City of Richland Resolution No. 100-20 temporarily designates virtual locations for all municipal meetings. This meeting will be held remotely via Zoom. Members of the public may attend this meeting by selecting the Zoom link or by calling the phone numbers provided.

Agenda
Economic Development Committee Meeting
Monday, June 28, 2021
Join the Zoom meeting here
Public Telephone Access: (206) 337-9723 or (253) 215-8782
Meeting ID No. 982-9303-9442

Committee Members: Chair Bricker and Members Chacon, Holmberg, Hughes, Knight, Newman, Richardson and Spencer

Liaisons: Council Liaison Christensen
Staff Liaison: Development Services Director Jensen

Regular Meeting - 4:00 p.m.

Call to Order/Attendance:

Approval of Agenda: (Approved by Motion)

Approval of Minutes: (Approved by Motion)

May 24, 2021 Meeting Minutes

Public Comments: Please limit public comments to 3 minutes.

Business: (30 Minutes)

1. Purchase and Sale Agreement - Logan Properties, LLC
   - Darin Arrasmith, Planner

2. Purchase and Sale Agreement for the Property at 840 Northgate Drive with Columbia Basin College
   - Joe Jacobs, Economic Development Manager

Announcements: (3 Minutes)

Adjournment

The next Economic Development Committee Meeting is July 26, 2021

Richland City Hall is ADA accessible. 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 942-7389.

ECONOMIC DEVELOPMENT COMMITTEE AGENDA ITEM COVERSHEET

Meeting Date: 6/28/2021

Agenda Category: Approval of Minutes

Prepared By: Kerwin Jensen, Development Services Director

Subject:
May 24, 2021 Meeting Minutes

Department:
Development Services

Recommended Motion:
Motion to approve the minutes of the May 24, 2021 Economic Development Committee meeting.

Summary:

Fiscal Impact: n/a

Attachments:
1. 2021.05.24 Economic Development Committee Meeting Minutes DRAFT

MINUTES
ECONOMIC DEVELOPMENT COMMITTEE
MONDAY, MAY 24, 2021 – 4:00 P.M.
VIA ZOOM

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

ATTENDANCE
Chairman Bricker, Committee Members Holmberg, Hughes, Knight, Newman, Spencer, and Richardson.

Also present were Council Liaison Christensen, Development Services Director Jensen, Public Works Director Rogalsky, Marketing Specialist Wallner and Administrative Assistant Follett.

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

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

APPROVAL OF MINUTES
Chairman Bricker introduced the meeting minutes from April 26, 2021. There was no discussion.

MEMBER HUGHES MOVED AND MEMBER SPENCER SECONDED THE MOTION TO APPROVE THE MEETING MINUTES OF APRIL 26, 2021.
MOTION PASSED 7-0.

PUBLIC COMMENTS

Chairman Bricker opened the public comment period at 4:03 p.m. Having no one request time to address the committee, Chairman Bricker closed the public comment period at 4:03 p.m.

ITEMS OF BUSINESS

1. Proposed Surplus of Property Located Near Thayer and Lawless

Chairman Bricker recognized Director Rogalsky to provide the staff presentation. Mr. Rogalsky gave a Power Point presentation detailing the reasons in favor of surplus, including a map of the property.

At the conclusion of Mr. Rogalsky answered questions from Committee members.

COMMITTEE MEMBER HUGHES MOVED AND MEMBER NEWMAN SECONDED THE MOTION TO RECOMMEND COUNCIL SURPLUS THE PROPERTY OUTLINED IN THE STAFF REPORT. MOTION PASSED 7-0.

2. Proposes Surplus of a Portion of 606 Jadwin Avenue

Chairman Bricker recognized Ms. Wallner to present the staff report. Ms. Wallner outlined the request and the reason for the request. She stated the adjacent property owner, Richland Players, has a current encroachment and would like to purchase a portion of the property to remedy the encroachment.

Committee members asked questions and discussed the merits of the request.

MEMBER SPENCER MOVED AND MEMBER RICHARDSON SECONDED THE MOTION TO RECOMMEND COUNCIL APPROVE THE SURPLUS OF 625 SQUARE FEET OF PROPRETY LOCATED AT 606 JADWIN AVENUE. MOTION PASSED 7-0.

3. BLRF2021-001 Live @ 5

Chairman Bricker recognized Ms. Wallner to present the staff report. Ms. Wallner outlined the request for Live @ 5 funding. Jennifer Little, representing the Live @ 5 event outlined the 2021 schedule and plans for the event. She pointed how the event provides support and highlights local businesses.

Committee members asked questions and discussed the merits of the request. Councilman Christensen pointed out the event also receives Hotel-Motel funds and stated the city supports this event each year.

MEMBER SPENCER MOVED AND MEMBER RICHARDSON SECONDED THE MOTION TO RECOMMEND COUNCIL APPROVE BLRF2021-001 APPLICATION FOR LIVE @ 5 FUNDING. MOTION PASSED 7-0.

4. CFIP2021-005

Chairman Bricker recognized Ms. Wallner to present the staff report. Ms. Wallner outlined the request for façade improvements to the building at 601-614 The Parkway. She gave an overview of the costs and introduced the building owner, Brian Mair, to provide further details and answer questions.

After the presentation Committee members asked questions and discussed the merits of the request. Member Richardson asked staff for the amount of funding left in the CFIP fund for 2021.

MEMBER NEWMAN MOVED AND MEMBER HOLMBERG SECONDED THE MOTION TO RECOMMEND COUNCIL APPROVE THE CFIP2021-005 APPLICATION FOR FAÇADE IMPROVEMNTS AT 601-614 THE PARKWAY. MOTION PASSED 7-0.

ANNOUNCEMENTS

Mr. Jensen asked members if they could hold a special meeting on June 14th. The general consensus from members was positive if needed.

Councilman Christensen congratulated member Richardson on her application and desire to run for City Council.

Member Richardson commented on her experience so far.

ADJOURNMENT

Chairman Bricker adjourned the meeting at 4:42 p.m.

Prepared by: ______________________________
Lynne Follett, Administrative Assistant II

Reviewed by: ______________________________
Joe Jacobs, Economic Development Manager

Approved by: ______________________________
Brad Bricker, Chairman

ECONOMIC DEVELOPMENT COMMITTEE AGENDA ITEM COVERSHEET

Meeting Date: 6/28/2021 Agenda Category: Business

Prepared By: Darin Arrasmith, Planner

Subject:
Purchase and Sale Agreement - Logan Properties, LLC

Department:
Development Services

Recommended Motion:
That the Economic Development Committee make a positive recommendation to the Richland City Council to authorize the City Manager to enter into a Purchase and Sale Agreement with Logan Properties, LLC for the purchase of 5.00 acres in the Horn Rapids Business Center.

Summary:
Calvin Matson of Logan Properties, LLC is proposing to purchase a 5.00 acre property in the Horn Rapids Business Center, located along the south side of Logan Street for the initial development of approximately 10,000 square feet of a commercial/light industrial building.

The building will be leased to a construction services company who have six offices throughout Washington, Idaho and Montana, with a current employee roster of 60+ employees. Established in 1986, their client base is well diversified in both the public and private sectors with an extensive list of local, multi-state and national clients. And they have interest in establishing a presence in the Tri-Cities region.

The balance of the 5-acre site will be built in a future phase, and will consist of up 25,000 square feet of buildings for lease to general manufacturing tenants.

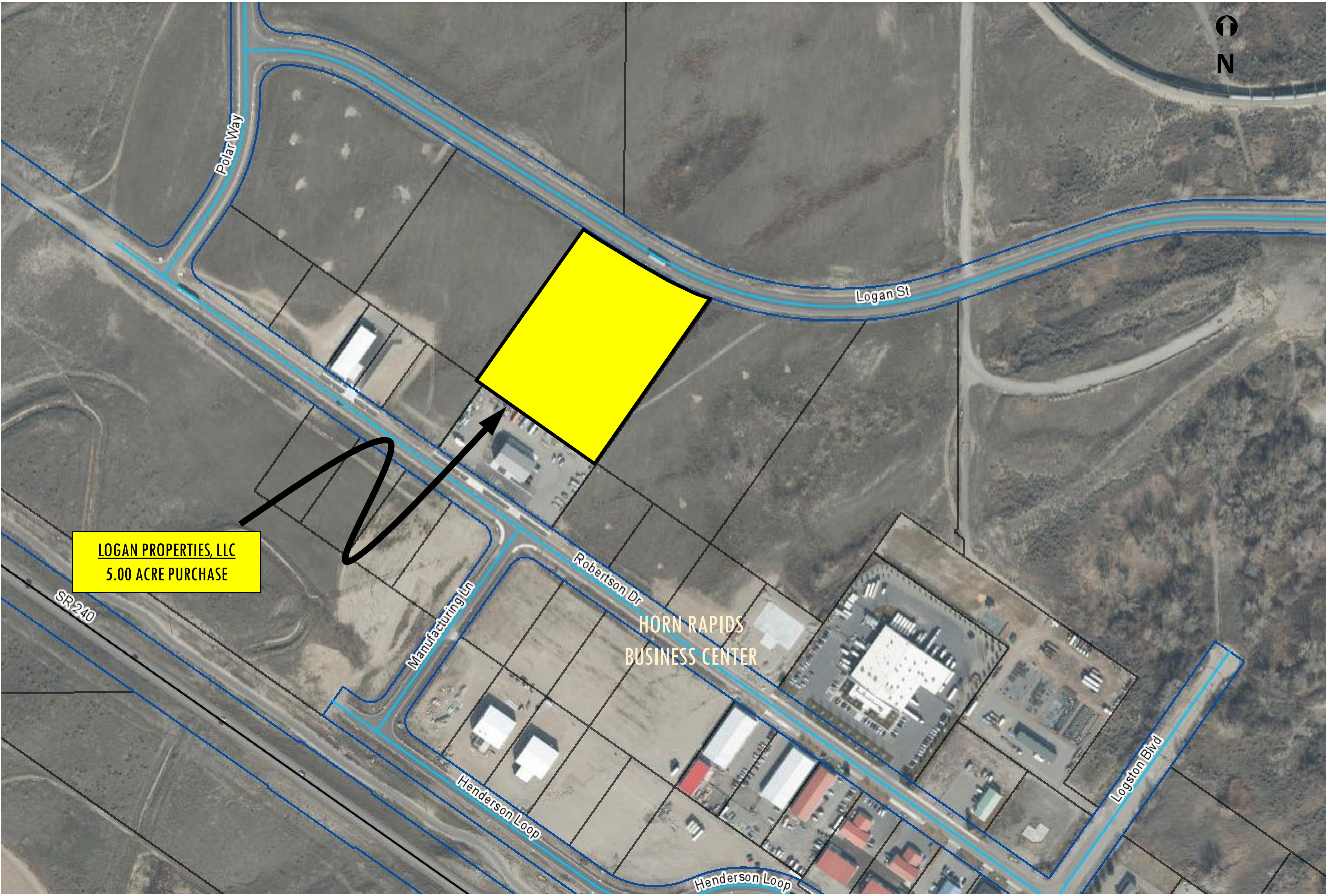
The purchase price is $2.35 per square foot for the 5.00 acre property, amounting to estimated gross proceeds of $511,830. The purchase price is consistent with the City of Richland's Resolution No. 158-18, which established pricing within the Horn Rapids Business Center in November, 2018.

The City will retain a repurchase right if Logan Properties, LLC has not submitted an application for approval of building plans to the City within eight (8) months of closing, and if construction of buildings has not commenced within eighteen (18) months of closing.

Fiscal Impact: The purchase price is $2.35 per square foot for the 5.00-acre lot - amounting to estimated gross proceeds of $511,830. A portion of the proceeds will be distributed to the City's Utility Fund to recover costs for construction of HRBC utilities in 1988, per the following:

-Electric Fund ($0.044 per square foot): $9,583.20
-Water Fund ($0.079 per square foot): $17,206.20
-Sewer Fund ($0.029 per square foot): $6,316.20

Attachments:
1. Site Map
2. Logan Street_Richland LOI



N
Polar Way
Logan St
LOGAN PROPERTIES, LLC
5.00 ACRE PURCHASE
Robertson Dr
Manufacturing Ln
SR 240
HORN RAPIDS
BUSINESS CENTER
Henderson Loop
Henderson Loop
Logston Blvd

LETTER OF INTENT

April 21, 2021

Calvin Matson
P.O. Box 794
Richland, WA 99352
509-940-7360
calvinmatson@gmail.com

Darin Arrasmith – City of Richland
625 Swift Blvd., MS-10
Richland, WA 99352

RE: Logan Street Property (Horn Rapids)

Dear Mr. Arrasmith,

Please receive this as my Letter of Intent to purchase the City of Richland owned 5-acre parcel located on Logan Street, Richland, WA (referred to as Parcel #1 in the attached exhibit).

I am planning to build an 8,000-10,000 sq. ft. commercial/industrial building in the NW portion of the site, this building will be planned as a Contractors Office. It will then be leased to a well-established Company that is expanding into the Tri-Cities. This Company already has boots on the ground and once able to occupy a permanent location is ready to bring another 15-20 full-time jobs to Richland.

The balance of the site will be built in a future phase. That phase will include 15,000-25,000 sq. ft. buildings which will be leased to potential clients for the purposes of General Manufacturing.

The proposed purchase price for this parcel is $2.35 per sq. ft., totaling approximately $511,830. I realize that a PSA will still need to be negotiated and reviewed by Counsel of both Parties and that this transaction requires Council approval in order to move ahead. Traditional distribution of closing costs would occur.

This Letter of Intent is not intended to, nor does it contractually bind either party.

Respectfully,

Calvin L. Matson

ECONOMIC DEVELOPMENT COMMITTEE AGENDA ITEM COVERSHEET

Meeting Date: 6/28/2021 Agenda Category: Business

Prepared By: Joe Jacobs, Economic Development Manager

Subject:
Purchase and Sale Agreement for the Property at 840 Northgate Drive with Columbia Basin College

Department:
Development Services

Recommended Motion:
Motion to make a positive recommendation to the Richland City Council to authorize the City Manager to enter into a Purchase and Sale Agreement with Columbia Basin College for the purchase of the property located at 840 Northgate Dr.

Summary:
Columbia Basin College (CBC) has proposed to purchase a +/- 0.68 (29,800-sf) site with a 26,805-sf office building located at 840 Northgate Dr., Richland, WA. The property will serve as an addition to their existing downtown campus.

The building was formerly used by the Department of Energy (DOE) and as City of Richland offices. DOE donated the property to the City of Richland in 2000. It was used by administrative staff until 2019 when the construction of the new city hall, at 625 Swift Blvd, was completed. Prior to surplus, economic development staff made an exhaustive effort to consult with all departments to ensure there was no interest in retaining the building for future use.

The deed contains a restrictive covenant that limits uses to "public, Non-commercial uses" without the written consent of Department of Energy. This Limitation so restricts the market for the property that no other qualified entity has expressed interest.

A purchase price of One Dollar ($1.00) was determined based on the following four factors:

1. The building is 81 years old and in need of major exterior and interior renovations, including minor asbestos removal.
2. The building can only be sold to another public entity for noncommercial use.
3. An independent appraisal was conducted on 8/20/2020, the associated land was valued at $250,000 and the building had a value of zero.
4. An estimate produced by Elder Demolition Company on 1/20/2021 found the cost to demolish the building would be $348,000. Elder Demolition was the contractor selected to demolish the old city hall, located at 505 Swift and recently completed the demolition of the CBC athletic center.

Fiscal Impact: Proceeds from the sale will be deposited in the city's general fund.

Attachments:
1. Map and Exterior View

Aerial and Front Views

AERIAL VIEW

LOOKING NORTHWEST FROM THE SOUTHEAST CORNER