

Unlocking the City Financing Toolbox

For City Leaders

June 25, 2025
Association of
Washington Cities

Stacey Lewis
Toby Tobler
Pacifica Law Group LLP

1

Unlocking the City Financing Toolbox for City Leaders

The Toolbox

Landscape

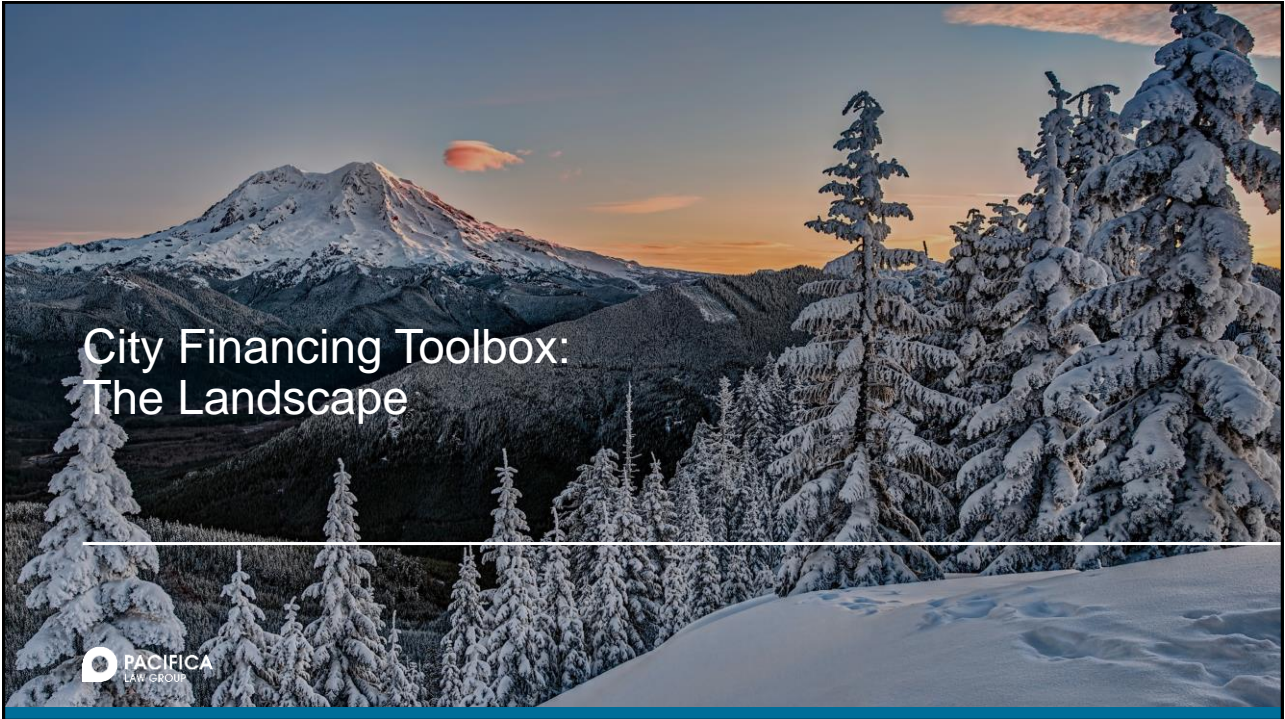
Revenues

- Property taxes
 - Regular levies; levy lid lifts
 - Special purpose levies
 - Tax increment financing
- Sales and other excise taxes
- Fees, assessments and other non-tax revenues
- Special districts

Considerations

Right tool, right place

2



City Financing Toolbox: The Landscape



3

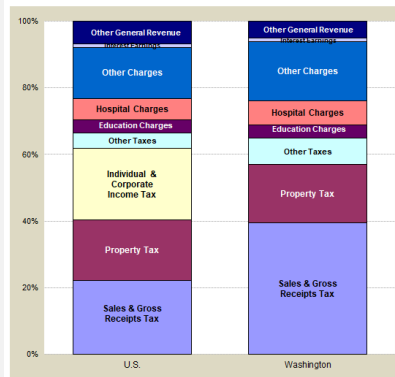
OFM Profile

State & local government revenue sources

Washington state & local government revenue sources, Fiscal Year 2022

(\$ millions)

Fiscal Year 2022



Source	Amount
Sales & Gross Receipts Tax	\$35,181
Property Tax	\$15,530
Individual & Corporate Income Tax	\$0
Other Taxes	\$7,023
Education Charges	\$3,583
Hospital Charges	\$6,469
Other Charges	\$15,779
Interest Earnings	\$891
Other General Revenue	\$4,523
Total	\$88,979

- Washington is slightly more dependent on charges for services than the U.S. average.
- Washington is one of a few states without personal or corporate income taxes.
- Washington depends more heavily on excise taxes, including the general sales & use tax, selective sales taxes, and the gross receipts tax (business & occupation tax) than most any other state.
- Washington is the only state with a general gross receipts tax - the Business & Occupation Tax.

Data source:

- [U.S. Census Bureau: State and Local Government Finances](#)

E-mail: OFM.Forecasting@ofm.wa.gov



4

Longer term trends in Washington local government revenue sources

Washington local governments rely more and more on excise taxes, user charges, special purpose levies and special districts, as property tax revenues have been constrained by the 101% limitation.

- Property taxes as declining share of local government budgets
- As levy rates decline, the constitutional 1% limit and the statutory \$5.90 limits are less relevant.
 - More “room” under these limits on levy rates has allowed the Legislature to add new junior taxing districts, and new “special” regular property taxes that are outside the \$5.90 statutory limit. Legislature also has added new special sales taxes.
- →increased reliance on excise taxes and user charges
- →increased reliance on special purpose taxes and special districts
- **Today’s toolbox has fewer broad purpose revenue tools and more specialized tools**
 - *Implications for City leaders?*

Right tool, right place

Three legged stool or three buckets

- Property taxes
- Excise taxes
- Assessments, user fees and other non-tax revenues

Understanding pros and cons

- Availability (councilmanic v. voted, for example)
- Broad purposes = flexible
- Specific purposes = less flexible but may have closer alignment of benefit and burden
- Performance over time, performance in different economic conditions
 - Volatility
 - Growth potential
- Diversification or concentration

Same tools, different work spaces

Differences in tax reliance

Although the general trend is towards increased reliance on excise taxes, Washington cities differ in terms of dependence on sales versus property tax revenues.

- https://public.tableau.com/profile/mrsc#!/vizhome/SalesandPropertyTaxDependence_0/Dashboard1
 - MRSC mapping tool showing each city's relative reliance on sales or property taxes
 - Significant variation from city to city



Same tools, different work spaces

MRSC Resources

Examples:

Sammamish
pop. 61,250
Property Tax: \$22,927,954
Sales Tax: \$4,200,799

Lacey
pop. 47,540
Property Tax: \$1,449,952
Sales Tax: \$9,406,468

Seattle
pop. 686,800
Property Tax: \$253,645,687
Sales Tax: \$200,596,110

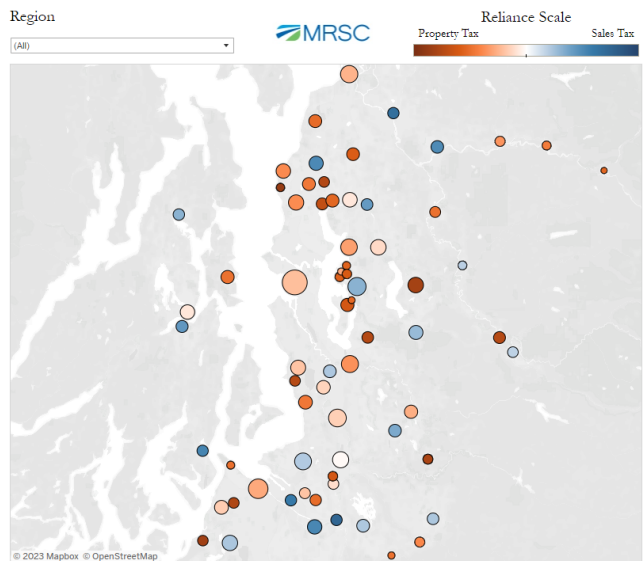
MRSC mapping, from 2015 OFM data



Tax Reliance of Washington Cities

The two main sources of revenue for Washington cities comes from sales tax and property tax. The color of each city indicates the extent to which the city is reliant on one or the other of these two taxes for their overall tax revenue. Note, this map does not take into account other sources of revenue, such as shared revenue allocations, utility taxes, etc.

Data for this map uses the 2015 information from the Office of Financial Management (OFM).



Performance over time

Regular property taxes are subject to a 101% limitation on total amount that significantly caps growth over time, but provides insulation from real estate cycle.

- **Effect of legal limitations in a downturn**

- Sudden decline in assessed valuations does not translate into reduced property tax revenues

- Unless a county or city is already near or at its statutory rate per thousand

- **Effect of legal limitations during a recovery**

- Limited ability to translate increased property values into increased property tax revenues

- Except for bumps for new construction, and exceptions to the 101% (such as TIF)

- **Bottom line: very slow but steady growth**

Sales and other excise taxes rise and fall freely with economic cycle.

- **Bottom line: boom and bust, volatility depends on the volatility of the underlying taxable transaction (general sales v. real estate sales v. lodging, for example)**

Assessments, user charges



9

9

Same tools, different work spaces

Different jurisdictions' experiences with a downturn and recovery

The experience of Washington counties and cities during the Great Recession varied from jurisdiction to jurisdiction, depending on among other things how dependent a jurisdiction was on sales versus property tax revenues.

- **Depending on the level of reliance on sales v. property tax revenues, cities and counties had differing experiences.**

- Sales tax-dependent jurisdictions experienced sharper decline but more robust recovery

- Property tax-dependent jurisdictions experienced more stability but capped/slow recovery

- **Sales taxes for specific purposes follow sales tax trend line but with concentrated impacts within certain sectors.**

- Lodging taxes, for example

- **User charges; depends on the underlying transaction**



10

10

Assessments, User Fees and Other Nontax Revenues

Fee for service revenues; user charges. Revenues generated through the provision of services or other goods (or “bads”). Revenue tied to service or “good” provided, or burden or “bad” mitigated.

- Commodity charges, such as water, electric, and other utility rates and charges
- Burden offset charges, including impact fees
- Regulatory fees, such as permit fees
- Assessments



11

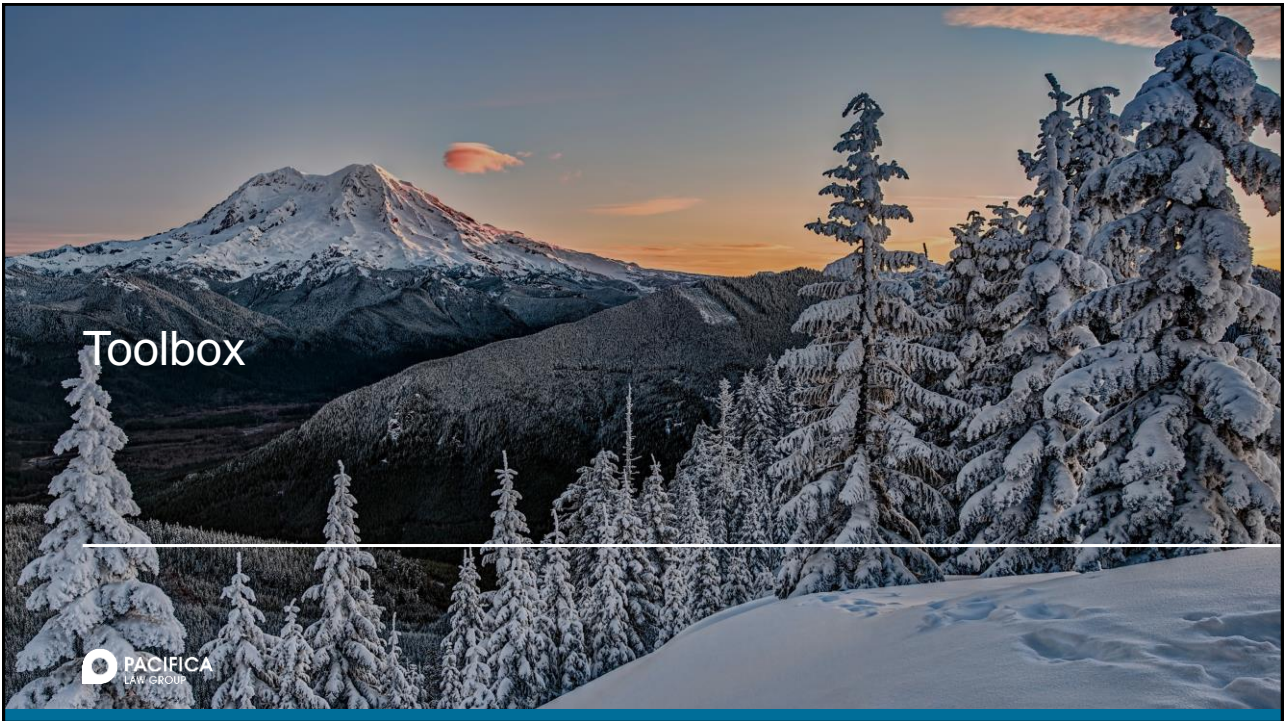
Building resilient revenues

Components of a diverse set of revenue options. In considering a new revenue source, consider its interaction with other sources in various economic times.

- Evaluating new revenue tools
- Considerations
 - Availability
 - Flexibility
 - Benefit/burden alignment
 - Revenue-producing potential
 - Sustainability/stability of the revenue, including any limits on term
 - Taxpayer impact; progressive v. regressive
 - Other considerations
- Interaction with existing revenues (e.g. diversification or concentration)
- Practical impact of a toolbox with limited tools; the need to make do



12



13

Revenue Tools

Considerations. Washington cities are authorized to impose a number of voted and nonvoted revenue sources. Taxes require express statutory authority, and so state law framework largely dictates tools in the revenue tool box.

- Statutory framework
- Councilmanic
- Voter approved
 - Project suited to voter approval?
 - Prioritizing voter “asks,” preserving capacity
 - Thinking through the timeline of asks
- Permitted purposes
- Other pros and cons

14

Regular Property Taxes; Levy Lid Lifts

Regular property taxes

- Subject to constitutional and statutory limits, including 101% limit
- Flexible use for City purposes
- Exceed 101% limit with a levy lid lift, to restore levy up to maximum statutory rate per thousand
 - Simple majority voter approval
 - Single year v. multi-year (up to 6 multiyear bumps)
 - Temporary v. permanent
 - Limited purpose or any purpose
 - If purpose is payment of debt service then limited to no more than 9 years (25 in Thurston County)
- Exemptions for qualifying seniors and persons with disabilities under RCW 84.36.381
- *Flexible, resilient, but growth cap may require periodic levy lid lifts*



15

15

Special Purpose Property Taxes: Affordable Housing Levy

Voter Approved Regular Property Tax Levy (RCW 84.52.105)

- Up to \$0.50 per \$1,000 of AV in each year for 10 consecutive years
- Revenue may be used to finance affordable housing
 - Statute amended in 2020: to finance affordable housing for very low-income households, [and affordable homeownership, owner-occupied home repair, and foreclosure prevention programs for low-income households,](#)
- Requirements
 - Simple majority voter approval
 - City must adopt an affordable housing finance plan
 - Subject to \$10 constitutional limit and 101% levy lid, but not \$5.90 statutory limit.
 - Counties have similar authority, and combined city/county levy rate may not exceed the allowable \$0.50 per \$1,000 of AV
- *Narrow, statutorily dictated purpose; resilient, but growth cap may require periodic levy lid lifts; compare to limited purpose levy lid lift*



16

16

Special Purpose Property Taxes: EMS Levy

Voter Approved Regular Property Tax Levy (RCW 84.52.069)

- Up to \$0.50 per \$1,000 of AV
- May be imposed for six years, 10 years or permanently
- Revenue may be used to provide emergency medical care or emergency medical services
 - Including related personnel costs, training for such personnel, and related equipment, supplies, vehicles and structures needed for the provision of emergency medical care or emergency medical services
- Requirements
 - For permanent EMS levies, and for the initial imposition of a six or 10 year levy, the ballot measure generally must be approved by supermajority vote, plus validated
 - Subsequent approvals of six or 10 year levy require majority voter approval, no validation
 - Considerations for overlapping taxing districts imposing the same levy
 - Subject to \$10 constitutional limit and 101% levy lid, but not \$5.90 statutory limit.
- *Narrow, statutorily dictated purpose; resilient, but growth cap may require periodic levy lid lifts; compare to limited purpose levy lid lift*



17

17

Voted Property Taxes: Excess Levy (Operations and Maintenance)

Voter Approved Excess Property Tax Levy (RCW 84.52.052, .054)

- Excess levy, no levy rate limit
- May be imposed for one year
- Can be imposed for any lawful governmental purpose; must be stated in ballot measure
 - Best used for temporary funding gaps (with exception for some jurisdictions that have used one year O&M levies for general operations)
- Excess levy – not subject to \$5.90 or \$10 constitutional property tax limit
- Requirements
 - Requires supermajority (60%) voter approval, plus validation requirements
- *Broad purpose; temporary*



18

18

Voted Property Taxes: Excess Levy (Bonds for Capital Projects)

Voter Approved Excess Property Tax Levy

- Excess levy, no levy rate limit
- Used to pay debt service on unlimited tax general obligation (“UTGO”) bonds
- Can only be issued for capital projects, not the replacement of equipment
- Voters approve the UTGO bonds to finance certain specified projects described in the ballot measure, and the accompanying excess property tax revenue stream to repay the bonds
- Levy set at rate to pay debt service
 - Levy ceases once UTGO bonds are no longer outstanding
- Consumes UTGO debt capacity
 - While levy rate is not limited, the amount of UTGO bonds that can be issued is subject to statutory and constitutional debt capacity limitations
 - 2.5% of AV in the year that the bonds are issued for cities
- Specific purpose (capital project); high voter approval hurdle; compare to/combine with levy lid lift



19

19

TIF: Capturing Increased Property Value

- Tax increment financing, or “TIF,” is a traditional public financing method that has been used in countries, including the United States, for almost 70 years.
- TIF is a “**value capture**” approach to financing public improvements
 - TIF bonds are issued to finance public improvements →
 - The bonds are paid from increased property taxes (the **captured value**) in the TIF area → generated by rising property value resulting from public improvements.
 - Cycle interrupted by 101% limitation; new statute exempts TIF from 101% limit



20

20

The TIF Act

The TIF Act allows counties, cities and port districts (or any combination of the three) to form increment areas, and allocates regular property taxes of overlapping local taxing districts generated by increased property tax values within the increment area to the sponsoring entity to finance public improvement costs.

Public improvements eligible for TIF financing include **street and sidewalk improvements, utility improvements, parking, terminal, and dock facilities, park and ride facilities or other transit facilities, park and community facilities and recreational areas, brownfield mitigation.**

Other eligible costs include energy efficiency projects, affordable housing, childcare facilities, maintenance and security, and historic preservation costs.

*2024 update: Added funding for mitigation to impacted taxing districts as allowed in RCW 39.114.020.



Sponsoring Jurisdictions

- Any sponsoring jurisdiction will receive property taxes on the **increment value** within the TIA.
- Once the TIA has been formed, the county treasurer is directed to distribute receipts from regular property taxes imposed on real property located in the increment area.
 - Tax allocation base value -- to each taxing district.
 - Increment value – to the sponsoring jurisdiction.
 - Amount derived from the regular property taxes levied by *or for* each taxing district upon the “increment value” (the increase in property values in the increment area after formation of the increment area)
 - Used to pay or repay costs directly associated with the public improvements
 - Sponsoring jurisdiction may agree to receive less than the full amount as long as bond debt service, reserve, and other bond covenant requirements are satisfied, in which case the balance of the additional tax receipts are to be allocated to the taxing districts that imposed regular property taxes



Forming an Increment Areas

- The TIF Act includes limitations on the formation of increment areas.
 - A sponsoring jurisdiction is able to create **only two**, non-overlapping increment areas
 - The increment area (or both areas if there are two) may not have an assessed valuation of more than **\$200 million** or more than 20 percent of the sponsoring jurisdiction's total assessed valuation.
 - The increment areas are subject to a **25 year sunset date**.



23

Procedural Steps

- The sponsoring jurisdiction must satisfy a number of procedural requirements:
 - Make specific findings regarding the private investment expected to be generated by the public improvements (complete "but for" analysis)
 - Complete an analysis that includes an assessment of impacts to affordable and low-income housing as well as the local business community, school district and fire service, public hospital service, emergency medical service and junior taxing districts.
 - If the increment area will impact at least 20 percent of the AV in a public hospital district, fire protection district or regional fire protection service authority or the public hospital district or fire service agency's annual report (or capital facilities plan) demonstrates an increased level of service directly related to the increased development in the increment area, must enter into negotiations for a mitigation plan (subject to arbitration)
 - Provide notice to other taxing districts*
 - Submit project analysis to OST for 90-day review; consider OST feedback and suggestions
 - Hold at least two public briefings and publish notice of the increment area, detailing the public improvements and boundaries of the increment area*
 - Deliver certified copy of the adopted ordinance to the county treasurer, assessor, and overlapping jurisdictions within 10 days of the date the ordinance was adopted*



* changed in 2023 and 2024 legislation

24

Recent Developments

- Legislative fixes adopted in 2023 and 2024 sessions
 - 2023 legislation defined real property subject to the TIA mechanism to include privately owned improvements located on publicly owned land.
 - 2024 legislation provided additional procedures regarding mitigation of impacts to junior taxing districts
- A number of jurisdictions have formed TIAs
 - See analysis for each on OST website
 - <https://tre.wa.gov/financing-and-debt/other-programs/tax-increment-financing>
 - MRSC has posted sample formation ordinances from Kirkland, Pasco, Wenatchee
 - <https://mrsc.org/explore-topics/finance/revenues/tax-increment-financing>

OST Completed Reviews	
Sponsor	Date
City of Sequim	May 1, 2025
Douglas County	March 24, 2025
Port of Woodland	January 22, 2025
Port of Douglas County	November 7, 2024
City of Moses Lake	May 6, 2024
Port of Moses Lake	April 15, 2024
City of Walla Walla	April 3, 2024
Port of Ridgefield	March 15, 2024
City of Lakewood	March 12, 2024
Port of Everett	February 21, 2024
City of Arlington	January 5, 2024
Port of Walla Walla	November 3, 2023
City of Federal Way	October 12, 2023
City of Ridgefield	August 24, 2023
Port of Grays Harbor	May 30, 2023
City of Blaine	May 16, 2023
City of College Place	April 28, 2023
City of Chelan	April 25, 2023
City of Kirkland	March 27, 2023
City of Wenatchee	January 31, 2023
City of Pasco	September 23, 2022
Port of Vancouver	May 27, 2022
Port of Pasco	December 1, 2021



Considerations

- The TIF Act represents the Legislature's effort to authorize as close to a traditional TIF value-capture public financing method as is permitted under the Washington State Constitution.
 - The TIF Act authorizes increment areas that are limited in size and amount to serve, in effect, as a TIF pilot program.
- Washington's budget-based property tax system already is complex as a result of the various limitations on both total dollar amount and levy rate.
 - *Allows increase above 101% to pay for public infrastructure; broad base, relatively broad capital purposes.*
 - *Affects included overlapping taxing districts*
 - Understand impacts on your general fund as well as on other jurisdictions
 - Understand impacts on taxpayers



Sales Taxes

Basic sales and use taxes for general purposes (RCW 82.14.030)

- First half cent (0.5%)
- Second half cent (0.5%)

Special purpose sales and use taxes

- Affordable housing sales tax credit (RCW 82.14.540)
 - SHB 1406 (effective 2019)
- Housing and related services sales tax (RCW 82.14.530)
 - Since 2020 voter approval is optional; now councilmanic option
- Other special purpose sales and use taxes, examples
 - Voted 0.1% cultural access sales tax (RCW 82.14.525, Chapter 36.160)
 - Voted 0.1% public safety sales tax (RCW 82.14.450)
 - New: 0.1% sales tax to fund criminal justice (HB 2015, 2025 Session)

Real Estate Excise Taxes

REET 1 (RCW 82.46.010(2))

- 0.25% excise tax on each sale of real property
- To finance capital projects specified in a capital facilities plan element of a comprehensive plan

REET 2 (RCW 82.46.035(2))

- Additional 0.25% excise tax on each sale of real property
- To finance capital projects specified in a capital facilities plan element of a comprehensive plan

Lodging Taxes (Chap. 67.28 RCW)

- Sale of or charge made for the furnishing of lodging that is subject to tax under chapter 82.08 RCW
- Revenue to be used solely for the purpose of paying all or any part of the cost of ... acquisition of tourism-related facilities, or operation of tourism-related facilities.
 - "Tourism-related facility" means real or tangible personal property with a usable life of three or more years...that is: owned by a public entity; ...used to support tourism, performing arts, or to accommodate tourist activities
 - Note: specific uses in King County dictated by statute
 - Applications (including City application) for lodging tax funding must be submitted to City's lodging tax advisory committee



29

Other Common Excise Taxes

B&O (gross receipts) taxes (e.g. RCW 35.21.710)

- Imposed on the conduct of business in the City
- Use for City purposes

Utility taxes (e.g. RCW 35.21.870)

- Imposed on conduct of utility business in the City
- Use for City purposes
- 6% cap for electric, gas, steam, and telephone services without voter approval



30

Impact Fees (Chap. 82.02 RCW)

- One-time charges on new development to finance “system improvements.”
- "System improvements" = public facilities included in the capital facilities plan element of a comprehensive land use plan adopted under the GMA
 - Must not exceed a proportionate share of the costs of system improvements that are reasonably related to the new development;
 - Must reasonably benefit the new development
 - Designed to provide service to community at large
- May be used for:
 - Public streets and roads
 - Publicly owned parks, open space, and recreation facilities
 - School facilities
 - Fire protection facilities



31

Local Improvement Districts

- Can be formed by cities with approval
- Capital improvements in district are financed and paid for through special assessments on benefited property
- Assessment based on special benefit to property
 - Must be actual, not speculative
 - Measured in property value increase
 - Cannot substantially exceed benefit
 - Must be proportionate



32

32

Transportation Benefit Districts

Formed by cities, counties (Chap. 36.73 RCW)

- To raise revenue for transportation improvements
- Separate quasi-municipal authority unless assumed by forming city or county

Revenue Authority

- Vehicle license fees
 - Nonvoted
 - Voted
- Sales and use tax
 - Nonvoted
 - Voted
- Impact fees
- Vehicle tolls



33

Metropolitan Park Districts

To manage, maintain, improve and acquire parks and rec facilities...

Formed with simple majority voter approval

Ballot requirements

- Composition of the initial board of commissioners
- District name
- Initial levy (required for limited purpose MPD)

Revenues

- User fees, lease/rental/concession revenues
- Nonvoted property tax levy (up to \$0.75/\$1000 AV)
- Voted excess property tax levy (capital or one-year O&M)
- Special benefit assessments



34

Public Facilities Districts

- Available to a city or contiguous cities in county with population under 1 million
 - Coextensive with boundaries of jurisdictions that create them
- Can develop, improve and operate “regional centers”
 - “convention, conference, or special events center, or any combination of facilities, and related parking facilities” (includes sports facilities)
- Revenue sources:
 - Voted 0.2% sales tax
 - Admissions taxes up to 5%
 - Parking taxes up to 10%
 - General obligation and revenue bonds
 - Lodging taxes
 - User charges and fees
 - State shared sales tax credits



35

Bond Basics: Governmental Bonds*

State Law Provisions	General Obligation Bonds		Revenue Bonds
	Unlimited Tax (UTGO)	Limited Tax (LTGO)	
Security pledge	Excess property taxes	Regular property taxes (and other GF revenues)	System revenues/fees
Authorization	Voter approval (60%)	Councilmanic	Councilmanic
Use of proceeds	Capital purposes; refundings	Any municipal purpose; refundings	System improvements; refundings
Debt capacity limit	Yes (1.25–7.50%)	Yes (0.375–1.500%)	N/A
Other <i>legal</i>** restrictions on debt amounts	N/A	<ul style="list-style-type: none"> - Levy rate limit - Aggregate rate limit - Levy lid limits (101%) 	Financial covenants in bond legislation (e.g., additional bonds test)

* **Table not exclusive**

** **Policies and financial circumstances may also restrict debt capacity**

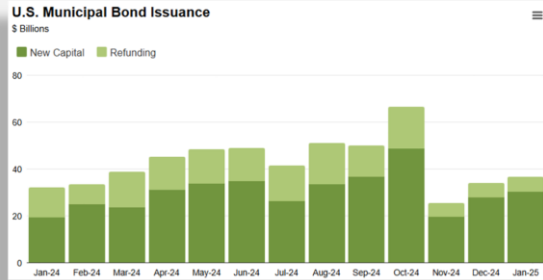


36

36

Bond Basics: *Why* bond financing?

- Immediate funding for critical infrastructure
- Intergenerational equity



- Time value of money
- Federal tax exemption

37

37

Legal Framework – Federal Tax Law

Internal Revenue Code and regulations govern:

- How tax-exempt bond proceeds can be spent
- Use of financed facility/assets
 - Limits the ability of the issuer to sell, lease or otherwise allow private use of the bond financed facility
- The investment and arbitrage of bond proceeds
- Records retention



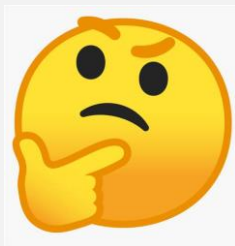
38

38

Federal Tax Law Planning

When planning the development of a new facility, consider:

- When does the issuer/borrower expect to *spend* the proceeds?
- Which expenditures *can be* financed with tax-exempt bonds?
- Which expenditures *should be* financed with taxable bonds or cash (equity)?
- What are the issuer's/borrower's *reasonable expectations* at closing with respect to use of the facility over the term of the bonds?
- How much *flexibility* is desired over the term of the financing?



Bond Issuance Process

1. Project development
2. Voter authorization?
3. Bond legislation
 - Authorization
 - Security
 - Use of proceeds
 - Covenants
 - Mechanics
 - Sale delegation (within parameters)

EVERGREEN SCHOOL DISTRICT NO. 114
CLARK COUNTY, WASHINGTON

UNLIMITED TAX GENERAL OBLIGATION BONDS, 2024

RESOLUTION NO. 6847

A Resolution of the Board of Directors of Evergreen School District No. 114, Clark County, Washington, authorizing the issuance and sale of unlimited tax general obligation bonds of the District in the aggregate principal amount of not to exceed \$35,000,000, for the purpose of providing funds to construct, equip, renovate and make certain capital improvements to the facilities of the District as authorized by resolution of the Board of Directors and approved by the qualified electors of the District at a special election held therein on February 13, 2018; providing for unlimited tax levies to pay the principal thereof and interest thereon; and delegating to the Superintendent and Chief Financial Officer of the District the authority to determine the structure of the bonds, and approve the interest rates, maturity dates and principal maturities for the bonds under the terms and conditions set forth herein.

APPROVED ON OCTOBER 24, 2023

PREPARED BY:
PACIFICA LAW GROUP LLP
SEATTLE, WASHINGTON

Bond Issuance Process

1. Project development
2. Voter authorization?
3. Bond legislation
4. Preliminary official statement
 - Required for public bond sales
 - Provides extensive information regarding the issuer and credit
 - Commonly drafted by disclosure counsel
 - Must be materially complete and accurate



NEW ISSUE – BOOK-ENTRY ONLY **S&P GLOBAL RATING: AA**
NOT BANK QUALIFIED **See “ADDITIONAL INFORMATION—Rating”**

In the opinion of Pacifica Law Group LLP, Seattle, Washington, Bond Counsel, under existing law and subject to certain qualifications described herein, the interest on the Bonds is excludable from gross income for federal income tax purposes. In addition, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds may affect the federal alternative minimum tax applicable to certain corporations. See “LEGAL AND TAX INFORMATION—Tax Matters.”

CITY OF RIDGEFIELD, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BONDS, 2024
\$27,885,000

DATED: Delivery Date (defined below) **DUE:** December 1, as shown on inside cover

The City of Ridgefield, Washington (the “City”) is issuing its Limited Tax General Obligation Bonds, 2024 (the “Bonds”) as fully registered securities, in denominations of \$1,000 or integral multiples thereof with a maturity. The Depository Trust Company, New York, New York (“DTC”) will act as initial securities depository for the Bonds, with the Bonds registered in the name of Code & Co. as DTC’s nominee. Under DTC’s book-entry only transfer system, purchasers (“Beneficial Owners”) will purchase Bonds through DTC’s broker-dealer participants, which will receive a credit in DTC’s records. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds. See “THE BONDS” and Appendix D—“DTC’s Book-Entry System.” The fiscal agent of the State of Washington (the “State”), currently U.S. Bank Trust Company, National Association, will act as the registrar, authorizing agent, transfer agent and paying agent for the Bonds (the “Bond Registrar”).

The Bonds will mature December 1 of each year, commencing December 1, 2030, and will bear interest payable on June 1 and December 1 of each year, commencing December 1, 2024, until maturity or prior redemption. For as long as the Bonds remain in book-entry form, the Bond Registrar will remit principal and interest payments from the City to DTC, which will in turn remit these payments to its participants for subsequent disbursement to the Beneficial Owners. See “THE BONDS” and Appendix D—“DTC’s Book-Entry System.”

Maturity Dates, Principal Amounts, Interest Rates, Yields, Prices and CUSIP Numbers on Inside Front Cover

The City will use the proceeds of the Bonds to finance and/or reimburse the City for the costs of public improvements serving the Ridgefield Tax Increment Area (the “TIA”), and to pay costs of issuing the Bonds. See “USE OF PROCEEDS.”

Certain of the Bonds are subject to redemption prior to their stated maturity dates. See “THE BONDS—Redemption.”

The Bonds are general obligations of the City payable from tax revenues of the City and other money, if any, lawfully available and provided by the City for such purpose. For as long as the Bonds are outstanding, the City has irrevocably pledged to include in its annual property tax levy amounts sufficient—along with other money lawfully available and provided therefor (including TIA tax allocation revenues collected pursuant to chapter 39.114 RCW)—to pay when due the principal of and interest on the Bonds, and that such levy will be within and as a part of the levy permitted by law to cities without assent of the voters. The City has irrevocably pledged in full faith, credit and resources for the annual levy and collection of such taxes and the prompt payment of such principal and interest. The Bonds do not constitute a debt or indebtedness of the State or any political subdivision thereof other than the City. See “THE BONDS—Security.”

The City has not designated the Bonds “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See “LEGAL AND TAX INFORMATION—Tax Matters.”

When, as and if issued, the Bonds are subject to the approving legal opinion of Pacifica Law Group LLP, Seattle, Washington, Bond Counsel. See Appendix A—“Terms of Bond Counsel Opinion.” The City expects the Bonds to be available for delivery through DTC’s facilities in New York, New York, or through the Bond Registrar on DTC’s behalf by Post Authorized Securities Transfer, on or about July 2, 2024 (the “Delivery Date”).

This cover page contains certain information for public reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

Official Statement Dated June 18, 2024

Bond Issuance Process

1. Project development
2. Voter authorization?
3. Bond legislation
4. Preliminary official statement
5. Bond sale
6. Official statement
7. Closing



Wrap up



43

Pacifica's Public Law and Finance Team

Helping Washington Communities Build for the Future



Alison Bengé



Stacey Crawshaw-Lewis



Emma Daniels



Lanna Do



Rachel Giles-Klein



Deanna Gregory



Jon Jurich



Kristin Patterson



Faith Li Pettis



Clare Riva



Tobias D. Tobler



Matthew J. Segal



Jill Wagner



Mia Wiltse

1191 2nd Ave, Suite 2000, Seattle, WA 98101
T 206.245.1700 | pacificalawgroup.com



44