



Investing in Olympia's Future Parks & Arts Facilities

- Yelm Highway Community Park
- Armory Arts Center

July 8, 2025, City Council
Sylvana Niehuser, Interim Director

Executive Summary

Delivers Long-Awaited Facilities: First new community park in 40 years; long-pursued arts center finally realized.

Addresses Critical Gaps: Expands equitable access to recreational, cultural, and creative spaces for a growing community.

Leverages \$6.3M+ in External Grants: Maximizes use of state, federal, and philanthropic support. Risk of forfeiting funding and trust if delayed.

Strengthens Community Partnerships: Anchor tenants selected and ready to activate the Armory; deep community support demonstrated.

Protects Past Investments: Over \$15M already invested

Aligns with City Plans: Supports Olympia's Comprehensive Plan, Parks Plan, and ARCH Plan priorities.

Combining Projects to Reduce Costs: Joint bond issuance lowers fees and staff time.

Timely Market Opportunity: Prepared to secure favorable rates; design is shovel-ready.

Executive Summary

Staff Recommended Option

- 30-year bond
- \$26.57M in proceeds
- Fully funds both projects
- \$1.72M annual payment (starts in 2026)
- Use of \$270K NVUT (expires in 2029) funds – *proposed extension to 20 years*

Proposal

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



Finance Committee Guidance:

Fully fund both projects

Limit use of taking additional (parks) fund balances and using funds dedicated to other projects

Limit use of NVUT ½ % (2029 expiring)

Background for Yelm Highway & Armory

- 40 years since a new community park has been built
- 36 years pursuit of an arts center
- Significant growth in park demand and infrastructure
- Aligns with Comprehensive Plan, Parks Plan, ARCH Plan



Soccer played on baseball fields



Two Historic Large-Scale Projects

Yelm Highway Community Park Phase I



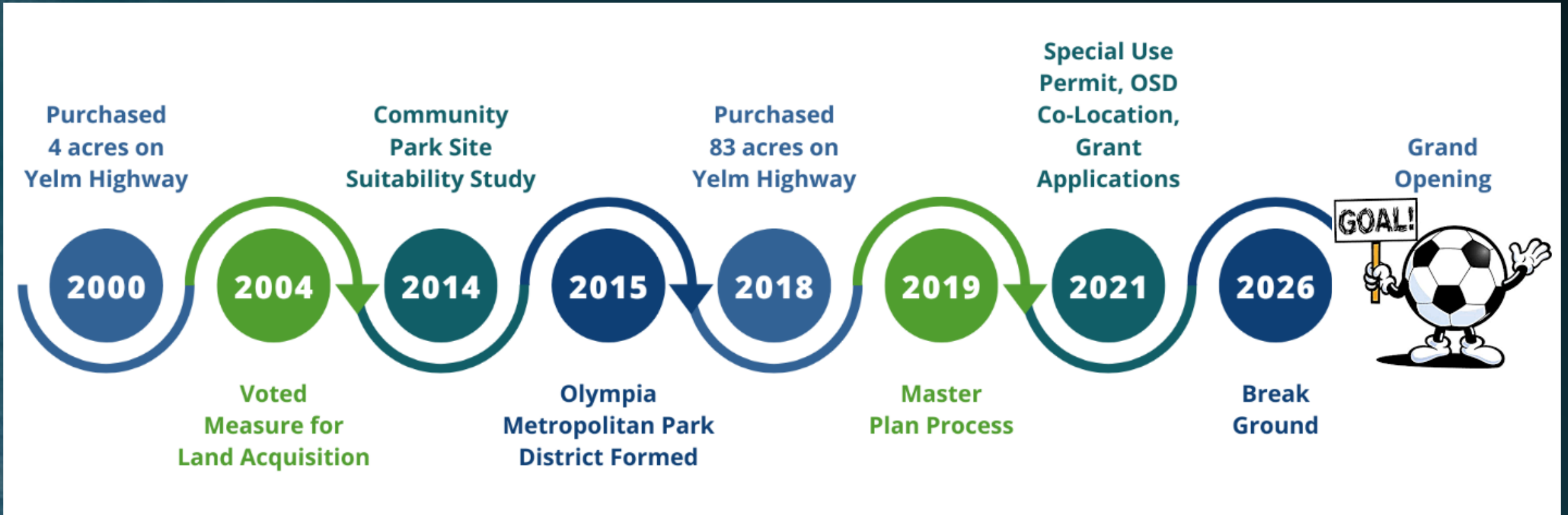
Design & Construction Cost
\$27M

Armory Arts Center Critical Improvements



Design & Construction Cost
\$19M

25 Years in the Making: Community Park's Path



COMMUNITY PROCESS for Yelm Highway

- Community Park Feasibility Study
- Extensive Master Plan Public Engagement Process
- Olympia School District Co-location



Yelm Highway Community Park Phase I



Yelm Highway Community Park Phase I



Yelm Highway Community Park - Phase I

Reduced Scope

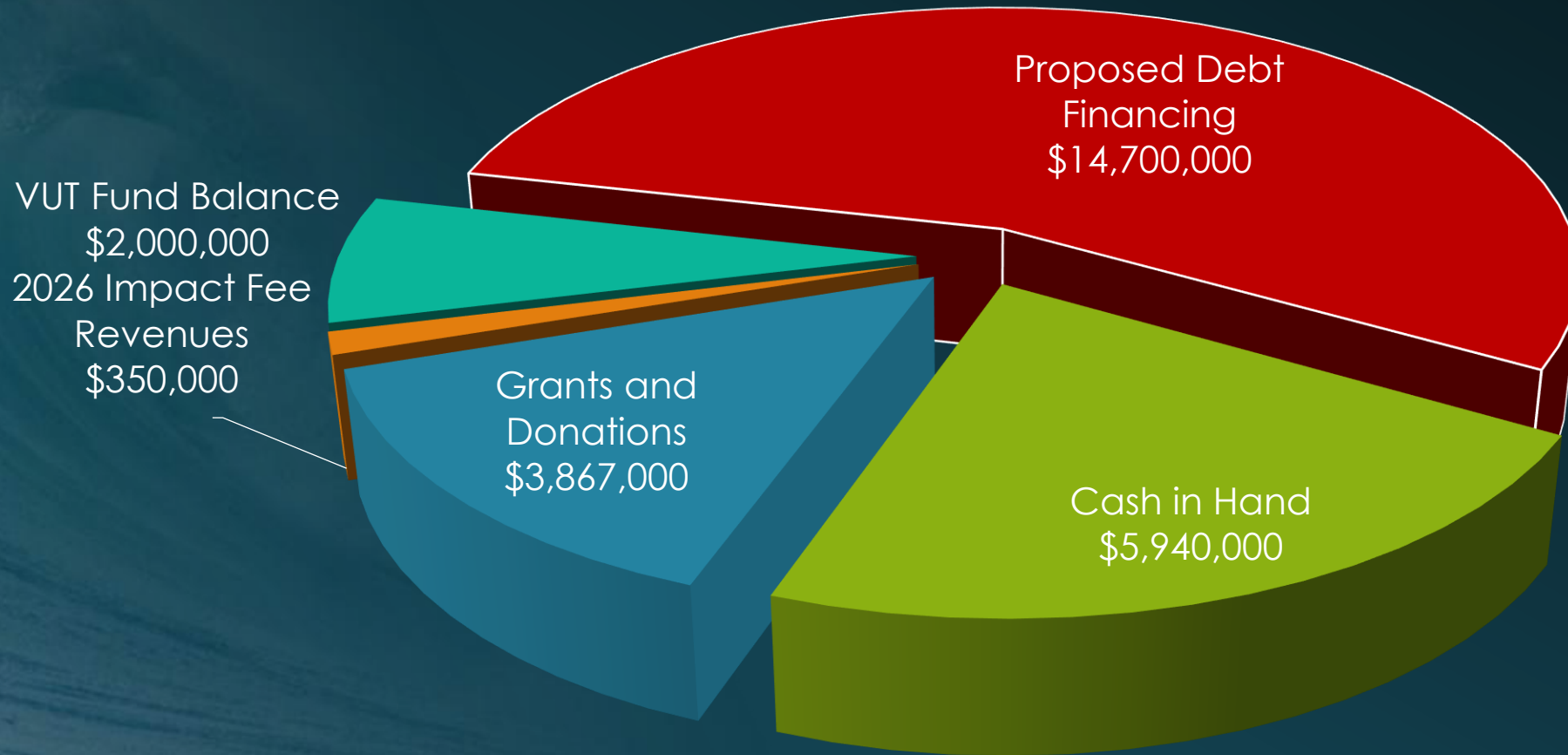
- Maintenance facility – shop reduced by 50%
- Reduced picnic shelters to 1
- Concrete to Asphalt
- Reduced landscaping
- **Cost: \$26.7M**
- **Investment to date: \$14.07M**
- **Grants secured: \$3.85 M**



Yelm Highway Community Park Phase I



Yelm Highway Community Park Funding



Total Project Cost: \$26.7M

Armory Arts Center Critical Improvements



HISTORY for Armory Arts Center

- 1989 Arts Center Needs Assessment Study
- 2007 Market and Feasibility Study Analysis
- 2022 Transfer of Armory to Olympia
Completed Master Plan
- 2023 Hired Building Manager
Awarded Heritage Grant
Completed Art Interventions Project
- 2025 Complete Energy Audit
Select Non-profit Partners
Begin Construction
- 2027 Armory Re-Opening to the Public



COMMUNITY PROCESS for Armory

- Community Visioning and Concept Plan
- Revenue Generation Strategy
- Art Interventions Project (informed the design)
- Interim Facility Rentals and Tours
- Anchor Partners Selected



Armory Arts Center – Phase I



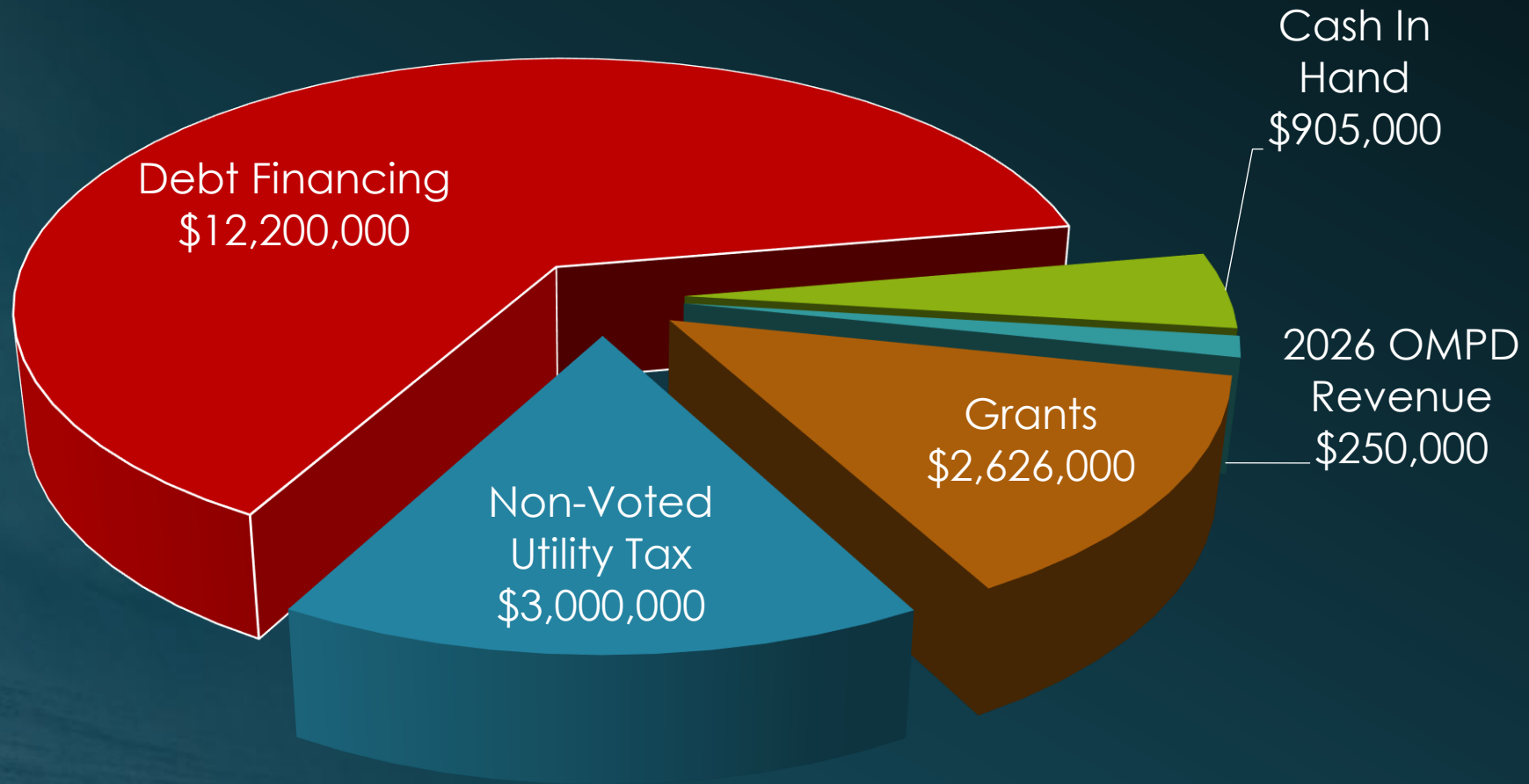
Armory Arts Center – Phase I



Safety and Accessibility:

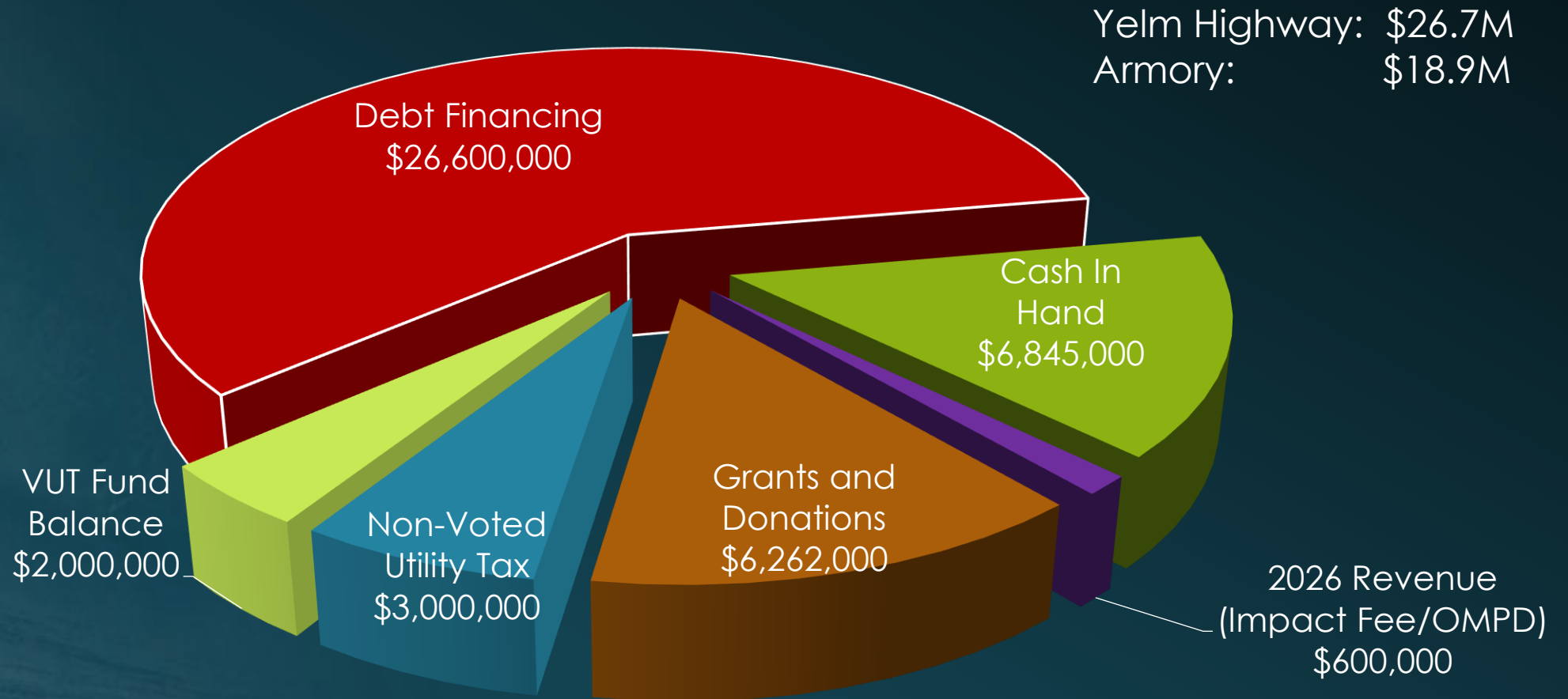
- ADA improvements
- Structural improvements
- Elevator installation
- Solar panel installation and roof reinforcement
- Fire suppression and electrical upgrades
- **Cost: \$19M**
- **Investment: ~\$1.2M+**
- **Grants: ~\$2.5M**

Armory Arts Center Funding



Total Anticipated Cost: \$18.9M

Cumulative Funding for Both Projects



Why Now?

- Design is 80-90% Complete
- Anchor partners selected
- Broad community support
- Leverages external funding
- Opportunity to leverage favorable financing conditions
- Aligns with city growth and strategic planning
- Meets many needs, including equity goals for the community.
- Significant investment to date



Finance Committee Guidance:

Fully fund both projects


Limit use of parks fund balances and taking from other projects

Limit use of NVUT ½ % (2029 expiring) – *propose extending use for 20 yrs*

Options Explored:

Bond Scenarios Comparison (No NVUT ½%)

20-Year Bond

-  Armory – No Solar
- \$2.3M use of fund balance
- \$1.25M scope reduction (YHCP)

25-Year Bond

-  Armory – No Solar
- \$1.5M use of fund balance

30-Year Bond

-  Armory – No Solar

Options Explored:



Bond Scenarios Comparison (extend NVUT ½%)

20-Year Bond

-  Fully funds both projects
- \$1.3M use of fund balance
- \$500K NVUT

25-Year Bond

-  Fully funds both projects
- \$430K NVUT

30-Year Bond

-  Fully funds both projects
- \$270K NVUT

Staff Recommended:

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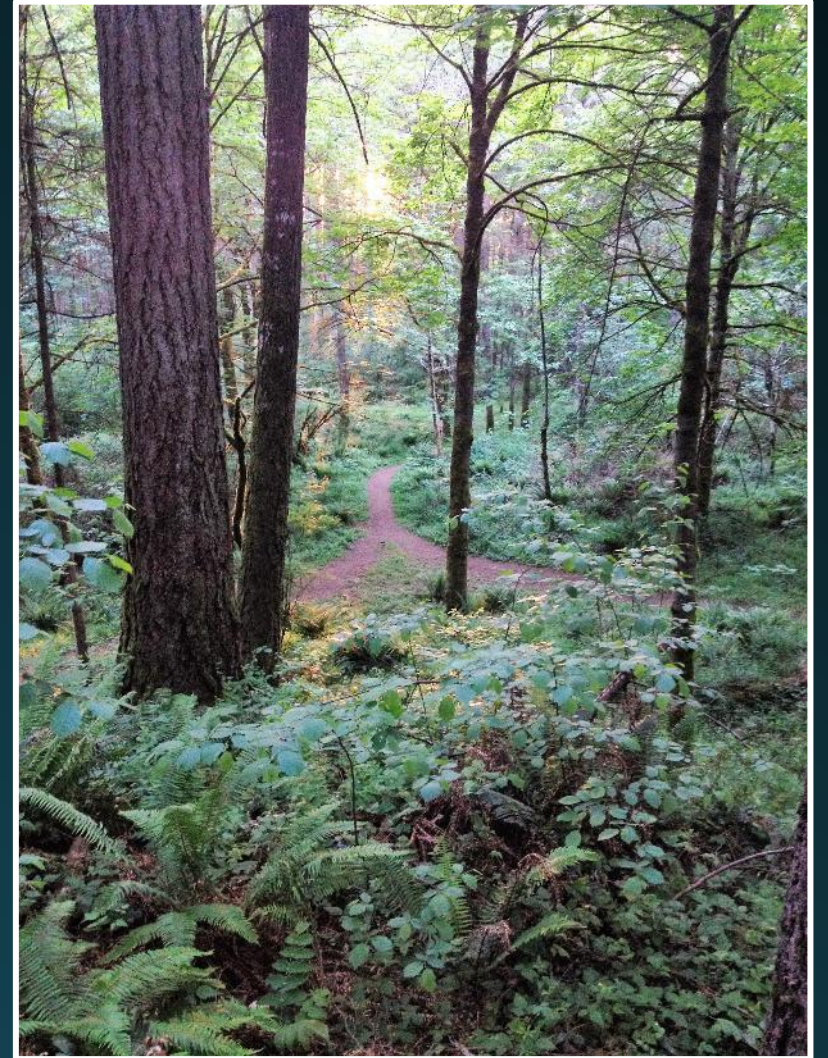
Annual Debt Repayment

	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)		
Armory and Yelm Highway	(\$700,000)	(\$750,000)	(\$270,000)
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

- 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 20 years**



Financial Strategy - Debt Proposal

1. Issue 30-Year Bond
2. Annual payment **\$1.72**
3. **Estimated \$26.57M proceeds**
4. First debt payment in 2026
5. Secure funds in September 2025
6. Repay debt with revenue dedicated to Parks, Arts & Recreation + extending 2029 NVUT



Future Revenue Opportunities

Any changes in the following would lessen the impact of the debt:

1. General Fund Increases
2. Parks OMPD Levy Lid Lift
3. SE Annexation

Timeline

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

Discussion & Questions

