



## Olympia 2045- Capital Facilities

Volume 1 of the [Comprehensive Plan](#) establishes the vision for what our community will be like in the future based on the projected population increase we expect to occur over the next 20 years. It addresses several topics – including those related to infrastructure such as transportation, drinking water, sanitary sewer, and more. Based on that vision, master plans are developed to identify the infrastructure investments needed to achieve the vision. These master plans identify capital projects that are needed based on the Future Land Use Map (which identifies which types of land uses are allowed and where, such as low- medium- or high-density residential, commercial, industrial, or mixed use) and the existing and anticipated population. The Capital Facilities Plan (CFP) is Volume 2 of the Comprehensive Plan. The CFP is updated every year to identify projects, their estimated costs, and how they will be funded. The primary focus is on the next 6 years. The CFP can be viewed at [olympiawa.gov/budget](http://olympiawa.gov/budget) under “Documents and Reports”.

### What is Happening Now?

The Goals and Policies of the CFP have not changed since the previous Comprehensive Plan update was completed in 2014. As part of the Olympia 2045 Comprehensive Plan Update process, we are reviewing the existing Capital Facility goals and policies to consider updates to them. The first draft was issued on September 24<sup>th</sup>. Two public comments were submitted. A few minor changes have been made for this Public Hearing draft. Staff is now seeking input on the draft changes below.

### What is a Capital Facility?

Before we consider changes to the goals and policies, let’s address what capital facilities are. A capital facility is a structure, improvement, piece of equipment or other major asset, including land that has a useful life of at least five years. Capital facilities are provided by or for public purposes and services including, but not limited to, the following:

- Bike lanes
- Detention Facilities
- Drinking Water
- Fire and Rescue
- Government Offices
- Law Enforcement
- Libraries
- Parks and Open Space
- Recreational Facilities
- Streets and Sidewalks
- Sanitary Sewer
- Solid Waste Collection and Disposal
- Stormwater Facilities
- Street Lighting Systems
- Traffic Signals
- Curb access ramps

## FROM VOLUME 1 OF THE OLYMPIA COMPREHENSIVE PLAN

### Capital Facilities Plan



*City project manager checks in on a capital facilities project.*

The ~~Capital Facilities Plan~~ **Capital Facilities Plan** (CFP) is the mechanism by which the City schedules the timing, location, projected cost, and revenue sources for the capital improvements identified for implementation in other Comprehensive Plan chapters. It includes City of Olympia parks, transportation, utilities and general capital projects. The 6-year financing plan for capital projects is amended annually.

Note: This page is NOT the proposed Capital Facilities Plan. The Capital Facilities Plan (CFP) is reviewed and updated annually. It is included as part of the Olympia Comprehensive Plan by reference. View the ~~2021-2026 Capital Facilities Plan~~ **most recent Capital Facilities Plan on the [City's Budget webpage](#)**.

## FROM VOLUME 2 OF THE OLYMPIA COMPREHENSIVE PLAN

**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 well-being and safety, protect and improve the natural environment -and implement the Comprehensive Plan.**

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

- a. Is subject to annual-regular 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 design and 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 six-year time horizon.
- j. Is coordinated with ~~Thurston County and~~ the Olympia School District and North Thurston Public Schools if school impact fees are being charged.

**Policy 1.2:** Encourage active community member 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, and utility customers when service is provided outside city limits.
- c. Preserve and maintain physical infrastructure.
- ~~d.~~ Use an asset management and full life cycle cost approach to the City's real estate holdings, facilities, and utility infrastructure.
- ~~d.e.~~ Consider climate projections in life cycle assessments, planning, and design capacities for all capital projects.
- ~~e.f.~~ Use unexpected one-time revenues for one-time costs or reserves.
- ~~f.g.~~ Pursue innovative approaches.
- ~~g.h.~~ Maintain capacity to respond to emerging community needs.
- ~~h.i.~~ Address unfunded mandates.
- ~~i.j.~~ Selectively recover costs.
- ~~j.k.~~ Recognize the connection between the operating and capital budgets, such as increased maintenance and operating costs of new capital projects.
- ~~k.l.~~ Utilize partnerships wherever possible.
- ~~l.m.~~ Stay faithful to City goals over the long run.
- ~~n.~~ Think long-term.
- ~~m.o.~~ Pursue grants.

**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, including the requirement to accommodate it's 20-year future growth forecast.
- c. Reduce greenhouse gas emissions, increase climate resiliency, and implement adaptation strategies.
- ~~e.d.~~ Are needed to meet concurrency requirements for growth management.
- ~~d.e.~~ Are already initiated and to be completed in subsequent phases.
- ~~e.f.~~ Renovate existing facilities to remove deficiencies or allow their full use, preserve the community's prior investment or reduce maintenance and operating costs.
- ~~f.g.~~ Replace worn-out or obsolete facilities.
- ~~g.h.~~ Promote social, economic and environmental revitalization of commercial, industrial and residential areas in Olympia and its Growth Area.
- ~~h.i.~~ Are substantially funded through grants or other outside funding.
- ~~i.~~ Address public hazards.
- ~~i.~~ Reduce greenhouse gas emissions, increase climate resiliency and implement adaptation strategies.

**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 and North Thurston School Districts' Capital Facilities Plans s as part of this Capital Facilities element. Identify and recommend to the Districts s that ~~it~~they revise any elements of the School Districts' s plans s 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 future funding capabilities and strategies.

**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:

- a. Coordinate urban services, planning and standards by identifying 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 prior to development. Acquire sites for these facilities in a timely manner and as early as possible in the overall development of the area.
- b. Assure adequate capacity in all modes of transportation, public and private utilities, municipal services, parks and schools.
- c. Protect groundwater from contamination and maintain groundwater in adequate supply by identifying and reserving future supplies well in advance of need.
- d. Proactively seek opportunities to combine capital facilities projects that are identified in facilities master plans or other City plans, such as sewer and water main extensions, transportation connections/improvements, and projects to address sea level rise.
- e. Prioritize capital facilities projects that provide multiple benefits for the public. Rework any capital projects that may result in maladaptation or interfere with environmentally sensitive areas, contribute to hazards, or would exacerbate current climate vulnerabilities.
- e.

**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 provision 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 2.5:** When planning for public facilities, consider expected future economic activity, goals for responding to the impacts of climate change, and the need for housing affordable at all income levels as projected in the Comprehensive Plan.

**Policy 2.6:** 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-Balance~~ funding strategies that derive revenues from growth that can be used to provide capital facilities to serve that growth with strategic public investments that support the development of more housing. These strategies include, but are not limited to:

- a. Collecting impact fees for transportation, parks and open space, and schools.
- b. Allocating sewer and water connection fees primarily to capital improvements related to urban expansion.
- ~~b.c.~~ Local improvement districts, tax increment financing, bonds, public/private partnerships, and other area-specific funding and financing tools.
- ~~c.d.~~ Developing and implementing other appropriate funding mechanisms to ensure new development's proportional fair share contribution to public facilities.

**Policy 3.5:** Assess the additional operations and maintenance costs, including staffing resources, 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 that are needed to meet the goals and future growth projections in the Comprehensive Plan. Analyze and identify targeted infrastructure investments for new revenues that provide clear public benefits. Examples of potential new revenue sources include, 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. City- or County-wide bonds.

- f. Local Improvement Districts.
- g. Tax increment financing.
- h. Public/private partnerships.
- f.i. Other financing tools.

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

- a. Increase general revenues, rates, or user fees; change funding source(s).
- b. Decrease level of service standards in the Comprehensive Plan and reprioritize projects to focus on those related to concurrency.
- c. Change project scope to decrease the cost of selected facilities or delay construction.
- d. 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.
- e. 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 strategies for capital ~~Facilities~~facilities are projected to falls short of needs over the 20-year planning period.

**Goal 4: Public facilities constructed in Olympia and its Growth Area meet appropriate safety, construction, durability, ~~and~~ sustainability, universal accessibility, and equity 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 Development and Design Standards are consistent with the Comprehensive Plan, including its goals for adapting to climate change, and projected need for housing affordable at all income levels.

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

**Policy 4.5:** Consider and address equity issues in the development of the master plans that identify capital projects needed to implement the Comprehensive Plan. Develop equity-based metrics for use in identifying underserved areas so action can be taken to bring them up to current standards.

**Policy 4.6:** Ensure that public buildings, parks, and infrastructure are accessible to all, including those with disabilities.