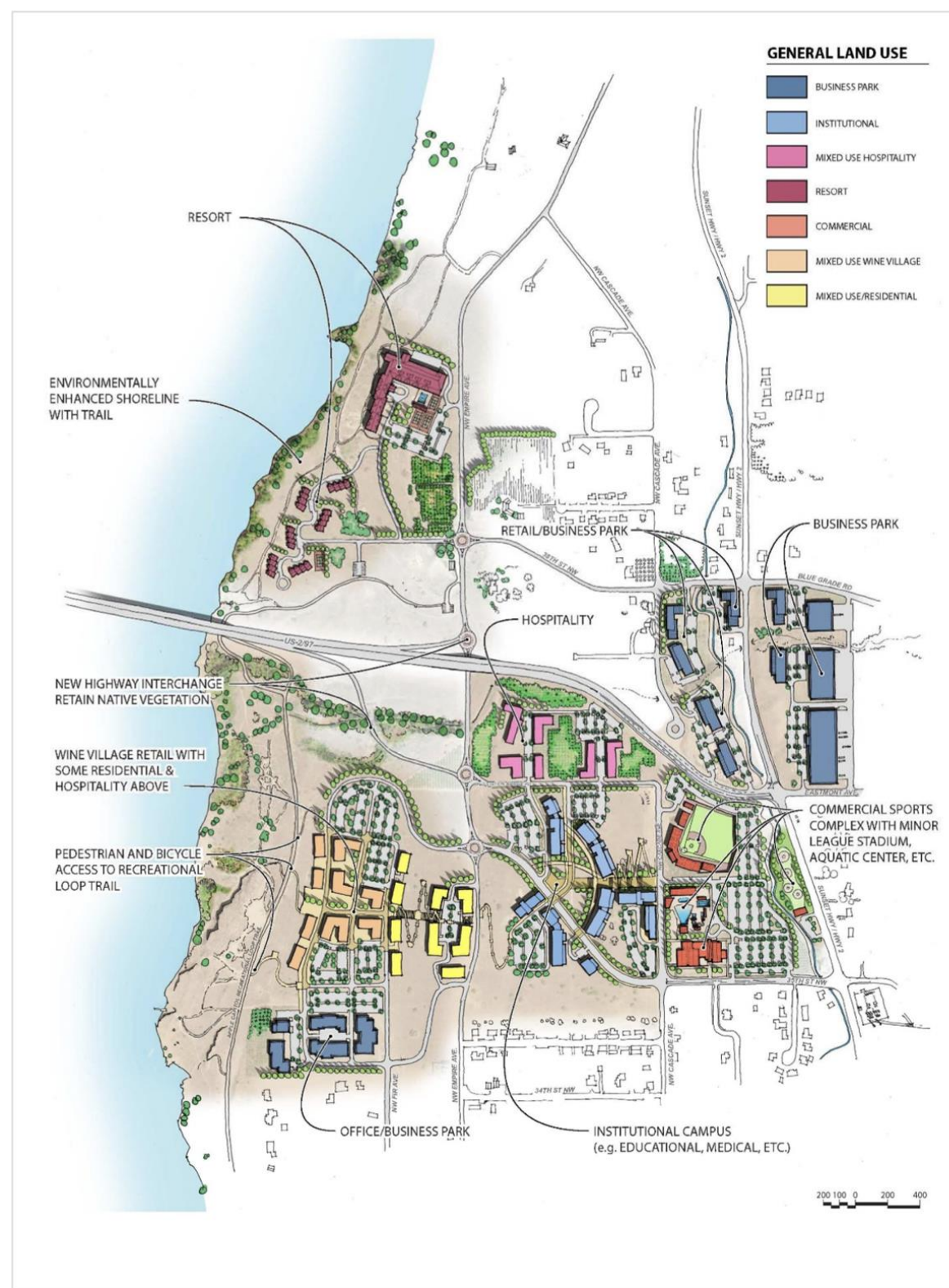


Douglas County TIF Strategy for Wenatchi Landing



Agenda

1. Introduction - Bob Stowe
2. Refresher/Overview – Tax Increment Financing (TIF)
3. Step 1 TIF Strategy Analysis
4. Questions

Refresher – What is TIF

- **Economic Development and Financing Tool** that supports desired private development by redirecting some property tax revenues generated by the private development to fund public improvements needed for the private development to exist.

Tax Increment Financing

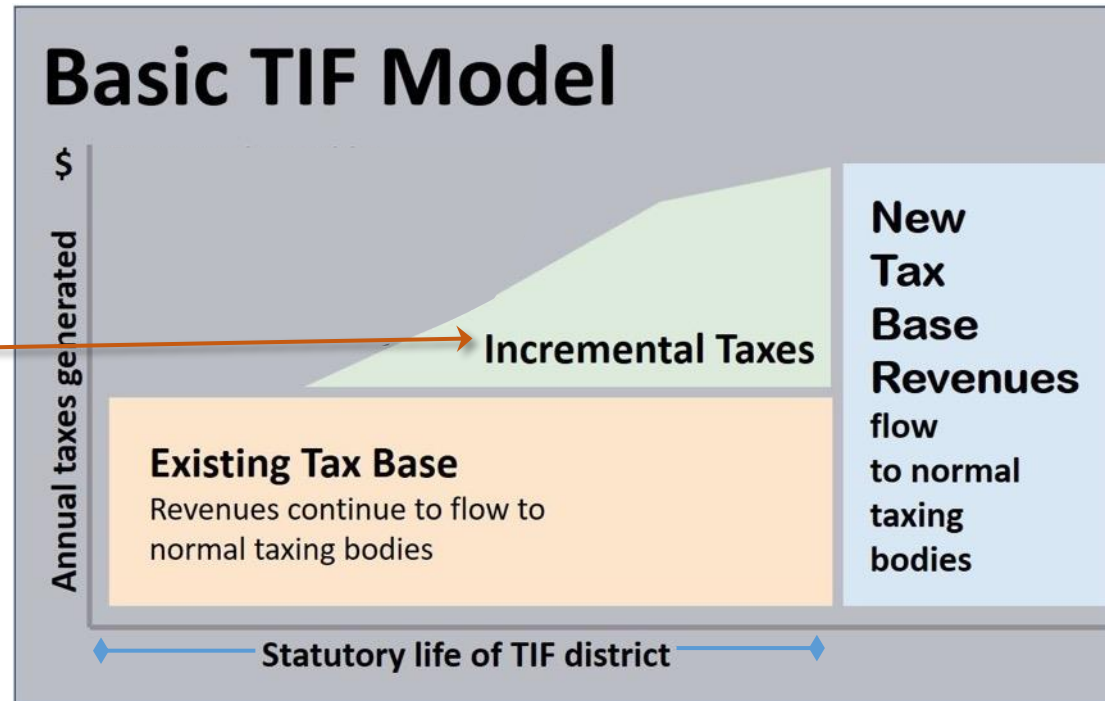
Chapter 39.114 RCW

Adopted by the State
in 2021 with
amendments in 2023
and 2024

Basic TIF Model

Revenues from **REGULAR** property taxes assessed against the **Increment Value** only, are captured:

- ✓ To pay “**public improvement costs**”
- ✓ To **repay bonds** issued for “public improvements”



Overview of Tax Increment Financing

SUMMARY

- Available to cities, counties, and ports.
- Powerful economic development tool.
- Designed for specific project/site – Not build infrastructure and hope/wait for development.
- Projects will not occur “but for” the public investment in infrastructure – “But-For” Requirement.
- Results in creation of new assessed value, public benefits, construction of desired development and short/long-term jobs.
- Taxes from the development fund the public infrastructure needed by the development.

Overview of Tax Increment Financing

KEY ELEMENTS

Adoption of ordinance designating increment area, public improvements, and whether bonds will be issued. Limitations:

- No more than two active increment areas and they may not overlap.
- Increment areas 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.
- Cannot add additional public improvements or change the boundary of the increment area once adopted.
- Must include a deadline by when construction of public improvements will begin.
- The local government may only receive TIF revenues for the period of time necessary to pay the costs of the public improvements.
- If the local government finances the public improvements, the increment area must be retired no more than 25 years.

Overview of Tax Increment Financing

KEY ELEMENTS

TIF revenues can be used for public improvements owned by a local government such as but not limited to:

- Street, sidewalks, street lights, water, sewer, storm utilities
- Electric, broadband, or rail service;
- Mitigation of brownfields;
- Parking, terminal, and dock facilities;
- Park and ride facilities or other transit facilities;
- Park and community facilities and recreational areas;

Overview of Tax Increment Financing

KEY ELEMENTS

Project Analysis

- Description of the expected private development within the TIA, with and without proposed public improvements – ***But For Requirement***
- An assessment of any impacts to the following:
 - Affordable and low-income housing
 - Local business community
 - Local school districts
 - Local fire service, public hospital districts, and emergency medical services
 - Other junior taxing districts

Overview of Tax Increment Financing

KEY ELEMENTS

Project Analysis – Continued

- Must include either specific or general description of public improvements along with cost estimates.

Note: Public Improvement don't need to be located inside of TIA, but there must be a nexus to private development.

- Must include a jobs analysis.
- Must include a risk assessment and mitigation plan.

Note: Passage of the TIA Ordinance does not commit a TIF sponsor to fund any of the proposed public improvements.

Overview of Tax Increment Financing

KEY ELEMENTS

- Provide notice to all local governments within increment area 90 days before submitting project analysis to OST.
- Submit to OST for review its 90-day review period.
- Submit Project Analysis to all local governments 90 days prior to anticipated TIA ordinance adoption.
- Hold two public briefings exclusively on the project no earlier than 90 days after submitting the project analysis to OST.
- Publish notice in public newspaper.
- Notice to county treasurer, county assessor, and governing body of each taxing district where the increment area is located.
- Increment area effective June 1 of any year.

Wenatchi Landing TIF Analysis

Step 1: TIF Strategy

Goals:

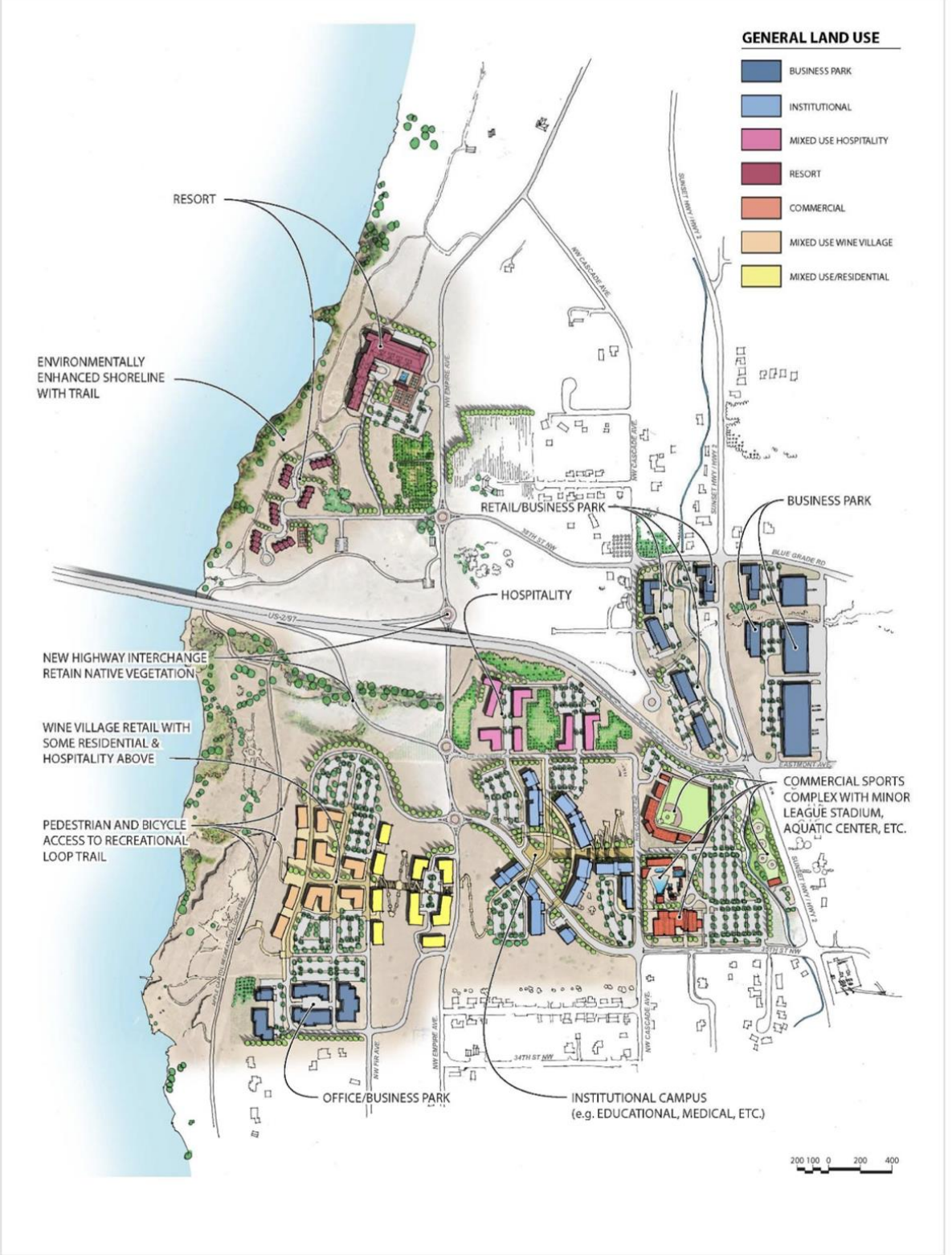
- Identify and assess potential targeted TIF infrastructure improvements that support private development.
- Identify preliminary TIA
- Prepare preliminary But-For-Requirement Analysis
- Project preliminary TIF revenues available to support the identified targeted public improvements.

Step 2: TIF Implementation & Report

Goals:

- Prepare and submit the Project Analysis Report to the Office of the State Treasurer including a comparison of scenarios with the proposed public improvements and without the proposed public improvements: The But- For-Requirement.
- Recommend potential refinements to the TIA as needed.
- Refine TIF Revenues.
- Prepare potential financing plan based on selected targeted improvements.
- Create and manage the Public Briefings, including reaching out to impacted taxing districts.
- Create the TIA Ordinance for Consideration by the County.

Wenatchi Landing TIF Analysis



Wenatchi Landing TIF Analysis

KEY TRANSPORTATION PUBLIC IMPROVEMENTS

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 be 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.

Wenatchi Landing TIF Analysis

TAX INCREMENT AREA

232.7 Acres

Assessed Value: \$18.53M



Wenatchi Landing TIF Analysis

TIF Levy Rate Capture 48.0%

Levy Rates

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
Port				
General Fund	\$0.15478			\$0.1548
Bond Fund	\$0.00000		\$0.0000	\$0.0000
Flood Control				
Regular Levy				\$0.0000
Eastmont MPD				
Regular Levy	\$0.16538			\$0.1654
Capital	\$0.04521		\$0.0452	\$0.0000
Reserve			\$0.0000	\$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
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