

# FEASIBILITY STUDY

## PEND OREILLE COUNTY 2020 PLANNING STUDY

December 2022

Prepared for:  
Pend Oreille County and the City of Newport

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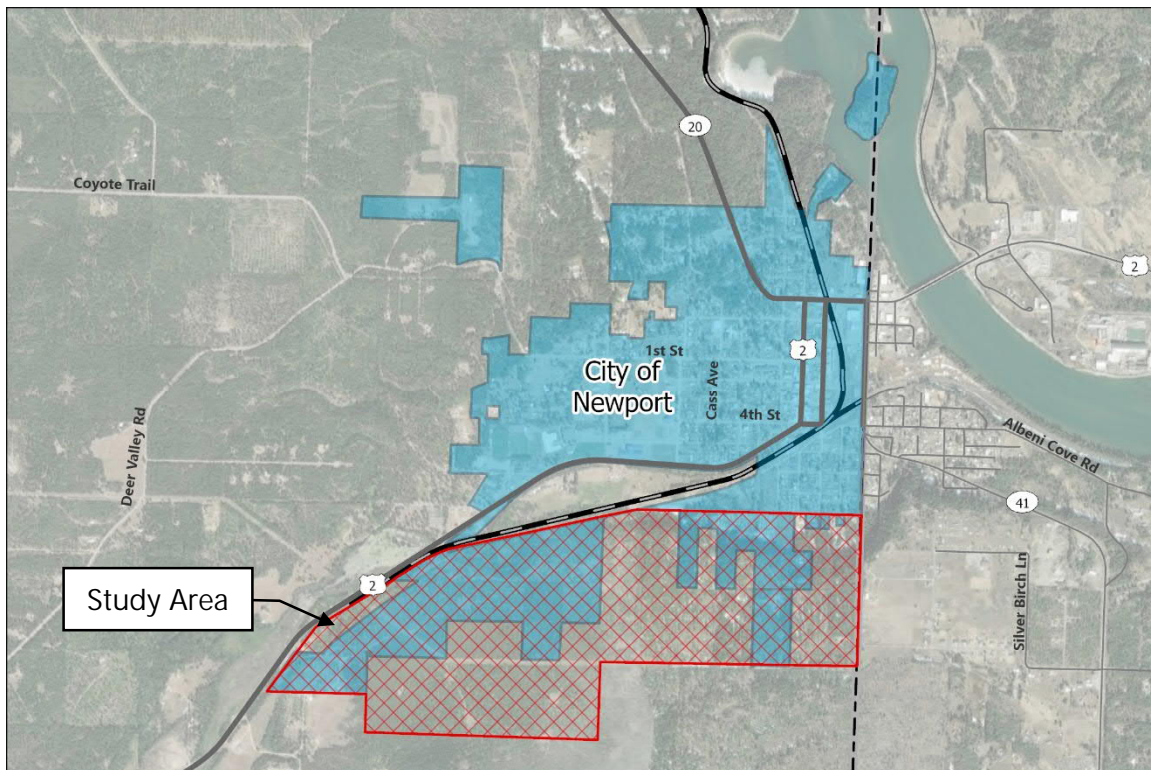
# INTRODUCTION

## Background

Pend Oreille County, and specifically the area in and around the City of Newport, has a limited amount of active light industrial land available for development. As a result, most new industrial and manufacturing users who want to locate in the area must look at other areas nearby, frequently across the state line in Idaho. As part of the recent Comprehensive Plan update in 2021, the City identified the area in and adjoining the Newport South Bench as a potential area in the future for light industrial use. This property is currently owned by multiple private landowners but has been designated generally as master planned development in the City's Future Land Use Map. The City would like to market this area as a potential for commercial, office, and light industrial users, in addition to residential uses. The purpose of this analysis is to investigate the economic feasibility of developing the site and identify potential light industrial and commercial users who could be marketed for developing within the site.

For purposes of this study, the site will be commonly referred to as the "South Bench Planning Study Area". Figure 1 shows the location of the site in relation to the City of Newport.

Figure 1: Vicinity Map



## Existing Property Description

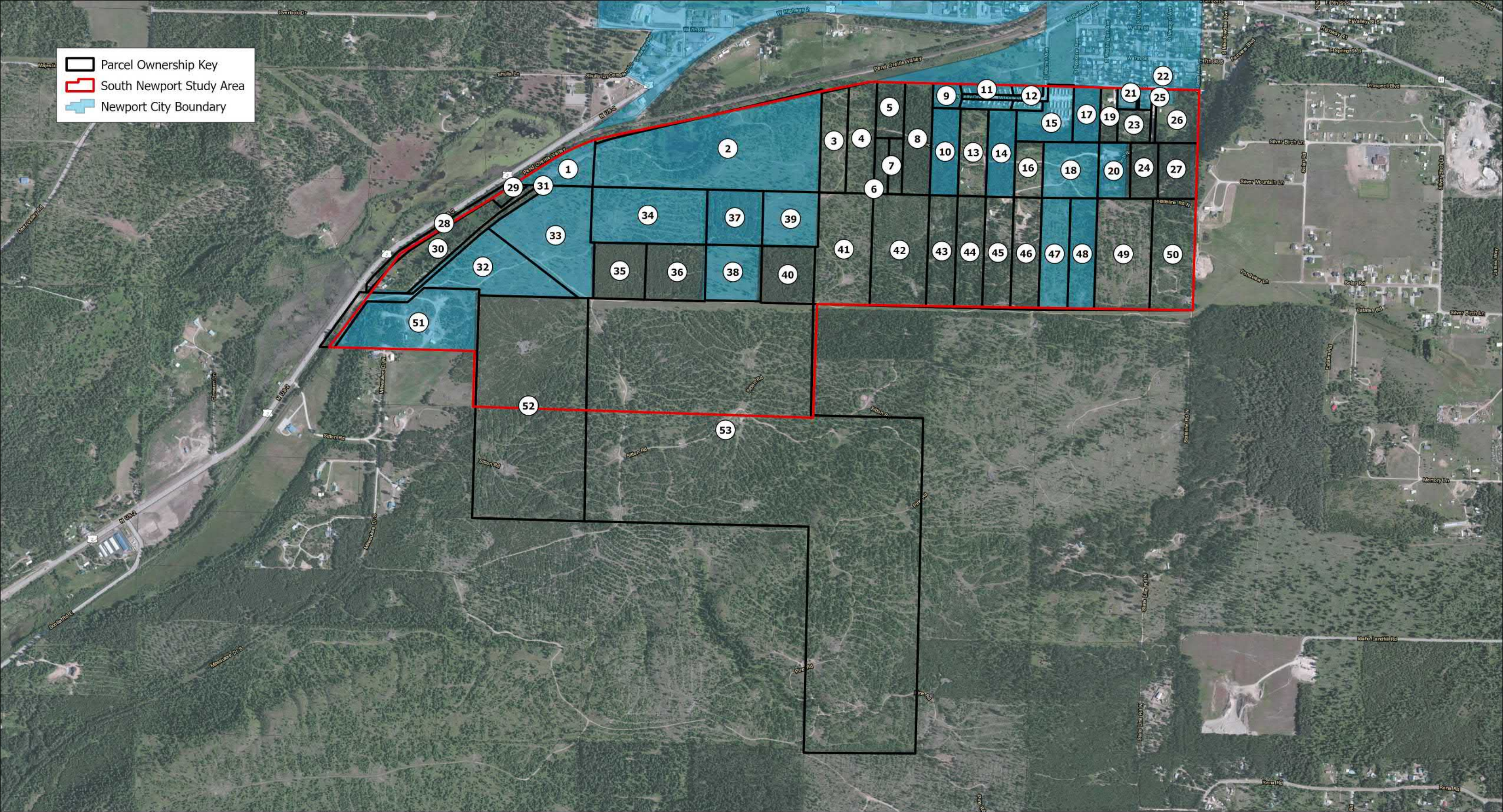
The South Bench Area is generally located south of US Highway 2 from approximately the west city limits of Newport to the Idaho State line. Figure 1 identifies the area of the South Bench evaluated in this study.

Per the Pend Oreille County Assessor, the site consists of 53 parcels ranging from approximately 0.5 to 80 acres for the total of approximately 618 acres. The following is a summary of each parcel, Figure 2 identifies the subject parcels and study area boundary:

Table 1: Parcel Summary

ID	Parcel Number	Acres	ID	Parcel Number	Acres
1	051-453123410007	6.69	28	051-453123439006	3.24
2	051-453124300002	53.95	29	051-453123440001	1.09
3	051-453124430005	8.84	30	051-453123430002	12.02
4	051-453124420003	10.00	31	051-453123419003	2.88
5	051-453124428002	5.10	32	051-453123520013	20.89
6	051-453124420004	2.55	33	051-453123520014	23.56
7	051-453124420005	2.55	34	051-453124330001	20.77
8	051-453124420001	10.19	35	051-453124330002	9.40
9	051-453124410001	2.24	36	051-453124330003	10.95
10	051-453124410005	7.95	37	051-453124340002	9.97
11	051-453124640001	3.29	38	051-453124340003	10.09
12	051-453124630001	1.96	39	051-453124340001	9.91
13	051-453124410004	7.94	40	051-453124340004	9.81
14	051-453124410003	7.94	41	051-453124430002	19.99
15	051-463119060005	8.05	42	051-453124430001	20.40
16	051-453124410002	5.10	43	051-453124440004	10.21
17	051-463119060004	4.86	44	051-453124440003	10.21
18	051-463119060006	10.07	45	051-453124440002	10.21
19	051-463119060003	3.06	46	051-453124440001	10.21
20	051-463119060007	5.78	47	051-463119070001	10.49
21	051-463119060002	1.33	48	051-463119070002	9.66
22	051-463119600035	0.87	49	051-463119070003	20.11
23	051-463119060001	3.69	50	051-463119080001	15.60
24	051-463119060008	5.03	51	051-453126520002	22.36
25	051-463119608010	0.36	52	051-453126000001	80.15*
26	051-463119050001	7.06	53	051-453125000001	284.90*
27	051-463119050002	7.04			

\* Only a portion of parcels 52 and 53 are included in the study area, 40 and 80 acres respectively.



# PARCEL OWNERSHIP- SOUTH NEWPORT STUDY AREA

Pend Oreille County, WA

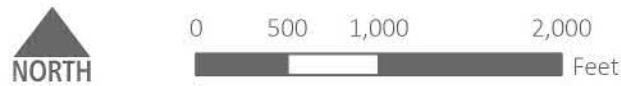


Figure 2: South Bench Study Area– Parcel Ownership

The topography of the property varies widely, with a steep rise from the toe to the crest of the bench and a blend of more gentle slopes (3%-8%) and steeper slopes (8%-15%) on the upper (more southerly) portions of the bench. Most of the site has elevations ranging from 2220 feet to 2360 feet above sea level.

The majority of the study area is currently forested land with some cleared areas with low vegetation. Several 5-10-acre residential sites are located along the easterly portion of the bench, near parcels owned by the City and where two of the City wells and a City reservoir are located.

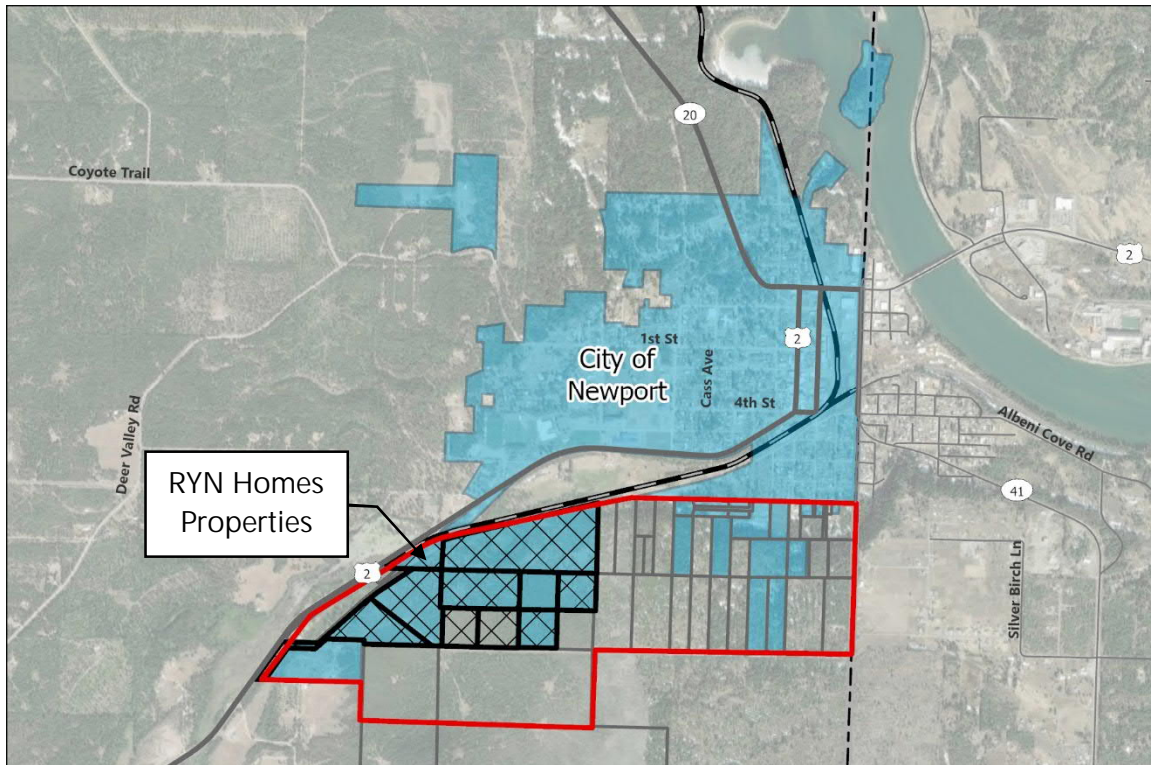
Access to the study area is currently limited to private primitive or minimally developed roadways. Many of the parcels do not have dedicated access routes currently.

The South Bench Study Area located in Pend Oreille County, with portions of the property located within the Newport City Limits or within the City Urban Growth Area.

## Proposed Development

In 2021, RYN Built Homes purchased 9 parcels in the South Bench Study Area with the intent for a mixed-use development, See Figure 3. This property is approximately 155 acres and located primarily within the Urban Growth Area of the City of Newport and adjacent to US-2. 20 acres is located outside of the UGA. The initial concept plan includes a residential/commercial mixed-use development with 301 residential lots and additional land available for open space, commercial, light industrial or office uses (See Appendix A). At this time, RYN Built Homes is working with the City to identify water, sewer, and access options to their property.

Figure 3: Proposed Development Area



Coordination with this development will be critical for the future of the South Bench Area. This development will potentially initiate the extension of major infrastructure that will be used to serve future development in the entire study area for years to come. In addition, the extension of these utility services will likely be the catalyst for future development.

The existing railroad track which runs between US Highway 2 and the bottom of the south bench creates an obstacle to the creation of additional access to the south bench along the route of the track. The track is owned by Burlington Northern Santa Fe (BNSF) and leased by the Pend Oreille Valley Railroad (POVA). RYN Built Homes has approached the Pend Oreille Valley Railroad and BNSF with a request to create a crossing of the track, but their request has been rejected by BNSF, even though POVA agreed to the crossing. Because BNSF owns the track, the crossing cannot be constructed without their concurrence. RYN Built homes has an existing access at the west end of the South Bench, but is exploring an access at the east end (to connect at approximately 8<sup>th</sup> Street and Spokane Avenue) that could create an additional access and facilitate access to parcels owned by other landowners. A cooperative effort among other landowners and Ryn Built Homes resulting in an access that could serve all parcels desiring to develop would prove advantageous to all of these landowners, allowing two points of access to the South Bench area.

Ryn Built Homes has indicated they would move forward with their development immediately if an additional access point could be coordinated and if the City could assure capacity of and availability to the City's water and sewer utilities.

## Study Goals

Pend Oreille County identified three key goals for this analysis, namely:

- Identify feasible commercial and light industrial uses for the Site.
- Delineate infrastructure improvements necessary to serve recommended potential industrial uses.
- Prepare a marketing strategy to attract targeted industrial users to the subject site.

In order to achieve these primary study goals, several corresponding study work elements have been prepared for the subject property as follows:

- Economic feasibility analysis and marketing strategy
- A conceptual site plan
- Site infrastructure analysis

This study's overall focus is on determining the market and physical feasibility of developing the South Bench Planning Area Site. Doing so would achieve several County and City objectives including the creation of new jobs and increasing the local property tax base.



## ECONOMIC FEASIBILITY ANALYSIS

### Overview

The general goal of this element of the study is to identify the market feasibility of industrial uses for the South Bench Study Area. This analysis is comprised of two components: (1) market feasibility study, and (2) a recommended marketing strategy. This economic feasibility portion of the study conforms to the minimum threshold criteria established by the Washington State Community and Economic Revitalization Board (CERB) for potential grant funding opportunities.

The results of this analysis were then used to prepare detailed evaluations of the physical attributes and corresponding development requirements of the site and to prepare a conceptual site plan to meet the market needs. Based on both market and physical development determinations and recommendations, a marketing strategy was then be prescribed for the site. The following is a summary of the economic feasibility analysis; the complete copy of the report is found in Appendix B.

### Economic Analysis Summary

The proposed South Bench Study Area is located in the southern portion of Newport, WA within Pend Oreille County. Pend Oreille County is unique in terms of geographic features, population density, transportation, industries and infrastructure. It is very rural with a majority of the land being mountainous within the Colville National Forest and undevelopable. The County has only 9.3 persons per square mile, a rural economy, and limited transportation routes. Over the last five years the overall population for the County has remained steady with an overall population of 13,302 in 2021. However, in recent years (2020 to 2021), the population declined at a rate of 2.1 percent, according to the Census.

Table 2: Population, Pend Oreille County

Year	Population	% Change
2017	13,066	
2018	13,219	1.2%
2019	13,377	1.2%
2020	13,588	1.6%
2021	13,302	-2.1%

Source: Census, ACS 5-Year Estimates

Unemployment rates in the County have been steady improving in recent years, however they still remain below the state unemployment rate of 3.7%. The total number of unemployed works in Pend Oreille County is 391.

Table 3: Unemployment Rates

Year	Pend Oreille County	Washington
2019	7.9%	4.3%
2020	10.7%	8.4%
2021	7.6%	5.2%
2022 (Oct)	5.5%	3.7%

Source: Washington Employment Security Department

The economy of the area is dependent on resource extraction, specifically, lead and zinc mining followed by timber. These realities greatly affect job growth and job creation. This economic feasibility analysis identified several commercial or light industrial uses that could be potential industries to target. The following industries include:

- Industrial Supply Chain / Light Manufacturing
  - Medical Device Manufacturing
  - Test Device Manufacturing
  - Instruments and Related Products Manufacturing
  - Measuring and Controlling Device Manufacturing
  - Search, Detection, Navigation, Guidance System Manufacturing
  - Machine Shops and Machine Tool Manufacturing
  - Plastics Material and Resin Manufacturing
  - Coating, Engraving, Heat Treating, and Allied Activities
  - Industrial Machinery Manufacturing
  - Cutlery and Hand Tool Manufacturing
- Electric Components
  - Other Communications Equipment Manufacturing
  - Electrical Equipment Manufacturing
  - Electronic Component and Equipment Manufacturing
  - Semiconductor and Circuit Manufacturing
- Target Clusters
  - Aerospace
  - RecTech

Topographic limitations in areas across the South Bench Study Area as well as access to US 2 may provide limitations to larger industries, however smaller users with lower truck volume could be accommodated. Growing existing machine shops in the region is a strong realistic approach for this area. An incubator type facility could provide a space for existing machine shops and other light industrial uses to grow regionally and beyond. Also, by grouping like industries together in one area provides the ability to share resources, limiting capital and business expenditures, but can also provide supply chain solutions to support larger area businesses (e.g. aerospace, forest products, rectech, etc.).

In addition to industrial users, there is a potential to expand healthcare services in the area to accommodate demand from surrounding communities. The commercial area, located within the RYN Homes property on the South Bench, is fitting for this type of use with its access to the highway and proximity to other healthcare ancillary services. Small retail would complement the planned residential development as well as a healthcare corridor.

Employment projections of these type of potential industries were reviewed to determine the potential job opportunities that could be created. As a result, the development of the South Bench Area, it is estimated that the new commercial and industrial users could create as much as 2,100 direct new jobs and additional 234 indirect jobs when fully developed. Most of these jobs would be created by the healthcare and retail uses.

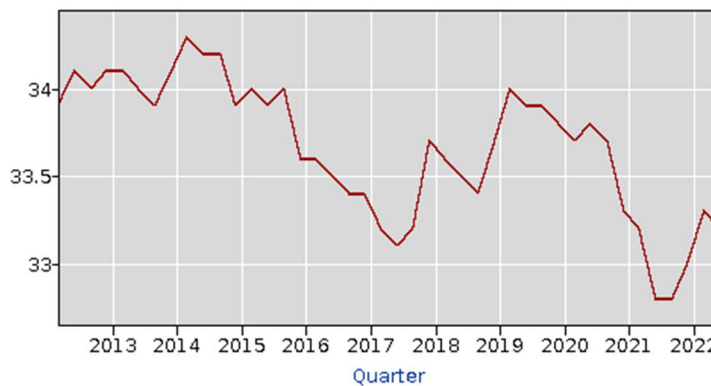
Table 4: Employment Projections

Impact on Jobs	Manufacturing	Warehouse/ Distribution	Healthcare	Retail	Totals
Direct	467	373	1,033	230	2,103
Indirect + Induced	70	37	103	23	234
<i>SUBTOTAL</i>	<i>537</i>	<i>411</i>	<i>1,136</i>	<i>253</i>	<i>2,336</i>

Benefits offered for each of the potential job types will differ. Jobs created in Manufacturing, Warehousing and Medical will all most likely offer benefits, while Retail typically does not. The following figures show the total benefits for each employment sector as a percent of total compensation.

Production workers: Total benefits as a percent of total compensation has been trending downward slightly since the pandemic but has recently seen a slight uptick (see Figure 4:).

Figure 4: Total Benefits as a Share of Total Compensation, Production Occupations



Source: BLS, Employer Costs for Employee Compensation

Transportation and Material Moving workers: Total benefits as a percent of total compensation has also been trending downward since the pandemic (see Figure 5).

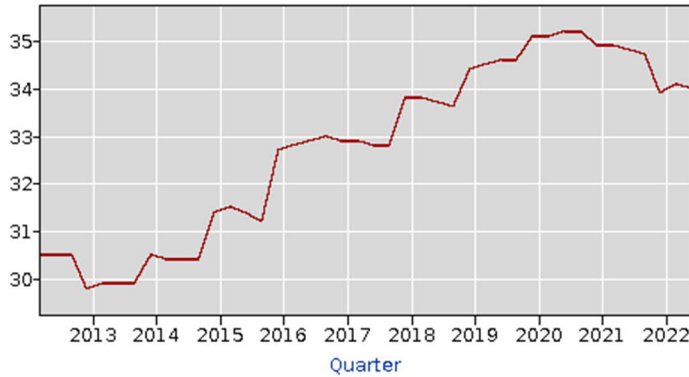
Figure 5: Total Benefits as a Share of Total Compensation, Transportation and Material Moving Workers



Source: BLS, Employer Costs for Employee Compensation

Registered Nurses: Unlike manufacturing and warehousing jobs, the share of benefits to total compensation has been rising for RNs. RNs have been in high demand for nearly two decades and the demand was exacerbated by the pandemic. Benefits have helped retain RNs.

Figure 6: Total Benefits as a Share of Total Compensation, Registered Nurses



Source: BLS, Employer Costs for Employee Compensation

Retail: The service industry was highly impacted by the pandemic, as illustrated in Figure 7 & 8. The share of benefits offered has declined since mid-2020. Sales workers have also been impacted by the pandemic, however, the downward trend in share of benefits was starting to decline before.

Figure 7: Total Benefits as a Share of Total Compensation, Service Workers

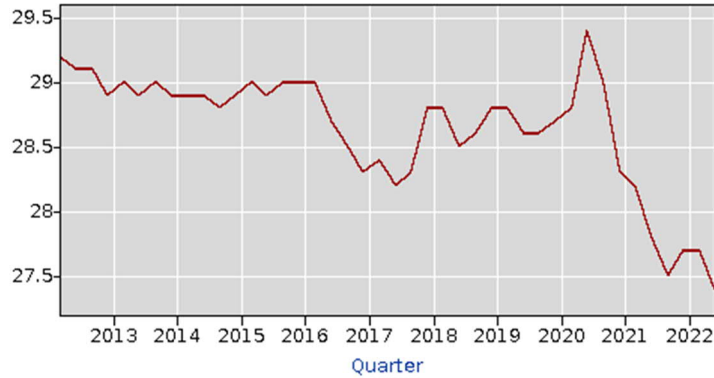
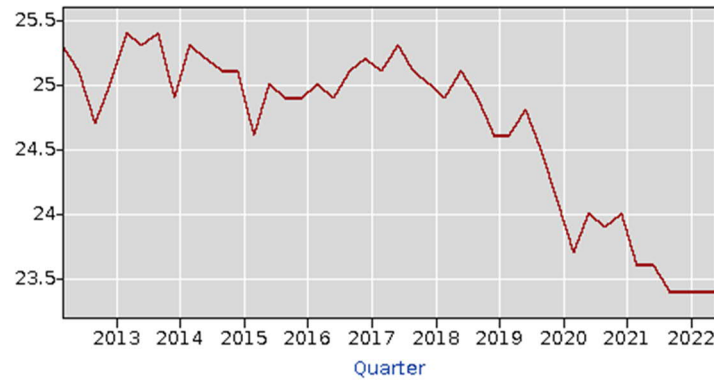


Figure 8: Total Benefits as a Share of Total Compensation, Sales Occupations



Source: BLS, QCEW

The median hourly wage was identified for the targeted industries using data from the Quarterly Census of Employment and Wages (QCEW)—more specifically, average earnings (total annual earnings of industry divided by total jobs). According to QCEW data, the average industry wages for the proposed uses are indicated in Table 5 below.

The median income for industrial related occupations is anticipated to range from \$25.02 per hour for Warehouse & Distribution to \$29.71 per hour for manufacturing. However, the healthcare and retail median hour wage are indicating lower hourly wages when derived from the total annual wages. It should be noted that the positions in this sector generally do not all work full-time and therefore would have a higher hourly wage then indicated.

Overall, the average wage for industrial sector jobs is expected to be higher than the median wage of \$23.93 per hour for Pend Oreille County as identified by CERB in a 2020 Median Wage Report. The ability to create jobs with a median wage of greater than \$23.93 is essential to receive future funding from CERB.

Table 5: Median Hourly Wage of the New Jobs in Relation to County

Industry	Avg Annual Wage	Avg Annual Hourly Wage	% Change from County
Manufacturing	\$61,794	\$29.71	20.2%
Warehouse & Distribution	\$52,032	\$25.02	1.2%
Healthcare	\$28,625	\$13.76*	-44.3%
Retail	\$28,507	\$13.71*	-44.5%
Pend Oreille County Annual Hourly Wage (all industries)	\$51,407	\$24.71	

Source: BLS, QCEW via Washington Employment Security Department

\* The hourly wage is based on the industry average annual wage and divided by 2080 hours.

Overall, the development of the South Bench Area with industrial, commercial, and retail uses will have a significant impact to the area when fully built out and will accommodate future growth. It is estimated to increase the county's labor force by 32.3%, see Table 6 below. In addition, the number of jobs created (~1,606) far exceeds the number of unemployed workers (391) in Pend Oreille County.

Table 6: Estimated jobs created per county's labor force.

	Labor Force	Impact from Direct Jobs		Impact from Total Jobs	
	Number	Number	Percent	Number	Percent
Pend Oreille County	5,135	6,741	32.3%	6,925	34.9%

Upon full buildout of the site under the proposed land use projections, the proposed industries and uses are estimated to generate over \$64 million in earnings and could potentially generate roughly \$10M in annual state and local tax revenue each year. This is derived by calculating the industry standard of 17% of total estimated earnings to taxes on production and imports. These earnings are circulated throughout the economy significantly benefit and contribute to the overall economic health of the community.

Table 7: Economic Impact Summary by Buildout Scenario

Jobs	2,103
Total Direct Earnings	\$64,436,490
% to TPI	17.0%
TPI	\$10,954,203

Note: TPI = Taxes on Production and Imports. TPI is comprised of state and local taxes—primarily non-personal property taxes, licenses, and sales and gross receipts taxes—and federal excise taxes on goods and services.

## Marketing Strategy

A marketing strategy should be incorporated into the development plan of the South Bench area. The marketing strategy should be created as a partnership between Pend Oreille County, City of Newport, Pend Oreille County Economic Development Council (EDC) and the largest land holders in the project area. Pend Oreille County EDC is the most ideal to implement the marketing strategy as it already promotes the area and has partnerships with local jurisdictions and stakeholders.

As development occurs and subdivisions are platted, developers could use this strategy to promote their investment. Pend Oreille EDC has the most capacity to contact and interview prospective users or tenants to the commercial and industrial areas of the site. Their relationships with site selectors, real estate professionals, prospective industrial tenants and developers will foster activity when considering this site.

The EDC should work with a real estate broker for the commercial and industrial areas within the site. The marketing plan for the subject site must take into account various points-of-view—Pend Oreille County, City of Newport, existing businesses, the real estate professional, the prospective user, and the local community. Carefully selecting the appropriate industrial broker is highly important to the site marketing and selection process because this representative is the primary interface with prospective industrial users for the site. Close, ongoing communications with this industrial broker is of paramount importance in achieving marketing success.

The creation of a Marketing Plan will be ideal to promote the site and create partnerships with local agencies and stakeholders. As part of the marketing strategy, a data collection system shall be implemented as a joint effort between the City, County and EDC, as activity and development occur. The group can use this plan to track metrics using the infrastructure data and funding table as well as the job impacts from new industrial users. The following are types of measures that can be tracked to identify progress toward the plan and overall site development.

- Replatting per Binding Site Plan
- Annexation and Zoning
- Identify City Road Standards and Capital Improvement Plan (CIP)
- Funding for infrastructure
  - Funding goal from infrastructure needs list
  - Tracking of funding for each need
- Infrastructure development
  - Measurable outcomes
    - WWTP capacity (current and post-development levels)
    - Sewer collection system (new lift station capacity and flows)
    - Roads (ADT on new and existing roads—current and post-development)
    - Access to US 2
    - Infrastructure Route Location.

- Site development
- Marketing of site for industry opportunities
- Keep inventory of business interest:
  - Type of Industry (Economic Diversity)
    - Targeted industry?
    - Average hourly wage
    - Industry as share of total employment
  - Capital investment (\$)
  - Infrastructure needs/investment (\$)
  - Workforce and training needs—# of jobs and # enrolled in new training programs (upskilling opportunities for existing workforce)



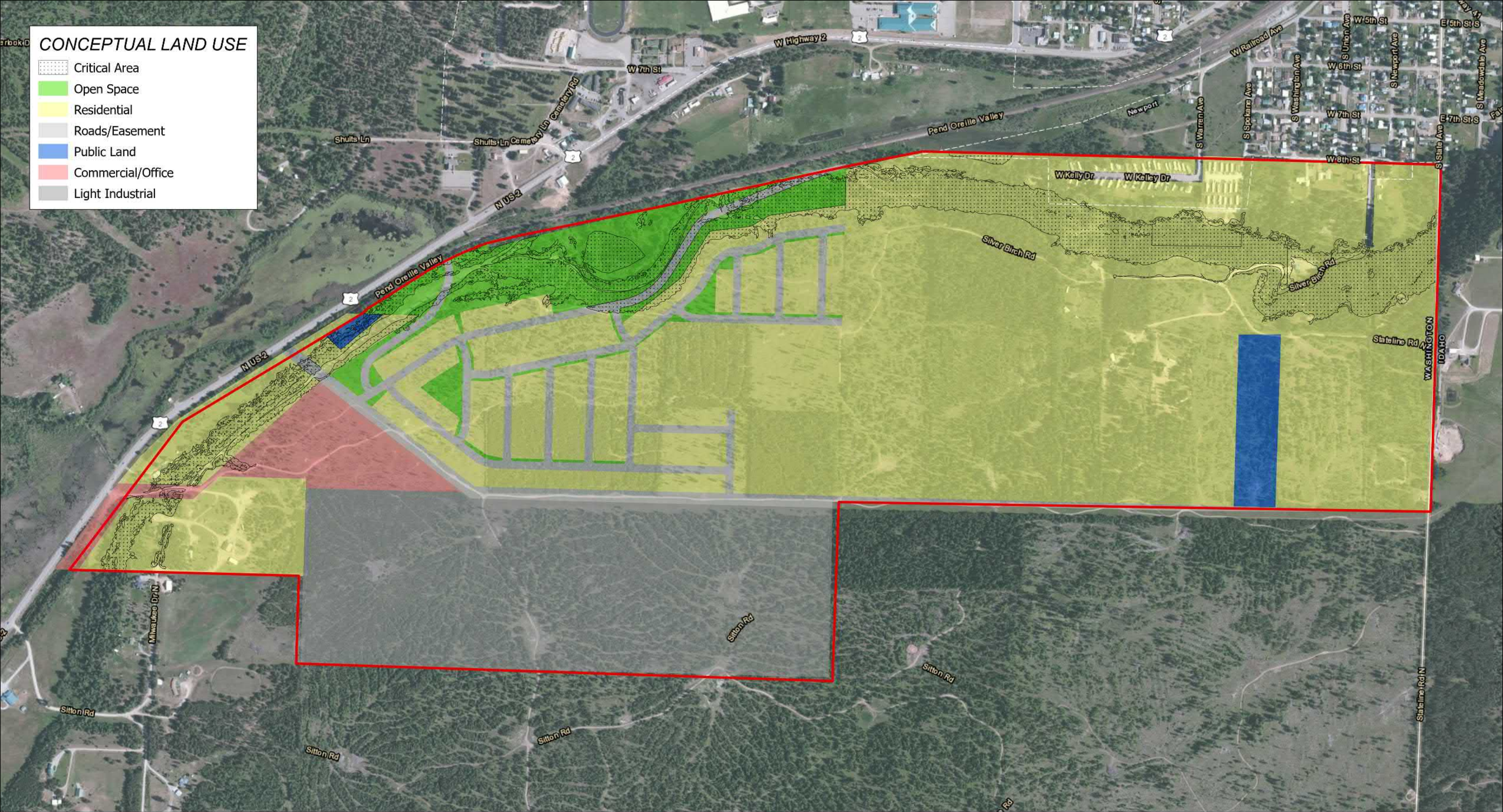
## CONCEPTUAL SITE PLANS

The conceptual site plan, Figure 10, is based on a preliminary layout of a light industrial area developed by Pend Oreille County and a preliminary layout of development by RYN Built Homes. The intent of the site plan is to provide a conceptual layout of the utility and roadway corridors as well as locations for future land use development areas. This information is then used to prepare the infrastructure analysis. The infrastructure analysis provided in this report is based on this conceptual site plan, as well as land use projections of the South Bench Area.

This land use projection (Table 8) represents an estimate of potential build out that allows for the projection of infrastructure expansions and improvements that will be needed to facilitate this growth and a basis for assigning a magnitude of potential costs. This analysis is cursory in nature is in not intended for design purposes. Findings in this report are based on current State and local standards and future changes to such standards, design considerations and differing site conditions could alter the conclusions and information provided in this study. A conceptual land use plan is shown in Figure 9.

Table 8: South Bench Study Area Land Use Projections

Land Use Categories	Gross Area		Building Area	
	Acres	%	s.f.	%
<b>Commercial/Office Uses</b>				
Medical-Dental Office Bldg	7.2	1.2%	62,607	20%
Variety Store	7.2	1.2%	62,607	20%
Sub Total	14.4	2.3%	125,215	
<b>Light Industrial/Manufacturing Uses</b>				
Manufacturing	42.9	6.9%	466,672	25%
Warehousing	42.9	6.9%	466,672	25%
Sub Total	85.7	13.9%	933,343	
<b>Residential</b>				
Single Family Area	256.8	41.6%	NA	NA
Sub Total	256.8	41.6%	NA	
<b>Other Public Uses</b>				
Parks/Openspace	36.7	5.9%	NA	NA
Roads and Utilities	137.3	22.2%	NA	NA
Public Land	9.9	1.6%	NA	NA
Critical Areas	77.1	12.5%	NA	NA
Sub Total	261.1	42.3%	NA	
<b>TOTAL</b>	<b>618.0</b>	<b>100.0%</b>	<b>1,058,558</b>	
Assumptions: non-building area includes off-street parking, landscaping, setbacks, buffers, circulation, open space & park areas, and storm water detention.				
<i>Source: J-U-B ENGINEERS, Inc</i>				



**CONCEPTUAL LAND USE**

- Critical Area
- Open Space
- Residential
- Roads/Easement
- Public Land
- Commercial/Office
- Light Industrial

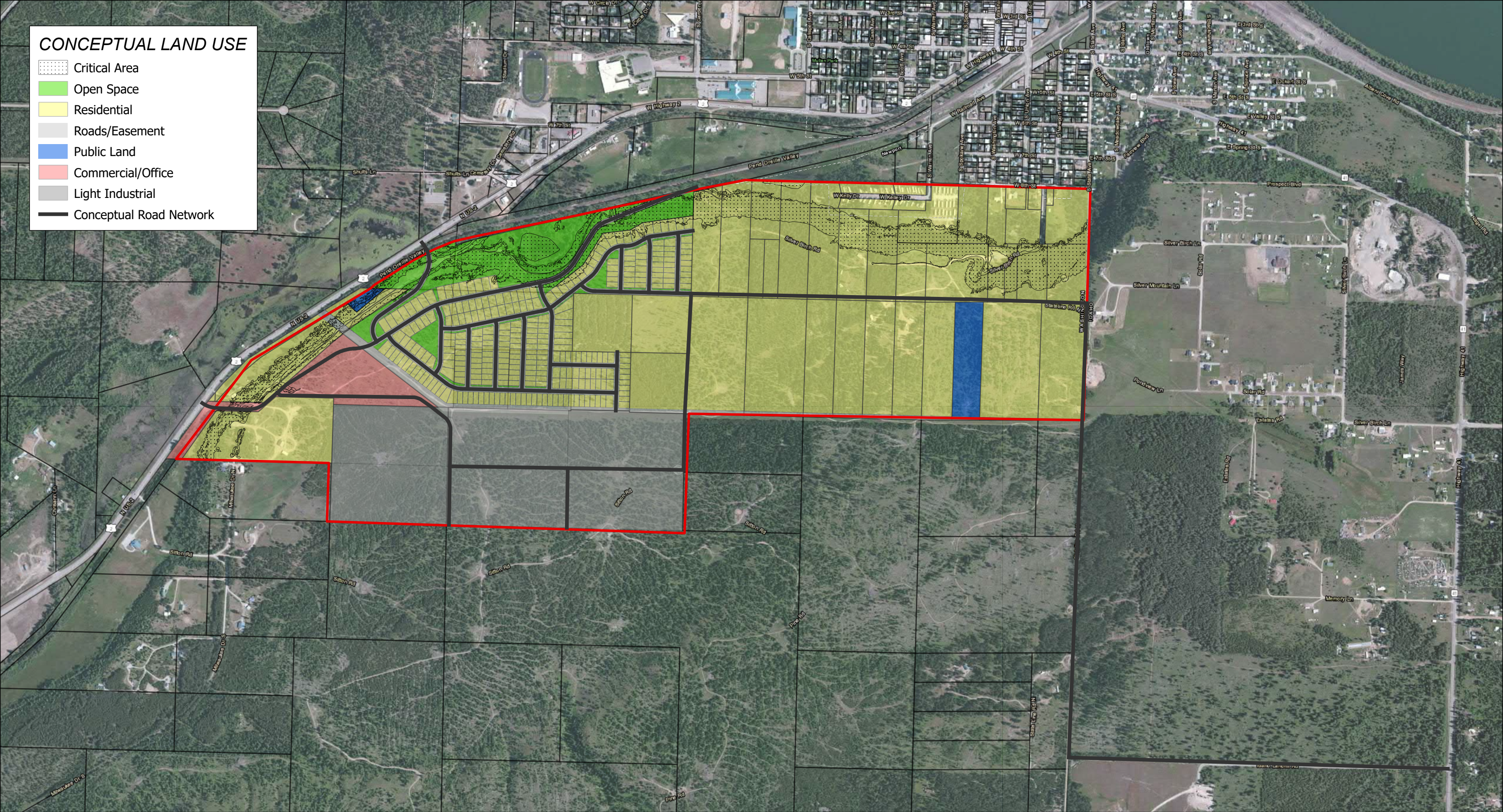
**LAND USE - SOUTH NEWPORT STUDY AREA**  
 Pend Oreille County, WA



Figure 9: South Bench Study Area– Conceptual Land Use Plan

**CONCEPTUAL LAND USE**

- Critical Area
- Open Space
- Residential
- Roads/Easement
- Public Land
- Commercial/Office
- Light Industrial
- Conceptual Road Network



**CONCEPTUAL ROAD NETWORK - SOUTH NEWPORT STUDY AREA**

Pend Oreille County, WA

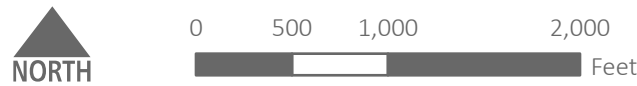


Figure 10: South Bench Study Area- Conceptual Site Plan

## EXISTING INFRASTRUCTURE INVENTORY

The following identifies the feasibility of extending public utilities to the proposed South Bench Planning Study Area. This includes the provision of public utilities such as power, water, sewer, and roadway access. Although it is anticipated that the cost of extending telephone, power, and gas services is born by potential customers wishing to develop individual lots, the feasibility of extending such services requires some level of investigation to determine the ability to develop the proposed area. Therefore, each utility service provider in the area was contacted in order to determine the feasibility of extending any service that may be desirable for the development area. A brief discussion regarding the feasibility of utility extension is provided below.

### Transportation System

#### Roadway Network

The study area currently undeveloped with no public roadway network or access to the existing state and local roadway network. Significant effort will be required to establish two access points suitable for commercial traffic to access the south bench area. The existing roadway network around the study area provide important connections in the regional roadway network. These roadways are discussed below.

US 2, a east-west roadway on the National Highway System, traverses from northern Spokane County to the City of Newport, then it turns east into the State of Idaho. Near the study area, US 2 is a rural two-lane highway as it enters the City of Newport. The 2020 AADT ranges from 5,700 to 7,600 vehicles per day. Within the City of Newport, US 2 is a two-lane couplet with AADT ranging from 5,000 to 11,000 vehicles per day. US 2 is classified as a Rural Principal Arterial

Along the western portion of the study area, the speed limit is posted at 60 MPH and reduces to 45 MPH as you enter the City of Newport. The road surface is 40-foot wide with a 12-foot travel land and 8-foot shoulder in each direction. US 2 is a T-3 Freight Corridor as classified by the Washington State Department of Transportation (WSDOT). Access to the highway is controlled by WSDOT, this portion is a classified as a Managed Access Control Class 2

Class 2 Access Control requirements include:

- Access spaced 660' apart
- No direct access unless property has no other reasonable access
- Direct access shall be for right turns only
- No additional approaches for created parcels from property divisions
- Permitted access goes away when alternate access available
- Variance permits may be allowed

A Private Driveway is located along US 2 at milepost 332 and provides access to the southwest portion of the study area. This driveway approach is located on property owned by RYN Homes and could be a potential location for a new roadway to the project area.

At this time the driveway access road is dirt/gravel and 14 to 20-ft wide. At the US 2, the approach is 20-ft wide. As travel east into the study area this access road continues along the BPA powerline easement and provide access to several smaller private roads and dirt bike trails. Significante improvements would be required to this roadway to be able to upgrade it to a public roadway.

Silver Birch Road is a north-south local private road which provides access to the northeast portion of the study area to W 8<sup>th</sup> St in the City of Newport. This roadway is 14-ft in width with a gravel surface. The posted speed limit is 25 MPH. This is one of the only access points to the study area from the City of Newport. Significante improvements would be required to this roadway to be able to upgrade it to a public roadway.

Freight Corridor

The Washington State Freight and Goods Transportation System (FGTS) is used to classify roadways, freight railroads and waterways according to the annual freight tonnage they carry. FGTS roadway system is designated based on annual gross truck tonnage and the classifications are as follows:

- T-1 – more than 10 million tons per year
- T-2 – 4 million to 10 million tons per year
- T-3 – 300,000 to 4 million tons per year
- T-4 – 100,000 to 300,000 tons per year
- T-5 – at least 20,000 tons in 60 days and less than 100,000 tons per year

US 2 is the only roadway in the study are with a FGTS classification.

Existing Traffic Volumes

Traffic volumes along US 2 near the vicinity of the study area were obtained by WSDOT in 2020. A summary of the traffic volumes, estimate peak volume, roadway capacity and level of service is identified in the Table 9.

Table 9: Existing US 2 Traffic Volumes

Roadway	Lanes	AADT	Estimated Peak Hour Volume (vph) [AADT*8.6%]	Roadway Capacity	Peak Volume Ratio	Level of Service	% West-bound	% East-bound
US 2 <sup>1</sup>	2	8,600	740	2,980	0.248	A	53%	47%

*Source: 1 – WSDOT (2020 AADT volumes)*

**Railroad**

A railroad track is present along the northern edge of the study area. This tack section is owned by the Burlington Northern Santa Fe (BNSF) railroad and under lease by the Port of Pend Oreille, dba Pend Oreille Valley Railroad (POVA). The Pend Oreille Valley Railroad currently operates this section of track as a railcar storage yard. The revenue from railcar storage on this track is a primary source of income for the Pend Oreille Valley Railroad (POVA). The length of this track also makes it favorable for the management of longer

sections of railcars as a run-around track, allowing enough length to hook up the cars. Past evaluations of a vehicle access point to the south bench have included a crossing of the railroad track toward the west end. A crossing would impact the railcar storage operation, however and provisions for that crossing would need to be coordinated with BNSF and with POVA. This may involve either interruptions of traffic during hooking/unhooking/transport operations, or a removal of a portion of the track. If a portion of the track were to be removed, it would likely need to be replaced in another location. A representative of POVA has suggested that a replacement section of track may be able to be constructed parallel to the existing track north of Oldtown, Idaho. Estimates of the replacement costs range up to \$2 million/mile for construction of the new track.

As discussed in an earlier section, RYN Built Homes has approached the Pend Oreille Valley Railroad and BNSF with a request to create a crossing of the railroad track, but their request has been rejected by BNSF, even though POVA is willing to allow the crossing.

## Airport Service

There is not currently an airport in the immediate vicinity of Newport. The closest airport to Newport is currently the Priest River Municipal Airport, at a distance of 5.37 nautical miles from Newport. The next closest airports are Deer Park at 20.14 nautical miles and Sandpoint at 20.63 nautical miles.

The potential benefits of an airport that have been discussed are the ability to bring in materials and ship out products for time-sensitive manufacturing, to transport staff and clients for businesses, and to encourage recreation in the area.

The typical source for funding of a public airport is Federal Aviation Administration funding, for airports listed in the National Plan of Integrated Airport Systems (NPIAS). In order to be included in the NPIAS, an airport must be open for public use and remain open, be 30 or more nautical miles from an existing NPIAS airport, have 10 or more validated aircraft based at the airport and be included in the WSDOT Aviation System Plan. Since Newport is within 5 nautical miles of Priest River and 20 nautical miles of Deer Park and Sandpoint, it is highly unlikely that a new public airport could be sited close to Newport.

An airport could be funded through private investment, but would require from \$25-60 million to construct with a runway length of 4000 feet required for business operators. Water for fire protection would likely be required. The airport may be able to receive water and sewer service from Newport, but at considerable cost.

One potential location for an airport may be west of the intersection of County Road 9160 and County Road 1889 on the bench approximately 2 miles to the northwest of Newport City Hall. Significant land area would need to be required, likely 100-150 acres minimum.

An airport is not considered essential for the ability of many industries to locate in Newport. Given the permitting challenges, lack of funding opportunities and high costs, the siting of an airport will not be considered further at this time.

## Water

The study area is located within the City of Newport's future service area as identified by the 2015 water system plan (WSP). The WSP provides 20-year projections for planning water supply, demand, and distribution, which have been utilized for this study. Additional improvements to the water distribution system have been made by Newport since 2015, some of which are included in this study. It should also be noted that an update to the 2015 WSP is underway at the time of this study and should be consulted for modifications. The following is a summary of the City's potable water source capacity and the distribution system based upon this planning document.

### Source Capacity

The 2015 WSP indicates that Newport has an instantaneous water right of 615 gpm and a volumetric water right of 989 ac-ft per year. At the time of completion of the 2015 WSP, water from the West Bonner Water and Sewer District was being used by Newport through the intertie. Currently, Newport only uses the intertie for emergency purposes.

Newport has 12 potable water wells that supply water to 3 reservoirs and two pressure zones. The study area is located in the upper datum, which is supplied from a 1.2 MG reservoir and newly constructed 0.5 MG reservoir with a booster station, as well as more recently drilled wells M and N.

Newport is in the process of rehabilitating several existing wells to increase production rates. This rehabilitation includes a cleaning process of the well screens or perforations and the well formation. Anticipated well production rates are listed in Table 10 below:

Table 10: Anticipated Well Production Rates

Source Number	Source Description	Source Capacity (gpm)
03	Well B	120
04	Well C	75
05	Well D	140
06	Well E	130
07	Well F	80
09	Well G	80
10	Well H	145
11	Well I	21
13	Well J	27
14	Well K	20
16	Well M	68
17	Well N	64
	Total	970

In 2021, it was necessary to run all the wells to keep up with the high demand. At that time, the wells were producing approximately 600 gpm. With the rehabilitation of the wells, the City has increased their ability to meet the current and future water needs. This cleaning process will need to be completed on a frequent basis in order to maintain the well production. The City intends to drill a large diameter well which will not be prone to the clogging that occurs in the numerous smaller wells currently in service. This will provide greater assurance of the capacity to serve future growth in the City.

The results of the City's water system plan update, currently in progress, will estimate the future number of connections that may be served by the current sources and specific production rate needed to accommodate future growth.

### Distribution System

Newport's distribution system consists of two pressure zones labeled the upper and lower datums. The study area is located within the upper datum and the lower datum covers the majority of the developed portion of the UGA.

The distribution system consists of wells supplying reservoirs that maintain pressure and flows to the distribution system. There is currently no distribution system within the study area but a 0.5 MG reservoir with booster station was recently constructed on the eastern portion of the south bench that could be utilized to supply a transmission main to the study area.

Water service to the study area will be provided by the developer and is subject to the developer requirements within the Newport Municipal Code.

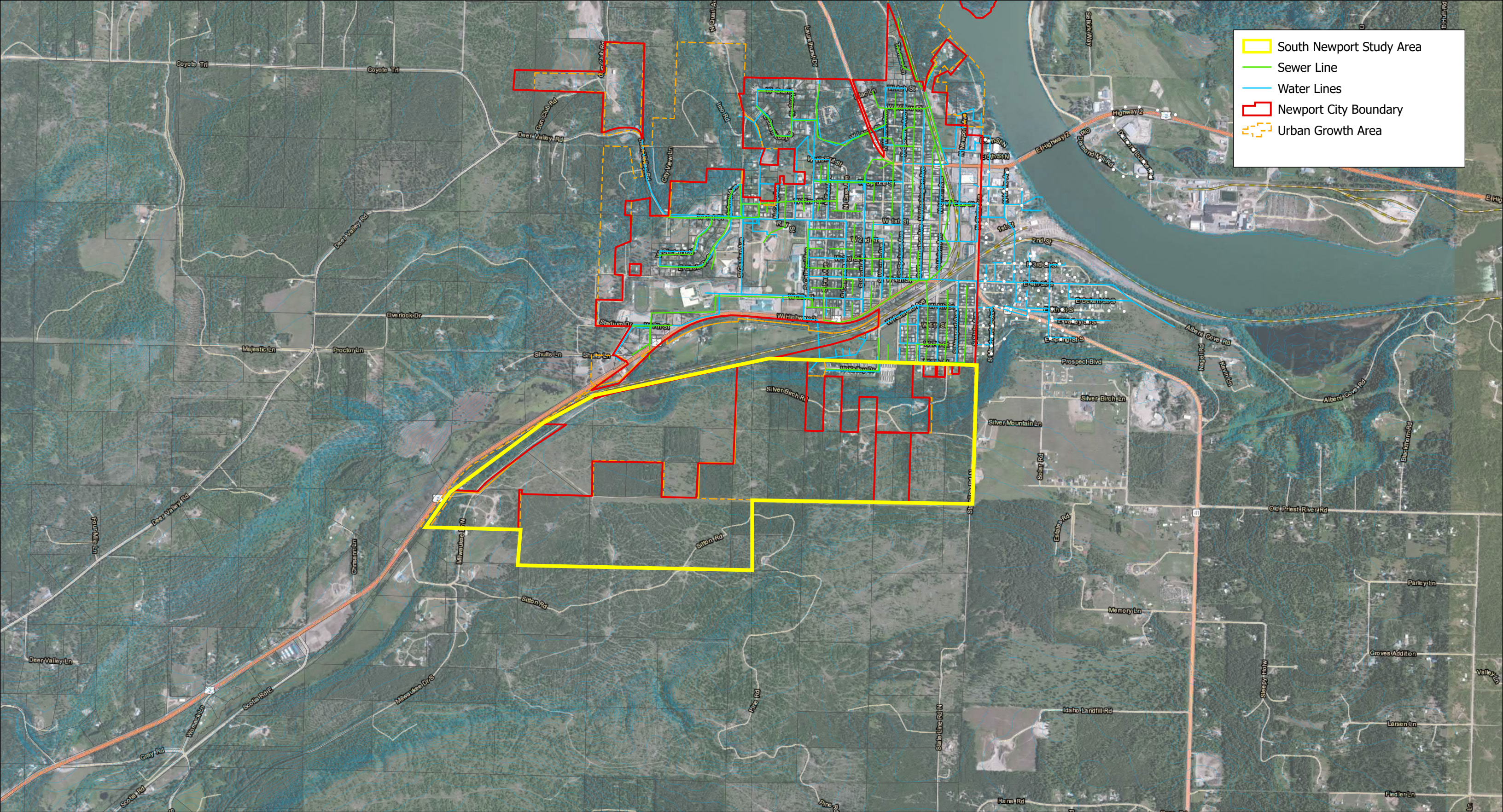
### Storage Capacity

The 2015 Water System Plan identified available storage of 1,200,000 gallons in the City's upper pressure zone and 900,000 gallons in the lower zone. It identified a deficit of 88,500 gallons in the upper pressure zone. Since 2015, a new 500,000 gallon storage reservoir has been constructed on the South Bench, addressing the storage need identified in 2015.

### Sanitary Sewer Service

Sanitary sewer service to the study area is currently unavailable. Pend Oreille County does not provide sewer service in the vicinity and nearest wastewater facilities consists of the City of Newport's sanitary sewer network. Updates to Newport's wastewater treatment plant facility plan (Facility Plan) and general sewer plan (GSP) are currently underway with an anticipated completion date of late summer 2022. The Facility Plan discusses the total capacity, utilized capacity, and remaining capacity of the wastewater treatment plant (WWTP). The GSP addresses the capacity of the existing sanitary sewer pipe network, needed maintenance activities, and necessary capital improvements to meet anticipated future demands.

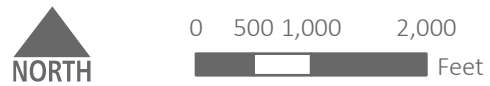




- South Newport Study Area
- Sewer Line
- Water Lines
- Newport City Boundary
- Urban Growth Area

# PEND OREILLE COUNTY PLANNING STUDY

Pend Oreille County, WA



Note: The study may also include both additional lands currently owned by the City of Newport and properties on the South Bench that may be acquired by the City.



Figure 11: Existing Water and Sewer System

Sewer service to the study area will need to be provided by the developer of the area and is subject the developer requirements within the Newport Municipal Code. It is anticipated that a wastewater trunk line would extend northeast from the study area and connect to existing infrastructure north of the railroad tracks. For current projections of growth on the South Bench, the sewer mains downstream from this connection have adequate capacity to serve the growth. This may need to be further evaluated in the future is growth is greater than projected. Additional discussion of these capital improvements will be provided in the GSP.

#### Wastewater Treatment Plant:

The City of Newport operates an oxidation ditch wastewater treatment plant with chlorine disinfection that discharges to the Pend Oreille River, operating under a discharge permit issued by the Washington State Department of Ecology. Because of identified operational issues, concerns about process capacities, potential permit changes, and need to formerly prepare the City's Wastewater Facility Plan, the City of Newport has commissioned the completion of a Wastewater Facility Plan in accordance with Washington Department of Ecology (WDOE) requirements. The improvement alternatives addressed in the Wastewater Facility Plan will address the growth associated with development on the South Bench and in other areas of the City.

#### Collection System

The City of Newport sanitary sewer collection system (see Figure 11) extends to the edge of the study area, but does not currently serve any of this area. The closest area served by the collection system is at 8th Street. This area is served by two sewage lift stations, both of which are scheduled for replacement with a single lift station planned at a location north of 8th and west of Spokane Avenue. This new lift station would likely serve all of the south bench study area and must be sized for the south bench flows in addition to the areas currently served. Another alternative which has been discussed is the construction of a sag sewer, directionally bored from the bench, under the railroad, and connecting to the 18" sewer trunk beginning at US Highway 2 (4th Street) between Washington Avenue and Union Avenue. This alternative would not, however, likely serve all of the south bench area yet to be developed.

## FACILITY REQUIREMENTS

This section presents capital improvement projects required by the City of Newport and others, to meet and maintain the level of service standards discussed earlier, based on the land use projections outlined.

### Transportation

Primary access to the South Bench Planning Study Area is primarily provided via US 2 along the western boundary of the study area and Silver Birch Road to the northeast. Public access is not available within the study area and will need to be created at the time the site is developed.

#### Land Use/Trip Generation

The project will increase traffic in the general area. It is anticipated that the primary access points will be from US 2 and Silver Birch Road.

The study area is projected to include a variety of land uses. that could include residential, office, commercial, manufacturing, warehousing or other uses. To determine the amount of traffic generated by the project we have assumed land uses for the building spaces. Table 11 shows land use and the calculated traffic generation based upon the Trip Generation Rates from the 10th Edition ITE Trip Generation Manual.

Table 11: Land Use Table

Land Use	ITE Land Use Code	Measurement	Units	Average Weekday Trips	PM Peak Hour Trips		
					Inbound	Outbound	Total
Manufacturing	140	Acres	43	1,502	84	111	195
Warehousing	150	1,000 Sq Ft	467	79	24	65	89
General Office Building	710	1,000 Sq Ft	31.3	305	6	30	36
Medical-Dental Office Bldg	720	1,000 Sq Ft	31.3	1,089	30	78	108
Variety Store	814	1,000 Sq Ft	62.6	3,974	223	206	429
Single-Family Detached Housing	210	Dwelling Units	1,027	9,695	641	376	1,017
Public Park	411	Acres	10	8	1	0	1
<b>Total Trips</b>				<b>16,652</b>	<b>1,009</b>	<b>866</b>	<b>1,875</b>

\*ADT: Average Daily Traffic

Table 11 shows the peak hour in the PM at 1,875 trips at full build out. To add these peak hour trips to the roadway network, some assumptions were made as to the travel routes that the trips would generally use. Based upon existing roadway network, it is anticipated that most of the new trips would be added to US 2. Table 11 shows the percent of PM peak hour trips inbound and outbound to US 2 at the proposed driveway access. The total trips being added to US 2 are estimated to be 80% of the PM Peak. The remaining 20% of

the PM Peak trips are assumed to be added to Silver Birch Road and are not include Table 12.

Table 12: US 2 Access Distribution

	47% Right-Out	53% Left-Out	53% Left-In	47% Right-In
PM OUT	339	367	-	-
PM IN	-	-	428	396

With the denial of an additional railroad rail crossing to RYN Built Homes by BNSF, RYN Built Homes is now planning an access east of Sitton Road at the west end of the South Bench. RYN Built Homes is also coordinating with other landowners to develop an entrance in the vicinity of South Spokane Avenue and Railroad Avenue south of the BNSF railroad track.

An actual traffic analysis was not prepared as part of this study but may be needed at the time of development to identify an impact at the intersection of US 2. It should be noted that the due to the amount of traffic generated by each development, addition intersections may need to analyze. Further analysis of the need and timing of any right or left turn lanes at US 2 will need to evaluate in the detailed traffic analysis.

Planned Internal Roadway Network

A conceptual internal roadway network has been created and shown in Figure 10. This includes a proposed street network identified by RYN Built Homes in the Blackrail Ridge preliminary layout. In addition, proposed access locations to the study area are identified.

It is anticipated that the cost to construct the internal road network is \$11 million.

WSDOT Access Approval

Direct access onto US 2 to is proposed to provide access to the site. Access to US 2 is under the control of, and administered by, WSDOT. At the portion that abuts the study area, the highway is a classified as a Class 2 Managed Access Highway. There are two types of access approval requirements, private and public. Private access is for an individual owner and public would be for a city road. The following is the requirement for access approval.

Private Access:

- a) Private access may only be permitted when the subject property has no other reasonable access to a public road.
- b) The minimum spacing between approaches on a Class 2 highway is 660'.
- c) No more than one approach will be permitted to an individual parcel, or multiple parcels under contiguous ownership, unless the property frontage is greater than 1,320' and it can be shown that additional approaches will not adversely affect the function, safety, or operation of the highway.
- d) No new approaches may be permitted for newly created parcels via subdivisions.

#### Public Road Access:

Public roads follow a separate process and must be made at the request of the local agency. The following are the major items needed to gain WSDOT approval.

- a) Traffic analysis, including Intersection Control Evaluation (WSDOT Design Manual Chapter 1300).
- b) Basis of Design or Summary of Design and project design documentation (WSDOT DM 300).
- c) Intersection Plan for Approval
- d) Construction Plans Approval
- e) Local Agency Construction agreement

In addition, public road access approval requires the local agency to enter into a reimbursable agreement with WSDOT to cover any direct and indirect related costs associated with the review, approval, and construction oversight inspection of an intersection.

RYN Homes is currently working with the City and WSDOT to identify access locations along HWY 2. Consideration of the future development of the South Bench Study Area should be included in the analysis and design of the access road and intersection plans.

#### Potable Water Service

Potable water service is currently unavailable at the study area. Water service will ultimately need to be extended from the City of Newport. Pend Oreille County does not own or operate any water services in the vicinity of the study area. The following section provides discussion of project water demands and expansion of Newport's water distribution system.

#### Estimated Water Demands:

Water demands for the study area are based on the assumption that the conceptual light industrial area will require 1 ERU per 20-acre lot with available space for 12 lots. A residential developer has projected an additional 278 ERUs and assuming 3.5 dwellings units per acre within the rest of the study area, and additional 535 ERUs could be added, for a total of 825 ERUs at buildout.

Current water demands are being evaluated in the 2022 Water System Plan update. The results of that evaluation will provide the information needed to project the facility upgrades necessary to serve the growth on the South Bench.

#### Source Capacity:

Newport's water distribution system is fed by multiple drilled wells. Current pumping capacity is approximately 615 gpm. Note that with all wells being used last summer, this would have reached their instantaneous rate of 615 gpm based on their water right. At the time of this study Newport is in the process of rehabilitating several wells with the

expectation of increasing pump capacity. Refer to the 2022 WSP for revised source capacity information.

#### Distribution System:

There is currently no water distribution system within the study area. Water service will need to be extended from the Newport water system. Pend Oreille County does not operate a water system in the vicinity of the study area.

Water service to the study area will be supplied from Newport's upper datum. This service would require construction of a transmission main extending either from the booster station on the south bench or connection to the 12-inch piping in the vicinity of the trailer park.

The transmission main would need to be 14-inch to 18-inch in diameter to provide a system pressure of 56 to 58 psi, respectively. Internal looping would require at least 12-inch diameter piping to meet fire flow requirements of 2,500 gpm at 30 psi. The current booster station at the new reservoir is required to provide system pressures about 58 psi. Plumbing modifications will likely be needed to utilize the booster station for development on the South Bench.

#### Storage Capacity:

Newport's upper datum is served through a 1.2 MG reservoir northwest of Newport and a 0.5 MG reservoir on the south bench. The 2015 Water System Plan identified a deficit of 88,500 gallons in the upper pressure zone. Since 2015, a new 500,000 gallon storage reservoir has been constructed on the South Bench, addressing the storage need identified in 2015.

Storage capacity is currently being evaluated in the 2022 Water System Plan update process, based on current facilities and water use demands. The results of this evaluation will allow projections of capacity for growth and the requirements for growth.

### Sanitary Sewer Service

Sanitary sewer service will be provided by the City of Newport. The following sections describe the project demands and projected flows and necessary expansion of the sanitary sewer system to serve the Study Area.

#### Estimated Sewer Flows:

The current base wastewater flows in Newport are estimated at 0.20 million gallons per day (mgd). The total flow generation for the south bench area is estimated by taking the 825 estimated ERUs and multiplying that by the estimated 2.32 persons/ERU and by the average daily wastewater generation per person of 85 gallons per person per day. That equates to a daily average flow of 0.163 mgd, which represents an increase of 82% in the current flows, nearly a doubling of the current flow.

Currently, the wastewater collection system experiences storm-related infiltration and inflow (I&I) flows in addition to the 0.20 mgd base flow of approximately 0.40 mgd. This I&I flow consumes capacity of the trunk sewer that carries the flow to the treatment plant. The City is currently planning improvement projects to reduce the flows. Initial analysis shows that the trunk sewer has capacity for a significant portion of flows from the south bench. This analysis has not yet been finalized and the final capacity will be determined at the completion of the planning effort.

#### Wastewater Treatment Plant:

The current Newport wastewater treatment plant struggles to treat the current flows to the plant due to the impacts of I&I flows discussed in the preceding section. The plant is also outdated and requires significant upgrades. The planning study currently in progress will address the improvements needed to address the current and future needs of the treatment plant. It will address the improvements to reduce I&I flows in the system, thereby reducing the non-wastewater flows that are currently taking up capacity for growth. The recommended improvements will need to be addressed before any significant growth occurs on the south bench.

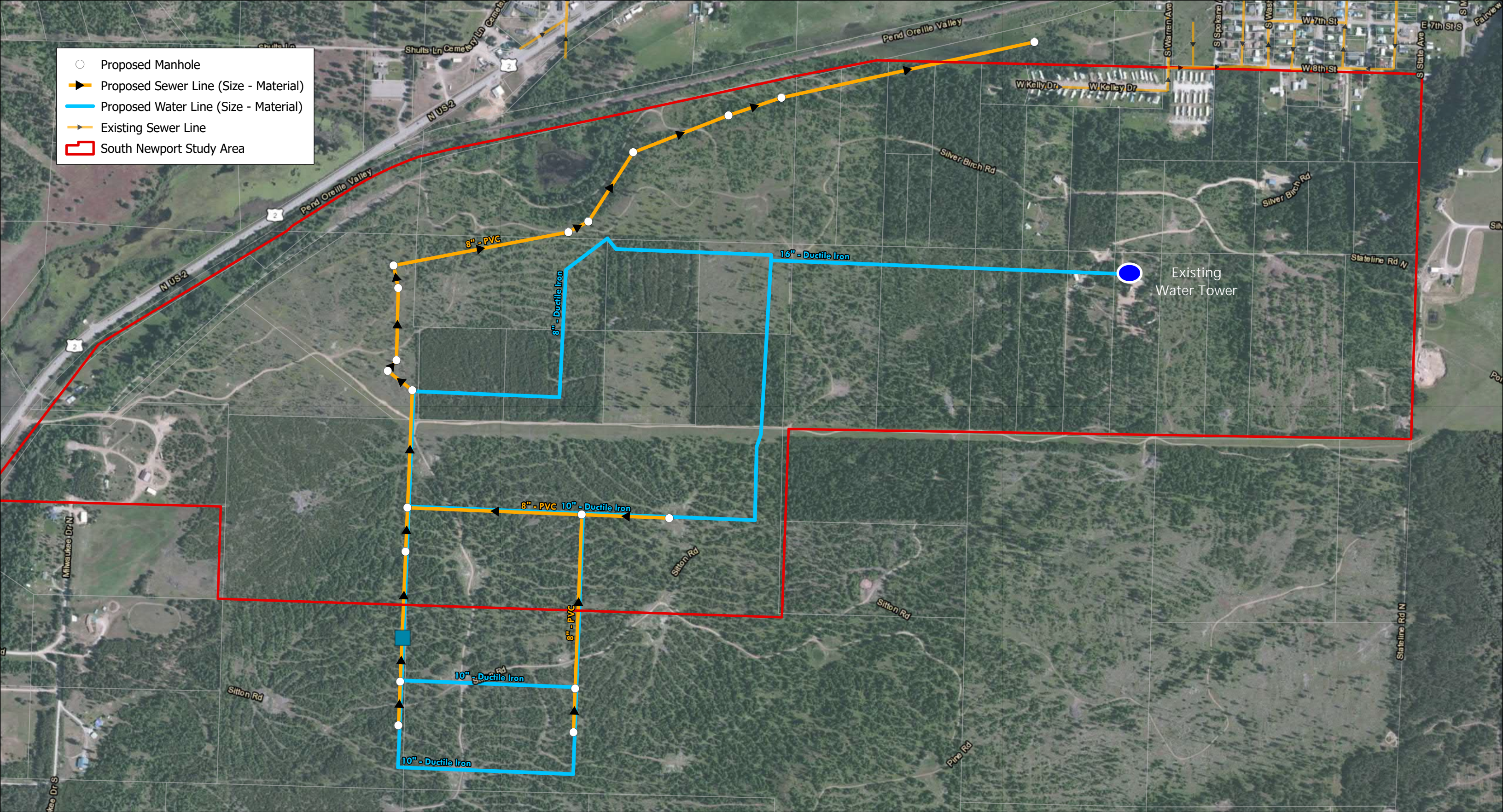
#### Collection System:

In order to serve the south bench study area, new sewer collection system piping must be constructed throughout the development area. Additionally, the proposed wastewater lift station near 8<sup>th</sup> Street and Spokane Avenue must be sized appropriately to pump the flows to the existing gravity collection system. Improvements to or replacement of the existing 18" trunk will also be needed to provide the capacity necessary to serve all the growth in the south bench area. The improvements to the collection system to serve this growth will be required to be borne by the developers of the area. The projected costs for all of these improvements are estimated to be between \$30M and \$35M.

## Storm Drainage

There is not a stormwater management plan for the study area and stormwater collection and treatment facilities do not exist in the immediate vicinity. Stormwater management for the study area is governed by the Washington State Department of Ecology's (Ecology) Stormwater Management Manual for Eastern Washington (SMMEW) as adopted by the City of Newport. As such, development within the project area will be required to maintain existing stormwater discharge rates, natural drainage ways, and provide treatment for all pollution generating surfaces (PGIS).

Stormwater management for proposed developments will be required to follow County and local guidance for design of collection systems and maximum flooded roadway width. State or neighboring local stormwater manuals may be a resource to supplement guidance from local and County sources.



# UTILITIES- SOUTH NEWPORT STUDY AREA

Pend Oreille County, WA

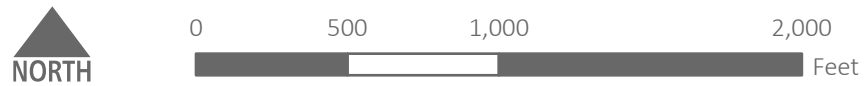


Figure 12. Future Water and Sewer Facilities



Stormwater must be managed in accordance with the requirements of the Stormwater Management Manual for Eastern Washington, adopted by Pend Oreille County and the City of Newport. Stormwater best management practices (BMPs) often combine water quality treatment with flow control and disposal facilities, such as bio-infiltration swales and drywells. Drywells and other Underground Injection Control structures are subject to federal Title 40 Code of Federal Regulations (CFR), parts 144, 145, 146 and 147 and must be registered and approved by Ecology prior to construction. The applicability of specific BMPs is subject to land use patterns, which dictate the appropriate spectrum of water quality treatment, and geotechnical studies that determine the suitability and capacity of site soils for infiltration. Where challenges with onsite stormwater treatment and disposal are identified, a collaborative effort among landowners, the County, the City and state agencies may be required to develop larger-area solutions.

## Other Utilities

### Irrigation

An independent irrigation system is not present within the study area or the City of Newport. As a result it was not included in this analysis. Water for irrigation in the City of Newport is supplied through the drinking water system.

### Natural Gas

There is no natural gas service available in Pend Oreille County, therefore further analysis of providing natural gas to the site was not prepared. LPG (liquefied petroleum gas) is available from several vendors in the area. If a future user in the study area is interested in an LPG service, they will need to contact the service provider to identify demands and service options. A contract between the user and gas company can be prepared once the quantity and demand of future use is known and a cost of service can be prepared.

### Power

Per the 2021 City of Newport Comprehensive Plan:

*Electric service is provided by the Pend Oreille Public Utility District #1 which is headquartered in downtown Newport. The PUD owns and operates the Box Canyon Hydroelectric Project, the Calispel Project, and has Federal Energy Regulatory Commission (FERC) license rights to power from the Boundary Hydroelectric Project, which is owned by the City of Seattle. Energy generated from these projects is distributed to the PUD's consumers along with energy provided from the Bonneville Power Administration and other sources. Eight substations have been constructed to meet existing and future energy needs.*

*The PUD serves 9,135 electric customers and maintains lines and equipment stretching over 1,425 miles of rural land. The PUD's Box Canyon Dam can produce a maximum of approximately 90 Megawatts, and the PUD has rights for up to 48 Megawatts, at cost, from Seattle City Light's Boundary Dam.*

*The PUD is a part of the regional power grid and therefore has access to other sources of electricity, though the way in which the grid will help to provide power and the cost of that power will be governed by the terms of deregulation in the power industry. The PUD always maintains exchange agreements with other power producers.*

Pend Oreille Public Utility District currently provides service to the Newport area. The current lack of power distribution facilities to the South Bench will require evaluation by the PUD to determine the expansions of their power grid to serve the South Bench Area.

#### Telecommunications

Per the 2021 City of Newport Comprehensive Plan:

*Telecommunication refers to the electronic transmission of information by means such as telephone, radio, television, optical cable, satellite, and other technologies. The telecommunications industry is constantly changing, diversifying, and redefining the way in which we exchange information. Local telephone and cellular service is provided by a variety of service providers, relying upon facilities located around the County. Cable providers generally accompany electrical and telephone lines in urban areas, utilizing a common easement. Cable services are provided in and around Newport. There are also numerous Internet providers available to residents.*

There are currently no telecommunications facilities in the study area. Several telecommunication providers service the general area. The nearest known source of fiber services is currently available along the highway and would need to be extended to the South Bench developments. It is safe to assume fiber optics services could be routed to any developments on the proposed project site. Installation cost is dependent on the specific development location in relation to the nearest accessible service line. For the purposes of this analysis, it is anticipated that any costs associated with connecting to the telecommunication service will be paid by the developer.

## SITE DEVELOPMENT

This section identifies applicable City standards for site development and potential items that may need to be addressed prior to development of the site.

### Proposed Development

As mentioned earlier, RYN Built Homes is currently in the process of mastering planning a mixed-use development on 197 acres within the study area. Initial concept plans include 301 residential lots, commercial/office space, and opens space. Continued coordination with this development will be critical in the future development of the South Bench area. consideration needs to be made to assure adequate water, sewer and roadway capacities are reserved for future growth in this area.

### Subdivision Process

In order to create marketable lots to be developed per the proposed site plan, the study area will need to be replatted or subdivided. The City offers several options to plat the study area including a Subdivision and Binding Site Plan. The City of Newport has set up a Binding Site Plan process (CPMC 16.30) for the division of commercial and industrial land. This process is an alternative method to the typical subdivision platting process and allows some flexibility in platting. Two advantages of this process is that a Binding Site Plan can be reviewed and approved administratively, which can speed up the approval process. In addition, a Binding Site Plan does not have a limitation on the number of lots that can be created, vacated, or altered. It is recommended that this process be used in the development of the industrial property in order to provide the most flexibility. All residential developments will be required to follow the standard subdivision process.

### City Road Standards

The City of Newport has adopted standard specifications for all roadways within the City. Each roadway classification has a separate design standard which needs to be met based on the function of the roadway.

### Cost Summary

Below is a table summarizing the estimated infrastructure costs necessary to provide utility service to the study area. These cost estimates are Engineer's Opinions of Probable Costs. Unless specified otherwise, all estimates are in Year 2022 dollars and will require adjustment for inflation as necessary for the actual date of construction. The estimates include sales tax, contingency, engineering, surveying, and construction inspection costs.

Total development costs are estimated to be up to \$31 million in current dollars for key infrastructure in the study area. In addition to the initial cost of the land, developers can expect to pay the cost of extending phone, fiber, and power. Additional lot improvements to be made by the developer are on-site storm drainage detention. While sufficient water and sewer services are expected, developers may be required to install additional on-site

fire flow looping at the request of the Fire Marshall, which should be evaluated and designed by a qualified engineer. Refer to Appendix D that includes a more detailed breakdown of the Engineer’s Opinion of Probable Cost.

Table 13: Summary of Engineer’s Opinions of Probable Costs

ITEM	COSTS
Sanitary Sewer Trunk	\$4,911,000
Water Transmission Main	\$3,494,000
Road Corridors	\$11,377,000
SubTotal	\$19,782,000
Contingency (20%)	\$3,956,400
Inflation (6%/YR, 5YRS)	\$7,121,520
<b>TOTAL</b>	<b>\$30,859,920</b>

### Developer Contributions

Recent State Supreme Court decisions and State law have limited developer contributions to those which directly relate to the impact that a specific development will have on a capital facility. The City must show a direct relationship, or “nexus”, between a specific project and the mitigation measure being imposed. It is anticipated that as this area develops, all new development will be required to pay for all city infrastructure in direct proportion to the impact of the project on the City Facility. As a result, all cost associated to upsize or increase capacity of the infrastructure to serve the other development areas will be paid by the City or other funding sources.

Anticipated developer contributions include but are not limited to internal road and infrastructure improvements and a proportional share of the road and sewer improvements. Some options for developer contributions could be direct construction of the improvement or payments related to a late-comer agreement developed by the City. It is recognized that late comer agreements may not be an acceptable solution for developers. The terms of enforcement and to whom the agreements should apply can be difficult to define. In addition, banks may be reluctant to view those agreements as a potential source of repayment, thus making the developers invest additional cash, which could make the project uneconomical.

It is anticipated that the City could receive between \$2-4 million dollars in developer contributions related to the current proposed initial development of infrastructure for the site.

## FUNDING SOURCES

This section discusses many of the existing and potential revenue sources available to the City of Newport to assist in funding needed capital improvements related to growth.

The City of Newport uses a number of different financing sources to pay for capital projects. Typically, large capital projects are financed through long-term bonded debt and grants and loans. For the purposes of this analysis, it was assumed that additional grants from other local, State or Federal agencies would be used to develop the site as well as late comer agreements or developer funds.

The following discusses the various revenue sources available to the City of Newport. Not all of these sources are currently being used by the City to fund capital improvements. Those that are being currently used are identified.

### Revenue Sources

The sale and development of the property to an industrial and/or commercial user will result in additional revenue sources: real estate excise taxes from the sale of the property; sales and use taxes from the development of the property; and annual property taxes. The following discusses various revenue sources that may be available to the to the City of Newport which could be taken into consideration when determining the return on investment of constructing infrastructure for new development.

The City may allocate operating or general funds for capital purposes. Operating funds can be used to pay for projects directly or to pay principal and interest on bonds issued to fund capital projects.

### Unrestricted Revenues

#### Property Taxes

RCW 84.52 authorizes this tax on the assessed valuation of real and personal property, subject to two limitations: Initiative 747 limits growth of regular property taxes to 1% of the highest amount levied in the previous year, before adjustments for new construction and annexations; and, The State Constitution limits the total regular property taxes to 1% of assessed valuation or \$10.00 per \$1,000 of value (if the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the 1% limit).

Voters may approve excess property tax levies over the constitutional and statutory limits for a number of years to pay off general obligation bonds for construction, or a single year levy (two years for school districts) for general operating purposes. The constitution requires 40% voter turnout in the previous general election and a 60% favorable majority vote (RCW 41 and 84).

RCW 85.55 allows cities that are levying property taxes at a rate lower than the statutory maximum, to lift the levy lid by more than 1%. A simple majority vote is required. The purpose for which the money will be used does not need to be specified. Cities that are

levying at their statutory maximum rate can raise their rate for one year. This is called an Operations and Maintenance Levy and also requires 40% voter turnout in the previous general election and a 60% favorable majority vote. The purpose for which the money will be used does not need to be specified.

### Retail Sales and Use Tax

There is levied a total of 8.1% on all retail sales, except for off-premise food and drugs. The allocation of the 8.1% is as follows:

- State - 6.5%
- County – 1.2%
- City – 0.00%

The City does not need to designate how their portion of the sales taxes will be spent.

### Utility Business and Occupation Tax

RCW 35.11 authorizes cities to collect this tax on gross or net income of businesses, not to exceed a rate of 0.2 percent. Revenue may be used for capital facility acquisition, construction, maintenance, and operations. Voter approval is required to initiate the tax or increase the tax rate.

### Utility Taxes and Franchise Fees

RCW35A.82 authorizes the collection of taxes on the operating revenues of private and public utilities within the City. The City levies taxes on electric, gas, telephone, cable, water, sewer, storm water and garbage utilities operating within the City. The current utility tax rate is 6% and franchise fee is 5%.

## Capital Projects and Facilities

### Road Impact Fees

ESHB 2929 authorizes impact fees to pay for roads required to serve new development. Impact fees must be used for capital facilities needed for growth, and not to meet current deficiencies and cannot be used for operating expenses. Road impact fees must also be directly related to the impacts created by the development and must be utilized within 5 years or returned.

### Real Estate Excise Taxes

The state authorizes a tax of 1.28% on the sale of all real estate. RCW 82.46 authorizes cities, planning under the GMA, to assess an additional tax on real estate sales of 0.25%. These funds must be spent for capital facility projects listed in their Capital Facilities Plan. A second 0.25% may also be levied to help defray the costs of implementing the GMA. The City levies an additional 0.50% taxes for use in funding capital projects.

## Miscellaneous Revenues

### Special Assessment District Bonds

Special assessment districts, such as Local Improvement Districts (LID), Road Improvement Districts (RID) and Utility Local Improvement Districts (ULID), may be formed by the city to finance capital facilities required by other entities (property owners, developers, etc.). These capital facilities are funded through the issuance of special assessment bonds, paid for by the entities benefited. Use of special assessment bonds is restricted to the purpose for which the special assessment district is created.

### Sewer User Fees

The state authorizes sewer charges to wastewater generators. Fees may be based on the amount of potable water consumed based on the assumption that there is a correlation between water consumption and wastewater generation or a flat (base) rate only. Commercial customers pay base and consumption rate. Revenue may be used for capital facilities, operations and maintenance. The current water user fee is 10% of gross sales.

### Water User Fees

State authorized rate charged to each residential and commercial customer, based on the volume of water used. Revenue may be used for capital facilities, operations and maintenance. The current water user fee is 15% of gross sales, of this amount 4% is for fire protection.

## Bonds

### General Obligation/Councilmanic Bonds

There are two types of General Obligation Bonds: Voter approved and Councilmanic. Voter approved bonds are backed by the value of the property within the jurisdiction. They increase the property value rate, with increased tax revenues dedicated to paying the principal and interest on the bonds. Councilmanic Bonds are authorized without voter approval and paid from general tax sources without an increase in tax revenue. The amount of local government debt allowable in the form of general obligation bonds is limited to 7.5 percent of the taxable value of property in the jurisdiction. This is divided so that a jurisdiction cannot use all of its bonding capacity for one type of improvement. The total general obligation bonding capability is divided as follows: 2.5 percent general purpose use; 2.5 percent for utility bonds, and; 2.5 percent open space and park facilities. If the jurisdiction has an approved general purpose bond with unused capacity, as much as 1.5 percent of the 2.5 percent may be used as council manic bonds.

## Grants and Loans

The City is very active in applying for grants from various federal and state agencies to fund capital facilities. These grants are typically available for a specific purpose. The City has had the most success in obtaining grants for transportation improvements, parks and trails, and historic preservation improvements. Both state and federal grants typically

require the commitment of local funding as a match to the grant. In addition to grants from state or federal agencies, the City may apply for some Community Development Block Grant funding to selected capital projects through the Spokane County Community Development Block Grant (CDBG) Program.

The following is a summary of various grant and loan opportunities.

#### Community Development Block Grants

Department of Community Development grants of up to 100% may be available through the Federal Department of Housing and Urban Development for public facilities projects, economic development, housing, etc. which benefit low and moderate income households.

#### Community Economic Revitalization Board Grants

Department of Trade and Economic Development revenue are available for low interest loans and grants to finance sewer, water, access roads, etc. to facilitate private sector industrial development that supports the trading of goods or services outside of the State, and either creates or maintains jobs.

#### Public Works Trust Fund (PWTF) Loans

Department of Commerce low interest loan funds are available for capital facilities, emergency planning, and capital improvement planning. This is a competitive loan process that provides low-interest loans (interest rates as low as 0.5% over 20 years) to finance up to 85% of a project's cost. Applicants must have a capital facilities plan, must be levying the 1/4% real estate excise tax, and must be in compliance with UGA requirements. Capital improvement planning projects are limited to planning for streets and utilities.

#### National Highway System Grants

WSDOT State Aid Division revenue is available for construction and improvement of the National Highway System. The project must be on the Regional Transportation Improvement Program (TIP) list and must be a component of the National Highway System (NHS), including all highways classified as principal arterials. These funds are available on an 86.5% Federal/13.5% Local match, based on the highest ranking projects from the Regional TIP list.

#### Transportation Improvement Board (TIB) Grants

State Transportation Improvement Board (TIB) grants are available for roadway and sidewalk projects caused by economic development or growth, development activities, and partially funded locally. Grants are funded 80% State/20% Local.

- Urban Arterial Program (UAP) - best suited for roadway projects that improve safety and mobility.
- Urban Sidewalk Program (SP) – Best suited for sidewalk projects that improve safety and connectivity.



- Arterial Preservation Program (APP) – provides funding for overlay of federally classified arterial streets in cities with a assessed valuation less than \$2 billion.

#### Transportation Partnership Program (TPP)

Transportation Improvement Board grants are available for projects to relieve and prevent traffic congestion. Preference is given to projects that are structurally deficient, congested by traffic, and has geometric deficiencies or accident incidents. Grants are funded 80% State 20% Local.

#### Surface Transportation Program

WSDOT State Aid Division block grant revenue is available for road construction and maintenance, transit capital projects, bridge projects, transportation planning, research and development, participation in wetland mitigation and wetland banking. Funds are distributed generally at 80% federal/20% local based on the highest ranking projects from Regional Transportation Improvement Program list.

#### Department of Health Grants & Loans

State grants & loans for technical assistance and updating existing water systems, are available for ensuring effective management, and achieving maximum conservation of safe drinking water. Matching requirements for grant vary depending on the program and loan rates for loan programs.

#### Centennial Clean Water Fund

Department of Ecology grants for the design, acquisition, construction, and improvement of Water Pollution Control facilities (WPC), and related activities, are available to meet state and federal WPC requirements and protect and improve water quality.

Department of Ecology administers low interest loans and loan guarantees. Applicants must show water quality need, have a facility plan, have the ability to repay, and conform to other State and Federal WPC requirements.

#### Department of Ecology Grants

State of Washington supplies grants for a variety of programs related to solid waste, including Remedial Action Grants to assist with local hazardous waste sites, Moderate Risk/Hazardous Waste Implementation Grants to manage local hazardous waste, and Food and Yard Waste Composting Grants.

#### Public/Private Development Agreements

New development agreements between the City and a developer specifying financing needs and responsibilities for infrastructure needs that serve a wider area than the developer is contemplating.

### Impact Fees

State law allows the City to collect fees from owners or developers as development occurs to fund park acquisition, park development and transportation capital projects. The fee amount is determined by estimating the appropriate private sector cost of the capital facilities that are required to meet expected demand and achieve the established service level standard. The appropriate private sector cost is allocated to new development based in its estimated impact on demand. Because impact fees affect a developer's evaluation of feasibility and may dissuade development for economic reasons, especially on a larger scale like the South Bench, the pursuit of alternate funding sources could make the difference for the success of development.

### Systems Development Charges (SDCS)

Like impact fees, SDCs are collected from owners and/or developers as development occurs to fund improvements to the water and sewer utilities. These funds may be expended on projects that expand utility system capacity and can either pay for debt service on bonds or for direct project expenditures.

### Local Revitalization Financing (LRF)

The Local Revitalization Financing (LRF) program is a tax increment financing program that was established in 2009 through State legislation. This is a method of distributing property tax collections within designated areas to finance infrastructure improvements within these designated areas. Under the LRF method, infrastructure is financed by the incremental increase in tax revenue that is made possible by infrastructure improvements within the designated area.

### Bipartisan Infrastructure Law

The Bipartisan Infrastructure Law (BIL) or the Infrastructure Investment and Jobs Act (IIJA) – provides state and local governments with a significant amount of infrastructure funding opportunities over the next five years, including:

- Road, bridges, and major projects
- Passenger and freight rail
- Public transportation
- Airports and Federal Aviation Administration facilities
- Ports and waterways
- Transportation safety
- Electric vehicles, buses, and ferries
- Clean energy and power
- Water
- Climate resilience
- Environmental remediation
- Broadband high-speed internet

The funding will be awarded through a variety of competitive and formula grants and loans. Some of the funding consists of increases to existing federal programs, while other funding consists of new programs. Some of the programs will be administered by state agencies and others will be administered directly by federal agencies.

## SUMMARY

The feasibility report identifies the development standards and potential challenges the South Bench Area has. After consideration of proposed development plans and site constraints a conceptual site and utility layout was prepared. The proposed Blackrail Ridge preliminary plan was incorporated into the initial concept and will be critical to the development of the area by initiating the extension of critical infrastructure to the study area included road access, water and sewer. The concept utility plan identifies the existing and proposed mainlines to be installed to sufficiently service the study area within the City's service area. The Engineer's Opinion and Probable Cost is approximately \$31,000,000, see Table 13. In addition to the initial infrastructure cost, land developers can expect to pay the cost of site grading, internal infrastructure, and the cost to extend phone, fiber, and power. As development occurs it will be critical for the City and County to work with the developers and landowners to create a cost sharing plan for critical infrastructure serving the study area.

Anticipated revenue sources for the development of this area include developer contributions, grants, loans, and other city contributions. As a result, additional sources of funding may be needed to help pay for the improvements, i.e. grants, loans and other public or private contributions.

Economic benefits resulting from the development of this site include the creation of roughly 1,600 potential job opportunities, increased state and local tax revenue of roughly \$10M, and overall increase in earnings of \$64M. The South Bench Area has the potential to create a mixture of development opportunities for the City of Newport from much needed housing to other uses related to commercial, industrial and healthcare services for years to come.

# APPENDIX A

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Blackrail Ridge Preliminary Layout

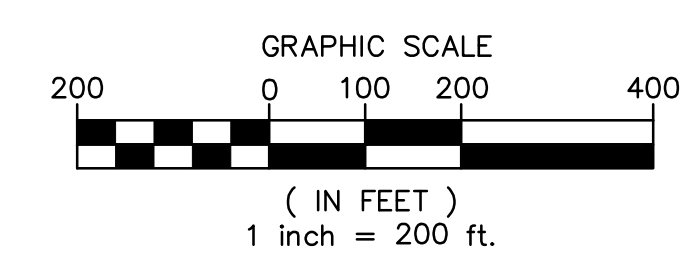
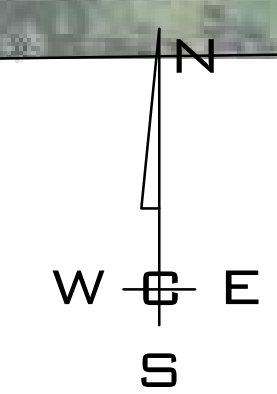
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 ONE-CALL NUMBER  
**811**  
 CALL TWO BUSINESS DAYS  
 BEFORE YOU DIG



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© 2021 Google

NAVD - 88  
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NO.	DATE	BY	REVISIONS

**SCALE:**  
 HORIZONTAL:  
 1" = ' '  
 VERTICAL:  
 1" = ' '

**PROJ #:** 21-2913  
**DATE:** 05/08/21  
**DRAWN:** XXX  
**REVIEWED:** XXX

- CIVIL
- STRUCTURAL
- SURVEYING
- TRAFFIC
- PLANNING
- LANDSCAPE
- OTHER

**WCE**  
 WHIPPLE CONSULTING ENGINEERS  
 21 S. PINES ROAD  
 SPOKANE VALLEY, WA 99206  
 PH: 509-893-2617 FAX: 509-926-0227

**BLACKRAIL RIDGE  
 PRELIMINARY LAYOUT  
 NEWPORT, WA**

PLANS  
 NOT APPROVED  
 BY AGENCY

**SHEET  
 1 OF 3**  
 JOB NUMBER  
**21-2913**

# APPENDIX B

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South Newport Business Park Conceptual Exhibit



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REVISIONS		
DATE	NO.	BY
	1	



**PEND OREILLE COUNTY ROAD DEPT.**  
**P.O. BOX 5040**  
**NEWPORT, WA 99156**

	INITIALS	DATE
DESIGNED BY:		
CHECKED BY:		
APPROVED BY:		

<b>SOUTH NEWPORT BUSINESS PARK</b>	
<b>CONCEPTUAL EXHIBIT</b>	
DATE: 11/08/19	SHEET: 1 OF 1



# APPENDIX C

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## Market Feasibility Analysis

2021

# Pend Oreille County Feasibility Analysis for South Bench Planning Study



Prepared for:  
Pend Oreille County

Prepared by:  
The Metts Group and Joe Tortorelli

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- Land Use..... 12
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## Introduction

The purpose of this study is to analyze the market feasible industrial uses for the South Bench area in Newport, WA. The study conforms to the minimum threshold criteria established by the Washington State Community and Revitalization Board for potential grant funding opportunities.

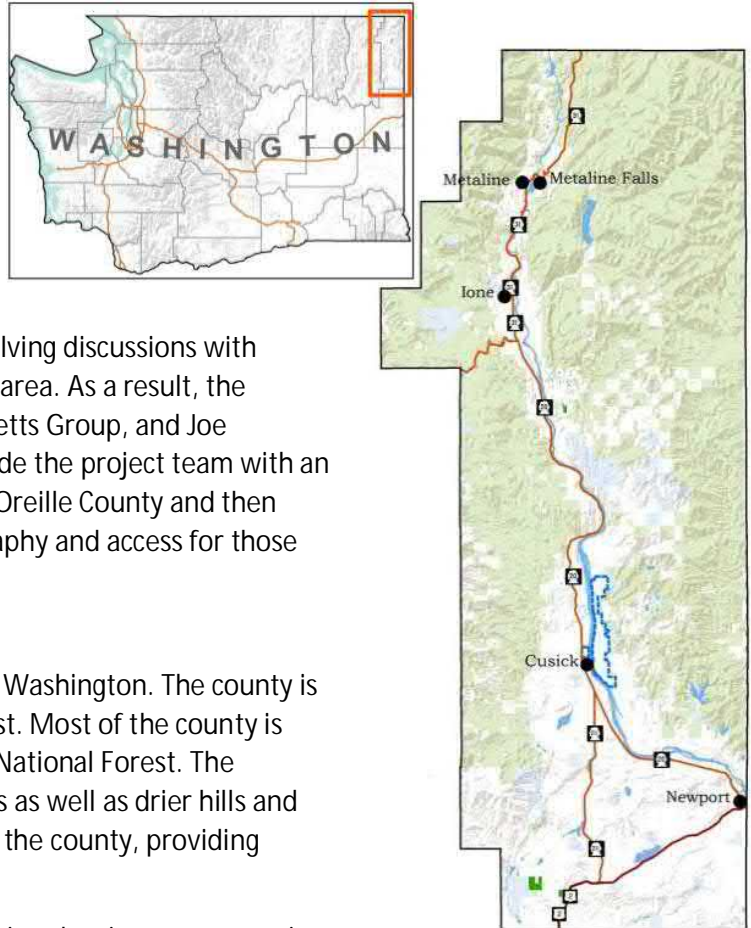
During the course of this project, there were evolving discussions with different positive outcomes for the South Bench area. As a result, the consulting team—J-U-B Engineering, Inc., The Metts Group, and Joe Tortorelli—thought it was most prudent to provide the project team with an overall understanding of demand gaps for Pend Oreille County and then identify potential site locations based on topography and access for those industries identified.

## Economy Overview

Pend Oreille County is in the northeast corner of Washington. The county is bound by Canada to its north and Idaho to its east. Most of the county is dominated by the rugged, mountainous Colville National Forest. The southern part of the county has forested foothills as well as drier hills and valleys. The Pend Oreille River runs the length of the county, providing electric power and recreation for the area.

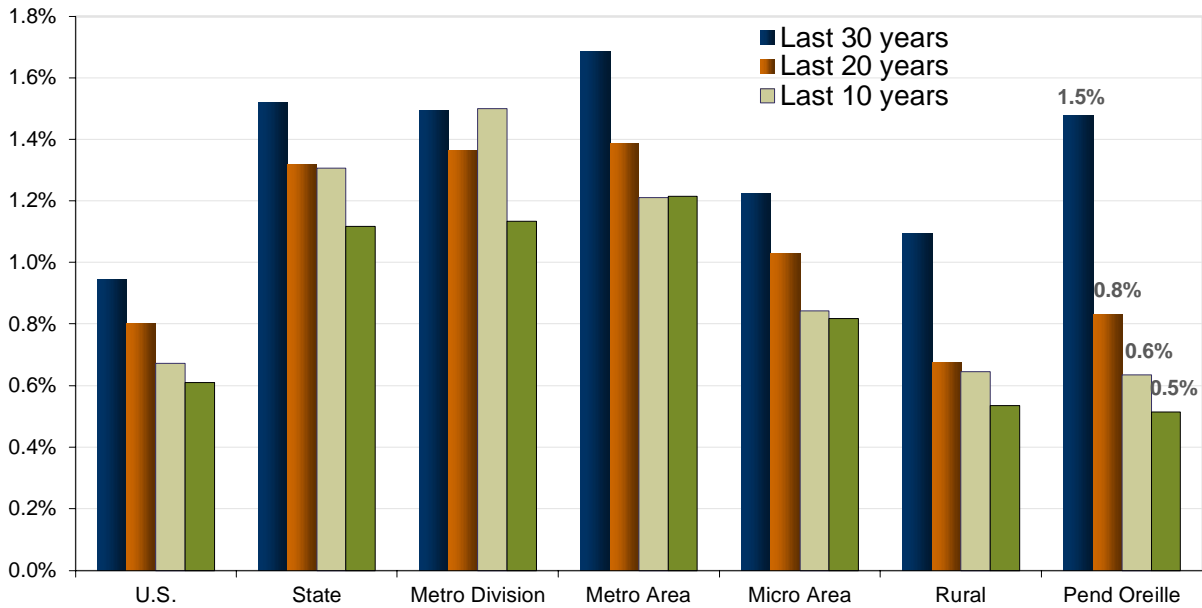
Pend Oreille County is unique in terms of population density, transportation, industries and infrastructure. It is very rural with only 9.3 persons per square mile and has a rural economy, with limited transportation routes and dependence on resource extraction, specifically, lead and zinc mining followed by timber and cement manufacturing. These realities greatly affect job growth and job creation.

According to the 2020 Census Estimate, there are approximately 13,400 people residing in Pend Oreille County—an additional 400 people from a decade ago, growing at an annual rate of 0.6%. Washington Employment Security Department projects the County's population to grow at an annual rate of 0.5% over the next 10 years.



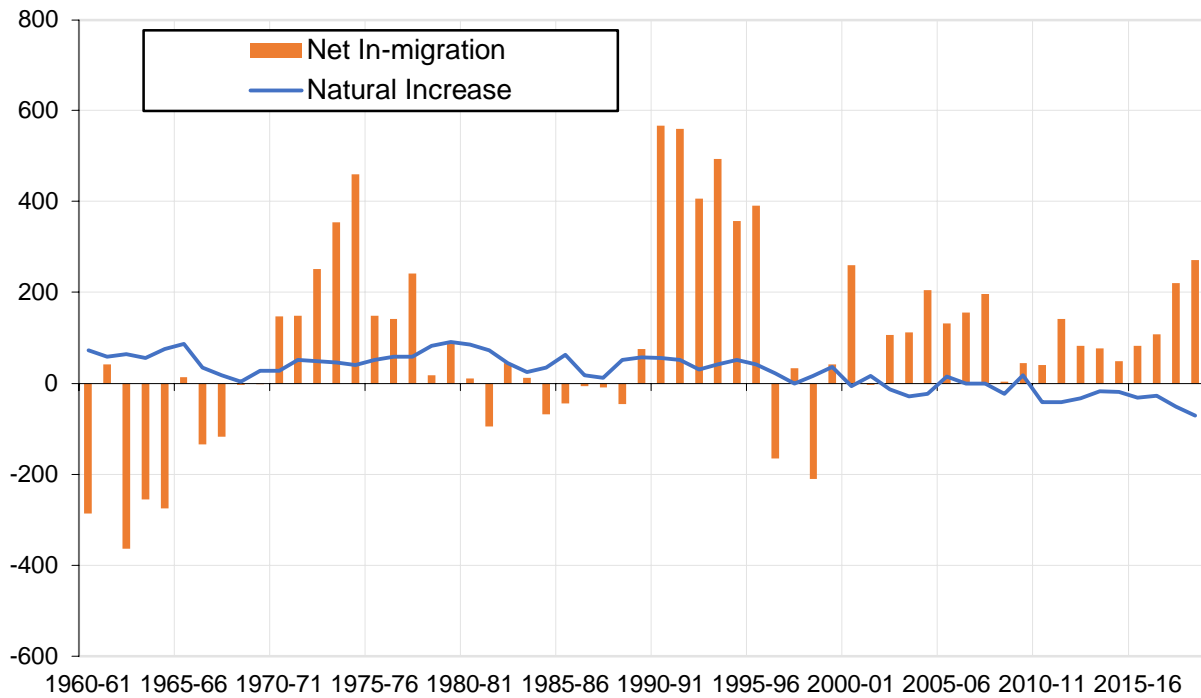
# Pend Oreille County Feasibility Analysis for South Bench Planning Study

Figure 1. Longer-Term Population Growth Rates



Source: Washington Employment Security Department

Figure 2. Annual Population Change: Natural Increase and Net In-migration, Pend Oreille County

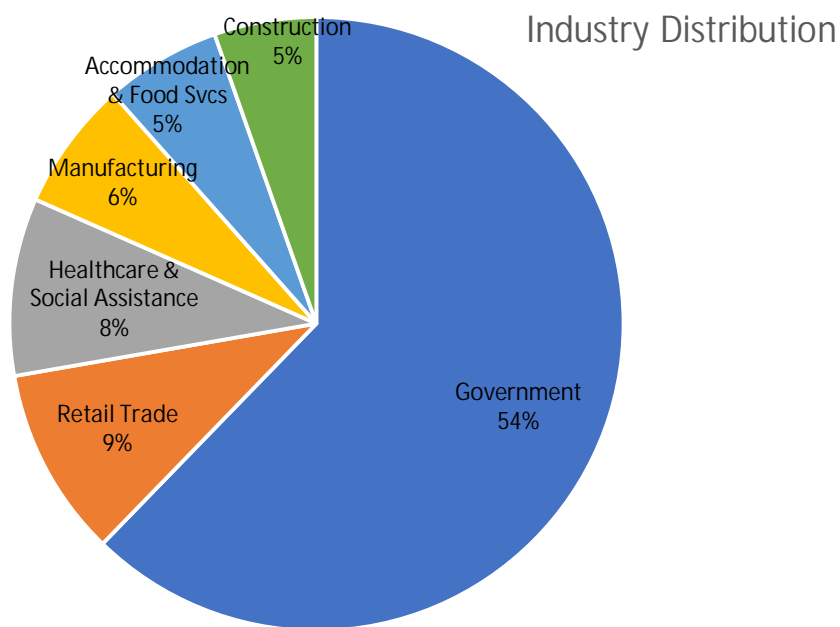


Source: Washington Employment Security Department

The City of Newport is the county seat with roughly 2,200 residents. The total area of Newport’s city limits and UGA combined is approximately 1,501 acres. Population projections for the City of Newport shows 2,213 residents in the year 2029. Projected to 2039, the population is estimated to grow to approximately 2,270 persons.

### Industry

There are roughly 400 firms employing approximately 2,835 people in Pend Oreille County (QCEW, BLS). Another 727 nonemployer firms reside in the County. The healthcare and social assistance sector comprises the greatest number of firms in the area, totaling 119 countywide. However, government and manufacturing employ more people per firm than healthcare. Although there are only 10 manufacturing employers in the County, they employ, on average, 17 people per facility—compared to healthcare which employ two people, on average, per firm and government 39 per firm.



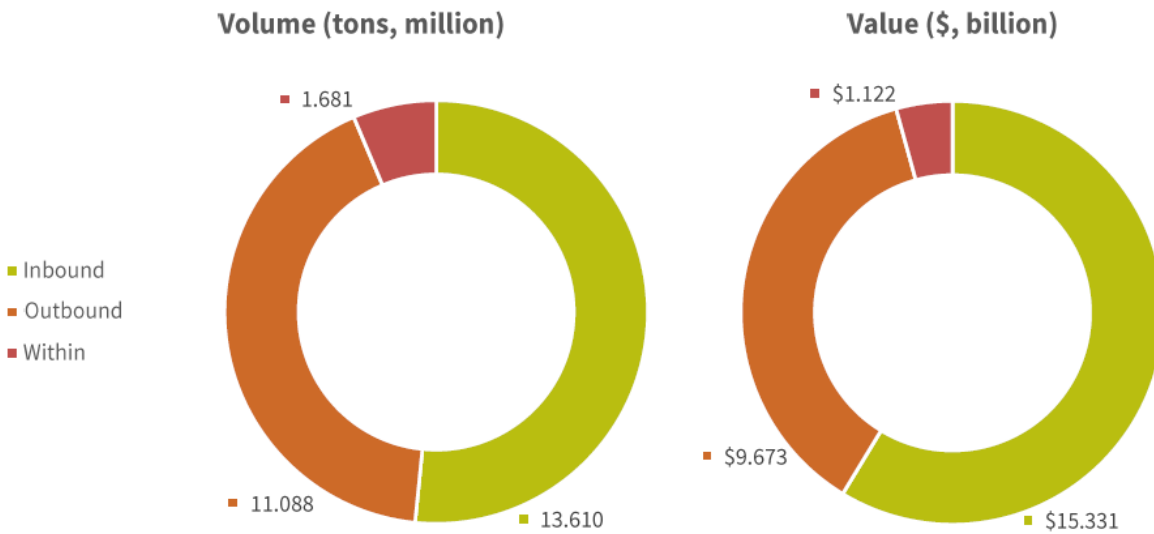
### Transportation

Transportation of goods are a vital component of every economy. The County’s proximity to larger markets (via Highway 2, Highway 41, Highway 395, access to Canada via ports of entry) makes the region a major thoroughfare for freight transportation, particularly truck transportation.

A freight flow analysis was conducted by Ady Advantage in 2020 as part of the Economic Development Strategic Plan (EDSP). Truck dominated the region’s mode share in 2015 accounting for 88% of the volume and 75% of the 2015 value. Rail’s share was 9% of the volume and 5% of the value.

The region’s overall freight flows are slightly weighted towards the inbound side with volumes accounting for 52% of total flows (13.6 million tons) and 59% of total value (\$15.3 billion)—see Figure 3. Future freight growth in both volumes and value are overwhelmingly anticipated to be captured by the trucking industry. According to the EDSP, rail growth is forecasted to be concentrated in outbound wood products, while multiple modes and mail is expected to experience growth from outbound shipments of transportation equipment, precision instruments, and electronics.

Figure 3. Share of Freight Flows within Pend Oreille region, 2015



### Target Industry Analysis

A target industry analysis was also conducted as part of the EDSP. The EDSP was a partnership of community organizations, including Pend Oreille Public Utility District, Port of Pend Oreille, Kalispel Tribe of Indians, Pend Oreille County, Pend Oreille County Economic Development Council, and the City of Newport. The partners engaged this independent, third-party analysis to propose the framework for a strategic path forward with recommended targeted industries and preliminary site analysis.

As to not duplicate efforts and resources, this information was used for the base of our analysis. The target industry analysis conducted as part of the EDSP involved examining the following indicators:

- Number of employees
- Concentration (location quotient)
- Wages
- Past five-year growth
- Future expected five-year growth

Based on results from the analysis conducted in the EDSP, the following industries were recommended to target for the region.

## Pend Oreille County Feasibility Analysis for South Bench Planning Study

Target Industry	Subsectors of Focus	Comments
<b>Value-Added Wood Products</b>	<ul style="list-style-type: none"> <li>Sawmills and Wood Preservation (NAICS 32111)</li> <li>Veneer, Plywood, and Engineered Wood Product Manufacturing (NAICS 32121)</li> <li>Wood Container and Pallet Manufacturing (NAICS 32192)</li> <li>All Other Wood Product Manufacturing (NAICS 32199)</li> <li>Paperboard Container Manufacturing (NAICS 32221)</li> </ul>	Forestry has been a strong industry in the region and logging is projected to continue to be a strong industry from a freight flow standpoint. Focus should be on the higher-value parts of the supply chain rather than those subsectors within the industry that have low margins. These types of industries could be a good fit for the Ponderay Newsprint Plant.
<b>Industrial Supply Chain/Light Manufacturing</b>	<ul style="list-style-type: none"> <li>Cutlery and Handtool Manufacturing (NAICS 33221)</li> <li>Metal Tank (Heavy Gauge) Manufacturing (NAICS 33242)</li> <li>Metal Can, Box, and Other Metal Container (Light Gauge) Manufacturing (NAICS 33243)</li> <li>Machine Shops (NAICS 33271)</li> <li>Coating, Engraving, Heat Treating, and Allied Activities (NAICS 33281)</li> <li>Industrial Machinery Manufacturing (NAICS 33324)</li> <li>Commercial and Service Industry Machinery Manufacturing (NAICS 33331)</li> </ul>	Within these types of industries, there are opportunities to attract supply chain companies for larger regional industries, such as aerospace, etc. Focus should be on those light manufacturing companies and industries that align with environmental standards in the county.
<b>Electronic Components</b>	<ul style="list-style-type: none"> <li>Other Communications Equipment Manufacturing (NAICS 33429)</li> <li>Electrical Equipment Manufacturing (NAICS 33531)</li> </ul>	There are several smart meter companies in the greater region. This could be an opportunity to capture part of their supply chain and/or related areas. This could also support the aerospace industry in the region.
<b>Environmental Consulting and Services</b>	<ul style="list-style-type: none"> <li>Environmental Consulting Services (NAICS 54162)</li> <li>Other Scientific and Technical Consulting Services (NAICS 54169)</li> <li>Research and Development in the Physical, Engineering, and Life Sciences (NAICS 54171)</li> </ul>	Environmental services seem to be a good fit for the region. There may be opportunities with the redevelopment and/or decommissioning of the Ponderay Newsprint Site. Focus should be on recruiting these types of functions as they relate to other target industries, with the goal of diversifying the region's economy. Broadband infrastructure will be an important success factor for these types of companies.
<b>Food Processing (Aspirational)</b>	<ul style="list-style-type: none"> <li>Flour Milling and Malt Manufacturing (NAICS 31121)</li> <li>Fruit and Vegetable Canning, Pickling, and Drying (NAICS 31142)</li> <li>Animal Slaughtering and Processing (NAICS 31161)</li> <li>Bread and Bakery Product Manufacturing (NAICS 31181)</li> <li>Coffee and Tea Manufacturing (NAICS 31192)</li> <li>Soft Drink and Ice Manufacturing (NAICS 31211)</li> <li>Breweries (NAICS 31212)</li> <li>Wineries (NAICS 31213)</li> </ul>	While there are no major food processing facilities in the County right now, it is a strong industry in the region. Pend Oreille County would need some critical mass to get on the radar of these types of companies. Consider focusing on smaller, high-value, more niche operations. There could also be an opportunity to leverage these industries as tourism assets as well.

The primary focus for this analysis is to find industries that would be a good fit for potential commercial or light industrial uses. Therefore, additional data resources were used to inform and refine the targeted industries by ground-truthing the data with expertise from local knowledge to expand upon regional assets. The following industries were vetted for this analysis.

- Industrial Supply Chain / Light Manufacturing
  - Medical Device Manufacturing
  - Test Device Manufacturing
  - Instruments and Related Products Manufacturing
  - Measuring and Controlling Device Manufacturing
  - Search, Detection, Navigation, Guidance System Manufacturing
  - Machine Shops and Machine Tool Manufacturing
  - Plastics Material and Resin Manufacturing
  - Coating, Engraving, Heat Treating, and Allied Activities
  - Industrial Machinery Manufacturing
  - Cutlery and Hand Tool Manufacturing
- Electric Components
  - Other Communications Equipment Manufacturing
  - Electrical Equipment Manufacturing
  - Electronic Component and Equipment Manufacturing
  - Semiconductor and Circuit Manufacturing

Targeting industries that are part of a larger industry cluster with already a presence in the area will deem more successful. And some of the aforementioned industries reside in the region (e.g. machine shops) but have the potential to grow.



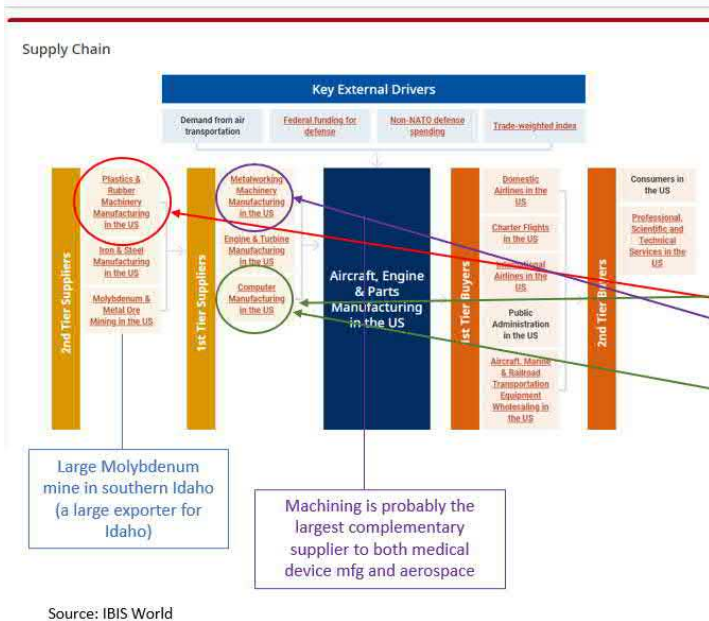
Aerospace is an industry cluster that exists in the region and has the potential to grow. Aerocet, manufacturer of composite aircraft floats, is an example of a business that has outgrown their space and is in need of additional room for operations. Although they do not plan on coming back to Washington, there is room for potential suppliers. Regional efforts from public-private partnerships (Inland Northwest Aerospace Consortium, I-90 Aerospace Corridor, Pacific Northwest Aerospace Alliance, Idaho Aerospace Alliance, etc.) and solidifying grant opportunities will only catapult the industry in the near-term.

There are supply chain synergies between aerospace and medical device, testing, and instrumental manufacturing that could also create a successful cluster in a light industrial park within the area. Many areas across the country see these two industry clusters overlap in the same region. Typically, wherever aerospace clusters exist, medical device manufacturing follows. Similar stringent government certifications (e.g. ISO 9100) are not only a barrier to entry for both industries, but also make them more complementary to coexist.

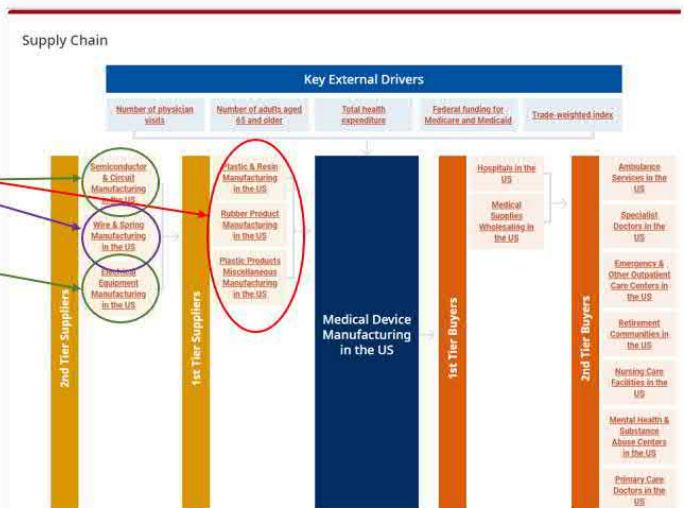
The industries listed also support existing businesses and industries in the region. For example, Idaho Forest Group has created a separate machine shop at their facilities to keep up with their demands and fulfill a void in the market. The RecTech industry cluster is also another example of utilizing industries within the same supply chain. RecTech businesses exist in the region but also have the potential to grow and would be a good fit for this area. There are already several boat builder manufacturer and repair facilities in the region that have similar needs listed above.

Figure 4. Example of Supply Chain Synergies between Aerospace and Medical Device Manufacturing

### Aircraft, Engine & Parts Manufacturing



### Medical Device Manufacturing



Healthcare plays a large role in the area, particularly, in Newport. There could be potential to expand upon this healthcare corridor to accommodate demand from surrounding communities. Growing this healthcare corridor would benefit the region with the older demographics coupled with the increasing demand on

healthcare. Over \$26 million is spent on medical expenditures by residents within a 20-minute radius of Newport—9.2% of total expenditures. This falls closely behind the bare living necessities, including housing (29.9%), transportation (12.7%), and food (12.1%).

With the current hospital located adjacent to residential uses, it makes it difficult for the sector to expand in the existing location. Complementary healthcare and social assistance business and industry would bode well for this area and, particularly, along the South Bench within the identified commercial area within the RYN Homes development.

Furthermore, there is a large supply of existing healthcare workers that reside in Pend Oreille County that commute elsewhere (mainly south to Spokane) for work. This is an untapped labor pool that could fill current demand.

The location of the South Bench area is ideal for this type of use.

### Available Workforce and Wages

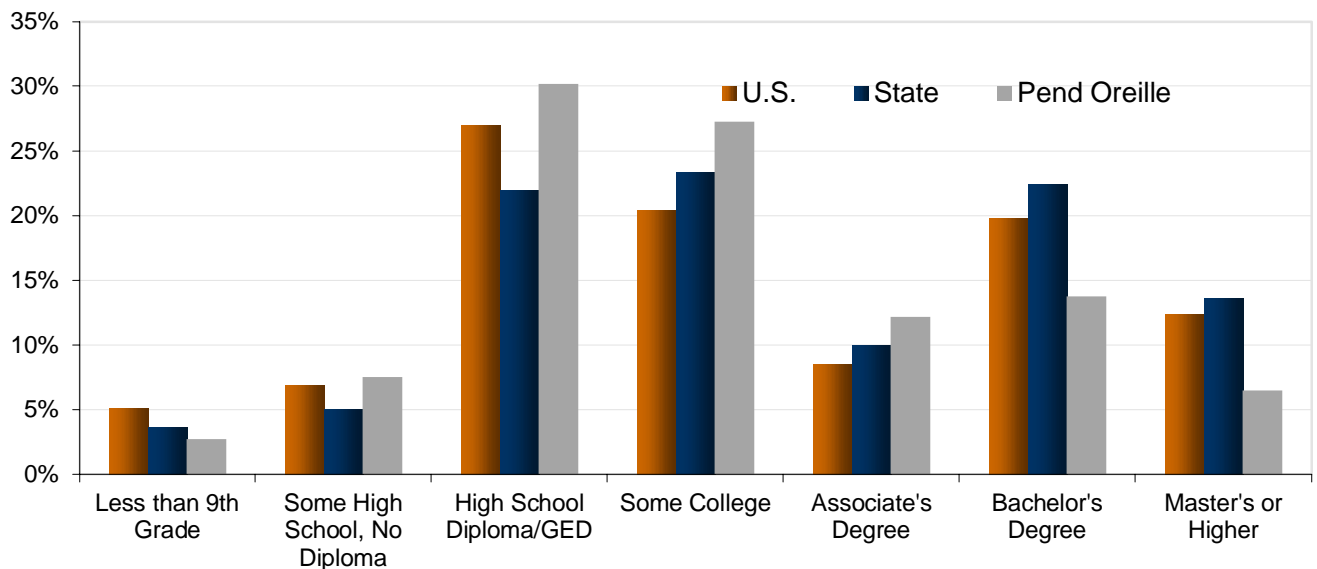
#### Educational Attainment

Nearly 40% of residents in Pend Oreille County over the age of 25 have some college or earned an associate’s degree. This is noticeably higher than the state and nation. This provides local manufacturers, healthcare providers, and construction operators a skilled workforce to choose.

The County, as a whole, sits significantly below the national average in terms of higher degree earners. Only 14% of Pend Oreille County residents possess a bachelor’s degree, compared to nearly 20% nationwide and 22% statewide. Figure 5 illustrates these trends.

Long-term changes in educational attainment causes structural changes in the economy. Regional increases in educational attainment over the past decade can be considered a structural change with a permanent impact on the labor market. Over the past decade, there has been a shift in share of residents who have earned higher degrees—a more educated workforce for local employers seeking such talent.

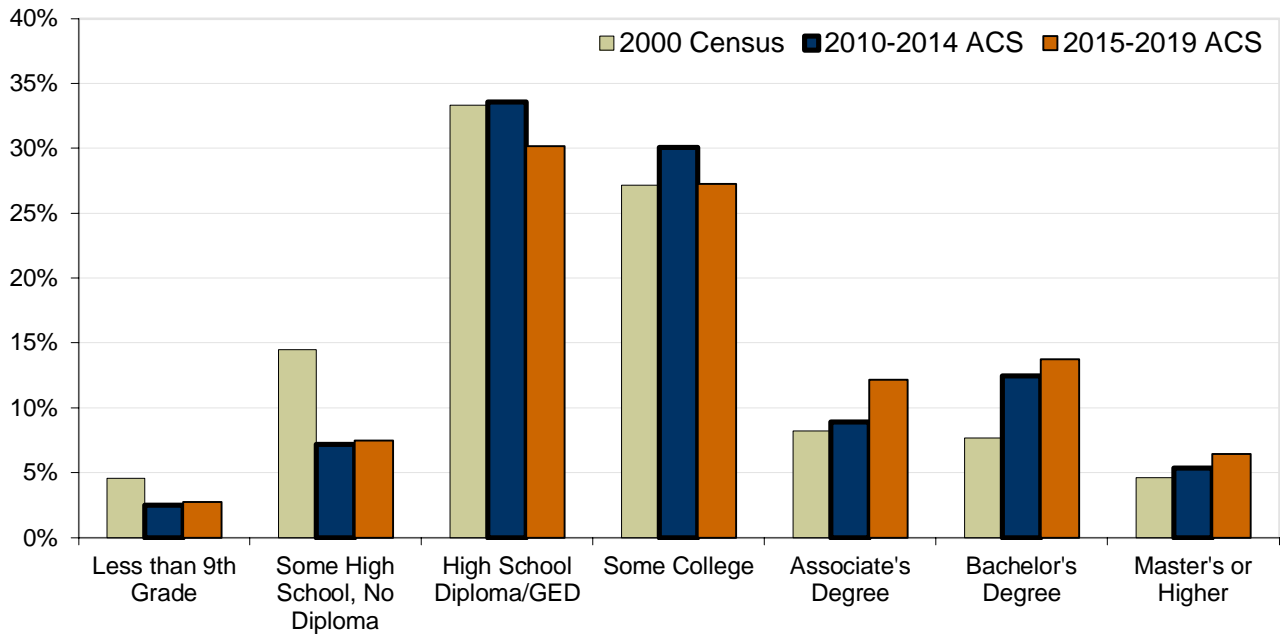
Figure 5. Educational Attainment of Adults Age 25 and Over, 2019



Source: U.S. Census, American Community Survey 5-Year Estimates

## Pend Oreille County Feasibility Analysis for South Bench Planning Study

Figure 6. Educational Attainment of Adults Aged 25 and Over, Pend Oreille County (2000-2019)

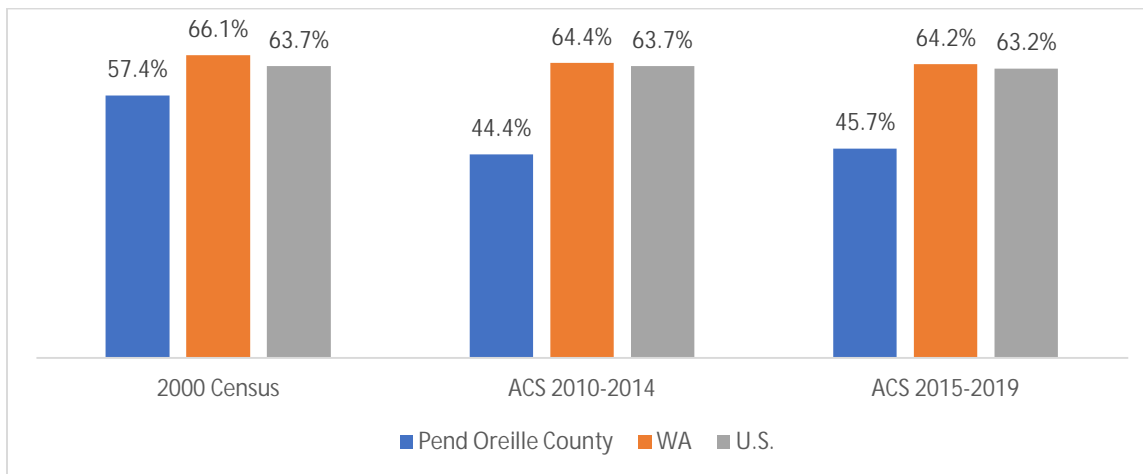


Source: U.S. Census, American Community Survey 5-Year Estimates

### Labor Force

According to Washington Employment Security Department, there are roughly 5,000 people in the Pend Oreille County labor force in 2020. Labor force participation rates are low around the region. The labor force participation rate in Pend Oreille County is 45.7%, compared to the state and nation at 64.2% and 63.2%, respectively. Amongst the highest contributors are the 25 to 44 age cohorts.

Figure 7. Labor Force Participation Rate Trends

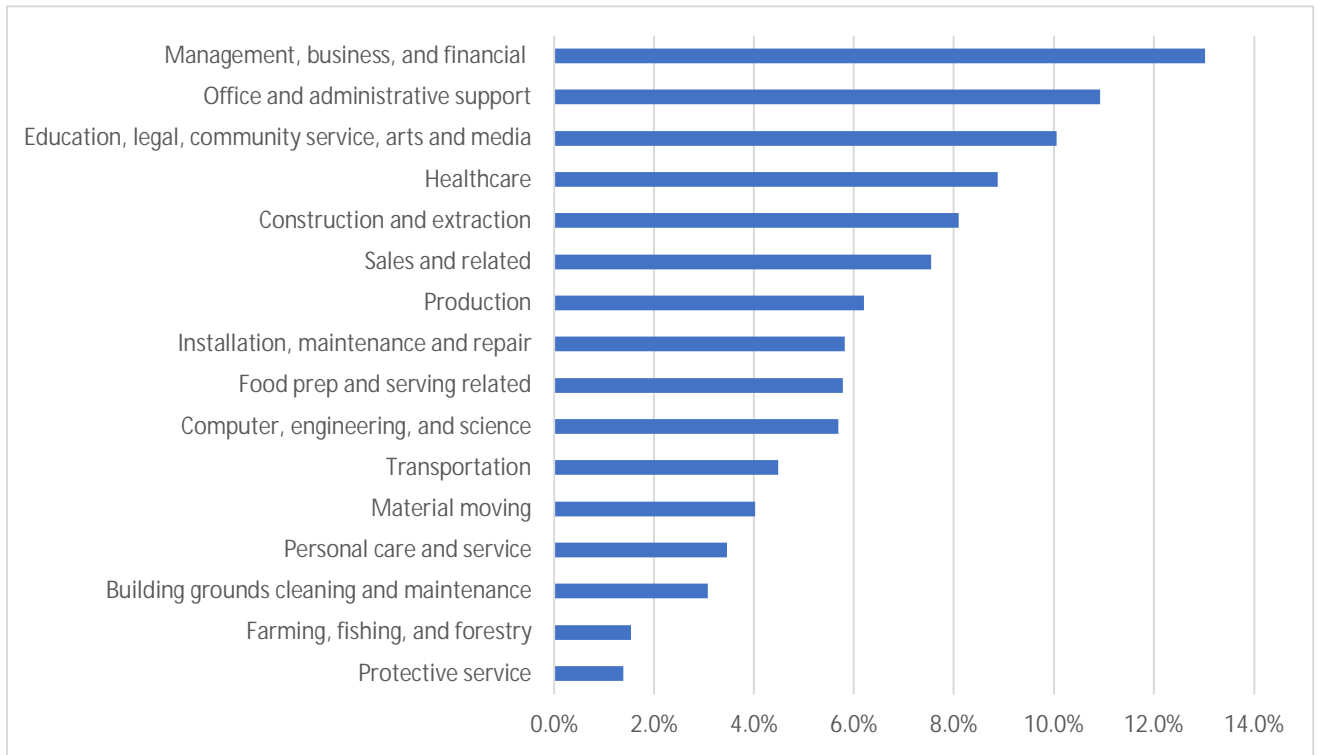


Source: U.S. Census, American Community Survey 5-Year Estimates

Over 600 people work in management, business or financial-type occupations. These workers span most industries and augment the skillsets of other resident workers such as the large sales (358 resident workers) and office workers (518 resident workers). Healthcare practitioners and support workers comprise the next largest set of resident workers (421 resident workers), followed by educators (325 resident workers).

# Pend Oreille County Feasibility Analysis for South Bench Planning Study

Figure 8. Occupation Makeup, Pend Oreille County, 2019

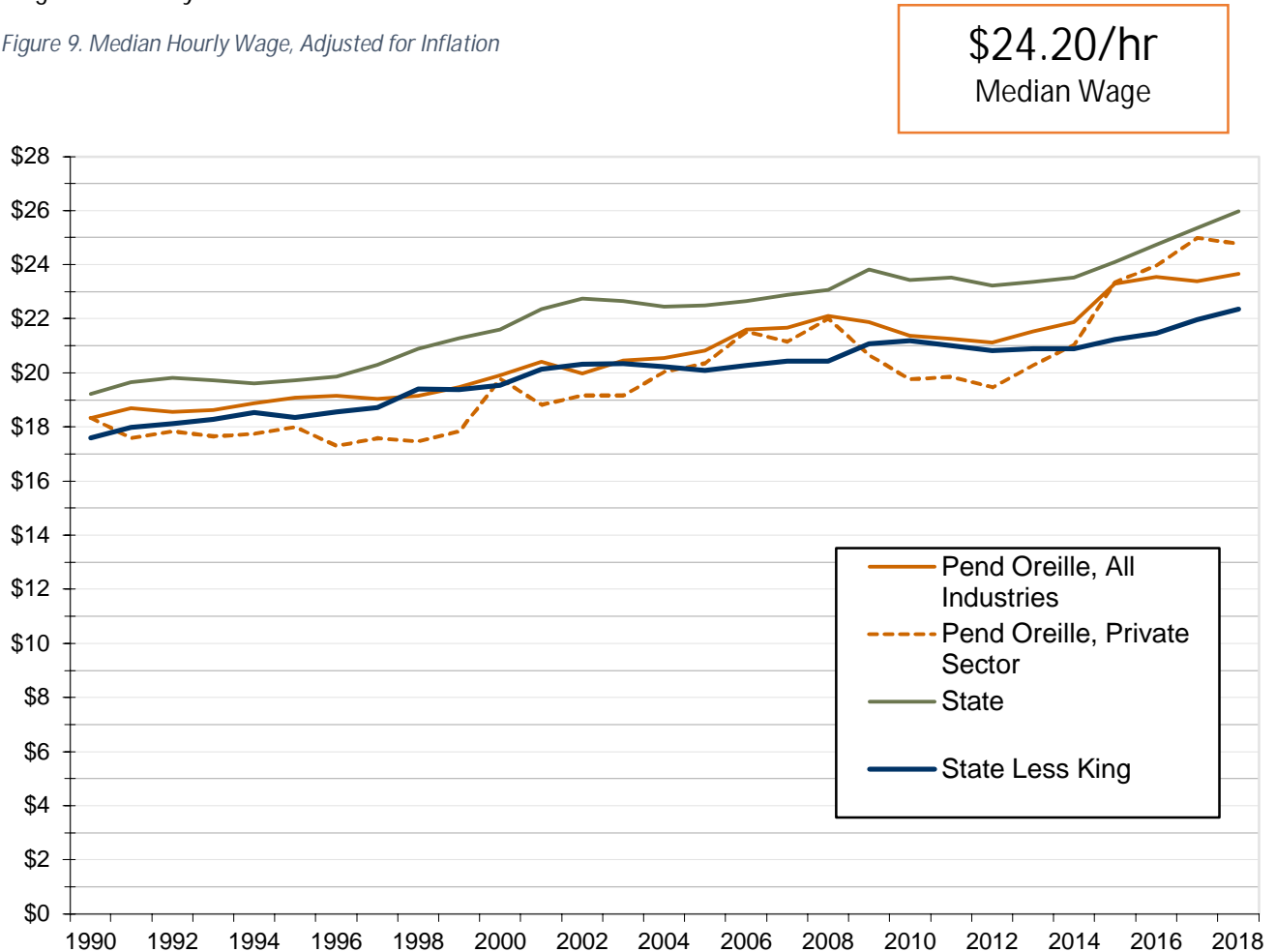


Source: U.S. Census, American Community Survey 5-Year Estimates

### Wages

The median wage in Pend Oreille County for 2019 (latest data available) is \$24.20 per hour, approximately 7% lower than the state’s median wage at \$26.01. However, less King County, Pend Oreille County’s wages look more appealing in recent years—see Figure 9. Adjusted for inflation, the County has shown an upward trend in wages over the years.

Figure 9. Median Hourly Wage, Adjusted for Inflation



Source: Washington Employment Security Department

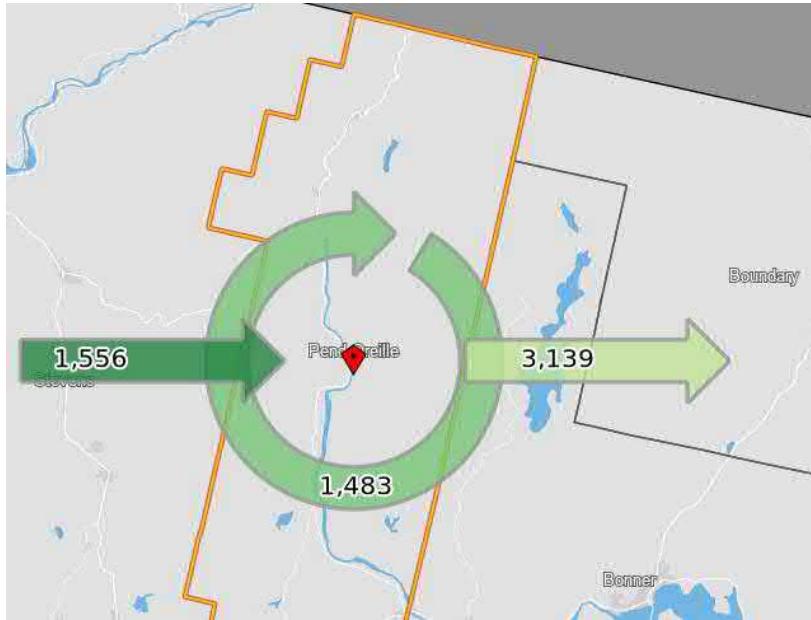
### Commuting Patterns

Commuting data allow development investors to understand how much of the workforce lives in the place of which they work and how many commute outside the area for other opportunities. According to Census’ LEHD on the Map program, 32% of the County’s labor force lives and works within the County (and comprise 49% of all jobs in the County). Despite this, there is a net outflow of workforce—nearly 1,600 people are leaving the County to find work elsewhere.

Majority of the workers that commute into Pend Oreille County and, particularly, Newport are in the healthcare industry. Nearly 60% of all workers that commute into Newport for work live less than 24 miles outside the County. Over half of the workers in the County are age 30 to 54 and a large share, 48%, earn more

than \$3,300 per month. Similar demographic characteristics for residents commuting outside the area for work—retail and the healthcare industries and similar age and income demographics.

Figure 10. Commuting Patterns, Pend Oreille County (2018)



Source: U.S. Census, LEHD on the Map program (2018, all jobs)

### Land Use

Land policies influence economic development in Pend Oreille County, especially changes regarding timber land management and mining. Industrial site availability is affected by the high rate of public land ownership in Pend Oreille County. Only 35 percent of land in the county is privately owned. Approximately 60% of the land in the county is located within the Colville and Panhandle National Forests, and approximately 5% of the land is owned by the State or County Government. An additional 28% of the land is privately owned Agricultural Open Space, or Designated/Classified Timber. The remainder of the land is comprised mostly of incorporated areas, and private rural parcels and residences. There is also a Kalispel reservation in Usk in central Pend Oreille (Pend Oreille County Comprehensive Plan 2021).

Table 1. Land Ownership

Land Ownership Type	Number of Acres	% of Total Acres
Private	316,131	35%
Public	587,876	65%
Tribe	6,210	<1%
Total	910,217	100%

Source: White Bluffs Consulting 2018, Pend Oreille County Voluntary Stewardship Program Work Plan, October 2018, Pend Oreille County Comprehensive Plan 2021

Around Newport, commercial uses are located in the downtown area and north side of Highway 2 in the southwest part of town. Industrial uses are also located in the Central Business District near the railroad tracks.

### Commercial and Industrial Land Supply and Demand

There are roughly 74 acres of commercial and industrial land for sale within Pend Oreille County and within a 40-mile radius from Newport. There is not a lot of supply of commercial or industrial land and, hence, land sales are reflective of the lack of supply.

Based on the results from the industries vetted, lot supply and demand further dictate access and advantages of the area.

Table 2. Available Commercial and Industrial Land

Address	Acres	Zoning	Property Type	Price	Sale Price/Acre	City
<i>Total</i>	<i>74.1</i>					
6071 Bead Lake Rd.	60.0	Commercial	Land	\$4,800,000	\$80,000	Newport
703 N 7th St.	12.1	Industrial	24,000 sf building	\$498,000	\$41,021	Chewelah
Hwy 395 & Canning Dr.	1.9	Commercial	Land	\$167,836	\$86,962	Colville
300 S Union St.	0.5	Commercial	Showroom and Warehouse	\$379,000	---	Newport

Sources: Loopnet, local real estate brokerages

Table 3. Land Sales in Pend Oreille County, 2018-2021 YTD

Property	Acres	Price	Sale Price/Acre or SF	City
<i>Total</i>	<i>12.7</i>			
Clark Electric	0.5 ac w/ 3,278 sf building	\$325,000	\$99.15/sf (building)	Newport
Atchley's Hauling	10 ac w/ 2,880 sf building	\$550,000	\$191.97/sf (\$82,764 land value)	Cusick
Safeway	2.2 ac w/ 40,546 sf building	\$2,100,000	\$51.79/sf (\$775,146 land value)	Newport

Source: Valbridge Property Advisors

It has not been decided at this point the actual location of the site. Therefore, the following table only outlines industry standards and land-to-building ratios as a guide for planning purposes. The site layout should accommodate a variety of industrial users supportive of demand.

Table 4. Ground Coverage Ratios for Potential Users and Building Capacities

Use	Size	Land-to-Building Ratio
<i>Warehouse/Distribution</i>		
Regional	20,000 to 100,000	50%
Bulk	over 100,000	50%
Heavy Distribution	over 100,000 - 500,000	30%-40%
Refrigeration Distribution	Any Size	50%
Rack-supported Warehouse	Any Size	50%
<i>Manufacturing</i>		
Light Manufacturing	up to an average of 150,000	40% or slightly less
Heavy Manufacturing	Average is 300,000 but can be higher	40%-50%

Source: Urban Land Institute's Industrial Development Handbook and Guide to Classifying Property

## Conclusion

This analysis points out several different uses Pend Oreille County could target for potential economic development growth strategies—summarized below:

- Industrial Supply Chain / Light Manufacturing
  - Medical Device Manufacturing
  - Test Device Manufacturing
  - Instruments and Related Products Manufacturing
  - Measuring and Controlling Device Manufacturing
  - Search, Detection, Navigation, Guidance System Manufacturing
  - Machine Shops and Machine Tool Manufacturing
  - Plastics Material and Resin Manufacturing
  - Coating, Engraving, Heat Treating, and Allied Activities
  - Industrial Machinery Manufacturing
  - Cutlery and Hand Tool Manufacturing
- Electric Components
  - Other Communications Equipment Manufacturing
  - Electrical Equipment Manufacturing
  - Electronic Component and Equipment Manufacturing
  - Semiconductor and Circuit Manufacturing
- Target Clusters
  - Aerospace
  - RecTech

Growing existing machine shops in the region is a strong realistic approach for this area. An incubator facility could provide a space for existing machine shops and other light industrial uses to grow regionally and beyond. Incubators have proven successful in many areas across the region, particularly in rural areas with



limited resources. Being in one area provides the ability to share resources, limiting capital and business expenditures, but can also provide supply chain solutions to support larger area businesses (e.g. aerospace, forest products, rectech, etc.).

The project team has evaluated several areas around Newport and the South Bench area that best suits such light industrial uses and truck accessibility. Because of topographic limitations in areas across the South Bench, two sites were identified in lieu of:

1. Behind Safeway
2. Near the Safran (aka Zodiac) building

The general vicinity of these identified locations is highlighted in the map below.



To determine the feasibility of this, a survey could be conducted to area machine shops to gauge interest as well as better understand their capabilities and needs. Once established, an expert in the field could recruit contracts from larger markets to secure opportunities.

Also identified, was the potential to expand upon the healthcare corridor to accommodate demand from surrounding communities. Over \$26 million is spent on medical expenditures by residents within a 20-minute radius of Newport—9.2% of total expenditures. This falls closely behind the bare living necessities, including

housing (29.9%), transportation (12.7%), and food (12.1%). With the current hospital located adjacent to residential uses, it makes it difficult for the sector to expand in its current location and difficult to access for residents not familiar with Newport.

The commercial area currently planned in the RYN Homes development, located on the South Bench, is ideal for this type of use with its access to the highway and proximity to other healthcare ancillary services. Small retail would complement the planned residential development as well as healthcare corridor.

Furthermore, the project team discussed the potential to develop the waterfront as an economic driver for the area. Although more of a community development task, it can tie in well with the ongoing wastewater treatment plans. Other funding mechanisms could be obtained to plan for the overall vision.

# APPENDIX D

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Engineers Opinion of Probable Costs



J-U-B ENGINEERS, INC.

## ENGINEER'S ESTIMATE

**PROJECT:** 2020 PLANNING STUDY **DATE:** September 20, 2022

**CLIENT:**  
PEND OREILLE COUNTY

<b>TIB PROJ. NO.:</b> TBD	<b>J-U-B PROJ. NO.:</b> 70-21-011
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**BASE BID (TAX RULE 171)**

ITEM NO.	DESCRIPTION	SCHEDULE OF VALUES			
		QUANTITY	UNIT	UNIT PRICE	AMOUNT
<b>SANITARY SEWER TRUNK AND LIFT STATION</b>					
1	8-INCH PVC PIPE	13,000	LF	\$ 120	\$ 1,560,000
2	48-INCH MANHOLE	45	EA	\$ 7,500	\$ 338,000
3	MANHOLE ADDITIONAL HEIGHT	100	VF	\$ 130	\$ 13,000
4	LIFT STATION	1	EA	\$ 3,000,000	\$ 3,000,000
					<b>\$ 4,911,000</b>

**WATER TRANSMISSION MAIN**

1	16-INCH DUCTILE IRON PIPE	4,650	LF	\$ 200	\$ 930,000
2	16-INCH BUTTERFLY VALVE	11	EA	\$ 4,500	\$ 50,000
3	16-INCH AIR RELEASE VALVE	2	EA	\$ 7,500	\$ 15,000
4	12-INCH DUCTILE IRON PIPE	10,200	LF	\$ 170	\$ 1,734,000
5	12-INCH GATE VALVE	18	EA	\$ 3,600	\$ 65,000
6	12-INCH AIR RELEASE VALVE	1	EA	\$ 7,500	\$ 8,000
7	8-INCH DUCTILE IRON PIPE	3,850	LF	\$ 140	\$ 539,000
8	8-INCH GATE VALVE	9	EA	\$ 3,200	\$ 29,000
9	FIRE HYDRANT	11	EA	\$ 6,000	\$ 66,000
10	6-INCH WATER SERVICE	575	LF	\$ 100	\$ 58,000
					<b>\$ 3,494,000.00</b>

**ROAD CORRIDORS**

1	ACCESS NE CORRIDOR (20' LANES, CURBED)	5,150	LF	\$ 536	\$ 2,761,000
2	ACCESS SE CORRIDOR (20' LANES, CURBED)	6,600	LF	\$ 436	\$ 2,878,000
3	RETAINING WALL ALONG ACCESS NE CORRIDOR	15,000	SQFT	\$ 75	\$ 1,125,000
4	ACCESS SW CORRIDOR (20' LANES, CURBED)	6,050	LF	\$ 436	\$ 2,638,000
5	ADDITIONAL LOCAL STREETS (ARTERIAL, CURBED)	5,150	LF	\$ 336	\$ 1,731,000
6	CLEARING AND GRUBBING	24	AC	\$ 10,000	\$ 244,000
					<b>\$ 11,377,000</b>

				<b>EXTENDED SUBTOTAL</b>	<b>\$ 19,782,000</b>
				CONTINGENCY (20%)	\$ 3,956,400
				INFLATION (6%/YR, 5 YRS)	\$ 7,121,520
				<b>EXTENDED TOTAL</b>	<b>\$ 30,859,920</b>

**J-U-B ENGINEERS, INC.**

W. 422 Riverside, Suite 304, Spokane, Washington 99201