

AGENDA

***Port of Kennewick
Regular Commission Business Meeting
Port of Kennewick Commission Chambers
350 Clover Island Drive, Suite 200, Kennewick, Washington***

Tuesday, March 28, 2017
2:00 p.m.

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. APPROVAL OF AGENDA

IV. PUBLIC COMMENT *(Please state your name and address for the public record)*

V. CONSENT AGENDA

- A. Approval of Direct Deposit and ePayments Dated March 17, 2017
- B. Approval of Warrant Register Dated March 28, 2017
- C. Approval of Regular Commission Business Meeting Minutes March 14, 2017

VI. PRESENTATION

- A. Arts Center Task Force Letter of Intent, Steve Wiley (**TIM**)

VII. NEW BUSINESS

- A. Zach Ratkai, City of Richland Economic Development Manager (**TIM**)
- B. Capital Projects Construction Cost Estimation Process, David Robison, Strategic Construction Management, Inc. (**TIM**)
- C. Approval of Purchase and Sale Agreement with Spaulding Business Land Sale - Tri-Cities Chaplaincy; Resolution 2017-06 (**AMBER**)
- D. Former Tri-City Raceway Redevelopment Master Plan; Resolution 2017-07 (**LARRY**)

VIII. REPORTS, COMMENTS AND DISCUSSION ITEMS

- A. KID Inundation Clause (**TIM**)
- B. Approval to Sell & Convey Surplus Property; Resolution 2017-05 (**NICK**)
- C. Clover Island Update (**LARRY**)
- D. Columbia Drive Update (**LARRY**)
- E. Commissioner Meetings (formal and informal meetings with groups or individuals)
- F. Non-Scheduled Items

IX. PUBLIC COMMENT *(Please state your name and address for the public record)*

X. EXECUTIVE SESSION *(Ask public if they are staying, and if not, where they can be located if the Executive Session ends early.)*

- A. Real Estate, per RCW 42.30.110(1)(b) – Site Selection
- B. Real Estate, per RCW 42.30.110(1)(c) – Minimum Price

XI. ADJOURNMENT

PLEASE SILENCE CELL PHONES



PORT OF KENNEWICK REGULAR COMMISSION MEETING

DRAFT

MARCH 14, 2017 MINUTES

CALL TO ORDER

Commission President Skip Novakovich called the Regular Commission Meeting to order at 2:00 p.m. in the Port of Kennewick Commission Chambers located at 350 Clover Island Drive, Suite 200, Kennewick, Washington 99336.

The following were present:

Board Members: Skip Novakovich, President
Thomas Moak, Vice-President
Don Barnes, Secretary

Staff Members: Tim Arntzen, Chief Executive Officer
Tana Bader Inglima, Deputy Chief Executive Officer
Amber Hanchette, Director of Real Estate and Operations
Nick Kooiker, Chief Financial Officer/Auditor
Larry Peterson, Director of Planning & Development
Lisa Schumacher, Special Projects Coordinator
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Rick Reil led the Pledge of Allegiance.

PUBLIC COMMENT

No comments were made.

APPROVAL OF THE AGENDA

MOTION: *Commissioner Barnes moved to approve the Agenda, as published; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

CONSENT AGENDA

Consent agenda consisted of the following:

- A. *Approval of Direct Deposit and E-Payments Dated March 2, 2017***
Direct Deposit and E-Payments totaling \$63,582.40
- B. *Approval of Warrant Registers Dated March 14, 2017***
Expense Fund Voucher Numbers 38880 through 38928 for a grand total of \$261,298.87
- C. *Approval of Regular Commission Business Meeting Minutes February 14, 2017***
- D. *Approval of Regular Commission Business Meeting Minutes February 28, 2017***

MOTION: *Commissioner Moak moved for approval of the Consent Agenda, as presented; Commissioner Barnes seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MARCH 14, 2017 MINUTES

DRAFT

PRESENTATION

A. *Vista Field Draft Master Plan*

Mr. Peterson presented the Vista Field Draft Master Plan and stated the document incorporates Commission comments. The Draft Master Plan symbolizes a three year planning process for Vista Field redevelopment, and where the Port collaborated with the City of Kennewick, the public, and consultants to create a vision for Vista Field. The Draft Master Plan is a 45 page document, with 2100 pages of supporting information, including: the Environmental Impact Statement (EIS), Charrette Documents, the Pattern Language Document, the Design Precedents Library and the Transportation System Impact Evaluation. The Port intends to run a parallel path with the design of Vista Field, while the City reviews the Draft for comments.

Mr. Peterson stated staff will continue to edit the Draft Master Plan and inquired if the Commission finds it acceptable to route the document to the City for input.

Mr. Novakovich stated the Commission has had an opportunity to review the Draft and add comments and inquired if the Commission is ready for staff to move forward and send the Draft to the City for further comments.

Mr. Barnes has not had an opportunity to review the current draft and inquired if the document has been reviewed by an editor.

Mr. Peterson stated Ms. Bader Inglima has been editing the draft and Rochelle Olsen, Port consultant, has briefly reviewed the Draft. Once the Draft is in the final stages with comments from the City, Mr. Peterson stated the document will be fully and professionally edited.

Ms. Bader Inglima stated it is the intent of staff to share the Draft with City and incorporate their comments and then the Draft will be professionally edited and laid out.

Mr. Barnes believes the Vista Field Draft Master Plan is an excellent document for this stage and stated the idea of running a parallel effort with the City is an efficient use of time.

Mr. Moak stated the Port has been working on the Vista Field redevelopment for over three years and to explain the essence of new urbanism and the vision of the development within 50 pages is not an easy task. Mr. Peterson has done an outstanding job summarizing the 2100 pages of supplemental reports to create the Draft, and although everything is not included, a person can read the Draft and understand what the Port is trying to accomplish at Vista Field. The amount of work that staff and the consultants have done, to get to this point, shows tremendous vision. Mr. Moak stated the Draft is ready for the City's input and believes there is an excitement knowing that the effort is continuing to move forward.

Mr. Novakovich appreciates the Commission comments and stated it is important to take our time with the processes to complete the vision of Vista Field. When a person realizes the magnitude of the Vista Field redevelopment and sees all that staff has accomplished in three years, you then understand why the process has taken a long time. Mr. Novakovich inquired if Mr. Peterson needed anything else from the Commission.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MARCH 14, 2017 MINUTES

DRAFT

Mr. Peterson thanked the Commission for their comments and stated each staff member has been involved in varying degrees and appreciates the assistance.

Mr. Arntzen thanked staff for their hard work on the Draft and believes the document is ready to be submitted to the City for their review. Once the Port receives the Draft back from the City, staff will work with a professional editor to improve the content, appearance and graphics. Mr. Arntzen appreciates the Commission addressing the parallel path and stated it is important to not get ahead of the City until the Master Plan has been approved.

Mr. Arntzen reported last week, staff and consultants met in an effort to begin the process of drawing out biddable documents for Phase I. The other challenge the Port is facing is that the cost of Phase I will be more than our available budget. The Port has pledged to take a lean financial approach, spend as little of the public's money as possible, and pay as you go. Mr. Arntzen stressed it is important to remember the financial aspect and stated the Port will be getting a bank loan, and staff has been directed to gather the appropriate documents in order to sell property in east Kennewick and Southridge for additional funding.

Mr. Barnes appreciates Mr. Arntzen addressing the importance of staying in touch with the finances and inquired if Mr. Peterson could add to the Land Use and Building Size table on page 43. Mr. Barnes stated the table shows available square footage by phase and inquired if Mr. Peterson could add land that will be available for sale to private developers, for each phase. Mr. Barnes explained land sales from Phase I will provide the capital for Phase II, to continue the development moving forward.

Mr. Peterson stated staff can add a row to the table that includes the net saleable land per phase and estimate the net acres of saleable land. Mr. Peterson inquired if the Commission is amiable to sending the Draft to the City and add the additional information within the next 30 days.

It is the consensus of the Commission to send the Vista Field Draft Master Plan to the City for comments.

Mr. Moak inquired if the Port would maintain ownership of the buildings within Vista Field or sell the parcels to developers.

Mr. Peterson stated that is a policy question for the Commission. The thought is that the Port would retain the corporate hangars for lease revenue, however, there may be some lots that the Port may consider holding as land value increases.

Mr. Arntzen stated our model shows the Port retaining ownership of the corporate hangars. The finance department requested during the budget process and long term planning, for staff to create a return on investment (ROI) possibility, whereby the Port could own buildings for leasable revenue. Mr. Arntzen stated the Port has been good landlords for startup businesses and by holding the properties, we get long term rental revenue. Furthermore, the Port is able to offer legal and practical incentives for future hangar tenants.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MARCH 14, 2017 MINUTES

DRAFT

Mr. Novakovich asked Mr. Arntzen to brief the Commission on the consultant meeting.

Mr. Arntzen stated last Thursday, the Port directors, Mr. Arntzen and the consultants from DPZ Partners, Michael Mehaffy, Laurence Qamar, Parametrix, Gary Hall of Hall Engineering and Arthur Job of Job's Nursery met. The intention was to discuss the Phase I Plan and all the elements that would be included. The consultants and staff worked at a slow and deliberate pace, discussing items such as trees, tree grates and street lights. Mr. Arntzen stated it was a very productive meeting and believes we will need to have another meeting to finish up the details.

Mr. Peterson stated the effort involved with Parametrix and their team was to answer the questions about what to draw and what elements should be included. There are several options with each element and Mr. Peterson stated it is the intent to bring the Commission a palate of options. Then, they will need to determine which option they feel is best for Vista Field. The well-thought-out details will blend into the overall downtown area with all the elements working together.

Mr. Barnes stated Vista Field is a blank canvas and it was important to discuss details that may not seem big, but in the end will make the development grand. Mr. Barnes stated we are very fortunate to have the Port staff and the consultants working on Vista Field and believes we are in excellent hands. Mr. Barnes reiterated it is important to give staff and the consultants time to get the details right and not force unrealistic deadlines on them.

Mr. Arntzen thanked Mr. Barnes for attending the meeting.

Mr. Novakovich stated when you have a blank slate to work with, many elements need to be identified and determined, which takes time, and it is important to the community to get Vista Field right.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. *Clover Island Update*

Mr. Peterson stated Big D's Construction has cleaned up the materials from the demolition and plan to survey the site and begin excavating for the pond at the Gathering Place.

B. *Columbia Drive Update*

Mr. Peterson stated Banlin is finishing up with building A-140 and will begin work on the second building by the end of March and the trusses are scheduled for April. Banlin is working on a final master schedule now that the winter weather has subsided. The City has inquired about the timing for the streetscape project and will partially landscape the area until the stucco is completed in June. The City is finalizing the plans for the treatment facility tank and have been working with Port staff, Banlin Construction and the tenants.

Mr. Moak inquired if the Port has completed negotiations with Victor Palencia and Bart Fawbush.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MARCH 14, 2017 MINUTES

DRAFT

Ms. Hanchette stated a letter of intent is in place with each winery and they are working on their own plan to phase into the buildings. The Port continues to work on the lease agreements and other pertinent details, such as square footage for the shared building before the lease agreements are signed. Ms. Hanchette will continue to work with Ms. Luke on the details of the lease and anticipates the tenants signing a lease in early summer.

Mr. Arntzen stated that since the winter weather has pushed back the completion date of the buildings, staff has been discussing the payment of rent. Mr. Arntzen stated the Port has the ability to take into consideration the weather delay and allow for a soft opening. Mr. Arntzen believes the Port would be able to work with our tenants on the rate of occupancy.

C. *Commissioner Meetings (formal and informal meetings with groups or individuals)*

Commissioners reported on their respective committee meetings.

D. *Non Scheduled Items*

1. Mr. Novakovich inquired if staff has heard from the City of West Richland regarding the Draft Master Plan for the Port's former Tri-City Racetrack Property.

Mr. Peterson stated the Draft Master Plan was sent to the City on January 13, 2017 for review. Aaron Lambert requested 4-6 weeks for staff and City Council to review the Draft Master Plan. Mr. Peterson anticipates receiving City comments within the week.

Mr. Novakovich requested that City staff be advised that the Draft Master Plan for the former Tri-City Racetrack property will be placed on the March 28, 2017 Agenda for action.

Mr. Arntzen believes the Port has given the City enough time to review the Draft Master Plan and will place it on the March 28, 2017 Agenda.

2. Mr. Arntzen stated the Coyote work crew has been cleaning up the vegetation around Duffy's Pond and the area looks amazing. Mr. Arntzen stated the vegetation has been removed and chipped and is being placed back into the pond for waterfowl resting areas. Mr. Arntzen stated the Pond is not very deep due to silt build up and would like to discuss next steps to enhancing the ecology of the Pond with the United States Corps of Engineers.

Mr. Arntzen reported that he recently met with Zach Ratkai, Economic Development Manager and Kerwin Jensen, Community Development Manager with the City of Richland to discuss opportunities for joint projects and they plan to meet quarterly.

Mr. Arntzen stated the Congress for New Urbanism Conference (CNU) will be held in Seattle, from May 2-6, 2017, and recently published the Agenda and list of activities for the Conference. Mr. Arntzen highlighted areas of interest to attend and shared the list with the Commission.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MARCH 14, 2017 MINUTES

DRAFT

Mr. Arntzen stated Ms. Plater-Zyberk of DPZ Partners, was scheduled to unveil the partially completed Site Plan for Phase I of Vista Field in May, however, since the Port is running a parallel path with the City, staff believes it is best to reschedule her presentation in June or July.

The Commission concurred to Ms. Plater-Zyberk presenting the Site Plan at a later date, to give the City ample time to review the Draft Master Plan.

Mr. Arntzen and Mr. Novakovich recently met with a small business owner, regarding tenancy in Phase II of the Wine Village. The small business owner relayed that he is married to a Latina and stated the Latino community is very excited that the Port is bringing in Victor Palencia as a main tenant.

3. Ms. Luke commended Mr. Arntzen, Mr. Peterson and staff on the Vista Field Draft Master Plan and stated it is an excellent document.

PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick reported that last month, the Mid-Columbia Mastersingers, Musical Theatre and Symphony held the Pot O' Gold joint fundraiser and netted over \$30,000 each. Mr. Burdick also requested that the Commission consider setting aside 10-12 lots at Vista Field for owner occupied housing.

No further comments were made.

COMMISSIONER COMMENTS

No comments were made.

Mr. Novakovich anticipates the Executive Session will last approximately 15 minutes, Site Selection per RCW 42.30.110(1)(b) and Real Estate Minimum Price per RCW 42.30.110(1)(c) with no action anticipated. Mr. Novakovich asked the public to notify Port staff if they will return after the executive session.

Mr. Novakovich recessed the Regular Commission Meeting at 3:37 p.m. for six minutes until 3:45 p.m.

EXECUTIVE SESSION

- A. Real Estate, per RCW 42.30.110(1)(b) – Site Selection**
- B. Real Estate, per RCW 42.30.110(1)(c) – Minimum Price**

Mr. Novakovich convened the meeting into Executive Session at 3:43 p.m. for approximately fifteen minutes.

Mr. Novakovich adjourned the Executive Session at 3:54 p.m.

Mr. Novakovich reconvened Regular Commission Meeting at 3:55 p.m.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MARCH 14, 2017 MINUTES

DRAFT

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 3:55 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Skip Novakovich, President

Thomas Moak, Vice President

Don Barnes, Secretary



March 28, 2017

Port of Kennewick
Board of Commissioners
350 Clover Island Drive, Ste. 200
Kennewick, WA 99336

Re: Letter of Intent to Purchase Land from the Port of Kennewick at Vista Field,
Kennewick, Washington

Dear Commissioners:

This Letter of Intent ("LOI") sets forth the intent of the Arts Center Task Force ("ACTF"), a Washington nonprofit corporation, to purchase certain real property, as shown on the site maps (Exhibits "A" and "B" attached hereto and incorporated herein by reference), hereinafter referred to as the "Property", from the Port of Kennewick ("Port") with the intent that ACTF build a medium size performing arts center (hereinafter the "Arts Center"). For the purposes of this LOI, "medium size" refers to an approximately 800-seat theater that serves local, regional, and smaller touring companies. ACTF acknowledges that it is the Port's intent to market the area in which the Arts Center will be located as the Vista Arts Center as generally identified in the Vista Field redevelopment Charrette process. ACTF and the Port are hereinafter collectively referred to as the "Parties".

The following proposed terms and conditions are intended to be the basis for a purchase and sale agreement covering the Property. The Parties shall use the collaborative design process set forth in the Port's Guidelines for Vista Field Development Proposals (hereinafter the "collaborative design process"), as may be amended from time to time by the Port, to develop the design plan for the Arts Center project. This LOI does not constitute or create, and shall not be deemed to constitute or create, any legally binding or enforceable obligation on the part of either party. No such obligations shall be created, except by the execution and delivery of a purchase and sale agreement containing such terms and conditions of the proposed transaction as shall be agreed upon by the Parties and then only in accordance with the terms and conditions of such purchase and sale agreement. Any such proposed purchase and sale agreement shall not be effective until approved by a majority of the Port Commission.

PROPOSED TERMS AND CONDITIONS

ACTF proposes the following principal transaction terms:

1. Purchaser: ACTF or other entity as determined by the Arts Center Task Force and approved by the Port.

2. Property to Be Purchased: Real property consisting of approximately 2.2 acres (95,832 square feet) of undeveloped land at a location as determined by the Port approximating that of the "site for possible arts center" depicted in the July 28, 2015 Vista Field Project Update prepared by Duany Plater-Zyberk & Company.

3. Use of the Property: ACTF shall use the Property to construct and develop an Arts Center, designed pursuant to the collaborative design process, that will include a medium size performing arts center building with a footprint of not less than 30,000 square feet and "public amenities" consisting of:

- a. Improved public parking of not less than 200 spaces; and,
- b. Other public amenities as identified by the Parties in the collaborative design process.

4. Basic Purchase Terms: The purchase price shall be Ten Thousand Dollars (\$10,000.00) and shall be payable in cash at closing. If the Washington State Auditor's Office or other oversight agency determines that the \$10,000.00 purchase price is not sufficient compensation for the Property, the Parties agree to work together to determine a purchase price that will be satisfactory to ACTF, the Port and the relevant oversight agency.

5. Closing: Closing shall occur within sixty (60) days after satisfaction or waiver of all contingencies to closing, but no later than on or before March 31, 2019. The contingencies to closing shall include, but are not limited to, the following:

a. ACTF providing to the Port evidence that at least seventy-five percent (75%) of the funding necessary for completion of the Arts Center has been secured or committed and such other intermediate funding benchmarks as the parties may agree.

b. ACTF obtaining, at its sole expense, those reports and inspections regarding the feasibility of purchasing the Property and use of the Property for a medium size arts center, which reports and inspections shall be satisfactory to the ACTF, in ACTF's reasonable discretion. Such reports and inspections may address, among other things, the adequacy of existing or planned infrastructure. The Port shall be entitled, upon request, to copies of any such reports and inspections obtained by ACTF.

c. The execution and recording of real covenants binding upon and running with all lots and parcels adjacent to and/or touching the Property, which covenants shall be satisfactory to the Parties, in the Parties' reasonable discretion.

d. The Parties obtaining all necessary permissions, permits and approvals from state and local governmental entities and the appropriate zoning of the Property.

e. The Port obtaining an economist's (or other appropriate professional as determined by the Port) opinion supporting the overall enhancement of the value of the Port's Vista Field project as a result of this project.

6. Preliminary Due Diligence Review: Following execution of this LOI, the Port will allow ACTF to complete its examination of the Property including review of all documents, reports and all other forms of information reasonably obtainable from the Port and which are customary in the normal course of real property development. ACTF shall indemnify and hold the Port harmless from any loss, damage or claim arising out of ACTF's access to the Property for purposes of conducting due diligence including but not limited to conducting tests, inspections, studies and other investigations of the Property. The Parties will cooperate to complete such examination expeditiously.

7. Condition of Property: ACTF will purchase the Property "AS IS" and will assume full responsibility for whether the Property is suitable for the design, construction and conditions required for the Arts Center. ACTF will assume, as of closing, the responsibility for and risk of all defects and conditions of the Property, including any defects and conditions that could not have been observed by casual inspection.

8. Timeline: ACTF anticipates that, subject to agreement on the final terms of a purchase and sale agreement, and jurisdictional review of building plans and issuance of permits, construction will begin no later than three (3) years from the closing date of the Parties' anticipated purchase and sale agreement for the Property and will proceed expeditiously to anticipated completion within twenty-four (24) months thereafter.

9. Evidence of Funding: See section 5 above.

10. Expenses: The Port and ACTF will each pay its own respective expenses incident to this LOI including but not limited to all architect, legal, and the costs or fees associated with the negotiation of a purchase and sale agreement.

11. Broker's Fees: The Port and ACTF acknowledge that no real estate agent or broker is currently involved in this transaction and, therefore, the Parties understand that no broker's fees are to be incurred by either party.

12. Exclusive Negotiating Rights and Fee: Exclusive Negotiating Rights and Fee: For a period of time covered by this LOI (see section 5 above), the Port will not initiate, solicit, encourage, directly or indirectly, or accept any offer or proposal, regarding the possible sale of the Property by any entity or person other than ACTF. In the event that the Parties are not able to negotiate a purchase and sale agreement for the Property that closes by March 31, 2019, this LOI shall terminate and be of no further force and effect, and the Port shall have no further obligations to ACTF. In consideration of providing ACTF with the exclusive negotiating rights period, ACTF shall pay to the Port a non-refundable fee of \$1,000.00 for these exclusive negotiation rights. This fee is intended to reimburse the Port for the administrative and other costs associated with the Port's provision of the exclusive negotiating rights period herein provided to ACTF.

13. Public Announcements and Compliance with Open Public Meetings and Public Records Act: Except as provided by law, neither the Port nor ACTF will make any public announcement of the proposed transaction prior to the execution of the Purchase and Sale Agreement without the prior written approval of the other, which approval shall not be unreasonably withheld or delayed. The foregoing shall not restrict in any respect the Port's ability or ACTF's ability to communicate information concerning this LOI and the transactions contemplated hereby to either party's respective affiliates, officers, directors, managers, members, employers, staff, elected officials and professional advisors and to the extent relevant to third parties whose consent is required in

connection with the transaction contemplated by this LOI. ACTF understands that the Port is subject to and must comply with all requirements of the Washington State Open Public Meetings and Public Records Act.

If the foregoing is approved by the Port, please execute and return the enclosed copy of this LOI to us at your earliest convenience. The effective date will be that date upon which the Port signs this LOI.

Sincerely,

Steven Wiley
President, Arts Center Task Force

AGREED AND ACCEPTED by the Board of Commissioners of the Port of Kennewick on the 28th day of March, 2017.

***PORT OF KENNEWICK
BOARD OF COMMISSIONERS***

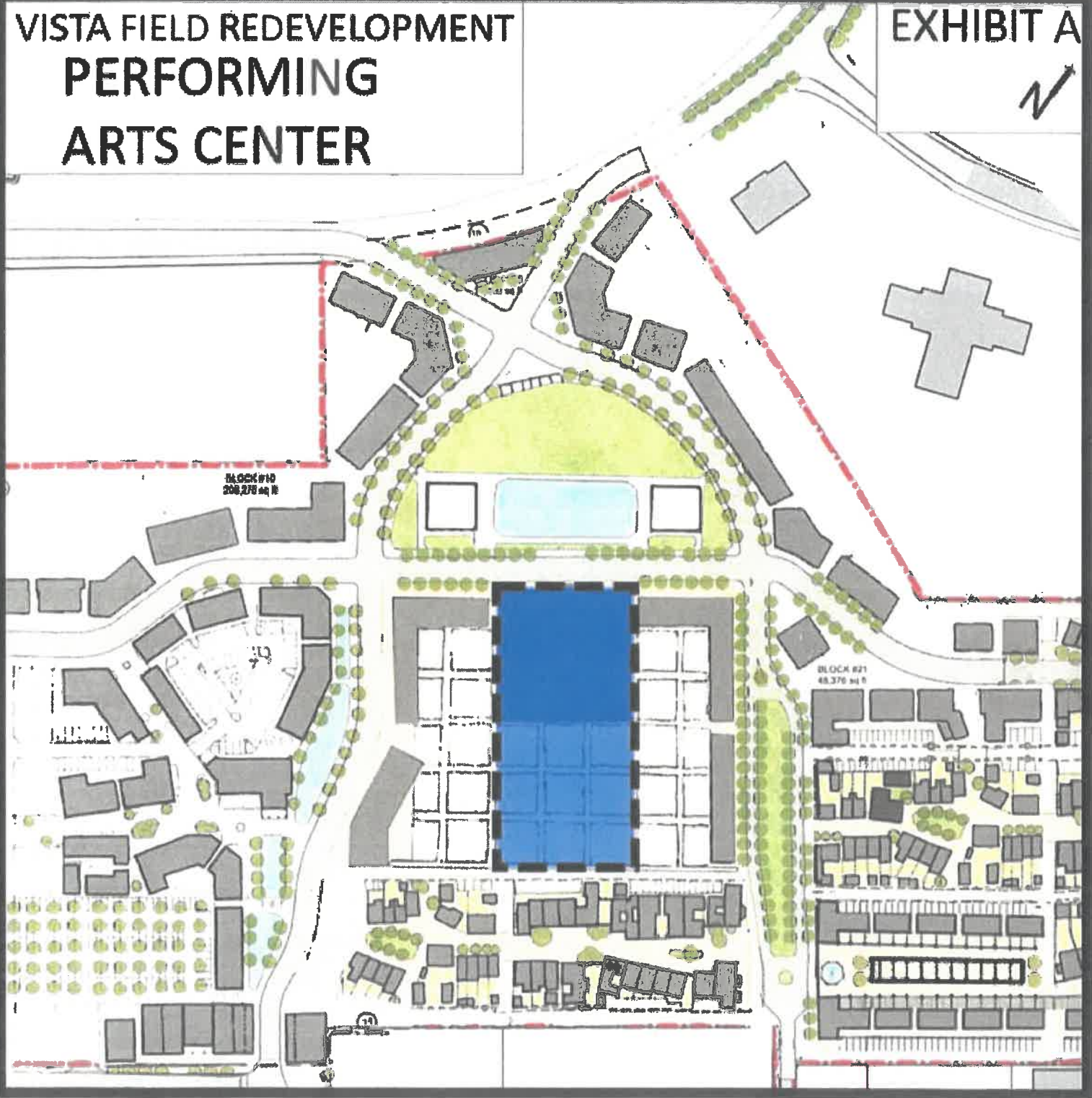
SKIP NOVAKOVICH, President

THOMAS MOAK, Vice President

DON BARNES, Secretary

VISTA FIELD REDEVELOPMENT
PERFORMING
ARTS CENTER

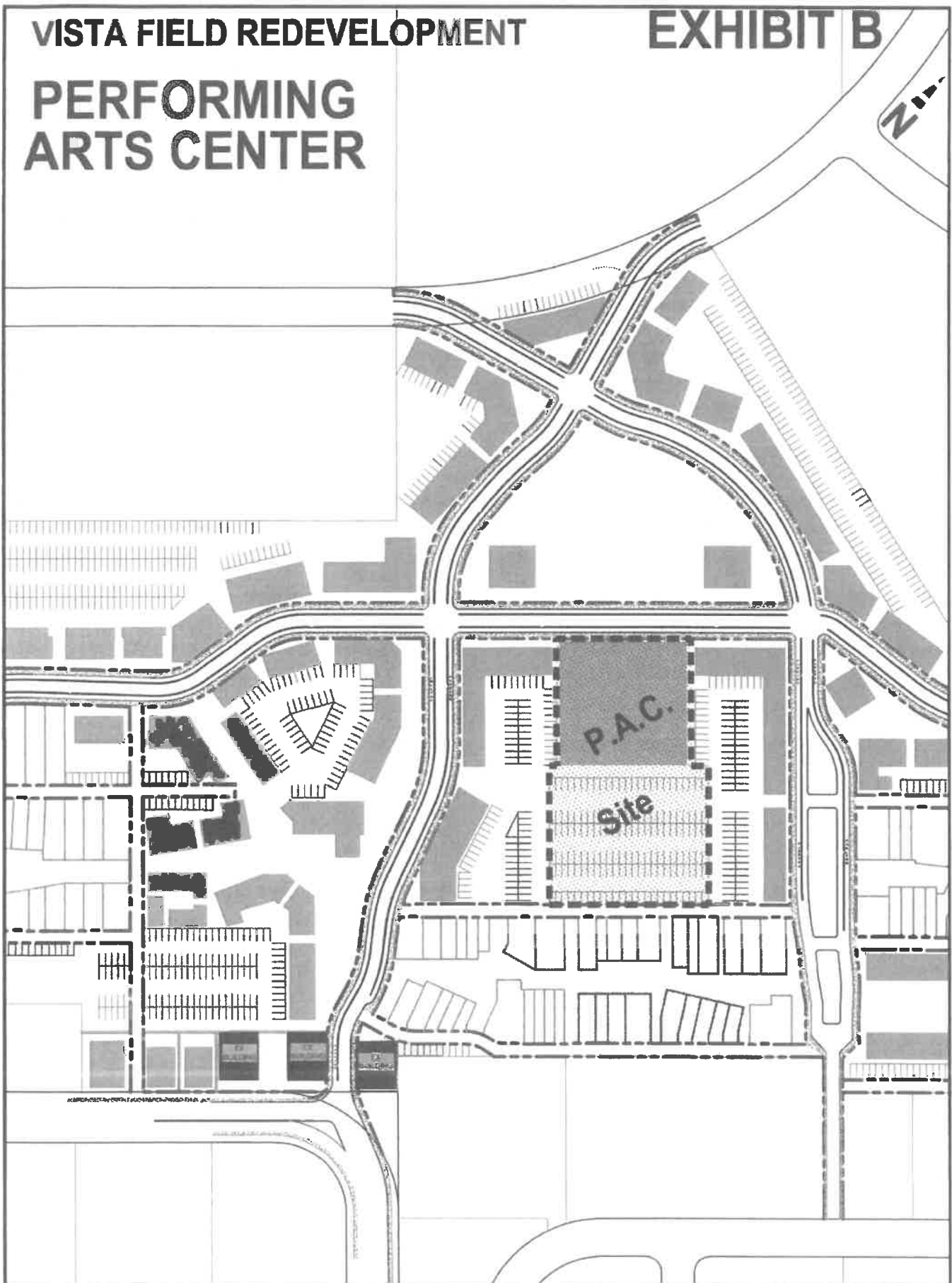
EXHIBIT A



VISTA FIELD REDEVELOPMENT

EXHIBIT B

PERFORMING ARTS CENTER





AGENDA REPORT

TO: Port Commission

FROM: Amber Hanchette, Director of Real Estate & Operations 

MEETING DATE: March 28, 2017

AGENDA ITEM: Spaulding Business Park Land Sale – Tri-Cities Chaplaincy

- I. REFERENCE(S):** Resolution 2017-06 and Site Map; attached.
- II. FISCAL IMPACT:** \$137,508.00 revenue to the Port.
- III. DISCUSSION:** An offer to purchase the last port-owned parcel in Spaulding Business Park (Richland) has been submitted by Tri-Cities Chaplaincy. The property is approximately 0.53 acres with frontage on Fowler Street and lies directly adjacent to property already owned by Tri-Cities Chaplaincy. The offer by Tri-Cities Chaplaincy (Purchaser) is for a purchase price of \$6.00 per square foot or approximately \$137,508.00.

The Purchaser intends to build a two-story 17,000 square foot extension to their existing office building for expansion of community services including Behavioral Health. The Purchaser will potentially add 10 licensed professionals and administrative support staff.

The building must meet established Covenants and Restrictions for the Spaulding Business Park.

VI. ACTION REQUESTED OF COMMISSION:

***Motion:** I move approval of Resolution 2017-06 authorizing the Port's Chief Executive Officer to execute all necessary documentation associated with the land sale to Tri-Cities Chaplaincy and to take all other action necessary to close this transaction.*

PORT OF KENNEWICK

RESOLUTION No. 2017-06

***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF
KENNEWICK AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH
TRI-CITIES CHAPLAINCY***

WHEREAS, Tri-Cities Chaplaincy (Purchaser), has offered to purchase approximately 0.53 acres of the area graphically depicted on “*Exhibit A*” at the Spaulding Business Park, in Richland, Washington from the Port of Kennewick (Seller) for \$6.00 per square foot or approximately \$137,508.00; and

WHEREAS, Port staff and the Port attorney have reviewed the proposed Purchase and Sale Agreement and find it is in proper form and is in the Port’s best interest; and

WHEREAS, the Port Commission finds that said property is surplus to the Port’s needs and the proposed sale is consistent with all previous Port policies, including its Comprehensive Scheme of Development.

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby authorizes the Port’s Chief Executive Officer to execute a Purchase and Sale Agreement with Tri-Cities Chaplaincy and hereby authorizes the Port’s Chief Executive Officer to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

BE IT FURTHER RESOLVED that the Port Commission declares that said property is surplus to the Port’s needs and the proposed sale as referenced above is consistent with all previous Port policies, including its Comprehensive Scheme of Development.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 28th day of March, 2017.

***PORT of KENNEWICK
BOARD of COMMISSIONERS***

By: _____
SKIP NOVAKOVICH, President

By: _____
THOMAS MOAK, Vice President

By: _____
DON BARNES, Secretary

EXISTING
CONCRETE CURB

PROPERTY LINE



SITE PLAN

SCALE 1"=40'-0"

SUMMARY

BUILDING AREA	
EXISTING: 13,470	
NEW: 17,000 SF	
TOTAL: 30,470 SF	

PARKING REQUIREMENTS

1 SPACE PER 350 SF PER RMC 23.54,020	
30,470 / 350 = 87	

(87) SPACES REQUIRED
(92) SPACES PROVIDED

A100

01.23.17

Site Plan

Chaplaincy Site Study
1480 Fowler Street
Richland, WA

Architect: Matthew J. Wilbisch
Phone: 609-820-0117
Email: mjw@wilbisch.com

PORT OF KENNEWICK
Resolution No. 2017-07

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK ADOPTING THE MASTER PLAN FOR
REDEVELOPMENT OF THE FORMER TRI-CITY RACEWAY PROPERTY***

WHEREAS, the former Tri-City Raceway property in the City of West Richland provides an economic development opportunity for the Port of Kennewick and the City of West Richland; and

WHEREAS, Oneza & Associates was contracted to assist the Port with preparation of the Tri-City Raceway Redevelopment Master Plan; and

WHEREAS, public input regarding the future redevelopment of the Tri-City Raceway was obtained throughout the planning process; and

WHEREAS, the Board of Commissioners has reviewed the Tri-City Raceway Redevelopment Master Plan throughout the planning process; and

WHEREAS, the Board of Commissioners directed the draft plan be forwarded to the City of West Richland for review and comments which occurred on January 3, 2016; and

WHEREAS, the City of West Richland provided review comments on March 15, 2017; and

WHEREAS, revision comments received from the City of West Richland have been incorporated into the Tri-City Raceway Redevelopment Master Plan.

NOW THEREFORE, BE IT RESOLVED that the Port of Kennewick Board of Commissioners hereby approves and adopts the Tri-City Raceway Redevelopment Master Plan as prepared and revised by Oneza & Associates.

ADOPTED by the Board of Commissioners of Port of Kennewick on the 28th day of March, 2017.

***PORT of KENNEWICK
BOARD of COMMISSIONERS***

By: _____
SKIP NOVAKOVICH, President

By: _____
THOMAS MOAK, Vice President

By: _____
DON BARNES, Secretary

Tri-City Raceway Draft Redevelopment Master Plan

Port of Kennewick

March 24, 2017

Prepared by

Oneza & Associates

With assistance from

JUB Engineers, HDR Inc., RCECM

Table of Contents

Table of Contents	1
Introduction	3
Plan Background	3
.....	4
Existing Conditions	5
Land Use and Vicinity	5
Topography	5
Access	6
Infrastructure	6
Opportunities and Constraints	6
Proximity to Red Mountain AVA	7
Market Analysis	9
Proposed Development Plan.....	10
Key Principles	10
Proposed Land Uses	11
Site Planning	12
Access and Circulation	12
Infrastructure	12
Overall Layout and Lot Sizes.....	12
Preliminary Site Layout.....	14
Roadway Grading.....	15
Storm Drainage	16
Water Plan	17
Industrial and Sanitary Sewer Plan.....	18
Road Plan	19
Design Standards.....	20
Overall Site design	20
Building design.....	20

Signage and Landscaping	20
Cost Estimate.....	21
Implementation Strategies	22
Timing and Financing.....	22
Long Term Strategy (4-7 Years)	22
Short Term Strategy (1-4 Years)	22
southwest of the Black Heron Spirits site for sale for appropriate business enterprises. The Port could then direct proceeds of these sales to fund its utility infrastructure project. The City has indicated grant applicant assistance could be provided.	23
Utilities	23
Phasing	23
Marketing Plan.....	23
Appendices	24
References	24

Introduction

The Port of Kennewick (Port) intends to develop a master layout for an approximately 92 acres of property located in the City of West Richland (City). The property is currently owned by the Port. The site was the former raceway locally known as Tri-City Raceway. The planning process for this site has been triggered by the Port of Kennewick's overall goal of creating jobs in the Tri-Cities area. The Port purchased the property in 2008, four years after the raceway operation had been closed.

The site is located on the southwest intersection of Keene Road and SR 224. The proposed Red Mountain Interchange on SR 224 would be about quarter mile to the west. The site is just outside of the Red Mountain AVA boundary.

Plan Background

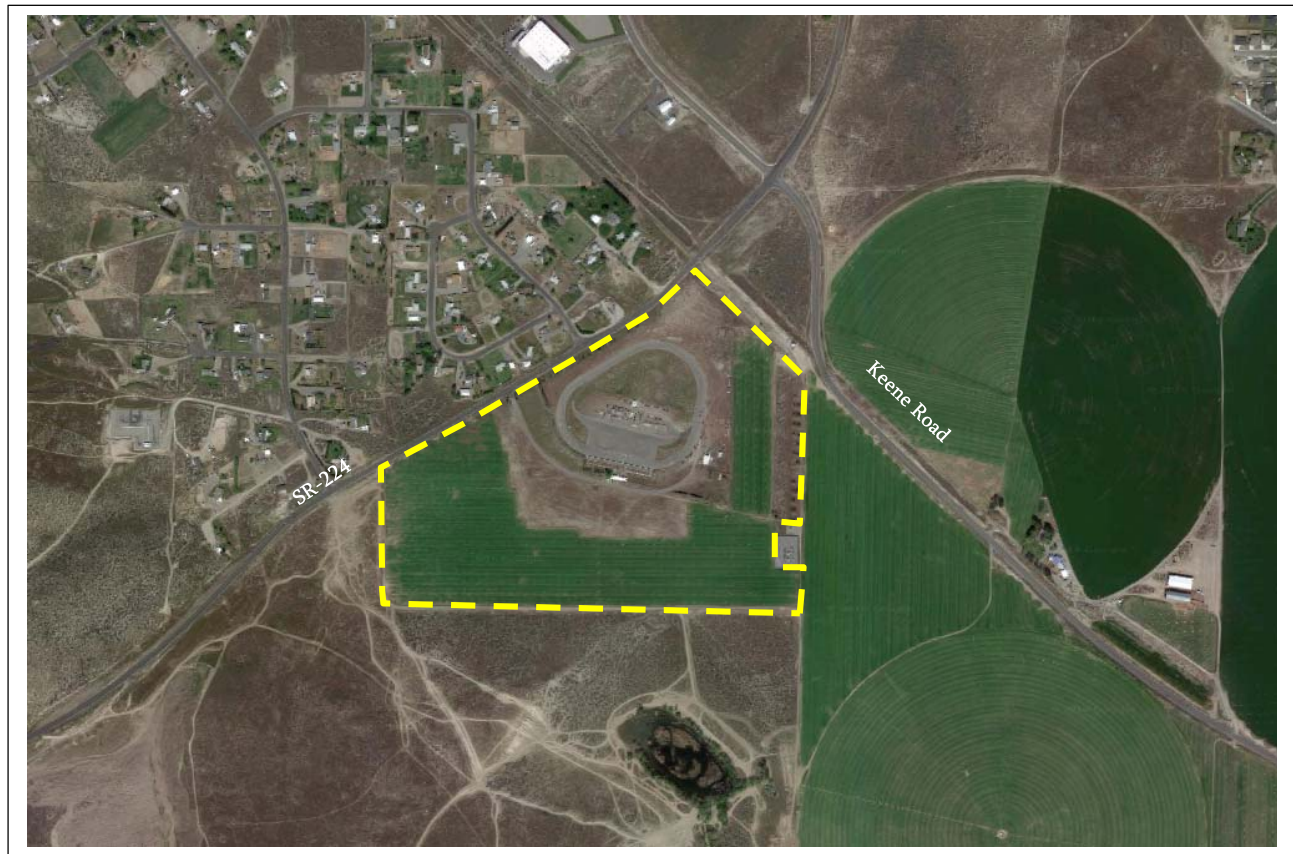
The plan provides a framework for future development of the area consisting primarily of industrial and wine related uses in multiple phases. A Phase 1 study completed in 2012 identified the strengths, weakness and opportunities for developing the site for wine related industrial development. The Phase 1 study also analyzed the job and economic outcomes. The site was in unincorporated Benton County during the Phase 1 study. The analysis indicated a higher economic benefit from developments utilizing urban infrastructure. As a result, the City and the Port collaboratively pursued the Urban Growth Area (UGA) expansion process. After this area was included in the West Richland UGA, the City annexed it into the city limits in December 2015.

The proposed development plan takes into consideration current market trends, surrounding land uses, and infrastructure capacity. A market analysis was performed as part of this plan (Exhibit E) that indicates current and future trends of wine related industries in this area. The plan considers potential accesses, parcel sizes, site configuration, utilities and phasing for future development.



View of the site

Aerial Map



Northern perimeter

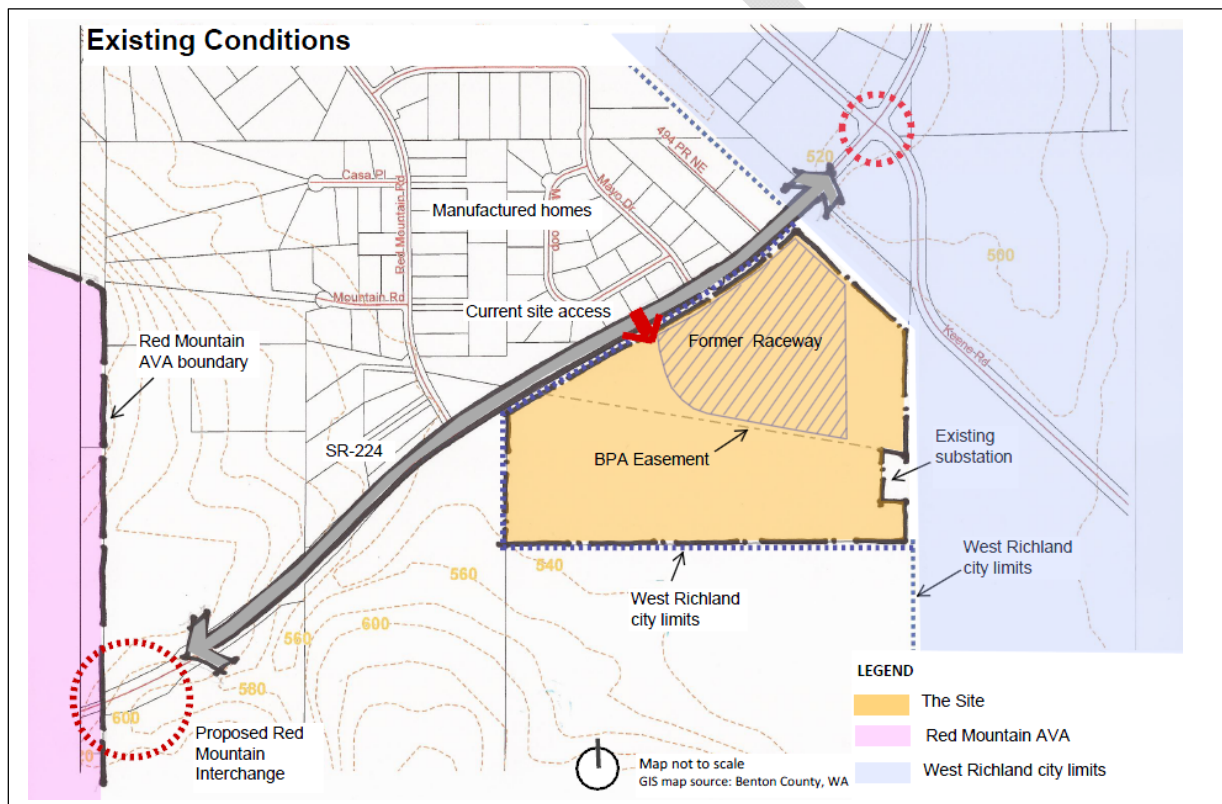


Existing internal roadway

Existing Conditions

Land Use and Vicinity

The southern 45 acres of the site is in agriculture production (hay) and the remainder is vacant. Current zoning is Commercial, Light Industrial (CLI). The former racetrack tri-oval track, pit and grandstands are located on the northern part of the property. There are two wells on the property. Bonneville Power Administration (BPA) has east-west powerline within its 100 ft. right-of-way with five poles on the site. Benton Rural Electric Association's one acre parcel abuts the southeast boundary of the property.



Land use north of SR-224 is mostly residential consisting of manufactured homes. Pacific Rim winery is located north of SR-224 abutting Keene Road. Property east of the current site is used for agricultural purposes by Alexander Farms. Much of the south side is vacant and un-irrigated. Lost Lake to the south is a drainage basin of the Kennewick Irrigation District's water runoff.

Topography

The topography of the site is generally flat with slight variation from north to the south. The racetrack area has elevation ranging from 510 ft. to 520 ft. The topography changes to a higher elevation on the southwest side to about 540 ft. Topographic variation occurs in an expanded area resulting in mostly gentle slopes within this 92 acres site.

Access

The site abuts important regional road connections. As mentioned above, SR 224 borders the northern boundary of the site. Keene Road and SR 224 intersection is located on the northeast side of the property. Both Red Mountain and Mayo Roads are accessed from SR 224. There is no access to the area from the south. The future Red Mountain/I-82 Interchange is planned approximately 1½ miles to the southwest and would enhance access once constructed and extension from SR-224 is completed.

Infrastructure

The site currently is not served by the City's water, sanitary sewer or industrial wastewater pre-treatment facility. The City infrastructure (water and sanitary sewer) are available at the Keene Road intersection. Two wells are located on the site with certified water rights (certificates G4-26382C and G4-28319C) secured by the Port. Current Port owned buildings at this site include the bathroom building and the racetrack shop on the track area. Benton Rural Electric Association has a 20 Mega Watt substation on the southeast side outside the property. Electricity is available from Benton REA with services currently available around the track.

Opportunities and Constraints

The area is strategically located close to the Tri-Cities metropolitan area and the Red Mountain AVA. The site has a close proximity to Interstate-82 and SR-224. The proposed Washington State Department of Transportation Red-Mountain Interchange is about half a mile west of the site which would benefit the entire region as well as the area Red Mountain AVA with convenient regional interstate access. A relatively flat topography for the most part of the site provides an easy-to-develop opportunity. The economic growth in the agricultural and construction industries in the Tri-Cities metro area has resulted in a stable and available labor force and entrepreneurship in this region. Development of the site could offer opportunities for new businesses as well as expansion of existing local businesses. The current public ownership of the site by the Port of Kennewick and the collaborative approach between the City and the Port offers further assurance to the private sector for future development.

Multiple opportunities exist for developing the site such as collaboration with public and private entities, tapping into the existing market for wine related industry, making it a regional center for wine related industries, and taking advantage of the area as a western gateway to the City of West Richland and the Tri-Cities metropolitan area.

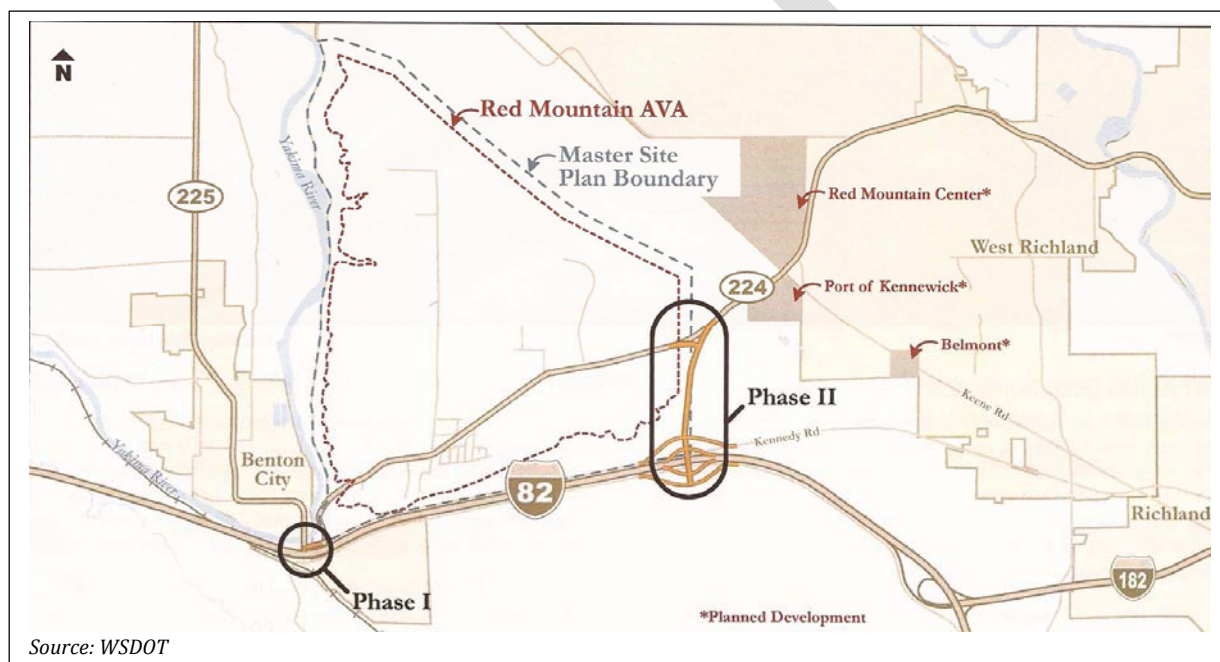
The Port and the City have been working towards removing the development challenges. One of those was the Urban Growth Area expansion and annexation of the site that occurred in 2015. This benefits the site with the potential connection to City infrastructure yielding efficient urban scale development. The existing 100 foot Bonneville Power Administration easement and power lines across the site pose development challenges. BPA allows certain uses within its right of way,

however, building structures are not allowed within the right of way. The site is currently not being served by the Kennewick Irrigation District water. However, in 1957 KID established a right of way to flow “any and all wastewater” on the land resulting from the operation of Badger East Lateral. The Port and KID have agreed on the Port acquiring this right of way and the formal process is underway.

Proximity to Red Mountain AVA

Several opportunities are reviewed more closely for proposing specific uses in the site, such as proximity to the Red Mountain AVA and easy access from highway and state route.

Red Mountain AVA consists of approximately 4,040 acres of land. The AVA consists of more than 15 wineries, and many other Washington wineries source grapes from Red Mountain’s premium



growers (Washington State Wine, 2016). A Red Mountain Master Plan was developed and approved by Benton County in 2012. The plan outlines various land uses, ownership patterns and infrastructure crucial for the success of the AVA. Land use includes vineyards, wineries, support facilities, educational opportunities, visitors’ facilities, etc. The plan indicates a village center and tourism facilities at the center of the AVA. The wine village will be the welcoming center for Red Mountain where visitors can learn about Red Mountain and experience related amenities.

Because of its unique combination of geology, gentle south slope, consistent winds and optimum heat profile, grapes produced in this area are highly desired for quality red wine production (Red Mountain AVA Alliance, 2016). However, it is one of the smallest AVAs with such high quality of soil. It is important that grape production in this land is maximized by limiting other usages within the AVA. One way could be to move some of the processing and ancillary facilities outside of the AVA boundary.

The proposed Red Mountain Interchange by WSDOT includes access improvement in two phases; in Phase 1, the I-82 corridor near Benton City and in Phase 2, from I-82 to SR 224 and Red Mountain/West Richland. The Benton City interchange was completed in Summer 2016. At present, construction for the I-82 to SR 224 and Red Mountain/West Richland interchange is planned to begin early 2020. They both address traffic congestion and safety issues. According to WSDOT, construction of these interchange improvements will result in a significant increase to commercial and industrial development and improve local economy.

FINAL

Market Analysis

The market analysis (Appendix E) prepared for this plan analyzes the growth of the wine industry in the region, global consumption trends, and development options for wine related businesses on the site. The analysis indicates that between 2010 and 2013, the number of wineries in Benton/Franklin County has grown by 27%, outpacing the growth in Walla Walla. The value of sales in U.S. manufactured wine has tripled from \$11 billion in 1993 to nearly \$35 billion in 2012. The total economic impact of the Washington State wine industry was \$4.8 billion in 2013, up from \$3.5 billion in 2009 (Washington State University, 2016).

The market analysis indicates that Washington wine industry is growing with a mix of large and boutique wineries. In many cases, smaller wineries join together in partnerships or get purchased outright by larger business interests. This makes the processing capacity an issue as the wine makers ramp-up their production.

Given the growth of the Washington wine industry and the growth in the Tri-Cities region, an industrial complex of wine, brewery and distillery related facilities to serve large production wineries users would make sense in the subject site. The site should focus on providing two services to the industry at the outset. One of these services should focus on the development of climate controlled warehouse flex space which could be used for barrel aging of wine, or for case storage. The other facility could be to provide warehouse space. Non-industrial wine-related facilities (retail and hospitality) could also be considered as supporting uses at a later phase.

Proposed Development Plan

Key Principles

The Port of Kennewick's primary focus for developing the site is to create jobs in the Tri-Cities area. Both the City and the Port are collaborating for economic development opportunities. It is anticipated that development of the site will be phased and occur over time. Following key aspects are necessary for development of this site:

- **Partnership**

- Partnership between public agencies (such as the City, WSDOT, BPA, KID, Benton County, Benton REA etc.). The Port and the City are already working with WSDOT on access improvements on SR-224, and BPA on the use of the easement. The Port and KID are resolving an inundation clause that will eliminate some title restrictions on the property. The Port seeks investment from its development partners throughout the process.
- Public-Private partnership such as partnering with Red Mountain AVA Alliance and other interested entrepreneurs in the area.

- **Public catalyst for private sector investments**

The Port will encourage the City participation in constructing necessary infrastructure. The City has completed a wine effluent pre-treatment facility on SR-224 approximately ½ mile to the east of the site. This plant will enhance the ability for existing and prospective grape producers and wine makers to remain competitive. The City has indicated extension of utilities to the boundary of the site would be the responsibility of other parties. The Port is planning to develop necessary infrastructure on the site. These public sector commitments will offer predictability and enhance private sector investments.

- **Avoid direct competition with private developers**

The Port has been evaluating intent and trends of private sector developers within the area for the past few years. The port staff has discussed with Alexander Farms, a major land owner in the vicinity who has not shown any interest specific to developing their properties for similar uses. The City indicates Alexander Farms specifically requested the CLI zoning as it is in line with their future development plans. The Port intends to review market conditions in order to avoid direct completion with the private sector.

- **Focus on large scale wine production and support facilities**

The intent of the development is to promote large industrial scale wine production facilities on the site. Market analysis indicates that the area is most suitable for large scale wine production, processing and warehousing.

- **Support agri-tourism and the surrounding agricultural and wine industry**

The overall plan and design of the site should be reflective of the local agricultural and wine industry. Site design should include features to promote agri-tourism.

- **Phased or incremental development**

The area will be developed in multiple phases based on the local market conditions and other investments as they become available such as interchange improvements by WSDOT, or as improvement becomes financially feasible and consistent with the Port's Comprehensive Scheme. The City's investment for future infrastructure improvement will also affect the phasing of developments.

- **Non competing clause**

Development investments in this area will not be in competition with other investments made by the port in other jurisdictions. For example, the Port's investments in this area largely intended for industrial scale of wine processing and support facilities will not be in conflict with its investment on small scale boutique wineries and retail uses in other jurisdictions.

Proposed Land Uses

Based on the opportunity and constraints analysis, and the past trends of development of the wine industry in the region, the site is suitable for wine, beer and spirits related and wine, beer and spirits support businesses with primary focus on:

- Wine processing industrial uses, and
- Warehouses oriented to the wine, beer, spirits and specialty food industries.

The market analysis indicates the need for warehousing facilities. Winery warehouses can be developed for bulk wine storage, material storage and case goods. In general, most of the factors needed for construction of winery warehouses currently exist on the site and in the vicinity:

- Proximity to transportation routes, SR -224
- Proximity of production sites and markets, e.g. proximity to Red Mountain AVA and Seattle and Portland markets
- Available services to be provided by the City
- Proximity to labor market which will utilize the agricultural and manufacturing labor force of the Tri-Cities area
- Allowance for future expansion to be considered in the site layout
- Truck movement around the site to be considered in the site layout

Future development should also focus on development of climate controlled warehouse flex space which could be used for barrel aging of wine or for case storage. Non-industrial wine-related facilities could also be considered as supporting uses at a later phase specifically in conjunction with enhanced access provided by the future Red Mountain/I-82 interchange. Development of primarily wine related manufacturing and warehouse facilities would protect limited agricultural land in the Red Mountain AVA by offsetting the industrial processing away from the AVA.

There can be other industrial and support uses complementing the primary uses such as packaging and printing, marketing, logistics etc. Development in this area should cater to multiple businesses in the related industry.

Overall land use distribution

Proposed Uses	% of the total
Industrial uses (wineries, food processing, manufacturing)	40%
Warehouse	20%
Miscellaneous (accessory retail, food)	20%
Roads, utilities	20%
Total	100%

Site Planning

The site layout has been developed with the following principles:

- Flexibility – the plan layout is designed to provide a variety of choices and flexibility in order to meet the need of multiple business types. It offers a range of lots and development sizes which could cater to different sizes of businesses.
- Scalability – The lots are flexible enough to add on additional lot area or building area.
- Layout is intended for multiple types and sizes of businesses including large to mid-size wine manufacturing.

Access and Circulation

The site will be accessed primarily from SR-224 opposite of Mayo Drive. This access needs to meet WSDOT standards and a preliminary review of SR-224 access design was completed by WSDOT in 2016. This access is stretched to the south to the Alexander Farm. Another access to the site is designed from Keene Road to the east, a portion paralleling the BPA easement and is stretched to the west end of the property. The City is planning to designate the north-south (SR-224 to SE corner of the site) road as an arterial road. The future Red Mountain/I-82 Interchange is planned approximately 1½ miles to the southwest and would enhance access once constructed and extension from SR-224 is completed.

Infrastructure

Upon extensions of industrial sewer main lines, the City's wine effluent pre-treatment facility on SR-224 will serve the site. The City's water and sanitary sewer services are available at the north end and will be extended to serve the site.

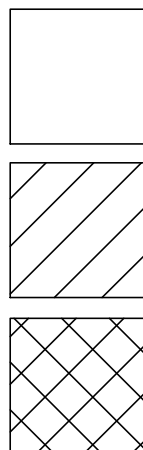
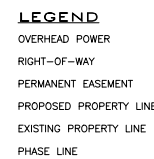
Overall Layout and Lot Sizes

Lot sizes are based on the capacity of manufacturing need. The relationship between wine production capacity and required building square footage largely varies due to the facts such as types of wine produced (red vs white), equipment used for the production, efficiency in the production process etc. Although there is not an industry adopted building sq.-ft./case ratio this plan is based upon on 1 sq.-ft. of building area required to produce 2 cases of wine. This could be modified based on the need of

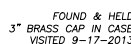
the industry during the time of development. The minimum size of a winery in the subject area is identified as the one having a maximum capacity of producing 30,000 cases a year. Based on this, the minimum building size for such use can be 15,000 sq.-ft.

Following are examples of capacities in some of the local wineries:

- Terra Blanca
 - Produces – 30,000 cases
 - Capacity – 75,000 cases
- Pacific Rim
 - Produces – 300,000 cases
 - Capacity – 600,000 cases
- Bookwalter
 - Produces – 30,000 cases



PHASE 3



-U-B ENGINEERS, INC.
2810 W. Clearwater Ave.
Suite 201
Kennewick, WA 99336
Phone: 509.783.2144
Fax: 509.736.0790
www.jub.com

PRELIMINARY PLANS

NOT FOR
CONSTRUCTION


REUSE OF DRAWINGS
THIS DOCUMENT, AND THE IDEAS AND DESIGNS INCORPORATED THEREIN, AS AN INSTRUMENT OF PROFESSIONAL SERVICE, IS THE PROPERTY OF JUA-B ENGINEERS, Inc. AND IS NOT TO BE USED, IN WHOLE OR PART, FOR ANY OTHER PROJECT WITHOUT THE EXPRESS WRITTEN AUTHORIZATION OF JUA-B ENGINEERS, Inc.

[illegible]

CONCEPT LAYOUT #1

A PORTION OF SECTIONS 1, 2, 11, AND 12, TOWNSHIP 9 NORTH, RANGE 27 EAST, W.M.,
CITY OF WEST RICHLAND, BENTON COUNTY, WASHINGTON

FILE: 30-13-077-C-SPA
JUB PROJ. #: 30-13-071
DRAWN BY: DFG
DESIGN BY:
CHECKED BY: JJS


ONE INCH
AT FULL SIZE, IF NOT ONE
INCH SCALE ACCORDINGLY

LAST UPDATED: 12/28/2016

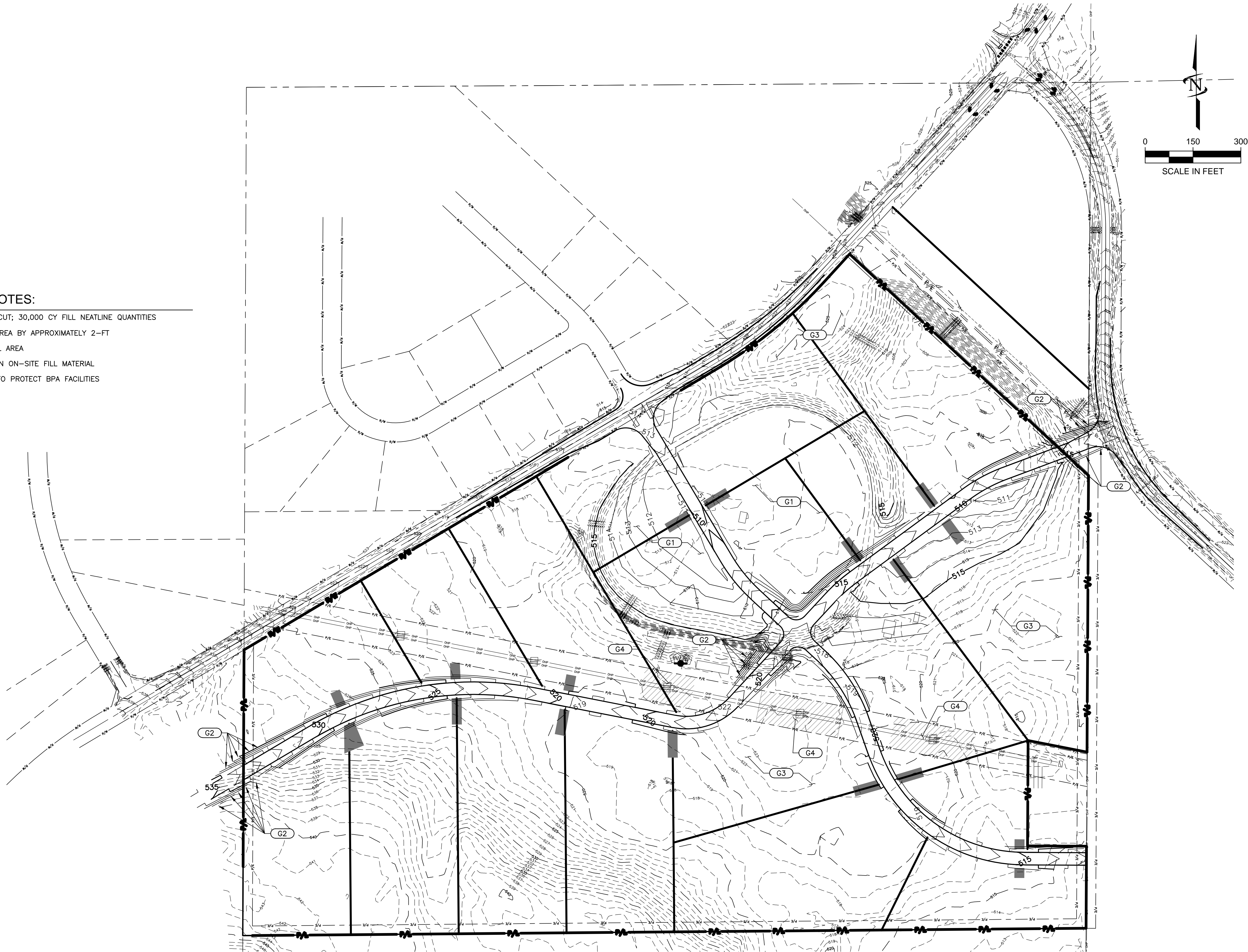
SHEET NUMBER:
C-001

Plot Date: 12/28/2016 11:02 AM Plotted By: Darrel Moore
Date Created: 12/28/2016 10:44 AM Project: JUB03-13-077 ONEZA TRI-CITY RACEWAY MASTER PLAN PH 2 CAD SHEET 30-13-077 C-101.DWG

GRADING KEYED NOTES:

* EARTHWORK: 30,000 CY CUT; 30,000 CY FILL NEATLINE QUANTITIES

- G1 FILL IN OLD RACE WAY AREA BY APPROXIMATELY 2-FT
G2 POSSIBLE RETAINING WALL AREA
G3 POSSIBLE AREA TO OBTAIN ON-SITE FILL MATERIAL
G4 NO GRADING THIS AREA TO PROTECT BPA FACILITIES



JUB
J-U-B ENGINEERS, INC.
J-U-B ENGINEERS, INC.
2810 W. Clearwater Ave.
Suite 201
Kennewick, WA 99336
Phone: 509.783.2144
Fax: 509.736.0790
www.jub.com

PRELIMINARY
PLANS
NOT FOR
CONSTRUCTION

THIS DOCUMENT AND THE IDEAS AND DESIGNS INCORPORATED HEREIN ARE THE PROPERTY OF JUB ENGINEERS, INC. AND ARE NOT TO BE REPRODUCED, COPIED, OR USED IN WHOLE OR PART FOR ANY OTHER PROJECT WITHOUT THE EXPRESS WRITTEN AUTHORIZATION OF JUB ENGINEERS, INC.

REVISION		BY		DATE	
NO.	DESCRIPTION	NO.	DESCRIPTION	BY	DATE

TRI-CITY RACEWAY REDEVELOPMENT MASTER PLAN
CONCEPTUAL ROADWAY GRADING

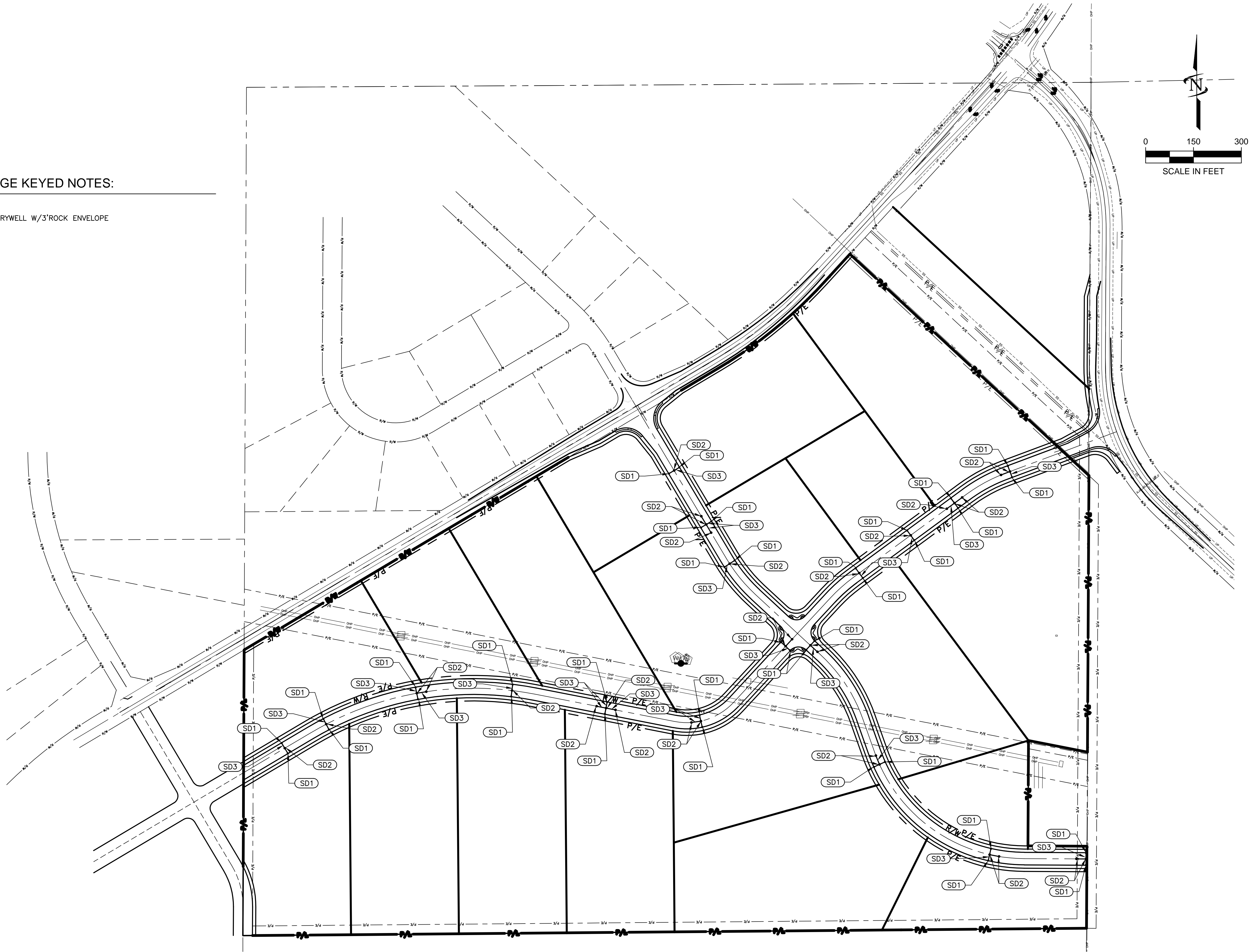
FILE: 30-13-077 C-101
JUB PROJ. #: 30-13-077
DRAWN BY:
DESIGN BY:
CHECKED BY: ###
ONE INCH
AT FULL SIZE, IF NOT ONE
INCH, SCALE ACCORDINGLY
LAST UPDATED: 12/28/2016
SHEET NUMBER:

C-101

Plot Date: 12/29/2016 11:04 AM Plotted By: Darrel Moore
Date Created: 7/1/2016 J:\MK\FILES\PUBLIC\PROJECT\JUB\08-13-077_0NEZA TRI-CITY RACEWAY MASTER PLAN PH 2\CAD\SHEET\08-13-077_C-102.DWG

STORM DRAINAGE KEYED NOTES:

- (SD1) CATCH BASIN
(SD2) STORM DRAINAGE DRYWELL W/3'ROCK ENVELOPE
(SD3) 12" SD PIPE



J-U-B ENGINEERS, INC.

J-U-B ENGINEERS, INC.
2810 W. Clearwater Ave.
Suite 201
Kennewick, WA 99336
Phone: 509.783.2144
Fax: 509.736.0790
www.jub.com

PRELIMINARY
PLANS

NOT FOR
CONSTRUCTION

REUSE OF DRAWINGS
THIS DOCUMENT AND THE IDEAS AND DESIGNS INCORPORATED HEREIN ARE THE PROPERTY OF JUB ENGINEERS, INC. AND ARE NOT TO BE REPRODUCED, COPIED, OR USED IN WHOLE OR PART FOR ANY OTHER PROJECT WITHOUT THE EXPRESS WRITTEN AUTHORIZATION OF JUB ENGINEERS, Inc.

NO.	REVISION	DESCRIPTION	BY	DATE

TRI-CITY RACEWAY REDEVELOPMENT MASTER PLAN

CONCEPTUAL STORM DRAINAGE

FILE: 30-13-077_C-102
JUB PROJ. #: 30-13-077
DRAWN BY: ###
DESIGN BY: ###
CHECKED BY: ###
AT FULL SIZE, IF NOT ONE
INCH SCALE ACCORDINGLY
LAST UPDATED: 7/1/2016

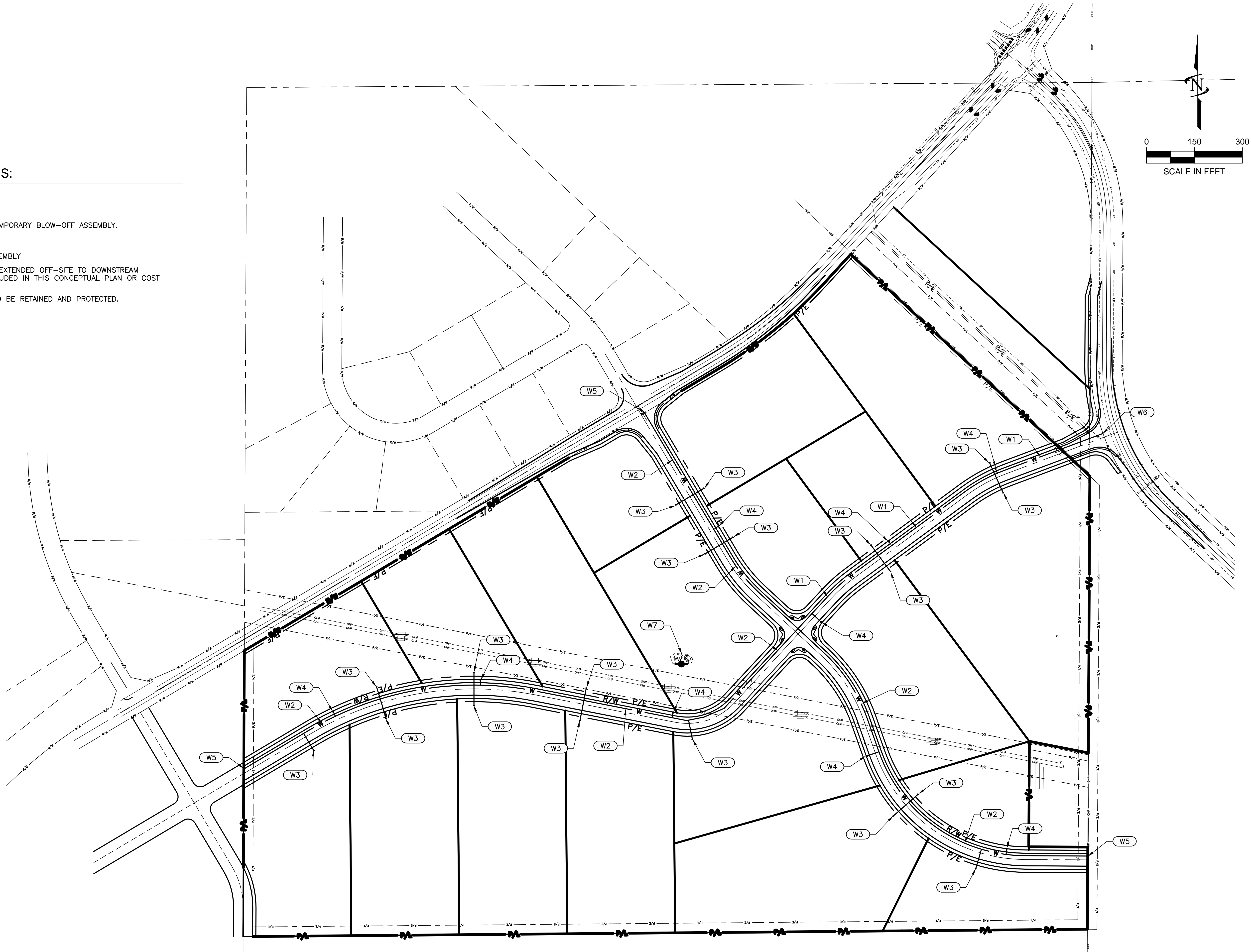
SHEET NUMBER:

C-102

Plot Date: 12/29/2016 11:07 AM Plotted By: Darrel Moore
Date Created: 7/1/2016 J:\MK\FILES\PROJECTS\JUB\30-13-077 - ONEZA TRICITY RACEWAY MASTER PLAN PH 2\CAD\SHEET\30-13-077 C-103.DWG

WATER KEYED NOTES:

- (W1) 14" DI WATER MAIN
(W2) 12" DI WATER MAIN
(W3) 8" DI WATER SERVICE W/TEMPORARY BLOW-OFF ASSEMBLY.
(W4) FIRE HYDRANT ASSEMBLY
(W5) TEMPORARY BLOW-OFF ASSEMBLY
(W6) 14" DI WATER MAIN TO BE EXTENDED OFF-SITE TO DOWNSTREAM CONNECTION TBD. NOT INCLUDED IN THIS CONCEPTUAL PLAN OR COST ESTIMATE.
(W7) EXISTING ON-SITE WELLS TO BE RETAINED AND PROTECTED.



J-U-B ENGINEERS, INC.

J-U-B ENGINEERS, INC.
2810 W. Clearwater Ave.
Suite 201
Kennewick, WA 99336
Phone: 509.783.2144
Fax: 509.736.0790
www.jub.com

PRELIMINARY
PLANS

NOT FOR
CONSTRUCTION

REUSE OF DRAWINGS
THIS DOCUMENT AND THE IDEAS AND DESIGNS INCORPORATED HEREIN ARE THE PROPERTY OF JUB ENGINEERS, INC. AND ARE NOT TO BE USED IN WHOLE OR PART FOR ANY OTHER PROJECT WITHOUT THE EXPRESS WRITTEN AUTHORIZATION OF JUB ENGINEERS, Inc.

NO.	REVISION	DESCRIPTION	BY	DATE

TRI-CITY RACEWAY REDEVELOPMENT MASTER PLAN

CONCEPTUAL WATER PLAN

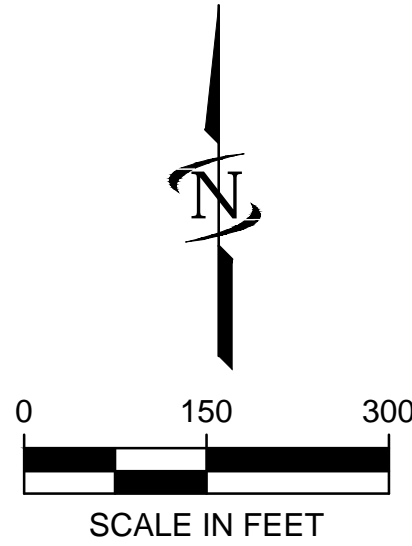
FILE: 30-13-077 C-103
JUB PROJ. #: 30-13-077
DRAWN BY: ###
DESIGN BY: ###
CHECKED BY: ###
AT FULL SIZE, IF NOT ONE
INCH SCALE ACCORDINGLY
LAST UPDATED: 7/1/2016
SHEET NUMBER:


C-103

Plot Date: 12/29/2016 2:47 PM Plotted By: Darral Moore
Date Created: 7/1/2016 File: PROJECT\JUB\30-13-077 - ONEZA TRLCITY RACEWAY MASTER PLAN PH 2\CAD\Sheet\30-13-077 C-104.DWG

SANITARY SEWER KEYED NOTES:

- (S1) 8" INDUSTRIAL WASTE SANITARY SEWER MAIN
(S2) 15" SANITARY SEWER MAIN
(S3) 8" SANITARY SEWER MAIN
(S4) SANITARY SEWER MANHOLE
(S5) INDUSTRIAL COATED SANITARY SEWER MANHOLE
(S6) 8" INDUSTRIAL WASTE SEWER SERVICE
(S7) 8" SANITARY SEWER SERVICE
(S8) 15" SANITARY SEWER MAIN TO BE EXTENDED OFF-SITE TO DOWNSTREAM CONNECTION TBD. NOT INCLUDED IN THIS CONCEPTUAL PLAN OR COST ESTIMATE.
(S9) 8" INDUSTRIAL WASTE SANITARY SEWER MAIN TO BE EXTENDED OFF-SITE TO DOWNSTREAM CONNECTION TBD. NOT INCLUDED IN THIS CONCEPTUAL PLAN OR COST ESTIMATE.





J-U-B ENGINEERS, INC.

J-U-B ENGINEERS, INC.
2810 W. Clearwater Ave.
Suite 201
Kennewick, WA 99336
Phone: 509.783.2144
Fax: 509.736.0790
www.jub.com

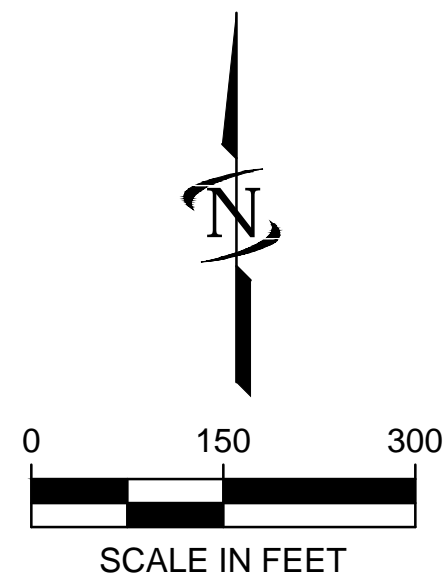
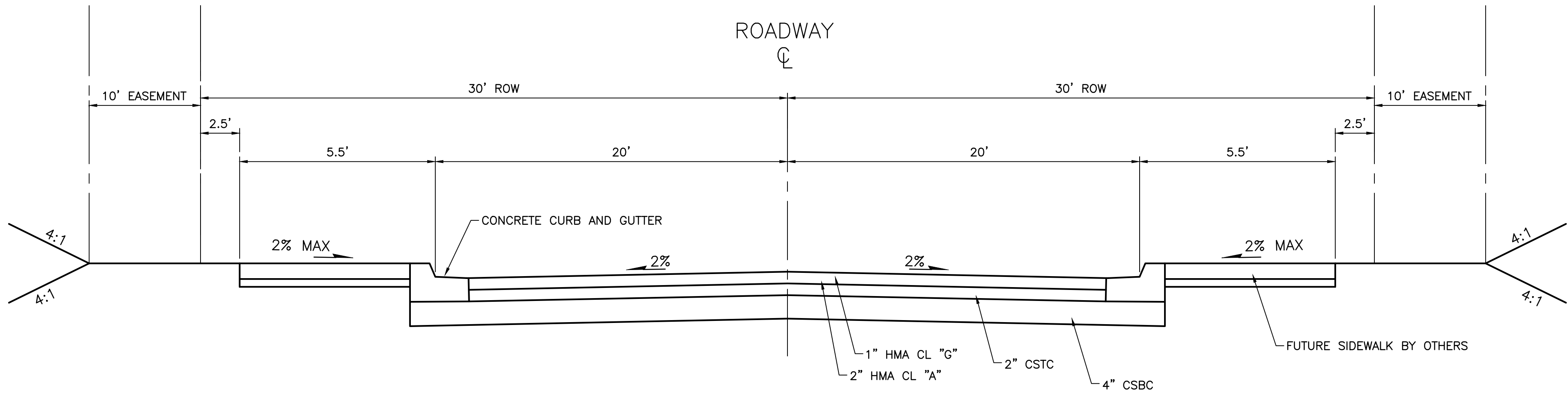
PRELIMINARY PLANS	THIS DOCUMENT AND THE INFORMATION CONTAINED HEREIN, AS AN INSTRUMENT OF PROFESSIONAL SERVICE, IS THE PROPERTY OF J-U-B ENGINEERS, INC. AND IS NOT TO BE USED, IN WHOLE OR PART, FOR ANY OTHER PROJECT WITHOUT THE EXPRESS WRITTEN AUTHORIZATION OF J-U-B ENGINEERS, INC.			
	REVISION			
NOT FOR CONSTRUCTION	NO.	DESCRIPTION	BY	DATE

TRI-CITY RACEWAY REDEVELOPMENT MASTER PLAN

CONCEPTUAL INDUSTRIAL AND SANITARY SEWER PLAN

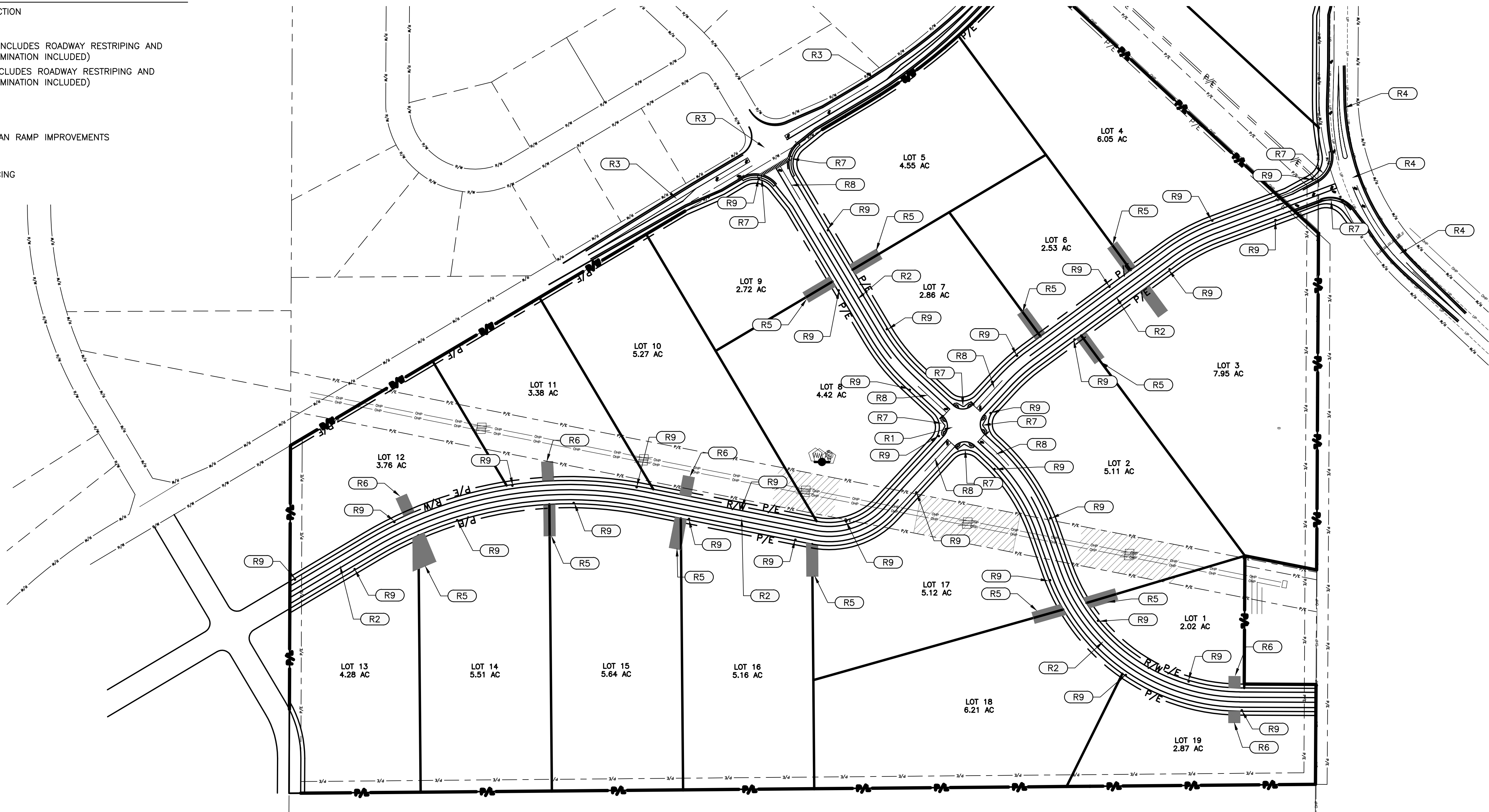
FILE : 30-13-077 C-104
JUB PROJ #: 30-13-077
DRAWN BY: ###
DESIGN BY: ###
CHECKED BY: ###
ONE INCH
AT FULL SIZE, IF NOT ONE
INCH, SCALE ACCORDINGLY
LAST UPDATED: 7/1/2016
SHEET NUMBER:
C-104

Plot Date: 12/29/2016 11:13 AM Plotted By: Darrel Moore
Date Created: 7/1/2016 \\MKF\FILES\PROJECTS\JUB\03-13-077-ONEZA TRI-CITY RACEWAY MASTER PLAN PH 2\CAD\SHEET\30-13-077 C-105.DWG



ROADWAY KEYED NOTES:

- (R1) 4-WAY STOP CONTROLLED INTERSECTION
- (R2) CENTER TURN LANE
- (R3) SR-224 ROADWAY IMPROVEMENTS. INCLUDES ROADWAY RESTRIPING AND SHOULDER IMPROVEMENTS (NO ILLUMINATION INCLUDED)
- (R4) KEENE ROADWAY IMPROVEMENTS. INCLUDES ROADWAY RESTRIPING AND SHOULDER IMPROVEMENTS (NO ILLUMINATION INCLUDED)
- (R5) 30-FT WIDE SHARED DRIVEWAY
- (R6) 30-FT DRIVEWAY
- (R7) CONCRETE SIDEWALK AND PEDESTRIAN RAMP IMPROVEMENTS
- (R8) 100-FT LEFT TURN POCKET
- (R9) ROADWAY LIGHTING @ 150-FT SPACING



JUB
J-U-B ENGINEERS, INC.
J-U-B ENGINEERS, INC.
2810 W. Clearwater Ave.
Suite 201
Kennewick, WA 99336
Phone: 509.783.2144
Fax: 509.736.0790
www.jub.com

PRELIMINARY
PLANS

NOT FOR
CONSTRUCTION

REUSE OF DRAWINGS
THIS DOCUMENT AND THE IDEAS AND DESIGNS INCORPORATED HEREIN ARE THE PROPERTY OF JUB ENGINEERS, INC. AND SHALL NOT BE USED IN WHOLE OR PART FOR ANY OTHER PROJECT WITHOUT THE EXPRESS WRITTEN AUTHORIZATION OF JUB ENGINEERS, Inc.

NO.	REVISION	DESCRIPTION	BY	DATE

TRI-CITY RACEWAY REDEVELOPMENT MASTER PLAN

CONCEPTUAL ROADWAY LAYOUT

FILE: 30-13-077 C-105
JUB PROJ. #: 30-13-077
DRAWN BY: ##
DESIGN BY: ###
CHECKED BY: ###
AT FULL SIZE, IF NOT ONE
INCH SCALE ACCORDINGLY
LAST UPDATED: 7/1/2016
SHEET NUMBER:

C-105

Design Standards

Purpose of the design standards is to create an aesthetically pleasing urban industrial environment while meeting the functional requirements. Design standards should address design of the site, landscaping, building orientation, and building design.

Overall Site design

Each lot should consider the following site design principles when feasible considering the topography and location of the lot:

- Locate buildings close to the street, and parking and service areas on the back side of the property
- Maintain shared driveways
- Provide adequate truck turnaround area on the site
- Maintain sustainability principles in the overall site and building design

Building design

- Buildings abutting SR-224 should create a welcoming environment in the building massing and placement
- Westerly lots (lots 11 and 12) should be designed with gateway features to West Richland and the Tri-Cities area
- Buildings should use modulation to break down the massive look

Signage and Landscaping

- Utilize low maintenance landscaping
- Use xeriscape principles using native plants
- Utilize existing topography and storm water drainage as part of the site and landscape design

Cost Estimate

A cost estimate is prepared based on the proposed lot layout road plans. The cost includes development of the roadway, water, sanitary sewer, industrial wastewater collection and storm drainage systems, and dry utilities. Excluding demolition of the racetrack and off-site utility extensions, the total estimated cost for developing the entire site is over \$6 million.

Cost Estimate

Improvements	Cost \$
Roadway (5,200 LF)	2,000,000
Sanitary Sewer	350,000
Industrial Waste Collection System	235,000
Domestic Water	535,000
Storm Drainage	285,000
Dry Utilities	100,000
Subtotal with sales tax (8.6%)	3,800,000
Contingency (40%)	1,520,000
Design engineering, construction admin, testing, staking, permit fees (28%)	1,065,000
Total Estimate Cost	6,385,000

Implementation Strategies

Timing and Financing

As discussed above, the area will be developed in multiple phases based on private sector interest and infrastructure investments as they become available. Financing will be dependent on multiple development partners such as the Port, the City and private developers, and assuring the Port's investment is consistent with the Comprehensive Scheme. Developers will pay exaction fees and share of development costs for site specific improvements. The long term and short term development strategies identified by the joint Port/West Richland Economic Development Committee are stated below.

Long Term Strategy (4-7 Years)

The jurisdictions recognize that the likely "start" of racetrack site redevelopment is 4-7 years into the future. This depends upon economic and other factors, including the construction of the interchange, which will be an economic catalyst for the area. Additionally the Port will need to establish a funding mechanism for the first phase of development on-site, including roads and utilities. The Port may seek grant funding for the on-site infrastructure.

By establishing this 4-7 year timeframe, various objectives which are important to the jurisdictions will have a chance to materialize, for example:

- The jurisdictions can use this time frame to foster development at Red Mountain Center by encouraging wineries to hook up to the effluent treatment plant (and trunk lines) which the city recently completed. Private parties can seek to realize their investments by developing or selling properties for wineries with the effluent treatment plant being a competitive advantage for the city.
- Additionally, time will allow the jurisdictions to accumulate funds to construct and extend from the current off-site locations to the boundary of the property. Establishing utilities at the boundary of the site will be the catalyst needed to facilitate the development of the site, as utilities to the boundary of the site are a prerequisite to development on-site. Thus, the Port has identified, as the short-term strategy, the creation of a funding and construction plan for getting utilities to the property boundary. The Port will encourage the City participation in the short term strategy. However, the City has clearly indicated they would not consider infrastructure extensions in advance of private sector investment.

Short Term Strategy (1-4 Years)

The Port will work with the City to formulate a strategy for constructing and installing utilities from their current terminus to the boundary of the property. This strategy could consist of a funding component, whereby the city would pledge 2/3 of the necessary funding; and the Port the remaining 1/3. Under such a strategy, the Port would market its two parcels of undeveloped real property

southwest of the Black Heron Spirits site for sale for appropriate business enterprises. The Port could then direct proceeds of these sales to fund its utility infrastructure project. The City has indicated grant applicant assistance could be provided.

Utilities

Currently city utility infrastructure (i.e. water, sewer and wine effluent discharge) is not available to the boundaries of the Project Area. Typically the Port of Kennewick invests in properties where city services are available. This philosophy recognizes the substantial up front, on-site costs incurred by the port when it develops property. This philosophy also recognizes that the financial return from property development often takes years to materialize and only marginally offsets development costs. Fortunately, the port's economic development model emphasizes the overall benefits of the project, which are distributed community-wide including new tax revenue to jurisdictional partners, job creation and community vibrancy, over net income to the port.

The port's development philosophy does, however, assume participation by the jurisdiction in which the development is sited. Jurisdictional participation usually consists of, at a minimum, the extension of municipal infrastructure to the boundary of the site. This philosophy has produced positive results on various port projects, including several projects located in City of Kennewick as well as partnerships on projects with the City of Richland, the US Army Corps of Engineers, the Confederated Tribes of the Umatilla Indian Reservation and others. In fact, the City of Kennewick has not only provided infrastructure to the boundary of port sites, but has also participated in the funding of on-site infrastructure. This long-standing policy of mutual participation continues to place each of the port's jurisdictional partners on equal footing, ensuring that each partner both receives the benefit of port development while also supporting development within its jurisdictional boundaries.

Phasing

Phase one will include accesses from SR-224 and Keene Road. A majority of the north-south access road from SR-224 and the east half of the east-west access road from Keene Road will be developed in phase one. Phase two road will abut the Benton REA property and connect Alexander Farm to the east. It will also extend a segment of the east-west road to the west. The last phase will be completed with the development of the east-west road providing access to lots 12, 13 and 14.

Marketing Plan

The Port will develop a marketing plan to reach out to the producers to make the site available to potential users. The Port may also consider contracting out the management of the site to a facilities management firm.

Appendices

Appendix A – Proposed access road at Keene Road

Appendix B – Proposed SR-224 and Mayo Road intersection

Appendix C –Cost estimate

Appendix D – Agri-tourism ideas

Appendix E – Market analysis

Appendix F – City of West Richland comments (March 15, 2017)

References

Washington State Wine, 2016. Available on: <https://www.washingtonwine.org/wine/facts-and-stats/regions-and-avas/red-mountain>. Accessed on April 28, 2016

Red Mountain AVA Alliance, 2016. Available at: <http://redmountainava.com/theava/>. Accessed on: April 28, 2016

Washington State University, 2016. Available at: <http://wine.wsu.edu/research-extension/2015/09/new-study-shows-growing-economic-impact-for-washington-states-wine-industry/>. Accessed on April 28, 2016

Plot Date: 12/22/2016 2:31 PM Plotted By: Mary M. Wilkinson
Data Created: 12/22/2016 JUB00-13477 - ONEZA TRI-CITY RACEWAY MASTER PLAN PH-2 CAD EXHIBITS/INTERSECTION PLAN - PROPOSED CONSTRUCTION.DWG
LAST UPDATED: 12/22/2016
PLOT DATE: 12/22/2016
FILE: INTERSECTION PLAN - PROPOSED CONSTRUCTION



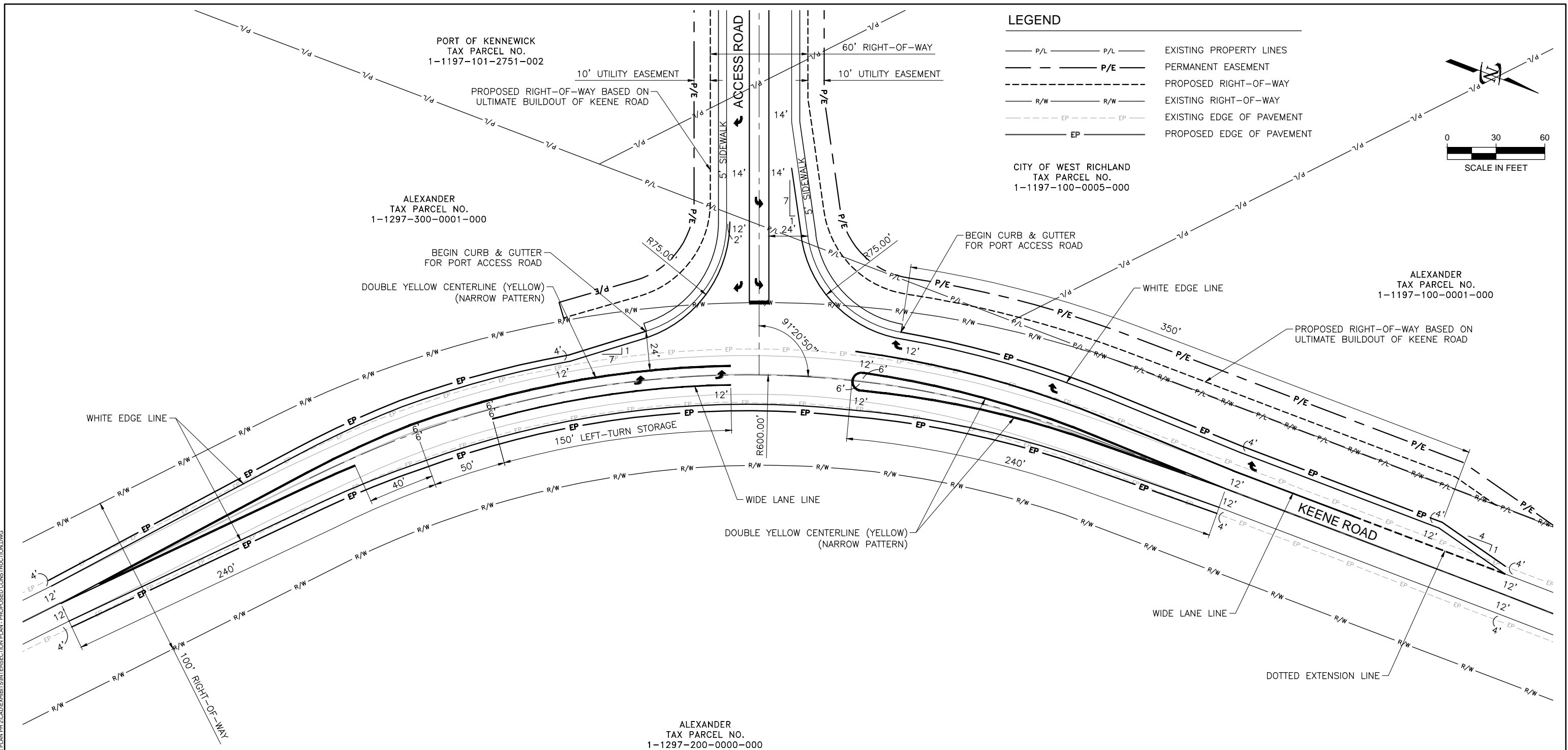
KEENE ROAD AT PROPOSED ACCESS ROAD

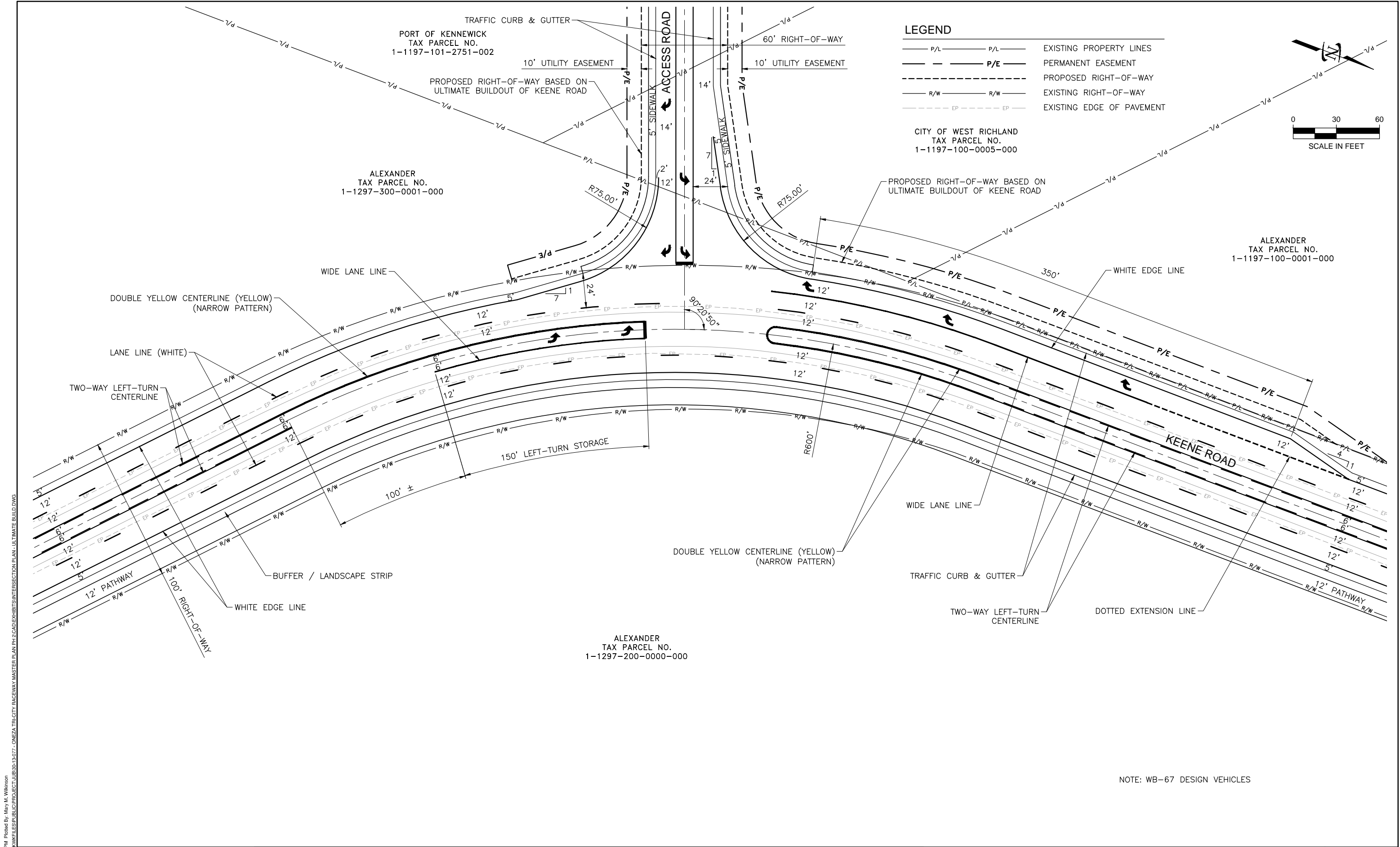
TRI-CITY RACEWAY REDEVELOPMENT MASTER PLAN

INTERSECTION PLAN
PROPOSED CONSTRUCTION

EXHIBIT

1



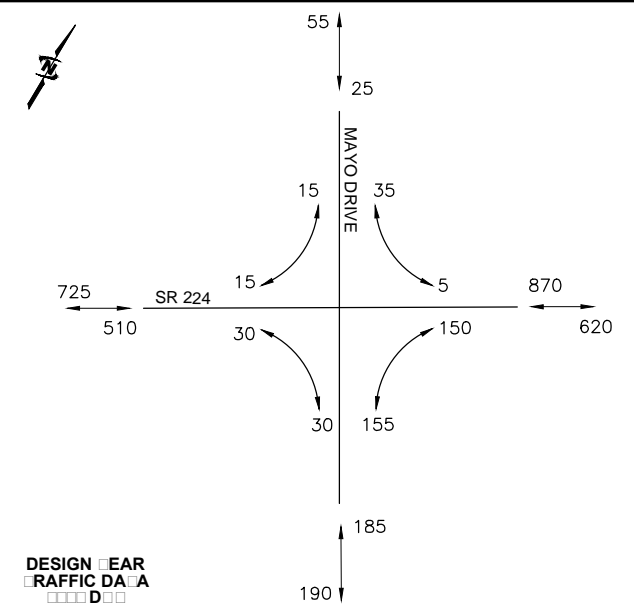
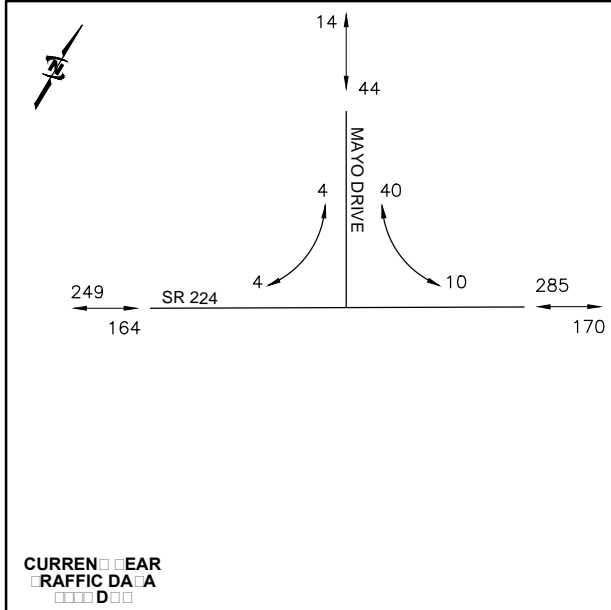


Plot Date: 12/22/2016 2:30 PM. Plotted By: Mary M. Wilkinson
 Data Created: 12/22/2016 10:00 AM. Project: ONEZA TRI-CITY RACEWAY MASTER PLAN PH 2 CAD EXHIBITS/INTERSECTION PLAN - ULTIMATE BUILD DWG
 FILE: INTERSECTION PLAN - ULTIMATE BUILD

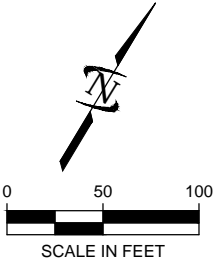


KEENE ROAD AT PROPOSED ACCESS ROAD

TRI-CITY RACEWAY REDEVELOPMENT MASTER PLAN
 INTERSECTION PLAN
 ULTIMATE BUILDOUT OF KEENE RD



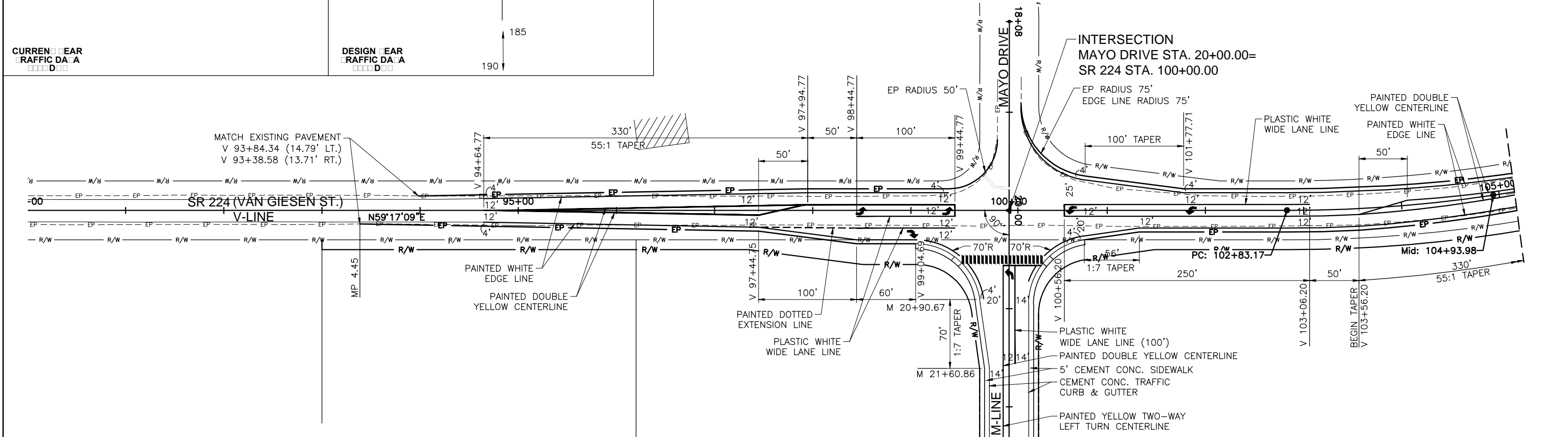
T. 9N. R. 27E. SEC. 11 W.M.
SR 224 & MAYO DRIVE
BENTON COUNTY



DESIGN DATA	
ROAD	SR 224
HIGHWAY DESIGN CLASSIFICATION	FULL : URBAN COLLECTOR
CROSSROAD DESIGN CLASS	FULL : COLLECTOR
ACCESS CONTROL	MANAGED CLASS 3
LAND USE	COMMERCIAL / RESIDENTIAL
ADT (CURRENT YEAR 2015)	4,200
ADT (DESIGN YEAR 2035)	12,900
PERCENT TRUCKS	10
DESIGN VEHICLE	WB-67
POSTED SPEED / DESIGN SPEED	55 MPH / 60 MPH

CURRENT ☐ EAR
TRAFFIC DATA
☐ D

DESIGN ☐ EAR
TRAFFIC DATA
☐ D



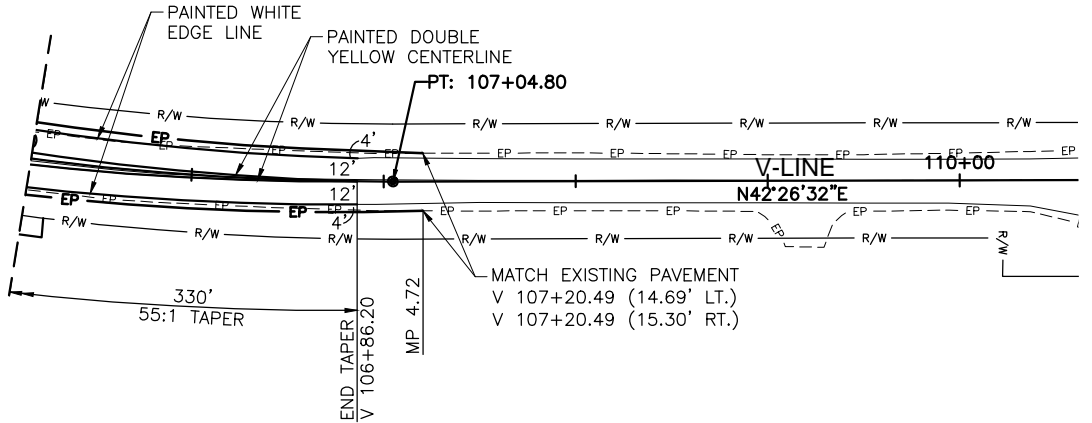
CURVE DATA					
P.I. STATION	DELTA	RADIUS	TANGENT	LENGTH	S
V 104+93.98	16°51'51"	1432.50'	212.35'	421.64'	N/A

APPROVED BY:

☐ ASSISTANT REGIONAL ADMINISTRATOR FOR DEVELOPMENT

DATE: _____ SIGNATURE: _____

CHANNELIZATION LEGEND	
	CEMENT CONC. CURB RAMP TYPE PARALLEL A
	PLASTIC TRAFFIC ARROW TYPE 2L
	PLASTIC TRAFFIC ARROW TYPE 2R
	PLASTIC TRAFFIC ARROW TYPE 3R
	EXISTING EDGE OF PAVEMENT
	PROPOSED EDGE OF PAVEMENT
	EXISTING SKIP PAINT LINE
	EXISTING RIGHT-OF-WAY
	PROPOSED RIGHT-OF-WAY



FILE NAME: \\KWKFILES\PUBLIC\PROJECT\JUB\30-13-077 - ONEZA TRI-CITY RACEWAY MASTER PLAN PH 2\CAD\SHEET\30-13-077_INTERSECTION PLAN.DWG

DATE: _____

DESIGNED BY: BEH

ENGINERED BY: MMW

CHECKED BY: TAM

PROJECT ENGR.:

REGIONAL ADM.:

REGION NO.:

STATE:

WAS

JOB NUMBER:

CONTRACT NO.:

LOCATION NO.:

FED.AID: _____

ROJ.NO.:

JUB

J-U-B ENGINEERS, INC.

TRI-CITY RACEWAY
REDEVELOPMENT MASTER PLAN

SR 224
M.P. 4.58

INTERSECTION PLAN

Plot 1

PLAN REF NO

IP1

SHEET 1 OF 1

PROJECT:

TRI-CITY RACEWAY MASTER PLAN

PROJECT DESCRIPTION:

Conceptual Roadway and Utility Infrastructure

DATE:**8/18/16**

Coloring indicates a
difference from JUB
estimate

CLIENT: Port of Kennewick

CLIENT PROJ. NO.

ITEM

NO. DESCRIPTION

SCHEDULE OF VALUES			
JUB Original			
Qty	UNIT	UNIT RATE	Cost

SCHEDULE OF VALUES			
RCECM Estimate			
Qty	UNIT	UNIT RATE	Cost

ROADWAY (5,200 LF)

1 Mobilization	1 LS	\$50,000	\$50,000	1 LS	\$50,000	\$50,000	
2 Temporary Erosion and Sediment Controls	1 LS	\$20,000	\$20,000	1 LS	\$20,000	\$20,000	
3 Traffic Control	1 LS	\$30,000	\$30,000	1 LS	\$30,000	\$30,000	
4 Shoring and Trench Safety	1 LS	\$10,000	\$10,000	1 LS	\$10,000	\$10,000	
5 Clearing and Grubbing	1 LS	\$15,000	\$15,000	1 LS	\$15,000	\$15,000	
6 Roadway Excavation	30,000 CY	\$6	\$180,000	30,000 CY	\$12	\$360,000	
7 Roadway Embankment	30,000 CY	\$10	\$300,000	30,000 CY	\$10	\$300,000	
8 HMA Cl. 3/8 in, PG 64-28 (3-IN)	4,122 TON	\$95	\$391,590	4,926 TON	\$95	\$467,970	
9 Crushed Surfacing Top Course (2-IN)	2,603 TON	\$25	\$65,075	2,503 TON	\$25	\$62,575	
10 Crushed Surfacing Base Course (4-IN)	5,053 TON	\$22	\$111,166	5,003 TON	\$22	\$110,066	
11 Concrete Curb and Gutter	10,400 LF	\$22	\$228,800	10,400 LF	\$25	\$260,000	
12 Soil Residual Herbicide	23,111 SY	\$1	\$23,111	23,111 SY	\$1	\$23,111	
13 Roadway Striping	17,000 LF	\$2.50	\$42,500	17,000 LF	\$2.50	\$42,500	
14 Directional Arrows	14 EA	\$350.00	\$4,900	14 EA	\$350.00	\$4,900	
15 Roadway Signage	19 EA	\$300	\$5,700	19 EA	\$300	\$5,700	
16 Sawcut Asphalt	1,000 LF	\$3	\$3,000	1,000 LF	\$3	\$3,000	
17 Roadway Illumination System	1 LS	\$132,000	\$132,000	1 LS	\$132,000	\$132,000	
18 Roadway Monumentation	17 EA	\$750	\$12,750	17 EA	\$750	\$12,750	
19 Concrete Sidewalk	350 SY	\$40	\$14,000	350 SY	\$40	\$14,000	
20 Pedestrian Ramps	8 EA	\$2,500	\$20,000	8 EA	\$2,500	\$20,000	
21 Segmental Block Retaining Walls	1 LS	\$50,000	\$50,000	1 LS	\$50,000	\$50,000	
			\$1,709,592				\$1,993,572

SANITARY SEWER

1 8" PVC Sanitary Sewer Pipe	2,240 LF	\$35	\$78,400	2,280 LF	\$35	\$79,800
2 15" PVC Sanitary Sewer Pipe	3,100 LF	\$58	\$179,800	3,090 LF	\$58	\$179,220

ITEM NO.	DESCRIPTION	SCHEDULE OF VALUES				SCHEDULE OF VALUES			
		JUB Original				RCECM Estimate			
		Qty	UNIT	UNIT RATE	Cost	Qty	UNIT	UNIT RATE	Cost
3	Sanitary Sewer Manhole 48" Dia.	24 EA		\$3,200	\$76,800	24 EA		\$3,200	\$76,800
4	Cap and Mark Sewer Service	19 EA		\$500	\$9,500	19 EA		\$500	\$9,500
					\$344,500				\$345,320
INDUSTRIAL SEWER									
1	8" PVC Sanitary Sewer Pipe	4060 LF		\$35	\$142,100	4170 LF		\$35	\$145,950
2	Industrial Coated Sanitary Sewer Manhole 48"	19 EA		\$4,200	\$79,800	19 EA		\$4,200	\$79,800
3	Cap and Mark Sewer Service	16 EA		\$500	\$8,000	16 EA		\$500	\$8,000
					\$229,900				\$233,750
DOMESTIC WATER									
1	8" DI Pipe	1,000 LF		\$42	\$42,000	975 LF		\$42	\$40,950
2	12" DI Pipe	4,030 LF		\$60	\$241,800	4,065 LF		\$60	\$243,900
3	14" DI Pipe	1,150 LF		\$72	\$82,800	1,155 LF		\$72	\$83,160
4	14"x12" Reducer	1 EA		\$1,800	\$1,800	1 EA		\$1,800	\$1,800
5	14"x8" Tee	4 EA		\$1,500	\$6,000	4 EA		\$1,500	\$6,000
6	12"x8" Tee	15 EA		\$1,200	\$18,000	15 EA		\$1,200	\$18,000
7	12" Cross	1 EA		\$1,200	\$1,200	1 EA		\$1,200	\$1,200
8	14" Butterfly Valve	4 EA		\$2,200	\$8,800	4 EA		\$2,200	\$8,800
9	12" Butterfly Valve	10 EA		\$1,600	\$16,000	10 EA		\$1,600	\$16,000
10	8" Gate Valve	19 EA		\$900	\$17,100	19 EA		\$900	\$17,100
11	Fire Hydrant Assembly	10 EA		\$3,500	\$35,000	9 EA		\$3,500	\$31,500
12	6" DI Pipe	280 LF		\$36	\$10,080	280 LF		\$36	\$10,080
13	Cap and Mark Water Service	19 EA		\$500	\$9,500	19 EA		\$500	\$9,500
14	Temporary Blow-Off Assembly	22 EA		\$1,300	\$28,600	22 EA		\$1,300	\$28,600
15	Miscellaneous Fittings and Bends	20 EA		\$750	\$15,000	20 EA		\$750	\$15,000
					\$533,680				\$531,590
STORM DRAINAGE									
1	Catch Basin	36 EA		\$1,000	\$36,000	36 EA		\$1,000	\$36,000
2	72" Dia. SD Drywell w/3-FT Rock Env.	31 EA		\$5,800	\$179,800	32 EA		\$5,800	\$185,600
3	12" SD Pipe	1,110 LF		\$40	\$44,400	1,560 LF		\$40	\$62,400
					\$260,200				\$284,000
DRY UTILITIES									
1	2" Communication Conduit	5,200 LF		\$4	\$20,800	5,200 LF		\$4	\$20,800
2	Primary Electrical Power Trenching (BREA)	5,200 LF		\$6	\$31,200	5,200 LF		\$6	\$31,200
3	Trenching for Electrical Vaults/Transformers	16 EA		\$1,500	\$24,000	16 EA		\$1,500	\$24,000
4	4" Sch 80 PVC Conduit Roadway Crossings	1,400 LF		\$15	\$21,000	1,400 LF		\$15	\$21,000

ITEM
NO.

DESCRIPTION

SCHEDULE OF VALUES			
JUB Original			
Qty	UNIT	UNIT RATE	Cost
			\$97,000

SCHEDULE OF VALUES			
RCECM Estimate			
Qty	UNIT	UNIT RATE	Cost
			\$97,000

Subtotal		\$3,117,233	Subtotal			\$3,485,232
Sales Tax	8.60%	\$268,082	Sales Tax	\$268,082	8.60%	\$299,730
Subtotal		\$3,385,315	Subtotal			\$3,784,962
Contingency	20%	\$677,063	Contingency	\$677,063	40%	\$1,513,985
Design			Design			
Engineering	8%	\$270,825	Engineering	\$270,825	8%	\$302,797
Construction			Construction			
Admin.	8%	\$270,825	Admin.	\$270,825	8%	\$302,797
Materials			Materials			
Testing	2%	\$67,706	Testing	\$67,706	2%	\$75,699
Construction			Construction			
Staking	5%	\$169,266	Staking	\$169,266	5%	\$189,248
Permit Fees	5%	\$169,266	Permit Fees	\$169,266	5%	\$189,248
Total			Total			
Estimated			Estimated			
Costs		\$5,010,266	Costs			\$6,358,736

Notes: Pipe and fittings assume all pipe trenching, backfill, compaction, pipe bedding, trench safety and testing is included in unit price
Assumes no off-site domestic water or sanitary sewer utility extentions to downstream faciiliites
Assumes no utility service connection fees
Excludes any irrigation and landscaping
Excludes any demolition and/or remediation of existing raceway facility
Assumes a gravity sanitary sewer
Excludes off-site utility extensions

Tri-City Raceway Site Development: Agri-Tourism Ideas

Purpose

The purpose of analyzing agri-tourism as a planning component for the Tri-City Raceway development is to evaluate the options of agri-tourism to be incorporated in the Raceway site planning process. Agriculture relating to the wine industry plays a vital role for the Tri-Cities' economy. Over the past four years the number of wineries in Benton/Franklin County has grown by 27%, outpacing the growth in Walla Walla in both percentages and in real numbers (HDR, 2014). This has brought tourists in the region from all over the state. Statewide, wine tourism is estimated to account for 3,307 jobs and total wages of more than \$98 million (Stonebridge, 2012). Tourists and visitors spent \$398.2 million in 2013 in Tri-Cities (Visit Tri-Cities, 2015). Therefore, it is important that developments related to the wine industry consider the essence of agriculture and tourism in the planning.

Agriculture and Agri-Tourism

Four distinct characteristics of agriculture in community planning have been discussed by Andres Duany & DPZ (Andres Duany & DPZ, 2012). These are:

1. Agricultural Retention, where techniques are employed to save existing farmland;
2. Urban Agriculture, refers to agricultural practices within urban areas;
3. Agricultural Urbanism, where agriculture is associated with the community, but not socially integrated. Few residents participate in the productive activities, but anyone may visit, volunteer and learn from the farms;
4. Agrarian Urbanism, refers to a deeper integration between agriculture and the society. The society is involved in agricultural activities and settlements reflect that characteristics of the society.

Agri-tourism is a subset of tourism industry that attracts tourists to areas where agricultural products are available and are of interest to tourists. Generally, the tourist attraction to agricultural areas is based on factors such as, sustainable agricultural practices, uniqueness of the agricultural product, and agriculture based economy. Agri-tourism includes



Appendix D

activities such as family visit to the farm or agricultural production areas, experience the agricultural ambience, visit winemaking and tasting facilities etc. Farm or production areas provide amenities and activities for tourists based on the production cycle, for example, harvesting, processing of food etc. (Virginia Tech, 2009).

Developments on the Tri-City Raceway site could be consistent with Agricultural Urbanism and Agrarian Urbanism. The vicinity, e.g. the Red Mountain AVA area is socially and economically integrated with the Tri-Cities community. However, the community and its settlements are not entirely involved in agricultural activities. A combination of agricultural aspects and increased demand for wine industry in the Tri-Cities area makes the agri-tourism a desirable component for the area. Therefore, development on the Tri-City Raceway site may reflect some of the agri-tourism components.



Source: Great Wine News

It is to note that because of the limited size of the site in comparison with its surrounding agricultural areas, the full potential of agri-tourism may not be applicable in the site development. Development on the site could be supplementary to the agri-tourism as it intends to support of the wine industry. This includes wine production and processing while the main agricultural uses, i.e. grape production remain in the vicinity. Therefore, the idea of agri-tourism within the site may include tourism component reflecting a hybrid of agricultural production and processing activities.

Design Principles

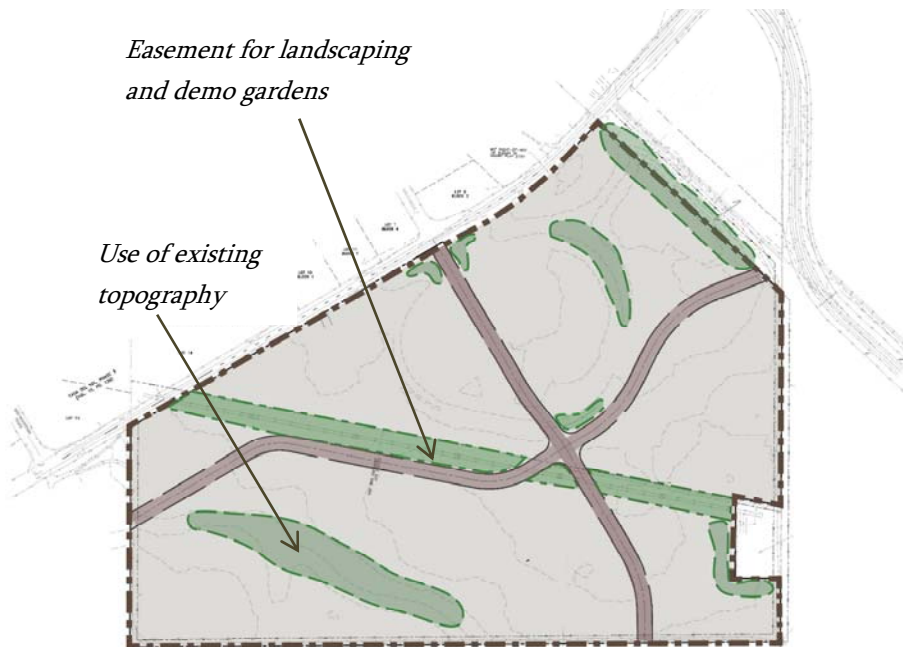
Design of the Raceway site can include the following principles for agri-tourism. These may include identifying some niche areas for the wine and agricultural industry.

- Be supportive and reflective of the surrounding agricultural and wine industry. The development should use design elements that make wine businesses and industries attractive to customers.
- Promote production of wine from sustainable agricultural practices. This may include showcasing some of the wineries in the Red Mountain AVA that use sustainable

practices, and use such practices on the site while processing wine. This could include wine processing from organic grapes.

- Use demonstration gardens. The site may use demonstration gardens as a way to create a tourists' experience. This could include demonstration gardens on portions of existing lots, as well as utilization of existing utility corridors that are otherwise hard to utilize.
- Use of landscaping. Appropriate landscaping could set the transition between different types of uses within the site.
- Utilize existing topography and storm water drainage as part of the site design.
- Agricultural retention. Ensure that uses in the development supports the agricultural uses in the vicinity, and protects valuable agricultural land in the Red Mountain AVA from being used for wine production or processing.

Fig. 1 - Potential landscaping and demonstration garden areas



References

Andres Duany & DPZ, 2012. Garden Cities: Theory and Practice of Agrarian Urbanism.

HDR Engineering Inc., 2014 Tri-Cities Raceway Site Development Plan: Market Analysis.

Stonebridge Research Report, 2012. The Economic Impact of Washington State Wine and Grapes. Prepared for Washington State Wine Commission. Available from:

Appendix D

[http://www.wawgg.org/files/documents/2012 Economic Impact WA Wine-Grapes.pdf](http://www.wawgg.org/files/documents/2012_Economic_Impact_WA_Wine-Grapes.pdf)

Visit Tri-Cities, Washington. Available at: <http://www.visittri-cities.com/media/media-research/stats-and-facts/>. Accessed on June 17, 2015.

Virginia Tech, 2009. Agri-Tourism. Virginia Cooperative Extension, Virginia Tech, Virginia State University. Available at: <https://pubs.ext.vt.edu/310/310-003/310-003.html>. Accessed on May 20, 2015

Tri-Cities Raceway Site Development Plan

Market Analysis

Prepared by HDR Engineering Inc.
In partnership with Oneza & Associates

July 7, 2014

I. Wine Industry Growth

In looking at when and how to develop the former Tri-City Raceway site the Port of Kennewick asked Oneza and Associates to review the economic growth in the Washington (and regional) wine industries over the past decade. In order to determine the feasibility of development of an industrial wine center or something similar, the wine industry would have to be strong and growing in order to support such activity. This study looked at a number of different factors to determine the levels of growth in the industry and determined that by any standard the industry is growing, and in fact, it may not be growing enough.

By Year	Washington Wineries
2003	240
2004	300
2005	360
2006	460
2007	540
2008	562
2009	620
2010	709
2011	748
2012	773
2013	796
Source: Washington State Liquor Control Board, Washington Wine Commission	
Note: 2010 data based on Oct. 2010 licenses, 2013 data based on Sept. 2013 licenses.	

Table 1 shows wineries licensed by the State over time and there is definitely a growth trend as you look at the number of licenses.

Over the past decade the number of wineries in the State of Washington has grown by 330%, averaging about 56 new winery licenses per year over that time.

In addition, grape production over that time has also risen

Table 1 significantly, not only in Washington, but in the other major wine producing states as well. A review of statistics from the United States Department of Agriculture revealed the extent of that growth over the past five years, which shows not only have the quantity of grapes harvested grown, but they have also held their overall value in the market, making the production of wine a more profitable endeavor (Table 2)

U.S. Grape Production 2008-2012										
Year	Tons Produced					Average Price				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
California	3,015,000	3,703,000	3,589,000	3,347,000	3,700,000	\$610	\$612	\$574	\$578	\$666
Washington	145,000	156,000	160,000	142,000	188,000	\$1,030	\$989	\$1,040	\$987	\$1,040
Oregon	34,700	40,200	31,200	41,500	46,000	\$2,050	\$1,910	\$2,030	\$1,950	\$2,050
Other States	89,520	81,600	87,800	92,610	79,070	\$900	\$924	\$959	\$956	\$995
United States	3,284,220	3,980,800	4,269,530	4,153,660	4,413,120	\$574	\$599	\$746	\$675	\$895

Table 2

In reviewing production by gallons of wine, there is also dramatic growth in the Washington wine industry over the past decade. Table 3 shows that between 2002 and 2010 (latest data available) the Washington wine industry increased

its total output by 4.6 million gallons. That translates into an increase of over 1.9 million cases of wine in an eight year period. (one case of wine is approximately 2.4 gallons)

WA Wine Production	2002	2003	2004	2005	2006	2007	2008	2009	2010
Gallons Produced (millions)	15.5	17.7	17.3	16.5	19	20	21.4	25	20.1
Source: Washington Wine Commission Report on Economic Impacts of the Washington Wine Industry by Stonebridge Research LLC									

Table 3

In addition, over the past four years the number of wineries in Benton/Franklin County has grown by 27%, outpacing the growth in Walla Walla (table 4) in both percentages and in real numbers. Though the number of wineries between 2012 and 2013 is unchanged, significant growth in the industry occurred in both 2011 and 2012 which lends credence to the idea of supporting the industry in its growth efforts.

If you take a look at wine sales in a broader sense growth in the industry is also quite clearly defined. Over the past 20 years the value of sales in U.S. manufactured wine has tripled from \$11 billion in 1993 to nearly \$35 billion in 2012, and since 2002 sales have jumped from \$21.8 billion to nearly \$35 billion. In 2008 and 2009 the Great Recession did impact the wine industry as it saw reductions in sales volume two years straight.

Benton/Franklin Wineries	2010	2011	2012	2013
By Year	48	53	61	61
Includes licenses in Pasco, Kennewick, Richland, West Richland, Benton City and Paterson				
Source: Washington State Liquor Control Board, Washington Wine Commission				
Note: 2010 data based on Oct. 2010 WSLCB licenses, 2013 based on Sept. 2013 licenses.				
Walla Walla Wineries	2010	2011	2012	2013
By Year	132	138	139	139
Source: Washington State Liquor Control Board, Washington Wine Commission				
2013 licenses.				

Table 4

In fact, those two years were the only two years in the past 20 when either the quantities of cases sold (in the millions) or the sales value did not increase (Table 5). As this table clearly shows, the sale of wine in the United States is not only profitable, but it continues to grow at a fairly rapid pace, increasing by over 100 million cases between 2002 and 2012.

WINE SALES IN THE U.S.—2002 to 2012 in millions of 9-liter cases					
<i>(Wine shipments from California, other states and foreign producers entering U.S. distribution)</i>					
Year	Table Wine ¹	Dessert Wine ²	Sparkling Wine/ Champagne	Total Wine	Total Retail Value ³
2012	314.9	27.5	17.7	360.1	\$34.6 billion
2011	304.4	29.8	17.4	351.5	\$32.9 billion
2010	286.4	27.9	15.4	329.7	\$30.0 billion
2009	280.1	26.9	14	321.1	\$28.7 billion
2008	273.2	27.2	13.4	313.8	\$30.0 billion
2007	272	26.3	13.8	312.1	\$30.4 billion
2006	264	24.1	13.6	301.6	\$27.8 billion
2005	256.2	21.9	13	291.1	\$25.8 billion
2004	247.7	18.9	13	279.7	\$24.0 billion
2003	239.7	16.8	12.1	268.8	\$22.3 billion
2002	232.2	15.6	11.8	259.5	\$21.8 billion
WINE SALES IN THE U.S.—2002 to 2012 in millions of 9-liter cases (Wine shipments from California, other states and foreign producers entering U.S. distribution) - Source: www.wineinstitute.org at http://www.wineinstitute.org/resources/pressroom/04082013					
Sources: Volume—Wine Institute, Department of Commerce, Estimates by Gomberg, Fredrikson & Associates. Preliminary. History revised.					
Totals may not add up exactly due to rounding. Excludes exports. To convert cases to gallons, multiply cases by 2.3775					
¹ Includes all still wines not over 14 percent alcohol; excludes Canadian malt coolers.					
² Includes all still wines over 14 percent alcohol and sake. History revised based on TTB reports.					
³ Estimated retail value includes markups by wholesalers, retailers and restaurateurs.					

Table 5

While this bodes well for the industry as a whole, one has to wonder where the growth in the wine market is coming from. The answer to that is fairly simple, growth in population in the United States is driving some of that, with a drinking age population of nearly 257 million Americans. But a change in the tastes of Americans is the bigger factor.

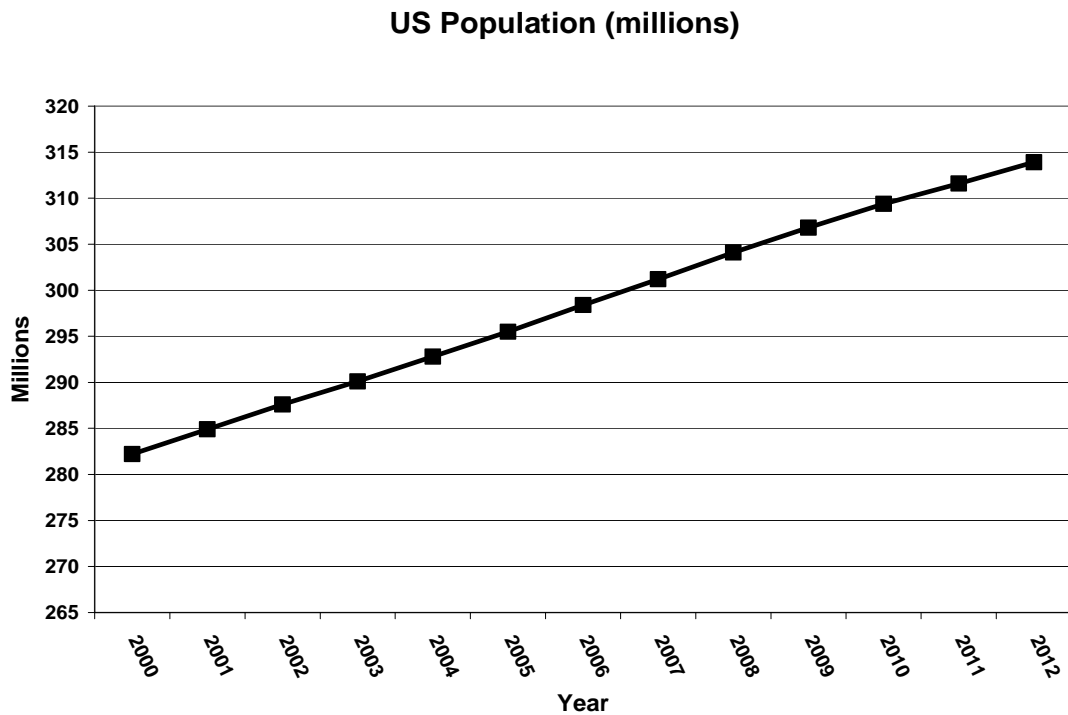


Chart 1

As Chart 1 shows, the U.S. population is growing, albeit at a relatively slow pace. Since 2000 the U.S. has seen a growth of 31 million residents, none of which are old enough to legally drink alcohol. However if you go back to 1990 and look at similar trends, the nation is adding approximately between 3 and 4 million new members every year and each year another cohort of that population reaches drinking age. More importantly, approximately 60% of those who are 21 or older drink alcohol at least occasionally according to a Gallup poll conducted in July of 2013. More importantly than the growth in population, is what those who do drink choose to drink. Gallup, as part of its annual Consumption Habits poll, has found that much of the growth driving the wine industry is a change in the consumption habits of the drinking public (Chart 2).

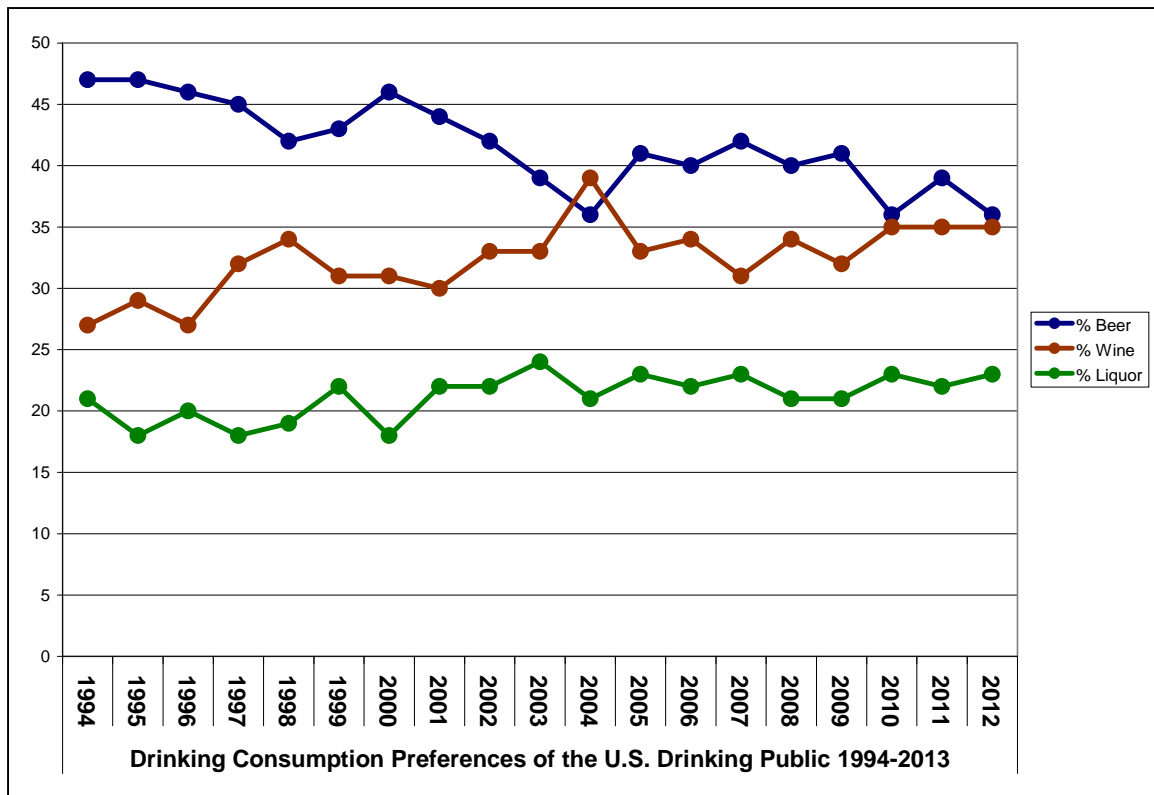


Chart 2

As the chart shows, wine has become the alcoholic drink of choice for many Americans compared to just 20 years ago. In the early 1990s beer was the beverage of choice for over 45% of Americans while wine lagged well back at 27%. Today the two are almost identical which has added significant growth to the bottom line of the wine industry. More importantly, young drinkers are turning to wine more than ever before.

<i>Preferred Drink, by Age</i>			
Based on those who drink alcohol			
	% Beer	% Wine	% Liquor
18- to 29-year-olds			
1992-1994	71	14	13
2012-2013	41	24	28
Change	-30	+10	+15
30- to 49-year-olds			
1992-1994	48	31	17
2012-2013	43	29	24
Change	-5	-2	+7
50+			
1992-1994	28	37	30
2012-2013	29	46	19
Change	+1	+9	-11
GALLUP®			

Table 6

In the early 1990s fully 71% of adults under 30 said they drank beer most often, today that number has fallen to 41%

In addition to gaining ground among younger drinkers, Gallup also discovered that wine has gained significant ground among older Americans, with those who prefer wine with their dinner rising from 37% in the 1992-94 time frame, up to 46 percent in 2012-13, a nine percentage point increase. With gains at both the top and bottom end of the scale, wine is well positioned for growth now and well into the future as the drink of choice for a significant number of Americans.

That growth is also reflected in the consumption numbers, as well. Not only are more Americans drinking wine that in the past, they are consuming it in greater quantities.

When taken together these numbers would appear to show that growth in the wine industry is inevitable and that the Port, given its economic development mission should do as much as it can to assist the industry in its growth. One particularly intriguing statistic is that surrounding wineries and production throughout the United States. This data (table 8), as much as any other, shows the tremendous potential for growth in the Washington wine industry going forward. In 2010 the northwest (Oregon and Washington) accounted for 16 percent of all the wineries in the country, but only 3.7 percent of the total production of wine. That would indicate that the wineries in the northwest are underrepresented in the marketplace, a situation which is beginning to right itself as word spreads about

Year	Total Wine per Resident 1	Total Wine Gallons	Total Table Wine Gallons 2
2012	2.73 gals	856 million	749 million
2011	2.68 gals	836 million	724 million
2010	2.53 gals	784 million	681 million
2009	2.49 gals	763 million	666 million
2008	2.45 gals	746 million	650 million
2007	2.46 gals	742 million	647 million
2006	2.40 gals	717 million	628 million
2005	2.34 gals	691 million	609 million
2004	2.26 gals	665 million	589 million
2003	2.20 gals	639 million	570 million
2002	2.14 gals	617 million	552 million
2001	2.01 gals	574 million	512 million
2000	2.01 gals	568 million	507 million
1999	2.02 gals	543 million	475 million
1998	1.95 gals	526 million	466 million
1997	1.94 gals	519 million	461 million
1996	1.89 gals	500 million	439 million
1995	1.77 gals	464 million	404 million
1994	1.77 gals	459 million	395 million
1993	1.74 gals	449 million	381 million
1992	1.87 gals	476 million	405 million
1991	1.85 gals	466 million	394 million
1990	2.05 gals	509 million	423 million

¹All wine types including sparkling wine, dessert wine, vermouth, other special natural and table wine. Based upon Bureau of the Census estimated resident population. Per capita consumption will be higher if based on legal drinking age population.

²Because of changes in reporting, these numbers include all still wines not over 14 percent alcohol. History revised.

Source: <http://www.wineinstitute.org/resources/statistics/article86>

Table 7

Percentage of Wineries and Wine Production by Geographic Region – 2010		
Region	Wineries	Production*
Northeast	10.2	4.1
South	13.3	1.2
Midwest	12.6	0.8
Mountain	3.8	0.2
California	44.1	89.5
Northwest	16	3.7
Total	100	99.5

Source: Based on data obtained from the U.S. Treasury Alcohol and Tobacco Tax Trade Division via <http://ita.doc.gov/td/ocg/wine2011.pdf>

*Production may also included non grade wine production. Data doesn't total 100% due to incomplete state data

Table 8

the quality of Washington and Oregon wines compare to those of California. As the table shows, California (as should be expected, is king with over 44% of the wineries in the country, which account for nearly 90% of all production. As in most cases the California wine industry dwarfs the rest of the country in its size and capacity for production. However, water, land and overall costs are starting to drive many of the established California wineries into looking outside of the state for both land and production facilities.

Gary Black, President of Integrated Structures Inc., a Berkeley California Architecture and Engineering firm that specializes in winery-related development said that he is seeing more interest in expansion from established California wineries, but that land costs and water issues in his state are forcing them to look into other areas. A prime example of this broadening of their search for land outside of California occurred in March of 2013 when Jackson Family Wines (makers of Kendall Jackson and LaCrema brands) purchased nearly 400 acres of vineyards in Oregon. The company purchased the properties in order to produce Pinot Noir wines.

II. Consumption is Driving Global Shortages

One major area where Washington wines and wineries can capitalize is being driven by consumption. A recent study of the industry performed by Morgan Stanley Research shows that global consumption of grapes (including those for non-wine use) has remained relatively stable over the past decade, while grape production has dropped precipitously since 2005.

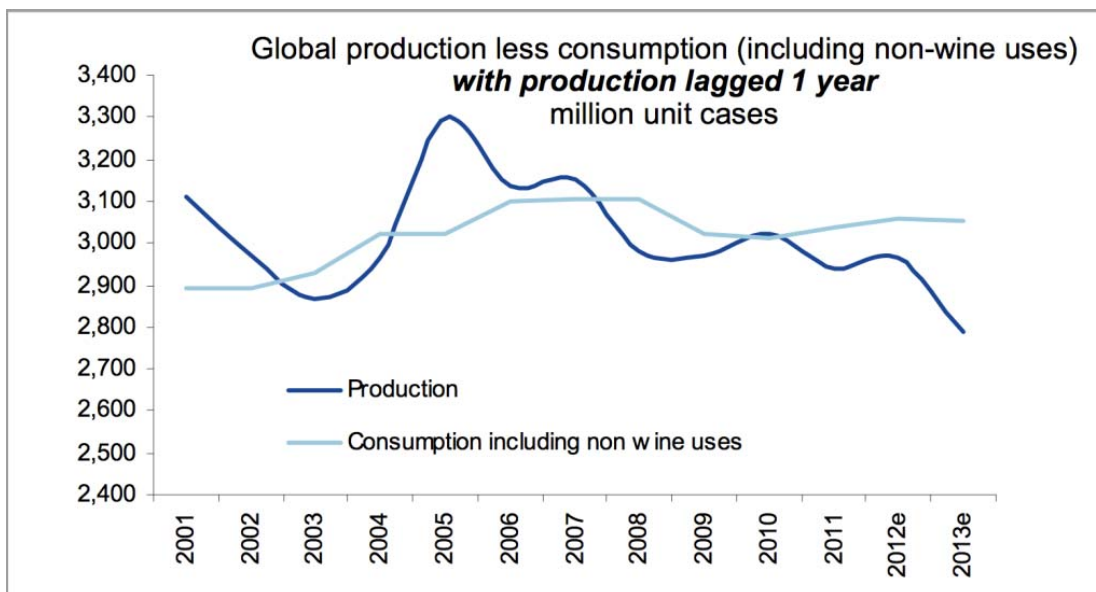
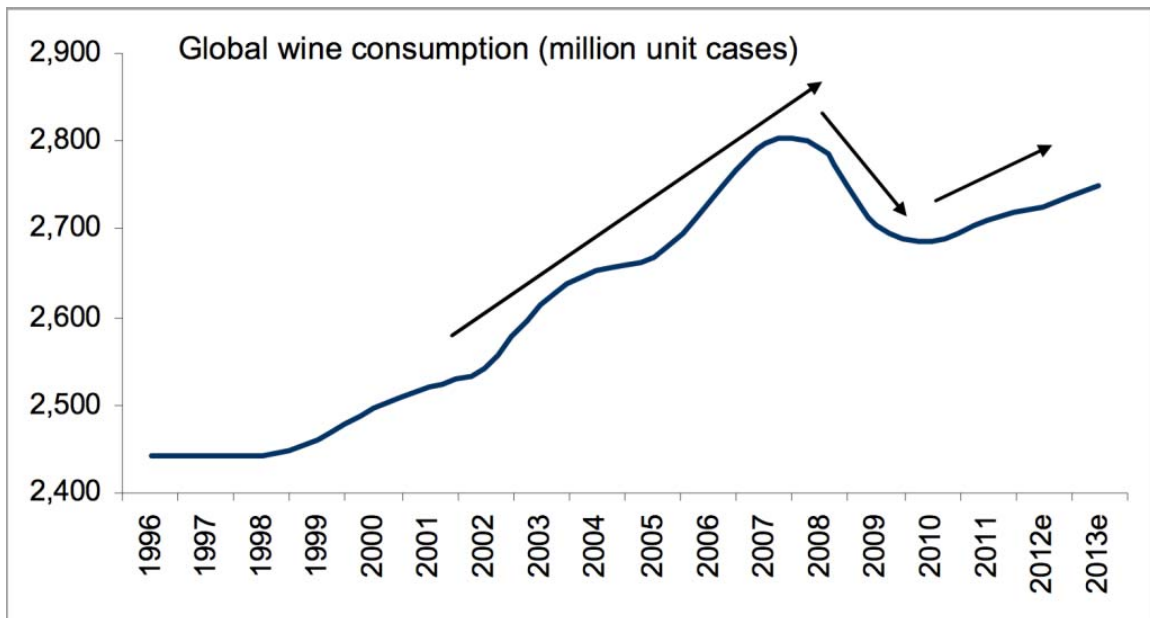


Chart 3

This change in production does not bode well for wine drinkers, but it definitely presents a market opportunity for wine makers in the northwest. As traditional wine production has fallen off in France, Italy and Spain a global undersupply of

about 300 million cases of wine is forecast within the next year or two. This could potentially open markets for Washington wine that have traditionally been untapped, including markets within the United States.

As seen earlier, U.S. consumers are drinking ever more wine compared to the past, and given that the U.S. currently consumes 12% of the world's wine, and that (per capita) consumption has doubled since the turn of the century, that provides ample opportunity for Washington wines to make inroads in non-traditional markets such as the east coast. China is another market for the state winemakers to target. Chinese wine consumption has doubled, not once, but twice in the past five years, making it the world's fifth biggest market for wine.

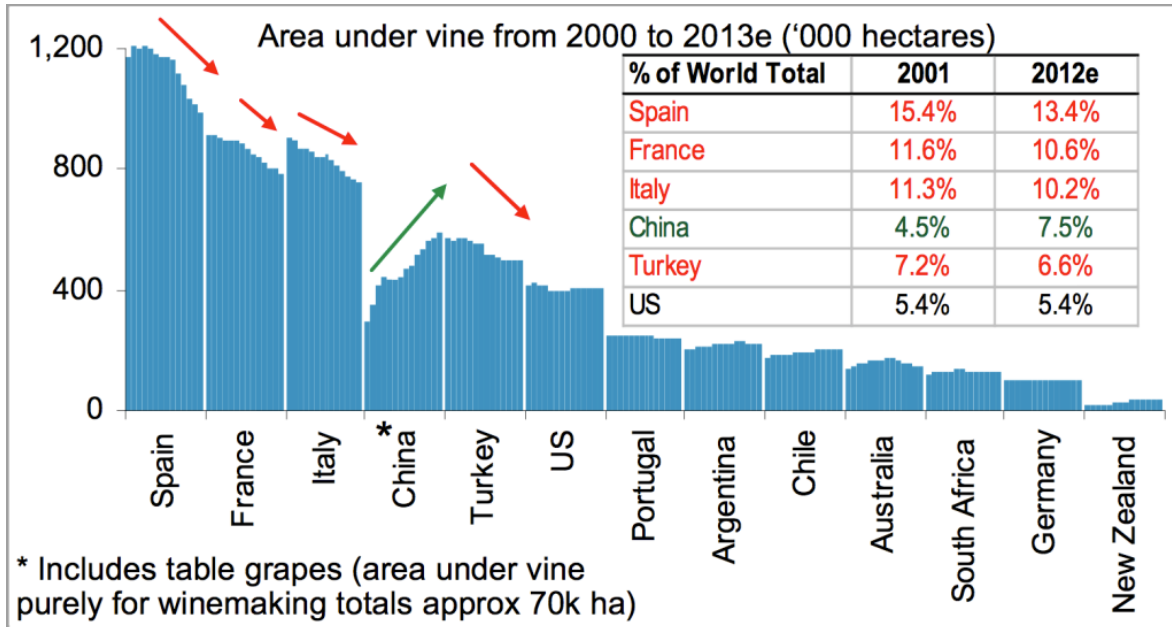


Morgan Stanley Research

Chart 4

While consumption has been steadily rising (other than during the economic collapse following the 2008 market crash), production has failed to keep up. Wine production estimates for 2012 have global production at its lowest level since 1995. With consumption up and production down there is a distinct market advantage and opportunity for companies which can increase production to fill the void. The main question would be where is the under production? Fortunately for Washington winemakers that underproduction is largely being seen from competitor countries as the big three (Italy, France and Spain) have all seen reduced production while consumption continues to grow.

According to the International Organization for Wine and Vine, 2013 was a very good year for winemakers after a weak harvest in 2012 and only modest harvests for the five years prior. However, one year can not reverse the long term downward trend in production globally as seen in Chart 5.



Morgan Stanley Research

Chart 5

As this chart shows, U.S. production is a relatively small portion of overall world production and California, which is the 300 pound gorilla of U.S. production, is relatively built out leaving states such as Washington and Oregon in a prime position to gain ground and add to the overall total of wine grape and wine production in the world.

In order to take advantage of this changing market Washington wineries will need to move quickly. The United States and China alone are projected to consume roughly 400 million cases of wine each (800 million total) by 2016, and unless production picks up to match consumption levels there will be significant shortages.

III. Are Washington Wineries Growing

While growth in the overall wine industry is pretty obvious, one of the more difficult questions to answer is whether Washington wineries, particularly smaller wineries, are growing along with the industry. This question, is of a more qualitative nature insofar as some wineries, particularly boutique wineries, may choose to not grow as they are able to demand a premium price for their product, thus maximizing their profits while minimizing risk and cost.

According to the "Economic Impact of Washington State Wine and Grapes" study performed by Stonebridge Research Group for the Washington Wine Commission in 2012, fully 90 percent of Washington wineries produce less than 30% of Washington wine. This data would seem to hold up in light of an article in the Puget Sound Business Journal which showed that Ste. Michelle Wine

Estates sold over 14 million gallons of wine in 2012 while the next largest producer, Walla Walla Wine Works sold just 1.5 million. In fact, the rest of the top 10 wineries in Washington, when combined, sold just 38% of Ste. Michelle sold in 2012.

Walla Walla Wine Works and the Ste. Michelle Brands may well be on the front end of a trend toward partnerships and mergers that will allow the overall industry to grow in Washington (and grow its national/global footprint) while helping the smaller producers who want to grow slowly do so without pressure to grow too quickly, but they may also end up as casualties (albeit profitable ones) who are bought out by trend to merger and conglomeration in the industry right now.

Tom Hedges, owner of one of the most successful independent wineries in the state, and the largest winery on Red Mountain said that the industry is beginning to conglomerate as smaller wineries join together in partnerships or get purchased outright by larger business interests. Hedges feels that is the way the industry is trending right now, making processing capacity more of an issue as wine makers ramp up to ever-larger quantities of production.

Hedges, who has property near the Pacific Rim winery near the racetrack, has put that property on the market because he would rather have a long-term building lease or production contract for his crush than own. Hedges even indicated that if the Port were to build a facility for industrial processing that he, and others, would likely make use of it.

Larry Pearson of Taptail Winery echoed Hedges noting that the size of a winery on Red Mountain is somewhat limited due to wastewater treatment, so that a facility which provides capacity to the industry would likely be viewed as beneficial. Pearson indicated that while not everyone would use a crush processing facility, many would.

John Bookwalter of Bookwalter Winery wines indicated that while they may not need to use a processing facility, there are other needs the industry has which could be met by a wine-manufacturing industrial park.

Bookwalter indicated that one type of infrastructure his business is seeking is climate controlled storage, particularly for wine barrels during the aging process. Bookwalter indicated that a lack of climate controlled facilities in the area impacts his business because an inability to control the temperature of a storage facility leads to significant wine loss. Bookwalter said in a temperature controlled environment the winemaker only loses about a gallon per barrel to evaporation while in a non-climate controlled environment that number can exceed two gallons, which is the equivalent of six bottles of wine

Bookwalter, and ReNae Pilgrim of Terra Blanca Winery indicated that while the smaller wineries are growing, their growth is somewhat tempered by the high capital cost of expansion and a strong aversion in the industry to risk.

Bookwalter said that many wineries want to grow their business, as does he. However, scaling up in the wine business is risky due to the capital-intensive nature of growth in the business. Bookwalter, who produced about 30,000 cases of wine in 2012, is looking to grow slowly, adding between 2,000 and 5,000 cases per year.

He also indicated that now is a good time to grow because Washington wines hold under 5% of the market nationally. That small percentage of market share makes it possible, but as he indicated, expansion is capital intensive and how you get that capital makes a difference in how you grow. Adding investors adds pressure and removes control, while staying internal can slow or even stall growth.

Pilgrim indicated that Terra Blanca is in much the same position as Bookwalter, in both production size and in its mindset that growth should come in a risk-averse manner. Terra Blanca made a significant investment a few years ago, adding capacity to its production and storage facilities so that it can scale up to between 50,000 and 75,000 cases annually. Right now the firm is at 30,000 and growing between 2,000 and 5,000 cases per year. Like Bookwalter, the growth at Terra Blanca is measured and largely focused on slowly scaling up production without overextending the firm.

Tim Hightower at Hightower winery is also growing slowly, and he has turned to Vintners Logistics for much of his industrial support, particularly in the bonded-warehouse storage area. Still, he indicated that he needs additional storage space off site if he wants to expand his production much beyond where it is today, and he indicated that he feels wastewater treatment is going to become an issue for wineries moving forward so that any additional treatment capacity in the Red Mountain area would be welcomed.

While some of the local vintners indicated that new capacity would be welcomed, the largest of the Washington wine producers didn't see any benefit to additional capacity – at least not immediately. Rob McKinney, Vice-President of Operations for Chateau Ste. Michelle wineries (which includes Columbia Crest, 14 Hands, Snoqualmie and other wines) indicated that his company would have no use for a custom crush facility or additional processing capacity at this time. McKinney said that his company has several long term relationships with partners who have the capacity to expand to meet the company's needs, noting that the firm can add up to 15,000 tons of processing capacity in the next 5 to 10 years. However, he indicated that those relationships may not be enough to meet growth needs in the longer term.

McKinney also noted that the location of the Port property is on the geographic edge of making sense for his company, but that Col Solare, which is the Chateau Ste. Michelle brand at Red Mountain has more than enough capacity to produce the volume of wine it is set up to produce.

However, the announcement that Duckhorn Vineyards, of St. Helena CA. plans to set up shop on Red Mountain, along with the recent auction of 670 acres of land on Red Mountain by the Kennewick Irrigation District could provide additional customers for such crush and storage facilities within a couple years.

While these wineries may not be a fully representative sample, history can also be a guide as wineries such as Hedges, Badger Mountain, and Maryhill have all scaled up slowly but are now among the top 10 wine producers in the State.

So growth, as Bookwalter indicated, is relative. Companies such as Leonetti Vineyards, and Cayuse Winery remain small boutique wineries producing between 5,000 and 10,000 cases annually and selling them exclusively to club members based on their reputation as top-shelf wines. However, many wineries have eschewed the premium only approach and are poised for growth, as the capital becomes available.

Bookwalter indicated that the Ports approach to assisting the industry is a good step toward assisting in expansion by reducing some of the capital costs associated with scaling up in size.

Hedges seemed to hint that the Port approach would provide some relief for winemakers looking to grow, indicating that he thinks the Port is on the right track. He said that his company, and others are looking for facilities to process and that having wastewater treatment capacity would help drive business to facilities that have that capacity.

McKinney also felt the Port was headed in the right direction, indicating that he felt what the Port was planning was worthwhile and it would be able to get customers.

As Gary Black said, the Port is sitting in an “if you build it” situation and that by solving some of the capital cost issues with expansion such as waste treatment and fire suppression will help to drive winemakers looking to expand into the facilities for no other reason than it minimizes the up-front capital costs of expansion.

IV. Development Options

Given the growth of the Washington wine industry generally, and the growth in the Port district specifically it would seem that development of the former Tri-City Raceway into an industrial complex for wine makers would make sense.

However, one must decide how to best develop such a site (in terms of development order).

As the Port plans the development of the site it should focus on providing one of two services to the industry at the outset. The first of these services should focus on the development of climate controlled warehouse flex space which could be used for barrel aging of wine, or for case storage. That may mean the Port would have to have a bonded warehouse, particularly for case storage, but for barrel aging of wines it may not need to. This type of facility is needed in the region as indicated by both Bookwalter and Hightower. Space such as this in close proximity to Red Mountain may well provide value to the winemaking community, particularly in such close proximity to the mountain itself, and with winemaker Pacific Rim nearly next door the facility may lend itself to meeting storage needs of a current Port client.

If the Port opts for warehouse space at first it should be because there is a need, and because this type of space is one of the less expensive to develop and provide service to. This would also provide the Port with some early “anchor” tenants that it could use to begin developing additional properties, particularly the industrial processing facilities that would tie into the City of West Richland wastewater treatment system.

If the city treatment system were currently at the capacity it is seeking, the recommended development for the Port would flip with the recommended focus being the industrial processing facilities. However, because of time and capacity constraints, and because of the lack of treatment capacity at current, this slips into a second position behind warehousing space for the industry. However, it may be wise for the Port to meet with large producers such as Hedges and the Chateau Ste. Michelle brands to determine if the additional production capacity such a facility would provide is something they would use immediately if it were available. This specific determination may also influence the position of an industrial crush facility relative to warehousing space.

The development of any retail or non-industrial wine-related uses on the property should definitely be considered, but they should not be considered until later in the development of the property for several reasons. First and foremost the Port needs to hold off on any of this type of development until the proposed development of such facilities on Red Mountain are fully exhausted. The reasons for this are twofold, first the Mountain has a master plan for development of a wine village that lends itself well to Red Mountain and its vintners so the Port should hold off on this type of development in order to not derail the development before it can begin. Secondly, the property in question does not currently lend itself to the development of retail facilities. Located in an undeveloped area, retail or restaurants would not be able to draw the type of foot traffic needed to support that type of facility at current, so development of such facilities would likely end in failure.

SOURCES

USDA National Statistics Service Annual Noncitrus Fruits and Nuts Report -
<http://www.nass.usda.gov/>

2012 Economic Impact Study of Washington Grapes and Wine –
Stonebridge Research courtesy of the Washington Wine Commission
www.washingtonwine.org

The Wine Institute - <http://www.wineinstitute.org/>

Washington State Liquor Control Board (WaLCB) – Location of licensing information for wineries in the State of Washington.

US Treasury Alcohol and Tobacco Tax Trade Division -
<http://ita.doc.gov/td/ocg/wine2011.pdf>

The Oregonian Newspaper -
http://www.oregonlive.com/business/index.ssf/2013/03/california_wine_giant_con_firms.html

Puget Sound Business Journal -
<http://www.bizjournals.com/seattle/news/2013/08/16/the-list-top-wineries-in-washington.html?page=all>

United States Census Bureau – www.census.gov compiled at
<http://www.multpl.com/united-states-population/table>

Gallup Poll Article on Consumer Preferences -
<http://www.gallup.com/poll/163787/drinkers-divide-beer-wine-favorite.aspx>

Morgan Stanley Research Article on Wine Shortages –
<http://qz.com/140602/a-global-wine-shortage-could-soon-be-upon-us/>

R. Gary Black, President Integrated Structures – Telephone interview on Sept. 26, 2013

John Bookwalter, President and Winemaker, Bookwalter Wines – Telephone Interview on Sept. 24, 2013

ReNae Pilgrim, President of Terra Blanca Wines – Telephone Interview on Sept. 25, 2013.

Tom Hedges, Founder of Hedges Winery – Email Interview on Oct. 31 and Nov. 1, 2013.

Christophe Hedges, Marketing Director Hedges Winery – Email Interview on Oct. 31 and Nov. 1, 2013.

Larry Pearson, President of Tapteil Vineyards – Phone Interview on Nov. 2, 2013.

Tim Hightower, Owner of Hightower Cellars – Phone Interview on Nov. 4, 2013.

Rob McKinney, Vice-President of Global Operations for Chateau Ste. Michelle Cellars – Phone Interview on Nov. 14 & 15, 2013.



3801 W. Van Giesen Street West Richland, WA 99353 www.westrichland.org
Community Development Department (509) 967-5902

March 15, 2017

Larry Peterson
Port of Kennewick
350 Clover Island Drive
Suite 200
Kennewick, WA 99336

RE: Comments to the Tri-City Raceway Draft Redevelopment Master Plan dated 12/30/16

Dear Mr. Peterson:

We appreciate the opportunity to review and comment on the final draft of the Tri-City Raceway Master Plan prior to adoption by the Commissioners. The Port property will be the gateway westerly entrance to the city and will be even more important given the future development of the I-82 Red Mountain interchange. Our comments generally focus on considering multiple opportunities with the development beyond just the wine industry. Conditions have changed considerably in the vicinity of the property with the Richland School District's construction of a new middle school, land purchased for a future high school and the city's development of the Industrial Wastewater Pre-Treatment Facility (I-Plant). Being dynamic and considering other opportunities based on market conditions should be referenced in the report. Additionally, the city is requesting the Port consider opportunities that may arise to initiate development of the property prior to the four to seven year timeframe outlined in the report.

Finally, my comments are noted below with the specific page number and sections cited for reference. Your consideration of the city's comments is appreciated and we look forward to the future cooperative development of this unique property.

If you have any questions or comments please feel free to contact me at 509-967-5902.

Sincerely,

Aaron Lambert
City of West Richland
Community Development Director

Tri-City Raceway Draft Redevelopment Master Plan – December 30, 2016

Pg. 6, Infrastructure – No reference of the future Red Mountain Interchange and the opportunity that presents. No reference to the city's \$3.1 mil Industrial Wastewater Pre-Treatment Facility (I-Plant).

Pg. 7, 1st paragraph – Reference the city's financial contribution to the inundation clause.

Pg. 9, Last paragraph – Warehousing may not be the highest & best use given the opportunity to utilize the city's I-Plant. Be dynamic and not limiting to large production wineries. Note that the I-Plant can process effluent from creameries, breweries & distilleries.

Pg. 10, Public catalyst for private sector investment – The city invested significantly with the development of the I-Plant which was initially slated for the Port property. The Port should be responsible for cost of extending infrastructure.

Pg. 10, Avoid direct competition with private developers – Alexander Farms specifically requested the CLI zoning as it is in line with their future development plans.

Focus on large scale wine production and support facilities – See comment from page 9.

Pg. 11, 2nd Paragraph, Non competing clause – This does not allow the opportunity to seize development opportunities that may present themselves. How is the raceway a competitor to Columbia Gardens? The Port should have the best interest of all of the jurisdictions in mind and not favor one over another. This clause puts West Richland as well as other cities at a competitive disadvantage to Kennewick.

Pg. 11, Proposed Land Use – Why so limiting to wine and warehousing? The CLI zoning district has a full suite of allowed uses. Be responsive to market conditions, particularly with the Red Mountain Interchange.

Last paragraph – Why consider development at a later phase? Should the market demand development, retain the ability to be responsive.

Pg. 12, Overall land use distribution – 30% of land area for warehousing appears high, particularly given this is a gateway entrance to the city.

Site Planning – Again, why only catering to the wine industry?

Access and Circulation – No mentioned of the Red Mountain Interchange. Note that the city will assist the port in federally classifying the east/west road.

Infrastructure – Extension of the infrastructure is a Port lead project. The city was willing to partner to extend the infrastructure when the I-Plant was initially planned for this property. The Port reallocated the funds budget for the extension which is why the city developed the I-Plant on city property and without the Port's participation.

Pg. 21, Cost Estimate – Include cost of demolition for the former raceway. Include cost of offsite extension of water & sewer.

Pg. 22, Timing and Financing –Remove the sentence “This will include the City’s potential investment for infrastructure improvements.

Long Term Strategy, last sentence, 1st paragraph – Note that off-site infrastructure is also necessary.

Last paragraph – The city won’t extend infrastructure to a vacant lot.

Short Term Strategy – The city will assist the port with grant applications. Is this property being marketed currently by the Port?

Pg. 23, Utilities – The city does not serve the site as it was formerly located in the county. The city has not historically extended infrastructure to vacant land unless a main was planned to go beyond a vacant parcel. The city expected the utilities to be extended to the I-Plant which was initially planned to be sited at the property.

Marketing Plan – The plan should consider other uses as permitted by the CLI zoning district and be responsive to the market conditions.

Pg. 3, Conceptual Roadway and Utility Infrastructure, Notes – Assumptions should include cost of utility extensions and payment of connection fees.



Memorandum

Date: March 20, 2016

To: Larry Peterson, Director of Planning & Development, Port of Kennewick

From: Ferdouse Oneza, Oneza & Associates

Re: Response to City of West Richland's March 15, 2017 Comments on Tri-City Raceway Master Plan

Pg. 6, Infrastructure – No reference of the future Red Mountain Interchange and the opportunity that presents. No reference to the city's \$3.1 mil Industrial Wastewater Pre-Treatment Facility (I-Plant).

Response: Text referencing Red Mountain Interchange opportunity and I-Plant added.

Pg. 7, 1st paragraph – Reference the city's financial contribution to the inundation clause.

Response: Comment noted. However, no modification made due to conceptual/non-contractual status of potential City contribution.

Pg. 9, Last paragraph – Warehousing may not be the highest & best use given the opportunity to utilize the city's I-Plant. Be dynamic and not limiting to large production wineries. Note that the I-Plant can process effluent from creameries, breweries & distilleries.

Response: Text added referencing breweries and distilleries along with reference to commercial and hospitality uses due to future Red Mountain Interchange access.

Pg. 10, Public catalyst for private sector investment – The city invested significantly with the development of the I-Plant which was initially slated for the Port property. The Port should be responsible for cost of extending infrastructure.

Response: Text added to reflect City's position regarding funding of utility extensions

Pg. 10, Avoid direct competition with private developers – Alexander Farms specifically requested the CLI zoning as it is in line with their future development plans. Focus on large scale wine production and support facilities – See comment from page 9.

Response: Text added to reflect City's understanding of Alexander Farm's future plans

Pg. 11, 2nd Paragraph, Non competing clause – This does not allow the opportunity to seize development opportunities that may present themselves. How is the raceway a competitor to



Columbia Gardens? The Port should have the best interest of all of the jurisdictions in mind and not favor one over another. This clause puts West Richland as well as other cities at a competitive disadvantage to Kennewick.

Response: Comment noted

Pg. 11, Proposed Land Use – Why so limiting to wine and warehousing? The CLI zoning district has a full suite of allowed uses. Be responsive to market conditions, particularly with the Red Mountain Interchange.

Last paragraph – Why consider development at a later phase? Should the market demand development, retain the ability to be responsive.

Response: Additional non-wine, non-effluent generating uses added to text

Pg. 12, Overall land use distribution – 30% of land area for warehousing appears high, particularly given this is a gateway entrance to the city.

Site Planning – Again, why only catering to the wine industry?

Access and Circulation – No mentioned of the Red Mountain Interchange. Note that the city will assist the port in federally classifying the east/west road.

Infrastructure – Extension of the infrastructure is a Port lead project. The city was willing to partner to extend the infrastructure when the I-Plant was initially planned for this property. The Port reallocated the funds budget for the extension which is why the city developed the I-Plant on city property and without the Port's participation.

Response: Land use table modified to reflect reduction in warehouse allocation to support wine industry and increase in retail and hospitality uses. Reference to future Red Mountain Interchange and City assistance pursuing federal classification of future internal roadways.

Pg. 21, Cost Estimate – Include cost of demolition for the former raceway. Include cost of offsite extension of water & sewer

Response: Text added to identify these items as additional development costs beyond those listed in the table.

Pg. 22, Timing and Financing – Remove the sentence “This will include the City’s potential investment for infrastructure improvements.

Long Term Strategy, last sentence, 1st paragraph – Note that off-site infrastructure is also necessary. Last paragraph – The city won’t extend infrastructure to a vacant lot.

Short Term Strategy – The city will assist the port with grant applications. Is this property being marketed currently by the Port?



Response: Text modified to remove reference to potential City infrastructure investment and expense of off-site infrastructure extension. Text modified to reference City assistance with grant application.

Pg. 23, Utilities – The city does not serve the site as it was formerly located in the county. The city has not historically extended infrastructure to vacant land unless a main was planned to go beyond a vacant parcel. The city expected the utilities to be extended to the I-Plant which was initially planned to be sited at the property.

Marketing Plan – The plan should consider other uses as permitted by the CLI zoning district and be responsive to the market conditions.

Response: Comment noted.

Appendix C, Pg. 3, Conceptual Roadway and Utility Infrastructure, Notes – Assumptions should include cost of utility extensions and payment of connection fees.

Response: Text added to Page 21 table and Appendix C to reference these additional development costs.

PORT OF KENNEWICK

RESOLUTION 2017-05

***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
PORT OF KENNEWICK AUTHORIZING THE PORT CHIEF EXECUTIVE OFFICER
TO SELL AND CONVEY SURPLUS PROPERTY***

WHEREAS, the Board of Commissioners of the Port of Kennewick met this 28th day of March 2017, a quorum of the Commissioners being present; and

WHEREAS, from time to time it is necessary to surplus items no longer needed for Port District purposes; and

WHEREAS, RCW 53.08.090 provides that the Port Commissioners may authorize the Port Chief Executive Officer to sell and convey property; and

WHEREAS, prior to each such disposition of Port property, the Port Chief Executive Officer is directed to present to the Commission an itemized list of the property and to make written certification that the listed property is no longer needed for Port District purposes.

NOW, THEREFORE, BE IT RESOLVED by the Port of Kennewick Commissioners to authorize the Chief Executive Officer to surplus Port property no longer needed for Port purposes as attached in "Exhibit A".

ADOPTED by the Board of Commissioners of Port of Kennewick this 28th day of March 2017.

***PORT OF KENNEWICK
BOARD OF COMMISSIONERS***

By: _____
SKIP NOVAKOVICH, *President*

By: _____
THOMAS MOAK, *Vice President*

By: _____
DON BARNES, *Secretary*

RESOLUTION 2017-05

“Exhibit A”

Attractive Assets				
Asset	Disposition	Property Description	Date In Service	Cost
103	Broken	Recon Air Filter	06/15/11	749.17
104	Obsolete	Nightvision HD Camera Clock	06/15/11	749.18
119	Broken	HSM Shredstar X18	09/26/12	~100.00
121	Broken	HSM Shredstar X18	09/26/12	~100.00
19	Broken	Twin Head Work Light	01/13/04	75.76
24	Broken	Fax Machine - All in One	03/23/04	432.49
28	Broken	Fiberglass Step Ladder	04/27/04	204.69
82	Broken	6" Random Orbit Sanding System	02/28/06	808.23
86	Broken	Dewalt Small Angle Grinder	02/28/06	~100.00
89	Broken	1.5 HP Craftsman Air Compressor	02/28/06	~250.00
126	Broken	Craftsman 21" Chainsaw	10/21/11	227.41
137	Broken	Echo 125B Blower	10/10/12	138.58
150	Broken	RotoZip Saw	12/31/12	~75.00
160	Broken	HP 3522 Printer	06/27/13	74.73
161	Broken	Werner 6' Ladder	06/17/13	85.56
163	Broken	Dewalt Reciprocating Saw	06/17/13	~100.00
Capital Assets				
Asset	Disposition	Property Description	Date In Service	Cost
849	Broken	Drafting Table	09/30/06	666.46
977	Obsolete	HP Entertainment Notebook PC	01/23/08	1,178.29
979	Obsolete	HP Entertainment Notebook PC	01/23/08	1,178.28
1037	Obsolete	HP Workstation Q9300	10/13/09	2,553.51
1038	Obsolete	HP Workstation Q9300	10/13/09	2,553.51
1040	Obsolete	HP Pro 8500	10/30/09	228.21
1045	Obsolete	HP OJ 6500 AIO Printer	12/02/09	154.10
1096	Broken	Paper Folder - MBM93 NexPost	09/30/11	539.33
1158	Broken	3 Dell Monitors	11/01/13	618.36

CFO/Auditor Certification: _____

Nick Kooiker

Date