

Olympia Planning Commission

October 15, 2018

Olympia City Council
PO Box 1967
Olympia, WA 98507

Dear Mayor Selby and City Council Members:

The Olympia Planning Commission (OPC) is pleased to report on its annual review of the City of Olympia's 2019-2024 Draft Capital Facilities Plan and Financial Plan (Draft CFP). We commend City staff for producing a very well-organized document. We particularly like how clearly the first section describes the City's capital planning process and answers the many questions the lay public is likely to have about financial planning for capital facilities.

All City departments (except for Public Works, which is currently working on its Transportation Master Plan), have completed master plans in which they describe how they will implement the Comprehensive Plan's goals, objectives and policies over the 20-year period ending in 2034. These plans provide the strategic links between the Comprehensive Plan and the Draft CFP (now considered Volume 2 of the Comprehensive Plan). Completion of these master plans is a major achievement of which our City can be proud.

Through these documents – the Comprehensive Plan, the various master plans, and the Draft CFP, the City has created a well-integrated planning and budgeting process that not only provides the context for the annual projects and budget line items identified in the Draft CFP, but helps support budgetary discipline.

We concur with City staff that projects identified in the Draft CFP are consistent with Comprehensive Plan goals and policies. OPC held a public hearing on the Draft CFP on September 17, 2018 and received no comment.

Financial Overview

We appreciate the inclusion of the City's Long-Term Financial Strategy in the Draft CFP document. We would like to see more information about the City's debt service, specifically how much debt is incurred by each department over time relative to debt limits, how quickly debt is being paid off, and the applicable interest rates and interest costs. Graphs that illustrate this information for both the six-year timeframe of the Financial Plan and the 20-year timeframe of the Comprehensive Plan would be especially useful. We believe this information may be useful in helping the City limit its costs of borrowing to the extent possible.

We would also like the City to consider applying an “equity lens” to ensure that investments are being targeted toward areas in which we may have underinvested in the past. For example, is the order in which we build sidewalks taking the needs of the City’s lowest-income populations into account? This could be determined by an overlay of low-income areas and potential project investment, and should be a consideration when identifying projects and project priority.

Parks, Arts and Recreation

The Parks Department has completed many of its high priority projects from last year, including installation of a new sheet-pile bulkhead along Water Street and Fourth Avenue, replacement of deteriorating Priest Point Park facilities, and Isthmus Park interim improvements.

On page 38, the Parks Department notes that in order to meet existing Level of Service standards, it needs to increase the acreage and development of Neighborhood Parks and Community Parks – we are slightly below our LOS ratios – but does not note how much additional park acreage will be needed to meet the needs of the City’s future population in 2034. While the ratio of open space to population appears adequate for now, the department notes that the Open Space Inventory will need to be substantially increased to meet future needs – again, how much more acreage will be needed?

Given the population increase expected downtown, this chapter includes a line item of \$30,000 for an assessment of future urban park needs. While we support this assessment, we are concerned about creating new pocket parks and amenities if we cannot resolve the kinds of problems that occurred at the now-closed Artesian Commons. As part of this assessment, we suggest that the Parks Department describe how it would address the challenges to potential new downtown pocket parks and amenities posed by a substantial street population, given that some of our goals as a city are to encourage walkability, safety, and more visits to our downtown. What are the criteria (design, features, location, size, etc.) that could affect park use by type of population?

Although one section of Percival Landing has been replaced, no other sections are proposed for replacement at this time. The Parks Department proposes instead to continue annual inspections and to make any needed repairs in 2020. The CFP notes that maintenance reserve funds have been set aside in 2016, 2017, and 2018, and that these will be added to additional reserve funds collected in the next six years to make repairs identified in the Five-Year In-Depth Assessment. The source of these new reserve funds will be the Olympia Metropolitan Parks District. We suggest noting when the next Five-year In-Depth Assessment will take place and scheduling the scoping of Phase II of Percival Landing Replacement, depending on the results of that assessment (p.49).

Transportation

As noted earlier, the Public Works Department’s 20-year Transportation Master Plan is in development and appears to be off to an excellent start. We are impressed with the map-based approach the department has adopted, which includes:

- Identifying all of the improvements that will be needed across the City to develop “complete streets” (i.e., accommodation of walkability, cycling, transit, and auto use and freight) to the extent possible
- Maximizing efficiency by compiling all of the needed improvements into one or more projects by location
- Identifying funding sources for these projects, and

- Developing a final schedule of projects based on location and financial feasibility.
- Analysis of impact-fee related transportation improvements will be addressed at a later date.

Sidewalks

Sidewalks are a perennial issue because they are lacking in certain areas where pedestrians feel unsafe, and many of those that exist are in disrepair, yet they are very expensive to build or rebuild and the City wants to ensure that it can accomplish several goals at once before tearing up streets. Sidewalks are expensive because needed storm-water improvements must be made concurrently, pervious concrete must be used, and other issues may need to be addressed. Construction costs also increase every year. In addition to other criteria used by the City, we suggest prioritizing sidewalk construction in and around neighborhood centers, as these centers are intended to increase walkability.

Developers are required to build sidewalks within subdivisions. Sidewalks in local access streets outside of subdivisions are required to be built by adjacent landowners, but many of those landowners are not aware of this requirement. Of those that are, some may pay fees in lieu of building sidewalks. We would like to confirm whether sidewalk fee-in-lieu funds are directed toward building new sidewalks or whether they go into the general fund. In addition, we would like to know whether it might be possible for a group of neighbors to form a special improvement district in order to build sidewalks.

Because “walkability” is a major goal in the Comprehensive Plan, we would like to more clearly see to what extent and how quickly the City is achieving this goal. For example, what percentage of arterials and major collectors are currently complete streets serving all modes of transportation? How much progress will have been achieved by 2024?

General Capital Facilities

The City owns 16 buildings providing space for 500 City employees and 4,500 daily visitors. The chapter notes that a building condition assessment was completed in 2013 and that an update is currently being developed. Annual costs of maintenance and repair are estimated to exceed \$3 million per year, yet the City is only budgeting \$1.4 million per year in the next six years. What is the explanation for this discrepancy? If maintenance and repair are not being fully funded, what is the effect of not completing this work on the condition of the City’s buildings?

What is the source of the “CFP General Revenue” being used to fund these expenses? Would the Utility Tax on cable television be added to the general revenue and, if so, how much funding would it provide? More detail should be provided in this section.

This section notes that the City will determine what needs to be done to bring City-owned buildings into compliance with the Americans with Disabilities Act. It should also add that a transition plan is in development that will identify the projects necessary for compliance.

A number of other capital expenses loom in the near- and longer-term, including:

- Potential purchase or dedication of property to accommodate homeless encampments, cottage development, and other low-income housing solutions in coordination with non-profit organizations
- Implementation of the City’s “Street Tree Master Plan”

- A new Public Library to replace the greatly outgrown facility downtown, depending on the public's support of such a project
- One or more municipal parking garages downtown, and
- Projects to mitigate the effects of sea-level rise downtown.

These projects are not included in the Draft CFP because no funding is currently available, but no funding will be available unless the City identifies projects to be funded. We believe that it is important to begin identifying these projects and exploring all possible funding sources, so that information can begin to be developed and included in future annual updates of the Draft CFP. Public-private partnerships may be especially useful in funding some of these needs.

Summary

We would like to express our appreciation for the work of all those who helped develop the Draft CFP. Many thanks to Senior Planner Stacey Ray, who provided excellent support, and to the City's department staff who generously provided of their time to answer our questions.

The Olympia Planning Commission appreciates the opportunity to provide these comments and recommendations on the 2019-2024 Draft Capital Facilities and Financial Plan. We hope the Council finds them useful in their budget deliberations. We would be happy to answer any questions that may arise from this letter.

Sincerely,



Rad Cunningham, Chair



Carole Richmond, Vice-Chair