



City Council Workshop Agenda

February 25, 2025 at 6:30 PM

City Hall Council Chambers - 210 W 6th Ave and Virtual

The City of Kennewick broadcasts Council meetings on the City's website at

<https://www.go2kennewick.com/CouncilMeetingBroadcasts>.

Written public comment is accepted pursuant to KMC 2.04.047.

1. Capital Project Priorities

Council Agenda Coversheet	Item Number: 1. Date: 2/25/2025	Category:
	Item Type: Presentation Subject: Capital Project Priorities Department: City Manager	
Summary Following the successful prioritization of the Convention Center as the City's primary capital project during the May 2024 Council retreat, and with groundbreaking quickly approaching, this workshop aims to establish the next tier of capital project priorities. Staff seeks Council direction on implementation sequencing and next steps for several major capital facilities that were also discussed during the retreat: • City Hall improvements and potential renovation/replacement • Construction of Fire Station #6 to meet growing service demands • Recreation facility options, including: ○ Outdoor pool facility ○ Indoor aquatic center ○ Indoor turf facility ○ KAC upgrades ○ Comprehensive recreation center • City Shops facility improvements Staff will present information on project scope, estimated costs, and potential funding mechanisms for each project. Council's prioritization will help inform the capital facilities planning process and guide resource allocation for project development as the City transitions from the Convention Center project to its next major capital investment.		
Attachments: 1. Presentation		

2/25/2025

City of Kennewick

CITY CAPITAL PROJECTS PRIORITIZATION WORKSHOP

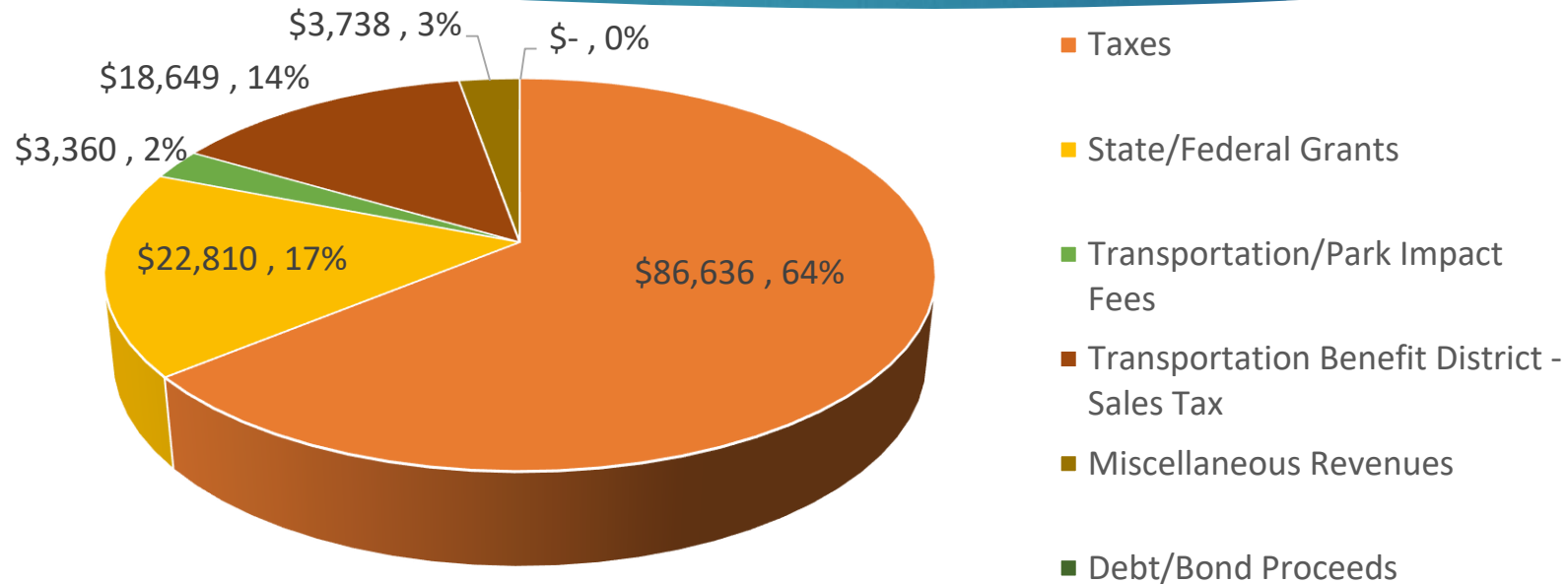


I. Financial Landscape Overview

- ▶ Capital Revenue Sources
- ▶ Capital Expenditure Uses
- ▶ Capital Reserve Analysis

Capital Revenue Sources

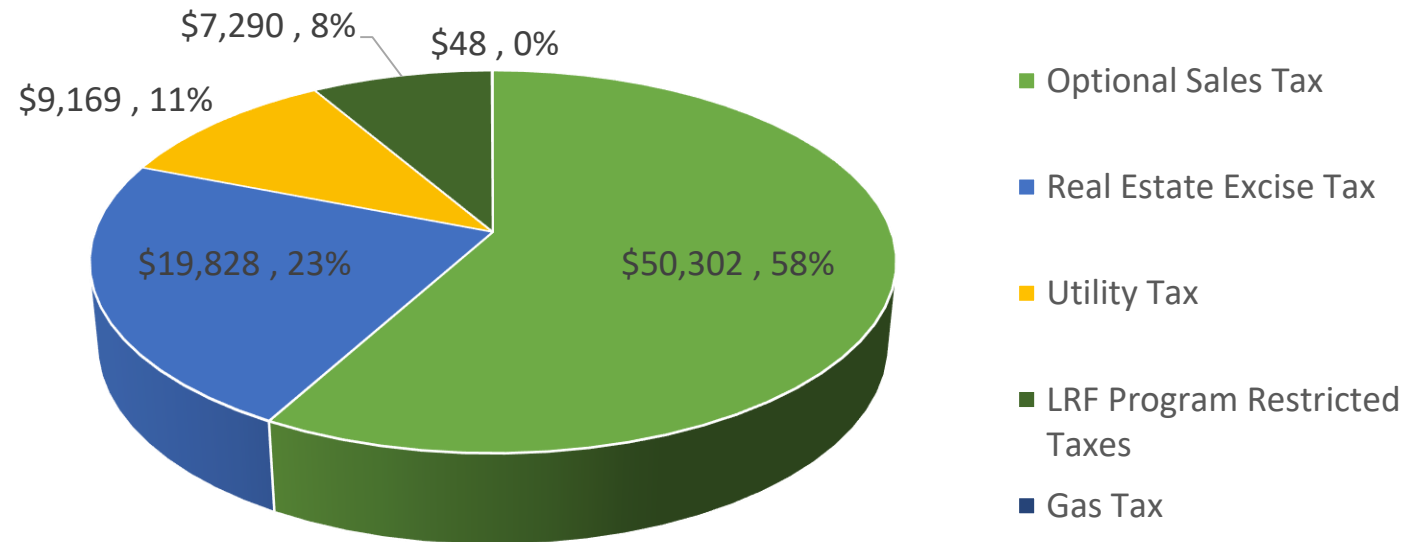
2025-2030 Capital Program Anticipated Funding (In Thousands)



Revenue Category	2025	2026	2027	2028	2029	2030	Total
Taxes	\$ 13,116	\$ 13,670	\$ 14,220	\$ 14,785	\$ 15,104	\$ 15,741	\$ 86,636
State/Federal Grants	\$ 3,396	\$ 5,018	\$ 4,751	\$ 6,946	\$ 1,344	\$ 1,355	\$ 22,810
Transportation/Park Impact Fees	\$ 560	\$ 560	\$ 560	\$ 560	\$ 560	\$ 560	\$ 3,360
Transportation Benefit District - Sales Tax	\$ 1,750	\$ 3,120	\$ 3,245	\$ 3,375	\$ 3,510	\$ 3,650	\$ 18,649
Miscellaneous Revenues	\$ 923	\$ 723	\$ 523	\$ 523	\$ 523	\$ 523	\$ 3,738
Debt/Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 19,746	\$ 23,092	\$ 23,298	\$ 26,189	\$ 21,041	\$ 21,829	\$ 135,194

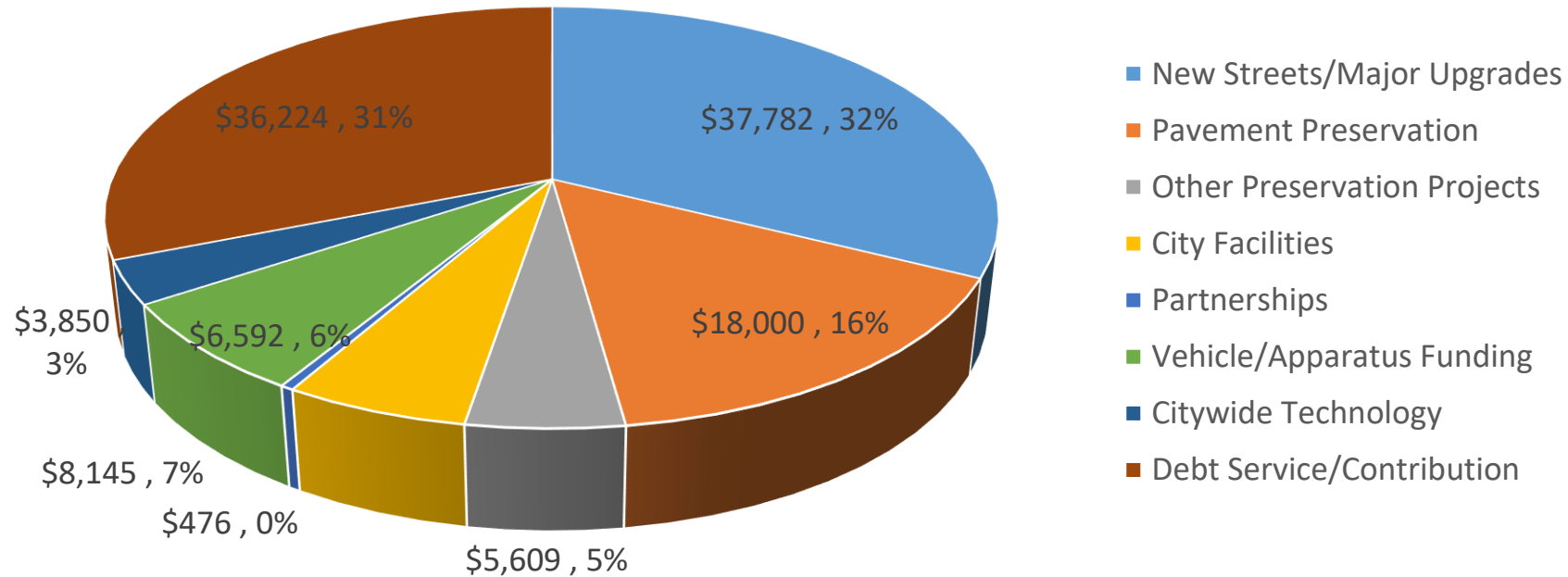
Capital Revenue Sources Cont.

2025-2030 Capital Program Tax Revenues (In Thousands)



Revenue Category	2025	2026	2027	2028	2029	2030	Total
Optional Sales Tax	\$ 7,566	\$ 7,890	\$ 8,199	\$ 8,517	\$ 8,878	\$ 9,252	\$ 50,302
Real Estate Excise Tax	\$ 3,112	\$ 3,206	\$ 3,302	\$ 3,402	\$ 3,302	\$ 3,504	\$ 19,828
Utility Tax	\$ 1,343	\$ 1,433	\$ 1,529	\$ 1,621	\$ 1,621	\$ 1,621	\$ 9,169
LRF Program Restricted Taxes	\$ 1,087	\$ 1,134	\$ 1,183	\$ 1,236	\$ 1,295	\$ 1,355	\$ 7,290
Gas Tax	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 48
Total	\$ 13,116	\$ 13,670	\$ 14,220	\$ 14,785	\$ 15,104	\$ 15,741	\$ 86,636

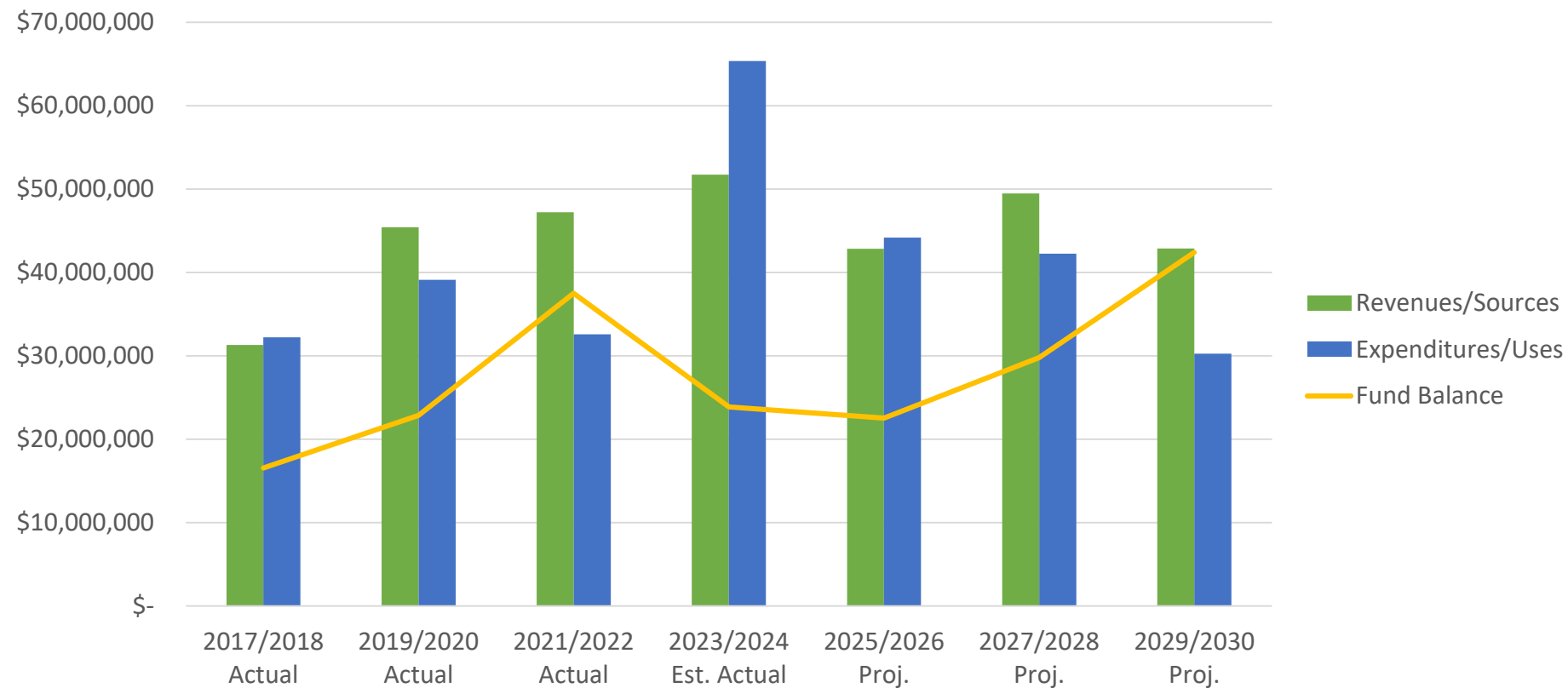
2025-2030 Capital Program Uses (In Thousands)



Expenditure Category	2025	2026	2027	2028	2029	2030	Total
New Streets/Major Upgrades	\$ 3,462	\$ 6,968	\$ 9,566	\$ 10,066	\$ 720	\$ 7,000	\$ 37,782
Pavement Preservation	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 18,000
Other Preservation Projects	\$ 907	\$ 907	\$ 934	\$ 934	\$ 964	\$ 964	\$ 5,609
City Facilities	\$ 2,734	\$ 530	\$ 957	\$ 635	\$ 1,040	\$ 696	\$ 6,592
Partnerships	\$ 62	\$ 68	\$ 75	\$ 82	\$ 90	\$ 99	\$ 476
Vehicle/Apparatus Funding	\$ 1,665	\$ 1,165	\$ 1,270	\$ 1,270	\$ 1,387	\$ 1,387	\$ 8,145
Citywide Technology	\$ 611	\$ 611	\$ 641	\$ 641	\$ 673	\$ 673	\$ 3,850
Debt Service/Contribution	\$ 13,575	\$ 4,926	\$ 4,942	\$ 4,233	\$ 4,266	\$ 4,281	\$ 36,224
Total	\$ 26,015	\$ 18,175	\$ 21,385	\$ 20,861	\$ 12,141	\$ 18,100	\$ 116,677

Capital Reserves Analysis

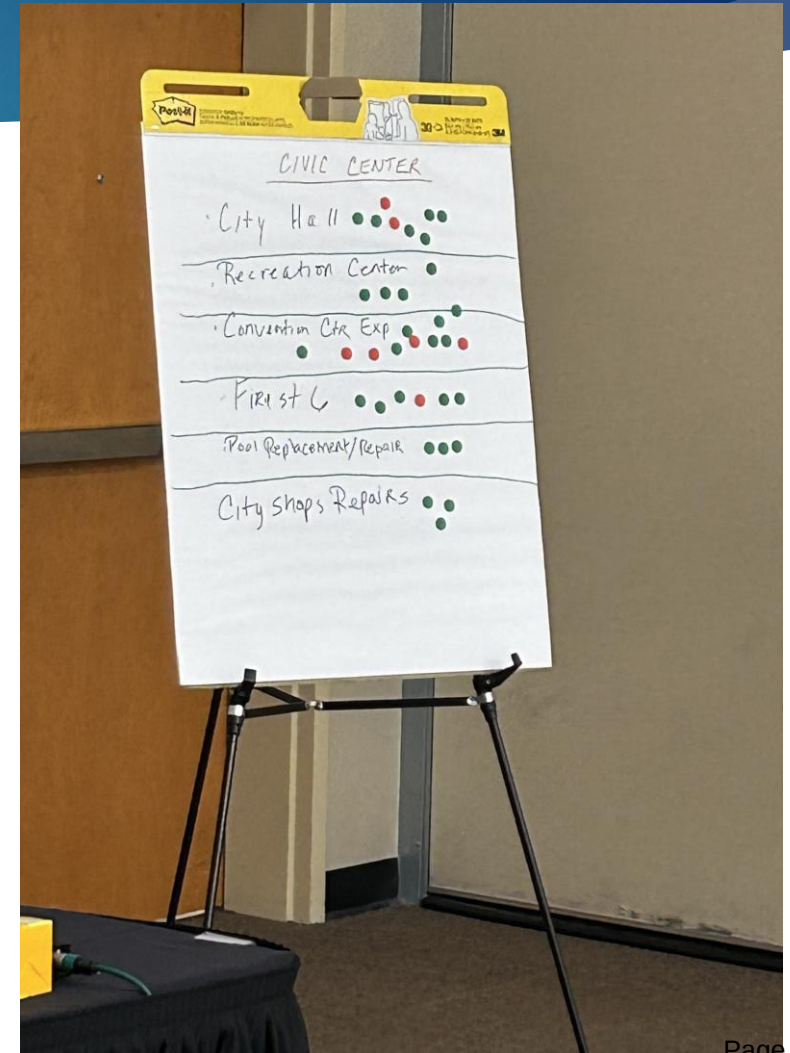
► Actual and Projected Revenues, Expenditures, and Change in Fund Balance



II. Specific Projects

City Council Retreat Priority Exercise

1. Convention Center
2. City Hall
3. Fire Station #6
4. Recreation Center
5. Pool Replacement/Repair
5. City Shops



II_(a). City Hall Facility Upgrades or Replacement

► Current Facility Assessment

- Building Age: 60 years (1965)
- Existing Facility Issues
 - Leaking Roof (\$4M)
 - Failing HVAC (\$1.2M)
 - Space limitations

► Technology upgrades Needed

- Server replacement needed by 2027 (\$1-2M)
- Datacenter Fire Suppression (\$80K)
- Wireless Equipment refresh (\$180K)
- Council Meeting equipment refresh (\$70K)

\$7,530,000 in upgrades needed in the next 2 years that does not include any remodel (other than a new roof)

II_(a). City Hall Facility Upgrades or Replacement Improvement Strategy Options

► Renovation Approach

► Estimated Cost: \$11.8M

► Pros:

- Lower Cost upfront
- Minimal operational disruption

► Cons:

- Limited long-term scalability
- Potential ongoing maintenance costs
- Cost of replacement in the future much higher

► New Facility Construction

► Estimated Cost: \$30-40M

► Pros:

- Modern design
- Improved functional efficiency
- Long-term infrastructure solution
- Cost less in the long run

► Cons:

- Higher initial investment

II_(b). Fire Station #6 Project

Project Specifications

Addresses Growth at Southridge area

Maintain effective response times

City previously purchased the land

Raised Ambulance Utility Rate to staff station #6

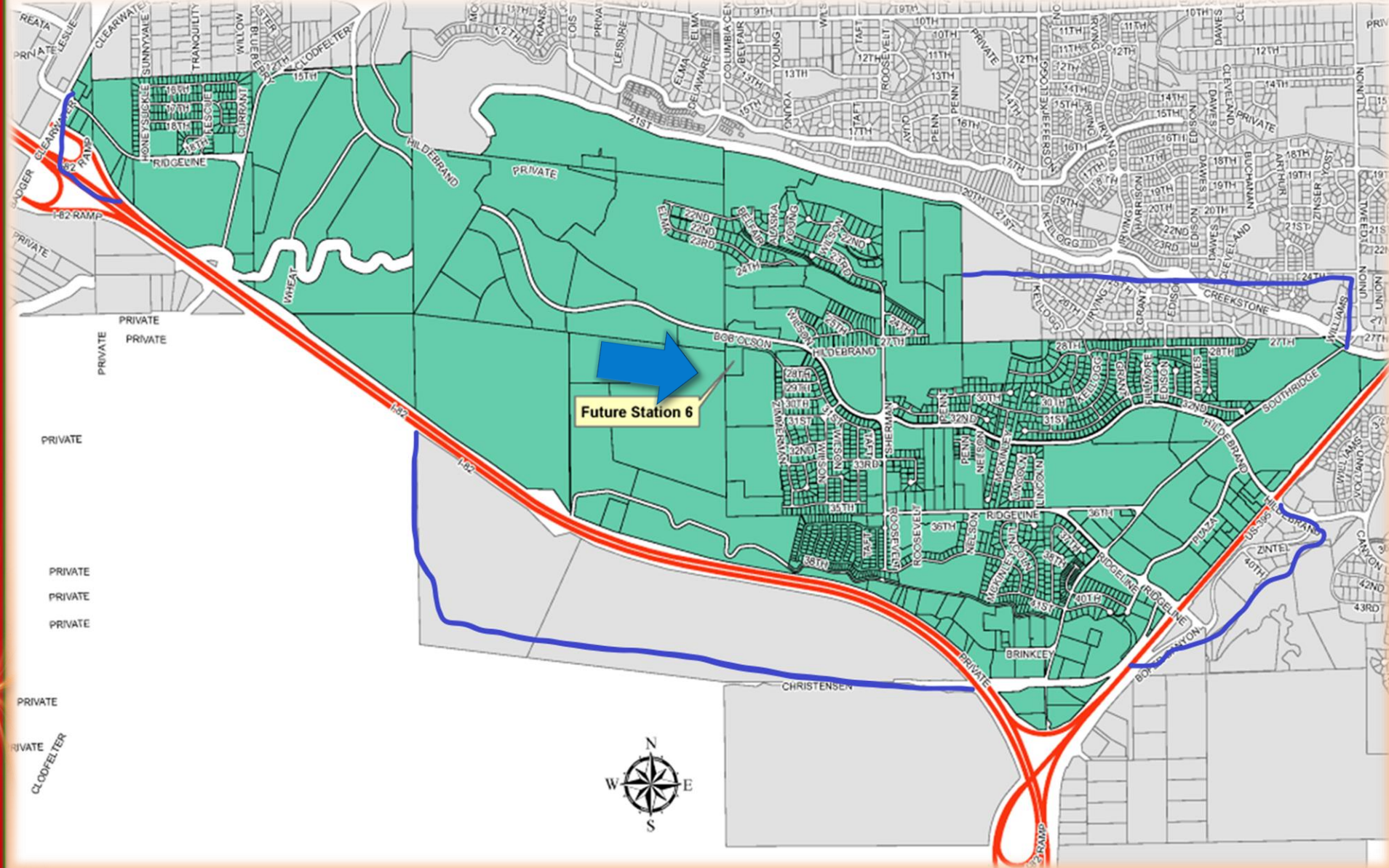
► Project Scope

- Estimated Cost - \$12.6 M (2028)
- Anticipated Building size 12,575 sq ft
- Projected time of need – 2027-2028
- Response Time Optimization
- Community Safety Enhancement
- Fire Impact Fees

Fire Station 6



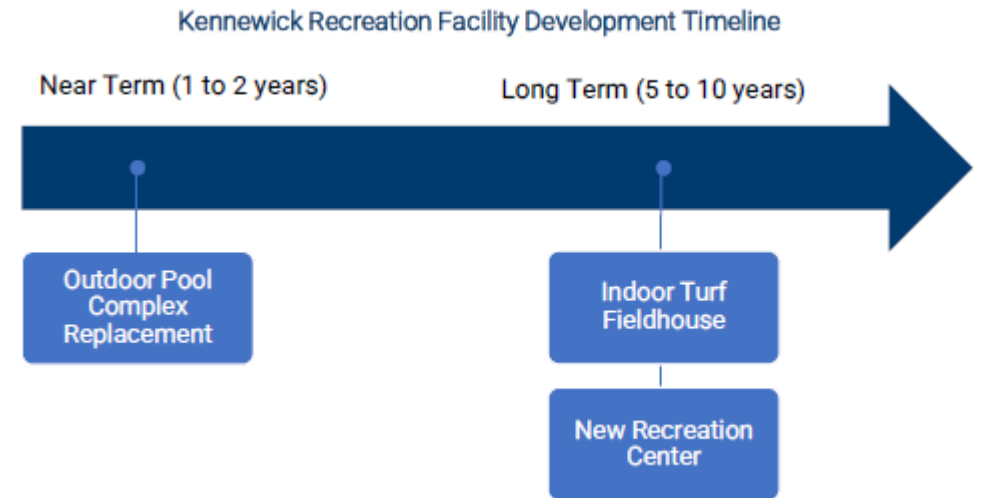
- ▶ Increasing call volume
- ▶ Evidence of significant growth within this area
- ▶ Residential vs. commercial development
- ▶ Relieve the system



II_(c). Recreation Options Feasibility Study Insights

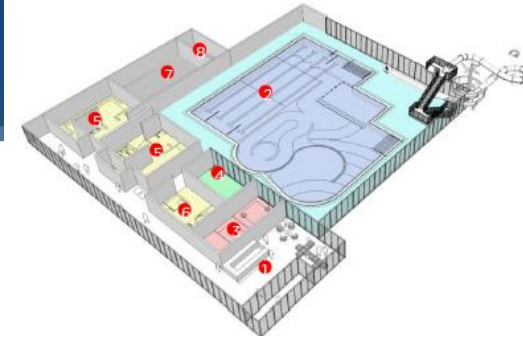
Parks & Recreation Recommendation of Priority Facilities

- ▶ Outdoor Pool
- ▶ Indoor Field House
- ▶ New Recreation Center



II_(c). Recreation Center Options

Feasibility Study Insights



Outdoor Pool Concept

- ▶ Estimated Cost:
 - ▶ Outdoor full build: \$11,956,835
 - ▶ Cost without full 8 lane pool: \$7,756,835
 - ▶ 4 lane pool (needed for lessons) \$2,000,000
- ▶ Aquatic Programming Opportunities: Recreational & Organized aquatic programming for community of Kennewick (41,000 visits 50% open swim at leisure pool, 50% attending City/KSD/third party organized programs)
- ▶ Maintenance and Operational Costs: \$526,300
- ▶ Operating Revenues: \$387,300
- ▶ Community Health Impact: Ability to meet the demand of 86,000 people living in the City of Kennewick for aquatic needs. Only municipal pool in the City of Kennewick

Indoor Pool

- ▶ Estimated Cost: \$21,900,000
- ▶ Aquatic Programming Opportunities: Recreational pool for community of Kennewick (44,900 visits- 25% open swim, 33% swim clubs, 42% attendees of year round programming)
- ▶ Maintenance and Operational Costs: \$613,100
- ▶ Operating Revenues: \$289,400
- ▶ Community Health Impact: Ability to meet the demand of 86,000 people living in the City of Kennewick for aquatic needs. Only municipal pool in the City of Kennewick & year round programming.

II_(c). Recreation Center Options

Feasibility Study Insights

Indoor Turf Facility

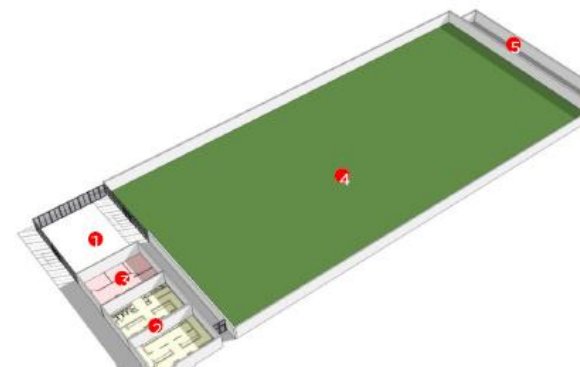
- ▶ Estimated Cost: \$23.7 Million
- ▶ Target Demographics: Regional & National soccer, baseball, softball, football, and lacrosse groups show considerable interest in having access. Frequent use would be for off-season league play, and training
- ▶ Potential Revenue Streams: rentals, in-house leagues, camps/clinics, concessions, advertising/sponsorships & membership/daily admissions
- ▶ Seasonal Utilization Considerations: Frequent use would be for off-season league play, and training



Indoor Turf Fieldhouse at Southridge Park

Key

1. New Tournament Sport Center
2. Numerica Sports Pavilion
3. Baseball/Softball Diamonds (existing)
4. New Parking



Indoor Turf Fieldhouse at Southridge Park

Program of Spaces

1. Lobby Spaces
2. Change Rooms
3. Administrative Offices
4. Indoor Turf Fieldhouse
5. Storage

Total Area: 55,238 sf
Total Cost: \$23.7 million

II_(c). Recreation Center Options Cont.

Feasibility Study Insights

Kennewick Activity Center (KAC) Upgrade Proposal

- ▶ Renovation Scope: expanded gym, turf, youth activity space (summer programming), and staff offices.
- ▶ Estimated Cost: \$13,100,000
- ▶ Existing Facility Enhancement

Full Recreation Complex

- ▶ Comprehensive Facility Approach: Administrative offices, aquatic, gymnasium, walking/jogging track, multipurpose cultural arts space, youth activity, child care, senior space, etc.
- ▶ Estimated Cost: \$51,3000,000
- ▶ Multiple Recreational Modalities
- ▶ Long-Term Community Investment

II_(c). Recreation Center Options

Metropolitan Park District (MPD) Discussion & Framework

- ▶ Potential funding opportunity
- ▶ Need to establish a new taxing district
- ▶ Requires a public election referendum to establish new taxing district and governance structure prior to financing and construction of any new facilities.
- ▶ MPD's are limited to property tax mill levy

Tax Scenarios					
Recreation Facility Construction Cost	\$ 40,000,000	\$ 50,000,000	\$ 60,000,000	\$ 70,000,000	\$ 80,000,000
Annual Debt Service ⁽¹⁾	\$ 3,075,000	\$ 3,844,000	\$ 4,613,000	\$ 5,381,000	\$ 6,150,000
Levy Rate Impact per \$1,000 AV ⁽²⁾	\$ 0.26	\$ 0.33	\$ 0.40	\$ 0.46	\$ 0.53

Recreation Center Annual Operating Subsidy	\$ 500,000	\$ 750,000	\$ 1,000,000	\$ 1,250,000	\$ 1,500,000
Levy Rate Impact per \$1,000 AV ⁽²⁾	\$ 0.04	\$ 0.06	\$ 0.09	\$ 0.11	\$ 0.13

(1) Assumes a 20-year bond with a 4.5% interest rate structured at level annual debt service.

(2) Increase to the property tax levy rate required to fund annual debt service or the facility operating subsidy based on current assessed value for Kennewick of \$11,625,611,226.

Annual property tax increase for \$400,000 home:					
Construction	\$ 104	\$ 132	\$ 160	\$ 184	\$ 212
Operations	\$ 16	\$ 24	\$ 36	\$ 44	\$ 52
Combined	\$ 120	\$ 156	\$ 196	\$ 228	\$ 264

II_(d). City Shops

► **Current Facility Assessment**

- Building Age: 50-75 years (1950-1980)
- Existing Facility Issues
 - Lack of office & shop space
 - Site/buildings used for Frost off-site storage
 - Needs site paving, Paint, doors, interior upgrades

► **Upgrades Completed**

- Shop HVAC*
- Lighting
- New vehicle lifts*

*Upgrades can be utilized at a new facility

► **Location Considerations**

- Re-locate to Frost Facility as a stand alone facility
 - Higher initial cost
- Renovation
 - Lower initial cost

II_(d). City Shops

► Renovation Approach

- Relocate Purchasing and Warehouse to existing City building
- Can Accommodate foreseeable long term growth.
- Needs to address potential ongoing maintenance cost avoidance

► Cost

- 2022 Facilities Assessment did not address costs. Potentially less than 50% of Re-location costs
- Scope and timeline is scalable to spread costs over multiple years

► Re-locate to Frost Facility

- City owns 11 acres of undeveloped property at Frost
- Co-location with majority of Fleet for increased efficiencies
- Allows development at E. 10th site

► Cost

- 2022 Facilities Assessment estimates \$33M for full scope (includes additional improvements at Frost Facility)
- Anticipated that substantial reductions can be made.

Summary for Discussion

Facility	Estimated Cost
City Hall	
Renovation	\$11.8M
New Facility Construction	\$30-\$40M
Public Safety	
Fire Station #6	\$12.6M
Recreation	
Outdoor Pool – Full Build	\$12M
Outdoor Pool – w/out Full 8 Lane	\$7.8M
Outdoor Pool – 4 Lane	\$2M
Indoor Pool	\$21.9M
Indoor Turf Facility	\$23.7M
Upgrade Kennewick Activity Center	\$13.1M
Full Recreation Complex	\$51.3M
City Shops	
New Facility Construction (includes Frost upgrades and relocations)	\$33M

III. Conclusion/Summary

SUMMARY OF KEY FINDINGS

STRATEGIC
RECOMMENDATIONS

OPEN DISCUSSION AND
COUNCIL DELIBERATION