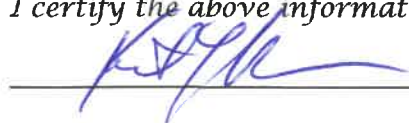


Agenda Summary Report (ASR)

Franklin County Board of Commissioners

DATE SUBMITTED: 7/29/2021	PREPARED BY: Shirley Jones
Meeting Date Requested: 8/03/2021	PRESENTED BY: Keith Johnson
ITEM: (Select One) <input type="checkbox"/> Consent Agenda <input checked="" type="checkbox"/> Brought Before the Board Time needed: 15 minutes	
SUBJECT: Approval of .09 Economic Development Fund Expenditures for Economic Development Projects	
FISCAL IMPACT: .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.	
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 The HAPO Center, City of Pasco, TRIDEC and Port of Pasco.	
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 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

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

DISBURSEMENT AGREEMENT

FOR USE OF 0.09 FUNDS

This Agreement, between Franklin County (hereinafter "County"), and the <entity> (hereinafter "Recipient"), shall be effective upon execution by both parties.

WHEREAS, the County adopted Resolution 2016-211 regarding economic development and the distribution of certain funds received from the State of Washington for the financing of certain "public facilities [projects] serving economic development purposes" as contemplated by State statute (RCW 82.14.370); and,

WHEREAS, the County and the Recipient are authorized, including under Chapter 39.34 of the Revised Code of Washington, to contract with each other and other public agencies in order to effectively and efficiently operate, administer, and carry out their programs and public projects; and,

WHEREAS, the Recipient intends to:

<Project Description from Application>

WHEREAS, the above constitute the "Project"; and,

WHEREAS, the Project will *<insert language from application regarding economic development in Franklin County>*; and,

WHEREAS, the Recipient has requested *<\$xxx,xxx.00>* for the Project.

NOW THEREFORE, in consideration of the mutual covenants, conditions, and terms contained herein, the County and the Recipient mutually agree to the following:

1. Based on the Recipient's request, the County agrees to reimburse the Recipient for up to *<\$xxx,xxx.00>* of qualified direct costs incurred by the Recipient for the Project *after* the execution of this Agreement; contingent upon (i) such funds being less than the amount allocated to the Recipient, and (ii) that each reimbursement is consistent with the County's Policy.
2. The Recipient represents that the use of revenues from the Fund for the Project is consistent with RCW 82.14.370.
3. The Recipient agrees to use all funds allocated by this Agreement solely for the purpose of financing the Project and warrants that all expenditures by the Recipient for which it seeks reimbursement will comply with RCW 82.14.370.
4. The parties agree that funds will be disbursed only as reimbursement for actual, direct costs incurred by the Recipient in connection with the Project.
5. The Recipient shall invoice the County every ninety (90) days after the effective date of this Agreement, identifying all Project costs incurred by the Recipient during the prior quarter that are eligible for and for which reimbursement is sought. All invoices shall be mailed to the County at the following address:

Franklin County Commissioners Office

ATTN: xxx

1016 N. 4th Ave

Pasco, WA 99301

6. The Recipient shall not hold the County liable for any delay in disbursements, but the County agrees to use its best efforts to make appropriate disbursement payments to the Recipient in a reasonably timely fashion.
7. The Recipient shall be responsible for establishing policies for implementing this Agreement, monitoring progress of the Project, and monitoring the fulfillment of the Parties' responsibilities under the Agreement. In addition to other responsibilities set forth in this Agreement, the Recipient is responsible for following applicable bid and prevailing wage law policies and procedures when awarding bids for the Project contemplated by this Agreement.
8. The Recipient agrees to provide the County with a quarterly report along with each invoice outlining the status of the Project, including a spreadsheet detailing all costs being reimbursed by the County.
9. If funds are applied by the Recipient toward non-eligible expenditures, the County may cease all disbursements and the Recipient shall repay to the County all monies inappropriately expended.
10. The records and documents with respect to all matters covered by this Agreement shall be subject to inspection by the parties during the term of this Agreement and for three years after its termination.
11. It is not the intention that a separate legal entity be established with respect to the Project, nor is the joint acquisition, holding, or disposing of real or personal property anticipated.
12. The Recipient agrees to indemnify the County from and against any claims, actions, losses, costs, penalties, damages, attorneys' fees, and all other liabilities and costs of defense of any nature arising out of the County's agreement to disburse funds under this Agreement.
13. The Recipient shall not have the right to assign the rights under this Agreement nor to terminate its obligations hereunder without first securing the written consent of the County.
14. The term of this Agreement shall begin when executed by both parties, and shall expire on _____, 20xx. The Recipient shall complete and request reimbursement for all Project work eligible for reimbursement by the County under the terms and conditions of this Agreement no later than the expiration date.
15. This Agreement contains the entire, complete, and integrated statement of each and every term agreed-to by and between the Recipient and the County, and this Agreement supersedes any and all prior written and unwritten agreements and understandings pertaining to the Project.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date signed below.

FRANKLIN COUNTY

RECIPIENT

Clint Didier, Chair

Date: _____

Date: _____

ATTEST:

ATTEST:

Clerk to the Board

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Chief Deputy Prosecuting Attorney

**FRANKLIN COUNTY
ECONOMIC DEVELOPMENT PROGRAM APPLICATION**

Organization:	Franklin County Hapo Center
Contact Person:	Tom French
Telephone:	509-542-5921
e-mail:	gm@hapocenter.com
Address:	6600 Burden Blvd Pasco Washington 99301

Project Title: Hapo Center Energy Upgrade

Project Description:

The main goals of this project are to bring air-conditioning into the Arena, modernize the lighting and controls systems, and to begin the process of making the HAPO Center into compliance with the recent adoption of CETA. (Specifically the HB-1257 portion of the bill). At this projects conclusion, the HAPO Center should have new, modernized systems that will last the facility another 20-years, while allowing the full operation of all spaces year round, allowing for a larger economic impact in the surrounding community. By utilizing the Energy Services Performance Contracting Process (ESPC) we will be able to track our progress towards CETA Commercial Clean Building Performance Standard.

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 project is still in the Investment Grade Audit phase. Once the audit is completed and funding secured the project would move forward. The anticipated start date would be 4th quarter of 2021 and potentially be completed 2nd quarter of 2022.

Job Creation: Construction Jobs:X
Retained Jobs: X
Job Growth:X

Private Investment: Machinery & Equipment:
Structures/Land:
Other:

Description of Project Funding:

Describe the need for 0.09 funding and how that funding will leverage other funds.
.09 money will be used for the Investment grade audit as well as the energy upgrades to the facility. Other funding sources include federal grants and Stimulus funds.

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	85,000			
Land Acquisition				
Construction				
Machinery/Equipment				
Other				
Total				

General Project Information:

Describe the nature of the public/private investment:

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

The Hapo Center typically generates \$12-\$18 million dollars of economic impact within the Tri Cities community annually. The Hapo Center was built in 1995, the HVAC and energy systems and lighting in and around the building are mostly original to the building. The largest room is our 50,000 SF arena that does not have Air, limiting the amount of events we can host annually in the arena as well as limiting our true economic impact to the community. Job creation is another key piece of the Hapo Centers community impact. Local job creation can be seen in the hotels, retail and dining that surrounds the center.

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

Yes by allowing the full facility to be in use year around generating a greater economic impact to the community.

Will this project create demand for additional infrastructure?

Not at this time

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

By upgrading the lighting and HVAC of the Hapo Center the entire facility will be able to be used year around. The increased economic impact that will be generated will benefit local business such as restaurants, retail and hotels.

**FRANKLIN COUNTY
ECONOMIC DEVELOPMENT PROGRAM APPLICATION**

Organization:	City of Pasco, Department of Public Works
Contact Person:	Steve M. Worley, Director
Telephone:	(509) 543-5738
e-mail:	worleys@pasco-wa.gov
Address:	525 North 3 rd 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 PWRF 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 PWRF.

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 ^a	
Land Acquisition					
Construction	\$2,000,000	\$1,000,000	\$500,000 ^b		\$500,000
Machinery/Equipment					
Other					
Total	\$2,500,000	\$1,000,000	\$500,000	\$500,000	\$500,000

Notes:

- a. Funding award is for scope beyond these Phase 1 Improvements. Amount shown is limited to Phase 1 needs.
- b. 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.

**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, 2021 - June 30, 2022

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.

Due to COVID-19, TRIDEC has re-organized our staff. Currently the President/CEO is running the SMARTLEADS program. This has increased our staff expense by \$4,000 over last year’s project request. We are proposing to split this increase equally between the grant request and our public/private funding.

Project Budget:

Project Expenditures	Total Project Cost	Grant Request	Public/ Private
Staff Expense	\$25,000	\$20,000	\$5,000
Subscription Cost	15,000	0	15,000
Total	\$40,000	\$20,000	\$20,000

General Project Information:

Describe the nature of the public/private investment:

Approximately 50% 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 this 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.

**FRANKLIN COUNTY
ECONOMIC DEVELOPMENT PROGRAM APPLICATION**

Organization:	Port of Pasco
Contact Person:	Stephen McFadden
Telephone:	(509) 537-0524
e-mail:	smcfadden@portofpasco.org
Address:	1110 Osprey Pointe Blvd, Suite 201, P.O. Box 769, Pasco, WA 99301

Project Title:

Reimann Industrial Center Road Improvements.

Project Description:

\$1 million of Franklin County .09 funds will be used for the construction of road improvements to a portion of Railroad Avenue to serve a major food processing project. The project estimates 150 trucks a day, 365 days a year.

The Port of Pasco purchased 300 acres of undeveloped land in October 2019 to develop its next industrial park for the purpose of economic development. Bringing all necessary utility infrastructure to the site will cost approximately \$34.7 million. The entire Phase #1 Offsite Improvements will cost **\$15,786,973**. The Phase #1 project will deliver municipal water and sewer service, BNSF rail access, broadband fiber, and roads to make the site 100% shovel ready.

The Port of Pasco is actively working on a purchase and sale agreement with a large-scale food processing client. The company plans to acquire up to 150 acres of the Reimann Industrial Center if the Port can meet the company’s utility infrastructure needs. This project would bring a \$400-\$450 million in private capital investment and create 200 new manufacturing wage scale jobs. If this food processing project is constructed at the Reimann Industrial Center, the project will annually generate \$1.15M in local/county tax revenue and \$433,000 in state tax revenue.

The company plans to complete construction in September of 2023 and all infrastructure improvements need to be completed by June 2023.

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. Construction start = Spring 2022 with Completion by December 31, 2022.

Job Creation: Construction Jobs: 50-100 (Infrastructure Development)
Retained Jobs: N/A
Job Growth: Phase #1 = 200 FTE (New employer);
1,350 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 .09 funds will be used to fill a funding gap for Railroad Avenue improvements. The Reimann Phase #1 Infrastructure project will cost an estimated \$15,786,973. Of that, the road improvements will cost an estimated \$3,206,088.

Local and state funding secured for Reimann Phase #1 includes:

Port Land Sale Proceeds.....	\$1,500,000
Port Economic Development Fund	\$1,000,000
State Appropriation	\$7,500,000
Franklin County .09 Fund – 2020	\$300,000
<u>CERB Rail Funding</u>	<u>\$575,000</u>
.....	\$10,875,000

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	\$680,079		\$680,079	\$0.00
Land Acquisition				
Construction	\$2,526,009	\$1,000,000	\$2,526,009	\$0.00
Machinery/Equipment				
Other				
Total	\$3,206,088	\$1,000,000	\$3,206,088	\$0.00

General Project Information:

Describe the nature of the public/private investment:

The Port and its partners – City of Pasco, Franklin County, Franklin PUD, TRIDEC are working together to ensure public infrastructure is ready to serve new industries. The current food processing project will bring \$400 to \$450 million in private investment.

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 Franklin County, 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.

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.

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

Yes, this project will design extensions of existing infrastructure to the Reimann Industrial Center. It will also improve existing roadway infrastructure in a manner that benefits all users.

Will this project create demand for additional infrastructure?

Yes, the development of the Reimann Industrial Center will require additional infrastructure. The Phase #1 development plan includes construction of:

1. BNSF Rail switch, signalized rail crossing and common rail spur available for multiple industries.
2. Installation of a municipal water main to serve high volume water users.
3. Installation of municipal sewer main to serve industrial users.
4. Relocation of Cascade Natural Gas line that currently travels across the Reimann.

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

As part of the master planning process, The Metts Group's feasibility study estimates 3,326 direct and indirect jobs will be created. With that will be \$187,619,142 in estimated annual employee earnings (based on 3,326 new jobs).