

# ECONOMIC OUTLOOK

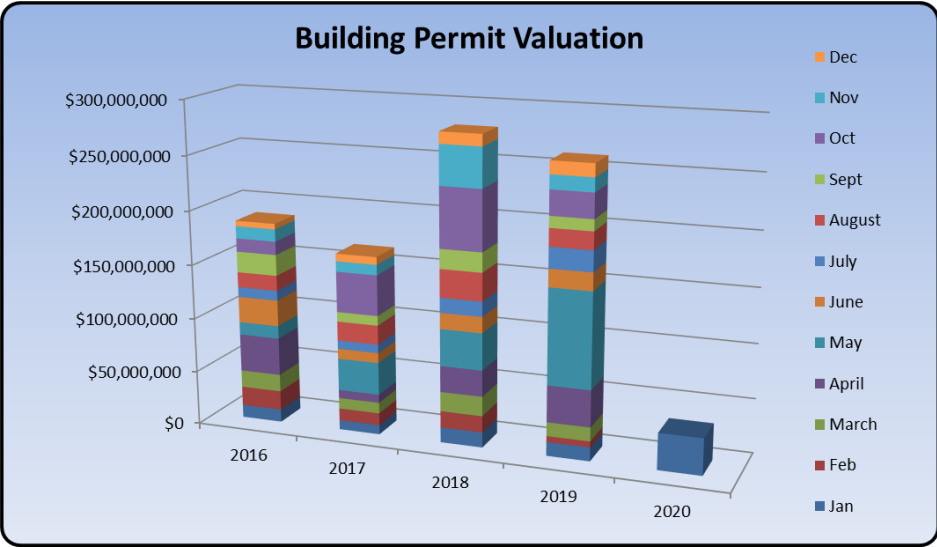
FEBRUARY 20<sup>TH</sup>, 2020

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# HOW IS KENNEWICK DOING?

- Building permit valuation for January was nearly \$34 Million
- Express permitting increasingly more popular than traditional permitting; particularly for SFR
- Many capital projects for Kennewick School District continue to grow valuation

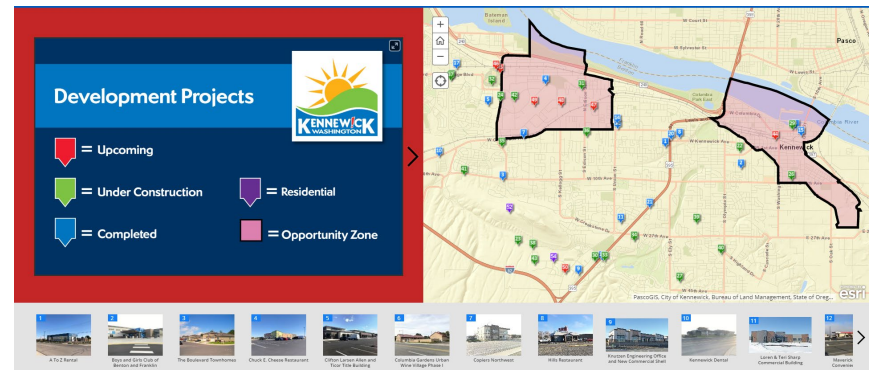


# WHAT WE NEED

	Vista Field / CCB	Downtown / Waterfront	Southridge	Clearwater	Bob Olsen Pkwy / Hansen Park
Restaurants	X	X	X		
Retailers	X	X		X	
Grocery Stores		X			X
Class A Office	X		X		X
Class B Office		X	X	X	
Mixed Use	X	X	X		X

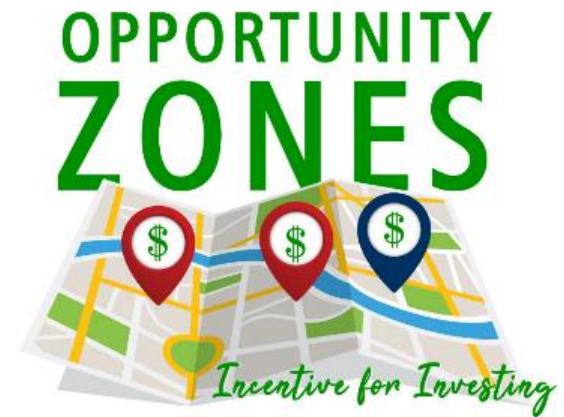
# OPPORTUNITIES IN GENERAL

- Opportunity Zone Capital Gains Tax Incentives
- Relatively inexpensive land for sale, particularly in targeted redevelopment areas



# INCENTIVES TO DEVELOP

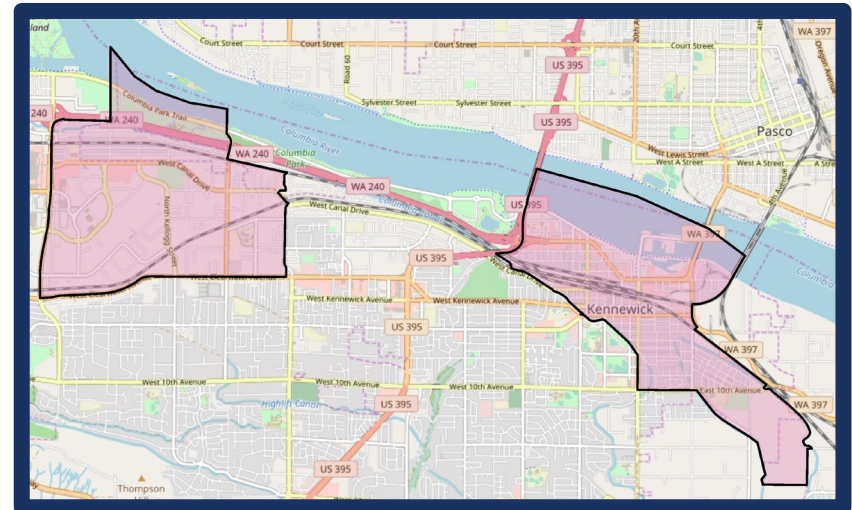
- Opportunity Zones
- Five-Week Commercial Permitting
- Express Permitting Program
- Low \$\$\$ vacant land sales
- Winery Effluent System
- Brewery Wastewater Toolkit



# OZ - KENNEWICK'S DESIGNATED TRACTS



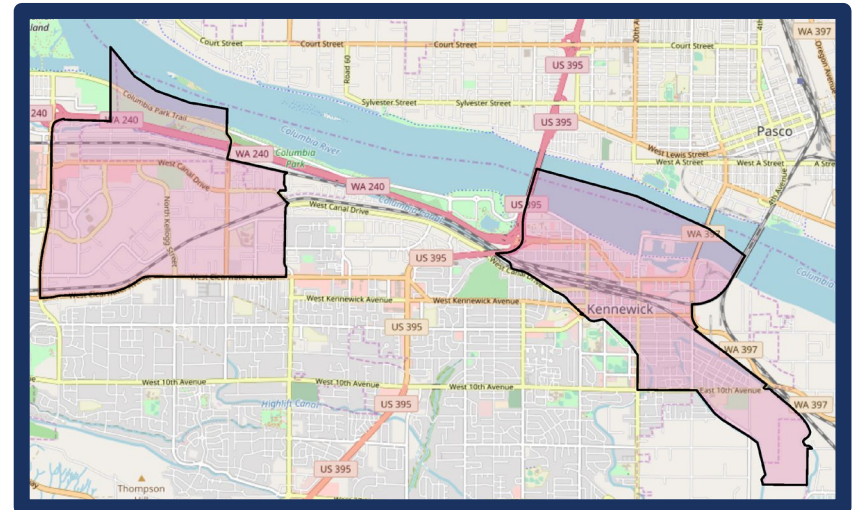
- Vista OZ
  - East of Col. Center Blvd
  - West of Volland
  - North of Clearwater
  - South of Columbia River
- Downtown/Waterfront OZ
  - East of Blue Bridge
  - West of Hwy. 397 (partial coverage b/t cable/RR bridge)
  - North of Irrigation Canal
  - South of Columbia River



# OZ - WHAT'S THE INCENTIVE?



- Deferral of Capital Gains until 12/31/26
- 10% capital gains abated if invested before 12/31/21
- Step-Up in Basis on new investment, resulting in 0% capital gains owed when selling new investment between 2028 and 2047



# DOWNTOWN / WATERFRONT - CURRENT DEVELOPMENT



117 W. Kennewick Ave



112 W. Kennewick Ave

- Nearly \$2 Million invested in redevelopment in Downtown in last two years.
- Layered Cake Artistry with additional future tenant space
- Players Sports Bar & Grill Expansion
- 112 West Kennewick Preservation/Renovation
- Interior remodel at Esprit Graphics



# DOWNTOWN / WATERFRONT - CURRENT DEVELOPMENT



The Nineteen – 19 W. Canal Street

- Five story mixed use development planned in Downtown
- 12k-sf ground floor retail/restaurant
- 12k-sf second floor office
- 27 apartments

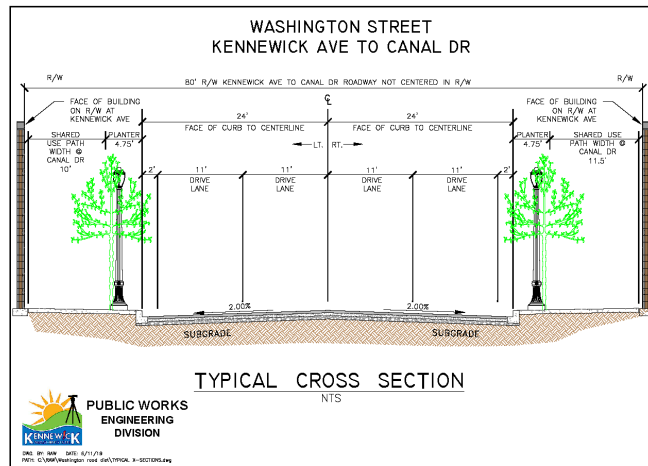
# DOWNTOWN / WATERFRONT - CURRENT DEVELOPMENT



Columbia Gardens

- Partnership with Port of Kennewick for Columbia Gardens Development

# DOWNTOWN / WATERFRONT - CURRENT DEVELOPMENT



Washington Street

- Extending Pedestrian Path on East side of Washington
- Varying width ROW with 12-15' wide curb/gutter/sidewalk
- Two-Way Walk/Bike Path
- Funded by Transportation Improvement Board, and awarded additional grant funds from BNSF

# DOWNTOWN / WATERFRONT - OPPORTUNITIES



Base of the Blue Bridge

- More than 30 acres of waterfront development potential
- Right off of Hwy 395
- Bare ground ripe for Opportunity Zone eligibility

# VISTA AREA - PENDING DEVELOPMENT



Convention Center

- \$85m Phase I Development, potential for \$160m Phase II Development
- Public Convention Center Expansion, adding 2,000 seat performing arts theater
- Private Phase I Development adding high-end hotel and 40k-sf retail center



# SOUTHRIDGE – OPPORTUNITIES



# QUALITY OF LIFE





# WHAT'S COMING?

- Beautification and wayfinding projects unifying community wayfinding
- Shoreline stabilization and growth
- Connectivity between Columbia Gardens and Downtown
- US 395/Ridgeline Drive Interchange

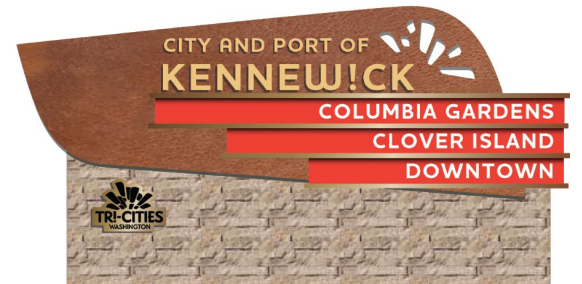
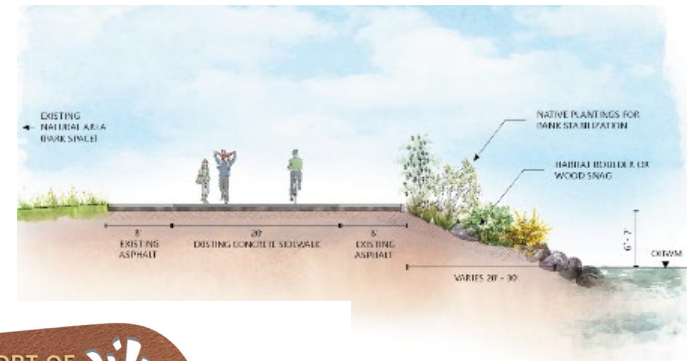


Figure 2