



Port of Everett Tax Increment Area: Frequently Asked Questions

A detailed Port of Everett Tax Increment Area Project Analysis Report (Project Analysis Report) is available at www.portofeverett.com/tif.

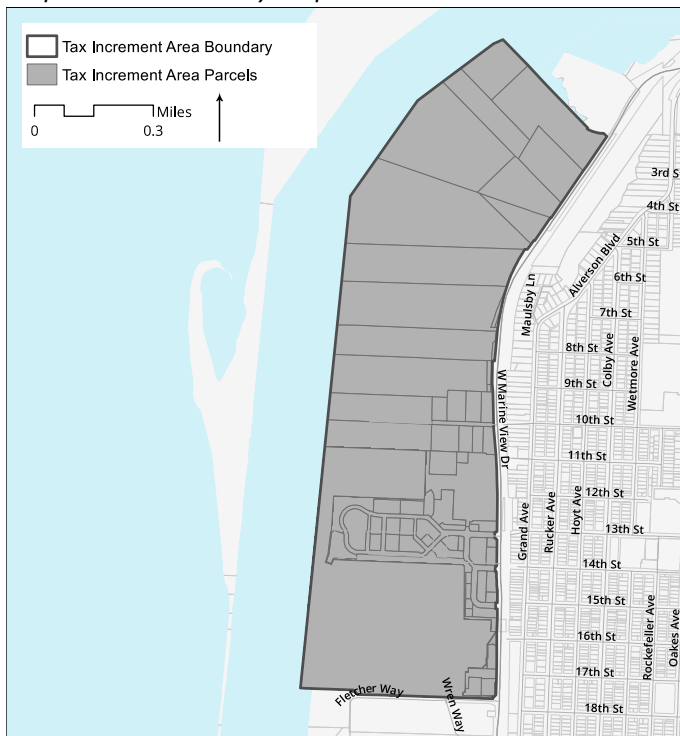
1. What is a Tax Increment Area?

The Washington State Legislature authorized tax increment financing in 2021 and made updates in 2023. It is a new financing tool in Washington, allowing cities, counties and ports to establish Tax Increment Areas (TIAs) to fund public improvements that help enable new private development. All TIAs must have a specified boundary, a set duration (maximum of 25 years), and a specific list of public projects to be funded.

2. Where is the proposed Port of Everett TIA?

The proposed boundary for the TIA extends from Naval Station Everett north to the northern edge of the Jeld-Wen property and from West Marine View Drive to the Snohomish River navigation channel.

Proposed TIA Boundary Map:



3. How does a TIA work? How does this impact the taxing districts that currently receive property tax revenue from the properties within the TIA?

TIAs receive funding from the new property tax revenue generated by the growth in assessed value for properties located in a TIA. Existing property tax revenue continues to be collected by the current taxing districts. Taxing districts temporarily forego some taxes raised from the increase in assessed value in the TIA, and the dollars are directed toward public infrastructure improvements in the TIA. The intent of a TIA is to fund public projects that stimulate growth in assessed value that would not occur without those public projects. Thus, a portion of the foregone tax revenue would not exist without the TIA investments.

The property tax levies imposed on properties within the proposed Port of Everett TIA are listed below. Voter approved general obligation bonds are NOT impacted by a TIA. Levies for State and local schools are also NOT impacted by the proposed TIA.

Levies impacted by TIA:

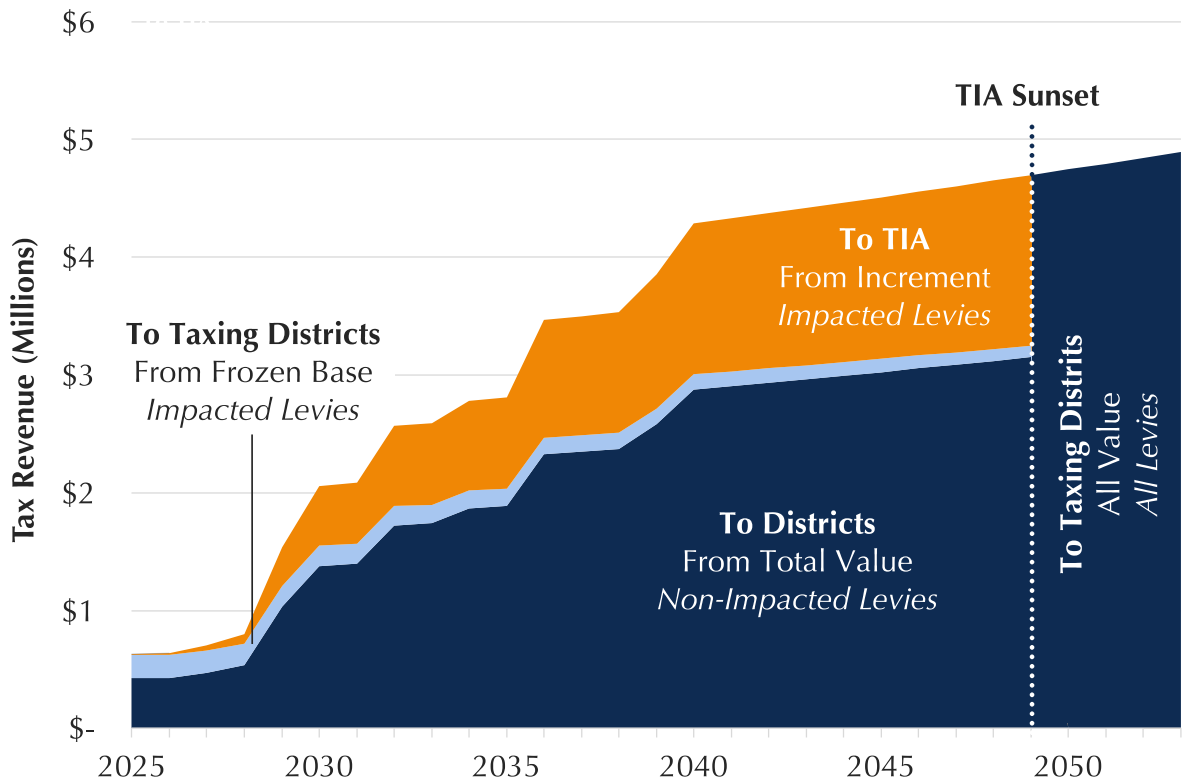
- County: Regular levy, Conservation Futures
- City of Everett: Regular levy, EMS levy
- Port of Everett: Maintenance Levy
- Central Puget Sound Regional Transit Authority

Levies not impacted by TIA:

- State School: Parts 1 and 2
- Everett School District #2: Bonds, Capital Projects, Enrichment

The property taxes being levied on the current assessed value within the TIA boundary will continue to go to the overlapping taxing districts. Property tax revenue from increases in assessed value within the TIA boundary after the TIA is established will go to the Port to pay for public improvements within the TIA boundary (called tax allocation revenues and shown in orange on the following chart). This tax allocation revenue is generated from new development in the TIA and from appreciation of existing properties.

Once the TIA has expired (no more than 25 years after receiving its first increment), the overlapping taxing districts will receive the full amount of property taxes from the increased assessed value in the increment area. This is illustrated in the chart below.



4. What are the goals and objectives of the proposed TIA?

The goals of the TIA are:

- Goal 1: Create economic opportunities and quality jobs and expand the tax base.
- Goal 2: Increase quality of life for residents, businesses, and visitors.
- Goal 3: Remediate, protect, and enhance the environment at the waterfront.
- Goal 4: Foster openness, accountability, and transparency with community members, neighbors, and partners.

The objectives for these goals may be viewed in the Project Analysis Report at www.portofeverett.com/tif.

5. Does a TIA increase property taxes?

Revenue generated by TIAs primarily occurs through redirecting property taxes generated by existing tax levies, rather than imposing new property tax levies. However, establishing a TIA may result in slight changes to the calculation of existing property tax levy rates, including slight increases for some levies and slight decreases for others. The increase in taxes on a property valued at \$100,000 is estimated to be less than 15 cents per year.

6. Why is the Port of Everett considering use of a TIA?

A TIA provides an additional funding source to complete needed infrastructure projects. These projects will provide infrastructure that enables new development that will provide services, jobs, and housing for our community.

7. Who manages the revenues from the TIA?

The governing body (the Port of Everett) adopting the TIA manages the revenues. The Port is only allowed to spend the tax allocation revenues on specific projects within the tax increment area that were identified during the adoption process.

8. Does this take dollars away from the local schools?

No. The proposed TIA will not negatively impact schools. The property tax levies for the Everett School District and the State Schools fund would not be included in the calculation of tax allocation revenues, and therefore would not experience any foregone revenues from the TIA. Private development anticipated to occur as a result of public improvements within the proposed TIA would generate increased property tax revenues for state school funding. For local schools, new development within the TIA would allow the same amount of funding to be generated by existing levies while reducing the levy rate imposed on properties within the School District. The impact on the levy rate is not expected to be significant.

9. What are the projects being considered for this TIA?

Port staff have identified a preliminary list of dozens of eligible activities that would support continued taxable new development within the proposed TIA within the following four broad public projects:

- Infrastructure Improvements which could include but not be limited to roads, electric vehicle charging, and other capital projects.
- Public Access Improvements which could include but not be limited to parks, kayak launch, public parking, guest dock dredging, channelization and expansion, Jetty Landing improvements, boat launch dredging, Jetty Island dock renovation, public art program, pedestrian facilities including trails and restrooms.
- Government Services which could include but not be limited to a new Port administration building.
- Environmental Improvements which could include but not be limited to shoreline restoration, environmental remediation, and stormwater improvements.

A full list of the proposed activities within each of the four public projects may be found at www.portofeverett.com/tif.

10. What are the estimated economic impacts of the proposed TIA?

The proposed TIA is expected to generate substantial economic impacts for the local and regional economy, while enabling up to \$1 billion in private investment. 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. Tax revenue from the development stimulated by the projects in the TIA are significant.

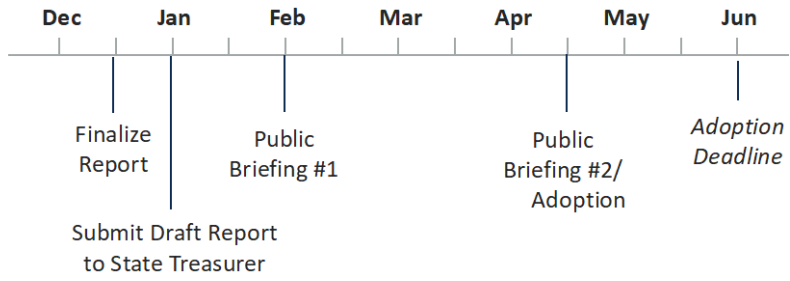
- Construction spending would translate into an estimated 2,879 direct full time equivalent (FTE) jobs over the construction period. Direct jobs would pay an estimated average of \$63,100 per FTE for wages and benefits.
- The total estimated economic impacts (direct, indirect, and induced) from the construction phase are 4,406 FTE positions and \$257.8 million in labor income (2023 dollars).
- At full buildout, on an ongoing basis, the TIA is expected to accommodate an additional 943 direct employees, with annual labor income of \$49.9 million and \$179.9 million in economic output. Secondary impacts are estimated to account for an additional 536 jobs and \$25.6 million in labor income per year (2023 dollars).
- Through the construction period, the project is expected to contribute \$54.5 million at the federal level, and \$9.8 million in state and local tax revenues (excluding direct property taxes).
- When complete, new development in the TIA is expected to generate \$5.6 million per year in state and local taxes (excluding direct property taxes), while generating \$17.4 million in federal taxes.
- Sales taxes represent the largest source of state and local revenue, with close to \$10.7 million in sales taxes during construction and an additional \$4.3 million per year going forward.

The full economic analysis can be viewed in the Project Analysis Report at www.portofeverett.com/tif.

11. What is the schedule for considering adoption of the TIA and how can I get more information on the proposed increment area and adoption process?

The Port of Everett is currently evaluating the feasibility of a TIA. It is anticipated that the Port will decide on whether or not to proceed with establishing the TIA in early 2024. The Port will be participating in outreach throughout early 2024 to educate the community about and seek input on the TIA. The Port will also be holding two official public briefings as part of the adoption process.

For more information or to submit a question, please contact publicaffairs@portofeverett.com



State Treasurer Review

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