

**INTERLOCAL AGREEMENT BETWEEN MASON COUNTY AND
THE CITY OF SHELTON
REGARDING URBAN GROWTH AREA ZONING
AND
DEVELOPMENT STANDARDS**

THIS AGREEMENT is entered into by and between Mason County, State of Washington and the City of Shelton for the purpose of adoption and implementation of Shelton Urban Growth Area zoning and development standards.

WHEREAS, the City of Shelton has adopted a Joint Plan to guide the character of future development within its Urban Growth Area;

WHEREAS, Mason County has also adopted this Joint Plan and made it as part of its Comprehensive Plan;

WHEREAS, the Washington State Growth Management Act requires Mason County to enact development standards consistent with its adopted Comprehensive Plan;

WHEREAS, Mason County and the City of Shelton will each adopt development standards intended to implement the Joint Plan for the Shelton Urban Growth Area; and

WHEREAS, Mason County and the City of Shelton find that the adoption of such standards by the County will contribute to the achievement of the long term objectives that the City of Shelton has for the development of its Urban Growth Area;

NOW THEREFORE, Mason County and the City of Shelton do hereby agree that,

I. Zoning Standards

Mason County will develop zoning standards for the Shelton Urban Growth Area (UGA) that reflect land use classifications on the city's pre-annexation zoning map and the county's future land use map, except that review procedures under each of the standards will be modified to conform to existing County review procedures. The County shall also adopt development regulations that implement all provisions of this Agreement.

II. Critical Areas, Shoreline and SEPA Administration

Mason County will be the lead agency for State Environmental Policy Act (SEPA) review for projects within the Shelton UGA. Mason County will maintain administration of its Critical Areas Ordinance and Shoreline Master Program within the UGA.

III. Review Procedures for Applications

All applications for development in the Shelton UGA will be submitted to and processed by Mason County. The County shall route portions of the application to the City of Shelton for review whenever the City requests to provide review.

IV. Commercial Project Review

Commercial, industrial and multifamily (two or more attached units) development within the Shelton UGA shall require approval of a binding site plan by Mason County.

1. The binding site plan shall be reviewed and approved by the County Director of Community Development;
2. The binding site plan shall address the following: buffers, landscaping, traffic access and parking standards, sewage disposal provisions, height and scale in relation to surrounding uses and future uses, vegetation removal, storm water, potable water, and lot coverage.
3. Development of the site shall be consistent with the approved site plan. The Director may allow minor modification to the site plan, provided that all other regulations and conditions placed on the approval are met.

If the development is proposed on interim sewer facilities, the binding site plan shall also:

1. Provide for future sewer pipelines and other utilities in accordance with the city of Shelton current Sewer Plan;
2. Demonstrate that development at the minimum density allowed within the zone could be achieved once public sewer and/or water would be available to serve the project site.

V. Applications in Process

All applications in the UGA that are in the County review process at the time this Agreement is adopted shall not be subject to the terms of this Agreement or development regulations adopted pursuant to this Agreement.

VI. Street and Utility Design Standards

Mason County will adopt City of Shelton street design and utility design standards for development in the Shelton UGA. All utilities in the Shelton UGA will be constructed and installed to City standards. All streets internal to a development will be constructed to an urban standard, as defined in the City of Shelton Design and Construction Standards, with curb, gutter and sidewalks. External to a development, exceptions to the standard may be granted by the City or County engineer based on criteria that will be contained within the Standards.

VII. Stormwater

Mason County will adopt the 2005 Stormwater Manual for the City of Shelton for development within the Shelton UGA.

VIII. Plan Review and Inspection

Civil engineering plan review and inspections for streets and utilities related to private development projects will be conducted by the City of Shelton and/or Mason County staff under direction of the County Engineer. City staff will lead the review and inspection of utilities and Mason County staff will lead the review and inspection of roads and private utilities, such as power, cable, natural gas and the like.

IX. Plan Review and Inspection Fees

The City of Shelton and Mason County will establish reasonable plan review fees for development within the Urban Growth Area. The jurisdictions will share the review fees paid by applicants within the Urban Growth Area commensurate with the work being completed by each jurisdiction's staff.

X. Reciprocal Mitigation of Transportation Impacts

Mason County and the City of Shelton recognize that development in the Shelton UGA can have impacts on City streets and that development in the City of Shelton can have impacts on County roads. In order to mitigate adverse impacts under Chapter 43.21C RCW (SEPA) for impacts on City streets, Mason County will route all SEPA checklists submitted to the County for projects within the Shelton UGA to the City of Shelton. If the City determines that a development in the Shelton UGA will impact the City's transportation system, the City shall notify Mason County of specific measures reasonably necessary to mitigate the impacts, and the City shall require that the developer take reasonable measures to mitigate the impact identified, consistent with SEPA Mitigation fees shall be paid directly to the City of Shelton and a receipt for payment shall be provided to Mason County.

In order to mitigate adverse impacts to County roads, the City of Shelton will route all SEPA checklists submitted to the City for new development that would impact County roads to Mason County. If the County determines that a development in the City will impact the County's transportation system, the County shall notify the City of Shelton of specific measures reasonably necessary to mitigate the impacts, and the City shall require that the developer take reasonable measures to mitigate the impact identified, consistent with SEPA.

XI. Requirement to Connect to Public Water Service

Consistent with the Growth Management Act, the City shall be the provider of urban services, including water, for all new development within the UGA, except for those parcels already served by an existing approved water purveyor. For purposes of this agreement, "new development" means new construction on a vacant parcel which isn't located in an established business park. To this end, the County shall adopt an ordinance that is consistent with Shelton Municipal Code 15.08.050, requiring the

use of City water, adopting a prohibition on new exempt wells if City water is available on a "timely and reasonable" basis, and allowing for an appeal/review procedure of "timely and reasonable" determinations. The City shall provide input into all "timely and reasonable" determinations made by the County, and no appeals shall be decided unless the hearing/appeal officer has considered the testimony of the City Public Works Director or Engineer. "Timely and reasonable water service" means that the city can immediately supply enough water to meet the estimated demand of a property applying for a new water connection, once a connection has been made from the property to the city's water system. The existence of a water main within three hundred feet of the property shall constitute dispositive evidence that the city can provide timely and reasonable service, unless unique topographic features make installation of water service cost prohibitive. However, the fact that no water main lies within three hundred feet shall not be dispositive as to whether the city can provide timely and reasonable service, because applicants for water service may reasonably be required to install water facilities, including water mains, at their own expense and collect reimbursements through latecomer agreements pursuant to Chapter 35.91 RCW.

The City and County will work together to develop a coordinated water system plan for the Shelton UGA. The County shall require that developers execute a utility extension agreement consistent with Shelton Municipal Code Chapter 17.10.

XII. Development of Parcels Not on City Water

Proposed development in areas where City water is not available in a timely and reasonable manner must be developed in a manner that utilizes a cluster design. Projects must also provide documentation that demonstrates that future development at urban densities can be achieved once water can be provided in a timely a reasonable manner. Projects that do not use City water must meet the following requirements:

1. Subdivisions utilizing a separate public water system are limited to a maximum of nine lots and lots shall be clustered. For the purposes of this agreement, clustering is defined as a development design technique that concentrates buildings on a part of the site to allow the remaining land to be used for future development at urban densities;
2. Subdivisions and short subdivisions shall have a statement on the face of the plat or short plat that when city water becomes available within 300 feet, the lots shall connect to the City water system at each lot owner's expense. This requirement shall also be provided for in protective covenants that are filed with the subdivision;
3. The Washington State Department of Health or Mason County Public Health shall review and approve plans for all proposed private or public water systems within the Shelton UGA.
4. Mason County may require new development to design and install dry water lines when appropriate.

XIII. Requirement to Connect to Public Sewer Service

All development within the Shelton UGA which is within 300 feet of a public sewer is required to connect the development to the public sewer. The County shall require that developers execute a utility extension agreement consistent with Shelton Municipal Code Chapter 17.10. On-site sewage systems may be allowed temporarily in some parts of the UGA as discussed in Section XIII Development of Lots Not on Public Sewer.

Existing development in the Shelton UGA shall be required to connect to the public sewer system in lieu of construction or major repair of private septic systems. Upon the failure of an existing on-site sewage system, connection to the public sewer system shall be required if a sewer line is located within 300 feet of the parcel.

The 300-foot distance set forth above shall be calculated along the shortest route in road rights-of-way and easements from the existing public sewer to the nearest point of the property or properties to be served.

XIV. Development of Parcels Not on City Sewer

Areas without City sewer must be developed in a manner that maintains long term potential to achieve minimum required densities and efficient provision of sewer once sewer becomes available. In those areas located within the Shelton UGA where connection to a permanent public sewerage system is not feasible, as determined by the Public Works Director, a community or individual on-site septic system may be constructed to serve residential and non-residential locations when approved by the City. Areas developing without public sewer must meet the following requirements:

1. Mason County Public Health must review and approve plans for alternative sewage disposal;
2. Lots must be clustered, and are limited to no more than nine lots if not served by City water and sewer. For the purposes of this agreement, clustering is defined as a development design technique that concentrates buildings on a part of the site to allow the remaining land to be used for future development at urban densities;
3. Subdivisions and short subdivisions must have a statement on the face of the plat or short plat that when sewer becomes available to the area clustered lots shall hook up to sewer at each lot owner's expense. This requirement shall also be provided for in protective covenants;
4. The abandoned on-site sewage system shall be properly decommissioned once the property is connected to the public sewer.
5. All new development is required to design and install dry line sewers to City of Shelton design standards to ease conversion when sewer becomes available.

XVI. Review of Home Occupation/Cottage Industries in Shelton UGA

The City and County will work cooperatively to establish home occupation regulations within the Shelton UGA.

XVIII. Future Code Amendments

Mason County and the City of Shelton agree to develop a process for the joint consideration and adoption of future code amendments affecting the Shelton Urban Growth Area.

XIX. Dispute Resolution

Disagreements over implementation of this Agreement shall be resolved first by informal resolution meetings, then by mediation, then by arbitration, the result of which shall be appealable to the courts. The prevailing party in arbitration or court proceeding shall be entitled to reasonable attorney fees.