



City of Olympia, Washington
**2017-2022 Preliminary
Capital Facilities Plan**





2017-2022 Preliminary Capital Facilities Plan



Prepared by the City of Olympia,
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Information and Resources

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Information Resources

- LOTT Clean Water Alliance:** lottcleanwater.org
- Olympia Bicycle Master Plan:** olympiawa.gov/transportation
- Olympia Comprehensive Plan:** imagineolympia.com
- Water System Plan:** olympiawa.gov/drinkingwater
- Transportation Mobility Strategy:** olympiawa.gov/transportation

Capital Facilities Technical Team

The City Council wishes to acknowledge the many individuals who contributed to the preparation of this document. In addition to the required review by the Planning Commission, the following advisory groups also provide technical review of the CFP: Bicycle and Pedestrian Advisory Committee, Parks and Recreation Advisory Committee, and the Utility Advisory Committee.

The Capital Facilities Plan is an implementing strategy of the Capital Facilities Element of Olympia’s Comprehensive Plan developed in compliance with the Washington State Growth Management Act.

The City is committed to the non-discriminatory treatment of all persons in employment and the delivery of services/resources.

Table of Contents

Information and Resources II
 Letter from the City Manager IV
 City Council Priorities..... VI
 Long Term Financial Strategy VII

Introduction

Introduction - How to Read this Plan 1
 Frequently Asked Questions 3
 Executive Summary 7
 Debt Limitations 9
 The Capital Facilities Plan 10
 Funding Sources 13
 Revenues Dedicated to the CFP 14
 Calendar of Events 16
 Project Funding Summary 18
 County Funded Projects in Olympia Urban Growth Area 24

What Are We Building in 2017?

What Are We Building in 2017? 25

New & Completed Projects

New Projects 29
 Completed Projects 32

Program Sections

Parks, Arts and Recreation 37
 Transportation 51
 Transportation with Impact Fees 61
 General Capital Facilities 73
 Drinking Water 77
 Wastewater 95
 Storm and Surface Water 105

Miscellaneous Reports

Active Project Status Report 115
 Impact Fees (Collection and Usage Report) 118
 Project Location Detail Report 119
 Public Facilities Inventory 120
 Index of Projects 128

CFP Element of the Comprehensive Plan Goals and Policies

CFP Element of the Comprehensive Plan - Goals & Policies 129

Glossary

Project Components – Glossary 133
 Glossary of Terms 134
 Acronyms 136

Olympia School District Capital Facilities Plan 2017-2022

Olympia School District Capital Facilities Plan 137

A Message from Steven R. Hall, Olympia City Manager

July 19, 2016

City Council and Citizens of Olympia

I am pleased to present the 2017-2022 Preliminary Capital Facilities Plan (CFP). I believe we are standing at crossroads. Olympia has a unique opportunity to hit the “reset” button. The Council has the opportunity to review the vision—to affirm or adjust the path forward. This is your first CFP since adopting the comprehensive plan, hiring an Economic Development Director and establishing the Olympia Metropolitan Park District (OMPD). This is the first time since the recession began, over a decade ago, we are able to expand, develop, and grow capital infrastructure rather than simply maintaining what we have.

The Preliminary 2017-2022 CFP is \$142 million representing roughly a three percent increase over the current plan. The plan divides project spending into approximately one-third utilities and two-thirds for general government projects. This is a big shift. Just a few years ago we were two-thirds utilities and one-third general government projects. With the completion of the McAllister wellfield project plus establishing the MPD, the funding has now shifted more to the general government projects. The funds set aside for Park land acquisition account for the largest increase in funding. The 2017 plan reflects a significant one-time increase in Real Estate Excise Tax (REET), as well as increases in Transportation Benefit District (TBD) revenues along with creation of the ompd.

One need only to look around the City to see the momentum and economic development occurring. Commercial, residential, and even the State of Washington are building again. Our challenge is to keep the momentum moving forward while maintaining affordability.



There has always been a strong desire and need for capital improvements in Olympia Infrastructure that is innovative, inclusive and well maintained for current residents as well as future generations. From roads and bridges, to heron rookeries, to commercial recycling, Olympians desire infrastructure that supports the environment and creates a City where we can all live, work, and play.

“...Olympians desire infrastructure that supports the environment and creates a City where we can all live, work, and play.”

It should come as no surprise during the recession maintenance on our entire infrastructure was delayed, reduced, or deferred. I am pleased to say this CFP puts us back on track for building, street, and park maintenance. This CFP also includes funding for an updated Americans with Disabilities Act (ADA) transition plan and projects. In 2017 an ADA assessment will be completed on all of City owned buildings and Park facilities. Once the plan is completed \$180,000 per year is set aside for implementation of improvement projects. Funding for transportation ADA improvements is included separately in the individual transportation projects.

A well maintained multimodal transportation network is critical for continued economic development and growth. Thanks to increases in the REET and the TBD, 2017 promises to be a highly productive transportation year. A top Council priority has been to champion downtown increasing commerce and private investment. The 2017 transportation funding will be spent in the downtown corridor improving streets and pedestrian access to create a cleaner, safer more viable downtown.

Last year the voters established the ompd. The ompd will provide funding up to \$0.75 cents per \$1,000 of assessed value for parks. The ompd board has yet to set the exact Levy rate. The ompd will begin receiving funds in May of 2017. This CFP allows us to exercise the options on Kaiser Heights and the D.R. Horton land acquisitions. We anticipate issuing a \$10 million bond for these and other acquisitions acquiring a minimum of 200 acres of park land in the next six-years. Also the plan includes a trailhead serving Grass Lake Nature Park. The trailhead will include parking, signage, and frontage improvements. Also in an effort to increase capacity in our athletic fields, the Parks department is proposing to replace one of our existing dirt infields with synthetic turf. Expanding our public/private partnerships is one of the ways we have been able to expand the CFP. This CFP includes partnerships with the Olympia School District and Washington State Department of Transportation (WSDOT). The plan includes a \$25,000 contribution to the School District towards the replacement of playground facilities at Lincoln Elementary School. This partnership provides a much needed Neighborhood Park for the South Capital neighborhood and safe play facilities for our kids. We are also exploring a partnership with the State for an off-leash dog run. I am sure you will remember the City closed the off-leash dog park in 2013 due to impacts on surrounding properties. A dog run concept is new. The run would be located between the Olympia Woodland Trail and I-5 bike path on land the City proposes to lease from WSDOT. The dog run would consist of a fenced area where trail users can let their dogs run off-leash.

UTILITIES

As important as maintaining a multimodal transportation network is maintaining good, safe, and reliable utilities. As mentioned earlier our citizens want innovative, inclusive, well maintained and affordable infrastructure. In the water utility, Olympia, Lacey, and Tumwater jointly own the former Olympia Brewery wells and water rights. Approximately 30 of the wells are not suitable for use as future municipal water sources and will therefore be decommissioned. All three cities will fund the project equally. Roughly \$12 million is included for construction of a new storage tank and transmission main located in South East Olympia plus the Fones road Booster station replacement project will be completed in 2017. Also in Drinking water, we will be designing the Fones road water main and designing and implementing the Capital Village water main. In stormwater utilities we will construct water quality facilities providing treatment of stormwater runoff along Martin Way. Martin Way is one of the City's highest traveled arterial roadways. Providing treatment for runoff from the roadway should improve water quality and habitat conditions in an important and intact wetland complex. The Cooper Point and Black Lake Conveyance Design project will evaluate the feasibility and present a cost effective design for increasing the capacity of an extensive Westside stormwater conveyance system serving approximately 700 acres of development.

Utilities are an important key to our quality of life as well as our economic development. However, equally as important is affordability. Affordability is becoming more of a challenge for some of our community. These utility capital improvements will necessitate a modest rate increase. In the operating budget we are looking at converting to monthly billing and are working with the UAC to ensure our rates remain affordable. It is a daunting challenge to provide the full range of services at the level our citizens demand without becoming economically segregated. This challenge extends to the operating budget and is at the center of our crossroads.

Like the child's game "whack a mole" just as you find revenues for certain capital needs new ones pop up. This CFP does restore funding for maintenance but new issues/demands are popping up. The CFP does not include general support for sea-level rise, east bay erosion, a parking structure, continued removal of hazardous trees, or Percival Landing. In 2017 we will continue to study/define these issues and look for dedicated funding or year-end surplus to address these projects.

REVENUES

Since the recession we have been forced to look at CFP funding creatively. We have been innovative in generating new revenue sources, expanding our partnerships and using any excess year end funds. We have been transparent with the public about our needs and the public has been supportive. In 2016 we applied the six percent utility tax to Cable TV generating approximately \$1 million per year for major maintenance. This six-year plan shows the cable utility tax supporting building repair and maintenance. With voter approval, in 2017 we will begin collecting approximately \$3 million per year from the OMPD. This CFP shows \$7.2 million

in OMPD funds over six-years. The OMPD board will meet later this fall to adopt the budget and set the rate. The rate will help support both the operating and capital needs. Beginning with January renewals the TBD fee will increase to \$40 per vehicle per year. These will double the current amount and this CFP reflects a total of \$9.1 million in TBD funds. These funds are dedicated to pavement management. The revenue structure supporting this CFP has expanded and is sustainable into the future.

The final payment on the 2006 Park bonds funded by the Voted Utility Tax will be made in December of this year. This frees up the two percent Voted Utility Tax for additional land acquisitions. Earlier this year the Council exercised its options for the D.R. Horton property and the Kaiser Heights property. The plan calls for the Voted Utility Tax (two percent) and one-half a percent of the Non-Voted Utility Tax to pay the debt service on the bonds plus generate sufficient cash each year for future Councils to avail themselves of emerging park opportunities.

CONCLUSION

For the first time in over a decade we are standing at the crossroads of sustainability and growth. The continued growth requires a vision and commitment to move forward with caution and creativity. I believe this CFP responsibly addresses our infrastructure needs as well as wants while moving us forward and keeping a watchful eye on affordability. This CFP is a partnership between the Council and its citizens. I am confident the plan before you strikes the appropriate balance between maintaining and improving the capital infrastructure of the City. I am proud to present it for your consideration.

Respectfully submitted,



Steven R. Hall
City Manager



2016 City Council Priorities

At its January 2016 Retreat, the Council established the following priorities for 2016.

Adopt a Sustainable Budget

- Make our budgetary process transparent, simple, and accessible so that everyone knows how and when to be involved
- Protect and strengthen core services, as well as identify strategic investments
- Build and maintain reserves so that we can continue services when times are bad
- Continue to manage our debt level responsibly
- Ensure all resources are used responsibly and effectively

Desired Outcome: We have adequate revenues and reserves to support the social, economic, and environmental values of the community.

Champion Downtown

- Increase commerce and private investment
- Create a safer, cleaner, and more welcoming downtown for all to enjoy
- Develop partnerships to expand desirable public spaces
- Play a greater role in developing the vision and enhancing the image of downtown
- Develop a Community Renewal Plan

Desired Outcome: More people will want to work, live, shop, and play here, and to increase the revenue base.

Deliver Proactive Community Development

- Invest in a proactive system that encourages collaboration in formulating and implementing plans
- Engage neighborhoods to plan their own future so that investments reflect community values
- Encourage a staff culture of community involvement and dialogue
- Increase revenue base so we can provide the enriching services and environmental stewardship the community values
- Align plans and ordinances so plans can be implemented

Desired Outcome: We achieve the growth and development as defined by the community in the Comprehensive Plan.

Inspire Strong Relationships

- Develop stronger and healthier regional partnerships
- Enrich public participation so the community has a role in shaping public policy
- Fully engage advisory committees and the Coalition of Neighborhood Associations (CNA)
- Make homelessness a collaborative, regional priority so that we can establish an effective service delivery system

Desired outcome: We operate more efficiently, foster trust, stay connected, and move forward together.

Ongoing issues with the economy require careful managing of programs and services to ensure public interests are well served. Intergovernmental relations with the Port, Thurston County, Lacey, Tumwater, and the local Indian Tribes will also continue to be a priority for the Council.

Long Term Financial Strategy (LTFS) - Key Financial Principles

- Make Trade-Offs
- Do It Well
- Focus Programs on Olympia Residents and Businesses
- Preserve Physical Infrastructure
- Use Unexpected One-Time Revenues for One-Time Costs or Reserves
- Invest in Employees
- Pursue Innovative Approaches to Service Delivery
- Contract In/Contract Out
- Maintain Capacity to Respond to Emerging Community Needs
- Pursue Entrepreneurial Initiatives
- Address Unfunded Liabilities
- Selectively Recover Costs
- Recognize the Connection Between the Operating Budget and the Capital Budget

Long Term Financial Strategy - Guidelines

What Should the City Do in the Following Year's Budget When the Financial Forecast is Positive?

- Assess the situation
- Maintain adequate reserves
- Use one-time revenues only for one-time expenses
- Use recurring revenues for recurring costs or for one-time expenses
- Stay faithful to City goals over the long run
- Think carefully when considering revenue cuts
- Think long-term

What Should the City Do Every Year, Whether the Financial Forecast is Positive or Negative?

- Increase operating cost recovery
- Pursue cost sharing

What Should the City Do in the Following Year's Budget When the Financial Forecast is Negative?

- Assess the situation
- Use reserves sparingly
- Reduce services
- Continue to think carefully when considering tax increases

What should the Council consider before increasing taxes?

- Will the increase result in programs or services that will have a quantifiable public benefit?
- Is the tax source related and connected to the services that are to be supported by the new revenue?
- Is the increase fully justifiable in terms of need?
- Has every effort to educate citizens about the tax been taken in advance of the increase?
- Are the services that are intended to be supported by the new revenue supportable into the foreseeable future?

What should the Council consider before asking residents to increase taxes?

- Have efforts to educate residents about the tax been made?
- Has there been ample time for residents to debate and discuss the issue?
- Has the council taken the time to listen to residents' concerns?
- Do our residents understand what the results will be following implementation of the new tax?

Revised 2015









Readers Guide

Below is the Readers Guide to help navigate the Capital Facilities Plan (CFP) by section with a brief description of what each contains.

Introduction

The **Frequently Asked Questions** have been designed to answer the most commonly asked questions about the Capital Facilities Plan, as well as assist the reader in better understanding elements of the Plan.

The **Executive Summary** provides a summary of project costs and funding sources included in the 2017-2022 six-year planning window.

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.

The **Capital Facilities Plan Explanation** defines the purpose of the CFP, statutory requirements, and methodologies used to develop the CFP in its entirety.

The CFP **Funding Sources** identifies the various revenue sources used by the City to finance capital projects. Charted trends on the collection of impact fees, Real Estate Excise Taxes and Utility Taxes are provided in this section.

Completing the Introduction section is the **Project Funding Summary**, 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.

“What Are We Building in 2017?”

This section highlights projects that are past the planning and design phase and are “shovel ready” in 2017.

New and Completed Projects

Provides a brief description of all new and recently completed capital projects, the 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. New projects are those new to the CFP in 2017, and Completed projects are those that were completed in 2016.

Program Sections

The next seven sections include the specific projects proposed for the 2017-2022 CFP six-year plan and are presented in one of the following program categories:

Parks, Arts and Recreation Projects:

Park site acquisition, development and maintenance 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 not funded by impact fees and those 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 systems and capacity, and reclaimed water.

Wastewater Projects:

Projects providing enhanced treatment of wastewater Septic Tank Effluent Pump (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, and enhancement of aquatic habitat in local creeks and wetlands.

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 table summarizing proposed project costs, funding sources, and future operating and maintenance costs for the project.

Element of the Comprehensive Plan Goals and Policies

The CFP *Element of the Comprehensive Plan Goals and Policies* demonstrates how the Comprehensive Plan directly impacts development of the CFP.

Miscellaneous Reports

- Financial Status reports for all active CFP projects; those currently listed in the CFP and those no longer requiring additional funding
- Schedule of collection and usage of impact fees
- Quick-reference CFP project location matrix
- Public facilities inventory
- Index of projects

Glossary

Glossary of acronyms and terms used throughout this document.

Olympia School District 2017-2022 CFP

The Olympia School District CFP is included because the City charges impact fees on their behalf. Any questions regarding their projects or their impact fees should be directed to the Olympia School District.



Frequently Asked Questions

1. What is a Capital project?

A structure, improvement, piece of equipment, or other major asset, including land, that has a useful life of at least five years and a project cost that exceeds \$50,000. Capital projects are provided by and for public purposes and services including, but not limited to, public streets and transportation facilities, City parks and recreation facilities, public buildings such as libraries, fire stations, community centers, public water systems and sanitary sewer systems. While capital projects do not cover routine maintenance, they do include renovation and major repair or reconstruction of damaged or deteriorating facilities.

2. There are many projects listed in the CFP. How does the City determine which projects are priority?

First, the City determines if it meet the goals of the Comprehensive Plan? Then, 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

When considering which projects are funded in the CFP, adequate funding to construct and maintain projects is determined by two important questions:

1. *What can we really afford?*
2. *How do we choose when two or more priorities conflict with each other?*

As noted in the LTFS, leveraging outside revenue sources is critical. If grant funds are applied for and received, chances are good that the grant-funded project will become a priority. Grant funds 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. The City tries to develop partnerships with other groups to lower the cost for construction or operations and maintenance.

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

No. See the last paragraph in question 2. When grant funds are received for a particular project, chances are good that project will become a priority.

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

Not necessarily—the order is determined on a project-by-project basis.

5. 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 carrying additional maintenance obligations impacting the General Fund budget do not intensify the strains already being placed on the Operating Budget.

6. When funding a particular project, where does the money come from?**Non-Utility Projects**

Parks, Transportation, and General Capital Facilities projects are funded through grants, cost sharing with neighboring jurisdictions (on shared projects), local improvement districts (LIDs), developer contributions, impact fees, the Real Estate Excise Tax (REET) (0.5%), Transportation Benefit District fees, Non-Voted Utility Tax (1%), and Voted Utility Tax (V.U.T.) (3%).

Funding for non-utility projects continues to be a challenge. In years when the City ends the year with revenues exceeding expenditures the council may choose to spend the excess on capital projects.

Utility Projects

City Drinking Water, Wastewater, and Storm & Surface Water utilities are operated like businesses and must be self-sustaining. Utility capital projects are funded through a combination of general facility charges, rates, and developer improvements. In addition, state and federal grants play an important role in funding of utility projects.

The Growth Management Act requires projects shown in the Capital Facilities Plan to have sufficient revenues to fund the project.

7. What is the Utility Tax and what projects does it fund?

The City Council has authority to approve, without voter approval, up to a 6% utility tax on private utilities. Five percent of the tax collected goes to the General Fund Operating Budget and 1% goes to fund Capital Projects. Currently the Capital Projects portion is \$1 million. By ordinance, the Council can reallocate the 1% from the CFP to the General Fund. In 2004 the City presented Olympia residents with a ballot measure to raise the utility tax to 9%. This Voted Utility Tax was approved and provides an additional 2% funding to Parks and 1% funding to Pathways/Sidewalks.

8. 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 0.5% 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 Storm & Surface water for Transportation projects.

9. 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/or additional revenue.

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

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

11. 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. The Capital Facilities Plan is reviewed and amended annually to verify availability of fiscal resources. Therefore, project cost estimates and timelines may change.

12. What happens if a project does not collect the amount of revenue as anticipated over the next six 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.

13. Are all projects in the CFP completed within six years?

No. The Capital Facilities Plan is reviewed and amended annually to verify that fiscal resources are available. And 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 cost estimates and timelines may change.

14. How are lifecycle costs budgeted for replacement projects?

The City hired a consultant to determine the standard industry lifecycle for a variety of projects, (i.e. parks playground equipment, fire equipment, HVAC systems, etc.). Replacement costs were then formulated to identify annual lifecycle costs for the City’s replacement projects. The recent acquisition of asset management software allows the City to better understand the optimal lifecycle of major assets, further enabling strategic and financial replacement plans.

15. What are impact fees?

Impact fees are charges assessed against newly-developing property in the City limits 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, streets, parks, schools, and fire protection facilities. Currently, the City is not collecting fire impact fees.

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

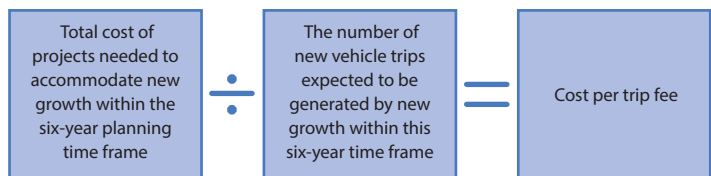
SEPA mitigation fees are charged to “long plats,” or new, major developments for their direct impact on the system. SEPA mitigation measures must be related to a specific adverse impact identified in the environmental analysis of a project. The impact mitigated may be to the natural or built environment, 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, Olympia’s Urban Growth Area and adjacent jurisdictions (Tumwater & Lacey).

Olympia’s impact fees are charged to new development only within the City limits. The City is able to spend these fees 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.

17. 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 time frame, divided by the number of new vehicle trips expected to be generated by new growth within this six-year time frame. This results in a cost per trip fee.
- A land-use based fee schedule is then developed.



18. 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 three to five years and the model relies heavily on census data. If Olympia wanted to modify its figures, TRPC and the other jurisdictions would have to agree.

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

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 time frame is divided by six to establish the average amount of transportation impact fees the City expects to collect each year.

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

No. The entire City makes up one zone.

21. 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.

22. 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.

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

The City of Olympia may not collect impact fees for projects in the Urban Growth Area.

24. Why do various impact fee receipts differ?

Park impact fee receipts will differ from transportation impact fees received based on the projects being constructed/acquired due to new growth. Also, Transportation collects impact fees on both residential and commercial projects, while Parks collects impact fees only on residential projects.

25. When Olympia annexes an area where the County has a current, County-funded project underway, does the City assume responsibility for the project and associated project costs?

When an annexation includes capital projects that will add to Olympia's asset base, the City may negotiate related project costs as part of an interlocal agreement between the City and the County.

26. How does the Capital Facilities Plan (CFP) relate to the Comprehensive Plan (Comp Plan)?

The City of Olympia's Comp Plan describes our community's values and our vision for the future, including a set of goals and policies that aim to define how we will get there. It serves as the foundation upon which City regulations, programs and other plans are formed. As many as 20,000 additional people are expected to join our community over the next two decades. The Comp Plan is our strategy for maintaining and enhancing our high quality of life and environment while accommodating that growth. The CFP is the element that brings the Comp Plan to life. By funding projects needed to maintain Levels of Service and for concurrency, the CFP helps shape the quality of life in Olympia. The requirement to fully finance the CFP provides the reality check for the vision of the Comp Plan.

27. What does Level Of Service (LOS) mean?

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

28. What is concurrency?

Concurrency is a concept that states all public facilities (streets, roads, 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.

29. 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. The Planning Commission holds a public hearing on the CFP (usually in August) and the City Council holds at least one public hearing on the CFP. To learn more, view the [Planning Commission and City Council meeting schedules](#) on the City of Olympia website. (www.olympiawa.gov)



Executive Summary

The 2017-2022 Capital Facilities Plan (CFP) is a multi-year plan of capital projects 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.

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.

Capital Costs of Proposed Projects in the 2017-2022 Capital Facilities Plan

Capital project costs for the City’s 2017-2022 six-year capital facilities planning period total \$142,133,482. Chart 1.1 illustrates the percentage of the plan’s six-year capital costs attributed to each program category. Table 1.1 illustrates planned capital costs by program category and the planned year of expenditure.

2017-2022 Capital Facilities Plan Cost by Project Category \$ 142,133,482

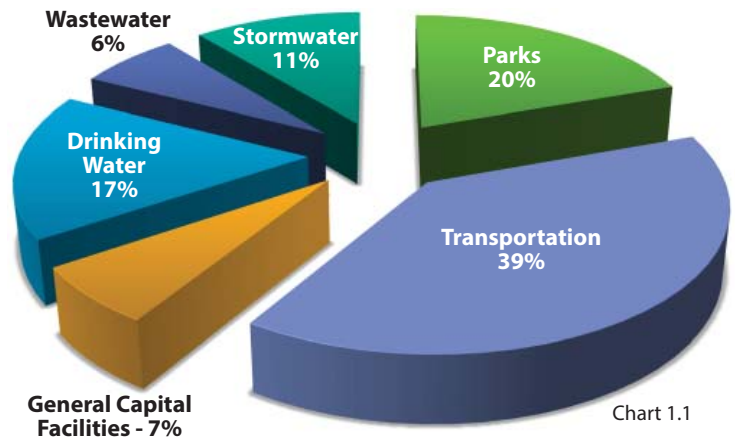


Table 1.1

	2017	2018-2022	Total
Parks	\$ 5,709,105	\$ 22,197,400	\$ 27,906,505
Transportation	\$ 9,229,823	\$ 46,719,155	\$ 55,948,977
General Capital Facilities	\$ 1,510,000	\$ 7,900,000	\$ 9,410,000
Drinking Water	\$ 5,339,500	\$ 18,507,500	\$ 23,847,000
Wastewater	\$ 1,891,000	\$ 7,497,000	\$ 9,388,000
Stormwater	\$ 2,116,100	\$ 13,516,900	\$ 15,633,000
Total	\$ 25,795,528	\$ 116,337,955	\$ 142,133,482

Revenue Sources Available for the 2017-2022 Planning Period

Utility Projects

City Drinking Water, Wastewater, Storm & Surface Water and Waste ReSources utilities are operated like businesses and must be self-sustaining. 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. There are currently no capital projects planned for solid waste.

Non-Utility Projects

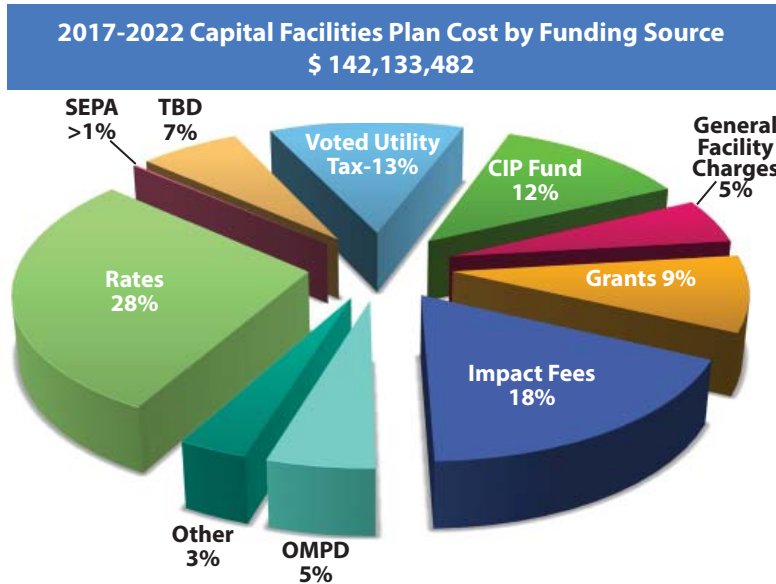
Parks, Transportation, and General Capital Facilities projects are funded with general revenue, grants, cost sharing with neighboring jurisdictions (on shared projects), local improvement districts (LIDs), Transportation Benefit District fees, developer contributions, impact fees, the Real Estate Excise Tax (REET) (0.5%), 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 0.5% goes to the General Fund for park maintenance on capital projects. Of the 3% voter approved increase, 2% is for Parks and 1% for Pathways/Sidewalks.

6% Non-voted Utility Tax		3% Voter-Approved Utility Tax	
4.5 %	General Fund	2.0%	Parks
0.5 %	Parks Maintenance	1.0%	Sidewalks
1.0 %	Capital Facilities		

Voter-Approved Debt

The City has \$144.6 million capacity for voter-approved bonds (paid back through an excess property tax levy) of which \$78 million is available, including \$33 million in non-voter approved (councilmanic).

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.



	2017	2018-2022	Total
CIP Fund	\$ 3,601,530	\$ 13,900,000	\$ 17,501,530
General Facilities Charges	\$ 1,175,000	\$ 6,294,575	\$ 7,469,575
Grants	\$ 513,000	\$ 12,134,695	\$ 12,647,695
Impact Fees	\$ 5,407,938	\$ 19,690,245	\$ 25,098,182
OMPD	\$ 1,720,600	\$ 5,497,400	\$ 7,218,000
Other	\$ 775,000	\$ 3,875,000	\$ 4,650,000
Rates	\$ 7,845,100	\$ 32,509,250	\$ 40,354,350
SEPA Mitigation	\$ 147,360	\$ 61,790	\$ 209,150
TBD	\$ 1,635,000	\$ 7,500,000	\$ 9,135,000
Voted Utility Tax	\$ 2,975,000	\$ 14,875,000	\$ 17,850,000
Total	\$ 25,795,528	\$ 116,337,955	\$ 142,133,482

Non-Voted Debt

As of January 1, 2016 the City has \$86.8 million in non-voted general obligation bonding capacity (councilmanic) and presently has \$33 million of that amount uncommitted and available to use to finance projects. The City Council deliberates carefully before authorizing this method of financing as the City's existing operating revenues must be used for repayment.

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 Olympia. 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 the first step. Planning how to pay for what is needed is the second 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

Debt Limitations

Olympia issues 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 goal of Olympia's debt policy is to maintain the ability to provide high quality essential City services in a cost effective manner. Councilmembers 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 term of the debt will not exceed the useful life of the project.
- The benefits of the improvement must outweigh its costs, including the interest costs of financing.

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.**

	As of 01/01/2016
Estimated Taxable Assessed Value	\$ 5,785,389,448
General Indebtedness <i>without</i> a Vote of the People:	
Legal Limit, 1.5% of Property Value:	86,780,840
G.O. Bond Liabilities	(53,612,970)
Remaining Non-voted Debt Capacity	<u>\$33,167,870</u>
General Indebtedness <i>with</i> a Vote of the People:	
Legal Limit, 2.5% of Property Value:	\$ 144,634,740
Outstanding Voted Debt	(12,535,000)
Outstanding Non-voted Debt	(53,612,970)
Remaining Voted Debt Capacity	<u>\$ 78,486,770</u>

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 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 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.

While a CFP does not cover routine maintenance, it does include renovation and major repair or reconstruction of damaged or deteriorating facilities. Capital facilities do not usually include furniture and equipment. However, 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.

City of Olympia Capital Facilities

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

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

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 the early 1990s 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 13 State planning goals, plus a shoreline goal:

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.
13. Encouragement of the preservation of lands, sites, and structures that have historical or archaeological significance.
14. Protection of shorelines, including preserving natural character, protecting resources and ecology, increasing public access and fostering reasonable and appropriate uses.

The 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. Six-year Capital Facilities Plan Element
2. Land Use Element
3. Housing Element
4. Utilities Element
5. Transportation Element
6. Rural Element (counties only)
7. Park and Recreation Element

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

ELEMENTS OF OLYMPIA’S COMPREHENSIVE PLANNING PROCESS

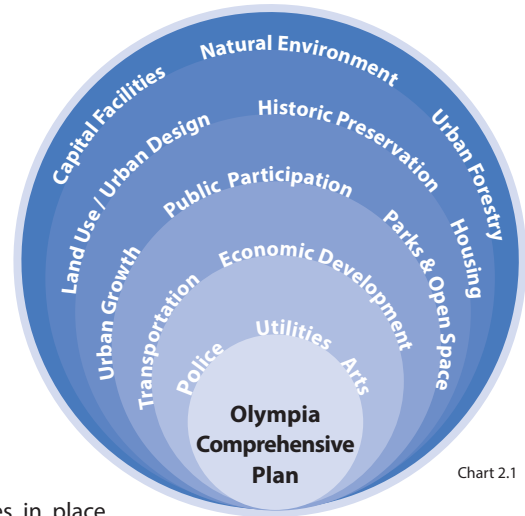


Chart 2.1

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:

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, etc.

Some capital facilities projects are not included in the Comprehensive Plan. Nonetheless, many of the projects are vital to the quality of life in Olympia. These projects meet the growth management definition of capital facilities but do not fall into one of the standard growth management chapters. The Farmers Market and City Hall are examples of this. In addition, the recommendations of local citizens, advisory boards, and the Olympia Planning Commission are considered when determining types and locations of projects. Chart 2.2 illustrates how the City’s Comprehensive Plan directly impacts the other plans, and ultimately the CFP. The various elements of the Comprehensive Plan affect the type and required capacities of capital facilities required.

ELEMENTS OF OLYMPIA’S CAPITAL FACILITIES PLAN

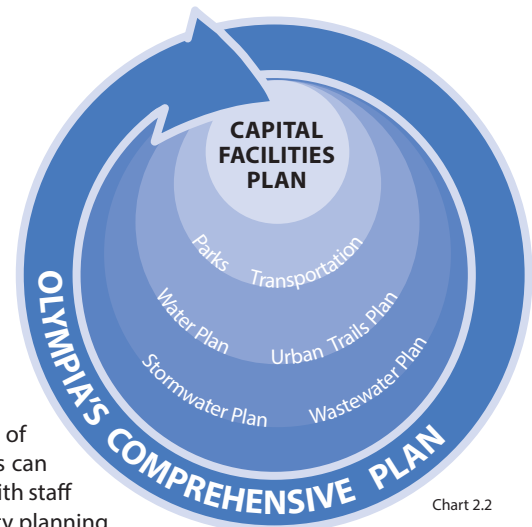


Chart 2.2

How Citizens Can Get Involved in the Capital Facilities Plan

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. See the 2017-2022 Capital Facilities Plan Calendar of Events, on our website for public hearing dates.

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 17% in the City's population between 2010 and 2020, or from approximately 46,500 to 54,600 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 Reports. 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 UGMA by the various school districts, the Thurston County Department of Solid Waste, and the LOTT Alliance, respectively. Additionally, Solid Waste may have capital costs for equipment that could be included in the CFP. The City of Olympia charges school impact fees on behalf of the Olympia School District. The District's CFP is included starting on page 137 of this document.

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 LOTT 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 in the Miscellaneous Reports section.

The 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 the 2017-2022 is:

2017 - 2022 Funding Sources

Current Revenues

- Wastewater Rates
- Drinking Water Rates
- Storm & Surface Water Rates
- General Facilities Charges
- Non-Voted Utility Tax (1%)
- Voted Utility Tax (3%)
- Motor Vehicle Fuel Tax
- Interest
- Real Estate Excise Tax (REET) (0.5%)*

* REET funds must be spent on Parks or Transportation.

Debt

- The City has \$82.7 million of voter-approved debt capacity. Of this, \$35 million may be issued by the Council without a vote of the people.
- Loans from State of Washington agencies
- Utility Revenue Bonds

Grants

- Federal Surface Transportation Program Funds
- State Transportation Improvement Board Funds
- Federal Community Development Block Grant
- Federal Highways Administration
- Washington State Department of Transportation
- State Recreation Conservation Office

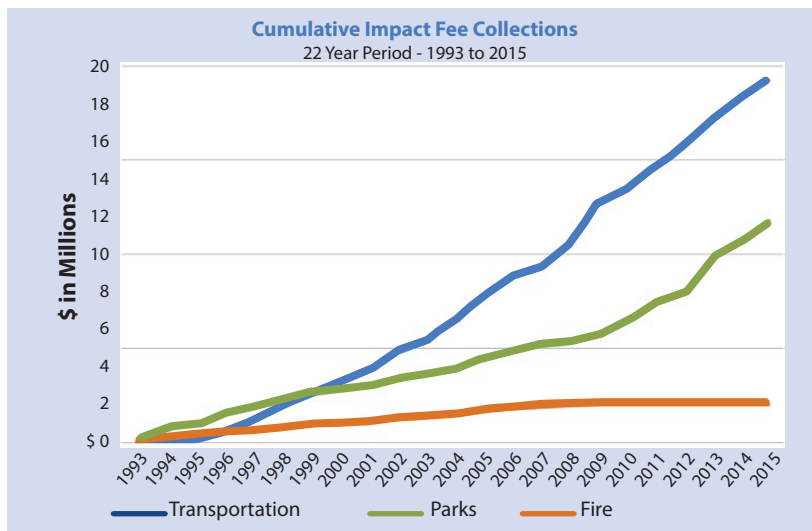
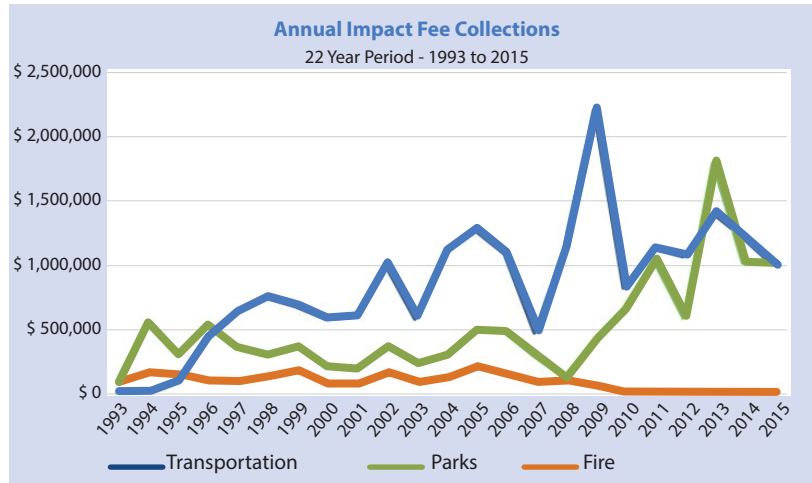
Other

- Impact Fees
- Transportation Benefit District fees
- SEPA Mitigation Fees
- Olympia Metropolitan Parks District (OMPD)

Revenues Dedicated to the CFP

Impact Fees

Impact Fees are one-time charges imposed on development activity to raise revenue for the construction or expansion of public facilities needed to serve new growth and development. Impact fees are assessed and dedicated primarily for the provision of additional roads and streets, parks, schools, and fire protection facilities. Currently the City does not collect Fire Impact Fees.



Impact Fee Rates

City

Single Family	2012	2013	2014	2015	2016
Parks	\$5,068	\$4,950	\$5,090	\$5,334	\$5,437
Transportation	\$2,592	\$2,608	\$2,654	\$2,688	\$2,913

Schools

Year	2012	2013	2014	2015	2016
Single Family	\$2,969	\$5,179	\$5,090	\$5,895	\$5,240
Multi Family	\$235	\$0	\$2,654	\$1,749	\$2,498
Downtown	\$0	\$0	\$0	\$0	\$0

Revenues Dedicated to the CFP (continued)

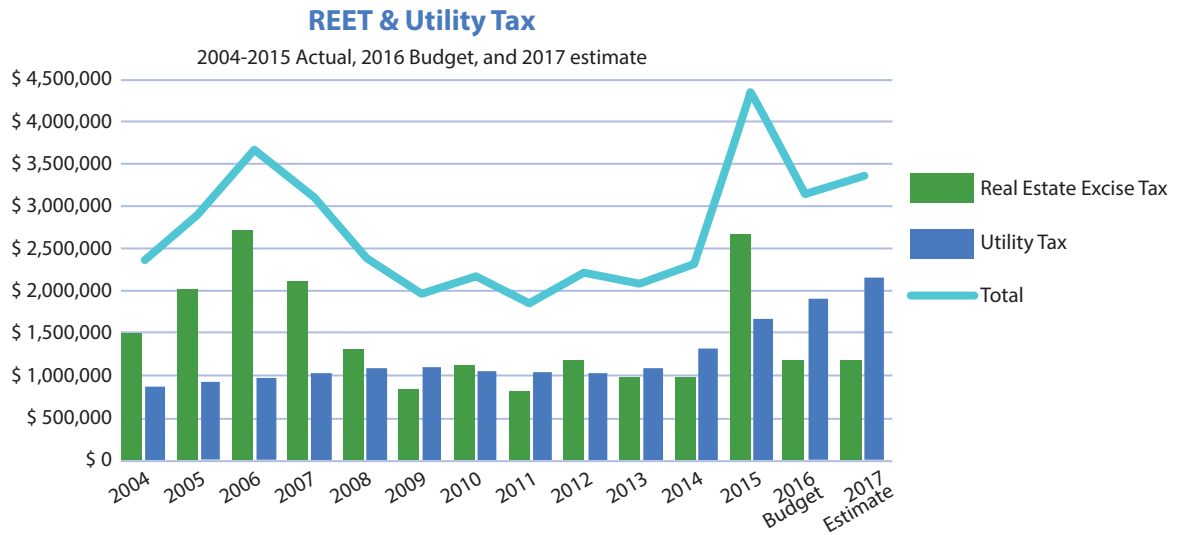
Real Estate Excise Tax (REET)

A tax upon the sale of all residential and commercial property within the City of Olympia at a rate of one-half of 1% of the purchase price. This tax is restricted by State law to Transportation and Parks capital projects. In 2011, the State Legislature authorized up to one-third of REET to be used for maintenance of existing capital projects. This provision expires December 31, 2016.

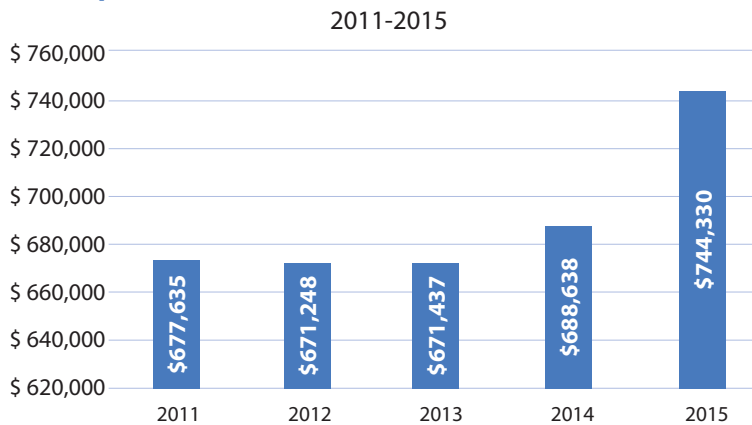
Generally, in Olympia this tax is used for capital transportation projects. For the 2016 CFP, the Council authorized \$307,400 for Percival Landing maintenance. All REET tax for 2016 has been allocated to the Capital Program.

Utility Tax

Of the 6% Non-Voted Utility Tax upon electric, natural gas and telecommunications utilities, one-sixth (1% tax) is allocated by Council policy to the CFP. In addition all of the non-voted utility tax on cable TV is dedicated to the CFP. This tax is a general revenue and can be used for any purpose determined by the Council. The Council authorized \$874,000 of the 1% utility budget to be allocated to the General Fund in 2009. This was due to the downturn in General Fund revenues as a result of the recession. A portion of the proceeds have been used for building repair/replacement since 2011.



Transportation Benefit District (TBD) Revenue Collected



Transportation Benefit District Revenue

These are gross revenues. Each year approximately \$50,000 is appropriated for operating expenses (audit, insurance, etc.) The net funds are dedicated to the CFP.

CALENDAR OF EVENTS

Review Status of Existing Projects in CFP	April
Proposed CFP Projects due from Departments	May 1
Present Preliminary CFP to City Council	July 19
Planning Commission Public Hearing on Preliminary CFP (City and School District)	August 1 (Monday)
City Council Public Hearing and Discussion on Preliminary CFP	October 18
First Reading on Capital Budget	December 6
Second and Final Reading and Adoption of Operating and Capital Budgets	December 13

Capital Improvement Plan (CIP) Revenues

CIP Revenues include 1% non-voted utility tax on gas, electric, and telephone utilities plus 6% utility tax on Cable TV. CIP revenues also include REET and interest.

CIP Revenues

	2016 Budget	2016 Revised	2017 Budget
Non-Voted Utility Tax			
(1%) Gas/ Electric/Telephone	\$975,000	\$1,010,000	\$1,020,000
(6%) Cable TV	\$950,000	\$1,070,000	\$1,130,000
Real Estate Excise Tax (REET)	\$1,200,000	\$1,200,000	\$1,200,000
Multimodal State Funding			
Multimodal State Funding	\$51,530	\$51,530	\$33,000
Interest	\$5,000	\$18,000	\$20,000
Total	\$3,181,500	\$3,349,530	\$3,403,000

One-Time Revenue

	2017 Budget
TBD Fund Balance	\$135,000
Excess REET	\$698,530

In addition to the CIP revenues the following revenues are available but earmarked:

	2016 Budget	2016 Revised	2017 Budget
TBD	\$700,000	\$700,000	\$1,500,000
Gas Tax	\$275,000	\$275,000	\$275,000

Amount available for 2017 Appropriations	\$6,011,530
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Project Funding Summary - General Government Projects

Project Funding Summary - General Government Projects: Parks

Parks Projects	Funding	2017	2018-2022	TOTAL
Community Park Development	Impact Fees	\$ 580,000	\$ 2,400,000	\$ 2,980,000
	OMPD Funds	\$ 72,000	\$ -	\$ 72,000
	SEPA Mitigation Fees	\$ 60,000	\$ -	\$ 60,000
Capital Asset Management Program	OMPD Funds	\$ 750,000	\$ 3,750,000	\$ 4,500,000
Neighborhood Park Development	Impact Fees	\$ 325,400	\$ 513,210	\$ 838,610
	SEPA Mitigation Fees	\$ 31,860	\$ 11,790	\$ 43,650
Open Space Acquisition and Development	Impact Fees	\$ 423,745	\$ 1,150,000	\$ 1,573,745
	SEPA Mitigation Fees	\$ 40,500	\$ -	\$ 40,500
Parks Bond Issue Debt Service	Voted Utility Tax (VUT)	\$ 70,000	\$ 105,000	\$ 175,000
	OMPD Funds	\$ 240,600	\$ 962,400	\$ 1,203,000
Parks Land Acquisition	Voted Utility Tax (V.U.T.)	\$ 1,930,000	\$ 9,895,000	\$ 11,825,000
	Non Voted Utility Tax (V.U.T.)	\$ 500,000	\$ 2,500,000	\$ 3,000,000
Percival Landing Major Maintenance and Reconstruction	OMPD Funds	\$ 658,000	\$ 785,000	\$ 1,443,000
Small Capital Projects	Impact Fees	\$ 12,000	\$ 75,000	\$ 87,000
	SEPA Fees	\$ 15,000	\$ 50,000	\$ 65,000
Total Parks		\$ 5,709,105	\$ 22,197,400	\$ 27,906,505

Funding Recap	Funding	2017	2018-2022	TOTAL
	Impact Fees	\$ 1,341,145	\$ 4,138,210	\$ 5,479,355
	Non-Voted Utility Tax (NVUT)	\$ 500,000	\$ 2,500,000	\$ 3,000,000
	OMPD Funds	\$ 1,720,600	\$ 5,497,400	\$ 7,218,000
	SEPA Fees	\$ 147,360	\$ 61,790	\$ 209,150
	Voted Utility Tax (VUT)	\$ 2,000,000	\$ 10,000,000	\$ 12,000,000
Total Parks		\$ 5,709,105	\$ 22,197,400	\$ 27,906,505

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Project Funding Summary - General Government Projects: Transportation

Transportation Projects	Funding	2017	2018-2022	TOTAL
Access and Safety Improvements	CIP Fund	\$ 200,000	\$ -	\$ 200,000
Bike Improvements	CIP Fund	\$ 201,530	\$ -	\$ 201,530
Sidewalks and Pathways	Stormwater Utility Rates (asphalt overlay)	\$ 186,500	\$ 932,500	\$ 1,119,000
	Voted Utility Tax - Sidewalks	\$ 950,000	\$ 4,750,000	\$ 5,700,000
	Voted Utility Tax - Parks	\$ 25,000	\$ 125,000	\$ 150,000
Street Repair and Reconstruction	CIP Fund	\$ 1,690,000	\$ 6,000,000	\$ 7,690,000
	Gas Tax	\$ 275,000	\$ 1,375,000	\$ 1,650,000
	Transportation Benefit District (TBD)	\$ 1,635,000	\$ 7,500,000	\$ 9,135,000
Total Transportation		\$ 5,163,030	\$ 20,682,500	\$ 25,845,530

Funding Recap	Funding	2017	2018-2022	TOTAL
	CIP Fund	\$ 2,091,530	\$ 6,000,000	\$ 8,091,530
	Gas Tax	\$ 275,000	\$ 1,375,000	\$ 1,650,000
	TBD	\$ 1,635,000	\$ 7,500,000	\$ 9,135,000
	Storm Water Utility Rate	\$ 186,500	\$ 932,500	\$ 1,119,000
	Voted Utility Tax-Parks	\$ 975,000	\$ 4,875,000	\$ 5,850,000
Total Transportation		\$ 5,163,030	\$ 20,682,500	\$ 25,845,530

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Project Funding Summary - General Government Projects: Transportation with Impact Fees

Transportation Impact Fee Projects	Funding	2017	2018-2022	TOTAL
2010 Transportation Stimulus Project Repayment	Impact Fees	\$ 436,013	\$ 2,180,463	\$ 2,616,475
Boulevard Road - Intersection Improvements (Program #0628)	Grant	\$ -	\$ 1,331,849	\$ 1,331,849
	Impact Fees	\$ 3,380,780	\$ 1,519,507	\$ 4,900,287
Cain Road & North Street - Intersection Improvements	Grant	\$ -	\$ 177,490	\$ 177,490
	Impact Fees	\$ -	\$ 202,498	\$ 202,498
Fones Road—Transportation (Program #0623)	Grant	\$ -	\$ 6,677,322	\$ 6,677,322
	Impact Fees	\$ 250,000	\$ 7,368,160	\$ 7,618,160
Henderson Boulevard & Eskridge Boulevard - Intersection Improvements	Grant	\$ -	\$ 244,925	\$ 244,925
	Impact Fees	\$ -	\$ 279,436	\$ 279,436
Log Cabin Road Extension - Impact Fee Collection (Program #0616)	Impact Fees	\$ -	\$ 1,659,663	\$ 1,659,663
Wiggins Road and 37th Ave - Intersection Improvements	Grant	\$ -	\$ 189,484	\$ 189,484
	Impact Fees	\$ -	\$ 216,183	\$ 216,183
US 101/West Olympia Access Project	Grant	\$ -	\$ 1,863,550	\$ 1,863,550
	Impact Fees	\$ -	\$ 2,126,125	\$ 2,126,125
Total Transportation with Impact Fee		\$ 4,066,793	\$ 26,036,655	\$ 30,103,447

Funding Recap	Funding	2017	2018-2022	TOTAL
	Grant	\$ -	\$ 10,484,620	\$ 10,484,620
	Impact Fees	\$ 4,066,793	\$ 15,552,035	\$ 19,618,827
Total Transportation with Impact Fees		\$ 4,066,793	\$ 26,036,655	\$ 30,103,447

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Project Funding Summary - General Government Projects: General Capital Facilities

General Capital Facilities Projects	Funding	2017	2018-2022	TOTAL
Building Repair and Replacement	CIP Fund	\$ 1,330,000	\$ 7,000,000	\$ 8,330,000
ADA Transition Plan and Projects	CIP Fund	\$ 180,000	\$ 900,000	\$ 1,080,000
Total General Capital Facilities		\$ 1,510,000	\$ 7,900,000	\$ 9,410,000

Funding Recap	Funding	2017	2018-2022	TOTAL
	CIP Fund	\$ 1,510,000	\$ 7,900,000	\$ 9,410,000
Total General Capital Facilities		\$ 1,510,000	\$ 7,900,000	\$ 9,410,000

Summary of Funding Sources for General Government Projects

Funding Sources	2017	2018-2022	TOTAL
CIP Fund	\$ 3,601,530	\$ 13,900,000	\$ 17,501,530
Gas Tax	\$ 275,000	\$ 1,375,000	\$ 1,650,000
Grant	\$ -	\$ 10,484,620	\$ 10,484,620
Impact Fees	\$ 5,407,938	\$ 19,690,245	\$ 25,098,182
Non-Voted Utility Tax (NVUT)	\$ 500,000	\$ 2,500,000	\$ 3,000,000
OMPD Funds	\$ 1,720,600	\$ 5,497,400	\$ 7,218,000
SEPA Fees	\$ 147,360	\$ 61,790	\$ 209,150
Storm Water Utility Rate	\$ 186,500	\$ 932,500	\$ 1,119,000
TBD	\$ 1,635,000	\$ 7,500,000	\$ 9,135,000
Voted Utility Tax (VUT)	\$ 2,975,000	\$ 14,875,000	\$ 17,850,000
Total General Government	\$ 16,448,928	\$ 76,816,555	\$ 93,265,482

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Project Funding Summary - Utilities Projects

Project Funding Summary - Utilities Projects: Drinking Water

Drinking Water Projects	Funding	2017	2018-2022	TOTAL
Asphalt Overlay Adjustments—Water (Program # 9021)	Rates	\$ 11,000	\$ 55,000	\$ 66,000
Groundwater Protection—Water (Program #9701)	Rates	\$ 482,000	\$ 424,000	\$ 906,000
Infrastructure Pre-Design and Planning—Water (Program #9903)	Rates	\$ 22,000	\$ 110,000	\$ 132,000
Reclaimed Water (Program #9710)	Rates	\$ -	\$ 375,000	\$ 375,000
Small Diameter Water Pipe Replacement—Water (Program #9408)	Rates	\$ 536,000	\$ 2,681,000	\$ 3,217,000
Transmission and Distribution Projects—Water (Program #9609)	General Facility Charges	\$ 232,500	\$ 962,000	\$ 1,194,500
	Rates	\$ 2,510,500	\$ 9,716,000	\$ 12,226,500
Water Source Development and Protection (Program #9700)	General Facility Charges	\$ 221,500	\$ 411,500	\$ 633,000
	Rates	\$ 71,500	\$ 357,500	\$ 429,000
Water Storage Systems (Program #9610)	Rates	\$ 1,252,500	\$ 3,094,500	\$ 4,347,000
Water System Planning (Program #9906)	General Facility Charges	\$ -	\$ 160,500	\$ 160,500
	Rates	\$ -	\$ 160,500	\$ 160,500
Total Drinking Water		\$ 5,339,500	\$ 18,507,500	\$ 23,847,000

Project Funding Summary - Utilities Projects: Wastewater

Wastewater Projects	Funding	2017	2018-2022	TOTAL
Asphalt Overlay Adjustments - Sewer (Program #9021)	Rates	\$ 11,000	\$ 55,000	\$ 66,000
Infrastructure Predesign and Planning - Sewer (Program #9903)	Rates	\$ 40,000	\$ 200,000	\$ 240,000
Lift Stations—Sewer (Program #9806)	General Facility Charges	\$ 130,000	\$ -	\$ 130,000
	Rates	\$ 721,000	\$ 3,103,000	\$ 3,824,000
Onsite Sewage System Conversions - Sewer (Program #9813)	General Facility Charges	\$ 341,000	\$ 1,705,000	\$ 2,046,000
Replacement and Repair Projects - Sewer (Program #9703)	Rates	\$ 595,000	\$ 2,169,000	\$ 2,764,000
Sewer System Planning - Sewer (Program #9808)	Rates	\$ 53,000	\$ 265,000	\$ 318,000
Total Wastewater		\$ 1,891,000	\$ 7,497,000	\$ 9,388,000

Project Funding Summary - Utilities Projects: Stormwater

Stormwater Projects	Funding	2017	2018-2022	TOTAL
Aquatic Habitat Improvements - Stormwater (Program #9024)	Rates	\$ 360,000	\$ 1,800,000	\$ 2,160,000
Flood Mitigation & Collection - Stormwater (Program #9028)	General Facility Charges	\$ 250,000	\$ 3,055,575	\$ 3,305,575
	Rates	\$ 643,700	\$ 6,069,225	\$ 6,712,925
Infrastructure Pre-Design & Planning - Stormwater (Program #9903)	Rates	\$ 178,400	\$ 392,000	\$ 570,400
Water Quality Improvements - Stormwater (Program #9027)	Rates	\$ 171,000	\$ 550,025	\$ 721,025
	Storm Water Utility Grant	\$ 513,000	\$ 1,650,075	\$ 2,163,075
Total Stormwater		\$ 2,116,100	\$ 13,516,900	\$ 15,633,000

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

Project	Funding	2017	2018-2022	TOTAL
Sidewalks and Pathways—Transportation Section	Stormwater Utility Rates	\$ 186,500	\$ 932,500	\$ 1,119,000
	Total	\$ 186,500	\$ 932,500	\$ 1,119,000

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Summary of Funding Sources for Utilities Projects

Funding Sources	2017	2018-2022	TOTAL
General Facilities Charges (GFCs)	\$ 1,175,000	\$ 6,294,575	\$ 7,469,575
Rates	\$ 7,658,600	\$ 31,576,750	\$ 39,135,350
Storm Water Utility Grant	\$ 513,000	\$ 1,650,075	\$ 2,163,075
Total Utilities	\$ 9,346,600	\$ 39,521,400	\$ 48,868,000

Combined Summary of Funding Sources for Both General Government and Utilities Projects

Funding Sources	2017	2018-2022	TOTAL
CIP Fund	\$ 3,601,530	\$ 13,900,000	\$ 17,501,530
Gas Tax	\$ 275,000	\$ 1,375,000	\$ 1,650,000
General Facilities Charges (GFCs)	\$ 1,175,000	\$ 6,294,575	\$ 7,469,575
Grant	\$ -	\$ 10,484,620	\$ 10,484,620
Impact Fees	\$ 5,407,938	\$ 19,690,245	\$ 25,098,182
Non-Voted Utility Tax (NVUT)	\$ 500,000	\$ 2,500,000	\$ 3,000,000
OMPD Funds	\$ 1,720,600	\$ 5,497,400	\$ 7,218,000
Rates	\$ 7,658,600	\$ 31,576,750	\$ 39,235,350
SEPA Fees	\$ 147,360	\$ 61,790	\$ 209,150
Storm Water Utility Grant	\$ 513,000	\$ 1,650,075	\$ 2,163,075
Storm Water Utility Rate	\$ 186,500	\$ 932,500	\$ 1,119,000
TBD	\$ 1,635,000	\$ 7,500,000	\$ 9,135,000
Voted Utility Tax (VUT)	\$ 2,975,000	\$ 14,875,000	\$ 17,850,000
Total	\$ 25,795,528	\$ 116,337,955	\$ 142,133,482

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