

Monday, January 8, 2024

College Place Economic Development, Tourism, and Events Commission- - Hybrid (In-Person & Electronic): Monday, January 8th, 2024

5:00 PM

In-Person at College Place City Hall, 625 S College Avenue, College Place Washington

Meeting may be viewed at: Live Stream on City of College Place, Washington YouTube at https://www.youtube.com/channel/UCbx3qrqzLDL_05NusReSI-g/featured

Zoom Attendee Link: <https://us06web.zoom.us/j/89099673071>

Or you may call this number to listen: 1-669-900-9128 ID# 890 9967 3071 Phone controls: *6 - toggle mute/un-mute and *9 - raise hand

1. Opening Items

Subject :	1.01 Call To Order
Meeting :	Jan 8, 2024 - College Place Economic Development, Tourism, and Events Commission- - Hybrid (In-Person & Electronic): Monday, January 8th, 2024
Category :	1. Opening Items
Type :	Procedural
Subject :	1.02 Roll Call
Meeting :	Jan 8, 2024 - College Place Economic Development, Tourism, and Events Commission- - Hybrid (In-Person & Electronic): Monday, January 8th, 2024
Category :	1. Opening Items
Type :	Information

Public Content

Voting Members

Position 1 - Tracy Warner - term expires 12/31/2026

Position 2 - Kelli Leen - term expires 12/31/2024- Chair

Position 3 - Doug Case - term expires 12/31/2022

Position 4 - Chloe Congleton -term expires 12/31/2024

Position 5 - Allison Peck - term expires 12/31/2026

Position 6 - Bruce Morehead - term ends 12/31/2024

Ex-Officio - Arlene Alen - WW Valley Chamber of Commerce Representative

Advisory Members

Mike Rizzitiello-City Administrator

Brian Carleton-Finance Director

Sherri St. Clair- City Clerk

Subject : 1.03 Public Comment

Meeting : Jan 8, 2024 - College Place Economic Development, Tourism, and Events Commission- - Hybrid (In-Person & Electronic): Monday, January 8th, 2024

Category : 1. Opening Items

Type : Procedural

Public Content

Commission meetings are primarily structured to permit Members to arrive at the decisions necessary to make recommendations to the City Council.

Meeting Protocol for Public Comment:

When submitting public comments, include the following information regardless of the manner you are using: Note that there are deadlines for written comments to be included in the meeting documents.

- Your Name
- Your Address

Written Public comments may be provided by submitting comment to Clerk@cpwa.us no later than 4:30 PM on the meeting date to be included in the record. (If typewritten, no less than 11 pt font).

Verbal Public Comments may be made during the meeting:

- In-person at the meeting location - provided at the beginning of each agenda.
- Telephone comment - Call 1-669-900-9128, entering the meeting ID (provided at beginning of agenda) and raise your hand (*9 to raise hand, *6 to mute/un-mute) when comments are requested.
- Virtual comment - Join using the Zoom Attendee link (provided at beginning of agenda) and raise your hand when comments are requested.

Once recognized, you will have five minutes to speak on any subject that is under the control of the Commission.

2. Consent Agenda

Subject : 2.01 Approve Agenda for January 8, 2024

Meeting : Jan 8, 2024 - College Place Economic Development, Tourism, and Events Commission- - Hybrid (In-Person & Electronic): Monday, January 8th, 2024

Category : 2. Consent Agenda

Type : Action (Consent)

Consent

Our adopted rules of Parliamentary Procedure, The Standard Code of Parliamentary Procedure by Alice Sturgis, 4th Edition, provide for a consent agenda listing several items for approval of the Board by a single motion. Most of the items listed under the consent agenda have gone through Board subcommittee review and recommendation. Documentation concerning these items has been provided to all board members and the public in advance to assure an extensive and thorough review. Items may be removed from the consent agenda at the request of any board member.

Subject : 2.02 Approve Minutes from December 4, 2023

Meeting : Jan 8, 2024 - College Place Economic Development,

Category : 2. Consent Agenda
Type : Action (Consent), Minutes

File Attachments

[2023-12-4_EDTEC_Meeting_Minutes_Draft_BoardDocs® Plus.pdf \(757 KB\)](#)

Consent

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Subject : 2.03 Approve Consent Agenda - Our adopted rules of Parliamentary Procedure, The Standard Code of Parliamentary Procedure, provide for a consent agenda listing items for approval of the Commission by a single motion. Typically the items listed under the consent agenda are the minutes from previous meetings and the agenda for the current meeting. Documentation concerning these items has been provided to all Commission Members and the public in advance to assure an extensive and thorough review. Items may be removed from the consent agenda at the request of any Commission Member.

Meeting : Jan 8, 2024 - College Place Economic Development, Tourism, and Events Commission- - Hybrid (In-Person & Electronic): Monday, January 8th, 2024

Category : 2. Consent Agenda

Type : Action (Consent)

Recommended Action : Motion to approve the consent agenda

Consent

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3. Guest Presentations - None

4. Action Agenda.

Subject : 4.01 Selection of Chair/Vice Chair for 2024 - Ms. St. Clair

Meeting : Jan 8, 2024 - College Place Economic Development, Tourism, and Events Commission- - Hybrid (In-Person & Electronic): Monday, January 8th, 2024

Category :	4. Action Agenda.
Type :	Action
Recommended Action :	Motion to select _____ as Chair and _____ as Vice Chair for 2024.

Public Content

2.30.040 - Meetings, officers, records and quorum. A. The chairman of the commission shall be chosen by affirmative vote of at least three members present at the first meeting of each calendar year. The commission shall meet initially for the purpose of establishing its operating procedures. It will then meet as determined by the commission.

5. Staff Reports

Subject :	5.01 Potential Second Tax Increment Financing District - Mr. Rizzitiello
Meeting :	Jan 8, 2024 - College Place Economic Development, Tourism, and Events Commission- - Hybrid (In-Person & Electronic): Monday, January 8th, 2024
Category :	5. Staff Reports
Type :	Discussion, Information

Public Content

Historical Perspective:

The State allowed Counties, Cities, and Ports to create up to two Tax Increment Finance Districts to facilitate economic development via infrastructure investment. The City already has a TIF District that covers the areas around College Avenue & Mojonier as well as what is traditionally viewed as Downtown College Place (College Avenue). This TIF is mainly debt funded and will be paid back by the eventual development.

Information for Consideration:

A number of developments may occur off of the Whitman corridor but are held back by infrastructure issues. This TIF would be more a long term pay-as-you-go TIF and not utilize debt /GO Bonds. Some projects that could be covered partially by this TIF include:

- Traffic Circle behind Home Depot on Whitman to facilitate development to the south.
- Pedestrian streetlamps along Whitman Drive.
- Intersection treatment at Myra Rd & Garrison Village Way (College Place portion).
- Replacing HAWK signals at Walla Walla University with rapid flashing beacon or something easier to understand.
- Water, Sewer, and Water Storage infrastructure around the Martin Airfield area.

Are the boundaries good? Should other areas be considered? Other projects?

File Attachments

[GIS_EconomicDevelopment_ProposedWhitmanTIF2_12212023.pdf \(4,547 KB\)](#)
[MRSC - Tax Increment Financing \(TIF\).pdf \(530 KB\)](#)
[WhatisTIFPowerpoint.pdf \(1,385 KB\)](#)

Subject : 5.02 Downtown Association Discussion - Mr. Rizzitiello
Meeting : Jan 8, 2024 - College Place Economic Development, Tourism, and Events Commission- - Hybrid (In-Person & Electronic): Monday, January 8th, 2024
Category : 5. Staff Reports
Type : Discussion, Information

Public Content

Historical Perspective:

Over the years the City has tried to get a Downtown Association going but it has always sputtered out. The City was trying to get a State Legislative Bill through in FY 2024 to change Main Street rules where a Downtown Association could run two neighboring Downtown Districts with two B&O Tax Credit caps but it faced some opposition of some members of the Downtown Walla Walla Foundation as well as Washington Trust for Historic Preservation.

Information for Consideration:

The City is currently an Affiliate Community. If we can work to get an official Downtown Association going with subcommittees and such then it could qualify to be a recipient of the B&O Tax Credit. This tax credit program allows businesses and even the city to dedicate funds it would pay the State for B&O to instead the local Main Street Group and then they get a tax credit to cover what would have went to the State. The funds can then be used locally based on the whims of the Downtown Association Board and its Executive Director. This is how many communities finance events, Downtown improvements, and such. Nearby communities with a formal Main Street Downtown Association Group include Walla Walla, Colfax, Pullman, Kennewick, Pasco, and Prosser.

File Attachments

[2022-Annual-Report-Washington-Main-Street.pdf \(3,951 KB\)](#)
[2024 WSMSP Services Menu.pdf \(143 KB\)](#)
[Economic-Development-Guide-digital-8.1.23.pdf \(8,276 KB\)](#)
[MainStreetTaxCreditProgram.pdf \(142 KB\)](#)
[WSMSP - Adopted Rules WAC25_50.pdf \(197 KB\)](#)

Subject : 5.03 FY 2024 Draft Economic Development Fliers - Mr. Rizzitiello
Meeting : Jan 8, 2024 - College Place Economic Development, Tourism, and Events Commission- - Hybrid (In-Person & Electronic): Monday, January 8th, 2024
Category : 5. Staff Reports
Type : Discussion, Information

Public Content

Historical Perspective:

Every year the City puts out updated economic development fliers for our business districts.

Information for Consideration:

ESRI publishes new data at the end of every year. New data has been released. Fliers are for city as a whole and then business districts such as Downtown, Meadowbrook, and Myra Rd.

File Attachments

- [CP_KeyFacts.png \(914 KB\)](#)
- [EcDev_2024_Data_Downtown_Flier.pdf \(153 KB\)](#)
- [EcDev_2024_Data_MeadowbrookandStoneCreek.pdf \(190 KB\)](#)
- [EcDev_2024_Data_MyraRdFlier.pdf \(169 KB\)](#)
- [Economic Development Profile_Page 1.png \(960 KB\)](#)
- [EconomicDevelopment_2024_Data_MarketingFlier.pdf \(261 KB\)](#)
- [Housing Market Characteristics_Page 1.png \(866 KB\)](#)
- [Housing Market Characteristics_Page 2.png \(784 KB\)](#)

6. Closing Items

Subject :	6.01 Next Meeting: Monday, February 5, 2024
Meeting :	Jan 8, 2024 - College Place Economic Development, Tourism, and Events Commission- - Hybrid (In-Person & Electronic): Monday, January 8th, 2024
Category :	6. Closing Items
Type :	Information
Subject :	6.02 Conclude
Meeting :	Jan 8, 2024 - College Place Economic Development, Tourism, and Events Commission- - Hybrid (In-Person & Electronic): Monday, January 8th, 2024
Category :	6. Closing Items
Type :	Procedural

College Place Economic Development, Tourism, and Events Commission- - Hybrid (In-Person & Electronic) (Monday, December 4, 2023)

Generated by Sherri St Clair on Monday, December 4, 2023

1. Opening Items

Procedural: 1.01 Call To Order

Chair Morehead called the meeting to order at 5:12 PM.

Information: 1.02 Roll Call

PRESENT:

Commission Members	Tracy Warner; Allison Peck; Bruce Morehead
Ex- Officio	Arlene Alen - Walla Walla Valley Chamber of Commerce City Administrator, Michael Rizzitiello
Staff	Finance Director, Brian Carleton; Deputy City Clerk, Athen Reid

Also Present:

MEMBERS EXCUSED: Doug Case, Kelli Leen, and Chloe Congleton

MEMBERS ABSENT:

Procedural: 1.03 Public Comment - None

2. Consent Agenda

Action (Consent): 2.01 Approve Agenda for December 4, 2023

Action (Consent), Minutes: 2.02 Approve Minutes from November 6, 2023

Action (Consent): 2.03 Excuse the Absences of Commission Members Case and Leen

Action (Consent): 2.04 Approve Consent Agenda - Our adopted rules of Parliamentary Procedure, The Standard Code of Parliamentary Procedure, provide for a consent agenda listing items for approval of the Commission by a single motion. Typically the items listed under the consent agenda are the minutes from previous meetings and the agenda for the current meeting. Documentation concerning these items has been provided to all Commission Members and the public in advance to assure an extensive and thorough review. Items may be removed from the consent agenda at the request of any Commission Member.

Commission Member Alen made a motion to approve the consent agenda. Second by Member Warner and the motion passed 4-0.

3. Guest Presentations - None

4. Action Agenda - None

5. Staff Reports

Discussion, Information: 5.01 2023 College Place Winterfest Presented by Columbia Rea -

Ms. Reid informed the Commission about the upcoming Winterfest event outlining the timeline of events, parade entries, and vendors.

Discussion, Information: 5.02 Downtown Parking Lot Discussion -

Mr. Rizzitiello informed the Commission that the City has adopted a Tax Increment Financing (TIF) District which includes Stone Creek and downtown College Ave. There is a lack of parking on College Ave and the City would like to use TIF funds to assist in the development of parking lots on College Avenue. Mr. Rizzitiello presented five parking lot concepts.

Discussion ensued.

Mr. Rizzitiello also presented the idea of having small buildings available to businesses on the parking lot properties to ensure that the parking lots are continuously utilized. There is a currently a grant opportunity available to assist in the development of the small buildings.

Discussion ensued.

Discussion, Information: 5.03 BEAD Grant Money/Broadband Action Teams -

Mr. Rizzitiello informed the Commission that there are many areas in College Place that are underserved in regards to internet access. Ziplly Fiber has offered to jointly pursue the BEAD grant with the City of College Place to assist in covering underserved zones. Mr. Rizzitiello also presented different options to aid in Broadband access for underserved residents.

Discussion ensued.

Discussion, Information: 5.04 Port of Walla Walla November 2023 Economic Development Indicators -

Mr. Rizzitiello informed the Commission that the Port of Walla Walla has an Economic Information meeting every other month at the Port of Walla Walla Airport on the second Tuesday from Noon to 1:30 PM. Mr. Rizzitiello outlined some of the reports that were presented in regards to employment and housing prices in the area.

Discussion ensued.

Discussion, Information: 5.05 December 2023 Development Activity -

Mr. Rizzitiello presented the December 2023 Development Activity regarding commercial and residential developments within the City of College Place.

6. Closing Items

Information: 6.01 Next Meeting: Monday January 8, 2023

Procedural: 6.02 Conclude

Commission Member Peck made a motion to conclude the meeting at 5:39 PM. Second by Member Warner and with no objection, the meeting concluded.

Approved:

Bruce Morehead - Chair

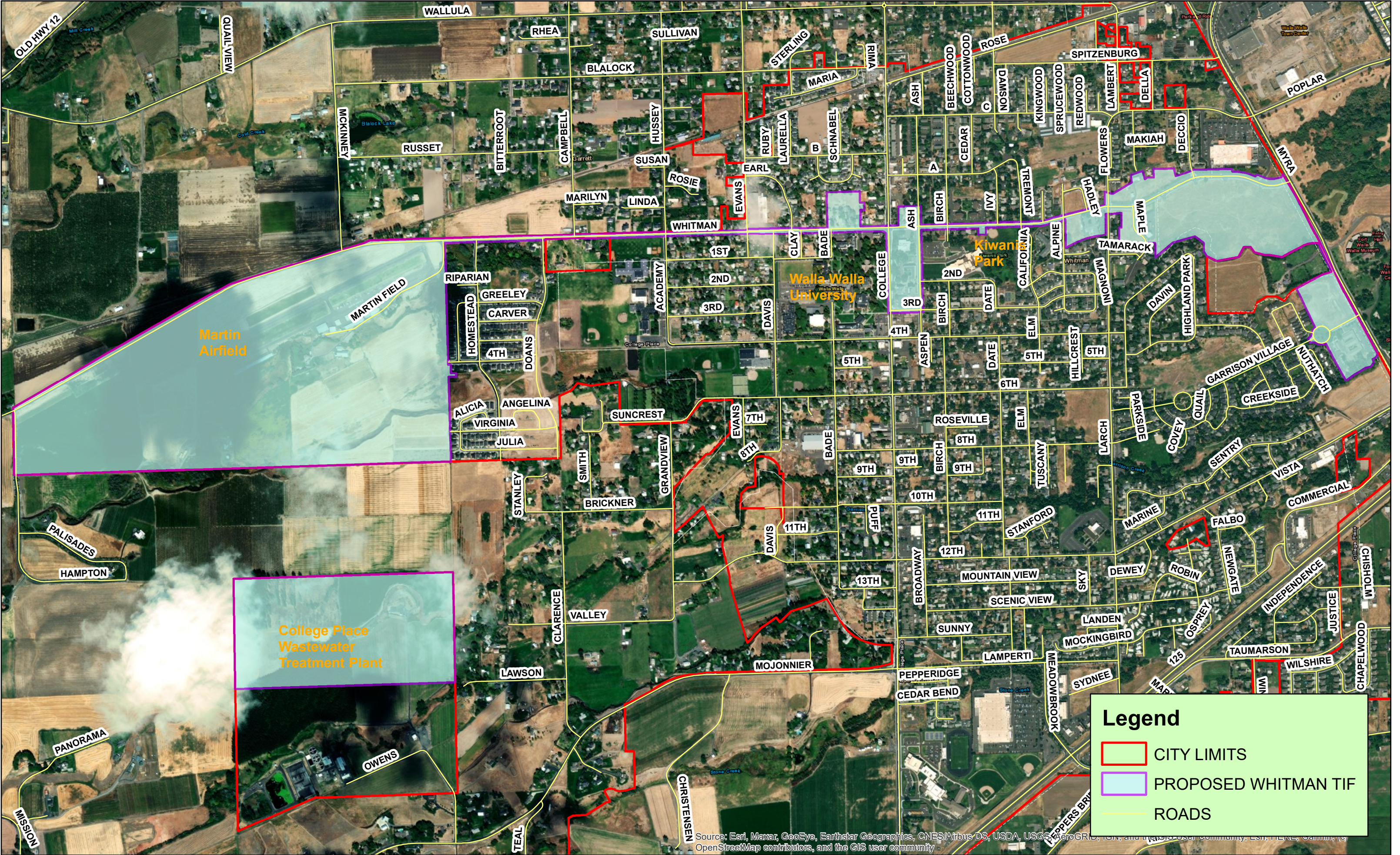
Attest:

Athen Reid – Deputy City Clerk

The foregoing minutes are the official record of the Economic Development, Tourism, and Events Commission meeting that occurred December 4, 2023. Further detail may be obtained by reviewing the actual audio recording made during this session.

Draft

PROPOSED WHITMAN TAX INCREMENT FINANCE DISTRICT #2



Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS user community, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community



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more

Tax Increment Financing (TIF)

This page provides an overview of tax increment financing (TIF) for cities, counties, and port districts in Washington State, including authorized public improvement costs, the process for creating a tax increment area, limitations, and examples of how the property tax calculations work.

This page addresses tax increment financing under [chapter 39.114 RCW](#). Previously, the state legislature had created several other, more limited TIF-like programs including Community Revitalization Financing ([chapter 39.89 RCW](#)), Local Infrastructure Financing Tool Program ("LIFT," [chapter 39.102 RCW](#)), and Local Revitalization Financing ([chapter 39.104 RCW](#)). These programs are not discussed on this page.

New legislation: Effective May 9, 2023, [HB 1527](#) makes modifications to the tax increment financing statutes. In particular:

- The increment value refers to the property value increase that occurs after the increment area takes effect.
- The allowable public improvement costs are expanded to include site acquisition, including appurtenant rights, and expansion.
- The definition of "public improvements" is expanded to include infrastructure improvements owned by a state government, as well as real property owned or acquired by a local government within the increment area.

- The legislation provides more detail on when public notice of a proposed TIF ordinance must be posted and when certified copies of an adopted ordinance must be delivered.

We have updated this page with the new information.

On this Page [hide] ▲

Overview

Allocation of Property Taxes

Authorized Public Improvements

Limitations on Increment Areas

Creating a Tax Increment Area

Examples of TIF Property Tax Calculations

Examples of TIF Ordinances and Documents

Overview

Tax increment financing (TIF) is a financing tool that local governments in Washington State – defined as cities, towns, counties, port districts, or any combination thereof – can use to fund public infrastructure in targeted areas to encourage private development and investment ([chapter 39.114 RCW](#)).

A local government wishing to utilize TIF will designate an "increment area" surrounding the site of the public improvements. The property tax portion of increases in assessed value of properties within the increment area is allocated towards paying for the public improvement costs.

Allocation of Property Taxes

Regular property tax levies are generally limited to an annual maximum growth rate of one percent plus new construction (see [RCW 84.55.005-.0101](#)).

With TIF, each property within an increment area has a "base value" that is fixed at the time the tax increment area takes effect. Each local taxing district (city, county, fire district, etc.) continues to receive revenues calculated on this base value.

However, any *future* increases in the assessed value of the property (the "increment value") are taxed at the levy rates for *all* taxing districts (with limited exceptions) in the increment area, referred to as the "tax

allocation rate." This portion of the property tax is received by the local government which created the increment area to pay for the public improvements.

The increment area takes effect on June 1, but the tax allocation revenues will not be collected until the *following* calendar year. (In Washington's property tax system, a property's value is assessed one year – the "assessment year" – but the taxes based on that assessment are not collected until the following year – the "tax year.")

The tax allocation rate includes all "regular property taxes" as defined in [RCW 39.114.010\(8\)](#) and [RCW 84.04.140](#), including those that are subject to the \$5.90 aggregate limitation in [RCW 84.52.043](#) and/or the constitutional 1% aggregate limit codified at [RCW 84.52.050](#), with just a few exceptions. The only property tax levies that are *excluded* from TIF are:

- The state school levy;
- Regular property taxes levied by port districts or public utility districts to the extent necessary to repay general obligation bonds; and
- Excess levies, including school district excess levies, excess operations and maintenance levies for any taxing district, and any excess levies for the repayment of general obligation bonds.

For more details on the property tax calculations, see the examples at the bottom of this page.

Clarifications:

- TIF revenues are *not* subject to the 101% levy lid limit and may increase more than 1% in any given year.
- Voted *regular* levies such as a levy lid lift ([RCW 84.55.050](#)), emergency medical services levy ([RCW 84.52.069](#)), or affordable housing levy ([RCW 84.52.105](#)) are subject to the limits in [RCW 84.52.043](#) and, as a result, *are* included in the calculation of the tax allocation rate.

Authorized Public Improvements

The tax allocation revenues may be used to pay for a wide variety of "public improvement costs," as defined in [RCW 39.114.010\(6\)](#) and (7). The TIF ordinance must identify the specific public improvements to be financed, as well as whether the local government intends to issue bonds or other obligations payable in whole or in part from the TIF revenues.

The local government must make a finding that:

- The proposed public improvements are expected to encourage private development and increase assessed valuations within the increment area;

- The private development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future without the proposed public improvements;
- The expected assessed value within the increment area *without* the proposed public improvements would be less than the expected assessed value *with* the public improvements; and
- The anticipated private development within the increment area is allowed under the permitting jurisdiction's zoning and development standards.

The public improvements may be located inside or outside the tax increment area, but they must be necessary for the ensuing private development within the increment area. The public improvements may be undertaken and coordinated with other programs undertaken by the local government or other taxing districts, and they may be funded in part from revenue sources other than tax allocation revenues.

Public improvement costs also include various administrative costs, including costs that may have been incurred before the adoption of the TIF ordinance, as well as expenses incurred by the county assessor and county treasurer (and reimbursed by the local government) for revaluing the properties and apportioning the property taxes.

After the ordinance is adopted, the local government may not add any additional public improvements to the project unless it is necessary to assure the originally approved improvements can be constructed or operated.

Limitations on Increment Areas

When creating increment areas, local governments are limited to the following:

- The local government can have up to two active increment areas which cannot overlap.
- The assessed value of an increment area cannot exceed \$200 million or 20% of the sponsoring jurisdiction's total assessed value, whichever is less, when the ordinance is passed. If the jurisdiction creates two increment areas, the total combined assessed valuation cannot exceed \$200 million or 20% of the jurisdiction's assessed value, whichever is less, when the ordinances are passed.
- The sunset date for the increment area is up to a maximum of 25 years from the first year the allocation revenues are collected.

If the TIF revenues exceed the amount necessary to finance the public improvements, the excess revenues must be allocated back to the other taxing districts within the increment area in proportion to their regular property tax rates for collection that year. The apportionment of tax allocation revenues must cease when the city, county, or port district certifies to the county assessor in writing that the revenues are no longer necessary or obligated to pay public improvement costs (not to exceed the original sunset date).

Creating a Tax Increment Area

To create a tax increment area and begin collecting revenues, a local government must follow the procedures set out by state law.

Prepare a Project Analysis

When considering whether to create an increment area, the local government must prepare a project analysis ([RCW 39.114.020](#))(2) that includes the following elements at a minimum:

- Objectives of the local government for the increment area
- Property that the local government may wish to acquire within the increment area
- The duration of the increment area (maximum of 25 years)
- Identification of the parcels to be included in the increment area
- A description of the expected private development within the increment area, including comparisons with and without the proposed public improvements
- A description of the public improvements, the costs of the improvements, and the amount of financing instruments expected to be issued and paid with the tax allocation revenues
- The assessed values of the properties in the increment area and an estimate of the increment value and expected revenues to be generated from the tax allocation
- An estimate of the job creation and private development reasonably expected to occur from the public improvements
- An assessment of any impacts and any necessary mitigation needed to address:
 - Affordable and low-income housing
 - The local business community
 - The local school districts and fire service

If a private developer agrees to participate in creating the increment area, the local government may charge the developer a fee sufficient to cover the cost of the project analysis and establishing the increment area, including staff time, professionals and consultants, and other administrative costs.

If the project analysis indicates that an increment area will impact at least 20% of the assessed value in a fire protection district or regional fire protection service authority, or the fire service agency's annual report demonstrates an increase in the level of service directly related to the increment area, the local government must negotiate a mitigation plan with the fire service agency to address level of service issues in the increment area.

A local government may also enter into an interlocal agreement with another local government for the administration or other activities related to the tax increment area.

Hold at Least Two Public Briefings

Local governments wishing to create increment areas must hold at least two public briefings for the community that are solely on the tax increment project ([RCW 39.114.020\(7\)](#)). The public briefings must include the following elements:

- A description of the increment area
- The public improvements proposed to be financed with tax allocation revenues
- A detailed estimate of tax revenues for the participating local governments and taxing districts, including amounts allocated to the public improvements

The local government must publish an announcement two weeks prior to each public briefing in a legal newspaper of general circulation as well as post the announcement on the local government's website and social media accounts.

Submit Copy of Project Analysis to State Treasurer

Local governments must submit a copy of the project analysis for the proposed increment area to the State Treasurer's Office for its review. Within 90 days of receiving the project analysis, the State Treasurer's Office must submit its review of the project analysis to the local government. The review should include any revisions or enhancements deemed appropriate based on the requirements of the law.

The local government must consider any comments that the State Treasurer's Office provides.

Adopt Ordinance Creating Increment Area

Following receipt and consideration of the comments from the State Treasurer's Office, the local government must adopt the ordinance establishing the increment area. The ordinance must contain the following ([RCW 39.114.020\(1\)](#)):

- The boundaries of the increment area
- The sunset date for the increment area (up to 25 years)
- Identification of the public improvements to be financed and whether the local government intends to issues bonds or other financing payable in whole or in part from the tax allocation revenues, and an estimation of the maximum obligations to be issued
- A provision that the increment takes effect on June 1 following adoption of the ordinance
- A deadline by which construction of the public improvements will begin, with the deadline being at least five years in the future with extensions allowed for good cause

The local government must publish a notice in a legal newspaper of general circulation within the jurisdiction of the local government that:

- Describes the public improvements,

- Describes the boundaries of the increment area, and
- Identifies the location and times where the ordinance and other public information concerning the public improvement may be inspected.

The notice must be published at least two weeks prior to the date on which the ordinance creating the increment area is adopted. Additionally, a certified copy of the ordinance must be delivered to the county treasurer, county assessor, and each taxing district within the increment area within 10 days of the date on which the ordinance was adopted.

Examples of TIF Property Tax Calculations

The following tables provide a simplistic example of tax allocation for a tax increment area. You can also refer to the [DOR Special Notice Regarding Tax Increment Financing](#).

The first table shows hypothetical property tax levy rates per \$1,000 assessed value (AV) for all taxing districts in the increment area. To calculate the “tax allocation rate,” add up all of the levy rates *except* the state school levy, local excess levies, and levies for port districts or public utility districts specifically to make payments for general obligation bonds.

Taxing District/Levy Type	Levy Rate per \$1,000 AV
City regular levy	\$0.88
County current expense levy	\$0.95
Conservation futures regular levy	\$0.04
Flood district regular levy	\$0.10
Fire district regular levy	\$1.50
Fire district excess levy	\$1.49
Port regular levy (not for G.O. debt)	\$0.17
Library district regular levy	\$0.44
Local school regular levy	\$2.50
Local school excess levy	\$2.16
State school levy	\$2.93
TOTAL PROPERTY TAX RATE	\$13.16
Minus fire excess levy	-\$1.49

Taxing District/Levy Type	Levy Rate per \$1,000 AV
Minus local school excess levy	-\$2.16
Minus state school levy	-\$2.93
TAX ALLOCATION RATE	\$6.58

Important: For simplicity's sake, the local levy rates and the tax allocation rate in our examples will stay the same each year. However, in reality the levy rates for each taxing district may go up or down each year based on changes in assessed valuation, the 101% levy lid limit, voter-approved levy lid lifts, and other factors. As a result, the tax allocation rate will also change every year.

2022 (Increment Area Created)

In the following example, a city created a tax increment area before June 1, 2022. The increment area becomes effective on June 1, 2022 following the adoption of the ordinance. However, tax allocation revenues will not be collected until 2023. (In Washington's property tax system, a property's value is assessed one year – the "assessment year" – but the taxes based on that assessment are not collected until the following year – the "tax year.")

Parcels A, B, and C are located outside the tax increment area, while Parcels D, E, and F (**in bold**) are located inside the increment area. For Parcels D-F, the January 1, 2021 assessed value (for collection in 2022) becomes the "base value" that will be used to calculate the increment value and levy amounts in future years.

Property	"Base Value" (2021 AV for 2022 Levy)	City Regular Levy Rate	New Construction	Increment Value	Tax Allocation Rate	City Regular Levy Revenues	Tax Allocation Revenues
Parcel A	\$100,000,000	\$0.88	--	--	--	\$88,000	--
Parcel B	\$125,000,000	\$0.88	--	--	--	\$110,000	--
Parcel C	\$110,000,000	\$0.88	--	--	--	\$96,800	--
Parcel D	\$6,000,000	\$0.88	--	--	--	\$5,280	--
Parcel E	\$5,700,000	\$0.88	--	--	--	\$5,016	--
Parcel F	\$6,500,000	\$0.88	--	--	--	\$5,720	--

2023

In this example, 2023 is the first year that tax increment revenues will be collected. Property values have increased on all properties compared to the base value, and none of the increases are due to new construction. The increase in the assessed valuation for Parcels D-F (inside the increment area) becomes the "increment value," which is multiplied by the tax allocation rate to generate the tax allocation revenues that will go to the city that created the increment area.

The value of Parcels D-F will increase for purposes of computing the state school levy and local excess/bond levies, but it will remain the same as the previous year for the purposes of computing all other property tax levies.

For instance, the value of Parcel D is calculated as follows:

- \$6,090,000 for the state school levy and local fire/school excess levies.
- \$6,000,000 (the "base value") for all other levies, *including the city's regular levy*.
- \$90,000 (the assessed value minus the base value) for the tax increment value.

Property	2022 AV for 2023 Levy	City Regular Levy Rate	New Construction	Increment Value	Tax Allocation Rate	City Regular Levy Revenues	Tax Allocation Revenues
Parcel A	\$101,500,000	\$0.88	--	--	--	\$89,320	--
Parcel B	\$127,000,000	\$0.88	--	--	--	\$111,760	--
Parcel C	\$111,650,000	\$0.88	--	--	--	\$98,252	--
Parcel D	\$6,090,000	\$0.88	--	\$90,000	\$6.58	\$5,280	\$592
Parcel E	\$5,780,000	\$0.88	--	\$80,000	\$6.58	\$5,016	\$526
Parcel F	\$6,600,000	\$0.88	--	\$100,000	\$6.58	\$5,720	\$658

2024

In the second year of the TIF, property values again went up, and the increase in value for Parcels D and F was due to new construction. The value of new construction as well as the increase in assessed value is added to the increment value of those properties.

In this example, the value of Parcel D is calculated as follows:

- \$97,000,000 for the state school levy and local fire/school excess levies.
- \$6,000,000 (the "base value") for all other levies, including the city's regular levy.

- \$91,000,000 (the assessed value and new construction minus the "base value") for the tax increment value.

Property	2023 AV for 2024 Levy	City Regular Levy Rate	New Construction	Increment Value	Tax Allocation Rate	City Regular Levy Revenues	Tax Allocation Revenues
Parcel A	\$103,000,000	\$0.88	--	--	--	\$90,640	--
Parcel B	\$129,000,000	\$0.88	--	--	--	\$113,520	--
Parcel C	\$113,500,000	\$0.88	--	--	--	\$99,880	--
Parcel D	\$97,000,000	\$0.88	\$90,910,000	\$91,000,000	\$6.58	\$5,280	\$598,780
Parcel E	\$5,870,000	\$0.88	--	\$170,000	\$6.58	\$5,016	\$1,119
Parcel F	\$107,000,000	\$0.88	\$100,400,000	\$100,500,000	\$6.58	\$5,720	\$661,290

Examples of TIF Ordinances and Documents

Below are selected examples of tax increment financing ordinances, resolutions, and other documents adopted by local governments in Washington. We will add more documents as they become available.

- [Kirkland Ordinance No. O-4846](#) (2023) – Creating tax increment area to finance streets, parks, and water/sewer infrastructure to enable a mixed-use, transit-oriented, and walkable development near bus rapid transit station; includes project analysis and State Treasurer's review
- [Port of Pasco Resolution No. 1569](#) (2021) – Creating a 150-acre, 25-year tax increment area to finance LTGO bonds to help construct publicly owned infrastructure improvements and enable development of \$500 million milk processing facility; includes TIF procedural outline and State Treasurer's review
- [Wenatchee Ordinance No. 2023-O2](#) (2023) – Creating tax increment area to finance street grade separation/extensions to improve access to developable property and create opportunities for redevelopment. Includes final staff report, project analysis, and State Treasurer's review.

Last Modified: September 28, 2023

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Sample Documents

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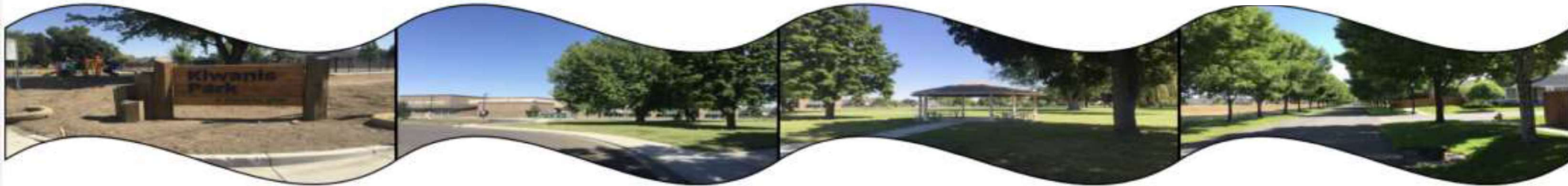
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CITY OF COLLEGE PLACE



Tax Increment Financing

In Association with:

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15117 Main Street, Suite 205 PMB #131
Mill Creek, WA 98012

Tax Increment Financing

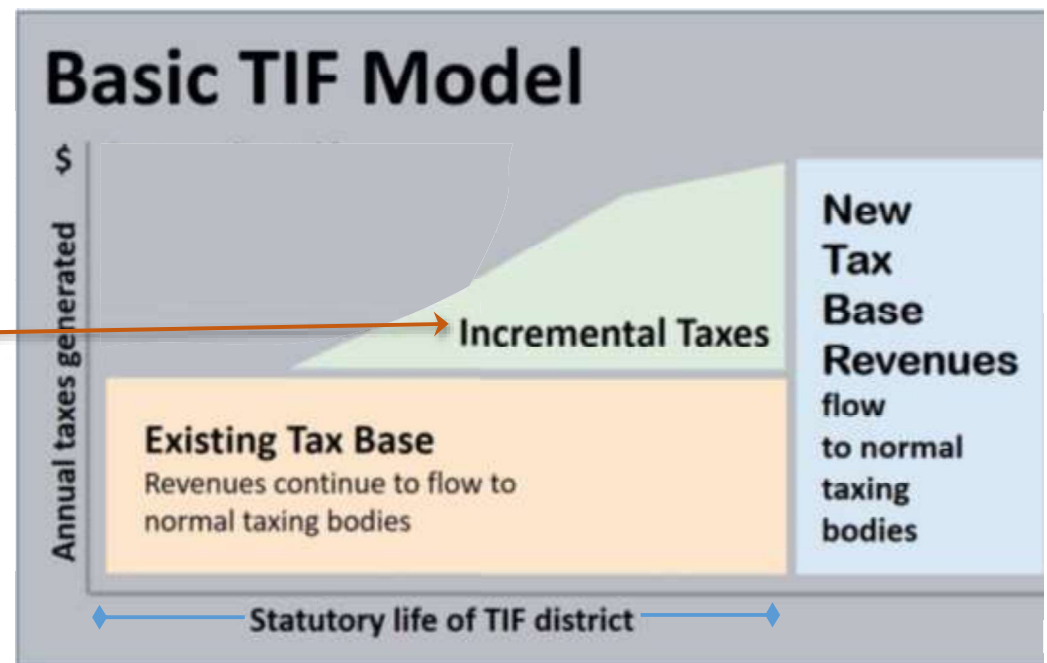
Model

Generally, TIF captures property taxes generated from the increased assessed valuation on the site that results from private development following infrastructure investment.

Washington State TIF law excludes State property tax and voter approved school levies.

Revenues from **REGULAR** property taxes assessed against the **Increment Value** only, are captured:

- ✓ To pay “**public improvement costs**”
- ✓ To **repay bonds** issued for “public improvements”



Overview of Tax Increment Financing

SUMMARY

- Available to cities, counties, and ports.
- Powerful economic development tool.
- Designed for specific project/site – Not build infrastructure and hope/wait for development.
- Projects will not occur “but for” the public investment in infrastructure – “But-For” Requirement
- Results in creation of new assessed value, public benefits, construction of desired development and short/long-term jobs.
- Taxes from the development fund the public infrastructure needed by the development; no impact on individual property owners.
- **NOT A NEW TAX**

Overview of Tax Increment financing

KEY ELEMENTS

City, county, or port adopts an ordinance designating increment area, and identifying the public improvements to be financed, and whether bonds will be issued. Limitations:

- No more than two active increment areas per sponsoring jurisdiction and they may not overlap.
- Increment areas may not total more than \$200 million in assessed valuation, or more than 20% of the total assessed valuation of the sponsoring jurisdiction, whichever is less.
- Cannot add additional public improvements or change the boundary of the increment area once adopted.
- Must include a deadline by when construction of public improvements will begin.
- The local government may only receive TIF revenues for the period of time necessary to pay the costs of the public improvements.
- If the local government finances the public improvements, the increment area must be retired no more than 25 years after the adoption of the ordinance designating the increment area.



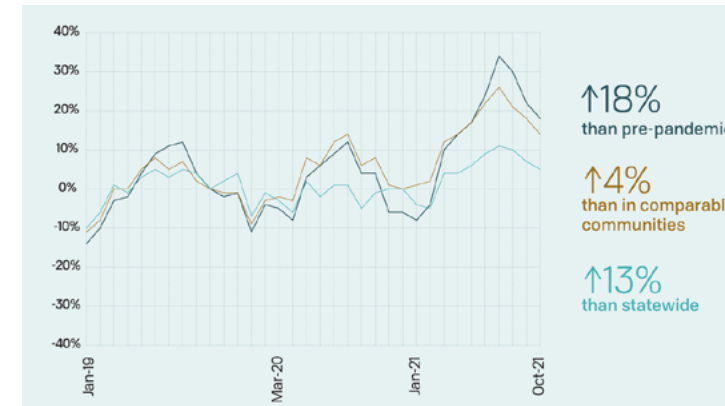
12

WASHINGTON MAIN STREET

Dad's Diner in downtown Anacortes. Photo by Damian Vines
Photography, courtesy of Downtown Anacortes Alliance.

Main Street districts show resiliency in rebounding from the COVID-19 pandemic

In 2022, the Washington State Main Street Program published a new study prepared by Jon Stover & Associates, which found that Main Street businesses rebounded from the pandemic at a faster rate than other areas without Main Street organizations.



- By the fall of 2021, businesses' sales in Main Street districts were **18% higher than their sales pre-pandemic**, a greater rebound than businesses in similar districts without a Main Street organization and the state average.

13

HOW MAIN STREET ORGANIZATIONS SUPPORT SMALL BUSINESSES

- Main Street organizations provided critical direct technical assistance to over **1,000 BUSINESSES**, direct financial resources to over **700 BUSINESSES**, and touched over **3,500 SMALL BUSINESSES** through education and information during those crazy first months of the pandemic.



- Read the full study and see other highlights at preservewa.org/resiliency.

The Washington Trust for Historic Preservation manages the Washington State Main Street Program through a contract with the Washington State Department of Archaeology & Historic Preservation (DAHP).





MAIN STREET IMPACT

RevitalizeWA attendees at Pybus Public Market in Wenatchee in October 2022, courtesy of Heirloom Creatives.

Local Main Street organizations reinvest in their communities

Throughout 2022, **36** designated Main Street Communities:



Established
380 NEW BUSINESSES;
Expanded
78 BUSINESSES



Generated **\$21,543,957**
in **PUBLIC INVESTMENT**
in Main Street districts



Created
1,358 NEW JOBS



Generated **\$79,426,225**
in **PRIVATE INVESTMENT**
in Main Street districts

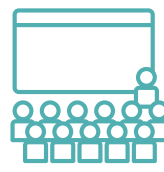


Rehabilitated
224 BUILDINGS



Tallied **57,898 VOLUNTEER HOURS**
contributed to the Main Street
organizations' missions (a time
investment valued at **\$1,734,045**)

REVITALIZE WA



After a several years' hiatus, the RevitalizeWA conference was back in full force in Fall 2022. The event brought **295 ATTENDEES** to downtown Wenatchee for three days of place-based learning and network-building.



Between the Washington Trust's practices of using local vendors and attendees reported lodging and spending, we know that the conference had an **IMPACT OF AT LEAST \$168,794** on Wenatchee's local economy.



For information on the 2023 RevitalizeWA conference—taking place October 4-6 in Vancouver, WA—visit preservewa.org/revitalizewa.



SERVICES & SUPPORT

We're here to help Washington's downtowns thrive. Great downtowns don't just happen. They're continually cared for by local people who are dedicated to every aspect of *place* — from the built environment and unique culture to entrepreneurship and leadership development. Washington State Main Street Program (WSMSP) supports a network of 77 local communities (Affiliates and Main Street Communities) through education, coaching, and other resources designed to empower local leaders.

Unless otherwise noted, all services are available to both Main Street Communities and Affiliates, as resources allow. Currently, some () services are only available to Main Street Communities.*

Service	Description & Value: Explanation of the service type and estimated value, noting that most are offered at no cost.	What to expect: When and how to request the service, how much time your organization will need to dedicate, etc.
<i>Progress Visits*</i>	Progress Visits give the local Main Street board, staff, and community partners an opportunity to celebrate accomplishments, learn Main Street best practices, and eliminate barriers to achieving their goals. Visits are co-facilitated by Main Street America and a member of the WSMSP team. Estimated value per visit: \$7,000 Cost to community: \$0	Conducted every other year for designated Main Street Communities (Affiliates are not currently eligible for this service). WSMSP will reach out several months in advance to schedule each visit. Communities are expected to coordinate local leaders to participate. Each visit is conducted on site and lasts approximately 7 hours. Prep is not required prior to visit, except for organizations seeking Nationally Accreditation.
<i>Planning Grants</i>	Build capacity for your organization through a robust planning experience facilitated by a professional consultant. Choose from a variety of planning types. WSMSP supports the plan through staff participation and underwrites a portion of the consultant's fee. Value ranges from \$3,000-\$15,000 Cost to community: Grantee pays a minimum of 25% of the consultant fee	Applications typically open for these grants in July and close in September, with planning projects taking place between January-June of the following year. These are competitively awarded and bound by funding limitations. The grantee should be prepared to dedicate an appropriate amount of time (various by grant type) to the planning process and follow-through.

<i>Board Retreat Facilitation</i>	Bring in a member of the WSMSP team to facilitate your annual board planning retreat. This could include Main Street training, organizational best practices, goal setting, and/or work planning. Estimated value: \$2,000 Cost to community: \$0	Contact WSMSP at least 3 months in advance to request any on-site services. If resources allow someone from our team to travel and facilitate your board retreat, we'll work with you to co-create the agenda and objectives.
<i>Virtual Training</i>	Invite WSMSP to <i>zoom in</i> for a short virtual training with your board or a specific committee. Topics could include the Main Street Tax Credit, the Main Street Approach, or best practices. Estimated value: \$300 Cost to community: \$0	Reach out at least 1 month in advance to ensure that a member of the WSMSP team is available at the time of your standing meeting.
<i>Leadership Orientation</i>	WSMSP can help orient both new executive directors and new board members to the Main Street Approach and/or nonprofit governance basics. Estimated value: \$250-\$1,000 Cost to community: \$0	<i>For new EDs:</i> Board should reach out to WSMSP during transition/hiring process and provide an introduction once new ED is hired. WSMSP will schedule initial and follow-up virtual meetings with the ED. <i>For new boards:</i> ED or board chair can reach out to WSMSP at least 1 month in advance of desired date to schedule virtual orientation for a <i>group</i> of new board members. On demand resources also exist to support board orientation.
<i>Phone/Email Consultation</i>	Draw upon the knowledge of the network. If you're looking for specific resources, have topical questions, or just need a sounding board - email or call any one of us for support!	We'll do our absolute best to get back to you within 2 business days! Please note any OoO auto-reply directing you to send your question to a different team member.

Contact any member of the WSMSP team to request services or support:

Breanne Durham, Program Director | breanne@preservewa.org

Lydia Felty, Specialist | lydia@preservewa.org

Luke Hallowell, Specialist | luke@preservewa.org

Jonelle McCoy, Specialist | jonelle@preservewa.org

Main Street Guide for Economic Development



Summer 2023 Edition



WASHINGTON STATE
MAIN STREET
PROGRAM

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Welcome From the Washington State
Main Street Program Director

The Main Street movement was born out of the belief that local community members could stem the tide of economic trends threatening historic downtown neighborhoods. At the time, that threat was malls, which were drawing anchor businesses away from downtown districts. Over the last four decades, Main Street districts across the nation have withstood economic downturns, natural disasters, the rise of online shopping, and a pandemic. We believe that downtowns are so resilient because they are—at least when they are adequately cared for and have supportive resources—living ecosystems that are able to adapt to change thanks to their inherent diversity.

The Main Street Approach is a framework that is meant to empower a local community to take the reins, determine their own future, and build resiliency. Change will happen to your downtown district no matter what. Our hope is that your Main Street organization will be able to leverage baseline knowledge of economic development tools (that’s where this guide comes into play!) and strong community partnerships to plan for an economic future that builds community wealth and creates ample opportunities for all residents to thrive in the place they call home.

Breanne Durham, Director of Washington Main Street
Washington Trust for Historic Preservation



Opposite: Farmers market in downtown Everett. Photo by Jake Campbell, courtesy of Downtown Everett Association.

Introduction

What is Economic Development?

Economic development can mean a lot of different things and has a unique meaning for every Main Street organization. The mission statement of Main Street America (which has been leading the Main Street movement at the national level since 1980) states that Main Street is about “strengthening communities through preservation-based economic development,” so by dint of working in Main Street, we are already engaged in economic development. This makes our work exciting but also daunting, as we can easily become overwhelmed with the unlimited potential of this term.

Economic development, in simple terms, is “growth with intention.” The Cambridge Dictionary defines economic development as “the process in which an economy grows or changes and becomes more advanced, especially when both economic and social conditions are improved.” Often people confuse growth with economic development. The truth is, growth may occur with or without economic development and may or may not improve social conditions. Community

development, on the other hand, is about balancing a variety of interests to ensure that neighborhoods and districts enjoy a high quality of life. Growth may occur as part of that endeavor, but it is not the focus. As Main Street leaders, you may be balancing economic development opportunities alongside community development objectives within a context that also leverages historic preservation. Dizzy yet? These approaches can and do work together, though each comes with its own unique toolkit.

How to Use This Guide

This guide was created to be used alongside [The Washington State Main Street Program's Historic Property Resource Guide](#), which focuses predominantly on the tools and incentives used to redevelop individual historic properties. As such, this guide will only cover those tools briefly and is focused on the toolkit used to finance public improvements and the use of incentives to revitalize an entire district instead of an individual property. We hope to answer these common questions: What is Main Street’s role in a community’s economic development ecosystem? How do communities find funding for “growth with intention”? Which partners does a Main Street organization need to engage with to access these funds? How is the public engaged? What role does the private sector play?

Below: Boon Boona Coffee in downtown Renton. Photo by Christain Jones, courtesy of Renton Downtown Partnership.



Below: Biking down Main Street in downtown Sumner. Photo by Atsumi Sullivan, courtesy of Sumner Main Street.



SECTIONS:

This guide is organized into three section:

- ♦ **Who’s On Your Team:** The first section focuses on the economic development ecosystem, to understand the many organizations that are involved in economic development in your community.
- ♦ **The Toolbox:** This section starts with a table of different programs and funding available from private sources (like foundations, businesses, and other nonprofits); local, state, and national sources of public funding (like municipal governments or other government organizations); and tax credit programs that provide incentives for local development. (Many of these are in the Historic Property Resource Guide as well). Each section of the table features specific financing sources or tools available at each level.

The second half of this section focuses in greater detail on some of the tools that have been used to fund catalytic projects in Main Street districts and includes a case study of how the funding was applied. This section also includes information on who is eligible to apply for these sources of funding.

- ♦ **Appendix:** In addition to the sources outlined in the sections, the appendix includes more detail about other available funding sources and financing tools. While it is far from exhaustive, this guide provides both at-a-glance information on a variety of funding opportunities and incentives, as well as more in-depth examples of how some of these opportunities were used to provide funding to make public and private development occur that might not have been possible without the use of these tools.

CREATING A VISION AND COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

Before we jump into specific tools, we need to zoom out. Prior to engaging in economic development activities, the community needs a clear vision. Many communities draft that vision into a plan, known as a Comprehensive Economic Development Strategy ([CEDS](#)). A CEDS is a formal document, usually adopted or endorsed by counties and cities, that the Economic Development Administration (EDA) uses to determine eligibility and competitiveness for a variety of grant and loan programs. It is a prerequisite for designation as an [Economic Development District \(EDD\)](#). An EDD helps lead the locally based, regionally driven economic development planning process that leverages the involvement of the public, private, and nonprofit sectors.

This makes the CEDS an attractive vehicle for Main Street organizations to use when forming a vision for a specific area. The more alignment a program or initiative has with their regional CEDS, the more competitive it will be for outside funding. Additionally, understanding the area’s CEDS can help a Main Street organization understand and attract partners to join in efforts that can help multiple economic development organizations reach their goals. There are only [nine Economic Development Districts](#) in Washington (Clark and Skamania Counties are currently part of the Greater Portland Economic Development District). Main Street directors should know whether their community has a CEDS and who they should contact to engage in the update process. You can, of course, create a community vision without a CEDS, but a CEDS is a good place to start and comes with a lot of advantages.

Who's On Your Team?

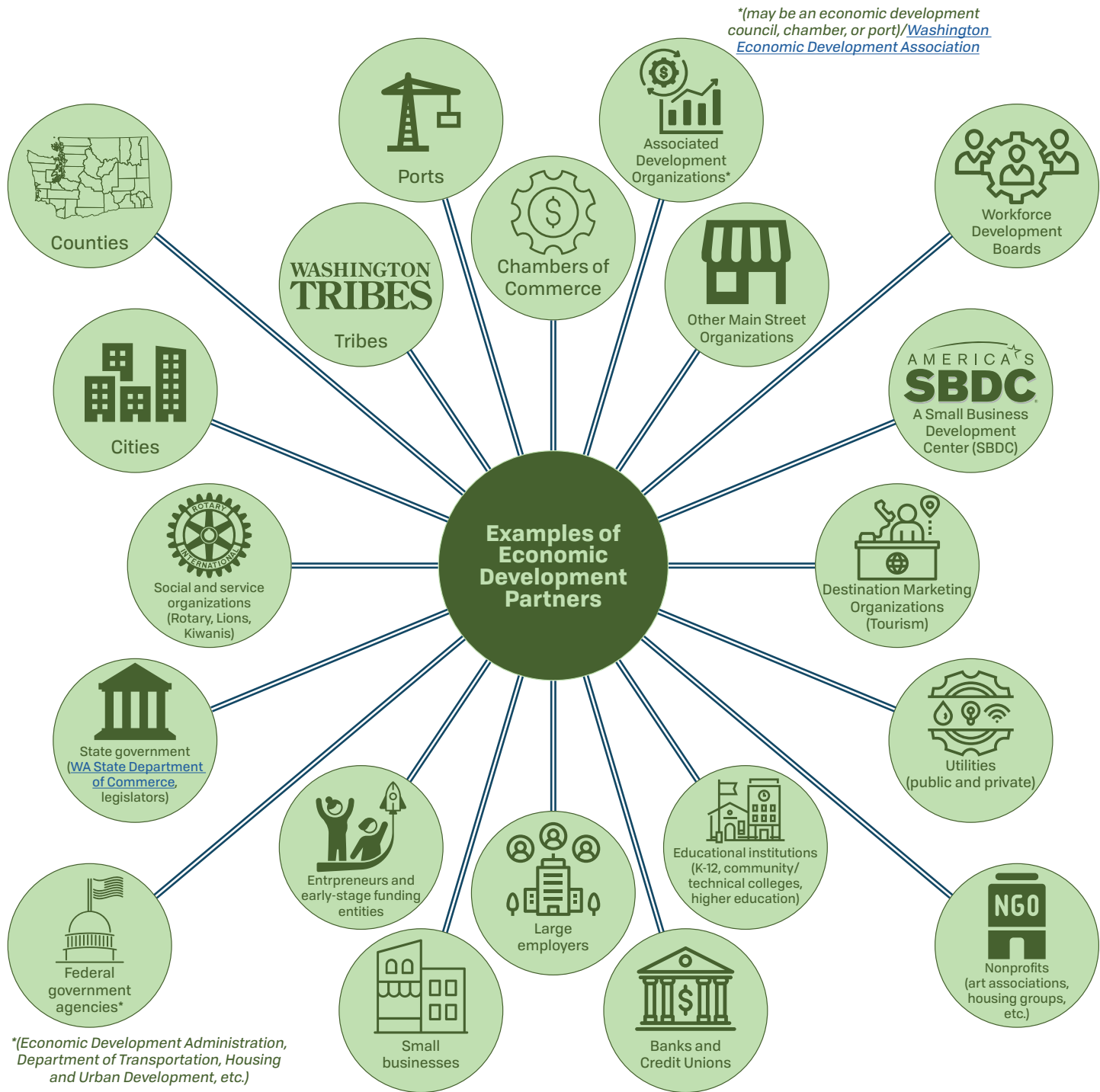
Economic development is a team sport. There's no way around it. Fostering growth with intention requires a lot of players coming together and melding their individual or organizational interests with what is best for the community. Doing so requires both a strong understanding of your community and an approach that will build trust and lasting relationships. Most economic development efforts succeed or fail based on the project's ability to leverage the strengths of partners and develop trust in each other's competency within their respective roles. The partners needed for each project will differ, and each community has its own unique makeup of doers and decisionmakers. The job of a Main Street organization is to know what partners you need today and in the future to meet your goals.

Additionally, the Main Street Approach includes an economic vitality committee, which should be a tool that the local Main Street organization uses to connect to the economic development ecosystem. The economic vitality committee is like a miniature version of your larger economic development ecosystem focused on your local district and will likely have a lot of shared goals with your local economic development partners. A quality Main Street district is a key amenity in improving the quality of life for people in your place, so your work is crucial in helping attract a quality workforce to your community or region. People from the organizations listed below can make great contributors to your economic vitality committee. For more information about developing an economic vitality committee, see the [Getting Started guide from Main Street America](#).

Below: Ace Hardware in downtown Chelan. Photo by Elijah Larson, courtesy of Historic Downtown Chelan Association.



Some examples of economic development partners include:



Another important and increasing focus of economic developers is equity. It is a moral imperative to ensure that public dollars are used in a way that provides everyone in a community with the opportunity to engage in and benefit from economic development. Beyond that, an equitable approach to economic development makes for stronger and more sustainable growth. Factors like changing demographics, an aging population, and new technology are key considerations to ensure that stakeholders aren't limited in access and opportunities as a result of their age, gender, race, ability, or other factors.

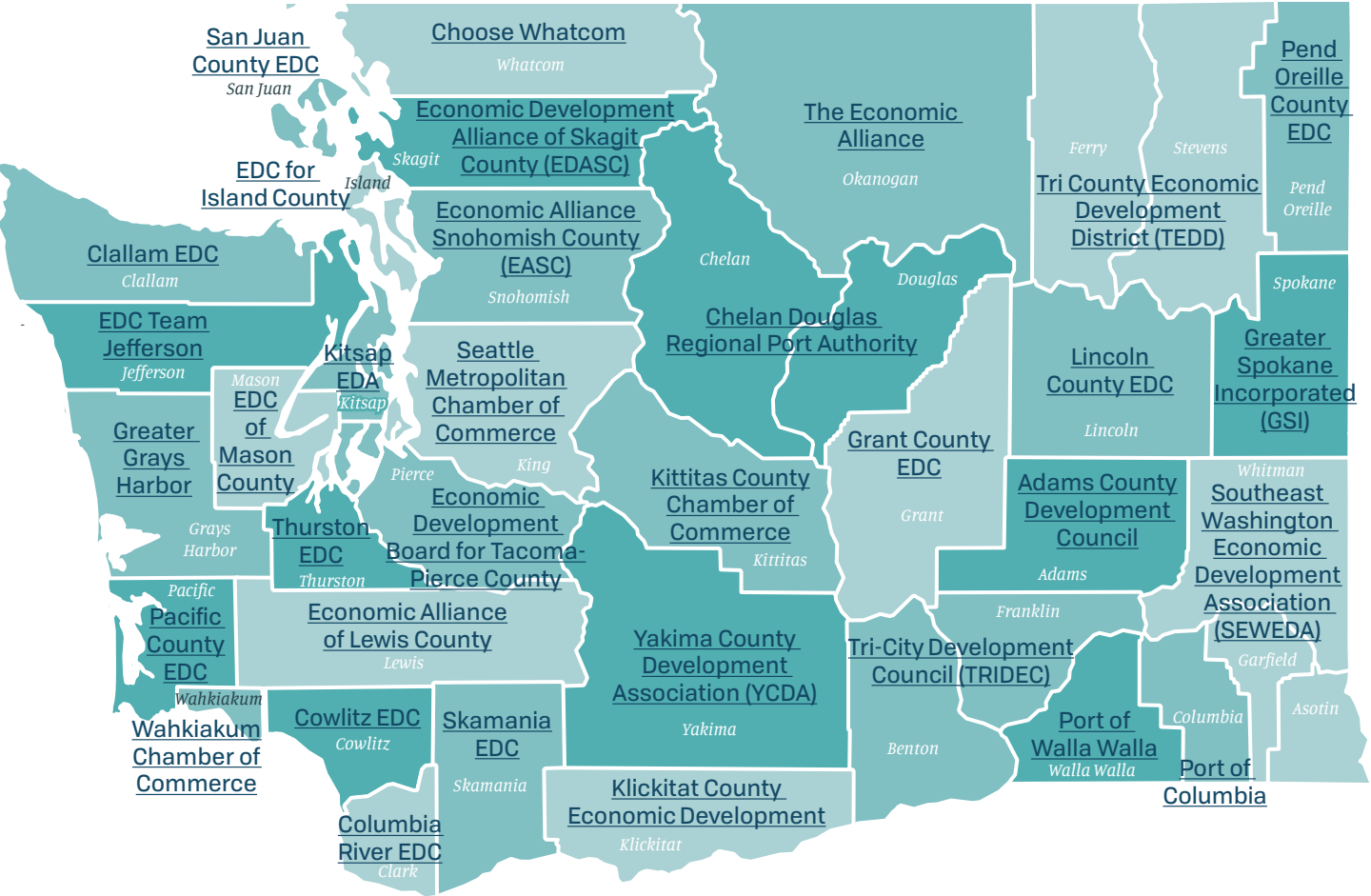
THE ECOSYSTEM

The economic development system in Washington State is primarily funded through the Associate Development Organization (ADO) system. There are 34 ADOs in Washington, covering all 39 counties. ADOs are officially designated by their respective county and can be an

economic development council, chamber of commerce, port, or other entity capable of objectively carrying out the duties required by a funding contract with the Washington State Department of Commerce.

The direct work of ADOs with businesses is called BRRE, or Business Retention, Recruitment, and Expansion. In addition to these activities, ADOs often work with microenterprises and entrepreneurs, helping them find funding partners, business resources, and educational opportunities. ADOs are often brought in to speak in public forums to inform policymakers on opportunities and the potential impact of policy and funding decisions. The type and intensity of advocacy work varies greatly among the ADO community. ADOs are required to leverage state funding with private and local public contributions to their organization. As mentioned above, ADOs must partner with a variety of organizations in order to meet the goals of their respective CEDS, including Main Street organizations.

Associated Development Organizations in Washington State



Note: EDC = Economic Development Council; EDA = Economic Development Alliance
Click on organization name to visit the website for each Associated Development Organization.

The Toolbox

In addition to strong partnerships, economic development often requires using tools and programs. Main Street organizations in Washington State have a small set of tools directly available to them, with many others requiring an economic development partner like a city, port, or ADO to utilize. Here's an overview of some of the key tools available:

Overview of Funding Tools

PRIVATE FUNDING

FOUNDATIONS AND NONPROFIT ORGANIZATIONS

Many communities in Washington State have a local community foundation and groups of local foundations and nonprofit organizations who provide funding and support for local revitalization efforts.

COLLECTIVE OWNERSHIP AND LOCAL INVESTMENT NETWORKS

This category includes community land trusts and locally funded private loan programs to steward local land and to provide local financing for community businesses and nonprofits.

MAIN STREET TAX CREDIT INCENTIVE PROGRAM (MSTCIP)

The MSTCIP offers a 75% tax credit toward either a business's business and occupation (B&O) tax or public utility tax for donations made to a designated Washington Main Street Community. These funds can be leveraged for certain economic development initiatives that align with the Main Street organization's mission and goals.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS (CDFIs)

This category provides access to capital and local economic growth in urban and rural low-income communities across the nation, including nonprofits to promote inclusion for marginalized communities. Funding is allocated through monetary awards and tax credits.

LOCAL PROGRAMS

TAX INCREMENT FINANCING

Tax increment financing (TIF) is a financing tool that local governments in Washington State—defined as cities, towns, counties, port districts, or any combination thereof—can use to fund public infrastructure in targeted areas to encourage private development and investment (chapter 39.114 RCW).

LODGING AND TOURISM PROMOTION FUNDS

Local lodging tax funds are often administered by a local Lodging Tax Advisory Committee (LTAC) and can be requested with an application. Use of funds generally needs to promote increased tourism to the area.

BUSINESS IMPROVEMENT DISTRICT (BID)/PARKING AND BUSINESS IMPROVEMENT AREAS (PBIs)

This is a special assessment district that can be established by petition to the local government. Doing so requires signatures from at least 60% of the businesses and multi-family mixed residential/mixed-use properties in the area.

LOCAL IMPROVEMENT DISTRICTS (LIDs)

Counties in Washington State can utilize LIDs for water, sewer, and storm sewer system improvements through the creation of a special assessment district. There are often matching funds available to use to make improvements on the alley or street above while repairing old sewer and water lines below ground level.

STATE PROGRAMS
<u>COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG) FOR RURAL TOWNS/CITIES</u>
Small, rural cities/towns and counties that are not eligible to receive CDBG funds directly from the U.S. Department of Housing and Urban Development (HUD) can apply to the Washington State Department of Commerce for a state CDBG grant.
<u>CAPITAL FACILITIES PLANNING GRANT PROGRAM</u>
This funding from the Washington State Department of Commerce supports jurisdictions in planning to maximize the resources and take advantage of other funding opportunities. The grant program helps forecast capital facility needs, identify funding sources, and assess land use needs.
<u>BUILDING COMMUNITIES FUND</u>
This program is a reimbursement-style grant for capital construction projects only. Organizational operating costs are ineligible. The Building Communities Fund is underwritten through the sale of state bonds. Awardees are selected through a competitive grant application process conducted every two years by the Washington State Department of Commerce. Projects must be in a “distressed community” or serve a substantial number of low-income or disadvantaged persons.
<u>BUILDING FOR THE ARTS (BFA)</u>
The Building for the Arts program awards state grants to nonprofit community-based organizations to buy, build, or renovate arts and cultural facilities. The program is managed by the Washington State Department of Commerce. Capital project grants can cover up to 33% of the total costs for construction.
<u>TRANSPORTATION IMPROVEMENT BOARD</u>
The board fosters state investment in quality local transportation projects by distributing funding through a number of grant programs, including the Urban Arterial Program, Arterial Preservation Program, Small City Preservation Program, Sidewalk Program, Small City Arterial Program, and Road Transfer Program.
<u>COMMUNITY ECONOMIC REVITALIZATION BOARD (CERB)</u>
The CERB provides funding to local governments and federally recognized Tribes for public infrastructure projects that support private business growth and expansion. Eligible projects include domestic and industrial water, storm water, wastewater, public buildings, telecommunications, and port facilities.

NATIONAL PROGRAMS
<u>HOUSING AND URBAN DEVELOPMENT (HUD) LOANS, ESPECIALLY SECTION 108 LOAN</u>
The Section 108 Loan Guarantee Program (Section 108) provides communities with a source of low-cost, long-term financing for economic and community development projects. Section 108 financing provides an avenue for communities to undertake larger, more costly projects where they may have limited resources to invest upfront.
<u>ECONOMIC DEVELOPMENT ADMINISTRATION (EDA)</u>
The EDA has funding opportunities on an ongoing basis to fund economic development priorities. EDA grants help to fulfill regional economic development strategies designed to accelerate innovation and entrepreneurship; advance regional competitiveness; create higher-skill, living-wage jobs; generate private investment; and fortify and grow industry clusters.

TAX CREDIT PROGRAMS AND LOANS TO INCENTIVIZE PRIVATE SECTOR DEVELOPMENT
<u>OPPORTUNITY ZONES</u>
Opportunity Zones, designated on April 9, 2018, are an economic development tool that allows people to invest in distressed areas in the United States. Investors enjoy deferred and potentially reduced tax liability on the gains realized. Taxpayers can invest in these zones through Qualified Opportunity Funds. Here’s a map of Opportunity Zones in Washington State . Note: This program has a sunset and realizes diminished benefits between now and December 31, 2026.
<u>ENTERPRISE/EMPOWERMENT ZONES</u>
Enterprise zones are geographic regions that are granted special status by a government to encourage development and economic growth. The zones may be granted favorable tax rates, regulatory exemptions, or other incentives to encourage businesses to stay in the area or locate in it.
<u>INNOVATION PARTNERSHIP ZONES</u>
Collaboration and innovation are the dual roads that lead to success in the marketplace. Recognizing the power of partnering with likeminded companies and individuals, Washington has launched Innovation Partnership Zones (IPZ) around the state. Note: These programs do not receive funding from the state but can be useful for location marketing, sector analysis, and strengthening grant applications.
<u>HUBZONES</u>
The HUBZone program fuels small business growth in historically underutilized business zones with a goal of awarding at least 3% of federal contract dollars to HUBZone-certified companies each year. The program can incentivize businesses receiving federal contracts to locate in your Main Street district.
<u>THE FEDERAL HISTORIC TAX CREDIT (HTC) PROGRAM</u>
The HTC provides a tax credit incentive to owners of properties listed on the National Register of Historic Places investing in substantial renovation. Note: The HTC is only available to nonprofits and public agencies in certain circumstances.
<u>NEW MARKET TAX CREDITS</u>
This tax credit is available for investors who provide financing to a Community Development Entity (CDE); CDEs in turn provide grants and loans to businesses or investors operating in low-income communities.
<u>AFFORDABLE/LOW-INCOME HOUSING TAX CREDITS</u>
This tax incentive is provided to investors and administered to nonprofits by the Washington State Housing Finance Commission to fund affordable housing projects.
<u>TAX INCENTIVE PROGRAMS THROUGH THE WASHINGTON STATE DEPARTMENT OF REVENUE</u>
See above link for a list of additional, industry-specific tax credit incentive programs that are available here in Washington State.
<u>SBA 504 LOANS</u>
These loans provide long-term, fixed-rate financing on existing buildings, land, new facilities, machinery, and equipment.

Now that you’re aware of the tools available, the following section dives deeper into several of the tools that have been used in Main Street districts and includes a brief case study of both the tool and the community that has employed it to develop a transformative community project or initiative.

Tax Increment Financing (TIF)

What is It?

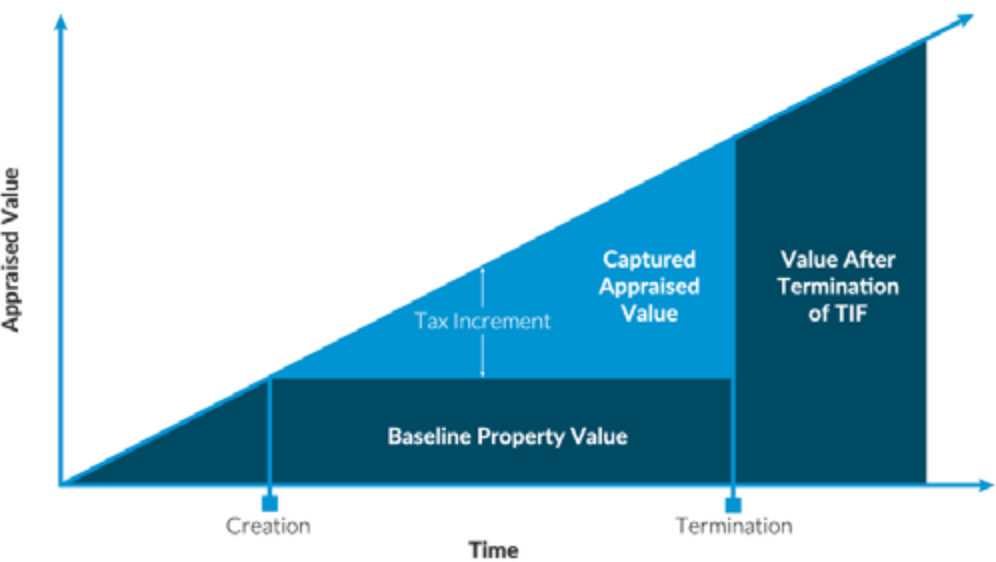
In general, Washington State's Tax Increment Financing (TIF) is a financing option that allows a public agency (city, county, or port) to fund publicly owned infrastructure projects determined necessary to encourage the envisioned private development within a Tax Increment Area (TIA) designated by the public agency. As private development occurs (as a result of the public agency's investment in the identified public improvements), property values rise, and the public agency uses the increased property tax generated

by that development to pay for the public improvement projects. After the project costs are paid, the public agency retires the TIA. This Tax Increment Financing model has been a key tool for many Main Street districts in their revitalization.

Are Main Street Projects or Organizations Eligible?

Main Street organizations are unable to use Tax Increment Financing directly. The TIA must be created by a local city, county, or port district. Each of those entities are limited to two active Tax Increment Areas at a time. To create a TIA, the local government must prepare a [project analysis](#).

Figure 1: Diagram of a Conceptual Tax Increment Financing Plan



Washington State's Tax Increment Financing law requires its local government sponsor to make the following findings:

1. The public improvements proposed to be paid or financed with tax allocation revenues are expected to encourage private development within the TIA and to increase the assessed value of real property within the TIA;
2. Private development that is anticipated to occur within the TIA as a result of the proposed public improvements will be permitted consistent with the permitting jurisdiction's applicable zoning and development standards;
3. 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
4. The increased assessed value within the TIA 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 development *with* the proposed public improvements.

These findings (specifically sections 1, 2, and 4) are commonly referred to as the "But-For Requirement." The project must meet these four findings to be eligible.

How Can My Community Apply?

To create a TIA and receive Tax Increment Financing, a community must do the following:

1. Prepare a project analysis.
2. Hold at least two public briefings.
3. Submit a copy of the project analysis to the State Treasurer.
4. Adopt an ordinance creating the Tax Increment Area.

For more detailed information, visit the [Tax Increment Financing page on the Municipal Research and Services Center \(MRSC\) website](#).

Case Study: Terminal One, Vancouver

History

On Vancouver's historic waterfront, just outside of the Main Street district, the Port of Vancouver has been working on redevelopment of a former industrial site into a community asset with hotels, offices, and other mixed-use property developments. In the process of raising funds for the necessary infrastructure to attract that development, the Port of Vancouver turned to the tool of Tax Increment Financing.

Benefit

While the new growth would generate a lot of new tax revenue, without using TIF, the port risked not being able to fully fund the necessary infrastructure to realize the project's vision. Now, the newly formed Tax Increment Area is providing financing for some of the improvements outlined in the project vision, including trails, a dock, a plaza, and other amenities.





Above: Main Street in downtown Colfax at night. Photo by Mirror Up Imagery, courtesy of Downtown Colfax Association.

Housing and Urban Development Section 108 Loans

What is It?

The Section 108 Loan Guarantee Program through the U.S. Department of Housing and Urban Development (HUD) provides states and local governments access to low-interest financing for a variety of projects, including: affordable housing developments, public infrastructure improvements and facilities, and commercial/industrial development. Generally, the costs of these projects exceed available local government resources, including HUD funds available through the Community Development Block Grant (CDBG) program. In all cases, however, these projects are well suited to the financing assistance available through the Section 108 Loan Guarantee Program. Section 108's unique flexibility and range of applications makes it one of the most potent and important public investment tools that HUD offers to state and local governments.

Are Main Street Projects or Organizations Eligible?

Main Street organizations are unable to apply for and use Section 108 funding directly. To be eligible, a community

must be a recipient of CDBG funds and can borrow up to five times the amount of their most recent CDBG grant allocation. Non-entitlement communities (communities that don't receive CDBG directly) can apply with state support. Refer to the [Washington State Department of Commerce's list of local governments served by the state CDBG program](#) to see if you need state support to apply for a Section 108 loan. Loans can be used to access low-cost, flexible financing for economic development, housing, public facility, and infrastructure projects. Communities can use Section 108 guaranteed loans to either finance specific projects or to launch loan funds to finance multiple projects over several years.

How Can My Community Apply?

If you are an entitlement city (a city that receives CDBG funding), you can check the availability of financing on the HUD website for [your community here](#) (click to download Excel file). If your city does not receive CDBG funding, check with the [Washington State Department of Commerce's CDBG program](#). If your city is eligible for CDBG funding, check out the [HUD webpage on Section 108 financing](#). More in-depth instructions and an application toolkit are available on the HUD webpage as well.

Case Study: Mount Vernon Floodwall and Waterfront Revitalization

History

Mount Vernon has struggled with flooding for years. Each time the water in the Skagit River rose to a certain level, citizens drop everything and help build a sandbag dike to prevent flooding in the downtown and surrounding areas. Starting in 2007, the city approved the purchase of a mobile flood wall that cut the time and number of volunteers needed significantly.

Benefit

The City of Mount Vernon was on the lookout for financing to help cover the cost of a 100-year flood protection wall to protect their city and downtown area from flooding. The project also features a river promenade, trail system, and public riverfront park right on the edge of downtown. [Section 108 funding provided \\$1.7 million](#) as part of the funding mix to help underwrite the \$12.9 million public improvement project. The result was the removal of most of the downtown from the flood plain and the implementation of infrastructure that is crucial to preserving downtown and supporting its continued development. For more information on this project, check out this video: youtu.be/6sgLiBuv2f4.

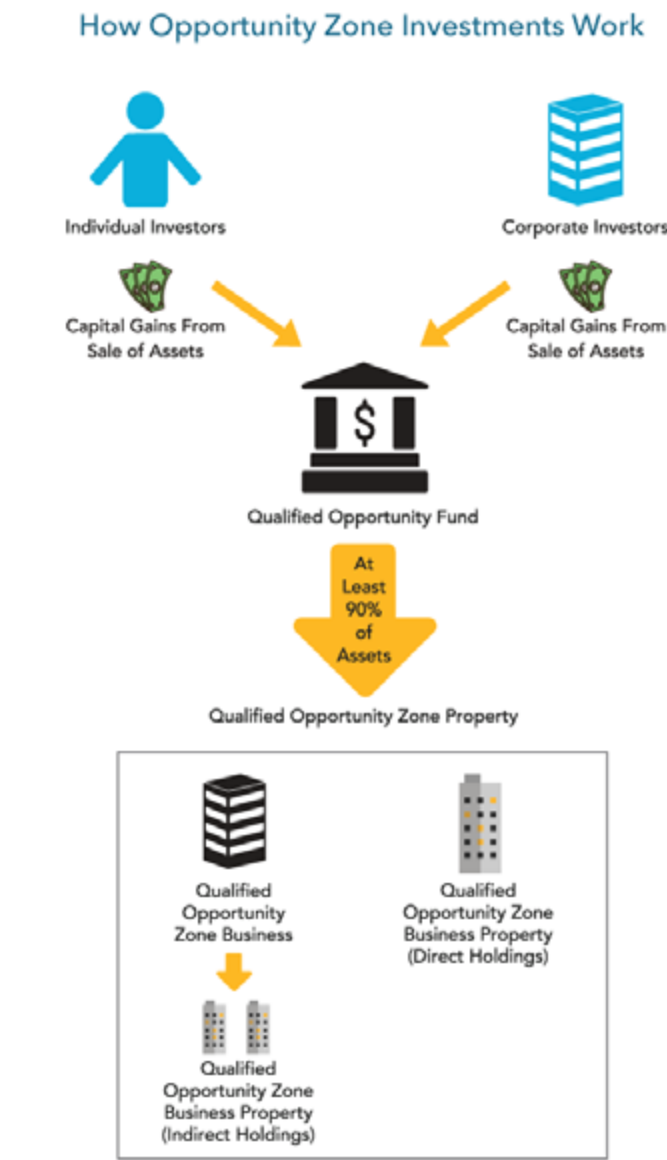


Opportunity Zones

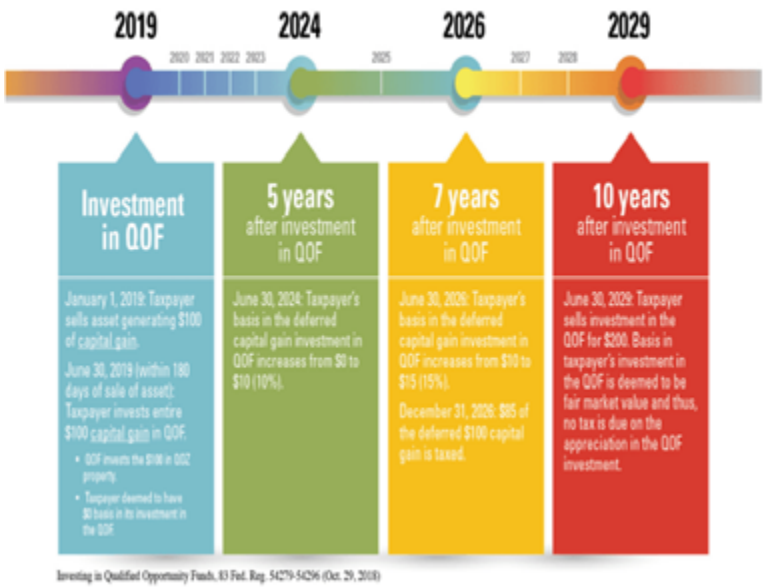
How Do Opportunity Zones Work?

Opportunity Zones, designated on April 9, 2018, are an economic development tool that allows people to invest in distressed areas in the United States. Investors enjoy deferred and potentially reduced tax liability on the gains realized. Taxpayers can invest in these zones through Qualified Opportunity Funds. Here's a map of [Opportunity Zones in Washington State](#). Note: This program has a sunset and realizes diminished benefits between now and December 31, 2026.

Here's a look at how an Opportunity Zone works:



Here's an example of how an Opportunity Zone benefits an investor/taxpayer:



In the example, the investment was made in 2019. Please keep in mind that Opportunity Zone benefits continue to diminish annually until the program is scheduled to sunset at the end of 2026 unless it is extended.

How Does Being in an Opportunity Zone Benefit Our Organization?

Properties in an Opportunity Zone are attractive to certain types of investors who are looking to defer or reduce their taxable gains from the sale of another property. This gives Main Street organizations in an Opportunity Zone a tax advantage when courting downtown investors or developers until the program sunsets. (Efforts are currently underway to extend the legislation from 2026 through 2028.)

Above: Graphic courtesy of California Policy & Budget Center.

Case Study: Hotel Stevenson

History

Dave and Terri Sauer bought the Camas Hotel in downtown Camas in 2016 and decided to sell it in 2019. With the funds from the sale, they chose to invest in downtown Stevenson, purchasing a historic building in the downtown core in April 2020 and converting it to a 12-room hotel with a restaurant and bar.

Benefit

Downtown Stevenson is part of an Opportunity Zone, which made it possible for the Sauers to invest their gains from the sale of the Camas Hotel and defer the taxes they owed to the IRS. If they hold onto the Stevenson property for five years, that tax rate is reduced by 10%; if they hold onto it for seven years, the tax rate is reduced by 15%. If they hold onto the property for at least 10 years, any capital gains from the sale of Hotel Stevenson will be permanently forgiven, while the deferred taxes from the Camas Hotel will come due either at the end of December 2026 or when they sell Hotel Stevenson.





Above: Drone view of downtown Chehalis. Photo by Jesse Smith, courtesy of Experience Chehalis.

Business Improvement District

What is It?

A business improvement district (BID) is designed to aid general economic development and to facilitate merchant and business cooperation. It is a local self-help funding mechanism that allows business owners within a defined area to establish a special assessment district. Funds raised can be used to provide management, services, facilities, and programs to the district. In Washington, BIDs (also sometimes called Parking and Business Improvement Areas or PBIAs) are authorized by statute.

Activities in a BID or PBIA are financed through a special assessment that is imposed on businesses, multi-family residential developments, and mixed-use developments located within the geographic boundaries of the area. The assessments can be used to finance construction, acquisition, or maintenance of parking facilities; decoration of public areas; promotion of public events; furnishing of music in public places; provision of maintenance and security of common public areas; or management, planning, and promotion of the area, including the promotion of retail trade activities.

How is a BID/PBIA Formed, and What is a Main Street's Role?

A BID or PBIA may be established either when the owners of businesses in the proposed area submit an initiation petition to the local government (usually the city council) or when the local government passes an initiation resolution to create the BID/PBIA.

The resolution must include boundaries of the area, proposal for use of the funds, the total cost of the projects or services, an estimated levy rate, and a petition signed by owners responsible for 60% of assessment area value (usually property taxes). Without that level of support, the BID/PBIA cannot be created. Main Street organizations often take on the role of collecting signatures, especially if the funds are intended to fund Main Street activities.

Following the resolution, a public hearing must occur with at least 15 days' notice. Following the hearing, the local government (often the city council) will vote to establish the proposed BID/BPIA.

Case Study: Downtown Yakima

History

Several Washington State Main Street Program Communities have BID/PBIAs, including Aberdeen, Everett, Olympia, Wenatchee, and Yakima, among others. Yakima instituted their PBIA in 2008, as part of an effort to revitalize the downtown after a previous BID was allowed to sunset. The current Downtown Yakima Business Improvement District (DYBID) has a five-member advisory board of elected business owners from the assessment district that make recommendations to the city council on issues impacting the downtown.

Benefit

The funds from the PBIA were used to fund the startup costs for the Downtown Association of Yakima and to underwrite staff positions at the organization to provide cleanup services and other support to the downtown business community.





Above: Restored Rock Bunkhouses in LaCrosse. Photo courtesy of LaCrosse Community Pride.

Collective Ownership and Investment

What is It?

Collective ownership and local investment networks are tools of what is normally referred to as the [solidarity economy](#), which includes many other examples of shared community resource management. Some prevalent examples are land trusts, consumer cooperatives, credit unions, community supported agriculture, and community gardens. Local investment networks are also an emerging example of the solidarity economy and have been established in several communities across Washington State.

How Can My Community Leverage the Power of Collective Ownership or Investment?

Collective ownership often starts with a dedicated group of people wanting to accomplish something in their community. Some of the simplest ways to leverage the power of collective ownership are through methods like Kickstarter, a crowdfunding dinner where the community raises money to invest in a small business, or a dedicated group of people pooling their funds together to save a historic landmark.

Case Study: LaCrosse Community Pride

History

The only grocery store in LaCrosse closed in 2009, and a year later, the town's only bank closed as well. Many were concerned that the community would become a ghost town. LaCrosse Community Pride, the local Main Street organization, was formed in 2010 to help fill in the gap.

Benefit

Members of the LaCrosse community pooled their funds together to collectively own their town. They were able to leverage that capital to get a loan to redevelop several downtown buildings. With that support, they were able to recruit a bank and grocer tenants, add a library, and save several endangered rock houses in their community, in partnership with other outside funding entities.



Appendix: Other Economic Development Tools and Funding Sources

Environmental Factors/Mitigation

Emergency Management Baseline Assessment Grant Program

Description: The Emergency Management Baseline Assessment Grant (EMBAG) Program provides non-disaster funding to support developing, maintaining, and revising voluntary national-level standards and peer-review assessment processes for emergency management.

Administrator(s): FEMA (Federal Emergency Management Agency)

Eligible Organizations: Institutions of higher education and other eligible nonprofits that demonstrate competence in emergency management program accreditation.

Contact: <https://www.fema.gov/grants/preparedness/emergency-management-baseline-assessment>

Disaster Relief—Public Assistance Grant Funding

Description: When an area has received a Presidential declaration of an emergency or major disaster, then its state, Tribal, territorial, and local governments—and certain types of private nonprofits—may be eligible to apply for public assistance.

Administrator(s): FEMA (Federal Emergency Management Agency)

Eligible Organizations: State, territory, Tribe, local government, or certain type of private nonprofit organization.

Contact: See this website for more information on the process of application for public assistance following a disaster: <https://www.fema.gov/assistance/public/process>

Environmental Cleanup & Brownfields

Description: Cleanup of a toxic site may be necessary as a precursor to economic development. A site must first be listed with the Washington State Department of Ecology. [Visit this link to see the sites listed in your downtown.](#) Funding for cleanup includes a mix of tools, including Independent Remedial Action Grants (IRAGs) as part of the Voluntary Cleanup Program. To do remediation/cleanup of a historic dry-cleaning establishment, an additional course of action is to pursue a historic insurance claim.

Administrator(s): Washington State Department of Ecology

Eligible Organizations: Local governments that have: Completed an independent cleanup through the Voluntary Cleanup Program & Received a determination of No Further Action from Ecology.

IRAG applicants who apply to the Voluntary Cleanup Program are required to complete a cultural resources consultation during cleanup to be eligible.

Contact: (360) 890-0059; <https://ecology.wa.gov/Spills-Cleanup/Contamination-cleanup>

Additional Funding Sources

HISTORIC THEATER CAPITAL GRANT PROGRAM

Description: Funding is provided for grants to restore and rehabilitate historic theaters statewide.

Administrator(s): Washington State Department of Archaeology and Historic Preservation, managed by Washington Trust for Historic Preservation

Eligible organizations: Non- profit and privately owned properties both eligible, but would need a public benefit element and easement.

Eligible projects: Historic theaters listed (or eligible and listed by the end of the project) on the Washington Heritage Register or National Register of Historic Places (usually over 50 years old). Property must be an operating theater or the project restores theater back into operation. Property must be originally built as a theater (not building later turned into theater).

Contact: 360-870-6383; marivic.quintanilla@dahp.wa.gov; <https://ofm.wa.gov/budget/state-budgets/gov-inslees-proposed-2021-23-budgets/2021-31-capital-plan/agency-capital-project-detail/355>

MULTIFAMILY 80/20 HOUSING BONDS

Description: Tax-exempt bonds, also known as private activity bonds, are bonds where the interest earned by the bondholder(s) is exempt from federal taxation. These bonds are used by for-profit developers to borrow funds for construction and other costs of developing affordable housing. Because the interest is tax exempt, the debt has lower interest rates than traditional financing. In return, the developer must set aside a certain percentage of units for low-income residents. If more than 50% of a project is financed with tax-exempt Multifamily Bonds, the project may access the 4% Low Income Housing Tax Credit (LIHTC) without competing for an allocation of these tax credits.

Administrator(s): Washington State Housing Finance Commission

Eligible organizations: Private owners or development LLCs

Eligible projects: Multifamily rental housing, assisted living with full living facilities, and single-room occupancy housing

Ineligible projects: Hotels or motels, dormitories, nursing homes, and manufactured homes (in most cases)

Contact: 206-287-4415; dan.schilling@wshfc.org; <https://www.wshfc.org>

RURAL DEVELOPMENT LOAN ASSISTANCE PROGRAM

Description: This program provides loan guarantees to eligible lenders to develop essential community facilities in rural areas. An essential community facility is defined as a public improvement, operated on a non-profit basis.

Administrator(s): US Department of Agriculture

Eligible organizations: Public entities, Nonprofits, and Federally-recognized Tribes

Where: Rural areas (cities and towns, including Federally-recognized Tribes) with fewer than 50,000 residents.

Eligible projects: Direct loan funds may be used to construct, enlarge, or otherwise improve community facilities for healthcare, public safety, public services, community support services, educational services. Funds can be used to purchase, construct, and/or improve essential community facilities, purchase equipment, and pay related project expenses.

Ineligible projects: Commercial enterprises, facilities used primarily for recreational purposes

Contact: <https://www.rd.usda.gov/programs-services/community-facilities-direct-loan-grant-program>; Washington State Office: 360-704-7740

VALERIE SIVINSKI FUND

Description: The Valerie Sivinski Fund is an annual grant program that provides grants up to \$2,000 to organizations and community groups engaged in historic preservation around our state. The grant program embodies the mission of the Washington Trust by supporting historic preservation where it really happens: at the community level.

Administrator(s): Washington Trust for Historic Preservation

Eligible organizations: 501c3 organizations, unincorporated advocacy groups, public agencies

Eligible projects: Direct preservation costs; design, documentation, or planning fees; interpretive material or advocacy costs.

Ineligible projects: New construction, general operating expenses

Contact: 206-462-9449; grants@preservewa.org;
<https://www.preservewa.org/programs/valerie-sivinski-fund/how-to-apply/>

CONTRIBUTORS:

This Report was prepared by Luke Hallowell for the Washington State Main Street Program.

Many people contributed their expertise and energy to this report. We’d like to thank:

- Tamsin Bell
- Mike Bomar
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- Todd Cutts
- Suzanne Dale Estey
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- Terri Sauer
- Michael Walker
- Dave Zabell



About Washington Main Street

Washington Main Street helps communities revitalize the economy, appearance, and image of their downtown districts using the successful Main Street Approach™, a comprehensive revitalization strategy built around a community's unique heritage and attributes. Washington Main Street is a program of the Department of Archaeology & Historic Preservation, managed under contract by the Washington Trust for Historic Preservation.

Contact Us

206-624-9449

preservewa.org/mainstreet

Main Street Tax Credit Program

The Main Street tax credit incentive program provides a Business & Occupation (B&O) or Public Utility tax (PUT) credit for private contributions given to eligible downtown organizations. Once your business' donation request is approved by the Department of Revenue, you are eligible for a tax credit worth 75% of the contribution to your downtown revitalization organization. Designated **Washington Main Street Communities** are eligible to receive contributions through this state tax credit program.

Businesses statewide can also donate to the Main Street Trust Fund for the same 75% of your donation. In fact, a business can donate to both up to \$250,000. What other program essentially lets you self direct your business taxes? Further, if your downtown organization is a 501(c)3 you may be eligible for a federal income tax deduction as a charitable contribution.

The Main Street Tax Credit Program was established in HB 1279 (/sites/default/files/1279-S_Bill.pdf) and is contracted out for management to the Washington Trust For Historic Preservation.

MSTCIP credit cap increases to \$5M starting 10/1/2021!

Thanks to the tremendous advocacy efforts of local Main Street executive directors, new legislation passed increasing the MSTCIP state credit cap from the previous \$2.5M to \$5M starting in 2021. This increase will take effect this fall, leading to a one-time additional tax credit application opening at 8:00am on 10/1/2021. Any applications made after this opening must still be fulfilled before the Department of Revenue's November 15th deadline and the credit were released for use in January 2022. More info found here! (<https://preservewa.org/taxcredit/>)

Further information:

- » General Overview and Legislation
(</sites/default/files/Main%20S>
- » RCW 82.73
(<http://apps.leg.wa.gov/rcw/default.aspx?cite=82.73&full=true>)
- » Frequently Asked Questions
(</sites/default/files/MSTCIP%2>
- » Applying for Credits (step-by-step instructions)
(</sites/default/files/Main%20S>
- » Applying for Credits through the Department of Revenue
(<http://dor.wa.gov/content/Fin>

For more information contact:

Lydia Felty
Main Street Resources Coordinator
 Washington Trust for Historic Preservation
 (206) 624-9449 x 110
 or (206) 584-2678
lydia@preservewa.org
 (<mailto:lydia@preservewa.org>)

www.preservewa.org/mainstreet
 (<mailto:bdurham@preservewa.org>)

The Basic Facts:

- Organizations must be officially designated a Washington Main Street Community by the Washington State Main Street Program (WSMSP) to be eligible to receive contributions through the Main Street Tax Credit Incentive Program (MSTCIP).
- Don't forget that donating to the Main Street Trust Fund helps support revitalizing downtowns across the state! Building the capacity of the statewide program provides services to eligible downtown

organizations.

How Do You Actually Get The Tax Credit?

- Businesses must be registered to file their state excise tax electronically.
- A donation request must be filled out and submitted online, but don't worry – it's easy and we've got step-by-step instructions on our website!
- The business must take the tax credit the following year the donation is made – and sorry, but the tax credit can't be carried forward and there won't be a refund for any credit above and beyond a business' tax liability.

ADOPTED RULES

Chapter 25-50 WAC

Washington State Main Street Program

NEW SECTION

WAC 25-50-010 Purpose. The purpose of this chapter is to establish criteria for application and designation of Washington main street communities under chapter 43.360 RCW.

NEW SECTION

WAC 25-50-020 Definitions. (1) “Department” means the department of archaeology and historic preservation.

(2) “Director” means the director of the department.

(3) “Washington state main street program” or “WSMSP” means the program established by the department pursuant to chapter 43.360 RCW.

(4) “Washington main street community” means a local community designated by the department pursuant to chapter 43.360 RCW.

(5) “Eligible organization” means a nonprofit organization under internal revenue code sections 501 (c)(3) or (c)(6), with the sole mission of revitalizing a downtown or neighborhood commercial district area.

NEW SECTION

WAC 25-50-030 Application requirements and form. (1) To apply for designation as a Washington main street community through WSMSP, an eligible organization must complete an application form and submit it to the WSMSP.

(2) Each application shall be submitted in a form approved by the state historic preservation officer, by October 31 of the year submitted.

(3) An application form may be obtained from the Department of Archaeology and Historic Preservation, P.O. Box 48343, Olympia, WA 98504-8343 or online at the Washington main street program website at <http://www.dahp.wa.gov/programs/mainstreet-program>.

NEW SECTION

WAC 25-50-040 Main street program--Eligibility criteria. Each application for designation as a Washington main street community shall include information demonstrating that the applicant meets the following criteria:

(1) Has obtained and will maintain status as an independent, recognized 501 (c)(3) or (c)(6) nonprofit organization with the sole mission of revitalizing a historic downtown commercial district.

(2) Has developed and will maintain a comprehensive downtown revitalization strategy based on the National Main Street Center's Main Street Approach® structure. This shall include implementing a balance of activities in the areas of organization, promotion, design, and economic vitality. This shall also include having an appropriate vision statement, mission statement, goals, objectives, activities, budget and a comprehensive annual work plan adopted by the organization.

(3) Based on population of the local jurisdiction, maintain a minimum level of staffing to achieve the eligible organization's mission, goals and annual work plan. The jurisdiction's population shall be determined by the most recent census from the United States Census Bureau in one of the three following categories:

(a) Jurisdiction population of 0-2500: part-time, volunteer executive director.

(b) Jurisdiction population of 2501-5000: half-time, paid executive director.

(c) Jurisdiction population over 5001: full-time, paid executive director.

(4) Maintain the eligible organization's program boundaries/primary focus area on the historic downtown commercial core. To meet this criteria, it shall be demonstrated that at least fifty percent of buildings/structures within the eligible organization's defined geographic boundaries must be fifty years of age or older.

(5) Maintain an active volunteer board of directors representing downtown stakeholders to oversee the organization.

NEW SECTION

WAC 25-50-050 Main street program--Maintain eligibility status. To maintain its designation as a Washington main street community, the Washington main street community must successfully fulfill the following:

(1) Annually, submit to the WSMSP the minutes of the annual meeting of the Washington main street community's board of directors.

(2) Complete and submit to the WSMSP the following reports/documents:

(a) Quarterly reports that track key performance measures as prescribed by the department and progress of the Washington main street community.

(b) The annual WSMSP report.

(c) As may be requested by the department, provide documentation of compliance with policies and status reporting.

(3) The Washington main street community's executive director presence and participation is mandatory at the following:

(a) Annual State Historic Preservation & Main Street Conference;

(b) Two of three Main Street Network Leadership Meetings

If for good cause the executive director is unable to attend one of the required meetings, the executive director shall appoint a member of the Washington main street community's board of directors or staff to attend the meeting on her/his behalf.

NEW SECTION

WAC 25-50-060 Main street program--Status withdrawal and reinstatement. (1) If a Washington main street community fails to comply with these rules, the department may send that program a written initial warning. The initial warning will identify the noncompliance and place the local main street program on probationary status. The Washington main street community shall be reevaluated by the department ninety days following the initial warning. If the Washington main street community has failed to correct the noncompliance, the department may issue a final warning. If the Washington main street community is not in compliance within ninety days after the final warning is sent, the department may either:

(a) Terminate the Washington main street community's letter of agreement and Washington main street community designation, and discontinue all WSMSP services and activities; or

(b) At its sole discretion, the department will place the Washington main street community on continued probationary status for up to an additional ninety days. At the end of the ninety days, the department shall consider the facts and the circumstances underlying the noncompliance, and whether the Washington main street community has made substantial progress toward correcting the noncompliance.

(2) If Washington main street community designation is withdrawn, the local organization may receive reduced WSMSP services. The department of revenue will be notified when a Washington main street community status is withdrawn. However, a eligible organization may reapply for Washington main street community designation after one full calendar year has elapsed from the date of the letter of agreement termination. WSMSP services will resume upon reapplication and written approval by the department of the Washington main street community's designation. Any such reapplication for Washington main street community designation must include documentation that the previous noncompliance has been corrected, or that a change of condition has occurred such that the prior noncompliance is unlikely to reoccur.

NEW SECTION

WAC 25-50-070 Administrative appeals. (1) An applicant for or holder of main street community status issued under this chapter may request a hearing to contest a denial of application for main street community status under WAC 25-50-050, or a withdrawal of main street community status under WAC 25-50-060.

(2) A request for a hearing shall be made by filing a written application for adjudicative proceeding with the department at the following address: Department of Archaeology and Historic Preservation, P.O. Box 48343, Olympia, WA 98504-8343. The application must be received by the department within twenty-one calendar days of the date of service of the notice of the denial, or withdrawal.

(3) When the department receives an application for adjudicative proceeding, it will immediately notify the director of its receipt and provide the director with a copy of the application and the notice or document being appealed. The director thereupon will designate a presiding officer as follows: The director will designate as presiding officer an administrative law judge assigned by the office of administrative hearings under chapter 34.12 RCW.

(4) Upon being designated, the presiding officer shall notify the requestor and the director of his or her name and business address and provide any other information required by chapters 34.05 RCW, 10-08 WAC, or this chapter.

(5) Upon receiving the notice required in subsection (4) of this section, the director shall immediately transmit to the presiding officer the application, together with any accompanying documents provided by the requester, and a copy of the notice or other document being appealed.

NEW SECTION

WAC 25-50-080 Adjudicative proceedings. (1) The department hereby adopts the model rules of procedure, chapter 10-08 WAC, adopted by the chief administrative law judge pursuant to RCW 34.05.250, as now or hereafter amended, for use in adjudicative proceedings of agency action under this chapter.

(2) "Service" and "filing" of documents in adjudicative proceedings are defined as in RCW 34.05.010 and WAC 10-08-110.

(3) In the case of a conflict between the model rules of procedure and this chapter, the rules in this chapter shall take precedence.

(4) All factual determinations shall be based on the kind of evidence upon which reasonably prudent persons are accustomed to rely in the conduct of their affairs. The burden in all proceedings is a preponderance of the evidence.

(a) In all proceedings contesting the denial of an application or re-application for main street community status, the burden shall be on the applicant to establish that the application meets all applicable requirements and standards.

(b) In all proceedings contesting the withdrawal of main street community status, the burden is on the department to prove the alleged factual basis set forth in the notice.

Key Facts

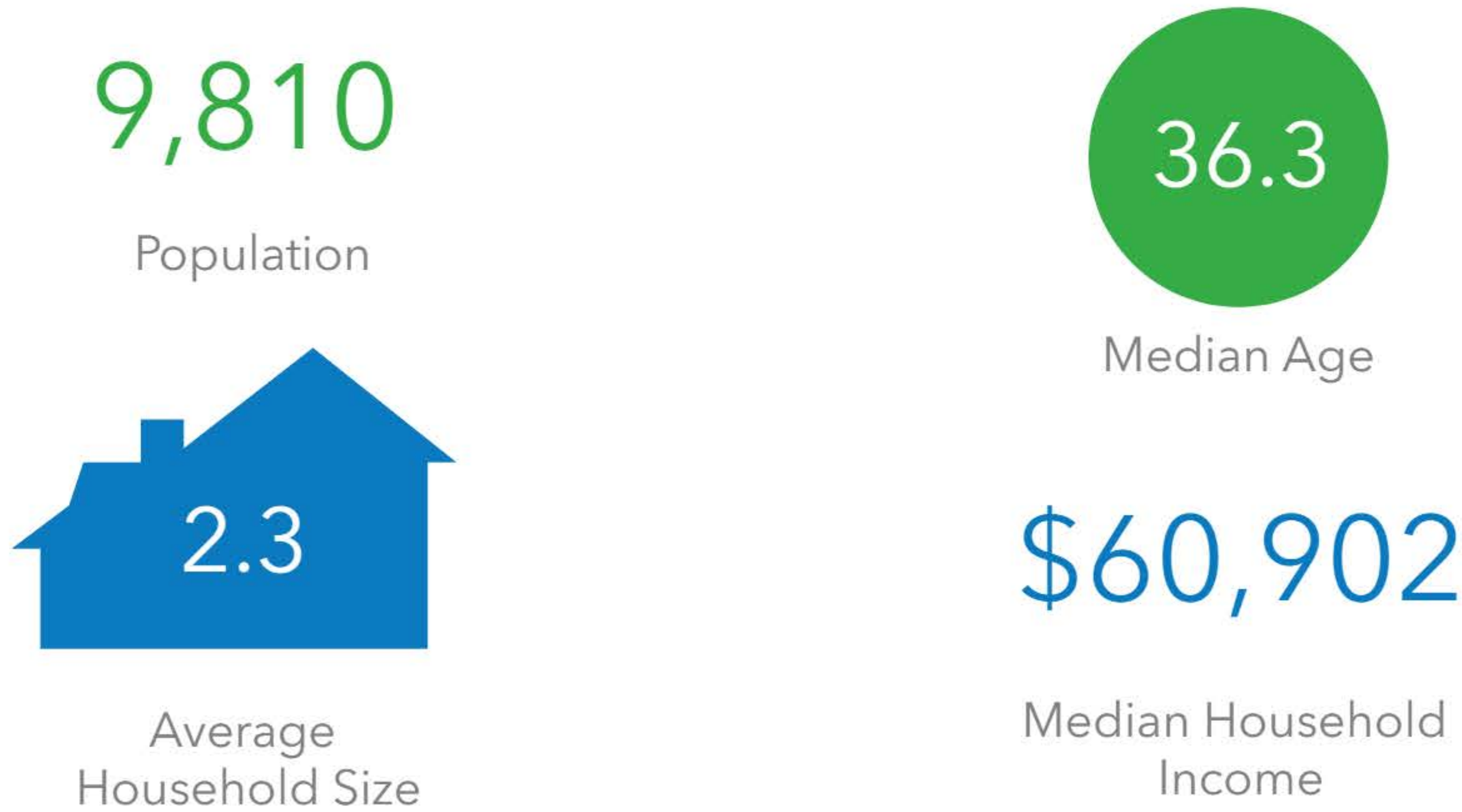
CITY OF COLLEGE PLACE
Area: 3.43 square miles

Prepared by Esri

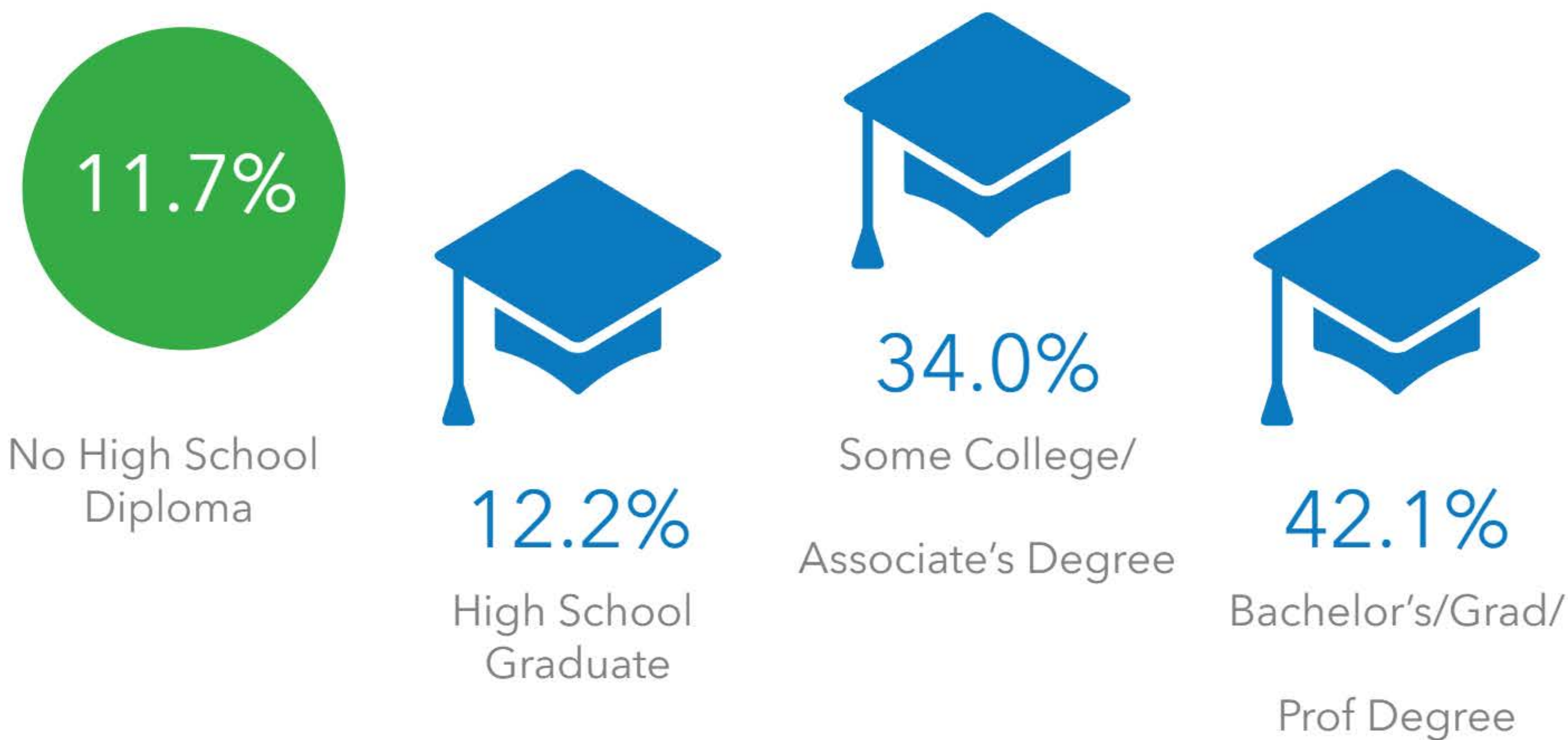
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CITY OF COLLEGE PLACE
Area: 3.43 square miles

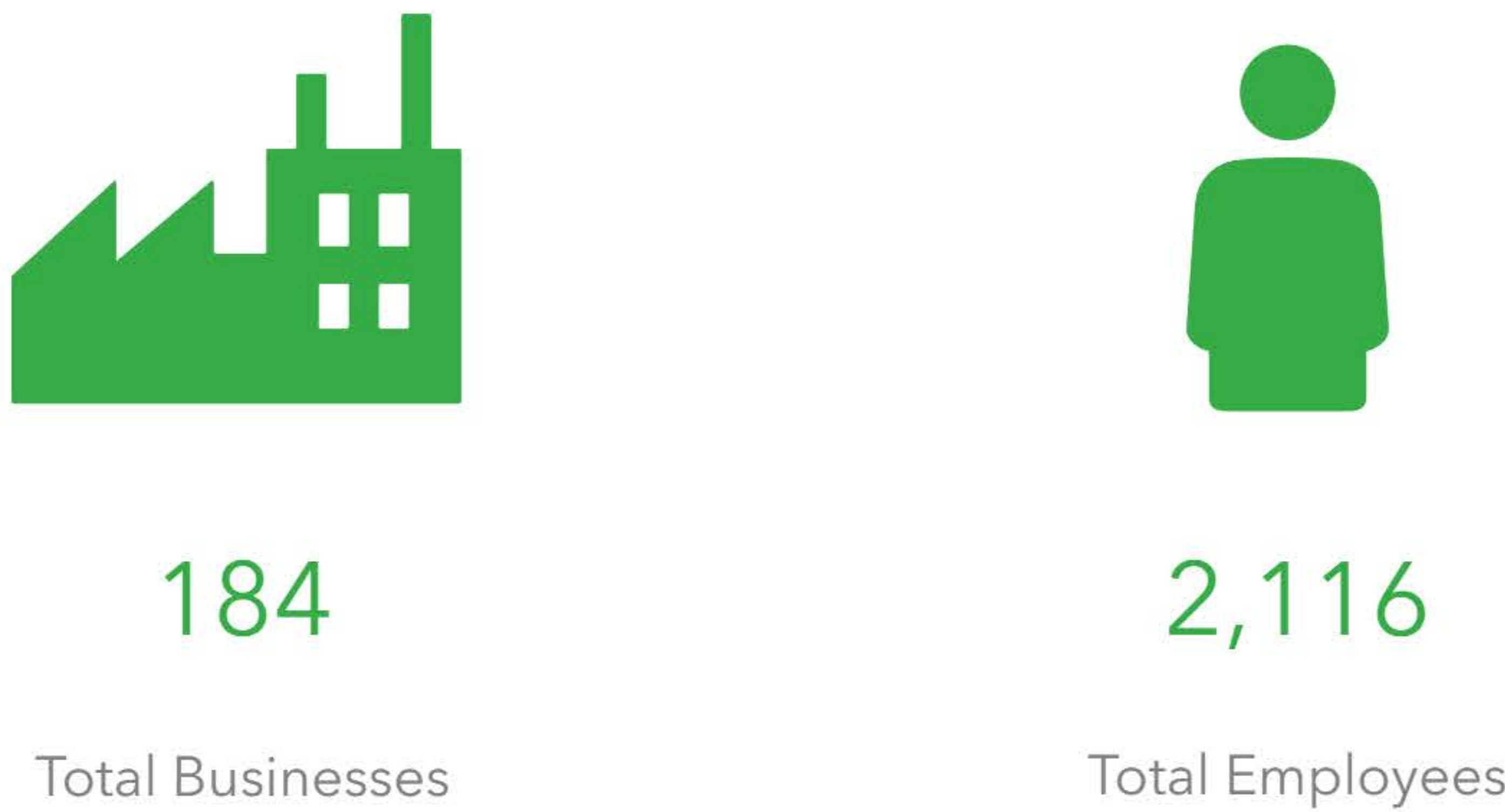
KEY FACTS



EDUCATION



BUSINESS



EMPLOYMENT



INCOME



2023 Households by income (Esri)

The largest group: \$100,000 - \$149,999 (19.0%)
The smallest group: \$200,000+ (5.5%)

Indicator ▲	Value	Diff	
<\$15,000	8.5%	-0.6%	
\$15,000 - \$24,999	6.9%	-0.6%	
\$25,000 - \$34,999	12.1%	+4.5%	
\$35,000 - \$49,999	16.4%	+2.4%	
\$50,000 - \$74,999	11.7%	-5.1%	
\$75,000 - \$99,999	14.2%	-0.1%	
\$100,000 - \$149,999	19.0%	+2.7%	
\$150,000 - \$199,999	5.7%	-2.2%	
\$200,000+	5.5%	-0.9%	

Bars show deviation from 53071 (Walla Walla County)

Source: This infographic contains data provided by Esri (2023, 2028), Esri-Data Axle (2023). © 2023 Esri

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College Avenue

Downtown College Place (4th to 13th Streets)

Walla Walla University Campus (4th to Whitman)

North College Ave Business District (Whitman Drive to Rose Street)

College Avenue serves as the Main Street of the community. The corridor recently underwent a \$15 million reconstruction which includes pedestrian lighting, sidewalks and traffic signals. The corridor consists of a mix of small businesses, offices, and residential. Walla Walla University is at the center of the corridor. It has Bachelor and Graduate Degree Programs and has a student population of 2,000. The long term vision of this corridor is spelled out in the recently adopted College Avenue Design Standards. Community goals for the corridor is to create “small town” atmosphere, be a setting for a “slow pace of life,” and make sure that buildings and storefront are the dominant features. Various properties are available for sale or lease.

Data Points

Statistic	10 Minute Drive Time	30 Minute Drive Time	45 Minute Drive Time
2023 Population	37,871	69,383	76,754
2028 Population	38,316	69,775	77,098
2023 Daytime Population	42,321	68,659	74,974
2023 Median Household Income	\$56,632	\$62,282	\$63,104
2028 Median Household Income	\$66,288	\$74,309	\$75,260
2023 Median Home Value	\$297,328	\$308,547	\$304,667
2028 Median Home Value	\$436,975	\$430,269	\$417,337
2023 Median Age	38.6	38.8	39.5
2028 Median Age	39.9	39.7	40.4

Consumer Spending (45 Minute Drive Time)

Type	2023 Spending
Apparel and Services	\$53,057,656
Electronics	\$6,160,588
Entertainment	\$95,742,851
Food At Home/Groceries	\$169,293,396
Restaurants	\$90,386,418
Furniture	\$20,408,771
Appliances	\$13,360,843
Lawn & Garden	\$17,416,762
Personal Care Products	\$13,548,673
Housekeeping Supplies	\$23,508,030
Gasoline & Convenience Centers	\$64,336,188

Source: ESRI Business Analyst Online, Retail Demand Outlook Reports Jan 2024.



Meadowbrook/Stone Creek Business District



The Meadowbrook Business District comprises land zoned General Commercial near the intersection of State Route 125 & Meadowbrook Drive. Commercial businesses in the area include Super Walmart, HopThief Tap House, Maurice's, Del Taco, Chipotle, Burger King, Panda Express, GameStop, Subway, Papa Murphy's Pizza, and more. The new College Place Library is in Meadowbrook Plaza. College Place High School and John Sager Middle School are nearby. Commercially-zoned land is available for sale behind Meadowbrook Plaza and across the street from College Place High School on College Avenue.



Data Points

Statistic	10 Minute Drive Time	30 Minute Drive Time	45 Minute Drive Time
2023 Population	39,448	68,385	77,701
2028 Population	39,872	68,779	78,017
2023 Daytime Population	41,972	67,745	76,292
2023 Median Household Income	\$58,983	\$62,139	\$62,720
2028 Median Household Income	\$68,944	\$74,093	\$74,968
2023 Median Home Value	\$309,490	\$308,346	\$304,156
2028 Median Home Value	\$440,914	\$431,184	\$415,960
2023 Median Age	39.4	38.8	39.5
2028 Median Age	40.5	39.7	40.3

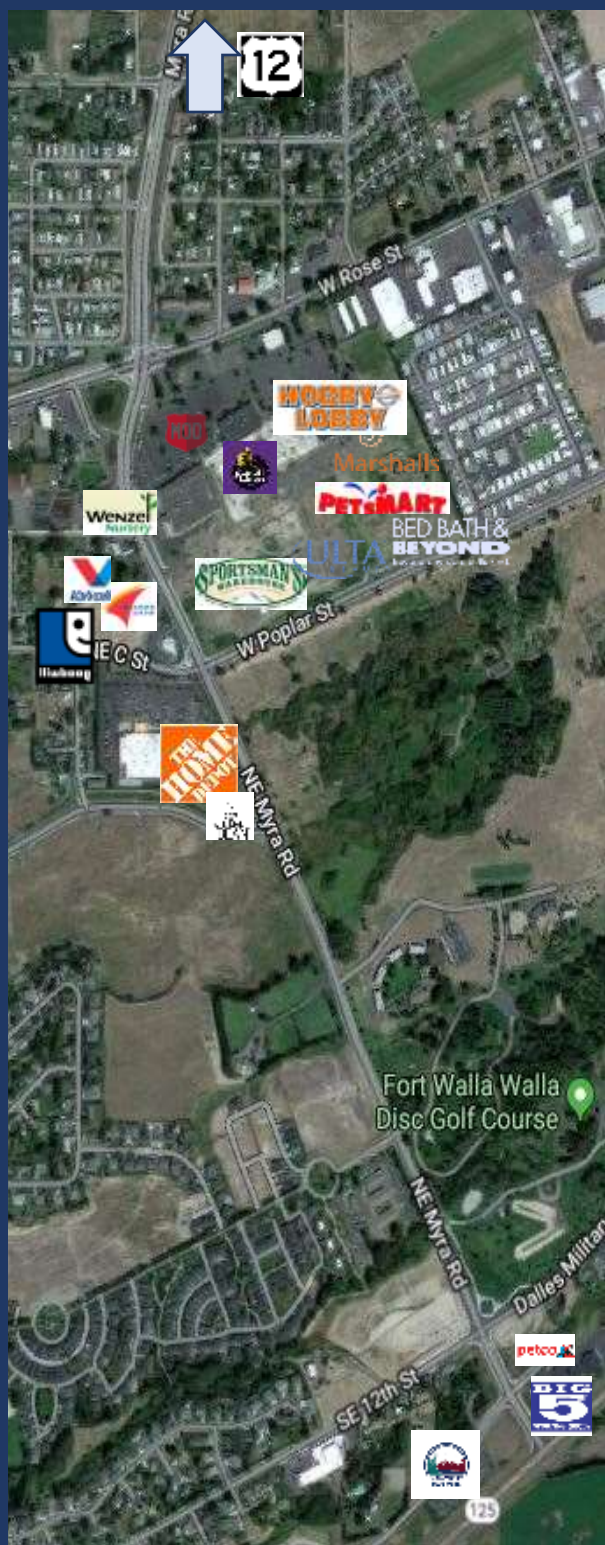
Consumer Spending (45 Minute Drive Time)

Type	2023 Spending
Apparel and Services	\$53,341,534
Computers & Electronics	\$6,197,042
Entertainment	\$96,206,821
Food/Groceries	\$170,167,698
Restaurants	\$90,876,278
Furniture	\$20,514,849
Appliances	\$13,424,497
Lawn & Garden	\$17,482,820
Housekeeping Supplies	\$23,625,318
Personal Care Products	\$13,622,344
Gasoline & Convenience Stores	\$64,649,696

Source: ESRI Business Analyst Online, Retail Demand Outlook Profile Reports – January 2024.



Myra Rd Commercial Corridor



Myra Rd is a two mile long Commercial Corridor that connects US Highway 12 with State Route 125. It also acts as the boundary between City of College Place to the west and the City of Walla Walla to the east. Several commercial establishments already call the Myra Rd Corridor home ranging from Home Depot, Banner Bank, and the new Walla Walla Town Center which comprises several retailers such as Hobby Lobby, Marshalls, Ulta, Famous Footwear, and more. Fort Walla Walla Park and Museum is also located along this corridor. Several pieces of land zoned Commercial ranging from one to over thirty acres is available for lease or purchase in the City of College Place along this corridor. Ideal uses for this corridor include big box retail, restaurants, and office space.

Data Points

Statistic	10 Minute Drive Time	30 Minute Drive Time	45 Minute Drive Time
2023 Population	45,664	69,742	75,816
2028 Population	46,120	70,134	76,181
2023 Daytime Population	48,927	68,888	74,176
2023 Median Household Income	\$59,154	\$62,376	\$63,132
2028 Median Household Income	\$70,310	\$74,474	\$75,283
2023 Median Home Value	\$303,917	\$308,632	\$305,336
2028 Median Home Value	\$448,201	\$430,466	\$419,253
2023 Median Age	38.5	38.9	39.5
2028 Median Age	39.6	39.8	40.4

Consumer Spending (45 Minute Drive Time)

Type	2023 Spending
Apparel and Services	\$52,477,818
Computers & Electronics	\$6,092,371
Entertainment	\$94,650,140
Food At Home / Groceries	\$167,433,728
Restaurants	\$89,389,057
Furniture	\$20,181,762
Appliances	\$13,204,930
Lawn & Garden	\$17,214,653
Personal Care	\$13,399,225
Housekeeping Supplies	\$23,246,653
Gasoline & Convenience Stores	\$63,635,723

Source: ESRI Business Analyst Online, Retail Demand Outlook Profile Reports Jan 2024.

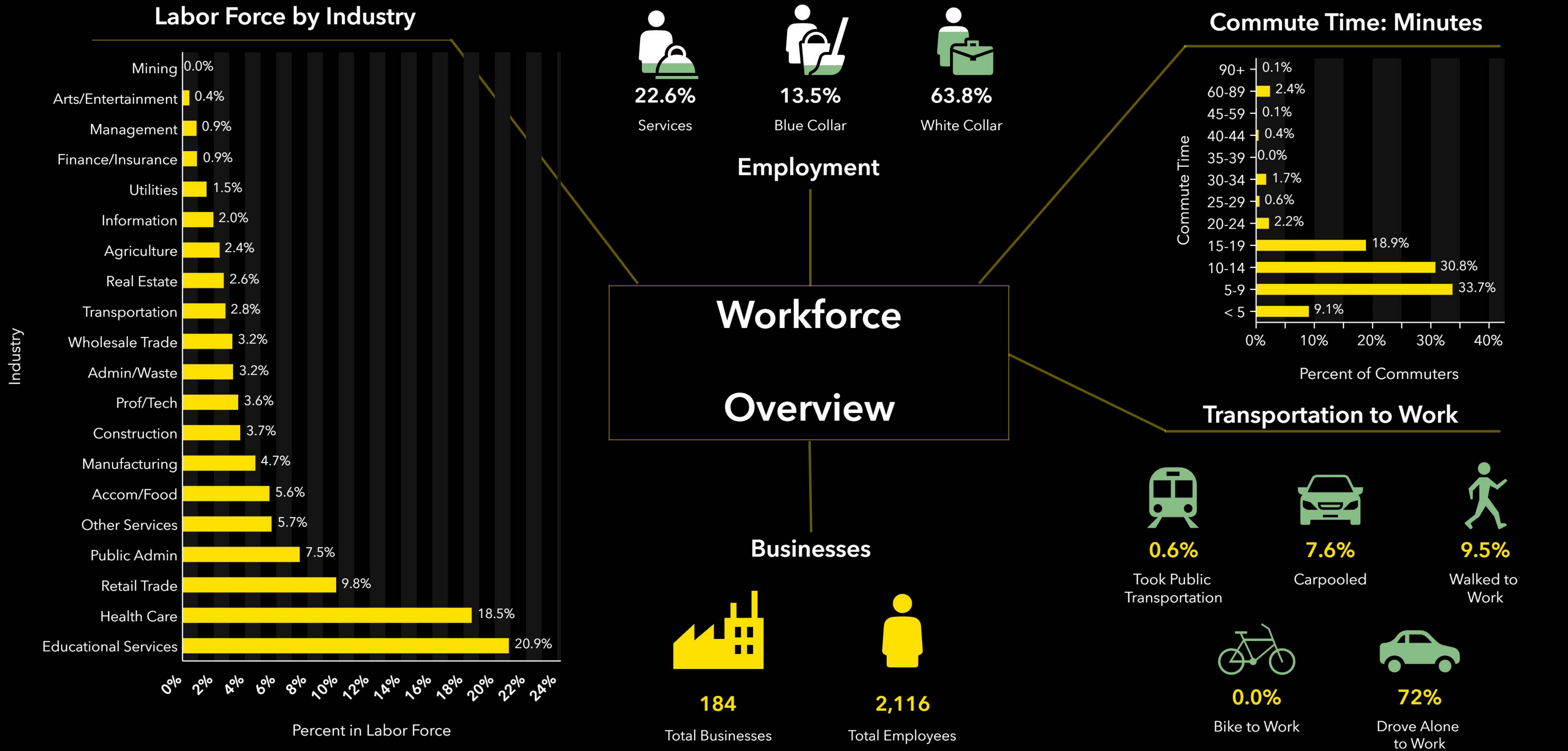
Economic Development Profile

CITY OF COLLEGE PLACE
Area: 3.43 square miles

Prepared by Esri

Economic Development Profile

CITY OF COLLEGE PLACE
Area: 3.43 square miles



Source: This infographic contains data provided by Esri (2023), Esri-Data Axle (2023), ACS (2017-2021), Esri-U.S. BLS (2023), AGS (2023).



We are OPEN for business!!!!

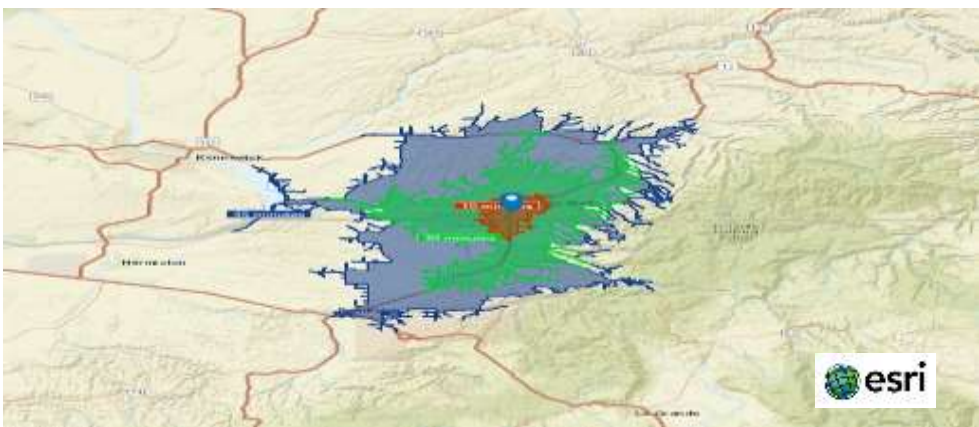
And ready for yours.

Nestled in the picturesque Walla Walla Valley, our stunning blue skies offer more than an ideal climate; they represent the boundless investment opportunities of College Place. College Place offers residents and business direct access to three superb higher education institutions, a quality public and private secondary education system, reliable infrastructure, extensive labor market, efficient transportation systems, and a forward-thinking government that thrives on innovation. College Place offers investors, businesses, and employees the perfect place to live, work, and play. We build upon the foundation of small town character to enhance the quality of life, while providing reliable, innovative, efficient, and courteous service that is second to none.

Demographic Overview

	10 Minute Drive		30 Minute Drive		45 Minute Drive	
	2023	2028	2023	2028	2023	2028
Population	45,664	46,120	69,742	70,134	75,816	76,181
Households	17,961	18,310	26,467	26,851	29,004	29,395
Median Income	\$59,154	\$70,310	\$62,376	\$74,474	\$63,132	\$75,283
Per Capita Income	\$33,846	\$40,177	\$33,763	\$39,943	\$34,502	\$40,719
Median Age	38.5	39.6	38.9	39.8	39.5	40.4

Drive Time Trade Area Map



- ✓ Pro-business attitude
- ✓ Prime location
- ✓ Inexpensive business license and permitting costs
- ✓ Efficient development review process
- ✓ Access to highway, rail, and airports
- ✓ Great quality of life
- ✓ Outstanding public and private K thru 12th grade school systems
- ✓ Three superb higher education institutions
- ✓ Over 85 acres of Infill and greenfield development sites
- ✓ Competitively priced utilities



City of College Place Economic Development

Mike Rizzitiello, City Administrator
 625 S. College Ave, College Place, WA, 99324
 Phone: (509)-394-8506
 Email: mrizzitiello@cpwa.us

Website: www.cpwa.us
www.portwallawalla.com/





We are OPEN for business!!!!

These retailers are
Beautifully positioned
in College Place, Washington!



Based on an analysis of lifestyle characteristics of our households, College Place's consumers match the core customers of concepts such as:



2023 Consumer Spending 45 Minute Drive Time

- Apparel and Services: \$52,477,818
- Electronics: \$6,092,371
- Entertainment & Recreation: \$94,650,140
- Food at Home/Groceries: \$167,433,728
- Restaurants: \$89,389,057
- Furniture: \$20,181,762
- Appliances: \$13,204,930
- Gasoline & Convenience: \$63,635,723



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Housing Market Characteristics

CITY OF COLLEGE PLACE
Area: 3.43 square miles

Prepared by Esri

Housing Market Characteristics

CITY OF COLLEGE PLACE
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\$311,372 ↓
Median Home Value

65% lower than **Washington** which is **\$512,499**



77

Housing Affordability Index



30.7%

Percent of Income for Mortgage

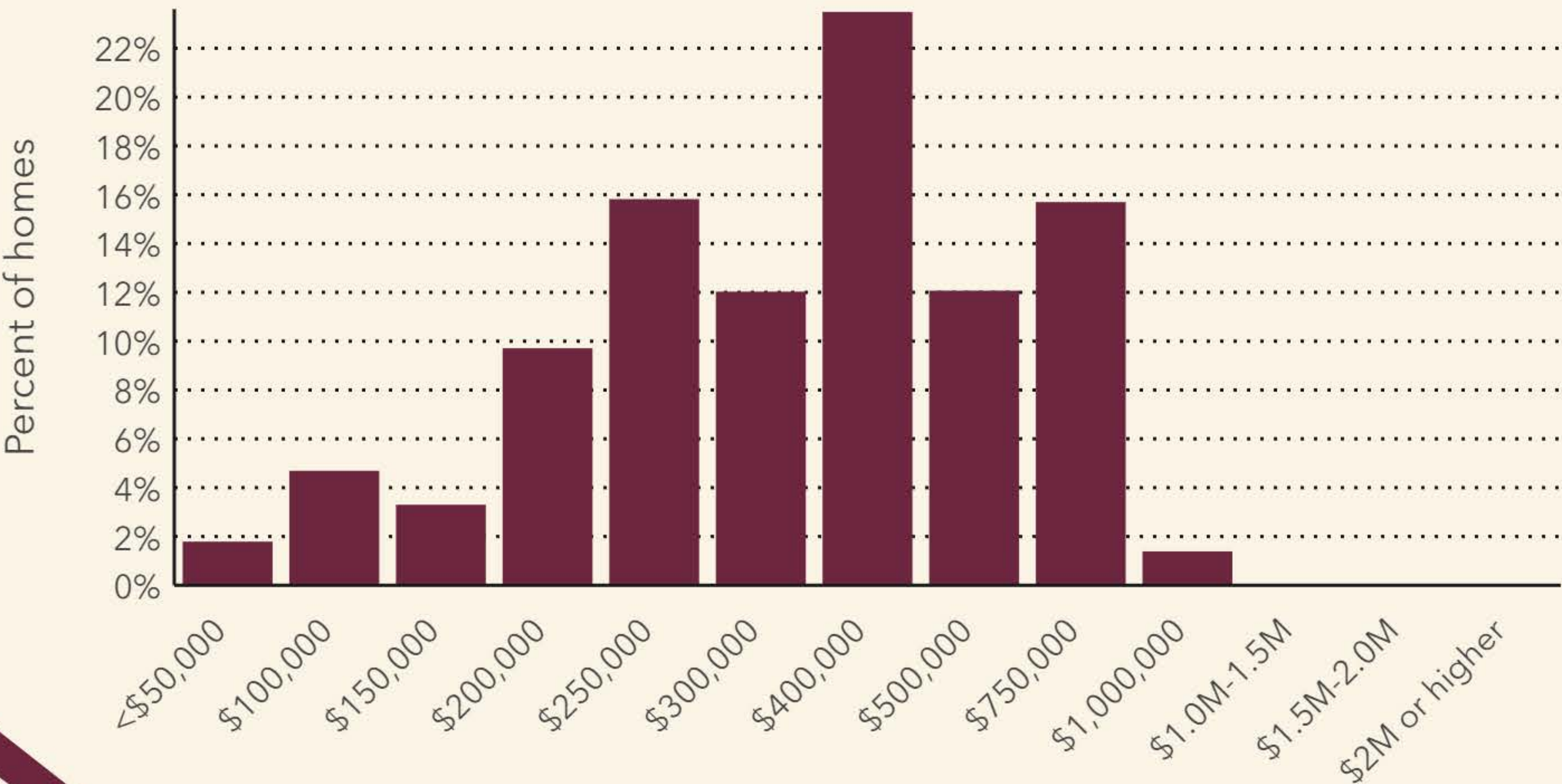


120

Percent of Income for Mortgage (Index)

Age <18 **1,772** Age 18-64 **5,849** Age 65+ **2,189** Total Pop **9,810** Pop Growth **-0.42%** Average HH Size **2.29** Median Net Worth **\$143,201**

Home Value

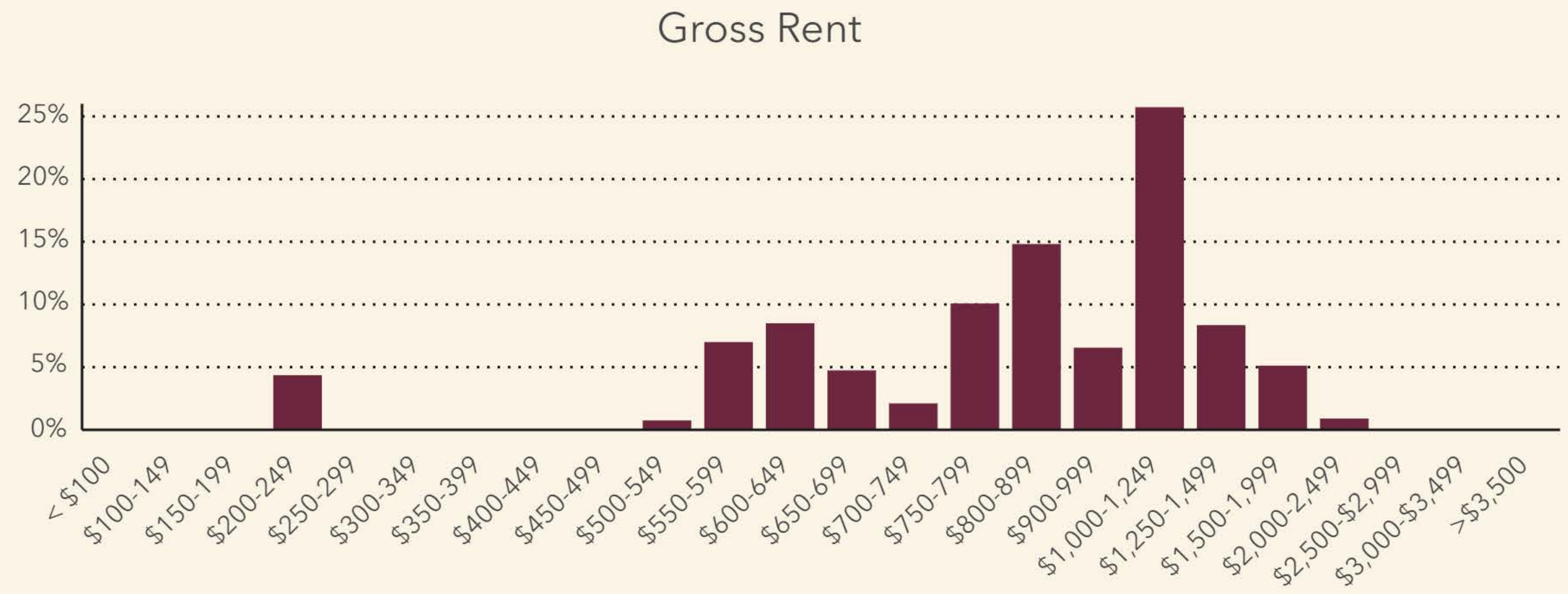
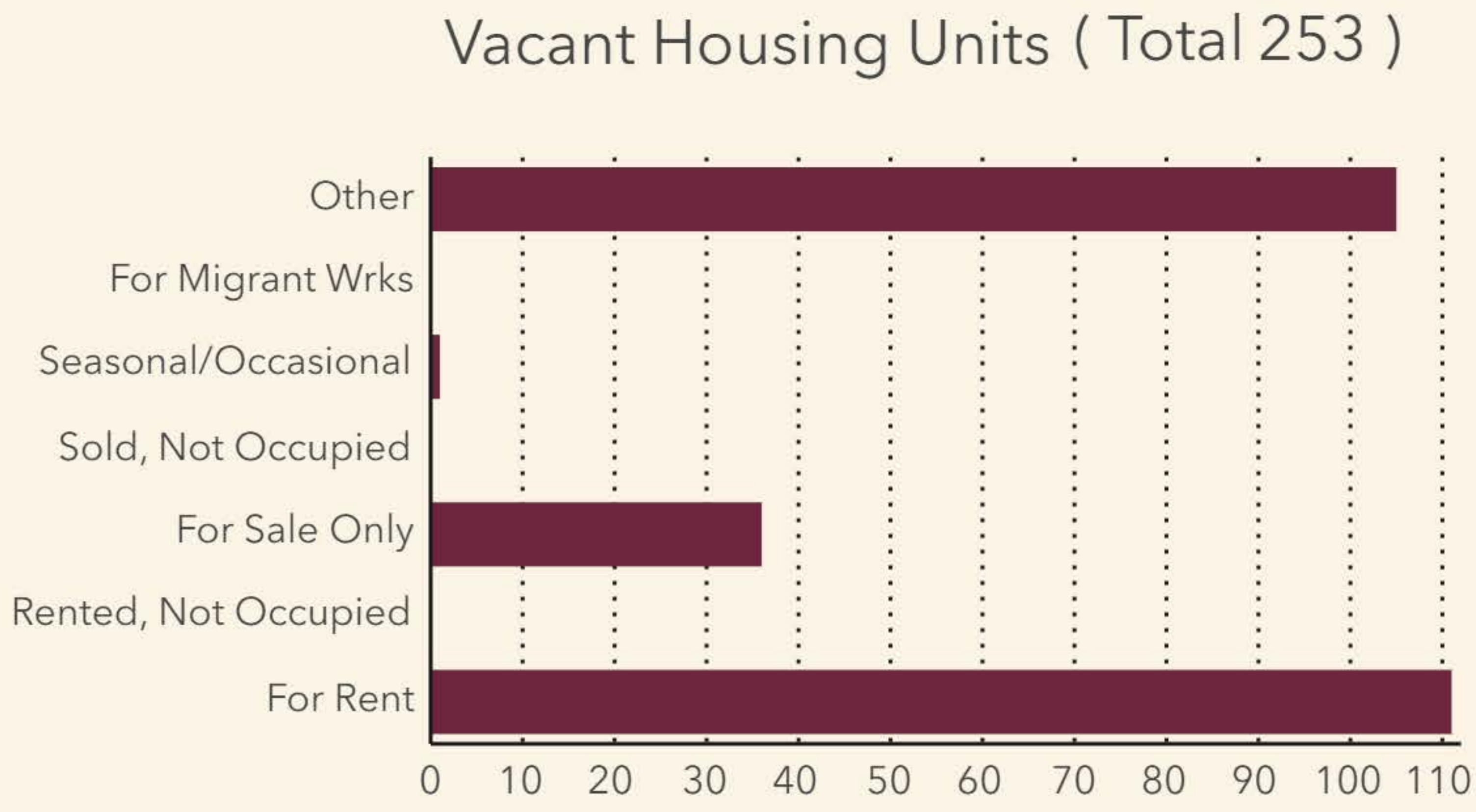
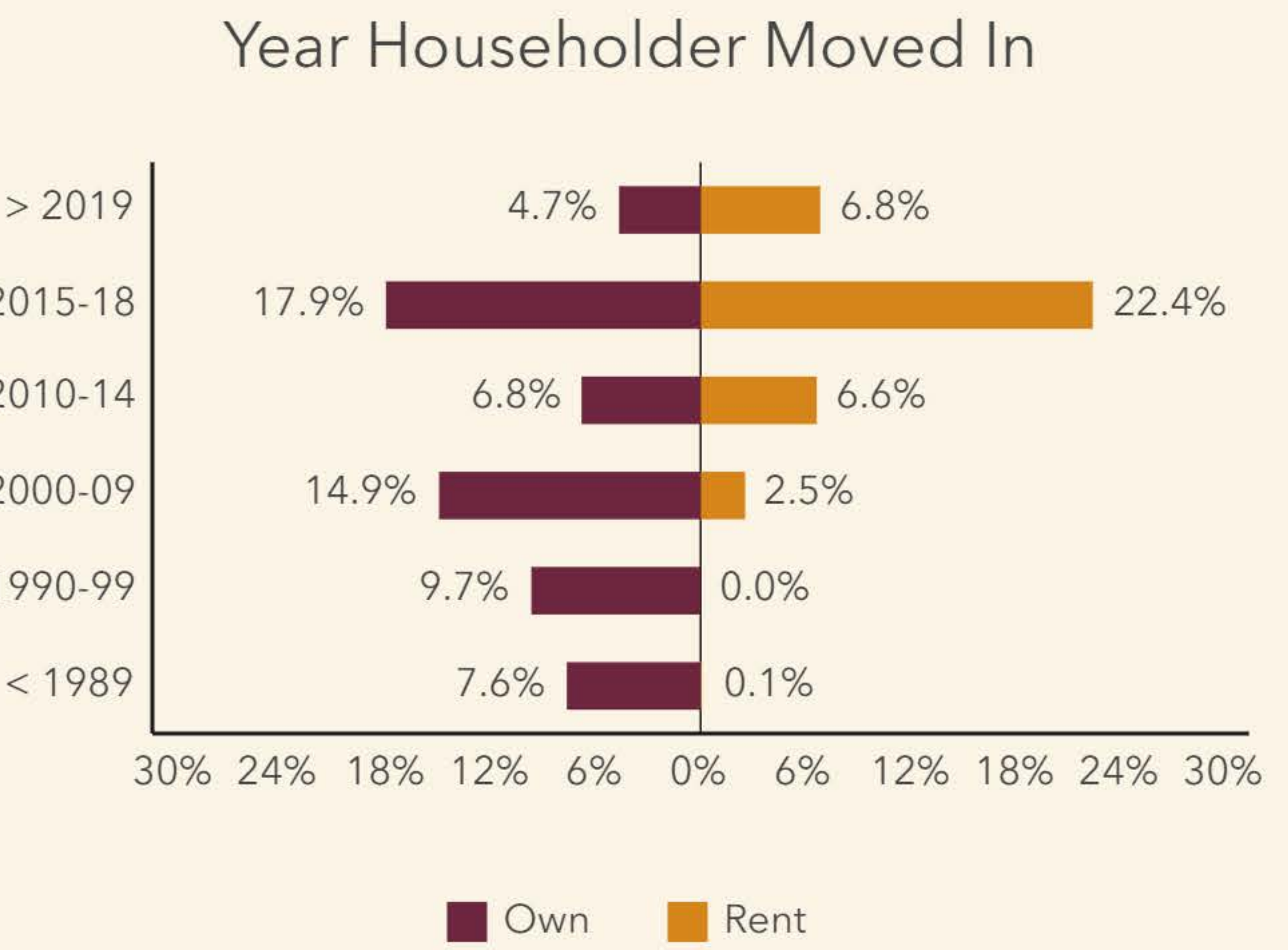
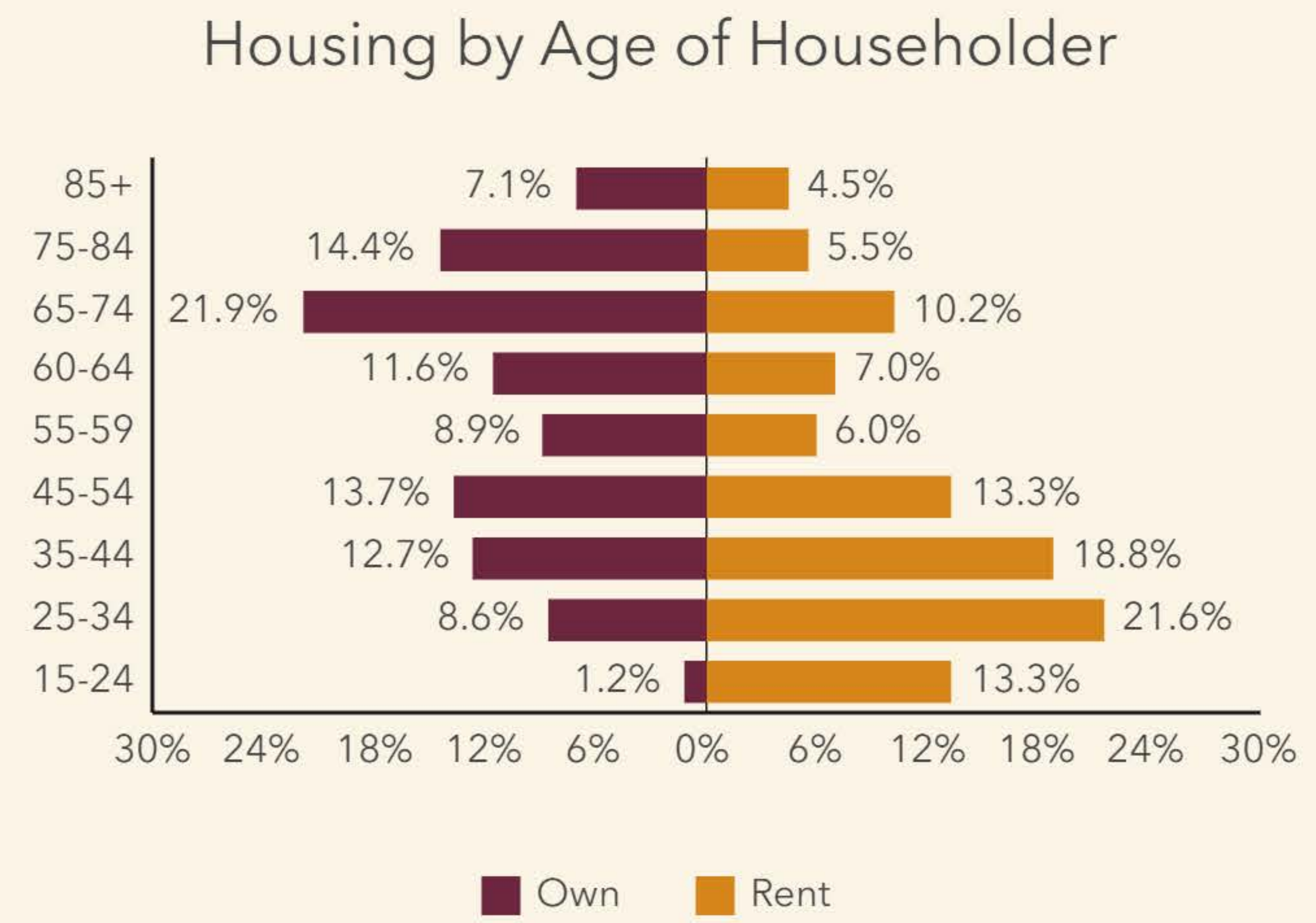
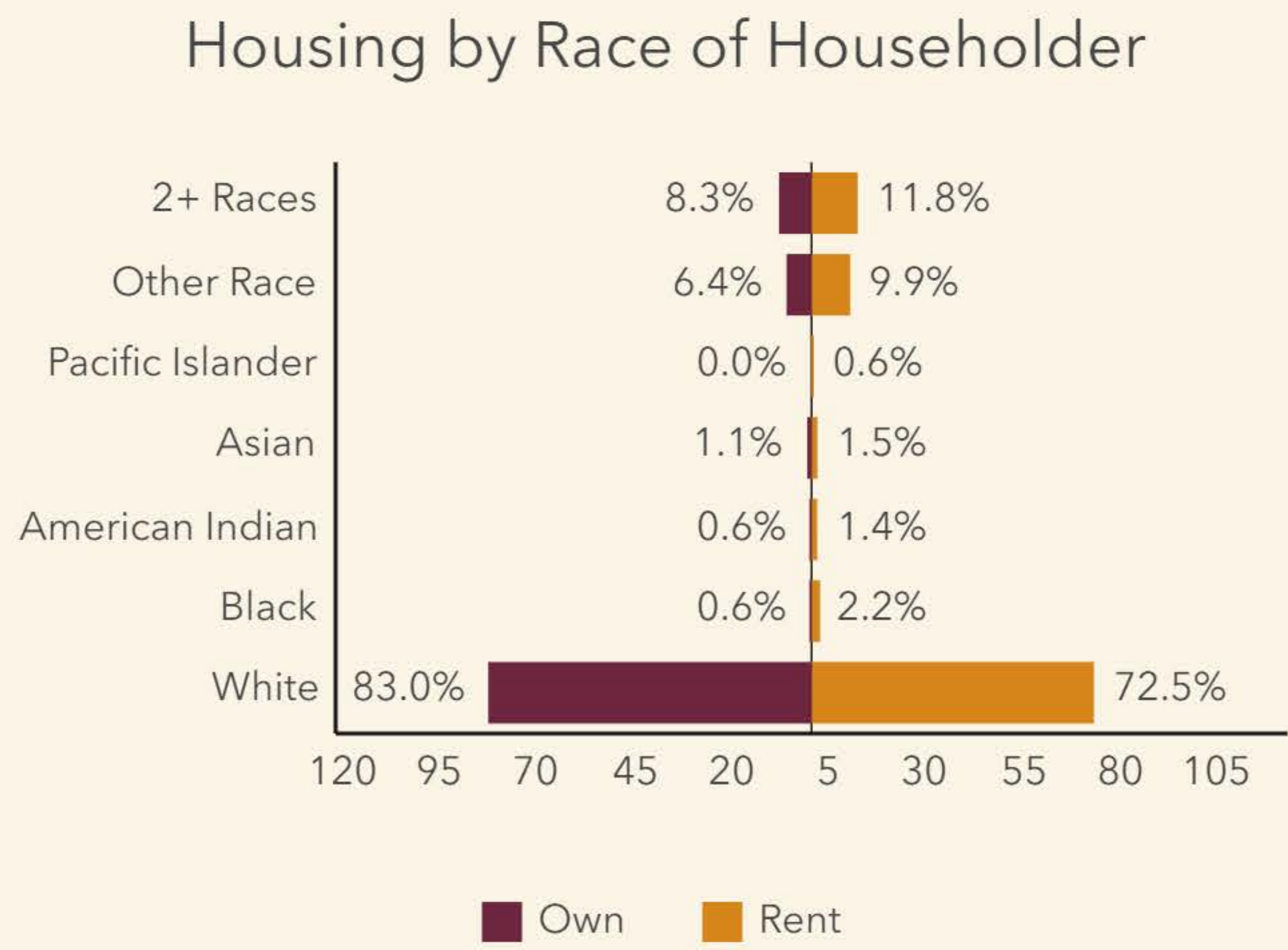
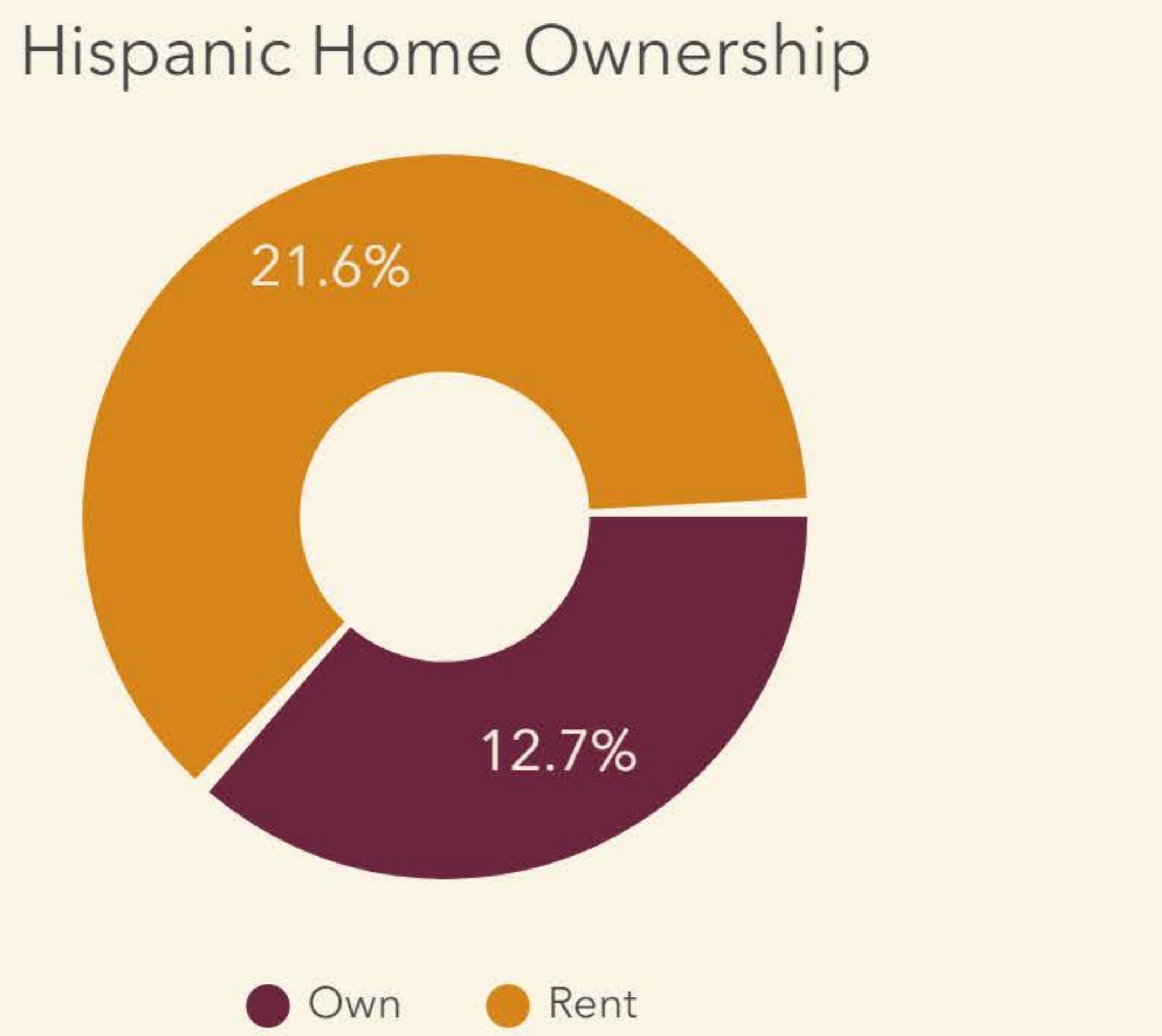
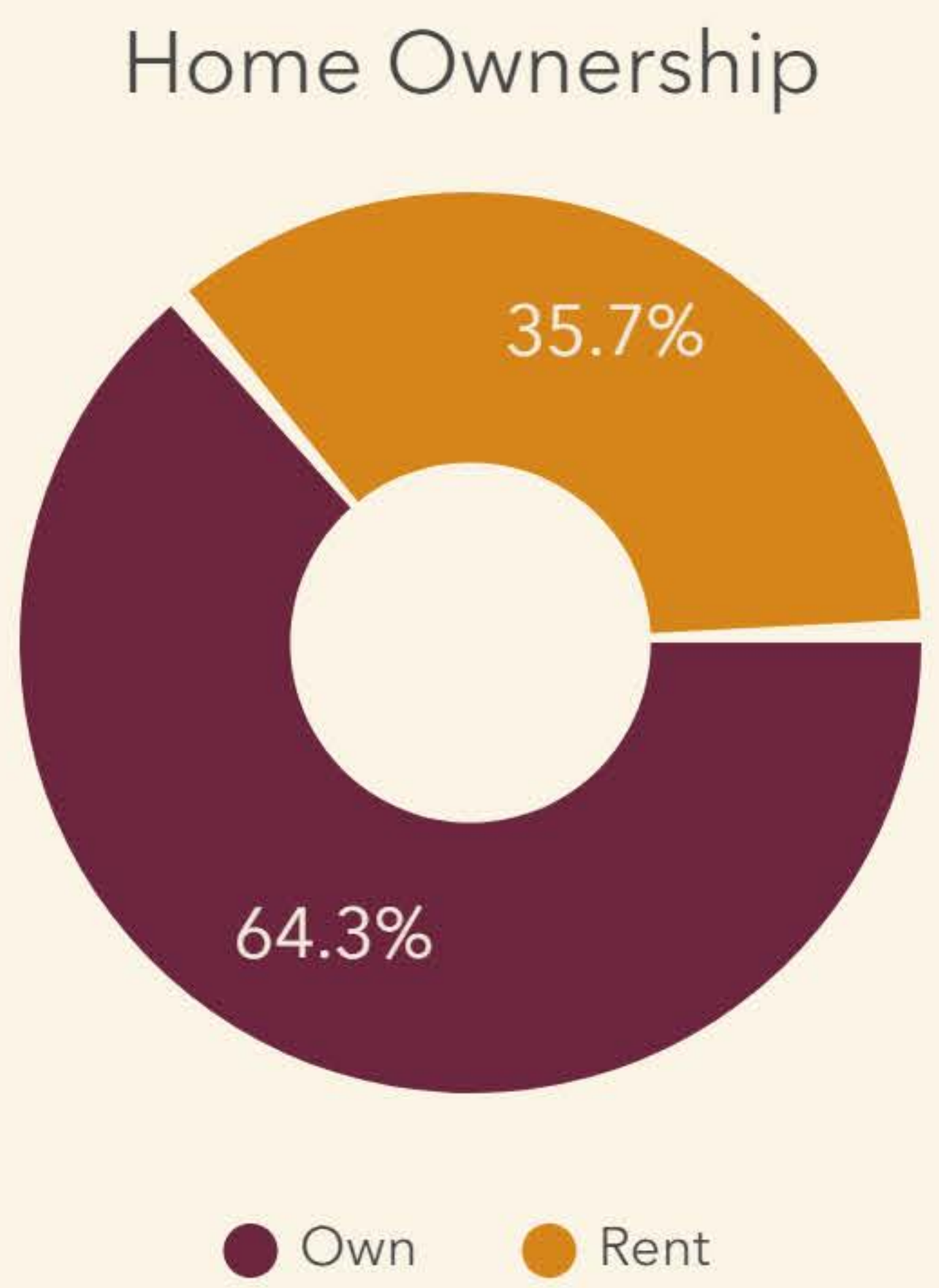
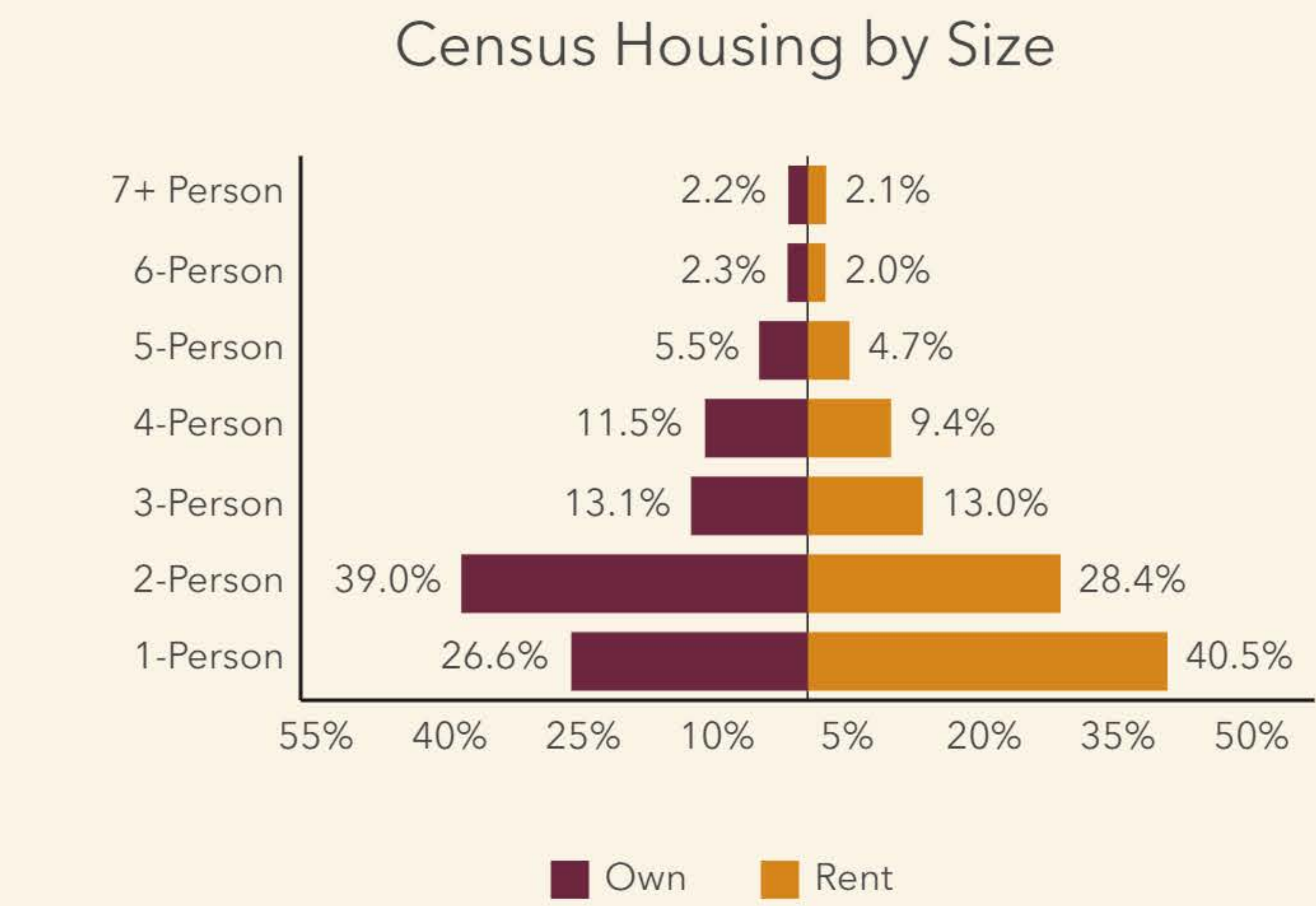


Housing Market Characteristics

CITY OF COLLEGE PLACE

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