

TIF Project Analysis Contents

The following information is provided as a courtesy to assist in the preparation of proposed Tax Increment Financing (TIF) area project analyses prior to submission to the Office of the State Treasurer (OST) for review. Local governments are encouraged to review Chapter 39.114 RCW for complete information.

To reach out to OST with questions, or to submit a project analysis for review, please contact:

Email: tif.review@tre.wa.gov

Main Office: (360) 902-9000

REQUIRED

As described in RCW 39.114.020 (2), in considering whether to designate an increment area, the legislative body of the local government must prepare a project analysis that shall include, but need not be limited to, the following:

- (a) A statement of objectives of the local government for the designated increment area;
- (b) A statement as to the property within the increment area, if any, that the local government may intend to acquire;
- (c) The duration of the increment area;
- (d) Identification of all parcels to be included in the area;
- (e) A description of the expected private development within the increment area, including a comparison of scenarios with the proposed public improvements and without the proposed public improvements;
- (f) A description of the public improvements, estimated public improvement costs, and the estimated amount of bonds or other obligations expected to be issued to finance the public improvement costs and repaid with tax allocation revenues;
- (g) The assessed value of real property listed on the tax roll as certified by the county assessor under RCW 84.52.080 from within the increment area and an estimate of the increment value and tax allocation revenues expected to be generated;
- (h) An estimate of the job creation reasonably expected to result from the public improvements and the private development expected to occur in the increment area; and
- (i) An assessment of any impacts and any necessary mitigation to address the impacts identified on the following:
 - (i) Affordable and low-income housing;
 - (ii) The local business community;
 - (iii) The local school districts; and
 - (iv) The local fire service.

RECOMMENDED

In addition to the project analysis requirements described in RCW 39.114.020 (2), it is recommended that the following information be included in the project analysis to provide OST with the information needed for its review.

1. An estimated timeline for both the projected private development and the planned public improvements
2. Proposed budget for the public improvements, including the available funding sources, expected costs, plan of finance, and revenues available to pay bond debt service in addition to projected tax increment revenues
3. Description of the TIF area taxpayer base, and, if possible, a breakdown by property and/or industry type
4. Information on land ownership and leasing or sale arrangements for property included in the TIF area
5. Detailed assessed value growth and tax increment revenue projections that have been prepared in connection with the project, including a description of the assumptions used and the source of the projections
6. Description of the expected bond structure and related financing assumptions
7. Description of the specific pledge and revenues that will support the debt to be issued
8. Calculations demonstrating compliance with the local government's debt limitations
9. Calculations showing projected debt service coverage for the financing, based on projected tax increment revenues and any other revenues that are expected to be used towards the payment of project debt service
10. Description of potential risk factors for both projected private development and public improvements (e.g., permits, economic conditions, real estate market conditions, construction costs, project completion, environmental issues, etc.)
11. Five years of the most recent audited financial statements and one year of projected financial statements for the local government, identifying the specific revenues that are expected to be used towards supporting debt service payments
12. Name and contact information for members of the financing team