

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") made this 11th day of December 2018, by and between the City of Tenino, a Washington Municipal corporation whose address is 149 Hodgden Street South, Tenino, Washington, 98589, hereinafter referred to as the "Lessor" or "City", and the Thurston Economic Development Council Center for Business & Innovation, a Washington non-profit corporation whose address is 4220 6th Avenue SE, Lacey, WA, 98503, hereinafter called "Lessee" (jointly, the "Parties".)

RECITALS:

WHEREAS, lessee's mission is to create a dynamic and sustainable economy that supports the values of the people who live and work in Thurston County; and

WHEREAS, the proposed agricultural business park will focus on food-related value-added manufacturing, processing, and packaging, expanding existing markets, developing new markets, and creating jobs and tax revenue for Thurston County, specifically for residents served by lessor; and

WHEREAS, lessee represents it has the legal and financial ability, and the expertise, to fulfill all of its obligations under this Agreement during its term.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties hereto agree as follows:

1. PROPERTY, TERM, RENT.

- a. Property. Lessor hereby leases unto Lessee the property, hereinafter referred to as "Property," so much of that portion of the Tenino Wastewater Treatment Plant property located at 16402 Old Hwy 99 SE as depicted in Exhibit A attached hereto, made part hereof, and incorporated herein by reference. The Property, known and described more fully as Section 25 Township 16 Range 2W Quarter SW NE BLA06114384TC, less everything within the fenced area of the Wastewater Treatment Plant. Lessee agrees that lessor has made information available sufficient for lessee to determine whether the property is adequate for its purposes, including any information with respect to the environmental condition of the property.
- b. Term. To have and to hold the same for an initial term of 15 years beginning January 1, 2019, unless terminated earlier or extended pursuant to the terms of this Lease Agreement or otherwise as provided by law.
- c. After the initial 15 year term of this lease, the Parties will meet and evaluate progress of the Agricultural Park, and thereafter meet and evaluate progress in 5 year increments. Provided the Parties agree through their respective governing bodies that sufficient progress has been made in the immediately preceding lease increment, the

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lease will automatically renew for additional 5-year increments. If the Parties do not agree that sufficient progress has been made in the immediately preceding lease increment, the lease will terminate at the end of the then current increment.

- d. Rent. Rent for this property shall be at and for a rental for the full term at the annual rate of \$10.00. Rent shall be received by the Lessor on or before the first working day of January in each year during the full term hereof subject to the limitations and conditions of sections 15 and 18 herein to the address as noted below.

2. USE OF PREMISES.

- a. Lessee agrees that the Property shall be used and occupied only as an agricultural park in a careful, safe and proper manner, and that it will pay on demand for any damage to the Property caused by the misuse of same by it, its sub-lessees, guests, invitees, agents, or employees.
- b. Lessee shall not use or permit the Property to be used for any purposes prohibited by the laws or regulations of the United States or the State of Washington, the ordinances of Thurston County or of the City of Tenino. Lessee has made an independent determination that there are no applicable laws or regulations that would prohibit or adversely affect use of the Property for the purposes intended in this Agreement.
- c. Lessee shall not use or keep any substance or material on or about the Property, or allow its sub-lessees, guests, invitees, agents, or employees to use or keep any substance or material, which may increase risks associated with the use or occupancy of the Property. Lessee will implement sufficient safety and security measures so as to reasonably prevent harm to persons on the property and to protect against damage to property.
- d. Lessee shall not permit any nuisance on the Property.
- e. Lessee shall construct a full access to property from Old Hwy 99 using funds provided via separate terms and requirements as noted in the State Capital Budget grant award in accordance with applicable City Municipal Code. If other access provisions are negotiated with adjacent property owner, then said access will be mutually agreed by LESSOR and LESSEE.

3. SERVICES BY LESSOR. Lessor shall provide to Lessee during the occupancy of said Property, as further consideration, the following:

- a. Responsible for all provisions and conditions imposed upon the property as part of the attached land agreement with USFW, labeled as Exhibit B hereto made part hereof, and incorporated herein by reference.

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- b. Collection and treatment of sewer flows from intended users of the agricultural park. Collection system and piping needed to serve the property will be provided via separate terms and requirements as noted in the State Capital Budget grant award. The Parties agree that increases in sewer collection and treatment capacity may take years of planning, requiring the parties agree on a financing mechanism that would support increased capacity.
 - c. Potable water, reuse water and fire flow requirements for intended building users. Water piping and infrastructure needed to service the site will be provided as noted in item c above. The Parties agree that increases in the lessor's capacity to provide potable water may take years of planning, requiring the parties agree on a financing mechanism that would support increased capacity.
- 4. MAINTENANCE OF PROPERTY/ENTRY BY LESSOR. Lessor shall maintain the Property in good repair and in tenantable condition during the term of this Lease, except in the event of damage arising from an act or the negligence of Lessor, its agents or employees. Lessee shall not commit or allow any waste or damage to be committed on any portion of the Property. At the termination of this Lease for any reason, Lessee shall deliver the Property to Lessor in as good condition as at date of possession by Lessee, ordinary wear and tear excepted and in no case requiring Lessor to make immediate repairs or maintenance that would impose a financial burden on Lessor. Lessor shall have the right to enter the Property at reasonable times for the purpose of making necessary inspections and repairs or maintenance, though such shall not be interpreted as increasing Lessor's responsibilities under this Agreement.
- 5. ALTERATIONS TO PROPERTY.
 - a. Lessee may build, or cause to be built, any structure deemed necessary by Lessee in order to carry out the agreed vision and purpose of an agricultural park. Any such construction must be accomplished in accordance with all requirements of Federal, State, County, and City laws and ordinances.
 - b. Lessee may not encroach in any manner upon the fenced area of the property occupied by the City's Wastewater Treatment Plant, or in any manner which would be a violation of any necessary permit required for Lessor to operate said Plant during the term of this Lease Agreement.
- 6. OWNERSHIP. The City of Tenino is, and shall always remain, the owner of the Property. Lessor warrants and represents itself as having the authority necessary for the purposes of granting this Lease.
- 7. LEASE ASSIGNMENT. Lessor understands the purpose of this lease is to provide the Lessee the necessary legal status (site control) to request and be awarded grant monies for the

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purpose of planning, designing, building, and operating an agricultural park. Lessor does not oppose the Lessee in locating and sub-leasing any improvements made to the Property, or any portion of undeveloped property, to any entity duly authorized by the Lessee to conduct operations as part of an agricultural park consistent with this Agreement. Lessee agrees to include Lessor in any negotiations that would lead to such a sub-lease. Any subleases that extend beyond the earliest possible termination date of this Agreement must be agreed to by lessor in writing and said sublease shall provide that lessor will assume such sublease upon termination of this agreement.

8. HOLD HARMLESS/INDEMNIFICATION.

- a. Lessee shall defend, indemnify and hold the City, its officers, officials, agents, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits, including attorney fees and costs, arising out of or resulting from the acts, errors, or omissions of Lessee in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.
- b. The City shall defend, indemnify and hold Lessee, its officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits including attorney fees and costs, arising out of or resulting from the acts, errors, or omissions of the City in performance of this Agreement, except for injuries and damages caused by the sole negligence of Lessee. The City further agrees that any liability for decisions by the City regarding SEPA determinations, as well as liability for land use and development decisions by the City, shall be the sole responsibility of the City, and Lessee will have no duty to defend or indemnify the City with respect to these decisions.
- c. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of Lessee and the City, its officers, officials, agents, employees, and volunteers, Lessee's liability, including the duty and cost to defend, hereunder shall be only to the extent of Lessee's negligence. *It is further specifically and expressly understood that the indemnification provided herein constitutes the Parties' waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.*

9. INSURANCE. Lessee shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the performance hereunder by Lessee, its agents, representatives, or employee, as more fully described herein.

- a. Lessee's membership in a public insurance risk pool that provides equal coverage as

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that specified below shall satisfy the requirements of this section.

- b. Insurance Term.** Lessee shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by Lessee, its agents, representatives, or employees.
- c. No Limitation.** Lessee's maintenance of insurance as required by this Agreement shall not be construed to limit the liability of Lessee to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.
- d. Minimum Scope of Insurance.** Lessee shall obtain insurance of the types and coverage described below:

 - (1)** Automobile Liability insurance covering all owned, and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage.
 - (2)** Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop-gap independent contractors and personal injury and advertising injury.
 - (3)** Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
- e. Minimum Amounts of Insurance.** Lessee shall maintain the following insurance limits:

 - (1)** Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 (one million dollars) per accident.
 - (2)** Commercial General Liability insurance shall be written with limits no less than \$1,000,000 (one million dollars) each occurrence, \$2,000,000 (two million dollars) general aggregate.
- f. Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best rating of not less than A: VII.
- g. Verification of Coverage.** Lessee shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirement, upon execution of this Agreement, and thereafter upon request. A letter of coverage from a public insurance risk pool approved by the City's insurance pool shall satisfy this requirement.

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- h.** Notice of Cancellation. Lessee shall provide the City with written notice of any policy cancellation within two business days of their receipt of such notice. Lessee will provide continuous coverage through other means, and proof of such coverage, satisfactory to Lessor whenever it receives such notice.
- 10.** APPLICABLE LAW. The laws of the State of Washington and rules and regulations issued pursuant thereto shall be applied in the interpretation, execution and enforcement of this Lease.
- 11.** DAMAGE AND DESTRUCTION. In the event the Property is rendered untenable or unfit for Lessee's purposes by fire or other casualty, this Lease will be immediately suspended, and no rent shall accrue to Lessor from the date of such fire or casualty, until the untenable condition has been remedied.
- 12.** LESSEE'S PERSONAL PROPERTY. All personal property of any kind or description whatsoever on the Property shall be at the Lessee's sole risk, including Lessee's agents, representatives, and employees, and Lessor shall not be liable for any damage done to or loss of such personal property. If Lessee shall fail to remove all its effects from the Property upon the termination of this Lease for any cause whatsoever, Lessor, at its option, may remove the same in any manner that it shall chooses, and store the said effects without liability to the Lessee for loss thereof. Within thirty (30) days after termination of this Lease, Lessor shall provide written notice to Lessee of any personal property items removed. Lessee agrees to pay the Lessor on demand any and all expenses incurred in such removal.
- 13.** CONDEMNATION. If the whole or substantially all the Property shall be taken as a result of the exercise of the power of eminent domain, this Lease shall terminate as of the date of vesting of title of the Property or delivery of possession, whichever event shall first occur, pursuant to such proceeding. Any award granted for either partial or complete taking regarding the Property shall be the exclusive property of Lessor.
- 14.** BREACH OF LEASE.
 - a.** Any material failure of either party to perform or comply with any of the terms of this Lease shall constitute a breach of the Lease. The parties agree that no act or omission shall be deemed an event of default and a breach of the Lease unless the non-defaulting party shall have given the defaulting party notice of the alleged default and thirty (30) days to cure the same, unless a different time to cure is agreed to by the Parties in writing, signed by those with authority to bind their respective Party. Any dispute concerning the performance of this Lease that cannot be resolved by the parties shall be referred to non-binding arbitration to the American Arbitration Association or other acceptable form of alternative dispute resolution agreed by the Parties in writing. Non-binding arbitration shall be a pre-requisite to legal action filed

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in any court of law.

- b. No waiver of any breach of any one or more of the conditions or covenants of this Lease by Lessor shall be deemed to imply or constitute a waiver of any succeeding or other breach hereunder.
15. PUBLIC RECORDS. Lessee understands and agrees that Lessor is subject to the Washington Public Records Act, RCW 42.56 and the Open Public Meetings Act, RCW 42.30. Certain records the result of this Agreement may be subject to the Public Records Act. Lessee agrees to cooperate with lessor to comply with any requirements with said Act. Further, certain decisions of Lessor may be required to take place in a public meeting, even though this would not ordinarily occur in the private sector.
16. COMPLETE AGREEMENT. This Lease, including all exhibits, supersedes any and all prior written or oral agreements and there are no covenants, conditions or agreements pertaining to the lease of the Property between the parties except as set forth herein. No prior or contemporaneous addition, deletion, or other amendment hereto shall have any force or effect whatsoever unless embodied herein in writing. No subsequent novation, renewal, addition, deletion or other amendment hereto shall have any force or effect unless embodied in a written contract executed and approved pursuant to the laws of the State of Washington.
17. SUCCESSORS AND ASSIGNS/SEVERABILITY. The captions and headings used in this Lease are for identification only, and shall be disregarded in any construction of the Lease provisions. All of the terms of this Lease shall inure to the benefit of, and be binding upon, the respective heirs, successors, and assigns of both the Lessor and the Lessee. If any portion, clause, paragraph, or section of this Lease shall be determined to be invalid, illegal, or without force by a court of law or rendered so by legislative act, then the remaining portions of this Lease shall remain in full force and effect.
18. NOTICE. Any notice required or permitted by this Lease may be delivered in person or sent by registered or certified mail, return receipt requested, to the party at the address as hereinafter provided, and if sent by mail it shall be effective when received:

LESSOR:

City of Tenino
ATTN: Clerk/Treasurer
PO Box 4019
Tenino, WA 98589

LESSEE:

Thurston Economic Development Council
Center for Business & Innovation
ATTN: Executive Director
4220 6th Avenue SE
Lacey, WA 98503

Notice of change of address shall be treated as any other notice.

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19. **CONSENT.** Unless otherwise specifically provided, whenever consent or approval of Lessor or Lessee is required under the terms of this Lease, such consent or approval shall not be unreasonably withheld or delayed. If either party withholds any consent or approval, such party shall on written request deliver to the other party a written statement giving the reasons therefore.
20. **HOLDING OVER.** If Lessee fails to vacate the Property upon expiration or sooner termination of this Lease, Lessee shall be a month-to-month Lessee and subject to all the laws of the State of Washington applicable to such tenancy. The rent to be paid by Lessee during such continued occupancy shall be the same being paid by Lessee as of the date of expiration or sooner termination. Nothing in this section shall be construed as relieving either party of its obligation to execute a new or extended lease agreement to cover future lease periods, as required by the laws of the State of Washington.
21. **NO BENEFICIAL INTEREST.** The signatories hereto aver that, to their knowledge, no City employee has a personal or beneficial interest whatsoever in the service or property described herein.
22. **NO VIOLATION OF LAW.** The signatories hereto aver that they are familiar with RCW § 42.20, et seq., (Misconduct of Public Officers), and RCW § 42.20, et seq., (Code of Ethics for Municipal Officer – Contract Interests) and that no violation of such provisions is present.
23. **ADDITIONAL PROVISIONS.** (Insert any additional provisions thought necessary)

IN WITNESS WHEREOF, the parties hereto have executed this Interlocal Lease Agreement on the day and year first above written.

FOR THE CITY:

FOR THE ECONOMIC DEVELOPMENT COUNCIL:

Wayne Fournier, Mayor
City of Tenino

Michael F. Cade, Executive Director
Thurston Economic Development Council

ATTEST:

APPROVED AS TO FORM:

John C. Millard
Clerk/Treasurer

Richard L. Hughes
City Attorney

EXHIBIT "A"

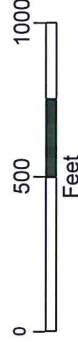
Interlocal Lease Agreement Between the City of Tenino and The Thurston Economic Development Council

16402 Old Hwy 99 SE

Legend

- Parcel Boundaries
- Cities
- Roads - Major (Large Scale)
- Capital Forest
- County Background
- Roads - Major
- <all other values>
- I 5 ACCESS; US 101
- ACCESS; US 101 SB OFF RAMP
- I 5; US 101
- Roads (Large Scale)
- Roads
- I 5; US 101
- Roads
- Railroads
- County Border
- Olympia Municipal
- Airport
- Water Bodies (River - Small Scale)
- Water Bodies (Other)
- Parks
- Olympia Municipal
- Airport
- Water Bodies (River - Large Scale)
- Water Bodies (Other)

Scale 1: 10,738



Map Created Using GeoData Public Website

Published: 12/11/2018

Note: Exhibit A to Interlocal Lease Agreement between the City of Tenino and the Thurston Economic Development Council



The information included on this map has been compiled by Thurston County staff from a variety of sources and is subject to change without notice. Additional elements may be present in reality that are not represented on the map. Ortho-photos and other data may not align. The boundaries depicted by these datasets are approximate. This document is not intended for use as a survey product. ALL DATA IS EXPRESSLY PROVIDED 'AS IS' AND 'WITH ALL FAULTS'. Thurston County makes no representations or warranties, express or implied, as to accuracy, completeness, timeliness, or rights to the use of such information. In no event shall Thurston County be liable for direct, indirect, incidental, consequential, special, or tort damages of any kind, including, but not limited to, lost revenues or lost profits, real or anticipated, resulting from the use, misuse or reliance of the information contained on this map. If any portion of this map or disclaimer is missing or altered, Thurston County removes itself from all responsibility from the map and the data contained within. The burden for determining fitness for use lies entirely with the user and the user is solely responsible for understanding the accuracy limitation of the information contained in this map. Authorized for 3rd Party reproduction for personal use only.

EXHIBIT "B"
Interlocal Lease Agreement
Between the City of Tenino and
The Thurston Economic
Development Council

City of Tenino Wastewater Treatment Plant (WWTP)
Mitigation Plan and Prairie Conservation Agreement

Overview of the Project:

The City of Tenino currently does not have a municipal treatment facility and wastewater is treated with individual septic tanks and drain fields. The City is proposing to construct a new WWTP to address groundwater contamination caused by failing septic systems.

Seven potential sites were considered but only one site, located approximately 0.7 miles west of town on Old Highway 99 (T16N, R2W, Section 25, Willamette Meridian), meets all of the requirements. Because the City is too far from a suitable surface water discharge area, the new WWTP will use the membrane bioreactor treatment process and infiltration.

The selected site is within Rock Prairie (approx. 1,048-acres), one of the few remaining native Puget lowland prairies. Approximately 1/3 of Rock Prairie (about 330 acres) is still in a native prairie condition (no development or grazing and dominated by native species). The Nature Conservancy estimates that less than 10 percent of the historic prairies remain in Puget Sound and fewer than 3 percent are dominated by native species. The Puget lowland prairies provide habitat for several state-listed, federally listed, and federal candidate species, as well as prairie-associated species of concern, including the mardon skipper (*Polites mardon*), Taylor's checkerspot (*Euphydryas editha taylori*), Puget blue (*Plebejus icarioides blackmorei*), valley silverspot (*Speyeria zerene bremmerii*), white-topped aster (*Sericocarpus rigidus*), golden paintbrush (*Castilleja levisecta*), Oregon white oak (*Quercus garryana*), mazama pocket gopher (*Thomomys mazama*), streaked horned lark (*Eremophila alpestris strigata*), and the western grey squirrel (*Sciurus griseus*). All but three of these species (golden paintbrush, western grey squirrel, and the streaked horned lark) have been documented in Rock Prairie. The latter three species are present in adjacent prairies or occurred historically in the area.

Construction of the facility will result in the loss of approximately 4.0 acres of native outwash prairie. County regulations state that all construction proposals must comply with Chapter 17.15 (Thurston County Critical Areas Ordinance) as well as state and federal regulations. This mitigation plan was developed to compensate for the proposed impacts to critical areas (native outwash prairie) and loss of habitat for state listed and federal candidate species.

Development of the Mitigation Plan:

A site visit was conducted to the property on May 17, 2007. Attendees included Mike Marshall (Project manager, Gibbs & Olson, Inc.), Dan Carnrite (planner, City of Tenino), Kenneth Jones (Mayor, City of Tenino), Joyce Bielefeld (City of Tenino), Kathleen Clayton (City of Tenino), Mara McGrath (Ecological Land Services, Inc), Janice Roderick (USDA Rural Development), Bruce Whittle (USDA Rural Development), Mike Shuh and Jerry Trudeau (Miles Sand and Gravel), Eric Delvin (The Nature Conservancy -

TNC), Patrick Dunn (TNC), and Martha Jensen (U.S. Fish and Wildlife Service - USFWS).

The project manager discussed the history of the proposed action, timeline for construction, and funding limitations. The USFWS then inquired about the adequacy of surveys for listed and candidate species and the effects determination for listed species under Section 7(a)2 of the Endangered Species Act. Patrick Dunn from the TNC gave a brief presentation on prairie ecosystems and loss of these habitats in Puget Sound from development. The discussion then shifted to control of Scott's broom (*Cytisus scoparius*) and other invasive species on the portion of the property that is outside of the footprint of the WWTP (16 acres). It was noted that mechanical control was working well on the adjacent Miles Sand and Gravel and Colvin Ranch properties. The TNC offered technical assistance on appropriate vegetation management to maintain a healthy native prairie community and will work with the City on the development of a long-term vegetation management plan. Although the TNC has funds to purchase and protect native prairie habitat, this funding cannot be used to pay for project-specific mitigation.

There was also agreement on the City's idea of including an interpretive display and extension of the Chehalis bicycle trail to the site. There is currently no funding for the trail extension and the interpretive/recreational opportunities will be handled as a separate project.

The new WWTP will be constructed in the northeastern corner of the property. This location avoids most of the current aster populations and the grove of Oregon white oak and reduces the overall impact to prairie habitat on the parcel. Although the City is committed to the long-term vegetation management strategy, they were reluctant to place the entire undeveloped portion of the 20-acre parcel into a conservation easement or permanent set-aside because they want to keep their options open. This raised the issue that mitigation must ensure protection in perpetuity. Discussions then shifted to the amount of set-aside that would be needed to compensate for the loss of habitat now and in the future (future actions will require additional environmental analysis and mitigation).

The options that were discussed included a combination of some amount of permanent set-aside on the City property, purchase of additional property for a conservation easement, and long-term vegetation management on the parcel. The City and resource agencies were tasked with developing a mitigation plan that provides adequate compensation for the permanent environmental impacts associated with the project and contacting TNC and adjacent landowners to see if more property could be purchased.

Mike Marshall and Kenneth Jones presented a revised mitigation plan (Figure 1) to Michelle Tirhi (Washington Department of Fish and Wildlife), Janice Roderick, and Martha Jensen at a meeting at Rural Development office in Olympia on June 6, 2007.

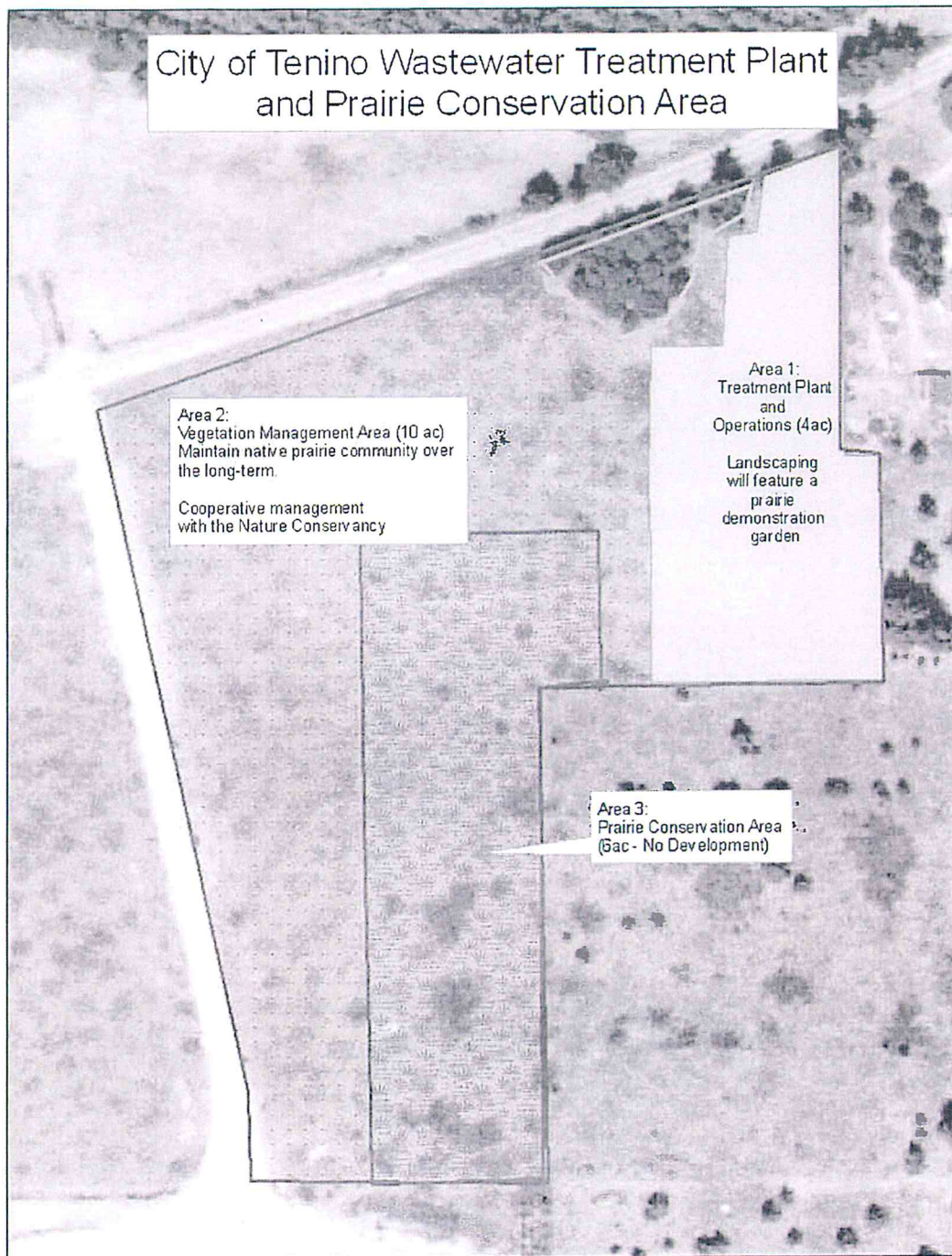


Figure 1: Mitigation plan for the City of Tenino's wastewater treatment plant

The primary elements of the revised mitigation plan are:

Area 1 – Wastewater Treatment Plant (4 Acres)

This area will be developed and includes the treatment plant, lab and administrative buildings, infiltration and sludge storage basins, stormwater basins and filtration swales, access road and parking. For security reasons, the WWTP facility will be fenced and closed to the public during non-business hours.

The new treatment plant is designed to accommodate the projected growth in the Tenino service area through 2026 and will handle a daily peak flow of 0.38 million gallons per day. The advanced MBR treatment and rapid infiltration system will improve water quality in the aquifer by eliminating existing septic systems. Reclaimed water will be treated to reduce nitrogen levels and assure protection of the groundwater. The City will subcontract removal and utilization of the biosolids. The wastewater collection and transport system will be located within the developed right-of-ways in town and along Old highway 99 that crosses Scatter Creek, just east of the project site.

The current service area is approximately 800 residences. If expansion of the facility is needed to accommodate growth beyond 2026, facility upgrades would occur adjacent to the existing plant (in the NE corner of the property) and will not impact the oak grove or prairie habitat between the conservation area (Area 3) and the Miles Sand and Gravel access road.

Area 2 – Vegetation Management Area (10 Acres)

To mitigate for the permanent loss of habitat and impacts to critical areas, the City has agreed to remove and control the spread of invasive woody vegetation and maintain a native prairie community for as long as the site remains undeveloped. Landscaping around the WWTP will showcase a prairie demonstration garden for environmental education.

Measures to control invasive species that were discussed at the site visit include burning, mowing, application of herbicides, and/or hand pulling. The details of the vegetation plan will be worked out with TNC, but should follow these general guidelines (listed in order of priority):

1. Mechanical treatment – should be conducted before prairie forbs emerge and butterflies lay their eggs (late winter/early spring). Mechanical treatment is used primarily to remove woody vegetation and shrubs;
2. Chemical – hand or backpack application of herbicides to treat specific noxious weeds and invasives. Herbicides should be used during the active growing season (spring/summer) when treatment is most effective and the native prairie plants can be readily identified and avoided;
3. Fire – Burning can be effective, if conducted under the right conditions. However, this method of control requires skill and qualified crews and should

only be used if mechanical and chemical treatment options are not available. No more than 25 percent of the area should be burned in a given season.

It should be noted that any future development on this site will require a separate SEPA review, additional mitigation for impacts to prairies and habitat for state and federal species of concern. The City likely will need to purchase additional property if they plan to expand their operations because the 20-acre parcel is small and may not provide adequate mitigation for future development.

Area 3 – Conservation Area (6 Acres)

This 6-acre site will be placed in a conservation status in perpetuity. No development will be permitted in this area and the vegetation will be managed the same as Area 2 to maintain a healthy native prairie community. The City may choose to designate the conservation area as a park as long as recreational use does not impact the area. If the City decides to sell some or all of the property in the future, the permanent 6-acre conservation area must be placed in a conservation easement or be transferred to an organization that will manage and/or protect the site as a prairie in perpetuity.

The 6-acre conservation set-aside by itself does not provide adequate mitigation for construction-related impacts. However, it was determined that conducting vegetation management on the entire undeveloped portion of the property (16 acres) provides adequate mitigation because it will ensure that the site will be maintained as quality prairie habitat over the long-term. A revised biological evaluation that includes implementation of the mitigation plan was issued on July 6, 2007.

The City recently completed a review of effects of constructing the WWTP under the State Environmental Policy Act (SEPA). Implementation of this mitigation plan is a binding condition of the Rural Development loan and the SEPA to address impacts to Puget lowland prairie habitat. The cooperating agencies will be notified if any revisions to the mitigation plan are proposed.

Reporting Requirements:

Annual reports on vegetation management actions should be sent to the resource agencies. The reporting requirements may be adjusted, depending on the treatment schedule, and can be included in the regular Parks Department for the City of Tenino or reporting requirements for the WWTP.

Reports should be sent to:

Martha Jensen
U.S. Fish and Wildlife Service
510 Desmond Dr. SE Office
Lacey, Washington 98503

Michelle Tirhi
Washington Department of
Fish and Wildlife
1111 Washington St. SE
Olympia, Washington 98501

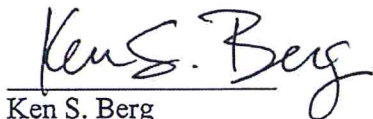
The Service has reviewed the City of Tenino's WWTP Mitigation Plan and determined that it meets the goals of "no net loss of in-kind habitat value" for resource category 2: areas with high habitat value that are scarce or becoming scarce in the region (40 CFR 1508.20). The long-term vegetation management and conservation set aside meets the objectives outlined in the Recovery Plan for the Golden Paintbrush of maintaining suitable habitat in areas where the species historically occurred (USDI 2000). Finally, maintaining the site as quality native prairie habitat into the future may help to preclude the need for listing of several federal candidate species.

We commend the City of Tenino for their efforts to protect both water quality and prairie habitat and recommend that you continue to coordinate with the TNC and resource agencies to secure additional opportunities and funding for prairie protection in the future.



Kenneth A. Jones
Mayor, City of Tenino

12-11-07
Date



Ken S. Berg
Manager, Western Washington
Fish and Wildlife Office

11 December 2007
Date

U.S. Fish and Wildlife Service

Contact Information for Site Management:

Eric Delvin, Area Biologist, The Nature Conservancy
Tel: (360) 280-2460 e-mail: edelvin@tnc.org

Martha Jensen, Fish and Wildlife Biologist, US Fish and Wildlife Service
Tel: (360) 753-9000 e-mail: martha_l_jensen@fws.gov

Dave Dafoe, Public Works Director
Tel: (360) 264-2368 e-mail: teninocityhall@comcast.net

Janice Roderick, State Environmental Coordinator, USDA Rural Development
Tel: (360) 704-7739 e-mail: Janice.roderick@wa.usda.gov

Michelle Tirhi, Area Biologist, Washington Department of Fish and Wildlife
Tel: (253) 813-8906 e-mail: tirhimjt@dfw.wa.gov

Literature References

- U.S. Fish and Wildlife Service. 2000. Recovery Plan for the Golden Paintbrush.
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