

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. [Abstract]

AN ORDINANCE designating an increment area; setting a sunset date for the increment area; identifying the public improvements to be financed; indicating the City's intent to issue bonds to finance public improvement costs in a maximum principal amount not to exceed \$84.4 million; providing that the increment area will take effect on June 1, 2026; imposing a deadline for commencement of construction; and providing for related matters.

WHEREAS, over the last decade, the City of Bellevue (the "City") has been preparing to encourage and support a vibrant mixed-use urban center in its Downtown and the Wilburton area, adopting code amendments and studying, evaluating, and designing the Grand Connection Crossing; and

WHEREAS, the Grand Connection Crossing is the City's signature downtown place-making public improvement; and

WHEREAS, the City has identified a proposed Increment Area ("IA") of approximately 63.3 acres of property that is being planned for residential and commercial development that will be supported by the Grand Connection Crossing; and

WHEREAS, the Washington State Legislature, during its 2021 legislative session, enacted Engrossed Substitute House Bill 1189 as Chapter 207, Laws of 2021, titled "An Act Relating to tax increment financing" as amended and codified as Chapter 39.114 RCW (the "TIF Act"), which authorizes local governments, including cities, to carry out tax increment financing of public improvements needed to support vital private economic development projects; and

WHEREAS, the Washington State Legislature amended the TIF ACT in the 2025 legislative session with Engrossed Senate Bill (ESB) 5801, allowing the City to form a IA with a maximum of \$500 million of assessed value at the time the IA ordinance is adopted, provided that the City adopt an ordinance forming such a IA by June 30, 2026; and

WHEREAS, ESB 5801 requires that governing body of any taxing district within the IA with an assessed valuation more than \$200 million approves by a majority vote, and according to the governing body's ordinance and publication procedures, the taxing district's partial or full participation in the City's tax increment financing ("TIF") project; and

WHEREAS, the governing bodies of the following taxing districts have approved by majority vote their partial or full participation in the City's TIF project:

- King County
- EMS (County)
- Flood Control
- Port of Seattle
- Sound Transit
- King County Library District; and

WHEREAS, the TIF Act authorizes the allocation of property tax revenues generated from the increased assessed valuation of properties improved by private development that are within a IA to pay for public improvements that are needed to support the private development; and

WHEREAS, City management has estimated that the Grand Connection Crossing will cost up to \$230 million and that tax increment revenues will support \$84.4 million of the total cost; and

WHEREAS, there currently exists no IA within the City, the IA designated by this ordinance does not consist of the entire geographical area of the City, and the IA does not have an assessed valuation of more than \$500,000,000 or more than 20% of the City's total assessed valuation; and

WHEREAS, the City has held at least two public briefings for the community solely on the TIF project, and provided at least two weeks' newspaper, website and social media notice of these briefings as required by the TIF Act; and

WHEREAS, the City has provided notices to taxing districts within the IA 90 days or more in advance of submitting the City's Project Analysis dated January 14, 2026 (the "Project Analysis") to the Office of the State Treasurer; and

WHEREAS, the City has provided a copy of the Project Analysis to all local governments and taxing districts potentially impacted by the formation of a IA 90 days or more in advance of any IA Ordinance being adopted by the City Council; and

WHEREAS, the City has prepared a Project Analysis for the Bellevue IA and submitted such to the Office of the State Treasurer for review and comment as required by the TIF Act; and

WHEREAS, the Office of the State Treasurer has completed its review of the Project Analysis and has stated that the Project Analysis, generally addresses the topics listed in subsection (2) of RCW 39.114.020; and

WHEREAS, the TIF Act requires, if the Project Analysis indicates that an increment area will impact at least 20 percent of the assessed value in a public hospital

district, fire protection district, or regional fire protection service authority, or if the public hospital district's or the fire service agency's annual report, or other governing board-adopted capital facilities plan, demonstrates an increase in the level of service directly related to the increased development in the IA, that the City enter into negotiations for a mitigation plan with the impacted public hospital district, fire protection district, or regional fire protection service authority; and

WHEREAS, local fire service is provided by the City and there is no public hospital district or regional fire protection service authority inside the proposed IA; therefore, no mitigation plan is necessary; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

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

"City" means the City of Bellevue, Washington.

"Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"Council" means the Bellevue City Council, acting in its legislative capacity.

"County" means King County, Washington.

"Finance Director" means the Chief Financial Officer of the City or such other officer of the City who succeeds to substantially all of the responsibilities of that office.

"Increment Area" or "IA" means the approximately 63.3 acres of land designated by Section 2 of this ordinance.

"Project Analysis" means the Bellevue Final Project Analysis dated January 14, 2026, and submitted to the Washington State Treasurer on January 14, 2026, for its review and comment and to all local governments and taxing districts impacted by the IA on January 16, 2026.

"Treasurer's Review Letter" means the letter to the City from the Office of State Treasurer dated March 5, 2026 summarizing its review of and providing comments, recommendations and acceptance with respect to the Project Analysis for consideration by the City.

Section 2. **Designation of Increment Area.** Pursuant to the TIF Act, the City designates the approximately 63.3 acres of land known as the Bellevue IA and described in **Exhibit A** to this ordinance. In making this designation, the Council finds that the IA designated by the ordinance (i) is the only increment area designated by the City under the TIF Act, (ii) is located within the boundaries of the City, (iii) does not include the City's entire territory, and (iv) does not have an assessed value on the date of this ordinance greater than the lesser of \$500,000,000 or \$ 18,965,749,810 (which is 20 percent of the total 2025 assessed value of taxable property within the City of \$94,828,749,051).

Section 3. **Sunset Date of the Increment Area.** The sunset date of the IA is hereby set as (i) December 31, 2052, which is the date not later than 25 years after the first year (calendar year 2027) in which tax allocation revenues will be collected on taxable property within the IA (the "outside sunset date"), or (ii) if earlier, the date ("an early sunset date") on which the City certifies to the County Treasurer that all public improvement costs to be paid or reimbursed with tax allocation revenues derived from the IA have been fully paid, including but not limited to reimbursements to the City for principal and interest payments required to be made by the City from revenue sources other than tax allocation revenues on limited tax general obligation bonds issued to finance the portion of public improvement costs that are intended to be paid and retired, in whole, from tax allocation revenues, as authorized by RCW 39.114.060(1).

Section 4. **Identification of Public Improvements to Be Financed.** The public improvements to be financed consist of the following infrastructure improvements to be owned by the City and located within or outside of and serving the IA:

4.1. Grand Connection Crossing, further as described in the Project Analysis.

The exact timing, specifications, and features of the public improvements described above are to be determined by the City. As authorized by RCW 39.114.020(1)(h), the City may expand, alter, or add to the public improvements identified above only if the City Council determines that such changes are necessary to assure that the public improvements identified above can be constructed or operated as intended. If the City Council determines that it has become impractical to acquire, construct, or equip any, or any portion of, the public improvements by reason of changed conditions, or costs substantially in excess of the amount of bond proceeds or tax allocation revenues, the City shall not be required to acquire, construct or equip such public improvements or portions.

Section 5. Expected Issuance of Bonds to Finance a Portion of the Public Improvement Costs.

Pursuant to RCW 39.114.060 and other law, including the applicable provisions of Chapters 39.36 and 39.46 RCW, the City intends to incur general indebtedness and issue limited tax general obligation bonds in one or more series with terms of approximately 20 years to finance a portion (the "bond-financed portion") of the public improvement costs to be paid in whole or in part from tax allocation revenues. The City expects to pledge the tax allocation revenues received by the City from the IA, the City's other regular property tax revenues, other lawfully available revenues of the City, and the full faith and credit of the City to the payment of the bonds. The bonds are expected to be issued as tax-exempt bonds under the applicable provisions of the Code; however, if and to the extent that bond counsel determines that any of the public improvements (or portions thereof) do not qualify to be financed with tax-exempt bonds, the City expects to issue all or a portion of the bonds as taxable bonds or allocate other funding sources to the financing of those public improvements (or portions thereof).

As of the date of passage of this ordinance, the estimated maximum principal amount of bonds expected to be issued by the City to finance the bond-financed portion of the public improvement costs is \$84.4 million. This estimated maximum principal amount of bonds is subject to change based upon the final timing, specifications, and features of the public improvements and the final public improvement costs of the public improvements identified in Section 4 of this ordinance. The amount of proceeds of such bonds also may vary (be lower or higher than the maximum principal amount of \$84.4 million) to the extent that the bonds are sold with original issue premium or original issue discount (respectively).

Although the City will pledge its full faith and credit as well as its regular property tax revenues and other lawfully available revenues, in addition to tax allocation revenues received by the City from the IA, to pay debt service on the bonds, the City intends that debt service on the bonds shall be payable, in whole, from tax allocation revenues as authorized by RCW 39.114.060(1). Accordingly, if and to the extent debt service payments on its general obligation bonds issued to finance the public improvements are required to be made from the City's other regular property tax revenues and/or from other lawfully available revenues because the amount of tax allocation revenues received are insufficient for that purpose, those debt service payments may be reimbursed from later-received tax allocation revenues that become available to reimburse the City for those debt service payments. The Finance and Asset Management Director, in consultation with the County Treasurer, will adopt accounting procedures sufficient to document the use of tax allocation revenues to reimburse debt service payments previously made from other revenues, consistent with the City's intention and expectation that its general obligation bonds issued to finance public improvement costs are to be payable entirely from tax allocation revenues (as permitted by the Act).

The City intends that the provisions of Section 4 of this ordinance (identifying the public

improvements to be financed) and this Section 5 (stating the estimated maximum amount of bonds expected to be issued) together shall constitute a declaration of official intent under Treasury Regulations §1.150-2 to reimburse with bond proceeds any original expenditures for the public improvements paid before the issue date of the bonds that are intended to finance the bond-financed portion of the public improvement costs.

Section 6. **Increment Area to Take Effect on June 1, 2026.** The IA designated in Section 2 of this ordinance shall take effect on June 1, 2026.

Section 7. **Deadline for Commencement of Construction of Public Improvements.** The City expects that construction of the public improvements identified in Section 4 of this ordinance will commence after June 1, 2026. In no event will construction of those public improvements commence later than May 31, 2031, the date five years from the date of passage of this ordinance, unless that deadline is extended by the City for good cause.

Section 8. **Required Findings by the City Council.** Based upon the Project Analysis, the Council finds that:

The public improvements proposed to be paid or financed with tax allocation revenues are expected to encourage private development within the IA and to increase the assessed value of real property within the IA;

The private development that is anticipated to occur within the IA as a result of the proposed public improvements will be permitted consistent with the applicable zoning and development standards of the City, which is expected to be the permitting jurisdiction for the IA;

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

The increased assessed value within the IA that could reasonably be expected to occur without the proposed public improvements would be less than the increase in the assessed value estimated to result from the proposed private development with the proposed public improvements.

Section 9. **Preparation and Consideration of Project Analysis.** As required by RCW 39.114.020(2), the Council has caused the Project Analysis, attached hereto as **Exhibit B**, to describe and analyze, among other matters, the factors and considerations listed in that statute. The Council takes note of the conclusion expressed in the Treasurer's Review Letter that the City's Project Analysis generally addresses the topics listed in subsection (2) of RCW 39.114.020. In its consideration and passage of this ordinance, the Council has reviewed and considered, among other things, the Project Analysis and the Treasurer's Review Letter, attached hereto as **Exhibit C**,

including the "Key Risks" and "Recommendations" noted in the Treasurer's Review Letter.

Section 10. Reimbursement of Expenses Incurred by County Assessor and County Treasurer. Pursuant to RCW 39.114.020(6), the City may enter into arrangements to reimburse the County Assessor and County Treasurer for the expenses incurred by those officials in connection with the implementation and ongoing administration of the IA as described in RCW 39.114.010(6)(e). Such expenses shall be a portion of the public improvement costs to be paid or reimbursed from tax allocation revenues derived from the IA.

Section 11. Public Briefings Held by the City. As required by RCW 39.114.020(7)(a), the City has held two public briefings for the community regarding the Bellevue IA, private development expected, and the public improvements needed to serve the IA. These public briefings were held on April 22, 2026, and April 23, 2026, which dates were no earlier than 90 days after the City submitted the Project Analysis to the State Treasurer and all local governments and taxing districts impacted by the IA.

Public notice was published at least two weeks prior to each public briefing in the Seattle Times, a legal newspaper of general circulation in the City and the greater County area, and by posting information on the City's website and on all of its social media sites. Each public briefing included a description of the IA, the public improvements proposed to be financed with tax allocation revenues derived from the IA, and a detailed estimate of tax revenues for the participating local governments and taxing districts, including the amounts allocated to the public improvements serving the IA. The City also has provided additional briefings for officials within each of the participating taxing districts inside the IA.

Section 12. Publication of Notice and Delivery of Ordinance Designating Increment Area. On May 6, 2026, which was at least two weeks before the date of adoption of this ordinance, the City published in the Seattle Times, a legal newspaper of general circulation within the jurisdiction of the City, a notice describing the public improvements, describing the boundaries of the IA, and identifying the location and times where this ordinance and other public information concerning the public improvement may be inspected. Following the adoption of this ordinance, the City will deliver a certified copy of this passed ordinance to the County Treasurer, the County Assessor, and the governing body of each taxing district within which the IA is located at the respective addresses specified pursuant to RCW 42.56.040 within 10 days of the date on which the ordinance was passed.

Section 13. General Authorization and Ratification. The appropriate officers of the City are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the tax increment financing of the public improvements serving the IA contemplated in connection with this ordinance. All actions taken prior to the effective date of this ordinance in furtherance of

the purposes described in this ordinance and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 14. **Severability.** The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 15. **Effective Date of Ordinance.** This Ordinance shall take effect and be in force five (5) days after its passage and legal publication.

Passed by the City Council this _____ day of _____, 2026 and signed in authentication of its passage this _____ day of _____, 2026.

(SEAL)

Mo Malakoutian, Mayor

Approved as to form:
Trisna Tanus, City Attorney

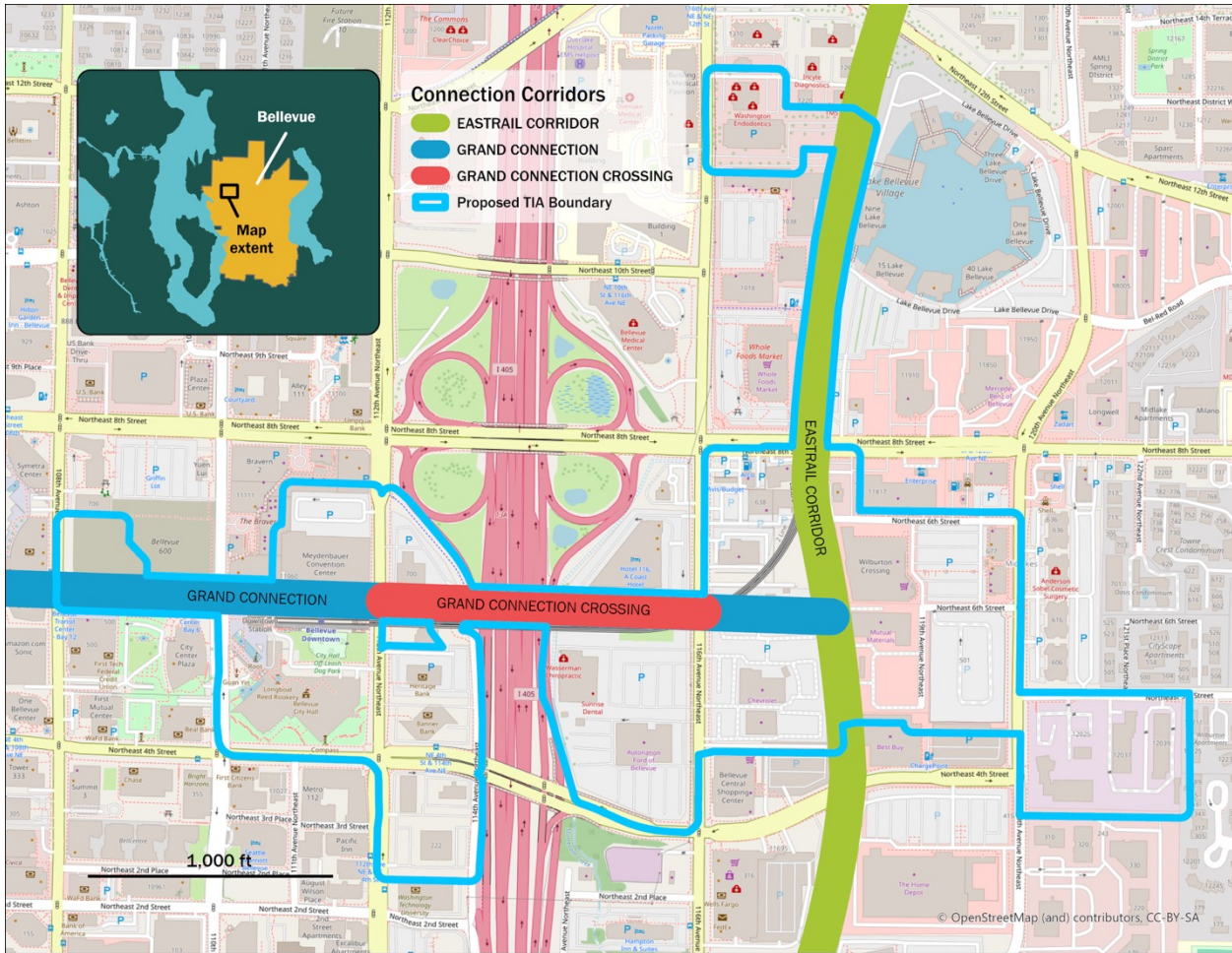
Monica Buck, Deputy City Attorney

Attest:

Charmaine Arredondo, City Clerk

Published _____

Exhibit A: Increment Area (IA)



Parcels in the Bellevue IA, King County WA include:

Parcel ID	Area (acres)	2025 Taxable Value
2825059211	0.9	\$5,560,300
2825059251	0.9	\$1,475,900
0670060010	1.3	\$46,257,600
3225059182	1.2	\$0
3225059194	1.9	\$0
3225059003	1.8	\$52,842,700
3225059229	0.8	\$0
3225059231	0.7	\$0
3225059017	0.8	\$0
3225059216	0.8	\$0
3225059199	4.8	\$0
3225059171	1.5	\$44,895,200
3225059004	1.9	\$56,485,600
3225059122	0.6	\$13,786,600
3225059096	0.5	\$13,638,200
3225059172	0.4	\$11,137,700
3225059166	1.6	\$40,138,800
3225059005	4.2	\$0
3225059178	1.3	\$9,690,000
3225059007	4.4	\$37,599,200
3325059033	0.5	\$5,277,800
3325059010	0.4	\$3,227,900
3325059086	0.5	\$4,246,700
3325059036	3.1	\$24,337,500
3325059124	2.4	\$20,234,800
3325059142	2.6	\$21,869,700
3325059143	1.7	\$13,969,200
3325059169	0.7	\$5,449,200
3325059120	5.6	\$36,895,000
3325059134	2.1	\$14,809,200
3325059133	0.8	\$5,638,800
3325059121	4.2	\$0
3325059017	6.3	\$0
Total	63.3	489,463,600

Exhibit B



CITY OF BELLEVUE
TAX INCREMENT FINANCING PROJECT ANALYSIS
January 14, 2026
Updated following OST comments on March 13, 2026

GRAND CONNECTION CROSSING



ACKNOWLEDGEMENTS

This Project Analysis Report was prepared for the City of Bellevue by Stowe Development & Strategies, LLC in association with ECONorthwest (SDS/ECO team).

The Report represents a thorough and comprehensive evaluation of a future Tax Increment Financing program and establishment of a Tax Increment Area for a significant development opportunity in Bellevue. The production of this report would not have been possible without the participation, collaboration, and guidance of the following individuals and groups.

City of Bellevue Officials

City Council

- Mo Malakoutian, Mayor, Position 3
- Dave Hamilton, Deputy Mayor, Position 7
- Vishal Bhargava, Councilmember, Position 1
- Naren Briar, Councilmember, Position 2
- Jared Nieuwenhuis, Councilmember Position 4
- Lynne Robinson, Councilmember, Position 6
- Claire Sumadiwiry, Councilmember, Position 5

Staff

- Diane Carlson, City Manager
- Genesee Adkins, Deputy City Manager
- Nathan McCommon, Deputy City Manager
- Joseph Todd, Deputy City Manager
- Nathan Torgelson, Director, Office of the Grand Connection
- John Resha, Chief Financial Officer, Finance & Asset Management Director
- Emil King, Community Development Director
- Trisna Tanus, City Attorney
- Monica Buck, Assistant City Attorney

Legal and Financial Consultants

- Stacey Lewis, Bond Counsel, Pacifica Law Group (limited review capacity as Bond Counsel)

Increment Financing Consultants

- Bob Stowe, Stowe Development & Strategies (TIF Project Manager)
- Morgan Shook, ECONorthwest

Contents

About City of Bellevue.....6

Introduction/Summary.....7

KEY FINDINGS..... 8

Tax Increment Area 12

Potential Private Development Plan..... 15

Private Development Assumptions..... 17

TIA Public Improvement Needs and Costs 24

Tax Increment Revenue Projections 26

TIA Allocation Revenue Modeling 28

Impacts to Other Taxing Districts 34

Financing Plan/Duration of TIA..... 51

Notices/Early Outreach to Impacted Taxing Districts 58

But-For-Requirement 59

Additional Incremental Taxes..... 67

Jobs Analysis..... 72

Impact Assessment and Mitigation..... 74

Risk Assessment and Mitigation Plan 76

Next Steps..... 84

Schedule 85

Findings | Bottom Line 86

APPENDICES 87

State Audit Report Summary 88

Consultant Team Bios 90

List of Tables

Table 1: Summary of Tax Parcels 14

Table 2: Comparison of Buildout Scenarios..... 21

Table 3: Estimated 2025 Appraised Markey Value 22

Table 4: TIA Levy Rates in Use 27

Table 5: Allocation Revenues..... 31

Table 6: TIF Allocation Revenues for the Full Buildout Scenario 32

Table 7: TIF Allocation Revenues for the Phased Buildout Scenario 32

Table 8: TIF Allocation Revenues for the Market Responsive..... 32

Table 9: TIF Allocation Revenues Compared to District Levy Gains (Market-Responsive Limited Buildout Scenario, Nominal amount 43

Table 10: TIF Summary for City of Bellevue (Market Responsive Limited Buildout Scenario)..... 47

Table 11: TIF Summary for King County (Market-Responsive Limited Buildout Scenario)..... 47

Table 12: TIF Summary for Sound Transit (Market-Responsive Limited Buildout Scenario)..... 48

Table 13: TIF Summary for EMS (Market-Responsive Limited Buildout Scenario) 48

Table 14: TIF Summary for Flood Control District (Market-Responsive Limited Buildout Scenario)..... 49

Table 15: TIF Summary for King County Library District (Market-Responsive Limited Buildout Scenario) 49

Table 16: TIF Summary for Port of Seattle (Market-Responsive Limited Buildout Scenario)..... 50

Table 17: Debt Capacity 51

Table 18: Conceptual Debt Service Schedule 53

Table 19:TIF Allocated Debt Service - Fill Buildout Scenario..... 55

Table 20: TIF Allocated Debt Service - Phased Full Buildout Scenario..... 56

Table 21: TIF Allocated Debt Service - Market-Responsive..... 57

Table 22: Additional City Taxes (Market-Responsive 70

Table 23: Additional County Taxes (Market-Responsive..... 71

Table 24: Construction Jobs..... 72

Table 25: Ongoing Jobs..... 73

Table 26: Debt Service - Interest Only 78

Table 27: Debt Service Performance Market-Responsive Limited Buildout Scenario with 30% Incremental..... 80

List of Figures

Figure 1: TIF Model 9

Figure 2: Potential Tax Increment Area 13

Figure 3: Development Capacity by Site Category 16

Figure 4: Full Buildout Scenario 18

Figure 5: Phased Full Buildout Scenario 19

Figure 6: Market-Responsive Limited Buildout Scenario 20

Figure 7: Comparison of Incremental Taxable Assessed Valuation 23

Figure 8: Funding Tiers 25

Figure 9: How Washington's 2021 TIF Law Changed Property Tax Allocation and Levy Limits 35

Figure 10: DOR Example of Levy Calculation 39

Figure 11: Taxable Real Property - TIF Enabled Scenarios compared to NO TIF Scenario 64

Figure 12: Schedule 85

Figure 13: Available Funds for Debt Service 89

About City of Bellevue

Bellevue is the fifth largest city in Washington, with an estimated population of 155,000 (2024). Bellevue is the high-tech and retail center of the Eastside, with more than 160,000 jobs and a downtown skyline of gleaming high-rises. With beautiful parks, top schools and a vibrant economy, Bellevue is routinely ranked among the best mid-sized cities in the country.



While business booms downtown, much of Bellevue retains a small-town feel, with thriving, woodsy neighborhoods and a vast network of trails. With nearly 100 parks, Bellevue is known as a “city in a park.” The city’s crime rates are consistently low.

Retail options abound in Bellevue, and an arts community is taking off in its BelRed neighborhood. Bellevue’s agrarian traditions are celebrated in the spring and fall with popular fairs at the Kelsey Creek Farm Park. More than 300,000 people visit the city’s downtown area the last weekend in July each year for arts and crafts fairs.

The city spans more than 33 square miles between Lake Washington and Lake Sammamish and is a short drive from the Cascade mountains. People can kayak within sight of downtown in the Mercer Slough Nature Park, a 320-acre wetland preserve, or at a couple of Bellevue locations in Lake Washington.

Introduction/Summary

In late June 2025, the City of Bellevue selected Stowe Development & Strategies in association with ECONorthwest (SDS/ECO team) to conduct a tax increment financing (TIF) analysis for the purpose of spurring viable private development within the city's commercial areas — Wilburton and Downtown Bellevue.

The purpose of this Report is to evaluate in detail the proposed Tax Increment Area (TIA) designation, the city's public improvement project – the Grand Connection Crossing, the envisioned private development, and the associated tax increment revenue to fund some of the Grand Connection Crossing costs. This Report will be submitted to the Office of the State Treasurer (OST) for review and comment as well as to all the participating taxing districts inside the proposed TIA. OST then has 90 days to review any Project Analysis.

The city provided a notice of its intention to form a TIA to all the taxing districts that would be affected or part of the TIA on October 16, 2025 to comply with the noticing requirements of the TIF Act. A TIA can only be formed on June 1 of any year. Forming a TIA before June 1 also satisfies a recent amendment made to the TIF Act (RCW 39.114) when the state adopted Engrossed Senate Bill (ESB) 5801, allowing the city to form a TIA with a maximum of \$500 million of assessed value at the time the TIA ordinance is adopted, and positions the city to adopt a TIA ordinance before the deadline of June 20, 2026 established in the amendment.

ESB 5801 also requires that each participating taxing district within a TIA, must approve by majority vote of the governing body of its partial or full participation in contributing its tax allocation revenues to the city's TIF program and project. The city may still move forward with forming a TIA without the approval of the individual taxing districts but would not receive the tax allocation revenues from that district. Additionally, a preliminary Project Analysis was provided to each of the taxing districts along with early outreach meetings to determine each district's likely participation in the TIA. Formal agreements are currently being pursued with each participating taxing district in a TIA prior to any adoption of a TIA ordinance by the Bellevue City Council.

The impact analysis for each taxing district starting on page 34 concludes the following:

“In all cases, the total taxes apportioned (those tax dollars that are allocated to pay for TIF public improvements) are slightly less than the total district levy growth, demonstrating that the value added by the increment and new construction offsets most of the taxes apportioned to the jurisdiction.”

The city is planning on several tiers of potential funding in order to support the design and construction cost associated with the Grand Connection Project — a long envisioned, partially elevated pedestrian corridor from the water’s edge of Lake Washington through downtown and over Interstate 405 into the Wilburton area and to the Eastrail Project Trail. One of the initial phases of the overall project will include the “Crossing” over I-405, connecting downtown to the Eastrail Project — a 42-mile regional trail on a former rail line linking several King and Snohomish County cities. The Crossing is estimated to cost approximately \$230 million. TIF is projected to provide approximately \$41 million (present value) of the total revenue package needed to support the Crossing. More information about the Crossing is included in the TIA Public Improvement Needs and Cost Section of the Report.

KEY FINDINGS

TIA Size	63.3 acres
TIA Assessed Value	\$489,463,600
TIA Levy Rate	\$2.877
TIF Public Improvement Allocation Costs	\$84.4 million to \$128.8 million

Scenarios	<u>Development</u>
• Full Buildout Scenario	10,709,240 SF
• Phased Buildout Scenario	10,709,240 SF
• Market-Responsive Limited Buildout Scenario	6,539,030 SF

TIF Revenues (over 25 years)	<u>Present Value</u>	<u>Nominal Value</u>
• Full Buildout Scenario	\$60.3 million	\$128.8 million
• Phased Buildout Scenario	\$46.1 million	\$104.4 million
• Market-Responsive Limited Buildout Scenario	\$41.0 million	\$84.4 million

TIF is a powerful economic development tool adopted into law in Washington State in 2021. The Washington State Legislature created the TIF Act (codified as chapter 39.114, Revised Code of Washington) for a city, county, or port district to designate a geographical area within the jurisdiction as a TIA. The increment property tax revenue funds the public infrastructure needed by private development in the TIA. Jurisdictions throughout the United States use TIFs to promote economic development.

In general, Washington State's TIF Act is a financing tool that allows a city, county, or port to fund publicly owned infrastructure determined necessary to encourage private development within a TIA. As private development occurs because of the public agency's investment in public improvements, property values rise, and the public agency uses the newly generated property tax dollars to pay for the public improvements. After the public improvement costs are paid, the public agency retires the TIA and the full assessed value (base + increment) returns to the taxing districts. Sponsoring jurisdictions identify TIAs and the public infrastructure, including costs of construction by ordinance. The sponsoring jurisdiction may incur debt through bond issuance to secure financing to make public improvements in the TIA.

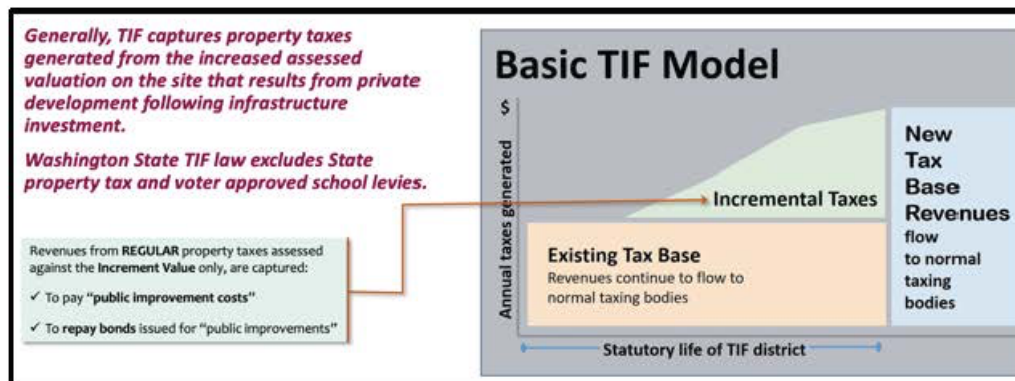


Figure 1: TIF Model

Source: Stowe Development & Strategies, 2025

Statutory limits on TIF

- No more than two active increment areas per sponsoring jurisdiction, which cannot overlap and cannot be changed.
- Increment areas (combined) 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, at the time the ordinance designating the TIA is passed. **Note:** *Bellevue is exercising the amendment from ESB 5801 which allows for a single TIA to be formed of no more than \$500 million of assessed valuation. The key provisions for the city with the amended TIF legislation includes the following:*

- The TIA is connected to Interstate 405 and the transportation-related public improvements that will be funded to enhance the integration and connection of neighborhoods within and adjacent to the increment area;
 - The TIA ordinance must be enacted no later than June 30, 2026; and,
 - A governing body of any taxing district within the TIA approves by a majority vote, and according to the governing body's ordinance and publication procedures, the taxing district's partial or full participation in the TIA. If the governing body does not approve its participation, the taxing district's property taxes are not subject to apportionment.
- Once public improvements are identified, additional public improvements cannot be supported with TIF revenues.
 - Construction of public improvements must begin within five years following adoption of the TIF ordinance (with an ability to extend for good cause).
 - Sponsoring jurisdiction may only receive TIF revenues for the time period necessary to pay for the public improvements.
 - TIA must be retired no more than 25 years after the first year in which tax allocation revenues are collected from the TIA.

Risks

Because increased tax revenue will likely be generated after the city begins construction on the Grand Connection Crossing and after private development occurs, using TIF can pose some financial uncertainty. Understanding and accepting a certain level of risk is important as the city will be obligated for the repayment of any debt that is issued and allocated based on TIF revenues, regardless of whether the projected private development occurs. The two main risks are: 1) expected private development does not occur, occurs slower than expected, and/or the type of development and its magnitude is less than expected, and 2) the cost for infrastructure improvements is higher than projected. These risks impact the expected TIF revenues and/or the public infrastructure improvements cost. If revenues are not sufficient to cover the cost, the sponsoring jurisdiction must then use other sources of revenue to pay for the public infrastructure. A mitigation plan may alleviate some risks. Other risks include over-investment of infrastructure, or building infrastructure that isn't necessary for development to occur, resulting in loss

of tax dollars that could have been used for other public purposes. Local governments can guard against and potentially avoid over-investing and under-development by carefully evaluating the local market conditions and analyzing the nexus between the proposed public improvements and private development (also known as the But-For Requirement addressed later in this Report). Utilized correctly, growth and development in a TIA will help pay for the infrastructure investments that encouraged it.

A risk and mitigation plan is included in this Report.

Other Revenues and Options

This Report also examines other anticipated revenues from the projected private development, including sales tax on construction and ongoing sales tax (page 67). The city has multiple levers to direct a successful project utilizing TIA generated revenues and safeguarding its other resources. These options include the amount of debt issued and when to issue debt based upon expected public improvement needs, schedule and private development type and scale, as well as refinement of infrastructure cost estimates.

Private development interest and anticipated interest rates will also affect the city's actions; the city can proceed with the identified public improvements in this Report or, because the city has up to five years after passing the TIA ordinance (unless a cause for a delay is necessary), it may modify those plans as conditions change. The city could choose to issue less debt, especially if development interest substantially changes to a very low level, the cost of debt is too high, or another revenue source has materialized for the public improvements. The city could use a pay-as-you-go strategy for the infrastructure; however, doing so will likely delay the timing and reduce the scale of the private development. Finally, the city could also rescind or retire the TIA by ordinance before incurring debt.

Tax Increment Area

The proposed TIA was developed through a collaborative process between the city and the consultant team to identify parcels that have a clear development nexus to the Grand Connection Crossing project, while also remaining within the statutory \$500 million assessed value cap for a tax increment area. The TIA prioritizes properties that are well-positioned to benefit from Grand Connection Crossing improvements — such as enhanced public spaces, connectivity, and infrastructure — and includes a mix of sites with known development interest, underutilized private parcels, and publicly-owned properties with long-term redevelopment potential.

It also strategically aligns with key corridors, including the Grand Connection corridor, Grand Connection Crossing, and the Eastrail corridor, helping to ensure geographic and programmatic coherence with the city's vision for downtown revitalization and multimodal integration. Timely and strategic investment in the Crossing will be necessary to meet Bellevue's ambitious growth, economic competitiveness, and transportation goals, including the addition of 15,000 new housing units in Wilburton over the next 20 years.

The proposed TIA covers approximately 63.3 total acres of parcels (not including rights-of-way), as shown in Figure 2 below. The taxable assessed valuation of this TIA for 2025 (based on 2025 certified values) is \$489,463,600. This amount is below both the \$500 million assessed valuation threshold and 20% of the city's total assessed valuation of \$92,820,250,067 for 2025 as it represents only 0.5% of the total.

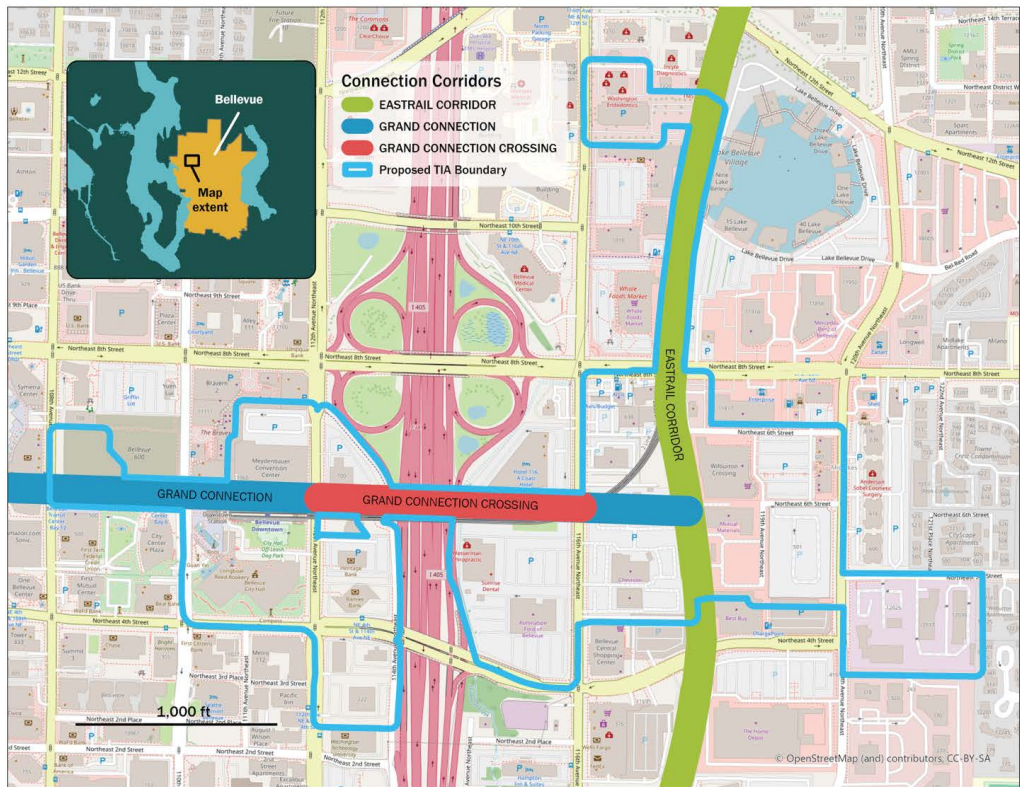


Figure 2: Potential Tax Increment Area
 Source: ECONorthwest; 2025

The below table summarizes the parcel identification numbers and assessed values of properties in the TIA.

Parcel ID	Area (acres)	2025 Taxable Value
2825059211	0.9	\$5,560,300
2825059251	0.9	\$1,475,900
0670060010	1.3	\$46,257,600
3225059182	1.2	\$0
3225059194	1.9	\$0
3225059003	1.8	\$52,842,700
3225059229	0.8	\$0
3225059231	0.7	\$0
3225059017	0.8	\$0
3225059216	0.8	\$0
3225059199	4.8	\$0
3225059171	1.5	\$44,895,200
3225059004	1.9	\$56,485,600
3225059122	0.6	\$13,786,600
3225059096	0.5	\$13,638,200
3225059172	0.4	\$11,137,700
3225059166	1.6	\$40,138,800
3225059005	4.2	\$0
3225059178	1.3	\$9,690,000
3225059007	4.4	\$37,599,200
3325059033	0.5	\$5,277,800
3325059010	0.4	\$3,227,900
3325059086	0.5	\$4,246,700
3325059036	3.1	\$24,337,500
3325059124	2.4	\$20,234,800
3325059142	2.6	\$21,869,700
3325059143	1.7	\$13,969,200
3325059169	0.7	\$5,449,200
3325059120	5.6	\$36,895,000
3325059134	2.1	\$14,809,200
3325059133	0.8	\$5,638,800
3325059121	4.2	\$0
3325059017	6.3	\$0
Total	63.3	489,463,600

Table 1: Summary of Tax Parcels

Source: ECONorthwest, 2025

Potential Private Development Plan

Development Plan Configuration

As part of the TIA development process, the consultant team worked closely with the city to identify a set of parcels that could support future development, demonstrate a clear nexus with the Grand Connection project, and collectively remain under the \$500 million cap.

To guide the selection of parcels, the consultant team focused on three primary categories:

1. Sites with Known Development Interest

These include privately-owned parcels where developers have previously expressed interest in redevelopment. For these properties, the city provided assumptions about the likely type and scale of future development based on past proposals or discussions. These assumptions helped the consultant team establish realistic expectations about timing, density, and land use and the impact of the Grand Connection Crossing on activating their site.

2. Underutilized Private Parcels

The second category includes privately-owned sites that are currently underutilized based on their existing improvements relative to allowed zoning capacity. For these parcels, the consultant team applied a baseline assumption between a 3.5 to 5 Floor Area Ratio (FAR) based on the underlying zoning to estimate potential development yields.¹ Because no specific land uses had been proposed for many of these sites, the consultant team evaluated whether multifamily residential or office uses were more likely, considering factors such as floorplate size, construction feasibility, and market context.

3. Publicly Owned Properties (Including City-Owned Sites)

The final category includes sites that are currently owned by the city or other public entities. Some of these parcels are currently used — or planned to be used — for staging and construction activities related to the Grand Connection or light rail projects. This analysis anticipates that these properties will become surplus and suitable for redevelopment over the long term. The consultant team applied the same FAR assumptions used for underutilized private parcels and assigned likely land uses based on site constraints and opportunities.

This framework provides a reasonable planning estimate of potential future development capacity within the TIA and illustrates what could be built under current

¹ Floor Area Ratio (FAR) refers to the ratio of a building's total floor area to the size of the parcel on which it is located. For example, a FAR of 3.5 on a 10,000-square-foot lot implies a total buildable area of 35,000 square feet.

zoning regulations and site conditions — not what will be built or when. Actual development outcomes will depend on a range of external factors not captured in this analysis, including market demand, infrastructure delivery, and private investment decisions.

Based on the city’s parcel identification and evaluation process, the total development capacity within the proposed TIA is estimated at approximately 10.7 million square feet. This reflects the cumulative potential across a set of sites most likely to be influenced by the Grand Connection Crossing and suitable for redevelopment.

By product type:

- Office represents the largest share of capacity at 7.56 million square feet, underscoring the area’s role as a major employment center.
- Multifamily residential accounts for 2.87 million square feet, supporting Bellevue’s goals for housing growth near transit and urban amenities.
- A 200,000 square foot convention space is assumed as part of the area’s potential civic and visitor infrastructure.
- Retail space is limited to 86,630 square feet, primarily integrated within mixed-use developments.

This development capacity reflects a strong orientation toward commercial and mixed-use activity, with strategic residential and civic components that align with the city’s vision for a connected, vibrant urban core.

Product Type	Development Capacity
Multi-Family	2,867,000
Office	7,555,610
Convention	200,000
Retail	86,630
Total	10,709,240

Figure 3: Development Capacity by Site Category and Use Type (Square Feet)

Source: City of Bellevue and ECOnorthwest, 2025

Private Development Assumptions

Development Scenarios

To evaluate the potential tax increment revenue that could support the Grand Connection Crossing investments, the consultant team developed three illustrative development scenarios. The scenarios are intended to bracket a range of possibilities — from limited near-term development to full buildout over multiple market cycles — and help the city understand the implications of varying development patterns on TIF funding capacity.

Much of the projected development within the TIA remains uncertain and speculative, requiring a conservative approach. Further sensitivity analysis may be required to ensure reliable revenue projections that can effectively support the cost of certain public improvements. Nonetheless, it is expected that additional private development will occur over the term of the TIA, contributing to tax allocation revenues that will support the public improvements needed to enable and sustain that private development.

Each scenario assumes that all development occurs within the set of identified parcels inside the proposed TIA. The primary differences lie in the timing and pace of absorption across those parcels.

1. Full Buildout Scenario

The Full Buildout Scenario assumes that all identified parcels within the proposed Tax Increment Area ultimately redevelop, yielding approximately 10.7 million square feet of new development capacity across residential, office, convention, and retail uses.

While full buildout is projected by 2042, the scenario staggers development over time to reflect realistic absorption and financing cycles. The chart below illustrates the timing and composition of new development by year, showing concentrated bursts of activity that align with market waves and planning milestones. Although not tied to a specific economic forecast, the pacing reflects the general periodicity of when conditions typically support significant reinvestment.

Office development represents the dominant use across all phases, particularly in the early and middle waves. Multifamily residential plays a meaningful and growing role later in the program. Retail is limited and largely front-loaded. The convention

component appears as a single delivery in the later phase. This scenario highlights the scale of potential urban transformation over the next two decades if all redevelopment opportunities are realized.

However, it incorporates one critical policy condition: the application of the Multi-Family Tax Exemption (MFTE) to qualifying residential development.

The MFTE program is expected to reduce the near-term taxable value of new multifamily projects during the exemption period. While the underlying development activity and timing assumptions remain the same as the Full Buildout Scenario, the assessed valuation impacts—and therefore the resulting tax increment revenues—will differ due to MFTE. These valuation impacts are explored in the next section.

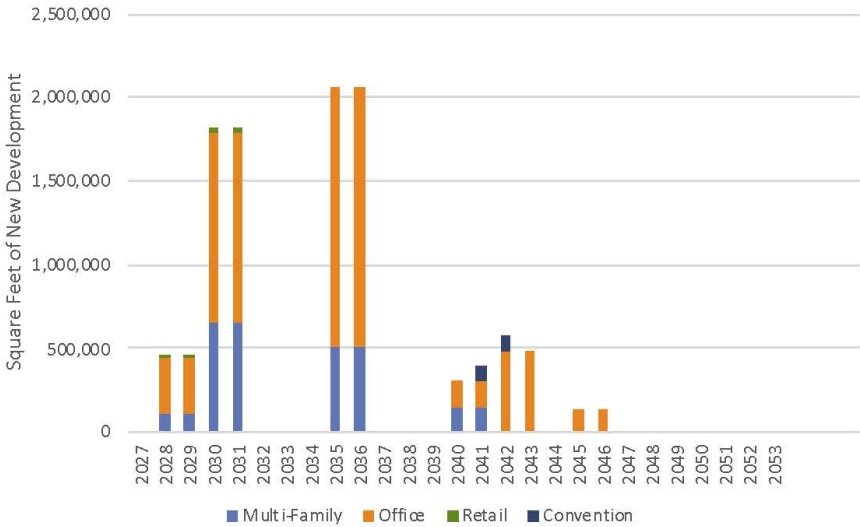


Figure 4: Full Buildout Scenario
Source: ECONorthwest, 2025

2. Phased Full Buildout Scenario

This scenario assumes full absorption of all developable sites within the TIA, but over a more extended timeframe than the original Full Buildout. Development is phased in waves, with the first major wave beginning in 2031, followed by additional waves in the late 2030s and early 2040s. This reflects a more conservative and realistic absorption schedule based on market cycles, entitlement timing, and infrastructure readiness.

The scenario anticipates a total of approximately 6.4 million square feet of new development by 2053, distributed across multiple property types.

The phased absorption results in a slower ramp-up of assessed value and incremental tax revenue, which has direct implications for the timing and adequacy of TIF) and related funding streams. All residential development will be subject to the MFTE.

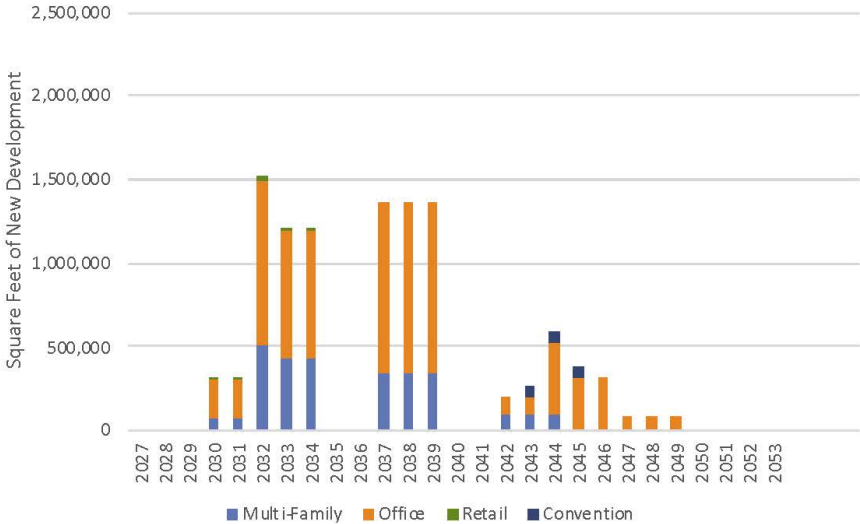


Figure 5: Phased Full Buildout Scenario
Source: ECOnorthwest, 2025

3. Market-Responsive Limited Buildout Scenario

The Market-Responsive Limited Buildout Scenario represents a more refined and realistic projection of new development within the TIA, based on direct engagement with developers, site-specific context, and proximity to the Grand Connection Crossing. This scenario focuses on the parcels most likely to redevelop in the near to mid-term—those with known development interest, favorable market conditions, or adjacency to public infrastructure investments.

While the Phased Full Buildout Scenario assumed all identified parcels would redevelop over a 25-year period, this scenario eliminates:

- Speculative long-term redevelopments on public parcels where no active surplus or partner has been identified;

- Lower-probability office or residential projects on isolated or low-intensity parcels; and
- Projects where current land use intensity is already near zoning capacity and not likely to turn over soon.

In total, the Market-Responsive Limited Buildout Scenario results in a lower total development capacity—fewer projects and fewer square feet of new space. However, it reflects a more likely market outcome under today's conditions and is concentrated on parcels where the Grand Connection Crossing is most likely to catalyze private investment.

The development remains phased across two market cycles, with new square footage largely delivered in 2028–2032 and again in 2035–2036. As shown in the chart below, development is still dominated by office and multifamily uses, though total volume is smaller than the full buildout. Retail remains minimal, and publicly owned convention development is excluded.

This scenario serves as the preferred planning scenario for the city and TIF analysis moving forward, balancing policy ambitions with market realities and current developer interest.

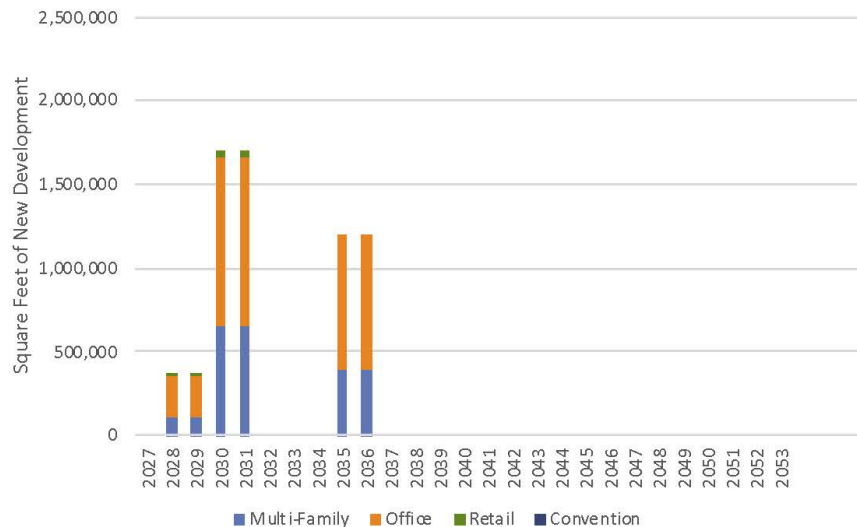


Figure 6: Market-Responsive Limited Buildout Scenario

Source: EConorthwest, 2025

The Full Buildout and Phased Full Buildout scenarios include the same total development program—approximately 10.7 million square feet—but differ in timing

and absorption. Both assume full redevelopment of key opportunity sites, including 2.87 million square feet of multifamily housing, 7.56 million square feet of office, 200,000 square feet of convention space, and 86,600 square feet of retail.

By contrast, the Market-Responsive Limited Buildout Scenario reflects a more conservative outcome based on known project interest and likely market absorption. It includes just 6.54 million square feet—roughly 60% of the Full Buildout Scenario—with no convention center, reduced office (4.1 million sq ft), and slightly less multifamily (2.34 million sq ft). Retail remains unchanged across scenarios due to its small footprint and consistent inclusion in mixed-use projects.

This comparison illustrates the potential range of development intensity within the TIA and underscores the importance of infrastructure investment in unlocking full site potential.

Product Type	Full Buildout	Phased Full Buildout	Market-Responsive Limited Buildout
Multi-Family	2,867,000	2,867,000	2,338,000
Office	7,555,610	7,555,610	4,114,400
Convention	200,000	200,000	0
Retail	86,630	86,630	86,630
Total	10,709,240	10,709,240	6,539,030

Table 2: Comparison of Buildout Scenarios

Source: EConorthwest, 2025

Development Valuation

To estimate the assessed value of new development within the TIA, the analysis applied valuation assumptions based on local market comparables from recently built or currently proposed projects in the downtown Bellevue and Wilburton areas. These comparables reflect how the King County Assessor values new product at the time of construction and are intended to capture average per-unit or per-square-foot values inclusive of associated improvements such as parking and shared space.

For modeling purposes, the analysis used the following valuation benchmarks:

- Multifamily Residential: \$350,000 per unit. This table reflects an average value per unit, inclusive of residential space and associated structured parking, based on market observations of newly assessed apartment and mixed-use residential projects in the area.

- Office: \$380 per gross square foot. This value includes the full gross building area, including lobby, core, and structured parking components, and is consistent with assessed values for high-quality office buildings recently completed or planned in the area.
- Retail: \$350 per gross square foot. This assumes inline retail or ground-floor commercial space within mixed-use projects, inclusive of shared common areas or lobby frontage.
- Convention: This is the potential expansion of the Meydenbauer Convention Center, and since it is in public ownership, there is no incremental assessed valuation assumed for this property.

Once base-year valuations are established at the time of assumed construction, annual inflation of 3% is applied to estimate nominal assessed values in future calendar years. This allows for modeling of the incremental assessed valuation over time and supports the calculation of tax increment revenue based on anticipated delivery schedules.

The table below summarizes the estimated real market value of new development under each scenario using assumed valuation factors by 2052 at the end of TIF. The Full Buildout Scenario yields an estimated total market value of approximately \$10.4 billion, assuming full taxable value for all new development, accounting for the MFTE, which reduces the taxable value of qualifying residential development.

The Market-Responsive Limited Buildout Scenario—based on a subset of parcels with the most likely near-term development potential—results in a lower estimated value of \$6.1 billion. This reflects reduced scale, MFTE assumptions, and a focus on sites proximate to the Grand Connection Crossing.

Product Type	Taxable Real Market Value
Full Buildout	\$10,351,560,000
Phased Full Buildout	\$9,636,260,000
Market-Responsive Limited Buildout	\$6,094,750,000

Table 3: Estimated 2025 Appraised Market Value by Development Scenario (Inclusive of MFTE-Eligible

Source: ECOnorthwest, 2025

The chart below illustrates projected growth in incremental taxable valuation across three development scenarios. These projections reflect differences in development timing, scale, and valuation assumptions:

- The Full Buildout Scenario is adjusted for the impacts of the city’s MFTE program. This scenario assumes all parcels develop over time, but the taxable value of eligible residential development is reduced due to MFTE participation.
- The Phased Full Buildout Scenario reflects a longer period of development. This scenario assumes all parcels develop over time, but the taxable value of eligible residential development is reduced due to MFTE participation.
- The Market-Responsive Limited Buildout Scenario captures a more conservative, near-term scenario based on sites with the strongest development signals today—primarily those in close proximity to the Grand Connection Crossing or with demonstrated market interest. The taxable value of eligible residential development is reduced due to MFTE participation.

Together, these scenarios illustrate how the scale and timing of development—along with residential tax policy—shape the growth of the tax base.

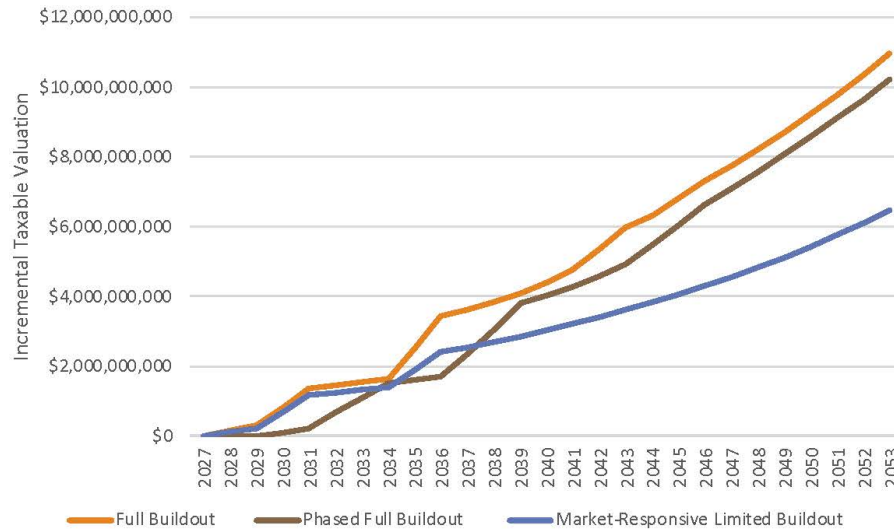


Figure 7: Comparison of Incremental Taxable Assessed Valuation

Source: ECONorthwest, 2025

TIA Public Improvement Needs and Costs

The Grand Connection is Bellevue's signature downtown place-making initiative. This project functions as a series of cohesive, connected and memorable spaces and pedestrian-focused experiences and initiatives through Bellevue's thriving central business district. With a length of more than 1.5 miles, the Grand Connection begins at the waterfront of Lake Washington at Meydenbauer Bay Park, and winds through Old Bellevue and Downtown Park. It continues through Bellevue's dynamic retail and civic-focused parts of downtown, across I-405 and ultimately connects with the regional Eastrail in the Wilburton commercial area. A major program element is the Grand Connection Crossing over I-405, which will influence the land use patterns of the Wilburton commercial area and improve connectivity to Bellevue's downtown core.

In addition to the economic benefits from private development, the crossing will:

- Provide a safe and vehicle-free crossing over I-405 for people who walk, bike and roll.
- Improve connectivity from downtown to the wider region by linking to the Eastrail and 175 miles of trails.
- Offer opportunities for more public spaces in Downtown and Wilburton through coordination with both public and private redevelopment.

This summer, the Grand Connection Crossing design team refined the visionary 30% design concepts to reflect a more feasible project cost and delivery schedule while still maintaining community amenities and features.

Below are some key elements the city aims to build by the Crossing's anticipated opening in 2030:

- **Crossing width:** The crossing will be a minimum of 30 feet wide and widen up to 40 feet to cross over I-405.
- **Mode separation:** There will be separate paths for people walking and rolling to improve safety for all users.
- **Landscaping:** Landscaping will be incorporated along the entire crossing.
- **Gathering space:** There will be gathering space at either end of the crossing. In addition, the city will coordinate with adjacent private development to provide additional public space.
- **Vertical connections:** There will be public access points midway at 112th and 116th Avenues NE with an elevator and stairway.

- **City Hall Plaza:** The existing plaza will be modified to accommodate public gathering and improved Downtown access for those biking, walking and rolling to and from the crossing.
- **Development partnerships:** The city will partner will developers to deliver the segment east of I-405 from 116th Avenue NE to the tie-in with Eastrail. The design will also allow for future developments along the alignment to connect with the crossing.

The city received approval from the State’s Capital Projects Advisory Review Board’s Project Review Committee (PRC) to deliver the crossing using the General Contractor/ Construction Manager (GC/CM) methodology in late September 2025. Advantages to using a GC/CM include reduction of construction risks and greater cost certainty. The city is preparing to issue an RFP for procuring a GC/CM contractor in early 2026. Design work will resume once the contractor is selected and joins the Design Team.

Based on the assumptions around the scale and timing of development under the Market-Responsive Limited Buildout Scenario, TIF is projected to support approximately \$41.0 million (2025 present value) of the total costs for the Grand Connection Crossing. Because of the cost associated with the Grand Connection Crossing, the city plans to utilize resources from its Tier 1 and Tier 2 sources as illustrated below. Tier 3 funding is also available (subject to the city council’s authorization, if necessary). The schedule for the remaining elements of the Grand Connection heading west toward the Meydenbauer Bay Park are currently undetermined and will begin subject to public funding and private development activity.

- **Tier 1:** These tools are easily accessible by the city with high political viability.
- **Tier 2:** These tools could be implemented to support funding, but require more socialization and development with the public and stakeholders.
- **Tier 3:** These tools have lower political viability but could be implemented if required.

Tier 1 Funding	Tier 2 Funding	Tier 3 Funding
<ul style="list-style-type: none"> • Tax Increment Financing <ul style="list-style-type: none"> – Property Tax Increment • Transportation Benefit District <ul style="list-style-type: none"> – Sales Tax – Vehicle Tax 	<ul style="list-style-type: none"> • Philanthropic and Private Funds • Dedicated or Specific Funds • Federal and State Grants • Local Improvement District 	<ul style="list-style-type: none"> • Business and Occupation Tax • Banked Property Tax

Figure 8: Funding Tiers

Source: Stowe Development & Strategies, 2025

Tax Increment Revenue Projections

Overview of TIF Allocation Revenues

Following guidance issued by the Washington State Department of Revenue (June 29, 2022), the analysis estimates the apportionment of taxes to the TIA. These revenues are available to the sponsoring local jurisdiction for funding the identified public infrastructure projects (that are named in the ordinance). Under the TIF legislation, only certain regular levies are available to the TIA. Using the latest tax rates available (tax year 2025), levy rates in the proposed TIA use \$2.88 of the \$7.32 total levy, approximately 39.3% of the total 2025 levy rate.

Since these are regular levies, the taxes must conform with the constitutional 1% limit as well as the \$5.90 aggregate limits. Both parts of the State School levy as well as local school district excess levies are excluded. In addition, any taxes levied by port districts for the purpose of making payments on bonds would be excluded.

In Washington State, TIF works by directing a share of the growth in property tax revenues to the Tax Increment Area. When a TIA is established, each taxing district within that area continues to receive property tax revenues based on the area's initial assessed value — essentially locking in their baseline funding. As property values increase within the TIA, the additional tax revenue generated from that increment in assessed value is then allocated to fund the TIA's identified public improvements, rather than flowing to the individual taxing districts.

This arrangement remains in effect for the duration of the TIA, meaning the participating taxing districts maintain their base-year revenue level while the incremental growth funds the TIA's development activities

The local government that created the TIA will receive a portion of the regular property taxes levied by each taxing district based off the increment value within the increment area. For the local government that created the TIA, this includes its own portion of their regular levy. Those affected levies will be able to include an increment add-on value (similar to the new construction add-on value) as part of its levy for the years that TIF is in place. Property taxes from the TIA begin on the calendar year immediately following the calendar year in which the TIA takes effect (the TIA takes effect on June 1 following the passage of the ordinance). The County Treasurer will distribute these funds to the local government that created the TIA.

The table below shows the Levy Rate Composition for 2025 Taxes.

Levy Code Area 0330	2025 Taxes Rates	Exempt: State Property Tax	Exempt: Excess and Other Levies	Available for TIF allocation
Total	\$7.323	\$2.246	\$2.199	\$2.877
State				
Part 1	\$1.461	\$1.461		\$0.000
Part 2	\$0.785	\$0.785		\$0.000
King County				
Regular_Current Expense	\$0.497			\$0.497
Regular_Veterans Aid	\$0.004			\$0.004
Regular_Mental Health	\$0.009			\$0.009
LID LIFT_Parks	\$0.197			\$0.197
LID LIFT_Family-Seniors	\$0.100			\$0.100
LID Lift_Crisis Care	\$0.142			\$0.142
LID Lift_Best Start for Kids	\$0.180			\$0.180
County Hospital	\$0.100			\$0.100
Transportation	\$0.039			\$0.039
Marine/Ferry	\$0.008			\$0.008
Conservation Futures	\$0.062			\$0.062
Bond Fund	\$0.022		\$0.022	\$0.000
Port of Seattle				
General Fund	\$0.049			\$0.049
Bond Fund	\$0.052		\$0.052	\$0.000
Flood Control				
Regular Levy	\$0.097			\$0.097
Sound Transit				
Regular Levy	\$0.163			\$0.163
Capital	\$0.000		\$0.000	\$0.000
Reserve	\$0.000		\$0.000	\$0.000
City of Bellevue				
Regular Levy	\$0.762			\$0.762
City Bond	\$0.225		\$0.225	\$0.000
EMS (County)				
Regular Levy	\$0.221			\$0.221
School #405 Bellevue				
Enrichment	\$0.578		\$0.578	\$0.000
Bond	\$0.783		\$0.783	\$0.000
Capital	\$0.539		\$0.539	\$0.000
King County Library District				
Regular Levy	\$0.245			\$0.245

Table 4: TIA Levy Rates in Use

Source: ECOnorthwest analysis of District Levy Rates, 2025

TIA Allocation Revenue Modeling

New incremental development in the TIA will drive future growth in incremental assessed value. These values will then be multiplied by the levy rate in the respective years to estimate the amount of TIA allocation revenues. To accomplish this, there are four separate analyses below that must be completed.

- **Forecast incremental TIA assessed value.** Based on the development program, the future assessed value is estimated by assigning market-based improvement prices based on the land use and size of the proposed development.
- **Forecast jurisdiction assessed value.** Outside of growth in the incremental assessed value in the TIA, it is necessary to forecast growth in the city's overall assessed value (not counting the incremental growth in the TIA).
- **Forecast the highest lawful levy.** For each taxing jurisdiction in the TIA, future levies must be estimated. To do so, the amount of new construction, other add-on value, 101% limit factor, total levy limit, and the maximum allowable levy must be taken into consideration. From that interplay, it is possible to estimate what the given levy will be for any respective jurisdiction in the future.
- **Forecast levy rates.** Once the levy and assessed value are known in future years, it is possible to calculate the levy rate (divide the levy by thousands of assessed value). TIA allocations are made by multiplying the levy rate by the incremental TIF assessed value.

To model TIA allocation of property tax revenues, a 25-year cash flow model was created to reflect development over time and applied the appropriate property tax base productivity and property tax rates to estimate the stream of future property tax revenues.

TIA Allocation Revenues

Using the private development assumptions identified above, future assessed values of those improvements are estimated and serve as a foundation for the expected TIA allocation revenues. For example, if a building is constructed in a certain year, the assessor assesses it, and the incremental assessed value is determined by subtracting that base value. This increment value is then multiplied by a forecast of the levy rate in the respective year to determine the TIA allocation revenues from all the affected TIF regular levies.

Tax increment revenues from the TIA effectively exclude any contribution from multifamily residential development over the 25-year term. This reflects two conservative assumptions about the application of Bellevue's MFTE program:

- Extension of existing MFTE Projects: Projects currently enrolled in Bellevue's 12-year MFTE program are assumed to recertify for an additional 12-year term, contingent on future city council authorization. Although this policy change has not been adopted, this scenario assumes it could occur.
- Adoption of 20-Year MFTE under HB 1494: All new multifamily residential development beginning in 2029 is assumed to qualify for a 20-year exemption as allowed under HB 1494, adopted by the Washington State Legislature in 2025.

Together, these assumptions result in no taxable value from multifamily improvements being added to the property tax base during the term of the TIA. While land value and nonresidential portions (e.g., ground-floor retail or structured parking) still generate tax increment, the exemption of residential improvements substantially reduces overall TIF revenues. This treatment has been carried through all scenarios to reflect a conservative revenue outlook and illustrate the fiscal implications of current and potential MFTE policy choices. Tax increment revenues from the TIA effectively exclude any contribution from multifamily residential development over the 25-year term

The city's MFTE program provides property tax exemptions from ad valorem taxation for multiple-unit rental housing. Under the city's current 12-year program, generally at least 20% of residential units in a project must be affordable to households at or below 80% of area median income (AMI). The TIA allocation revenue projections account for all future private residential development occurring under these exemption programs.

The MFTE program exempts only the residential portion of a multifamily project from property taxes; it does not exempt the underlying land or associated nonresidential components, such as ground-floor retail or structured parking. As a result, incremental assessed value from these nonexempt portions will continue to grow and contribute to TIF revenues over time, even for projects receiving the MFTE exemption.

Tables 5 through 8 summarize the discounted value of 25 years of TIA allocation revenues that would flow to the city based on each of the identified development program scenarios. The analysis assumed the TIA is created in 2026 using 2025 certified values. Due to the lagging nature of the property tax, the first year of the calculated increment will be in 2027 for 2028 taxes. Therefore, TIA allocation revenues will run through the end of tax year 2052.

The revenues are shown in present value and nominal dollars. The present values are discounted at a rate of 4.5% to approximate the city's cost of capital (i.e., based on debt and issuance costs to give some approximate present-day value of the TIA cash flows). The nominal dollars are shown since this is ultimately the amount that the city can draw upon to service principal and interest on its debt payments. These values are shown in the tables below.

Summary of TIA Allocation Revenues Across Scenarios

The projected tax increment revenues vary substantially across the three development scenarios, driven by differences in development scale, timing, and the treatment of multifamily tax exemptions — particularly the assumption that all new multifamily development beginning in 2029 qualifies for a 20-year exemption under HB 1494.

To estimate the potential tax increment revenues available to support the Grand Connection Crossing, this analysis modeled three scenario-based forecasts:

- **Full Buildout:** Assumes full realization of the planned development program across all sites, with rapid absorption and maximum square footage achieved. MFTE applies to all residential improvements, limiting their taxable value.
- **Phased Full Buildout:** Reflects the same ultimate development program as Full Buildout, but assumes a slower absorption schedule over time. MFTE still applies, reducing taxable value from residential components.
- **Market-Responsive Limited Buildout:** A conservative scenario that includes only a subset of sites expected to develop in the near term due to proximity to the Grand Connection and stronger market signals. Like the other scenarios, MFTE applies to all residential development.

As shown in the table below, the present value of tax increment revenues across all taxing districts ranges from approximately \$41.0 million under the Market-Responsive Limited Buildout Scenario to \$60.3 million under the Full Buildout

Scenario. The nominal (undiscounted) values range from \$84.4 million to \$128.8 million, highlighting the fiscal outputs between scale, timing, and MFTE policy.

Scenario	Present Value (All Districts)	Nominal Value (All Districts)
Full Buildout	\$60,340,000	\$128,814,000
Phased Buildout	\$46,060,000	\$104,393,000
Market-Responsive Limited Buildout	\$40,990,000	\$84,447,000

Table 5: Allocation Revenues

Source: EConorthwest, 2025

The projected tax increment revenues vary widely across the three development scenarios, reflecting differences in development scale, timing, and the policy treatment of multifamily tax exemptions. These scenarios provide a risk-based spectrum to assess potential funding available to support the Grand Connection Crossing.

- **Full Buildout Scenario.** This scenario assumes full development of all identified parcels, including office, multifamily, retail, and convention uses. It generates the highest potential revenue, with a nominal value of \$128.8 million and a present value of \$60.3 million across all taxing districts.
- **Phased Full Buildout Scenario.** This scenario assumes the same development scale as Full Buildout Scenario but applies a conservative assumption that development is delayed. Despite the same total square footage, this policy treatment reduces tax increment revenues to a nominal value of \$104.4 million and a present value of \$46.1 million.
- **Market-Responsive Limited Buildout Scenario.** This scenario reflects a narrower development footprint based on current conversations with developers and includes only projects with near-term potential and proximity to the Grand Connection Crossing. It also assumes the MFTE policy is in place for all multifamily development. This results in a nominal TIF revenue of \$84.4 million and a present value of \$41.0 million, the most conservative revenue outlook modeled.

Across all scenarios, the City of Bellevue and King County together comprise over 70% of total projected TIF revenues, given their relative levy rates. Other overlapping jurisdictions — Sound Transit, EMS, King County Library District, Port of Seattle, and Flood Control — contribute smaller but still meaningful amounts. Present value allocations for these districts range from \$680,000 to \$10.7 million, depending on the scenario.

	TIA Allocation Revenue	
	Present Value	Nominal Value
City of Bellevue	\$15,740,000	\$33,625,000
King County	\$28,800,000	\$61,454,000
Port of Seattle	\$1,000,000	\$2,145,000
Sound Transit	\$3,340,000	\$7,136,000
EMS (County)	\$4,530,000	\$9,672,000
King County Library District	\$5,030,000	\$10,730,000
Flood Control	\$1,900,000	\$4,052,000
Total	\$60,340,000	\$128,814,000

Table 6: TIF Allocation Revenues for the Full Buildout Scenario

Source: ECONorthwest calculations, 2025

	TIA Allocation Revenue	
	Present Value	Nominal Value
City of Bellevue	\$11,990,000	\$27,183,000
King County	\$22,000,000	\$49,848,000
Port of Seattle	\$770,000	\$1,741,000
Sound Transit	\$2,550,000	\$5,788,000
EMS (County)	\$3,460,000	\$7,845,000
King County Library District	\$3,840,000	\$8,705,000
Flood Control	\$1,450,000	\$3,283,000
Total	\$46,060,000	\$104,393,000

Table 7: TIF Allocation Revenues for the Phased Buildout Scenario

Source: ECONorthwest calculations, 2025

	TIA Allocation Revenue	
	Present Value	Nominal Value
City of Bellevue	\$10,650,000	\$21,941,000
King County	\$19,600,000	\$40,357,000
Port of Seattle	\$680,000	\$1,407,000
Sound Transit	\$2,270,000	\$4,685,000
EMS (County)	\$3,080,000	\$6,351,000
King County Library District	\$3,420,000	\$7,047,000
Flood Control	\$1,290,000	\$2,659,000
Total	\$40,990,000	\$84,447,000

Table 8: TIF Allocation Revenues for the Market Responsive Limited Buildout Scenario

Source: ECONorthwest calculations, 2025

These scenarios have been developed to help assess potential risk based on different levels of development within the TIA. Understanding and accepting a certain level of risk is important as the city will be obligated for the repayment of any bond debt that

is issued for the infrastructure improvements, regardless of whether the projected private development and property tax materialize.

The city has identified the Market-Responsive Limited Buildout Scenario as the most likely development scenario to occur at this time as a conservative approach. In the event that additional known and planned developments materialize in the near future, the city may revisit the scenario selection or explore alternative development scenarios to reflect updated assumptions or policy direction.

Impacts to Other Taxing Districts

Washington's property tax system is already complex and often counterintuitive, and the use of TIF doesn't necessarily make it easier to understand. While TIF is designed to redirect a portion of property tax revenue toward infrastructure investments, it also introduces new mechanisms—like apportionment, the increment add-on, and the no harm provision—that modify how taxes are calculated and distributed.

The graphic below offers a simplified illustration of how the 2021 TIF legislation changed two key aspects of the property tax system: (1) how property tax revenues are apportioned within a TIA, and (2) how the maximum allowable levy for each taxing district is adjusted to keep districts "whole" over time. While it doesn't capture all the technical details, this framework helps explain the fundamental structure of TIF in Washington and how the no harm provision is intended to function in practice.

The 2021 TIF legislation introduced two fundamental changes to Washington’s property tax system:

- 1: Property tax revenues are apportioned within a designated TIA, allowing the increment—the growth in assessed value above a base year—to be apportioned and directed toward local infrastructure investments.
- 2: It adjusted how much tax can be levied at the taxing district level, ensuring that districts can account for any apportioned property taxes (commonly referred to as the “no harm” provision).

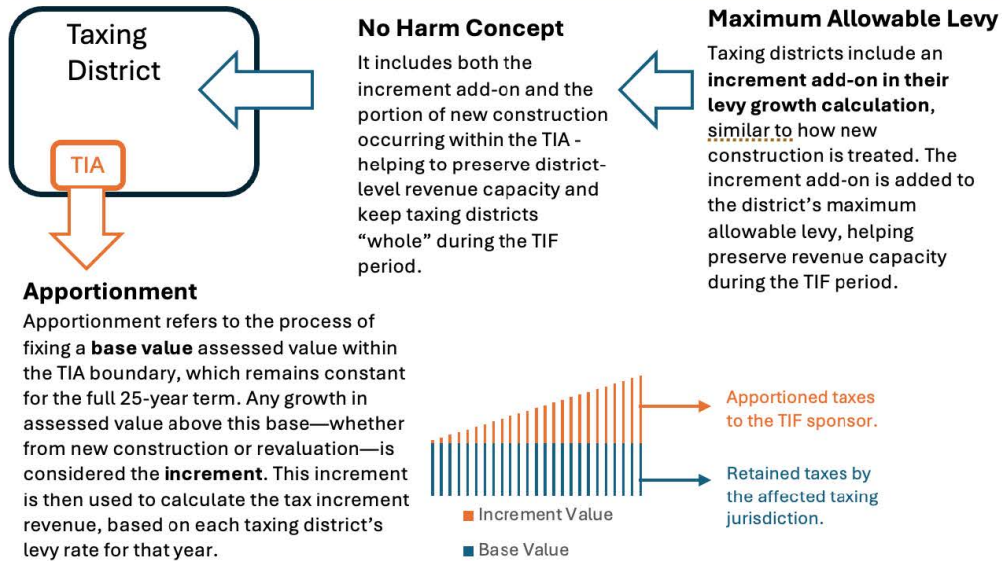


Figure 9: How Washington's 2021 TIF Law Changed Property Tax Allocation and Levy Limits

Source: ECONorthwest, 2025

TIF in Washington State as adopted and amended, is designed to provide a source of tax revenue to pay for needed public improvements that incentivize desired development while seeking no financial harm to those taxing districts that contribute tax allocation dollars as part of their levy inside a TIA. TIF sponsors are required to prepare a project analysis that includes:

- An assessment of impacts on local fire services, public hospital services, emergency medical services, and other junior taxing districts within the TIA.
- Identification of any necessary mitigation for these services.

To estimate the levy impact on jurisdictions, it is essential to examine two key factors: first, the portion of property taxes apportioned within the TIA that results in reduced collections for taxing districts at the TIA level; and second, the overall levy impact at the broader jurisdiction level, which is supported by adjustments to the levy calculation process.

While taxing districts may experience a temporary reduction in direct property tax revenue due to the allocation of increment funds to the TIA, the changes to the levy calculation—such as increases in assessed values from new construction within the TIA and increment growth—can offset these losses. These adjustments ensure that the district's overall levy capacity and ability to fund public services are preserved or enhanced over time, aligning with TIF's goal of creating no financial harm to contributing districts.

How do Jurisdictions have their Property Taxes Apportioned under TIF

When a TIA is established, property taxes are divided into two portions. First, the base value represents the assessed value of real property within the area before it was designated. Taxes based on this value continue to go to the taxing districts, such as library districts, or counties, at their regular levy rates. Second, the increment value—the increase in property value within the TIA generates additional tax revenues, which are allocated to the local government that created the TIA. These increment funds are used exclusively to finance public improvements within the TIA.

For example, consider a generic taxing district scenario:

- In the 2021/2022 tax year, before the TIA was established, the total assessed value (AV) was \$1,000,000 with a levy rate of \$1.25 per \$1,000 AV, resulting in \$1,250 in total taxes, all allocated to the taxing district.
- In 2022/2023, after the TIA was created, the base value remains \$1,000,000, but an increment value of \$200,000 is added due to increased property

assessments. With a reduced levy rate of \$1.20 per \$1,000 AV, the total tax is \$1,440. Of this, \$1,200 is allocated to the taxing district (based on the base value), while \$240 is allocated to the local government to fund the identified public improvements.

- In 2023/2024, the base value is still \$1,000,000, and the increment value grows to \$400,000. At a levy rate of \$1.10 per \$1,000 AV, the total tax is \$1,540, with \$1,100 going to the taxing district and \$440 allocated to the local government for the identified public improvements.

This apportionment ensures that taxing districts continue to receive revenues based on the base value, while the local government captures the increment value to fund public improvements, incentivizing further development.

Levy Calculation and Changes Under Tax Increment Financing

In Washington state, regular property tax levies are primarily non-voted and are governed by several legal limitations to ensure fairness and prevent excessive taxation. These limitations define how much taxing districts can levy and include:

1. Certified Levy Request Amount: The amount a taxing district requests through its budget process.
2. Authorized Levy Amount: The levy amount approved by the district's governing body through a resolution or ordinance.
3. Statutory Dollar Rate Limit: Caps the maximum levy rate per \$1,000 of assessed property value, specific to each type of taxing district.
4. Levy Limit (101% Growth Limit): Restricts the increase in a taxing district's levy to 1% over the highest levy amount from the past three years, plus an allowance for new construction and state-assessed utility value.
5. \$5.90 Aggregate Limit: Prevents the total of all regular levies (excluding state levies and a few others) from exceeding \$5.90 per \$1,000 of assessed value.
6. One percent Constitutional Limit: Ensures that the total property tax on any property does not exceed 1% of its true and fair market value, except for voter-approved excess levies.

Washington's Constitution mandates that property taxes must be uniform within a taxing district, meaning properties of equal market value must be taxed at the same rate. The only exception is for agricultural, timber, and open-space lands, which may be assessed based on their current use rather than market value, as authorized by the Constitution. These legal constraints ensure that property taxation is both equitable and predictable, balancing the need for government funding with taxpayer protections. While most regular levies are subject to these limitations, there are

specific variations depending on the type of levy, as detailed in taxing district regulations.

The 101% levy limit restricts most taxing districts in Washington State to an annual property tax levy increase of no more than 1% over the highest lawful levy from prior years, unless specific conditions are met. Additional funds for new construction, property improvements, annexations, and refunds are allowed, along with increases in value from state-assessed property and tax increment financing areas.

The creation of a TIA affects the county assessor's levy calculations by increasing the levy limit based on the rise in assessed value within the increment area (e.g., increment add-on). However, this increase does not carry forward as part of the district's highest lawful levy since 1985. The assessor must determine two key components:

- **Tax Allocation Base Value:** This is the assessed value of real property within the increment area for property taxes imposed in the year in which the increment area takes effect (which is the June 1st following passage of the ordinance). For example, if the area takes effect in 2022, the base value is based on assessed values determined in the 2021 assessment year for taxes imposed in 2022.
- **Increment Value:** This is the increase in the assessed value of real property above the base value within the increment area. This value cannot be included in other levy calculations, such as for new construction or state-assessed utility value.

These rules ensure the proper calculation of levy limits while keeping the increment value separate from other taxable components.

Figure 10 below is from the Department of Revenue that demonstrates how taxing districts calculate their maximum allowable levy using factors like new construction and increment value. Included directly below are descriptions of key tax terms:

1. **Highest Lawful Levy:** The district's highest lawful levy is calculated at \$16,665,000 by applying the 101% limit factor to the prior highest lawful levy of \$16,500,000.
2. **New Construction Addition:** The value of new construction (\$450,000,000) is multiplied by the prior year's levy rate (\$0.21 per \$1,000 AV) to add \$94,500 to the levy.

3. Utility Increase: A utility value increase of \$24,000,000 adds \$5,040 to the levy, using the same rate.
4. Increment Value: The increment value of \$30,000,000 (excluding new construction) adds another \$6,300 to the levy.
5. Total Levy Limit: Adding these components yields a total levy limit of \$16,770,840.
6. Statutory Maximum Levy: The district's total taxable value (\$38,300,000,000) multiplied by the statutory maximum rate (\$0.45 per \$1,000 AV) results in a maximum statutory levy of \$17,235,000.
7. Maximum Allowable Levy: The lesser of the total levy limit (\$16,770,840) and the statutory maximum levy (\$17,235,000) determines the district's maximum allowable levy, set at \$16,770,840.
8. New Highest Lawful Levy: The increment value increase (\$6,300) is excluded when calculating the new highest lawful levy, resulting in a final figure of \$16,764,540.

Step	Description	Calculation	Result
a.)	Highest lawful levy	\$16,500,000 x 101% limit factor	\$16,665,000
b.)	New construction	\$450,000,000 x \$0.21 / \$1,000 AV	\$94,500
c.)	Utility increase	\$24,000,000 x \$0.21 / \$1,000	\$5,040
d.)	Increment value, less new construction in increment area	\$30,000,000 x \$0.21 / \$1,000	\$6,300
e.)	Total levy limit (sum of a through d)	Sum of a through d	\$16,770,840
f.)	Statutory maximum levy	\$38,300,000,000 x \$0.45 / \$1,000	\$17,235,000
g.)	Maximum allowable levy for this year (lesser of e or f)	Lesser of e or f	\$16,770,840
h.)	New highest lawful levy since 1985 (Lesser of e minus d, or f. If f is the lesser, carry forward the greater of a or f)	Lesser of e minus d, or f	\$16,764,540

Figure 10: DOR Example of Levy Calculation

Source: Department of Revenue Special Notice (https://dor.wa.gov/sites/default/files/2022-07/sn_22_LegislativeChangesTaxIncrementFinancing.pdf), 2025

The DOR calculation illustrates how districts integrate growth from new construction and increment values into their levy limits while adhering to statutory constraints.

How Development in a TIA Grows a District's Levy

When development occurs within a TIA, it directly increases a district's levy through two key mechanisms: new construction and increment value growth.

- **Year 1: New Construction**
 - Assume \$10 million in new construction occurs within the TIA during the first year. This new construction is added to the district's assessed valuation and contributes to the levy add-on amount. If the prior year's levy rate was \$1.00 per \$1,000 AV, the new construction adds \$10,000 to the district's levy. This amount becomes part of the district's levy capacity for the current year.
- **Year 2: Increment Value Growth**
 - By the second year, additional property value growth in the TIA occurs, with the total increment value increasing by \$15 million, including \$5 million from new construction. The new construction is treated as before, adding \$5,000 to the levy at the same rate of \$1.00 per \$1,000 AV. The remaining \$10 million in increment value (less the new construction value) is also added to the district's levy calculation, contributing an additional \$10,000 to the levy.
- **Cumulative Impact on Levy**
 - Year 1: \$10,000 added from \$10 million in new construction.
 - Year 2: \$5,000 from new construction + \$10,000 from increment value growth = \$15,000. Total Levy Add-On by Year 2: \$25,000.

Under TIF, over time both new construction (the portion attributable to TIF) and the increment value growth (excluding the value of new construction) contribute to the district's levy add-on amount. As development within the TIA continues, these additions ensure that the district benefits financially from increased property values while supporting public improvements funded by the TIA.

Projecting Potential District Impacts

this analysis examines the impacts on jurisdictions by comparing the property taxes within the proposed TIA that are allocated to the sponsoring jurisdiction — City of Bellevue in this case — with the additional levy capacity enabled by the development. It also considers changes to the levy computation for affected tax increment levies. Specifically, this includes:

- The add-on value above the 1% limit factor for new construction (occurring in the TIA that would be counted as part of the district’s overall new construction add-on).
- The add-on value for the tax increment value.

This approach ensures that the needs of junior taxing districts are considered while maintaining the viability and benefits of TIF for local governments.

Districts’ levy rates are projected forward by estimating assessed valuation growth and new construction across the entire district. The projected levy rate is then applied in two ways:

- **Tax Apportionment:** It is used to apportion property taxes between the base value and increment value in the TIA. This represents the amount the jurisdiction contributes to the TIA from its general revenues.
- **Levy Growth:** The projected levy rate is also used to calculate the district’s overall levy contributions from new construction add-ons and increment add-ons. Together, these elements uphold the “no harm” provision by compensating for the district’s contributions to the TIA.

For jurisdictions approaching their statutory maximum levy, the analysis is based on long-term trends in assessed valuation growth and the 101% limit factor. Most districts are projected to see their levy rates decline over time due to rising property values, reducing the likelihood of hitting their statutory maximum rates. However, real estate market volatility and potential policy decisions, such as levy lifts or other tax measures, could influence future levy rates and raise this risk.

Jurisdictions can ask voters to approve a levy lid lift, either for a single year or for multiple years (up to 6 years), allowing them to exceed the 101% levy growth limit up to the statutory maximum. While a taxing district with an approved levy lid lift may see a relative reduction in “taxes-in” due to the formation of a TIA, this impact is likely minor compared to the overall revenue increase generated by the levy lid lift — particularly if the TIA represents a small portion of the district’s total area.

Given these dynamics, the results should be interpreted as projections under current conditions and trends, recognizing the uncertainties inherent in a 25-year analysis. While the apportionment and levy mechanisms are modeled based on the best available data, actual outcomes may differ due to policy shifts, market changes, or other unforeseen factors. The table below compares the total taxes apportioned to

each jurisdiction with the total district levy growth, which includes new construction and increment growth enabled by the development within the TIA. In all cases, the total taxes apportioned (those tax dollars that are allocated to pay for TIF public improvements) are slightly less than the total district levy growth, demonstrating that the value added by the increment and new construction offsets most of the taxes apportioned to the jurisdiction. The combination of the add-on value for new construction and increment growth which is applied to the levy across the entire district, provides a source of revenue to pay for service demands which may be caused by the development inside the TIA — creating the “no-harm” provision referenced above.

How to Read This Table

This table compares property tax revenues allocated to the TIA (“Taxes Out”) with the total levy growth for each taxing district (“Taxes In”) over the life of the TIA. It helps illustrate how much revenue each district contributes to the TIA and how that compares to their total allowable property tax growth under state law.

- Total Taxes Apportioned (Taxes Out): The amount of property tax revenue redirected to the TIA from each taxing district over the 25-year term.
- District Levy Growth: Total (Taxes In): The total increase in each district’s maximum allowable levy during the same period, including both new construction and the increment add-on.
- District Levy Growth: New Construction: The portion of levy growth attributable to new construction activity within the TIA.
- District Levy Growth: Increment: The portion of levy growth attributable to the increase in assessed value within the TIA, excluding new construction (i.e., the increment add-on).

Jurisdiction	Taxes Out	Taxes In	District Levy Growth: New Construction	District Levy Growth: Increment
	Total Taxes Apportioned	District Levy Growth: Total		
City of Bellevue	\$21,941,000	\$22,994,000	\$1,026,000	\$21,965,000
King County	\$40,357,000	\$42,293,000	\$1,891,000	\$40,401,000
Port of Seattle	\$1,407,000	\$1,476,000	\$66,000	\$1,409,000
Sound Transit	\$4,685,000	\$4,912,000	\$220,000	\$4,693,000
EMS (County)	\$6,351,000	\$6,655,000	\$298,000	\$6,358,000
King County Library District	\$7,047,000	\$7,387,000	\$331,000	\$7,056,000
Flood Control	\$2,659,000	\$2,789,000	\$125,000	\$2,664,000
Total	\$84,447,000	\$88,506,000	\$3,957,000	\$84,546,000

This table provides a snapshot of the “no harm” provision in action—showing how taxing districts are permitted to grow their levies to offset the value being captured by the TIA, thus helping maintain fiscal neutrality over the life of the project.

Table 9: TIF Allocation Revenues Compared to District Levy Gains (Market-Responsive Limited Buildout Scenario), Nominal amount

Source: ECONorthwest calculations, 2025. (Note: numbers may not total due to rounding)

Taxing districts are “giving up” some revenue to help fund the Grand Connection Crossing, but they’re also allowed to increase their levy limits to make up for that lost value. The “Increment” column shows how much additional levy capacity they gain to offset the taxes going to the TIA. For example, King County levies are projected to contribute about \$40.4 million to the TIA, but it can increase its levy by \$42.3 million from the increment alone — meaning it can fully “recover” that lost revenue over time.

Key Comparisons:

Taxing districts are “giving up” some revenue to help fund the Grand Connection Crossing, but they’re also allowed to increase their levy limits to make up for that lost value. The “Increment” column shows how much additional levy capacity they gain to offset the taxes going to the TIA. For example, King County levies are projected to contribute about \$40.4 million to the TIA, but it can increase its levy by \$40.4 million from the increment alone — meaning it can fully “recover” that lost revenue over time.

In short, taxing districts give up direct access to some revenue in the near term, but benefit from long-term growth in assessed value. The result is that all districts are projected to be made whole through additional levy capacity, even while supporting major infrastructure investments.

- **City of Bellevue:** Total taxes apportioned are \$21.94 million, slightly below the district levy growth of \$22.99 million, which includes \$1.03 million from new construction and \$21.97 million from the increment.
- **King County:** Total taxes apportioned are \$40.36 million, slightly below the district levy growth of \$42.29 million, with \$1.89 million from new construction and \$40.40 million from the increment.
- **Port of Seattle:** Total taxes apportioned are \$1.41 million, slightly below the district levy growth of \$1.48 million, which includes \$66,000 from new construction and \$1.41 million from the increment.
- **Sound Transit:** Total taxes apportioned are \$4.69 million, slightly below the district levy growth of \$4.91 million, with \$220,000 from new construction and \$4.69 million from the increment.
- **EMS (County):** Total taxes apportioned are \$6.35 million, slightly below the district levy growth of \$6.66 million, which includes \$298,000 from new construction and \$6.36 million from the increment.
- **King County Library District:** Total taxes apportioned are \$7.05 million, slightly below the district levy growth of \$7.39 million, with \$331,000 from new construction and \$7.06 million from the increment.
- **Flood Control:** Total taxes apportioned are \$2.66 million, slightly below the district levy growth of \$2.79 million, which includes \$125,000 from new construction and \$2.66 million from the increment.

Combined, total taxes apportioned across all districts are \$84.4 million, compared to total district levy growth of \$88.5 million, which includes \$4.0 million from new construction add-on and \$84.5 million from the increment add-on.

This analysis illustrates that development-driven growth within the proposed TIA is generally sufficient to support district levy increases that approximate the taxes apportioned, benefiting each jurisdiction overall. However, these estimates reflect a simplified structure and do not account for potential economic fluctuations, policy changes, or future levy lid lifts, any of which could affect individual taxing jurisdictions' ability to increase their levy within the statutory levy limits or alter the distribution of future tax revenues.

The following tables provide a summary account of all affected taxing levies, offering insight into how property tax revenues are distributed and the fiscal impact of development within the TIA on taxing jurisdictions.

This analysis includes the following:

- **Base Value and Increment Value:** A summary of the original property value and the additional value generated by development within the TIA.
- **Tax Rate for the Given Year:** The levy rate applied to the base and increment values.
- **Total Property Tax Collected:** Split into the portion allocated to the TIA and the portion allocated to the taxing district itself.
- **Levy Add-Ons:** Separate columns detail the additional levy capacity generated from new construction and the increment value.

How to read the following tables

This section explains how taxes and levy add-ons are calculated and apportioned in a TIA, using the columns in the provided table:

1. Assessment Year (Column 1): This represents the year in which the county assessor evaluates property values within the TIA. These assessments determine the taxes for the following year.
2. Base Value (Column 2): The base value is the property value within the TIA at the time the TIF ordinance is created. This value is frozen and forms the basis for calculating taxes allocated to the original taxing jurisdictions.
3. Increment Value (Column 3): The increment value is the portion of the property value above the base value. This additional value is used to calculate the portion of property taxes allocated to the TIA and reflects the amount of development that is projected within each private development scenario outlined in this Report.
4. Levy Rate (Column 4): This is the projected property tax rate for the taxing jurisdiction in the assessment year. It is applied to the base and increment values to determine the total property taxes collected.

5. Total Property Tax (Column 5): This is the total property tax collected within the TIA for the respective assessment year. It is calculated by applying the levy rate to the total assessed value (base value + increment value).
6. Tax Allocated to TIF (Column 6): This is the portion of property taxes allocated to TIF. This represents the *Total Taxes Out*. It is calculated by multiplying the increment value by the levy rate for the respective year.
7. Tax Allocated to City (Column 7): This is the portion of property taxes allocated back to the taxing jurisdiction (e.g., the city). It is calculated by multiplying the base value by the levy rate for the respective year.

Factors Impacting Levy Add-ons

- A. New Construction (Column A): This reflects the value of new development in the TIA for the respective assessment year. It is estimated by multiplying the amount of new units or square footage by market-derived value assumptions as part of the development projection.
- B. Levy Add-on for New Construction (Column B): This is the additional levy revenue generated by new construction. It is calculated by multiplying the new construction value by the levy rate from the previous year, consistent with standard levy calculation practices.
- C. Increment Value Excluding New Construction (Column C): This adjusts the increment value (Column 3) by subtracting the value of new construction, ensuring that new construction is not double-counted in levy add-ons.
- D. Levy Add-on for Increment Value (Column D): This is the additional levy revenue generated from the adjusted increment value (Column C). It is calculated by multiplying the adjusted increment value by the levy rate from the previous year.
- E. Total Taxes In: at the bottom of the table, the total taxes in is summed. It sums Column B (the levy add on from new construction) and Column D (the levy add-on from increment value).

This framework shows how the apportionment of property taxes within the TIA works while capturing the benefits of new construction and increment growth in the taxing jurisdiction's overall levy.

City of Bellevue											A	B	C	D	E	
1	2	3	4	5	6	7					New Construction	Levy Add-on: New Constr.	Increment Value (less New Construction)	Levy Add-on: Increment Value	Total Taxes In (Column B + D)	
Assessment Year	Base Value	Increment Value	Levy Rate	Total Property Tax	Tax Allocated to TIF	Tax Allocated to City of Bellevue										
2027	\$489,464,000	\$0	\$0.683	\$334,000	\$0	\$334,000				\$0	\$0	\$0	\$0	\$0	\$0	
2028	\$489,464,000	\$0	\$0.651	\$319,000	\$0	\$319,000				\$0	\$0	\$0	\$0	\$0	\$0	
2029	\$489,464,000	\$103,645,000	\$0.621	\$369,000	\$64,000	\$304,000	\$103,645,000			\$103,645,000	\$68,000	\$0	\$0	\$0	\$68,000	
2030	\$489,464,000	\$216,617,000	\$0.593	\$419,000	\$128,000	\$290,000	\$106,754,000			\$106,754,000	\$66,000	\$109,863,000	\$68,000	\$136,000	\$135,000	
2031	\$489,464,000	\$675,486,000	\$0.566	\$659,000	\$382,000	\$277,000	\$445,872,000			\$445,872,000	\$264,000	\$229,614,000	\$136,000	\$401,000	\$401,000	
2032	\$489,464,000	\$1,175,263,000	\$0.540	\$899,000	\$635,000	\$264,000	\$459,248,000			\$459,248,000	\$260,000	\$716,015,000	\$405,000	\$665,000	\$665,000	
2033	\$489,464,000	\$1,245,779,000	\$0.515	\$894,000	\$642,000	\$252,000				\$0	\$0	\$1,245,779,000	\$673,000	\$673,000	\$673,000	
2034	\$489,464,000	\$1,320,526,000	\$0.492	\$890,000	\$649,000	\$241,000				\$0	\$0	\$1,320,526,000	\$681,000	\$681,000	\$681,000	
2035	\$489,464,000	\$1,399,757,000	\$0.469	\$887,000	\$657,000	\$230,000				\$0	\$0	\$1,399,757,000	\$688,000	\$688,000	\$688,000	
2036	\$489,464,000	\$1,879,154,000	\$0.448	\$1,061,000	\$842,000	\$219,000	\$395,412,000			\$395,412,000	\$186,000	\$1,483,743,000	\$696,000	\$882,000	\$882,000	
2037	\$489,464,000	\$2,399,177,000	\$0.428	\$1,235,000	\$1,026,000	\$209,000	\$407,274,000			\$407,274,000	\$182,000	\$1,991,903,000	\$892,000	\$1,075,000	\$1,075,000	
2038	\$489,464,000	\$2,543,128,000	\$0.408	\$1,238,000	\$1,038,000	\$200,000				\$0	\$0	\$2,543,128,000	\$1,088,000	\$1,088,000	\$1,088,000	
2039	\$489,464,000	\$2,695,715,000	\$0.390	\$1,242,000	\$1,051,000	\$191,000				\$0	\$0	\$2,695,715,000	\$1,101,000	\$1,101,000	\$1,101,000	
2040	\$489,464,000	\$2,857,458,000	\$0.372	\$1,245,000	\$1,063,000	\$182,000				\$0	\$0	\$2,857,458,000	\$1,114,000	\$1,114,000	\$1,114,000	
2041	\$489,464,000	\$3,028,906,000	\$0.355	\$1,250,000	\$1,076,000	\$174,000				\$0	\$0	\$3,028,906,000	\$1,127,000	\$1,127,000	\$1,127,000	
2042	\$489,464,000	\$3,210,640,000	\$0.339	\$1,254,000	\$1,088,000	\$166,000				\$0	\$0	\$3,210,640,000	\$1,140,000	\$1,140,000	\$1,140,000	
2043	\$489,464,000	\$3,403,279,000	\$0.324	\$1,260,000	\$1,101,000	\$158,000				\$0	\$0	\$3,403,279,000	\$1,154,000	\$1,154,000	\$1,154,000	
2044	\$489,464,000	\$3,607,475,000	\$0.309	\$1,265,000	\$1,114,000	\$151,000				\$0	\$0	\$3,607,475,000	\$1,167,000	\$1,167,000	\$1,167,000	
2045	\$489,464,000	\$3,823,924,000	\$0.295	\$1,271,000	\$1,127,000	\$144,000				\$0	\$0	\$3,823,924,000	\$1,181,000	\$1,181,000	\$1,181,000	
2046	\$489,464,000	\$4,053,359,000	\$0.281	\$1,277,000	\$1,140,000	\$138,000				\$0	\$0	\$4,053,359,000	\$1,194,000	\$1,194,000	\$1,194,000	
2047	\$489,464,000	\$4,296,561,000	\$0.268	\$1,284,000	\$1,153,000	\$131,000				\$0	\$0	\$4,296,561,000	\$1,208,000	\$1,208,000	\$1,208,000	
2048	\$489,464,000	\$4,554,355,000	\$0.256	\$1,291,000	\$1,166,000	\$125,000				\$0	\$0	\$4,554,355,000	\$1,222,000	\$1,222,000	\$1,222,000	
2049	\$489,464,000	\$4,827,616,000	\$0.244	\$1,299,000	\$1,179,000	\$120,000				\$0	\$0	\$4,827,616,000	\$1,236,000	\$1,236,000	\$1,236,000	
2050	\$489,464,000	\$5,117,273,000	\$0.233	\$1,307,000	\$1,193,000	\$114,000				\$0	\$0	\$5,117,273,000	\$1,250,000	\$1,250,000	\$1,250,000	
2051	\$489,464,000	\$5,424,309,000	\$0.222	\$1,316,000	\$1,207,000	\$109,000				\$0	\$0	\$5,424,309,000	\$1,265,000	\$1,265,000	\$1,265,000	
2052	\$489,464,000	\$5,749,768,000	\$0.212	\$1,324,000	\$1,220,000	\$104,000				\$0	\$0	\$5,749,768,000	\$1,279,000	\$1,279,000	\$1,279,000	
Total Taxes Out (Sum of Column 6)					\$2,941,000						Total Taxes In (Sum of Column B+D)					\$2,994,000

Table 10: TIF Summary for City of Bellevue (Market Responsive Limited Buildout Scenario)

Source: ECONorthwest calculations, 2025

King County											A	B	C	D	E	
1	2	3	4	5	6	7					New Construction	Levy Add-on: New Constr.	Increment Value (less New Construction)	Levy Add-on: Increment Value	Total Taxes In (Column B + D)	
Assessment Year	Base Value	Increment Value	Levy Rate	Total Property Tax	Tax Allocated to TIF	Tax Allocated to King County										
2027	\$489,463,600	\$0	\$1.340	\$656,000	\$0	\$656,000				\$0	\$0	\$0	\$0	\$0	\$0	
2028	\$489,463,600	\$0	\$1.201	\$588,000	\$0	\$588,000				\$0	\$0	\$0	\$0	\$0	\$0	
2029	\$489,463,600	\$103,645,000	\$1.146	\$680,000	\$119,000	\$561,000	\$103,645,000			\$103,645,000	\$124,000	\$0	\$0	\$124,000	\$124,000	
2030	\$489,463,600	\$216,617,000	\$1.094	\$772,000	\$237,000	\$535,000	\$106,754,000			\$106,754,000	\$122,000	\$109,863,000	\$126,000	\$248,000	\$248,000	
2031	\$489,463,600	\$675,486,000	\$1.044	\$1,216,000	\$705,000	\$511,000	\$445,872,000			\$445,872,000	\$488,000	\$229,614,000	\$251,000	\$739,000	\$739,000	
2032	\$489,463,600	\$1,175,263,000	\$0.996	\$1,658,000	\$1,170,000	\$487,000	\$459,248,000			\$459,248,000	\$479,000	\$716,015,000	\$747,000	\$1,226,000	\$1,226,000	
2033	\$489,463,600	\$1,245,779,000	\$0.950	\$1,649,000	\$1,184,000	\$465,000				\$0	\$0	\$1,245,779,000	\$1,241,000	\$1,241,000	\$1,241,000	
2034	\$489,463,600	\$1,320,526,000	\$0.907	\$1,641,000	\$1,197,000	\$444,000				\$0	\$0	\$1,320,526,000	\$1,255,000	\$1,255,000	\$1,255,000	
2035	\$489,463,600	\$1,399,757,000	\$0.865	\$1,634,000	\$1,211,000	\$423,000				\$0	\$0	\$1,399,757,000	\$1,269,000	\$1,269,000	\$1,269,000	
2036	\$489,463,600	\$1,879,154,000	\$0.826	\$1,955,000	\$1,551,000	\$404,000	\$395,412,000			\$395,412,000	\$342,000	\$1,483,743,000	\$1,284,000	\$1,626,000	\$1,626,000	
2037	\$489,463,600	\$2,399,177,000	\$0.788	\$2,275,000	\$1,890,000	\$386,000	\$407,274,000			\$407,274,000	\$336,000	\$1,991,903,000	\$1,644,000	\$1,981,000	\$1,981,000	
2038	\$489,463,600	\$2,543,128,000	\$0.752	\$2,279,000	\$1,912,000	\$368,000				\$0	\$0	\$2,543,128,000	\$2,003,000	\$2,003,000	\$2,003,000	
2039	\$489,463,600	\$2,695,715,000	\$0.717	\$2,284,000	\$1,933,000	\$351,000				\$0	\$0	\$2,695,715,000	\$2,026,000	\$2,026,000	\$2,026,000	
2040	\$489,463,600	\$2,857,458,000	\$0.684	\$2,291,000	\$1,956,000	\$335,000				\$0	\$0	\$2,857,458,000	\$2,049,000	\$2,049,000	\$2,049,000	
2041	\$489,463,600	\$3,028,906,000	\$0.653	\$2,296,000	\$1,978,000	\$320,000				\$0	\$0	\$3,028,906,000	\$2,073,000	\$2,073,000	\$2,073,000	
2042	\$489,463,600	\$3,210,640,000	\$0.623	\$2,306,000	\$2,001,000	\$305,000				\$0	\$0	\$3,210,640,000	\$2,097,000	\$2,097,000	\$2,097,000	
2043	\$489,463,600	\$3,403,279,000	\$0.595	\$2,315,000	\$2,024,000	\$291,000				\$0	\$0	\$3,403,279,000	\$2,121,000	\$2,121,000	\$2,121,000	
2044	\$489,463,600	\$3,607,475,000	\$0.567	\$2,324,000	\$2,047,000	\$278,000				\$0	\$0	\$3,607,475,000	\$2,145,000	\$2,145,000	\$2,145,000	
2045	\$489,463,600	\$3,823,924,000	\$0.541	\$2,335,000	\$2,070,000	\$265,000				\$0	\$0	\$3,823,924,000	\$2,170,000	\$2,170,000	\$2,170,000	
2046	\$489,463,600	\$4,053,359,000	\$0.517	\$2,347,000	\$2,094,000	\$253,000				\$0	\$0	\$4,053,359,000	\$2,194,000	\$2,194,000	\$2,194,000	
2047	\$489,463,600	\$4,296,561,000	\$0.493	\$2,359,000	\$2,118,000	\$241,000				\$0	\$0	\$4,296,561,000	\$2,220,000	\$2,220,000	\$2,220,000	
2048	\$489,463,600	\$4,554,355,000	\$0.470	\$2,372,000	\$2,142,000	\$230,000				\$0	\$0	\$4,554,355,000	\$2,245,000	\$2,245,000	\$2,245,000	
2049	\$489,463,600	\$4,827,616,000	\$0.449	\$2,385,000	\$2,167,000	\$220,000				\$0	\$0	\$4,827,616,000	\$2,271,000	\$2,271,000	\$2,271,000	
2050	\$489,463,600	\$5,117,273,000	\$0.428	\$2,401,000	\$2,192,000	\$210,000				\$0	\$0	\$5,117,273,000	\$2,297,000	\$2,297,000	\$2,297,000	
2051	\$489,463,600	\$5,424,309,000	\$0.409	\$2,417,000	\$2,217,000	\$200,000				\$0	\$0	\$5,424,309,000	\$2,323,000	\$2,323,000	\$2,323,000	
2052	\$489,463,600	\$5,749,768,000	\$0.390	\$2,433,000	\$2,242,000	\$191,000				\$0	\$0	\$5,749,768,000	\$2,350,000	\$2,350,000	\$2,350,000	
Total Taxes Out (Sum of Column 6)					\$40,357,000						Total Taxes In (Sum of Column B+D)					\$42,293,000

Table 11: TIF Summary for King County (Market-Responsive Limited Buildout Scenario)

Source: ECONorthwest calculations, 2025

Sound Transit											
1	2	3	4	5	6	7	A	B	C	D	E
Assessment Year	Base Value	Increment Value	Levy Rate	Total Property Tax	Tax Allocated to TIF	Tax Allocated to Sound Transit	New Construction	Levy Add-on: New Constr.	Increment Value (less New Construction)	Levy Add-on: Increment Value	Total Taxes In (Column B + D)
2027	\$489,464,000	\$0	\$0.146	\$72,000	\$0	\$72,000	\$0	\$0	\$0	\$0	\$0
2028	\$489,464,000	\$0	\$0.139	\$68,000	\$0	\$68,000	\$0	\$0	\$0	\$0	\$0
2029	\$489,464,000	\$103,645,000	\$0.133	\$79,000	\$14,000	\$65,000	\$103,645,000	\$14,000	\$0	\$0	\$14,000
2030	\$489,464,000	\$216,617,000	\$0.127	\$90,000	\$28,000	\$62,000	\$106,754,000	\$28,000	\$109,863,000	\$15,000	\$29,000
2031	\$489,464,000	\$675,486,000	\$0.121	\$141,000	\$82,000	\$59,000	\$445,872,000	\$57,000	\$229,614,000	\$29,000	\$86,000
2032	\$489,464,000	\$1,175,263,000	\$0.116	\$192,000	\$136,000	\$57,000	\$459,248,000	\$56,000	\$716,015,000	\$87,000	\$142,000
2033	\$489,464,000	\$1,245,779,000	\$0.110	\$191,000	\$137,000	\$54,000	\$0	\$0	\$1,245,779,000	\$144,000	\$144,000
2034	\$489,464,000	\$1,320,526,000	\$0.105	\$191,000	\$139,000	\$52,000	\$0	\$0	\$1,320,526,000	\$146,000	\$146,000
2035	\$489,464,000	\$1,399,757,000	\$0.100	\$190,000	\$141,000	\$49,000	\$0	\$0	\$1,399,757,000	\$147,000	\$147,000
2036	\$489,464,000	\$1,879,154,000	\$0.096	\$227,000	\$180,000	\$47,000	\$395,412,000	\$40,000	\$1,483,743,000	\$149,000	\$189,000
2037	\$489,464,000	\$2,399,177,000	\$0.091	\$264,000	\$219,000	\$45,000	\$407,274,000	\$39,000	\$1,991,903,000	\$151,000	\$230,000
2038	\$489,464,000	\$2,543,128,000	\$0.087	\$265,000	\$222,000	\$43,000	\$0	\$0	\$2,543,128,000	\$233,000	\$233,000
2039	\$489,464,000	\$2,695,715,000	\$0.083	\$265,000	\$224,000	\$41,000	\$0	\$0	\$2,695,715,000	\$235,000	\$235,000
2040	\$489,464,000	\$2,857,458,000	\$0.079	\$266,000	\$227,000	\$39,000	\$0	\$0	\$2,857,458,000	\$238,000	\$238,000
2041	\$489,464,000	\$3,028,906,000	\$0.076	\$267,000	\$230,000	\$37,000	\$0	\$0	\$3,028,906,000	\$241,000	\$241,000
2042	\$489,464,000	\$3,210,640,000	\$0.072	\$268,000	\$232,000	\$35,000	\$0	\$0	\$3,210,640,000	\$243,000	\$243,000
2043	\$489,464,000	\$3,403,279,000	\$0.069	\$269,000	\$235,000	\$34,000	\$0	\$0	\$3,403,279,000	\$246,000	\$246,000
2044	\$489,464,000	\$3,607,475,000	\$0.066	\$270,000	\$238,000	\$32,000	\$0	\$0	\$3,607,475,000	\$249,000	\$249,000
2045	\$489,464,000	\$3,823,924,000	\$0.063	\$271,000	\$240,000	\$31,000	\$0	\$0	\$3,823,924,000	\$252,000	\$252,000
2046	\$489,464,000	\$4,053,359,000	\$0.060	\$272,000	\$243,000	\$29,000	\$0	\$0	\$4,053,359,000	\$255,000	\$255,000
2047	\$489,464,000	\$4,296,561,000	\$0.057	\$274,000	\$246,000	\$28,000	\$0	\$0	\$4,296,561,000	\$258,000	\$258,000
2048	\$489,464,000	\$4,554,355,000	\$0.055	\$275,000	\$249,000	\$27,000	\$0	\$0	\$4,554,355,000	\$261,000	\$261,000
2049	\$489,464,000	\$4,827,616,000	\$0.052	\$277,000	\$252,000	\$26,000	\$0	\$0	\$4,827,616,000	\$264,000	\$264,000
2050	\$489,464,000	\$5,117,273,000	\$0.050	\$279,000	\$254,000	\$24,000	\$0	\$0	\$5,117,273,000	\$267,000	\$267,000
2051	\$489,464,000	\$5,424,309,000	\$0.047	\$281,000	\$257,000	\$23,000	\$0	\$0	\$5,424,309,000	\$270,000	\$270,000
2052	\$489,464,000	\$5,749,768,000	\$0.045	\$282,000	\$260,000	\$22,000	\$0	\$0	\$5,749,768,000	\$273,000	\$273,000
Total Taxes Out (Sum of Column 6)					\$4,685,000	Total Taxes In (Sum of Column B+D)					\$4,912,000

Table 12: TIF Summary for Sound Transit (Market-Responsive Limited Buildout Scenario)

Source: ECONorthwest calculations, 2025

EMS (County)											
1	2	3	4	5	6	7	A	B	C	D	E
Assessment Year	Base Value	Increment Value	Levy Rate	Total Property Tax	Tax Allocated to TIF	Tax Allocated to EMS (County)	New Construction	Levy Add-on: New Constr.	Increment Value (less New Construction)	Levy Add-on: Increment Value	Total Taxes In (Column B + D)
2027	\$489,463,600	\$0	\$0.220	\$97,000	\$0	\$97,000	\$0	\$0	\$0	\$0	\$0
2028	\$489,463,600	\$0	\$0.210	\$93,000	\$0	\$93,000	\$0	\$0	\$0	\$0	\$0
2029	\$489,463,600	\$103,645,000	\$0.200	\$107,000	\$19,000	\$88,000	\$103,645,000	\$20,000	\$0	\$0	\$20,000
2030	\$489,463,600	\$216,617,000	\$0.191	\$122,000	\$37,000	\$84,000	\$106,754,000	\$19,000	\$109,863,000	\$20,000	\$39,000
2031	\$489,463,600	\$675,486,000	\$0.182	\$191,000	\$111,000	\$80,000	\$445,872,000	\$77,000	\$229,614,000	\$40,000	\$116,000
2032	\$489,463,600	\$1,175,263,000	\$0.174	\$261,000	\$184,000	\$77,000	\$459,248,000	\$75,000	\$716,015,000	\$118,000	\$193,000
2033	\$489,463,600	\$1,245,779,000	\$0.166	\$260,000	\$186,000	\$73,000	\$0	\$0	\$1,245,779,000	\$195,000	\$195,000
2034	\$489,463,600	\$1,320,526,000	\$0.158	\$258,000	\$188,000	\$70,000	\$0	\$0	\$1,320,526,000	\$197,000	\$197,000
2035	\$489,463,600	\$1,399,757,000	\$0.151	\$257,000	\$191,000	\$67,000	\$0	\$0	\$1,399,757,000	\$200,000	\$200,000
2036	\$489,463,600	\$1,879,154,000	\$0.144	\$308,000	\$244,000	\$64,000	\$395,412,000	\$54,000	\$1,483,743,000	\$202,000	\$256,000
2037	\$489,463,600	\$2,399,177,000	\$0.138	\$358,000	\$297,000	\$61,000	\$407,274,000	\$53,000	\$1,991,903,000	\$259,000	\$312,000
2038	\$489,463,600	\$2,543,128,000	\$0.131	\$359,000	\$301,000	\$58,000	\$0	\$0	\$2,543,128,000	\$315,000	\$315,000
2039	\$489,463,600	\$2,695,715,000	\$0.125	\$360,000	\$304,000	\$55,000	\$0	\$0	\$2,695,715,000	\$319,000	\$319,000
2040	\$489,463,600	\$2,857,458,000	\$0.120	\$361,000	\$308,000	\$53,000	\$0	\$0	\$2,857,458,000	\$323,000	\$323,000
2041	\$489,463,600	\$3,028,906,000	\$0.114	\$362,000	\$311,000	\$50,000	\$0	\$0	\$3,028,906,000	\$326,000	\$326,000
2042	\$489,463,600	\$3,210,640,000	\$0.109	\$363,000	\$315,000	\$48,000	\$0	\$0	\$3,210,640,000	\$330,000	\$330,000
2043	\$489,463,600	\$3,403,279,000	\$0.104	\$364,000	\$319,000	\$46,000	\$0	\$0	\$3,403,279,000	\$334,000	\$334,000
2044	\$489,463,600	\$3,607,475,000	\$0.099	\$366,000	\$322,000	\$44,000	\$0	\$0	\$3,607,475,000	\$338,000	\$338,000
2045	\$489,463,600	\$3,823,924,000	\$0.095	\$368,000	\$326,000	\$42,000	\$0	\$0	\$3,823,924,000	\$341,000	\$341,000
2046	\$489,463,600	\$4,053,359,000	\$0.090	\$369,000	\$330,000	\$40,000	\$0	\$0	\$4,053,359,000	\$345,000	\$345,000
2047	\$489,463,600	\$4,296,561,000	\$0.086	\$371,000	\$333,000	\$38,000	\$0	\$0	\$4,296,561,000	\$349,000	\$349,000
2048	\$489,463,600	\$4,554,355,000	\$0.082	\$373,000	\$337,000	\$36,000	\$0	\$0	\$4,554,355,000	\$353,000	\$353,000
2049	\$489,463,600	\$4,827,616,000	\$0.078	\$376,000	\$341,000	\$35,000	\$0	\$0	\$4,827,616,000	\$357,000	\$357,000
2050	\$489,463,600	\$5,117,273,000	\$0.075	\$378,000	\$345,000	\$33,000	\$0	\$0	\$5,117,273,000	\$361,000	\$361,000
2051	\$489,463,600	\$5,424,309,000	\$0.071	\$380,000	\$349,000	\$31,000	\$0	\$0	\$5,424,309,000	\$366,000	\$366,000
2052	\$489,463,600	\$5,749,768,000	\$0.068	\$383,000	\$353,000	\$30,000	\$0	\$0	\$5,749,768,000	\$370,000	\$370,000
Total Taxes Out (Sum of Column 6)					\$6,351,000	Total Taxes In (Sum of Column B+D)					\$6,655,000

Table 13: TIF Summary for EMS (Market-Responsive Limited Buildout Scenario)

Source: ECONorthwest calculations, 2025

Flood Control											A	B	C	D	E
1	2	3	4	5	6	7					New Construction	Levy Add-on: New Constr.	Increment Value (less New Construction)	Levy Add-on: Increment Value	Total Taxes In (Column B + D)
Assessment Year	Base Value	Increment Value	Levy Rate	Total Property Tax	Tax Allocated to TIF	Tax Allocated to Flood Control									
2027	\$489,463,600	\$0	\$0.083	\$41,000	\$0	\$41,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2028	\$489,463,600	\$0	\$0.079	\$39,000	\$0	\$39,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2029	\$489,463,600	\$103,645,000	\$0.076	\$45,000	\$8,000	\$37,000	\$103,645,000	\$8,000	\$0	\$0	\$0	\$0	\$0	\$0	\$8,000
2030	\$489,463,600	\$216,617,000	\$0.072	\$51,000	\$16,000	\$35,000	\$106,754,000	\$8,000	\$0	\$0	\$109,863,000	\$8,000	\$16,000	\$8,000	\$16,000
2031	\$489,463,600	\$675,486,000	\$0.069	\$80,000	\$46,000	\$34,000	\$445,872,000	\$32,000	\$0	\$0	\$229,614,000	\$17,000	\$49,000	\$17,000	\$49,000
2032	\$489,463,600	\$1,175,263,000	\$0.066	\$109,000	\$77,000	\$32,000	\$459,248,000	\$32,000	\$0	\$0	\$716,015,000	\$49,000	\$82,000	\$49,000	\$82,000
2033	\$489,463,600	\$1,245,779,000	\$0.063	\$109,000	\$78,000	\$31,000	\$0	\$0	\$0	\$0	\$1,245,779,000	\$82,000	\$82,000	\$82,000	\$82,000
2034	\$489,463,600	\$1,320,526,000	\$0.060	\$108,000	\$79,000	\$29,000	\$0	\$0	\$0	\$0	\$1,320,526,000	\$83,000	\$83,000	\$83,000	\$83,000
2035	\$489,463,600	\$1,399,757,000	\$0.057	\$108,000	\$80,000	\$28,000	\$0	\$0	\$0	\$0	\$1,399,757,000	\$84,000	\$84,000	\$84,000	\$84,000
2036	\$489,463,600	\$1,879,154,000	\$0.054	\$129,000	\$102,000	\$27,000	\$395,412,000	\$23,000	\$0	\$0	\$1,483,743,000	\$85,000	\$107,000	\$85,000	\$107,000
2037	\$489,463,600	\$2,399,177,000	\$0.052	\$150,000	\$125,000	\$25,000	\$407,274,000	\$22,000	\$0	\$0	\$1,991,903,000	\$108,000	\$131,000	\$108,000	\$131,000
2038	\$489,463,600	\$2,543,128,000	\$0.050	\$150,000	\$126,000	\$24,000	\$0	\$0	\$0	\$0	\$2,543,128,000	\$132,000	\$132,000	\$132,000	\$132,000
2039	\$489,463,600	\$2,695,715,000	\$0.047	\$151,000	\$127,000	\$23,000	\$0	\$0	\$0	\$0	\$2,695,715,000	\$134,000	\$134,000	\$134,000	\$134,000
2040	\$489,463,600	\$2,857,458,000	\$0.045	\$151,000	\$129,000	\$22,000	\$0	\$0	\$0	\$0	\$2,857,458,000	\$135,000	\$135,000	\$135,000	\$135,000
2041	\$489,463,600	\$3,028,906,000	\$0.043	\$151,000	\$130,000	\$21,000	\$0	\$0	\$0	\$0	\$3,028,906,000	\$137,000	\$137,000	\$137,000	\$137,000
2042	\$489,463,600	\$3,210,640,000	\$0.041	\$152,000	\$132,000	\$20,000	\$0	\$0	\$0	\$0	\$3,210,640,000	\$138,000	\$138,000	\$138,000	\$138,000
2043	\$489,463,600	\$3,403,279,000	\$0.039	\$153,000	\$133,000	\$19,000	\$0	\$0	\$0	\$0	\$3,403,279,000	\$140,000	\$140,000	\$140,000	\$140,000
2044	\$489,463,600	\$3,607,475,000	\$0.037	\$153,000	\$135,000	\$18,000	\$0	\$0	\$0	\$0	\$3,607,475,000	\$141,000	\$141,000	\$141,000	\$141,000
2045	\$489,463,600	\$3,823,924,000	\$0.036	\$154,000	\$136,000	\$17,000	\$0	\$0	\$0	\$0	\$3,823,924,000	\$143,000	\$143,000	\$143,000	\$143,000
2046	\$489,463,600	\$4,053,359,000	\$0.034	\$155,000	\$138,000	\$17,000	\$0	\$0	\$0	\$0	\$4,053,359,000	\$145,000	\$145,000	\$145,000	\$145,000
2047	\$489,463,600	\$4,296,561,000	\$0.032	\$156,000	\$140,000	\$16,000	\$0	\$0	\$0	\$0	\$4,296,561,000	\$146,000	\$146,000	\$146,000	\$146,000
2048	\$489,463,600	\$4,554,355,000	\$0.031	\$156,000	\$141,000	\$15,000	\$0	\$0	\$0	\$0	\$4,554,355,000	\$148,000	\$148,000	\$148,000	\$148,000
2049	\$489,463,600	\$4,827,616,000	\$0.030	\$157,000	\$143,000	\$14,000	\$0	\$0	\$0	\$0	\$4,827,616,000	\$150,000	\$150,000	\$150,000	\$150,000
2050	\$489,463,600	\$5,117,273,000	\$0.028	\$158,000	\$144,000	\$14,000	\$0	\$0	\$0	\$0	\$5,117,273,000	\$151,000	\$151,000	\$151,000	\$151,000
2051	\$489,463,600	\$5,424,309,000	\$0.027	\$159,000	\$146,000	\$13,000	\$0	\$0	\$0	\$0	\$5,424,309,000	\$153,000	\$153,000	\$153,000	\$153,000
2052	\$489,463,600	\$5,749,768,000	\$0.026	\$160,000	\$148,000	\$13,000	\$0	\$0	\$0	\$0	\$5,749,768,000	\$155,000	\$155,000	\$155,000	\$155,000
Total Taxes Out (Sum of Column 6)					\$2,659,000									Total Taxes In (Sum of Column B+D)	\$2,789,000

Table 14: TIF Summary for Flood Control District (Market-Responsive Limited Buildout Scenario)

Source: ECONorthwest calculations, 2025

King County Library District											A	B	C	D	E
1	2	3	4	5	6	7					New Construction	Levy Add-on: New Constr.	Increment Value (less New Construction)	Levy Add-on: Increment Value	Total Taxes In (Column B + D)
Assessment Year	Base Value	Increment Value	Levy Rate	Total Property Tax	Tax Allocated to TIF	Tax Allocated to King County Library District									
2027	\$489,463,600	\$0	\$0.220	\$108,000	\$0	\$108,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2028	\$489,463,600	\$0	\$0.210	\$103,000	\$0	\$103,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2029	\$489,463,600	\$103,645,000	\$0.200	\$119,000	\$21,000	\$98,000	\$103,645,000	\$22,000	\$0	\$0	\$109,863,000	\$22,000	\$22,000	\$22,000	\$43,000
2030	\$489,463,600	\$216,617,000	\$0.191	\$135,000	\$41,000	\$93,000	\$106,754,000	\$21,000	\$0	\$0	\$109,863,000	\$21,000	\$44,000	\$21,000	\$129,000
2031	\$489,463,600	\$675,486,000	\$0.182	\$212,000	\$123,000	\$89,000	\$445,872,000	\$85,000	\$0	\$0	\$229,614,000	\$85,000	\$44,000	\$85,000	\$129,000
2032	\$489,463,600	\$1,175,263,000	\$0.174	\$289,000	\$204,000	\$85,000	\$459,248,000	\$84,000	\$0	\$0	\$716,015,000	\$84,000	\$130,000	\$84,000	\$214,000
2033	\$489,463,600	\$1,245,779,000	\$0.166	\$288,000	\$207,000	\$81,000	\$0	\$0	\$0	\$0	\$1,245,779,000	\$217,000	\$217,000	\$217,000	\$217,000
2034	\$489,463,600	\$1,320,526,000	\$0.158	\$287,000	\$209,000	\$77,000	\$0	\$0	\$0	\$0	\$1,320,526,000	\$219,000	\$219,000	\$219,000	\$219,000
2035	\$489,463,600	\$1,399,757,000	\$0.151	\$285,000	\$211,000	\$74,000	\$0	\$0	\$0	\$0	\$1,399,757,000	\$222,000	\$222,000	\$222,000	\$222,000
2036	\$489,463,600	\$1,879,154,000	\$0.144	\$341,000	\$271,000	\$71,000	\$395,412,000	\$60,000	\$0	\$0	\$1,483,743,000	\$224,000	\$284,000	\$224,000	\$284,000
2037	\$489,463,600	\$2,399,177,000	\$0.138	\$397,000	\$330,000	\$67,000	\$407,274,000	\$59,000	\$0	\$0	\$1,991,903,000	\$287,000	\$346,000	\$287,000	\$346,000
2038	\$489,463,600	\$2,543,128,000	\$0.131	\$398,000	\$334,000	\$64,000	\$0	\$0	\$0	\$0	\$2,543,128,000	\$350,000	\$350,000	\$350,000	\$350,000
2039	\$489,463,600	\$2,695,715,000	\$0.125	\$399,000	\$338,000	\$61,000	\$0	\$0	\$0	\$0	\$2,695,715,000	\$354,000	\$354,000	\$354,000	\$354,000
2040	\$489,463,600	\$2,857,458,000	\$0.120	\$400,000	\$342,000	\$58,000	\$0	\$0	\$0	\$0	\$2,857,458,000	\$358,000	\$358,000	\$358,000	\$358,000
2041	\$489,463,600	\$3,028,906,000	\$0.114	\$401,000	\$345,000	\$56,000	\$0	\$0	\$0	\$0	\$3,028,906,000	\$362,000	\$362,000	\$362,000	\$362,000
2042	\$489,463,600	\$3,210,640,000	\$0.109	\$403,000	\$349,000	\$53,000	\$0	\$0	\$0	\$0	\$3,210,640,000	\$366,000	\$366,000	\$366,000	\$366,000
2043	\$489,463,600	\$3,403,279,000	\$0.104	\$404,000	\$353,000	\$51,000	\$0	\$0	\$0	\$0	\$3,403,279,000	\$370,000	\$370,000	\$370,000	\$370,000
2044	\$489,463,600	\$3,607,475,000	\$0.099	\$406,000	\$357,000	\$48,000	\$0	\$0	\$0	\$0	\$3,607,475,000	\$375,000	\$375,000	\$375,000	\$375,000
2045	\$489,463,600	\$3,823,924,000	\$0.095	\$408,000	\$362,000	\$46,000	\$0	\$0	\$0	\$0	\$3,823,924,000	\$379,000	\$379,000	\$379,000	\$379,000
2046	\$489,463,600	\$4,053,359,000	\$0.090	\$410,000	\$366,000	\$44,000	\$0	\$0	\$0	\$0	\$4,053,359,000	\$383,000	\$383,000	\$383,000	\$383,000
2047	\$489,463,600	\$4,296,561,000	\$0.086	\$412,000	\$370,000	\$42,000	\$0	\$0	\$0	\$0	\$4,296,561,000	\$388,000	\$388,000	\$388,000	\$388,000
2048	\$489,463,600	\$4,554,355,000	\$0.082	\$414,000	\$374,000	\$40,000	\$0	\$0	\$0	\$0	\$4,554,355,000	\$392,000	\$392,000	\$392,000	\$392,000
2049	\$489,463,600	\$4,827,616,000	\$0.078	\$417,000	\$378,000	\$38,000	\$0	\$0	\$0	\$0	\$4,827,616,000	\$397,000	\$397,000	\$397,000	\$397,000
2050	\$489,463,600	\$5,117,273,000	\$0.075	\$419,000	\$383,000	\$37,000	\$0	\$0	\$0	\$0	\$5,117,273,000	\$401,000	\$401,000	\$401,000	\$401,000
2051	\$489,463,600	\$5,424,309,000	\$0.071	\$422,000	\$387,000	\$35,000	\$0	\$0	\$0	\$0	\$5,424,309,000	\$406,000	\$406,000	\$406,000	\$406,000
2052	\$489,463,600	\$5,749,768,000	\$0.068	\$425,000	\$392,000	\$33,000	\$0	\$0	\$0	\$0	\$5,749,768,000	\$410,000	\$410,000	\$410,000	\$410,000
Total Taxes Out (Sum of Column 6)					\$7,047,000									Total Taxes In (Sum of Column B+D)	\$7,387,000

Table 15: TIF Summary for King County Library District (Market-Responsive Limited Buildout Scenario)

Source: ECONorthwest calculations, 2025

Port of Seattle											
1	2	3	4	5	6	7	A	B	C	D	E
Assessment Year	Base Value	Increment Value	Levy Rate	Total Property Tax	Tax Allocated to TIF	Tax Allocated to Port of Seattle	New Construction	Levy Add-on: New Constr.	Increment Value (less New Construction)	Levy Add-on: Increment Value	Total Taxes In (Column B +D)
2027	\$489,463,600	\$0	\$0.044	\$22,000	\$0	\$22,000	\$0	\$0	\$0	\$0	\$0
2028	\$489,463,600	\$0	\$0.042	\$21,000	\$0	\$21,000	\$0	\$0	\$0	\$0	\$0
2029	\$489,463,600	\$103,645,000	\$0.040	\$24,000	\$4,000	\$20,000	\$103,645,000	\$4,000	\$0	\$0	\$4,000
2030	\$489,463,600	\$216,617,000	\$0.038	\$27,000	\$8,000	\$19,000	\$106,754,000	\$4,000	\$109,863,000	\$4,000	\$9,000
2031	\$489,463,600	\$675,486,000	\$0.036	\$42,000	\$25,000	\$18,000	\$445,872,000	\$17,000	\$229,614,000	\$9,000	\$26,000
2032	\$489,463,600	\$1,175,263,000	\$0.035	\$58,000	\$41,000	\$17,000	\$459,248,000	\$17,000	\$716,015,000	\$26,000	\$43,000
2033	\$489,463,600	\$1,245,779,000	\$0.033	\$58,000	\$41,000	\$16,000	\$0	\$0	\$1,245,779,000	\$43,000	\$43,000
2034	\$489,463,600	\$1,320,526,000	\$0.032	\$57,000	\$42,000	\$15,000	\$0	\$0	\$1,320,526,000	\$44,000	\$44,000
2035	\$489,463,600	\$1,399,757,000	\$0.030	\$57,000	\$42,000	\$15,000	\$0	\$0	\$1,399,757,000	\$44,000	\$44,000
2036	\$489,463,600	\$1,879,154,000	\$0.029	\$68,000	\$54,000	\$14,000	\$395,412,000	\$12,000	\$1,483,743,000	\$45,000	\$57,000
2037	\$489,463,600	\$2,399,177,000	\$0.027	\$79,000	\$66,000	\$13,000	\$407,274,000	\$12,000	\$1,991,903,000	\$57,000	\$69,000
2038	\$489,463,600	\$2,543,128,000	\$0.026	\$80,000	\$67,000	\$13,000	\$0	\$0	\$2,543,128,000	\$70,000	\$70,000
2039	\$489,463,600	\$2,695,715,000	\$0.025	\$80,000	\$67,000	\$12,000	\$0	\$0	\$2,695,715,000	\$71,000	\$71,000
2040	\$489,463,600	\$2,857,458,000	\$0.024	\$80,000	\$68,000	\$12,000	\$0	\$0	\$2,857,458,000	\$72,000	\$72,000
2041	\$489,463,600	\$3,028,906,000	\$0.023	\$80,000	\$69,000	\$11,000	\$0	\$0	\$3,028,906,000	\$72,000	\$72,000
2042	\$489,463,600	\$3,210,640,000	\$0.022	\$80,000	\$70,000	\$11,000	\$0	\$0	\$3,210,640,000	\$73,000	\$73,000
2043	\$489,463,600	\$3,403,279,000	\$0.021	\$81,000	\$71,000	\$10,000	\$0	\$0	\$3,403,279,000	\$74,000	\$74,000
2044	\$489,463,600	\$3,607,475,000	\$0.020	\$81,000	\$71,000	\$10,000	\$0	\$0	\$3,607,475,000	\$75,000	\$75,000
2045	\$489,463,600	\$3,823,924,000	\$0.019	\$81,000	\$72,000	\$9,000	\$0	\$0	\$3,823,924,000	\$76,000	\$76,000
2046	\$489,463,600	\$4,053,359,000	\$0.018	\$82,000	\$73,000	\$9,000	\$0	\$0	\$4,053,359,000	\$77,000	\$77,000
2047	\$489,463,600	\$4,296,561,000	\$0.017	\$82,000	\$74,000	\$8,000	\$0	\$0	\$4,296,561,000	\$77,000	\$77,000
2048	\$489,463,600	\$4,554,355,000	\$0.016	\$83,000	\$75,000	\$8,000	\$0	\$0	\$4,554,355,000	\$78,000	\$78,000
2049	\$489,463,600	\$4,827,616,000	\$0.016	\$83,000	\$76,000	\$8,000	\$0	\$0	\$4,827,616,000	\$79,000	\$79,000
2050	\$489,463,600	\$5,117,273,000	\$0.015	\$84,000	\$76,000	\$7,000	\$0	\$0	\$5,117,273,000	\$80,000	\$80,000
2051	\$489,463,600	\$5,424,309,000	\$0.014	\$84,000	\$77,000	\$7,000	\$0	\$0	\$5,424,309,000	\$81,000	\$81,000
2052	\$489,463,600	\$5,749,768,000	\$0.014	\$85,000	\$78,000	\$7,000	\$0	\$0	\$5,749,768,000	\$82,000	\$82,000
Total Taxes Out (Sum of Column 6)					\$1,407,000	Total Taxes In (Sum of Column B +D)					\$1,476,000

Table 16: TIF Summary for Port of Seattle (Market-Responsive Limited Buildout Scenario)

Source: ECONorthwest calculations, 2025

Financing Plan/Duration of TIA

The city anticipates issuing three series of Limited Tax General Obligation bonds (“LTGO” non-voted debt) of approximately equal amounts to coincide with the Grand Connection Crossing construction schedule and private development timelines and each structured with a 20-year amortization and a 10-year par call. The anticipated bond amounts are \$75 million in 2026; \$80 million in 2027, and \$75 million in 2028. TIF revenues will only pay for a portion of the bond debt service for the Grand Connection Crossing as shown below.

Additionally, the city is not currently expecting to capitalize interest during the first three years of the financing when TIF revenues alone are not expected to be sufficient to cover debt service. Instead, the city plans to pay any difference between debt service and TIF revenues from non-TIF revenues. The city will reimburse itself for any feasibility studies, including engineering design work to accurately project costs that occurred prior to the expected adoption of the Ordinance designating a TIA in May 2026. The city also plans to reimburse itself for any non-TIF revenue sources that are needed to meet the city’s debt service payments associated with the Grand Connection Crossing.

Debt Capacity

Non-voted debt cannot exceed 1.5% of the value of taxable property within the city. Based on an assessed value of \$92.972 billion in 2025, the city has \$1.395 billion in total non-voted debt capacity and will have \$1.066 billion after accounting for \$0.329 billion of currently outstanding non-voted debt and obligations. As shown below, the city has sufficient capacity for the issuance of the proposed \$0.230 billion (\$230 million) of LTGO debt related to the TIF public improvements and is expected to have approximately \$0.836 billion in debt capacity available after this level of proposed debt issuance.

Please note that capacity for debt does not yet equal ability to pay debt service.

	2025
Assessed Valuation	\$92.972 billion
Non-Voted Debt Capacity (1.5% of AV)	\$1.395 billion
Less Outstanding Non-Voted Debt	\$0.329 billion
New Non-Voted Debt	\$1.066 billion
Less: Financing Proposed	\$0.230 billion
Projected Remaining Non-Voted Capacity	\$0.836 billion

Table 17: Debt Capacity

Source: Stowe Development & Strategies, 2026

Potential TIA Debt Scenarios

The city's LTGO bonds are projected to have an interest cost of approximately 4.5%. If the city issues LTGO bonds totaling \$230 million to fund the Grand Connection Crossing, it will be responsible for debt service regardless of whether private development occurs as projected or assessed values increase within the TIA. Based on the Market-Responsive Limited Buildout Scenario, TIF revenues are projected to cover approximately \$84.4 million in nominal debt service over the 25-year period — roughly 24% of the total \$353.6 million in cumulative debt service obligations. The remaining Tier 2 and Tier 3 funding sources will be required to cover the balance of approximately \$271.2 million.

Due to the structure of TIF and the revenue limitations imposed by the MFTE, early-year TIF revenues are minimal. To manage this timing gap, the city intends to use internal funds as an interim loan to cover the debt service assigned to be supported by TIF revenues. These internal loans would be repaid once sufficient increment revenue is available. This strategy enables the city to move forward with project implementation while maintaining flexibility in the funding structure.

- Total projected debt service across all bonds is \$353.6 million.
- Debt service payments begin in 2026, with additional series layered in during 2027 and 2028.
- Combined annual payments total approximately \$17.68 million from 2028 to 2045, before stepping down in later years as bonds mature.

Level annual debt service structure across each issue helps ensure predictability in repayment, with internal borrowing bridging the gap between early-year shortfalls and long-term TIF revenue growth.

Table 18 below includes the anticipated three debt issuances supporting the city's Grand Connection Crossing.

Year	Issue 1	Issue 2	Issue 3	Combined Debt
2026	\$5,765,711			\$5,765,711
2027	\$5,765,711	\$6,150,092		\$11,915,802
2028	\$5,765,711	\$6,150,092	\$5,765,711	\$17,681,513
2029	\$5,765,711	\$6,150,092	\$5,765,711	\$17,681,513
2030	\$5,765,711	\$6,150,092	\$5,765,711	\$17,681,513
2031	\$5,765,711	\$6,150,092	\$5,765,711	\$17,681,513
2032	\$5,765,711	\$6,150,092	\$5,765,711	\$17,681,513
2033	\$5,765,711	\$6,150,092	\$5,765,711	\$17,681,513
2034	\$5,765,711	\$6,150,092	\$5,765,711	\$17,681,513
2035	\$5,765,711	\$6,150,092	\$5,765,711	\$17,681,513
2036	\$5,765,711	\$6,150,092	\$5,765,711	\$17,681,513
2037	\$5,765,711	\$6,150,092	\$5,765,711	\$17,681,513
2038	\$5,765,711	\$6,150,092	\$5,765,711	\$17,681,513
2039	\$5,765,711	\$6,150,092	\$5,765,711	\$17,681,513
2040	\$5,765,711	\$6,150,092	\$5,765,711	\$17,681,513
2041	\$5,765,711	\$6,150,092	\$5,765,711	\$17,681,513
2042	\$5,765,711	\$6,150,092	\$5,765,711	\$17,681,513
2043	\$5,765,711	\$6,150,092	\$5,765,711	\$17,681,513
2044	\$5,765,711	\$6,150,092	\$5,765,711	\$17,681,513
2045	\$5,765,711	\$6,150,092	\$5,765,711	\$17,681,513
2046		\$6,150,092	\$5,765,711	\$11,915,802
2047			\$5,765,711	\$5,765,711
2048				
2049				
2050				
2051				
2052				
2053				
2054				
2055				
Total P&I	\$115,314,216	\$123,001,831	\$115,314,216	\$353,630,264

Table 18: Conceptual Debt Service Schedule

Source: ECONorthwest, 2025

The tables below summarize potential debt service payments and projected TIF support and shortfalls that will need to be covered by other city revenue sources (see funding tiers described on page 25 of this Report) based on the private development within the proposed TIA.

Table 19 summarizes the projected debt service coverage under the Market-Responsive Limited Buildout Scenario for the Grand Connection Crossing. Over the full debt term for the three bond issuances, the city will face a total debt service obligation of approximately \$353.6 million, supported by annual payments ranging from \$5.8 million to \$17.7 million. Tax increment revenues from the TIA (Tier 1 TIF Funding) are projected to generate \$84.4 million, or roughly 24% of the total debt obligation, with the remaining \$269.2 million covered by other funding tier sources.

The early years of the financing period show limited TIF revenue contributions due to slow initial development and the delayed effect of rising assessed value, particularly given MFTE exemptions. TIF coverage ratios are near zero through 2029, gradually rising to 0.24 by 2045. Full debt service coverage from TIF (i.e., a 1.0 ratio) is not achieved until 2048, and is only sustained through the final years (2048–2052) when no new debt service is due and TIF revenue remains active. These results underscore the importance of interim funding mechanisms (e.g., internal loans) to bridge early gaps, and highlight the long-term revenue potential of the Grand Connection investment despite near-term limitations.

Tax Year	Full Build Out				
	Tier 1 TIF Funding	Debt Service	Other Tier 1, Tier 2 and 3 Funding	Surplus (Shortfall)	TIF Debt Service Coverage
2026	\$0	\$5,765,711	\$5,765,711	\$0	0.00
2027	\$0	\$11,915,802	\$11,915,802	\$0	0.00
2028	\$0	\$17,681,513	\$17,681,513	\$0	0.00
2029	\$337,000	\$17,681,513	\$17,344,513	\$0	0.02
2030	\$671,000	\$17,681,513	\$17,010,513	\$0	0.05
2031	\$1,763,000	\$17,681,513	\$15,918,513	\$0	0.14
2032	\$2,847,000	\$17,681,513	\$14,834,513	\$0	0.24
2033	\$2,880,000	\$17,681,513	\$14,801,513	\$0	0.24
2034	\$2,914,000	\$17,681,513	\$14,767,513	\$0	0.24
2035	\$2,948,000	\$17,681,513	\$14,733,513	\$0	0.24
2036	\$4,300,000	\$17,681,513	\$13,381,513	\$0	0.35
2037	\$5,647,000	\$17,681,513	\$12,034,513	\$0	0.45
2038	\$5,714,000	\$17,681,513	\$11,967,513	\$0	0.45
2039	\$5,779,000	\$17,681,513	\$11,902,513	\$0	0.46
2040	\$5,846,000	\$17,681,513	\$11,835,513	\$0	0.46
2041	\$6,034,000	\$17,681,513	\$11,647,513	\$0	0.48
2042	\$6,221,000	\$17,681,513	\$11,460,513	\$0	0.50
2043	\$6,660,000	\$17,681,513	\$11,021,513	\$0	0.52
2044	\$7,099,000	\$17,681,513	\$10,582,513	\$0	0.55
2045	\$7,182,000	\$17,681,513	\$10,499,513	\$0	0.56
2046	\$7,365,000	\$11,915,802	\$4,550,802	\$0	0.85
2047	\$7,547,000	\$5,765,711	\$0	\$0	1.79
2048	\$7,633,000	\$0	\$0	\$0	1.00
2049	\$7,722,000	\$0	\$0	\$0	1.00
2050	\$7,811,000	\$0	\$0	\$0	1.00
2051	\$7,901,000	\$0	\$0	\$0	1.00
2052	\$7,993,000	\$0	\$0	\$0	1.00
Total	\$128,814,000	\$353,630,264	\$265,657,553	\$0	

Table 19: TIF Allocated Debt Service - Full Buildout Scenario
Source: ECONorthwest calculations, 2025

Tax Year	Phased Full Build Out				
	Tier 1 TIF Funding	Debt Service	Other Tier 1, Tier 2 and 3 Funding	Surplus (Shortfall)	TIF Debt Service Coverage
2026	\$0	\$5,765,711	\$5,765,711	\$0	0.00
2027	\$0	\$11,915,802	\$11,915,802	\$0	0.00
2028	\$0	\$17,681,513	\$17,681,513	\$0	0.00
2029	\$0	\$17,681,513	\$17,681,513	\$0	0.00
2030	\$0	\$17,681,513	\$17,681,513	\$0	0.00
2031	\$217,000	\$17,681,513	\$17,464,513	\$0	0.01
2032	\$433,000	\$17,681,513	\$17,248,513	\$0	0.02
2033	\$1,344,000	\$17,681,513	\$16,337,513	\$0	0.08
2034	\$2,045,000	\$17,681,513	\$15,636,513	\$0	0.12
2035	\$2,741,000	\$17,681,513	\$14,940,513	\$0	0.16
2036	\$2,773,000	\$17,681,513	\$14,908,513	\$0	0.16
2037	\$2,805,000	\$17,681,513	\$14,876,513	\$0	0.16
2038	\$3,687,000	\$17,681,513	\$13,994,513	\$0	0.21
2039	\$4,564,000	\$17,681,513	\$13,117,513	\$0	0.26
2040	\$5,439,000	\$17,681,513	\$12,242,513	\$0	0.31
2041	\$5,501,000	\$17,681,513	\$12,180,513	\$0	0.31
2042	\$5,565,000	\$17,681,513	\$12,116,513	\$0	0.31
2043	\$5,706,000	\$17,681,513	\$11,975,513	\$0	0.32
2044	\$5,846,000	\$17,681,513	\$11,835,513	\$0	0.33
2045	\$6,226,000	\$17,681,513	\$11,455,513	\$0	0.35
2046	\$6,530,000	\$11,915,802	\$5,385,802	\$0	0.55
2047	\$6,834,000	\$5,765,711	\$0	\$0	1.19
2048	\$6,975,000	\$0	\$0	\$0	1.00
2049	\$7,120,000	\$0	\$0	\$0	1.00
2050	\$7,262,000	\$0	\$0	\$0	1.00
2051	\$7,347,000	\$0	\$0	\$0	1.00
2052	\$7,433,000	\$0	\$0	\$0	1.00
Total	\$104,393,000	\$353,630,264	\$286,442,553	\$0	

Table 20: TIF Allocated Debt Service - Phased Full Buildout Scenario

Source: ECONorthwest calculations, 2025

Tax Year	Market-Responsive Limited Buildout				
	Tier 1 TIF Funding	Debt Service	Other Tier 1, Tier 2 and 3 Funding	Surplus (Shortfall)	TIF Debt Service Coverage
2026	\$0	\$5,765,711	\$5,765,711	\$0	0.00
2027	\$0	\$11,915,802	\$11,915,802	\$0	0.00
2028	\$0	\$17,681,513	\$17,681,513	\$0	0.00
2029	\$249,000	\$17,681,513	\$17,432,513	\$0	0.01
2030	\$495,000	\$17,681,513	\$17,186,513	\$0	0.03
2031	\$1,474,000	\$17,681,513	\$16,207,513	\$0	0.08
2032	\$2,447,000	\$17,681,513	\$15,234,513	\$0	0.14
2033	\$2,475,000	\$17,681,513	\$15,206,513	\$0	0.14
2034	\$2,503,000	\$17,681,513	\$15,178,513	\$0	0.14
2035	\$2,533,000	\$17,681,513	\$15,148,513	\$0	0.14
2036	\$3,244,000	\$17,681,513	\$14,437,513	\$0	0.18
2037	\$3,953,000	\$17,681,513	\$13,728,513	\$0	0.22
2038	\$4,000,000	\$17,681,513	\$13,681,513	\$0	0.23
2039	\$4,044,000	\$17,681,513	\$13,637,513	\$0	0.23
2040	\$4,093,000	\$17,681,513	\$13,588,513	\$0	0.23
2041	\$4,139,000	\$17,681,513	\$13,542,513	\$0	0.23
2042	\$4,187,000	\$17,681,513	\$13,494,513	\$0	0.24
2043	\$4,236,000	\$17,681,513	\$13,445,513	\$0	0.24
2044	\$4,284,000	\$17,681,513	\$13,397,513	\$0	0.24
2045	\$4,333,000	\$17,681,513	\$13,348,513	\$0	0.25
2046	\$4,384,000	\$11,915,802	\$7,531,802	\$0	0.37
2047	\$4,434,000	\$5,765,711	\$1,331,711	\$0	0.77
2048	\$4,484,000	\$0	\$0	\$0	1.00
2049	\$4,536,000	\$0	\$0	\$0	1.00
2050	\$4,587,000	\$0	\$0	\$0	1.00
2051	\$4,640,000	\$0	\$0	\$0	1.00
2052	\$4,693,000	\$0	\$0	\$0	1.00
Total	\$84,447,000	\$353,630,264	\$292,123,264	\$0	

Table 21: TIF Allocated Debt Service - Market-Responsive Limited Buildout Scenario

Source: ECONorthwest calculations, 2025

Notices/Early Outreach to Impacted Taxing Districts

Washington State law requires formal notice to be provided to each impacted taxing district at least 90 days prior to the submission of the Project Analysis to OST. The city has previously provided informal notice and engaged in early communication with each of the taxing districts regarding its early interest and intention to form a TIA. On October 16, 2025, the city issued a formal notice and invitation to the taxing districts inside the TIA to considering opting-in to the TIA.

The city has continued discussions with the various taxing districts regarding potential impacts, address questions from the taxing districts as part of the city's investigation of which taxing districts will opt-in and participate in the city's TIA as further described below. The city plans to create formal agreements with each participating taxing districts inside the TIA prior to the adoption of any Ordinance forming a TIA. Additional notices will be provided to each taxing district which includes the TIA within its boundaries following the adoption of any TIA ordinance.

The taxing districts whose property tax levy would be directly impacted by TIF include:

- City of Bellevue
- King County
- Port of Seattle
- Flood Control
- Sound Transit
- Emergency Medical Services (County EMS)
- King County Library District

Taxing Districts Opt-In Requirements

As referenced previously, the TIF Act was amended in 2025 with ESB 5801 allowing the city to form a TIA up to \$500 million of assessed value subject to each taxing districts approval inside the proposed TIA. This approval must be by a majority vote of the governing body of its partial or full participation in contributing its tax allocation revenues to the city's TIF program and project. The city may still move forward with forming a TIA without the approval of the individual taxing districts but would not receive the tax allocation revenues from that district.

Based on the city's engagement discussions with each taxing district, this Report assumes that each district will opt-in to the TIA via some agreement, ordinance, or resolution adopted by each of the governing bodies. The city will continue to pursue formal agreements and decisions with those participating taxing districts for

adoption by the respective governing bodies and the Bellevue City Council prior to the adoption of any TIA ordinance.

But-For-Requirement

Washington State's TIF law requires the local government sponsor of the tax increment area to make the following findings:

- (i) The public improvements proposed to be paid or financed with tax allocation revenues are expected to encourage private development within the increment area and to increase the assessed value of real property within the increment area;
- (ii) Private development anticipated to occur within the increment area as a result of the proposed public improvements will be permitted consistent with the permitting jurisdiction's applicable zoning and development standards;
- (iii) 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,
- (iv) The increased assessed value within the increment area that could reasonably be expected to occur without the proposed public improvements would be less than the increase in the assessed value estimated to result from the proposed development with the proposed public improvements.

These findings (specifically sections i, iii, and iv) are commonly referred to as the "But-For-Requirement". The name comes from the assertion that private development would not occur but-for provision of the public improvements through the use of TIF. This requirement is a foundational element of TIF, which directs public tax dollars generated by the development to only those public improvement projects necessary to support the proposed development.

This analysis demonstrates that Bellevue's proposed TIA satisfies the above statutory requirements through a comprehensive framework examining both market validation and development history.

The Purpose of the But-For Requirement

Although TIF is relatively new to Washington state governments, the But-For-Requirement and associated analysis is not.

Many local governments have examined their return on infrastructure investment from the generation of ongoing tax revenues associated with private development projects. Additionally, for most local governments, infrastructure demand exceeds revenue capacity, forcing local governments to make priority decisions regarding infrastructure projects that are funded with tax dollars and determining which projects can be paid for by developers.

The But-For-Requirement for TIF formalizes the analysis and requires the local government sponsoring TIF to provide convincing evidence showing that tax dollars from the TIA are reasonably necessary to make the development possible.

If the proposed development would occur without TIF, public tax dollars should not be used because it will cost taxpayers more than it should for the resulting development or growth. However, if TIF is used to encourage a development that would not otherwise be reasonably expected to happen, the tax base can be increased. A larger tax base helps pay for needed services and can control the growth of new taxes. The But-For-Requirement is critical to determining the proper use of public tax dollars.

Bellevue’s “Unlock and Attract” Model

Part 1: Unlock (Code Amendments)

Over the last decade, the City of Bellevue has been preparing to encourage and support a vibrant mixed-use urban center in its Downtown and the Wilburton area. In 2017, Bellevue’s Downtown “Livability Initiative” was implemented with the adoption of code amendments by the city council to increase building heights and floor areas along with regulations for enhanced pedestrian amenities. In 2022, the city launched the Wilburton Vision Implementation plan to set in motion code amendments to help transform the transit-oriented development area on the westside of Wilburton into a walkable, vibrant, sustainable, mixed use community. In June of 2025, the city council adopted a package of code amendments to implement the Wilburton vision.

The adopted code amendments have created the regulatory framework for the envisioned private development, providing the legal foundation that allows private development to occur consistent with the city’s desired vision.

Part 2: Attract (Grand Connection Crossing)

The Grand Connection Crossing serves as the magnet for private development and investment functioning as an accelerant that reduces development risk perceptions, increases project lease-up rates and rental premiums, and shortens stabilization periods for new projects. The Grand Connection Crossing sends a strong signal about the city’s commitment to the area’s transformation, encouraging developers to move from cautious to more aggressive investment timelines.

The Synergy

Both parts of Bellevue’s model must exist simultaneously in order for the vision to be implemented. This Unlock and Attract model recognizes that successful urban development requires both public sector leadership in creating attractive places and regulatory flexibility that allows the market to respond appropriately to new conditions.

But-For Analysis Framework

To determine if private development would occur without the Grand Connection Crossing, the city created the following comprehensive framework:

Method 1: Direct Developer and Property Owner Engagement

The city contacted developers and property owners within the proposed TIA to assess the likelihood, timing, and scale of development with and without the Grand Connection Crossing. These outreach efforts focused on understanding whether private development would proceed absent the Grand Connection Crossing, how the project might accelerate or expand development potential, and what specific barriers the Grand Connection Crossing helps address — including access, site connectivity, and development visibility.

A portion of the anticipated development capacity within the TIA is located on publicly owned sites, including properties owned by the city. These sites are currently underutilized and represent key redevelopment opportunities contingent on improved market conditions and infrastructure support. This nexus between public investment and private development readiness strengthens the “but for” rationale for using TIF — particularly for catalyzing activity on land the city directly controls or influences.

Method 2: Permit/Entitlement & Development Pattern Analysis

The city evaluated whether any construction permits, land use entitlements, pre-development activity, or historical development patterns demonstrated project viability without the Grand Connection Crossing.

But-For Analysis Findings

Finding 1: Regulatory Framework Alone Has Not Triggered Development

Evidence/Analysis:

- Despite the 2017 Downtown Livability Initiative code amendments that unlocked significant development capacity, development activity within the proposed TIA has remained limited
- The 2025 Wilburton code amendments further enhanced development potential, yet permit and entitlement analysis shows minimal/no construction activity
- The "Unlock" portion of the model has been in place for up to eight years in Downtown and recently implemented in Wilburton, but has not been sufficient to attract private investment at the envisioned scale

Conclusion: Code amendments alone—while necessary—are insufficient to trigger the desired private development without the corresponding public infrastructure improvements.

Finding 2: Development Consistent with Zoning and Development Standards

Evidence/Analysis:

The city's code amendments—the Downtown Livability Initiative (2017) and Wilburton Vision Implementation (2025)—have established the regulatory framework that permits the anticipated development. All private development projected to occur within the TIA will be subject to the city's standard entitlement process and compliance with applicable development standards.

Conclusion: The anticipated private development is fully consistent with and permitted under Bellevue's current zoning and development standards.

Finding 3: Developer Validation and Economic Impact

Evidence/Analysis:

Direct consultation with property owners and developers within the TIA confirms that:

- Projects require the Grand Connection Crossing as a catalyst to justify pro forma assumptions and reduce perceived development risk
- Lease-up rates, rental premiums, and stabilization timelines are directly tied to the quality and completion of the Grand Connection Crossing

- Developers will move from "cautious to more aggressive investment timelines" once the city demonstrates a funding commitment to the Grand Connection Crossing

Conclusion: Private sector validation establishes that the Grand Connection Crossing is the critical "Attract" component that transforms development economics. Developers explicitly confirm their investment decisions and project timelines are contingent upon the funding and completion of Grand Connection Crossing.

Finding 4: TIF-Enabled Development vs. No TIF

Evidence/Analysis:

Notwithstanding the need and benefit of the Unlock and Attract approach, it is recognized that some form of private development, over a longer time frame, will occur without the Grand Connection Crossing.

The No TIF scenario reflects the city's conservative baseline, developed through two analytical approaches: (1) direct outreach to landowners and developers within the TIA and (2) review of historic permit activity and development timing. Under this scenario, the total development is expected to reach only about 42 percent of what could be achieved under the Full Buildout Scenario and 68% of the Market-Responsive Limited Buildout Scenario supported by the Grand Connection Crossing. Additionally, this more limited development is likely to occur over a longer timeframe, aligned with broader regional growth cycles rather than catalyzed investment from the infrastructure project.

The difference in development between the Market-Responsive Limited Buildout Scenario and a No TIF scenario, highlights the catalytic effect of the Grand Connection Crossing. Under the Market-Responsive Limited Buildout Scenario, approximately 6.5 million square feet of new development is anticipated — nearly 2.1 million square feet more than the 4.48 million square feet projected under the No TIF scenario.

This additional development is spread across all major use types, with the most significant increase in office space (705,000 square feet) and multifamily residential (1.23 million square feet). Retail development also sees a modest boost of 25,000 square feet. These differences underscore the importance of infrastructure improvements in unlocking development potential on key parcels within the TIA, particularly those requiring enhanced access or public-private coordination to proceed.

The figure below compares the amount of assessed valuation growth in both the TIF-enabled private development and no TIF scenarios.

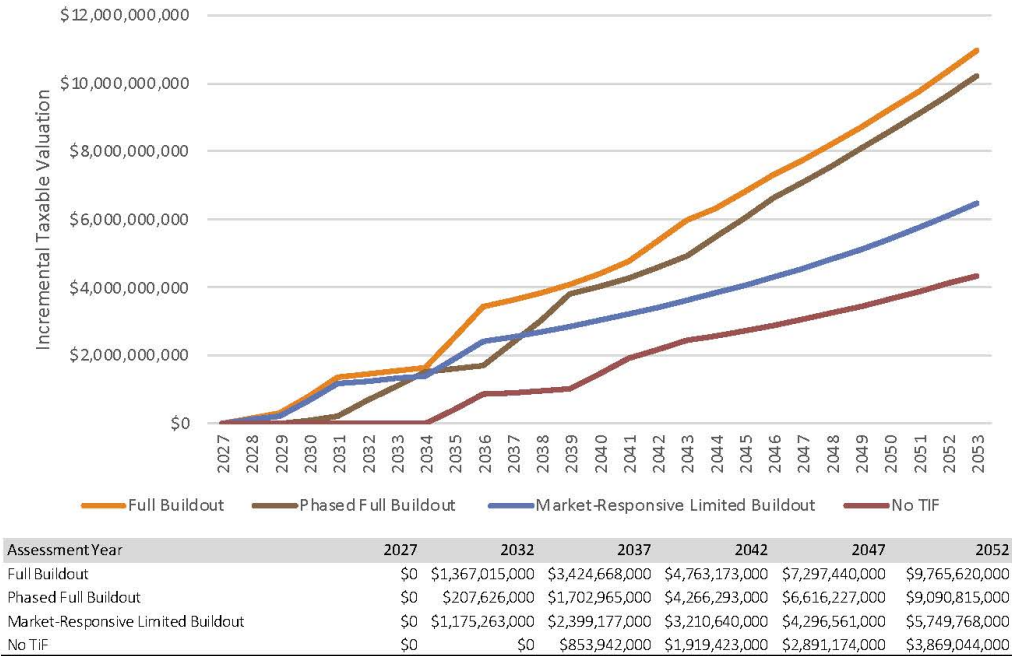


Figure 11: Taxable Real Property - TIF Enabled Scenarios compared to NO TIF Scenario

Source: ECONorthwest calculations, 2026

The taxable assessed value under the Market-Responsive Limited Buildout Scenario is projected at approximately \$6.1 billion, compared to \$4.1 billion in the No TIF Scenario — a difference of \$2 billion by 2052. This differential reflects both a larger scale of development and a more accelerated timeline enabled by the Grand Connection Crossing. In the No TIF Scenario, fewer parcels are expected to redevelop, and those that do are assumed to be delivered later and at lower intensity due to lingering access or feasibility constraints.

By contrast, the Market-Responsive Limited Buildout Scenario assumes that public investment helps unlock redevelopment on key parcels — especially those publicly owned — resulting in earlier and denser absorption. This additional assessed value is a central justification for the TIF mechanism, as it represents increment that would likely not occur—or would be significantly delayed—without the Grand Connection Crossing.

This analysis demonstrates:

- Scale Differential: Without TIF, development reaches only 42% of the potential buildout capacity.
- Timeline Delay: Development is deferred into future market cycles, delaying project absorption.
- Assessed Value Impact: The No TIF scenario generates substantially lower increases in assessed value compared to the TIF-enabled scenarios presented in this report.
- Economic Acceleration: The Grand Connection Crossing acts as a catalytic investment, accelerating development and nearly doubling the scale of private investment compared to the No TIF baseline.

Conclusion: While some level of development may eventually occur without TIF, it represents only 42% of the potential full buildout and is significantly delayed. The pronounced differences in scale, timing, and assessed value growth provide a clear rationale for using TIF, consistent with Washington State law.

But-For Conclusion

Based on the city's comprehensive analysis framework, the evidence clearly establishes that the proposed TIA satisfies Washington State's But-For-Requirement (specifically sections i, iii, & iv):

Requirement (i): Public Improvements Expected to Encourage Development

✓ **MET** - The Grand Connection Crossing serves as the "Attract" component of the city's model, functioning as an accelerant that reduces risk, increases returns, and shortens timelines for private development. Developer engagement confirms that the public improvements will encourage private investment.

Requirement (ii): Permitted Consistent with Zoning and Development Standards

✓ **MET** - The city's code amendments (Downtown Livability Initiative and Wilburton Vision Implementation) have established the regulatory framework that permits anticipated development. All projects will be subject to standard entitlement processes and compliance with applicable zoning and development standards.

Requirement (iii): Development Would Not Reasonably Be Expected Without Public Improvements

✓ **MET** - Evidence demonstrates that:

- Code amendments alone (2017-2025) have not triggered development at the desired scale
- Absence of permits and entitlements despite favorable zoning confirms market gap
- Developer testimony establishes that projects are contingent on Grand Connection infrastructure
- While some baseline development may eventually occur, it will be substantially reduced in scale, timing, and quality without TIF

Requirement (iv): Increased Assessed Value Greater With Public Improvements

✓ **MET** - This Report establishes that:

- Baseline assessed value increase without TIF will be significantly less than with the Grand Connection Crossing
- The public improvements generate incremental assessed value through accelerated timelines, increased scale, and enhanced project quality
- The tax increment generated represents significant "new" value that would not exist but-for the public investment

This analysis demonstrates that the Grand Connection Crossing is necessary to attract private investment at the scale, timing, and quality envisioned by the community. Tax increment financing represents the appropriate tool to bridge the gap between current market conditions and the city's urban transformation goals, ensuring that public tax dollars are used strategically and that the resulting tax base expansion benefits all stakeholders.

Additional Incremental Taxes

Any city LTGO bonds issued for Grand Connection Crossing will be backed by the city's full faith and credit, meaning bondholders can make a legal claim against the general revenue of the city if a default occurs. However, the city can use any unrestricted revenue sources it has available to satisfy its debt obligations. Washington state tax policy has conditions that allow governments to grow their tax bases to collect additional revenues.

This relationship creates a mutually reinforcing benefit of housing and commercial development with additional tax revenues. New land development represents a direct financial investment in land preparation and building structures. Those structures, occupied by residential neighborhoods and businesses, increase the lands' productive economic capacity. That economic value generates taxable bases at the land, business operation, and transaction levels, represented in land value, retail sales, business income, etc. State tax policy allows government jurisdictions to tax these bases (subject to rate, annual increase and other limitations) to fund needed public services and infrastructure.

Outside of the TIF, allocations and the base value of property tax that would flow to TIF jurisdictions, the development, and occupation of buildings in the TIA will generate other incremental taxes to those jurisdictions. Tax revenues can be differentiated into three categories:

- One-time Revenues. These revenues are tied to construction. Specifically, they include the retail sales tax on construction (materials and labor), which is taxable under Washington state law.
- Recurring Revenues. These revenues are derived from the occupation of structures by residents and businesses. Specific revenues include retail sales tax, and utility taxes.
- Capital Restricted Revenues. These revenues are restricted to capital and include real estate excise taxes.

CITY OF BELLEVUE

The City of Bellevue is the local service provider for police, public works, community development, parks, and other local services. To support these services, the city collects a range of general and restricted taxes, these include the following.

Sales & Use Taxes

Sales Tax - Of the 10.6% sales tax currently collected in the city on general retail purchases, a 1% "local" share of the tax accrues to local jurisdictions. The city receives 85% of the 1% local tax and King County gets 15%. This tax is levied on businesses in

the area, and on construction activity and some transactions related to housing and business, such as certain online purchases and the delivery of personal and commercial goods. The current rate accruing to the city for the local option is 0.85%. The incremental growth of this revenue is based on pro-rata population growth in the TIF development. The city also receives a population pro rata share of 90% of the city allocation of King County's 0.1% criminal justice sales tax. Increase in the criminal justice tax is modeled on net increases in population due to development.

The sales tax relies on estimates of new construction value and consumer taxable retail sales spending. These assumptions are driven by valuation and use assumptions in the development program detailed below.

Utility Taxes

The city imposes utility taxes on the gross receipts of various utility services, including electricity, water, wastewater, solid waste, telecommunications, cable, and natural gas. For this analysis, current city tax rates were applied to estimate revenues based on a generalized productivity factor for utility expenditures per resident and employee. The following utility tax rates were used:

- Natural Gas Distribution: 5.0%
- Water Distribution: 10.4%
- Electric (Light and Power): 5.0%
- Wastewater (Sewerage System): 5.0%
- Solid Waste Collection: 4.5%
- Cable Television Service: 4.8%
- Telephone Service (Landline): 6.0%
- Cellular Telephone Service: 6.0%

These rates reflect the most recent utility business tax schedule adopted by the city.

Business and Occupations Taxes

To estimate potential revenue from Bellevue's Business and Occupation (B&O) tax, the analysis applies a simplified gross receipts tax model using a uniform tax rate of 0.1596%, which reflects the City of Bellevue's rate on service-based businesses. Although Bellevue's actual B&O tax structure includes rate tiers by business classification, this single rate is used for modeling purposes to provide a generalizable estimate of potential revenue growth attributable to development within the Tax Increment Area (TIA).

Gross business income is modeled as a function of employment growth associated with new development. Specifically, the analysis assumes an average gross business income of \$90,000 per employee, based on industry benchmarks and city-level business data. This per-employee income assumption is multiplied by the estimated

number of new jobs generated from office and retail development under each scenario to estimate total gross receipts, which are then taxed at the 0.1596% rate.

This approach provides a consistent and transparent method for estimating the order-of-magnitude B&O tax revenue impacts of different development scenarios, while recognizing that actual collections will vary based on the mix of business types, exemptions, and credits applied over time.

Real Estate Excise Tax (REET)

Real estate transactions are subject to a 0.5% on the value of the transaction. REET revenues are placed in the capital restricted funds to finance capital projects. REET revenues are uncertain given volatility in the real estate market. Since REET is based on the total value of real estate transactions each year, the amount of REET revenues the city receives can vary substantially from year to year based on the normal fluctuations in the real estate market. During years when the real estate market is active, revenues are higher, and during softer real estate markets, revenues are lower.

Summary of Additional City Tax Results

Based on the approximate timing of the new development within the TIA, the additional taxes the city and King County would receive are identified below. These tables represent a 25-year cash flow of incremental tax revenues to the city and County in 2025 dollars (e.g., all future tax revenues have been discounted at 4.5% back to 2025 values). Nominal values are also provided.

The projected incremental non-property tax revenues total approximately \$135.8 million in present value and \$246.0 million in nominal terms over the life of the TIA. The largest source is sales tax on construction, contributing \$39.5 million in present value, followed by ongoing B&O tax at \$36.3 million. Utility taxes contribute \$25.5 million (present value), while ongoing sales tax adds another \$14.2 million (present value), and REET contributes \$12.8 million (present value). B&O tax on construction adds \$7.4 million (present value). Together, these revenues represent an important complementary funding stream to support infrastructure investments beyond what is generated through TIF.

	Incremental Taxes	
	Present Value	Nominal Value
Sales Tax on Construction	\$39,500,000	\$55,430,000
Ongoing Sales Tax	\$14,240,000	\$31,570,000
B&O on Construction	\$7,440,000	\$10,440,000
Ongoing B&O Tax	\$36,340,000	\$76,900,000
Utility Taxes	\$25,510,000	\$51,219,000
REET	\$12,780,000	\$20,480,000
Total Incremental Revenues	\$135,800,000	\$246,039,000

Table 22: Additional City Taxes (Market-Responsive Limited Buildout Scenario)

Source: ECONorthwest calculations, 2025

KING COUNTY

King County applies several local option sales taxes authorized under state law to fund specific countywide programs and services. These include:

- A 0.1% Criminal Justice sales tax, which supports public safety and criminal justice services across the county and its cities.
- A 0.9% Transit sales tax, which is the largest component and helps fund Metro transit operations, maintenance, and expansion.
- A 0.1% Mental Health and Drug Services tax, which supports behavioral health, treatment, and recovery services.
- A 0.1% Cultural Access tax, which provides funding for arts, heritage, and cultural organizations throughout the county.

These tax rates are additive to the state sales tax and are applied uniformly throughout King County. Each tax is authorized under a separate provision of state law and is earmarked for its respective purpose.

Summary of Additional County Tax Results

King County benefits significantly from construction and building-related activity because several of its key funding sources — particularly for transit operations and social services — are tied directly to sales tax revenues. As construction generates substantial taxable sales of materials and contractor services, increased building activity directly boosts revenue for Metro transit, behavioral health programs, and criminal justice services, all of which rely on dedicated local sales tax levies authorized by the state. This makes construction a particularly important economic driver for the County's general fund and service delivery capacity.

The projected incremental sales tax revenues (present value) from Grand Connection Crossing-related development total between \$68.5 million and \$119.4 million in nominal terms. The majority of this revenue is allocated to METRO Transit, reflecting

the significant share of the 0.9% transit sales tax. The remaining revenues are split evenly across Criminal Justice, Mental Health and Drug Services, and Cultural Access, each generating approximately \$5.7 million over the life of the project. These

revenues illustrate how King County’s voter-approved sales tax programs benefit directly from new construction and development activity within the TIA.

	Incremental Taxes	
	Present Value	Nominal Value
Criminal Justice	\$5,710,000	\$9,950,000
METRO Transit	\$51,400,000	\$89,540,000
Mental Health and Drug Services	\$5,710,000	\$9,950,000
Cultural Access	\$5,710,000	\$9,950,000
Total Incremental Revenues	\$68,530,000	\$119,390,000

Table 23: Additional County Taxes (Market-Responsive Limited Buildout Scenario)

Source: ECONorthwest calculations, 2025

Jobs Analysis

The job analysis considers two sources of employment tied to the TIA. First, the construction of private development will create jobs in the construction industry. These jobs will occur during the construction and are therefore “one-time” events. Once the buildings are constructed, commercial-oriented buildings will be used for commercial purposes. These jobs are “ongoing”, meaning they are permanent on the condition of occupation within the TIA. The following sections summarize these job estimates, and the methods used to derive them.

Construction Employment

Construction of the development over the anticipated build-out period would create temporary construction jobs within the region and State. The jobs estimated in the table below and are derived by using the 2025 value of construction investment for the private development scenarios and interpolating them into the Washington State Office of Financial Management’s Input/Output model.

The model relates spending in an industry sector to the number of jobs directly supported by that same investment. While the model estimates the number of jobs generated in the state of Washington, it is likely that most of these workers would come from the immediate region. The region is rapidly growing in population, such that many of the jobs created would be additive to existing jobs within the region. Ultimately, the income earned by workers would bring additional spending to the city that would not have otherwise occurred.

ECONorthwest estimated the total number of construction jobs based on the spending by scenario. The number of jobs at any given time would vary depending on the timing and scale of development. As expected, the scale of the investment in the Full Buildout Scenario produces the largest amount of construction jobs, in this case, 16,800 construction jobs.

Scenario	Construction Jobs
Full Buildout	16,800
Phased Full Buildout	16,800
Market-Responsive Limited Buildout	10,100

Table 24: Construction Jobs

Source: ECONorthwest calculations and OFM Input/Output Model, 2025

Ongoing Employment

Based on the types of uses and square feet of building area, ECONorthwest estimated the potential number of jobs the development would support when built. These numbers are derived from the ratio estimate of building area to number of employees. The U.S. Energy Information Administration releases data from the 2018 Commercial Buildings Energy Consumption Survey (CBECS) that provides building characteristics information for commercial buildings in 2018 in the U.S. (the latest year of data). The data contain the average building square foot per worker by building use. Using the amount of planned development square footage by building use at full buildout of the scenarios, these ratios can be applied (less a vacancy rate of 5%) to estimate the number of ongoing jobs.

Employment Uses	Full Buildout (and Phased)	Market-Responsive Limited Buildout
Office	17,000	9,260
Retail and Food & Beverage	80	80
Convention	150	0
Total Jobs	17,230	9,340

Table 25: Ongoing Jobs

Source: 2018 CBECS, Table B1. Summary table: total and means of floorspace, number of workers, and hours of operation, 2018 (Release date: September 2021)

Impact Assessment and Mitigation

Affordable Housing: No residential housing will be displaced from the envisioned development. It is expected that as additional market rate and affordable housing is built, demand will be lowered, and housing costs will be reduced over the long-term and become more affordable. The increased number of housing units from development within the TIA will help house a growing population base, meeting the demand with supply. Without additional housing in Bellevue, affordability will only become increasingly challenging.

Local Business Community: In addition to the new residents, 9,340 ongoing jobs will be created based on the Market-Responsive Limited Buildout Scenario. Likewise, 10,100 construction jobs will be introduced in private construction investment for development (Market-Responsive Limited Buildout Scenario). These new jobs supported by significant private investment will benefit other businesses in the city as well as the surrounding jurisdictions.

Local School District: The Bellevue School District's property tax levies (enrichment, capital, and bond) are excluded from TIF under the law. The increased assessed values generated in the TIA will operate to lower the rate per thousand of assessed value of levies imposed by the district. School district Enrichment and Capital Levies are excess levies, and the districts periodically ask voters to maintain existing levels of purchasing power via voted ballots. Bond levies ask voters to approve bonds to expand or improve their facilities and to approve excess property tax levies as necessary to pay debt service on the bonds. The effect of growth in the tax base coming from TIF will have two implications. First, it increases the tax base of the district, meaning that lower overall tax rates (per thousand of AV) are needed to fund a similar level of service. Second, it increases the proportion of the tax base that is commercial which leverages the relative voting power of residential households to support school expenditures backed by these excess levies (voter approved or otherwise).

Local Fire/EMS Service & Public Hospital District:

Under RCW 39.114, a mitigation plan is required only if the TIA is expected to affect 20% or more of the assessed value of a public hospital district, regional fire protection district, or EMS district. Based on County assessment data, the total assessed value supporting the King County EMS levy and the County hospital levy is approximately \$873,376,861,846. The assessed value within the proposed TIA is \$489,463,600, which represents approximately 0.056% of the total Countywide assessed value supporting those levies. This is far below the 20% statutory threshold

that would trigger a mitigation requirement. Because the proportion of the Countywide EMS levy base affected by the TIA is so small, no mitigation plan is required for the King County EMS district.

With respect to the King County hospital levy, the statute distinguishes between public hospital districts and other hospital service providers. The King County hospital levy is a Countywide levy (renovation of Harborview Medical Center) rather than a standalone public hospital district, and therefore the statutory mitigation requirement in RCW 39.114.020(5)(a) does not apply in the same manner. Nevertheless, the relative impact of the TIA is extremely small, again approximately 0.056% of the Countywide assessed value, and therefore does not materially affect the County hospital levy or associated services. Accordingly, no mitigation plan is necessary.

Finally, mitigation provisions related to regional fire protection districts do not apply in this case. Local fire and emergency response services within the TIA are provided directly by the City of Bellevue rather than by a fire district, and therefore there is no regional fire protection district impacted by the proposed TIA.

Risk Assessment and Mitigation Plan

Overview

As identified in the Introduction of this analysis, TIF is a powerful economic development tool to finance public improvements that catalyze private development. However, as with any financing mechanism that relies on projected future growth, TIF involves inherent risks that must be carefully assessed and mitigated. This Risk Assessment and Mitigation Plan identifies potential risks associated with the proposed TIA, quantifies the city's exposure to fund the Grand Connection Crossing, and establishes a comprehensive, multi-layered mitigation framework to protect the city's financial position and ensure successful project delivery.

The city faces four primary risk categories:

- (1) Private Development Underperformance - development may not occur as projected, may occur slower than anticipated, at reduced scale, or with different product types than expected;
- (2) Public Improvement Cost Escalation - construction costs may exceed planning-level estimates due to inflation, design changes, unforeseen conditions, or permit delays;
- (3) Revenue Generation Shortfalls - TIF revenues may fall short even if development occurs, due to lower assessed values, multi-family tax exemptions, lower levy rates, or policy changes; and,
- (4) External Economic Factors - broader conditions including recession, rising interest rates, market demand shifts, or legislative changes may compound impacts on both development and revenues.

Additionally, the city faces various secondary risks, including permit delays for both the Grand Connection Crossing and private development projects, construction schedule impacts, assessed value variances from County Assessor determinations, interest rate volatility, and potential changes to TIF legislation or levy rates within the TIA.

Development Sensitivity Analysis

To understand the range of potential fiscal outcomes and inform mitigation planning, the city has analyzed four development scenarios: (1) Full Buildout; (2) Phased Full Buildout; and, (3) Market-Responsive Limited Buildout. The Market-Responsive Limited Buildout Scenario has been selected as the most likely private development scenario to occur. This sensitivity analysis demonstrates that the even under the Market-Responsive Limited Buildout Scenario, the TIA generates sufficient revenues to support the city's targeted contribution to Grand Connection Crossing debt service, provided the mitigation strategies are deployed as outlined below.

Financial Exposure and Obligations

Under the Market-Responsive Limited Buildout Scenario, the TIA is projected to generate approximately \$84.4 million (nominal value) in tax increment revenues over the 25-year TIA period (2027-2052). The city plans to issue three series of LTGO bonds totaling \$230 million: \$75 million in 2026, \$80 million in 2027, and \$75 million in 2028 totaling \$353.6 million in principal and interest payments. TIF revenues will support approximately 24 percent of the total Grand Connection Crossing debt service, with other funding sources (Transportation Benefit District, philanthropic contributions, & dedicated city funds) covering the remaining amount.

The city will be required to meet debt service requirements for all three bond series regardless of TIF revenue generation. TIF revenues reduce the reliance of other funding sources and the city's General Fund exposure but do not eliminate the underlying debt service obligation.

Comprehensive Five-Level Mitigation Framework

The city has developed a prioritized, five-level mitigation framework providing financial protection and operational flexibility to address revenue-debt gaps, particularly in the early years before private development stabilizes.

Level 1: Structural Debt Management

Strategic Debt Issuance Timing: The city will apply TIF allocation revenues only to the 2028 bond series (\$75M), while funding debt service for the 2026 and 2027 series through non-TIF sources. This approach reduces early-year exposure when private development is just beginning and TIF revenues are lowest.

Interest-Only Structure (Years 1-5): The city may structure each bond series with interest-only payments during the first five years, transitioning to principal and interest payments in years 6-25. This better aligns early debt service with initial TIF revenue generation, mitigates revenue risk during the development stabilization period, and accommodates multi-family tax exemption impacts on early revenues. The trade-off is higher principal and interest payments in later years and increased total interest cost, but this is offset by stronger revenue projections in the out-years as development matures.

Switching to interest-only payments for the first five years of each bond issuance provides the city with greater flexibility during the early implementation phase of the Grand Connection Crossing. Between 2026 and 2030, annual debt service remains relatively low—ranging from \$3.4 million to \$10.4 million—before increasing in later years as principal repayment begins. This structure allows the city to reduce upfront budget pressures and better align debt obligations with the expected timing of development and revenue generation within the TIA, particularly

in the early years when TIF revenues are projected to be minimal due to delayed development and MFTE-related tax exemptions.

Beginning in 2031, annual debt service increases significantly as full principal and interest payments come due, peaking at approximately \$21.4 million per year from 2033 through 2044. This backloaded structure ensures that the largest payments occur when new development is largely complete and taxable values are at their highest. While this strategy raises total borrowing costs—cumulative principal and interest increase from \$353.6 million to \$372.1 million—it helps the city manage risk and cash flow in the near term. Overall, the interest-only period supports smoother financial implementation while maintaining long-term affordability.

Year	Issue 1	Issue 2	Issue 3	Issue 4	Combined Debt
2026	\$3,375,000				\$3,375,000
2027	\$3,375,000	\$3,600,000			\$6,975,000
2028	\$3,375,000	\$3,600,000	\$3,375,000		\$10,350,000
2029	\$3,375,000	\$3,600,000	\$3,375,000		\$10,350,000
2030	\$3,375,000	\$3,600,000	\$3,375,000		\$10,350,000
2031	\$6,983,536	\$3,600,000	\$3,375,000		\$13,958,536
2032	\$6,983,536	\$7,449,105	\$3,375,000		\$17,807,640
2033	\$6,983,536	\$7,449,105	\$6,983,536		\$21,416,176
2034	\$6,983,536	\$7,449,105	\$6,983,536		\$21,416,176
2035	\$6,983,536	\$7,449,105	\$6,983,536		\$21,416,176
2036	\$6,983,536	\$7,449,105	\$6,983,536		\$21,416,176
2037	\$6,983,536	\$7,449,105	\$6,983,536		\$21,416,176
2038	\$6,983,536	\$7,449,105	\$6,983,536		\$21,416,176
2039	\$6,983,536	\$7,449,105	\$6,983,536		\$21,416,176
2040	\$6,983,536	\$7,449,105	\$6,983,536		\$21,416,176
2041	\$6,983,536	\$7,449,105	\$6,983,536		\$21,416,176
2042	\$6,983,536	\$7,449,105	\$6,983,536		\$21,416,176
2043	\$6,983,536	\$7,449,105	\$6,983,536		\$21,416,176
2044	\$6,983,536	\$7,449,105	\$6,983,536		\$21,416,176
2045	\$6,682,809	\$7,449,105	\$6,983,536		\$21,115,449
2046		\$7,128,330	\$6,983,536		\$14,111,865
2047			\$6,682,809		\$6,682,809
2048					
2049					
2050					
2051					
2052					
2053					
2054					
2055					
Total P&I	\$121,327,308	\$129,415,795	\$121,327,308		\$372,070,410

Table 26: Debt Service - Interest Only
Source: ECONorthwest calculations, 2025

Interfund Loans: The city maintains approximately \$158 million (2026 Budgeted) in available reserves that can be deployed as interfund loans to cover any gap between TIF revenues and assigned Grand Connection Crossing debt service. Loans can be provided on an interest-bearing basis with repayment scheduled as TIF revenues exceed annual debt allocation, ensuring minimal impact on the city's General Fund operations or other capital programs.

Level 2: Additional Incremental General Revenue Deployment

Private development within the TIA generates not only TIF-captured property tax increment but also additional incremental revenues from city sales tax on construction and from new commercial activity, business & occupation (B&O) tax from new businesses, utility taxes and real estate excise tax (REET). Based on the Market-Responsive Limited Buildout Scenario, the city will receive approximately \$146.0 million (nominal value) in additional incremental revenues over the 25-year TIA term. The deployment strategy reserves 70% of incremental revenues for operating cost increases associated with new development (police, fire, parks, etc.), excludes restricted revenues (e.g., criminal justice sales tax, REET), and deploys the remaining 30% (approximately \$43.8 million) to cover TIF revenue shortfalls if Level 1 mitigation proves insufficient.

Year	Market-Responsive Limited Buildout with Taxes					
	Tier 1 TIF Funding	Additional Tax Share (30%)	TIF Debt Service	Other Tier 1, Tier 2 and 3 Funding	Cumulative Surplus (Shortfall)	TIF Debt Service Coverage
2026	\$0	\$0	\$5,765,711	\$5,765,711	\$0	0.00
2027	\$0	\$552,000	\$11,915,802	\$11,363,802	\$0	0.05
2028	\$0	\$781,500	\$17,681,513	\$16,900,013	\$0	0.04
2029	\$249,000	\$2,946,000	\$17,681,513	\$14,486,513	\$0	0.18
2030	\$495,000	\$3,779,700	\$17,681,513	\$13,406,813	\$0	0.24
2031	\$1,474,000	\$1,352,400	\$17,681,513	\$14,855,113	\$0	0.16
2032	\$2,447,000	\$773,400	\$17,681,513	\$14,461,113	\$0	0.18
2033	\$2,475,000	\$788,400	\$17,681,513	\$14,418,113	\$0	0.18
2034	\$2,503,000	\$3,005,400	\$17,681,513	\$12,173,113	\$0	0.31
2035	\$2,533,000	\$3,764,400	\$17,681,513	\$11,384,113	\$0	0.36
2036	\$3,244,000	\$1,733,400	\$17,681,513	\$12,704,113	\$0	0.28
2037	\$3,953,000	\$1,301,400	\$17,681,513	\$12,427,113	\$0	0.30
2038	\$4,000,000	\$1,322,400	\$17,681,513	\$12,359,113	\$0	0.30
2039	\$4,044,000	\$1,349,400	\$17,681,513	\$12,288,113	\$0	0.31
2040	\$4,093,000	\$1,376,400	\$17,681,513	\$12,212,113	\$0	0.31
2041	\$4,139,000	\$1,403,400	\$17,681,513	\$12,139,113	\$0	0.31
2042	\$4,187,000	\$1,433,400	\$17,681,513	\$12,061,113	\$0	0.32
2043	\$4,236,000	\$1,463,400	\$17,681,513	\$11,982,113	\$0	0.32
2044	\$4,284,000	\$1,493,400	\$17,681,513	\$11,904,113	\$0	0.33
2045	\$4,333,000	\$1,526,400	\$17,681,513	\$11,822,113	\$0	0.33
2046	\$4,384,000	\$1,556,400	\$11,915,802	\$5,975,402	\$0	0.50
2047	\$4,434,000	\$1,592,400	\$5,765,711	\$0	\$0	1.05
2048	\$4,484,000	\$1,625,400	\$0	\$0	\$0	0.00
2049	\$4,536,000	\$1,661,400	\$0	\$0	\$0	0.00
2050	\$4,587,000	\$1,700,400	\$0	\$0	\$0	0.00
2051	\$4,640,000	\$1,739,400	\$0	\$0	\$0	0.00
2052	\$4,693,000	\$1,775,400	\$0	\$0	\$0	0.00
Total	\$84,447,000	\$43,797,000	\$353,630,264	\$257,088,953		

Table 27: Debt Service Performance Market-Responsive Limited Buildout Scenario with 30% Incremental

Source: ECONorthwest calculations, 2025

Including incremental taxes in the funding strategy significantly improves the city's ability to meet debt service obligations for the Grand Connection Crossing, especially during the early and middle years of repayment when Tax Increment Financing (TIF) revenues alone are insufficient. In this scenario, the city allocates 30% of its incremental tax revenues (e.g., sales tax, B&O tax, REET, and utility taxes) toward covering debt service. Over the 25-year period, this contribution totals approximately \$43.8 million, providing critical support to help close funding gaps and reduce reliance on Tier 2 and Tier 3 sources.

The addition of tax revenues materially increases TIF debt coverage. The combination of TIF revenues and the additional tax revenues allows the city to eliminate shortfalls in nearly every year of the repayment period. By 2047, total combined contributions are sufficient to fully cover annual debt service, and from 2048 onward, both TIF and the additional tax revenues exceed obligations, creating a financial surplus. This approach provides the city with greater certainty, reduces risk exposure, and strengthens the overall financing strategy for this transformative infrastructure investment.

Level 3: Additional Transportation Benefit District Funding

The Bellevue City Council approved a Transportation Benefit District (TBD) in 2023. The city's current plan is to activate this previously approved TBD to fund approximately 40 percent (approximately \$141.4 million) of the Grand Connection Crossing total cost (principal and interest associated with debt issuance). The remaining sources of funds would be from Tier 2 funding sources (philanthropic-private funds and dedicated/specific funds of the city) representing approximately 36 percent of the total Grand Connect Crossing cost (approximately \$127.8 million). TIF would support the remaining amount 24 percent of the total costs (\$84.4 million).

In the event that TIF or other Tier 2 funding sources are less than expected, the city has additional capacity within the TBD—approximately 50 percent more or \$121 million over a 20-year period—that it could exercise if necessary. This provides a substantial financial backstop using a dedicated transportation funding source appropriate for the Grand Connection Crossing, with the Council retaining policy flexibility on timing and level. The consideration is that activating additional TBD capacity beyond what is currently planned increases the tax burden and should be reserved for significant revenue gaps requiring Council policy decisions that balance debt service needs with taxpayer impact.

Level 4: Reserve Funds and Capital Project Reprioritization

The city maintains multiple fund reserves identified in the State Audit Report Summary in Appendices) totaling \$158 million (budgeted in 2026) that could support debt service if initial mitigation levels prove insufficient. Deployment will maintain minimum reserve requirements established by city policy, prioritize reserves least critical to ongoing operations, require Council approval above specified thresholds, and include repayment plans from future TIF or other revenues. Additionally, if necessary, the city may reprioritize planned capital expenditures to redirect resources toward the Grand Connection Crossing debt service through annual capital improvement plan reviews that identify lower-priority projects for delay or scope reduction based on community needs assessment and Council approval.

Level 5: Enhanced Revenue Authority

The Bellevue City Council has established banked levy capacity that could be activated if needed, providing additional revenue up to \$134.5 million over a 20-year period if approved by the City Council. Additionally, the city council could increase the B&O tax rate to support the Grand Connection Crossing debt service, with potential revenue of up to \$154 million over 20 years. Together, these strategies provide up to \$2.8 million in additional annual revenue capacity. However, this level should be reserved for significant, sustained revenue gaps as it increases tax burden on citywide taxpayers or businesses, requires careful policy competitive impacts (B&O) and taxpayer burden (property tax), and should be deployed as a last resort after all other mitigation levels have been exhausted.

Financial Mitigation Framework Summary

Depending on the actual revenue-debt gap, the city has multiple levels of mitigation identified above to satisfy its debt obligations associated with the assigned revenues to support a portion of the debt for the Grand Connection Crossing if private development does not occur as expected in accordance with the Market-Responsive Limited Buildout Scenario or construction cost increase for the project.

Private Development Mitigation Strategies

Beyond financial mitigation, the city has developed strategies to reduce the likelihood of private development underperformance. The city may pursue development agreements as authorized by RCW 36.70B.170, or other contractual agreements with owners/developers of key development sites within the TIA to establish predictable development timelines and standards, provide mutual commitments regarding development milestones, and clarify roles and responsibilities with respect to infrastructure and facilities. Agreements of this nature are voluntary and may help reduce uncertainty about development timing and scale, clarify public and private obligations with respect to with development milestones, provide early warning if development plans change, and creates a framework for addressing unforeseen challenges collaboratively and efficiently.

The city will also conduct ongoing market monitoring of development activity and permit applications within the TIA, real estate market conditions (office, retail, residential), developer interest and site acquisition activity, and comparable development activity in Eastside markets. This enables proactive adjustments to mitigation strategies, debt issuance timing, or public improvement phasing based on real-time market intelligence.

Public Improvement Cost Containment

Beyond mitigating revenue and private development risks, the city will actively manage public improvement costs to reduce the likelihood of cost escalation. The Grand Connection Crossing cost estimates included in this analysis include industry-standard unit costs, significant contingency allowances to buffer construction market volatility, and escalation factors for inflation over the multi-year construction period. Construction costs will be further refined prior to the issuance of any debt.

The city will use a GC/CM alternative delivery method for the Grand Connection Crossing, which provides early contractor involvement in design and cost estimating, collaborative approach to value engineering and cost optimization, transparent cost tracking throughout design and construction, flexibility to adjust scope or phasing based on budget constraints, and risk sharing between city and contractor.

Secondary Risk Management

The city addresses secondary risks—including permit delays for both private and public projects, economic slowdown or recession, assessed value variances from County determinations, interest rate volatility affecting borrowing costs, construction delays due to weather, legislative changes modifying TIF structures, and lower levy rates than anticipated—through conservative development and revenue projections, prudent fiscal management, experienced project management and adaptive implementation. The city will continue these practices throughout TIA implementation and Grand Connection delivery, ensuring responsible management of taxpayer resources and successful project outcomes.

Conclusion: A Robust Risk Management Framework

The city has developed a comprehensive, multi-layered approach to identifying and mitigating risks associated with the formation of a TIA and the Grand Connection Crossing project. Four primary risk categories and multiple secondary risks have been systematically identified and analyzed. Four development scenarios quantify the range of potential outcomes and inform mitigation planning. Five levels of financial mitigation provide significant revenue capacity to address revenue-debt gaps. Proven project delivery methods will manage public improvement costs. And an ongoing monitoring and flexible response framework addresses unforeseen challenges.

This framework reflects the city's commitment to responsible financial stewardship while pursuing transformative economic development and infrastructure improvements. By proactively identifying risks, quantifying exposure, and establishing comprehensive mitigation measures, the city protects taxpayers, maintains financial stability, and positions the TIA for successful implementation. The mitigation framework provides substantial capacity exceeding plausible

revenue gaps under reasonable scenarios, while preserving flexibility to respond to changing conditions. This approach enables the city to pursue the significant public benefits of the Grand Connection Crossing and associated private development with appropriate risk management and fiscal responsibility.

Next Steps

There are a number of actions that will occur before the Bellevue City Council formally considers the formation of a TIA. First, is to receive and review feedback offered by the Office of the State Treasurer related to this Project Analysis. Second, based on any feedback, the TIF team will evaluate and make appropriate adjustments to the proposed TIF program. Third, is to identify which taxing districts will participate in the TIA and then to reach formal agreements with those taxing districts prior to the adoption of any TIA ordinance. Fourth, is to conduct two separate public briefings on the proposed TIA and provide formal notice in the local newspaper. There are also a number of planning, engineering, finance, and legal activities that will occur to advance the proposed public improvements and private development.

Below is summary of the remaining actions:

- A.** Continue Opt-In Discussions & Agreements with Taxing Districts
- B.** Two Public Briefings
- C.** TIA Ordinance Development/Presentation/Discussion with City Council
- D.** City Council Consideration of TIA Ordinance

Schedule

Analysis & Planning	
Conduct Preliminary TIA Assessment (Step 1)	July - October, 2025
Conduct Early Outreach With Taxing Districts	September - October 2025
Notice of Intent to Taxing Districts	10/16/25
Complete Project Analysis (Step 2)	November - January 2026
Outreach & Review	
Submit Project Analysis to OST for 90-day Review	1/14/26
Submit Project Analysis to Taxing Districts for Review	1/14/26
Continue Outreach With Taxing Districts	November - April 2026
OST Review Period Expires	4/14/26
Taxing Districts Opt-In Process/Agreement	
Discuss Preliminary TIF Assessment with Taxing Districts and Opt-in Process	November - December 2025
Discuss Project Analysis with Taxing Districts and Create Specific Opt-in Approval Proces for each District	January - March 2026
Finalize District Opt-in Agreements Prior to TIA Formation	April - May 2026
TIA Adoption Formation	
City Council TIF Briefing	To be determined
Present OST Comments to City Council	April - May 2026
1st Public Briefing	April - May 2026
2nd Public Briefing	April - May 2026
City Council Work Session - TIA Formation Ordinance Review	April - May 2026
Council to Consider Adoption of TIA Ordinance	5/19/26
Implementation	
Execute Developer Agreements as Warranted	2026 onward
Evaluate Development Readiness/Market Conditions	2026-2028
Implement/Approve Project Funding Sources	2025-2026
Issue Debt and/or Construct Improvements	2026-2028
Monitor Development Activity and TIF Resources	2026 onward

Figure 12: Schedule
Stowe Development & Strategies, 2026

Findings | Bottom Line

The envisioned private development within the proposed TIA would not be viable without the city's intervention to fund the Grand Connection Crossing. The city has demonstrated a strong nexus between anticipated private development and the Grand Connection Crossing.

There are no anticipated negative impacts on affordable housing, the local business community, the local school district, and the local taxing districts.

Based on all of the above findings and information contained in this Project Analysis, the City of Bellevue's proposed TIA meet both the spirit and the letter of Washington State's TIF Act.

APPENDICES

- State Audit Report Summary
- Consultant Team Bios



State Audit Report Summary

City of Bellevue, WA
 Available Funds for Debt Service
 5-year Table

	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Actual and Estimated 2025	Budgeted 2026
Beginning Cash Available for Debt Service	120,052,000	136,160,000	144,305,000	136,174,000	131,392,000	166,780,000
Operating Revenue Available for Debt Service						
Operating Revenue	273,966,000	292,433,000	317,788,000	323,649,000	340,105,000	392,578,000
Operating Expenditures	(251,044,000)	(267,141,000)	(302,829,000)	(330,112,000)	(319,280,000)	(374,882,000)
Operating Income (Loss)	22,922,000	25,292,000	14,959,000	(6,463,000)	20,825,000	17,716,000
Total Revenue Available for Debt Service	142,974,000	161,452,000	159,264,000	129,711,000	152,217,000	184,496,000
Debt Service (General Obligation)	(24,680,867)	(21,095,336)	(23,085,833)	(27,764,902)	(29,951,536)	(29,955,390)
Other inflows (outflows)	6,173,000	(8,531,000)	2,430,000	5,793,000	3,000,000	3,500,000
Ending Available Cash Balance	124,486,133	131,825,664	136,608,167	107,739,098	125,265,464	158,040,610

Figure 13: Available Funds for Debt Service
City of Bellevue, 2026

Consultant Team Bios

Bob Stowe - Principal



Bob Stowe is the principal and founder of Stowe Development & Strategies — a company he formed in 2016 to help public sector clients succeed with their economic and community development interests. With 38 years of experience in progressive community transformations, Bob is one of the Northwest's most innovative and entrepreneurial real estate and community developers. He uses sound long-range fiscal planning skills and has achieved enviable results in leading redevelopment efforts from the dream stage to construction. This is true for projects large and small, straightforward and complex.

Bob's understanding and experience with tax increment financing, master plan development, transit oriented development, placemaking, negotiation of purchase and sale agreements, development agreements, public benefit agreements, and his ability to create public private partnerships make him an ideal public sector development partner.

Bob has been responsible for leading, managing, coordinating, and implementing a wide variety of complex and multi-faceted projects including, downtown revitalization plans, civic center plans and development, master plans, public-private partnerships, and transit-oriented developments to name a few.

Bob was the City Manager for the City of Bothell, Washington from 2005 to 2016 where he was the architect and leader of Washington's largest and most successful publicly-led downtown revitalization. Under Bob's leadership, this project utilized a Local Infrastructure Financing Tool award (AKA TIF light) as part of the funding package that stimulated private investment of over \$300 million; a very big step in achieving the City's 25-year goal of \$650 million. The fact that nearly half that goal was reached in just a few years, during the Great Recession, and with leverage from public/private collaboration, made it all the more remarkable.

Bob guided the development of approximately \$150 million in public sector improvements (relocation of a state highway, creation of new streets, storm water system, parks, environmental clean-up, etc.) identified as necessary to achieve the revitalization vision. The massive public development plan and schedule also needed to align with private sector purchase of surplus land from the City, environmental remediation, public streets to be developed by the private sector, and on-site mixed-use development. Precise scheduling, communication and the ability to respond to changing conditions were skills that Bob successfully delivered on this project.

Before arriving in Bothell, Bob was the City Manager for the City of Mill Creek for nine years and helped lead development of the award-winning Mill Creek Town Center in the early 2000s. His first downtown transformation project began with the revitalization of Downtown Dayton, Washington in the late 1980s.

The hallmark of Bob's effort is his commitment to create well designed and environmentally sustainable places where people want to live, work, and come together to celebrate. Bob has tackled the most difficult and complex projects, achieving the redevelopment and economic dreams of several communities with his failure is not an option approach.

EDUCATION

- MBA, Albers School of Business & Economics, Seattle University (with honors).
- BA, Urban and Regional Planning, Eastern Washington University.

Morgan Shook - Director/Partner



Morgan Shook is a Senior Policy and Economic Analyst working in real estate, land use, and transportation economics, and finance. He has deep expertise in economic, market and financial analytics that he brought to bear in business, enterprise, and policy settings.

Morgan has worked for a range of government, business, and non-profit clients to advance their missions that in diverse set areas and topics.

Morgan has worked on every form of tax increment financing in Washington including Community Revitalization Financing, Local Infrastructure Financing Tool, Local Revitalization Financing LRF, Landscape Conservation and Local Infrastructure Program, as well as the recently passed Tax Increment Financing bill in the 2021 legislative session.

Before joining ECONorthwest, Morgan worked in biotechnology development at the Institute for Systems Biology, and health disparities research at the University of Chicago. Morgan recently served on the Seattle Planning Commission.

EDUCATION

- M.U.R.P., Portland State University
- B.S. Molecular Biology, University of Puget Sound
- Certificate in Commercial Real Estate Development, University of Washington Extension

Areas of Expertise

- Economic Development
- Affordable Housing
- Land Use Planning
- Market & Feasibility Analysis
- Infrastructure & Finance Funding
- Transit-Oriented Development

Prepared by:



In association with:



Exhibit C

TAX INCREMENT FINANCING PROJECT ANALYSIS REVIEW

— CITY OF BELLEVUE —

MARCH 5, 2026



March 5, 2026

Diane Carlson
City Manager
City of Bellevue
450 110th Avenue NE
Bellevue, WA 98004

Dear Diane Carlson:

This letter confirms the Office of the State Treasurer’s (“OST”) receipt and review of the City of Bellevue’s (the “City”) tax increment financing (“TIF”) draft project analysis, dated January 14, 2026. OST and PFM Financial Advisors LLC, the state’s municipal advisor, have reviewed the provided materials. Based on our review, which is detailed in the sections to follow, we believe that the City’s project analysis generally addresses the topics listed in section 020(2) of RCW 39.114 (the “TIF Statute”). However, please see our recommendations provided at the end of this letter.

Please note that this review is based on the information, projections, and assumptions provided by the City and its consultants in the project analysis. OST has not independently verified the data, as to either its accuracy or completeness, nor performed any feasibility analyses or projections of its own.

Statutory Role and Purpose of Review

RCW 39.114.020(7)(c) of the TIF Statute requires that prior to the adoption of an ordinance authorizing the creation of a tax increment area (“TIA”), the local government proposing the TIA must provide a project analysis to OST for review. Upon completing the review, OST must provide to the local government any comments regarding suggested revisions or enhancements to the project analysis that OST deems appropriate. OST received the City’s draft project analysis on January 14, 2026.

OST’s primary goal in our statutorily mandated review is to ensure that the project analysis addresses the topics listed in the TIF Statute and also adequately discloses the potential risks that might result from the implementation of the project.

Project Team

Jurisdiction: City of Bellevue
Redevelopment Area: Downtown Bellevue & Wilburton – Grand Connection Crossing
Consultants: Bob Stowe, ECONorthwest

Proposed Tax Increment Area

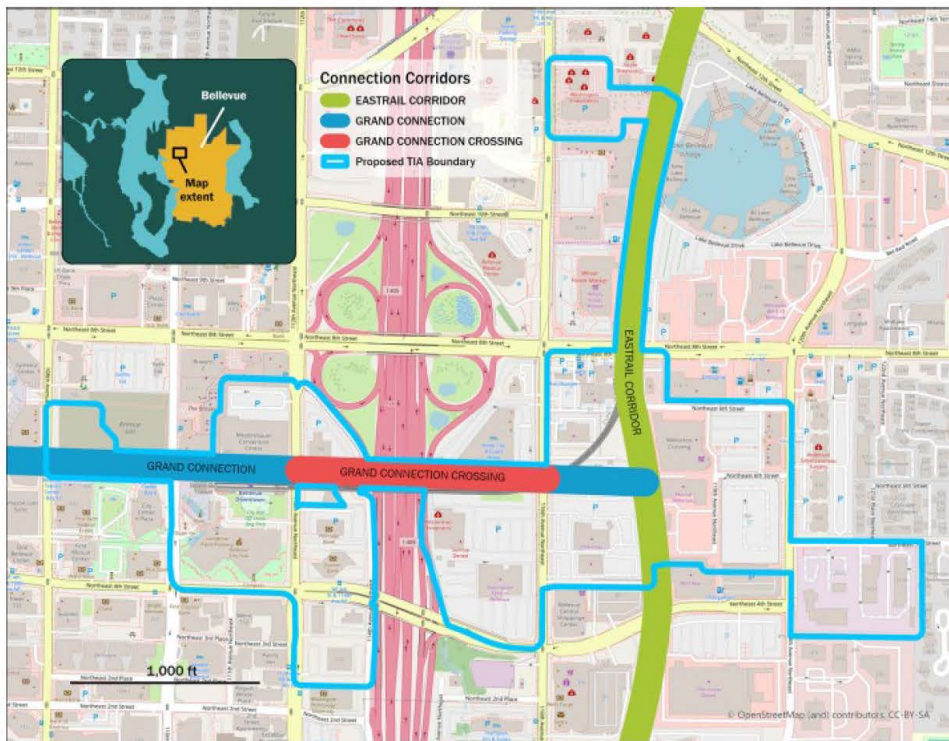
The City’s proposed TIA encompasses approximately 63.3 total acres of parcels in downtown Bellevue and the Wilburton neighborhood (not including right-of-way). The objective of the TIA is to create a pedestrian-friendly downtown area that supports the City’s growth, economic competitiveness, and transportation goals.

According to the project analysis, the parcels selected “are well positioned to benefit from Grand Connection Crossing improvements – such as enhanced public spaces, connectivity, and infrastructure – and includes a mix of sites with known development interest, underutilized private parcels and publicly-owned properties with long-term redevelopment potential” (page 12 of the project analysis). The area outlined in light blue in Figure 1 represents the proposed TIA boundary.

When developing the TIA boundary, three categories of parcels were targeted:

1. Sites with known development interests
2. Underutilized private parcels, relative to allowed zoning capacity
3. Publicly owned properties, which will likely become surplus and suitable for long-term redevelopment

Figure 1 – Map of Proposed Tax Increment Area



Source: The City of Bellevue, ECONorthwest.

Engrossed Substitute Senate Bill 5801 (Chapter 417, Laws of 2025)

In 2025, the Legislature approved Engrossed Substitute Senate Bill 5801 (“ESSB 5801”), which included an amendment to the TIF Statute for certain projects meeting specific criteria. The new provisions in RCW 39.114.020(1)(c)(ii) enable a sponsoring jurisdiction to exceed the \$200 million assessed valuation (“AV”) limit, up to a maximum \$500 million of total assessed value, if:

- (A) The sponsoring jurisdiction is a city with a population over 150,000 but less than 170,000 and is located in a county with a population of over 1,500,000;
- (B) The tax increment area is connected to Interstate 405 and the transportation-related public improvements that will be funded enhance the integration and connection of neighborhoods within and adjacent to the increment area;
- (C) The sponsoring jurisdiction enacted an ordinance designating the increment area no later than June 30, 2026; and
- (D) A governing body of any taxing district within the increment area approves by a majority vote, and according to the governing body's ordinance and publication procedures, the taxing district's partial or full participation in the tax increment project. If the governing body does not approve its participation, the taxing district's property taxes are not subject to apportionment under this chapter and the taxing district is excluded from the provisions of this section.

The City of Bellevue’s 2024 estimated population is 155,000 (addressing 39.114.020(1)(c)(ii)(A)), King County’s population exceeds 1.5 million, and the proposed TIA is connected to Interstate 405 and is expected to fund transportation related improvements (addressing 39.114.020(1)(c)(ii)(B)). Accordingly, the City of Bellevue is able to rely on the higher maximum AV limit for its proposed TIA. The authority granted to the City by ESSB 5801 expires on June 30, 2026.

Impacted Taxing Districts

Seven taxing districts with regular property tax levies have been identified as being directly impacted by the TIA. The impacted districts identified in the project analysis are:

- (1) City of Bellevue,
- (2) King County*,
- (3) Port of Seattle,
- (4) Sound Transit,
- (5) EMS (County),
- (6) King County Library District, and
- (7) Flood Control

*Includes current expense, Veterans’ Aid, Mental Health, Parks, Family-Seniors, Crisis Care, Best Start for Kids, Countywide Hospital, Transportation, Marine/Ferry, and Conservation Futures.

After the effective date of the TIA, the levy rate for each of these taxing districts whose governing body approves their participation will be applied to the increased AV within the TIA. The tax increment revenues

generated will be remitted to reimburse the City for debt service on any bonds issued in connection with the project and to potentially pay for any remaining unfunded public improvements.

The TIF Statute requires a mitigation plan if at least 20% of the AV of a public hospital district, regional fire protection district, and/or EMS district is expected to be impacted by the TIA. In the “Impact Assessment and Mitigation” section of the project analysis (page 74), the text recognizes the statutory requirement for mitigation on behalf of fire districts and hospital districts but does not mention EMS districts. We suggest adding language to the project analysis to confirm that there is no need for a mitigation plan with the King County EMS district.

Additionally, the list of levies included in Table 4 of the project analysis includes the King County-wide hospital levy. The TIF statute is unclear about whether mitigation would be required for a County-owned hospital, as opposed to a standalone hospital district. RCW 39.114.020(2)(j) states the project analysis must include an assessment of impacts and any necessary mitigation to local public hospital **service**, but 39.144.020(5)(a) states mitigation is only required for public hospital **districts** (emphasis added). While the County-wide AV is large enough to likely not require mitigation, we suggest adding language to confirm the relative impact to the County hospital, and whether there is a need for a mitigation plan, in the project analysis.

ESSB 5801 specifies that in order for the City of Bellevue to exceed the \$200 million AV limit, the City must receive approval by the governing body of each impacted taxing district by a simple majority vote (RCW 39.114.020(1)(c)(ii)(D)). The project analysis states that outreach to the impacted districts has begun and is ongoing, and the City expects to pursue formal agreements with each participating district.

Project Description

Public Improvements within the TIA

There is only one capital project associated with the TIA: the Grand Connection Project. The initial phase of the project is the Grand Connection Crossing (the “Crossing”). The Crossing is a 1.5-mile walkway that will allow pedestrian access between the edge of Lake Washington at Meydenbauer Bay Park, through Old Bellevue and Downtown Park, and continuing to the Wilburton area and the Eastrail Corridor. The Crossing will be a minimum of 30 feet wide, expanding to 40 feet over I-405. Other project elements include modal separation, landscaping, gathering spaces, vertical connections to an elevated walkway, and modifications to City Hall Plaza. The estimated project cost of the Crossing is \$230 million, with the project expected to be open by 2030. The project analysis references the Crossing as the initial phase, and does not include description of any additional phases.

The project is expected to be funded through a variety of sources, which the analysis breaks down into three “tiers”, classified by political viability and ease of access:

- **Tier 1:** TIF; Transportation Benefit District (“TBD”) sales tax and vehicle tax
- **Tier 2:** Philanthropic and Private Funds, Dedicated or Specific Funds, Federal and State Grants, and Local Improvement Districts
- **Tier 3:** Business and Occupation Tax, Banked Property Tax levy capacity

TIF revenues are projected to cover between \$84.45 and \$128.81 million (depending on levels of private development, described later in this review) of the \$230 million project and related debt service. The project analysis acknowledges that other sources will be required to pay the difference between projected increment revenue and total project costs and related debt service, but does not provide a clear breakdown of these other sources.

Private Development within the TIA

As seen below in Table 1, the City’s project analysis describes four major types of private development within the Bellevue TIA: multi-family housing, office, convention, and retail.

The analysis identifies three development scenarios: full buildout, phased full buildout, and market-responsive limited buildout (the “base case”), the latter of which is assumed as the most likely scenario. The three scenarios are projected to add between 6.5 million and 10.7 million square feet of development. The development horizon ranges between the scenarios. For the Full Buildout, construction is assumed to take place from 2028 to 2031, 2035 to 2036, and 2040 to 2046. The Phased Full Buildout has initial construction from 2030 to 2034, 2037 to 2039, and 2042 to 2049. Finally, the base case assumes construction from 2028 to 2031 and 2035 to 2036.

Table 1 – Comparison of Buildout Scenarios (Sq. Ft)

Product Type	Full Buildout	Phased Full Buildout	Market-Responsive Limited Buildout
Multi-Family	2,867,000	2,867,000	2,338,000
Office	7,555,610	7,555,610	4,114,400
Convention	200,000	200,000	0
Retail	86,630	86,630	86,630
Total	10,709,240	10,709,240	6,539,030

Source: City of Bellevue, ECONorthwest.

The project analysis identifies the base case as the most refined and realistic of the three private developments, as it “focuses on the parcels most likely to redevelop in the near to mid-term – those with known development interest, favorable market conditions, or adjacency to public infrastructure investments” (page 19). However, the project analysis does acknowledge that much of the projected development within the TIA is uncertain and speculative.

The City has a multifamily tax exemption (“MFTE”) program. The MFTE applies to existing multifamily projects for a 12-year period and can be recertified for an additional 12-year period. Additionally, the project analysis cites state legislation passed in 2025 that extends the MFTE up to a 20-year period. As such, the multi-family developments are excluded from the TIA revenue projections. Finally, the Convention Center, as a publicly-owned facility, is also excluded from the revenue projections. As a minor note, the project analysis cites the 2025 MFTE bill as HB 1490, which appears to be a typo. We believe HB 1494 is likely the correct legislation since it concerns property tax exemptions for new and rehabilitated multiple-unit dwellings in urban centers.

“But For” Finding

In the project analysis, the City includes a comprehensive analysis framework that establishes the foundation for its “but for” finding, concluding that the analysis “demonstrates that the Grand Connection Crossing is necessary to attract private investment at the scale, timing, and quality envisioned by the community” (page 66). Table 2 shows the expected increases in taxable assessed values among the three development scenarios, as well as a scenario without the establishment of the TIA.

Table 2 – Taxable Real Property – TIF Enabled Scenarios compared to No TIF Scenario

Assessment Year	2027	2032	2037	2042	2047	2052
Full Buildout	\$0	\$1,449,000,000	\$3,630,100,000	\$5,343,490,000	\$7,735,300,000	\$10,351,600,000
Phased Full Buildout	\$0	\$676,500,000	\$2,345,000,000	\$4,583,250,000	\$7,077,500,000	\$9,636,300,000
Market-Responsive Limited Buildout	\$0	\$1,245,800,000	\$2,543,100,000	\$3,403,280,000	\$4,554,400,000	\$6,094,800,000
No TIF	\$0	\$0	\$905,200,000	\$2,164,170,000	\$3,064,600,000	\$4,101,200,000

Source: ECONorthwest Calculations, 2025.

Assessed Value of the TIA

As previously mentioned, ESSB 5801 permits the City’s proposed TIA to exceed the \$200 million AV established in the TIF Statute, with an amended maximum AV of \$500 million. The project analysis states that the parcels listed within the TIA have an aggregate AV of \$489.46 million (based on 2025 certified values), which is below the amended statutory limit of \$500 million.

Assessed Value Growth Within the TIA

The timing and magnitude of real property development in the TIA will drive growth in incremental AV, which in turn will determine the amount of tax increment revenues generated by the TIA. As shown in Table 2, the project analysis includes three development scenarios which assume different levels and/or timing of private investment in the TIA, and thus different corresponding amounts of tax increment revenues. By the end of the TIA, the full buildout, phased full buildout, and market-responsive limited buildout scenarios are expected to add \$10.4 billion, \$9.6 billion, and \$6.1 billion of AV, respectively. In addition to new construction, a 3% annual inflation assumption is applied to calculate the estimated growth in AV over time. We note that the values in Table 2 (Figure 11 in the project analysis), which are cited here, do not match the projected AV growth included in Tables 10 through 16 of the project analysis. We suggest updating the project analysis to bring consistency to these projections.

The project analysis offers different estimations of when private development will be completed for each of the three scenarios. Private development is assumed to conclude in 2046 for the full buildout scenario, 2049 for the phased full buildout scenario, and 2036 for the market-responsive limited buildout scenario.

Levy Rate

Under the TIF Statute, only certain regular levies are included in the calculation of tax increment revenues. Both parts of the state school levy, local school district excess levies, voted bond levies, and levies of port districts used for bond payments are excluded from the TIA levy rate. The TIA’s annual levy rate may change year-to-year based on several factors including future increases in the AV of the TIA, the future AV and levy rates of the overlapping taxing districts, and relevant levy limits. The project analysis includes the 2025 levy rate for each of these jurisdictions for the base year, which is applied to the projected incremental AV within the TIA to calculate the projected tax allocation revenues provided below in Table

3. The levy rate is adjusted annually based on the forecasted assessed value increases and each jurisdiction's highest lawful levy.

As previously noted, ESSB 5801 requires the legislative bodies of impacted taxing districts to approve their participation in the proposed TIA. If a district doesn't approve the City's proposal, that district's levy rate will be omitted from the tax increment revenue calculation.

Tax Increment Revenue Projections

The project analysis assumes 2027 is the base year for the TIA, with 2028 representing the first year of possible collections. The project analysis conservatively assumes no new assessed value will be added in 2028. The City expects to approve the TIA in May of 2026, which would enable 2027 to serve as the base year as included in the projections.

The full buildout scenario projects that \$10.4 billion in incremental AV will be added to the TIA over the 25-year period, resulting in \$128.8 million in total tax increment revenues. The phased full buildout scenario projects \$9.6 billion in incremental AV will be added to the TIA over the 27-year period, resulting in \$104.4 million in total tax increment revenues. The market-responsive limited buildout scenario projects \$6.1 billion in incremental AV will be added to the TIA over the 27-year period, resulting in \$84.4 million in total tax increment revenues. See Table 3 – Tax Allocation Revenues.

Table 3 – Tax Allocation Revenues

Year	Full	Phased Full	Market-Responsive
2026	\$ -	\$ -	\$ -
2027	\$0	\$0	\$0
2028	0	0	0
2029	337,000	0	249,000
2030	671,000	0	495,000
2031	1,763,000	217,000	1,474,000
2032	2,847,000	433,000	2,447,000
2033	2,880,000	1,344,000	2,475,000
2034	2,914,000	2,045,000	2,503,000
2035	2,948,000	2,741,000	2,533,000
2036	4,300,000	2,773,000	3,244,000
2037	5,647,000	2,805,000	3,953,000
2038	5,714,000	3,687,000	4,000,000
2039	5,779,000	4,564,000	4,044,000
2040	5,846,000	5,439,000	4,093,000
2041	6,034,000	5,501,000	4,139,000
2042	6,221,000	5,565,000	4,187,000
2043	6,660,000	5,706,000	4,236,000
2044	7,099,000	5,846,000	4,284,000
2045	7,182,000	6,226,000	4,333,000
2046	7,365,000	6,530,000	4,384,000
2047	7,547,000	6,834,000	4,434,000
2048	7,633,000	6,975,000	4,484,000
2049	7,722,000	7,120,000	4,536,000
2050	7,811,000	7,262,000	4,587,000
2051	7,901,000	7,347,000	4,640,000
2052	7,993,000	7,433,000	4,693,000
Total	\$ 128,814,000	\$ 104,393,000	\$ 84,447,000

Source: City of Bellevue, ECONorthwest.

While much of the private development is speculative, adding risk to the revenue projections, the exclusion of multi-family developments adds some conservatism to the tax increment revenue projections.

Financing Plan for Public Improvements

The project analysis indicates that the Crossing will be funded using three series of LTGO bonds, timed and structured to align with the project’s construction schedule. The plan of finance includes a bond issuance of \$75 million in 2026, \$80 million in 2027, and \$75 million in 2028. All three series are structured as 20-year bonds with level debt service. The City assumes a 4.5% planning interest rate.

TIF revenues are expected to be sufficient to only cover a portion of the total debt service. Because of the general obligation pledge, the City will be required to pay the full debt service due on the bonds from

available resources, regardless of the amount of tax increment revenues generated within the TIA. The project analysis provides a five-level mitigation framework to address the projected shortfall between the tax increment revenue generated by the TIA and debt service on bonds issued to finance project costs. The various levels of mitigation roughly track with the tiers of funding discussed on page four of this review, which represent the political viability and ease of access of each revenue source.

Level 1 of the mitigation framework includes an alternative debt structure that includes up to five years of interest only payments, as well as interfund loans from the General Fund. The project analysis states the City maintains approximately \$158 million in reserves that can be deployed as interfund loans that could be available to cover tax increment revenue deficiencies.

Level 2 incorporates additional non-tax increment revenues that are generated within the TIA. These include increased sales taxes from construction and commercial activity in the TIA, Business & Occupation (“B&O”) taxes, utility taxes, and Real Estate Excise Taxes. In the Market-Responsive Limited Buildout Scenario, the project analysis estimates an additional \$146 million in additional non-property tax incremental revenue over the 25-year period, with 30% (approximately \$43.8 million) expected to be used to cover a portion of the shortfall between the tax increment revenue generated by the TIA and debt service on bonds issued to finance project costs.

Level 3 is specific to the City’s Transportation Benefit District (“TBD”). The TBD was approved by City Council in 2023 and is expected to fund approximately 40% (\$141.4 million) of the total cost of the Grand Connection Crossing Project. Additionally, philanthropic private funds and dedicated/specific funds of the City are expected to cover 36% (approximately \$127.8 million) of Grand Connection Crossing costs.

Level 4 considers the deployment of reserves and the reprioritization of capital projects. If the revenues identified in Levels 1 through 3 prove to be insufficient, the City could strategically deploy its \$158 million of reserves directly, rather than through interfund loans. Additionally, the City could elect to delay other capital projects, as necessary, if additional city revenue is required to pay the debt service on the bonds issued in connection with the project.

Finally, in Level 5 of the mitigation framework, the City could tap into its banked property tax levy capacity if needed. Additionally, Council could consider increasing its B&O taxes. The Level 5 measures are considered a strategy of last resort.

Debt Capacity

Based on its 2024 total AV, the City has \$1.4 billion in total non-voted debt capacity (1.5% of 2024 tax year AV). With \$297.2 million of outstanding non-voted general obligation debt, the current net non-voted debt capacity is \$1.1 billion, before \$230 million of bonds are issued to fund the public improvements. After the debt issuances, the City’s remaining non-voted debt capacity will be approximately \$863.6 million, or 62.10%. We note that while the project analysis specifies the TIA AV is based off 2025 values, the debt capacity table is using 2024 AV figures.

Table 4 – Non-Voted Debt Capacity

Assessed Valuation for 2025 Tax Year	\$ 92,718,111,139
Non-Voted Debt Capacity (1.5% of AV)	1,390,771,667
Less: Outstanding Non-Voted Debt	297,152,000
Remaining Non-Voted Debt Capacity	1,093,619,667
Less: Proposed Financing (in total)	230,000,000
Projected Remaining Non-Voted Capacity	\$ 863,619,667
Projected Remaining Non-Voted Capacity %	62.10%

Source: City of Bellevue, Stowe Development & Strategies.

Projected Debt Service Coverage

The City provided one financing scenario, which was modeled and compared to the three development scenarios. Tables 5 and 6 below summarize the total tax increment revenues, revenue surpluses (deficits), and debt service coverage for the \$230 million financing. The aggregate debt service coverage ratio is 0.36x for the full buildout scenario, 0.30x for the phased full buildout scenario, and 0.24x for the market-responsive limited buildout scenario. Increment revenues are never projected to exceed annual debt service while all three series of bonds are outstanding.

Table 5 – Tax Allocation Revenues and Debt Service Coverage¹

Buildout Scenario	First Year Tax Increment Revenues Exceed Debt Service	Years of Shortfall	Year That Tax Increment Revenues Fully Reimburse Debt Service Shortfalls	Total Projected TIF Revenue (\$MMs)	Total Projected TIF Debt Service (\$MMs)	Projected Maximum Cumulative Shortfall (\$MMs)	Total Surplus/ (Shortfall) Through End of TIA (\$MMs)	Aggregate Debt Service Coverage Ratio
Full	22	21	N/A	\$128.81	\$353.63	(\$265.66)	(\$224.82)	0.36x
Phased Full	22	21	N/A	\$104.39	\$353.63	(\$286.44)	(\$249.24)	0.30x
Market-Responsive Limited	22	21	N/A	\$84.45	\$353.63	(\$292.12)	(\$269.18)	0.24x

¹ May not foot due to rounding.

Source: City of Bellevue, ECONorthwest.

Table 6 – TIF Debt Service Coverage¹

Year	Full Buildout Scenario					Phased Full Buildout Scenario					Market Responsive Limited Buildout Scenario				
	Tax Increment Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF DSC	Tax Increment Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF DSC	Tax Increment Revenues	TIF Debt Service	Surplus (Shortfall)	Cumulative Surplus (Shortfall)	TIF DSC
2026	\$ -	\$ 5,765,711	\$ (5,765,711)	\$ (5,765,711)	0x	\$ -	\$ 5,765,711	\$ (5,765,711)	\$ (5,765,711)	0x	\$ -	\$ 5,765,711	\$ (5,765,711)	\$ (5,765,711)	0x
2027	-	11,915,802	(11,915,802)	(17,681,513)	0x	-	11,915,802	(11,915,802)	(17,681,513)	0x	-	11,915,802	(11,915,802)	(17,681,513)	0x
2028	17,681,513	17,681,513	(17,681,513)	(35,363,026)	0x	17,681,513	17,681,513	(17,681,513)	(35,363,026)	0x	17,681,513	17,681,513	(17,681,513)	(35,363,026)	0x
2029	337,000	17,681,513	(17,344,513)	(52,707,539)	0.02x	-	17,681,513	(17,681,513)	(53,044,539)	0x	249,000	17,681,513	(17,432,513)	(52,795,539)	0.01x
2030	671,000	17,681,513	(17,010,513)	(69,718,052)	0.04x	-	17,681,513	(17,681,513)	(70,726,052)	0x	495,000	17,681,513	(17,186,513)	(69,982,052)	0.03x
2031	1,763,000	17,681,513	(15,918,513)	(85,636,565)	0.1x	217,000	17,681,513	(17,464,513)	(88,190,565)	0.07x	1,474,000	17,681,513	(16,207,513)	(86,199,565)	0.08x
2032	2,847,000	17,681,513	(14,834,513)	(100,471,078)	0.16x	433,000	17,681,513	(17,248,513)	(105,439,078)	0.02x	2,447,000	17,681,513	(15,234,513)	(101,424,078)	0.14x
2033	2,880,000	17,681,513	(14,801,513)	(115,272,591)	0.16x	1,344,000	17,681,513	(16,337,513)	(121,776,591)	0.08x	2,475,000	17,681,513	(15,206,513)	(116,630,591)	0.14x
2034	2,914,000	17,681,513	(14,767,513)	(130,040,104)	0.16x	2,045,000	17,681,513	(15,636,513)	(137,413,104)	0.12x	2,503,000	17,681,513	(15,178,513)	(131,809,104)	0.14x
2035	2,948,000	17,681,513	(14,733,513)	(144,773,617)	0.17x	2,741,000	17,681,513	(14,940,513)	(152,353,617)	0.16x	2,533,000	17,681,513	(15,148,513)	(146,957,617)	0.14x
2036	4,300,000	17,681,513	(13,381,513)	(158,155,130)	0.24x	2,773,000	17,681,513	(14,908,513)	(167,262,130)	0.16x	3,244,000	17,681,513	(14,437,513)	(161,395,130)	0.18x
2037	5,647,000	17,681,513	(12,034,513)	(170,189,643)	0.32x	2,805,000	17,681,513	(14,876,513)	(182,138,643)	0.16x	3,953,000	17,681,513	(13,728,513)	(175,123,643)	0.22x
2038	5,714,000	17,681,513	(11,967,513)	(182,157,156)	0.32x	3,687,000	17,681,513	(13,994,513)	(196,133,156)	0.21x	4,000,000	17,681,513	(13,681,513)	(188,805,156)	0.22x
2039	5,779,000	17,681,513	(11,902,513)	(199,059,669)	0.33x	4,564,000	17,681,513	(13,117,513)	(209,250,669)	0.26x	4,044,000	17,681,513	(13,637,513)	(202,442,669)	0.23x
2040	5,846,000	17,681,513	(11,835,513)	(205,895,182)	0.33x	5,439,000	17,681,513	(12,242,513)	(221,499,182)	0.31x	4,093,000	17,681,513	(13,588,513)	(216,011,182)	0.23x
2041	6,094,000	17,681,513	(11,587,513)	(217,532,695)	0.34x	5,501,000	17,681,513	(12,180,513)	(233,673,695)	0.31x	4,199,000	17,681,513	(13,549,513)	(229,573,695)	0.23x
2042	6,221,000	17,681,513	(11,460,513)	(229,008,208)	0.35x	5,565,000	17,681,513	(12,116,513)	(245,790,208)	0.31x	4,187,000	17,681,513	(13,494,513)	(243,068,208)	0.24x
2043	6,660,000	17,681,513	(11,021,513)	(240,024,721)	0.38x	5,706,000	17,681,513	(11,975,513)	(257,765,721)	0.32x	4,236,000	17,681,513	(13,445,513)	(256,513,721)	0.24x
2044	7,099,000	17,681,513	(10,582,513)	(250,607,234)	0.4x	5,846,000	17,681,513	(11,835,513)	(269,601,234)	0.33x	4,284,000	17,681,513	(13,397,513)	(269,911,234)	0.24x
2045	7,182,000	17,681,513	(10,499,513)	(261,106,747)	0.41x	6,226,000	17,681,513	(11,455,513)	(281,056,747)	0.35x	4,333,000	17,681,513	(13,348,513)	(283,259,747)	0.25x
2046	7,365,000	11,915,802	(4,550,802)	(265,657,549)	0.62x	6,330,000	11,915,802	(5,385,802)	(286,442,549)	0.55x	4,384,000	11,915,802	(7,531,802)	(290,791,549)	0.37x
2047	7,547,000	5,765,711	1,781,289	(263,876,260)	1.31x	6,834,000	5,765,711	1,068,289	(285,374,260)	1.19x	4,434,000	5,765,711	(1,331,711)	(292,123,260)	0.77x
2048	7,633,000	0	7,633,000	(259,243,260)	N/A	6,975,000	0	6,975,000	(278,399,260)	N/A	4,484,000	0	4,484,000	(287,639,260)	N/A
2049	7,722,000	0	7,722,000	(248,521,260)	N/A	7,120,000	0	7,120,000	(271,279,260)	N/A	4,536,000	0	4,536,000	(283,103,260)	N/A
2050	7,811,000	0	7,811,000	(240,710,260)	N/A	7,262,000	0	7,262,000	(264,017,260)	N/A	4,587,000	0	4,587,000	(278,516,260)	N/A
2051	7,901,000	0	7,901,000	(232,809,260)	N/A	7,347,000	0	7,347,000	(256,670,260)	N/A	4,640,000	0	4,640,000	(273,876,260)	N/A
2052	7,993,000	0	7,993,000	(224,816,260)	N/A	7,433,000	0	7,433,000	(249,237,260)	N/A	4,693,000	0	4,693,000	(269,183,260)	N/A
Total	\$ 128,814,000	\$ 353,630,260	\$ (224,816,260)		0.36x	\$ 104,399,000	\$ 353,630,260	\$ (249,237,260)		0.3x	\$ 84,447,000	\$ 353,630,260	\$ (269,183,260)		0.24x

¹ Totals may not foot due to rounding.

Source: City of Bellevue, ECNorthwest.



Key Risks

From OST's review of the project analysis, it appears that the proposed public improvements and the corresponding plan of finance are reasonably well developed. Nonetheless, the proposed project comes with certain risks and concerns, which we attempt to summarize below:

General Obligation Pledge: In aggregate, the City projects that tax increment revenues will fund, at most, 36% of the estimated debt service in the full buildout scenario, and 24% in the market-responsive limited scenario (described as the most likely scenario). The LTGO bonds expected to be issued in connection with the project's plan of finance will obligate the City to pay the full amount of debt service due from City revenues and resources, regardless of the amount of tax increment revenues generated by the TIA. If tax increment revenues are insufficient to make a full debt service payment, as projected in most years of each financing scenario, the City will be required to make the payment from other sources of funds.

Participating Taxing District Approvals: Unique to the City of Bellevue's project, ESSB 5801 requires the legislative body of every impacted taxing district to approve its participation in the TIA before the City establishes the increment area, subjecting the City to risk and uncertainty until resolved. If the governing body of an impacted taxing district does not approve participation in the TIA, then the apportionment of that entity's respective tax levy will be omitted, negatively impacting the ability of the TIA to generate the projected revenues.

Economic Conditions: Growth in the TIA's assessed value could be negatively impacted by depressed economic conditions. A variety of factors could negatively impact the demand for development, jeopardizing the timeline, scale, and market value of private development, potentially reducing tax increment revenues.

Private Development Assessed Valuations: As private developments are completed, the actual assessed values will depend on factors considered by the County Assessor's office. Tax increment revenues could potentially be lower than projected if the assessed values of the projects are lower than expected or take longer than anticipated to be reflected in the City's tax rolls. The project analysis notes that much of the private development is speculative.

Construction Delays: Delays in constructing either the public improvements or the private developments could impact the TIA's assessed value, potentially reducing tax increment revenues.

Escalation of Project Costs: Inflation could have a significant impact on the cost and timeline of delivering the public improvements, potentially delaying the private developments which in turn could impact the TIA's assessed value and may reduce the amount of tax increment revenues.

Permits: Delays in permitting could negatively impact the construction of private developments within the TIA, potentially reducing tax increment revenues.

Interest Rate Risk: The City will be exposed to interest rate risk until all of the anticipated bonds are sold. The project analysis assumes an interest rate of 4.5%, which we note is appropriately conservative given the strength of the City's credit rating.

Risk Summary: The general impact to the City from any of the risk factors outlined above could potentially be lower than projected tax increment revenues and a greater than expected reliance on the City's other revenues and reserves to pay the debt service on the Bonds issued to fund the public improvements, reducing the City's ability to allocate those funds to other projects or operations.

Recommendations

To help minimize the unanticipated costs and risks associated with the project and to promote transparency, we recommend the City consider the following measures:

1. Prior to approving the TIA, we recommend the City coordinate closely with the County Assessor and the County Finance and Business Operations Division to ensure that all parties have an accurate understanding of the assessment, levy, apportionment process, and timeline, and to provide sufficient time to work through concerns.
2. Prior to approving the TIA, we recommend the City coordinate closely with the impacted taxing districts to ensure that all parties have an accurate understanding of how the TIA will impact them and that each governing body has ample time to approve its participation in the TIA.
3. We recommend that the City establish a clear plan of what sources will be used and prepare future budgets to account for future projected debt service costs that exceed projected tax increment revenues.
4. In the project analysis, the amount of incremental assessed value projected to be added by the TIA as shown in Tables 10 through 16 do not match the amount of additional incremental assessed value shown in Figure 11. We suggest adding language explaining the discrepancy, and/or updating Figure 11 to match the expected added value in each development scenario.
5. We recommend including language in the "Impact Assessment and Mitigation" section (page 74) of the project analysis to confirm whether there is a need for a mitigation plan with the King County EMS.
6. We recommend adding language to the project analysis to confirm if the King County hospital levy will be treated the same as a standalone hospital district and whether or not there is a need for a mitigation plan.
7. We recommend updating the AV figures in the debt capacity table to reflect 2025 actuals for the 2026 tax year.
8. We recommend confirming the house bill number for the 2025 legislation that established the new MFTE.

Thank you for the opportunity to review the City's project analysis. Based upon the information provided to date in connection with these projects, this concludes our review. If there are material changes in the scope, timing, or cost of the projects, please let us know. We wish the City all the best with its project.

Respectfully,

Mike Pellicciotti
Washington State Treasurer

A handwritten signature in black ink, appearing to read "JR", with a long horizontal flourish extending to the right.

Jason Richter
Deputy Treasurer