

Olympia Sea Level Rise Response (SLRR) Plan Funding and Governance Evaluation

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Member of  **Nexia**
CohnReznick LLP



With you today



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INTRODUCTIONS AND AGENDA

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Q & A

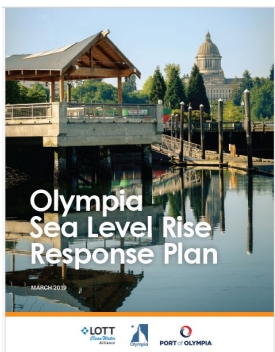
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Background

The Collaborative has delivered on some of the short-term improvements outlined in the SLRR Plan.

2019

SLRR Plan is released.



2020

The Collaborative is established by an interlocal agreement between the City of Olympia, the Port of Olympia, and LOTT.

2021

2022

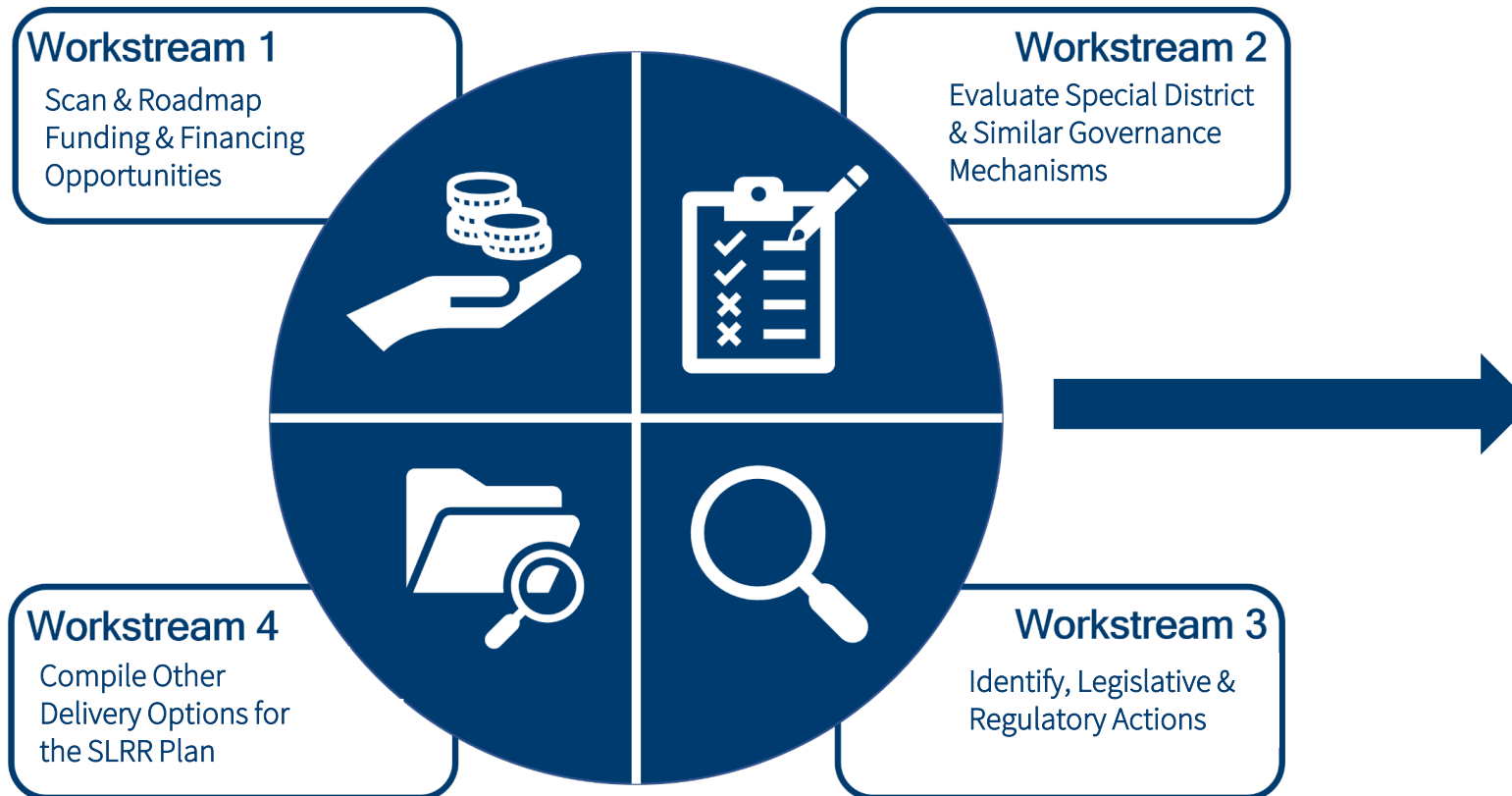
2023

2024


The Collaborative engaged with CohnReznick to conduct a deeper analysis on the technical and funding implementation considerations to further the SLRR Plan.


CohnReznick Team's Scope of Work


In December 2023, the Collaborative enlisted CohnReznick LLP to report on and analyze government and funding mechanisms that could be leveraged by the Collaborative to achieve the goals and objectives identified in the City of Olympia's Sea Level Rise Response Plan (SLRR). CohnReznick LLP has worked with the Collaborative to complete four key workstreams:





Evaluated Universe of Funding Options


 Federal Funding	
Flood Mitigation Assistance Grant Program - Department of Homeland Security - FEMA	FY 2024 Readiness and Environmental Protection Integration Program Challenge
FEMA - Building Resilient Infrastructure and Communities (BRIC)	Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Program
DOT - Maritime Administration's Port Infrastructure	Drinking Water State Revolving Fund (DWSRF)
PROTECT Formula Funding	INFRA Grant Program
National Coastal Resilience Fund	MEGA Grant Program
FEMA's Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM)	NEERS Habitat and Restoration Bipartisan Infrastructure Law (BIL) Competition
IRA Tax Credits	Regional Ocean Partnerships
FEMA Predisaster Mitigation Program	

 State Funding	
Washington's Cap-and-Invest Program	Aquatic Lands Enhancement Account
Puget Sound Marine and Nearshore Grant Program	Community Development Block Grants
Transportation Improvement Board (TIB) Funding	Sandy Williams Connecting Communities Program
Public Works Trust Fund Financing	Local Bridge Program
Statewide Climate Planning Grants	Surface Transportation Block Grant
Floodplains by Design	Land and Water Conservation Fund
Stormwater Financial Assistance Program Grants	Estuary and Salmon Restoration Program
Clean Water State Revolving Fund Loans	Flood Control Assistance Account Program (FCAAP)
Centennial Clean Water Program Grants	

 Local Funding		
State and Local Sales Tax	Increase to Permit Fees in the City and the Port	Washington Center Endow Fund
Lodging Tax Funding / Hotel Use Tax	General Obligation Bonds	Washington Center Ops Fund
Rise in Utility Tax Rates	Increase in Service Charge Rates	Equipment and Facility Repair Fund
Fuel Taxes	Recreation Fees	Parking Fund
Property Taxes	Ancillary Revenues	General Fund
Business and Occupation Tax	Capital Improvement Fund	Real Estate Excise Tax Fund
Admissions Tax	Local Improvement Districts	Special Districts
Olympia Metro Park District Fund		

 Government Financing		
Municipal Finance	Transportation Infrastructure Finance and Innovation Act (TIFIA)	Water Infrastructure Finance and Innovation Act (WIFIA)

 Private Financing		
Public-Private Partnerships (P3s)	Senior and Subordinated Debt / Loans	Private Activity Bonds
Equity	Private Placements	

 Private Funding	
Corporate Sponsorships	Corporate Donations

Funding and Financing – Key Opportunities



Federal Grants

- **Opportunity:** Multiple federal grant programs such as FEMA FMA and BRIC and USDOT PIDP and are applicable to SLRR. A full list of grant options will be outlined in our report.
- **Key Considerations:** Grants do not need to be repaid to the federal government. Individual programs have different eligibility criteria, matching fund requirements, and awards are often capped per geography.
- **Recommendation:** The Collaborative should work with its regional partners to finalize its grant strategy and to identify matching grant funds.



New State Programs

- **Opportunity:** State programs such as Cap-and-Invest provide significant infrastructure dollars.
- **Key Considerations:** State agencies are currently evaluating how these dollars would be allocated.
- **Recommendation:** The Collaborative should engage with the state government to expand project eligibility to include sea-level rise projects.



Other Funding, Finance, and Delivery Options

- **Opportunity:** Innovative funding, sponsorships, finance, and delivery methods can provide additional funds for the project.
- **Key Considerations:** These sources can speed up the process; however they generally have an opportunity cost.
- **Recommendation:** Further analysis should be undertaken to explore alternative finance, funding, and delivery concepts.

Special Districts – Overview

Special Districts (SDs) are limited purpose local governments separate from a city, town or county government that generally perform a singular (or limited number of functions)¹.

What is a Special District?

Can be classified as any of the following – body corporate, municipality, municipal corporation, quasi-municipal corporation, units of local government, or public body (corporate and politic).

Formation:

- Majority of SDs are formed by a resolution of a county legislative authority or a petition to the county legislative authority
- Almost all formations require a formal hearing and, in some instances, a feasibility study
- Usually, an election to determine whether the majority of residents/landowners wish to form a district and pay taxes to receive district services (some exceptions)
- Some regular levies, all excess levies, and all bond levies must be authorized by voters
- New districts are to be reported to the state auditor by the county auditor



Over 80 Special Districts have been enabled by the Washington legislature

Special Districts – Key Opportunities

Option 1

Cultural Arts, Stadium, and Convention Districts

- **Time to Formation:** Approximately 5 months, maximum 2.5 years.
- **No/limited county auditor involvement**
- **9-member maximum governing body**, at least one county legislative authority representation on governing board recommended

Special Considerations: Entire city must be included in the district

Case Studies: Butler Shores Area Cultural and Climate Innovation District

Similarities

Similar Funding Opportunities:

- Can issue bonds (general obligation and/or revenue)
- Can utilize Community Revitalization Financing options
- Can levy regular property taxes that comply with Washington State's 1% Limit

Standardized Formation Process:

- **Strong Powers:** taxing authority, comprehensive plan of action development, can form contracts with government entities/public/private organizations, can own/maintain/utilize relevant facilities

Option 2

Flood Control Zone Districts

- **Time to Formation:** Approximately 1 year, including flood zone creation (6 months).
- **Moderate county auditor involvement in formation and election processes**
- **3-member maximum governing body**, initial governing body appointed by the county legislative authority

Special Considerations:

- At least two flood zones are required
- Existing a non-county wide flood control district must be dissolved and rolled into the county wide special district

Case Studies: King County Flood Control District, Lexington Flood Control Zone District

Key Study Findings



There are significant federal funding opportunities available; the team identified five potential grants



State funding sources such as Cap-and-Invest also represent a significant opportunity for this project



In terms of Collaborative-managed long-term revenue, two special district options (Cultural Arts, Stadium and Convention District & Flood Control Zone District) were reviewed as possible pathways



Once a long-term revenue source is in place such as a special tax district, public and private financing and sponsorship options are enabled



A long-term revenue source would also enable the ability to leverage innovative delivery solutions such as public-private partnerships which can bring new private sector funding to the project

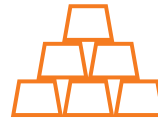
Looking Ahead – Next Steps and Recommendations

The Collaborative should now identify the optimal combination of the available funding and financing opportunities, governance, and project delivery structures to achieve a successful implementation of SLRR. This will include:



Community Engagement

- Gather community feedback on delivery scope and composition
- Conduct analysis to validate the optimal delivery option and unique opportunities presented by the Collaborative
- Develop a concrete path forward to petition, form, map, and approve the special district or other option under the city authority



Funding & Financing Sources

- Develop a financial plan and undertake financial analysis
- Conduct a gap / risk assessment to evaluate opportunities for innovative finance, funding, and delivery
- Identify delivery method(s) for the SLRR Plan – with a focus on maximizing equity and taxpayer value-for-money



Roadmap

- Build a delivery roadmap for SLRR Plan projects, including key decision points on funding, design, procurement, construction, and long-term operations and maintenance



These recommendations enable a structured plan to advance delivery and achieve the goals and outcomes of the SLRR Plan.

| Q & A

Thank You

