

EXHIBIT B
SCOPE OF WORK
WEST LONGVIEW LAGOON FEASIBILITY STUDY

PROJECT DESCRIPTION

The Longview City Council is interested in determining the feasibility of redeveloping the West Longview Sewer Lagoon property for mixed residential development. The City is seeking consultant services to advance the technical design and evaluate the feasibility of mixed residential development, and possibly other redevelopment options, for the subject property. The project area is located at the northeast corner of Ocean Beach Highway (SR 4) and Coal Creek Road and is at the west end of the current city limits. The project site is comprised of two City owned parcels totaling approximately 58 acres. The City operated the West Longview Sewer Lagoon wastewater treatment plant from the mid-1960's until 2012. The original lagoon treatment plant consisted of two 7.5-acre cells. In the mid-1980's, two larger cells were constructed to expand the lagoon plant's capacity. The largest lagoon cell is 22 acres and the second largest cell is 9 acres in size. The City successfully removed biosolids from the lagoon cells in 2013. City staff reviewed eight alternatives for redevelopment of the project site in 2017. These options range from leaving the site as is to developing the site for residential and commercial use.

The City's goal is to identify how best to redevelop the study area property to its highest and best use. Additionally, the City anticipates front end work will need to be performed to prepare the site for redevelopment and to make the site marketable. The City also wants to determine if a breakeven or a positive return on its upfront investment can be achieved. The City held an open house in November 2016 and approximately 50 constituents attended. A total of ten written comments were received and much of the feedback favored open space, recreational use, parks development and habitat use. There were two emailed comments, and both supported residential development.

The feasibility study report will help determine the highest and best use of the subject property. Additionally, the report will include the costs, benefits and return on earthwork and infrastructure investment that can reasonably be expected with mixed residential development or other redevelopment options. The information included in the report will provide the City with a basis for determining if it is economically feasible to move forward with the project, as well as a strategy for implementing site improvements to support redevelopment.

CONSULTANT TEAM

The Engineer's consultant team is comprised of the following firms:

- Engineer – Gibbs & Olson – Responsible for overall project management, summarizing existing infrastructure conditions in the study area, working and coordinating with subconsultants, and preparation of the project report.
- Environmental Subconsultant – Ecological Land Services – Responsible for identifying environmental permits required for proposed re-development of the lagoon property.

- Geotechnical Subconsultant – Shannon & Wilson – Responsible for reviewing available past geotechnical information and preliminary design criteria for site fill needed for proposed re-development of the lagoon property.
- Market/Economic Subconsultant – Johnson Economics – Responsible for preparing market and economic analysis and strategies and working with Gibbs & Olson to identify conceptual development alternatives and assess the feasibility of these alternatives.

The term Engineer is used in the Scope of Work to represent work that will be performed by one or more members of the Consultant team.

INFORMATION TO BE PROVIDED TO ENGINEER BY CITY

To assist in a timely and thorough preparation of the feasibility report, the City shall provide the following items and services to the Engineer as available:

- Provide access to City owned facilities as needed with appropriate advance notice.
- Provide access to City staff as outlined in the Scope of Work.
- Provide existing photos, design or as-built drawings, survey control, and available CAD and survey information that Engineer doesn't already possess.
- Provide electronic, aerial photos and available City utility information from the CITY's GIS System for Ocean Beach Highway, Coal Creek Road, Pacific Way, Sewer Lagoon Street, and Finch Drive

CITY RESPONSIBILITIES

The City will be responsible for performing or completing the following items:

- Presenting project recommendations to the City Council.
- Preparing Engineer contract amendments and supplements, if required, for any additional work not included in this Scope of Work.
- Assisting Engineer as appropriate in communicating and coordination with Cowlitz PUD, Comcast, Cascade Networks, CenturyLink and other non-City utilities identified within the project limits.

ASSUMPTIONS

The identified Scope of Work is based on the following assumptions. If any ultimate facts or events differ from these assumptions, Engineer's scope of work, schedule and compensation shall be adjusted accordingly.

- A. The project is funded with City funds only and no outside funding requirements will apply.
- B. All plan drawings will be developed in AutoCAD Civil 3D 2018.
- C. Engineer will contact utility notification center for utility locates prior to performing field survey work.
- D. Survey work will be performed based on NAVD88 vertical datum and NAD83/91 horizontal datum.
- E. No permit applications will be prepared.
- F. No new easements are required for the project.
- G. No new property is required to be acquired by the City for the project.
- H. No boundary line adjustment work is required.

- I. No cultural or historical resource evaluation or investigation is required to be performed.
- J. No wetland, biological or habitat investigation or reports are required.
- K. No special reports such as a hydrogeological evaluation will be required.
- L. No geotechnical field exploration work will be performed.
- M. Recent traffic count information (within the past 2 years) for Ocean Beach Highway, Coal Creek Road and Pacific Way will be available from Washington State Department of Transportation and Cowlitz County.
- N. Public involvement is not required for this project.

ENGINEER'S SCOPE OF WORK

The Engineer's scope of work for this project is as follows:

TASK 1 - Project Management, Administration & Meetings:

The Engineer shall provide management, administration and attend meetings with the City as required. In general, this includes providing a designated Project Manager for this project, general administration, scope of work adjustments, schedule and budget updates as necessary, preparing monthly narrative progress reports, participating in project team meetings with the City and subconsultants.

The Engineer will prepare for and attend an initial project kickoff meeting and regular progress meetings with the City anticipated to occur once a month. Engineer will prepare appropriate materials for use at these meetings and to present preliminary and final findings, cost estimates and recommendations. Meetings will be held at either City offices or Engineer's office and will typically integrate other team members via web conferencing, thereby reducing travel time and providing cost savings to the City.

Engineer task deliverables shall include:

- Monthly meeting agendas, meeting materials and meeting minutes
- Monthly progress reports and invoice
- Schedule updates as appropriate

TASK 2 - IDENTIFICATION OF ENVIRONMENTAL PERMITS

Infrastructure extensions to serve the study area, and development projects within the study area, will require environmental evaluation and permitting. Each proposed infrastructure extension project and each specific development project will require permitting under the SEPA process. For the preferred development alternative, the Engineer will prepare an environmental permit matrix identifying specific permits that will be required to implement the alternative, the estimated cost for preparing and submitting each permit application, the timeline anticipated for obtaining each permit identified, and the estimated mitigation cost for proposed infrastructure extensions and earthwork.

The Engineer will identify potential methods to avoid or reduce project impacts to the natural environment and verify required permits. Once conceptual alternatives are identified and impacts quantified, required mitigation to compensate for unavoidable resource impacts will be preliminarily identified and summarized. Opportunities to consolidate permit processes and

mitigation will be identified to improve efficiencies and reduce cost. The property within the study area is within the service areas of both the Coweeman River Mitigation Bank in Kelso and the Columbia River Bank in Vancouver.

TASK 3 –SUMMARIZE EXISTING CONDITIONS

Survey Base Map of Project Site: The Engineer will utilize past survey work performed at the project site to develop and complete a full topographic and property line survey of the project area. The two boundary lines not surveyed by the Engineer as part of the City's property exchange with CDID1 will be surveyed as part of this project. Field work will utilize the Engineer's GPS network control. Engineer will use existing 2011 survey data for the lagoons and recent work with Cowlitz 2 Fire & Rescue for Fire Station 22 as a starting point and gather additional survey information required to prepare a detailed existing conditions site map of the project area. A Record of Survey for the property line survey and provided to the City for review. A final Record of Survey will be recorded with the Cowlitz County Auditor.

Transportation Network: The existing roadway and transportation network components and capacity will be summarized and used to determine available capacity remaining and to help guide traffic impact analysis and access alternative evaluation in Task 6 for the highest rated development scenario.

Water: City water is available near the site and consists of a 6-inch cast or ductile iron pipe off Pacific Way that provided service to the lagoon treatment plant. There is also an 8-inch cast iron main in Coal Creek Road. The Engineer will evaluate pipe sizing and available capacity utilizing information in the City's current Water System Plan to verify if the City's system can supply sufficient water and what piping upgrades are required to supply sufficient water to meet the projected water demand for up to two alternatives.

Sanitary Sewer: There is no sewer system to serve the lagoon area. The Engineer will evaluate collection and conveyance of sanitary sewer to determine how best to handle sewage flows from a potential development. One option is to convey sewage to the Robbins Addition to the east, which has two 8-inch PVC gravity pipelines that could be connected. The existing pump station at the corner of Finch and Robbins has little to no capacity for increased flow volumes and would likely need to be replaced and upsized if sewage is conveyed to the Robbins Addition's sewer system. Another option is to convey sewage to the south and connect to the Ocean Beach gravity collection system. It is likely that a pump or lift station would be required to convey sewage from the lagoon area to either of these locations.

Electrical: Cowlitz PUD provides electrical power to the City of Longview and will need to be consulted to determine existing electrical capacity available to serve the project site.

Natural Gas: Natural gas is provided in the City of Longview by Cascade Natural Gas (CNG). The Engineer has a very good working relationship with CNG's regional manager in Longview. We will consult with him to determine existing natural gas capacity in the vicinity of the project site.

Telephone & Broadband: The Engineer will review the capability of Comcast, Cascade Networks, and CenturyLink to provide telephone and broadband internet services to the study

area. We have a good working relationship with Comcast's regional construction manager in Longview, and with Cascade Networks.

TASK 4 - GEOTECHNICAL REVIEW

The existing lagoon cells all have a clay liner, and generally the levees between the cells have a 3H:1V slope. In the mid-1980's, the lagoon facility was expanded by constructing the two largest cells. The geotechnical report from the lagoon expansion project indicates the site is underlain by clayey silt and silty clay to depths ranging between 13 and 18 feet below ground surface. The clayey silt and silty clay is then underlain by fine sandy silt and fine to medium sand. Outside the existing lagoon footprint and the CDID1 levee, static groundwater is expected to mirror the water surface elevation in Coal Creek Slough which is near elevation 10.0 (NAVD88 vertical datum) based on Google Earth elevation information.

The City's preliminary concepts showed a 10-acre mitigation wetland or pond area and identified this as a borrow area for the City identified residential development area. If a pond is included in the feasibility study preferred concept, the pond will need to be hydraulically connected to CDID1's Ditch No. 10 in order to keep the water in the pond from becoming stagnant and of very poor quality.

The Engineer will determine a recommended subgrade elevation for the site for the preferred alternative and will then utilize the available geotechnical information for the site to develop a recommendation for how to most cost-effectively fill and grade the site to the recommended subgrade elevation.

The top elevation of the structural fill will be determined based on an estimated seasonal fluctuation of seasonal groundwater elevations and comparison to the minimum vertical distance needed between high groundwater and residential foundation levels. The Engineer will install and monitor two 20-foot deep groundwater piezometers to document the wet weather groundwater elevation of the project area. The piezometers will be installed utilizing either a geoprobe or a hollow stem auger utilizing a small track mounted rig. Piezometer locations will be determined in conjunction with the City. Engineer assumes the City will assist the Engineer if needed in obtaining permission from third party property owners to install and the piezometers. The piezometers will be installed and ultimately decommissioned and documented with the Washington State Department of Ecology in accordance with applicable state law and regulations. Engineer will arrange for utility locates on private property if needed for one or both of the piezometer locations.

Potential settlement of the new fill will be evaluated for both the total amount of settlement and the time frame anticipated for the settlement to occur, based on the soil characteristics of the recommended fill material and the known site soil characteristics based on previous geotechnical studies.

TASK 5 - MARKET & ECONOMIC ANALYSIS AND STRATEGIES

The market and economic analysis will identify market-responsive redevelopment options for the site, including key parameters necessary to assess economic feasibility. An economic and

demographic assessment of the Longview-Kelso area will be performed consisting of the following components.

A. Residential Analysis

- Identify the appropriate residential market area for the project site.
- Evaluate current and projected socioeconomic trends relating to local housing demand. Collect and analyze demographic data for the market area, including household age and income distributions. Document trends and prepare a forecast of economic and demographic patterns in the area.
- Evaluate general local housing trends, including trends in the supply of new homes. Research and analyze any major developments and active new home projects in the area, with an assessment of product and neighborhood quality. The analysis will include both rental and ownership housing, single- as well as multifamily. Analyze trends in the resale market, including sales volume, pricing, listed inventory, and time-on-the-market.
- Provide an analysis of the rental market within the market area in terms of vintage/quality of apartment projects, rental rates, and occupancy levels. Identify and survey a limited sample of competitive and/or comparable rental apartment projects with respect to the following: location, date of development, unit count and type/size mix, occupancy by unit type, rent levels by unit type, and project amenities.
- Characterize selected single-family for-sale developments in the delineated market area. Summarize the competitive inventory in terms of the following: project name, developer, location, opening date, total units, unit mix and size, absorption history, amenities and buyer profile.
- Survey local realtors and other real estate professionals to gather qualitative information with respect to buyer profiles, residential preferences and commuting patterns.
- Identify relevant planned and proposed additions to the competitive apartment and ownership residential inventory. Characterize each project's status in the approval process and estimated market entry date.
- Project ownership and rental housing demand in the primary market area. Considerations in this analysis will be: population, preference for ownership versus rental housing, household size, age of households, employment trends and other pertinent demographics and psychographics. Translate this demand into a range of alternative residential product types. This would include a breakdown of demand by housing type (i.e., single-family detached, single-family attached, and multifamily) and tenure (owner/renter).
- Reconcile demand projections and current and projected supply conditions, evaluating market support for ownership and rental residential development at the project site. Considerations in this analysis will include the following: market area demand for housing units, absorption history of comparable developments, market supply factors such as

historical building permits, planned construction of competitive product, and locational strengths of the project property. The recommendations will include for-sale and for-rent product that are market-responsive for the site. In addition, the recommendations would include the common-use amenity package.

B. Neighborhood Non-Residential Analysis

- Identify the appropriate commercial (retail, office, light industrial) market area, if any, for the project site in conjunction with the residential analysis. Build-out of a residential portion of the planning area will impact neighborhood commercial needs, which will be reflected in the analysis. Key determinants of market area will include pedestrian and neighborhood access, location of competitive concentrations, localized employment as well as more traditional drive-time measures.
- Provide an overview of current sales and development trends in the commercial market, including a regional profile of growth in space absorption by tenant category and square footage.
- Conduct a limited survey to document current lease and occupancy rates at commercial centers within the Longview-Kelso area. The survey will include date of development, product type, rentable area, occupancy, lease rates, and characterization of tenants. New commercial supply in the development pipeline within the market area will also be identified.
- Interview local brokers to get their perspectives on the competitive position of the project site compared to the remainder of the competitive market.
- Prepare an analysis of commercial market leakage to assess current opportunities by category. Project mid-term growth in commercial space demand based on demographic projections and local spending patterns.

C. Market-Oriented Development Program

The Engineer will translate the above research and analysis into a preliminary market-oriented development program including both residential and commercial uses. A product matrix will be developed that summarizes recommended development types, including timing and absorption. As the site is likely to have multiple program options, determination of the preferred program will result from an iterative process with the City. The following product program parameters will be addressed:

Residential Development:

Supportable land uses and land use mix;
Achievable pricing;
Sources of demand and market depth;
Preliminary development timing and phasing; and
Anticipated absorption by product type.

Commercial:

Current and future strength and depth of market support for the respective use types;

Current achievable asking/effective rents;

Types of users and where the demand is coming from; and

Anticipated absorption in the area and the project site.

Engineer will evaluate the potential to sell the site for use to develop as a project specific wetland mitigation site and will explain why a wetland mitigation bank is not feasible at this location.

TASK 6 - CONCEPT DEVELOPMENT AND FEASIBILITY ASSESSMENT

Based on the information developed in Tasks 2 through 5, the Engineer will prepare conceptual layouts, order of magnitude economic analysis, and cost estimation for the following redevelopment alternatives:

1. Sale of the site in “as-is” condition;
2. Demolition of existing onsite infrastructure, followed by grading, stabilization of the site and potentially initial stormwater infrastructure to provide a minimum development area of 35-acres ready for sale as a single development site;
3. Expand redevelopment alternative 2 above to include a subdivision plat, planned unit development, or binding site plan, and construction of interior roads and utilities, and access to Coal Creek Road and Ocean Beach Highway, completed and ready for sale as a single development; and
4. Up to two other development options recommended as agreed to between the Consultant team and the City.

From the concept development scenarios, a range of facility types (building typologies) will be selected for feasibility testing. This testing will compute the potential economic impact of each scenario based on relevant fiscal drivers, such as tax revenue. Tax revenue sources include sales tax generation related to construction, property sales, and potential retail operation, property tax and B&O taxes as applicable. Other relevant fiscal drivers to be included are the number of temporary and permanent jobs anticipated to be created, the wages from the anticipated jobs, and the increase in land value over existing conditions.

Once this testing is completed, the concept development scenarios will be ranked according to development feasibility, market alignment and potential economic/fiscal impact. It is anticipated that the highest rated development scenario will be the scenario utilized to perform traffic impact, vehicle access and utility capacity/extension evaluations. The highest rated development scenario will also be used to determine permitting requirements and cost estimates for grading and stabilizing the site and improving and extending infrastructure.

TASK 7 - PREPARATION OF FEASIBILITY REPORT

The Engineer will prepare the results of the market and economic study and the feasibility assessment. The market and economic study will identify the types of development that could be attracted to the 58-acre study area, if sold as-is or if key upfront steps to prepare the site for

development are completed by the City. It will also present the results of a feasibility assessment for how best to extend necessary infrastructure to the study area.

The report will include a map of existing conditions for the project site that will include contours, parcel boundaries, and existing site features based on a topographic and property line survey. Conceptual site plans for alternative development options evaluated, and planning level opinions of project costs with appropriate contingencies, will also be included. The feasibility report will integrate technical memoranda information into a comprehensive report document that will present each alternative evaluated, evaluation results, planning level opinions of cost, overall feasibility of each alternative, a ranking of the alternatives, and identification of the preferred re-development alternative.

The report will also include graphic information such as photos, exhibits, schematics, graphs, and tables as appropriate to summarize and present information in a useful and easy to understand format. A draft of the report will be submitted to the City for review and comment. A final report will be prepared incorporating City comments. Four hardcopies of the final report will be provided to the City, along with electronic files in Word format and in pdf format. AutoCAD files for the surveys and drawings will be provided, along with Excel files for any tables if prepared in Excel format.

SCHEDULE

The Engineer estimates a timeframe of 20 weeks to complete the above Scope of Work. Assuming Engineer receives Notice to Proceed from the City on or before February 1, 2019 the Engineer will submit the draft report to the City for review and comment by June 15, 2019 and will provide the final report to the City within two weeks of receiving City review comments on the draft report.