

TO: City Council  
FROM: Brad Medrud, Director of Community Development  
DATE: June 17, 2025  
SUBJECT: Interlocal Agreement with Cities of Lacey, Olympia and Yelm for the update of the Accessory Dwelling Unit Plans

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1) Recommended Action:

Authorize the Mayor to sign the Interlocal Agreement with Cities of Lacey, Olympia and Yelm for the update of the Accessory Dwelling Unit Plans.

This agreement was recommended for approval via the Consent Calendar by the General Government Committee at their June 11, 2025, meeting.

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2) Background:

In 2020, the City approved the first interlocal agreement with the cities of Lacey and Olympia to work with The Artisans Group, LLC to develop pre-approved accessory dwelling unit plans. The plans were made available to property owners in the City who wanted to build an accessory dwelling unit as a means of reducing the time and cost required to build such units.

Recent changes in the state to the energy code and accessory dwelling unit regulations have prompted a need to update the original plans, and the purpose of this interlocal agreement is to complete this work so that the program can continue and expand the program to include the city of Yelm. In addition, Tumwater will be taking over management of this work from the city of Lacey.

The General Committee was briefed on the interlocal agreement at their June 11, 2025, meeting and recommended placing it on the City Council's June 17, 2025, consent calendar.

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3) Policy Support:

Strategic Priority to Build a Community Recognized for Quality, Compassion and Humanity with the goals of

- Support and advance intergenerational housing opportunities.
  - Implement the Tumwater Housing Action Plan.
  - Continue to streamline permitting processes for development and construction projects.
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4) Alternatives:

☐ None.

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5) Fiscal Notes:

N/A

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6) Attachments:

A. Interlocal Agreement