RIDGEFIELD CITY COUNCIL
MEETING AGENDA

Thursday, November 2, 2023
RACC - Columbia Assembly Room
510 Pioneer Street, Ridgefield, WA 98642

I. GENERAL SESSION CALL TO ORDER - 6:30 PM

1. **Flag Salute**
2. **Roll Call**
3. **Late changes to the agenda**

II. PUBLIC COMMENT

Anyone requesting to speak to the Council regarding all items not subject to a specific Public Hearing may come forward at this time. Please state your name and limit comments to three minutes. Written comments may be submitted to the Clerk prior to the meeting.

III. CONSENT AGENDA

1. **Approval of Claims And/Or Payroll**
2. **Approval of Minutes from the October 26, 2023 Meeting**

IV. PRESENTATION

1. **Investment Grade Audit - Preliminary Project List - Kirk Johnson, Finance Director**

V. PUBLIC HEARING/BUSINESS

1. **Public Hearing on 2024 Property Tax Levy and Revenue Sources - Kirk Johnson, Finance Director**

VI. BUSINESS

1. **First Reading of Ordinance No. 1411 - 2024 Property Tax Levy and Revenues - Kirk Johnson, Finance Director**
2. **First Reading of Ordinance No. 1412 - 2024 Water Utility Rate Code Amendment - Kirk Johnson, Finance Director**

3. **First Reading of Ordinance No. 1413 - 2024 Storm Water Utility Rate Code Amendment - Kirk Johnson, Finance Director**

4. **Second Reading of Ordinance No. 1410 - Designation of a Tax Increment Area - Kirk Johnson, Finance Director**

5. **Motion - Approval of Interlocal Agreement With the Port of Ridgefield for Specialized Services and Public Works Construction - Kirk Johnson, Finance Director**

6. **Motion - Approval of Interlocal Agreement with Clark County designating Clark County as the lead agency for the revision to the Comprehensive Solid Waste Management Plan - Chuck Green, Public Works Director**

VII. PUBLIC COMMENT

Anyone requesting to speak to the Council regarding all items not subject to a specific Public Hearing may come forward at this time. Please state your name and limit comments to three minutes. Written comments may be submitted to the Clerk prior to the meeting.

VIII. COUNCIL/PRESIDING OFFICER/STAFF REPORTS

1. **Council**

2. **Mayor**

3. **City Manager**

IX. ADJOURN

CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION

MEETING DATE: November 2, 2023

AGENDA ITEM NAME: Approval of Claims And/Or Payroll

GOVERNING LEGISLATION

Revised Code of Washington Title 35A

PREVIOUS COUNCIL ACTION TAKEN:

The City Council approves claims and/or payroll of the City on a regular basis

SUMMARY/BACKGROUND:

Vendor claims

BUDGET/FINANCIAL IMPACTS:

See vendor details attached

RECOMMENDED ACTION OR MOTION:

Approve the claims and/or payroll by making the following motion:
"I move to approve the consent agenda as presented"

STAFF CONTACT: Kirk Johnson, Finance Director

ATTACHMENTS:

1. November 2, 2023 Claims Report

City of Ridgefield

Claims Payment Report
For Approval on:
November 2nd, 2023

Sum of Amount Vendor Name	Vendor Number	Invoice Number	Resp. Department	Description	Total
CLAIRE LUST	**2782**	2782-20231102A	**Community Development**	WA APA Conference Lodging Reimb. - Lust	339.28
		2782-20231102B	**Community Development**	WA APA Conference Transportation Reimb. - Lust	86.73
CLAIRE LUST Total					**426.01**
CLARK COUNTY	**102**	CI056330	**Public Safety**	Q3.2023 TER&R and NetMotion Support	7,805.83
		CI056315	**Public Works**	09.2023 Traffic Signals	257.48
CLARK COUNTY Total					**8,063.31**
COLUMBIAN PUBLISHING	**116**	44504	**Genl Govt/Facilities**	Briefing 2 & Designation of TIA	171.00
		44466	**Community Development**	Enforcement Code Updates - Revised Notice	77.40
COLUMBIAN PUBLISHING Total					**248.40**
DEPARTMENT OF REVENUE UCP - EPAY	**1244**	IN261NBG8Q	**Genl Govt/Facilities**	2023 Unclaimed Property	785.31
			Public Works	2023 Unclaimed Property	0.03
DEPARTMENT OF REVENUE UCP - EPAY Total					**785.34**
DON GRISWOLD	**2761**	2761-20231102	**Genl Govt/Facilities**	1SAT December 2023 Theater Rental	350.00
DON GRISWOLD Total					**350.00**
DUNE HOMES LLC	**3641**	3641-2020REFUND	**Genl Govt/Facilities**	BLD-21-0004 Permit Refund	379.50
DUNE HOMES LLC Total					**379.50**
EASTSIDE STEEL INC.	**3134**	2-293409	**Public Works**	PWUTIL Hot Rolled Round	141.31
EASTSIDE STEEL INC. Total					**141.31**
EWING VANCOUVER	**2374**	2844784	**Public Works**	Parks Grass Seeds	166.09
EWING VANCOUVER Total					**166.09**
GAIL F. ALEXANDER	**3953**	3953-20231102	**Genl Govt/Facilities**	2023 Dragon Boat Expense Reimbursement	247.38
GAIL F. ALEXANDER Total					**247.38**
GOVWELL TECHNOLOGIES INC.	**3955**	D3FFFEBO-0001	**Genl Govt/Facilities**	2024 GovWell Subscription - First 50%	(1,087.50)
			Community Development	2024 GovWell Subscription - First 50%	13,587.50
GOVWELL TECHNOLOGIES INC. Total					**12,500.00**
GRAY AND OSBORNE INC	**207**	23231.09-1	**Community Development**	Sanderling Park Ph 2A & 2B PLZ-23-0065	807.69
		23231.08-1	**Community Development**	Chevron Expansion 6 PLZ-23-0067	427.29
		23231.07-1	**Community Development**	Seven Wells Phase 6 PLZ-23-0063	2,291.48
		23231.02-3	**Community Development**	Ney PUD PLZ-22-0054-0057	243.05
		23231.00-2	**Community Development**	On-Call Development Review	486.09
		23231.10-1	**Community Development**	Kumar Ridgefield Gateway PLZ-23-0079	162.03
GRAY AND OSBORNE INC Total					**4,417.63**
GREATER VANCOUVER CHAMBER OF COMMERCE	**2938**	246663	**Genl Govt/Facilities**	2024 Membership Renewal	1,063.00
GREATER VANCOUVER CHAMBER OF COMMERCE Total					**1,063.00**
H.D. FOWLER COMPANY	**2036**	I6542831	**Public Works**	PWUTIL Quick Joint Coupling	99.88
		I6545678	**Public Works**	PWUTIL PSI Poly Pipe	48.83
H.D. FOWLER COMPANY Total					**148.71**

HARRY'S LAWN AND POWER EQUIPMENT	214	250500	Public Works	Trimmer Line & Backpack Blower Harness	113.02
HARRY'S LAWN AND POWER EQUIPMENT Total					**113.02**
HD SUPPLY INC.	3886	INV00166617	Public Works	PWUTIL Printer Catridge	65.11
HD SUPPLY INC. Total					**65.11**
HONEY BUCKETS	223	553787282	Genl Govt/Facilities	10.17.2023-11.13.2023 PW Shop Port-a-Potty	59.79
			Public Works	10.17.2023-11.13.2023 PW Shop Port-a-Potty	989.21
HONEY BUCKETS Total					**1,049.00**
HUMANE SOCIETY FOR SW WASHINGTON	526	5478	Public Safety	Q3.2023 Animal Control	1,593.75
HUMANE SOCIETY FOR SW WASHINGTON Total					**1,593.75**
JAMES H BARHITTE	1682	1682-20231102	Public Works	535 N Abrams Park Rd CRWWD Reimb	117.70
JAMES H BARHITTE Total					**117.70**
JILL VIGLIONE	3952	2906	Genl Govt/Facilities	RACC Office Organizing and Design Services	164.47
			Community Development	RACC Office Organizing and Design Services	460.53
JILL VIGLIONE Total					**625.00**
K & J LANDSCAPING	3956	503016213	Genl Govt/Facilities	Business License Refund	50.00
K & J LANDSCAPING Total					**50.00**
KEITH'S SPORTING GOODS INC.	3049	10122023RPD	Public Safety	Three Glock 17 with Optics and Flashlights	3,268.21
KEITH'S SPORTING GOODS INC. Total					**3,268.21**
KILLA BITES	3727	2637	Genl Govt/Facilities	1SAT Catering - December 2023	1,358.75
KILLA BITES Total					**1,358.75**
MOFFORD ELECTRIC INC.	2969	15814	Genl Govt/Facilities	PW Shop Outlet Replacement	17.35
			Public Works	PW Shop Outlet Replacement	287.01
MOFFORD ELECTRIC INC. Total					**304.36**
MUNICIPAL EMERGENCY SERVICES INC	2235	IN1949712	Public Safety	Uniform Velcro ID Panel - Fokin	28.81
		IN1948392	Public Safety	Uniform Velcro ID Panels	318.36
MUNICIPAL EMERGENCY SERVICES INC Total					**347.17**
NATIONAL BAND AND TAG CO	306	236901	Public Safety	PD Dog Tags	76.05
NATIONAL BAND AND TAG CO Total					**76.05**
NORTHSIDE FORD TRUCK SALES INC	3281	14740	Genl Govt/Facilities	2022 Ford Explorer - B79737	57,881.68
NORTHSIDE FORD TRUCK SALES INC Total					**57,881.68**
P45 LLC ETAL	3577	3577-2020REFUND	Genl Govt/Facilities	2020 Permits Refund	149.20
P45 LLC ETAL Total					**149.20**
PACIFIC OFFICE AUTOMATION - LEASE	1564	81193182	Genl Govt/Facilities	10.2023 Copier Lease - PW Ops	24.60
			Public Works	10.2023 Copier Lease - PW Ops	407.52
			Community Development	10.2023 Copier Lease - PW Ops	50.32
PACIFIC OFFICE AUTOMATION - LEASE Total					**482.44**
PBS ENGINEERING AND ENVIRONMENTAL	342	0071543.000-30	Public Works	09.2023 Pioneer Street Extension	46,789.26
PBS ENGINEERING AND ENVIRONMENTAL Total					**46,789.26**
PETERSON CAT	1767	PC2A0008793	Genl Govt/Facilities	PW Mini Excavator Maintenance	10.91
			Public Works	PW Mini Excavator Maintenance	180.58
PETERSON CAT Total					**191.49**

City of Ridgefield

Claims Payment Report

For Approval on:

November 2nd, 2023

RIDGEFIELD SCHOOL DISTRICT	**378**	1002300024	**Genl Govt/Facilities**	09.2023 RACC Operating Expense - Wastewater	30.94
				09.2023 RACC Operating Expense - Garbage	59.90
				09.2023 RACC Operating Expense - Janitorial	444.91
				09.2023 RACC Operating Expense - Electricity	208.90
				0.2023 RACC Operating Expense - Water	115.78
			Community Development	09.2023 RACC Operating Expense - Wastewater	86.60
				09.2023 RACC Operating Expense - Garbage	167.68
				09.2023 RACC Operating Expense - Water	324.10
				09.2023 RACC Operating Expense - Janitorial	1,245.46
				09.2023 RACC Operating Expense - Electricity	584.78
		1002300023	**Public Works**	Q3.2023 RORC Operation Costs	28,215.47
RIDGEFIELD SCHOOL DISTRICT Total					**31,484.52**
ROMANO PROPERTIES LLC	**3685**	3685-2020REFUND	**Genl Govt/Facilities**	BLD-20-0330 Permits Refund	219.45
ROMANO PROPERTIES LLC Total					**219.45**
THE MASTERS TOUCH LLC	**1786**	P88356	**Public Works**	10.2023 Delinquent Notices - Postage	355.86
		88356	**Public Works**	10.2023 Delinquent Notices	272.61
THE MASTERS TOUCH LLC Total					**628.47**
THE PARR COMPANY	**964**	26674548	**Genl Govt/Facilities**	PWFAC Bar Clamp One Hand	3.91
			Public Works	PWFAC Bar Clamp One Hand	33.58
				Abrams Park Bathroom Wall Repair	7.59
THE PARR COMPANY Total					**45.08**
TIREHUB LLC	**3067**	37647409	**Public Safety**	PD Tires - Watson & 4 Extra	987.26
		37647422	**Public Safety**	PD Tires - Marvitz	698.08
TIREHUB LLC Total					**1,685.34**
TRI MOUNTAIN INVESTORS LLC	**3866**	2023-27	**Public Safety**	09.2023 101 Mill St Ste B - Wastewater	72.43
TRI MOUNTAIN INVESTORS LLC Total					**72.43**
UNIFIRST CORPORATION	**3904**	2240036072	**Genl Govt/Facilities**	10.17.2023 Floor Mats - CH	16.46
		2240036071	**Genl Govt/Facilities**	10.17.2023 Floor Mats - RACC	2.76
			Community Development	10.17.2023 Floor Mats - RACC	7.73
		2240036073	**Public Safety**	10.17.2023 Floor Mats - PD	39.52
UNIFIRST CORPORATION Total					**66.47**
WILCOX AND FLEGEL	**1469**	0825565-IN	**Public Works**	PWUTIL Diesel	775.01
WILCOX AND FLEGEL Total					**775.01**
WOODLAND SAW AND CYCLE INC.	**2223**	3234	**Public Works**	Parks/Streets/Cemetery Chainsaw Sharpener	79.76
		3222	**Public Works**	Parks/Streets/Cemetery Oil Mix for Tools	62.64
WOODLAND SAW AND CYCLE INC. Total					**142.40**
Grand Total					**178,518.04**

CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION

MEETING DATE: November 2, 2023

AGENDA ITEM NAME: Approval of Minutes from the October 26, 2023 Meeting

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GOVERNING LEGISLATION

N/A

PREVIOUS COUNCIL ACTION TAKEN:

N/A

SUMMARY/BACKGROUND:

Staff has prepared the minutes for Council consideration of adoption for the Council meeting(s).

BUDGET/FINANCIAL IMPACTS:

N/A

RECOMMENDED ACTION OR MOTION:

Approve the minutes by making the following motion: 1. "I move to approve the consent agenda"

STAFF CONTACT:

ATTACHMENTS:

1. 10-26-2023

CITY OF RIDGEFIELD, WASHINGTON
CITY COUNCIL MEETING MINUTES
OCTOBER 26, 2023

Regular Meeting - 5:30 PM

I. STUDY SESSION - 5:30 P.M.

1. Public Briefing Local Tax Increment Financing - Kirk Johnson, Finance Director

City Council received a presentation from the staff and consultants on Local Tax Increment Financing.

Comments received during a public briefing can be heard on the City's website under https://ridgefieldwa.us/165/City-Council-Meeting-Audio-Files.

II. GENERAL SESSION CALL TO ORDER - 6:30 PM

1. Flag Salute

2. Roll Call

Present:
Mayor Jennifer Lindsay
Mayor Pro Tem Rob Aichele
Council Member Matt Cole
Council Member Lee Wells
Council Member Ron Onslow
Council Member Judy Chipman
Council Member Clyde Burkle - Virtual

3. Late changes to the agenda

III. PUBLIC COMMENT

Anyone requesting to speak to the Council regarding all items not subject to a specific Public Hearing may come forward at this time. Please state your name and limit comments to three minutes. Written comments may be submitted to the Clerk prior to the meeting.

Comments received during public testimony can be heard on the City's website under https://ridgefieldwa.us/165/City-Council-Meeting-Audio-Files.

IV. CONSENT AGENDA

MOTION TO APPROVE AS PRESENTED.

RESULT:	**(UNANIMOUS)**
MOVER:	Mayor Pro Tem Rob Aichele
SECONDER:	Council Member Judy Chipman
AYES:	Mayor Lindsay, Mayor Pro Tem Aichele, Council Member Cole, Council Member Wells, Council Member Onslow, Council Member Chipman, Council Member Burkle

1. **Approval of Claims And/Or Payroll**

2. **Approval of Minutes from the October 12, 2023 Meeting**

V. PRESENTATION

1. **Introduction of Corey Crownhart, New Parks Manager - Chuck Green, Public Works Director**

2. **Presentation on 2024 Proposed Operating and Capital Budget - Kirk Johnson, Finance Director**

VI. BUSINESS

1. **First Reading of Ordinance No. 1410 - Designation of a Tax Increment Area - Kirk Johnson, Finance Director**

The Washington State Legislature approved HB 1189 in 2021. The bill provided a new financing tool for cities, counties and port districts to fund capital infrastructure projects that help drive private development using tax increment financing. The new legislation is codified in RCW 39.114 Tax Increment Financing. The city is considering the use of the tax increment financing tool to construct several critical transportation infrastructure projects that will help spur private development around the I-5 junction on both the west and east sides of the city. The tax increment financing tool will create a tax increment area located on both sides of I-5 and consists of undeveloped land that is lacking transportation infrastructure to allow developers to build over the next 25 years. The city's comprehensive growth management plan identified several goals over the next 20-years to bring living wage jobs to Ridgefield and become an employment center in North Clark County. The project estimates $700 million in private development and 2,370 jobs, including 1,890 full-time positions in Ridgefiled and the remaining indirect jobs spread throughout the county. The economic forecasts include over $1.25 billion in economic output during construction with $295 million in economic output annually. Tax revenues during the construction phase are estimated to generate $26.5 million in state and local taxes and $104.3 million in federal taxes. When development is completed, tax generation will include $3.4 million in state and local taxes and $7.2 million in federal taxes annually. During the last three citizen surveys, residents have listed several top priorities, including improvements to the transportation network, including multi-modal options and better shopping choices from grocery stores to restaurants and specialty stores. The project list includes the widening of Pioneer Street from S 56th to S 51st Street. This is the main ingress and egress to the city and has been identified in traffic studies as a potential bottleneck that could limit development if the road is not improved. The previous surveys also mentioned this as a priority for the residents to improve this road. Staff worked with a consultant team to prepare a project analysis which was sent to the Washington State Treasurer for review. Staff and the consultant team have also met individually with all impacted taxing districts, including Clark Cowlitz Fire Rescue, Fort Vancouver Library District, The Port of Ridgefield, and Clark County. Staff also met with the Ridgefield School District, The Ridgefield Chamber of Commerce, Clark Regional Wastewater District and several developers to discuss the tax increment area and project list. The city council held two public briefings to provide information to the public and have included a project page with relevant data about the project on the city's website. Staff from the City and Clark

Cowlitz Fire Rescue had multiple conversations about the impact of the proposed TIA on the fire service and the potential for mitigation measures, which resulted in a voluntary mitigation agreement described in Section 10(b) of Ordinance No. 1410.

First reading conducted.

2. Motion - Overlook Park Splash Pad Consolidated Contractor Change Order - Chuck Green, Public Works Director

The Overlook Park project is building a new splash pad behind the stage at Overlook Park. When fully commissioned and operational, the splash pad will incorporate a combination of natural elements and ground level features for water play with the following considerations:

- Concrete pads and water plumbing and recirculating pump system for water spraying features
- Landscaped features
- Water filtration and purification system
- Direct discharge to sewer

Prior to bid in 2022, some features were removed due to budget limitations. As construction has progressed on the splash pad and surrounding park area, input from Council and community members has strongly supported fully completing the originally-intended project components to complete the park project. These include:

- A three-tiered, ADA accessible seating wall amphitheater with new accessible walkway from Overlook Park
- A protective handrail at the back of the Overlook Park stage area overlooking the seating area
- Walkway lighting bollards and overhead lighting, including three additional bollards to replace out-of-date existing lighting bollards and to match the new lighting at the Splash Pad.
- Landscaping, topsoil and grass seeding in the western area of the park
- Artificial grass in the seating area, instead of sod or grass, to conserve water by not having to irrigate, as well as provide low maintenance and more durable areas.

Keystone Contracting is the prime contractor, with Daybreak Construction providing much of the splash pad construction services.

A previous change order approval by Council (project Change Order #2) at the April 27, 2023 meeting provided for additional costs for a temporary electrical panel and meter (due to the long lead time to get the permanent panel) and for accelerated completion of the project. While the temporary panel has been installed, due to construction issues and delays in obtaining all necessary parts for the plumbing features of the Splash Pad, very little of the accelerated completion change order was used. In its place, due to input from Council and the community, staff worked with the designer PBS and the contractor to develop a design plan for restoring the amphitheater style seating around the Splash Pad, and finishing the remaining area with grass and irrigation. The contractor was directed to install the seating being tracked by "force account", whereby costs are tracked as they accumulate and settled at the end of the work with a final change order price. The seating wall amphitheater total cost is approximately $170,000. The remainder of Change Order 2 (accelerated construction) has been fully used with approximately $73,300 remaining as needed to complete the construction for the seating wall amphitheater and grass landscaping with a "mow strip" separating the artificial turf from the grass landscaping. Additionally, a landscaped berm would be replaced by the mow strip and grass landscaping, result in a cost savings of

$2,500 to $3,000 for the project, which is factored in here.

A summary of the additional costs (sales tax included) needed to complete the project are:

- Amphitheater seating walls, accessible walkway and grass landscaping (remaining to complete, tracked by force account): up to $73,300
- Lighting: $72,476.70 for new lights (change order #3)
- Change order #5, including
    - $9,453.20 to replace existing lights
    - Handrail along back of Overlook Park stage: $6,535.15
    - Topsoil (3-way) for grass landscaping (not part of original bid): $3,142.52
    - Total $19,130.87

- Artificial grass: $93,957.70 (Change order 6).
- TOTAL Change Order Price = $258,600.

Project change order #4 was a no-cost time extension for the contractor.

The City sought competitive bids for the artificial turf and received one bid that was $5,000 higher than the Change Order 6 price from Keystone/GRO. As the change order price was lower, and the subcontractor GRO has been confirmed to be qualified to do the work, the preference is to do this work via change order than with a new contractor with no prior experience on the site or the project. These additional items would be completed by the end of 2023, and, with repairs and commissioning of the Splash Pad pump system, would allow the City to open a fully completed park by May 1, 2024, which is when the Public Health seasonal permit to operate the Splash Pad would be in effect. If approved, this would increase the Keystone contract to $1,215,593.17.

The full budget for the Splash Pad project, with the requested Council action on the change order, is as follows:

- Design by Land Expressions with PBS (spent in 2022): $109,635
- Construction Management, design services during construction (PBS, contracted amount): $84,474.
- Archaeological/DAHP permitting (AINW): $64,970 (2023 costs to date, work is completed)
- Construction (Keystone with Daybreak): $1,215,593.17 (with approval of this change order).
- TOTAL design, permitting and construction costs: $1,474,672.17.

Additionally, the estimated costs for City staff to monitor and manage construction items since June is $13,200.

MOTION: MOVED TO APPROVE THIS CHANGE ORDER REQUEST TO INCREASE KEYSTONE CONTRACTING'S CONTRACT BUDGET FOR THE SPLASH PAD BY AN AMOUNT NOT TO EXCEED $258,600, FOR AN OVERALL CONTACT AMOUNT NOT TO EXCEED $1,215,593.17.

RESULT:	**(UNANIMOUS)**
MOVER:	Council Member Matt Cole
SECONDER:	Council Member Judy Chipman

AYES:	Mayor Lindsay, Mayor Pro Tem Aichele, Council Member Cole, Council Member Wells, Council Member Onslow, Council Member Chipman, Council Member Burkle

3. Motion - Contract Award for Gee Creek Loop Community Development Block Grant Project Design - Chuck Green, Public Works Director

The Gee Creek Loop is a project to improve stormwater facilities for the neighborhood around Gee Creek Loop, and to provide an ADA-accessible, enhanced crosswalk crossing SR 501/Pioneer Street to allow neighborhood residents non-vehicular access to Abrams Park. Site visits conducted by the City in early 2023 indicated the current stormwater conveyance system, which runs down the center of the street in Gee Creek Loop, was eroding the pavement and the outfall and water quality treatment near Gee Creek were substandard. The project has received a $440,000 Community Development Block Grant (CDBG) to support the improvements. A preliminary design for the original project was completed in 2021 in advance of the CDBG application. As City staff began scoping out the CDBG project, a determination was made that the original design did not account for permits, easements for stormwater facilities to be placed on currently-private property, and bringing stormwater facilities up to standards that would comply with the upcoming Municipal Phase II Discharge Permit (NPDES) which takes effect in July 2024. Additional site visits with City staff and members of Council highlighted the substandard stormwater conveyance system down the center of the street in Gee Creek Loop, which was eroding the pavement. City staff determined that the stormwater conveyance system needed replaced, and pavement around the Loop needed repairs. These additional components were included in a package of Stormwater Improvements presented to the Public Works Board for additional pre-construction and construction financing, which was awarded in September 2023. The City issued a Request for Qualifications for submittals from highly qualified firms to provide all pre-construction design services for the Gee Creek Loop Stormwater Improvements. The work would complete the necessary stormwater facilities design and along S Gee Creek Loop and the outfall near Gee Creek. Also included is a new and enhanced pedestrian crossing of Pioneer Street (State HWY 501). Also included will be required environmental clearances and permits as well as approvals from the Department of Archaeological and Historic Preservation (DAHP), acquisition of easements and the additional storm drainage and pavement repair design noted above.The City received two responses and, after completing interviews, selected Wallis Engineering as the highest ranked team with which to negotiate a scope and fee.The work items include:

Finalizing the preliminary plans developed in 2021
Design analysis of additional items and preferred design approach
Additional stormwater and pavement repair design items
Assistance with community information
Enhanced pedestrian crossing across Pioneer Street (Hwy 501) including ADA-accessible approaches on either side and an accessible path to the Abrams Park entrance
Project management and coordination including with Washington State Department of Transportation and utilities
Right-of-way/easement plans and acquisitions
Environmental and permitting documents
Final construction plans, specifications and estimate.

Because of the additional financing provided by the Public Works Board, the tasks originally labeled "Contingency" in the attached scope and budget document will be included in this award. The City may amend the contract in the future to provide bid and construction support, which is not included in the not-to-exceed amount for this award.

MOTION: MOVED TO AWARD THE CONTRACT FOR DESIGN, PERMITTING AND RIGHT OF WAY SERVICES FOR THE GEE CREEK LOOP PROJECT TO WALLIS ENGINEERING IN AN AMOUNT NOT TO EXCEED $195,523.50 ALONG WITH A $10,000 CONTINGENCY.

RESULT:	**(UNANIMOUS)**
MOVER:	Council Member Judy Chipman
SECONDER:	Council Member Ron Onslow
AYES:	Mayor Lindsay, Mayor Pro Tem Aichele, Council Member Cole, Council Member Wells, Council Member Onslow, Council Member Chipman, Council Member Burkle

4. Motion - Selection of Project to Submit for Federal Fiscal Year 2024 Community Development Block Grant Funding - Chuck Green, Public Works Director

Since 1985, Clark County has received over one million dollars annually in Community Development Block Grant (CDBG) funds. Congress created the CDBG Program with the enactment of the Housing and Community Development Act of 1974, as amended. The Department of Housing and Urban Development allocates these funds in a single or "block" grant to eligible cities and counties with the objective of improving communities. Several projects within the City, primarily in the downtown area, have been completed using funding from the CDBG. Most recently these have included stormwater improvements to S 3rd Avenue and S 8th Avenue, and the recently completed 8th Avenue and Simons project. The City is currently beginning the design process for the Gee Creek Loop CDBG project. The Hall and Elm project, awarded funds in 2023, will be initiated later in 2024 (design) and 2025 (construction). To qualify for funding a project must primarily benefit persons of low to moderate income. Since the City does not contain any Census Blocks with low to moderate income, income surveys must be completed for all persons benefiting from a project. Persons benefiting from the project are determined by the department of Housing and Urban Development through a local liaison from the Clark County Community Services office. Previously, after project selection, City staff has worked with the County liaison to determine the benefit area and develop income surveys. After this determination, volunteers, often including Council members, go door to door within the benefit area and collect information on income as well as desired City services. Income information is confidential, and households are identified only by numbers that do not include addresses. After surveys are complete, the project is eligible for CDBG application if more than 50 percent of the residents are below the moderate-income threshold. Two projects have been identified by City staff for discussion: Lake River Stormwater Outfall project (which was considered in 2023 and has received Public Works Board financing) and a new project for consideration, Sargent Street from South Main to South 3rd Avenue. Council discussion of other potential projects is also requested. Staff requests Council input and selection of a project for CDBG 2024 grant application.

The City Council conducted discussion on proposed projects.

MOTION: MOVED TO DIRECT STAFF TO PROCEED SEEKING A 2024 COMMUNITY DEVELOPMENT BLOCK GRANT FOR THE SARGENT STREET FROM SOUTH MAIN TO SOUTH 3RD AVENUE.

RESULT:	**(UNANIMOUS)**
MOVER:	Council Member Ron Onslow
SECONDER:	Mayor Pro Tem Rob Aichele
AYES:	Mayor Lindsay, Mayor Pro Tem Aichele, Council Member Cole, Council Member Wells, Council Member Onslow, Council Member Chipman, Council Member Burkle

VII. PUBLIC COMMENT

Anyone requesting to speak to the Council regarding all items not subject to a specific Public Hearing may come forward at this time. Please state your name and limit comments to three minutes. Written comments may be submitted to the Clerk prior to the meeting.

Comments received during public testimony can be heard on the City's website under https://ridgefieldwa.us/165/City-Council-Meeting-Audio-Files..

VIII. COUNCIL/PRESIDING OFFICER/STAFF REPORTS

1. Council

Council Member Onslow - Tree planting event is coming up on November 4th, attended the City Manager briefing.
Council Member Burkle - Attended CRWWD meeting.
Mayor Pro Tem Aichele - Attended pre-application conference, City Manager briefing, lions business meeting, thanked Council for kind words and flowers after the loss of his mom.
Council Member Wells - Attended pre-application conference, CRWWD meeting.
Council Member Chipman - Attended the eagle scout ceremony, Chamber coffee connection, chamber annual civic update.
Council Memeber Cole - Attended the eagle scout ceremony, PAL fundraiser, welcomed Corey Crownhart to the team.

2. Mayor

Attended and presented at the chamber annual civic update.

3. City Manager

Public Works Director Chuck Green - Parks project updates provided.
Deputy City Manager Lee Knottnerus - Upcoming events updates provided.
Police Chief Cathy Doriot - Thanked Councilor Cole for attending the PAL fundraiser.

IX. ADJOURN

8:10PM

______________________________ ______________________________

Julie Ferriss, City Clerk	Jennifer Lindsay, Mayor

CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION

MEETING DATE: November 2, 2023

AGENDA ITEM NAME: Investment Grade Audit - Preliminary Project List

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GOVERNING LEGISLATION

RCW 39.35c Energy Conservation Projects

PREVIOUS COUNCIL ACTION TAKEN:

The council held a study session on January 12, 2023 to learn more about the program. The council reviewed a presentation on the preliminary findings and prioritization of energy projects.

SUMMARY/BACKGROUND:

The City has contracted with the Washington State Department of Enterprise Services (DES) to complete an investment grade energy audit to identify potential energy-saving projects at the Public Works Operations Center and City Hall. The consultant, Willdan, was awarded a contract through DES to provide consultant services and eventually design/build services for any projects the council chooses to move forward with.

Willdan and the DES project manager will present the project recommendations for council consideration.

BUDGET/FINANCIAL IMPACTS:

Please refer to the attached presentation.

RECOMMENDED ACTION OR MOTION:

No action requested only direction.

STAFF CONTACT: Kirk Johnson, Finance Director

ATTACHMENTS:

1. Ridgefield Council Preso 11-02-23

City Council Budget Review & Advise

City of Ridgefield – Facility Improvement Measures

November 2, 2023

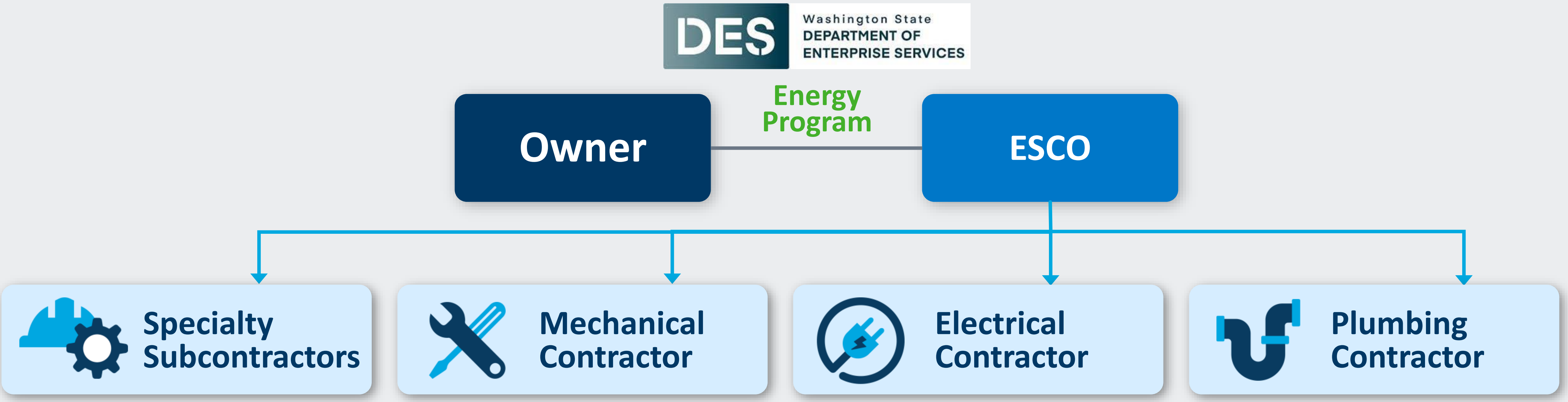
City of Ridgefield Washington

DES Washington State Department of Enterprise Services

WILLDAN

ESPC is Low-Risk, Public Procurement Process

- Design/Build approach with guarantees
- Turn-key delivery & Single source accountability of ESCO
- All public procurement obligation fulfilled
- PM oversight & advocacy by DES



TAKEAWAY Align phasing, scope & budget to Ridgefield priorities

Performance Contract Progress

Evaluation & Planning
(Preliminary Engineering Analysis)
60 Days

IGA Phase
(Complete Design & Engineering)
90-120 Days

Project Implementation
2024

Performance Maximization

Recommend 2 Phased Approach

- Ph#1 - Essential Infrastructure Improvements
- Ph#2 – Clean Energy and Resiliency Improvements

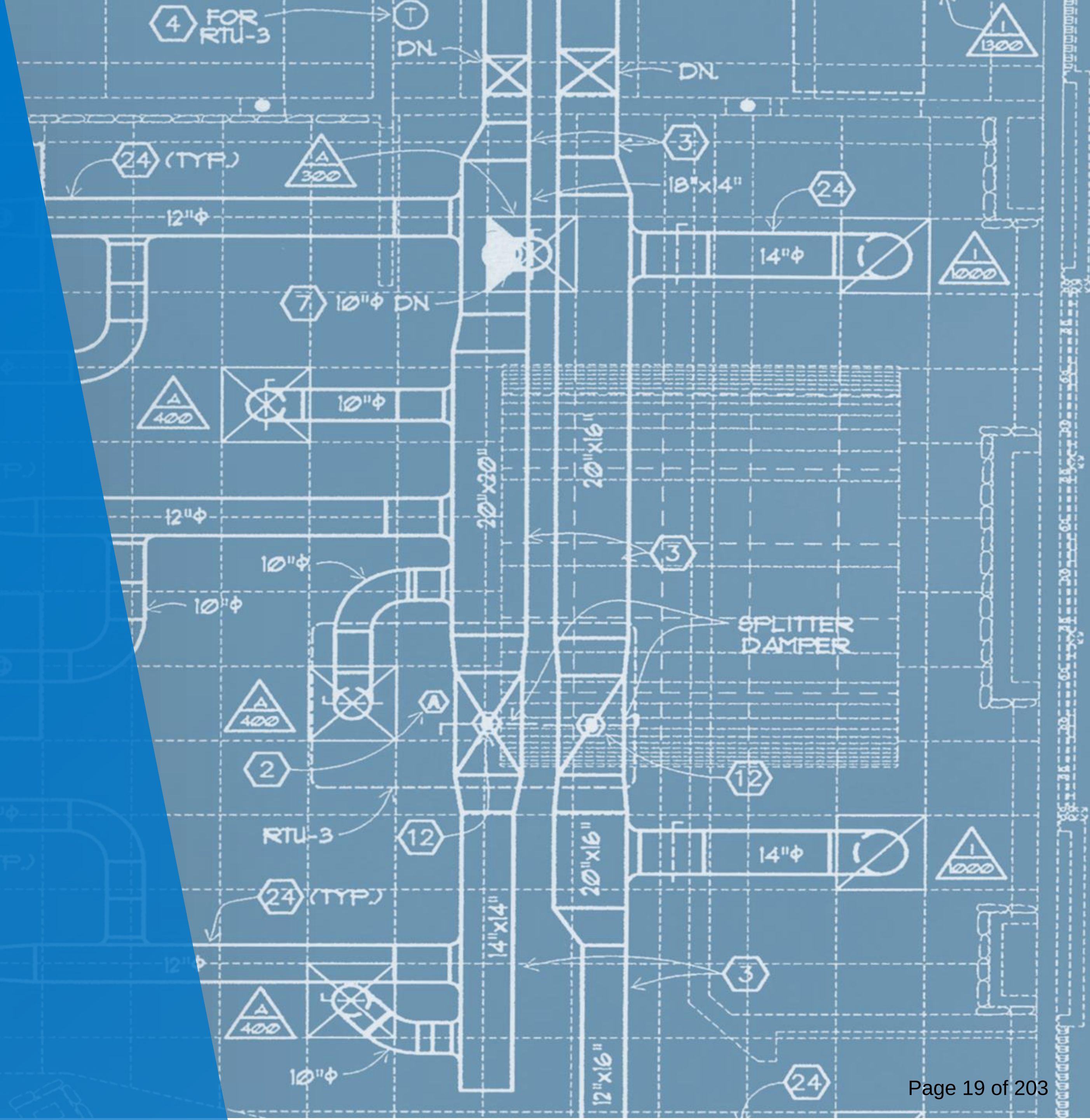
Confirm Priority Improvements

- Establish budget for Phase #1 during summer 2024

WILLDAN

PHASE #1 – Summer 2024

Essential Infrastructure Improvement Measures



Envelope & Systems at Public Works

WILLDAN

Recommended Essential Measures

- New Variable Refrigerant Flow (VRF) system, + ERV
- Thermostat for each space
- Add ventilation and AC for shop office
- Electric infrared heaters and high-volume fans for shop
- New roofing at Public Works Shop
    - “Flute fill” retrofit over existing metal roof
    - Cover board & White TPO membrane
- New Insulated Rollup Doors with Motors
- 100-kW natural gas backup generator at Public Works
    - Meets current maximum loads

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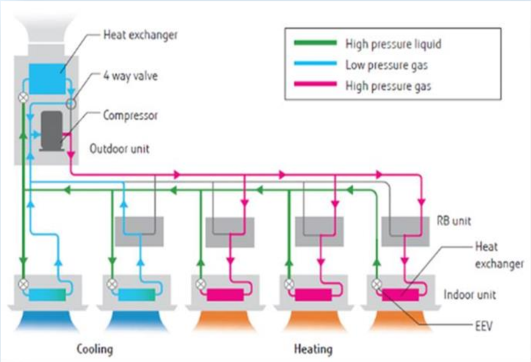
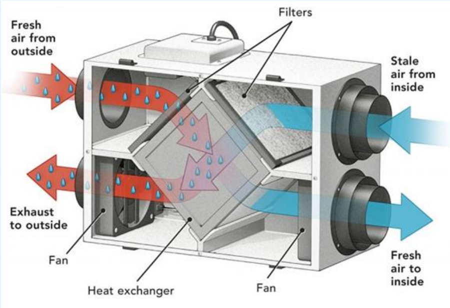
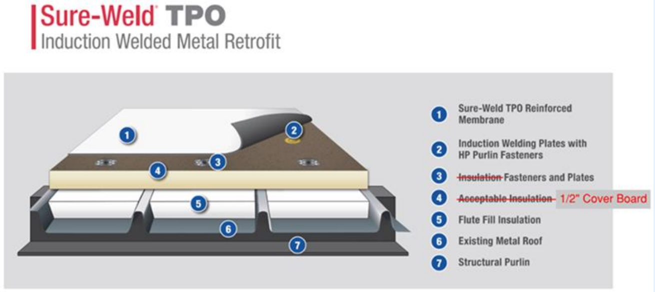




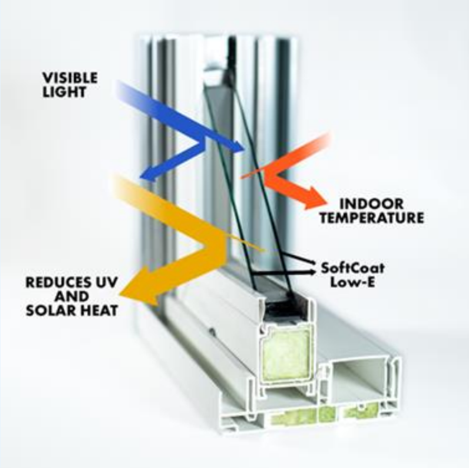


Additional Improvements at Public Works

Additional Comprehensive Measures

- New LED recessed troffer retrofit kits.
- New high-bay LED fixtures in shop.
- New LED exterior floodlights and pole fixtures.
- Controls/sensors on each fixture.
- New double-pane windows at Public Works
  - Low-E, improved efficiency
  - Option for operable sections

Total Project Budget for
Operation Center
$2.5M to $2.9M
(less Utility Incentives)



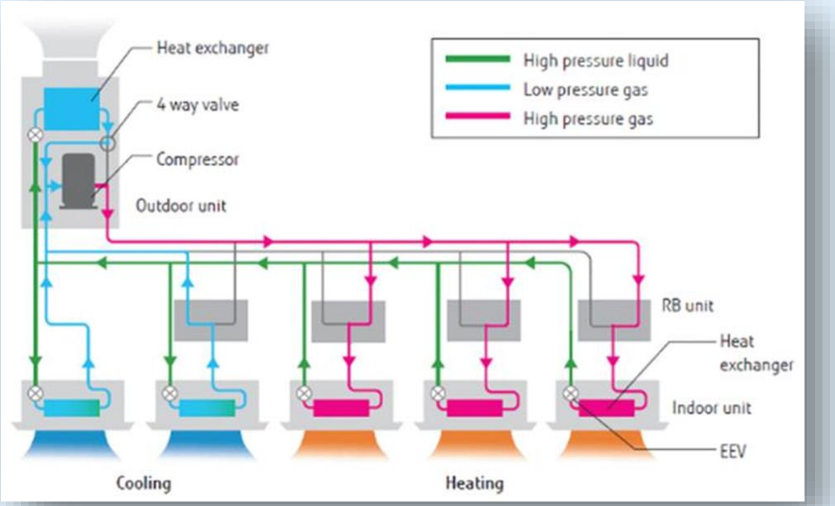
Infrastructure Improvements at City Hall

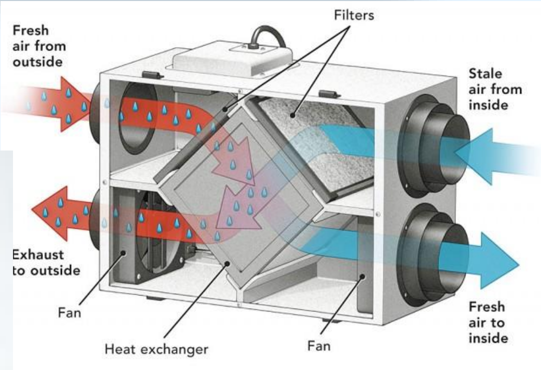
WILLDAN

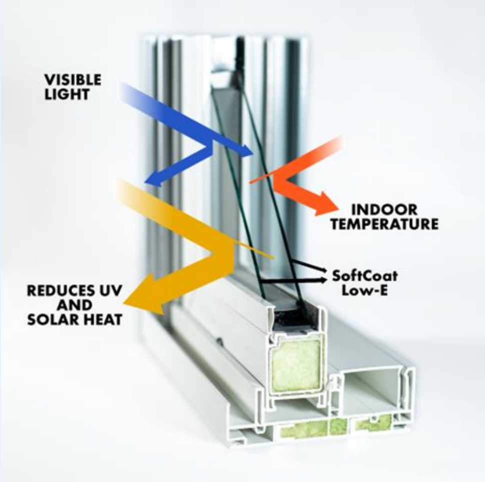
Recommended Scope

- New Variable Refrigerant Flow (VRF) system
- Thermostat for each space
- Energy Recovery Ventilation (ERV)
- New roofing at City Hall
  - White TPO membrane
  - Includes new parapet caps/coping
- New double-pane windows at City Hall
  - Low-E, improved efficiency
  - Replace windowpanes only
    - Lower cost, Historical preservation

Total Project Budget for
City Hall
$800K to $1M
(less Utility Incentives)







WILLDAN

PHASE #2 – 2025

Resiliency/Clean Energy Measures
& Community Improvements

Public EV Charging Stations

WILLDAN

Scope Details

- Install (6) Level II Chargers in existing gravel lot downtown
    - 19.2 kW each for intermediate charging speed
- New electrical service, sized for future expansion

Total Project Budget for
EV Charging
$350K to $400K
(less Grants & Incentives)

Solar PV Summary

WILLDAN

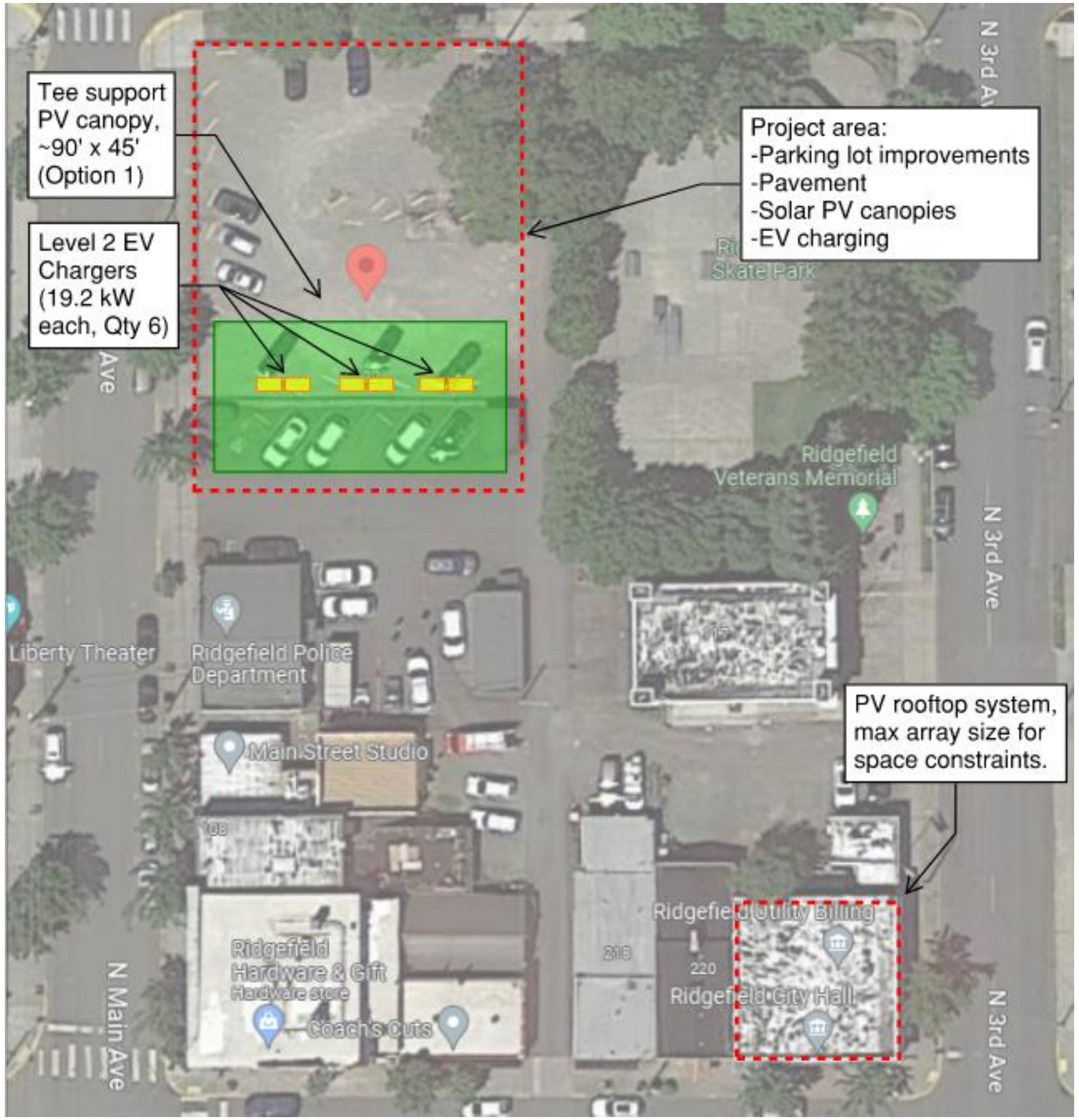
Scope Details

- Install PV solar to offset 90%+ of facility electricity consumption
    - Locations: Public Works, City Hall, Community Parking

Total Project Budget for
Solar PV Generation
$900K to $1.1M
(less Grants & Incentives)

PV Site Location	PV system size (kWDC)
Public Works	100
City Hall	15
Canopy Parking	64
Total PV kW	179 kW

Solar Canopy + EV Charging Concept



Battery Energy Storage (BESS)

Scope Details

- For City Hall, install 4-8 hr battery energy storage systems to provide backup power and enhance building resilience.
- For Public Works, Install 4-8 hr battery energy storage systems to provide backup power and enhance building resilience. Installed batteries also provide partial peak shaving opportunities.

BESS Site Location	BESS System Size (kWh)
City Hall	30
Public Works	150

Total Project Budget for
Battery Energy Storage
$600K to $800k
(less Grants & Incentives)

WILLDAN

DISCUSSION

CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION

MEETING DATE: November 2, 2023

AGENDA ITEM NAME: Public Hearing on 2024 Property Tax Levy and Revenue Sources

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GOVERNING LEGISLATION

RCW 35A.33 Budgets in Code Cities, RCW 84.55.120 Public Hearing - Taxing Districts Revenue Sources - Adoption of Tax Increase by Ordinance or Resolution, Financial Policy #07: Budget

PREVIOUS COUNCIL ACTION TAKEN:

Council conducts a public hearing annually to review proposed revenue sources as part of the budget adoption process.

SUMMARY/BACKGROUND:

The 2024 revenue budget totals $80.1 million, including $10.3 million in internal transfers for capital projects, $1.8 million for governmental debt service, and $0.7 million in internal transfers to support street operations and maintenance. $7.4 million in new grant funding, and $34.5 million in new debt issuance. In comparison, the 2023 amended revenue budget was $85.7 million, with $xx associated with internal transfers from existing funds. The overall net increase/decrease in the proposed revenue budget when compared to the 2023 amended budget is approximately $5.6 million, a 6.5% decrease.

BUDGET/FINANCIAL IMPACTS:

Please refer to the attached reports and presentation.

RECOMMENDED ACTION OR MOTION:

Staff requests council conduct a public hearing on 2024 revenue sources and conduct the first reading of Ordinance No. XXXX, XXXX, XXXX.

STAFF CONTACT: Kirk Johnson, Finance Director

ATTACHMENTS:

1. 2024 Revenue Hearing

2024 Proposed Budget Revenue Forecast

November 2, 2023

2024 Proposed Budget
Agenda

2024 Revenue Projections

- Operating Funds
- Capital Service Funds
- Special Revenue Funds
- Capital Project Funds

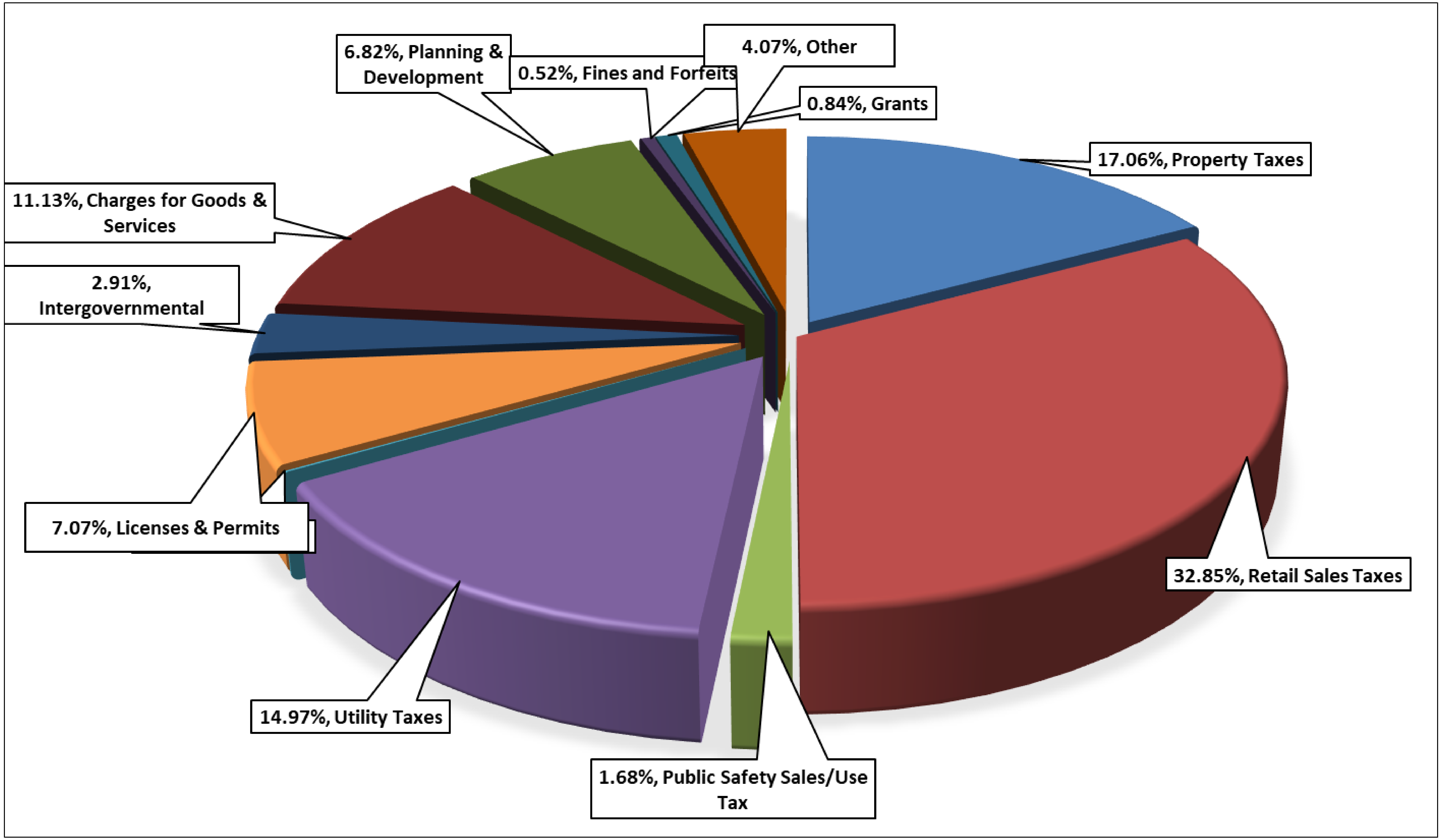
2024 Proposed Revenue Budget Summary

		2023 Amended Budget	2024 Proposed Budget	Percentage Change
Operating Funds				
001	General Fund	$ 14,963,230	$ 13,714,286	-8.35%
101	Street Fund	1,312,105	1,230,960	-6.18%
406	Water Operating	3,134,000	3,422,500	9.21%
408	Stormwater Operating	1,568,500	1,782,700	13.66%
	Total Operating Funds	***20,977,835***	***20,150,446***	**-3.94%**
Capital Service Funds				
105	Real Estate Excise Tax	2,705,000	1,725,000	-36.23%
114	Park Impact Fee	1,856,785	251,250	-86.47%
115	Traffic Impact Fee	3,212,700	568,250	-82.31%
416	Water Utility SDC	2,050,000	1,750,000	-14.63%
417	Storm Water Utility SDC	-	468,500	100.00%
	Total Capital Service Funds	***9,824,485***	***4,763,000***	**-51.52%**
Special Revenue Funds				
111	Drug Fund	1,510	1,510	0.00%
140	Affordable Housing	33,000	25,000	100.00%
150	Transportation Benefit District	900,025	850,100	-5.55%
	Total Special Revenue Funds	***934,535***	***876,610***	-6.20%
Debt Service				
200	Debt Service	1,408,995	1,804,680	28.08%
	Total Debt Service	***1,408,995***	***1,804,680***	**28.08%**
Capital Projects & ERF				
300	General Capital Projects	46,573,300	41,247,550	-11.44%
410	Water Utility Capital Projects	4,400,000	7,721,000	75.48%
412	Storm Water Utility Capital Projects	1,045,000	3,254,000	211.39%
501	Equipment Replacement (ERF)	502,200	275,050	-45.23%
	Total Capital Projects & ERF	***52,520,500***	***52,497,600***	**-0.04%**
	Total Revenue All Sources	***$ 85,666,350***	***$ 80,092,336***	**-6.51%**

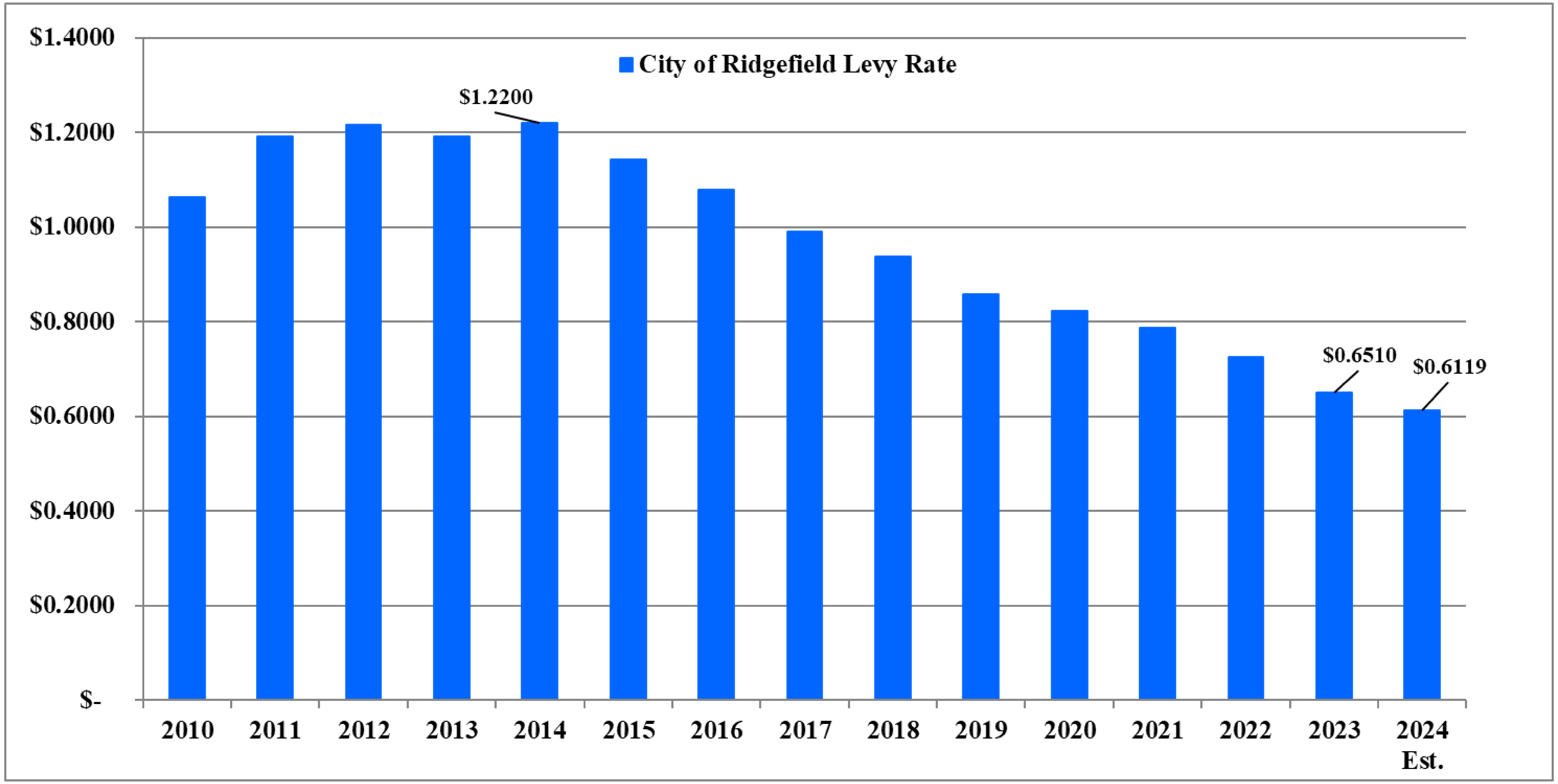
2024 Revenue Forecast
General Fund

Description	2023 Amended Budget	2024 Proposed Budget	Percentage Change
001 General Fund			
Revenue			
Property Tax	2,220,000	2,340,000	5.41%
Retail Sales & Other Tax	5,150,000	4,517,000	-12.29%
Public Safety Sales/Use Tax	231,000	230,000	-0.43%
Utility Taxes	1,868,100	2,052,500	9.87%
License & Permits	1,818,760	969,180	-46.71%
Planning & Development	1,240,000	935,000	-24.60%
Fines & Forfeits	69,000	72,000	4.35%
Charge for Goods & Services	1,541,710	1,526,006	-1.02%
Intergovernmental/Grant	460,660	514,500	11.69%
Other Revenue/Donations	364,000	558,100	53.32%
Transfers In	-	-	0.00%
General Fund Revenue	***14,963,230***	***13,714,286***	***-8.35%***

2024 Revenue Forecast
General Fund Revenue Sources

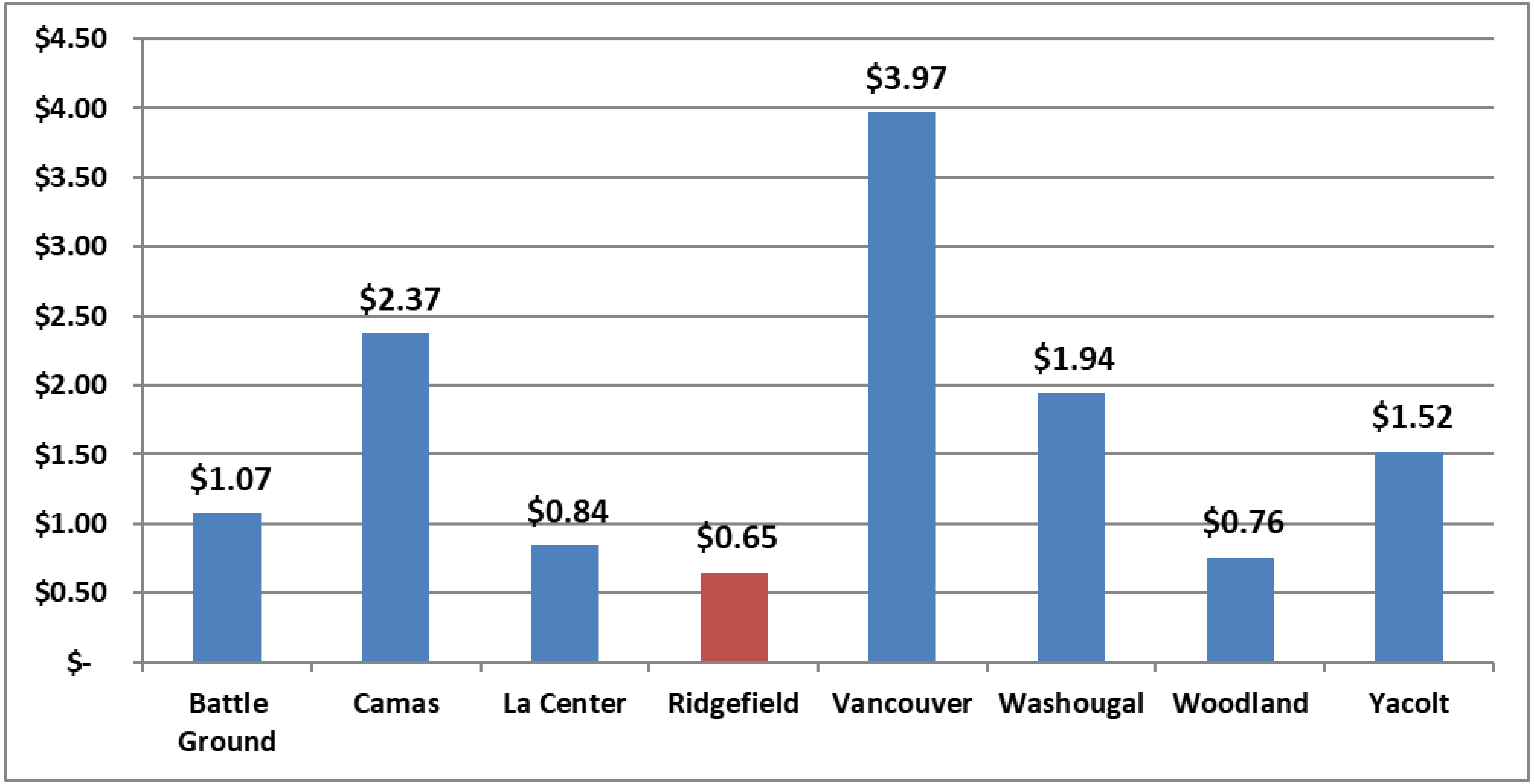


2024 Revenue Forecast
Property Tax Levy

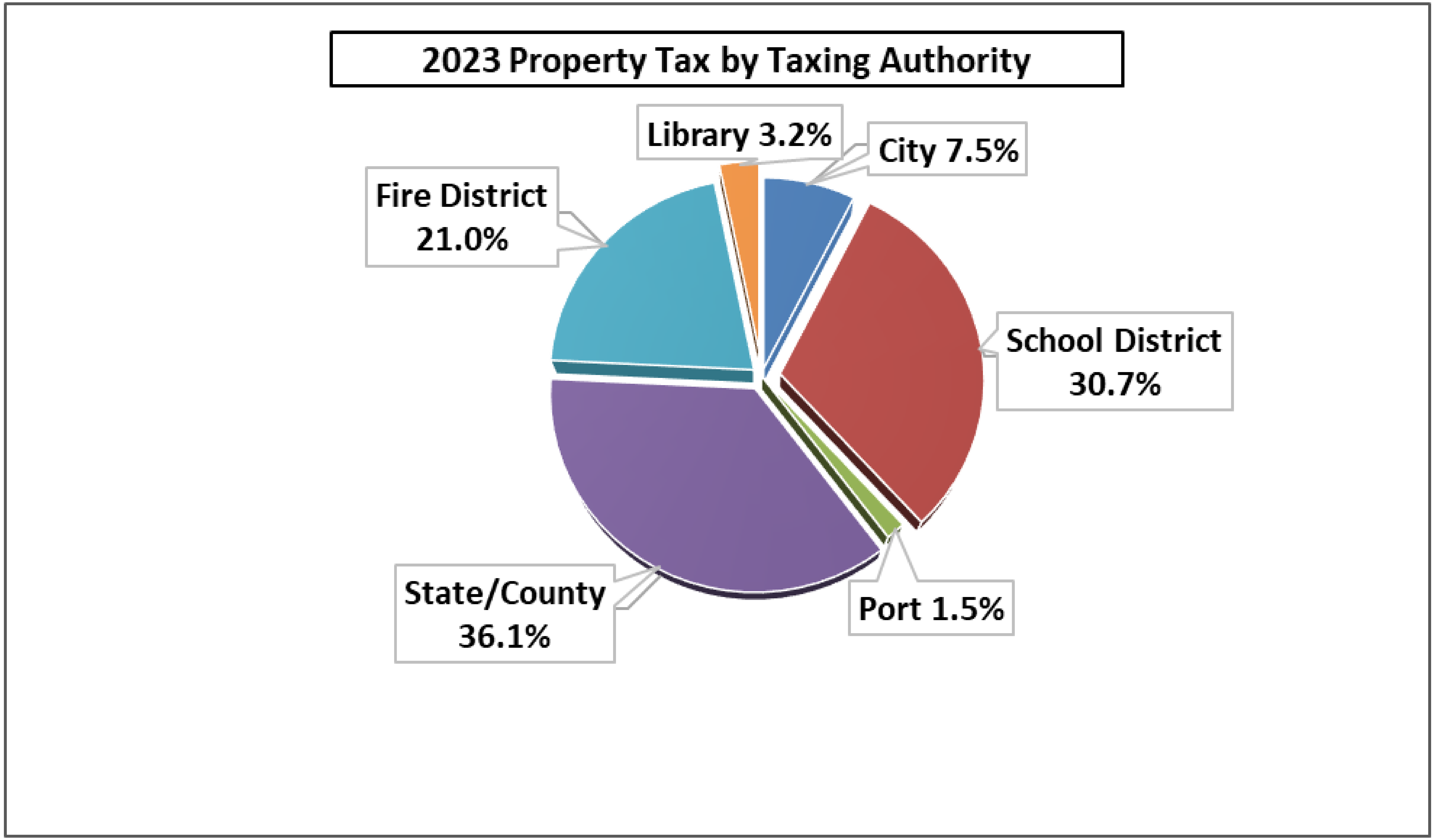


1% statutory increase in the levy amount is $21,939, New construction is $168.2 million or $109,508 increase in the levy amount.

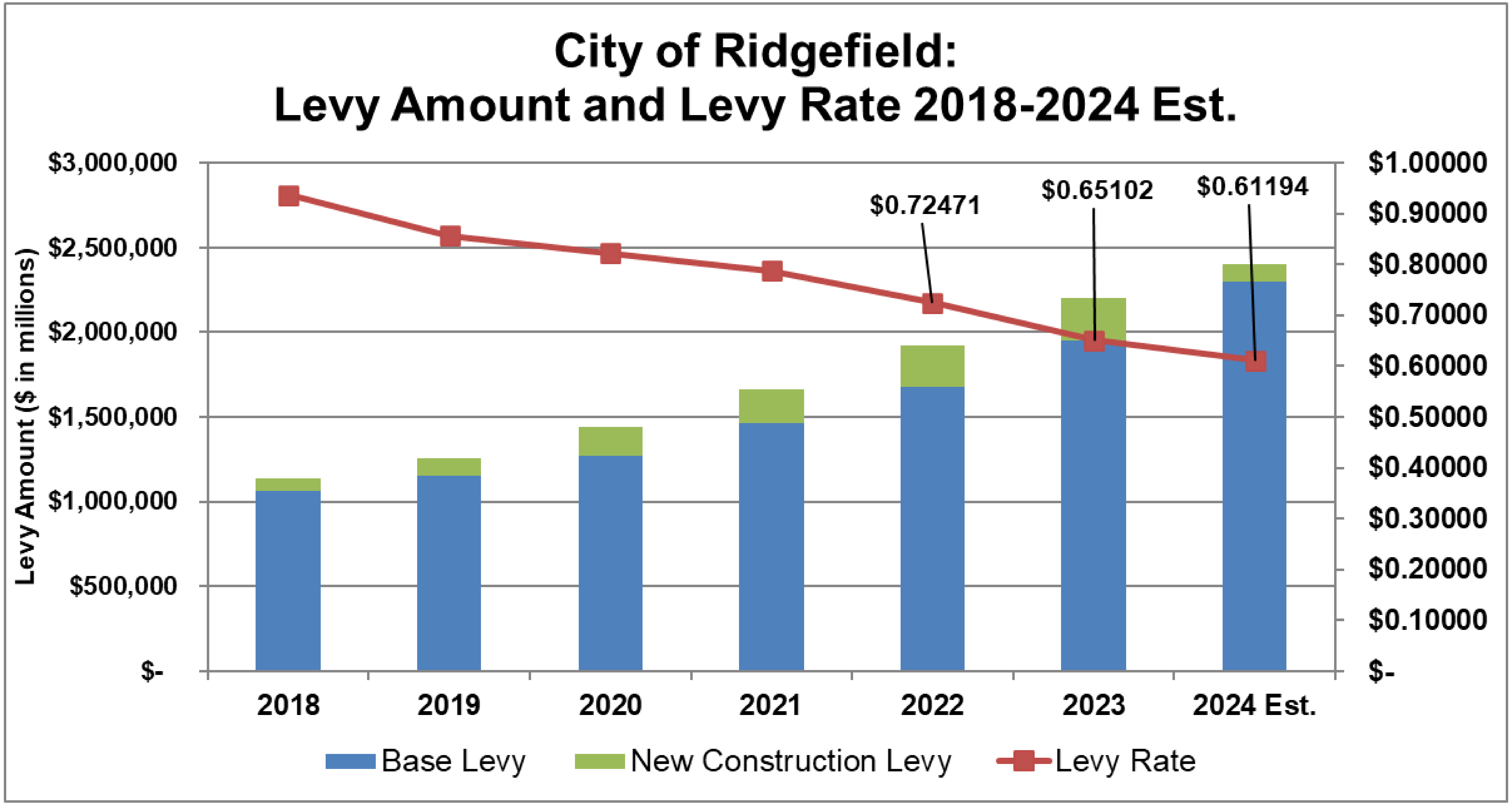
2023 Property Tax Levy Comparisons by Entity



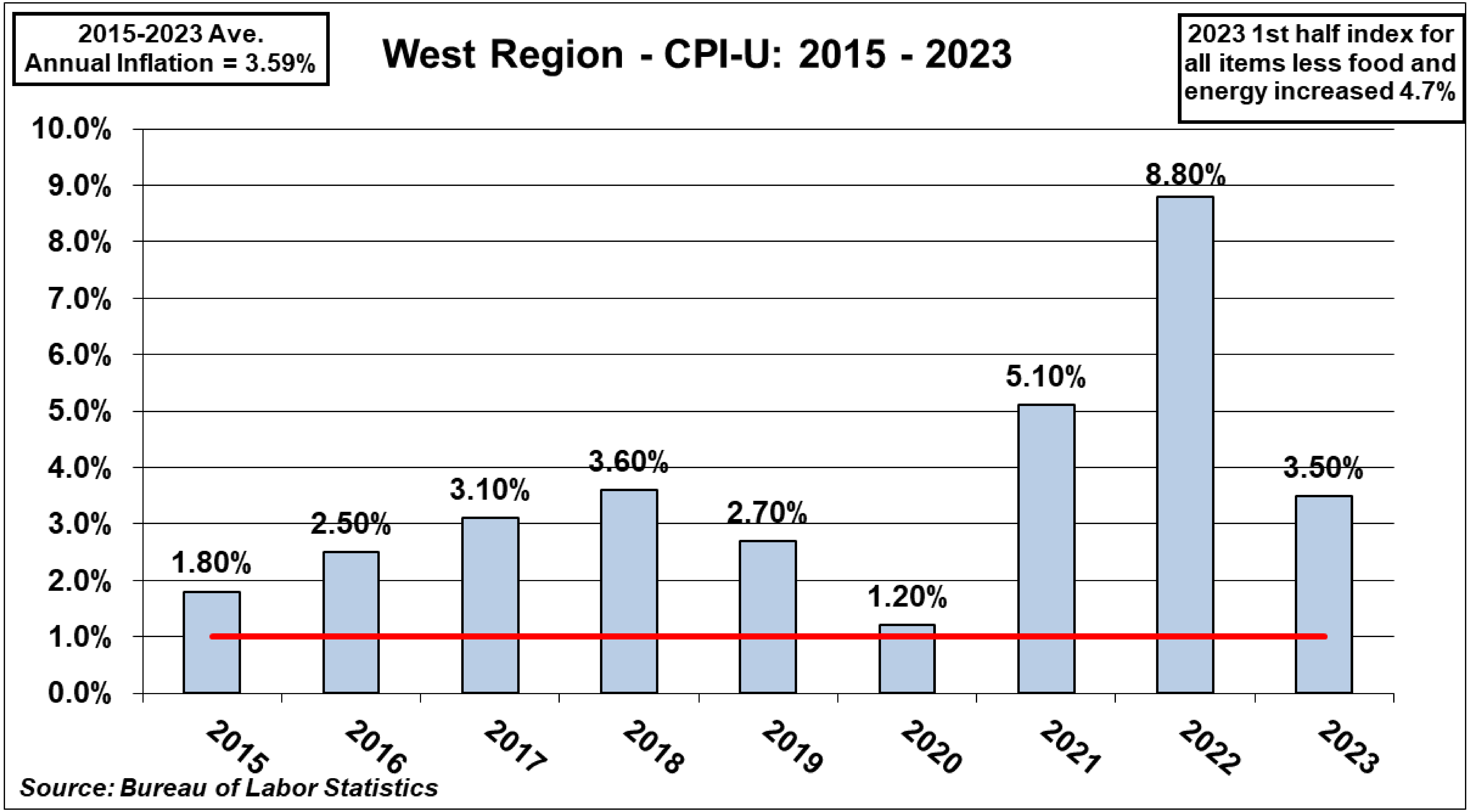
2023 Property Tax Levy Comparisons



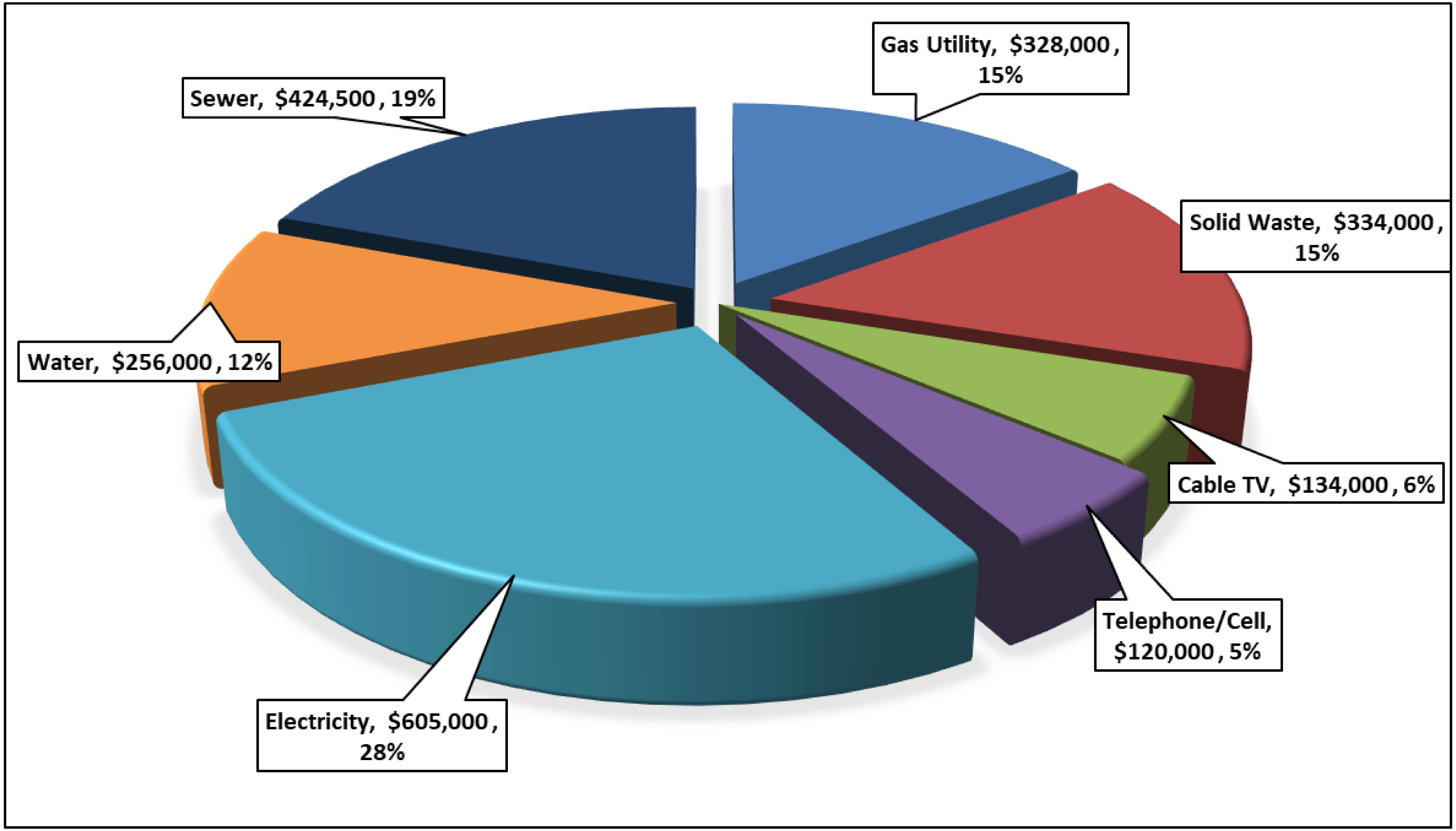
2024 Property Tax Assessed Values



2023 Property Tax Levy Comparison to Inflation



2024 Utility Tax by Source



2024 Revenue Forecast
Street Fund

Description	2023 Amended Budget	2024 Proposed Budget	Percentage Change
101 Street Fund			
Revenue			
Utility Tax/Franchise Fee	136,300	149,000	9.32%
Permits	20,000	20,000	0.00%
Intergovernmental	281,530	296,500	5.32%
Other Revenue	25,525	25,525	0.00%
Transfers In	848,750	739,935	-12.82%
Street Fund Revenue	***1,312,105***	***1,230,960***	***-6.18%***

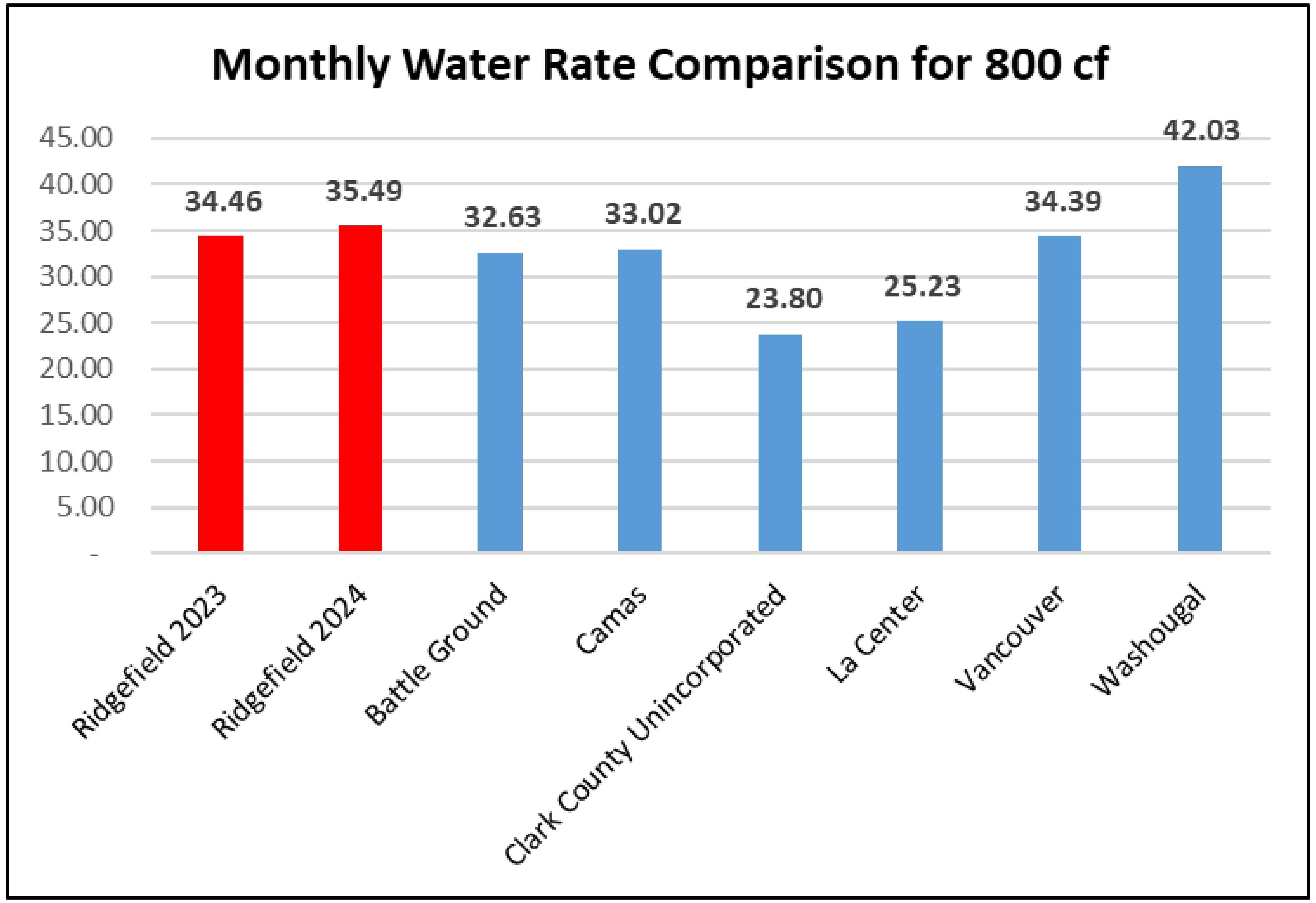
2024 Revenue Forecast
Water Utility and Storm Water Utility Funds

Description	2023 Amended Budget	2024 Proposed Budget	Percentage Change
406 Water Utility Fund			
Revenue			
Charges for Goods and Services	3,122,000	3,369,000	7.91%
Other Revenue	12,000	53,500	345.83%
Water Utility Fund Revenue	***3,134,000***	***3,422,500***	***9.21%***
408 Stormwater Utility Fund			
Revenue			
Charges for Goods and Services	1,340,000	1,642,200	22.55%
Grants	-	130,000	100.00%
Other Revenue	28,500	10,500	-63.16%
Transfers In	200,000	-	-100.00%
Stormwater Utility Fund Revenue	***1,568,500***	***1,782,700***	***13.66%***

2024 Revenue Forecast
Utility Rate Comparisons

Agency	Water	Utility Tax	Monthly Avg.	Notes
Ridgefield 2023	31.91	8.00%	34.46	
Ridgefield 2024	32.87	8.00%	35.49	a
Battle Ground	29.13	12.00%	32.63	
Camas	32.37	2.00%	33.02	
Clark County Unincorporated	23.80	0.00%	23.80	b, c, d
La Center	23.80	6.00%	25.23	b
Vancouver	34.39	28.90%	34.39	e
Washougal	42.03	10.00%	42.03	f

a) Water and storm water rate increase. Per rate model (3%)
b) Water offered through Clark Public Utilities
c) Sewer offered through Clark Regional Wastewater District
d) Storm Water rate inside urban growth area of unincorporated Clark County
e) The City of Vancouver includes taxes in the rates and does not break them out externally
f) The City of Washougal includes taxes in the rates and does not break them out externally



2024 Revenue Forecast
Utility Rate Comparisons

Agency	Storm	Utility Tax	Monthly Avg	Notes
Ridgefield 2023	10.50	0.00%	10.50	
Ridgefield 2024 W/SDC	12.00	0.00%	12.00	a
Ridgefield 2024 No/SDC	12.40	0.00%	12.40	b
Battle Ground	12.50	12.00%	14.00	
Camas	13.55	2.00%	13.82	
Clark County Unincorporated	3.92	0.00%	3.92	c
La Center	10.60	0.00%	10.60	
Vancouver	14.05	28.90%	14.05	d
Washougal	17.59	6.00%	17.59	e

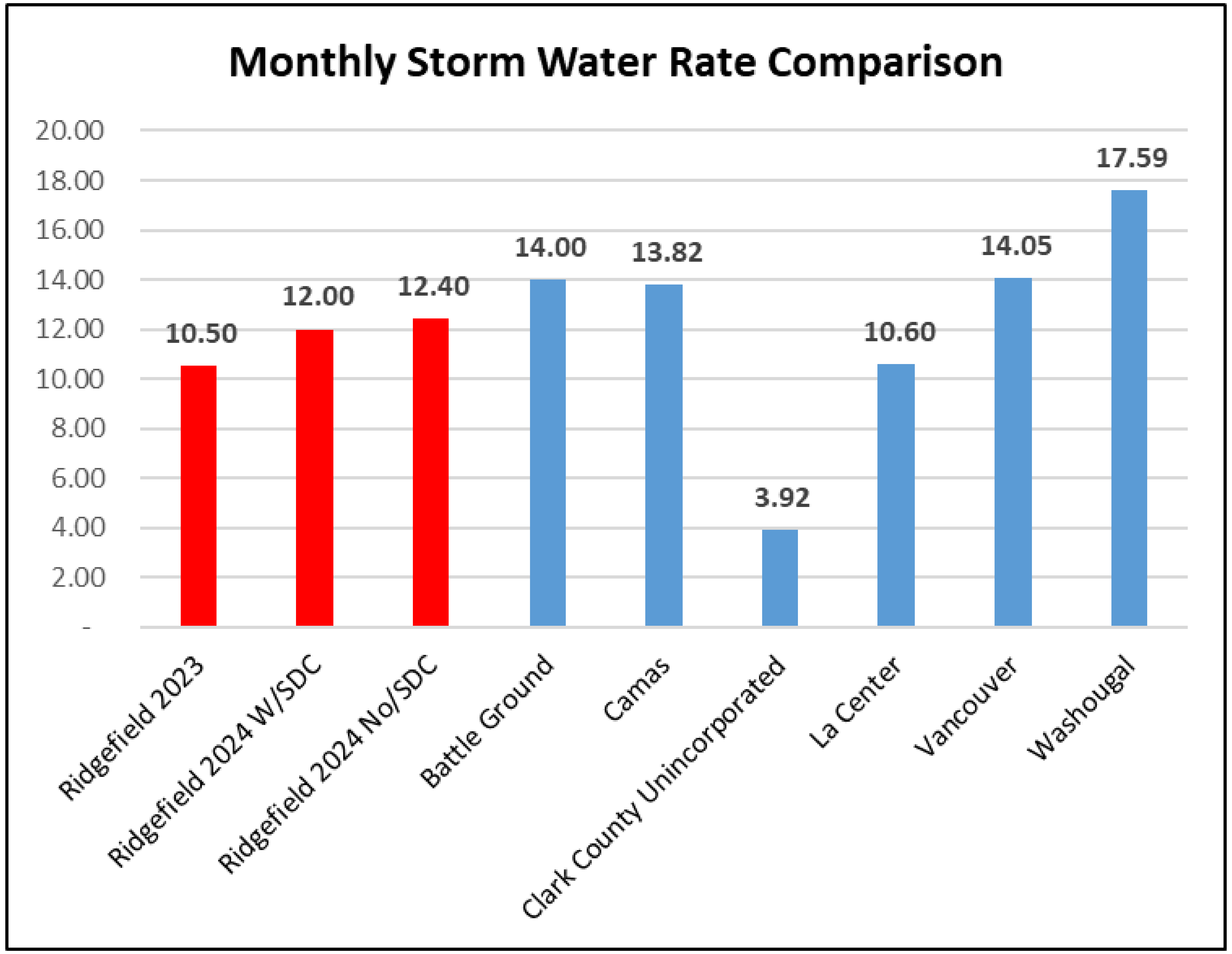
a) Storm water rate increase $1.50 per mnth

b) Storm water rate increase $1.90 per month

c) Storm Water rate inside urban growth area of unincorporated Clark County

d) The City of Vancouver includes taxes in the rates and does not break them out externally

e) The City of Washougal includes taxes in the rates and does not break them out externally



2024 Revenue Forecast
City of Ridgefield Sewer Rates

MONTHLY SEWER SERVICE	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Base Rate (Central Service Area)	$ 36.00	$ 37.00	$ 38.00	$ 38.00	$ 38.00	$ 39.00	$ 40.00	$ 41.00	$ 42.00	$ 43.50	$ 45.00
System Integration Charge	19.00	18.80	18.50	17.70	17.00	16.60	15.60	13.80	11.60	10.00	9.40
Total Sewer Service Charge	55.00	55.80	56.50	55.70	55.00	55.60	55.60	54.80	53.60	53.50	54.40
City Operating Fee (10%)	5.50	5.58	5.65	5.57	5.50	5.56	5.56	5.48	5.36	5.35	5.44
TOTAL BILL PER ERU/MONTH	**$ 60.50**	**$ 61.38**	**$ 62.15**	**$ 61.27**	**$ 60.50**	**$ 61.16**	**$ 61.16**	**$ 60.28**	**$ 58.96**	**$ 58.85**	**$ 59.84**

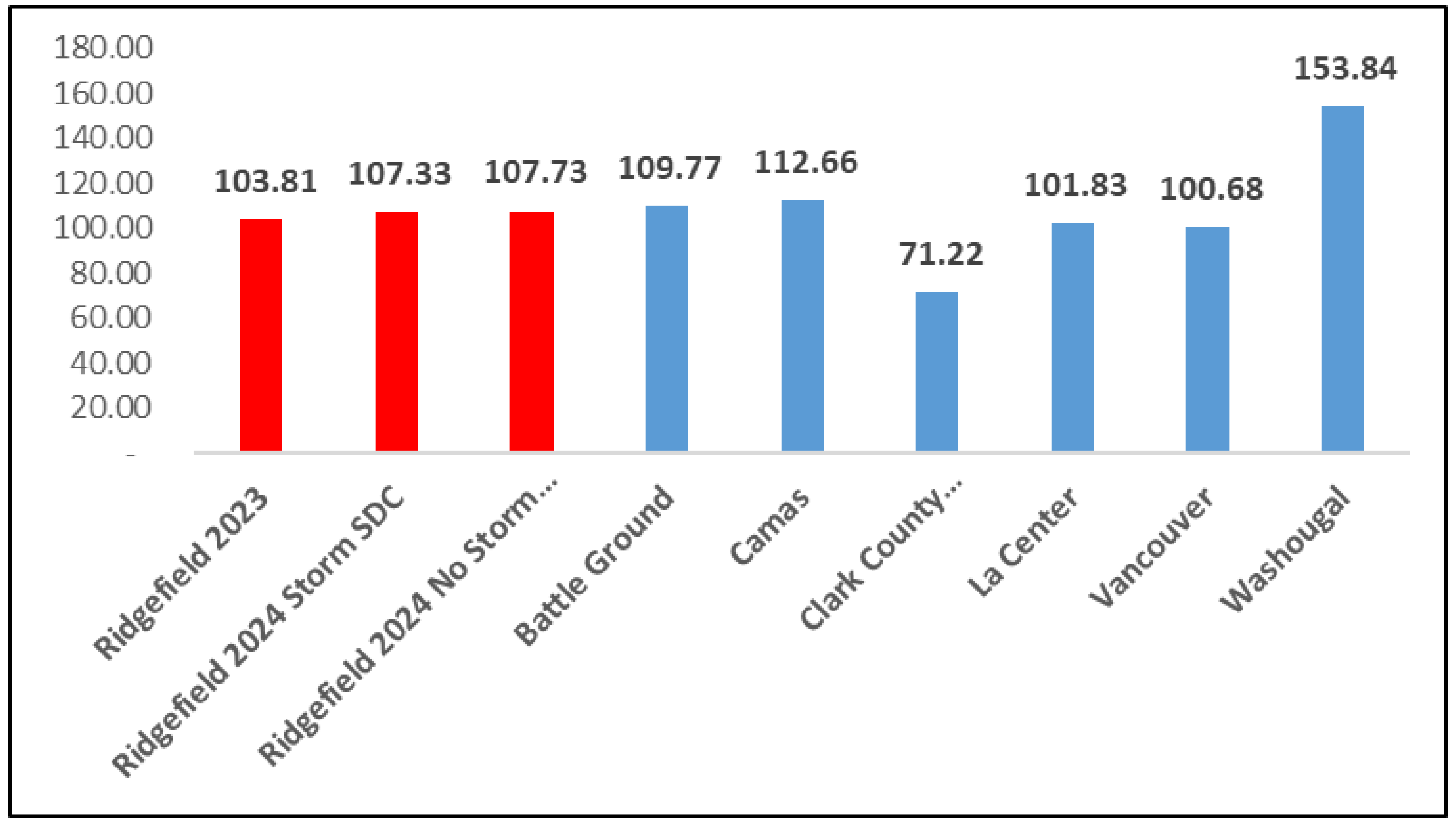
SYSTEM DEVELOPMENT CHARGES											
SDC per ERU	**$7,550.00**	**$7,550.00**	**$7,550.00**	**$7,550.00**	**$7,550.00**	**$7,950.00**	**$8,350.00**	**$8,750.00**	**$8,750.00**	**$9,450.00**	**$10,112.00**

2024 rates are preliminary and have not been adopted

2024 Revenue Forecast
Clark County Utility Rate Comparison

Agency	Water	Utility Tax	Sewer	Operating Fee/ Utility Tax	Storm	Utility Tax	Rate w/Utility Tax	Rate w/o Utility Tax	Notes
Ridgefield 2023	31.91	8.00%	53.50	10.00%	10.50	0.00%	103.81	95.91	
Ridgefield 2024 Storm SDC	32.87	8.00%	54.40	10.00%	12.00	0.00%	107.33	99.27	
Ridgefield 2024 No Storm SDC	32.87	8.00%	54.40	10.00%	12.40	0.00%	107.73	99.67	
Battle Ground	29.13	12.00%	56.38	12.00%	12.50	12.00%	109.77	98.01	
Camas	32.37	2.00%	64.53	2.00%	13.55	2.00%	112.66	110.45	
Clark County Unincorporated	23.80	0.00%	43.50	0.00%	3.92	0.00%	71.22	71.22	a, b
La Center	23.80	6.00%	66.00	0.00%	10.60	0.00%	101.83	100.40	
Vancouver	34.39	28.90%	52.24	28.90%	14.05	28.90%	100.68	67.67	c
Washougal	42.03	10.00%	94.22	9.07%	17.59	6.00%	153.84	130.72	d

a) Water offered through Clark Public Utilities.
b) Sewer offered through Clark Regional Wastewater District
c) The City of Vancouver includes taxes in the total rates and does not break them out externally
d) The City of Washougal includes taxes in the total rates and does not break them out externally



2024 Revenue Forecast
Capital and Special Revenue Funds

		2023 Amended Budget	2024 Proposed Budget	Percentage Change
Capital Service Funds				
105	Real Estate Excise Tax	2,705,000	1,725,000	-36.23%
114	Park Impact Fee	1,856,785	251,250	-86.47%
115	Traffic Impact Fee	3,212,700	568,250	-82.31%
416	Water Utility SDC	2,050,000	1,750,000	-14.63%
417	Storm Water Utility SDC	-	468,500	100.00%
	Total Capital Service Funds	***9,824,485***	***4,763,000***	**-51.52%**
Special Revenue Funds				
111	Drug Fund	1,510	1,510	0.00%
140	Affordable Housing	33,000	25,000	100.00%
150	Transportation Benefit District	900,025	850,100	-5.55%
	Total Special Revenue Funds	***934,535***	***876,610***	-6.20%

2024
Revenue Forecast
General Capital and ERF Funds

		2023 Amended Budget	2024 Proposed Budget	Percentage Change
Debt Service				
200	Debt Service	1,408,995	1,804,680	28.08%
	Total Debt Service	***1,408,995***	***1,804,680***	**28.08%**
Capital Projects & ERF				
300	General Capital Projects	46,573,300	41,247,550	-11.44%
410	Water Utility Capital Projects	4,400,000	7,721,000	75.48%
412	Storm Water Utility Capital Projects	1,045,000	3,254,000	211.39%
501	Equipment Replacement (ERF)	502,200	275,050	-45.23%
	Total Capital Projects & ERF	***52,520,500***	***52,497,600***	**-0.04%**

Capital Project Funding Includes

New Grant Funding	**$7,183,400**
Partner Share	**$230,000**
Debt Issuance	**$34,529,000**
Internal Transfers	**$10,280,150**

2024 Proposed Budget
Next Steps

- November
  - "2024 Proposed Budget" released to the public 11/1/2023
  - Review 2024 property tax levy 11/2 and 11/16 6:30 PM
  - Review 2024 utility rates 11/2 and 11/16 6:30 PM
  - Conduct public hearing on "2024 Proposed Budget" 11/16 6:30 PM
- December
  - Conduct public hearing on "2024 Proposed Budget" 12/7 6:30 PM
  - Adopt "2024 Proposed Budget" 12/7 6:30 PM
  - Transmit 2024 budget to MRSC and State Auditor


THANK YOU

CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION

MEETING DATE: November 2, 2023

AGENDA ITEM NAME: First Reading of Ordinance No. 1411 - 2024 Property Tax Levy and Revenues

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GOVERNING LEGISLATION

RCW 84.55.120 Public Hearing - Tax District's Revenue Sources - Adoption of Tax Increases by Ordinance or Resolution, RCW 84.52 Levy of Taxes, RCW 35A.33 Budgets in Code Cities, Financial Policy #07: Budget

PREVIOUS COUNCIL ACTION TAKEN:

Council adopts a property tax levy annually.

SUMMARY/BACKGROUND:

The 2024 budget includes a statutory maximum 1% increase in the current property tax levy exclusive of additional revenue resulting from new construction, improvements to property, any increase in the value of state assessed property, and annexations that have occurred, and including any refunds made.

The Implicit Rate Defaltor (IPD) Rate Exceeds 1% for Setting 2024 Property Taxes: The IPD inflation rate as of September 25, 2023 is 3.67%. This means all taxing districts with populations 10,000 or greater can take the full 1% levy increase in 2024 without adopting a resolution/ordinance of "substantial need."

The 2023 regular levy amount was $2,193,906. The statutory 1% increase would raise the property tax levy by $21,939. In addition to the 1% increase, the Clark County Assessor's office has preliminary estimates showing the City's assessed value for new construction will add approximately $168.2 million to the City's assessed value, adding approximately $109,508 in property tax revenue. The Department of Revenue is still in the process of valuing state assessed utilities. These numbers should be available shortly. The value of the 2023 tax roll for state assessed utilities was $19.6 million.

To date, the estimated 2024 taxable assessed values for Ridgefield is $3,811,838,441. The Assessor must certify the assessed values by November 14, 2023. The City must hold a revenue hearing and certify a property tax levy to the County by November 30, 2023. The City's current forecast for the 2024 property tax levy is $2,340,000, an increase of $131,000 from the amended 2023 budget. The estimate is for the City of Ridgefield levy amount to be 61.2 cents per $1,000 assessed value a decrease of 3.9 cents from the 2023 levy amount.

The 2024 General Fund operating expense budget has increased 9.6% over the 2023 operating expense budget to account for contractual and inflationary increases and an increase in 6 full-time positions. Current inflation indexes for the City are 3.5% in June 2023 compared to one year prior.. Adoption of the 1% property tax levy increase does not match current inflation, but the increase is needed to maintain a balanced budget.

The three options available for property tax are:

1. Adopt a 1% increase estimated to be $21,939.
2. Bank the 1% increase and have it available for use at a later date.
3. Do not adopt a 1% increase or bank the capacity for the 1% increase.

BUDGET/FINANCIAL IMPACTS:

The 2024 property tax receipts will increase $131,000 when compared with the amended 2023 budget. The total property tax levy is estimated to be $2,340,000.

RECOMMENDED ACTION OR MOTION:

Staff requests Council conduct the first reading of Ordinance XXXX.

STAFF CONTACT: Kirk Johnson, Finance Director

ATTACHMENTS:

None

ORDINANCE NO. 1411

An Ordinance of the City of Ridgefield Establishing the Estimated Ad Valorem Taxes Necessary to Finance the Anticipated Requirements of the City of Ridgefield, Washington for the Fiscal Year Ending December 31, 2024 by Increasing Property Tax Revenue from the previous Year

WHEREAS, public hearings have been held by the Ridgefield City Council to review and discuss the estimated revenue needed for calendar year 2024 as required by statute; and

WHEREAS, the Revised Code of Washington 84.55.120 as amended by Referendum 47 requires an Ordinance or Resolution to be approved by the City Council if the anticipated property tax levy will increase by any amount; and,

WHEREAS, the amount levied for fiscal year 2023 was $2,193,906 and the increase in the regular property tax levy amount for 2024 is $21,939 which is a percentage increase of 1 % from the previous year; and,

WHEREAS, this increase is exclusive of additional revenue resulting from new construction, improvements to property, any increase in the value of state assessed property, and annexations that have occurred, and including any refunds made; and,

WHEREAS, a certified budget request or estimate is filed with the County Legislative Authority, separate from this ordinance. As required by RCW 84.52.020, that filing certifies the total amount to be levied by the regular property tax levy. The form for this purpose is titled "Levy Certification" and is available through the Assessor's Office. Certification is made in a manner prescribed by the County Legislative Authority.

Section 1. Public Interest. The Ridgefield City Council finds it to be in the public interest to increase the property tax levy by the maximum allowed by the Revised Code of Washington.

Section 2. Fixing Ad Valorem Taxes. That an increase in the regular property tax levy is authorized for the levy to be collected for the 2024 tax year in the amount of the maximum 1 % allowed by law from the previous year, estimated to be $21,939. This increase is exclusive of additional revenue resulting from new construction, improvements to property, any increase in the value of state assessed property and annexations that have occurred.

Section 3. Transmittal to County. A certified copy of this ordinance shall be transmitted to Clark County in accordance with law.

Section 4. Severability. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances is not affected.

Section 5. Regulatory Conflicts. All other Ordinances and parts of other Ordinances inconsistent or conflicting with any part of this Ordinance are hereby repealed to the extent of the inconsistency or conflict.

Section 6. Corrections. The City Clerk and the codifiers of this ordinance are authorized to make necessary clerical corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 7: Effective date. This ordinance shall take effect and be in full force five (5) days after the publication in which is hereby approved.

PASSED BY THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON, THIS 16th DAY OF NOVEMBER, 2023 IN AN OPEN PUBLIC MEETING.
City of Ridgefield:

____
Jennifer Lindsay
Mayor

ATTEST:

____
Julie Ferriss
City Clerk

APPROVED AS TO FORM:

____
Janean Parker
City Attorney

First Reading: November 2, 2023
Second Reading: November 16, 2023
Publication Date: November 22, 2023
Effective Date: November 27, 2023

CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION

MEETING DATE: November 2, 2023

AGENDA ITEM NAME: First Reading of Ordinance No. 1412 - 2024 Water Utility Rate Code Amendment

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GOVERNING LEGISLATION

RCW 35.92 Municipal Utilities, RMC 13.35 Water Rates, RCW 35A.33 Budgets in Code Cities, Financial Policy #07: Budget

PREVIOUS COUNCIL ACTION TAKEN:

The council has adopted ordinances over the years setting bi-monthly water rates that support operating and capital revenues to preserve the public health, safety and proper maintenance of the water system. The most recent action associated with bimonthly water rates was adopted by the Council through Ordinance No. 1381 on November 17, 2022. The Council adopted Ordinance No. 1403 on May 25, 2023 to revise the water rate structure for residential and irrigation usage.

SUMMARY/BACKGROUND:

City staff conducted an updated comprehensive rate study in 2023 to determine the revenue requirements for the next 10 years in the water fund. The study reviews estimated expenses for operations, capital, and reserve requirements to fund the water utility. The rate model that has been developed out of the periodic rate studies is updated annually as part of the budget process. The study concluded that the water rates should be increased annually by an inflationary factor of 3% to insure the water fund can meet ongoing obligations to maintain the water system. The rate analysis analyzes expenses and revenues for the next 10 years for the Water Utility. Factors included assumptions for inflationary cost escalators, labor agreements, capital facility plans and growth assumptions.

As a result of the update to the rate model, it was determined that rates for 2024 should increase at a minimum inflationary rate of 3%. Inflation is expected to continue at a higher than normal level through 2023. As a result of the growth in accounts and water usage, staff have calculated the rate increase can be maintained at the minimum inflationary rate of 3%. The city has been able to limit rate increases over the past several years due to the rapid growth in the customer base. Rates have not increased in 4 of the past six years with the only increase in January 2020 at 1.5% and January 2023 at 3%.

For a household using an average of 1,600 cf of water the rate increase would be approximately $2.07 per bi-monthly billing cycle including utility tax. Due to the recommended rate increase and projected usage in 2024, rate revenue is expected to increase 7.9% over the amended 2023 budget. Expenses for the water utility fund are expected to increase 3% in 2024 over the amended 2023 budget. The water fund has several high priority capital infrastructure projects moving into construction over the next few years. City reserve policies also require 5% of rate revenues being set aside into a reserve fund for repair and replacement of existing water system infrastructure. The 2024 proposed budget currently shows a small surplus that will be used in future years for repair and replacement projects along with the new capital projects.

The Budget Advisory Committee is recommending we implement the 3% increase in the rate. This increase is lower than the West Region Average Consumer Price Index for Urban Consumers (CPI-U) for the twelve months July 1, 2022 through June 30, 2023. The CPI-U was 3.5% for this time period. A 3% increase, together with the projected account growth due to new development, is proposed to maintain a financially healthy utility and complete needed capital maintenance projects.

The following table represents the rate structure for a two-month period for residential and commercial customers with a 3% increase. Please refer to the attachments for a redlined and clean copy of the new water rates.

BUDGET/FINANCIAL IMPACTS:

Based on the number of current service connections, expected growth and the recommended rate increase, the Water Utility Fund is expected to generate rate related revenues in 2024 of approximately $3.37 million and total revenue of $3.4 million, while incurring operating, debt service and capital maintenance expenses of $2.85 million. The City will transfer an estimated $160,000 into the capital repair and replacement reserve based on estimated rate revenues received in 2024.

RECOMMENDED ACTION OR MOTION:

Staff requests Council conduct the first reading of Ordinance No. XXXX.

STAFF CONTACT: Kirk Johnson, Finance Director

ATTACHMENTS:

1. Chapter_13.35___WATER_RATES Clean
2. Chapter_13.35___WATER_RATES Redline

ORDINANCE NO. 1412

An Ordinance of the City of Ridgefield, Washington amending Ridgefield Municipal Code Chapter 13.35 and Ordinance Number 1381 and 1403 adjusting the bimonthly water rates

WHEREAS, Ridgefield Municipal Code Chapter 13.35 provides for bi-monthly water rates which have been adjusted periodically; and,

WHEREAS, the City Council of the City of Ridgefield deems it is in the best interest of the City that water rates increase to offset current inflation rates, which equates to a three percent (3%) increase for the basic bi-monthly charge, and that all other rates should increase in their pro rata share; and,

WHEREAS, the City completed a study of the water system rates and structure; and,

WHEREAS, this ordinance is necessary to incorporate the increase in the rate and the new rate structure; and,

WHEREAS, this ordinance is needed for the immediate preservation of public health and safety, support of city government and to properly maintain the water system;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON HEREBY ORDAINS AS FOLLOWS:

Section 1. Public Interest. The Ridgefield City Council finds it is in the public interest to amend Ordinance No. 1381 and 1403, and Chapter 13.35 (Water Rates) of the Ridgefield Municipal Code.

Section 2. Amendment to Chapter 13.35 (Water Rates). Ridgefield Municipal Code Chapter 13.35 is hereby amended per the attached exhibit "A".

Section 3. Severability. If any section, sentence, clause or phrase of this ordinance shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 4. Regulatory Conflicts. All other Ordinances and parts of other Ordinances inconsistent or conflicting with any part of this Ordinance are hereby repealed to the extent of the inconsistency or conflict.

Section 5. Corrections. The City Clerk and the codifiers of this ordinance are authorized to make necessary clerical corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 6. Effective date. This ordinance shall be in full force and effect on January 1, 2024. Passed by the City Council of the City of Ridgefield, Washington this 16th day of November, 2023.

City of Ridgefield:

____
Jennifer Lindsay
Mayor

ATTEST:

____
Julie Ferriss
City Clerk

APPROVED AS TO FORM:

____
Janean Parker
City Attorney

First Reading: November 2, 2023
Second Reading: November 16, 2023
Publication Date: November 22, 2023
Effective Date: November 27, 2023

Chapter 13.35 WATER RATES

13.35.010 Water rates for metered customers.

A. Residential customers within the city limits shall be charged a base rate and a volumetric charge for water used in a two-month billing cycle as follows:

Meter Type or Size	Two-Month Base Rate	Volume Charge	
		Volume Used (cf)	$/cf
Residential	$46.61	0—1,000	$0.0058
		1,001—2,000	$0.0222
		2,001—3,500	$0.0274
		3,501—5,000	$0.0311
		Over 5,000	$0.0405

B. Commercial, industrial, government, and mixed use customers shall be charged a base rate and a volumetric charge for water used in a two-month billing cycle as follows:

Meter Type or Size	Two-Month Base Rate	Volume Charge	
		Volume Used (cf)	$/cf
1-inch and under	$46.61	No Minimum	$0.0315
1.5-inch	$93.21		
2-inch	$149.14		
3-inch	$279.61		
4-inch	$466.04		
6-inch	$932.04		
8-inch	$1,491.27		
10-inch	$5,359.25		
12-inch	$10,019.45		

C. Irrigation meters shall be charged a base rate and a volumetric charge for water used in a two-month billing cycle as follows:

Meter Type or Size	Two-Month Base Rate	Volume Charge	
		Volume Used (cf)	$/cf
1-inch and under	$46.61	No Minimum	$0.0331
1.5-inch	$93.21		
2-inch	$149.14		
3-inch	$279.61		
4-inch	$466.04		
6-inch	$932.04		

8-inch	$1,491.27		
10-inch	$5,359.25		
12-inch	$10,019.45		

D. Industrial customers using more than two hundred thousand cf per two-month billing cycle may request consideration by the city for a special contract under RMC 13.20.060. The rate shall be calculated on a case by case basis to be based on the actual cost of service. Negotiated rates, if approved, shall be approved via agreement between the industrial customer and the city.

(Ord. No. 1148, §§ 1—3, 1-23-2014; Ord. No. 1169, § 2(Exh. 1), 11-20-2014; Ord. No. 1248, § 2(Exh. A), 11-16-2017; Ord. No. 1278, § 2(Exh. A), 11-15-2018; Ord. No. 1298, 2(Exh. A), 11-21-2019; Ord. No. 1381, § 2(Exh. A), 11-17-2022; Ord. No. 1403, § 3(Exh. A), 5-25-2023)

13.35.020 Optional water rates for residential customers.

A. The following monthly volumetric water charges shall be applicable to a two-month billing cycle for water customers that request the optional conservation rate.

Meter Type or Size	Volume Used (cf)	
	$/cf	
1 inch and under	No Minimum	$0.0527

B. Customers under the optional water rate will not be charged a base rate.

C. Customers must notify the utility clerk between December 1 and December 31 should they wish to exercise the ability to change between standard water rates for metered customers as provided for in RMC 13.35.010 and optional water rates for residential customers as provided for in RMC 13.35.020 for the following year.

(Ord. No. 1148, §§ 1—3, 1-23-2014; Ord. No. 1169, § 2(Exh. 1), 11-20-2014; Ord. No. 1248, § 2(Exh. A), 11-16-2017; Ord. No. 1278, § 2(Exh. A), 11-15-2018; Ord. No. 1298, 2(Exh. A), 11-21-2019; Ord. No. 1381, § 2(Exh. A), 11-17-2022)

13.35.030 Water rates for customers beyond corporate limits.

All consumers of water service, for services provided beyond the corporate limits, shall pay the two-month billing cycle rate for their classification plus a surcharge of fifty percent inclusive of base rate and volume charge.

(Ord. No. 1148, §§ 1—3, 1-23-2014; Ord. No. 1169, § 2(Exh. 1), 11-20-2014; Ord. No. 1381, § 2(Exh. A), 11-17-2022)

13.35.040 Multiple residential users on a single meter.

A. Multiple dwelling units, including accessory dwelling units on a single water meter shall be charged the standard residential water rate for each dwelling unit plus the volume charge as outlined in RMC 13.35.010. The allowable volume used in each tier for multiple residential users on a single meter shall be those tiers shown in RMC 13.35.010 multiplied by the number of units.

B. For billing purposes multiple users on a single meter must be handled through one account only.

(Ord. No. 1148, §§ 1—3, 1-23-2014; Ord. No. 1169, § 2(Exh. 1), 11-20-2014; Ord. No. 1381, § 2(Exh. A), 11-17-2022)

13.35.050 Low-income citizen water rate discount.

A. A discount of twenty-five percent of water charges shall be applied to those customers who are approved as low-income customers as defined in this title. To be approved as a low-income customer, the customer must meet the following requirements:

1. Have a household adjusted gross income of less than two hundred percent of the federal poverty guidelines.

2. If a customer was approved as a low-income senior citizen by the city prior to January 31, 2014, the customer shall continue to be eligible for the credit for so long as the household adjusted gross income continues to meet the requirements of RCW 84.36.381(5).

B. Any person desiring to be approved as a low-income customer shall submit an application on a form approved by the city and present the following documentation to staff:

1. A valid driver's license or other documentation verifying residence.

2. The applicant's most recently filed federal income tax form if taxes forms are filed

OR

A letter of non-filing from the Internal Revenue Service AND the applicant's current social security statement or alternative income statement.

C. The city shall approve all customers who meet these criteria as low-income customers. The city's approval shall be effective for one year from the date of approval. Any customer desiring to continue status as a low-income customer must reapply. Failure to reapply will cause the status to lapse.

D. The discount shall only be allowed from and after the date that the customer is approved for this rate. The city shall not be liable for the failure of any qualified person to make application for this discount and there shall be no entitlement to such discount in the absence of an application, therefore.

(Ord. No. 1374, § 2(Exh. A), 9-8-2022; Ord. No. 1381, § 2(Exh. A), 11-17-2022)

Editor's note(s)—Ord. No. 1374, § 2(Exh. A), adopted Sep. 8, 2022, amended § 13.35.050 in its entirety to read as herein set out. Former § 13.35.050 pertained to low income citizen water rate credit and derived from Ord. No. 1148, §§ 1—3, adopted Jan. 23, 2014; and Ord. No. 1169, § 2(Exh. 1), adopted Nov. 20, 2014.

Chapter 13.35 WATER RATES

13.35.010 Water rates for metered customers.

A. Residential customers within the city limits shall be charged a base rate and a volumetric charge for water used in a two-month billing cycle as follows:

Meter Type or Size	Two-Month Base Rate	Volume Charge	
		Volume Used (cf)	$/cf
Residential	$~~45.25~~46.61	0—1,000	$~~0.0056~~0.0058
		1,001—2,000	$~~0.0216~~0.0222
		2,001—3,500	$~~0.0266~~0.0274
		3,501—5,000	$~~0.0302~~0.0311
		Over 5,000	$~~0.0393~~0.0405

B. Commercial, industrial, government, and mixed use customers shall be charged a base rate and a volumetric charge for water used in a two-month billing cycle as follows:

Meter Type or Size	Two-Month Base Rate	Volume Charge	
		Volume Used (cf)	$/cf
1-inch and under	$~~45.25~~46.61	No Minimum	$~~0.0306~~0.0315
1.5-inch	$~~90.49~~93.21		
2-inch	$~~144.79~~149.14		
3-inch	$~~271.46~~279.61		
4-inch	$~~452.46~~466.04		
6-inch	$~~904.89~~932.04		
8-inch	$~~1,447.83~~1,491.27		
10-inch	$~~5,203.15~~5,359.25		
12-inch	$~~9,727.62~~10,019.45		

C. Irrigation meters shall be charged a base rate and a volumetric charge for water used in a two-month billing cycle as follows:

Meter Type or Size	Two-Month Base Rate	Volume Charge	
		Volume Used (cf)	$/cf
1-inch and under	$~~45.25~~46.61	No Minimum	$~~0.0321~~0.0331
1.5-inch	$~~90.49~~93.21		
2-inch	$~~144.79~~149.14		
3-inch	$~~271.46~~279.61		
4-inch	$~~452.46~~466.04		
6-inch	$~~904.89~~932.04		

8-inch	$~~1,447.83~~1,491.27		
10-inch	$~~5,203.15~~5,359.25		
12-inch	$~~9,727.62~~10,019.45		

D. Industrial customers using more than two hundred thousand cf per two-month billing cycle may request consideration by the city for a special contract under RMC 13.20.060. The rate shall be calculated on a case by case basis to be based on the actual cost of service. Negotiated rates, if approved, shall be approved via agreement between the industrial customer and the city.

(Ord. No. 1148, §§ 1—3, 1-23-2014; Ord. No. 1169, § 2(Exh. 1), 11-20-2014; Ord. No. 1248, § 2(Exh. A), 11-16-2017; Ord. No. 1278, § 2(Exh. A), 11-15-2018; Ord. No. 1298, 2(Exh. A), 11-21-2019; Ord. No. 1381, § 2(Exh. A), 11-17-2022; Ord. No. 1403, § 3(Exh. A), 5-25-2023)

13.35.020 Optional water rates for residential customers.

A. The following monthly volumetric water charges shall be applicable to a two-month billing cycle for water customers that request the optional conservation rate.

Meter Type or Size	Volume Used (cf)	
	$/cf	
1 inch and under	No Minimum	$~~0.0512~~0.0527

B. Customers under the optional water rate will not be charged a base rate.

C. Customers must notify the utility clerk between December 1 and December 31 should they wish to exercise the ability to change between standard water rates for metered customers as provided for in RMC 13.35.010 and optional water rates for residential customers as provided for in RMC 13.35.020 for the following year.

(Ord. No. 1148, §§ 1—3, 1-23-2014; Ord. No. 1169, § 2(Exh. 1), 11-20-2014; Ord. No. 1248, § 2(Exh. A), 11-16-2017; Ord. No. 1278, § 2(Exh. A), 11-15-2018; Ord. No. 1298, 2(Exh. A), 11-21-2019; Ord. No. 1381, § 2(Exh. A), 11-17-2022)

13.35.030 Water rates for customers beyond corporate limits.

All consumers of water service, for services provided beyond the corporate limits, shall pay the two-month billing cycle rate for their classification plus a surcharge of fifty percent inclusive of base rate and volume charge.

(Ord. No. 1148, §§ 1—3, 1-23-2014; Ord. No. 1169, § 2(Exh. 1), 11-20-2014; Ord. No. 1381, § 2(Exh. A), 11-17-2022)

13.35.040 Multiple residential users on a single meter.

A. Multiple dwelling units, including accessory dwelling units on a single water meter shall be charged the standard residential water rate for each dwelling unit plus the volume charge as outlined in RMC 13.35.010. The allowable volume used in each tier for multiple residential users on a single meter shall be those tiers shown in RMC 13.35.010 multiplied by the number of units.

B. For billing purposes multiple users on a single meter must be handled through one account only.

(Ord. No. 1148, §§ 1—3, 1-23-2014; Ord. No. 1169, § 2(Exh. 1), 11-20-2014; Ord. No. 1381, § 2(Exh. A), 11-17-2022)

13.35.050 Low-income citizen water rate discount.

A. A discount of twenty-five percent of water charges shall be applied to those customers who are approved as low-income customers as defined in this title. To be approved as a low-income customer, the customer must meet the following requirements:

1. Have a household adjusted gross income of less than two hundred percent of the federal poverty guidelines.

2. If a customer was approved as a low-income senior citizen by the city prior to January 31, 2014, the customer shall continue to be eligible for the credit for so long as the household adjusted gross income continues to meet the requirements of RCW 84.36.381(5).

B. Any person desiring to be approved as a low-income customer shall submit an application on a form approved by the city and present the following documentation to staff:

1. A valid driver's license or other documentation verifying residence.

2. The applicant's most recently filed federal income tax form if taxes forms are filed

OR

A letter of non-filing from the Internal Revenue Service AND the applicant's current social security statement or alternative income statement.

C. The city shall approve all customers who meet these criteria as low-income customers. The city's approval shall be effective for one year from the date of approval. Any customer desiring to continue status as a low-income customer must reapply. Failure to reapply will cause the status to lapse.

D. The discount shall only be allowed from and after the date that the customer is approved for this rate. The city shall not be liable for the failure of any qualified person to make application for this discount and there shall be no entitlement to such discount in the absence of an application, therefore.

(Ord. No. 1374, § 2(Exh. A), 9-8-2022; Ord. No. 1381, § 2(Exh. A), 11-17-2022)

Editor's note(s)—Ord. No. 1374, § 2(Exh. A), adopted Sep. 8, 2022, amended § 13.35.050 in its entirety to read as herein set out. Former § 13.35.050 pertained to low income citizen water rate credit and derived from Ord. No. 1148, §§ 1—3, adopted Jan. 23, 2014; and Ord. No. 1169, § 2(Exh. 1), adopted Nov. 20, 2014.

CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION

MEETING DATE: November 2, 2023

AGENDA ITEM NAME: First Reading of Ordinance No. 1413 - 2024 Storm Water Utility Rate Code Amendment

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GOVERNING LEGISLATION

RCW 35.92 Municipal Utilities, RCW 35.67 Sewerage Systems - Refuse Collection and Disposal, RCW 35A.33 Budgets in Code Cities, RMC 13.75 Stormwater Utility, Financial Policy #07: Budget

PREVIOUS COUNCIL ACTION TAKEN:

Ordinance No. 883, forming a Storm Water Utility, was adopted by City Council at the August 25, 2005 regular council meeting and Ordinance No. 884 was adopted by City Council establishing the initial rate structure of the utility. Multiple Ordinances have been adopted to set the bi-monthly rate, with the most recent adoption of Ordinance No. 1382 by the City Council on November 17, 2022, to update the bi-monthly rate to $21.00 per equivalent dwelling unit.
The City Council heard a presentation on the 2023 comprehensive storm water utility rate study for service rates and system development charges on July 27, 2023.

SUMMARY/BACKGROUND:

The public storm water collection and treatment systems located within the City of Ridgefield must be maintained and repaired by the City's Public Works Department. The Storm Water Utility was created in 2005 with the plan that the fees charged would be used to perform the required long-term management, maintenance and repair to the storm water systems, providing good stewardship of the environment, while correspondingly reducing the financial burden on the City's General Fund. Ordinance No. XXXX provides an amendment to the rate structure and a step toward generating the necessary revenue to assist in funding the Storm Water Utility.The ordinance includes the implementation of a new system development charge (SDC) for new development connected to the city's storm water system.

The City will be required to provide additional storm water treatment, inspection and compliance measures due to the population growth and NPDES Phase II Municipal Storm Water permit requirements beginning in 2024. As a result, staff have been proactively increasing maintenance to the storm water treatment system to be able to meet the new requirements of the future permit. Expenses have significantly increased over the past few years and the city uses a rate model to forecast revenue requirements to meet the operating and capital expense needs of the utility. The City conducted a comprehensive rate study in 2023 to determine the revenue requirements for the next 10 years for operations and capital. The study recommended adding a storm water system development charge for new development, at $935 per equivalent dwelling unit (EDU) and increasing the bi-monthly bill to $24.00, a $3.00 increase bi-monthly.

Staff continue to identify potential grant opportunities and/or low-cost loans to help fund the capital projects.The City obtained a $2.4 million Public Works Board loan to finance the construction of 4 high priority storm water projects in the downtown core in 2024.

The 2024 expense operating budget is expected to increase 12% over the 2023 operating budget. The 2024 operating budget when compared to the 2020 operating budget has increased 121% due to the additional storm water management requirements the City has been planning for. The main reasons for the increase is the additional personnel and equipment required to meet the compliance needs for storm water drainage management. In addition, the storm water capital budget will increase by 211% in 2024. The addition of the storm water SDC will assist in funding future capital projects.

Rate revenue is expected to increase 22.5% due to growth in accounts and the recommended rate increase. The City is budgeting a Department of Ecology grant for $130,000, available to be used in 2024-2025 for assistance in meeting compliance requirements as part of the new Storm Water Phase II permit.

Ordinance No. XXXX proposes a $3.00 per bi-monthly billing increase, per Equivalent Dwelling Unit (EDU). The 2024 rate would be increased to $24.00 per EDU. The 2024 SDC charge will be $935 per EDU.

BUDGET/FINANCIAL IMPACTS:

Refer to the following table for impacts:

Bi-Monthly Rate	Base Revenue	Increased Revenue	Total Revenue	Increase from 2023
$24.00	$1,399,923	$242,277	$1,642,000	$302,000
Storm Water SDC	Estimated EDU's	Revenue		
$935 per EDU	500 EDU's	$467,500		

RECOMMENDED ACTION OR MOTION:

Staff requests the Council conduct the first reading of Ordinance No.XXXX.

STAFF CONTACT: Kirk Johnson, Finance Director

ATTACHMENTS:

1. 13.75_Stormwater Utility - Redlined
2. 13.75_Stormwater Utility - Clean

ORDINANCE NO. 1413

An Ordinance of the City of Ridgefield, Washington Amending Ridgefield Municipal Code Chapter 13.75 and Ordinance Number 1382 to Amend Fees and Charges for the Stormwater Utility by Increasing the Bi-Monthly Stormwater Rate and Adding a Stormwater System Development Charge

WHEREAS, the City of Ridgefield, Washington (the "City"), created a Stormwater Utility to implement and administer its Stormwater Management Program; and,

WHEREAS, the City of Ridgefield constructs and maintains stormwater facilities for the management, regulation, and control of surface water and stormwater within the City to protect the public health, safety and welfare; and

WHEREAS, the City is authorized pursuant to the general police powers, RCW 35.67.020 and RCW 35.92.020, to fix, alter, regulate and control the rates and charges for use of said Utility and the Stormwater Management Program of the City; and,

WHEREAS, pursuant to RCW 35.92.025 and RCW 35.67.020, the City is authorized to assess reasonable system connection charges for connection to the City's stormwater system; and

WHEREAS, the Ridgefield City Council finds that it is now necessary to amend the rates and charges by increasing the rate to $24.00 per bi-monthly billing period per equivalent dwelling unit and to implement a system development charge for new development to cover the cost and expense of operating said Utility; and,

WHEREAS, the Ridgefield City Council finds that all developed real property within the boundaries of the Utility benefits from the Stormwater Utility of the City and should participate financially in the payment of all expenses for the construction, maintenance, operation and improvement of said storm drainage system and for administration of the Utility;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Public Interest. The Ridgefield City Council finds it is in the public interest to amend Ordinance No. 1382, and Chapter 13.75 (Stormwater Utility) to the Ridgefield Municipal Code to amend fees and charges related to the stormwater system to cover the cost and expense of the stormwater utility.

Section 2. Amendment to Chapter 13.75 (Stormwater Utility). Section 13.75.060 Stormwater Service Charge Rates is hereby amended per the attached Eexhibit A-1, incorporated fully herein by this reference.

Section 3. Adding a New Section to Chapter 13.75 (Stormwater Utility. A new Section 13.75.080, Stormwater System Development Charges is hereby added to Chapter 13.75 (Stormwater Utility) per the attached Exhibit A-2, incorporated fully herein by this Reference.

Section 4. **Creation of the Stormwater System Development Charge Fund**. Pursuant to RMC 13.75.030(B), the City Council hereby creates a fund which shall be known as the 'stormwater system development charge fund." All stormwater system development charges collected shall be deposited into the fund. Disbursements from the fund shall be for designing, acquiring, or constructing public stormwater control infrastructure, facilities, and property.

Section 5. Regulatory Conflicts. All other Ordinances and parts of other Ordinances inconsistent or conflicting with any part of this Ordinance are hereby repealed to the extent of the inconsistency or conflict.

Section 6. Corrections. The City Clerk and the codifiers of this ordinance are authorized to make necessary clerical corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 7. Severability. Any provision of this ordinance or its application to any person, legal entity, or circumstance is held invalid, the remainder of the ordinance or its application to other persons, legal entities, or circumstances is not affected.

Section 8. Effective date. This ordinance shall be in full force and effect on January 1, 2024.

PASSED BY THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON ON THE 16TH DAY OF NOVEMBER, 2023.

City of Ridgefield:

____
Jennifer Lindsay
Mayor

ATTEST:

____
Julie Ferriss
City Clerk

APPROVED AS TO FORM:

____
Janean Parker

City Attorney

First Reading: November 2, 2023
Second Reading: November 16, 2023
Publication Date: November 22, 2023
Effective Date: November 27, 2023

Exhibit A

Exhibit A-1:

13.75.060 - Stormwater service charge rates.

A. In accordance with the rate structure set forth in RMC 13.75.050, there is hereby levied upon all developed real property within the stormwater service area the following stormwater service charges which shall be collected from the property owners of such properties: For all developed real property within the stormwater service area, unless exempt as set forth above, the stormwater service charge shall be twenty-four dollars and zero cents per two months per EDU multiplied by the number of EDUs determined by the utility to be contained in such parcel.

B. All property subject to charges of the stormwater management program shall be billed based on the property characteristics existing one month prior to billing.

C. All stormwater service charges, and all other stormwater fees or charges hereafter established by the city shall be deemed to be levied upon real property.

D. For purposes of the stormwater utility and this chapter, “Equivalent Dwelling Unit” or “EDU” shall mean a measure equal to three thousand five hundred feet of impervious ground cover or a portion thereof, and is the measure of impervious groundcover to be used by the utility in assessing service changes and system development charges against each parcel of property.

Exhibit A-2

13.75.080 - Stormwater system development charges.

A. Stormwater system development charges shall be based upon the number of equivalent dwelling units (“EDUs”) of the proposed construction and classified as follows:

1. A single-family residential structure shall be considered one EDU. Accessory residential structures shall be considered incidental to the calculation of the charge.

2. All other developed real properties shall be determined by the number of EDUs contained thereon by dividing the number of square feet of impervious groundcover on each property by three thousand

five hundred feet, the total thus obtained will be rounded up to the nearest whole number representing the equivalent dwelling units contained on such properties. Each developed parcel of property shall be deemed to contain a minimum of one EDU.

B. Stormwater system development charges for connections within the corporate limits of the city shall be as set forth in the City of Ridgefield Master Fee Schedule.

C. System development charge credits for system improvements.

1. A credit against the applicable system development charge (SDC) may be granted by the Public Works Director for the present fair market value of any construction costs incurred in association with the improvement to or new construction of any system improvements provided by the credit applicant (or the credit applicant's predecessor in interest) to facilities that are identified in the capital facilities plan for which system development charges are assessed and required by the city as a condition of approval for the immediate development proposal.
2. The applicability and maximum amount of the potential credits shall be identified by the development approval authority during the applicable permitting process.
3. Credits recognized by the city may be utilized in lieu of cash payment of system development charges for the subject development and/or another development within the incorporated boundaries of the city.
4. The amount of credit given shall not exceed the system development charge funded portion of the costs identified in the stormwater management plan.
5. Any credits recognized by the city and not utilized within a period of ten years from the date of issuance shall be deemed to have expired and be of no further utilization in lieu of cash payment of system development charges.
6. Prior to receiving system development charge credits, an applicant shall first submit all necessary documentation as determined by the city engineer to ensure the appropriate amount and type of system development charge credits are credited to the applicant.

D. Stormwater system development charge rates shall be updated annually with an inflation adjustment as follows:

1.The finance director shall calculate annual inflation adjustments in the stormwater system development charge rates. The rates shall not be adjusted for inflation should the index remain unchanged.
2.The annual inflation adjustment shall be equal to the West Region Consumer Price Index (CPI-U) annual change calculated after the first half of the year.
3.The indexed stormwater system development charge rates shall be calculated January 1, or as soon thereafter as the latest index information is available and shall be effective immediately thereafter. A copy of the indexed rates shall be provided to the city council, but the indexed rates shall become effective without further council review, except for subsection (4).
4.The stormwater system development charge rates may only be increased three consecutive years without further council review. In the event that the indexed rates would rise for a fourth consecutive year if the index were applied, city council shall review the proposed increase during a public hearing

at a regularly scheduled meeting to establish a new rate.

E. The City may adjust a stormwater system development charge as follows:

1. The payer of a stormwater system development charge may request a refund of the stormwater system development charge paid if no construction has commenced associated with the building permit for which the system development charge has been paid and the building permit has expired. The request shall be made within sixty days of the expiration of the building permit. The amount of the refund shall not include interest earned. The refund shall be issued to the payer or his or her designee or assignee.

2. Any payer who considers the charges established for their parcel in error may apply in writing to the finance department for an adjustment and provide with the application all calculations and materials to document the error. The finance department shall review the request and respond in writing with its findings and decision.

Exhibit A-1

13.75.060 Stormwater service charge rates.

A. In accordance with the rate structure set forth in RMC 13.75.050, there is hereby levied upon all developed real property within the stormwater service area the following stormwater service charges which shall be collected from the property owners of such properties: For all developed real property within the stormwater service area, unless exempt as set forth above, the stormwater service charge shall be ~~twenty-one~~ twenty-four dollars and zero cents per two months per EDU multiplied by the number of EDUs determined by the utility to be contained in such parcel.

B. All property subject to charges of the stormwater management program shall be billed based on the property characteristics existing one month prior to billing.

C. All stormwater service charges and all other stormwater fees or charges hereafter established by the city shall be deemed to be levied upon real property.

D. For purposes of the stormwater utility and this chapter, "Equivalent Dwelling Unit" or "EDU" shall mean a measure equal to three thousand five hundred feet of impervious ground cover or a portion thereof, and is the measure of impervious groundcover to be used by the utility in assessing service changes and system development charges against each parcel of property.

(Ord. No. 1148, §§ 1—3, 1-23-2014; Ord. No. 1170, § 2(Exh. A), 11-20-2014; Ord. No. 1196, § 2(Exh. A), 11-19-2015; Ord. No. 1223, § 2(Exh. A), 11-17-2016; Ord. No. 1249, § 2(Exh. A), 11-16-2017; Ord. No. 1279, § 2(Exh. A), 11-15-2018; Ord. No. 1299, § 2(Exh. A), 11-21-2019; Ord. No. 1330, § 2(Exh. A), 11-19-2020; Ord. No. 1354, § 2(Exh. A), 11-18-2021; Ord. No. 1382, § 2(Exh. A), 11-17-2022)

Exhibit A-2

13.75.080 - Stormwater system development charges.

A. Stormwater system development charges shall be based upon the number of equivalent dwelling units ("EDUs") of the proposed construction and classified as follows:

1. A single-family residential structure shall be considered one EDU. Accessory residential structures shall be considered incidental to the calculation of the charge.

2. All other developed real properties shall be determined by the number of EDUs contained thereon by dividing the number of square feet of impervious groundcover on each property by three thousand five hundred feet, the total thus obtained will be rounded up to the nearest whole number representing the equivalent dwelling units contained on such properties. Each developed parcel of property shall be deemed to contain a minimum of one EDU.

B. Stormwater system development charges for connections within the corporate limits of the city shall be as set forth in the City of Ridgefield Master Fee Schedule.

C. System development charge credits for system improvements.

1. A credit against the applicable system development charge (SDC) may be granted by the Public Works Director for the present fair market value of any construction costs incurred in association with the improvement to or new construction of any system improvements provided by the credit applicant (or the credit applicant's predecessor in interest) to facilities that are identified in the capital facilities plan for which system development charges are assessed and required by the city as a condition of approval for the immediate development proposal.

2. The applicability and maximum amount of the potential credits shall be identified by the development approval authority during the applicable permitting process.

3. Credits recognized by the city may be utilized in lieu of cash payment of system development charges for the subject development and/or another development within the incorporated boundaries of the city.

4. The amount of credit given shall not exceed the system development charge funded portion of the costs identified in the stormwater management plan.

5. Any credits recognized by the city and not utilized within a period of ten years from the date of issuance shall be deemed to have expired and be of no further utilization in lieu of cash payment of system development charges.

6. Prior to receiving system development charge credits, an applicant shall first submit all necessary documentation as determined by the city engineer to ensure the appropriate amount and type of system development charge credits are credited to the applicant.

D. Stormwater system development charge rates shall be updated annually with an inflation adjustment as follows:

1.The finance director shall calculate annual inflation adjustments in the stormwater system development charge rates. The rates shall not be adjusted for inflation should the index remain unchanged.

2.The annual inflation adjustment shall be equal to the West Region Consumer Price Index (CPI-U) annual change calculated after the first half of the year.

3.The indexed stormwater system development charge rates shall be calculated January 1, or as soon thereafter as the latest index information is available, and shall be effective immediately thereafter. A copy of the indexed rates shall be provided to the city council but the indexed rates shall become effective without further council review, except for subsection (4).

4.The stormwater system development charge rates may only be increased three consecutive years without further council review. In the event that the indexed rates would rise for a fourth consecutive year if the index were applied, city council shall review the proposed increase during a public hearing at a regularly scheduled meeting to establish a new rate.

E. The City may adjust a stormwater system development charge as follows:

1. The payer of a stormwater system development charge may request a refund of the stormwater system development charge paid if no construction has commenced associated with the building permit for which the system development charge has been paid and the building permit has expired. The request shall be made within sixty days of the expiration of the building permit. The amount of the refund shall not include interest earned. The refund shall be issued to the payer or his or her designee or assignee.

2. Any payer who considers the charges established for their parcel in error may apply in writing to the finance department for an adjustment, and provide with the application all calculations and materials to document the error. The finance department shall review the request and respond in writing with its findings and decision.

Exhibit A-1

13.75.060 Stormwater service charge rates.

A. In accordance with the rate structure set forth in RMC 13.75.050, there is hereby levied upon all developed real property within the stormwater service area the following stormwater service charges which shall be collected from the property owners of such properties: For all developed real property within the stormwater service area, unless exempt as set forth above, the stormwater service charge shall be twenty-four dollars and zero cents per two months per EDU multiplied by the number of EDUs determined by the utility to be contained in such parcel.

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D. For purposes of the stormwater utility and this chapter, “Equivalent Dwelling Unit” or “EDU” shall mean a measure equal to three thousand five hundred feet of impervious ground cover or a portion thereof, and is the measure of impervious groundcover to be used by the utility in assessing service changes and system development charges against each parcel of property.

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Exhibit A-2

13.75.080 - Stormwater system development charges.

A. Stormwater system development charges shall be based upon the number of equivalent dwelling units (“EDUs”) of the proposed construction and classified as follows:

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2. Any payer who considers the charges established for their parcel in error may apply in writing to the finance department for an adjustment, and provide with the application all calculations and materials to document the error. The finance department shall review the request and respond in writing with its findings and decision.

CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION

MEETING DATE: November 2, 2023

AGENDA ITEM NAME: Second Reading of Ordinance No. 1410 - Designation of a Tax Increment Area

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GOVERNING LEGISLATION

RCW 39.114 - Tax Increment Financing

PREVIOUS COUNCIL ACTION TAKEN:

Council held a public briefing on July 13, 2023.
Council held a second public briefing on October 26, 2023.
Council has received multiple briefings in open public meetings on what tax increment financing is and the progress on the project.
Council held a joint meeting with the Clark Cowlitz Fire Rescue Board of Commissioner.
Council conducted the firs reading of Ordinance No. 1410 on October 26, 2023.

SUMMARY/BACKGROUND:

The Washington State Legislature approved HB 1189 in 2021. The bill provided a new financing tool for cities, counties and port districts to fund capital infrastructure projects that help drive private development using tax increment financing.

The new legislation is codified in RCW 39.114 Tax Increment Financing. The city is considering the use of the tax increment financing tool to construct several critical transportation infrastructure projects that will help spur private development around the I-5 junction on both the west and east sides of the city. The tax increment financing tool will create a tax increment area located on both sides of I-5 and consists of undeveloped land that is lacking transportation infrastructure to allow developers to build over the next 25 years. The city's comprehensive growth management plan identified several goals over the next 20-years to bring living wage jobs to Ridgefield and become an employment center in North Clark County. The project estimates $700 million in private development and 2,370 jobs, including 1,890 full-time positions in Ridgefiled and the remaining indirect jobs spread throughout the county.

The economic forecasts include over $1.25 billion in economic output during construction with $295 million in economic output annually. Tax revenues during the construction phase are estimated to generate $26.5 million in state and local taxes and $104.3 million in federal taxes. When development is completed, tax generation will include $3.4 million in state and local taxes and $7.2 million in federal taxes annually.

During the last three citizen surveys, residents have listed several top priorities, including improvements to the transportation network, including multi-modal options and better shopping choices from grocery stores to restaurants and specialty stores. The project list includes the widening of Pioneer Street from S 56th to S 51st Street. This is the main ingress and egress to the city and has been identified in traffic studies as a potential bottleneck that could limit development if the road is not improved. The previous surveys also mentioned this as a priority to the residents to improve this road.

Staff worked with a consultant team to prepare a project analysis which was sent to the Washington State Treasurer for review. Staff and the consultant team have also met individually with all impacted taxing districts, including Clark Cowlitz Fire Rescue, Fort Vancouver Library District, The Port of Ridgefield, and Clark County. Staff also met with the Ridgefield School District, The Ridgefield Chamber of Commerce, Clark Regional Wastewater District and several developers to discuss the tax increment area and project list. The city council held two public briefings to provide information to the public and have included a project page with relevant data about the project on the city's website.

Staff from the City and Clark Cowlitz Fire Rescue had multiple conversations about the impact of the proposed TIA on the fire service and the potential for mitigation measures, which resulted in a voluntary mitigation agreement described in Section 10(b) of Ordinance No. 1410.

BUDGET/FINANCIAL IMPACTS:

The forecast is for the city to receive over $40 million in tax allocation revenues to pay for debt service on the projects. The city is expected to forego $8.6 million in property tax revenue into the General fund. The estimated development will provide up to $3.4 million annually in local sales tax revenue.

RECOMMENDED ACTION OR MOTION:

If the council chooses to adopt the Ordinance a motion would be:
"I move to adopt Ordinance No. 1410 as presented."

STAFF CONTACT: Kirk Johnson, Finance Director

ATTACHMENTS:

1. Ridgefield_TIA_Report_2023_10_24_With_Appendices

ORDINANCE NO. 1410

AN ORDINANCE OF THE CITY OF RIDGEFIELD, WASHINGTON designating the Ridgefield Tax Increment Area; setting a sunset date for the increment area; identifying the public improvements to be financed; indicating the City's intent to issue bonds to finance public improvement costs in an estimated maximum principal amount not to exceed $50,100,000; providing that the increment area will take effect on June 1, 2024; imposing a deadline for commencement of construction; and providing for related matters

WHEREAS, the City of Ridgefield (City) adopted the 2016-2035 Ridgefield Urban Area Comprehensive Plan (Comprehensive Plan) on February 25, 2016 (Ordinance No. 1203); and

WHEREAS, the Comprehensive Plan envisions the City as a regional employment center with a robust economy and a wealth of living wage jobs for residents, achieved in part through development of the area around Pioneer Street and Interstate 5; and

WHEREAS, Comprehensive Plan Policy EC-1, Discovery Corridor, stipulates that the City shall implement the Discovery Corridor concept along both sides of Interstate 5 including recruitment of employment-generating companies and construction of needed infrastructure; and

WHEREAS, Comprehensive Plan Policy EC-2, Local job creation, stipulates that the City shall support businesses to create jobs at a ratio of one job per household, prioritize creation of family wage jobs including employment in sectors with higher than average median wages, and increase the number of people who both live and work in Ridgefield; and

WHEREAS, Comprehensive Plan Policy EC-8 – Ridgefield Junction, stipulates that the City shall implement the Junction Subarea Plan to create commercial, industrial, and institutional employment opportunities that serve local and regional needs; and

WHEREAS, improvements to vital public infrastructure including stormwater facilities and streets are necessary to support development of the Ridgefield Junction employment area; and

WHEREAS, Comprehensive Plan Policy PF-ST-1, Stormwater management, stipulates that the City shall manage stormwater to safely collect, treat, and discharge run-off, and maintain and improve water quality of receiving streams, lakes, and wetlands; and

WHEREAS, Comprehensive Plan Policy TR-1, Transportation options, stipulates that the City shall develop and maintain an interconnected and overlapping multimodal transportation system with excellent roadways for automobiles and freight, pedestrian walkways, bicycle facilities, and transit services; and

WHEREAS, Comprehensive Plan Policy TR-7, Service standards, stipulates that the City shall maintain Level of Service (LOS) “D” on Pioneer Street; and

WHEREAS, Comprehensive Plan Policy TR-4, Transportation finance, stipulates that the City shall develop recurring and dedicated funding for a complete transportation program using innovative and aggressive finance strategies; and

WHEREAS, the City is assembling a financing package to fund those public improvements, that will provide the investment in the future infrastructure and encourage private development identified in the Comprehensive Plan; and

WHEREAS, the Washington State Legislature, during its 2021 legislative session, enacted Engrossed Substitute House Bill 1189 as Chapter 207, Laws of 2021, titled "AN ACT Relating to tax increment financing" and codified as Chap. 39.114 RCW (the "TIF Act"), which authorizes local governments, including cities, to carry out tax increment financing of public improvements needed to support vital private economic development projects; and

WHEREAS, that the TIF Act authorizes the allocation of property tax revenues generated from the increased assessed valuation of properties within a Tax Increment Area (the “Increment Area”) to pay for public improvements that are needed to support the private development; and

WHEREAS, City management has identified Increment Area public improvements (the “Increment Area Projects”) to support the desired development based on identified projects in the City’s Transportation System Plan and Capital Improvement Plan; and

WHEREAS, the Increment Area funding to allocate to the Increment Area Projects is expected to provide approximately $50.1 million of the financing package of approximately $95.5 million; and

WHEREAS, the purpose of this ordinance is to designate an Increment Area as defined in the TIF Act that will enable the City to carry out a tax increment financing of the public improvements needed to serve that increment area and the resulting private development within that increment area, all in compliance with the requirements of the TIF Act as more particularly described in this ordinance; and

WHEREAS, the City of Ridgefield City Council (the” City Council”) has prepared a Project Analysis Report on the Increment Area, hereinafter called “Report”; attached hereto as Attachment A and incorporated as part of the formal documents for the City Council’s consideration of the Increment Area; and

WHEREAS, the Office of the State Treasurer has completed its review of the Report and has stated that the Report, supported by the supplemental documents, generally addresses the topics listed in subsection (2) of RCW 39.114.020; and

WHEREAS, the City has considered the comments that the Office of the State Treasurer provided upon completion of their review of the Report; and

WHEREAS, the Increment Area meets the RCW 39.114.020(1)(c) limitations of geography and assessed value as there currently exists no TIA within the City and the Increment Area does not consist of the entire geographical area of the City and does not have an assessed valuation of more than $200,000,000 or more than 20% of the City's total assessed valuation; and

WHEREAS, the City has conducted two public briefings on and provided notice of the proposed Increment Area to inform the community and other public agencies about the anticipated benefits and impacts associated with the development; and

WHEREAS, the Report designates the proposed Increment Area boundary, describes the proposed Increment Area Projects to be paid for, or financed with, tax allocation revenues to formally designate the Increment Area pursuant to the TIF Act;

NOW, THEREFORE, BE IT RESOLVED that the City of Ridgefield City Councilors, as follows:

Section 1. Definitions. Capitalized terms used in this ordinance shall have the meanings set forth in the recitals to this ordinance above and in this Section. The uncapitalized terms "public improvement costs," "regular property taxes," and "tax allocation revenues," used in this ordinance shall have the meanings provided for those terms by RCW 39.114.010, as the context requires.

a. “City” means the City of Ridgefield, Washington.
b. “Code” means the Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.
c. “City Council” means the Ridgefield City Council.
d. “County” means Clark County, Washington.
e. “Finance Director” means the Director of Finance and Budget of the City or such other officer of the

City who succeeds to substantially all of the responsibilities of that office.

f. “Increment Area” means the approximately 942.2 acres of land designated by Section 2 of this ordinance as the “Ridgefield Increment Area”.
g. “Project Analysis” means the City’s Ridgefield Final Tax Increment Area Project Analysis submitted to the Washington State Treasurer on June 1, 2023 for its review and comment.
h. “TIF Act” means the act passed in the 2021 legislative session, enacted Engrossed Substitute House Bill 1189 as Chapter 207, Laws of 2021, titled "AN ACT Relating to tax increment financing" as amended and codified as RCW 39.114.
i. “Treasurer’s Review Letter” means the letter to the City from the Office of State Treasurer dated August 24, 2023 summarizing its review of and providing comments, recommendations, and acceptance with respect to the Project Analysis for consideration by the City.

Section 2. Designation of Increment Area. Pursuant to the TIF Act, the City designates the 942.2 acres of land as shown on Exhibit 1 of the attached Report. In making this designation, the City Council hereby finds that the Increment Area (i) is the only increment area designated by the City under the TIF Act, (ii) is located within the boundaries of the City, (iii) does not include the City's entire territory, and (iv) the $91,510,746 assessed value of the proposed Increment Area on the date of this ordinance is not greater than the lesser of $200,000,000 or 20 percent of the total assessed value of taxable property within the City. The total assessed valuation of the City in tax year 2023 is $3,379,164,060, and 20 percent of the assessed valuation is $675,832,812.

Section 3. Sunset Date of the Increment Area. The sunset date of the Increment Area is hereby set at (i) December 31, 2049, which is the date not later than 25 years after the first year (calendar year 2024) in which tax allocation revenues will be collected on taxable property within the Increment Area (the "outside sunset date"), or (ii) if earlier, the date ("an early sunset date") on which the City certifies to the Clark County Treasurer that all public improvement costs to be paid or reimbursed with tax allocation revenues derived from the Increment Area have been fully paid, including but not limited to reimbursements to the City for principal and interest payments required to be made by the City from revenue sources other than tax allocation revenues on limited tax general obligation bonds issued to finance the portion of public improvement costs that are intended to be paid and retired, in whole, from tax allocation revenues, as authorized by RCW 39.114.060(1). [The City shall earlier terminate the Increment Area following the date on which all bonds and other indebtedness issued pursuant to Section 5 of this ordinance have been paid in full and are no longer outstanding, as provided in Section 10 of this ordinance.]

Section 4. Identification of Public Improvements to Be Financed.The public improvements to be financed consist of the following infrastructure improvements to be owned by the City located within or outside of and serving the Increment Area:

a. Widen Pioneer Street (4 lanes).
b. Build the 10/11th Street Corridor and I-5 Overcrossing.
c. Widen Royle Road to a minor arterial (3 lanes)
d. Build N 5th Street or Pioneer Canyon Drive as an industrial/commercial collector (3 lanes).
e. Build N 51st Avenue as an industrial/commercial collector (3 lanes).
f. Build N 56th Avenue as an industrial/commercial collector (3 lanes), Pioneer to N.10th Street.
g. Build S 51st Avenue as a minor arterial (3 lanes).
h. Build a new east-west collector roadway south of Pioneer Street/SR 501 (2 lanes).
i. Build a Regional Stormwater Facility at the I-5 junction.
j. North-South Connector East of I-5.
k. Purchase land for a future fire station that will provide service to benefit properties within the Increment Area.

These projects are more fully described in the attached Report. As noted in the Report, the City anticipates providing developers with credits that reduce their traffic impact fee liabilities in exchange for building some of the planned public improvements in the area. These credits reduce the total amount of traffic impact fees collected by the City. To the extent that future tax allocation revenues are available, the City may reimburse the traffic impact fee fund with tax allocation revenues. The exact timing, specifications, configurations and operational features of the public improvements described above are to be determined by the City. As authorized by RCW 39.114.020(1)(h), the City may expand, alter, or add to the public improvements identified above only if the City Council determines that such changes are necessary to assure that the public improvements identified above can be constructed or operated as intended. If the City Council determines that it has become impractical to acquire, construct, or equip any, or any portion of, the public improvements by reason of changed conditions, or costs substantially in excess of the amount of bond proceeds or tax allocation revenues, the City shall not be required to acquire, construct or equip such public improvements or portions.

Section 5. Expected Issuance of Bonds to Finance a Portion of the Public Improvement Costs.

(a) Pursuant to RCW 39.114.060 and other law, including the applicable provisions of Chapters 39.36 and 39.46 RCW, the City intends to incur general indebtedness and issue limited tax general obligation bonds with a term of approximately 20 years to finance a portion (the "bond-financed portion") of the public improvement costs to be paid in whole or in part from tax allocation revenues. In anticipation of the issuance of such bonds, the City may issue short-term notes to provide interim financing as authorized by Chapter 39.50 RCW, and may issue refunding notes or bonds as authorized by Chapter 39.53 RCW. The City will pledge the tax allocation revenues received by the City from the Increment Area, and the full faith and credit of the City. The notes and bonds are expected to be issued as tax-exempt bonds under the applicable provisions of the Code; however, if and to the extent that bond counsel determines that any of the public improvements (or portions thereof) do not qualify to be financed with tax-exempt debt, the City expects to allocate funding sources other than proceeds of tax-exempt debt, including but not limited to proceeds of taxable debt, to the financing of those public improvements (or portions thereof).

(b) As of the date of adoption of this ordinance, the estimated maximum principal amount of bonds expected to be issued by the City to finance the bond-financed portion of the public improvement costs is $50,100,000. This estimated maximum principal amount and term of the bonds is subject to change based upon the final timing, specifications, and features of the public improvements and the final costs of the public improvements identified in Section 4 of this ordinance. The amount of the proceeds of such bonds also may vary (be lower or higher than the maximum principal amount of $50,100,000) to the extent that the bonds are sold with original issue premium or original issue discount (respectively).

(c) While the City will pledge its full faith and credit as well as its regular property tax revenues and other lawfully available revenues, in addition to tax allocation revenues received by the City from the Increment Area, to pay debt service on the bonds, the City intends that debt service on the bonds shall be payable, in whole, from tax allocation revenues as authorized by RCW 39.114.060(1). Accordingly, if and to the extent debt service payments on its general obligation bonds issued to finance the public improvements are required to be made from the City's other regular property tax revenues and/or from other lawfully available revenues because the amount of tax allocation revenues received are insufficient for that purpose, those debt service payments to that extent may be reimbursed from later-received tax allocation revenues that become available to reimburse the City for those debt service payments.

(d) The City intends that the provisions of Section 4 of this ordinance (identifying the public improvements to be financed) and this Section 5 (stating the estimated maximum amount of bonds expected to be issued) together shall constitute a declaration of official intent under Treasury Regulations §1.150-2 to reimburse with bond proceeds any original expenditures for the public improvements paid before the issue date of the notes or bonds that are intended to finance the bond-financed portion of the public improvements.

Section 6. Increment to Take Effect on June 1, 2024. The Ridgefield Tax Increment Area designated in Section 2 of this ordinance shall take effect on June 1, 2024.

Section 7. Deadline for Commencement of Construction of Public Improvements. The City expects that construction of the public improvements identified in Section 4 of this ordinance is expected to commence in the second quarter of 2024. In no event will construction of those public improvements commence later than November 2, 2028, the date five years from the date of adoption of this ordinance, unless that deadline is extended for good cause.

Section 8. Required Findings by the City Council. Based upon the Report the City Council finds that:

(a) The public improvements proposed to be paid or financed with tax allocation revenues are expected to encourage private development within the Increment Area and to increase the assessed value of real property within the Increment Area;

(b) The private development that is anticipated to occur within the Increment Area as a result of the proposed public improvements will be permitted consistent with the applicable zoning and development standards of the City, which is expected to be the permitting jurisdiction for the Increment Area;

(c) The private development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future without the proposed public improvements; and

(d) The increased assessed value of taxable property within the Increment Area that could reasonably be expected to occur without the proposed public improvements would be less than the increase in the assessed value estimated to result from the proposed private development with the proposed public improvements.

(e) Each and every of the recitals contained in the 'whereas' clauses of the preamble to this ordinance are hereby adopted as findings of fact and incorporated herein fully by reference.

Section 9. Preparation and Consideration of Project Analysis. As required by RCW 39.114.020(2), the City Council has caused to be prepared by City staff the Report to describe and analyze, among other matters, the factors and considerations listed in that statute. The City Council takes note of the conclusion expressed in the Treasurer's Review Letter that the Report supported by the supplemental documents, generally addresses the topics listed in subsection (2) of RCW 39.114.020. In its consideration and adoption of this ordinance, the City Council has reviewed and considered, among other things, the Project Analysis and the Treasurer's Review Letter, including the "Risk Factors" and "Recommendations" noted in the Treasurer's Review Letter.

Section 10. Impact on the Clark-Cowlitz Fire Rescue. The City has coordinated with Clark-Cowlitz Fire Rescue ("CCFR") on the TIA and the impacts of foregone revenues to the CCFR.
(a) Based on the Report, the City Council finds that there is no statutory requirement to negotiate a mitigation plan with the CCFR at this time under RCW 39.114.020(5), but the City will be required to negotiate a mitigation plan under that section if and when the CCFR's annual report demonstrates an increase in the level of service directly related to the TIA. In anticipation of the potential need to provide mitigation, the City Council has determined to provide initial mitigation through the purchase of land to serve as a site for a future fire station to provide service to benefit properties within the TIA. The future fire station will be an infrastructure improvement owned by CCFR, within or outside of and serving the increment area, consistent with RCW 39.114.010(7)(a), and an acquisition expenditure that the City Council has determined is appropriate to address impacts on local fire service.

(b) The City Council hereby agrees as follows:

i. The City commits to purchase property, at a not-to-exceed cost of $2,000,000, reasonably acceptable to the CCFR and approved by the City to serve as a site for a future fire station to provide service to benefit properties within the Increment Area. The City commits to include the land purchase as part of the public improvements financed with the proceeds of the first note or bond issuance pursuant to Section 5. Acquisition by the City of the property and transfer of ownership of the property to CCFR shall occur no later than December 31, 2025.

ii. The City agrees to terminate the Increment Area when all notes and bonds issued pursuant to Section 5 of this ordinance have been paid in full and are no longer outstanding. The City further agrees to apply all tax allocation revenues received by the City from the Increment Area to pay debt service on such notes or bonds.

ii. The City agrees to meet with CCFR five years after the formation of the Increment Area, and every three years thereafter to discuss potential impacts of the Increment Area on fire service in the Increment Area, as specifically documented and supported with the following relevant data:

   a. Calls for service within the Increment Area, the City, and the entirety of CCFR's service area;
   b. Response times for CCFR for service calls within the Increment Area, the City, and the entirety of CCFR's service area;
   c. Proposed capital needs (facilities and equipment) within the Increment Area, the City, and the entirety of CCFR's service area and justification documented in an adopted Capital Facilities Plan for the basis of the need and how capital improvements will improve the level of service within the Increment Area;
   d. Property tax revenues imposed for CCFR within the Increment Area, the City, and the entirety of CCFR's service area; and
   e. Property tax revenues foregone by CCFR to the Increment Area, as well as any other tax increment area that may be established in the future and impacting CCFR.

v. In the event impacts on fire service are identified, the City and CCFR will make good faith efforts to agree on additional mitigation efforts to address the impacts, taking into account the initial mitigation approved hereunder.

v. If the City and CCFR are unable to agree on the need for, amount of or type of additional mitigation, the City and CCFR agree to attempt to resolve the dispute through a mediation process prior to either party seeking to resolve the dispute through litigation.

(c) The agreements of the City, as set forth in subsection (b), shall be memorialized in an interlocal agreement between the City and CCFR. This interlocal agreement shall be presented for consideration of the City Council within thirty days of adoption of this Ordinance. Upon approval of the final form of interlocal agreement by the City Council and the CCFR Board of Commissioners, confirming that the form includes the agreements set forth in subsection (b), and execution by the parties, such agreements memorialized in the interlocal agreement shall be enforceable by the parties thereto.

Section 11. Reimbursement of Expenses Incurred by County Assessor and County Treasurer. Pursuant to RCW 39.114.020(6), the City intends to enter into arrangements to reimburse the Clark County Assessor and Clark County Treasurer for the expenses incurred by those officials in connection with the implementation and ongoing administration of the Increment Area as described in RCW 39.114.010(6)(e). Such expenses shall be a portion of the public improvement costs to be paid or reimbursed from tax allocation revenues derived from the TIA.

Section 12. Public Briefings Held by the City. As required by RCW 39.114.020(7)(a), the city has held two public briefings for the community regarding the Increment Area project and the public improvements needed to serve the Increment Area. These public briefings were held on July 13, 2023, and October 26, 2023, and announced to the public at least two weeks prior to the date each briefing was held by publishing notice in *The Columbian*, a legal newspaper of general circulation in the City and the greater Clark County area, and by posting information on the City's website and on all of its social media sites. Each public briefing included a description of the Increment Area, the public improvements proposed to be financed with tax allocation revenues derived from the Increment Area, and a detailed estimate of tax revenues for the participating local governments and taxing districts, including the amounts allocated to the public improvements serving the Increment Area. The City also has provided additional briefings and copies of the

Report for elected and administrative officials of the City itself, Clark County, Fort Ridgefield Library, the Port of Ridgefield and the Ridgefield School District.

Section 13. Publication of Notice and Delivery of Ordinance Designating Increment Area. On October 13, 2023, which is at least two weeks before the date of adoption of this ordinance, the City published, in *The Columbian*, a legal newspaper of general circulation within the jurisdiction of the City, a notice that describes the public improvements, describes the boundaries of the TIA, and identifies the location and times where this ordinance and other public information concerning the public improvements may be inspected. Following the adoption of this ordinance, the City will deliver a certified copy of this ordinance to the Clark County Treasurer, the Clark County Assessor, and the governing body of each taxing district within which the Increment Area is located at the respective addresses specified pursuant to RCW 42.56.040 within 10 days of the date on which the ordinance was adopted.

Section 14. General Authorization and Ratification. The appropriate officers of the City are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the tax increment financing of the public improvements serving the Increment Area contemplated in connection with this ordinance. All actions taken prior to the effective date of this ordinance in furtherance of the purposes described in this ordinance and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 15. Severability. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 16. Effective Date of Ordinance. This ordinance shall take effect thirty (30) calendar days after adoption and publication pursuant to law.
PASSED BY THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON THIS 2nd DAY OF NOVEMBER, 2023.

____
Jennifer Lindsay, Mayor
ATTEST/AUTHENTICATED:

____
Julie Ferriss,
City Clerk

APPROVED AS TO FORM:

____
Janean Parker, City Attorney

First Reading:	October 26, 2023
Second Reading/Passage:	November 2, 2023
Date of Publication:	November 8, 2023
Effective Date:	November 13, 2023

Attachment A - Project Analysis Report on Ridgefield Tax Increment Area

City of Ridgefield
Tax Increment Area

Project Analysis Report

City of Ridgefield
230 Pioneer Street |PO BOX 608
Ridgefield, WA 98642

Acknowledgments

This report was prepared for the City of Ridgefield by Tiberius Solutions, a limited liability corporation headquartered in Portland, Oregon. Tiberius Solutions specializes in infrastructure funding and tax increment financing analysis, helping clients achieve their economic and financial goals.

Tiberius Solutions is not a registered municipal advisor as defined in Section 15B of the Securities Exchange Act, as amended by Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The contents of this report are intended to provide factual information and is not intended to be construed as advice or recommendations regarding any specific municipal financial products. The City should discuss any information and material contained in this report with any and all internal or external advisors and experts that the City deems appropriate before acting on this information.

Other firms that contributed to this report include:

- Elaine Howard Consulting, LLC led the City's efforts for public outreach and community engagement on this project.
- Johnson Economics conducted technical analysis related to the forecast of future private development in the area, and economic impacts related to job creation and housing affordability.
- PFM Financial Advisors LLC (PFM) served as the City's municipal financial advisor, providing advice on reasonable assumptions for the terms of future indebtedness.
- Pacifica Law Group served as the City's bond counsel, providing legal advice on the City's authority to incur future indebtedness.

Tiberius Solutions acknowledges the assistance and data provided by staff at the City who were deeply involved in the preparation of this report, providing input on key assumptions and review of all analysis. Tiberius Solutions would also like to thank the valuable contributions made by the Clark County Assessor's Office and the Office of the Washington State Treasurer, who provided data used in the analysis and guidance on the content of this report. Despite the assistance of other public and private-sector entities, Tiberius Solutions is responsible for the contents of this report.

Table of Contents

Summary

How Tax Increment Financing Works

In 2021, the Washington State Legislature passed House Bill 1189, allowing some municipalities (cities, counties, and ports) to establish Tax Increment Areas (TIAs) to fund public improvements that allow for new private development to occur. Revised Code of Washington (RCW) 39.114 describes the legislative requirements for tax increment financing in Washington. Each TIA must have a clearly defined boundary and a list of public improvement projects to be funded in the area. Some of the property taxes generated by increases in assessed value in a TIA are allocated to the TIA to help pay for the public projects in the area. The result is each TIA redirects some of the taxes that would have been collected by other taxing districts for the TIA projects instead. Revenues generated from the growth in assessed value within a TIA are not restricted by other RCW provisions that would otherwise limit the jurisdiction's levy amount to no more than 101 percent of the prior year's levy authority.

With a TIA, a municipality can borrow money to fund important public projects in an area, and then pay back the cost of those projects with property tax revenues generated by the increased property value of new private development inside the TIA. TIAs can collect property taxes for no more than 25 years. The projects funded by a TIA are intended to stimulate new construction that occurs sooner or with higher values than would otherwise be expected to occur. Thus, some of the property taxes received by TIAs would not exist without the new public projects paid for by the TIA.

When a municipality establishes a TIA, the current value of property in the TIA is "frozen" and called the *base value*. Property taxes paid on the base value are paid as usual to the taxing districts that collect property taxes in the area. Over time, the property values in the TIA are expected to increase. Property value above the base value is called the *increment value*. Some property taxes paid on the increment value are distributed to the TIA, called *tax allocation revenues*. Some taxes, like school district excess levies, are identified in RCW as not impacted by TIAs. Thus, some taxing districts continue to receive taxes paid on the increment value, like usual.

Anticipated Public Improvements

The proposed City of Ridgefield (City) TIA is centered around the intersection of I-5 and SR 501/Pioneer Street. The boundary includes properties stretching as far north as North 20th Street, east as North 85th Ave, south as South 20th Way, and west as Royle Road. The boundary includes 942.2 acres. The development of this area is vital to the City's goal to become a regional employment center for Clark County and Southwest Washington that provides a wealth of living-wage employment opportunities for residents. For this development to occur, the City must complete many significant infrastructure projects, including:

- Widen Royle Road to a minor arterial (3 lanes)
- Build N 5th Street or Pioneer Canyon Drive as an industrial/commercial collector (3 lanes)
- Build N 51st Avenue as an industrial/commercial collector (3 lanes)
- Build N 56th Avenue as an industrial/commercial collector (3 lanes)
- Build S 51st Avenue as a minor arterial (3 lanes)
- Build a new east-west collector roadway south of Pioneer Street/SR 501 (2 lanes)
- Widen Pioneer Street (4 lanes)
- Build a Regional Stormwater Facility at the I-5 junction
- Build a new north-south connector roadway east of I-5
- Build the South 10/11th Street Corridor and I-5 Overcrossing
- Fire Station Land Purchase

The cost of these projects is estimated to total $97.5 million in nominal dollars, and tax allocation revenues from the proposed TIA would provide essential funding for these projects. When considering the impacts of inflation and interest on debt, the cost of the public projects would be more than the amount of tax allocation revenues generated in the proposed TIA. The City assumes some of the project costs would need to be paid for by additional funding sources.

Anticipated Private Development

As of the writing of this report, the City is aware of 21 planned development projects within the proposed TIA boundary, totaling 1.6 million square feet with an expected improvement value of $222.8 million (in tax year 2023 dollars). Additional market analysis was completed to identify speculative future development opportunities based on current market conditions. It is estimated that future speculative development in the proposed TIA through would result in an additional $482.6 million (in tax year 2023 dollars) in improvement value being added to the tax rolls over the life of the proposed TIA (by 2049).

Impacts to Taxing Districts

The proposed TIA is forecast to receive $44.0 million in tax allocation revenues over the course of 25 years, ending in 2049. This would result in an equal amount of “foregone” property tax revenues from impacted taxing district levies. However, RCW 84.55.010 allows taxing districts to increase the amount of their levy to account for growth in assessed value inside a TIA. This would result in slightly higher overall levy amounts and tax rates for impacted taxing districts. Thus, the net impact the TIA would have on taxing district levies is $41.6 million, which is less than the total amount of tax allocation revenues received. The proposed TIA would receive tax allocation revenues from the following levies:

- Clark County: Current Expense and Conservation Futures

- City of Ridgefield
- Fort Vancouver Regional Library District
- Clark-Cowlitz Fire Rescue
- Port of Ridgefield (excludes portion of levy imposed to pay debt service)
- Clark-Cowlitz Fire Rescue Emergency Medical Services (EMS)

The following levies are not impacted by the proposed TIA, and therefore would receive additional property tax revenues from new private development in the proposed TIA as soon as construction is complete:

- State Schools (Part 1 and 2)
- Ridgefield School District Debt
- Ridgefield School District Enrichment

Economic Impacts

The proposed TIA is expected to generate substantial economic impacts for the local and regional economy. 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. The total estimated economic impacts (direct, indirect, and induced) from the construction phase are roughly 9,374 FTE positions and $552.7 million in labor income (2023 dollars).

Following development, the completed structures are expected to provide for ongoing impacts to the local and regional economy. Employees at the office and retail spaces are expected to generate income that would circulate in the local economy, supporting additional employment and tax revenues. The overall level of employment in the study area is estimated at 2,370 when completed and tenanted.

The remainder of this Report details all assumptions used for the analysis of the potential TIA.

1 Background

1.1 Purpose

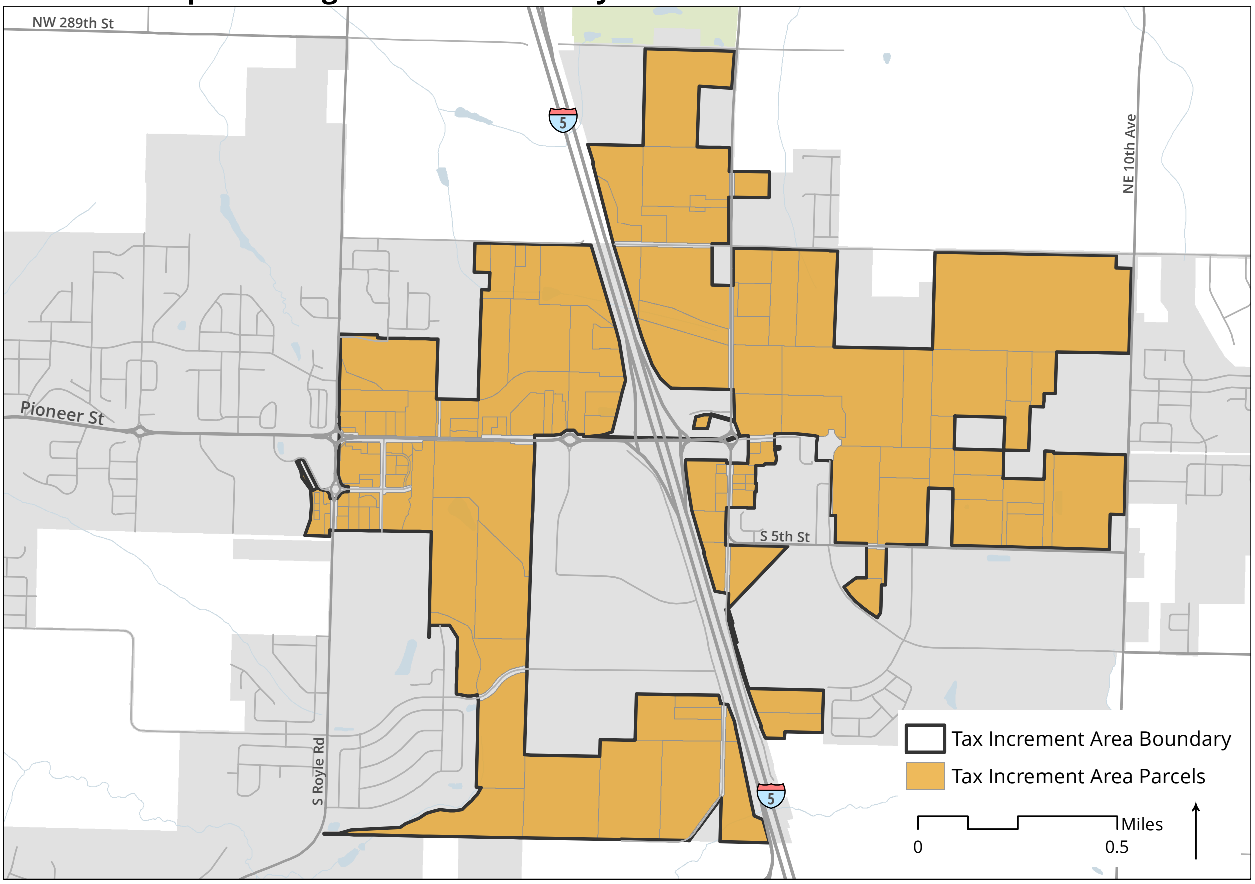
One of five guiding principles in the City's 2016-2035 Comprehensive Plan is to support the development of Ridgefield as a regional employment center for Clark County and Southwest Washington that provides a wealth of living-wage employment opportunities for residents, particularly near the Interstate 5 junction. The proposed TIA is intended to help the City implement that vision. The proposed TIA boundary includes much of the City's vacant and developable land suitable for commercial and employment land uses. Development of this area would ensure that the City has a better balance between its population and employment, and that residents of the City can access a wide-range of commercial needs and services without having to travel elsewhere in the region.

The public improvements identified in this report are specifically selected to remove barriers to development in this area, and fully unlock the development potential within the proposed TIA. These projects would result in substantial upgrades to the transportation infrastructure in the area, including widening Pioneer Street. Without these critical infrastructure improvements, key transportation corridors in the area lack sufficient capacity to accommodate additional development, hindering the City from achieving its employment and living-wage goals.

1.2 Boundary

Exhibit 1 shows a map of the boundary for the proposed Ridgefield Tax Increment Area (TIA), including all tax lots included within the boundary. Generally, the proposed TIA is centered around the intersection of I-5 and SR 501/Pioneer Street. The boundary includes properties stretching as far north as North 20th Street, east as North 85th Ave, south as South 20th Way, and west as Royle Road. The boundary includes 942.2 acres. All parcels are zoned Community Commercial, Regional Commercial, or Employment. Excluding rights-of-way, parcels zoned Employment compose 62% of the acreage and 26% of the current taxable assessed real property value. Community Commercial-zoned parcels compose 7% of acreage, and 30% of taxable assessed real property value, and Regional Commercial-zoned parcels compose 31% of acreage, and 44% of taxable assessed real property value.

Exhibit 1. Proposed Ridgefield TIA Boundary



Source: Data from the Clark County Assessor's Office

Appendix A provides a list of all 131 tax lots included within the proposed TIA boundary. These properties are located within tax code areas 122000, 122019, 122024, and 122027. They had a combined market value of $131,679,784 and assessed value of $91,510,746 for tax year 2023.

RCW 39.114 establishes limits for the taxable assessed value of all property included within TIAs for a jurisdiction. When the ordinance establishing the TIA is passed, the TIA may not have an assessed valuation of more than $200 million or 20 percent of the total assessed valuation of the City of Ridgefield (whichever is less). The total assessed valuation of the City in tax year 2023 was $3,379,164,060, which means that 20 percent of that assessed valuation is $675,832,812. Thus, $200 million is the applicable threshold for the maximum amount of assessed value that can be included in the proposed TIA. As stated previously, all of the tax lots within the proposed TIA boundary have a total taxable assessed value of $91,510,746. Thus, the proposed TIA boundary complies with the limitations on assessed value described in RCW. These calculations are shown below in Exhibit 2.

Exhibit 2. Calculations of Limitations on Assessed Value, Proposed Ridgefield TIA, Tax Year 2023

Total Assessed Value, City of Ridgefield	$ 3,379,164,060
20% of Total Assessed Value	$ 675,832,812
Statutory Limit	$ 200,000,000
Assessed Value of TIA	$ 91,510,746
In Compliance with RCW?	Yes
Remaining Capacity	$ 108,489,254

Source: Tiberius Solutions with data provided by the Clark County Assessor's Office

RCW 39.114 requires the City to identify any property that it intends to acquire within the proposed TIA boundary. At the time of writing this report, the City has not identified any specific properties it intends to acquire within the proposed TIA boundary. However, the City plans to purchase land on a mutually-agreeable site for a future fire station that will provide service to benefit properties within the TIA.

1.3 Objectives

In alignment with its Comprehensive Plan, the City has identified the following goals and objectives for the proposed TIA:

Goals

- Support the development of Ridgefield as a regional employment center for Clark County and Southwest Washington that provides a wealth of living-wage employment opportunities for residents.
- Protect critical environmental resource areas as the city develops.
- At 45th and Pioneer: Create appropriately-scaled and attractive development within a walkable community with multimodal connections, and provide flexibility to adapt to changing economic development opportunities over time.
- At the Ridgefield Junction: Create a mixed-use destination that provides an attractive, distinctive gateway to Ridgefield and serves as an important employment and commerce center for the city and region. Key institutions and industrial anchors will be the foundation for the Junction's vitality, and new development will reinforce Ridgefield's aesthetic appeal and capitalize on its scenic setting.

Objectives

- Ensure urban-level services are provided concurrently with, and allow for, new development to occur/ provide urban services to support economic development and long-term stability.

- Develop and maintain an interconnected and overlapping multimodal transportation system with excellent roadways for automobiles and freight, pedestrian walkways, bicycle facilities, and transit service.
- Ensure major transportation system investments facilitate freight mobility, job creation, regional competitive position, and revenue growth.
- Develop recurring and dedicated funding for a complete transportation program, including capital improvements.
- Maintain an adequate level of service for traffic on all transportation facilities in the area, as described in the Transportation Capital Facilities Plan component of the Comprehensive Plan.
- Design streets to manage vehicular traffic, and to provide safe and comfortable routes for walking, bicycling, and public transportation, encourage livability, increase use of alternate modes of transportation, enable convenient and active travel as part of daily activities, reduce pollution, and meet the needs of all users.

2 Anticipated Development

2.1 Public Improvements

Recent transportation impact studies for major developments along Pioneer Street/ SR 501 corridor and in the Pioneer Junction area (I-5 at Pioneer Street interchange) have indicated that, by the Year 2030, levels-of-service at the I-5 ramp intersections, the 56th Avenue/Pioneer Roundabout, and the bottleneck segment between Royle Road and 56th Avenue will fall to level of service E, defined as unstable flow, or lower. This indicates concurrency failure and likely impacts the ability of future development to be approved.

With the two-lane segment of Pioneer Street/ SR 501 between Royle Road and 56th Avenue being a bottleneck, peak period traffic queues by the year 2030 are projected to extend:

- Westbound, from the bottleneck through the 56th Avenue roundabout and into the I-5 interchange
- Eastbound, through the Royle Road roundabout and toward the 35th Avenue roundabout.

Given the interaction with the I-5 off-ramps, especially the northbound off-ramp, the queuing on Pioneer Street will in turn lead to traffic queuing down the off-ramps toward the I-5 mainline. Queuing on the off-ramps increases the risk of collisions with vehicles exiting the freeway and vehicles traveling along the freeway.

The current comprehensive planning horizon is 2035, but is in the process of being extended to 2045. The traffic level-of-service/ concurrency, queuing and safety issues will be exacerbated after 2030, limiting the City's ability to attract economic development.

The City's Transportation Capital Facilities Plan (CFP) has identified several priority projects in the proposed TIA which would alleviate these issues:

- Pioneer widening (multiple projects) between Royle Road and 56th Avenue
- A new I-5 overcrossing and minor arterial corridor, S. 10th/11th Street, between Union Ridge Parkway and Timm Road/Wells Drive.
- Royle Road widening
- 50th/51st Avenue projects from Pioneer Canyon Drive to Wells Drive/15th Street.

Completing these projects provides substantial transportation capacity and provides an alternative east-west route for multimodal transportation modes to Pioneer Street/SR 501, which is currently the only east-west route in the City which crosses I-5.

Therefore, the following public improvements may be funded in part or whole by tax allocation revenues generated by the proposed TIA:

A. **Widen Royle Road to a minor arterial (3 lanes).** This project would widen the existing two-lane roadway to three lanes and include multi modal and stormwater treatment, as well new water mains to complete the water system loop. Included would be undergrounding power lines and combining utilities into a "joint utility trench". This project would provide increased multimodal transportation capacity to serve development in the Pioneer/45th Avenue (Royle Road) subarea. This project would add non-existing multi modal and turn lanes to improve traffic flow and safer access. It also would improve water system reliability and pressure and stormwater quality that would be impacted from added development.

B. **Build N 5th Street or Pioneer Canyon Drive as an industrial/commercial collector (3 lanes).** This project would add a new road to provide secondary access to the I-5 junction retail development and a parallel route to Pioneer Street. This project, required due to the completed traffic study, would provide direct access to the retail projects at the junction.

C. **Build N 51st Avenue as an industrial/commercial collector (3 lanes).** This project would add a new road to provide secondary access to I-5 junction retail development, the YMCA, and the additional developable area. It would provide a key secondary direct access to the planned development in the proposed TIA.

D. **Build N 56th Avenue as an industrial/commercial collector (3 lanes), Pioneer to N. 10th Street.** This project would provide direct access to and transportation capacity for planned development.

E. **Build S 51st Avenue as a minor arterial (3 lanes).** This multi-phase set of projects would build a minor arterial south from Pioneer Street to S. to 11th St, and eventually extend the corridor to Carty Road. This new roadway would service new and existing development and would provide an important north-south transportation alternative to I-5.

F. **Widen Pioneer Street (4 lanes).** This project would include a roundabout at 51st Ave, widen Pioneer to a 4-lane boulevard with a center median and multi-modal improvements, and include stormwater system and water system improvements. This project is intended to relieve congestion to the main access point to Ridgefield and support future development.

G. **Build a new east-west collector roadway south of Pioneer Street/SR 501 (2 lanes).** This project would extend Settler Drive/3rd Way east to S 56th Place. It would allow parallel access for new development on the south side of Pioneer Street.

H. **Build a Regional Stormwater Facility at the I-5 junction.** This stormwater facility would be located on the NW parcels of the I-5 junction, and would provide stormwater treatment for new development and new road construction.

I. **North-South Connector East of I-5.** This project would be a new commercial/industrial connection from Pioneer at Union Ridge Parkway to N 10th Street. It would allow for traffic circulation in the north Union Ridge area, including Clark College and PeaceHealth campuses, and is intended to relieve the surrounding collector and arterial system.

J. **Build the 10/11th Street Corridor and I-5 Overcrossing.** This future 2/3 lane collector with bicycle and pedestrian facilities would provide an important link between the east and west parts of the City that are currently split by the I-5 corridor. It would extend from Union Ridge Parkway on the east to Timm Road/Wells Drive on the west, with an overcrossing of I-5. The overcrossing would allow for transportation circulation for future development and is also intended to relieve the Pioneer Street/SR-501 corridor, which is approaching capacity.

K. **Fire Station Land Purchase.** Purchase land on a mutually-agreeable site for a future fire station that will provide service to benefit properties within the TIA. The future fire station will be an infrastructure improvement "owned by a state or local government within or outside of and serving the increment area," consistent with RCW 39.114.010(7)(a), and is an acquisition expenditure that the City may determine is necessary mitigation to address impacts on local fire service.

Exhibit 3 summarizes the estimated cost and timing of construction for each of these public improvements. Collectively, these projects are estimated to cost $91.3 million in 2023 dollars. Assuming annual inflation of 3.0% and construction occurring between 2024 to 2028, these projects are estimated to cost $97.5 million in year-of-expenditure dollars (i.e., "nominal" dollars), which is the estimated maximum amount of obligations contemplated.

Exhibit 3. Public Improvements to be Funded with Tax Allocation Revenues, Proposed Ridgefield TIA

		Estimated Project Cost		Years of
	Project Location	**2023 $**	**Nominal $**	**Construction**
A	Widen Royle Road (S 15th Street/Pioneer Street)	$ 5,400,000	$ 5,600,000	2024/2025
B	5th Street or Pioneer Canyon Drive (Royle Road/N 56th Place)	$ 4,800,000	$ 4,900,000	2024
C	N 51st Avenue (Pioneer Street/N 5th Street)	$ 2,600,000	$ 2,700,000	2024/2025
D	N 56th Avenue (Pioneer Street/N 5th Street)	$ 2,100,000	$ 2,100,000	2024
E	S 51st Avenue (Pioneer Street/S 20th Way)	$ 6,700,000	$ 7,000,000	2024
F	Pioneer Widening (Discovery Ridge/56th Place)	$ 34,000,000	$ 35,000,000	2024
G	E/W Collector South of Pioneer Street (Pioneer at 42nd/56th Ave)	$ 1,800,000	$ 1,900,000	2024/2025
H	Regional Stormwater Facility (I-5 Junction)	$ 900,000	$ 900,000	2024
I	North-South Connector (Pioneer & Clark College Area/N 10th St)	$ 6,000,000	$ 6,300,000	2024/2025
J	S 10th/11th Street Corridor and I-5 overcrossing (Union Ridge Parkway/South Wells Drive & Timm Road)	$ 25,100,000	$ 29,100,000	2028
K	Fire Station Land Purchase	$ 1,900,000	$ 2,000,000	2024
Total		**$ 91,300,000**	**$ 97,500,000**	

Source: City of Ridgefield
Note: All project cost estimates are rounded

Exhibit 4 summarizes the anticipated sources of funding for the planned public improvements in the proposed TIA. LTGO debt, secured in part by the projected tax allocation revenues is estimated to be the largest source of funding. Developer contributions are estimated to be the second largest source of funding. The City anticipates providing developers with credits that reduce their traffic impact fee liabilities in exchange for building some of the planned public improvements in the area. These credits reduce the total amount of traffic impact fees collected by the City. To the extent that future tax allocation revenues are available, the City may choose to reimburse the traffic impact fee fund with tax allocation revenues. Other smaller sources of funding expected to help pay for public improvements in the proposed TIA include grants, traffic impact fees, and other City funds.

Exhibit 4. Anticipated Sources of Funds for Public Improvements, Proposed Ridgefield TIA (Nominal $)

		Anticipated Sources of Funds					
			Developer		Traffic Impact		
Project		LTGO Debt	Contributions	Grants	Fees	Other	Total
A	Widen Royle Road			$ 1,400,000	$ 4,200,000		$ 5,600,000
B	5th Street or Pioneer Canyon Drive		$ 4,900,000				$ 4,900,000
C	N 51st Avenue		$ 2,700,000				$ 2,700,000
D	N 56th Avenue		$ 2,100,000				$ 2,100,000
E	S 51st Avenue		$ 7,000,000				$ 7,000,000
F	Pioneer Widening	$ 26,250,000		$ 8,750,000			$ 35,000,000
G	E/W Collector		$ 1,900,000				$ 1,900,000
H	Regional Stormwater Facility					$ 900,000	$ 900,000
I	North-South Connector		$ 6,300,000				$ 6,300,000
J	S. 10th/11th Street Corridor	$ 21,825,000		$ 7,275,000			$ 29,100,000
K	Fire Station Land Purchase	$ 2,000,000					$ 2,000,000
	Total	**$ 50,075,000**	**$ 24,900,000**	**$ 17,425,000**	**$ 4,200,000**	**$ 900,000**	**$ 97,500,000**

Source: City of Ridgefield

RCW 39.114.020 requires the City to impose a deadline by which commencement of construction of the public improvements shall begin, “which deadline must be at least five years into the future…" Thus, for the Ridgefield proposed TIA the deadline for construction of public improvements to begin is 2028.

2.2 Private Development

Exhibit 5 summarizes the private development forecast to occur in the proposed TIA. As of the writing of this report, the City is aware of 21 planned development projects within the TIA boundary, totaling 1.6 million square feet with an expected improvement value of $222.8 million (in tax year 2023 dollars).

Additional market analysis was completed to identify speculative future development opportunities based on current market conditions. The analysis was conducted by Johnson Economics, using proprietary development models to evaluate the likelihood of future development on all tax accounts inside the proposed TIA that were not associated with known development projects. The analysis estimated the residual land value of each tax lot, based on zoning and current market conditions. Properties with the lowest ratio of real market value to estimated residual land value were forecast to have the highest likelihood of future development. The likelihood of development for each parcel over the 25-year forecast period ranged from under 5% to 50%. The result of the analysis was an annual estimate of assessed value from speculative new construction over the 25-year duration of the TIA. The forecast conservatively assumes that less than half of the properties within the TIA would develop over this timeframe.

When new projects complete construction, there is a delay before that increase in assessed value is reflected on the tax roll. This evaluation conservatively assumes that new construction in the proposed TIA is added two years after construction is completed, as informed by conversations with representatives of the Clark County Assessor. It is estimated that future speculative development in the proposed TIA would result in an additional $482.6 million in improvement value (in tax year 2023 dollars) being added to the tax rolls over the life of the proposed TIA (construction occurring through 2047, and coming on the tax roll through 2049).

Exhibit 5. Summary of Estimated Private Development, Proposed Ridgefield TIA (2023 $)

		Improvement Value		
Year Built	**Year on Tax Roll**	**Known Development**	**Speculative Development**	**Total**
2024	2026	$ 5,146,041	$ 18,480,000	$ 23,626,041
2025	2027	$ 36,912,079	$ 18,480,000	$ 55,392,079
2026	2028	$ 137,846,418	$ 18,480,000	$ 156,326,418
2027	2029	$ 42,902,512	$ 18,480,000	$ 61,382,512
2028	2030	$ -	$ 18,480,000	$ 18,480,000
2029	2031	$ -	$ 19,380,000	$ 19,380,000
2030	2032	$ -	$ 19,380,000	$ 19,380,000
2031	2033	$ -	$ 19,380,000	$ 19,380,000
2032	2034	$ -	$ 19,380,000	$ 19,380,000
2033	2035	$ -	$ 19,380,000	$ 19,380,000
2034	2036	$ -	$ 20,320,000	$ 20,320,000
2035	2037	$ -	$ 20,320,000	$ 20,320,000
2036	2038	$ -	$ 20,320,000	$ 20,320,000
2037	2039	$ -	$ 20,320,000	$ 20,320,000
2038	2040	$ -	$ 20,320,000	$ 20,320,000
2039	2041	$ -	$ 21,300,000	$ 21,300,000
2040	2042	$ -	$ 21,300,000	$ 21,300,000
2041	2043	$ -	$ 21,300,000	$ 21,300,000
2042	2044	$ -	$ 21,300,000	$ 21,300,000
2043	2045	$ -	$ 21,300,000	$ 21,300,000
2044	2046	$ -	$ 21,300,000	$ 21,300,000
2045	2047	$ -	$ 21,300,000	$ 21,300,000
2046	2048	$ -	$ 21,300,000	$ 21,300,000
2047	2049	$ -	$ 21,300,000	$ 21,300,000
Total		**$ 222,807,049**	**$ 482,600,000**	**$ 705,407,049**

Source: Johnson Economics and Tiberius Solutions with data and input from City of Ridgefield

Each of the known development projects has begun the process of land use approval from the City. At a minimum, these project developers have met with City staff for a pre-application conference, and many of these projects have already received full land use approval. Each of these projects would be consistent with the City's zoning and development standards.

Several of the known development projects require transportation infrastructure improvements to occur concurrent with their development, either to improve their own frontage or to improve the level of service for transportation facilities in the area. Some of these transportation improvements are assumed to be built by the private developers in exchange for traffic impact fee credits. The magnitude of traffic impact fee credits issued as a result of this development would reduce the City's future traffic impact fee revenues and thus the ability to use traffic impact fee revenues to fund other transportation projects within the proposed TIA and elsewhere in the City. These transportation projects have been included on the proposed TIA project list, so that if future tax allocation revenues are sufficient, the City has the option to pay for these projects with tax allocation revenues.

Long-term speculative development in the area requires more substantial infrastructure investments to be made; projects of such a magnitude that they would be impractical for any one developer to build as a condition of approval. Specifically, the Pioneer Widening and S. 10th/11th Street corridor and I-5 overcrossings are estimated to cost a combined $59.1 million (2023 dollars). Without these vital infrastructure improvements, the City is unlikely to be able to approve future development in the area due to failing level of service for transportation facilities in the area. The City plans to use tax allocation revenue from the proposed TIA, combined with other City resources and applicable grants to fund these transportation improvements, allowing subsequent development to occur within the proposed TIA.

The anticipated value and timing of long-term speculative development was estimated based on the characteristics of individual tax lots within the proposed TIA boundary and current market conditions. Properties with known short-term development projects were excluded from this analysis. The remaining tax lots were assigned an estimated residual land value per square foot based on zone, which was compared to the current real market value per square foot. Properties with a low ratio of real market value to residual land value were assumed to have the highest likelihood of development or redevelopment in the future. The result of the analysis was an estimate of the total improvement value of new construction likely to occur within the proposed TIA each year for the duration of the 25-year forecast period. Collectively, this long-term speculative development is estimated to add $482.6 million (in tax year 2023 dollars) in improvement value being added to the tax rolls over the life of the proposed TIA (2049). As stated above, this speculative future development is unlikely to occur without the public infrastructure projects that the City intends to fund in part by tax allocation revenues from the proposed TIA.

3 Finance Plan[1]

3.1 Forecast of Tax Allocation Revenues

Tax allocation revenues generated within the proposed TIA would provide a critical source of funding to pay for the public improvements identified in this report. The tax increment area is expected to take effect on June 1, 2024, following the adoption of the ordinance establishing the proposed TIA. Based on this timing, the first year the proposed TIA would be eligible to receive tax allocation revenues is 2025.

The duration of the proposed TIA shall be no more than 25 years after the first year in which tax allocation revenues are collected. This analysis assumes that the final year the proposed TIA would be eligible to receive tax allocation revenues is 2049. In the remainder of this section, the assumptions and methods for forecasting future tax allocation revenues are described.

Determine the Annual Levy Rates

Property tax levies included in the calculation of tax allocation revenues are limited to "regular property taxes" as defined in RCW 84.04.140, except regular property taxes levied by port districts and public utility districts to repay general obligation debt and regular property taxes levied by the state for the support of common schools. Regular property taxes also do not include any levies that are exempt from aggregate limits for junior/senior limits in RCW 84.52.043 or excess property taxes levied by local school districts.

Exhibit 6 shows the regular property tax levies that are included in the calculation of tax allocation revenues for the proposed TIA, and the rates associated with each of these levies in 2023. Although the proposed TIA overlaps four individual tax code areas (122000, 122019, 122024, and 122027), the property tax levies included in each are the same. This report therefore does not calculate tax allocation revenues nor report values by individual tax code area, but instead groups all tax code areas together.

[1] This section, including the forecast of tax allocation revenues and finance plan and proposed indebtedness was completed in May 2023 with assessment data from tax year 2023. It does not reflect assessment data for tax year 2024, released in October 2023, nor does it reflect minor boundary revisions subsequent to May 2023.

Exhibit 6. Levies Included in Calculation of Tax Allocation Revenues, Proposed Ridgefield TIA, All Tax Code Areas, Tax Year 2023

Taxing District	2023 Levy Rate (Per $1,000 AV)	
County Current Expense	$	0.774490
Conservation Futures	$	0.028729
City of Ridgefield	$	0.651021
Clark-Cowlitz Fire Rescue	$	1.319045
Fort Vancouver Library	$	0.279473
Port of Ridgefield General	$	0.130554
Clark-Cowlitz Fire Rescue EMS	$	0.500000
Total	**$**	**3.683312**

Source: Tiberius Solutions with data provided by the Clark County Assessor's Office

These levy rates are expected to change over time, based on increases in each jurisdiction's levy authority and changes in assessed value of property within those jurisdictions. Historically, these tax rates have decreased over time, as growth in assessed value has outpaced growth in levy authority. This analysis assumes that those historical trends would continue, with rates decreasing over time.

To forecast future changes in tax rates for jurisdictions impacted by the proposed Ridgefield TIA, we forecast growth in assessed value for each jurisdiction, distinguishing between growth from appreciation of existing property and growth from new construction. Recent historical trends for assessed value growth in Clark County have been unsustainably high and are unrealistic to assume will continue for the 25-year duration of the proposed TIA. Instead, we look at long-term historical trends for personal income growth as the basis for forecasting appreciation of existing property values, and we look at forecasts of population growth as the basis for forecasting the increase in assessed value from new construction.

Personal income growth is strongly correlated with growth in property values. Data from the Federal Reserve for personal income growth in Clark County shows that the five-year rolling average from 1977 to 2012 was always between 3.7% to 5.0% per year. Growth has been more rapid over the last decade, but that rapid growth is unlikely to be sustainable in the future. Based on the long-term trends, we assume average annual growth of 4.5% for personal income, and thus 4.5% annual growth in assessed value from appreciation of existing properties for all years of the forecast period.

Assessed value growth from new construction is correlated with population growth. The most recent State Growth Management Act (GMA) population forecasts for Clark County were conducted in 2017 and cover the period from 2020 to 2040. This forecast calls for gradual slowing of population growth in the County, with an average annual growth rate of 1.6% from 2020 to 2025, but growth of only 1.0% per year from 2035 to 2040. We apply those same percentage growth assumptions to our forecast of assessed value from new construction countywide, and extend the 1.0% per year growth rate through the duration of our forecast period (2049). This forecast of future growth in assessed value from new construction countywide is not directly tied to forecasts of construction activity within the proposed TIA, as the annual growth in assessed value in the proposed TIA is estimated to be only a fraction of the total forecast countywide in any given year.

Exhibit 7 shows the forecast of future levy rates applicable for the TIA. The total applicable levy rate for the proposed TIA is forecast to decrease from $3.683312 in 2023 to $1.330264 in 2049. The Clark-Cowlitz Fire Rescue EMS levy is a six-year voter-approved levy, with the first collection occurring in tax year 2023 and final collection occurring in tax year 2028. This analysis conservatively assumes that no potential future levies would be approved by voters.

Exhibit 7. Forecast of Future Levy Rates, Proposed Ridgefield TIA

Tax Year	County Current Expense	Conservation Futures	City of Ridgefield	Clark-Cowlitz Fire Rescue	Fort Vancouver Library	Port of Ridgefield General	Clark-Cowlitz Fire Rescue EMS	Total
2023	$ 0.774490	$ 0.028729	$ 0.651021	$ 1.319045	$ 0.279473	$ 0.130554	$ 0.500000	**$3.683312**
2024	$ 0.748941	$ 0.027782	$ 0.629545	$ 1.275533	$ 0.270254	$ 0.126247	$ 0.483506	**$3.561808**
2025	$ 0.724268	$ 0.026866	$ 0.609575	$ 1.234011	$ 0.261352	$ 0.122167	$ 0.467767	**$3.446005**
2026	$ 0.700308	$ 0.025978	$ 0.589415	$ 1.193191	$ 0.252706	$ 0.118126	$ 0.452293	**$3.332017**
2027	$ 0.677160	$ 0.025119	$ 0.570389	$ 1.154048	$ 0.244353	$ 0.114268	$ 0.437456	**$3.222794**
2028	$ 0.654777	$ 0.024289	$ 0.551950	$ 1.116168	$ 0.236277	$ 0.110534	$ 0.423097	**$3.117091**
2029	$ 0.633143	$ 0.023486	$ 0.534349	$ 1.079701	$ 0.228471	$ 0.106947	$ -	**$2.606097**
2030	$ 0.612213	$ 0.022710	$ 0.517044	$ 1.044240	$ 0.220919	$ 0.103448	$ -	**$2.520573**
2031	$ 0.591945	$ 0.021958	$ 0.500034	$ 1.009738	$ 0.213605	$ 0.100034	$ -	**$2.437314**
2032	$ 0.572349	$ 0.021231	$ 0.483586	$ 0.976379	$ 0.206534	$ 0.096733	$ -	**$2.356812**
2033	$ 0.553401	$ 0.020528	$ 0.467678	$ 0.944121	$ 0.199697	$ 0.093541	$ -	**$2.278966**
2034	$ 0.535081	$ 0.019849	$ 0.452292	$ 0.912928	$ 0.193086	$ 0.090454	$ -	**$2.203690**
2035	$ 0.517366	$ 0.019192	$ 0.437412	$ 0.882765	$ 0.186694	$ 0.087469	$ -	**$2.130898**
2036	$ 0.500206	$ 0.018555	$ 0.422992	$ 0.853543	$ 0.180502	$ 0.084577	$ -	**$2.060375**
2037	$ 0.483616	$ 0.017940	$ 0.409051	$ 0.825290	$ 0.174515	$ 0.081781	$ -	**$1.992192**
2038	$ 0.467575	$ 0.017345	$ 0.395569	$ 0.797971	$ 0.168727	$ 0.079077	$ -	**$1.926264**
2039	$ 0.452067	$ 0.016769	$ 0.382531	$ 0.771557	$ 0.163130	$ 0.076463	$ -	**$1.862516**
2040	$ 0.437072	$ 0.016213	$ 0.369921	$ 0.746016	$ 0.157720	$ 0.073934	$ -	**$1.800877**
2041	$ 0.422575	$ 0.015675	$ 0.357727	$ 0.721320	$ 0.152489	$ 0.071490	$ -	**$1.741276**
2042	$ 0.408560	$ 0.015155	$ 0.345937	$ 0.697444	$ 0.147431	$ 0.069126	$ -	**$1.683653**
2043	$ 0.395008	$ 0.014653	$ 0.334535	$ 0.674357	$ 0.142541	$ 0.066841	$ -	**$1.627935**
2044	$ 0.381907	$ 0.014167	$ 0.323508	$ 0.652035	$ 0.137813	$ 0.064631	$ -	**$1.574061**
2045	$ 0.369240	$ 0.013697	$ 0.312844	$ 0.630450	$ 0.133242	$ 0.062494	$ -	**$1.521968**
2046	$ 0.356993	$ 0.013243	$ 0.302531	$ 0.609580	$ 0.128823	$ 0.060428	$ -	**$1.471597**
2047	$ 0.345152	$ 0.012803	$ 0.292558	$ 0.589401	$ 0.124550	$ 0.058430	$ -	**$1.422893**
2048	$ 0.333704	$ 0.012379	$ 0.282912	$ 0.569889	$ 0.120419	$ 0.056497	$ -	**$1.375800**
2049	$ 0.322635	$ 0.011968	$ 0.273584	$ 0.551022	$ 0.116425	$ 0.054629	$ -	**$1.330264**

Source: Tiberius Solutions

Forecast Future Assessed Value in TIA

Future growth in assessed value in the proposed TIA would come from new construction and the appreciation of existing property. This report assumes 4.5% annual growth assessed value for existing property value, based on long-term trends in personal income for Clark County as described above.

As stated previously, much of the new construction forecast to occur in the proposed TIA is predicated on City providing adequate infrastructure, including the projects identified in this report. The expected increases in assessed value from new construction anticipated to occur in the proposed TIA over its lifetime were shown previously in Exhibit 5.

In addition to the value of new construction, there are vacant properties in the proposed TIA that are currently receiving the Farm and Agricultural Land Current Use Exemption, where part of their land assessed value is exempt from property tax. The aggregate value of this exemption for properties within the proposed TIA is $27.7 million. As these properties develop, the exemption would expire, bringing the land value back on the tax roll as shown in Exhibit 8.[2] In addition to properties where known development is expected to occur in the short-term, the analysis assumes half of all remaining properties currently receiving the exemption would see their exemption expire due to new development in the area, spread evenly over the next 25 years (beginning in 2025). This results in $16.4 million in land value (2023 $) expected to be returned to the tax rolls due to the expiration of the current use exemption through 2049.

[2] We have assumed a one-year delay between construction completion and the value being added back to the tax roll.

Exhibit 8. Forecast Agricultural Land Use Current Use Exemption Expiration, Proposed Ridgefield TIA

Year Built of Related Development	Year on Tax Roll	Assessed Value (2023 $)	Assessed Value (Nominal $)
2024	2025	$ 493,275	$ 538,669
2025	2026	$ 493,275	$ 562,909
2026	2027	$ 2,362,886	$ 2,817,786
2027	2028	$ 2,692,311	$ 3,355,109
2028	2029	$ 493,275	$ 642,372
2029	2030	$ 493,275	$ 671,279
2030	2031	$ 493,275	$ 701,487
2031	2032	$ 493,275	$ 733,054
2032	2033	$ 493,275	$ 766,041
2033	2034	$ 493,275	$ 800,513
2034	2035	$ 493,275	$ 836,536
2035	2036	$ 493,275	$ 874,180
2036	2037	$ 493,275	$ 913,518
2037	2038	$ 493,275	$ 954,626
2038	2039	$ 493,275	$ 997,585
2039	2040	$ 493,275	$ 1,042,476
2040	2041	$ 493,275	$ 1,089,387
2041	2042	$ 493,275	$ 1,138,410
2042	2043	$ 493,275	$ 1,189,638
2043	2044	$ 493,275	$ 1,243,172
2044	2045	$ 493,275	$ 1,299,115
2045	2046	$ 493,275	$ 1,357,575
2046	2047	$ 493,275	$ 1,418,666
2047	2048	$ 493,275	$ 1,482,506
2048	2049	$ 493,275	$ 1,549,218
Total		**$ 16,400,522**	**$ 28,975,827**

Source: Tiberius Solutions with data provided by the Clark County Assessor's Office

Exhibit 9 summarizes all of the anticipated increase in assessed value from new construction, including known development, speculative development, and the expiration of current use exemptions. This exhibit includes the value of new development in both constant 2023 dollars and nominal dollars, which account for appreciation of property values between now and when the projects complete construction.[3] Assuming annual appreciation of 4.5% as described above, the total increase in assessed value from new construction in estimated to be $721.8 million constant 2023 dollars, and $1.2 billion in nominal dollars.

[3] Note that no additional inflation is assumed between the date the construction is completed and the date the increased value appears on the tax roll based on conversations with representatives of the Clark County Assessor.

Exhibit 9. Assessed Value from New Construction, Proposed Ridgefield TIA

	2023 $				Nominal $
Tax Year	From Known Development	From Speculative Development	From Expiration of Tax Exemptions	Total	Total
2025	$ -	$ -	$ 493,275	$ 493,275	$ 538,669
2026	$ 5,146,041	$ 18,480,000	$ 493,275	$ 24,119,316	$ 26,363,137
2027	$ 36,912,079	$ 18,480,000	$ 2,362,886	$ 57,754,965	$ 66,029,350
2028	$ 137,846,418	$ 18,480,000	$ 2,692,311	$ 159,018,729	$ 189,777,270
2029	$ 42,902,512	$ 18,480,000	$ 493,275	$ 61,875,787	$ 77,136,149
2030	$ -	$ 18,480,000	$ 493,275	$ 18,973,275	$ 24,737,046
2031	$ -	$ 19,380,000	$ 493,275	$ 19,873,275	$ 27,074,989
2032	$ -	$ 19,380,000	$ 493,275	$ 19,873,275	$ 28,293,364
2033	$ -	$ 19,380,000	$ 493,275	$ 19,873,275	$ 29,566,565
2034	$ -	$ 19,380,000	$ 493,275	$ 19,873,275	$ 30,897,060
2035	$ -	$ 19,380,000	$ 493,275	$ 19,873,275	$ 32,287,428
2036	$ -	$ 20,320,000	$ 493,275	$ 20,813,275	$ 35,334,491
2037	$ -	$ 20,320,000	$ 493,275	$ 20,813,275	$ 36,924,543
2038	$ -	$ 20,320,000	$ 493,275	$ 20,813,275	$ 38,586,147
2039	$ -	$ 20,320,000	$ 493,275	$ 20,813,275	$ 40,322,524
2040	$ -	$ 20,320,000	$ 493,275	$ 20,813,275	$ 42,137,038
2041	$ -	$ 21,300,000	$ 493,275	$ 21,793,275	$ 46,104,313
2042	$ -	$ 21,300,000	$ 493,275	$ 21,793,275	$ 48,179,008
2043	$ -	$ 21,300,000	$ 493,275	$ 21,793,275	$ 50,347,063
2044	$ -	$ 21,300,000	$ 493,275	$ 21,793,275	$ 52,612,681
2045	$ -	$ 21,300,000	$ 493,275	$ 21,793,275	$ 54,980,252
2046	$ -	$ 21,300,000	$ 493,275	$ 21,793,275	$ 57,454,363
2047	$ -	$ 21,300,000	$ 493,275	$ 21,793,275	$ 60,039,809
2048	$ -	$ 21,300,000	$ 493,275	$ 21,793,275	$ 62,741,601
2049	$ -	$ 21,300,000	$ 493,275	$ 21,793,275	$ 65,564,972
Total	**$ 222,807,049**	**$ 482,600,000**	**$ 16,400,522**	**$ 721,807,571**	**$ 1,224,029,832**

Source: Tiberius Solutions with data and input from the Clark County Assessor and City of Ridgefield

In addition to increases in assessed value from new construction, all property values in the proposed TIA are estimated to increase by 4.5% per year from appreciation. Exhibit 10 summarizes the forecast total growth in assessed value in the TIA from new construction and appreciation.

Exhibit 10. Assessed Value Forecast, Proposed Ridgefield TIA (Nominal $)

Tax Year	Prior Year	PLUS: Appreciation of Existing Property	PLUS: New Construction	Total
2023				$ 90,973,115
2024	$ 90,973,115	$ 4,093,790	$ -	$ 95,066,905
2025	$ 95,066,905	$ 4,278,011	$ 538,669	$ 99,883,585
2026	$ 99,883,585	$ 4,494,761	$ 26,363,137	$ 130,741,483
2027	$ 130,741,483	$ 5,883,367	$ 66,029,350	$ 202,654,200
2028	$ 202,654,200	$ 9,119,439	$ 189,777,270	$ 401,550,909
2029	$ 401,550,909	$ 18,069,791	$ 77,136,149	$ 496,756,849
2030	$ 496,756,849	$ 22,354,058	$ 24,737,046	$ 543,847,953
2031	$ 543,847,953	$ 24,473,158	$ 27,074,989	$ 595,396,100
2032	$ 595,396,100	$ 26,792,825	$ 28,293,364	$ 650,482,289
2033	$ 650,482,289	$ 29,271,703	$ 29,566,565	$ 709,320,557
2034	$ 709,320,557	$ 31,919,425	$ 30,897,060	$ 772,137,042
2035	$ 772,137,042	$ 34,746,167	$ 32,287,428	$ 839,170,637
2036	$ 839,170,637	$ 37,762,679	$ 35,334,491	$ 912,267,807
2037	$ 912,267,807	$ 41,052,051	$ 36,924,543	$ 990,244,401
2038	$ 990,244,401	$ 44,560,998	$ 38,586,147	$ 1,073,391,546
2039	$1,073,391,546	$ 48,302,620	$ 40,322,524	$ 1,162,016,690
2040	$1,162,016,690	$ 52,290,751	$ 42,137,038	$ 1,256,444,479
2041	$1,256,444,479	$ 56,540,002	$ 46,104,313	$ 1,359,088,794
2042	$1,359,088,794	$ 61,158,996	$ 48,179,008	$ 1,468,426,798
2043	$1,468,426,798	$ 66,079,206	$ 50,347,063	$ 1,584,853,067
2044	$1,584,853,067	$ 71,318,388	$ 52,612,681	$ 1,708,784,136
2045	$1,708,784,136	$ 76,895,286	$ 54,980,252	$ 1,840,659,674
2046	$1,840,659,674	$ 82,829,685	$ 57,454,363	$ 1,980,943,722
2047	$1,980,943,722	$ 89,142,467	$ 60,039,809	$ 2,130,125,998
2048	$2,130,125,998	$ 95,855,670	$ 62,741,601	$ 2,288,723,269
2049	$2,288,723,269	$ 102,992,547	$ 65,564,972	$ 2,457,280,788

Note: Dollar values in this summary exhibit may differ than other exhibits in the report due to rounding
Source: Tiberius Solutions

Forecast of Tax Allocation Revenues

Exhibit 11 shows the forecast of annual tax allocation revenues, combining the forecasts of future assessed value in the proposed TIA and applicable tax rates. Annual tax allocation revenues are expected to be $16,598 in 2025, increasing to over $3.1 million in its final year in 2049. Total tax allocation revenue over 25 years is expected to equal $44.0 million.

Exhibit 11. Tax Allocation Revenues, Proposed Ridgefield TIA (Nominal $)

Tax Year	Assessed Value: Total	Assessed Value: Base Value	Assessed Value: Increment	Levy Rate	Tax Allocation Revenues
2023	$ 90,973,115	$ 90,973,115		$ 3.683312	$ -
2024	$ 95,066,905	$ 95,066,905	$ -	$ 3.561808	$ -
2025	$ 99,883,585	$ 95,066,905	$ 4,816,680	$ 3.446005	$ 16,598
2026	$ 130,741,483	$ 95,066,905	$ 35,674,578	$ 3.332017	$ 118,868
2027	$ 202,654,200	$ 95,066,905	$ 107,587,295	$ 3.222794	$ 346,732
2028	$ 401,550,909	$ 95,066,905	$ 306,484,004	$ 3.117091	$ 955,338
2029	$ 496,756,849	$ 95,066,905	$ 401,689,944	$ 2.606097	$ 1,046,843
2030	$ 543,847,954	$ 95,066,905	$ 448,781,049	$ 2.520573	$ 1,131,185
2031	$ 595,396,101	$ 95,066,905	$ 500,329,196	$ 2.437314	$ 1,219,460
2032	$ 650,482,290	$ 95,066,905	$ 555,415,385	$ 2.356812	$ 1,309,010
2033	$ 709,320,558	$ 95,066,905	$ 614,253,653	$ 2.278966	$ 1,399,863
2034	$ 772,137,043	$ 95,066,905	$ 677,070,138	$ 2.203690	$ 1,492,052
2035	$ 839,170,638	$ 95,066,905	$ 744,103,733	$ 2.130898	$ 1,585,609
2036	$ 912,267,808	$ 95,066,905	$ 817,200,903	$ 2.060375	$ 1,683,740
2037	$ 990,244,402	$ 95,066,905	$ 895,177,497	$ 1.992192	$ 1,783,365
2038	$ 1,073,391,547	$ 95,066,905	$ 978,324,642	$ 1.926264	$ 1,884,511
2039	$ 1,162,016,690	$ 95,066,905	$ 1,066,949,785	$ 1.862516	$ 1,987,211
2040	$ 1,256,444,479	$ 95,066,905	$ 1,161,377,574	$ 1.800877	$ 2,091,498
2041	$ 1,359,088,793	$ 95,066,905	$ 1,264,021,888	$ 1.741276	$ 2,201,011
2042	$ 1,468,426,797	$ 95,066,905	$ 1,373,359,892	$ 1.683653	$ 2,312,261
2043	$ 1,584,853,066	$ 95,066,905	$ 1,489,786,161	$ 1.627935	$ 2,425,276
2044	$ 1,708,784,135	$ 95,066,905	$ 1,613,717,230	$ 1.574061	$ 2,540,089
2045	$ 1,840,659,674	$ 95,066,905	$ 1,745,592,769	$ 1.521968	$ 2,656,736
2046	$ 1,980,943,723	$ 95,066,905	$ 1,885,876,818	$ 1.471597	$ 2,775,251
2047	$ 2,130,126,000	$ 95,066,905	$ 2,035,059,095	$ 1.422893	$ 2,895,672
2048	$ 2,288,723,271	$ 95,066,905	$ 2,193,656,366	$ 1.375800	$ 3,018,032
2049	$ 2,457,280,790	$ 95,066,905	$ 2,362,213,885	$ 1.330264	$ 3,142,369
Total					**$ 44,018,582**

Source: Tiberius Solutions

Factors Affecting the Accuracy of the Forecast

The biggest factor affecting the accuracy of the tax allocation revenues forecast is the value and timing of new construction in the proposed TIA. The amount of future tax allocation revenues is, in part, dependent upon new construction. If that construction occurs on a different schedule, or with different values than has been assumed, it could impact the accuracy of the forecast.

In addition to the timing and value of new construction, actual tax allocation revenues for the proposed TIA would depend upon the actual appreciation/depreciation in assessed value in the area as well as the actual levy rates imposed. There is significant uncertainty with these factors over the next 25 years. However, these factors are related in ways that help to provide some confidence for this forecast. Changes in property values in the proposed TIA from appreciation/depreciation are likely to follow a similar pattern to changes in property values from appreciation/depreciation countywide. And, those countywide changes in appreciation/depreciation would determine annual changes in the levy rates imposed.

If property values increase faster than forecasted, it would result in lower levy rates and a similar forecast of annual tax allocation revenues. Similarly, if property values increase slower than forecasted (or decrease), it would result in higher levy rates and a similar forecast of annual tax allocation revenues.

The accuracy of the tax allocation revenues forecast is more impacted by the **relative** growth in assessed value within the proposed TIA versus countywide. In theory, rates of appreciation/depreciation in these two geographies should be similar over time. However, if they do differ, it has the potential to significantly impact the tax allocation revenues forecast. If properties within the proposed TIA appreciate faster than the county as a whole, it would lead to more tax allocation revenues than what is forecasted. Conversely, if properties within the proposed TIA appreciate slower than the county as a whole, it would lead to less tax allocation revenues than what is forecasted.

Impact on Overlapping Tax Levies

Tax allocation revenues are generated through the reallocation of tax levies. In other words, the financial impact of the proposed TIA is primarily borne by the affected, overlapping taxing districts. These impacts occur as “foregone” tax revenues. Thus, these jurisdictions are not losing revenue relative to what they collect today, but instead these districts would temporarily forego the future increase in revenue generated within the proposed TIA. Once the proposed TIA ceases to collect tax allocation revenues (limited to no more than 25 years), then these impacted jurisdictions would begin to receive the full amount of annual taxes from the new construction that has occurred within the proposed TIA.

RCW 84.55.010 allows taxing districts to increase the amount of their levy to account for growth in assessed value inside a TIA. This would result in slightly higher overall levy amounts and tax rates for impacted taxing districts. Thus, the net impact the TIA would have on taxing district levies is less than the total amount of tax allocation revenues received.

Exhibit 12 summarizes the annual tax revenues forecast to be foregone by the affected taxing districts. The jurisdictions estimated to be most impacted are Clark-Cowlitz Fire Rescue, Clark County (current expense levy), and the City of Ridgefield. Other impacted levies would include the County Conservation Futures levy, Fort Vancouver Regional Library District, and the Port of Ridgefield. Collectively, these jurisdictions are expected to forego $41,645,947 in tax revenue over the life of the proposed TIA. While this is a significant amount of foregone tax revenues, it is not expected that much of this private development could or would occur within this area without the public investments proposed to be funded by the proposed TIA. Thus, a portion of these foregone revenues likely would not exist but for the investments made by the proposed TIA. Following the expiration of the proposed TIA, these revenues would be redirected to the overlapping taxing districts.

Exhibit 12. Impact on Overlapping Tax Levies, Proposed Ridgefield TIA (Nominal $)

Tax Year	County Current Expense	Conservation Futures	City of Ridgefield	Clark-Cowlitz Fire Rescue	Fort Vancouver Library	Port of Ridgefield General	Clark-Cowlitz Fire Rescue EMS	Total
2023	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2024	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2025	$ 119	$ 4	$ 96	$ 200	$ 43	$ 20	$ 76	$ 558
2026	$ (21,273)	$ (789)	$ (17,905)	$ (36,245)	$ (7,676)	$ (3,588)	$ (13,739)	$ (101,216)
2027	$ (66,665)	$ (2,473)	$ (56,158)	$ (113,616)	$ (24,056)	$ (11,250)	$ (43,067)	$ (317,285)
2028	$ (192,054)	$ (7,124)	$ (161,899)	$ (327,390)	$ (69,303)	$ (32,421)	$ (124,101)	$ (914,293)
2029	$ (241,784)	$ (8,969)	$ (204,070)	$ (412,324)	$ (87,248)	$ (40,842)	$ -	$ (995,236)
2030	$ (259,714)	$ (9,634)	$ (219,351)	$ (442,996)	$ (93,719)	$ (43,886)	$ -	$ (1,069,300)
2031	$ (280,113)	$ (10,391)	$ (236,624)	$ (477,819)	$ (101,080)	$ (47,337)	$ -	$ (1,153,365)
2032	$ (300,757)	$ (11,156)	$ (254,118)	$ (513,069)	$ (108,529)	$ (50,832)	$ -	$ (1,238,460)
2033	$ (321,682)	$ (11,933)	$ (271,857)	$ (548,803)	$ (116,080)	$ (54,374)	$ -	$ (1,324,729)
2034	$ (342,895)	$ (12,720)	$ (289,848)	$ (585,035)	$ (123,735)	$ (57,966)	$ -	$ (1,412,199)
2035	$ (364,405)	$ (13,517)	$ (308,095)	$ (621,775)	$ (131,497)	$ (61,609)	$ -	$ (1,500,898)
2036	$ (387,029)	$ (14,357)	$ (327,292)	$ (660,422)	$ (139,661)	$ (65,441)	$ -	$ (1,594,202)
2037	$ (409,944)	$ (15,207)	$ (346,746)	$ (699,574)	$ (147,930)	$ (69,324)	$ -	$ (1,688,726)
2038	$ (433,193)	$ (16,069)	$ (366,490)	$ (739,299)	$ (156,320)	$ (73,263)	$ -	$ (1,784,633)
2039	$ (456,780)	$ (16,944)	$ (386,528)	$ (779,607)	$ (164,831)	$ (77,261)	$ -	$ (1,881,952)
2040	$ (480,715)	$ (17,832)	$ (406,868)	$ (820,513)	$ (173,468)	$ (81,318)	$ -	$ (1,980,714)
2041	$ (505,879)	$ (18,765)	$ (428,256)	$ (863,522)	$ (182,549)	$ (85,584)	$ -	$ (2,084,556)
2042	$ (531,383)	$ (19,711)	$ (449,946)	$ (907,120)	$ (191,752)	$ (89,909)	$ -	$ (2,189,821)
2043	$ (557,273)	$ (20,672)	$ (471,970)	$ (951,382)	$ (201,095)	$ (94,299)	$ -	$ (2,296,691)
2044	$ (583,556)	$ (21,647)	$ (494,336)	$ (996,321)	$ (210,580)	$ (98,758)	$ -	$ (2,405,197)
2045	$ (610,240)	$ (22,637)	$ (517,050)	$ (1,041,950)	$ (220,209)	$ (103,285)	$ -	$ (2,515,370)
2046	$ (637,332)	$ (23,642)	$ (540,119)	$ (1,088,282)	$ (229,985)	$ (107,882)	$ -	$ (2,627,242)
2047	$ (664,840)	$ (24,662)	$ (563,549)	$ (1,135,330)	$ (239,912)	$ (112,550)	$ -	$ (2,740,844)
2048	$ (692,773)	$ (25,698)	$ (587,348)	$ (1,183,107)	$ (249,992)	$ (117,291)	$ -	$ (2,856,209)
2049	$ (721,136)	$ (26,750)	$ (611,521)	$ (1,231,627)	$ (260,227)	$ (122,106)	$ -	$ (2,973,367)
Total	**$ (10,063,295)**	**$ (373,294)**	**$ (8,517,847)**	**$ (17,176,930)**	**$ (3,631,392)**	**$ (1,702,357)**	**$ (180,832)**	**$ (41,645,947)**

Source: Tiberius Solutions

Not all overlapping taxing districts would be impacted by the proposed TIA. The following property tax levies would be **excluded** from the calculation of tax allocation revenues:

- State Schools (Part 1 and 2)
- Ridgefield School District Debt
- Ridgefield School District Enrichment

All taxing districts listed above, whose rates would be **excluded** in the calculation of tax allocation revenues would not experience any foregone revenues from the proposed TIA. This includes the Ridgefield School District. For these jurisdictions, the proposed TIA would generate increased property tax revenues once the anticipated private development comes on the tax roll, or would reduce the property tax rate needed to produce the authorized levy amount.

3.2 Proposed Indebtedness

To finance the public improvements identified in this report, the City anticipates issuing limited tax general obligation bonds. These bonds would be secured by a pledge of the City's full faith and credit, including its regular property tax levy, and would be subject to statutory limitations and constraints on general obligation indebtedness. The actual terms of indebtedness are uncertain and would be based upon the ultimate timing and amount of indebtedness the City chooses to incur, tax allocation revenues collected, and financial market conditions at the time of issuance. For the purposes of this analysis, the City consulted with their municipal financial advisors, PFM to estimate terms of indebtedness based upon current market conditions and the proposed timing and amount of future indebtedness.

The City assumes two series of limited tax general obligation bonds would be issued, first in 2024 and later in 2028. The total principal amount of the bonds is estimated to be $43.4 million, which is expected to generate approximately $48.1 in project funds. Both series of bonds are assumed to be structured to be fully repaid by 2049, the final year the proposed TIA would be eligible to collect tax allocation revenue. The estimated terms of indebtedness, including principal amount, project funds, timing, and true interest cost are shown in Exhibit 13. For the purposes of this analysis, it is assumed that the bonds would be issued on a tax-exempt basis and structured with net original issue premium. Appendix C includes an evaluation of an alternative finance plan with more conservative assumptions.

Exhibit 13. Estimated Terms of Indebtedness for Proposed Ridgefield TIA Public Improvements

	Series 2024	Series 2028	Total
Closing Month	July 2024	July 2028	
Aggregate Par (Principal)	$ 23,870,000	$ 19,560,000	**$43,430,000**
Project Funds	$ 26,250,000	$ 21,825,000	**$48,075,000**
True Interest Cost	4.21%	3.74%	

Source: PFM Financial Advisors LLC

The public improvements within the Proposed TIA are anticipated to be funded through limited tax general obligation bonds, which are constrained by the City's statutory capacity for non-voted general obligation indebtedness. This analysis conservatively assumes average annual growth of 5.9% in total taxable value for the City from 2023 through the final year in which the Proposed TIA indebtedness would be expected to be incurred (2028). Existing debt service includes outstanding indebtedness incurred in previous years for purposes other than the Proposed TIA public improvements. Exhibit 14 shows the calculated statutory authority for non-voted general obligation indebtedness for the City through 2028.

Exhibit 14. Statutory Authority for General Obligation Indebtedness, City of Ridgefield, 2023-2028

	2023	2024	2025	2026	2027	2028
Taxable AV	$ 3,379,164,060	$ 3,585,293,068	$ 3,803,995,945	$ 4,024,627,709	$ 4,258,056,116	$ 4,505,023,371
Debt Limit (% of AV)	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Debt Limit Amount	$ 50,687,461	$ 53,779,396	$ 57,059,939	$ 60,369,416	$ 63,870,842	$ 67,575,351
Outstanding Debt - Existing	$ 19,190,000	$ 18,176,000	$ 17,136,000	$ 16,325,000	$ 15,482,000	$ 14,612,000
Outstanding Debt - TIA	$ 23,870,000	$ 23,870,000	$ 23,870,000	$ 23,870,000	$ 23,870,000	$ 43,430,000
Outstanding Debt - Total	$ 43,060,000	$ 42,046,000	$ 41,006,000	$ 40,195,000	$ 39,352,000	$ 58,042,000
Remaining Debt Capacity	$ 7,627,461	$ 11,733,396	$ 16,053,939	$ 20,174,416	$ 24,518,842	$ 9,533,351

Source: City of Ridgefield and PFM Financial Advisors LLC

Based on the assumed terms of indebtedness shown in Exhibit 13, the City's financial advisors have estimated annual debt service payments as shown in Exhibit 15. Annual payments are structured to be lowest in the early years of the TIA, including interest-only payments on the 2024 bonds through 2031. This payment structure is intended to better align annual payments with the anticipated tax allocation revenues and minimize the amount of other general fund resources the City would need to use to pay debt service in each year. By deferring a portion of the debt until 2028, the City retains the flexibility to adjust the overall amount and structure of debt to reflect actual new development and tax allocation revenues during the first few years of the proposed TIA. After factoring in the cost of interest, the $43,430,000 of principal indebtedness to fund TIA projects is estimated to require $79,735,260 in debt service payments over the life of the proposed TIA.

Exhibit 15. Estimated Debt Service Payments, LTGO Debt for Proposed Ridgefield TIA Public Projects (Nominal $)

Year	Series 2024 Principal	Series 2024 Interest	Series 2024 Total	Series 2028 Principal	Series 2028 Interest	Series 2028 Total	Total Debt Service
2024	$ -	$ 493,976	$ 493,976	$ -	$ -	$ -	**$ 493,976**
2025	$ -	$ 1,193,500	$ 1,193,500	$ -	$ -	$ -	**$ 1,193,500**
2026	$ -	$ 1,193,500	$ 1,193,500	$ -	$ -	$ -	**$ 1,193,500**
2027	$ -	$ 1,193,500	$ 1,193,500	$ -	$ -	$ -	**$ 1,193,500**
2028	$ -	$ 1,193,500	$ 1,193,500	$ -	$ 404,783	$ 404,783	**$ 1,598,283**
2029	$ -	$ 1,193,500	$ 1,193,500	$ 385,000	$ 968,375	$ 1,353,375	**$ 2,546,875**
2030	$ -	$ 1,193,500	$ 1,193,500	$ 490,000	$ 946,500	$ 1,436,500	**$ 2,630,000**
2031	$ 5,000	$ 1,193,375	$ 1,198,375	$ 605,000	$ 919,125	$ 1,524,125	**$ 2,722,500**
2032	$ 95,000	$ 1,190,875	$ 1,285,875	$ 635,000	$ 888,125	$ 1,523,125	**$ 2,809,000**
2033	$ 195,000	$ 1,183,625	$ 1,378,625	$ 670,000	$ 855,500	$ 1,525,500	**$ 2,904,125**
2034	$ 300,000	$ 1,171,250	$ 1,471,250	$ 700,000	$ 821,250	$ 1,521,250	**$ 2,992,500**
2035	$ 410,000	$ 1,153,500	$ 1,563,500	$ 740,000	$ 785,250	$ 1,525,250	**$ 3,088,750**
2036	$ 530,000	$ 1,130,000	$ 1,660,000	$ 775,000	$ 747,375	$ 1,522,375	**$ 3,182,375**
2037	$ 660,000	$ 1,100,250	$ 1,760,250	$ 815,000	$ 707,625	$ 1,522,625	**$ 3,282,875**
2038	$ 800,000	$ 1,063,750	$ 1,863,750	$ 860,000	$ 665,750	$ 1,525,750	**$ 3,389,500**
2039	$ 945,000	$ 1,020,125	$ 1,965,125	$ 900,000	$ 621,750	$ 1,521,750	**$ 3,486,875**
2040	$ 1,100,000	$ 969,000	$ 2,069,000	$ 950,000	$ 575,500	$ 1,525,500	**$ 3,594,500**
2041	$ 1,265,000	$ 909,875	$ 2,174,875	$ 995,000	$ 526,875	$ 1,521,875	**$ 3,696,750**
2042	$ 1,445,000	$ 842,125	$ 2,287,125	$ 1,045,000	$ 475,875	$ 1,520,875	**$ 3,808,000**
2043	$ 1,635,000	$ 765,125	$ 2,400,125	$ 1,100,000	$ 422,250	$ 1,522,250	**$ 3,922,375**
2044	$ 1,835,000	$ 678,375	$ 2,513,375	$ 1,155,000	$ 365,875	$ 1,520,875	**$ 4,034,250**
2045	$ 2,050,000	$ 581,250	$ 2,631,250	$ 1,215,000	$ 306,625	$ 1,521,625	**$ 4,152,875**
2046	$ 2,275,000	$ 473,125	$ 2,748,125	$ 1,280,000	$ 244,250	$ 1,524,250	**$ 4,272,375**
2047	$ 2,515,000	$ 353,375	$ 2,868,375	$ 1,345,000	$ 178,625	$ 1,523,625	**$ 4,392,000**
2048	$ 2,770,000	$ 221,250	$ 2,991,250	$ 1,415,000	$ 109,625	$ 1,524,625	**$ 4,515,875**
2049	$ 3,040,000	$ 76,000	$ 3,116,000	$ 1,485,000	$ 37,125	$ 1,522,125	**$ 4,638,125**
Total	**$ 23,870,000**	**$ 23,731,226**	**$ 47,601,226**	**$ 19,560,000**	**$ 12,574,033**	**$ 32,134,033**	**$ 79,735,260**

Source: PFM Financial Advisors LLC

Exhibit 16 shows the combination of revenue sources expected to pay the debt service payments. It is expected that $44,018,582 of tax allocation revenues and $35,716,678 of the City's property tax levy or other available revenues would be required to cover the full amount of debt service payments to fund the proposed TIA public improvements. If actual tax allocation revenues are higher or lower than estimated it would affect the amount of the City's property tax levy or other resources that would be required to cover the debt service payments.

Exhibit 16. Tax Allocation Revenues and Debt Service Payments

		Revenue Source		Tax Allocation
Year	Payment	Tax Allocation Revenue	General Fund Resources	Revenue Debt Service Coverage
2024	$ 493,976	$ -	$ 493,976	0.00
2025	$ 1,193,500	$ 16,598	$ 1,176,902	0.01
2026	$ 1,193,500	$ 118,868	$ 1,074,632	0.10
2027	$ 1,193,500	$ 346,732	$ 846,768	0.29
2028	$ 1,598,283	$ 955,338	$ 642,945	0.60
2029	$ 2,546,875	$ 1,046,843	$ 1,500,032	0.41
2030	$ 2,630,000	$ 1,131,185	$ 1,498,815	0.43
2031	$ 2,722,500	$ 1,219,460	$ 1,503,040	0.45
2032	$ 2,809,000	$ 1,309,010	$ 1,499,990	0.47
2033	$ 2,904,125	$ 1,399,863	$ 1,504,262	0.48
2034	$ 2,992,500	$ 1,492,052	$ 1,500,448	0.50
2035	$ 3,088,750	$ 1,585,609	$ 1,503,141	0.51
2036	$ 3,182,375	$ 1,683,740	$ 1,498,635	0.53
2037	$ 3,282,875	$ 1,783,365	$ 1,499,510	0.54
2038	$ 3,389,500	$ 1,884,511	$ 1,504,989	0.56
2039	$ 3,486,875	$ 1,987,211	$ 1,499,664	0.57
2040	$ 3,594,500	$ 2,091,498	$ 1,503,002	0.58
2041	$ 3,696,750	$ 2,201,011	$ 1,495,739	0.60
2042	$ 3,808,000	$ 2,312,261	$ 1,495,739	0.61
2043	$ 3,922,375	$ 2,425,276	$ 1,497,099	0.62
2044	$ 4,034,250	$ 2,540,089	$ 1,494,161	0.63
2045	$ 4,152,875	$ 2,656,736	$ 1,496,139	0.64
2046	$ 4,272,375	$ 2,775,251	$ 1,497,124	0.65
2047	$ 4,392,000	$ 2,895,672	$ 1,496,328	0.66
2048	$ 4,515,875	$ 3,018,032	$ 1,497,843	0.67
2049	$ 4,638,125	$ 3,142,369	$ 1,495,756	0.68
Total	**$ 79,735,260**	**$ 44,018,582**	**$ 35,716,678**	**0.55**

Source: PFM Financial Advisors LLC and Tiberius Solutions

4 Economic Impacts

4.1 Job Creation[4]

The proposed TIA would be expected to generate substantial economic impacts for the local and regional economy. 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. Impacts during the construction phase would be temporary, while the impacts from operations once construction is complete would be ongoing.

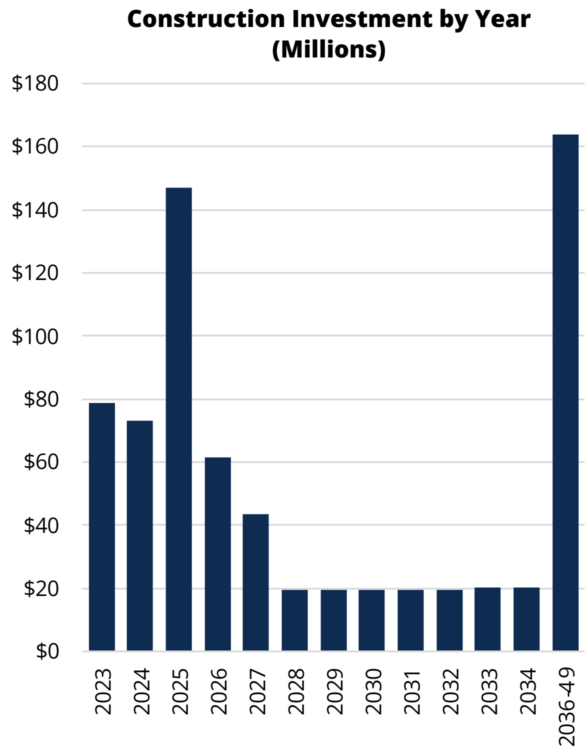
These impacts include direct impacts (jobs and spending occurring directly in the TIA), as well indirect and induced impacts. Indirect impacts are secondary impacts generated by the portion of direct expenditures that are spent on goods and services provided by local businesses. Induced impacts are secondary impacts generated by local expenditures made by employees who received personal income from the direct and indirect expenditures. The induced impacts are often referred to as the "multiplier effect" as the initial direct expenditures are re-spent multiple times, rippling through the local economy.

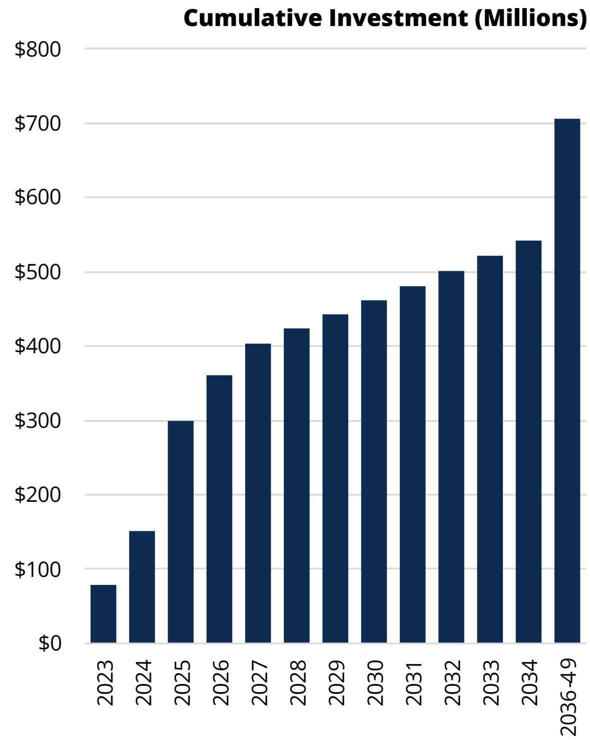
To model the economic impacts of various activities, Johnson Economics utilized the IMPLAN (IMPact for PLANning)[5] economic multiplier model. IMPLAN is an economic impact model designed for analyzing the effects of industry activity (employment, income, or business revenues) upon all other industries in an economic area.

Private development activity in the area would be expected to exceed $700 million in tax year 2023 dollars over the next 25 years. Of that, over $222 million is currently under construction, planned, or in the permitting process, expected to be completed over the next five years. Additionally, construction spending on public infrastructure projects that would be funded in part or whole by the proposed TIA is expected to total $89.4 million (2023$). Exhibit 17 illustrates these planned expenditures within the TIA over time.

[4] This section was completed in May 2023, and does not reflect the addition of project K, Fire Station Land Purchase to the TIA public improvement list, added in October 2023.
[5] Minnesota IMPLAN Group (MIG), Stillwater, Minnesota

Exhibit 17. Summary of Predicted Construction Investment by Year, Proposed Ridgefield TIA (2023 $)





Source: Johnson Economics

To evaluate the temporary construction impacts of the proposed development programs, we calculated the ***total*** construction spending of the project measured as a direct industry change in construction of new nonresidential and residential commercial structures. Estimated construction expenditures were converted into estimated contributions to employment income and output at the Clark County level (Exhibit 18) Key findings include:

- Construction spending would translate into an estimated 6,402 direct full-time equivalent (FTE) jobs over the construction period. Direct jobs would pay an estimated average of roughly $62,700 per FTE for wages and benefits.
- Because the development period is estimated to extend over multiple years, the direct construction jobs projected would likely represent some of the same employees, employed throughout the project lifecycle over multiple buildings/phases.
- Each direct construction job would support approximately 0.46 indirect and induced jobs during the construction period. This translates into roughly 2,972 FTE jobs and labor income of $151.4 million during the construction period.
- The total estimated economic impacts (direct, indirect, and induced) from the construction phase are roughly 9,374 FTE positions and $552.7 million in labor income (2023$). The average annual impact over the 25-year period would be 375 FTE positions and $22.1 million in labor income.

Exhibit 18. Summary of Projected Impacts During Construction Phase, Proposed Ridgefield TIA (2023 $)

	Projected Impacts, Clark County (2023 $)			
	Employment	**Labor Income**	**Value Added**	**Output**
Construction				
Direct Effect	6,402	$ 401,338,673	$ 436,108,175	$ 794,107,338
Indirect Effect	1,181	$ 63,149,586	$ 91,906,795	$ 182,824,542
Induced Effect	1,791	$ 88,211,082	$ 163,752,535	$ 282,226,179
Total Effect	**9,374**	**$ 552,699,341**	**$ 691,767,505**	**$ 1,259,158,059**

Source: Johnson Economics, based on assumed future development forecasts

The preceding table also summarizes projected impacts on value added and output. The following is a brief description of what these terms represent:

- **Output** is the value of an industry's production. It can be measured in two ways: from the sales (income) perspective or the expenditures (spending) perspective. From the income perspective, output is the sum of sales to final users in the economy (gross domestic product or "GDP"), sales to other industrial (intermediate inputs), and inventory change. From the spending perspective, output is the sum of an industry's "value added" and intermediate inputs.
- **Value added** is defined as the total market value of all final goods and services produced within a region in a given period of time. It is the sum of all added value at every stage of production of all final goods and services produced within a country in a given period of time. In other words, it is the wealth created by industry activity. Value added in a social accounting matrix model such as IMPLAN is equal to GDP.

Following development, the completed structures would be expected to provide for ongoing impacts to the local and regional economy. Employees at the office and retail spaces would be expected to generate income that would circulate in the local economy, supporting additional employment and tax revenues. The program at full buildout would be expected to contain a mix of retail and office space, with an overall direct investment of $705 million in construction. These impacts are summarized in Exhibit 19. Key findings include:

- On an ongoing basis, the study area would be expected to accommodate 1,890 employees, with direct labor income of $64.1 million and $216.7 million in economic output.
- The associated ancillary indirect and induced impacts would be estimated to account for 480 jobs and $23.9 million in labor income.
- The total annual impact would be estimated to be 2,370 full-time equivalent positions with annual labor income in current dollars over $85.0 million.

Exhibit 19. Summary of Projected Ongoing Impacts from Operations, Proposed Ridgefield TIA (2023 $)

	Projected Annual Impacts, Clark County (2023 $)			
	Employment	Labor Income	Value Added	Output
Ongoing - Annual				
Direct Effect	1,890	$ 61,147,234	$ 104,903,187	$ 216,680,190
Indirect Effect	204	$ 10,284,655	$ 16,852,132	$ 34,419,371
Induced Effect	276	$ 13,601,699	$ 25,247,169	$ 43,514,804
Total Effect	**2,370**	**$ 85,033,589**	**$ 147,002,488**	**$ 294,614,365**

Source: Johnson Economics, based on assumed future development forecasts

The overall impacts have been separately calculated for known, short-term development projects that are actively planned and proposed. While the proposed TIA is expected to realize the level of development summarized previously, these known projects represent near-term impacts with a higher level of certainty. As summarized in Exhibit 20, known projects would be expected to support 3,677 FTE positions and $216.8 million in labor income during construction, with ongoing annual employment of 749 with associated labor income of $26.9 million.

Exhibit 20. Summary of Impacts, Known Projects and Infrastructure, Ridgefield TIA (2023 $)

	Projected Impacts, Clark County (2023 $)			
	Employment	Labor Income	Value Added	Output
Construction				
Direct Effect	2,511	$ 157,434,563	$ 171,073,721	$ 311,507,338
Indirect Effect	463	$ 24,771,915	$ 36,052,609	$ 71,717,240
Induced Effect	703	$ 34,602,878	$ 64,235,795	$ 110,709,877
Total Effect	**3,677**	**$ 216,809,356**	**$ 271,362,124**	**$ 493,934,455**
	Projected Annual Impacts, Clark County (2023 $)			
	Employment	**Labor Income**	**Value Added**	**Output**
Ongoing - Annual				
Direct Effect	597	$ 19,313,721	$ 33,134,301	$ 68,439,738
Indirect Effect	64	$ 3,248,470	$ 5,322,847	$ 10,871,565
Induced Effect	87	$ 4,296,178	$ 7,974,470	$ 13,744,412
Total Effect	**749**	**$ 26,858,369**	**$ 46,431,618**	**$ 93,055,715**

Source: Johnson Economics, based on assumed future development forecasts

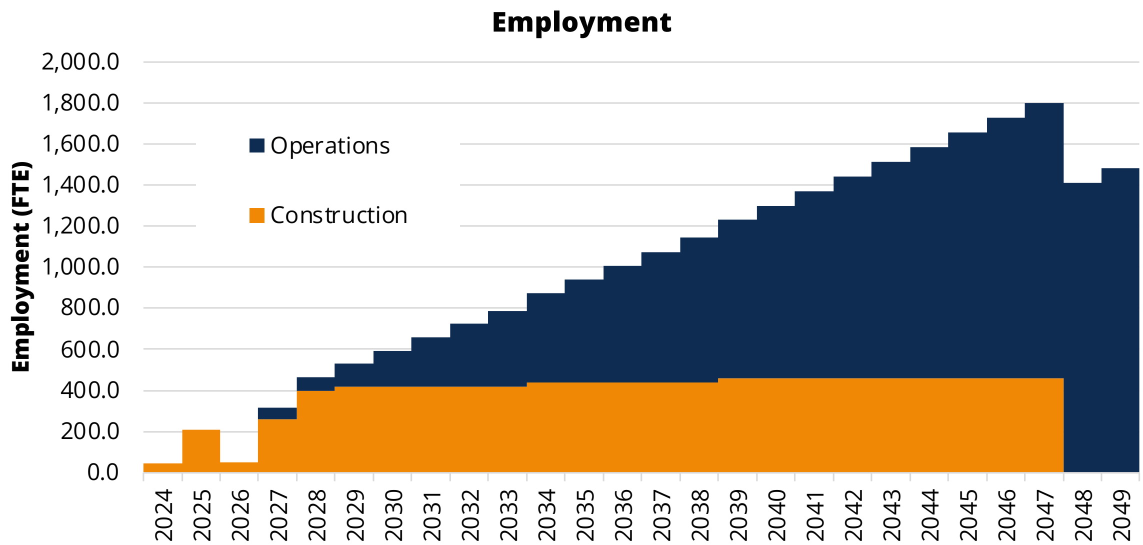
Construction and operation of the multiple development programs in the study area would support a sizable number of jobs directly, as well as having significant indirect and induced impacts. Exhibit 21 and Exhibit 22 show the construction and ongoing operation of developments in the area would be estimated to support over 24,433 full time equivalent positions through 2049, reflecting average annual support of approximately 977 jobs, with roughly $57.5 million per year in labor income in nominal dollars.

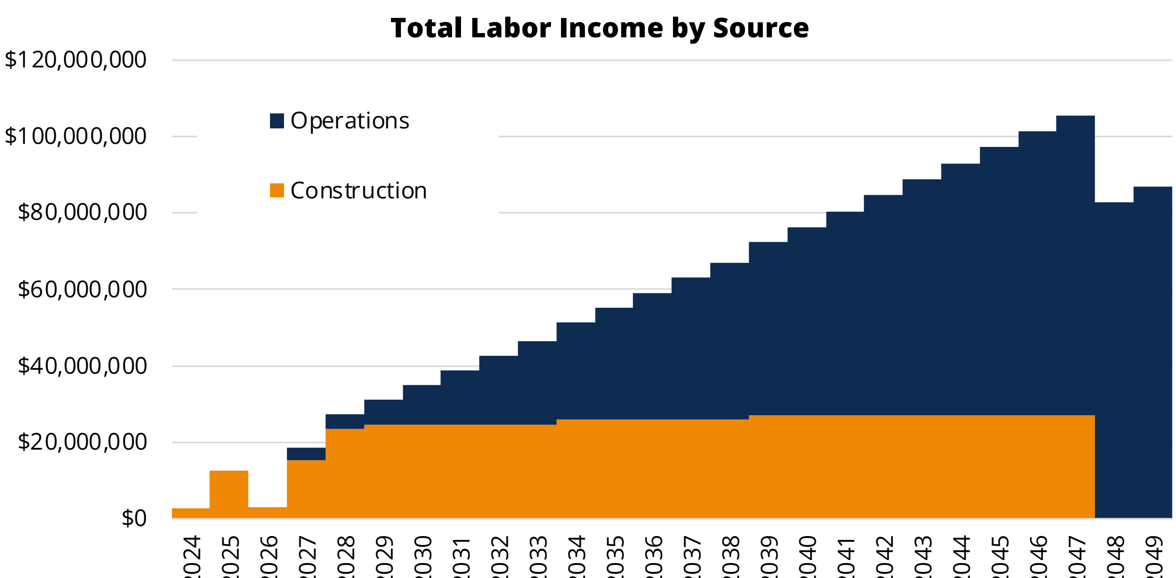
Exhibit 21. Summary of Average Annual Impacts Through 2049, Proposed Ridgefield TIA (2023 $)

	Employment	Payroll
Direct Effect	736.4	$ 31,593,813
Indirect Effect	99.1	$ 11,273,496
Induced Effect	141.8	$ 14,587,515
Total	**977.3**	**$ 57,454,824**

Source: Johnson Economics, based on assumed future development forecasts

Exhibit 22. Summary of Projected Impacts over Time, Proposed Ridgefield TIA (2023 $)





Source: Johnson Economics, based on assumed future development forecasts

4.2 Fiscal Impacts[6]

In addition to economic impacts, development, and operation of the various development parcels in the proposed TIA would have fiscal implications for the City of Ridgefield, Clark County, other local service providers, and the State of Washington. These impacts include sales tax, property taxes, income and business taxes, and development charges and fees.

Sales taxes would represent the most significant fiscal contribution, during both the construction and ongoing phases. The next largest source of local and state tax revenue would be property taxes, while the federal government would be expected to realize a substantive level in income taxes.

Exhibit 23 and Exhibit 24 present an estimate of tax contributions, such as income and business taxes, from the construction and operations based on the modeling assumptions in the IMPLAN scenarios. Estimates are broken down by federal vs. state and local contributions. These fiscal impacts exclude direct property taxes, as property tax revenue from the planned development within the TIA is calculated and reported separately in this report. While direct property taxes are excluded from the tables below, the analysis does include some property taxes from indirect and induced activity that occurs outside of the proposed TIA. Key findings include:

- Through the construction period, the projects would be expected to contribute $104.3 million at the federal level, and $26.5 million in state and local tax revenues (excluding property taxes).
- When completed and operational, the combined program would be expected to generate $3.4 million per year in state and local taxes (excluding property taxes), while generating $7.2 million in federal taxes.
- Sales taxes would represent the largest source of state and local revenue, with close to $19.5 million in sales taxes during construction and an additional $2.7 million per year going forward.

[6] This section was completed in May 2023, and does not reflect the addition of project K, Fire Station Land Purchase to the TIA public improvement list, added in October 2023.

Exhibit 23. Summary of Anticipated Tax Revenues Associated with Construction (2023 $)

Description	Employee & Proprietor Compensation	Tax on Production and Imports	Households	Corporations	Total
Federal					
Social Ins Tax- Employee Contribution	$ 28,208,796				$ 28,208,796
Social Ins Tax- Employer Contribution	$ 31,527,628				$ 31,527,628
Tax on Production and Imports: Excise Taxes		$ 1,596,303			$ 1,596,303
Tax on Production and Imports: Custom Duty		$ 673,572			$ 673,572
Tax on Production and Imports: Fed NonTaxes		$ -			$ -
Corporate Profits Tax				$ 6,373,602	$ 6,373,602
Personal Tax: Income Tax			$ 35,915,356		$ 35,915,356
Total Federal Tax	**$ 59,736,424**	**$ 2,269,875**	**$ 35,915,356**	**$ 6,373,602**	**$ 104,295,257**
State and Local					
Dividends				$ 33,470	$ 33,470
Social Ins Tax- Employee Contribution	$ 143,087				$ 143,087
Social Ins Tax- Employer Contribution	$ 253,654				$ 253,654
Tax on Production and Imports: Sales Tax		$ 19,474,970			$ 19,474,970
Tax on Production and Imports: Motor Vehicle Lic		$ 251,396			$ 251,396
Tax on Production and Imports: Severance Tax		$ 53,364			$ 53,364
Tax on Production and Imports: Other Taxes		$ 2,282,088			$ 2,282,088
Tax on Production and Imports: S/L NonTaxes		$ 1,093,067			$ 1,093,067
Corporate Profits Tax					$ -
Personal Tax: Income Tax					$ -
Personal Tax: NonTaxes (Fines- Fees			$ 1,901,947		$ 1,901,947
Personal Tax: Motor Vehicle License			$ 595,557		$ 595,557
Personal Tax: Other Tax (Fish/Hunt)			$ 225,853		$ 225,853
Total State and Local	**$ 396,741**	**$ 23,154,885**	**$ 2,723,357**	**$ 33,470**	**$ 26,308,453**

Note: Excludes Property Taxes

Source: Johnson Economics, Minnesota IMPlan Group, based on assumed future development forecasts

Exhibit 24. Summary of Anticipated Ongoing Tax Revenues, Excluding Property Taxes (2023 $)

Description	Employee & Proprietor Compensation	Tax on Production and Imports	Households	Corporations	Total
Federal					
Social Ins Tax- Employee Contribution	$ 1,695,908				$ 1,695,908
Social Ins Tax- Employer Contribution	$ 1,903,955				$ 1,903,955
Tax on Production and Imports: Excise Taxes		$ 223,016			$ 223,016
Tax on Production and Imports: Custom Duty		$ 94,103			$ 94,103
Tax on Production and Imports: Fed NonTaxes					$ -
Corporate Profits Tax				$ 1,182,878	$ 1,182,878
Personal Tax: Income Tax			$ 2,154,974		$ 2,154,974
Total Federal Tax	**$ 3,599,863**	**$ 317,119**	**$ 2,154,974**	**$ 1,182,878**	**$ 7,254,834**
State and Local					
Dividends				$ 6,212	$ 6,212
Social Ins Tax- Employee Contribution	$ 8,641				$ 8,641
Social Ins Tax- Employer Contribution	$ 15,318				$ 15,318
Tax on Production and Imports: Sales Tax		$ 2,720,801			$ 2,720,801
Tax on Production and Imports: Motor Vehicle Lic		$ 35,122			$ 35,122
Tax on Production and Imports: Severance Tax		$ 7,455			$ 7,455
Tax on Production and Imports: Other Taxes		$ 318,825			$ 318,825
Tax on Production and Imports: S/L NonTaxes		$ 152,710			$ 152,710
Corporate Profits Tax					$ -
Personal Tax: Income Tax					$ -
Personal Tax: NonTaxes (Fines- Fees			$ 114,120		$ 114,120
Personal Tax: Motor Vehicle License			$ 35,734		$ 35,734
Personal Tax: Other Tax (Fish/Hunt)			$ 13,552		$ 13,552
Total State and Local	**$ 23,959**	**$ 3,234,913**	**$ 163,406**	**$ 6,212**	**$ 3,428,490**

Note: Excludes Property Taxes
Source: Johnson Economics, Minnesota IMPlan Group, based on assumed future development forecasts

4.3 Affordable and Low-Income Housing

The proposed TIA is anticipated to have a substantial impact on affordable and low-income housing in the region. The proposed TIA may have minor impacts on housing affordability due to indirect impacts on housing affordability associated with economic activity generated within the proposed TIA.

Housing Construction in the TIA

New construction within the proposed TIA is expected to primarily consist of commercial land uses. Of the 21 known developments in the TIA, only two projects are expected to include residential units. The Lahti Mixed-Use development includes 54 single-family townhomes, which are expected to be completed in 2027. Kirkland Senior Living is expected to include 148 age-restricted multifamily units, with completion expected in 2025. Both projects are expected to provide market-rate units. The new construction is anticipated to be privately funded.

Although there are no known low-income housing units anticipated to be built within the proposed TIA, the market-rate construction within the proposed TIA could still help to improve housing affordability in the region. Housing prices are determined based on the factors of supply and demand. Thus, any new construction of housing units in the region that increases housing supply should reduce price pressure in the local housing market. Indeed, most housing economists identify a persistent lack of new construction in past years for the rapid increases in home values in recent years.

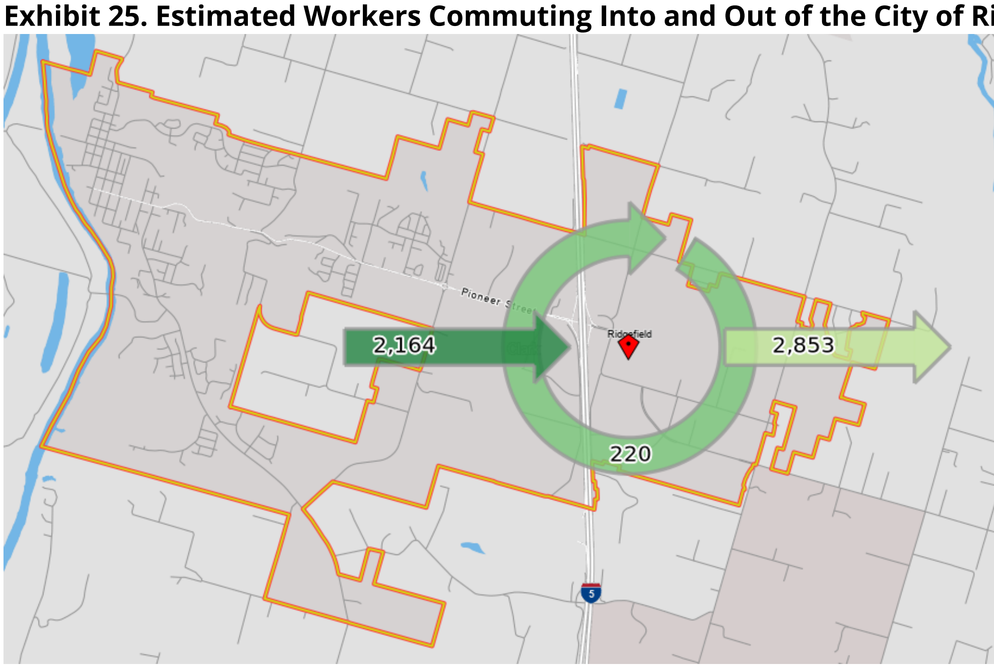
The process by which construction of new market-rate homes helps to improve housing affordability is known as "filtering." Construction of a new market-rate home allows a household to move out of a lower-quality, existing home to purchase the new home. The previous home occupied by that household is now vacant, and available to another household at a lower price than the new home. Thus, constructing new homes at virtually any price point should ultimately improve the availability of homes at all income levels.

Impacts on Housing Affordability from Economic Activity

Evaluations of housing affordability often focus on the cost of housing, but affordability is defined as the ability of someone to pay for a good or service. Thus, this evaluation of housing affordability also considers household incomes. Increases in household income would increase the ability of households to pay for housing, thus increasing housing affordability. The economic impacts generated by the new development anticipated within the proposed TIA would be expected to lead to increases in household incomes, helping to support regional housing affordability.

The Ridgefield area is a relatively well-balanced community in terms of jobs and housing. An estimated 2,164 workers were estimated to commute into the City for employment in 2019, while 2,853 commuted to jobs outside of the community. These commuting patterns are shown in Exhibit 25.

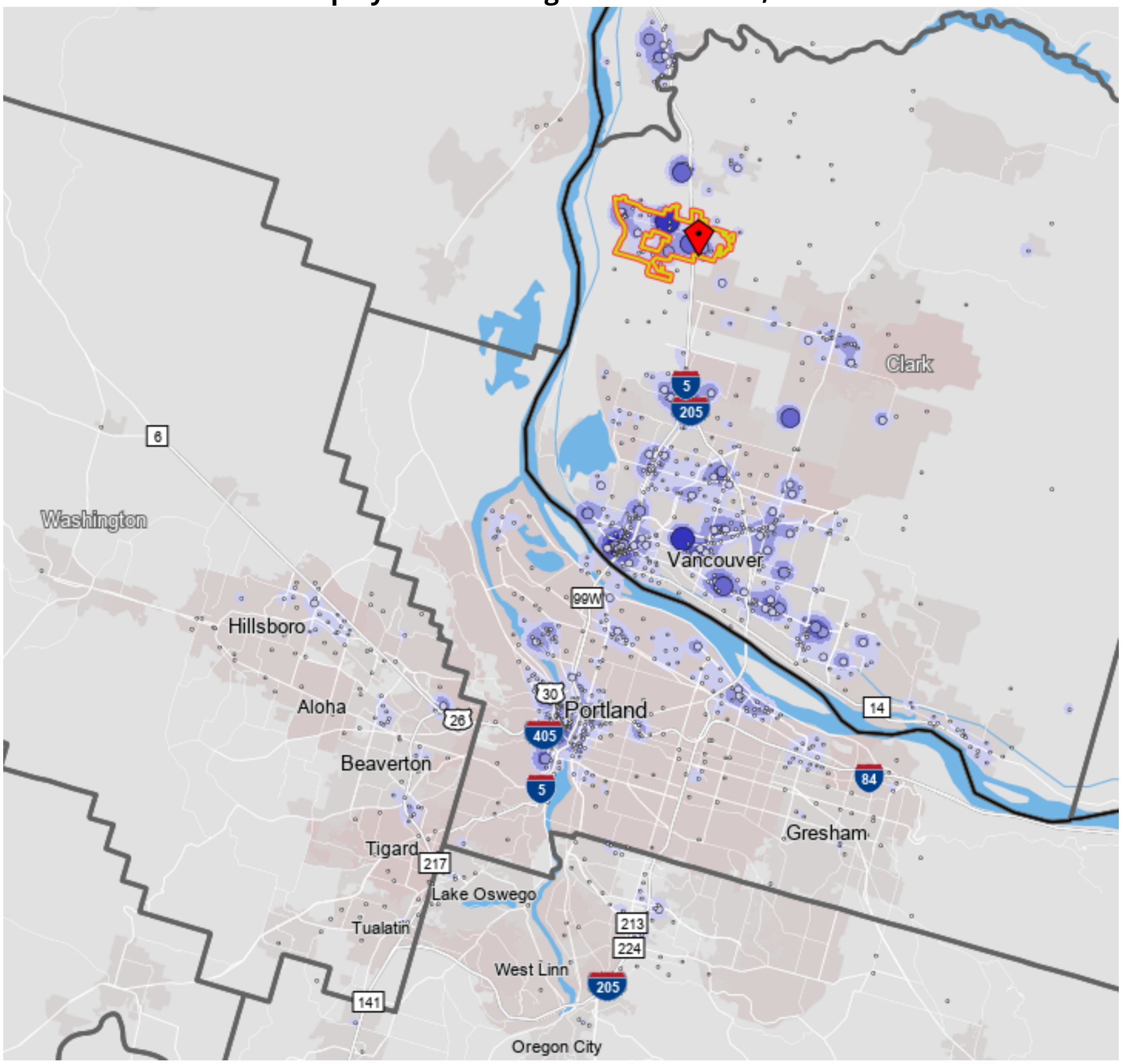
Exhibit 25. Estimated Workers Commuting Into and Out of the City of Ridgefield, 2019



Source: US Census Bureau, LEHD Database

Exhibit 26 shows the locations of employment for Ridgefield residents. Ridgefield residents who commute out of the City for employment are largely employed in Vancouver to the south, as well as further south in Portland. Development of the proposed TIA would provide additional employment opportunities in Ridgefield, which could reduce the need for local residents to commute. The resulting reduction in commute times and expenditures can provide substantial financial benefits, increasing the level of income available to meet housing needs.

Exhibit 26. Location of Employment for Ridgefield Residents, 2019



Source: US Census Bureau, LEHD Database

4.4 Local Business Community

Positive economic impacts to the local business community are captured in the economic impact analysis described previous in this report in Section 4.1. Additionally, the City engaged in individual interviews with two key developers in the proposed TIA boundary and provided a briefing to the Ridgefield Chamber of Commerce on July 26, 2023, receiving the following input:

- All interviewees were supportive of the public projects in the proposed TIA.
- There was no opposition to using the tax increment financing tool. There was overall approval that the tool would allow the improvements to be constructed earlier than if the tool was not used.
- The new private development will have a substantial positive impact on the Ridgefield business community by providing infrastructure upgrades that will allow property to develop and will bring more jobs and commerce to Ridgefield.

City staff provided information to the Columbia River Economic Development Council (CREDC) about the proposed TIA. The CREDC provided a letter of support of the TIA, which is included in Appendix D along with all other letters received from interested parties.

For a complete summary of all public outreach efforts related to the proposed TIA, see Appendix B.

4.5 Local School District

As stated earlier in this report, the property tax levies for the Ridgefield 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 reduce the levy rate for local school levies. Exhibit 27 shows the forecasts of the future property tax revenues that could be generated for state levies over the 25-year duration of the proposed TIA. Development within the proposed TIA would be estimated to generate $32.0 million in property tax revenues for State school funding over the 25-year forecast period.

Exhibit 27. Property Tax Revenues for State Schools, Proposed Ridgefield TIA (Nominal $)

Tax Year	Increment Value	State Schools - Original Levy Rate	State Schools - Original Revenue	State Schools Part 2 Levy Rate	State Schools Part 2 Revenue	Total Revenue from Increment
2025	$ 4,816,680	$ 1.417666	$ 6,828	$ 0.759507	$ 3,658	**$ 10,487**
2026	$ 35,674,578	$ 1.370768	$ 48,902	$ 0.734382	$ 26,199	**$ 75,100**
2027	$ 107,587,295	$ 1.325421	$ 142,598	$ 0.710087	$ 76,396	**$ 218,995**
2028	$ 306,484,004	$ 1.281575	$ 392,782	$ 0.686597	$ 210,431	**$ 603,213**
2029	$ 401,689,944	$ 1.239178	$ 497,765	$ 0.663883	$ 266,675	**$ 764,441**
2030	$ 448,781,049	$ 1.198185	$ 537,723	$ 0.641921	$ 288,082	**$ 825,805**
2031	$ 500,329,196	$ 1.158510	$ 579,636	$ 0.620665	$ 310,537	**$ 890,173**
2032	$ 555,415,385	$ 1.120149	$ 622,148	$ 0.600114	$ 333,312	**$ 955,460**
2033	$ 614,253,653	$ 1.083058	$ 665,272	$ 0.580242	$ 356,416	**$ 1,021,688**
2034	$ 677,070,138	$ 1.047195	$ 709,024	$ 0.561029	$ 379,856	**$ 1,088,880**
2035	$ 744,103,733	$ 1.012519	$ 753,419	$ 0.542452	$ 403,640	**$ 1,157,060**
2036	$ 817,200,903	$ 0.978929	$ 799,981	$ 0.524456	$ 428,586	**$ 1,228,567**
2037	$ 895,177,497	$ 0.946452	$ 847,243	$ 0.507057	$ 453,906	**$ 1,301,149**
2038	$ 978,324,642	$ 0.915053	$ 895,219	$ 0.490235	$ 479,609	**$ 1,374,828**
2039	$ 1,066,949,785	$ 0.884696	$ 943,926	$ 0.473971	$ 505,704	**$ 1,449,630**
2040	$ 1,161,377,574	$ 0.855346	$ 993,380	$ 0.458247	$ 532,198	**$ 1,525,578**
2041	$ 1,264,021,888	$ 0.826970	$ 1,045,308	$ 0.443045	$ 560,018	**$ 1,605,326**
2042	$ 1,373,359,892	$ 0.799535	$ 1,098,049	$ 0.428346	$ 588,274	**$ 1,686,323**
2043	$ 1,489,786,161	$ 0.773010	$ 1,151,619	$ 0.414136	$ 616,974	**$ 1,768,593**
2044	$ 1,613,717,230	$ 0.747365	$ 1,206,036	$ 0.400397	$ 646,127	**$ 1,852,163**
2045	$ 1,745,592,769	$ 0.722571	$ 1,261,315	$ 0.387113	$ 675,742	**$ 1,937,057**
2046	$ 1,885,876,818	$ 0.698599	$ 1,317,472	$ 0.374271	$ 705,829	**$ 2,023,301**
2047	$ 2,035,059,095	$ 0.675423	$ 1,374,526	$ 0.361854	$ 736,395	**$ 2,110,921**
2048	$ 2,193,656,366	$ 0.653016	$ 1,432,492	$ 0.349850	$ 767,450	**$ 2,199,942**
2049	$ 2,362,213,885	$ 0.631352	$ 1,491,388	$ 0.338243	$ 799,003	**$ 2,290,390**
Total			**$ 20,814,053**		**$ 11,151,016**	**$ 31,965,069**

Source: Tiberius Solutions

Development within the proposed TIA would be estimated to generate additional property tax revenues for local school funding over the 25-year forecast period. This tax revenue would not result in a net increase in total tax revenue for the local school district, but rather would reduce the levy rate that the school district imposes to produce the approved annual levy amounts for debt service and enrichment.

4.6 Local Fire Service

Exhibit 12 shown earlier in this report summarized the impact from foregone property tax revenue the proposed TIA is expected to have on each taxing district, including Clark-Cowlitz Fire Rescue. These annual impacts would be estimated to begin at 41,000 per year in 2026, increasing over time to $1,234,000 in 2049, the final year of the proposed TIA. Cumulatively, it is estimated Clark-Cowlitz Fire Rescue would forego $17.3 million of property tax revenue over the 25-year life of the TIA, or an average of $690,000 per year. The Clark-Cowlitz Fire Rescue EMS levy would also be impacted by foregone property tax revenue to the proposed TIA. The levy is only approved for a limited duration, through 2028. During this time, the levy would forego a total of $180,832 of property tax revenue, or an average of $45,208 per year for the four impacted years.

RCW requires any TIA to include a mitigation plan if the TIA will impact at least 20 percent of the assessed value of an impacted fire district. Clark-Cowlitz Fire Rescue provides service within the proposed TIA boundary and would be the only fire service provider impacted by the proposed TIA. The total assessed value of the Clark Cowlitz Fire Rescue (Clark County portion) is $9.8 billion in 2023, and is forecast to grow to $50.0 billion by 2049. Increment value for the proposed TIA would be $0 in 2024 and is forecast to grow gradually over time to nearly $2.4 billion in 2049. Thus, the proposed TIA increment value is estimated to be less than 6% of the total assessed value for Clark-Cowlitz Fire Rescue in each year of the proposed TIA, and therefore would not require a mitigation plan. The ratio of increment value to total value for Clark-Cowlitz Fire Rescue is shown in Exhibit 28.

Exhibit 28. Forecast Proposed Ridgefield TIA Increment Value as a Share of Clark-Cowlitz Fire Rescue Total Assessed Value (Tax Year 2023 to 2049).

Tax Year	District Total AV	Ridgefield TIA Increment	% of District Total
2023	$ 9,838,265,193	$ -	0.0%
2024	$ 10,438,399,370	$ -	0.0%
2025	$ 11,075,141,731	$ 4,816,680	0.0%
2026	$ 11,717,499,952	$ 35,674,578	0.3%
2027	$ 12,397,114,949	$ 107,587,295	0.9%
2028	$ 13,116,147,616	$ 306,484,004	2.3%
2029	$ 13,876,884,178	$ 401,689,944	2.9%
2030	$ 14,681,743,460	$ 448,781,049	3.1%
2031	$ 15,518,602,837	$ 500,329,196	3.2%
2032	$ 16,403,163,199	$ 555,415,385	3.4%
2033	$ 17,338,143,501	$ 614,253,653	3.5%
2034	$ 18,326,417,681	$ 677,070,138	3.7%
2035	$ 19,371,023,488	$ 744,103,733	3.8%
2036	$ 20,436,429,780	$ 817,200,903	4.0%
2037	$ 21,560,433,418	$ 895,177,497	4.2%
2038	$ 22,746,257,256	$ 978,324,642	4.3%
2039	$ 23,997,301,406	$ 1,066,949,785	4.4%
2040	$ 25,317,152,983	$ 1,161,377,574	4.6%
2041	$ 26,709,596,397	$ 1,264,021,888	4.7%
2042	$ 28,178,624,199	$ 1,373,359,892	4.9%
2043	$ 29,728,448,530	$ 1,489,786,161	5.0%
2044	$ 31,363,513,199	$ 1,613,717,230	5.1%
2045	$ 33,088,506,425	$ 1,745,592,769	5.3%
2046	$ 34,908,374,278	$ 1,885,876,818	5.4%
2047	$ 36,828,334,863	$ 2,035,059,095	5.5%
2048	$ 38,853,893,281	$ 2,193,656,366	5.6%
2049	$ 40,990,857,412	$ 2,362,213,885	5.8%

Source: Tiberius Solutions

Voluntary Mitigation

Given the potential need for mitigation in the future, the City Council may voluntarily choose to include language related to mitigation in the ordinance that establishes the TIA. The City has been working in good faith to propose voluntary mitigation measures, but at the time of the writing of this report, the City has not come to agreement with Clark-Cowlitz Fire Rescue on those measures. One voluntary mitigation measure to be undertaken by the City is the acquisition of land for a fire service capital facility on a mutually-agreeable site that will provide service to benefit properties within the TIA.

5 Evaluation of Risk Factors

Certain statements contained in this document reflect not historical facts but forecasts and forward-looking statements. All projections, forecasts, assumptions, and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this report. All forward-looking statements are inherently subject to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been projected. Such risks and uncertainties include, among others, changes in regional, domestic, and international political, social, and economic conditions; federal, state, and local statutory and regulatory initiatives; litigation, population changes; technological change; and various other events, conditions, and circumstances, many of which are beyond the control of the City.

Per RCW 39.114.010(6)(e), the Office of the State Treasurer reviewed a draft version of this report, and provided the City with comments and recommendations related to the risks of the proposed financing plan in their Tax Increment Financing Project Analysis Review, included as Appendix E. Additionally, a memorandum addressing the recommendations from the Office of the State Treasurer is included as Appendix F.

5.1 General Economic Conditions

The City monitors economic changes in the region and on the national landscape. The City has seen reduced single-family residential permits issued in 2022 when compared to the previous two years. Current land use applications are up for commercial retail projects. Many businesses continue to struggle to fill job openings and supply chain issues have caused inflationary pressures on residents and the City. The City has seen increased costs for public works construction projects, basic services and supplies that support the public services provided to Ridgefield residents.

5.2 Future Assessed Values and Tax Rates

This report forecasts future property tax allocation revenues based on the assumed timing and value of new construction in the proposed TIA, future appreciation of those properties once they have been constructed, and future changes in property tax rates applicable to the calculation of tax allocation revenues. All of these factors are subject to uncertainty, and future tax allocation revenues could be higher or lower than forecast in this report. Factors that could result in lower collections of tax allocation revenues include:

- **Delays in construction of private projects in the proposed TIA.** The proposed TIA is limited to 25 years of tax allocation revenue collection. Any delay in private construction would reduce the total amount of tax allocation revenues collected during the 25-year duration.

- **Lower than anticipated valuation of private projects in the proposed TIA.** This report estimates the value of new construction based on assumed construction costs. The Clark County Assessor would ultimately determine the value of new construction, in part, based on the net operating income of the properties at stabilization. It is likely that the Assessor would determine the market value of improvements in the proposed TIA would exceed their construction costs, but the actual determination of value depends on market conditions at the time the new construction is added to the tax roll. If the Assessor values new construction in the proposed TIA at less than the amounts assumed in this report, it would reduce the total amount of tax allocation revenues collected during the 25-year duration.
- **Lower appreciation of property values for properties inside the proposed TIA than countywide.** The rate of appreciation of property values countywide determines annual changes in applicable tax rates. This report assumes property values inside the proposed TIA would appreciate at the same rate as properties countywide. If properties in the proposed TIA appreciate at a faster rate than countywide, it would increase the total amount of tax allocation revenues collected during the 25-year duration. However, if properties in the proposed TIA appreciate more slowly than properties countywide, it would reduce the total amount of tax allocation revenues collected during the 25-year duration.

5.3 Future Public Costs of Construction and/or Borrowing

This report estimates the future timing and value of construction of public projects partially or fully funded by the proposed TIA. The actual timing and cost of these projects is uncertain and could be affected by factors outside of the City's control. The terms of future indebtedness are also uncertain. Changes in interest rate, amortization period, and other factors could result in a total cost of borrowing that exceeds the assumptions used in this report. Borrowing assumptions in this report were developed with the assistance of the City's financial advisors and reflect conservative financing assumptions based on current market conditions.

Ultimately, if public construction costs are higher than anticipated or the cost of borrowing is higher than anticipated in this report, the City could cover those higher costs by allocating more of its general tax levy than is forecast in this report. Alternatively, the City could seek other funding sources or eliminate or redesign elements of the public improvements to reduce the total cost to the City.

5.4 Other City Revenues

The City would expect to pay a portion of the costs of the public infrastructure in the proposed TIA with other legally available City revenues. General economic conditions, in addition to conditions within the proposed TIA could affect taxable sales, real estate transactions, and other taxable events. The City would be obligated to pay debt service on its limited tax general obligation bonds even if City revenues are negatively affected by these or other conditions.

5.5 Non-Voted Debt Limit

The City's ability to issue limited tax general obligation bonds is limited by assessed value within the City at the time the bonds are issued. A decline in assessed value in the City, or growth that is slower than expected, could constrain the City's non-voted debt capacity and ability to finance proposed TIA (and other) projects with non-voted debt. If the City is required to fund a greater share of project costs on a pay-go basis due to debt capacity constraints, the pace of the investment may be slowed with resulting impacts on private development.

5.6 Seismic Activity and Other Natural Disasters

The City can give no assurance regarding the effect of an earthquake, a tsunami from seismic activity in Washington or in other areas, a volcano, mudslide, or other natural disaster, or that surrounding facilities and infrastructure could or would be rebuilt and reopened in a timely manner following a major earthquake or other natural disaster.

5.7 Initiatives and Referenda

In recent years, there have been a number of initiatives filed in the State, including initiatives targeting fees and taxes imposed by local governments or subjecting local governments to additional requirements. The City cannot predict whether this trend will continue, whether any filed initiatives will receive the requisite signatures to be certified for the ballot, whether such initiatives will be approved by the voters, whether, if challenged, such initiatives will be upheld by the courts and whether any current or future initiative could have a material adverse impact on the City's finances or operations.

5.8 City of Ridgefield's Approach to Financial Uncertainty

The City has considered all of the issues identified above. The City intends to secure the debt with a pledge of both tax allocation revenues and the City's general tax levy. Some of the potential risk factors could be addressed by delaying the timing of the proposed indebtedness or reducing the list of projects to be funded by the indebtedness. The City anticipates incurring the indebtedness in 2024 when multiple private development projects within the proposed TIA should either be completed or under construction. If those private construction efforts are delayed or substantially reduced in value, the City could choose to alter their approach to the planned indebtedness. The City has considered, and will continue to consider alternative financing structures that may be employed to address any of the risk factors identified in this report.

Appendix A: Tax lots included in the Proposed Ridgefield TIA Boundary

2022 Values for 2023 Taxes

Property Identification Number	Tax Code Area	Total Market Value	Total Taxable Value	Acres	Zone
213954000	122000	$230,670	$230,670	0.9	CRB
213955000	122000	$213,290	$213,290	0.3	CCB
213956001	122000	$1,223,530	$1,223,530	5.2	CRB
213959000	122000	$191,840	$803	2.2	CCB
213960000	122000	$3,390,530	$11,447	20.5	CCB
213961000	122000	$321,530	$0	3.6	CCB
213962000	122000	$2,860	$0	0.0	CCB
213968000	122000	$1,250,480	$1,250,480	0.7	CCB
213969000	122000	$370,865	$370,865	8.2	E
213970000	122000	$424,050	$0	0.6	CCB
213971000	122000	$963,050	$963,050	2.4	CRB
213976000	122000	$1,086,910	$1,086,910	4.5	CRB
213978000	122000	$2,678,390	$2,678,390	21.7	CRB
213983000	122000	$210,760	$210,760	0.7	CRB
213989000	122000	$2,328,926	$128,570	33.3	E
213997000	122000	$873,400	$873,400	2.0	CCB
213998000	122000	$913,660	$913,660	2.0	CCB
214001000	122000	$358,481	$358,481	1.0	CRB
214009000	122000	$366,520	$354,420	0.9	CCB
214012000	122000	$316,580	$316,580	1.0	CCB
214013000	122000	$582,780	$582,780	5.9	CRB
214014000	122000	$150,260	$0	1.4	CRB
214016000	122000	$418,000	$418,000	1.5	CRB
214018000	122000	$476,850	$476,850	4.9	CRB
214019000	122000	$769,560	$769,560	3.4	CRB
214021000	122000	$1,227,600	$1,227,600	13.9	CRB
214022000	122000	$1,258,400	$1,258,400	5.8	CCB
214026000	122000	$503,140	$0	3.6	CRB

Property Identification Number	Tax Code Area	Total Market Value	Total Taxable Value	Acres	Zone
214038000	122000	$693,550	$693,550	4.9	CRB
214039000	122000	$773,410	$773,410	5.5	CRB
214054000	122000	$419,650	$419,650	0.9	CRB
214058000	122000	$366,520	$366,520	1.5	CRB
214071000	122000	$7,151,400	$7,151,400	4.5	CCB
986052056	122000	$110,000	$0	0.3	E
986052540	122000	$962,940	$962,940	0.5	CCB
986052541	122000	$460,020	$460,020	0.8	CCB
986052542	122000	$238,040	$238,040	0.5	CCB
986052543	122000	$217,360	$217,360	0.4	CCB
986052544	122000	$551,980	$551,980	1.0	CCB
986052545	122000	$1,770,945	$1,770,945	3.9	CCB
986052546	122000	$0	$0	0.4	CCB
986052547	122000	$0	$0	0.4	CCB
986054859	122000	$1,438,700	$1,438,700	0.6	CCB
986054860	122000	$1,439,400	$1,439,400	0.6	CCB
986054861	122000	$1,439,400	$1,439,400	0.7	CCB
986054862	122000	$1,439,400	$1,439,400	0.6	CCB
986054863	122000	$0	$0	0.4	CCB
986056272	122000	$420,915	$0	0.6	CCB
986056273	122000	$984,720	$984,720	0.7	CCB
986056274	122000	$486,310	$486,310	0.5	CCB
986056275	122000	$310,805	$0	0.5	CCB
986056276	122000	$455,400	$0	0.7	CCB
986056277	122000	$580,745	$0	1.0	CCB
986056278	122000	$580,745	$0	1.0	CCB
986056279	122000	$638,825	$0	1.0	CCB
986060219	122000	$3,632,750	$3,632,750	21.4	CRB
986061643	122000	$1,385,046	$1,385,046	20.1	E
986061644	122000	$1,564,566	$1,564,566	22.4	E
986062364	122000	$200,864	$200,864	0.8	CRB
215620000	122000	$2,628,387	$890,819	27.7	E
215624000	122000	$1,943,729	$6,146	18.0	E
215605000	122000	$1,336,140	$288,923	24.8	E
215592000	122000	$861,520	$7,956	20.6	E

Property Identification Number	Tax Code Area	Total Market Value	Total Taxable Value	Acres	Zone
215396000	122000	$453,420	$3,488	11.6	E
215590000	122000	$1,183,460	$241,825	25.2	E
215593000	122000	$971,531	$3,681	11.3	E
215609000	122000	$296,252	$129,833	2.2	E
215608000	122000	$286,220	$810	2.2	E
213979000	122000	$3,408,400	$3,408,400	5.8	CRB
214069000	122000	$1,293,710	$1,293,710	3.7	CRB
214017000	122000	$778,140	$778,140	3.5	CRB
213994000	122000	$373,890	$373,890	0.9	CRB
213999000	122000	$407,770	$407,770	0.9	CRB
214068000	122000	$204,820	$204,820	0.4	CRB
986052937	122000	$623,920	$623,920	0.9	CRB
986052942	122000	$1,140,398	$1,140,398	1.7	CRB
986052940	122000	$214,665	$214,665	0.3	CRB
986052939	122000	$315,288	$315,288	0.5	CRB
986052938	122000	$254,925	$254,925	0.4	CRB
986052941	122000	$194,535	$194,535	0.3	CRB
986053060	122000	$362,230	$362,230	0.5	CRB
214215000	122000	$1,067,281	$1,067,281	7.4	E
215367000	122000	$1,389,132	$1,389,132	6.6	E
215369000	122000	$1,288,764	$1,288,764	5.5	E
214002000	122000	$665,500	$665,500	0.8	CRB
213963000	122000	$4,253,150	$4,253,150	17.6	CRB
214053015	122000	$982,300	$982,300	6.7	CRB
213973000	122000	$506,960	$495,740	4.2	E
214053000	122000	$5,599,880	$5,599,880	21.4	CRB
212790000	122019	$719,950	$719,950	16.1	E
212806000	122019	$1,469,160	$1,469,160	9.8	E
212804000	122019	$22,990	$22,990	0.3	E
212808000	122019	$234,300	$234,300	1.5	E
212770000	122019	$2,287,450	$2,287,450	19.5	E
212769000	122019	$4,209,150	$4,174,500	26.3	E
986047190	122027	$367,290	$367,290	3.7	E
214213000	122024	$1,151,194	$1,151,194	5.2	CRB
214228000	122024	$1,048,630	$3,810	10.5	CRB

Property Identification Number	Tax Code Area	Total Market Value	Total Taxable Value	Acres	Zone
214225000	122024	$393,360	$5,055	15.1	CRB
214224000	122024	$570,350	$1,198	4.1	CRB
214232000	122024	$639,760	$1,587	4.4	CRB
214199000	122024	$1,123,144	$3,311	9.6	CRB
214207000	122024	$775,544	$775,544	19.1	E
214233000	122024	$182,050	$2,195	6.1	E
214208000	122024	$710,930	$710,930	13.4	E
214231000	122024	$88,000	$1,264	4.0	E
214198000	122024	$270,490	$4,149	11.5	E
214206000	122024	$420,860	$7,195	20.0	E
214244000	122024	$93,720	$1,145	3.3	E
214237000	122024	$163,350	$1,688	5.1	E
214238000	122024	$79,200	$1,841	4.9	E
214192000	122024	$503,624	$349,088	9.4	E
214219000	122024	$2,413,840	$28,870	76.3	E
214240000	122024	$177,760	$1,740	5.0	E
214241000	122024	$161,040	$1,729	4.9	E
214239000	122024	$220,000	$1,833	5.0	E
214194000	122024	$2,319,254	$586,463	25.7	E
214229000	122024	$160,160	$160,160	3.6	E
214234000	122024	$780,640	$780,640	4.9	E
214202002	122024	$183,480	$1,655	4.7	E
215444003	122000	$608,533	$608,533	2.4	E
215444004	122000	$927,175	$927,175	4.0	E
986059599	122000	$3,348,730	$3,348,730	4.4	CCB
215336000	122000	$130,733	$130,733	1.3	E
214197000	122024	$4,745,227	$244,407	36.5	CRB
986052936	122000	$1,355,090	$1,355,090	2.0	CRB
213957000	122024	$184,030	$337	0.6	CRB
214195000	122000	$2,890,250	$0	7.6	CRB
214227000	122024	$74,800	$74,800	1.7	EM
214196000	122024	$3,833,280	$0	10.1	CRB
212803000	122019	$537,631	$537,631	2.8	E
Total		**$131,679,784**	**$91,510,746**		

Source: Tiberius Solutions with data provided by the Clark County Assessor’s Office, 2022 Values for 2023 Taxes

2023 Values for 2024 Taxes

Property Identification Number	Tax Code Area	Total Market Value	Total Taxable Value	Acres
212769000	122019	$4,591,950	$4,591,950	26.3
212770000	122019	$2,516,195	$2,516,195	19.6
212790000	122019	$650,436	$650,436	4.2
212803000	122019	$1,861,913	$1,861,913	14.6
212804000	122019	$25,289	$25,289	0.3
212806000	122019	$1,616,076	$1,616,076	9.8
212808000	122019	$257,730	$257,730	1.5
213954000	122000	$253,737	$253,737	0.9
213955000	122000	$234,619	$234,619	0.3
213956001	122000	$1,001,593	$1,001,593	9.8
213957000	122024	$202,433	$356	0.6
213959000	122000	$211,024	$850	2.2
213960000	122000	$3,331,115	$11,566	18.6
213961000	122000	$752,151	$0	3.6
213962000	122000	$3,146	$0	0.0
213963000	122000	$4,678,465	$4,678,465	17.6
213968000	122000	$1,375,528	$1,375,528	0.7
213969000	122000	$40,777	$40,777	8.2
213970000	122000	$466,455	$466,455	0.6
213971000	122000	$1,059,355	$1,059,355	2.4
213973000	122000	$542,314	$542,314	4.2
213976000	122000	$572,089	$572,089	2.0
213978000	122000	$2,415,403	$2,415,403	15.7
213979000	122000	$3,749,200	$3,749,200	5.8
213983000	122000	$231,836	$231,836	0.7
213989000	122000	$2,557,367	$137,078	33.3
213992000	122000	$79,860	$79,860	1.8
213994000	122000	$411,279	$411,279	0.9
213997000	122000	$960,740	$960,740	2.0
213998000	122000	$1,005,026	$1,005,026	2.0
213999000	122000	$448,547	$448,547	0.9
214001000	122000	$400,578	$400,578	1.0
214002000	122000	$573,056	$573,056	0.8

Property Identification Number	Tax Code Area	Total Market Value	Total Taxable Value	Acres
214009000	122000	$389,862	$389,862	0.9
214012000	122000	$348,238	$348,238	1.0
214013000	122000	$641,058	$641,058	5.7
214014000	122000	$165,286	$0	1.4
214016000	122000	$459,800	$459,800	1.5
214017000	122000	$855,954	$855,954	3.5
214018000	122000	$524,535	$524,535	4.8
214019000	122000	$846,516	$846,516	3.4
214021000	122000	$1,478,863	$1,478,863	11.1
214022000	122000	$1,384,240	$1,384,240	5.8
214026000	122000	$553,454	$0	3.6
214038000	122000	$2,211,094	$2,211,094	17.3
214039000	122000	$1,859,528	$1,859,528	10.1
214053000	122000	$6,159,868	$6,159,868	21.4
214053015	122000	$1,080,530	$1,080,530	6.7
214054000	122000	$2,192,400	$2,192,400	6.8
214058000	122000	$945,616	$945,616	4.9
214068000	122000	$225,302	$225,302	0.4
214069000	122000	$1,423,081	$1,423,081	3.7
214071000	122000	$7,866,500	$7,866,500	4.6
214192000	122024	$553,986	$378,524	9.4
214194000	122024	$2,548,179	$641,735	25.7
214195000	122000	$3,179,275	$0	7.6
214196000	122024	$4,115,410	$0	9.9
214197000	122024	$5,200,717	$265,014	35.7
214198000	122024	$297,539	$4,392	11.6
214199000	122024	$1,235,458	$3,505	9.6
214202002	122024	$201,828	$1,505	4.7
214206000	122024	$462,946	$7,610	20.0
214207000	122024	$797,559	$797,559	17.6
214208000	122024	$782,023	$782,023	13.4
214213000	122024	$1,266,313	$1,266,313	5.2
214215000	122000	$1,174,009	$1,174,009	7.4
214219000	122024	$2,655,224	$30,566	76.3
214224000	122024	$627,385	$1,268	4.1

Property Identification Number	Tax Code Area	Total Market Value	Total Taxable Value	Acres
214225000	122024	$432,696	$5,355	15.1
214227000	122024	$82,280	$82,280	1.7
214228000	122024	$1,153,493	$4,030	10.5
214229000	122024	$176,176	$176,176	3.6
214231000	122024	$96,800	$1,339	4.0
214232000	122024	$703,736	$1,679	4.4
214233000	122024	$200,255	$2,320	6.1
214234000	122024	$855,704	$855,704	4.9
214237000	122024	$179,685	$1,785	5.1
214238000	122024	$87,120	$1,950	4.9
214239000	122024	$242,000	$1,939	5.0
214240000	122024	$195,536	$1,841	5.0
214241000	122024	$177,144	$1,828	4.9
214244000	122024	$103,092	$1,212	3.3
215336000	122000	$143,806	$143,806	1.3
215367000	122000	$1,342,068	$1,342,068	6.6
215369000	122000	$1,182,321	$1,182,321	5.5
215396000	122000	$498,762	$3,692	11.6
215444003	122000	$3,298,300	$3,298,300	2.4
215444004	122000	$1,019,892	$1,019,892	4.0
215590000	122000	$1,298,806	$262,216	25.2
215592000	122000	$947,672	$8,221	20.6
215593000	122000	$1,068,684	$3,895	11.4
215605000	122000	$1,466,754	$314,355	24.8
215608000	122000	$314,842	$857	2.2
215609000	122000	$325,877	$142,796	2.3
215620000	122000	$3,619,646	$1,707,722	27.7
215624000	122000	$1,664,211	$6,506	18.0
601843000	122000	$13,310	$13,310	0.0
602965000	122000	$242	$0	0.0
606996000	122000	$1,452	$1,452	0.0
610939000	122019	$38,115	$38,115	0.0
611388000	122000	$12,342	$12,342	0.0
986044069	122000	$0	$0	0.4
986047190	122027	$404,019	$404,019	3.7

Property Identification Number	Tax Code Area	Total Market Value	Total Taxable Value	Acres
986048976	122000	$0	$0	6.9
986052056	122000	$121,000	$0	0.3
986052540	122000	$1,059,234	$1,059,234	0.5
986052541	122000	$506,022	$506,022	0.8
986052542	122000	$261,844	$261,844	0.5
986052543	122000	$239,096	$239,096	0.4
986052544	122000	$607,178	$607,178	1.0
986052545	122000	$2,796,855	$2,796,855	3.9
986052546	122000	$0	$0	0.4
986052547	122000	$0	$0	0.4
986052936	122000	$1,490,599	$1,490,599	2.0
986052937	122000	$2,155,252	$2,155,252	0.9
986052938	122000	$280,418	$280,418	0.4
986052939	122000	$346,816	$346,816	0.5
986052940	122000	$236,132	$236,132	0.3
986052941	122000	$213,989	$213,989	0.3
986052942	122000	$6,365,356	$6,365,356	1.7
986053060	122000	$398,453	$398,453	0.5
986054859	122000	$1,582,600	$1,582,600	0.6
986054860	122000	$1,583,300	$1,583,300	0.6
986054861	122000	$1,583,300	$1,583,300	0.7
986054862	122000	$1,583,300	$1,583,300	0.6
986054863	122000	$0	$0	0.4
986056272	122000	$463,007	$463,007	0.6
986056273	122000	$1,083,192	$1,083,192	0.7
986056274	122000	$534,941	$534,941	0.5
986056275	122000	$341,886	$341,886	0.5
986056276	122000	$500,940	$500,940	0.7
986056277	122000	$638,820	$638,820	1.0
986056278	122000	$638,820	$638,820	1.0
986056279	122000	$702,708	$702,708	1.0
986059599	122000	$2,097,685	$2,097,685	2.9
986060219	122000	$557,387	$557,387	2.3
986061643	122000	$1,523,551	$1,523,551	20.1
986061644	122000	$1,721,023	$1,721,023	22.4

Property Identification Number	Tax Code Area	Total Market Value	Total Taxable Value	Acres
986062364	122000	$220,951	$220,951	0.8
986063164	122000	$1,762,668	$1,762,668	0.3
986063165	122000	$145,442	$145,442	0.2
986063166	122000	$740,036	$740,036	0.2
986063167	122000	$132,858	$132,858	0.2
986063168	122000	$316,246	$316,246	0.5
Total		**$156,666,601**	**$116,874,132**	

Source: Tiberius Solutions with data provided by the Clark County Assessor's Office, 2023 Values for 2024 Taxes

Appendix B: Summary of Public Outreach

Public outreach included two briefings with the general public, placing information on the Ridgefield Roundtable website, interviews and updates with representatives of local businesses, community organizations and taxing districts.

B.1 General Public

Public Briefings

As required by RCW 39.114.020(7)(a), the City held two public briefings for the community regarding the TIA project and the public improvements needed to serve the TIA. These public briefings were held on July 13, 2023, and October 26, 2023, and announced to the public at least two weeks prior to the date each briefing was held by publishing notice in The Columbian, a legal newspaper of general circulation in the City and the greater Clark County area, and by posting information on the City's website and on all of its social media sites. Each public briefing included a description of the TIA, the public improvements proposed to be financed with tax allocation revenues derived from the TIA, and a detailed estimate of tax revenues for the participating local governments and taxing districts, including the amounts allocated to the public improvements serving the TIA. The City also has provided additional briefings and copies of the Report for elected and administrative officials of the City itself, Clark County, Fort Ridgefield Library, the Port of Ridgefield and the Ridgefield School District. The following summarizes the input at the TIA Public Briefing 1:

- Four representatives of Clark Cowlitz Fire and Rescue testified that they were opposed to the TIA without some type of mitigation for the fire district.
- Two Ridgefield residents testified that they were concerned about the impact of the proposed TIA on the Clark Cowlitz Fire and Rescue.
- An officer in the Ridgefield Police Department testified that she was supportive of the TIA due to its ability to fund improvements in the infrastructure and the positive impact on the community through new development and the increased sales taxes that would support the city.

The following summarizes the input at the TIA Public Briefing 2:

(HOLD to finalize after the 2nd public briefing)

Ridgefield Roundtable Website

A list of Frequently Asked Questions (FAQs) was published on Ridgefield Roundtable (www.RidgefieldRoundtable.org/Tax-Increment-Area) as well as notices of the Public Briefings.

Additional Public Meetings

In addition to the meeting described earlier, the Ridgefield City Council held open public meetings on February 9, 2023 and May 11, 2023 to discuss the proposed TIA. These meetings were advertised in advance to the general public.

B.2 Local Businesses

The consulting team and City staff engaged in individual interviews with two key developers in the proposed TIA boundary. In addition, City staff provided a briefing to the Ridgefield Chamber of Commerce on July 26, 2023. The points below summarize that input.

- All interviewees were supportive of the public projects proposed in the TIA.
- There was no opposition to using the tax increment financing tool. There was overall approval that the tool would allow the improvements to be constructed earlier than if the tool was not used.
- The new private development will have a substantial positive impact on the Ridgefield business community by providing infrastructure upgrades that will allow property to develop and will bring more jobs and commerce to Ridgefield.

City staff provided information to the Columbia River Economic Development Council (CREDC) about the proposed TIA. The CREDC provided a letter of support of the TIA (included as part of Appendix D).

B.3 Taxing Districts/Other Governmental Agencies:

All impacted taxing districts were formally informed of the City of Ridgefield's consideration of a proposed TIA by email on May 25, 2023. The taxing districts were offered individual briefings. City staff had conversations with Clark County, Fort Vancouver Library, Clark Cowlitz Fire Rescue, the Port of Ridgefield, the Clark Regional Wastewater District and the Ridgefield School District. City staff and a member of the consulting team provided individual briefings to the Ridgefield School District (June 8), Clark County (June 29), Fort Vancouver Library (May 1), the Port of Ridgefield (June 14), the Clark Regional Wastewater District (August 25) and the Clark Cowlitz Fire Rescue at a public meeting on June 8.

The information provided was the same information as provided in the first public briefing: the reason behind creating a tax increment area, a description of the tax increment area, how tax increment financing works, the public improvements proposed to be financed with the tax allocation revenues and a detailed estimate of tax revenues for the participating local governments and taxing districts including the amounts allocated to the public improvements.

Letters of support of the TIA are included in Appendix D and were received from the Port of Ridgefield and the Clark Regional Wastewater District

Clark Cowlitz Fire Rescue expressed their concerns about the impact of the proposed TIA on their operating budget and asked for a joint Ridgefield City Council/Clark Cowlitz Fire Rescue board meeting, which was held on September 13, 2023. Staff from the City and Clark Cowlitz Fire Rescue had multiple conversations about the impact of the proposed TIA on fire service and the potential for mitigation measures.

All impacted taxing districts were also sent notices of the two public briefings. In addition, there were meetings with the Washington State Treasurer's office, the Clark County Assessor's office, Clark County Treasurer's office and the Washington Department of Revenue to ensure coordination on the project and identification of issues for the project. As required by statute, certified copies of the adopted ordinance will be sent to the county treasurer, the county assessor, and the governing body of each taxing district within which the TIA is located within ten days of the ordinance adoption.

Public outreach included two briefings with the general public, placing information on the Ridgefield Roundtable website, interviews and updates with representatives of local businesses, community organizations and taxing districts.

Appendix C: Alternate Scenario[7]

The City evaluated a more conservative financial scenario, in terms of both the anticipated growth within the TIA, and the financing terms for indebtedness incurred. This alternative scenario retained the anticipated value from the short-term known development projects in the TIA, but reduced the anticipated value of long-term speculative new construction by 50%. Additionally, the scenario increased the assumed interest rate on future LTGO bonds by 0.5%. This alternative scenario is intended to inform the City of the potential impact on tax allocation revenues and the City's general fund resources, if conditions are less favorable than anticipated.

Exhibit 29 shows the assumed value from new construction in the alternate scenario.

[7] This section was completed in May 2023 with assessment data from tax year 2023. It does not reflect assessment data for tax year 2024, released in October 2023, nor does it reflect minor boundary revisions subsequent to May 2023.

Exhibit 29. Assessed Value from New Construction, Alternate Scenario, Proposed Ridgefield TIA

	2023$				Nominal $
Tax Year	From Known Development	From Speculative Development	Expiration of Tax Exemptions	Total	Total
2025	$ -	$ -	$ 246,638	$ 246,638	$ 269,334
2026	$ 5,146,041	$ 9,240,000	$ 246,638	$ 14,632,679	$ 15,991,371
2027	$ 36,912,079	$ 9,240,000	$ 2,116,249	$ 48,268,327	$ 55,190,855
2028	$ 137,846,418	$ 9,240,000	$ 2,445,674	$ 149,532,091	$ 178,451,043
2029	$ 42,902,512	$ 9,240,000	$ 246,638	$ 52,389,149	$ 65,300,242
2030	$ -	$ 9,240,000	$ 246,638	$ 9,486,638	$ 12,368,524
2031	$ -	$ 9,690,000	$ 246,638	$ 9,936,638	$ 13,537,494
2032	$ -	$ 9,690,000	$ 246,638	$ 9,936,638	$ 14,146,682
2033	$ -	$ 9,690,000	$ 246,638	$ 9,936,638	$ 14,783,282
2034	$ -	$ 9,690,000	$ 246,638	$ 9,936,638	$ 15,448,530
2035	$ -	$ 9,690,000	$ 246,638	$ 9,936,638	$ 16,143,714
2036	$ -	$ 10,160,000	$ 246,638	$ 10,406,638	$ 17,667,245
2037	$ -	$ 10,160,000	$ 246,638	$ 10,406,638	$ 18,462,271
2038	$ -	$ 10,160,000	$ 246,638	$ 10,406,638	$ 19,293,073
2039	$ -	$ 10,160,000	$ 246,638	$ 10,406,638	$ 20,161,262
2040	$ -	$ 10,160,000	$ 246,638	$ 10,406,638	$ 21,068,519
2041	$ -	$ 10,650,000	$ 246,638	$ 10,896,638	$ 23,052,157
2042	$ -	$ 10,650,000	$ 246,638	$ 10,896,638	$ 24,089,504
2043	$ -	$ 10,650,000	$ 246,638	$ 10,896,638	$ 25,173,531
2044	$ -	$ 10,650,000	$ 246,638	$ 10,896,638	$ 26,306,340
2045	$ -	$ 10,650,000	$ 246,638	$ 10,896,638	$ 27,490,125
2046	$ -	$ 10,650,000	$ 246,638	$ 10,896,638	$ 28,727,181
2047	$ -	$ 10,650,000	$ 246,638	$ 10,896,638	$ 30,019,905
2048	$ -	$ 10,650,000	$ 246,638	$ 10,896,638	$ 31,370,800
2049	$ -	$ 10,650,000	$ 246,638	$ 10,896,638	$ 32,782,486
Total	**$ 222,807,049**	**$ 241,300,000**	**$ 10,234,585**	**$ 474,341,634**	**$ 747,295,470**

Source: Tiberius Solutions with data and input from the Clark County Assessor and City of Ridgefield

Exhibit 30 shows the assumed forecast of future growth in assessed value in the TIA with the more conservative assumptions for future construction value. The total assessed value of the TIA in its final year (2049) is estimated to be $1.7 billion, compared to nearly $2.5 billion in the baseline scenario, a reduction of nearly one-third of the total forecast value.

Exhibit 30. Assessed Value Forecast, Alternate Scenario, Proposed Ridgefield TIA (Nominal $)

Tax Year	Prior Year	PLUS: Appreciation of Existing Property	PLUS: New Construction	Total
2023				$ 90,973,115
2024	$ 90,973,115	$ 4,093,790	$ -	$ 95,066,905
2025	$ 95,066,905	$ 4,278,011	$ 269,334	$ 99,614,250
2026	$ 99,614,250	$ 4,482,641	$ 15,991,371	$ 120,088,262
2027	$ 120,088,262	$ 5,403,972	$ 55,190,855	$ 180,683,089
2028	$ 180,683,089	$ 8,130,739	$ 178,451,043	$ 367,264,871
2029	$ 367,264,871	$ 16,526,919	$ 65,300,242	$ 449,092,032
2030	$ 449,092,032	$ 20,209,141	$ 12,368,524	$ 481,669,697
2031	$ 481,669,697	$ 21,675,136	$ 13,537,494	$ 516,882,327
2032	$ 516,882,327	$ 23,259,705	$ 14,146,682	$ 554,288,714
2033	$ 554,288,714	$ 24,942,992	$ 14,783,282	$ 594,014,988
2034	$ 594,014,988	$ 26,730,674	$ 15,448,530	$ 636,194,192
2035	$ 636,194,192	$ 28,628,739	$ 16,143,714	$ 680,966,645
2036	$ 680,966,645	$ 30,643,499	$ 17,667,245	$ 729,277,389
2037	$ 729,277,389	$ 32,817,483	$ 18,462,271	$ 780,557,143
2038	$ 780,557,143	$ 35,125,071	$ 19,293,073	$ 834,975,287
2039	$ 834,975,287	$ 37,573,888	$ 20,161,262	$ 892,710,437
2040	$ 892,710,437	$ 40,171,970	$ 21,068,519	$ 953,950,926
2041	$ 953,950,926	$ 42,927,792	$ 23,052,157	$ 1,019,930,875
2042	$ 1,019,930,875	$ 45,896,889	$ 24,089,504	$ 1,089,917,268
2043	$ 1,089,917,268	$ 49,046,277	$ 25,173,531	$ 1,164,137,076
2044	$ 1,164,137,076	$ 52,386,168	$ 26,306,340	$ 1,242,829,584
2045	$ 1,242,829,584	$ 55,927,331	$ 27,490,125	$ 1,326,247,040
2046	$ 1,326,247,040	$ 59,681,117	$ 28,727,181	$ 1,414,655,338
2047	$ 1,414,655,338	$ 63,659,490	$ 30,019,905	$ 1,508,334,733
2048	$ 1,508,334,733	$ 67,875,063	$ 31,370,800	$ 1,607,580,596
2049	$ 1,607,580,596	$ 72,341,127	$ 32,782,486	$ 1,712,704,209

Note: Dollar values in this summary exhibit may differ than other exhibits in the report due to rounding
Source: Tiberius Solutions

Exhibit 31 shows the forecast of tax allocation revenues in the alternate scenario, combining the forecasts of future assessed value in the proposed TIA and applicable tax rates. Annual tax allocation revenues are expected to be $15,670 in 2025, increasing to $2.1 million in its final year in 2049. Total tax allocation revenue over 25 years is expected to equal $32.8 million, which is 25% lower than the $44.0 million forecast in the baseline scenario.

Exhibit 31. Tax Allocation Revenues, Alternate Scenario, Proposed Ridgefield TIA (Nominal $)

Tax Year	Assessed Value Total	Base Value	Increment	Levy Rate	Tax Allocation
2023	$ 90,973,115	$ 90,973,115		$ 3.683312	$ -
2024	$ 95,066,905	$ 95,066,905	$ -	$ 3.561808	$ -
2025	$ 99,614,250	$ 95,066,905	$ 4,547,345	$ 3.445910	$ 15,670
2026	$ 120,088,262	$ 95,066,905	$ 25,021,357	$ 3.331921	$ 83,369
2027	$ 180,683,089	$ 95,066,905	$ 85,616,184	$ 3.222564	$ 275,904
2028	$ 367,264,871	$ 95,066,905	$ 272,197,966	$ 3.116737	$ 848,369
2029	$ 449,092,032	$ 95,066,905	$ 354,025,127	$ 2.605687	$ 922,479
2030	$ 481,669,698	$ 95,066,905	$ 386,602,793	$ 2.520070	$ 974,266
2031	$ 516,882,329	$ 95,066,905	$ 421,815,424	$ 2.436728	$ 1,027,849
2032	$ 554,288,716	$ 95,066,905	$ 459,221,811	$ 2.356144	$ 1,081,993
2033	$ 594,014,990	$ 95,066,905	$ 498,948,085	$ 2.278223	$ 1,136,715
2034	$ 636,194,195	$ 95,066,905	$ 541,127,290	$ 2.202879	$ 1,192,038
2035	$ 680,966,648	$ 95,066,905	$ 585,899,743	$ 2.130025	$ 1,247,981
2036	$ 729,277,392	$ 95,066,905	$ 634,210,487	$ 2.059447	$ 1,306,123
2037	$ 780,557,146	$ 95,066,905	$ 685,490,241	$ 1.991209	$ 1,364,955
2038	$ 834,975,291	$ 95,066,905	$ 739,908,386	$ 1.925232	$ 1,424,496
2039	$ 892,710,441	$ 95,066,905	$ 797,643,536	$ 1.861441	$ 1,484,766
2040	$ 953,950,930	$ 95,066,905	$ 858,884,025	$ 1.799762	$ 1,545,787
2041	$ 1,019,930,879	$ 95,066,905	$ 924,863,974	$ 1.740127	$ 1,609,380
2042	$ 1,089,917,273	$ 95,066,905	$ 994,850,368	$ 1.682470	$ 1,673,805
2043	$ 1,164,137,081	$ 95,066,905	$ 1,069,070,176	$ 1.626722	$ 1,739,080
2044	$ 1,242,829,589	$ 95,066,905	$ 1,147,762,684	$ 1.572822	$ 1,805,226
2045	$ 1,326,247,046	$ 95,066,905	$ 1,231,180,141	$ 1.520706	$ 1,872,264
2046	$ 1,414,655,344	$ 95,066,905	$ 1,319,588,439	$ 1.470317	$ 1,940,214
2047	$ 1,508,334,740	$ 95,066,905	$ 1,413,267,835	$ 1.421598	$ 2,009,098
2048	$ 1,607,580,603	$ 95,066,905	$ 1,512,513,698	$ 1.374491	$ 2,078,937
2049	$ 1,712,704,216	$ 95,066,905	$ 1,617,637,311	$ 1.328946	$ 2,149,752
Total					**$ 32,810,517**

Source: Tiberius Solutions

Exhibit 32 shows the more conservative estimated terms of indebtedness for the alternate scenario. The total amount of project funds are estimated to be the same, but the true interest cost and aggregate par amount are higher than in the baseline scenario.

Exhibit 32. Estimated Terms of Indebtedness for Proposed Ridgefield TIA Public Improvements, Alternate Scenario

	Series 2024	Series 2028	Total
Closing Month	July 2024	July 2028	
Aggregate Par (Principal)	$ 24,830,000	$ 20,270,000	**$45,100,000**
Project Funds	$ 26,250,000	$ 21,825,000	**$48,075,000**
True Interest Cost	4.51%	4.11%	

Source: PFM Financial Advisors LLC

Exhibit 33 shows the estimated debt service payments in the alternate scenario. Total debt service payments are estimated to cost $82.7 million over the life of the TIA, compared to $79.7 million in the baseline scenario.

Exhibit 33. Estimated Debt Service Payments, LTGO Debt for Proposed Ridgefield TIA Public Projects (Nominal $), Alternate Scenario

	Series 2024			Series 2028			Total Debt Service
Year	Principal	Interest	Total	Principal	Interest	Total	
2024	$ -	$ 513,843	$ 513,843	$ -	$ -	$ -	**$ 513,843**
2025	$ -	$ 1,241,500	$ 1,241,500	$ -	$ -	$ -	**$ 1,241,500**
2026	$ -	$ 1,241,500	$ 1,241,500	$ -	$ -	$ -	**$ 1,241,500**
2027	$ -	$ 1,241,500	$ 1,241,500	$ -	$ -	$ -	**$ 1,241,500**
2028	$ -	$ 1,241,500	$ 1,241,500	$ -	$ 419,476	$ 419,476	**$ 1,660,976**
2029	$ -	$ 1,241,500	$ 1,241,500	$ 430,000	$ 1,002,750	$ 1,432,750	**$ 2,674,250**
2030	$ -	$ 1,241,500	$ 1,241,500	$ 540,000	$ 978,500	$ 1,518,500	**$ 2,760,000**
2031	$ 35,000	$ 1,240,625	$ 1,275,625	$ 625,000	$ 949,375	$ 1,574,375	**$ 2,850,000**
2032	$ 130,000	$ 1,236,500	$ 1,366,500	$ 655,000	$ 917,375	$ 1,572,375	**$ 2,938,875**
2033	$ 230,000	$ 1,227,500	$ 1,457,500	$ 690,000	$ 883,750	$ 1,573,750	**$ 3,031,250**
2034	$ 335,000	$ 1,213,375	$ 1,548,375	$ 725,000	$ 848,375	$ 1,573,375	**$ 3,121,750**
2035	$ 450,000	$ 1,193,750	$ 1,643,750	$ 765,000	$ 811,125	$ 1,576,125	**$ 3,219,875**
2036	$ 570,000	$ 1,168,250	$ 1,738,250	$ 800,000	$ 772,000	$ 1,572,000	**$ 3,310,250**
2037	$ 700,000	$ 1,136,500	$ 1,836,500	$ 845,000	$ 730,875	$ 1,575,875	**$ 3,412,375**
2038	$ 840,000	$ 1,098,000	$ 1,938,000	$ 885,000	$ 687,625	$ 1,572,625	**$ 3,510,625**
2039	$ 990,000	$ 1,052,250	$ 2,042,250	$ 930,000	$ 642,250	$ 1,572,250	**$ 3,614,500**
2040	$ 1,145,000	$ 998,875	$ 2,143,875	$ 980,000	$ 594,500	$ 1,574,500	**$ 3,718,375**
2041	$ 1,320,000	$ 937,250	$ 2,257,250	$ 1,030,000	$ 544,250	$ 1,574,250	**$ 3,831,500**
2042	$ 1,500,000	$ 866,750	$ 2,366,750	$ 1,080,000	$ 491,500	$ 1,571,500	**$ 3,938,250**
2043	$ 1,690,000	$ 787,000	$ 2,477,000	$ 1,135,000	$ 436,125	$ 1,571,125	**$ 4,048,125**
2044	$ 1,895,000	$ 697,375	$ 2,592,375	$ 1,195,000	$ 377,875	$ 1,572,875	**$ 4,165,250**
2045	$ 2,115,000	$ 597,125	$ 2,712,125	$ 1,255,000	$ 316,625	$ 1,571,625	**$ 4,283,750**
2046	$ 2,340,000	$ 485,750	$ 2,825,750	$ 1,320,000	$ 252,250	$ 1,572,250	**$ 4,398,000**
2047	$ 2,585,000	$ 362,625	$ 2,947,625	$ 1,390,000	$ 184,500	$ 1,574,500	**$ 4,522,125**
2048	$ 2,845,000	$ 226,875	$ 3,071,875	$ 1,460,000	$ 113,250	$ 1,573,250	**$ 4,645,125**
2049	$ 3,115,000	$ 77,875	$ 3,192,875	$ 1,535,000	$ 38,375	$ 1,573,375	**$ 4,766,250**
Total	**$ 24,830,000**	**$ 24,567,093**	**$49,397,093**	**$ 20,270,000**	**$ 12,992,726**	**$ 33,262,726**	**$ 82,659,819**

Source: PFM Financial Advisors LLC

Exhibit 34 shows the estimated annual debt service payments in the alternate scenario, including both tax allocation revenues and other general fund resources. Tax allocation revenues are expected to cover 40% of the total costs of debt service, requiring $49.8 million of other general fund resources, compared to the baseline scenario which would only require $35.7 million of general fund resources over the expected life of the TIA.

Exhibit 34. Tax Allocation Revenues and Debt Service Payments, Proposed Ridgefield TIA, Alternate Scenario

		Revenue Source		
Year	**Payment**	**Tax Allocation Revenue**	**General Fund Resources**	**Tax Allocation Revenue Debt Service Coverage**
2024	$ 513,843	$ -	$ 513,843	0.00
2025	$ 1,241,500	$ 15,670	$ 1,225,830	0.01
2026	$ 1,241,500	$ 83,369	$ 1,158,131	0.07
2027	$ 1,241,500	$ 275,904	$ 965,596	0.22
2028	$ 1,660,976	$ 848,369	$ 812,607	0.51
2029	$ 2,674,250	$ 922,479	$ 1,751,771	0.34
2030	$ 2,760,000	$ 974,266	$ 1,785,734	0.35
2031	$ 2,850,000	$ 1,027,849	$ 1,822,151	0.36
2032	$ 2,938,875	$ 1,081,993	$ 1,856,882	0.37
2033	$ 3,031,250	$ 1,136,715	$ 1,894,535	0.37
2034	$ 3,121,750	$ 1,192,038	$ 1,929,712	0.38
2035	$ 3,219,875	$ 1,247,981	$ 1,971,894	0.39
2036	$ 3,310,250	$ 1,306,123	$ 2,004,127	0.39
2037	$ 3,412,375	$ 1,364,955	$ 2,047,420	0.40
2038	$ 3,510,625	$ 1,424,496	$ 2,086,129	0.41
2039	$ 3,614,500	$ 1,484,766	$ 2,129,734	0.41
2040	$ 3,718,375	$ 1,545,787	$ 2,172,588	0.42
2041	$ 3,831,500	$ 1,609,380	$ 2,222,120	0.42
2042	$ 3,938,250	$ 1,673,805	$ 2,264,445	0.43
2043	$ 4,048,125	$ 1,739,080	$ 2,309,045	0.43
2044	$ 4,165,250	$ 1,805,226	$ 2,360,024	0.43
2045	$ 4,283,750	$ 1,872,264	$ 2,411,486	0.44
2046	$ 4,398,000	$ 1,940,214	$ 2,457,786	0.44
2047	$ 4,522,125	$ 2,009,098	$ 2,513,027	0.44
2048	$ 4,645,125	$ 2,078,937	$ 2,566,188	0.45
2049	$ 4,766,250	$ 2,149,752	$ 2,616,498	0.45
Total	**$ 82,659,819**	**$ 32,810,517**	**$ 49,849,303**	**0.40**

Source: PFM Financial Advisors LLC and Tiberius Solutions

Appendix D: Letters Received from Interested Parties

CREDC
ECONOMIC DEVELOPMENT
COLUMBIA RIVER ECONOMIC DEVELOPMENT COUNCIL
805 BROADWAY STREET SUITE 412, VANCOUVER, WA 98660 • 360.694.5006 • CREDC.ORG

September 12, 2023

Steve Stuart, City Manager
City of Ridgefield
PO Box 608
Ridgefield, WA 98642

Dear Mr. Stuart,

On behalf of the Columbia River Economic Development Council, I am writing to express our support for the City of Ridgefield's Tax Increment Financing proposal to fund needed transportation infrastructure for the Ridgefield community.

Tax Increment Financing is a welcome new resource available to fund the needed infrastructure in a ever growing Ridgefield. The proposed City TIA is centered around the intersection of I-5 and SR 501/Pioneer Street. The boundary includes an area stretching over 939.1 acres. The development of this area is vital to the City's goal to become a regional employment center for Clark County and Southwest Washington that provides above living-wage employment opportunities.

The cost of these projects is estimated to total $95.5 million and tax allocation revenues from the proposed TIA would provide key funding for these projects. The plan leverages growth into paying for its own impacts instead of adding the burden onto taxpayers. The infrastructure investments supported by the proposed TIA would support a significant level of development, with substantial employment from construction along with ongoing business activity. Impacts during the construction phase would be temporary, while the benefits from operations once construction is complete would be ongoing.

We're expecting private development activity in the area to exceed $700 million to spread over the next 25 years. Of that, over $222 million is currently under construction, planned, or in the permitting process, expected to be completed over the next five years. Additionally, construction spending on public infrastructure projects that would be funded in part or whole by the proposed TIA is expected to total $95.5 million.

Without critical infrastructure improvements, the area lacks sufficient capacity to accommodate its growth. The TIA will provide the necessary investment in infrastructure to allow the area to reach its potential as a center for employment and services.

A thriving Ridgefield contributes to a thriving Clark County and we're happy to support and partner these goals. Thank you for your dedication to increasing quality living in the City of Ridgefield. Please let me know of anything else you need.

Sincerely,

Jennifer Baker
President & CEO

CLARK REGIONAL WASTEWATER DISTRICT

Discovery Clean Water Alliance

September 12, 2023

Kirk Johnson
Finance Director
City of Ridgefield
230 Pioneer St.
Ridgefield, WA 98642

RE: City of Ridgefield Tax Increment Area (TIA)

Dear Mr. Johnson,

I am writing on behalf of the Clark Regional Wastewater District and the Discovery Clean Water Alliance to express our support for the proposed Tax Increment Area (TIA) in the City of Ridgefield. The TIA will provide the critical financial support needed to continue developing infrastructure improvements in the target area in and around the cities' access to the I-5 corridor – helping Clark County and Southwest Washington keep pace with business and population trajectories seen locally.

On behalf of Clark Regional Wastewater District and the Discovery Clean Water Alliance, we support the City of Ridgefield in your pursuit of a Tax Increment Area and send encouragement to the reviewers for their strongest consideration.

Sincerely,

David R. Logan
Finance Director/Treasurer, Clark Regional Wastewater District
Treasurer, Discovery Clean Water Alliance

DEVELOPMENT CONSTRUCTION
INVESTMENTS

To: Kirk Johnson, Finance Director for the City of Ridgefield Washington.

From: F Dean Maldonado, Owner of FDM Development.

Subject: TIA Tax Incremental Assessment

Kirk,
as a developer with over 25 years of developing large ground up projects in expanding high growth areas, this email serves as my support of the proposed TIA.

1. The goal of the developers is to construct as many retail and commercial buildings as possible in order to help absorb the cost of development. This cannot be accomplished if there is not adequate utilities and roadways to the sites and these offsite improvements are required to be paid by the Developer upfront.

2. If these improvements are done incrementally by each developer, the ability to develop these areas will take 2 to 3 times as long and may not even happen due to the upfront costs for the developer for the first part of the development to build to offsite improvements.

3. When the offsite improvement projects are constructed in its entirety all at once, versus incremental construction over an extended period, it saves time and money, and promotes the growth of the commercial development area in a much shorter time frame.

4. When the offsite improvements are not an upfront requirement of the developer it allows him to spend his capital on constructing internal onsite roadways and utilities, buildings and procure leases and tenants creating a new tax base for the city at an accelerating pace instead of spending years of figuring out how to finance the project with the upfront offsite costs.

5. This allows for development to occur but does not relieve the Developer of the cost obligation it just defers it until the project creates new taxes for the city.

In summary, the TIA relieves the upfront offsite costs that prohibits development to move forward due to the project not being economically feasible. It, however, allows for the City of Ridgefield to recoup and prosper with the new tax base increase that occurs when the new commercial projects are completed.

Sincerely,

F Dean Maldonado

8/28/2023

PORT OF RIDGEFIELD WASHINGTON
P.O. BOX 55
RIDGEFIELD WA 98642

July 5, 2023

Steve Stuart, City Manager
City of Ridgefield
PO Box 608
Ridgefield, WA 98642

Dear Mr. Stuart:

On behalf of the Port of Ridgefield, I write to express our strong support for the City of Ridgefield's Tax Increment Financing proposal to fund needed transportation infrastructure for our community.

Tax Increment Financing is a welcome new tool in the very limited toolbox available to fund infrastructure needs in Ridgefield. The city's proposal is fair, responsible, and fiscally sound. The plan leverages growth into paying for its own impacts instead of burdening taxpayers with those additional costs.

Yes, the tax revenues received by our organization are shown to be impacted negatively by the hypothetical financial models required to be reported by statute. However, if the TIF proposal isn't adopted and these improvements aren't built, that development won't take place and those revenues would never be realized anyway.

What is real? The positive effects of over $80M in planned infrastructure construction, leveraged by over $40M in TIF funding, will result in hundreds of millions of dollars in new construction and many hundreds if not thousands of new jobs. Those are the real impacts from this level of public investment, and they far exceed the costs.

The Port is confident that the city's investment will be put to work quickly and responsibly. As your community partner, we greatly appreciate you putting this proposal forward and working to address critical transportation needs.

Sincerely,

Randy Mueller
Chief Executive Officer

Appendix E. Office of the State Treasurer Review

Tax Increment Financing Project Analysis Review

— City of Ridgefield —

August 24, 2023

Office of the Treasurer
State of Washington
Mike Pellicciotti

August 24, 2023

Kirk Johnson, Finance Director
City of Ridgefield
230 Pioneer Street, P.O. Box 608
Ridgefield, WA 98642

Dear Mr. Johnson:

This letter confirms the Office of the State Treasurer's ("OST") receipt and review of the City of Ridgefield's (the "City") tax increment financing ("TIF") project analysis provided on June 1, 2023 ("Project Analysis"). OST and Montague DeRose and Associates, the state's municipal advisor, have reviewed the provided material. Based on our review, which is detailed in the sections to follow, we believe the City's Project Analysis generally addresses the topics listed in section 020(2) of RCW 39.114 (the "TIF Statute").

Please note, this review is based on the information, projections, and assumptions provided by the City and its consultants in the Project Analysis. OST has not independently verified the data or its accuracy or performed any feasibility analyses or projections of its own.

Executive Summary

The City envisions the development of Ridgefield as a regional employment center to provide a wealth of living-wage employment opportunities for City residents. The proposed tax increment area (the "TIA"), centered around the intersection of I-5 and SR 501/Pioneer Street, is intended to help the City implement this vision. The 939 acres bounded by the TIA include much of the City's vacant and developable land suitable for commercial and employment land uses.

The City's Transportation Capital Facilities Plan identified a set of transportation infrastructure improvements in the TIA, with a total cost of $95.5 million, which are critical to removing barriers to development. According to the Project Analysis, of the $95.5 million total cost, $24.9 million (26%) will be funded from developer contributions, with $22.5 million (24%) being funded from a mix of grants, traffic impact fees, and other City funds. The balance of $48.1 million (50%) will be financed from the City's issuance of Limited Tax General Obligation Bonds (the "Bonds") in 2024 and 2028. This plan of finance will result in the City utilizing almost all of its non-voted debt capacity.

Should tax allocation revenues be insufficient to fully pay the debt service on the Bonds, the full faith and credit pledge would require the City to pay the remaining debt service due on the Bonds from the City's general revenues or reserves. The City's base case structure for the Bonds assumes borrowing costs ranging from 3.74% to 4.21% and escalating annual debt service payments of $1.2 million in 2025 to $4.6 million in 2049. Total principal and interest due on the Bonds is estimated to be $79.7 million. The City acknowledged that its projected tax increment revenues are expected to be insufficient to fully cover debt service payments in both the Baseline and the Alternate Development Scenarios, as shown in table 7.

In the Baseline Development Scenario, the City expects that $44.0 million or 55% of the total debt service will be paid with tax increment revenues, with the balance of $35.7 million or 45% being paid from the City's general property tax levy or other City funds. The cost to the City's general fund is projected to average $1.4 million per year from 2025 through 2049.

In the Alternate Development Scenario, which is based on more conservative TIA growth and debt financing assumptions, the City projects that $32.8 million or 40% of the $82.7 million in total debt service will be funded from tax increment revenues, with the balance of $49.9 million or 60% being paid by the City's general fund resources. The cost to the City's general fund is projected to average $2.0 million per year from 2025 through 2049.

Because of the high financial cost of the project to the City's general fund, it is essential that decision makers understand and accept the project's risks and long-term costs in comparison to its benefits.

Statutory Role and Purpose of Review

As enacted by the 2021 Washington State Legislature, section RCW 39.114.020(7)(b) requires that prior to the adoption of an ordinance authorizing the creation of a TIA, the local government proposing the TIA must provide a project analysis to OST for review. OST must complete the review within 90 days of receipt of the project analysis. Upon completing the review, OST must promptly provide to the local government any comments regarding suggested revisions or enhancements to the project analysis that OST deems appropriate. OST received the City's Project Analysis (dated June 1, 2023) on June 1, 2023.

Project Team

Jurisdiction: City of Ridgefield	**County:** Clark County
Project Title: Pioneer Junction TIA	**Development Areas:** Centered around the intersection of I-5 and SR 501/Pioneer Street. The TIA boundary includes properties as far north as N. 20th Street, east to N. 85th Avenue, south to S. 20th Way, and west to Royle Road.
City of Ridgefield: Kirk Johnson, Finance Director	**Consultants:** Tiberius Solutions LLC Nick Popenuk, Principal PFM Financial Advisors LLC Duncan Brown, Director Matt Schoenfeld, Sr. Managing Director Pacifica Law Group Stacey Crawshaw-Lewis

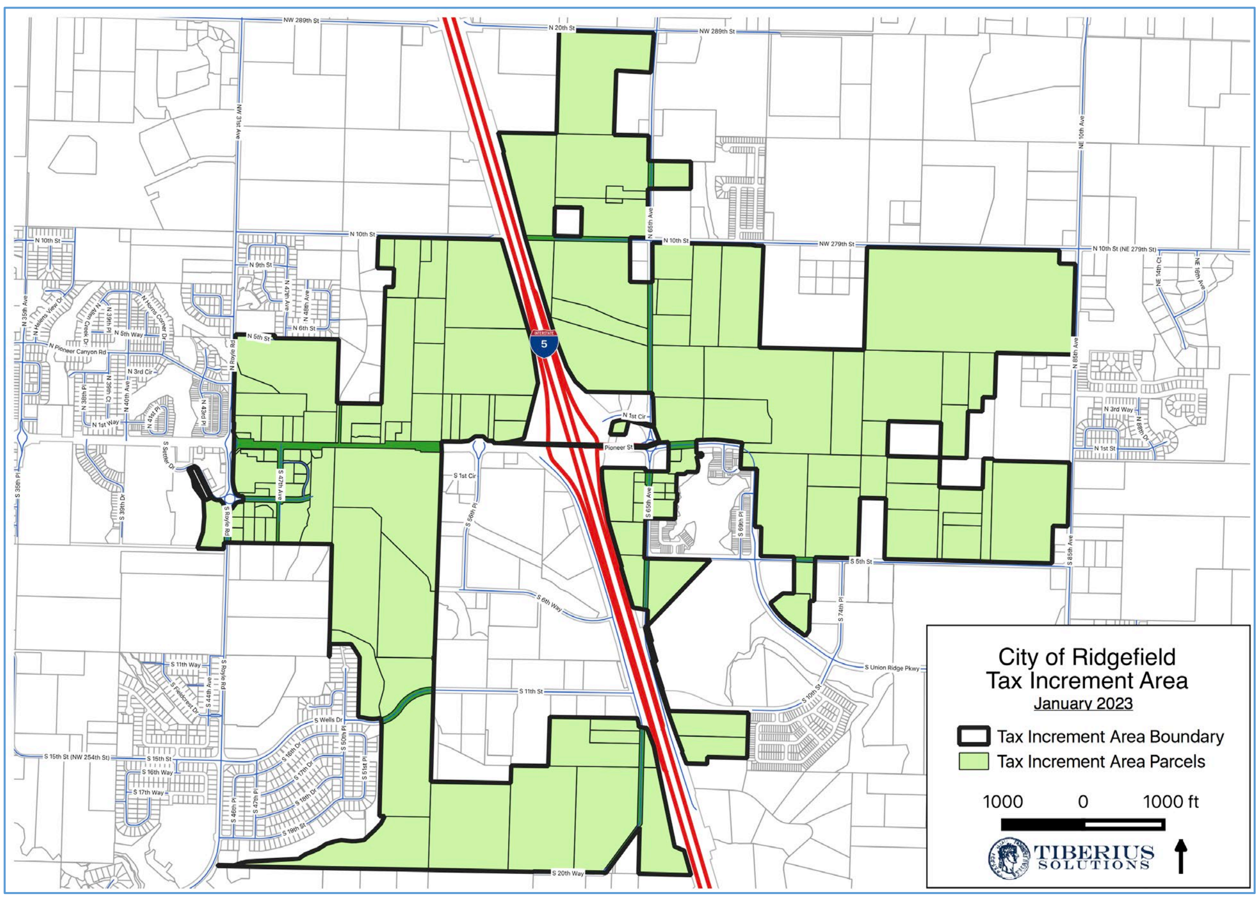
Proposed Tax Increment Area

The Pioneer Junction TIA will be centered around the intersection of I-5 and SR 501/Pioneer Street and encompass 939 acres. The TIA will include much of the City's vacant and developable land suitable for commercial and employment land uses. The City notes that development of this area will ensure the City has a better balance between its population and employment, and that City residents can access a wide range of commercial services without needing to travel elsewhere in the region. Figure 1 below shows the boundary map for the TIA.

In tax year 2023, the 130 parcels within the TIA had total assessed value of approximately $91.0 million relative to total market value of $131.1 million. Parcels in the TIA are zoned Community Commercial, Regional Commercial, or Employment, accounting for7%, 31%, and 62% of the total 939 acres, respectively. Of the $91.0 million total taxable assessed value, 30% is from the Community Commercial parcels, 44% from Regional Commercial parcels, and 26% from Employment parcels.

The taxing districts with property tax levies directly impacted by TIA include: (1) the City of Ridgefield, (2) Clark County Current Expense, (3) Clark County Conservation Futures, (4) Clark-Cowlitz Fire Rescue, (5) Clark-Cowlitz Fire Rescue EMS, (6) Fort Vancouver Library, and (7) Port of Ridgefield. The levy rate for each of these jurisdictions will be applied to the increased assessed valuation within the TIA and remitted to the City to pay debt service on the bonds.

Figure 1 – Map of the Pioneer Junction TIA



Source: City of Ridgefield and Tiberius Solutions

Project Description

Public Improvements within the TIA

The City's Transportation Capital Facilities Plan identifies ten transportation projects in the TIA (the "Public Improvements") which will remove barriers to development. These Public Improvements, costing $95.5 million in total, would result in substantial upgrades to the transportation infrastructure in the area. The City noted that without these critical infrastructure improvements the key transportation corridors in the area lack sufficient capacity to accommodate additional development and will hinder the City from achieving its employment and living wage goals.

According to the Project Analysis, of the $95.5 million nominal total, $24.9 million (26%) will be funded from developer contributions, with $22.5 million (24%) from a mix of grants, traffic impact fees, and other City funds. The balance of $48.1 million (50%) will be financed from the City's issuance of bonds in 2024 and 2028. Table 1 further describes the sources and uses for the Public Improvements.

Table 1 – Sources and Uses of Public Improvements in the TIA ($ millions)

Public Improvement	Nominal Cost	Developer Contributions	Grants, Traffic Impact Fees & Other City Funds	TIF Bonds
Widen Royle Road to a minor arterial (3 lanes)	$5.60	$0.00	$5.60	$0.00
Build N. 5th Street or Pioneer Canyon Drive as an industrial /commercial collector	4.90	4.90	0.00	0.00
Build N. 51st Avenue as an industrial /commercial collector	2.70	2.70	0.00	0.00
Build N. 56th Avenue as an industrial /commercial collector, Pioneer to N. 10th Street	2.10	2.10	0.00	0.00
Build S. 51st Avenue as a minor arterial	7.00	7.00	0.00	0.00
Widen Pioneer Street	35.00	0.00	8.75	26.25
Build a new east-west collector roadway south of Pioneer Street/SR 501	1.90	1.90	0.00	0.00
Build a Regional Stormwater Facility at the I-5 junction	0.90	0.00	0.90	0.00
North-South Connector East of I-5	6.30	6.30	0.00	0.00
Build the 10/11th Street Corridor and I-5 Overcrossing	29.10	0.00	7.27	21.83
Totals	**$95.50**	**$24.90**	**$22.52**	**$48.08**

Source: City of Ridgefield

Private Development within the TIA

Table 2, as prepared by the City, forecasts the baseline scenario of private development projected to occur in the TIA. The City is aware of 21 planned development projects within the TIA, totaling 1.6 million square feet with an anticipated assessed value of $222.8 million in 2023 dollars. Each of these known development projects has begun the process of land use approval from the City and many of these projects have already received full land use approval.

Long-term speculative development in the area requires more substantial infrastructure investments to be made. Specifically, the Pioneer Widening and S. 10th/11th Street corridor and I-5 overcrossings are estimated to cost a combined $64.1 million. Without these vital infrastructure improvements, the City is unlikely to be able to approve future development in the area due to an inadequate level of service for transportation facilities in the area. A market analysis identified speculative future development opportunities based on current market conditions, assuming less than half of the properties within the TIA would develop over this timeframe. The projected gain in TIA assessed value from speculative new construction over the 25-year duration of the TIA totals $482.6 million in 2023 dollars. The City's report emphasizes that this speculative future development is unlikely to occur without the Public Improvements the City intends to fund in part with TIA revenues.

Table 2 – Projected Increased Real Property in the TIA (in $ 2023)
Baseline Development Scenario

Year on Tax Roll	Known Development	Speculative Development	Total
2026	$ 5,146,041	$ 18,480,000	$ 23,626,041
2027	$ 36,912,079	$ 18,480,000	$ 55,392,079
2028	$ 137,846,418	$ 18,480,000	$ 156,326,418
2029	$ 42,902,512	$ 18,480,000	$ 61,382,512
2030	$ -	$ 18,480,000	$ 18,480,000
2031	$ -	$ 19,380,000	$ 19,380,000
2032	$ -	$ 19,380,000	$ 19,380,000
2033	$ -	$ 19,380,000	$ 19,380,000
2034	$ -	$ 19,380,000	$ 19,380,000
2035	$ -	$ 19,380,000	$ 19,380,000
2036	$ -	$ 20,320,000	$ 20,320,000
2037	$ -	$ 20,320,000	$ 20,320,000
2038	$ -	$ 20,320,000	$ 20,320,000
2039	$ -	$ 20,320,000	$ 20,320,000
2040	$ -	$ 20,320,000	$ 20,320,000
2041	$ -	$ 21,300,000	$ 21,300,000
2042	$ -	$ 21,300,000	$ 21,300,000
2043	$ -	$ 21,300,000	$ 21,300,000
2044	$ -	$ 21,300,000	$ 21,300,000
2045	$ -	$ 21,300,000	$ 21,300,000
2046	$ -	$ 21,300,000	$ 21,300,000
2047	$ -	$ 21,300,000	$ 21,300,000
2048	$ -	$ 21,300,000	$ 21,300,000
2049	$ -	$ 21,300,000	$ 21,300,000
	$ 222,807,049	**$ 482,600,000**	**$ 705,407,049**

Source: City of Ridgefield

In its analysis, the City prepared an Alternate Development Scenario which retained the anticipated value of the known development projects but reduced the anticipated value of the speculative development projects by 50%, from $482.6 million to $241.3 million (2023 dollars).

Assessed Value of the TIA

The assessed valuation of the TIA parcels for the 2023 tax year is approximately $91.0 million, below both statutory limits of $200 million in assessed valuation and 20% of the City's total assessed valuation of $3.4 billion ($675.8 million). The TIA's 2023 assessed value represents 2.7% of the City's total assessed valuation.

The magnitude and timing of real property development in the TIA will drive growth in incremental assessed value and tax increment revenues. For the two development scenarios provided by the City, the incremental assessed value of the TIA is estimated by assigning market-based improvement prices reflecting the land use and size of the proposed development. The City assumed the TIA base value and the assessed values of newly developed properties both increase by 4.5% annually. This assumption uses long-term historical trends for personal income growth for Clark County as the basis for forecasting appreciation of existing assessed values and employs forecasts of population growth as the basis for projecting the increase in assessed value from new construction.

Tax Increment Revenue Projections

The TIA is expected to take effect on June 1, 2024, with 2025 as the first year the TIA would potentially receive tax increment revenues. The term of the TIA is assumed at 25 years (the maximum allowed) with 2049 as the final year in which the TIA would receive tax increment revenues. The City estimated the 2024 tax increment base assessed value at $95.1 million and prepared the Baseline Development Scenario with $2.4 billion of assessed value added to the TIA between 2024 and 2049. Under the Baseline Development Scenario, $44.0 million of tax increment revenues are projected to be collected over the 25-year term of the TIA. See Table 3 – Tax Allocation Revenues of the TIA (Baseline Development Scenario).

Table 3 – Tax Allocation Revenues of the TIA (Nominal $)
Baseline Development Scenario

Tax Year	Assessed Value Total	Assessed Value Base Value	Assessed Value Increment	Levy Rate	Tax Allocation Revenues
2023	$ 90,973,115	$ 90,973,115		$ 3.683312	$ -
2024	$ 95,066,905	$ 95,066,905	$ -	$ 3.561808	$ -
2025	$ 99,883,585	$ 95,066,905	$ 4,816,680	$ 3.446005	$ 16,598
2026	$ 130,741,483	$ 95,066,905	$ 35,674,578	$ 3.332017	$ 118,868
2027	$ 202,654,200	$ 95,066,905	$ 107,587,295	$ 3.222794	$ 346,732
2028	$ 401,550,909	$ 95,066,905	$ 306,484,004	$ 3.117091	$ 955,338
2029	$ 496,756,849	$ 95,066,905	$ 401,689,944	$ 2.606097	$ 1,046,843
2030	$ 543,847,954	$ 95,066,905	$ 448,781,049	$ 2.520573	$ 1,131,185
2031	$ 595,396,101	$ 95,066,905	$ 500,329,196	$ 2.437314	$ 1,219,460
2032	$ 650,482,290	$ 95,066,905	$ 555,415,385	$ 2.356812	$ 1,309,010
2033	$ 709,320,558	$ 95,066,905	$ 614,253,653	$ 2.278966	$ 1,399,863
2034	$ 772,137,043	$ 95,066,905	$ 677,070,138	$ 2.203690	$ 1,492,052
2035	$ 839,170,638	$ 95,066,905	$ 744,103,733	$ 2.130898	$ 1,585,609
2036	$ 912,267,808	$ 95,066,905	$ 817,200,903	$ 2.060375	$ 1,683,740
2037	$ 990,244,402	$ 95,066,905	$ 895,177,497	$ 1.992192	$ 1,783,365
2038	$ 1,073,391,547	$ 95,066,905	$ 978,324,642	$ 1.926264	$ 1,884,511
2039	$ 1,162,016,690	$ 95,066,905	$ 1,066,949,785	$ 1.862516	$ 1,987,211
2040	$ 1,256,444,479	$ 95,066,905	$ 1,161,377,574	$ 1.800877	$ 2,091,498
2041	$ 1,359,088,793	$ 95,066,905	$ 1,264,021,888	$ 1.741276	$ 2,201,011
2042	$ 1,468,426,797	$ 95,066,905	$ 1,373,359,892	$ 1.683653	$ 2,312,261
2043	$ 1,584,853,066	$ 95,066,905	$ 1,489,786,161	$ 1.627935	$ 2,425,276
2044	$ 1,708,784,135	$ 95,066,905	$ 1,613,717,230	$ 1.574061	$ 2,540,089
2045	$ 1,840,659,674	$ 95,066,905	$ 1,745,592,769	$ 1.521968	$ 2,656,736
2046	$ 1,980,943,723	$ 95,066,905	$ 1,885,876,818	$ 1.471597	$ 2,775,251
2047	$ 2,130,126,000	$ 95,066,905	$ 2,035,059,095	$ 1.422893	$ 2,895,672
2048	$ 2,288,723,271	$ 95,066,905	$ 2,193,656,366	$ 1.375800	$ 3,018,032
2049	$ 2,457,280,790	$ 95,066,905	$ 2,362,213,885	$ 1.330264	$ 3,142,369
Total					**$ 44,018,582**

Source: City of Ridgefield

Acknowledging that the Baseline Development Scenario is an aggressive development plan, the City prepared an Alternate Development Scenario with $1.6 billion of assessed value added to the TIA between 2024 and 2049. Under the Alternate Development Scenario, $32.8 million of tax increment revenues are projected to be collected over the TIA term. See Table 4 – Tax Allocation Revenues of the TIA (Alternate Development Scenario).

Table 4 – Tax Allocation Revenues of the TIA (Nominal $)
Alternate Development Scenario

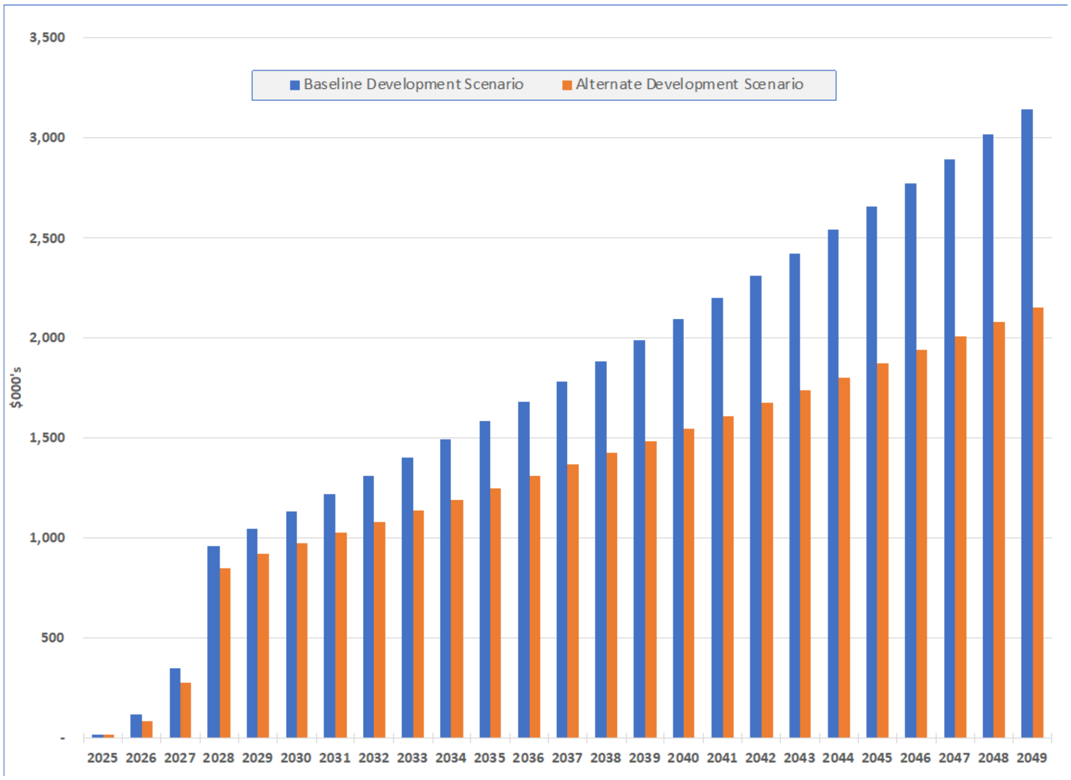
Tax Year	Assessed Value Total	Assessed Value Base Value	Assessed Value Increment	Levy Rate	Tax Allocation
2023	$ 90,973,115	$ 90,973,115		$ 3.683312	$ -
2024	$ 95,066,905	$ 95,066,905	$ -	$ 3.561808	$ -
2025	$ 99,614,250	$ 95,066,905	$ 4,547,345	$ 3.445910	$ 15,670
2026	$ 120,088,262	$ 95,066,905	$ 25,021,357	$ 3.331921	$ 83,369
2027	$ 180,683,089	$ 95,066,905	$ 85,616,184	$ 3.222564	$ 275,904
2028	$ 367,264,871	$ 95,066,905	$ 272,197,966	$ 3.116737	$ 848,369
2029	$ 449,092,032	$ 95,066,905	$ 354,025,127	$ 2.605687	$ 922,479
2030	$ 481,669,698	$ 95,066,905	$ 386,602,793	$ 2.520070	$ 974,266
2031	$ 516,882,329	$ 95,066,905	$ 421,815,424	$ 2.436728	$ 1,027,849
2032	$ 554,288,716	$ 95,066,905	$ 459,221,811	$ 2.356144	$ 1,081,993
2033	$ 594,014,990	$ 95,066,905	$ 498,948,085	$ 2.278223	$ 1,136,715
2034	$ 636,194,195	$ 95,066,905	$ 541,127,290	$ 2.202879	$ 1,192,038
2035	$ 680,966,648	$ 95,066,905	$ 585,899,743	$ 2.130025	$ 1,247,981
2036	$ 729,277,392	$ 95,066,905	$ 634,210,487	$ 2.059447	$ 1,306,123
2037	$ 780,557,146	$ 95,066,905	$ 685,490,241	$ 1.991209	$ 1,364,955
2038	$ 834,975,291	$ 95,066,905	$ 739,908,386	$ 1.925232	$ 1,424,496
2039	$ 892,710,441	$ 95,066,905	$ 797,643,536	$ 1.861441	$ 1,484,766
2040	$ 953,950,930	$ 95,066,905	$ 858,884,025	$ 1.799762	$ 1,545,787
2041	$ 1,019,930,879	$ 95,066,905	$ 924,863,974	$ 1.740127	$ 1,609,380
2042	$ 1,089,917,273	$ 95,066,905	$ 994,850,368	$ 1.682470	$ 1,673,805
2043	$ 1,164,137,081	$ 95,066,905	$ 1,069,070,176	$ 1.626722	$ 1,739,080
2044	$ 1,242,829,589	$ 95,066,905	$ 1,147,762,684	$ 1.572822	$ 1,805,226
2045	$ 1,326,247,046	$ 95,066,905	$ 1,231,180,141	$ 1.520706	$ 1,872,264
2046	$ 1,414,655,344	$ 95,066,905	$ 1,319,588,439	$ 1.470317	$ 1,940,214
2047	$ 1,508,334,740	$ 95,066,905	$ 1,413,267,835	$ 1.421598	$ 2,009,098
2048	$ 1,607,580,603	$ 95,066,905	$ 1,512,513,698	$ 1.374491	$ 2,078,937
2049	$ 1,712,704,216	$ 95,066,905	$ 1,617,637,311	$ 1.328946	$ 2,149,752
Total					**$ 32,810,517**

Source: City of Ridgefield

Under the TIF legislation, only certain regular tax levies are available to the TIA. The taxes applied with regular levies must conform with the constitutional 1% limit as well as the $5.90 aggregate limits. Both parts of the state school levy, local school district excess levies, voted bond levies, and levies of port districts for bond payments were excluded from the TIA levy rate. Based on the 2023 levy rates, an aggregate levy rate of $3.45 would be applied to the TIA in the 2025 first tax year of the Baseline Development Scenario. The TIA annual levy rate may change year to year based on factors including future incremental assessed value of the TIA, future assessed values of the taxing districts, and relevant levy limits. For the two development scenarios, the City's analysis calculated the levy rate for each of these jurisdictions and applied the levy rates to the incremental assessed valuation within the TIA.

The City created a multi-year cash flow model to estimate the tax increment revenues for the two development scenarios; Figure 2 below provides a visual comparison. Collection of tax increment revenues is projected for the 2025-2049 period, with total projected revenues for the Baseline Development and Alternate Development Scenarios at $44.0 million and $32.8 million, respectively. The total increment revenues of the Alternate Development Scenario are equivalent to 75% of the Baseline Development Scenario total.

Figure 2 – Projected Tax Increment Revenues
Baseline and Alternate Development Scenarios



Source: City of Ridgefield

Financing Plan for Public Improvements

The City anticipates issuing a combined $43.4 million of tax-exempt, Limited Tax General Obligation Bonds in July 2024 and in July 2028 to finance the $48.1 million of Public Improvements not funded with developer contributions, grants, traffic impact fees, and other City funds. While the City's cash flow projections anticipate using tax increment revenues generated by the TIA to pay a portion of the scheduled principal and interest on the Bonds, the Bonds will be secured by the full faith and credit of the City.

The City's base case structure for the Bonds assumes borrowing costs ranging from 3.74% to 4.21% and escalating annual debt service payments of $1.2 million in 2025 to $4.6 million in 2049. Total principal and interest on the Bonds is projected at $79.7 million. The City plans to have interest-only payments on the 2024 Bonds through 2031 to better align debt service payments with anticipated tax increment revenues and to minimize the amount of general fund resources the City would need to pay debt service in each year. The City has noted that by waiting to issue part of the Bonds in 2028, it will retain flexibility to adjust a portion of the amount and structure of debt to reflect actual development and collected tax increment revenues during the first few years of the TIA.

As stated in the Project Analysis, because of their general obligation pledge, the City will be required to pay the full debt service due the Bonds with available resources regardless of the amount of tax increment revenues generated within the TIA. The City acknowledged that tax increment revenues are projected to be insufficient to fully cover its debt service payments in both development scenarios.

In the Baseline Development Scenario, the City expects that $44.0 million or 55% of the total debt service will be paid with tax increment revenues, with the balance of $35.7 million, or 45% to come from City funds. The cost to the City's general fund is projected to average $1.4 million per year from 2025 through 2049.

In the Alternate Development Scenario, the City projects that $32.8 million or 40% of the $82.7 million in total debt service will be funded from tax increment revenues, with the balance of $49.9 million or 60% to be covered by City funds. (Debt service is greater in the Alternate Development Scenario due to a 0.50% increase in the assumed borrowing cost.) In this scenario, the cost to the City's general fund is projected to average $2.0 million per year from 2025 through 2049.

OST inquired with the City regarding its plans to budget for and pay the projected expenditure of $1.4 million to $2.0 million per year to cover expected shortfalls in tax increment revenues. The City provided the following details about its approach to mitigate the risks of the general fund being required to cover these expected shortfalls:

1) City Council is aware of the debt service requirements and has prioritized the projects to accomplish the goals stated in their comprehensive plan and the Project Analysis to make Ridgefield a jobs center in North Clark County. They feel the investment in the future of the City is important in the long term.
2) City staff and their federal lobbyist are working with federal legislators to prioritize the overpass project and provide federal funding to reduce the need for the full bond issuance that is assumed in the report.
3) Over the past nine years the City has been increasing its fund balance to build additional reserves for critical infrastructure projects that are proposed in the Project Analysis.
4) The City intends to use both Real Estate Excise Tax and additional general fund dollars from sales taxes generated in the tax increment area to assist in covering debt service if needed.
5) In the event that development does not occur as forecast, the City will delay the second bond issuance planned for the 2028-2029 timeframe.

Debt Capacity

Based on the City's total 2023 assessed value of $3,379,164,060, the City has $50,687,461 in total non-voted debt capacity (1.5% of 2023 AV). The City currently has $19,190,000 in outstanding non-voted debt, leaving sufficient net non-voted debt capacity of $31,497,461 before the proposed $23,870,000 in Bonds are issued in July 2024. The City projects the capacity for non-voted debt will increase to allow for the anticipated issuance of $19,560,000 in Bonds in July 2028, based on 5.9% assumed annual growth in assessed values and the paydown of roughly $4.5 million of outstanding non-voted debt. See Table 5 – Debt Capacity in 2023.

Table 5 – Debt Capacity in 2023

2022 Assessed Valuation for 2023 Collections	$3,379,164,060
Non-Voted Debt Capacity (1.5% of AV)	50,687,461
Less: Outstanding Non-Voted Debt	(19,190,000)
Remaining Non-Voted Debt Capacity	31,497,461
Less: Financing Proposed	(23,870,000)
Projected Remaining Non-Voted Capacity	**$7,627,461**
Projected Remaining Non-Voted Capacity %	**15.00%**

Source: City of Ridgefield

Projected Debt Service Coverage

Tables 6 and 7 below summarize the total tax increment revenues, revenue shortfalls, and debt service coverage for the two development scenarios.

- In the Baseline Development Scenario, the City would be required to fund 45% of scheduled debt service with City general fund dollars due to tax increment revenue shortfalls in each year from 2025 through 2049. The projections do not show the City being reimbursed for this $35.7 million outlay.
- In the Alternate Development Scenario, the City would be required to fund 60% of scheduled debt service with City general fund dollars due to tax increment revenue shortfalls in each year from 2025 through 2049. These projections do not show the City being reimbursed for this $49.9 million outlay.

Table 6 – Summary of Tax Increment Revenue Shortfalls and Average Debt Service Coverage

Development Scenario	First Year Tax Increment Revenues Exceed TIF Debt Service	Year That Tax Increment Revenues Fully Reimburse Debt Service Shortfalls	Total Projected Tax Increment Revenue ($MMs) [1]	Total Projected Debt Service ($MMs)	Projected Cumulative Shortfall ($MMs)	Total Surplus/ (Shortfall) ($MMs)	Average Debt Service Coverage Ratio
Baseline	None	None	$44.019	$79.735	($35.717)	($35.717)	0.49x
Alternate	None	None	$32.811	$82.660	($49.849)	($49.849)	0.36x

1. Projected over the term of repayment of the Bonds, 2025-2049.

Source: City of Ridgefield

Table 7 – Annual Tax Increment Revenue Shortfalls and Average Debt Service Coverage

	Baseline Development Scenario ($Ms)					Alternate Development Scenario ($Ms)				
Year	Tax Increment Revenues	Debt Service on Bonds	Surplus (Shortfall)	Cumlative Surplus (Shortfall)	Debt Service Coverage	Tax Increment Revenues	Debt Service on Bonds	Surplus (Shortfall)	Cumlative Surplus (Shortfall)	Debt Service Coverage
2024	0	494	(494)	(494)	0.00x	0	514	(514)	(514)	0.00x
2025	17	1,194	(1,177)	(1,671)	0.01x	16	1,242	(1,226)	(1,740)	0.01x
2026	119	1,194	(1,075)	(2,746)	0.10x	83	1,242	(1,158)	(2,898)	0.07x
2027	347	1,194	(847)	(3,592)	0.29x	276	1,242	(966)	(3,863)	0.22x
2028	955	1,598	(643)	(4,235)	0.60x	848	1,661	(813)	(4,676)	0.51x
2029	1,047	2,547	(1,500)	(5,735)	0.41x	922	2,674	(1,752)	(6,428)	0.34x
2030	1,131	2,630	(1,499)	(7,234)	0.43x	974	2,760	(1,786)	(8,214)	0.35x
2031	1,219	2,723	(1,503)	(8,737)	0.45x	1,028	2,850	(1,822)	(10,036)	0.36x
2032	1,309	2,809	(1,500)	(10,237)	0.47x	1,082	2,939	(1,857)	(11,893)	0.37x
2033	1,400	2,904	(1,504)	(11,741)	0.48x	1,137	3,031	(1,895)	(13,787)	0.37x
2034	1,492	2,993	(1,500)	(13,242)	0.50x	1,192	3,122	(1,930)	(15,717)	0.38x
2035	1,586	3,089	(1,503)	(14,745)	0.51x	1,248	3,220	(1,972)	(17,689)	0.39x
2036	1,684	3,182	(1,499)	(16,244)	0.53x	1,306	3,310	(2,004)	(19,693)	0.39x
2037	1,783	3,283	(1,500)	(17,743)	0.54x	1,365	3,412	(2,047)	(21,740)	0.40x
2038	1,885	3,390	(1,505)	(19,248)	0.56x	1,424	3,511	(2,086)	(23,826)	0.41x
2039	1,987	3,487	(1,500)	(20,748)	0.57x	1,485	3,615	(2,130)	(25,956)	0.41x
2040	2,091	3,595	(1,503)	(22,251)	0.58x	1,546	3,718	(2,173)	(28,129)	0.42x
2041	2,201	3,697	(1,496)	(23,746)	0.60x	1,609	3,832	(2,222)	(30,351)	0.42x
2042	2,312	3,808	(1,496)	(25,242)	0.61x	1,674	3,938	(2,264)	(32,615)	0.43x
2043	2,425	3,922	(1,497)	(26,739)	0.62x	1,739	4,048	(2,309)	(34,924)	0.43x
2044	2,540	4,034	(1,494)	(28,233)	0.63x	1,805	4,165	(2,360)	(37,284)	0.43x
2045	2,657	4,153	(1,496)	(29,730)	0.64x	1,872	4,284	(2,411)	(39,696)	0.44x
2046	2,775	4,272	(1,497)	(31,227)	0.65x	1,940	4,398	(2,458)	(42,154)	0.44x
2047	2,896	4,392	(1,496)	(32,723)	0.66x	2,009	4,522	(2,513)	(44,667)	0.44x
2048	3,018	4,516	(1,498)	(34,221)	0.67x	2,079	4,645	(2,566)	(47,233)	0.45x
2049	3,142	4,638	(1,496)	(35,717)	0.68x	2,150	4,766	(2,616)	(49,849)	0.45x
Total	44,019	79,735	(35,717)		0.49x	32,811	82,660	(49,849)		0.36x

Key Risks to the City

From our review of the project analysis, it appears that the anticipated Public Improvements and economic development will benefit the City. Nonetheless, the financing plan comes with certain risks and costs to the City, primarily related to the insufficiency of projected tax increment revenues to fully repay the Bonds the City expects to issue to finance the Public Improvements.

In short, moving forward with the project is projected to result in a significant long-term cost to the City. In the Baseline Development Scenario, TIF revenues are projected to only cover 49% of the projected debt service, leaving the city with $35.7 million of additional debt service to be paid from general fund revenues between 2025 and 2049. In the Alternate Development Scenario, which is more conservative, TIF revenues are projected to cover only 36% of the projected debt service, leaving the city with $49.9 million of additional debt service to be paid from general fund revenues between 2025 and 2049. Additional risk factors that could further impact tax increment revenues are described below:

> *Escalation of Public Improvement Costs:* With the Public Improvements projected to be completed between 2024 and 2028, inflation could have a significant impact on the cost of these projects, especially recognizing that the City assumed a 3.0% construction cost inflator in its analysis. This 3.0% assumption, compared to more conservative adjustments, does not provide the City with substantive flexibility to weather higher than expected cost escalation.
>
> *Economic Conditions*: Growth in the TIA's assessed value could be negatively impacted by a downturn in the economy. Given the diversity in product type, a variety of economic factors could negatively impact the timeline and ultimate demand for development, jeopardizing the rate and scale of the private development, potentially reducing tax increment revenues.
>
> *Permits*: Unforeseen delays in permits could negatively impact the construction of the expected properties within the TIA. Delays to either the Public Improvements or the private developments could negatively impact the timing and/or amount of tax increment revenues.
>
> *Construction Delays*: Any setback or delay in the private developers' timelines to complete construction projects could reduce tax increment revenues. Similarly, any delay by the City in completing the planned Public Improvements could delay private developers' abilities to close on contracts or initiate private developments, potentially reducing the amount of tax increment revenues.
>
> *Assessed Valuations*: As private developments are completed, tax increment revenues may be lower than projected if the assessed values of the projects are lower than expected or take more time to be reflected in tax rolls than is projected.
>
> *Debt Capacity*: If the TIF related LTGO bonds are issued, only $7.6 million, or 15%, of the City's non-voted debt capacity would remain. While still within the City's legal debt limit, the City's ability to issue additional LTGO debt if a capital need were to materialize would be restricted.
>
> *Interest Rate Risk*: The City is exposed to interest rate risk until the bonds are sold as anticipated in 2024 and 2028. The assumption of a 3.74% to 4.21% interest rate range for the LTGO bonds offers essentially no cushion to current market conditions. In the event interest rates rise to

levels greater than this assumption, debt service will exceed the amounts assumed in the Project Analysis.

Risk Summary: The general impact to the City from any of the risk factors outlined above could be lower than expected tax increment revenues and an even greater reliance on the City's revenues and reserves to pay the debt service on the bonds issued to fund the Public Improvements in the TIA. If tax increment revenues are lower than expected, it will force the City to apply more of its available funds towards the repayment of the bonds, reducing the City's ability to allocate those funds to other projects or operations.

Recommendations

The proposed project will result in the City utilizing almost all of its non-voted debt capacity. Additionally, projections show that the City will be required to make substantial debt service payments throughout the 25-year life of the TIA. Because of the high financial cost of the project to the City's general fund, it is essential that decision makers understand the long-term risks and costs of the project, as well as its benefits. To help ensure the financial success of the project and to minimize unanticipated costs, we recommend the City consider the following measures:

1. Prior to approving the TIA, we recommend that the City discuss and establish a policy regarding how much of its debt capacity should be allocated to the project, especially as its plan of finance will result in 85% of the City's non-voted debt capacity being utilized after the 2024 issuance, and the City will be fully reliant on an increase in its non-voted debt capacity to issue the bonds in 2028 as planned.

2. Prior to approving the TIA, we recommend that the City discuss and establish a policy regarding how much debt service it is willing to pay from City general revenues and reserves on an annual basis to offset years of tax increment revenue shortfalls.

3. Based on the City's willingness to cover future debt service costs related to the project, we recommend the City conservatively budget for and set funds aside to cover the projected tax increment revenue shortfalls.

4. Prior to approving the TIA, we recommend that the City coordinate closely with other taxing districts impacted by the project, and the County Assessor's Office, to ensure that all parties have an accurate understanding of how the TIA will impact them.

5. As the project moves forward, we recommend that the City coordinate closely with the County Assessor's Office to help ensure that the tax increment revenue projections match the County's assessment process and are as realistic as possible.

6. The City's interest rate assumptions include no cushion compared to current market conditions. We recommend that the City consider using more conservative interest rate assumptions for its planned 2024 and 2028 issuances.

7. We recommend the City revisit public improvement cost projections frequently and utilize a publicly recognized inflation index to inform inflation projections.

Thank you for the opportunity to review the City's project analysis. Based upon the information provided to date in connection with this project, this concludes our review. If there are material changes in the scope, timing, or cost of the project, please let us know. We wish the City all the best with the project.

Respectfully,

Mike Pellicciotti
Washington State Treasurer

Jason Richter
Deputy Treasurer

Appendix F: City Response to Office of the State Treasurer Review

DATE: October 4, 2023
TO: Steve Stuart, City of Ridgefield
FROM: Nick Popenuk
SUBJECT: RESPONSE TO TAX INCREMENT FINANCING PROJECT ANALYSIS REVIEW BY THE OFFICE OF THE STATE TREASURER

Executive Summary

- We do not believe that it is necessary for the City to adopt another official policy on the use of non-voted debt capacity for TIA projects, as the City already has a formal debt management policy adopted by City Council.
- We do not believe that it is necessary for the City to adopt another official policy on the use of general fund resources to pay a portion of the debt service for non-voted debt to fund TIA projects, as the City already has a formal debt management policy adopted by City Council.
- We concur that the City should appropriately budget for anticipated future debt service payments for TIA projects, consistent with the City's adopted financial management policies.
- The City has coordinated with impacted taxing districts during the development of the proposed TIA.
- The City and their consultant team have coordinated with the Clark County Assessor and Clark County Treasurer on the analysis.
- The baseline and alternative financing scenarios evaluated in the Project Analysis Report are appropriately conservative and realistic for planning purposes for future debt issuances related to the proposed TIA.
- The assumptions used in the Project Analysis Report are consistent with historical, nationwide construction cost data.

Detailed Responses

Revised Code of Washington (RCW) 39.114 requires a jurisdiction adopting a tax increment area (TIA) to prepare a project analysis report and submit that analysis to the Office of the State Treasurer (OST) for review. The jurisdiction must consider any comments that OST may provide. The City of Ridgefield (City) submitted its project analysis report to OST on June 1, 2023 and received comments back from OST on August 24, 2023. The OST review included seven recommendations to the City regarding the proposed TIA. This memorandum responds to each of those recommendations.

1. Allocation of Debt Capacity

Question from OST

Prior to approving the TIA, we recommend that the City discuss and establish a policy regarding how much of its debt capacity should be allocated to the project, especially as its plan of finance will result in 85% of the City's non-voted debt capacity being utilized after the 2024 issuance, and the City will be fully reliant on an increase in its non-voted debt capacity to issue the bonds in 2028 as planned.

Response

The City has a formal debt management policy adopted by Council. The policy guides all aspects of the City's debt issuance and post issuance compliance. The policy does not specifically refer to tax increment financing, but would apply to any limited general obligation bond indebtedness incurred in relationship to the proposed TIA. We do not believe that it is necessary for the City to adopt another official policy on the use of non-voted debt capacity for TIA projects. However, the City should carefully consider its available statutory debt capacity prior to incurring any general obligation indebtedness, ensuring there is likely to be sufficient capacity in future years for other high-priority capital projects.

The project analysis report prepared by Tiberius Solutions for the proposed Ridgefield TIA includes a forecast of statutory authority for general obligation indebtedness for the City from 2023 through 2028. The City's non-voted debt capacity is limited by statute to 1.5% of the City's total taxable assessed value. In 2023, the City's non-voted debt capacity is $50,687,461, of which, $19,190,000 is used for outstanding indebtedness. The finance plan for the proposed TIA estimates an additional $23,870,000 would be used in the next year to fund transportation projects in the area. As OST notes in their review, this would equal 85% of the non-voted debt capacity for the City.

Debt capacity increases over time with the growth in assessed value citywide. Our analysis, conservatively assumes assessed value citywide will increase at a compound annual rate of 5.9% over the next five years. Using these conservative assumptions, the City's non-voted debt capacity would increase to $67,575,351 by 2028. Additionally, a portion of the City's outstanding principal indebtedness would be repaid each year. This is forecast to result in $29,093,351 of unused capacity for non-voted debt by 2028, which could be allocated to other TIA projects, or projects elsewhere in the City (the Project Analysis Report assumes $19,560,000 of this capacity would be used for additional TIA projects in 2028).

The City's decision on whether or not to establish a TIA does not obligate the City to incur any debt. The City Council will have the opportunity to more carefully consider any new debt prior to its issuance, as new general obligation indebtedness requires approval of the City Council through a formal ordinance.

Furthermore, the TIA projects intended to be financed in 2024 through the issuance of limited general obligation indebtedness are high-priority projects for the City, included in the budget for fiscal year 2024, and are necessary to solve traffic congestion on Pioneer Street, and to facilitate private development to occur that will result in substantial economic and fiscal benefits for the City.

2. General Fund Expenditures for Debt Service

Question from OST

Prior to approving the TIA, we recommend that the City discuss and establish a policy regarding how much debt service it is willing to pay from City general revenues and reserves on an annual basis to offset years of tax increment revenue shortfalls.

Response

The City has a formal debt management policy adopted by Council. The policy guides all aspects of the City's debt issuance and post issuance compliance, including to identify and consider debt service obligations prior to issuance. The policy does not specifically refer to tax increment financing, but would apply to any limited general obligation bond indebtedness incurred in relationship to the proposed TIA. We do not believe that it is necessary for the City to adopt another official policy on the use of general fund resources to pay a portion of the debt service for non-voted debt to fund TIA projects. However, the City should carefully consider the potential cost to the City's general fund before incurring any general obligation debt.

The City's decision on whether or not to establish a TIA does not obligate the City to incur any debt. The City Council will have the opportunity to more carefully consider any new debt prior to its issuance, as new general obligation indebtedness requires approval of the City Council through a formal ordinance.

The project analysis report anticipates that total debt service payments for TIA projects over the 25-year life of the TIA would total $79,735,260, and that the TIA would generate $44,018,582 of revenues to contribute to those debt service payments, resulting in $35,716,678 of resources from the City's general fund that would be needed to cover the debt. This would result in an average of $1.4 million per year of general fund resources to cover debt service payments for TIA projects.

The actual cost to the City's general fund could be higher or lower, depending on the actual capital costs of projects funded with general obligation debt, the terms of that indebtedness (interest rate, and amortization period), and the amount of tax allocation revenues generated by the TIA.

Private development that occurs as a result of the public projects funded by the TIA are estimated to generate additional revenues for the City's general fund that could be used to offset general fund expenditures for debt service. New construction activity forecast in the area is anticipated to generate over $19 million in state and local sales tax revenue. At full build out, ongoing business activity in the area is anticipated to generate $3.4 million per year in state and local tax revenue, including $2.7 million per year in sales tax revenue.

3. Budget for Projected Tax Increment Shortfalls

Question from OST

Based on the City's willingness to cover future debt service costs related to the project, we recommend the City conservatively budget for and set funds aside to cover the projected tax increment revenue shortfalls.

Response

We concur that the City should appropriately budget for anticipated future debt service payments for TIA projects. The City has adopted financial management policies, including a reserve policy that requires setting aside a reserve equal to the full payment (principal and interest) for the following year's scheduled debt service. As an example, the 2024 budget includes debt service reserves equal to the 2025 scheduled debt service payments.

The City will begin the 2025 budget process in May 2024. The City currently has extra reserves in the Real Estate Excise Tax (REET) fund for both current debt service and potential new debt service for any 2024 issuance.

4. Coordination with Impacted Taxing Districts

Question from OST

Prior to approving the TIA, we recommend that the City coordinate closely with other taxing districts impacted by the project, and the County Assessor's Office, to ensure that all parties have an accurate understanding of how the TIA will impact them.

Response

The City has coordinated with impacted taxing districts during the development of the proposed TIA. The proposed TIA would impact seven property tax levies imposed by five taxing districts: Clark County, Clark-Cowlitz Fire Rescue, Fort Vancouver Library, the Port of Ridgefield, and the City of Ridgefield itself. The City has contacted leadership for each of these taxing districts, providing a copy of the draft Project Analysis Report. City staff met with each of the impacted taxing districts to discuss the proposed TIA, including project goals, timing, and impacts.

5. Allocation of Debt Capacity

Question from OST

As the project moves forward, we recommend that the City coordinate closely with the County Assessor's Office to help ensure that the tax increment revenue projects match the County's assessment process and are as realistic as possible.

Response

The City and their consultant team have coordinated with the Clark County Assessor and Clark County Treasurer on the analysis, to confirm the assumptions and methodology used in the analysis reflects the approach that will be used by the County to calculate and collect future tax allocation revenues. The City's consultant team has participated in numerous conversations with the Clark County Assessor regarding the calculation of tax allocation revenues, and County staff have reviewed the Excel workbooks used by the consultant team to confirm the accuracy of the calculations. Additionally, the consultant team has participated in meetings with the Clark County Assessor, the State Department of Revenue, and representatives of the manufacturer of the Assessor's software systems to ensure all parties are in agreement on the methodology for calculating tax allocation revenues.

6. Interest Rate Assumptions

Question from OST

The City's interest rate assumptions include no cushion compared to current market conditions. We recommend that the City consider using more conservative interest rate assumptions for its planned 2024 and 2028 issuances.

Response

The financing assumptions were prepared by PFM Financial Advisors LLC, the City's municipal financial advisor based on market conditions at the time the report was drafted. In addition to the baseline scenario, the Project Analysis Report included an alternative financing scenario with more conservative assumptions (including a 0.5% increase in the assumed interest rate on indebtedness).

The municipal bond market has experienced significant volatility in 2023. Since the Project Analysis Report was submitted, interest rates for tax-exempt bonds have increased more than 0.5%, validating OST's feedback. However, we note that the assumptions contained in the Project Analysis Report are non-binding and for planning purposes only.

Any bonds issued by the City must be approved by City Council through a bond ordinance. The ordinance would define the parameters for the sale of the bonds, including a not-to-exceed interest rate and principal amount. Staff will continue to work with PFM to monitor bond market conditions and adjust proposed TIA debt plans accordingly.

7. Estimating Inflationary Impact on Project Costs

Question from OST

We recommend the City revisit public improvement cost projections frequently and utilize a publicly recognized inflation index to inform inflation projections.

Response

The Project Analysis Report assumes the cost of capital projects will increase at a rate of 3.0 percent per year for the duration of the proposed TIA. These assumptions are consistent with long-term historical trends for construction cost inflation. The Engineering News Record (ENR) maintains various construction cost indices nationally and in smaller submarkets. From July 2010 to July 2023, the national ENR construction cost index grew at a compound annual growth rate of 3.26%. That inflation was buoyed by a particularly high period of inflation from July 2020 to July 2022, where inflation increased at an average annual rate of 7.3% per year. That high-period of inflation has already moderated, with inflation of 1.95% from July 2022 to July 2023. The assumptions used in the Project Analysis Report are consistent with this historical, nationwide construction cost data.

CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION

MEETING DATE: November 2, 2023

AGENDA ITEM NAME: Motion - Approval of Interlocal Agreement With the Port of Ridgefield for Specialized Services and Public Works Construction

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GOVERNING LEGISLATION

RCW 39.34 Interlocal Cooperation Act, Financial Policy #04: Procurement of Goods & Services

PREVIOUS COUNCIL ACTION TAKEN:

Council has approved previous interlocal agreements with partner agencies.

SUMMARY/BACKGROUND:

The City of Ridgefield and the Port of Ridgefield are partnering on a project to complete a master plan for a waterfront park located on Port of Ridgefield property along Lake River. Staff from both public entities have discussed the possibility of partnering on future projects for both engineering/design and construction for additional cost savings and efficiency.

The attached interlocal agreement allows the City and the Port to partner together on these projects and have one entity take the lead on the project and share costs on joint projects.

BUDGET/FINANCIAL IMPACTS:

The approval of the interlocal agreement will allow the City and Port to partner on projects for efficiency and cost savings.

RECOMMENDED ACTION OR MOTION:

If council chooses to approve the interlocal agreement, a motion would be:
"I move to authorize the City Manager to sign the interlocal agreement for Specialized Service and Public Works Construction with the Port of Ridgefield."

STAFF CONTACT: Kirk Johnson, Finance Director

ATTACHMENTS:

1. Ridgefield-Port ILA

INTERLOCAL AGREEMENT
BETWEEN THE CITY OF RIDGEFIELD AND
THE PORT OF RIDGEFIELD
FOR SPECIALIZED SERVICES AND PUBLIC WORKS CONSTRUCTION

THIS IS AN INTERLOCAL AGREEMENT for public works construction entered into under the authority of the Interlocal Cooperation Act, Chapter 39.34 RCW, between the **Port of Ridgefield**, a public port district operating a port within the City of Ridgefield, Washington (the "Port"), and the **City of Ridgefield**, a municipal corporation and charter city of the second class in the State of Washington (the "City"), referred to collectively as "Parties" or individually as "Party".

WHEREAS, pursuant to Chapter 39.34 RCW (Interlocal Cooperation Act), one or more public entities may contract with one another to perform government functions or services which each is by law authorized to perform; and

WHEREAS, the City and the Port each have employees with highly specialized expertise related to the design, permitting, construction, inspection, and maintenance/operations of public works infrastructure; and

WHEREAS, the City and the Port are each authorized to construct public works pursuant to Chapter 39.04 RCW; and

WHEREAS, on occasion efficiency and economy may be achieved by one Party utilizing employees of the other Party with such highly specialized expertise;

WHEREAS, on occasion the inclusion of a public work by one Party in the public work project of the other Party will be cost effective and efficient;

NOW, THEREFORE, pursuant to Chapter 39.34 RCW and in consideration of the terms, conditions, covenants, and performances contained herein,

The Parties agree as follows:

1. **PURPOSE.** The purpose of this Agreement is to permit one Party to use the employees of the other Party to provide specialized services related to public works infrastructure and authorize either Party to include in its public works project a public work of the other Party on a case-by-case basis, to facilitate efficiency and cost effectiveness.

2. **DEFINITIONS.** Unless otherwise indicated in this Agreement, the following terms are defined as set forth below:

   "**Agreement**" means this document and its terms, conditions, covenants, and performances as well as the attached Exhibits, which are incorporated herein and made a part hereof.

   "**Contracting Party**" means the party that provides a Service or constructs a Project and includes in the Project the Work requested by the User.

"**Project**" means a public work as defined by RCW 39.04.010(4), which is all work, construction, alteration, repair, or improvement other than ordinary maintenance, that is executed by the Contracting Party and includes the Work requested by the User.

"**Service**" means highly specialized services completed by employees who are highly qualified by expertise or educational background to design, permit, construct, inspect, or maintain/operate public works infrastructure.

"**User**" means the party that requests a Service or requests Work be included in the Contracting Party's Project.

"**Work**" means all survey, materials, equipment, labor, construction, construction inspection and contract administration requested by the User to be included in the Contracting Party's Project, and after approval, all such items actually included in the Contracting Party's Project.

"**Working days**" means Monday through Friday, excluding Washington State holidays per RCW 1.16.050.

3. REQUEST FOR SERVICES AND WORK.

3.1. Communication. The City and the Port have historically worked together to coordinate, plan, construct and maintain public works. The Parties agree to use their best efforts to keep each other informed of their respective public works projects, particularly those that could include a public works of the other Party.

3.2. Request for Work.

3.2.1. If the User desires to request Services or to include Work in a Project of the Contracting Party, the User shall provide to the Contracting Party a written request (electronic or paper format) for Services or for inclusion of the Work in the Contracting Party's Project. The written request for Services or Work shall specify the type, scope, extent, location and estimated cost of the Services or Work, including but not limited to the elements and information described in the definition of "Service" or "Work" in Section 2 of this Agreement.

3.2.2. Within seven (7) days of receipt of a request for Services or Work, the Contracting Party shall advise the User in writing of its willingness and ability to provide the Service or do the Work. The Parties shall as expeditiously as possible discuss the request. The discussion shall include, but not be limited to, the type, schedule, budget, and cost (direct and indirect) for the Services, the specifications, plans and provisions for the Work and its relationship to and inclusion in the Project. The Parties recognize and agree that the workload of the Contracting Party may prevent or delay the ability to provide Services or inclusion of the Work in the Project. The Contracting Party shall have sole discretion to accept, accept as modified or reject the request for Services or Work.

3.2.3. Services. If the User agrees with the type, schedule and cost (direct and indirect) for the Services, the User shall promptly give notice of its acceptance to the Contracting Party. The Contracting Party shall prepare a Reimbursable Work Request for the agreed upon Services in a general form agreed to by the Administrators of this Agreement as identified in Section 13, and containing the type, schedule, budget, and cost (direct and indirect) for the Services. The Administrators shall sign the final Reimbursable Work Request. For any joint utilization of contracted architectural or engineering services, Contracting Party agrees to comply with the requirements of RCW 39.80 and 39.34.030(6); the Reimbursable Work Request is required prior to procurement of the architectural or engineering contract. Upon mutual execution, the Contracting Party shall commence the Services; provided, that the Contracting Party's performance shall be subject to availability of employees, equipment, and materials necessary to perform the Services without unduly disrupting the normal operations and functions of the Contracting Party As soon as possible, the Contracting Party shall notify the User of any postponement or re-scheduling of the Services. After the Reimbursable Work Request is executed, either Party may request a change to the Reimbursable Work Request. The Parties shall discuss and consider the request, and may, through their Administrators or designees, amend or replace the Reimbursable Work Request.

3.2.4. Work. If the Parties agree upon the specifications, plans and provisions for the Work, the Administrators, as identified in Section 13, shall confirm the inclusion of the Work in the Project, and the terms and conditions thereof, in writing, and shall include therein a date for issuance of the bid advertisement. Thereafter, the Administrator for the Contracting Party may change the date for issuance of the bid advertisement by giving notice thereof to the Administrator of the User. The Contracting Party shall include the Work as agreed to by the Administrators in the bid package for the Project. Unless agreed otherwise by the Administrators, the Work shall be in a separate schedule of work on the Project proposal form in the bid package. The Administrator for the Contracting Party shall deliver to the Administrator for the User a copy of the bid package prior to issuance of the bid advertisement.

3.2.4.1. Either Party may exclude the Work from the bid package for the Contracting Party's Project by notifying the other Party of the exclusion at least twenty-one (21) days prior to issuance of the bid advertisement for the Project or after that if mutually agreed upon by the Parties.

3.2.4.2. The Party responsible for exclusion of the Work under Section 3.2.4.1 of this Agreement shall reimburse the other Party for all actual direct and related indirect expenses and costs, including design, survey, engineering work, mobilization, construction engineering, contract administration and overhead costs associated with the Work, that are incurred up to the date of exclusion, as well as the cost of non-cancelable obligations, including any re-design, re-engineering or re-estimating, if necessary, to delete the Work.

3.2.4.3. The Contracting Party shall require the Contracting Party's contractor awarded the Project to have the User named as additional insured on all policies of insurance to be maintained by the contractor under the terms of the Project contract.

3.2.4.4. The Contracting Party shall require the Contracting Party's contractor to indemnify, defend and hold harmless the User and its officers, agents or employees from any claims filed against the User or its officers, agents or employees alleging damage or injury arising out of the contractor's participation in the Project.

4. BID ADVERTISEMENT AND AWARD.

4.1. Responsibilities during Bid Process. The Contracting Party will be the User's representative during the bid advertisement and award period. When requested by the Contracting Party, the User shall timely assist the Contracting Party in answering bid questions and resolving any design issues related to the Work. The Contracting Party will not answer any pre-bid questions regarding the User's Work without the User's approval. All comments and clarifications related to the bidding process must go through the Contracting Party. The Contracting Party shall provide the User with written notification of the bid price for the Work specifically and the Project generally within twenty-four (24) hours after the bid opening.

4.2. Bid Consideration and Award. The Parties acknowledge and agree that the Contracting Party will review, accept, reject and award the bids for the Project in accordance with applicable competitive bidding requirements, rights and obligations of state law and the plans, specifications and provisions of the bid package. The Parties further acknowledge and agree that the User's Work will be considered an integral part of the Project and will not be treated differently or separately for competitive bidding purposes, unless agreed otherwise by the Administrators.

4.3. Elimination of Work. The Contracting Party will provide the User with an opportunity to review the bids submitted by contractors on the Project to determine whether the bids for the User's Work are subject to unbalanced bidding which would result in the User paying an unreasonable or inequitable amount for the Work or the bids are unreasonably high based on the User's estimated cost of the Work. The User may within forty-eight (48) hours of receiving the bid results for the Work request the Contracting Party to eliminate the Work from the Project and/or reject the bid for the Project. The Contracting Party may, but is not required to, eliminate the Work from the Project, taking competitive bidding laws, regulations and case authority into account.

5. CONSTRUCTION, INSPECTION, AND ACCEPTANCE.

5.1. Construction and Administration Responsibility. The Contracting Party shall construct and administer the Work on behalf of the User as specified in the bid package. The Contracting Party will keep the User advised as to the progress of the Project. The Contracting Party shall notify the User if the Work cannot be completed as designed, regardless of cause. Whenever practical, the User shall have final discretion with regard to the design of field-adjustments relating to the User's Work. To the extent reasonably practicable, the User will provide the Contracting Party with its approval of any design field-adjustment decisions or alternative designs at least ten (10) working days before the anticipated work is scheduled to be performed.

5.2. Communication during Project. All formal communications between the User and the Contracting Party's contractor shall be through the Contracting Party's representatives; provided that the User may have informal communications with the Contracting Party's contractor if approved by the Contracting Party. The Contracting Party will inform the User of any proposed contractor schedule changes and the User must approve those changes. The User will attend scheduled weekly construction meetings to ensure necessary communication between the Contracting Party, User, and contractor.

5.3. Construction Observation. The User will provide an inspector to observe, inspect and approve the Work. The User inspector shall be onsite during or available to be onsite during normal predetermined business hours of work. If the contractor requests working outside of the hours specified in the construction contract, the Contracting Party shall receive approval from the User before approving the contractor's request.

5.4. Documentation. The User's inspector shall provide to the Contracting Party all inspection documentation including but not limited to inspection reports, pay notes, backfill test results, closed circuit TV reports and submittals of a material and substantial nature. The User assumes full responsibility for the User's Work including the constructability, tolerances, settlement and schedule requirements, provided that the User is given the opportunity to inspect the Work. The User will have access to the Project area at all times for inspection of the Work.

5.5. Completion and Acceptance. Upon substantial completion of the Work, the Contracting Party shall provide the User with a written notice of its intent to issue a formal notice of substantial completion to the contractor. The User shall, within fourteen (14) calendar days of being notified by the Contracting Party of its intent to issue a notice to the contractor that the Work is substantially complete, perform any necessary walk-through or inspection of the Work and either (a) deliver to the Contracting Party a written letter of acceptance, or (b) deliver to the Contracting Party a written explanation in punch list format, detailing the reasons why the Work does not comply with the approved specifications and plans. The User and the Contracting Party will work diligently and in good faith to resolve any issues relating to the Work so as not to delay the Contracting Party's acceptance of the Project. If issues raised by the User are resolved, the User shall immediately deliver to the Contracting Party a letter of acceptance.

If the User does not respond within fourteen (14) calendar days as required by Section 5.5, the Work and the administration thereof shall be deemed accepted by the User, and the Contracting Party shall be released from all future claims and demands related to the Work. Acceptance of the Work by the User shall not constitute acceptance of any unauthorized or defective work or materials, nor be a waiver of any manufacturer's, supplier's, or contractor's warranties.

The Contracting Party's contractor shall warrant the workmanship and materials utilized in the Work to be free from defects for a period of one (1) year from the date of the Contracting Party's final acceptance of the Work, with all such warranties running to the User as a third party beneficiary with full authority to make such warranty claims.

5.6. <u>Future Costs.</u> Upon completion and acceptance of the Work pursuant to Section 5.5, the User agrees that it shall be solely responsible for all future ownership, operation and maintenance costs of any facilities constructed by the Work, without expense to the Contracting Party; provided, that the User shall not be responsible for any repair and maintenance costs that are the responsibility of the Contracting Party's contractor for the Project.

5.7. <u>As-Builts.</u> The Contracting Party will prepare the final construction documentation in general conformance with the Contracting Party's and User's construction practices. The Contracting Party shall maintain one set of plans as the official "as-built" set, then make notations of all plan revisions typically recorded per standard practice of the Contracting Party. Once the User has accepted the Work per Section 5.5, the Contracting Party will provide one copy of the as-builts plans to the User upon request.

6. **PERMITS AND APPROVALS.** The User shall be responsible to apply for and obtain all required permits and approvals for the Work. The User shall provide a copy of all permits and approvals to the Contracting Party at least forty-five (45) calendar days prior to the bid advertisement date for the Project or as agreed to by the Contracting Party.

7. **RIGHT OF ENTRY.** If necessary to carry out the Work, the User shall obtain rights of entry for the Contracting Party and its contractors upon all privately owned lands. The rights of entry may include reasonable entry and use restrictions. The User shall provide copies of the rights of entry to the Contracting Party within five (5) working days prior to the date of Notice to Proceed to the Contracting Party's contractor.

8. **BILLING METHOD AND PROCESS.**

8.1. <u>User Payment Requirement.</u> The User shall pay for the Contracting Party's actual direct and related indirect cost of the Services or Work, as set forth in the signed Reimbursable Work Request, including any amendments, and including any design, survey, engineering work, mobilization, construction engineering, contract administration and overhead costs for the Work. The indirect rates charged to the User shall be consistent with the indirect rates formally adopted by the Contracting Party for overhead and contract administration. Indirect rates charged to the User that are not formally adopted by the Contracting Party shall be subject to review and verification by the User as to their reasonableness. The Contracting Party shall send invoices to the User, providing with each invoice sufficient documentation and information to justify the costs. If requested by the User, the Contracting Party shall send any information or records in its possession that relate to and support any invoice. The User shall pay the invoice within thirty (30) calendar days of receipt; provided that if the User disagrees with all or part of the invoice, the User shall notify the Contracting Party in writing of the disagreement within twenty (20) calendar days of receipt of the invoice. The notice shall include an explanation of the disagreement and shall be supported by documentation and information, if any. The User shall pay all parts of an invoice that are not contested within the thirty-day period. The User shall pay a contested portion of an invoice within thirty (30) calendar days after the parties resolve the disagreement. User shall have opportunity to review and approve Contracting Party's monthly billing (quantities) and change order requests prior to approval by the Contracting Party.

8.2. Billing and Payments. Billing for Services and Work will be monthly until the Project is complete. Payments shall be remitted to the persons identified in Section 20 of this Agreement.

8.3. Delinquent Payments. Costs that are not paid within the applicable periods in Section 8.1 shall be delinquent. Delinquent charges shall accrue interest from the date of delinquency until paid, at an interest rate of one percent (1%) per month.

8.4. Termination Right for Nonpayment. If the User fails to pay an invoice pursuant to Section 8.1, the Contracting Party shall have the right to terminate this Agreement, charging the User for the Contracting Party's associated costs of termination, including but not limited to non-cancellable items, delay costs, and unpaid contractor charges for the Work.

9. CHANGE IN WORK OR COST INCREASE.

9.1. Increase in Cost. In the event it is determined that the cost of the Work will exceed the contract amount or a change order approved amount (including sales tax, engineering, and contingencies) by more than ten percent (10%), the Contracting Party shall notify the User of the anticipated increase and seek the User's approval before the Contracting Party authorizes additional work or expenses and/or before the Contracting Party authorizes payment to the Contracting Party's contractor relating to the Work. The User will review and approve or deny the requested increase in cost within five (5) working days of being notified by the Contracting Party of such cost increase.

9.2. Notice of Change in Work. If the Contracting Party desires or the Contractor requests to add to or change the Work, it shall give advance notice of such proposed addition or change to the User, except as provided in Section 9.3 for emergencies or safety threats. The User shall respond to the Contracting Party's request within five (5) working days. The Contracting Party cannot proceed with the addition or change to the Work unless the User approves the addition or change in writing. If the User fails to respond to the Contracting Party's request within the five (5) day period, the User shall be deemed to have denied the request. The User agrees to pay all costs associated with any User- approved addition or change to the Work, as well as the costs of project or Work delays and/or Contracting Party-approved contractor claims associated with the User's failure to respond timely or the User's failure to approve a meritorious change order; provided however that for a joint Project or joint Work benefitting both Parties, or where there is proportional cost sharing agreement in place, the Parties agree to each pay the agreed proportional share of such costs.

9.3. Change in Work for Emergency. When the Contracting Party determines that a change in the Work is required to respond to or mitigate a Project emergency or safety threat, the Contracting Party has authority to implement the change without the User's prior approval. The Contracting Party shall notify the User of such change and the basis for the emergency or safety threat as soon as it becomes known to the Contracting Party and can be reasonably communicated. The Contracting Party's first priority will be to address the emergency or safety threat. The User agrees to pay all costs associated with emergency or safety threat changes to the Work.

9.4. Changes or Additions to Work. The User may request in writing changes or additions to the Work, provided the User provides the necessary plans and specifications for the change or addition. The Contracting Party shall implement the requested change or addition, as requested by the User or as agreed to by the Contracting Party and the User, as long as the change or addition does not negatively impact the Contracting Party's Project and does not materially delay the Project Schedule. The Contracting Party shall respond to the request within five (5) working days, and if the change or addition is approved (as requested or amended by agreement), shall include in the response the terms and conditions of the approved change or addition, including the cost, if any. The User agrees to pay for the increases in Project cost, if any, for the approved changes or additions in accordance with Section 8 (Billing Method and Process).

9.5. Change Order Documentation. The Contracting Party shall make available to the User all change order documentation related to the modified Work, prior to the User approving any contract changes.

9.6. Different Materials or Structures. The Contracting Party shall provide to the User within twenty-four (24) hours any request of the Project contractor to use different materials or structures for the Work. The User shall within five (5) working days advise the Contracting Party as to whether it accepts the different material or structure. If the User fails to respond within five (5) working days, the Contracting Party shall be authorized to make a determination on the User's behalf.

10. **TERM**. The term of this Agreement is for a period of five (5) years, from the date this Agreement.

11. **EXTENSIONS**. The term of this Agreement shall automatically be extended in one (1) year increments, up to a maximum of ten (10) additional years, without further authorization of the legislative bodies of the Parties.

12. **TERMINATION**. Either Party may choose to terminate this Agreement by notifying the other Party in writing ninety (90) days prior to termination.

13. **ADMINISTRATION/COMMUNICATIONS**. Contract managers designated by the Port's Chief Executive Officer and the City's City Manager shall administer this Agreement, monitor service level of this Agreement, communicate via telephone or e-mail to relay information, answer questions, or raise concerns.

14. **DISPUTE RESOLUTION**. In the event of a dispute between the Port and the City which cannot be resolved by the contract managers, the Port's Chief Executive Officer and the City's City Manager or their designated representatives shall review such dispute and may attempt to resolve the dispute.

14.1. Mediation. Any controversy or claim arising out of or relating to this Agreement or the alleged breach of this Agreement that cannot be resolved by the Port's Chief Executive Officer and the City's City Manager may be submitted to mediation.

14.2. Legal Actions or Proceedings. In the event that either Party deems it necessary to institute legal action or proceedings to enforce any right or obligation under this Agreement, the Parties agree that any such action or proceedings shall be brought in the Superior Court of Clark County, Washington. Each Party shall be responsible for its own attorney's fees and costs.

15. **INDEPENDENT CONTRACTOR**. Both Parties shall be deemed independent contractors for all purposes, and the employees of each Party and any of its contractors, subcontractors, consultants, and the employees thereof, shall not in any manner be deemed to be the employees of the other Party. The City shall retain all authority for provision of services, standards of performance, discipline and control of personnel, and other matters incident to its performance of services pursuant to this Agreement. Nothing in this Agreement shall make any employee of the Port an employee of the City or any employee of the City an employee of the Port for any purpose, including but not limited to, withholding of taxes, payment of benefits, workers' compensation pursuant to Title 51 RCW, or any other rights or privileges accorded their respective employees by virtue of their employment.

16. **THIRD PARTY CONSULTANT**. The Contracting Party may contract with a third party to provide all or any of the Services. Before executing a contract or a task assignment on an existing contract for the Services, the Contracting Party shall provide the proposed scope of work and cost to the User. The User shall promptly review the work and cost and submit comments, if any, to the User.

17. **HOLD HARMLESS/INDEMNIFICATION**. To the extent authorized by law, the Port and City shall indemnify and hold harmless one another and their employees, officers, contractors and agents, from and shall process and defend at their own expense any and all claims, demands, suits at law or equity, actions, penalties, losses, damages (both to persons and/or property), or cost, of whatsoever kind or nature, brought against the one Party arising out of, in connection with, or incident to the other Party's performance or failure to perform any aspect of this Agreement, provided, that if such claims are caused by or result from the concurrent negligence of (a) the Port and (b) the City, their respective employees, officers, contractors or agents, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Port or the City, and provided further, that nothing herein shall require the Port or City to hold harmless or defend the other or its employees, officers, contractors or agents from any claims arising from that Party's sole negligence or that of its employees, officers, contractors or agents. The terms of this section shall survive the termination of this Agreement.

17.1. Participation in Legal Action. In the event that any suit based on such a claim, demand, loss, damage, cost, or cause of action is brought against either Party, each Party retains the right to participate in said suit if any principle of public law is involved.

17.2. Worker's Compensation. This indemnity and hold harmless provision shall include any claim made against either Party by an employee, officer, contractor, subcontractor or agent of the other Party, even if the other Party is thus otherwise immune from liability pursuant to the workers' compensation statute, Title 51 RCW, except to the extent that such liability arises from the sole negligence of the first Party. Both Parties specifically acknowledge that the provisions contained herein have been mutually negotiated by the Parties and it is the intent of the Parties that each Party provide the other Party with the broadest scope of indemnity permitted by RCW 4.24.115.

18. **ATTORNEYS FEES AND COSTS**. The Parties shall bear their own costs of enforcing the rights and responsibilities under this Agreement.

19. **NO THIRD PARTY BENEFICIARY**. The Port does not intend by this Agreement to assume any contractual obligations to anyone other than the City. The City does not intend by this Agreement to assume any contractual obligations to anyone other than the Port. The Port and City do not intend there be any third-party beneficiary to this Agreement.

20. **NOTICE**. Any notices to be given under this Agreement shall at minimum be delivered, postage prepaid and addressed to:

To the City:	**To the District:**
CITY OF RIDGEFIELD P.O. Box 608 Ridgefield, Washington 98642 Attention: City Manager	PORT OF RIDGEFIELD 101 Mill Street, Suite 100 Ridgefield, WA 98642 Attention: Chief Executive Officer

The name and address to which notices shall be directed may be changed by either Party giving the other notice of such change to the other as provided in this section.

21. **WAIVER**. No waiver by either Party of any term or condition of this Agreement shall be deemed or construed to constitute a waiver of any other term or condition or of any subsequent breach, whether of the same or different provision.

22. **INTERLOCAL COOPERATION ACT COMPLIANCE**. This is an Agreement entered into pursuant to Chapter 39.34 RCW. Its purpose is as set forth in Section 1. Its duration is as specified in Sections 10 (Term), 11 (Extensions), and 12 (Termination). Its method of termination is set forth in Section 12. Its manner of financing and of establishing and maintaining a budget therefore is described in Section 8 (Billing Method and Process). No property shall be acquired pursuant to this Agreement which will need to be disposed of upon partial or complete termination of this Agreement. No separate entity is created and no separate joint board is created by this Agreement; the Agreement shall be administered as set forth in Section 13.

23. **ENTIRE AGREEMENT**. This Agreement contains all of the agreements of the Parties with respect to the subject matter covered or mentioned therein, and no prior Agreements shall be effective to the contrary.

24. **AMENDMENT**. The provisions of this Agreement may be amended with the mutual consent of the Parties. No additions to, or alterations of, the terms of this Agreement shall be valid unless made in writing and formally approved and executed by the duly authorized agents of both Parties, except as provided in previous sections.

25. **AUDIT AND RECORDS**. During the progress of the Work for either Party and for a period of not less than three (3) years from the date of final payment, both Parties shall maintain the records and accounts pertaining to the Work and shall make them available during normal business hours and as often as necessary, for inspection and audit by the other Party, State of Washington, and/or Federal Government, and copies of all records, accounts, documents or other data pertaining to the Work will be furnished upon request. The requesting Party shall pay the cost of copies produced. If any

litigation, claim or audits are commenced, the records and accounts along with supporting documentation shall be retained until any litigation, claim or audit finding has been resolved even though such litigation, claim or audit continues past the three-year retention period.

26. **DOCUMENT EXECUTION AND FILING**. The Port and the City agree that there shall be two (2) duplicate originals of this Agreement procured and distributed for signature by the necessary officials of the Port and the City. Upon execution, one executed original of this Agreement shall be retained by the Ridgefield City Clerk and one shall be retained by the Port. The Ridgefield City Clerk shall cause a copy of this Agreement to be posted on the City website pursuant to RCW 39.34.040. Upon execution of the originals and posting of a copy on the City website, each such duplicate original shall constitute an agreement binding upon the Parties. One each of the duplicate originals shall be distributed to the designated agents of the Parties, named as follows:

To the City:	**To the District:**
Steve Stuart City of Ridgefield, City Manager P.O. Box 608 Ridgefield, WA 98642	Randy Mueller. Port of Ridgefield, Chief Executive Officer 101 Mill Street, Suite 100 Ridgefield, WA 98642

27. **RATIFICATION**. Acts taken in conformity with this Agreement prior to its execution are hereby ratified and affirmed.

28. **SEVERABILTY**. If any section or part of this Agreement is held by a court to be invalid, such action shall not affect the validity of any other part of this Agreement.

IN WITNESS WHEREOF, the Port and City have caused this Agreement to be executed in their respective names by their duly authorized officers and have caused this Agreement to be dated as of _____ day of _________________, 2023.

PORT OF RIDGEFIELD	CITY OF RIDGEFIELD
By: ________________________________ Randy Mueller, Chief Executive Officer	By: ________________________________ Steve Stuart, City Manager
Approved as to form: By: _________________________________ Port Attorney	Approved as to form: By: _________________________________ City Attorney

CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION

MEETING DATE: November 2, 2023

AGENDA ITEM NAME: Motion - Approval of Interlocal Agreement with Clark County designating Clark County as the lead agency for the revision to the Comprehensive Solid Waste Management Plan

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GOVERNING LEGISLATION

Chapter 39.34 RCW and Chapter 70A.205.040 RCW.

PREVIOUS COUNCIL ACTION TAKEN:

Approval of Interlocal Agreement on Solid Waste planning and services in 2015.

SUMMARY/BACKGROUND:

Solid waste services are provided to the City of Ridgefield through contract with Clark County via an interlocal agreement (ILA) between the City and County, with the exception of trash, recycling and yard debris services, which operate under a contract between the City and Waste Connections. The previous ILA was executed in 2015, and is due to expire at the end of 2023. The core of the ILA designates Clark County as the lead agency for developing the Comprehensive Solid Waste Management Plan (CSWMP) in cooperation and coordination with the cities within the county. All of Clark County's cities and towns are signatory to this agreement.

Clark County is in the process of developing an update to the CSWMP in conjunction with the Comprehensive Plan. As part of the update, the plan will provide information for all existing and proposed solid waste handling facilities, a comprehensive waste reduction and recycling element, and the county's moderate risk management plan. A component of the updated plan is assessing the public ownership of transfer facilities, which are currently operated under contract with Columbia Resource Company. It is anticipated that the County will adopt the updated plan by June 30, 2025. Council will be asked to review and approve the draft plan prior to that date (likely in 2024). This ILA guides the planning and development effort of the CSWMP including identifying the advisory bodies to that effort: Solid Waste Advisory Committee (SWAC) and the Regional Solid Waste System Steering Committee (RSWSSC). The Public Works Director is a member of the RSWSSC.

BUDGET/FINANCIAL IMPACTS:

None

RECOMMENDED ACTION OR MOTION:

Council action is requested on this item.

A suggested motion is "**I move to approve the Interlocal Agreement as presented between the City of Ridgefield and Clark County, designating Clark County as the lead agency for the revision of the**

Comprehensive Solid Waste Management Plan."

STAFF CONTACT: Chuck Green, Public Works Director

ATTACHMENTS:

1. DRAFT CCPH City of Ridgefield CSWMP Interlocal HDC.2159_DRAFT_103023

INTERLOCAL AGREEMENT
HDC.2159
between
CLARK COUNTY
P.O. Box 9825, Vancouver, WA 98666
and
CITY OF RIDGEFIELD
230 Pioneer Street
PO BOX 608
Ridgefield, WA 98642

Project:	Update to Comprehensive Solid Waste Management Plan
Contract Name:	CCPH City of Ridgefield CSWMP Interlocal HDC.2159
Contract Period:	Upon Execution-Ongoing

County Contacts		
Program	**Fiscal**	**Contract**
Joelle Loescher 360.397.8126 Joelle.Loescher@clark.wa.gov	Kayla Mobley 564.397.8235 Kayla.Mobley@clark.wa.gov	Holly Barnfather 360.949.6965 CntyHealthGrantContract@clark.wa.gov

City Contacts		
Program	**Fiscal**	**Contract**
Chuck Green, PE 360.857-5022 Chuck.Green@ridgefieldwa.us	Kirk Johnson 360.857-5008 kirk.johnson@ridgefieldwa.us	Kirk Johnson 360.857-5008 kirk.johnson@ridgefieldwa.us

This Contract for governmental services, where both parties are public agencies, pursuant to RCW 39.34.080 is entered into between Clark County, hereinafter referred to as County, and City of Ridgefield, hereinafter referred to as City. County and City agree to all terms and conditions, exhibits, and requirements of this contract.

CITY

Steve Stuart, City Manager Date
Steve.Stuart@ridgefieldwa.us

COUNTY

Kathleen Otto, County Manager Date

CITY

Janean Parker, City Attorney Date
jzparkerlaw@outlook.com

APPROVED AS TO FORM ONLY:

Amanda Migchelbrink Date
Deputy Prosecuting Attorney

**INTERLOCAL AGREEMENT
BETWEEN CLARK COUNTY AND CITIES OF
BATTLE GROUND, CAMAS, LA CENTER, RIDGEFIELD, VANCOUVER,
WASHOUGAL, AND TOWN OF YACOLT
DESIGNATING CLARK COUNTY AS THE LEAD AGENCY FOR THE REVISION OF
THE COMPREHENSIVE SOLID WASTE MANAGEMENT PLAN**

Pursuant to Chapter 39.34 RCW and RCW 70A.205.040, this lnterlocal Agreement (Agreement) is entered into between Clark County and the City of Ridgefield, establishing the obligations of the Parties for the maintenance and adoption of the Clark County Comprehensive Solid Waste Management Plan (CSWMP).

WHEREAS, RCW 70A.205.010 and RCW 70A.300.007 assigns primary responsibility for solid waste and moderate risk waste planning to local government; and

WHEREAS, RCW 70A.205.040 and RCW 70A.300.350 require or authorize counties, in cooperation with the various cities located within such county, to prepare a coordinated comprehensive solid & hazardous waste management plan; and

WHEREAS, under RCW 70A.205.075, all solid waste management plans must be maintained in current condition by periodic updates that include the estimated long-range planning needs for solid waste handling facilities projected twenty years into the future and local governments may also periodically update their hazardous waste plans; and

WHEREAS, the City and the County ("Parties"), recognize that our citizens and businesses, public policymakers, and local government staff benefit from cooperative, coordinated, and shared approaches to managing the regional solid waste system; and

WHEREAS, RCW 70A.205.040(4)(c) outlines that cities may authorize the county to prepare a plan for the city's solid waste management; and

WHEREAS, the Parties previously initially into a Solid Waste lnterlocal Agreement on May 9, 2006, and have enjoyed a lengthy, productive, and effective working relationship in coordinating a wide range of solid waste disposal and collection issues; and

WHEREAS, in order to successfully develop, finance, and manage the Regional Solid Waste System, it is desirable that all waste generated in Clark County, including waste generated in incorporated cities and towns within the county, be disposed of through the Regional Solid Waste System and that the City authorizes the County to designate a disposal site(s) and transfer sites for the disposal of solid waste generated within the corporate limits of the City; and

WHEREAS, the Parties wish to adopt, maintain, and enforce minimum levels of service for residential source separation and collection of recyclables, including residential curbside recycling programs, multi-family recycling programs, and residential yard waste collection programs; and

WHEREAS, as part of this Agreement, the City agrees to authorize the county to prepare a plan for the city's solid waste management for inclusion in the CSWMP.; and

WHEREAS, the Parties wish to continue working to develop and implement environmentally sound and cost-effective solid waste management programs including waste reduction and recycling programs that reduce greenhouse gas emissions as appropriate from the disposed waste stream.

NOW, THEREFORE, in consideration of the mutual benefits and covenants contained herein, it is hereby agreed:

1. Purpose of agreement. The Parties intend this Agreement to provide for continued cooperation by both parties in the updating of the CSWMP, implementation of that plan, and periodic updates or replacement of that plan, all in compliance with Chapters 70A.205 and 70A.300 RCW.

2. Authority and responsibilities.
   - 2.1. County shall act as lead agency for review of the CSWMP, and for preparation of the revised CSWMP, incorporating both solid waste and moderate risk waste elements.
   - 2.2. It is understood that the planning effort will be informed by the Solid Waste Advisory Committee (SWAC) and the Regional Solid Waste System Steering Committee (RSWSSC).
   - 2.3. It is understood that the Washington State Department of Ecology (Ecology) will consider approval of the revised CSWMP only after all local jurisdictions participating in the planning process have adopted the revised CSWMP.
   - 2.4. The responsibilities of all parties in the management, planning, operations, and collection services of solid waste programs (including moderate risk waste) will be delineated in the adopted CSWMP.
   - 2.5. No separate entity is being created by this Agreement.

3. Limitations.
   - 3.1. Nothing in this agreement shall supersede any authority granted to either the County or the

City, or otherwise imply any control by one Party over the other Party.

3.2. Nothing in this agreement shall obligate either Party to provide personnel or assume operation and maintenance responsibilities for the other party's facilities or operations. Nor shall any provision of this agreement change in any manner the rules and restrictions under which either party operates.

4. Dispute resolution. Any disputes arising under the terms of this agreement shall be resolved through a negotiated effort to reach consensus. The Parties may agree to mediation as part of such effort.

5. Plan development process. The Parties agree to the following process for development of, updates to, and replacement of the CSWMP.

5.1. Revision process

5.1.1. With input from SWAC and RSWSSC, the County will develop a draft and circulate that draft to Ecology and all cities within the Clark County Regional Solid Waste System. The County will make that draft available to the public for comments on their website.

5.1.2. After good faith consideration of any responses from the public, cities and town, and Ecology, County staff will prepare a final draft. After consultation with the city/town, SWAC, and RSWSSC, County will have the discretion to decide whether to change the final draft as a result of the responses.

5.1.3. Upon adoption, as defined herein, County will submit the adopted final draft to Ecology.

5.2. Amendments and updates

5.2.1. All proposed amendments will be evaluated per the process defined in the CSWMP.

5.2.2. Cities and towns that have signed the Agreement to join the Clark County Regional Solid Waste System may send possible amendments to the County for formal proposal. Upon such proposal, the County shall conduct the plan development process as outlined in this section.

5.2.3. The County shall prepare CSWMP updates as required by Chapter 70A.205 RCW, 70A.300 RCW, or by Ecology.

6. Plan adoption. If within 90 days of receiving the final draft CSWMP from the County, the City does not pass a resolution either adopting or disapproving the plan and deliver that resolution to the County, the City authorizes the County to include the city's solid waste plan prepared by the

County in the CSWMP. All participating jurisdictions will be notified by the County when the CSWMP is adopted and when the CSWMP is approved by Ecology.

7. Term. Commencing on the effective date as outlined below in this Agreement, this Agreement shall continue until rescinded, terminated as herein provided, or as outlined in the adopted subsequent plan. Any party hereto may withdraw and terminate its rights and obligations under this Agreement with the understanding that:
   7.1. Notice of intent to withdraw and develop an independent plan shall be given to all parties, including SWAC and RSWSSC, and shall be provided with 12 months' notice; and
   7.2. Prior to termination, a withdrawing City must have prepared and received approval from Ecology for their independent solid waste management plan; and
   7.3. Termination will not absolve the City or County of responsibility for meeting financial and other obligations outstanding at the time of termination.

8. Effective date. This Agreement shall be effective upon its execution by the Clark County Council after execution by all other participating governments. The Parties agree that in the event this Agreement is approved on or after the effective date, the terms and conditions hereof shall be construed as having been in full force and effect as of the effective date.

9. Entire agreement and modification. This Agreement embodies the entire agreement and understanding between the Parties hereto with respect to its subject matter and supersedes all prior agreements and understandings, whether written or oral, relating to its subject matter. No amendment or modification of this Agreement shall be valid unless made in writing and signed by each of the Parties.

10. Indemnification / Hold harmless. City shall defend, indemnify, and hold County, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the negligent acts, errors or omissions of City in performance of this Agreement, except for injuries and damages caused by the sole negligence of County. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of City, its officers, officials, employees, and volunteers, City's liability, including the duty and cost to defend, hereunder shall be only to the extent of the City's negligence. It is

further specifically and expressly understood that the indemnification provided herein constitutes the City's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

11. Public Records Act. Notwithstanding the provisions of this Agreement to the contrary, to the extent any record, including any electronic, audio, paper or other media, is required to be kept or indexed as a public record in accordance with the Washington Public Records Act, RCW Chapter 42.56, as may hereafter be amended, each party agrees to maintain all records constituting public records and to produce or assist both parties in producing such records, within the time frames and parameters set forth in state law. Each party further agrees that upon receipt of any written public record request from the public, shall, within two business days, notify the other party of receipt of the request by providing a copy of the request to the other party's Public Records Officer.

12. Recording or public listing. The Parties agree that this Agreement, after full execution, either will be recorded with the Clark County Auditor or listed by subject on Clark County's website or other electronically retrievable public source, as required by RCW 39.34.040.

13. Severability. If any provision of this Agreement is held invalid, the remainder would then continue to conform to the terms and requirements of applicable law.