

# Agenda Summary Report (ASR)

## Franklin County Board of Commissioners

<b>DATE SUBMITTED:</b> 5/25/2022	<b>PREPARED BY:</b> Shirley Jones
<b>Meeting Date Requested:</b> 6/07/2022	<b>PRESENTED BY:</b> Keith Johnson
<b>ITEM:</b> (Select One) <input type="checkbox"/> Consent Agenda <input checked="" type="checkbox"/> Brought Before the Board Time needed: 5 minutes	
<b>SUBJECT:</b> Approval of re-allocation of the 2020 and 2021 City of Pasco .09 Economic Development Fund Expenditures to the construction phase of the PWRP Pretreatment Improvement Project Phase 1	
<b>FISCAL IMPACT:</b> The .09 economic development fund allocations were previously approved in 2020 and 2021.	
<b>BACKGROUND:</b> Resolution 2020-163 approved funding to the City of Pasco in the amount of \$500,000 from the County's .09 Economic Development Fund for the design of improvements to the Process Water Reuse Facility (PWRF).  Resolution 2021-167 approved funding to the City of Pasco in the amount of \$1,000,000 from the County's .09 Economic Development Fund for the PWRP Pretreatment Phase 1 Improvements, Potable Water & Electrical Power Upgrades.  The City of Pasco is requesting the re-allocation of the 2020 and 2021 Economic Development Funds to the Construction phase of the PWRP Pretreatment Improvement Project Phase 1.	
<b>RECOMMENDATION:</b> Approval of the attached resolution.	
<b>COORDINATION:</b> County Administrator, Keith Johnson (Supports approval) Economic Development Advisory Committee per the Franklin County Economic Development Plan (Supports approval)	
<b>ATTACHMENTS: (Documents you are submitting to the Board)</b> ASR/Resolution Resolution 2020-163 with City of Pasco Application only Resolution 2021-167 with City of Pasco Application only	
<b>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)</b> Shirley Jones, County Administration City of Pasco, Dave Zabell, City Manager	

*I certify the above information is accurate and complete.*



Keith Johnson, Administrator

**FRANKLIN COUNTY RESOLUTION \_\_\_\_\_**

BEFORE THE BOARD OF COMMISSIONERS  
FRANKLIN COUNTY, WASHINGTON

***APPROVAL OF RE-ALLOCATION OF THE 2020 AND 2021 CITY OF PASCO .09 ECONOMIC  
DEVELOPMENT FUND EXPENDITURES TO THE CONSTRUCTION PHASE OF THE PWRF  
PRETREATMENT IMPROVEMENT PROJECT PHASE 1***

**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**, *RCW 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**, Resolution 2020-163 approved funding to the City of Pasco in the amount of \$500,000 from the County’s .09 Economic Development Fund for the design of improvements to the Process Water Reuse Facility (PWRF); and

**WHEREAS**, Resolution 2021-167 approved funding to the City of Pasco in the amount of \$1,000,000 from the County’s .09 Economic Development Fund for the PWRF Pretreatment Phase 1 Improvements, Potable Water & Electrical Power Upgrades; and

**WHEREAS**, the City of Pasco is requesting the re-allocation of the 2020 and 2021 Economic Development Funds to the Construction phase of the PWRF Pretreatment Improvement Project Phase 1; and

**WHEREAS**, Franklin County finds that these projects will support the economic development purposes intended by *RCW 82.14.370* and benefit the citizens of Franklin County.

**NOW, THEREFORE, BE IT HEREBY RESOLVED**, that the Franklin County Board of Commissioners approves the re-allocation of the 2020 and 2021 total of \$1,500,000 in funding from the .09 Economic Development Fund to be allocated to the PWRF Pretreatment Improvement Project Phase 1 construction and hereby amends the 2016 Franklin County Economic Development Plan to reflect this project in Section 9, Appendix B.

**APPROVED** this 7th day of June, 2022.

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

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Chair Pro Tem

\_\_\_\_\_  
Member

**ATTEST:**

\_\_\_\_\_  
Clerk to the Board



May 25, 2022

Keith Johnson,  
Franklin County Administrator  
1016 North Fourth Ave  
Pasco, WA 99301

Re: Economic Development (.09) Grant Awards from 2020 and 2021  
Process Water Reuse Facility (PWRP) Pretreatment Improvement Projects

Mr. Johnson,

The City of Pasco would like to request the re-allocation of the 2020 and 2021 Economic Development grant awards to the Construction phase of the PWRP Pretreatment Improvement Project (Phase 1).

Franklin County awarded the City of Pasco \$500,000 in 2020 for the design of the Phase 1 project and \$1,000,000 in 2021 for both the design and construction phases of the Phase 1 improvements.

The different phases of the proposed PWRP Pretreatment Improvements are composed of the following:

- **Phase 1: Potable Water and Electrical Upgrades.**  
The design is complete and being reviewed by Ecology for approval. Bid advertisement is currently scheduled for Friday, May 27, 2022 with the bid opening scheduled in mid-June and construction following. This phase includes the extension of potable water and upgrades to the electrical service to the facility. These improvements constitute the backbone for further improvements at the facility. They will, in the immediate near term, provide for operational needs and support further improvements in the long term. The potable water line also provides required fire protection at the site and would allow city crews operating the facility to have access to potable water.
- **Phase 2: Winter Storage Ponds.**  
Currently 20% of the design is completed. The Environmental processes has begun, cultural and biological desktop reviews have been completed. Cultural and biological field work is underway, after awaiting for the appropriate season to ensure species of interest could be observed if present on the site. Geotechnical exploration will be scheduled immediately following receipt of environmental clearance.

This phase includes the construction of very large lined ponds for the winter storage of agricultural and dairy processor's effluent, prior to the land application for final treatment and disposal of the wastewater. It was determined during analysis of projected future flows that the

Mr. Keith Johnson  
Franklin County Administrator  
May 23, 2022

volume of storage needed will require the acquisition of additional land. The acquisition process with USBR (parcels neighboring the PWRf north and south) is underway yet require NEPA be completed prior to ownership change.

The proposed ponds would hold all winter flows for current expanding processors and future proposed Processors. The additional storage needed is estimated at 300 million gallons in 2024 for a total of 450 million gallons.

- **Phase 3: Anaerobic Digestion, Biological Nitrogen Removal and Creation of RNG**

Currently at 30% design, this phase will provide for the construction of 2 Low-rate Anaerobic digesters to treat the BOD in the wastewater conveyed to the PWRf, and additional treatment processes to reduce nitrogen for application of the pre-treated wastewater to the city-owned farm fields.

The City received other pre-construction funds from two State of Washington organizations: Public Works Board and Department of Ecology (Clean Water program). The total available funds for the design of the Phase 1 project currently exceed the anticipated costs. However, the project has a shortfall in construction phase funding, especially with the current market conditions and supply chain disruptions experienced in the construction industry.

Therefore, based on the above information, the City of Pasco **requests authorization to utilize the Franklin County Economic Development (.09) grant awards in 2020 and 2021 to help cover the increased construction costs for the PWRf Phase 1 improvements: Electrical Supply Upgrades and Potable Waterline extension.**

Please let us know if this request can be approved.

We appreciate your time and consideration of this matter.

Regards,



Maria Serra, PE  
CIP Manager  
City of Pasco

FRANKLIN COUNTY RESOLUTION 2020-163

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

Brad Peck  
Approved Telephonically

Chair Pro Tem

Clint Didier  
Approved Telephonically

Member

ATTEST:

  
Clerk of the Board

**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 3<sup>rd</sup> 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 (PWRP), 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 PWRP 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 PWRP system:

- **Foster Wells force main:** A 2.5 mile redundant 20" HDPE force main connecting the Foster wells lift station and the PWRP 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 PWRP. 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						
<b>Total</b>	<b>29,500,000</b>	<b>500,000</b>	<b>11,000,000</b>	<b>1,500,000</b>	<b>5,000,000</b>	<b>11,500,000</b>

**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.

# Agenda Summary Report (ASR)

## Franklin County Board of Commissioners

2020 - 163

<b>DATE SUBMITTED:</b> 8/06/2020	<b>PREPARED BY:</b> Shirley Jones
<b>Meeting Date Requested:</b> 8/11/2020	<b>PRESENTED BY:</b> Keith Johnson
<b>ITEM:</b> (Select One) <input checked="" type="checkbox"/> Consent Agenda <input type="checkbox"/> Brought Before the Board Time needed:	
<b>SUBJECT:</b> Approval of .09 Economic Development Fund Expenditures for Economic Development Projects	
<b>FISCAL IMPACT:</b> .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.	
<b>BACKGROUND:</b> 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.	
<b>RECOMMENDATION:</b> Approval of the attached resolution.	
<b>COORDINATION:</b> County Administrator, Keith Johnson (Supports approval) Economic Development Advisory Committee per the Franklin County Economic Development Plan (Supports approval)	
<b>ATTACHMENTS:</b> (Documents you are submitting to the Board) ASR/Resolution Economic Development Applications from City of Pasco, TRIDEC and City of Connell	
<b>HANDLING / ROUTING:</b> (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 2021 - 167**

BEFORE THE BOARD OF 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**, *RCW 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 The HAPO Center, City of Pasco, the Tri Cities Development Council (TRIDEC) and the Port of Pasco have submitted proposed projects to be funded from the County's .09 Economic Development Fund; and

**WHEREAS**, Franklin County finds that these projects will support the economic development purposes intended by *RCW 82.14.370* and benefit the citizens of Franklin County.

**NOW, THEREFORE, BE IT HEREBY RESOLVED**, that the Franklin County Board of Commissioners approves \$2,105,000 in funding from the .09 Economic Development Fund to be allocated to the following projects in the noted amounts and in conformity with disbursement agreements and hereby amends the 2016 Franklin County Economic Development Plan to include these projects in Section 9, Appendix B.

The HAPO Center, \$85,000 – Energy study and building upgrades to air conditioning in arena.  
City of Pasco, \$1,000,000 - Process Water Reuse Facility (PWRP) upgrades.  
TRIDEC - \$20,000 – Recruiting Leads and staff expense.  
Port of Pasco - \$1,000,000 – Railroad Avenue Improvements at Reimann.

**APPROVED** this 3rd day of August, 2021.

BOARD OF COUNTY COMMISSIONERS  
FRANKLIN COUNTY, WASHINGTON

  
Chair

  
Chair Pro Tem

  
Member

**ATTEST:**

  
Clerk to the Board

**FRANKLIN COUNTY  
ECONOMIC DEVELOPMENT PROGRAM APPLICATION**

<b>Organization:</b>	City of Pasco, Department of Public Works
<b>Contact Person:</b>	Steve M. Worley, Director
<b>Telephone:</b>	(509) 543-5738
<b>e-mail:</b>	<a href="mailto:worleys@pasco-wa.gov">worleys@pasco-wa.gov</a>
<b>Address:</b>	525 North 3 <sup>rd</sup> Avenue Pasco, WA 99301

**Project Title:**

**PWRF Pretreatment Phase I Improvements: Potable Water & Electrical Power Upgrades**

**Project Description:**

Pasco's 25-year-old Process Water Reuse Facility (PWRF) is in need of upgrade and expansion to continue to adequately serve current and future agricultural food processors. To this end a Facility/Engineering Plan for PWRF improvements was developed and approved by Ecology. Pasco also completed a Value Engineering study on alternative treatment processes.

Those ideas were then rolled into a Value Planning process by the Center for Sustainable Infrastructure. That process included all PWRF stakeholders and select experts from around the world with the express purpose of envisioning the future of the PWRF facility and how one company's waste could become another company's valued resource. It also investigated PWRF expansion needs to increase capacity for current processors and foster the recruitment of new processors to the area.

Further work is needed to solidify preferred alternatives for long-range improvements at the PWRF. Yet, the proposed first phase of improvements is necessary to provide the power and water infrastructure to supplement future PWRF expansion and address an immediate need that currently restricts capacity at the facility.

The City of Pasco (City) requests \$1,000,000 to assist with the design and construction of the following utilities that will support other future PWRF improvements:

- Electrical Supply Upgrades
- Potable Waterline Extension

The proposed improvements are for the purpose of increasing the capacity to treat process wastewater at the facility. The PWRF is currently limited in influent screening capacity that separates larger organic solids from the industrial process wastewater. While the two existing drum screens have a combined rated capacity of 8.65 MGD, the maximum demonstrated flow

to the screens is approximately 5 MGD. This compromised screening capacity is related to starch buildup on the screens, particularly at higher flows.

The solution is to apply heated water from internal spray bars onto the screens to retard the growth of the starch buildup. A source of potable water is needed to make this improvement along with increased power supply to the PWRF. This improvement will provide a significant 3.65 MGD increase in flowthrough capacity at the plant. The City already purchased the heaters for this effort but needs the water and power upgrades to operate them properly.

This Phase I work will also provide for the expansion of the PWRF and support (as backbone infrastructure) the upgrades in future improvements at the facility. This Phase 1 project is aligned with the Facility Plan recommendations.

**Project Status: Please check one.**

- Project is Conceptual ☐
- Project is in Planning ☐
- 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.**

The following schedule milestones are proposed for the electrical and water infrastructure upgrades requiring construction funding through this grant:

**Design Complete:** January 2022

**Construction Start:** March 2022

**Completion Date:** November 2022

**Job Creation:**

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. While Pasco does not have hard job creation numbers, Processors mentioned during the Value Planning Process that if the PWRF increased its capacity, the Processors could bring on more staff and work them all year long.

**Construction Jobs:**

The construction of the proposed project to be funded 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. Providing these services to the industry also requires additional public works capital improvements contracting. This, in turn, generates opportunities for the construction trades and small business sectors to provide the services needed to construct these utility infrastructure upgrades.

**Retained Jobs:**

The purpose of these improvements is to maintain its economic competitiveness and remain in compliance with environmental regulations. This allows for the imminent implementation of the PWRP expansion plans that will create and retain jobs in our largest employment sector.

**Job Growth:**

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 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.

**Private Investment:**

Existing food processors continue to upgrade their processing plants and invest in equipment for their operation. One existing processor is moving forward with the construction of a brand new processing plant and retooling of the plant currently in use. Meanwhile, other existing processors have expanded or have plans to expand their current facilities to increase processing capacity. A prospective food processor has expressed interest in the region for construction of brand new processing plant within the next two years. These improvements account for significant level of private investment in facilities directly related to the City's PWRP.

Approximate investment amounts for one of the processors mentioned above are as follow:

**Machinery & Equipment:** \$100 Million

**Structures/Land:** \$80 Million

**Other:** \$10 Million

Additionally, processors are rate payers to the PWFR system. Through rates, they pay for debt service on capital investment for the upgrades and expansion of the PWRF Facility.

**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 construction of PWRF improvements. The City has successfully assembled the following funding partners and cost allocation:

- Public Works Board awarded \$1M pre-construction (design) loan
- Department of Ecology Water Quality awarded \$1.5M pre-construction loan
- Franklin County awarded in 2020 \$500K in 0.09 Funds for PWRF Upgrades

The City's intent is to continue pursuing additional funds for future improvements at the PWRF, such as the Public Works Board funding program.

For food processors are the ultimate ratepayers for all O&M and capital costs of the PWRF. It is the City's goal to reduce as much as possible the capital improvement investment paid by the Processors so they can continue to grow and create new jobs.

The need for .09 funding is substantial for construction of this initial phase of the PWRF upgrades. Without it, the City would need to increase the cash contributions and user rates on each of the food processors. This could create a hardship and severely diminish Pasco and Franklin County's competitiveness to retain and recruit food processors.

**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	Secured 0.09 Funds (prior years)	Secured State funds	Local Funding
Planning/Engineering	\$500,000			\$500,000 <sup>a</sup>	
Land Acquisition					
Construction	\$2,000,000	\$1,000,000	\$500,000 <sup>b</sup>		\$500,000
Machinery/Equipment					
Other					
<b>Total</b>	<b>\$2,500,000</b>	<b>\$1,000,000</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$500,000</b>

**Notes:**

- Funding award is for scope beyond these Phase 1 Improvements. Amount shown is limited to Phase 1 needs.
- 2020 award was provided by Franklin county for design purposes. The City has been successful at securing additional design funds for initial phases of improvements and will request approval to utilize these .09 funds for construction of the infrastructure identified as Phase 1 of PWRF Improvements.



Pasco is approaching the overall PWRf improvements in a phased manner as previously described. **The total cost for this Phase 1 project is currently estimated at approximately \$2.5M.**

Design and permitting cost: **\$500,000**

Construction costs estimated at **\$2,000,000** as follows:

- The waterline extension will be in the order of \$1.3M (preliminary planning estimate)
- Power costs considered at \$700K at this time, although further coordination with PUD is needed to solidify this estimate.

Total cost includes design, permitting and construction. There is no land acquisition nor machinery purchases anticipated as part of this project.

**General Project Information:**

***Describe the nature of the public/private investment:***

Private sector investment will be made by the City's primary customers of the PWRf. 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.

The City's and Processor's commitment to the improvement of this facility 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: Construction is underway. Funding: U.S. Economic Development Administration (EDA) grant and local funds. \$10 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 is substantially completed. Construction completion is anticipated in late Fall 2020. Funding: Locally funded. \$8.8 Million.

***How will the project complement 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.

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 continue to enable the City to further strengthen its capacity to attract private sector investment and jobs. As outlined above, construction of the proposed project to develop the backbone PWRF water and power infrastructure 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, 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 complement existing infrastructure? If yes, how?***

Yes. This first phase of the PWRF improvements project establishes the support infrastructure backbone required for subsequent facility capacity upgrades. The future improvements to the PWRF will ultimately help 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 the 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 this project will provide.***

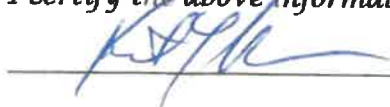
The City of Pasco and surrounding farmlands contain a strong processing cluster located on both sides of SR 395 and the north side of SR 12. This area contains an estimated \$130 million worth of public and private investment and currently contains over 1,100 jobs engaged in the primary industry of food processing and exportation. The replacement of existing aging features, addition of support utility infrastructure, 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.

# Agenda Summary Report (ASR)

## Franklin County Board of Commissioners

<b>DATE SUBMITTED:</b> 7/29/2021	<b>PREPARED BY:</b> Shirley Jones
<b>Meeting Date Requested:</b> 8/03/2021	<b>PRESENTED BY:</b> Keith Johnson
<b>ITEM:</b> (Select One) <input type="checkbox"/> Consent Agenda <input checked="" type="checkbox"/> Brought Before the Board Time needed: 15 minutes	
<b>SUBJECT:</b> Approval of .09 Economic Development Fund Expenditures for Economic Development Projects	
<b>FISCAL IMPACT:</b> .09 Funding for 4 projects; \$85,000 to The HAPO Center for the energy study and upgrades to air conditioning in the arena; \$1,000,000 to City of Pasco for Process Water Reuse Facility (PWRP); \$20,000 to TRIDEC for recruiting leads and staff expense; \$1,000,000 to Port of Pasco for Railroad Avenue improvements at Reimann to meet needs of the Darigold project.	
<b>BACKGROUND:</b> 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.	
<b>RECOMMENDATION:</b> Approval of the attached resolution.	
<b>COORDINATION:</b> County Administrator, Keith Johnson (Supports approval) Economic Development Advisory Committee per the Franklin County Economic Development Plan (Supports approval)	
<b>ATTACHMENTS:</b> (Documents you are submitting to the Board) ASR/Resolution Economic Development Applications from The HAPO Center, City of Pasco, TRIDEC and Port of Pasco.	
<b>HANDLING / ROUTING:</b> (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 Tom French, The HAPO Center City of Pasco, Dave Zabell, City Manager TRIDEC, Karl Dye, President & CEO Port of Pasco, Randy Hayden, Executive Director/ Gary Ballew, Economic Development Director	

I certify the above information is accurate and complete.



Keith Johnson, Administrator