



Department of Energy
Richland Operations Office
P.O. Box 550
Richland, Washington 99352

AUG 24 2011

11-DEP-0009

Mr. C. F. Adrian, President/CEO
Tri-City Development Council
7130 W. Grandridge Blvd. Suite A
Kennewick, Washington 99336-7725

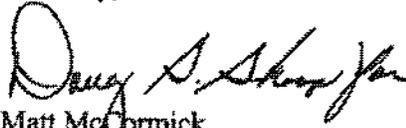
Dear Mr. Adrian:

**RESPONSE TO PROPOSAL UNDER 10 CFR 770 FOR THE TRANSFER OF 1,341 ACRES
OF HANFORD LAND TO THE TRI-CITIES DEVELOPMENT COUNCIL (TRIDEC)**

This letter responds to your May 31, 2011, letter regarding the subject proposal for a fee-simple transfer of 1,341 acres of Hanford land to TRIDEC, the Community Reuse Organization for the Tri-Cities community. The Richland Operations Office (RL) has reviewed your proposal in detail and finds it to be complete. We are prepared to begin the steps that would be required prior to any potential transfer taking place. These include completing National Environmental Policy Act, including a public involvement process, and National Historic Preservation Act analyses, and obtaining regulatory concurrences from the Environmental Protection Agency and the Washington State Department of Ecology. In addition, we will follow the process outlined in 10 CFR 770, Transfer of Real Property at Defense Nuclear Facilities for Economic Development. Once we have an estimate of the potential timeline for these actions, and potential costs to TRIDEC, we will share them with you.

Thank you for all you are doing to create jobs in our community. If you have questions on the status of these activities please call me at (509) 376-7395, or Colleen French, Government Affairs Program Manager, at (509) 373-5985.

Sincerely,


Matt McCormick
Manager

cc: L. Bowman, Benton County
M. Cantwell, Senator
J. Delvin, State Senator
D. A. Faulk, EPA
J. Fox, City of Richland
C. Gregoire, Governor
L. Haler, Representative
D. Hastings, Representative
J. A. Hedges, WDOE
S. D. Keller, Port of Benton
B. Klippert, Representative
P. Murray, Senator

Krekel, Randall N

From: Elsen, Michael J
Sent: Wednesday, December 28, 2011 10:12 AM
To: 'Gary Petersen'
Cc: 'cadrian@tridec.org'; 'jforeman@tridec.org'; Flynn, Karen L; Hathaway, H B (Boyd); Krekel, Randall N; Elsen, Michael J; Call, Paula K; Russell, Woody; French, Colleen C
Subject: Meeting with TRIDEC - Agenda for 12/29/11 discussion
Attachments: Agenda for 12-29-11 meeting with TRIDEC and their partners .doc.docx

Gary,

Attached is the Agenda for tomorrow's meeting.

Please let me know if there are any specific questions (from TRIDEC and/or its partners) that I should add into the final 15 minute time segment – in advance of tomorrow's discussion. If there isn't time for me to add any specific items to the agenda, there still will be the available time slot for questions to be asked.

If you need to contact me today, I can be reached at 376-8021.

Thank you.

Mike Elsen

Agenda for 12/29/11 Meeting with TRIDEC

- | | |
|--|-------------------|
| Opening Remarks/Introductions/Overview (Karen Flynn) | 5 minutes |
| <ul style="list-style-type: none">• Direction to proceed with Environmental reviews – at DOE’s cost• Processes/required reviews - to be outlined by RL staff (NEPA, 10 CFR 770, CERCLA, RAD, etc)• Question and Answer session at end of meeting | |
| NEPA process overview (Paula Call) | 10 minutes |
| 10 CFR process overview (Mike Elsen) | 10 minutes |
| <ul style="list-style-type: none">• Hand out flow chart• Describe where we are within the process, submittals, timing, streamlining efforts | |
| DOE questions for TRIDEC (All) | 15 minutes |
| <ol style="list-style-type: none">1. Help us identify the probable intended uses for the land (we would like copies of the marketing study/report TRIDEC generated)2. Will the marketing plan differ from Kingsgate area properties?3. Did you (potential transferees) build a buffer into the lot size requests?<ul style="list-style-type: none">• What is the actual lot(s) size need?4. What role will TARC play in the ultimate no cost disposition process to end users (will they be charging fees?) | |
| TRIDEC questions for DOE | 15 minutes |
| Wrap Up | 5 minutes |

Krekel, Randall N

From: Elsen, Michael J
Sent: Wednesday, December 28, 2011 1:35 PM
To: 'Gary Petersen (gpetersen@tridec.org)'
Cc: 'cadrian@tridec.org'; 'jforeman@tridec.org'; Flynn, Karen L; Hathaway, H B (Boyd); Krekel, Randall N; Elsen, Michael J; Call, Paula K; Russell, Woody; French, Colleen C
Subject: FW: Meeting with TRIDEC - Agenda for 12/29/11 discussion
Attachments: Agenda for 12-29-11 meeting with TRIDEC and their partners doc.docx

Final Agenda for tomorrow's meeting – with TRIDEC questions included.

I will go get a key to unlock CR 142 approximately 10 minutes prior to the scheduled meeting time. If someone happens to arrive before I do, Pam Lence (Building Receptionist) can provide the key to unlock the Conference room.

Thank you.

Mike

From: Elsen, Michael J
Sent: Wednesday, December 28, 2011 10:12 AM
To: 'Gary Petersen'
Cc: 'cadrian@tridec.org'; 'jforeman@tridec.org'; Flynn, Karen L; Hathaway, H B (Boyd); Krekel, Randall N; Elsen, Michael J; Call, Paula K; Russell, Woody; French, Colleen C
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Mike Elsen

Agenda for 12/29/11 Meeting with TRIDEC

Opening Remarks/Introductions/Overview (Karen Flynn) 5 minutes

- Direction to proceed with Environmental reviews – at DOE’s cost
- Processes/required reviews - to be outlined by RL staff (NEPA, 10 CFR 770, CERCLA, RAD, etc)
- Question and Answer session at end of meeting

NEPA process overview (Paula Call) 10 minutes

10 CFR process overview (Mike Elsen) 10 minutes

- Hand out flow chart
- Describe where we are within the process, submittals, timing, streamlining efforts

DOE questions for TRIDEC (All) 15 minutes

1. Help us identify the probable intended uses for the land (we would like copies of the marketing study/report TRIDEC generated)
2. Will the marketing plan differ from Kingsgate area properties?
3. Did you (potential transferees) build a buffer into the lot size requests?
 - What is the actual lot(s) size need?
4. What role will TARC play in the ultimate no cost disposition process to end users (will they be charging fees?)

TRIDEC questions for DOE 15 minutes

- What baseline studies does DOE envision requiring 30 months of time? (Reference Gantt Chart version of the 10 CFR 770 process)
- To what extent can these studies rely on existing data to shorten estimated timelines?
- What is the NEPA/CERCLA legal structure governing the studies, process, and any public comment?

Wrap Up 5 minutes

MID-COLUMBIA ENERGY INITIATIVE

“THE TRI-CITIES HAS THE POWER TO
TRANSFORM”

JANUARY 2011



TRIDEC ENERGY COMMITTEE

VISION

- Transform the Tri-Cities into a recognized leader in providing local, state and national clean, sustainable energy solutions.

MISSION

- Use local and regional energy resources to provide solutions to national energy challenges (e.g. energy storage, generation and integration of renewable energy, smart grid installation, and load leveling).
- Leverage research, development, and commercialization expertise from Pacific Northwest National Laboratory (PNNL), Washington State University (WSU), the Tri-Cities Research District (TCRD), business entrepreneurs, and local energy companies to implement new energy technologies.

CLEAN TECH ENERGY PARK

GOALS

1. Provide several alternate energy proposals for DOE's Waste Treatment Plant (WTP) to replace up to 45,000 gallons diesel/day currently identified for the Steam Plant and provide a more sustainable solution for the 70 Average MW of power needed for WTP. By 2013 DOE will accept one or a combination of proposed alternatives.

CLEAN TECH ENERGY PARK

GOALS (CONT.)

2. Secure 20-60 Square Miles of the Hanford Site from DOE consistent with their land-use plan making it available for public/private energy demonstration projects and partnerships.
 - Phase-1 will be a fully functional Clean Tech Energy Park utilizing existing Hanford land. This should include 5MWe of solar generation (a mix of both CSP and PV); 1MWe of energy storage; and conceptual design for a pilot biofuel plant.
 - Planning for Phase-2 of the Clean Tech Energy Park should be underway and include early site permitting for a modular nuclear plant.

CLEAN TECH ENERGY PARK

GOALS (CONT.)

3. Deploy pilot and utility scale sustainable electrical energy projects.
 - Develop infrastructure to enable pilot and utility scale projects.
 - Provide opportunity for demonstration and deployment of solar and small modular nuclear plants and other sustainable energy technologies.
 - Produce Commercial Solar
 - 10MWe by 2014
 - 100MWe by 2017
 - 500MWe by 2025

Note: Solar generated will be a mix of both CSP and PV

CLEAN TECH ENERGY PARK

GOALS (CONT.)

4. Deploy pilot and manufacturing scale carbon neutral biofuels production.
5. Provide for the integration of energy supply/energy usage/energy storage within the Clean Tech Energy Park.

UTILITY GOALS

1. Be a leader in testing, installation and operation of new energy smart technologies developed by PNNL and others, and in providing a test bed for the integration and distribution of energy from wind, solar, biomass and other renewables.
2. Develop strategies for energy storage to maximize wind, hydro, solar energy resources.
3. Showcase recycling and conservation initiative for commercial and residential energy consumption.

R&D AND TECHNOLOGY GOALS

1. Fully endorse PNNL, Bioproducts Sciences Engineering Laboratory (BSEL) and TCRD to implement new energy technologies.
 - Showcase the Mid-Columbia's smart grid technology (with focus on integration of renewable energy into the grid) through the organization of events and local, regional, national, and global awareness.
 - Transform the existing van pool fleet into rechargeable vehicles.
 - Utilize local facilities to demonstrate advanced clean energy technologies.

R&D AND TECHNOLOGY GOALS

(CONT.)

2. Support commercialization, technology transfer and manufacturing of equipment designed for use in sustainable/carbon neutral energy production.
3. Assist Columbia Basin College (CBC), PNNL and WSU Tri-Cities to market and commercialize new technology and research to firms that will generate additional family wage jobs and further economic diversity.

MANUFACTURING AND VENDOR GOALS

1. Work with state and federal offices to identify and create state tax incentives and federal funding support to encourage new sustainable energy/carbon neutral manufacturers in the region.
2. Develop the means for energy manufacturers, vendors and labor activities to succeed.
3. Recruit like-minded leaders and organizations to make the Mid-Columbia a “hub” for energy in the Pacific Northwest.

WORKFORCE AND EDUCATION GOALS

1. Establish training and education programs through CBC, WSU Tri-Cities and affiliates, along with local labor to support national needs for utility and workforce training in clean/sustainable energy technologies.
2. Bolster local curriculum (K-12, technical schools, colleges, and universities) to build and hone an exportable resource of skilled workers with focus on engineering, technology, and management of sustainable energy projects/sites.

WORKFORCE AND EDUCATION GOALS

(CONT.)

3. Create a physical and intellectual environment where companies and workers can interrelate and learn.
4. Develop and fund employee education and training programs and mentoring and technical assistance programs with area school districts, colleges and universities.
5. Develop and fund internships and other workforce development programs and relationships through the Benton-Franklin Workforce Development Council.



7130 W. Grandridge Blvd., Ste. A
Kennewick, WA 99336-7725
www.TRIDEC.org

Phone: 509.735.1000
Fax: 509.735.6609
1-800-TRI-CITY

October 13, 2011

Mr. Matt McCormick, Manager
U.S. Department of Energy, Richland Operations Office
PO Box 550 – A7-50
Richland, WA 99352

Dear Mr. McCormick:

This letter is to add an addendum to our May 31, 2011 request to the U.S. Department of Energy for 1341 acres of land at the south end of the Hanford Site.

As you are aware, Energy Northwest made an earlier request to DOE to have 300 acres of the site identified in the Comprehensive Land Use Plan, available for lease to Energy Northwest for use as an energy park.

In the interest of expediting future land use for industrial development, TRIDEC would like to amend our original request for the 1341 acres, to include the 300 acre parcel requested for lease by Energy Northwest. By increasing our original request to a total of 1641 acres, TRIDEC can then accommodate either the lease, or future purchase by Energy Northwest for use as identified in the attached.

Also attached is a revised map identifying both the original request (1341 acres) and this additional request (300 acres).

We hope this addendum does not impede in any way our earlier request and thank you for your continued support of this community effort.

Sincerely,

A handwritten signature in black ink, appearing to read "Carl F. Adrian".

Carl F. Adrian
President/CEO

2 attachments: Attachment 1 – Proposed land use
Attachment 2 – Revised map identifying specific properties

RECEIVED
OCT 18 2011
DOE-RLCC

Attachment 1

Energy Northwest -- Mid Columbia Energy Initiative (MCEI) - Energy Park solar project envelope

Proposed size of lease: 300 Acres

Proposed area of lease: Northwest of 300 Area (west side of Route 4S) – see attached map

Energy Northwest (EN) proposes to lease 300 acres of land on behalf of the Mid-Columbia Energy Initiative. This effort is being viewed as the initial step toward the creation of an Energy Park – on federally owned land.

The proposal is based on some potential uses – specific to solar powered applications. The proposal is referred to as an “envelope” because it sets some overall parameters for how the land could be utilized, while not being overly specific to one particular application.

EN proposes the envelope boundaries below be utilized to determine that a project is able to proceed providing that all federal biological, cultural and NEPA requirements are met in advance of DOE issuing a lease. Local and state permitting requirements would be completed prior to construction.

Solar technologies currently proposed:

- 1) Photovoltaic fixed tilt
- 2) Photovoltaic single axis tracking
- 3) Photovoltaic two-axis tracking or thermal electric (“dish” style)

Finish Grade for Ground-Mount Facility:

- Photovoltaic fixed-tilt – less than 5° slopes; south facing is favorable
- Photovoltaic single-axis tracking – maximum 1° to 2° slopes for minimum 200-foot “runs” on North-South axis
- Photovoltaic two-axis tracking or thermal electric (“dish” style) - 15° maximum slope; south-facing is favorable
- Undulating terrain on any directional axis tends to be unfavorable for solar installations and would likely require grading

Facilities:

- Install fencing to limit access to project sites, typically 6-foot height chain link topped with wire
- Area lighting on standards on perimeter at select points; typically near access gates

Types of Foundation/Supports - Subject to geotechnical evaluation, site conditions, and specific equipment design requirements:

- Vibratory ram or rotary-insertion pilings typically 3 to 8 feet below finish grade for photovoltaic array or dish supports
- Foundations for inverters, switchgear, or equipment sheds – typically concrete slab-on-grade with less than 24-inch depth below finish grade. Alternatively, concrete piers with less than 40-inch depth may be used.
- Direct buried or conduit for conductor runs – typically less than 30 inches below finish grade
- Ballast style concrete supports (no ground penetration) are generally not suitable for application in climates subject to freezing.

Vegetation:

- Remove vegetation to prevent shading of the array within facility site
- Mowing of brush and other vegetation
- The mowing of brush and vegetation will be a continuous activity over the life of the Energy Park for the areas of use only
- Remove/grub vegetation from facility access, permanent parking, and internal roadways
- Long-term, non-road areas typically reseeded with low-growing native grasses.

Ground disturbance/penetration:

- There will be no ground penetration/surface disturbance 25 feet below the original surface prior to finished grading
- The entire 300 acre parcel is a candidate for vegetation removal and ground disturbance

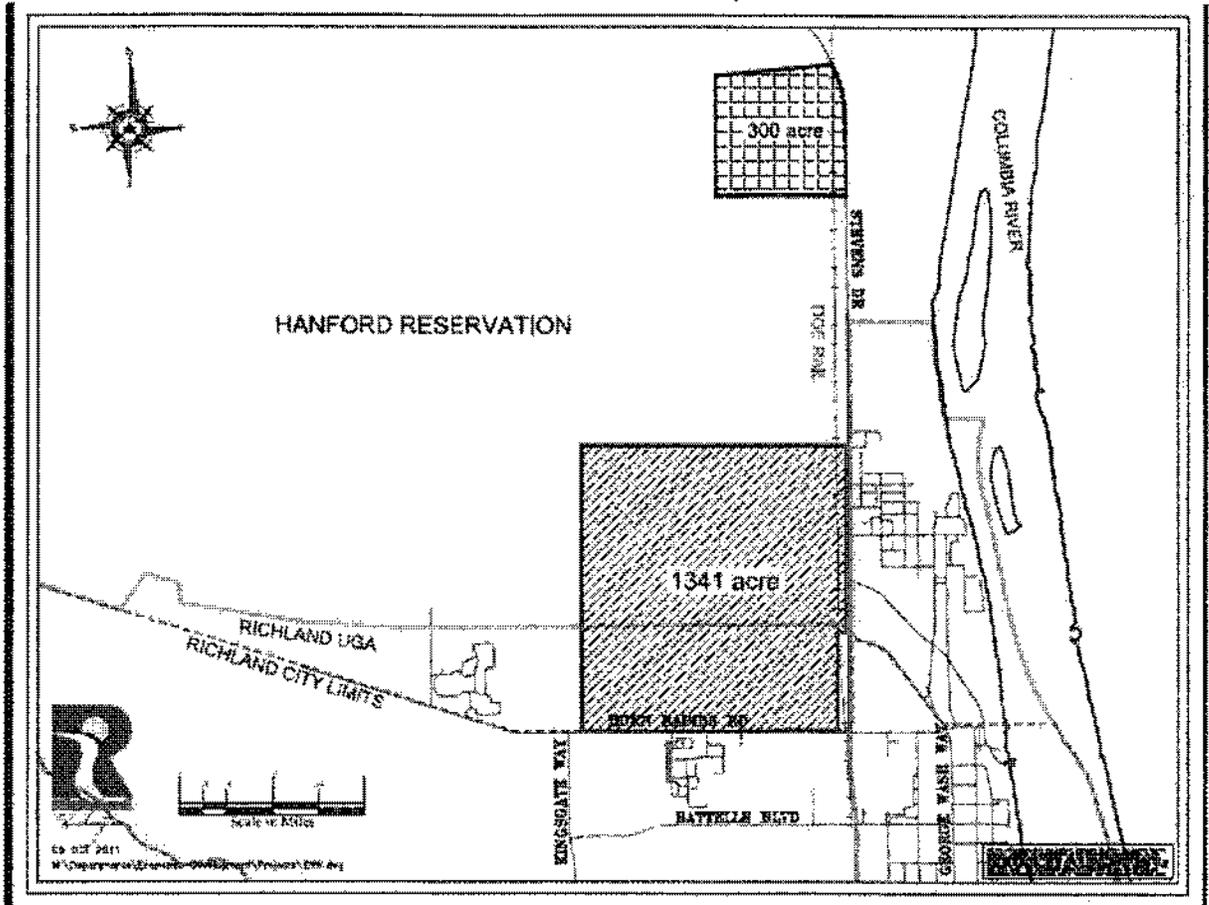
Water Source:

- Brought in by truck
- Or by permit from the Washington State Department of Ecology

Water Use:

- Periodic wash-down/rinsing of photovoltaic module or thermal/electric reflective surfaces to remove dust, pollen, or bird droppings is generally required
- Frequency is dependent on local dust conditions, seasons, and rainfall. Once or twice per year is expected
- Typically, less than 1,000 gallons of clear (usually de-ionized) water is used per installed megawatt capacity (7 to 11 acres)

Attachment 2 -- Revised Map



North Richland Solar Project Concept – Looking Towards the Future

Larry Maples
Director, Facilities and Operations Directorate

Mike Moran
Sustainability Program
Facilities and Operations Directorate


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STARTED FROM JET ESUD
UNSPECIFIED PROPOSAL TO RL 2 YRS AGO

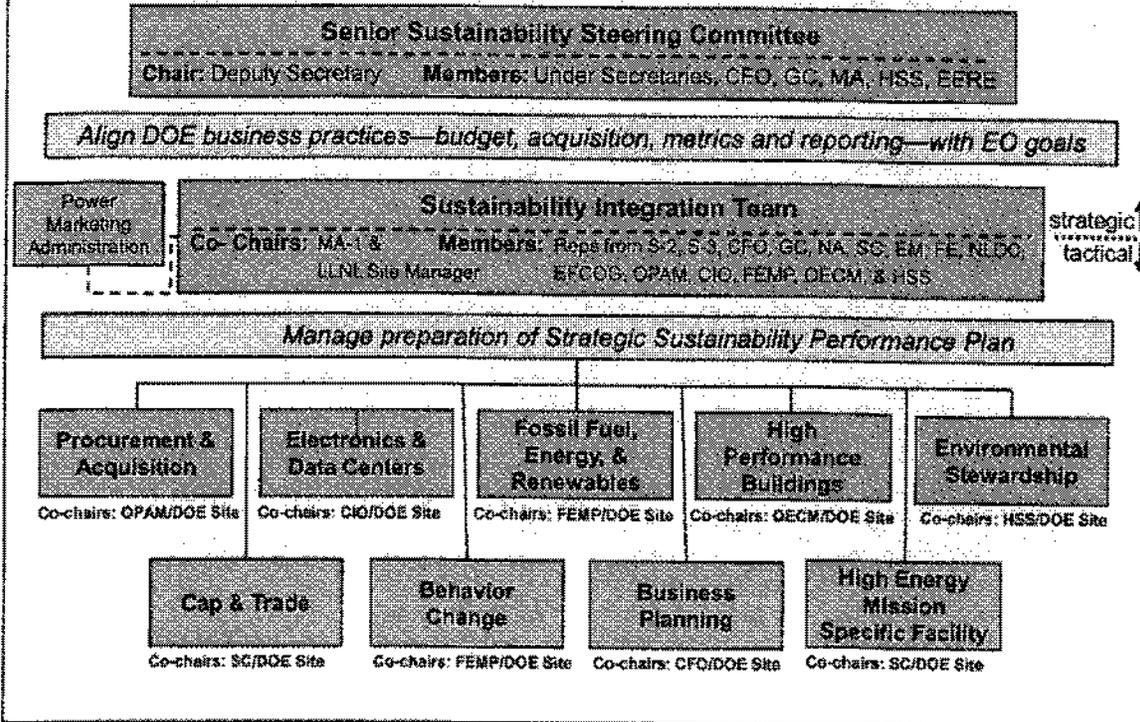
DOE Sustainability Management Principles

- ▶ Drive personal and organizational behavior change across the complex as a fundamental strategy to reduce energy use at minimal cost.
- ▶ Employ a corporate, portfolio-wide approach to share energy and greenhouse gas reduction responsibilities.
SET A STANDARD THAT HQ WILL RECOGNIZE.
- ▶ Safeguard mission yet revisit and challenge previously excluded facilities and processes. Everything is on the table.
- ▶ Showcase R&D demonstration projects at DOE Sites (Highlight technological leadership while meeting goals of EO)


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EO 13514 Governance Model



RE-UTILIZE LAND

The Project

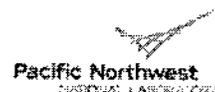
► Using ~1 square mile of Office of Environmental Management (EM)-owned land, build an on-site renewable power generation system capable of generating between 80-100MW of electricity and feed the City of Richland system and/or the Hanford grid. *Just SW of 300 Area.*

► Benefits of a renewable power generation project:

- Base load produced would engage Bonneville Power Administration (BPA) as a stakeholder
- Supports US Department of Energy (DOE) desire to re-use EM land for on-site renewable energy projects
- Power generated could supply a significant part of the following loads:
 - Systems could supply chilled and heated water to others
 - PNNL campus peak load (~18-20MW)
 - Hanford load projections ~25MW
 - City of Richland load – ~100MW (incl. PNNL)

CONVERTED LOAD

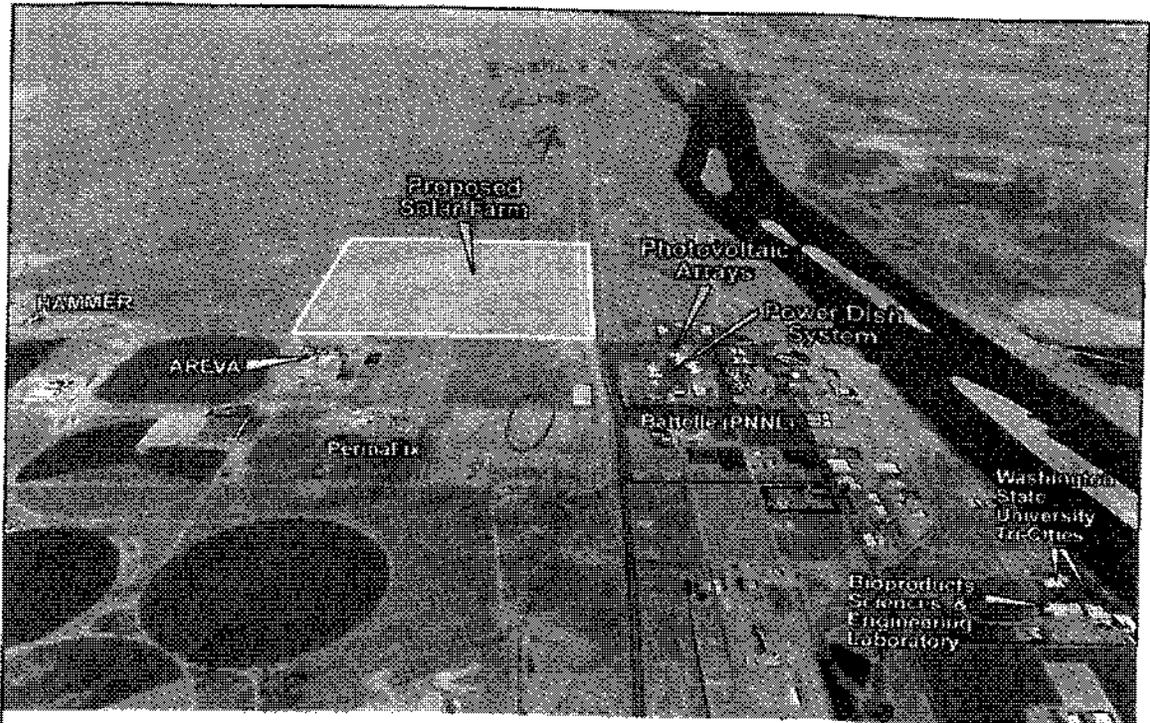
* COST COMPETITIVE.



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RICHLAND 100MW

*PNNL CAMPUS: 18 MW MAY DOUBLE
INCENTIVIZES BASE-LOAD REDUCTION TO BPA. BPA WILL PARTIALLY FUND.
NATURAL GAS IS THE KEY TO ENSURE COMMODITY (2015)*

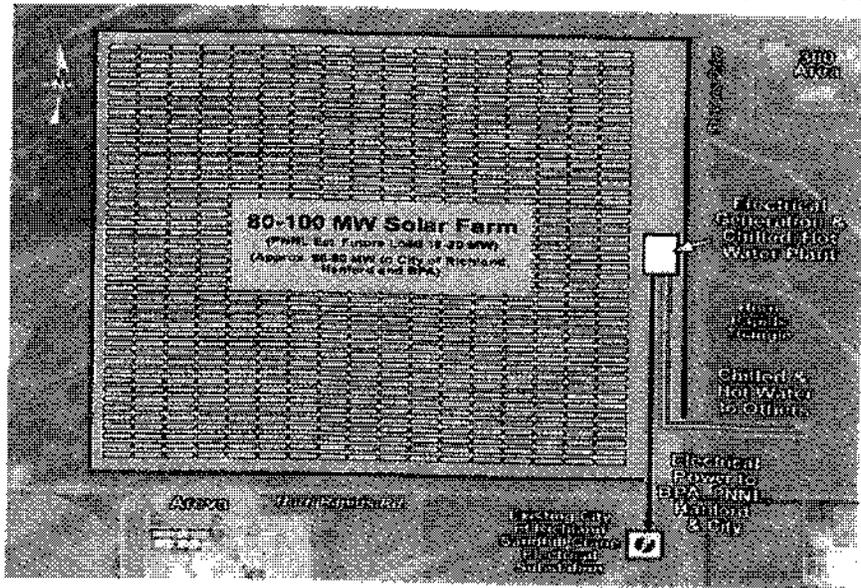


7

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80-100 MW Solar Farm

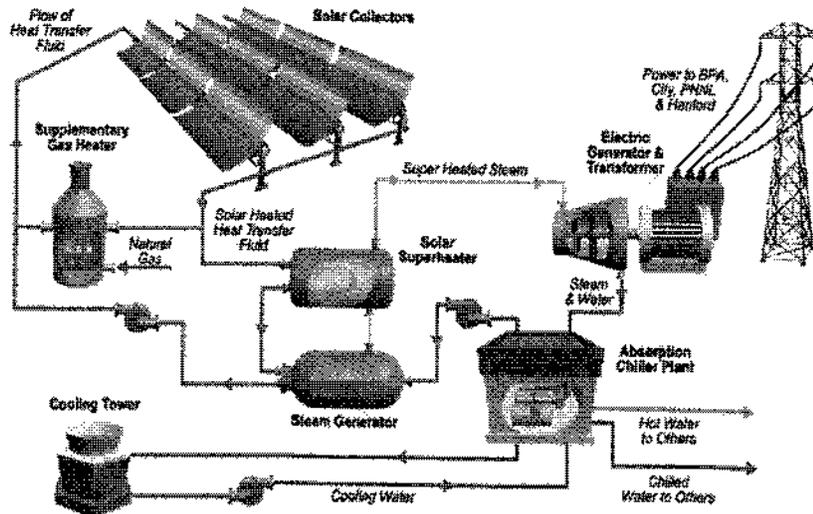


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Proven Technology



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LAND LEASE AGREEMENT
WESC
ESPC

Benefits

- ▶ Large, on-site renewable electrical generation to meet goals for PNNL, Hanford, City of Richland, and BPA
- ▶ High-visibility "green" project
- ▶ Bring together various community members for a common project

Game changing opportunity not only for PNSO and DOE-RL but also for community, state and DOE

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Challenges

- ▶ EM has the right to say yes/no for the land use.
 - To-date, no one has been successful making a deal.
- ▶ EM is discussing other Hanford on-site projects with potential providers.
- ▶ ESCO has proposed running a gas line to WTP site via a separate ESPC project.
 - This could affect Simple Payback of CSP project.
- ▶ Transparency among the stakeholders.
 - Convincing them that this project would be a good investment for the "greater good" of the community as well as the DOE.
- ▶ Balancing the needs of the City of Richland so with current and future customer needs, including PNNL.


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Opportunity

- ▶ BPA – base load reduction, grid capacity increase
- ▶ ESCO – long term project, positive cash flow, jobs
- ▶ City of Richland – wheeling fees, landfill gas tie-in
- ▶ PNNL/PNSO – supply chain customer, on-site generation, GHG reduction
- ▶ MSA/RL – strong sustainable presence in EM
- ▶ TRIDEC – community showcase, tie to TCRD and Energy Park concept, community jobs


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The Stakeholders

- ▶ BPA
- ▶ ESCO
- ▶ City of Richland
- ▶ PNNL/PNSO
- ▶ MSA/RL
- ▶ TRIDEC
- ▶ Community and region

How does the team jointly move forward?

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Next Steps

- ▶ Test the water between PNSO and RL to gauge interest in this partnering opportunity for the DOE.
- ▶ Talk with the City of Richland.
- ▶ Engage TRIDEC with the project and encourage them to facilitate on behalf of the community and to connect the dots between the TCRD, Energy Park and political offices.


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French, Colleen C

From: Petersen, Gary
Sent: Friday, June 10, 2011 11:52 AM
To: 'BC Smith'; absuyama@[b](6) E.Van-Liew@[b](6) ri.smith@[b](6) japeltier@[b](6) Harold Heacock; KagKeg@[b](6) KASmithjr@[b](6) Parks, Robert J (Bob); mkkor@[b](6) Larsen Pam; Maynard Plahuta; Leckband, Susan L; hngermond@[b](6) jjones@westrichland.org; Jansons, Richard S; RobtDavis@[b](6) vince@[b](6) Luke, Jeffrey J
Cc: 'Ballew, Gary'; 'Diahann Howard'; Adam Fyall; cadrian@tridec.org
Subject: Hanford Land Transfer request
Attachments: MAP 1341 acre request.docx

1st my apologies, I know that I have missed some "local" folks who are on the HAB, I went through the e-mail list rather quickly.

This note is to simply provide each of you with some background on the request to transfer 1341 acres of the Hanford Site – located at the corner of Horn Rapids Road and Stevens Drive. I feel it is important as this subject may come up in the HAB or elsewhere in our community, that you have facts. I hope you bear with me on the details.

TRIDEC, the City of Richland, the Port of Benton, and Benton County have been working on this request for nearly a year. It was determined that because of the way 10 CFR 770 (Code of Federal Regulations) is written, that the Community Reuse Organization (CRO) would be the best entity in this case to request the land. There are 8 or so CRO's across the complex, and TRIDEC is one of the CROs.

Specifics:

- A community letter signed by the mayors of all four cities, three ports, two counties, and TRIDEC was sent to Ines Triay in March of last year expressing community interest and concern in the future of Hanford land following the coming 'footprint reduction' and more than 90% of the Hanford land mass being 'cleaned up.' There is strong feeling by our elected officials who represent the 250,000+ of us who live here, that the local community needs to have the strongest voice in the future of Hanford.
- TRIDEC and the Tri-City Herald conducted four public meetings last fall to receive public input on what the community wants relative to the future of Hanford. (We have also made numerous presentations to City Council meetings, Port and County Commissioner meetings, Rotaries, Kiwanis, etc.)
 - The majority expressed interest in achieving "replacement jobs" as Hanford is cleaned up.
 - A majority also expressed interest in gaining access (day-trips) to Rattlesnake Mt., and to B-Reactor, the Bruggemann Warehouse and the old Cities of White Bluffs and Hanford.
 - There was consistency in initial support for the DOE Comprehensive Land Use Plan (CLUP)) which sets aside nearly 90% of the site for preservation or conservation, and about 10% for industrial development. ('Initial' because several decades in the future other uses which can't be identified today might be made of some of the property).
 - There is support for preservation (The Reach National Monument), and for conservation.
- The 1341 acres requested by TRIDEC under 10 CFR 770 and supported by the City of Richland, the Port of Benton, and Benton County, is less than 4% of the roughly 39,000 acres identified in DOE's Comprehensive Land Use Plan to be set aside for 'industrial development.'
- TRIDEC is not in the "land business" and we intend to either sell any land received at cost to possible green manufacturing companies, renewable energy companies, or transfer it to the City or Port.

TRIDEC does not intend to gain financially on this – other than for the economic development good for our community.

- This transfer, if approved by DOE, will take some time. We will feel good if the land is transferred in 12 months.
- Following the transfer, it will take some time to identify private interests who wish to locate to the property, this could take another 12 months or more. This even though TRIDEC, the City and Port have all had expressions of interest from a variety of energy companies interested in locating on this property.
 - The point of the above two bullets is that even if we move with the speed of light (comparatively speaking), it will be a minimum of two-three or even four years before anything concrete starts happening on this property – IF it is transferred.
 - To be clear – there is no consideration for anything nuclear for this property. What is being considered is renewable energy projects such as solar, energy storage demonstration projects, and “green” manufacturing (particularly if the manufacturing is connected to renewable energy, such as the manufacture of wind turbine blades, etc.).
- Assistant Secretary Ines Triay has expressed her excitement about this request, saying, “This is THE example of Hanford and the weapons complex sites getting cleaned up. It will demonstrate to Congress and to OMB that cleanup is working.” Discussions with Matt McCormick and Colleen French have also been very positive.
 - DOE, the contractors, and the HAB are all to be commended, because cleanup is being accomplished!
 - Cleanup is being done to very conservative standards, and it is being done safely.
- Private companies have said they will not build new facilities on land they can’t own. (meaning a lease won’t work for large private investors. We heard this from AREVA when considering a gas-centrifuge plant to be located here, and we’ve heard it from other prospective companies.)
- This site will be large enough to be called a “mega-site” – 500 to 1,000 acres of contiguous property. There is only one other mega-site in Washington State, and that is at Wallula. There are not many mega sites in the entire U.S.
- Not counting the transfer of the City of Richland itself in 1958, some 10,000 acres have been transferred to the City or Port in several different parcels since the early-1960’s. The Port and City have invested more than \$20 million in infrastructure development on these properties, and the current assessed value is in excess of \$250 million. These properties include where 2400 Stevens, Battelle and PNNL, Energy NW, AREVA, and many other companies are now located. It also includes the Richland Airport. There are more than 7,000 individuals working in the companies located on these properties. These are the real demonstrations of federal land-transfer successes.

Finally, this is a community initiative, one with broad support from elected officials. At the April TRIDEC board meeting, Mayor John Fox made the motion and Commissioner Roy Keck seconded the motion for TRIDEC to move forward with this land-transfer request on behalf of the City, County and Port.

Either I, or our partners – Gary Ballew (City of Richland); Diahann Howard (Port of Benton); and Adam Fyall (Benton County); will be happy to respond to questions about this activity. Their e-mail addresses are on this message.

If you would like to read the entire application, go to: [http://tridec.org/images/uploads/770%20%20-%206_1_11%20Revised%20Final%20\(Including%20WA%20State%20Leg\)%20\(Reduced%20Size\).pdf](http://tridec.org/images/uploads/770%20%20-%206_1_11%20Revised%20Final%20(Including%20WA%20State%20Leg)%20(Reduced%20Size).pdf)

gary

Gary Peterson

TRIDEC

Vice President,

Hanford Programs

7130 W. Grandridge Blvd., Suite A

Kennewick, WA 99336

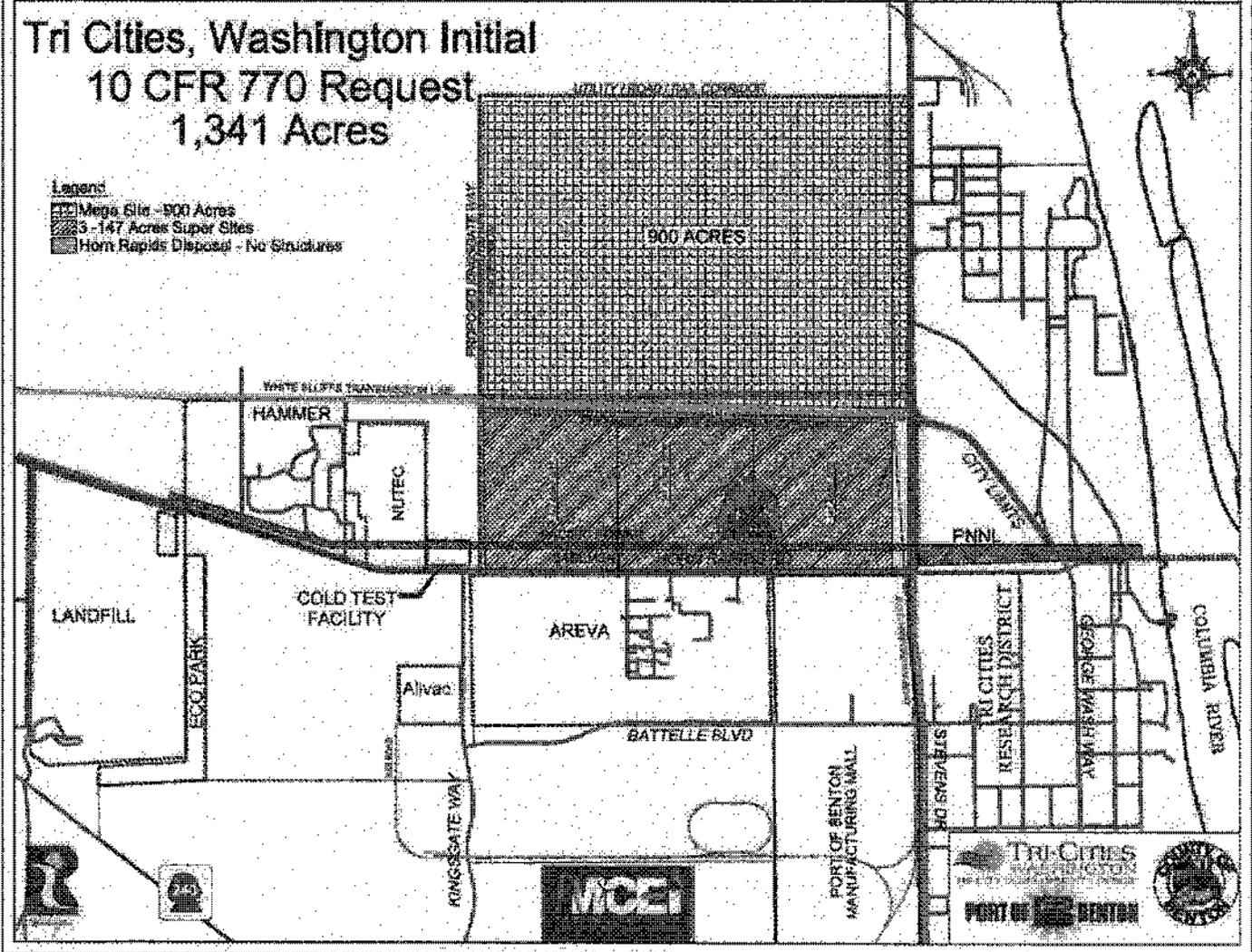
Tele: (509) 735-1000

Cell: (509) 528-6371

Tri Cities, Washington Initial 10 CFR 770 Request 1,341 Acres

Legend

- Mega Site - 900 Acres
- 3 - 147 Acre Super Sites
- Horn Rapids Disposal - No Structures



French, Colleen C

From: Petersen, Gary
Sent: Wednesday, June 01, 2011 1:21 PM
To: French, Colleen C
Subject: RE: getting started

Will do. We intend to start with exactly what is in the CLUP: "An area suitable for activities such as reactor operations, rail, barge transport facilities, mining, manufacturing, food processing, assembly, warehouse and distribution operations".... and of course we added renewable energy and green manufacturing. The closer we stay to the CLUP, it seems, the better for all.

But, I can develop a more inclusive list.

Gary

-----Original Message-----

From: French, Colleen [<mailto:Colleen.French@rl.doe.gov>]
Sent: Wednesday, June 01, 2011 12:54 PM
To: Petersen, Gary
Subject: getting started

One of the first things we'll need is a list of "foreseeable uses" of the land. Might want to start compiling those. Or, if they are encompassed in already-existing printed materials, like MCEI business materials for example, you might rely on those.

Excited!

Colleen

French, Colleen C

From: Petersen, Gary
Sent: Friday, September 23, 2011 11:04 AM
To: French, Colleen C
Subject: RE: 10 CFR 770

Colleen... I am trying to get the "legal" description of the actual site from Energy NW... then it will be added.

gary

-----Original Message-----

From: French, Colleen [<mailto:Colleen.French@rl.doe.gov>]
Sent: Monday, September 19, 2011 10:43 PM
To: Petersen, Gary
Subject: 10 CFR 770

Gary, when might we see TRIDEC's second request (for the 300 Acres)? We need to have that in hand to start our NEPA for the transfer, etc. I am out this week with family visiting but available on my cell (539-0210).

Colleen

Krekel, Randall N

From: Elsen, Michael
Sent: Friday, October 21, 2011 10:23 AM
To: Hathaway, Boyd; Flynn, Karen; Krekel, Randall
Cc: French, Colleen
Subject: FW: Question / information

FYI

From: Elsen, Michael
Sent: Friday, October 21, 2011 10:23 AM
To: Petersen, Gary
Cc: Elsen, Michael
Subject: Question / information

Gary, can you please provide me with an e-mail message which describes/outlines the nature of the draft "conveyance" agreements TRIDEC is currently in the process of establishing with the City of Richland, Port of Benton, Energy Northwest and/or the County.

- I would also like to find out what "restrictions" if any – these entities may have in regard to taking receipt of the property (i.e. do they start paying taxes right away?)
- I also need to know if there are any restrictions that these entities might have associated with their ultimate, potential conveyance and or sale of the property to another party or parties in the future (i.e. are they required to sell or provide at fair market rates?)

Based on our conversation, I understand TRIDEC is currently developing MOU's with 3-4 entities that spell out the parameters of potential, future conveyance agreements. I understand Richland is to "receive" 3 (147 acre) parcels; the Port is to receive a 900 acre parcel and either EN or the County would take receipt of the remaining 300 acre parcel.

Since TRIDEC is not in the land business and does not intend to be, it does make sense to me that TRIDEC would want to convey the property sooner rather than later. As such, the MOU's are necessary. In regard to the MOU's, I also have a question:

- Is this 4-5 member team (TRIDEC, City, Port, EN/County) committed to the conveyance of the land as described above regardless of who the "receiving entity" might ultimately be upon conclusion of any, potential Federal Government land transfer action?

We (DOE) are trying to identify the most expedient pathway (options) to achieve the ultimate goal of properly positioning the local community for future economic development purposes.

The various combinations and permutations of any specific "transfer process pathway" are peppered with timelines for required actions. I need to quantify all the actions and estimated costs and schedules for each ... from the Government's "buffet" of options.

Please understand – under any option we may ultimately select, there are advance, required environmental reviews that have to occur in advance and they are a fairly long pole in the tent ... but they are not the only pole within the tent depending on which tent we choose to live in/with. The Government (as a whole – not just one specific agency) has

various tools within the tool shed. The drill becomes a decision upon which tool to use that best meets the ultimate goal.

As such, I need to gather some additional intel from you/TRIDEC as part of my analysis.

Your assistance is appreciated.

Thank you.

Mike Elsen

Krekel, Randall N

From: Eisen, Michael
Sent: Friday, October 28, 2011 12:44 PM
To: Flynn, Karen; Hathaway, Boyd; Krekel, Randall
Subject: FW: Question / information for DOE
Attachments: CITY RMC 3 06.pdf; COUNTY Personal and Real Property Management Policy.pdf

Importance: High

This is the message from Gary Peterson (sent via his admin Jane Foreman) in regard to my questions last week – and our short conversation in advance of me sending him the questions.

Thank you.

Mike

From: Jane Foreman [mailto:jforeman@tridec.org]
Sent: Thursday, October 27, 2011 4:44 PM
To: Eisen, Michael
Cc: Petersen, Gary; Gary Ballew; Diahann Howard; Adam J Fyall; Carl Adrian
Subject: FW: Question / information for DOE
Importance: High

Michael – Below is the response from Gary Petersen to your questions with input from Gary Ballew, Diahann Howard, and Adam Fyall. The Port of Benton's policy will be forwarded to you when we receive it from Diahann (she has been out of town). Gary Petersen will be back in the office on Monday. (I am not in the office tomorrow (Friday) either.

Jane Foreman
Office Administrator, TRIDEC
509 735-1000

Michael

Here is my first response to your questions. I've put the answers for the most part right in your e-mail. Also I've attached the City and County policies relative to sale of land. I will forward the Port's policy when Diahann gets back.

TRIDEC and our partners (City of Richland, Port of Benton, and Benton County), are in agreement that in general terms we don't care which entity or entities receive the land from the Federal Government, and TRIDEC has consistently said that we are not in the land business, but we certainly are in the economic development business for our community.

We are also interested in DOE proceeding with the most expeditious path for transferring the land to the community, and we support DOE's efforts to move this land-transfer ahead. But we are also concerned with identifying a process that can be replicated for future transfers. This will not be the only transfer as the Hanford site closes down and we need a procedure that is more than 'one and done'.

Having said that, several of your questions lead us (again, TRIDEC and our 3 partners) to ask;

Why should this process, under 10 CFR 770 take the 3 to 5 years as you described to me on the phone?

In DOE's Comprehensive Land Use Plan, it states in the Introduction: "Coordinated land-use planning is one of the many trustee responsibilities the U.S. Department of Energy (DOE) has, as a Federal Agency holding Federal assets. This *Final Hanford Comprehensive Land-Use Plan Environmental Impact*

Statement (HCP EIS) considers several land uses for the Hanford Site planned for at least the next 50 years.”

It appears to us that the CLUP is a Record of Decision (ROD), that has gone through a complete CERCLA and RCRA permitting process with the proposed land use for the area we are requesting for “Industrial Use,” and for meeting 10 CFR 770.2 and .4 requirements to permit economic development for a community adversely affected by DOE workforce restructuring.

Now, to answer your specific questions –

From: Elsen, Michael [mailto:Michael.Elsen@ri.doe.gov]
Sent: Friday, October 21, 2011 10:23 AM
To: Petersen, Gary
Cc: Elsen, Michael
Subject: Question / information

Gary, can you please provide me with an e-mail message which describes/outlines the nature of the draft “conveyance” agreements TRIDEC is currently in the process of establishing with the City of Richland, Port of Benton, Energy Northwest and/or the County.

- I would also like to find out what “restrictions” if any – these entities may have in regard to taking receipt of the property (i.e. do they start paying taxes right away?)

The City, and County would not be required to pay taxes on the property. The Port falls under the Washington State Administrative Codes where it might have to pay taxes on the assessed value. TRIDEC would be required to pay taxes on “assessed value.”

- I also need to know if there are any restrictions that these entities might have associated with their ultimate, potential conveyance and or sale of the property to another party or parties in the future (i.e. are they **required** to sell or provide at fair market rates?)

TRIDEC has no restrictions on our conveyance and or sale to another party. This means that if TRIDEC determined that the property could be used as an incentive to bring a large manufacturer to the community, TRIDEC could transfer the land at very low (less than appraised value), or even at no, cost. This does not mean that TRIDEC would provide it at no cost, but that opportunity is there.

The City of Richland cannot “gift” land, but they could put it on the open market for proposals. Proposals can be evaluated for more than just monetary value, but also value to the City through tax revenues or long term job creation. (see attached City RMC).

The County Property Management Policy is attached. We will forward the Port Property Management Policy to you as soon as I receive it.

Based on our conversation, I understand TRIDEC is currently developing MOU’s with 3-4 entities that spell out the parameters of potential, future conveyance agreements. I understand Richland is to “receive” 3 (147 acre) parcels; the Port is to receive a 900 acre parcel and either EN or the County would take receipt of the remaining 300 acre parcel.

The MOU between the four parties (TRIDEC, City of Richland, Port of Benton, and Benton County) is still being drafted. A meeting of the principals of each of these organizations will take place in the very near future (days, not weeks or months). We will provide a copy of that draft when the principals have reviewed it.

In very general terms, the transfers could take place to the City, Port and County as stated above or in any other division as may be agreed to by the parties. There is no set amount, and the local governments, working through their elected bodies, will work out which entity may be best suited to receive which land.

Since TRIDEC is not in the land business and does not intend to be, it does make sense to me that TRIDEC would want to convey the property sooner rather than later. As such, the MOU's are necessary. In regard to the MOU's, I also have a question:

- Is this 4-5 member team (TRIDEC, City, Port, EN/County) committed to the conveyance of the land as described above regardless of who the "receiving entity" might ultimately be upon conclusion of any, potential Federal Government land transfer action?

YES. We are all committed to transferring the land to "the community" regardless of which entity might be the actual recipient.

We (DOE) are trying to identify the most expedient pathway (options) to achieve the ultimate goal of properly positioning the local community for future economic development purposes.

The various combinations and permutations of any specific "transfer process pathway" are peppered with timelines for required actions. I need to quantify all the actions and estimated costs and schedules for each ... from the Government's "buffet" of options.

Please understand -- under any option we may ultimately select, there are advance, required environmental reviews that have to occur in advance and they are a fairly long pole in the tent ... but they are not the only pole within the tent depending on which tent we choose to live in/with. The Government (as a whole -- not just one specific agency) has various tools within the tool shed. The drill becomes a decision upon which tool to use that best meets the ultimate goal.

As such, I need to gather some additional intel from you/TRIDEC as part of my analysis.

Your assistance is appreciated.

Thank you.

Mike Elsen

**Chapter 3.06
SALE OR LEASE OF CITY REAL PROPERTY**

Sections:

- 3.06.010 Purpose – Policy – Objectives.
- 3.06.020 Authority.
- 3.06.030 Declaration of surplus.
- 3.06.040 Sale or lease procedures.
- 3.06.050 Conveyance procedures.
- 3.06.060 Exceptions.

3.06.010 Purpose – Policy – Objectives.

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

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

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

1. Stimulate the development of the city's economic base to provide employment opportunities and tax revenues for the city and other local taxing entities;
2. Meet the financial obligations resulting from prior property transactions of the city;
3. Provide capital for economic development purposes, for parkland operations (planning, acquisition, design, construction and maintenance and operation), and such other purposes as the council determines are necessary and appropriate; and
4. Provide a source of general revenue to the city over and above the tax yields from such real property. [Ord. 24-84].

3.06.020 Authority.

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

3.06.030 Declaration of surplus.

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

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

1. Conformance with the city's comprehensive plan as provided in RMC Title 23;
2. Recommendations from the economic development board and the physical planning commission, and, as deemed appropriate and requested by the council, recommendations from other city boards and commissions such as the utility advisory board and the parks and recreation commission;
3. Input from the public at a duly advertised public hearing;
4. Recommendations within the 1973 report prepared for the council by the land sale/lease policy committee entitled, "Proposed Policy for the Sale or Lease of Excessed City Owned Property," and adopted as a guideline by council by resolution (No. 64-84); and
5. Other forms of input determined appropriate or desirable by the council.

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

1. Whether the parcel should be sold or leased;
2. Whether special consideration should be given to abutting land owners;
3. Whether special covenants or restrictions should be placed on the real property as a condition of sale or lease;
4. Whether the parcel should be sold or leased by sealed bid;

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

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

3.06.040 Sale or lease procedures.

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

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

1. The city clerk shall give notice that the city will invite bids for purchase or lease of the property by one publication in the official newspaper of the city, posting in a conspicuous place in the City Hall and on the subject real property, and/or such other notification or advertising determined to be appropriate. The publication and posting shall be at least 10 calendar days before the final date for submitting bids;
2. Publication and posting for bids shall particularly describe the property or portion thereof proposed to be sold or leased, shall designate the place and the time of the bids to be opened, and shall set forth any terms and minimum price, if any, established by the council;
3. Bids shall be opened in public at the time and place stated; and
4. The council may reject any and all bids, or the bid for any one or more of the parcels included in the advertisement for bids, and reserves the right to waive any irregularities in the bid process.

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

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

- a. Status of the surplus property;
- b. Whether the property should be considered for public bid offerings;
- c. Whether, and for what reason(s), sale or lease would be advantageous to the city; and
- d. Any other special considerations which apply to and which will aid the board in considering the request;

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

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

3.06.050 Conveyance procedures.

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

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

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

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

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

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

3.06.060 Exceptions.

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

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

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

1. RCW 35.21.660 through 35.21.680 and 35.31.725 through 35.31.755 relating to transfers to corporations charter by the city;
2. Chapter 35.94 RCW relating to surplus utility property; and
3. Chapters 39.33 and 39.34 RCW relating to intergovernmental transactions.

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

This page of the Richland Municipal Code is current through Ordinance 25-11, passed October 4, 2011.
Disclaimer: The City Clerk's Office has the official version of the Richland Municipal Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.

City Website: <http://www.ci.richland.wa.us/>
(<http://www.ci.richland.wa.us/>)
City Telephone: (509) 942-7388
Code Publishing Company
(<http://www.codepublishing.com/>)
eLibrary
(<http://www.codepublishing.com/eLibrary.html>)

RESOLUTION 07-752

BEFORE THE BOARD OF COMMISSIONERS OF BENTON COUNTY, WASHINGTON:

IN THE MATTER OF COUNTY POLICY RE: ADOPTING BENTON COUNTY
PERSONAL AND REAL PROPERTY MANAGEMENT POLICIES AND
RESCINDING RESOLUTION 98-234

BE IT RESOLVED that the Board of Benton County Commissioners hereby adopts the
attached personal and real property management policies as more further defined in
Exhibits A and B and hereby rescinds resolution 98-234.

Dated this 15 day of October, 2007

Leon M. Brunner
Chairman of the Board
Clark L. Allen
Chairman Pro Tem
Mark E. Bennett
Member

Attest: [Signature]
Clerk of the Board

Constituting the Board of County
Commissioners of Benton County,
Washington

cc: All Departments; Policy Book

Exhibit A

BENTON COUNTY PERSONAL PROPERTY MANAGEMENT POLICY

PURPOSE

Chapter 36.34 RCW authorizes counties to establish comprehensive procedures for the management of county property consistent with the public interest. Upon adoption of such procedures, a county is exempt from the requirements of Chapter 36.34 RCW, although it retains all powers granted by that chapter. This policy is adopted by Benton County as its comprehensive procedures for the management of county-owned personal property consistent with the public interest. These procedures are not exclusive, however, and the county may exercise any authority lawfully granted for the management and disposition of real property.

DEFINITIONS

1. The term "board" shall mean the Board of Benton County Commissioners.
2. The term "personal property manager" shall mean the Benton County Auditor.
3. "Personal property" shall mean the personal property owned solely by Benton County.

AUTHORITY TO DISPOSE OF PERSONAL PROPERTY

1. The personal property manager shall compile, maintain, and update an inventory of county personal property consistent with Resolution 95-357.
2. When any elected official or county department determines his or her office or department no longer needs an item of personal property, he or she shall cause a declaration of surplus to be submitted to the personal property manager on an approved form indicating whether the property has an estimated salvage value of less than \$100.
3. Upon receipt of a declaration of surplus, the personal property manager shall determine if the personal property is desired by any other county department or office and, if appropriate, make arrangements so that possession may be transferred to such other department or office. If the personal property manager determines no other department or office desires such property, the personal property manager shall notify the Board of all personal property that is requested to be declared surplus.
4. The personal property manager shall recommend that potential surplus property not desired by any county agency be declared surplus.
5. With respect to each potential item of surplus personal property, the personal property manager shall submit a recommendation to the board for the immediate sale, exchange, lease, discarding as waste, or recycling of the property.
6. The board shall review the recommendations of the personal property manager and declare such personal property as surplus when appropriate.
7. Whenever the board determines that it is in the best interest of the county to sell, lease, exchange, or otherwise dispose of any surplus property belonging to the county, the county may dispose of such property in accordance with this policy.
8. If the board determines a sale of any surplus personal property is in the best interest of the public, it shall mandate a sale method consistent with this policy.

SALE OR LEASE METHODS

If the Board orders the sale of any surplus personal property, it shall direct that the property be sold by one of the following methods:

1. Public Auction. County personal property may be sold at public auction to the highest and best bidder. The auction shall be conducted by or through the county treasurer or such other person as the board or treasurer may designate. The treasurer may contract with another government agency or official, or with a private party, to conduct the auction. Advance written notice of the sale shall be provided by publication, posting, and/or such other means as the treasurer or his or her designate deems appropriate. The board shall set a minimum bid.
2. Sealed Bids. County personal property may be sold or leased by sealed bids to the highest and best bidder. The sale shall be conducted by or through the county treasurer or such other person as the board or treasurer may designate. Advance written notice of the sale shall be provided by publication, posting, and/or such other means as the treasurer or his or her designate deems appropriate. The board shall set a minimum bid.
3. Private Negotiation. County personal property may be sold or leased to governmental agencies or private parties by private negotiation upon such terms and conditions as may be mutually agreed upon.
4. Other Methods. Property may be sold or leased through other methods that the board determines are in the best interest of the county in having the property sold or leased in a timely manner for its fair-market value, and in receiving full payment at or before the time of any sale.

EXCHANGE OF PERSONAL PROPERTY

If the board determines it to be in the public interest to exchange an item of surplus personal property for valuable consideration, it shall authorize such exchange upon the terms and conditions it deems appropriate.

DISPOSAL OF PERSONAL PROPERTY

If the indicated estimated value of an item of surplus personal property is less than \$100, and the board determines it to be in the best interest of the public to dispose of as waste or to recycle such an item of surplus personal property, it may so order.

NOTICE AND HEARING

Before authorizing the sale of any item of county personal property with an estimated value of \$5000 or more, the board shall hold a public hearing. Notice of the public hearing shall be given by publication in the official county newspaper. The notice shall specify the date, time, and purpose of the hearing and shall generally describe the property being considered for sale. The notice shall be published once, at least 10 days, but no more than 25 days, before the hearing. Before authorizing the sale of any county personal property with an estimated value of more than

\$50,000, notice of the public hearing must be given in accordance with RCW 39.33.020. Any interested person may speak at such hearing. After the hearing is closed, the board shall determine whether it is in the best interest of the county to declare the personal property surplus and sell it according to this policy.

- This portion intentionally left blank -

Exhibit B

BENTON COUNTY REAL PROPERTY MANAGEMENT POLICY

PURPOSE

Chapter 36.34 RCW authorizes counties to establish comprehensive procedures for the management of county property consistent with the public interest. Upon adoption of such procedures, a county is exempt from the requirements of Chapter 36.34 RCW, although it retains all powers granted by that chapter. This resolution is adopted by Benton County as its comprehensive procedures for the management of county real property consistent with the public interest. These procedures are not exclusive, however, and the county may exercise any authority lawfully granted for the management and disposition of real property.

DEFINITIONS

1. The term "board" shall mean the Board of Benton County Commissioners.
2. The term "property manager" shall mean the individual employed, contracted with, or appointed by the board to assist in the management of county real property.
3. "Fee simple property" shall mean those real properties, which Benton County owns in fee.
4. "Tax-title property" shall mean any tract of land acquired by the county for lack of other bidders at a tax foreclosure sale.

AUTHORITY TO SELL/LEASE

Whenever the board determines that it is in the best interest of the county to sell, lease, or otherwise dispose of any real property belonging to the county, including tax-title property subject to the provisions of RCW Chapters 84.64 and/or 36.35, the county may sell, lease, or dispose of such property in accordance with this policy.

COUNTY FEE SIMPLE PROPERTY

1. The property manager shall annually compile, maintain, and update an inventory of county fee simple property.
2. After conferring with county departments, the property manager shall submit an annual end of the year report to the board regarding the need for retention of fee simple property held.
3. The property manager shall identify county fee simple property, which is not needed for retention as potential surplus fee simple property.
4. The property manager shall recommend that potential surplus fee simple property that is not useable by any county agency be declared surplus.

5. The board shall review the recommendations of the property manager and declare such fee simple property as surplus when appropriate.
6. The property manager shall prepare a summary report on each parcel of potential surplus fee simple property which shall include:
 - a. assessed value
 - b. fair-market value estimate, and if appropriate, appraisal
 - c. area
 - d. date acquired
 - e. price paid by county
 - f. easements of record
 - g. improvements
 - h. liens or interests of record
 - i. zoning and land use status
 - j. any other pertinent data
7. The property manager shall develop a marketing plan for each parcel of surplus fee simple property and may distribute information regarding the availability of surplus property to potentially interested parties, including:
 - a. governmental agencies and community organizations
 - b. area realtors
 - c. area land developers
 - d. adjoining property owners
 - e. other potentially interested parties
8. With respect to each parcel of surplus fee simple property, the property manager shall submit a recommendation to the board for the immediate sale, exchange, or lease of the property, subdivision of the property, or deferral of sale for more favorable market.
9. If the board determines a sale of any surplus fee simple property is in the best interest of the public, it shall determine a sale method consistent with this policy.
10. If the board decides to lease any fee simple property, whether surplus or not, it shall arrange a lease agreement consistent with this policy.

SALE METHODS - FEE SIMPLE PROPERTY

If the board authorizes the sale of any county fee simple property, it shall direct that the property be sold by one of the following methods:

1. **Public Auction.** County fee simple property may be sold at public auction to the highest and best bidder. The auction shall be conducted by or through the county treasurer or such other person as the board or treasurer may designate. The treasurer may contract with another government agency or official, or with a private party, to conduct the auction. Advance written notice of the sale shall be provided by publication, posting, and/or such other means as the treasurer or his or her designate deems appropriate. The board shall set a minimum bid.
2. **Sealed Bids.** County fee simple property may be sold by sealed bids to the highest and best bidder. The sale shall be conducted by the county treasurer or such other person as the treasurer may designate. Advance written notice of the sale shall be provided by

- publication, posting, and/or such other means as the treasurer or his or her designate deems appropriate. The board shall set a minimum bid.
3. Private Negotiation. County fee simple property may be sold to governmental agencies or private parties by private negotiation upon such terms and conditions as may be mutually agreed upon.
 4. Other Methods. County fee simple property may be sold through other methods that the board determines are in the best interest of the county in having the property sold in a timely manner for its fair-market value, and in receiving full payment at or before the time of sale.
 5. Proceeds Disbursement of County Fee Simple Property. The proceeds of sale of county fee simple property (except in cases of trade-in allowances upon purchases of like property) shall be made payable to the "county treasurer", who shall general receipt it and execute the proper documents transferring title attested to by the county auditor. In no case shall the title be transferred until the purchase price has been fully paid.

COUNTY TAX-TITLE PROPERTY

1. The property manager shall annually compile, maintain, and update an inventory of tax-title property.
2. The property manager shall prepare a summary report on each parcel of tax-title property which includes all available information:
 - a. assessed value
 - b. fair-market value estimate
 - c. area
 - d. date acquired
 - e. principal amount of unpaid taxes and irrigation assessments at time of the foreclosure (NOTE: it is very important that the most current data be obtained as this may effect the minimum sale price)
 - f. easements of record
 - g. improvements
 - h. liens or interests of record
 - i. zoning and land use status
 - j. any other pertinent data
3. The property manager shall develop a marketing plan for each parcel of tax-title property and may distribute information regarding the availability of tax-title property to potentially interested parties, including:
 - a. governmental agencies and community organizations
 - b. area realtors
 - c. area land developers
 - d. adjoining property owners
 - e. other potentially interested parties
4. With respect to each parcel of tax-title property, the property manager shall submit a recommendation to the board for the immediate sale, exchange, or lease of the property, subdivision of the property, or deferral of sale for more favorable market.
5. If the board determines a sale of any tax-title property is in the best interest of the public, it shall determine a sale method consistent with this policy.

6. If the board decides to lease any tax-title property, whether surplus or not, it shall arrange a lease agreement consistent with this policy and RCW 36.35.140 (governing distribution of rental proceeds).

SALE METHODS - TAX-TITLE PROPERTY

1. **Public Auction.** County tax-title property generally must be sold at a public auction to the highest and best bidder for not less than the minimum bid ordered by the board. When setting the minimum sale price, the board shall consider, but is not bound by the amount of unpaid property taxes, drainage or diking district assessments, drainage or diking improvement district assessments, mosquito district assessments, and irrigation assessments and/or any potential irrigation district assessments. The auction shall be conducted by the county treasurer or such other person as the treasurer may designate. The treasurer may contract with another governmental agency or official, or with a private party, to conduct the auction. Advance written notice of the sale and the terms of the sale shall be consistent to RCW 36.35.120.
2. **Private Negotiations.** Pursuant to RCW 36.35.150, tax-title property may be disposed of by private negotiation and for not less than the principal amount of unpaid taxes and assessments only in the following circumstances:
 - a. When the sale is to any governmental agency and for public purposes;
 - b. When the county legislative authority determines that it is not practical to build on the property due to the physical characteristics of the property or legal restrictions on construction activities on the property;
 - c. When the property has an assessed value of less than five hundred dollars and the property is sold to an adjoining landowner; or
 - d. When no acceptable bids were received at an attempted tax-title public auction of the property pursuant to section (1) above, if the sale is made within twelve months from the date of the attempted tax-title public auction.
3. **Proceeds Disbursement of County Tax-Title Property.** The proceeds of county tax-title property acquired by the county by tax deed shall be given to the county treasurer to justly apportion to the various funds existing at the date of the sale, in the territory in which such property is located, according to the tax levies of the year last in process of collection. See RCW 36.35.110.

LEASE METHODS

If the board authorizes the lease of any county fee simple property, it shall direct that the property be leased by one of the following methods:

1. **Public Auction.** County fee simple property may be leased at public auction to the highest and best bidder. The auction shall be conducted by the county treasurer or such other person as the treasurer may designate. The treasurer may contract with another government agency or official, or with a private party, to conduct the auction. Advance written notice of the auction shall be provided by publication, posting, and/or such other

means as the treasurer or his or her designate deems appropriate. The board shall set a minimum bid.

2. Sealed Bids. County fee simple property may be leased to the highest and best bidder after receiving sealed bids. The bid process shall be conducted by the county treasurer or such other person as the treasurer may designate. Advance written notice of the bid process shall be provided by publication, posting, and/or such other means as the treasurer or his or her designate deems appropriate. The board shall set a minimum bid.
3. Private Negotiation. County fee simple property may be leased to governmental agencies or private parties by private negotiation upon such terms and conditions as may be mutually agreed upon.
4. Other Methods. County fee simple property may be leased through other methods that the board determines are in the best interest of the county in having the property leased in a timely manner for its fair-market value.

Lease of County tax title property may be authorized by the board in accordance with the provisions of RCW 36.35.140.

NOTICE AND HEARING OF SALES

Before authorizing the sale of any county real property with an estimated value of \$5,000 or more, the board shall hold a public hearing. Notice of the public hearing shall be given by publication in the official county newspaper. The notice shall specify the date, time, and purpose of the hearing and shall generally describe the property being considered for sale. The notice shall be published once, at least 10 days, but no more than 25 days, before the hearing. Before authorizing the sale or disposal of any county real property with an estimated value of more than \$50,000, notice of the public hearing must be given in accordance with RCW 39.33.020. Any interested person may speak at the hearing. After the hearing is closed, the board shall determine whether it is in the best interest of the county to sell the property.

French, Colleen C

From: Petersen, Gary
Sent: Tuesday, October 04, 2011 9:19 AM
To: French, Colleen C
Subject: FW: DOE Enhanced Use Leasing Letter

From: Gary Petersen [<mailto:gpetersen@tridec.org>]
Sent: Tuesday, October 04, 2011 8:25 AM
To: 'Peckinpaugh, Tim L.'
Cc: cadrian@tridec.org
Subject: RE: DOE Enhanced Use Leasing Letter

Actually... I think we want BOTH options. In some cases, such as putting a solar array over the 300 Area Brownfield, the enhanced lease would work... and we don't want to slow down on our actual fee-simple transfer of the 1341 Acres (+another 300 acres originally requested by Energy NW) = 1641 acres.

gary

From: Peckinpaugh, Tim L. [<mailto:tim.peckinpaugh@klgates.com>]
Sent: Monday, October 03, 2011 11:31 AM
To: 'Gary Petersen'
Cc: cadrian@tridec.org
Subject: DOE Enhanced Use Leasing Letter

Gary, see attached letter referred to in today's trade press from DOE to OMB on the benefits of a legislative proposal for enhanced use leasing authority to allow DOE lands to be used for renewable energy projects. Note the letter specifically addresses solar arrays at Hanford.

I assume TRIDEC would prefer a fee simple transfer of property as opposed to an enhanced use lease?

- Tim Peckinpaugh (202-661-6265)
K&L GATES

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French, Colleen C

From: Petersen, Gary
Sent: Monday, October 03, 2011 8:25 AM
To: French, Colleen C
Subject: 300 Acres

Incidentally Colleen... I'm working on a re-do of the map we submitted, to include the 300 Acres that Energy NW had originally requested.

Then I will send you an addendum to our original request.

gary

From: French, Colleen [mailto:Colleen.French@rl.doe.gov]
Sent: Monday, October 03, 2011 8:11 AM
To: Petersen, Gary
Subject: Re: ECA mentioned in article

Yeah, I am with you...what is there to be concerned about and can't we address it? There is clearly MUCH more potential for good here. If we let this slip through our fingers, shame on us.

From: Petersen, Gary
Sent: Monday, October 03, 2011 11:09 AM
To: French, Colleen
Subject: FW: ECA mentioned in article

Hmmm... am I missing something? I thought Seth, and ECA were talking "against" EUL???

gary

From: Seth Kirshenberg [mailto:sethk@energyca.org]
Sent: Monday, October 03, 2011 8:01 AM
To: Rick McLeod; Gary Petersen
Subject: FW: ECA mentioned in article

Also, on this issues we met with DOE EM and Ingrid Kolb to discuss our concerns

DOE LOOKING FOR NEW LEASING AUTHORITY FOR LAND AT SITES

The Department of Energy is looking to obtain new leasing authority for land at its sites to aid in the development of renewable energy projects. In a letter sent last month to the White House Office of Management and Budget, obtained by *WC Monitor*, DOE outlined the potential benefits of a legislative proposal to obtain "Enhanced Use Leasing" (EUL) authority, which the Department said would allow it to obtain "services-in-kind" in areas such as reduced energy costs, reduced operational costs or deferred maintenance. "With EUL authority, DOE will achieve better utilization of its underutilized land (excludes all withdrawn

public domain land), and will foster the development of renewable energy increasing the likelihood of DOE sites converting to renewable energy more expeditiously, resulting in a reduced carbon footprint," says the Aug. 15 letter signed by Ingrid Kolb, director of DOE's Office of Management.

DOE largely declined to comment on the proposal this week, saying only in a written response, "Periodically, the Department of Energy submits legislative proposals to Congress after extensive reviews and analysis, including through the Office of Management and Budget. This proposal is in the early stages of review and it would be premature to speculate on its potential impacts."

Authority Would 'Increase' Land Value, DOE Says

According to DOE, its current leasing authority only applies to property deemed "excess" through closure or reconfiguration and "encourages less than fair market value" for the property. "Use of DOE land in support of renewable energy development and production would achieve much greater value than the landlease value alone. The land value rises related to the production (revenue) value when renewable energy is developed and generated," Kolb wrote. She went on to say that EUL authority "is a far better choice in economic terms for the use of undeveloped property" at DOE sites than an outright sale. "Disposing of land from the federal inventory deprives the Government of flexibility to adjust to changing technology and patterns of economic growth and opportunity," Kolb wrote, adding, "Use of EUL will enhance the highest and best use and increase the value of the underlying land while providing the Government with a source of income and enhanced value directly proportional to the technology it allows on its lands."

In its letter, DOE indicated that a number of sites could be suitable for renewable energy projects, such as the development of solar arrays and/or wind turbines. "We estimate that DOE land is capable of generating up to a total of 6,244 gigawatts (GW) of solar energy. If only wind turbines were constructed, there would be potential for 1,096 GW of renewable energy," Kolb wrote. "Looking at these potentials, GHGs [greenhouse gas emissions] can be reduced from a minimum of 660,000 megatons (MT) of GHG to a potential maximum of 1,875,000 MTs of GHG per day." In addition, DOE would have the ability to realize income from renewable energy projects at its sites developed through EUL authority, according to Kolb. As an example, she cited potential solar energy projects at Hanford that, at a 5 percent return, could result in income of between \$16.3 million and \$32.6 million to the Department. "Consistent with market practices, these developments will provide DOE with a source of income that will outperform current and projected costs of operation," she wrote.

Local Communities' Concerns

However, local communities near DOE sites are concerned over the potential impacts payments to DOE may have in moving forward with projects. "The memo identifies that DOE thinks that it will generate income from the projects. We all hope that the examples identified in the paper come to fruition and the large projects are able to generate revenue—to at least break even for the community and generate income for the actual developers and investors. However, saddling the projects with payments to DOE would make these projects very difficult to move forward," Seth Kirshenberg, executive director of the Energy Communities Alliance, said in a written response. "We hope that DOE clarifies its policies on land transfer and that it continues to work with communities to look at reuse of these properties as a way for DOE to assist communities to off-set the impacts of the large layoffs of employees, an investment in creating clean energy jobs and the projects in many cases save DOE tens of millions of dollars in cleanup costs by communities reusing the properties."

Kirshenberg added, "DOE has the authority for long-term leases and it is currently implementing long-term leases at several of its sites with both the private and public sector. ECA would support legislation that permits long-term leases but charging communities for this land ignores the monumental challenge in redeveloping the property."

—Mike Nartker

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Krekel, Randall N

From: Gary Petersen <gpetersen@tridec.org>
Sent: Wednesday, December 28, 2011 11:30 AM
To: Elsen, Michael J
Cc: cadrian@tridec.org; jforeman@tridec.org; Flynn, Karen L; Hathaway, H B (Boyd); Krekel, Randall N; Elsen, Michael J; Call, Paula K; Russell, Woody; French, Colleen C; Gary Ballew; Howard, Diahann; Adam Fyall
Subject: RE: Meeting with TRIDEC - Agenda for 12/29/11 discussion
Attachments: Angelou Rpt7 ExecutiveSummary Draft.pdf

Good Morning Mike

We are looking forward to the meeting tomorrow, and Gary Ballew, Diahann Howard, and Adam Fyall (City, Port and County) will be with Carl and me.

Will Gary, Diahann and Adam need badging for the Federal Bldg? Carl and I have site badges.

We aren't certain why the questions you have for TRIDEC are germane to the discussion or the actual land-transfer, however, here are some answers.

DOE questions for TRIDEC (All)

1. Help us identify the probable intended uses for the land (we would like copies of the marketing study/report TRIDEC generated)
 - a. I believe the marketing study you mention here is the Angelou Study, which we mentioned in our 10 CFR 770 Request. If so that is attached. This study was done prior to the anticipated land-transfer, but is still a base from which we can expand.
2. Will the marketing plan differ from Kingsgate area properties?
 - a. It will differ in a couple respects.
 - i. The Community recognizes that there are very few "mega sites" available in the U.S., so we are hoping to keep the parcels fairly large (in particular the large 900 acre site).
 - ii. Our main desire is still to have tenants that connect in some way to an "energy park" concept – green manufacturing, manufacturing of renewable energy products, provide renewable energy, etc.
3. Did you (potential transferees) build a buffer into the lot size requests?
 - a. The two potential tenants that have approached us in the past 3 years have wanted large sites with buffer areas included. Typically, large industrial users are interested in buffer area and have some concern of who their neighbors are. However, again we don't see how this is germane to the transfer request.
 - ♦ What is the actual lot(s) size need?
 - o In working with our partners, the City-Port-County, we all agree that there are not many (any?) property availabilities in the Tri-Cities that have 100 or more contiguous acres. It

is our intent to keep the individual sites as large as possible (3 147 acre sites, and one 900 acre site).

4. What role will TARC play in the ultimate no cost disposition process to end users (will they be charging fees?)

- TARC is a wholly-owned subsidiary of TRIDEC and it was established primarily to take DOE assets and make them available for economic re-use. We have said fairly clearly both in the 10 CRF 770 request, and in both public meetings with our partners, and with our own board, that TRIDEC does not intend to make any profit from this transfer, nor the subsequent sale to either direct clients, or to the ultimate transfer to either the City, Port or County. TRIDEC and TARC do have the capability to further "subsidize" the ultimate cost of land to an end-user through our incentive funds to attract new industrial users. If and when land is transferred to one of our public partners, state law governs how public entities may dispose of land.

Finally – Questions that we plan to ask include:

- what baseline studies does DOE envision that requires 30 months (the longest phase in DOE's Gantt chart);
- to what extent can these studies rely on existing data to shorten the timeline;
- what is the NEPA/CERCLA legal structure governing the studies, process, and any public comment;

Gary Petersen

From: Eisen, Michael J [<mailto:michael.eisen@RI.gov>]

Sent: Wednesday, December 28, 2011 10:12 AM

To: 'Gary Petersen'

Cc: 'cadrian@tridec.org'; 'jforeman@tridec.org'; Flynn, Karen L; Hathaway, H B (Boyd); Krekel, Randall N; Eisen, Michael J; Call, Paula K; Russell, Woody; French, Colleen C

Subject: Meeting with TRIDEC - Agenda for 12/29/11 discussion

Gary,

Attached is the Agenda for tomorrow's meeting.

Please let me know if there are any specific questions (from TRIDEC and/or its partners) that I should add into the final 15 minute time segment – in advance of tomorrow's discussion. If there isn't time for me to add any specific items to the agenda, there still will be the available time slot for questions to be asked.

If you need to contact me today, I can be reached at 376-8021.

Thank you.

Mike Eisen

Krekel, Randall N

From: Elsen, Michael J
Sent: Friday, January 27, 2012 12:00 PM
To: 'Gary Petersen'
Cc: Krekel, Randall N; 'cadrian@tridec.org'; Elsen, Michael J
Subject: RE: Question(s)

Gary,

I don't want anybody to get ahead of themselves because I have asked a few questions that could appear to be "leading." I am simply seeking information.

In summary, there were no substantive considerations for other parcels leading up to the initial, formal TRIDEC request; and TRIDEC is open to the possibility of other parcels, particularly if they are more expedient.

We understand the complexities that any change in course could present and we understand the overall need relative to the Mega-Sites. We spent time discussing this specific item at our last meeting. Everyone remembers why the 300 acre parcel became an addendum to the original request. Relative to my message below, it also served as a geographical point of reference and as something located "away" from the original parcel.

We won't be attempting to manage this complex project in sound bites or play-by-play updates, and we are not asking anybody to agree or to consider agreeing to "anything else" at this time. Nobody needs to engage the underwriters. They can have a day off. DOE is simply gathering data.

I appreciate the additional information regarding AREVA and Company "X." You have answered my questions.

Thanks again.

Mike

From: Gary Petersen [mailto:gpetersen@tridec.org]
Sent: Friday, January 27, 2012 10:42 AM
To: Elsen, Michael J
Cc: Krekel, Randall N; cadrian@tridec.org; Elsen, Michael J
Subject: RE: Question(s)

Mike...

TRIDEC itself is open to the possibility of other parcels, particularly if they are more expedient. Having said that, there are also some very major advantages to the land identified in the 1341 acre request. So, before we actually agreed to some other parcels, we need to have a discussion with the City of Richland, the Port of Benton, and Benton County, our partners who will underwrite the cost for infrastructure to whatever site is transferred. As you are aware, building the infrastructure can cost in excess of \$20 million, and will only increase in cost the further the parcel is located from Horn Rapids road.

Re the 300 Acre parcel that was originally requested by Energy Northwest ... We also were wondering why DOE suggested that particular piece of property.

The original lease request from Energy Northwest was for a large parcel of land on the East side of Route 4s ... and much closer to existing land currently leased by Energy Northwest. Their original request was for up to 20 square miles. DOE's response was that it would be much better to start with a much smaller initial request, and DOE suggested asking for 25 acres. It was only in the continuing discussions between DOE-RL and Energy Northwest (with TRIDEC's support) that 300 acres at the current location was identified by DOE as being preferable.

Relative to AREVA – TRIDEC did show them two other locations, one which is owned by WSU adjacent to highway 240 further to the west; and also some property out by Red Mountain. Neither of these sites met AREVA's requirements for power, water, and other utilities. In addition, the Red Mountain property did not meet AREVA's seismic requirements. AREVA was also excited about the possibility of directly connecting their proposed gas centrifuge plant to their existing fuel fabrication plant. Unfortunately theirs became a political decision to select Idaho Falls, Idaho.

Relative to the offshore company, they were looking at property in Grant County by Moses Lake; and a parcel down by Wallula; as well as a site in Tennessee and one in Texas. This particular site (South end of Hanford) beat out all four of the other sites, primarily because of access to large quantities of reasonable cost power (250Mw and up); and to complete available infrastructure (provided by City of Richland), and excellent availability of transportation – barge, freeways and trains. We have been told that while this company has put its decision on-hold temporarily because of the Japanese nuclear accident; if the company decides to build in the U.S., this will be their preferred site.

I think we need to have everyone understand that "mega-sites" (industrial property with at least 800-900 acres of contiguous property) are very hard to find anywhere in the U.S. There is only one other "mega-site" in the State of Washington, and that is by Wallula. The site at Wallula does not have all of the benefits, and redundant power sources of the Hanford site.

I hope this helps.

gary

From: Eisen, Michael J [<mailto:michael.eisen@RL.gov>]
Sent: Friday, January 27, 2012 8:44 AM
To: 'Gary Petersen'
Cc: Krekel, Randall N; 'cadrian@tridec.org'; Eisen, Michael J
Subject: RE: Question(s)

Thanks Gary.

If necessary, is TRIDEC open to the possibility of other parcels being the initial focus - assuming there could be more expedient transfer considerations relative to the Government required review processes?

As you know, eventual control of "the property" - specific to the benefits and conveniences you have outlined below - also provides more encumbrances and challenges up front. It could prove beneficial to have more than one option.

The 300 acre parcel was not part of TRIDEC's original proposal. TRIDEC was requested to formally add it. This parcel does not provide all of the immediate benefits of the original, 1,341 acre request and it is located "further North" (in reference to your message below) There is not a great amount of distance - heading further northward from the 300 acre parcel – until you would have to cross over to the north/northeast side of Route 4S (the general point of reference within my message below).

I would like to eventually learn how many options AREVA and the "off-shore" company were shown and whether those options were simply not viable or if they were just not as easy to consider. AREVA being interested in property directly across the street from their existing facility is not surprising to me.

We will let you know if we think an interim meeting would be beneficial.

Thank you.

Mike

From: Gary Petersen [<mailto:gpetersen@tridec.org>]
Sent: Thursday, January 26, 2012 3:48 PM
To: Elsen, Michael J
Cc: Krekel, Randall N; Elsen, Michael J; cadrian@tridec.org
Subject: RE: Question(s)

Good afternoon Mike

The short answer is no.

For several reasons the community focused on the land immediately adjacent to Horn Rapids Road and Stevens Drive.

- Primarily, about 1/3 of this parcel is already within the Urban Growth Boundary of the City of Richland, making rapid development much easier.
- This property has the easiest access to existing utilities provided by the city, most of which already go directly down Horn Rapids Road.
- This parcel is also the property that two different large companies have identified which would be most advantageous to them (AREVA, and an offshore company).

Once the first parcel of land is transferred and industrial development occurs, the community anticipates additional requests of land further to the North, or possibly further to the West.

We are available any time to meet with you. Anything that will assist in moving the request forward.

gary

From: Elsen, Michael J [<mailto:michael.elsen@RI.gov>]
Sent: Thursday, January 26, 2012 2:44 PM
To: 'Gary Petersen (gpetersen@tridec.org)'
Cc: Krekel, Randall N; Elsen, Michael J
Subject: Question(s)

Gary:

- During TRIDEC's original analysis leading to its land transfer request within the CLUP Industrial designation, were any other parcels considered (outside of the current Firing Range footprint)? If so, can you identify the(ir) approximate location.
- Specifically, was any consideration given to requesting a transfer of lands located on the north/northeast side of Route 4S ... or for any land located to the West of the existing Hanford Patrol firing range?

- If there were considerations made for land in either one of those areas, do you happen to have a list of pro's/con's as to why they were not originally requested instead of what was requested in May '11.

We are building our data bank/resources for various, forthcoming analyses and reviews - and are seeking additional information. There are large parcels of land located within these two general areas of the Hanford Site and within the CLUP Industrial Designation and we may have to answer why "consideration" was not given to them. As far as we know, "consideration" was given, but we would like to know to what extent.

Also, Randy and I are debating the merits of the two of us sitting down with you sometime soon - as an interim step - prior to our next formal, update with TRIDEC and the rest of your team. There may be some value in doing so. We will let you know.

Thank you.

Mike

Executive Summary:
RESEARCH DISTRICT LAND USE AND MARKETING PLAN



 **AngelouEconomics**
technology-based economic development

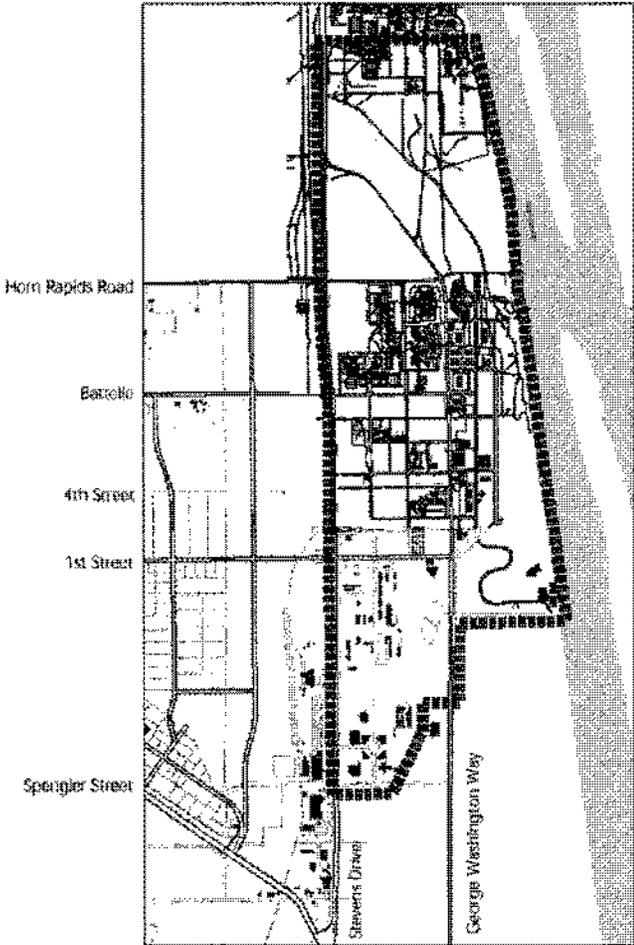


www.angelouconomics.com

Presented to:
TRI-CITIES RESEARCH DISTRICT

February, 2006

LAND USE AND MARKETING PLAN: Executive Summary



Delivered to:
Tri-Cities
Research District

Prepared by:



EXECUTIVE SUMMARY

Introduction

The Tri-Cities today is in a period of transition. As the Department of Energy's Hanford site continues the process of cleaning up the site and scaling down its employment levels, the local economy will undergo significant change. An estimated 8,000 Hanford-related jobs will disappear by 2030. Some communities suffer heavy job losses in a short period of time, but the slow scale-down at Hanford will give the region time to retool its economy. However, now is time to aggressively prepare for this new future, before the problems further hamstring local governments and budgets.

This plan, the *Research District Land Use and Marketing Plan*, seeks to identify new opportunities for creating and marketing a stronger Research District in the Tri-Cities. Today, the Research District is a 1,600-acre area in north Richland that is home to more than 90 Richland and Hanford businesses, Pacific Northwest National Lab, other federal and state agencies, and Washington State University Tri-Cities. In total, the Research District contains more than 5,000 workers in 3.4 million square feet of lab and office space.

In January 2005, the Advisory Committee of the Research District comprised of the City of Richland, Benton County, Port of Benton, TRIDEC, WSU-Tri-Cities, and Pacific Northwest National Lab selected AngelouEconomics to conduct this plan.

Specifically, the project was designed to answer questions in three primary areas: marketing, product improvements, and implementation.

Marketing

- ✓ What are the community's goals for the Research District?
- ✓ What are the Research District's most marketable and unique strengths?
- ✓ How should the Research District leverage the region's assets?
- ✓ What are the best target businesses for the Research District?

Product Improvements

- ✓ What land-use improvements will make the Research District more attractive to businesses?
- ✓ What services will make the Research District more valuable to relocating businesses?

Implementation

- ✓ How should the region's governments and organizations collaborate to effectively build and market the Research District?
- ✓ What investments will be required to make the Research District successful?
- ✓ How should the Research District be organized and managed to best capture future opportunities?

Our goal is clear:

***To bring more jobs and investment to the Tri-Cities
in science and technology industries.***

Clearly, the success of the Research District will involve numerous players within the Tri-Cities. With this in mind, AngelouEconomics and the Advisory Committee designed a process that would collect public input from officials, citizens, and businesses from the cities neighboring the Research District: Richland, Kennewick, Pasco, and West Richland. Numerous organizations and businesses have provided significant input for this plan.

This plan is guided by consultant inspections of the Research District, numerous focus groups, and interviews with local planning organizations such as the City of Richland, Benton County, the Port of Benton, WSU-Tri-Cities, and PNNL. AngelouEconomics has engaged individuals across the region: local economic development officials, city and county elected officials and staff, city planners and managers, civic leaders, major employers, startup companies, lab officials, developers, representatives of secondary and higher education institutions, and citizens. AngelouEconomics reviewed several past land use reports as part of our analysis. Our intent has been to utilize the work that has already been done by past consultants and local organizations, while updating the overall vision for the Research District and creating an action plan that provides consistency across all jurisdictions.

The project team created a public website, www.ResearchDistrictFuture.com, to explain the planning effort, be a source for public reports, and allow interested citizens and businesses to contribute through an online survey. The survey focused on the perceptions of individuals who work or live in/around the Research District and included specific questions relating to the level of amenities and types of land use desired for the Research District.

AngelouEconomics laid out a four-phase process to complete the plan:

**Process:
Research District Land Use and Marketing Plan**

PHASE ONE	PHASE TWO	PHASE THREE	PHASE FOUR
<p>SET UP</p> <ul style="list-style-type: none"> Introduce project team Define expectations, timelines and Advisory Committee Launch Project website <p>COMMUNITY OUTREACH</p> <ul style="list-style-type: none"> Trip 1: Call local public input 20-30 phone and interviews 5-4 focus groups Online survey Trip 2: Additional input 	<p>ASSESSMENT</p> <ul style="list-style-type: none"> Economic Assessment Research Park Case Studies <p>Trip 3: Deliver Economic Assessment and Case Studies reports. Collect Additional Input</p> <p>July: Deliver Assessment reports</p>	<p>TARGET INDUSTRIES</p> <ul style="list-style-type: none"> Use Assessment of target industries and businesses <p>MARKETING</p> <ul style="list-style-type: none"> Marketing plan and park name Internal marketing External marketing <p>Trip 4: conduct marketing and land use focus groups</p>	<p>STRATEGIC PLANS</p> <ul style="list-style-type: none"> Trip 5: Deliver Recommendations to the Advisory Committee Marketing Plan Land Use Plan Organizational Plan <p>Finalize all Plans</p> <p>BEGIN IMPLEMENTATION</p>

The process was split between three research reports and three recommendations reports based on the research findings. In Report 1, "*Economic Assessment*", AngelouEconomics examined the economic climate of the Tri-Cities and the Research District with a specific focus on issues that will most affect the District's ability to attract and foster new corporate development. Report 2, "*Research Park Case Studies*" examined 6 research parks in the U.S. to serve as best practices, with the goal of identifying specific strategies that can be adopted by the Research District. Report 3, "*Target Industry Recommendations*", presented a process for identifying specific industries and companies that will be the Research District's best prospects for recruitment and expansion. In Report 4, "*Marketing Plan*", AngelouEconomics outlined three primary areas of recommendations: branding, internal marketing, and external marketing. Report 5, "*Land Use Plan*," outlined several strategies to stage the development of the Research District in a high quality, focused process. Report 6, "*Organizational Plan*", outlined specific actions that should be taken by local institutions and governments to support the marketing and land use plans.

The Vision for the Research District

AngelouEconomics created a clear vision for the Research District to guide the implementation of this plan. A vision statement essentially describes "who" the Research District seeks to become. **This vision should be adopted or supported** by organizations that collaborate with the Research District.

The Research District's vision is to be a world-class location for companies to grow and to collaborate for the advancement of science and technology.

In interviews and the online survey, AngelouEconomics asked citizens and businesses to give their perceptions on the Research District's image, amenities, and future goals. Respondents answered overwhelming in support of a broader, more defined strategy to develop a successful research park:

Tenants / Companies – Research District tenants are interested in the district offering a high quality environment in which to work. They feel that an appealing environment (landscaping, pedestrian trails, attractive architecture, for example) will make it easier for them to recruit and retain workers.

Pacific Northwest National Laboratory – PNNL is interested in the Research District providing opportunities for collaboration with its current and future corporate clients. It wants to be in an environment that leads to stronger connections with neighboring businesses. Overall, PNNL wants the Research District's land and marketing plan to complement its own campus growth plan.

Local government – Local governmental entities look to the Research District as a strong tool for economic development and a job and tax revenue creator. Regional organizations, such as city and county governments, ports, and business organizations view the Research District as a resource whose impact will reach far beyond the District's boundaries. They see the Research District leading to region-wide job growth, a stronger regional brand identity, and mechanism for new business startup.

Developers – The Tri-Cities real estate community views the Research District as a tool they can use to generate new investment opportunities and support their current investments in the area.

Survey results reinforced these desires. 95% of respondents indicated that PNNL is a major asset for the region's future. However, a significant number of respondents (41%) believe the region's Hanford image still prevents the Tri-Cities from attracting new companies to the region. A national marketing campaign would do much to redirect the image away from Hanford and toward the cutting-edge research done at PNNL and local companies. Overall, one-third of respondents agree that the Tri-Cities has a neutral national image (neither positive nor negative) and another third believe the region has no image at all. AngelouEconomics agrees that the Tri-Cities' lack of a national image will be the largest barrier to the successful growth of the Research District.

The consulting team led by AngelouEconomics believes that the Research District's top priority should be stronger national public relations. Information about the research and technology capabilities of the community is simply not flowing out of the Tri-Cities as it should. 90% of survey respondents indicated that more should be done to market PNNL to companies both inside and outside the region. While PNNL does engage in some business development activities (e.g. conferences, sales visits), the largest "gap" for this project is the technical capabilities of the Tri-Cities versus its awareness across the U.S. One case in point, observe the lack of results on search engines when you type "Tri-Cities and technology" on Internet and news research sources.

Branding and Marketing the Research District

AngelouEconomics strongly believes that numerous Tri-Cities organizations, together, can make a significant impact on the awareness of the Research District's assets in the eyes of the target audiences. With a specific list of marketing recommendations that should be implemented, the Research District Plan will begin a process of making clear advances in growing a successful research park.

Priority Marketing Actions include:

1. Create a new brand for the Research District that connects to a stronger Tri-Cities brand.

The Research District's identity will be intimately tied to the brand of the Tri-Cities, and, as the Tri-Cities becomes better known at a national level, the Research District will benefit.

In recent work for TRIDEC, AngelouEconomics recommends that the region overall update its logo and create more overlap in color, imagery, design, and concepts among the many organizations that market the Tri-Cities to a national audience. AngelouEconomics also recommends that PNNL update its own look and brand, while creating a stronger brand connection to the Tri-Cities. Successful national brand recognition will be much easier to accomplish if everyone is speaking in one voice.

AngelouEconomics recommends a new name, the "Tri-Cities Research Park", a new independent website, and a color and image scheme that reflects the region's sunny environment (contrary to visions of a rainy Northwest) and contrasts any negative perceptions that have resulted from the Hanford site cleanup. By pulling in an image of the river and a reference to the many accomplishments of local scientists, a new brand for the research park could be:



AngelouEconomics has recommended that TRIDEC change its logo to a similar design and format (but different words), and we have even gone so far as recommending that the logo be adaptable to other organizations, cities, and entities. Existing logos will not be dropped, but future external marketing campaigns and materials should be branded by this new logo scheme, with partner organizations adapting to it as follows:



AngelouEconomics does not recommend that the Tri-Cities create a new tagline for itself. Mixed messages have been a problem for the Tri-Cities, and, at this point, another tagline does not need to be added to the mix. Instead, AngelouEconomics recommends that the Tri-Cities integrate the themes of "enlighten," "discovery," and "horizon" into marketing collateral and websites. These themes can be conveyed in the words that are chosen for written copy and the photos and other images used. Consistent use of themes are a higher level of branding that promoting a single tagline, and themes will allow many more current activities to be folded into this new marketing effort. As the region internally adopts a single logo and marketing themes, a tagline may then be developed.

2. Initiate a national marketing campaign better targeted to technology companies and entrepreneurs.

We recommend that the Research District create a content-rich website, with information on companies, PNNL technologies, and services available to District tenants. From this website, an email newsletter should be created that will be sent out quarterly to a database of target audiences (database delivered by AngelouEconomics). Focus early marketing efforts on a public relations drive aimed at raising awareness of the Tri-Cities and the research done at PNNL. Effective PR will create awareness of the Park so that other more direct marketing activities are more effective and successful. Form a Content Committee to generate new material to be used in the website and public relations efforts. AngelouEconomics places high emphasis on generating new content for use in PR so that communities can become their own brand "broadcasters" with a minimal amount of time and money.

Fund a marketing effort by the Research Park to a level that will have a noticeable impact and that can be sustained for 5 years at a minimum. AngelouEconomics does not believe that marketing should be

expensive, particularly in the Age of the Internet. However, a stable marketing budget for supporting efforts in this Plan will be necessary. AngelouEconomics recommends a discretionary budget (beyond staff and overhead) of \$100,000 per year at a minimum. Early marketing could be conducted on a contractual basis by TRIDEC, but the funding and selection of a Park Director will be an important step in the Research Park's long-term success.

Additional marketing activities to conduct include:

- ✓ Establish a Leads Network within the Tri-Cities to share information on technology companies in target industries.
- ✓ Place PNNL-sponsored pilot projects throughout the Tri-Cities and market their success to a national audience.
- ✓ Join relevant associations featuring the target industries identified in this Plan and attend their tradeshows and conferences.
- ✓ Maintain ongoing communication with state economic developers and state industry associations.
- ✓ Consider identifying a national broker-partner to assist with marketing and negotiations.
- ✓ Consider hiring an outside PR consultant with excellent contacts at major industry publications. Enhancing the perception of technology expertise and opportunity in the Tri-Cities can be helped by placing articles.
- ✓ Recruit additional conferences to the Tri-Cities in technology industries.
- ✓ Target science non-profits to relocate to the Research Park.
- ✓ Include international firms as part of the external marketing targeting effort, particularly Asian firms in biotechnology and electronics sectors.

3. Promote the Marketing Campaign as a regional effort, and make technology recruitment a top target for external marketing.

Clearly, the Tri-Cities is today a center for research in the state and U.S., but by targeting "technology" specifically, the leadership will signal to the public that the technology industry will be promoted and supported. Replacing the "Hanford" image with a "technology" image will be a significant step forward for the region. Other targets for the region should be agriculture/food, tourism, and distribution. The updating of the TRIDEC marketing plan provides new opportunity to re-task more of the organization's effort toward technology industries.

By creating awareness of the Tri-Cities and PNNL, the marketing campaign will improve the efforts of all marketing organizations in the Tri-Cities. AngelouEconomics strongly believes that every city, county, and port in the Tri-Cities should be a funding contributor to the marketing campaign. In addition to co-op marketing among governments, AngelouEconomics strongly recommends that all opportunities for co-marketing between the District and PNNL be strongly explored. PNNL should also become a financial contributor to future marketing campaigns by the Research District.

Any future action that takes place on behalf of the Research District should seek to accomplish one of two marketing goals: to create stronger awareness of the Research District and the Tri-Cities or to expand the number of regional participants supporting the growth of the District.

Improving the Research District

Economic development promotion is ultimately a marketing activity that has two functions: to promote a community and to improve the community's product. To be complete, an economic development plan should include community development recommendations as well as those for marketing to an external audience. Great economic development initiatives involve the entire community working together to improve the local "product" while the economic development organization works to improve awareness and perception of the community in the outside world.

Several steps will lead to a set of improvements for the Research District:

First, understand the unique selling points of the Tri-Cities. AngelouEconomics conducted an economic assessment of the Tri-Cities and the area surrounding the Research District, identifying the strengths of the region in support of business expansion and relocation (see Report 1). Core strengths include a low cost of doing business relative to other research cities, a technical workforce, PNNL research collaboration, and land availability. Weaknesses include a remote location with limited air access to major markets, low availability of quality buildings, low curb appeal and amenities in the District, and lack of incentives.

Second, understand your corporate targets for recruitment to the Research District. In Report 3, AngelouEconomics identified four primary target industries: Biotechnology, Clean Energy, Software & Computation, and Environmental. These targets reflect a combination of local capabilities, national growth trends, community desires, and overall marketability toward companies. By no means are these targets the only industries worth pursuing. AngelouEconomics anticipates that an ongoing effort to identify new technologies and target industries will be needed over the lifetime of the Research District. However, the need to connect the Research District target "best list" with a marketing campaign has become very clear. In many ways, a marketing campaign will give this target list "legs" to stand on by creating a clear, concise message based on the region's (and District's) best assets.

Third, understand what improvements will be required to transform the Research District into a world-class research park. Since the 1950's, research parks and incubators have been used by local communities as tools of economic development strategy. The research park movement, which started at Stanford and continued at Research Triangle Park in North Carolina, gained prominence during the 1980's when many universities created their own research parks. Research parks take decades of slow investment and support in order to flourish.

The Tri-Cities will need to apply consistent effort to the Research District in the form of marketing dollars, physical investments, and financial incentives over a long period of time to be successful. Expectations for an immediate boom in the Research District will be unrealized, and impatience will ultimately work against sustaining a deliberate marketing effort. AngelouEconomics has maintained publicly that job creation in the park may not exceed several hundred corporate jobs per year. Some years will be much less. Large corporate relocations such as manufacturing facilities or corporate headquarters will be difficult to win and unlikely. Successful relocation will likely be small research divisions with large corporations with the potential for manufacturing. Entrepreneurs and startups scouting licensing opportunities, developing new technologies, or needing technical expertise are a natural match for the Research District. Attracting or creating national research institutes will be an appropriate target. Regardless of their shape or size, research companies and institutions are on a strong growth path, as evidenced by strong growth in federal and state research funding and a reinvigorated venture capital market.

In Report 5, AngelouEconomics presented recommendations on Land Use improvements that will guide the development of the Research District. Given the modest expectations for job growth, AngelouEconomics has maintained that the land requirements for a research park are just 50 acres for a 10 year period. The Research District currently has 500+ acres of undeveloped, contiguous property, not including infill options in older parts of the District. With this low requirement, AngelouEconomics recommends that the new research park be focused on a small area south of PNNL's core campus. While the entire Research District will benefit from a renewed marketing campaign, new improvements and new facilities should be targeted toward this smaller area.

Priority land use recommendations from Report 5 include:

1. Create a Phase 1 designation for the Park for an initial 150 acres located south of Battelle Blvd.

By doing this, the cost of new infrastructure investments in the District will be less, the identity of the research park will be more closely aligned with PNNL, and a stronger clustering effect will be possible.

The Park should expand southward as new development occurs. Initial emphasis should be placed on strengthening the boundaries along the corridors Stevens Drive and George Washington Way. After corridors are strengthened, future development can fill in the Research District and extend new pedestrian walkways along Q Street south. Areva's property should be acquired or optioned. In addition, strengthen the corridor along Battelle Blvd. east toward the riverfront development through sidewalks, road improvements, and new retail if possible (east of GWW).

Promote the adoption and support of a mixed-use research campus around PNNL. The property to the south of PNNL (currently Battelle owned) would be developed to permit private enterprise in addition to future PNNL expansion. At the same time, it is assumed that the northern residential areas of Richland and possibly business/office uses would expand around Stevens Center and northward. A retail corridor at 1st Street would serve the Research District to the north, the residential/business district to the south, and, additionally, the manufacturing areas and educational institutions to the west and east.

2. Form a 501c3 Park Authority to manage the disposition of land, marketing funds, and new development design guidelines.

Successful parks typically utilize an independent non-profit corporation as the lead entity for a park. AngelouEconomics recommends that a Park Authority be established to guide the gradual development of land and oversee any marketing activities done by the Park. At its initiation, the Authority will be an entity without budget or staff, but as commitments are made, all funds should pass through the Authority.

A Memorandum of Understanding should be adopted by all partners in the new Park. A Memorandum of Understanding is a common tool used by public-private partnerships that seek to collaborate in both financial and non-financial terms. AngelouEconomics has provided samples to the Research District Advisory Committee to assist in the creation of a MOU for the Tri-Cities Research Park. AngelouEconomics recommends that the Park Authority attains some land control through the acquisition of options or MOUs on land in early phases of the Park.

Creating a Park Authority for a smaller park area south of PNNL will require that Battelle donate or option the land to the new organization. Expansion of the park south of Battelle property will require that Areva sell or option the land. Using options is likely the best alternative, as ownership would not need to be

transferred immediately. Rather, the new authority will have the option to sell the land for a period of time (5-10 years) to tenant companies as the market demands it. DOE, PNNL, and Battelle can be offered preferred pricing for its future, but still undetermined, expansion needs south of Battelle Blvd. Current owners of the land would be required to continue to make any necessary tax payments or maintenance expenditures.

New improvements to the Research Park made by the City of Richland or nearby tenants will naturally raise the market value of the land, and the Park Authority would be right to capture that new value. If a tax reinvestment zone is set up for the Park, the value of the land will also rise. Creating design guidelines and having central land control in the park is also expected to raise the overall value of (i.e. demand for) land in the park.

3. Create new development financing options and incentives for future park tenants.

While the private sector shoulders the majority of the costs of development, the public sector must lead a development program for the park. AngelouEconomics recommends that modest tax incentives and financial tools be created to attract new development and tenants to the Research Park. Incentives should be designed to enhance the quality of the Research Park without burdening new companies or developers with above-market upfront costs or lease rates. Incentives should not be used to subsidize ongoing lease payments (or loan payments). Leading options include the creation of a tax reinvestment zone, tax exempt financing, property tax abatements, and a land improvement district.

Whatever the mechanism, some portion of future tax payments should be earmarked (or promised) toward the Park budget. Today, minimal property tax payments are made for land in this smaller park area, and the City of Richland will gain more tax revenue from creating jobs (i.e. taxes on employee purchases) than taxing new development. Likewise, the cities of Kennewick, Pasco, and West Richland will also benefit from the growth of jobs in the District, as half of District employees live in cities other than Richland (and spend more of their retail dollars closer to their residences).

Given this "shared benefit" by all cities, AngelouEconomics recommends that each city, starting with Richland, commit to fund the Park budget according to the new taxes generated to them by the growth of the Research District. This can be done by creating interlocal agreements between the cities and the Park Authority (or cities between the cities). At best, 100% of new tax dollars should be reinvested by the cities into the Research Park. Richland may choose to reinvest their dollars into physical improvements (roads and sidewalks), while other cities commit funds to marketing initiatives. The counties and ports should also participate in this co-investment agreement.

4. Organize the Research Park using an improved Q Street as the Spine to connect northern and southern nodes of development.

A central circulation spine on Q Street, located between George Washington Way and Stevens Drive, connecting the various development areas within the District is recommended as a unifying element. The Spine will be an extension of the Lab's pedestrian walkway and street connectors to 1st Street. This Spine should be anchored at the northern and southern boundaries of the District and allow for direct access along its length. Developing this Spine with abundant landscape amenities will promote an informal, pedestrian friendly environment typically found in successful Research Parks. Consider establishing the Q Street

connector early by investing in a hike/bike trail that would connect at 1st Street to WSU and route itself northward along the riverfront toward Battelle Blvd.

5. Begin a plan to redevelop the Richland Industrial Center.

Existing businesses are few in the Richland Industrial Center, and the cost of relocating them to other vacant buildings will not be significant compared to the benefit of removing this use from the center of the Research District. The Park's goal should be to allow the eventual merging of the north Research Park with new development near Stevens Center and WSU. The Richland Industrial Center in its current condition would block this future connection.

One recommended strategy to redevelop the RIC is to encourage mixed use development, including residential and retail, to extend north from Stevens Center. Residential, and some retail, are currently demanded in the area and could become an early addition to the larger Research District. If done properly, new mixed use development would help fund improvements along 1st Street and create a new "node" within the District at Q and 1st. The RIC can be partially redeveloped as office, lab, or retail by leveraging infrastructure improvements at neighboring residential, while still allowing some industrial uses to remain west along Stevens Drive. Connecting Stevens Center to this new node at Q and 1st will form an important part of uniting the District along a new spine on Q Street. A mixed use node at Q and 1st will also connect WSU better by allowing the development of student housing west of GWW and providing infrastructure and retail to support it. By allowing additional residential and retail development in the district, there is more opportunity to create public benefits such as landscaping, sidewalks, and parks. Support new restaurants and retail through Battelle-sponsored development with reduced rents or Battelle subsidies. Consider reducing the size of the proposed PNNL on-campus cafeteria in order to promote off-campus restaurant growth.

If the Port of Benton is unable to redevelop this area (in full or partially), consider a land swap between the City of Richland and the Port of Benton. If deed restrictions exist for the Richland Industrial Center, work to adjust or remove them to allow for redevelopment.

Implement the Research District Plan

Several catalyst points are occurring right now that will bolster the "ROI" of this new planning effort:

- The expansion of PNNL's core campus,
- The completed updating of the marketing plan for TRIDEC,
- A new state biotechnology fund,
- Continued progress toward gaining a 4-year university for the region, and
- A much improving national technology economy.

More can be drawn in to the conclusion that this plan represents a new future for the Tri-Cities and should be supported and adopted.

Diversifying the local economy away from Hanford toward new technology sectors is the natural next step for the region. All local industry clusters will benefit from this plan's success: Agriculture, Wine-Based Tourism, Distribution,

and Business Services. The Tri-Cities has a good foundation for pursuing new technology industries already. Many strengths come to the forefront: a well-educated and technical labor force, a good quality of life, available sites and land, and good infrastructure. Hurdles are not many, but they are sizeable: lack of or negative perception outside the region, poor state business and regulatory climate, distance to major U.S. markets, and lack of direct flights. One could also say that the region's comfort history with federal work has translated to a belief that the government will provide for the economy. We believe a public and private sector collaborative is required to fully realize a nationally successful research park.

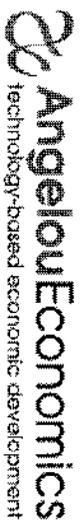
With its many workforce and lifestyle strengths, the Tri-Cities must now compete as hundreds of other cities in the U.S. compete: through steady improvement in the community "product" that serves businesses, and an aggressive marketing campaign to generate demand for its services. The Research District is no different.

In this Plan, AngelouEconomics has laid out numerous recommendations that will propel the Research District toward success. A stronger technology community in the Tri-Cities will benefit all citizens, businesses, and governments, and should be strongly supported. Technology development should be the primary target for the region. This effort will require the support of many throughout the region, both in funds and human effort. We ask for your support for this Plan, and we welcome your assistance with its implementation.

The leadership of the Research District invites you to participate in the Research District's future. Join us:

www.ResearchDistrictFuture.com

Project:
TRIDEC Marketing Plan



Final Recommendations
Presentation to the TRIDEC Board

MARCH 23, 2008

OUTLINE

ONE: Project Process

TWO: Target Verification

THREE: Marketing Plan

FOUR: Implementation

Process

AngelouEconomics delivered 2 reports:

1. **Market Analysis & Target Verification**
2. **Marketing Plan**

The process included:

Focus groups

Interviews

55 survey responses

TRIDEC MARKETING PLAN

TARGETS

Key Strengths

Top Selling Points:

- Low cost of doing business**
- Technical capabilities**
- Research district**
- Transportation**
- Education**
- Quality of Life**

Key Challenges

Top Marketing Challenges:

- Location**
- Lack of incentives**
- Low external awareness**
- Mixed messages from multiple jurisdictions and organizations**

Past TRIDEC Targets

- **Metal Fabrication**
- **Advanced Materials**
- **Food Processing**
- **Administrative Offices**
- **Warehousing & Distribution**
- **Information Technology**
- **Material Handling**
- **Remote Sensing**
- **Software Development**
- **Medical Industry**
- **Photonics**
- **Instrumentation**
- **Semiconductors & Microelectronics**

Target Selection

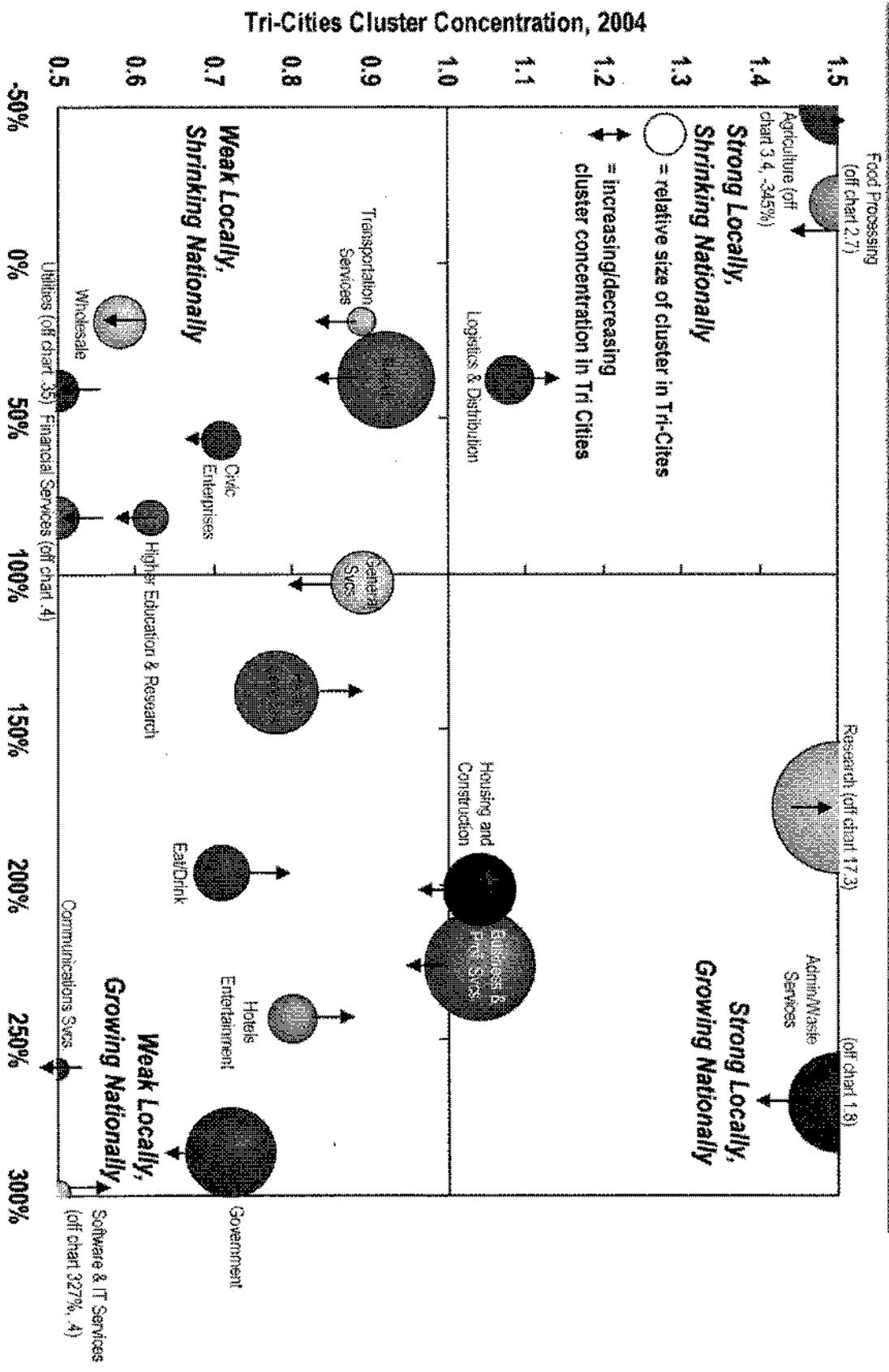
AngelouEconomics identified the Tri-Cities' best marketing prospects through a 4-step process:

- STEP 1: What clusters currently exist locally, and are they growing? (LOCAL)
- STEP 2: Are existing or emerging local clusters in industries that are growing nationally or undergoing geographic dislocation? (NATIONAL)
- STEP 3: Are there local assets that give specific industries a competitive edge? Or do local barriers exist? (CONSTRAINTS)
- STEP 4: Does the industry match community goals? (VISION)

Intent is to provide a set of topline industries that can be used for branding and marketing purposes, and then monitor their niche sectors. Targeting is an ongoing process.

Local Cluster Growth

TRICITIES CLUSTER POTENTIAL



Percentage Growth of Cluster in U.S. Above U.S. Average Growth, 1998-2004

Target Recommendations

TRIDEC Targets

Target 1:
Warehousing & Distribution

Target 2:
Research & Development

Target 3:
Technology Manufacturing

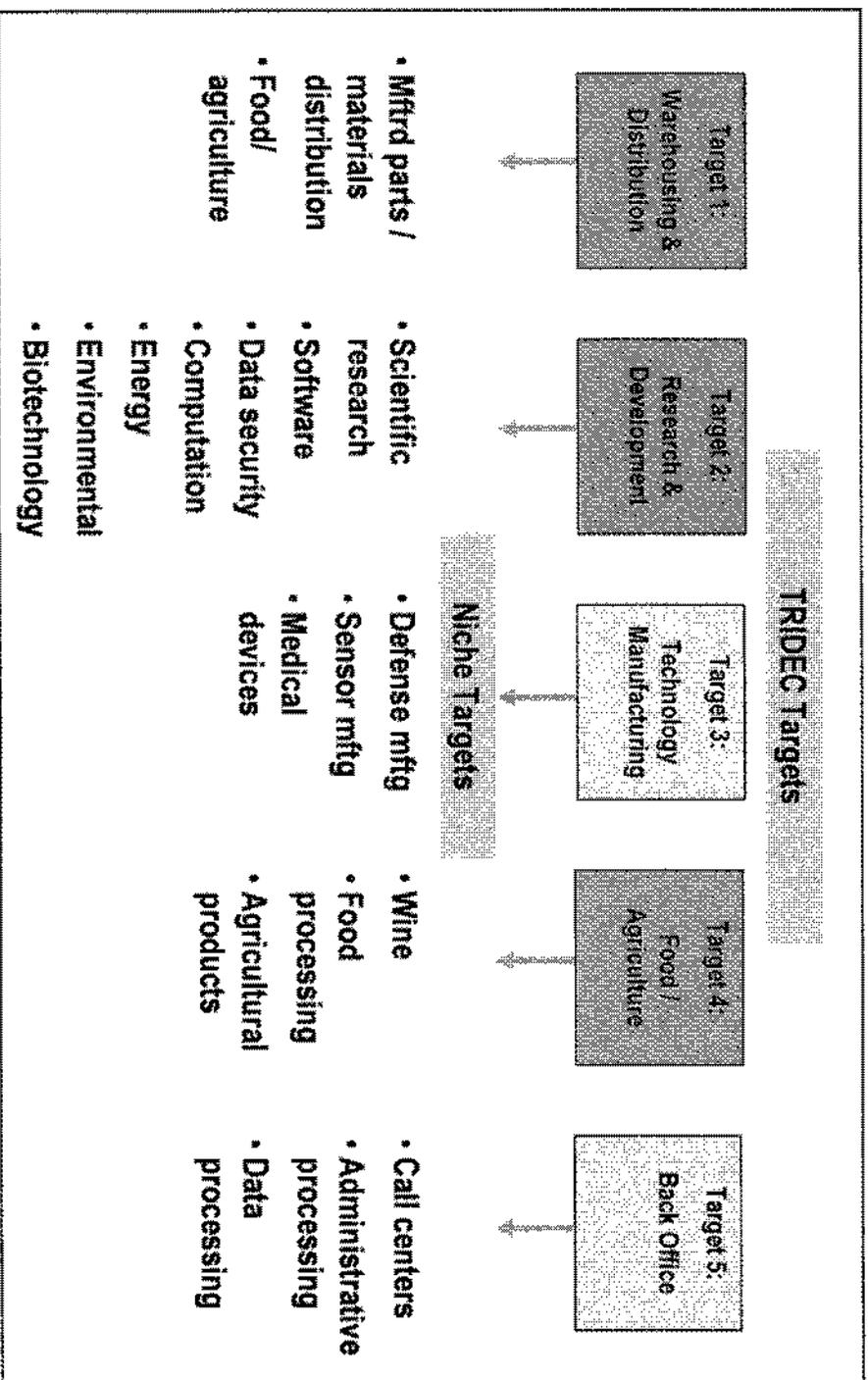
Target 4:
Food / Agriculture

Target 5:
Back Office

Niche Targets

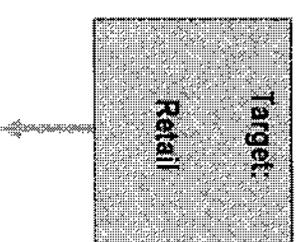
- Mfrd parts / materials distribution
- Food/ agriculture
- Scientific research
- Software
- Data security
- Computation
- Energy
- Environmental
- Biotechnology
- Defense mftg
- Sensor mftg
- Medical devices
- Wine processing
- Food processing
- Agricultural products
- Call centers
- Administrative processing
- Data processing

Target Overlap



Research District Targets

are same as TRIDEC R&D Targets



- Regional retail / shopping
- Tourism & recreation
- Housing



Additional

Kennewick

Target

What's not included

- **Health services – will grow and need support, but not a target for recruitment, except those technology companies with health products**
- **Tourism – always a target for promotion, just not by TRIDEC. But, look for new co-marketing activities always.**
- **Electronics – Asian competition has drastically cut jobs in this industry in U.S.**
- **Metal Fabrication – foreign competition has changed the location of industries and size of companies (bigger); lack of heavy manufacturing here to support it.**

Connect Targets to Marketing

Fewer, higher-level targets...

- **Are better for branding and marketing impact**
- **Keep the elevator pitch at high level, not too specific**
- **Make for easier selection of cities for targeted sales trips**
- **Allow you to commit to fewer conferences more consistently**

The Currency of Economic Dev.

Economic development is made up of:

- 1. Hours**
- 2. Money**

Consider our need to retask or increase hours or money for each recommendation.

TRIDEC will need to call on partners to increase funds or in-kind participation in support of these marketing recommendations.

Marketing Realities

- Historically, too little money spent on marketing the Tri-Cities.
 - TRIDEC is currently underfunded in our opinion.

Typical Discretionary Marketing Budgets for Successful EDCs:

<100,000 Population	\$70,000	<i>Correlates about \$1 per person</i>
100-250,000 Population	\$120,000	
250-500,000 Population	\$250,000	

Source: AngelouEconomics US Marketing Survey

- TRIDEC today spends just \$100-150,000 on marketing.
We recommend a budget of \$250,000.

More Public Sector Funds are needed

- **Cities and counties must commit additional marketing dollars for any effort**
- **Cities, counties, ports, and PUDs pay just \$180,000, or 15% of TRIDEC's annual budget.**

How does TRIDEC compare to other regions?

Sample Funding Mix for EDCs

	<u>Public</u>	<u>Private</u>
Metro Denver	5%	95%
Select Greater Philadelphia	10%	90%
Erie Chamber & Growth Partnership, OH	10%	90%
Stillwater, OK	25%	75%
Lincoln, NE	30%	70%
Vancouver, WA	33%	66%
Greater New Braunfels, TX EDF	50%	50%
Baldwin County, AL	50%	50%
Petersborough, Ontario	70%	30%
TX small cities	80%	20% (sales tax)
Oconto County, WI	85%	15%
Parsons, KS	100%	0%

How to Sell It

- Should be easier sell if new monies should go toward external PR and sales trips, not staff overhead
 - Get in-kind staff support for some efforts and put a \$\$ value on it
 - Rely on volunteers to expand your marketing “touch”.
- > Spend more, do more, reach out to more*

TRIDEC MARKETING PLAN

MARKETING RECOMMENDATIONS

Marketing Recommendations

Marketing recommendations cover several areas:

1. **Marketing Goals**
2. **Marketing Selling Points**
3. **Branding**
 1. Elements of a Brand
 2. Review of Branding Best Practices
 3. Target Audiences
4. **Internal Marketing Recommendations**
5. **External Marketing Recommendations**

An appendix provides background on brands from other research parks and website recommendations

Marketing Goals

Any future action that takes place on behalf of the Tri-Cities (TRIDEC) should seek to accomplish one of two marketing goals:

GOAL ONE: Advocate for an improved business climate in the Tri-Cities

GOAL TWO: Rally community support for a unified brand and image

GOAL THREE: Market to target industry companies

Goals One and Two represent new directions for TRIDEC

Marketing Vision

AngelouEconomics offers the following guiding vision for TRIDEC's efforts:

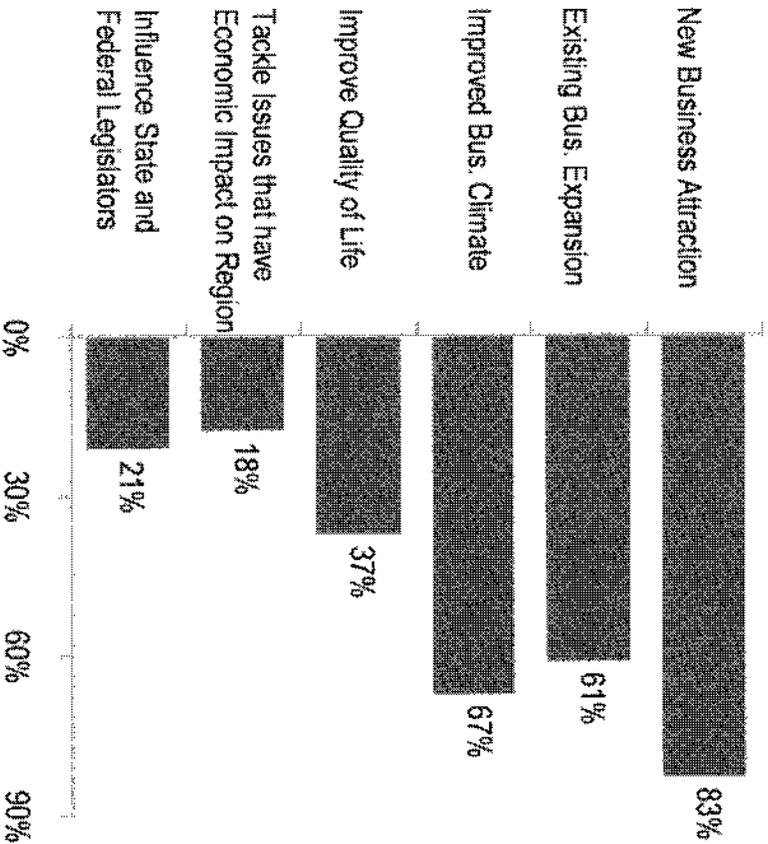
MARKETING VISION:

The Tri-Cities sustains long-term economic prosperity that benefits all residents through a consistent, targeted business recruitment initiative and a strong internal effort that encourages entrepreneurship and globally competitive business practices.

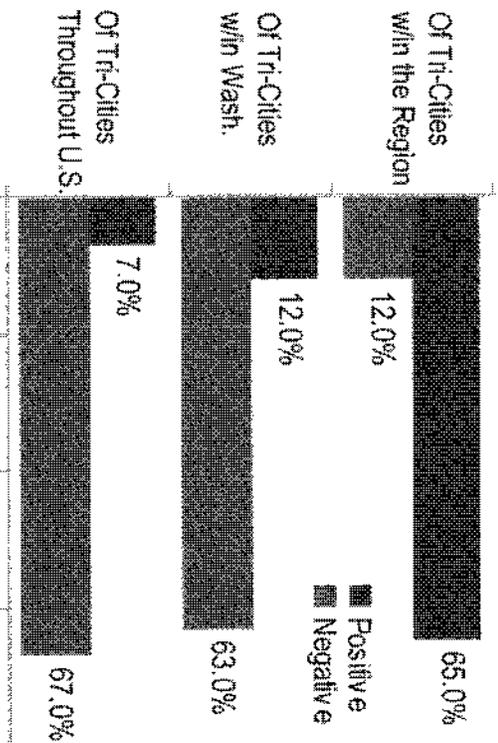
Survey Respondent Goals

TOP ECONOMIC GOALS

WHAT ARE YOUR TOP THREE ECONOMIC GOALS FOR TRIDEC?



IMAGE



Source: AE Survey. Neutral Answers make up the difference

Brand Awareness

Creating awareness is primary purpose of marketing.

“Business development” leverages a brand image or marketing campaign to get to the “self”.

Core Recommendation:

TRIDEC should expand its marketing effort to include new public relations activities.

Target Audiences

Marketing should be designed and targeted toward numerous audiences:

1. **Technology / R&D activities**
2. **Entrepreneurs**
3. **Service providers (VC, real estate, legal)**
4. **Young technology professionals**
5. **Economic developers**

Current Marketing Activities

TRIDEC currently has focused on face-to-face activities:

1. **Attending trade shows**
2. **Hosting State organized familiarization tours**
3. **Taking sales trips to Illinois, California, and New York**
4. **Employing a full-time public relations manager**
5. **Hosting visitors**
6. **Some collateral materials**

Face time is very good, but engaging in new public relations activities will touch more companies (higher ROI).

The Logo



- *Does not indicate location*
- *Non-descript*
- *no common elements with other orgs*
- *Lacks personality*
- *Too corporate*

We recommend that you change your logo.

...And lead a new branding campaign for the region.

Brand

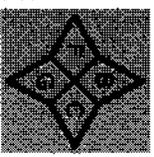
The region has too many looks, is too fragmented by organization and their design/brands

You have too many "faces" for a community your size.

TRI-CITIES, WASHINGTON
THE CITY INDUSTRIAL DEVELOPMENT COUNCIL



Tri-City Area Chamber of Commerce



Tri-City Area Chamber of Commerce
also: BENTON - DISCO - AD - ALBERSON - PASCO

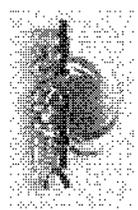
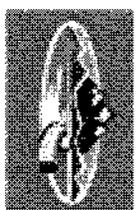


Let's go
Kernewick



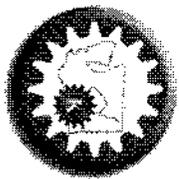
COLUMBIA
BASIN COLLEGE

Department of Energy
HANFORD SITE

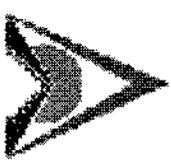


Pacific Northwest National Laboratory
delivering breakthrough science and technology

PORT OF
PASCO



Greater Pasco Area
Chamber of Commerce



PORT OF
BENTON

"We're Ready for You!"

AngelouEconomics
technology-based economic development



WASHINGTON STATE UNIVERSITY
TRI-CITIES



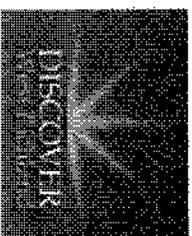
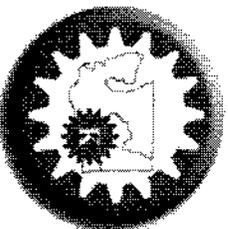
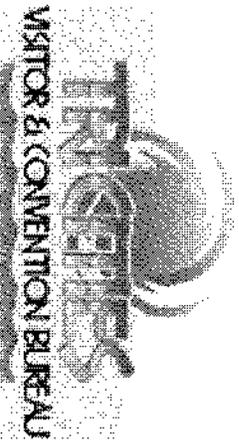
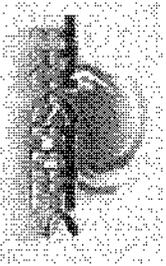
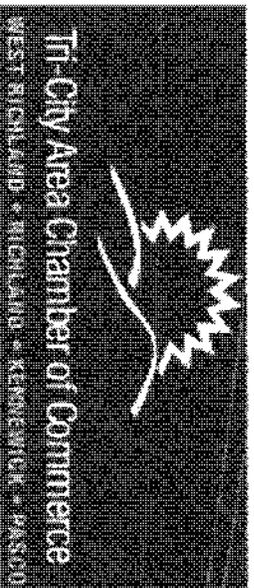
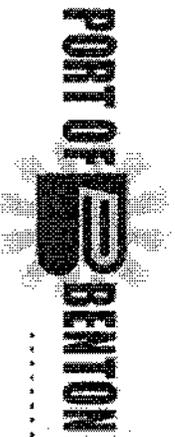
Common Elements

Some organizations have adopted similar themes and colors:

Blue, red, shades of orange.

More "Tri-Cities" than before.

Sun, mountain themes.



New Logo Concepts

- Use “Tri-Cities, Washington” in the logo
 - This will reinforce your message
- Adopt brighter colors
 - Maroon, brown, grey are all too dark
 - Not common with other local orgs
- De-emphasize your name, even drop it entirely from the logo
- **Keep the logo simple in design and colors**

The Image

Conceptual logo mock-up:



Hire a professional designer to do a full creative brief and several logo options.

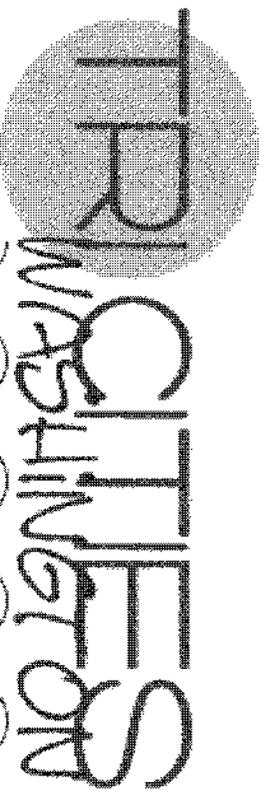
Logo Flexibility

We see a big opportunity now:

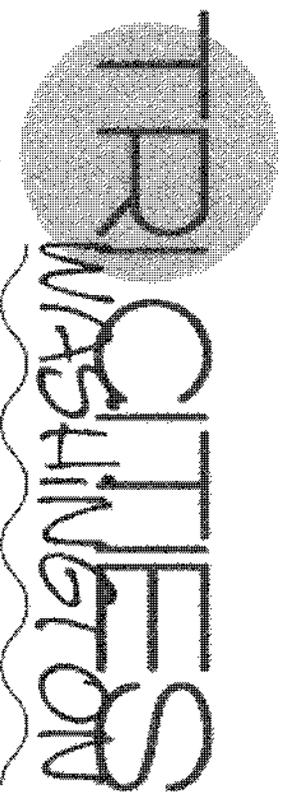
*Create a “regional” logo set that can be
modified for use by partner
organizations*

Flexibility

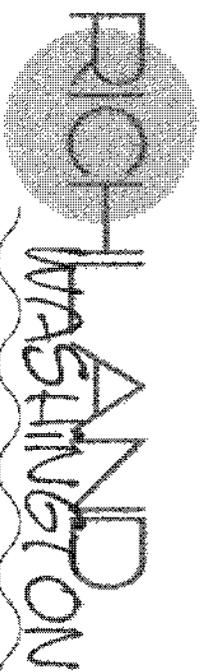
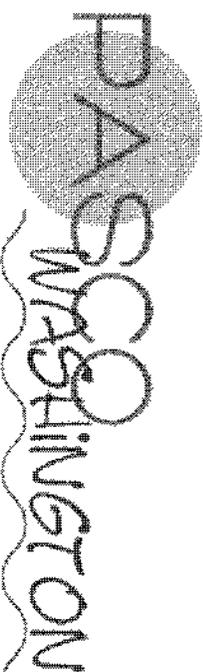
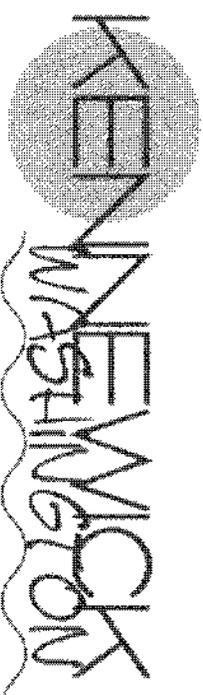
Logo flexibility is our preferred method. Allow others to use your logo concepts ! Co-branding helps everyone.



TRI-CITIES VISITOR AND CONVENTION BUREAU



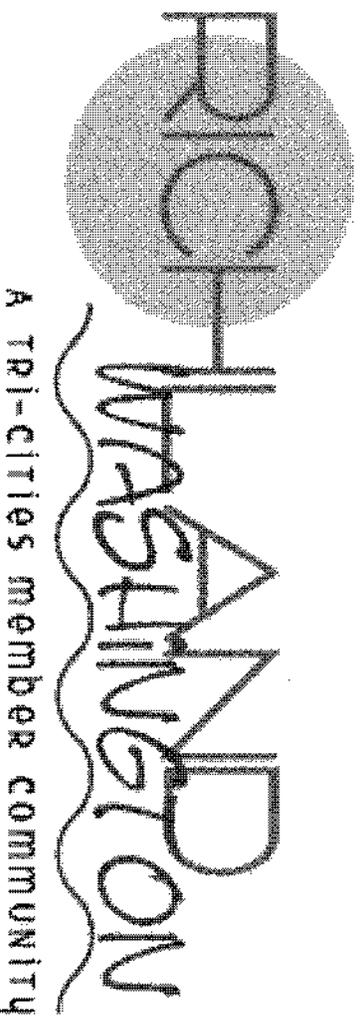
TRI-CITIES RESEARCH PARK



ECONOMIC DEVELOPMENT OFFICE

A Regional Branding Campaign

Image cities and organizations adopting a logo image as part of a regionalism commitment:



This is almost like the Better Business Bureau stamp of approval and pride

Taglines

We do not recommend that TRIDEC adopt a logo as part of its logo. Taglines seek to change the perception of a community, not the awareness of a community.

TRIDEC should primarily focus on changing the region's awareness, and use the content of public relations activities to change the awareness.

Unity of image across the Tri-Cities will have a stronger effect than a TRIDEC-adopted tagline.

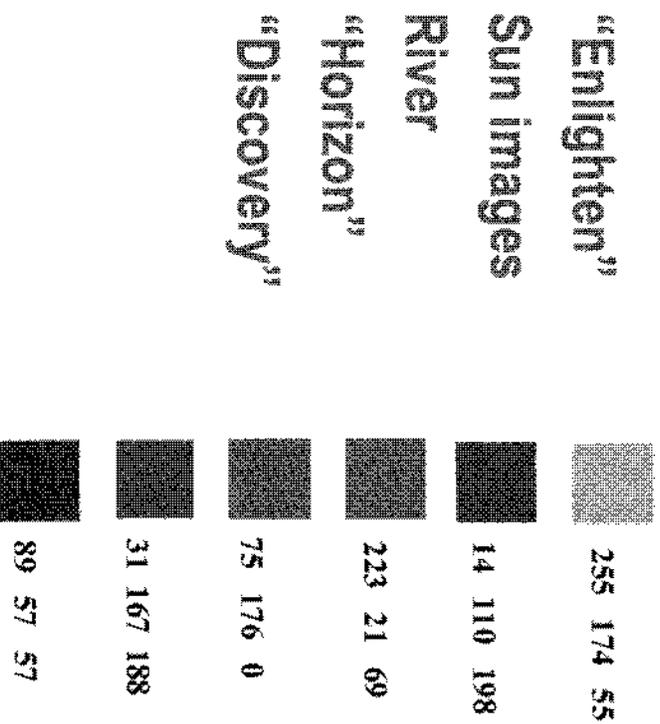
Any new tagline should be done in conjunction with the VCB, i.e. used by both orgs. Should be short and inspirational.

Brand themes

A brand is much more than a logo and tagline.

Branding requires the consistent adoption of themes in all marketing activities. Ideally, the entire Tri-Cities will adopt these themes and words:

Adoption of themes will have a greater impact than adoption of a TRIDEC tagline. In addition, use themes from the Research District marketing plan.



Internal Recommendations

Rally the troops:

1. Promote a regional brand to partner organizations
2. Promote the use of “Tri-Cities, Washington” in all collateral
 - Including PNNL
 - The Chamber
 - Even the newspaper
3. Build support for an expanded external branding/marketing campaign
 - We recommend expanded financial commitments by governments for technology marketing
4. Expand internal communication to partner organizations
 - Consider a monthly e.d. e-newsletter for internal distribution
5. Create a broader volunteer base to support your efforts

Internal Recommendations

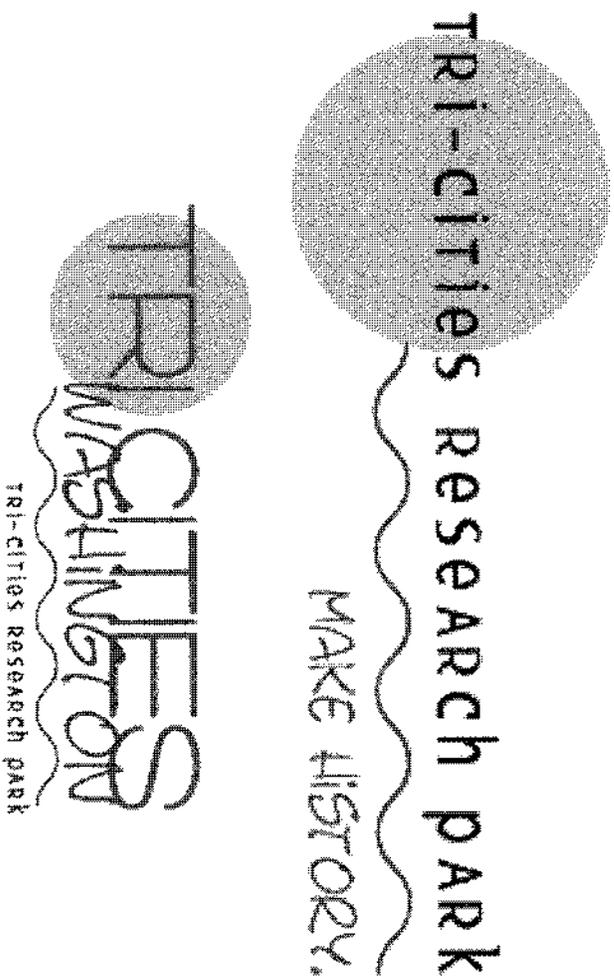
Find organizations to provide in-kind support to a future regional branding campaign.

You probably have the “creative” people in town to do this.

Who do we draw in?

The Research Park

AngelouEconomics recommends that the Tri-Cities Research Park adopt a logo similar to the one we're proposing to TRIDEC:



Key elements we recommend are: brighter colors, use of sun and river images, and simplicity

Website Recommendations

Modify, simplify, and update website

- 1. Fewer topic headers**
- 2. Create target audience pages**
- 3. Update one “News” section regularly**
- 4. 3-level hierarchy**
- 5. Consider Google Adwords**
- 6. Hire a search engine optimization consultant**
- 7. Use updated content to create an e-newsletter**
- 8. Purchase “pointer” domains to capture searches better**

E-newsletters

E-newsletters are a cost effective and creative mechanism for sharing news with a target audience.

- 1. Start quarterly**
- 2. Be your own journalists (push content)**
- 3. Use target company database**
- 4. Allow editors and contributors from community**
- 5. TRIDEC is master architect, but let others build**
- 6. Hire a PR consultant to be sure it happens**

Be a Content Generator

There is simply not enough information flowing out of the Tri-Cities about who you are and your accomplishments

1. **Solicit contributions from members and organizations**
2. **In-kind support for website and newsletter design**
3. **Challenge organizations to “place” advertisements in their industry magazines that profile the Tri-Cities in a positive way**
4. **Organize a TRIDEC Public Relations Council**
5. **Use MSU/CBC students to write content.**
6. **Work closely with proposed Content Committee for Research Park**
7. **Hire additional communications staff, leverage a partner staff, or hire a PR firm**

Public Relations Firm

- Typically cost \$5,000 to \$10,000 per month
- They get magazine articles written and placed.
- Also send out press releases to media on your behalf
- If not an option, hire another person with national PR experience
- Can help design and implement media tours

More External Marketing

- Leverage all tourism activities to market to business travellers
- Co-market with VCB
 - QOL, amenities, and business recruitment messages are all combined today
- Engage local companies in promoting the Tri-Cities
 - On their website
 - Through their employee recruitment
- Evaluate marketing missions priorities based on revised target list
- Not much collateral, minimal advertisement purchases is recommended

TRIDEC MARKETING PLAN

THANK YOU

Angelos G. Angelou
Chris Engle
John Warren

 **Angelou Economics**
technology-based economic development