Agenda
Economic Development Committee Meeting
Monday, May 15, 2023
Richland City Hall ~ Council Chambers
625 Swift Boulevard

Committee Members: Chair Bricker, Vice-Chair Morasch, and Members Griffin, Hughes, Kesoju, Knight, Potts, and Spencer

Council Liaison: Jones
Council Alternate: Mayor Christensen

Staff Liaison: Wallner

Regular Meeting - 4:00 p.m.

Call to Order/Attendance:

Approval of Agenda: (Approved by Motion)

Public Comments: Please limit public comments to 3 minutes.

Approval of Minutes: (Approved by Motion)

April 17, 2023 Economic Development Meeting Minutes

Presentations: (10 Minutes)

2. Monthly Training Topic - Surplus and Deal Points of City-Owned Property
   - Darin Arrasmith, Planner

Business: (30 Minutes)

3. Proposed Surplus of Property Adjacent to 999 Queensgate Drive
   - Darin Arrasmith, Planner
4. Proposed Surplus of Property Located at 1900 Jadwin Avenue
   - Darin Arrasmith, Planner

Additional Training:

5. Monthly Training Topic - Economic Development Property Inventory
   - Darin Arrasmith, Planner

Economic Developoment Update:

Real Estate Update:

Announcements: (3 Minutes)

Adjournment

Richland City Hall is ADA accessible. Any individual who has difficulty attending the meeting in-person may request to provide comments remotely. (Ch. 42.30 RCW) Requests for sign interpreters, audio equipment, and/or other special services must be received 48 hours prior to the meeting by calling the City Clerk's Office at 509-942-7389.

ECONOMIC DEVELOPMENT COMMITTEE AGENDA ITEM COVERSHEET

Meeting Date: 5/15/2023 Agenda Category: Approval of Minutes

Prepared By: Carly Kirkpatrick, Administrative Assistant II

Subject:
April 17, 2023 Economic Development Meeting Minutes

Department:
Development Services

Recommended Motion:
Move to approve the April 17, 2023 meeting minutes

Summary:
April 17, 2023 minutes are attached for review and consideration.

Fiscal Impact: Approval of the minutes does not have a fiscal impact on the city.

Attachments:
1. 2023.04.17 Economic Development Committee Meeting Minutes draft

MINUTES
ECONOMIC DEVELOPMENT COMMITTEE
CITY COUNCIL CHAMBERS – 625 SWIFT BLVD.
Monday, April 17, 2023 – 4:00 P.M.

CALL TO ORDER
Chairman Bricker called the meeting to order at 4:00 pm.

ATTENDANCE
Chairman Bricker, Vice-Chair Morasch, Committee Members Hughes, Kesoju, Spencer and Knight. Member Potts was absent.

Also present were Development Services Director Jensen, Economic Development Manager Wallner, Planner Arrasmith, Economic Development Specialist Follett and Administrative Assistant II Kirkpatrick.

APPROVAL OF AGENDA
Chairman Bricker presented the agenda for approval. There were no changes or additions.

COMMITTEE MEMBER HUGHES MOVED AND COMMITTEE MEMBER SPENCER SECONDED THE MOTION TO APPROVE THE AGENDA AS PRESENTED. MOTION PASSED 7-0.

PUBLIC COMMENTS
Chairman Bricker opened the public comment period at 4:03 p.m. No one asked to speak, and Chair Bricker closed the public comment period at 4:03 p.m.

APPROVAL OF MINUTES

1. March 20, 2023 Minutes
Chairman Bricker introduced the meeting minutes from March 20, 2023. There were no changes or discussion.

COMMITTEE MEMBER SPENCER MOVED AND COMMITTEE MEMBER HUGHES SECONDED THE MOTION TO APPROVE THE MEETING MINUTES OF MARCH 20, 2023. MOTION PASSED 7-0.

ITEMS OF BUSINESS

2. Proposed Surplus of Property Adjacent to 2619, 2623 Falcon Lane
Chairman Bricker recognized Planner Arrasmith to present the proposed surplus of 1,651 square feet of park property located adjacent to and southwest of 2619 and 2623 Falcon Lane in the Falconcrest Phase 1 subdivision. Mr. Arrasmith detailed the reason for the

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surplus request. At the conclusion of the presentation, he answered questions from committee members.

COMMITTEE MEMBER SPENCER MOVED AND COMMITTEE MEMBER KESOJU SECONDED THE MOTION THAT THE ECONOMIC DEVELOPMENT COMMITTEE RECOMMEND CITY COUNCIL THE APPROVAL OF THE SURPLUS OF APPROXIMATELY 1,651 SQUARE FEET OF REAL PROPERTY LOCATED ADJACENT TO 2619 AND 2623 FALCON LANE AND PURSUE NEGOTIATIONS WITH THE ADJACENT PROPERTY OWNERS. MOTION PASSED 7-0.

PRESENTATIONS

3. Richland Business Passport Program

Chairman Bricker recognized Economic Development Specialist Follett to present the training topic. Mrs. Follett gave a presentation, including a Power Point, outlining what the passport program entails. At the conclusion of her presentation, Mrs. Follett answered questions.

ANNOUNCEMENTS

Ms. Wallner thanked everyone for their thoughtful questions. She also noted that there will be a transfer of leases and surpluses to Economic Development so more of these items would be coming to them in upcoming meetings. May is Small Business Month, and Economic Development Week is the week of May 8th.

ADJOURNMENT

Chairman Bricker adjourned the meeting at 4:26 p.m.

Prepared by: _____
Carly Kirkpatrick, Administrative Assistant II

Reviewed by: _____
Mandy Wallner, Economic Development Manager

Approved by: _____
Brad Bricker, Chairman

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ECONOMIC DEVELOPMENT COMMITTEE AGENDA ITEM COVERSHEET

Meeting Date: 5/15/2023 Agenda Category: Presentations

Prepared By: Darin Arrasmith, Planner

Subject:
Monthly Training Topic - Surplus and Deal Points of City-Owned Property

Department:
Development Services

Recommended Motion:
None

Summary:
It is the policy of the City to consider the sale or lease of City-owned real property when it is determined that the property no longer serves a present or future municipal use. Section 3.06 of the Richland Municipal Code is also attached for reference. When considering the surplussing and sale or lease of City-owned property, the City Council bases its decision on a number of factors, such as: whether the sale or lease should be by sealed bid or direct negotiation, and whether abutting landowners should be given special consideration.

OBJECTIVES OF SELLING OR LEASING CITY-OWNED PROPERTY

- Meeting the financial obligations of the City.
- Providing capital for park development.
- Providing a source of general revenue to the City.
- Controlling the physical development of the City.
- Stimulating development of the City's economic base.

ADVANTAGES OF SELLING CITY-OWNED PROPERTY - The sale of City-owned land is relatively quick and results in a lump sum payment to the City. The proceeds of the sale can then be used to develop streets and utilities to attract additional industrial and commercial development. The sale of City-owned property also places the property (whether developed or left idle) on the City's tax rolls.

ADVANTAGES OF LEASING CITY-OWNED PROPERTY - Leasing City-owned property provides a long-term source of revenue for the City, and also provides greater control over the development of the property. It is difficult to control the physical development of property through the City's Zoning Code alone. The control over development in a ground lease arrangement provides for specific approval – both in type and design.

Ground leases offer a form of control at the end of the term if the lease agreement allows the City to take over the building. The City is then in position to refurbish or demolish the building and replace it with a more acceptable and improved development, while the sale of City property leaves control of the development to the private landowner.

Fiscal Impact: None

Attachments:
1. RMC 3.06

Chapter 3.06
SALE OR LEASE OF CITY REAL PROPERTY

Sections:

3.06.010 Purpose – Policy – Objectives.

3.06.020 Authority.

3.06.030 Declaration of surplus.

3.06.040 Sale or lease procedures.

3.06.050 Conveyance procedures.

3.06.060 Exceptions.

3.06.010 Purpose – Policy – Objectives.

A. Purpose. The purpose of this chapter is to establish policies and procedures regarding the surplusing and the sale or lease of certain real property owned or otherwise controlled by the city.

B. Policy. It shall be the policy of the city to consider sale or lease of real property owned or controlled by the city when such property is determined to be surplus to the needs of the city, and where it is demonstrated to the satisfaction of the city council that sale or lease will best serve the public interest. For purposes of this chapter, the public interest will best be served when a transaction accomplishes one or more of the objectives listed in subsection (C) of this section.

C. Objectives. The purpose and policies of this chapter are intended to accomplish the following basic objectives, which should be achieved in a balanced manner to ensure that none are over-emphasized to the detriment of the others:

1. Stimulate the development of the city's economic base to provide employment opportunities and tax revenues for the city and other local taxing entities;

2. Meet the financial obligations resulting from prior property transactions of the city;

3. Provide capital for economic development purposes, for parkland operations (planning, acquisition, design, construction and maintenance and operation), and such other purposes as the council determines are necessary and appropriate; and

4. Provide a source of general revenue to the city over and above the tax yields from such real property. [Ord. 24-84].

3.06.020 Authority.

Whenever it is determined by the city council that it is in the best interest of the city that real property owned by the city should be sold or leased, the council may authorize the sale or lease and conveyance of such real property, upon any terms and conditions which it deems appropriate. In taking such action, the council may reserve, sell or lease mineral or other resources on any such real property separate and apart from the land in the same manner and upon the same terms and conditions as provided for in this chapter. [Ord. 24-84].

3.06.030 Declaration of surplus.

Prior to the sale or lease of any city-owned real property, the city council shall determine that the property is excess to the present and future municipal needs of the city.

A. In making such a determination, the council shall utilize the following criteria:

1. Conformance with the city's comprehensive plan as provided in RMC Title 23;

2. Recommendations from the economic development board and the physical planning commission, and, as deemed appropriate and requested by the council, recommendations from other city boards and commissions such as the utility advisory board and the parks and recreation commission;

3. Input from the public at a duly advertised public hearing;

4. Recommendations within the 1973 report prepared for the council by the land sale/lease policy committee entitled, "Proposed Policy for the Sale or Lease of Excessed City Owned Property," and adopted as a guideline by council by resolution (No. 64-84); and

5. Other forms of input determined appropriate or desirable by the council.

B. If the council determines the property to be no longer necessary for present and future municipal use, it may declare by resolution the property to be surplus. Upon making such declaration of surplus, the council may also make the following determinations:

1. Whether the parcel should be sold or leased;

2. Whether special consideration should be given to abutting land owners;

3. Whether special covenants or restrictions should be placed on the real property as a condition of sale or lease;

4. Whether the parcel should be sold or leased by sealed bid;

5. What formality of appraisal is necessary to set the minimum acceptable price to achieve reasonable

value.

C. Upon declaration of surplus by the council, the city manager or designee shall undertake disposal of the parcel(s) in accordance with the council's directives. [Ord. 24-84].

3.06.040 Sale or lease procedures.

Sale or lease procedures may be initiated following one of two events: a determination by the city council that economic indicators favor sale or lease or upon specific request by a firm or individual to lease or purchase city property. In determining which process to utilize, the council shall give consideration to the findings and recommendation of the economic development board.

A. Sealed Bid Process. If the council requires the real property to be sold or leased upon competitive bids, the following procedures shall be utilized:

1. The city clerk shall give notice that the city will invite bids for purchase or lease of the property by one publication in the official newspaper of the city, posting in a conspicuous place in the City Hall and on the subject real property, and/or such other notification or advertising determined to be appropriate. The publication and posting shall be at least 10 calendar days before the final date for submitting bids;

2. Publication and posting for bids shall particularly describe the property or portion thereof proposed to be sold or leased, shall designate the place and the time of the bids to be opened, and shall set forth any terms and minimum price, if any, established by the council;

3. Bids shall be opened in public at the time and place stated; and

4. The council may reject any and all bids, or the bid for any one or more of the parcels included in the advertisement for bids, and reserves the right to waive any irregularities in the bid process.

B. Negotiation Process. The council may determine that property should be sold or leased through negotiations, either as a result of a specific request, or as a result of city-initiated advertising or other solicitation. In either event, sale or lease consideration shall proceed as follows:

1. All requests shall be directed to the city manager or his designee;

2. The city manager or his designee shall schedule the request for review and consideration by the economic development board, along with a report discussing the following:

a. Status of the surplus property;

b. Whether the property should be considered for public bid offerings;

c. Whether, and for what reason(s), sale or lease would be advantageous to the city; and

d. Any other special considerations which apply to and which will aid the board in considering the request;

3. The economic development board shall review the request and make findings, based on the policy and objectives and the criteria provided in this chapter, for the council's consideration;

4. The council shall act on the request, with due consideration to the findings and recommendation of the economic development board and, as appropriate, other boards, commissions, or individuals. [Ord. 24-84].

3.06.050 Conveyance procedures.

Upon receipt of an acceptable bid or negotiated offer for sale or lease of city real property, the city manager or his designee shall submit a report and recommendation to the city council for action. The council shall proceed as follows:

A. The council may solicit additional information it deems necessary and appropriate, including input from the public at a duly advertised public hearing, prior to taking action to accept or reject any sale or lease offer.

B. Upon determination of an acceptable bid or offer, the council shall authorize the city manager to cause the necessary instruments to be prepared and executed.

C. Copies of such instruments shall be filed with the Benton County assessor's office by the city clerk.

D. The title to any sold city real property shall not be transferred until the purchase price therefor has been fully paid and any applicable terms or conditions have been fully satisfied.

E. The net receipts from sold city real property, not designated for other purposes, shall be deposited into the capital improvement fund. [Ord. 24-84; Ord. 41-93].

3.06.060 Exceptions.

This chapter shall not apply to the following dispositions of real property:

A. When selling to another governmental agency, in which event the transfer is approved by the court as provided by law; and

B. When provisions of the RCW impose conditions for the disposition of municipal property, those laws shall be treated as limited exceptions to this chapter. Exceptions include, but are not limited to, the following as they may from time to time be amended:

1. RCW 35.21.660 through 35.21.680 and 35.31.725 through 35.31.755 relating to transfers to corporations

charter by the city;

2. Chapter 35.94 RCW relating to surplus utility property; and

3. Chapters 39.33 and 39.34 RCW relating to intergovernmental transactions.

C. Sale of properties that have been acquired by the city by means of foreclosures of real estate sales contracts or for nonpayment of LID or other assessments and whether by deed in lieu of foreclosure or by judgment of foreclosure and attendant sheriff's deed. [Ord. 24-84].

ECONOMIC DEVELOPMENT COMMITTEE AGENDA ITEM COVERSHEET

Meeting Date: 5/15/2023 Agenda Category: Business

Prepared By: Darin Arrasmith, Planner

Subject:
Proposed Surplus of Property Adjacent to 999 Queensgate Drive

Department:
Development Services

Recommended Motion:
Motion to recommend to the City Council the approval of the surplus of approximately 7,693 square feet of real property located between the Keene Road Trail and 999 Queensgate Drive and pursue negotiations with the adjacent property owner.

Summary:
The City owns approximately 7,693 square feet of property located along the north side of the Keene Road Trail at the northwest corner of Keene Road and Queensgate Drive. The area of the proposed surplus is adjacent to the Chevron gas station property located at 999 Queensgate Drive.

The City-owned property is currently vacant and the City has no plans to construct or install any trail improvements or amenities at this location. The owner of the Chevron gas station desires to purchase this property and landscape it to improve the entrance and frontage features of the business.

The area adjacent to the trail proposed for surplus is not needed for municipal purposes. The Parks and Recreation Commission considered this item on May 11, 2023, consistent with RMC 3.06 and recommend that Council sell the area as requested by 999 Queensgate Drive. Per the Richland Municipal Code, the Parks and Recreation Commission, Physical Planning Commission and Economic Development Committee must each provide a recommendation to the Richland City Council for a final decision.

The process includes two steps. First, should the property be surplussed? Items C 1-4 in 3.06.010 (attached) must be satisfied with an affirmation of the first question. Second, if the answer to the first question is yes, and the property is declared surplus by the City Council, how will it be sold, leased or otherwise transferred? Items A-B in 3.06.040 must be evaluated to determine the desired process. The choices are 1.) direct negotiation with one party or 2.) a public sale or auction available to any buyer. In this case, item 3.06.040 B (direct negotiation) would apply because the adjacent owner has requested to purchase the property, the subject property does not meet the minimum lot size of the zoning district and could not constitute a legal property, and there is no access to the site.

If approved, the City will enter into negotiations with the owner of the Chevron gas station for the purchase and sale of the 7,693 square feet of City-owned property, which will be brought before the City Council for consideration at a future date.

Fiscal Impact: The surplus action has no fiscal impact. The proceeds from the resulting sale of the surplussed property will be determined through a negotiated sales process.

Attachments:
1. Site Map - Queensgate-Chevron Surplus
2. RMC 3.06.010

TACO TIME
999 QUEENSGATE DRIVE
KEENE ROAD
QUEENSGATE DRIVE
Keene Rd
Queensgate Dr
PROPERTY PROPOSED FOR SURPLUS
7,693 SF
N

3.06.010 Purpose – Policy – Objectives.

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B. Policy. It shall be the policy of the city to consider sale or lease of real property owned or controlled by the city when such property is determined to be surplus to the needs of the city, and where it is demonstrated to the satisfaction of the city council that sale or lease will best serve the public interest. For purposes of this chapter, the public interest will best be served when a transaction accomplishes one or more of the objectives listed in subsection (C) of this section.

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4. Provide a source of general revenue to the city over and above the tax yields from such real property. [Ord. 24-84].

ECONOMIC DEVELOPMENT COMMITTEE AGENDA ITEM COVERSHEET

Meeting Date: 5/15/2023 Agenda Category: Business

Prepared By: Darin Arrasmith, Planner

Subject:
Proposed Surplus of Property Located at 1900 Jadwin Avenue

Department:
Development Services

Recommended Motion:
Motion to recommend to the City Council the approval of the surplus of approximately 21,152 square feet of real property located at 1900 Jadwin Avenue at the northeast corner of Jadwin Avenue and McMurray Street and pursue negotiations with the Boys & Girls Club of Benton and Franklin Counties to lease the property.

Summary:
City staff recommends that a city-owned parcel and building be declared as surplus to the City's needs. The subject property is approximately 21,152 square feet and is the former and original location of Fire Station No. 73 at the northeast corner of Jadwin Avenue and McMurray Street.

The former fire station was originally built in 1958 and was the smallest of the four original fire stations in the City. The 65-year-old building has reached end of life. In October 2021, the City opened a replacement Fire Station No. 73 to 2120 Jadwin Avenue and discontinued utilizing the 1900 Jadwin Avenue location as a fire and emergency response facility.

Consideration by the Economic Development Committee must be consistent with RMC 3.06. Per the Richland Municipal Code, the Physical Planning Commission and Economic Development Committee must each provide a recommendation to the Richland City Council for a final decision.

The process includes two steps. First, should the property be surplussed? Items C 1-4 in 3.06.010 (attached) must be satisfied with an affirmation of the first question. Second, if the answer to the first question is yes, and the property is declared surplus by the City Council, how will it be sold, leased or otherwise transferred? Items A-B in 3.06.040 must be evaluated to determine the desired process. The choices are 1.) direct negotiation with one party or 2.) a public sale or auction available to any buyer. In this case, staff is recommending item 3.06.040 B (direct negotiation) be applied since the Boys & Girls Club of Benton and Franklin Counties has expressed interest in leasing the subject property.

If approved, the City will enter into negotiations with the Boys & Girls Club of Benton and Franklin Counties to lease the City-owned property, which will be brought before the City Council for consideration at a future date.

Fiscal Impact: A recommendation and subsequent approval of this item will not fiscally impact the City other than to allow for future financially beneficial transaction.

Attachments:
1. 1900 Jadwin Surplus - Site Map
2. RMC 3.06.010

LUTHER
SENIOR
CENTER
THE TIMBERS APARTMENTS
CHEVRON
1900 JADWIN AVENUE (FORMER FIRE STATION #73)
PROPOSED SURPLUS
EL DORADO TOWNHOUSES
O'REILLY AUTO PARTS
JADWIN STEVENS APARTMENTS
Berkshire St
McMurray St
Jadwin Ave
Private Rd
Stevens Dr
Mahan Ave
Pike Ave
Lassen Ave
Hood Ave
Luther Pl
N

3.06.010 Purpose – Policy – Objectives.

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1. Stimulate the development of the city's economic base to provide employment opportunities and tax revenues for the city and other local taxing entities;

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3. Provide capital for economic development purposes, for parkland operations (planning, acquisition, design, construction and maintenance and operation), and such other purposes as the council determines are necessary and appropriate; and

4. Provide a source of general revenue to the city over and above the tax yields from such real property. [Ord. 24-84].

ECONOMIC DEVELOPMENT COMMITTEE AGENDA ITEM COVERSHEET

Meeting Date: 5/15/2023 Agenda Category: Additional Training

Prepared By: Darin Arrasmith, Planner

Subject:
Monthly Training Topic - Economic Development Property Inventory

Department:
Development Services

Recommended Motion:
Discussion only.

Summary:
The City manages and markets a variety of City-owned properties located throughout Richland for sale or lease. These properties are located in:

1. Horn Rapids
2. Central Business District
3. Columbia Point
4. City VIew

This EDC training topic is to familiarize the committee with these properties and to review their desired and planned future development.

Fiscal Impact: None

Attachments: