

BOARD OF COUNTY COMMISSIONERS
CHELAN COUNTY, WASHINGTON

RESOLUTION NO. 2026-13

Summary: A resolution enacting a moratorium on the creation, designation, application, approval, implementation, and permitting of Tax Increment Financing (TIF) areas and projects in unincorporated Chelan County, Washington.

Whereas, TIF is codified in RCW 39.114 and is generally defined as a financing tool that allows local governments, such as cities, towns, counties, port districts, or any combination thereof, to fund public infrastructure in designated areas to encourage private development and investment and use the increased property taxes generated by the new development to pay for the improvements. This portion of the property tax is received by the local government which created the increment area; and

Whereas, the implementation of TIF and the creation and designation of any increment area in unincorporated areas of Chelan County by a local governmental entity other than Chelan County could have a negative and adverse impact on Chelan County's tax revenue, land use, comprehensive planning, and zoning; and

Whereas, negative and adverse impacts on Chelan County's tax revenue could jeopardize its ability to meet current and future statutory requirements related to transportation, law enforcement, regional jail, court administration, election operations, building permitting, code enforcement, treasury services, and other core functions; and

Whereas, it is necessary for Chelan County to enact a moratorium on the creation, designation, application, approval, implementation, and permitting of TIF projects by any local governments in unincorporated areas of Chelan County to allow Chelan County to analyze potential impacts on Chelan County and other taxing districts, review TIF project analysis requirements, and review of the TIF program's effectiveness within Chelan County; and

Whereas, RCW 36.70A.390, authorizes Chelan County to adopt moratoria; and

Whereas, RCW 36.70A.410 authorizes Chelan County to renew a moratorium for one or more six-months periods if a subsequent public hearing is held and findings of fact are made; and

Whereas, various state and local governmental agencies regulate the use of real estate through approval of subdivisions, issuance of building permits, enactment of zoning ordinances and adoption of land use regulations. A governmental agency may place a moratorium on the issuance of permits or the approval of subdivision plats, or enact interim zoning ordinances to: (1) avoid the overtaxing of existing infrastructure; (2) avoid a rush of development in anticipation of more restrictive land use regulations; (3) allow time for the considered development of a master plan; or (4) prevent the despoliation of water or air, and;

Whereas, counties that fully plan under the GMA are required to designate urban growth areas (UGAs) within their boundaries sufficient to accommodate a planned 20-year population projection range provided by the Office of Financial Management. Urban growth must be encouraged within the UGAs, and only growth that is not urban in nature can occur outside of the UGAs; and,

Whereas, jurisdictions that fully plan under the GMA must adopt internally consistent comprehensive land use plans that are generalized, coordinated land use policy statements of the governing body. Comprehensive plans must include specific planning elements, each of which is a subset of a comprehensive plan and must be implemented through locally adopted development regulations that conform to the plan; and,

Whereas, Chelan County is currently in the process of a GMA required comprehensive planning update, which includes the formation of a Malaga UGA which requires a comprehensive wastewater study and has the potential to change existing land use zoning, densities and ordinances; and,

Whereas, Tax Increment Financing Area funded projects can have a direct impact on land use, zoning and infrastructure elements, and coordinated planning is necessary to identify projects that enhance economic development while fulfilling comprehensive planning goals, without negatively impacting comprehensive land use planning elements; and,

Whereas, Chelan County is in the process of a comprehensive planning update and has developed a plan for the formation of a Malaga UGA as well as has dedicated funds to a Malaga UGA wastewater study to begin in 2026; and,

Whereas, this is an extension of the moratorium adopted July 29, 2025 under Resolution 2025-66 by the Board of Chelan County Commissioners as authorized by RCW 36.70A.390 and will be for a period not to exceed six months unless extended for good cause by resolution at a later date;

NOW, THEREFORE, BE IT RESOLVED as follows by the Chelan County Board of Commissioners:

1. The above recitals are hereby adopted as findings and conclusions herein.
2. Chelan County does hereby extend the six-month moratorium on TIF as set forth in Chelan County Resolution No. 2025-66 and Chelan County Resolution 2025-77, including the creation, designation, application, approval, implementation, and permitting of any tax increment area submitted by any local governments in the unincorporated areas of Chelan County.
3. While this moratorium is in effect, use of TIF in unincorporated areas of Chelan County, as codified in RCW 39.114, including the creation, designation, application, approval, implementation, and permitting of any tax increment areas or TIF projects is suspended.

4. This board will conduct a public hearing on Monday, February 17, 2026, at 10:00 am regarding this moratorium and the extension thereof;
5. This moratorium will be for a period not to exceed six months unless extended for good cause by resolution at a later date.
6. This moratorium and the extension thereof shall take effect January 29, 2026, and is in the best interests of good government and the public health, safety, and welfare.

DATED at Wenatchee, Washington this 27th day of January, 2026.

CHELAN COUNTY BOARD OF COMMISSIONERS



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SHON SMITH, CHAIR

A handwritten signature in blue ink, appearing to read "Kevin Overbay", written over a horizontal line.

KEVIN OVERBAY, COMMISSIONER

A handwritten signature in blue ink, appearing to read "Brad Hawkins", written over a horizontal line.

BRAD HAWKINS, COMMISSIONER

Attest:

A handwritten signature in blue ink, appearing to read "Anabel Torres", written over a horizontal line.

Anabel Torres, Clerk of the Board

Dated: 1/27/26