



... the best of the best of the Northwest.

WALLA WALLA CITY COUNCIL  
Work Session Agenda  
July 24, 2023 - 4:00 p.m.

Members of the public are invited to view the live video stream of the electronic meeting from the City's website at <https://www.wallawallawa.gov/government/city-council>, may attend by clicking here: <https://us02web.zoom.us/j/81494121914> or may listen to the meeting by calling 253-215-8782 and entering meeting ID 814 9412 1914#.

Mission: Dedicated to enhancing the quality of life in Walla Walla.

1. CALL TO ORDER
  
2. ACTIVE AGENDA
  - A. **45 Min.** Presentation on Walla Walla Tamba-Sasayama Sister City, 50-year Celebration by Barbara Noel
  
  - B. **60 Min.** Tax Increment Area (TIA) /Tax Increment Financing (TIF) Information Briefing.
  
3. OTHER BUSINESS
  
4. MEETING ENDS

**Values: Service, Integrity, Collaboration, Equity, Leadership, and Community**

**The City of Walla Walla complies with Title VI, ADA, and other applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, religion, veteran status, sexual orientation, gender identity, or sex.**



ar-5051

45 Min.

**City Council - Work Session**

**Meeting Date:** 07/24/2023

**Item Title:** Sister City 50-year Celebration Update

**Submitted For:** Elizabeth Chamberlain, City Manager Office

**Add'l Contributors:**

**Project No:**

**Funding/BARS No.:**

**Financial Comments:**

City supported the proposed plaque at \$4,000.

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**Information**

**HISTORY:**

**CITY MANAGER COMMENTS:**

Approved for work session discussion.

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**Attachments**

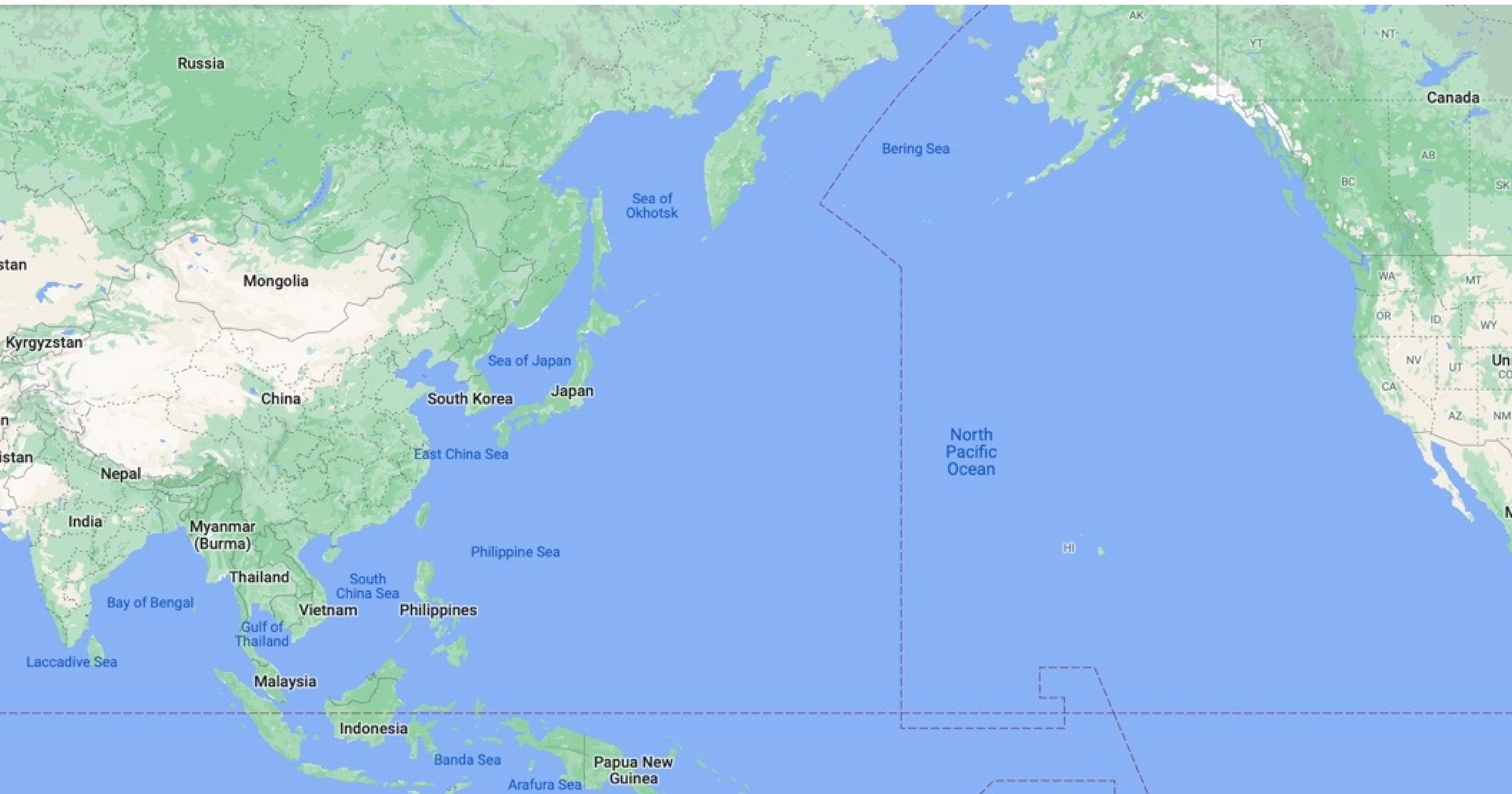
Presentation

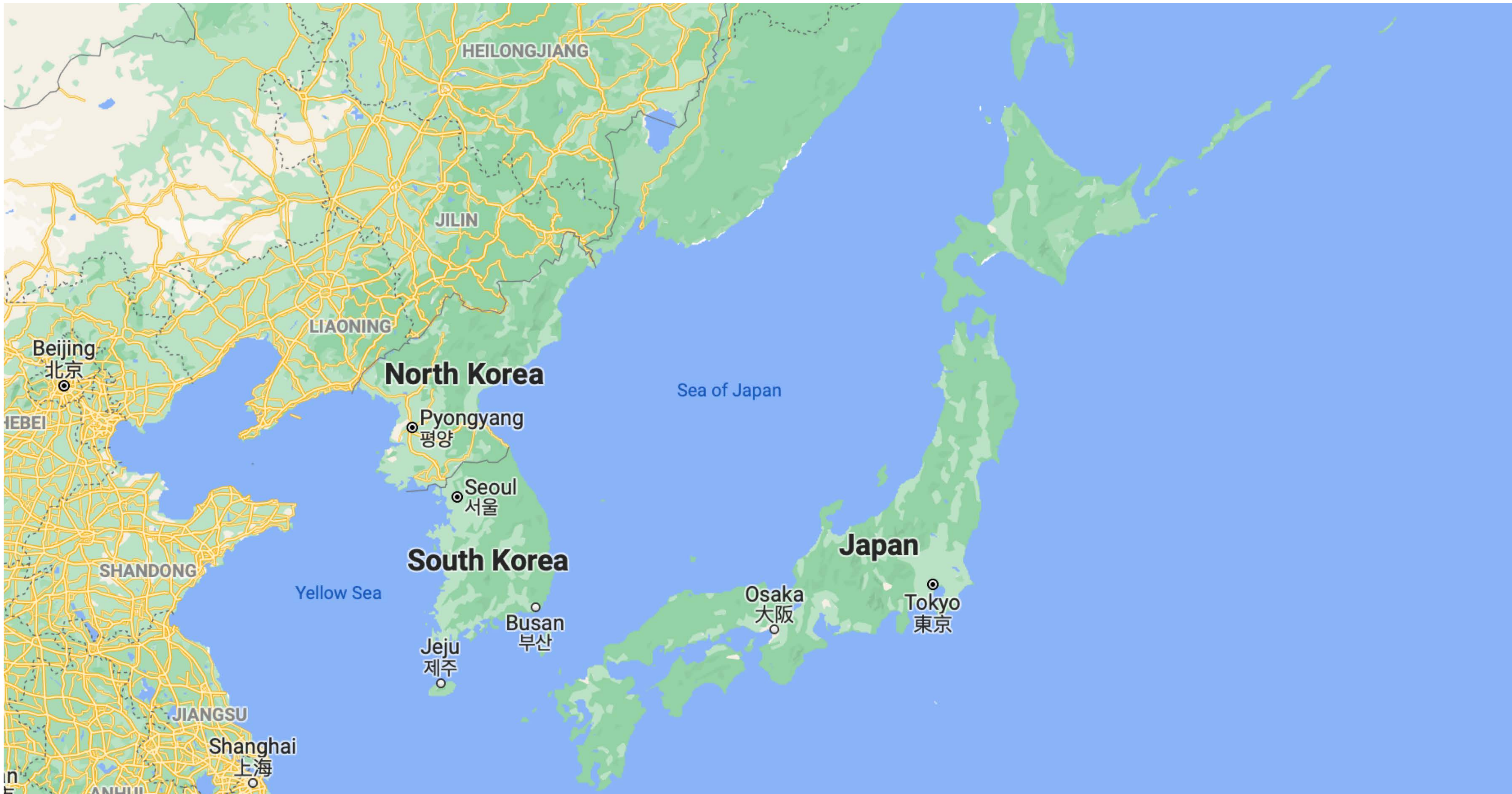
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# **Walla Walla - Tambasayama**

**Sister Cities since 1972**





HEILONGJIANG

JILIN

LIAONING

Beijing

北京

**North Korea**

Sea of Japan

Pyongyang

평양

Seoul

서울

**South Korea**

**Japan**

Yellow Sea

Osaka

大阪

Tokyo

東京

Busan

부산

Jeju

제주

SHANDONG

JIANGSU

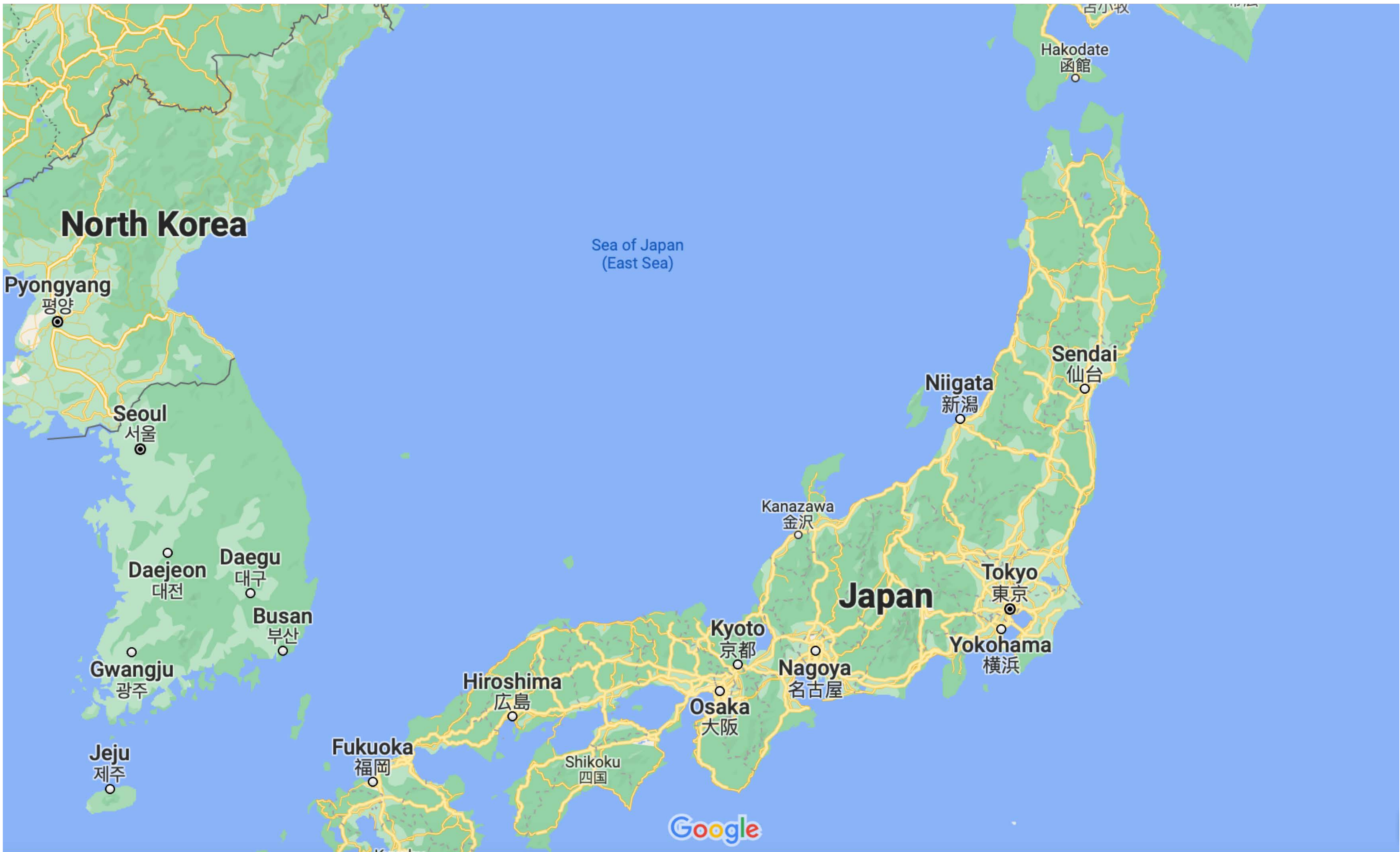
Shanghai

上海

HEBEI

in

ANHUI



**North Korea**

**Pyongyang**  
평양

**Seoul**  
서울

**Daejeon**  
대전

**Daegu**  
대구

**Busan**  
부산

**Gwangju**  
광주

**Jeju**  
제주

**Fukuoka**  
福岡

**Hiroshima**  
広島

**Shikoku**  
四国

**Osaka**  
大阪

**Kyoto**  
京都

**Nagoya**  
名古屋

**Kanazawa**  
金沢

**Japan**

**Yokohama**  
横浜

**Tokyo**  
東京

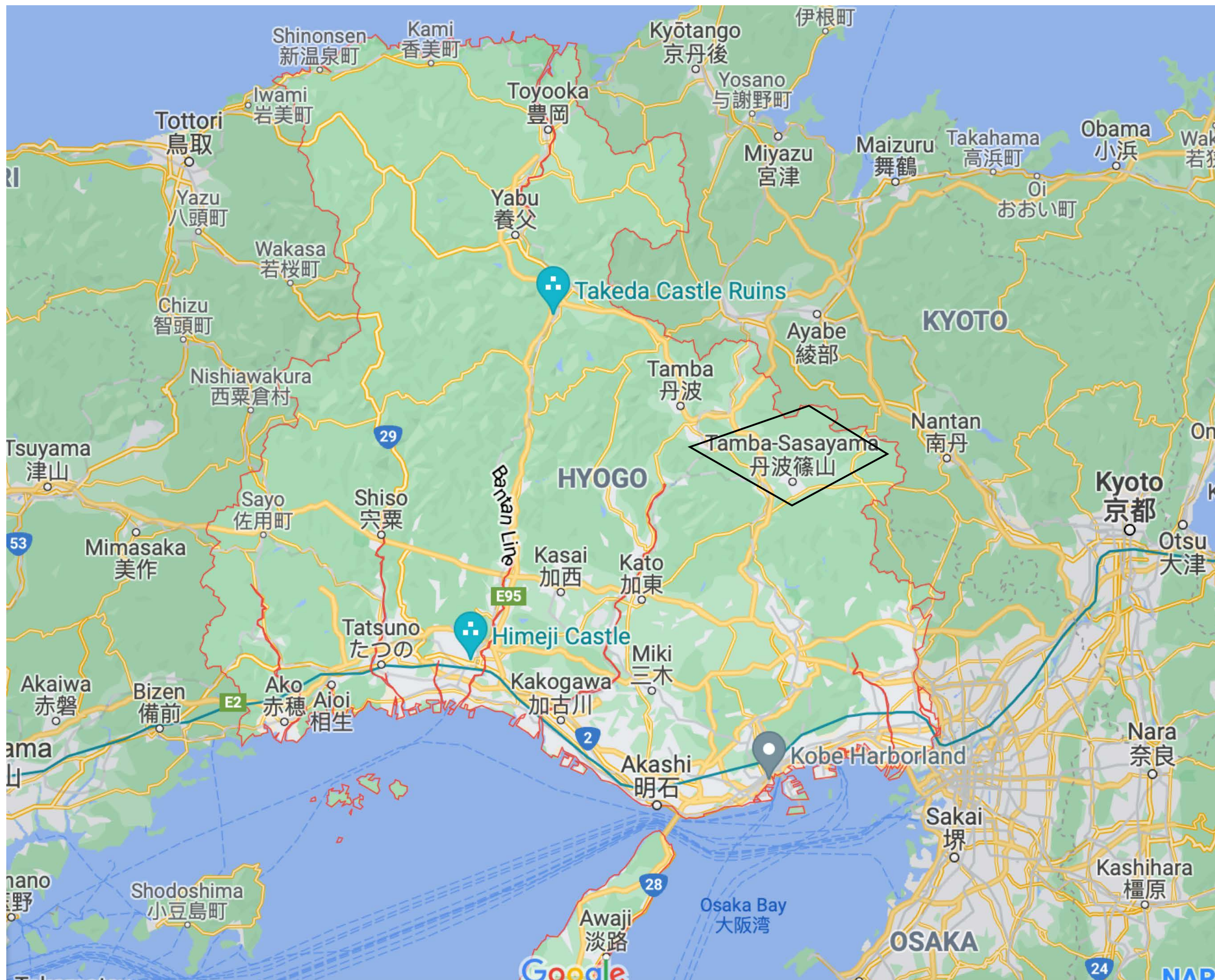
**Niigata**  
新潟

**Sendai**  
仙台

**Hakodate**  
函館

Sea of Japan  
(East Sea)

Google



# Washington State Sister Cities in Japan

- Washington State:
  - Currently has 35 Japanese Sister Cities
  - Has had a Sister State relationship with Hyogo Prefecture since 1963
    - There are 13 Hyogo Prefecture sister cities in Washington
      - Seattle - Kobe 1957
      - Walla Walla - Sasayama 1972
        - Cities introduced by WA State Economic & Trade Commission

# International Sister Cities Program

Dates back to 1956

- Diplomacy between US and Japan (and Germany) was damaged during WWII
- President Eisenhower established program in 1956
  - A way that individual citizens (beyond the State Dept.) could help repair and promote international relations

# Walla Walla - Tambasayama Sister City Affiliation Committee

## Mission Statement:

- To promote:
  - Peace
  - Friendship
  - Goodwill
  - International understanding ..... between our two cities and countries.

# Walla Walla and Tamborasayama

## True Sister Cities

- Similar population size - approx. 32,000 versus 45,000
- Foothills
- No high-rise buildings
- Nationally known for agricultural products
  - Walla Walla Sweet Onions & wine — Edamame (young soybeans), kuromame (older, black soybeans) & wild boar
- Similar in many aspects, but cultures and customs are vastly different
- Sister City Program provides an opportunity to learn about and understand those differences



**Foothills above Tambasayama**

# Student Cultural Exchanges

- Every year (except 2020, 2021, 2022)
- 2 week exchange. Have had 1 year exchanges in past
- Students from 9 - 12th Grade
- 10 students and 2 - 3 chaperones
- Stay with host families
- Tours, school activities, local events
- Walla Walla visits Tambasasayama in early October
- Tambasasayama visits Walla Walla in mid March
- Mini anniversaries every 5 years





**Students learned Zen Meditation from this Buddhist Priest**



**Lifelong friendships are made and lives are changed**



**Students harvesting edamame**



**Street vendor selling edamame**



# Sasayama to Tambahasayama

- Sasayama changed its name to Tambahasayama in 2019
- To increase name brand-recognition for their Tamba black soybeans (kuromame)





**Kuromame (black soybean) products**



**Tambasayama Rotary & Noon Rotary are  
sister Rotary Clubs**

# Tambasayama

Japan Heritage Site

- Traditional downtown buildings
- Traditional wooden thatched houses





**Very old merchant stores/houses**



**Thatched Samurai house.**



**Old house with steel covering the thatch.**

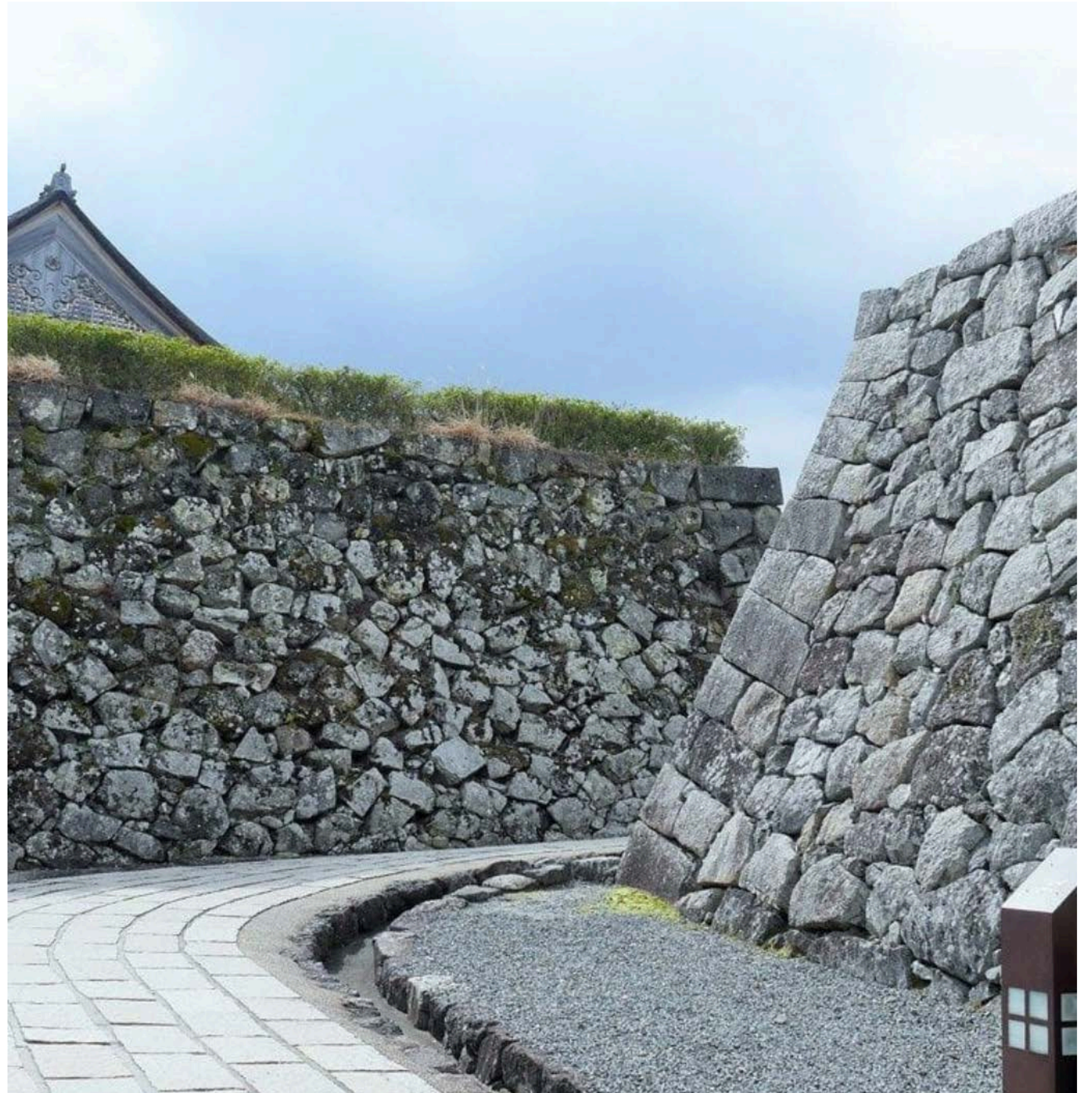
# Sasayama Beginnings

- Sasayama castle was built in 1609
- Built by Tokugawa Ieyasu
- Rated in the top 100 castles in Japan
- Formerly called Tamba no Kuni
- Town grew up around the castle
- Travelers had to pass here when heading to Kyoto (former capital)
  - Capital in Kyoto was later moved to Edo (Tokyo)



# Sasayama Castle

- Built in 1609
- Destroyed by fire in 1944
- Rebuilt in 2000





**Castle moat  
with city buildings  
in background**



**Tambasasayama City Hall on right**

# Sister City Differences

## Tambasayama

Is part of city government

Funded by city

Subsidizes host families & students

## Walla Walla

Not a part of city government

Receives no funds from city

Operates through volunteers & donations

Scholarship program for students in need

# UNESCO

Creative City of Crafts & Folk Art

- 2015
- 800 year history of Tamba-yaki pottery
- Oldest incline kiln in Japan

120 Year Old Tamba-yaki Kiln: The Oldest Climbing Kiln in Japan



# Dekansho Bushi

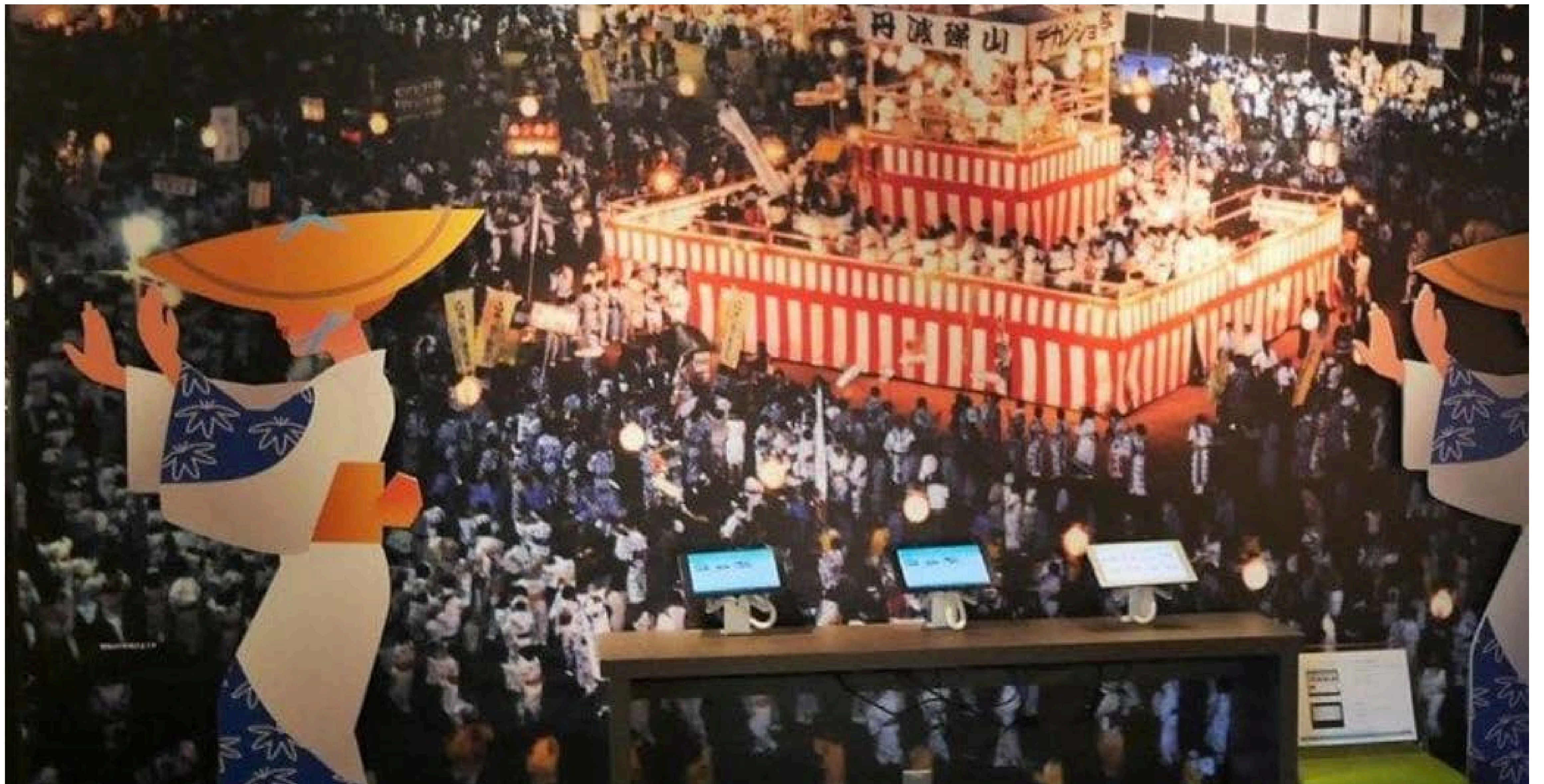
Folk Song and Dance

- One of Tamborasayama's Folk Arts
- Originated there 100+ years ago
- New lyrics added yearly
- Over 300 verses now
- 100,000+ people attend yearly Dekansho Festival in August





**Dekansho dancers at the Dekansho Festival**



**Dekansho Festival**

# Dekansho Bridge

Tambasasayama



# 50th Anniversary of Sister City Alliance

1972 - 2022

テカンシヨ節100年記念



# Dekansho Statues

In front of  
Tambasayama City Hall



# Sister City 50th Anniversary

- New Spokane Street Bridge will become the “Friendship Bridge”
- Will honor heritage of Dekansho in our sister city
- 3’ bronze Dekansho Dancer statue on the middle of each side of the bridge
- One woman and one man dancer
- Informational plaques below



**Dekansho statue will go here.**



**Facing east**



**Friendship Bridge - facing west**



**Dekansho dancers - front view**



**Back view**

# Friendship Bridge

- We have concept support from:
  - City of Walla Walla
  - City of Tamborasayama
  - Walla Walla Arts Commission
  - ArtWalla
  - Walla Walla Downtown Foundation



## 友情の橋

日本国兵庫県丹波篠山市と  
ワシントン州ワラワラ市  
姉妹都市の提携50周年記念。

1972年8月23日～2022年8月23日

この橋が全ての人々と国家間の平和、  
友好、親善を象徴することを願う。



## Friendship Bridge

To commemorate the 50th Anniversary  
of the sister city alliance between  
Tambasayama, Hyogo, Japan and  
Walla Walla, Washington.

August 23, 1972 – August 23, 2022

May this bridge be a symbol of  
peace, friendship and goodwill between  
all peoples and nations.



## 50th Anniversary Celebration

Saturday, September 2

7 P.M.

Speeches

Plaque Unveiling

Dance the **Dekansho**  
on the new  
**Friendship Bridge**

# Walla Walla-Tambasasayama Sister City Affiliation

[www.japansistercity.org](http://www.japansistercity.org)



ar-5048

60 Min.

**City Council - Work Session**

**Meeting Date:** 07/24/2023

**Item Title:** TIA/TIF Information Briefing

**Submitted For:** Robert Francis, Support Services, Administration

**Add'l Contributors:**

**Project No:**

**Funding/BARS No.:**

**Financial Comments:**

The City's consultant will provide a virtual briefing to the Council on the process for establishing a Tax Increment Area (TIA) and the use of Tax Increment Financing (TIF) to fund projects.

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**Information**

**HISTORY:**

In May 2023, the City Council approved the proposal of Tiberius Solutions as a consultant to assist the City in developing a Tax Increment Area (TIA) and the process to use Tax Increment Financing (TIF) to fund various projects in the TIA. TIF allows local governments to finance public infrastructure in targeted areas. The goal of the public investment is to encourage private development and investment leading to increased tax revenue.

The work will consist of developing the project analysis (identify the increment area), identifying the infrastructure improvements, financial analysis, preparation for public hearings/engagement, and submittal to the Washington State Treasurer. The preparation work to implement a TIF is anticipated to run through 2023 with submittal to the Washington State Treasurer early 2024. If approved, the TIF is estimated to be effective June 2024

The City Council had questions on the TIA/TIF process and it was determined to conduct a work session to have Tiberius Solutions present information to the Council and allow the Council to ask questions to get a better understanding of how Tax Increment Financing works and the process to establish a Tax Increment Area.

**POLICY ISSUES:**

Tax Increment Financing (TIF) can be utilized for infrastructure projects such as street and utility projects. In order to utilize TIF, the local jurisdiction must pass an ordinance that designates an increment area, identify the infrastructure improvements to be financed, and state whether or not bonds will be issued. There are several steps and rules local governments must adhere to when establishing an increment area:

- The local government must prepare a project analysis.
- There can be no more than two active increment areas at a time and those increment areas cannot overlap.
- An increment area cannot have an assessed value of more than \$200 million or more than 20% of the total assessed valuation of the jurisdiction creating the area, whichever is less.
- Once an increment area is established, the boundaries cannot be modified.
- The local government cannot use TIF revenue for additional improvements that were not listed in the ordinance creating the increment area.

- The ordinance must include a start date for when the improvement will begin.
- The local government can only receive TIF revenues for the period required to pay the costs of the improvements.
- The increment area must be retired no more than 25 years after the adoption of the ordinance that created the increment area.

**PLAN COMPLIANCE:**

STRATEGIC PLAN: Economic Health Key Focus Area: The City's financial stability through sustainable revenue sources, attracting new businesses and shopping opportunities, and support a strong economy through diverse employment sectors.

COMPREHENSIVE PLAN: Economic Development Goal 2: Walla Walla has high-quality infrastructure to support economic development.

Economic Development Policy 2.1: Provide the infrastructure needed for business and industry to local in Walla Walla, including utilities, transportation connections, and suitable land capacity.

Economic Development Goal 7: Walla Walla has a thriving retail economy with ample shopping opportunities, and local residents choose to shop in the city.

**ALTERNATIVES:**

N/A

**CITY MANAGER COMMENTS:**

Approved for council work session discussion.

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**Attachments**

Presentation

Tiberius Solutions

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# Establishing a Tax Increment Area

City of Walla Walla

7/24/23

# Agenda

- How Tax Increment Financing Works
- Examples from Other Communities
- Proposed City of Walla Walla Increment Area
- Process/Schedule

# **How Tax Increment Financing Works**

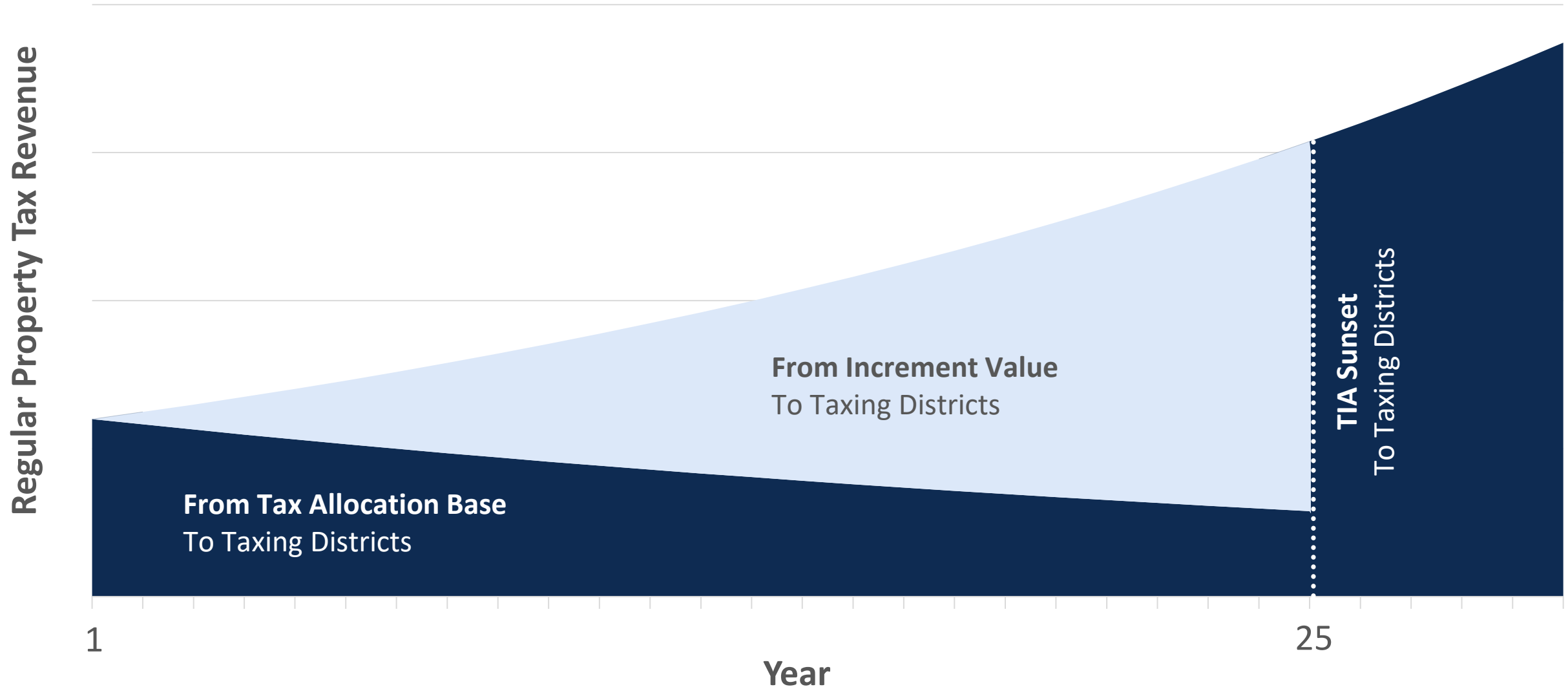
# Legal Framework

- RCW 39.114: HB 1189 enacted in 2021
- Cities, counties, and Ports can establish Tax Increment Areas (TIAs) to fund public improvements that enable private development
- Some property taxes paid in the TIA are collected by the TIA to pay for public projects
- Public projects intended to stimulate additional taxable development and grow the tax base

# Key Terms

- Current taxable assessed value in TIA is “frozen,” and property taxes from the frozen ***tax allocation base value*** are paid to taxing districts
- Increase in assessed value is ***increment value***, and property taxes from the increment value are paid to the TIA (***tax allocation revenues***)

# Illustration of Tax Allocation Revenues



# Eligible Public Improvements

- Capital, Admin, Financing, Maintenance, Security, Feasibility Studies
- Projects can be outside of TIA boundary, if they benefit property inside the TIA
- Other requirements:
  - Must include a description and cost estimate for each project
  - Cannot add projects to the list in the future
  - Must include a deadline for commencement

# Other Restrictions and Limitations

- No more than two TIAs per municipality
- Assessed value of TIA boundaries cannot exceed the lesser of \$200M or 20% of City AV
- TIAs can collect tax allocation revenues for a maximum of 25 years
- Private development must be consistent with applicable zoning

# Examples from Other Communities

# Port of Vancouver



*Image source: Port of Vancouver*

# City of Hood River, Oregon



# Port of Walla Walla



# City of College Place



*Image source: City of College Place*

**Process/Schedule**

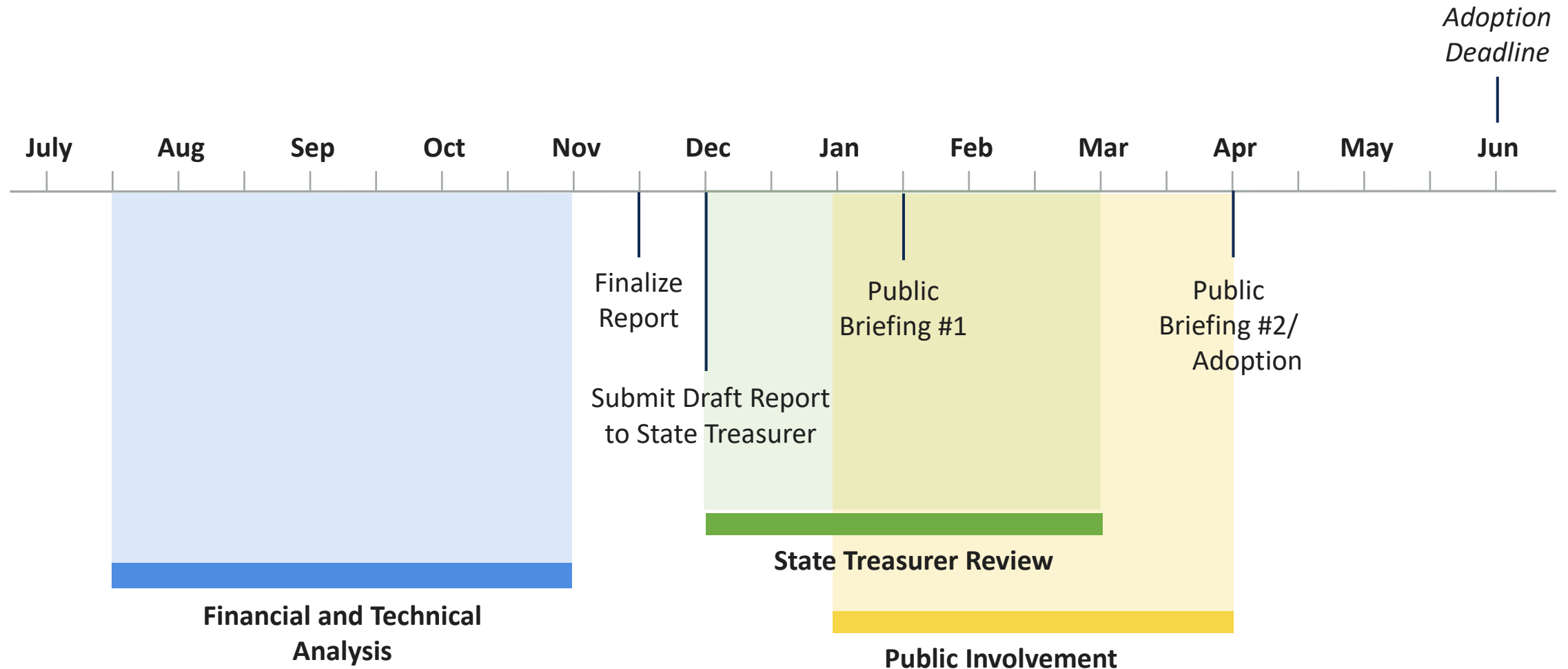
# Adoption Process & Timeline

- City has unilateral authority to establish TIA
- State Treasurer reviews and comments, but has no formal approval
- Impacts other taxing districts, but does not require their approval
- Timing considerations: impact frozen base year, first year of tax revenues, long-term financial capacity

# RCW Requirements

- Required by RCW:
  - Project Analysis Report
  - Review (90 days) and input from State Treasurer
  - Two public briefings
  - Resolution adopted at public hearing
- Recommended:
  - Outreach to impacted tax districts
  - Outreach to key stakeholders
  - Coordination with County Assessor

# Timeline



# **Proposed City of Walla Walla Tax Increment Area**



# Discussion Questions

- Why this boundary?
- What development is envisioned here?
- What are the obstacles preventing development?
- What public improvements will help?

# City of Walla Walla Tax Increment Area

City Council Work Session

May 22, 2023



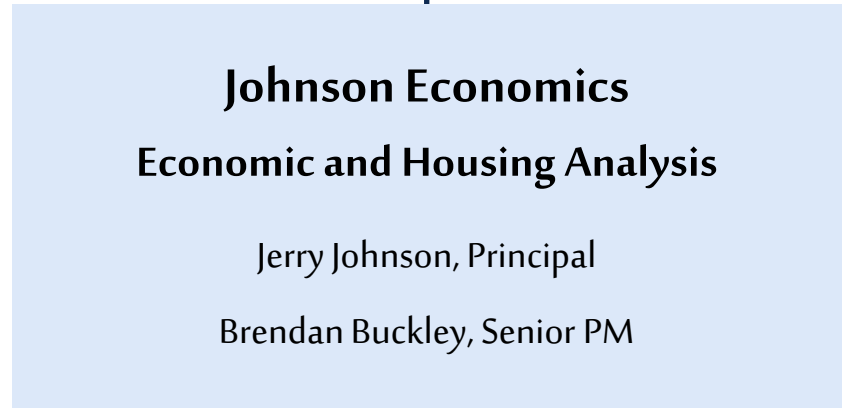
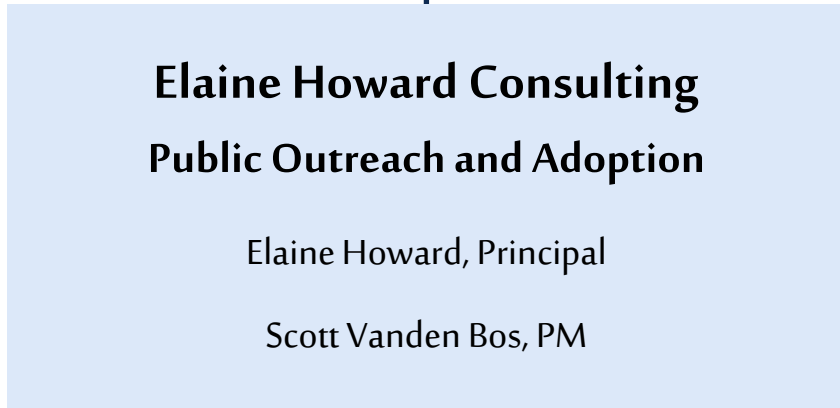
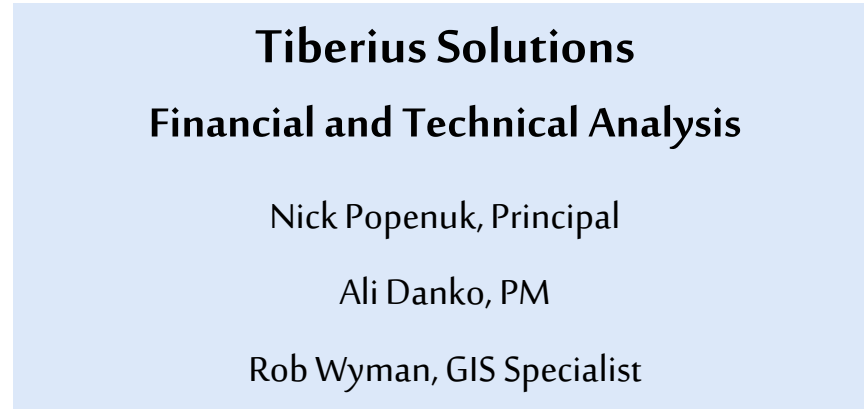
**TIBERIUS  
SOLUTIONS**



**JOHNSON  
ECONOMICS**

**ELAINE HOWARD  
CONSULTING, LLC**

# Meet the Team



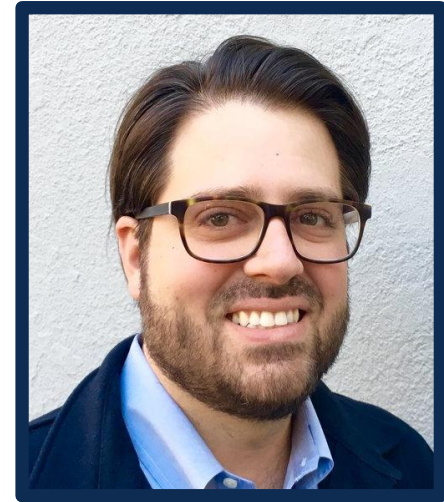
# Tiberius Solutions



**Nick Popenuk**  
Principal



**Ali Danko**  
Project Manager



**Rob Wyman**  
GIS Specialist

[www.tiberiussolutions.com](http://www.tiberiussolutions.com)

[popenuk@tiberiussolutions.com](mailto:popenuk@tiberiussolutions.com)

503-740-0501



**TIBERIUS**  
SOLUTIONS

# Elaine Howard Consulting



**Elaine Howard**

Principal

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# Johnson Economics



**Jerry Johnson**  
Principal



**Brendan Buckley**  
Senior Project Manager

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[jwj@johnsoneconomics.com](mailto:jwj@johnsoneconomics.com)  
503-295-7832



# History of Past Work

- Port of Vancouver
- City of Ridgefield
- Port of Walla Walla
- City of Federal Way
- Port of Everett
- Port of Ridgefield

# Project Approach

- Accurately conduct analysis that is communicated clearly
- Build off recent experience to:
  - Ensure work satisfies rigorous review from the State Treasurer's Office
  - Anticipate and address concerns from the public, affected taxing districts, and other key stakeholders

# Scope of Work

1. Financial and Economic Analysis
2. Project Analysis Report
3. Public Briefings and Other Outreach
4. Adoption of Ordinance

# Task 1: Financial and Economic Analysis

- Determine desired boundary, projects, and known/expected private development
- Forecast future speculative development
- Economic impact analysis (jobs, personal income, and tax revenues generated)
- Financial analysis (levy rates, value of new construction, impacts to taxing districts principal

# Task 2: Project Analysis Report

- Draft Project Analysis Report to include:
  - Summary of technical analysis
  - Purpose/background
  - Goals and objectives
  - Affordable housing impacts
  - Local business community impact
  - Local fire service impact
  - Local school district impact
  - Evaluation of risk factors

# Task 3: Public Briefings and Other Outreach

- Two public briefings (including notices)
- Frequently Asked Questions handout for Council and staff
- Outreach to business community, impacted taxing districts, and other stakeholders
- Dialogue with County Assessor
- Review by the Office of the State Treasurer

# Task 4. Adoption of Ordinance

- Draft ordinance and supporting materials that comply with RCW and address comments from City's legal counsel
- Participate in ordinance hearing
- Prepare draft notices and provide guidance on notice publishing



# Questions?



**TIBERIUS**  
SOLUTIONS

**Nick Popenuk, Tiberius Solutions**

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ECONOMICS

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# How Tax Increment Financing Works

## Chapter 39.114 RCW TAX INCREMENT FINANCING

### Sections

- 39.114.010 Definitions.
- 39.114.020 Designation of increment areas by local governments—  
Project analysis—Fees may be charged to private  
developers—Mitigation plan with fire protection  
districts or regional fire protection service  
authorities—Reimbursement of costs—Ordinance adoption  
requirements.
- 39.114.030 Public improvements.
- 39.114.040 Notice.
- 39.114.050 Apportionment of taxes.
- 39.114.060 General indebtedness—Security.
- 39.114.070 Direct or collateral attacks.
- 39.114.080 Revenue bonds—Issuance.
- 39.114.090 Supplemental nature of chapter.

**RCW 39.114.010 Definitions.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Assessed value of real property" means the valuation of taxable real property as placed on the last completed assessment roll prepared pursuant to Title 84 RCW.

(2) "Increment area" means the geographic area within which regular property tax revenues are to be apportioned to pay public improvement costs, as authorized under this chapter.

(3) "Increment value" means 100 percent of any increase in the true and fair value of real property in an increment area that is placed on the tax rolls after the increment area is created. The

# TIF in Washington

- RCW 39.114: HB 1189 enacted in 2021
- Cities, counties, and Ports can establish Tax Increment Areas (TIAs) to fund public improvements that enable private development
- Some property taxes paid in TIA are collected by the TIA to pay for public projects

# TIF in Washington

- Current taxable assessed value in TIA is “frozen,” and property taxes from the frozen *tax allocation base value* are paid to taxing districts
- Increase in assessed value is *increment value*, and property taxes from the increment value are paid to the TIA (*tax allocation revenues*)
- TIAs can collect tax allocation revenues for a maximum of 25 years

# Required Analysis for TIA Adoption

- TIA Boundary
- List of Public Improvements
- Anticipated Private Development
- Finance Plan
- Economic and Community Impacts

# TIA Boundaries

- No more than two per municipality
- Assessed value: less than 20% or \$200M
- Identify property to be acquired by municipality
- Legal description\*

# Public Improvements

- Description and cost estimate for each
- Cannot add projects to the list in the future
- Capital, Admin, Financing, Maintenance, Security, Feasibility Studies
- Projects can be outside of TIA boundary, if they benefit property inside the TIA

# Anticipated Development

- Description of private development with and without public improvements
- Public improvements result in higher value development, sooner than without the improvements
- Private development consistent with applicable zoning

# Finance Plan

- Effective date
- Duration (no more than 25 years)
- Estimate tax allocation base value
- Estimate of future increment value and tax allocation revenues
- Maximum amount of debt obligations to be financed with tax increment

# Economic and Community Impacts

- Job creation
- Affordable and low-income housing
- Local business community
- Local school districts
- Local fire service