

**BOARD OF COUNTY COMMISSIONERS
DOUGLAS COUNTY, WASHINGTON**

ORDINANCE No. TLS 25-3-25B

AN ORDINANCE OF THE DOUGLAS COUNTY, WASHINGTON, DESIGNATING THE WENATCHI LANDING (North End Master Site Plan) TAX INCREMENT AREA; SETTING A SUNSET DATE FOR THE INCREMENT AREA; IDENTIFYING THE PUBLIC IMPROVEMENTS TO BE FINANCED; INDICATING THE COUNTY'S INTENT TO ISSUE BONDS TO FINANCE PUBLIC IMPROVEMENT COSTS IN A PRINCIPAL AMOUNT OF APPROXIMATELY \$56,000,000 (2025 DOLLARS); PROVIDING THAT THE INCREMENT AREA WILL TAKE EFFECT ON JUNE 1, 2025; IMPOSING A DEADLINE FOR COMMENCEMENT OF CONSTRUCTION; AND PROVIDING FOR RELATED MATTERS.

WHEREAS, for many years the County has been studying, evaluating, designing and completing key infrastructure improvements to enable a residential and commercial use (mixed-use) development within Wenatchi Landing (North End Master Site Plan); and

WHEREAS, the County has identified a proposed Tax Increment Area (TIA) of approximately 318 acres of property that is being planned for residential and commercial development and is in need of substantial infrastructure improvements to support the desired development; and

WHEREAS, the TIA has the opportunity, if developed, to provide a variety of housing types, parks, open space and commercial amenities for the community providing for increased tax revenues to support County services and providing employment opportunities for the residents of the County; and

WHEREAS, the Washington State Legislature, during its 2021 legislative session, enacted Engrossed Substitute House Bill 1189 as Chapter 207, Laws of 2021, titled "An Act Relating to tax increment financing" as amended and codified as Chapter 39.114 RCW (the "TIF Act"), which authorizes local governments, including cities, to carry out tax increment financing of public improvements needed to support vital private economic development projects; and

WHEREAS, the TIF Act authorizes the allocation of property tax revenues generated from the increased assessed valuation of properties improved by private development that are within a TIA to pay for public improvements that are needed to support the private development; and

WHEREAS, County management has identified the TIF public improvements (TIF Projects) to support the desired development based on market conditions necessary to accommodate housing demands and commercial tenants; and

WHEREAS, the TIF Projects are estimated to cost approximately \$25 million to construct; and

WHEREAS, there currently exists no TIA within the County and the TIA designated by this ordinance does not consist of the entire geographical area of the County and does not have an assessed valuation of more than \$200,000,000 or more than 20% of the County's total assessed valuation; and

WHEREAS, the County has provided notices to taxing districts within the TIA 90 days or more in advance of submitting the County's Project Analysis to the Office of the State Treasurer; and

WHEREAS, the County has provided a copy of the Project Analysis to taxing districts potentially impacted by the formation of a TIA 90 days or more in advance of any TIA Ordinance being adopted by the County Commission; and

WHEREAS, the County has prepared a Project Analysis for the Wenatchi Landing and submitted such to the Office of the State Treasurer for review and comment as required by the TIF Act; and

WHEREAS, the County's Project Analysis identified three key public transportation improvements to incentivize private development in Wenatchi Landing which include:

1. Wenatchi Landing Interchange and Empire Avenue to 35th Street NW
2. 38th Street NW – Interchange to NW Cascade Avenue
3. NW Empire Avenue – Interchange to Cascade Avenue NW

WHEREAS, the Office of the State Treasurer has completed its review of the Wenatchi Landing Project Analysis and has stated that the Project Analysis, generally addresses the topics listed in subsection (2) of RCW 39.114.020; and

WHEREAS, the County has conducted public briefings on and provided notice of the proposed TIA to inform the community and other public agencies about the anticipated benefits and impacts associated with the development; and

WHEREAS, the TIF Act requires a mitigation plan if the TIA will impact at least 20 percent of the assessed value of an impacted fire district (or regional fire protection service authority, or a public hospital district; and

WHEREAS, The TIA is within the Wenatchee Valley Fire Department - Regional Fire Authority and represents 0.3% of the district's assessed value of \$7,285,308,924 (2023 assessment values for 2024 taxes); and

WHEREAS, State law also requires a mitigation plan for a public hospital district under the same provisions as referenced above; and

WHEREAS, There is no public hospital district within the proposed TIA and no mitigation is therefore required for either of these districts; and

NOW, THEREFORE, BE IT ORDAINED BY THE COUNTY COMMISSION OF DOUGLAS COUNTY, WASHINGTON, AS FOLLOWS:

Section 1. Definitions. Capitalized terms used in this ordinance shall have the meanings set forth in the recitals to this ordinance above and in this Section 1. The uncapitalized terms "public improvement costs," "regular property taxes," and "tax allocation revenues," used in this ordinance shall have the meanings provided for those terms by RCW 39.114.010, as the context requires.

"County" means Douglas County, Washington.

"Code" means the Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

"Commission" means the Board of County Commissioners in its legislative capacity.

"Finance Director" means the Chief Financial Officer of the County or such other officer of the County who succeeds to substantially all of the responsibilities of that office.

"Increment Area" means the approximately 318 acres of land designated by Section 2 of this ordinance as "Wenatchi Landing."

"Project Analysis" means the Wenatchi Landing Final Project Analysis dated February 6, 2025 and submitted to the Washington State Treasurer on February 8, 2025, for its review and comment and to all taxing districts impacted by the Wenatchi Landing Increment Area on February 8, 2025. The Project Analysis was modified on April 1, 2025 to address clarifications and recommendations made by the Washington State Treasurer in its Review Letter.

"Treasurer's Review Letter" means the letter to the County from the Office of State Treasurer dated March 24, 2025 summarizing its review of and providing comments, recommendations and acceptance with respect to the Project Analysis for consideration by the County.

Section 2. Designation of Increment Area. Pursuant to the TIF Act, the County designates the approximately 318 acres of land known as Wenatchi Landing and described in Exhibit A to this ordinance. In making this designation, the Commission finds that the Increment Area designated by the ordinance (i) is the only increment area designated by the County under the TIF Act,

(ii) is located within the boundaries of the County, (iii) does not include the County's entire territory, and (iv) does not have an assessed value on the date of this ordinance greater than the lesser of \$200,000,000 or 20 percent of the total assessed value of taxable property within the County of \$9,150,816,276 (2023 assessment values for 2024 taxes).

Section 3. Sunset Date of the Increment Area. The sunset date of the Increment Area is hereby set as (i) December 31, 2051, which is the date not later than 25 years after the first year (calendar year 2026) in which tax allocation revenues will be collected on taxable property within the Increment Area (the "outside sunset date"), or (ii) if earlier, the date ("an early sunset date") on which the County certifies to the County Treasurer that all public improvement costs to be paid or reimbursed with tax allocation revenues derived from the Increment Area have been fully paid, including but not limited to reimbursements to the County for principal and interest payments required to be made by the County from revenue sources other than tax allocation revenues on limited tax general obligation bonds issued to finance the portion of public improvement costs that are intended to be paid and retired, in whole, from tax allocation revenues, as authorized by RCW 39.114.060(1).

Section 4. Identification of Public Improvements to Be Financed. The public improvements to be financed consist of the following infrastructure improvements to be owned by the County or Washington State and located within or outside of and serving the Increment Area:

- a. Transportation Highway Interchange improvements owned by the State of Washington needed to serve the Increment Area; and,
- b. Local streets, roads, streetlights, and other transportation improvements needed to serve the Increment Area.

The exact timing, specifications, and features of the public improvements described above are to be determined by the County. As authorized by RCW 39.114.020(1)(h), the County may expand, alter, or add to the public improvements identified above only if the County Commission determines that such changes are necessary to assure that the public improvements identified above can be constructed or operated as intended. If the County Commission determines that it has become impractical to acquire, construct, or equip any, or

any portion of, the public improvements by reason of changed conditions, or costs substantially in excess of the amount of bond proceeds or tax allocation revenues, the County shall not be required to acquire, construct or equip such public improvements or portions.

Section 5. Expected Issuance of Bonds to Finance a Portion of the Public Improvement Costs.

Pursuant to RCW 39.114.060 and other law, including the applicable provisions of Chapters 39.36 and 39.46 RCW, the County intends to incur general indebtedness and issue limited tax general obligation bonds with a term of approximately 25 years to finance a portion (the "bond-financed portion") of the public improvement costs to be paid in whole or in part from tax allocation revenues. The County expects to pledge the tax allocation revenues received by the County from the Increment Area, the County's other regular property tax revenues, other lawfully available revenues of the County, and the full faith and credit of the County. The bonds are expected to be issued as tax-exempt bonds under the applicable provisions of the Code; however, if and to the extent that bond counsel determines that any of the public improvements (or portions thereof) do not qualify to be financed with tax-exempt bonds, the County expects to allocate funding sources other than proceeds of tax-exempt bonds, including but not limited to proceeds of taxable bonds, to the financing of those public improvements (or portions thereof).

As of the date of passage of this ordinance, the estimated maximum principal amount of bonds expected to be issued by the County to finance the bond-financed portion of the public improvement costs is \$56 million. This estimated maximum principal amount of bonds is subject to change based upon the final timing, specifications, and features of the public improvements and the final public improvement costs of the public improvements identified in Section 4 of this ordinance. The amount of proceeds of such bonds also may vary (be lower or higher than the maximum principal amount of \$56 million) to the extent that the bonds are sold with original issue premium or original issue discount (respectively).

While the County will pledge its full faith and credit as well as its regular property tax revenues and other lawfully available revenues, in addition to tax allocation revenues received by the County from the Increment Area, to pay debt service on the bonds, the County intends that debt service on the bonds shall be payable, in whole, from tax allocation revenues as authorized by RCW 39.114.060(1). Accordingly, if and to the extent debt service payments on its general obligation bonds issued to finance the public improvements are required to be made from the County's other regular property tax revenues and/or from other lawfully available revenues because the amount of tax allocation revenues received are insufficient for that purpose, those debt service payments to that extent may be reimbursed from later-received tax allocation revenues that become available to reimburse the County for those debt service payments. The Finance Director, in consultation with the County Treasurer, will adopt accounting procedures sufficient to document the use of tax allocation revenues to reimburse debt service payments previously made from other revenues, consistent with the County's intention and expectation that its general obligation bonds issued to finance public improvement costs are to be payable entirely from tax allocation revenues (as permitted by the Act).

The County intends that the provisions of Section 4 of this ordinance (identifying the public improvements to be financed) and this Section 5 (stating the estimated maximum amount of bonds expected to be issued) together shall constitute a declaration of official intent under Treasury Regulations §1.150-2 to reimburse with bond proceeds any original expenditures for the public improvements paid before the issue date of the bonds that are intended to finance the bond-financed portion of the public improvement costs.

Section 6. Increment to Take Effect on June 1, 2025. The Increment Area designated in Section 2 of this ordinance shall take effect on June 1, 2025.

Section 7. Deadline for Commencement of Construction of Public Improvements. The County expects that construction of the public improvements identified in Section 4 of this ordinance will commence after June 1, 2025. In no event will construction of those public improvements commence later than May 31, 2030, the date five years from the date of passage of this ordinance, unless that deadline is extended for good cause.

Section 8. Required Findings by the County Commission. Based upon the Project Analysis, the Commission finds that:

The public improvements proposed to be paid or financed with tax allocation revenues are expected to encourage private development within the Increment Area-i.e., the private development of the Wenatchi Landing, and to increase the assessed value of real property within the Increment Area;

The private development that is anticipated to occur within the Increment Area as a result of the proposed public improvements will be permitted consistent with the applicable zoning and development standards of the County, which is expected to be the permitting jurisdiction for the Increment Area;

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

The increased assessed value of taxable property 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 private development with the proposed public improvements.

Section 9. Preparation and Consideration of Project Analysis. As required by RCW 39.114.020(2), the Commission has caused the Project Analysis, attached hereto as Exhibit B, to describe and analyze, among other matters, the factors and considerations listed in that statute. The Commission takes note of the conclusion expressed in the Treasurer's Review Letter that the County's Project Analysis generally addresses the topics listed in subsection (2) of RCW 39.114.020. In its consideration and passage of this ordinance, the Commission has reviewed and considered, among other things, the Project Analysis and the Treasurer's Review Letter, attached hereto as Exhibit C, including the "Key Risks," and "Recommendations" noted in the Treasurer's Review Letter.

Section 10. Reimbursement of Expenses Incurred by County Assessor and County Treasurer. Pursuant to RCW 39.114.020(6), the County may enter into arrangements to reimburse the County Assessor and County Treasurer for the expenses incurred by those officials in connection with the implementation and ongoing administration of the Increment Area as described in RCW 39.114.010(6)(e). Such expenses shall be a portion of the public improvement costs to be paid or reimbursed from tax allocation revenues derived from the Increment Area.

Section 11. Public Briefings Held by the County. As required by RCW 39.114.020(7)(a), the County has held two public briefings for the community regarding the Wenatchi Landing development and the public improvements needed to serve the Increment Area. These public briefings were held on 5/12/25, and 5/13/25. Public notice was published at least two weeks prior to each public briefing in the Empire Press & Wenatchee World, a legal newspaper of general circulation in the County and the greater County area, and by posting information on the County's website and on all of its social media sites. Each public briefing included a

description of the Increment Area, the public improvements proposed to be financed with tax allocation revenues derived from the Increment Area, and a detailed estimate of tax revenues for the participating local governments and taxing districts, including the amounts allocated to the public improvements serving the Increment Area. The County also has offered additional briefings for elected and administrative officials of the Regional Port District, Fire District, Library District, and Park District.

Section 12. Publication of Notice and Delivery of Ordinance Designating Increment Area. On 5/15/25 - 5/22/25, which is at least two weeks before the date of adoption of this ordinance, the County published in the Wenatchee World - Empire Press, a legal newspaper of general circulation within the jurisdiction of the County, a notice concerning how information may be obtained regarding the Wenatchi Landing TIF project. Following the adoption of this ordinance, the County will deliver a certified copy of this passed ordinance to the County Treasurer, the County Assessor, and the governing body of each taxing district within which the Increment Area is located at the respective addresses specified pursuant to RCW 42.56.040 within 10 days of the date on which the ordinance was passed.

Section 13. General Authorization and Ratification. The appropriate officers of the County are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the tax increment financing of the public improvements serving the Increment Area contemplated in connection with this ordinance. All actions taken prior to the effective date of this ordinance in furtherance of the purposes described in this ordinance and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 14. Severability. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 15. Effective Date of Ordinance. This ordinance shall take effect and be in force from and after its passage and thirty (30) days following its publication as required by law.

ADOPTED this 27th day of May, 2025 at the Commissioners' Chambers in the Douglas County Courthouse in Waterville, Washington.

BOARD OF COUNTY COMMISSIONERS
DOUGLAS COUNTY, WASHINGTON



7882


Marc S. Straub, Chair

Dan Sutton, Vice Chair

Randy Agnew

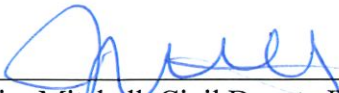
Randy Agnew, Commissioner

ATTEST:



Carlye Baity, Clerk of the Board

Approved as to form:



Jim Mitchell, Civil Deputy Prosecuting Attorney
WSBA #31031

I, the undersigned, County Clerk of the Douglas County, Washington (the "County"), hereby certify as follows:

The attached copy of Ordinance No. 25-258 (the "Ordinance") is a full, true and correct copy of the Ordinance duly passed at a regular meeting of the County Commission held on 5, 27, 2025 (the "Meeting"), as that Ordinance appears on the minute book of the County.

The Ordinance is in full force and effect.

The Meeting was duly convened and held in all respects in accordance with law, the public was notified of the access options for remote attendance via the County's website, a quorum of the members of the Commission was present throughout the meeting and a sufficient number of members of the Commission present voted in the proper manner for the passage of the Ordinance.

Dated: May 27, 2025

Cayus Barty

County Clerk *of the Board*
Douglas County Commissioners

Exhibit A: Tax Increment Area (TIA)



Parcels in the Wenatchi Landing TIA, Douglas County WA include:

Parcel ID	Area (acres)	Parcel ID	Area (acres)
23202330006	10.9	23202710134	0.9
23202330008	0.2	23202710087	0.5
23202330013	0.4	23202710130	0.3
23202330018	0.3	23202710060	9.9
23202330012	2.1	23202710088	0.3
40500007206	1.0	23202710023	0.1
40500007207	0.1	23202330009	2.8
40500007201	1.0	40600000105	1.0
40500007209	0.1	40500007202	1.5
40500007303	0.0	40500007204	0.5
40500007302	5.3	40400005100	3.4
40400004601	0.9	23202710021	0.6
40400006201	3.6	40500007301	0.2
52500000303	0.1	52500000000	53.0
52500000600	1.1	40400004605	0.0
52500000701	7.1	40600000106	0.0
52500000704	0.8	40600000103	3.5
52500000804	7.3	40500007203	0.9
52500000301	0.6	40500007205	1.4
40600000112	0.5	40600000303	1.5
40600000113	0.5	23202710147	2.5
40600000408	0.9	23202710005	22.8
40600000409	0.5	23202710146	14.7
40600000410	0.5	23202710150	8.9
40600000102	0.1	23202710151	1.9
40600000301	8.2	23202710145	2.0
40600000302	2.9	23202600003	0.1
40600000403	1.0	23202710129	12.1
23202710133	2.1	23202710008	25.4

AFTER RECORDING MAIL TO:

Douglas County Board of Commissioners
Carlye Baity
PO Box 747
Waterville WA 98858

COVER SHEET REQUIRED BY RCW 36.18 AND 64.04
(For Recording Purposes Only)

DOCUMENT TITLE(S) (or transactions contained therein):

1. Designating Wenatchi Landing Tax Increment Area
2. Ordinance TLS 25-3-25B

REFERENCE NUMBER(s) of documents assigned or released

_____ Additional numbers of page _____ of document

GRANTOR/BORROWER (Last name first, the first name and initials):

1. Douglas County
- 2.

_____ Additional names on page _____ of document

GRANTEE/ASSIGNEE/BENEFICIARY (Last name first, the first name and initials):

- 1.
- 2.

_____ Additional numbers of page _____ of document

ABBREVIATED LEGAL DESCRIPTION as follows (i.e. lot/block/plat or section/township/range/quarter/quarter):

Refer to previously recorded documents.

ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER(S):

Refer to previously recorded documents.