

City of
Kennewick

2012 - 2016

Economic Development Strategic Plan

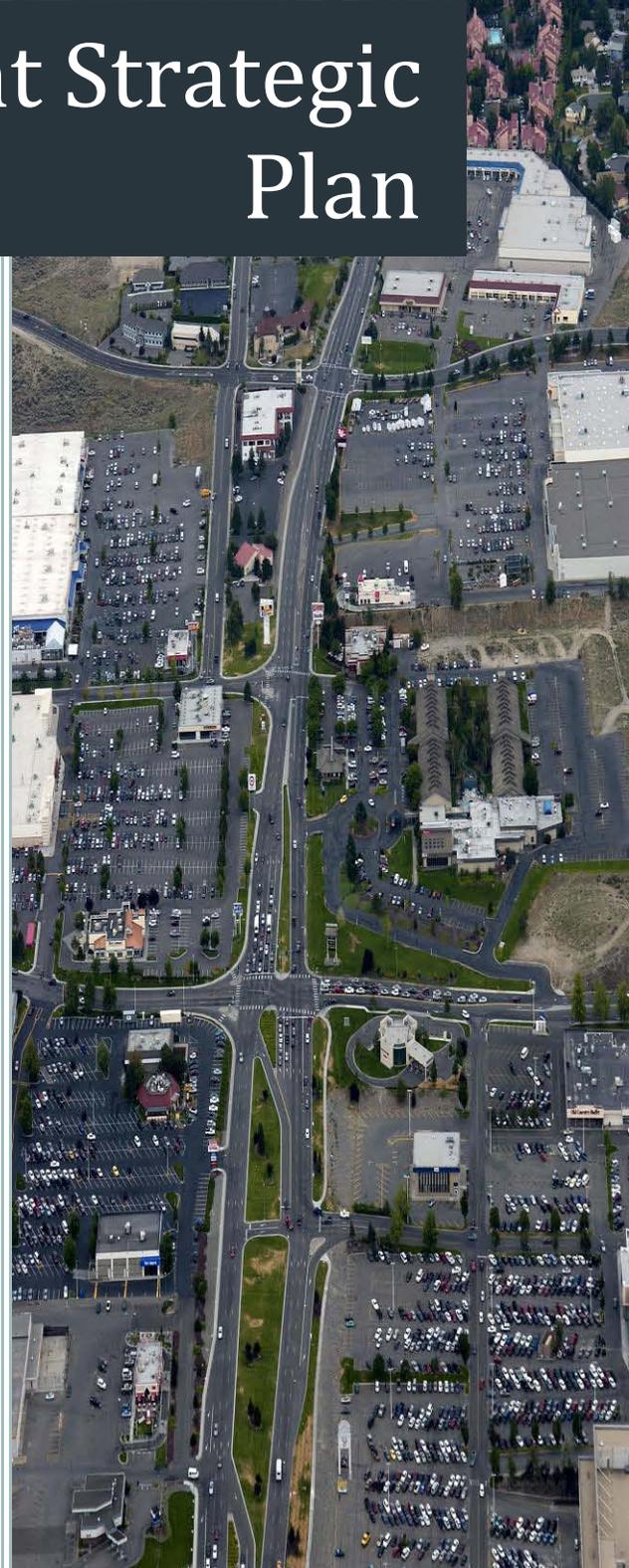


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Introduction

This Economic Development Strategic Plan for the City of Kennewick builds on the partnerships and actions identified in the Angelou Study of 2006. The following is a document that clearly identifies a vision, goals, strategies and actions for six focus areas critical to economic development. These areas are:

1. *Business Climate*
2. *Education & Workforce Development*
3. *Quality of Life*
4. *Sites & Infrastructure*
5. *Business Recruitment, Expansion & Retention*
6. *Tourism*



The challenge facing the City of Kennewick is the desire to preserve Kennewick's feel and uniqueness in the face of continued growth: it is balancing the region's growth while maintaining Kennewick's unique character. In summary, the following conclusions were drawn:

Business Climate

- The state of Washington is generally perceived as having a poor business climate.
- The Tri-Cities has a moderate tax burden for businesses, with some tax incentives available for technology firms.
- Kennewick must continue to diversify its economic base as Hanford restoration nears completion.
- Kennewick must improve the local entrepreneurial climate as well as increase local salaries.

Education & Workforce Development

- Public schools are recognized for their quality, although further enhancement can provide further competitiveness.
- There is a large diversity in income and education levels throughout the Tri-Cities region.
- Kennewick's young, professional worker availability is not as high as desirable from an economic development standpoint.
- The region was identified as locally underserved by a 4-year university, although WSU has since become to a 4-year university in 2007.

Quality of Life

- Recreation options in the area are plentiful, but entertainment is lacking.
- Kennewick residents enjoy the benefits of small town life, with easy access to larger cities.

- The region's growth must be balanced with the need to maintain Kennewick's unique character.

Sites and Infrastructure

- Regional transportation infrastructure is an asset for Kennewick, but commercial airline service is limited. Since the Angelou study, there has been the addition of a direct flight to San Francisco and Denver, which creates more connectivity for the area.
- Utility cost and service is an advantage for the region.
- Cascade Natural Gas has recently moved its headquarters to Kennewick.
- Land use and office parks were in need of improvement during the development of the Angelou study.
- Housing prices are extremely reasonable, but there was limited executive housing available at the time of the study; however there appears to be an ample amount of executive homes in 2011.

Economic Development & Marketing

- Community branding is an important component in economic development marketing.
- Business recruitment is a core component of economic development.
- PNNL is currently pursuing an expanded marketing effort that will benefit the Research District.

Goals established because of Angelou Study



Goal 1: Business Climate

Improve the overall business climate in Kennewick by strengthening the support systems for entrepreneurs and small businesses, improving incentives that encourage business location and growth in the city, and engaging in public policy efforts to improve the overall business climate in the State of Washington.

Goal 2: Education & Workforce Development

Ensure that education institutions and the workforce development system in Kennewick can prepare workers for jobs in target industries.



Goal 3: Quality of Life

Improve the community's ability to attract young professionals and other workers who can fill jobs in target industries.

Goal 4: Sites & Infrastructure

Maintain the area's infrastructure so that it meets the needs of target industries Kennewick wants to attract.



Goal 5: Business Recruitment, Expansion & Retention

Support efforts to market the Tri-Cities region that benefit Kennewick and the valuable resources in Kennewick that will make the city more attractive to target industries. The objective of this plan is to track/identify organization efforts to implement the Strategic Plan, the outcome/progress made towards accomplishing the established goals and to identify new areas of opportunities and focus.



Goal 6: Tourism

Promote regional tourism through increased regional and national marketing efforts in collaboration with other tourism entities.

From Vision to Implementation

Strategic implementation of the Vision and Goals are the next step in the Economic Development Strategic Plan development process. Many local activities are available to assist in meeting the City of Kennewick's long-term economic vision.

Linking the City of Kennewick's economic development vision and goals to specific activities, allocating a budget and staff to these activities, and evaluating performance based on specific, measurable, agreed-upon outcomes are critical to meeting the vision and objectives established by the Economic Development/Planning committee and City Council.

Economic development policies and tools can be dependent on local and state laws and policies. The traditional role of local government is to facilitate economic growth within the community. Strategies include:

- Land assembly
- Modifying the permitting process
- Providing job training
- Providing linkages to other resources

States that can provide financial incentives for potential economic development activities, unlike Washington State, tend to have an advantage in the recruitment and retention of businesses. It is important that local elected officials and city staff work with businesses and other stakeholders such as developers, Home Builder's Association and other associations, to educate themselves about the types of programs and tools that are available to them and to decide which economic development roll is best for the City of Kennewick.

City of Kennewick Comprehensive Plan

The Economic Development Strategic Plan brings together various elements from guiding documents for the purpose directing growth and economic activity in a manner that best supports a vibrant economy and provides high quality of life for its citizens. The Comprehensive Plan is the principal document in which the following economic implementation strategies are referenced:

Economic Development Strategy

- Kennewick Economic Development Strategic Plan

County-wide Planning Policies

- Policy #20 – Economic Development

Design Standards

- KMC Title 18.75 and 18.78 Commercial Design Standards
- KMC Title 17 Residential Design Standards

Subarea Plans

- Hanson Park Master Plan
- Southridge Subarea Plan
- Columbia Park Master Plan
- Clearwater Park Master Plan
- US 395 Corridor Plan
- Parks and Recreational Comprehensive Plan

Capital Improvement Plan

- CIP 2011 – 2016

Transportation Improvement Program

- TIP 2012-2017

The vision statement of the City of Kennewick Comprehensive Plan includes the following:

Within our natural boundaries, our own urban area is compactly drawn and provides a finite environment for the efficient delivery of community services. Our land use patterns offer multiple economic and business opportunities and provide well for a diverse population that is able to choose from a variety of residential styles.

Our infrastructure reflects an alignment of our financial resources and our growth rate. We provide an ideal level of service for transportation, utilities and recreation that minimize the tendency of citizens to adversely perceive community growth.

Our safety and emergency services are forward thinking and efficient. They are actively involved in the planning and community building processes and consistently provide exceptional service. Our public employee staffs are a key piece of our community's infrastructure and partner with our citizens at every opportunity.

Kennewick recognizes that our existing job providers are our best source of economic growth. We actively partner with those providers to meet their needs and promote their expansion. We understand that economic development is part of a package of total community development. We know that emphasizing our natural and physical features, our social and political leadership and our partnering with other entities as crucial points in our economic success.

We recognize that clean and appealing communities attract well-designed developments. We value appropriate scale for community design and recognize that vehicles, bicycles and walking are all important modes of travel. We provide alternatives for our population and promote an active and healthy lifestyle through community design. We proactively identify issues that are important to our development community and seek ways to emphasize our history and natural setting through details in our community's structure.

Regional Assessment

Defining our Region

Over the years, Kennewick has been challenged and limited in the types of business that would consider locating to the area. Even with a population of over 75,000, Kennewick’s presence in the business world is limited. Kennewick and the surrounding cities often compete against each other to draw business and tourism dollars.

The previous studies addressed this challenge and emphasized the need for establishing a regional identity among the four cities:

Support efforts to market the Tri-Cities region that benefit Kennewick and the valuable resources in Kennewick that will make the city more attractive to target industries.

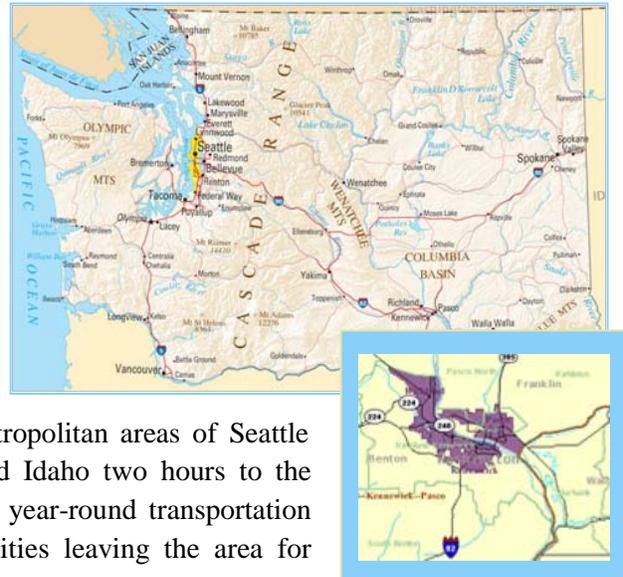
The benefit of defining and marketing the Tri-Cities is that many site selectors look for minimum demographic numbers on population, housing, income, and other indicators signaling strong sales or workforce availability. Many of the attributes that are present in our Sister Cities are found on site selector’s checklist including: four-year college/university, research facilities and industrial land. As a result of the study, the four cities have actively engaged in collective marketing efforts.



Regional Economic & Demographic Characteristics

Location

The Tri-Cities region consists of Pasco-Kennewick-Richland and is a designated Metropolitan Statistical Area (MSA) and is the Fourth largest MSA in the state with a population of 242,000. Its strategic location in Southeast Washington at the confluence of the Columbia, Snake, and Yakima Rivers, provides abundant water for crop irrigation and hydroelectric energy and major transportation intersection for water, rail, air and road. I-82 and I-84 are two major interstates that connect the Tri-Cities with the metropolitan areas of Seattle and Portland within three hours, and Spokane and Idaho two hours to the north. These major highways provide dependable year-round transportation routes for agricultural and manufactured commodities leaving the area for world markets.



Population

Growth in the population usually indicates growth in the available workforce. The Tri-Cities region has experienced steady growth over the past decade. According to census data, four of the five counties experiencing the highest percentage of population growth are located in Eastern Washington including Franklin County, which gained nearly 3 percent after a decade and 1.6 percent for Benton County. As of April 1, 2011, the population of Washington's cities increased by 67,050 people since the federal census count. Nine of the top 10 cities with the largest numeric population growth are located in King County or the Tri-City area.

Tri-Cities (Kennewick-Pasco-Richland) MSA – Population

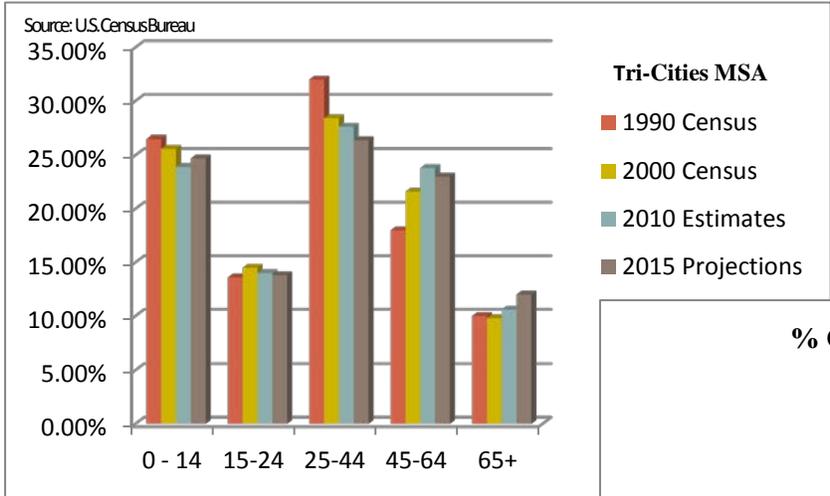
1990 Census	2000 Census	2010 Census
150,033	191,822	253,340

Age Levels

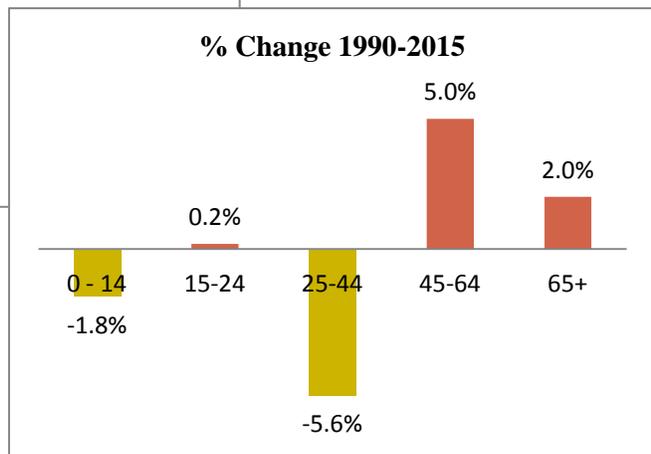
In 2006, the Angelou Study's community assessment pointed out some key population indicators:

- Median age level in Kennewick was 33 years of age

- The region was experiencing high growth among 15 to 24 year-olds
- The percentage of 24 – 44 year-olds was 27.7% in Kennewick. Since 1990, residents in the 25 – 44 year-old group decreased by 6.2%, while the rate fell by 3.8% nationally
- The region was experiencing high growth in its 45 – 64 year-old group



The 2010 Census indicates that the median age level has held consistently at 33 years of age. The population growth among 15 to 24 year-olds has leveled off. The population growth among 25 – 44 year olds continues to



decline and is anticipated to decrease by 5.6% by 2015. Historically, the fastest growth has been among 45 – 64 year-olds and growth is anticipated to be up 5% from 1990 to 2015. Based on 2015 Census projections, the population segment of those 65 years and older will see an overall increase of 2% from 1990 Census data.

According to the U.S. Bureau of Labor Statistics, participation rates of older workers in the labor force are expected to increase, thereby reducing the overall participation rate and labor force growth. As the baby-boom generation ages, the share of workers in the 55-years-and-older age group will continue to increase dramatically and is anticipated to comprise nearly a quarter of the U.S. labor force by 2018.

Wages

Regional wages or income earned provides us with an overview of the standard of living people can afford and what percentage of people are living in poverty. Based on Census 2010 estimates and 2015 projected income, the fastest growing wage segments are those earning \$100,000 or more.

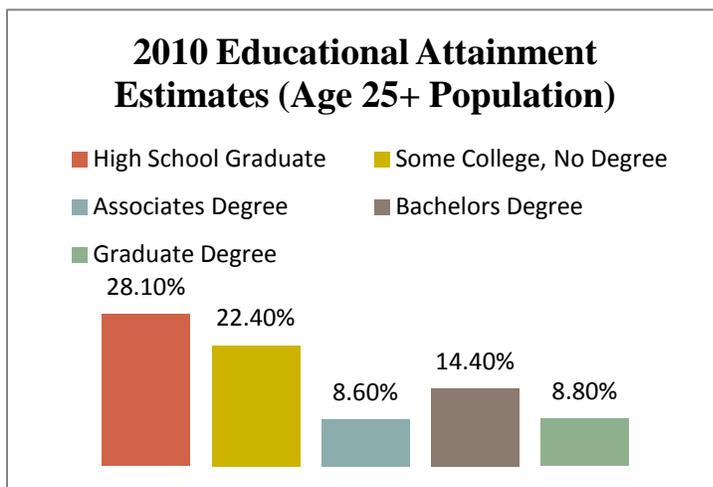
Median household income, based on 2010 estimates, is at \$67,635. It is anticipated that the median income will increase by 8.4% within the next four years. No doubt, the highly educated labor force living in the Tri-Cities and the need for skilled and trained professional and technical employees has created such enormous growth among the higher-end wages.

Source: TRIDEC 12/2011,
Kennewick-Pasco-Richland
MSA

	Spring 2010 Estimate		2015 Projection		Percent Change 2010 to 2015
\$0 - \$9,999	5,553	6.8%	5,642	6.4%	1.6%
\$10,000 - \$14,999	3,834	4.7%	3,729	4.2%	-2.7%
\$15,000 - \$19,999	3,315	4.1%	2,957	3.4%	-10.8%
\$20,000 - \$24,999	4,361	5.3%	4,253	4.8%	-2.5%
\$25,000 - \$29,999	4,372	5.4%	4,814	5.5%	10.1%
\$30,000 - \$34,999	4,459	5.5%	4,319	4.9%	-3.1%
\$35,000 - \$39,000	4,128	5.1%	3,984	4.5%	-3.5%
\$40,000 - \$49,000	8,271	10.1%	8,309	9.4%	0.5%
\$50,000 - \$59,000	7,319	9.0%	7,536	8.6%	3.0%
\$60,000 - \$74,000	7,992	9.8%	8,152	9.3%	2.0%
\$75,000 - \$99,999	10,740	13.2%	1,659	13.2%	8.6%
\$100,000 - \$124,999	7,449	9.1%	9,380	10.6%	25.9%
\$125,000 - \$149,999	3,901	4.8%	5,126	5.8%	31.4%
\$150,000 +	5,889	7.2%	8,244	9.4%	40.0%

Education

Having a trained labor force available is necessary for economic development and marketing. Basic to this need is the expectation that a high school diploma is the minimum requirement for employment. High school graduation rates affect both unemployment rates and the median weekly earnings of workers. The Tri-Cities has a highly educated workforce - 82.3% of the population has a high school, college or graduate education and there are more scientists and engineers per capita residing here than any other area in Washington State.



The ability of the region to sustain and grow wealth for its residents will be determined by the level of education among the region's population. Studies have repeatedly shown the close parallel between the level of education and the level of income. As Kennewick recruits high growth industries, educational attainment and household income levels will increase across the board.

The high growth industries of the future will depend on increased levels of and access to education and training. The

chart below indicates the fastest growing occupations based on Bureau of Labor Statistics for 2008-2018.

Nearly all of the fastest growing occupations will be in the technology and healthcare industries, both segments that require a high level of skilled, associate level employees.

Of particular interest to the Tri-Cities is the growth in the computer specialist occupational group and the biotechnology/biomedical group. A top Kennewick target industry is Technology: this group includes information technology and software, biomedical, and advanced manufacturing.

Occupations with Fastest Growth				
Occupations	% Chg	No. new jobs	Wages	Education/Training
		<i>(in thousands)</i>	<i>(May 2008 median)</i>	
Biomedical Engineers	72	11.6	\$77,400	Bachelor's degree
Network Systems & Data Communications Analysts	53	155.8	71,100	Bachelor's degree
Home Health Aides	50	460.9	20,460	Short-term on-the-job training
Personal & Home Care Aides	46	375.8	19,180	Short-term on-the-job training
Financial Examiners	41	11.1	70,930	Bachelor's degree
Medical Scientists (except Epidemiologists)	40	44.2	72,590	Doctoral degree
Physician Assistants	39	29.2	81,230	Master's degree
Skin Care Specialists	38	14.7	28,730	Postsecondary vocational award
Biochemists & Biophysicists	37	8.7	82,840	Doctoral degree
Athletic Trainers	37	6.0	39,640	Bachelor's degree
Physical Therapist Aides	36	16.7	23,760	Short-term on-the-job training
Dental Hygienists	36	62.9	66,570	Associate degree
Veterinary Technologists & Technicians	36	28.5	28,900	Associate degree
Dental Assistants	36	105.6	32,380	Moderate-term on-the-job training
Computer Software Engineers, Applications	34	175.1	85,430	Bachelor's degree
Medical Assistants	34	163.9	28,300	Moderate-term on-the-job training
Physical Therapist Assistants	33	21.2	46,140	Associate degree
Veterinarians	33	19.7	79,050	First professional degree
Self-enrichment Education Teachers	32	81.3	35,720	Work-related experience
Compliance Officers (except agriculture, construction, health & safety, transportation)	31	80.8	48,890	Long-term on-the-job training

SOURCE: BLS Occupational Employment Statistics and Division of Occupational Outlook

On the other hand, the occupations with the fastest decline are mostly in the textile manufacturing industry. According to the Labor Department, their ranks are expected to decrease by 54% while their output falls more than 43% between 2006 and 2016.

Occupations with the fastest decline

Occupations	% Chg	No. jobs lost (in thousands)	Wages (May 2008 median)	Education/Training
Textile bleaching and dyeing machine operators and tenders	-45	-7.2	\$23,680	Moderate-term on-the-job training
Textile winding, twisting, and drawing out machine setters, operators, and tenders	-41	-14.2	23,970	Moderate-term on-the-job training
Textile knitting and weaving machine setters, operators, and tenders	-39	-11.5	25,400	Long-term on-the-job training
Shoe machine operators and tenders	-35	-1.7	25,090	Moderate-term on-the-job training
Extruding and forming machine setters, operators, and tenders, synthetic and glass fibers	-34	-4.8	31,160	Moderate-term on-the-job training
Sewing machine operators	-34	-71.5	19,870	Moderate-term on-the-job training
Semiconductor processors	-32	-10	32,230	Postsecondary vocational award
Textile cutting machine setters, operators, and tenders	-31	-6	22,620	Moderate-term on-the-job training
Postal Service mail sorters, processors, and processing machine operators	-30	-54.5	50,020	Short-term on-the-job training
Fabric menders, except garment	-30	-0.3	28,470	Moderate-term on-the-job training
Wellhead pumpers	-28	-5.3	37,860	Moderate-term on-the-job training
Fabric and apparel patternmakers	-27	-2.2	37,760	Long-term on-the-job training
Drilling and boring machine tool setters, operators, and tenders, metal and plastic	-27	-8.9	30,850	Moderate-term on-the-job training
Lathe and turning machine tool setters, operators, and tenders, metal and plastic	-27	-14.9	32,940	Moderate-term on-the-job training
Order clerks	-26	-64.2	27,990	Short-term on-the-job training
Coil winders, tapers, and finishers	-25	-5.6	27,730	Short-term on-the-job training

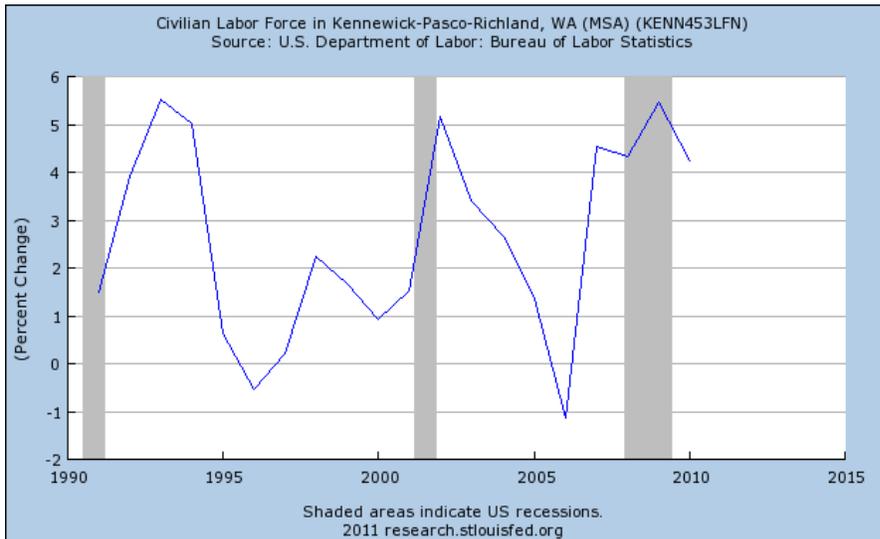
Occupations with the fastest decline (continued)

Photographic processing machine operators	-24	-12.5	20,360	Short-term on-the-job training
File clerks	-23	-49.6	23,800	Short-term on-the-job training
Derrick operators, oil and gas	-23	-5.8	41,920	Moderate-term on-the-job training
Desktop publishers	-23	-5.9	36,600	Postsecondary vocational award

SOURCE: BLS Occupational Employment Statistics and Division of Occupational Outlook

Labor Force and Employment

Labor force and employment data are important indicators of the region's economic performance. They inform us of growth in the labor market and the extent to which people are able to find jobs. As the Tri-Cities population continues to grow, so does the region's labor force. Based on June 2011 preliminary numbers from Employment Security Department Workforce Explorer, there are 138,100 people in the labor force, of which 127,945 are currently employed.



According to the Bureau of Labor Statistics (BLS), unemployment rates are directly tied to educational levels. Unemployment rates have dropped since spiking during 2009, when the recession impacted the local economy. The unemployment rate for the Tri-Cities, as of May of 2011 is 7.4%, while the rates for Washington State and the United States for

the same period were 9.2% and 9.1 %, respectively. The region has not only maintained a low unemployment rate, but has experienced an increase in job growth. According to Garner Economics and U.S. Bureau of Labor and Statistics Report, the Tri-Cities is one of only three metropolitan areas in the country recognized for positive job growth in each month of 2009 and 2010. Areas of strong job growth in the Tri-Cities are in health care, the food processing industry, and manufacturing. Another area to watch carefully is growth within the technology industry: employment in the high-tech field have increased by 11.6% from 2006 to 2009 in Benton and Franklin Counties. Although the majority of the high-technology firms in the Tri-Cities remain relatively small, they have the potential to provide job growth and potential for higher wages, thereby contributing to the regions quality of life.

Knowing where workers are employed helps to understand the local environment as economic development strategies are designed.

Current Employment Statistics (CES) in Kennewick-Richland-Pasco MSA - June 2011	
CES Industry Title	No. of Employed
Total Nonfarm	101,400
Service-Providing	87,900
Total Private	83,100
Private Service Providing	69,600
Professional and Business Services	25,400
Government	18,300
Trade, Transportation, and Utilities	15,800
Local government	14,200
Goods Producing	13,500
Administrative and waste services	12,300
Education and Health Services	11,400
Retail Trade	11,300
Leisure and Hospitality	9,700
Food services and drinking places	7,000
Manufacturing	6,900
Natural resources and mining	6,600
Financial Activities	3,700
State government	2,800
Federal	1,300

Taxes and Gross Collections

Taxes

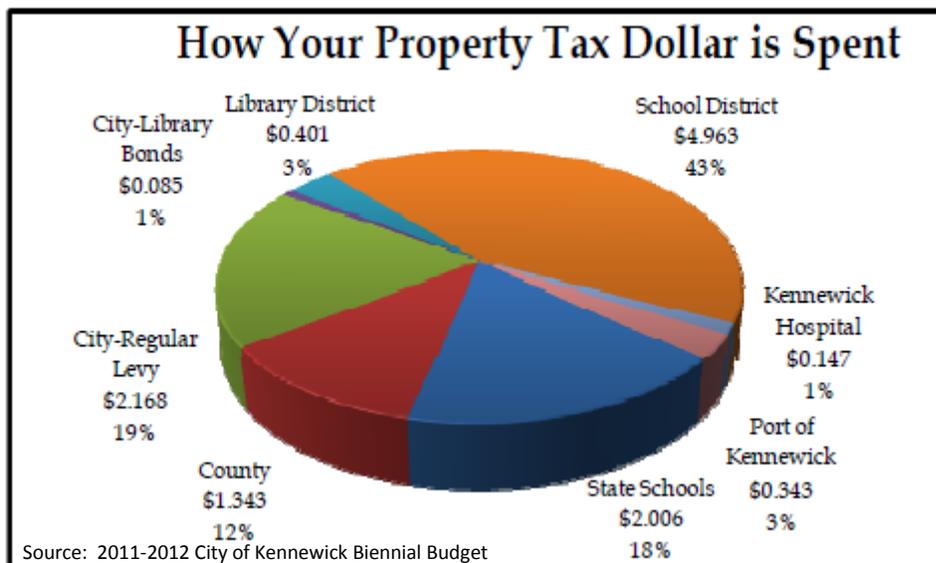
Taxes are the City's most important source of funding and make up 69% of the City's operating revenues. They include Sales & Use taxes (34%), Property tax (33%), Utility taxes (29%), Gambling taxes (3%), and Admissions and Leasehold taxes (1%).

Sales and Use Taxes

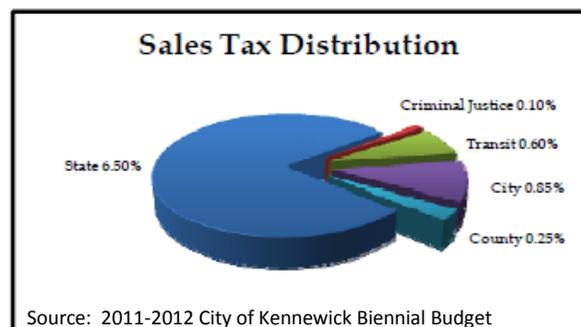
Most retail sales within the City of Kennewick are subject to an 8.3% sales tax. The majority of this tax goes to the state (6.5%) with the remainder being distributed to the City of Kennewick (0.85%), Benton County (0.25%), Ben Franklin Transit Authority (0.60%), and Criminal Justice (0.10%).

The projected sales tax receipts for the 2011/2012 biennium are \$30.9 million (including regular, optional and criminal justice sales tax revenues), making it the largest single tax revenue source for the City. Of this amount, \$21.4 million is used to support operating fund services with the remainder (\$9.5 million)

allocated to the Capital Improvement Fund for capital improvements and debt service obligations. The 2011/2012 biennial projections for sales tax reflect a growth rate of 4% each year of the biennium based on a projected increase of 4% in 2010. This assumes moderate growth in the City's "base"



retail sales activity and also includes an estimate for new sales tax revenue resulting from the City's ongoing economic development efforts. Actual sales tax activity through November of 2010 showed an increase of 4.2%. It is also important to note that actual sales tax receipts for the City declined by approximately 4% in 2009 relative to 2008, meaning that the projections for 2010 sales tax receipts would actually only restore the City's sales tax base to 2008 levels. Considering the City's reliance on this tax revenue source and its volatility, sales tax receipts will have to be monitored closely throughout the biennium.



The underlying sources of sales tax revenue were also considered as a factor in our projections. The bar graph shows the City's sales tax receipts by major industry sector. Retail Trade activity remains the largest industry sector for the City, bringing in roughly 62% of the total revenues received during 2009. Sales tax revenues from service related activities made up approximately 20% of the total sales tax revenue for the year, while activity in the construction sector, which is very volatile, made up 8% of total sales tax revenues in 2009.

Property Taxes

The total 2010 property tax levy for city residents is \$11.46 per \$1,000 in assessed valuation. Of this total, the City of Kennewick levy is \$2.25. What this means is that only 20 cents of every dollar city residents pay in property taxes comes back to the City as revenue. Most of the property taxes paid by residents go to support public schools (60%).

Quality of Life

Quality of life is defined in the Kennewick Economic Development Strategic Plan as “those tangible and intangible features and characteristics that make people decide they want to live in a particular community, and make them commit to staying in that community”. There are numerous components that contribute to quality of life – from physical appearance of the community to the services and amenities that are available. Key indicators of quality of life are:

- Cost of Living
- Climate
- Air and Water Quality
- Local Transportation
- Crime Rates
- Quality of Schools
- Leisure Activities

The Tri-Cities has received national recognition for its quality of life. In 2010, Kiplinger rated the Tri-Cities among the Top 10 best places to raise a family, and CNN/Money ranked the Tri-Cities one of the top 10 best bets for gains in housing value due to its relatively stable economic conditions since the early 2000’s.

Cost of Living

Cost of living indexes are prepared by measuring prices for goods and services in various participating areas and the average for all participating areas equals 100. Each participant’s index is shown as a percentage of the average. A low relative cost of living is a desirable amenity in marketing the community to a new business. In October of 2010, the Tri-Cities had the lowest cost of living in the state according to the AACRA Cost of Living Index.

	Composite Index	Housing	Utilities	Transportation
Oakland, CA	144.0	211.5	95.9	118.8
Reno, NV	100.5	96.9	90.4	114.3
Los Alamos, NM	108.3	122.2	89.6	112.4
Portland-Vancouver, OR-WA	111.6	131.9	87.5	107.7
Seattle, WA	119.8	136.5	86.9	117.6
Spokane, WA	96.0	88.1	90.5	113.6
Yakima, WA	97.6	88.4	84.8	109.7
Tri-Cities, WA	94.5	88.8	84.9	108.9

Source: AACRA Cost of Living Index, Data for Third Quarter 2010, Published October 2010

Housing affordability is a measure of the cost of living for an area. Housing affordability is defined as housing costs that are below 30% of the household income. In Washington State, a significant percentage of households spend more than 30% percent of their income on housing costs. However, the Tri-Cities area enjoys one of the highest affordability indexes in the State. Furthermore, every market in the state, with the exception of the Tri-Cities, saw a sharp run-up in prices in the 2003/2004 to 2007/2008 timeframe and then a sharp drop after 2008. Tri-Cities housing market has remained relatively stable – unaffected by the national “real estate bubble”.

Average Selling Price (June 2011)	\$204,700
Number of Active Listings (June 2011)	1238
Houses Under Contract (June 2011)	343
Average Apartment Rent (2 bedroom, 2 Bath)	751
<i>Source: Tri-City Association of Realtors, July 2011 AACRA Cost of Living Index, Data for 3rd Quarter 2010</i>	

Climate and Air Quality

The Tri-Cities has a sunny, dry and mild climate with over 300 days of sunshine per year. The average maximum temperature is 65.9 degrees Fahrenheit. The average minimum temperature is 42.3 degrees Fahrenheit. Combine this with an average total precipitation of 7.7 inches and favorable air and water quality and you have the perfect environment for golf, water sports and other outdoor recreation.

<i>Source: Sperling's Best Places; WeatherReports.com; U.S. EPA</i>	Tri-Cities	Boise	Portland	Seattle	Spokane	U.S.
Rainfall (in.)	7	12	36	36	18	37
Snowfall (in.)	13	21	6	7	50	25
Precipitation Days	71	88	154	155	89	100
Sunny Days (less than .8 avg. sky cover)	196	206	144	152	171	205
Avg. Temp - July High	90	90	79	75	86	87
Avg. Temp - Jan. Low	26	22	37	37	24	21
EPA Air Quality Index (% days ranked 'good')	92	79	85	83	89	92

Local Transportation

The Tri-Cities enjoys ease of commute and low traffic congestion levels with an average commute time of 20.6 minutes. Benton-Franklin Transit provides a quality bus-based public transportation option, averaging over three million boardings annually. Other forms of public transit such as vanpool and transportation assistance (Dial-a-Ride) are also available.

	Tri-Cities	Seattle	Portland	San Jose	Los Angeles	U.S.
Commute Time						
Average Minutes	20.6	27.1	25.3	30.6	31.8	27.8
Commute less than 15 min.	44%	22%	25%	17%	19%	29%
Commute 15 to 29 min.	37%	43%	46%	40%	36%	36%
Commute 30 to 44 min.	11%	24%	19%	26%	26%	19%
Commute 45 to 59 min.	5%	7%	5%	9%	9%	8%
Commute greater than 60 min.	3%	5%	5%	8%	11%	8%
Commute Mode						
Auto (alone)	81%	56%	63%	76%	65%	76%
Carpool	11%	11%	12%	14%	15%	12%
Mass Transit	1%	18%	12%	4%	10%	4%
Work at Home	4%	5%	4%	2%	4%	3%
Congestion						
Annual Hour of Delay per Traveler	3	37	43	53	70	36
Percentage of Peak Period Travel that is Congested	25%	68%	66%	81%	86%	55%

Source: Sperling's Best Places; Texas Transportation Institute

Crime Rates

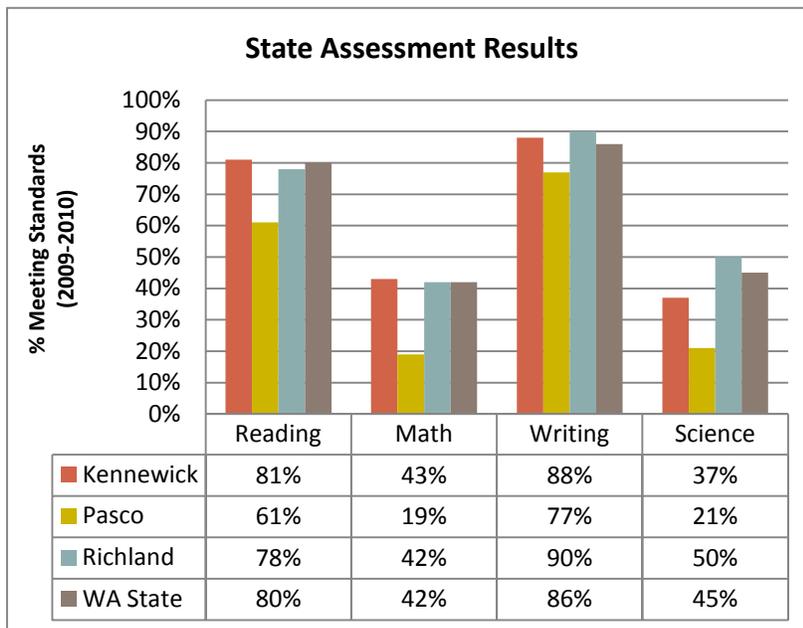
Tri-Cities law enforcement agencies have partnered to combat crime in the region: cooperation among local, state and federal agencies is crucial to the Tri-Cities' low crime rate. The emphasis on collaboration, community-based policing and proactive initiatives have contributed to an overall reduction of major crimes in the region by one percent for 2010. Last year agencies recorded 83 fewer felonies in Benton and Franklin counties than in 2009. The 2010 crime rate for the Tri-Cities was 27 victims per 1,000 (population), which is significantly lower than the national average of 34 per 1,000, and the state average of 40 per 1,000.

Quality of schools

The ability of the local public and private education system to prepare students for college and the workforce is a major deciding factor for businesses looking to locate to this area. Currently, the Tri-Cities area has nine public school districts consisting of 38 elementary schools, eight high schools and six alternative high school programs. The alternative programs focus on science, arts and humanities, and technology. The area also has 14 private and parochial schools that enroll close to 3,000 children from pre-K to high school annually. Combined enrollment for Kennewick, Richland and Pasco School Districts for school year 2009-2010 was 41,447.

K-12 Education					
	Enrollment (2009-2010)	Annual Dropout Rate (2008-2009)	On Time Grad Rate (2008-2009)	Avg. Expenditure per Pupil (2009-2010)	Teacher/Student Ratio (2009-2010)
Kennewick	15,969	5.2%	67.8%	\$ 9,195	1:29
Richland	10,908	3.3%	76.7%	\$ 9,324	1:18
Pasco	14,570	8.7%	63.8%	\$ 9,201	1:19
Washington	1,036,135	5.1%	73.5%		

Overall, Richland and Kennewick are on par with or exceed State results. Pasco shows consistently lower percentages for students meeting state standards. Due to these factors the Tri-Cities lags behind overall state performance for ‘on time graduation’ and ‘drop-out ’ rates: Results in the areas of Science and Math indicates only 50% of students are meeting state standards.



As a result of the above indicators, the region’s school districts and the private sector have combined resources to create Washington State’s only STEM High School - Delta High School; the focus is on science, technology, engineering and math. The goal is to raise a more scientifically and mathematically literate group of citizens.

Leisure Activities



The Tri-Cities offer various cultural events such as the Mid-Columbia Mastersingers, Mid-Columbia Symphony, Mid-Columbia Ballet, Richland Players, and numerous art galleries and exhibitions. Located near the shopping mall district is the Three Rivers Entertainment District: it is comprised of

the Toyota Center, Three Rivers Convention Center and Toyota Arena, and Windermere Theatre, where events such as Arena Football and hockey or Broadway musicals, ice skating shows, or the Mid-Columbia Symphony are held.



Retail shopping is another strong attraction for the Tri-Cities with Kennewick as the retail hub of southeastern Washington and northeastern Oregon. The Columbia Center regional shopping mall district has 20 theater screens, high-end restaurants, and mall that receive 10 million shoppers annually. Southridge, a \$300 million mixed use development, is one of the newest retail hotspots located at the gateway to Kennewick for Oregon shoppers.

Outdoor recreation opportunities are plentiful. There is boating and fishing on the Columbia, Yakima and Snake rivers or hiking and biking along the 23-mile Sacagawea Heritage Trail. There are 123 public parks: Columbia Park is considered one of the main parks of the region with 360 acres of river frontage. The park hosts over 60 special events held each year, including the July 4th River of Fire; and Water Follies Columbia Cup Unlimited Hydroplane race, which attracts tens of thousands of spectators. There are eight golf courses of which Canyon Lakes Golf Course has been named one of ten premier golf courses rated four stars by Golf Digest.



The Tri-Cities is located in the heart of Washington's wine country and is home to more than 80 area wineries and 164 Wineries and Micro Breweries located within a 60 mile radius. An annual \$3 billion industry, Washington State is the second largest wine producer in the nation. Home to five of Washington State's eight American Viticulture Areas, the region produces 99 percent of the state's wine and some of the finest wines in the world.

Washington State University Tri-Cities in Richland has plans to build a 45,000 square-foot facility for a Wine Science Center to provide wine-making and viticulture education and research: construction is anticipated to begin by spring of 2013. The Wine Science Center is seen as an important step in propelling the state into a globally recognized world-class wine region.

Kennewick has added a new sports and entertainment venue located in the Southridge development. The Southridge Sports and Events Complex is a 52 acre multi-sports development offering a variety of sporting, recreation and event amenities for the community to enjoy. The development of the Southridge Sports and Events Complex is in part due to the **community outreach** and support the City has received

and the vision of the Kennewick City Council. The complex provides amenities to attract local, regional and national tournaments for a variety of sports from softball to soccer to lacrosse. The complex houses **the only indoor sports pavilion in the region** which can be used for both sporting activities and events. There is also a walking path, plaza area that hosts a vendors market, HUB building and a community play area which features a large splash pad, playground and gazebo located inside the complex.



Tourism within the Tri-Cities continues to grow despite the effects of the national recession. Benton and Franklin Counties led eastern Washington in hotel guestroom occupancies for 2010. The Tri-Cities Visitor & Convention Bureau reports that visitors to the Tri-Cities area spend \$349.8 million annually and Travel in Benton and Franklin Counties generated local and state tax receipts totaling \$27.7 million in 2009, of which \$7.1 million was retained for local use.

The Tri-Cities is rich in natural resources and history. For this reason, Eco-Tourism to the region is a major attraction to the area. For instance, Tri-Cities is home to the Hanford Reach in Richland, which is the last free-flowing stretch of the Columbia River in the United States. This area was designated a National Monument in June 2000, and represents the only place where the Columbia River remains as when explored by Lewis & Clark. The Sacagawea Heritage Trail provides visitors the opportunity to experience 23 miles of trail along both sides of the Columbia River where Lewis and Clark explored.

Economic Development & Planning Council Committee Outcomes

City staff and council representatives continually seek innovative ways to grow and strengthen the regional economy. The committee used the National League of Cities publication, “The Role of Local Elected Officials in Economic Development: 10 Things You Should Know” as a tool to assess the region’s economic strengths and weaknesses, define the City’s vision, and develop goals and strategies.

The Economic Development & Planning Committee has reviewed previous studies and has adopted the following vision statement.

Vision Statement

Kennewick is an economic leader in Washington and the Pacific Northwest, building on its excellent quality of life, creating a supportive climate for entrepreneurs and small businesses, attracting high technology target industries, and attracting a young professional workforce to support these new industries.

City Council Priorities

The council priorities feed into the economic development goals and the strategies and actions necessary to accomplish them. Furthermore, Council realizes these goals cannot be accomplished without creating partnerships with private developers and other public and private entities.

“The City of Kennewick’s mission is to anticipate and provide for the needs of the community through quality service, innovation and leadership that enhances our quality of life.”

Priority #1) Community Safety

I want to be safe where I live, work and play.

- Police, Fire, Emergency Medical Services
- Safe Drinking Water
- Safe Streets
- Code Enforcement
- Community Involvement
- Recreation Activities
- Building Inspection

Priority #2) Economic Development

I want a diverse and vibrant economy in Kennewick.

- Tourism
- Urban Growth Area
- Permitting
- Infrastructure Funding
- Economic Vitality
- Economic Diversity
- Partnerships

Priority #3) Infrastructure and Growth

I want a well-maintained city whose infrastructure keeps pace with growth.

- Safe and Plentiful Water
- Well-Designed Streets
- Efficient Wastewater System
- Urban Growth Area
- Competitive Utility Rates

- Facilities and Grounds
- Maintenance

Priority #4) Quality of Life

I want to enjoy access to a variety of amenities and opportunities in a safe environment.

- Recreation and Special Events
- Parks
- Adequate Housing
- Public Safety
- Livability, Sustainability and Green
- Land Use and Community Planning
- Public Services and Facilities

Priority #5) Responsible Government

I want a city government that is responsive, responsible and fiscally accountable.

- Risk Management
- Partnerships
- Legislative Influence
- Long Range Fiscal Planning
- Community Outreach and Engagement
- Sound Financial Management
- Excellence in Service



Economic Development Strategic Plan

Goal One: Business Climate

Angelou Economics, Economic Development Strategy, pp. 8-13

Improve the overall business climate in Kennewick by strengthening the support systems for entrepreneurs and small businesses, improving incentives that encourage business location and growth in the city, and engaging in public policy efforts to improve the overall business climate in the state of Washington.

Business Climate Strategy One: Expand the efforts of regional business development organizations to support and monitor business development within the Tri-Cities.

The Tri-Cities area has a wealth of resources and knowledge that is shared through different boards and economic development organizations. Providing support, sharing input and participating in collaborative efforts is an important factor in bringing these diverse groups together for the greater good of the Tri-Cities. Examples of such efforts are:

- Three Rivers Entrepreneur Network established by Pacific Northwest National Laboratory;
- Agribusiness, MCEI, and/or Commerce and Industry committee meetings held by TRIDEC; and,
- Case Management Meetings held by the Emerging & Expanding Business Group
- Research District Park (Board membership)

Action:

1. Continue to serve on boards and committees to continue collaborative efforts with other regional economic development groups.
2. Build upon existing relationships through the creation of regional partnership initiatives linking recruitment efforts to outcomes.

Business Climate Strategy Two: Create a single-source online resource tool for business recruitment, expansion, retention and perspective entrepreneurs.

The strategies listed below address the need for continued support and growth of business activity in the region.

- Implementation of an online business portal known as the Tri-Cities Business Builder to support and build entrepreneurial activity in the Tri-Cities region.

Economic development staff from the cities of Kennewick and Richland identified the need for a central location where entrepreneurs, at all levels and stages in their business, could access information and resources available in the region such as those provided through TRIDEC, the Three River Entrepreneur Network, the Columbia Investor Group venture capital, and Small Business Development Center. The need was not only to provide resources to entrepreneurs, but also gather pertinent information on businesses in a non-invasive manner. As a result, KCSOURCELINK was identified as the model for a regional web portal.

KCSOURCELINK® was created in 2003 to provide a centralized location to link people starting and growing businesses to a network of small business support organizations. Across the network, resource partners assist businesses in gaining access to education, technical assistance, new markets, capital and social networks. Organizations that have utilized the model have seen an increase in new businesses and job creation as well as increased revenue and additional wealth.

U.S.SOURCELINK evolved from the successful vision and implementation of KCSOURCELINK, when other areas began adopting the model in 2004. The network continues to grow in size nationwide. In April of 2011, U.S. SOURCELINK announced five new partners to the network; among those listed was Tri-City SOURCELINK – renamed the Tri-Cities Business Builder.

Tri-Cities Business Builder is a joint venture between City of Kennewick and City of Richland. The two cities have combined financial resources to fund the online business portal and are working collaboratively with representatives from the Emerging and Expanding Business (EEB) Group. The portal will guide businesses to the appropriate service providers by collecting information from the business on the front end and then matching them to the most appropriate resources, service providers and information. Through the portal, entrepreneurs can also take the important step of checking an idea's marketability before making a significant investment. The portal will include an interactive calendar of events, services, and classes, with links for more details. Key benefits from the development and implementation of the portal are:

- Ease of access to information and resources for the entrepreneur.
- Autonomy: entrepreneurs are able to access information in non-threatening manner and without the perception of a high-pressure “sales pitch” from economic development entities.
- Neutrality: the portal is a neutral environment where the perceived or actual competition between economic development entities is taken away and the focus is on the regional benefit and what is best for the customer.
- Current business demographic data is collected on the front end through the portal and shared among economic development entities.

The cities of Kennewick and Richland are also developing a process in which the business licensing process is streamlined and centralized and available online through Tri-Cities Business Builder.

Actions:

1. Continue working with SOURCELINK and the EEB Group to complete the service provider directory.

2. Staff support and follow-up are imperative to the success of the business portal: continue city staff participation to support business retention and growth. Follow up with connections made through Tri-Cities Business Builder. Respond to needs of clients.
3. Attend regional tradeshows supporting Tri-Cities Business Builder.
4. Attend meetings and continue financial support as founding partner of the Tri-Cities Business Builder.
5. Regional websites of Go2Tri-Cities.com and Go2Tri-Cities.org expansion to be connected to Tri-Cities Business Builder.
6. Launch an awareness and marketing campaign of Tri-Cities Business Builder under the banner of the Tri-Cities.

Business Climate Strategy Three: Enhanced customer service delivery through One-Stop permitting and faster response times from City Council and Planning Commission.

During the last two years, builders and developers raised concerns about the timing and quality of services received from City staff. These stakeholders were asked to participate in meetings with staff to review practices and provide input on the development review process.

Two committees addressed issues of communication, consistency, reliability and flexibility. Committee recommendations were forwarded to an internal process review team for review and potential integration into the current process. The city then engaged in a process of reviewing its development processes. A process review team was initiated, which included department heads, managers, supervisors and other staff, responsible for all customer service functions.

The result of the review was the creation of One-Stop Customer Service area that integrates the customer service functions of Recreation, Tourism, Utility payments, Building, Planning and Code Enforcement. The intent was to minimize the perception of non-responsive services, while providing reduced wait times, robust technology alternatives and the ability for one customer care representative to address multiple service areas. Wait times have been reduced since the One-Stop Customer Service model ensures staff is cross-trained to provide delivery of services across the service integrated departments.

Building, Planning and Municipal Services have streamlined their processes to provide better and more efficient service. The following is a list of changes that have been implemented:

- Permit applications and plans are being “quick” reviewed at the counter to check for completeness.
- On-line scheduling inspection and permit application: 97% of customers are using the on-line inspection service.
- Staff continues to update permit applications with clearer language and detail.
- Staff has created a “Conditions List” for contractors in the field identifying the items still needed to secure a Certificate of Occupancy.
- Staff has been e-mailing plan review comments instead of postal mail. Builders and owners have been very appreciative of this direction.

- Pre-Certificate of Occupancy meetings are scheduled to review final inspection requirements prior to meeting at the job site: this will be offered on the website and in-person at the counter.
- All inspector vehicles have laptops installed in them to further enhance the efficiencies of the on-line scheduling and inspection requests.
- Staff has formalized a pre-application regular weekly meeting: staff and customers have seen this as a positive and productive use of their time.
- Staff follows up with pre-review meeting minutes and action items by e-mailed to everyone who attended.
- Staff has developed a more user friendly approval letter, with the following changes:
 - Reducing content where necessary to focus on key points.
 - Adding links to any code references listed in the letter.
 - E-mailing the approval letter to save time and make it possible to use the links that were added.
- Staff has started using an Optional “Determination of Non-Significance (DNS)” process. This moves the 14-day comment period for any mitigated determinations of non-significance to the time when staff is reviewing the project.
- Staff has reduced the plan review period from 15 to 10 days.
- Civil plan review can be tracked on-line.
- Separate permits have been developed for fire lines and storm water retention.
- Application forms have been developed and are available on-line.
- Fee estimates for residential and commercial water/sewer connection fees, sidewalks, and underground construction are available on-line.
- Hydrant meters may now be done in one place: they may go directly to the Frost Building to pay and pick up the meter or they still have the option of coming into City Hall to pay and get their paperwork.

Planning staff is seeking to make the governing regulations more user-friendly for internal and external customers through the development of a Uniform Development Code (UDC): the UDC would update, simply, clarify and ensure consistency between ordinances in the Kennewick Municipal Code (KMC) Title 4 (Administration), Title 17 (Subdivision) and Title 18 (Zoning).

Staff has identified the following opportunities for improvement to the current KMC:

- format and structure revision for better clarity;
- consistent language, including standards or requirements;
- clarify review procedures and permitting requirements;
- update standards;
- include graphics and illustrations with different dimensional information than district standards;
- include clear and consistent definitions;

- provide clear and consistent cross-references within sections, section headings, and a comprehensive index; and
- ability to easily insert amendments.

The UDC would be:

- User-Friendly”, easy to read, understand, and interpret for all users, including citizens, staff, developers, and elected and appointed officials;
- Simple, flexible, and easily administered by staff;
- Heavily illustrated, with considerable graphics depicting the requirements, recommendations, and concepts detailed in the code; and
- Innovative and creative approaches to land-use regulations.

The One-Stop Customer Service area is one part of mobilizing staff for strategically meeting the needs of the business community. The Planning Commission and City Council have the ability to have a positive effect on policy decisions that can impact business development in Kennewick. The Planning Commission is a seven-member body appointed by City Council as advisors on matters relating to land use, economic development, infrastructure, and urban design. Additionally, the Commission makes recommendations to the Council on proposed changes to the zoning map and zoning ordinance. City Council and the Planning Commission have also focused on providing quicker response and review times and have become more flexible in their determinations, recommendations, and actions, in order to accommodate and encourage economic growth.

Actions:

1. Continue to develop and cross-train One-Stop customer service staff.
2. Continue with One-Stop customer service area reconfiguration/remodel.
3. Continue to automate the permitting process to the greatest extent possible so that applicants can apply for and pay for permits online.
4. Continue to increase quality through pre-application meetings and continuation of “time is money” collaborative efforts with development community.
5. City Council and Planning Commission to continue working collaboratively to encourage economic development.
6. Continue to work on development and funding of the Uniform Development Code.

Business Climate Strategy Four: Intensify lobbying efforts at the state level to improve Washington’s business climate.

In the past, TRIDEC was the primary organization for lobbying efforts in the Tri-Cities. The City of Kennewick City Council has enhanced their outreach efforts by combining with sister jurisdictions to create a unified “Tri Cities” lobbying coalition. Council members are taking a proactive approach to changing the business climate by meeting with state representatives, creating an annual legislative agenda, testifying before the legislature, and sitting on regional and state boards, to name a few.

On August 9, 2011, legislators from the eighth and sixteenth districts attended the Council workshop to discuss the Council's legislative priorities for the upcoming session: among those in attendance were

Representative Klippert, Representative Haler, Senator Hewitt, Representative Walsh and Representative Nealey's aide Meagan Allen.

The legislative priorities identified for 2012 are as follows:

- Expanding Urban Growth Area Boundary for Economic Development Purposes
- Anti-Gang Legislation (House Bill 1126)
- Verify Citizenship for Drivers Licenses, Permits and Identical Cards Applicants (House Bill 1577)
- Relax Certain SEPA Requirements
- Support Certificate of Need Reform
- DOE Water Rights
- Repealing Non-Resident Exemptions from Tax on Retail Sales

In addition to Council's specific legislative priorities, Council has committed to the AWC legislative priorities; some of those priorities are identified below:

- New Approaches to Contain Public Records & Personnel Costs
- Fiscal & Regulatory Flexibility
- Strategic Infrastructure Investment
- Tax Increment Financing
- Mitigating Medical Costs for Offenders

Action:

1. Continue collaborative efforts with regional legislative staff and representatives to participate in regular lobbying efforts of state senators, state representatives, and the governor on issues that have been identified by the City Council and Mayor as legislative priorities.
2. Take a more active role in Olympia by providing testimony in either written or oral format.
3. Participate in the annual legislative forum held in Olympia.
4. Provide proactive feedback on future legislative items concerning economic development and council priorities.

Goal Two: Education & Workforce Development

Angelou Economics, Economic Development Strategy, pp. 14-18

Ensure that education institutions and the workforce development system in Kennewick can prepare workers for jobs in target industries.

The Tri-Cities has several educational resources from which to build on to create a workforce prepared to fill the jobs that target industries will create. The public education system is well-regarded by some residents, but available data shows evidence that the quality of public education has been slipping and needs to be improved if the community is to be economically competitive. In 2006, the Angelou Study recommended establishing Center for Advanced Research and Technology (CART) to help prepare high school students to work in the target industries identified in the strategic plan. Since then, the Pasco, Richland and Kennewick school districts have partnered with PNNL, CBC and WSU Tri-Cities to create Delta High School.

Education & Workforce Development Strategy: Support and partner with the Delta High School and with regional colleges and universities in educating and developing our regional labor pool.

Delta High School is a STEM (Science, Technology, Engineering and Math) public high school designed to prepare students for a career in science and technology. The focus is on STEM Literacy which is described by the Washington State STEM Education Foundation as, “the ability to identify, apply and integrate concepts from science, technology, engineering, and mathematics to understand complex problems and to innovate to solve them”. Delta High School is the pilot project of the foundation and marks the first major collaboration among the school districts, institutions of higher learning and regional businesses. The high school is an important step in raising the educational bar for students throughout the Tri-Cities.

Next, high school students have the opportunity to challenge themselves academically while earning college credits. The Running Start was program created by the Washington State Legislature and gives high school junior and seniors the opportunity to enroll in courses at Columbia Basin College (CBC). Academically qualified students take college courses while still in high school and college credits earned as part of this program are transferable to all other Washington state public colleges and universities.

The Tri-Cities is home to valuable higher education resources in the form of Columbia Basin College, a highly regarded community college, and the Tri-Cities campus of Washington State University, a four-year university. Colleges and Universities provide a tremendous amount of economic benefit to an area, especially when students reside on-campus. Columbia Basin, being a two-year college has a highly transient student population. Students may live in surrounding communities and leave; and students who transfer out to a four-year university leave the area as well. Washington State University Tri-Cities could have a greater impact if on-campus dorms were added: students would become part of the community even if only for the duration of their college career, although the goal would be to retain the young and educated to add to the Tri-Cities workforce. Expanding the reach of the campus beyond Benton and

Franklin counties will create a student body that includes residential as well as commuting students. Both daytime and evening classes will be offered to accommodate these students. The student body will also include an increased percentage of fulltime students.

Washington State University Tri-Cities is in a unique position to attract students from across the state due to its destination programs in areas such as Viticulture and Enology, Nursing, Bio-Sciences, Engineering, Math, Science and ESL Teacher Education and the opportunities to participate in internships and undergraduate research projects. CH2M Hill has pledged \$1 million over the next five years to support the engineering program at WSU Tri-Cities. The monies will be used to create two positions, including an academic director for science and a civil engineering professor. The gift will also support the school's Science and Engineering Advisory Council and create internship opportunities with career potential.

Actions:

1. Continue to support educational programs including the Delta High School and Running Start programs through the provision of career coaches, internships, and outreach efforts.
2. Continue working with legislative delegation from the Tri-Cities to gather support from other legislative leaders, as well as the Governor and other statewide elected officials for continued support of Washington State University Tri-Cities and its expansion.
3. Continue support of WSU Viticulture Center.

Goal Three: Quality of Life

Angelou Economics, Economic Development Strategy, pp. 19-21

Improve the community's ability to attract young professionals and other workers who can fill jobs in target industries.

The Angelou study identified the need to recruit and retain young professionals, those people between the ages of 25 and 44. Target industries, especially those related to high-technology fields are drawn to areas with young professionals in this age group and with an educational attainment of a bachelor's degree. This group is the most entrepreneurial and the most mobile of people in the U.S. population and the challenge is trying to keep them when statistically their numbers in the Tri-Cities have dropped by 6.2% over the past decade.

Quality of Life Strategy One: Expand upon the Young Professionals of Tri-Cities Network and the Young Professionals in Energy Network efforts to attract and retain young professionals in the Tri-Cities.

The Angelou study addressed the need for the establishment of a young professionals' network as the first vital step a community could take to begin reversing the loss of young professionals and eventually increase their numbers throughout the region. The online social networking phenomenon that is Twitter, Facebook, My Space and the like have changed the way people stay connected; however, the need for human interaction still exists. TRIDEC started the Young Professionals of Tri-Cities Network in 2007 and in 2011 PNNL chartered a chapter of the Young Professionals in Energy Network in the Tri-Cities as a means to provide the human interaction component. Both groups offer members the opportunity for community service, professional development, political opportunities, and networking opportunities. City of Kennewick is a founding member and financial partner of the Young Professionals of Tri-Cities and staff members serve as advisors and mentors.

The network itself is not a means to an end: the need for venues where young professionals and others in that same age group can gather is largely missing in the Tri-Cities. The need for entertainment will be further addressed with the expansion and further development of the Three Rivers Entertainment District.

Actions:

1. Continue to support the efforts of TRIDEC and PNNL as a business partner.
2. Continued financial support of Young Professionals.
3. Continue to partner with Richland to provide leadership on the TCYP board.
4. Support economic development strategies that provide more opportunities for socialization and networking.

Quality of Life Strategy Two: Continue efforts to establish a more clearly defined entertainment district in the Vista Field and Convention Center Area.

The success of cities hinges more and more on cities' role as centers of consumption (Glaeser, Kilko, and Saiz). The Angelou study identified the lack of a “well-defined ‘sense of place’ in Kennewick, particularly a well-defined ‘downtown’ or business and entertainment center that could be considered the ‘center’ of Kennewick”. This center would be vital to further developing a “center of consumption” whereby to attract and retain target industries and young professionals. Four elements of growth in city centers were identified by Glaeser, Kilko, and Saiz in their 2000 study:

1. The presence of a rich variety of services and consumer goods. Amenities such as restaurants, theaters and an attractive mix of social partners: cities with more restaurants and live performance theaters per capita have grown more quickly over the past 20 years both in the U.S. and in France.
2. The second amenity is aesthetics and physical setting: physical attributes of a community that make life more pleasant appear to be increasingly valued by consumers.
3. Good public services such as quality schools and low crime rates crime are also linked with urban growth – schools and low crime also appear to be important in attracting a highly educated workforce.
4. Ease of transportation: the range of services (and jobs) available in a metropolitan area is a function of the ease with which individuals can move around. As time becomes more valuable, individuals will particularly avoid areas where transport costs are high.

The Three Rivers Convention Center and Vista Field area were identified as the ideal location to establish and further develop the “Three Rivers Entertainment District”, as it is already the location of two major entertainment venues, the 75,000 square-foot Three Rivers Convention Center and 6,000-seat Toyota Center Arena. This area can be a mix of businesses, entertainment venues, and supporting retail establishments that make the area more attractive to businesses that might consider locating here. As a result, City of Kennewick, Kennewick Irrigation District, Port of Kennewick and the Transit Authority developed the Three Rivers Entertainment District Plan. Additionally, VenuWorks, in their strategic plan, has committed to, “Take proactive steps with local governing bodies and agencies to support the vision of the Three Rivers Entertainment District and any zoning changes supportive of the mission”.

In March 2010, the Port Commissioners voted unanimously to retain Vista Field Airport as an active general aviation airport to serve the current and expected needs of the regional community. Port staff have applied for Washington State Department of Transportation funds to update the airport master plan which will guide future development, facilitate additional grants, and help engage private investment consistent with that plan. Port staff are evaluating the existing aviation building's efficacy in an effort to secure a fixed base operator (FBO) to provide aviation-related services at the airport.

A Richland developer has closed a real estate transaction in the amount of \$365,000 for the purchase of 1/2 acres of prime land owned by City of Kennewick near the Three Rivers Convention Center for a Wyndham Microtel, and taking an option to buy 2.28 more acres nearby. Terms of sale require Beaver Creek Property to have a hotel "of national recognition" built on the site, with plans to be submitted to the city within six months.

In 2009, Representative Brad Klippert, Republican-Kennewick, was prime sponsor of House Bill 1377, which would allow the cities of Pasco, Richland and Kennewick to collectively pool resources for construction of public projects by forming a single public facilities district (PFD) to pay for regional projects. A public facilities district allows a city or county government to use a variety of tax options to fund regional facilities and would provide a larger tax base by which to fund those projects.

The House Bill passed and the Tri-Cities Public Facilities District Board was established and is comprised of nine members, three from each of the sister cities: the members propose public projects that are voted on by Tri-Cities residents. The board is currently reviewing four proposals. Although locations have not yet been determined for these facilities, there are projects that could provide additional entertainment venues directly to the Three Rivers Convention Center and Vista Field area:

- Aquatic Center with an indoor 50-meter competition pool, a wave pool with zero depth entry, a warm water pool for seniors and for therapeutic use, an indoor/outdoor lazy river, indoor water roller coaster, surfing, wading and spray pools and spectator seating for up to 1,000 people. It is projected to serve 700,000 patrons annually and generate up to \$2.5 million in revenues.
- Performing Arts Center - 70,000 square-foot facility with at least 2,000 seats. It would bring more than 80 events annually, would potentially add between \$25 million and \$40 million into the region's economy.
- Three Rivers Convention Center Exhibit Hall - In the last year alone, the number of inquiries that couldn't be accommodated because the events were too large represented a potential 50,000 attendees and an estimated \$14 million to the Tri-Cities, adding 40,000 square feet of exhibit hall space would open the doors to those lost conventions
- Hanford Reach Interpretive Center project to build a 61,000-square-foot center at the west end of Columbia Park and would provide educational and cultural enrichment to the region.

Many communities have developed mixed use centers that include an attractive variety of space for businesses as well as retail establishments such as book stores, restaurants, dry cleaners, pharmacies and other types of establishments providing products and services that workers at businesses might frequent. City of Kennewick should seize upon opportunities to create a similar city center that has entertainment venues such as bars and music venues that keep workers in the area well past business hours. Such types of mixed-use centers would also attract others who do not work in the area to shop, eat, and socialize. Areas with a multitude of uses are also attractive to young professionals, who like to work and play in vibrant areas that are the center of action. Developing the 'entertainment district' into a mixed use center could not only serve the needs of consumers but also provide a more attractive urban landscape to Kennewick and create more of a "sense of place" that many participants in the planning process have maintained is missing in the city.

Actions:

1. Work with developers to identify properties in the area for development of additional retail and entertainment venues to complement the business, convention, and tourism activities already in place in the Vista Field area.
2. Actively recruit desired retailers in conjunction with retail property owners.

3. Develop marketing materials and programs to promote the Vista Field area as a place to work and play.
4. Support code amendments that help to enhance the area.
5. Support Port of Kennewick's activity in updating the airport master plan which will guide future development, facilitate additional grants, and help engage private investment consistent with that plan.

Quality of Life Strategy Three: Continue development of the Bridge to Bridge, River to Railroad area, including Columbia Drive.

While it is important for Kennewick to support the improvements that are underway in the Vista Field District and convention center area, it is also important that it continue efforts to build the area from the Port of Kennewick Clover Island area to Historic Downtown, including Columbia Drive.



This area is known as the bridge-to-bridge and river to rail corridor. As the city works in partnership with the Port of Kennewick and the Historic Downtown to add in the creation of a vision for each, it is important to remember the economic development importance of how the two visions can work together to create a truly connected community.



In partnership with the City, the Port is working together with stakeholders to establish a vision and develop an implementation plan to begin revitalizing the bridge-to-bridge area. This will include discussions on land use, zoning & design standards. City staff and leaders have formed a strong relationship with our Port partners and continue to be available to assist in this process. There is a

commitment from both partners and stakeholders to work toward a vision that renews and regenerates the downtown area, with new economic vitality and opportunities for continued growth.

The Port of Kennewick staff is working with economic development partners, including the City of Kennewick, to foster sustainable business, industrial, and commercial development. The Port is looking for opportunities to revitalize commercial neighborhoods and enhance the community's waterfront. The Clover Island Shoreline Restoration Plan and the Port's acquisition of Columbia Drive property hold great promise for bringing new restaurants, shopping, spas, entertainment, trails, waterfront access, and lifestyle amenities to historic downtown Kennewick. The Port's investment is an opportunity to provide a boost that can energize and transform a neighborhood in transition into a vibrant retail, residential, and tourism destination. The Building Industry Association of Washington named the Port's Clover Island Lighthouse their Community Improvement Project of the Year for 2010.

Artwork and architecture are key elements of the Port of Kennewick's urban renewal efforts for Clover Island in Historic Downtown Kennewick. In December, 2010 a crowd gathered to dedicate a new shade

structure over the Metz Family Plaza, and celebrate the "Family Group" the third piece of public art installed at Clover Island.

The Port of Kennewick received the 2007 Downtown Revitalization Award, from the City of Kennewick Block Grant Advisory Committee and the Historic Downtown Kennewick Partnership, for the Port's urban renewal efforts and the two-story professional office and commercial building completed on Clover Island.



Efforts are underway to make improvements, as evidenced by the development of a downtown revitalization plan and recommendations in the Bridge to Bridge, River to Railroad plan for downtown revitalization. Revitalization of historic downtown and development of the convention center area will give Kennewick two major commerce centers, each with its own features to generate economic activity. The

downtown improvements all fit into efforts to reconnect downtown with the Columbia River, which joins two important community assets and makes each asset even more appealing and valuable.

The Historic Downtown Kennewick Partnership was designated to coordinate revitalization projects within the following area: Bridge to Bridge – River to 10th; Columbia Drive (including Clover Island); Central Business District (Washington to Dayton, Canal to 1st Avenue); and the Civic Center. The Historic Downtown Kennewick Partnership is a membership-based organization averaging between 115 to 120 business and property owners in addition to individuals and small non-profit organizations. Members sit on designated committees to focus on specific areas of need in the downtown area.



Historic Downtown Kennewick Partnership Performance Standards:

First quarter performance measures: (To complete by March 31, 2012).

1. Zoning, Overlay, Downtown District: Complete a plan with specific timelines and scope of work to achieve by the end of the year, including a final recommendation to the City Manager by October 31, 2012. Present plan to City Manager by March 31, 2012.
2. Provide a comprehensive marketing plan for the downtown by March 31, 2012, to be presented to City Council by April 15, 2012.

Second quarter performance measures: (To complete by June 30, 2012).

1. Create a five-year vision and mission for downtown, with a corresponding strategic plan outlining specific goals and measurements to achieve the identified outcomes by June 30, 2012, to be presented to City Council by July 15, 2012.
2. Mainstream Columbia Drive into the strategic planning, marketing and outreach program by completing at least one partnership opportunity with the Columbia Drive business owners, which show a marketing linkage to downtown. This could include way-finding signs, events, marketing materials, etc.

Third quarter performance measures: (To complete by September 30, 2012).

1. Revitalize the downtown “look” by completing at least one enhancement project identified by the downtown board including, but not limited to, fountain enhancements, signage, way-finding art or signs, banners, etc.
2. Obtain a net increase in membership dollars of not less than 5% over 2011, and a corresponding net decrease in City subsidized dollars.

Fourth quarter performance measures: (To complete by December 31, 2012).

1. Identify the current vacancy rate and bring in appropriate new businesses to the downtown and/or Columbia drive corridor, while maintaining current businesses.
2. Build a network of downtown ambassadors, other than board members, to assist in recruitment, expansion and retention of businesses. Achievement of this goal is measured by providing a list of ambassadors other than board members, who are working with the HDKP to increase business in the HDKP area.
3. Enhance partnerships such as with Port, Benton/Franklin Council of Governments, Hanford Area investment Fund and other applicable agencies. Achievement of this goal is measured by the identification of at least one partnership project, which will begin before the end of 2012 and continue into 2013. Partnership projects must be agreed upon in writing by December 31, 2012.

The Columbia River is one of the greatest natural assets Kennewick has. The river offers a number of possibilities for enriching the quality of life in the Tri-Cities. The river provides a place for outdoor recreation, such as boating, fishing, and water skiing; entertainment, such as annual hydroplane races; and simply being in the outdoors for picnics, bird watching, or other activities.

A comprehensive vision for the bridge to bridge, river to rail and Columbia drive area can only be completed through the combined efforts of other agencies and organizations such as the Port of Kennewick, Historic Downtown Kennewick Partnership, City of Kennewick, Benton-Franklin Transit, Kennewick Housing Authority, Council of Governments, Economic Development Council, TRIDEC, regional chambers of commerce, and other public, non-profit, and private participants.

Actions:

1. Continue to grow and develop strategic partnerships among economic development entities, and private and public organizations, and private developers.
2. Continue partnership with the Port of Kennewick on a visioning process for the Bridge to Bridge, River to Rail corridor.
3. Support and contribute to downtown revitalization efforts as determined in partnership with the Historic Downtown Partnership group, the Port of Kennewick, and other stakeholders.
4. Work for changes in regulatory requirements to support development in this area.
5. Market and outreach to potential developers for available properties in this area.
6. Work with HDKP to create a five-year vision with measurable objectives.

Quality of Life Strategy Four: Continue development of the Southridge area.

City of Kennewick has identified the Southridge area as focal point for economic development as it is projected that 60% of Kennewick's growth will be in this area. Since 2007, the city has implemented projects to set in place necessary infrastructure to make possible the vision for Southridge's economic development and growth. The 2011 Comprehensive Plan and the Southridge Subarea Plan include area-wide rezoning to improve zoning districts to best accommodate business and residential development.

In July of 2009, the City of Kennewick created the "Southridge Revitalization Area", which encompasses an area of approximately 1,676 acres in the City's Southridge neighborhood. The revitalization area was created to finance (a) street and road construction and maintenance, (b) water, sewer and stormwater system construction and improvements, (c) sidewalks, streetlights, landscaping and streetscaping, (d) park facilities, and (e) expenditures for ongoing maintenance and other professional services associated with the area.

In September of 2009, the City of Kennewick was notified by the Washington State Department of Revenue that it had received an award of up to \$500,000 per year for 25 years for its Southridge Revitalization Area under the State of Washington's Local Revitalization Financing (LRF) program, which provides for a form of tax increment financing. In order to receive this award, the City was required to issue LRF Bonds to fund the improvements planned for its Southridge Revitalization Area and demonstrate to the State that it had received at least \$500,000 in incremental (new) property and sales taxes during 2010 as a result of new activity occurring in the Southridge Revitalization Area .

In May of 2011, the City completed the last of its requirements to receive the State's \$500,000 annual award. The proceeds of this award, plus at least 75% of the City's property tax increments generated in the Southridge Revitalization Area, and property and sales tax increments pledged by the City's local LRF partners, are required to be used to pay the annual debt service on the City's \$13.6 million LRF bonds.

The funding for the Southridge expansion for projects largely focused on transportation improvements such as Phase 2 and 3 of Steptoe to finish the Hildebrand connection, which is key to providing access from Richland to the Southridge area.

The Southridge Sports Complex and Entertainment Center, another vital component of the expansion, is near completion: it will consist of three ball fields, a playground and community buildings, plus a 30,000-square-foot indoor pavilion, gazebo and splash pool, and is anticipated to bring thousands of visitors into the area. Marketing of the Southridge area is of vital importance: city staff has been aggressively marketing the area at ICSC conferences both regionally and nationally.

The following Vision Statement, developed by the Task Force and approved by the Kennewick Planning Commission and Kennewick City Council, served as design objectives throughout development of the Southridge Sub-Area Plan:

Southridge will be a village, gateway, integrated neighborhood with a village feel that:

- Stands, as a distinctive part of the larger Kennewick community.

- Creates a sense of place that invites community and connects people to each other and their natural surroundings.
- Is a place where individuals work, rest and play.
- Aspires to design diversity and aesthetic awareness through standards and guidelines that respect the area's natural amenities and creates a quality village environment with discernable center and edges.
- Adds to the Kennewick community and region.
- Seeks to conserve resources (water, power, existing infrastructure, materials and dollars).
- Provides diversity of housing.
- Is sensitive to human scale.
- Maintains the existing natural environment for recreational use by its residents and the community
- Creates an attractive and inviting entry into the Tri-Cities
- Utilizes a master plan for development, roads and utility corridors.
- Is an appropriately scaled and sized community business center surrounded by a variety of residential neighborhoods

Actions:

1. Continue implementation of Southridge Subarea Plan
2. Continue to leverage funding for infrastructure improvements
3. Continue marketing efforts at ICSC.
4. Work with area brokers to market future Southridge development.
5. Develop design competition for City owned land adjacent to the Southridge Sports Complex.
6. Continue development efforts to continue qualifying for the RLF tax increment financing.

Goal Four: Sites & Infrastructure

Angelou Economics, Economic Development Strategy, pp. 22-25

*Maintain the area's infrastructure so that it meets the needs of target industries
Kennewick wants to attract.*

Quality of life in a community largely depends on the availability and quality of infrastructure such as roads, parks, and utilities. Kennewick's population is expected to grow from 60,410 in 2005 within the City limits to 85,541 by the year 2025 within the Urban Growth Area (UGA), creating a need for infrastructure growth and development to provide additional and adequate services. Furthermore, strategic public investments in infrastructure support economic development and growth by encouraging private investment into the area and to provide quality of life to its citizens.

The Tri-Cities already has in place infrastructure in the way of major interstates, a regional airport, river ports and rail network that make the area attractive to perspective businesses. The Tri-Cities lies directly north of I-82, which links three major interstates: I-84 to the south, which provides access to Portland, Oregon, Idaho and Colorado; I-90 to the north, which provides a direct route to Seattle and east/west access through the state; and Interstate 5, which runs from Mexico to Canada along the west coast, connecting the majority of the major cities along the way. Burlington Northern Santa Fe Railroad and Union Pacific rail networks provide services regionally and the West Coast, Great Lakes region, the Gulf of Mexico, and Eastern United States. Port of Kennewick, Port of Benton and Port of Pasco serve the Tri-Cities shipping needs through the Columbia-Snake River system, which covers 465 miles from the Pacific Ocean into the North American continent.

An example of the success and revenues generated from current infrastructure is the 2011 Port of Pasco-Exxon deal. Exxon had to ship giant pieces of oil drilling equipment from Korea to Canada by shipping them to Lewiston, Idaho and then to Canada along Highway 12. However, citizens of Idaho protested and Exxon chose to use the Port of Pasco for receipt of 49 megaloads totaling 1,900 tons. It is estimated that the one shipment received in July brought as much money as the Port of Pasco makes in six months of shipments. Breaking down the loads to be trucked from Highway 395 to Interstate 90 through Spokane, and on to Canada will create local jobs and will bring business to local spots that support transportation like hotels, restaurants and truck stops.

Infrastructure in the 21st century goes beyond transportation and facilities: just as important is the infrastructure to keep businesses and citizens connected on the information superhighway. The Federal Government recognizes the importance of public investment into expanding broadband services: in 2009, the American Recovery and Reinvestment Act (ARRA) allocated \$7.2 billion for broadband investment and commissioned a National Broadband Plan to increase access and foster economic development. The initiative will pay for the construction of more than 1,300 miles of new fiber optics to enhance connectivity and attract economic investment to the rural areas of Benton, Franklin, and neighboring counties.

City of Kennewick is currently working with telecommunications providers such as Pocket iNet™ and Benton PUD on expansion of broadband capabilities. City of Kennewick also customarily provides for

extra conduit at road crossings to provide for future upgrades. Updated and modern broadband infrastructure is necessary for businesses to connect across regional, national, and global markets.

City of Kennewick Infrastructure Committee has focused on developing a six year capital program, along with potential funding sources for that program. The committee began with the Council retreat in 2009 where capital program needs were identified, prioritized and categorized. The infrastructure committee has continued to review and refine the capital program and provided recommendations for Council consideration. The existing six-year capital program included in the biennial budget has the following components and is funded with a variety of sources such as potential grants, bond issues and partnership contributions in order to maximize taxpayer capital resources:

- **Council Priority Programs - \$31.5M** – Southridge Sports Complex and Infrastructure, Steptoe, Fire Station, Three Rivers District and other programs
- **Partnership Programs - \$18.8M** – Bridge to Bridge, Toyota Center, Undergrounding Utilities, Southridge and other programs
- **Public Facilities - \$7.7M** – Columbia Park Golf Course, Fire Station #3 Remodel, Frost Campus, Hansen Park and other programs
- **Efficiency/Effectiveness Programs - \$6.7M** – Energy Audit, Equipment Replacement, Technology Improvements and other programs
- **Emerging Needs and Opportunities - \$5M** – Grant Match and Olympia Street
- **Deficiencies - \$2.8M** – Civic Complex, Dayton Street, Clearwater and other programs
- **Preservation - \$13.4M** – Pavement Preservation, Traffic Signals, Facilities, Crack Sealing, ADA Improvements, Street Lighting and other programs

It is important to capitalize on the infrastructure that exists regionally, while enhancing local infrastructure to meet the demands of local economic development and population demands. The Kennewick Comprehensive Plan addresses four basic areas of infrastructure: Capital Facilities, Transportation, Utilities, and Essential Public Facilities. These infrastructure facilities must be consistent with the State Growth Management Act and the community's vision for continued economic development and enhancement of quality of life for its citizens.

Sites & Infrastructure Strategy One: Continue to develop infrastructure to position Kennewick for continued recruitment and expansion of business and residential development and projected population growth.

The Capital Improvement Program forms the basis for the capital budget and presently encompasses projects tentatively scheduled for years 2009 - 2014. The total 2009/2010 budget for the capital funds is \$38.6 million for a wide variety of new projects that include new street construction, street reconstruction and overlays, storm drainage improvements, storm drainage improvements, park construction/improvements, signal installations, and equipment and vehicle purchases.

The City of Kennewick has been aggressively pursuing infrastructure upgrades as detailed in the 2011-2012 Biennial Capital Improvements Project report:

PROJECTS COMPLETED - FIRST HALF 2011

27th Avenue and Vancouver Street - Roundabout

Design: City

Inspection: City

Contractor: Heritage Professional Landscaping

Construction Cost: \$7,100

Project: Installation of landscaping and block wall on the northeast corner of the roundabout due to numerous run-of-road crashes cause by DUI and/or speeding drivers.

Status: Completed May 4, 2011

K-4 Fencing and Backstop Replacement

Design: City

Inspection: City

Contractor: SeaWest Construction, Inc.

Construction Cost: \$67,200

Project: The project was for the removal of the existing outfield fencing and backstop, installing a new backstop, concrete aprons, fenced dugouts, and approximately 535 linear feet of 6' chain link fencing and mow strip at the Civic Center Athletic Complex

Status: Completed March 15, 2011

School Rapid Flash Signs (Sunset View Elementary and Westgate Elementary)

Contractor: Power Pro, Inc.

Inspection: City

Construction Cost: \$40,000

Project: Project was for the installations of four grant funded solar powered Rectangular Rapid Flash Beacon assemblies. City staff applied for the grant on behalf of the school district for the beacon assemblies and provided the engineering and construction administration. The cost for the installation was reimbursed to the City by the Kennewick School District. Signs at Westgate were installed week of April 4th; Sunset were installed week of April 11th.

Status: Completed April 25, 2011

Steptoe Street - Phase 1 (Center Parkway to Gage Boulevard)

Contractor: Inland Asphalt

Inspection: City

Construction Cost: \$3,920,000

Project: Project was to construct a new 4-lane roadway between Center Parkway and Gage Boulevard between the city limit of Kennewick and Richland. The project includes; curb, gutter, storm drainage facilities, landscaping, sidewalks/paths, street lighting, signing and striping, water and sewer lines. The project was jointly funded by both cities and a regional STP grant.

Status: Dedication held on June 2, 2011.

Southridge Sports and Events Complex – Phase 2

▪ *Phase 2A - Ball Fields*

Contractor: Apollo

Inspection: City

Construction Cost: \$2,956,000

Project: Completion of three (for 4 total) softball fields and construction of the center Hub building. Two fields can also be used for baseball, and all four fields could be set up for soccer tournament fields.

Status: Completed June 24, 2011.

9-11 Memorial

Design: City

Project: Provide a venue for an artifact from the World Trade Center to allow people to reflect on the events of September 11, 2001

Status: Design in process. Site selection is at the Southridge Sport Complex. Construction is being provided by private donations. 9-11 artifact from the World Trade Center received on June 28th and displayed at the July 4th celebration in Columbia Park. Dedication is schedule for the on the 10-year anniversary of the destruction of the Twin Towers.

PROJECTS UNDER CONSTRUCTION

2011 Pavement Preservation (BST)

Contractor: Columbia Asphalt & Gravel, Inc.

Inspection: City

Construction Cost: \$1,229,900

Project: Project consists of chip sealing (BST) 22.8 miles of city arterial and major collector streets. Providing a fog seal on top of the chip seal approximately 2 miles of the chip sealed streets and restriping the streets.

Status: All roads have been chip sealed with fog seal of Columbia Center Boulevard, Grandridge, and Steptoe. The contractor is currently painting center and lane lines and thermoplastic crosswalk and pavement markings. Project to be fully completed by July 29th.

Aquifer Storage & Recovery (ASR)

Consultant: Golder Associates, Inc.

Inspection: Consultant and City

Contractor: Boart Longyear Company (well drilling)

Project: Contractor will be constructing test well for the consultant to evaluate the feasibility of storing water underground during the winter, using the Quad-Cities Water Rights, for later withdrawal during peak water demand periods, when the Quad-Cities Water Right would otherwise require mitigation. When completed the ASR is projected to provide upwards of 100 million gallons of storage capacity; which is equivalent to 100 reservoirs that is currently under construction above Canyon Lakes area and at less than 1/50th of the cost.

Status: ASR feasibility project is being funded through a Washington State Department of Ecology (WSDOE) grant. The WSDOE grant agreement provides for the completion of the feasibility project in phases; assuming the previous phase was successful, then the project may proceed to the next phase. On April 19, 2011, the Council approved a revised agreement with WSDOE that provides for WSDOE to contribute half of the construction cost for the project in addition to the full cost of the feasibility project and study.

Eastgate Park Irrigation

Contractor: Vincent Brothers LLP

Inspection: City

Construction Cost: \$127,000

Project: The project is for the construction of a 40 horse power irrigation pump station, 1,885 feet of 6-inch irrigation pipe system, electric service and related construction.

Status: Piping, valves, wiring and sod restoration is complete. Pump house is complete. Pump and filter have been installed and request for power has been submitted to Benton PUD.

Energy Audit

Design: Honeywell effort has been closed out; City staff will be taking the project forward

Inspection: City

HVAC Contractor: Apollo

Estimated Total Cost: \$3,241,000 (includes consultant & engineering)

Project: Improve energy efficiencies on public facilities to reduce on-going energy costs. Project includes replacement of older HVAC units on city buildings, installation of electric generating solar dishes (Infinia) at Toyota Center; replacement of HPS street lights with induction street lights; and upgrading older lighting in city facilities with newer, energy efficient lighting.

Status: Apollo is completing the HVAC portion of the project through its current contract/maintenance agreement with the city. Staff is working with Benton PUD on street light portion of the project on savings, particularly related to on-going maintenance. First phase of streetlight project is to go to bid in July 2011. Staff is working with Infinia and VenueWorks on application of solar disks at Toyota Center. Facilities lighting improvements is on hold at this time as staff works on the other items. All projects to be under construction by end of 2011.

Lakeview Ranchettes - LID 225 Sewer

Contractor: Goodman & Mehlenbacher Ent., Inc.

Inspection: City

Construction Cost: \$144,000

Project: LID 225 is a neighborhood financed contract that will provide sewer service to 37 lots within the Lakeview Ranchettes Subdivision on 46th Avenue, 47th Avenue and Green Place

Status: Project is substantially complete. Residents are beginning their hook up process.

Southridge Sports and Events Complex – Phase 2

▪ *Phase 2B – Plaza Building and Maintenance Facility*

Contractor: Apollo

Inspection: City and Architect

Construction Cost: \$615,000

Project: Construct Plaza building and Maintenance building.

Status: Completion is down to touch up items and HVAC external condensers scheduled for early July 2011.

▪ *Phase 2C – Parking Lots and Concrete Walks*

Contractor: Inland Asphalt

Inspection: City

Construction Cost: \$753,500

Project: Install asphalt parking lot, including all concrete curb/gutter, C-curb, sidewalk, stall striping, and parking lot lights in the south parking lot. Finish concrete paving around the Plaza building.

Status: Parking lot is complete; concrete around Plaza Facility by mid-July 2011.

▪ *Phase 2D – Landscape and Irrigation*

Contractor: J & B Landscaping

Inspection: City

Construction Cost: \$371,000

Project: Landscaping/irrigation in the parking lots, aquatic feature, gazebo, and around the Maintenance building; tree planting, and hydroseed of the soccer fields and play areas.

Status: Completion of the soccer and play field and surrounding area landscaping and irrigation systems is scheduled for early July 2011. Contractor still need to landscape around the 2F, expected in July. Pavilion landscaping will be in late Fall 2011.

▪ *Phase 2E - Pavilion*

Contractor: William Charles West

Inspection: City and Architect

Construction Cost: \$3,289,000

Project: Construction of a 30,000 square foot multi-use sports / events steel building structure.

Status: November 2011 completion. Concrete footings are complete; forming for interior footings and exterior stem walls is being done. Structural steel building components are on site and underground utilities to the building pad site are being installed.

▪ *Phase 2F – Aquatic Play Area and Picnic Shelter*

Contractor: Nutter Corporation

Inspection: City

Construction Cost: \$85,000

Project: Construction of a gazebo/picnic shelter (city supplied kit) and aquatic play/spray feature.

Status: Contractor is installing the gazebo structure. The aquatic feature still has to have the salmon colored concrete infill poured to install the surface mounted water features.

Southridge Blvd. – Hildebrand to 27th and North Side of Hildebrand (LRF)

Contractor: Inland Asphalt

Inspection: City

Construction Cost: \$560,000

Project: Southridge Blvd is closed to through traffic. Inland has cleared and grubbed and some rough grading for sidewalks. Shoemaker is beginning to install storm catch basin

Status: Work is in progress, scheduled for July 2011 completion. The aquatic playground base components are in place and the next step is to pour the concrete pad for the water play area. The concrete slab is completed on the picnic shelter and the steel structure is being installed.

Zone 5 Reservoir

Contractor: Apollo, Inc.

Inspection: Consultant and City

Construction Cost: \$1,733,000

Project: The project will provide one million gallon water storage for Zone 5. Currently water service above elevation 810 feet is supplied by continuous operation of a small service pump. The service pump limits expansion of water service in this zone. The reservoir will assure that an adequate amount of water will be available to support growth in this zone well into the future. The project is scheduled to be completed in December 2011.

Status: JUB Engineers is acting as City's engineering consultant for surveying and inspection.

Zone 5 Waterline

Contractor: William Charles West

Inspection: City

Construction Cost: \$765,000

Project: Project constructed approximately 4,625 linear feet of 16-inch ductile iron water main and related construction. The project also included installation of a casing under US395 for Benton PUD. This water main provided Zone 5 water service to the commercial areas in the vicinity of the US 395 and I-82 and Southridge residential that are planned for development.

Status: Construction started week of March 14th and was substantially complete in late June 2011. Final punch list items completion for project acceptance need to be completed.

PROJECTS IN DESIGN

Arrowhead and Jefferson Lift Station – Sewer

Design: CH2M Hill

Project: This station provides service to a large commercial and residential area. This lift station has a continuous history of problems due to aging equipment and system modifications that have changed the system pumping curve. This project will resolve these issues and will provide a facility that will meet current standards for sewage lift stations. Construction of the new lift station will need to be completed without impacting the operation of the existing station.

Status: Consultant is working on preliminary site investigation and design.

Beech Street – Sewer

Design: J-U-B Engineers

Project: This project is required to alleviate a bottleneck in the sewer main that provides sewer service to a large area of Kennewick. The current sewer main surcharges due to excessive flow in the existing main and is an operational concern that needs to be resolved. This project will install a new sewer main that will resolve this issue and provide for continued increases in sewer flow well into the future. The project is scheduled to be completed in 2012.

Status: Design began in 2010. Easements are being obtained from property owners.

Biosolids Removal – Sewer Plant

Design: City

Project: This project will remove biosolids that accumulate in a storage lagoon at the City's wastewater treatment plant. Removal of the biosolids is required to maintain proper operation of the lagoon and to prevent issues associated with storing excessive quantities of biosolids in the lagoon.

Status: Staff is working on the permitting of a biosolids land application site with the Washington State Department of Ecology. The project is schedule to be completed in 2013.

Clearwater Avenue Repaving – Edison St. to SR 395

Design: City staff

Project: Pavement overlay of street, work includes grinding of existing asphalt layer, correction of any failures, and night repaving. Project is substantially paid with a Regional STP grant.

Status: Possible late summer contract, since night paving. Staff is working with WSDOT Highways & Local Programs on required documentation and approvals for use of the Federal funds on the project.

Hildebrand Blvd. – Sherman Street to Southridge Blvd. (LRF)

Design: HDR Engineering is doing the design.

Inspection: City staff will do the contract administration, survey and inspection

Project: Council approved addendum to the development agreement on July 5th which provides that the adjacent developer/property owners dedicate the right-of-way which allows the city to construct the inner two lanes and median. The developer would be responsible for providing the outer two lanes, sidewalk, landscaping and street lighting with the construction phasing of their development.

Status: City portion scheduled to advertise spring 2012, with 2013 completion.

Olympia Street – SR 397 to 27th Avenue

Design: City staff

Project: Widening of the street for one through lane in each direction, center turn lane, bike lanes, curb, gutter, storm drainage facilities, street lighting, landscaping and a roundabout at the intersection of 45th Avenue.

Status: KID Canal Bridge related construction scheduled for winter of 2011 / 2012 with street construction being completed in fall of 2012. Federal funding is creating some delays. Right-of-way negotiations are in progress. Williams Pipeline Co. (natural gas line) has agreed to lower their lines at no cost to the project.

Ridgeline Drive – Southridge to SR-395 and Plaza Way North of Ridgeline (LRF)

Design: HDR Engineering

Inspection: City staff is doing the contract administration, survey and inspection

Project: Project includes construction of the roadway, curb/ gutter, storm drainage facilities and a roundabout at Ridgeline and Plaza Way

Status: Tentatively scheduled to advertise this fall/winter with construction to be completed in 2012. Possible delay to secure agreement from adjacent developer/property owners for right-of-way and modification of development agreement.

Ridgeline Drive - East of SR 395 (LRF)

Design: HDR Engineering

Inspection: City staff will do the contract administration, survey and inspection

Project: Project includes construction of the roadway, curb/ gutter, storm drainage facilities and a roundabout at Ridgeline and Zintel Way

Status: Tentatively scheduled to advertise this fall/winter with construction to be completed in 2012. Possible delay to secure agreement from adjacent developer/property owners for right-of-way and modification of development agreement.

Southridge Blvd. – Ridgeline to Hildebrand and South Side of Hildebrand (LRF)

Design: HDR Engineering

Inspection: City staff will do the contract administration, survey and inspection

Project: Tentatively scheduled to advertise in June with spring 2012 completion. Project includes a roundabout at Southridge and Ridgeline and traffic signals at Southridge/Hildebrand and at Hildebrand/Plaza Way

Status: Tentatively scheduled to advertise this fall/winter with construction to be completed in 2012. Possible delay to secure agreement from adjacent developer/property owners for right-of-way and latecomers or development agreement.

Steptoe Phase 2 - Bridge

Design: HDR Engineering

Project: Construct a railroad bridge for the eventuality of the roadway (Steptoe) going underneath.

Status: BNSF has indicated they will begin the bridge construction in the fall 2011. Full funding for the construction of the bridge is from \$2.18 million from a Federal grant.

Steptoe Phase 2 - Street

Design: HDR Engineering

Project: Provide a 5 lane roadway, with addition turn lanes and traffic signal at Clearwater Avenue. Roadway would go under the existing BNSF railroad tracks.

Status: Infrastructure & Operations Committee and full Council gave go ahead for funding of right-of-way to be eligible for new TIB grant program. Next available TIB grant cycle opens in August 2011 with award in November 2011.

Zone 4 Reservoir – Water

Design: RH2

Project: Provide plans and specifications for a two million gallon reservoir on Thompson Hill southwest of Panoramic Heights. This reservoir is required to support development in the Southridge area.

Status: Council approved consultant contract on June 7, 2011. Design of the project is planned to be completed in 2012 with reservoir construction planned for 2013.

PROJECTS IN DESIGN QUEUE

2011 ADA Audible Pedestrian Signals

Design: City staff

Project: Provide audible pedestrian signal indications at several intersections (dependent on amount of funding) to bring signal into compliance with recent ADA requirements.

Status: Awaiting CBDG funding approval.

2011 ADA Ramps

Design: City staff

Project: Provide handicap ramps at various intersections (dependent on amount of funding) identified in the CIP rating in order to comply with changes in ADA requirements.

Status: Awaiting CBDG funding approval

2011 Miscellaneous Sewer

Design: City staff

Project: Citywide, the project will replace the higher priority, undersized, failing and high maintenance sewer mains identified on the City's sewer capital improvements priority list

Status: Design start – summer of 2011.

2011 Miscellaneous Stormwater

Design: City staff

Project: Citywide, the project will correct the higher priority storm drainage problem areas identified on the City's stormwater improvements priority list.

Status: Design start – summer of 2011.

Miscellaneous Traffic Signals or Roundabout

Design: City staff

Project: Upgrades to existing traffic signals to correct on-going operation/maintenance problems. Replacement of existing signals indications to comply with recent changes in the MUTCD.

Status: Design start – summer of 2011.

2011 Miscellaneous Water

Design: City staff

Project: Citywide, the project will replace the higher priority, undersized, failing and high maintenance water mains identified on the City's water capital improvements priority list.

Status: Design start – summer of 2011.

Dayton Street Bridge Replacement

Design: City survey and approach design - consultant bridge design

Inspection: City

Project: Replacement of the 46 year old bridge over the CID canal. Currently the bridge has a load restriction. Project funded with grant (90%) and city funds. School will be in session when irrigation water is out of CID canal. Road will be closed for two months while bridge is being constructed. This will impact existing traffic/pedestrian movements.

Status: RFP sent and received for bridge design consultants. Staff has reviewed and is in process of negotiating scope of work and costs. Contract expected to be sent to Council for award in August. Construction in winter 2011-2012, at the earliest; or more likely for winter of 2012-2013, due to environmental (SEPA) issues.

Edison Street Widening - Clearwater to Canal Drive

Design: City staff

Project: Widening the roadway to include a center left-turn lane. The majority of reported crashes along the stretch of street are the results of vehicles turning left from Edison Street onto side streets or driveways. Project is being funded 60% with a TIB grant.

Status: Design start – summer of 2011, after TIB funds become available. Begin construction in 2012 if no right-of-way issues, more likely 2013. We will know more after 30% design is complete later this year.

Steptoe Multi-Use Path

Design: City staff

Project: This project will connect the multi-use path that now ends in Richland, at the City limits, along the abandoned UPRR right-of-way, to Steptoe Street. Project funded with grant and private right-of-way donations.

Status: Design start – summer of 2011.

Sidewalk Replacement

Design: City staff

Project: The project will replace damaged sections of sidewalk deemed City responsibility and install select missing link sections of sidewalk as funding allows.

Status: Design start – summer of 2011.

Street Lighting - Miscellaneous Locations

Design: City staff

Project: The project will correct underground fault problems for existing streetlights and provide missing street lights at select arterial intersections as identified on the City Street Lighting, capital improvements priority list.

Status: Design start – spring of 2012.

Steptoe Right-of-Way Acquisition and Roadway Construction

The Cities of Kennewick and Richland have been working on a project to extend Steptoe Street between Gage Boulevard and 10th Avenue for many years. This project will support important commercial centers, including Columbia Center, Columbia Center West, the Tapteal Business Park, the Clearwater Business Park, Gage Boulevard commercial development and other housing and mixed use developments such as the 780 acre Hansen Park and the 2400 acre Southridge area by reducing severe congestion and poor circulation and improving access to all of these areas. Phase 1 of the project was opened to traffic in March 2011 and provides four vehicle lanes, bike lanes, sidewalk and multi-use path, street lighting, landscaping and new decorative walls along the residential area.

Phase 2 will provide improved access for commercial, retail and light industrial properties in the Clearwater Business Park. The project includes a grade separated crossing of BNSF's Stampede Pass mainline. In addition to enhancing economic development, the project will alleviate traffic congestion on Columbia Center Boulevard in Kennewick and on Leslie Road in Richland. The regional transportation model identifies Steptoe Street as a critical link in the Benton/Franklin transportation system. The Benton-Franklin-Walla Walla Good Roads and Transportation Association recognize the Steptoe Street improvements as a top ten project.

Steptoe Phase II (Center Parkway to Clearwater)

Cost: \$5,200,000

Status: A groundbreaking was held on June 2, 2011 for Phase 2 of Steptoe Street from Center Parkway to Clearwater Avenue. This fall, the Burlington Northern Railroad will construct the railroad bridge over the Stampede Pass corridor mainline. Presently, the roadway is under design. The roadway will go under this new railroad bridge and complete the connection to Clearwater Avenue. The project will complete City Standard roadway improvements and provide for the installation of a traffic signal at the Clearwater Avenue and Steptoe Street intersection.

Steptoe Phase III (Clearwater to 10th Ave)

Cost: \$3,600,000

Status: Environmental has been completed. The roundabout design at "Five Corners" intersection is at the 30% completion stage.

Actions:

1. Continue to upgrade and install infrastructure facilities based on the 6-year CIP Funding/Scheduling Plan
2. Continue working with utilities providers such as Benton PUD and Pocket iNet™ to develop and upgrade utilities and telecommunications systems high-speed and wireless capabilities.

Sites & Infrastructure Strategy Two: Create an Infill Ordinance and increase the number of “ready-build” project commercial and industrial sites in Kennewick.

Infill

City staff has identified the need to make vacant and under-used properties more attractive for business development. The City is currently looking at drafting an Infill Ordinance and a policy for “ready-build” projects to encourage development and thereby generate revenue for the local economy: staff anticipates completing the ordinance and presenting to Council in 2012.

Infill development is the process of developing vacant or underutilized parcels within existing urban areas that are already largely developed. Underutilized parcels are defined as follows:

- Vacant parcels
- Less improved and/or derelict buildings on the property
- Low improvement value to land value ratio

Various core areas throughout Kennewick have vacant or underutilized lots that do not meet current zoning standards such as frontage and lot area. Through the use of an infill development ordinance, these vacant nonconforming lots can be brought back into productive use. Infill developments would be used to encourage more investment or reinvestment to underutilized buildings and lots and would encourage more efficient use of infrastructure, improve streetscapes and promote historic preservation.

Challenges

Although infill is an appealing tool for community redevelopment and growth management, it is often costlier for developers to develop infill parcels and buildings. The overall costs associated with developing infill property are generally higher due to design challenges and public process requirements inherent to infill and redevelopment projects. Specifically, development costs associated to Infill are higher due to site preparation (i.e., demolition or toxics), construction, and parking; as well as fees for survey, architecture, engineering, legal, and permitting. Developers are seeking properties in more desirable locations, requiring less mitigation and the potential for a greater return on investment.

Obstacles that face infill parcels

Financing Barriers

Infill developers may run into financing barriers, particularly on small projects, making financing more expensive and since infill projects do not fit the development profile of high-end development they are often considered by capital lenders as risky.

Infrastructure Barriers

Infrastructure on infill property is often old and deteriorated infrastructure and properties: existing infrastructure is out of date or nonexistent, and capacity needs increase if mixed use infill projects are being developed. Inadequate public facilities may not provide sufficient water or sewer service or road or school capacity. Other factors include the size of the parcel, configuration of parcel, size, condition,

quality, and value of existing structure, character of the neighborhood. Furthermore, lack of adequate parking or public access render the property less attractive to perspective developers.

Regulatory Barriers

Zoning ordinances are one of the most common barriers for developers in infill areas. Current zoning is typically not appropriate for the type or intensity of development to make development feasible and conventional zoning codes tend to encourage lower-density and single-use. Zoning codes limiting densities and building heights may conflict with the types of high density or mixed-use projects suitable for infill areas. When restrictive zoning codes inhibit infill development, developers must pursue rezoning ordinances or numerous variances that often impact a project to the point where it is no longer financially feasible or desirable to continue with development.

Land Assembly and Cost Barriers

The size of infill parcels may be not be large enough to attract developers and small projects may not be feasible, cost effective or profitable for developers. Developers may pursue assembling parcels; however this can be expensive and complicated, especially if dealing with multiple landowners, property owners who will not sell, and existing neighbors. Since infill development is subject to greater risk and greater uncertainty, developers often seek to develop elsewhere.

Few cities maintain a current and accurate vacant properties inventory. If a developer interested in an infill project is unable to determine what land is available and how to acquire it, it may not be worth pursuing. A city with a current and accessible vacant lands inventory will be able to market itself to developers (Tarnay, 2004, p. 4).

Overcoming Infill Barriers

City of Kennewick, like many communities, is seeking to maximize development by establishing policies that provide for the designation of areas for a more balanced mix of uses to increase convenience and provide greater transportation choices. Infill is a mechanism whereby the City can generate revenue on otherwise “dormant” lots while providing for improved mobility and reduced congestion to its citizens and reduced neighborhood blight. The Municipal Research Services Center of Washington advocates infill and emphasizes that a “mixing of uses can add variety and vitality to an area, making it a more attractive, interesting place to live. In addition, convenient commercial and personal services, readily accessible to work sites and residential areas, and convenient cultural or recreational amenities can enhance the attractiveness of infill development. Infill development can fill gaps to benefit the entire neighborhood including existing residents, for instance by including a grocery store or park where none exists”. Such is the vision and goal for Kennewick, as planning staff draft the infill ordinance and seek creative ways to overcome obstacles to overcoming infill development.

Possible Strategies

- Adopt design standards/guidelines for improved compatibility
- Ensure housing types that are compatible with existing types
- Create site assessments and inventory

- Institute marginal cost system/policy
- Reduce service standards and impact fees in target growth areas
- Form partnerships
- Reduce administrative delays
- Improve public facilities
- Stimulate developer interest through marketing and education efforts

Ready-Build Projects

Less than 15 percent of all land in Kennewick is zoned for commercial or industrial use. Of the 1,678 acres of commercially zoned land, approximately 58 percent has been developed, and of the 669 acres of industrially zoned land, 39 percent has been developed. Ensuring that the available commercial and industrial properties are ready to build will add to Kennewick’s attractiveness to target industries. This means ensuring that those properties are ready to be hooked into utilities and made ready for building in as short a time as possible. Given Kennewick’s reputation for business friendliness and willingness to go the extra mile to bring businesses to the city, this will improve Kennewick’s favorability in the eyes of a potential business.

The “ready-build” concept would allow the city to select targeted areas for development and prepare sites by going through the lengthier process and delays posed by the permitting and environmental review processes. The process would incentivize businesses by significantly reducing the time needed to develop the site and could significantly reduce the development costs to the developer.

Actions:

1. Conduct a complete inventory of vacant parcel of developable land to determine whether it is capable of being connected to basic infrastructure, including water, sewer, electricity, telecommunications and any other basic services.
2. Work to prepare those vacant parcels so they can be hooked up to services to make them more attractive to potential businesses seeking business locations.
3. Continue updates to zoning to encourage the development of infill parcels.
4. Create and implement “ready-build” program.

Sites & Infrastructure Strategy Three: Comprehensive Plan Amendment (including the Southridge Subarea Plan) and Kennewick Municipal code amendments and revisions.

City of Kennewick receives public requests for amendments to the Comprehensive Plan. Staff reviews the request and completes an analysis including environmental reviews and regulatory compliance with laws such as the Growth Management Act. Applications to amend the City’s Comprehensive Plan are collectively reviewed one time per year in accordance with state law. Proposed amendments require a public meeting before the Planning Commission and a public hearing before the City Council. If a property owner desires to establish a land use that is not permitted within the existing zoning district, they may choose to submit an application requesting an amendment to the Comprehensive Plan land use designation on the property.

All properties within the City of Kennewick have been assigned a Comprehensive Plan land use designation. The Comprehensive Plan land use designation provides a general description of the type of uses and activities that are allowed and identifies the zoning districts that implement a given Comprehensive Plan land use designation. The zoning district defines the specific uses that can be located on the property and specific development regulations that apply to development. The City's Comprehensive Plan land use designations and implementing zoning districts are as follows:

Comprehensive Plan Land Use Designation	Implementing Zoning Districts
Low Density Residential (3 to 4 units per acre)	RS, RL, RMH, RTP
Medium Density Residential (4.1 to 13 units per acre)	RM, HUM, RTP
High Density Residential (13.1 to 27 units per acre)	RH
Commercial	CN, CO, CC, CR, CG, CM, HMU, BP
Industrial	BP, IP, IL, IH
Public Facility	PF, JF
Open Space	OS, PF

Part of the Comprehensive Plan Amendment includes resolving the following issues in the Southridge Subarea Plan:

1. Adoption of the plan by ordinance
2. Clarification of boundary (including legal description)
3. Establish zoning districts consistent with the general land use plan on a parcel by parcel basis
4. Adoption of implementation measures (development and design standards contained in the plan)
5. Adoption of a clear “Planned Action” ordinance

Another area of focus for staff has been revisions to the Kennewick Municipal Code. Staff has maintained a list of code revisions that City Council has identified for revision, as well as those identified by staff during the course of administering the code that are either outdated, inconsistent or are incorrect. Staff has created a series of “batch” code revisions; meaning that a series of unrelated code amendments are “batched” together a series in order to expedite the code revision process.

Action:

1. Continue making revisions to Comprehensive Plan, Southridge Subarea Plan and Kennewick Municipal Code as necessary to encourage economic development.
2. Continue researching the removal of minimum density requirement.
3. Explore the opportunities and challenges of moving the current annual Comprehensive Plan update cycle to a biennial period.

Sites & Infrastructure Strategy Four: Urban Growth Boundary

City of Kennewick has identified an area of potential growth along the Southridge area: the land would provide opportunities for industrial land and the current UGA boundary provides for very limited land available for industrial development that could potentially help create jobs locally and boost both the local and State economy. Kennewick planning staff is currently working on the necessary paperwork to file for

an amendment of the UGA boundary with Benton County. As part of its application to Benton County for the UGA amendment, staff must review and amend, as needed, the City's Capital Facilities Plan (CFP) to demonstrate the City is able to provide the required urban services and infrastructure such as water, sewer and other city services to accommodate the proposed UGA expansion.

Background

Urban growth areas or UGA's were enacted as part of the GMA and codified in 36.70A.110 Revised Code of Washington (RCW). State law indicates that urban growth areas are to be: "[b]ased upon the population forecast made for the county by the office of financial management." OFM is to prepare a reasonable range for its population projections for counties, with the middle range representing the most likely population projection for the county. The county is the body that designates UGAs, and the statute mandates that the county must consult with cities in an attempt to reach agreement on the location of these urban growth areas. Based upon the OFM projections, the county and each city within the county shall include areas and densities sufficient to permit the urban growth that is projected to occur in the county or city for the succeeding twenty-year period, except for those urban growth areas contained totally within a national historical reserve.

RCW 36.70A.110 further states that:

Each urban growth area shall permit urban densities and shall include greenbelt and open space areas. In the case of urban growth areas contained totally within a national historical reserve, the city may restrict densities, intensities, and forms of urban growth as determined to be necessary and appropriate to protect the physical, cultural, or historic integrity of the reserve. An urban growth area determination may include a reasonable land market supply factor and shall permit a range of urban densities and uses. In determining this market factor, cities and counties may consider local circumstances. Cities and counties have discretion in their comprehensive plans to make many choices about accommodating growth.

The community may provide additional land supply beyond that needed to exactly accommodate the 20-year growth projection according to RCW 36.70a.115, which requires that comprehensive plans and development regulations provide sufficient land capacity for development:

Counties and cities that are required or choose to plan under RCW 36.70A.040 shall ensure that, taken collectively, adoption of and amendments to their comprehensive plans and/or development regulations provide sufficient capacity of land suitable for development within their jurisdictions to accommodate their allocated housing and employment growth, including the accommodation of, as appropriate, the medical governmental, educational, institutional, commercial, and industrial facilities related to such growth, as adopted in the applicable countywide planning policies and consistent with the twenty-year population forecast from the office of financial management.

The GMA requires that cities reevaluate their UGA's at least every 10 years to assure a continued 20-year land supply (RCW 36.70A.130). In theory, if under developable lands have been excluded from the UGA, there would always be 10 to 20 times the supply needed to accommodate growth in any given year. This should be enough to provide market choice and to avoid pushing up land and housing costs.

Recognizing that growth pressures and market conditions can change over the course of 20 years, it is important to monitor and reevaluate land supply more often than the 10 years required by the GMA. It may be desirable to review land supply every three years, if not annually, to avoid surprises. King, Pierce, Snohomish, Kitsap, Clark and Thurston counties and the cities within these counties, must provide for annual collection of data on growth, development densities, and related information and evaluate such data at least every five years to assure that there are an adequate supply of buildable land to accommodate projected growth and meet county-wide planning policy objectives (RCW 36.70A.215).

Some Communities may not be able to monitor land supply regularly, or will not be confident about growth projection or land use information. RCW 36.70A.110 (2) does allow counties to include “a reasonable land market supply factor” in sizing the UGA. The Central Puget Sound Growth Management Hearings Board (SPSGMHB) has stated that if the market factor exceeds the land supply needed to accommodate OFM’s 20-year growth projection by more than 25%, the board will increase its scrutiny of the UGA designation.

When a city proposes a UGA based on the analysis outline above, it must also provide a capital facilities plan that insures that urban services can be provided to the proposed UGA consistent with the requirements of GMA. Previous GMA hearing board decisions have found that the city must comply with RCW 36.70A.020 (12) and 36.70A.070 (3)’s mandate to provide adequate and necessary facilities to support existing and new development within the UGA’s within the 20-year planning period. Based on the same statutes, in 2007 the CPSGMHB found Kitsap County to be noncompliant because UGA expansions based upon a noncompliant, invalid Capital Facilities Element do not comply with the GMA’s directive that necessary and adequate public facilities and services be available within the UGA.

Current UGA

The current UGA for Kennewick was established in conjunction with Benton County several years ago based on population allocations from OFM for Benton County. The County opted to utilize the high OFM population allocation based on the assumption that growth would continue at a faster rate than reflected in the mid-range or lower end OFM estimates.

Below is a table out of the Benton County Countywide Planning Policies that identifies Benton County and cities within the County and their 2010 population estimates and the 20 year population projection based on the State Office of Financial Management official 20 year (High Series) population forecast for Benton County. Again, any adjustment to the UGA boundary is mainly based on the City’s 20 year population allocation from Benton County. This information will be updated based on the results of the 2010 federal census. Initial results of the 2010 federal census indicate that Kennewick had a 2010 population of 73,917; this is compared to the County’s estimate of 71,794 and more significantly compared to the 2010 OFM estimate of 68,570.

The 2010 census shows a Benton County population of 175,177; which results in Kennewick comprising just over 42 percent of the County’s total population rather than 38 percent as indicated in the table below. Since the County’s past practice is to use current population percentages for allocating the 20 year estimate, Kennewick’s allocation (along with all of the cities and county) should be adjusted accordingly.

OFM High Series County-wide									
Projection	Benton Co	Benton City	Kennewick	Prosser	Richland	W Richland	Total	Year	
188,931	43,453	3,779	71,794	5,668	52,901	11,336	188,931	2010	
203,736	46,859	4,075	77,420	6,112	57,046	12,224	203,736	2015	
218,874	50,341	4,377	83,172	6,566	61,285	13,133	218,874	2020	
234,015	53,824	4,680	88,926	7,020	65,524	14,041	234,015	2025	
239,752	55,143	4,795	91,106	7,193	67,130	14,385	239,752	2027	
245,489	56,462	4,910	93,286	7,365	68,737	14,729	245,489	2029	

OFM High Series Allocations by Jurisdiction

Benton County				Benton City				West Richland			
Projection	High			Projection	High			Projection	High		
188,931	0.23	43,454	2010	188,931	0.02	3,779	2010	188,931.00	0.06	11,336	2010
203,736	0.23	46,859	2015	203,736	0.02	4,075	2015	203,736.00	0.06	12,224	2015
218,874	0.23	50,341	2020	218,874	0.02	4,377	2020	218,874.00	0.06	13,132	2020
234,015	0.23	53,823	2025	234,015	0.02	4,680	2025	234,015.00	0.06	14,041	2025
239,752	0.23	55,143	2027	239,752	0.02	4,795	2027	239,752.00	0.06	14,385	2027
245,489	0.23	56,462	2029	245,489	0.02	4,910	2029	245,489.00	0.06	14,729	2029

Kennewick				Prosser				Richland			
Projection	High			Projection	High			Projection	High		
188,931.00	0.38	71,794	2010	188,931.00	0.03	5,668	2010	188,931.00	0.28	52,901	2010
203,736.00	0.38	77,420	2015	203,736.00	0.03	6,112	2015	203,736.00	0.28	57,046	2015
218,874.00	0.38	83,172	2020	218,874.00	0.03	6,566	2020	218,874.00	0.28	61,285	2020
234,015.00	0.38	88,926	2025	234,015.00	0.03	7,020	2025	234,015.00	0.28	65,524	2025
239,752.00	0.38	91,106	2027	239,752.00	0.03	7,193	2027	239,752.00	0.28	67,131	2027
245,489.00	0.38	93,286	2029	245,489.00	0.03	7,365	2029	245,489.00	0.28	68,737	2029

1 Office of Financial Management
2 Population allocations based on BC/23%, Benton City 2%, Kennewick 38%, Prosser 3%, Richland 28%, West Richland 6%

UGA Methodology

The method for calculating required urban growth area (UGA), which includes all the cities and unincorporated areas of the County is contained in the adopted Benton County Wide Planning Policies, specifically Policy #4. Additional policies relate to UGA’s and the provision of urban services including Policies 5, 6, 7, 8 and 9. UGA’s are sized based on the jurisdiction’s 20 year population allocation as stated in Benton Countywide Planning Policy 4:

Policy #4: *That Urban Growth Areas of each city shall be based upon official and accepted population projections for minimum 20 year periods. The gross undeveloped and underdeveloped acreage within the city limits and the Urban Growth Area shall be sufficient to meet all the land requirements, including community and essential public facilities, of the population projection, including the need to prevent inflation of land cost due to a too limited land supply.*

The first step in the process is to identify all “developable” vacant property within the Kennewick city limits. This “pool” of land will be basis on which the remainder of the UGA analysis relies on and will be the primary driver of increasing the UGA.

City Planning and IS/GIS staff have met to discuss this project to identify data needs/ issues, staff resources, etc. City staff has a meeting scheduled with Benton County staff to discuss the above methodology to ensure the City analysis is consistent with the adopted methodology and to clarify the steps and sequencing of the analysis. During this analysis different scenarios may be looked at to develop

alternatives to present to Council to determine the preferred alternative prior to moving forward with the capital facilities planning.

Planning staff is currently preparing an estimate, based on the above methodology, of future UGA needs. One comparison to adjacent cities reveals a major policy issue; available industrially zoned land.

City	Industrial Land	% of City
Pasco	9,229	36%
Richland	5,158	16.84%
Kennewick	907.91	4.6%

Staff will conduct further analysis on land use distribution in preparation applications materials for the 2014 Benton County Comprehensive Plan update cycle.

Capital Facility Plans

Assuming an expansion of the City’s UGA is justified and after Council has provided staff direction in terms of a preferred alternative, the City must, as part of its application to Benton County for the UGA amendment, review and amend as needed the City’s Capital Facilities Plan (CFP) to demonstrate the City is able to provided the required urban services and infrastructure such as water, sewer and other city services to the proposed UGA. Municipal Services staff with the assistance of Planning staff will be responsible for this task.

Benton Countywide Planning Policies

(UGA Related)

Policy #2: County-wide projected population shall be allocated among jurisdictions through the use of any or all of the following factors applied to each jurisdiction:

- a. Documented historical growth rates over the last decade, the last 2 decades, and the last 2 years.
- b. Current growth rates.
- c. Developing or current planning programs which a jurisdiction has, and which identify quantitative increases in business and industry development, and housing construction activity.
- d. School enrollments over 2 decades, and within the last 2 years.
- e. Pending development proposals (applications) which would add either jobs or new housing units.
- f. Intangibles.

Policy #3: The locating of urban growth areas within the county shall be accomplished through the use of accepted planning practices which provide sufficient land and service capacity to meet projected populations at urban densities and service standards within the cities, and urban densities for those portions of the county located within the urban growth areas.

Policy #4: That Urban Growth Areas of each city shall be based upon official and accepted population projections for minimum 20 year periods. The gross undeveloped and underdeveloped acreage within the city limits and the Urban Growth Area shall be sufficient to meet all the land requirements, including

community and essential public facilities, of the population projection, including the need to prevent inflation of land cost due to a too limited land supply.

a. The jurisdictions within the county shall use a uniform formula for identifying the land area necessary per capita for each community. Each jurisdiction's population projection shall be multiplied by its gross per capita land area requirement, which in the aggregate will define total land needs within the Urban Growth Area (UGA).

Policy #5 : That within the urban growth area urban uses shall be concentrated in and adjacent to existing urban services or where they are shown on a Capital Improvement Plan to be available within 6 years.

Policy #6: That cities limit the extension of service district boundaries and water and sewer infrastructure to areas within each jurisdiction's urban growth area of its adopted Comprehensive Plan.

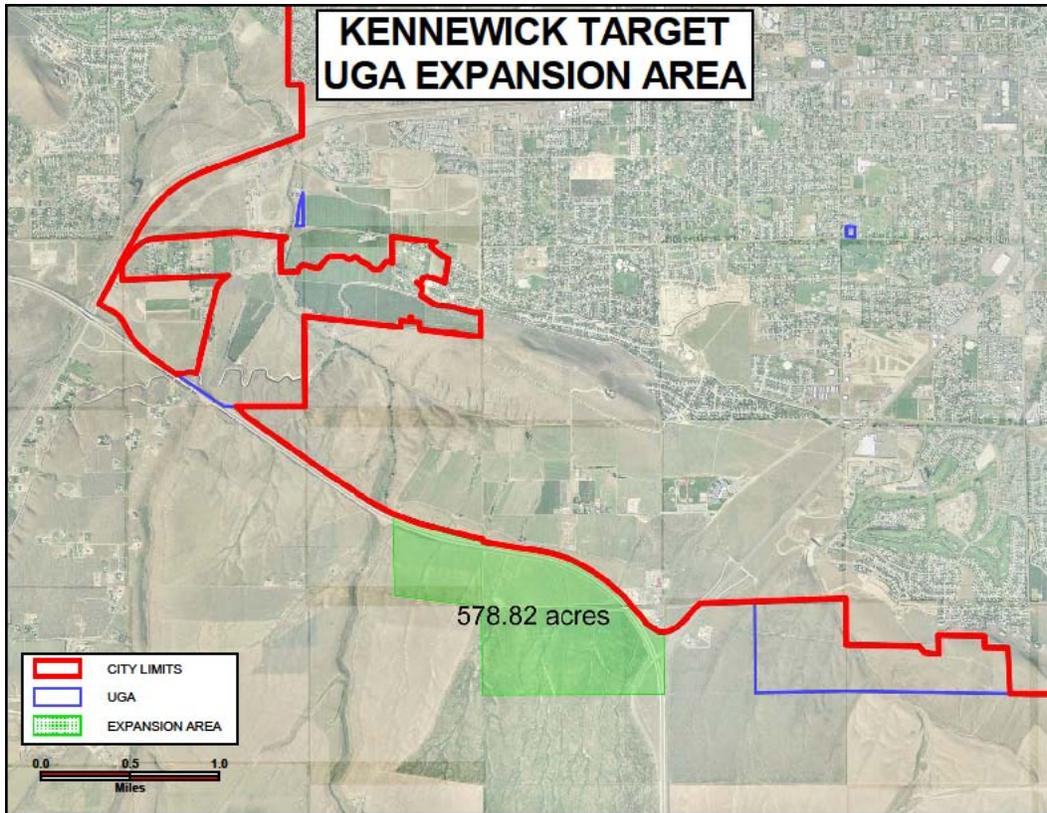
Policy #7: Within each Comprehensive Plan, the Land Use Plan for urban growth areas shall designate urban densities and indicate the general locations of greenbelt and open space areas. To the extent made practical by the natural features of the land form, open spaces and greenbelt shall be contiguous across jurisdictional lines, so as to enable their use as linked and contiguous recreational resources including parks, and bike and riding paths.

Policy #8: Wherever possible, given consideration of all other variables, such as existing unused service infrastructure, the placement of an urban growth line into an area of existing or potential intensive commercial agriculture shall be avoided, unless an adequate open space buffer within the urban growth area is provided.

Policy #9: The appropriate directions for the expansion of urban growth areas are those which are unincorporated lands substantially engrossed by urban development; areas with existing service infrastructure; lands adjacent to corporate limits and confined on the other side by major features such as highways; and existing rural residential development characterized by compromised agricultural productivity; average lot sizes less than 10 acres; and existing streets and utility services.

Urban Growth Area Boundary – Update
Tentative Meeting Schedule

10/25/11	City Council Briefing (quarterly)
11/15/11	Planning Commission Update
3/19/12	Planning Commission Briefing (quarterly)
3/27/12	City Council Briefing
5/7/12	Planning Commission Briefing
5/22/12	City Council Briefing
8/6/12	Planning Commission Briefing
8/14/12	City Council Briefing
11/5/12	Planning Commission Briefing
11/13/12	City Council Briefing
3/4/13	Planning Commission Briefing
3/12/13	City Council Briefing
5/1/13	Annual Comprehensive Plan Amendment Docket – Include UGA Update & CFP Update
8/5/13	Planning Commission Workshop
8/19/13	Planning Commission Pre-Decision Meeting
9/17/13	Planning/Economic Development Committee Briefing
10/8/13	City Council Workshop on UGA Update
10/15/13	City Council Public Hearing on UGA Update & Council Authorization to Submit Application to Benton County
12/1/13	Applications due to Benton County



Actions:

1. Pursue the adoption of an amended UGA boundary to support the addition of industrial land necessary to pursue further economic development opportunities.
2. As part of its application to Benton County for the UGA amendment, review and amend as needed the City's Capital Facilities Plan (CFP) to demonstrate the City is able to provide the required urban services and infrastructure such as water, sewer and other city services to the proposed UGA.

Sites & Infrastructure Strategy Five: Commercial Zoning District

Update/refine zoning designations

Kennewick currently has 7 residential zones, 8 commercial zones, 4 industrial districts, and 4 other districts including public facilities, parking, and open space. The Bridge to Bridge/River to Rail area is designated by 4 zones including:

- *high density residential zoning* - of the properties within the single family neighborhood located between Columbia Drive and the railroad tracks west of Dayton Street and the single family residential and trailer parks north of Columbia Drive between Dayton and Auburn Street;
- *industrial zoning* - of the properties located south of Deschutes Avenue and Columbia Drive that border the railroad spur and mainline tracks;

- *commercial zoning* - of the properties bordering both sides of Columbia Drive and all parcels north to the river levee including Clover Island; and
- *public facility zoning* - of Fruitland Park located between Fruitland and Garfield, and Entiat and Deschutes Avenues bordering the single family neighborhood.

Generally, the existing zoning designations reflect the land use element of the city's comprehensive plan. However, in some instances, the zoning is not entirely appropriate or refined enough to reflect the potentials that have emerged from this planning effort. For example:

- *Single family neighborhood* – between Columbia Drive and Railroad Avenue and the tracks, and west of Fruitland is composed of single family, some duplex, and a few townhouse structures.

Neighborhood structures are in good condition including some new infill houses. The neighborhood is fairly stable, and except for the houses that are located north of Grand Ronde Avenue that abut the commercial uses on Columbia Drive, the boundaries are well defined.

The neighborhood should be rezoned from Residential High Density (RH) to Residential Low Density (RL) or Residential Medium Density (RM) to reflect existing conditions and provide the stability and suitable environment appropriate to promote family life in an urban setting.

- *Industrial district uses* – are located south of Deschutes and Bruneau Avenues to the Union Pacific (UP) and Burlington Northern Santa Fe (BNSF) railroad spurs and mainline tracks.

Some of these uses evolved from railroad oriented or serviced industrial activities including scrap yards, tank fuel processing and storage, food processing plants, millhouses, and warehouses. At the present time, very few of these businesses are dependent on rail service and most move products in and out of the area on trucks and trailers.

A variety of other non-rail oriented industrial, manufacturing, construction, and warehousing activities have located in the industrial area due to its ready transportation connections to the Tri-Cities and surrounding region. These business enterprises will likely remain viable uses in the industrial district unless or until land values increase to the point where such low capital intensive activities will seek to locate to other accessible but lower cost properties in the region.

The area is centrally located to regionally accessible arterial roadways (Columbia Drive, US-395, and SR-397), on major transit routes, within walking and biking distance of the river levee and trails, downtown, and civic center parks and public facilities. In effect, the area has potential for being developed into a fully sustainable neighborhood providing opportunities to live, work, and play within the immediate area.

Kennewick zoning classifications include the Historic Mixed Use (HMU) district which is intended to provide a “stable living environment for residents and proprietors choosing to locate in a historic setting, which includes limited small-scale commercial retail and non-retail uses within walking distance of those residents.”

However, the HMU district does not allow residential or mixed use structures and is limited to the boundaries of the historic downtown with additional restrictions intended to retain structures and uses which are compatible with historic buildings and designs.

Kennewick's Residential High Density (RH) district allows urban density residential uses but not mixed use, is restricted to a 45 foot height limit, and a maximum density of 27 units per acre. Neither the HMU

or RH zoning classifications provide for a mixed use designation where retail, office, and housing can be incorporated into mixed use structures – particularly in urban settings oriented to street front pedestrian activities and circulation, with common or consolidated public/private focal and activity accent points, and of densities compatible with platform building sufficient to offset the economic cost of revitalization and redevelopment. Nor is either of these districts easily modified to do so without altering the impact the districts are intended to have on the downtown or elsewhere in the city.

Actions:

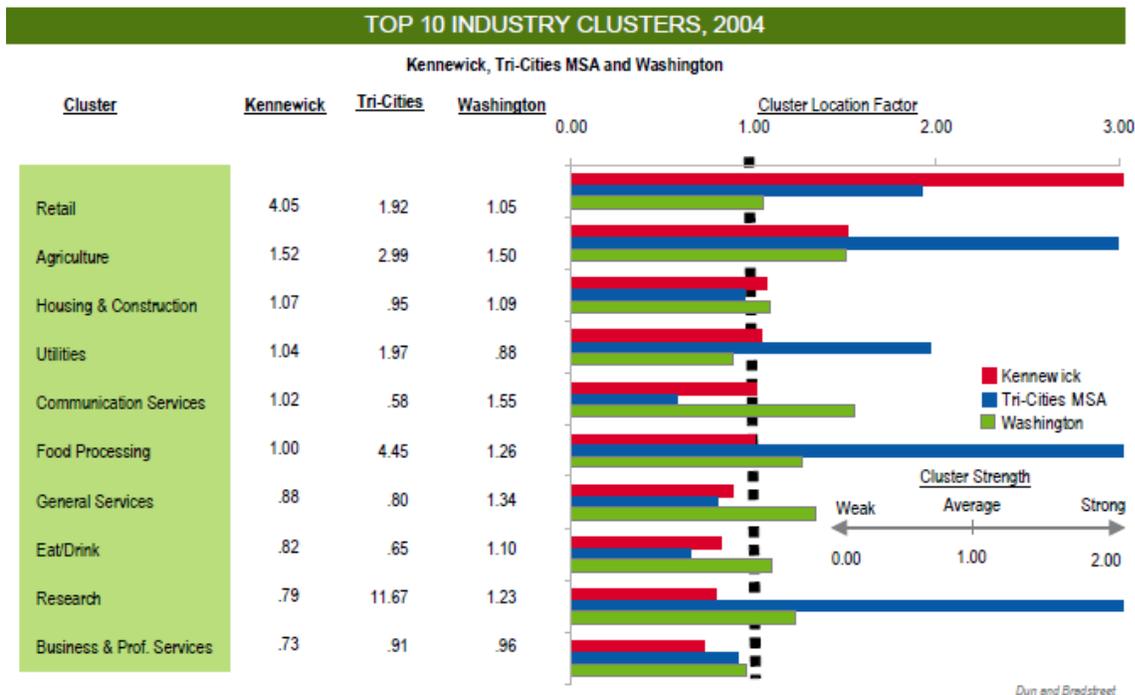
1. Continue to work with the Downtown Economic Restructuring Committee for a Downtown zoning district.
2. Continue to work with the Port of Kennewick to identify the appropriate zoning and design standards for the area noted as the Bridge-to-Bridge, River to Rail corridor.

Goal Five: Business Recruitment, Expansion and Retention

Angelou Economics, Kennewick Target Industry Identification, pp. 12-13; 20-21

Focus efforts on deliberate recruitment of target businesses and industries that will provide livable wages and diversification from Hanford area jobs; identify businesses looking to expand and encourage expansion; and increase outreach to local business in efforts to retain their presence in the region.

The Angelou Study identified the business cluster located in the Tri-Cities region and Kennewick. Based on those clusters and given the strengths and weaknesses of the region, target industries were recommended. The following table shows the cluster location factors for Kennewick, the Tri-Cities, and Washington State:



Retail – Downtown and regional retail have become the mainstays of communities around the country. Many cities are dependent on the tax revenue associated with these stores, and some perceive the steady improvement of retail options as a clear quality of life issue. Kennewick is considered the regional shopping destination for neighboring communities, but its retail environment can be expanded. New restaurants will keep more of Kennewick's daytime workers inside the city limits, while additional regional retail will draw more residents from outside the city into Kennewick to shop.

Housing & Construction – Kennewick, along with other northwestern communities, has experienced a boom in its residential home construction industry. Although, this cluster supports a large proportion of local jobs, this industry is largely driven by growth in the local populace and does not export goods outside the region. Because of this, it is not considered a primary industry. Most of the growth of this industry is “organic”, supported from within by growth in population and income levels throughout the

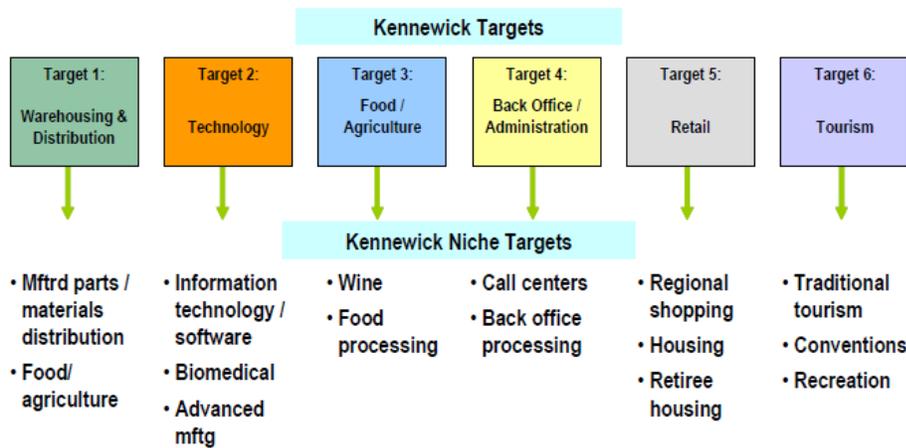
region, though significant growth has occurred locally due to relocating retirees and second-home purchases. However, a slowdown in population growth or rising interest rates will slow the housing construction market. Some opportunities will exist for construction material warehousing that utilizes the Port.

Agriculture – Kennewick and the Tri-Cities enjoy a strong base of agricultural production (orange, apples, grapes, vegetables etc.), which supports other industries such as food processing and distribution.

Food Processing – The food processing industry complements the existing agricultural cluster well. Fruits and vegetables can be transported quickly and easily from local farms to nearby food processing plants, allowing the goods to remain fresh. Kennewick also offers direct access to large markets, which is a necessity for food processing.

Research (Technology) - This broad industry requires a highly educated workforce and an existing base of technology companies. A strong science and research cluster exists in north Richland associated with Pacific Northwest National Laboratory and Hanford contractors, though many of these employees choose to live in Kennewick. Several technology companies have chosen to locate in Kennewick in order to access a more diverse supply of workers and the low cost business environment.

The following chart shows the resulting list of target industries for Kennewick:



Warehousing & Distribution

Kennewick is well positioned to recruit and grow warehousing and distribution firms. The transportation infrastructure and un-congested highways, combined with the strong retail, agricultural, and food processing clusters will serve to attract more companies in this industry. Kennewick is already home to several warehousing and distribution firms including: Columbia Colstor, CWX, Americold Logistics and Horizon Air.

Technology

INFINIA Corp., KeyMaster Technologies, Cadwell Laboratories, TiLite and Olympus NDT represent the beginning of a growing technology industry in Kennewick. As this cluster continues to progress, technology companies will be drawn to the area to take advantage of the educated workforce, university, and national lab.

Food/ Agriculture

Kennewick is well accomplished in its efforts to recruit and retain food processing and agriculture firms. ConAgra/Lamb-Weston, Tyson Fresh Meats, Broetje Orchards, Twin Cites Food and Tree Top Inc. are just a few of the companies located in or near Kennewick. The low cost of land, low wage rates, available distribution and transportation infrastructure are all essential to Kennewick's success in recruiting these firms.

Back Office/ Administration

Kennewick's low utilities cost, affordable workforce, and access to student population make back office/administration firms a viable target for the community. Back office/ administration firms in Kennewick include: Money Tree, Sage Data and Amerion.

Retail

With the presence of the Columbia Center Mall, Downtown Kennewick and a variety of boutique shops, Kennewick is considered to be the regional shopping hub. The population in Kennewick and the surrounding area is experiencing strong growth, which naturally translates into a growing number of consumers. This population growth and retail recognition will continue to drive growth in this industry, and will provide selling points during recruitment efforts.

Tourism

The tourism industry in Kennewick represents a great opportunity for the area to gain regional and national exposure. With the creation of Red Mountain and a variety of other wineries and wine shops, Kennewick is fast becoming a popular destination for wine enthusiasts. The local sporting facilities, numerous golf courses, and Columbia River also give Kennewick an advantage for growing this industry. The more tourists the community can draw in, the more likely hospitality firms like hotels and restaurants will consider Kennewick during site selection.

Business Recruitment, Expansion and Retention Strategy One: Continue to focus business recruitment on industries identified as "niche targets". Diversify from regional dependence on Hanford jobs through strategic partnerships with other economic development, employment and educational institutions.

Since the mid-1990's, the Tri-Cities has become increasingly dependent upon Hanford area employment. Hanford has brought millions in federal funding for energy production and defense activities. The American Recovery and Reinvestment Act (ARRA) paid for three of the Hanford clean-up projects that were among the ten largest contracts in the nation totaling approximately \$2 billion. With Hanford clean-up projects nearing completion, Hanford began the layoff of approximately 1,100 employees in September of 2011 and has authorized another 1,985 layoffs beginning in October of 2011. In the last decade, the Tri-Cities economic development entities have acknowledged the need to diversify and have successfully supported recruitment and expansion in the food processing and manufacturing industries, technology, and health care sector.

Kennewick continues to be the retail hub of the region and as such, business recruitment of retail business continues to be a central focus of economic development staff. Kennewick staff and City of Richland staff have combined efforts to market the Tri-Cities to retail business at the International Council of Shopping Center (ICSC) International Show in Las Vegas, Nevada and San Diego. Marketing efforts have helped attract businesses such as the Home Depot located near Highway 395 and the 640-unit apartment complex to be constructed by Edward Rose and Sons of Farmington Hill, Michigan.

However, diversification from the retail sector is important in creating higher wage jobs than those typically paid in the retail sector. The proposed Urban Growth Boundary expansion would provide hundreds of additional acreage for industrial use in food processing, logistics, warehousing and distribution, and manufacturing. Expansion of commercial infrastructure can also help leverage resources so that technology and science based R&D companies can move beyond R&D to sustained manufacturing and production and export of their product. The City of Richland, TRIDEC, Port of Benton and Benton County have partnered in the requested release of 1341 acres of land owned by the Department of Energy for economic development. The land would be parceled out to accommodate several manufacturing ventures, creating an estimated 2,500 – 3,500 jobs.

Tri-Cities area is being increasingly recognized as an emerging hub for green industries. The Tri-Cities Research District, which houses Pacific Northwest National Laboratory (PNNL), the U. S. Department of Energy, the Applied Process Engineering Laboratory and Washington State University's new Bioproducts, Sciences and Engineering Laboratory, has earned the designation as one of Washington's Innovation Partnership Zones. The focus of the research district has been on sustainable development with a focus on integrated electrical-thermal production, solar-dish generating systems, commercial-scale fuel cells, and bioenergy production.

Partnerships

Economic development cannot occur without cooperation and support of various public and private agencies. In Kennewick, economic development will be stronger with partnerships composed of local economic enhancement groups: these include the Port of Kennewick, TRIDEC, the Chamber of Commerce, Benton-Franklin Council of Governments, and many other private and public agencies. Collaborative efforts are necessary to successfully market the region, as each of the sister cities provide complementary sites and infrastructures for business recruitment. Once a business has located in the area the benefits are region-wide.

An example of such partnerships is the Three Rivers Entertainment District Plan, which was developed by the City, KID, Port of Kennewick, and the Transit Authority. Using the Plan as leverage for additional public and private money will increase the commercial tax base, create primary and secondary jobs, and enhance the "Kennewick experience". The Three Rivers Entertainment District, which contains the Three Rivers Convention Center and the Toyota Center Arena, is important for tourism and business diversification - two areas that depend heavily on partnerships. Tourism is a visible and popular way to create primary jobs by bring outside money into the community. This can have positive results on existing businesses and could create new employment opportunities throughout the area. Partnerships can help create diversification of businesses and industry to create an economic climate not dependant on any one industry and one that can withstand not only the ups and downs of the local economy but also of the national economy.

There are numerous public and private agencies and organizations in the Tri-City area working for economic development. They are involved in workforce training, recruitment, investments, tourism, and government. A partial listing of these local organizations and their web sites is provided.

<i>ORGANIZATION</i>	<i>WEB SITE</i>
<i>Benton – Franklin Council of Governments</i>	www.bfcog.us
<i>City of Richland – Economic Development</i>	www.ci.richland.wa.us
<i>City of Kennewick – Economic Development</i>	www.go2kennewick.com
<i>Columbia Basin College</i>	www.columbiabasin.edu
<i>Employment Security Department</i>	www.esd.wa.gov/
<i>Historic Downtown Kennewick Partnership</i>	www.historickennewick.org
<i>Home Builders Association</i>	www.hbatc.com
<i>Pacific Northwest National Laboratory – Economic Development Office (also Tri-Cities Small Business Development Center)</i>	www.pnl.gov/edo
<i>Port of Benton</i>	www.portofbenton.com
<i>Port of Kennewick</i>	www.portofkennewick.org
<i>Port of Pasco</i>	www.portofpasco.org
<i>Three Rivers Convention Center & Coliseum</i>	www.threeriversconventioncenter.com
<i>Three Rivers Entrepreneur Network</i>	www.my3rivers.org
<i>TRAC (Trade Recreation Agriculture Center)</i>	www.traonline.com/
<i>Tri-City Area Chamber of Commerce</i>	www.tcrchamber.com
<i>Tri-Cities Visitor & Convention Bureau</i>	www.visittri-cities.com
<i>TRIDEC (Tri-City Industrial Development Council)</i>	www.tridec.org
<i>Washington State University</i>	www.tricity.wsu.edu

Actions:

1. Continue targeting industries in retail, and through continued involvement in ICSC under the Tri-Cities banner.
2. Continue strategic partnerships to promote economic development throughout the Tri-Cities to leverage infrastructure and capitol.
3. Continue to market and expand the Tri-Cities Business Builder web portal.
4. Identify and build partnerships with financial institutions providing business development and expansion funding.

Business Recruitment, Expansion and Retention Strategy Two: Engage current business owners through consistent outreach including business visits, newsletters, and business surveys.

Economic Gardening is a concept that the Emerging and Expanding Business Group have embraced as a means of promoting entrepreneurial expansion and retention. The economic gardening model was developed in Littleton, Colorado. The practice focuses on an “inside-out” approach whereby you develop local entrepreneurs as opposed to focusing on “outside-in” business recruitment into the region. The importance of entrepreneurship to a region is paramount: according to the Small Business Administration small businesses account for the majority of private sector employment and:

- Represent 99.7 percent of all employer firms.
- Employ just over half of all private sector employees.
- Pay 44 percent of total U.S. private payroll.
- Have generated 64 percent of net new jobs over the past 15 years.
- Create more than half of the nonfarm private gross domestic product (GDP).
- Hire 40 percent of high tech workers (such as scientists, engineers, and computer programmers).
- Are 52 percent home-based and 2 percent franchises.
- Made up 97.3 percent of all identified exporters and produced 30.2 percent of the known export value in FY 2007.
- Produce 13 times more patents per employee than large patenting firms; these patents are twice as likely as large firm patents to be among the one percent most cited.

Littleton, Colorado economic gardening best practices evolved around three critical themes as identified in the US Small Business Administration’s, **The Small Business Economy: Report to the President**, 2006:

1. Infrastructure: building and supporting the development of community assets essential to commerce and overall quality of life (e.g. roads, education, and cultural amenities);
2. Connectivity: improving the interaction and exchange among business owners and critical resource providers (e.g. industry trade groups, public sector supporters, and academic institutions); and
3. Market information: access to competitive intelligence on markets, customers, and competitors comparable to the resources historically available only to large firms.

City of Kennewick is actively working to improve and expand its infrastructure as noted in the projects listed in the Capital Improvement Plan (CIP). The areas that economic development staff seeks to expand upon are the “connectivity” and “market information”: the EEB collaboration on the web portal and development of marketing information and networking opportunities are part of the implementation of the economic gardening model.

The EEB group, with Kennewick and Richland taking the lead as financial partners, has created the Tri-Cities Business Builder web portal to help small business development through the referral services provided. City of Kennewick staff has started making contacts with local business owners through personal business visits. Staff will refer business owners to the web portal for necessary referral services and will provide information regarding city services and processes as necessary. Staff will collect pertinent business information through the development and use of a business survey. Monitoring of local business is essential in identifying businesses that are expanding and require help transitioning into a larger firm, as well as identifying those businesses that are struggling and connecting them to vital resources.

Dissemination of information is important and can be achieved through newsletters. Staff plans on developing newsletters that inform local businesses of resources, business opportunities and provides pertinent news and information to help keep them connected with the community and informed of the region’s economic development successes, resources and legislative issues that may be of interest.

Actions:

1. Create a survey to gather basic information regarding the business (e.g. local mailing address, local business contact, phone number, email address, preferred method of contact, etc.) and to collect other pertinent information such as type of business, personnel/labor, plans for business expansion/relocation, awareness of community services/assistance, and perception of business climate.
2. Economic Development staff will go out on weekly visits to meet and greet – staff will set up a longer meeting time in which there is sufficient time to conduct survey and dialogue with business owners/management.
3. Hold annual Business Appreciation Luncheon as a means of business retention and to expose City Council, City Manager and city staff to local business owners/management.

Business Recruitment, Expansion and Retention Strategy Three: Explore ways in which local colleges and universities may be leveraged for economic development.

“As America transitions to knowledge based economy, institutions of higher education have become engines of economic growth. While academic institutions have always been important in educating, their role has broadened and become more important. Urban academic institutions are increasingly recognized as centers of science and technology, incubators of companies, major employers, creators of housing, and purchasers of goods and services. Emerging partnerships across business, government, and academia have helped to fuel business growth and innovation in fields as diverse as computing telecommunications, and health care.” *Leveraging Colleges and Universities for Urban Economic Revitalization: An Action Agenda, p.6*

Regional economic development entities have realized the significance of partnering with institutions of higher education. Aside from providing educational opportunities and workforce development, these institutions provide resources and capital that can be leveraged for economic development. Strategic partnerships between Columbia Basin College and Washington State University and private and government industries have and continue to provide venues for expanding commerce throughout the region by providing the following to our region:

- R&D that support viticulture, bio-energy, nuclear, bio-medical, healthcare, and technology based industries
- Workforce development
- K-12 outreach
- Encourage entrepreneurial activity

Wine Industry

The Washington wine industry has seen tremendous growth in the number of wineries over the past decade. Although grape production lags far behind California, Washington is second only to California in grape production in the nation.

Growth in the grape and wine industry has led to increased visibility and popularity of Washington produced wines: Washington wines have been nationally and internationally acclaimed. With increased awareness and recognition of these wines throughout the region and nationally, there is a tremendous opportunity for the industry to extend its reach and continue to grow.

**Leading States' Annual Production of Grapes (Tons)
2003-2006**

	State	2003	2004	2005	2006
1	California	5,861,000	5,623,000	6,963,000	5,766,000
2	Washington	344,000	267,000	415,000	316,000
3	New York	198,000	142,000	178,000	153,000
4	Pennsylvania	85,000	86,800	90,000	82,000
5	Oregon	24,000	19,400	25,000	34,400
6	Michigan	94,500	58,000	102,700	27,500
7	Virginia	3,400	3,400	5,600	6,000
8	North Carolina	2,800	3,500	3,900	4,480
	Other States	30,830	26,830	27,300	16,470
	Total United States	6,643,530	6,229,930	7,810,500	6,405,850

NASS Annual Fruit Survey, July 2007

Washington State University's Tri-Cities in Richland has plans to build a 45,000 square-foot facility for a Wine Science Center to provide wine-making and viticulture education and research: construction is anticipated to begin by spring of 2013. The Wine Science Center is seen as an important step in propelling the state into a globally recognized world-class wine region while also contributing to regional diversification as a science and research based industry not tied to Hanford. The Washington Wine Commission has committed \$7.4 million over the next ten years for the project and the Port of Benton is providing 3.52 acres adjacent to the campus. Washington State University has raised approximately \$1 million and continuing to seek donations for the facility.

Science, Technology, and R&D

EnergySolutions, NuVision Engineering, and Washington State University are joining efforts to build a new engineering laboratory to be built at the WSU Tri-Cities campus to support testing and research and development in clean-energy industries, nuclear waste clean-up and medical industries.

PNNL and WSU have partnered in the construction of the **Bio-products, Sciences, and Engineering Laboratory**, a 57,000-square-foot, \$24.8 million facility at WSU Tri-Cities campus. BSEL is a partnership with Pacific Northwest National Laboratory and will include 10 jointly appointed scientists who will conduct research and development in bioenergy.

WSU Tri-Cities, Clean-Vantage LLC and the Pacific Northwest National Laboratory (PNNL) have received a \$1.5 million grant from the Department of Energy to conduct the "BioChemCat" pilot project at the Bioproducts, Sciences and Engineering Laboratory (BSEL) at WSU Tri-Cities.

In 2008, Columbia Basin College and the RJ Lee Group partnered in the purchase of a ThermoFisher Konelab 20XT Arena analyzer, which is an automated laboratory instrument used primarily in the analysis of wine and juice, as well as agricultural products and byproducts.

Workforce Development

Columbia Basin College houses the **Columbia Basin College Small Business Development Center**, which offers assistance to small business owners by providing a technical guidance through a Certified Business Advisor. In 2009, 100 clients were served, and CBC SBDC has saved more than 40 jobs, assisted in creating more than an additional 50 jobs, and assisted in the capital investment of more than \$2,500,000.

Columbia Basin College, Washington State University, PNNL have partnered financially with Richland, Pasco and Kennewick school districts in the creation of the **Delta High School**. CBC's administration and board of directors provided the facility, and provide property maintenance and management for Delta High for a \$1 annual fee.

Actions:

1. Partner with WSU Tri-Cities and Columbia Basin College to provide customized training to recruit and develop high-tech industries.
2. Promote and market the educated and skilled workforce available through and from regional colleges, universities and technical schools.
3. Partner with institutions to leverage college and university research expertise and assets to support local business creation.
4. Partner with community and educational institutions to provide internships and job-shadowing for students from high school through university graduation.
5. Partner with local educational institutions to provide training to graduating students, which includes leadership, innovation and customer service.

Goal Six: Tourism

Tourism is an important industry in Washington State and is the third largest industry in the state. Tourism is vital because it is one of the few industries that bring “new” money into the community. Tourism is important for the following:

- Diversifies the economy: decreases the community’s reliance on one or two industries.
 - All businesses benefit: visitors patronize a variety of businesses from hotels, resorts and restaurants to gas stations, retail stores and churches.
 - Brings new money: money spent is from outside of the community, not “recycled” money.
 - New tax dollars: all levels of government benefit from taxes paid by visitors.
 - Job creation: tourism is a year-round industry that provides local jobs.
 - Boosts appearance: communities often become more visually appealing in order to attract visitors.
 - Assists in business attraction: industries prefer to locate in communities with tourist amenities.
 - Youth opportunities: Part-time or seasonal jobs match employment needs of youth and second-wage earners.
 - Helps support community facilities: outside dollars are used to support amenities used by residents.
- (Source: Learning to Lead: A Primer on Economic Development Strategies by Maury Forman & James Mooney)*

Tourism in the Tri-Cities generates over \$349 million into the local economy. Travel related employment in the Benton and Franklin Counties is over 4400 jobs, and sales tax receipts account for over \$27 million (2009) in Benton Franklin Counties with \$7.1 million being retained for local use.

The Tri-Cities is located in the center of Washington’s wine country, making the area a haven for wine enthusiasts. Until recent years the Columbia Valley was more of a well-kept secret, but has grown to become the second largest wine region in the nation. There are currently over 150 wineries within 60 miles of Kennewick. This drastic growth rate within the region’s wine industry has and will continue to create jobs and attract tourists.

The Tri-Cities has over 125 public parks, including the Playground of Dreams, located on a 4.5 miles stretch of the Columbia River. The Playground of dreams includes an impressive play area, aquatic playground, boat launches, a family fishing pond and over 20 acres of multi-use areas.

Among the 10 golf courses in the area is the famous Canyon Lakes Golf and Country Club, located in the middle of one of Kennewick’s luxury home communities. The course is rated one of the “18 Best in the Pacific Northwest”, is tied for best course in WA, and was given 4.5 stars by Golf Digest.

The Tri-Cities is home to a number of sports teams, including the Dust Devils (Class A Minor League Baseball), Tri-City Americans (Major Junior WHL Hockey) and the Tri-City Fever (Arena Football). One of the largest sporting events in Kennewick is annual hydroplane race, the Columbia Cup. Each year, thousands of people gather along the shores of the Columbia River to watch the races, while enjoying great food and great company.

A major tourist attraction will be the Southridge Sports and Event Complex, which will be open to the public in 2012. The sports complex will offer a host of opportunities from recreation to sports and events

and will enhance the current inventory of amenities available for tournaments and events. The Southridge Complex will provide a venue for ongoing growth of events and tournaments hosted in the Tri-Cities.

The Tri-Cities also provides a multitude of arts and cultural exhibits and activities. The Tri-Cities hosts the Academy of Children's Theater, Mid Columbia Mastersingers, Mid Columbia Symphony, and the Mid Columbia Ballet. The area also has a number of historical and cultural museums, including a tour of the Hanford B Reactor and the Sacajawea State Park and Interpretive Center.

Tourism Strategy One: Promote regional tourism through increased regional and national marketing efforts in collaboration with other tourism entities.

The Washington State Tourism Office was closed in June of 2011 due to state budget cuts. As a result, collaborative partnerships and efforts must be increased to continue the support of tourism in the Tri-Cities.

The leading local agency for tourism promotion is the Tri-Cities Visitor and Convention Bureau (TCVCB). The TCVCB is a non-profit destination marketing organization with a membership of 681 northwest businesses. The mission statement of the Bureau as stated on their website at www.visittricity.com is:

The Tri-Cities Visitor and Convention Bureau serves as the community's catalyst for developing marketing and enhancing tourism and conventions thereby creating positive economic growth for the region.

The Bureau's goal is economic development through tourism - which is the recruitment of new visitor dollars into our community. We work year-round as the convention, leisure and recreational promotion organization for the Tri-Cities area. We recruit new customers for existing business, and we assist tourism businesses with development or expansion into our community. We work with trade and travel writers to create favorable media coverage of the community and to educate consumers that the Tri-Cities is a great place to live, work play and visit. And our Rivershore Enhancement Program is working to ensure that new opportunities for economic development exist through shoreline enhancement.

The Tri-Cities Visitor Convention Bureau is funded from the Receipts of the basic 2% hotel/motel tax in the lodging tax fund to support event promotion. In addition, proceeds from the regional Tourism Promotion Area (TPA), an agreement between the City of Richland and City of Kennewick, are remitted to the TCVCB for marketing tourism in the region. Through June of 2011, the city received and remitted \$167,747 to the TCVCB from the TPA charge.

City of Kennewick continues to partner with the Tri-Cities Visitor & Convention Bureau to leverage their expertise in marketing with overwhelmingly positive results. The TCVCB's media outreach program consists of both advertising and public relations efforts to market the Tri-Cities region nationally. According to their 2010 Annual Report, some of their marketing efforts included the following:

- Secured 122 magazine, online, newspapers, and broadcast stories
- Continued partnership with Washington Wine Country and public relations contractor, Green Rubino, to promote the region and secure future travel stories.
- Place \$130,000 of targeted print advertising.

- Bureau staff hosted a group of seven Chinese journalists in the Tri-Cities. Published Tri-Cities articles had a total circulation of 2,660,000 readers.
- For a fourth year, the Bureau developed and placed television advertising; targeting viewers in the Puget Sound region and promoting the Tri-Cities as a “Weekend Getaway.” A total of 621 television spots aired on Northwest Cable News, KOMO, KING, and KIRO.

The Port of Kennewick is also working to create recreation, tourism and quality of life opportunities.



The Clover Island Marina renovation was completed one year early and under budget. In addition to leased moorage, the marina offers a public boat launch and moorage, restrooms, showers, security cameras, and oil spill and emergency response equipment. The Port received a 2008 Build Washington Award from the Associated General Contractors (AGC) of Washington for the marina project, which named it their Top Construction

Project of the Year in the heavy/industrial category. The Port also built a new retail/office building on Clover Island and provided leased space for Ice Harbor Brewing at the Marina-bringing a new restaurant/craft brewery to Clover Island-the first new building on the island since 1979.

Action:

1. Continue partnership with the Tri-Cities Visitor & Convention Bureau, Port of Kennewick and Historic Downtown Kennewick Partnership for tourism promotion in the Tri-Cities.

Tourism Strategy Two: Promote the Southridge Sports and Event Complex through regional and national marketing efforts.

The City of Kennewick not only works closely with the Tri-Cities Visitor and Convention Bureau, but has formed other partnership opportunities that are vital to the regions success in attracting tourism, recreational and parks events: these partnerships include the Port of Kennewick, the Tri-Cities Regional Chamber of Commerce, the Sports Council, the Cities of Pasco and Richland, and the School Districts. As a result, there has been a significant growth, over the last three years, in the number of large scale tournaments that are being held in the Tri-Cities and the growth in special events has jumped 27% over the last 2 years in Kennewick.

The Southridge Sports and Event Complex is instrumental in the expansion of sports and events tourism. According to the TCVCB in a letter of support written on April 21, 2009 to Kevin Ferguson, Assistant City Manager for the City of Kennewick at that time:

“The TCVCB has worked in cooperation with the City of Kennewick to secure numerous tournaments including the National Softball Association’s (NSA) Ice Breaker Tournament (April), the NSA State Tournament (June) and Triple Crown Sport’s Father’s Day Slugfest (baseball-June). With the addition of this complex, each of these current tournaments has the potential to grow by 32 additional teams. This translates to an increase of 1,000 people and \$237,500 in economic impact per event.”

Actions:

1. Continue to be an active part of the Tri-Cities Visitor and Convention Bureau Tri-Cities Sports Council and work regionally to develop tournament and event opportunities in the Tri-Cities.
2. Promote and market the Southridge Sports and Event Complex to event and tournament planners through a variety of mechanisms on a national scale.
3. Retain events and tournaments from year to year in order to develop the ongoing growth and sustainability of tourism in Kennewick.
4. Continue to develop staff that support events and tourism activities to enhance the quality experience offered to visitors, event and tournament planners in the Tri-Cities.
5. Maintain quality facilities and amenities of sports and event locations and develop funding mechanisms to support the ongoing maintenance and support of them.