

Agenda Summary Report (ASR)

Franklin County Board of Commissioners

DATE SUBMITTED: 8/06/2020	PREPARED BY: Shirley Jones
Meeting Date Requested: 8/11/2020	PRESENTED BY: Keith Johnson
ITEM: (Select One) <input checked="" type="checkbox"/> Consent Agenda <input type="checkbox"/> Brought Before the Board Time needed:	
SUBJECT: Approval of .09 Economic Development Fund Expenditures for Economic Development Projects	
FISCAL IMPACT: .09 Funding for 5 projects; \$50,000 to Port of Pasco for Reimann Industrial Center Master Planning; \$300,000 to Port of Pasco for Reimann Industrial Center prep for shovel ready projects; \$500,000 to City of Pasco for Pasco Water Reuse Facility design; \$36,000 to City of Mesa for a water system upgrade; \$18,000 to TRIDEC for LEADS software and staff support. A total of \$904,000.	
BACKGROUND: The Franklin County Economic Development Plan adopted in 2016 requires projects to be approved by the Board of Commissioners and listed in Appendix B of the Plan. The Economic Development Advisory Review Committee consisting of representatives from the City of Pasco, the City of Connell, TRIDEC, the Port of Pasco and Franklin County have evaluated this proposal and have recommended the approval of this request, as it meets the requirements of the Plan and will be of substantial economic benefit to the citizens of Franklin County.	
RECOMMENDATION: Approval of the attached resolution.	
COORDINATION: County Administrator, Keith Johnson (Supports approval) Economic Development Advisory Committee per the Franklin County Economic Development Plan (Supports approval)	
ATTACHMENTS: (Documents you are submitting to the Board) ASR/Resolution Economic Development Applications from City of Pasco, TRIDEC and City of Connell	
HANDLING / ROUTING: (Once document is fully executed it will be imported into Document Manager. Please list <u>name(s)</u> of parties that will need a pdf) Shirley Jones, County Administration City of Pasco, Dave Zabell, City Manager Port of Pasco, Randy Hayden, Executive Director Port of Pasco, Gary Bellew, Economic Development Director TRIDEC, Karl Dye, President City of Mesa, Gayle Carrasco, Mayor	

I certify the above information is accurate and complete.

Keith Johnson, Administrator

FRANKLIN COUNTY RESOLUTION _____

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
FRANKLIN COUNTY, WASHINGTON**

***APPROVAL OF .09 ECONOMIC DEVELOPMENT FUND EXPENDITURES FOR ECONOMIC
DEVELOPMENT PROJECTS***

WHEREAS, the Board of Franklin County Commissioners constitutes the legislative authority of Franklin County and deems this action to be in the best interest of Franklin County; and

WHEREAS, R.C.W. 82.14.370 grants Franklin County the legislative authority to implement a sales and use tax collected for the purpose of financing ‘public facilities’ serving ‘economic development purposes;’ and

WHEREAS, the Port of Pasco, the City of Pasco, the City of Mesa and the Tri-Cities Economic Development Council (TRIDEC) have submitted proposed projects to be funded in part from the County’s .09 Economic Development Fund, and;

WHEREAS, Franklin County finds that these projects will support the economic development purposes intended by R.C.W. 82.14.370 and benefit the citizens of Franklin County;

NOW, THEREFORE IT IS HEREBY RESOLVED that the Franklin County Board of Commissioners approves \$904,000 in funding from the .09 Economic Development Fund to be allocated to the following projects in the noted amounts and in conformity with the attached disbursement agreements and hereby amends the 2016 Franklin County Economic Development Plan to include these projects in Section 9 Appendix B.

Port of Pasco - \$50,000 – Reimann Industrial Center Master Planning
Port of Pasco - \$300,000 – Reimann Industrial Center prep for shovel ready projects
City of Pasco - \$500,000 – Pasco Water Reuse Facility design
City of Mesa - \$36,000 – Water System upgrade
TRIDEC - \$18,000 – LEADS software and staff support

DATED this 11th day of August, 2020.

**BOARD OF COUNTY COMMISSIONERS
FRANKLIN COUNTY, WASHINGTON**

Chair

Chair Pro Tem

Member

ATTEST:

Clerk of the Board



PORT^{OF} PASCO

CONNECTING HERE WITH THERE

MEMORANDUM

TO: Keith Johnson

DATE: July 24, 2020

SUBJECT: 0.09 Review Committee

PREPARED BY: Gary Ballew

Thank you for the opportunity to facilitate the Franklin County 0.09 Funds process. Expenditures of these local economic development funds requires the County consult with the cities and ports within their jurisdiction as well as the Associate Development Organization, which for Franklin County is TRIDEC. The review committee recommends the Franklin County Commissioners fund the proposals presented to the committee. The committee also supports the County tracking sales tax collections to determine impacts of declining sales and potentially identifying a capital improvement at the HAPO Center that could utilize 0.09 Funds. Below is a summary of the process and the proposals.

Process Summary

On June 23, 2020, Franklin County sent a call for proposals to entities authorized to receive 0.09 Funds as designated by RCW 82.14.370. We received five proposals, one from City of Mesa, one from TRIDEC, one from the City of Pasco and two from the Port of Pasco. Per Franklin County's Overall Economic Development Plan (Res 2016-211) we called a meeting for review and consultation with the authorized entities, which included Franklin County; Cities of Pasco, Connell, Mesa and Kahlotus; Ports of Pasco and Kahlotus; and TRIDEC.

The committee met on July 22 at the Port of Pasco. Attendees included: Keith Johnson, Franklin County; Mayor Lee Barrow, City of Connell; Dave Zabell, City of Pasco; Randy Hayden, Port of Pasco; and Karl Dye, TRIDEC. Gary Ballew, Port of Pasco, facilitated the meeting.

The committee reviewed the financials for the 0.09 funds. They determined that there was sufficient funds to meet the 0.09 funds financial obligations and necessary reserves. The fund appears healthy. Even considering declining revenues from COVID, there are sufficient funds available to fund all the projects without relying on future sales tax collections.

The team discussed the Mesa proposal for \$36,000 to fund improvements to the City's water system. While the proposal could have had a stronger economic development tie,

the team felt it was an appropriate use of funds given the size of the community. They encouraged Mesa to identify future projects with stronger economic development ties.

The TRIDEC and City of Pasco proposals were continuations of existing projects from prior years. The team previously reviewed these projects and did not require a presentation. TRIDEC's proposal is their Smart Leads program that generates industry recruitment leads. The City of Pasco proposal is continued improvement to the Process Wastewater Reuse Facility or PWRF.

Randy Hayden provided a presentation on the Reimann Industrial Center (RIC) the Port's new industrial park. The Port had two proposals for 0.09 funding. The first application dealt with Master Planning at the RIC. The \$50,000 request will leverage \$50,000 in CERB funding and \$125,000 in funding from the Port of Pasco. The second proposal was for bid ready design of the initial infrastructure to serve the RIC, referred to as entryway infrastructure. The proposal sought \$300,000.

A summary of the projects is provided. We are also recommending that the County enter into Disbursement Agreements with each entity. The Port will prepare these documents for your review after consideration by the Commission of these proposals.

Entity	Project	Requested	Match	Notes
City of Mesa	Water System Upgrades	\$36,000	\$0	Upgrades water meters for telemetry. Mesa will pay for any additional costs.
City of Pasco	PWRF Design	\$500,000	\$4,000,000	Design for PWRF. Matches \$1M PWLF and \$1.5M Ecology and City funds.
TRIDEC	Recruiting Leads - Staff	\$18,000	\$18,000	Pays for the staff response to the lead generation software.
Port of Pasco	RIC Entryway Design	\$300,000	\$120,000	Bid document in preparation for shovel ready infrastructure targeted stimulus dollars
Port of Pasco	RIC Master Planning	\$50,000	\$175,000	Match for CERB Funding

FRANKLIN COUNTY ECONOMIC DEVELOPMENT PROGRAM APPLICATION

Organization:	Port of Pasco
Contact Person:	Gary Ballew
Telephone:	509.547.3378
e-mail:	gballew@portofpasco.org
Address:	1110 Opsrey Pointe Blvd, #201 Pasco, Washington 99301

Project Title:

Reimann Industrial Center – Master Planning

Project Description:

The Port of Pasco acquired property to develop a new proposed 300-acre industrial park and named that park the Reimann Industrial Center (RIC). A final Industrial Park master plan will constitute the final deliverable for the project. The Port will work with a broad team to include, but not limited to, the City of Pasco, Franklin County, Franklin PUD, Cascade Natural Gas, Williams Natural Gas, Bureau of Reclamation, State of Washington (WSDOT and potentially other agencies), other regulators, utility providers, adjacent property owners, potential tenants and others as may be identified through a multi-step planning process.

This group will not only be relied on for information but will potentially be partners in the development. The goal of the Master Planning effort is to develop a scope, budget, schedule for the development of the Reimann Industrial Center. In addition, the work will create a targeted industry analysis and marketing plan.

Project Status: Please check one.

Project is Conceptual _____
Project is in Planning X
Project is in Engineering _____
Project is Ready to Bid _____

Project Schedule: Assuming funds are available, provide the project schedule. At a minimum provide estimated start date and completion date.

Consultant Service Chosen 1/2020
Consultant Begin Work 3/2020
Consultant Draft Report 10/2020
Consultant Final Report 2/2021
Consultant End Work 3/2021
Project Complete 3/2021

Job Creation: Construction Jobs: 50-100 (Infrastructure Development)
Retained Jobs:
Job Growth: 1350 at full build out.

Private Investment: Machinery & Equipment:
Structures/Land: \$540,000,000 (real and personal property)
Other:

Description of Project Funding:

Describe the need for 0.09 funding and how that funding will leverage other funds.

The Master Plan will cost approximately \$225,000 to complete. The Port successfully received a CERB grant for \$50,000 and pledged an additional \$125,000 match. The Port is requesting \$50,000 in 0.09 funding, leveraging \$175,000.

Project Budget: Provide an estimate of the project costs. The expenditure areas are suggestions; please feel free to use designations more appropriate to your project.

Project Expenditures	Total Project Cost	Grant Request	Public	Private
Planning/Engineering	\$225,000	\$50,000	\$175,000	
Land Acquisition				
Construction				
Machinery/Equipment				
Other				
Total	\$225,000	\$50,000	\$175,000	

General Project Information:

Describe the nature of the public/private investment:

Even though the Reimann Industrial Center is still conceptual at this point, there has been some private sector interest. The Port has had interest from a temperature controlled logistics firm and a site selector with an undisclosed client interested in the large natural gas capability. We believe this list will grow as we connect with industry in the planning process for the RIC.

How will the project compliment the County's existing economic development strategy?

Goal 1: Encourage economic development consistent with adopted comprehensive plans.

Compliment: The Reimann Industrial Center is located in an Industrial Land Use and Industrial Zoning, consistent with adopted comprehensive plans.

Goal 2: Enhance economic and job opportunities for all citizens, especially the unemployed, disadvantaged, minorities and small businesses.

Compliment: Continued industrial development is important for Pasco and the Tri-Cities. These primary sector jobs are essential for economic growth and diversification from reliance on Hanford. The increased tax base will be essential for supporting the Pasco School District, which has the lowest per student assessed value in the state.

The Port also expects the RIC development client mix to mirror the successful Pasco Processing Center previously developed by the Port. This means food processing, support industries and logistics will be key industries. Historically, these have been labor intensive jobs with relatively low wages when compared with other manufacturing. With increasing automation, this is no longer the case. While jobs are fewer, wages are much higher. We expect this trend to continue.

There is also potential for other industries, such as data centers or potentially industries requiring large natural gas supplies or power. The RIC is located adjacent to a large junction of two natural gas line and is co-located with the Franklin PUD power plant.

Goal 3: Enhance the existing agricultural economic base through diversification.

Compliment: While not limited to a specific industry, we expect the Reimann Industrial Center to include food and beverage manufacturing, logistics, climate controlled storage, agriculture support industries and food processing support industries, representing the agriculture and food processing clusters. The Port developed Pasco Processing Center is an excellent example of development in this cluster. Several food processing businesses, such as Reesers Foods, are supported by climate controlled warehousing provided by Kenyon Zero Storage. Other companies provide other support, like Volm that manufacturers plastic bags for food packaging.

Agriculture and food processing are major industry clusters for the Tri-Cities and Pasco specifically. Compared with the 2- county area and entire state, relatively dominant Pasco sectors are agriculture, manufacturing, wholesale trade, transportation and warehousing. Taken together these account for 36% of Greater Pasco employment as compared with 23% for the two counties combined and for 20% of all jobs statewide.

Goal 5: Business Development - Economic Diversity. Pursue an active and aggressive recruitment program to induce a variety of commercial and industrial enterprises to settle in the County.

Compliment: The Master Planning effort also includes the development of a marketing and recruitment strategy, as well as the development of a Targeted Industry Analysis specific to data center recruitment. The Port will partner with TRIDEC on development of the plan.

Goal 6: Employment Centers. Encourage the growth of readily-available large planned employment center development sites, properly zoned and serviced within infrastructure.

Compliment: The intent of the Master Plan is to create the Reimann Industrial Center, a large employment center with projections of approximately 1300 employees. The Center is in a property zoned area and the Master Plan will determine the infrastructure requirements.

Goal 8: Infrastructure. Assure that adequate infrastructure is provided to accommodate economic growth.

Compliment: The Master Plan will layout infrastructure requirements, not only providing cost estimates, but ensuring that sufficient land is set aside to meet the transportation and infrastructure needs for the Reimann Industrial Center.

Also, per the CEDS Overall Economic Development Plan – GOAL V: SUPPORT THE DEVELOPMENT OF ADEQUATE REGIONAL INDUSTRIAL AND COMMERCIAL INFRASTRUCTURE. While there is existing industrial land in the Tri-Cities, it is often not suitable for locating expanding or recruited heavy industries. Substantial sites over 100 acres that can be accessed by rail, have good highway access, and are not encroached by residential development are extremely limited. This development will create a new, appropriate location for heavy industry.

Will this project compliment existing infrastructure? If yes, how?

Yes, the Reimann Industrial Center the Master Plan will identify existing infrastructure and layout new infrastructure requirements, not only providing cost estimates, but ensuring that sufficient land is set aside to meet the transportation and infrastructure needs for the Reimann Industrial Center.

Will this project create demand for additional infrastructure?

Yes, the Master Plan will identify additional infrastructure required. For the most part the expectation is that the largest infrastructure requirements will be electricity and waste water treatment.

Please describe any unique economic development opportunities the project will provide?

While there is existing industrial land in the Tri-Cities, it is often not suitable for locating expanding or recruited heavy industries. Substantial sites over 100 acres that can be accessed by rail, have good highway access, and are not encroached by residential development are extremely limited. This development will create a new, appropriate location for heavy industry.

While not limited to a specific industry, we expect the Reimann Industrial Center to include food and beverage manufacturing, logistics, climate controlled storage, agriculture support industries and food processing support industries, representing the agriculture and food processing clusters. The Port developed Pasco Processing Center is an excellent example of development in this cluster. Several food processing businesses, such as Reesers Foods, are supported by climate controlled warehousing provided by Kenyon Zero Storage. Other companies provide other support, like Volm that manufacturers plastic bags for food packaging. Agriculture and food processing are major industry clusters for the Tri-Cities and Pasco specifically.

There is also potential for other industries, such as data centers or potentially industries requiring large natural gas supplies or power. The RIC is located adjacent to a large junction of two natural gas line and is co-located with the Franklin PUD power plant.

FRANKLIN COUNTY ECONOMIC DEVELOPMENT PROGRAM APPLICATION

Organization:	Port of Pasco
Contact Person:	Gary Ballew
Telephone:	509.547.3378
e-mail:	gballew@portofpasco.org
Address:	1110 Opsrey Pointe Blvd, #201 Pasco, Washington 99301

Project Title:

Reimann Industrial Center – Entryway Engineering

Project Description:

The Port of Pasco acquired property to develop a new proposed 300-acre industrial park and named that park the Reimann Industrial Center (RIC). The Port is currently developing a Master Plan determining the utility and other development requirements for the RIC.

The next step in developing the RIC will be the extension of utilities/transportation to the site. The utilities will include water, municipal sewer, industrial wastewater and fiber. Transportation improvements include upgrading Railroad Ave. to an all-weather road, a switch and track off the BNSF line and a rail crossing on Railroad Ave.

The Port is seeking funding to engineer bid ready specifications for these improvements. The work may start concurrently with the Master Planning to position the project for potential economic recovery capital dollars from the federal or state government.

Project Status: Please check one.

Project is Conceptual _____
 Project is in Planning X
 Project is in Engineering _____
 Project is Ready to Bid _____

Project Schedule: Assuming funds are available, provide the project schedule. At a minimum provide estimated start date and completion date.

Consultant Service Chosen 8/2020
 Consultant Begin Work 9/2020
 Schematic Design (15%) 11/2020
 Construction Documents (50%) 1/2021
 Construction Documents – Bid Ready 3/2021

Job Creation: Construction Jobs: 50-100 (Infrastructure Development)
 Retained Jobs:

Job Growth: 1350 at full build out.

Private Investment: Machinery & Equipment:
Structures/Land: \$540,000,000 (real and personal property)
Other:

Description of Project Funding:

Describe the need for 0.09 funding and how that funding will leverage other funds.

Initial estimates for these improvements are approximately \$6,000,000. We estimate preparing the bid ready specifications at 7% of project cost, or \$420,000.

Project Budget: Provide an estimate of the project costs. The expenditure areas are suggestions; please feel free to use designations more appropriate to your project.

Project Expenditures	Total Project Cost	Grant Request	Public	Private
Planning/Engineering	\$420,000	\$300,000	\$120,000	
Land Acquisition				
Construction				
Machinery/Equipment				
Other				
Total	\$420,000	\$300,000	\$120,000	

General Project Information:

Describe the nature of the public/private investment:

Even though the Reimann Industrial Center is still conceptual at this point, there has been some private sector interest. The Port has had interest from a temperature-controlled logistics firm and a site selector with an undisclosed client interested in the large natural gas capability. We believe this list will grow as we connect with industry in the planning process for the RIC. Improving the entryway now will assist with private sector interest.

How will the project compliment the County's existing economic development strategy?

Goal 1: Encourage economic development consistent with adopted comprehensive plans.

Compliment: The Reimann Industrial Center is located in an Industrial Land Use and Industrial Zoning, consistent with adopted comprehensive plans.

Goal 2: Enhance economic and job opportunities for all citizens, especially the unemployed, disadvantaged, minorities and small businesses.

Compliment: Continued industrial development is important for Pasco and the Tri-Cities. These primary sector jobs are essential for economic growth and diversification from reliance on

Hanford. The increased tax base will be essential for supporting the Pasco School District, which has the lowest per student assessed value in the state.

The Port also expects the RIC development client mix to mirror the successful Pasco Processing Center previously developed by the Port. This means food processing; support industries and logistics will be key industries. Historically, these have been labor intensive jobs with relatively low wages when compared with other manufacturing. With increasing automation, this is no longer the case. While jobs are fewer, wages are much higher. We expect this trend to continue.

There is also potential for other industries, such as data centers or potentially industries requiring large natural gas supplies or power. The RIC is located adjacent to a large junction of two natural gas line and is co-located with the Franklin PUD power plant.

Goal 3: Enhance the existing agricultural economic base through diversification.

Compliment: While not limited to a specific industry, we expect the Reimann Industrial Center to include food and beverage manufacturing, logistics, climate-controlled storage, agriculture support industries and food processing support industries, representing the agriculture and food processing clusters. The Port developed Pasco Processing Center is an excellent example of development in this cluster. Several food processing businesses, such as Reesers Foods, are supported by climate-controlled warehousing provided by Kenyon Zero Storage. Other companies provide other support, like Volm that manufacturers plastic bags for food packaging.

Agriculture and food processing are major industry clusters for the Tri-Cities and Pasco specifically. Compared with the 2- county area and entire state, relatively dominant Pasco sectors are agriculture, manufacturing, wholesale trade, transportation and warehousing. Taken together these account for 36% of Greater Pasco employment as compared with 23% for the two counties combined and for 20% of all jobs statewide.

Goal 5: Business Development - Economic Diversity. Pursue an active and aggressive recruitment program to induce a variety of commercial and industrial enterprises to settle in the County.

Compliment: The Master Planning effort also includes the development of a marketing and recruitment strategy, as well as the development of a Targeted Industry Analysis specific to data center recruitment. The Port will partner with TRIDEC on development of the plan.

Goal 6: Employment Centers. Encourage the growth of readily available large planned employment center development sites, properly zoned and serviced within infrastructure.

Compliment: The intent of the Master Plan is to create the Reimann Industrial Center, a large employment center with projections of approximately 1300 employees. The Center is in a property zoned area and the Master Plan will determine the infrastructure requirements.

Goal 8: Infrastructure. Assure that adequate infrastructure is provided to accommodate economic growth.

Compliment: The Master Plan will layout infrastructure requirements, not only providing cost estimates, but ensuring that sufficient land is set aside to meet the transportation and infrastructure needs for the Reimann Industrial Center.

Also, per the CEDS Overall Economic Development Plan – GOAL V: SUPPORT THE DEVELOPMENT OF ADEQUATE REGIONAL INDUSTRIAL AND COMMERCIAL INFRASTRUCTURE. While there is existing industrial land in the Tri-Cities, it is often not suitable for locating expanding or recruited heavy industries. Substantial sites over 100 acres that can be accessed by rail, have good highway access, and are not encroached by residential development are extremely limited. This development will create a new, appropriate location for heavy industry.

Will this project compliment existing infrastructure? If yes, how?

Yes, this project will design extensions of existing infrastructure to the Reimann Industrial Center.

Will this project create demand for additional infrastructure?

Yes, the development of the Reimann Industrial Center will require additional infrastructure. For the most part the expectation is that the largest infrastructure requirements will be electricity and wastewater treatment.

Please describe any unique economic development opportunities the project will provide?

While there is existing industrial land in the Tri-Cities, it is often not suitable for locating expanding or recruited heavy industries. Substantial sites over 100 acres that can be accessed by rail, have good highway access, and are not encroached by residential development are extremely limited. This development will create a new, appropriate location for heavy industry.

While not limited to a specific industry, we expect the Reimann Industrial Center to include food and beverage manufacturing, logistics, climate-controlled storage, agriculture support industries and food processing support industries, representing the agriculture and food processing clusters. The Port developed Pasco Processing Center is an excellent example of development in this cluster. Several food processing businesses, such as Reesers Foods, are supported by climate-controlled warehousing provided by Kenyon Zero Storage. Other companies provide other support, like Volm that manufacturers plastic bags for food packaging. Agriculture and food processing are major industry clusters for the Tri-Cities and Pasco specifically.

There is also potential for other industries, such as data centers or potentially industries requiring large natural gas supplies or power. The RIC is located adjacent to a large junction of two natural gas line and is co-located with the Franklin PUD power plant.

FRANKLIN COUNTY
ECONOMIC DEVELOPMENT PROGRAM
APPLICATION

Organization: City of Pasco, Department of Public Works

Contact Person: Steve M. Worley, Director **Telephone:** (509) 543-5738

Address: 525 North 3rd Avenue; Pasco WA 99301

Project Title: PWRP Pretreatment Improvements Project

Project Description:

The City of Pasco (City) requests \$500,000 to assist with the design of Improvements of the Process Water Reuse Facility (PWRF), which would include Facility Modifications & Rehabilitation and consists of several phases. The purpose of these improvements is to maintain its economic competitiveness and remain in compliance with environmental regulations. This, in turn, allows for the imminent implementation of the PWRF expansion plans that will create and retain jobs in our largest employment sector.

Using funds from Franklin County, the Washington State Department of Ecology, contributions from project users, and City Capital Reserve Funds, the City will design and construct a series of improvements that currently include, but are not limited to: additional winter storage pond(s), additional screens and enhanced treatment, amongst others. All these upgrades are for the purpose of increasing the capacity to treat process water at the facility.

This facility upgrade and expansion is part of an overall effort to provide reliable service to many existing processors and prepare for new processors to come to the region. The City's and Processor's commitment to these improvements is evident in the level of investment and tenacity shown through the work performed to date, which includes the following Capital Improvement Projects associated with entire PWRF system:

- **Foster Wells force main:** A 2.5 mile redundant 20" HDPE force main connecting the Foster wells lift station and the PWRF facility. Status: construction completed. Funding: Locally funded. \$4 Million.
- **Columbia East Pump Station:** A pump station located at the intersection of Commercial Ave and Pasco-Kahlotus Highway. Status: construction completed. Funding: 2016 Washington State Capital Budget appropriation (administered by Washington State Department of Commerce), Franklin County Economic development grant and local funds. \$3.5 Million.
- **Columbia East Force Main:** A companion project to the aforementioned pump station. This project consists of a 20-inch HDPE dual force main connecting Columbia East Pump Station and the PWRF. Status: Design 95%, right-of-way acquisition underway. Construction is expected to begin in Fall 2020. Funding: U.S. Economic Development Administration (EDA) grant and local funds. \$11 Million.
- **Irrigation Pump Station:** replacement of the existing pump station directing flows to the farm fields for land application (final treatment and disposal). Status: Construction underway. Construction completion is anticipated in late Fall 2020. Funding: Locally funded. \$8.8 Million.

Additionally City of Pasco has pursued and recently completed the acquisition of one additional farm circle from the Bureau of Reclamation for the expansion of the land treatment system.

After completion of the Facility Plan for the PWRP, City of Pasco also commissioned a Value Engineering Study. For this study, additional, more exhaustive flow and constituent data of the wastewater received, treated and disposed of through the facility was analyzed. This study is instrumental in determining the best set of improvements to implement at the facility, with regards to, both, capital investment and Operations and Maintenance costs through the lifecycle of the proposed improvements.

Current project scope is aligned with the Facility Plan recommendations. The results of the VE study suggest higher level of treatment will be required to meet the project objectives. The City is currently exploring a set of additional alternatives to be implemented instead of, or jointly with, the planned facility improvements; such as further expansion of the land treatment system, or a treatment plant with biogas generation. The final alternative may result in additional project costs. It is the City's intention to pursue funding partnerships to alleviate the burden of the ratepayers for this system.

Project Status: Please check one.

- Project is Conceptual ☐
Project is in Planning ☒
Project is in Engineering ☐
Project is Ready to Bid ☐

Project Schedule:

Design Complete: December 2021

Construction Start: April 2022

Completion Date: December 2024

Private Investment:

The funds listed below from private investors are funds used towards improvements to their existing processing plants.

Machinery & Equipment: \$10,000,000.00

Structures/Land: \$8,000,000.00

Other: \$1,000,000.00

Description of Project Funding: Describe the need for 0.09 funding and how that funding will leverage other funds.

The City is seeking funding partners in the form of grants and low interest loans to fund the final engineering and construction phases of this project. The City has successfully assembled the following funding partners and cost allocation;

- Public Works Board awarded \$1M pre-construction (i.e. "design") loan
- Department of Ecology Water Quality expecting formal award of \$1.5M pre-construction loan in 2020
- City Revenue Bond issued in 2020 for 1.5M for this project
- City will pursue \$10M for construction loan from the Public Works Board
- City is pursuing State Legislature contributions for the Construction of the project
- The rest of the cost will be covered by a future revenue bond issued by the City and paid by the Food Processors/rate payers discharging to the industrial facility

The need for the 0.09 funding is substantial to this project. Without it the city would have to increase both the cash contributions and user rates and taxes on the processing community. That could create a hardship and severely diminish Pasco and Franklin County's competitiveness to retain and recruit food processors. In addition, lack of funding could put the city and processors at increased risk of violating state and federal environmental regulations, thereby jeopardizing eligibility for required permits.

Project Budget: Provide an estimate of the project costs. The expenditure areas are suggestions; please feel free to use designations more appropriate to your project.

Project Expenditures	Total Project Cost	Grant Request	State (Public Works Board Loan)	State (WA State dept. of Ecology)	Capital State Budget	Public (Revenue bond to be paid by processors)
Planning/Engineering	4,500,000	500,000	1,000,000	1,500,000		1,500,000
Land Acquisition						
Construction	25,000,000		*10,000,000		*5,000,000	*10,000,000
Machinery/Equipment						
Other						
Total	29,500,000	500,000	11,000,000	1,500,000	5,000,000	11,500,000

Notes:

*Planned

Focusing on the proposed improvements for the facility the City would approach the improvements in a phased manner. The **total project cost is currently estimated at approximately \$30M**. Total cost includes design, permitting and construction. There is no land acquisition nor machinery purchases in this case.

General Project Information:

Describe the nature of the public/private investment:

Private sector investment will be made by the City's primary customers to the project through cash contributions, and potentially in-kind contributions of additional spray field acreage. The processors understand the need and value of both private and public-sector investment, and are engaged partners in the design, construction and ultimate operation of the project. The City's cash contributions are coming from state and federal grants and loans.

How will the project compliment the County's existing economic development strategy?

The project is consistent with and supports the following Franklin County Economic Development Policies and Objectives:

Goal 1: Encourage economic development consistent with adopted comprehensive plans.

Goal 2: Enhance economic and job opportunities for all citizens

Goal 3: Enhance the existing agricultural economic base through diversification.

- Goal 4: Encourage the Economic Diversification of the County and its municipalities as well as strengthening existing business and industries to add to the diversity of economic opportunity and employment.
- Goal 5: Pursue an active and aggressive recruitment program to induce a variety of commercial and industrial enterprises to settle in the County.
- Goal 6: Employment Centers. Encourage the growth of readily-available large planned employment center development sites, properly zoned and serviced within infrastructure.
- Goal 8: Infrastructure: Assure that adequate infrastructure is provided to accommodate economic growth.
- Goal 11: Environment: Maintain the environmental quality of life so that Franklin County is a preferred place to work.
- Goal 13: Coordination: Coordinate the economic development element of the Comprehensive Plan with other portions of the Comprehensive Plan and Economic Development Plan so that a clear and consistent economic policy is followed.

The development of the Pasco PWRF has been the largest manufacturing job creator over the last 25 years in Franklin County. This has occurred through collaboration with the Port of Pasco and public/private partnerships with the food processing industry. The Port initially purchased land for industrial subdivisions and the City purchased land for the application of the "gray water" from the food processing industry and operation of the water disposal system.

With one of the lowest manufacturing or primary job ratios in Washington, support of this manufacturing and processing industry is key to the future of the Tri-Cities. The success of the Processing Center shows the level of cooperation between the food and food processing industries and local and state governments. It is also a clear example of effective project management by administrative staff and elected officials, particularly as elected officials have designated the appropriate and strategic funding efforts towards leveraging public investments with private investments in this successful industrial cluster. The City of Pasco continues to devote capital improvement monies through a strategic and long-term investment policy that enhances this regional success in food and transportation related industries.

The City's capability and capacity to administer and implement a successful economic development program for creating jobs and attracting private investment is exemplified in the partnership the City has with the Port of Pasco and the Tri-City Industrial Development Council (TRIDEC). Through this partnership (which is ongoing) and the construction and management of the Pasco Processing Center and the Process Water Reuse Facility (PWRF) the City has been very successful in attracting private investment.

The current grant application will enable the City to further strengthen its capacity to attract private sector investment and jobs. The construction of the proposed project to be funded in part by this grant will further strengthen the City's capacity to attract private investments by providing a public service (process water disposal) that is critical to the needs of the food processing industry. The City's economic development partner, TRIDEC, has recently entered into an agreement with the Hong Kong Trade Council to help promote and market agricultural products from the Pasco area. This new marketing initiative will support and expand the City's capacity to attract additional private sector investment. This new marketing program will support the public investment in the proposed project.

Will this project compliment existing infrastructure? If yes, how?

Yes, the project helps to preserve wastewater capacity for the city's residents and businesses. Preserves approx. 650mg to 1bg of wastewater, and up to 650,000 pounds of nitrogen from entering into Columbia River; no added fertilizer required.

Will this project create demand for additional infrastructure?

Yes. The project is part of a series of capital improvements and capacity expansion, which are already underway, that will be necessary to continue serving the needs of this industry. However, the demand and timing of each phase is also dependent on, and responsive to, the growth projections of existing and potential future processors, while sustaining adequate capacity at the city's wastewater treatment facilities for other commercial and residential growth.

Please describe any unique economic development opportunities the project will provide?

The City of Pasco and surrounding farmlands contain a strong processing cluster located on both sides of SR 395 and the north side of SR 12. This area contains an estimated \$130 million worth of public and private investment and currently contains over 1,100 jobs engaged in the primary industry of food processing and exportation. The replacement of existing aging features and expansion of the processing capabilities will leverage the existing public and private advantages for this industry sector and allow its economic support of the region to continue.

**FRANKLIN COUNTY
ECONOMIC DEVELOPMENT PROGRAM APPLICATION**

Organization:	City of Mesa
Contact Person:	Gayle Carrasco or Patti Bailie
Telephone:	509-265-4253
e-mail:	cityclerkmesa@yahoo.com
Address:	103 Franklin Street, Mesa, WA 99343

Project Title: City of Mesa Water Infrastructure Upgrade

Project Description: Conversion of the existing water meter system to integrate new technology. Modifications to the system will meet or exceed state permit requirements. Overall these improvements will enhance the resiliency of the water utility. Allocating these costs to the user group would provide an undue burden on the utility customers.

Project Status: Please check one.

Project is Conceptual _____
Project is in Planning _____
Project is in Engineering _____
Project is Ready to Bid x

Project Schedule: Assuming funds are available, provide the project schedule. At a minimum provide estimated **start date and completion date.**

Job Creation: Construction Jobs: 3 or more construction jobs
Retained Jobs: 1 Retained Job
Job Growth: Unknown

Private Investment: Machinery & Equipment: 100 new meter upgrade/No large Machinery
Structures/Land: None
Other: None

Description of Project Funding:

Describe the need for 0.09 funding and how that funding will leverage other funds.

The city plans for a water infrastructure improvement project that will be most successful when it can be aligned with our local Franklin County land use planning. It is essential to anticipate that the growth

and development may increase the demands for service from drinking water, wastewater utilities and stormwater management efforts. The resident's utility bills are the largest source of revenue for water and sewer utilities. These fees are customarily based on volume of use. (For large users such as commercial systems that use drinking-water supplies, utility bills may also be based on allocation of capacity.) User revenues provide all or nearly all funds for operations, maintenance, repairs, and capital projects paid for via cash flow (as opposed to long-term financing), and utility bill revenues are also the primary source of funding to repay loans for new capital projects. Utilities also earn revenue from connection fees that are paid, typically by developers or property owners when they connect to the system and may be raised based on increased capacity demands.

Project Budget: Provide an estimate of the project costs. The expenditure areas are suggestions; please feel free to use designations more appropriate to your project.

Project Expenditures	Total Project Cost	Grant Request	Public	Private
Planning/Engineering	0.00	0.00		
Land Acquisition	0.00	0.00		
Construction	\$3,000	\$3,000		
Machinery/Equipment	\$33,000	\$33,000		
Other: Software				
Total	\$36,000	\$36,000		

General Project Information:

Describe the nature of the public/private investment: to upgrade the current City of Mesa water meter reading system with require the installing of new equipment that posses' and utilizes today's technology. WATER INFRASTRUCTURE IS INVISIBLE. People and businesses of Mesa expect the ready availability of clean, affordable drinking water, safe removal of wastewater and efficient management of stormwater. But when water infrastructure fails — its impact becomes all too obvious. The Mesa's water infrastructure upgrade will ensure a healthy sustainable community. The water infrastructure problem is too big for our one organization to tackle alone. The current system is weak and obsolete, and has several dysfunctional systems merged. For the past, several years the city has been managing these assets by planning ahead to maintain, upgrade and replace them as they fail — and this has proven to be expensive, and requires special expertise and presents an enormous financial challenge. The city needs a collaborative effort with Franklin County to embrace the common purpose of transforming Mesa's water infrastructure by investing in sustainable, cost-effective solution that will provide the Mesa community with clean water and waterways; healthier, flood and climate resilience; and economic growth.

The water system serves Mesa's commercial district. Losses or interruptions of service would lead to losses within the commercial district. Hardest hit would be food service as they would be required to shut down. Other commercial enterprises that could be impacted include Simplot and Tiegs.

How will the project compliment the County's existing economic development strategy?

This system will provide an affordable, efficient water system that will generate adequate supply of water for operating all in the community and not liquidate the city's capital funds to ensure that the water infrastructure is updated and maintained in good repair. The City of Mesa recognizes that a shared public strategic focus with Franklin County can improve coordination and prioritization to build on current successes and grow the economic community to benefit all Mesa residents and businesses, and those of Franklin County. This project will align with the city's goals and during the process it will also create a more transparent and efficient system with Franklin County for future planning and implementing economic development strategies. The coordination of the City and County goals, strategies and processes will support businesses, and create an employment climate that encourages development.

Goal 2: retaining employers within Mesa will assist in providing job opportunities throughout the County.

Goal 4: retaining existing employers in Mesa will create geographical diversity in the County versus the concentration of employment in the metro area.

Goal 6: will assist in retaining the Mesa employment center.

Goal 7: will assist with retaining Mesa's CBD.

Goal 8: provides for adequate infrastructure to accommodate economic growth.

Will this project complement existing infrastructure? If yes, how? Yes, the economic downturn may pressure rate increases to current users. It is the priority of the City of Mesa to eliminate the pass through of debt costs upon the city residents and businesses

Will this project create demand for additional infrastructure? No additional construction. The city will utilize the current water infrastructure.

Please describe any unique economic development opportunities the project will provide. The city will be saving time and money with this upgrade as it will simplify the billing process and eliminate the time and manpower spent on the maintenance to the old meter reading system thus providing accurate water use efficiency reports to the Washington State Department of Health, which will have the city remain in compliance with environmental regulations. The City of Mesa water infrastructure issues, particularly regarding funding, continue to receive attention from the City of Mesa city council. The city is primarily responsible for providing wastewater and drinking water infrastructure services. Our community is faced with formidable challenges to provide adequate and reliable water infrastructure services. This project will bring a short period of jobs to the area when in hiring professional services.

Water is one of Mesa's primary municipal deliverables. Loss or interruption to this service could increase pressure on the central business district, leading to the loss of employment centers, which could potentially be relocated outside of Franklin County.

FRANKLIN COUNTY ECONOMIC DEVELOPMENT PROGRAM APPLICATION

Organization:	Tri-City Development Council (TRIDEC)
Contact Person:	Karl Dye, President
Telephone:	(509) 735-1000
e-mail:	kdye@tridec.org
Address:	7130 W Grandridge Blvd Ste A Kennewick, WA 99336

Project Title:

Staffing for Recruiting Lead Generation.

Project Description:

Since 2017 Franklin County has partnered with TRIDEC on our “SmartLeads” program. This program includes contracting with Whitaker Associates, a respected economic development consulting firm specializing in target industry research and lead generation for companies that are growing and should be looking to expand to new locations. Using a predictive model, the service generates a database of 25 company intelligence reports per month in our local target sectors. This service is limited to 10 communities nationally. TRIDEC uses these leads to market the Tri Cities to these growing companies and shares the active projects generated from marketing with our economic development partners.

Project Status:

In progress (planning complete)

Project Schedule:

July 1, 2020 - June 30, 2020

Job Creation: N/A

Private Investment: See Project Budget below

Description of Project Funding:

TRIDEC has purchased the Whitaker leads services again, in July of 2019, and will use the .09 funds for a portion of the personnel costs required to process, conduct additional research, actively market, follow up and manage the leads with our partners.

Project Budget:

Project Expenditures	Total Cost	Grant Request	Public/Private
Staff expense	21,000	18,000	3000
Subscription Cost	15,000	0	15,000
Total	36,000	18,000	18,000

General Project Information

Describe the nature of the public/private investment.

Approximately 40% of TRIDEC's annual budget comes from private sector member dues. These dues are allocated across all TRIDEC programs for the benefit of the two-county region. TRIDEC also receives funding from the Department of Commerce as the designated Associate Development Organization for both Benton & Franklin Counties and will use some of these funds to pay for the Whittaker annual subscription.

How will the project compliment the County's existing economic development strategy?

This project generally supports Goals 1-6 of the County's strategy and specifically addresses Goal 2, Policy 3; "identify potential industrial clients" and Goal 3, Policy 3; "location of processing plants"

Will this project complement existing infrastructure? N/A

Will this project create demand for additional infrastructure? N/A

Please describe any unique economic development opportunities the project will provide.

One of TRIDEC's primary programs is marketing the Tri-Cities region to new industries. Recently TRIDEC's focus has been on target sectors identified by the consulting firm TadZo which include food processing, logistics, food machinery manufacturing, carbon fiber manufacturing and energy. This project will help TRIDEC to identify companies more likely to locate, consolidate or expand in our region. By using this expert third-party research, TRIDEC can focus on contacting these companies with real projects and increase the probability of successful project siting.