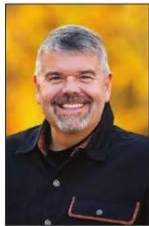


Regional Port's proposal is opportunistic, harmful

TIA would divert over \$100 million in tax revenues from critical county services

As Chelan County commissioners, we strongly support economic development. When done correctly, economic devel-



Kevin Overbay
Chelan County
Commissioner,
District 1

opment can benefit an entire region by creating sustainable jobs, generating tax revenues and funding critical services. Economic growth has a trickle-down effect that can touch us all, even lowering property taxes when that tax burden is spread across more property owners.



Shon Smith
Chelan County
Commissioner,
District 2

Unfortunately, the proposal by the Chelan-Douglas Regional Port Authority to form a Tax Increment Area (TIA) in Malaga was developed quietly amongst themselves and their consultants. The port's TIA design, strategically drawn around an already growing and dynamic area, is not economic development. It is opportunistic and harmful.



Brad Hawkins
Chelan County
Commissioner,
District 3

Proposal diverts property tax revenues

The port estimates its proposed 3,326-acre TIA will divert \$103.6 million over the next 25 years from county programs and services and redirect property tax revenues from some of the most promising new businesses to ever come to Chelan County, including Microsoft and the Helion fusion plant, both of which are already under construction. TIA authority was designed as a tool to spur economic development in distressed areas – not to cherry-pick already developing

areas immediately before their property values are established.

So why is the port not looking to infuse new funding into Manson, Peshastin or Dryden, areas in unincorporated Chelan County that would benefit from a boost in jobs and infrastructure? The answer is simple: If Microsoft constructs its six buildings as planned, that property alone will be valued at \$2.4 billion, making it one of the largest investments in Chelan County's history.

TIA compromises critical county services

A Malaga TIA would swiftly scoop up these high property and new construction values without investing years of work in other areas. Redirecting future property tax revenues to the port's coffers would expand the port's operations to the detriment of critical services the county is mandated to provide.

TIAs, when done as an opportunistic venture and not as a viable way to help a struggling area, actually have the potential to harm local county government and junior taxing districts in the TIA. Put simply, TIAs divert money from a county's operations and place it into capital projects – capital projects the county has no say over.

If the port's TIA goes forward, impacts will be felt in areas such as criminal justice services, transportation improvements, county-owned capital facilities, the Sheriff's Office, veterans' services, mental health services, election administration and more.

Don't be misled by proposal's speculative benefits

The port estimates its proposed TIA will generate over \$206 million in revenues, acknowledging the \$103.6 million diverted from Chelan County. It has said its investment of Chelan County tax funds will result in a net increase in revenues to the county due to the sales taxes generated from TIA projects. However, remember two things: 1) These estimates involve

speculative sales tax revenues over 25 years, and 2) The most significant construction projects, such as Microsoft and Helion, are already in process and will occur anyway, regardless of whether the TIA is implemented. So the port's financial analysis is merely an attempt to justify and rationalize a blatant "money grab" of future Chelan County property tax revenues.

Ignoring county moratorium would be arrogant, dangerous

The port says it has the authority to create a TIA, which is true. But county commissioners also have the authority to institute moratoria or temporary suspensions of future actions. State law allows us to adopt a six-month moratorium, which we did on July 29, prohibiting the creation of any TIAs or projects in our unincorporated areas. County residents deserve the opportunity for their government to complete its due diligence, to determine how a TIA impacts essential county programs and its taxpayers, including how the port and county can partner on a TIA.

Our message to the port has been positive and consistent: Let's work together to form a joint TIA that shares revenues and decision-making. We can collaborate on a partnership, where both agencies can invest money back into the community in ways we each do best. We have the chance to be leaders in Washington during a time when funding sources are being cut across federal and state programs.

We invite you to a public hearing at 11 a.m. on Sept. 23 in the commission chambers, 400 Douglas St. Or visit our website to join via Zoom. Come ready to talk about the moratorium and how diverting \$100 million from the county would impact you.

— Kevin Overbay, Shon Smith
and Brad Hawkins serve as Chelan
County Commissioners