

City of Tenino

149 Hodgen Street South
Tenino, WA 98589

City Council Meeting
Tuesday, July 12, 2022 at 7:00 PM

Agenda

WORK SESSION

- [1.](#) Discussion of Ag Park MOU

CALL TO ORDER

AGENDA APPROVAL

2. Agenda for the Regular Meeting of the 7/12/22.

Recommended Action: Motion to approve the agenda as presented.

APPROVAL OF MINUTES

- [3.](#) Meeting Minutes for 6/14/2022

Recommended Action: Motion to approve 6/14/2022 meeting minutes as presented

CONSENT CALENDAR

- [4.](#) Consent Calendar consisting of June 29, 2022 through July 12, 2022:

Payroll EFT's in the amount of \$35,595.28

Claims Checks #30717 through #30750 and EFT's in the amount of \$120,619.89

for a grand total of \$156,215.17

Liquor Cannabis License: None

Review attached letter asking to waive fees for upcoming Tenino Railroad Day.

Recommended Action: Move to approve the consent calendar as presented.

EXECUTIVE SESSION

PRESENTATIONS

PUBLIC COMMENTS

PUBLIC HEARING

PROCLAMATIONS

OLD BUSINESS

- [5.](#) Utility Rate Study

Recommended Action: Review, Discuss and motion to Approve 2022 Rate Study.

NEW BUSINESS

- [6.](#) 6 Year Street Plan. Public works director Troy Cannon on 6 year street plan

Recommended Action: Review and motion to approve 6 year street plan

- [7.](#) Ritter Street Bid Recommendation

Recommended Action: Review and approve Ritter Street Bid.

- [8.](#) Ag Park MOU, already reviewed by City Attorney.

Recommended Action: Review and Sign Ag Park MOU

RESOLUTIONS

ORDINANCES

REPORTS

9. 1) Chamber of Commerce
2) Economic Development Council (EDC)
3) South Thurston Economic Development Initiative (STEDI)
4) ARCH Commission
5) Experience Olympia & Beyond (VCB)
6) Fire District #12
7) Library
8) Museum
9) Tenino Community Service Center
10. 1) Civil Service Commission
2) Façade Improvement Grant Review Committee
3) Finance Committee
4) Planning Commission
5) Public Safety Committee
11. 1) Chief of Police
2) Director of Public Works

3) City Planner

4) Code Enforcement/Building Inspector

5) PARC Specialist

6) City Attorney

7) Clerk/Treasurer

8) Mayor

12. 1) Bucoda/Tenino Healthy Action Team (BTHAT)

2) Solid Waste Advisory Board

3) TCOMM/911

4) Tenino School Board

5) Thurston Regional Planning Council (TRPC)

6) Transportation Policy Board

7) Legislature

PUBLIC COMMENTS 2

ANNOUNCEMENTS

ADJOURNMENT

1.

File Attachments for Item:

1. Discussion of Ag Park MOU

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Memorandum of Understanding

This Memorandum of Understanding ("~~Document~~MOU") made this XX day of July 2022 ("Execution Date")

BETWEEN:

Dragonwheel Investment Group LLC

A company duly incorporated under the laws of Washington State, USA, having its office located at 14307 Barbo DR SW, Tenino, WA 98589, (hereinafter referred to as the "**Proponent**"); (hereinafter collectively referred to as the "**Parties**").

AND JOINTLY

City of Tenino ("CITY" & "Owner")

A municipality incorporated under the laws of Washington State, USA having its primary office (city hall) at 149 Hodgden Street, South, Tenino, WA 98589, (hereinafter referred to as the "**CITY**"); (hereinafter collectively referred to as the "**Parties**").

Thurston Economic Development Council & Center for Business & Innovation ("CB&I" & "Owner Representative")

A non-profit 501 c (3) organization formed under the laws of Washington State, USA, having its office at 4220 6th Avenue, SE, Lacey, WA 98503 (hereinafter referred to as the "**CB&I**");

INTENT:

This ~~Document~~MOU will establish the basic terms for the **Parties** to continue collaborations in the preparation of a formal agreement to advance the initial development phase of the SW WA Agricultural Business & Innovation Park ("**Ag Park**"), in Tenino, WA, with the intent to engage in a future financial arrangement and land-lease agreement between the parties.

The terms contained in this ~~document~~MOU are not comprehensive and it is expected that additional terms may be added, and the existing terms may be changed or be deleted at the consent of both parties.

WHEREAS:

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- The CITY is the landowner of industrial/commercial property known as the SW Washington Agricultural Business & Innovation Park (“Ag Park”).
- The CB&I and CITY completed the Ag Park Master Plan in 2020 that outlines the development concepts, guidelines, and initial site diagrams showing the buildout of the property.
- The CB&I received state grant funds administered by the WA State Department of Commerce for purposes of constructing necessary site infrastructure improvements to facilitate the development of the Ag Park.
- The CB&I is managing the state funds and secured professional architectural and engineering firms to complete design concepts, site plans and utility infrastructure drawings for the initial phases of development.
- The PROPONENT has conducted initial due-diligence conversations with the CITY and CB&I to evaluate the development potential of the site.
- The PROPONENT wishes to construct a commercial multi-tenant building and intends to occupy a portion of the building for its operations.
- The PROPONENT has shared the building concept, potential tenant mix and vision of the building with the CITY and CB&I.
- The CITY and CB&I have provided preliminary approval of the building layout, site concept and timeline to occupy such building.
- The PROPONENT understands and acknowledges the property is owned by the CITY, and currently under lease to the CB&I, and as such, a formal “Land-Lease” between the Developer and CITY will be the required instrument to establish entitlement to build and occupy the building.
- The PROPONENT has retained a professional real estate commercial broker with expertise in establishing fair-market lease rates for industrial/commercial buildings including land lease provisions and commitments.
- The PROPONENT wishes to enter into a long-term land lease with the CITY to ensure the financial viability and merits of the project.
- The CITY has agreed to advance formal discussions with the Developer in executing such land-lease.

This ~~Document~~ MOU will establish the basic terms used in a future Real Estate Land-Lease Contract (the “Contract”) between the PROPONENT and CITY.

Concurrent to the creation of this MOU, the EDC/CB&I will be recreating its signed lease and or agreement with the City of Tenino that allows for the City to establish the basic terms for this MOU.

The basic terms are as follows:

A. TRANSACTION DESCRIPTION:

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1. The property (the "Property") that is the subject of this ~~Document-MOU~~ is located in the Ag Park at: 16402 Old Highway 99 SE, Tenino, WA
 - Reference "Building A" in **Attachment A** – Site & Short Plat Plan
 - i. A 20,000 square feet, parking, and open space (*size and design subject to change in final construction documents).
2. PROPONENT will have a 120-day due diligence period to assess final building parameters, financial proforma, land lease terms and financial lender underwriting provisions.
3. During the due-diligence period, CITY will not entertain or enter into any other agreements with a third-party for similar purposes defined to and agreed with the PROPONENT.
4. PROPONENT shall have exclusivity to enter a land-lease with CITY for purposes of constructing and operating a building referenced as Building A (A1 & A2) on Attachment A once due-diligence period is waived.

B. PAD DELIVERY AND SITE PLANNING - TERMS & CONDITIONS

1. CITY will advance necessary survey and planning to develop a short plat to create legal lots for the building envelopes – short plat and legal lots recorded within 90 days of the execution of this ~~documentMOU~~. **Attachment A** will provide the initial intent of the short plat plan area and building pad areas.
2. CITY/CB&I will deliver a buildable pad to accommodate a minimum of 20,000 square foot multi-tenant building referenced as Building A. The Pad A envelope will be cleared, graded, and compacted in accordance with the soils and geotechnical report and structural soil density requirements.
3. Buildable pad and site development will be defined as having the following improvements and features:
 - a. Water service lines extended to within 5 feet of the building, a minimum of two service connections to building.
 - b. Sewer force main extended to within 5 feet of building – minimum of two service connections to building
 - c. All surface paved access roads, parking lots, service drive aisles, etc. serving the site and Pad A
 - d. All site storm water facilities.
 - e. Parking lot lighting, pedestrian level lighting for hardscape areas and lighted bollards as necessary to illuminate sidewalk pathways to building and parking lots
 - f. Sidewalks and ADA ramps around perimeter of Pad A building
 - g. Landscaping and hardscape per approved preliminary design civil engineering plans will be added as attachment to this ~~document-MOU~~ when completed, prior to signing.
 - h. Paved multi-use path along Old 99 frontage.

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4. CITY will be responsible to provide necessary sewer STEP system improvements to support the building including septic tanks, grinder pumps, electrical controls, etc. consistent with STEP design criteria and standards applied for all new sewer connections. STEP sewer improvements will be considered part of the required Pad A improvements.
5. CITY will provide the Ag Park Monument sign on Frontage of Old 99. Monument signage will include space for Pad A building placard. Design and placement of monument sign will be detailed on the civil and landscape design plans.
6. CITY/CB&I will advance final civil engineering and construction documents to solicit construction bids within 90 days of execution of this ~~document~~ MOU.
7. CITY/CB&I will complete and deliver the final site pad improvements by March 2022.

C. BUILDING DELIVERY - TERMS & CONDITIONS – it is understood by the Parties that the terms and conditions of a potential binding agreement between the Parties will generally include the following, with details subject to negotiation:

1. PROPONENT will be responsible to make utility extensions from point of connection (5 feet from building) to new building pad
2. PROPONENT will construct a fully serviced multi-tenant building per concept plans developed and approved by the CB&I in accordance per the guidelines established and created by the Green Ribbon Advisory Panel (GRAP) – the GRAP was created to provide a framework for the operations and tenancy of the business park.)
3. PROPONENT will advance building design and tenant improvement plans at own costs and will submit for building permit approval.
4. Time is of the essence and the PROPONENT will have the option to prepare a separate grading and erosion control plan to obtain an early start permit to provide site grading and foundation/slab construction for Pad A. The site grading will be limited to the Pad A footprint plus a 10-foot perimeter around the building envelope.
5. The PROPONENT will prepare an itemized cost of the site grading and erosion control improvements plus design and permit fees. The costs will be accounted for as defined in Section D below.

D. LEASE - TERMS - it is understood by the Parties that the terms and conditions of a potential lease agreement between the Parties will generally include the following, with details subject to negotiation:

Following waiver of feasibility period, PROPONENT and CITY/CB&I will prepare a formal land-lease agreement including but not limited to the following terms:

1. PROPONENT will receive approval from CB&I management to enter into lease agreements with tenants – this only includes approval of the type of tenant, not lease terms; as per the

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- guidelines established and created by the Green Ribbon Advisory Panel (GRAP) – the GRAP was created to provide a framework for the operations and tenancy of the business park.)
2. PROPONENT will accommodate net-free cost space for the CB&I to have office/training space in the building – final floor plan and amount of build-out space and occupancy to be determined at a later date – and will be referenced in the MOU between the City and the CB&I)
 3. PROPONENT will enter into a long-term land lease with CITY who holds title to the property – 30-year land lease with two 15-year extensions.
 4. A set land lease rate of \$xx.xx per buildable sf per month will be assessed and paid to CITY on a quarterly basis. Escalation costs increases will be defined in final land-lease term sheet.
 5. PROPONENT will receive credit to land-lease costs to offset the property site maintenance costs as well as CB&I office space costs. Duration of credit will be in place until such time other buildings and tenants are in the Ag Park to help offset the front load costs of maintenance and CB&I office space.
 6. PROPONENT will prepare an itemized cost breakdown of the maintenance cost and provide to CITY for acceptance in determining the amount of credit to land-lease cost.
 7. PROPONENT will provide to the CITY the fair-market value of the CB&I leased space in determining the amount of credit to the land-lease cost.
 8. PROPONENT will be responsible for maintenance of all of the initial site improvements until such time additional buildings are completed then subsequent cost sharing will be on a pro-rata basis of total building area in the park.
 9. PROPONENT will be reimbursed by the CITY/CB&I for “eligible” costs associated with the early permit to complete the grading and erosion control for Pad A. (note: the funds that will be used for this action, are attached to the appropriation secured by the CB&I by the Washington State legislature.)
 10. Additional items such as signage, marketing, branding etc. will be defined and provisions incorporated into the future land-lease agreement.

E. REAL PROPERTY DISCLOSURE:

1. The CITY/CB&I does not know of any material facts that would affect the development of PAD A , except those observables by the PROPONENT or known to the CITY/CB&I as stated in this MOU Document. CITY/CB&I makes no representations with respect to any material facts not stated in this document. PROPONENT is responsible for, and must make its own determination, whether any facts exists that would in any way adversely affect its intended use or development.
2. The PROPONENT understands that the proposed development is located within the Ag Park which has a vision of hosting and growing agriculture and innovative industries within the region and the requirement that any project be consistent with this vision.

DRAFT**F. REPRESENTATION:**

1. The CITY/CB&I represents and warrants that the Property (for building Pad A – not entire Business Park) is free and clear of any liens, charges, encumbrances, or rights of others. If the representation of the CITY is untrue, the PROPONENT may terminate any future agreement without penalty, which is PROPONENT's sole recourse against the City or anyone acting on the City's behalf.

G. TERMS & AMENDMENTS

1. The signing parties have agreed to the terms of this agreement and are bound hereby to these terms to the extent indicated herein.
2. Amendments to the terms of this agreement may only be made by the written agreement and approval of each of the signing parties.
3. Any financial obligations of the Parties will be reflected in subsequent Agreements; no financial obligation is created by this MOU.
- 2-4. All Parties understand that any subsequent Agreements in which the City is a Party may be contingent upon approval by the City Council.

H. TRANSFERABILITY

1. The PROPONENT will have the right to transfer and/or assign this Memorandum of Understanding to one of its holding companies if so desired before the end of the due-diligence period. Prior to any proposed transfer, PROPONENT will provide at least 30 days' written notice to CITY/CB&I in order to allow sufficient time for the latter to evaluate the proposed transfer and provide PROPONENT with any questions or concerns it may have.

I. ESTABLISHMENT OF BUSINESS PARK ASSOCIATION

1. The PROPONENT will act as the business park association until such time that the entire park achieves a build out occupancy of 50% of leasable building space. At that time, the tenants will have cause to form a Business Park Association. This will be established to create funds that will be dedicated and used for management of the park, general maintenance of common areas, and will operate in general and broad terms to ensure the Park's professional operations and maintenance.

J. DISPUTE RESOLUTION

- ~~1.~~ 1. The Parties will meet and confer within 30 days and in good faith attempt to resolve any disputes between the Parties arising out of this MOU or subsequent agreements resulting from this MOU. If the Parties are unable to resolve the dispute after they meet and confer, the dispute will be referred to

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mediation on terms and conditions agreed to by the Parties in writing. If the Parties are unable to agree to the terms and conditions of mediation, the dispute will be referred to the Judicial Arbitration and Mediation Service (JAMS) nearest office, with JAMS to select the mediator if the Parties are unable to do so. The cost of any mediation services will be shared equally among the Parties to the dispute. Each Party to the dispute will be responsible for its own attorney fees and costs. Mediation shall be required prior to suit being brought in any court having jurisdiction over the matter.

K. TRANSPARANCY/CONFLICT OF INTEREST

1. If any person with an ownership interest in a company provides services to the City at any time during the effective dates of this MOU, or any agreements arising therefrom, while the same person has an ownership interest in PROPONENT, or any company affiliated with PROPONENT, the company providing such services shall not be involved in permitting, land use, planning, enforcement, or any other City activity that impacts, or is reasonably likely to impact, the project or projects which are the subject of this MOU and any agreements arising therefrom.

2. The Parties further agree that the City may at its discretion forego any other services provided by the company referred to in the preceding paragraph if in the best interest of the City.

3. The requirements in this paragraph K will be included in any subsequent agreements between the parties arising out of this MOU.

Signatures on Following Page

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This ~~Document~~-MOU accurately reflects the understanding between the Seller and Purchaser, signed on this XX day of April 2022.

PROPONENT

Perry Shea, President
Dragonwheel Investment Group

Owner

(Contact)
City of Tenino

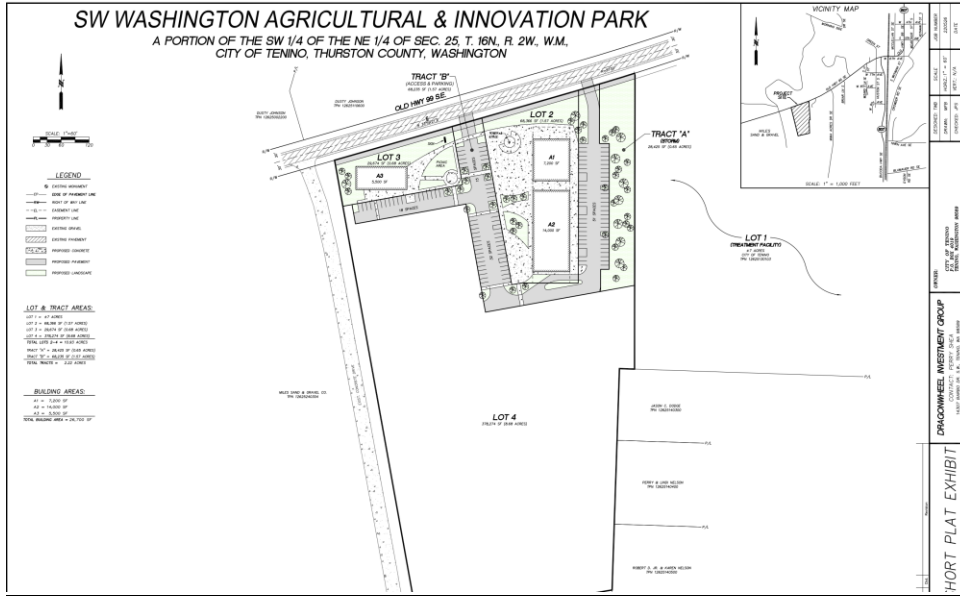
CB&I, Owner Representative

Michael Cade, Executive Director
Thurston Economic Development Council and Center for Business & Innovation

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ATTACHMENT A – SITE PLAN



File Attachments for Item:

3. Meeting Minutes for 6/14/2022

Recommended Action: Motion to approve 6/14/2022 meeting minutes as presented

**City Council Meeting
Tuesday, June 14, 2022**

Minutes

WORK SESSION

Mayor Fournier convened the work session at 7:12 pm with

PRESENT

Councilmember Linda Gotovac
Councilmember Elaine Klamn
Councilmember John O'Callahan
Councilmember Jason Lawton

ABSENT

Councilmember Rachel Davidson

1. Use of ARPA Funds

Grit City has not yet received their SAM certification, SAM Certification is required to receive CDBG Funds. Grit City applied for the SAM Certification 2+ months ago. SAM is System for Award Management and is issued by the Federal Government. Without SAM certification Grit City cannot be paid through CDBG funds, we are asking the City council authorized use of ARPA (We have been allocated \$520,000 of which we have used \$100,209 we have already dedicated \$150,000 for the playground prep) We are asking for \$80,000 from ARPA to pay Grit City. The money not used from CDBG funds will be transferred to the Quarry Pool project.

Mayor Fournier explained to council and guests the origination of the ARPA Funds and what he would like to use them for at this time.

CALL TO ORDER

Mayor Fournier convened the regular Council meeting at 7:32 pm with

PRESENT

Councilmember Linda Gotovac
Councilmember Elaine Klamn
Councilmember John O'Callahan
Councilmember Jason Lawton

ABSENT

Councilmember Rachel Davidson

AGENDA APPROVAL

2. Agenda for the Regular Meeting of the 6/14/22.

Recommended Action: Motion to approve the agenda as presented.

Motion made by Councilmember O'Callahan, Seconded by Councilmember Lawton.

Voting Yea: Councilmember Gotovac, Councilmember Klamn, Councilmember O'Callahan, Councilmember Lawton.

Motion passes 4/0.

APPROVAL OF MINUTES

3. Meeting Minutes for 5/24/2022

Recommended Action: Motion to approve 5/24/2022 meeting minutes as presented

Motion made by Councilmember O'Callahan, Seconded by Councilmember Gotovac.

Voting Yea: Councilmember Gotovac, Councilmember Klamn, Councilmember O'Callahan, Councilmember Lawton.

Motion passes 4/0.

CONSENT CALENDAR

4. Consent Calendar consisting of May 25, 2022 through June 14, 2022:

Payroll EFT's in the amount of \$117,975.55

Claims Checks #30634 through #30690 and EFT's in the amount of \$486,135.02

for a grand total of \$604,110.57

Liquor Cannabis License: None

Recommended Action: Move to approve the consent calendar as presented.

Council Member Rachel Davidson Excused Absence.

Motion made by Councilmember Gotovac, Seconded by Councilmember Lawton.

Voting Yea: Councilmember Gotovac, Councilmember Klamn, Councilmember O'Callahan, Councilmember Lawton.

Motion passes 4/0.

EXECUTIVE SESSION

None

PRESENTATIONS

None

PUBLIC COMMENTS

None

PUBLIC HEARING

None

PROCLAMATIONS

None

OLD BUSINESS

None

NEW BUSINESS

5. Use of ARPA Funds

Grit City has not yet received their SAM certification, SAM Certification is required to receive CDBG Funds. Grit City applied for the SAM Certification 2+ months ago. SAM is System for Award Management and is issued by the Federal Government. Without SAM certification Grit City cannot be paid through CDBG funds, we are asking the City council authorized use of ARPA (We have been allocated \$520,000 of which we have used \$100,209 we have already dedicated \$150,000 for the playground prep) We are asking for \$80,000 from ARPA to pay Grit City. The money not used from CDBG funds will be transferred to the Quarry Pool project.

Recommended Action: Discuss and motion to approve use of ARPA funds.

Motion made by Councilmember O'Callahan to pay Grit City, Seconded by Councilmember Gotovac.

Voting Yea: Councilmember Gotovac, Councilmember Klamn, Councilmember O'Callahan, Councilmember Lawton.

Motion passes 4/0.

RESOLUTIONS

None

ORDINANCES

None

REPORTS

6. **1) Chamber of Commerce**
- 2) Economic Development Council (EDC)**
- 3) South Thurston Economic Development Initiative (STEDI)**
- 4) ARCH Commission**

5) Experience Olympia & Beyond (VCB)**6) Fire District #12****7) Library****8) Museum****9) Tenino Community Service Center**

1) Chamber of Commerce: George Sharp reported the Chamber received a grant for \$5000.00 and they hope to get new brochures as well as help with the pioneer day costs. At the meeting tomorrow the Grand Marshall as well as the Citizen of the Year will be announced. They will have all events this year for Oregon Trail Days running Friday, Saturday and Sunday.

2) Economic Development Council (EDC): George Sharp reported that they will have a board meeting next Wednesday at the Kodiak Room.

3) South Thurston Economic Development Initiative (STEDI): George reported they will be meeting at the Rainier Senior Center on Friday.

4) ARCH Commission: They are still trying to confirm a date to meet.

5) Experience Olympia & Beyond (VCB): They held their annual meeting which was well represented by Tenino.

6) Fire District #12: John O'Callahan reported the main topic for all departments are the fuel prices and whether or not they can afford to respond to all calls or not. He spoke with the City's Fire Chief who has stated they do not have any problems locally with fuel costs.

7) Library: Linda reported it was a pleasure working with Jessica while posting the signs in the park for the story trail, posting all 22 signs throughout. The Reptile Man will be back this year as well.

8) Museum: Jessica reported they have been open for about 2 weeks now. They are getting ready for OTD and Pioneer Days. They have the bathroom sinks back, however, not installed yet. The men's bathroom toilet is now leaking so they will be fixing that asap. They saved about \$5000.00 by painting and doing the floors in-house.

7. 1) Civil Service Commission**2) Façade Improvement Grant Review Committee****3) Finance Committee****4) Planning Commission****5) Public Safety Committee**

2) Façade Improvement Grant Review Committee: Councilmember Gotovac reported that she spoke with the owners of the Whitewood Cider and they are hoping to get the building painted

next week, weather permitting.

8. 1) Chief of Police

2) Director of Public Works

3) City Planner

4) Code Enforcement/Building Inspector

5) PARC Specialist

6) City Attorney

7) Clerk/Treasurer

8) Mayor

8) Mayor: Mayor Fournier reported he has been busy attending meetings. The City has signed a new contract with BHC Consultants for a new planning, building and code enforcement duties. We have received a response back from the State regarding the pool permit with a laundry list of items to complete prior to them issuing a permit. He will be juggling time tomorrow with tours and his daughter's field trip. They have the date and place set for the retreat and is hoping to have a guest remote in from London.

9. 1) Bucoda/Tenino Healthy Action Team (BTHAT)

2) Solid Waste Advisory Board

3) TCOMM/911

4) Tenino School Board

5) Thurston Regional Planning Council (TRPC)

6) Transportation Policy Board

7) Legislature

1) Bucoda/Tenino Healthy Action Team (BTHAT): Councilmember Lawton reported they will be having summer lunches again this year from 11-12:30 pm Monday - Friday at the Middle School.

2) Solid Waste Advisory Board: Councilmember Klamn reported they will be asking people to complete surveys during OTD as well as the Farmers Markets.

4) Tenino School Board: Councilmember Davidson reported graduation was Friday night and went well. They have hired a new athletic director.

5) Thurston Regional Planning Council (TRPC): Councilmember O'Callahan reported he sent the after meeting minutes to them.

6) Transportation Policy Board: They have been rehashing on what and how to spend the available monies.

PUBLIC COMMENTS 2

None

ANNOUNCEMENTS

Councilmember O'Callahan stated he would like to see the City get more involved on Memorial Day festivities. He would like to have the first responders maybe next year park at different corners and sound their sirens at noon.

Admin Clerk Scharber reported that David Campbell with the Robert Half Company who has been balancing the books has the City audit ready and is doing a great job.

ADJOURNMENT

Mayor Fournier adjourned the meeting at 7:49 pm.

File Attachments for Item:

4. Consent Calendar consisting of June 29, 2022 through July 12, 2022:

Payroll EFT's in the amount of \$35,595.28

Claims Checks #30717 through #30750 and EFT's in the amount of \$120,619.89 for a grand total of \$156,215.17

Liquor Cannabis License: None

Review attached letter asking to waive fees for upcoming Tenino Railroad Day.

Recommended Action: Move to approve the consent calendar as presented.

Tenino City Council,

7/6/2022

Greetings!

I am writing today to tell you about Tenino Railroad Day and extend an invitation to you all. Railroad Day celebrates the Northern Pacific Railroad coming to this quiet little valley that was little more than a stagecoach stop and Post Office (called Coal Bank) before 1872. When the Northern Pacific drove their final spike here in October of 1872, they built a Depot and called it Tenino. This was essentially the birth of our little City. The railroad quickly attracted its first store and hotel.

On September 17, 2022 we will be recognizing this important Sesquicentennial for the Railroad. We can in fact, celebrate again next year by commemorating the platting of Tenino which happened July 5th, 1873. Maybe this will kick off more than one event to celebrate 150 years. In fact, I would like to see this everywhere, on all media, that Tenino is 150 years old! The coming of the Railroad marks the start, the platting of the town seals the deal!!

I hope the City Council will represent at this event. I hope for a Mayoral Speech and any other dignitaries we would like to hear from. I hope that the City of Tenino embraces this as their event with a little assist from the South Thurston County Historical Society.

Planned activities so far are: Educational Booths, Games, Vendor Booths, Food Vendors, Live Music (we have 3 performances planned so far), Caboose Ribbon Cutting Ceremony, Speeches, and a Short Play.

I also want to propose that we add the historical name of Park Street under the current name. A brown sign that says "Historical Name: RAILROAD AVENUE"... to be installed in time for Tenino Railroad Day or announced at Tenino Railroad Day.

In the spirit of this event as a celebration for the City of Tenino, I request that the City Council waive the permit fee.

Thank you so much for your time.

Sincerely,

Jessica Reeves-Rush

Director, Tenino Depot Museum

Consent Calendar consisting of June 29, 2022 through July 12, 2022:

Payroll EFT's in the amount of \$35,595.28

- **Claims Checks #30717 through #30749 and EFT's in the amount of \$120,648.31**

for a grand total of \$156,243.59

Liquor and/or Cannabis License requests:

CHECK REGISTER

4. City Of Tenino

Time: 17:51:15 Date: 07/12/2022

06/29/2022 To: 07/12/2022

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Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
1842	07/05/2022	Payroll	5	EFT	Robert A Auderer	2,309.89	
1843	07/05/2022	Payroll	5	EFT	Veronica A Barnes	1,791.64	
1844	07/05/2022	Payroll	5	EFT	Troy LK Cannon	2,650.89	
1845	07/05/2022	Payroll	5	EFT	Judith Cryderman	900.21	
1846	07/05/2022	Payroll	5	EFT	Rene Durand	1,655.21	
1847	07/05/2022	Payroll	5	EFT	Brent L Gibbs	2,444.36	
1848	07/05/2022	Payroll	5	EFT	Drew Johnson	1,929.18	
1849	07/05/2022	Payroll	5	EFT	Aaron Lee	1,725.01	
1850	07/05/2022	Payroll	5	EFT	Alec C McClelland	2,051.57	
1851	07/05/2022	Payroll	5	EFT	Cole Plaja	870.48	
1852	07/05/2022	Payroll	5	EFT	Jason M Plaja	2,421.78	
1853	07/05/2022	Payroll	5	EFT	Derrick Prosser	1,512.73	
1854	07/05/2022	Payroll	5	EFT	Jessica Reeves-Rush	456.32	
1855	07/05/2022	Payroll	5	EFT	Maria Rodriguez	1,657.88	
1856	07/05/2022	Payroll	5	EFT	Colby Russell	896.57	
1857	07/05/2022	Payroll	5	EFT	Jennifer N Scharber	1,450.17	
1858	07/05/2022	Payroll	5	EFT	Rachel L Davidson	183.50	
1859	07/05/2022	Payroll	5	EFT	Wayne R Fournier	1,093.95	
1860	07/05/2022	Payroll	5	EFT	Linda Gotovac	229.37	
1861	07/05/2022	Payroll	5	EFT	Effie E Klamn	183.50	
1862	07/05/2022	Payroll	5	EFT	Jason A Lawton	183.50	
1863	07/05/2022	Payroll	5	EFT	John J O'Callahan	275.25	
1919	07/08/2022	Payroll	5	EFT	AWC Benefits Trust	6,722.32	Pay Cycle(s) 07/05/2022 To 07/05/2022 - AWC Disability; Pay Cycle(s) 07/05/2022 To 07/05/2022 - AWC
1962	07/12/2022	Claims	5	30717	ALS Group USA, Corp	215.00	
1963	07/12/2022	Claims	5	30718	Actionaire Inc	275.62	
1964	07/12/2022	Claims	5	30719	Awards West	142.39	
1965	07/12/2022	Claims	5	30720	CME, Inc	10,173.60	
1966	07/12/2022	Claims	5	30721	DPI Legal & Classified Publishing	60.54	
1967	07/12/2022	Claims	5	30722	Enbody, Dugaw, Enbody	900.00	
1968	07/12/2022	Claims	5	30723	H D Fowler Co	49,517.54	
1969	07/12/2022	Claims	5	30724	J & I Power Equip	488.01	
1970	07/12/2022	Claims	5	30725	Joes Refuse	863.34	
1971	07/12/2022	Claims	5	30726	Law Office of Richard L. Hughes PLLC	3,735.00	
1972	07/12/2022	Claims	5	30727	Lewis County Chemical	325.09	
1973	07/12/2022	Claims	5	30728	Alec C McClelland	44.97	
1974	07/12/2022	Claims	5	30729	Mountain Mist Water	36.81	
1975	07/12/2022	Claims	5	30730	Northstar Chemical, Inc	785.16	
1976	07/12/2022	Claims	5	30731	Pitney Bowes	5.00	
1977	07/12/2022	Claims	5	30732	Puget Sound Enery	6,022.76	
1978	07/12/2022	Claims	5	30733	RTS Enviromental LLC	5,500.00	
1979	07/12/2022	Claims	5	30734	Right Systems Inc	8,553.60	
1980	07/12/2022	Claims	5	30735	Rochester Lumber	291.70	
1981	07/12/2022	Claims	5	30736	SCJ Alliance	8,930.75	
1982	07/12/2022	Claims	5	30737	Tenino Telephone Co	1,693.58	
1983	07/12/2022	Claims	5	30738	City Of Tenino	1,801.93	
1984	07/12/2022	Claims	5	30739	Thurston Co Economic Dev Council	2,500.00	
1985	07/12/2022	Claims	5	30740	Thurston Co Treasurer	18.41	
1986	07/12/2022	Claims	5	30741	Utilities Underground Location	7.74	
1987	07/12/2022	Claims	5	30742	Verizon Wireless (Cell)	751.31	
1988	07/12/2022	Claims	5	30743	Voyager Fleet System	3,638.55	
1989	07/12/2022	Claims	5	30744	WA State Dept Of Ecology	600.00	
1990	07/12/2022	Claims	5	30745	WA State Patrol	103.25	

CHECK REGISTER

4. City Of Tenino

Time: 17:51:15 Date: 07/12/2022

06/29/2022 To: 07/12/2022

Page: 2

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
1991	07/12/2022	Claims	5	30746	WA State Treasurer	595.12	
1992	07/12/2022	Claims	5	30747	Wilson Parts Corporation	78.32	
1993	07/12/2022	Claims	5	30748	Yelm Glass Company	889.43	
1994	07/12/2022	Claims	5	30749	Robert Half	11,103.79	
						61,952.86	
001 General Government Fund #001						330.42	
002 Quarry Pool Fund #002						4,155.21	
101 City Street Fund #101						49,179.68	
109 Contingency Fund #109						11,884.28	
310 Municipal Capital Imp Fund 310						7,164.50	
401 Water Fund						21,576.64	
410 Sewer Fund							
						<hr/>	
						156,243.59	Claims: 120,648.31 Payroll: 35,595.28

WE, the members of the City Council of the City of Tenino, Thurston County, Washington, DO HEREBY certify that the merchandise or services listed above have been received and that the above listed vouchers and the related checks have been reviewed and approved for payment by the Tenino City Council.

DATED this _____ day of _____ 2022.

Clerk/Treasurer

Mayor

Councilmember

Councilmember

Councilmember

Councilmember

Councilmember

5.

File Attachments for Item:

5. Utility Rate Study

Recommended Action: Review, Discuss and motion to Approve 2022 Rate Study.

June 30, 2022

Jen Scharber, Interim Clerk/Treasurer
City of Tenino
149 Hodgden St S
Tenino, WA 98589

Subject: City of Tenino Water and Sewer Utility Rate Study Update (2023)

Dear Kayleen:

Per our discussion, attached please find a proposed scope of work and budget for FCS GROUP to prepare a comprehensive utility rate update for your water and sewer utilities.

As FCS GROUP prepared your previous rate study, we plan to utilize the financial planning model from that study and update our rate analysis to include changes and/or new processes in fire service delivery, reclaimed water, and septage flows.

We look forward to the opportunity to serve the City again. Please do not hesitate to contact us at (425) 274-2853 or MartinC@fcsgroup.com with any questions.

Yours very truly,



Martin Chaw
Senior Project Manager and Management Consulting Practice Area Lead
Enclosure

CC: Angie Sanchez Virnoche, Principal

CITY OF TENINO, WA 2023 WATER AND SEWER RATE UPDATE

Project understanding: The City of Tenino operates a water and sewer utility. The 2021 adopted expenditure budget for both utilities total \$3.1 million, or about 50% of the total citywide budget of \$6.3 million¹.

Figure 1: City of Tenino 2021 Adopted Budget

2021 BUDGET POSITION TOTALS						
City Of Tenino				Time: 08:51:59		Date: 12/04/2020
MCAG #: 0757						Page: 33
Fund	Revenue Budgeted	Received		Expense Budgeted	Spent	
001 General Government Fund #001	1,346,103.00	0.00	0.0%	1,332,932.96	0.00	0%
002 Quarry Pool Fund #002	39,122.00	0.00	0.0%	39,120.00	0.00	0%
003 Reserve Academy Operating Fun	10,000.00	0.00	0.0%	10,000.00	0.00	0%
101 City Street Fund #101	670,444.00	0.00	0.0%	658,443.00	0.00	0%
109 Contingency Fund #109	90,435.00	0.00	0.0%	0.00	0.00	0%
310 Municipal Capital Imp Fund 310	1,236,997.00	0.00	0.0%	1,021,042.00	0.00	0%
401 Water Fund	529,559.00	0.00	0.0%	271,706.48	0.00	0%
402 Water Capital Imp Fund	1,034,568.00	0.00	0.0%	267,413.00	0.00	0%
403 Stormwater Fund	37,080.00	0.00	0.0%	0.00	0.00	0%
410 Sewer Fund	1,881,425.00	0.00	0.0%	1,573,242.48	0.00	0%
421 Sewer Capital Improvement Fund	1,226,414.00	0.00	0.0%	442,570.00	0.00	0%
422 Sewer Reserve Fund	765,092.00	0.00	0.0%	559,091.00	0.00	0%
601 SWWAIP Trust Fund	0.00	0.00	0.0%	0.00	0.00	0%
631 Municipal Court Trust Fund #631	62,100.00	0.00	0.0%	56,305.00	0.00	0%
	8,929,339.00	0.00	0.0%	6,231,865.92	0.00	0.0%

FCS GROUP previously prepared the City’s utilities rate study in 2016, which included a water and sewer rate revenue requirement analysis, and a water rate cost of service study. The previous study did not include an analysis of the City’s facility charges and is not included in this proposed study update. Since this previous study, the following major process changes has occurred:

- Fire services are now provided by the County;
- The City now has reclaimed water; and
- The City’s sewer system is now receiving regional septage.

Based on discussions with Kayleen Canup, City Clerk/Treasurer, FCS GROUP will update the previous revenue requirement and cost-of-service analysis and determine any necessary rate adjustments to fully fund forecasted water and sewer utility operating and capital costs.

Our proposed rate study will be based on 2021 actuals, 2022 budget, and forecasted financial performance (operations and capital) for the subsequent five year (2023-2027) period. Our study will include updated rates effective first quarter 2023 and forecasted rates for each year through 2027. We will work with the City to determine the target date for updated rates in 2023.

The following provides a detailed task plan to complete the proposed study.

¹ Includes budgeted expenses for the Water Operations and CIP funds (401 and 402), Sewer Operations and CIP funds (410 and 421), and the Sewer Reserves fund (422).

Scope of Work

Task 1. Kick-off Meeting

Conduct one (1) kick-off meeting with the City's Project Manager and other key City staff to discuss project goals, objectives, and requirements.

We will use this meeting to review and discuss the general study methodology and outcomes, data requirements, and study schedule.

Deliverables. *One (1) meeting to kick off the study, discuss and confirm the study's objectives, data requirements, project schedule and key milestones/expectations.*

Task 2. Data Collection & Validation

We will provide a written request for data ahead of the kick-off meeting. Provide a data request list identifying financial and operational documents, and customer data pertinent to the performance of the study. Review, analyze and validate such information as necessary for use in formulating the technical analyses. Follow up with City staff for any additional items or explanations as necessary.

Deliverables. *Initial request for information; transmit to the City prior to the kickoff meeting under task 1.*

Task 3. Updated Revenue Requirement Analysis

This task will update the previous rate models for each utility and will include the following: determine annual rate revenue needs; changes in rates due to the transition to the County for fire services; evaluate/update rates for reclaimed water; evaluate/update rates for receiving regional septage.

Capital Funding Strategy. Incorporate identified capital projects and associated annual costs for the planning period, and design funding strategies intended to feasibly execute the capital programs while providing smooth rate impacts. Evaluate an appropriate combination of resources from available cash balances, facilities charge revenue, funding from rates, and debt to remain within industry standards for coverage and debt management thresholds.

After establishing the baseline rate forecast, we will work with staff to identify up to two (2) alternative scenarios.

Operating Forecast. Forecast operating and maintenance expenses for each utility over the study period. We will evaluate economic factors for growth and demand to inform line-item cost escalation working closely with the City to determine the most appropriate factors that best reflect local circumstances. The analysis will also incorporate additional or new O&M expenses for known or anticipated changes in operational or administrative requirements such as regulatory impacts, additional operations staffing, deferred maintenance, and new or enhanced program initiatives.

Revenue Needs Assessment. Utilizing the forecasted capital and operating financial conditions, we will develop an annual operating cash flow for each utility over the study period. We will compare projected expenses against projected revenue under existing rates to determine the annual adjustments needed to provide financial sustainability over the study period.

Rate revenue sufficiency will be tested from two perspectives: the ability to meet all cash obligations and the attainment of any debt coverage requirements. Working closely with the City, we will develop a multi-year rate adjustment strategy for each utility that provides smooth rate impacts.

Sensitivity analyses will be performed to evaluate the impact of alternative capital funding strategies, O&M, costs and other input parameters and the commensurate impact of each alternative upon the City’s ratepayers.

Meeting to Review Results. We will facilitate one (1) meeting with the City to review results of the rate revenue requirements for each utility, answer questions, and adjust/finalize the rate revenue requirement analysis as needed.

Deliverables. *Facilitate one (1) meeting to review the results of the financial plan for each utility, identifying the required across-the-board rate increases to fully fund each utility’s financial requirements.*

Task 4. Cost-of-Service Analysis (COSA) and Rate Design

We will prepare a detailed cost-of-service analysis to establish a defensible basis for assigning “cost shares” and establishing “equity” for system customers based on industry standard methodologies that are tailored to the City’s unique systems and customer characteristics. If the City is satisfied with its current rate structure, this task in its entirety can be eliminated.

Functional Cost Allocation. The COSA develops a series of functional allocations that distribute cost pools to classes of customers linked to a proportionate share of costs required to serve their demand. Examples of functions commonly used for cost allocations include:

Water Utility	Sewer Utility
<ul style="list-style-type: none"> • Customer • Base capacity (avg. demand) • Peak capacity (max demand) • Meters and Services • Fire 	<ul style="list-style-type: none"> • Customer • Flow • Strength (BOD/TSS)

Using this information, we will identify the cost to serve each existing or potential customer class. The results will identify any warranted shifts in cost burden that could improve equity between customers from the existing rate structure. The cost of service will identify the required revenue to collect from each customer class to cover their individual costs. Unit costs by functional component will be calculated to support the rate design process.

Rate Structure Evaluation & Updates. Rate design considers both the level (amount of revenue that must be generated) and structure (how the revenue will be collected, or bill assessed). Each rate design alternative is developed to generate sufficient revenue to meet the revenue requirement forecast and begin to address any material inequities identified in the COSA findings in a transparent, equitable, and understandable manner. Further, we will identify the portion of revenues anticipated to be collected from the fixed and volume rate components to provide for an appropriate balance of revenue stability and the ability of customers to control their bill by changing behavior.

This task will include evaluating and updating rates for City process changes affecting fire services, reclaimed water, and regional septage flows.

Jurisdictional Rate Survey. Prepare a comparison of residential bills for a typical residential customer and up to six (6) neighboring jurisdictions. FCS GROUP will work with the City to determine the most appropriate peers for comparison.

Sample Customer Bill Impacts. Prepare sample combined water and sewer utility bills for each customer class comparing bills under the current rates and proposed alternative rates. Impacts will be shown for various usage / levels.

Meeting to Review Results. We will facilitate one (1) meeting with the City to review results of the cost of service for each utility, answer questions, and adjust/finalize the cost of service and rate design analysis as needed.

Deliverables. *One (1) meeting to review the cost of service analysis by customer class; proposed rates and revised rate structures (as appropriate); sample typical residential customer billings comparing the calculated combined water and sewer billing under current rates, proposed rates, and to up to six (6) neighboring communities.*

Task 5. Council Presentation

We will facilitate one presentation to the City Council to present and discuss the results of the rate study update. Should additional meetings with staff or the City Council be required, FCS GROUP will coordinate with the City's project team accordingly.

Prepare Council presentation. Prepare a draft study presentation for City project team review and comment. Finalize presentation and provide to City for Council agenda packets.

Attend and Facilitate Council Discussion. Attend and facilitate discussion of rate study results during one (1) meeting of the City Council.

Deliverables. *One (1) meeting with City Council to review results of the rate study.*

Task 6. Documentation

We will prepare a draft and final report documenting the study's findings, conclusions and recommendations as follows.

Draft Study Report. Prepare a draft study report summarizing the findings, conclusions, and recommended across the board and, if appropriate, cost of service adjustments for each utility. The draft report will be provided to the City project team for review and comment.

Final Study Report. A final study report will be prepared, incorporating comments from the City's project team.

Deliverables. *Draft and Final reports summarizing the results of the rate study.*

Task 7. Project Management

This task includes project contract management, accounting, and monthly invoicing. In addition, we will schedule monthly project check-in meetings over the duration of the study.

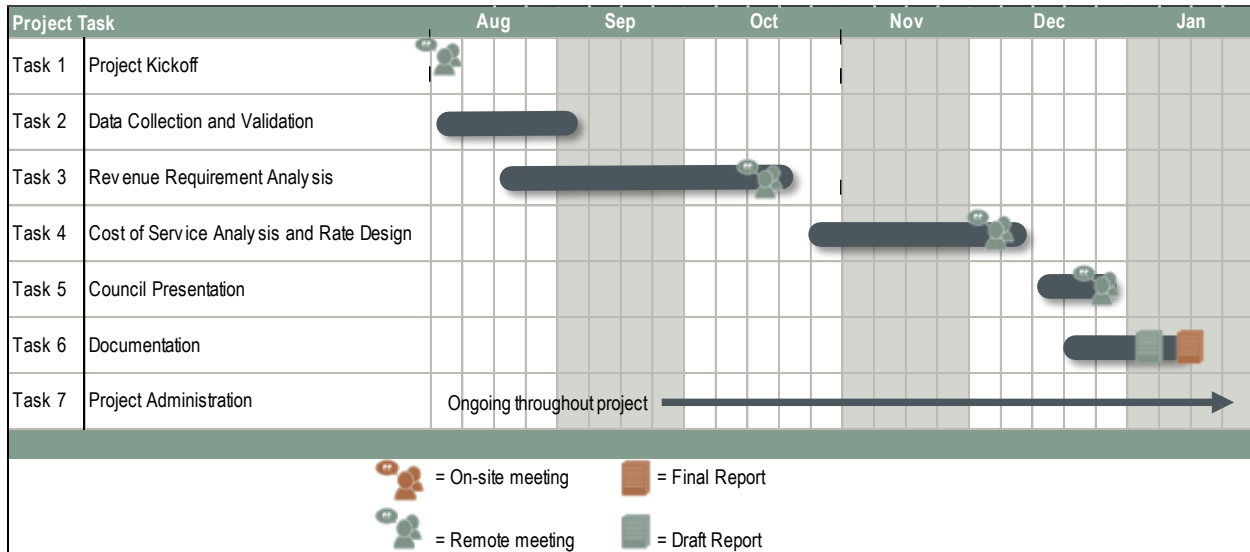
Budget

The following table summarizes our estimated cost to perform the task plan based on 2021 labor rates. The cost of completing the project tasks above is an amount not to exceed **\$62,880** (or \$31,440 per utility). We have not included any expenses for travel as we are assuming all meetings are to take place remotely. If the proposed budget is outside of City expectations, we invite the opportunity to negotiate the appropriate level of effort and/or make adjustments to the scope of work to better match the City’s needs.

Task Detail	A. Sanchez						Total Hours	Budget Estimate	
	Virnoche Principal	M. Chaw Manager	D. Gonzales Tech. Adv.	TBD Proj. Cons.	Analyst	Admin Support			
<i>2022 Hourly Billing Rates</i>									
	\$280	\$215	\$215	\$175	\$145	\$90			
Task Plan									
Task 1 Project Kickoff	2	2	0	2	2	0	8	\$1,630	
Task 2 Data Collection and Validation	0	4	2	6	24	0	36	\$5,820	
Task 3 Revenue Requirement Analysis									
Water									
3.1 CIP funding strategy	0	2	0	2	6	0	10	1,650	
3.2 Operating forecast	0	2	0	2	6	0	10	1,650	
3.3 Revenue needs assessment	2	2	0	4	4	0	12	2,270	
Sewer									
3.4 CIP funding strategy	0	2	0	2	6	0	10	1,650	
3.5 Operating forecast	0	2	0	2	6	0	10	1,650	
3.6 Revenue needs assessment	2	2	0	4	4	0	12	2,270	
Review									
3.7 Review results with City project team	2	2	0	2	2	0	8	1,630	
Task 4 Cost of Service Analysis and Rate Design									
Water									
4.1 Functional cost allocation	1	1	0	4	6	0	12	2,065	
4.2 Rate structure evaluation and updates	1	1	0	4	6	0	12	2,065	
4.3 Rate structure evaluation - fire services	1	1	2	4	6	0	14	2,495	
4.4 Rate structure evaluation - reclaimed water	1	1	2	4	6	0	14	2,495	
4.5 Jurisdictional rate survey	1	1	0	2	6	0	10	1,715	
Sewer									
4.6 Functional cost allocation	1	1	0	4	6	0	12	2,065	
4.7 Rate structure evaluation and updates	1	1	0	4	6	0	12	2,065	
4.8 Rate structure evaluation - septage rates	1	1	2	4	6	0	14	2,495	
4.9 Jurisdictional rate survey	1	1	0	2	6	0	10	1,715	
Review									
4.10 Sample customer bill impacts	0	1	0	2	4	0	7	1,145	
4.11 Review results with City project team	2	2	0	2	2	0	8	1,630	
Task 5 Council Presentation									
5.1 Prepare Council presentation	2	4	0	4	8	0	18	3,280	
5.2 Facilitate Council meeting/discussion	2	2	0	2	2	0	8	1,630	
Task 6 Documentation									
6.1 Prepare draft study report	2	8	0	14	40	0	64	10,530	
6.2 Prepare final study report	2	2	0	4	4	0	12	2,270	
Task 7 Project Administration	2	8	0	0	0	8	18	3,000	
Total Tasks	29	56	8	86	174	8	361	\$62,880	
						Expenses		\$0	
Total Budget Estimate									\$62,880

Schedule

We estimate that the study will be completed in approximately six (6) months following notice to proceed. The following graphic is presented assuming an August 2022 start date.



6.

File Attachments for Item:

6. 6 Year Street Plan. Public works director Troy Cannon on 6 year street plan

Recommended Action: Review and motion to approve 6 year street plan

Statewide Transportation Improvement Program

Project Search Project List Create New Project Import Export Rollover Reports Admin Logout Help

Save Cancel Delete Edit

You are signed in as Cityof290

Current STIP Year 2022

STIP Detail

* - Indicates required field

General Information

From 2022 To 2025 Amendment Correction

STIP ID WA-09999 STIP Amendment

Approved Date

Agency

Agency* Tenino MPO/RTPO TRPC

County Thurston MPO Boundary* Inside Outside

Region Olympic MPO ID AA

Project Information

Project Title* Park Ave West Region: Signific

Project Number () XXXX(XXX) Agency Project Identifi

Structure ID # PIN (W Project

Road Name or Number Park Ave Priority Numbe

Begin Termini Howard St End Ter

Total Project Length 0.43 miles (NNN.NN or NNN) Enviror Type

RW Required Utility (

Improvement Type* 04 - Reconstruction - No Added Capacity Funcio Class*

Statewide Transportation Improvement Program

Project Search Project List Create New Project Import Export Rollover Reports Admin Logout Help

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You are signed in as Cityof290
Current STIP Year 2022

STIP Detail

* - Indicates required field

General Information

From 2022 To 2025 Amendment Correction Clear

STIP ID WA-09996 STIP Amendment

Approved Date

Agency

Agency* Tenino MPO/RTPO TRPC

County Thurston MPO Boundary* Inside Outside

Region Olympic MPO ID AA

Project Information

Project Title* Ritter St Region: Signific

Project Number () XXXX(XXX) Agency Project Identifi

Structure ID # PIN (W Project

Road Name or Number Ritter St N Priority Numbe

Begin Termini Sussex Ave W End Ter

Total Project Length 0.25 miles (NNN.NN or NNN) Enviror Type

RW Required Utility (

Improvement Type* 04 - Reconstruction - No Added Capacity Functio Class*

Statewide Transportation Improvement Program

Project Search Project List Create New Project Import Export Rollover Reports Admin Logout Help

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You are signed in as Cityof290
Current STIP Year 2022

STIP Detail

* - Indicates required field

General Information

From 2022 To 2025 Amendment Correction

STIP ID WA-10001 STIP Amendment

Approved Date

Agency

Agency* Tenino MPO/RTPO TRPC

County Thurston MPO Boundary* Inside Outside

Region Olympic MPO ID AA

Project Information

Project Title* 5th Street Region: Signific

Project Number () XXXX(XXX) Agency Project Identifi

Structure ID # PIN (W Project

Road Name or Number 5th Street Priority Numbe

Begin Termini Park St End Ter

Total Project Length miles (NNN.NN or NNN) Enviror Type

RW Required Utility (

Improvement Type* 05 - 4R Maintenance Resurfacing Functio Class*

Statewide Transportation Improvement Program

Project Search Project List Create New Project Import Export Rollover Reports Admin Logout Help

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Current STIP Year 2022

STIP Detail

* - Indicates required field

General Information

From 2022 To 2025 Amendment Correction

STIP ID WA-09997 STIP Amendment

Approved Date

Agency

Agency* Tenino MPO/RTPO TRPC

County Thurston MPO Boundary* Inside Outside

Region Olympic MPO ID AA

Project Information

Project Title* McClellan St Region: Signific

Project Number () XXXX(XXX) Agency Project Identifi

Structure ID # PIN (W Project

Road Name or Number McClellan St Priority Numbe

Begin Termini Sussex Ave W End Ter

Total Project Length 0.21 miles (NNN.NN or NNN) Enviror Type

RW Required Utility (

Improvement Type* 05 - 4R Maintenance Resurfacing Funcio Class*

Statewide Transportation Improvement Program

Project Search Project List Create New Project Import Export Rollover Reports Admin Logout Help

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Current STIP Year 2022

STIP Detail

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General Information

From 2022 To 2025 Amendment Correction

STIP ID WA-10000 STIP Amendment

Approved Date

Agency

Agency* Tenino MPO/RTPO TRPC

County Thurston MPO Boundary* Inside Outside

Region Olympic MPO ID A A

Project Information

Project Title* OBrien St

Project Number () XXXX(XXX)

Structure ID #

Road Name or Number OBrien St

Begin Termini Park Ave

Total Project Length 0.15 miles (NNN.NN or NNN)

RW Required

Improvement Type* 05 - 4R Maintenance Resurfacing

Function Class*

Statewide Transportation Improvement Program

Project Search Project List Create New Project Import Export Rollover Reports Admin Logout Help

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Current STIP Year 2022

STIP Detail

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General Information

From 2022 To 2025 Amendment Correction

STIP ID WA-09995 STIP Amendment

Approved Date

Agency

Agency* Tenino MPO/RTPO TRPC

County Thurston MPO Boundary* Inside Outside

Region Olympic MPO ID AA

Project Information

Project Title* Old Hwy 99 West Region: Signific

Project Number () XXXX(XXX) Agency Project Identifi

Structure ID # PIN (W Project

Road Name or Number Old Hwy 99 Priority Numbe

Begin Termini Hwy 507 End Ter

Total Project Length 1.50 miles (NNN.NN or NNN) Enviror Type

RW Required Utility (

Improvement Type* 04 - Reconstruction - No Added Capacity Functio Class*

Statewide Transportation Improvement Program

Project Search Project List Create New Project Import Export Rollover Reports Admin Logout Help

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You are signed in as Cityof290

Current STIP Year 2022

STIP Detail

* - Indicates required field

General Information

From 2022 To 2025

Amendment Correction

Clear

STIP ID WA-10002

STIP Amendment

Approved Date

Agency

Agency* Tenino

MPO/RTPO TRPC

County Thurston

MPO Boundary* Inside Outside

Region Olympic

MPO ID AA

Project Information

Project Title* Eureka Street S

Region: Signific

Project Number () XXXX(XXX)

Agency Project Identifi

Structure ID #

PIN (W Project

Road Name or Number Old Hwy 99

Priority Numbe

Begin Termini Sussex Ave E

End Ter

Total Project Length 0.10 miles (NNN.NN or NNN)

Enviror Type

RW Required

Utility (

Improvement Type* 04 - Reconstruction - No Added Capacity

Funcio Class*

Statewide Transportation Improvement Program

Project Search Project List Create New Project Import Export Rollover Reports Admin Logout Help

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You are signed in as Cityof290
Current STIP Year 2022

STIP Detail

* - Indicates required field

General Information

From 2022 To 2025 Amendment Correction

STIP ID WA-09998 STIP Amendment

Approved Date

Agency

Agency* Tenino MPO/RTPO TRPC

County Thurston MPO Boundary* Inside Outside

Region Olympic MPO ID AA

Project Information

Project Title* Old Military Road Region: Signific

Project Number () XXXX(XXX) Agency Project Identifi

Structure ID # PIN (W Project

Road Name or Number Old Military Road Priority Numbe

Begin Termini Sussex St E End Ter

Total Project Length 0.50 miles (NNN.NN or NNN) Enviror Type

RW Required Utility (

Improvement Type* 05 - 4R Maintenance Resurfacing Functio Class*

Statewide Transportation Improvement Program

Project Search Project List Create New Project Import Export Rollover Reports Admin Logout Help

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You are signed in as Cityof290
Current STIP Year 2022

STIP Detail

* - Indicates required field

General Information

From 2022 To 2025 Amendment Correction

STIP ID WA-10003 STIP Amendment

Approved Date

Agency

Agency* Tenino MPO/RTPO TRPC

County Thurston MPO Boundary* Inside Outside

Region Olympic MPO ID AA

Project Information

Project Title* Frost St Region: Signific

Project Number () XXXX(XXX) Agency Project Identifi

Structure ID # PIN (W Project

Road Name or Number Frost St Priority Numbe

Begin Termini Park Ave End Ter

Total Project Length 0.10 miles (NNN.NN or NNN) Enviror Type

RW Required Utility

Improvement Type* 05 - 4R Maintenance Resurfacing Funcio Class*

Statewide Transportation Improvement Program

Project Search Project List Create New Project Import Export Rollover Reports Admin Logout Help

Save Cancel Delete Edit

You are signed in as Cityof290
Current STIP Year 2022

STIP Detail

* - Indicates required field

General Information

From 2022 To 2025 Amendment Correction

STIP ID WA-10004 STIP Amendment

Approved Date

Agency

Agency* Tenino MPO/RTPO TRPC

County Thurston MPO Boundary* Inside Outside

Region Olympic MPO ID AA

Project Information

Project Title* Morning Side Dr Region: Signific

Project Number () XXXX(XXX) Agency Project Identifi

Structure ID # PIN (W Project

Road Name or Number Morning Side Dr Priority Numbe

Begin Termini McClellan St End Ter

Total Project Length 0.05 miles (NNN.NN or NNN) Enviror Type

RW Required Utility

Improvement Type* 05 - 4R Maintenance Resurfacing Functio Class*

7.

File Attachments for Item:

7. Ritter Street Bid Recommendation

Recommended Action: Review and approve Ritter Street Bid.



June 24, 2022

The Honorable Mayor Fournier and City Council
City of Tenino
City Hall - 149 Hodgden St S
Tenino, WA 98589

RE: Ritter St S Improvements TIB #6-W-977(003)-1 & Ritter St S Waterline Replacement
Construction Contract Award Recommendation

Dear Mayor and City Council:

On June 16, 2022 at 10:00 am, four bids were opened and publicly read for the above referenced project. The total bids for Schedules A and B combined including Washington state sales tax ranged from \$651,028.98 to \$854,194.00. The Engineer's estimate was \$719,640.00. Please see the attached bid tabulation.

The low bid was submitted by Confederated Construction Company, LLC (CCC) of Oakville, Washington in the amount of \$651,028.98 including Washington state sales tax. CCC's bid was reviewed and determined to be non-responsive because it did not include evidence of authority to sign the bid by the person that signed the bid on behalf of CCC. This requirement was identified in the bid checklist and in the signature block of the bid documents.

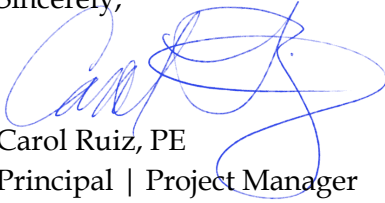
The lowest responsive bid was submitted by Northwest Cascade, Inc. (NCI) of Puyallup, Washington in the amount of \$719,832.00 including Washington state sales tax. The bid for Schedule A - Ritter St S Improvements, is \$509,718.00. The bid for Schedule B - Ritter St S Waterline Replacement, is \$210,114.00 including sales tax.

Gibbs & Olson reviewed NCI's bid and found that NCI correctly completed the required forms included in the Bid Package. Gibbs & Olson has also verified that NCI has an active contractor's license and has no summons or complaints against them.

Gibbs & Olson recommends that the City of Tenino award a contract in the amount of \$719,832.00 to Northwest Cascade, Inc of Puyallup, Washington for the Ritter St S Improvements and Waterline Replacement project, contingent on receiving concurrence from both the city attorney and from the Transportation Improvement Board on award of the construction contract award to Northwest Cascade, Inc.

Please contact me at your convenience if you have any questions regarding the above information or Gibbs & Olson's recommendation.

Sincerely,



Carol Ruiz, PE
Principal | Project Manager

Attachment: Bid Tabulation
File: 0751.3713

City of Tenino
Ritter St S Improvements
Bidder's Tabulation
Bid Opening: June 16th, 2022, 10:00 a.m.



Schedule A - Roadway table with columns: Item No., Item, Qty, Unit, Engineer's Estimate (Unit Price, Amount), Northwest Cascade Inc. (Unit Price, Amount), Ciccanti Inc. (Unit Price, Amount), Nova Contracting Inc. (Unit Price, Amount), Confederated Construction Company LLC (Unit Price, Amount).

Schedule B - Waterline table with columns: Item No., Item, Qty, Unit, Engineer's Estimate (Unit Price, Amount), Northwest Cascade Inc. (Unit Price, Amount), Ciccanti Inc. (Unit Price, Amount), Nova Contracting Inc. (Unit Price, Amount), Confederated Construction Company LLC (Unit Price, Amount).

8.

File Attachments for Item:

8. Ag Park MOU, already reviewed by City Attorney.

Recommended Action: Review and Sign Ag Park MOU

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Memorandum of Understanding

This Memorandum of Understanding ("~~Document~~MOU") made this XX day of July 2022 ("Execution Date")

BETWEEN:

Dragonwheel Investment Group LLC

A company duly incorporated under the laws of Washington State, USA, having its office located at 14307 Barbo DR SW, Tenino, WA 98589, (hereinafter referred to as the "**Proponent**"); (hereinafter collectively referred to as the "**Parties**").

AND JOINTLY

City of Tenino ("CITY" & "Owner")

A municipality incorporated under the laws of Washington State, USA having its primary office (city hall) at 149 Hodgden Street, South, Tenino, WA 98589, (hereinafter referred to as the "**CITY**"); (hereinafter collectively referred to as the "**Parties**").

Thurston Economic Development Council & Center for Business & Innovation ("CB&I" & "Owner Representative")

A non-profit 501 c (3) organization formed under the laws of Washington State, USA, having its office at 4220 6th Avenue, SE, Lacey, WA 98503 (hereinafter referred to as the "**CB&I**");

INTENT:

This ~~Document~~MOU will establish the basic terms for the **Parties** to continue collaborations in the preparation of a formal agreement to advance the initial development phase of the SW WA Agricultural Business & Innovation Park ("**Ag Park**"), in Tenino, WA, with the intent to engage in a future financial arrangement and land-lease agreement between the parties.

The terms contained in this ~~document~~MOU are not comprehensive and it is expected that additional terms may be added, and the existing terms may be changed or be deleted at the consent of both parties.

WHEREAS:

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- The CITY is the landowner of industrial/commercial property known as the SW Washington Agricultural Business & Innovation Park (“Ag Park”).
- The CB&I and CITY completed the Ag Park Master Plan in 2020 that outlines the development concepts, guidelines, and initial site diagrams showing the buildout of the property.
- The CB&I received state grant funds administered by the WA State Department of Commerce for purposes of constructing necessary site infrastructure improvements to facilitate the development of the Ag Park.
- The CB&I is managing the state funds and secured professional architectural and engineering firms to complete design concepts, site plans and utility infrastructure drawings for the initial phases of development.
- The PROPONENT has conducted initial due-diligence conversations with the CITY and CB&I to evaluate the development potential of the site.
- The PROPONENT wishes to construct a commercial multi-tenant building and intends to occupy a portion of the building for its operations.
- The PROPONENT has shared the building concept, potential tenant mix and vision of the building with the CITY and CB&I.
- The CITY and CB&I have provided preliminary approval of the building layout, site concept and timeline to occupy such building.
- The PROPONENT understands and acknowledges the property is owned by the CITY, and currently under lease to the CB&I, and as such, a formal “Land-Lease” between the Developer and CITY will be the required instrument to establish entitlement to build and occupy the building.
- The PROPONENT has retained a professional real estate commercial broker with expertise in establishing fair-market lease rates for industrial/commercial buildings including land lease provisions and commitments.
- The PROPONENT wishes to enter into a long-term land lease with the CITY to ensure the financial viability and merits of the project.
- The CITY has agreed to advance formal discussions with the Developer in executing such land-lease.

This ~~Document~~ MOU will establish the basic terms used in a future Real Estate Land-Lease Contract (the “Contract”) between the PROPONENT and CITY.

Concurrent to the creation of this MOU, the EDC/CB&I will be recreating its signed lease and/or agreement with the City of Tenino that allows for the City to establish the basic terms for this MOU.

The CITY and EDC/CB&I understand that the CITY’s current lease with the EDC/CB&I for the Ag Park property will need to be amended to implement the terms of this MOU and allow PROPONENT to enter into a ground lease for the portion of the Ag Park property to be developed as “Building A”.

The obligations of CITY and EDC/CB&I under this MOU are expressly conditioned on receipt of consent from the Washington State Department of Commerce to the proposed use of state Ag Park grant funds

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received. The EDC/CB&I requested consent on ~~June 13, 2022~~^[date of letter]; a response is pending as of the date of this MOU.

The basic terms are as follows:

A. TRANSACTION DESCRIPTION:

1. The property (the "Property") that is the subject of this ~~Document~~-MOU is located in the Ag Park at: 16402 Old Highway 99 SE, Tenino, WA
 - Reference "Building A" in **Attachment A – Site & Short Plat Plan**
 - i. A 20,000 square feet, parking, and open space (*size and design subject to change in final construction documents).
2. PROPONENT will have a 120-day due diligence period to assess final building parameters, financial proforma, land lease terms and financial lender underwriting provisions.
3. During the due-diligence period, CITY will not entertain or enter into any other agreements with a third-party for similar purposes defined to and agreed with the PROPONENT.
4. PROPONENT shall have exclusivity to enter a land-lease with CITY for purposes of constructing and operating a building referenced as Building A (A1 & A2) on Attachment A once due-diligence period is waived.

B. PAD DELIVERY AND SITE PLANNING - TERMS & CONDITIONS

1. CITY will advance necessary survey and planning to develop a short plat to create legal lots for the building envelopes – short plat and legal lots recorded within 90 days of the execution of this ~~document~~MOU. **Attachment A** will provide the initial intent of the short plat plan area and building pad areas.
2. CITY/CB&I will deliver a buildable pad to accommodate a minimum of 20,000 square foot multi-tenant building referenced as Building A. The Pad A envelope will be cleared, graded, and compacted in accordance with the soils and geotechnical report and structural soil density requirements.
3. Buildable pad and site development will be defined as having the following improvements and features:
 - a. Water service lines extended to within 5 feet of the building, a minimum of two service connections to building.
 - b. Sewer force main extended to within 5 feet of building – minimum of two service connections to building
 - c. All surface paved access roads, parking lots, service drive aisles, etc. serving the site and Pad A
 - d. All site storm water facilities.
 - e. Parking lot lighting, pedestrian level lighting for hardscape areas and lighted bollards as necessary to illuminate sidewalk pathways to building and parking lots

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- f. Sidewalks and ADA ramps around perimeter of Pad A building
 - g. Landscaping and hardscape per approved preliminary design civil engineering plans will be added as attachment to this ~~document~~ MOU when completed, prior to signing.
 - h. Paved multi-use path along Old 99 frontage.
4. CITY will be responsible to provide necessary sewer STEP system improvements to support the building including septic tanks, grinder pumps, electrical controls, etc. consistent with STEP design criteria and standards applied for all new sewer connections. STEP sewer improvements will be considered part of the required Pad A improvements.
 5. CITY will provide the Ag Park Monument sign on Frontage of Old 99. Monument signage will include space for Pad A building placard. Design and placement of monument sign will be detailed on the civil and landscape design plans.
 6. CITY/CB&I will advance final civil engineering and construction documents to solicit construction bids within 90 days of execution of this ~~document~~ MOU.
 7. CITY/CB&I will complete and deliver the final site pad improvements by March 2022.

C. BUILDING DELIVERY - TERMS & CONDITIONS – it is understood by the Parties that the terms and conditions of a potential binding agreement between the Parties will generally include the following, with details subject to negotiation:

1. PROPONENT will be responsible to make utility extensions from point of connection (5 feet from building) to new building pad
2. PROPONENT will construct a fully serviced multi-tenant building per concept plans developed and approved by the CB&I in accordance per the guidelines established and created by the Green Ribbon Advisory Panel (GRAP) – the GRAP was created to provide a framework for the operations and tenancy of the business park.)
3. PROPONENT will advance building design and tenant improvement plans at own costs and will submit for building permit approval.
4. Time is of the essence and the PROPONENT will have the option to prepare a separate grading and erosion control plan to obtain an early start permit to provide site grading and foundation/slab construction for Pad A. The site grading will be limited to the Pad A footprint plus a 10-foot perimeter around the building envelope.
5. The PROPONENT will prepare an itemized cost of the site grading and erosion control improvements plus design and permit fees. The costs will be accounted for as defined in Section D below.

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D. LEASE - TERMS - it is understood by the Parties that the terms and conditions of a potential lease agreement between the Parties will generally include the following, with details subject to negotiation:

Following waiver of feasibility period, PROPONENT and CITY/CB&I will prepare a formal land-lease agreement including but not limited to the following terms:

1. PROPONENT will receive approval from CB&I management to enter into lease agreements with tenants – this only includes approval of the type of tenant, not lease terms; as per the guidelines established and created by the Green Ribbon Advisory Panel (GRAP) – the GRAP was created to provide a framework for the operations and tenancy of the business park.)
2. PROPONENT will accommodate net-free cost space for the CB&I to have office/training space in the building – final floor plan and amount of build-out space and occupancy to be determined at a later date – and will be referenced in the MOU between the City and the CB&I)
3. PROPONENT will enter into a long-term land lease with CITY who holds title to the property – 30-year land lease with two 15-year extensions.
4. A set land lease rate of \$xx.xx per buildable sf per month will be assessed and paid to CITY on a quarterly basis. Escalation costs increases will be defined in final land-lease term sheet.
5. PROPONENT will receive credit to land-lease costs to offset the property site maintenance costs as well as CB&I office space costs. Duration of credit will be in place until such time other buildings and tenants are in the Ag Park to help offset the front load costs of maintenance and CB&I office space.
6. PROPONENT will prepare an itemized cost breakdown of the maintenance cost and provide to CITY for acceptance in determining the amount of credit to land-lease cost.
7. PROPONENT will provide to the CITY the fair-market value of the CB&I leased space in determining the amount of credit to the land-lease cost.
8. PROPONENT will be responsible for maintenance of all of the initial site improvements until such time additional buildings are completed then subsequent cost sharing will be on a pro-rata basis of total building area in the park.
9. PROPONENT will be reimbursed by the CITY/CB&I for “eligible” costs associated with the early permit to complete the grading and erosion control for Pad A. (note: the funds that will be used for this action, are attached to the appropriation secured by the CB&I by the Washington State legislature.)
10. Additional items such as signage, marketing, branding etc. will be defined and provisions incorporated into the future land-lease agreement.

E. REAL PROPERTY DISCLOSURE:

1. The CITY/CB&I does not know of any material facts that would affect the development of PAD A , except those observables by the PROPONENT or known to the CITY/CB&I as stated in this MOU Document. CITY/CB&I makes no representations with respect to any material

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facts not stated in this document. PROPONENT is responsible for, and must make its own determination, whether any facts exists that would in any way adversely affect its intended use or development.

2. The PROPONENT understands that the proposed development is located within the Ag Park which has a vision of hosting and growing agriculture and innovative industries within the region and the requirement that any project be consistent with this vision.

F. REPRESENTATION:

1. The CITY/CB&I represents and warrants that the Property (for building Pad A – not entire Business Park) is free and clear of any liens, charges, encumbrances, or rights of others. If the representation of the CITY is untrue, the PROPONENT may terminate any future agreement without penalty, which is PROPONENT's sole recourse against the City and CB&I or anyone acting on the City of CB&I's behalf.

G. TERMS & AMENDMENTS

1. The signing parties have agreed to the terms of this agreement and are bound hereby to these terms to the extent indicated herein.
2. Amendments to the terms of this agreement-MOU may only be made by the written agreement and approval of each of the signing parties.
3. Any financial obligations of the Parties will be reflected in subsequent Agreements; no financial obligation is created by this MOU.
- 2-4. All Parties understand that any subsequent Agreements in which the City is a Party may be contingent upon approval by the City Council.

H. TRANSFERABILITY

1. The PROPONENT will have the right to transfer and/or assign this Memorandum of Understanding to one of its holding companies if so desired before the end of the due-diligence period. Prior to any proposed transfer, PROPONENT will provide at least 30 days' written notice to CITY/CB&I in order to allow sufficient time for the latter to evaluate the proposed transfer and provide PROPONENT with any questions or concerns it may have.

I. ESTABLISHMENT OF BUSINESS PARK ASSOCIATION

1. The PROPONENT will act as the business park association until such time that the entire park achieves a build out occupancy of 50% of leasable building space. At that time, the tenants will have cause to form a Business Park Association. This will be established to create funds that will be dedicated and used for management of the park, general maintenance of common areas, and will operate in general and broad terms to ensure the Park's professional operations and maintenance.

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J. DISPUTE RESOLUTION

~~1.~~ 1. The Parties will meet and confer within 30 days and in good faith attempt to resolve any disputes between the Parties arising out of this MOU or subsequent agreements resulting from this MOU. If the Parties are unable to resolve the dispute after they meet and confer, the dispute will be referred to mediation on terms and conditions agreed to by the Parties in writing. If the Parties are unable to agree to the terms and conditions of mediation, the dispute will be referred to the Judicial Arbitration and Mediation Service (JAMS) nearest office, with JAMS to select the mediator if the Parties are unable to do so. The cost of any mediation services will be shared equally among the Parties to the dispute. Each Party to the dispute will be responsible for its own attorney fees and costs. Mediation shall be required prior to suit being brought in any court having jurisdiction over the matter.

K. TRANSPARANCY/CONFLICT OF INTEREST

1. If any person with an ownership interest in a company provides services to the City at any time during the effective dates of this MOU, or any agreements arising therefrom, while the same person has an ownership interest in PROPONENT, or any company affiliated with PROPONENT, the company providing such services shall not be involved in permitting, land use, planning, enforcement, or any other City activity that impacts, or is reasonably likely to impact, the project or projects which are the subject of this MOU and any agreements arising therefrom.

2. The Parties further agree that the City may at its discretion forego any other services provided by the company referred to in the preceding paragraph if in the best interest of the City.

3. The requirements in this paragraph K will be included in any subsequent agreements between the parties arising out of this MOU.

Signatures on Following Page

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This ~~Document~~-MOU accurately reflects the understanding between the Seller and Purchaser, signed on this XX day of ~~April~~July-2022.

PROPONENT

Perry Shea, President
Dragonwheel Investment Group

Owner

(Contact)
City of Tenino

CB&I, Owner Representative

Michael Cade, Executive Director
Thurston Economic Development Council and Center for Business & Innovation

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ATTACHMENT A – SITE PLAN

