

Yakima County

**Supporting Investments in
Economic Development**

**Committed Private Business
Application for Funding**

Threshold Requirements

All questions must be fully answered in order to qualify as a complete application. If you need more space for an answer, please attach additional sheets as needed noting the corresponding section, for example "C2."

- ☒ **Resolution.** A resolution or ordinance of the local governmental jurisdiction authorizing the *SIED* application is required.
- ☒ **Project Costs.** Engineer cost projections for public project costs are required. *SIED* will not entertain requests for project cost overruns. For the success of your project, ensure project cost estimations are realistic.
- ☐ **Local Match.** A local match of twenty (20) percent of the *SIED* request is required. Local match may be demonstrated as cash or in-kind contribution.
- ☒ **Other Funding Sources.** In addition to *SIED*, identify which public sources were considered to fund this project. Indicate what the outcome was.
- ☐ **Planning.** A statement is required from the planning jurisdiction relating to the type of public facility for which a *SIED* investment is sought.
- ☐ **Permits.** All public and private permits must be received.
- ☒ **Private project description.** Job creation and private sector financing must be evident.
- ☐ **Contingency Agreement.** A complete Contingency Agreement (form included) is required for all projects. The Contingency serves as the first level of convincing evidence that the private sector development will occur.
- ☒ **Acceptance of Reporting Requirements.** The County is required to report annual information on the use of *SIED* funds. A signed agreement (form included) to report the use of *SIED* funds must accompany the application.

Please submit application to:

Yakima County Development Association
PO Box 1387, Yakima, WA 98907-1387
(10 North 9th Street, Yakima WA 98901)

REQUEST FOR FUNDING (Funding is awarded 50% Loan and 50% Grant. No more than \$1,000,000 total award from SIED when loan and grant combined.)

Interest rates on loans are established when the County formally approves the project contract by using the County Interfund Loan Rate, as authorized by law. Loans are given for a term of 10 years and annual payments are made in equal amounts on June 1st of each year.

An interlocal agreement will be established between the County and the applicant specifying repayment dates and a loan amortization schedule. Loan payment installments are based on an ordinary annuity, compounded annually.

If an applicant needs additional flexibility on loan repayment schedules they can request a deferral. Interest on loans will continue to accrue from the date the contract is approved by the County, even if the applicant is granted a deferral on their first loan payment.

If an applicant requests a deferral of the first loan payment, the applicant must justify the request.

A SIED loan is a general obligation of the jurisdiction receiving the loan. With acceptance of a SIED loan, the jurisdiction agrees to the terms of the interlocal agreement regardless of the project which prompted the application for SIED funding.

Applicant: City of Yakima, WA	Tax ID #: 91-6001293
Contact: Bill Preston	Title: City Engineer
Phone: 509-576-6754	Email: Bill.preston@yakimawa.gov
Address: City Hall, 129 N 2nd St	City: Yakima, WA
	Zip Code: 98901
Resolution Number Authorizing this Application for SIED Funding: pending	
I hereby certify that the information given in this application to the Supporting Investments in Economic Development Board is true and correct to the best of knowledge and belief.	
Signature of Responsible Official: _____	
Printed Name and Title: Robert Harrison, City Manager	

Indicate the full terms requested for SIED consideration:

- Loan Terms Requested: See p. 5
- A deferral of the first loan payment (up to five years): na
- Total number of years for repayment: na
- Please provide justification If requesting a deferral of the first loan payment:

See page 5 of application

- Please provide justification if a lower interest rate is requested:

Executive Summary

The SIED Advisory Board takes many factors into consideration when making recommendations for funding. This Project Summary highlights the main factors including: local match, funding from other sources, jobs created/retained, wage rates, jobs created/retained per SIED dollar invested, new private investment, and new tax revenues generated.

Traffic and Safety Study for Yakima Chief Hop Campus Expansion

Project Title: _____

Project Summary: Describe the public infrastructure project and the private development that will occur. Explain why the private development requires the public infrastructure project:

The request from the City of Yakima is to assist Yakima Chief Hops in determining the appropriate public street improvements necessary to address traffic and safety issues related to a campus expansion plan in the immediate vicinity of their existing campus at 306 Division Street, in the City of Yakima. Creation of a safe and efficient street network around the Yakima Chief Hop campus is an essential component to the corporate decision about retention and expansion of the existing campus location.

The first phase of this request is to produce a recommendation on the needed improvements. This will be accomplished via a contract with a professional engineering firm to assess the existing traffic conditions as well as analysis of the nature, frequency and severity of pedestrian and vehicular collisions in the vicinity of the existing campus. Likewise the existing street network will be reviewed for deficiencies related to lane configuration, turning radius, pedestrian accommodations, street lighting, traffic control measures. Improvements to public streets must meet engineering warrants and City design standards

The mixture of on-site, large vehicles (semi-trucks) and pedestrians with the background volume and speed of traffic on South 3rd Avenue and Division Street creates a complex traffic environment. A variety of improvements will be reviewed and evaluated

Indicate the Minimum Necessary Total Public Project Infrastructure Costs (no more than \$1,000,000 total award from SIED when loan and grant combined):

SIED Loan Requested: \$ _____

SIED Grant Requested: \$ ^{30,000} _____

Local Match (20% of SIED request): \$ _____

All Other Funding Sources: \$ _____

Total Public Project Cost: \$ ^{30,000} _____

Total Private Investment in Plant/Equipment: \$ _____

Total Jobs Created/Retained: ^{28/96} _____

Median Wage: \$ ^{27.52} _____ Average Wage: \$ _____

Fringe Benefits Offered: ^{Healthcare, Dental, PTO} _____

Estimated Assessed Value of the New Plant/Equipment: \$ ^{TBD} _____

Total SIED Request divided by Total Jobs Created/Retained: \$ ^{1,071} _____

Total Private Investment in Plant/Equipment divided by Total SIED Request: \$ ^{TBD} _____

Other Benefits of the Public Infrastructure Project:

Yakima Chief Hops representative Art Ortega , Director of Facilities and Regulatory Compliance describes the campus expansion project as follows:

"The headquarters of Yakima Chief Hops (YCH) is located at 306 Division St (SW corner of the intersection) while our R&D Lab, Sensory Room, 2 Warehouses, are located in 203 Division St (NE side next to Amerigas) and our Pelleting, Small Pack facilities and 3 Warehouses are located at 204 Division St (SE corner of the intersection), respectively. Employees and including customers often cross this intersection of Division St and 3rd Ave as they conduct their day-to-day business. The foot traffic in this intersection is heaviest during hops harvest. In the past, we have used parking spaces of other properties (with their permission) to accommodate any parking overflow...see 3 highlighted areas below. In terms of expansion, there has been talks in the past about possibly acquiring the warehouse owned by S.S. Steiner...see highlighted building below. Another possibility is possibly acquiring the AmeriGas Propane property.

To reiterate our CEO's letter to the City of Yakima, Safety at Yakima Chief Hops (YCH) is our highest priority. Safety training is not only given to full time employees but also to part time and seasonal employees to ensure that everybody is on the same page when it comes to safety. YCH provides in-class training, hand-on training, and/or whenever possible an expert of that field is brought in to provide their insight and real life perspective. The unsafe intersection between Division St and 3rd Ave has resulted with an annual average rate of 4 to 5 accidents per year (according to our Warehouse Manager) with the latest accident occurring last October 18, 2021 when a Subaru vehicle was hit and deployed its airbag! Accident like this could be fatal to any pedestrian. Back in 2016, YCH has invested in purchasing the existing strobe lights worth ~\$9,000 in this intersection of Division St and 3rd Ave. Despite the installation and operation of these strobe lights, it is simply not enough deterrent because in some cases the cars just don't stop. It is why YCH is requesting for the next step in safety...a 4-way traffic light.

A. Public Sector Project

- A1. List all funding sources for the public project and amount. Identify whether the amount has been provided or is being requested. Provide the status and date the funds were approved or the date that funds are expected to be approved:

SOURCE	STATUS	DATE	AMOUNT
SIED loan requested	_____	_____	\$ _____
SIED grant requested	_____	_____	\$ 30,000 (for study
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
Total project costs			\$ 30,000

Funding to complete the Public Project must be secured within one year of a SIED offer of financial aid
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- A2. Will this project upgrade an existing public facility or build a new one? Existing facility

Describe the entire public facility project, including the parts that you are not asking SIED to fund.

Yakima Chief Hops, 306 Division Street is the largest supplier of hops in the United States. They are currently in the planning process to determine if they will stay in this location. Integral to their decision is the need to improve pedestrian safety and campus integration on both sides of South 3rd Avenue. The requested funds will establish a contract for a professional study and identify appropriate improvements to the street system in order to accomplish the campus plans, in a way that also meets City of Yakima public street standards.

The specific street improvement is not known without the study. Campus expansion plans have been provided in a general format to the City and shared with the SIED board.

- A3. Specifically, for what element(s) of the public project are SIED funds requested?

At this time, the SIED funds are requested for the improvement study. A future SIED application is anticipated when the improvement is determined to pay for intersection, sidewalk, traffic control and related improvements.

A4. Describe how the public facility project will enhance or encourage other development in the immediate area in addition to the direct development described in this application section C.

Improvement of the intersection of South 3rd Avenue and Division Street would provide a safer environment for the existing Yakima Chief Hops campus, as well as the South 3rd Avenue corridor. The intersection of Division Street with South 3rd Ave also provides access to the city arterial street network for a number of other industrial land uses both west and east of South 3rd Avenue. South 3rd Avenue is a Minor Arterial Street that carries approximately 16,500 average daily vehicle trips. It is classified as a T-4 Freight Route. The Division Street intersection with South 3rd Avenue is one-half mile north of the intersection with Nob Hill Boulevard, which provides direct access to I-82. This is a very important freight corridor. Improving freight routes to the Interstate system (I-82) and providing neighborhood safety are the most immediate enhancements of this project which needs to be evaluated and engineered.

A5. List all permits and environmental reviews required for the **PUBLIC SECTOR PROJECT** and give their current status (applied for, application being prepared, permit issued, etc.)

PERMIT	ISSUER	STATUS	ANTICIPATED COMPLETION DATE
N/A for study			

Permits to complete the Public Project must be secured within six months of a SIED offer of financial aid

A6. If environmental permits are not required for the project (e.g., Shorelines Permit, Environmental Impact Statement, etc.), **please explain why they are NOT required.**

This request is for engineering study only. Future construction of street improvements may require permits and environmental review.

- A7. Estimated schedule for public project completion. Indicate the month and year when the activities listed have been, or will be, completed.

	ESTIMATED COMPLETION DATE (month/year)
Preliminary Engineering Report	\$30,000 _____
Environmental Review	_____
All Required Permits Obtained	_____
Design Engineering	_____
Land/Right-of-Way Acquisition	_____
Prepare Bid Documents	_____
Award Construction Contract	_____
Begin Construction	_____
Project Operational	_____

- A8. What other jurisdictions, such as counties, cities, port districts, tribes, state/federal agencies are involved in the planning, design, financing, construction or operation of this project?

City of Yakima only for study _____

Please explain how completion of the project is coordinated between other involved parties.

The purpose of this study is to evaluate options for the intersection and street environment that would be acceptable to both parties (City and Yakima Chief Hops).

When Yakima Chief Hops makes their corporate decision and decides to pursue the campus plan, they will contract with a professional design firm to complete the plans. The City Engineer will review the engineering plans submitted by a private engineer. The City of Yakima will review and guide the permitting process as necessary. Other agencies have the opportunity to review as appropriate.

- A9. Will the SIED public facility project be totally maintained by the applicant? If not, whom? Please explain.

Yes, physical improvements constructed in the street right of way for traffic control and safety will be maintained by the City of Yakima. If Yakima Chief Hops decides to add landscaping, they will be required to install appropriate irrigation and maintain the plants.

The removal of snow and maintenance of sidewalks is a responsibility of the adjoining properties.

A10. How will this project impact utility rates and public services within the jurisdiction?

NA for study

B. Financial Information of SIED Applicant

B1. Other public sources of funding for public economic development projects are listed below and must be investigated. In addition to SIED, identify which public sources were considered to fund this project. Indicate what the outcome was.

Federal Grant/Loan Programs:	YES	NO	OUTCOME
Economic Development Administration	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
Rural Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
FASTACT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
Other: _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
State Grant/Loan Programs:			
Transportation Improvement Board	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
Community Development Block Grant	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
Public Works Trust Fund	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
Department of Ecology	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
CERB	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
RTPO/MPO	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
Other Funding Options:			
Revenue Bonds	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
General Obligation Bonds	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
LID	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
ULID	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
Other: _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____

B1 continued: Provide a narrative of the investigation of the above referenced funding sources and the outcomes:

B2. In the context of the local government's overall annual budget, explain the need for SIED assistance. If the applicant has budget reserves, please explain why these funds are not available for the project.

The City of Yakima cannot fund a private design project.

B3. Identify funds (General Fund, Utility Fund, Property taxes, etc.) that are eligible to repay a SIED loan:

N/A

Will a revenue stream be generated that could repay a SIED loan outside of the system's normal operations and maintenance costs? If yes, please explain:

B4. If the local jurisdiction is not financially contributing to the project, please explain why.

C. Private Sector Project *Complete Section C and a Contingency Agreement for each private sector entity.*

In order to show that a specific private investment is ready to occur, but will do so only if SIED assistance is made available to the applicant, SIED requires a signed Contingency Agreement(s) between the applicant and the private sector representative(s). If a developer is involved, there must also be a signed Contingency Agreement between the developer and the proposed tenant.

Private Sector Business: <u>Yakima Chief Hops</u>		
Contact: <u>Ryan Hopkins</u>	Title: <u>CEO</u>	
Phone: <u>509-307-9557</u>	Email: <u>ryan.hopkins@yakimachief.com</u>	
Address: _____	City: _____	Zip Code: _____

C1. Describe the private development that will be supported by the public infrastructure/facility project.

This study will support the expansion of Yakima Chief Hops Yakima office location and will lead to public infrastructure improvements at the intersection of 3rd and Division.

C2. Explain why the private development requires the proposed public infrastructure improvements described in this application.

Public & employee pedestrian safety, traffic control and intersection improvements.

C3. Indicate the construction schedule (if applicable) for the proposed private sector project.

	(month/year)
Private Facility Construction Begins	anticipated late 2022 once funded
Private Facility Construction Completed	TBD
Private Facility Operational	TBD

C4. List all permits required for the **PRIVATE SECTOR PROJECT** and give their current status (applied for, application being prepared, permit issued, etc.)

PERMIT/ENVIRONMENTAL REVIEW	ISSUER	STATUS	ANTICIPATED COMPLETION DATE
N/A			

Permits to complete the Private Project must be secured within one year of a SIED offer of financial aid
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C5. What private authorizations remain prior to proceeding with the proposed private development project?

If the SIED board authorizes the design study of this important project, The Yakima City Council will accept the grant to fund the study.

C6. Explain how the private sector is financing their capital investment in this project.

Yakima Chief Hops has stated that they will assess future campus plans. The safety of this intersection is a prime factor in deciding if they will stay at this location.

C6 continued: When will private sector financing be in place?

Please list financial references that can verify financing sources and capacity for this project.

C7. List the number of projected jobs to be retained and/or created by the firm as a direct result of the public infrastructure project supporting the private development. Retained jobs are defined as jobs that will be lost to the county if the public project is not completed.

Jobs must be expressed in Full Time Equivalents (FTEs) and wage data should exclude fringe benefits. Management positions should be indicated as an annual salary.

Job Description	# Of Jobs Retained (In FTEs)	# Of Jobs Created Year 1 (In FTEs)	# Of Jobs Created by Year 3 (In FTEs)	Current or initial Hourly Wages	Local Occupational Hourly Wages
Mgmt./Admin*					
Technical/Prof.					
Office/Clerical					
Production					
Sales					
Skilled Crafts					
Others					
Totals	96	28	TBD	27.52	

- a) How many of these positions are for seasonal work? Give response in FTE: _____
b) What kind of fringe benefits does the company offer to regular full time employees?

Health, dental, PTO

C8. How were job projections developed? Explain how the projections are realistic.

C9. Will this project move existing jobs from another part of the county? If yes, please describe why the project cannot happen where the jobs are currently located.

No

C10. Will the private sector project offer expanded employment opportunities to disadvantaged or unemployed workers? How will the firm work to hire people from Yakima County?

Yes

Attachments

1. **Resolution:** A resolution or ordinance of the local governmental jurisdiction authorizing the *SIED* application.
2. **Plan listing the project:** Attach a copy of the section of the comprehensive plan or capital facilities plan that lists the public project.
3. **Site map of the area:** Identify the location of the site, public infrastructure and private development project (existing and/or proposed). Specifically identify where *SIED* funds are proposed to be used.
Materials must be reproducible in black and white and in 8 1/2 x 11 format.
4. **Engineering estimates supporting project costs:** Identify whether estimates are from preliminary engineering or design engineering work.
SIED will not entertain requests for additional funding if projections are insufficient
5. **Contingency agreement:** A complete Contingency agreement (form included) is required for all projects. The agreement serves as the first level of convincing evidence that the private sector development will occur.
6. **Business plan or year-end financial statements of the Private Sector Business:** Attach supporting information such as a business plan or year-end financial statements (financial statements may be unaudited). The entire *SIED* application is considered a public record; however, financial and commercial information provided by the private business is exempt from disclosure to the extent permitted by RCW 42.56.270 paragraph (4).
7. **Letters of support:** If applicable, please include any letters of support for this project from partners or others entities in the community.

SAMPLE CONTINGENCY AGREEMENT

1. PARTIES.

The parties to this Agreement are *THE APPLICANT* and *THE PRIVATE BUSINESS*.

ATTENTION: If a developer is involved in the project, the tenant must also be a party to this agreement or there must be an additional agreement between the developer and the tenant.

2. PURPOSE.

The purpose of this Agreement is to clarify the intentions of the parties regarding the completion of *THE PUBLIC FACILITIES PROJECT*. This section should also contain an explanation of the need for the public improvements.

3. BACKGROUND.

The purpose of this section is to provide a description of the public improvements, which can be referenced, thereafter, as "required public improvements."

4. AGREEMENT.

This section must contain the following:

- a) A statement that the applicant agrees to construct the required public improvements providing that SIED financing is approved.
- b) A statement by the business of the projected number of permanent, full-time jobs created and/or retained as a result of the public facilities project. (Attention: Job estimates identified here must equal those in Question C5.)
- c) A statement by the business of the estimated private capital investment.
- d) An agreement by the business to contact the local One-Stop Career Center, Job Service Center, or appropriate Community Based Organization for assistance in filling new positions.
- e) An agreement by the business to provide the applicant with employment and investment data as requested by SIED.
- f) If applicable, this section must also contain a list of any public and/or private contributions to the public facilities project, such as cash contribution or donated land.

5. CONTINGENCY.

This Agreement is contingent upon receipt of SIED funds by *THE APPLICANT* and is intended to meet the first level of convincing evidence of private development as required by SIED.

All parties must sign the Agreement.

Supporting Investments in Economic Development Reporting Form

Applicant: _____

Project Title: _____

Public Infrastructure Project: _____

Plan Containing the Project: _____

Total Spent on the Project: _____

Amount of SIED Funds (loan and grant) spent on the project _____

Estimated Number of Businesses Created or Retained by Project: _____

Estimated Number of Jobs Created or Retained by Project: _____

Instructions to Preparer:

1. List the public facility project.
2. Indicate where the project is listed (e.g., officially adopted county economic development plan, economic development section of the county's comprehensive plan, etc.).
3. List an amount of total expenditures related to the project.
4. List an amount of expenditures paid for by SIED funding.
5. The applicant must provide an actual or estimated number of businesses jobs that will be created, attracted, expanded or retained.
6. Documentation supporting this report must be made available upon request for audit purposes and public requests.

If awarded SIED funds, I hereby agree to annually report to the SIED Board the use of those funds according to the instructions above.

Signature of Responsible Official: _____

Printed Name and Title: _____