



# Department of Commerce

## 2016 Environmental Permitting Grant Application

Cities and counties **east of the Cascades** may apply for grant funds to assist with the cost of preparing an Environmental Impact Statement (EIS) or conducting an environmental analysis that advances environmental permitting activities in and around current and future large manufacturing sites and other key economic growth sectors.

### Application Requirements

Applications must meet the following minimum criteria:

1. Applicant must be a city or county in Washington State and East of the Cascade Mountains.
2. The proposal must support a large manufacturing site or fit within one of the following key economic growth sectors: aerospace, agriculture and food manufacturing, clean technology, forest products, information and communication technology, life science/global health, maritime, military and defense.
3. Up to \$250,000 in grant funds may be requested.
4. **Work must be complete by June 30, 2017.**

### Evaluation Criteria

Applications will be evaluated based on the following criteria:

1. The amount of local match provided as a percentage of the total grant request. Staff time can be considered in the calculation of local match.
2. The number of manufacturing or other jobs created and/or retained within one of Washington's key economic growth sectors.
3. Designated Projects of Statewide Significance in accordance with Chapter 43.157 RCW.
4. The size of the manufacturing or project site as measured in acres.
5. Proposals which make use of or revitalize existing vacant or underutilized manufacturing or industrial sites.
6. Readiness to proceed with the development of a manufacturing or other key economic operation.
7. Support from local economic development organizations and consistency with regional economic development strategies as specified in locally adopted comprehensive plans and/or comprehensive economic development strategies (CEDs).

### Authorizing Statute

Second engrossed substitute house bill  
Chapter 36, Laws of 2016 (partial veto)  
64<sup>th</sup> Legislature – 2016 1<sup>st</sup> Special Session  
Operating Budget – Supplemental

Sec. 126

**FOR THE DEPARTMENT OF COMMERCE**



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(43) \$500,000 of the economic development strategic reserve account—state appropriation is provided solely for the department to provide grants to local governments to assist a county or city east of the Cascades in paying for the cost of preparing an environmental analysis that advances environmental permitting activities in and around current and future large manufacturing sites and other key economic growth centers.

## Timeline

<b>October 13, 2017</b> <b>5:00 p.m.</b>	<b>Applications Due</b> Submit one electronic copy (Microsoft Word or PDF) and one original paper copy of the signed application to: William Simpson - 10 N. Post St Suite 445, Spokane, WA 99201 <a href="mailto:william.simpson@commerce.wa.gov">william.simpson@commerce.wa.gov</a>
<b>October 27, 2016</b>	<b>Projects selected</b>
<b>December 15, 2016</b>	<b>Contracts executed</b>
<b>June 30, 2017</b>	<b>Project must be complete and grant funds expended</b>

## Program Policies

1. Grant funds will be distributed on a reimbursement basis, with 10% withheld until project is complete, all matching funds have been spent, and project deliverables have been received and verified by Commerce.
2. Project must be complete and grant funds utilized by June 30, 2017. **Applicants must commit to expediting the contract execution by December 15, 2016.**
3. Applications and supplemental materials shall not exceed twelve (12) pages.
4. Commerce reserves the right to require amendments to the project scope and deliverables following notification of a successful application.



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I. Applicant Information	
Applicant Name	Pend Oreille County
Tax ID Number	
Jurisdiction Type	<input checked="" type="checkbox"/> County <input type="checkbox"/> City
Contact Name	Gregg Dohrn
Contact Title	County Planning Consultant
Mailing Address	PO Box 5025
City, State Zip	Newport, WA 99156
Contact Phone	206-679-7507
Contact Email	greggdohrn@comcast.net
Letter of Support	<i>Please attach a letter of support signed by the chief elected official of the city or county making the application.</i>

II. Financial Information					
Grant Request <i>Maximum of \$250,000:</i>		\$250,000			
Local Match:		\$100,000			
Other Funds:		\$300,000			
Total Project Cost:		\$650,000			
Status of Matching Funds <i>Identify the amount of matching funds by fund source, whether matching funds are secured or pending, and include the date funds are expected to be secured.</i>	Amount	Fund Source	Matching Funds (Y/N)	Status <i>Secured or Pending</i>	Date Expected to be Secured
	\$100,000	County .09 Funds		Secured	
	\$300,000	Governor's Strategic Reserve		Secured	
	\$				



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<p>Explain why the grant is critical for this project's success.</p>	<p>Governor Inslee recently announced that HiTest Sand, a Canadian-based company, is planning on building a \$300 million silicon smelter that would create 170 permanent full-time jobs in Usk, near the Cusick UGA in Pend Oreille County. Pend Oreille is an extremely distressed rural county with only four industries, an unemployment rate over 9%, and with an average annual wage per person \$15,000 less than the statewide average. The amount of private investment and the number of jobs that would be created is incredibly important to the county and may in fact determine the future economic viability of its communities. The proposed development has been designated an Economic Development Project of Statewide Significance by Governor Inslee and the requested funding is essential in order for the County to assist in the design of the project and to fulfil its responsibilities under the Growth Management Act. This is especially challenging as the County's Director of Community Development has just accepted a position with the Kalispel Tribe leaving a huge void in the two-person County Planning Department.</p>
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III. Project Description	
Project Title	Economic Development Project of Statewide Significance
Is this a Planned Action EIS?	No
Type of EIS	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Supplemental <input type="checkbox"/> Addendum <input type="checkbox"/> N/A
Name of Project Site	Ponderay Newsprint Company mill in Usk, adjacent to the Cusick Urban Growth Area in unincorporated Pend Oreille County.
Size of Project Site (in acres)	Approximately 84
Brief Project Description	Governor Inslee has recently announced that HiTest Sand, a Canadian-based company has plans to build a \$300 million silicon smelter on the site of the Ponderay Newsprint Company Mill in Usk, adjacent to the Cusick Urban Growth Area in unincorporated Pend Oreille County. This proposed development has been designated as an Economic Development Project of Statewide Significance by the Governor. The Governor has dedicated \$300,000 from his Strategic Reserve Fund to assist the company with the design and environmental studies. The County has committed \$100,000 of very limited local funds to support the project and the funding requested through this grant application is essential in order for the



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	<p>County to provide meaningful opportunities for public involvement throughout the design and permitting process, as well as to initiate environmental studies necessary to help avoid or minimize potential adverse impacts, and top potentially narrow the scope of the anticipated EIS. The funding is also necessary in order for the County to fulfill its responsibilities in permitting the project and to make sure the County's Comprehensive Plan and Development Regulations are updated in order to appropriately address indirect impacts and opportunities associated with the proposed development.</p> <p>The proposed development must be located next to the Ponderay Newsprint Company mill in order to take advantage of the existing power infrastructure and the rail line, which presents a number of planning challenges that the County will need to address in partnership with the Kalispel Tribe, the Town of Cusick, the Pend Oreille EDC, the Port of Pend Oreille, the Pend Oreille PUD, and local property owners. The state funding is essential in order for this joint planning to occur.</p>
Scope of Work Timeline and Deliverables	<p><i>Please attach a project plan identifying the tasks and milestones for the project.</i></p> <ul style="list-style-type: none"><li>• <i>Identify the project tasks and milestones.</i></li><li>• <i>Identify the projected completion date of each project task. The project timeline <b>must show completion of the project by June 30, 2017.</b></i></li><li>• <i>Identify the project deliverables that will be completed. Please explain how the deliverables will show successful project completion.</i></li></ul>



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Describe how the proposal is consistent with the locally adopted comprehensive plan and the regional economic development strategy.	Pend Oreille County only has four industries, two of which have been subject to periodic closures and one which may be permanently closed in the next few years. The addition of a clean energy related industry that will provide family wage jobs and contribute so significantly to the economic base of the County is obviously of critical importance. What is less understood is that the addition of this particular industry could enable the Pend Oreille PUD to sell its power to a local employer and not be forced to sell its power on the grid to assist communities in other parts of the country to the great detriment of Pend Oreille County.	
Is this a designated economic development project of statewide significance under RCW 43.157 (Choose One Option Below)		
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Application Pending

## IV. Manufacturing or Processing Operation

Name of Manufacturing or Other Business Expected for Site	HiTest Sand					
Nature of the Business Opportunity (Choose One Option Below)						
<input type="checkbox"/> Existing Business on or Near Site Expanding	<input checked="" type="checkbox"/> Actively Recruiting New Business for Site	<input type="checkbox"/> Planning for Future Recruitment Efforts				
Size of Manufacturing or Processing Operation (in square ft.)						
Manufacturing Product or Operation	Silicon Smelter					
Number of Jobs Expected to be Created/Retained in First Year of Business Operations on Site	170 permanent fulltime jobs					
Economic Sector	Aerospace	<input type="checkbox"/>	Agriculture & Food Manufacturing	<input type="checkbox"/>	Clean Technology	<input checked="" type="checkbox"/>
	Information & Communications Technology	<input type="checkbox"/>	Life Science & Global Health	<input type="checkbox"/>	Maritime	<input type="checkbox"/>
	Military & Defense	<input type="checkbox"/>	Forest Products	<input type="checkbox"/>		



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## V. Supplemental Information

Applicants are encouraged to submit supplemental information to demonstrate how their project is consistent with the evaluation criteria. This may include, but is not limited to, site maps, a detailed scope of work with project costs, a proposed work plan, letters of support, and additional background information about the site, sector, or future employer. The application and supplemental materials shall not exceed fifteen (12) pages.

**Commerce Staff Contact:**

William Simpson, AICP

*Senior Planner, Growth Management Services*

Office and Mobile: 509-280-3602

[william.simpson@commerce.wa.gov](mailto:william.simpson@commerce.wa.gov)