

Washington Public Ports Association

Overview of Tax Increment Financing

October 26, 2023



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Agenda

- Why the Port of Vancouver Established a TIA?
- How would it work for the port.
- What are the impacts?
- Specifics of HB 1189 & HB 1527



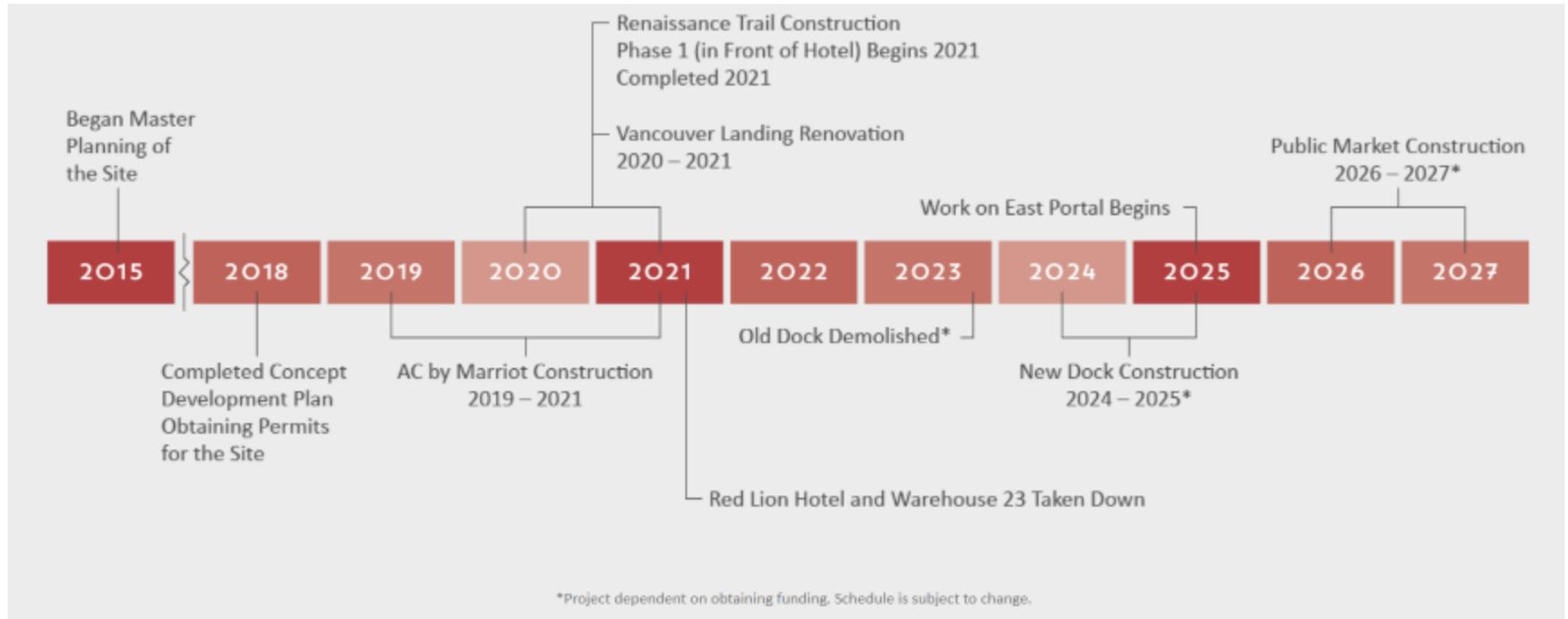
Purpose

- Redevelopment of port's original marine terminal into a signature waterfront project.
- Hotel, office, retail, public art, outdoor areas, trails, and a public market.
- TIA can provide critical funding for public projects that port has committed to fund.



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Project Timeline





Tax Increment Area – Terminal 1 Map

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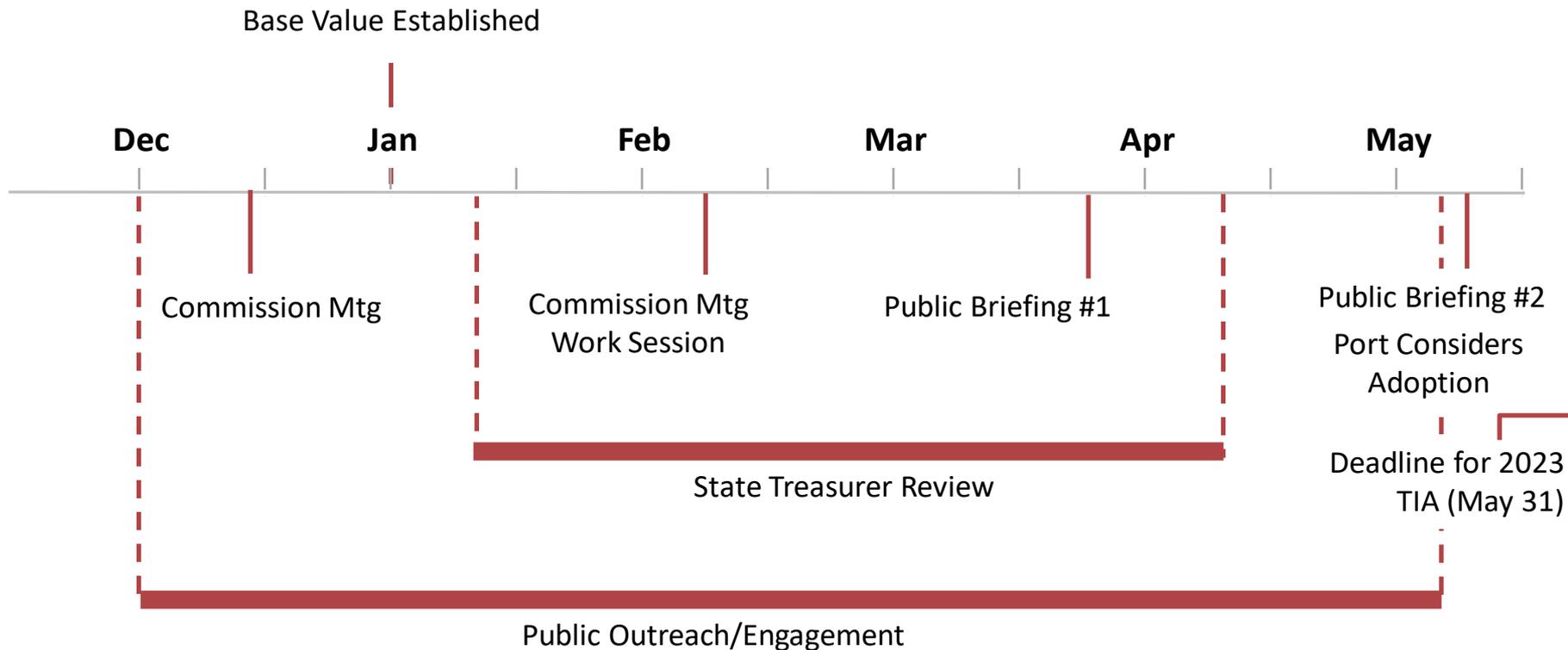
Goals & Objectives

- Create a vibrant, beautiful, thriving waterfront that allows for community use and fosters connection to each other and to the port
- Create jobs and cultivate economic growth
- Promote sustainable development
- Promote equitable development



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Adoption timeline



Anticipated Development



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NEW DOCK for Public Market Place



RENAISSANCE TRAIL – PHASE 2



CENTRAL PLAZA & DANIELS WAY



LAND IMPROVEMENTS



EAST PORTAL



Public Projects

Project Name	Estimated Project Cost		Years of Construction
	2022 \$	Nominal \$	
Terminal 1 Dock Replacement	\$26,200,000	\$34,300,000	2022 to 2025
Ground Stabilization and Pile Extraction: Renaissance Trail: Part 2	\$2,000,000	\$2,800,000	2026
Landscaping: Dock	\$2,400,000	\$3,500,000	2027
Daniels Way: Part 2	\$2,100,000	\$3,300,000	2028
Renaissance Trail: Part 2	\$1,500,000	\$2,300,000	2028
East Portal	\$2,300,000	\$3,600,000	2028
East Portal: Public Restroom	\$250,000	\$400,000	2028
Total	\$36,750,000	\$50,200,000	

Anticipated Development



AC Marriot Hotel



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LPC – Gateway Block C & A



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LPC – Block 1



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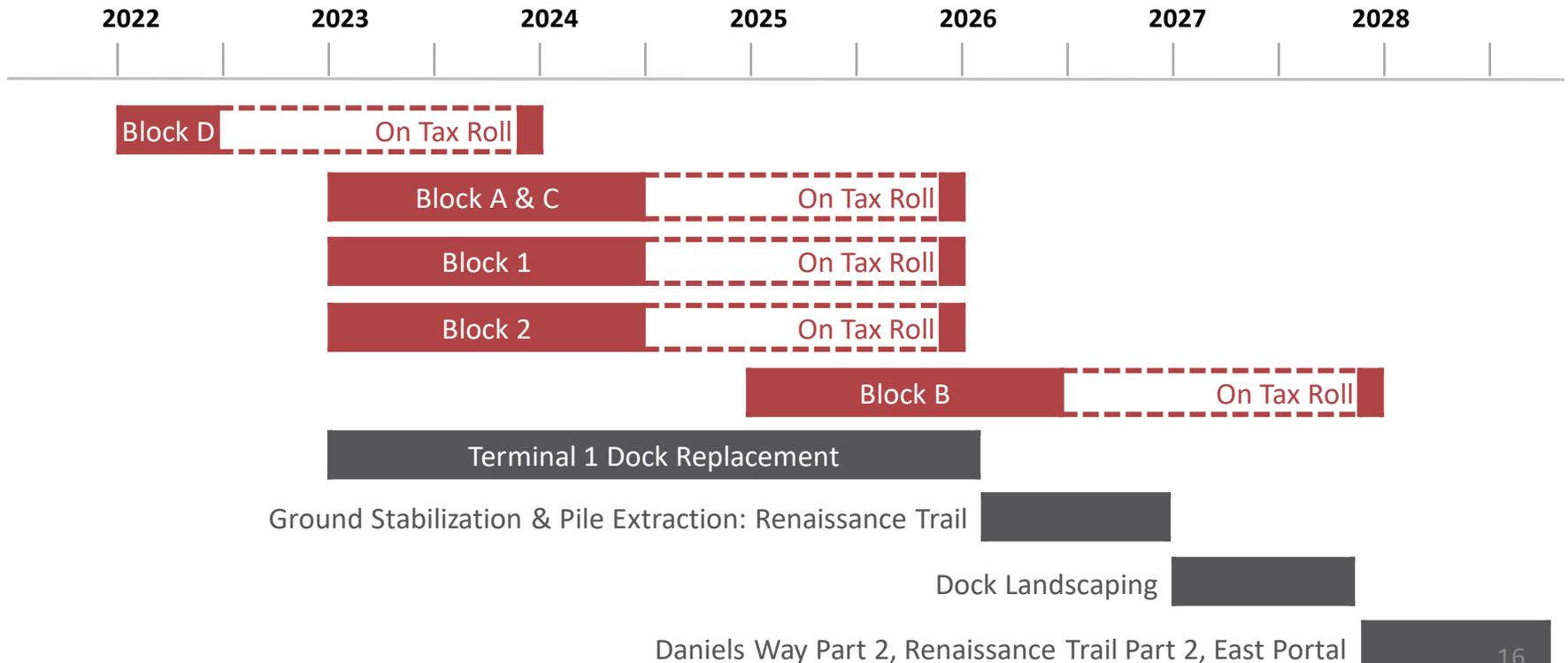
Private Development

Location	Development Costs (2022\$)			Total Costs	Operational Date
	Hard Costs	Soft Costs	TI's		
Block A & C	\$134,000,000	\$21,000,000	\$43,000,000	\$198,000,000	2024
Block B	\$50,000,000	\$7,600,000	\$2,400,000	\$60,000,000	TBD
Block D	\$60,000,000	\$0	\$0	\$60,000,000	2022
Block 1	\$72,000,000	\$10,000,000	\$13,000,000	\$95,000,000	2026
Block 2	\$106,000,000	\$12,000,000	\$1,200,000	\$119,200,000	2026
Total	\$422,000,000	\$50,600,000	\$59,600,000	\$532,200,000	



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Implementation timeline





Summary of activities

- Interviews with impacted businesses
- Input from neighborhood association and community groups
- Conversations with staff of affected taxing districts
- Two public briefings



Impacted Levies

Levy	2021 Levy Rate (Per \$1,000 AV)
County Current Expense	\$0.906910
Conservation Futures	\$0.034182
City of Vancouver General Fund	\$1.866437
Fort Vancouver Library	\$0.323527
Port of Vancouver	\$0.142278
Total	\$3.273334

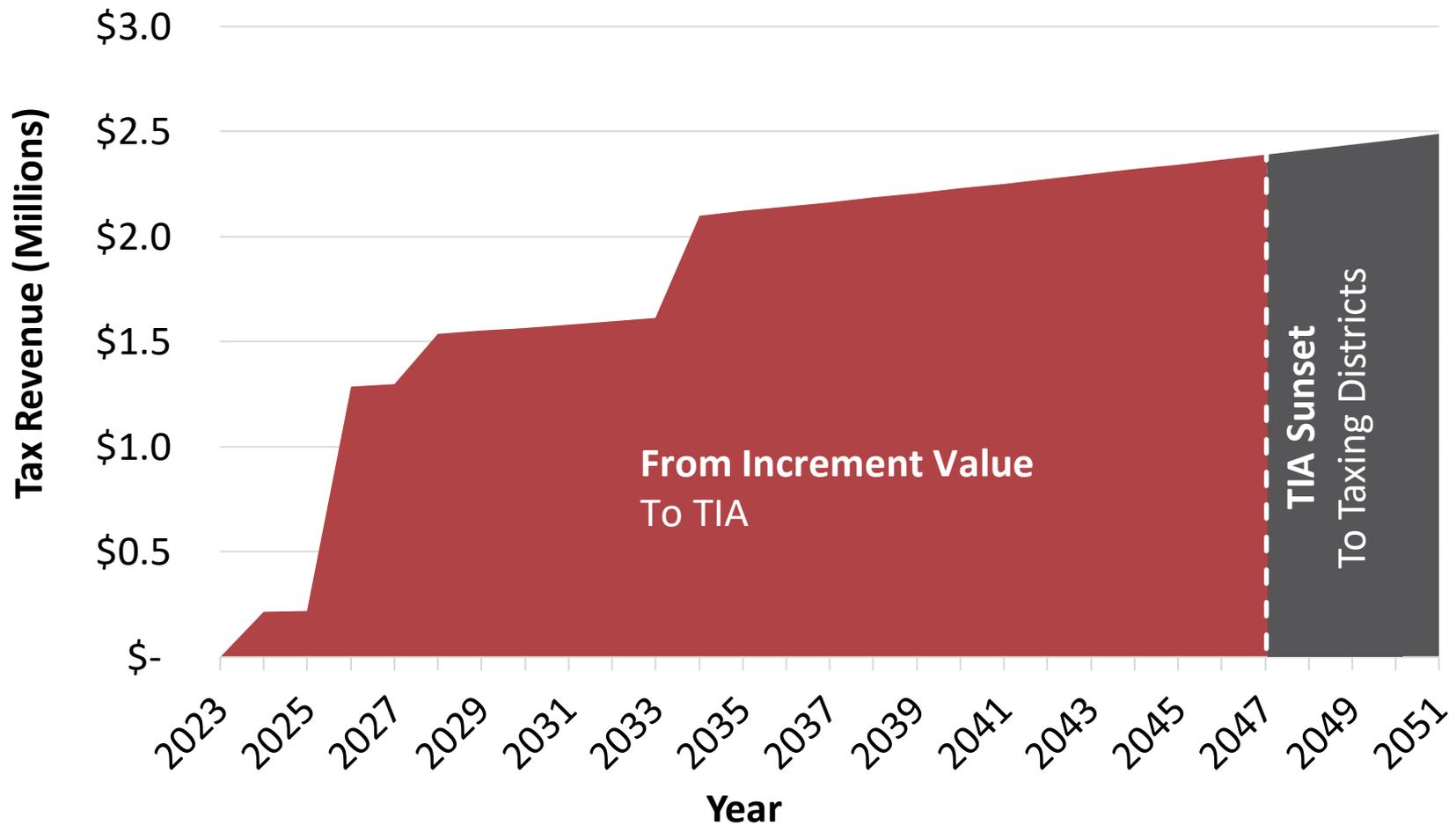


Levies not impacted by TIA

- State Schools
- Clark County
 - Dev. Disability
 - Mental Health
 - Veterans
- Library Capital Bond
- Vancouver Schools
 - Debt
 - Enrichment
 - Tech
- Port Bonds



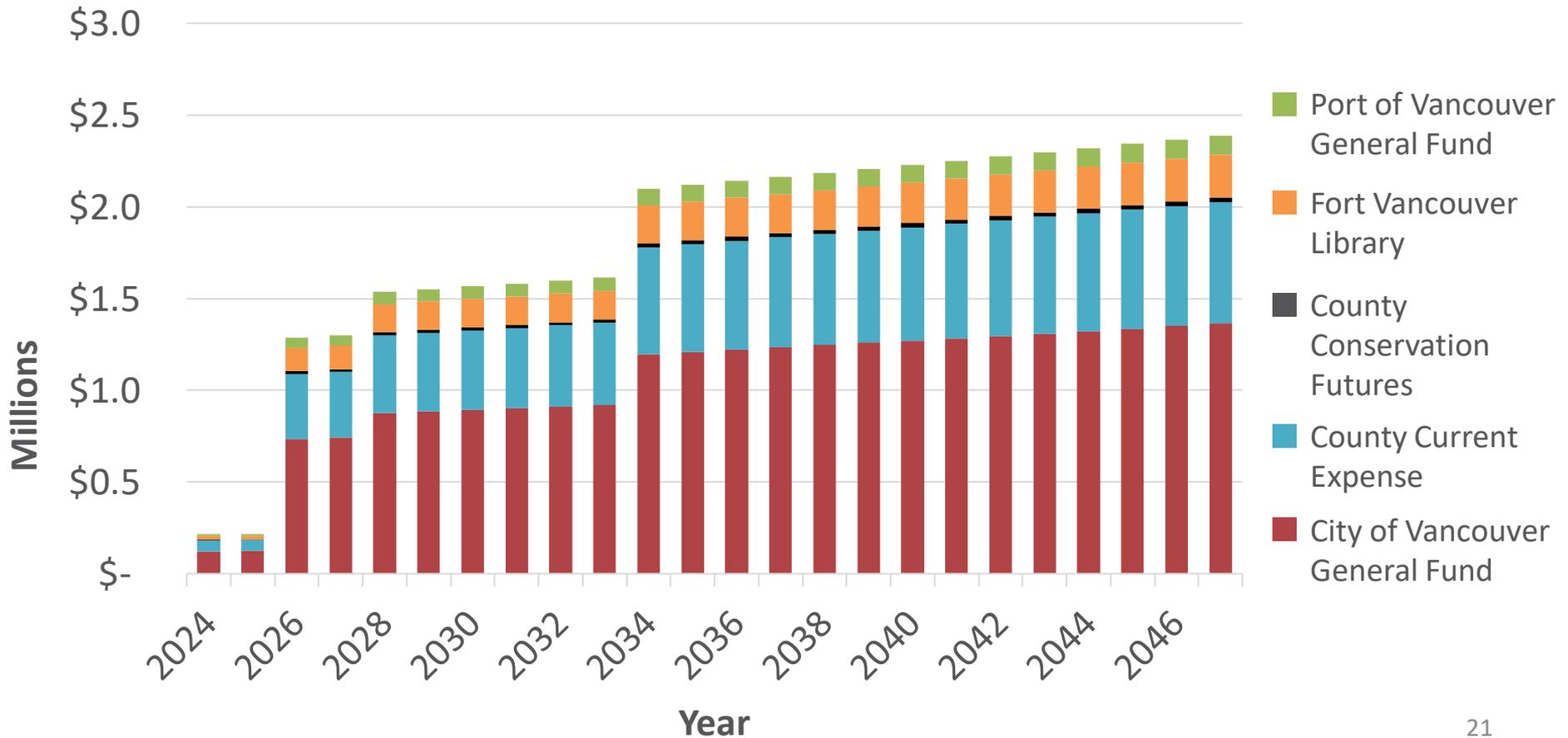
Forecast TIA Revenues





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Foregone Revenues



Impacts required to be assessed



- Fire Department: Temporary foregone revenues to City of Vancouver



- Affordable housing: Temporary foregone revenues to any future affordable housing levy. Existing levy will expire prior to TIA.



- Schools: benefit from increased taxes

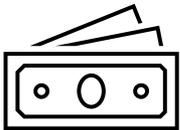


- Business Community: Positive economic impacts and job creation

Correcting misconceptions about Tax Increment Areas (TIA)*



A TIA will not negatively impact schools, in fact their tax revenues will increase



A TIA will not increase anyone's property taxes



Taxes from new development will fund the public improvements in the TIA

A TIA is also sometimes referred to as a TIF District.



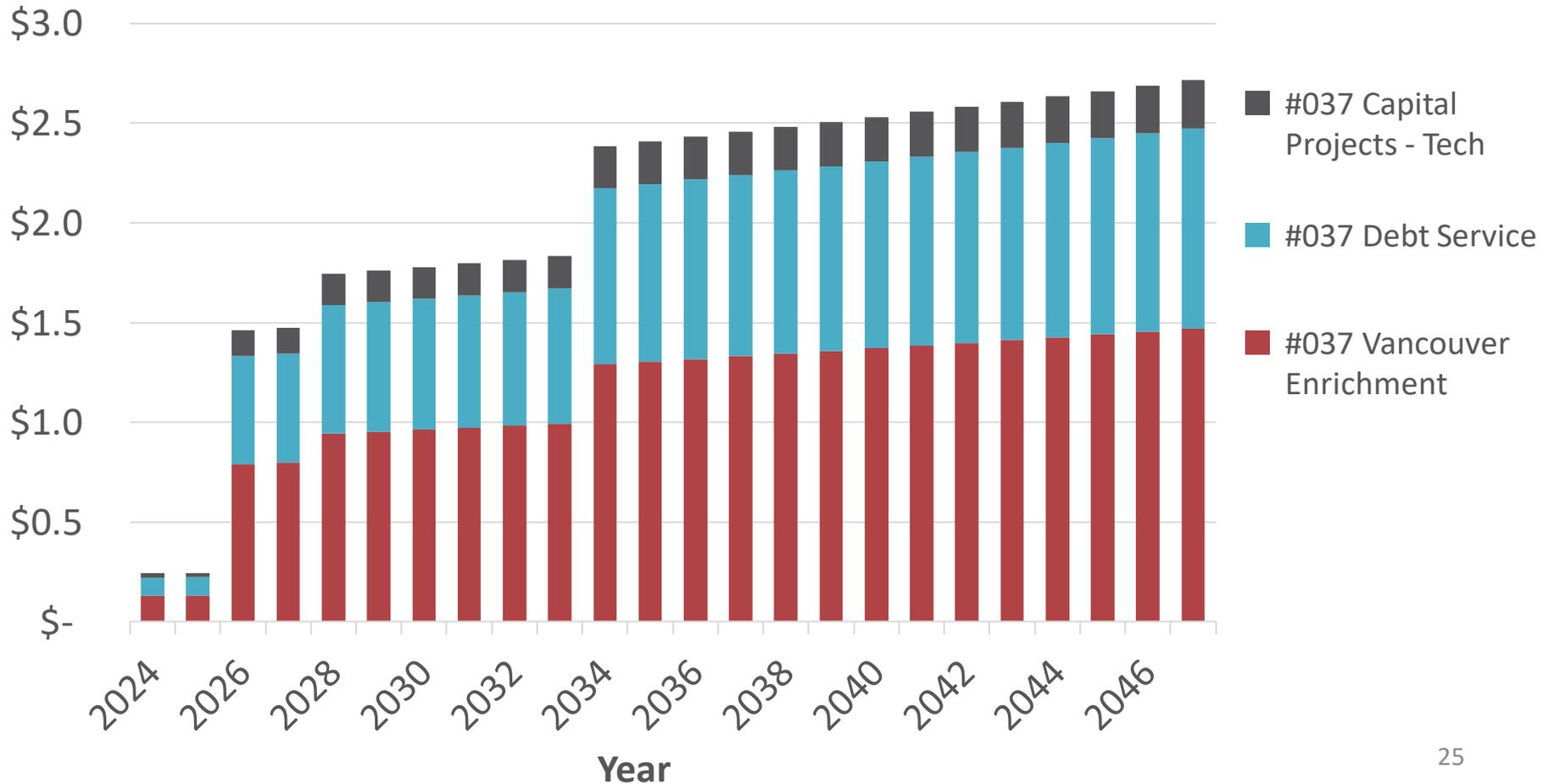
Local Business Community

- TIA expected to have positive impacts on local businesses
- Creates over 3,700 indirect/induced permanent jobs



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Local School District





Local Fire Service

- TIA impact on fire service from City of Vancouver foregone tax revenues
- TIA boundary is 0.03% of the Fire Department's service area
- Not expected that TIA will result in substantial demand for fire service



Temporary Impacts from Construction

- 7,119 construction jobs (FTE)
- \$410.1 million in income (Nominal \$)

Permanent Impacts On-Site

- 4,112 new permanent jobs
- \$282.5 million annual income

Permanent Impacts Off-Site

- 3,756 new permanent jobs
- \$367.9 million annual income



HB 1189 Requirements

- Description of public improvements and cost estimates
- Deadline for construction to begin
- Description of private development with and without public improvements
- Washington State House Bill 1527, provided that legislative fix in ensuring that “Real property” has the same meaning as in the property tax statutes.

Suggestions and Lessons Learned



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- Reach out early and reach out often to keep your City, County, County Assessor, County Treasurer, and Other Taxing District Partners informed of your TIA.
- Do earnest outreach as part of your assessment of necessary mitigation to address impacts on affordable housing, business community, local schools, fire service, and other local government agencies.



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Public Information

<https://www.discoverterminal1.com/>

