OVERALL ECONOMIC DEVELOPMENT PLAN

June 2007
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Introduction
Benton County adopted an economic development policy in 1996 for the purpose of guiding existing and future County activities related to economic development. The policy identifies the regional economic development services the County provides, and places increased emphasis on fulfilling these responsibilities in cooperation with local, state, and federal economic development organizations and the private sector. A copy of the County Economic Development Policy is provided in Appendix A.

Purpose of the Economic Development Plan
This economic development plan identifies the future visions, resources, partnerships, and planned activities for economic development within Benton County. It also identifies the core economic development team dedicated to implementing this plan. Appendix B provides department specific economic development accomplishments for the prior year and an economic development work plan for next year.

Vision for Economic Development
Benton County supports sustainable economic development that maintains a balance between access to opportunity and quality of life for our citizens. While Benton County is open to all opportunities for sustainable economic development, the Benton County Economic Development Policy addresses the types of economic growth targeted by Benton County and the Comprehensive Land Use Plan identifies the locations where that growth should take place. Table 1 provides a brief summary of the types and targeted locations for economic growth.

Table 1. Benton County Proposed Development from 2007 to 2027

<table>
<thead>
<tr>
<th>Development Categories</th>
<th>Proposed Areas for Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture/Agri-business</td>
<td>Development in nearly all of the unincorporated areas of the county, with the exception of areas identified below, and those undeveloped wetland and riparian areas affected by the County’s critical areas ordinance. Would include vineyards and wineries, farmer markets, food processing facilities, and other agriculture operations throughout the county.</td>
</tr>
<tr>
<td>Viticultural Park</td>
<td>The explosive growth of the Washington wine industry, primarily focused in Eastern Washington, leads to a new development potential. A “viticultural park”, which incorporates various elements to meet the needs of winery clusters for both industrial needs and visitor serving recreation needs.</td>
</tr>
<tr>
<td>Industrial</td>
<td>Development in Finley, portions of the Hanford Site, I-82/Badger Road interchange, Plymouth, Paterson, areas west and north of Prosser and west of Benton City.</td>
</tr>
<tr>
<td>Commercial</td>
<td>Development around incorporated areas of the county and in the communities of Finley, Paterson, Plymouth, and Whitstran.</td>
</tr>
<tr>
<td>Energy</td>
<td>Development of energy facilities within industrial/agricultural areas. Development of wind turbine generating capacity on agricultural land.</td>
</tr>
<tr>
<td>Nuclear Related Industries</td>
<td>Development of spin-off industries generated through operations and infrastructure at the Hanford Site and the Energy Northwest Columbia Generating Station. Privatization of Hanford facilities to support private nuclear programs and opportunities such as the “Global Nuclear Energy Partnership”.</td>
</tr>
<tr>
<td>Water Resources</td>
<td>Support further development of creative inter-basin transfers, new storage reservoirs, and sound conservation strategies to serve multiple needs in the Yakima Basin. Investigate development of an irrigation system in South Benton County to support existing and expanded agriculture.</td>
</tr>
<tr>
<td>Visitor Serving/Recreation</td>
<td>Development of fairgrounds, parks, rivershores, paths and trails, and other recreational and sport facilities throughout the County. Development of visitor serving/recreation infrastructure for the Hanford Reach National Monument.</td>
</tr>
</tbody>
</table>
Infrastructure Development

Due to constitutional limitations, local governments in Washington State, with the exception of Ports, are limited to the use of infrastructure improvements as incentives to attract, recruit, and retain businesses. Benton County categorizes infrastructure improvement into three classes.

Capacity Infrastructure – infrastructure that increase the capacity of public services to allow expansion of industrial clients, though the infrastructure may also be commonly used by the residential clients (examples include highway interchanges, road improvements, or other general government facilities).

Value Infrastructure – infrastructure that meets the needs of new industry or retention of existing industry with the intent to provide marketable properties for commercial/industrial recruitment (examples includes the development of industrial parks or access roads and utilities to industrial/commercial land).

Recruitment Infrastructure – infrastructure used as part of an incentive package to retain an existing company or recruit a new company. Constitutional limitations on gifting of public funds require that the infrastructure serve multiple customers (examples are similar to value infrastructure but targeted to a specific client).

Over the past five years, primarily through the use of Rural County Capital Funds, the County expended approximately $3,000,000 on the development of capacity and value infrastructure throughout the County. In 2007, the County will focus its economic development resources in four geographical areas. These areas have interest from third party investors, and in part or in whole, are located within the unincorporated areas of Benton County. These areas are:

- **Red Mountain** – The Red Mountain American Viticultural Area (AVA) offers the County an opportunity to focus its efforts to promote the wine industry and wine-based tourism in one small particular region. At 4400 acres, the Red Mountain AVA is by far the smallest of Washington’s AVA’s. The small geographical area of the AVA, combined with the quality of grapes produced therein, make it a unique opportunity to develop a viticultural-themed tourist destination.

- **South County** – South Benton County – and in particular, the Plymouth area – is a region that remains largely undeveloped. There is a potential for development created by the areas access to a natural gas trunkline, a BPA transmission line, rail access, and river access. Potential development was being driven by the proposed development of a cogeneration power facility in the area, which was never realized due to increasing costs of natural gas. Recent activities by Port of Benton renewed interest in this region. Benton County has worked with the Port of Benton and with local businesses to keep Crow Butte Park open in the southwestern corner of the County; and is looking into doing a feasibility study and needs assessment for the Plymouth area to evaluate community needs and analyze the viability of the area for various enterprises.

- **Tri-Cities Research Park/Pacific Northwest National Laboratory (PNNL)** – PNNL is seeking to expand its current facilities, increase staffing from 3,900 to 4,600, and increasing research volume from $638,000,000 annually to $1,000,000,000 annually. To make this expansion occur, PNNL and the community believe that the lab facilities must be surrounded by a vibrant Science & Technology Park, that will act as a development zone for technologies that are moved from the lab to the private sector and allow private sector partners the ability to
collaborate with the lab. The North Richland Research Park will fill this role. Development of the NRRP and expansion of PNNL will replace a portion of the high paying jobs that will be lost as Hanford cleanup progresses.

- **Finley** – Eastern Benton County has long been an industrial hub, but access and traffic flow have long been an issue in this area. Benton County has spearheaded the creation of the “Finley Intertie”, which will eventually be a state highway linking the Finley industrial areas with Interstate 82 by bypassing the congestion of Kennewick. The project is about half completed as of early 2007. Benton County is also working with other corporate partners in Finley to keep various existing and new industries viable in that area.

In addition, the County may take advantage of opportunities to recruit a new business or retain an existing business by providing targeted recruitment infrastructure.

**Funding Sources**

Benton County economic development-related efforts are funded by a variety of sources, as identified below. Each fund description also identifies the departments responsible for fund administration, which includes budget preparation, audit compliance, tracking fund expenditures and contract compliance between the county and recipients. Funds are administered based on the Benton County Financial Policy.

- **Current Expense Fund** - Administered by the Commissioners Office, the fund finances routine and operational improvement activities related to economic development. The current expense fund is established primarily through property tax, and sales and use tax revenue.

- **County Road Fund** - Finances the design, construction and maintenance of county roads. The revenue source for this fund includes real and personal property tax assessments for the local road levy, vehicle fuel tax, and state and federal grants.

- **Capital Projects Fund** - A county-established fund for capital projects. Administered by the Commissioners Office, the revenue source for this fund is the low-level waste surcharge collected from U.S. Ecology and from Payments In Lieu of Taxes (PILT) from the Department of Energy.

- **Distressed County Fund** - Until August 31, 1999, the fund received revenue generated by a 0.04% optional sales and use tax refund from the State. There is currently no revenue source for the fund. Funds can be used for financing public facilities in rural counties.

- **Rural County Capital Fund** - This county-established fund receives revenue generated by a 0.08% optional sales and use tax refund from the State. Funds may only be used to finance public facilities identified in the Comprehensive Land Use Plan or the Overall Economic Development Plan. Funds are only available to the following jurisdictions: Benton County, Prosser, West Richland, Richland, Benton City, Kennewick, Port of Benton and Port of Kennewick. Benton County has committed to use optional sales and use tax funds collected after August 1, 2001 to fund debt service on bonds issued for the construction and expansion of the Benton County Justice Center (See Appendix E for Application and Disbursement Policy) unless third party funds for debt repayment become available, or revenues exceed the debt repayment.

- **Park Development Fund** – A County-established fund for development and promotional projects in and for the eight-unit County parks system.
Debt - The county has additional leverage capacity that could be used for infrastructure and facilities with long service life.

Contract, Grant, and Loan Funding - The County may receive some contracts, and a variety of state and federal grants and loans for planning and development. The county will actively pursue (individually or jointly with other jurisdictions) local, state, and federal grants and other funding opportunities to finance county economic development special projects and initiatives. Grant and loan funding is administered by the department receiving the funding.

Other Sources - Government agencies, special purpose districts developers, and other private sector businesses and individuals provide funding and services on specific projects.

Partnerships and Contractual Arrangements
Benton County has historically partnered with both public, including federal and state agencies, other counties, municipalities, ports, public utility districts, and private for-profit and not-for-profit entities to promote sustainable economic development. The county will continue to pursue mutually beneficial partnerships and contractual arrangements.

Benton County performs industrial recruitment through contracts with Tri-Cities Development Council (TRIDEC), the Prosser Economic Development Association (Prosser EDA), and the Benton City Economic Development Committee. The “Industrial Recruitment” program is guided through the Industrial Recruitment Policy attached in Appendix F. The County also supports tourism development through a contract with the Tri-Cities Visitor and Convention Bureau (TCVCB).

The County is committed to maintaining a close working relationship with the Port of Kennewick and the Port of Benton. These two port districts share jurisdictional areas within the County and actively recruit businesses to port properties in the incorporated and unincorporated areas of the County. The ports also provide incubator facilities for startup businesses, as well as work on special economic development initiatives. As a partner, the County may participate in a variety of ways, such as: providing roads and other infrastructure; establishing or modify zoning and other appropriate land-use controls where appropriate and justified; preparing environmental analysis for compliance with the State Environmental Policy Act of 1971; and working to remove administrative and regulatory barriers to development.

The County is committed to improving management and conservation of the County’s natural resources, and will work with private entities; local, state and federal resource management and regulatory agencies; public utilities; Washington State University; and the Pacific Northwest National Laboratory (PNNL) to balance sustainable economic growth. Responsible management of our natural resources is a top priority for Benton County. Priority resource areas include water quality and quantity in both the Yakima River basin and the main stem of the Columbia River, Federal and State threatened or endangered species, soil erosion, and air quality.
Legislative Initiatives
The County will continue to play an active role in pursuing federal and state legislative initiatives that promote economic development within the region. Legislative initiatives will be defined and communicated annually to federal and state legislators. The County will actively seek partnerships with other entities in developing and advocating legislative objectives.

Economic Development Resources
Benton County performs a variety of services that directly and indirectly contribute to economic development. These services provide economic and quality of life incentives for businesses to locate or grow within the region.

The County’s role in economic development, as identified in the County Economic Development Policy, is to support the efforts of existing economic development organizations through partnerships; and by having County staff time, resources, and expertise applied to specific projects and programs to promote desired growth. The Deputy County Administrator is responsible for reacting to Economic Development requests and assembling the necessary County personnel to evaluate and present the request to the Board of Benton County Commissioners.

Sustainable Development Department - The “Department” is actually an arm of the Commissioners’ Office overseen by the Deputy County Administrator, who is the main point of contact on economic development issues within Benton County, and works with County departments, economic development organizations, interested citizens, and private enterprise to ensure County activities and resources are effectively and efficiently dedicated to achieve economic development objectives and priorities. This would include working with all County departments to consider new service requirements for new development. The Department also ensures Benton County fulfills specific contractual obligations with its community partners. The Department updates and tracks implementation of this plan, communicates with County departments and external organizations, and regularly reports to the Board of County Commissioners. The Department monitors economic issues that impact the County and recommends courses of action for County involvement, including coordination and preparation of grant and other funding requests, and legislative actions.

Other Departments that may participate in economic development activities include:

Public Works Department – Public Works supports economic development by providing well-maintained roads and associated transportation infrastructure to ensure commerce can freely occur within the county.

Planning and Building Department - The Planning Department has "current" and "long range" planning responsibilities. Current planning includes reviewing and approving divisions of land, subdivisions and building permits consistent with local and state regulatory requirements.

Facilities & Parks Department, and the Benton County Fairgrounds – Facilities & Parks and the Fairgrounds support economic development by providing and maintaining the facilities that the County government needs to operate efficiently and effectively, and by providing marketable venues for recreation and special events.

Treasurer - Participates in county special projects. Reviews and provides fund and business tax information, including revenue estimates for economic development activities.
Assessor - Provides recommendations for targeting areas of development, based upon assessed value analysis. Assists in calculating return on investment for county expenditures.

GIS Department – provides graphical information as it relates to locating industrial and commercial clients.

Appendices
The attached appendices complete the overall economic development plan, they include:

Appendix A: County Economic Development Policy
The Board of Benton County Commissioners adopts the Policy by Resolution. It is the underpinning of the Overall Economic Development Plan.

Appendix B: 2006 Accomplishments and 2007 Work Plan
Provides accomplishments and work plans for economic development related projects across several Benton County Departments, including Sustainable Development, Public Works, Planning and Fairgrounds.

Appendix C: Benton County Development Maps
Provides the geographical regions where industrial and commercial development may take place in unincorporated Benton County.

Appendix D: Rural County Capital Fund - Disbursement Policy and Activity to Date
The Board of Benton County Commissioners adopted the Policy by Resolution. This section also summarizes all past and current projects being funded by the optional sales and use tax as allowed by RCW 84.12.370.

Appendix E: Industrial Recruitment, Retention, and Expansion Plan
The plan outlines the County’s strategy for recruiting, retaining, and expanding industrial business in Benton County.

Appendix F: Calendar Year 2006 Report to the Washington Department of Ecology - Development of Hanford Lands and Nuclear Related Industries in Benton County
Under agreement with Department of Ecology, Benton County provides the report in Appendix F regarding the development of Hanford Lands and Nuclear Related Industries in Benton County.

Appendix G: Executive Summary - Conceptual Plan for Red Mountain Viticultural Park
The Conceptual Plan is the first step in developing a Master Site Plan for the Red Mountain. Benton County led a multi-jurisdictional effort to develop the Conceptual Plan, and is currently leading the second phase of the project that will result in the Master Site Plan.
Benton County Economic Development Policy

Vision Statement
A strong, diversified regional economy supported by Benton County through excellence in providing basic regional services and infrastructure in cooperation with local, state, and federal economic development organizations and the private sector.

Policy Statement
A strong and diversified economy provides a high quality of life for the citizens of Benton County and the region. This, in turn, generates the resources through which local governments provide for the health, safety, and welfare of its citizens. Therefore, as a local government entity, Benton County shall promote economic development, along with public health and safety, social services and environmental quality.

Policy
The County supports economic development by building capacity within basic regional services that allows for economic growth. These basic regional services include, but are not limited to; law enforcement, courts, jails, roads, comprehensive land use planning and zoning, water conservation planning, environmental conservation, building permitting, public works, public safety, parks, public health, and social services.

In addition to building capacity within these basic regional services, the County shall participate and cooperate with the private sector and with local, state, and federal economic development organizations. The County shall serve in a variety of roles, including, but not limited to facilitation, partnership, leadership, coordination, and support for select non-profit organization initiatives, which would significantly strengthen, expand, or diversify the economy of the County and quality of life.

Areas of focus for these initiatives include:

- Agricultural development
- Agri-business
- Infrastructure development
- Industrial development
- Recreation/tourism
- Arts and culture
- Nuclear medicine
- Energy

This Policy adopted by Resolution 02-070 on February 4, 2002.
APPENDIX B

BENTON COUNTY’S 2006 ACCOMPLISHMENTS
AND 2007 WORK PLAN
Appendix B
Accomplishments and Work Plan

What follows is a brief summary of economic development accomplishments for 2005 and economic development work plans for 2006. The activities are separated by Department.

Sustainable Development

Industrial Recruitment
Benton County contracts with the Tri-Cities Development Council (TRIDEC) and the Prosser Economic Development Association (PEDA) to perform industrial recruitment within Benton County. Their accomplishments are as follows:

TRI-CITIES DEVELOPMENT COUNCIL

2006/2007 Accomplishments, Progress, and Goals
TRIDEC continued to be the primary industrial, manufacturing, technology, and research recruiter in the Tri-Cities metro area. Overall indicators for the Tri-Cities area illustrate a strong economy that is in a good position for growth. We’ve added approximately 900 new jobs over the past year, and with Benton and Franklin Counties’ combined unemployment rate of 6.9 percent, that means we have a good available work force to entice new business to our area.

The Tri-Cities had a great 2006 and TRIDEC expects the trend to continue through 2007. The regional job market has remained stable despite Hanford layoffs; and, even though some new operations like Railex were out of our jurisdiction, Tri-Citians will reap the benefit through employment and bringing home the disposable income.

Strong, ongoing diversification efforts by TRIDEC and its local economic development partners, as well as constant business retention efforts, continue to play a large part in keeping the Tri-Cities economy on a steady course. In 2007, TRIDEC’s business recruitment activities will focus on three primary categories of contacts: 1) Senior management of companies within target industry groups; 2) Third party advisors, including site selection consultants and large industrial real estate companies; and 3) Trade associations and publications associated with TRIDEC’s Target Industries. Target industries include warehousing and distribution; research and development; technology manufacturing; food and agriculture; and back office operations.

One of last year’s “big losses” ended up being one of this year’s “big wins.” In May, Forest Grove, OR-based J. Lieb Foods, Inc., a leading contract package manufacturer of high quality jams, sauces, marinades, salad dressings, bottled teas and juices, reported its intent to purchase the former Welch’s packaging facility that closed earlier in the year after a consolidation move by Welch’s. In January, barely a year after announcing the closing, Welch’s officially concluded the sale of its Kennewick facility to J. Lieb Foods, Inc. The manufacturing plant covers 210,000 square feet on 7.5 acres and includes four complete packaging lines, a repack line, and over
2,000,000 gallons of bulk ingredient storage. With the acquisition, the J. Lieb Foods significantly increases its capacity to support the beverage and food industry.

Amazon.com hasn’t stopped growing and is finding a more than ample number of qualified workers in our area. They are on track to have 400 employees by end of year having hired 335 people to date.

All of the hard work of TRIDEC’s Higher Education Committee paid off when Governor Gregoire signed a Bill giving Washington State University Tri-Cities (WSU-TC) four-year university status beginning this fall. WSU-TC also hired Vicky Carwein as its new Chancellor. She didn’t waste any time getting to work already setting the standard for incoming freshman to receive $3,000 in scholarships their first year, with another $3,000 if they stay through their senior year. But, that wasn’t all—she also convinced Lockheed Martin to donate a laptop to the first 50 inaugural freshmen. To date, WSU-TC has received over 200 applications.

Finally, TRIDEC staff has been working hard on maintaining funding for Hanford cleanup, and monitoring the new contracts process for cleaning up the Hanford site. We also continue working on getting funding for the B-Reactor Museum and the Hanford Reach National Monument Heritage and Visitor Center.

**PROSSER ECONOMIC DEVELOPMENT ASSOCIATION**

**2006 Accomplishments**

**Desert Wind Hospitality Center**
- Over 18,000-square feet of tasting room, suites, banquet area
- Project cost - $2m
- Employment of approximately 5.

**Fruit Smart**
- Expansion of existing business in Whitstran area
- Locating manufacturing facility on Port of Benton property at Prosser Airport
- Project cost at $660,000
- Employment of 6-12, depending upon season
- Anticipated opening in December, 2006.

**Montecito Estates Subdivision**
- 12 acres located on SR22.
- Providing 32 lot plats for family housing.
- Two homes completed, two under construction.
- Increases city population which boosts the tax base.

**PEDA Mission**

“Promoting and enhancing the economic welfare and development of the City of Prosser and surrounding area, thereby improving the quality of life and contributing to the overall economic development of the State of Washington.”
Desert Valley Motor Sports
- Retail store selling motorcycles, boats, ATV’s.
- Scheduled to open December 15th
- Employment of 11
- Project cost at $1.6 million

Lower Valley Farm Workers Clinic
- 32,000 sq ft medical building
- Project cost at $5.6 million
- Employment of 2-5

New Wine Estates
- Wine production facility
- Located at Port of Benton - Prosser Wine & Food Park
- 47,000 sq ft at a cost of approximately $3 million

Princess Theatre
- Purchase of theatre by Mercer Canyon, Inc. in November, 2005.
- Renovation of theatre to be completed early 2007.
- Owner consideration to recruit a restaurant into the community banquet area
- Possible employment: 5

Wine Country Square
- Retail spaces including coffee, gift and gas station.
- Project cost for phase I at $1.2 million; anticipated phase II in future
- Employment of 12-18
- Opened Thanksgiving weekend.

Olsen Bros. Winery
- Located on Port of Benton property at North Prosser Business Park
- Production facility open for harvest, 2006.
- Tasting room estimated to open March, 2007
- Projected $2.3 million
- Employment of 2-3

Airfield Estates Winery
- 11,000 sq ft wine production and tasting room
- Location: Port of Benton property at North Prosser Business Park
- Opening scheduled for Summer, 2007
- Project cost of $1.2 million
- Employment of 2-3

Horse Heaven Vista
- Organized community clean-up in April, 2005
- TIP Grant application and oral presentation – October, 2005
• Benton-Franklin Council of Governments announcement of award for $268,000 beautification and enhancement project.
• Construction to begin, Spring 2007.

2007 Work Plan – Recruitment

GOAL:
Create 45 new jobs within Prosser EDA’s service area. Seek companies which offer good family wage jobs with benefits which fit in with the character of Prosser and which are respectful to local environmental concerns.

BENEFIT:
Job creation translates to more residents working in the Prosser EDA’s service area, paying local taxes to support schools and essential services. Availability of family wage jobs keeps more young people in the local area rather than leaving to find employment elsewhere. Encouraging young families to live and work in the community helps to support the hospital and schools to continue to provide quality services in health care and education.

TASKS:
A. Targeted Recruitment
   • Membership referrals added to database and worked as a prospect
   • Identify and recruit:
     ➢ Food industry for location of fresh grocery market, cheese & bakery outlets, restaurants and pubs.
     ➢ Travel Services
     ➢ Overnight Accommodations
     ➢ Outdoor & Recreation Companies
     ➢ Clothing and other ancillary businesses to support commercial, retail development
     ➢ Value added Agricultural Businesses

B. Information and Referral
   • Serve as a source of information for inquiries on business-related aspects for the service area
   • On-going effort to assist in business permitting; advocate for start-ups.

C. Recruitment Marketing
   • WAWGG Trade Conference
   • Website Quarterly Updates
   • Market City, County & Port Properties
   • Update Inventory of Commercial & Industrial Sites
2007 Work Plan – Business Retention and Expansion

GOAL:
Build a unified, healthy business community in Prosser.

BENEFIT:
Encourages growth and retention of existing businesses while also fostering new commercial and tourism development. Citizens see value in community and take pride in community, civic and business accomplishments.

TASKS:
A. Information, Referral & Business Assistance Program
   - Serve as a source of information for inquiries on business-related aspects of the community.
   - Continue to partnership with CBC to expand services of the Small Business Development Center.
   - Export education for businesses, partnering with Dept. of Agriculture.
   - Business Service Workshop co-sponsored with YVCC.

B. Business Incentive Program
   - Investigate public/private resources for businesses, such as: Business Incentive Districts, Tax Increment Financing, B&O Tax Credits and Historic Preservation Grants.

C. Business Case Study
   - Investigation of food processors and manufacturers’ future infrastructure needs.
   - Examine details to make a go/no go decision on obtaining significant resources for impact case study.
   - Summary report

D. Land Use Planning
   - Land use planning for revisions to comprehensive plan for City and County.
   - Attending and providing input in public comment meetings.

E. Horse Heaven Vista
   - Project oversight on grant enhancement of property.
   - Committee development for educational kiosk and signage.

F. Benton County Courthouse
   - Committee involvement in courthouse remodel plans
   - Education and promotion of authentic, historical site.
   - Create awareness of economic value to community.

G. Access to Frontage Roads
   - Initial phase of investigation, demonstration & planning for opening access for business development.
- Re-zoning for city acquisition; defining highest & best land use.
- Provide options for access, funding and targeted recruitment.

H. Airport Relocation & Expansion Survey
- Conduct survey to address needs assessment for existing and future air traffic business use.

I. Other projects that are deemed appropriate which come up during the year.

**BENTON CITY ECONOMIC DEVELOPMENT COUNCIL**

Benton County contracts with our smallest incorporated community – Benton City – to develop and promote economic opportunities in the heart of the County.

**2006 Accomplishments**

Within the last year, several new businesses have opened in Benton City, including Les Schwab Tires, an auto parts store, two pizza places, and an auction house. However, the community also experienced two severe blows to our economic vitality with the closing of our only grocery store in February and loss of both day care centers that had been in operation. In light of these developments, the primary mission of the Benton City Economic Development Council in the first half of 2006 has been to rebuild our foundation as a family-oriented community, to stabilize the local economic climate, and maintain our downtown business core.

One of our accomplishments last year was initializing the formation of a Benton City Coalition group to address youth and family issues and to work to counteract Benton City’s perceived reputation as the “Meth Capital of Benton County.” Through ongoing participation in the Coalition, we identified and brought in community members who were interested in starting a Benton City Boys & Girls Club, and strategized how to make a Club happen here.

Building on our previous networking contacts with local civic groups, the EDC played a pivotal role in bringing representatives of all the various organizations together to put on a car and motorcycle show along with a community resource fair. Strategic sharing of information with key individuals led to group consensus that proceeds of the show this year (planned to be the first of an annual event) would go to benefit the Boys & Girls Club startup effort. This show represented a phenomenal united community effort to produce an event which many people have proclaimed as the best thing Benton City has ever pulled off. In only ninety days, the show was put together and publicized, a web site developed, commitments for donated goods and services for show production and prizes solicited, vendors recruited, entertainers contacted, and contestants attracted. In conjunction with the car show, Tony Roma’s BBQ also agreed to do a benefit dinner with proceeds going to the Boys & Girls Club.

The First Annual Benton City Spring Opener Car & Bike Show and Community Resource Fair was an overwhelming success with over 100 cars and 20 bikes registered (we understand most first effort car shows consider two to three dozen participants to be good). Several dozen additional motorcyclists also attended en masse because they wanted to contribute to a youth
benefit. The 27 commercial vendors and 13 resource fair participants gave overwhelmingly positive evaluations of the show. In addition to the organizations that participated in the resource fair, several other organizations contributed educational brochures and other items; the public had the opportunity to learn about fire safety, substance abuse, quitting smoking, the importance of hand washing, noxious weeds, and other subjects very relevant to ordinary life.

When the dust settled, the car show raised over $2,000 over the Boys & Girls Club as well as setting aside funds for producing next year’s show. The show also acted as a catalyst for other individual and organizational donations so that in little over three months’ time over $13,000 had been raised to start a Boys & Girls Club, a huge sum for this small community.

A Benton City Boys & Girls Club Advisory Board was formed as a spin-off from the Benton City Coalition group, with EDC personnel playing key roles in establishing the organizational structure and developing and mentoring leaders within the group. The Kiona-Benton School District donated space for club use, and 30 children enrolled for a summer Club program. When the Boys & Girls Club of Benton and Franklin Counties expressed concerns about low initial enrollments and the level of Benton City community support, the EDC as well as other civic organizations wrote letters expressing the need for quality child care service and our commitment as a community to make the program work. As a result, they have contracted to provide Kinder Club (half day program for Kindergartners) and before and after school care for the 2006-07 school year. This represents a tremendous economic boost to our community, as it alleviates the need for parents to take their children into care facilities in the Tri-Cities. Arranging care for and transporting children has a major impact on parents’ shopping and recreation patterns, and the ready availability of care should reduce the tendency to leave children to fend for themselves as latchkey kids.

In many ways, a grocery store serves as the anchor for a small community. Food is the one thing that everybody needs, and if they are not able to get it locally are forced to travel for shopping or will move to a more amenable location. As people go out of the community for groceries, the tendency is to get other goods and services in the same trip, thereby adversely affecting other local merchants as well. When our only grocery store closed this spring, replacing it was an immediate concern. BCEDC Coordinator Randy Rutledge met with the owner of the store building to discuss possibilities. As news of our need spread, several options and potential operators were identified. Our Coordinator quickly honed in on the most promising proposal for getting a full-service grocery store up and running in the shortest time and with a high likelihood of success. Randy worked with the new owner-to-be to develop a business plan, have an energy audit done of the existing store building, obtain financing, and manage media releases. We are looking forward to the opening of the new Red Apple Market the end of August, 2006.

2007 Work Plan
The 2007 Work Plan serves to advance the Benton City Economic Development Council’s mission of working to expand existing and recruit new businesses to enhance employment opportunities, diversify the local tax base, and create a self-reliant service sector while maintaining Benton City’s unique country atmosphere. BCEDC’s successes contribute to the overall economic development of our program area and the region, and improve the quality of
life of area residents. This mission is accomplished through community partnerships with government, business, industry, and individuals who commit time and resources to the cause.

BCEDC will identify opportunities and constraints through dialogs with public funding agencies, private industry, grassroots constituents, and outside sources. The 2007 Work Plan and corresponding resource needs has been presented to the BCEDC Board for review and acceptance. This approved plan is being presented to participating entities for consideration of its merits and adoption of the work plan projects, and corresponding commitment of resources for fulfillment of contractual services.

In 2006, BCEDC sponsored a USDA grants workshop and provided assistance to a number of potential business startups and acquisitions. Notable accomplishments include establishment of the new Ki-Be Red Apple Market and formation of the Benton City Merchants Association. The community rallied together to put on the first annual Spring Opener Car & Bike Show with proceeds providing seed money for the new Boys & Girls Club, which helped meet the desperate need for child care. 2006 also saw opening of Benton City’s new library as well as passage of the high school renovation bond issue.

In 2007, BCEDC will continue to build upon past successes while looking to the future and working to establish Benton City’s place in a competitive economic climate. The 2007 Work Plan will focus on six key areas:

1. Business Development
2. Marketing Benton City
3. Community Beautification
4. Promotion of Greater Benton City
5. Business Climate/Quality of Life
6. Organizational Development and Administration

The following sections of this work plan will briefly outline each of these key areas including tasks necessary to accomplish identified objectives.

Business Development
Building a unified, healthy business community offering a good consumer-driven mix of goods and services in Benton City encourages residents and visitors to make more local purchases, thereby supporting local merchants and boosting sales tax revenue. Currently, the majority of consumer spending by Benton City residents is external. Recruitment of new businesses while encouraging retention and growth of existing businesses is vital to fostering vitality in Benton City’s core business districts. BCEDC will focus on the following projects to support business development within Benton City and its greater community:

1) Support the Existing Business Community:
BCEDC will provide basic business workshops and seminars to assist current and potential business owners with relevant issues; the number and topic of workshops offered will depend on the interests and demands of the community. BCEDC will also investigate public/private
resources for businesses such as Business Incentive Districts, Tax Increment Financing, and B&O Tax Credits.

2) Support and Promote Development of the I-82 Business District:
The I-82 interchange is the primary gateway to Benton City and the Red Mountain American Viticulture Area (AVA). The 480-acre area included in Benton City’s Urban Growth Area (UGA) and designated as a future business park affords the city unique opportunities to capitalize on the expanding wine and tourism industries. With good highway visibility and ready access to rail and freeway transport, this area offers excellent potential for development of visitor services, ancillary services for the winery industry, and other light industry. Specific tasks for 2007 include obtaining grants and other funding for installation of signs, banners, and an information center to promote a positive first impression of Benton City.

3) Benton City Public Market:
Establishing a public market would provide an outlet for locally grown agricultural products as well as a venue for local artists and craftspersons to market their products, and improve overall consumer spending within the city. Conveniently sited, regular public market days will also increase foot traffic in the downtown area thus offering additional marketing opportunities for local small businesses and farm producers. In 2006, the BCEDC initiated exploration of the potential of a public market/farmers market in Benton City. Potential sites have been identified and the project has been discussed with likely vendors. BCEDC will act as a catalyst for this project, with the objective of developing an independent, self-sustaining organization to operate and maintain the program.

4) Information, Referral, and Business Assistance:
BCEDC has the unique ability to hold business inquiries in confidence, unlike cities and counties which, as public entities, are subject to freedom of information requirements. BCEDC will continue to provide confidential expertise to businesses potentially starting, purchasing, relocating, or expanding operations and to assist our partnering jurisdictional entities with business leads within our service area. BCEDC services may include advocacy, assistance with permitting and regulatory issues, and identification of potential funding sources as well as continued partnership with the Columbia Basin College Small Business Development Center.

5) Recruit New Businesses:
BCEDC will identify and target recruitment of businesses which fit in with the character of Benton City and will strengthen the draw of our market area. This development will also create additional employment opportunities, a critical need for a city with greater than 50% of its population classed as Low and Moderate Income (LMI).

Marketing Benton City
The rapidly growing wine tourism industry affords our community an opportunity to grow and enhance our retail and service sectors. Currently, most tourists pass by Benton City and may not realize that businesses are available to serve their needs. Furthermore, a significant portion of consumer spending by local residents is spent outside our community. In 2006, BCEDC supported the creation of a Merchants Association as part of our long-range goal of increasing
consumer spending within our community. Programs identified to advance this goal in 2007 include the following:

1) **Benton City Merchants Association:**
BCEDC will continue to support the Merchants Association and promote continued communication within our business community. BCEDC will assist the Merchants Association with developing and implementing cooperative marketing tools such as the “Why Drive?” campaign.

2) **Benton City Vision Committee:**
BCEDC will facilitate formation of a Benton City Vision Committee, comprised of representatives of Benton City’s civic organizations, business community, public sector, and community at large. This committee will focus on formulating a framework for developing long-term development goals by addressing questions such as:
- How do we see our downtown architecture?
- How do we leverage synergy with Red Mountain development?
- What do we envision for the I-82 business park?
- Where do we want to be in 10 years?

3) **Promote and Support Special Events:**
BCEDC has increasingly become the organizational catalyst for community events. Special events are a unique way of advertising our community and are valuable tools for building community pride as well as attracting visitors with their accompanying influx of dollars to our business community.

4) **Communicate Our Story:**
BCEDC will promote the Benton City area and its business community through strategic employment of communication tools. Accomplishment of this goal may include press releases, ongoing enhancement of the bentoncityedc.org web site, establishment of information kiosks development of print pieces such as brochures and maps, advertisement in select media, and other promotional vehicles utilized to reach our target audience.

**Community Beautification**
Benton City has many charming buildings and quiet neighborhoods. However, as with most small towns, we have property that has been neglected or needs minor repair. BCEDC’s beautification program will address aspects of community enhancement including public and private property cleanup, mitigation of unappealing viewsheds, and facilitating assistance with yard maintenance for seniors and disabled individuals. In addition to increasing visual attractiveness of the community, attention to these problem areas also serves to alleviate health and safety concerns associated with such hazards as inoperable automobiles, overgrown vegetation and downed trees, and general junk and trash. BCEDC will also promote and support proactive beautification efforts such as painting and updating of buildings, landscaping, and use of uniform design elements. Our objectives include the creation of a wholesome image for Benton City, increasing community pride, and developing youth employment opportunities.
Promotion of the Greater Benton City Business Community
BCEDC is chartered to support economic development throughout the Kiona-Benton School District. In 2007, BCEDC will expand its efforts to promote the greater Benton City business district. Programs will focus on long-term development goals which include:
- Identify and promote local agribusiness and agritourism products and enterprises;
- Promote and enhance opportunities for outdoor recreation and nature tourism; and
- Improve communication and cooperation between the Benton City business community and the Red Mountain Estates.

Business Climate/Quality of Life
The capacity to recruit and retain businesses and the overall property values of existing homes is, in part, dependent on the actual and perceived quality of life within the community. To improve Benton City’s quality of life (both actual and perceived), BCEDC will promote and support community initiatives including youth organizations, general recreational activities, the proposed food bank building program, school enhancements, and increased volunteerism.

Organizational Development and Administration
Backed by solid funding sources, a strong BCEDC actively engaged in marketing, public relations, and comprehensive planning is instrumental in advancing the economic development of our service area. BCEDC is striving for continuous improvement of its administrative functions including activities related to finances, communications, membership, and future planning. Networking, developing strategic relationships, and serving as a link for communications both internal and external to Benton City are all integral components of BCEDC’s ability to effect economic development. Strengthening relations with our funding partners continues to be a priority along with providing outstanding return on their investment. BCEDC will continue to proactively work to identify and follow up on issues and opportunities for economic development in our service area, as well as other projects that are deemed appropriate which may present themselves during the year.

TRI-CITIES VISITOR AND CONVENTION BUREAU
With its Vision for the Tri-City area “to be the premier tourist and convention destination in Eastern Washington”, the Tri-Cities Visitor and Convention Bureau (VCB) works to diversify the local economy by expanding the role of and opportunities for tourism in our region. Benton County contracts annually with the VCB to help develop and promote travel and tourism destinations throughout the County.

2006 PROGRAM HIGHLIGHTS
Convention, Sports Marketing, and Group Marketing
- Helped to secure over 188 different regional, statewide, and national convention and group activities to the Tri-Cities, worth more than $38 million in direct spending and bringing over 120,000 people to meetings, tournaments, and other events.
• Helped secure and expand the Christian Congregation of Jehovah’s Witness summer convention for 2007 and beyond.
• Secured the annual Northwest Writer’s Association 2007 conference, and other similar events.
• Secured twelve new baseball tournaments between 2007 and 2009; and other similar sporting events.

News Bureau
• Placed over $190,000 worth of targeted advertising in various regional and national publications, such as Sunset, Seattle Magazine, and Inside Golf.
• Coordinated media research tours for 27 journalists representing an array of travel and leisure publications – a 127% increase over 2005.
• Secured 277 magazine, newspaper, and broadcast stories.

Rivershore Enhancement
• Led development of the “Friends of our Trail” brochure for the Sacajawea Heritage Trail.
• Continued management of both the Tri-Cities Rivershore Enhancement Council and the [Maya Lin] Confluence Project.

Heritage and Eco-Tourism
• Partnered to help produce the Tri-Cities Bicycle Guide Map.
• Helped transition the annual “Lewis and Clark Heritage Days” event into the “Mid-Columbia Traditional Arts and Music Association”.

Tourism Development
• Continued assistance with Benton County’s Red Mountain master-planning process.
• Coordinated the “Golf and Wine Getaway” packages for the 11th consecutive year.

In 2007, the VCB will continue to work with the County and other community partners to promote the Tri-Cities area as a business and leisure destination.
**Hanford-Related Issues**

**300 Area Redevelopment - 2006 Accomplishments**

The Department of Energy designated the 300 Area for industrial development through the Department of Energy’s (DOE) *Hanford Comprehensive Land Use Plan*. This designation was also mirrored in Benton County’s Draft *Hanford Sub Area Plan* and Richland’s *Comprehensive Land Use Plan*. At issue is that DOE does not appear to be trying to redevelop the land for an industrial purpose, as such, the designation was deemed inappropriate and City of Richland modified their land use plan to reflect more likely development of the area as a Research Park, which includes mix use residential.

Benton County participated in a study with the City of Richland. The study, funded by EPA, indicated that private sector development of the area as industrial was unlikely.

**300 Area Redevelopment - 2007 Plan**

Benton County will modify its land use plan in Richland’s Urban Growth Area to reflect the modification made by City of Richland.

**300 Area Asset Relocation - CY 2006 Accomplishments**

The Pacific Northwest National Lab (PNNL) has a large nuclear research program at the 300 Area. The program attracts both Federal and private investments and employs over 1100 people. DOE’s proposal was to remove all buildings, infrastructure and materials out of the 300 Area by 2006. There was a concern in the local community and at PNNL that the program could not meet its facilities needs by 2006, and the need to move would therefore eliminate PNNL’s Nuclear Program. Through the efforts of Congressman Hastings, the deadline was pushed back to 2009.

This allowed PNNL to issue a Request for Proposals to for a Professional Design Team (PDT) to provide campus master planning, programming, alternatives analysis and conceptual design for one or more replacement (new) facilities which will be used to incorporate multi-functional research capabilities currently located in the 300 Area of the Hanford Site. PNNL is looking for design teams to integrate campus master planning, programming, lab planning and conceptual building design to provide a truly integrated approach to designing new replacement facilities for existing on-going research.

**300 Area Asset Relocation - 2007 Plan**

Benton County plans to continue work with PNNL, DOE and other community partners to ensure necessary infrastructure for the continuation of PNNL’s nuclear program. PNNL has tied the proposal to relocate current programs in the 300 Area to a proposal for future expansion of PNNL. The term PNNL uses for the joint proposal is “Research Campus for the Future”.

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*Figure 2: PNNL Research Campus of the Future*
proposal provides a significant benefit to the community to retain and expand on high-paying scientific research jobs.

**Tri-City Research Park - CY 2006 Activities**

Benton County is working with the Port of Benton, City of Richland, PNNL, and WSU-TC to ensure there is infrastructure available to support private sector development that is contemporaneous with the continued development of the PNNL Nuclear Program. Utilizing a grant from the Department of Commerce, the Port of Benton is leading a team to develop a Land-Use and Marketing Plan. The land area under consideration in the plan is referred to as the Research District, it is located in the northern portion of the City of Richland, Benton County, Washington. It currently includes over 3.4 million square feet of laboratory and office space, employs over 12,000 people, and has over 90 tenants in the District that occupy buildings owned by over 30 landowners.

The purpose of the Land-Use Plan and Marketing Plan is to help the Port of Benton, the City of Richland, PNNL, and Benton County to coordinate the long-range plans of a number of government, municipal, and private entities that wish to support future economic development and job creation in this area in order to counterbalance the future adverse economic impacts caused by the ultimate completion of the cleanup of the Hanford site. Plan elements were completed in 2005.

**Tri-City Research Park - CY 2007 Work Plan**

Benton County will work with its partners on rolling out the Research Park plan and promoting community buy-in.

**Global Nuclear Energy Partnership - CY 2006 Accomplishments**

The public-private consortium advocating for GNEP helped to secure over $1 million for a study of the community’s ability to support an expanded in nuclear energy development.

**Global Nuclear Energy Partnership - CY 2007 Work Plan**

Benton County will be assisting the project lead – the Tri-Cities Development Council – on the study, which will address demographic, environmental, geologic, climatological, economic, and permitting issues relative to the Hanford Site.

**Water Resources**

**Yakima River Storage Enhancement Initiative/Black Rock Reservoir**

Severe droughts in 1977, 1994, and 2001 highlighted the need for additional water storage in the Yakima Basin. The drought of 2001 caused the loss of over $250 million in crop value, having a
net economic impact in the Yakima Valley of approximately $500 million. Benton County authorized the expenditure of up to $500,000 for the performance of a Reconnaissance Level study on the Black Rock Reservoir. Yakima County contributed $100,000, Benton County Farm Bureau contributed $10,000, and Yakima County Farm Bureau contributed $2,000 towards completion of the study and for other related efforts. The Washington State Department of Agriculture contributed $500,000 to perform an initial geologic survey of the proposed dam site, while Department of Ecology granted $75,000 for an initial assessment of the ecological impacts and benefits from the proposed project. Benton County, through a contract with Washington Group International, completed the reconnaissance level study in 2002 and the geotechnical survey and environmental work in 2003.

In 2003, Congress authorized the Bureau of Reclamation to conduct a feasibility study of options for additional water storage in the Yakima Basin with emphasis on the Black Rock Reservoir. Congress provided $1 million for the study in 2003, $1.5 million in 2004, $1.5 million in 2005 and $1.5 million in 2006. Appropriations have all been in the form of Congressional directives.

![Proposed Black Rock Reservoir – looking west towards Moxee Valley](image)

There is no funding for Black Rock in 2007 as again the region relies on the Northwest Congressional delegation to earmark funding to move the project forward. Washington State also provided $4 million towards the Bureau’s feasibility study; and in February 2006, the State created a “water resource development fund” in the amount of 200 million dollars. Two thirds of the monies from the fund will go toward the development of water storage facilities. While the amount will not fund a major storage project such as Black Rock, or other similar sized storage facilities, it is sufficient to fund design and pre-construction of such a facility and is a step in the right direction.

The Bureau released their technical assessment of Black Rock in 2005, noting that the project was technically feasible. During 2006 and 2007, the Bureau will perform a basin wide environmental impact statement, the purpose of which is to determine which projects it will recommend to Congress to take care of the water shortage issues in the Yakima Basin. Black Rock will be one of the proposed alternatives. The study is slated for completion in December of 2007.
South Benton County Water Development

In 2004, Benton County hired a consultant to investigate the possible impacts of the “Columbia River Initiative” (CRI) on the future and existing development of agriculture in South Benton County. This economic unit resides in both Benton and Klickitat County, and the Counties have passed a Joint Resolution on CRI, and are working collaboratively on the project. In 2005, CRI gave way to the “Columbia River Partnership”, which in turn spawned the “Columbia River Task Force”. The Task Force was a joint legislative and administrative body, the sole purpose of which was to determine if there was sufficient common ground to draft legislation and further develop water resources in the Columbia Basin. The joint work by Benton and Klickitat Counties was sufficiently flexible to respond to this alternative direction and provide input into this initiative. In February 2006, legislation was passed that provided the following:

- Creates the Columbia River Basin Water Supply Development Account – later legislation funded the account at $20,000,000 per year for ten years.
- Determines that new water will be used 2/3 for out of stream uses and 1/3 for in stream uses.
- Allows the Department of Ecology to enter into regional agreements within the Columbia Basin. This allows specific regions to work on solutions to water supply without impacting other regions and focusing on what works in that specific region.
- Has Department of Ecology collect and maintain a database of information that can be used in the future to determine appropriate water resource allocation.

During 2007, the Counties will utilize this information, along with reports generated regarding future development within Benton and Klickitat Counties from other processes, such as the “Watershed Resource Inventory Area” planning that Benton and Klickitat are also collaborating on, to determine a strategy for acquiring the water resources to promote this development.

Rural County Capital Fund

The RCCF is collected through an optional sales and use tax provided through RCW 82.14.370. Moneys collected between August 1, 1999 and July 31, 2001 are equally distributed between eight separate entities. These entities may use the money as they see fit, as long as it meets the restrictions set forth in RCW 82.14.370 (the funds must be used for the construction or improvement of public facilities). Moneys collected after August 1, 2001 are used for debt service on bonds issued for the expansion of the Benton County Justice Center. Benton County believes that the expansion of the Justice Center represents a critical public facility improvement that will allow private sector expansion within Benton County. In late 2002, Benton County received $1.983 million from Washington State that will be used to offset bond payments from the RCCF. These non-obligated funds were used by City of Kennewick for municipal water system improvements. A further discussion of RCCF projects is provided in Appendix E.

Hanford Reach National Monument

Nearly half of the existing Hanford Site in Benton County was designated as the Hanford Reach National Monument in June 2000. Late in 2001, the federal managing entity – the US Fish and Wildlife Service (FWS) – initiated a formal management planning process for the Monument. The FWS lead a management planning process since 2001 in which Benton County has been a
full participant. This process, which is comprised of several layers, continued through 2006 and has a targeted completion date of late 2007, when the final management plan and environmental impact statement is due for release and a “record of decision”. Tourism and recreation are underdeveloped sectors of our regional economy, and a well-planned and well-managed Hanford Reach National Monument can be a high-profile attraction for our area and a long-term economic anchor. A "preservation with access" approach will make the Monument a component of the local economy and is an important part of the County's Hanford Reach philosophy.

Red Mountain

The Red Mountain American Viticultural Area (AVA, or “appellation”) is a 4400 acre, federally designated grape-growing and wine-producing region on the south-facing slope of Red Mountain in central Benton County. The Red Mountain AVA, established in 2001, is Washington's smallest appellation. It is situated between Benton City and West Richland, within the larger Yakima Valley. About 700 of the area's 4400 acres are currently planted to wine grapes, which are mainly “red” varieties such as Cabernet Sauvignon, Merlot, Cabernet Franc, Syrah, and Sangiovese. Red Mountain's vineyards are characterized by an excellent conditions of air drainage, deep soils, and perfect climate.

There are currently at least ten wineries within the AVA, with more likely to be constructed in the next five years. The main limiting factor to the future development of the AVA is the lack of reliable water. The Washington State Department of Natural Resources (DNR) owns and is beginning to develop several large parcels. DNR was able to transfer water rights from nearby agricultural operations and is currently developing water resources on their parcels. The Kennewick Irrigation District is also a major landholder in the AVA, and is working on a solution for the water situation, with some possible major breakthroughs coming in 2007. Benton County continues to support the District’s efforts in these areas.

Beginning in 2005, Benton County lead a team of interested parties undertaking specific land use, infrastructure, and marketing planning for the Red Mountain AVA. In the first phase, this resulted in a “Conceptual Plan”, which is summarized in this document in Appendix G. In 2007, the County is undertaking the second, more detailed step in this process, which will result in a set
of formal recommendations and tools for the County and the community called the “Master Site Plan”. This document should be completed in August. A Red Mountain “Viticultural Park” as it is often referred to, would be a unique combination of land uses supported by the typical array of utilities and infrastructure found in any industrial park. Land uses include visitor serving recreation facilities that would serve tourists that the vineyards and wineries as “destinations” will draw. Combining the needs of the process (grape growing and wine production) with the aesthetic attributes of wine related tourism has always been a unique challenge to the wine industry. The relatively small size of the AVA, combined with the largely undeveloped status of the area, allows local governments, the private sector, and the State of Washington a unique opportunity to meet this challenge at a regional level.

Red Mountain Loop Road
Benton County committed to using a portion of Distressed County Funds towards construction of a County Road connecting SR 224 with Sunset Road. The project is broken out in two phases, Phase I is the North/South portion including the intersection with SR 224. Phase II is the remainder of the East/West portion. Phase I was successfully funded through a cost sharing agreement between Washington State Department of Natural Resources ($400,000), Chateau Ste-Michelle, LLC ($100,000), and Benton County ($150,000). The County is currently seeking funding for Phase II from various sources, with the hope of completing construction on Phase II of the project in mid-2008.

Facilities
Benton County Capital Projects
Benton County continues to expand its capital facilities with a combination of small and large capital projects. Some 2006 projects included:

- Beginning of the new Benton Franklin Health District facility on the Justice Center campus.

The 2007 Capital Facilities Plan includes the following capital improvements.

- Construction of three new courtrooms at the Justice Center.
- Upgrade of the locks and sliders at the Jail.
- Renovation of the Benton County Courthouse.
- Conceptual development of an administrative annex at the Justice Center Campus.
• Expansion of the Superior Court Clerks lobby.

**Parks Department**

Benton County has a total of eight separate units within its parks system, combining highly-developed manicured settings, and large-acreage recreational open space. The County promotes both general use and key, organized events in the parks.

Major project accomplishments for 2006 included:

- Completion of the “Meacham Hall” multiple purpose building at Horn Rapids Park.
- The beginning of a major shoreline restoration project along the Yakima River at Horn Rapids Park.
- Completion of the new “upland trail” at Horn Rapids Park.
- Completion of two trails – the “Canyon Trail” and the “Skyline Trail” at Badger Mountain Centennial Preserve.
- Completion of the first phase of maintenance compound and park headquarters upgrades at Two Rivers Park.

Major improvements scheduled for 2007 include:

- Collaborative project with the City of Richland to construct a new restroom and storage facility to service Badger Mountain Centennial Preserve.
- Creation of a Badger Mountain Centennial Preserve Master Plan.
- Construction of a parking lot at the west entrance to Badger Mountain Centennial Preserve (known as the “Dallas Gateway”).
- Completion of the second phase of the maintenance compound and park headquarters upgrades at Two Rivers Park.
- Completion of the boat dock safety upgrades at Two Rivers Park.
- Completion of the life vest kiosks and buoyed swim area at Two Rivers Park.
- Construction of a restroom at the Rattlesnake Mountain Shooting Facility.
- Construction of a gravel parking area in the Horse Camp at Horn Rapids Park.
- Construction of the maintenance building, spectator area, and restroom at Higgins Field at Horn Rapids Park.
- Publication of the Parks informational/marketing brochure.
- Publication of the Parks website.
- Creation of a new “Parks Comprehensive Plan”.

In addition to these normal operations, the Parks Department and the Commissioners’ Office will collaborate with the Port of Benton in 2007 with the Port’s assumption of the lease for Crow Butte Park in southwest Benton County. The Port will lease the park from the US Army Corps of Engineers. Benton County will assist the Port with some capital improvements to the park for the benefit of County residents and our guests from elsewhere.
Public Works

The Public Works Department administers a Six Year Road Program to support economic development throughout the County. This program sets precedence and allocates funding for the maintenance, resurfacing and reconstruction of existing County roads as well as the construction of new County roads. In 2006, Public Works completed the following County road projects that support industrial and agricultural clients.

A) I-82 to SR-397 Intertie (Renamed: County Route 397 -or- CR-397 after construction)
   • Phase II: Olympia Street to Finley Road (Construction began in 2005 and was completed in 2006) Project Engineer was Bryan Thorp.
   • Phase III: Finley Road to SR-397. Right-of-way has been acquired. (Burlington Northern Railroad agreement has been completed, but not yet signed by both parties) Bid opening Summer 2007, Construction to begin Summer 2007. Project Engineer is Bryan Thorp.

B) Piert Road Extension (SR-397 north to Bowles Road)
   Right-of-way has been acquired. Bid opening Summer 2007, Construction to begin Summer 2007. Project Engineer is Steve Becken.

C) Antinori Road (SR-224 Northerly)
   This 1.3 mile piece of new road was completed in 2006. Engineer II Sue Schuetze was responsible for design and construction.

D) Plat Roads
   • Roads in Summit View Phases 3 & 4 were completed in 2006. These roads provided access to 44 new homesites. Engineer II Sue Schuetze was responsible for design and construction.
   • 2nd St, NE was extended 200’ west of Lamira Road on existing unimproved county road right-of-way. Landowner was responsible for design and construction. Segment constructed to access proposed short plat.

Planning

Major projects for 2007 include:

Phase III – Nine Canyon Wind Project by Energy Northwest
Phase III is for the construction of up to 25 wind turbines by Energy Northwest. The new turbines will be located in the general area of the turbines constructed in Phases I and II.

Pacific Ethanol Plant
The facility, for the production of up to 50 million gallons per year, will be located in the Plymouth industrial area. Pacific Ethanol will construct the plant, which will include on-site storage of 1 million gallons of ethanol. The environmental review was completed by Washington State Department of Ecology in February/March but they have not applied for any building permits.
Columbia Ethanol Plant
This facility will produce up to 55 million gallons of ethanol per year. The plant is proposed to be located on a 30-acre site in Finley on the site of the existing Agrium fertilizer plant. The environmental review was completed by Washington State Department of Ecology in 2006, but they have not applied for any building permits.

Benton County Fairgrounds
A new Maintenance Building was completed at the Benton County Fairgrounds in 2006. The Building will includes approximately 2400 square feet of shop space and 900 square feet of office space. Also, a grant in the amount of $20,000 assisted the Fairgrounds in constructing/replacing the stairwells on the east and west side of the Grandstands with new stairwells of galvanized aluminum.
Increased occupancy and revenue growth will be a primary Fairgrounds goal for 2007. Building rental occupancy is projected to be maintained between March and September at 80% of capacity. Horse Stall Rentals have increased, with an overall growth of 30% compared with 2005.

The Fairgrounds offers boat/RV storage for the winter, with the availability of inside full covered storage in November 2007.

Four multiple-use buildings are being re-roofed in 2007; and upgrades are being made in the equestrian area, including new horse stalls and replacement of some of the horse track railing.
APPENDIX D

RURAL COUNTY CAPITAL FUND
POLICY AND ACTIVITY TO DATE
RURAL COUNTY CAPITAL FUND
DISBURSEMENT POLICY

A. Funding Allocations
1) Funds received and deposited into the Rural County Capital Fund between August 1, 1999 and July 31, 2001, will be allocated and disbursed as follows for projects approved as set forth in this policy:

   a) At any time after August 1, 2000, each of the following jurisdictions that have a project approved pursuant to section C. below shall be entitled to receive 12.5% of the funds received from the State of Washington and deposited into the Rural County Capital Fund between August 1, 1999, and July 31, 2000: Benton County; Prosser; West Richland; Benton City; Richland; Kennewick; Port of Benton and Port of Kennewick.

   b) At any time after August 1, 2001, each of the above referenced jurisdictions that have a project approved pursuant to section C. below shall be entitled to receive 12.5% of the Funds received from the State of Washington and deposited into the Rural County Capital Fund between August 1, 2000, and July 31, 2001.

   c) Although a jurisdiction may become entitled to funds pursuant to a) or b) above, the timing of the payment of such funds to such jurisdiction is determined by the County and will be reflected in a disbursement schedule adopted pursuant to section C. below.

2) Funds received from the State of Washington and deposited into the Rural County Capital Fund after July 31, 2001, will be used to satisfy debt service on bonds issued for jail and courts construction/expansion. If the County determines at any time that all of such funds are not necessary for debt service payments, the County will at that time determine how such funds should be utilized and allocated.

B. Partnership/Leveraging
Jurisdictions are encouraged to consider joint projects and to use funding to leverage additional resources to provide the greatest benefits for the Benton County region.

C. Project Approval and Disbursement of Funds
Step 1 Jurisdictions shall submit project(s) to Benton County using the attached application by June 15, 2000 for funding from the August 1, 1999 through July 31, 2000 revenues and by May 15, 2001 for funding from the August 1, 2000 through July 31, 2001 revenues. Submissions shall include scope of work, projected project milestones and cash flow demonstrating how and when Rural County Funds are to be used.

Step 2 Benton County reviews project(s) for:

   a) Consistency with RCW 82.14.370 requirements. Project must finance a “public facility” as defined in RCW 82.14.370 and be listed in one of the following: Benton County Overall Economic Development Plan
Benton County Comprehensive Land Use Plan, Economic Element
A city’s Comprehensive Land Use Plan

b) A demonstrated ability and plan to obtain adequate funding for the completion of the project.
c) Schedule and milestones for timely project completion.
d) Anticipated benefits of project including but not limited to job creation/retention and increased industrial capacity.

Step 3 County takes action to approve or deny application.

Step 4 Jurisdiction and County execute agreement reflecting use of funds, project deadlines, funding disbursement schedule and content of required annual status report.

Step 5 The County Sustainable Development Manager (or another County official as designated by the Board of Benton County Commissioners) performs an annual review of the project for consistency with the agreement. If an agreement is not being satisfied by a jurisdiction, the County has the option of discontinuing distributions for that project. In order to receive the remainder of allocation for a particular year, the jurisdiction would need to reach agreement with the County on amending the agreement. If no such agreement is reached, the jurisdiction is no longer entitled to the remainder of its allocation from funds for the particular year in question.

D. Banking
If a jurisdiction does not anticipate funding needs for a project or projects as of June 15, 2000 and/or May 15, 2001, it may request by such dates that its annual allotment for one or both of the following twelve (12) month period be set aside for later use by that jurisdiction. No allotment shall be banked beyond August 1, 2004. At any time between June 16, 2000 and May 15, 2004, such a jurisdiction may submit the above referenced application to use such set aside funds for review by the County as described above. Upon review and approval by the County, the jurisdiction shall be entitled to its set aside amount, to be disbursed according to the disbursement schedule adopted pursuant to section C. above. If a jurisdiction does not submit an application by May 15, 2004 to use all set aside funds, that jurisdiction loses any claims to such set aside funds. The County may then use its discretion as to how to use such funds in compliance with state law.

E. County Administration Costs
It is recognized the County will have ongoing administrative responsibilities for reviewing projects, setting up agreements with jurisdictions, managing and disbursing revenue, and reviewing project progress. The County shall be entitled to any interest accrued from the Rural County Capital Fund to offset these administrative costs. Interest shall be deposited in the County Current Expense Fund.
RURAL COUNTY CAPITAL FUND
ACTIVITY TO DATE

Benton County has obligated Rural County Capital Funds collected in 2002 through 2022 towards debt repayment of bonds to expand the Benton County Justice Center. Funds collected in 2000 and 2001 were distributed among eight entities within Benton County, including the Ports of Benton and Kennewick; the cities of Richland, Kennewick, West Richland, Prosser, and Benton City; and the County itself.

Benton County Justice Center (Completed)

Originally completed in 1984, the Justice Center jail population has more than doubled, along with operational demands, prompting the Benton County Board of Commissioners to initiate expansion plans in 1997.

In 1999, working with the Cities and the Ports within Benton County, it was determined that the lack of capacity within the Justice Center impeded regional growth. The group concluded that funds collected under RCW 82.14.370 should be used to finance jail and justice expansion. In 2000 Benton County issued bonds, totaling approximately $23.6 Million dollars and funded through a variety of revenue sources. These revenue sources included Rural County Capital Funds.

On June 5, 2001 construction began on the expansion of the Benton County Justice Center. The Jail expansion will provide a three-story building that will connect to the existing Jail via a skybridge. Each floor is approximately 32,250 square feet. The first floor is Jail administration, plus sally port and booking. The second floor was completed as additional Jail space. Due to favorable bond rates and the potential for revenue, Benton County completed the third floor of the jail and is using the surplus jail space to house out of area prisoners for other counties, Washington State, and the US Government.

The Court expansion is a new 66,000 square foot two-story building. Half of the first floor remains unfinished and is slated for future courtrooms. A little less than one-half of the second story was unfinished to provide future office space.

The Benton County Justice Center expansion project was completed in December 2003, on time and under budget.

West Richland Water System Expansion (Completed)

West Richland partnered with the Port of Kennewick in procuring a well, surrounding infrastructure, a water right, and the design and construction of infrastructure necessary to hook the well into the existing water system. West Richland, due to rapid growth, was reaching capacity within its water system during the summer months. The additional water will be used to support private sector growth within West Richland, including service to Port of Kennewick industrial property.
East Prosser Industrial Park (Completed)
Prosser expanded the water and sewer services in the East Prosser Industrial Park. The Industrial Park is home to six industrial clients with over 440 employees. City water was provided through a 12” main and there was no city sewer service. Improvements doubled the capacity of the water system and provided sewer service to existing clients and additional capacity for growth.

Queensgate Interchange (Completed)
City of Richland constructed interchange loops on I-182 and Queensgate to enhance commercial access to the Richland City View property and the Kennewick Irrigation District Gateway project.

Dale Avenue Extension (Completed)
Benton City partnered with the Port of Benton to extend Dale Avenue into Port of Benton industrial property. The project included the extension of utilities.

Benton City Waste Water Treatment Plant (Completed)
The Benton City WWTP was at capacity. The increased capacity will allow the recruitment of agri-industrial clients. The system was also upgraded to meet TMDL limits set by Department of Ecology.

Port of Benton Manufacturing Mall (Completed)
City of Richland and Benton County have agreed to direct a portion of their Rural County Capital Fund dollars toward infrastructure improvements at the Port of Benton Manufacturing Mall. The Port is completed a site master plan and is in the process of implementing that plan.

North Prosser Industrial Park (Completed)
Prosser partnered with the Port of Benton to develop the North Prosser Industrial Park. The project included road improvements and the extension of utilities to service the Park. The Port is using its Rural County Capital Funds to pay for infrastructure to the park.

Vista Field Improvements (Completed)
The City of Kennewick is proposing to use Rural County Capital Funds towards improvements at Vista Field. Vista Field is the site of a growing commercial area, which includes the Benton County Justice Center, Tri-Cities Coliseum, a number of small-manufacturing firms, and a number of retail stores and service providers. Vista Field is also the site for the proposed Kennewick Convention Center.
Kennewick Water Upgrades (Completed)
Recent efforts by the City of Kennewick lead to the allocation of funds to the Benton County Justice Center through the Washington State Capital Budget. These funds will be used to offset debt repayments. Through encouragement by the cities, and in consultation by the ports, Benton County determined that these dollars should be used to offset Rural County Capital Fund debt repayments for the Justice Center, freeing those dollars for use by City of Kennewick to improve their water system.

Walter Clore Center (Completed)
Benton County committed to using a portion of Distressed County Funds towards infrastructure improvements to Port of Benton land on the banks of the Yakima River in Prosser. The Port is currently negotiating with the Walter Clore Wine & Culinary Center to utilize the land as a regional wine center. The Port utilized the funds for site development (grading, grubbing, extension of services, etc.).

Oak Street Industrial Site (Completed)
Port of Kennewick utilized their 2001 share of Rural County Funds towards the development of the Oak Street Industrial Site in Finley. The building is a 12,000 square foot industrial incubator facility.

Horn Rapids Industrial Park (Completed)
Benton County committed to using a portion of Distressed County Funds towards infrastructure incentives to Horn Rapid Industrial Park that were used as part of an incentive package for the Ferguson Pipe Distribution Warehouse. The dollars were slated for the extension of Battelle Boulevard, a rail crossing and related infrastructure. The work was completed in 2005.

Justice Center Security Wall (Completed)
Benton County is using the remainder of funds collected during 2001 towards improvements of a security wall at the Justice Center. The security wall is a plain CMU wall and does not meet current requirements set by the City of Kennewick for the Vista Field Arts and Entertainment District. Improvements include the addition of a stucco façade, painting, and potentially art work on the stretch of wall facing Okanogan Street. The County is partnering with the City of Kennewick, the Kennewick Public Facilities District and Ben Franklin Transit on the improvements.

Red Mountain Loop Road (Completed)
Benton County committed to using a portion of Distressed County Funds towards construction of a County Road connecting State Route 224 with Sunset Road. The project is broken out in two phases, with Phase I is the North/South portion including the intersection with SR 224, and Phase II being the remainder of the East/West portion. Phase I was funded through a cost sharing agreement between Washington State DNR ($400,000), Col Solare Winery ($100,000), and Benton County ($150,000) and was completed in late 2006. The County is seeking funding for Phase II in 2007.
APPENDIX E

INDUSTRY RECRUITMENT, RETENTION, AND EXPANSION PLAN
The Benton County Sustainable Development Industry Recruitment, Retention, and Expansion Plan

The citizens of Benton County are best served by a sustainable economy. An economy that has enough diversity to withstand cyclical market forces, allows local governments to provide desired services at reasonable rates and that offers the framework that allows the economy to transform to meet the increased rate of change in the state, national and global economies. This economy can only be created through a focused and united effort on the part of the regional governments. The practice of creating these economies is economic development.

Benton County has two main roles in economic development.

1. Create land-use and natural resource policies that foster beneficial growth through the Benton County Comprehensive Land Use Plan and natural resource policy statements.

2. Develop infrastructure that makes the county competitive in attracting new and retaining existing businesses, managed through the Benton County Overall Economic Development Plan.

Benton County realizes that to attract and retain businesses requires more than just “if you build it, they will come” strategy. Businesses have to be enticed to relocate or expand within the county. Enticing businesses is commonly referred to as industrial recruitment. Though industrial recruitment is a worthwhile activity, counties in Washington State have limited constitutional authority to perform certain industrial recruitment activities. The principal limitation is that counties are not allowed to entice companies through “gifting” of public funds, assets or credit. Therefore it is the private sector, non-profit economic and community development organizations, the state and port districts that act as the brokers for industrial recruitment in Washington. Counties and cities can perform or contract to perform one vital aspect of industrial recruitment and that is marketing the community beyond its borders. For marketing to be successful it must be integrated with the county’s long term planning efforts as articulated in the Comprehensive Land Use Plan and the Overall Economic Development Plan. Though it seems self-evident it is important to note that the county should not recruit those industries that do not fit into the county’s capabilities and desires.

Benton County chooses to perform industrial recruitment by leveraging regional resources and contracting with existing Economic Development Organizations, primarily the Tri Cities.
Industrial Development Council (TRIDEC), the Prosser Economic Development Agency (PEDA), and the Benton City Economic Development Committee (BCEDC). The remainder of this document outlines existing and proposed economic development policies and strategies that will guide implementation of the Industry Recruitment, Retention and Expansion Plan.

**Industry Sectors**
Economic growth can come from two sources, new companies moving into the region and existing companies expanding. Economic developers often focus on attracting those new companies into the region, forgetting that local expanding businesses may be the focus of some other regions industrial recruitment engine. That is why Benton County believes that industrial recruitment efforts should have a balanced approach for attracting new business and convincing existing businesses that the region is a good place to pursue expansion.

Benton County, through the Comprehensive Land Use Plan, the Overall Economic Development Plan and the Economic Development Policy identifies several industry sectors that are key to the county’s economic development success. The county has chosen to focus on these industry sectors with the realization that there are other expanding or as yet unidentified industries that may be beneficial to the region. The county believes there are other regional organizations, better suited to focus on the recruitment of these unidentified industry sectors.

**Agri-Business**
**Suppliers**
Modern day agriculture requires a long supply chain. Attracting suppliers to the area can enhance and retain local industries by shortening supply lines and reducing costs. Also included in this category are companies that may be able to utilize agricultural byproducts, i.e. strawboard manufacturers utilizing cornstalks.

**Value Added Processing**
Vertical integration in the agricultural industry has reduced the revenues generated from unprocessed agricultural products. Value Added Processing seeks to attract/retain companies that perform 1st and 2nd stage processing before the product leaves the region.

**Agri-Tourism**
Certain agricultural sectors, most notably the wine industry but other agricultural sectors as well, can expand regional tourism. Napa Valley in California has a very successful tourism industry that was developed from the wine industry. Increasing agri-tourism does not rely on recruiting businesses, though occasionally a rural area may need to recruit a high-end restaurant that would not normally be supported by the local population, but relies on a great extent on marketing the community in urban areas.

**Industrial**
**Advanced Materials/Metals**
Advanced materials/metals are a regional industry just beginning to mature. Industrial recruitment/retention efforts should address ways to expand the existing industry, including recruiting suppliers, focused retention efforts, identifying industries that use processing by-products, and proposing local and regional infrastructure projects that can increase attractiveness of the region.
Nuclear Medicine

Benton County has a long history on the forefront of nuclear technology. Expansion into the production, research and marketing of nuclear medicine is a natural extension of this history. The county is not only interested in the development of large production facilities, such as FFTF, but recruiting isotope processing and specialty medical industries that can only be supported by short lived isotopes. Certain Hanford assets may also be useful to smaller producers of isotopes.

Energy

Benton County is an energy production focal point with a nuclear plant, a hydroelectric dam, a 75 MW Wind Farm, with proposed construction of an addition 500 MW in wind power and 1000 MW in natural gas co-generation in the planning process. Benton County believes in expanding this role as a regional renewable energy provider and using this production to capacity to expand into energy research.

Proposed Activities

As stated earlier, Benton County expects to develop performance contracts with regional industrial recruitment agencies to meet the goals of the Industrial Recruitment, Retention and Expansion Plan. Regional agencies may wish to address, but should not feel limited to the following proposed activities.

Retention Programs

Retention programs should contact both large and small employers. A successful program will be well-integrated across existing membership organizations, i.e. Chambers, TRIDEC, PEDA, BC EDC and TCVCB, to prevent multiple calls to single employers. The program should utilize a pre-approved questionnaire designed to solicit input on potential barriers to the continuing operation or expansion of the company. The program would then work with a broad array of service providers, including state, county and municipal governments to overcome barriers and plug gaps.

Existing Industry Sector Recruitment

A successful Industry Recruitment program would start with existing businesses to determine opportunities for recruiting similar non-competitive companies, suppliers and companies that can utilize/recycle by-products from the existing industries. Recruitment programs should be well organized and track leads through initial contact to final follow-up. County funded recruitment cannot offer any “gifts” to potential recruits, including entertainment and cash awards for locating in the county. Recruitment programs can include travel to trade shows but preference will be given to those programs that use existing industries as a recruitment tool. When possible, preference should be given to expanding existing businesses but at some point it may be necessary to expand beyond existing businesses to develop a regional cluster.

Infrastructure Development Plans

To perform successful long range planning the county requires information on existing and future needs. Regional agencies may wish to review existing county plans and identify areas where improvements could be beneficial to expanding identified industry sectors. Infrastructure needs should be a byproduct of successful recruitment and retention programs.

Global Nuclear Energy Partnership

A specific example of large-scale recruitment is the County’s work with a local public-private consortium on the Hanford component of the “Global Nuclear Energy Partnership”. (GNEP).
The GNEP is conducting detailed siting studies around the United States for the recycling of integrated spent nuclear fuel. Such facilities will allow for the effective recycling of such fuel in a safe and proliferation-resistant manner.

Hanford is one of eleven sites selected for GNEP evaluation in the United States, with a $1 million award for the work. Benton County is working with and supporting the project lead – the Tri-Cities Development Council – on the study, which will address demographic, environmental, geologic, climatological, economic, and permitting issues relative to the Hanford Site. GNEP is a major focus for 2007.
APPENDIX F

CY 2006 Report to Department of Ecology
Development of Hanford Lands and Nuclear Related Industries in Benton County
Development of Hanford Lands and Nuclear Related Industries in Benton County

CY 2006 Annual Report

February, 2007

Prepared by Benton County Sustainable Development Department Pursuant to Contract C9300237 Amendment 16
Introduction
The United States Department of Energy entered into a lease with the State of Washington on September 10, 1964. The lease covers 1000 acres of the Hanford Site Central Plateau approximately 20 miles from Richland, Washington and has a term of 99 years at a lease rate of $600 per year. The purpose of the lease is to make land available for the establishment of nuclear related industry.

Washington State has subleased 100 acres of the 1000-acre tract to US Ecology Inc. for the development and operation of a low-level radioactive waste repository. This annual rent, less $600 for the amount due to Department of Energy, is paid to Benton County under contract to “…exercise its best effort to use monies received under this agreement for activities related to the development of the 900 acres of leased land and nuclear related industries in Benton County and the Tri-Cities Area.” The biannual rate for 2007 is currently $31,285 (total annual rate for 2007 is currently $62,570). The contract requires an annual report of project activities that were accomplished in 2006, and recommendations for further public awareness and/or development of the availability of land at the Hanford site for the development of nuclear related industry.

Benton County meets the contract requirements through several activities.

1) Benton County Hanford Land Use Plan
2) 300 Area Redevelopment
3) 300 Area Asset Reallocation
4) North Richland Research Park
5) Industrial Recruitment
6) Global Nuclear Energy Partnership
7) Start-up Companies
8) B-Reactor Historic Preservation
9) Hanford Fire Plan
10) Recommendations for Further Public Awareness

1) Benton County Hanford Land Use Plan

CY 2006 Accomplishments

The Hanford Land Use Plan continued to be modified internally in response to external actions and recommendations by the Department of Energy and U.S. Fish & Wildlife Service (Department of Interior). The Plan is still under internal revision awaiting information regarding Risk Based End States that may modify clean up actions and determination of assets remaining after remediation at sites in the 300 Area. The Fish and Wildlife Service’s Hanford Reach National Monument Comprehensive Conservation Plan and Environmental Impact Statement will also have a bearing on the outcome of the County’s plan, and we are waiting for resolution on the Service’s process (expected fall 2007) to integrate those elements into the final County plan.

CY 2007 Work Plan

As DOE's definition and approach to cleanup continues to evolve and progress, Benton County will represent local communities' interests. Moreover, Benton County's Hanford Sub Area Plan may be adopted in 2007, which will integrate Hanford into the whole of the existing County Comprehensive Plan. This integrated plan will provide vision and guidance for future Site activities and uses that is consistent with Department of Energy and Department of Interior plans.

The adopted Hanford Plan will focus both on the leisure sector economic development initiatives per the guidance set forth by the Hanford Reach National Monument management planning process, as well as industrial and research areas of the economy for portions of the Site not included in the Monument. Overall, the Hanford Site will be described and promoted as a
unique and diverse landscape, capable of supporting many uses to benefit quality of life and a sustainable economy for Benton County.

2) 300 Area Redevelopment

CY 2006 Accomplishments

The Department of Energy designated the 300 Area for industrial development through the Department of Energy’s (DOE) Hanford Comprehensive Land Use Plan. This designation was also mirrored in Benton County’s Draft Hanford Sub Area Plan and Richland’s Comprehensive Land Use Plan. At issue is that DOE does not appear to be trying to redevelop the land for an industrial purpose, as such, the designation was deemed inappropriate and City of Richland modified their land use plan to reflect more likely development of the area as a Research Park, which includes mix use residential.

Benton County participated in a study with the City of Richland. The study, funded by EPA, indicated that private sector development of the area as industrial was unlikely.

CY 2007 Plan

Benton County will modify its land use plan in Richland’s Urban Growth Area to reflect the modification made by City of Richland, and continues to support Richland’s efforts to promote redevelopment of the 300 Area that is consistent with identified public goals, and to attain the clean-up and remediation standards appropriate for said goals.

3) 300 Area Asset Relocation

CY 2006 Accomplishments

The Pacific Northwest National Lab (PNNL) has a large nuclear research program at the 300 Area. The program attracts both Federal and private investments and employs over 1100 people. DOE’s proposal was to remove all buildings, infrastructure and materials out of the 300 Area by 2006. There was a concern in the local community and at PNNL that the program could not meet its facilities needs by 2006, and the need to move would therefore eliminate PNNL’s Nuclear Program. Through the efforts of Congressman Hastings, the deadline was pushed back to 2009.
This allowed PNNL to issue a Request for Proposals to for a Professional Design Team (PDT) to provide campus master planning, programming, alternatives analysis and conceptual design for one or more replacement (new) facilities which will be used to consolidate multi-functional research capabilities currently located in the 300 Area of the Hanford Site. PNNL is looking for design teams to integrate campus master planning, programming, lab planning and conceptual building design to provide a truly integrated approach to designing new replacement facilities for existing on-going research.

CY 2007 Plan

Benton County plans to continue work with PNNL, DOE, Richland, and other community partners to ensure necessary infrastructure for the continuation of PNNL’s nuclear program. PNNL has tied the proposal to relocate current programs in the 300 Area to a proposal for future expansion of PNNL. The term PNNL uses for the joint proposal is “Research Campus for the Future”.

The proposal provides a significant benefit to the community to retain and expand on high paying, scientific research jobs. Benton County will supporting these efforts as the Research Campus for the Future begins to take shape in 2007.

4) North Richland Research Park

CY 2006 Activities

Benton County is working with the Port of Benton, City of Richland, PNNL, and WSU-TC to ensure there is infrastructure available to support private sector development that is consistent with the continued development of the PNNL Nuclear Program. Utilizing a grant from the Department of Commerce, the Port of Benton is leading a team to develop a Land-Use and Marketing Plan. The land area under consideration in the plan is referred to as the Research District, it is located in the northern portion of the City of Richland, Benton County, Washington. It currently includes over 3.4 million square feet of laboratory and office space, employs over 12,000 people, and has over 90 tenants in the District that occupy buildings owned by over 30 landowners.

The purpose of the Land-Use Plan and Marketing Plan is to help the Port of Benton, the City of Richland, PNNL, and Benton County to coordinate the long-range plans of a number of government, municipal, and private entities that wish to support future economic development and job creation in this area in order to counterbalance the future adverse economic impacts.
caused by the ultimate completion of the cleanup of the Hanford site. Plan elements were completed in 2005.

Benton County will continue its support of the Research Park and work with our partners to create more community buy-in.

5) **Global Nuclear Energy Partnership**

Benton County is working with a local public-private consortium on the Hanford component of the “Global Nuclear Energy Partnership (GNEP). The GNEP is conducting detailed siting studies around the United States for the recycling of integrated spent nuclear fuel. Such facilities will allow for the effective recycling of such fuel in a safe and proliferation-resistant manner.

Hanford is one of eleven sites selected for GNEP evaluation in the United States, with a $1 million award for the work. Benton County is working with and supporting the project lead – the Tri-Cities Development Council – on the study, which will address demographic, environmental, geologic, climatological, economic, and permitting issues relative to the Hanford Site.

6) **Industrial Recruitment**

Benton County contracts with the Tri-Cities Industrial Development Council (TRIDEC) to perform industrial recruitment within Benton County. TRIDEC’s accomplishments in relation to Hanford include the creation and operation of the Tri-Cities Asset Reinvestment Company.

In April of 1999, TRIDEC formed the Tri-Cities Asset Reinvestment Company (TARC), LLC to work with the U.S. Department of Energy in the transfer of excess Hanford Site Assets to the private sector with the hopes of creating jobs and generating revenue for other economic development projects in the community.

TRIDEC considers the use of under-utilized and excess Hanford equipment and facilities to be a fundamental and critical component of the community’s efforts to diversify the local economy and create new jobs over the next 10 years. TRIDEC has lead the “reindustrialization” and “asset reuse” charge that has been greatly encouraged by both DOE-RL and DOE-HQ. As a result of a formal Memorandum of Understanding (MOU) that was signed by TRIDEC and DOE-RL, the Tri Cities Asset Reinvestment Company was formed.

TARC’s charter is to utilize the federal authorities granted to the Community Reuse Organization to maximize the use of excess Hanford Site equipment for either direct placement to local or recruited companies or to use the revenue generated from the sale of equipment to be directly reinvested back into Hanford-related or community economic development initiatives.

7) **Start-Up Companies**

The Hanford area is rich in individuals with nuclear expertise. Some of these individuals have developed start-up companies that could utilize Hanford area resources for the development of nuclear related industries, primarily businesses that use radioisotopes for environmental instrumentation, chemical and biological decontamination, nuclear medicine, radiopharmaceuticals and food irradiation. Benton County continues to work with area partners towards the retention of existing or development of new infrastructure to support PNNL’s
nuclear programs and private sector start-up firms. There are initial discussions of an industrial incubator, capable of handling radioactive materials. Such an incubator might tie into PNNL’s current Applied Processing Engineering Laboratory (APEL) incubator facility. APEL has overlying permits to handle various chemical and hazardous substances.

8) B-Reactor – Atomic Heritage
Benton County believes in preserving the B Reactor for its historic and engineering values, for permanent use and enjoyment by the general public. All three major federal agencies with a stake in the facility -- the US Department of Energy, the US Fish and Wildlife Service, and now the National Park Service; continue to voice similar supportive sentiments. Benton County has worked closely with the B Reactor Museum Association in recent years to provide an avenue for community and local government input and assistance with the project. The County has also assisted, in part through the County’s membership in the Hanford Communities, in enlisting the important support of the Atomic Heritage Foundation and in supporting Congressman Hastings in his successful efforts to obtain federal legislation authorizing a feasibility study for B Reactor's inclusion into the National Parks System. Benton County weighs-in positively at every opportunity on efforts to protect and preserve resources of historical, scientific, and technological importance related to the Hanford Site.

9) Hanford Fire Plan
Benton County has been leading an effort to coordinate the response of various fire departments to wildland fires starting in and around the Hanford Site. Both the Departments of Energy and Interior have made considerable strides in their respective wildfire preparedness; but Benton County will continue to spearhead this effort in an attempt to eliminate a repeat of the devastating Hanford 2000 Fire.

10) Recommendations for Further Public Awareness
Benton County has been promoting for decades the need to involve local government in clean-up decision making. Over the past several years the County worked on creating a position funded by Energy to act as an informal liaison, digesting the reams of information provided by Energy and its regulators on clean-up activities. 2006 offered an interesting turn of events, as a Federal Court in Washington State held that local governments should not only be informally involved as stakeholder in cleanup decision, but should have a formal seat at the table. Obviously the Federal Government will appeal this decision and Benton County will continue to monitor the case through Energy Communities Alliance, Hanford Communities, and the Hanford Advisory Board to promote the role of local governments in DOE decision making.
Executive Summary

The Red Mountain American Viticultural Area (AVA) is a 4,400-acre, federally designated grape-growing and wine-producing region on the south-facing slope of Red Mountain. Located within unincorporated Benton County, the Red Mountain AVA is bounded by the Yakima River terrace to the west, the ridgeline of Red Mountain on the northeast and the lowlands bordered by Interstate 82 on the southeast.

The success of Red Mountain is attracting national and worldwide attention, and the AVA is a focal point for future vineyard and winery development.

Conceptual Plan and Site Master Plan - Need and Benefits

In 2005 Benton County, together with an alliance of vineyard and winery operators, local agencies and stakeholders, commissioned the Red Mountain American Viticultural Area Conceptual Plan. The purpose of Phase 1 of the Conceptual Plan was to develop a vision for the Red Mountain AVA that enhances the region’s economic opportunities for both the wine and visitor industries and increases the visibility of the Red Mountain AVA. The Conceptual Plan presents a vision of a future development pattern for Red Mountain that expands and enriches visitor opportunities while preserving the special qualities of the AVA.

The Conceptual Plan is being developed in two phases. During Phase 1 existing AVA conditions were analyzed and the initial AVA visions for the future presented and evaluated. Meetings with the AVA Planning Team and other community and business representatives, as well as a public open house, were held to obtain information and comments. During Phase 2 the vision will be refined, site-specific concepts delineated, additional illustrative conceptual plans and character images drawn, and supporting information will be presented in the final Site Master Plan for the Red Mountain AVA. Phase 2 will also include additional public open houses and meetings with AVA property owners.

The Conceptual Plan and Site Master Plan will provide a framework and process that are needed to direct future development within the AVA so that development can occur while protecting the qualities that make Red Mountain a special place. The Conceptual Plan also provides a framework for distributing the visitor-related economic benefits to adjacent communities and the region.

During Phase 2, information and documents developed will be used in a number of ways:
- Provide a framework for future development within the AVA that protects the qualities that make Red Mountain AVA a special place.
- Provide information that the Benton City and West Richland communities can use in their economic development plans.
- Assist Red Mountain vineyard and winery owners in their future development efforts.
- Provide a vision that attracts additional quality wineries to the area.
- Provide a rich range of visitor opportunities that will enrich their visit to the Red Mountain AVA.
• Provide information to be used in modifying Benton County’s Comprehensive Plan and zoning regarding the Red Mountain AVA, thus enabling implementation of the Conceptual Plan and the Site Master Plan.

AVA Vision
The Red Mountain AVA is known for its great wines. Implementing the Conceptual Plan vision will preserve and enhance this unique area. The vision builds on the world-class wines that AVA now produces, presents a range of benefits to the vineyard and winery operators, and expands and enriches wine visitors’ experiences by providing opportunities for recreation, interpretation and education. The Conceptual Plan also provides a framework for adjacent communities to participate in the wine visitor-related economic benefits.

Conceptual Plan elements include expansion of existing vineyard and winery operations, a number of new wineries, new visitor-oriented facilities including recreation, and interpretive experiences and other changes within the AVA, as well as additional development on adjacent areas.

Visitor projections show that, by the year 2025, the Red Mountain AVA will attract approximately 175,000 wine-oriented visitors – a nearly nine-fold increase over the current level.

The Red Mountain AVA will function as a primary destination and a premium wine-producing attraction of Washington Wine Country as characterized by the following conditions:
• The characteristics of Red Mountain land will attract grape growers and vintners focusing on particularly high-quality wine production (representing the upper end of the quality continuum for all wines in the region).
• The Red Mountain AVA will remain substantially in agricultural use, with most of the site dedicated to a viticultural reserve that maximizes the amount of land available for grapes, preserving over time a unique and desirable setting for visitors.
• Approximately 20-30 additional wineries will be located there; a portion will concentrate on vineyards only and a portion will operate tasting rooms, most of which will be open to the public.
• At least some individual wineries will develop specialized, small- to moderate-scale wine oriented events and food service capability; small-scale lodging may also be expanded.
• A market will develop for fine dining, lodging, and events within the AVA.
• Growing traffic to Red Mountain will foster commercial development on adjacent lands, in particular on land adjacent to I-82.
• Opportunities for interpretive, educational and outdoor recreation experiences will further enrich the area.