

## **INTERLOCAL AGREEMENT**

### **Between the Cities of Lacey, Olympia, Tumwater, and Yelm for the Update of Accessory Dwelling Unit Plans**

**THIS AGREEMENT** is entered into as of the date of the last signature below (which is the effective date) by and between the City of Lacey, a Washington municipal corporation, ( “LACEY”); the City of Olympia, a Washington municipal corporation, ( “OLYMPIA”); the City of Tumwater, a Washington municipal corporation, ( “TUMWATER”), and the City of Yelm, a Washington municipal corporation, ( “YELM”) collectively referred to as “the Parties.”

**WHEREAS**, Section 39.34.010 RCW permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner pursuant to forms of governmental organization that will accord best with geographic, economic, populations, and other factors influencing the needs and development of local communities; and

**WHEREAS**, pursuant to Section 39.34.080 RCW, each party is authorized to contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized by law to perform; provided, that such contract must be authorized by the governing body of each party to the contract and must set forth its purposes, powers, rights, objectives, and responsibilities of the contracting parties; and

**WHEREAS**, LACEY entered into a Professional Services Agreement with the Artisans Group Inc. on August 15, 2019, to develop 2 sets of unique Accessory Dwelling Unit (ADU) construction documents with all engineering for LACEY to make available to individual homeowners within city limits; and

**WHEREAS**, on April 14, 2020, LACEY amended the Professional Services Agreement with the Artisans Group Inc. to add two additional sets of fully engineered ADU construction documents for a total of 4 unique designs ranging in size from 480 square feet to 800 square feet; and

**WHEREAS**, on April 27, 2020, LACEY entered into an Interlocal Agreement with OLYMPIA, and TUMWATER to share in the costs associated with the production of the four Accessory Dwelling Units, and in doing so, gain access to, and the right to distribute the final stamped plans; and

**WHEREAS**, on February 10, 2021, the Artisans Group Inc. delivered four sets of fully engineered ADU construction documents to LACEY, OLYMPIA, and TUMWATER for use within their respective communities; and

**WHEREAS**, the Parties believe that updating the ADU plans previously developed consistent with the latest construction code updates for LACEY, OLYMPIA, and

TUMWATER would be more efficient and effective than individual actions; and

**WHEREAS**, YELM would like to join the program to offer pre-approved ADU plans in order to promote in-fill density and more affordable housing options; and

**WHEREAS**, TUMWATER has entered into a Professional Services Agreement with the Artisans Group Inc. and will take over management of the ADU plans from LACEY; and

**WHEREAS**, the expected cost to update the ADU plans is \$9,808.00 not including taxes and the expected cost to add a 1,000 square foot ADU option is \$31,974.00 not including taxes; and

**WHEREAS**, the cost for YELM to purchase rights of the current 4 ADU plans is \$10,000; and

**WHEREAS**, the Parties believe that splitting the cost based on total estimated population percentage, based on the Office of Financial Management April 1, 2024, report attached as Exhibit C, is fair and appropriate, provided that YELM pay 100 percent of the buy-in cost; and

**NOW, THEREFORE**, in consideration of the mutual promises contained in this Agreement, the Parties agree as follows;

**1. Services Provided by LACEY. LACEY shall:**

- A. Reimburse TUMWATER \$3,785.27 upon delivery of the four completed ADU construction document sets;
- B. Reimburse TUMWATER \$12,339.94 upon delivery of the new, 1,000 square foot ADU construction document set;
- C. Provide timely review and comments on concept designs, 90 percent construction documents, and final pre-approval of 100 percent construction documents to TUMWATER; and
- D. Maintain the final pre-approved construction documents for all plan sets at the customer service counter for applicants.

**2. Services Provided by OLYMPIA. OLYMPIA shall:**

- A. Reimburse TUMWATER \$3,611.75 upon delivery of the four ~~completed~~ ADU construction document sets;
- B. Reimburse TUMWATER \$11,774.29 upon delivery of the new, 1,000 square foot ADU construction document set;
- C. Provide timely review and comments on concept designs, 90 percent construction documents, and final pre-approval of 100 percent construction documents to TUMWATER; and
- D. Maintain the final pre-approved construction documents for all plan sets at the customer service counter for applicants.

**3. Services Provided by TUMWATER. TUMWATER shall:**

- A. Contract with the Artisans Group Inc. for all services as set forth in Exhibit A and Exhibit B, attached hereto;
- B. Appropriately monitor the activities of the Artisans Group, Inc. to assure compliance with the conditions of the contract;
- C. Pay the Artisans Group, Inc., for services rendered in compliance with the contract terms;
- D. Provide timely review and comments on concept designs, 90 percent construction documents, and final pre-approval of 100 percent construction documents to TUMWATER; and
- E. Maintain the final pre-approved construction documents for all plan sets at the customer service counter for applicants.
- F. Act as the administrator of the joint and cooperative undertaking under this Agreement.

**4. Services Provided by YELM.** YELM shall:

- A. Reimburse TUMWATER \$10,000.00 for rights to the current four pre-approved ADU construction document sets for \$10,000;
- B. Reimburse TUMWATER \$684.00 upon delivery of the four completed ADU construction document sets;
- C. Reimburse TUMWATER \$2,229.84 upon delivery of the new, 1,000 square foot ADU construction document set;
- D. Provide timely review and comments on concept designs, 90 percent construction documents, and final pre-approval of 100 percent construction documents to TUMWATER; and
- E. Maintain the final pre-approved construction documents for all plan sets at the customer service counter for applicants.

**5. Indemnification and Insurance**

Each Party shall defend, indemnify, and hold the other Parties, their officers, officials, employees, and volunteers, harmless from any and all claims, injuries, damages, losses, or suits including reasonable attorney's fees, arising out of or in connection with the indemnifying Party's performance of this Agreement, including injuries and damages caused by the negligence of the indemnifying Party's officers, officials, and employees.

The Parties shall maintain liability insurance; this may be fulfilled by a party's membership and coverage in WCIA, a self-insured municipal insurance pool.

**6. Governance – No Joint Ownership of Property**

This Agreement creates no separate legal entity. No joint organization or board is created. No common budget is to be established, except as provided in this

Agreement, including attachments. No personal or real property is to be jointly acquired or held.

**7. Relationship of the Parties**

The employees or agents of each Party who are engaged in the performance of this Agreement continue to be employees or agents of that Party and may not be considered for any purpose to be employees or agents of the other Party. This Agreement is for the benefit of the Parties, and no third-party beneficiary relationship is intended.

**8. Duration of Agreement**

This Agreement terminates on December 31, 2027, unless sooner terminated by the Parties as provided in this Agreement.

**9. Dispute Resolution**

**A. Step One — Negotiation.**

In the event of a dispute concerning any matter pertaining to this Agreement, the Parties involved shall attempt to adjust their differences by informal negotiation. The Party perceiving a dispute or disagreement persisting after informal attempts at resolution shall notify the other Parties in writing of the general nature of the issues. The letter must be identified as a formal request for negotiation, and it must propose a date for representatives of the Parties to meet. The other Parties shall respond in writing within 10 business days. The response must succinctly and directly set out that Party's view of the issues or state that there is no disagreement. The Parties shall accept the date to meet or shall propose an alternate meeting date not more than 10 business days later than the date proposed by the Party initiating dispute resolution. The representatives of the Parties shall meet in an effort to resolve the dispute. If a resolution is reached, the resolution must be memorialized in a memorandum signed by all Parties, which becomes an addendum to this Agreement. Each Party will bear the cost of its own attorneys, consultants, and other Step One expenses. Negotiation under this provision may not exceed 90 days. If a resolution is not reached within 90 days, the Parties shall proceed to mediation.

**B. Step Two — Mediation.**

If the dispute has not been resolved by negotiation within 90 days of the initial letter proposing negotiation, any Party may demand mediation. The mediator will be chosen by agreement. Each Party will bear the cost of its own attorneys, consultants, and other Step Two expenses. The parties to the mediation shall share the cost of the mediator. A successful mediation will result in a memorandum agreement, which becomes an addendum to this Agreement.

Mediation under this provision may not exceed 90 days. If the mediation is not successful within 90 days, the Parties may proceed to litigation.

C. **Step Three — Litigation.**

Unless otherwise agreed by the Parties in writing, Step One and Step Two must be exhausted as a condition precedent to filing of any legal action. A Party may initiate an action without exhausting Steps One or Two if the statute of limitations is about to expire and the Parties cannot reach a tolling agreement, or if either Party determines the public health, safety, or welfare is threatened.

**10. Amendments**

This Agreement may be amended only by written agreement executed in accordance with Chapter 39.34 RCW.

**11. Termination of Agreement**

This Agreement may be terminated upon mutual agreement of the Parties.

**12. Interpretation and Venue**

This Agreement is governed by the laws of the State of Washington as to interpretation and performance. Venue for enforcement of any provisions be the Superior Court of Thurston County.

**13. Entire Agreement**

This Agreement sets forth all terms and conditions agreed upon by the Parties and supersedes all prior agreements oral or otherwise with respect to the specific subject matter addressed herein.

**14. Counterparts**

This Agreement may be executed in counterparts, and all such counterparts once so executed together must be deemed to constitute one final agreement, as if all Parties had signed one document, and each such counterpart, upon execution and delivery, must be deemed a complete original, binding on the Parties. A faxed or email copy of an original signature must be deemed to have the same force and effect as the original signature.

**15. Notice**

Any notice required under this Agreement must be sent to the party at the address listed below and it becomes effective three days following the date of deposit with the United States Postal Service.

CITY OF LACEY  
Vanessa Dolbee, Community and Economic Development Director  
420 College Street SE  
Lacey, WA 98503

[Vanessa.dolbee@cityoflacey.org](mailto:Vanessa.dolbee@cityoflacey.org)

CITY OF OLYMPIA

Susan McLaughlin, Community Planning and Economic Development Director

P.O. Box 1967

Olympia, WA 98507-1967

[tsmith@ci.olympia.wa.us](mailto:tsmith@ci.olympia.wa.us)

CITY OF TUMWATER

Brad Medrud, Deputy Director of Community Development

555 Israel Road SW

Tumwater, WA 98501

[bmedrud@ci.tumwater.wa.us](mailto:bmedrud@ci.tumwater.wa.us)

CITY OF YELM

Gary Cooper, Planning & Building Manager

901 Rhoton Road SE

Yelm, WA 98597

[garyc@ci.yelm.wa.us](mailto:garyc@ci.yelm.wa.us)

**16. Waiver**

A failure by a Party to exercise its rights under this Agreement does not preclude that Party from subsequent exercise of such rights and does not constitute a waiver of any other rights under this Agreement unless stated to be such in a writing signed by an authorized representative of the Party and attached to the original Agreement.

**17. Severability**

If any provision of this Agreement or any provision of any document incorporated by reference is held invalid, such invalidity does not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this Agreement, and to this end the provisions of this Agreement are declared to be severable.

**18. Records Retention and Audit**

During the progress of the work and for a period not less than six years from the completion of the tasks set forth in this Agreement, the records and accounts pertaining to the work and accounting therefore are to be kept available for inspection by any Party and the Federal and State Government and copies of all records, accounts, documents, or other data pertaining to the work must be furnished upon request. If any litigation, claim, or audit is commenced, the records and accounts along with supporting documentation must be retained until all litigation, claim, or audit finding has been resolved even though such litigation, claim, or audit continues past the six-year retention period.

This Agreement is hereby entered between the Parties, and it takes effect on the date of the last authorizing signature:

[Signatures are affixed to next page]

GOVERNMENT AGENCY EXECUTIVE

APPROVED AS TO FORM

CITY OF LACEY  
420 College Street SE Lacey, WA 98503

CITY OF LACEY  
420 College Street SE Lacey, WA 98503

\_\_\_\_\_  
Rick Walk, City Manager                      Date

\_\_\_\_\_  
David Schneider, City Attorney

CITY OF OLYMPIA  
601 4th Avenue East Olympia, WA 98501

CITY OF OLYMPIA  
601 4th Avenue East Olympia, WA 98501

\_\_\_\_\_  
Jay Burney, City Manager                      Date

\_\_\_\_\_  
*Michael M. Young*  
Senior Deputy City Attorney

CITY OF TUMWATER  
555 Israel Road SW Tumwater, WA 98501

CITY OF TUMWATER  
555 Israel Road SW Tumwater, WA 98501

\_\_\_\_\_  
Debbie Sullivan, Mayor                      Date

\_\_\_\_\_  
Karen Kirkpatrick, City Attorney

CITY OF YELM  
106 Second St. SE Yelm, WA 98597

CITY OF YELM  
106 Second St. SE Yelm, WA 98597

\_\_\_\_\_  
Todd Stancil, City Administrator                      Date

\_\_\_\_\_  
City Attorney



## EXHIBIT A

### 1,000 SF Accessory Dwelling Unit (ADU) Design (For Lacey, Olympia, Tumwater, and Yelm)

WORK ITEMS AND PROJECTED HOURS	Artisans Staff/Hourly Rates \$188	Principals/Staff \$158	Design Staff 2 \$138	Design Staff 1 \$138	Projected Subtotals
1. Project Initiation and Concept Design					
a. Initial Meeting	2	0	0		\$376
b. Architectural Design- Floor Plans and Renderings	28	5	0		\$6,054
<b>MILESTONE 1: Deliver Concept Designs</b>					
c. Review and refine designs per Interlocal comments	2	4	0		\$1,008
2. Construction Documents development (Two Sets)					
a. Floor Plans		5	16		\$2,998
b. Foundation Plans		5	16		\$2,998
c. Roof Plans		5	16		\$2,998
d. Section views for floor, walls, and roof		5	16		\$2,998
e. Energy code comp sheets		6			\$948
f. Notation including Material types for siding		5	16		\$2,998
<b>MILESTONE 2: Deliver 90% Construction Documents</b>					
3. Engineering and Plans Completion					
a. Construction Documents finalized	2	2	5		\$1,382
b. Engineering review and incorporation*	0	4	10		\$2,012
c. Two 3D Perspective views	2	0	6		\$1,204
<b>MILESTONE 3: Deliver 100% Construction Documents</b>					
<b>Subtotal Projected Hours</b>	<b>36</b>	<b>46</b>	<b>101</b>		<b>183</b>
<b>Subtotal Projected Fees</b>	<b>\$6,768</b>	<b>\$7,268</b>	<b>\$13,938</b>		
			<b>Projected Total Fee</b>		<b>\$27,974</b>
			<b>Projected Reimbursement*</b>		<b>\$4,000</b>
			<b>Projected Total Fees and Reimbursement**</b>		<b>\$31,974</b>

## EXHIBIT B

### Code Updates For Four Existing ADUs and Yelm Licensing

<b>WORK ITEMS AND PROJECTED HOURS</b>	<b>Artisans Staff/Hourly Rates \$188</b>	<b>Principals \$178</b>	<b>Staff III \$158</b>	<b>Staff II \$138</b>	<b>Staff I \$138</b>	<b>Projected Subtotal</b>
4. Additional Services not covered in Exhibit A						
Drawing Revisions per 2021 IRC (4 Drawing Sets)	2		16			<b>\$2,904</b>
Drawing Revisions per 2021 WESC Energy Code (4 Drawing Sets)	2		16			<b>\$2,904</b>
Yelm Licensing Fees	\$10,000					<b>\$10,000</b>
<b>Subtotal Projected Hours</b>	<b>4</b>	<b>0</b>	<b>32</b>	<b>0</b>		<b>36</b>
<b>Subtotal Projected Fees</b>	<b>\$752</b>	<b>\$0</b>	<b>\$6,016</b>	<b>\$0</b>		
					<b>Projected Total Fee</b>	<b>\$15,808</b>
					<b>Projected Reimbursement with Markup</b>	<b>\$4,000</b>
					<b>Projected Total Fees and Reimbursement</b>	<b>\$19,808</b>

# EXHIBIT C

## April 1, 2024 Population of Cities, Towns and Counties Used for Allocation of Selected State Revenues State of Washington

County Municipality	Census 2020	Estimate 2021	Estimate 2022	Estimate 2023	Estimate 2024
Thurston	294,793	297,800	300,500	303,400	307,000
Unincorporated	144,856	145,255	143,760	143,980	145,735
Incorporated	149,937	152,545	156,740	159,420	161,265
Bucoda	600	595	610	620	620
Lacey	53,526	54,850	58,180	59,430	60,210
Olympia	55,382 \$	55,960	56,370	56,900	57,450
Rainier	2,369	2,440	2,510	2,555	2,565
Tenino	1,870	2,010	2,030	2,045	2,070
Tumwater	25,573 \$	26,050	26,360	27,100	27,470
Yelm	10,617	10,640	10,680	10,770	10,880

\* - State certified special census.

+ - Informal count. A population count that is considered accurate but does not meet all special census certification requirements.

# - Informal census. A population and housing count that is considered accurate but does not meet all special census certification requirements.

\$ - Corrected Federal Census. Census 2020 population and housing adjusted for misallocated group quarters and annexations effective and approved by OFM from January 2, 2020 to April 1, 2020. The 2020 federal census count for Bonney Lake was corrected in 2022.

The 2020 populations are, with a few exceptions, equal to the federal census PL 94-171 counts.

With the exception of corrections or updates to the federal census counts, annual estimates in this official series are not revised on the basis of other information that becomes available after the estimate date.