



Pend Oreille County

Board of Commissioners

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October 11, 2016

Mr. William Simpson
Senior Planner
Growth Manager Services
Washington Department of Commerce
10 N Post Street, Suite 445
Spokane, WA 99201

Dear Mr. Simpson:

As you know, Governor Inslee has recently announced that Pend Oreille County is the preferred site for a new state of the art silicon smelter and he has designated the project as an economic development project of statewide significance. We are excited about the tremendous economic development potential of this project for our small rural community and we look forward to working closely with your office to make it a reality. We also recognize that with this opportunity comes tremendous responsibility and we are also looking forward to working closely with the Project Sponsor to make sure that the project is designed to avoid or minimize, and if necessary to mitigate any potential adverse impacts to the environment. As a result, we greatly appreciate the opportunity to submit this request for state funding assistance that will enable us to initiate environmental studies and planning actions necessary to facilitate the design and permitting of the project in a timely manner.

As we've discussed, the prospective site is extremely well suited for economic development as it is property surplus to the operation of the Ponderay Newsprint Company mill. The mill is adjacent to the Cusick/Usk Urban Growth Area and is served by the full range of urban services including water, sewer, high capacity electrical power, rail, and a state highway. Given our desire to avoid or minimize to the greatest extent possible any potential adverse environmental impacts, we are focusing our efforts on environmental studies that will assist the Project Sponsor with the layout and design of the proposed facility which includes wetlands, frequently flooded areas, cultural resources, and transportation facilities. In addition, we will be initiating a series of planning actions that will ensure that the development is consistent with the provisions of the County Comprehensive Plan and the Growth Management Act, and that induced development that may occur is directed to areas where urban services exist or can be reasonably provided, and that the rural character of the County is preserved.

The proposed development will result in an investment of over \$300 million, will create 170 full-time, family wage jobs, and will produce high grade silicon that will be used by clean industries to produce products such as solar panels. To say that this is a project of statewide significance is an understatement, especially when you consider that there are only four industries in all of Pend Oreille County, and that the county has an unemployment rate nearly twice the statewide average and that the average annual wage per person in Pend Oreille County is over \$15,000 less than the statewide average. Simply stated, this project is of critical importance to our community, and we must do everything we can to help make it a reality. As a demonstration of our commitment, we have obligated \$100,000 of our extremely limited local resources to support this project, and we have already hired a Project Manager to coordinate and facilitate all aspects of our involvement. We simply couldn't afford to wait, but this grant request is essential if we are to continue our efforts.

We understand that the state funds must be expended by June 30, 2017 and as a practical matter the activities that we have proposed must be completed by then, if the proposed project is to become a reality. As a result, we would hope that the proposed timeline for executing the contract documents could be shortened, or at least the County could be authorized to incur costs effective the date of the grant award as is the case with the Governor's Strategic Reserve Funds administered by the Department. Either way, we can assure you that the proposed tasks will be completed in a timely manner and all funds expended within the required timeframe. More importantly, we can assure you that the proposed activities are absolutely essential to the success of this project of statewide significance. If you have any questions in that regard, please don't hesitate to let us know or to contact our Project Manager, Gregg Dohrn at 206-679-7507 or greggdohrn@comcast.net.

Your interest and support of this once in a lifetime opportunity for our community is greatly appreciated!!

Sincerely yours,



Commissioner Mike Manus



Commissioner Karen Skoog



Commissioner Stephen Kiss

CC: Governor Jay Inslee

Melissa Carpenter, Governor's Eastern Washington Public Liaison Office
Kelly Craig, Governor's Office for Regulatory Innovation and Assistance
Chris Green, Washington State Department of Commerce
Terry Lawhead, Washington State Department of Commerce
Dave Anderson, Washington State Department of Commerce
Grant Pfeifer, Washington State Department of Ecology
Jamie Wyrobek, Pend Oreille Economic Development Council