

**PORT OF WALLA WALLA
RESOLUTION NO. 2023-09**

**A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF WALLA WALLA,
WASHINGTON, DESIGNATING A TAX INCREMENT AREA PURSUANT TO RCW
39.114.020, IDENTIFYING THE PUBLIC IMPROVEMENTS TO BE PAID FOR OR
FINANCED WITH THE TAX ALLOCATION REVENUES, IMPOSING THE
DEADLINE FOR THE PORT TO COMMENCE CONSTRUCTION OF SUCH
IMPROVEMENTS, AND SETTING A SUNSET DATE FOR THE TAX INCREMENT
AREA**

WHEREAS, the Washington State Legislature enacted Engrossed Substitute House Bill 1189 as Chapter 201, Laws of 2021, titled “AN ACT Relating to tax increment financing; amending RCW 84.55.010 and 84.55.120; and adding a new chapter to Title 39 RCW” which was codified as RCW 39.114 Tax Increment Financing (“TIF Act”), which authorizes local governments, including any port district, to use tax allocation revenues to pay for public improvements, including infrastructure improvements owned by a local government within or outside of and serving the increment area; and

WHEREAS, the purpose of this resolution is to exercise authority under RCW 39.114.020 to designate an increment area that will assist the Port to pay for or finance certain public improvements described herein from tax allocation revenues derived from the increment area with the boundaries described herein; and

WHEREAS, the Port Commission of the Port of Walla Walla (the “Port Commission”) has determined it is in the best interest of the Port to designate an increment area and use the tax allocation revenues from the increment area for the public improvements described herein.

NOW THEREFORE, IT IS HEREBY RESOLVED BY THE PORT COMMISSION OF THE PORT OF WALLA WALLA, WASHINGTON, as follows:

1. **Designation of Increment Area.** The Port designates the 5,877.2-acre area more particularly depicted and described on Exhibit A attached hereto (and incorporated by this referenced) as the “Port of Walla Walla Tax Increment Area” (the “Increment Area”). Generally, the boundaries of the Increment Area properties include the Attalia Urban Growth Area (specifically the area known by the Port as the Wallula Gap Business Park) and portions of the nearby Burbank Urban Growth Area. In providing this designation, the Port Commission asserts that the Increment Area (i) is the only increment area presently designated by the Port pursuant to the TIF Act, (ii) is located within the boundaries of the Port, (iii) does not include the entirety of the Port’s territory, and (iv) does not have an assessed value on the date of this resolution which is more than the lesser of (A) \$200,000,000 or (B) 20 percent of the Port’s total assessed valuation of taxable property (*i.e.* 20% of a total assessed value of \$9,272,358,525 or \$1,854,471,705). The current assessed value of the properties in the Increment Area is \$12,776,360.

2. **Sunset Date for Increment Area.** The sunset date for the Increment Area will be the earlier of (i) the date that is 25 years after the date on which tax allocation revenues are first collected from the Increment Area or (ii) the date on which the Port certifies to the County Treasurer in writing that the tax allocation revenues are no longer necessary or obligated to pay the public improvement costs (including but not limited to reimbursements to the Port for principal and interest payments required to be made by the Port from revenue sources other than tax allocation revenues on the Port's bonds issued to finance the portion of public improvement costs that are intended to be paid and retired, in whole, from tax allocation revenues pursuant to RCW 39.114.060(1) and legal, other professional services and insurance costs and expenses related to the issuance of such bonds) to be paid or reimbursed with tax allocation revenues derived from the Increment Area, as they have been fully paid.

3. **Identification of Public Improvements.**

(a) The public improvements **in the Burbank Industrial Park and Burbank Business Park** to be financed with a portion of tax allocation revenues are: Water System Expansion & Improvements; Sewer System Expansion & Improvements; Road/Highway Extensions & Improvements; Rail Extension & Improvements; Sidewalk & Lighting Extensions & Improvements; Pedestrian Access Extensions & Improvements; Other Utility Extensions & Improvements; High Dock and Barge Slips Expansion & Improvements; Public Administration Annex Buildings; Property Acquisitions; Renewable Energy Projects; Other Utility Extensions/Relocations; and Security Improvements.

(b) The public improvements in the **Dodd Road Industrial Park & Stearns Kelly Site** to be financed with a portion of tax allocation revenues are: Water System Expansion & Improvements; Sewer System Expansion & Improvements; Road/Highway Extensions & Improvements; Rail Extension & Improvements; Other Utility Extensions & Improvements; Property Acquisitions; Renewable Energy Projects; Other Utility Extensions/Relocations; and Security Improvements.

(c) The public improvements in the **Wallula Gap Business Park** to be financed with a portion of tax allocation revenues are: Water System Expansion & Improvements; Domestic and Process Wastewater System Expansion & Improvements; Road/Highway Extensions & Improvements; Rail Extension & Improvements; Lighting Extensions & Improvements; Other Utility Extensions & Improvements; Public Safety Facility; Property Acquisitions; Renewable Energy Projects; Other Utility Extensions/Relocations; and Security.

The exact configurations and operational features of the public improvements described above are to be determined by the final plans and specifications for such public improvements. As authorized by RCW 39.114.020(1)(h), the Port may expand, alter, or add to the public improvements identified above only if the Port Commission determines that such changes are necessary to assure that the public improvements identified above can be constructed or operated as intended.

4. **Increment Area Effective June 1, 2024.** The Increment Area designated in this resolution shall take effect on June 1, 2024.

5. **Deadline for Commencement of Construction of Public Improvements.** The deadline for the Port to begin construction on the public improvements identified herein is June 1, 2034 unless such deadline is extended for good cause.

6. **Issuance of bonds or other obligations.** The Port intends to issue bonds or other obligations, payable in whole or in part, from tax allocation revenues to finance the public improvement costs. Based upon the project analysis, the Port estimates \$70,000,000 is the maximum amount of obligations contemplated to be financed with tax allocation revenues. The actual amount of obligations financed by tax allocation revenues will depend on future decisions of the Port Commission, as well as on actual tax allocation revenues received and the terms of indebtedness agreed to.

7. **Required Findings of Port.** The Port Commission finds, based on the Project Analysis, that:

(a) The public improvements proposed to be paid or financed with tax allocation revenues are expected to encourage private development within the Increment Area and are expected to increase the assessed value of real property within the Increment Area;

(b) 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 Walla Walla County, the applicable permitting jurisdiction;

(c) 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

(d) 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.

8. **Project Analysis.** In considering whether to designate an increment area, the Port prepared a Project Analysis Report consistent with the requirements of RCW 39.114.020(2), and submitted the analysis to the Office of the State Treasurer for review. The Office of the State Treasurer provided no comments within the 90-day statutory review period. Should the Port later receive comments from the Office of the State Treasurer, the Port will consider those comments.

9. Mitigation for Certain Fire Protection Agencies.

(a) Project analysis conducted by the Port forecasts that the increment area will impact at least 20 percent of the assessed value of Walla Walla County Fire District #5, and thus the Port (as required by RCW 39.114.020(5)) will negotiate a mitigation plan with Walla Walla County Fire District #5 (the “Fire District”) to address level of service issues in the increment area.

(b) The Port intends to meet its mitigation plan through meeting no less than annually with Fire District authorized agents to discuss the potential need for, and method of mitigation, for impacts of the Increment Area on local fire service. The Port anticipates that mitigation plan agreements reached shall rely on relevant data, such as: The number and type of calls for service within the Increment Area relative to the entire Fire District service area; the costs to the Fire District to provide service within the Increment Area relative to the entire Fire District service area; response times for the Fire District within the Increment Area relative to the entire Fire District service area; proposed capital needs (facilities and equipment) within the Increment Area, and justification for how those capital needs will improve the level of service within the Increment Area; property tax revenues imposed for the Fire District within the Increment Area relative to the entire Fire District service area; and property tax revenues foregone by the Fire District to the Increment Area.

10. Reimbursement to County Assessor and Treasurer. Pursuant to RCW39.114.020(6), the Port intends to reimburse the Walla Walla County (the “County”) Assessor and County Treasurer for their costs as provided in RCW 39.114.010(6)(e), and such expenses shall be considered as part of the public improvement costs to be paid or reimbursed from tax allocation revenues derived from the Increment Area.

11. Public Hearings Held by Port and Publication. Pursuant to RCW 39.114.020(7)(a), prior to the adoption of this resolution, the Port held two public briefings (on October 3, 2023 and again on October 24, 2023) for the community solely on the tax increment project, that included the description of the Increment Area, the public improvements proposed to be financed with the tax allocation revenues, and a detailed estimate of tax revenues for the participating local governments and taxing districts, including the amounts allocated to the increment public improvements. The briefings were announced two weeks prior to the date such briefings were held, including by publication of notice of such briefings in the *Walla Walla Union Bulletin* (a legal newspaper of general circulation within the jurisdiction of the Port) and notice of such briefings on the Port’s website and all Port social media sites.

Prior to the adoption of this resolution, the Port has published in the *Walla Walla Union Bulletin* (a legal newspaper of general circulation within the jurisdiction of the Port), that describes the public improvements identified herein, describes the boundaries of the Increment Area, and identifies the location and times where this resolution and other public information concerning the public improvement may be inspected.

12. **Severability.** If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the Port is declared by any court of competent jurisdiction to be contrary to law, then such covenant or agreements will be null and void and will be deemed separable from the remaining covenants and agreements of this resolution and will in no way affect the validity of the other provisions of this resolution.

13. **Compliance with State Law.** It is found and determined that all formal actions of this Port Commission concerning and relating to the passage of this resolution were taken in an open meeting of this Port Commission, and that all deliberations of this Port Commission and of any of its committees that resulted in such formal actions, were in meetings open to the public, in compliance with the laws of the State of Washington.

14. **Effective Date of Resolution.** That this Resolution shall be effective upon passage and signatures hereon in accordance with law.

ADOPTED by the Commissioners of the Port of Walla Walla this 26 day of OCTOBER, 2023.

PORT OF WALLA WALLA COMMISSION



MICHAEL FREDRICKSON, PRESIDENT



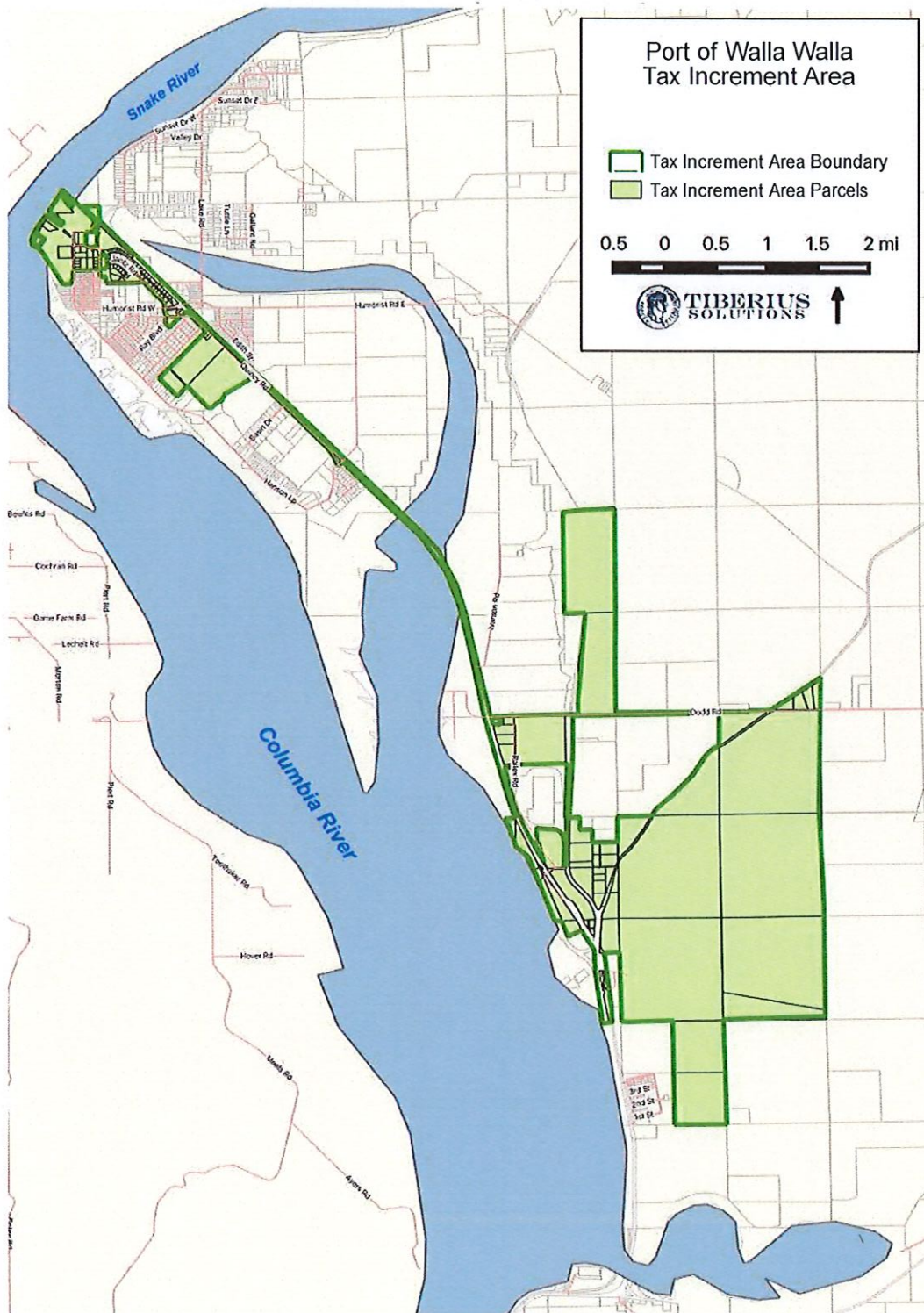
KIP KELLY, VICE PRESIDENT



RONALD W. DUNNING, SECRETARY

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Exhibit A. Burbank/Wallula Gap TIA Boundary



Source: Tiberius Solutions with data from the Walla Walla County Assessor's Office