

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, (hereinafter "LACEY"); the City of Olympia, a Washington municipal corporation, (hereinafter "OLYMPIA"); the City of Tumwater, a Washington municipal corporation, (hereinafter "TUMWATER"), and the City of Yelm, a Washington municipal corporation, (hereinafter "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 shall be authorized by the governing body of each party to the contract and shall set forth its purposes, powers, rights, objectives and responsibilities of the contracting parties; and

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

WHEREAS, on April 14th, 2020, the City of 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 27th, 2020, the City of Lacey entered into an Interlocal Agreement with the City of Olympia, and the City of 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 10th, 2021, the Artisans Group Inc. delivered four sets of fully engineered ADU construction documents to the cities of 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, the City of 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, the expected cost to update the ADU plans is \$6,048.00 not including taxes and the expected cost to add a 1,000 square foot ADU option is \$24,954.00 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 population percentage is fair and appropriate, provided that Yelm pay 100% of the buy-in cost. Population estimates determined based on the Office of Financial Management April 1st 2024 report (EXHIBIT C).

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

1. Services Provided by LACEY

- A. LACEY shall contract with the Artisans Group Inc. for all services as set forth in Exhibit A and Exhibit B, attached hereto, and incorporated herein by reference.
- B. LACEY shall appropriately monitor the activities of the Artisans Group, Inc. to assure fiscal conditions of the contract.
- C. LACEY shall pay the Artisans Group, Inc. for services rendered in the month following the actual delivery of the work and will remit payment within thirty days from the date of receipt of invoice.
- D. No payment shall be made for any work performed by the Artisans Group, Inc., except for work identified and set forth in this Agreement and Exhibits A and B incorporated by reference into this Agreement.

2. Services Provided by OLYMPIA. Olympia shall:

- A. Reimburse LACEY \$2,227.15 upon delivery of the four (4) completed ADU construction document sets;
- B. Reimburse LACEY \$9,189.20 upon delivery of the new, 1,000 square foot ADU construction document set;
- C. Provide timely review and comments on concept designs, 90% construction documents, and final pre-approval of 100% construction documents to Lacey; and
- D. Maintain the final pre-approved construction documents for all plan sets at the customer service counter for citizens.

3. Services Provided by TUMWATER. Tumwater shall:

- A. Reimburse LACEY \$1,064.92 upon delivery of the four (4) completed ADU construction document sets;
- B. Reimburse LACEY \$4,393.86 upon delivery of the new, 1,000 square foot ADU construction document set;
- C. Provide timely review and comments on concept designs, 90% construction documents, and final pre-approval of 100% construction documents to Lacey; and
- D. Maintain the final pre-approved construction documents for all plan sets at the customer service counter for citizens.

4. Services Provided by YELM. Yelm shall:

- A. Reimburse LACEY \$10,000.00 for rights to the current four (4) pre-approved ADU construction document sets for \$10,000;
- B. Reimburse LACEY \$421.78 upon delivery of the four (4) completed ADU construction document sets;
- C. Reimburse LACEY \$1,740.27 upon delivery of the new, 1,000 square foot ADU construction document set;
- C. Provide timely review and comments on concept designs, 90% construction documents, and final pre-approval of 100% construction documents to Lacey; and
- D. Maintain the final pre-approved construction documents for all plan sets at the customer service counter for citizens.

5. Indemnification and Insurance

Each Party agrees to 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 agree to maintain liability insurance; this may be fulfilled by a party's membership and coverage in WCIA, a self-insured municipal insurance pool.

6. No Separate Legal Entity Created

This Agreement creates no separate legal entity. No joint organization is created. No common budget is to be established. 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 shall continue to be employees or agents of that Party and shall 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 shall terminate on December 31, 2027, unless sooner terminated by the Parties as provided herein.

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 shall be identified as a formal request for negotiation and it shall propose a date for representatives of the Parties to meet. The other Parties shall respond in writing within ten (10) business days. The response shall 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 ten (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 shall be memorialized in a memorandum signed by all Parties, which shall become 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 shall not exceed ninety (90) days. If a resolution is not reached within ninety (90) days,

the Parties shall proceed to mediation.

B. Step Two — Mediation.

If the dispute has not been resolved by negotiation within ninety (90) days of the initial letter proposing negotiation, any Party may demand mediation. The mediator shall 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 will share the cost of the mediator. A successful mediation shall result in a memorandum agreement, which shall become an addendum to this Agreement.

Mediation under this provision shall not exceed ninety (90) days. If the mediation is not successful within ninety (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 shall be governed by the laws of the State of Washington as to interpretation and performance. The Parties hereby agree that venue for enforcement of any provisions shall 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 shall together be deemed to constitute one final agreement, as if all Parties had signed one document, and each such counterpart, upon execution and delivery, shall be deemed a complete original, binding on the Parties. A faxed or email copy of an original signature shall be deemed to have the same force and effect as the original signature.

15. Notice

Any notice required under this Agreement shall be to the party at the address listed below and it shall become 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

CITY OF OLYMPIA

Tim Smith, Interim Director of Community Planning and Development
P.O. Box 1967
Olympia, WA 98507-1967
tsmith@ci.olympia.wa.us

CITY OF TUMWATER

Brad Medrud, Planning Manager 555
Israel Road SW
Tumwater, WA 98501
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

16. Waiver

A failure by a Party to exercise its rights under this Agreement shall not preclude that Party from subsequent exercise of such rights and shall 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 shall be held invalid, such invalidity shall 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 (6) years from the completion of the tasks set forth herein, 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 will be furnished upon request. If any litigation, claim, or audit is commenced, the records and accounts along with supporting documentation shall 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 shall take effect on the date of the last authorizing signature affixed hereto:

[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

CITY OF TUMWATER
555 Israel Road SW Tumwater, WA 98501

CITY OF TUMWATER
555 Israel Road SW Tumwater, WA 98501

Debbie Sullivan, Mayor Date

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
