

2022 TRI-CITIES LEGISLATIVE Council



REPRESENTING:

Pasco Chamber of Commerce
 Tri-Cities Hispanic Chamber of
 Commerce
 Tri-City Development Council (TRIDEC)
 Tri-City Regional Chamber of Commerce
 Visit Tri-Cities
 West Richland Chamber of Commerce

2022 POSITION PAPERS:

Agribusiness Policy
 Clean Energy & Lower Snake River Dams
 Economic Development & Infrastructure
 Financing
 K-12 & Post-Secondary Education
 Priorities
 Regional Transportation Priorities
 Rural Broadband
 Taxes & Spending
 Tourism in Tri-Cities & Washington





To our elected officials:

The Tri-Cities Legislative Council submits for your consideration our 2022 Legislative Platform that reflects unanimous support of our member organizations. These legislative priorities represent input solicited from cities, counties, ports, community organizations, public utilities, businesses, educational institutions, and other stakeholders.

We encourage you to review the positions and consider these perspectives as you evaluate creation and negotiation of and/or voting on legislation. This platform represents critical opportunities for the Tri-Cities to maintain and enhance its resiliency and vibrancy in the short and long term.

We invite you to reach out for clarification, information, or additional perspective. Thank you for consideration.

Staci A. West, Bechtel National Inc.
Miles Thomas, Port of Benton
TCLC Co-Chairs



AGRIBUSINESS POLICY

AT ISSUE

Farmers and ranchers are committed to producing the world's food, feed, and fiber supply in a sustainable way. Farmers and ranchers continue to be stewards of the land by promoting soil health, conserving water, enhancing wildlife, efficiently using nutrients, and caring for their animals. As producers plan for the next growing season, chaos in the supply chain has them concerned about the cost and availability of crop inputs. Efficient and cost-effective transportation is essential to the operations of producers.

Washington State became the 7th state in the nation to enact overtime rules for agriculture production, but WA state is the most restrictive by not allowing overtime exemptions during harvest.

TCLC POSITION

Support legislation to:

- Maintain critical transportation infrastructure to improve farm-to-market access
- Protect farmers from burdensome taxes, fees, and regulations. The Low-Carbon Fuel Standard and Cap & Trade provide exemption for Red-Dyed Diesel for only a small portion of time until its subject to the regulations and taxes. The exemption should be made permanent and include all fuel sources for agriculture production.
- Enable a stable and sustainable workforce by creating an overtime exemption period for agriculture industries during harvest periods.
- Oppose ban on the use of Natural Gas in Washington State
- Ensure access to water and protection of existing water rights
- Expand rural access to broadband
- Safeguard environmental regulations are scientifically sound and practical. Therefore opposing legislation that supports the study and/or removal of the Lower Snake River Dams.
- Fully fund implementation of the Voluntary Stewardship Program to enhance agriculture and protect critical areas and habitats
- Oppose quitam legislation, which allows private citizens or organizations to sue on behalf of government agencies to enforce certain labor and employment laws. Allowing a whistleblower who has no standing to file suit opens the door to abuse for financial gain, while targeting businesses who are operating in good faith.
- Allow mainstem Columbia-Snake River water right holders to retain annual operations and maintenance conservation savings for new seasonal use.
- Support continuing solutions for utilizing Columbia River water to relieve the Odessa sub-area aquifers.

Support a Columbia River water resources management policy that:

- Maintains the State's Water Conservancy Boards to authorize water right changes and transfers in their State designated areas.
- Encourages private sector funding for water conservation measures and the use of private sector capital for access to the Lake Kachees dead storage as new irrigation supply for the Yakima Basin.
- Assist actions by the Office of Columbia River-Ecology for permitting new municipal & industrial water rights; and allowing for new irrigation rights.



CLEAN ENERGY & LOWER SNAKE RIVER DAMS

AT ISSUE

In May of 2019, Washington State Legislature adopted and signed the Clean Energy Transformation Act (CETA), which sets Washington State on a bold path to decarbonization that mandates all electric utilities to supply 100% clean energy or carbon-neutral sources by 2045. While this is an ambitious goal, it is achievable if existing renewable and clean energy resources are maintained as new carbon-free baseload resources are added to secure a reliable and affordable electric network.

The Tri-Cities Legislative Council (TCLC) supports the continued operation of the Lower Snake River Dams and the Columbia Generating Station nuclear power plant, which provides the region with over 4,000 megawatts of carbon-free, firm capacity. TCLC supports developing and commercializing next-generation technologies, such as small modular reactors with extensive environmental and economic potential. The State energy and carbon initiatives should employ diverse technologies that allow utility companies to integrate renewable-nuclear ecosystems that are resilient and clean energy sources such as nuclear power.

TCLC POSITION

TCLC recommends maintaining the existing low-cost clean energy technologies while new sources are developed to support the carbon reduction initiatives set by the state under the CETA. The transition from carbon-based to clean energy by 2045 is a delicate balancing act that requires our region to introduce and decommission energy sources while preserving jobs and limiting the impact on our fragile small business community impacted by the pandemic. 100% renewable clean energy is possible with the following mitigation actions:

- Preserve the operation of the Columbia Lower Snake River Dams for critical carbon free, base load generation.
- Support small modular reactors (SMRs) that offer carbon-free, reliable, clean power sources to bring energy required to meet our state and national goals and that are cost-effective.
- Laws and regulations for the renewable energy grid at the state and federal levels should work in tandem across all industries to meet goals set by the new regulation without placing an excessive cost burden on consumers and producers.
- Industry decarbonizing policies are possible but must be understood and aligned to those industries and ensure cross-sector sequencing to determine economic and environmental effectiveness.
- The state will accomplish CETA by 2045 with a combination of nuclear (SMRs) and hydro (Columbia and Snake River Dams) as renewable clean energy sources and a practical regulatory framework that focuses on capacity needs and aggressive investment in nuclear power sources such as SMRs. The TC region has been safely producing 1,207 megawatts of reliable nuclear power since 1984 and is in the best position to lead in this area.



ECONOMIC DEVELOPMENT & INFRASTRUCTURE FINANCING

AT ISSUE

The Tri-Cities has seen consistent population and economic growth over the last two decades. The population of the Tri-Cities MSA is over 308,800 (Trends, Eastern WA University); the fastest growing MSA in the State with an average annual growth of 2.06% for the last five years. The sustained economic growth comes from a persistent approach to economic development. The Tri-Cities has successfully utilized the limited number of economic development tools available in Washington State. Two of the successful Local Revitalization Funding (LRF) projects are located in the Tri-Cities, one in Kennewick at the Southridge complex, and the other in north Richland at the Horn Rapids Industrial Park and Tri-Cities Research District, IPZ. The City and Port of Pasco are slated to be the first example of utilizing the recently designated Washington Tax Increment Financing program and will soon serve to house new development projects from Darigold and Amazon. The Tri-Cities is also home to numerous successful economic development projects that used Community Economic Revitalization Board (CERB) grants and loans, Optional Sales and Use Tax Rebate for Rural Counties (Point 09), the Strategic Reserve Fund and other economic development tools to promote sustained economic growth in line with community plans.

Our region seeks continued support for existing companies to expand and new ones to grow. The Tri-Cities region needs to invigorate its business climate and capitalize on opportunities with investment in economic development and infrastructure. Partnerships and publicly owned infrastructure are critical aspects of many economic development projects within our community, and private investment often cannot move ahead without it. As the need for public-private partnerships continues to grow, access to economic development tools, like TIF, LRF, CERB, and Point 09 funds along with industry tax credits are necessary for local governments to leverage public investments to promote private sector investments, increasing employment opportunities and tax revenues, providing a return on investment, while diversifying the local economy to make it more resilient in the face of economic constriction and supply chain issues as a result of COVID-19.

TCLC POSITION

The following is a list of immediate economic development needs facing our region:

- Support proactive engagement on newly proposed Tax Increment Financing Projects
- Retain and expand funding for the Community Economic Revitalization Board (CERB), including \$2.5M in grants for shovel ready industrial projects
- Support extension of the Point 09 percent Sales & Use Tax for economic development activities throughout the State
- Support restored funding for Innovation Partnership Zones, including WA VERT
- Retain the Economic Development Strategic Reserve Fund
- Expand aerospace incentives to all manufacturing to promote balanced economic prosperity across the state
- Support the re-establishment of Research & Development tax credits
- Support continued development of a diverse portfolio of Carbon Free Energy Projects



K-12 & POST-SECONDARY EDUCATION PRIORITIES

AT ISSUE

The Tri-Cities Legislative Council supports the continued funding at the state level of education from K-12 and beyond, with adequate local control for additional funding needs to ensure a strong, comprehensive education for all children. We recognize and encourage recognition of postsecondary opportunities to include trade and vocational programs and certifications as well as those at community and 4-year universities. TCLC advocates retaining local control for allocation of state funding and leaving education policy in the hands of locally elected school boards.

TCLC POSITION

Clean Energy and Workforce Preparedness

The TCLC supports continued and expanded investment in proven educational programs that ensure a highly skilled workforce for key sectors and industry wide needs. Those priorities include:

- **Invest in growing high priority industry sectors.** Competitive grants to support Career Launch program growth in target industry sectors (e.g., Clean Tech & Energy, Manufacturing including Aerospace, IT/Cybersecurity, Education, Health Care, Financial & Business Services, and Maritime)
- **Support Washington's 4-year public and private institutions to create and promote Career Launch.** Competitive grants to support CL endorsement, growth, and enrollment in 4-year institutions
- Competitive equipment grants for Career Launch programs
- **Support increased investment for K-12 and CTCs for Career Prep and Launch equipment.** Competitive equipment grants for CTCs and School Districts.

K-12 Education

The TCLC supports the following K-12 programs, activities and priorities in 2022:

- Investing in additional district staff who are focused on student health and well-being by adjusting the basic education prototypical school funding formula to meet operational needs, including: school nurses; mental and behavioral health counselors; social workers; school psychologists; and school counselors.
- Increased funding for Special Education to support actual costs of providing education and services to students with disabilities.
- Adjusting the pupil transportation funding formula to eliminate district subsidization of transportation costs. This is a critical step toward ensuring adequate and equitable support for children in schools with a high percent of students using district-provided transportation.
- Addressing the disproportionate allocations in the administration of High Poverty Learning Assistance Programs and other funding programs/activities that use the school's 50% "high-poverty threshold" to direct dollars by using the average state student poverty percentage.

Post-Secondary Education

The TCLC endorses the perspective that robust apprenticeship programs associated with a trade should be considered equivalent to a two-year academic degree. Apprenticeship programs require on average more than 8,000 hours of time investment over four or more years, with nearly 1,300 hours spent in classroom learning and more than 6,000 hours of on-the-job training. The hours invested in learning and mastering a trade align with those required for a four-year academic degree. These vocational careers address the greatest shortage of skilled labor experienced in decades

while providing family-wage jobs that enable our neighbors to remain in their community long term. The state benefits from these investments made almost solely by the trade's membership.

TCLC supports advancing the \$293 million request that will fund 13 major and additional minor projects at community and technical colleges. These community colleges and technical schools have built consensus around these priority projects based on a rigorous assessment of the need for space, condition of existing facilities, systemwide policy objectives and estimated costs. We appreciate their collaborative approach to ensure wise investment.

The TCLC also supports critical investments that would strengthen the four-year university programs vital to protecting the state's cyber, medical, health and other infrastructures, including:

- Establishing two academic programs in cybersecurity for \$4.448 that would be offered at Washington State University campuses in Pullman, Everett and the Tri-Cities that could support those areas' community college programs. Funds would train students to design and build secure information networks, security tools such as firewalls, and secure methods of transporting data as well as create a new Information Assurance major to training students to manage privileged data and devise security strategies and policies. The investment will help supply a sorely needed workshop for public and private employers wrestling with data security while bringing much-needed diversity to this industry. An additional \$7.2M request would enhance cybersecurity programs and learning at state community and technical colleges.
- Funding University of Washington School of Pharmacy/UW Medicine Pharmacy Services and Washington State University College of Pharmacy and Pharmaceutical Sciences (\$327,000 and \$341,000 respectively) to partner to create two new behavioral health pharmacy residency positions at each institution to improve mental and behavioral health across Washington state, further expanding workforce expertise and access to critical triage and support for mental and behavioral health in communities.
- Expanding assistance for homeless students with \$2.9 million to include all 34 colleges, in particular given the economic challenges posed by the pandemic and limited affordable housing in most areas of the state. Housing can be a singular limitation to young people pursuing additional education. Expanding the previously funded pilot program to the entire state will begin meeting homeless students' needs for short-term housing or housing assistance, laundry facilities, storage and showers, reduced-price meals, technology, and case-management services.



REGIONAL TRANSPORTATION PRIORITIES

AT ISSUE

The Tri-Cities metro area is the 4th largest in Washington State and has experienced growth at significant rates over recent decades. The region anticipates continued strong economic and population growth, building on its position as a regional transportation, commerce, medical services, and food processing hub. The significant growth continues to put high demands on the region's transportation system and TCLC has identified the following issues as priority.

Preservation of Existing Infrastructure

Local agencies and the Washington State Department of Transportation face serious ongoing challenges to maintain their existing transportation facilities. An increase in dedicated state collected and distributed preservation funding is needed, as is an improved system of local option funding sources. TCLC supports funding for programs and projects that are part of the solution for meeting long-term preservation needs.

Increased Funding for Transportation Improvement Board (TIB) and County Road Administration Board (CRAB)

All-weather rural roads are vital to the transportation of the \$1.6 billion in agricultural goods produced in Benton and Franklin County. It is critical to increase Rural Arterial Program funds administered by the County Road Administration Board to construct and maintain the all-weather roadways. The Tri-Cities is one of the fastest growing areas in the state, consequently many of the roadways serving the area have fallen below standard to properly serve the population. Current TIB funding levels do not provide adequate funding levels to support the Complete Streets improvements needed to support to the area's increasing population and travel diversity.

Projects to Support Economic Development

The Legislature's implementation of Tax Increment Financing in 2021 created a revised tool for local governments to bond infrastructure projects against future anticipated revenues; this creates a permanent version of Local Revitalization Financing that has been largely successful in the Tri-Cities. As the new tool is implemented it is important to the long-term success of the program to assess its impact and modify regulatory barriers to increase return-on-investment and enhance economic vitality which would aid in developing the following projects:

- Broadmoor Development, Pasco
- Reimann Industrial Center, Pasco
- Vista Field, Kennewick
- Lewis and Clark Ranch, West Richland
- Horn Rapids Industrial Park, Richland
- Central Richland – Waterfront, Richland

Sylvester / SR 395 Bike and Pedestrian Overpass

The City of Pasco has identified a need for low economic, underserved residential citizens living on the west side of SR 395 to access commercial businesses on the east by non-motorized means. The existing structure does not provide sufficient area to accommodate these bike/ped needs. As a result, a separate Pedestrian and Bicycle Bridge over SR 395 is proposed at or near this location. This project will provide access and ensure safe, efficient opportunities for underserved citizens to access essential businesses. The city proposes to partner with WSDOT for design and construction of these facilities.

Island View to Vista Field Trail System

This project would create new connectivity to address the most pressing active transportation barrier in the Tri-Cities region, which is the SR 240 in the Columbia Center Boulevard area. It would connect city streets in Richland and Kennewick to a new grade-separated crossing of SR 240. The system will be constructed in the vibrant and growing Columbia Center / Vista Field area of Kennewick and the growing Island View area of Richland that includes the Columbia River waterfront. A system plan was produced in 2021. The major system elements, including a bridge over SR 240, are estimated to cost \$16 million.

SR 224 / Red Mountain Transportation Improvements

The Red Mountain area is forecasted to see continued growth in the coming years. Recent analysis of current and future traffic has identified needed improvements to the SR 224 corridor and this proposal would add capacity and improve traffic operations on SR 224. These proposed improvements, along with the planned local investments, will provide the infrastructure needed to address future multimodal access and capacity needs. The City of West Richland recently contributed \$541,000 to increase the funding for the design, environmental permitting, and right-of-way work. Preserving the existing \$25 million in Connecting Washington funding is critical.

Interchange Improvements SR 240 / I-182 / Aaron Drive

SR 240 is the most congested roadway in the Tri-Cities metropolitan area. The intersection at Aaron Drive is a bottleneck for both regional highway travel and intracity travel. A practical interchange improvement concept has been developed. Grade separating improvements will reduce congestion and improve safety, reversing the current trend of congestion and serious crashes. The project can be implemented in the existing right of way and will impact no sensitive environmental resources. The estimated project cost is \$30 million.

SR 12 At-Grade Crossing Improvements at 'A' Street and Tank Farm Road

This portion of the SR 12 corridor, which has seen a recent increase in crashes, would benefit from the development of a preliminary design, along with the development of construction plans and estimates, to address significant safety concerns. With a preliminary design and estimate completed, the City of Pasco and WSDOT could establish financial participation requirements for Private Developments that will impact these locations.

Badger Road / Wisner Parkway Improvements

The proposed project will improve traffic flow and safety for Badger Road, a county highway, and the associated interchange of I-82. The proposed project includes the construction of three roundabouts on Badger Road – two at the interchange and one at the next intersection to the southwest. The project would improve safety and reduce congestion through better traffic flow. The project would also construct a new non-motorized pathway for pedestrians and bicyclists that is separate from motorized traffic. The estimated total cost of this project is \$18 million.

George Washington Way Corridor Improvements

George Washington Way is the heaviest travelled and most congested arterial street in the Tri-Cities, supporting both regional commute traffic and intracity travel in central Richland. Planning improvements include: 1) relieve paralyzing congestion and provide capacity for planned economic and population growth; and 2) add active transportation features to this corridor in central Richland to support the City's urban redevelopment vision. The total investment is estimated at \$22 million, which will be accomplished in up to five phases.

Columbia Center Boulevard Corridor Improvements

Columbia Center Boulevard serves the commercial center of the Tri-Cities. This includes the regional Columbia Center Mall and Costco store, along with other high traffic generators like Target and Lowes. It is near the new Vista Field urban development. This project will improve the Deschutes and Quinalt intersections and widen Columbia Center Boulevard to three through lanes in each direction to address the safety and congestion issues in this corridor. The estimated cost is \$12 million.

New Overpass at I-82 and Georgia Street

The planning of a new overpass of Georgia Street over I-82 to serve Kennewick's fast growing Southridge area and future Urban Growth Area expansion. The initial phase of the project would construct an overpass and create a direct connection to greatly reduce vehicle miles traveled. Timing will depend on traffic growth. We anticipate the overpass will need to be converted into a full interchange, when traffic volumes warrant it. The City understands that the project will require FHWA approval and will seek private development contributions to help fund the project. The estimated cost for the initial phase overpass is \$20 million.

Port of Benton - Rail Crossing, Tie and Rail Replacement

The proposed project will replace the five at-grade crossings located at (1) Cemetery / Swift Blvd., (2) Van Giesen St., (3) Airport Way, (4) Saint St., and (5) SR 240. Additionally, the Port of Benton needs to replace up to 14,000 ties (as much of the ties currently in place are near or at failure). Finally, approximately 3 track miles of rail needs to be replaced with heavier rail due to the increased rail traffic. This rail line is ranked in the top three in the state for short line tonnage; currently serving more than 13,000 rail cars with approximately 1.2 - Million tons of freight annually. The estimated cost of the project is \$8 million.



RURAL BROADBAND

AT ISSUE

The Tri-Cities Legislative Council (TCLC) supports the propagation of rural broadband and realizes the successful build out must be safe, environmentally sensitive, aesthetically acceptable, and economically sustainable.

COVID-19 forced many to work from home and conduct remote education for their children, highlighting the lack of broadband service for rural areas and the inequities this imposes on students and businesses in the state's rural areas. Many private efforts to expand broadband in rural areas are found to be expensive and cost-prohibitive. We encourage the legislature to advance solutions that facilitate locally rooted, democratically accountable broadband networks that provide fast, affordable and reliable internet access to all Washingtonians.

TCLC POSITION

- **Access:** broadband access has been thrust into the primary lexicon of Washingtonians in recent years and even more so during the Pandemic. While the focus of expansion of usage has been focused on the workplace and homes, the pandemic has exacerbated the needs for expansion of rural broadband infrastructure.
- **Business:** Broadband for business is essential, but lack of reliable rural infrastructure severely limits not only the recruitment of business to rural Washington, but also hampers existing business' access to new markets, the ability to compete with competition, and also the attraction of new workforce - particularly remote workforce.
- **Agriculture:** Expansion rural broadband access allows for Washington agricultural producers to expand the ability to search for new customers, find buyers in more lucrative markets, and identify the most affordable sources of seeds, fertilizers, and farm equipment. Broadband access is also essential for farmers to take advantage of a new generation of agricultural technologies built on sensors, data, and artificial intelligence that can help them conserve resources and increase yields. Having access to these new capabilities will improve rural prosperity and enable farmers to produce more food.
- **Education:** The COVID-19 pandemic has brought to light the need for expanded broadband in education. Not only is it essential for current educational needs, but it also ensures that rural school districts and students have access to expanded learning options, allowing students to participate in online courses that may not be available on their campuses, and to collaborate with teachers or other students remotely.
- **Funding:** The large cost associated with delivering broadband to our truly rural areas that have limited users per mile is a huge obstacle. We support additional grant funding to help offset these costs as long as the administrative burdens of managing the grant funds are reasonable.



TAXES & SPENDING

AT ISSUE

The Tri-Cities Legislative Council (TCLC) supports a competitive and balanced tax climate that promotes and fosters economic growth through private sector expansion. TCLC supports equitable taxation policies and sound budgeting practices that promote the region as a smart place to do business. Reasonable government spending should be prioritized, fund essential services and infrastructure and never exceed projected revenues. Washington's 2021-23 budget is currently projected in balance. The state has billions in reserves. Congress has provided state and local governments billions in COVID relief. State operating budget revenues have also consistently forecasted to increase by billions since the 2021 Legislative Session adjourned. Now is the time for the legislature to focus on tax relief.

TCLC POSITION

With the operating budget currently in balance, billions in reserves, and strong forecasted revenue growth, the TCLC strongly encourages the legislature provide tax relief. This could take for form of direct support to improve the manufacturing climate in the state by reducing the B&O tax rate on manufacturing or reducing the cost for employers and consumers by reducing the state's sales tax rate. Based on the current fiscal outlook, under no circumstances should any general operating budget tax increases be considered during the 2022 Legislative Session.



TOURISM IN TRI-CITIES & WASHINGTON

AT ISSUE

Tourism fuels economic development in our local communities by creating and sustaining jobs in retail, food and beverage, transportation and lodging establishments through the marketing of our local attractions, meeting spaces and outdoor recreational opportunities. Across the state, the tourism industry has suffered devastating impact due to the COVID-19 pandemic with a 40.4% reduction in visitor expenditures (more than \$8 billion) since 2019. The Tri-Cities' tourism partners, from hospitality to restaurants, convention and conference centers to recreation venues, have seen a tremendous loss in revenue. A vibrant economic driver, tourism is composed of many small businesses that are struggling to survive. A resilient tourism industry is key to our economic recovery.

Thankfully, the 2021 Legislature recognized the financial impact by investing \$12M into tourism recovery. The tourism industry is extremely grateful for this investment and is moving forward with industry partners to implement a new marketing brand, develop safe and robust recovery plans that bring visitors back and generates the tax dollars and jobs that fuel our economy.

There is more work to be done and the following legislative initiatives will help aid in the full recovery of the tourism economy and the associated enhanced quality of life benefits provided all residents of our region.

TCLC POSITION

We support the following legislative objectives to advance and strengthen the tourism industry:

- House Bill 1530 – Creating a Washington Wine specialty license plate with proceeds dedicated to the Washington Tourism Alliance. Promoting our state's worldwide recognized wine industry while creating an additional revenue source for tourism is a win-win.
- Expansion of the Motion Picture Competitiveness Program, a B&O tax credit incentive to bring and keep film and television production in Washington state. Such production results in increased spending in local communities, at restaurants, hotels, grocery stores and main street shops. The longer-term impacts of such production elevates the visibility of Washington state and the potential for visitors from around the world.
- Ensure the uses of local lodging tax and tourism promotion area statutes remain as originally passed in the 2013 legislative session, that is, the assessments should only be invested on activities that result in increased visitor spending.

Background

The tourism industry in Washington State employs 119,157 people (down 27.3% from 2019), creates \$4.31 billion in earnings/payroll (down 24% from 2019), generates total visitor spending of \$13.02 billion (down 40.4% from 2019), produces \$1.5 billion (down 34.8% from 2019) in state and local tax revenue¹, and touches our communities in countless other ways. Hotels, meeting facilities, attractions, restaurants, cultural institutions, tour companies and transportation providers are among the local businesses greatly impacted by travel to Washington state.

¹ 2020 economic impact data as provided by Tourism Economics – all data presented is direct spending and employment numbers rather than induced spending