



BOARD OF COMMISSIONERS
CHELAN COUNTY
STATE OF WASHINGTON
COUNTY ADMINISTRATION BUILDING
400 DOUGLAS STREET, SUITE #201
WENATCHEE, WA 98801
PHONE (509) 667-6215 FAX (509) 667-6599

October 27, 2025

Chelan-Douglas Regional Port Authority
285 Technology Center Way, Suite 202
Wenatchee, WA 98807

Subject: Alternative to Malaga Tax Implement Area

Dear Port Commissioners,

The Chelan County Commissioners continue to have concerns related to your proposed Tax Increment Area (TIA) in Malaga. Many residents have shared concerns with us about your proposal, including the Wenatchee Valley Fire Department and North Central Washington Libraries. Considering the potential impacts to Chelan County and other entities, the Chelan County Commissioners would like you to consider an alternative to establishing a TIA.

The county receives non-general fund revenues designated for economic development activities in rural counties (RCW 82.14.370). The county also receives revenues for road improvements. The county is willing to transfer \$1.5 million annually to the Regional Port for 25 years from these funds to facilitate wastewater and road improvements in the Malaga area.

Our \$37.5 million funding commitment could be formalized through an Interlocal Agreement permitted under RCW 39.34. Chelan County's funding would provide the Regional Port with a stable, reliable source of annual revenue for the Port to bond against for items you have already designated as high priorities in the Malaga area. The Port could then utilize its existing bonding capacity to redevelop the Alcoa property with the new wastewater improvements.

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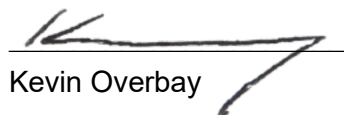
The Chelan County Commissioners believe this is a solution that would allow important economic development activities to take place in the Malaga area without the implementation of a TIA. This approach would also avoid adverse impacts to Chelan County, Wenatchee Valley Fire Department, and North Central Washington Libraries.

We strive to find a resolution with you prior to December that avoids adverse impacts to local jurisdictions and preserves our longstanding working relationship. If you would like to meet with us as early as tomorrow to discuss this proposal, we are happy to attend your board meeting or convene soon for a Special Meeting.

We ask for a response no later than Thursday, October 30th by 5:00 pm. Thank you for your consideration.

Sincerely,

Board of Chelan County Commissioners



Kevin Overbay
Commissioner, District 1



Shon Smith
Commissioner, District 2



Brad Hawkins
Commissioner, District 3