



October 14, 2014

Olympia City Council
PO Box 1967
Olympia, WA 98507

Dear Mayor Buxbaum and City Council Members:

The Olympia Planning Commission (OPC) has conducted its review of the City of Olympia's 2015-2020 Preliminary Capital Facilities Plan (Draft CFP) as required by the Growth Management Act. We agree that taking care of our existing resources should be the major emphasis of the plan. Following is a summary of our recommendations for your consideration.

CAPITAL FACILITIES ELEMENT GOALS AND POLICIES

The 2013 Planning Commission CFP letter included a recommendation that Council allow the OPC to review the Capital Facilities Element (CFE) goals and policies that are found on page 127 of the this year's Draft CFP. These goals and policies are part of the Comprehensive Plan, but were not part of Planning Commission's Comprehensive Plan review. We received approval to review the CFE at the June 12, 2014 meeting of the Council's Community Economic Revitalization Subcommittee.

Over the past few months, the OPC Finance Subcommittee worked on a draft update of the CFE goals and policies. One of our main objectives was to ensure that projects in the Capital Facilities Plan are consistent with the Comprehensive Plan recommended by the Planning Commission and now under review by Council. In particular, we wanted to ensure that future CFPs reflect Comprehensive Plan goals to make the City more compact as a means to increase walkability, reduce the need for car trips, increase the feasibility of improved transit service, and provide a wider range of housing opportunities.

We also recommended in the 2013 CFP letter that Council consider updating the Long Term Financial Strategy (LTFS) developed in 1999 by the Olympia City Council. The LTFS principles and guidelines, which are listed on page vi of the Draft CFP, are used by the City to determine which projects to include in the Capital Facilities Plan. As part of our update to the CFE, we incorporated many of the principles and guidelines from the LTFS.

Recommendation: The OPC's draft update to the detailed CFE goals and policies (with and without track changes) is provided as an attachment to this letter. The draft was reviewed and approved by the full OPC for transmittal to Council. We recommend the Council review the draft and provide feedback on the proposed changes. If, after review, the Council decides to

proceed with an update of the CFE, the public should be given ample opportunity to provide comment on the draft proposed by the Commission, as revised by the Council.

We also recommend that, when adopted, the CFE goals and policies be used to determine which projects to include in the CFP. In our draft proposal, guidelines and policies from the LTFS that are relevant to the CFP have been included. The CFE, as an official part of the Comprehensive Plan, should be the reference for CFP development rather than the LTFS.

MAINTENANCE FUNDING

The Planning Commission agrees that protection of our assets should be the first priority of capital funding in the Draft CFP. The OPC supports the decision of the Council to extend the utility tax to cable. We suggest that this new revenue be applied to building maintenance as recommended in the Draft CFP.

Additional funding is also needed for parks and street maintenance. The City needs to find ways to more fully fund its maintenance responsibilities now or deficiencies will increase in size and cost, and negatively impact quality of service and future budgets.

Recommendation: The Planning Commission recognizes that, given the current financial conditions, meeting our maintenance funding needs is no easy task. However, we believe that the City should place a priority on implementing revenue measures that address park and road maintenance needs. Our recommendations regarding park and road maintenance funding are included in the Parks and Transportation sections of this letter.

TWO-YEAR BUDGET

In several cases, funding projected for the second year of the six-year CFP period has not been provided or has been reduced significantly when the budget for that year is adopted. Examples we've seen in recent years include bicycle, sidewalk, and park maintenance programs. The OPC believes that providing greater certainty to the City's funding projections would be beneficial to citizens, staff, and City officials.

One way to provide more accurate funding projections in our CFP is to adopt two-year budgeting in place of our current one-year budget process. Currently, 36 cities and six counties in Washington are using biennial budgeting. Two-year budgeting has been allowed in Washington since passage of legislation in 1985 (see 35.34 RCW). Nearby cities with two-year budgets include Tumwater, Tacoma, and University Place.

An updated version of a 2004 article by Mike Bailey, Finance Director for the City of Redmond, points out the pros and cons of two-year budgeting. Advantages include time savings, a longer term planning perspective, a more strategic approach to financial planning, and less focus on budget in election years when members have less time available. Disadvantages cited in the article include loss of control over supplemental year funding, difficulty in forecasting, and software limitations. (Note: this article and other

information on biennial budgeting can be found on the MRSC of Washington website: <http://www.mrsc.org/subjects/finance/budgets/biennial.aspx>)

The City of Olympia used a two-year budget in the mid-1980s, but converted back to one-year budgeting after a short time. Administrative Services Director Jane Kirkemo can provide more detail about that decision.

Recommendation: The Planning Commission recommends the Council consider converting to a two-year budget for capital and operating expenditures. Revenue data for establishing estimates for the second year are available from city and county sources. By law, the first year of a two-year budget must be an odd year. Thus, the first opportunity for the City to implement a two-year budget would be the 2017-2018 biennium.

PARKS

Parks Funding

Parks are a valuable amenity to Olympia residents and demand continues to grow. Research shows that parks promote public wellbeing and enhance property values.

Community Parks are places for large-scale community use. They include athletic field complexes as well as sites with unique uses. Park standards indicate the need for more community parks by 2020 to serve Olympia's projected population. Though maintenance funds are inadequate, acquisition funds are available through impact fees, SEPA mitigation fees, and real estate excise taxes. Additional funding capacity will be available at the end of 2016 when the 10-year bonds issued in 2006 will be retired. Due to existing obligations, funds for the acquisition of Community Parks are not being requested in the 2015 Capital budget.

Through its Condition Assessment and Major Maintenance Program (CAMPP), the Parks Department has identified \$3 million of backlog in major parks maintenance projects and requested \$500,000 per year to address the backlog. In the 2014-2019 CFP, the City provided \$170,000 for CAMPP in 2014 and \$500,000 thereafter. The current Draft CFP includes \$250,000 for each of the six years in the plan.

The Department is initiating a business plan to accompany the next update of its long-range Parks, Arts, and Recreation Plan, scheduled to begin in 2015. The business plan will provide a comprehensive analysis of park needs, existing and potential revenue sources, and funding scenarios.

Metropolitan park districts may be created for the management, control, improvement, maintenance, and acquisition of parks, parkways, boulevards, and recreational facilities. Such districts have broad powers, including the ability to issue general obligation bonds equal to 2 ½ percent of their assessed valuations. Jurisdictions also have broad latitude to

design metropolitan park districts to meet their needs. See: <http://www.mrsc.org/subjects/parks/spd-mpd.aspx> and <http://www.mrsc.org/subjects/parks/spd-mpdfin.aspx> (finance).

Recommendation: The City should consider increasing revenues, rather than reducing Park standards. Impact fees should continue to be used for land acquisition (they are prohibited from being used for maintenance). In addition, the formation of a Metropolitan Park District (MPD) should be considered as a way to enhance revenues for acquisition and maintenance.

As part of its new business plan, we recommend that the Parks Department research the feasibility and advantages of forming a MPD. While this option was examined by the City in the 1980s and rejected at the time, the laws governing MPDs have changed since then and it is possible that circumstances today are different enough to make such a choice feasible and advantageous. This analysis should be thorough and include an assessment of lessons learned in jurisdictions that have adopted MPDs, such as Seattle and Tacoma, as well as consulting with our neighboring jurisdictions about their interest in participating in a regional MPD.

Because demand for new community parks continues to exceed funding capacity, it is important for the Parks Department to be strategic about parkland acquisitions. We recommend that the Department prioritize the acquisition requests it receives through a periodic public preference survey.

A Downtown Plan will be initiated in 2015 that will identify urban park needs, among many other possible downtown improvements. We recommend that the Parks Department wait for the outcome of that plan before investing any further funds or making any further improvements in downtown urban parks, other than immediate safety improvements, such as fencing.

If Council does not implement an MPD, it should consider devoting some portion of any new funding source it implements to parks maintenance. As stated earlier in the letter, we believe maintenance of existing infrastructure should be a top priority for the City.

TRANSPORTATION

Multimodal Investment

The Planning Commission recognizes the severe fiscal constraints under which the City operates and which result in the continued suspension of funding for many transportation programs in 2015. As a consequence of these ongoing constraints, the stated goals and objectives of the transportation program are unrealistic guides to future transportation investments.

Recommendation: The City should undertake a fundamental reassessment of the goals and objectives of transportation programs in light of the continued constraints on transportation funding. Unless major changes occur in funding for transportation, the goals and objectives stated in the CFP for the various transportation programs should be rethought and revised if the CFP is to be credible and effective.

The Draft CFP would be significantly enhanced if a more systematic and structured process was used to allocate funds among modes. The project lists in the Draft CFP are based on criteria specific to each mode—motorized vehicles, bicycles, walking, and public transit. The City needs a more logical and comprehensive approach to allocating funds among these four modes. Allocation of funds should reflect the contribution of each mode to creating a more compact and walkable city.

The draft CFP uses level of service (LOS) as a criterion for recommended transportation investments. Many transportation analysts characterize LOS as a car-based criterion that promotes continued and expanded car use. In California urban areas, LOS is being replaced by “VMT” (vehicle miles traveled). Transportation projects, including improved bicycle and pedestrian facilities, will be evaluated in terms of their ability to REDUCE vehicle miles traveled by private cars. This approach needs to be considered by Olympia. The cities of Bellingham and Redmond have implemented programs allowing use of impact fees for alternative modes.

Transportation decisions should also reflect considerations of social equity. Specifically, the recommended transportation projects in the CFP should more fully consider the needs of those who cannot afford or operate private motor vehicles. Changes in demographics are likely to reduce the number of people owning motor vehicles and increase the use of alternative modes.

Bicycle Facilities Program

The bicycle program described on page 50 of the Draft CFP relies on the Street Repair and Reconstruction Program for future bicycle infrastructure improvements. The proposed project list does not reflect the need to create a connected and coherent network of bicycle facilities. The OPC thanks the Council for including \$100,000 in the 2014 budget to begin work on such a network.

We support continued efforts to create a bicycle network that serves citizens of all ages and interests. Under the current approach to bike facilities, designated bike lanes in the right-of-way, bicycling will remain the domain of the “fit and the fearless.” The City should consider providing physically protected bike lanes through downtown and other congested areas of the City to encourage ridership by people who would like to ride but are intimidated by car traffic.

The very high cost of proposed street reconstruction projects is due, in part, to stormwater mitigation. The Bicycle Facilities Program text states that “additional pavement width from

the bicycle facility triggers stormwater mitigation requirements.” Many cities have been able to create bike lanes without widening the roadway through “road diets” and “lane diets.” A road diet reduces the number of lanes through the use of shared turn lanes and a lane diet shrinks the width of lanes. These strategies have slowed vehicle speeds, but not necessarily throughput, and increased safety for cars, pedestrians and bicyclists, while maintaining the existing street width.

Only 9% of the facilities in the 2009 Bicycle Master Plan have been completed to date (p. 51). To achieve the alternative transportation goals in the proposed Comprehensive Plan, it's important that the development of our bicycle network advance more quickly. The commitment of \$100,000 for “bicycle boulevards” in the current Capital Facilities Plan provides a good first step toward this goal. As noted above, protected bike lanes through the downtown and other congested areas need to be considered if bike boulevards are to be part of a bicycle network.

Recommendation: The City should acknowledge the continued postponement of funding for the Bicycle Program and consider updating the 2009 Bicycle Master Plan, continue work on creating a family-friendly bicycle network, explore creation of protected bike lanes in congested areas of the City, and consider alternative designs, such as road and lane “diets,” to reduce the cost of bicycle facilities, including those projects that are part of the Street Repair and Reconstruction Program.

Sidewalks, Pathways, and Other Pedestrian Programs

The Parks and Pathways–Sidewalk Program (p. 56) and the Sidewalk Construction Program (p. 59) both address the City’s sidewalk needs. The Draft CFP provides \$6.5 million and \$153,000, respectively, for these two programs. Since 2003, only 9.2% of the sidewalk miles included in the 2003 Program Sidewalk Plan have been completed. At the current rate, the sidewalk “needs” will not be met for many decades. We need to adjust our expectations, increase funding, or find ways to make our investment go farther.

The Parks and Pathways – Neighborhood Pathways Program is funded at \$125,000 for 2015 and the following five years (p. 54). Neighborhood involvement in this program in 2014 has been very encouraging and the completed projects are widely supported in the community.

Recommendation: The OPC recommends that the City consider revising the technical requirements and construction standards for sidewalks to make our dollars go farther.

Based on evidence that “walkability” depends to a significant extent on walkable destinations, investment in sidewalks should be closely tied to existing and future neighborhood centers.

The City should reassess the 2003 sidewalk priority list by accepting input from neighborhood associations and other citizen groups on local sidewalk priorities. This input would be based in part on the planned neighborhood planning process.

The OPC supports continued funding of the Neighborhood Pathways Program out of Parks and Pathways utility tax funds.

We also strongly support the pedestrian safety projects in the Hazard Elimination (p.53), Pedestrian Crossing Improvements (p. 57), and ADA Requirements (p. 61) programs. These programs should be very high priorities of the City for at least three reasons: the value of human life, the need to encourage walking, and the potential cost to the City from liability claims.

Street Repair and Reconstruction

The assumed out-year funding of \$2.1 million falls far short of the \$5 million annual funding needed to keep street condition ratings from declining over the next 20 years" (Staff fact sheet, September 2013). The same fact sheet indicates that, in current dollars, the backlog of rehabilitation in 2013 would require \$42 million dollars. That backlog has likely increased in 2014, given the shortfall in annual funding. Six million dollars per year is needed to reduce the backlog to \$2 million in 20 years. The currently proposed funding of \$2.1 million per year remains well below the \$5 million annual investment required to keep the street condition rating from further decline.

Recommendation: In response to the deteriorating rating for existing streets and the increasing backlog of streets in need of rehabilitation, the City should consider a public process to describe in clear and concise terms the existing street conditions and trends and the current street rating target. It should then invite public comment on a desired street rating target and the possible means to fund the desired level of street repair and reconstruction.

We also recommend that the Council support efforts to implement new legislation that would allow an increase in the Transportation Benefit District vehicle license fee from the current \$20 per vehicle without a public vote. Legislation has been proposed, but has failed, in recent years to increase the non-voted fee from \$20 to \$40.

TRANSPORTATION WITH IMPACT FEES

Relationship to the Comprehensive Plan

The City cannot collect impact fees in the Urban Growth Area (UGA). The costs of projects attributable to growth in the UGA (p. 67) are funded by grants, not impact fees.

The project descriptions for impact fee projects provide little specific information on whether or how the projects will contribute to a more compact, walkable city. The project descriptions also pay insufficient attention to the capacity of existing roads to accept the additional traffic that may result from the planned projects.

Recommendation: Given the clearly stated objective in the Comprehensive Plan for a more compact city, the City's policy regarding application for grants supporting expansion of the City into the UGA needs to be examined. The City should not apply for state or federal funding of transportation projects in the Urban Growth Area until the City Council determines that such projects reflect land use goals of the Comprehensive Plan.

The project description for each of the impact fee projects should describe how the project might promote a more compact and walkable city and how the existing road network would be impacted by the proposed project.

Specific attention should be directed to how the land use assumptions used in generating the demand for and funding of the specific project might be affected by policies to encourage development at the urban nodes identified in the Comprehensive Plan Update.

GENERAL CAPITAL FACILITIES

Urban Forestry

The proposed update to the comprehensive plan contains numerous references to trees, including an urban forestry goal (GN3) with six policies, four of them new. Trees provide a number of vital functions, such as decreasing storm water runoff, reducing the effects of heat, and providing carbon sequestration. They also enhance the visual landscape, reduce stress, and promote health, as well as augment property value. However, the City does not have an urban forestry master plan or targeted goals for tree canopy. Last year the City increased funding for a part time urban forestry position and was awarded an EPA Greening America's Capitols grant for the "Greening of Capitol Way" project.

Last year a Tree Subcommittee was formed and submitted a report to the Land Use and Environment Committee in April. The subcommittee developed the following vision statement: *"Build an urban forestry program that protects and multiplies Olympia's trees to benefit the community, the environment and future generations."* The report contained five recommended steps to reestablish and strengthen programs to protect and develop the City's urban forest. Some of the recommendations included improving long-term planning for an urban forest, considering trees as infrastructure, establishing a citizen's tree advisory committee, developing an urban forestry master plan, reestablishing a landmark tree program, establishing and training a tree volunteers to support urban forestry, supporting tree planting and acquiring urban green space to maintain a healthy tree canopy.

Recommendation: The City should add funding in the CFP to develop an urban forestry master plan and support an urban forestry program within the six-year CFP time frame.

Additionally, the City should consider implementing other recommendations of the Tree Subcommittee as feasible. Trees are an asset with numerous benefits to the community and require responsible management.

OLYMPIA SCHOOL DISTRICT

Under provisions of the Growth Management Act, the City collects school impact fees which are then transferred to the Olympia School District (District). Because of the role of the City in collecting school impact fees, the City routinely reviews the Capital Facilities Plan (CFP) of the Olympia School District.

The CFP of the District and the calculation of impact fees contained therein is the exclusive responsibility of the District. Any concerns or challenges to the fee, the manner in which it is calculated, or the transparency of the calculation are matters for the District and not the City to resolve. The Commission does, however, identify two separate areas of concern for consideration by the District and Council.

Fluctuation of School Impact Fees

The wide annual variation in impact fees over recent years and the significant difference between the fees for single family residences and multi-family residences requires a detailed explanation and elimination in future capital facility plans of the District. For example, the single family home impact fee was \$2,735 in 2010, \$659 in 2011, \$2,969 in 2012, and \$5,179 in 2013. The multi-family home impact fee was \$1,152 in 2011, \$235 in 2012, \$0 in 2013 and \$1,749 in 2014. (p. 41)

These very large swings undercut public confidence in the impact fee process and appear unfair to homeowners and developers who pay the higher amounts. A methodology employing a multi-year average of both new home and apartment construction and of new school facilities construction resulting from this new home and apartment construction in the planning period needs to be considered to reduce the seemingly random fee schedule.

Areas of Shared Interest between District and City

The District's CFP should describe expenditures by the District on the safe routes to school program and possible coordination between such investments by the District and expenditures by the City for sidewalks and pathways. The District owns playfields and open space that are used by residents of the City when not in use by students. The CFP might address whether the cost-sharing program between the District and the City of Olympia for proper maintenance of these facilities should be expanded.

The siting of schools has major implications for the health and learning environment of students and the transportation and land use goals of the City. These implications include, but are not limited to, the effect of adjacent transportation facilities on pollution and noise levels, the feasibility of non-motorized access to schools by students, and the influence of

school location on residential development. For these reasons, the City suggests the District develop specific siting criteria for new school facilities.

RECOMMENDATIONS FROM 2013 LETTER

We ask that this letter be viewed as a supplement to the CFP recommendation letter the Planning Commission submitted to Council on October 13, 2013. To avoid repetition, we have not brought forward our language on several recommendations in that letter. However, we encourage you to revisit the following issues in the 2013 letter which we continue to support:

- Developing a comprehensive funding plan for Percival Landing.
- Using voted utility tax for a new bond issue to purchase new community park facilities after current bonds are paid off in 2016.
- Implementing volume-based rates for residential wastewater use.
- Increasing acquisition and stewardship of land for protection of aquatic habitat.

CONCLUSION

The Olympia Planning Commission and its Finance Subcommittee appreciate the opportunity to provide these comments and recommendations regarding the 2015-2020 Capital Facilities Plan. We hope the Council finds them helpful in their budget deliberations. We will gladly answer any questions that might arise from this letter.

We also would like to express our appreciation for the work of all those who helped develop the Draft CFP and OSD CFP, and for those who patiently answered our many questions, including Jane Kirkemo, Mark Russell, Randy Wesselman, Sophie Stimson, David Hanna, David Okerlund, and Andy Haub of City staff and Jennifer Priddy of OSD. Many thanks to Keith Stahley and Nancy Lenzi of Community Planning and Development staff for their support of our Finance Subcommittee. We would also like to thank the Utility Advisory Committee, Bicycle and Pedestrian Advisory Committee, and members of the public who provided comments and letters.

Sincerely,



MAX BROWN, CHAIR
Olympia Planning Commission



ROGER HORN, CHAIR
OPC Finance Subcommittee

Encl: OPC Recommendations on CFE 20-Year Goals & Policies

**Draft Update of Goals and Policies
Capital Facilities Element of the Comprehensive Plan
Olympia Planning Commission – October 14, 2014**

Goal 1: The Capital Facilities Plan provides the public facilities needed to promote orderly compact urban growth, protect investments, maximize use of existing facilities, encourage economic development and redevelopment, promote private investment, increase public wellbeing and safety, and implement the Comprehensive Plan.

Policy 1.1: Annually review, update and amend a six-year Capital Facilities Plan that:

- a. Is subject to annual review and adoption, respectively, by the Planning Commission and City Council.
- b. Is consistent with the Comprehensive Plan, master plans and adopted investment strategies.
- c. Defines the scope and location of capital projects or equipment;
- d. States why each project is needed and its relationship to established levels of service.
- e. Includes project construction costs, timing, funding sources, and projected operations and maintenance impacts.
- f. Serves as the City's plan for capital project development.
- g. Includes an inventory of existing capital facilities and a forecast of capital facility needs;
- h. Monitors the progress of capital facilities planning with respect to rates of growth, development trends, changing priorities, and budget and financial considerations.
- i. Considers needs and priorities beyond the 6-year time horizon.
- j. Is coordinated with Thurston County and the Olympia School District if school impact fees are being charged.

Policy 1.2: Encourage active citizen participation throughout the process of developing and adopting the Capital Facilities Plan. Provide the public with adequate time to review and respond to the Plan and related proposals.

Policy 1.3: Support joint development and use of facilities such as parks and museums, and protection of shared resources such as critical areas and open space.

Policy 1.4: Coordinate with other capital facilities service providers to keep each other current, maximize cost savings, and schedule and upgrade facilities efficiently.

Policy 1.5: Evaluate and prioritize proposed capital improvement projects using the following long-term financial strategy principles and guidelines:

- a. Do projects well or not at all.
- b. Focus programs on Olympia residents and businesses.
- c. Preserve and maintain physical infrastructure.
- d. Use an asset management approach to the City's real estate holdings.
- e. Use unexpected one-time revenues for one-time costs or reserves.
- f. Pursue innovative approaches.
- g. Maintain capacity to respond to emerging community needs.
- h. Address unfunded mandates.
- i. Selectively recover costs.

- j. Recognize the connection between the operating and capital budgets.
- k. Utilize partnerships wherever possible.
- l. Stay faithful to City goals over the long run.
- m. Think long-term.

Policy 1.6: Ensure that capital improvement projects are:

- a. Financially feasible.
- b. Consistent with planned growth patterns provided in the Comprehensive Plan.
- c. Consistent with State and Federal law.
- d. Compatible with plans of state agencies.
- e. Sustainable within the operating budget.

Policy 1.7: Give priority consideration to projects that:

- a. Are required to meet State or Federal law.
- b. Implement the Comprehensive Plan.
- c. Are needed to meet concurrency requirements for growth management.
- d. Are already initiated and to be completed in subsequent phases.
- e. Renovate existing facilities to remove deficiencies or allow their full use, preserve the community's prior investment or reduce maintenance and operating costs.
- f. Replace worn-out or obsolete facilities.
- g. Promote social, economic, and environmental revitalization of commercial, industrial, and residential areas in Olympia and its Growth Area.
- h. Are substantially funded through grants or other outside funding.
- i. Address public hazards.

Policy 1.8: Adopt each update of this Capital Facilities Plan as part of the Comprehensive Plan.

Policy 1.9: Adopt by reference updates of the Olympia School District Capital Facilities Plan as part of this Capital Facilities element. Identify and recommend to the District that it revise any elements of the School District's plan that are inconsistent with the Comprehensive Plan.

Policy 1.10: Monitor the progress of the Capital Facilities Plan on an ongoing basis.

Policy 1.11: Recognize the year in which a project is carried out, or the exact amounts of expenditures by year for individual facilities, may vary from that stated in the Capital Facilities Plan due to:

- a. Unanticipated revenues or revenues that become available to the City with conditions about when they may be used,
- b. Change in the timing of a facility to serve new development that occurs in an earlier or later year than had been anticipated in the Capital Facilities Plan,
- c. The nature of the Capital Facilities Plan as a multi-year planning document. The first year or years of the Plan are consistent with the budget adopted for that financial period. Projections for remaining years in the Plan may be changed before being adopted into a future budget.

Goal 2: As urbanization occurs, the capital facilities needed to direct and serve future development and redevelopment are provided for Olympia and its Urban Growth Area.

Policy 2.1: Provide the capital facilities needed to adequately serve the future growth anticipated by the Comprehensive Plan, within projected funding capabilities.

Policy 2.2: Plan and coordinate the location of public facilities and utilities to accommodate growth in advance of need, and in accordance with the following standards:

- Coordinate urban services, planning, and standards by identifying, in advance of development, sites for schools, parks, fire and police stations, major stormwater facilities, greenbelts, and open space consistent with goals and policies promoting compact growth in the Comprehensive Plan. Acquire sites for these facilities in a timely manner and as early as possible in the overall development of the area.
- Assure adequate capacity in all modes of transportation, public and private utilities, municipal services, parks, and schools.
- Protect groundwater from contamination and maintain groundwater in adequate supply by identifying and reserving future supplies well in advance of need.

Policy 2.3: Use the type, location, and phasing of public facilities and utilities to direct urban development and redevelopment consistent with the Comprehensive Plan. Consider the level of key facilities that can be provided when planning for various densities and types of urban land use.

Policy 2.4: Ensure adequate levels of public facilities and services are provided prior to or concurrent with land development within the Olympia Urban Growth Area.

Policy 2.6: When planning for public facilities, consider expected future economic activity.

Policy 2.7: Maintain a process for identifying and siting essential public facilities consistent with state law and County-wide Planning Policies.

Goal 3: The City prudently manages its fiscal resources to provide needed capital facilities.

Policy 3.1: Ensure a balanced approach to allocating financial resources among: (1) maintaining existing facilities, (2) eliminating existing capital facility deficiencies, and (3) providing new or expanding facilities to serve development and encourage redevelopment.

Policy 3.2: Use the Capital Facilities Plan to integrate all of the community's capital project resources (grants, bonds, city funds, donations, impact fees, and any other available funding).

Policy 3.3: Allow developers who install infrastructure with excess capacity to use latecomers agreements wherever reasonable.

Policy 3.4: Pursue funding strategies that derive revenues from growth that can be used to provide capital facilities to serve that growth. These strategies include, but are not limited to:

- Collecting impact fees for transportation, parks and open space, and schools.
- Allocating sewer and water connection fees primarily to capital improvements related to urban expansion.
- Developing and implementing other appropriate funding mechanisms to ensure new development's fair share contribution to public facilities.

Policy 3.5: Assess the additional operations and maintenance costs associated with acquisition or development of new capital facilities. If accommodating these costs places a financial burden on the operating budget, consider adjusting the capital plans.

Policy 3.6: Achieve more efficient use of capital funds through joint use of facilities and services by utilizing measures such as inter-local agreements, regional authorities, and negotiated use of privately and publicly owned land.

Policy 3.7: Consider potential new revenue sources for funding capital facilities, such as:

- a. Growth-induced tax revenues.
- b. Additional voter-approved revenue.
- c. Regional tax base sharing.
- d. Regional cost sharing for urban infrastructure.
- e. County-wide bonds.
- f. Local Improvement Districts.

Policy 3.8: Choose among the following available contingency strategies should the City be faced with capital facility funding shortfalls:

- Increase general revenues, rates, or user fees; change funding source(s).
- Decrease level of service standards in the Comprehensive Plan and reprioritize projects to focus on those related to concurrency.
- Change project scope to decrease the cost of selected facilities or delay construction.
- Decrease the demand for the public services or facilities by placing a moratorium on development, developing only in served areas until funding is available, or changing project timing and/or phasing.
- Encourage private funding of needed capital project; develop partnerships with Lacey, Tumwater and Thurston County (the metropolitan service area approach to services, facilities or funding); coordinate regional funding efforts; privatize services; mitigate under the State Environmental Protection Act (SEPA); issue long-term debt (bonds); use Local Improvement Districts (LID's); or sell unneeded City-owned assets.

Policy 3.9: Secure grants or private funds, when available, to finance capital facility projects when consistent with the Comprehensive Plan.

Policy 3.10: Reassess the Land Use Element of the Comprehensive Plan if probable funding for capital facilities falls short of needs.

Goal 4: Public facilities constructed in Olympia and its Growth Area meet appropriate safety, construction, durability and sustainability standards.

Policy 4.1: Adhere to Olympia's Engineering Development and Design Standards when constructing utility and transportation related facilities.

Policy 4.2: Regularly update the Engineering Development and Design Standards.

Policy 4.3: Ensure that the Engineering and Development and Design Standards are consistent with the Comprehensive Plan.

Policy 4.4: Apply value engineering approaches on major projects in order to efficiently use resources and meet community needs.

Draft Update of Goals and Policies
Capital Facilities Element of the Comprehensive Plan
Olympia Planning Commission – October 14, 2014

Goal 1: The Capital Facilities Plan provides the public facilities needed to promote orderly compact urban growth, protect investments, maximize use of existing facilities, encourage economic development and redevelopment, promote private investment, increase public wellbeing and safety, and implement the Comprehensive Plan are provided through the Capital Facilities Plan.

Policy 1.1: Annually review, update and amend a six-year Capital Facilities Plan that:

- a. Is subject to annual review and adoption, respectively, by the Planning Commission and City Council;
- b. Is consistent with the Comprehensive Plan, ~~and~~ master plans and adopted investment strategies;
- c. Defines the scope and location of capital projects or equipment;
- d. States why each project is needed ~~Defines each project's need~~ and its relationship to established levels of service;
- e. ~~Comprehensive Plan goals and policies, master plans, and other capital facilities projects;~~
- f.e. Includes the project construction costs, timing, funding sources, and projected operations and maintenance impacts;
- g.f. ~~Establishes a~~ Serves as the City's plan for capital project development;
- h.g. Includes an inventory of existing capital facilities and a forecast of ~~future~~ capital facility needs; ~~and an inventory of existing capital facilities;~~
- h. Monitors the progress of capital facilities planning with respect to rates of growth, development trends, changing priorities, and budget and financial considerations;
- i. Considers needs and priorities beyond the 6-year time horizon.
- j. Is coordinated with Thurston County and the Olympia School District if school impact fees are being charged.

Policy 1.2: Encourage active citizen participation throughout the process of developing and adopting the Capital Facilities Plan. Provide the public with adequate time to review and respond to the Plan and related proposals.

Policy 1.3: Support ~~and encourage~~ joint development and use of ~~cultural and community~~ facilities ~~with other governmental or community organizations in areas of mutual concern and benefits such as~~ parks and museums, and protection of shared resources such as critical areas and open space.

Policy 1.104: Coordinate with other capital facilities service providers to keep each other current, maximize cost savings, and schedule and upgrade facilities efficiently.

Policy 1.45: Evaluate and prioritize proposed capital improvement projects using all of the following long-term financial strategy principles and guidelines criteria:

- a. Do projects well or not at all.
- b. Focus programs on Olympia residents and businesses.
- c. Preserve and maintain physical infrastructure.
- d. Use an asset management approach to the City's real estate holdings.
- e. Use unexpected one-time revenues for one-time costs or reserves.

- f. Pursue innovative approaches.
- g. Maintain capacity to respond to emerging community needs.
- h. Address unfunded mandates.
- i. Selectively recover costs.
- j. Recognize the connection between the operating and capital budgets.
- k. Utilize partnerships wherever possible.
- l. Stay faithful to City goals over the long run.
- m. Think long-term.

Policy 1.6: ~~Ensure that capital improvement projects are: meet the following criteria:~~

- ~~a. Is it needed to correct existing deficiencies, replace needed facilities, or provide facilities needed for future growth?~~
- ~~b. Does it eliminate public hazards? Does it eliminate capacity deficits?~~
- ~~c. a. Is it financially feasible?~~
- ~~d. b. Is it being sited based on Consistent with projected planned growth patterns provided in the Comprehensive Plan.?~~
- ~~e. Does it serve new development and redevelopment?~~
- ~~c. Consistent with State and Federal law.~~
- ~~f. d. Is it Compatible with plans of state agencies.?~~
- ~~e. Are the local Sustainable within the operating budget perating budget impacts sustainable.?~~
- ~~f.~~

Policy 1.57: Give priority consideration to projects that:

- ~~a. Are required to meet State or Federal law.~~
- ~~a. b. Implement the Comprehensive Plan.~~
- ~~b. c. Are needed to meet concurrency requirements for growth management.~~
- ~~c. d. Are already initiated and to be completed in subsequent phases.~~
- ~~d. e. Renovate existing facilities to remove deficiencies or allow their full use, preserve the community's prior investment or reduce maintenance and operating costs.~~
- ~~e. f. Remove existing capital facilities deficiencies, encourage full use of existing facilities, or~~
~~Replace worn-out or obsolete facilities.~~
- ~~f. g. Promote social, economic, and environmental revitalization of commercial, industrial, and residential areas in Olympia and its Growth Area.~~
- ~~h. Are substantially funded through grants or other outside funding.~~
- ~~g. i. Address public hazards.~~

Policy 1.6: ~~Adopt by reference, in the appropriate chapters of the Comprehensive Plan, all master plans, their level of service standards, and future amendments. These plans must be consistent with the Comprehensive Plan.~~

Policy 1.78: ~~Adopt by reference the annual~~each update of this Capital Facilities Plan as part of the Comprehensive Plan.

Policy 1.89: Adopt by reference ~~the annual~~updates of the Olympia School District Capital Facilities Plan as part of this Capital Facilities element. Identify and recommend to the District that it revise any elements of the School District's plan that are inconsistent with the Comprehensive Plan.

Policy 1.910: Monitor the progress of the Capital Facilities Plan on an ongoing basis, ~~including completion of major maintenance projects, expansion of existing facilities, and addition of new facilities.~~

~~Policy 1.10: Coordinate with other capital facilities service providers to keep each other current, maximize cost savings, and schedule and upgrade facilities efficiently.~~

Policy 1.11: ~~Recognize~~ the year in which a project is carried out, or the exact amounts of expenditures by year for individual facilities, may vary from that stated in the Capital Facilities Plan due to:

- a. Unanticipated revenues or revenues that become available to the City with conditions about when they may be used,
- b. Change in the timing of a facility to serve new development that occurs in an earlier or later year than had been anticipated in the Capital Facilities Plan,
- c. The nature of the Capital Facilities Plan as a multi-year planning document, not a budget or financial document. The first year or years of the Plan are consistent with the budget adopted for that financial period. Projections for remaining years in the Plan may be changed before being adopted into a future budget.

Goal 2: As urbanization occurs, the capital facilities needed to ~~serve and direct~~ and serve future growth development and redevelopment are provided for Olympia and its Urban Growth Area.

Policy 2.1: Provide the capital facilities needed to adequately serve the future growth anticipated by the Comprehensive Plan, within projected funding capabilities.

Policy 2.2: Plan and coordinate the location of public facilities and utilities to accommodate growth in advance of need, and in accordance with the following standards:

- Coordinate urban services, planning, and standards by identifying, in advance of development, sites for schools, parks, fire and police stations, major stormwater facilities, greenbelts, and open space consistent with goals and policies promoting compact growth in the Comprehensive Plan. Acquire sites for these facilities in a timely manner and as early as possible in the overall development of the area.
- Assure adequate capacity in all modes of transportation, public and private utilities, ~~storm drainage systems,~~ municipal services, parks, and schools.
- Protect groundwater supplies from contamination and maintain groundwater in adequate supply by identifying and reserving future supplies well in advance of need.

Policy 2.3: Use the type, location, and phasing of public facilities and utilities to direct urban expansion development and redevelopment where it is needed consistent with the Comprehensive Plan. Consider the level of key facilities that can be provided when planning for various densities and types of urban land use.

Policy 2.4: ~~In cooperation with Thurston County, provide~~ Ensure adequate levels of public facilities and services, ~~in cooperation with Thurston County, are provided~~ prior to or concurrent with land development within the Olympia Urban Growth Area.

~~Policy 2.5: Encourage land banking as a reasonable approach to meeting the needs of future populations.~~

~~Policy 2.6: Consider When planning for public facilities, consider expected future economic activity with planning for public facilities and services.~~

Policy 2.7: Maintain a process for identifying and siting essential public facilities consistent with state law and County-wide Planning Policies.

Goal 3: The City ~~has~~ prudently manages its fiscal resources to provide needed capital facilities.

~~Policy 3.1: Manage the City of Olympia's fiscal resources to support providing needed capital improvements. Ensure a balanced approach to allocating financial resources betweenamong: (1) major maintenance ofmaintaining existing facilities, (2) eliminating existing capital facility deficiencies, and (3) providing new or expanding facilities to serve growthdevelopment and encourage redevelopment.~~

Policy 3.2: Use the Capital Facilities Plan to integrate all of the community's capital project resources (grants, bonds, city funds, donations, impact fees, and any other available funding).

~~Policy 3.3: Maintain consistency of current and future fiscal and funding policies for capital improvements with other Comprehensive Plan elements.~~

Policy 3.43: Allow developers who install infrastructure with excess capacity to use latecomers agreements wherever practicalreasonable.

Policy 3.54: Pursue funding strategies that derive revenues from growth that can be used to provide capital facilities to serve that growth ~~in order to achieve and maintain adopted level of service standards~~. These strategies include, but are not limited to:

- ~~Collecting Impact Feesfees: for Ttransportation, Pparks and Open open Spacespace, and Schoolschools, and Fire fire Protection protection and Suppressionsuppression~~
- ~~Allocate Allocating~~ sewer and water connection fees primarily to capital improvements related to urban expansion.
- ~~Developing~~ and ~~implementing~~ other appropriate funding mechanisms to ensure new development's fair share contribution to public facilities.

Policy 3.65: Assess the additional operations and maintenance costs associated with acquisition or development of new capital facilities. If accommodating these costs places a financial burden on the operating budget, consider adjusting the capital plans ~~should be adjusted~~.

~~Policy 3.76: Promote efficient and Achieve more efficient use of capital funds through joint use of facilities and services through suchby utilizing measures such as inter-local agreements, regional authorities, and negotiated use of privately and publicly owned land for open space.~~

~~Policy 3.8: Explore regional funding strategies for capital facilities to support comprehensive plans developed under the Growth Management Act.~~

Policy 3.97: ~~Investigate~~ Consider potential new revenue sources for funding capital facilities, such as:

- a. Growth-induced tax revenues.
- b. Additional voter-approved revenue.
- c. Regional tax base sharing.
- d. Regional cost sharing for urban infrastructure.
- e. County-wide bonds.
- f. Local Improvement Districts.

Policy 3.108: ~~Use~~ Choose among the following available contingency strategies should the City be faced with capital facility funding shortfalls:

- Increase ~~revenues~~: general revenues, rates, or user fees, ~~;~~ change funding source(s).
- Decrease level of service standards: ~~change in the~~ Comprehensive Plan, change level of service standards, reprioritize projects to focus on those related to concurrency.
- Decrease the cost of the facility: ~~c~~ Change project scope to decrease the cost of selected facilities or delay construction.
- Decrease the demand for the public services or facilities: ies by placing a moratorium on development, developing only in served areas until funding is available, or change changing project timing and/or phasing.
- Encourage private funding of ~~Other considerations: developer voluntarily funds~~ needed capital project; develop partnerships with Lacey, Tumwater and Thurston County (the metropolitan service area approach to services, facilities or funding); coordinate regional funding effortsstrategies; privatize ~~the services~~; mitigate under the State Environmental Protection Act (SEPA); issue long-term debt (bonds); use Local Improvement Districts (LID's); or sell unneeded City-owned assets.

Policy 3.119: Secure grants or private funds, when available, to finance capital facility projects when consistent with the Comprehensive Plan.

Policy 3.1210: ~~Take steps to ensure there is internal consistency between the Capital Facilities element and other elements of the Comprehensive Plan.~~ Reassess the Land Use ~~element~~ Element of the Comprehensive Plan if probable funding for capital facilities falls short of needs.

Goal 4: Public facilities constructed in Olympia and its Growth Area meet appropriate ~~standards for~~ safety, construction ability, durability and ~~maintainability~~ sustainability standards.

Policy 4.1: ~~Adhere to~~ Olympia's Engineering Development and Design Standards, ~~which are~~ regularly updated, ~~establish construction standards for~~ when constructing utility and transportation related facilities.

Policy 4.2: Regularly update the Engineering Development and Design Standards.

Policy 4.3: Ensure that the Engineering and Development and Design Standards are consistent with the Comprehensive Plan.

Policy 4.4: Apply value engineering approaches on major projects in order to efficiently use resources and meet community needs.