



# Investing in Olympia's Future 2.0

## Parks & Arts Facilities

- Yelm Highway Community Park
- Armory Arts Center

June 16, 2025, Finance Committee  
Sylvana Niehuser, Interim Director

# Executive Summary 2.0

Costs have risen significantly from \$37.5M to \$49M

Value Engineering brought costs down to \$45.7M

Armory is at 80% design, Conditional Use Permit has been submitted

Yelm Highway is at 90% design, ready for Bid in Nov/Dec.

Four Options – Staff recommends option 3a

- Option 1 – 20-year debt, use current funding, Armory reduced scope, use add'l \$2.3M from other projects
- Option 2 – 20-year debt, use \$300K of 2029 expiring NVUT ½%, Armory reduced scope
- **Option 3** – 20-year debt, use 2029 expiring NVUT ½% until 2047, add'l \$1.3M fund bal.



# Proposal 2.0

Approve a debt financing package to fund two transformative community projects—the Yelm Highway Community Park and the Armory Arts Center.





# Agenda

1. What has changed?
2. Financial Strategy and Debt Package
3. Next Steps
4. Discussion and Questions





# Two Historic Large-Scale Projects

Yelm Highway Community Park Phase I



\$25.3M Design & Construction Cost  
**Now \$27M**

Armory Arts Center Critical Improvements



\$12.2M Design & Construction Cost  
**Now \$19M**



# Yelm Highway Community Park Phase I





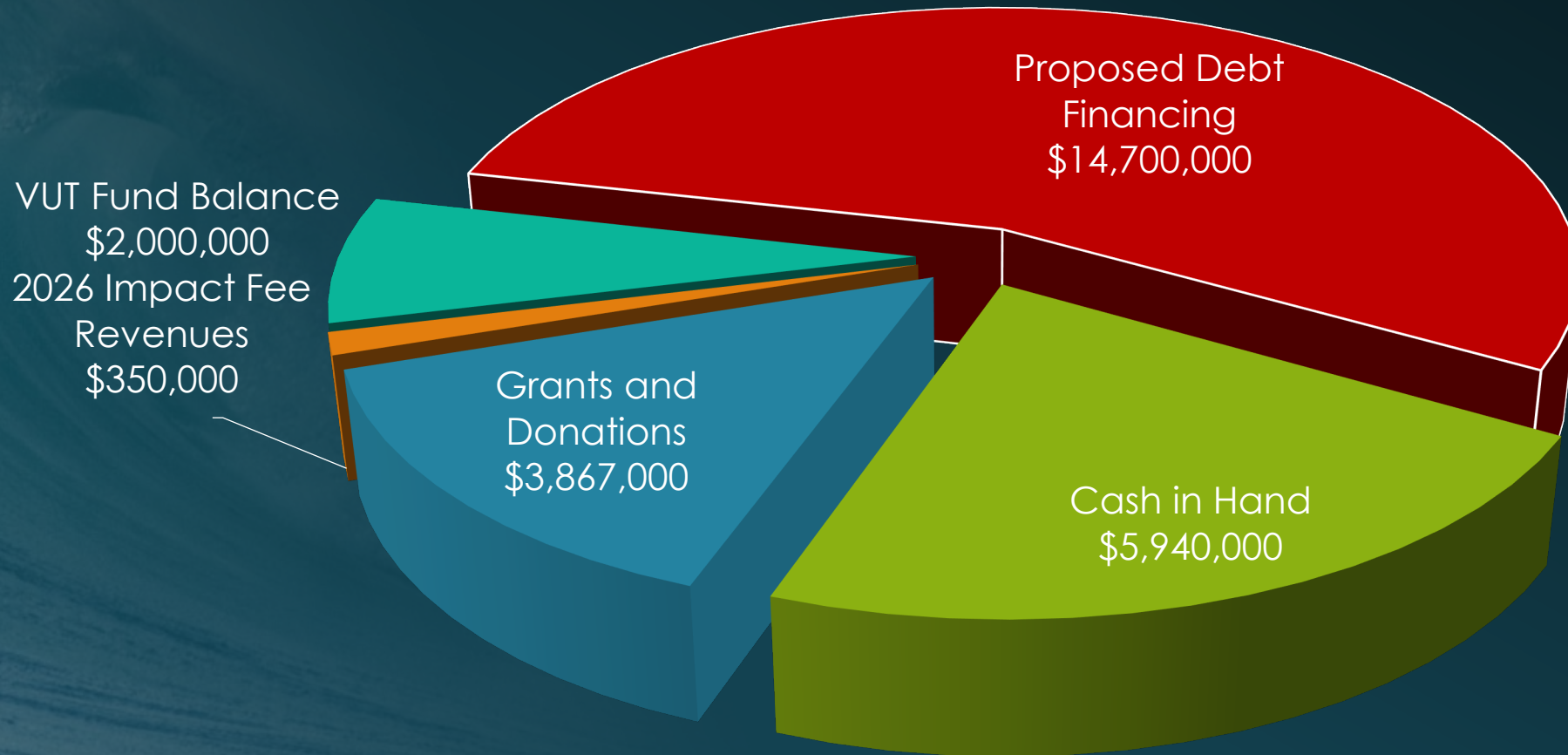
# Yelm Highway Community Park - Phase I

## Reduced Scope

- Maintenance facility – shop reduced by 50%
- Reduced picnic shelters to 1
- Concrete to Asphalt
- Reduced landscaping
- **Cost: \$25.3M \$26.7M**
- **Investment to date: \$14.07M**
- **Grants secured: \$3.85 M**



# Yelm Highway Community Park Funding



Total Project Cost: \$26.7M



# Armory Arts Center Critical Improvements





# Armory Arts Center – Phase I

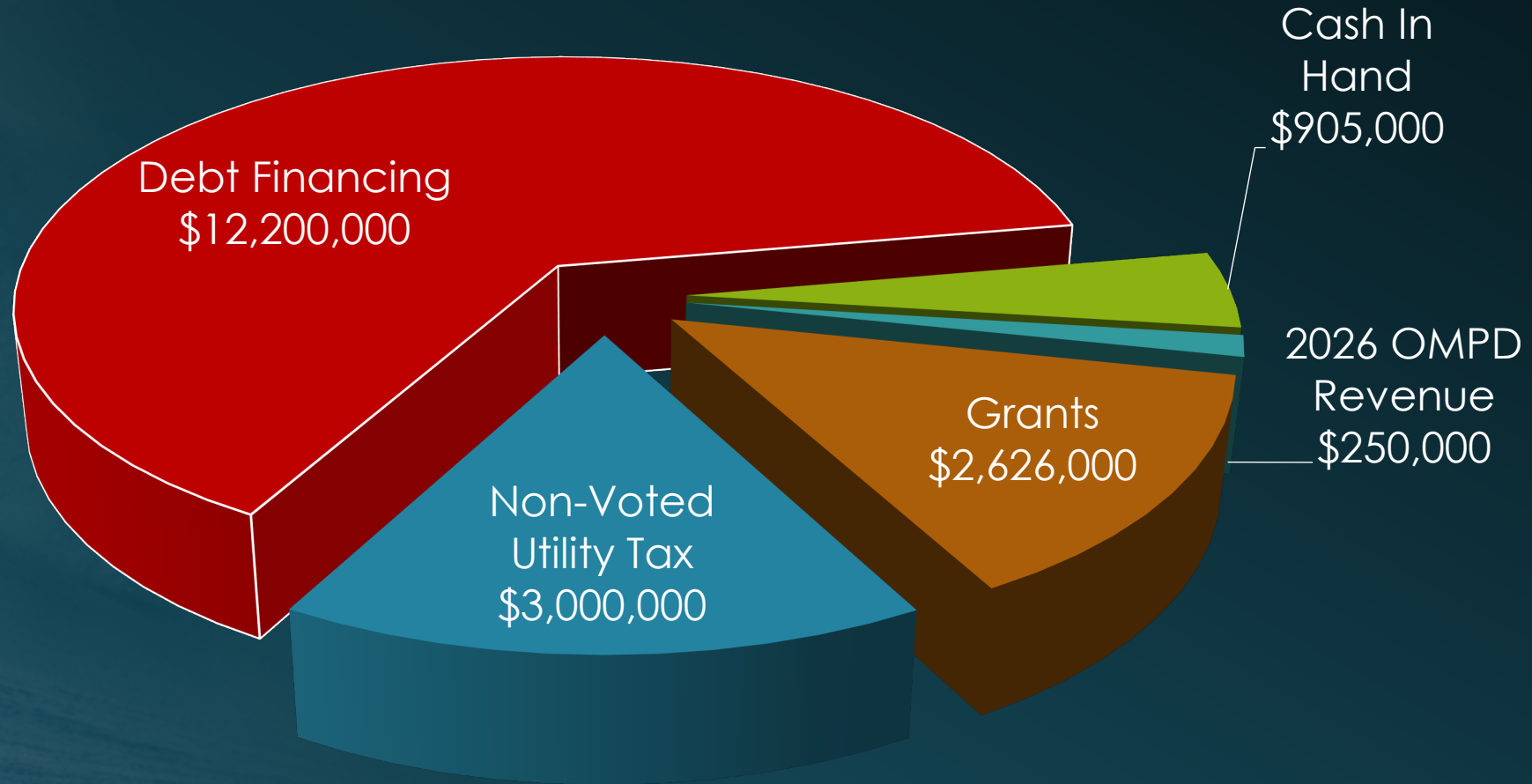


## Safety and Accessibility:

- ADA improvements
- Structural improvements
- Elevator installation
- Solar panel installation and roof reinforcement
- Fire suppression and electrical upgrades
- **Cost: \$12.2M \$19M**
- **Investment: ~\$1.2M+**
- **Grants: ~\$2.5M**



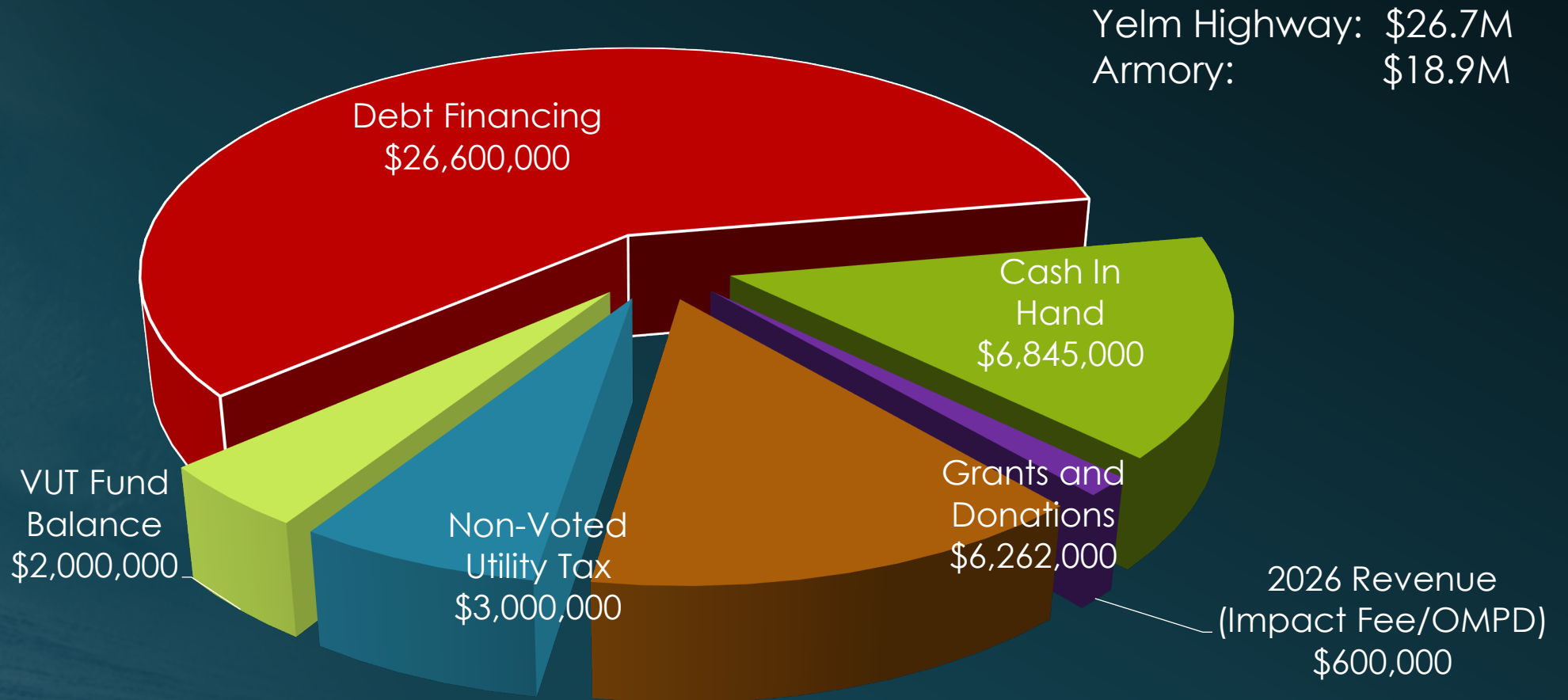
# Armory Arts Center Funding



Total Anticipated Cost: \$18.9M



# Cumulative Funding for Both Projects





# Option 1:

20-year debt – *Use current parks funding only*

- Proceeds \$18.75M, Payment \$1.45M
- Do not use 2029 NVUT for debt-repayment (*would go back to general fund in 2030*)
- Pay down costs \$2.3M (\$1M VUT, \$300K impact fees fund balance, \$1M Inclusive Playground)
- Reduce YHCP Scope \$1.25M (add'l cuts to maintenance facility)
- Reduce Armory Scope to \$12.7M project
  - Remove Solar & solar array preparations
  - Reduce lighting improvements significantly
  - Remove Audio/Visual improvements
  - Remove interior finishes (paint, ceiling and flooring finishes)
  - Do not replace the garage door/interior doors



# Option 2:

## 20-year debt

- Proceeds ~ \$22.3M
- Annual Payment ~ \$1.7M
- Use \$300K of 2029 expiring NVUT ½% for debt repayment
  - Extend the use of these funds until 2047
  - Use \$200K for development/acquisition
- Reduce scope of Armory project – No solar in this phase



# Option 3:

20-year debt

- Proceeds ~ \$25.2M
- Annual Payment \$1.95M
- Use \$525K of 2029 expiring NVUT ½% for debt repayment
- Use \$1.3M fund balances
- Fully fund Armory Phase I

# Annual Debt Repayment – Option 3

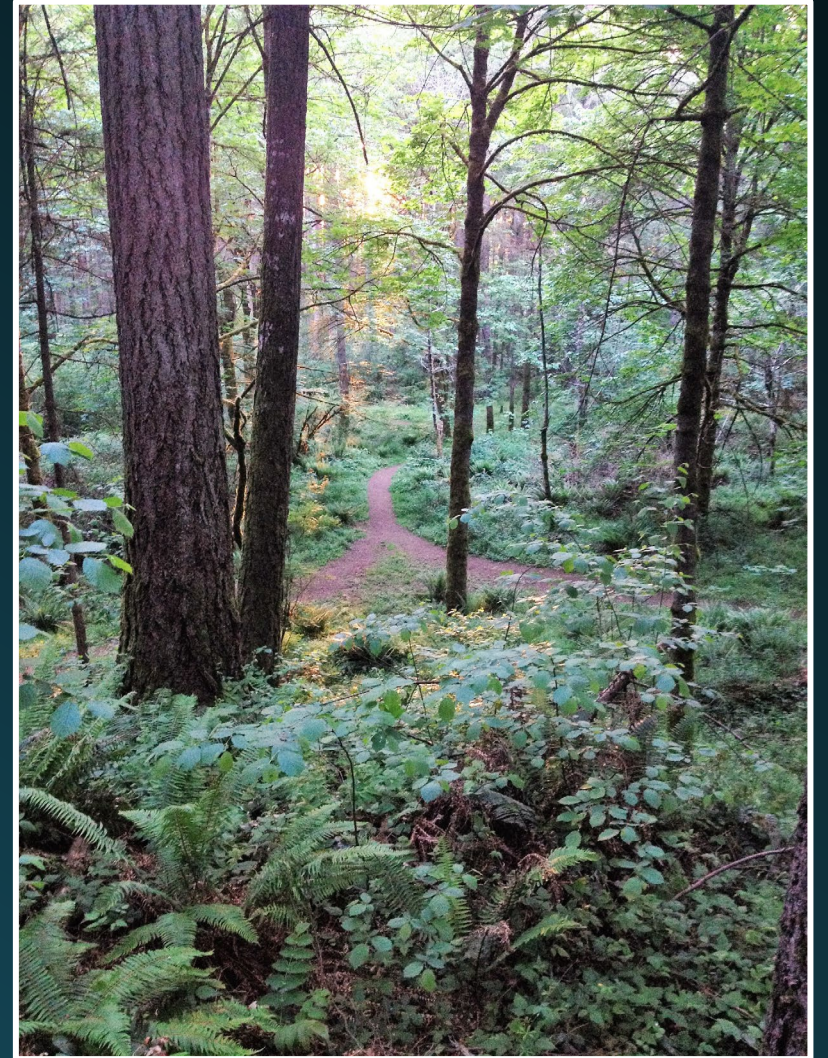
	Voted Utility Tax	OMPD	Non-Voted Utility Tax
Annual Revenue (Projected for 2027)	\$2,200,000	\$5,740,000	\$525,000
Debt Service			
Land Acquisition (expires 2039)	(\$1,010,000)		
<b>Armory and Yelm Highway</b>	<b>(\$700,000)</b>	<b>(\$750,000)</b>	<b>(\$525,000)</b>
Sidewalks/Pathways	(\$25,000)		
Operating Budget	(\$465,000)	(\$4,080,000)	
Capital Budget		(\$910,000)	
Land Acquisition (sunsets in 2029)			\$525,000

\*Revenue from Impact and SEPA fees or the general fund are not included in this table.



# Impact of Debt – Option 3

- Acquisition Debt Service (2020-2039)
- Development pace slows down
- Commitment of Voted Utility Tax and OMPD Funds
- Remaining OMPD Capital funds support current infrastructure improvements
- Impact Fees and SEPA mitigation fees will provide funds for grant match and new development projects
- 2029 NVUT ½% - **Proposed extension to 2047**





# Financial Strategy - Debt Proposal Option 3

1. Issue 20-Year Bond
2. Annual payment **\$1.95**
3. **Estimated \$25.2M proceeds**
4. First debt payment in 2027
5. Secure funds in September 2025
6. Repay debt with revenue dedicated to Parks, Arts & Recreation + ongoing 2029 NVUT





# Timeline

June 2025	Finance Committee - Update of Debt Package
July 2025	Council Meeting to Approve Bond Ordinance
September 2025	Bond Sale
September 2025	Bond Funds Available Armory Start Construction
February 2026	Yelm Highway Start Construction
Fall 2026	Armory Re-Opening
Spring 2027	Yelm Highway Ribbon Cutting

# Discussion & Questions





# Financial Strategy - Debt Proposal Option 3

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