

Port of Moses Lake

Tax Increment Area

Project Analysis Report



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Acknowledgments

This report was prepared for the Port of Moses Lake (the “Port”) 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 are not intended to be construed as advice or recommendations regarding any specific municipal financial products. The Port should discuss any information and material contained in this report with any and all internal or external advisors and experts that the Port deems appropriate before acting on this information.

Other firms that contributed to this report include:

- Elaine Howard Consulting, LLC led the Port’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.
- Northwest Municipal Advisors served as the Port’s municipal advisor, providing advice on reasonable assumptions for the terms of future indebtedness.
- K&L Gates LLP served as the Port’s bond counsel, providing legal advice on the Port’s authority to incur future indebtedness.
- SERA Design and Architecture, Inc. conducted spatial analysis.
- Western Pacific Engineering & Survey, Inc. provided support to the Port in determining assumptions on future private development expected to occur in the area.

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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.¹ 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 jurisdiction that establishes 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 Port of Moses Lake (Port) TIA includes 4,875.7 acres and is generally bordered by Road 4 NE (Cherokee Road) to the north, the rail line to the east, Road 2 NE to the south, and State Route 17 to the west. The development of this area is vital to Port's mission to promote economic and community vitality. For this development to occur, the Port must complete many significant public projects, including:

¹ The tax increment financing program was subsequently amended by house bill 1527 in 2023.

- Transportation Improvements
- Wastewater Improvements
- Water Improvements
- Power Improvements
- Life and Safety Improvements
- Land Use - Environmental Improvements

The cost of these projects is estimated to be \$333.2 million in 2024 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 estimated amount of tax allocation revenues generated in the proposed TIA. The Port assumes some of the project costs would need to be paid for by additional funding sources.

Anticipated Private Development

The Port is aware of 26 private projects that are anticipated to occur in the TIA. The projects include new businesses, improvements to existing facilities, and existing business expansion. These developments are expected to be constructed between 2023 and 2044, and are forecast to total \$3.2 billion in 2024 dollars and \$3.8 billion in nominal dollars.

Impacts to Taxing Districts

The proposed TIA is forecast to receive \$374.2 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 estimated to be \$371.8 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:

- City of Moses lake
- Hospital 1
- Port 10
- Library
- Road District 1
- Fire District 5
- County Current Expense

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)
- School District 161
- Mosquito Control District 1

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 15,228 FTE positions and \$963 million in labor income (2024 dollars).

Following development, the completed structures are expected to generate ongoing impacts to the local and regional economy. Employees at the industrial locations are expected to generate income that would circulate in the local economy, supporting additional employment and tax revenues. The overall increase in employment in the proposed TIA is estimated to be 15,118 FTE when completed and tenanted.

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

1 Background

1.1 Background and Purpose

The Port of Moses Lake (Port) was established in 1965 by community vote in order to support economic development and open the Grant County International Airport. Since its establishment, the Port has been heavily involved in strengthening Grant County's economy by investing in and providing needed infrastructure for industrial development.

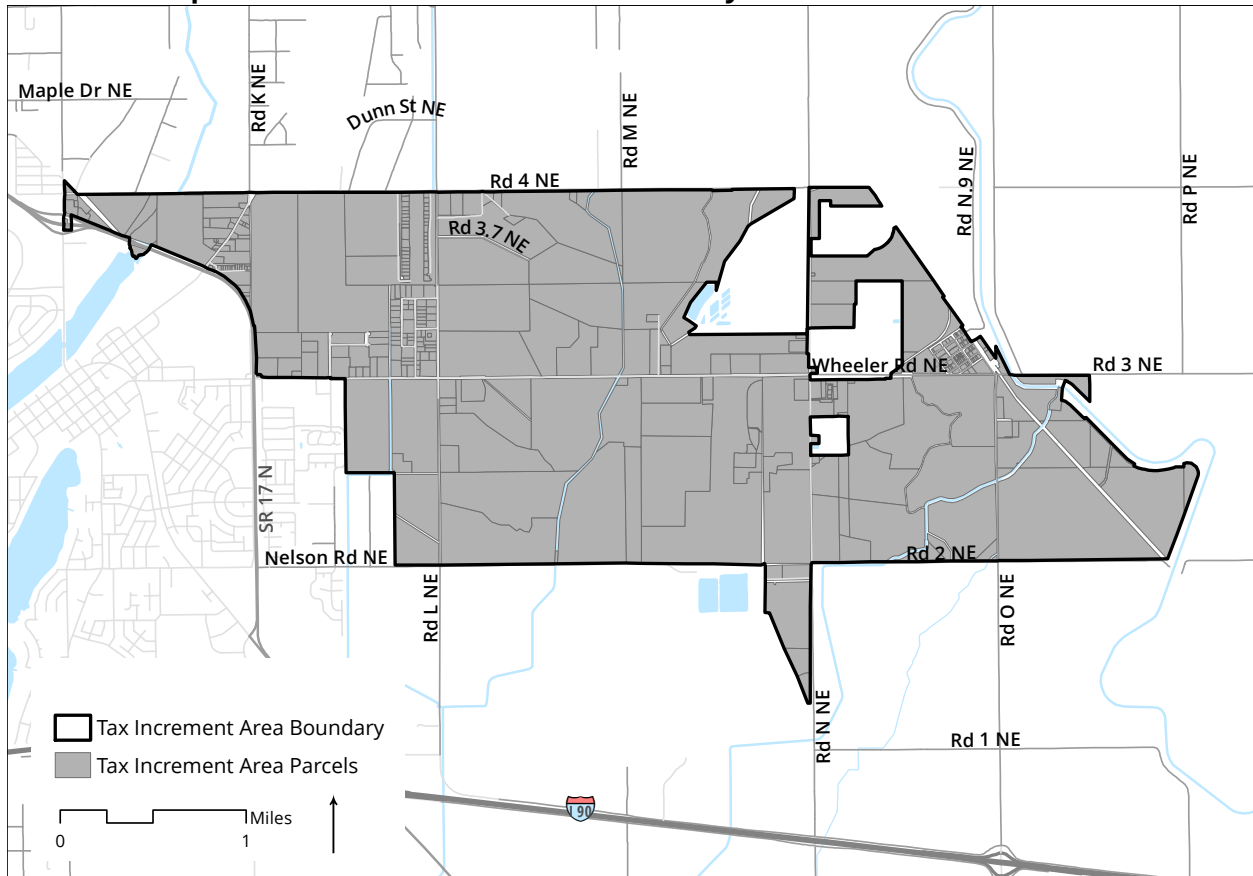
Although the Port has made significant strides in providing the necessary infrastructure to bring major industries and employment to the area, limited transportation options are currently a major impediment to retaining and attracting new industries. The Port of Moses Lake Tax Increment Area (TIA) will provide essential funding to complete the Northern Columbia Basin Rail (NCBR) Project, which will eliminate this major impediment in rural Central Washington by providing a cost-effective transportation option for existing businesses, agricultural producers, and new industries to ship to/from Pacific Northwest ports and the Midwest. The TIA is also anticipated to fund additional infrastructure projects that will further incentivize new development and provide infrastructure that will be needed to serve the new industry and its employees.

1.2 Boundary

Exhibit 1 shows a map of the boundary for the proposed Port of Moses Lake TIA, including all tax lots included within the boundary. The boundary includes 4,875.7 acres and is generally bordered by Road 4 NE (Cherokee Road) to the north, the rail line to the east, Road 2 NE to the south, and State Route 17 to the west. The development of this area is vital to Port's mission to encourage economic development. Excluding rights-of-way:

- 47% of the proposed TIA's acreage is zoned Heavy Industrial or Urban Heavy Industrial
- 20% of the proposed TIA's acreage is zoned Agricultural
- 10% of the proposed TIA's acreage is zoned Light Industrial

Exhibit 1. Proposed Port of Moses Lake TIA Boundary



Source: SERA Architects with data from the Grant County Assessor's Office

Appendix A provides a list of all 471 real property tax accounts included within the proposed TIA boundary. These properties are located within tax code areas 73 and 94. They have a combined market value of \$164,279,410 and assessed value of \$130,041,825 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 Port of Moses Lake (whichever is less). The total assessed valuation of the Port in tax year 2024 is \$6,347,798,950, which means that 20 percent of that assessed valuation is \$1,269,559,790. 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 is estimated to have a total taxable assessed value of \$135,503,582.² Thus, the proposed TIA boundary complies with the limitations on assessed value described in RCW. These calculations are shown below in Exhibit 2.

² The estimated assessed value of tax lots within the proposed TIA boundary relies on 2023 tax roll data. The Port and their representatives made numerous efforts to obtain an updated dataset of 2024 tax roll data from the Grant County Assessor's Office, but ultimately the County was unable to provide this data prior to completion of this report.

Exhibit 2. Calculations of Limitations on Assessed Value, Proposed Port of Moses Lake TIA, Tax Year 2024

Total Assessed Value, Port of Moses Lake	\$ 6,347,798,950
20% of Total Assessed Value	\$ 1,269,559,790
Statutory Limit	\$ 200,000,000
Assessed Value of TIA	\$ 135,503,582
In Compliance with RCW?	Yes
Remaining Capacity	\$ 64,496,418

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

Note: The estimated assessed value of the proposed TIA uses 2023 tax roll data. The Port and their representatives made numerous efforts to obtain an updated dataset of 2024 tax roll data from the Grant County Assessor's Office, but ultimately the County was unable to provide this data prior to completion of this report.

RCW 39.114 requires the Port to identify any property that it intends to acquire within the proposed TIA boundary. At the time of writing this report, the Port has identified the following specific properties (or portions of properties) it intends to acquire within the proposed TIA boundary:

- 11-0069-480
- 09-1121-632
- 09-1121-650
- 09-1121-652
- 11-0069-492
- 19-0479-000
- 19-0484-000
- 31-3169-000
- 31-3167-000
- 19-0483-000
- 09-1325-426
- 09-1325-406
- 11-0077-135
- 11-0005-006
- 11-0007-005
- 11-0007-007
- 11-0007-008
- 11-0007-066
- 09-1121-653

1.3 Objectives

In alignment with its strategic plan and its mission to promote economic and community vitality in Greater Moses Lake, the Port has identified the following goals and objectives for the Tax Increment Area:³

Goal 1. Support the economic vitality of Greater Moses Lake by attracting new and retaining existing businesses.

Objectives:

- Increase the Port's available industrial land capacity.
- Prioritize infrastructure investments in power and rail that allow for business construction and expansion.
- Increase the Port's wastewater treatment capacity to accommodate biological waste to attract and retain food processors.
- Ensure levels of service for fire and emergency medical can accommodate industry growth.

Goal 2. Increase quality of life for residents, businesses, and visitors.

Objectives:

- Develop additional transportation options for employment uses to relieve congestion on the existing road network in Moses Lake.
- Attract businesses that provide high-wage employment opportunities.

The TIA would also contribute to the City of Moses Lake's and Grant County's goals. Grant County's 2018 Comprehensive Plan Update places importance on economic development, stating that "a healthy economy is central to the vitality and quality of life in Grant County." Economic growth "requires investment in County infrastructure, including transportation facilities, water and sewer systems, and private utilities. Having industrial and commercial sites available and ready-to-develop at an affordable price is a prerequisite to effectively compete for new companies." A weakness identified in the Comprehensive Plan is limited wastewater and water facilities, and the County's threats included aging power infrastructure. An economic development objective was to attract new employers, in part by "making necessary infrastructure investments in transportation, water and sewer, telecommunications, and other utilities as needed to leverage private investments that create jobs."⁴

The City of Moses Lake's Comprehensive Plan states that the City has "a long history of supporting business growth" and identified several initiatives to support economic

³ Goals and objectives for the TIA were informed by the Port of Moses Lake Strategic Plan

⁴ Grant County Comprehensive Plan Update, June 2018, Chapter 5: Economic Development Element.

development in the City. It states that “ongoing economic development will be necessary to provide economic opportunity for area residents.” The Plan also noted that levels of service will need to be maintained as the City experiences new growth, including fire, police, parks, transportation, wastewater, water, and solid waste, and identified many deficiencies if no new investments are made.⁵

2 Anticipated Development

2.1 Public Improvements

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

A. Transportation Improvements: Specific activities may include:

- Northern Columbia Basin Rail Project (Wheeler Road to Port of Moses Lake)
- Wheeler Road/Road L NE Intersection Control Feasibility Study
- Wheeler Road Improvements (SR17 to Road N NE)
- T1 Truck Route (Road 7 NE to I90)
- I90 frontage road upgrades (Road L NE to Road O NE)

B. Wastewater Improvements. Specific activities may include:

- New wastewater facility (one line organic, one line inorganic)
- New wastewater facility to serve the Wheeler Corridor
- Loop water system expansion
- Sand Dunes facility expansion

C. Water Improvements. Specific activities may include:

- Identify and obtain legal sources of water supply
- Well 17 upgrades
- Wheeler Road water line upgrades
- New water tower/storage facility
- New reverse osmosis water plant

D. Power Improvements. Specific activities may include:

⁵ Moses Lake Together – Creating our Future, November 2021, Chapters 3, 6, and 7

- New hydrogen conveyance system
- New transmission line (Port of Moses Lake to Wheeler Corridor)
- New substation (Wheeler Corridor)

E. Life and Safety Improvements. Specific activities may include:

- New fire station (Wheeler area)
- New fire station (Randolph area)

F. Land Use – Environmental Improvements. Specific activities may include:

- Planned action for the industrial corridor (area-wide environmental analysis to facilitate ease of permitting for future industrial users)

Exhibit 3 summarizes the estimated cost and prioritization for each of these public improvements. Collectively, these projects are estimated to cost \$333.2 million in 2024 dollars.

Exhibit 3. Public Improvements to be Funded with Tax Allocation Revenues, Proposed Port of Moses Lake TIA

Project Category	Estimated Project Cost (2024 \$)					Total
	Years 1-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	
Transportation	\$ 20,600,000	\$ -	\$ -	\$ 27,300,000	\$ 3,100,000	\$ 51,000,000
Wastewater	\$ -	\$ -	\$ -	\$ 16,500,000	\$ 55,600,000	\$ 72,000,000
Water	\$ -	\$ 41,200,000	\$ -	\$ 9,300,000	\$ 34,000,000	\$ 84,500,000
Power	\$ -	\$ 30,900,000	\$ 72,100,000	\$ -	\$ 12,400,000	\$ 115,400,000
Life and Safety	\$ -	\$ 9,300,000	\$ -	\$ -	\$ -	\$ 9,300,000
Land Use - Environmental	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
Total	\$ 20,600,000	\$ 81,400,000	\$ 72,100,000	\$ 53,100,000	\$ 106,100,000	\$ 333,200,000

Source: Port of Moses Lake and Western Pacific Engineering & Survey, Inc

RCW 39.114.020 requires the Port 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 proposed Port of Moses Lake TIA, the deadline for construction of public improvements to begin is 2029.

2.2 Private Development

Exhibit 4 and Exhibit 5 summarize the value and timing of private development forecast to occur in the proposed TIA. As of the writing of this report, the Port is aware of 26 industrial projects that are anticipated to occur in the TIA. The projects include new businesses, improvements to existing facilities, and existing business expansion. These developments are expected to be constructed between 2023 and 2044.

The total value of the new development is estimated to be \$3.2 billion in 2024 dollars, and \$3.8 billion in nominal dollars. This analysis assumes that all development occurring in

unincorporated areas will annex into the City of Moses Lake upon development, as the City has indicated that annexation would be a requirement for the provision utility service.⁶

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 to the tax roll two years after construction is completed.

Exhibit 4. Summary of Estimated Private Development, Proposed Port of Moses Lake TIA (2024 \$)

Year on Tax Roll	Taxable Assessed Value		Total
	Real Property	Personal Property	
2025	\$ 496,800,000	\$ 26,100,000	\$ 522,900,000
2026	\$ 1,213,000,000	\$ 55,700,000	\$ 1,268,700,000
2027	\$ 34,100,000	\$ 1,500,000	\$ 35,600,000
2028	\$ 249,600,000	\$ 13,000,000	\$ 262,600,000
2029	\$ 2,100,000	\$ -	\$ 2,100,000
2030	\$ 2,100,000	\$ -	\$ 2,100,000
2031	\$ 75,000,000	\$ -	\$ 75,000,000
2032	\$ 744,500,000	\$ 39,100,000	\$ 783,600,000
2033	\$ 2,100,000	\$ -	\$ 2,100,000
2034	\$ 2,100,000	\$ -	\$ 2,100,000
2035	\$ 2,100,000	\$ -	\$ 2,100,000
2036	\$ 75,000,000	\$ -	\$ 75,000,000
2037	\$ 2,100,000	\$ -	\$ 2,100,000
2038	\$ 800,000	\$ -	\$ 800,000
2039	\$ -	\$ -	\$ -
2040	\$ -	\$ -	\$ -
2041	\$ 72,900,000	\$ -	\$ 72,900,000
2042	\$ -	\$ -	\$ -
2043	\$ -	\$ -	\$ -
2044	\$ -	\$ -	\$ -
2045	\$ -	\$ -	\$ -
2046	\$ 72,900,000	\$ -	\$ 72,900,000
2047	\$ -	\$ -	\$ -
2048	\$ -	\$ -	\$ -
2049	\$ -	\$ -	\$ -
Total	\$ 3,047,200,000	\$ 135,400,000	\$ 3,182,600,000

Source: Tiberius Solutions with data and input from Port of Moses Lake and Western Pacific Engineering & Survey, Inc

⁶ Land value transfer from annexed properties is not included in this analysis.

**Exhibit 5. Summary of Estimated Private Development,
Proposed Port of Moses Lake TIA (Nominal \$)**

Year on Tax Roll	Taxable Assessed Value		Total
	Real Property	Personal Property	
2025	\$ 496,800,000	\$ 26,100,000	\$ 522,800,000
2026	\$ 1,264,000,000	\$ 26,100,000	\$ 1,322,000,000
2027	\$ 37,000,000	\$ 58,100,000	\$ 38,700,000
2028	\$ 282,400,000	\$ 1,700,000	\$ 297,100,000
2029	\$ 2,500,000	\$ 14,700,000	\$ 2,500,000
2030	\$ 2,600,000	\$ -	\$ 2,600,000
2031	\$ 96,100,000	\$ -	\$ 96,100,000
2032	\$ 993,000,000	\$ -	\$ 1,045,100,000
2033	\$ 2,900,000	\$ 52,100,000	\$ 2,900,000
2034	\$ 3,000,000	\$ -	\$ 3,000,000
2035	\$ 3,200,000	\$ -	\$ 3,200,000
2036	\$ 118,000,000	\$ -	\$ 118,000,000
2037	\$ 3,400,000	\$ -	\$ 3,400,000
2038	\$ 1,400,000	\$ -	\$ 1,400,000
2039	\$ -	\$ -	\$ -
2040	\$ -	\$ -	\$ -
2041	\$ 140,900,000	\$ -	\$ 140,900,000
2042	\$ -	\$ -	\$ -
2043	\$ -	\$ -	\$ -
2044	\$ -	\$ -	\$ -
2045	\$ -	\$ -	\$ -
2046	\$ 173,100,000	\$ -	\$ 173,100,000
2047	\$ -	\$ -	\$ -
2048	\$ -	\$ -	\$ -
2049	\$ -	\$ -	\$ -
Total	\$ 3,620,300,000	\$ 178,800,000	\$ 3,772,800,000

Source: Tiberius Solutions with data and input from Port of Moses Lake and Western Pacific Engineering & Survey, Inc.

2.3 Impact of Public Projects on Private Development

The development assumptions included in this analysis reflect a scenario where the TIA provides funding for a portion of the public projects identified in this report. Without these vital infrastructure improvements, the significant new construction forecast to occur within the proposed TIA boundary would likely be delayed, scaled-back, or canceled. The private development forecast in this analysis would not reasonably be expected to occur solely through

private investment within the reasonably foreseeable future without the proposed public improvements. The increase in assessed value 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 development with the proposed public improvements.

The Northern Columbia Basin Railroad Project (NCBRP) is especially critical for planned private development in the area. The Port has been planning these rail improvements for over a decade, including National Environmental Policy Act (NEPA) approvals in 2020. Local businesses have made investment decisions predicated on the Port's completion of these vital rail infrastructure improvements. However, anticipated project costs have increased significantly in recent years, and the Port's existing funding is insufficient to pay for the full cost of the project. The proposed TIA would provide sufficient funding to allow the Port to proceed immediately with implementation of the NCBRP, facilitating planned investment by private developers and local businesses in the area.

While rail infrastructure is an immediate priority to facilitate economic development in the area, the other public improvements identified in this report are also critical for facilitating longer-term private development efforts in the area. These improvements will address existing deficiencies in road, water, wastewater, and power infrastructure.

3 Finance Plan

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 resolution 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. The proposed TIA is within tax code areas (TCAs) 73 and 94. TCA 73 is in the City of Moses Lake, while TCA 94 is outside the City of Moses Lake and is in Road District 1 and Fire District 5.

Exhibit 6. Levies Included in Calculation of Tax Allocation Revenues, Proposed Port of Moses Lake TIA, Tax Year 2023

Taxing District	2023 Levy Rate (Per \$1,000 AV)	
	TCA 73	TCA 94
City of Moses Lake	\$ 2.943865	\$ -
Hospital 1	\$ 0.525011	\$ 0.525011
Port 10	\$ 0.413996	\$ 0.413996
Library	\$ 0.286449	\$ 0.286449
Road District 1	\$ -	\$ 1.476683
Fire 5	\$ -	\$ 1.164011
County Current Expense	\$ 1.249249	\$ 1.249249
Total	\$ 5.418569	\$ 5.115398

Source: Tiberius Solutions with data from the Grant 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 TIA, we forecast growth in assessed value for each jurisdiction, distinguishing between growth from appreciation of existing property and growth from new construction. We look at long-term historical trends for per capita personal income growth in Grant County as the basis for forecasting appreciation of existing property values, and we look at forecasts of population growth for Grant County as the basis for forecasting the increase in assessed value from new construction.

Historically, per capita personal income growth has been strongly correlated with growth in property values. Data from the Federal Reserve for personal income growth in Grant County shows that after high personal income growth in the 1970’s and early 1980’s (up to 24%) the five-year rolling average from 1985 to 2021 was between 1.2% and 7.9% per year, and 3.8% on average.⁷ Growth from 2001 to 2021 averaged 4.2% per year, and therefore we assume average

⁷ U.S. Bureau of Economic Analysis, Per Capita Personal Income in Grant County, WA [PCPI53025], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PCPI53025>, December 1, 2023.

annual growth of 4.2% for personal income, and thus 4.2% 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 Grant County were published in 2022 and cover the period from 2025 to 2050.⁸ This forecast calls for gradual slowing of population growth in the County, with an average annual growth rate of 1.2% through 2028, 1.1% from through 2033, 1.0% through 2039, 0.9% in 2047, and 0.8% through 2050.

We apply those same percentage growth assumptions to our forecast of assessed value from new construction countywide (and apply the 1.2% growth rate for the years before this forecast, 2023-2025). This percentage-based forecast of growth in assessed value from new construction only applies to properties outside of the proposed TIA. Within the proposed TIA, we rely on specific forecasts of anticipated new construction activity, as explained later in this report.

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 \$5.418569 in 2023 to \$2.659740 in 2049 in TCA 73 and from \$5.115398 in 2023 to \$2.350427 in 2049 in TCA 94. To be conservative, this analysis assumes that no potential future levies or levy lid lifts would be approved by voters.

⁸ OFM – Forecasting & Research, Projections of the Total Resident Population for Growth Management, 2022 GMA Projections – Middle Series, Grant County

Exhibit 7. Forecast of Future Levy Rates, Proposed Port of Moses Lake TIA

Tax Year	City of Moses Lake	County					County Current Expense	TCA 73 Total	TCA 94 Total
		Hospital 1	Port 10	Library	Road District 1	Fire 5			
2023	\$ 2.943865	\$ 0.525011	\$ 0.413996	\$ 0.286449	\$ 1.476683	\$ 1.164011	\$ 1.249249	\$ 5.418569	\$ 5.115398
2024	\$ 2.854403	\$ 0.509056	\$ 0.401415	\$ 0.277744	\$ 1.431808	\$ 1.128637	\$ 1.211285	\$ 5.253902	\$ 4.959944
2025	\$ 2.789905	\$ 0.495883	\$ 0.391224	\$ 0.269804	\$ 1.388513	\$ 1.094879	\$ 1.176536	\$ 5.123352	\$ 4.816840
2026	\$ 2.753398	\$ 0.486127	\$ 0.383915	\$ 0.262869	\$ 1.346351	\$ 1.061630	\$ 1.146003	\$ 5.032312	\$ 4.686895
2027	\$ 2.727292	\$ 0.477606	\$ 0.377647	\$ 0.256349	\$ 1.305468	\$ 1.029390	\$ 1.117239	\$ 4.956133	\$ 4.563700
2028	\$ 2.665385	\$ 0.465359	\$ 0.368130	\$ 0.249090	\$ 1.265826	\$ 0.998129	\$ 1.085482	\$ 4.833445	\$ 4.432016
2029	\$ 2.616013	\$ 0.454630	\$ 0.359894	\$ 0.242316	\$ 1.227353	\$ 0.967790	\$ 1.055776	\$ 4.728628	\$ 4.307758
2030	\$ 2.538603	\$ 0.441034	\$ 0.349148	\$ 0.235002	\$ 1.190049	\$ 0.938373	\$ 1.023897	\$ 4.587684	\$ 4.177502
2031	\$ 2.467976	\$ 0.428331	\$ 0.339143	\$ 0.228022	\$ 1.153879	\$ 0.909850	\$ 0.993449	\$ 4.456921	\$ 4.052674
2032	\$ 2.405354	\$ 0.416702	\$ 0.330029	\$ 0.221428	\$ 1.118808	\$ 0.882194	\$ 0.964645	\$ 4.338158	\$ 3.933806
2033	\$ 2.355380	\$ 0.406618	\$ 0.322218	\$ 0.215319	\$ 1.084803	\$ 0.855379	\$ 0.937892	\$ 4.237428	\$ 3.822229
2034	\$ 2.285677	\$ 0.394460	\$ 0.312599	\$ 0.208818	\$ 1.051801	\$ 0.829355	\$ 0.909563	\$ 4.111117	\$ 3.706596
2035	\$ 2.226914	\$ 0.383649	\$ 0.304113	\$ 0.202749	\$ 1.019804	\$ 0.804122	\$ 0.883063	\$ 4.000488	\$ 3.597500
2036	\$ 2.161302	\$ 0.372213	\$ 0.295065	\$ 0.196637	\$ 0.988779	\$ 0.779658	\$ 0.856430	\$ 3.881647	\$ 3.488782
2037	\$ 2.115554	\$ 0.363187	\$ 0.288055	\$ 0.191224	\$ 0.958699	\$ 0.755937	\$ 0.832733	\$ 3.790754	\$ 3.389836
2038	\$ 2.061427	\$ 0.353306	\$ 0.280292	\$ 0.185694	\$ 0.929533	\$ 0.732939	\$ 0.808587	\$ 3.689307	\$ 3.290352
2039	\$ 2.009005	\$ 0.343726	\$ 0.272768	\$ 0.180331	\$ 0.901255	\$ 0.710640	\$ 0.785171	\$ 3.591001	\$ 3.193891
2040	\$ 1.956797	\$ 0.334272	\$ 0.265331	\$ 0.175087	\$ 0.873811	\$ 0.688999	\$ 0.762283	\$ 3.493769	\$ 3.099783
2041	\$ 1.899003	\$ 0.324296	\$ 0.257425	\$ 0.169804	\$ 0.847204	\$ 0.668018	\$ 0.739275	\$ 3.389803	\$ 3.006022
2042	\$ 1.843720	\$ 0.314707	\$ 0.249833	\$ 0.164703	\$ 0.821406	\$ 0.647676	\$ 0.717052	\$ 3.290015	\$ 2.915377
2043	\$ 1.788554	\$ 0.305234	\$ 0.242319	\$ 0.159715	\$ 0.796394	\$ 0.627953	\$ 0.695327	\$ 3.191150	\$ 2.826942
2044	\$ 1.735640	\$ 0.296113	\$ 0.235090	\$ 0.154894	\$ 0.772144	\$ 0.608830	\$ 0.674328	\$ 3.096065	\$ 2.741399
2045	\$ 1.683653	\$ 0.287193	\$ 0.228015	\$ 0.150200	\$ 0.748632	\$ 0.590290	\$ 0.653892	\$ 3.002953	\$ 2.658222
2046	\$ 1.633646	\$ 0.278589	\$ 0.221193	\$ 0.145661	\$ 0.725836	\$ 0.572315	\$ 0.634122	\$ 2.913212	\$ 2.577716
2047	\$ 1.585817	\$ 0.270321	\$ 0.214642	\$ 0.141277	\$ 0.703734	\$ 0.554887	\$ 0.615027	\$ 2.827084	\$ 2.499887
2048	\$ 1.538125	\$ 0.262153	\$ 0.208161	\$ 0.136989	\$ 0.682285	\$ 0.537974	\$ 0.596353	\$ 2.741781	\$ 2.423914
2049	\$ 1.492378	\$ 0.254289	\$ 0.201926	\$ 0.132844	\$ 0.661490	\$ 0.521576	\$ 0.578303	\$ 2.659740	\$ 2.350427

Source: Tiberius Solutions

Forecast Future Assessed Value in TIA

Future growth in assessed value in the proposed TIA would come from new real property construction and the appreciation of existing property. This report assumes 4.2% annual growth assessed value for existing property value, based on long-term trends in personal income for Grant County as described above.

As stated previously, much of the new construction forecast to occur in the proposed TIA is predicated on the Port 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 4.

Exhibit 8 summarizes all of the anticipated increases in assessed value from real property new construction. This exhibit includes the value of new real property development in both constant 2024 dollars and nominal dollars, which account for appreciation of property values between

now and when the projects complete construction.⁹ Assuming annual appreciation of 4.2% as described above, the total increase in assessed value from new construction of real property is estimated to be \$1.8 billion in constant 2024 dollars, and \$2.2 billion in nominal dollars. Exhibit 8 excludes forecast assessed value growth from investment in future personal property value, as personal property (other than private leasehold improvements on State-owned land) are excluded from the calculation of tax allocation revenues.

Exhibit 8. Assessed Value from New Construction of Real Property, Proposed Port of Moses Lake TIA

Year on Tax Roll	Taxable Assessed Value	
	2024 \$	Nominal \$
2025	\$ 262,100,000	\$ 262,100,000
2026	\$ 711,600,000	\$ 741,500,000
2027	\$ 20,400,000	\$ 22,200,000
2028	\$ 132,400,000	\$ 149,700,000
2029	\$ 2,100,000	\$ 2,500,000
2030	\$ 2,100,000	\$ 2,600,000
2031	\$ 75,000,000	\$ 96,100,000
2032	\$ 392,900,000	\$ 524,000,000
2033	\$ 2,100,000	\$ 2,900,000
2034	\$ 2,100,000	\$ 3,000,000
2035	\$ 2,100,000	\$ 3,200,000
2036	\$ 75,000,000	\$ 118,000,000
2037	\$ 2,100,000	\$ 3,400,000
2038	\$ 800,000	\$ 1,400,000
2039	\$ -	\$ -
2040	\$ -	\$ -
2041	\$ 72,900,000	\$ 140,900,000
2042	\$ -	\$ -
2043	\$ -	\$ -
2044	\$ -	\$ -
2045	\$ -	\$ -
2046	\$ 72,900,000	\$ 173,100,000
2047	\$ -	\$ -
2048	\$ -	\$ -
2049	\$ -	\$ -
Total	\$ 1,828,600,000	\$ 2,246,600,000

Source: Tiberius Solutions with data and input from the Port of Moses Lake and Western Pacific Engineering & Survey, Inc.

These large industrial developments will be assessed by the Washington Department of Revenue, rather than the Grant County Assessor, due to their complexity. Based on

⁹ 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 county assessors in Washington.

conversations with the Department of Revenue, this forecast assumes that projects will be assessed at their construction value for the first year they come on the tax roll. At some point in the ensuing years, the State will switch to an income-based approach for determining the assessed value. State staff advised that it is typical for large-scale industrial development to have an assessed value similar to the construction value for the first four years that a property is on the tax roll. After four years, the income-based approach typically results in growth in assessed value that is higher than the construction value approach. This analysis assumes that assessed value from real property will begin to appreciate at 4.2% per year, beginning in the fifth year that a property is on the tax roll.

In addition to increases in assessed value from new construction, all existing values in the proposed TIA are estimated to increase by 4.2% per year from appreciation. Exhibit 9 summarizes the forecast total growth in assessed value in the TIA from new construction and appreciation. The total assessed value of real property in the proposed TIA is forecast to grow from \$135.5 million in 2024 to \$7.6 billion in 2049, the final year the proposed TIA would be eligible to receive tax allocation revenue.

Exhibit 9. Assessed Value Forecast, Proposed Port of Moses Lake TIA (Nominal \$)

Tax Year	Existing Property (Base Value)			New Construction			Total	Total
	Prior Year	Appreciation of Existing Property	Total	Prior Year	PLUS: Growth in Prior Year Construction	PLUS: New Construction		
2024	\$ -	\$ -	\$ 135,503,582	\$ -	\$ -	\$ -	\$ -	\$ 135,503,582
2025	\$ 135,503,582	\$ 5,691,150	\$ 141,194,732	\$ -	\$ -	\$ 496,763,507	\$ 496,763,507	\$ 637,958,239
2026	\$ 141,194,732	\$ 5,930,179	\$ 147,124,911	\$ 496,763,507	\$ -	\$ 1,263,952,960	\$ 1,760,716,467	\$ 1,907,841,378
2027	\$ 147,124,911	\$ 6,179,246	\$ 153,304,157	\$ 1,760,716,467	\$ -	\$ 37,034,324	\$ 1,797,750,791	\$ 1,951,054,948
2028	\$ 153,304,157	\$ 6,438,775	\$ 159,742,932	\$ 1,797,750,791	\$ -	\$ 282,365,261	\$ 2,080,116,052	\$ 2,239,858,984
2029	\$ 159,742,932	\$ 6,709,203	\$ 166,452,135	\$ 2,080,116,052	\$ 20,864,067	\$ 2,480,416	\$ 2,103,460,535	\$ 2,269,912,670
2030	\$ 166,452,135	\$ 6,990,990	\$ 173,443,125	\$ 2,103,460,535	\$ 74,826,382	\$ 2,584,594	\$ 2,180,871,511	\$ 2,354,314,636
2031	\$ 173,443,125	\$ 7,284,611	\$ 180,727,736	\$ 2,180,871,511	\$ 79,524,532	\$ 96,055,561	\$ 2,356,451,604	\$ 2,537,179,340
2032	\$ 180,727,736	\$ 7,590,565	\$ 188,318,301	\$ 2,356,451,604	\$ 94,723,904	\$ 993,014,691	\$ 3,444,190,199	\$ 3,632,508,500
2033	\$ 188,318,301	\$ 7,909,369	\$ 196,227,670	\$ 3,444,190,199	\$ 98,806,484	\$ 2,924,122	\$ 3,545,920,805	\$ 3,742,148,475
2034	\$ 196,227,670	\$ 8,241,562	\$ 204,469,232	\$ 3,545,920,805	\$ 103,064,910	\$ 3,046,935	\$ 3,652,032,650	\$ 3,856,501,882
2035	\$ 204,469,232	\$ 8,587,708	\$ 213,056,940	\$ 3,652,032,650	\$ 111,427,970	\$ 3,174,906	\$ 3,766,635,526	\$ 3,979,692,466
2036	\$ 213,056,940	\$ 8,948,391	\$ 222,005,331	\$ 3,766,635,526	\$ 157,814,562	\$ 117,994,321	\$ 4,042,444,409	\$ 4,264,449,740
2037	\$ 222,005,331	\$ 9,324,224	\$ 231,329,555	\$ 4,042,444,409	\$ 164,565,586	\$ 3,447,199	\$ 4,210,457,194	\$ 4,441,786,749
2038	\$ 231,329,555	\$ 9,715,841	\$ 241,045,396	\$ 4,210,457,194	\$ 171,605,312	\$ 1,436,792	\$ 4,383,499,298	\$ 4,624,544,694
2039	\$ 241,045,396	\$ 10,123,907	\$ 251,169,303	\$ 4,383,499,298	\$ 178,946,082	\$ -	\$ 4,562,445,380	\$ 4,813,614,683
2040	\$ 251,169,303	\$ 10,549,111	\$ 261,718,414	\$ 4,562,445,380	\$ 191,417,578	\$ -	\$ 4,753,862,958	\$ 5,015,581,372
2041	\$ 261,718,414	\$ 10,992,173	\$ 272,710,587	\$ 4,753,862,958	\$ 199,601,899	\$ 140,879,974	\$ 5,094,344,831	\$ 5,367,055,418
2042	\$ 272,710,587	\$ 11,453,845	\$ 284,164,432	\$ 5,094,344,831	\$ 208,045,524	\$ -	\$ 5,302,390,355	\$ 5,586,554,787
2043	\$ 284,164,432	\$ 11,934,906	\$ 296,099,338	\$ 5,302,390,355	\$ 216,783,436	\$ -	\$ 5,519,173,791	\$ 5,815,273,129
2044	\$ 296,099,338	\$ 12,436,172	\$ 308,535,510	\$ 5,519,173,791	\$ 225,888,340	\$ -	\$ 5,745,062,131	\$ 6,053,597,641
2045	\$ 308,535,510	\$ 12,958,491	\$ 321,494,001	\$ 5,745,062,131	\$ 241,292,610	\$ -	\$ 5,986,354,741	\$ 6,307,848,742
2046	\$ 321,494,001	\$ 13,502,748	\$ 334,996,749	\$ 5,986,354,741	\$ 251,426,898	\$ 173,056,477	\$ 6,410,838,116	\$ 6,745,834,865
2047	\$ 334,996,749	\$ 14,069,863	\$ 349,066,612	\$ 6,410,838,116	\$ 261,986,829	\$ -	\$ 6,672,824,945	\$ 7,021,891,557
2048	\$ 349,066,612	\$ 14,660,798	\$ 363,727,410	\$ 6,672,824,945	\$ 272,990,276	\$ -	\$ 6,945,815,221	\$ 7,309,542,631
2049	\$ 363,727,410	\$ 15,276,551	\$ 379,003,961	\$ 6,945,815,221	\$ 284,455,867	\$ -	\$ 7,230,271,088	\$ 7,609,275,049

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 10 and Exhibit 11 show the forecast of annual tax allocation revenues, combining the forecasts of future assessed value in the proposed TIA and applicable tax rates for tax code areas 73 and 94, respectively. Because each tax code area contains different levies applicable to the TIA, this analysis forecasts tax allocation revenues separately for all each tax code area, before combining the results to determine the financial capacity of the URA. Exhibit 12 shows the forecast of combined total annual tax allocation revenues. Annual tax allocation revenues are expected to be \$2.6 million in 2025, increasing to \$19.9 million in its final year in 2049. Total tax allocation revenue over 25 years is expected to equal \$374.2 million.

Exhibit 10. Tax Allocation Revenues, Proposed Port of Moses Lake TIA, Tax Code Area 73 (Nominal \$)

Tax Year	Assessed Value			Levy Rate	Allocation Revenues
	Total	Base Value	Increment		
2024	\$ 105,802,461	\$ 105,802,461	\$ -	\$ 5.253902	\$ -
2025	\$ 607,009,671	\$ 105,802,461	\$ 501,207,210	\$ 5.123352	\$ 2,567,861
2026	\$ 1,875,592,970	\$ 105,802,461	\$ 1,769,790,510	\$ 5.032312	\$ 8,906,139
2027	\$ 1,917,452,108	\$ 105,802,461	\$ 1,811,649,647	\$ 4.956133	\$ 8,978,777
2028	\$ 2,204,844,823	\$ 105,802,461	\$ 2,099,042,362	\$ 4.833445	\$ 10,145,606
2029	\$ 2,233,427,914	\$ 105,802,461	\$ 2,127,625,454	\$ 4.728628	\$ 10,060,750
2030	\$ 2,316,297,520	\$ 105,802,461	\$ 2,210,495,060	\$ 4.587684	\$ 10,141,052
2031	\$ 2,497,565,505	\$ 105,802,461	\$ 2,391,763,045	\$ 4.456921	\$ 10,659,898
2032	\$ 3,591,230,884	\$ 105,802,461	\$ 3,485,428,423	\$ 4.338158	\$ 15,120,338
2033	\$ 3,699,137,199	\$ 105,802,461	\$ 3,593,334,739	\$ 4.237428	\$ 15,226,496
2034	\$ 3,811,684,133	\$ 105,802,461	\$ 3,705,881,672	\$ 4.111117	\$ 15,235,313
2035	\$ 3,932,992,371	\$ 105,802,461	\$ 3,827,189,910	\$ 4.000488	\$ 15,310,629
2036	\$ 4,215,788,241	\$ 105,802,461	\$ 4,109,985,780	\$ 3.881647	\$ 15,953,513
2037	\$ 4,391,081,467	\$ 105,802,461	\$ 4,285,279,006	\$ 3.790754	\$ 16,244,440
2038	\$ 4,571,709,790	\$ 105,802,461	\$ 4,465,907,330	\$ 3.689307	\$ 16,476,102
2039	\$ 4,758,560,713	\$ 105,802,461	\$ 4,652,758,252	\$ 3.591001	\$ 16,708,059
2040	\$ 4,958,215,135	\$ 105,802,461	\$ 4,852,412,674	\$ 3.493769	\$ 16,953,211
2041	\$ 5,307,279,799	\$ 105,802,461	\$ 5,201,477,338	\$ 3.389803	\$ 17,631,986
2042	\$ 5,524,268,592	\$ 105,802,461	\$ 5,418,466,131	\$ 3.290015	\$ 17,826,837
2043	\$ 5,750,370,914	\$ 105,802,461	\$ 5,644,568,453	\$ 3.191150	\$ 18,012,664
2044	\$ 5,985,969,533	\$ 105,802,461	\$ 5,880,167,073	\$ 3.096065	\$ 18,205,377
2045	\$ 6,237,380,254	\$ 105,802,461	\$ 6,131,577,793	\$ 3.002953	\$ 18,412,839
2046	\$ 6,672,406,701	\$ 105,802,461	\$ 6,566,604,241	\$ 2.913212	\$ 19,129,908
2047	\$ 6,945,379,411	\$ 105,802,461	\$ 6,839,576,951	\$ 2.827084	\$ 19,336,060
2048	\$ 7,229,816,975	\$ 105,802,461	\$ 7,124,014,514	\$ 2.741781	\$ 19,532,485
2049	\$ 7,526,200,916	\$ 105,802,461	\$ 7,420,398,456	\$ 2.659740	\$ 19,736,327
Total					\$ 372,512,666

Source: Tiberius Solutions

**Exhibit 11. Tax Allocation Revenues, Proposed Port of Moses Lake TIA, Tax Code Area 94
(Nominal \$)**

Tax Year	Assessed Value			Levy Rate	Allocation Revenues
	Total	Base Value	Increment		
2024	\$ 29,701,121	\$ 29,701,121	\$ -	\$ 4.959944	\$ -
2025	\$ 30,948,568	\$ 29,701,121	\$ 1,247,447	\$ 4.816840	\$ 6,009
2026	\$ 32,248,408	\$ 29,701,121	\$ 2,547,287	\$ 4.686895	\$ 11,939
2027	\$ 33,602,841	\$ 29,701,121	\$ 3,901,720	\$ 4.563700	\$ 17,806
2028	\$ 35,014,160	\$ 29,701,121	\$ 5,313,039	\$ 4.432016	\$ 23,547
2029	\$ 36,484,755	\$ 29,701,121	\$ 6,783,634	\$ 4.307758	\$ 29,222
2030	\$ 38,017,115	\$ 29,701,121	\$ 8,315,994	\$ 4.177502	\$ 34,740
2031	\$ 39,613,834	\$ 29,701,121	\$ 9,912,713	\$ 4.052674	\$ 40,173
2032	\$ 41,277,615	\$ 29,701,121	\$ 11,576,494	\$ 3.933806	\$ 45,540
2033	\$ 43,011,275	\$ 29,701,121	\$ 13,310,154	\$ 3.822229	\$ 50,874
2034	\$ 44,817,749	\$ 29,701,121	\$ 15,116,628	\$ 3.706596	\$ 56,031
2035	\$ 46,700,094	\$ 29,701,121	\$ 16,998,973	\$ 3.597500	\$ 61,154
2036	\$ 48,661,498	\$ 29,701,121	\$ 18,960,377	\$ 3.488782	\$ 66,149
2037	\$ 50,705,281	\$ 29,701,121	\$ 21,004,160	\$ 3.389836	\$ 71,201
2038	\$ 52,834,903	\$ 29,701,121	\$ 23,133,782	\$ 3.290352	\$ 76,118
2039	\$ 55,053,969	\$ 29,701,121	\$ 25,352,848	\$ 3.193891	\$ 80,974
2040	\$ 57,366,236	\$ 29,701,121	\$ 27,665,115	\$ 3.099783	\$ 85,756
2041	\$ 59,775,618	\$ 29,701,121	\$ 30,074,497	\$ 3.006022	\$ 90,405
2042	\$ 62,286,194	\$ 29,701,121	\$ 32,585,073	\$ 2.915377	\$ 94,998
2043	\$ 64,902,214	\$ 29,701,121	\$ 35,201,093	\$ 2.826942	\$ 99,511
2044	\$ 67,628,107	\$ 29,701,121	\$ 37,926,986	\$ 2.741399	\$ 103,973
2045	\$ 70,468,487	\$ 29,701,121	\$ 40,767,366	\$ 2.658222	\$ 108,369
2046	\$ 73,428,163	\$ 29,701,121	\$ 43,727,042	\$ 2.577716	\$ 112,716
2047	\$ 76,512,146	\$ 29,701,121	\$ 46,811,025	\$ 2.499887	\$ 117,022
2048	\$ 79,725,656	\$ 29,701,121	\$ 50,024,535	\$ 2.423914	\$ 121,255
2049	\$ 83,074,134	\$ 29,701,121	\$ 53,373,013	\$ 2.350427	\$ 125,449
Total					\$ 1,730,932

Source: Tiberius Solutions

Exhibit 12. Tax Allocation Revenues, Proposed Port of Moses Lake TIA, Total (Nominal \$)

Tax Year	Assessed Value			Blended Levy Rate	Tax Allocation Revenues
	Total	Base Value	Increment		
2024	\$ 135,503,582	\$ 135,503,582	\$ -	\$ -	\$ -
2025	\$ 637,958,239	\$ 135,503,582	\$ 502,454,657	\$ 5.122600	\$ 2,573,869
2026	\$ 1,907,841,378	\$ 135,503,582	\$ 1,772,337,797	\$ 5.031800	\$ 8,918,077
2027	\$ 1,951,054,949	\$ 135,503,582	\$ 1,815,551,367	\$ 4.955300	\$ 8,996,584
2028	\$ 2,239,858,983	\$ 135,503,582	\$ 2,104,355,401	\$ 4.832400	\$ 10,169,154
2029	\$ 2,269,912,669	\$ 135,503,582	\$ 2,134,409,088	\$ 4.727300	\$ 10,089,972
2030	\$ 2,354,314,635	\$ 135,503,582	\$ 2,218,811,054	\$ 4.586100	\$ 10,175,792
2031	\$ 2,537,179,339	\$ 135,503,582	\$ 2,401,675,758	\$ 4.455300	\$ 10,700,071
2032	\$ 3,632,508,499	\$ 135,503,582	\$ 3,497,004,917	\$ 4.336800	\$ 15,165,877
2033	\$ 3,742,148,474	\$ 135,503,582	\$ 3,606,644,893	\$ 4.235900	\$ 15,277,370
2034	\$ 3,856,501,882	\$ 135,503,582	\$ 3,720,998,300	\$ 4.109500	\$ 15,291,344
2035	\$ 3,979,692,465	\$ 135,503,582	\$ 3,844,188,883	\$ 3.998700	\$ 15,371,782
2036	\$ 4,264,449,739	\$ 135,503,582	\$ 4,128,946,157	\$ 3.879800	\$ 16,019,662
2037	\$ 4,441,786,748	\$ 135,503,582	\$ 4,306,283,166	\$ 3.788800	\$ 16,315,641
2038	\$ 4,624,544,693	\$ 135,503,582	\$ 4,489,041,112	\$ 3.687300	\$ 16,552,220
2039	\$ 4,813,614,682	\$ 135,503,582	\$ 4,678,111,100	\$ 3.588800	\$ 16,789,033
2040	\$ 5,015,581,371	\$ 135,503,582	\$ 4,880,077,789	\$ 3.491500	\$ 17,038,967
2041	\$ 5,367,055,417	\$ 135,503,582	\$ 5,231,551,835	\$ 3.387600	\$ 17,722,390
2042	\$ 5,586,554,786	\$ 135,503,582	\$ 5,451,051,204	\$ 3.287800	\$ 17,921,834
2043	\$ 5,815,273,128	\$ 135,503,582	\$ 5,679,769,546	\$ 3.188900	\$ 18,112,176
2044	\$ 6,053,597,640	\$ 135,503,582	\$ 5,918,094,058	\$ 3.093800	\$ 18,309,350
2045	\$ 6,307,848,741	\$ 135,503,582	\$ 6,172,345,159	\$ 3.000700	\$ 18,521,207
2046	\$ 6,745,834,864	\$ 135,503,582	\$ 6,610,331,283	\$ 2.911000	\$ 19,242,624
2047	\$ 7,021,891,557	\$ 135,503,582	\$ 6,886,387,976	\$ 2.824900	\$ 19,453,083
2048	\$ 7,309,542,631	\$ 135,503,582	\$ 7,174,039,049	\$ 2.739600	\$ 19,653,741
2049	\$ 7,609,275,050	\$ 135,503,582	\$ 7,473,771,468	\$ 2.657500	\$ 19,861,777
Total					\$ 374,243,597

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 forecast, it would result in lower levy rates and a similar forecast of annual tax allocation revenues. Similarly, if property values increase slower than forecast (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.

Due to the substantial value of anticipated future construction activity within the TIA, the projected impacts to taxing districts are also substantial. It is important to note that these impacts are only projections, based upon forecasts of speculative future construction. If future construction occurs more slowly or with lower values than anticipated, then less tax allocation revenue would be generated in the area and overlapping taxing districts would experience a lower amount of foregone revenue.

Furthermore, although overlapping taxing districts will forego a portion of their property tax revenues, they may experience positive benefits from new construction on other taxes and fees. An economic impact analysis was completed (Appendix D) that included an evaluation of state and local tax revenues generated by the new construction anticipated inside the proposed TIA. It is estimated that construction activity would generate temporary state and local tax revenues of \$93.7 million, including \$74.0 million in sales tax. At full build out, operations of the new development inside the proposed TIA would generate ongoing state and local tax revenues of \$128.9 million per year, including \$102.3 million per year in sales tax revenue. These added tax revenues would help to mitigate foregone property tax revenues for some overlapping taxing districts.

The list of public improvements for the proposed TIA offers additional mitigation to overlapping taxing districts. Many of these projects would directly benefit the overlapping taxing districts, such as new fire stations, and new transportation, water, and wastewater infrastructure. The proposed TIA would provide the Port with funding to implement these capital facilities benefiting impacted taxing districts.

Using the proposed TIA to fund public improvements in the area that incentivize private development would represent the culmination of decades of planning and investments on the part of the City, County, Port and others to achieve economic development goals for the area. The Port would monitor any impacts the proposed TIA would have on overlapping taxing district partners, and work to find collaborative solutions in future years to address any impacts as needed.

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 13 summarizes the annual tax revenues forecast to be foregone by the affected taxing districts. All jurisdictions are collectively expected to forego \$371,730,386 in tax revenue over the life of the proposed TIA. While this is a significant amount of foregone tax revenues, much of this private development would not be expected to 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 13. Impact on Overlapping Tax Levies, Proposed Port of Moses Lake TIA
(Nominal \$)**

Tax Year	City of Moses Lake				Road			County Current Expense	Total
	Lake	Hospital 1	Port 10	Library	District 1	Fire 5			
2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	\$ (1,385,636)	\$ (246,261)	\$ (194,288)	\$ (133,984)	\$ 54	\$ 42	\$ (584,262)	\$ (2,544,335)	
2026	\$ (4,797,730)	\$ (847,759)	\$ (669,479)	\$ (458,535)	\$ (1,604)	\$ (1,265)	\$ (1,999,049)	\$ (8,775,421)	
2027	\$ (4,776,294)	\$ (837,588)	\$ (662,273)	\$ (449,616)	\$ (3,227)	\$ (2,545)	\$ (1,959,555)	\$ (8,691,097)	
2028	\$ (5,562,222)	\$ (973,566)	\$ (770,053)	\$ (521,525)	\$ (4,818)	\$ (3,799)	\$ (2,272,765)	\$ (10,108,748)	
2029	\$ (5,505,380)	\$ (959,764)	\$ (759,667)	\$ (511,944)	\$ (6,378)	\$ (5,029)	\$ (2,230,623)	\$ (9,978,785)	
2030	\$ (5,581,516)	\$ (973,277)	\$ (770,397)	\$ (519,016)	\$ (7,907)	\$ (6,235)	\$ (2,261,412)	\$ (10,119,760)	
2031	\$ (5,871,837)	\$ (1,023,274)	\$ (810,096)	\$ (545,169)	\$ (9,406)	\$ (7,418)	\$ (2,375,275)	\$ (10,642,475)	
2032	\$ (8,338,111)	\$ (1,449,513)	\$ (1,147,864)	\$ (770,831)	\$ (10,877)	\$ (8,578)	\$ (3,358,202)	\$ (15,083,976)	
2033	\$ (8,327,021)	\$ (1,443,049)	\$ (1,143,376)	\$ (764,698)	\$ (12,320)	\$ (9,716)	\$ (3,330,983)	\$ (15,031,163)	
2034	\$ (8,432,556)	\$ (1,461,386)	\$ (1,157,956)	\$ (774,205)	\$ (13,739)	\$ (10,834)	\$ (3,372,356)	\$ (15,223,032)	
2035	\$ (8,484,324)	\$ (1,468,308)	\$ (1,163,756)	\$ (776,544)	\$ (15,131)	\$ (11,932)	\$ (3,382,302)	\$ (15,302,297)	
2036	\$ (8,843,294)	\$ (1,530,165)	\$ (1,212,850)	\$ (808,976)	\$ (16,499)	\$ (13,011)	\$ (3,523,512)	\$ (15,948,307)	
2037	\$ (9,009,608)	\$ (1,554,805)	\$ (1,232,953)	\$ (819,421)	\$ (17,842)	\$ (14,070)	\$ (3,568,498)	\$ (16,217,197)	
2038	\$ (9,159,534)	\$ (1,578,456)	\$ (1,252,043)	\$ (830,419)	\$ (19,163)	\$ (15,112)	\$ (3,616,116)	\$ (16,470,843)	
2039	\$ (9,300,219)	\$ (1,600,334)	\$ (1,269,749)	\$ (840,394)	\$ (20,462)	\$ (16,136)	\$ (3,659,260)	\$ (16,706,555)	
2040	\$ (9,447,349)	\$ (1,623,508)	\$ (1,288,457)	\$ (851,174)	\$ (21,741)	\$ (17,145)	\$ (3,705,931)	\$ (16,955,305)	
2041	\$ (9,828,537)	\$ (1,688,616)	\$ (1,340,199)	\$ (885,008)	\$ (22,999)	\$ (18,137)	\$ (3,853,185)	\$ (17,636,681)	
2042	\$ (9,929,088)	\$ (1,705,484)	\$ (1,353,687)	\$ (893,410)	\$ (24,238)	\$ (19,114)	\$ (3,889,685)	\$ (17,814,707)	
2043	\$ (10,045,014)	\$ (1,725,432)	\$ (1,369,562)	\$ (903,683)	\$ (25,458)	\$ (20,076)	\$ (3,934,376)	\$ (18,023,602)	
2044	\$ (10,154,505)	\$ (1,744,065)	\$ (1,384,420)	\$ (913,153)	\$ (26,660)	\$ (21,024)	\$ (3,975,550)	\$ (18,219,377)	
2045	\$ (10,271,344)	\$ (1,764,158)	\$ (1,400,409)	\$ (923,504)	\$ (27,845)	\$ (21,958)	\$ (4,020,584)	\$ (18,429,803)	
2046	\$ (10,674,127)	\$ (1,832,879)	\$ (1,455,023)	\$ (959,208)	\$ (29,012)	\$ (22,879)	\$ (4,175,976)	\$ (19,149,105)	
2047	\$ (10,780,277)	\$ (1,850,678)	\$ (1,469,250)	\$ (968,108)	\$ (30,164)	\$ (23,788)	\$ (4,214,642)	\$ (19,336,905)	
2048	\$ (10,902,624)	\$ (1,871,716)	\$ (1,485,987)	\$ (978,967)	\$ (31,302)	\$ (24,685)	\$ (4,261,889)	\$ (19,557,170)	
2049	\$ (11,018,262)	\$ (1,891,381)	\$ (1,501,662)	\$ (988,985)	\$ (32,426)	\$ (25,571)	\$ (4,305,453)	\$ (19,763,739)	
Total	\$ (206,426,411)	\$ (35,645,421)	\$ (28,265,456)	\$ (18,790,477)	\$ (431,164)	\$ (340,018)	\$ (81,831,440)	\$ (371,730,386)	

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)
- School District 161
- Mosquito Control District 1

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 School District 161. 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 Port anticipates issuing limited tax general obligation bonds. These bonds would be secured by a pledge of the Port'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 Port chooses to incur, tax allocation revenues collected, and financial market conditions at the time of issuance. For the purposes of this analysis, the Port consulted with their municipal advisor, Northwest Municipal Advisors, to estimate terms of indebtedness based upon current market conditions and the proposed timing and amount of future indebtedness.

The Port assumes one series of limited tax general obligation bonds would be issued in 2024. The total principal amount of the bonds is estimated to be \$10.155 million. The bonds are assumed to be structured to be fully repaid by 2034. The estimated terms of indebtedness, including par amount, project funds, timing, and true interest cost are shown in Exhibit 14. The proposed financing terms are based on the assumption that the debt would be taxable, including current market rates as of December 1, 2023. Appendix C includes an evaluation of an alternative finance plan with more conservative assumptions.

Exhibit 14. Estimated Terms of Indebtedness for Proposed Port of Moses Lake TIA Public Improvements (Nominal \$)

Closing Month	December 2024
Taxable Status	Taxable
All-In True Interest Cost	5.51%
Par Amount	\$ 10,155,000
Estimated Project Cost (2024)	\$ 10,000,000

Source: Northwest Municipal Advisors

The public improvements within the proposed TIA are anticipated to be funded, in part, through limited tax general obligation bonds, which are constrained by the Port’s statutory capacity for non-voted general obligation indebtedness. Exhibit 15 shows the calculated statutory authority for non-voted general obligation indebtedness for the Port in 2024, estimated to be \$15,869,497. The Port has \$2,898,931 of outstanding non-voted general obligation indebtedness, resulting in \$12,970,566 of remaining debt capacity.

Exhibit 15. Statutory Authority for Non-Voted General Obligation Indebtedness, Port of Moses Lake, 2024

Total Assessed Value	\$ 6,347,798,950
Limit: Percent	0.25%
Limit: Amount	\$ 15,869,497
Less Outstanding Principal	\$ 2,898,931
Remaining Capacity	\$ 12,970,566

Source: Port of Moses Lake and Grant County Assessor

Based on the assumed terms of indebtedness shown in Exhibit 14, the Port’s municipal advisor has estimated annual debt service payments as shown in Exhibit 16. After factoring in the cost

of interest, the \$10,155,000 of principal indebtedness to fund TIA projects is estimated to require \$13,513,655 in debt service payments over the life of the proposed TIA.

Exhibit 16. Estimated Debt Service Payments, LTGO Debt for Proposed Port of Moses Lake TIA Public Projects (Nominal \$)

Year	Principal	Interest	Total
2025	\$ -	\$ 527,131	\$ 527,131
2026	\$ 915,000	\$ 527,131	\$ 1,442,131
2027	\$ 965,000	\$ 478,819	\$ 1,443,819
2028	\$ 1,015,000	\$ 430,280	\$ 1,445,280
2029	\$ 1,065,000	\$ 379,225	\$ 1,444,225
2030	\$ 1,115,000	\$ 325,443	\$ 1,440,443
2031	\$ 1,175,000	\$ 268,132	\$ 1,443,132
2032	\$ 1,235,000	\$ 207,149	\$ 1,442,149
2033	\$ 1,300,000	\$ 142,188	\$ 1,442,188
2034	\$ 1,370,000	\$ 73,158	\$ 1,443,158
Total	\$ 10,155,000	\$ 3,358,655	\$ 13,513,655

Source: Northwest Municipal Advisors

Exhibit 17 shows that no other funds beyond tax allocation revenues would be required to cover debt service payments for the bonds. The minimum debt service coverage ratio for the bonds is 4.88 in 2025, but reaches 10.60 in the final year of debt service, 2034. The total debt service coverage ratio from 2025 to 2034 is 7.94.

Exhibit 17. Tax Allocation Revenues and Debt Service Payments (Nominal \$)

Year	Debt Service Payment	Tax Allocation Revenues	Tax Allocation Revenue Debt
			Service Coverage
2025	\$ 527,131	\$ 2,573,869	4.88
2026	\$ 1,442,131	\$ 8,918,077	6.18
2027	\$ 1,443,819	\$ 8,996,584	6.23
2028	\$ 1,445,280	\$ 10,169,154	7.04
2029	\$ 1,444,225	\$ 10,089,972	6.99
2030	\$ 1,440,443	\$ 10,175,792	7.06
2031	\$ 1,443,132	\$ 10,700,071	7.41
2032	\$ 1,442,149	\$ 15,165,877	10.52
2033	\$ 1,442,188	\$ 15,277,370	10.59
2034	\$ 1,443,158	\$ 15,291,344	10.60
Total	\$ 13,513,655	\$ 107,358,111	7.94

Source: Northwest Municipal Advisors and Tiberius Solutions

4 Impacts

4.1 Job Creation and Fiscal Impacts

Economic impacts, including job creation, fiscal impacts, and impacts on affordable and low-income housing are described fully in Appendix D: Economic Impact Analysis.

In summary, 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 15,228 FTE positions and \$963 million in labor income (2024 dollars).

Following development, the completed structures are expected to generate ongoing impacts to the local and regional economy. Employees at the industrial locations are expected to generate income that would circulate in the local economy, supporting additional employment and tax revenues. The overall increase in employment in the proposed TIA is estimated to be 15,118 FTE when completed and tenanted.

In addition to economic impacts, the proposed TIA will have fiscal impacts at the local, State, and Federal level. These impacts include additional tax revenues from sales tax, property tax, income tax, and business taxes, as well as additional development fees and charges. Through the construction period, the project is expected to contribute \$267.9 million of taxes and fees at the federal level, and \$91.5 million of taxes and fees at the State and local level. When completed and operational, the project is expected to generate an additional \$345.8 million per year of taxes and fees at the federal level, and \$128.9 million per year at the State and local level.

4.2 Affordable and Low-Income Housing

The anticipated developments within the proposed TIA are expected to impact the housing markets significantly due to the scale of development activity in relation to the size of the resident workforce in the City of Moses Lake and Grant County. The proposed TIA is not expected to include any housing development, and thus the impact on local affordability will be a function of how effectively the private development market responds to the anticipated increase in demand.

The temporary employment during the construction period will also result in an increase in demand for local housing for construction workers. This is especially true for construction of the manufacturing facilities that will require specialized trades, which are not currently located in Grant County. The local housing market is limited in scale and there is likely to be increased demand side pressure as a result.

The increase in transitory demand associated with construction followed by permanent demand from on-site employment is likely to induce a commensurate increase in residential construction. The sustained employment levels associated with anticipated development in the proposed TIA will be attractive to housing developers and will likely trigger significant levels of residential development in the region.

The economic impacts generated by the anticipated projects within the proposed TIA are expected to lead to increases in household incomes, increasing the ability of households to pay for housing, thus helping to support regional housing affordability. A more detailed discussion of impacts to affordable and low-income housing can be found in Appendix D: Economic Impact Analysis.

4.3 Local Business Community

RCW 39.114 requires an assessment of any impacts and any necessary mitigation to address the impacts on the local business community. Section 4.1 of this report provides an evaluation of the jobs and other economic impacts that would be generated by construction and operation of the public and private improvements that are planned for the proposed TIA. No adverse impacts to any local businesses have been identified through this analysis and thus no mitigation would be required.

The Port of Moses Lake Interim Executive Director/Director of Finance and Administration and a member of the consultant team met with local businesses in a virtual meeting on March 7, 2024. The group received a briefing on the project. There were no concerns expressed and there was general agreement that the projects, especially the rail project, would be beneficial to development in the area. The attendees included representatives from Group 14 Technology, DL Foundry, Jackson Flight Center LLC, and a Port of Moses Lake Commissioner.

A member of the consultant team reached out via email to other businesses to offer a briefing, but received no responses.

4.4 Local School District

As stated earlier in this report, the property tax levies for School District 161 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 and reduce the levy rate for local school levies. Exhibit 18 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 \$176.7 million in property tax revenues for State school funding over the 25-year forecast period.

Exhibit 18. Property Tax Revenues for State Schools, Proposed Port of Moses Lake TIA (Nominal \$)

Tax Year	Increment Value	State Schools Parts 1 and 2	
		Levy Rate	Revenue
2025	\$ 502,454,657	\$ 2.524669	\$ 1,268,532
2026	\$ 1,772,337,797	\$ 2.459325	\$ 4,358,755
2027	\$ 1,815,551,367	\$ 2.397801	\$ 4,353,330
2028	\$ 2,104,355,401	\$ 2.329716	\$ 4,902,550
2029	\$ 2,134,409,088	\$ 2.266071	\$ 4,836,722
2030	\$ 2,218,811,054	\$ 2.197654	\$ 4,876,178
2031	\$ 2,401,675,758	\$ 2.132324	\$ 5,121,151
2032	\$ 3,497,004,917	\$ 2.070544	\$ 7,240,702
2033	\$ 3,606,644,893	\$ 2.013204	\$ 7,260,912
2034	\$ 3,720,998,300	\$ 1.952404	\$ 7,264,891
2035	\$ 3,844,188,883	\$ 1.895558	\$ 7,286,882
2036	\$ 4,128,946,157	\$ 1.838396	\$ 7,590,640
2037	\$ 4,306,283,166	\$ 1.787603	\$ 7,697,925
2038	\$ 4,489,041,112	\$ 1.735808	\$ 7,792,113
2039	\$ 4,678,111,100	\$ 1.685578	\$ 7,885,322
2040	\$ 4,880,077,789	\$ 1.636474	\$ 7,986,121
2041	\$ 5,231,551,835	\$ 1.587087	\$ 8,302,928
2042	\$ 5,451,051,204	\$ 1.539387	\$ 8,391,280
2043	\$ 5,679,769,546	\$ 1.492752	\$ 8,478,490
2044	\$ 5,918,094,058	\$ 1.447677	\$ 8,567,486
2045	\$ 6,172,345,159	\$ 1.403805	\$ 8,664,771
2046	\$ 6,610,331,283	\$ 1.361367	\$ 8,999,090
2047	\$ 6,886,387,976	\$ 1.320380	\$ 9,092,648
2048	\$ 7,174,039,049	\$ 1.280291	\$ 9,184,861
2049	\$ 7,473,771,468	\$ 1.241544	\$ 9,279,014
Total			\$ 176,683,292

Source: Tiberius Solutions

Development within the proposed TIA is estimated to generate additional assessed value subject to local school property tax levies over the 25-year forecast period. This assessed value 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.

4.5 Local Fire Service

Exhibit 13 shown earlier in this report summarizes the impact from foregone property tax revenue the proposed TIA is expected to have on each taxing district, including Fire District 5. These annual impacts would be estimated to begin at \$1,265 per year in 2026, increasing over time to \$25,571 in 2049, the final year of the proposed TIA. Cumulatively, it is estimated Fire District 5 would forego \$340,018 of property tax revenue over the 25-year life of the TIA, or an average of \$13,601 per year.

Anticipated impacts to Fire District 5 are relatively minor compared to impacts to other overlapping taxing districts. This is because the analysis assumes that all development occurring in unincorporated areas will annex into the City of Moses Lake upon development, as the City has indicated that annexation would be a requirement for the provision utility service. This annexation policy would result in all new construction value being located within the City and thus, new construction in this area would not generate property tax revenue for Fire District 5, regardless of the proposed TIA.

RCW requires any TIA to include the negotiation of a mitigation plan if the TIA will impact at least 20 percent of the assessed value of an impacted fire district. Fire District 5 provides service within the proposed TIA boundary in tax code area 94, and the City of Moses Lake provides service within the proposed TIA boundary in tax code area 73. The total assessed value of Fire District 5 was \$2.3 billion in 2023, and is forecast to grow to \$8.6 billion by 2049. Increment value for the proposed TIA in tax code area 94 would be \$0 in 2024 and is forecast to grow gradually over time to \$53.4 million in 2049. The proposed TIA increment value is estimated to reach a maximum of 0.6% of the total assessed value for Fire District 5 in 2049, and therefore will not require the negotiation of a mitigation plan. The ratio of increment value to total value for Fire District 5 is shown in Exhibit 19.

Exhibit 19. Forecast Proposed Port of Moses Lake TIA Increment Value in TCA 93 as a Share of Fire District 5 Assessed Value (Tax Year 2023 to 2049).

Tax Year	District Total AV	TIA Increment TCA 93	% of
			District Total
2023	\$ 2,315,891,414	\$ -	0.0%
2024	\$ 2,438,633,659	\$ -	0.0%
2025	\$ 2,567,274,308	\$ 1,247,447	0.0%
2026	\$ 2,705,221,121	\$ 2,547,287	0.1%
2027	\$ 2,850,554,625	\$ 3,901,720	0.1%
2028	\$ 3,003,700,770	\$ 5,313,039	0.2%
2029	\$ 3,162,144,104	\$ 6,783,634	0.2%
2030	\$ 3,328,981,242	\$ 8,315,994	0.2%
2031	\$ 3,504,624,761	\$ 9,912,713	0.3%
2032	\$ 3,689,540,032	\$ 11,576,494	0.3%
2033	\$ 3,884,216,669	\$ 13,310,154	0.3%
2034	\$ 4,085,368,663	\$ 15,116,628	0.4%
2035	\$ 4,296,979,506	\$ 16,998,973	0.4%
2036	\$ 4,519,555,187	\$ 18,960,377	0.4%
2037	\$ 4,753,664,416	\$ 21,004,160	0.4%
2038	\$ 4,999,905,033	\$ 23,133,782	0.5%
2039	\$ 5,258,905,878	\$ 25,352,848	0.5%
2040	\$ 5,526,173,549	\$ 27,665,115	0.5%
2041	\$ 5,807,074,561	\$ 30,074,497	0.5%
2042	\$ 6,102,258,168	\$ 32,585,073	0.5%
2043	\$ 6,412,451,181	\$ 35,201,093	0.5%
2044	\$ 6,738,416,988	\$ 37,926,986	0.6%
2045	\$ 7,080,957,815	\$ 40,767,366	0.6%
2046	\$ 7,440,916,701	\$ 43,727,042	0.6%
2047	\$ 7,819,179,572	\$ 46,811,025	0.6%
2048	\$ 8,209,000,498	\$ 50,024,535	0.6%
2049	\$ 8,618,321,395	\$ 53,373,013	0.6%

Source: Tiberius Solutions

Annual impacts for the City of Moses Lake, which provides fire service, are estimated to begin at \$1,385,636 per year in 2025, increasing over time to \$11,018,262 in 2049, the final year of the proposed TIA. Cumulatively, it is estimated that the City of Moses Lake would forego \$206.4 million of property tax revenue over the 25-year life of the TIA, or an average of \$8.3 million per year. A portion of this foregone revenue may impact the City's budget for its fire department. Under certain circumstances, RCW requires jurisdictions establishing TIAs to negotiate mitigation plans with impacted fire districts. Those circumstances do not apply to fire services that by a city, such as the City of Moses Lake, and a mitigation plan is not required under RCW.

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 Port. The remainder of this section identifies potential risk factors regarding the financial forecasts in this report.

5.1 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 Snohomish 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.

5.2 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 Port'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 Port'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 Port could cover those higher costs by allocating more of its general tax levy than is forecast in this report. Alternatively, the Port could seek other funding sources or eliminate or redesign elements of the public improvements to reduce the total cost to the Port.

5.3 Other Port Revenues

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

5.4 Non-Voted Debt Limit

The Port's ability to issue limited tax general obligation bonds is limited by assessed value within the Port at the time the bonds are issued. A decline in assessed value in the Port, or growth that is slower than expected, could constrain the Port's non-voted debt capacity and ability to finance proposed TIA (and other) projects with non-voted debt. If the Port 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.

5.5 Seismic Activity and Other Natural Disasters

The Port 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.

5.6 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 Port 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 Port's finances or operations.

Appendix A: Tax lots included in the Proposed Port of Moses Lake TIA Boundary

Parcel	Tax Code		Zoning
	Area	Acres	
90865050	73	47.7	HI
90866105	73	0.7	HI
90866106	73	0.7	HI
90866107	73	1.2	HI
90866108	73	3.6	HI
90866111	73	7.5	HI
91121630	73	5.9	HI
91121631	73	99.8	HI
91121632	73	12.8	HI
91121634	73	3.1	HI
91121640	73	1.3	HI
91121641	73	7.1	HI
91121650	73	211.3	HI
91121651	73	4.5	HI
91121652	73	28.8	HI
91121653	73	43.9	HI
91135501	73	0.7	LI
91135502	73	1.4	LI
91135503	73	2.7	LI
91135504	73	4.1	LI
91135505	73	1.0	LI
91135506	73	0.8	LI
91135507	73	0.7	LI
91135508	73	0.6	LI
91135509	73	0.6	LI
91135510	73	0.6	LI
91135511	73	0.6	LI
91135512	73	0.7	LI
91135513	73	0.7	LI
91135514	73	0.8	LI
91135515	73	0.6	LI
91135516	73	0.6	LI
91135517	73	0.7	LI

Parcel	Tax Code		
	Area	Acres	Zoning
91135518	73	0.8	LI
91135519	73	0.8	LI
91135520	73	0.9	LI
91135521	73	1.6	LI
91135522	73	1.5	LI
91135523	73	1.4	LI
91135524	73	4.1	LI
91135525	73	1.0	LI
91135526	73	1.0	LI
91135527	73	1.0	LI
91135528	73	0.6	LI
91135529	73	0.6	LI
91135530	73	0.6	LI
91135531	73	0.6	LI
91135532	73	0.6	LI
91135533	73	0.6	LI
91135534	73	0.6	LI
91135535	73	0.6	LI
91135536	73	0.6	LI
91135537	73	0.6	LI
91135538	73	0.6	LI
91135539	73	0.6	LI
91135540	73	0.6	LI
91135541	73	0.7	LI
91135542	73	0.7	LI
91135543	73	0.9	LI
91135544	73	0.7	LI
91135545	73	0.7	LI
91135546	73	0.7	LI
91135547	73	0.7	LI
91135548	73	0.7	LI
91135549	73	0.7	LI
91135550	73	0.7	LI
91135551	73	0.8	LI
91135552	73	0.7	LI
91135553	73	0.8	LI
91135554	73	0.9	LI
91135555	73	1.0	LI
91135556	73	1.1	LI
91135557	73	1.0	LI
91135558	73	2.7	LI

Parcel	Tax Code		
	Area	Acres	Zoning
91325400	73	7.6	LI
91325405	73	11.6	LI
91325406	73	7.1	LI
91325415	73	3.9	LI
91325416	73	1.4	LI
91325418	73	2.2	LI
91325419	73	2.5	LI
91325420	73	4.7	LI
91325425	73	6.6	LI
91325426	73	7.7	LI
91328150	73	25.0	HI
91328151	73	26.6	HI
91398500	73	58.4	HI
91759000	73	0.9	HI
91759001	73	6.8	HI
91759400	73	22.2	HI
91759415	73	3.9	HI
91759416	73	1.7	HI
110005000	73	21.3	LI
110005001	73	7.6	LI
110005002	73	7.5	LI
110005006	73	120.7	LI
110007005	73	11.5	HI
110007006	73	5.4	HI
110007007	73	56.5	CR
110007008	73	38.7	C2
110007009	73	1.6	HI
110007010	73	1.0	LI
110007011	73	0.6	HI
110007012	73	0.9	HI
110007013	73	1.6	HI
110007014	73	0.9	HI
110007015	73	0.0	R3
110007016	73	1.5	HI
110007017	73	0.3	HI
110007018	73	0.2	R3
110007019	73	0.2	R3
110007020	73	1.2	HI
110007021	73	0.3	HI
110007022	73	0.2	R3
110007023	73	0.2	R3

Parcel	Tax Code		
	Area	Acres	Zoning
110007024	73	0.5	R3
110007025	73	0.2	R3
110007026	73	0.1	HI
110007027	73	0.7	HI
110007028	73	0.3	R3
110007029	73	0.4	R3
110007031	73	0.7	HI
110007032	73	3.6	HI
110007033	73	0.3	R3
110007034	73	0.2	R3
110007035	73	0.2	R3
110007036	73	0.2	R3
110007037	73	0.2	R3
110007038	73	0.2	R3
110007039	73	0.1	R3
110007040	73	0.3	R3
110007041	73	6.7	HI
110007043	73	0.6	HI
110007044	73	0.5	HI
110007045	73	1.0	HI
110007049	73	6.4	HI
110007050	73	2.4	HI
110007052	73	0.3	HI
110007053	73	0.2	HI
110007054	73	1.7	HI
110007055	73	0.2	HI
110007056	73	0.5	HI
110007057	73	0.1	HI
110007059	73	0.6	HI
110007060	73	0.1	HI
110007061	73	0.3	HI
110007063	73	0.3	R3
110007066	73	8.1	C2
110069300	73	19.5	HI
110069400	73	26.4	HI
110069426	73	44.4	HI
110069427	73	1.6	HI
110069428	73	27.1	HI
110069431	73	57.7	HI
110069433	73	75.9	HI
110069434	73	77.8	HI

Parcel	Tax Code		
	Area	Acres	Zoning
110069436	73	4.9	LI
110069437	73	3.2	LI
110069438	73	2.1	ML
110069439	73	0.2	P
110069441	73	1.5	LI
110069442	73	1.2	LI
110069477	73	124.2	HI
110069478	73	33.9	HI
110069479	73	5.8	P
110069480	73	69.5	HI
110069481	73	10.0	HI
110069482	73	4.9	HI
110069483	73	1.6	HI
110069484	73	1.0	HI
110069485	73	78.5	HI
110069486	73	17.7	HI
110069488	73	10.9	HI
110069489	73	7.2	HI
110069491	73	3.9	HI
110069492	73	42.5	HI
110069493	73	18.9	HI
110069494	73	8.0	HI
110069495	73	34.1	HI
110069496	73	7.1	HI
110069497	73	0.5	HI
110069498	73	7.5	HI
110069499	73	1.1	P
110069503	73	0.5	HI
110069504	73	0.7	HI
110069506	73	55.5	HI
110069524	73	1.2	P
110077090	73	63.8	HI
110077135	73	160.8	LI
110248000	73	0.4	WSDOT
110281000	73	0.1	WSDOT
110290000	73	0.1	WSDOT
110430001	73	1.3	C2
110475135	73	0.7	WSDOT
110475207	73	3.2	LI
110484006	73	64.8	P
110484101	73	0.7	Municipal Airport

Parcel	Tax Code		Zoning
	Area	Acres	
110484102	73	0.6	Municipal Airport
110484103	73	0.6	Municipal Airport
110484104	73	0.7	Municipal Airport
110484105	73	0.5	Municipal Airport
110484106	73	0.3	Municipal Airport
110484107	73	0.3	Municipal Airport
110484108	73	0.3	Municipal Airport
110484109	73	0.3	Municipal Airport
110484110	73	0.6	Municipal Airport
110484111	73	0.3	Municipal Airport
110484112	73	0.3	Municipal Airport
110484113	73	0.3	Municipal Airport
110484114	73	0.4	Municipal Airport
110484115	73	0.5	Municipal Airport
110484116	73	0.4	Municipal Airport
110484117	73	0.5	Municipal Airport
110484118	73	0.6	Municipal Airport
110484119	73	0.6	Municipal Airport
110484120	73	0.7	Municipal Airport
110484121	73	0.7	Municipal Airport
110484123	73	0.5	Municipal Airport
110484124	73	0.5	Municipal Airport
110484125	73	0.5	Municipal Airport
110484126	73	0.5	Municipal Airport
110484127	73	0.5	Municipal Airport
110484128	73	0.5	Municipal Airport
110484129	73	1.7	Municipal Airport
110484130	73	1.2	Municipal Airport
110484131	73	0.5	Municipal Airport
110484132	73	0.5	Municipal Airport
110484133	73	0.5	Municipal Airport
110484134	73	0.5	Municipal Airport
110484135	73	0.5	Municipal Airport
110484136	73	0.5	Municipal Airport
110484137	73	0.5	Municipal Airport
110484138	73	0.5	Municipal Airport
110484139	73	0.4	Municipal Airport
110484140	73	0.5	Municipal Airport
110484141	73	67.5	Municipal Airport
110991075	73	2.1	C2
110991076	73	0.4	C2

Parcel	Tax Code		
	Area	Acres	Zoning
110991078	73	0.0	C2
110991085	73	3.2	C2
110991090	73	1.9	C2
110991091	73	3.4	C2
120683000	73	0.4	ML
120683001	73	0.3	ML
120683002	73	0.3	ML
120683003	73	0.6	ML
120683004	73	0.8	ML
120683005	73	0.7	ML
120683006	73	0.6	ML
120683007	73	0.6	ML
120683008	73	0.5	ML
120683009	73	1.0	ML
120683010	73	0.7	ML
120683011	73	0.7	ML
120683012	73	1.3	ML
120683013	73	1.3	ML
120683014	73	1.3	ML
120683015	73	1.3	ML
120683016	73	1.2	ML
120683018	73	0.6	ML
120683019	73	0.6	ML
120683020	73	0.6	ML
120683021	73	0.6	ML
120683022	73	0.6	ML
120683023	73	0.6	ML
120683024	73	0.6	ML
120683025	73	0.5	ML
120683026	73	0.5	ML
120683027	73	0.4	ML
120683028	73	2.9	ML
120683029	73	2.1	ML
120683031	73	1.2	ML
120683032	73	1.6	ML
120683034	73	0.8	ML
120683035	73	0.8	ML
120683036	73	2.5	ML
120683037	73	2.9	ML
120683041	73	2.9	ML
120683042	73	2.8	ML

Parcel	Tax Code		
	Area	Acres	Zoning
120683047	73	0.6	ML
120683070	73	0.5	ML
120683071	73	0.5	ML
120683072	73	0.5	ML
120683073	73	0.5	ML
120683100	73	0.9	ML
120683101	73	1.3	ML
120683102	73	0.9	ML
120683103	73	1.2	ML
120683110	73	0.9	ML
120683111	73	0.7	ML
120683112	73	0.6	ML
120683113	73	1.1	ML
120683114	73	0.8	ML
120683115	73	1.2	ML
120683116	73	1.4	ML
120683117	73	1.3	ML
120683118	73	1.3	ML
121140000	94	0.2	RC
121141000	94	0.2	RC
121142000	94	0.3	RC
121143000	94	0.1	RC
121144000	94	0.1	RC
121144001	94	0.2	RC
121145000	94	0.5	RC
121146000	94	0.2	RC
121147000	94	0.3	RC
121148000	94	0.1	RC
121149000	94	0.1	RC
121150000	94	0.3	RC
121152000	94	0.2	RC
121153000	94	0.2	RC
121154000	94	0.1	RC
121155000	94	0.2	RC
121156000	94	0.1	RC
121157000	94	0.1	RC
121158000	94	0.3	RC
121159000	94	0.4	RC
121160000	94	0.3	RC
121161000	94	0.1	RC
121162000	94	0.3	RC

Parcel	Tax Code		
	Area	Acres	Zoning
121163000	94	0.1	RC
121163002	94	0.1	RC
121164000	94	0.1	RC
121165000	94	0.1	RC
121166000	94	0.1	RC
121167000	94	0.1	RC
121168000	94	0.6	RC
121169000	94	0.1	RC
121170000	94	0.1	RC
121171000	94	0.1	RC
121172000	94	0.1	RC
121173000	94	0.1	RC
121174000	94	0.1	RC
121175000	94	0.1	RC
121176000	94	0.1	RC
121177000	94	0.1	RC
121178000	94	0.1	RC
121179000	94	0.2	RC
121179001	94	0.2	RC
121180000	94	0.2	RC
121181000	94	0.2	RC
121182000	94	0.2	RC
121183000	94	0.1	RC
121184000	94	1.8	RC
121185000	94	0.3	RC
121185002	94	0.3	RC
121185004	94	0.3	RC
121186000	94	0.8	RC
121187000	94	0.1	RC
121188000	94	0.9	RC
121188001	94	0.9	RC
121189000	94	0.4	RC
121189001	94	0.4	RC
121192000	94	0.3	RC
121193000	94	0.1	RC
121194000	94	0.2	RC
121195000	94	0.3	RC
121196000	94	0.4	RC
180195001	94	2.7	AG
180198000	94	3.3	RC
180199000	94	0.3	RC

Parcel	Tax Code		
	Area	Acres	Zoning
180201000	94	0.7	RC
180202000	94	0.2	AG
180203000	94	142.6	UHI
180205000	94	0.7	HI
180206000	94	9.5	RUR
180213000	94	16.2	AG
180214000	94	37.7	AG
180217000	94	66.1	AG
180217001	94	1.9	RLI
180218000	94	299.7	AG
180221000	94	3.2	AG
180222000	94	4.6	RLI
180222001	94	3.0	RLI
180222002	94	12.6	RLI
180222003	94	4.2	AG
180224000	96	8.1	AG
182429000	94	1.2	RLI
182430000	94	1.2	RLI
182431000	94	0.3	RLI
182432000	94	0.3	RLI
182433000	94	1.0	RLI
182434000	94	1.0	RLI
190441004	94	15.8	UHI
190451001	94	1.4	AG
190452000	94	2.1	AG
190453000	94	1.1	AG
190454000	94	58.3	AG
190454001	94	2.1	AG
190454003	94	1.3	AG
190455000	94	68.3	AG
190459000	94	51.6	AG
190471000	94	0.8	RHI
190472000	94	63.0	RHI
190473000	94	1.6	RHI
190473001	94	4.4	RLI
190475000	94	75.3	AG
190476000	94	66.6	UHI
190479000	94	111.8	RUR
190483000	94	73.2	UR2
190483001	94	5.5	UR2
190484000	94	74.7	UR2

Parcel	Tax Code		
	Area	Acres	Zoning
190497000	94	71.8	RUR
190498000	94	104.2	RUR
190500000	94	99.5	RUR
190501000	94	54.4	UHI
190503000	94	71.8	AG
190504000	94	65.1	UHI
190505001	94	13.8	AG
190506000	94	72.4	UHI
190506005	94	7.9	AG
190506010	94	4.4	AG
190677000	94	57.6	UHI
310991000	73	0.4	HI
310992000	73	0.4	HI
310993000	73	0.2	HI
310994000	73	1.2	HI
311640000	94	0.7	P
311664000	73	1.1	P
311749000	73	1.3	LI
311750000	73	1.3	LI
311751000	73	2.6	LI
311752000	73	4.3	LI
311772000	94	5.4	AG
311773000	94	5.3	AG
311774000	94	8.5	AG
311849000	73	18.8	HI
311972000	73	1.0	HI
311975000	73	1.1	LI
312558000	73	1.3	P
312858000	94	9.4	RUR
312859000	94	73.2	RUR
312890000	94	47.7	UHI
313143000	94	4.7	UHI
313144000	94	7.9	UHI
313166000	94	2.4	UC2
313167000	94	2.4	UC2
313168000	73	5.7	C2
314327000	94	9.6	UHI
314328000	94	4.4	UHI
314334000	94	3.5	AG
314335000	94	99.9	AG
400484011	73	0.7	Municipal Airport

Parcel	Tax Code		Zoning
	Area	Acres	
400484021	73	0.6	Municipal Airport
400484041	73	0.4	Municipal Airport
400484081	73	0.6	Municipal Airport
400484131	73	0.3	Municipal Airport
400484141	73	0.4	Municipal Airport
400484191	73	0.6	Municipal Airport
400484201	73	0.7	Municipal Airport
400484202	73	0.7	Municipal Airport
400484261	73	0.5	Municipal Airport
400484281	73	0.5	Municipal Airport
400484291	73	1.7	Municipal Airport
400484292	73	1.7	Municipal Airport
400484293	73	1.7	Municipal Airport
400484294	73	1.7	Municipal Airport
400484295	73	1.7	Municipal Airport
400484301	73	1.2	Municipal Airport
400484302	73	1.2	Municipal Airport
400484303	73	1.2	Municipal Airport
400484311	73	0.5	Municipal Airport
400484312	73	0.5	Municipal Airport
400484313	73	0.5	Municipal Airport
400484321	73	0.5	Municipal Airport
400484322	73	0.5	Municipal Airport
400484323	73	0.5	Municipal Airport
400484331	73	0.5	Municipal Airport
400484333	73	0.5	Municipal Airport
410484171	73	0.5	Municipal Airport
410484181	73	0.6	Municipal Airport
Total		4,683.8	

Appendix B: Summary of Public Outreach

Public outreach included two briefings with the general public, placing information on the Port of Moses Lake website, a meeting with interested businesses, and meetings with taxing districts.

B.1 General Public

Public Briefings

Two advertised public briefings were held on February 29, 2024, and May 13, 2024. Both briefings were advertised in the Columbia Basin Herald (the legal newspaper of general circulation in Grant County) and advertised on the Port of Moses Lake website and through the Port's social media platforms. The notices were provided two weeks in advance of the meetings. The public briefings covered 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.

PUBLIC BRIEFING 1

The attendees of Public Briefing 1 were representatives of Grant County Commissioners, Grant County Treasurer's Offices, City of Moses Lake, Fire District 5, Port of Moses Lake Commissioner, a representative of Central Terminals, a representative of Western Pacific Engineering, and a property owner in the TIA boundary. Port staff and a member of their consultant team presented on how tax increment financing works, a description of the TIA, the public improvements proposed to be financed with the tax allocation revenues, a detailed estimate of tax revenues for the participating local governments and taxing districts, next steps, and contact person. Notice of the public briefing was published in the Columbia Basin Herald on February 8 and 15, 2024, on the Port of Moses Lake website starting on February 14, 2024, and on the following social media platforms on February 14, 2024: LinkedIn, Instagram, X(Twitter), YouTube.

The following summarizes questions from attendees:

- General questions on the types of projects and coordination with taxing districts on those projects, especially a water line that the City desires to complete
- Timing, status, and necessity of the rail project
- Details on proposed financing, including type of bond

PUBLIC BRIEFING 2

Public Briefing 2 was held on May 13, 2024. This Report was finalized before this public briefing was held.

Port of Moses Lake Website

An introduction on Tax Increment Financing was published on Port of Moses Lake 's website (<https://www.Portofmoseslake.com/tia>). Notices of the Public Briefings were also placed on the website.

B.2 Local Businesses:

The Port of Moses Lake Interim Executive Director/Director of Finance and Administration and a member of the consultant team met with local businesses in a virtual meeting on March 7, 2024. The group received a briefing on the project, using the PowerPoint presentation from Public Briefing 1. There were no concerns expressed and there was general agreement that the projects, especially the rail project, would be beneficial to development in the area. The attendees were Don Kersey from Group 14 Technology, Mike Stuart from DL Foundry, Darrin Jackson, owner of Jackson Flight Center LLC, and a Port of Moses Lake Commissioner.

A member of the consultant team reached out via email to other businesses to offer a briefing, but received no responses.

B.3 Taxing Districts/Other Governmental Agencies

All impacted taxing districts were formally informed of the Port of Moses Lake 's consideration of a proposed TIA by email on September 6, 2023. The taxing districts were offered individual briefings.

Port staff and a member of their consultant team provided an individual briefing describing the proposed TIA to the Hospital District 1 (Samaritan Healthcare) on February 21, 2024. Representatives of the district are supportive of new growth in the TIA and understand the need for infrastructure to help incentivize that growth. The Hospital District has recently embarked on a large construction project, and their financing was based on projections of future tax growth. They reviewed their financial projections followed-up with the Port via email on February 29, 2024, stating the TIA was not anticipated to impact the numbers used in their feasibility studies and projections for the new hospital.

Representatives of the Grant County Treasurer's office, the Grant County Commission, the City of Moses Lake, and Fire District 5 attended Public Briefing 1.

All impacted taxing districts were also sent notices of both public briefings. In addition, Port staff and members of their consultant team coordinated with the Office of the State Treasurer and the Washington Department of Revenue.

As required by statute, certified copies of the adopted resolution 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 adoption of the resolution.

Appendix C: Alternate Scenario

The Port evaluated a more conservative financial scenario, assuming a higher all-in true interest cost for debt incurred, and assuming reduced levels of speculative future private development in the area.

The more conservative forecast in private development activity assumes that the value of new construction through 2025 is reduced by 50% compared to the baseline scenario in this report, and no new construction would be added to the tax rolls after 2027. Under this scenario, private development in the TIA is expected to total \$872.0 million in 2024 dollars, compared to \$3.05 billion in the baseline scenario. Exhibit 20 shows the assumed value from new construction in the alternate scenario.

Exhibit 20. Assessed Value from New Construction of Real Property, Proposed Port of Moses Lake TIA, Alternate Scenario

Year on Tax Roll	Taxable Assessed Value	
	2024 \$	Nominal \$
2025	\$ 248,400,000	\$ 248,400,000
2026	\$ 606,500,000	\$ 632,000,000
2027	\$ 17,100,000	\$ 18,500,000
Total	\$ 872,000,000	\$ 898,900,000

Source: Tiberius Solutions with data and input from the Port of Moses Lake and Western Pacific Engineering & Survey, Inc.

Exhibit 21 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 proposed TIA in its final year (2049) is estimated to be \$2.45 billion, compared to \$7.61 billion in the baseline scenario.

Exhibit 21. Assessed Value Forecast, Proposed Port of Moses Lake TIA, Alternate Scenario (Nominal \$)

Tax Year	Existing Property (Base Value)			New Construction			Total	Total
	Prior Year	Appreciation of Existing Property	Total	Prior Year	PLUS: Growth in Prior Year Construction	PLUS: New Construction		
2024	\$ -	\$ -	\$ 135,503,582	\$ -	\$ -	\$ -	\$ -	\$ 135,503,582
2025	\$ 135,503,582	\$ 5,691,150	\$ 141,194,732	\$ -	\$ -	\$ 248,381,753	\$ 248,381,753	\$ 389,576,485
2026	\$ 141,194,732	\$ 5,930,179	\$ 147,124,911	\$ 248,381,753	\$ -	\$ 631,976,480	\$ 880,358,233	\$ 1,027,483,144
2027	\$ 147,124,911	\$ 6,179,246	\$ 153,304,157	\$ 880,358,233	\$ -	\$ 18,517,162	\$ 898,875,395	\$ 1,052,179,552
2028	\$ 153,304,157	\$ 6,438,775	\$ 159,742,932	\$ 898,875,395	\$ -	\$ -	\$ 898,875,395	\$ 1,058,618,327
2029	\$ 159,742,932	\$ 6,709,203	\$ 166,452,135	\$ 898,875,395	\$ 10,432,034	\$ -	\$ 909,307,429	\$ 1,075,759,564
2030	\$ 166,452,135	\$ 6,990,990	\$ 173,443,125	\$ 909,307,429	\$ 37,413,192	\$ -	\$ 946,720,621	\$ 1,120,163,746
2031	\$ 173,443,125	\$ 7,284,611	\$ 180,727,736	\$ 946,720,621	\$ 39,762,266	\$ -	\$ 986,482,887	\$ 1,167,210,623
2032	\$ 180,727,736	\$ 7,590,565	\$ 188,318,301	\$ 986,482,887	\$ 41,432,281	\$ -	\$ 1,027,915,168	\$ 1,216,233,469
2033	\$ 188,318,301	\$ 7,909,369	\$ 196,227,670	\$ 1,027,915,168	\$ 43,172,437	\$ -	\$ 1,071,087,605	\$ 1,267,315,275
2034	\$ 196,227,670	\$ 8,241,562	\$ 204,469,232	\$ 1,071,087,605	\$ 44,985,679	\$ -	\$ 1,116,073,284	\$ 1,320,542,516
2035	\$ 204,469,232	\$ 8,587,708	\$ 213,056,940	\$ 1,116,073,284	\$ 46,875,078	\$ -	\$ 1,162,948,362	\$ 1,376,005,302
2036	\$ 213,056,940	\$ 8,948,391	\$ 222,005,331	\$ 1,162,948,362	\$ 48,843,832	\$ -	\$ 1,211,792,194	\$ 1,433,797,525
2037	\$ 222,005,331	\$ 9,324,224	\$ 231,329,555	\$ 1,211,792,194	\$ 50,895,272	\$ -	\$ 1,262,687,466	\$ 1,494,017,021
2038	\$ 231,329,555	\$ 9,715,841	\$ 241,045,396	\$ 1,262,687,466	\$ 53,032,873	\$ -	\$ 1,315,720,339	\$ 1,556,765,735
2039	\$ 241,045,396	\$ 10,123,907	\$ 251,169,303	\$ 1,315,720,339	\$ 55,260,255	\$ -	\$ 1,370,980,594	\$ 1,622,149,897
2040	\$ 251,169,303	\$ 10,549,111	\$ 261,718,414	\$ 1,370,980,594	\$ 57,581,184	\$ -	\$ 1,428,561,778	\$ 1,690,280,192
2041	\$ 261,718,414	\$ 10,992,173	\$ 272,710,587	\$ 1,428,561,778	\$ 59,999,595	\$ -	\$ 1,488,561,373	\$ 1,761,271,960
2042	\$ 272,710,587	\$ 11,453,845	\$ 284,164,432	\$ 1,488,561,373	\$ 62,519,578	\$ -	\$ 1,551,080,951	\$ 1,835,245,383
2043	\$ 284,164,432	\$ 11,934,906	\$ 296,099,338	\$ 1,551,080,951	\$ 65,145,400	\$ -	\$ 1,616,226,351	\$ 1,912,325,689
2044	\$ 296,099,338	\$ 12,436,172	\$ 308,535,510	\$ 1,616,226,351	\$ 67,881,506	\$ -	\$ 1,684,107,857	\$ 1,992,643,367
2045	\$ 308,535,510	\$ 12,958,491	\$ 321,494,001	\$ 1,684,107,857	\$ 70,732,530	\$ -	\$ 1,754,840,387	\$ 2,076,334,388
2046	\$ 321,494,001	\$ 13,502,748	\$ 334,996,749	\$ 1,754,840,387	\$ 73,703,297	\$ -	\$ 1,828,543,684	\$ 2,163,540,433
2047	\$ 334,996,749	\$ 14,069,863	\$ 349,066,612	\$ 1,828,543,684	\$ 76,798,834	\$ -	\$ 1,905,342,518	\$ 2,254,409,130
2048	\$ 349,066,612	\$ 14,660,798	\$ 363,727,410	\$ 1,905,342,518	\$ 80,024,386	\$ -	\$ 1,985,366,904	\$ 2,349,094,314
2049	\$ 363,727,410	\$ 15,276,551	\$ 379,003,961	\$ 1,985,366,904	\$ 83,385,410	\$ -	\$ 2,068,752,314	\$ 2,447,756,275

Source: Tiberius Solutions

Exhibit 22 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 \$1.3 million in 2025, increasing to \$5.8 million in its final year in 2049. Total tax allocation revenue over 25 years is expected to equal \$120.9 million, which is 68% lower than the \$374.2 million forecast in the baseline scenario.

Exhibit 22. Tax Allocation Revenues, Alternate Scenario, Proposed Port of Moses Lake TIA (Nominal \$)

Tax Year	Assessed Value			Blended Levy Rate	Tax Allocation Revenues
	Total	Base Value	Increment		
2024	\$ 135,503,582	\$ 135,503,582	\$ -	\$ -	\$ -
2025	\$ 389,576,485	\$ 135,503,582	\$ 254,072,904	\$ 5.111200	\$ 1,298,609
2026	\$ 1,027,483,145	\$ 135,503,582	\$ 891,979,563	\$ 4.995500	\$ 4,455,845
2027	\$ 1,052,179,553	\$ 135,503,582	\$ 916,675,971	\$ 4.889000	\$ 4,481,593
2028	\$ 1,058,618,327	\$ 135,503,582	\$ 923,114,745	\$ 4.753800	\$ 4,388,274
2029	\$ 1,075,759,563	\$ 135,503,582	\$ 940,255,982	\$ 4.626600	\$ 4,350,182
2030	\$ 1,120,163,745	\$ 135,503,582	\$ 984,660,163	\$ 4.487200	\$ 4,418,360
2031	\$ 1,167,210,622	\$ 135,503,582	\$ 1,031,707,040	\$ 4.351500	\$ 4,489,472
2032	\$ 1,216,233,468	\$ 135,503,582	\$ 1,080,729,886	\$ 4.219900	\$ 4,560,536
2033	\$ 1,267,315,274	\$ 135,503,582	\$ 1,131,811,692	\$ 4.092200	\$ 4,631,576
2034	\$ 1,320,542,516	\$ 135,503,582	\$ 1,185,038,935	\$ 3.968200	\$ 4,702,498
2035	\$ 1,376,005,301	\$ 135,503,582	\$ 1,240,501,720	\$ 3.848000	\$ 4,773,437
2036	\$ 1,433,797,524	\$ 135,503,582	\$ 1,298,293,942	\$ 3.731400	\$ 4,844,414
2037	\$ 1,494,017,020	\$ 135,503,582	\$ 1,358,513,438	\$ 3.618300	\$ 4,915,449
2038	\$ 1,556,765,734	\$ 135,503,582	\$ 1,421,262,153	\$ 3.508500	\$ 4,986,564
2039	\$ 1,622,149,896	\$ 135,503,582	\$ 1,486,646,314	\$ 3.402100	\$ 5,057,779
2040	\$ 1,690,280,191	\$ 135,503,582	\$ 1,554,776,610	\$ 3.298900	\$ 5,128,987
2041	\$ 1,761,271,959	\$ 135,503,582	\$ 1,625,768,377	\$ 3.198700	\$ 5,200,331
2042	\$ 1,835,245,382	\$ 135,503,582	\$ 1,699,741,800	\$ 3.101500	\$ 5,271,831
2043	\$ 1,912,325,688	\$ 135,503,582	\$ 1,776,822,106	\$ 3.007300	\$ 5,343,506
2044	\$ 1,992,643,366	\$ 135,503,582	\$ 1,857,139,785	\$ 2.916000	\$ 5,415,373
2045	\$ 2,076,334,387	\$ 135,503,582	\$ 1,940,830,806	\$ 2.827400	\$ 5,487,452
2046	\$ 2,163,540,432	\$ 135,503,582	\$ 2,028,036,850	\$ 2.741400	\$ 5,559,760
2047	\$ 2,254,409,130	\$ 135,503,582	\$ 2,118,905,549	\$ 2.658100	\$ 5,632,316
2048	\$ 2,349,094,314	\$ 135,503,582	\$ 2,213,590,733	\$ 2.577300	\$ 5,704,992
2049	\$ 2,447,756,276	\$ 135,503,582	\$ 2,312,252,695	\$ 2.498800	\$ 5,777,949
Total					\$ 120,877,083

Source: Tiberius Solutions

The alternate financing terms, shown in Exhibit 23, are based on the assumption that the debt would be taxable, including current market rates as of December 1, 2023 plus an additional 0.5%. Exhibit 23 shows the estimated terms of indebtedness for the alternate scenario.

Exhibit 23. Estimated Terms of Indebtedness for Proposed Port of Moses Lake TIA Public Improvements, Alternate Scenario (Nominal \$)

Closing Month	December 2024
Taxable Status	Taxable
All-In True Interest Cost	6.01%
Par Amount	\$ 10,155,000
Estimated Project Cost (2024)	\$ 10,000,000

Source: Northwest Municipal Advisors

Exhibit 24 shows the estimated debt service payments in the alternate scenario. Total debt service payments are estimated to cost \$13,853,907 over the life of the TIA, compared to \$13,513,655 in the baseline scenario.

Exhibit 24. Estimated Debt Service Payments, LTGO Debt for Proposed Port of Moses Lake TIA Public Projects, Alternate Scenario (Nominal \$)

Year	Principal	Interest	Total
2025	\$ -	\$ 578,017	\$ 578,017
2026	\$ 900,000	\$ 578,017	\$ 1,478,017
2027	\$ 950,000	\$ 525,997	\$ 1,475,997
2028	\$ 1,000,000	\$ 473,462	\$ 1,473,462
2029	\$ 1,055,000	\$ 418,162	\$ 1,473,162
2030	\$ 1,115,000	\$ 359,610	\$ 1,474,610
2031	\$ 1,180,000	\$ 296,724	\$ 1,476,724
2032	\$ 1,245,000	\$ 229,582	\$ 1,474,582
2033	\$ 1,315,000	\$ 157,870	\$ 1,472,870
2034	\$ 1,395,000	\$ 81,468	\$ 1,476,468
Total	\$ 10,155,000	\$ 3,698,907	\$ 13,853,907

Source: Northwest Municipal Advisors

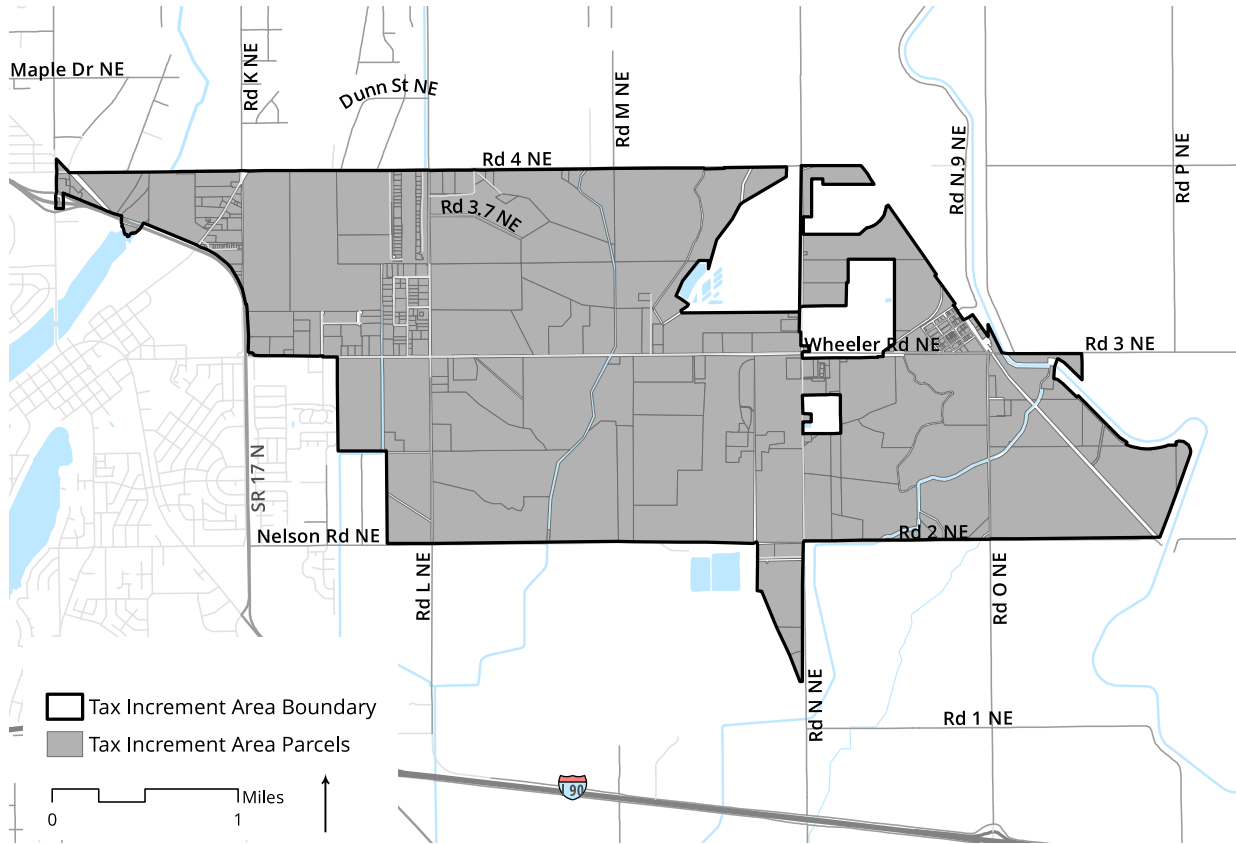
Exhibit 25 shows that no other funds beyond tax allocation revenues would be required to cover debt service payments for the bonds in this scenario. The minimum debt service coverage ratio for the bonds is 2.25 in 2025, but reaches 3.18 in the final year of debt service, 2034. The total debt service coverage ratio from 2025 to 2034 is 3.02, compared to 7.94 in the baseline scenario.

Exhibit 25. Tax Allocation Revenues and Debt Service Payments, Proposed Port of Moses Lake TIA, Alternate Scenario (Nominal \$)

Year	Debt Service Payment	Tax Allocation Revenues	Tax Allocation Revenue Debt Service Coverage
2025	\$ 578,017	\$ 1,298,609	2.25
2026	\$ 1,478,017	\$ 4,455,845	3.01
2027	\$ 1,475,997	\$ 4,481,593	3.04
2028	\$ 1,473,462	\$ 4,388,274	2.98
2029	\$ 1,473,162	\$ 4,350,182	2.95
2030	\$ 1,474,610	\$ 4,418,360	3.00
2031	\$ 1,476,724	\$ 4,489,472	3.04
2032	\$ 1,474,582	\$ 4,560,536	3.09
2033	\$ 1,472,870	\$ 4,631,576	3.14
2034	\$ 1,476,468	\$ 4,702,498	3.18
Total	\$ 13,853,907	\$ 41,776,943	3.02

Source: Northwest Municipal Advisors and Tiberius Solutions

Appendix D: Economic Impact Analysis



ECONOMIC IMPACT ANALYSIS PROPOSED TAX INCREMENT AREA PORT OF MOSES LAKE

JANUARY 2024

JOHNSON ECONOMICS, LLC
621 SW Alder St, Suite 506
Portland, Oregon 97205



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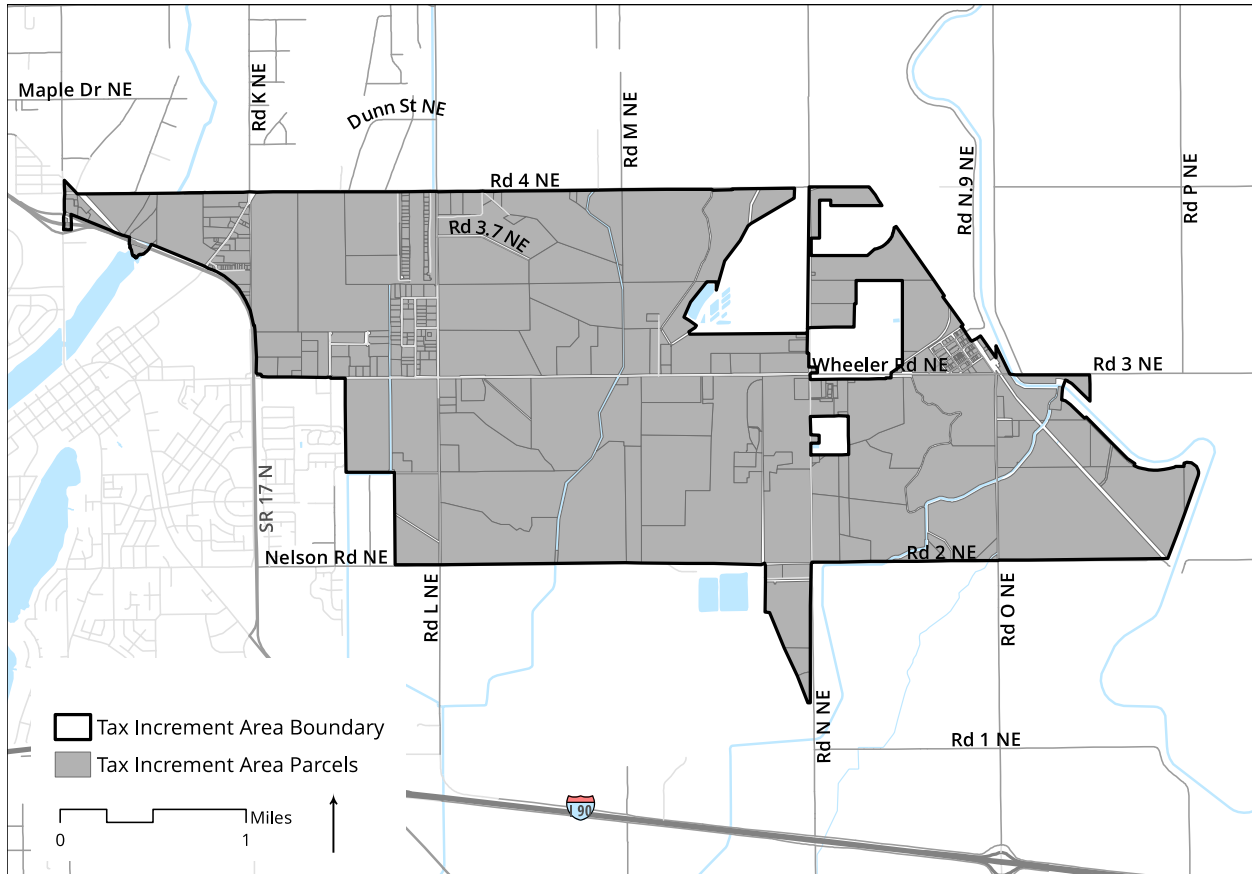
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I. INTRODUCTION

JOHNSON ECONOMICS was retained to conduct an analysis of the economic and fiscal impacts of anticipated new development activity with a tax increment area planned by the Port of Moses Lake. The proposed TIA would be located northeast of the City of Moses Lake. The TIA would be 5,087.3-acres and is currently zoned for a mix of industrial and agricultural uses.

FIGURE 1.1: PROPOSED PORT OF MOSES LAKE TIA BOUNDARY



Source: SERA Architects with data from the Grant County Assessor's Office

The economic and fiscal impact analysis evaluates the impacts on employment, incomes, and tax revenues associated with known development projects anticipated to occur in the TIA over the next 25 years. The analysis relies in part on IMPLAN modeling software (see Appendix for description and glossary). The economic analysis is conducted at the Grant County level.

II. ECONOMIC IMPACT

The Port of Mose Lake's TIA is expected to generate substantial economic impacts for the local and regional economy. The infrastructure investments supported by the TIA will support a significant level of development, with substantial employment from construction as well as ongoing business activity. Impacts during the construction phase are temporary, while the impacts from operations once construction is complete will 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)¹ 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. The analysis was done at the Grant County level.

ECONOMIC IMPACTS OF CONSTRUCTION ACTIVITY

To evaluate the temporary impacts associated with construction, we calculated the total construction spending of the alternative development programs measured as a direct industry change. Estimated construction expenditures were converted into estimated contributions to employment income and output at the Grant County level.

The Port of Moses Lake has identified \$333.2 million in infrastructure projects to be completed through 2045 (2024 dollars). This includes the Northern Columbia Basin Rail project in 2025, with an estimated cost of \$20.6 million. This project has been identified as the Port’s top priority. The remaining projects are longer term with the funding sources less certain.

The TIA has an unusually elevated level of private investment identified and forecast. Private development activity in the area is expected to exceed \$1.8 billion in current dollars over the 25-year duration of the TIA. This total includes a range of manufacturing, commercial, lab, and warehouse/distribution investments.

Combining the planned public infrastructure expenditures with the anticipated private development results in a total of more than \$2.1 billion in planned expenditures within the proposed TIA. Construction investments are expected to be realized from 2024 through 2045.

FIGURE 2.1: SUMMARY OF DEVELOPMENT ASSUMPTIONS, PORT OF MOSES LAKE TIA (2024 \$)

Project Name	Category	Total Costs (2024\$)	Timing
Project A	Manufacturing	\$521,000,000	2024
Project B	Manufacturing	\$260,500,000	2024
Project C	Manufacturing	\$10,000,000	2025
Project D	Speculative Commercial	\$2,104,038	2026
Project E	Manufacturing	\$521,000,000	2026-30
Project F	Manufacturing	\$475,754,028	2024-44
Project G	Self Storage	\$1,441,361	2024
Project H	Food Processing	\$56,164	2024
Project I	Lab	\$81,198	2024
Project J	Manufacturing	\$10,420,000	2025
Project K	Warehouse/Distribution	\$6,406,049	2024
Other		\$19,984,970	
Total		\$1,828,747,809	

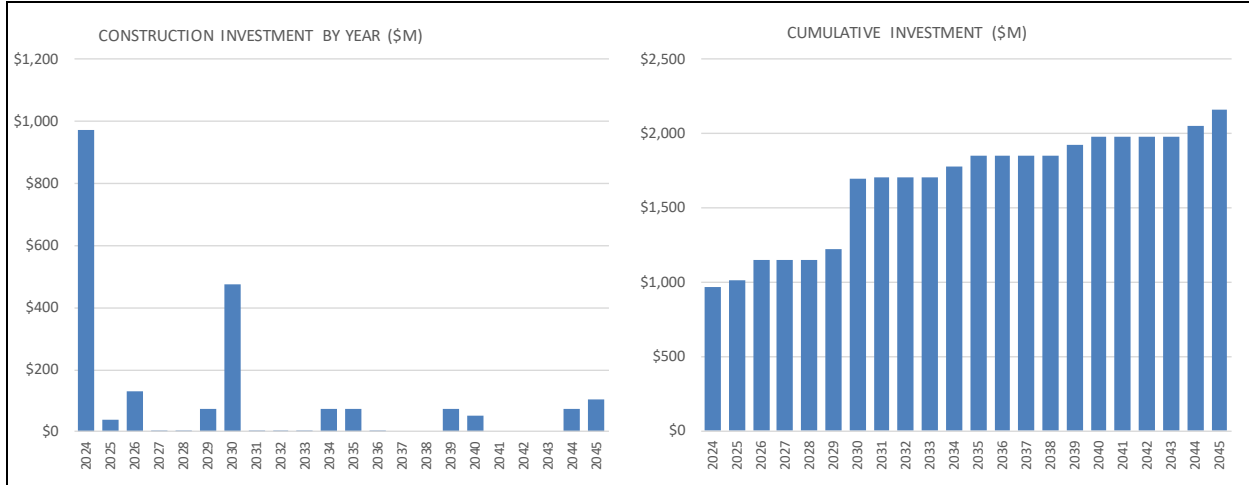
SOURCE: Port of Moses Lake

The private project costs excluded machinery and equipment for the impact analysis under an assumption that this largely included equipment manufactured outside of the region. This represents an additional investment of \$1.4 billion.

¹ Minnesota IMPLAN Group (MIG), Stillwater, Minnesota



FIGURE 2.2: SUMMARY OF ANTICIPATED CONSTRUCTION INVESTMENT BY YEAR, PORT OF MOSES LAKE TIA (2024 \$)



SOURCE: Port of Moses Lake

To evaluate impacts related to construction of the identified infrastructure and development programs, we calculated the *total* construction spending measured as a direct industry change in construction of new non-residential structures as well construction of infrastructure investments. Estimated construction expenditures were converted into estimated contributions to employment income and output at the Grant County level.

- Construction spending would translate into an estimated 12,107 direct full-time equivalent (FTE) jobs over the construction period. Direct jobs would pay an estimated average of \$62,593 per FTE for wages and benefits.
- Because the development period is estimated to extend over multiple years, the direct construction jobs projected represent some of the same employees.
- Each direct construction job would support approximately 0.30 indirect and induced jobs during the construction period. This translates into roughly 3,121 FTE jobs and labor income of \$205.0 million during the construction period.
- The total estimated economic impacts (direct, indirect, and induced) from construction during the study period are roughly 15,228 FTE positions and \$962.8 million in labor income (2024 dollars).

FIGURE 2.3: SUMMARY OF PROJECTED IMPACTS DURING CONSTRUCTION PHASE, PORT OF MOSES LAKE TIA (2024 \$)

	PROJECTED IMPACTS, GRANT COUNTY (2024 \$s)			
	Employment	Labor Income	Value Added	Output
CONSTRUCTION				
Direct Effect	12,107	\$757,810,493	\$834,034,044	\$1,766,790,615
Indirect Effect	1,531	\$125,170,344	\$242,889,774	\$413,824,821
Induced Effect	1,590	\$79,823,078	\$194,705,694	\$309,644,767
Total Effect	15,228	\$962,803,915	\$1,271,629,512	\$2,490,260,203

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** - Output is the value of an industry's production. It can be measured in two ways: from the sales (income) perspective or the expenditure (spending) perspective.
 - From the sales (income) perspective, Output is the sum of sales to final users in the economy (GDP), sales to other industries (Intermediate Inputs), and inventory change.
 - From the expenditures perspective, Output is the sum of an industry's Value Added and Intermediate Inputs.

- **Value Added - Value Added** is defined as the total market value of all final goods and services produced within a region in each 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 each period. In other words, it is the wealth created by industry activity.
 - Value Added in a Social Accounting Matrix (SAM) model such as IMPLAN, is equal to Gross Domestic Product (GDP).

In addition to the overall impact, we looked at the economic impact of the North Columbia Basin Rail Project as a standalone improvement. This \$20.6 million dollar investment would support 125 FTE positions during the construction phase, and a total 159 FTE positions if indirect and induced effects are included. This does not account for additional economic activity supported by this infrastructure investment.

FIGURE 2.4: SUMMARY OF PROJECTED IMPACTS DURING CONSTRUCTION PHASE, NCBRP (2024 \$)

	PROJECTED IMPACTS, GRANT COUNTY (2024 \$s)			
	Employment	Labor Income	Value Added	Output
NCBR PROJECT				
Direct Effect	125	\$8,043,517	\$10,881,868	\$20,600,000
Indirect Effect	14	\$1,261,333	\$2,533,606	\$4,499,960
Induced Effect	20	\$988,635	\$2,411,763	\$3,835,363
Total Effect	159	\$10,293,485	\$15,827,237	\$28,935,322

Source: IMPLAN, Johnson Economics

ECONOMIC IMPACTS OF ONGOING OPERATIONS

Following development, the completed manufacturing and other industrial developments are expected to provide for ongoing impacts to the local and regional economy. Firms operating in the new facilities will support a range of local suppliers, while employees at these facilities are expected to generate income that will circulate in the local economy, supporting additional employment and tax revenues.

The anticipated developments will include a mix of manufacturing facilities and other industrial uses, with an overall estimated direct employment level of 9,224 when completed and tenanted.

- *On an ongoing basis, the study area is expected to accommodate 9,224 direct employees, with annual labor income of \$780.7 million and \$5.5 billion in economic output.*
- *The associated ancillary indirect and induced impacts are estimated to account for 5,894 jobs and \$412.8 million in labor income per year.*
- *The total annual impact is estimated at 15,118 full-time equivalent positions with annual labor income in current dollars approaching \$1.2 billion.*



FIGURE 2.5: SUMMARY OF PROJECTED ONGOING IMPACTS FROM OPERATIONS, PORT OF MOSES LAKE TIA (2024 \$)

	PROJECTED IMPACTS, GRANT COUNTY (2024 \$s)			
	Employment	Labor Income	Value Added	Output
ONGOING - ANNUAL				
Direct Effect	9,224	\$780,740,563	\$1,326,618,901	\$5,458,952,139
Indirect Effect	3,687	\$301,843,522	\$596,367,267	\$1,178,730,698
Induced Effect	2,207	\$110,969,696	\$270,286,280	\$430,014,213
Total Effect	15,118	\$1,193,553,782	\$2,193,272,448	\$7,067,697,050

Source: Johnson Economics, based on future development assumptions

The scale of these impacts is highly significant in Grant County. Direct employment would represent an almost 18% expansion in the county’s employment base. As a result, we would expect a significant amount of leakage of impacts outside of Grant County. In addition, the magnitude of projected construction activity will require a temporary influx of workers into local communities during the construction period.

The following table summarizes the top sectors based on the level of employment impact during the construction period as well as ongoing. The construction period employment represents a one-time impact while the ongoing impacts represent annual numbers that would be sustained.

EXHIBIT FIGURE 2.6: TOP TEN SECTORS BY LEVEL OF EMPLOYMENT IMPACT, PORT OF MOSES LAKE TIA

CONSTRUCTION	Employment Impact (FTEs)			
	Direct	Indirect	Induced	Total
Construction of other new nonresidential structures	9,778.4	0.0	0.0	9,778.4
Construction of new highways and streets	2,285.9	0.0	0.0	2,358.0
Retail - Building materials	0.0	0.0	0.0	240.5
Other real estate	0.0	0.0	0.0	174.9
Employment services	0.0	0.0	0.0	155.5
Architectural, engineering, and related services	0.0	0.0	0.0	136.6
Limited-service restaurants	0.0	0.0	0.0	133.6
Individual and family services	0.0	0.0	0.0	112.7
Truck transportation	0.0	0.0	0.0	108.3
Wholesale - Other durable goods merchant wholesalers	0.0	0.0	0.0	104.6
ONGOING - ANNUAL				
Industry	Direct	Indirect	Induced	Total
Manufacturing	8,953.0	113.6	0.1	6,911.4
Wholesale - Other nondurable goods	0.0	362.6	20.2	546.8
Truck transportation	0.0	280.4	19.6	428.6
Retail - Miscellaneous store retailers	204.4	2.8	59.9	381.4
Other real estate	0.0	192.4	72.7	378.8
Employment services	0.0	191.4	53.6	350.0
Limited-service restaurants	0.0	26.3	179.7	294.3
Wholesale - Professional and commercial	0.0	197.9	6.3	291.7
Warehousing and storage	66.5	103.5	24.8	278.3
Couriers and messengers	0.0	163.4	29.0	274.9

Source: IMPLAN and Johnson Economics, based on future development assumptions

Construction and operation of the multiple development programs anticipated to occur in the study area will support a sizable number of jobs directly, as well as having significant indirect and induced impacts. The construction and ongoing operation of developments in the area is estimated to support almost 312,000 full time equivalent positions



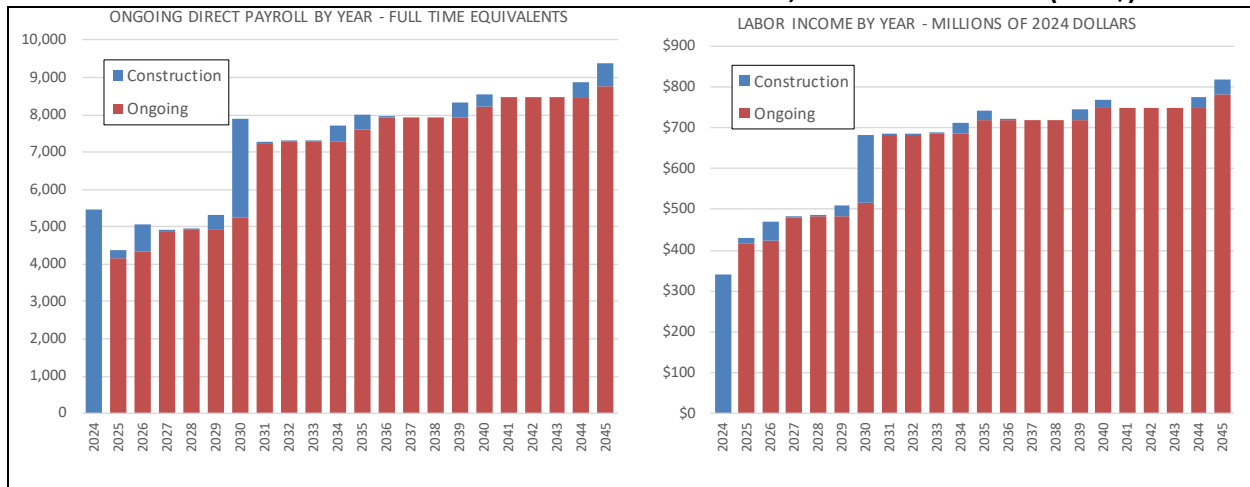
through 2049, reflecting average annual support of approximately 12,589 jobs, with over \$1.56 billion per year in labor income in current dollars.

FIGURE 2.7: SUMMARY OF AVERAGE ANNUAL IMPACTS THROUGH 2049, PORT OF MOSES LAKE TIA (2024 \$)

PORT OF MOSES LAKE TIA	EMPLOYMENT	PAYROLL
Direct Effect	7,793.1	\$530,165,894
Indirect Effect	2,983.1	\$759,665,482
Induced Effect	1,812.3	\$278,500,891
Total	12,588.5	\$1,568,332,267

Source: Johnson Economics, based on future development assumptions

FIGURE 2.8: SUMMARY OF PROJECTED ECONOMIC IMPACTS OVER TIME, PORT OF MOSES LAKE TIA (2024 \$)



Source: IMPLAN and Johnson Economics, based on future development assumptions

III. FISCAL IMPACT

In addition to economic impacts, development, and operation of new developments supported by infrastructure investments in the TIA will have fiscal implications for Grant 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. Federal revenues will largely accrue from income taxes and social security contributions. For State and local entities, sales taxes will 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. Property taxes for the development program are calculated in more detail as part of the TIA revenue forecast.

Figures 3.1 and 3.2 present an estimate of tax contributions, such as income and business taxes, from the construction and operation of the anticipated development projects based on the modeling assumptions in the IMPLAN scenarios. Estimates are broken down by federal vs. state and local contributions. These fiscal impacts exclude property taxes, as property tax revenue from the planned development within the TIA have been calculated by Tiberius Solutions. While we have excluded direct property taxes, we will still expect to see some property taxes from indirect and induced activity that is not included in the TIA.

- *Through the construction period, the project is expected to contribute \$267.9 million at the federal level, and \$91.5 million in state and local tax revenues (excluding property taxes).*



- When completed and operational, the combined program is expected to generate \$128.9 million per year in state and local taxes (excluding property taxes), while generating \$345.8 million in federal taxes.
- Sales taxes represent the largest source of state and local revenue, with close to \$72.0 million in sales taxes during construction and an additional \$102.3 million per year going forward.

FIGURE 3.1: SUMMARY OF ANTICIPATED TAX REVENUES ASSOCIATED WITH CONSTRUCTION (2024 \$)

CONSTRUCTION - ONE TIME					
Description	Employee & Proprietor Compensation	Tax on Production and Imports	Households	Corporations	Total
FEDERAL					
Social Ins Tax- Employee Contribution	\$72,093,848				\$72,093,848
Social Ins Tax- Employer Contribution	\$56,931,837				\$56,931,837
Indirect Bus Tax: Excise Taxes		\$2,392,767			\$2,392,767
Indirect Bus Tax: Custom Duty		\$2,665,683			\$2,665,683
Indirect Bus Tax: Fed NonTaxes					\$0
Corporate Profits Tax				\$9,586,126	\$9,586,126
Personal Tax: Income Tax			\$124,185,994		\$124,185,994
Total Federal Tax	\$129,025,685	\$5,058,450	\$124,185,994	\$9,586,126	\$267,856,255
STATE AND LOCAL					
Social Insurance Tax- Employee Contribution	\$2,657,527				\$2,657,527
Social Insurance Tax- Employer Contribution	\$2,725,798				\$2,725,798
Tax on Production and Imports: Sales Tax		\$72,078,127			\$72,078,127
Tax on Production and Imports: Motor Vehicle Lic		\$725,335			\$725,335
Tax on Production and Imports: Severance Tax		\$102,038			\$102,038
Tax on Production and Imports: Other Taxes		\$8,466,253			\$8,466,253
Tax on Production and Imports: Special Assessments		\$3,319,613			\$3,319,613
Personal Tax: Property Tax			\$236,084		\$236,084
Personal Tax: Motor Vehicle License			\$877,282		\$877,282
Personal Tax: Other Tax (Fish/Hunt)			\$314,401		\$314,401
Total State and Local	\$5,383,325	\$84,691,365	\$1,427,767	\$0	\$91,502,457

- Excludes Property Taxes

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

FIGURE 3.2: SUMMARY OF ANTICIPATED ONGOING TAX REVENUES, EXCLUDING PROPERTY TAXES (2024 \$)

OPERATIONS - ONGOING					
Description	Employee & Proprietor Compensation	Tax on Production and Imports	Households	Corporations	Total
FEDERAL					
Social Ins Tax- Employee Contribution	\$89,780,919				\$89,780,919
Social Ins Tax- Employer Contribution	\$77,501,153				\$77,501,153
Indirect Bus Tax: Excise Taxes		\$3,396,547			\$3,396,547
Indirect Bus Tax: Custom Duty		\$3,783,953			\$3,783,953
Indirect Bus Tax: Fed NonTaxes					\$0
Corporate Profits Tax				\$34,473,743	\$34,473,743
Personal Tax: Income Tax			\$136,908,092		\$136,908,092
Total Federal Tax	\$167,282,072	\$7,180,500	\$136,908,092	\$34,473,743	\$345,844,406
STATE AND LOCAL					
Social Insurance Tax- Employee Contribution	\$3,617,685				\$3,617,685
Social Insurance Tax- Employer Contribution	\$3,710,621				\$3,710,621
Tax on Production and Imports: Sales Tax		\$102,315,321			\$102,315,321
Tax on Production and Imports: Motor Vehicle Lic		\$1,029,617			\$1,029,617
Tax on Production and Imports: Severance Tax		\$144,843			\$144,843
Tax on Production and Imports: Other Taxes		\$12,017,896			\$12,017,896
Tax on Production and Imports: Special Assessments		\$4,712,210			\$4,712,210
Personal Tax: Income Tax					\$0
Personal Tax: Motor Vehicle License			\$1,026,495		\$1,026,495
Personal Tax: Other Tax (Fish/Hunt)			\$351,140		\$351,140
Total State and Local	\$7,328,306	\$120,219,886	\$1,377,635	\$0	\$128,925,827

- Excludes Property Taxes

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



IV. AFFORDABLE AND LOW-INCOME HOUSING

The anticipated developments within the TIA are expected to impact the housing markets significantly due to the scale of development activity in relation to the size of the resident workforce in City of Moses Lake and Grant County. The construction of the manufacturing facilities will require specialized trades as well, which are not currently located in Grant County.

Housing affordability is a complex issue that is influenced by several factors. These include inventory, market clearing prices, constraints on supply, cost of production, and the ability of someone to pay for housing. Thus, this evaluation of housing affordability also considers household incomes. Increases in household income will increase the ability of households to pay for housing, thus increasing housing affordability. The economic impacts generated by the anticipated projects within the TIA are expected to lead to increases in household incomes, helping to support regional housing affordability.

The TIA is not expected to include any housing development, and the impact on local affordability will be a function of how effectively the private development market responds to the anticipated increase in demand. The sustained employment levels associated with construction and ongoing operation of the anticipated projects will be attractive to developers and likely trigger significant levels of residential development.

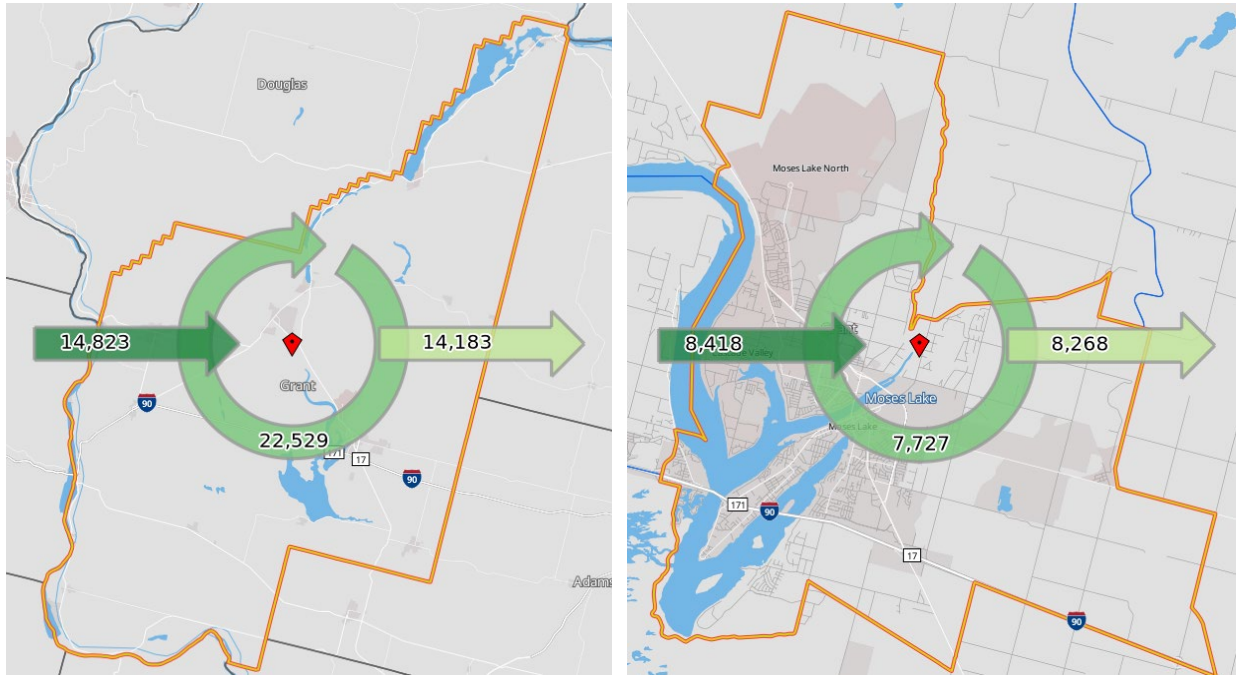
The temporary employment during the construction period will result in an increase in demand for local housing for construction workers. The local housing market is limited in scale and there is likely to be increased demand side pressure as a result. The increase in transitory demand associated with construction followed by permanent demand from on-site employment is likely to induce a commensurate increase in residential construction. The construction trades are also able to address short-term housing needs through temporary housing.

Currently, Grant County and the Moses Lake area have balanced labor markets, with roughly as many workers commuting into the area as out of the area. The sharp increase in local employment opportunities could potentially reduce the significant amount of the local workforce commuting to jobs outside of Grant County (14,183) and the Moses Lake County Subdivision (8,268). An estimated 3.4% of the workforce commutes to Wenatchee, 4.2% to the Spokane Valley, and 2.1% to Seattle.

Providing additional housing and employment opportunities in the Moses Lake area will increase local employment options, supporting a more efficient commuting pattern that can provide substantial financial benefits, increasing the level of income available to meet housing needs. The additional employment opportunities can also support higher wage levels, increasing household's available income for housing.

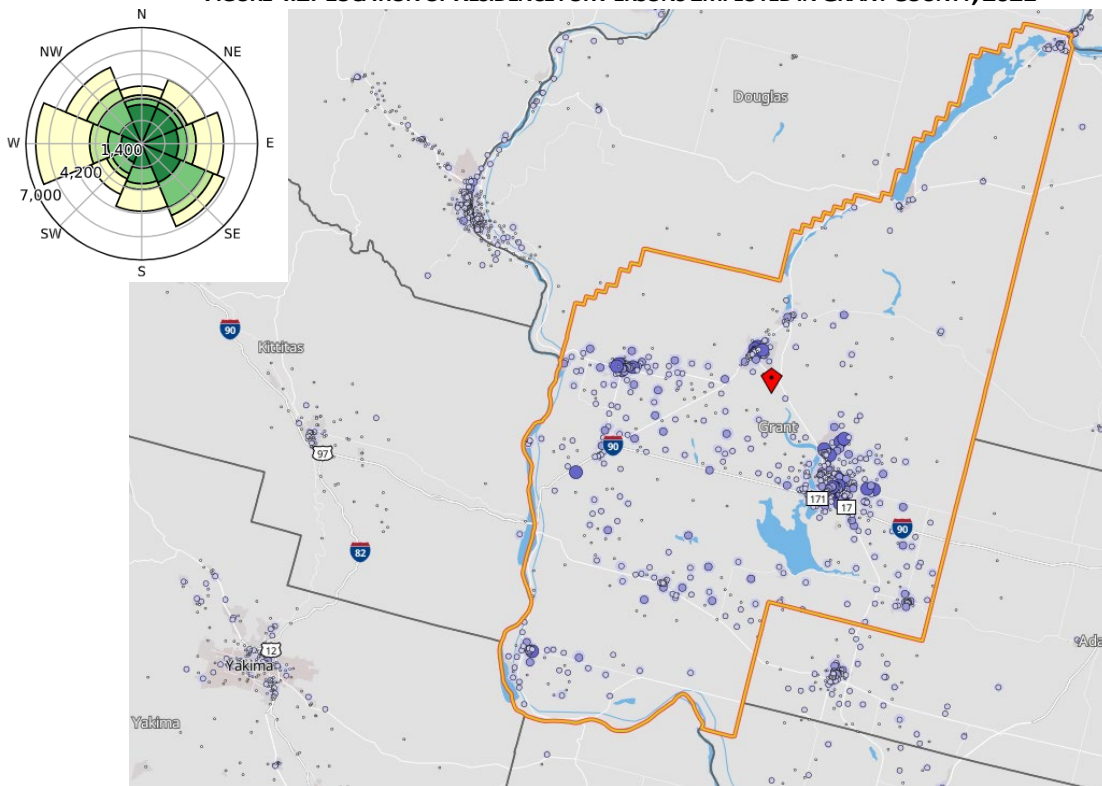


FIGURE 4.1: ESTIMATED WORKERS COMMUTING INTO AND OUT OF GRANT COUNTY AND MOSES LAKE AREA, 2021



Source: US Census Bureau, LEHD Database

FIGURE 4.2: LOCATION OF RESIDENCE FOR PERSONS EMPLOYED IN GRANT COUNTY, 2021



Source: US Census Bureau, LEHD Database



V. APPENDIX: IMPLAN MODELING SYSTEM

IMPLAN utilizes an economic modeling technique called Input-Output analysis and a Social Accounting Matrix, which is a type of applied economic analysis that tracks the interdependence among various producing and consuming industries of an economy and the spending of households. It measures the relationship between a given set of demands for final goods and services and the inputs required to satisfy those demands.

ASSUMPTIONS

Studies, results, and reports that rely on IMPLAN data are limited by the researcher's assumptions concerning the subject or event being modeled. IMPLAN provides the estimated Indirect and Induced Effects that stem from the given economic activity as defined by the inputs. Readers should be aware of the following assumptions within Input-Output and Social Accounting Matrix models.

CONSTANT RETURNS TO SCALE

The same quantity of inputs is needed per unit of Output, regardless of the level of production. In other words, if Output increases by 10%, input requirements will also increase by 10%.

FIXED INPUT STRUCTURE / NO SUBSTITUTION EFFECTS

There is no input substitution in the production of any one Commodity. This means that the same recipe of inputs will always be used to create the Output unless changes to the IMPLAN production function are made.

INDUSTRY HOMOGENEITY

All firms within an Industry are characterized by a common production process. If the production structure of the initially affected local firm is not consistent with the average relationships of the firms that make up the industry in the I-O accounts, then the impact of the change on the local economy will differ from that implied by a regional multiplier.

NO SUPPLY CONSTRAINTS

There are no restrictions on inputs, raw materials, and employment. The assumption is that there are sufficient inputs to produce an unlimited amount of product. It is up to the user to decide whether this is a reasonable assumption for their study area and analysis, especially when dealing with large-scale impacts.

TECHNOLOGY ASSUMPTION

An Industry, and the production of Commodities, uses the same technology to produce each of its products. In other words, an Industry's Leontief Production Function is a weighted average of the inputs required to produce the primary product and each of the byproducts, weighted by the Output of each of the products. The technology assumption is used to convert make-use tables (or supply-use tables for international datasets) into a symmetric I-O table. IMPLAN is an Industry Technology Assumption (ITA) model for all Industries which do not have any redefinitions into or out of them. For the Industries which do contain redefinitions, the production functions contain purchases of some Commodities necessary to make the secondary Commodity that has been redefined into it; thereby falling under the Commodity Technology Assumption (CTA).

CONSTANT BYPRODUCT COEFFICIENTS

As a requirement of the technology assumption, Industry byproduct coefficients are constant. An Industry will always produce the same mix of Commodities regardless of the level of production. In other words, an Industry will not increase the Output of one product without proportionately increasing the Output of all its other products.

THE MODEL IS STATIC

No price changes are built in IMPLAN, and the underlying data and relationships are not affected by impact runs. Input-Output models do not account for general equilibrium effects such as offsetting gains or losses in other



Industries or geographies nor the diversion of funds from other projects. I-O and SAM models assume that consumer preferences, government policy, technology, and prices all remain constant. In IMPLAN, the relationships for a given year do not change unless intentionally modified.

BACKWARD LINKED

Type I multipliers measure only the backward linkages, also known as upstream effects. Input-Output analysis does not look at forward linkages in terms of how an Industry’s production is used as an input for other production or for final use, also known as downstream effects.

TIME DELINEATED

The length of time that it takes for the economy to settle at its new equilibrium after an initial change in economic activity is unclear because time is not explicitly included. One can assume the adjustment will be completed in one year because the flows in the underlying Industry data are measured over the same length of time. However, the actual adjustment period varies and is dependent on the change in final demand and the related industry structure that is unique to each study.

SOCIAL ACCOUNTING MATRICES

Regional Social Accounting Matrices, or SAMs, represent an IMPLAN extension for regional economic modeling. SAMs provide information on non-market financial flows. IMPLAN type inter-industry models provide information on market transactions between firms and consumers, and they capture payments of taxes by individuals and businesses, transfers of government funds to people and businesses, and transfer of funds from people to people.

GLOSSARY OF TERMS

Input-Output	A type of applied economic analysis that tracks the interdependence among various producing and consuming industries in an economy; it measures the relationship between a given set of demands for final goods and services, and the inputs required to satisfy those demands
Industries	The different IMPLAN Industry codes based on definitions put forth by the Bureau of Economic Analysis; there is a crosswalk available between NAICS codes and IMPLAN Industries
Direct	Initial effects to a local industry or industries due to the activity or policy being analyzed
Indirect	Effects stemming from business-to-business purchases in the supply chain taking place in the region
Induced	Effects in the region stemming from household spending of income, after removal of taxes, savings, and commuters
Output	The value of industry production. <ul style="list-style-type: none"> ▪ in IMPLAN these are annual production estimates for the year of the dataset in producer prices ▪ for Manufacturers, output = sales plus/minus change in inventory ▪ for service sectors, output = production = sales ▪ for retail and wholesale trade output = gross margin (not gross sales)
Employment	An industry-specific mix of full-time, part-time, and seasonal employment. An annual average that accounts for seasonality and follows the same definition used by the BLS and BEA. IMPLAN Employment is not equal to full-time equivalents.



Labor Income	All forms of employment income, including Employee Compensation (wages and benefits) and Proprietor Income
Employee Compensation	Total payroll cost of the employee including wages and salaries, all benefits (e.g., health, retirement) and payroll taxes
Proprietor Income	The current-production income of sole proprietorships, partnerships, and tax-exempt cooperatives. Excludes dividends, monetary interest received by nonfinancial business, and rental income received by persons not primarily engaged in the real estate business (BEA).
Value Added	The difference between an industry's or establishment's total output and the cost of its intermediate inputs; it is a measure of the contribution to GDP
Intermediate Inputs	Purchases of non-durable goods and services such as energy, materials, and purchased services that are used to produce other goods and services rather than for final consumption
Taxes on Production & Imports Net of Subsidies (TOPI)	Includes sales and excise taxes, customs duties, property taxes, motor vehicle licenses, severance taxes, other taxes, and special assessments
Other Property Income (OPI)	Gross Operating Surplus minus Proprietor Income; it includes consumption of fixed capital (CFC), corporate profits, and business current transfer payments (net)
Multipliers	Multipliers are a measure of an Industry's connection to the wider local economy by way of input purchases, payments of wages and taxes, and other transactions. It is a measure of total Effects per Direct Effect within a Region.
Industry Contribution Analysis (ICA)	Industry Contribution Analysis is a method used to estimate the value of an Industry or group of Industries in a Region, at their current levels of production.
Multi-Regional Input-Output Analysis (MRIO)	MRIO analyses utilize interregional commodity trade and commuting flows to quantify the demand changes across regions stemming from a change in production and/or income in another Region. It measures the economic interdependence of regions.
Leakages	Economic activity associated with the modeled Event(s) that does not generate additional effects in the defined Region