

KITTITAS COUNTY
DEPARTMENT OF PUBLIC WORKS

AGENDA STAFF REPORT

AGENDA DATE: January 17, 2017

ACTION REQUESTED: Request to Approve a Resolution for the 2017 Distressed County Sales and Use Tax Infrastructure Improvement Program Agreement with the City of Ellensburg.

BACKGROUND: Kittitas County Conference of Governments (COG) met on August 17, 2016 to consider the funding of seven (7) applications. COG agreed to award \$169,560 to the City of Ellensburg. This Agreement is the final step in the award process.

INTERACTION: Public Works; City of Ellensburg

RECOMMENDATION: Approve & Sign the Resolution and the 2017 Distressed County Sales and Use Tax Infrastructure Improvement Program Agreement.

HANDLING: Return one (1) original to Public Works

ATTACHMENTS: Resolution, 2017 Distressed County Sales and Use Tax Infrastructure Improvement Program Agreement

LEAD STAFF: Kathy Jurgens
Finance System Manager/Co-Interim Director
of Public Works

**BOARD OF COUNTY COMMISSIONERS
COUNTY OF KITTITAS
STATE OF WASHINGTON**

RESOLUTION NO: 2017-__

**RESOLUTION TO APPROVE THE 2017 DISTRESSED COUNTY SALES AND USE TAX
INFRASTRUCTURE IMPROVEMENT PROGRAM AGREEMENT WITH THE CITY OF
ELLENSBURG**

WHEREAS: The 1999 Legislature did pass RCW 82.14.370 Sales and Use Tax for Public Facilities in rural counties; and

WHEREAS: These funds are for the purpose of financing Public Facilities which are defined as bridges, roads, domestic and industrial water facilities, sanitary sewer facilities, earth stabilization, storm sewer facilities, railroad, electricity, natural gas, buildings, structures, telecommunications infrastructure, transportation infrastructure or commercial infrastructure and port facilities in the State of Washington; and

WHEREAS: The 2017 Distressed County Sales and Use Tax Infrastructure Improvement Program Agreement with the City of Ellensburg has been executed by said entity with funding available January 1, 2017; and

NOW, THEREFORE BE IT RESOLVED: The Kittitas County Board of County Commissioners hereby approves the attached 2017 Distressed County Sales and Use Tax Infrastructure Improvement Program Agreement with the City of Ellensburg.

ADOPTED this 17th day of January, 2017.

BOARD OF COUNTY COMMISSIONERS
KITTITAS COUNTY, WASHINGTON

Paul Jewell, Chairman

Attest:

Clerk of the Board- Julie Kjorsvik

Laura Osiadacz, Vice-Chairman

Deputy Clerk of the Board- Mandy Buchholz

Obie O'Brien, Commissioner

**2017 DISTRESSED COUNTY SALES AND USE TAX INFRASTRUCTURE
IMPROVEMENT PROGRAM AGREEMENT
BETWEEN KITTITAS COUNTY AND THE CITY OF ELLENSBURG**

This Contract, dated _____, 2017 is made and entered into by and between KITTITAS COUNTY ("County"), a subdivision of the State of Washington, and THE CITY OF ELLENSBURG ("Funding Recipient").

WHEREAS, the purpose of this Agreement is to provide for public facility construction and foster economic development opportunities within Kittitas County;

NOW THEREFORE, in consideration of the terms and conditions contained herein, or attached and incorporated and made a part hereof, the County and the Funding Recipient mutually agree as follows:

Section 1. Scope of Work.

- a. Funding Recipient shall provide the services and staff described in its **Application for Funds** submitted to the Council of Governments, attached hereto as **Exhibit "A"** which is attached hereto and incorporated herein by this reference.
- b. Except as otherwise specifically provided in this Agreement, Funding Recipient shall furnish the following as required to perform the services, described in Paragraph (a) above, in accordance with this Agreement: Personnel, labor and supervision; technical, professional and other services. All such services, property and other items furnished or required to be furnished, together with all other obligations performed, or required to be performed, by Funding Recipient under this Agreement are collectively referred to herein as "Services."

Section 2. Payment.

- a. As full compensation for satisfactory performance of the Funding Recipient Services, the County agrees to pay Funding Recipient the sum of one hundred sixty nine thousand five hundred and sixty dollars (\$169,560).
- b. Additional payment terms: The County will make payment to the Funding Recipient only on a reimbursement basis, as receipts for any items including marketing and/or advertising are submitted to the County.
- c. Requests for reimbursements must be submitted to:

Kittitas Public Works Finance Director
Attn: Kathy Jurgens
411 North Ruby, – Suite 1
Ellensburg, WA 98926
kathy.jurgens@co.kittitas.wa.us

- d. Reporting requirements of your events will be required on prescribed forms from the Kittitas Public Works Department.

Section 3. Performance by Funding Recipient.

- a. Funding Recipient shall not (by contract, operation of law or otherwise) delegate or subcontract performance of any Services to any other person or entity without the prior written consent of the County. Any such delegation or subcontracting without the County's prior written consent shall be voidable at the County's option.
- b. Funding Recipient shall at all times be an independent Funding Recipient and not an agent or representative of the County with regard to performing the Services. Funding Recipient shall not represent that it is, or hold itself out as, an agent or representative of the County. In no event shall Funding Recipient be authorized to enter into any Agreement or undertaking for or on behalf of the County. It is understood that the Funding Recipient and the Funding Recipient's staff and employees are not employees of the County and are not, therefore, entitled to any benefits provided employees of the County.
- c. Funding Recipient shall comply with all applicable laws, ordinances, rules, regulations, orders, licenses, permits, and other requirements, now or hereafter in effect, of any governmental authority (including, but not limited to, such requirements as may be imposed upon the County and applicable to Services). Funding Recipient shall furnish such documents as may be required to effect or evidence such compliance. All laws, ordinances, rules, and orders required to be incorporated into agreements of this character are incorporated into this Agreement by this reference. Funding Recipient agrees to obtain all required licenses and permits, and further agrees to keep them in full force and effect during the term of this Agreement.
- d. The County and the Funding Recipient agree that in fulfilling the terms and conditions of this Agreement neither shall discriminate on the basis of race, creed, color, national origin, age, sex, marital status, or the presence of a physical, sensory, or mental handicap.
- e. The Services shall at all times be subject to inspection by and approval of the County, but the County's making (or failure or delay in making) such inspection or approval shall not relieve Funding Recipient of its responsibility to perform the Services in accord with this Agreement, notwithstanding the County's knowledge of defective or non-complying performance, or the substantiality or ease of discovering the same. Funding Recipient shall provide the County with sufficient, safe, and proper facilities and equipment for such inspection and free access to such facilities.
- f. This contract is subject to review by any Federal or State auditor. Funding Recipient shall promptly furnish the County or its designee, or such Federal or State auditor with such information related to the Services as may be requested by the applicable governmental entity. Funding Recipient shall preserve and maintain all financial records and records relating to performance of Services under this Agreement for six (6) years after contract termination. For such duration after the County makes final payment of compensation due hereunder, Funding Recipient shall provide the County access to (and the County shall have the right to examine, audit and copy,

with or without notice) all of Funding Recipient's books, documents, papers and records related to the Services or this Agreement.

- g. Funding Recipient understands and acknowledges that Funding Recipient is solely responsible for its own reporting and accounting of all state, federal, social security, and local taxes, of every nature, arising from Funding Recipient's performance of this Agreement. All compensation received by the Funding Recipient will be reported to the Internal Revenue Service at the end of the calendar year in accord with the applicable IRS regulations.

Section 4. Release, Indemnity, and Hold Harmless.

The County assumes no liability for the Funding Recipient's actions under this Agreement. Funding Recipient releases and shall defend, indemnify, and hold harmless the County, its officers and employees, agents, representatives, attorneys and/or volunteers, from and against all claims, costs, liabilities, damages, and expenses, (including, but not limited to, reasonable attorney fees) which arise or may arise or be alleged to arise out of or by reason of this Agreement including:

- Any fault, negligence, strict liability or product liability of Funding Recipient in connection with the Services for this Agreement;
- Any lien asserted upon any property of the County in connection with the Services for this Agreement;
- Any failure of Funding Recipient, or of the Services, to comply with any applicable law, ordinance, rule, regulation, order, license, permit and other requirement, now or hereafter in effect, of any governmental authority; or
- Any breach of or default under this Agreement by Funding Recipient.

Section 5. Compliance with Public Records Law.

- a. In compliance with Washington's public records law, the County will retain copies of any documents associated with this Agreement, which may be required by law unless legally exempt from such retention, for any applicable legally required retention period.
- b. In the event a public records request is made to the County for documents created in relation to this Agreement, should legal uncertainty arise regarding the disclosability of any documents under federal or state public records laws, the County shall provide notice to Funding Recipient pursuant to Washington's public records act, chapter 42.56 RCW, to allow Funding Recipient to seek a court injunction.
- c. The County specifically shall not be liable to Funding Recipient for the County's release under public records laws of any documents not protected by trademark, copyright or other law.

Section 6. Industrial Insurance Waiver.

With respect to performance of this Agreement and as to any claims against the County, its Additional Insureds, officers, agents and employees, the Funding Recipient expressly waives its immunity under Title 51 of the Revised Code of Washington, the Industrial Insurance Act, for injuries to Funding Recipient's employees and agrees that the obligations to indemnify, defend and hold harmless provided in this Agreement extend to any claim brought by or on behalf of any employee of the Funding Recipient. **This waiver is mutually negotiated by the parties to this Agreement.**

Section 7. Insurance and Endorsements.

- a. The County may require through a request in writing that the Funding Recipient provide the County with a certificate, binder, or policy of liability insurance, acceptable to the County in an amount specified by the County.
- b. Such liability insurance shall be such as will protect Funding Recipient, its employees, agents and representatives, from all claims, losses, harm, costs, liabilities, damages and expenses arising out of personal injury (including death) or property damage that may result from performance of the Services or this Agreement, whether such performance is by Funding Recipient or any of its employees, agents or representatives.
- c. Should the County require such liability insurance, the Funding Recipient agrees to provide proof of insurance prior to commencing performance of this Agreement.
- d. Copies of the County's written request and the insurance documents provided by Funding Recipient shall be attached to this Agreement and by this reference will be made part hereof.
- e. Where insurance is requested by the County, all liability insurance policies shall be endorsed to include the County as an Additional Insured and shall stipulate that the insurance afforded by the policies shall be primary insurance, and that any insurance, self-insured retention, deductibles, or risk retention trusts maintained or participated in by the Parties shall be excess and not contributory to any other insurance maintained by the County. Funding Recipient shall furnish the County a certificate of insurance with Endorsement as evidence that the required policies are in full force and effect.

Section 8. Termination.

The County may, by written notice thereof to Funding Recipient, terminate this Agreement as to all or any portion of the Services not yet performed, whether or not Funding Recipient is in breach or default. Upon receiving such notice of termination, Funding Recipient shall, except as otherwise directed by the County, immediately stop performing the Services to the extent specified in the notice. In the event the County terminates the Funding Recipient's Services, the Funding Recipient is obligated and hereby agrees to refund to the County all monies paid for Services not yet rendered by the Funding Recipient, if any, as of the date of the notice of termination.

Section 9. Miscellaneous.

- a. Funding Recipient shall not (by contract, operation of law or otherwise) assign this Agreement or any right or interest in this Agreement without the County's prior written consent.
- b. This Agreement embodies the entire Agreement between the County and Funding Recipient, and supersedes any and all prior oral or written communications, proposals, conditions, promises, representations, or understandings regarding the Services. No change, amendment or modification of any provision of this Agreement shall be valid unless set forth in a written amendment to the Agreement signed by both parties.
- c. Notice for any purpose under this Agreement, except service of process, shall be given by the Funding Recipient to the Kittitas County Commissioners and the Kittitas County Public Works Director, 411 North Ruby, Suite 1, Ellensburg, WA 98926. For all purposes under this Agreement, any notice by the County to the Funding Recipient shall be given to the Funding Recipient's address provided on the signature page. Notice may be given by delivery or by depositing in the U.S. Mail, first class, postage prepaid, certified mail, return receipt requested.
- d. The section and paragraph headings of this Agreement are for reference convenience only and are not intended to restrict, affect or be of any weight in interpreting or construing the provisions of such sections or paragraphs.
- e. This Agreement may be executed in one or more counterparts and by facsimile, each of which will be deemed an original, but all of which together will constitute one and the same instrument.
- f. Funding Recipient warrants to the County that the individual signing on Funding Recipient's behalf has the requisite power and authority to enter into and to perform Funding Recipient's obligations under this Agreement. Funding Recipient further warrants to the County that Funding Recipient has made no misrepresentation or misleading statement in connection with this Agreement, and is not in violation of any applicable law, ordinance, or regulation the consequence of which will or may materially affect Funding Recipient's ability to perform its obligations under this Agreement.
- g. If any term or condition of this Agreement or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect the other terms, conditions or applications which can be given effect without the invalid term, condition or application. To this end, the terms and conditions of this Agreement are declared severable.
- h. The exclusive venue for any action brought to enforce this Agreement or any of its terms shall be in Kittitas County, State of Washington.

**KITTITAS COUNTY
BOARD OF COUNTY COMMISSIONERS**

Chair

Vice- Chair

Commissioner

FUNDING RECIPIENT



Representative

Address

501 N. ANDERSON
EULENSBURG

Telephone

509-962-7221

ATTEST:

Clerk of the Board

APPROVED AS TO FORM:

Deputy Prosecuting Attorney



Energy Services Department

501 North Anderson Street
Ellensburg, WA 98926
(509) 962-7124 Fax (509) 925-8662
www.ci.ellensburg.wa.us

RECEIVED

JUN 14 2016

**KITTITAS COUNTY
DEPT OF PUBLIC WORKS**

June 14, 2016

Kittitas County Department of Public Works
Distressed County Sales and Use Tax Grant Fund
411 N. Ruby, Suite #1
Ellensburg, WA 98926

RE: Distressed County Sales and Use Tax Infrastructure Improvement
Program Grant Application

Please find enclosed a completed application for the Distressed County Sales and Use Tax Infrastructure Program. I am also enclosing 12 additional copies as requested.

Also enclosed with the application are the following:

1. Vicinity Map
2. Project Estimate
3. Letter of Support from EBDA
4. NTIA study supporting the impact of fiber projects
5. City of Ellensburg comprehensive plan for land use and economic development
6. Letter of Support from NoaNet

Thank you for considering this grant request. Please do not hesitate to contact me should you have any questions.

Sincerely,

Larry Dunbar
Director of Energy Services

- Larry Dunbar
Director
962-7226
- Beth Leader
Executive Assistant
962-7124
- Shan Rowbotham
Power & Gas Manager
962-7251
- Richard French
Light Operations Supervisor
962-7219
- Paul Meyer
Senior Electrical Engineer
962-7223
- Darren Larsen
Gas Engineering & Operations
Manager
962-7227
- Ben Faubion
Information Technology &
Telecommunications Manager
925-8612

DISTRESSED COUNTY SALES AND USE TAX INFRASTRUCTURE IMPROVEMENT PROGRAM APPLICATION

The Distressed County Sales and Use Tax Infrastructure improvement Program supports improvements to infrastructure systems that foster economic development in Kittitas County. The goal is to create economic opportunity through Infrastructure investment.

APPLICANT INFORMATION

Applicant: City of Ellensburg

Contact Name: Larry Dunbar

Address: 501 N Anderson St.

Address: _____

City: Ellensburg **WA Zip:** 98926

Telephone: 509-962-7124 **FAX:** 509-925-8662

E-mail Address: dunbarl@ci.ellensburg.wa.us

Project Location: See Exhibits 1A, 1B & 1C for details **Jurisdiction Population:** 18,363

Project Title: City of Ellensburg Fiber Optic and Wireless Network Expansion Project

APPLICATION THRESHOLDS

Applicant Requirement:

Check-off:

- 1. The project is improvement to an infrastructure system(s) linked to economic development.
- 2. A detailed 8 ½ X 11" vicinity map that clearly shows the project is included in the application package.
- 3. Distressed County funds are not being substituted for other funds that are already secured.
- 4. The project involves traditional improvements, instead of "non-traditional" improvements eligible for "Enhancement" funding
- 5. Applicant has submitted only one application this round.
- 6. The local/regional economic development organization has been informed of the project.

PROJECT BUDGET

Funding Sources	C	P	Preliminary Engineering Phase	Right of Way Phase	Construction Phase	Project Total	Is Funding Secured – Y or N?
Distressed County Funds Requested:							
<u>\$169,560</u>	\$			\$	\$169,560	\$169,560	
Other Federal:\$	\$			\$		\$	
State:\$	\$			\$		\$	
Local Government: <u>\$67,824 (40% Match)</u>	\$25,434			\$	\$42,390	\$67,824	Yes
Private:\$	\$			\$		\$	
*Other:\$	\$			\$		\$	
Project Total	\$25,434			\$	\$211,950	\$237,384	
Distressed County Fund Matching Ratio:	15%			%	25%	40.0%	

*Please explain other type of Funding:

PROJECT NARRATIVE

1. **Project Description: Describe the scope of work. Indicate the major work involved, including a brief comparison of existing and proposed conditions.**

On June 1, 2015 the City Council accepted construction of the City's 27 mile long fiber optic network as complete. On August 3, 2015 the City Council amended the telecommunications ordinance to allow Internet access services to be provided to the public in addition to public agencies. On October 19, 2015 the City Council hired a consultant to design a wireless network for use by the electric and natural gas utilities for telemetry and by crews in the field. Design, bidding and construction of the wireless network will be completed in 2016. The City's wireless network will also be capable of providing Wireless Fidelity (Wi-Fi) services to businesses, home offices, and telecommuters.

Phase I of this application is to purchase and install wireless subscriber modules to provide better, cheaper and faster Internet access services to businesses, home offices, and telecommuters using the excess capacity of the network. Although the City plans to purchase and install the majority of the necessary wireless telecommunications infrastructure, the cost to purchase and install a wireless subscriber module to connect to the network is a significant burden for a customer. See Exhibit 1A for the Phase I vicinity map.

Phase II of this application is to purchase and install additional wireless access points to provide more coverage for Wi-Fi Internet access services enabling additional businesses, home offices, and telecommuters to use the excess capacity of the network. As part of the City's 2016 project, Wi-Fi capabilities will be available in several areas of the City but will not be available throughout the community. See Exhibit 1B for the Phase II vicinity map.

Phase III of this application is to purchase and install fiber optic connections to businesses, home offices, and telecommuters using the excess capacity of the network. The City has been offering fiber optic services to the community during the last year. Although the City has purchased and installed the backbone of the fiber optic telecommunications infrastructure, the cost to extend fiber optics from the backbone to reach each customer's location has been a significant burden for customers. Businesses, home offices, and telecommuters are required to pay the connection cost, which averages \$5,000 each. See Exhibit 1C for the Phase III vicinity map that shows locations that have requested services during the last year.

2. **Explain the specific Infrastructure issues the project addresses and how they are linked to economic development improvements.**

Businesses, home offices, and telecommuters rely more and more on technology and the Internet in their day to day operations. Point of sale systems at local merchants are becoming the norm. By having safe and reliable Gigabit telecommunications, companies that are looking for remote office locations would look to Ellensburg for its great quality of life for their employees.

The grant funds will be used for necessary infrastructure to provide telecommunications services to businesses, home offices and telecommuters. With more than a year of experience now, the City has learned that connection costs are a significant burden for customers, again preventing them from taking advantage of connecting to the fiber optic network and the wireless network.

The City recently began to offer "WICKED FAST" Internet access services with Gigabit speed, which is not currently available through any other local service provider.

3. **Preliminary Engineering Phase:**

Estimated Start Date: October 19, 2015 Estimated End Date: August 26, 2016

Please explain phase status (work already completed, in progress, awaiting funding, etc., and factors that may slow phase progress).

The planning and design of the City's wireless network has been underway since October 19, 2015. Staff anticipates that the design will be complete by August 26, 2016, and that City Council will award the bid to construct the network no later than October 3, 2016. Construction of the wireless network is scheduled for completion by the end of 2016.

Phases I and II of this grant application are for additional telecommunications infrastructure in support of expanding wireless services to businesses and are awaiting funding. Anticipating an award, construction would be completed by June 30, 2017.

Phase III of this grant application for additional telecommunications infrastructure in support of expanding fiber optic services to businesses is also awaiting funding. Anticipating a grant award, Phase III construction would be completed by November 30, 2017.

4. Right of Way Phase: Is It Required? Yes _____ No

Estimated Start Date: Not Applicable Estimated End Date: Not Applicable

Please explain phase status (work already completed, in progress, awaiting funding, etc., and factors that may slow phase progress).

Not required. All work will be in city rights of way or on city owned properties.

5. Construction Phase:

Estimated Start Date: January 1, 2017 Estimated End Date: November 30, 2017

Please explain phase status (work already completed, in progress, awaiting funding, etc., and factors that may slow phase progress).

The three proposed phases (wireless subscriber modules, wireless access points, and fiber optic connections to businesses) are awaiting funding. All project phases are construction ready, and are prepared to commence January 1, 2017.

6. Indicate if the project is consistent with the following applicable state, regional and local plans and prioritization processes:

- Overall Economic Development Plan – Officially Adopted: March 19, 2007
- Comprehensive Land Use Plan – Officially Adopted: March 19, 2007
- Capital Facility Plan – Officially Adopted: October 5, 2015
- Community Action Plan (or other community-based plan) – Officially Adopted _____
- Six-Year Transportation Improvement Plan – Officially Adopted _____
- Site-specific development plans; e.g., Community Master Plan – Officially Adopted _____
- Other _____

7. Explain how this infrastructure project has been coordinated, or will be coordinated with other jurisdictions, such as counties, cities, state/federal agencies, and with economic development organizations during planning, design, financing, construction and/or operation phases.

This grant application is in accordance with the City's Economic Development Plan, Capital Facilities Plan, and the Comprehensive Plan, and also mirrors several of the planning goals included in Washington State's Growth Management Act as follows:

1. Urban Growth: "Encourages development in urban areas where adequate public facilities and services exist..."
2. Economic Development: "Encourages economic development throughout the state that is consistent with adopted comprehensive plans, promotes economic opportunity for all citizens of the state..."
3. Public Facilities and Services: "Ensure that those public facilities and services necessary to support development shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current service levels below locally established minimum standards."

Additional information about the Comprehensive Plan in support of this application is attached as Exhibit 5.

The Ellensburg Business Development Authority has written a letter strongly encouraging the city to implement their fiber communications project, which is attached as Exhibit 3.

The Northwest Open Access Network (NoaNet) has also written a letter strongly encouraging the city to implement all three phases of this grant application, which is attached as Exhibit 6.

8. Explain how the infrastructure project will help meet the economic development goals of your community and/or region. If this project is not done, will the anticipated private development still take place?

The community lacks modern telecommunications infrastructure throughout the city. Businesses and citizens now consider high speed Internet access as an essential service. The community is very cost conscious and not interested in paying more for services, which creates a sizeable challenge since a large investment in new telecommunications infrastructure is required.

Being centrally located in the state, Ellensburg has the potential to become an economic player. It just needs investment in telecommunications infrastructure that is enticing to technology workers and businesses around the state. By having Gigabit connectivity we are telling commerce we are open for business. We are able to provide the infrastructure needed to companies that want a satellite office or have telecommuters, who would enjoy our quality of life. The proposal will greatly enhance these locations and should help entice economic growth to the area. Without these telecommunications infrastructure improvements we may remain a rest stop on the way to somewhere else.

9. Describe any feasibility or predevelopment studies that demonstrate the linkage between the proposed Distressed County Infrastructure improvements and the anticipated economic outcomes.

The U.S. Commerce Department's National Telecommunications and Information Administration (NTIA) conducted a study that found increased economic output and higher levels of employment to previously underserved communities. Another impact was on the cost, faster connectivity for less money. For more information please refer to Exhibit 4.

10. Indicate if other needed infrastructure (e.g., sewer, water, power) is in place or if there is a plan for getting it in place.

All of the other necessary electric and telecommunications utility infrastructure are in place.

11. Indicate the Estimated Number of Businesses Created/Retained by the Project. Four created/unknown retained

Based on current vacant units in the incubator and the possibility of luring businesses to Ellensburg, creating four businesses seems conservative.

12. Indicated the Estimated Number of Jobs Created/Retained by the Project. Four created/unknown retained

During the construction phase a minimum of 10 people will be employed, from a project lead, engineer, construction crew, and fiber splicers. Basing our estimation on small startups, or satellite offices, four businesses of three employees each seems reasonable.

A total of 12 jobs are estimated to be created/retained by the project.

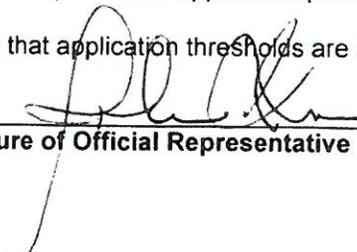
Submit the original application to:

**Kittitas County Department of Public Works
411 N. Ruby, Suite #1
Ellensburg, WA 98926**

Applicant Certification

Certification is hereby given that the information provided is accurate and the applicable attachments are complete and included as part of the application package.

I certify that application thresholds are met at the time of application.



Signature of Official Representative

6-14-16

Date

Sponsoring Agency (If Applicable)

Signature of Agency Representative

Date

Typed or Printed Name

Date

Associate Economic Development Organization Notification

The organization listed below has received notification of this project as demonstrated by the signature of the organization's representative.

Kittitas County Chamber of Commerce

Name of Organization



Signature of Representative

6/14/16

Date

Kittitas County Department of Public Works Conceptual Approval

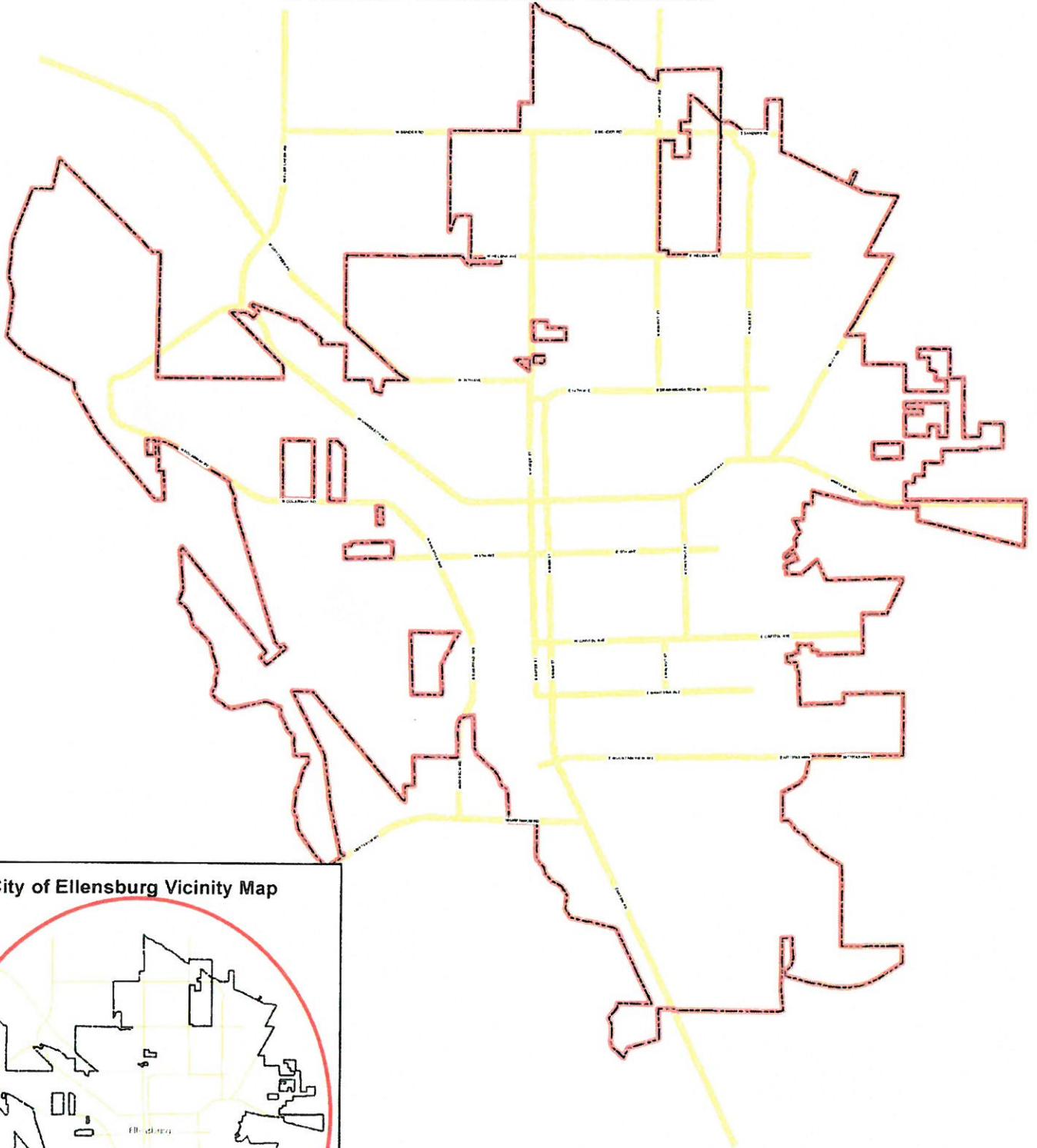
Approval of the project feasibility, scope and estimated costs.

Signature of Kittitas County DPW Representative

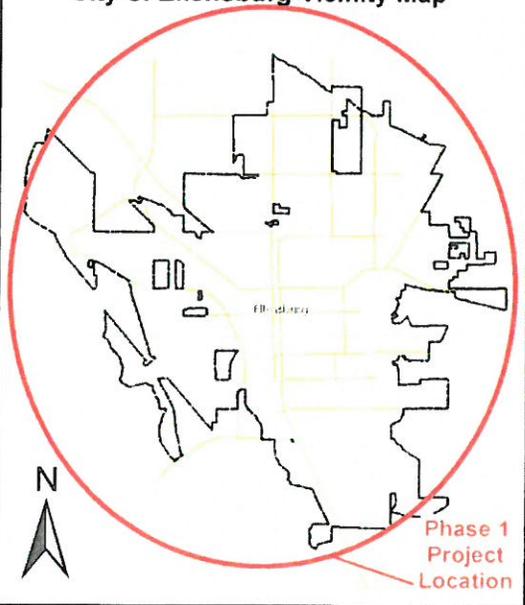
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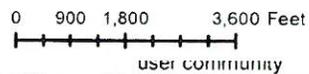
EXHIBIT 1A-Phase I Wireless Subscriber Modules



City of Ellensburg Vicinity Map

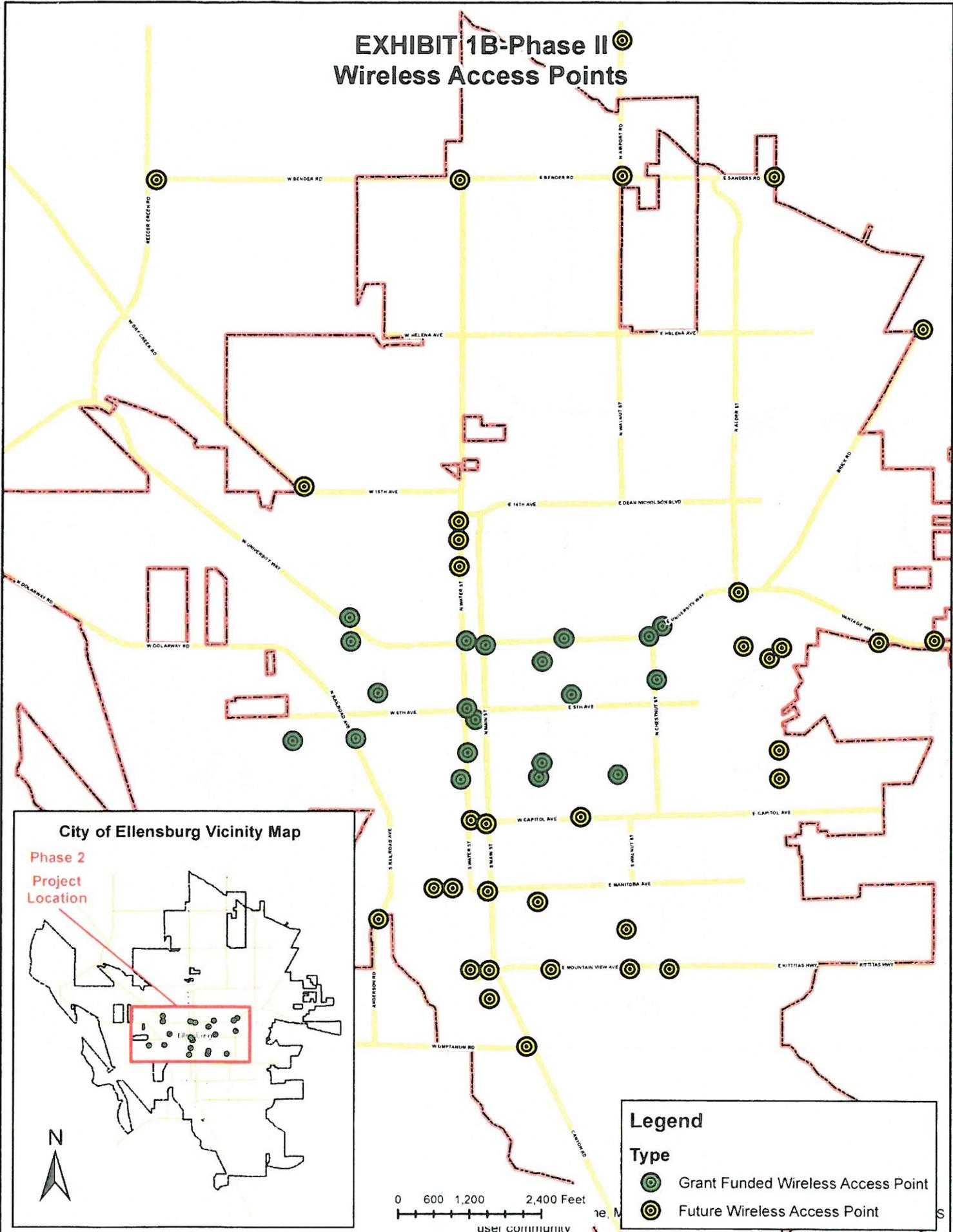


Phase 1
Project
Location



ne, MapmyIndia, © OpenStreetMap contributors, and the GIS

EXHIBIT 1B-Phase II Wireless Access Points



City of Ellensburg Vicinity Map

Phase 2
Project
Location

Legend

Type

-  Grant Funded Wireless Access Point
-  Future Wireless Access Point

0 600 1,200 2,400 Feet
user community

Exhibit 2

Phase I
Wireless Subscriber Modules

	Quantity	Unit Charge
Materials	200	\$110
Installation	200	\$250
		<hr/>
		\$72,000

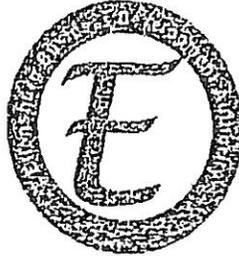
Phase II
Wireless Access Points

	Quantity	Unit Charge
Materials	20	\$1,250
Installation	20	\$1,250
		<hr/>
		\$50,000

Phase III
Fiber Optic Service Connections

	Quantity	Unit Charge
Materials	7	\$3,000
Installation	7	\$2,000
		<hr/>
		\$35,000

Subtotal Materials and Installation	\$157,000
Taxes	\$12,560
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Distressed County Funds Requested	\$169,560
15% Preliminary Engineering	\$25,434
10% Administrative	\$16,956
15% Engineering and Project Management	\$25,434
	<hr/>
40% Local Government Match	\$67,824
Total	\$237,384



City of Ellensburg
Council Members and Staff
501 N Anderson Street
Ellensburg, WA 98926

June 18, 2014

RE: Expansion of the City of Ellensburg Fiber Optic Plan

Council Members,

We applaud the initiative taken by the City Council to install a fiber optic network within the city of Ellensburg. However, one consideration that the EBDA Board would like to bring to Council's attention is the tremendous importance that fiber optic access now holds for economic development efforts. As Cathy Swirbul of the American Power Association recently stated, "Today when a company considers expanding its business...it assumes an area has access to high-speed broadband."

Given this, the EBDA Board respectfully requests the City to consider potential changes to its fiber optic plan to:

- 1) Consider wholesale marketing of fiber optic services for the private sector,
- 2) Investigate retail ISPs,
- 3) Ensure that fiber optic implementation puts Ellensburg in the most advantageous position possible for economic development, and at a minimum consider extending fiber optics to City-owned properties like the Incubator and Airport Building,
- 4) Explore the possible competitive position this initiative may place the City in with regard to Charter Communications.

Your time and consideration are truly appreciated.

Sincerely,

David B Bowen
Executive Director, EBDA



Published on NTIA (<http://www.ntia.doc.gov>)

Research Study Shows NTIA Broadband Grants Provided Billions in Economic Benefits

Topics:

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FOR IMMEDIATE RELEASE:

January 14, 2015

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WASHINGTON – The U.S. Commerce Department's National Telecommunications and Information Administration (NTIA) released a new [independent research study](#) [6] today showing that its broadband grants program resulted in billions of dollars in economic benefits to the communities served, including increased economic output and higher levels of employment.

The four-year study, prepared by the research firm ASR Analytics, examined the social and economic impacts of the \$4 billion in Recovery Act grants awarded by NTIA to expand broadband access and adoption across the country through the [Broadband Technology Opportunities Program](#) [7] (BTOP). In communities where grantees built new broadband infrastructure, broadband availability grew by an estimated 2 percent more than in communities not served by a broadband grantee. That growth could be expected to translate into increased economic output of as much as \$21 billion annually, the report concluded.

"We've seen firsthand the transforming economic and societal impact that broadband has on communities across the country," said Assistant Secretary of Commerce for Communications and Information and NTIA Administrator Lawrence E. Strickling. "The study released today captures only an early picture of the economic impact of our broadband grants. As more and more providers take advantage of Recovery Act-funded networks, we fully anticipate that the impact will be even greater."

NTIA is at the forefront of federal efforts to ensure that all Americans share in the promise and potential of the digital economy. NTIA today also unveiled its [Broadband USA](#) [8] initiative aimed at finding new ways to assist communities seeking to build their broadband capacity to advance economic development.

NTIA contracted with ASR Analytics to provide an [independent assessment](#) [9] of the social and economic impacts of BTOP. ASR Analytics' final report summarizes and synthesizes the findings of 42 separate case study reports, two interim reports, and a short-term economic impacts report. In conducting its review, ASR conducted 42 site visits with 27 different BTOP grantees between July 2011 and November 2013.

Exhibit 4

Key findings of ASR's final report include:

- On average, in only two years, BTOP grant communities experienced an estimated 2 percent greater growth in broadband availability than non-grant communities, which is estimated to generate increased annual economic activity of between \$5.17 billion and \$21 billion.
- The additional broadband infrastructure provided by BTOP could be expected to create more than 22,000 long-term jobs and generate more than \$1 billion in additional household income each year.
- Community anchor institutions, like schools and libraries, served by BTOP infrastructure grantees in the sample experienced significantly increased speeds and lower costs. As an example, the median price paid by libraries in the sample was \$233 megabits-per-second (mbps)/month before BTOP, at a median speed of 3 mbps. As a result of the grant, the median price dropped to \$15 mbps/month and median speed increased to 20 mbps.

Under the BTOP program, NTIA awarded 233 grants benefitting every state, as well as five territories and the District of Columbia, to build network infrastructure, establish public computer centers, and develop digital literacy training to expand broadband adoption.

To date, BTOP grantees have built or upgraded more than 113,000 miles of fiber and connected nearly 25,000 community anchor institutions. BTOP grantees also have established or upgraded 3,000 public computer centers, delivered more than four million training hours and helped roughly 735,000 households sign up for broadband.

About NTIA

NTIA, part of the U.S. Department of Commerce, is the Executive Branch agency that advises the President on telecommunications and information policy issues. NTIA's programs and policy making focus largely on expanding broadband Internet access and adoption in America, expanding the use of spectrum by all users, and ensuring that the Internet remains an engine for continued innovation and economic growth.

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National Telecommunications and Information Administration
1401 Constitution Ave., NW Washington, DC 20230

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- [9] <http://www.ntia.doc.gov/report/2015/asr-analytics-reports-and-case-studies>

Exhibit 5

Ellensburg Comprehensive Plan – 2006 Update (Amended Thru 2014)

Tourist Commercial (TC) - Tourist Commercial land is intended to serve the needs of the traveling public, offering accommodation, dining, fuel and other related land uses. It also permits professional offices. It is not considered a general retail use and should not provide for retail land uses that directly compete with those permitted in other commercial districts.

Light Industrial (LI) - The industrial designation is intended to provide for the creation of local jobs in a manner consistent with the character of the community. The types of uses permitted in this district would be light industrial in nature, providing employment in a non-polluting manner and minimizing traffic, noise, air pollution and lighting impacts on nearby properties and the local circulation system.

Heavy Industrial (HI) - The industrial designation is intended to provide for the creation of local jobs and other local economic activity in a manner consistent with the character of the community. The types of uses permitted in this district would be general industrial in nature, providing employment in as non-polluting manner as feasible and minimizing traffic, noise, air pollution and lighting impacts on nearby properties and the local circulation system.

Business Office Park (BOP) - This designation is intended to accommodate a mix of office and light industry, characterized by low noise and air quality emissions. Uses in this district might include start-up manufacturing, research and development or small-scale warehousing.

Industrial Residential (IR) - This designation is intended to provide for well-designed, mixed-use projects that create small-scale business-park environments suitable for residential and light industrial uses.

Public/Institutional (PI) - Public and institutional uses, including hospitals, treatment centers, city offices, schools, parks, and churches populate this land use designation. The designation is applied to parcels of land now owned by public or private entities and are limited to open space or institutional use. It should be noted, however, that such Public/Institutional uses may over time cease on such properties and it is both expected and appropriate for such properties to be able to revert back to non-public/institutional uses in a manner that minimizes impacts to the surrounding neighborhood or development pattern.

Open Space (OS) - The open space designation applies to large tracts of undeveloped or undevelopable land dedicated to recreation or its natural condition. It should be noted, however, that over time there may be a need for such open space uses to cease on such properties and it is both expected and appropriate for such properties to be able to revert

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behind them in the site selection process. The State offers a number of incentives but also provides the ability for local government to offer additional incentives. Kittitas County is at a distinct disadvantage because it lacks a Port District to provide funding and infrastructure. The City should consider establishing incentives to retain existing and attract new businesses that provide family wage jobs.

Ellensburg can stimulate local economic development successes by emulating the strategies used in other communities. It takes work, but the following steps can help the community improve its chances for prosperity:

- **Focus on strengthening and diversifying the local economy** and meeting demonstrated market demand; for example, by encouraging additional retail business
- **Promote the retention and expansion of existing businesses**
- **Encourage and nurture new business development of all sizes**
- **Create economic incentives to reduce start-up costs and/or risks for businesses that provide family-wage jobs**
- **Pre-permit property to reduce time for a business to be up and running**
- **Support innovative programs to develop a highly qualified labor force**
- **Stimulate industrial development through public investment**
- **Create a permitting process that is predictable and efficient**



Figure 8.3 – Re-developing the downtown core as a service, entertainment and retail destination may help revitalize vacant or underutilized properties within the Central Commercial zones. (Image source: Tom Pickard, participant)

Exhibit 6



June 10, 2015

Linda Gott
President of the Board

Ernie Bolz
Vice President of the Board

John Jordan
Secretary of the Board

Lloyd Berg
Director

Rick Dunn
Director

Wayne King
Director

Doug Miller
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Don Queen
Director

Roger Wright
Director

Greg L. Marney
Chief Executive Officer

Dave Spencer
Chief Operating Officer

William R. Kopp
Chief Technical Officer

Mike Henson
Chief Security Officer

John Akers
City Manager
City of Ellensburg
501 North Anderson Street
Ellensburg, WA 98926

RE: Kittitas County Distressed County Sales and Use Tax Grant Application

Dear Mr. Akers,

On behalf of the Northwest Open Access Network (NoaNet), please accept this letter of support for your grant application.

We understand that the City is in the process of designing a wireless network that is anticipated to be constructed by the end of this year. A wireless network is a very affordable way to provide a community access to NoaNet's high speed Internet. However, as you are aware the cost of the subscriber module (similar to the cost of a DSL or cable modem) is often times a hurdle for customers to subscribe. There will also likely be additional needs for wireless access points that will become evident after the project is complete. Seeking a grant to offset the customer's cost of connecting to the wireless network, and for the cost of additional wireless access points are excellent economic development opportunities.

I also understand that the cost of fiber optic network connections has proven to be a hurdle for many Ellensburg business customers. Seeking a grant to offset the cost of fiber optic connections for businesses that require the higher bandwidth and reliability the City's fiber optic network provides is a superior economic development opportunity.

For both residential and business users, by securing a grant to reduce the operating costs of the network, the City would be able to provide connections at a lower rate to subscribers which will increase the number of users and increase the opportunity for economic development within Ellensburg through broadband access.

The City and NoaNet having been cooperating on telecommunications during the last two years, and we were successful securing the City's business earlier this year for Internet access for resale. The City has successfully completed its construction of its fiber optic network, and now has a redundant fiber optic connection to our Ellensburg point-of-presence. The last mile redundancy in the City's network in conjunction with our regional redundancy to the Seattle and Portland Internet exchanges provides a superior connection to the world.



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According to a recent study by the National Telecommunications & Infrastructure Administration, for each \$1 invested in new broadband infrastructure there was an increased economic output of about \$5. We urge you to support the City's grant application in support of local economic development efforts.

Please feel free to call on me if you have any questions.

Sincerely,

Tom Villani
Government & Public Services
NoaNet
2002 Woodridge St.
Wenatchee, WA 98801