

October 9, 2006

Carole Washburn
Executive Secretary
Washington Utilities & Transportation Committee
1300 South Evergreen Park Drive S.W.
Olympia, WA 98504-7250

Re: Docket Nos. TR-04664 and TR-050967

Dear Ms. Washburn:

Enclosed are an original and one copy of the City of Kennewick's Pre-Hearing Conference Disclosures. Also enclosed is an Affidavit of Mailing of the same to all parties of record.

Very truly yours,

JOHN S. ZIOBRO City Attorney

JSZ/bl

Enclosures

cc: Tom Cowan (with enclosures)

Brandon Johnson (with enclosures) Carolyn Larson (with enclosures) Jonathan Thompson (with enclosures) Kevin MacDougall (with enclosures)

| 1 | | 4. | John Deskins, City of Kennewick Traffic Engineer; |
|----|---------------|----------|--|
| 2 | | 5. | Dan Kaufman, City of Kennewick City Engineer; |
| 2 | | 6. | Wayne Short, Consultant, HDR Engineering, Inc.; |
| 3 | | 7. | Kurt Reichelt, Consultant, HDR Engineering, Inc. |
| 4 | В. | City' | s Exhibits. In addition to the exhibits attached to pre-filed testimony, |
| 5 | | | • |
| 6 | the City subn | nits the | following: |
| U | | 1. | Document No. UP 00016, TCR Meeting – 6/7/05 – Randy |
| 7 | | | Peterson; |
| 8 | | 2. | Document No. UP 00017-18, June 9, 2005, letter from Bailiff to Larson. |
| | | 3. | Document No. UP 00019-20, e-mail exchange between Jerry |
| 9 | | ٥. | Pinkepank to Warren Wilson, dated May 16, 2005; |
| 10 | | 4. | Document No. UP 00084, e-mail exchange between David E. |
| Ŭ | | | Peterson and Tom T. Ogee, Steve Berki, and copy to John Trumbull |
| 11 | | | and e-mail from Trumbull to various UP staff regarding |
| | | | Kennewick, Washington – Proposed Center Parkway; |
| 12 | | 5. | Document No. UP 00090, e-mail from John Miller to Robert |
| 13 | | | Gloodt dated 3/25/04; |
| | | 6. | UP 00172-00173, e-mail from Trumbull to Miller dated 10-19-01, |
| 14 | | | e-mail from Stephan to Miller dated 10-19-01 and e-mail from |
| | | | Miller to Trumbull dated 10-25-01; |
| 15 | | 7. | Center Parkway underpass conceptual estimate of additional costs, |
| 16 | | | prepared by City of Kennewick staff. |
| 16 | | 8. | Document No. COK 00033, City of Kennewick City Council |
| 17 | | | Agenda Item No. 2, dated August 27, 2002. |
| | | 9. | Document No. COK 00038 – 00040, letter dated October 23, 2000, |
| 18 | | | to Columbia Center Estates Home Owners from Scott Keller, Port |
| | | | of Benton, with attachments. |
| 19 | | 10. | Document No. COK 00176 – 00191, Rural Economic Vitality |
| 20 | | | Program Application for Funds. |
| Ĭ | | 11. | Page 1 of the City of Kennewick Transportation Improvement |
| 21 | | | Program from 2007 to 2012. |
| | | 12. | Document No. COK 00202, Page 1 of the City of Kennewick's Six- |
| 22 | | 4.0 | Year Transportation Improvement Program from 2006 to 2011. |
| 23 | | 13. | Document No. COK 00226, Page 1 of the City of Kennewick Six- |
| - | | 4.4 | Year Transportation Improvement Program from 2005 to 2010. |
| 24 | | 14. | Document No. COK 00227, Page 2 of the City of Kennewick Six- |
| ı | | 1.5 | Year Transportation Improvement Program from 2005 to 2010. |
| 25 | | 15. | Document No. COK 00283, Page 1 of the City of Kennewick Six- |
| ı | | | Year Transportation Improvement Program from 2004 to 2009. |
| 1 | | | |

25

TCRY Meeting - 6/7/05 - Randy Peterson

TCRY Proposal:

- TCRY supports relocation of UP/TCRY Interchange to Wallula
 - Improves Service by 1 Day
- Interested in Leasing UP line West of Hedges to Richland Jct.
- Willing to Switch UP's Kennewick traffic but wants to use UP's City Lead vs. BNSF Trackage Rights
- Interested in Leasing Port of Kennewick trackage
- TCRY wants UP's support on above.
 - Possibly an MOU covering Interchange & Lease with Interchange or both dependent on BNSF granting TCRY Operating Rights btw Villard & Wallula.
- If UP concurs with above, TCRY proposes following actions.
 - TCRY advise Cities that UP & TCRY have a "Deal In Principal".
 - TCRY suggest to Cities that they exercise whatever political muscle on BNSF to grant Operating Rights to TCRY between Villard & Wallula.
 - TCRY indicate to Cities that any TCRY cost differential between current & future UP/TCRY & BNSF/TCRY Interchange Operations Impacted by Cities Crossing Project & not made up by UP or BNSF will be Cities responsibility in exchange for TCRY support of the Crossing Project.

Pluses:

- Allows UP to eliminate PM Wallula-Richland Jct. Local
- Allows TCRY to seek funding for track rehab of line btw Hedges & Richland Jct
- Improves Richland/Kennewick Service by 1 Day

Minuses:

| 4 | Reduction | ìn | | traffic | revenue | contribution |
|---|-----------|----|--|---------|---------|--------------|
|---|-----------|----|--|---------|---------|--------------|

Joint Facility Recommendation: GO

-- 1

Short Line Recommendation:

John Rebensdorf Signoff:



SARAH W. BAILIFF Senior General Attorney BNSF Railway Company 2500 Lou Menk Drive AOB-3 Fort Worth, TX 76131

P.Q. Box 961039 Fort Worth, TX 76161-0039

Tel: 817-352-2354 Fax: 817-352-2397

E-mail: sarah.bailiff@bnsf.com

VIA email: <u>clarson@kilmerlaw.com</u> and registered mail

June 9, 2005

Carolyn L. Larson Kilmer, Voorhees & Laurick 732 N.W. 19th Avenue Portland, Oregon 97209

Re: Alternative interchange arrangements for Richland Jct., WA

Dear Ms. Larson:

Doug Werner forwarded your May 26 letter to me for response.

You indicated that UP identified two alternative interchange locations for UP (and specifically TCRY, on UP's behalf), one at Hedges and one at Wallula. You have suggested that reluctance to accede to UP's *preferred* alternative (Wallula) is not consistent with principles of good faith and fair dealing. We disagree with that characterization and feel some additional background from our perspective may be helpful here.

As you may be aware, due to past issues with TCRY, BNSF has avoided interaction with TCRY except to the extent absolutely necessary. We have been reluctant to discuss it openly or in any detail, since TCRY has threatened legal action on prior occasions. Nevertheless, since you have the impression that BNSF's reluctance appears arbitrary, we are compelled to provide some background. A prior incident of substantial misappropriation of BNSF property occurred. A criminal investigation was conducted but no indictment was brought, as it was concluded that the evidence was insufficient to sort out whether the misappropriation was a mistake as alleged by TCRY or was intended. Whether the misappropriation was a mistake or intended, BNSF believes the conduct was, at best, gross negligence, and at worst, criminal and fraudulent.

The UP/TCRY interchange at Hedges would take place on UP property and is certainly UP's prerogative. Further, I am advised that there is ample property in the Hedges area to accommodate movement of trains away from nearby residences, including some existing track to the southeast. Indeed, UP's insistence that Hedges is inadequate because of the existence of residences appears arbitrary from our perspective in view of the flexibility that location and surrounding area offers.

Accommodation of interchange at Wallula Jct. furthers the commercial interests of TCRY, and absent compelling motivation to do so, we are not inclined to facilitate that result in view of our past experience. Moreover, that would necessarily involve an increase in joint operation between BNSF and TCRY, an outcome we understandably wish to avoid. Finally, we believe

movement of interchange to Wallula may enhance UP's commercial position to the disadvantage of BNSF. Good faith and fair dealing does not mandate that we disadvantage our commercial position. Indeed, good faith and fair dealing, which applies to UP as well, would support the parties' reaching accommodation on an interchange which does not alter the commercial positions of the parties to any material degree. We submit that location should be in the vicinity of Hedges, an interchange location that UP has indicated is available and logistically and operationally feasible. While we are not unmindful of the need to avoid storing and operating refrigerated refers near residences, we believe that issue can be addressed with available infrastructure in the vicinity of Hedges.

As indicated, furthering relations with TCRY is not on our agenda. That said, it is true that Jerry Johnson had previously indicated we would be open to considering the possibility of an interchange at Wallula when that proposal was made in the broader context of another deal concerning a Colorado transaction, a deal which has since fallen through. So believe withholding consent for the Wallula interchange should be out of line with UP's expectations.

We acknowledge and appreciate that UP has accommodated joint operations with BNSF shortlines in other situations. UP has also previously withheld agreement to joint operation with a BNSF shortline where UP had concerns about the shortline entity or resulting commercial situation (e.g., Yolo Shortline). In the latter situation when the shoe was on the other foot, I daresay UP would not characterize its response as made in bad faith.

Also, you indicated UP did not receive a response from Mr. Pinkepank on the subject of Wallula. The response to Mr. Warren Wilson's question was not silence, but rather it was made in Jerry Pinkepank's reply of May 27, 2005. A copy of that email is attached for your reference.

Finally, we are not forcing UP to have to deal unnecessarily with involuntary crossing proceedings at Richland Junction. UP is, by its own choice. Movement of interchange to Hedges is easily and readily available to UP, whether that interchange relocation is established temporarily or permanently.

At this time, we are not inclined to support an interchange at Wallula for the reasons outlined. Hedges is a viable alternative and can be implemented promptly to avoid issues with Richland.

Sincerely,

Sarah Whitley Bailiff

SWB/gea Enclosure

Cc: Mr. W. Douglas Werner

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---- Original Message -----
From: "Jerry Pinkepank" <jerryp@home.uptime.org>
To: <WCWILSON@up.com>
Sent: Monday, May 16, 2005 8:15 AM
Subject: Re: Use of Track 1058, Kennewick, by TCRY
> Hi Warren,
> There is no change in the Wallula situation but we feel that if you
in
> the meantime to have TCRY do the other work between Hedges, Kennewick
and
> Richland, then you would need the Ash Grove access and there is no
reason
to
> delay that. This would also facilitate an interim solution for
getting out
> of Richland Jct (and as I cautioned, the interim could be permanent
as
> respects the Wallula issue).
> One thing we did in preparing what I have just sent you is that we
adjusted
> our plan not to request any use of UP trackage in Kennewick,
specifically
to
> avoid the issue of running reefers near houses. The old NP yard in
> alongside track 1058 does not have that problem due to the Baker
Produce
> buildings blocking sound to the north and nothing but commercial
buildings
> nearby on the south. Short of going to Wallula, UP could accomplish
this
> doing the TCRY-UP exchange at Hedges-Finley. I heard what was said
about
> Hedges yard and that is for you folks to judge, of course, but if
necessity
> presses, there is also a lot of UP track room on the "new" UP track
> 1976?) that leads down past Gunderson to Agrium Kerley (I am
becoming,
> without pre-intention, an expert on the history of track construction
> Finley). Again. of course that is for you folks to judge but I
mention it
in
> case it helps deal with the Richland Junction issue.
> Jerry Pinkepank
> ---- Original Message -----
> From: <WCWILSON@up.com>
> To: "Jerry Pinkepank" <jerryp@home.uptime.org>
> Sent: Monday, May 16, 2005 6:45 AM
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- 3

REDACTED



David E. Peterson 04/28/04 09:59 AM

To: Tom T. Ogee@UP, Steve W. Berki@UP

cc: John Trumbull

Subject: Kennewick, WA - Proposed Center Parkway

John advises he was not invited to the last couple of meetings, but it is his understanding that an impasse was reached and the City decided to resolve this issue by going the WUTC route. I personally am concerned about letting an administrative law judge determine if an at grade crossing can be installed. Furthermore, John advises the WUTC order will define who pays for improvement and who maintains them. Note, the City wants a "Silent" road crossings which sounds like they want it to meet the Quite Zone guidelines. I would prefer that the WUTC act as a facilitator to get the City & Railroad to re-open negotiations. Should this go to a hearing, I think we should secure an expert who could independently testify how this crossing would adversely impact our operations, provide alternatives that the City should have considered, or prove that the new of the roadway is not really needed.

Myrle Giershch lead the previous negotiations with the City. Who should be the lead for the Operating Department now that a filing with the WUTC occurred?

---- Forwarded by David E. Peterson on 04/28/2004 09:17 AM ----



John W. Trumbull 04/27/2004 12:38 PM To: John Rebensdorf@UP, George Sturm@UP, Myrle C. Giersch@UP, Kenneth H. Hunt@UP, John J. Miller@UP, Lloyd L. Leathers@UP, Danny J. Angel@UP

cc: David E. Peterson@UP

Subject: Kennewick, WA - Proposed Center Parkway

This regarding the ongoing negotiations with the City of Kennewick for a new at-grade road crossing at Richland Jct.

Since the Railroads and the City can not come to some understanding to relocate our interchange tracks at Richland Jct. The City has filed a petition with the Washington Utilities and Transportation Commission for a new at-grade "Silent" road crossing.

As you know, we cannot allow this crossing, account of the interchange tracks with the Tri-City Railroad would become useless and severely damage our operations on the Kalan Industrial lead.

The proposed petition requires the Railroad to begin further discussions with the City or pursue a hearing on the matter. If we go to a hearing, a Administrative Law Judge will determine if a crossing will be allowed.

Please let me know as soon as possible as to our next steps.

Thank you.

John J. Miller 03/25/04 08:37 AM

To: Robert J. Gloodt@UP

cc: John L. Hawkins@UP, Warren C. Wilson@UP, Myrle C. Giersch@UP,

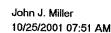
Ted J. Stenstrom@up

Subject: Revised Appraisal For Richland Jct. Interchange Tracks

Bob, as a follow-up to my telephone message we are having continuing discussions with the Cities of Kennewick and Richland over their desire to acquire property and extend Center Parkway from its intersection with Gage Boulevard in Kennewick north to Tapteal Drive in Richland. We are also receiving quite a bit of political pressure to reach some type of resolution. The problem is that the cities offer does not meet UP's requirement. UP's requirement is to receive sufficient amounts to cover the real estate value, pipeline encroachment, and replacement of the track capacity we would lose at Richland Jct. We initially thought we would get enough to help upgrade the track between Richland and Hedges but I think we were reaching a little bit.

You had provided the appraisal for the property at Richland Jct. under the assumption that we would be selling the entire 9.09 acres. Your appraisal ranged from \$1.168 million to \$2.970 million depending on highest and best use versus across the fence valuation. We are asking that you modify this scenario under the assumption that we would only sell enough property for the cities to construct the roadway connection. UP would retain the property on either side of this corridor for sale by Real Estate. We felt that theoretically our property adjacent to the road should increase in value with a new road. Please advise what the value would be for enough land to build the road connection and what you feel our remaining land would be worth. I recall that all of this land is non reversionary but you can confirm this. Also, please verify the value for the pipeline encroachment as I would like to ensure this is included in any negotiation.

There are a number of other factors involved with this issue that include the entire line between Richland Jct. and Walulla. The value of this strip is a key component in the economics. Please feel free to call me if you have any questions or if you see any problem in the revised scenario.



To:

John W. Trumbull@UP

CC:

Kenneth H. Hunt@UP, Rex Fennewald@UP, Lloyd L. Leathers@UP, Carl V. Long@UP, Steve W. Berki@UP, Warren C. Wilson@UP, Sam B. Hughes@UP, Doug A. O'Connor@UP, Dan J. McGregor@UP, Richard B. Peterson@UP

Subject:

Re: Kennewick, WA - Richland Jct. - Yakima Industrial Lead

John, here is my written response as a follow-up to our conversation. I have attached a note that I had sent to our Marketing people as well as a response from Bob Stephan in Joint Facilities. Sam Hughes and Doug O'Connor agree with both Bob and I in that we are strongly opposed to any changes to the current interchange arrangement at Richland Junction. Allowing the TCRY to go to Kennewick to interchange with UP and BNSF would put us at an extreme disadvantage to compete for the perishable and frozen business coming off the TCRY. Currently, we enjoy almost all of the business and we are growing business with the TCRY for a number of commodities. This business is expected to grow considerably and we would almost hand it over to the BNSF with this change. In addition, we will be moving a lot of The bottom line is that Marketing opposes any change and the city should put in an overpass if they want to extend the road.

Also, you had indicated the city was in contact with the BNSF with regard to this proposal. About a year ago, Bob Stephan was approached by the Port of Kennewick to let him know the BNSF was inspecting track in the area with the thought of having the TCRY do switching for them in Kennewick. At that time the General Manager of the TCRY was a former BNSF employee who was doing everything possible to disrupt our relations with the TCRY. Since that time this same individual is a full time consultant for BNSF and is trying to undermine UP's position with regard to going after

He has been a thorn in the side of both the tCRY and the Port of Benton officials. I only mention this as information that there may be other agendas involved behind the scenes in trying to relocate the interchange to Kennewick, as BNSF would benefit from this move. Our current interchange situation at Richland Jct. is ideal for UP's traffic. Please feel free to contact me if you have any questions.

Forwarded by John J. Miller on 10/25/2001 09:17 AM



Robert F. Stephan

10/19/2001 01:30 PM



To:

cc:

Warren C. Wilson@UP, Sam B. Hughes@UP, Doug A. O'Connor@UP, Dan J. McGregor@UP, Richard B. Peterson@UP

Subject:

Re: Kennewick, WA - Richland Jct. - Yakima Industrial Lead

With the competive nature of business in this area with the BNSF this would not be in our best intrest to put in a crossing at this location. This would also hamper our operations with the Tri Cities Railroad with regards to the interchange of traffic which is projected to grow in the near future . BNSF also interchanges traffic at Richland Jct on the siding with Tri Cities Railroad. Switching in the Kenewick Yard would put us at a competive disadvantage. Am opposed to the proposed street crossing at Richland Jct. John J. Miller

John J. Miller 10/19/2001 01:09 PM

To: CC:

Warren C. Wilson@UP, Robert F. Stephan@UP, Sam B. Hughes@UP, Doug A. O'Connor@UP, Dan J. McGregor@UP Richard B. Peterson@UP

Subject:

Kennewick, WA - Richland Jct. - Yakima Industrial Lead

As information. We need to discuss this item. I strongly oppose moving the TCRY interchange to Kennewick for competitive reasons. Having the TCRY go to Kennewick would allow them to interchange with BNSF at one of their mainline locations enroute to Pasco. Any train could pick up the interchange. Now they have to use a separate job to go to Richland Junction to do the TCRY interchange. Frankly, a BNSF car could be halfway to Chicago by the time UP has the car go through Wallula and on to Hinkle via the MSPHK. This is only an example as there is significant potential in other commodities. Randy Peterson of the TCRY is very much pro UP. However, this could change or another operator could take over. Once we give trackage rights they are gone forever. Please give me your thoughts on this matter. I recommend that we push to keep our tracks where they are. Let the city build an overpass. In actuality, the two tracks we now use at Richland Junction are ideally suited for our TCRY interchange.

To: cc: John J. Miller@UP

Kenneth H. Hunt@UP, Rex Fennewald@UP, Lloyd L. Leathers@UP, Carl V. Long@UP, Steve W. Berki@UP

Subject: Kennewick, WA - Richland Jct. - Yakima Industrial Lead

I have a request from the City of Kennewick to install a new Public road crossing near Richland Jct. Myself and Lloyd Leathers met at the site with the City. We told the City that the Railroad would oppose the new crossing because of switching problems at that location.

The City has requested the Railroad to look at moving its transfer and switching to the Kennewick Yards, approximately 5 miles away. We now interchange with the Tri-Cities Railroad at Richland Jct. This interchange could be moved to the Kennewick Yards. We would request that some of the yard tracks be rehabilitated to handle the additional car loads. The Union Pacific would no longer need to operate to Richland Jct., and we could lease or sell that part of the Yakima Industrial Lead to the Tri-Cities Railroad.

This would make it more feasible for the City to construct its new at-grade crossing, the UP would not access the new crossing area and the Railroad would not longer need to maintain that portion for the Industrial Lead track...

I am sending to you a letter from the City's consultant with their request. If you have any questions, you can call me at 872-1809.

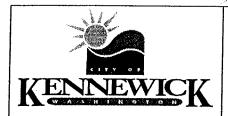
Thank you.

CENTER PARKWAY UNDERPASS CONCEPTUAL ESTIMATE OF ADDITIONAL COSTS

| | UNIT | QUANTITY | | UNIT PRICE | TOTAL | |
|---|------|----------|----|--------------|-------|--------------|
| MAIN STREET | | | | | | |
| Additional Mobilization | LS | 1 | \$ | 500,000.00 | \$ | 500,000.00 |
| Additional Construction Surveying | LS | 1 | \$ | 35,000.00 | \$ | 35,000.00 |
| Removal Structures and Obstructions | LS | 1 | \$ | 50,000.00 | \$ | 50,000.00 |
| Roadway Excavation Includ. Haul | CY | 42,400 | \$ | 7.50 | \$ | 318,000.00 |
| Additional Traffic Control | LS | 1 | \$ | 25,000.00 | \$ | 25,000.00 |
| Crushed Surfacing | TON | 3700 | \$ | 11.00 | \$ | 40,700.00 |
| Structure Exc. Class A | CY | 21,200 | \$ | 15.00 | \$ | 318,000.00 |
| Retaining Walls | SF | 38,180 | \$ | 55.00 | \$ | 2,099,900.00 |
| Shoring For Retaining Walls | SF | 38,180 | \$ | 30.00 | \$ | 1,145,400.00 |
| Chain Link Fencing | LF | 2,600 | \$ | 15.00 | \$ | 39,000.00 |
| Sewer reconstruction (new lift station) | LS | 1 | \$ | 1,000,000.00 | \$ | 1,000,000.00 |
| Water system reconstruction | LS | 1 | \$ | 100,000.00 | \$ | 100,000.00 |
| Additional right-of-way/easements | LS | 1 | \$ | 100,000.00 | \$ | 100,000.00 |
| Replace Grounding Grid | LS | 1 | \$ | 50,000.00 | \$ | 50,000.00 |
| SUBTOTAL STREET | | | | | \$ | 5,821,000.00 |

| RAILROAD | | 1 | | |
|-----------------------------|--------------------|-------|--------------------|----------------------|
| Mobilization | LS | 1 | \$ 120,000.00 | \$ 120,000.00 |
| Subballast (Br. App.) | TON | 1,400 | \$ 8.50 | \$ 11,900.00 |
| Ballast | TON | 1,900 | \$ 10.50 | \$ 19,950.00 |
| Bridge Track | TF | 300 | \$ 135.00 | \$ 40,500.00 |
| Structure (4-Tracks)(75X20) | SF | 6000 | \$ 280.00 | \$ 1,680,000.00 |
| Temporary Signal | EΑ | 2 | \$ 100,000.00 | \$ 200,000.00 |
| R/R Flagging | DAY | 180 | \$ 500.00 | \$ 90,000.00 |
| Eliminated Crossings | EA | 2 | \$ (500,000.00) | \$ (1,000,000.00) |
| SUBTOTAL RAIL | \$ 1,162,350.00 | | | |

| ESTIMATED COST SUMMARY | | | | | | | | |
|--------------------------------|----|--------------|--|--|--|--|--|--|
| TOTAL- STREET | \$ | 5,821,000.00 | | | | | | |
| RAILROAD | \$ | 1,162,350.00 | | | | | | |
| TOTAL EST. CONSTRUCTION | \$ | 6,983,350.00 | | | | | | |
| CONTINGENCIES @ 10% | | 698,335.00 | | | | | | |
| PRELIMINARY ENGINEERING @ 15% | \$ | 1,047,502.50 | | | | | | |
| CONSTRUCTION ENGINEERING @ 10% | | 698,335.00 | | | | | | |
| TOTAL EST. ADD'L PROJECT COST | \$ | 9,427,522.50 | | | | | | |



| PUBLIC | INV. |
|--------|------|
| | |

| WORKSHOP AGENDA ITEM NO.: 2 |
|---------------------------------------|
| MEETING DATE: August 27, 2002 |
| SUBJECT: Center Parkway Extension Pro |

SUBJECT: Center Parkway Extension Project
Prepared by: Robert R. Hammond, Public Works Director

Through:

Approved by: Robert M. Kelly, City Manager

| INFO ONLY | x > |
|---------------|-----|
| POLICY REVIEW | |
| POLICY DEVMNT | |
| OTHER | |
| | |

Summary:

The attached site map shows the general configuration for a project involving both Kennewick and Richland to extend Center Parkway between Gage Blvd (in Kennewick) and Tapteal Ave (in Richland). This project is in both cities' current budgets for design and construction and is primarily funded by a federal Rural Economic Vitality (REV) grant.

SCM Consultants Inc. has conducted a preliminary design study as the first phase of design for this project and has recommended a preferred alternative route. The Executive Summary of the SCM Design Report for this project is attached. At the August 27 Council Workshop, SCM representatives will summarize the work to date, identifying the three alternative routes evaluated and explain the basis behind their recommendation for the preferred alternative.

Construction of the street using this preferred alternative will result in needing to relocate three businesses (Mail by the Mall, McCoy Distributing & McCoy Recording), which are currently located in one building, in addition to securing several other pieces of right of way. Before finalizing the environmental permitting, acquiring right of way, finalizing design and commencing construction, staff wishes to check in with Council for direction.

Staff continues to hear strong interest in the project from the business community both in Kennewick and Richland and also has heard strong opposition from Mail by the Mall ownership. Staff proposes that a public hearing date be set for all interested parties to provide testimony as they see fit to Council regarding this project in general and specifically the issue regarding Council's consideration of the preferred alternative.

Attachments: Site Map

Executive Summary



3100 George Washington Way Richland, Washington 99352 (509) 375-3060 FAX (509) 375-5287

October 23, 2000

Columbia Center Estates Homeowners c/o John Crockett 8409 W. Canyon Avenue Kennewick, Washington 99336

Subject:

Rail activity at Richland Junction

Dear John,

The Port of Benton is working with Tri-City Railroad Company (TCRC) to address the issue of noise from railroad cars spotted in the proximity of your neighborhood. This site is where the Port of Benton track connects to the Union Pacific Railroad track.

The Port has contracted with TCRC to operate and maintain the track owned by the Port. TCRC does not have rights to use the Union Pacific tracks from the junction to Kennewick; therefore, when TCRC delivers cars from Richland, they must leave them at the junction to be picked up by Burlington Northern. The noise problems arise when the refrigeration units on the cars must be kept running in order to keep the contents frozen.

Tri-City Railroad Company is working with the major carriers to coordinate deliveries in order to reduce the time the cars sit at this location. The Port of Benton believes TCRC is making every effort to address these noise problems.

For the longer term, TCRC is seeking agreements with Union Pacific Railroad and Burlington Northern, which will eliminate the need to locate cars at this junction, except on a limited basis. It will take some additional time for these efforts to bear fruit. All parties are working in good faith to quickly finalize agreements.

The Port of Benton appreciates your understanding and patience.

Singerely,

Scott D. Keller

Assistant Executive Director

c: Port Commission and Counsel

John Haakenson, TCRC

PETITION TO REMOVE BOX CARS AND TANKERS AT COLUMBIA CENTER ESTATES

The following residents of Columbia Center Estates are petitioning the REMOVAL of the box cars and tankers that has been placed next to our property for the last three weeks. Also that the SPUR is NEVER used again for the storage of these cars and tankers.

This SPUR has NOT been used for over 6 1/2 years and now it is used EVERY NIGHT. We have never complained about the track being used for a train to go through, but when cars and tankers are placed on the SPUR the NOISE IS DEAFENING, as well as a definite deciding factor for homes to be bought and/or sold in this area. In other words OUR REAL ESTATE PROPERTY IS GREATLY REDUCED.

Submitted by John R. Crockett July Crockett 10/28/98

Marie L. Crockett Maxie L. Croclett 10/28/98

Ken

I recomment that one of the following methods

be applied to usure the Spur line is not resert:

1. Install roid Stops to both eneloof Spur line.

2. Remove Spur line Switching units.

3. Remove Spur line

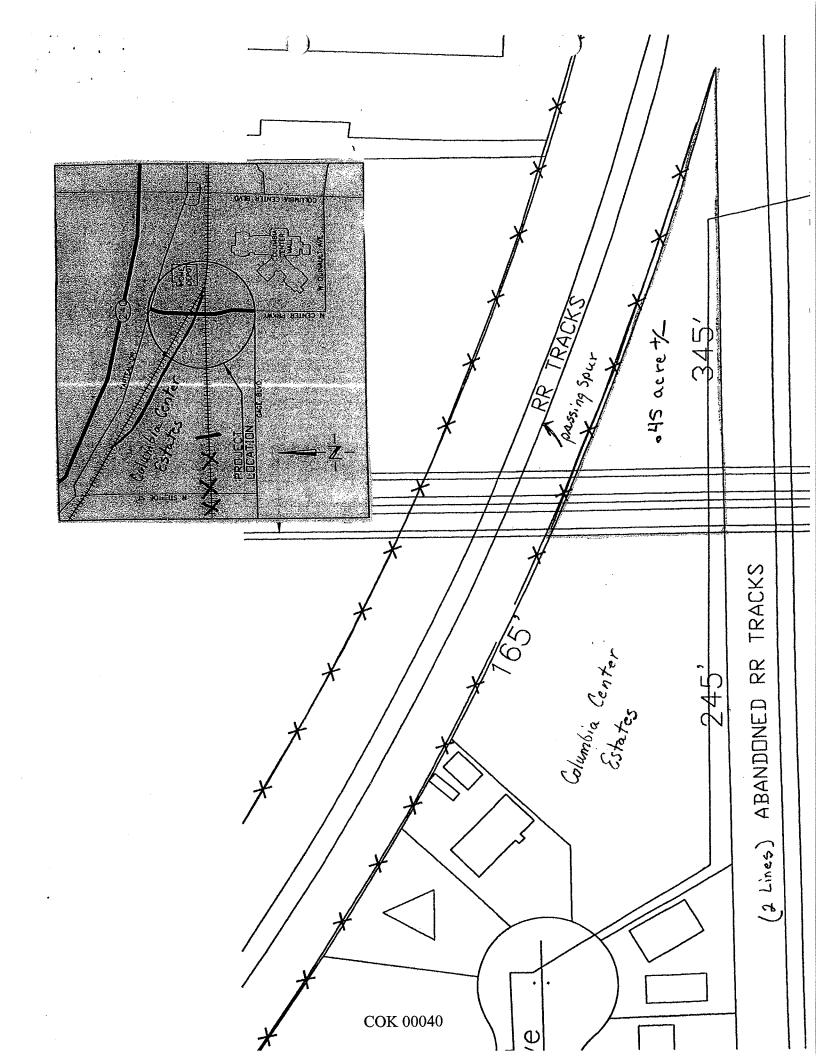
If add it would Spur lines are needed in the

future expansion of the 1100 area and Horn Ropeils

future expansion of the 1100 area and Horn Ropeils

area they should be installed in those areas.

COK 00039



APPLICANT INFORMATION

RURAL ECONOMIC VITALITY (REV) PROGRAM APPLICATION

The REV Program supports improvements to transportation systems that foster economic development in designated rural counties and community empowerment zones. The goal is to create economic opportunity through transportation investment. The program is a partnership between WSDOT and the Washington State Community Economic Revitalization Board.

| Applicant: | | City of Kennewick | | | | |
|----------------------------|------|--|-------------------------------------|-------------|--------------|-------------|
| Contact Na | ame: | Ken Nelson | | | | |
| Address: | | PO Box 6108 | | | | |
| Address: | | 210 W. 6 th Ave. | | 1 17 7 . 1 | | |
| City: | | Kennewick | WA Zip: | 99336 | | |
| Telephone | : | 509 585-4252 | FAX: | 509 585-4 | 451 | |
| E-mail Add | ress | ken-nelson@ci.kennewick.wa.us | | | | |
| Project Loc | atio | | Jurisdiction F | Population: | 51,690 | 5 |
| Project Titl | e: | Gage Blvd. and Center Parkway exten | 1500 2,016,00 | 0 | | |
| Termini: | | Gage Blvd. – Leslie to Center Parkwa | | | | |
| Functional Classificati | | Arterial ☑ 3459 | Major Collec | | | |
| Ciassilicati | on: | | | . 4 | | |
| APPLICA | ATI | ON THRESHOLDS | 2,380 | ,24 | | |
| Applicant | Re | quirement: | | WSDO | T (Only) | CERB (Only) |
| Check-off: | | | | Check | -off: | Check-off: |
| Ø | 1. | The project is improvement to a transport linked to economic development. | tation system(s) | | | |
| 团 | 2. | A detailed 8 ½ X 11" vicinity map that clea | | | | * |
| 1-37 | _ | project is included in the application pack | • | | | |
| Ø | 3. | The project is located in a designated Rul Urban Community Empowerment Zone (s and #2). | | 1 | | |
| Ø | 4. | Regional WSDOT has given Conceptual A Attachment #3). | Approval (see | | | |
| | 5. | The project includes construction. | | | | |
| Ø | 6. | REV funds are not being substituted for or already secured. | other funds that a | ire | | |
| Ø | 7. | The project involves traditional improvem "non-traditional" improvements eligible for funding (see Attachment #4). | nents, instead of or "Enhancemen | | | |
| Ø | 8. | Applicant has submitted only one applica | tion this round. | | | |
| Ø | 9. | A "Self-Certification of GMA Compliance" application package (see Attachment #5). | is included in th | | | |
| Ø | 10. | The local/regional economic development been informed of the project. | t organization ha | c C | OK 00176 | |

PROJECT BUDGET

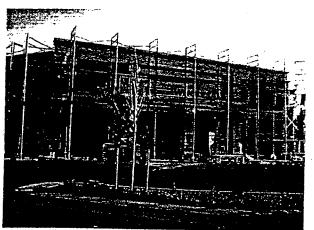
the funding is committed or make a check in the "P" column if a commitment is pending. Include all costs associated with the project, not just the REV request. Clearly identify the uses of all funds; i.e., show how much funding from each funding source is planned for expenditure during each Clearly identify the source(s) of all funds; i.e., provide the name of all funding programs. For each source listed, make a check in the "C" column i Note: A minimum 13.5% non-federal match is required for each phase. Use space at the bottom of the page for any notes or explanations. project phase. In the shaded area of the chart, total each column and calculate the REV matching ratio for each phase of the project.

PROJECT NARRATIVE

1. Project Description: Describe the scope of work. Indicate the major work involved, including a brief comparison of existing and proposed conditions.

Gage Blvd. is located on the west side of Columbia Center Mall in one of the quickest growing commercial areas This project would complete improvements to Gage Blvd. from Leslie in Richland to Center Parkway in Kennewick. This rapidly developing area has seen increased traffic and development with the completion of Steptoe and the new construction in the Columbia Center area. With the increasing traffic and lack of existing pedestrian and bicycle facilities, this project is needed to enhance multimodal access. Some of the new projects under construction in the area include the largest Costco (150,000 + sf) in North America and Carmike's 12 plex





theatre complex. The Costco complex includes gas pumps and tire shop and the traffic that comes with it. Surrounding pad sites are being taken up by banks and restaurants. The project would provide for storm drainage and signalization at key intersections in addition to road widening and an intertie with Tapteal running behind Columbia Center. This would relieve pressure on Quinault at Columbia Center Blvd. and improve circulation around the Mall.

Explain the specific transportation issues the project addresses and how they are linked to economic development improvements.

The project is consistent with the MPO's Metropolitan Transportation Plan and supports the goals of the GMA Transportation Element for the community. The project has the widespread support of the City of Kennewick and the City of Richland and other agencies in their efforts to maintain the viability of the Columbia Center area. This area is a major supplier of sales tax revenue, and light industrial to medical employment to both the City of Kennewick and the City of Richland and its importance to the local economies cannot be overstated. Improving the connection between Richland and Kennewick and providing facilities that will maintain the economic impetus for continued investment in this area, is of prime importance.

| 3. | Preliminary Engineering Phase: | |
|----|--------------------------------|---------------------|
| | Estimated Start Date: | Estimated End Date: |

Please explain phase status (work already completed, in progress, awaiting funding, etc., and factors that may slow phase progress).

COK 00178

Preliminary design of the alignment for the Center Parkway extension have been completed. Right of way widths and design alignment for Gage Blvd. is complete. 4. Right of Way Phase: Is It Required? Yes X No ____ Estimated Start Date: _____ Estimated End Date: _____ Please explain phase status (work already completed, in progress, awaiting funding, etc., and factors that may slow phase progress). Approx 5. Construction Phase: Estimated Start Date: _____ Estimated End Date: _____ Please explain phase status (work already completed, in progress, awaiting funding, etc., and factors that may slow phase progress). 6. Indicate if the project is consistent with the following applicable state, regional and local plans and prioritization processes: **Overall Economic Development Plan** \square Comprehensive Land Use Plan \square **Capital Facility Plan** Community Action Plan (or other community-based plan) **County WA-CERT list** $\overline{\mathbf{Q}}$ Six-Year Transportation Improvement Plan Site-specific development plans; e.g., Port Master Plan

 \square

7. Explain how this transportation project has been coordinated, or will be coordinated with other jurisdictions, such as counties, cities, state/federal agencies, and with lead county or regional economic development organizations during planning, design, financing, construction and/or operation phases.

This is truly a cooperative transportation project involving several local governmental agencies. The project has been on the agenda at both city councils meetings and was included in the Six Year TIPs process and has gone through public hearing processes with the local MPO and with the local agencies. The project was reviewed at public Port Commission, Transit Board, School Board, and Irrigation District board meetings as well. The city routinely has public involvement processes as part of their projects and maintains good relations with their citizens as they result. This process can consist of anything from a citizen's advisory committee to a neighborhood meeting. We have found this to be of great value in the planning of our projects. The City of Kennewick and the City of Richland utilize their web sites for citizen input as well.

8. Explain how the transportation project will help meet the economic development goals of your community and/or region. If this project is not done, will the anticipated private development still take place?

Current viewpoint has been expressed as request for improvements on this section of roadway. Articles mentioning the project have appeared in the local newsmedia. It is expected as many as 70 people would work on the project during its construction and the continued viability of the Columbia Center region as a retail commercial, light industrial, warehousing area is dependent on keeping the improved access to this facility. With all of the new development that is occurring on the west side of Columbia Center and in the Tapteal area, these improvements only become more important. This is the prime retail, commercial, and light industrial complex in the Tri Cities. Mitigation of the congestion problems will ensure its continued viability. Forecasts for the adjacent Vista Light Industrial Complex show economic development adding 200 or more jobs to an economy hard hit by 5800 Hanford Project layoffs. The Columbia Center area is a major employer in the City of Kennewick and it is important that facilities such as these can rely on the efficiency of the transportation network. Agricultural leaders such as Lamb Weston have based their worldwide offices in this corridor. Maintaining the transportation infrastructure to this region is very important. The Columbia Center and Vista Field complex is a key in local economic diversification efforts, its importance to the economy of the Tri Cities cannot be overstated. Costco anticipates that their business will increase 25% as a result of the expansion and therefore increase their employment. The Carmike Cinema is a new facility, and the businesses locating in the area include Veterinary clinics, medical clinics, restaurants, laser eye surgery clinics. There existing store is not expected to remain on the market long with its prime location. . Over the past few years there has been a substantial amount of development in the Columbia Center corridor. Approximately \$20 million was invested in 34 Commercial / Industrial and public projects. Approximately \$ 10.5 million was invested in 10 Medical facilities in the corridor. Approximately \$7.3 million was invested in 16 motel/restaurant facilities. Approximately \$19.3 million was invested in 17 retail projects and an additional \$9 million was invested in residential development. For a total of approximately \$66.1 million in investments. This does not include the costs of public infrastructure improvements.

This project supports effort to maintain or improve the level of economic activity occurring in the Columbia Center region. This area is very important to the local economy and is the economic engine that provides much of Kennewick and Richland's sales tax revenues that support public infrastructure, services and facilities. Some of the local employers affected by this project would be Falcon Cable – 100; JC Pennys – 280; Stavely Instruments – 103; The Bon Marche – 120, Cadwell Laboratories – 85, Wal Mart – 275; Target – 180; Eagle Hardware – 125; Sears – 160; Costco – 83; K-Mart – 100; Shopko – 129; Cavanaughs Hotel – 150; United Parcel Service – 50; and many other businesses in the vicinity.

9. Describe any feasibility or predevelopment studies that demonstrate the linkage between the proposed REV transportation improvements and the anticipated economic outcomes.

Substantial market research has been done by D & C Ventures and Robert Young and Assoc. The prospects for continued development are greatly enhanced by the construction of these improvements. There is a strong concern that without the improvements serious Lamb Weston's corporate headquarters are located in Kennewick on Gage Blvd., they are currently planning an expansion of the headquarters. They have expressed concern about the growing traffic in the region especially with the soon to be completed Costco Store adjacent to their headquarters. Lamb Weston is a major supplier of frozen potato products around the world, with eleven plants in the United States (four in Washington) and processing facilities in Europe and Turkey, and more than 5000 employees worldwide. Their global distribution system provides service to domestic and international markets including Europe, Asia, the Pacific Rim, the Middle East, South America, and Canada.

10. Indicate if other needed infrastructure (e.g., sewer, water, power) is in place or if there is a plan for getting it in place.

The needed infrastructure is in place (water, sewer, power). The utilities involved would construct any needed improvements to the infrastructure as a part of the project (paid for by the utilities).

11. Is the primary purpose of this project freight mobility? If yes, does this project improve freight mobility for a specific business(es) or site(s)?

While not primarily a freight mobility project, it will impact the network surrounding the Columbia Center and Vista Light Industrial Park. The United Parcel Service has approximately 4,400 truck trailers and 360 aircraft flights per year going through their regional facility located near the FBO site at Vista Field. Many of these trucks use this route to connect to Richland. This is a major route for Hanford commuters and local employers.

Submit the original application and two copies to:

(See Attachment #6 for the region near you.)

ANTICIPATED ECONOMIC OUTCOMES

Use the table below to identify the anticipated economic development outcomes of the project. Reproduce the table as needed for additional

- Column A—Provide the names of businesses that will demonstrate direct job impacts.
- Column B—Identify the type of each business listed; i.e., commercial, manufacturing, industrial, tourism, recreation, agricultural. Column C—Type "yes" or "no" if the business will expand operations as a result of the REV transportation improvement.
 - Column D—Estimated amount of new private capital investment resulting from proposed REV transportation improvements.
- Column E-Identify the number of existing Full Time Equivalent (FTE) jobs. Calculate seasonal or part-time employees as full-time
- Column F-Identify the estimated number of retained jobs (in FTEs) associated with the proposed REV transportation improvements. NOTE: Retained jobs are defined as jobs that would otherwise be lost to the state as a whole, not merely the community in which the jobs currently
- Column G—Identify the estimated number of new jobs to be created (in FTEs) within the next one to three years as a result of the proposed REV project.
 - Column H-Identify the estimated number of new future jobs to be created (in FTEs) within the next 3+ years as a result of the proposed REV
- Column I—Identify the range of hourly wage rates associated with estimated retained, new, and future jobs. Include the lowest hourly rate and the highest hourly rate projected; e.g., \$8-10.
 - REV transportation improvements. Include sales, property and B&O tax revenue. Note the basis for your calculation at the bottom of the page. Column J-Provide an estimate of new state and local tax revenue generated by expanded business operations that are linked to the proposed

| J Estimated Tax | Hevenue & |) | · • • | • U | ÷ 41 | → | · 6 |
|-----------------------------------|---------------|---------------|----------|----------------|-----------------|----------|------------|
| Est. Wage | naie e | | | • | | | |
| H Future Jobs | 5+ y18 | | | | | | |
| G New Jobs | 2 | | | | | | |
| F Retained Jobs | | | | | | | |
| E Existing Jobs | | | | | | | |
| D Estimated Private Invest. | (A | () | - • | ↔ | · co | €9- | ↔ |
| C Expand | | | | | | | |
| B Business Type | | | | | | | |
| A Business Name | | | | | | | TOTAL |
| | 7 | 7 | က် | 4. | ຸນ | 6. | |

BUSINESS CONTACTS

For each business referenced on the previous table, please provide the corresponding contact information, including business name, contact

Business Name:

Contact Name:

Address: Address:

Business Name:

Contact Name:

Address:

Address:

Telephone:

Business Name:

Contact Name:

Address:

Address:

Business Name:

Telephone:

Contact Name:

Address:

Address:

Telephone:

Business Name:

Business Name:

Telephone:

Contact Name:

Telephone:

Address:

Address:

Contact Name:

Address:

Address:

Telephone:

COK 00184

-Rural Counties (Ordered By Population Density)

| Rural Counties— Less Than 100 People Per Square Mile | 1996 Population | Land Area In Square Miles | Density/Square Mile |
|--|-----------------|------------------------------|---------------------|
| Cowlitz | 93,100 | 1,139 | 81.74 |
| Benton | 137,500 | 1,703 | 80.74 |
| Whatcom | 157,500 | 2,120 | 74.29 |
| San Juan | 12,600 | 175 | 72.00 |
| Rural Counties— Less Than 60 People Per Square Mile | 1996 Population | Land Area In Square Miles | Density/Square Mile |
| Skagit | 98,700 | 1,735 | 56.89 |
| Mason | 48,300 | 961 | 50.26 |
| Yakima | 210,000 | 4,296 | 49.00 |
| Walla Walla | 54,000 | 1,271 | 42.96 |
| Clallam | 66,700 | 1,745 | 38.22 |
| Franklin | 44,000 | 1,242 | 35.75 |
| Grays Harbor | 67.900 | 1,917 | 35.42 |
| Asotin | 20,000 | 636 | 31.45 |
| Lewis | 68,600 | 2,408 | 28.49 |
| Grant | 69,400 | 2,676 | 25.93 |
| Pacific | 21,500 | 975 | 22.05 |
| Chelan | 62,600 | 2,922 | 21.42 |
| Whitman | 41,400 | 2,159 | 19.18 |
| Douglas | 31,400 | 2,159 | 17.24 |
| Stevens | 37,600 | 2,478 | 15.17 |
| Wahkiakum | 3,900 | 264 | 14.77 |
| Jefferson | 26,500 | 1,809 | 14.65 |
| Kittitas | 31,400 | 2,297 | 13.67 |
| Klickitat | 19,100 | 1,873 | 10.20 |
| Adams | 15,900 | 1,925 | 8.26 |
| Pend Oreille | 11,200 | 1,401 | 7.99 |
| Okanogan | 38,400 | 5,268 | 7.29 |
| Skamania | 9,900 | 1,657 | 5.97 |
| Columbia | 4,200 | 869 | 4.83 |
| Lincoln | 10,000 | 2,311 | 4.33 |
| Garfield | 2,400 | 711 | 3.38 |
| Ferry | 7,300 | 2,204 | 3.31 |

Source: Office of Financial Management

Urban Community Empowerment Zones

CEZ

ELIGIBLE 1990 CENSUS TRACT ZONES

Yakima

1, 2, 3, 6, 7, 11, 12, 15

Bremerton

813

Tacoma

602, 613, 614, 616.01, 616.02, 617, 621, 622

White Center

265, 266, 268

Seattle

77, 79, 85 through 95, 99 through 104, 107 through 114, 117, 118, 119

ATTACHMENT #2 (continued)

Urban Community Empowerment Zone Contacts

CITY OF YAKIMA

Bill Cook Community Economic Development Director 129 N 2nd Street Yakima, WA 98901 (509) 575-6113

CITY OF TACOMA

Donald D. Hines
Program Development Administrator
Community Development Department
City of Tacoma
Tacoma Municipal Building
747 Market Street, Suite 900
Tacoma, WA 98402

Shirl Gilbert
Executive Director
Tacoma Empowerment Consortium
1101 Pacific Avenue
Tacoma, WA 98402
(235) 274-1288

CITY OF BREMERTON

Lynn Horton Mayor City of Bremerton 239 Fourth Street Bremerton, WA 98337 (360) 478-5266

CITY OF SEATTLE

Ben Wolters
Senior Community Development Specialist
Office of Economic Development
City of Seattle
Seattle Municipal Building
600 Fourth Avenue, Room 205
Seattle, WA 98104-8591
(206) 684-8591

KING COUNTY (White Center)

Eric Jensen
Community Development Specialist
Housing & Community Development Program
Key Tower Building
700 Fifth Avenue, Suite 3700
Seattle, WA 98104
(206) 296-8696

Applicant Certification

| Certification is hereby given that the information provided and included as part of the application package. | I is accurate and the applicable attachments are complete |
|--|---|
| I certify that application thresholds are met at the time of | application. |
| Signature of Official Representative | Date |
| | ing Agency n Acceptance (CA) Status) |
| Signature of CA Agency Representative | Date |
| Typed or Printed Name | Date |
| The organization's representative. | opment Organization Notification n of this project as demonstrated by the signature of |
| Name of Organization | |
| Signature of Representative | Date |
| WSDOT Conce | eptual Approval |
| Approval of the project feasibility, scope and estimate | d costs. |
| Signature of WSDOT Representative | Date |
| Typed or Printed Name | _ |

Transportation Enhancement Activities *

- · Provision of facilities for pedestrians and bicycles
- · Acquisition of scenic easements and scenic or historic sites
- Scenic or historic highway programs (including the provision of tourist welcome center facilities)
- Landscaping and other scenic beautification (stand alone)
- Historic preservation
- Rehabilitation and operation of historic transportation buildings, structures, or facilities (including historic railroad facilities and canals)
- Preservation of abandoned railway corridors (including conversion and use thereof for pedestrian or bicycle trails)
- · Control or removal of outdoor advertising
- Archaeological planning and research
- Environmental mitigation to address water pollution due to highway runoff or reduce vehiclecaused wildlife mortality while maintaining habitat connectivity
- Provision of safety and educational activities for pedestrians and bicyclists
- Establishment of transportation museums

* These activities are not considered "traditional" transportation projects. Therefore, they are not eligible as stand alone REV projects.

WSDOT REV & CERB PROGRAM SELF CERTIFICATION OF GMA COMPLIANCE

Applicants for CERB or WSDOT REV public facilities construction project funding that are not planning jurisdictions MUST forward this self-certification to the appropriate local government* for completion; i.e., the governmental entity with planning jurisdiction over the project site.

| the governmental entity with planning jurisdiction over the project site. Name of Project: | | | | |
|---|---|---|--|--|
| | | | | |
| | (Name of L | .ocal Government*) | | |
| Check all that apply | Certifications | ertifications | | |
| | Is <u>not</u> required to p | plan under the Growth Management Act (RCW 36.70A.040). | | |
| 团 | Is required to plan | under the Growth Management Act (RCW 36.70A.040.) | | |
| Ø | Has adopted a comprehensive plan and development regulations within the time periods specified in RCW 36.70A. | | | |
| | Failed to adopt a comprehensive plan and development regulations within the time periods specified in RCW 36.70A.040 but did adopt them before submitting this grant/loan request | | | |
| | development regul more than six mon | substantial progress toward adopting a comprehensive plan or ations within the time periods specified in RCW 36.70A. (<i>A jurisdiction ths out of compliance with the time periods specified will not be a demonstrated substantial progress.</i>) | | |
| Ø | It is in compliance | ance with the Growth Management Act. | | |
| Ø | Has not received a Finding of Non-Compliance (RCW 36.70A.330) or an Invalidity Order (RCW 36.70A.320) issued by a Growth Management Hearings Board. | | | |
| l certify the at | oove information is | true and correct to the best of my belief and knowledge. | | |
| | Signed | | | |
| | Name | Ken Nelson | | |
| | Title | Administrative Office Manager | | |
| | Date | 1/07/2000 | | |