

WEST RICHLAND AGENDA ACTION ITEMS

AGENDA ITEM:	6a	TYPE OF ACTION NEEDED			
MEETING DATE:	August 8, 2017	<i>Execute Contract</i>	X	<i>Consent Agenda</i>	X
SUBJECT:	Motion to execute Industrial Wastewater User Contract w/ Double Canyon	<i>Pass Resolution</i>		<i>Public Hearing</i>	
		<i>Pass Ordinance</i>		<i>1st Discussion</i>	
Prepared by:	Roscoe C. Slade, III, PW Director 	<i>Pass Motion</i>	X	<i>2nd Discussion</i>	
Reviewed by:	Brent Gerry, Mayor 	<i>Other</i>		<i>Other</i>	

COUNCIL STRATEGIC FOCUS AREA:

SFA #3 – Financial & Operational Effectiveness, Stability & Accountability.

Goal #1 – Conduct city operations using best management practices.

ATTACHMENTS:

- Copy of Industrial Wastewater User Contract – WR 2017-003

BACKGROUND INFORMATION:

West Richland Municipal Code Chapter 13.09, Sanitary Sewer Connection Fees, establishes a connection fee to be charged so that the property on which it is imposed pays its equitable share of the cost of the existing capital sewer facilities which are system wide in nature and are not site specific. This fee includes the property's equitable share of the costs required to upgrade the sewage system to meet the demands imposed by the new connection and a share of the debt service incurred to construct the necessary general facilities of the system.

The sewer connection fee for industrial customers discharging other than domestic strength sewage, that is sewage of a type, composition, and toxicity or in amounts greater than discharged by a typical residential unit shall be calculated by the Public Works Director.

Double Canyon is considered an industrial customer requiring an industrial wastewater user contract. The attached contract establishes the term of the contract (expires Dec. 31, 2019 – renewable), wastewater monitoring and sampling requirements, contract capacity (2,400 gal/day, 100 lbs/day of BOD, and 16 lbs/ day of TSS), prohibited discharges, rates and charges (base rate plus charges for Volume, BOD and TSS), and remedies if users fails to perform.

The engineering facility report, Engineering Report for facility dated May 2017, provides detailed information on the wastewater to be discharged to the City. The information from this report was used in the City's industrial wastewater user contract.

SUMMARY:

Double Canyon is considered a non-significant industrial user. Non-Significant Industrial User is defined as and user discharging less than 25,000 gallons per day or less than 5% of the City's treatment plant's loading capacity (5% of BOD and TSS is 156.4 lbs/day). Other Cities in the area typically require industrial users to pre-treat their wastewater to domestic strength before discharging into the City's sanitary sewer system; the City of West Richland will allow non-domestic strength sewage to be discharged into the sanitary sewer system and charge additional fees for the increased wastewater strength and loadings. This difference in approach to industrial wastewater gives West Richland a competitive advantage over the other Cities in attracting additional industrial users, distilleries, creameries and winery production facilities.

Summary of the industrial wastewater user contract include:
Term of contract: expires Dec. 31, 2019 – renewable.

Contracted capacity: average daily flow – 2,400 gal/day
 average daily BOD loading – 100 lbs/day
 average daily TSS loading – 16 lbs/day

Discharges in excess of contracted capacity: user incurs a 50% surcharge on rates.

Monthly base sewer rate: Sewer Availability Fee - \$706.61 / month
 Base Sewer Rate - \$725 / month

Volume and strength rates: \$0.30 per 100 gallons of wastewater discharged
 \$0.54 per lb of BOD discharged
 \$0.49 per lb of TSS discharged

The rate structure was analyzed and updated by a consultant, Katy Isaksen & Associates, to ensure it is sufficient to cover the estimated operational and maintenance costs of the City’s new industrial wastewater treatment plant (I-Plant) and collection system associated with this user. The consultant’s analysis and I-Plant rates were reviewed and discussed by the Utility Committee on January 10, 2017.

RECOMMENDATION:

Staff recommends Council authorize the Mayor to execute the Industrial Wastewater User Contract, Permit No. WR-2017-003 dated January 2017, with Double Canyon.

ALTERNATIVES:

As amended by Council.

FISCAL IMPACT (Indicate amount, fund and impact on budget):

Estimated Revenue: \$8,479.32 / year - 442 Fund (Monthly Sewer Availability Fees)
Estimated Revenue: \$12,295 / year - 401 Fund (Monthly Base Sewer Rate + volume and loading charges)
Estimated Revenue: \$1,919 / year – 001 General Fund (13.5% internal city tax)

Estimated revenue for 401 Fund based on information in Engineering Report for facility dated May 2017.

MOTION:

I move to authorize the Mayor to execute the Industrial Wastewater User Contract, Permit No. WR-2017-003 dated January 2017, with Double Canyon.

CITY OF WEST RICHLAND

INDUSTRIAL WASTEWATER USER CONTRACT PERMIT NO. WR-2017-003 8060 Keene Road

Contracted User: Double Canyon
8060 Keene Road
West Richland, WA. 99353

Date: January 2017

RECITALS:

A. The City of West Richland, hereinafter referred to as "City", is a municipal corporation of the State of Washington, and in such capacity owns and operates sanitary sewer collection and treatment facilities, herein referred to as "Facilities", for the collection, treatment, and disposal of residential, commercial, and industrial wastewater.

B. Double Canyon, hereinafter referred to as "Contracted User", is signing this Contract.

C. The operation of the Facilities is subject to the laws and regulations of the United States and of the State of Washington including, without limitation, laws and regulations relating to discharge of industrial wastewater as administered by the Washington State Department of Ecology (WDOE), which issues permits to both the City and to the Contracted User.

NOW, THEREFORE, THE CITY AND CONTRACTED USER AGREE AS FOLLOWS:

1. TERM OF CONTRACT:

- 1.1 Term of Contract: This Contract shall commence on **June 9, 2017** and shall continue through December 31, 2019 unless terminated earlier by the City or Contracted User as provided herein.

1.2 Termination of Right to Discharge by Contracted User: Contracted User may terminate this Contract and right to discharge into the City's Facilities by providing the City with written notice, via USPS certified mail, at least six months prior to the effective date of such termination. If the City is provided with less than six months written termination notice, the Contracted User shall be responsible for payment of the Sewer Availability Fee, per Section 5.1 of this Contract, for six months from the date the written notice is given.

1.3 Contract Renewal:

1.3.1 Contract Renewal: Contracted User may make written request to the City via USPS certified mail to renew this Contract six months prior to the Contract's expiration date. The City reserves the right to modify any Contract language, terms, conditions, allocation of capacity and or rate to meet the conditions of the City's National Pollutant Discharge Elimination System (NPDES) waste discharge permit and revenue needs of the City's sewer fund before renewing this Contract.

1.3.2 Renegotiation of Contract: The Contracted User may request the re-evaluation and/or re-negotiation of this Contract once during the contract term. Said request must be in writing to the City via USPS certified mail.

1.4 Previous Industrial Wastewater User Contracts: All previous industrial wastewater user contracts between the City and Contracted User shall be considered null and void as of December 31, 2016.

2. INDUSTRIAL MONITORING:

2.1 Industrial Monitoring Required: Industrial monitoring will be required of all industrial wastewater produced by the Contracted User. The City shall own, operate, and maintain industrial monitoring facilities, the purpose of which is to establish the characteristics of the industrial wastewater discharged by the Contracted User. The Contracted User shall pay all expenses of the design and construction of the Industrial monitoring stations. The City's costs associated with the operation and maintenance of those industrial monitoring stations shall be incorporated into the industrial wastewater rates. The City shall have the right of access to the industrial monitoring facilities for the purpose of inspection,

calibration, and collection of samples. Unauthorized discharge of industrial waste to the City's Facilities of any waste stream containing industrial wastewater that has not passed through an industrial monitoring facility shall be considered a violation of this Contract. The fine for such violation shall be up to \$5,000 per day for every day on which such unauthorized discharge occurs. Contracted User may appeal any such fines to the City of West Richland's Mayor.

- 2.2 Use of Industrial Wastewater Samples: The Contracted User may request in writing that duplicate samples be taken at any time during the period of the Contract. If requested, the City will make duplicate samples available to the Contracted User for their own testing at the time the City retrieves its samples from the sampling device. The City shall gather and handle all wastewater samples in accordance with recognized standards and requirements and will use only certified laboratories for testing of the wastewater samples. Standard Method 5210-B shall be used for 5 day BOD and Standard Method 2540-D for TSS. It is clearly understood that, due to differences in handling and testing procedures, no direct comparison between the City's testing results and the Contracted User's testing results can be made. It is further understood that the testing results of the City shall be used to determine the characteristics of the wastewater for the purpose of establishing industrial wastewater billings. In the event of a City testing or sampling equipment failure, the City may request the Contracted User's wastewater testing for use in determining billing amounts. Other procedures for determining monthly billings when City testing results are not available are described in the West Richland Municipal Code. Upon written request, the City shall provide the Contracted User with the City's records regarding the monitoring and testing results for the Contracted User.

3. CAPACITY OF THE FACILITIES:

- 3.1 Determination of Capacity: The capacity of the Facilities shall be defined by the WDOE-approved engineering report and as specified within the City's NPDES permit.
- 3.2 Allocation of Capacity: A portion of the Facilities capacity shall be allocated to the Contracted User set forth in Section 3.3 of this Contract and shall be known as the Contracted Capacity.

- 3.3 Contracted Capacity: The monthly hydraulic Contracted Capacity, monthly biochemical oxygen demand (BOD) Contracted Capacity, and monthly total suspended solids (TSS) Contracted Capacity allocated to the Contracted User shall, in volume and strength, not exceed the following components;

Contracted Capacity

Average Daily Flow (gallons per day)	2,400
Average Daily BOD Loading (pounds per day)	100.0
Average Daily TSS Loading (pounds per day)	16.0

- 3.4 Sale of Contracted Capacity: The Contracted User shall not be allowed to assign or sell any or all of its Contracted Capacity to a third party.

4. DISCHARGES BY CONTRACTED USER:

- 4.1 Discharge Permits: The Contracted User shall be solely responsible for obtaining any other permits necessary to discharge into the City's Facilities. Contracted User shall provide a copy of such permits to the City.
- 4.2 Limit of Discharges: The Contracted User's industrial wastewater discharged into the Facilities shall not exceed the limits set forth as the Contracted Capacity set forth in Section 3.3 of this Contract.
- 4.3 Discharges in Excess of Contracted Capacity: If the Contracted User's industrial wastewater exceeds the Contracted Capacity set forth in Section 3.3 of this Contract, the City reserves the right to restrict discharges in order to permit the City to meet its commitments to other Facility users and to comply with its NPDES permit, or the City may, at its sole discretion, accept additional discharges at the rates for that portion in excess of that set forth in Section 3.3 at a rate that shall be 1.5 times the rate listed in Section 5.2.
- 4.4 Prohibited Discharges: Contracted User shall not introduce or cause to be introduced in the Facilities any pollutant or wastewater which causes pass through or interference. These general prohibitions apply to all users of the public sewage system whether or not they are subject to categorical pretreatment standards or any other National, State, or local pretreatment standards or requirements. Except as hereinafter provided, no person shall discharge or cause

to be discharged any of the following described wastes or wastewater to the Facilities or natural outlet:

- 4.4.1 A "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act, 33 U.S.C. Section 1321, now as or hereafter amended;
- 4.4.2 A "hazardous waste" pursuant to Section 1004 of Section 3001 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6903, 42 U.S.C. Section 6921, as now or hereafter amended;
- 4.4.3 A toxic pollutant under Section 307(1)(a) of the Federal Water Pollution Control Act, 33 U.S.C. Section 1317(a)(a) as now or hereafter amended;
- 4.4.4 A "hazardous air pollutant" under Section 112 of the Clean Air Act, 42 U.S.C Section 7412, as now or hereafter amended;
- 4.4.5 A "hazardous material" under the Hazardous Material Transportation Act, 49 U.S.C. Section 1802(2), as now or hereafter amended;
- 4.4.6 A "hazardous substance" as defined under Washington State's Model Toxic Control Act (MTCA), RCW 70.105D.020 (5), as now or hereafter amended;
- 4.4.7 Liquid or vapor having temperatures higher than one hundred ten degrees Fahrenheit;
- 4.4.8 Wastewater having a temperature which will inhibit biological activity in the treatment plant resulting in interference;
- 4.4.9 Wastewater which contains more than twenty-five parts per million weight of fat, oil, or grease;
- 4.4.10 Petroleum oil, non-biodegradable cutting oil, or products of mineral oil origin, in amounts that will cause interference or pass through;
- 4.4.11 Flammables capable of causing explosion or supporting combustion in the public sewer system, including but not

limited to the following: gasoline, benzene, naphtha, cleaning solvent, kerosene, fuel oil, waste crankcase oil, acetylene generation sludge, and painting materials;

- 4.4.12 Garbage that has not been properly shredded to 3/8 inch in diameter or less;
- 4.4.13 Ashes, cinders, sand, mud, straw, hair, shavings, metal, glass, rags, feathers, tar, plastics, sea shells, wood, paunch manure, or any other solid or viscous substance capable of causing obstruction to the flow of sewers or other interference with the proper operation of the public sewer system;
- 4.4.14 Wastewater having a pH lower than 5.5 or having the capacity to cause damage or hazards to Facilities;
- 4.4.15 Wastewater having a pH in excess of 11 or having the capacity to cause damage or hazards to Facilities;
- 4.4.16 Wastewater containing any toxic or poisonous substance, including chlorinated hydrocarbons, in sufficient quantity to injure or interfere with any sewage treatment process, or constitute a hazard to man or environment;
- 4.4.17 Wastewater containing BOD or suspended solids of such character and quantity that unusual attention or expense is required to handle such materials in collections systems, in the interceptors, at the sewage treatment plant, or at pumping stations;
- 4.4.18 Noxious or malodorous gas or substance capable of creating a public nuisance or to prevent entry into the sewers for maintenance or repair;
- 4.4.19 Wastewater with unusual BOD, chemical oxygen demand, chlorine requirements, volume of flow, or concentration of wastes constituting slugs;
- 4.4.20 Wastewater containing substances which are not amendable to treatment or reduction by the sewage treatment processes currently employed, or that are amendable to incomplete treatment such that the sewage treatment plant effluent cannot meet the requirements of state or federal

agencies having jurisdiction over discharges to receiving waters;

- 4.4.21 Wastewater which imparts color which cannot be removed by the treatment process, such as, but not limited to, dye wastes and vegetable tanning solutions, which consequently imparts color to the treatment plants effluent, thereby violating the City's NPDES permit.
- 4.4.22 Any radioactive wastes or isotopes of such half-life or concentration as may exceed limits established by the state or federal agencies having jurisdiction over discharges to receiving waters;
- 4.4.23 Any waters or wastes containing iron, chromium, copper, zinc, and similar objectionable or toxic substance to such degree that any such material received in the composite wastewater at the wastewater treatment plant exceeds the limits established by the state or federal agencies having jurisdiction over discharges to receiving waters;
- 4.4.24 Storm water, surface water, ground water, artesian well water, roof runoff, subsurface drainage, swimming pool drainage, condensate, deionized water, non-contact cooling water and unpolluted wastewater, unless specifically authorized by the City Engineer;
- 4.4.25 Any sludge, screenings, or other residues from the pretreatment of industrial wastes or from industrial processes;
- 4.4.26 Medical wastes, except as specifically authorized by the City Engineer;
- 4.4.27 Detergents, surface-active agents, or other substances which may cause excessive foaming in the waste water treatment plant;
- 4.4.28 Grease, animal guts or tissues, paunch manure, bones, hair, hides or fleshings, entrails, whole blood, feathers, ashes, cinders, sand, spent lime, stone or marble dusts, metal, glass, straw, shavings, grass clippings, rags, spent grains, spent hops, waste paper, wood plastics, gas, tar asphalt

residues, residues from refining or processing of fuel or lubricating oil, mud or glass grinding or polishing wastes;

4.4.29 Any wastewater, which in the opinion of the City Engineer can cause harm either to sewers, sewage treatment process, or equipment; have an adverse effect on the receiving stream; or can otherwise endanger life, limb, public property, or constitute a nuisance;

4.4.30 The contents of any tank or other vessel owned or used by any person in the business of collecting or pumping sewage, effluent, septage, or other wastewater;

4.4.31 Any hazardous wastes as defined in rules published by the State of Washington or in IPA rules 40 C.F.R. Part 261;

4.4.32 Persistent pesticides and/or pesticides regulated by the Federal Insecticide Fungicide Rodenticide Act.

4.5 Accidental Discharges: The Contracted User shall immediately notify the City's Public Works Department of any accidental discharge (24-hour emergency telephone number: 509-967-5434). Formal written notification discussing circumstances and remedies shall be submitted to the City's Public Works Director within five working days of the occurrence. For the purpose of this provision, "accidental discharge" means (I) the inadvertent and unavoidable discharge of any wastewater or wastes (a) hereinbefore prohibited or (b) as determined by the City to be detrimental to its Facilities or (II) the discharge of an industrial wastewater component regulated herein which in strength of such component or volume of flow is more than three times the contracted capacity set forth in Section 3.3 of this contract. Accidental discharges without immediate oral notification or subsequent written notification shall be subject to a penalty of up to \$5,000 per day per occurrence plus the cost of mitigating the impact of the discharge on the Facilities. Contracted User may appeal any such fines to the City of West Richland's Mayor.

4.6 Slug Discharges: The Contracted User shall notify and obtain written approval from the City's Public Works Director at least five working days in advance of any planned slug discharge of industrial wastewater. The City's Public Works Director, at his sole discretion, may deny or condition the quantities and or rate of wastewater discharge and or require pretreatment of the slug discharge. For

the purpose of this provision, "slug discharge" means any discharge of an industrial wastewater component which in strength of any given component or volume of flow is more than three times the contracted capacity set forth in Section 3.3 of this contract. Slug discharge without written approval by the City's Public Works Director shall be subject to a penalty of up to \$5,000 per day per occurrence plus the cost of mitigating the impact of the discharge on the City's Facilities. Contracted User may appeal any such fines to the City of West Richland's Mayor.

- 4.7 Monetary Penalty for Exceeding Prohibited pH Limits: Any discharge of wastewater to the Facilities for an average over a 15-minute period within a 60 minute duration with a pH lower than 5.5 or pH higher than 11 or having any other corrosive property capable of causing damage or hazard to the Facilities shall be subject to a penalty of up to \$125.00 per occurrence and up to an additional \$125.00 per hour for each additional hour said violation continues to occur plus the actual costs of mitigating the effects of the impact of the discharge on the Facilities. Contracted User may appeal any such fines to the City of West Richland's Mayor.

5. RATES AND CHARGES:

- 5.1 Base Rates: A Sewer Availability Fee of \$706.61 per month shall be charged to the Contracted User for the allocated Contracted Capacity of the Facilities, and shall be assessed for each month of this Contract. This fee shall apply in addition to the Base Sewer Rate of \$725.00 per month and rates for volume and strength of the wastewater discharged to the City's wastewater facilities.
- 5.2 Volume and Strength Rates: In addition to the Base Rate and Sewer Availability Fee, monthly charges for the discharge of industrial wastewater shall be based on the volume and strength of wastewater discharged. Monthly charges will be based on the total volume of wastewater discharged during the month as measured by the City's flow meter, and the strength of the wastewater, expressed as pounds of BOD per month, pounds of TSS per month, as determined through testing of the wastewater by the City. Rates for volume and strength of industrial wastewater discharged shall be as follows:

\$0.30 per 100 gallons of wastewater discharged;
\$0.54 per pound of BOD discharged; and
\$0.49 per pound of TSS discharged.

5.3 Surcharge Rate: If components of the Contracted User's industrial wastewater discharges exceed the Contracted Capacity set forth in Section 3.3 of this Contract, the City reserves the right to restrict discharges in order to permit the City to meet its commitments to other users and to comply with its NPDES Permit, or the City may, in its sole discretion, accept additional discharges for that portion in excess of that set forth in Section 3.3 at a surcharge rate that shall be 1.5 times the rate listed in Section 5.2.

5.4 Industrial Wastewater User Contract Fee: An Industrial Wastewater User Contract Administration Fee of \$700 (non-significant industrial user), or as amended by the City in the future, shall be charged to the Contracted User for the initial establishment and subsequent renewals of this contract.

6. BILLING PROCEDURE:

6.1 Billing Procedure: Monthly billings by the City and payments by the Contracted User shall be in accordance with City standard billing and payment procedures and West Richland Municipal Code.

7. REMEDIES IF CONTRACTED USER FAILS TO PERFORM:

7.1 Remedies: If Contracted User fails to make any payments or fails to perform any obligation required of the Contracted User under the terms of this Contract, the City shall be entitled to exercise all rights and remedies allowed by law or equity including, without limitation, the following remedies which may be cumulative:

A. Collection Action: The City may commence an action for the collection of past due payments or obligations.

B. Damages, Fines, and Penalties: In the event the Contracted User fails to perform under this Contract including, without limitation, prohibited discharges or discharges exceeding the allowable quantities set forth in Section 3.3 of this Contract, the Contracted User shall be responsible for any damages to the City, including without limitation:

1. Cost incurred in connection with removal of debris or obstructions from pipelines, pumping stations, and other wastewater system components;

2. Cost of repairs to the City facilities and equipment;
3. Any environmental cleanup costs; and
4. Any damages, costs, fines, penalties, or expenses for which the City may be obligated as a result of the Contracted User's failure to perform under this Contract.

C. Termination of Contract.

8. INDEMNIFICATION:

- 8.1 **Indemnification:** The Contracted User will at all times indemnify and hold harmless and defend the City, its elected officials, officers, employees, agents, and representatives from and against any and all losses, damages, costs, charges, expenses, judgments, and liabilities, including attorney's fees (including attorney's fees in establishing indemnification of whatsoever nature), collectively referred to herein as "losses", directly or indirectly resulting from, arising out of, or related to one or more claims, as hereafter defined, unless such losses or claims, or both, directly or indirectly result from, arise out of or relate to, or are asserted to have resulted from, arisen out of or related to, in whole or in part, one or more negligent acts or omissions of the City or its elected officials, officers, agents, representatives, employees, or any other party acting for or on behalf of the City.
- 8.2 **Claims:** The term "claims" as used herein shall mean all claims, lawsuits, causes of action, and other legal actions and proceedings of whatsoever nature, including but not limited to claims, lawsuits, causes of action, and other legal actions and proceedings involving bodily or personal injury or death of any person or damage to any property (including but not limited to persons employed by the City, Contracted User, or any other person and all property owned or claimed by the City, Contracted User, and any affiliate of the Contracted User, or any other person).
- 8.3 **Obligation of Contracted User:** The obligations of the Contracted User hereunder shall apply to all losses or claims, or both, that result from, arise out of, or are related to any event, occurrence, condition or relationship, whether such losses or claims, or both, are asserted. The City will not be liable to the Contracted User for, and the Contracted User hereby releases the City from, all liability

for any injuries, damages, or destruction to all or any part of parts of any property owned or claimed by the Contracted User that directly or indirectly results from, arise out of, or relate to the Contracted User's use of the Facilities or under this Contract or any part thereof, unless such injuries, damages, or destruction directly or indirectly result from, arise out of, or relate to, in whole or in part, one or more negligent acts or omissions of the City or its elected officials, directors, employees, agents, representatives, or any other party acting for or on behalf of the City.

- 8.4 Action brought against City: In case any action shall be brought against the City in respect of which indemnity may be sought against the Contracted User, the City shall promptly notify the Contracted User in writing, via USPS certified mail, and the Contracted User shall have the right to assume the investigation and defense thereof including the employment of council and the payment of all expenses. The City shall have the right to employ separate counsel in any such action and participate in the investigation and defense thereof, but the fees and expenses of such council shall be paid by the City unless the employment of such council has been authorized by the Contracted User and the Contracted User shall control the defense of claims against which it is providing indemnity hereunder.
- 8.5 RCW 4.24.115: Should a court of competent jurisdiction determine that this Contract is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the officers, employees, and agents, the Contracted User's liability hereunder shall be only to the extent of the Contracted User's negligence.
- 8.6 Waiver of immunity under industrial insurance: It is further specifically and expressly understood that the indemnification provided herein constitutes the Contracted User's waiver of immunity under industrial insurance, Title 41 RCW, solely for the purpose of this indemnification. This Waiver has been mutually negotiated by the parties. 2.1.16 initial _____ initial
- 8.7 Survivability: The provision of this indemnification section shall survive the expiration or termination of this Contract.

9. NOTICES:

- 9.1 Notices: Notices shall be directed to the parties as follows:

To the City:

City of West Richland
3801 W. Van Giesen
West Richland, WA. 99353
Attn: City Clerk

To the Contracted User:

Double Canyon
8060 ~~8111~~ Keene Road
West Richland, WA. 99353
Attn: Will Beightol

IN WITNESS WHEREOF the parties hereto have executed this Contract as of this
9th day of June, 2017.

City of West Richland

Double Canyon

Brent Gerry, Mayor



Will Beightol, General Manager

ATTEST:

Julie Richardson, City Clerk

Approved as to content and form:

Bronson Brown, City Attorney

DOUBLE CANYON ACKNOWLEDGMENT

STATE OF Washington)
) ss.
COUNTY OF Benton)

On this 9th day of June, 2017 before me, the undersigned, a Notary Public in and for the State of Washington duly commissioned and sworn, personally appeared WILL BEIGHTOL to me known to be the General Manager of Double Canyon that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of Double Canyon for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

WIKAM GILLIAM
Print or Type Name: WIKAM GILLIAM
Notary Public in and for the State of Washington,
residing at Kennewick
My appointment expires: 2-19-17



WEST RICHLAND AGENDA ACTION ITEMS

<i>AGENDA ITEM:</i>	6b	<i>TYPE OF ACTION NEEDED</i>			
<i>MEETING DATE:</i>	August 8, 2017	<i>Execute Contract</i>	X	<i>Consent Agenda</i>	X
<i>SUBJECT:</i>	RES __-17 - Transportation Impact Fee Mitigation Agreement – Roasters Coffee	<i>Pass Resolution</i>	X	<i>Public Hearing</i>	
		<i>Pass Ordinance</i>		<i>1st Discussion</i>	
<i>Prepared by:</i>	Roscoe C. Slade III, PW Director 	<i>Pass Motion</i>		<i>2nd Discussion</i>	
<i>Reviewed by:</i>	Brent Gerry, Mayor 	<i>Other</i>		<i>Other</i>	

COUNCIL STRATEGIC FOCUS AREA:

SFA #3 – Financial & Operational Effectiveness, Stability and Accountability

GOAL # 4 – Improve quality and efficiency of services and cost savings through collaboration with other public and private entities.

ATTACHMENTS:

- Resolution __-17 – Transportation Impact Fee Mitigation Agreement for Roasters Coffee.
- Memo from City Engineer verifying reimbursement amount dated July 25, 2017

BACKGROUND INFORMATION:

In 1992, the City Council adopted Ordinance 12-92 codified in West Richland Municipal Code chapter 16.14 to insure that impacts on the City's transportation system are mitigated as development occurs. On February 16, 2010, the City Council adopted Ordinance 2-10 establishing and implementing requirements and formulas for use in mitigating development impacts on the City's transportation system.

SUMMARY:

Ordinance 2-10 section 7 Credits, establishes credits against the Developer's Transportation Impact Fee for the value of dedicated road right-of-way and or improvements to the City's transportation system that are included in the City's 6-Year Transportation Improvement Plan and or serve the goals and objectives of the Transportation Element of the City's Comprehensive Plan.

Per Ordinance 2-10 section 7 Credits, the Public Works Director has made a determination that proposed improvements to Kennedy Road are included within the City's Six-Year Transportation Improvement Plan and serve the goals and objectives of the Transportation Element of the City's Comprehensive Plan.

Under the terms of the attached mitigation agreement, the developer is responsible for: the design and the widening of Kennedy Road and the construction of a 5" wide concrete sidewalk along the coffee shops frontage of Kennedy Road. Once the aforementioned items are completed by the owner of Kennedy Road Roasters Coffee, the Transportation Impact Fee for the 545 SF coffee shop shall be considered fully mitigated.

RECOMMENDATION:

Staff recommends Council adopt Resolution __-17 authorizing the Mayor to sign and execute a Transportation Impact Fee Mitigation Agreement with the owners of the Kennedy Road Roasters Coffee.

ALTERNATIVES:

As amended by Council.

FISCAL IMPACT (Indicate amount, fund and impact on budget):

The 355 Transportation Impact Fund would collect \$14,077.35 less in Transportation Impact Fees from the Kennedy Road Roasters Coffee.

MOTION:

I move to adopt Resolution ___-17 authorizing the Mayor to sign and execute a Transportation Impact Fee Mitigation Agreement with the owners of the Kennedy Road Roasters Coffee.

**CITY OF WEST RICHLAND
RESOLUTION NO. __-17**

**A RESOLUTION OF THE CITY OF WEST RICHLAND, WASHINGTON,
AUTHORIZING THE MAYOR TO SIGN AND EXECUTE A
TRANSPORTATION IMPACT FEE MITIGATION AGREEMENT WITH
HEYDEN EMPIRE LLC**

WHEREAS, the City Council has adopted Ordinance No. 12-92 codified as West Richland Municipal Code Chapter 16.14 to insure that impacts on the City's transportation system will be mitigated as development occurs so that the citizens of the City, both those present and those moving into the City, will continue to enjoy the high quality of life and living environment which currently exists; and

WHEREAS, the expansion and improvement of the City's transportation system are necessary to meet demands prompted by development; and

WHEREAS, the City Council has adopted Ordinance 02-10, establishing and implementing requirements and formulas for use in mitigating development impacts on the City's transportation system; and

WHEREAS, Ordinance 02-10, section 7, Credits, establishes credits against the Developer's Transportation Impact Fee for the value of dedicated land and constructed roadway improvements that are included in the City's Six-Year Transportation Improvement Plan and or serve the goals and objectives of the Transportation Element of the Capital Improvement Plan; and

NOW, THEREFORE, THE CITY COUNCIL FOR THE CITY OF WEST RICHLAND, WASHINGTON, does hereby resolve as follows:

Section 1. The City Council of West Richland, Washington authorizes the Mayor to sign and execute the Transportation Impact Fee Mitigation Agreement as shown in exhibit 'A' for the Kennedy Road Roasters Coffee.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately.

PASSED BY THE CITY COUNCIL OF THE CITY OF WEST RICHLAND, WASHINGTON, this 8th day of August, 2017.

Brent Gerry, Mayor

ATTEST:

Julie Richardson, City Clerk

APPROVED TO FORM:

Bronson Brown, City Attorney

**TRANSPORTATION IMPACT FEE
MITIGATION AGREEMENT
Kennedy Road Roasters Coffee
Parcel #1-1798-400-0005-003**

THIS AGREEMENT is entered into this _____ day of _____, 2017, by and between the **City of West Richland**, Hereinafter referred to as the "City", and Wes Heyden, referred to as the "Owners" of the Kennedy Road Roasters Coffee.

Under the terms of this agreement, the parties do hereby agree as follows:

1) The Developer shall receive a credit against the developments Transportation Impact Fee, as defined by Ordinance 02-10, or as amended by Council for the following items;

a) Before issuance of certificate of occupancy for the Kennedy Road Roasters Coffee, the Owner shall design and widen Kennedy Road and construct a 5' wide concrete sidewalk along the Kennedy Road frontage of parcel # 1-1798-400-0005-003.

2) The City and the Owner agrees that the total credit value for the aforementioned items in section 1 is estimated to be at least \$14,077.35.

3) The City shall issue the Owner a \$14,077.35 credit against the Transportation Impact Fee for the Kennedy Road Roasters hence the Transportation Impact Fee shall be considered fully mitigated with no balance remaining for the commercial development once the items in section 1 are completed by the Owner.

City of West Richland

Brent Gerry, Mayor

ATTEST:

Julie Richardson, City Clerk

APPROVE TO FORM:

Bronson Brown, City Attorney

HEYDEN EMPIRE LLC



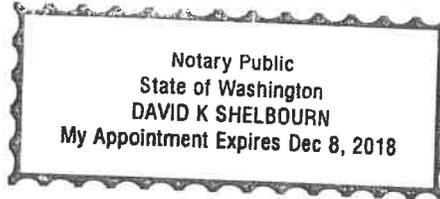
Wes Heyden, Owner

STATE OF WA)
County of Benton) :ss

On this day personally appeared before me WES HEYDEN, to me known to be the owner of HEYDEN EMPIRE, LLC, Washington State limited liability company, dba Roasters Coffee that executed the foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument on behalf of said limited liability company.

GIVEN under my hand and official seal this 27 day of July, 2017

NOTARY PUBLIC in and for the State of Washington
residing at Richland, WA
My Commission Expires: 12/08/2018





CITY OF WEST RICHLAND
PUBLIC WORKS DEPARTMENT
3801 W. VAN GIESEN
WEST RICHLAND, WA 99353
PHONE: (509)967-5434
FAX: (509)967-2419

DATE: July 25, 2017
TO: File
FROM: Drew Woodruff, P.E., City Engineer 
SUBJECT: Kennedy Road Roasters Coffee
Transportation Impact Fee Analysis

The Public Works Department has reviewed the proposed commercial business at the Southeast corner of the Keene Road and Kennedy Road intersection. After reviewing Appendix A in the Transportation Impact Fee document in Ordinance No. 25-16, a matching Type of Land Use was not found for the proposed use. Using 9th Edition of the Trip Generation Manual I was able to find ITE Code 938 Coffee/Donut Shop with Drive-Through Window and No Indoor Seating with 75 Trips Per Unit per 1000 SF.

Using ITE Code 938 the TIF calculates as follows:

75 Trip/Unit X 0.60 passby X 0.41 Economic Development Factor X \$1,400.00 TIF per PM PH = \$25,830 per 1000 SF

The calculated TIF for a 545 SF Coffee Shop would be \$14,077.35. I received an estimate from Ray Poland and Sons for the costs associated with the roadway widening on Kennedy Road. The estimate exceeded the required TIF calculated above. My determination is that the proposed roadway improvements on Kennedy Road satisfy this proposed buildings Transportation Impact Fee requirements.

Code	Description	Unit of Measure	Trips Per Unit
OFFICE			
710	General Office Building	1,000 SF	1.49
714	Corporate Headquarters Building	1,000 SF	1.41
715	Single Tenant Office Building	1,000 SF	1.74
720	Medical-Dental Office Building	1,000 SF	3.57
730	Government Office Building	1,000 SF	1.21
732	United States Post Office	1,000 SF	1.22
733	Government Office Complex	1,000 SF	2.85
750	Office Park	1,000 SF	1.48
760	Research and Development Center	1,000 SF	1.07
770	Business Park	1,000 SF	1.29
RETAIL			
812	Building Materials and Lumber Store	1,000 SF	4.49
813	Free-Standing Discount Superstore	1,000 SF	4.35
814	Variety Store	1,000 SF	6.82
815	Free Standing Discount Store	1,000 SF	4.98
816	Hardware / Paint Store	1,000 SF	4.84
817	Nursery (Garden Center)	1,000 SF	6.94
818	Nursery (Wholesale)	1,000 SF	5.17
820	Shopping Center	1,000 SF	3.71
823	Factory Outlet Center	1,000 SF	2.29
826	Specialty Retail Center	1,000 SF	2.71
841	New Car Sales	1,000 SF	2.62
842	Recreational Vehicle Sales	1,000 SF	2.54
843	Automobile Parts Sales	1,000 SF	5.98
848	Tire Store	1,000 SF	4.15
850	Supermarket	1,000 SF	9.48
851	Convenience Market (Open 24 Hours)	1,000 SF	52.41
852	Convenience Market (Open 15-16 Hours)	1,000 SF	34.57
853	Convenience Market with Gasoline Pumps	1,000 SF	50.92
854	Discount Supermarket	1,000 SF	8.34
857	Discount Club	1,000 SF	4.18
860	Wholesale Market	1,000 SF	0.88
861	Sporting Goods Superstore	1,000 SF	1.84
862	Home Improvement Superstore	1,000 SF	2.33
863	Electronics Superstore	1,000 SF	4.50
864	Toy / Children's Superstore	1,000 SF	4.99
866	Pet Supply Superstore	1,000 SF	3.38
867	Office Supply Superstore	1,000 SF	3.40
875	Department Store	1,000 SF	1.87

Code	Description	Unit of Measure	Trips Per Unit
876	Apparel Store	1,000 SF	3.83
879	Arts and Craft Store	1,000 SF	6.21
880	Pharmacy / Drugstore without Drive-Through Window	1,000 SF	8.4
881	Pharmacy / Drugstore with Drive-Through Window	1,000 SF	9.91
890	Furniture Store	1,000 SF	0.45
896	DVD/Video Rental Store	1,000 SF	13.60
SERVICES			
911	Walk-In Bank	1,000 SF	12.13
912	Drive-In Bank	1,000 SF	24.30
918	Hair Salon	1,000 SF	1.93
925	Drinking Place	1,000 SF	11.34
931	Quality Restaurant	1,000 SF	7.49
932	High-Turnover (Sit-Down) Restaurant	1,000 SF	11.15
933	Fast Food Restaurant without Drive-Through Window	1,000 SF	26.15
934	Fast Food Restaurant with Drive-Through Window	1,000 SF	33.84
935	Fast Food Restaurant with Drive-Through Window and No Indoor Seating	1,000 SF	153.85
936	Coffee / Donut Shop without Drive-Through Window	1,000 SF	40.75
937	Coffee / Donut Shop with Drive-Through Window	1,000 SF	42.8
938	Coffee / Donut Shop with Drive-Through Window and No Indoor Seating	1,000 SF	75
940	Bread / Donut / Bagel Shop with Drive-Through Window	1,000 SF	18.99
941	Quick Lubrication Vehicle Shop	Service Bays	5.19
942	Automobile Care Center	1,000 SF	3.11
943	Automobile Parts and Service Center	1,000 SF	4.46
944	Gasoline / Service Station	Fueling Positions	13.87
945	Gasoline / Service Station with Convenience Market	Fueling Positions	13.51
946	Gasoline / Service Station with Convenience Market and Car Wash	Fueling Positions	13.94
947	Self Service Car Wash	Stalls	5.54
948	Automated Car Wash	1,000 SF	14.12
950	Truck Stop	1,000 SF	13.63

Note: All land uses in the 800 and 900 series are entitled to a "passby" trip reduction of 60% if less than 50,000 ft² or a reduction of 40% if equal to or greater than 50,000 ft².

* Approximated by 10% of Weekday average rate.