

RESOLUTION NO. 1453

A RESOLUTION OF GRANT COUNTY PORT DISTRICT NO. 10 (PORT OF MOSES LAKE), DESIGNATING A TAX INCREMENT AREA PURSUANT TO RCW 39.114.020, IDENTIFYING THE PUBLIC IMPROVEMENTS TO BE PAID FOR OR FINANCED WITH THE TAX ALLOCATION REVENUES, IMPOSING THE DEADLINE FOR THE PORT TO COMMENCE CONSTRUCTION OF SUCH IMPROVEMENTS, AND SETTING A SUNSET DATE FOR THE TAX INCREMENT AREA

WHEREAS, Grant County Port District No. 10 (aka, Port of Moses Lake) (the “Port”), a municipal corporation of the State of Washington, that includes the City of Moses Lake and portions of unincorporated Grant County (the “County”) owns and operates an airport and various commercial properties; and

WHEREAS, the facilities of the Port require the undertaking of public improvements in order to provide infrastructure for anticipated economic growth; and

WHEREAS, the Washington State Legislature, during its 2021 legislative session, enacted Chapter 207, Laws of 2021, codified as RCW 39.114, as most recently amended HB 2354 in the 2023-24 Regular Session (herein referred to from time to time as the “TIF Act”); and

WHEREAS, the Port, as a part of its comprehensive plans, has identified an area that will require additional public improvements in order to attract additional industrial development (hereinafter defined as an “Increment Area”) in a manner consistent with the TIF Act; and

WHEREAS, the Port has prepared and submitted a Project Analysis Report consistent with the requirements of RCW 39.114.020(2), to the Office of the State Treasurer (the “OST”) for review and received the recommendations from OST; and

WHEREAS, the Port has held public briefings on the proposed formation of the Increment Area on February 29, 2024 and May 13, 2024, following public notice as required by the TIF Act;

NOW THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF GRANT COUNTY PORT DISTRICT NO. 10 (PORT OF MOSES LAKE), as follows:

**Section 1. Definitions.** Capitalized terms used in this resolution shall have the meanings set forth in the recitals above and in Section 1. The uncapitalized terms “public improvement costs” “regular property taxes” “sunset date” and “tax allocation revenues” used in this resolution shall have the meanings provided for those terms in RCW 39.114.010, as the context requires.

**City** means the City of Moses Lake.

**Code** means the Internal Revenue Code of 1986, as amended and applicable rules and regulations promulgated thereunder.

**Commission** means the Commission of the Port as its legislative body.

**County** means Grant County.

**Director of Finance** means the Director of Finance and Administration of the Port or the officer of the Port who succeeds to the duties and responsibilities of that office.

**Increment Area** means the Port of Moses Lake Tax Increment Area as designated by Section 2 of this resolution.

**OST** means the Office of the State Treasurer of Washington.

**Project Analysis** means the Project Analysis Report prepared and submitted in draft by the Port to OST on January 16, 2024, for review, together with the Treasurer's Review Letter from OST dated April 15, 2024, and finalized and dated May 6, 2024.

**Section 2. Designation of Increment Area.** The Port designates the 4,875.7-acre area more particularly depicted and legally described on Exhibit A attached hereto (and incorporated by this referenced) as the "Port of Moses Lake Tax Increment Area" (the "Increment Area"). Generally, the boundaries of the Increment Area properties are 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. In providing this designation, the Port Commission asserts that the Increment Area (i) is the only increment area presently designated by the Port pursuant to the TIF Act, (ii) is located within the boundaries of the Port, (iii) does not include the entirety of the Port's territory, and (iv) does not have an assessed value on the date of this resolution which is more than the lesser of (A) \$200,000,000 or (B) 20 percent of the Port's total assessed valuation of taxable property (*i.e.* 20% of a total assessed value of \$6,347,798,950 or \$1,269,559,790). The taxable assessed value of the properties in the Increment Area for tax year 2023 is estimated to be \$130,041,825.

**Section 3. Sunset Date for Increment Area.** The sunset date for the Increment Area will be the earlier of (i) the date that is 25 years after the date on which tax allocation revenues are first collected from the Increment Area or (ii) the date on which the Port certifies to the County Treasurer in writing that the tax allocation revenues are no longer necessary or obligated to pay the public improvement costs (including but not limited to reimbursements to the Port for principal and interest payments required to be made by the Port from revenue sources other than tax allocation revenues on the Port's bonds issued to finance the portion of public improvement costs that are intended to be paid and retired, in whole, from tax allocation revenues pursuant to RCW 39.114.060(1) and legal, other professional services and insurance costs and expenses related to the issuance of such bonds) to be paid or reimbursed with tax allocation revenues derived from the Increment Area, as they have been fully paid.

**Section 4. Identification of Public Improvements.** The list of improvements are:

- 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:
  - 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)

The exact configurations and operational features of the public improvements described above are to be determined by the final plans and specifications for such public improvements. As authorized by RCW 39.114.020(1)(h), the Commission may expand, alter, or add to the public improvements identified above only if the Commission determines that such changes are necessary to assure that the public improvements identified above can be constructed or operated as intended.

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**Section 5. Increment Area Effective June 1, 2024.** The Increment Area designated in this resolution shall take effect on June 1, 2024.

**Section 6. Deadline for Commencement of Construction of Public Improvements.** The deadline for the Port to begin construction on the public

improvements identified herein is June 1, 2029, unless such deadline is extended for good cause.

**Section 7. Issuance of bonds or other obligations.** The Port intends to issue bonds or other obligations, payable in whole or in part, from tax allocation revenues to finance the public improvement costs. Based upon the project analysis, the Port estimates \$372,512,666 is the maximum amount of obligations contemplated to be financed with tax allocation revenues. The actual amount of obligations financed by tax allocation revenues will depend on future decisions of the Port Commission, as well as on actual tax allocation revenues received and the terms of indebtedness agreed to.

**Section 8. Required Findings of Port.** The Port Commission finds, based on the Project Analysis, that:

- (a) The public improvements proposed to be paid or financed with tax allocation revenues are expected to encourage private development within the Increment Area and are expected to increase the assessed value of real property within the Increment Area;
- (b) Private development that is anticipated to occur within the Increment Area as a result of the proposed public improvements will be permitted consistent with the applicable zoning and development standards of the City or the County, as applicable, the applicable permitting jurisdiction;
- (c) The private development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future without the proposed public improvements; and
- (d) The increased assessed value 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.
- (e) The Project Analysis determined that the Increment Area does not impact 20% or more of the assessed value of any fire protection district or regional fire protection service authority and the governing board of any of the foregoing has not projected any level of service increases as a result of increased development in the Increment Area.

**Section 9. Project Analysis.** In considering whether to designate an increment area, the Port prepared the Project Analysis consistent with the requirements of RCW 39.114.020(2), and submitted the analysis to the Office of the State Treasurer for review. The Port Commission has received and considered comments expressed in the letter to the Port from the Office of the State Treasurer received prior to the date hereof, summarizing its review of the Project Analysis and providing comments and recommendations for consideration by the Port.

**Section 10. Reimbursement to County Assessor and Treasurer.** Pursuant to RCW 39.114.020(6), the Port intends to reimburse the County Assessor and County Treasurer for their costs as provided in RCW 39.114.010(6)(e), and such expenses shall be considered as part of the public improvement costs to be paid or reimbursed from tax allocation revenues derived from the Increment Area.

**Section 11. Public Hearings Held by Port and Publication.** Pursuant to RCW 39.114.020(7)(a), prior to the adoption of this resolution, the Port held two public briefings (on February 29, 2024 and again on May 13, 2024) for the community solely on the tax increment project, that included the description of the Increment Area, 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 increment public improvements. The briefings were announced two weeks prior to the date such briefings were held, including by publication of notice of such briefings in *The Columbia Basin Herald* (a legal newspaper of general circulation within the jurisdiction of the Port) and notice of such briefings on the Port's website and all Port social media sites.

Prior to the adoption of this resolution, the Port has published in *The Columbia Basin Herald* (a legal newspaper of general circulation within the jurisdiction of the Port), that describes the public improvements identified herein, describes the boundaries of the Increment Area, and identifies the location and times where this resolution and other public information concerning the public improvement may be inspected.


**Section 12. Severability.** If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the Port is declared by any court of competent jurisdiction to be contrary to law, then such covenant or agreements will be null and void and will be deemed separable from the remaining covenants and agreements of this resolution and will in no way affect the validity of the other provisions of this resolution.


**Section 13. Compliance with State Law.** It is found and determined that all formal actions of this Commission concerning and relating to the passage of this resolution were taken in an open meeting of this Commission, and that all deliberations of this Commission and of any of its committees that resulted in such formal actions, were in meetings open to the public, in compliance with the laws of the State of Washington.

**Section 14. Effective Date of Resolution.** This resolution shall be effective upon passage and signatures hereon in accordance with law.

PASSED AND ADOPTED by the Commission of Grant County Port District No. 10 (aka Port of Moses Lake) at a regular meeting this 13<sup>th</sup> day of May 2024.

COMMISSIONERS  
GRANT COUNTY PORT DISTRICT NO. 10

  
\_\_\_\_\_  
David K. Jones, President

  
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Darrin M. Jackson, Vice President

  
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Stroud W. Kunkle, Secretary

Exhibit A  
Port of Moses Lake Tax Increment Area

The boundary includes approximately 5,087.30 acres and has a Point of Beginning at the northern right of way of Kinder Road existing railroad crossing, thence east across Crab Creek along the northerly right-of-way of Cherokee Road and Road 4 NE to the easterly right of way of the Northern Pacific Connell Northern Branch rail line and centerline of the East Low Canal to Road 2 NE to the east to the southern right of way of Road 2 NE to the south, including a southerly prolongation along the westerly right of way of Road N NE to include certain parcels to the southerly point of Lot 3 Central Terminals LLC Short Plat, due West along the southerly right of way of Road 2 NE to the westerly boundary of Farm Unit 100; thence northerly along Farm Unit 100 and westerly along the southern boundary of Farm Unit 92 to the southwesterly corner of said Farm Unit, thence north along the westerly boundary of Farm Unit 92, coincidental to the south side of the road commonly known as Wheeler Road, thence west along the right of way of said roadway to and including the State Route 17 right of way at milepost 53.2, due northerly and westerly to the road commonly known as Stratford Road at State Route 17 milepost 54.7, thence northerly to the Segment 3 Northern Columbia Railroad right-of-way along Stratford Road, thence southerly and easterly to Kinder Road/Road 4 NE to the Point of Beginning;

EXCEPTING therefrom certain parcels of land including;

- Lot 1, Block 1, REC Moses Lake Major Plat as recorded under AFN 1281136;
- Lot 1, Block 1, Guardian Major Plat as recorded under AFN 1282366;
- Lot 1, Block 1, Reservoir 6 Short Plat as recorded under AFN 940826010;
- Lot 1, Block 1, Eka Chemicals Major Plat as recorded under AFN 1282490;
- Lot 1, Block 1, National Frozen Foods Major Plat as recorded under AFN 1327153;
- Parcel 1 as fully described in Quit Claim Deed as recorded under AFN 1474245 and as abbreviated as a portion of Farm Unit 81, 2<sup>nd</sup> Rev. Irrigation Block 41, Columbia Basin Project; Ptn of Sec 22, T19N, R29E, W.M., Grant County, WA;
- Parcel fully described in Statutory Warranty Deed as recorded under AFN 1316542 and as abbreviated as a portion of Farm Unit 81, Irrigation Block 41, Second Revision, Columbia Basin Project Grant County, Washington;


Generally, the tax increment area is located within portions of Sections 11, 12, 13, 14, 24, Township 19 North, Range 28 East and Sections 07, 08, 09, 15, 16, 17, 18, 19, 20, 21, 22, 27, 28, 29, 30, Township 19 North, Range 29 East, W.M., Grant County, Washington.

## CERTIFICATE

I, the undersigned, Secretary of the Port Commission (the "Commission") of the Port of Moses Lake, Washington (Grant County Port District No. 10) (the "Port") and keeper of the records of the Commission, DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 1453 of the Port Commission (the "Resolution"), duly adopted at a meeting thereof held on the 13th day of May 2024; and
2. That said meeting was duly convened and held in all respects in accordance with law, due and proper notice of such meeting was given, that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Commission voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of May 2024.

  
Secretary, Port Commission