



MEMO

Date: 3-24-17

Proposal ID. 2017 04-10 EconDev – Port

To: BOCC

From: Diane Harris, Administrative Assistant

Intent – Approval of Port of Walla Walla expending funds

Topic – Approval of Port of Walla Walla expending funds from the Port’s portion of the Economic Development Sales Tax Funds for City of Waitsburg – Main Street Bridge Replacement Project

Summary

The Port of Walla Walla during their regularly scheduled meeting on March 23, 2017 approved the City of Waitsburg’s grant application for the Main Street Bridge Replacement Project. This request is for \$100,000 from the Port of Walla Walla’s portion of the Economic Development Sales Tax Fund.

Pursuant to the current interlocal between the Port and County of Walla Walla regarding the Economic Development Sales Tax funds the County must approve the Port of Walla Walla expending these funds.

Port of Walla Walla – 9/10ths funds - \$100,000

Cost

\$100,000

Funding

9/10ths Funds – Port of Walla Walla

Alternatives Considered

N/A

Acquisition Method

N/A

Security

N/A

Access

Risk

Benefits

Conclusion/Recommendation

Approval of the Port of Walla Walla expending \$100,000 out of their portion of the 9/10th Economic Development Funds for the City of Waitsburg – Main Street Bridge Replacement Project.

Submitted By

Disposition

Diane Harris, Commissioners 3/24/17

Approved


Name Department Date

Approved with modifications

Needs follow up information

Signature

Denied

 4-10-2017

BOCC Chairman

Date

Additional Requirements to Proposal

Modification

Follow Up

COPY



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March 24, 2017

James K. Johnson, Commissioner
Jim Duncan, Commissioner
Todd Kimball, Commissioner
Walla Walla County
P.O. Box 1506
Walla Walla, WA 99362

RE: Economic Development Sales Tax Fund Grant – City of Waitsburg – Main Street Bridge Replacement Project

Dear Commissioner:

On March 23, 2017, the Port of Walla Walla Commissioners approved a \$100,000 Economic Development Sales Tax Fund (EDSTF) grant to the City of Waitsburg for the City of Waitsburg – Main Street Bridge Replacement Project. Enclosed is the EDSTF application for your review.

Consistent with our Interlocal Economic Development Agreement dated May 31, 2005, the Port is submitting this EDSTF application for Walla Walla County Board of Commissioner’s consideration and concurrence.

The Port hereby certifies that this application complies with RCW 82.14.370 and the funds will be allocated from the Port’s 2/3rd share of EDSTF account.

If you have any questions or need any additional information, please do not hesitate to call or email.

Sincerely,

Patrick H. Reay
Executive Director

Cc: Port Commissioners
File

Peter Swant, Commissioner
Ronald W. Dunning, Commissioner
Michael Fredrickson, Commissioner

Walla Walla County Economic Development Sales Tax Fund

SECTION I.

APPLICATION FOR FUNDING

Applicant:	City of Waitsburg		
Project Title:	Main Street Bridge Replacement		
Contact:	Randy Hinchliffe		
Title:	City Administrator		
Telephone:	509 337-6371		
Fax:	509 337-8089		
E-Mail:	rjhinch@gotvc.net		
Mailing Address:	P.O. Box 35		
City:	Waitsburg	Zip Code:	99361
Total Project Financing			
Total Project Cost:			\$ 1,400,000
Amount secured to date:			\$ 1,284,000
Total amount requested from the Economic Development Sales Tax Fund: Loan & Grant combined			\$ 100,000
Loan Information			
Amount of loan request:			\$ 0
Loan term requested (Maximum term is 10 years):		YRS	Rate
<i>A loan is a general obligation or revenue obligation of the jurisdiction receiving the loan. With acceptance of a loan, the jurisdiction agrees to obligate its full faith, credit and revenue to repay the loan, regardless of the project which prompted the application for funding. Maximum loan amount is \$200,000. Please review Attachment A - Principle Guidelines for the Economic Development Sales Tax Fund – Line item #4.</i>			
Grant Information			
Amount of Grant request: <i>(Please review Attachment A - Principle Guidelines for the Economic Development Sales Tax Fund – Line item #4)</i>			\$ 100,000
Amount of Local Public Match: <i>(Please review Attachment A - Principle Guidelines for the Economic Development Sales Tax Fund – Line item #5)</i>			\$ 16,000

Declaration: I hereby certify that the information given in this application is true and correct to the best of my knowledge and belief and that I have reviewed Attachment A - Principle Guidelines for the Economic Development Sales Tax Fund.

Signature of Responsible Official:  Date: 3/9/17

Print or Type Name and Title: Randy Hinchliffe City Administrator

SECTION II. IDENTIFICATION OF PUBLIC FACILITY PROJECT AND COSTS

- 1. Describe the entire public facilities project, including the parts that you are not asking to fund. (The term "public facilities" means bridges, roads, domestic and industrial water facilities, sanitary sewer facilities, earth stabilization, storm sewer facilities, railroads, electrical facilities, natural gas facilities, research, testing, training, and incubation facilities in innovation partnership zones designated under RCW 43.330.270, buildings, structures, telecommunications infrastructure, transportation infrastructure, or commercial infrastructure, and port facilities in the state of Washington.**

Replacement of the Main Street Bridge and corresponding approaches. The City secured a Capital Budget Grant from the State of Washington in 2015 for the 2015-2017 Biennium. The City opened bids on the project on February 23, 2017; receiving 12 bids with the lowest bidder being almost \$100,000 over the engineers estimate. The overage was due to cost escalation on the bridge substructure (precast girders) portion of the project. All design, engineering and permitting are complete. City of Waitsburg needs help funding with the construction phase of the project to help cover the overage on the girder cost, any possible change orders, construction observation, staking and testing.

- 2. Summarize efforts taken to date regarding the project in terms of specific steps and studies and dates of action.**

Project design/engineering are complete. All necessary environmental permits and approvals have been issued. City held a site visit with USFWS, NMFS and WDFW on March 11, 2016. NEPA and DNS issued on May 23, 2016. Shoreline development permit was issued June 15, 2016. City approved the MOA with interested parties on December 21, 2016. BiOps was issued January 31, 2017, USACE 404 Permit issued February 15, 2017. Project has been let out for bid with bids being received. All submitted bids were over engineers estimate.

- 3. Does this project qualify as economic development and does it create or retain family wage jobs? (Please review Attachment A - Principle Guidelines for the Economic Development Sales Tax Fund.)**

Yes. The Main Street Bridge is the main freight route over the Touchet River for grain going to the local grain elevator. It links the City's business corridor with activities on the Northside of the Touchet River. It is used by Aglink Inc. to access their bulk fuel plant as well as providing access for the industrial site of Alpine Industries. There is also a custom cabinet shop that uses the bridge as their business access. The route is used by Walla Walla County Public Works, McGregors company and provides a secondary access to the Port of Walla Walla's business park. Frontier Railway uses the rail spur near the project location for freight movement.

4. List the number of projected jobs to be retained and/or created by the firm as a result of the public infrastructure project. Jobs must be expressed in Full Time Equivalents (FTEs). Management positions should be indicated as an annual salary. * Retained jobs are defined as jobs that would otherwise be lost in Walla Walla County.

Job Description	Number of Jobs Created (in FTEs)	Number of Jobs Retained* (in FTEs)	Hourly Wage and/or Annual Wage
Seasonal Truck Driver - Harvest		60	\$ 20
Fuel Delivery - AgLink		2	\$ 25
Full time Truck Driver - McGregor		10	\$ 20
Season Grain Elevator Operator		3	\$ 10
			\$
			\$

Projected annual gross payroll for all job classifications? 1,008,000

How many of these positions are part-time or seasonal work? 63

5. Is this project listed in the Walla Walla County Comprehensive Plan (Chapter 11 Economic Development Element- Appendix G)? No Yes

6. Does your organization have an active interest and involvement in economic development?
Please explain?

Yes. Policy 24 of the City Land Use Element of its Comprehensive plan is to help encourage and facilitate economic development in the City of Waitsburg.

7. Will this project upgrade existing public infrastructure or build new public infrastructure?
Please explain?

Project will upgrade existing infrastructure. The current bridge was built in 1925 is a flooding hazard, has weight restrictions in effect, its too narrow and no longer usable for its original design. The project also upgrades the waterline going over the bridge that could be used to help encourage economic development on the north side of the bridge.

8. List each funding source for the public project and amount. Identify whether the funding source has been secured or is being requested.

Funding Source	Status	Amount
State of Washington - Department of Commerce	Secured	\$ 1,650,000
City of Waitsburg	Secured	\$ 16,000
Port of Walla Walla	Pending	\$ 100,000
		\$
		\$
		\$
		\$
Total Project Cost		\$ 1,766,000

9. Estimated schedule for public project completion. Indicate the month and year when the activities listed have been, or will be, completed.

Activities	Estimated Completion Date (Month/Year)
Preliminary Engineering Report	May 16, 2014
All Required Permits Obtained	February 15, 2017
Design Engineering	September 20, 2016
Land/Right-of-Way Acquisition	N/A
Final Bid Documents	January 30, 2017
Award Construction Contract	April 19, 2017
Begin Construction	June 1, 2017
Complete Construction	October 30, 2017
Construction Project Operational	November 30, 2017

10. What other quantifiable outcomes can this project measure in addition to the number of jobs created and retained?

Private sector capital investment \$ 100,000 _____

Increase in local property tax revenue: \$ 232 _____

Increase in local sales tax revenue: \$ 0 _____

Other:

11. Will the public facility project be maintained by the applicant? Indicate the projected annual operating cost of the proposed public facility project and revenue source for maintenance? Please explain.

City of Waitsburg will continue to maintain the bridge through funding allocations to its street fund. There are no projected operating costs for the first few years of operation other than occasionally sweeping the road and bridge deck.

Return Completed Application To:
Port of Walla Walla
310 A. Street, Walla Walla, WA 99362
509-525-3100

ATTACHMENT A
Principle Guidelines
Economic Development Sales Tax Fund (EDSTF)

Some provisions within these principle guidelines are requirements under RCW 82.14.370 - Sales and use tax for public facilities in rural counties.

1. Public infrastructure projects must be listed in the Walla Walla County Comprehensive Plan (Chapter 11 Economic Development Element – Appendix G). Public infrastructure project listed in the approved County Comprehensive Plan does not guarantee the public infrastructure project will receive funding.
2. At the beginning of each fiscal year, the Port will notify the jurisdictions of the available funding in the EDSTF and will transmit the application form and these principle guidelines.
3. The Port Commission will maintain discipline in using the EDSTF for strategic economic development opportunities. Public infrastructure projects that create, retain and/or expand family wage jobs (defined as \$25,000 per year plus a benefit package), encourage private sector capital investment, and new taxes are the primary goal of the EDSTF.
4. Cap any one jurisdiction from receiving more than a \$200,000 grant and a \$200,000 loan in any one fiscal year. Exceptions will be made for extraordinary job creating opportunities, private sector capital investments, and new taxes. Exceptions will also be made if a jurisdiction has projects that would allow the funding to be distributed countywide. For example, a jurisdiction may have a qualifying project in Burbank and during that same fiscal year they may have a qualifying project in Waitsburg. In order to help disburse the EDSTF countywide, both qualifying applications would be considered.
5. Applications require a 50% local public match (\$200,000 EDSTF request, \$100,000 local public match). Only a 10% local public match will be required for the City of Prescott and City of Waitsburg due to their size and access to local public matching dollars. Local public match is defined as publicly-appropriated local funds. Funds appropriated from state, federal, other funding sources, and in-kind match do not qualify as local public match. Private sector funds directly allocated to the public infrastructure project will be considered as a local public match.

Example: If the public infrastructure total project cost is \$200,000 (design engineering, construction and construction assistance), the applicant is required to secure \$100,000 in local public match and can apply for a \$100,000 in EDSTF. In the case for City of Prescott and City of Waitsburg, if the public infrastructure project cost is \$200,000 (design engineering, construction and construction assistance), the applicant is required to secure \$20,000 in local public match and can apply for a \$180,000 in EDSTF.

6. Each public infrastructure project approved for EDSTF will need to enter into a performance contract and/or inter-local agreement guaranteeing performance.

7. Public infrastructure projects that can substantiate the creation of new direct family wage jobs (defined as \$25,000 per year plus a benefit package), private sector capital investment, and new taxes will have the best chance in securing an EDSTF grant and/or loan.
8. Public infrastructure projects that cannot identify the creation of new direct family wage jobs (defined as \$25,000 per year plus a benefit package), private sector capital investment, and new taxes are encouraged to apply for an EDSTF loan. If the applicant is requesting an EDSTF grant, and an EDSTF grant is awarded, the applicant will be restricted in applying for an EDSTF grant for 5 years from the date of award. However, during this 5 year restricted period, the applicant has a public infrastructure project that can demonstrate the creation of new direct family wage jobs (defined as \$25,000 per year plus a benefit package), private sector capital investment, and new taxes, their application would be considered for funding.
9. Public infrastructure related projects that can substantiate the retention of existing family wage jobs (defined as \$25,000 per year plus a benefit package) are encouraged to apply for EDSTF grant and/or loan. To substantiate job retention, the applicant must fully demonstrate that a specific business would have a reduction in its labor force without the public infrastructure improvement.
10. Projects approved for funding must start drawing down the appropriated funds for the proposed public infrastructure project within 1 year from the date the application is approved. All appropriated funds must be fully expended within 2 years from the date the application is approved. If applicant cannot meet said deadlines, the application must be resubmit their application for consideration. All existing approved public infrastructure projects will have priority funding over the new resubmitted application.

Approved by the Port Commission on the 25th day of September, 2014

Concurrence by the Walla Walla County Commissioners on the 20th day of October, 2014