
2041	\$18,529,000	\$474,691,000	\$0.115	\$57,000	\$55,000	\$2,000	\$33,153,000	\$4,000	\$441,537,000	\$52,000	\$56,000
2042	\$18,529,000	\$521,418,000	\$0.113	\$61,000	\$59,000	\$2,000	\$34,148,000	\$4,000	\$487,270,000	\$56,000	\$60,000
2043	\$18,529,000	\$570,408,000	\$0.111	\$66,000	\$63,000	\$2,000	\$35,172,000	\$4,000	\$535,235,000	\$61,000	\$65,000
2044	\$18,529,000	\$607,249,000	\$0.110	\$69,000	\$67,000	\$2,000	\$21,726,000	\$2,000	\$585,523,000	\$65,000	\$67,000
2045	\$18,529,000	\$645,719,000	\$0.108	\$72,000	\$70,000	\$2,000	\$22,378,000	\$2,000	\$623,341,000	\$68,000	\$70,000
2046	\$18,529,000	\$669,165,000	\$0.106	\$73,000	\$71,000	\$2,000	\$6,334,000	\$1,000	\$662,831,000	\$71,000	\$72,000
2047	\$18,529,000	\$693,422,000	\$0.104	\$74,000	\$72,000	\$2,000	\$6,524,000	\$1,000	\$686,898,000	\$73,000	\$74,000
2048	\$18,529,000	\$711,798,000	\$0.103	\$75,000	\$73,000	\$2,000	\$0	\$0	\$711,798,000	\$74,000	\$74,000
2049	\$18,529,000	\$730,660,000	\$0.101	\$76,000	\$74,000	\$2,000	\$0	\$0	\$730,660,000	\$75,000	\$75,000
2050	\$18,529,000	\$750,023,000	\$0.100	\$77,000	\$75,000	\$2,000	\$0	\$0	\$750,023,000	\$76,000	\$76,000
2051	\$18,529,000	\$769,899,000	\$0.098	\$77,000	\$76,000	\$2,000	\$0	\$0	\$769,899,000	\$77,000	\$77,000
Total Taxes Out (Sum of Column 6)					\$1,060,000	Total Taxes In (Sum of Column B+D)					\$1,080,000

Source: ECONorthwest calculations, 2025.

Figure 16: TIF Summary for WVFD/FD #2 (Conservative Scenario)

WVFD/Fire District 2											
1	2	3	4	5	6	7	A	B	C	D	E
Assessment Year	Base Value	Increment Value	Levy Rate	Total Property Tax	Tax Allocated to TIF	Tax Allocated to WVFD/Fire District 2	New Construction	Levy Add-on: New Constr.	Increment Value (less New Construction)	Levy Add-on: Increment Value	Total Taxes In (Column B +D)
2025	\$18,529,000	\$0	\$1.366	\$25,000	\$0	\$25,000	\$0	\$0	\$0	\$0	\$0
2026	\$18,529,000	\$0	\$1.345	\$25,000	\$0	\$25,000	\$0	\$0	\$0	\$0	\$0
2027	\$18,529,000	\$0	\$1.324	\$25,000	\$0	\$25,000	\$0	\$0	\$0	\$0	\$0
2028	\$18,529,000	\$3,721,000	\$1.303	\$29,000	\$5,000	\$24,000	\$3,721,000	\$5,000	\$0	\$0	\$5,000
2029	\$18,529,000	\$17,576,000	\$1.283	\$46,000	\$23,000	\$24,000	\$13,756,000	\$18,000	\$3,819,000	\$5,000	\$23,000
2030	\$18,529,000	\$34,751,000	\$1.263	\$67,000	\$44,000	\$23,000	\$16,710,000	\$21,000	\$18,041,000	\$23,000	\$44,000
2031	\$18,529,000	\$63,612,000	\$1.243	\$102,000	\$79,000	\$23,000	\$27,940,000	\$35,000	\$35,672,000	\$45,000	\$80,000
2032	\$18,529,000	\$94,076,000	\$1.224	\$138,000	\$115,000	\$23,000	\$28,778,000	\$36,000	\$65,298,000	\$81,000	\$117,000
2033	\$18,529,000	\$139,132,000	\$1.205	\$190,000	\$168,000	\$22,000	\$42,563,000	\$52,000	\$96,569,000	\$118,000	\$170,000
2034	\$18,529,000	\$186,658,000	\$1.186	\$243,000	\$221,000	\$22,000	\$43,839,000	\$53,000	\$142,819,000	\$172,000	\$225,000
2035	\$18,529,000	\$223,051,000	\$1.167	\$282,000	\$260,000	\$22,000	\$31,447,000	\$37,000	\$191,605,000	\$227,000	\$264,000
2036	\$18,529,000	\$261,352,000	\$1.149	\$322,000	\$300,000	\$21,000	\$32,390,000	\$38,000	\$228,962,000	\$267,000	\$335,000
2037	\$18,529,000	\$301,640,000	\$1.131	\$362,000	\$341,000	\$21,000	\$33,362,000	\$38,000	\$268,278,000	\$308,000	\$346,000
2038	\$18,529,000	\$343,996,000	\$1.114	\$404,000	\$383,000	\$21,000	\$34,363,000	\$39,000	\$309,633,000	\$350,000	\$389,000
2039	\$18,529,000	\$387,677,000	\$1.096	\$445,000	\$425,000	\$20,000	\$34,566,000	\$38,000	\$353,112,000	\$393,000	\$431,000
2040	\$18,529,000	\$430,139,000	\$1.079	\$484,000	\$464,000	\$20,000	\$32,188,000	\$35,000	\$397,951,000	\$436,000	\$471,000
2041	\$18,529,000	\$474,691,000	\$1.062	\$524,000	\$504,000	\$20,000	\$33,153,000	\$36,000	\$441,537,000	\$476,000	\$512,000
2042	\$18,529,000	\$521,418,000	\$1.046	\$565,000	\$545,000	\$19,000	\$34,148,000	\$36,000	\$487,270,000	\$518,000	\$554,000
2043	\$18,529,000	\$570,408,000	\$1.029	\$606,000	\$587,000	\$19,000	\$35,172,000	\$37,000	\$535,235,000	\$560,000	\$597,000
2044	\$18,529,000	\$607,249,000	\$1.013	\$634,000	\$615,000	\$19,000	\$21,726,000	\$22,000	\$585,523,000	\$603,000	\$625,000
2045	\$18,529,000	\$645,719,000	\$0.997	\$663,000	\$644,000	\$18,000	\$22,378,000	\$23,000	\$623,341,000	\$632,000	\$655,000
2046	\$18,529,000	\$669,165,000	\$0.982	\$675,000	\$657,000	\$18,000	\$6,334,000	\$6,000	\$662,831,000	\$661,000	\$667,000
2047	\$18,529,000	\$693,422,000	\$0.967	\$688,000	\$670,000	\$18,000	\$6,524,000	\$6,000	\$686,898,000	\$674,000	\$680,000
2048	\$18,529,000	\$711,798,000	\$0.951	\$695,000	\$677,000	\$18,000	\$0	\$0	\$711,798,000	\$688,000	\$688,000
2049	\$18,529,000	\$730,660,000	\$0.937	\$702,000	\$684,000	\$17,000	\$0	\$0	\$730,660,000	\$695,000	\$695,000
2050	\$18,529,000	\$750,023,000	\$0.922	\$709,000	\$692,000	\$17,000	\$0	\$0	\$750,023,000	\$702,000	\$702,000
2051	\$18,529,000	\$769,899,000	\$0.908	\$716,000	\$699,000	\$17,000	\$0	\$0	\$769,899,000	\$710,000	\$710,000
Total Taxes Out (Sum of Column 6)					\$9,802,000	Total Taxes In (Sum of Column B+D)					\$9,955,000

Source: ECONorthwest calculations, 2025

Figure 17: TIF Summary for Eastmont MPD (Conservative Scenario)

Eastmont MPD											
1	2	3	4	5	6	7	A	B	C	D	E
Assessment Year	Base Value	Increment Value	Levy Rate	Total Property Tax	Tax Allocated to TIF	Tax Allocated to Eastmont MPD	New Construction	Levy Add-on: New Constr.	Increment Value (less New Construction)	Levy Add-on: Increment Value	Total Taxes In (Column B +D)
2025	\$18,529,000	\$0	\$0.158	\$3,000	\$0	\$3,000	\$0	\$0	\$0	\$0	\$0
2026	\$18,529,000	\$0	\$0.155	\$3,000	\$0	\$3,000	\$0	\$0	\$0	\$0	\$0
2027	\$18,529,000	\$0	\$0.153	\$3,000	\$0	\$3,000	\$0	\$0	\$0	\$0	\$0
2028	\$18,529,000	\$3,721,000	\$0.151	\$3,000	\$1,000	\$3,000	\$3,721,000	\$1,000	\$0	\$0	\$1,000
2029	\$18,529,000	\$17,576,000	\$0.148	\$5,000	\$3,000	\$3,000	\$13,756,000	\$2,000	\$3,819,000	\$1,000	\$3,000
2030	\$18,529,000	\$34,751,000	\$0.146	\$8,000	\$5,000	\$3,000	\$16,710,000	\$2,000	\$18,041,000	\$3,000	\$5,000
2031	\$18,529,000	\$63,612,000	\$0.144	\$12,000	\$9,000	\$3,000	\$27,940,000	\$4,000	\$35,672,000	\$5,000	\$9,000
2032	\$18,529,000	\$94,076,000	\$0.141	\$16,000	\$13,000	\$3,000	\$28,778,000	\$4,000	\$65,298,000	\$9,000	\$13,000
2033	\$18,529,000	\$139,132,000	\$0.139	\$22,000	\$19,000	\$3,000	\$42,563,000	\$6,000	\$96,569,000	\$14,000	\$20,000
2034	\$18,529,000	\$186,658,000	\$0.137	\$28,000	\$26,000	\$3,000	\$43,839,000	\$6,000	\$142,819,000	\$20,000	\$26,000
2035	\$18,529,000	\$223,051,000	\$0.135	\$33,000	\$30,000	\$3,000	\$31,447,000	\$4,000	\$191,605,000	\$26,000	\$30,000
2036	\$18,529,000	\$261,352,000	\$0.133	\$37,000	\$35,000	\$2,000	\$32,390,000	\$4,000	\$228,962,000	\$31,000	\$35,000
2037	\$18,529,000	\$301,640,000	\$0.131	\$42,000	\$39,000	\$2,000	\$33,362,000	\$4,000	\$268,278,000	\$36,000	\$40,000
2038	\$18,529,000	\$343,996,000	\$0.129	\$47,000	\$44,000	\$2,000	\$34,363,000	\$4,000	\$309,633,000	\$40,000	\$44,000
2039	\$18,529,000	\$387,677,000	\$0.127	\$51,000	\$49,000	\$2,000	\$34,566,000	\$4,000	\$353,112,000	\$45,000	\$49,000
2040	\$18,529,000	\$430,139,000	\$0.125	\$56,000	\$54,000	\$2,000	\$32,188,000	\$4,000	\$397,951,000	\$50,000	\$54,000
2041	\$18,529,000	\$474,691,000	\$0.123	\$61,000	\$58,000	\$2,000	\$33,153,000	\$4,000	\$441,537,000	\$55,000	\$59,000
2042	\$18,529,000	\$521,418,000	\$0.121	\$65,000	\$63,000	\$2,000	\$34,148,000	\$4,000	\$487,270,000	\$60,000	\$64,000
2043	\$18,529,000	\$570,408,000	\$0.119	\$70,000	\$68,000	\$2,000	\$35,172,000	\$4,000	\$535,235,000	\$65,000	\$69,000
2044	\$18,529,000	\$607,249,000	\$0.117	\$73,000	\$71,000	\$2,000	\$21,726,000	\$3,000	\$585,523,000	\$70,000	\$73,000
2045	\$18,529,000	\$645,719,000	\$0.115	\$77,000	\$74,000	\$2,000	\$22,378,000	\$3,000	\$623,341,000	\$73,000	\$76,000
2046	\$18,529,000	\$669,165,000	\$0.113	\$78,000	\$76,000	\$2,000	\$6,334,000	\$1,000	\$662,831,000	\$76,000	\$77,000
2047	\$18,529,000	\$693,422,000	\$0.112	\$79,000	\$77,000	\$2,000	\$6,524,000	\$1,000	\$686,898,000	\$78,000	\$79,000
2048	\$18,529,000	\$711,798,000	\$0.110	\$80,000	\$78,000	\$2,000	\$0	\$0	\$711,798,000	\$79,000	\$79,000
2049	\$18,529,000	\$730,660,000	\$0.108	\$81,000	\$79,000	\$2,000	\$0	\$0	\$730,660,000	\$80,000	\$80,000
2050	\$18,529,000	\$750,023,000	\$0.106	\$82,000	\$80,000	\$2,000	\$0	\$0	\$750,023,000	\$81,000	\$81,000
2051	\$18,529,000	\$769,899,000	\$0.105	\$83,000	\$81,000	\$2,000	\$0	\$0	\$769,899,000	\$82,000	\$82,000
Total Taxes Out (Sum of Column 6)					\$1,132,000	Total Taxes In (Sum of Column B+D)					\$1,148,000

Source: ECONorthwest calculations, 2025

Figure 18: TIF Summary for Regional Library (Conservative Scenario)

Library												
1	2	3	4	5	6	7	A	B	C	D	E	
Assessment Year	Base Value	Increment Value	Levy Rate	Total Property Tax	Tax Allocated to TIF	Tax Allocated to Library	New Construction	Levy Add-on: New Constr.	Increment Value (less New Construction)	Levy Add-on: Increment Value	Total Taxes In (Column B +D)	
2025	\$18,529,000	\$0	\$0.252	\$5,000	\$0	\$5,000	\$0	\$0	\$0	\$0	\$0	
2026	\$18,529,000	\$0	\$0.249	\$5,000	\$0	\$5,000	\$0	\$0	\$0	\$0	\$0	
2027	\$18,529,000	\$0	\$0.245	\$5,000	\$0	\$5,000	\$0	\$0	\$0	\$0	\$0	
2028	\$18,529,000	\$3,721,000	\$0.241	\$5,000	\$1,000	\$4,000	\$3,721,000	\$1,000	\$0	\$0	\$1,000	
2029	\$18,529,000	\$17,576,000	\$0.237	\$9,000	\$4,000	\$4,000	\$13,756,000	\$3,000	\$3,819,000	\$1,000	\$4,000	
2030	\$18,529,000	\$34,751,000	\$0.233	\$12,000	\$8,000	\$4,000	\$16,710,000	\$4,000	\$18,041,000	\$4,000	\$8,000	
2031	\$18,529,000	\$63,612,000	\$0.230	\$19,000	\$15,000	\$4,000	\$27,940,000	\$7,000	\$35,672,000	\$8,000	\$15,000	
2032	\$18,529,000	\$94,076,000	\$0.226	\$25,000	\$21,000	\$4,000	\$28,778,000	\$7,000	\$65,298,000	\$15,000	\$22,000	
2033	\$18,529,000	\$139,132,000	\$0.223	\$35,000	\$31,000	\$4,000	\$42,563,000	\$10,000	\$96,569,000	\$22,000	\$32,000	
2034	\$18,529,000	\$186,658,000	\$0.219	\$45,000	\$41,000	\$4,000	\$43,839,000	\$10,000	\$142,819,000	\$32,000	\$42,000	
2035	\$18,529,000	\$223,051,000	\$0.216	\$52,000	\$48,000	\$4,000	\$31,447,000	\$7,000	\$191,605,000	\$42,000	\$49,000	
2036	\$18,529,000	\$261,352,000	\$0.212	\$59,000	\$56,000	\$4,000	\$32,390,000	\$7,000	\$228,962,000	\$49,000	\$56,000	
2037	\$18,529,000	\$301,640,000	\$0.209	\$67,000	\$63,000	\$4,000	\$33,362,000	\$7,000	\$268,278,000	\$57,000	\$64,000	
2038	\$18,529,000	\$343,996,000	\$0.206	\$75,000	\$71,000	\$4,000	\$34,363,000	\$7,000	\$309,633,000	\$65,000	\$72,000	
2039	\$18,529,000	\$387,677,000	\$0.203	\$82,000	\$79,000	\$4,000	\$34,566,000	\$7,000	\$353,112,000	\$73,000	\$80,000	
2040	\$18,529,000	\$430,139,000	\$0.199	\$89,000	\$86,000	\$4,000	\$32,188,000	\$7,000	\$397,951,000	\$81,000	\$88,000	
2041	\$18,529,000	\$474,691,000	\$0.196	\$97,000	\$93,000	\$4,000	\$33,153,000	\$7,000	\$441,537,000	\$88,000	\$95,000	
2042	\$18,529,000	\$521,418,000	\$0.193	\$104,000	\$101,000	\$4,000	\$34,148,000	\$7,000	\$487,270,000	\$96,000	\$103,000	
2043	\$18,529,000	\$570,408,000	\$0.190	\$112,000	\$109,000	\$4,000	\$35,172,000	\$7,000	\$535,235,000	\$103,000	\$110,000	
2044	\$18,529,000	\$607,249,000	\$0.187	\$117,000	\$114,000	\$3,000	\$21,726,000	\$4,000	\$585,523,000	\$111,000	\$115,000	
2045	\$18,529,000	\$645,719,000	\$0.184	\$122,000	\$119,000	\$3,000	\$22,378,000	\$4,000	\$623,341,000	\$117,000	\$121,000	
2046	\$18,529,000	\$669,165,000	\$0.181	\$125,000	\$121,000	\$3,000	\$6,334,000	\$1,000	\$662,831,000	\$122,000	\$123,000	
2047	\$18,529,000	\$693,422,000	\$0.179	\$127,000	\$124,000	\$3,000	\$6,524,000	\$1,000	\$686,898,000	\$125,000	\$126,000	
2048	\$18,529,000	\$711,798,000	\$0.176	\$128,000	\$125,000	\$3,000	\$0	\$0	\$711,798,000	\$127,000	\$127,000	
2049	\$18,529,000	\$730,660,000	\$0.173	\$130,000	\$126,000	\$3,000	\$0	\$0	\$730,660,000	\$128,000	\$128,000	
2050	\$18,529,000	\$750,023,000	\$0.170	\$131,000	\$128,000	\$3,000	\$0	\$0	\$750,023,000	\$130,000	\$130,000	
2051	\$18,529,000	\$769,899,000	\$0.168	\$132,000	\$129,000	\$3,000	\$0	\$0	\$769,899,000	\$131,000	\$131,000	
Total Taxes Out (Sum of Column 6)					\$1,813,000		Total Taxes In (Sum of Column B+D)					\$1,842,000

Source: ECONorthwest calculations, 2025

Financing Plan/Duration of TIA

The County may issue Limited Tax General Obligation (LTGO no-voted debt) tax-exempt bonds to pay for the transportation improvements in the amount not to exceed \$25,130,800.

The County’s LTGO bonds are anticipated to be structured with a 20-year amortization and a 10-year par call. Additionally, it is assumed the County will not capitalize interest during the first few years of the financing when TIF revenues alone are not expected to be sufficient to cover debt service. Instead, the County is anticipated to pay any difference between debt service and TIF revenues from non-TIF revenues. The County can reimburse itself for any feasibility studies, including engineering design work to accurately project costs that occurred prior to the expected adoption of the Ordinance designating a TIA in May 2025. The County may also reimburse itself for any non-TIF revenue sources that are needed to meet the County’s debt service payments associated with the TIF Infrastructure.

Debt Capacity

The maximum limit for LTGO non-voted debt cannot exceed 1.5 percent of the value of taxable property within the County. Based on an assessed value of \$9,150,816,276 in 2024, the County has \$137,262,244 in total non-voted debt capacity and will have \$129,269,106 after accounting for outstanding non-voted debt. As shown below, the County has sufficient capacity for the issuance of the proposed \$25,130,800 million LTGO bonds related to the TIF public improvements and is expected to have approximately \$104,138,800 in debt capacity available after the proposed issuance.

Figure 19: Debt Capacity Table

2024	
Assessed Valuation for 2024 Collections	\$ 9,150,816,276
Non-Voted Debt Capacity (1.5% of AV)	\$137,262,244
<i>Less: Outstanding Non-Voted Debt</i>	\$7,993,139
Current Non-Voted Debt Available	\$129,269,105
<i>Less: Financing Proposed</i>	\$25,130,800
Projected Remaining Non-Voted Capacity	\$104,138,305

Source: Stowe Development & Strategies, 2024

Potential TIA Debt Scenarios

Figure 20: Level Debt Service

Year	Issue 1
2025	
2026	\$2,016,560
2027	\$2,016,560
2028	\$2,016,560
2029	\$2,016,560
2030	\$2,016,560
2031	\$2,016,560
2032	\$2,016,560
2033	\$2,016,560
2034	\$2,016,560
2035	\$2,016,560
2036	\$2,016,560
2037	\$2,016,560
2038	\$2,016,560
2039	\$2,016,560
2040	\$2,016,560
2041	\$2,016,560
2042	\$2,016,560
2043	\$2,016,560
2044	\$2,016,560
2045	\$2,016,560
2046	
2047	
2048	
2049	
2050	
2051	
2052	
2053	
2054	
Total P&I	\$40,331,208

Assuming the County issues \$25,130,800 of debt in 2026 to fund the proposed transportation improvements, it will need to service that debt with available resources regardless of whether the anticipated private development occurs and regardless of whether assessed values increase within the TIA. The debt service in Figure 20 assumes an interest rate of 5% and the schedule is illustrative of the range of debt but does not have the precision of working with bond professionals in the issuance of debt.

However, given the nature of TIF, incremental revenues early in the TIF period may not be sufficient to service the debt as private development construction will be in progress, and it will take time to build incremental assessed value contributions that ultimately determine the TIF allocation revenues estimated in this report.

Figure 20 summarizes potential debt service payments (assuming equal debt service) relative to the different TIF tax allocation revenue scenarios that would flow to the County. Until private development (and more specifically increases in assessed valuation in the TIA) catches up and matches the County’s debt service payment, the County will need to cover these early deficits with revenue sources or structure the debt payments in line with their revenue stream (such as interest only).

Source: ECONorthwest calculations, 2024.

Baseline Scenario

The figures below show the nominal value of those TIF tax allocation dollars relative to the nominal payments of debt (\$25,130,800) of transportation improvements in the corresponding years (20-year term at 5% interest). The table gives a more accurate picture of how revenues might compare to debt payments. All the scenarios will require some interim debt support from the County until private development stabilizes and TIF revenue can support the full amount of the debt service. The County will also be able to pay itself back for any initial debt support from future TIF revenues that are generated in excess of its debt payments.

Figure 21: Baseline Debt Coverage Scenario

Tax Year	Baseline				
	TIF Allocation Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage
2026	\$0	\$2,016,560	-\$2,016,560	-\$2,016,560	0.00
2027	\$54,000	\$2,016,560	-\$1,962,560	-\$3,979,121	0.03
2028	\$110,000	\$2,016,560	-\$1,906,560	-\$5,885,681	0.05
2029	\$185,000	\$2,016,560	-\$1,831,560	-\$7,717,242	0.09
2030	\$298,000	\$2,016,560	-\$1,718,560	-\$9,435,802	0.15
2031	\$781,000	\$2,016,560	-\$1,235,560	-\$10,671,362	0.39
2032	\$1,218,000	\$2,016,560	-\$798,560	-\$11,469,923	0.60
2033	\$1,735,000	\$2,016,560	-\$281,560	-\$11,751,483	0.86
2034	\$2,246,000	\$2,016,560	\$229,440	-\$11,522,044	1.11
2035	\$2,769,000	\$2,016,560	\$752,440	-\$10,769,604	1.37
2036	\$3,305,000	\$2,016,560	\$1,288,440	-\$9,481,165	1.64
2037	\$3,853,000	\$2,016,560	\$1,836,440	-\$7,644,725	1.91
2038	\$4,339,000	\$2,016,560	\$2,322,440	-\$5,322,285	2.15
2039	\$4,835,000	\$2,016,560	\$2,818,440	-\$2,503,846	2.40
2040	\$5,301,000	\$2,016,560	\$3,284,440	\$780,594	2.63
2041	\$5,517,000	\$2,016,560	\$3,500,440	\$4,281,033	2.74
2042	\$5,738,000	\$2,016,560	\$3,721,440	\$8,002,473	2.85
2043	\$5,962,000	\$2,016,560	\$3,945,440	\$11,947,913	2.96
2044	\$6,192,000	\$2,016,560	\$4,175,440	\$16,123,352	3.07
2045	\$6,426,000	\$2,016,560	\$4,409,440	\$20,532,792	3.19
2046	\$6,493,000	\$0	\$6,493,000	\$27,025,792	0.00
2047	\$6,562,000	\$0	\$6,562,000	\$33,587,792	0.00
2048	\$6,630,000	\$0	\$6,630,000	\$40,217,792	0.00
2049	\$6,700,000	\$0	\$6,700,000	\$46,917,792	0.00
2050	\$6,770,000	\$0	\$6,770,000	\$53,687,792	0.00
2051	\$6,841,000	\$0	\$6,841,000	\$60,528,792	0.00

Source: ECOnorthwest calculations, 2025

Moderate Scenario

In the early years (2025–2035), TIF allocation revenues are insufficient to cover debt service, resulting in annual shortfalls and a cumulative deficit of -\$13.27 million by 2035, with debt service coverage ratios below 1.0. Starting in 2036, revenues exceed debt service, eliminating the shortfall by 2044 and generating surpluses. From 2046 onward, with no debt service, all revenues contribute directly to a growing surplus, reaching \$20.82 million by 2050. Debt service coverage improves steadily, surpassing 1.0 in 2036 and peaking at 1.84 in 2045, demonstrating financial recovery and long-term sustainability.

Figure 22: Moderate Debt Coverage Scenario

Tax Year	Moderate				
	TIF Allocation Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage
2026	\$0	\$2,016,560	-\$2,016,560	-\$2,016,560	0.00
2027	\$54,000	\$2,016,560	-\$1,962,560	-\$3,979,121	0.03
2028	\$110,000	\$2,016,560	-\$1,906,560	-\$5,885,681	0.05
2029	\$209,000	\$2,016,560	-\$1,807,560	-\$7,693,242	0.10
2030	\$329,000	\$2,016,560	-\$1,687,560	-\$9,380,802	0.16
2031	\$601,000	\$2,016,560	-\$1,415,560	-\$10,796,362	0.30
2032	\$880,000	\$2,016,560	-\$1,136,560	-\$11,932,923	0.44
2033	\$1,224,000	\$2,016,560	-\$792,560	-\$12,725,483	0.61
2034	\$1,567,000	\$2,016,560	-\$449,560	-\$13,175,044	0.78
2035	\$1,918,000	\$2,016,560	-\$98,560	-\$13,273,604	0.95
2036	\$2,216,000	\$2,016,560	\$199,440	-\$13,074,165	1.10
2037	\$2,459,000	\$2,016,560	\$442,440	-\$12,631,725	1.22
2038	\$2,707,000	\$2,016,560	\$690,440	-\$11,941,285	1.34
2039	\$2,961,000	\$2,016,560	\$944,440	-\$10,996,846	1.47
2040	\$3,200,000	\$2,016,560	\$1,183,440	-\$9,813,406	1.59
2041	\$3,313,000	\$2,016,560	\$1,296,440	-\$8,516,967	1.64
2042	\$3,429,000	\$2,016,560	\$1,412,440	-\$7,104,527	1.70
2043	\$3,548,000	\$2,016,560	\$1,531,440	-\$5,573,087	1.76
2044	\$3,628,000	\$2,016,560	\$1,611,440	-\$3,961,648	1.80
2045	\$3,709,000	\$2,016,560	\$1,692,440	-\$2,269,208	1.84
2046	\$3,748,000	\$0	\$3,748,000	\$1,478,792	0.00
2047	\$3,787,000	\$0	\$3,787,000	\$5,265,792	0.00
2048	\$3,827,000	\$0	\$3,827,000	\$9,092,792	0.00
2049	\$3,867,000	\$0	\$3,867,000	\$12,959,792	0.00
2050	\$3,908,000	\$0	\$3,908,000	\$16,867,792	0.00
2051	\$3,949,000	\$0	\$3,949,000	\$20,816,792	0.00

Source: ECOnorthwest calculations, 2025

Conservative Scenario

In the conservative scenario, TIF allocation revenues remain consistently below debt service throughout the repayment period (2026–2045), resulting in persistent annual shortfalls. By 2045, the cumulative shortfall grows to -\$24.0 million, with debt service coverage peaking at only 0.91 in the final year of debt service. From 2046 onward, with no debt service obligations, allocation revenues contribute directly to reducing the cumulative shortfall, which decreases to -\$12.5 million by 2050. Despite some recovery post-2045, the overall scenario reflects a significant long-term deficit due to limited TIF revenues under conservative assumptions.

Figure 23: Conservative Debt Coverage Scenario

Tax Year	Conservative				
	TIF Allocation Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage
2026	\$0	\$2,016,560	-\$2,016,560	-\$2,016,560	0.00
2027	\$0	\$2,016,560	-\$2,016,560	-\$4,033,121	0.00
2028	\$14,000	\$2,016,560	-\$2,002,560	-\$6,035,681	0.01
2029	\$64,000	\$2,016,560	-\$1,952,560	-\$7,988,242	0.03
2030	\$125,000	\$2,016,560	-\$1,891,560	-\$9,879,802	0.06
2031	\$225,000	\$2,016,560	-\$1,791,560	-\$11,671,362	0.11
2032	\$327,000	\$2,016,560	-\$1,689,560	-\$13,360,923	0.16
2033	\$476,000	\$2,016,560	-\$1,540,560	-\$14,901,483	0.24
2034	\$629,000	\$2,016,560	-\$1,387,560	-\$16,289,044	0.31
2035	\$740,000	\$2,016,560	-\$1,276,560	-\$17,565,604	0.37
2036	\$853,000	\$2,016,560	-\$1,163,560	-\$18,729,165	0.42
2037	\$970,000	\$2,016,560	-\$1,046,560	-\$19,775,725	0.48
2038	\$1,088,000	\$2,016,560	-\$928,560	-\$20,704,285	0.54
2039	\$1,207,000	\$2,016,560	-\$809,560	-\$21,513,846	0.60
2040	\$1,319,000	\$2,016,560	-\$697,560	-\$22,211,406	0.65
2041	\$1,433,000	\$2,016,560	-\$583,560	-\$22,794,967	0.71
2042	\$1,549,000	\$2,016,560	-\$467,560	-\$23,262,527	0.77
2043	\$1,668,000	\$2,016,560	-\$348,560	-\$23,611,087	0.83
2044	\$1,748,000	\$2,016,560	-\$268,560	-\$23,879,648	0.87
2045	\$1,830,000	\$2,016,560	-\$186,560	-\$24,066,208	0.91
2046	\$1,867,000	\$0	\$1,867,000	-\$22,199,208	0.00
2047	\$1,904,000	\$0	\$1,904,000	-\$20,295,208	0.00
2048	\$1,924,000	\$0	\$1,924,000	-\$18,371,208	0.00
2049	\$1,945,000	\$0	\$1,945,000	-\$16,426,208	0.00
2050	\$1,965,000	\$0	\$1,965,000	-\$14,461,208	0.00
2051	\$1,986,000	\$0	\$1,986,000	-\$12,475,208	0.00

Source: EConorthwest calculations, 2025

Jobs Analysis

The job analysis considers two sources of employment tied to the TIA. First, the construction of private development will create jobs in the construction industry. These jobs will occur during the construction and are therefore “one-time” events. Once the buildings are constructed, commercial-oriented buildings will be used for commercial purposes. These jobs are “ongoing”, meaning they are permanent on the condition of occupation within the TIA. The following sections summarize these job estimates, and the methods used to derive them.

Construction Employment

Construction of the development over the anticipated build-out period would create temporary construction jobs within the region and state. The jobs estimated in Figure 24 are derived by using the 2024 value of construction investment for the Development Program Scenarios (Baseline, Moderate, and Conservative) and interpolating them into the Washington State Office of Financial Management’s Input/Output model.

The model relates spending in an industry sector to the number of jobs directly supported by that same investment. While the model estimates the number of jobs generated in the state of Washington, it is likely that most of these workers would come from the immediate region. The region is rapidly growing in population, such that many of the jobs created would be additive to existing jobs within the region. Ultimately, the income earned by workers would bring additional spending to the County that would not have otherwise occurred.

ECONorthwest estimated the total number of construction jobs based on the spending by scenario. The number of jobs at any given time would vary depending on the timing and scale of development. As expected, the scale of the investment in the Baseline scenario produces the largest amount of construction jobs, in this case, 4,300 construction jobs.

Figure 24: Construction Jobs

Scenario	Construction Jobs
Baseline	4,300
Moderate	2,500
Conservative	1,300

Source: ECONorthwest calculations and Office of Financial Management Input/Output Model, 2024.

Ongoing Employment

Based on the types of uses and square feet of building area, ECONorthwest estimated the potential number of jobs the development would support when built. These numbers are derived from the ratio estimate of building area to number of employees. The U.S. Energy Information Administration releases data from the 2018 Commercial Buildings Energy Consumption Survey (CBECS) that provides building characteristics information for commercial buildings in 2018 in the U.S. (the latest year of data). The data contain the average building square foot per worker by building use. Using the amount of planned development square footage by building use at full buildout of the scenarios, these ratios can be applied (less a vacancy rate of 5%) to estimate the number of ongoing jobs.

Figure 25: Ongoing Jobs

	Jobs			Mean SqFt/Work
	Baseline	Moderate	Conservative	
Resort Hospitality	202	101	50	2,291
Business Park	905	452	226	1,589
Office	1,337	668	334	508
Institutional	259	129	65	2,075
Retail	272	136	68	992
Commercial Recreation	72	36	18	1,211
Total	3,046	1,523	762	

Source: 2018 CBECS, Table B1. Summary table: total and means of floorspace, number of workers, and hours of operation, 2018 (Release date: September 2021)

Impact Assessment and Mitigation

Affordable Housing:

No residential housing will be displaced from the envisioned development. It is expected that as additional housing is built, demand will be lowered, and housing costs will be reduced over the long-term and become more affordable. The increased number of housing units from this development will help house a growing population base, meeting the demand with supply. Without additional housing in Douglas County, affordability will only become increasingly challenging.

Local Business Community: In addition to new residents, the development is expected to create between 760 and 3,050 ongoing jobs, depending on the chosen growth scenario. Furthermore, private investments ranging from \$375 million to \$1.294 billion will generate between 1,250 and 4,300 full-time equivalent construction jobs. These new jobs, driven by significant private investment, will provide substantial economic benefits to businesses within the County and the surrounding areas.

Local School District: The Eastmont School District’s property tax levies (enrichment, capital, and bond) are excluded from TIF under the law. The increased assessed values generated in the TIA will operate to lower the rate per thousand of assessed value of levies imposed by the district. School district Enrichment and Capital Levies are excess levies, and the districts periodically ask voters to maintain existing levels of purchasing power via voted ballots. Bond levies ask voters to approve bonds to expand or improve their facilities and to approve excess property tax levies as necessary to pay debt service on the bonds. The effect of growth in the tax base coming from TIF will have two implications. First, it increases the tax base of the district, meaning that lower overall tax rates (per thousand of AV) are needed to fund a similar level of service. Second, it increases the proportion of the tax base that is commercial which leverages the relative voting power of residential households to support school expenditures backed by these excess levies (voter-approved or otherwise).

Local Fire Service: State law mandates a mitigation plan if a Tax Increment Area (TIA) impacts at least 20% of the assessed value of an affected fire district or regional fire protection service authority. The TIA falls within the Wenatchee Valley Fire Department - Regional Fire Authority and accounts for only 0.3% of the district’s assessed value, which is \$7,285,308,924 (2023 assessment values for 2024 taxes). As this is well below the 20% threshold, no mitigation plan is

required. *Note: State law also requires a mitigation plan for a public hospital district under the same provisions as referenced. There is no public hospital district within the proposed TIA.*

Notices and Early Outreach to Impacted Taxing Districts

Washington State law requires formal notice to be provided to each impacted taxing district 90-days prior to the submission of the Project Analysis to OST. Notices were distributed on November 7, 2024. The County plans to engage the taxing districts inside the TIA prior to the adoption of any Ordinance forming a TIA. This early outreach will allow the County to collect feedback focused on the logistics of implementing TIF. Additional notices will be provided to each taxing district inside the TIA following the adoption of any TIA ordinance.

The taxing districts whose property tax levy would be directly impacted by TIF include:

- Chelan-Douglas Regional Port Authority
- Eastmont Metropolitan Park District
- Wenatchee Valley Fire Department – Regional Fire Authority
- North Central Library District

But-For-Requirement

Washington State’s TIF law requires its local government sponsor to make the following findings:

- (i) The public improvements proposed to be paid or financed with tax allocation revenues are expected to encourage private development within the increment area and to increase the assessed value of real property within the increment area;
- (ii) Private development anticipated to occur within the increment area as a result of the proposed public improvements will be permitted consistent with the permitting jurisdiction's applicable zoning and development standards;
- (iii) The private development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future without the proposed public improvements; and,
- (iv) The increased assessed value within the increment area that could reasonably be expected to occur without the proposed public improvements would be less than the increase in the assessed value estimated to result from the proposed development with the proposed public improvements.

These findings (specifically sections i, ii, and iv) are commonly referred to as the “But-For-Requirement”. The name comes from the assertion that private development would not occur but-for provision of the public improvements through the use of TIF. This requirement is a foundational element of TIF, which directs public tax dollars generated by the development to only those public improvement projects necessary to support the proposed development. Although TIF is new to Washington state governments, the But-For-Requirement and associated analysis is not.

Many local governments have examined its return on infrastructure investment from the generation of ongoing tax revenues associated with private development projects. Additionally, for most local governments, infrastructure demand exceeds revenue capacity, forcing local governments to make priority decisions regarding infrastructure projects that are funded with tax dollars and determining which projects can be paid for by developers. The But-For-Requirement for TIF formalizes the analysis and requires the local government sponsoring TIF to provide convincing evidence showing that tax dollars from the TIA are reasonably necessary to make the development possible.

If the proposed development would occur without TIF, public tax dollars should not be used because it will cost taxpayers more than it should for the resulting development or growth. However, if TIF is used to encourage a development that would not otherwise be reasonably expected to happen, the tax base can be increased. A larger tax base helps pay for needed services and can control the growth of new taxes. The But- For-Requirement is critical to determining the proper use of public tax dollars.

The proposed Wenatchi TIA is an area of Douglas County that has limited development primarily due to the need for significant public infrastructure/improvements to stimulate the 283 acres of economic opportunities among multiple land uses. For the past decade, the County has been planning and working on providing infrastructure to this area and has identified several transportation improvements that are needed; specifically the Wenatchi Landing Interchange and Empire Avenue to 35th Street NW at a cost \$25,130,800. If these improvements, along with the other identified public improvements (38th Street NW – Interchange to NW Cascade Avenue - \$13,131,000 & NW Empire Avenue – Interchange to Cascade Avenue NW - \$21,596,000) were required to be funded by private developers it would likely mean that only smaller scale residential developments would be built.

Expected Development Without TIF Improvements

In the absence TIF, assessed value growth is projected to be significantly less than all alternative scenarios. By 2050, assessed values in the “No TIF” scenario are estimated at approximately \$75 million in incremental assessed valuation by 2050, reflecting only a modest increase—roughly five times the current value in the district. This is markedly lower than the baseline, moderate, and conservative growth projections, which all assume much higher levels of economic development and property value appreciation driven by TIF-supported investments. Without TIF, the County faces constrained growth potential and limited capacity to capture the economic benefits seen in alternative scenarios estimated to be roughly 10% of the development seen in the Conservative Scenario. The figure below compares the amount of assessed valuation growth in both conditions. Note that market values cited earlier in the report are 2025 prices and are inflated at an assumed inflation rate of 3% a year per the timing in the development programs.

Figure 26: Comparison of Incremental Assessed Value Growth Between TIF Scenarios and No TIF

Assessment Year	2026	2030	2035	2040	2045	2050
Baseline	\$0	\$83,134,000	\$834,948,000	\$1,729,077,000	\$2,267,356,000	\$2,584,130,000
Moderate	\$0	\$91,623,000	\$578,254,000	\$1,043,588,000	\$1,308,706,000	\$1,491,547,000
Conservative	\$0	\$34,751,000	\$223,051,000	\$430,139,000	\$645,719,000	\$750,023,000
No TIF	\$0	\$3,475,000	\$22,305,000	\$43,014,000	\$64,572,000	\$75,002,000

Source: ECONorthwest calculations, 2025

Summary of “But-For-Requirement”

Based on the above analysis the proposed private development could not be reasonably expected to occur without the identified TIF infrastructure improvements. Additionally, the assessed values from projected private development within the TIA would be less than the increase in assessed values from private development with the TIF improvements.

Additional Incremental Taxes

Any LTGO bonds issued by the County are backed by its full faith and credit, ensuring bondholders can make a legal claim against the County’s general revenue in the event of a default. To meet its debt obligations, the County can draw from any unrestricted revenue sources available. Washington state tax policy incentivizes governments that expand their tax bases by allowing them to collect additional revenues, fostering a mutually reinforcing relationship between housing and commercial development and increased tax revenue.

New land development involves direct investments in land preparation and construction, enhancing the economic productivity of the land through residential and commercial use. This economic activity expands taxable bases, including property value, retail sales, and business income, which governments can tax (subject to rate and annual increase limitations) to support public services and infrastructure needs.

In addition to property taxes generated within the TIF, the development and occupancy of buildings in the TIA will produce other incremental tax revenues, further contributing to the County’s financial capacity.

Douglas County

Douglas County is the regional service provider for public safety and justice, health and safety, transportation, planning and zoning, property tax assessment and elections, along with other regional services. To support these services, the County collects a range of general and restricted taxes, these include the following.

Sales & Use Taxes

The County collects a small percentage of the 8.4% sales tax with most of the rate going to the State. Douglas County collects a 1% local option sales tax to fund general government services, along with dedicated sales taxes for 911 infrastructure and a 0.1% criminal justice sales tax. This analysis focuses solely on the local option sales tax as a discretionary revenue source potentially available to support bond debt, given that the 911 and criminal justice taxes are restricted for specific purposes.

Real Estate Excise Tax (REET)

Real estate transactions in Douglas County are subject to a 0.25% Real Estate Excise Tax (REET) on the transaction value, with revenues dedicated to capital-restricted funds for financing capital

projects. REET revenues are inherently volatile, as they fluctuate with the real estate market. In active markets, revenues increase, while softer markets result in reduced revenues.

For this analysis, it is assumed that all newly completed projects are sold upon completion. Additionally, it is estimated that 2.4% of the total property value in the County turns over (re-sells) annually, based on the historical average of REET sales to total assessed value in 2023. This turnover rate is used to project annual REET revenues in this analysis.

Tax Base Productivity Assumptions

It is assumed that each housing unit will house on average 1.9 persons and that the development will be 90% occupied (to account for times when homes sit vacant). Construction costs represent the average per square foot cost for different building types based on recent construction comparable projects (note: these costs are different from what a project is assessed at for property tax purposes).

The below costs are subject to retail sales taxes on construction activity:

- Office: \$250 per square foot
- Business Park Retail: \$175 per square foot
- Institutional: \$300 per square foot
- Recreation Retail: \$245 per square foot
- Dwelling Unit: \$225,000 per unit

On-going taxable retail sales are based on assumed comparable businesses:

- Retail: \$325 per square foot
- Business Park and Office: \$5 per square foot
- Lodging: \$130 per square foot
- Dwelling Unit: \$2,500 per unit

Summary of Additional Tax Results

The present value (PV) of tax benefits varies significantly across the Baseline, Moderate, and Conservative scenarios, reflecting differing levels of development and economic activity in the TIA. Under the Baseline scenario, the PV of incremental revenues is the highest at \$26.83 million, driven by \$7.52 million from sales tax on construction, \$17.02 million from ongoing sales taxes, and \$2.29 million from REET. The Moderate scenario yields a PV of \$14.57 million, with lower contributions of \$4.5 million from construction sales tax, \$8.7 million from ongoing sales tax, and \$1.37 million from REET. The Conservative scenario projects the lowest PV at \$6.97 million, comprising \$2.18 million from construction sales tax, \$4.13 million from ongoing sales tax, and \$660,000 from REET. The nominal values, unadjusted for present value, range from \$55.89 million in the Baseline scenario to \$29.57 million in the Moderate scenario and \$14.65 million in the Conservative scenario, illustrating the varying fiscal impacts of development intensity.

Figure 27: Summary of additional tax benefits (present value, 2024\$)

	Baseline	Moderate	Conservative
Sales Tax on Construction	\$7,520,000	\$4,500,000	\$2,180,000
Ongoing Sales Tax	\$17,020,000	\$8,700,000	\$4,130,000
REET	\$2,290,000	\$1,370,000	\$660,000
Total Incremental Revenues (PV)	\$26,830,000	\$14,570,000	\$6,970,000
Nominal Value	\$55,890,000	\$29,570,000	\$14,650,000

Source: ECONorthwest calculations, 2025

Risk Assessment and Mitigation Plan

As stated in the summary and introduction above, TIF is a powerful tool available to local governments for encouraging development. Using local property tax revenues to finance certain public improvements can encourage and generate the desired or envisioned private development; however, using TIF has risks. The largest risks are that: 1) the expected private development does not occur; occurs slower than expected; and/or, the type of private vertical (office, retail, housing) development and its magnitude is less than expected; and, 2) the cost projected for the public improvements is higher than projected.

These risks impact the expected revenues to be generated within the TIA or the costs for the public infrastructure improvements. If revenue is not as expected, a local government must then use other sources of revenue to pay for the public improvements. The County will be obligated to pay for and debt issued for the TIF infrastructure even if little or no private development materializes. As stated previously in this report, the County may issue LTGO bonds which will be backed by the County's full faith and credit, meaning bondholders can make a legal claim against the general revenue of the County if a default occurs. The County should have a mitigation plan to address a shortfall in revenue or overrun of infrastructure improvement costs.

Other related risks include over-investment of infrastructure funding by TIF, which can waste limited tax dollars for other uses. Local governments can guard against and potentially avoid the over-investing and under-investing by carefully evaluating the local market conditions and performing the analysis associated with the But-For-Requirement identified in this report. When TIF is used correctly, the growth and development pay for the infrastructure investments that encouraged it.

Due to the speculative nature of the private development assumptions, the County has identified the Conservative Development Scenario as the most likely development scenario, unless a specific development is planned and identified. Based on this scenario, the TIA is projected to generate approximately \$12,290,000 (present value) in additional property tax revenues over a 25-year TIF period (2025-2050). This scenario will require the County to provide other funding identified below to support the projected public improvement cost of \$25 million.

If the Moderate Scenario is achieved, TIF revenues are sufficient to support the identified public improvements. The County will need to fill the financial gap (e.g., the difference between TIF allocation revenues and debt payments) projected to occur for 9 years for a total gap of \$11,257,044 in year 2034 in the Moderate Development Scenario with other sources of revenue that are identified below. This amount can then be repaid from increased TIF revenues after the proposed private development stabilizes in later years or from additional local taxes coming from the development.

Figure 28: Summary of Conservative TIF Allocations & Debt

Tax Year	Conservative				
	TIF Allocation Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage
2026	\$0	\$2,016,560	-\$2,016,560	-\$2,016,560	0.00
2027	\$0	\$2,016,560	-\$2,016,560	-\$4,033,121	0.00
2028	\$14,000	\$2,016,560	-\$2,002,560	-\$6,035,681	0.01
2029	\$64,000	\$2,016,560	-\$1,952,560	-\$7,988,242	0.03
2030	\$125,000	\$2,016,560	-\$1,891,560	-\$9,879,802	0.06
2031	\$225,000	\$2,016,560	-\$1,791,560	-\$11,671,362	0.11
2032	\$327,000	\$2,016,560	-\$1,689,560	-\$13,360,923	0.16
2033	\$476,000	\$2,016,560	-\$1,540,560	-\$14,901,483	0.24
2034	\$629,000	\$2,016,560	-\$1,387,560	-\$16,289,044	0.31
2035	\$740,000	\$2,016,560	-\$1,276,560	-\$17,565,604	0.37
2036	\$853,000	\$2,016,560	-\$1,163,560	-\$18,729,165	0.42
2037	\$970,000	\$2,016,560	-\$1,046,560	-\$19,775,725	0.48
2038	\$1,088,000	\$2,016,560	-\$928,560	-\$20,704,285	0.54
2039	\$1,207,000	\$2,016,560	-\$809,560	-\$21,513,846	0.60
2040	\$1,319,000	\$2,016,560	-\$697,560	-\$22,211,406	0.65
2041	\$1,433,000	\$2,016,560	-\$583,560	-\$22,794,967	0.71
2042	\$1,549,000	\$2,016,560	-\$467,560	-\$23,262,527	0.77
2043	\$1,668,000	\$2,016,560	-\$348,560	-\$23,611,087	0.83
2044	\$1,748,000	\$2,016,560	-\$268,560	-\$23,879,648	0.87
2045	\$1,830,000	\$2,016,560	-\$186,560	-\$24,066,208	0.91
2046	\$1,867,000	\$0	\$1,867,000	-\$22,199,208	0.00
2047	\$1,904,000	\$0	\$1,904,000	-\$20,295,208	0.00
2048	\$1,924,000	\$0	\$1,924,000	-\$18,371,208	0.00
2049	\$1,945,000	\$0	\$1,945,000	-\$16,426,208	0.00
2050	\$1,965,000	\$0	\$1,965,000	-\$14,461,208	0.00
2051	\$1,986,000	\$0	\$1,986,000	-\$12,475,208	0.00

Source: ECONorthwest, 2025

Development Mitigation

Development Program Sensitivity Analysis: Three different private development program scenarios (Baseline, Moderate, and Conservative) have been developed and evaluated to identify potential TIF revenues and sufficient mitigation measures should development not occur (worst case) or occur at a different speed and magnitude.

Development Agreement: Douglas County may pursue development agreements with developers of key development sites in order to provide predictable timeframes and possible assurances that private development will occur.

Financial Mitigation

The following mitigation plan is proposed to provide multiple levels of financial protection to fill any financial gaps that occur in the early years of the TIA until private development and TIF revenues stabilize or should the expected private development occur slower than planned.

Level 1:

Debt Issuance Timing & Structure. The County may reduce its financial exposure related to the timing and scope of private development by strategically timing the issuance of any LTGO bond debt to coincide with the private development advancement providing for greater development and TIA revenue certainty.

Figure 29 below is a modified debt service structure (interest only for first 5 years) designed to limit the County's need to borrow from other sources to pay the projected debt service under the Conservative Development Scenario. In this situation, the interest only structure shows the County will need to fill the financial gap (e.g., the difference between TIF allocation revenues and debt payments) projected to be at 20 years but the cumulative annual deficits grow over time.

The County is also seeking grants and direct state and federal funding to reduce the reliance on TIF revenues prior to any debt being issued for the project.

Figure 29: Net Interest Only Debt Service (first five years)

Tax Year	Conservative				
	TIF Allocation Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage
2026	\$0	\$1,256,540	-\$1,256,540	-\$1,256,540	0.00
2027	\$0	\$1,256,540	-\$1,256,540	-\$2,513,080	0.00
2028	\$14,000	\$1,256,540	-\$1,242,540	-\$3,755,620	0.01
2029	\$64,000	\$1,256,540	-\$1,192,540	-\$4,948,160	0.05
2030	\$125,000	\$1,256,540	-\$1,131,540	-\$6,079,700	0.10
2031	\$225,000	\$2,421,159	-\$2,196,159	-\$8,275,859	0.09
2032	\$327,000	\$2,421,159	-\$2,094,159	-\$10,370,018	0.14
2033	\$476,000	\$2,421,159	-\$1,945,159	-\$12,315,176	0.20
2034	\$629,000	\$2,421,159	-\$1,792,159	-\$14,107,335	0.26
2035	\$740,000	\$2,421,159	-\$1,681,159	-\$15,788,494	0.31
2036	\$853,000	\$2,421,159	-\$1,568,159	-\$17,356,653	0.35
2037	\$970,000	\$2,421,159	-\$1,451,159	-\$18,807,811	0.40
2038	\$1,088,000	\$2,421,159	-\$1,333,159	-\$20,140,970	0.45
2039	\$1,207,000	\$2,421,159	-\$1,214,159	-\$21,355,129	0.50
2040	\$1,319,000	\$2,421,159	-\$1,102,159	-\$22,457,288	0.54
2041	\$1,433,000	\$2,421,159	-\$988,159	-\$23,445,446	0.59
2042	\$1,549,000	\$2,421,159	-\$872,159	-\$24,317,605	0.64
2043	\$1,668,000	\$2,421,159	-\$753,159	-\$25,070,764	0.69
2044	\$1,748,000	\$2,421,159	-\$673,159	-\$25,743,923	0.72
2045	\$1,830,000	\$2,305,865	-\$475,865	-\$26,219,788	0.79
2046	\$1,867,000	\$0	\$1,867,000	-\$24,352,788	0.00
2047	\$1,904,000	\$0	\$1,904,000	-\$22,448,788	0.00
2048	\$1,924,000	\$0	\$1,924,000	-\$20,524,788	0.00
2049	\$1,945,000	\$0	\$1,945,000	-\$18,579,788	0.00
2050	\$1,965,000	\$0	\$1,965,000	-\$16,614,788	0.00
2051	\$1,986,000	\$0	\$1,986,000	-\$14,628,788	0.00

Source: ECONorthwest, 2025

Alternatively, debt could be structured to proportionally match the expected tax allocation revenues with a longer interest-only payment or more back-loaded payments by capitalizing the interest. The tradeoff with both of these measures is that more interest will be paid on the bonds.

Level 2:

Additional Taxes from Conservative Development Scenario:

Based on the Conservative Development Scenario, it is projected the County will receive a present value of \$6.9 million in additional tax revenues generated by the proposed development. A portion of these incremental additional taxes can be used to support any infrastructure debt service gap in TIF revenues. Holding 30% to cover potential increases in public service operating costs, additional revenues that may service debt is shown below. Applying these additional tax revenues (assumed to be 70% of the total) and Interest only for the first 5 years to this Conservative

Development Scenario, the number of years of deficit stays at 20 years and the amount unpaid balance at 2050 decreases from \$14,628,788 to \$4,373,788 (as compared to the interest only example).

Figure 30: Comparison of Debt Payment Surplus/Deficits; Interest Only; Other Additional Taxes;

Year	Conservative with Taxes					
	TIF Allocation Revenues	Additional Tax Share (70%)	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage
2026	\$0	\$0	\$1,256,540	-\$1,256,540	-\$1,256,540	0.00
2027	\$0	\$21,000	\$1,256,540	-\$1,235,540	-\$2,492,080	0.02
2028	\$14,000	\$77,000	\$1,256,540	-\$1,165,540	-\$3,657,620	0.07
2029	\$64,000	\$112,000	\$1,256,540	-\$1,080,540	-\$4,738,160	0.14
2030	\$125,000	\$196,000	\$1,256,540	-\$935,540	-\$5,673,700	0.26
2031	\$225,000	\$245,000	\$2,421,159	-\$1,951,159	-\$7,624,859	0.19
2032	\$327,000	\$336,000	\$2,421,159	-\$1,758,159	-\$9,383,018	0.27
2033	\$476,000	\$392,000	\$2,421,159	-\$1,553,159	-\$10,936,176	0.36
2034	\$629,000	\$371,000	\$2,421,159	-\$1,421,159	-\$12,357,335	0.41
2035	\$740,000	\$385,000	\$2,421,159	-\$1,296,159	-\$13,653,494	0.46
2036	\$853,000	\$434,000	\$2,421,159	-\$1,134,159	-\$14,787,653	0.53
2037	\$970,000	\$476,000	\$2,421,159	-\$975,159	-\$15,762,811	0.60
2038	\$1,088,000	\$518,000	\$2,421,159	-\$815,159	-\$16,577,970	0.66
2039	\$1,207,000	\$539,000	\$2,421,159	-\$675,159	-\$17,253,129	0.72
2040	\$1,319,000	\$546,000	\$2,421,159	-\$556,159	-\$17,809,288	0.77
2041	\$1,433,000	\$560,000	\$2,421,159	-\$428,159	-\$18,237,446	0.82
2042	\$1,549,000	\$581,000	\$2,421,159	-\$291,159	-\$18,528,605	0.88
2043	\$1,668,000	\$539,000	\$2,421,159	-\$214,159	-\$18,742,764	0.91
2044	\$1,748,000	\$539,000	\$2,421,159	-\$134,159	-\$18,876,923	0.94
2045	\$1,830,000	\$483,000	\$2,305,865	\$7,135	-\$18,869,788	1.00
2046	\$1,867,000	\$483,000	\$0	\$2,350,000	-\$16,519,788	0.00
2047	\$1,904,000	\$462,000	\$0	\$2,366,000	-\$14,153,788	0.00
2048	\$1,924,000	\$469,000	\$0	\$2,393,000	-\$11,760,788	0.00
2049	\$1,945,000	\$483,000	\$0	\$2,428,000	-\$9,332,788	0.00
2050	\$1,965,000	\$497,000	\$0	\$2,462,000	-\$6,870,788	0.00
2051	\$1,986,000	\$511,000	\$0	\$2,497,000	-\$4,373,788	0.00

Source: ECONorthwest Calculations, 2025

Level 3:

General Fund Reserves & Re-Prioritization of Existing Capital Projects. The County has identified approximately \$37 million in available reserves (see State Audit Report Summary in Appendices) not allocated to any specific operating or capital expense. Some of these reserves could be allocated pay the debt service for infrastructure improvements if property tax revenue from the TIA is insufficient. Additionally, the County may reprioritize some capital project expenditures to respond to any gaps between TIF revenues and debt payments.

Financial Mitigation Summary:

Depending on the actual revenue-debt gap, the County will likely be required to use multiple levels of mitigation identified above to satisfy its debt obligations if development does not occur as expected in accordance with any of the development scenarios.

Additional Mitigation Measures

Public Improvement Cost Containment. Douglas County has experience with managing the delivery process for the needed transportation improvements, including working with the Washington State Department of Transportation to deliver a project on time and on budget. The cost estimates for the TIF public infrastructure improvements are currently planning level estimates and include a significant contingency to buffer any volatility in the construction industry. Construction costs will be further refined prior to the issuance of any debt.

There are other risks that a local government faces regularly such as: construction delays, which increase costs for public infrastructure improvements; economic slowdown or recession; higher borrowing costs than even accounted for in the Project Analysis; and lower levy rates within the TIA than anticipated. The County has been successful in addressing these secondary type risks by using conservative estimates and adherence to prudent fiscal and construction management policies. The County will continue these same practices as it implements the proposed TIA and the associated infrastructure improvements.

TIF Team

Staff

- Kazi Haque, AICP, Land Services Director
- Jordyn Giulio, County Administrator
- Jim Rudd, Assessor
- Karen Goodwin, CPA, Chief Accountant
- Leah Hurd, Deputy Chief Accountant
- Aaron Simmons, PE, County Engineer
- Bob Holmes, Nexxus Consulting, LLC
- James Mitchell, Civil Deputy Prosecuting Attorney

Increment Financing Consultants

- Bob Stowe, Stowe Development & Strategies (TIF Project Manager)
- Morgan Shook, ECONorthwest

Future TIF Actions

There are a number of actions that will occur before the Douglas County Commission formally considers the formation of a TIA within the Wenatchi Landing area. First, is to receive and review feedback offered by the Office of the State Treasurer related to this Project Analysis. Second, based on any feedback, the TIF team will evaluate and make appropriate adjustments to its proposed TIF program. Third, is to conduct two separate public briefings on the proposed TIA and provide formal notice in the local newspaper. The County will continue to seek state and federal funding to reduce the reliance on TIF revenues, and engage its local partners and taxing districts as discussions continue. There are also a number of planning, engineering, finance, and legal activities that will occur to advance the proposed public improvements and private development. Below is an expected schedule for future TIF actions.

Schedule

Douglas County TIA Schedule	
Analysis & Planning	
Conduct Preliminary TIA Assessment	March - November 2024
Notice of Intent to Taxing Districts	7-Nov-24
Complete Project Analysis Findings and Review with County	January-February, 2025
Outreach & Review	
Submit Project Analysis to OST for 90-day Review	2/8/25
Submit Project Analysis to Taxing Districts for Review	2/8/25
Conduct Early Outreach With Taxing Districts	February-April, 2025
OST Review Period Expires	5/9/25
Adoption Consideration	
Present OST Comments to Commission	5/10/25
Present Draft TIA Ordinance for Review	March- May, 2025
Conduct Two Public Briefings on Proposed TIA	May, 2025 (after 5/9/25)
Commission to Consider Adoption of Ordinance Forming TIA	May, 2025 (after 5/9/25)
Implementation	
Execute Developer/Financial Agreements as Warranted	2025-2030
Evaluate Development Readiness/Market Conditions	2025-2030
Issue Debt and/or Construct Improvements	2025-2030
Monitor Development Activity and TIF Resources	2025-2050

Findings | Bottom Line

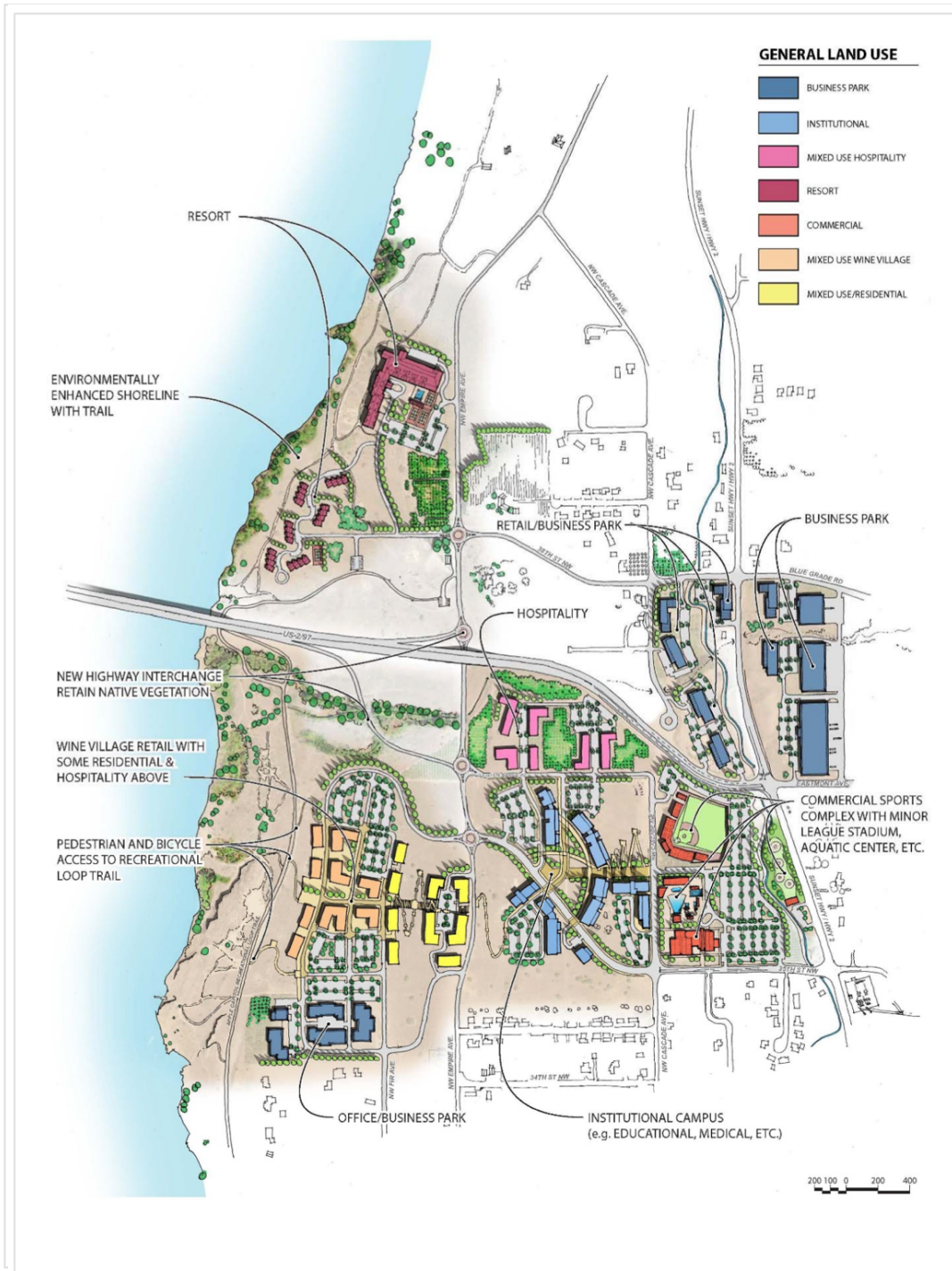
The envisioned Wenatchi Landing development within the TIA would not be viable without the County's intervention to provide the identified transportation improvements. The County has demonstrated a strong nexus between the proposed development and the proposed public improvements. The County understands that the TIF projections are speculative at this time and prior to the issuance of any debt, revenues will be re-examined based on specific and planned development along with any state or federal funding that has been secured by the County for the identified public improvements.

There are no negative impacts on affordable housing, the local business community, the local school district, and the local tax districts. The Wenatchi Landing development will provide for jobs and investment into the local and regional economy.

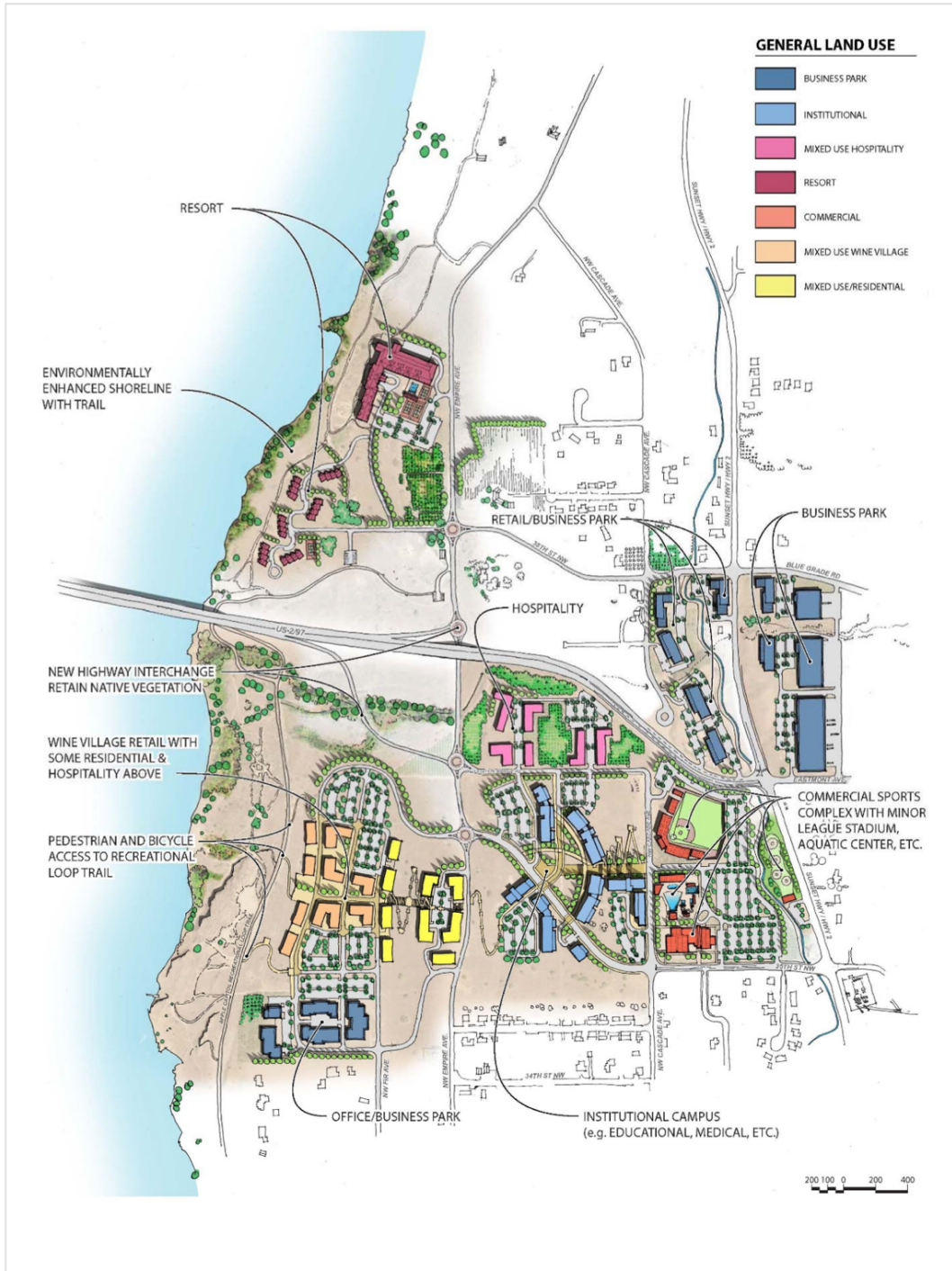
Based on all of the above findings and information contained in this Project Analysis, the Wenatchi Landing development and its proposed TIA meets both the spirit and the letter of Washington's State's TIF law.

APPENDICES

- State Audit Report Summary
- Consultant Team Bios



State Audit Report Summary



Douglas County Debt Service Summary

Douglas County: Financial Summary

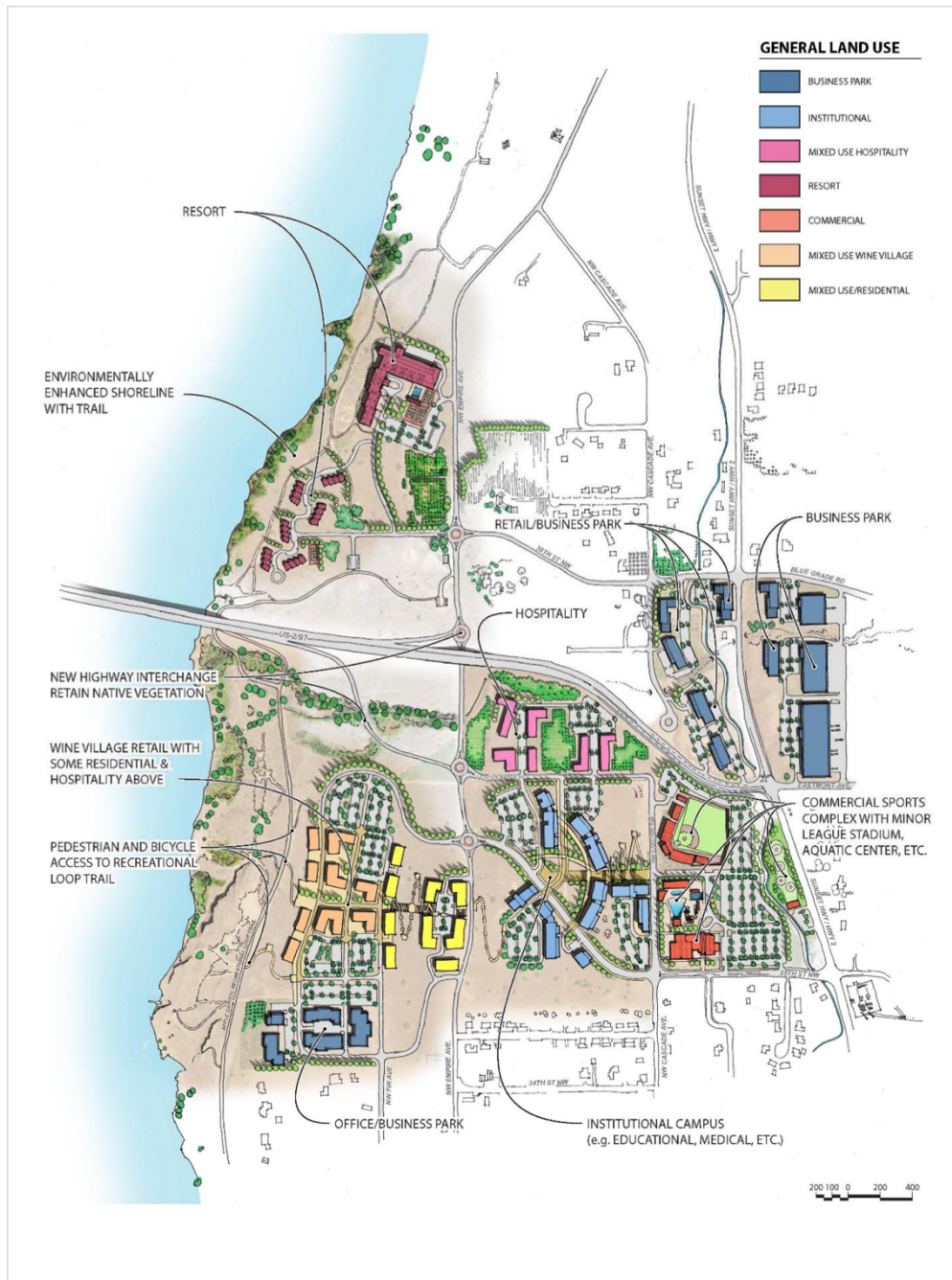
For FY2019-2023, Estimated 2024
All Funds

Categories	2019 All Funds	2020 All Funds	2021 All Funds	2022 All Funds	2023 All Funds	2024 Estimated All Funds
Beginning Balances	\$47,300,886	\$40,616,780	\$45,889,883	\$62,607,579	\$76,812,596	\$78,527,952
Restricted Cash and Investments - Beginning (308.31.00) Reserved	\$37,005,541	\$16,946,399	\$19,703,193	\$25,390,356	\$29,715,898	\$32,106,390
Committed Cash and Investments - Beginning (308.41.00)		\$11,731,615	\$11,792,708	\$15,555,904	\$14,943,533	\$8,491,218
Assigned Cash and Investments - Beginning (308.51.00)					\$3,722,245	\$4,894,819
Unassigned Cash and Investments - Beginning (308.91.00)	\$10,295,345	\$11,938,766	\$14,393,982	\$21,661,319	\$28,430,920	\$33,035,525
Revenues	\$45,418,538	\$47,638,875	\$56,105,775	\$59,361,981	\$57,846,568	\$64,469,007
Other Increases	\$8,846,405	\$2,484,545	\$2,895,389	\$2,081,384	\$3,944,347	\$3,942,525
Expenditures	\$35,795,479	\$34,460,691	\$35,807,254	\$39,199,570	\$47,049,538	\$62,177,331
Other Decreases	\$25,153,572	\$10,389,629	\$6,476,217	\$8,038,779	\$13,026,030	\$7,265,936
Ending Balances	\$40,616,779	\$45,889,883	\$62,607,580	\$76,812,596	\$78,527,952	\$77,496,217
Restricted Cash and Investments - Ending (508.31.00) Reserved in 2	\$26,492,317	\$19,703,193	\$28,573,051	\$35,908,170	\$32,106,390	\$32,182,375
Committed Cash and Investments - Ending (508.41.00)		\$11,792,708	\$12,373,210	\$8,751,261	\$8,491,218	\$7,726,198
Assigned Cash and Investments - Ending (508.51.00)				\$3,722,245	\$4,894,819	\$6,051,555
Unassigned Cash and Investments - Ending (508.91.00)	\$14,124,462	\$14,393,982	\$21,661,319	\$28,430,920	\$33,035,525	\$31,536,089

Available Reserves

	Fund Balance Estimate 12/31/2024
General Fund Balance	\$26,136,995.41
REET Fund Balance	\$5,368,971.78
Local Government Assistance	\$6,024,261.00
Possible Other Sources of Funds to pay Bond	
Annual payment savings of bond paid off in 2026	\$260,000.00
Annual payment savings of bond paid off in 2028	\$332,800.00

Consultant Team Bios



Bob Stowe - Principal



Bob Stowe is the principal and founder of Stowe Development & Strategies — a company he formed in 2016 to help public sector clients succeed with their economic and community development interests. With 34 years of experience in progressive community transformations, Bob is one of the Northwest’s most innovative and entrepreneurial real estate and community developers. He uses sound long- range fiscal planning skills and has achieved enviable results in leading redevelopment efforts from the dream stage to construction. This is true for projects large and small, straightforward and complex.

Bob’s understanding and experience with tax increment financing, master plan development, transit oriented development, placemaking, negotiation of purchase and sale agreements, development agreements, public benefit agreements, and his ability to create public private partnerships make him an ideal public sector development partner.

Bob has been responsible for leading, managing, coordinating, and implementing a wide variety of complex and multi-faceted projects including, downtown revitalization plans, civic center plans and development, master plans, public-private partnerships, and transit-oriented developments to name a few.

Bob was the City Manager for the City of Bothell, Washington from 2005 to 2016 where he was the architect and leader of Washington’s largest and most successful publicly-led downtown revitalization. Under Bob’s leadership, this project utilized a Local Infrastructure Financing Tool award (AKA TIF light) as part of the funding package that stimulated private investment of over \$300 million; a very big step in achieving the City’s 25-year goal of \$650 million. The fact that nearly half that goal was reached in just a few years, during the Great Recession, and with leverage from public/private collaboration, made it all the more remarkable.

Bob guided the development of approximately \$150 million in public sector improvements (relocation of a state highway, creation of new streets, storm water system, parks, environmental clean-up, etc.) identified as necessary to achieve the revitalization vision. The massive public development plan and schedule also needed to align with private sector purchase of surplus land from the City, environmental remediation, public streets to be developed by the private sector, and on-site mixed-use development. Precise scheduling, communication and the ability to respond to changing conditions were skills that Bob successfully delivered on this project.

Before arriving in Bothell, Bob was the City Manager for the City of Mill Creek for nine years and helped lead development of the award-winning Mill Creek Town Center in the early 2000s. His first downtown transformation project began with the revitalization of Downtown Dayton, Washington in the late 1980s.

The hallmark of Bob’s effort is his commitment to create well designed and environmentally sustainable places where people want to live, work, and come together to celebrate. Bob has tackled the most difficult and complex projects, achieving the redevelopment and economic dreams of several communities with his failure is not an option approach.

EDUCATION

- MBA, Albers School of Business & Economics, Seattle University (with honors).
- BA, Urban and Regional Planning, Eastern Washington University.

Morgan Shook - Director/Partner



Morgan Shook is a Senior Policy and Economic Analyst working in real estate, land use, and transportation economics, and finance. He has deep expertise in economic, market and financial analytics that he brought to bear in business, enterprise, and policy settings.

Morgan has worked for a range of government, business, and non-profit clients to advance their missions that in diverse set areas and topics.

Morgan has worked on every form of tax increment financing in Washington including Community Revitalization Financing, Local Infrastructure Financing Tool, Local Revitalization Financing LRF, Landscape Conservation and Local Infrastructure Program, as well as the recently passed Tax Increment Financing bill in the 2021 legislative session.

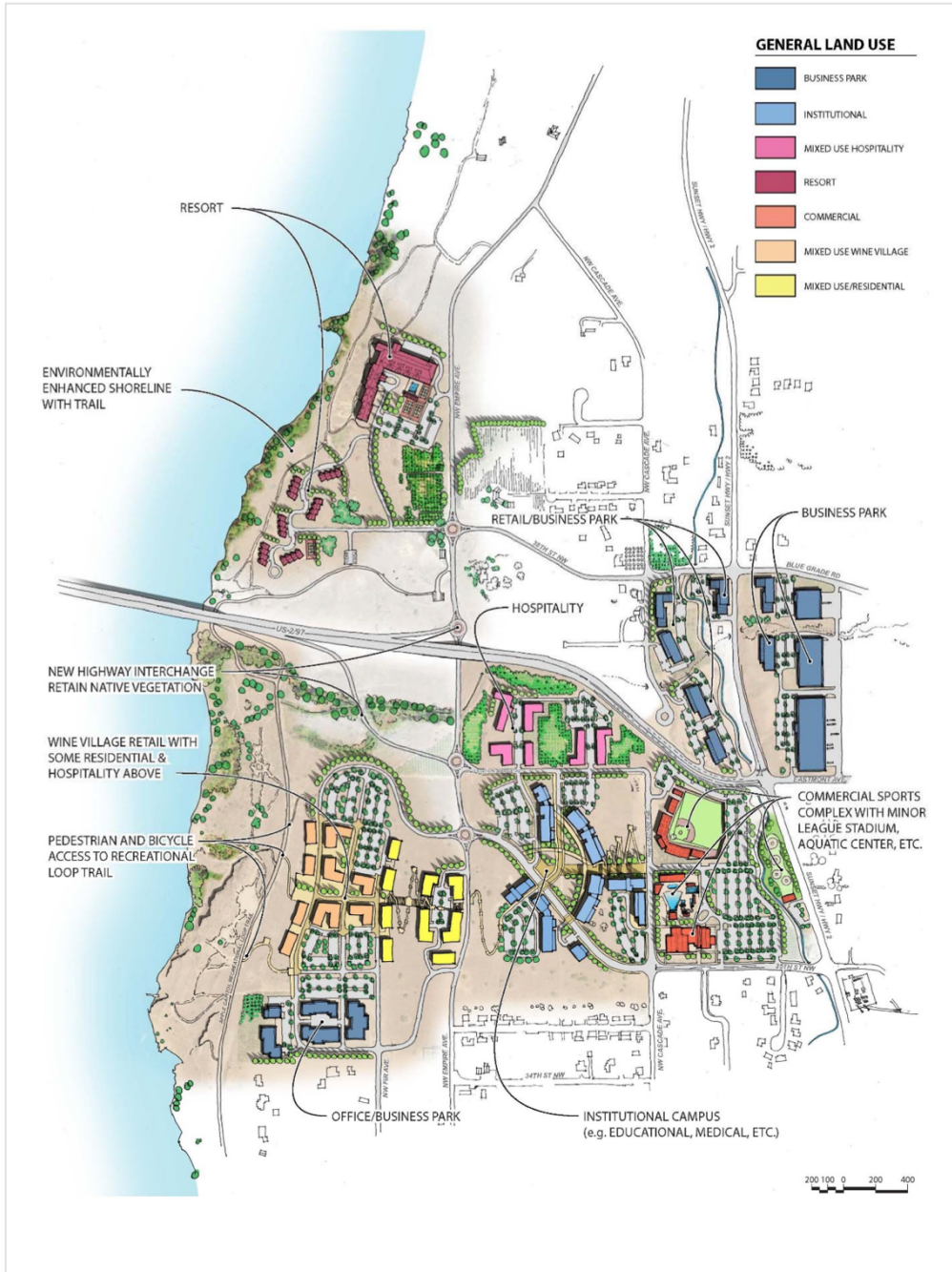
Before joining ECONorthwest, Morgan worked in biotechnology development at the Institute for Systems Biology, and health disparities research at the University of Chicago. Morgan recently served on the Seattle Planning Commission.

EDUCATION

- M.U.R.P., Portland State University
- B.S. Molecular Biology, University of Puget Sound
- Certificate in Commercial Real Estate Development, University of Washington Extension

Areas of Expertise

- Economic Development
- Affordable Housing
- Land Use Planning
- Market & Feasibility Analysis
- Infrastructure & Finance Funding
- Transit-Oriented Development



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