



285 Technology Center Way, Suite 202 | Wenatchee, WA 98801 | Phone: 509.884.4700 | Fax: 509.662.5151 | www.cdrpa.org

Chelan County Commissioners
400 Douglas Street, Suite 201
Wenatchee, WA 98801

October 28, 2025

Dear Commissioners,

Thank you for reaching out to the Port of Chelan County Commissioners with your recent proposal, which would provide the Regional Port with \$1.5 million annually for 25 years to facilitate Malaga wastewater and road improvements, in exchange for the Port foregoing the Malaga Tax Increment Area (TIA).

The Regional Port's singular focus with the proposed TIA is investing in critical infrastructure projects in Malaga that will attract new private investment and jobs. The current project list includes over \$200 million in needed infrastructure improvements.

After careful review, we are concerned Chelan County's proposal would significantly reduce the Port's capacity to make these investments and to leverage private-sector growth in the Malaga area. Accordingly, we respectfully decline the County's offer.

As you may be aware, the Washington State Department of Revenue recently issued a policy guidance on July 16, 2025, interpreting RCW 84.55.010 as allowing impacted taxing districts to adjust their levy rates to recoup increment revenue otherwise diverted into a TIA. This policy guidance could substantially reduce the projected impact to Chelan County's General Fund and County Road Fund.

To ensure both parties are working from a shared understanding of the facts, we respectfully request that Chelan County prepare an updated financial analysis of these impacts under this new DOR guidance. We would appreciate receiving this information no later than November 7th, 2025.

Once we are able to settle on a common understanding of the financial impacts and assumptions underlying both proposals, the Port would be happy to meet with the Board to discuss potential paths forward. We value our longstanding working relationship and remain committed to collaborating on solutions that support responsible economic growth and benefit all Chelan County residents.

Sincerely,

Chelan Douglas Regional Port Authority Board of Directors

BOARD OF DIRECTORS

Donn Etherington, Commissioner, Chelan County Dist. 1 | Jim Huffman, Commissioner, Douglas County Dist. 1 | JC Baldwin, Commissioner, Chelan County Dist. 2
W. Alan Loeb sack, Commissioner, Douglas County Dist. 2 | Richard DeRock, Commissioner, Chelan County Dist. 3 | Mark Spurgeon, Commissioner, Douglas County Dist. 3