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May 31, 2011

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

Dear Matt:

As you know, TRIDEC along with the City of Richland, the Port of Benton and Benton County have been working together in preparation to formally request a transfer of DOE land to the community. The site we are requesting is approximately 1,341 acres located along the southern boundary of the Hanford site. The attached proposal to transfer Tract 1 is being submitted by TRIDEC, which is identified as the recognized DOE Community Reuse Organization (CRO) under 10 CFR 770. We plan to use TRIDEC's wholly owned subsidiary, the Tri-Cities Asset Reinvestment Company (TARC), as the transfer entity. As you know, TARC was set up to receive personal and real property from DOE.

The Tri-Cities community and the Department of Energy have had a long standing and successful history of transferring property for economic development purposes. The first instance of course was the transfer of the City of Richland from the Atomic Energy Commission (AEC) in 1958. Several subsequent transfers have been made all resulting in significant economic growth to the area and the creation of job opportunities for area residents.

As you are well aware, significant progress has been made in cleanup of the Hanford site and as a result the community is facing a period during the next few years where there will likely be major reductions in the Hanford workforce. The first of these reductions is scheduled to occur later this year and could result in as many as 2,000 jobs lost as ARRA funding is discontinued. As work on the river corridor and PFP is completed, the community will see additional job losses and as we look towards startup of the waste treatment plant, the employment trend line for Hanford will continue downward. TRIDEC intends this to be the first of several requests which will help offset future Hanford staff reductions.

Certainly we believe that one of the opportunities available to the Tri-Cities to replace jobs and transition Hanford workers is through an aggressive economic development program and to make sure there are adequate industrial sites available for prospective new businesses. Economic development is a long-term process and the community can't expect that these jobs will be replaced over night. However, completing the transfer request we are making today will go a long way toward establishing a foundation for future development in north Richland.

We truly appreciate your willingness to work with the community on this issue and thank you in advance for making this a priority. If you have any questions regarding this request, please don't hesitate to contact either myself or Gary Petersen.

Sincerely,

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

Carl F. Adrian
President/CEO

10 CFR 770 PROPOSAL

PROPOSAL TO TRANSFER TRACT 1
AT DEPARTMENT OF ENERGY HANFORD SITE
TO THE COMMUNITY REUSE ORGANIZATION
TRI-CITY DEVELOPMENT COUNCIL (TRIDEC)
FOR ECONOMIC DEVELOPMENT

MAY 31, 2011

**SUBMITTED BY
TRIDEC**

**IN COOPERATION WITH
CITY OF RICHLAND
PORT OF BENTON
BENTON COUNTY**

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770.2 (a)

Department of Energy (DOE) may transfer DOE-owned real property by sale or lease at defense nuclear facilities, for the purpose of permitting economic development.

770.4

A Community Reuse Organization (CRO) that represents a community adversely affected by DOE workforce restructuring at a defense nuclear facility.

Cleanup at the Hanford Site is being accomplished! By 2015 DOE plans to reduce the active footprint from 365 square miles to less than 75 square miles. At that point, nearly 90% of the land mass will be 'clean.'

However, reductions in the active footprint, changes in the Hanford cleanup budget, plus the planned reductions in Hanford jobs (both as a result of completing the American Recovery and Reinvestment Act (ARRA) activities, and the completion of cleanup of the River Corridor) through the next five years have made it important for the Tri-Cities to take advantage of the DOE Comprehensive Land Use Plan (CLUP) to provide economic development opportunities for a small portion of the Hanford Site in order to create future jobs.

This community has been advised that some 1,600 jobs will be reduced by the end of September of 2011 as a result of the ARRA funds going away. The Tri-Cities also recognize that Congressional funding cuts and completion of cleanup along the Columbia River will lead to an additional 1,000 or more jobs being reduced from Hanford before 2015.

These actions have led TRIDEC, the City of Richland, the Port of Benton, and Benton County to the following proposal to partially offset the adverse impacts on our community that are coming from Hanford workforce restructuring.

770.5

Field Office Managers annually make available to Community Reuse Organizations and other persons and entities a list of real property at defense nuclear facilities that DOE has identified as appropriate for transfer for economic development.

DOE Richland Operations Office (DOE-RL) completed the CLUP in 1999. This plan clearly identified some 39,000 acres at the southeast end of Hanford that would be made available for industrial use and economic development.

In early 2010 Tri-Cities leaders (four city Mayors, three Port Districts, two Counties, and TRIDEC), authored a letter to Assistant Secretary for Environmental Management, Dr. Ines Triay, requesting direct involvement in the coming land availability and land transfer of a small portion of the Hanford Site. These community leaders supported the DOE CLUP, and the need to obtain some of the identified Industrial Use Hanford land to be used for economic and industrial development, and to find ways to allow public access to other parts of Hanford that have not been publicly accessible for more than 68 years.

770.7 (a) Proposal

Therefore: TRIDEC, as the DOE CRO, and on behalf of the City of Richland, the Port of Benton, and Benton County, hereby requests the fee-simple transfer of 1,341 acres of the Hanford site located within the DOE CLUP's designated Industrial Use area. The community anticipates that this will be the first parcel of three parcels we plan to request through the coming five years.

770.7 (a)(1)

A proposal must include (but is not limited to):

770.7 (a)(1)(i)

A description of the real property proposed to be transferred

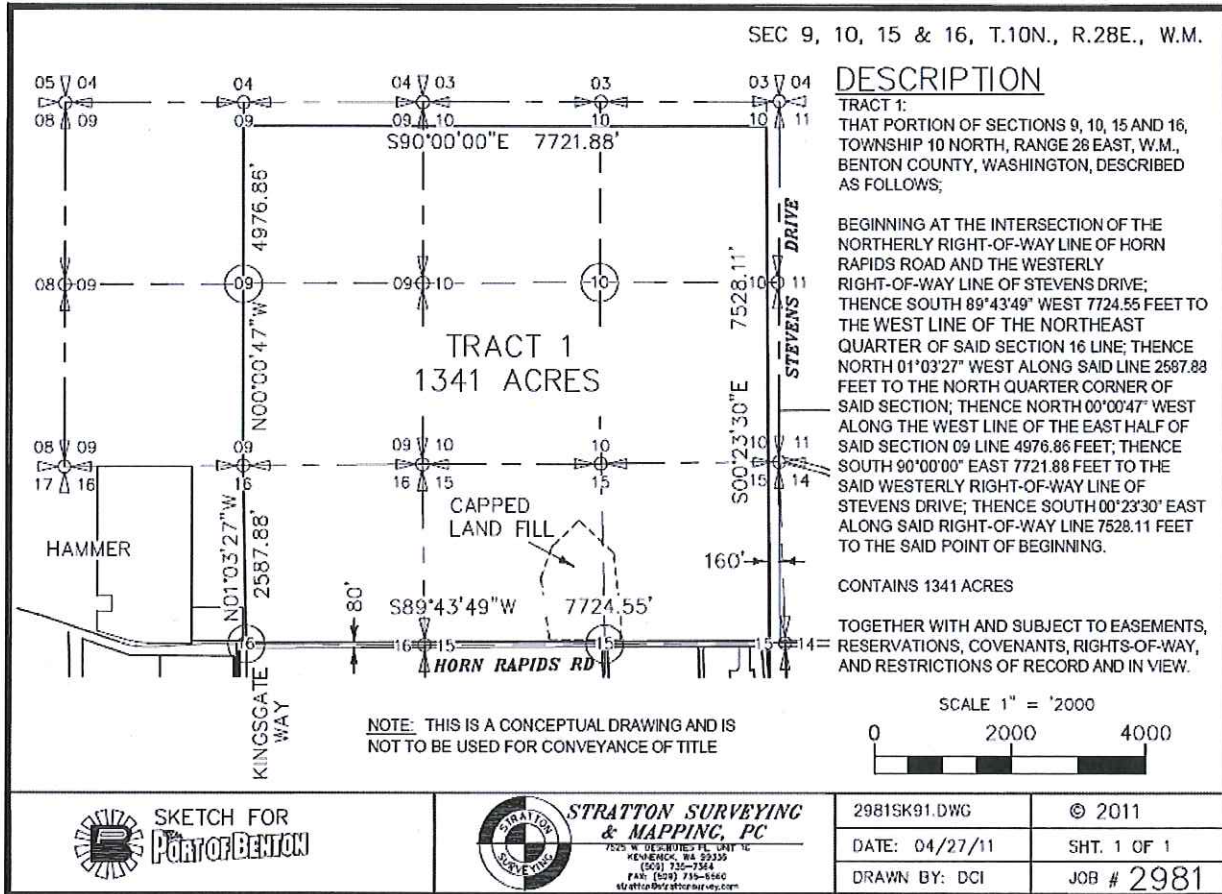
Tract 1 (1,341 acres) – The legal description of the land requested is as follows:

TRACT 1: THAT PORTION OF SECTIONS 9, 10, 15 AND 16, TOWNSHIP 10 NORTH, RANGE 28 EAST, W.M., BENTON COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS;

BEGINNING AT THE INTERSECTION OF THE NORTHERLY RIGHT-OF-WAY LINE OF HORN RAPIDS ROAD AND THE WESTERLY RIGHT-OF-WAY LINE OF STEVENS DRIVE; THENCE SOUTH 89°43'49° WEST 7724.55 FEET TO THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 16 LINE; THENCE NORTH 01°03'27° WEST ALONG SAID LINE 2587.88 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION; THENCE NORTH 00°00'47° WEST ALONG THE WEST LINE OF THE EAST HALF OF SAID SECTION 09 LINE 4976.86 FEET; THENCE SOUTH 90°00'00° EAST 7721.88 FEET TO THE SAID WESTERLY RIGHT-OF-WAY LINE OF STEVENS DRIVE; THENCE SOUTH 00°23'30° EAST ALONG SAID RIGHT-OF-WAY LINE 7528.11 FEET TO THE SAID POINT OF BEGINNING.

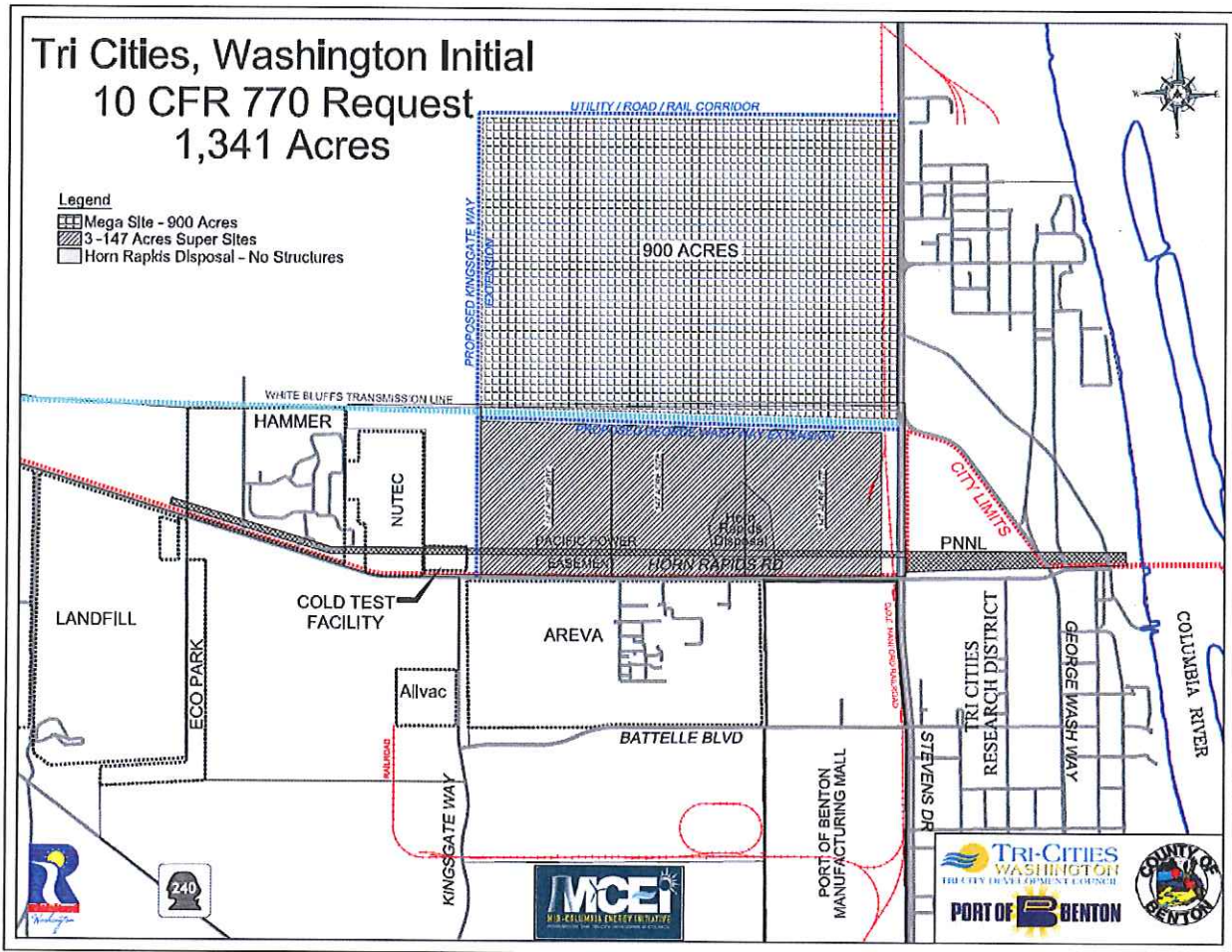
CONTAINS 1,341 ACRES.

TOGETHER WITH AND SUBJECT TO EASEMENTS, RESERVATIONS, COVENANTS, RIGHTS-OF-WAY, AND RESTRICTIONS OF RECORD AND IN VIEW.



See Attachment 1 for full page map Tract 1 Site Maps.

The site map (see below map) for this area prior and post Hanford Site reflect that this area has primarily served as a buffer area for the Hanford Site. This area is primarily undeveloped with no infrastructure (roads, electrical, water, telecommunication, etc.) extending into the property or available buildings. Within this area there is a closed-construction landfill (labeled Horn Rapids Disposal on map) that is identified and determination has been made that no building could be placed upon this property, but a parking structure would be acceptable. There are also existing monitoring wells that are in place that DOE will assess and identify those that can be appropriately removed if they are no longer necessary. This has been DOE's standard practice during past land transfers that occurred in 1996 and 1998 (to the Port of Benton). The property is within the Benton County's Land Use Plan, and the City of Richland's Urban Growth Area plan. Both of these plans identify the land use as industrial.



Prior to being acquired by the Federal Government in 1943 as part of the Hanford Site, this area was used primarily for agricultural purposes. There are no former remnants of building foundations or roads; however there is metal debris located to the west of the proposed site due to the Hanford firing range.

770.7(a)(1)(ii)

The intended use and duration of use of the real property

Tract 1, the property is zoned industrial within the City of Richland Zoning and Comprehensive Land Use Plans (see Attachment 3). It is also reflected as Industrial within Benton County's Land Use Plan and the DOE CLUP for the Hanford site. This property is highly accessible and visible to the City's Horn Rapids Industrial Park located just south of the Port of Benton's Manufacturing Mall. Recent City and Port Master Plans call for extension of roads, infrastructure and rail into this area to support future industrial growth. The City and Port have made significant investments within two nearby existing industrial areas previously transferred from the Federal Government, with further investments currently planned to include new industry, rail and road extensions in 2012-2013.

The City of Richland's Horn Rapids Industrial Park master plan includes recreational areas, trails, natural open space along with designated areas for Commercial, Light Industrial and Heavy Industrial areas. All with transportation ties into SR 240 and Interstate 82 along with rail and barge access. Recent updates to the master plan have included future planning into the proposed transfer area for rail, roads and infrastructure extension.

As the CRO, TRIDEC will transfer ownership either to a private end user or to one of its public entity partners after receipt of ownership from DOE. This property transfer would occur in a short period of time, dependent only on necessary legal processes.

The City controls Horn Rapids Road which forms the southern boundary to the site, and Stevens Drive forms the boundary to the east. Both could serve as primary access for this land transfer. Therefore, it is the City's intent to manage and further develop these parcels in partnership with the Port of Benton in a manner consistent with the existing master plans. Any subsequent owner of these properties will also be subject to the master plans and their covenants for development.

All water, sewer, electrical infrastructure including fiber is located at the corner of Horn Rapids Road and Stevens Drive on the southeast corner of Tract 1. This infrastructure is perfectly positioned to support the necessary infrastructure extensions into Tract 1. All infrastructure is owned, and services provided, by the City of Richland including electric utility.

The community partners see very little impact or environmental consequences resulting from this land transfer. Care will be taken by the community to meet all environmental requirements. Future projects will comply with the State Environmental Policy Act requirements to address potential environmental impacts.

770.7(a)(1)(iii)

A description of the economic development that would be furthered by the transfer (e.g., jobs to be created or retained, improvements to be made)

DOE has a long, sustained history of working with the Tri-Cities community to reutilize non-essential federal lands, and transfer such land to local governments and other entities to be converted to vital economic development purposes. Long-range plans call for the utilization of substantial non-essential Hanford property to be used by the TRIDEC and its partners at the City of Richland, the Port of Benton, and Benton County, to establish an Industrial Development and Energy Park on such land. Consistent with the Department's long-standing CLUP for industrial development; pre-existing and new statutory authorities; and 10 CFR 770, the City of Richland; the Port of Benton; and TRIDEC are seeking the immediate transfer of an initial 1,341 acres of Hanford Site property to be used for economic development purposes.

The property will be marketed not only by the City and the Port but by the larger community in partnership with TRIDEC. Currently the City's and Port's Industrial areas and a small Industrial Park located in Pasco are all that's available in the Tri-Cities. This land-transfer is vital to the long term economic development success, and to the diversification efforts of the Tri-Cities community to have large scale industrial sites to market.

Target sector studies have been completed by TRIDEC, Hanford Communities, City of Richland and Port of Benton to support recruitment and marketing activities. The first study being done for Hanford Communities in 1996 by *DRI/McGraw-Hill*, which laid out a strategy and targets around energy, advanced material, agri-business, medical and computer IT sectors. This was followed by a series of reports developed within these segments for TRIDEC by *Fluor Global Services* in 2000, 2003, 2004. The Fluor Global Services reports got into specific NAICS codes and outlined key selling points to these industries. Finally a series of studies conducted by *Angelou Economics* in 2005 (Attachment 7) for TRIDEC, City of Kennewick and the Tri-Cities Research District respectively focused on clean energy, biosciences, environmental technologies and software & computation.

Recent recruitments efforts targeted: AREVA's \$2.5 billion gas centrifuge plant with 1,000+ jobs; a foreign clean energy manufacturer seeking to place 2,000 jobs and \$2 billion in investment; and several renewable energy companies looking for solar and biofuels energy development sites.

It is anticipated for Tract 1 that similar investments and increased jobs could occur with one or two large users. The smaller 100-200 acre parcels could support another 400-500 jobs. With the larger area being able to support another 2-3,000 private sector jobs depending on the types of industry successfully recruited. These new jobs will help directly offset the coming downturn in employment at the Hanford Site as the cleanup mission nears completion.

New utilities will be required to prior to development taking place on the 1,341 acres of property, which includes arterial roads with accompanying sewer, water, electrical, phone, etc. It is anticipated the cost for these improvements would be in excess of \$5 million. The partners have several options to finance the extension of utilities to serve the site and adjacent properties. These options include using land sale proceeds, blending extension fees into utility rates, economic development grants and tax increment financing. The final financing mechanism will be a blending of these mechanisms based on the needs of the client. It is also anticipated that public safety buildings and services (e.g., fire and ambulance) will also need to be established on the property to support new development. The extension of the new infrastructure and services would be provided and maintained by the City of Richland.

770.7(a)(1)(iv)

Information supporting the economic viability of the proposed development

1. Hanford staffing projections have shown that some (2,000-4,000) employees will be released from the Hanford workforce over the next 5-10 years. These are well trained and well educated individuals who will be looking for new positions. Columbia Basin College and Washington State University-Tri-Cities, working with TRIDEC, developed a workforce education and re-training proposal to DOE. It is expected that DOE will award this grant in the very near future, and it will assist in the development of a readily available workforce to meet new company requirements.
2. Recent studies commissioned by TRIDEC and its partners provide a strong basis along with the recent activity, for support and extension of the requested property. The need for what is termed a mega-site - a contiguous single client parcel that exceeds 500 acres - is community wide since no other entity has access to such large, singular industrial properties. The viability has been demonstrated by the City's and Port's prior investments and successes resulting in over 3,000 non-Hanford/Pacific Northwest National Laboratory (PNNL) jobs.
3. The quality of life in the Tri-Cities has matured to a level that it can competitively recruit the talented workforce needed to make this proposal viable. Gone are the days when the promise of a good paying job could attract and retain talent in a community. Communities must offer a more well-rounded experience, a challenge for communities surrounding Weapons Complex Sites that were picked primarily for their remote location. But this is a challenge which the Tri-Cities have worked to overcome.
 - With a population of over 248,000, the Tri-Cities area is the fourth largest Metropolitan Statistical Area (MSA) in the state of Washington. The major communities are Kennewick, Pasco, Richland, and West Richland, all surrounding the Columbia, Yakima and Snake Rivers that join here.

- The Tri-Cities offers great value with a highly educated workforce, quality lifestyle, affordable housing, available sites and land, great infrastructure, and superior schools and medical facilities. According to the ACCRA Cost of Living Index, the Tri-Cities have the lowest cost of living in the State of Washington (3rd quarter, 2010). Smart Money ranked the Tri-Cities No. 1 in the nation for housing in March of 2010.
 - Since 2000 Franklin County is the 18th fastest growing county in the nation, while Benton County also grew by nearly 2% per year. The Tri-Cities is one of the Northwest's most exciting growth regions. The Tri-Cities is home to manufacturers in energy (solar dishes, sterling engines, and fuel cells), high-tech products, aerospace, food processing, transportation, and health care. Washington State University Tri-Cities, a four year institution, and Columbia Basin Community College provide our local manufacturers and a variety of other employers with an exceptionally skilled workforce.
4. Industries in the region may be interested in relocating to the site because of a combination of the following: The Waste Treatment Plant will require up to 70 Mw of power and some 40,000 gallons of diesel a day. Both of these lead to the need for reduced carbon footprint (as required by Presidential Directive), and for new renewable energy sources. TRIDEC has already received several unsolicited proposals from companies across the U.S., and even one foreign agent, interested in locating to this site. This has included Cascade Natural Gas Co., interested in replacing the WTP diesel needs with natural gas, both to reduce the carbon footprint by 40% and provide operating cost savings of up to \$1 million/month.
 5. TRIDEC and the Mid-Columbia Energy Initiative (MCEI) have marketing plans and materials underway (www.midcolumbiaenergyinitiative.org) (see Attachment 6). MCEI is working closely with the Washington Clean Energy Leadership Council, and other state and regional energy committees to make certain they are informed of the probability of an Energy Park at Hanford.
 6. Local, State and National elected officials support this land-transfer request. (Attachment 5)
 7. The strengths of this site are many. First, there are very few of what are called "mega-sites" in the U.S. There is only one "mega-site" in the State of Washington, and that is located just east of Wallula, WA. This true for the Tri-Cities area where there are no other large and contiguous parcels of land near infrastructure distribution systems to support the types of industry that require large manufacturing footprints or larger buffer areas for development and safe operations. In the future this area of Hanford could provide several "mega-sites." Second, in making proposals to AREVA and to the one foreign company, TRIDEC learned that this site is fairly unique in its infrastructure/utility distribution systems capabilities. It is completely surrounded by large energy transmission distribution lines and switch yards; rail lines; ocean-going barges; and major freeway systems. There are very few, if any weaknesses.

770.7(a)(1)(v)

The Tri-City community requests this land 'fee-simple.'

Similar to land that has been transferred within this community over the past five decades (see Attachment 2 for background information); it is the community that has paid for all improvements to the sites – roads, water, sewer, and power – to increase the attractiveness to prospective new industry and private company investments. This

property is being requested at less than fair market value. The basis of not paying fair market value is due to the lack of interior infrastructure/utilities on the property (e.g., roads, water, electrical, telecommunication, etc.). These extensive infrastructure improvements are required to make the property marketable for respective new industry and private company developers and investors. A substantial investment well over \$5 million will be required to make the necessary improvements. In addition, the cost to expand fire and ambulance services on the property will be required to protect the public safety and health. Acquiring this property at less than fair market value will help offset these costs in order to make the property marketable.

770.7(a)(1)(v)(2)

TRIDEC does request indemnification against claims based on the possible release or threatened release of a hazardous substance or pollutant or contaminant resulting from DOE activities.

Attachment 1 – Tract 1 Site Maps

Tract 1 Site Maps Include:

1. Site Map with Legal Description
2. Site Map

SEC 9, 10, 15 & 16, T.10N., R.28E., W.M.

DESCRIPTION

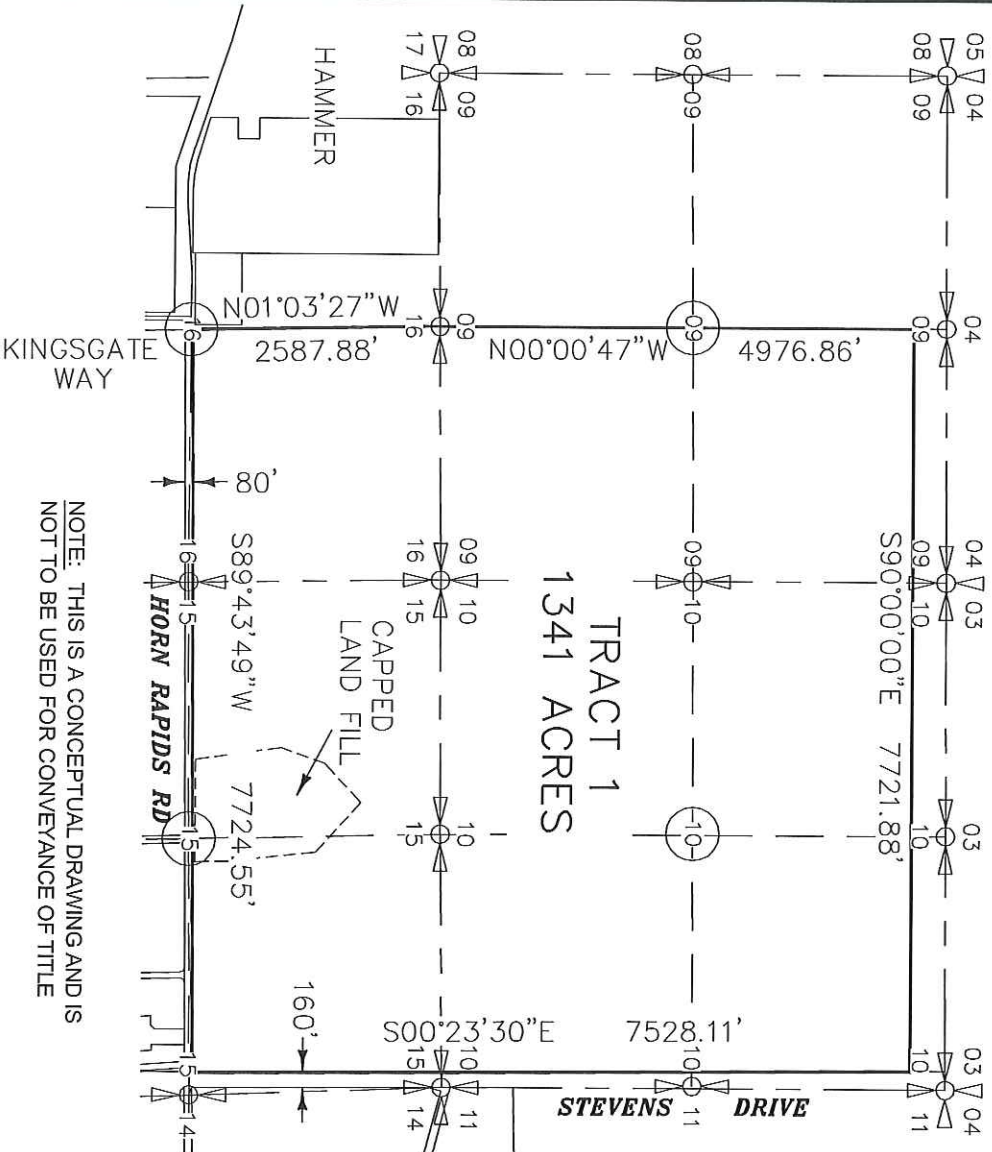
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 FEET TO THE NORTH QUARTER CORNER OF
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 ALONG THE WEST LINE OF THE EAST HALF OF
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 SOUTH 90°00'00" EAST 7721.88 FEET TO THE
 SAID WESTERLY RIGHT-OF-WAY LINE OF
 STEVENS DRIVE; THENCE SOUTH 00°23'30" EAST
 ALONG SAID RIGHT-OF-WAY LINE 7528.11 FEET
 TO THE SAID POINT OF BEGINNING.

CONTAINS 1341 ACRES

TOGETHER WITH AND SUBJECT TO EASEMENTS,
 RESERVATIONS, COVENANTS, RIGHTS-OF-WAY,
 AND RESTRICTIONS OF RECORD AND IN VIEW.

SCALE 1" = 2000



TRACT 1
 1341 ACRES

NOTE: THIS IS A CONCEPTUAL DRAWING AND IS
 NOT TO BE USED FOR CONVEYANCE OF TITLE



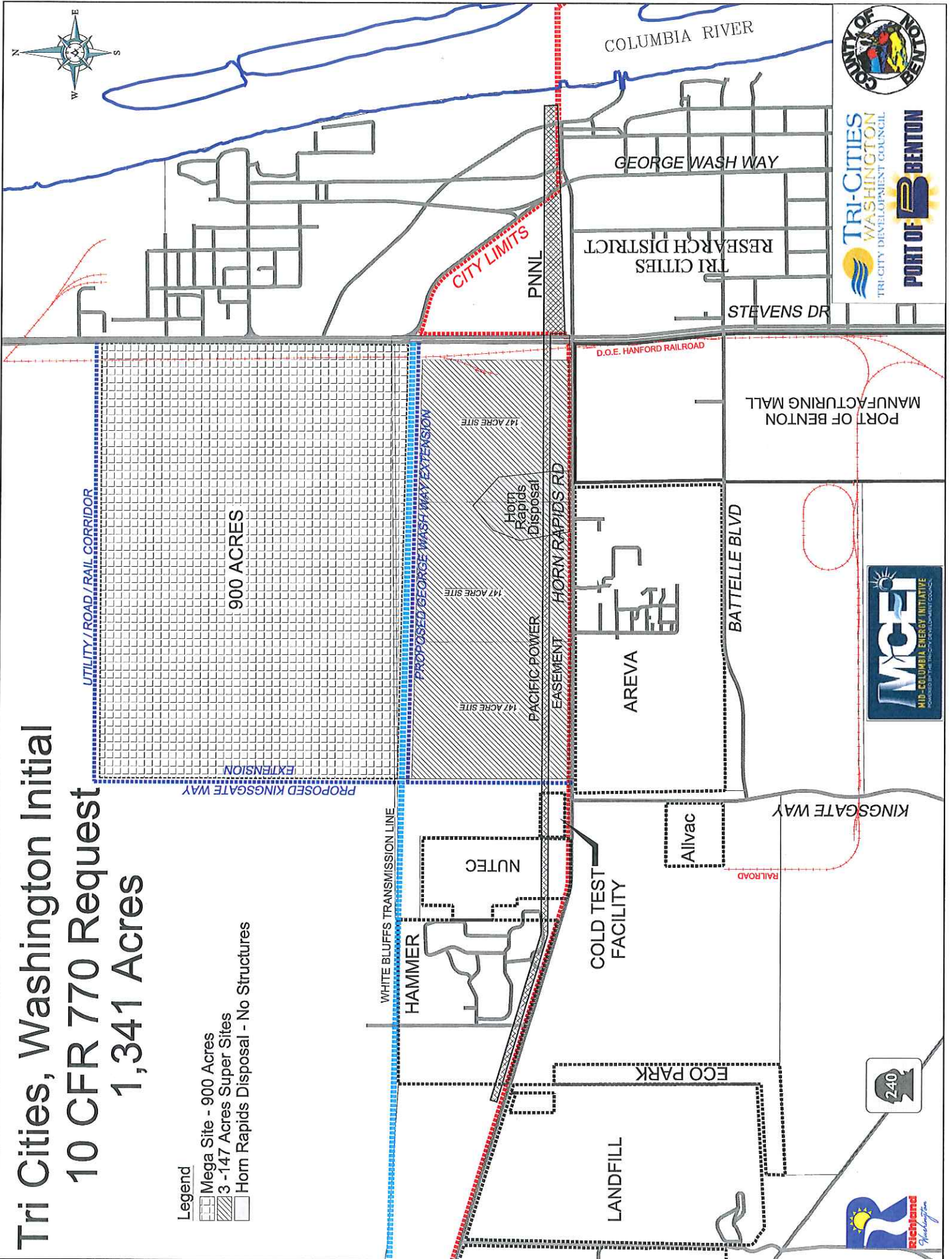
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Tri Cities, Washington Initial 10 CFR 770 Request 1,341 Acres

Legend

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



Attachment 2 - Background

The Tri-Cities has a long and successful history of asset revitalization of federal lands being transferred from the Atomic Energy Commission (AEC), the Corps of Engineers, the Maritime Administration, and the Department of Energy to the City of Richland, the Port of Benton, and to Benton County.

Assets, once they are no longer needed in support of direct federal missions, have been transferred to local entities and have been converted to vital economic development assets for our community. This community plans to keep this excellent partnership going forward as Hanford is cleaned up, and the active footprint is reduced.

Local DOE Site Office has taken positive steps in working with the community to discuss the land transfer process and they have been in collaboration with the community and the Mid-Columbia Energy Initiative. Under Mr. McCormick's leadership a new position held by Colleen French has been developed to support the activities of Energy Parks and future uses for the Hanford Site. We are excited about the support and partnership our local office is providing the region as their 2015 Vision becomes a reality.

Previous Federal Land Transfers in the Tri-Cities

City of Richland

Federal land transfers from the AEC, Corps of Engineers, Maritime Administration, and DOE, **began in 1958** when the AEC transferred the entire City of Richland to public ownership, transforming the federally controlled Atomic City to a City governed by self-rule. Portions of the land transferred included Columbia Point, which at the time was home to a waste water treatment plant and a landfill. The area was transformed into what now is the preeminent river front location in the Tri-Cities. Land in north Richland was sold by Richland to Battelle in 1965 to create the Pacific Northwest National Laboratory (PNNL) and consolidate the laboratory functions of the Hanford site. This partnership between the community and Battelle remains strong and the PNNL is one of the anchors of the Tri-Cities Research District.

In the **mid-1970's** approximately 6,000 acres of former Hanford land west of Stevens Drive and south of Horn Rapids road was acquired by the City of Richland. The acquisition was first discussed by the Richland City Council in 1965. The decades have faded the exact transfer mechanism, but the land was owned by the AEC, and then returned to the Bureau of Land Management (BLM) and Washington State Department of Natural Resources (DNR), when it was then acquired by the City over a decade long period. Over the last twenty years the city invested roughly \$10,000,000 to develop this area into an Industrial Park that now houses companies such as ATI Allvac Specialty Metals, PermaFix and Areva. This 6,000 acres houses close to 1,000 workers with an assessed valuation in excess of \$150,000,000.

Port of Benton

In 1962, the AEC, through General Services Administration (GSA), transferred the airport and 40 acres adjacent to the airport, to the Port of Benton. The Richland Airport was officially opened in 1961. Today, the Richland Airport supports a large general aviation community and is the base for approximately 173 aircraft. The Port has developed a number of manufacturing and warehouse facilities at the airport along with serving as a base for MedStar's life flight services.

In 1970, Federal Aviation Administration (FAA) and GSA transferred another 50 acres plus buildings to the Port under the same terms as the 1962 transfer.

In 1975, Parcel C of the Horn Rapids Triangle was transferred again through GSA to the Port completing the airport for a total of 650 acres with 290 acres designated for airport operations.

In the last twenty years over \$10 million dollars has been invested into the Richland Airport in partnership with the FAA.

In 1961, the transfer of land in North Richland known as “Camp Hanford” on the south east corner of the Hanford site which was part of AEC’s Site, but primarily controlled by the military. The Corps of Engineers sold 290 acres to the Port in 1961 for \$100,000 and the original use was to be a public dock. In 1972, the Port had the river dredged and then built a major dock, currently used primarily by the U.S. Navy for off-loading nuclear materials bound for the Hanford Site.

The Port of Benton was officially declared a “Nuclear Port” in 1965; one of only five in the nation, meaning it was authorized to handle radioactive materials, including nuclear waste and spent fuel elements. This dock has now received more than 100 decommissioned Navy and commercial reactor cores, bound for final burial at Hanford. The Port has built two “incubator” buildings within this site, upgraded the roads and infrastructure and did river shore clean up and trail enhancement along the waterfront.

In 1965, the Port began developing the rest of this site. The first tenant, Automata Corporation, arrived in 1970, followed by Holosonics, the Washington Public Power Supply System's headquarters (now Energy Northwest), Sigma Research, Alpha Biochemical (now Penford Products) and Stirling Technology. In 1988, the Port donated 21 acres of the industrial park to Washington State University for their Tri-Cities campus.

As of 2011, this campus has 23 tenants such as Federal Engineers and Constructors, InnovaTek and Battelle.

In 1996, 72 acres on the portion of the Hanford site known as the 3000 Area was acquired by the Port from DOE through the Maritime Administration. The Port then developed it under the name of Richland Industrial Center. This park and the Technology & Business Campus were designated by the State of Washington in 2007 as an Innovation Partnership Zone which was master planned along with the neighboring properties as a commercial/mixed use research park. The name was changed in 2008 to the Richland Innovation Center and currently has 18 tenants.

In 1998, the Department of Energy transferred 760 acres in North Richland to the Port, developing this land, formerly referred to as the 1100 Area, into an industrial park called the Manufacturing Mall. Sixteen tenants currently lease space in the mall, along with American Rock/Eucon Corporation, who operates a rock quarry in a portion of the site.

Overall, the Port operations, supports over 2,000 high sector jobs that are directly retained by clients and tenants, with total direct, secondary, and induced jobs within the regional economy amounting to about 3,590. The Port District uses its revenue tax dollars (\$2m in 2010) for reinvestment back into its properties for infrastructure and capital projects. Administration is primarily covered by lease income from tenants.

Community Hanford Land Use Forums

In October of 2010, TRIDEC and the Tri-City Herald held a series of four public “community meetings” on the subject of future Hanford Land-Use. TRIDEC also put out a public survey asking for input from the local community.

Almost unanimously attendees supported turning part of the Hanford Site into a renewable energy park to include green manufacturing to help offset some of the coming downturn in Hanford employment. Many comments supported "new nuclear" on the site as the best way to create new jobs, utilizing the expertise already here in this community.

In addition, numerous comments were made that encouraged expanded "public access" to certain areas of the Site. This should include access to: the top of Rattlesnake Mountain, which at 3,527 feet is the highest elevation in the Tri-Cities area; to the old Hanford and White Bluffs town sites; to the historically preserved B-Reactor; and to the Bruggemann Warehouse. Participants also suggested consideration for bike paths, eco-friendly walking site tours, and access to land designated by Congress as the "ice-age floods" site. Tourism is a possible major economic draw of the Hanford Site, and these features -- and the Hanford Reach National Monument in general -- are primary contributors to that.

Our Tri-Cities community looks at Hanford "asset revitalization," as not just land-transfer for development of an Energy Park and industrial development, but also as broader community access to the Hanford Site interests.

At the same time, our community has focused on supporting DOE's Hanford Comprehensive Land-Use Plan Environmental Impact Statement (HCP EIS) Record of Decisions (RODs) that established the Hanford Comprehensive Land Use Plan (CLUP) for the Hanford Site. The HCP EIS RODs established a CLUP that created a balance between ecosystem management and sustainable development to protect the vital habitat and to offer economic development opportunities. The CLUP identified approximately 12% of the entire site for future Industrial uses.

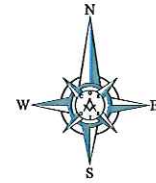
Nearly 90% of the current Hanford site is: 1) already within the Hanford Reach National Monument, 2) designated for conservation, or 3) includes the final 75 square miles of the Central Plateau which includes the Waste Treatment Plant, tank farms, and onsite waste storage that will be under government protection for centuries.

It is the land identified by DOE in its CLUP that this community is interested in obtaining for economic development. This particular site is easily accessible to the community, and to new industrial development.

Attachment 3 – City of Richland Comprehensive Plan, Land Use Designations

City of Richland

Comprehensive Plan Land Use Designations



Legend

- - - City Limits
- Urban Growth Area Boundary

Land Use Categories

- Agriculture
- Commercial
- Business Research Park
- Business Commerce
- General Commercial
- Retail Regional
- Commercial Recreation
- Multifamily Residential Office
- Central Business District
- Industrial
- Public Facility
- Low Density Residential (0 - 5 Dwellings/Acre)
- Medium Density Residential (5.1 - 10 Dwellings/Acre)
- High Density Residential (10.1+ Dwellings/Acre)
- Waterfront
- Natural Open Space
- Developed Open Space
- Urban Reserve
- Badger Mountain South Area

Map of City of Richland, Washington
by the Badger Mountain South Area
Revised by the City of Richland
Scale: 1:25,000 or 1 inch = 0.25 miles

- Amended
- October 6, 1997 - Ord. 26-97
 - December 14, 1999 - Ord. 48-99
 - December 7, 1999 - Ord. 51-99
 - December 19, 2000 - Ord. 46-00
 - October 16, 2001 - Ord. 33-01
 - December 2, 2002 - Ord. 42-02
 - December 3, 2003 - Ord. 50-03
 - December 2, 2004 - Ord. 48-04
 - December 6, 2005 - Ord. 47-05
 - December 19, 2006 - Ord. 49-06
 - December 4, 2007 - Ord. 41-07
 - December 2, 2008 - Ord. 32-08
 - November 12, 2009 - Ord. 39-09
 - September 7, 2010 - Ord. 25-10

Disclaimer: This map is a draft. The City of Richland Planning Division is in the process of reviewing this map. For more accurate information on the land use of a parcel or area, contact the city of Richland Planning Division.

Revised: December 2010



Generated : FEB 2011

Map of City of Richland, Washington
by the Badger Mountain South Area
Revised by the City of Richland
Scale: 1:25,000 or 1 inch = 0.25 miles

Attachment 4 - Estimate of Infrastructure Costs

Estimated Infrastructure Costs

<u>Type</u>	<u>Quantity (lf)</u>	<u>Price/lf</u>	<u>Total</u>
Road	10,500	293	\$ 3,076,500
Sewer	6,900	50	\$ 345,000
Water	3,000	50	\$ 150,000
Electrical	2,100	30	\$ 63,000
Subtotal			\$ 3,634,500
Engineering		10%	\$ 363,450
Contingency		25%	\$ 908,625
Total			\$ 4,906,575
Cost/acre		1341	\$ 3,658.89

Attachment 5 - Letters of Support

Letters of Support Include:

1. Washington State Governor Christine O. Gregoire
2. United States Senators Maria Cantwell and Patty Murray
3. United States Congressmen Doc Hastings
4. Washington State Senator Jerome Delvin and Washington State Representatives Larry Haler and Brad Klippert
5. Benton County
6. Port of Benton
7. City of Richland

Additional letters of support are in process and will be provided as they are received.



OFFICE OF THE GOVERNOR

STATE OF WASHINGTON

P.O. Box 40002 • Olympia, Washington 98504-0002 • (360) 753-6780 • www.governor.wa.gov

June 6, 2011

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

Dear Mr. McCormick:

I am writing to add my support to the formal request from the Tri-City Development Council (TRIDEC) for the Department of Energy to transfer land to the community.

The request is to transfer about 1,340 acres located along the southern boundary of the Hanford site; land that is free of contamination. TRIDEC is recognized by DOE as the Community Reuse Organization (CRO) under 10 CFR 770. I understand this request will be submitted by TRIDEC along with support from the City of Richland, the Port of Benton, and Benton County.

As you are well aware, significant progress has been made in the cleanup of the Hanford site under the terms of the Tri-Party Agreement. Because of this successful remediation effort, the Tri-City community is likely facing major lay-offs, the first of which could result in 2,000 jobs lost as ARRA funding ends. Additional jobs losses are expected as the river corridor and cleanup of major Hanford facilities are completed. Accordingly, the transfer of these lands is timely to allow for creation of new jobs in connection with property's economic development. Moving forward on the TRIDEC land transfer request will help set the foundation for future development north of Richland.

Thank you for considering this land transfer request, and please note my strong support.

Sincerely,

Christine

Christine O. Gregoire
Governor

Give priority to future!



United States Senate

WASHINGTON, DC 20510

May 26, 2011

The Honorable Steven Chu
Secretary
Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Secretary Chu:

We are writing in strong support of the recent request by the Tri-Cities Development Council (TRIDEC) for the transfer of 1,341 acres of land (Tract 1) from the Hanford Site to the surrounding community.

As you know, TRIDEC is identified as the recognized Department of Energy (DOE) Community Reuse Organization under 10 CFR 770, and is putting forth this application with the City of Richland, the Port of Benton and Benton County. We understand that this application comports with the Hanford Comprehensive Land-Use Plan and is located within the area set aside for industrial use.

We feel that the transfer of Tract 1 is beneficial to both DOE and the surrounding community in several important ways.

First, economically, this land transfer will provide a dedicated area for new businesses and industries to establish operations in the Tri-Cities. Tract 1's proximity to the Pacific Northwest National Laboratory, the Tri-Cities Research District, Washington State University's Bioproducts, Sciences, and Engineering Laboratory, and the many science and technology companies in the surrounding area would make it a particularly attractive site for high tech firms. We are confident that access to Tract 1 would play a vital role in the region's future economic growth and contribute to its further development as a hub for research and industry into areas like clean energy and the biosciences which are priorities for DOE and benefit our nation as a whole.

Second, we also believe that the transfer of Tract 1 to the community would be of great symbolic importance, since it would signify the hard-won progress on Hanford cleanup completed to date and our shared commitment to helping the region transition to a thriving, post-cleanup economy. The existing research facilities, science and technology assets, and intellectual capacity in the Tri-Cities provide a core infrastructure on which the industries of the future can be built, and DOE's transfer of land will send a powerful and positive message to the community and the nation with respect to its support of this long-term vision.

We believe that DOE should complete this transfer request in a timely manner in order for TRIDEC and its partners to attract new businesses without the uncertainty associated with removing land from the federal government's rolls. The timely transfer of Tract 1 will ensure


that the community will be able to shore up and expand the large and unique pool of skilled, scientific talent in this area. With the passage of the National Defense Authorization Act last December, and your subsequent creation of the Asset Revitalization Initiative lead by the Office of Legacy Management, we can think of no better early action signifying the effectiveness of the Initiative than a quick, positive response by the Department to this land transfer request.

We thank you for your consideration of TRIDEC's proposal and for your continued work at the Hanford Site.

Sincerely,



Maria Cantwell
United States Senator



Patty Murray
United States Senator

cc: The Honorable Ines Triay, Assistant Secretary for Environmental Management
Matt McCormick, Manager, Richland Operations
Doug Shoop, Deputy Manager, Richland Operations



Congress of the United States

House of Representatives

May 31, 2011

The Honorable Ines Triay
Assistant Secretary for Environmental Management
Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585-0113

Dear Assistant Secretary Triay:

The Hanford site has been a centerpiece of the Tri-Cities for almost six decades. As the site transitioned from a national security mission to a cleanup mission, the task of decontaminating the site seemed one that would last long into the future. Now the site is at a point where many major cleanup projects will be completed in a matter of years, rather than decades. This significant cleanup progress will soon impact the community in two ways; the site will shrink from 586 square miles to less than 75 square miles and the personnel needs of the site will be reduced. As you know, there is already land at Hanford that could be used for non-cleanup activities and more land will become available in the months and years ahead.

It is time for the site and the community to transition once again. That is one reason I write today in support of TRIDEC's request for the transfer of approximately 1,341 acres for industrial use in the southern portion of the Hanford site. This land transfer will allow the community to bring new businesses and new jobs to our area and ensure that the highly trained workforce from Hanford remains a part of our community.

The Tri-Cities has the opportunity to remain a hub for energy development, a manufacturing center and a leader in other industries attracted to our area by the low cost of doing business, relatively cheap power rates, unparalleled resources for research and development and availability of land. In order to take advantage of these opportunities, lands no longer needed for cleanup should not be locked away by the federal government into perpetuity. In order to attract private investment and private sector jobs, portions of these lands must be made available for transfer – and not limited to federal leases.

I thank you for your consideration of their request and look forward to working with you to ensure positive economic development that can prepare our community for its post-cleanup future.

Sincerely,

A handwritten signature in blue ink, appearing to read "Doc Hastings".

Doc Hastings
Member of Congress

cc: Matt McCormick, Manager, Richland Operations Office



Washington State Legislature

May 27, 2011

Mr. Matt McCormick
Manager
DOE Richland Operations Office
PO Box 550, A7-50
Richland, WA 99352

Subject: Hanford Energy Park and the Mid-Columbia Energy Initiative

Dear Mr. McCormick:

In December of 2008, Dr. Ines Triay announced the planned "footprint reduction" at several DOE weapons complex sites, and her desire to make use of some of the available land for Energy Parks. Our community saw this announcement as a tremendous opportunity for the Tri-City community, for the State of Washington, and for the Department of Energy itself.


While nearly 90% of the 586 square mile Hanford Site has been clearly identified for preservation (the Hanford Reach National Monument), for conservation, or for the 75 square mile protected area surrounding the central plateau tank farms; DOE's Comprehensive Land Use Plan identified 10% of the site could be made available for 'industrial use' and for economic development.


In 2009 TRIDEC formed a Mid-Columbia Energy Initiative committee (MCEI) to develop a mission and vision for this industrial use of Hanford, and for the broader region. The MCEI committee includes representatives from the City of Richland, the Port of Benton, Benton County and other community companies and organizations. MCEI members quickly realized the advantages of obtaining land that could be used to develop an energy park and green manufacturing center on the former Hanford site.


The first phase of the community's vision for Hanford land-use is this initial request for 1,341 acres located near the southeast corner of the Hanford Site.

Therefore, we fully endorse and support the request by Benton County, the City of Richland, the Port of Benton and TRIDEC.

Sincerely,


JEROME DELVIN
Senator
8th District


LARRY HALER
State Representative
8th District

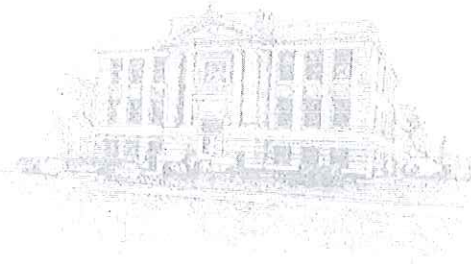

BRAD KLIPPERT
State Representative
8th District

Leo Bowman
District 1
Shon Small
District 2
James Beaver
District 3

Board of County Commissioners
BENTON COUNTY

David Sparks
County Administrator

Loretta Smith Kelty
Deputy County Administrator



16 May 2011

Matthew McCormick, Manager
US Department of Energy – Richland Operations Office
Post Office Box 550
Richland, Washington 99352

Re: "770 Request"

Dear Mr. McCormick,

Since the establishment of the Hanford Site in 1943, a number of opportunities have availed themselves over the years for certain properties to be returned by the federal managing agencies to local ownership and control. A couple of examples include the sites previously known as the 1100 Area and the 3000 Area, which were transferred from federal ownership to the Port of Benton for use as commercial, industrial, and research assets for the community. Other examples of transition include the current Richland Airport, the former Columbia Camp and Camp Hanford sites, and indeed the entire city of Richland itself, which was a completely federalized city up until 1957.

Another such opportunity presents itself today. Benton County, along with our community partners – the Port of Benton, City of Richland, and the Tri-Cities Development Council (TRIDEC) – is working on another property transfer per lands located in the southeastern corner of the Hanford Site. This property has high potential for sustainable, long-term, private sector uses; particularly in areas of energy research and production. The property totals 1,341 acres, and is strategically located near existing developed infrastructure and assets.

Our team is using the 10 CFR 770 process in this pursuit, with our "Community Reuse Organization", TRIDEC, as the lead. We thank you for your support of our endeavor, and we look forward to working with you on this and other projects into the future.

Sincerely,

BOARD OF COUNTY COMMISSIONERS


Leo Bowman, Chairman

cc: Port of Benton, City of Richland, Tri-Cities Development Council

PORT OF BENTON

May 6, 2011

Department of Energy, Richland Operations
Mr. Matthew McCormick
P. O. Box 550, MS: A7-50
Richland, Washington 99352

Re: Benton County, City of Richland, Port of Benton and TRIDEC-770 for 1,341 acres

Dear Matt,

The Port of Benton was formed in 1958 by a vote of the people and a land transfer in 1961 that officially opened the Richland Airport through the Atomic Energy Commission and the General Services Administration. Today, the Richland Airport supports a large general aviation community and is the base for approximately 173 aircraft. The Port has developed a number of manufacturing and warehouse facilities at the airport, along with serving as a base for MedStar's life flight services. Over the last twenty years, over \$10 million dollars have been invested into the Richland Airport in partnership with the Federal Aviation Administration.

The Port, over its history, has transitioned many former government sites for the purpose of economic development. Those areas include the land in North Richland known as "Camp Hanford", now named the Technology and Business campus (260 acres), along with a major dock, currently used primarily by the U.S. Navy for off-loading nuclear materials bound for the Hanford site. The former 3000 Area was acquired by the Port from the Department of Energy (DOE) through the Maritime Administration. Both of these areas were designated by the State of Washington in 2007 as part of the Innovation Partnership Zone, which was master planned, along with the neighboring properties, as a commercial/mixed use research park.

In 1998, the DOE transferred 760 acres in North Richland, formerly referred to as the 1100 Area, to the Port. This area has been developed into an industrial park home to sixteen tenants such as American Rock/Eucon Corporation, Energy Solutions and Intermech.

Overall, the Port of Benton operations support over 2,000 high sector jobs that are directly retained by clients and tenants with total direct, secondary and induced jobs within the regional economy amounting to about 3,590. The Port has the experience and history to make the requested land transfer of the 1,341 acres result in positive activities for our community, create tax base and grow jobs.

Thank you for your support of our joint request with our partners Benton County, City of Richland and TRIDEC.

Sincerely,



Scott D. Keller,
Executive Director



May 11, 2011

Matthew McCormick, Manager
US Department of Energy – Richland Operations Office
Post Office Box 550
Richland, Washington 99352

Re: Community 10 CFR 770 Request – 1,341 Acres

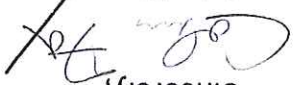
Dear Mr. McCormick,

The community has long partnered with Department of Energy and its predecessors on utilizing former Hanford assets to develop and diversify the local economy, starting with the first transfer creating the City of Richland in 1958. These former land assets are now Columbia Point, the Pacific Northwest National Lab (Richland transferred property to Battelle in 1965), and the Horn Rapids Industrial Park, home to Areva, ATI-Allvac and Perma-Fix. Our community partners; the Port of Benton, Benton County, and the Tri-Cities Development Council (TRIDEC) also have similar success stories. Through these efforts we have created a community that not only boasts a high quality of life but is also less reliant on Hanford funding for economic prosperity.

The community is now seeking to open the next chapter in this success story. The community partners have submitted an application for 1,341 acres at the corner of Stevens Drive and Horn Rapids Road, which leverages adjacent public infrastructure for utility service. This property represents a unique asset for the Tri-Cities community and provides a real opportunity for the development of private sector clean energy manufacturing. This land transfer, in combination with the Mid Columbia Energy Initiative, can propel our community and the Hanford site into a national leadership role on the clean energy economy.

The community partners are utilizing the existing 10 CFR 770 process in this pursuit, with our "Community Reuse Organization", TRIDEC, as the lead. As part of this greater team of community partners, Richland looks forward to working with the Department of Energy through the 10 CFR 770 process. We believe our proposal is sound and will not only lead to greater economic prosperity in our community, but also assist the

Department of Energy in promoting a clean energy future. The land transfer is part of Richland's strategic plan to create a vital economy for our community and the City of Richland strongly endorses this proposal.

Sincerely,

John Fox
Mayor

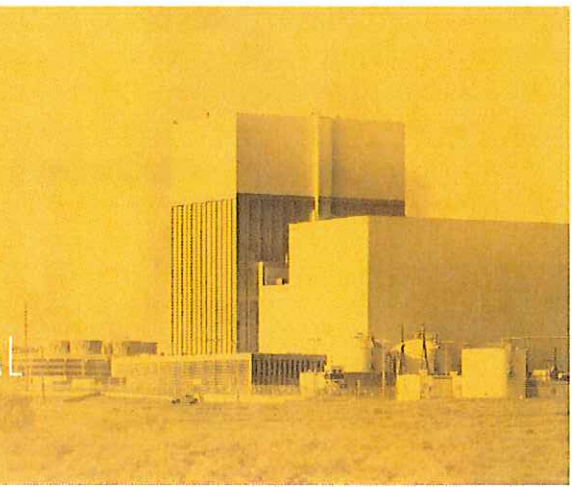
cc: Scott Keller, Executive Director, Port of Benton
David Sparks, County Administrator, Benton County
Carl Adrian, President/CEO, Tri-Cities Development Council

Attachment 6 – MCEI Land Transfer Flyer



7130 W. Grandridge Blvd, Ste A | Kennewick, WA 99336
 PHONE (509) 735-1000
 TOLL-FREE (800) 874-2489
 FAX (509) 735-6609

SECURING
 THE TRI-CITY
 REGION'S
 ECONOMIC,
 ENERGY AND
 ENVIRONMENTAL
 FUTURE.



www.midcolumbiaenergyinitiative.org

initiative

TRIDEC along with the City of Richland, the Port of Benton and Benton County have been working together in preparation to formally request a transfer of DOE land to the community. The site we are requesting is approximately 1,341 acres located along the southern boundary of the Hanford site. The proposal to transfer Tract 1 has been submitted by TRIDEC, which is identified as the recognized DOE Community Reuse Organization (CRO) under 10 CFR 770.

The Tri-Cities community and the Department of Energy have had a long standing and successful history of transferring property for economic development purposes. The first instance was the transfer of the City of Richland from the Atomic Energy Commission (AEC) in 1958. Several subsequent transfers have been made all resulting in significant economic growth to the area and the creation of job opportunities for area residents.

site map

The site map for this area prior and post Hanford Site reflect that this area has primarily served as a buffer area for the Hanford Site. There is a construction landfill (labeled Horn Rapids Disposal on map) that is identified and determination has been made that no building could be placed upon this property, but a parking structure would be acceptable. There are also existing monitoring wells that are in place that DOE will assess and identify those that can be appropriately removed if they are no longer necessary. This has been DOE's standard practice during past land transfers that occurred in 1996 and 1998 (to the Port of Benton). The property is within the Benton County's Land Use Plan, and the City of Richland's Urban Growth Area plan. Both of these plans identify the land use as industrial.

1,341 ACRES

One 900 Acre Mega Site

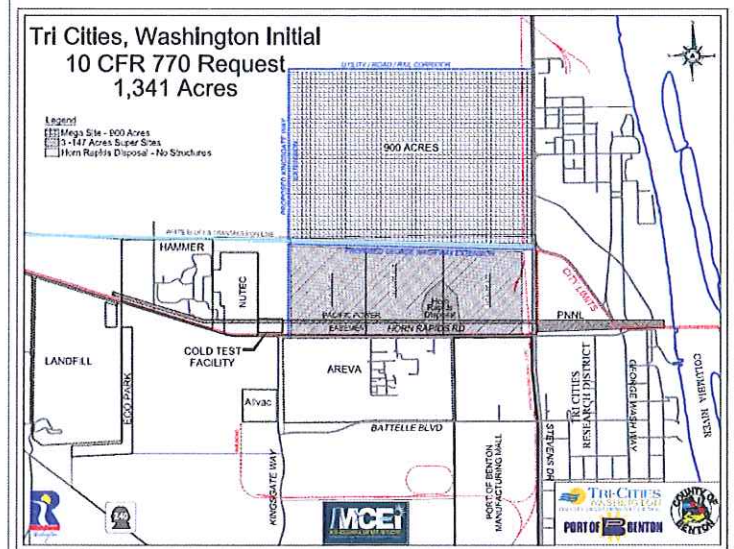
Three 147 Acre Super Sites

ACCESS TO INFRASTRUCTURE

- Water
- Sewer
- Power

TRANSPORTATION

- Barge
- Rail
- Highway



POWERED BY  **TRIDEC**
 TRI-CITY DEVELOPMENT COUNCIL

A DOE COMMUNITY REUSE ORGANIZATION



WASHINGTON STATE'S
INNOVATORS IN RENEWABLE
ENERGY TECHNOLOGIES.

legal description

770.7 (a)(1)(i)

Tract 1 (1,341 acres) – The legal description of the land requested is as follows:

TRACT 1: THAT PORTION OF SECTIONS 9, 10, 15 AND 16, TOWNSHIP 10 NORTH, RANGE 28 EAST, W.M., BENTON COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS;

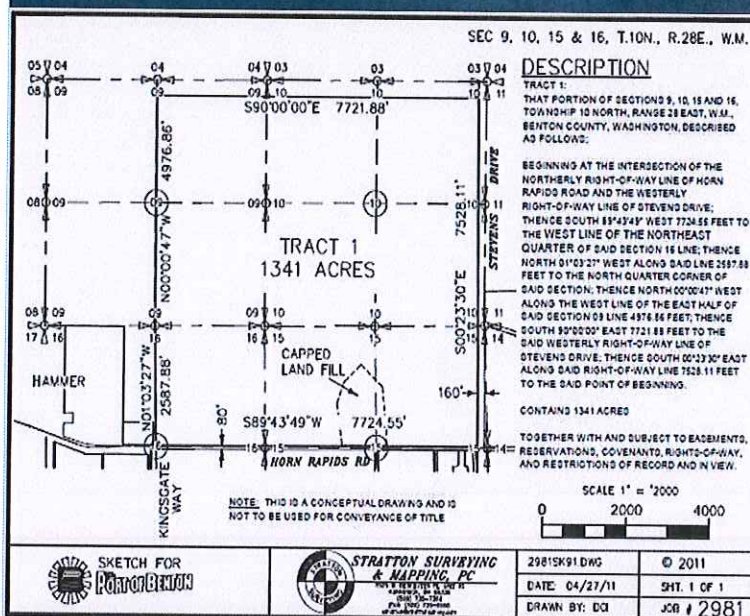
BEGINNING AT THE INTERSECTION OF THE NORTHERLY RIGHT-OF-WAY LINE OF HORN RAPIDS ROAD AND THE WESTERLY RIGHT-OF-WAY LINE OF STEVENS DRIVE; THENCE SOUTH 89°43'49" WEST 7724.55 FEET TO THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 16 LINE; THENCE NORTH 01°03'27" WEST ALONG SAID LINE 2587.88 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION; THENCE NORTH 00°00'47" WEST ALONG THE WEST LINE OF THE EAST HALF OF SAID SECTION 09 LINE 4976.86 FEET; THENCE SOUTH 90°00'00" EAST 7721.88 FEET TO THE SAID WESTERLY RIGHT-OF-WAY LINE OF STEVENS DRIVE; THENCE SOUTH 00°23'30" EAST ALONG SAID RIGHT-OF-WAY LINE 7528.11 FEET TO THE SAID POINT OF BEGINNING.

CONTAINS 1,341 ACRES.

TOGETHER WITH AND SUBJECT TO EASEMENTS, RESERVATIONS, COVENANTS, RIGHTS-OF-WAY, AND RESTRICTIONS OF RECORD AND IN VIEW.

environment

Prior to being acquired by the Federal Government in 1943 as part of the Hanford Site, this area was used primarily for agricultural purposes. There are no former remnants of building foundations or roads; however there is metal debris located to the west of the proposed site due to the Hanford firing range.



Attachment 7 - Angelou Report to TRIDEC

Report 1:
MARKET ANALYSIS AND TARGET INDUSTRY VERIFICATION



Presented to:
TRIDEC

Target Industry Recommendations

The following table demonstrates the results of AngelouEconomics' process to identify targets for the Tri-Cities:

Major Industry Evaluation Summary											
An overview of the factors influencing the target selection process											
Industry	National Potential				Regional Strengths*					Target	
	Growth Potential	Local Economic Impact	High Wages	Re-Location Trends	Economy	Struct-ural	Work force	R & D	Costs		
Agriculture	✓	✓			✓	✓	✓	✓	✓	Yes	
Aerospace		✓	✓							No	
Apparel & Textiles										No	
Automotive	✓	✓	✓	✓						No	
Biotechnology	✓	✓	✓					✓	✓	No	
Business Services	✓	✓	✓	✓	✓		✓		✓	Yes	
Chemicals & Plastics							✓		✓	No	
Consumer Goods Manufacturing		✓					✓			No	
Communication Equipment		✓	✓					✓		No	
Computer Equipment		✓	✓					✓		No	
Defense & Security	✓	✓	✓		✓	✓		✓	✓	Yes	
Electronics Manufacturing		✓	✓			✓				No	
Energy & Clean Energy	✓	✓	✓	✓	✓	✓	✓	✓	✓	No	
Financial Services	✓	✓	✓	✓		✓			✓	No	
Food Processing		✓		✓	✓	✓	✓		✓	Yes	
Health Services	✓	✓	✓	✓		✓			✓	Yes	
Industrial Machinery		✓	✓			✓				No	
Logistics & Distribution	✓	✓		✓	✓	✓	✓		✓	Yes	
Mass Media	✓		✓						✓	No	
Materials/Industrial Supplies		✓				✓	✓		✓	No	
Research	✓	✓	✓		✓	✓	✓	✓	✓	Yes	
Residential Development	✓			✓	✓		✓		✓	Yes	
Retail	✓			✓	✓		✓			Yes	
Semiconductors		✓	✓							No	
Software Development	✓	✓	✓			✓		✓	✓	No	
Tourism (Hotels/Entertainment)	✓	✓		✓	✓	✓			✓	Yes	

*See page 3 for a description of the 5 location criteria for target selection

AngelouEconomics has identified 10 major industry groups that are suitable for the Tri-Cities to target for recruitment or expansion, or both (see highlighted industries in above chart). Previously in this report, we made clear that reducing the number of targets will have a positive effect on the success in implementation any targeting strategy. Clearly, 10 targets is a small improvement over the 13 targets currently pursued by TRIDEC. However, AngelouEconomics recommends that all potential targets be grouped into just 5 primary recruitment targets and 2 primary expansion targets:

Primary Recruitment Targets:

- Warehousing & Distribution
- Research & Development
- Technology Manufacturing
- Food Processing & Agriculture
- Back Office

Primary Expansion Targets:

- Health Services
- Tourism

Whether a target is a “recruitment” target or an “expansion” target better determined by who is responsible for its promotion. Recruitment targets will fall primarily under the supervision of TRIDEC. Expansion targets will be managed by other organizations. For example, tourism will continue to be a goal for the entire region, but we have not selected it as a recruitment target, as tourism promotion is primarily guided by the Tri-Cities Visitors and Convention Bureau. Likewise, the health industry will continue to grow in the Tri-Cities as the population grows, ages, or retires, but expansion of health care will not require a strong effort by TRIDEC. Rather, individual cities should work with local hospitals to continue to expand and improve service. Additionally, Pacific Northwest National Laboratory should be a strong partner for the adoption of pilot projects at local hospitals for new technologies. Medical devices, however, is included as a “niche” sector under the target **Technology Manufacturing**, as is biotechnology a niche sector under **Research & Development**. Other niche targets are viewed as supporting a larger industry. For example, **Software** is not a specific target, but is viewed rather as support for most industries, particularly **Research, Technology, and Back Office**.

Several industries were not selected as targets, though they may have a history in the community, or are currently on TRIDEC’s target list. For many, the economics of the industry suggest that little growth will occur nationally, or Tri-Cities will have difficulty competing for these industries with other regions in U.S. or world.

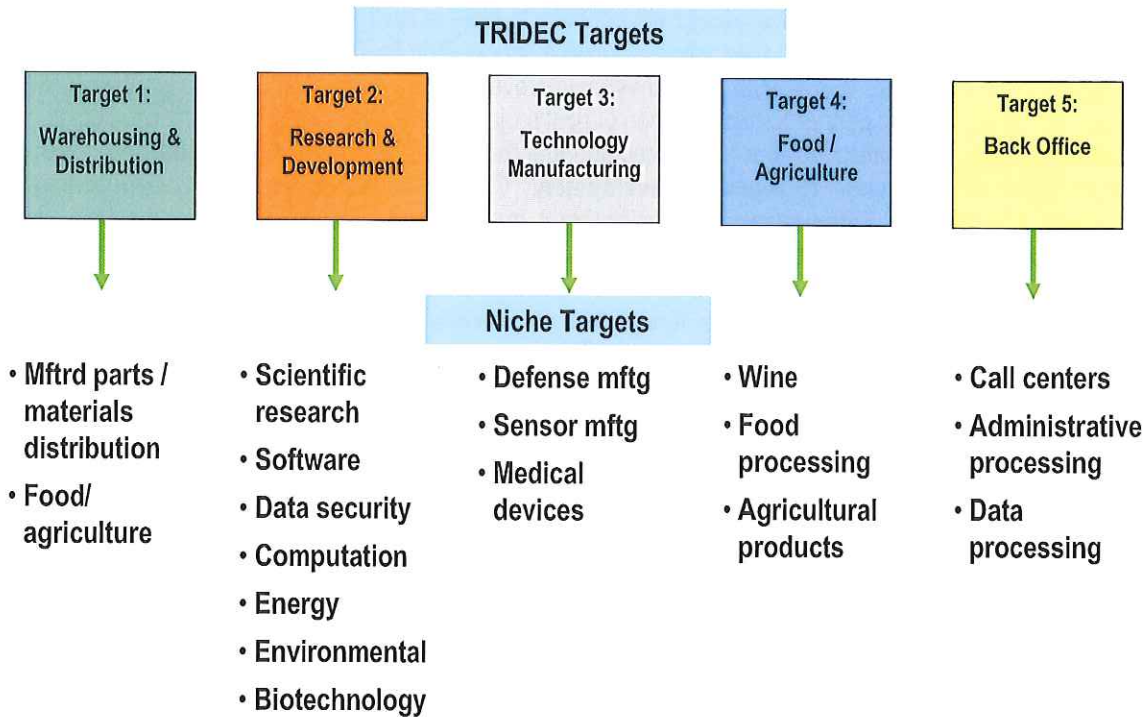
The **Semiconductor** industry has consolidated significantly into several key regions in the U.S. (CA, NY, TX). Most new investment at a global level is occurring in southeast Asia. As new 300mm plants cost \$3+ billion, semiconductor companies are pursuing new financing arrangements with local governments in the form of loans, tax incentives, and equity financing. The **Electronics** industry, though to a lesser extent, has experienced similar globalization patterns. The State of Washington simply cannot compete in the incentives game, or with Asian labor costs. **Metal fabrication** has declined in the U.S., as more final product manufacturing occurs in Asia (except automotive), and the price of sheet metal has risen dramatically in the U.S.

Four current TRIDEC targets points to history at Hanford or scientific capabilities at PNNL: **Advanced materials, remote sensing, photonics, and instrumentation**. While these are all still valid technologies and industries, they are inputs to large end-targets: biotechnology, energy, or technology manufacturing. Numerous other “input-technologies” are found in PNNL, and by focus on the end-industry, TRIDEC will not be constantly forced to re-evaluate or update its list of targets.

The following page shows AngelouEconomics’ updated targets, with their “niche” sectors.

TRI-CITIES TARGET RECOMMENDATIONS

The following chart shows the complete list of Targets for the Tri-Cities, not including the expansion targets or tourism and health care:



The next report, Tri-Cities Marketing Plan, will take this list of target industries, viewed as the “customer” or “target audience”, and present new methods for marketing to them.

AngelouEconomics profiles each of these primary recruitment targets and their location requirements in the following pages.

Attachment 8 - Historical Photos of Tract 1

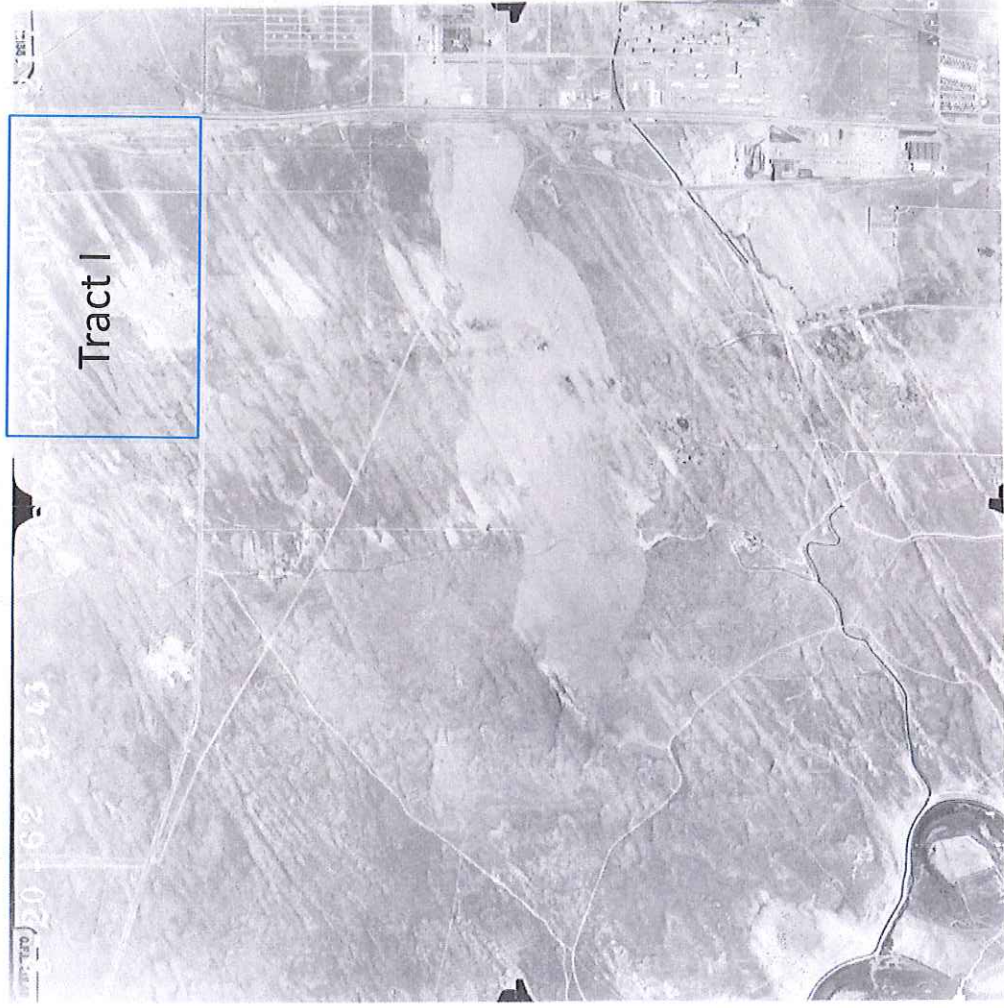
Historical Photos of Tract 1 Include:

1. 1953
2. August 20, 1962
3. 1989
4. 1997
5. 2008

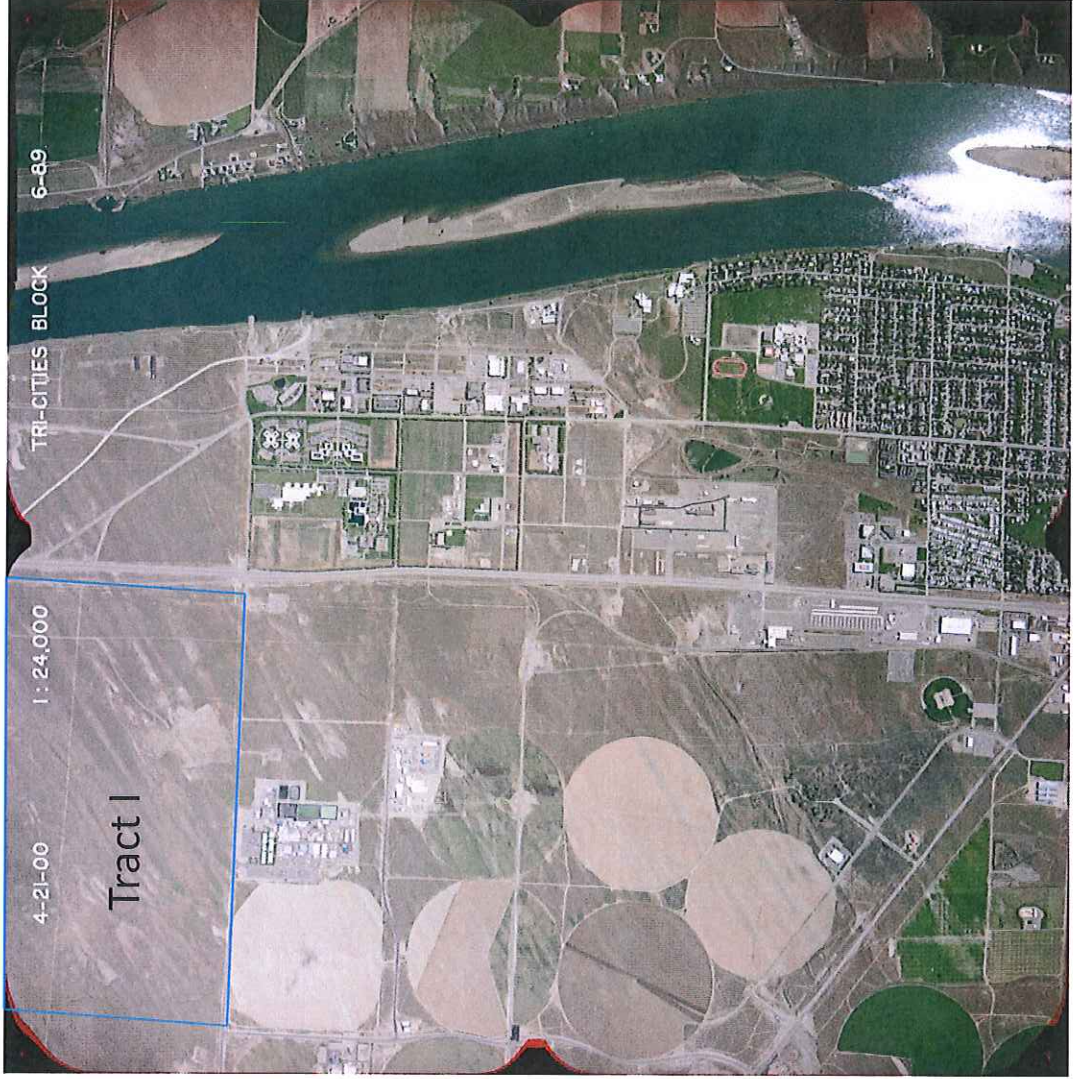
Tract 1 - 1953



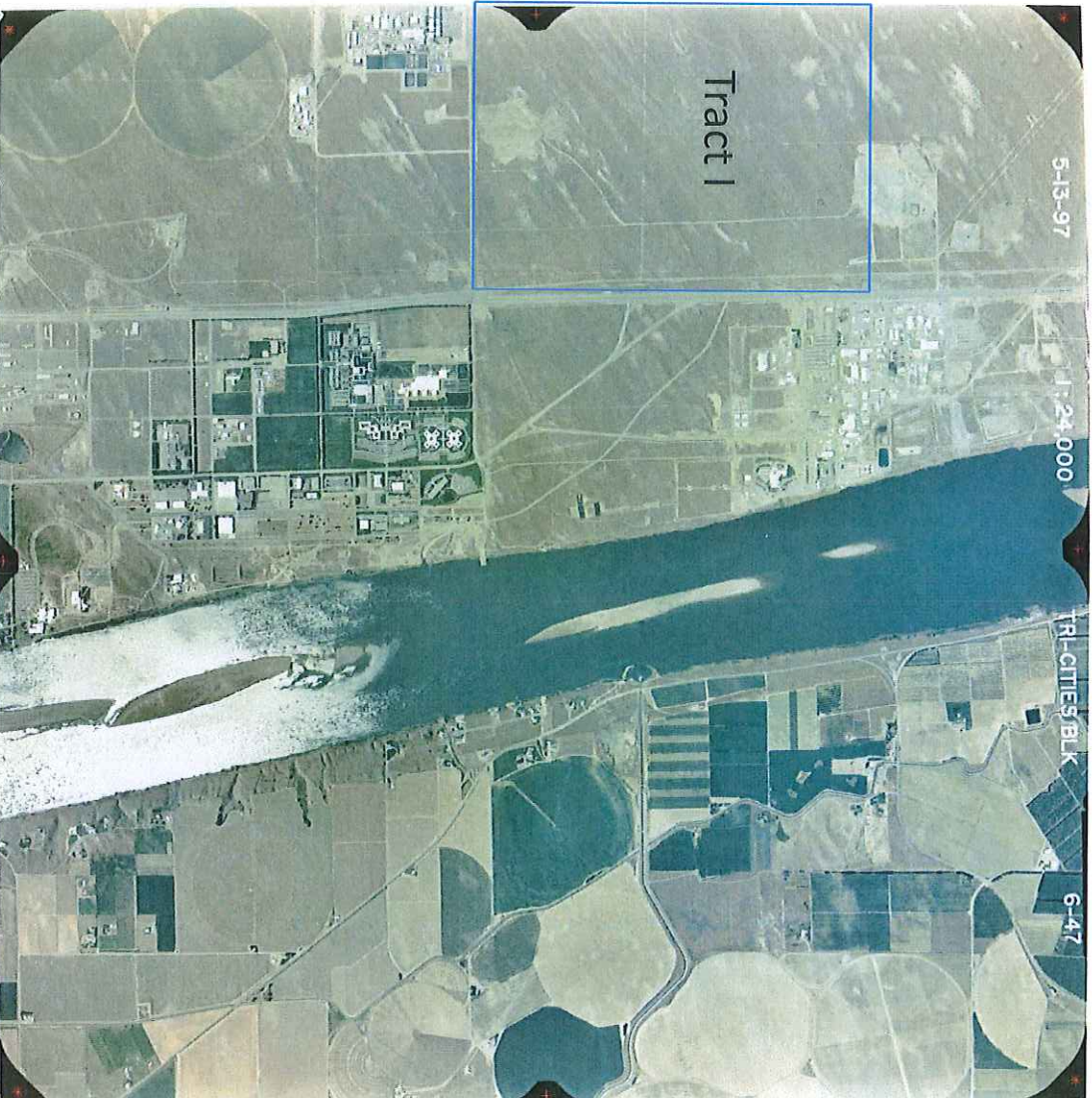
Tract 1 – August 20, 1962



Tract 1 - 1989



Tract 1 - 1997



Tract 1 - 2008

