

# CITY MANAGER WEEKLY UPDATE REPORT ~ KENT MYERS

September 25, 2009

Last week I had an opportunity to tour the City's new Water Treatment Plant which will be operational later this year. This is an impressive state-of-art facility that will provide for our water treatment needs for many years. The plant is scheduled to be turned over to the City for operation in late November or early December. This action will satisfy the Ground Water Under the Influence of Surface Water Agreed Order between the City and the Washington State Department of Health. The City will be coordinating with the National Park Service a dedication of this facility and I think that you will be impressed with this new facility.

This week I was also able to participate in a meeting of the PA Forward Subcommittee that is working on strategies for implementing the recommendations included in the AIA study. A public meeting tentatively scheduled for October 13 at 6 p.m. in the Council Chambers. The purpose of this meeting is to solicit comments from local citizens as part of the process to determine which recommendations from this study have the highest priority for consideration to be implemented in the near future.

This week the Port's Executive Director, Jeff Robb, and I made a presentation to the Peninsula Development District (PDD) on future plans for renovation of the Coho Ferry Terminal and connecting these improvements to the future development of the Waterfront Promenade. Although plans are still being developed on these projects, this initial presentation was well received and our project ranked #1 of all of the projects submitted to the PDD. In the next 30-60 days we hope to have more complete plans to show to the Council, Port Commissioners and other local groups. At this early stage it appears that this will be an exciting and very worthwhile project that may get off the ground in the very near future. We will continue to search for outside funding sources and will keep you posted.

The TIGER grant, which includes a funding request for both the Waterfront Promenade and the ferry terminal improvements, was submitted to the Department of Transportation last week. I have attached several pages from the grant application for your information. We should know by February whether or not this grant will be funded.

Over the past year there have been a lot of concerns expressed about the business climate in the State of Washington and how we may not be competitive for new economic development opportunities. It was very heartening to receive the attached report this week from Forbes.com that rates our State #2 in their recent "Best States for Business" ranking. According to this study the growth prospects appear to be excellent even though business costs continue to be high.

During the past week, we have been working with the new owners of Pen Ply and have approved their Temporary Certificate of Occupancy. It appears likely that this new industry will occupy the facility next week and begin operations sometime in November.

Have a great weekend!

***-Kent Myers***



September 14, 2009

The Honorable Raymond LaHood  
Secretary of Transportation  
United States Department of Transportation  
1200 New Jersey Ave, SE  
Washington, D.C. 20590

Attn: TIGER Discretionary Grants Program Manager

RE: TIGER Grant Application

Dear Secretary LaHood:

The City of Port Angeles is pleased to submit its application for a TIGER Discretionary Grant. This application consists of the construction of one project with 11 components, in public partnership with the City of Port Angeles, Clallam County, the Port of Port Angeles and private partnership with Blackball Ferry and Westport Shipyards. The project described in this TIGER Grant application is designed to improve the safety and freight mobility for vehicles passing through or have Port Angeles as a destination.

This project addresses a significant, long-time goal of the three agencies. It will provide alternate routing of US 101 through the City, which will remove truck traffic from the downtown area and not impede through traffic. This will reduce traffic congestion, provide added vehicle and pedestrian safety, and reduce air and noise environment impacts in the downtown area.

The City of Port Angeles certifies that if our grant application is successful, we will comply with the requirements of subchapter IV of Chapter 3 of Title 40, United States Code (Federal wage rate requirements) as required by the Recovery Act.

Thank you for considering this application, should you have any questions concerning this project, please don't hesitate to contact us.

Sincerely,

  
William Bloor  
Acting, City Manager

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## Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grant Application

### American Recovery and Reinvestment Act of 2009

<b>Project Type</b>	Highway Construction
<b>Project Location and Information</b>	Washington State City of Port Angeles Clallam County US Congressional District No. 6, Congressman: Norm Dicks
<b>Classification</b>	Rural, Clallam County is a Rural Distressed Area
<b>Total Project Cost</b>	\$36,935,000
<b>TIGER Grant Funds</b>	\$29,541,000 (80%)
<b>Matching Funds</b>	\$7,394,000 (20%) Includes \$2,040,000 in Private Funds
<b>DUNS Number</b>	148344047
<b>Applicant</b>	City of Port Angeles PO Box 1150 Port Angeles, WA 98362
<b>Contact</b>	Mr. Kent Myers, City Manager 360-417-4500 citymanager@cityofpa.us

Submitted via e-mail to: TIGER Discretionary Grants program manager at [TIGERGrants@dot.gov](mailto:TIGERGrants@dot.gov)



## Grant Funds and Sources and Uses of Project Funds

The following table on the next page summarizes the total grant funding requested for each project, sources and uses of all project funds, total project costs, percentage of project costs that would be paid for with TIGER Discretionary Grant funds, and the identity and percentage shares of all parties providing funds for the project (including Federal funds provided under other programs). All projects listed are in the respective CIP/TIPs for each agency. During the development of the TIGER Grant the project costs have been reviewed and updated as needed. Each agency will take the necessary actions to update their respective CIP/TIPs to conform to the TIGER Grant cost estimate.

**Table C**  
**City of Port Angeles TIGER Grant Project Costs and Funding Distributions**

Project No.	Project Title	Funding Sources							Total Project Costs (in thousands)	
		City of Port Angeles	Clallam County	Port of Port Angeles	WSDOT	Clallam Transit	Black Ball Ferry*	Westport Shipyards*		TIGER Grant
1	SR 117 (Truck Route) at US 101 Intersection								\$6,000 100%	\$6,000
2	Lincoln/Laurel Rechannelization/Signal/Roundabout	\$136 9.1%							\$1,364 90.9%	\$1,500
3	Lauridsen Boulevard Bridge Replacement								\$4,200 100%	\$4,200
4	Race Street Bicycle Lanes								\$100 100%	\$100
5	First/Front Race Street Nodes								\$50 100%	\$50
6	First/Front/Railroad Street Rehabilitation								\$825 100%	\$825
7	Peabody Creek/US 101 (Lincoln Street) Culvert Rehabilitation								\$760 100%	\$760
8	Upgrades to Black Ball Ferry Terminal						\$2,000 22.2%		\$7,000 77.8%	\$9,000
9	International Waterfront Promenade								\$4,500 100%	\$4,500
10	Marine/Tumwater Pedestrian Overpass			\$60 3.3%				\$40 2.2%	\$1,700 94.5%	\$1,800
11	US 101 Deer Park Overcrossing and Improvements		\$871 6%	\$500 6.1%	\$3,772 46%	\$15 2%			\$3,042 37.1%	\$8,200
<b>Totals</b>		\$136 9.1%	\$871 2.4%	\$560 1.5%	\$3,772 10.2%	\$15 4%	\$2,000 5.4%	\$40 1%	\$29,541 80%	\$36,935

\*Private Funds

## Federal Wage Rate Requirement

The City of Port Angeles will comply with the requirements of subchapter IV of chapter 31 of title 40, United States Code (Federal wage rate requirements) as required by the recovery act. A copy of the letter is included as Attachment M, City of Port Angeles, Federal Wage Rate Letter.



## 2009 Forbes.com “Best States for Business” Ranking September 2009

### Forbes.com 2009 ranking: #2

- Washington state is a great place to do business. We are thrilled that Washington increased its position in the Forbes.com rankings.
- Our high ranking is a testament to Washington’s strong workforce training programs, our schools, the ingenuity of the state’s companies, our superior global ties, and our desirable quality of life.
- Washington state finished in the **top five** in four of the six categories (ranking first in growth prospects, second in labor, third in economic climate and fifth in regulatory environment).
  - 1st in Growth Prospects Rank – Reflects strong projected job and income growth, venture capital investments, business growth.
  - 2nd in Labor Rank – Reflects the quality of Washington schools and training programs, as well as the fact that Washington is a desirable place to live and work.
- The Forbes.com ranking showcases the collaborative work that state and local agencies do to promote economic development and grow jobs throughout Washington:
  - Innovation Partnership Zones
    - 11 IPZs promote collaboration between companies and research institutes to help commercialize cutting edge technology, encourage economic development, and offer opportunities to train the workforce of the future.
  - Community Economic Revitalization Board grants and loans
    - Since 1982, CERB has committed more than \$144 million to counties across the state, an investment generating over 35,000 jobs.
  - Team Washington Economic Development network
    - A collaboration of local, regional and state public and private organizations – led by Commerce – working together to keep and grow business and jobs in Washington.



## Talking Points by Category:

### **Business Costs – 27**

- Cost is a major consideration when a company chooses a location, but it's not just about cost, but value. Washington's track record of innovation, educated workforce, superior global trade network, and quality of life are positive attributes that continue to drive companies and talent to our state.
- Washington's energy costs are lower than the national average. The state's natural resources – including wind, solar energy, waves and tides – provide abundant sources for renewable energy production.
  - We have the highest hydroelectric power industry in the nation.
  - Washington is the fifth largest producer of wind power.
  - Washington is home to the Pacific Northwest National Laboratory, one of 10 Department of Energy national laboratories.
  - We and our Northwest partners are setting records for reducing electric power use through conservation and efficiency – the most effective and immediate way to bring down energy costs for businesses and homes – while investing in clean, renewable energy sources for the future.
- Washington's lack of income tax helped earn the state the rank of 9<sup>th</sup> best business tax climate by the Tax Foundation in Washington, D.C. (2010 State Business Tax Climate Index).
- Companies look not only to what location means to the bottom line today, but also to how a location contributes to future growth. This growth depends on attracting an educated workforce. That means being located where employees want to live, work and build a family. In Washington, we've been recognized for our desirable quality of life – from our parks, our schools, neighborhoods, clean air, urban life, scenic mountains, to our music and culture – that attracts new residents and helps us maintain a creative, talented and skilled workforce.

## Labor – 2

- Washington attracts a talented, educated, skilled and creative workforce that is desirable and valuable to companies, and that cannot be simply measured by number of workers.
- In Washington, we value and encourage continued education and workforce training.
  - Washington ranks 10<sup>th</sup> among all states for adults (25 and older) with a bachelors degree or more. (U.S. Census Bureau)
  - 89.3 percent of Washington adults have at least 12 years of education, well above the national average (84.5 percent). (U.S. Census Bureau)
- Washington has many state sponsored workforce and education programs such as:
  - The Workforce Training and Education Coordinating Board – committed to the development of a highly skilled workforce that will sustain our economic vitality.
  - The Job Skills program – provides matching funds for job training through the community colleges.
  - WorkSource Centers – provide one-stop hiring and training assistance to businesses and job-seekers.
- Washington has more than 10,000 aerospace engineers, the highest concentration in the U.S.; and is ranked third in the U.S. for tech-sector job growth, with more software publishers than any other state in the nation.

## Regulatory Environment – 5

- Washington works hard to reduce regulatory burden so businesses can focus on business development and growth (examples: one-stop licensing, small business help).
- Washington companies can take advantage of a variety of initiatives and industry-specific incentives, including:
  - Reduced Business & Occupation tax rate for aerospace businesses
  - Sales & Use Tax Deferral/Waiver for biotechnology & medical device manufacturing
  - Business & Occupation credit for high technology R&D spending
  - Sales & Use Tax Deferral/Waiver in the high technology sector
- Equidistant from Asia and Europe, Washington's trade infrastructure makes us a leading gateway to global markets. The fact that our state is the 4<sup>th</sup> largest exporter in the U.S speaks volumes to the quality of the state's infrastructure. The state's exports reached a record \$66.8 billion in 2008.
- With 75 public ports, 139 regional airports, 7,044 miles of highways and 3,666 miles of railways, Washington is well connected not only to the rest of the country, but to the rest of the world.



### Economic Climate – 3

- A healthy economy is a diverse economy, and in Washington we're not reliant on any one company or industry – our reach is wide: from clean energy, global health, agriculture, aerospace, and high technology and much more.
- Washington is home to companies and products known around the world – from Microsoft, Boeing, Starbucks and Amazon, to apples and some of the best wines in the world.
- Since 1982, the Community Economic Revitalization Board (CERB) has committed more than \$144 million to counties across the state, an investment generating over 35,000 jobs.
- Washington's high-tech industry added jobs for the fourth year in a row, according to the annual Cyberstates report by TechAmerica. The state's high-tech industry added 11,300 jobs for a total of 174,100 in 2007, ranking third nationally in tech-sector growth. Washington has more software publishers than any state in the nation.
- In 2008, visitors spent a record \$15.7 billion in the state, generating \$1 billion in state and local taxes. Thousands of small businesses make up the industry. Travel spending supported 149,000 jobs in Washington in 2008.
- Washington businesses have produced game-changing products in a wide range of industries including agriculture, wireless technologies, software, aerospace, retail, biotechnology, medical technologies and global health.
  - Some of the largest, most successful technology companies chose to establish R&D centers in Washington – including Intel, HP, Oracle, Adobe and Google.
  - Washington is home to cutting edge research laboratories, such as PNNL, and two world class research universities, UW and WSU.
  - The Kauffman Foundation and Information Technology & Innovation Foundation named Washington 2<sup>nd</sup> in its 2008 State New Economy Index recognizing Washington for an entrepreneurial and knowledge- and innovation-based New Economy.

## Growth Prospects – 1

- The total number of registered businesses in Washington has more than doubled over the past 15 years.
- Washington is lucky to be home to a robust venture capital and start-up community.
- The current economy can make it difficult for companies to secure financing, but because of our venture capital community, Washington is better positioned to fund new ideas than many other states.
  - A recent Dow Jones VentureSource study reported that \$272 million was invested in Washington state last quarter. (July 2009)
  - The number of venture deals last quarter ranks Washington as the third most active state for venture capital activity. (July 2009)

## Quality of Life – 24

- Washington state has been recognized for its desirable quality of life – from our parks, schools, and neighborhoods to our clean air, urban life, music and culture.
- Our state's unique culture includes a focus on wellness and healthy lifestyles, sound environmental thinking, philanthropy and dedication to a high quality of life.
  - Washington was named the 10<sup>th</sup> healthiest in the country by America's Health Rankings Report.
  - Washington was named 11<sup>th</sup> for volunteering in the U.S., with Seattle ranking 4<sup>th</sup> among large cities, in a study from the Corporation for National and Community Service.
- Washington is known for being one of the best places to live and raise a family.
  - Five Washington communities were named to Money Magazine's Best Places to Live rankings of small towns. Mukilteo, Sammamish, Richland, Newcastle and Silverdale earned spots on the list based on the strength of their local economies, quality of life, cost of living, schools and job opportunities.
- Washington has two research universities, a large number of public and private four-year institutions, a variety of workforce programs, and 34 community and technical colleges.



**Background Info:**

- Forbes ranks the best states for business based on six main categories, using 33 data points to compile the rankings:
  - Business costs (weighted the most)
  - Labor supply
  - Regulatory environment
  - Current economic climate
  - Growth prospects
  - Quality of life

<b>Washington's Rank Overall:</b> 2009 – 2 <sup>nd</sup> 2008 – 3 <sup>rd</sup> 2007 – 5 <sup>th</sup> 2006 – 12 <sup>th</sup>	<b>2009 Rankings:</b> Business costs - 27 Labor - 2 Regulatory environment - 5 Economic climate - 3 Growth prospects - 1 Quality of life – 24	<b>2008 Rankings:</b> Business costs - 28 Labor - 2 Regulatory environment - 6 Economic climate - 7 Growth prospects - 2 Quality of life – 25
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