

CHAPTER 9

CAPITAL FACILITIES ELEMENT

INTRODUCTION

Capital facilities help define the quality of life for residents of Electric City. Law enforcement services protect lives and property. Sewer, water and solid waste services meet a basic living need. Parks and dedicated open space provide for our leisure and recreational needs.

Capital facilities include roads, bridges, sewers, parks and open spaces, drinking water, stormwater, and all government buildings that house public services. To approach these projects in a coordinated and cost-effective way, the City has developed this Element and Capital Facilities Plan (CFP).

In order to comply with state laws, to maintain and improve public services to citizens, and to accommodate orderly growth, Electric City anticipates a continued investment in its capital facilities over the planning period. This Capital Facilities Element provides the comprehensive planning foundation for the City's Capital Facilities Plan. The Element and detailed CFP are important planning tools. The Element and CFP demonstrate that the City has a realistic review of its capital facilities and determined the level of service that it can provide its existing and future residents. The CFP identifies needed capital improvements and a reasonable financial plan to pay for them.

This Element provides a summary of existing capital facilities and their condition and establishes a general timeline for meeting the City's capital facilities goals. Inventory data for the City's capital facilities is contained in the CFP. In addition, this Element discusses available public services, such as police and fire protection and the public school system. City transportation facilities are addressed in the Transportation Element and in detail in the CFP. Public water and sewer systems, solid waste management systems, and private utilities such as electricity, telephone, and telecommunications are generally addressed in the Utilities Element with City owned and operated utilities discussed in detail in the CFP.

RELATIONSHIP TO OTHER PLANS

Growth Management Act Requirements

The Capital Facilities Element and Capital Facilities Plan are required under the Growth Management Act and is an important part of Electric City's Comprehensive Planning program.

According to Growth Management Procedural Criteria (WAC 365-195-210), the Capital Facilities element and CFP should contain at least the following features:

- An inventory of existing capital facilities;
- A forecast of the future needs for capital facilities;
- Proposed locations and sizes of expanded or new capital facilities;
- A six-year plan that will finance capital facilities;
- A requirement to reassess the land use element if funding falls short of meeting capital facilities needs as well as ensure consistency between the land use element and the capital facilities element with its associated financing plan.

The CFP must be financially feasible; probable funding must be in place to pay for capital facility needs, or else “reassess the land use element.” If the costs of the projects and/or acquisitions in CFP exceeds the available revenue to pay for them, the City must reduce its level of service, reduce costs, or modify the land use element to bring development into balance with available or affordable facilities. The GMA does not preclude the City from taking other steps before reassessing land use, including reduction of level of service (LOS) standards, reducing the quality of facilities that meet the quantitative standards, or reducing demand by reducing consumption.

Other requirements of the GMA mandate forecasts of future needs for capital facilities and LOS standards of facility capacity as the basis for public facilities contained in the CFP. As a result, public facilities in the CFP must be based on quantifiable, objective measures of capacity, such as traffic volume capacity per mile of road, and acres of park per capita.

One of the goals of the GMA is to have capital facilities in place concurrent with development. This concept is known as “concurrency”. In Electric City concurrency means:

- Facilities to serve the development shall be in place at the time of development (or for some types of facilities, that a financial commitment is made to provide the facilities within a specified period of time); and
- Such facilities have sufficient capacity to serve development without decreasing levels of service below minimum standards adopted in the CFP.

The GMA requires concurrency for transportation facilities. GMA also requires all other public facilities to be “adequate.” Concurrency management procedures will be developed to ensure that sufficient facility capacity is available for each proposed development.

After the CFP is completed and adopted as part of this Comprehensive Plan, the City must adopt development regulations to implement the Plan. The development regulations will provide detailed regulations and procedures for implementing the requirements of the

Plan.

Each year the CFP must be updated, the annual update will be completed before the County's budget is adopted in order to incorporate the capital improvements from the updated CFP in the County's annual budget.

Traditional capital improvement plans, which are often nothing more than "wish lists", do not meet the requirements stated above. Traditional capital improvement programs often do not define criteria used to determine which facilities make the list. Financing requirements are typically not defined; nor is an implementation schedule often provided. In short, traditional capital improvement programs require no "follow through" or commitment of resources or time.

Capital Facilities Plans as required under the GMA, on the other hand, identifies needed facilities, establishes LOS standards, prioritizes improvements, and then maps out a financing plan and schedule to implement the plan.

COUNTY-WIDE PLANNING POLICIES

The Capital Facilities Element is also developed to be consistent with County-Wide Planning Policies. The Policies that address capital facilities are summarized as follows:

Policy # 8 – Analysis of Fiscal Impacts

Fiscal Impact: In order to ensure that City policies and future individual growth plans and capital facilities funding programs adequately address cumulative potential impacts on the revenues of local government, a joint fiscal impact study should be conducted, focusing on:

- Capital facility debt financing capabilities and burdens of the individual local governments, and the options and potential for sharing debt capacity and responsibility for capital facility financing among and between local governments, special purpose districts, and the private sector;
- The structure of revenues that operate local government and the potential for new revenues or an alternate system of distributing existing funds.

Impact Fees: Each jurisdiction is encouraged to adopt fair and reasonable impact fee ordinances to ensure that new growth pays its fair share of the cost of capital facilities, such as transportation improvements, parks, and schools.

Plans of Other Jurisdictions

Several non-County public facility and service providers, including the Grant County PUD, school districts, fire districts, sewer districts, and water districts, have prepared capital

facilities plans for their services and facilities. The recommendations of those capital facilities plans are incorporated into this Plan.

PURPOSE OF THE ELEMENT

The focus of this Element is to provide the foundation for planning and provision of needed public facilities for the City's incorporated and unincorporated populations. The Capital Facilities Element meets the requirements of the GMA through development of the Capital Facilities Plan (CFP), a stand-alone six-year plan for capital improvements that support Electric City's current and future population and economy. The CFP is not a "wish list"; rather, it is a set of improvements that must be fully funded over the six-year period.

A high priority of this Element and the CFP is to provide adequate public facilities to support the adopted levels of service (LOS) standards for each type of capital facility. The City's projected population growth and other demand factors, together with the adopted LOS standards, is the principal basis for the findings of this Element.

The purpose of the CFP is to use sound fiscal policies in order to provide adequate public facilities consistent with the land use element and concurrent with, or prior to, the impacts of development, in order to achieve and maintain adopted LOS standards.

WHY PLAN FOR CAPITAL FACILITIES?

There are at least three good reasons to plan for capital facilities: (1) the GMA requires the City to do so; (2) the citizens and sound fiscal management of public funds demands it; and (3) eligibility for grants and loans for infrastructure development depends on it.

Growth Management

Capital facilities plans are one of six elements required by the GMA. A CFP is required in order to:

- provide for and accommodate capital facilities for land development envisioned in Chapter 5 – Land Use Element;
- maintain the quality of life for existing and future development by establishing and maintaining LOS standards for capital facilities;
- coordinate and provide consistency among the many plans for capital improvements, including:
 - other Elements of this Plan;
 - master plans and other studies of local government;
 - plans for capital facilities of state and/or regional significance;

- plans of adjacent local governments; and
- plans of special districts.
- Ensure timely provision of adequate facilities as required in the GMA; and
- Document all capital projects and their financing, including projects to be financed with impact fees and/or real estate excise taxes that are authorized by the GMA.

The Capital Facilities Element and CFP makes the rest of the Comprehensive Plan take shape. By establishing levels of service as the basis for providing capital facilities and for achieving concurrency, this Element and the CFP determines the quality of life in the community. The requirement to fully finance the CFP (or revise the future land use plan) provides a reality check on the vision set forth in the Comprehensive Plan.

Sound Management

Planning for capital facilities and their costs enables Electric City to:

- Demonstrate the need for facilities and the need for revenues to pay for them;
- Estimate future operation and maintenance costs of new facilities that will impact the annual budget of the City;
- Take advantage of sources of revenue that require a CFP in order to qualify for the revenue; and
- Receive better ratings on bond issues when the City borrows money for capital facilities, and thus reduce the cost of borrowing money.

Eligibility of Funding

The state Department of Commerce provides the Public Works Trust Fund (PWTF) as an important source of funding for capital improvements. In order to be eligible for grants and loans, local governments are required to have an adopted CFP. Other grants and loans have similar requirements or give preference to governments that have a CFP.

LEVELS OF SERVICE

General

Levels of service are usually quantifiable measures of the amount of public facilities that are provided to the community. Levels of service may also measure the quality of some public facilities. For example, the level of service for a water system defines both the number of gallons available to each customer per day and the quality of

that water. The amount and quality reflect a level of service. These level of service measures are often expressed as ratios of facility capacity to demand (i.e., actual or potential users). Table 9-1 shows sample levels of service measures for some capital facilities.

Each of these levels of service measures needs one additional piece of information: the specific quantity that measures the current or proposed level of service. For example, the *standard* for parks might be 5 acres per 1,000 population, but the *current* level of service may be 2.68 acres per 1,000, which is less than standard.

In order to use the level of service method, the City selected how it will measure each facility (e.g., acres, gallons, etc.), and identifies the amount, or standard, adopted for each measure of the current and proposed level of service.

There are a number of other ways to measure the level of service of many of these capital facilities. The examples in Table 9-1 are provided to promote understanding of level of service methods for determining the City's capital facility needs.

Table 9-1

Sample Level of Service Measurements

Type of Capital Facility	Sample Level of Measure
Fire and Rescue	Average response time
Law Enforcement	Officers per 1,000 population
Parks	Acres per 1,000 population
Roads and Street	Ratio of actual volume design capacity
Schools	Students per classroom
Sewer/Water	Gallons per customer per day/ Effluent quality
Solid Waste	Tons per capita per day
Telecommunications	mbs/second

Method for Using Levels of Service

The Level of Service method allows a financially feasible CFP to be developed. It does this by establishing LOS standards that are measurable and financially feasible for the six fiscal years following plan adoption.

To meet the GMA requirements and the needs of its residents, Electric City answers two fundamental questions in developing its CFP.

Question 1: What is the quantity of public facilities that will be required by the end of the 6th year.

Question 2: Is it financially feasible to provide the quantity of facilities that are required by the end of the 6th year.

Any LOS standard that is not financially feasible and is also subject to concurrency must be adjusted using the following options:

1. Reduce the standard of service, which will reduce the cost; or
2. Increase revenues to pay for the proposed standard of service (higher rates for existing revenues, and/or new sources of revenue); or
3. Reduce the average cost of the public facility (i.e., alternative technology or alternative ownership or financing), thus reducing the total cost, and possibly the quality; or
4. Reduce the demand by restricting population (i.e., revise the Land Use Element), which may cause growth to occur in other jurisdictions; or
5. Reduce the demand by reducing consumption (i.e., transportation demand management techniques, recycling solid waste, water conservation, etc.) which may cost more money initially, but may save money later; or
6. Any combination of options 1-5.

The financially feasible LOS standards and the resulting Capital Improvement Projects are then used as the basis for policies and implementation programs in the final Capital Facilities Plan.

Setting Standards for Levels of Service

The LOS standards the City adopts will determine what capital facilities are needed. The LOS standards are key to directing the CFP. They ultimately determine our standard of quality and how much it will cost to meet those standards. They are important because they measure the community's quality of life and should reflect the values and vision for the future.

Draft LOS standards have been prepared and included herein for review by the Electric City Planning Commission. The final, legal authority to establish the LOS standards rests with the City Council. Their job is to enact the LOS standards that reflect the community's vision. Their decision is influenced by the entire community.

Specifically:

- Providers of public facilities (i.e., Grand Coulee, Grant County, special districts, private utilities, State of Washington, tribal governments, etc); and
- The general public through individual citizens and community, civic, business, and issue-based organizations that make their views known, or are sought through

sampling techniques; and

- The Electric City Planning Agency has a mandate under state law to make recommendations to the Council on the Comprehensive Plan, and subsequent amendments and updates.

City residents will continue to have many opportunities to influence and redefine the LOS decisions and the Comprehensive Plan. They may attend and participate in meetings, write letters, respond to surveys or questionnaires, or join organizations that participate in the CFP process. Other opportunities include being appointed/elected to an advisory group, making comments/presentation/testimony at the meetings of any group or government agency that influences the LOS decision and giving input during the SEPA review process.

Specific LOS data is contained in the CFP.

MAJOR ISSUES

Impact Fees

Impact fees are authorized by Statute for road, school, park and fire safety improvements according to very specific criteria (RCW 82.02). If the City ever elects to add this optional revenue source, additional documentation and calculation will be needed to comply with the impact fee law, and an ordinance will need to be enacted, following appropriate level of public hearings.

Infrastructure Cost Recovery

Fiscal imbalances occur among local governments as a result of infrastructure investments, and the government finance structure in Washington State. Sometimes cities are at a disadvantage, other times it is counties. For example, counties sometimes install new roads, parks, etc., only to have them annexed by cities. Conversely, cities sometimes annex areas not having adequate urban-level infrastructure, and the city must make the improvements to bring the facilities up to municipal standards (i.e., curb, gutter and sidewalk, public water and sewerage systems). Many local governments throughout Washington have established mechanisms to address infrastructure and annexation. Electric City needs to:

- Prepare formulas for measuring infrastructure investment, and for calculating revenue and cost sharing. The level of sensitivity of the formulas will need to be established. For example, will it be sufficient to analyze each source of revenue

on a per capita basis, or should the data be “normalized” to represent the per capita revenue per unit of revenue rate (i.e., property taxes per capita vs. property taxes per capita per \$1.00 of tax levy)? The latter will require more research but will take into account differences in tax base.

- Evaluate level of service as a variable. For example, how should cost and revenue data be adjusted to account for differences in levels of service? Is level of service the cause or the effect of disparate revenues and costs? How do County-adopted LOS standards compare with those of cities for urban growth areas?
- Develop methods for addressing fiscal disparity among providers of public services/facilities, including a review of the causes of the imbalance, an examination of the alternatives available to address the causes, and selection of the alternative with the best prospects for remedying the imbalance. The methodology should address process issues (who participates, what procedures) and technical issues (framework for formulas).
- Develop specific formulas for calculating the fiscal adjustments needed to balance fiscal inequities. Formulas are needed that will calculate gross and net costs and revenues, and the net cash flow for each provider of the particular public service or facility that is the subject of review.

Focused Public Investment

The Capital Facilities Plan provides for public facilities in various locations in the City. Focused public investment targets capital improvement expenditures in public investment areas to produce “fully-served land” for development. Focused public investment maximizes the use of limited public funds by coordinating government expenditures and focusing development first in some areas, then in others. The targeted public investment is an incentive to development to occur where the public’s capital investment is focused. In order for public investment to be focused to produce fully- served land, the City and other service providers will need to resolve the following issues: (1) what criteria should be used to prioritize public investments, and (2) how should areas be selected for targeted investment?

LOS IN URBAN AND RURAL AREAS

The Growth Management Act requires urban levels of service be provided in urban growth areas, and not in rural areas. Electric City has developed standards for levels of service for public facilities. The City will need to continue to develop clearer distinctions between urban and rural levels of service. Improvement of level of service measures has been the first step, the City now needs to identify which facilities need separate urban and rural levels of service. For example, water and sewer service is generally through central

systems in urban areas, and through wells and septic tanks in rural areas. The standards for water and sewer could differ from urban to rural.

GOALS AND POLICIES

Goals and policies follow the shared vision for the future of Electric City for sustaining and improving our quality of life. Goals and policies are also consistent with the Planning Goals of the Growth Management Act. Goals are broad statements of a community's aspirations. Policies express a commitment to a course of action. Policies provide overall direction for implementation of a strategy. Policies provide clear guidance for decision-making subject to this Plan, and form the basis for development regulations. Goals and policies for capital facilities in Electric City are contained in Chapter 4 – Policy Plan.