

MC Feasibility Study



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Maintenance Center Today



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Priest Point Park



A Defining Moment

1. Major systems and buildings are deficient or at the end of their life
2. Challenging environmental conditions
3. Growing out of the space
4. Critical facility doesn't meet seismic requirements

Environmental Constraints



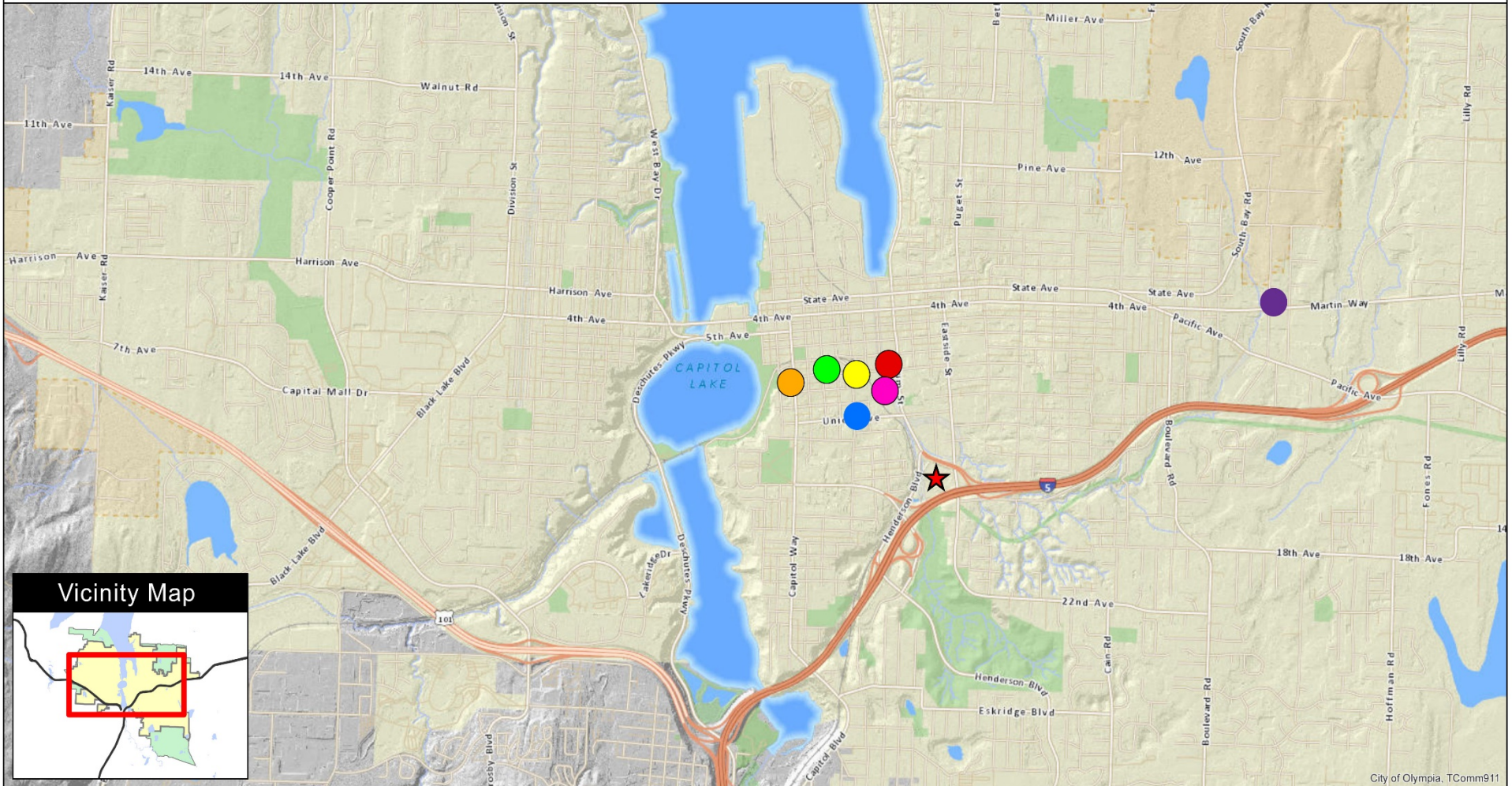
Feasibility Study Scope

1. Consolidation of PW and Parks maintenance
2. Renovation/rebuilding of a Maintenance Facility with 50 year design life
3. Evaluate alternative sites
4. Assess existing market value of MC property

Ideal Location



City Infrastructure Weighted Centers



City of Olympia, TComm911

0 2,000 4,000
Feet 1 inch = 2,000 feet

Legend

- Water Valves
- Stormwater Mains
- Parks Land
- ★ Maintenance Center
- Wastewater Manholes
- City Streets
- City Limits
- Waste Resources Routes

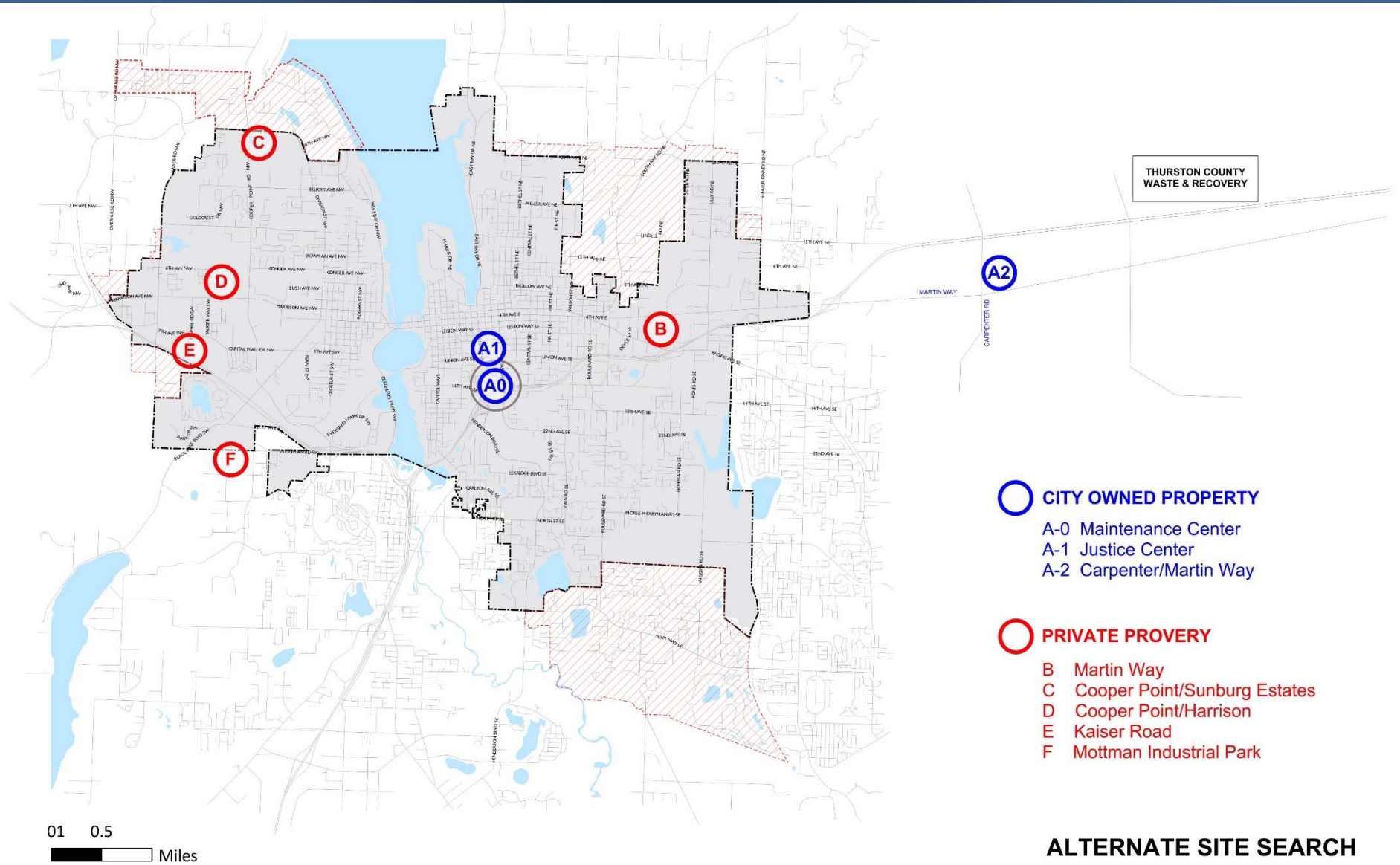
Map printed 9/9/2016
For more information, please contact:
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This map is intended for 11x17" landscape printing.

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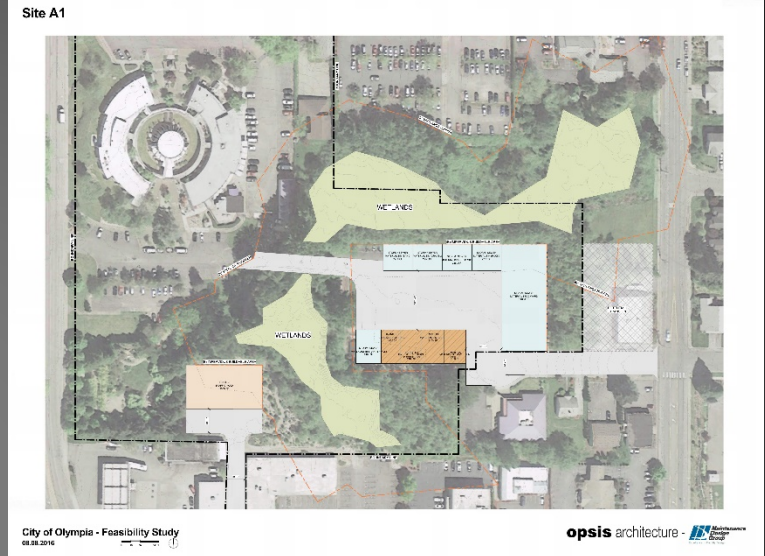
Property Search



Focus on City Owned Properties



Site 1: Maintenance Center (10.3 acres)



Site 2: Justice Center Pad (2.1 acres)

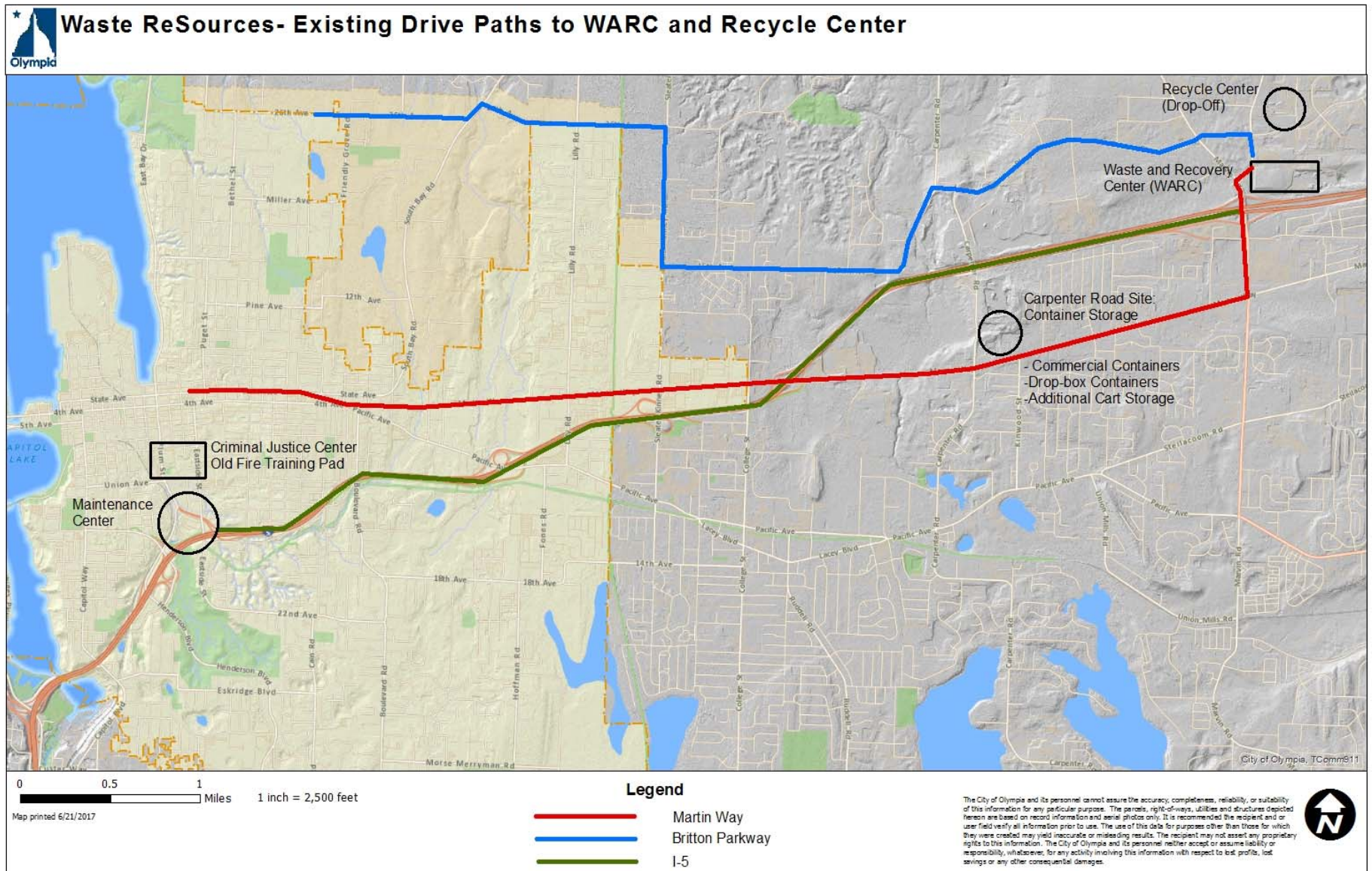


Site 3: Carpenter Road
Firing Range (8.7 acres)

Carpenter Road Site



Waste ReSources Routes



Repurposing of Carpenter Rd

PROS

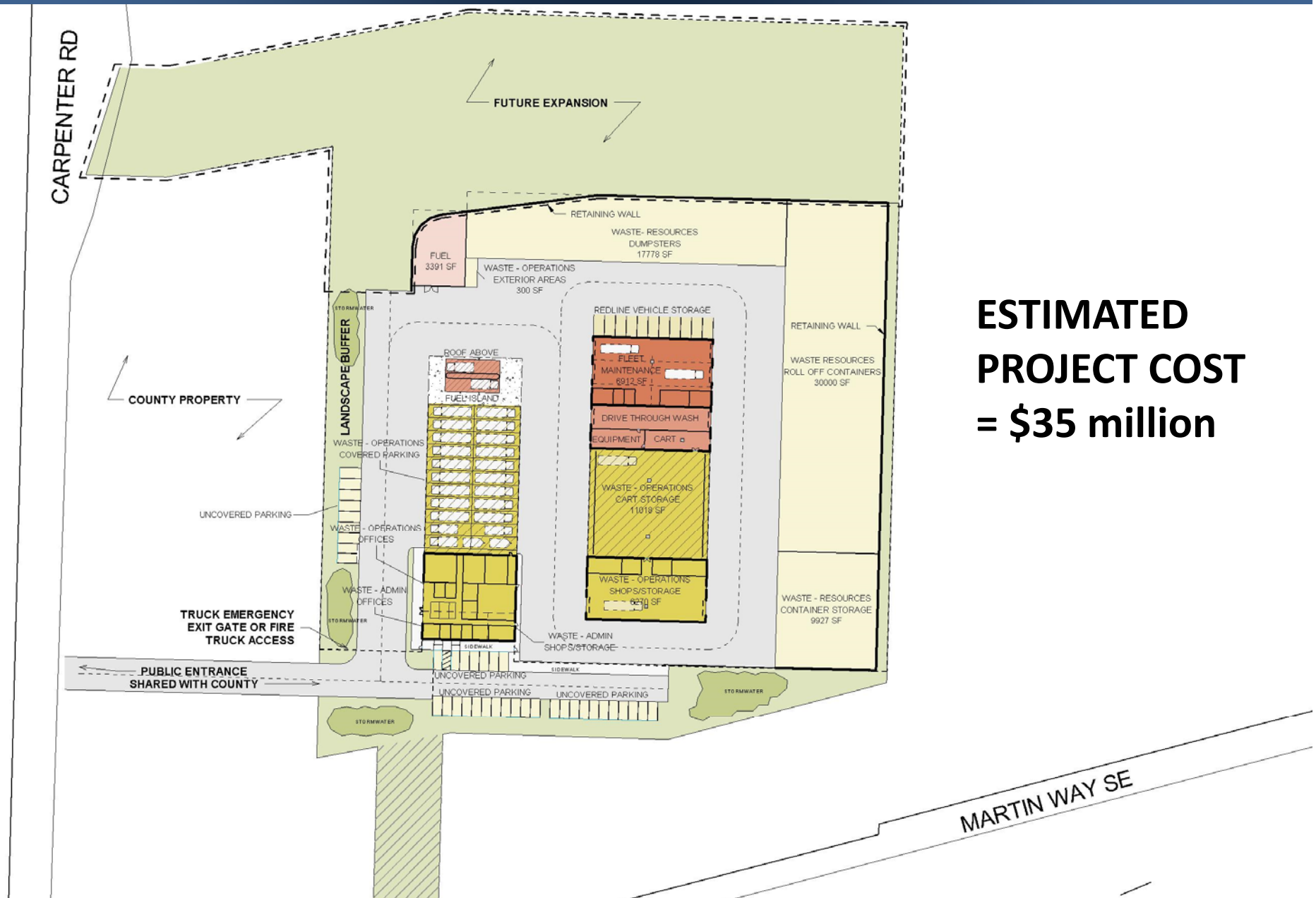
- We own it
- On existing route
- Consolidate equipment
- Room to grow
- Facilitates site clean-up
- Zoning is OK
- Redundancy of facilities

CONS

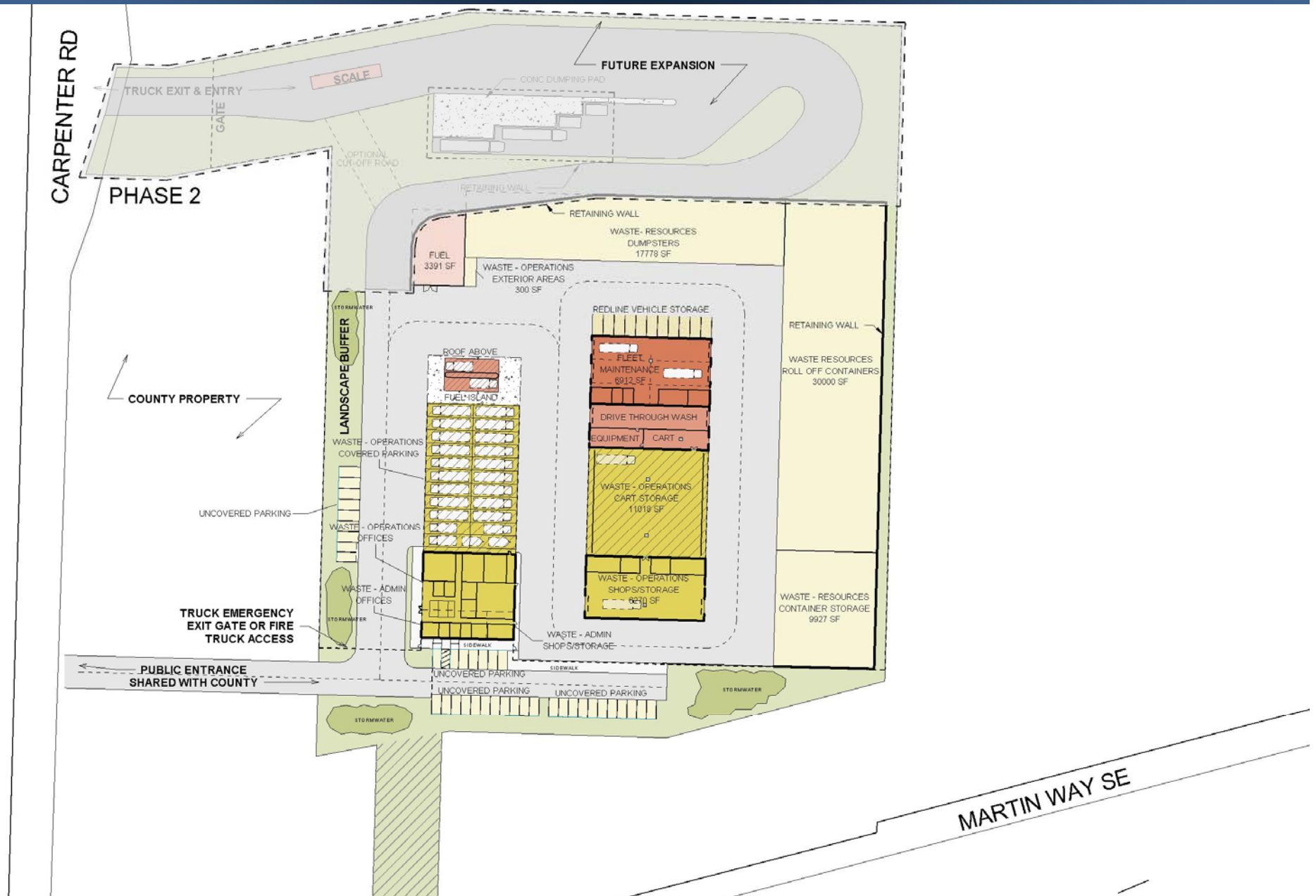
- Separate from rest of PW and Parks
- Additional fleet facilities needed
- Outside City
- Loss of firing range

Preliminary Design

**ESTIMATED
PROJECT COST
= \$35 million**



Potential Future Expansion



Financing Options

Option 1

20 Year Debt (\$32 million at 4% interest)

- Approximately \$2.35 million annual debt service
- Total Debt Service = approx. \$47 million

Option 2

30 Year Debt (\$32 million at 5% interest)

- Lowers annual payment by approx. \$250K to \$2.1 million
- Lowers needed rate increase by 2.5 percent
- Adds \$15 million in debt service (to total of approx. \$62 million)

Creating a Debt Reserve

20 Year Debt – 5 Year Phasing

Year	2018	2019	2020	2021	2022
Rate Increase*	4%	4%	5%	5%	5%
Approx. Revenue Generated	\$400K	\$800K	\$1.3M	\$1.8M	\$2.3M

NOTES:

- Accumulated Cash will be dedicated to buying down debt
- Eliminated 3-year phasing due to rate impact

Preliminary 2018 Rates

Customer Class	Base Rate Increase	With Debt Reserve
Drop Box	2 percent	6 percent
Residential	2 percent	6 percent
Commercial	0 percent	4 percent*
Organics	6 percent	10 percent*

Good Timing to Add Reserve

- Other 2018 utility rate increases are relatively low
- Even with adding debt reserve, projected average residential bill to increase by only 3 percent or less
- Recommend including debt reserve in UAC and Council rate review

Issued RFP for Rate Study for 2019 and beyond

- Includes analysis of adding commercial recycling service and hauling our own recyclables

MC Environmental Challenges



Enviro. Assessment Needed

SCOPE OF WORK

- Assessment of on-site soil and groundwater contamination
- Assessment and preliminary design of wetland mitigation options
- Assess constructability issues due to high groundwater/fill soils

COST

- \$250,000 – (\$150K - utilities and \$100K – general fund)
- Use existing sources of funding
- General Fund – split between parks and building repair

Tentative Timeline

2018

- Move forward with 30 percent design for Carpenter Road - refine estimate
- Begin set aside of future debt reserve
- Environmental assessment work at MC

2019 – 2021

- Refine Feasibility for MC Improvements/ Co-location of Parks and PW
- Continue set aside of Waste Resources debt reserve
- Complete Design of Carpenter Road facility
- Complete Demolition and Clean Up of Firing Range

2022

- Financing and construction of Waste ReSources facility at Carpenter Road
- Interim remodel and relocation of some Parks programs to MC

2023 - 2028

- Design and Construction of Permanent Maintenance Center Improvements

Recommended Next Steps

1. Move forward with 30 percent design for Carpenter Road improvements
 - Waste ReSources Utility has available cash (\$450K)
2. Start building debt reserve for Waste ReSources in 2018
 - Fold into UAC and Council rate reviews
3. Fund MC environmental assessment through existing funds