Port of Walla Walla Burbank/Wallula Gap Tax Increment Area

Project Analysis Report

Port of Walla Walla
310 A Street
Walla Walla Regional Airport
Walla Walla, WA 99362

Acknowledgments

This report was prepared for the Port of Walla Walla by Tiberius Solutions, a limited liability corporation headquartered in Portland, Oregon. Tiberius Solutions specializes in infrastructure funding and tax increment financing analysis, helping clients achieve their economic and financial goals.

Tiberius Solutions is not a registered municipal advisor as defined in Section 15B of the Securities Exchange Act, as amended by Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The contents of this report are intended to provide factual information and is not intended to be construed as advice or recommendations regarding any specific municipal financial products. The Port should discuss any information and material contained in this report with any and all internal or external advisors and experts that the Port deems appropriate before acting on this information.

Other firms that contributed to this report include:

- Elaine Howard Consulting, LLC led the Port's efforts for public outreach and community engagement on this project.
- Johnson Economics conducted technical analysis related to the forecast of future private development in the area, and economic impacts related to job creation and housing affordability.
- Piper Sandler & Co. served as the Port's municipal financial advisor, providing advice on reasonable assumptions for the terms of future indebtedness.
- K&L Gates LLP served as the City's bond counsel, providing legal advice on the Port's authority to incur future indebtedness.

Tiberius Solutions acknowledges the assistance and data provided by staff at the Port who were deeply involved in the preparation of this report, providing input on key assumptions and review of all analysis. Tiberius Solutions would also like to thank the valuable contributions made by the Walla Walla County Assessor's Office and the Office of the Washington State Treasurer, who provided data used in the analysis and guidance on the content of this report. Despite the assistance of other public and private-sector entities, Tiberius Solutions is responsible for the contents of this report.

Table of Contents

Summary

How Tax Increment Financing Works

In 2021, the Washington State Legislature passed House Bill 1189, allowing some municipalities (cities, counties, and ports) to establish Tax Increment Areas (TIAs) to fund public improvements that allow for new private development to occur. Revised Code of Washington (RCW) 39.114 describes the legislative requirements for tax increment financing in Washington. Each TIA must have a clearly defined boundary and a list of public improvement projects to be funded in the area. Some of the property taxes generated by increases in assessed value in a TIA are allocated to the TIA to help pay for the public projects in the area. The result is each TIA redirects some of the taxes that would have been collected by other taxing districts for the TIA projects instead. Revenues generated from the growth in assessed value within a TIA are not restricted by other RCW provisions that would otherwise limit the jurisdiction's levy amount to no more than 101 percent of the prior year's levy authority.

With a TIA, a municipality can borrow money to fund important public projects in an area, and then pay back the cost of those projects with property tax revenues generated by the increased property value of new private development inside the TIA. TIAs can collect property taxes for no more than 25 years. The projects funded by a TIA are intended to stimulate new construction that occurs sooner or with higher values than would otherwise be expected to occur. Thus, some of the property taxes received by TIAs would not exist without the new public projects paid for by the TIA.

When a municipality establishes a TIA, the current value of property in the TIA is "frozen" and called the *base value*. Property taxes paid on the base value are paid as usual to the taxing districts that collect property taxes in the area. Over time, the property values in the TIA are expected to increase. Property value above the base value is called the *increment value*. Some property taxes paid on the increment value are distributed to the TIA, called *tax allocation revenues*. Some taxing districts, like school districts, are identified in RCW as not impacted by TIAs. Thus, some taxing districts continue to receive taxes paid on the increment value, like usual.

Anticipated Public Improvements

The Burbank/Wallula Gap TIA includes properties in the Attalia Urban Growth Area (specifically the Wallula Gap Business Park) and portions of the nearby Burbank Urban Growth Area, 5,877.2 acres in total. The development of this area is vital to the Port's mission to enhance the economic vitality of Walla Walla County through the creation and retention of family wage jobs. For this development to occur, the Port must complete many significant infrastructure projects:

- **Burbank Industrial Park & Burbank Business Park:** 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.

- **Dodd Road Industrial Park & Stearns Kelly Site:** 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.
- **Wallula Gap Business Park:** 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 Improvements.

The cost of these projects is estimated to total $260.0 million in today's dollars, and tax allocation revenues from the proposed TIA will provide essential funding for these projects. When considering the impacts of inflation and interest on debt, the cost of the public projects will be more than the amount of tax allocation revenues generated in the proposed TIA. The Port assumes some of the project costs would need to be paid for by additional funding sources.

Anticipated Private Development

As of the writing of this report, the Port is aware of six planned development projects within the proposed TIA boundary with an expected real improvement value of $517.2 million (in 2023 dollars). Additionally, there are two additional expected projects that are not yet permitted, with an estimated real improvement value totaling $400.0 million.

Impacts to Taxing Districts

The proposed TIA is forecast to receive $122.6 million in tax allocation revenues over the course of 25 years, ending in 2049. This would result in an equal amount of "foregone" property tax revenues from impacted taxing district levies. However, RCW 84.55.010 allows taxing districts to increase the amount of their levy to account for growth in assessed value inside a TIA. This would result in slightly higher overall levy amounts and tax rates for impacted taxing districts. Thus, the net impact the TIA would have on taxing district levies is $117.5 million, which is less than the total amount of tax allocation revenues received. The proposed TIA would receive tax allocation revenues from the following levies:

- Walla Walla County Current Expense and Public Works General Fund
- Fire District #5
- Port of Walla Walla

- Rural Library General Fund
- Emergency Medical Services (EMS) Levy

The following levies are not impacted by the proposed TIA, and therefore would receive additional property tax revenues from new private development in the proposed TIA as soon as construction is complete:

- State Schools (Part 1 and 2)
- Burbank School District General Fund, Debt Service Fund, Capital Projects Fund

Economic Impacts

The proposed TIA is expected to generate substantial economic impacts for the local and regional economy. The infrastructure investments supported by the proposed TIA would support a significant level of development, with substantial employment from construction as well as ongoing business activity. The total estimated economic impacts (direct, indirect, and induced) from the construction phase are roughly 10,885 FTE positions and $641.8 million in labor income (2023 dollars).

Following development, the completed structures are expected to provide for ongoing impacts to the local and regional economy. Employees at the industrial spaces are expected to generate income that will circulate in the local economy, supporting additional employment and tax revenues. The overall level of employment in the study area is estimated at 1,555 when completed and tenanted.

The remainder of this Report details all assumptions used for the analysis of the proposed TIA.

1. Background

Background and Purpose

In 1952 voters of Walla Walla County overwhelmingly approved establishing the Port of Walla Walla (Port), whose boundary encompasses the entire county. By a 7 to 1 margin, voters favored formation of the public port district, which has a broad authority under Washington state law to foster economic development. Since its formation, the Port has been responsible for fostering economic development throughout Walla Walla County and measures its success in terms of its ability to create and retain family wage jobs, expand the region's tax base, maintain multi-modal transportation linkages, and provide leadership in enhancing Walla Walla County's overall economic vitality and quality of life.

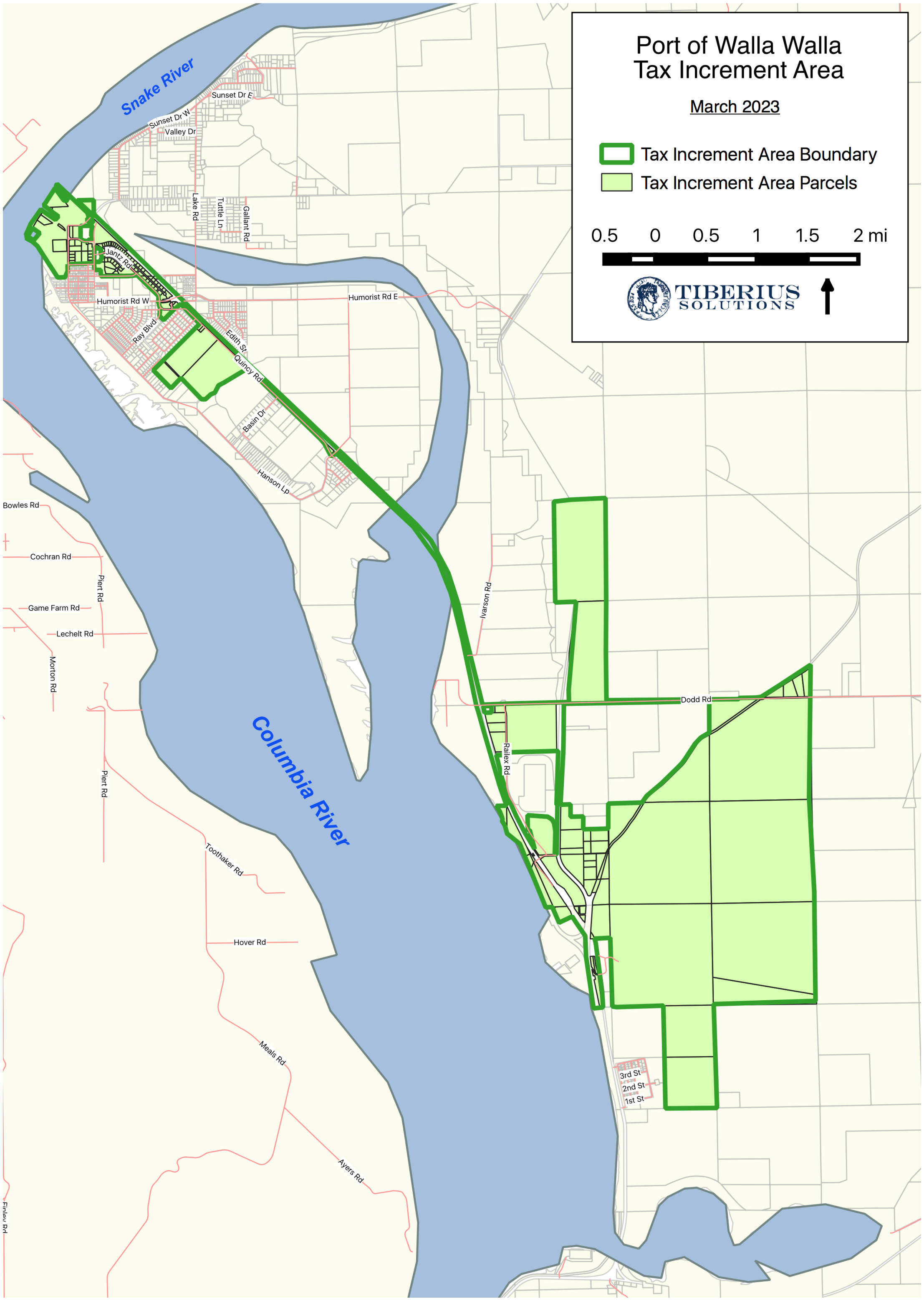
The proposed Burbank/Wallula Gap Tax Increment Area (TIA) includes undevelopable land suitable for industrial and commercial development, new employment opportunities, and diversification of the region's tax base. Investment in critical public infrastructure will provide the catalyst for future development of living-wage employment for Walla Walla County and the region's residents.

Boundary

Exhibit 1 shows a map of the boundary for the proposed Burbank/Wallula Gap Tax Increment Area (TIA), including all tax lots included within the boundary. The TIA includes properties in the Attalia Urban Growth Area (specifically the Wallula Gap Business Park) and portions of the nearby Burbank Urban Growth Area. The boundary includes 5,877.2 acres.

Appendix A provides a list of all 188 tax lots included within the proposed TIA boundary. These properties are located within tax code areas 327, 328, 331, and 333. They had a combined market value of $47,589,810 and assessed value of $12,776,360 for tax year 2023.

Exhibit 1. Proposed Burbank/Wallula Gap TIA Boundary



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

Exhibit 2 summarizes the land use designation for all tax accounts in the proposed TIA boundary. In tax year 2023, 69% of the proposed TIA's acreage, 26% of the proposed TIA's current taxable assessed value, and 19% of the TIA's tax accounts had an agricultural land use. Nineteen percent of the proposed TIA's acreage have a governmental services land use and nine percent are undeveloped (bare land). All the remaining land use designations in the proposed TIA comprise less than five percent of the TIA's total acreage.

Exhibit 2. Land Use, Proposed Burbank/Wallula Gap TIA, Tax Year 2023

Land Use	Number of Accounts	%	Acres	%	Assessed Value	%
Residential						
Household Single Family Units	2	1.1%	2	0.0%	$ 751,100	5.9%
Transportation, Communication,						
Highway & Street Right-of-Way	19	10.1%	67	1.3%	$ -	0.0%
Trade						
Retail Trade-Building Materials, Hardware and Farm Equipment	1	0.5%	10	0.2%	$ -	0.0%
Retail Trade-General Merchandise	1	0.5%	1	0.0%	$ 2,148,600	16.8%
Retail Trade-Food	1	0.5%	0	0.0%	$ 164,400	1.3%
Services						
Repair Services	2	1.1%	62	1.2%	$ 544,600	4.3%
Governmental Services	6	3.2%	968	18.6%	$ -	0.0%
Misc. Services	4	2.1%	59	1.1%	$ 2,825,900	22.1%
Resource Production & Extraction						
Agriculture (Not Classified Under Open Space Law)	22	11.7%	1,669	32.1%	$ 387,820	3.0%
Agricultural Related Activities (Grain	5	2.7%	25	0.5%	$ 147,240	1.2%
Agricultural Classified Under Open Space Law RCW 84.34	9	4.8%	1,868	36.0%	$ 2,827,560	22.1%
Undeveloped Land and Water Areas						
Undeveloped Land (Bare Lots)	116	61.7%	462	8.9%	$ 2,979,140	23.3%
Total	**188**		**5,195**		**$ 12,776,360**	

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

RCW 39.114 establishes limits for the taxable assessed value of all property included within TIAs for a jurisdiction. When the resolution establishing the TIA is passed, the TIA may not have an assessed valuation of more than $200 million or 20 percent of the total assessed valuation of the Port of Walla Walla (whichever is less). The total assessed valuation of the Port in tax year 2023 was $9,272,358,525, which means that 20 percent of that assessed valuation is $1,854,471,705. Thus, $200 million is the applicable threshold for the maximum amount of assessed value that can be included in the TIA. As stated previously, all of the tax lots within the proposed TIA boundary have a total taxable assessed value of $12,776,360. Thus, the TIA boundary complies with the limitations on assessed value described in RCW. These calculations are shown below in Exhibit 3.

Exhibit 3. Calculations of Limitations on Assessed Value, Port of Walla Walla TIA, Tax Year 2023

Total Assessed Value, Port of Walla Walla	$ 9,272,358,525
20% of Total Assessed Value	$ 1,854,471,705
Statutory Limit	$ 200,000,000
Assessed Value of TIA	$ 12,776,360
In Compliance with RCW?	Yes
Remaining Capacity	$ 187,223,640

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

RCW 39.114 requires the Port to identify any property that it intends to acquire within the TIA boundary. At the time of writing this report, the Port has not identified any specific properties it intends to acquire within the proposed TIA boundary.

Objectives

The Port's adopted comprehensive plan identifies a clear mission, vision, and corresponding goals that serve as objectives for the proposed TIA:

Port Mission

Working to enhance the economic vitality of Walla Walla County through the creation and retention of family wage jobs… The Port measures its success in terms of its ability to:

- Create and retain family wage jobs;
- Attract and encourage new investment;
- Expand the region's tax base;
- Maintain multi-modal transportation linkages;
- Build community infrastructure to support economic development; and,
- Provide leadership in enhancing Walla Walla County's overall economic vitality and quality of life.

Port Vision

- To be a progressive economic development agency that creates and retains family wage jobs in Walla Walla County and Southeastern Washington.
- To make strategic investments in real estate and facilities that results in attracting new investments and jobs.
- To make targeted investments in transportation systems to efficiently move citizens and products.

- To invest in the development of public utility systems needed to support business and communities.
- To lead community coalitions that enhance Walla Walla County's economic vitality and quality of life for the citizens it serves.

Goals

The following goals (And the policies supporting those goals) are consistent with the Port's adopted Comprehensive Plan, including the same numbering that is reflected in the Comprehensive Plan.

Goal 1: Increase the economic vitality of Walla Walla County through the retention, expansion, start-up, and recruitment of desired businesses and industries.

- Policy 1.1: As the lead economic development agency for Walla Walla County, the development and execution of the Port's annual economic development plan is one of the Port's most important activities. The Port believes the core elements of a comprehensive economic development plan should include the following:
  - Small business development;
  - Existing business retention/expansion;
  - Business recruitment marketing and advertising;
  - Site and infrastructure development;
  - Economic benchmarking;
  - Economic development advocacy; and,
  - Collaboration and partnerships.
- Policy 1.4: The Port will work collaboratively with its partners in execution of the economic development plan, including coordinating infrastructure planning and development efforts.
- Implementation Strategies:
  - The Port should continue to develop partnerships with public and private organizations that can assist the Port in the implementation of the economic development plan.
  - Business retention continues to be a high priority for the Port Commission. The Port should identify the time and resource commitment necessary to make business outreach efforts sustainable.
    - The re-establishment of the Walla Walla Area Small Business Development Center is an important achievement and will help with business retention efforts.

- Policy 2.1 It is a paramount duty of the Port to own land and buildings to meet the needs of businesses and industries.
- Implementation Strategies:
  - Consider the infrastructure investments necessary to effectively market the property and allow the Port to recover its investment along with a margin.

Goal 3: Strategically invest in infrastructure in order to make land and buildings ready for development.

- Policy 3.1: The Port should continue to make strategic infrastructure investments in Port owned land and buildings to ready sites for new and expanding businesses and industries. Shovel-ready land and buildings are critical to attracting new investment to Walla Walla County.
- Policy 3.2: The Port should use the yearly capital budgeting process and the capital investment plan contained within this comprehensive plan to prioritize strategic capital investments in existing Port land and buildings.
- Policy 3.3: Strategic investments includes the Port's ability to "build to suit" production facilities for desired businesses and industries, consistent with Policy 1.3.
- Policy 3.4: The Port should continue to invest, own, and manage public utility systems needed to support business and communities, especially in rural areas. Port infrastructure investments should be shared beyond the Port's specific needs within an industrial park, for broader community benefit, when possible.
- Policy 3.5: In smaller rural communities within Walla Walla County, the Port should consider adopting more proactive economic development incentives to attract new business and industries.
- Implementation Strategies:
  - The Port should continue to assess its land and building holdings to insure that properties are, in the process of, being made "shovel-ready" to attract new business opportunities.
  - The Port should keep adequate cash reserves and debt capacity to provide the Port with the financial capability to "Build to Suit" production facilities for new business and industries. Not all economic development agencies want or have the financial capacity to do so, which hence represents an economic advantage to the Port.
  - The Port should invest in infrastructure investments in small rural communities that have the potential to provide a broader community benefit beyond the Port's needs. The Port's Burbank Water system is an excellent example. The Port has extended water services beyond its own business park to benefit a local school district and a small local water district. This represents an efficient use of resources, while building good will and support for the Port's economic development mission. The Port is currently developing a sewer transmission system in Burbank and developing a large public water project to jointly serve the Dodd Road Industrial Park and the Wallula

Gap Industrial Park. The Port should use these utility improvements to provide a broader community benefit for these communities, if at all possible.

Goal 5: Provide for efficient and cost-effective transportation linkages.

- Policy 5.2: The four-laning of US Highway 12 from Burbank to Walla Walla has been a community priority for decades. While much progress has been made, two phases remain to be completed. As a result, this transportation improvement project continues to be a priority.
    - Policy 5.3: Rail lines continue to be an important mode of transportation for products being shipped out of Walla Walla County. While most of the rail lines in the county are privately owned, the Port believes it is important that the rail lines be preserved as they provide an important and cost effective transportation option.
    - Policy 5.4: Maintaining barge transportation on the Columbia and Snake River system is essential. This form of transportation is the most cost effective transportation option for the shipment of wheat to export markets.
- Implementation Strategies
    - The Port should continue maintaining Port-owned rail infrastructure at the Burbank Industrial Park, Dodd Road Industrial Park (Home to Railex) and the Wallula Shipping Terminal. The Port-owned rail lines at the Dodd Road Industrial Park should be expanded to accommodate the future growth of the Railex Produce and Wine Distribution Centers. The Port should also consider extending rail to its Wallula Gap Industrial Park, as demand warrants. The Port should continue to own its 18-car fleet of grain cars to help with the limited rail car supply in Southeastern Washington.

Goal 6: Increase constituent knowledge of the Port and its initiatives.

- Policy 6.1: Communicate regularly with Port stakeholders to inform them of the Port's mission, goals, and policies, and to keep them informed of Port activities.
- Policy 6.2: The Port will seek broad community input on Port issues and initiatives, as appropriate.

Goal 7: Transparency

- Policy 7.1: As a public entity, the Port conducts its official business in open public meetings.
- Policy 7.2: The public should be able to readily access the Port's website and obtain comprehensive information on the Port's activities and policies.

2. Anticipated Development

Public Improvements

The following public improvements may be funded in part of whole by tax allocation revenues generated by the proposed TIA:

- **Burbank Industrial Park & Burbank Business Park:** 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.
- **Dodd Road Industrial Park & Stearns Kelly Site:** 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.
- **Wallula Gap Business Park:** 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 Improvements.

Exhibit 4 summarizes the estimated cost and timing of construction for each of these public improvements. Collectively, these projects are estimated to cost $260 million in 2023 dollars. Project costs are expected to increase due to inflation at the time of completion.

Exhibit 4. Public Improvements to be Funded with Tax Allocation Revenues, Proposed Burbank/Wallula Gap TIA (2023 $)

Project	Estimated Cost (2023$)
Burbank Industrial Park & Burbank Business Park	$ 55,150,000
Dodd Road Industrial Park & Stearns Kelly Site	$ 59,350,000
Wallula Gap Business Park	$ 145,500,000
Total	**$ 260,000,000**

Source: Port of Walla Walla

RCW 39.114.020 requires the Port to impose a deadline by which commencement of construction of the public improvements shall begin, "which deadline must be at least five years into the future…" Thus, for the proposed TIA, the deadline for construction of public improvements to begin is 2028.

The timing of construction of individual projects within the TIA is undetermined at this time. The Port intends to phase construction of individual projects based on the actual financial capacity of the TIA, the ability to leverage other funding sources, and the specific infrastructure needs of future private development opportunities in the area.

Private Development

Exhibit 5 summarizes the private development forecast to occur in the TIA. As of the writing of this report, the Port is aware of five planned development projects within the TIA boundary with an expected real improvement value of $517.3 million (in 2023 dollars). Additionally, there are two additional expected industrial projects that are not yet permitted, with a real improvement value totaling $400.0 million. Both of the industrial projects have signed letters of intent to develop within the TIA and are in the process of negotiating purchase and sale agreements for Port-owned sites within the proposed TIA.

All of these proposed developments will be permitted consistent with Walla Walla County's applicable zoning and development standards. When new projects complete construction, there is a delay before that increase in assessed value is reflected on the tax roll. This evaluation conservatively assumes that new construction in the TIA is added two years after construction is completed. Although the Port expects many other properties in the proposed TIA to develop as the Port builds the necessary public infrastructure projects, this report does not include any additional speculative development in its tax allocation revenue forecasts.

Exhibit 5. Summary of Estimated Private Development, Proposed Burbank/Wallula Gap TIA (2023$)

Year Built	Year on Tax Roll	Improvement Value
2023	2025	$ 18,300,000
2024	2026	$ 51,600,000
2025	2027	$ 49,900,000
2026	2028	$ 49,900,000
2027	2029	$ 451,400,000
2028	2030	$ 49,900,000
2029	2031	$ 49,900,000
2030	2032	$ 49,900,000
2031	2033	$ 49,900,000
2032	2034	$ 49,900,000
2033	2035	$ 49,900,000
Total		**$ 920,500,000**

Source: Port of Walla Walla

The private development summarized in Exhibit 5 is limited to known development projects that are either under construction, or in the planning and permitting stages. Staff from the Port of Walla Wall have a high degree of certainty that these projects will begin construction within the next few years.

The Port expects that infrastructure improvements will be required to accommodate these development projects. Specifically, proposed residential development within the area will require upgrades to wastewater treatment capacity. The Port has an agreement with the City of Pasco to provide wastewater treatment for future development in the Burbank Business Park. That agreement is limited to 300,000 gallons per day, and the City of Pasco is unwilling to increase the amount of capacity allocated to the Port. Proposed residential development in the TIA would require over 200,000 gallons per day (two thirds of the treatment capacity available to the Burbank Business Park). To preserve wastewater capacity for industrial users, the Port will need to provide alternative wastewater capacity to support residential development in the area.

For the two large-scale industrial developments that have signed letters of intent to develop within the TIA, water system and roadway improvements will be needed. Additional wastewater improvements may ultimately be needed as well, once additional design work has been completed. The existing water system was built to serve the existing customer demand, with a planned expansion to serve additional customers. Each industry has different water use and quality demands that may require improvements to the existing system to be adequately served. Future improvements to the system to support future development includes additional reservoirs, as well as improvements in flow rate for fire suppression, and overall water quality.

The exact timing of construction of these private developments is uncertain. However, the Port is confident that it has the necessary resources to provide adequate infrastructure for each project to occur without delay. The Port is committed to providing the infrastructure improvements necessary for this first wave of private developments to advance, without relying on formal indebtedness secured by tax allocation revenues. The Port intends to be opportunistic, exploring all possible sources of funding for these infrastructure improvements. The Port will likely use existing reserve funds to pay for a portion of these infrastructure improvements, with the intention of reimbursing those funds with tax allocation revenues in the future, if and when the TIA has sufficient resources to do so.

To ensure a conservative financial forecast, the analysis in this report does not include the value of speculative longer-term private development that may occur within the proposed TIA. However, the area does have very substantial long-term development potential. The proposed TIA encompasses a total of 5,877.2 acres. After accounting for the known short-term construction projects, the TIA is still estimated to have 4,973.1 acres of vacant or re-developable land.

This land is predominantly zoned Industrial Agriculture – Heavy (IA-H), Industrial Agriculture – Mixed (IA-M) zone, and Industrial/Business Park, and is excellently situated for a wide variety of employment uses. Port staff have had conversations with developers and local property owners about potential projects including large manufacturing businesses that are looking for industrial-zoned property with large electrical and natural gas infrastructure for their proposed business operation. Unfortunately, future development in this area is constrained by a lack of infrastructure. Without addressing these infrastructure deficiencies, the proposed TIA will not be able to accommodate future private development. However, by using tax allocation revenues to leverage other funds and make infrastructure investments in the area, the Port expects to continue to attract new economic development. Assuming improvement values of $50,000 per acre, based on recent development proposals for the area, and the estimated 4,973.1 acres of vacant or re-developable land, it is estimated that future speculative development in the area could total $249 million within the proposed TIA. While the exact timing and value of this speculative development is uncertain, any significant future private development in the area would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future without the proposed public improvements to be funded by the proposed TIA.

3. Finance Plan

Forecast of Tax Allocation Revenues

Tax allocation revenues generated within the proposed TIA would provide a critical source of funding to pay for the public improvements identified in this report. The proposed TIA is expected to take effect on June 1, 2024, following the adoption of the ordinance establishing the proposed TIA. Based on this timing, the first year the proposed TIA would be eligible to receive tax allocation revenues is 2025.

The duration of the proposed TIA shall be no more than 25 years after the first year in which tax allocation revenues are collected. This analysis assumes that the final year the proposed TIA will be eligible to receive tax allocation revenues is 2049. In the remainder of this section, the assumptions and methods for forecasting future tax allocation revenues are described.

Determine the Annual Levy Rates

Property tax levies included in the calculation of tax allocation revenues are limited to "regular property taxes" as defined in RCW 84.04.140, except regular property taxes levied by port districts and public utility districts to repay general obligation debt and regular property taxes levied by the state for the support of common schools. Regular property taxes also do not include any levies that are exempt from aggregate limits for junior/senior limits in RCW 84.52.043 or excess property taxes levied by local school districts.

Exhibit 6 shows the regular property tax levies that are included in the calculation of tax allocation revenues for the TIA, and the rates associated with each of these levies in 2023. Although the TIA overlaps four individual tax code areas (327, 328, 331, and 333), the property tax levies included in each are the same. This report therefore does not calculate tax allocation revenues nor report values by individual tax code area, but instead groups all tax code areas together.

Exhibit 6. Levies Included in Calculation of Tax Allocation Revenues, Proposed Burbank/Wallula Gap TIA, All Tax Code Areas, 2023

Taxing District	2023 Levy Rate (Per $1,000 AV)
County Current Expense	$ 1.117347
Fire District #5	$ 1.265799
Port of Walla Walla	$ 0.262346
County Public Works General Fund	$ 1.711881
Rural Library General Fund	$ 0.394261
EMS Levy	$ 0.404296
Total	**$ 5.155930**

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

These levy rates are expected to change over time, based on increases in each jurisdiction's levy authority and changes in assessed value of property within those jurisdictions. Historically, these tax rates have decreased over time, as growth in assessed value has outpaced growth in levy authority. This analysis assumes that those historical trends will continue, with rates decreasing over time.

To forecast future changes in tax rates for jurisdictions impacted by the proposed TIA, we forecast growth in assessed value for each jurisdiction, distinguishing between growth from appreciation of existing property and growth from new construction. Recent historical trends for assessed value growth in Walla Walla County have been unsustainably high and are unrealistic to assume will continue for the 25-year duration of the TIA. Instead, we look at long-term historical trends for personal income growth as the basis for forecasting appreciation of existing property values, and we look at forecasts of population growth as the basis for forecasting the increase in assessed value from new construction.

Personal income growth is correlated with growth in property values. Data from the Federal Reserve for per capita personal income growth in Walla Walla County shows that average annual growth rate from 2001 to 2021 was 3.9%.[1] Using any past year between 1973 and 2014 to calculate the growth rate up until 2021 yields an annual rate between 3.5% and 4.9%. Growth has been more rapid over the last decade, but that rapid growth is unlikely to be sustainable in the future. Based on the long-term trends, we assume average annual growth of 4.0% for personal income, and thus 4.0% annual growth in assessed value from appreciation of existing properties for all years of the forecast period.

Assessed value growth from new construction is correlated with population growth. The most recent State Growth Management Act (GMA) population forecasts for Walla Walla County were

[1] U.S. Bureau of Economic Analysis, Per Capita Personal Income in Walla Walla County, WA [PCPI53071], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/PCPI53071, June 27, 2023.

conducted in 2022 and cover the period from 2025 to 2050. This forecast calls for gradual slowing of population growth in the County, with an average annual growth rate of 0.5% from 2025 to 2026, 0.4% from 2026 through 2030, 0.3% from 2030 to 2035, 0.2% from 2035 to 2044, and 0.1% from 2044 to 2049. We apply those same percentage growth assumptions to our forecast of assessed value from new construction countywide (and apply the 0.5% growth rate for the years before this forecast, 2023 to 2025). This forecast of future growth in assessed value from new construction countywide is not directly tied to forecasts of construction activity within the proposed TIA, as the annual growth in assessed value in the proposed TIA is estimated to be only a fraction of the total forecast countywide in any given year.

Exhibit 7 shows the forecast of future levy rates applicable for the TIA. The total applicable levy rate for the TIA is forecast to decrease from $5.115930 in 2023 to $2.835351 in 2049. This analysis assumes that the EMS levy continues to be approved by voters every six years, as it has been for the last two decades with wide margins.

Exhibit 7. Forecast of Future Levy Rates, Proposed Burbank/Wallula Gap TIA

Tax Year	County Current Expense	Fire District #5	Port of Walla Walla	County Public Works General Fund	Rural Library General Fund	EMS Levy	Total
2023	$ 1.117347	$ 1.265799	$ 0.262346	$ 1.711881	$ 0.394261	$ 0.404296	**$5.155930**
2024	$ 1.085270	$ 1.229458	$ 0.254815	$ 1.662735	$ 0.382942	$ 0.392689	**$5.007909**
2025	$ 1.054228	$ 1.195215	$ 0.247526	$ 1.615403	$ 0.372022	$ 0.381457	**$4.865853**
2026	$ 1.024196	$ 1.162964	$ 0.240475	$ 1.569839	$ 0.361491	$ 0.370591	**$4.729555**
2027	$ 0.995116	$ 1.132550	$ 0.233647	$ 1.525941	$ 0.351326	$ 0.500000	**$4.738581**
2028	$ 0.966852	$ 1.102761	$ 0.227011	$ 1.483230	$ 0.341440	$ 0.485958	**$4.607252**
2029	$ 0.941519	$ 1.084522	$ 0.221063	$ 1.448254	$ 0.333085	$ 0.473226	**$4.501669**
2030	$ 0.917493	$ 1.070004	$ 0.215422	$ 1.416088	$ 0.325314	$ 0.461149	**$4.405470**
2031	$ 0.892715	$ 1.048228	$ 0.209604	$ 1.380410	$ 0.316918	$ 0.448696	**$4.296571**
2032	$ 0.868545	$ 1.026416	$ 0.203929	$ 1.345417	$ 0.308699	$ 0.436548	**$4.189555**
2033	$ 0.844975	$ 1.004679	$ 0.198395	$ 1.311129	$ 0.300660	$ 0.500000	**$4.159838**
2034	$ 0.821994	$ 0.983049	$ 0.192999	$ 1.277544	$ 0.292798	$ 0.487735	**$4.056120**
2035	$ 0.799590	$ 0.961558	$ 0.187739	$ 1.244661	$ 0.285113	$ 0.474445	**$3.953106**
2036	$ 0.777638	$ 0.939797	$ 0.182585	$ 1.212170	$ 0.277540	$ 0.461420	**$3.851150**
2037	$ 0.756122	$ 0.917629	$ 0.177533	$ 1.180009	$ 0.270070	$ 0.448653	**$3.750016**
2038	$ 0.735168	$ 0.895809	$ 0.172613	$ 1.148597	$ 0.262782	$ 0.436219	**$3.651188**
2039	$ 0.714763	$ 0.874352	$ 0.167822	$ 1.117927	$ 0.255671	$ 0.500000	**$3.630536**
2040	$ 0.694895	$ 0.853262	$ 0.163157	$ 1.087987	$ 0.248737	$ 0.487677	**$3.535715**
2041	$ 0.675553	$ 0.832540	$ 0.158616	$ 1.058765	$ 0.241974	$ 0.474108	**$3.441555**
2042	$ 0.656723	$ 0.812189	$ 0.154195	$ 1.030250	$ 0.235380	$ 0.460893	**$3.349631**
2043	$ 0.638395	$ 0.792211	$ 0.149891	$ 1.002430	$ 0.228952	$ 0.448030	**$3.259909**
2044	$ 0.620556	$ 0.772606	$ 0.145703	$ 0.975292	$ 0.222686	$ 0.435510	**$3.172353**
2045	$ 0.603179	$ 0.753365	$ 0.141623	$ 0.948804	$ 0.216574	$ 0.500000	**$3.163546**
2046	$ 0.586271	$ 0.734499	$ 0.137653	$ 0.922976	$ 0.210619	$ 0.487554	**$3.079572**
2047	$ 0.569818	$ 0.716007	$ 0.133790	$ 0.897795	$ 0.204817	$ 0.473877	**$2.996104**
2048	$ 0.553810	$ 0.697888	$ 0.130031	$ 0.873250	$ 0.199165	$ 0.460564	**$2.914709**
2049	$ 0.538237	$ 0.680140	$ 0.126375	$ 0.849326	$ 0.193660	$ 0.447613	**$2.835351**

Forecast Future Assessed Value in TIA

Future growth in assessed value in the proposed TIA would come from new construction and the appreciation of existing property. This report assumes 4.0% annual growth assessed value for existing property value, based on long-term trends in personal income for Walla Walla County as described above.

As stated previously, much of the new construction forecast to occur in the proposed TIA is predicated on the Port providing adequate infrastructure, including the projects identified in this report. The expected increases in assessed value from new construction anticipated to occur in the TIA over its lifetime were shown previously in Exhibit 5.

Exhibit 8 summarizes all of the anticipated increase in real property assessed value from new construction. It includes the value of new development in both constant 2023 dollars and nominal dollars which account for appreciation of property values between now and when the projects complete construction.[2] Assuming annual appreciation of 4.0% as described above, the total increase in assessed value from new construction is estimated to be $920.5 million in constant 2023 dollars, and $1.16 billion in nominal dollars.

Exhibit 8. Value from New Construction, Proposed Burbank/Wallula Gap TIA

Year Built	Year on Tax Roll	Improvement Value (2023 $)	Improvement Value (Nominal $)
2023	2025	$ 18,300,000	$ 19,100,000
2024	2026	$ 51,600,000	$ 55,800,000
2025	2027	$ 49,900,000	$ 56,100,000
2026	2028	$ 49,900,000	$ 58,300,000
2027	2029	$ 451,400,000	$ 549,200,000
2028	2030	$ 49,900,000	$ 63,100,000
2029	2031	$ 49,900,000	$ 65,600,000
2030	2032	$ 49,900,000	$ 68,300,000
2031	2033	$ 49,900,000	$ 71,000,000
2032	2034	$ 49,900,000	$ 73,800,000
2033	2035	$ 49,900,000	$ 76,800,000
Total		**$ 920,500,000**	**$ 1,157,100,000**

Source: Tiberius Solutions with data and input from the Walla Walla County Assessor and Port of Walla Walla

In addition to increases in assessed value from new construction, all property values in the proposed TIA are estimated to increase by 4.0% per year from appreciation. Exhibit 9 summarizes the forecast total growth in assessed value in the TIA from new construction and appreciation.

[2] Note that no additional inflation is assumed between the date the construction is completed and the date the increased value appears on the tax roll based on conversations with county assessors in Washington.

Exhibit 9. Assessed Value Forecast, Proposed Burbank/Wallula Gap TIA (Nominal $)

Tax Year	Prior Year	PLUS: Appreciation of Existing Property	PLUS: New Construction	Total
2023				**$ 12,776,360**
2024	$ 12,776,360	$ 511,054		**$ 13,287,414**
2025	$ 13,287,414	$ 531,497	$ 19,068,920	**$ 32,887,831**
2026	$ 32,887,831	$ 1,315,513	$ 55,828,406	**$ 90,031,750**
2027	$ 90,031,750	$ 3,601,270	$ 56,102,592	**$ 149,735,612**
2028	$ 149,735,612	$ 5,989,424	$ 58,346,696	**$ 214,071,733**
2029	$ 214,071,733	$ 8,562,869	$ 549,247,733	**$ 771,882,335**
2030	$ 771,882,335	$ 30,875,293	$ 63,107,786	**$ 865,865,414**
2031	$ 865,865,414	$ 34,634,617	$ 65,632,097	**$ 966,132,128**
2032	$ 966,132,128	$ 38,645,285	$ 68,257,381	**$ 1,073,034,794**
2033	$ 1,073,034,794	$ 42,921,392	$ 70,987,677	**$ 1,186,943,863**
2034	$ 1,186,943,863	$ 47,477,755	$ 73,827,184	**$ 1,308,248,801**
2035	$ 1,308,248,801	$ 52,329,952	$ 76,780,271	**$ 1,437,359,024**
2036	$ 1,437,359,024	$ 57,494,361	$ -	**$ 1,494,853,385**
2037	$ 1,494,853,385	$ 59,794,135	$ -	**$ 1,554,647,521**
2038	$ 1,554,647,521	$ 62,185,901	$ -	**$ 1,616,833,422**
2039	$ 1,616,833,422	$ 64,673,337	$ -	**$ 1,681,506,759**
2040	$ 1,681,506,759	$ 67,260,270	$ -	**$ 1,748,767,029**
2041	$ 1,748,767,029	$ 69,950,681	$ -	**$ 1,818,717,710**
2042	$ 1,818,717,710	$ 72,748,708	$ -	**$ 1,891,466,418**
2043	$ 1,891,466,418	$ 75,658,657	$ -	**$ 1,967,125,075**
2044	$ 1,967,125,075	$ 78,685,003	$ -	**$ 2,045,810,078**
2045	$ 2,045,810,078	$ 81,832,403	$ -	**$ 2,127,642,481**
2046	$ 2,127,642,481	$ 85,105,699	$ -	**$ 2,212,748,181**
2047	$ 2,212,748,181	$ 88,509,927	$ -	**$ 2,301,258,108**
2048	$ 2,301,258,108	$ 92,050,324	$ -	**$ 2,393,308,432**
2049	$ 2,393,308,432	$ 95,732,337	$ -	**$ 2,489,040,769**

Note: Dollar values in this summary exhibit may differ than other exhibits in the report due to rounding
Source: Tiberius Solutions

Forecast of Tax Allocation Revenues

Exhibit 10 shows the forecast of annual tax allocation revenues, combining the forecasts of future assessed value in the proposed TIA and applicable tax rates. Annual tax allocation revenues are expected to be $95,373 in 2025, increasing $7.0 million in the final year of the TIA in 2049. Total tax allocation revenue over 25 years is expected to be $122,628,261.

Exhibit 10. Tax Allocation Revenues, Nominal Dollars, Proposed Burbank/Wallula Gap TIA (Nominal $)

Tax Year	Assessed Value Total	Assessed Value Base Value	Assessed Value Increment	Levy Rate	Tax Allocation Revenues
2023	$ 12,776,360	$ 12,776,360	$ -	$ 5.155930	$ -
2024	$ 13,287,414	$ 13,287,414	$ -	$ 5.007909	$ -
2025	$ 32,887,831	$ 13,287,414	$ 19,600,417	$ 4.865853	$ 95,373
2026	$ 90,031,750	$ 13,287,414	$ 76,744,336	$ 4.729555	$ 362,967
2027	$ 149,735,612	$ 13,287,414	$ 136,448,198	$ 4.738581	$ 646,571
2028	$ 214,071,732	$ 13,287,414	$ 200,784,318	$ 4.607252	$ 925,064
2029	$ 771,882,334	$ 13,287,414	$ 758,594,920	$ 4.501669	$ 3,414,943
2030	$ 865,865,414	$ 13,287,414	$ 852,578,000	$ 4.405470	$ 3,756,007
2031	$ 966,132,128	$ 13,287,414	$ 952,844,714	$ 4.296571	$ 4,093,965
2032	$ 1,073,034,794	$ 13,287,414	$ 1,059,747,380	$ 4.189555	$ 4,439,870
2033	$ 1,186,943,863	$ 13,287,414	$ 1,173,656,449	$ 4.159838	$ 4,882,221
2034	$ 1,308,248,801	$ 13,287,414	$ 1,294,961,387	$ 4.056120	$ 5,252,518
2035	$ 1,437,359,024	$ 13,287,414	$ 1,424,071,610	$ 3.953106	$ 5,629,506
2036	$ 1,494,853,385	$ 13,287,414	$ 1,481,565,971	$ 3.851150	$ 5,705,732
2037	$ 1,554,647,520	$ 13,287,414	$ 1,541,360,106	$ 3.750016	$ 5,780,125
2038	$ 1,616,833,421	$ 13,287,414	$ 1,603,546,007	$ 3.651188	$ 5,854,848
2039	$ 1,681,506,758	$ 13,287,414	$ 1,668,219,344	$ 3.630536	$ 6,056,530
2040	$ 1,748,767,028	$ 13,287,414	$ 1,735,479,614	$ 3.535715	$ 6,136,161
2041	$ 1,818,717,709	$ 13,287,414	$ 1,805,430,295	$ 3.441555	$ 6,213,488
2042	$ 1,891,466,417	$ 13,287,414	$ 1,878,179,003	$ 3.349631	$ 6,291,206
2043	$ 1,967,125,074	$ 13,287,414	$ 1,953,837,660	$ 3.259909	$ 6,369,332
2044	$ 2,045,810,077	$ 13,287,414	$ 2,032,522,663	$ 3.172353	$ 6,447,879
2045	$ 2,127,642,480	$ 13,287,414	$ 2,114,355,066	$ 3.163546	$ 6,688,859
2046	$ 2,212,748,179	$ 13,287,414	$ 2,199,460,765	$ 3.079572	$ 6,773,398
2047	$ 2,301,258,106	$ 13,287,414	$ 2,287,970,692	$ 2.996104	$ 6,854,999
2048	$ 2,393,308,430	$ 13,287,414	$ 2,380,021,016	$ 2.914709	$ 6,937,069
2049	$ 2,489,040,767	$ 13,287,414	$ 2,475,753,353	$ 2.835351	$ 7,019,629
Total					**$ 122,628,261**

Source: Tiberius Solutions

Factors Affecting the Accuracy of the Forecast

The biggest factor affecting the accuracy of the tax allocation revenue forecast is the value and timing of new construction in the proposed TIA. The amount of future tax allocation revenues is, in large part, dependent upon new construction. If that construction occurs on a different schedule, or with different values than has been assumed, it could impact the accuracy of the forecast.

In addition to the timing and value of new construction, actual tax allocation revenues for the proposed TIA will depend upon the actual appreciation/depreciation in assessed value in the area as well as the actual levy rates imposed. There is significant uncertainty with these factors over the next 25 years. However, these factors are related in ways that help to provide some confidence for this forecast. Changes in property values in the proposed TIA from appreciation/depreciation are likely to follow a similar pattern to changes in property values from appreciation/depreciation countywide. And, those countywide changes in appreciation/depreciation will determine annual changes in the levy rates imposed.

If property values increase faster than forecast, it will result in lower levy rates and a similar forecast of annual tax allocation revenues. Similarly, if property values increase slower than forecasted (or decrease), it will result in higher levy rates and a similar forecast of annual tax allocation revenues.

The accuracy of the tax allocation revenues forecast is more impacted by the **relative** growth in assessed value within the proposed TIA versus countywide. In theory, rates of appreciation/depreciation in these two geographies should be similar over time. However, if they do differ, it has the potential to significantly impact the tax allocation revenues forecast. If properties within the proposed TIA appreciate faster than the county as a whole, it will lead to more tax allocation revenues than what is forecasted. Conversely, if properties within the proposed TIA appreciate slower than the county as a whole, it will lead to less tax allocation revenues than what is forecast.

Impact on Overlapping Tax Levies

Tax allocation revenues are generated through the reallocation of tax levies. In other words, the financial impact of the proposed TIA is primarily borne by the affected, overlapping taxing districts. These impacts occur as “foregone” tax revenues. Thus, these jurisdictions are not losing revenue relative to what they collect today, but instead these districts would temporarily forego the future increase in revenue generated within the proposed TIA. Once the proposed TIA ceases to collect tax allocation revenues (limited to no more than 25 years), then these impacted jurisdictions would begin to receive the full amount of annual taxes from the new construction that has occurred within the proposed TIA.

RCW 84.55.010 allows taxing districts to increase the amount of their levy to account for growth in assessed value inside a TIA. This would result in slightly higher overall levy amounts and tax rates for impacted taxing districts. Thus, the net impact the TIA would have on taxing district levies is less than the total amount of tax allocation revenues received.

Exhibit 11 summarizes the annual tax revenues forecast to be foregone by the affected taxing districts. All jurisdictions are collectively expected to forego $117,582,306 in tax revenue over the life of the proposed TIA. While this is a significant amount of foregone tax revenues, it is not expected that much of this private development could or would occur within this area without the public investments proposed to be funded by the proposed TIA. Thus, a portion of these foregone revenues likely would not exist but for the investments made by the proposed TIA. Following the expiration of the proposed TIA, these revenues would be redirected to the overlapping taxing districts.

Exhibit 11. Foregone Property Tax Revenue by Overlapping Tax Levies, Proposed Burbank/Wallula Gap TIA (Nominal $)

Tax Year	County Current Expense	Fire District #5	Port of Walla Walla	County Public Works General Fund	Rural Library General Fund	EMS Levy	Total
2023	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
2024	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
2025	$ (20,086)	$ (22,773)	$ (4,716)	$ (30,779)	$ (7,088)	$ (7,268)	**$ (92,711)**
2026	$ (77,208)	$ (87,646)	$ (18,128)	$ (118,336)	$ (27,250)	$ (27,937)	**$ (356,505)**
2027	$ (132,074)	$ (150,242)	$ (31,010)	$ (202,509)	$ (46,626)	$ (68,224)	**$ (630,686)**
2028	$ (188,115)	$ (214,345)	$ (44,168)	$ (288,531)	$ (66,424)	$ (94,578)	**$ (896,162)**
2029	$ (705,314)	$ (808,130)	$ (165,603)	$ (1,083,818)	$ (249,360)	$ (354,534)	**$ (3,366,759)**
2030	$ (752,445)	$ (873,223)	$ (176,669)	$ (1,160,280)	$ (266,637)	$ (378,223)	**$ (3,607,478)**
2031	$ (817,895)	$ (955,196)	$ (192,037)	$ (1,263,357)	$ (290,157)	$ (411,120)	**$ (3,929,762)**
2032	$ (884,742)	$ (1,039,597)	$ (207,732)	$ (1,368,900)	$ (314,219)	$ (444,720)	**$ (4,259,910)**
2033	$ (952,961)	$ (1,126,263)	$ (223,749)	$ (1,476,809)	$ (338,806)	$ (586,828)	**$ (4,705,417)**
2034	$ (1,022,565)	$ (1,215,185)	$ (240,092)	$ (1,587,098)	$ (363,921)	$ (607,859)	**$ (5,036,720)**
2035	$ (1,093,570)	$ (1,306,358)	$ (256,764)	$ (1,699,784)	$ (389,568)	$ (649,948)	**$ (5,395,991)**
2036	$ (1,103,961)	$ (1,325,383)	$ (259,203)	$ (1,718,329)	$ (393,633)	$ (656,126)	**$ (5,456,636)**
2037	$ (1,116,661)	$ (1,346,317)	$ (262,185)	$ (1,740,138)	$ (398,472)	$ (663,675)	**$ (5,527,448)**
2038	$ (1,129,449)	$ (1,367,336)	$ (265,188)	$ (1,762,064)	$ (403,338)	$ (671,275)	**$ (5,598,650)**
2039	$ (1,142,317)	$ (1,388,416)	$ (268,209)	$ (1,784,092)	$ (408,229)	$ (834,110)	**$ (5,825,373)**
2040	$ (1,155,269)	$ (1,409,556)	$ (271,250)	$ (1,806,223)	$ (413,146)	$ (812,724)	**$ (5,868,168)**
2041	$ (1,168,306)	$ (1,430,758)	$ (274,311)	$ (1,828,462)	$ (418,089)	$ (821,795)	**$ (5,941,721)**
2042	$ (1,181,430)	$ (1,452,023)	$ (277,393)	$ (1,850,811)	$ (423,059)	$ (831,027)	**$ (6,015,744)**
2043	$ (1,194,643)	$ (1,473,352)	$ (280,495)	$ (1,873,275)	$ (428,057)	$ (840,323)	**$ (6,090,145)**
2044	$ (1,207,947)	$ (1,494,748)	$ (283,619)	$ (1,895,856)	$ (433,084)	$ (849,682)	**$ (6,164,936)**
2045	$ (1,221,361)	$ (1,516,229)	$ (286,768)	$ (1,918,583)	$ (438,146)	$ (1,057,178)	**$ (6,438,265)**
2046	$ (1,234,872)	$ (1,537,785)	$ (289,940)	$ (1,941,440)	$ (443,239)	$ (1,029,803)	**$ (6,477,079)**
2047	$ (1,248,481)	$ (1,559,416)	$ (293,136)	$ (1,964,427)	$ (448,364)	$ (1,041,024)	**$ (6,554,847)**
2048	$ (1,262,190)	$ (1,581,124)	$ (296,355)	$ (1,987,549)	$ (453,521)	$ (1,052,455)	**$ (6,633,193)**
2049	$ (1,276,001)	$ (1,602,912)	$ (299,597)	$ (2,010,808)	$ (458,711)	$ (1,063,971)	**$ (6,712,001)**
Total	**$(23,289,863)**	**$(28,284,313)**	**$ (5,468,320)**	**$ (36,362,258)**	**$(8,321,145)**	**$(15,856,407)**	**$(117,582,306)**

Source: Tiberius Solutions

Not all overlapping taxing districts would be impacted by the proposed TIA. The following property tax levies would be **excluded** from the calculation of tax allocation revenues:

- State Schools (Part 1 and 2)
- Burbank School District General Fund, Debt Service Fund, Capital Projects Fund

All taxing districts listed above, whose rates would be **excluded** in the calculation of tax allocation revenues would not experience any foregone revenues from the proposed TIA. This includes the Burbank School District. For these jurisdictions, the proposed TIA would generate increased property tax revenues once the anticipated private development comes on the tax roll or would reduce the property tax rate needed to produce the authorized levy amount.

Proposed Indebtedness

To finance the public improvements identified in this report, the Port anticipates issuing limited tax general obligation bonds. These bonds would be secured by a pledge of the Port's full faith and credit, including its tax allocation revenues and regular property tax levy, and would be subject to statutory limitations and constraints on general obligation indebtedness. The actual terms of the indebtedness are uncertain at this time, and will ultimately be informed by:

- The timing and amount of indebtedness the Port chooses to incur,
- Actual tax allocation revenues received by the Port, and
- Financial market conditions at the time of debt issuance.

For the purposes of this analysis, the Port consulted with their municipal financial advisors, Piper Sandler, to estimate terms of indebtedness, based upon current market conditions and hypothetical assumptions on the timing and amount of future indebtedness. This analysis assumes four series of limited tax general obligation bonds would be issued, first in 2025, and later in 2028, 2034, and 2039. The total principal amount of the bonds is estimated to be $67,430,000, which is expected to generate $70,000,000 in project funds. All bonds are assumed to be structured to be fully repaid by 2049, the final year the proposed TIA would be eligible to collect tax allocation revenue. For the purposes of this analysis, it is assumed that the bonds would be issued on a tax-exempt basis.

The estimated terms of indebtedness, including par amount, project proceeds, timing of issuance and final maturity, and true interest cost are shown in Exhibit 12. The underlying assumptions for the proposed indebtedness are intended to be conservative. These assumptions include a cushion of 100 basis points above market rates as of May 3, 2023. As noted earlier in the report, the forecast for tax allocation revenue assumes no speculative future construction beyond projects that are currently in the planning, permitting, and construction phases. Additionally, the analysis forecasts that tax allocation revenues would have a positive debt service coverage ratio in all years, and the Port would maintain a healthy cushion within its statutory authority for non-voted general obligation indebtedness.

Exhibit 12. Estimated Terms of Indebtedness for Proposed Burbank/Wallula Gap TIA Public Improvements (Nominal $)

	Loan A	Loan B	Loan C	Loan D	Total
Issuance Date	12/1/25	12/1/28	12/1/34	12/1/39	
Final Maturity	12/1/45	12/1/38	12/1/49	12/1/49	
Par Amount	$ 3,870,000	$ 19,215,000	$ 20,440,000	$ 23,905,000	**$ 67,430,000**
Project Proceeds	$ 4,000,000	$ 20,000,000	$ 21,000,000	$ 25,000,000	**$ 70,000,000**
True Interest Cost	4.99%	4.19%	4.46%	3.91%	

Source: Piper Sandler & Co

The public improvements within the proposed TIA are anticipated to be funded through limited tax general obligation bonds, which would be constrained by the Port's statutory capacity for non-voted general obligation indebtedness. This analysis conservatively assumes compound annual growth of 5.1% in total taxable assessed value for the Port from 2023 through 2039 (the final year in which the TIA is forecast to incur indebtedness). In 2023, the Port had only $265,448 of outstanding principal for limited tax general obligation indebtedness. This existing indebtedness is scheduled to be fully repaid in 2025, prior to the Port incurring any indebtedness for the TIA. Exhibit 13 shows the calculated statutory authority for non-voted general obligation indebtedness for the Port through 2039. The Port is forecast to have over $7M of remaining capacity in every year of the forecast period.

Exhibit 13. Statutory Authority for General Obligation Indebtedness, Port of Walla Walla, 2023-2039 (Nominal $)

Year	Taxable AV	Debt Limit	Outstanding Principal	Remaining Capacity
2023	$ 9,272,358,525	$ 23,180,896	$ -	$ 23,180,896
2024	$ 9,689,550,777	$ 24,223,877	$ -	$ 24,223,877
2025	$ 10,144,351,555	$ 25,360,879	$ 3,870,000	$ 21,490,879
2026	$ 10,656,270,592	$ 26,640,676	$ 3,750,000	$ 22,890,676
2027	$ 11,180,687,697	$ 27,951,719	$ 3,625,000	$ 24,326,719
2028	$ 12,256,653,807	$ 30,641,635	$ 22,710,000	$ 7,931,635
2029	$ 13,320,998,999	$ 33,302,497	$ 21,040,000	$ 12,262,497
2030	$ 13,943,796,457	$ 34,859,491	$ 19,290,000	$ 15,569,491
2031	$ 14,583,633,721	$ 36,459,084	$ 17,455,000	$ 19,004,084
2032	$ 15,253,339,660	$ 38,133,349	$ 15,525,000	$ 22,608,349
2033	$ 15,954,247,593	$ 39,885,619	$ 13,500,000	$ 26,385,619
2034	$ 16,687,787,297	$ 41,719,468	$ 31,815,000	$ 9,904,468
2035	$ 17,455,453,112	$ 43,638,633	$ 28,640,000	$ 14,998,633
2036	$ 18,163,508,234	$ 45,408,771	$ 25,300,000	$ 20,108,771
2037	$ 18,901,213,757	$ 47,253,034	$ 21,795,000	$ 25,458,034
2038	$ 19,669,780,668	$ 49,174,452	$ 18,115,000	$ 31,059,452
2039	$ 20,470,500,310	$ 51,176,251	$ 40,640,000	$ 10,536,251

Source: Calculated by Tiberius Solutions with data from Piper Sandler & Cp

Based on the assumed terms of indebtedness shown in Exhibit 12, the Port's financial advisors have estimated annual debt service payments as shown in Exhibit 14. Annual payments are structured to be generally level for each series of indebtedness. After factoring in the cost of interest, the $67,430,000 par amount of indebtedness is estimated to require $92,302,550 in debt service payments over the life of the proposed TIA.

Exhibit 14. Estimated Debt Service Payments, LTGO Debt for Proposed Burbank/Wallula Gap TIA Public Projects (Nominal $)

	Debt Service Payments (Principal and Interest)				
Year	**Loan A**	**Loan B**	**Loan C**	**Loan D**	**Total**
2023	$ -	$ -	$ -	$ -	**$ -**
2024	$ -	$ -	$ -	$ -	**$ -**
2025	$ -	$ -	$ -	$ -	**$ -**
2026	$ 332,500	$ -	$ -	$ -	**$ 332,500**
2027	$ 331,500	$ -	$ -	$ -	**$ 331,500**
2028	$ 330,250	$ -	$ -	$ -	**$ 330,250**
2029	$ 333,750	$ 2,490,750	$ -	$ -	**$ 2,824,500**
2030	$ 331,750	$ 2,489,250	$ -	$ -	**$ 2,821,000**
2031	$ 329,500	$ 2,489,000	$ -	$ -	**$ 2,818,500**
2032	$ 332,000	$ 2,489,750	$ -	$ -	**$ 2,821,750**
2033	$ 334,000	$ 2,486,250	$ -	$ -	**$ 2,820,250**
2034	$ 330,500	$ 2,488,500	$ -	$ -	**$ 2,819,000**
2035	$ 331,750	$ 2,486,000	$ 1,976,375	$ -	**$ 4,794,125**
2036	$ 332,500	$ 2,488,750	$ 1,979,125	$ -	**$ 4,800,375**
2037	$ 331,775	$ 2,486,250	$ 1,979,375	$ -	**$ 4,797,400**
2038	$ 330,500	$ 2,488,500	$ 1,977,125	$ -	**$ 4,796,125**
2039	$ 333,675	$ -	$ 1,977,375	$ -	**$ 2,311,050**
2040	$ 331,025	$ -	$ 1,979,875	$ 3,110,000	**$ 5,420,900**
2041	$ 332,825	$ -	$ 1,979,375	$ 3,110,000	**$ 5,422,200**
2042	$ 333,800	$ -	$ 1,980,875	$ 3,110,250	**$ 5,424,925**
2043	$ 328,950	$ -	$ 1,979,125	$ 3,110,500	**$ 5,418,575**
2044	$ 328,550	$ -	$ 1,979,125	$ 3,110,500	**$ 5,418,175**
2045	$ 332,325	$ -	$ 1,980,625	$ 3,110,000	**$ 5,422,950**
2046	$ -	$ -	$ 1,978,375	$ 3,108,750	**$ 5,087,125**
2047	$ -	$ -	$ 1,977,375	$ 3,111,500	**$ 5,088,875**
2048	$ -	$ -	$ 1,977,375	$ 3,112,750	**$ 5,090,125**
2049	$ -	$ -	$ 1,978,125	$ 3,112,250	**$ 5,090,375**
Total	**$ 6,633,425**	**$ 24,883,000**	**$ 29,679,625**	**$ 31,106,500**	**$ 92,302,550**

Source: Piper Sandler & Co

Exhibit 15 compares the total estimated annual debt service payments with the estimated annual tax allocation revenues. The debt service coverage ratio is estimated to range from as low as 1.09 to as high as 2.80. Over the 25-year duration of the TIA, the average debt service coverage ratio is expected to be 1.33. Tax allocation revenues above and beyond the amounts necessary to pay debt service are forecast to total $30,325,711. These additional tax allocation revenues are anticipated to be spent by the Port on a cash basis to fund eligible public projects in the TIA.

Exhibit 15. Tax Allocation Revenues and Debt Service Payments (Nominal $)

Year	Payment	Tax Allocation Revenue	Surplus (Deficit)	Coverage Ratio
2025	$ -	$ 95,373	$ 95,373	0
2026	$ 332,500	$ 362,967	$ 30,467	1.09
2027	$ 331,500	$ 646,571	$ 315,071	1.95
2028	$ 330,250	$ 925,064	$ 594,814	2.80
2029	$ 2,824,500	$ 3,414,943	$ 590,443	1.21
2030	$ 2,821,000	$ 3,756,007	$ 935,007	1.33
2031	$ 2,818,500	$ 4,093,965	$ 1,275,465	1.45
2032	$ 2,821,750	$ 4,439,870	$ 1,618,120	1.57
2033	$ 2,820,250	$ 4,882,221	$ 2,061,971	1.73
2034	$ 2,819,000	$ 5,252,518	$ 2,433,518	1.86
2035	$ 4,794,125	$ 5,629,506	$ 835,381	1.17
2036	$ 4,800,375	$ 5,705,732	$ 905,357	1.19
2037	$ 4,797,400	$ 5,780,125	$ 982,725	1.20
2038	$ 4,796,125	$ 5,854,848	$ 1,058,723	1.22
2039	$ 2,311,050	$ 6,056,530	$ 3,745,480	2.62
2040	$ 5,420,900	$ 6,136,161	$ 715,261	1.13
2041	$ 5,422,200	$ 6,213,488	$ 791,288	1.15
2042	$ 5,424,925	$ 6,291,206	$ 866,281	1.16
2043	$ 5,418,575	$ 6,369,332	$ 950,757	1.18
2044	$ 5,418,175	$ 6,447,879	$ 1,029,704	1.19
2045	$ 5,422,950	$ 6,688,859	$ 1,265,909	1.23
2046	$ 5,087,125	$ 6,773,398	$ 1,686,273	1.33
2047	$ 5,088,875	$ 6,854,999	$ 1,766,124	1.35
2048	$ 5,090,125	$ 6,937,069	$ 1,846,944	1.36
2049	$ 5,090,375	$ 7,019,629	$ 1,929,254	1.38
Total	**$ 92,302,550**	**$ 122,628,261**	**$ 30,325,711**	**1.33**

Source: Piper Sandler & Co and Tiberius Solutions

4. Economic Impacts

Job Creation

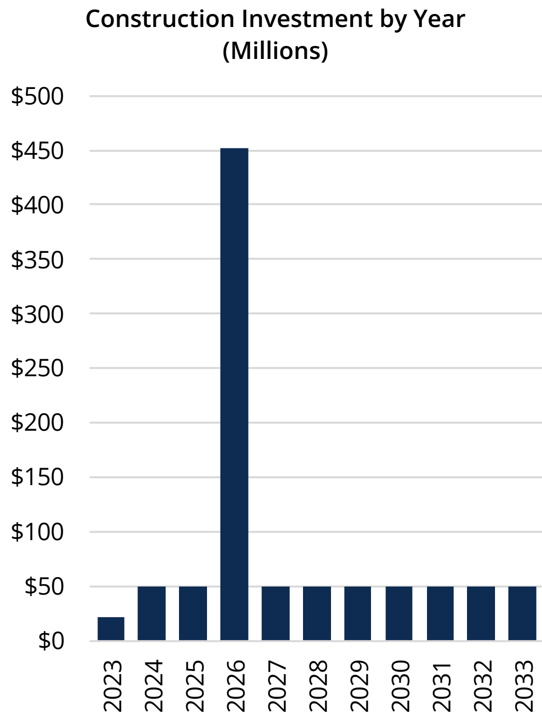
The proposed TIA would be expected to generate substantial economic impacts for the local and regional economy. The infrastructure investments supported by the proposed TIA would facilitate a significant level of development, with substantial employment from construction as well as ongoing business activity. Impacts during the construction phase would be temporary, while the impacts from operations once construction is complete would be ongoing. These impacts include direct impacts (jobs and spending occurring directly in the TIA), as well indirect and induced impacts. Indirect impacts are secondary impacts generated by the portion of direct expenditures that are spent on goods and services provided by local businesses. Induced impacts are secondary impacts generated by local expenditures made by employees who received personal income from the direct and indirect expenditures. The induced impacts are often referred to as the “multiplier effect” as the initial direct expenditures are re-spent multiple times, rippling through the local economy.

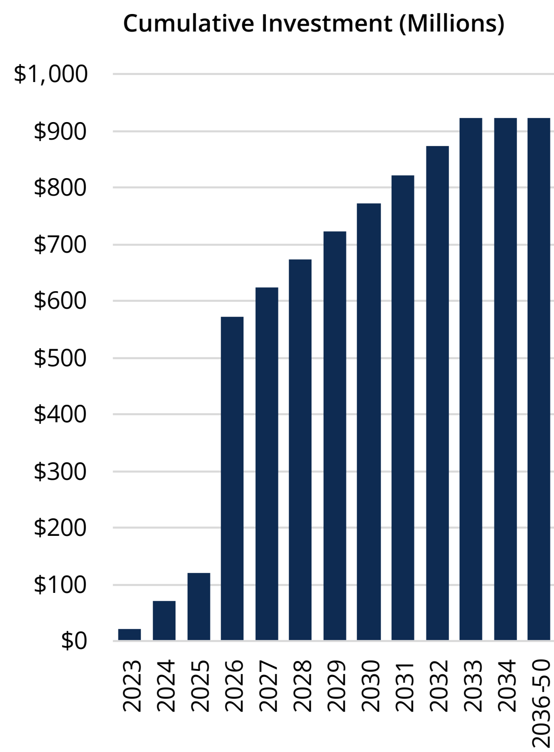
To model the economic impacts of various activities, Johnson Economics utilized the IMPLAN (IMPact for PLANning)[3] economic multiplier model. IMPLAN is an economic impact model designed for analyzing the effects of industry activity (employment, income, or business revenues) upon all other industries in an economic area.

Private development activity in the area (excluding public expenditures on infrastructure funded in part by the TIA) is expected to exceed $920 million in 2023 dollars over the next 25 years. This activity reflects known projects either permitted or anticipated. These developments are expected to be introduced to the tax rolls over the next twelve years.

[3] Minnesota IMPLAN Group (MIG), Stillwater, Minnesota

Exhibit 16. Summary of Predicted Construction Investment by Year, Proposed Burbank/Wallula Gap TIA (2023 $)





Source: Johnson Economics

To evaluate the temporary construction impacts of the proposed development programs, we calculated the ***total*** construction spending of the project measured as a direct industry change in construction of new nonresidential and residential commercial structures. Estimated construction expenditures were converted into estimated contributions to employment income and output at the Walla Walla County level (Exhibit 17). Key findings include:

- Construction spending would translate into an estimated 7,434 direct full time equivalent (FTE) jobs over the construction period. Direct jobs would pay an estimated average of roughly $62,700 per FTE for wages and benefits.
- Because the development period is estimated to extend over multiple years, the direct construction jobs projected likely represent some of the same employees, employed throughout the project lifecycle over multiple buildings/phases.
- Each direct construction job would support approximately 0.46 indirect and induced jobs during the construction period. This translates into roughly 3,451 FTE jobs and labor income of $175.8 million during the construction period.
- The total estimated economic impacts (direct, indirect, and induced) from the construction phase are roughly 10,885 FTE positions and $641.8 million in labor income (2023 dollars). The average annual impact over the 25-year period would be 435.4 FTE positions and $25.7 million in labor income.

Exhibit 17. Summary of Projected Impacts During Construction Phase, Proposed Burbank/Wallula Gap TIA (2023 $)

	Projected Impact, Walla Walla County (2023 $)			
	Employment	**Labor Income**	**Value Added**	**Output**
Construction				
Direct Effect	7,434	$ 466,043,290	$ 506,418,401	$ 922,134,900
Indirect Effect	1,371	$ 73,330,687	$ 106,724,191	$ 212,299,878
Induced Effect	2,080	$ 102,432,648	$ 190,153,044	$ 327,727,243
Total Effect	**10,885**	**$ 641,806,626**	**$ 803,295,635**	**$ 1,462,162,021**

Source: Johnson Economics, based on assumed future development forecasts

The preceding table also summarizes projected impacts on value added and output. The following is a brief description of what these terms represent.

- **Output** is the value of an industry's production. It can be measured in two ways: from the sales (income) perspective or the expenditures (spending) perspective. From the income perspective, output is the sum of sales to final users in the economy (gross domestic product or "GDP"), sales to other industrial (intermediate inputs), and inventory change. From the spending perspective, output is the sum of an industry's "value added" and intermediate inputs.
- **Value added** is defined as the total market value of all final goods and services produced within a region in a given period of time. It is the sum of all added value at every stage of production of all final goods and services produced within a country in a given period of time. In other words, it is the wealth created by industry activity. Value added in a social accounting matrix model such as IMPLAN is equal to GDP.

Following development, the completed structures would be expected to provide for ongoing impacts to the local and regional economy. Employees at the industrial developments are expected to generate income that would circulate in the local economy, supporting additional employment and tax revenues. In addition, the housing development would provide increased buying power to the area, supporting local retail and service providers.

At full buildout, the proposed TIA is expected to contain a mix of industrial space and residential homes, with an overall direct investment of $922 million in construction. The overall level of employment in the study area is estimated at 1,555 when completed and tenanted.

- On an ongoing basis, the study area is expected to accommodate 1,555 employees, with direct labor income of $50.3 million and $178.3 million in economic output.
- The associated ancillary indirect and induced impacts are estimated to account for 395 jobs and $19.7 million in labor income.
- The total annual impact is estimated at 1,950 full-time equivalent positions with annual labor income in current dollars of roughly $70.0 million.

Exhibit 18. Summary of Projected Ongoing Impacts from Operations, Proposed Burbank/Wallula Gap TIA (2023 $)

	Projected Annual Impacts, Walla Walla County (2023 $)			
	Employment	Labor Income	Value Added	Output
Ongoing - Annual				
Direct Effect	1,555	$ 50,306,258	$ 86,304,586	$ 178,264,310
Indirect Effect	168	$ 8,461,258	$ 13,864,367	$ 28,317,057
Induced Effect	227	$ 11,190,213	$ 20,771,023	$ 35,799,934
Total Effect	**1,950**	**$ 69,957,729**	**$ 120,939,976**	**$ 242,381,301**

Source: Johnson Economics, based on assumed future development forecasts

The overall impacts have been calculated for known projects that are actively planned and proposed, and do not include any assumptions of development of other parcels within the proposed TIA.

Construction and operation of the multiple development programs in the study area will support a sizable number of jobs directly, as well as having significant indirect and induced impacts. The construction and ongoing operation of developments in the area is estimated to support over 29,836 full time equivalent positions through 2038, reflecting average annual support of approximately 1,989 full time equivalent jobs, with roughly $88.1 million per year in labor income in current dollars.

Exhibit 19. Summary of Cumulative Impacts Through 2038, Proposed Burbank/Wallula Gap TIA (2023 $)

	Employment	Payroll
Direct Effect	22,546.4	$ 954,960,792
Indirect Effect	3,001.5	$ 155,564,137
Induced Effect	4,288.4	$ 211,188,323
Total	**29,836.3**	**$ 940,995,333**

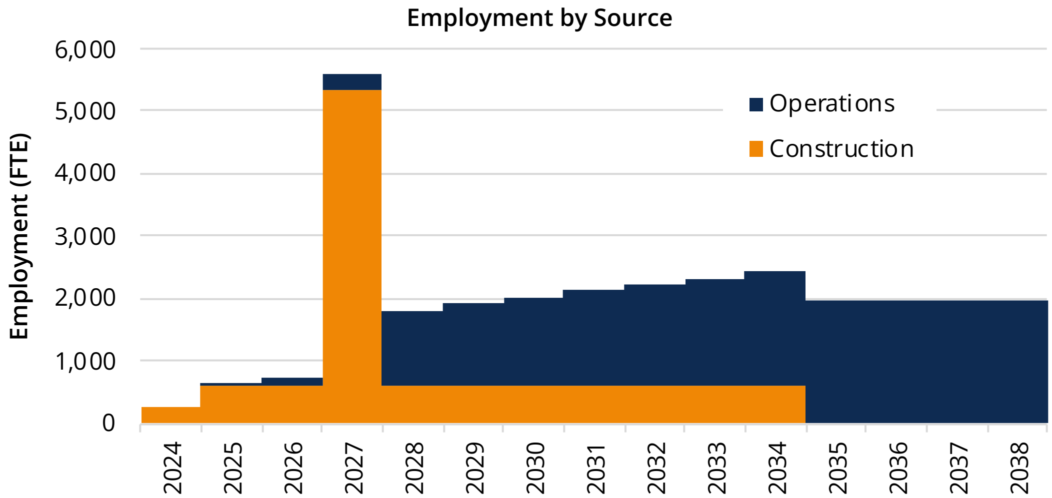
Source: Johnson Economics, based on assumed future development forecasts

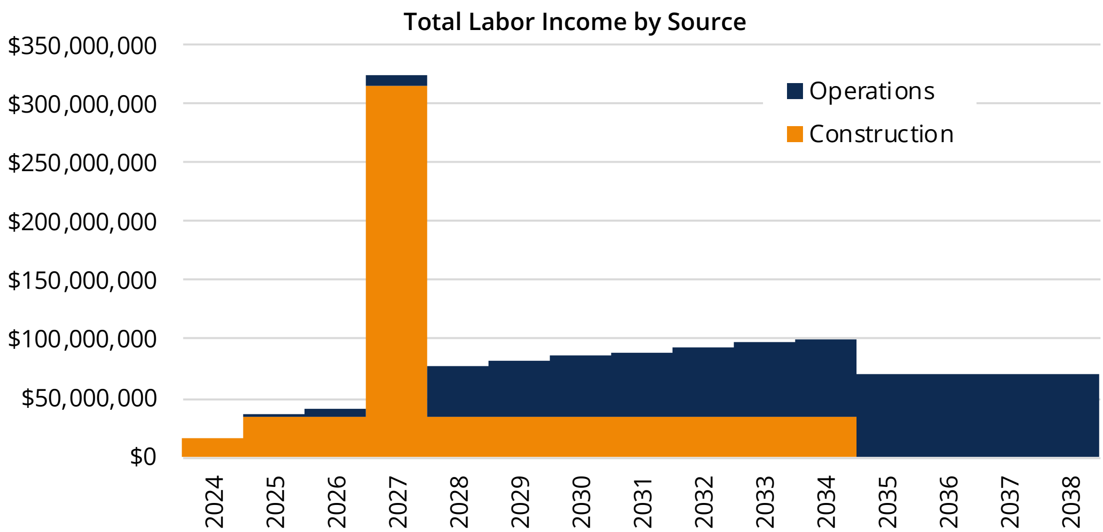
Exhibit 20. Summary of Average Annual Impacts Through 2038, Proposed Burbank/Wallula Gap TIA (2023 $)

	Employment	Payroll
Direct Effect	1,503.1	$ 63,664,053
Indirect Effect	200.1	$ 10,370,942
Induced Effect	285.9	$ 14,079,222
Total	**1,989.1**	**$ 88,114,217**

Source: Johnson Economics, based on assumed future development forecasts

Exhibit 21. Summary of Projected Impacts over Time, Proposed Burbank/Wallula Gap TIA (2023 $)





Source: Johnson Economics, based on assumed future development forecasts

Fiscal Impacts

In addition to economic impacts, development, and operation of the various development parcels in the proposed TIA would have fiscal implications for the Port of Walla Walla, Walla Walla County, other local service providers, and the State of Washington. These impacts include sales tax, property taxes, income and business taxes, and development charges and fees.

Sales taxes would represent the most significant fiscal contribution, during both the construction and ongoing phases. The next largest source of local and state tax revenue would be property taxes, while the federal government is expected to realize a substantive level in income taxes.

Exhibit 22 presents an estimate of tax contributions, such as income and business taxes, from the construction and operation of the assumed developments in the TIA based on the modeling assumptions in the IMPLAN scenarios. Estimates are broken down by federal vs. state and local contributions. These fiscal impacts exclude direct property taxes, as property tax revenue from the planned development within the TIA is calculated by Tiberius Solutions and reportedly separately in this report. While we have excluded direct property taxes, we would still expect to see some property taxes from indirect and induced activity that is not included in the TIA.

- Through the construction period, the project is expected to contribute $203.7 million at the federal level, and $51.4 million in state and local tax revenues (excluding direct property taxes).
- When completed and operational, the combined program is expected to generate $3.2 million per year in state and local taxes (excluding direct property taxes), while generating $6.8 million in federal taxes.
- Sales taxes represent the largest source of state and local revenue, with approximately $38.0 million in sales taxes during construction and an additional $2.6 million per year going forward.

Exhibit 22. Summary of Anticipated Tax Revenues Associated with Construction, Proposed Burbank/Wallula Gap TIA, (2023 $)

Description	Employee & Proprietor Compensation	Tax on Production and Imports	Households	Corporations	Total
Federal					
Social Ins Tax- Employee Contribution	$ 55,107,679				**$ 55,107,679**
Social Ins Tax- Employer Contribution	$ 61,591,229				**$ 61,591,229**
Tax on Production and Imports: Excise Taxes		$ 3,118,480			**$ 3,118,480**
Tax on Production and Imports: Custom Duty		$ 1,315,866			**$ 1,315,866**
Tax on Production and Imports: Fed NonTaxes		$ -			**$ -**
Corporate Profits Tax				$ 12,451,237	**$ 12,451,237**
Personal Tax: Income Tax			$ 70,162,935		**$ 70,162,935**
Total Federal Tax	**$ 116,698,908**	**$ 4,434,345**	**$ 70,162,935**	**$ 12,451,237**	**$ 203,747,426**
State and Local					
Dividends				$ 65,386	**$ 65,386**
Social Ins Tax- Employee Contribution	$ 279,530				**$ 279,530**
Social Ins Tax- Employer Contribution	$ 495,529				**$ 495,529**
Tax on Production and Imports: Sales Tax		$ 38,045,594			**$ 38,045,594**
Tax on Production and Imports: Motor Vehicle Lic		$ 491,118			**$ 491,118**
Tax on Production and Imports: Severance Tax		$ 104,250			**$ 104,250**
Tax on Production and Imports: Other Taxes		$ 4,458,204			**$ 4,458,204**
Tax on Production and Imports: S/L NonTaxes		$ 2,135,376			**$ 2,135,376**
Corporate Profits Tax					**$ -**
Personal Tax: Income Tax					**$ -**
Personal Tax: NonTaxes (Fines- Fees			$ 3,715,575		**$ 3,715,575**
Personal Tax: Motor Vehicle License			$ 1,163,459		**$ 1,163,459**
Personal Tax: Other Tax (Fish/Hunt)			$ 441,218		**$ 441,218**
Total State and Local	**$ 775,059**	**$ 45,234,542**	**$ 5,320,251**	**$ 65,386**	**$ 51,395,238**

Note: Excludes Property Taxes

Source: Johnson Economics, Minnesota IMPlan Group, based on assumed future development forecasts

Exhibit 23. Summary of Anticipated Ongoing Tax Revenues, Port of Walla Walla TIA (2023 $)

Description	Employee & Proprietor Compensation	Tax on Production and Imports	Households	Corporations	Total
Federal					
Social Ins Tax- Employee Contribution	$ 1,594,279				**$ 1,594,279**
Social Ins Tax- Employer Contribution	$ 1,789,859				**$ 1,789,859**
Tax on Production and Imports: Excise Taxes		$ 209,652			**$ 209,652**
Tax on Production and Imports: Custom Duty		$ 88,464			**$ 88,464**
Tax on Production and Imports: Fed NonTaxes					**$ -**
Corporate Profits Tax				$ 1,111,993	**$ 1,111,993**
Personal Tax: Income Tax			$ 2,025,835		**$ 2,025,835**
Total Federal Tax	**$ 3,384,138**	**$ 298,115**	**$ 2,025,835**	**$ 1,111,993**	**$ 6,820,081**
State and Local					
Dividends				$ 5,840	**$ 5,840**
Social Ins Tax- Employee Contribution	$ 8,123				**$ 8,123**
Social Ins Tax- Employer Contribution	$ 14,400				**$ 14,400**
Tax on Production and Imports: Sales Tax		$ 2,557,754			**$ 2,557,754**
Tax on Production and Imports: Motor Vehicle Lic		$ 33,017			**$ 33,017**
Tax on Production and Imports: Severance Tax		$ 7,008			**$ 7,008**
Tax on Production and Imports: Other Taxes		$ 299,719			**$ 299,719**
Tax on Production and Imports: S/L NonTaxes		$ 143,559			**$ 143,559**
Corporate Profits Tax					**$ -**
Personal Tax: Income Tax					**$ -**
Personal Tax: NonTaxes (Fines- Fees			$ 114,120		**$ 114,120**
Personal Tax: Motor Vehicle License			$ 35,734		**$ 35,734**
Personal Tax: Other Tax (Fish/Hunt)			$ 12,740		**$ 12,740**
Total State and Local	**$ 22,523**	**$ 3,041,058**	**$ 162,594**	**$ 5,840**	**$ 3,232,015**

Note: Excludes Property Taxes
Source: Johnson Economics, Minnesota IMPlan Group, based on assumed future development forecasts

Personal Property Tax Revenues

RCW 39.114 states that only real property can be included in the calculation of increment value, and therefore the TIA only receives tax allocation revenue from real property. Accordingly, tax revenue generated by all personal property (predominately machinery and equipment) is distributed to overlapping taxing districts.

As previously shown in Exhibit 5, the Port is aware of six planned development projects within the proposed TIA boundary, but expects many other properties (not included in this report) to also develop. Two of the six properties, forecast to be reflected on the tax roll in 2028, are expected to include personal property investments totaling $450.0 million in 2023 dollars ($547.5 million in nominal dollars). This personal property assessed value is not included in the calculation of tax allocation revenues, but will generate revenue for all overlapping taxing districts. Exhibit 24 and Exhibit 25 shows the tax revenue forecast generated from this personal property value for each overlapping taxing district over the lifetime of the proposed TIA. While this revenue totals $41.7 million for general government levies and $18.3 million for state school levies through 2049, additional speculative development would also result in increased revenue beyond this report's forecast. The increase in personal property value would not result in a net increase in total tax revenue for the Burbank School District, but rather would reduce the levy rate that the school district imposes to produce the approved annual levy amounts.

Exhibit 24. Tax Revenue Generated from Personal Property, General Government Levies, Proposed Burbank/Wallula Gap TIA (Nominal $)

Tax Year	County Current Expense	Fire District #5	Port of Walla Walla	County Public Works General Fund	Rural Library General Fund	EMS Levy	Total
2025	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2026	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2027	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2028	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2029	$ 515,476	$ 593,769	$ 121,031	$ 792,910	$ 182,362	$ 259,088	$ 2,464,636
2030	$ 502,322	$ 585,820	$ 117,942	$ 775,299	$ 178,107	$ 252,476	$ 2,411,967
2031	$ 488,756	$ 573,898	$ 114,757	$ 755,766	$ 173,511	$ 245,658	$ 2,352,346
2032	$ 475,523	$ 561,957	$ 111,650	$ 736,608	$ 169,011	$ 239,007	$ 2,293,756
2033	$ 462,619	$ 550,055	$ 108,620	$ 717,835	$ 164,610	$ 273,747	$ 2,277,486
2034	$ 450,037	$ 538,213	$ 105,666	$ 699,448	$ 160,305	$ 267,032	$ 2,220,700
2035	$ 437,771	$ 526,447	$ 102,786	$ 681,444	$ 156,097	$ 259,756	$ 2,164,301
2036	$ 425,752	$ 514,533	$ 99,964	$ 663,655	$ 151,952	$ 252,624	$ 2,108,481
2037	$ 413,972	$ 502,396	$ 97,198	$ 646,047	$ 147,862	$ 245,635	$ 2,053,111
2038	$ 402,500	$ 490,450	$ 94,505	$ 628,850	$ 143,871	$ 238,827	$ 1,999,003
2039	$ 391,328	$ 478,702	$ 91,882	$ 612,058	$ 139,979	$ 273,747	$ 1,987,696
2040	$ 380,451	$ 467,155	$ 89,328	$ 595,666	$ 136,182	$ 267,000	$ 1,935,782
2041	$ 369,861	$ 455,811	$ 86,841	$ 579,667	$ 132,479	$ 259,571	$ 1,884,230
2042	$ 359,552	$ 444,669	$ 84,421	$ 564,056	$ 128,869	$ 252,336	$ 1,833,902
2043	$ 349,517	$ 433,731	$ 82,065	$ 548,824	$ 125,350	$ 245,294	$ 1,784,780
2044	$ 339,750	$ 422,997	$ 79,771	$ 533,966	$ 121,919	$ 238,439	$ 1,736,843
2045	$ 330,237	$ 412,463	$ 77,538	$ 519,464	$ 118,573	$ 273,747	$ 1,732,022
2046	$ 320,979	$ 402,134	$ 75,364	$ 505,324	$ 115,313	$ 266,933	$ 1,686,047
2047	$ 311,972	$ 392,010	$ 73,249	$ 491,537	$ 112,136	$ 259,445	$ 1,640,349
2048	$ 303,208	$ 382,090	$ 71,191	$ 478,099	$ 109,042	$ 252,156	$ 1,595,785
2049	$ 294,681	$ 372,373	$ 69,189	$ 465,001	$ 106,028	$ 245,065	$ 1,552,337
Total	**$ 8,326,265**	**$ 10,101,672**	**$ 1,954,957**	**$ 12,991,525**	**$ 2,973,556**	**$ 5,367,583**	**$ 41,715,559**

Source: Tiberius Solutions with information from the Port of Walla Walla

Exhibit 25. Tax Revenue Generated from Personal Property, School Levies, Proposed Burbank/Wallula Gap TIA (Nominal $)

Tax Year	State Schools Part 1	Schools Part 2	Total
2025	$ -	$ -	$ -
2026	$ -	$ -	$ -
2027	$ -	$ -	$ -
2028	$ -	$ -	$ -
2029	$ 746,648	$ 399,305	$ 1,145,953
2030	$ 725,308	$ 387,892	$ 1,113,201
2031	$ 704,577	$ 376,806	$ 1,081,382
2032	$ 684,437	$ 366,035	$ 1,050,472
2033	$ 664,871	$ 355,572	$ 1,020,443
2034	$ 645,863	$ 345,407	$ 991,271
2035	$ 627,398	$ 335,532	$ 962,930
2036	$ 609,379	$ 325,896	$ 935,275
2037	$ 591,878	$ 316,536	$ 908,413
2038	$ 574,879	$ 307,445	$ 882,323
2039	$ 558,368	$ 298,615	$ 856,983
2040	$ 542,332	$ 290,039	$ 832,370
2041	$ 526,756	$ 281,709	$ 808,464
2042	$ 511,627	$ 273,618	$ 785,245
2043	$ 496,933	$ 265,760	$ 762,693
2044	$ 482,661	$ 258,127	$ 740,788
2045	$ 468,799	$ 250,714	$ 719,513
2046	$ 455,336	$ 243,513	$ 698,849
2047	$ 442,258	$ 236,519	$ 678,778
2048	$ 429,557	$ 229,727	$ 659,283
2049	$ 417,220	$ 223,129	$ 640,349
Total	**$ 11,907,086**	**$ 6,367,893**	**$ 18,274,979**

Source: Tiberius Solutions with information from the Port of Walla Walla

Affordable and Low-Income Housing

The proposed TIA is not anticipated to have a substantial impact on affordable and low-income housing in the region. The proposed TIA may have minor impacts on housing affordability due to indirect impacts on housing affordability associated with economic activity generated within the TIA.

Housing Construction in the Proposed TIA

New construction within the proposed TIA is expected to include 950 single family homes priced between $450,000 to $600,000. The homes will be market rate developments completed from 2024 through 2033.

While the residential construction in the area will not include any low-income housing units, the market-rate construction within the proposed TIA can still help to improve housing affordability in the region. Housing prices are determined based on the factors of supply and demand. Thus, any new construction of housing units in the region that increases housing supply should reduce price pressure in the local housing market. Indeed, most housing economists identify a persistent lack of new construction in past years for the rapid increases in home values in recent years.

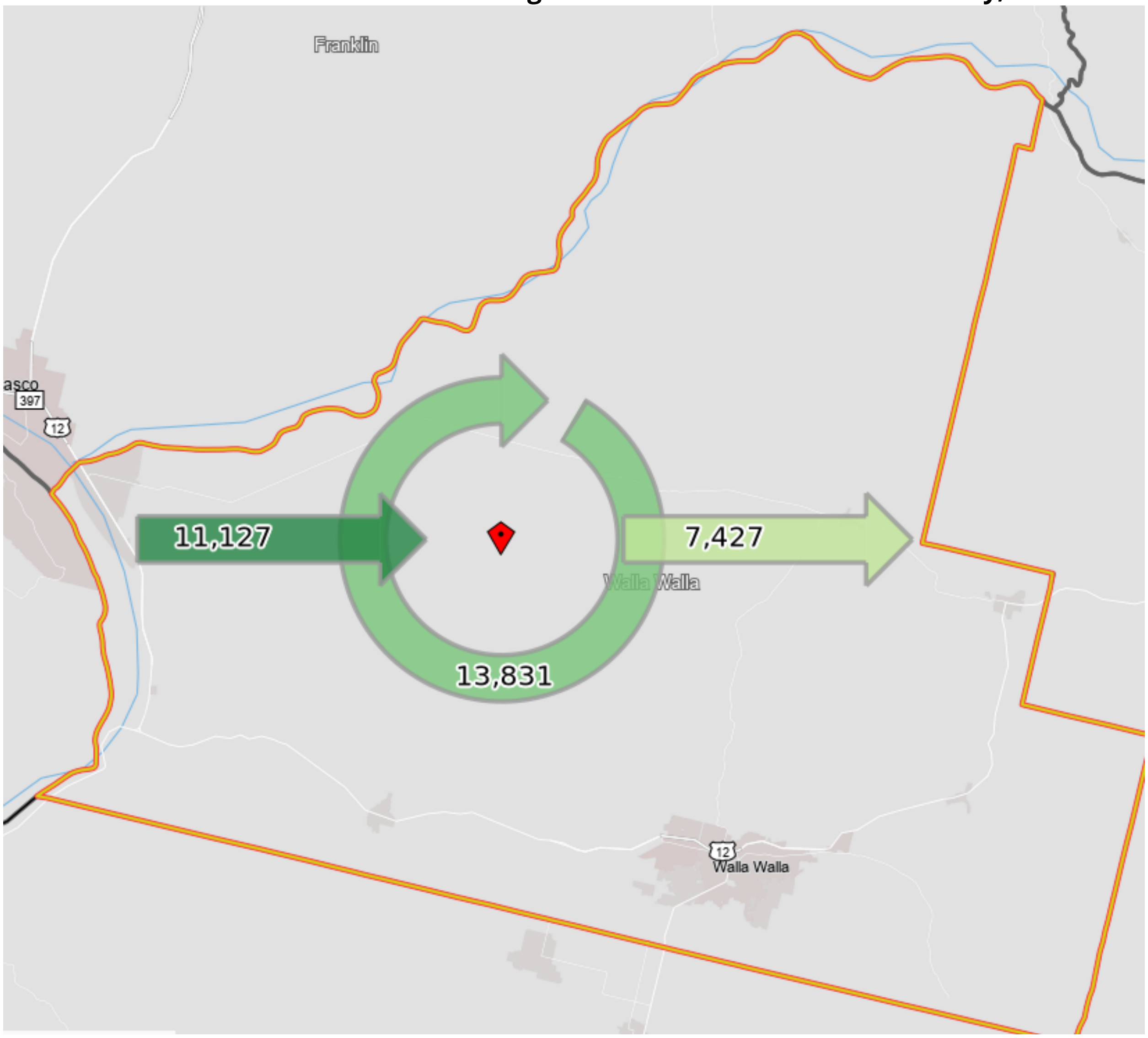
The process by which construction of new market-rate homes helps to improve housing affordability is known as "filtering." Construction of a new market-rate home allows a household to move out of a lower-quality, existing home to purchase the new home. The previous home occupied by that household is now vacant, and available to another household at a lower price than the new home. Thus, constructing new homes at virtually any price point should ultimately improve the availability of homes at all income levels.

Impacts on Housing Affordability from Economic Activity

Evaluations of housing affordability often focus on the cost of housing, but affordability is defined as the ability of someone to pay for a good or service. Thus, this evaluation of housing affordability also considers household incomes. Increases in household income will increase the ability of households to pay for housing, thus increasing housing affordability. The economic impacts generated by the new development anticipated within the proposed TIA are expected to lead to increases in household incomes, helping to support regional housing affordability.

Walla Walla County is an employment hub and net importer of labor. An estimated 11,127 workers commuted into the county for employment in 2020, while commuted to employment outside of the county. Over 4,000 workers commute into the county from the Tri-Cities communities. Providing local housing options for these workers would reduce their commute requirements. The resulting reduction in commute times and expenditures can provide substantial financial benefits, increasing the level of income available to meet housing needs. Roughly 2,000 workers currently live in Walla Walla County and commute to jobs in Pasco, Kennewick, and Richland.

Exhibit 26. Estimated Workers Commuting Into and Out of Walla Walla County, 2020



Source: US Census Bureau, LEHD Database

Local Business Community

Positive economic impacts to the local business community are captured in the economic impact analysis described earlier in this section (Job Creation). Additionally, the TIA was presented at the Port's Economic Development Information Meeting, where attendees represented major private businesses in Walla Walla, local, state, and federal government representatives, and private citizens. There was general support for the proposed TIA.

For a complete summary of all public outreach efforts related to the proposed TIA, see Appendix B.

Local School District

As stated earlier in this report, the property tax levies for the Burbank School District and the State School fund are not included in the calculation of tax allocation revenues, and therefore will not experience any foregone revenues from the proposed TIA. Private development anticipated to occur as a result of public improvements within the TIA will generate increased property tax revenues for state and local schools. Exhibit 27 shows the forecast of the future property tax revenues that could be generated for state schools over the 25-year duration of the proposed TIA. Development within the TIA is estimated to generate $54.1 million in property tax revenues for state school funding over the 25-year forecast period.

Exhibit 27. Property Tax Revenues for State Schools, Proposed Burbank/Wallula Gap TIA (Nominal $)

Tax		State Schools Part 1		State Schools Part 2		Total Revenue
Year	Increment Value	Levy Rate	Revenue	Levy Rate	Revenue	from Increment
2025	$ 19,600,417	$ 1.529727	$ 29,983	$ 0.818079	$ 16,035	**$ 46,018**
2026	$ 76,744,336	$ 1.486152	$ 114,054	$ 0.794778	$ 60,995	**$ 175,048**
2027	$ 136,448,198	$ 1.443961	$ 197,026	$ 0.772217	$ 105,368	**$ 302,393**
2028	$ 200,784,318	$ 1.402953	$ 281,691	$ 0.750289	$ 150,646	**$ 432,337**
2029	$ 758,594,920	$ 1.366227	$ 1,036,413	$ 0.730664	$ 554,278	**$ 1,590,691**
2030	$ 852,578,000	$ 1.331402	$ 1,135,124	$ 0.712060	$ 607,087	**$ 1,742,211**
2031	$ 952,844,714	$ 1.295467	$ 1,234,379	$ 0.692853	$ 660,181	**$ 1,894,560**
2032	$ 1,059,747,380	$ 1.260413	$ 1,335,719	$ 0.674115	$ 714,391	**$ 2,050,110**
2033	$ 1,173,656,449	$ 1.226227	$ 1,439,169	$ 0.655840	$ 769,731	**$ 2,208,900**
2034	$ 1,294,961,387	$ 1.192894	$ 1,544,751	$ 0.638021	$ 826,212	**$ 2,370,964**
2035	$ 1,424,071,610	$ 1.160397	$ 1,652,488	$ 0.620648	$ 883,847	**$ 2,536,336**
2036	$ 1,481,565,971	$ 1.128554	$ 1,672,027	$ 0.603624	$ 894,308	**$ 2,566,335**
2037	$ 1,541,360,106	$ 1.097339	$ 1,691,395	$ 0.586934	$ 904,677	**$ 2,596,072**
2038	$ 1,603,546,007	$ 1.066939	$ 1,710,887	$ 0.570679	$ 915,111	**$ 2,625,997**
2039	$ 1,668,219,344	$ 1.037336	$ 1,730,504	$ 0.554850	$ 925,612	**$ 2,656,116**
2040	$ 1,735,479,614	$ 1.008512	$ 1,750,251	$ 0.539438	$ 936,183	**$ 2,686,434**
2041	$ 1,805,430,295	$ 0.980448	$ 1,770,131	$ 0.524431	$ 946,824	**$ 2,716,955**
2042	$ 1,878,179,003	$ 0.953129	$ 1,790,146	$ 0.509822	$ 957,538	**$ 2,747,684**
2043	$ 1,953,837,660	$ 0.926535	$ 1,810,300	$ 0.495602	$ 968,325	**$ 2,778,625**
2044	$ 2,032,522,663	$ 0.900652	$ 1,830,595	$ 0.481760	$ 979,189	**$ 2,809,783**
2045	$ 2,114,355,066	$ 0.875439	$ 1,850,988	$ 0.468277	$ 990,104	**$ 2,841,093**
2046	$ 2,199,460,765	$ 0.850904	$ 1,871,530	$ 0.455157	$ 1,001,099	**$ 2,872,629**
2047	$ 2,287,970,692	$ 0.827031	$ 1,892,222	$ 0.442390	$ 1,012,174	**$ 2,904,396**
2048	$ 2,380,021,016	$ 0.803803	$ 1,913,067	$ 0.429967	$ 1,023,332	**$ 2,936,399**
2049	$ 2,475,753,353	$ 0.781204	$ 1,934,069	$ 0.417882	$ 1,034,572	**$ 2,968,642**
Total			**$ 35,218,909**		**$ 18,837,820**	**$ 54,056,729**

Source: Tiberius Solutions

Development within the proposed TIA would be estimated to generate additional assessed value for local school funding over the 25-year forecast period. This assessed value would not result in a net increase in total tax revenue for the local school district, but rather would reduce the levy rate that the school district imposes to produce the approved annual levy amounts.

Local Fire Service

Exhibit 11 shown earlier in this report summarized the impact from foregone property tax revenue the TIA is expected to have on each taxing district, including Fire District #5. These annual impacts are estimated to begin at $22,773 per year in 2025, increasing over time to $1,602,912 in 2049, the final year of the TIA. Cumulatively, it is estimated that Fire District #5 will forego $28,284,313 of property tax revenue over the 25-year life of the TIA, or an average of $1,131,373 per year in nominal dollars. In 2023 dollars, this is equal to $17,501,884 of property tax revenue over 25 years, averaging $700,075 per year. However as noted previously in Exhibit 24, Fire District #5 is expected to receive an additional $10,101,672 from personal property tax revenue over the same time period in nominal dollars (equal to $6,558,819 in 2023 dollars).

RCW requires any TIA to include a mitigation plan if the TIA will impact at least 20 percent of the assessed value of an impacted fire district. Fire District 5 provides service within the TIA boundary and would be the only fire service provider impacted by the TIA. The total assessed value of Fire District #5 is $1.3 billion in 2023, and is forecast to grow to $6.4 billion by 2049. Increment value for the TIA will be $0 in 2023 and will grow gradually over time to $2.4 billion in 2049. Thus, the TIA increment value is estimated to be greater than 20% of the total assessed value for Fire District #5 beginning in 2029, and increase to a maximum of 38.9% in 2049. A mitigation plan is therefore required. The ratio of increment value to total value for Fire District #5 is shown in Exhibit 28.

Exhibit 28. Forecast Proposed Burbank/Wallula Gap TIA Increment Value as a Share of Fire District #5 Total Assessed Value

Tax Year	Fire District #5 Total AV	Walla Walla TIA Increment	% of District Total
2023	$ 1,133,639,524	$ -	0.0%
2024	$ 1,184,589,421	$ -	0.0%
2025	$ 1,256,870,406	$ 19,600,417	1.6%
2026	$ 1,369,064,398	$ 76,744,336	5.6%
2027	$ 1,485,021,334	$ 136,448,198	9.2%
2028	$ 1,608,089,659	$ 200,784,318	12.5%
2029	$ 2,774,709,574	$ 758,594,920	27.3%
2030	$ 2,932,705,105	$ 852,578,000	29.1%
2031	$ 3,098,286,294	$ 952,844,714	30.8%
2032	$ 3,273,315,734	$ 1,059,747,380	32.4%
2033	$ 3,458,280,428	$ 1,173,656,449	33.9%
2034	$ 3,653,695,773	$ 1,294,961,387	35.4%
2035	$ 3,860,102,512	$ 1,424,071,610	36.9%
2036	$ 3,996,346,603	$ 1,481,565,971	37.1%
2037	$ 4,138,201,234	$ 1,541,360,106	37.2%
2038	$ 4,285,893,850	$ 1,603,546,007	37.4%
2039	$ 4,439,664,857	$ 1,668,219,344	37.6%
2040	$ 4,599,764,558	$ 1,735,479,614	37.7%
2041	$ 4,766,453,570	$ 1,805,430,295	37.9%
2042	$ 4,940,003,248	$ 1,878,179,003	38.0%
2043	$ 5,120,696,129	$ 1,953,837,660	38.2%
2044	$ 5,308,826,391	$ 2,032,522,663	38.3%
2045	$ 5,501,990,014	$ 2,114,355,066	38.4%
2046	$ 5,702,994,006	$ 2,199,460,765	38.6%
2047	$ 5,912,153,942	$ 2,287,970,692	38.7%
2048	$ 6,129,800,809	$ 2,380,021,016	38.8%
2049	$ 6,356,279,027	$ 2,475,753,353	38.9%

Source: Tiberius Solutions

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 proposed TIA 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 proposed TIA relative to the entire Fire District #5 service area; the costs to Fire District #5 to provide service within the proposed TIA relative to the entire Fire District service area; response times for Fire District #5 within the proposed TIA relative to the entire Fire District #5 service area; capital needs (facilities and equipment) within the proposed TIA, and justification for how those capital needs will improve the level of service within the proposed TIA; property tax revenues imposed for Fire District #5 within the proposed TIA relative to the entire Fire District #5 service area; and property tax revenues foregone by Fire District #5 to the proposed TIA.

5. Evaluation of Risk Factors

Certain statements contained in this document reflect not historical facts but forecasts and forward-looking statements. All projections, forecasts, assumptions, and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this report. All forward-looking statements are inherently subject to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been projected. Such risks and uncertainties include, among others, changes in regional, domestic, and international political, social, and economic conditions; federal, state, and local statutory and regulatory initiatives; litigation, population changes; technological change; and various other events, conditions, and circumstances, many of which are beyond the control of the Port.

General Economic Conditions

The Port monitors economic changes in the region and on the national landscape. The Port has seen increased costs for public construction projects and supplies.

Future Assessed Values and Tax Rates

This report forecasts future property tax allocation revenues based on the assumed timing and value of new construction in the proposed TIA, future appreciation of those properties once they have been constructed, and future changes in property tax rates applicable to the calculation of tax allocation revenues. All of these factors are subject to uncertainty, and future tax allocation revenues could be higher or lower than forecast in this report. Factors that could result in lower collections of tax allocation revenues include:

- **Delays in construction of private projects in the proposed TIA.** The proposed TIA is limited to 25 years of tax allocation revenue collection. Any delay in private construction would reduce the total amount of tax allocation revenues collected during the 25-year duration.
- **Lower than anticipated valuation of private projects in the proposed TIA.** This report estimates the value of new construction based on assumed construction costs. The Walla Walla County Assessor would ultimately determine the value of new construction, in part, based on the net operating income of the properties at stabilization. It is likely that the Assessor would determine the market value of improvements in the proposed TIA would exceed their construction costs, but the actual determination of value depends on market conditions at the time the new construction

is added to the tax roll. If the Assessor values new construction in the proposed TIA at less than the amounts assumed in this report, it would reduce the total amount of tax allocation revenues collected during the 25-year duration.

- **Lower appreciation of property values for properties inside the proposed TIA than countywide.** The rate of appreciation of property values countywide determines annual changes in applicable tax rates. This report assumes property values inside the proposed TIA would appreciate at the same rate as properties countywide. If properties in the proposed TIA appreciate at a faster rate than countywide, it would increase the total amount of tax allocation revenues collected during the 25-year duration. However, if properties in the proposed TIA appreciate more slowly than properties countywide, it would reduce the total amount of tax allocation revenues collected during the 25-year duration.

Future Public Costs of Construction and/or Borrowing

This report estimates the future timing and value of construction of public projects partially or fully funded by the proposed TIA. The actual timing and cost of these projects is uncertain and could be affected by factors outside of the Port's control. The terms of future indebtedness are also uncertain. Changes in interest rate, amortization period, and other factors could result in a total cost of borrowing that exceeds the assumptions used in this report. Borrowing assumptions in this report were developed with the assistance of the Port's financial advisors and reflect conservative financing assumptions based on current market conditions.

Ultimately, if public construction costs are higher than anticipated or the cost of borrowing is higher than anticipated in this report, the Port could cover those higher costs by allocating more of its general tax levy than is forecast in this report. Alternatively, the Port could seek other funding sources or eliminate or redesign elements of the public improvements to reduce the total cost to the Port.

Other Port Revenues

The Port would expect to pay a portion of the costs of the public infrastructure in the proposed TIA with other legally available Port revenues. General economic conditions, in addition to conditions within the proposed TIA could affect taxable sales, real estate transactions, and other taxable events. The Port would be obligated to pay debt service on its limited tax general obligation bonds even if Port revenues are negatively affected by these or other conditions.

Non-Voted Debt Limit

The Port's ability to issue limited tax general obligation bonds is limited by assessed value within the Port at the time the bonds are issued. A decline in assessed value in the Port, or growth that is slower than expected, could constrain the Port's non-voted debt capacity and ability to finance proposed TIA (and other) projects with non-voted debt. If the Port is required to fund a greater share of project costs on a pay-go basis due to debt capacity constraints, the pace of the investment may be slowed with resulting impacts on private development.

Seismic Activity and Other Natural Disasters

The Port can give no assurance regarding the effect of an earthquake, a tsunami from seismic activity in Washington or in other areas, a volcano, mudslide, or other natural disaster, or that surrounding facilities and infrastructure could or would be rebuilt and reopened in a timely manner following a major earthquake or other natural disaster.

Initiatives and Referenda

In recent years, there have been a number of initiatives filed in the State, including initiatives targeting fees and taxes imposed by local governments or subjecting local governments to additional requirements. The Port cannot predict whether this trend will continue, whether any filed initiatives will receive the requisite signatures to be certified for the ballot, whether such initiatives will be approved by the voters, whether, if challenged, such initiatives will be upheld by the courts and whether any current or future initiative could have a material adverse impact on the Port's finances or operations.

Port of Walla Walla's Approach to Financial Uncertainty

The Port has considered all of the issues identified above. The Port intends to secure the debt with a pledge of both tax allocation revenues and the Port's general tax levy. Some of the potential risk factors could be addressed by delaying the timing of the proposed indebtedness or reducing the list of projects to be funded by the indebtedness. The Port anticipates incurring the indebtedness in when multiple private development projects within the proposed TIA are either be completed or under construction. If those private construction efforts are delayed or substantially reduced in value, the Port could choose to alter their approach to the planned indebtedness. The Port has considered, and will continue to consider alternative financing structures that may be employed to address any of the risk factors identified in this report.

Appendix A: Tax lots included in Burbank/Wallula Gap Boundary

Parcel Identification Number	Total Market Value	Total Taxable Value	Tax Code Area	Acres
300801510067	$91,400	$0	328	1.8
300801510081	$76,750	$0	328	0.2
300801510082	$84,700	$0	328	2.4
300801510083	$64,500	$0	328	0.5
300801535201	$58,000	$0	328	0.7
300801550003	$92,900	$0	328	0.9
300801550004	$93,400	$0	328	0.9
300801550005	$85,400	$0	328	0.5
300801550006	$85,400	$0	328	0.5
300801550007	$85,400	$0	328	0.5
300801550008	$85,400	$0	328	0.5
300801550009	$68,100	$0	328	0.2
300801550010	$85,400	$0	328	0.5
300801550011	$85,400	$0	328	0.5
300801550012	$85,400	$0	328	0.5
300801550013	$85,400	$0	328	0.5
300801550014	$85,400	$0	328	0.5
300801550015	$85,400	$0	328	0.5
300801550016	$85,500	$0	328	0.5
300801550017	$85,300	$0	328	0.5
300801550018	$85,400	$0	328	0.5
300801550019	$90,200	$0	328	0.7
300801550020	$90,200	$0	328	0.7
300801550021	$90,200	$0	328	0.7
300801550022	$90,200	$0	328	0.7
300801550023	$90,200	$0	328	0.7
300801550024	$90,200	$0	328	0.7
300801550025	$154,900	$0	328	1.5
300801550026	$90,400	$0	328	0.8
300801550027	$90,200	$0	328	0.7

Parcel Identification Number	Total Market Value	Total Taxable Value	Tax Code Area	Acres
300801550028	$90,200	$0	328	0.7
300801550029	$90,200	$0	328	0.7
300801550030	$90,200	$0	328	0.7
300801550031	$90,200	$0	328	0.7
300801550032	$159,500	$0	328	2.0
300801550033	$159,700	$0	328	2.0
300801550034	$153,000	$0	328	1.1
300801550035	$91,000	$0	328	0.8
300801550036	$90,300	$0	328	0.8
300801550037	$90,300	$0	328	0.8
300801550038	$90,300	$0	328	0.8
300801550039	$151,900	$0	328	1.1
300801550040	$153,000	$0	328	1.1
300801550041	$90,300	$0	328	0.8
300801550042	$90,300	$0	328	0.8
300801550043	$90,300	$0	328	0.8
300801550044	$90,300	$0	328	0.8
300801550045	$85,500	$0	328	0.5
300801550046	$85,000	$0	328	0.5
300801550047	$85,000	$0	328	0.5
300801550048	$85,000	$0	328	0.5
300801550049	$86,800	$0	328	0.6
300801550050	$86,800	$0	328	0.6
300801550051	$86,800	$0	328	0.6
300801550052	$85,300	$0	328	0.5
300801550053	$85,300	$0	328	0.5
300801550054	$85,400	$0	328	0.5
300801550055	$88,800	$0	328	0.7
300801550056	$92,000	$0	328	0.9
300801550057	$89,200	$0	328	0.7
300801550058	$89,200	$0	328	0.7
300801550059	$89,200	$0	328	0.7
300801550063	$151,400	$0	328	1.0
300801550065	$1,010,400	$0	328	8.9
300801560101	$86,000	$0	328	0.5
300801560102	$86,100	$0	328	0.6

Parcel Identification Number	Total Market Value	Total Taxable Value	Tax Code Area	Acres
300801560103	$86,200	$0	328	0.6
300801560104	$86,200	$0	328	0.6
300801560105	$88,800	$0	328	0.7
300801560106	$88,800	$0	328	0.7
300801560107	$88,800	$0	328	0.7
300801560108	$91,700	$0	328	0.8
300801560109	$91,800	$0	328	0.8
300801560110	$92,000	$0	328	0.9
300801560111	$91,700	$0	328	0.8
300801560112	$91,800	$0	328	0.8
300801560113	$173,300	$0	328	3.4
300801560114	$172,400	$0	328	3.3
300801560115	$92,800	$0	328	0.9
300801560116	$193,300	$0	328	5.6
300802110012	$1,009,700	$0	328	52.3
300802110013	$150,100	$0	328	23.2
300802120006	$390,000	$0	328	5.7
300802120011	$157,100	$0	328	1.7
300802120012	$111,400	$0	328	4.2
300802130001	$155,500	$0	328	10.1
300802130004	$84,900	$0	328	1.0
300802560098	$163,700	$0	328	2.4
300802560099	$197,500	$0	328	6.0
300802570118	$163,800	$0	328	2.4
300802570126	$2,148,600	$2,148,600	328	1.0
300802570127	$151,500	$0	328	1.0
300802570128	$150,100	$0	328	1.0
300802570129	$150,000	$0	328	1.0
300802570130	$160,700	$0	328	2.1
300802570131	$80,000	$0	328	0.2
300802580133	$160,700	$0	328	2.2
300802580134	$100	$0	328	4.0
300802580135	$151,100	$0	328	1.1
300802580136	$151,100	$0	328	1.1
300802580137	$151,100	$0	328	1.1
300802580138	$151,100	$0	328	1.2

Parcel Identification Number	Total Market Value	Total Taxable Value	Tax Code Area	Acres
300802580139	$186,800	$0	328	5.0
300802580140	$186,100	$0	328	4.9
300802580141	$171,900	$0	328	3.3
300812510065	$61,300	$61,300	331	1.2
300812510066	$164,400	$164,400	331	0.5
300812510085	$96,600	$0	328	1.6
300812510086	$122,800	$122,800	331	4.7
300812510087	$79,300	$0	331	0.4
300812510088	$114,800	$114,800	331	3.9
300812510089	$224,050	$224,050	328	0.7
300812510090	$4,000	$4,000	328	1.1
300812510091	$6,720	$6,720	328	1.1
300812510092	$610,450	$610,450	328	95.1
300812520204	$20,600	$0	328	0.2
300812520302	$58,750	$0	328	0.2
300812520312	$47,900	$0	328	0.2
300812520314	$47,900	$0	328	0.2
300812520316	$47,900	$0	328	0.2
300812520610	$65,570	$0	328	0.4
310701000001	$3,170,400	$774,660	333	643.4
310702110001	$1,281,900	$0	333	586.5
310702210002	$75,200	$0	333	6.8
310703210003	$64,300	$0	333	4.6
310703210005	$183,400	$0	333	56.2
310703230002	$173,600	$0	328	38.0
310703230004	$60,900	$0	328	1.2
310703310005	$0	$0	328	2.0
310703310008	$484,300	$484,300	328	47.5
310703310009	$279,300	$279,300	328	24.2
310703420004	$200,800	$0	333	28.9
310703530400	$83,900	$0	333	25.1
310703531702	$4,640	$4,640	333	13.3
310703531800	$1,950	$0	333	5.6
310703531900	$10,730	$10,730	333	26.7
310703532701	$110,400	$0	333	0.2
310703532901	$3,580	$3,580	333	8.7

Parcel Identification Number	Total Market Value	Total Taxable Value	Tax Code Area	Acres
310703533100	$1,950	$130	333	5.6
310703533200	$4,490	$300	333	12.8
310703533301	$770,800	$770,800	333	16.1
310703533400	$1,710	$1,710	333	5.4
310703533402	$1,700	$0	333	4.9
310703534703	$73,100	$73,100	333	9.9
310703534800	$62,100	$0	333	4.5
310703534900	$158,220	$110,920	333	29.6
310703534901	$64,800	$64,800	333	3.3
310704000001	$77,500	$0	328	5.7
310710110011	$101,900	$101,900	333	37.4
310710512201	$9,800	$9,800	328	1.6
310710512300	$28,100	$28,100	328	2.9
310710512402	$9,800	$9,800	328	1.4
310710512515	$61,300	$0	328	1.0
310710512517	$182,600	$182,600	328	3.4
310710521001	$7,400	$7,400	333	0.5
310710561570	$22,700	$22,700	333	2.3
310711000001	$1,428,300	$0	333	643.9
310712110001	$3,750,020	$786,160	333	530.8
310712330001	$592,410	$136,220	333	105.7
310714110007	$353,900	$0	333	160.4
310714410001	$353,900	$0	327	162.5
310807510026	$970,240	$970,240	328	117.1
310807510027	$122,700	$0	328	2.3
310817510090	$84,730	$84,730	328	1.5
310822110002	$1,976,870	$460,980	328	172.9
310825340001	$62,000	$0	328	1.4
310825410005	$2,720	$2,720	328	7.1
310825430005	$69,500	$0	328	3.3
310825430006	$52,900	$0	328	0.3
310825430007	$14,440	$14,440	328	7.7
310825440001	$17,350	$17,350	328	11.1
310825440002	$15,570	$15,570	328	11.0
310825440003	$70,810	$70,810	328	12.6
310826440005	$41,200	$0	328	0.1

Parcel Identification Number	Total Market Value	Total Taxable Value	Tax Code Area	Acres
310827110002	$1,229,800	$283,510	328	221.2
310834510047	$147,240	$147,240	328	12.4
310834510048	$544,600	$544,600	328	10.0
310834510051	$1,170,720	$274,680	328	146.3
310834510052	$141,340	$141,340	328	4.8
310834510053	$527,050	$527,050	328	1.4
310834510055	$187,500	$187,500	328	16.6
310834510056	$1,588,300	$1,588,300	328	2.1
310835110007	$14,400	$0	328	0.2
310835140005	$4,030	$4,030	328	11.5
310835410003	$335,800	$0	328	134.3
310836000001	$6,615,610	$0	328	630.5
310836210003	$19,600	$19,600	328	7.3
310702210003	$100,900	$100,900	333	47.9
Total	**$47,589,810**	**$12,776,360**		**5,195.2**

Source: Tiberius Solutions with data from the Walla Walla County Assessor

Appendix B: Summary of Public Outreach

Public outreach included two briefings with the general public, placing information on the Port of Walla Walla website, a presentation at the Port's Economic Development Information Meeting, and meetings with the impacted taxing districts.

General Public

Public Briefings

Two advertised public briefings were held on October 3, 2023, and October 24, 2023. Both briefings were advertised in the Walla Walla Union-Bulletin (the legal newspaper of general circulation in Walla Walla County), advertised on the Port of Walla Walla website and through the port's social media platforms. The notices were provided two weeks in advance of the meetings. The public briefings covered the reason behind creating a tax increment area, a description of the tax increment area, how tax increment financing works, 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 public improvements.

The following summarizes the input at Public Briefing 1:

- There was support for using tax increment financing to accomplish the projects outlined in the meeting.
- Could Broadband be considered one of the public utilities to be funded? (Yes, it could fit in that category)
- There was interest in getting more attendance at the public briefings and suggestions for additional advertising: Burbank reader board, better website presence, put in other newspapers.
- There was a suggestion to further explain the positive benefits for taxpayers on school district bonds due to additional revenues to the schools.

The following summarizes the input at the TIA Public Briefing 2:

- Twenty-one people attended in person and fifteen people attended online.
- The main concerns of attendees centered around the proposed 950 single family homes to be developed within the proposed TIA and the increased population, traffic, and safety issues that would accompany that development. Their concern related to the TIA was whether infrastructure improvements provided due to funding from the TIA would enable the housing development to proceed.

- There were concerns about growth. An attendee stated that they preferred to live in a rural community without the problems that growth brings.
- There was a desire to be kept informed about the TIA project if it is to proceed.

Port of Walla Walla Website

An introduction on Tax Increment Financing was published on Port of Walla Walla's website (https://www.portwallawalla.com/business/economic-development/tax-increment-area). Publication of notices of Public Briefings were also placed on the website.

Additional Public Meetings

The Port of Walla Walla held open public meetings on March 23, 2023 and June 8, 2023 to discuss the proposed TIA. These meetings were advertised in advance to the general public.

Local Businesses

The Port of Walla Walla had Nick Popenuk of Tiberius Solution give a presentation of the Port's proposed Tax Increment Area (TIA) for Burbank/Wallula Area at the Port's Economic Development Information Meeting held on Tuesday, September 28, 2023, Approximately 55 people were in attendance which include some of the major private businesses in Walla Walla, local, state and federal government representatives and private citizens. Mr. Popenuk presented a PowerPoint slide show presentation that outlined: what is a TIA?, why is the Port considering a TIA?, proposed boundary of the TIA, public improvements & private development in the proposed TIA, economic & fiscal impacts of the TIA, impacts to taxing districts in the TIA, timeline and process, and an opportunity for discussion and questions. There was general support for the TIA project.

Taxing Districts/Other Governmental Agencies

All impacted taxing districts were formally informed of the Port of Walla Walla's consideration of a proposed TIA by email on September 6, 2023. The taxing districts were offered individual briefings. Port staff and a member of the consulting team provided individual briefings to the

- Walla Walla County (September 26)
- County Public Works General Fund (September 26)
- County Emergency Medical Services (September 26)
- Rural Library General Fund (September 22)
- Fire District #5 (September 25)
- Burbank School District (September 25)
- Walla Walla County Assessor (September 26)

The information provided was the same information as provided in the first public briefing: the reason behind creating a tax increment area, a description of the tax increment area, how tax increment financing works, 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 public improvements.

All impacted taxing districts were also sent notices of the two public briefings. In addition, there were meetings with the Washington State Treasurer's office, the Walla Walla County Assessor's office, Walla Walla County Treasurer's office and the Washington Department of Revenue to ensure coordination on the project and identification of issues for the project. As required by statute, certified copies of the adopted ordinance will be sent to the county treasurer, the county assessor, and the governing body of each taxing district within which the TIA is located within ten days of the ordinance adoption.