

Introduction



5th Avenue between Capitol Way and Washington Street

How to Read this Capital Facilities Plan

1. The Frequently Asked Questions have been designed to answer the most popular questions asked about the Capital Facilities Plan (CFP), as well as assist the reader in better understanding elements about the Plan.
2. The first section of this document is the Executive Summary of the 2012-2017 Six-Year CFP. Its purpose is to provide a “bottom line” summary of project costs and funding sources included in the six-year planning window.
3. The Debt Limitation section explains the amount of money the City of Olympia can legally borrow. This is important because some capital projects are financed with debt resources.
4. The Capital Facilities Plan section explains the purpose of the CFP, statutory requirements, and methodologies used to develop the CFP in its entirety.
5. The CFP Funding Sources identifies the various revenue sources used by the City to finance capital projects.
6. Completing the Introduction section is the Project Funding Report, which identifies project funding sources for each project in the various program categories. County funded projects within the City’s Urban Growth Boundary are also found here.
7. The “What Are We Building in 2012?” piece highlights projects that are past the planning and design phase and are “shovel ready” in 2012.
8. The New and Completed Projects section provides a brief description of all new and recently completed capital projects, the anticipated or actual end result of the project, and before and after photos when available. This provides the Council and citizens a way to see how their money is being spent. The *New* projects are projects newly planned for in the CFP, and *Completed* projects are projects that have already been completed or will be completed by the end of 2011.



View of Budd Inlet from the west



9. The next seven sections include the specific projects proposed within this CFP's six-year plan and are presented in one of the following program categories:

Parks, Arts and Recreation Projects

Park site acquisition and development projects; projects for the construction of individual neighborhood or community parks.

Transportation Projects

Major street maintenance projects, minor streets, sidewalk, and bridge repair projects; pedestrian accessibility projects; other transportation infrastructure related projects, including bikeways, intersection improvements, street oversizing, traffic calming, etc.

Transportation projects have been split into two sections: those funded by impact fees and those not funded by impact fees.

General Capital Facilities Projects

Includes the City's major building and facilities maintenance, repair and replacement projects; projects for the construction of public facilities; non-typical capital improvement projects or other projects that do not fit any of the other categories.

Drinking Water Projects

Projects for additional storage for treated water, improving raw water utilization, planning for future water symptoms and capacity, and reclaimed water.

Wastewater Projects

Projects providing enhanced treatment of wastewater step system management, and planning for future system capacity.

Storm and Surface Water Projects

Projects include stormwater flood control and water quality measures in the City's storm drainage basins.

Each of the program category sections are organized in the same way and contain:

- An introductory narrative providing a general background of planning activities done in that section, as well as a discussion of planning goals and policies.
- Individual project information identifying the project's location, links to other projects in this CFP document, a brief description about the project, a detailed project list for projects that include multiple sub-projects, justification for the project, level-of-service (LOS) standards or target outcome ratios (TORs) and how these will be affected by the project, and references to City goals, policies, and plan documents.
- A project financial summary sheet summarizing proposed project costs, funding sources, and future operating and maintenance costs for the project.

10. Following the project category sections, the next sections contain:
- A glossary of acronyms and terms used throughout this document.
 - A financial status report for all active CFP projects; those currently listed in the CFP and those no longer requiring additional funding.
 - A schedule of collection and usage of impact fees.
 - A quick-reference CFP project location matrix.
 - A City of Olympia public facilities inventory.
 - An index of projects.
11. Olympia School District CFP.
12. In the pocket of the inside back cover, you will find the City quadrant map.

Frequently Asked Questions

1. There are many projects listed in the CFP.

How does the City determine which projects are priority?

First, each project proposal is matched against the Council's Long-Term Financial Strategy (LTFS) criteria:

- Maintenance or general repair of existing infrastructure;
- A legal or statutory requirement;
- A continuation of multi-year projects (contractual obligations, etc.);
- Implementation of legislative (Council) goals and objectives;
- Ability to leverage outside sources (grants, mitigation, impact fees, low interest loans, etc.);
- An acquisition or development of new facilities.

The second factor in considering which projects are funded is the availability of adequate funding for projects included in the plan. The City faces two important questions:

1. *What can we really afford?*
2. *What "gives" when two or more priorities conflict with each other?*

The third factor is the availability of grant funding for a project. If grant funds are applied for and received, chances are good that the grant funded project will become a priority. Grant funds awarded become new and additional revenue to the City, above and beyond the City's current resources. The City continually looks for ways to reduce the reliance on General Fund dollars for capital projects. In essence, grant funds allow the City's current resources to be stretched a little further. Similar to grants are partnerships with other groups. The City tries to develop partnerships to lower the cost for construction or operations and maintenance.

2. Once determined to be a priority, are these projects automatically given funding in priority order?

No. See the third paragraph in question 1 above. When grant funds are received for a particular project, chances are good that project will become a priority.

3. Do state or federal grants require the City to do projects out of our preferred order?

Yes. See the third paragraph in question 1 above. When grant funds are received for a particular project, chances are good that project will become a priority.

4. It seems likely that a capital project may affect future operating budgets. Does this have an impact on whether or not a project will be approved and funded?

Yes. It is important that capital improvements which carry with them additional maintenance obligations that impact the General Fund budget do not intensify the strains already being felt in the Operating Budget.



5. When funding a particular project, where does the money come from?

Non-Utility Projects

Parks, Transportation, and General Capital Facilities projects are funded through General Fund revenues, non-voted (Councilmanic) bonds, grants, cost sharing with neighboring jurisdictions (on shared projects), local improvement districts (LIDs), developer contributions, impact fees, the real estate excise tax (REET) (1/2%), non-voted utility tax (1%), and voted utility tax (3%).

Fund Balance plays a significant role in implementing projects, and its availability relies heavily on projects being completed under budget, along with revenues exceeding expenditures at year end. When the economy is strong and spending is restrained, significant revenue can be generated to fund priority capital projects (e.g., pavement management). Funding for non-utility projects continues to be a challenge.

Utility Projects

City water, wastewater, and stormwater utilities are operated like businesses and must be self-supporting. They do not receive support from the General Fund of the City. As such, utilities do not compete with other City projects funded by general tax revenue. Utility capital projects are funded through a combination of general facility charges, rates, developer improvements, and revenue bonds. In addition, state and federal grants play an important role in funding of utility projects. However, as governed by the Growth Management Act, we cannot show projects in the Capital Facilities Plan unless we reasonably expect to generate the revenue.



Percival Landing Park

6. What is the “CIP” Funding Source?

CIP is funding for the City’s Capital Improvement Program. It funds projects that are not utility related, such as Parks, Transportation, and General Capital Facilities projects. It is made up of 1/2% of the Real Estate Excise Tax (REET), which must be spent on Parks or Transportation projects, 1% of the non-voted utility tax, interest earnings, and utility support from Stormwater for Transportation projects.

7. Once a project has been approved and funded, can any part of the money be used for another project?

Yes. The legislative body (Council) can, by simple majority, vote to appropriate funds to a different project. In most cases, this will be done when money is needed to match a grant the City has applied for on another project, which allows us to receive new and additional revenue. It is in the City’s best interest to do whatever it can to obtain additional dollars to fund projects, even when this means moving money from one project to another in order to maximize the City’s funding opportunities.

8. If a project was initially funded through the CFP and is not yet complete, will it continue to be listed in the CFP document?

It depends. If the project is still in-progress, but no additional money is needed beyond what has already been appropriated, it will not show up in the CFP in future years. If the project does need additional funds appropriated beyond the current level of funding, it will continue to show up in the CFP.

9. Individual project financial information seems to indicate that a specific dollar amount can be expected to be spent on the project over the next six years. Is this a correct interpretation?

No. The planning period for a CFP project is six years. Only expenditures and revenues proposed for the first year of the program are incorporated into the Annual Operating Budget as the Capital Budget (adopted in December of each year). It is important to note that the CFP is a planning document that includes timeline estimates based on changing dynamics related to growth projections, project schedules, new information, evolving priorities, or other assumptions. Therefore, the Capital Facilities Plan is annually reviewed and amended to verify that fiscal resources are available, which means estimates and timelines may change.

10. What happens if a project does not collect the amount of revenue as anticipated over the next 6 years?

In deciding how to address a particular shortfall of funding, the City continually assesses current needs against future growth requirements, and existing deficiencies against future expansions. Other options available for the City to consider are to decrease level of service standards, decrease the cost of the facility, or decrease the demand for the public service or facility, resulting in postponement or termination of the project.

11. Are all projects in the CFP completed within the next 6 years?

No, for several reasons. First, the Capital Facilities Plan is annually reviewed and amended to verify that fiscal resources are available. And second, because the need for capital facilities is generated by population growth, existing facility deficiencies, major facility maintenance and repair needs, internal operations, and Council and Comprehensive Plan goals and policies, there is a need to continually assess which projects are affected and should be considered a priority. As a result, project estimates and timelines may change.

12. What are “impact fees”?

Impact fees are charges assessed against newly-developing property that attempt to recover the cost incurred by a local government in providing the public facilities required to serve the new development. Under the Growth Management Act, impact fees can be collected and spent on roads and streets, parks, schools, and fire protection facilities.



13. What is the difference between State Environmental Policy Act (SEPA) mitigation fees and impact fees?

SEPA mitigation fees are charged to “long plats,” or new major developments for their direct impact on the system. SEPA mitigation measures must be related to a specific adverse impact identified in the environmental analysis of a project. The impact mitigated may be to the natural or built environment, including public facilities. Transportation mitigation fees are the most common, but mitigation fees may be assessed for any project. These fees are collected for specific projects, and the funds can only be spent on the identified projects. SEPA mitigation fees are assessed on projects within the City of Olympia, as well as adjacent jurisdictions.

Olympia’s impact fees are charged to new development only within the City limits. These fees are able to be spent on “system improvements.” System improvements can include physical or operational changes to existing streets, as well as new street connections that are built in one location to benefit projected needs at another location. Funds collected can only be used for projects that are specifically identified as part of the impact fee calculation.

14. How are Transportation Impact Fees determined?

The impact fee structure for the City of Olympia was designed to determine the fair share of improvement costs that can be charged for a new development. Impact fees are charged to developers of new construction to pay for part of the cost to build streets and other traffic improvements that are needed because of new growth in our community. The following key points summarize the impact fee structure:

A six-year street facility list, oriented to future growth, is developed. The projects are identified through the City’s transportation planning process as being needed during the next six years to meet adopted level of service standards.

Existing deficiencies are identified and separated from future trips on the street system.

Future trips are allocated to geographic areas inside and outside the City using a traffic forecasting model.

A Citywide fee system is established. The fee is calculated by taking the total cost of projects needed to accommodate new growth within the six-year planning timeframe, divided by the number of new vehicle trips expected to be generated by new growth within this six-year timeframe. This results in a cost per trip fee.

A land use based fee schedule is then developed.

15. How are Olympia’s population figures determined?

The Growth Management Act establishes how population/growth figures will be determined. The Act requires the State Office of Financial Management to provide a high-medium and low range for all counties. It is up to the County Commissioners to determine what figures to use. The Thurston County Commissioners have delegated this responsibility to the Thurston Regional Planning Council (TRPC). TRPC provides the information for all of Thurston County. The numbers are revised every 3 to 5 years and the model relies heavily on census data. If Olympia wanted to increase or decrease its figures, TRPC and the other jurisdictions would have to agree.

16. How does the City calculate the amount of Transportation Impact Fees generated in a year?

Transportation Impact Fees are calculated by taking the total cost of projects needed to accommodate new growth within the six-year planning timeframe, divided by the number of new vehicle trips expected to be generated by new growth within this six-year timeframe. This results in a cost per trip fee. The amount of transportation impact fees generated in a year is a function of how much growth occurs in a year. For planning purposes, the total cost of projects needed to accommodate new growth in the six-year planning timeframe is divided by six years to establish the average amount of transportation impact fees the City expects to collect each year.

17. Does Olympia have multiple zones for the Transportation Impact area?

No. The entire City makes up one zone.

18. If the City collects transportation impact fees on a specific project, must it be spent on the impacts of growth in that project’s geographic area?

No. Transportation impact fees collected are pooled into a single account. When it is determined that a geographic area of the City does not have sufficient capital facilities in place and readily available when new development occurs or a service area population grows, money from this pooled fund is used to establish sufficient capacity to serve the service area population and/or new development.

19. What the City anticipates to receive in impact fee funding seems higher than what is actually collected (as indicated in previous years). Why is this and how does it affect a project funded with impact fee revenue?

Impact fee revenue may be overstated. With the economic downturn, this has been the case in Olympia for several years. By showing impact fees in a specific calendar year, public expectations are raised about when a project will be initiated. Funding projections can change significantly based on the rate of growth, areas where growth occurs, and the ability to obtain grant funding for certain projects. As a result, project estimates and timelines may change.



20. Can the City collect impact fees in the Urban Growth Area?

Due to a court ruling, the City of Olympia may not collect impact fees in the Urban Growth Area.

21. What does level of service (LOS) mean?

A quantifiable measure of the amount of public facility that is provided, such as acres of park land per capita, vehicle capacity of intersections, or water pressure per square inch available for the water system.

22. What is concurrency?

All public facilities (streets, roads and highways, bikeways, sidewalks, street and road lighting, traffic signals, water systems, stormwater systems, wastewater systems, parks and recreation facilities, and schools) needed to serve new development and/or a growing service area population, must be in place at the time of initial need. If the facilities are not in place, a financial commitment must have been made to provide the facilities within six years of the time of the initial need, and

- Such facilities must be of sufficient capacity to serve the service area population and/or new development without decreasing service levels below locally established minimum standards.

23. If I want to become more involved in the CFP process, how do I get involved?

Citizens, community groups, businesses, and other stakeholders can maximize the attention and consideration paid to their suggestions by working with City staff and the Olympia Planning Commission to wrap their suggestions into major City planning processes. Projects and policies are continually monitored and modified by updates to long-term plans, usually through a public process with associated City boards and commissions. Both the Planning Commission and the Olympia City Council hold public hearings on the Preliminary CFP.

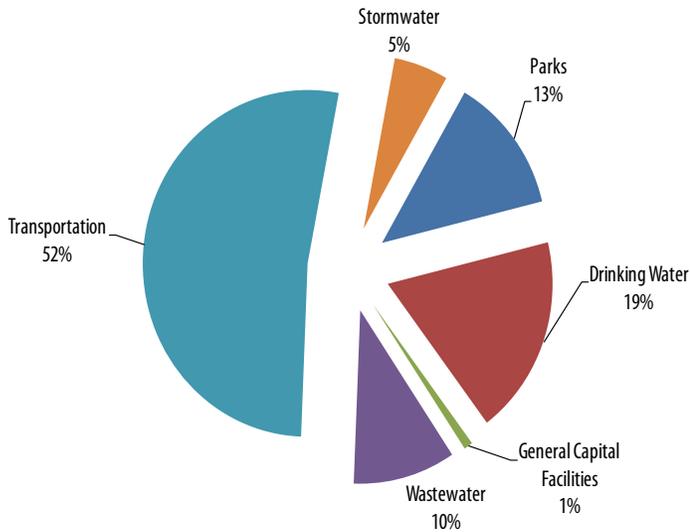


4th Avenue Bridge Roundabout

Executive Summary

This Capital Facilities Plan (CFP) is a multi-year plan of capital projects, 2012-2017, with projected beginning and completion dates, estimated costs, and proposed methods of financing. The Plan is reviewed and updated annually according to the availability of resources, changes in City policy and community needs, unexpected emergencies and events, and changes in cost and financial strategies.

Chart 1.1
2012-2017 Capital Facilities Plan
\$127,714,270
by Project Category



It is important to understand that a multi-year Capital Facilities Plan does not represent a financial commitment. City Council approval does not automatically authorize funding. It does approve the program in concept and provides validity to the planning process. Appropriations are made in the Capital Budget, which is the first year of the capital program. Projects beyond the current year Capital Budget should not be viewed as a commitment to fund the project, but instead as an indication that given the information available at the time, the City plans to move forward with the project in the future.

2012-2017 Capital Costs by Project Category (Table 1.1)			
	2012	2013-2017	TOTAL
Parks	\$4,644,999	\$11,716,000	\$16,360,999
Transportation	3,349,565	63,589,106	66,938,671
General Capital Facilities	600,000	500,000	1,100,000
Drinking Water	3,250,000	20,499,900	23,749,900
Wastewater	2,517,100	10,278,200	12,795,300
Stormwater	1,351,500	5,417,900	6,769,400
TOTAL	\$15,713,164	\$112,001,106	\$127,714,270

Capital Costs of Proposed Projects in the 2012-2017 Capital Facilities Plan

Capital project costs for the City's 2012-2017 six-year capital facilities

planning period total \$127,714,270. Table 1.1 illustrates planned capital costs by program category and the planned year of expenditure. Chart 1.1 illustrates the percentage of the plan's six-year capital costs attributed to each program category.

Revenue Sources Available for the 2012-2017 Planning Period

Utility Projects

City drinking water, wastewater, and stormwater utilities are operated like businesses and must be self-supporting. They do not receive support from the General Fund of the City. Utility capital projects are funded through a combination of general facility charges, rates, developer improvements, and revenue bonds. In addition, state and federal grants also play an important role in funding of utility projects.



Non-Utility Projects

Parks, Transportation, and General Capital Facilities projects are funded through general revenue, non-voted (Councilmanic) bonds, grants, cost sharing with neighboring jurisdictions (on shared projects), local improvement districts (LIDs), developer contributions, impact fees, the real estate excise tax (REET) (½%), and the utility tax. The City is at the statutory limit (6%) for utility taxes, which may be imposed by the Council without a public vote. In September 2004, the voters approved a 3% increase in the utility tax above the 6% limit, bringing the total utility tax to 9%. Currently, 1% goes directly to the CFP for general CFP support. Another ½% goes to the General Fund for park maintenance on capital projects. Of the 3% voter approved increase, 2% is for parks and 1% for recreational sidewalks.

The City has \$80 million in non-voted general obligation bonding capacity (Councilmanic) and presently has \$22 million of that amount uncommitted and available to use to fund projects. The City Council deliberates carefully before authorizing this method of financing as the City's existing operating revenues must be used for repayment.

Voter Approved Bonds

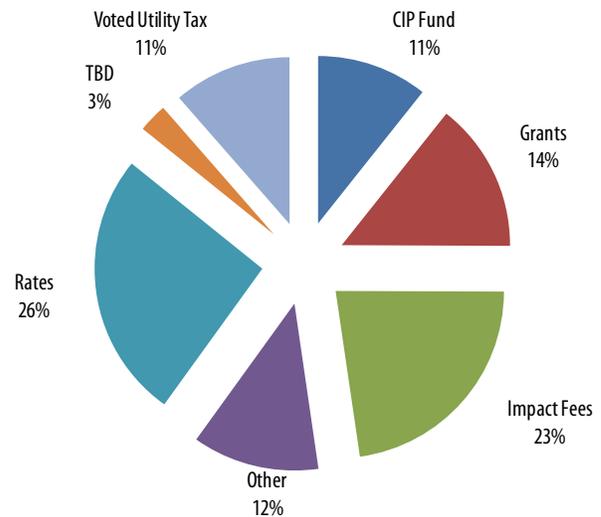
The City also has \$133 million capacity for voter approved bonds (paid back through an excess property tax levy) of which \$67 million is available, including an additional \$26 million in non-voter approved.

State law limits bonded debt to 2.5% of assessed value (AV) of taxable property. The amount of non-voted plus voter-approved may not exceed the 2.5% of assessed value limit.

The reader is invited to review the City of Olympia Operating Budget for a more detailed explanation of revenue sources and their relationship to specific funds. Budget documents are available in the reference section of:

- The Olympia Timberland Library
- The Evergreen State College
- South Puget Sound Community College
- The City Clerk's Office at Olympia City Hall
- The City's website at www.olympiawa.gov/City-government/budget-financial-reports.aspx

**2012-2017 Capital Facilities Plan
\$127,714,270
by Funding Source**



2012-2017 Financing Plan for All Projects by Revenue Source

	2012	2013-2017	TOTAL
CIP Fund	\$2,372,000	\$11,182,090	\$13,554,090
Grants	315,000	17,998,693	18,313,693
Impact Fees	1,151,916	27,647,823	28,799,739
Other	2,392,850	13,148,600	15,541,450
Rates	6,715,350	26,222,900	32,938,250
SEPA Mitigation	240,048	300,000	540,048
TBD	720,000	2,810,000	3,530,000
Voted Utility Tax	1,806,000	12,691,000	14,497,000
Total	\$15,713,164	\$112,001,106	\$127,714,270

Planning for Capital Facilities

The CFP is the element that makes the rest of the Comprehensive Plan come to life. By funding projects needed to maintain levels of service and for concurrency, the CFP helps shape the quality of life in the community. The requirement to fully finance the CFP provides a reality check for the vision of the Comprehensive Plan.

Planning for capital facilities is a complex task. First, it requires an understanding of future needs. Second, it must assess the various types of capital facilities that could be provided, and identify the most effective and efficient array of facilities to support the needed services. Finally, it must address how these facilities will be financed.

Planning what is needed is only the beginning. Planning how to pay for what is needed is another step. Only so much can and will be afforded. Securing the most effective array of facilities in light of limited resources and competing demands requires coordination of the planned facilities and their implementation. It also requires a thorough understanding of the fiscal capacity of the City to finance these facilities. Financial planning and implementation of capital facilities cannot be effectively carried out on an annual basis, since oftentimes the financing requires multi-year commitments of fiscal resources. As such, this plan is long-range in its scope. The CFP assumes receipt of outside granting assistance, and if grants are not received, projects may be delayed or pushed out. The CFP is a planning document, not a budget for expenditures.

Prioritization of the projects among programs is difficult; however prioritization between programs is more difficult. Which is more important, parks maintenance or street maintenance? Therefore, the Council established the following general guidelines for prioritizing Capital projects:

- Maintenance or general repair of existing infrastructure.
- A legal or statutory requirement.
- A continuation of multi-year projects (contractual obligations, etc.).
- Implementation of legislative (Council) goals and objectives.
- Ability to leverage outside sources such as grants, mitigation, impact fees, low interest loans, etc.
- An acquisition or development of new facilities.



Downtown artesian well



Debt Limitation

State law limits bonded debt to 2.5% of assessed value of taxable property. Of this limit, up to 1.5% of assessed value of taxable property may be non-voter approved debt (Councilmanic bonds).

However, the amount of non-voted, plus voter-approved, may not exceed the 2.5% of assessed value limit.

Estimated Taxable Assessed Value \$5,309,058,261

General Indebtedness *without* a vote of the people:

Legal Limit, 1½% of property value: \$79,635,874

G.O. Bond Liabilities (excluding 2012 principal payments) -57,236,205

Remaining non-voted debt capacity **\$22,399,669**

General Indebtedness *with* a vote of the people:

Legal Limit, 2½% of property value: \$132,726,457

Outstanding voted debt -14,445,000

Outstanding non-voted debt (excluding 2012 principal payments) -57,236,205

Remaining voted debt capacity **\$61,045,252**

In addition to the above limits, the City has debt authority with a vote of the people of 2.5% each for parks and utility purposes. Olympia has not accessed this authority.

The goal of Olympia's debt policy is to maintain the ability to provide high quality essential City services in a cost effective manner. Council members weigh this goal against maintaining the ability to borrow at the lowest possible rates. The City uses the following guidelines before financing projects with long-term debt:

- Management staff and elected officials conservatively project the revenue sources to pay off the debt.
- The financing of the improvement will not exceed its useful life.
- The benefits of the improvement must outweigh its costs, including the interest costs of financing.

Olympia uses debt only to provide financing for essential and necessary capital projects. Through debt planning and the Capital Facilities Plan, the City integrates its capital projects. The services that the City determines necessary to its residents and visitors form the basis for all capital projects.

The Capital Facilities Plan

What are Capital Facilities and Why Do We Need to Plan for Them?

Capital facilities are all around us. They are the public facilities we all use, and possibly take for granted, on a daily basis. They are our public streets and transportation facilities, our City parks and recreation facilities, our public buildings such as libraries, fire stations, and community centers, our public water systems that bring us pure drinking water, and the sanitary sewer systems that collect our wastewater for treatment and safe disposal. Even if you don't reside within the City, you use capital facilities every time you drive, eat, shop, work, or play here.

City of Olympia Capital Facilities

- Public Buildings
- Public Street Systems
- Public Parks
- Public Water Systems
- Public Sewer Systems

While a CFP does not cover routine maintenance, it does include renovation and major repair or reconstruction of damaged or deteriorating facilities. While capital facilities do not usually include furniture and equipment, a capital project may include the furniture and equipment clearly associated with a newly constructed or renovated facility.

The planning period for a CFP is six years. Expenditures proposed for the first year of the program are incorporated into the Annual Budget as the Capital Budget (adopted in December of each year).

One of the most important aspects of the CFP process is that it is not a once-a-year effort, but an important ongoing part of the City's overall management process. New information and evolving priorities require continual review. Each time the review is carried out, it must be done comprehensively.

All of these facilities should be planned for years in advance to assure they will be available and adequate to serve all who need or desire to utilize them. Such planning involves determining not only where facilities will be needed, but when, and not only how much they will cost, but how they will be paid for. It is important to note that the CFP is a planning document that includes timeline estimates based on changing dynamics related to growth projections, project schedules, or other assumptions.

The State Growth Management Act and Its Effect on the Capital Facilities Planning Process

A decade ago, in response to the effect of unprecedented population growth on our State's environment and public facilities, the Washington State Legislature determined that "uncoordinated and unplanned growth, together with a lack of common goals expressing the public's interest in the conservation and wise use of our lands, pose a threat to the environment, sustainable economic development, and to the health, safety, and high quality of life enjoyed by the residents of this state," and that "it is in the public interest that citizens, communities, local governments, and the private sector cooperate and coordinate with one another in comprehensive land use planning." The State of Washington Growth Management Act (GMA) was adopted by the Legislative body in 1990 to address these concerns.

The GMA requires that all jurisdictions located within counties that (a) have a population of 50,000 or more people and have experienced a population increase of 10% or more over the last ten years, or (b) regardless of current population, have experienced a population increase of 20% or more over the last ten years, must write, adopt, and implement local comprehensive plans that will guide all development activity within their jurisdictions and associated Urban Growth Areas (UGA) over the next twenty years. Each jurisdiction is required to coordinate its comprehensive plan with the plans of neighboring jurisdictions, and unincorporated areas located within designated Urban Growth Areas must be planned through a joint process involving both the city and the county.



The GMA requires that comprehensive plans guide growth and development in a manner that is consistent with the following state planning goals:

1. Encouragement of urban density growth within designated urban growth management areas;
2. Reduction of urban sprawl outside of designated urban growth management areas;
3. Encouragement of efficient transportation systems, including alternate systems of travel;
4. Encouragement of affordable housing availability to all economic segments;
5. Encouragement of economic development;
6. Just compensation for private property obtained for public use;
7. Timely processing of governmental permits;
8. Enhancement of natural resource based industries and encouragement of productive land conservation;
9. Encouragement of open space retention for recreational opportunities and wildlife habitat;
10. Protection of the environment, including air and water quality;
11. Encouragement of citizen participation in the planning process;
12. Provision of adequate public facilities to support development without decreasing current service standards below locally established minimum standards; and
13. Encouragement of the preservation of lands, sites, and structures that have historical or archaeological significance.

This Capital Facilities Plan as an Element of Olympia's Comprehensive Plan

The Growth Management Act requires inclusion of mandatory planning elements in each jurisdiction's comprehensive plan, and suggests the inclusion of several optional elements. The mandatory elements required by the GMA are:

1. a six-year capital facilities plan element
2. a land use element
3. a housing element
4. a utilities element
5. a transportation element
6. a rural element
7. an economic development element
8. a park and recreation element

Olympia's Comprehensive Plan includes additional elements (see Chart 2.1).

Concurrency and Levels-of-Service Requirements

The Growth Management Act requires jurisdictions to have capital facilities in place and readily available when new development occurs or a service area population grows. This concept is known as concurrency. Specifically, this means that:



INTRODUCTION

1. All public facilities needed to serve new development and/or a growing service area population must be in place at the time of initial need. If the facilities are not in place, a financial commitment must have been made to provide the facilities within six years of the time of the initial need; and
2. Such facilities must be of sufficient capacity to serve the service area population and/or new development without decreasing service levels below locally established minimum standards, known as levels-of-service.

Levels-of-service are quantifiable measures of capacity, such as acres of park land per capita, vehicle capacity of intersections, or water pressure per square inch available for the water system. Minimum standards are established at the local level. Factors that influence local standards are citizen, City Council and Planning Commission recommendations, national standards, federal and state mandates, and the standards of neighboring jurisdictions.

The GMA stipulates that if a jurisdiction is unable to provide or finance capital facilities in a manner that meets concurrency and level-of-service requirements, it must either (a) adopt and enforce ordinances which prohibit approval of proposed development if such development would cause levels-of-service to decline below locally established standards, or (b) lower established standards for levels-of-service.

Determining Where, When, and How Capital Facilities Will Be Built

In planning for future capital facilities, several factors have to be considered. Many are unique to the type of facility being planned. The process used to determine the location of a new park is very different from the process used to determine the location of a new sewer line. Many sources of financing can only be used for certain types of projects. Therefore, this capital facilities plan is actually the product of many separate but coordinated planning documents, each focusing on a specific type of facility. Future sewer requirements are addressed via a sewer plan, parks facilities through a parks and recreation plan, urban trail facilities through an urban trails plan, storm drainage facility needs through stormwater basin plans, water facility needs through a water plan, and transportation needs through a transportation plan.

In addition, the recommendations of local citizens, advisory boards, and Planning Commission are considered when determining types and locations of projects. Some capital needs of the City are not specifically included in a comprehensive plan. Nonetheless, many of these projects are vital to the quality of life in Olympia. These projects do meet the growth management definition of capital facilities because of the nature of the improvement, the cost or useful life. The Farmers' Market is an example of this type of project.

Chart 2.2 demonstrates how the Land Use Element of the City's Comprehensive Plan directly impacts the other plans, and ultimately the CFP. By establishing allowable land uses, such as residential, commercial, industrial, park land or open space, and minimum and maximum densities, the Land Use Element affects the type and required capacities of capital facilities required to support those uses.





How Citizens Can Get Involved in the Capital Facilities Plan (CFP)

The City of Olympia strives to create a CFP which truly responds to the needs of our community. Citizens, community groups, businesses, and other stakeholders can maximize the attention and consideration paid to their suggestions by working with staff and the Olympia Planning Commission to merge their suggestions into major City planning processes. Projects and policies are continually monitored and modified by updates to long-term plans, usually via a public process with associated City boards and commissions.

Population Forecasts for Olympia's Urban Growth Management Area (UGMA)

The GMA mandates that capital facility plans be structured to accommodate projected population growth within a jurisdiction's UGMA planning area. The Thurston Regional Planning Council (TRPC) anticipates growth of roughly 11% in the City's population between 2005 and 2015, or from approximately 45,000 to 50,000 persons. The fastest growing parts of the City will continue to be the West and Southeast sides. Each of the capital project category sections of this CFP demonstrates how the facilities listed under that section have been planned to accommodate the additional growth.

Joint Projects and Projects by Other Jurisdictions

Several of the projects listed within this document will be undertaken jointly with other jurisdictions or agencies. A stormwater project, for instance, may address a drainage problem that ignores City or UGMA boundaries. A transportation project may involve the upgrading of a roadway that crosses in and out of the city and the county. On such projects, joint planning and financing arrangements have been detailed on the individual project's worksheet.

Thurston County has several "county only" parks or transportation projects planned within Olympia's unincorporated UGMA. Under the joint planning agreement established between the City and Thurston County, initial financing and construction of these projects falls under County coordination. County projects have been listed for reference purposes in the Project Funding Schedule. For more detail, please refer to the Thurston County CFP.

Capital Facilities Not Provided by the City

In addition to planning for public buildings, streets, parks, trails, water systems, wastewater systems, and storm drainage systems, the GMA requires that jurisdictions plan for 1) public school facilities, 2) solid waste (garbage) collection and disposal facilities, and 3) wastewater treatment. These facilities are planned for and provided throughout the UGA by the various school districts, the Thurston County Department of Solid Waste, and the LOTT Alliance, respectively. The City of Olympia charges school impact fees for the Olympia School District. The District's CFP is included in the appendix for reference.

Early in 2000, the LOTT partners (Lacey, Olympia, Tumwater, and Thurston County) signed an agreement to provide a new governance structure to carry out a plan which anticipates development of additional treatment capacity for the LOTT partners through innovative wastewater reclamation and management facilities. The LOTT Wastewater Alliance functions as a regional agency providing wholesale wastewater resource treatment and management services in the public's interest. Therefore, the Alliance capital facilities are not included in this document.

What is Not Included in This CFP Document?

This Capital Facilities Plan does not provide a status update on previously funded capital projects still in progress. If the project is currently active and requires additional funding in the future, it is included in this plan. Otherwise, it is simply listed in the Active Project list (Miscellaneous Reports section).

Capital Facilities Plan Funding Sources

In an attempt to stretch the money as far as it will go, the CFP incorporates many different funding sources. Those sources may include current revenues, bonds backed by taxes or utility revenues, state and federal grants, special assessments on benefiting properties, as well as donations. A complete list of funding sources for 2012-2017 follows.

2012 - 2017 Funding Sources

Current Revenues

- Wastewater Rates
- Water Rates
- Stormwater Rates
- General Facilities Charges (GFC)
- Utility Tax (3% voted and 1% non-voted)
- Motor Vehicle Fuel Tax
- Interest
- Transportation Benefit District

Debt

- The City has \$67 million of voter approved debt capacity. Of this, \$22 million may be issued by the Council without a vote of the people.
- Public Works Trust Fund Loans (from State of Washington)
- Utility Revenue Bonds

Grants

- Federal Surface Transportation Program Funds
- State Transportation Improvement Board (TIB) Funds
- Washington Wildlife and Recreation Program
- Congestion Mitigation and Air Quality
- Washington State Department of Transportation

CIP Funds

- Real Estate Excise Tax (REET) (1/2%)*
- Utility Support (Stormwater) for Transportation
- 1% Non-Voted Utility Tax
- Interest Earnings

**REET funds must be spent on Parks or Transportation projects*

Other

- Impact Fees
- SEPA Mitigation Fees



City of Olympia | Capital of Washington State

2012 — 2017 Capital Facilities Plan

CALENDAR OF EVENTS

Review Status of Existing Projects in CFP	April
Draft CFP Projects Due from Departments	May 6
Present Preliminary CFP to City Council	July 12
Planning Commission / Finance Committee Public Hearing (City and School District)	August 15 (Monday)
City Council Public Hearing on CFP	October 18
Approve the 2012 Capital Facilities Plan	October 25
Adopt the 2012 CFP Ordinance as Part of the Budget Process (First Reading)	December 6
Second and final Reading and Adoption of Operating and Capital budgets	December 13



General Government Projects: Parks

Parks Projects	Funding	2012	2013-2017	Total
Community Park Expansion	SEPA Mitigation	\$113,288	\$125,000	\$238,288
	Impact Fees	274,166	325,000	599,166
	Voted Utility Tax	50,000		50,000
Community Park Partnership	Voted Utility Tax	8,000		8,000
	SEPA Mitigation	50,000		50,000
	Deferred Projects	945,900		945,900
	Conservation Futures	600,000		600,000
Major Maintenance Program	CIP Fund	500,000	2,500,000	3,000,000
Neighborhood Park Acquisition	Impact Fees	153,000	290,000	443,000
Open Space Network Expansion	SEPA Mitigation	74,758	175,000	249,758
	Impact Fees	103,363	365,000	468,363
	Grants	65,000	370,000	435,000
Parks Bond Issue Debt Service	Voted Utility Tax	1,523,000	6,366,000	7,889,000
Percival Landing Phase II Design	Voted Utility Tax		200,000	200,000
Special Use Park Expansion	Impact Fees	184,524		184,524
	Voted Utility Tax		1,000,000	1,000,000
TOTAL PARKS		\$4,644,999	\$11,716,000	\$16,360,999

FUNDING RECAP	Funding	2012	2013-2017	Total
	CIP Fund	\$500,000	\$2,500,000	\$3,000,000
	Conservation Futures	600,000		600,000
	Deferred Projects	945,900		945,900
	Impact Fees	715,053	980,000	1,695,053
	SEPA Mitigation	238,046	300,000	538,046
	Grants	65,000	370,000	435,000
	Voted Utility Tax (VUT)	1,581,000	7,566,000	9,147,000
TOTAL PARKS		\$4,644,999	\$11,716,000	\$16,360,999

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General Government Projects: Transportation				
Transportation Projects	Funding	2012	2013-2017	Total
4th Avenue Bridge Railing Repairs	CIP Fund		\$100,000	\$100,000
Bicycle Facilities	Grant		600,000	600,000
	CIP Fund		250,000	250,000
Hazard Elimination Safety	Federal Grant - STP		2,788,510	2,788,510
	CIP Fund		492,090	492,090
Parks and Pathways - Public Pathways	Voted Utility Tax	\$125,000	625,000	750,000
Parks and Pathways - Sidewalk	Voted Utility Tax	100,000	4,500,000	4,600,000
	Stormwater Utility Rates	168,700	950,500	1,119,200
	Grant		60,000	60,000
Pedestrian Crossing Improvements	CIP Fund	32,000	190,000	222,000
	CIP Fund		375,000	375,000
Sidewalk Construction	CIP Fund		375,000	375,000
Smart Corridors	Congestion Mitigation and Air Quality Grant	250,000		250,000
Street Access Projects - ADA	CIP Fund	35,000	250,000	285,000
Street Repair/Reconstruction	TBD	720,000	2,725,000	3,445,000
	CIP Fund	1,205,000	6,025,000	7,230,000
	Gas Tax	275,000	1,375,000	1,650,000
Streetlight Conversion to LED	CIP Fund		500,000	500,000
	Grant		500,000	500,000
TOTAL TRANSPORTATION		\$2,910,700	\$22,306,100	\$25,216,800

FUNDING RECAP	Funding	2012	2013-2017	Total
	CIP Fund	\$1,272,000	\$8,182,090	\$9,454,090
	Congestion Mitigation and Air Quality Grant	250,000		250,000
	Federal Grant - STP		2,788,510	2,788,510
	Gas Tax	275,000	1,375,000	1,650,000
	Grant		1,160,000	1,160,000
	Stormwater Utility Rates	168,700	950,500	1,119,200
	TBD	720,000	2,725,000	3,445,000
	Voted Utility Tax	225,000	5,125,000	5,350,000
TOTAL TRANSPORTATION		\$2,910,700	\$22,306,100	\$25,216,800

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General Government Projects: Transportation Impact Fee Projects

Transportation - Impact Fee Projects	Funding	2012	2013-2017	TOTAL
2010 Transportation Stimulus Project Repayment	Impact Fees	\$436,863	\$2,184,012	\$2,620,875
Boulevard Road Intersection	SEPA	857		857
	Impact Fees		4,768,556	4,768,556
	Grant		2,344,575	2,344,575
	TBD		85,000	85,000
Cain Rd & North St Intersection Improv	SEPA	7		7
	Impact Fees		1,412,541	1,412,541
	Grant		1,057,713	1,057,713
Fones Road	SEPA	508		508
	Impact Fees		8,368,201	8,368,201
	Grant		6,266,125	6,266,125
Henderson and Eskridge Intersections	SEPA	279		279
	Impact Fees		1,747,997	1,747,997
	Grant		1,308,903	1,308,903
Log Cabin Road Extension	Impact Fees		3,827,121	3,827,121
West Olympia Access	SEPA	4		4
	Impact Fees		749,806	749,806
	WSDOT Funding		850,000	850,000
	Grant		2,702,867	2,702,867
Wiggins & 37th Ave Intersection Improv	SEPA	347		347
	Impact Fees		3,609,589	3,609,589
	Grant		2,702,867	2,702,867
TOTAL TRANSPORTATION IMPACT FEE		\$438,865	\$41,283,006	\$41,721,871
FUNDING RECAP	Funding	2012	2013-2017	Total
	SEPA	\$2,002		\$2,002
	Grant		\$13,680,183	13,680,183
	Impact Fees	436,863	26,667,823	27,104,686
	TBD		85,000	85,000
	WSDOT		850,000	850,000
TOTAL TRANSPORTATION IMPACT FEE		\$438,865	\$41,283,006	\$41,721,871

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General Government Projects: General Capital Facilities

General Capital Facilities Projects	Funding	2012	2013-2017	Total
Building Repair and Replacement	CIP Fund	\$600,000		\$600,000
Urban Forestry	CIP Fund		\$500,000	500,000
TOTAL GENERAL CAPITAL FACILITIES		\$600,000	\$500,000	\$1,100,000

FUNDING RECAP	Funding	2012	2013-2017	Total
	CIP Fund	\$600,000	\$500,000	\$1,100,000
TOTAL GENERAL CAPITAL FACILITIES		\$600,000	\$500,000	\$1,100,000

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Summary of Funding Sources for General Government Projects

Funding	2012	2013-2017	Total
CIP Fund	\$2,372,000	\$11,182,090	\$13,554,090
Congestion Mitigation and Air Quality Grant	250,000		250,000
Conservation Futures	600,000		600,000
Deferred Projects	945,900		945,900
Federal Grant - STP		2,788,510	2,788,510
Gas Tax	275,000	1,375,000	1,650,000
Grant	65,000	15,210,183	15,275,183
Impact Fees	1,151,916	27,647,823	28,799,739
SEPA Mitigation	240,048	300,000	540,048
Stormwater Utility Rates	168,700	950,500	1,119,200
TBD	720,000	2,810,000	3,530,000
Voted Utility Tax	1,806,000	12,691,000	14,497,000
WSDOT		850,000	850,000
TOTAL GENERAL GOVERNMENT	\$8,594,564	\$75,805,106	\$84,399,670

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Utilities Projects: Drinking Water Projects				
Drinking Water Projects	Funding	2012	2013-2017	Total
Asphalt Overlay Adjustments-Water	Rates	\$10,000	\$50,000	\$60,000
Emergency Response	Rates		75,000	75,000
Groundwater Protection Land Acquisition	Rates	100,000	500,000	600,000
Infrastructure Pre-Design-Water	Rates	20,000	100,000	120,000
Reclaimed Water-Water Program	Rates		100,000	100,000
	General Facility			
	Charges		100,000	100,000
Small Pipe Replacement	Rates		2,375,000	2,375,000
Transmission & Distribution-Water	Rates	1,275,000	8,123,575	9,398,575
	General Facility			
	Charges		190,625	190,625
Water Source Development & Protection	Rates	1,273,050		1,273,050
	General Facility			
	Charges	571,950	1,200,000	1,771,950
Water Storage Systems	Rates		3,605,700	3,605,700
	General Facility			
	Charges		3,780,000	3,780,000
Water System Planning	Rates		150,000	150,000
	General Facility			
	Charges		150,000	150,000
TOTAL DRINKING WATER	Total Drinking Water	\$3,250,000	\$20,499,900	\$23,749,900

Utilities Projects: Wastewater Projects				
Wastewater Projects	Funding	2012	2013-2017	Total
Asphalt Overlay Adjustments-Sewer	Rates	\$64,300	\$362,500	\$426,800
Infrastructure Pre-Design-Sewer	Rates	133,700	290,200	423,900
Lift Stations-Sewer Program	Rates	1,754,600	799,900	2,554,500
Onsite Sewer System Conversions	Rates			
Pipe Capacity Upgrades	Rates		256,000	256,000
Sewer Pipe Extensions	General Facility		5,390,500	5,390,500
	Charges			
Sewer Systems Planning	Rates	58,500	329,400	387,900
Transmission and Collection-Sewer	Rates	506,000	2,849,700	3,355,700
TOTAL WASTEWATER		\$2,517,100	\$10,278,200	\$12,795,300

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Utilities Projects: Stormwater Projects

Stormwater Projects	Funding	2012	2013-2017	Total
Aquatic Habitat Improvements	Rates	\$365,600	\$333,800	\$699,400
Flood Mitigation and Collection	Rates	790,200	2,601,325	3,391,525
	General Facility			
	Charges		112,475	112,475
Infrastructure Predesign	Rates	27,000	152,200	179,200
Water Quality Improvement	Rates	168,700	2,218,100	2,386,800
TOTAL STORMWATER		\$1,351,500	\$5,417,900	\$6,769,400

Additionally:

Included in the Transportation Section are projects funded by transfers from the Stormwater Utility as follows:

PROJECT	2012	2013-2017	Total
Parks and Pathways Sidewalk	\$168,700	\$950,500	\$1,119,200
TOTAL	\$168,700	\$950,500	\$1,119,200

Summary of Funding Sources for Utility Projects

	Funding	2012	2013-2017	Total
	General Facility			
	Charges	\$571,950	\$10,923,600	\$11,495,550
	Rates	6,546,650	25,272,400	31,819,050
TOTAL UTILITIES		\$7,118,600	\$36,196,000	\$43,314,600

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General Government Projects			
Project	2012	2013-2017	Total
CIP Fund	\$2,372,000	\$11,182,090	\$13,554,090
Congestion Mitigation and Air Quality Grant	250,000		250,000
Conservation Futures	600,000		600,000
Deferred Projects	945,900		945,900
Federal Grant - STP		2,788,510	2,788,510
Gas Tax	275,000	1,375,000	1,650,000
Grant	65,000	15,210,183	15,275,183
Impact Fees	1,151,916	27,647,823	28,799,739
SEPA Mitigation	240,048	300,000	540,048
Stormwater Utility Rates	168,700	950,500	1,119,200
TBD	720,000	2,810,000	3,530,000
Voted Utility Tax	1,806,000	12,691,000	14,497,000
WSDOT		850,000	850,000
TOTAL	\$8,594,564	\$75,805,106	\$84,399,670

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Combined General Government & Utility Totals

Project	2012	2013-2017	Total
CIP Fund	\$2,372,000	\$11,182,090	\$13,554,090
Congestion Mitigation and Air Quality Grant	250,000		250,000
Conservation Futures	600,000		600,000
Deferred Projects	945,900		945,900
Federal Grant - STP		2,788,510	2,788,510
Gas Tax	275,000	1,375,000	1,650,000
General Facility Charges	571,950	10,923,600	11,495,550
Grant	65,000	15,210,183	15,275,183
Impact Fees	1,151,916	27,647,823	28,799,739
Rates	6,546,650	25,272,400	31,819,050
SEPA Mitigation	240,048	300,000	540,048
Stormwater Utility Rates	168,700	950,500	1,119,200
TBD	720,000	2,810,000	3,530,000
Voted Utility Tax	1,806,000	12,691,000	14,497,000
WSDOT		850,000	850,000
TOTAL	\$15,713,164	\$112,001,106	\$127,714,270

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County Funded Projects in Urban Growth Boundary			
Project	2012	2013-2017	Total
Buildings			
HVAC Renovation		\$7,710,000	\$7,710,000
3400 Property Master Plan	\$2,065,000	1,000,000	3,065,000
Special Capital Projects	1,142,988	7,700,000	8,842,988
Purchase Additional Campus Buildings		3,500,000	3,500,000
Bldg. 5 Tenant Improvements	1,330,000		1,330,000
Courthouse Security Project		120,000	120,000
County Master Plan		500,000	500,000
Sheriff Training / Patrol Facility		2,350,000	2,350,000
Health Dept. Fiber Optics	170,000		170,000
Mansard Roof Replacement		715,000	715,000
Emergency Power Projects		118,000	118,000
Mottman Fuel Station		750,000	750,000
Stormwater			
Donnelly Drive Infiltration Gallery		130,000	130,000
Roads & Transportation Services			
Yelm Highway from Henderson Rd. to Rich Rd.	500,000		500,000
Ellis Creek Fish Passage		1,000,000	1,000,000
Chehalis Western Trail - Bridging the GAP Ph-3 Pacific Ave. Crossing	3,850,827		3,850,827
Parks and Recreation			
Chehalis Western Trail		1,675,000	1,675,000
TOTAL	\$9,058,815	\$27,268,000	\$36,326,815

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