Terminal 1
Tax Increment Area
Board of Commissioners Workshop
December 14, 2021
Roadmap

• What is a Tax Increment Area (TIA)?
• Why use TIA at Terminal 1?
• How would TIA at Terminal 1 work?
• Process for adoption/implementation
What is a Tax Increment Area?
• Washington 2021 Legislative Session HB 1189
• No new taxes
Taxes from new growth pay for public improvements
Summary

• Economic development tool
• Designed for specific project list
• Projects will not occur “but for” investment
• Results in creation of new assessed value, public benefits, construction and long-term jobs
Statutory requirements

- Economic analysis
- Impacts analysis
- Timeframe
- Specific project list
Where are the impacts?

• Not on individual property owners. No new taxes.
• Impacts are on taxing districts
• Do NOT lose any taxes they presently receive
• Forego taxes on growth for 25 years
• Receive substantial increase in taxes after 25 years
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
How does Tax Increment Financing work?

From Tax Allocation Base
How does Tax Increment Financing work?
How does Tax Increment Financing work?

- From Regular Property Tax Revenue
  - From Tax Allocation Base
  - To Taxing Districts
  - From Increment Value
  - To TIA
How does Tax Increment Financing work?

- From Tax Allocation Base To Taxing Districts
- From Increment Value To TIA
- TIA Sunset To Taxing Districts
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.
Why use TIA at Terminal 1?
Proposed Boundary
Vision

To create an iconic destination that honors the port’s birthplace, serves as a gateway to the state, creates access to the Columbia River, and promotes tourism and economic development.
History

- **2015**: Began Master Planning
- **2018**: Completed Concept Plan
- **2019**: Obtained Permits
- **2020**: Renaissance Trail: Phase 1
- **2021**: Vancouver Landing Renovation
  - AC by Marriott Construction
Economic Impacts

- 4,112 new jobs
- $282 million annual income
- $62 million annual state and local taxes
- Additional “induced” and “indirect” impacts
- Additional construction impacts

*Analysis conducted by Martin Associates*
Potential Projects

NEW DOCK for Public Market Place

RENAISSANCE TRAIL – PHASE 2

CENTRAL PLAZA & DANIELS WAY

EAST PORTAL

LAND IMPROVEMENTS
How Would TIA at Terminal 1 Work?
Growth in Assessed Value (billions)
Port of Vancouver TIA Forecast

Year

Tax Revenue (Millions)

From Increment Value
To TIA

TIA Sunset
To Taxing Districts
Impacted Tax Districts

- Clark County
- City of Vancouver
- Fort Vancouver Library
- Port of Vancouver
How could the port pay for projects?

• Debt allows projects to be accelerated and avoid costs of inflation, in exchange for the cost of interest
• Debt would be structured as general obligation bond
• Total project costs exceed project TIA funding, requiring other funding sources
• Port looking to leverage TIA to secure additional funding
Process for adoption/implementation
Process for review of a TIA

• Review and input from State Treasurer
• Outreach
  – Local businesses
  – Community
  – Taxing districts
  – Other stakeholders
• Two public briefings
• Passage of a Resolution by TIA forming jurisdiction
Public Information

https://www.discoverterminal1.com/
Adoption timeline

- **Dec**: Commission Mtg Workshop
- **Jan**: Commission Mtg Work Session
- **Feb**: State Treasurer Review
- **Mar**: Public Briefing #1
- **Apr**: Public Briefing #2
- **May**: Port Considers Adoption
- **Deadline for 2023 TIA**

- **Base Value Established**

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Public Outreach/Engagement
## Implementation timeline

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### 2022
- Block D: On Tax Roll

### 2023
- Block A & C: On Tax Roll
- Block 1: On Tax Roll
- Block 2: On Tax Roll

### 2024

### 2025

### 2026

### 2027
- Block B: On Tax Roll
  - Terminal 1 Dock Replacement
  - Ground Stabilization & Pile Extraction: Renaissance Trail
  - Dock Landscaping
  - Daniels Way Part 2, Renaissance Trail Part 2, East Portal
Project Team

Project Lead – Scott Goodrich
Financial Support – Jack Flug
City and County Liaison – Mike Bomar
Economic Development – Jim Hagar
Project Delivery – Monty Edberg
Communications & Public Outreach – Therese Lang, Julie Rawls

Consultant Team

Tiberius Solutions – Project Manager
Elaine Howard Consulting – Public Outreach
Martin Associates – Economic Impacts
PFM Group – Financial Advisor
Snell & Wilmer – Bond Counsel
Next Steps
THANK YOU!

QUESTIONS?