

# CAPITAL FACILITIES ELEMENT

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# CAPITAL FACILITIES ELEMENT

## INTRODUCTION

### **Capital Facilities and the Community**

A community is often judged by the quality of the facilities and services it provides. Quality of life and community pride are reflected by the condition of the city streets, parks, community buildings, and other public works and services. A municipality has a primary, and sometimes the sole, responsibility to provide water and sewer services, parks and recreation, public safety, good streets and roads, and other basic public services and facilities. If public investment and facilities are able to accommodate private investment (growth), then sound economic development and growth can occur. If traditional public services and additional capacity expansion are not available, then growth and development are limited.

Finding money for capital improvements has become increasingly difficult. The cost for new projects and rehabilitation of old facilities is increasing beyond what some cities can afford. Making the most of limited financial resources is a challenge facing cities across the nation. Many dissimilar capital projects are competing for increasingly limited state and federal funds and no city has enough money for all the capital projects it would like to undertake. In addition, citizens are becoming reluctant to tax themselves further to pay for expensive facilities unless there are compelling reasons for the improvements. Therefore, it is essential that comprehensive, capital-improvement planning be a priority in order to maintain the quality of services that the citizens of Bainbridge Island have come to expect.

### **The Growth Management Act (GMA) and Capital Facilities**

The Capital Facilities Element (CFE) is one of five elements required by the Growth Management Act to be in a local government's comprehensive plan. The purpose of the CFE is to provide a comprehensive overview and to set policy direction for all capital improvements which are proposed in the City's comprehensive plan and in those of other local districts, such as schools and fire protection. In doing so, the city is required to:

- Provide capital facilities for land development that is envisioned or authorized by the Land Use Element of the comprehensive plan.
- Affect the quality of life envisioned in the City's comprehensive plan by establishing and maintaining standards for level of service.
- Coordinate and provide consistency among the many plans for capital improvements, including:
  - a. Other elements of the comprehensive plan such as the transportation and utilities elements.
  - b. Master plans and other studies of the City.

- c. Plans for capital facilities of state and/or regional significance.
- d. Plans of other local governments (e.g., Kitsap County).
- e. Plans of special districts (e.g., schools, fire district).
- Ensure the timely provision of adequate facilities and services for land use development.
- Document all capital projects and their financing.
- Determine the financial resources available for capital facilities projects and improvements.

The GMA requires that comprehensive plans be *realistic and able to be implemented*. The Capital Facilities Element provides the means to do that. Prior to the GMA, capital facilities planning was done in a segmented manner; the Parks, School and Fire Districts prepared their respective capital facilities plans. The City's Capital Improvement Program listed the capital projects desired (a "wish list") for a five or six-year period, without consideration of how to pay for these beyond the first year. In addition, there was no mechanism for reviewing, within a single document, *all* of the projects (schools, parks, roads, water systems) that the citizens of a community might be asked to pay for, until now. The approach now required by the GMA involves:

1. Setting level of service standards for the various public facilities.
2. Developing inventories of existing facilities and a forecast of needed facilities based on those standards.
3. Preparing a six-year financing plan that shows the cost of all needed facilities and how to pay for them.
4. Establishing a clear strategy to provide the capital facilities needed through the development of goals and policies and an implementation plan.

This Capital Facilities Element has been developed in accordance with Section 36.70A.70 of the Growth Management Act and complies with the requirements of the May 3, 1995 remand from the Central Puget Sound Hearings Board. It represents the City's policy plan for the provision of capital facilities to the year 2012, and includes a financing plan for capital facilities from 1994 to 1999. The goals, policies, and financing strategy presented here are consistent with the Kitsap county-wide Planning Policies and with all other elements of the Bainbridge Island Comprehensive Plan.

### **Defining New Concepts**

In order for the public to fully understand the Capital Facilities Element and its implications, it is necessary to define the concepts that are new to some communities with the passage of the Growth Management Act.

## *What is a Capital Facility?*

*Capital facilities* are those public facilities and services, including utilities, that are necessary for a government to carry out its functions or to provide services to its citizens. Examples are roads, public buildings, schools, parks, water and sewer systems, fire protection, police protection, and libraries. Often the entire collection of these facilities is referred to as *infrastructure*. *Capital improvements* refers to major capital expenditures needed to purchase, construct, replace, and maintain public facilities or services.

There are several categories of capital expenditures proposed in this plan. A key distinction is whether new or expanded facilities will serve existing residents or new growth. Expenditures may also be proposed to maintain or repair existing capital facilities (cure deficiencies). The categories are as follows and will be used to identify specific projects proposed in the six-year plan:

- M-** Major maintenance, repair, renovation, or replacement of an existing facility. Many of the road projects are in this category.
- E-** New facilities or improvements to existing facilities that provide added capacity to serve the *existing population*. The sewage treatment plant upgrade qualifies for this category.
- N-** New facilities or improvements to existing facilities that provide added capacity to serve *new population* or *employment growth*. The only project in the plan at this time specifically proposed to accommodate new growth is the Head of the Bay Improvement Area.

For the purposes of this Capital Facilities Element, expenditures for equipment and/or infrastructure of \$25,000 or more are considered to be capital expenditures. Costs that are less may be included in the Six-Year Financing Plan, if deemed necessary.

## *Levels of Service (LOS)*

Levels of service (LOS) are usually quantifiable measures of the amount and/or quality of public facilities or services that are provided to the community, and are usually expressed as a ratio of amount of service to a selected demand unit. For example, public school LOS may be expressed as the number of square feet available per student *or* as the number of students per classroom. Police protection may be expressed as the average response time for emergency calls *or* as the number of officers per 1,000 population. Parks LOS is often expressed as the number of acres of park per 1,000 population. Once the level of service is decided upon, it can then be determined what capital improvements are necessary to: 1) cure any existing deficiencies, and 2) maintain that level as the community grows.

## *The Six-year Financing Plan*

The GMA requires that the Capital Facilities Element contain a six-year financing plan which identifies the type and location of expanded or new capital facilities, and the sources of funding that will be used to pay for them. There are two questions that must be satisfactorily answered:

- 1) What is the quantity of the public facilities that will be required by the sixth year? (This is identified in the inventory and needs analysis.)
- 2) Is it financially feasible to provide the quantity of facilities that are required? (Do we now, or will we, have the money to pay for them?)

Dependable revenue sources must be identified that equal or exceed the anticipated costs. If the costs exceed the revenue, the local government must either reduce its level of service or reduce costs, or modify the land use element to bring future development into balance with available or affordable facilities and services. This plan will examine each type of facility separately. The costs of all the facilities will then be added together in order to determine the financial feasibility of the plan. In the case of special districts (schools, fire, parks), the funding and costs will be examined together.

The six-year plan is intended to be a planning document. Therefore, it does not contain the level of detail that the annual budget must contain. Some costs in the six-year plan are estimated in order to give citizens a general idea of how much certain types of projects or facilities may cost.

## *Concurrency*

*Concurrency* is a concept that relates to the timing of the provision of certain public facilities and services. The GMA requires that public facilities and services necessary to support development are available concurrent with (or within a reasonable time of) the impact of that development, *without* decreasing established levels of service. If the development will cause the level of service to decline, then the development may not be permitted unless the impacts are mitigated or there is funding in place to mitigate the impacts within six years. This is based on the notion that the community is entitled to the assurance that the levels of service that they decided upon will be maintained over the life of the plan. *Concurrency* is required to transportation facilities by the GMA. However, the community may designate other public facilities in addition to transportation for which concurrency will be required.

## **Relationship of the Capital Facilities Element to Other Elements of the Comprehensive Plan**

The ultimate goal of the Capital Facilities Element is to provide adequate facilities and services to support the growth and development concepts of the Land Use Element. In developed areas such as Winslow, much of the needed infrastructure is already in place and includes unused capacity. The Capital Facilities Element provides the necessary planning to assure that the levels of service adopted for those facilities will be maintained as growth occurs. As various subarea plans are developed, the Capital Facilities element will be reviewed and will act as the reality check for those plans.

The Transportation Element sets the direction for the provision of transportation facilities and services which have traditionally suffered the greatest impact from uncontrolled growth. Capital improvement projects for roads, bike trails, and pedestrian walks and trails have been identified in the Transportation Element. The Capital Facilities Element examines those projects in conjunction with the needs for all public facilities. Capital improvement projects not addressed are those involving other jurisdictions such as the Washington State Ferries, Kitsap Transit, and the Department of Transportation.

The Water Resources Element, which addresses issues related to drinking water, stormwater management, and sewer and on-site septic, was added as an optional element to the City's comprehensive plan. Water quantity and quality (surface water and groundwater) are of overriding concern to the citizens of Bainbridge Island since groundwater is the sole source of drinking water and is intricately linked with all surface water. Goals and policies regarding the management of those systems are found in the Water Resources Element. The financial analysis of capital projects relating to those systems are found in the Capital Facilities Element.

While water, sewer, and stormwater management systems are technically utilities, including those not owned and operated by the City (e.g., Sewer District No. 7, North Bainbridge Water Co.), they are treated only briefly in the Utilities Element since they are examined in greater depth in the Water Resources Element. Electricity and telecommunications (telephone, cable and cellular phones) are explored in detail in the Utilities Element. However, they are not addressed in the Capital Facilities Element since the citizens of Bainbridge Island have no direct or exclusive control over the capital improvement funding of these entities.

In addition to the City of Bainbridge Island Comprehensive Plan, there are other regional comprehensive plans which are required by the GMA and various other agencies of the state government. The capital improvements in these entities are included in the Capital Facilities Element, while some of the entire comprehensive plans appear in the Appendix. These include the plans for Bainbridge Island Park & Recreation District, Bainbridge Island School District No. 303, and Kitsap County Fire Protection District No. 2, along with the amendments necessitated by the Hearings Board remand. Each of the Districts reanalyzed their respective Capital Plans in light of the revised population allocation and planning horizon to determine if capital needs or funding adjustments were required. They also analyzed in greater detail the effect of the 50% population allocation to historic Winslow. Those analyses are included as appendices to this Element.

It is important to note that the population growth projected for Bainbridge Island (24,280 by the year 2012) is no more, and may be less, than the historic growth rate and, regardless of growth rate, there is always a need for capital improvements in any community. In reality, if we had continued to fund projects as before, with no comprehensive long-range plan or specific goals in mind, we could look back 20 years from now and discover we had spent as much or more money on various projects without appreciably increasing or even maintaining the quality of life.

## GOALS AND POLICIES

The goals and policies in the Capital Facilities Element have as their foundation the original goals of the Growth Management Act and the goals of the Vision for Bainbridge Island.

One of 13 planning goals of the Growth Management Act is:

*“Public facilities and services. Ensure that those public facilities and services necessary to support development shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current service levels below locally established minimum standards.” (RCW 36.70A.020)*

From this goal follows the concurrency requirement and the minimum requirements for the mandatory capital facilities element for the Comprehensive Plan.

The goals of the City of Bainbridge Island Comprehensive Plan, as stated in the Introduction, include two that are related to Capital Facilities:

- 1) Foster a financially sound development pattern.
- 2) Provide adequate public facilities and utilities within the citizens’ ability to pay, which maximize public safety and minimize adverse environmental impacts.

Together, these two provide the framework for a goal for the Capital Facilities Element which expresses the values of the Island’s citizens.

The policies in the Capital Facilities Element contain specific guidelines on how the City will achieve this Goal and comply with the minimum requirements of the Growth Management Act for capital facilities.

### GOAL

**Provide high quality, well-maintained public facilities and services that serve the current and future social, economic, cultural, safety, circulation, and communication needs of the community; that are available at the time of development to serve new growth; are equitably distributed; and are provided with minimal environmental impact.**

#### CF 1.1

The City shall provide public facilities and services in a manner that is consistent with and supports the growth and development concepts in the Land Use Element of the Comprehensive Plan.

## **CF 1.2**

The City shall prioritize the allocation of resources to meet its capital needs in the following order:

- 1) Major maintenance of existing facilities.
- 2) Elimination of existing deficiencies.
- 3) Provision of new or expanded facilities to accommodate new growth.

## **CF 1.3**

The City shall ensure that those facilities and services necessary to support development shall be adequate to serve the development at the time the development is available for occupancy or use, without decreasing levels of service adopted by this plan. If funding for capital facilities falls short of meeting needs in the six-year Capital Improvement Plan, the City shall review the Comprehensive Plan and make necessary adjustments to the six-year Capital Improvement Plan while taking into consideration fiscal conditions and service quality to existing residents.

## **CF 1.4**

The City shall maintain an inventory of existing capital facilities owned by public entities, showing location and capacities of such facilities. This inventory shall be updated annually and the six-year financing plan shall include provisions for the maintenance of existing facilities.

## **CF 1.5**

The City shall maintain a six-year financing plan to finance needed capital facilities within projected funding capacities and based on adopted level of service standards. The six-year financing plan shall be updated annually and shall include early opportunities for public participation in the decision process. Planned capital expenditures shall be appropriated in the City's annual budget. In case of emergency, the six-year financing plan and budget covered by the plan may be amended more frequently.

## **CF 1.6**

Funding of major capital facilities shall typically rely on long-term financing and not on current revenues. The term of the financing should generally be no longer than the useful life of the facility.

## **CF 1.7**

The City shall develop debt management and cash reserves policies as part of the implementation of the Capital Facilities Element.

## **CF 1.8**

The City may apply various alternative funding mechanisms in the development of capital improvements identified in the Capital Facilities Element in order to optimally use limited City resources. Such mechanisms include joint ventures with the private sector, grants, or other means.

### **CF 1.9**

The City shall support and encourage the joint planning, siting, development and use of public facilities and services with other governmental or community organizations in areas of mutual concern and benefit in order to maximize efficiency, reduce costs, and minimize impacts on the environment.

### **CF 1.10**

The City shall coordinate with other public entities which provide public services within the City to ensure that the Capital Facilities Plans of each of these entities are consistent with the City's Comprehensive Plan. The City shall strive to coordinate with the other public entities during the annual update to the Capital Facilities Plan.

### **CF 1.11**

The City's Comprehensive Plan includes a process for siting essential public facilities within the City (Land Use Element Policies PF1.1 – PF2.2). The process includes requirements for early and continuous notification and joint involvement of the City and community to assure that siting decisions are made in an environment of cooperation and mutual trust.

### **CF 1.12**

Funding for the City's water and sewer facilities shall be paid for primarily by users, except in unusual circumstances where the public benefit may justify the use of general funds. Drainage improvements and facilities shall be funded by the City Stormwater Utility, which, as an Island-wide utility, may be supplemented by general revenue. When utility improvements provide benefits primarily to a limited group of users the costs will generally be paid by the benefited parties through Local Improvement Districts (LIDs) or other means.

### **CF 1.13**

The capital facilities identified in the elements of the Comprehensive Plan and Winslow Master Plan shall be included in subsequent six-year financing plans.

Continued prioritization of capital facilities projects identified in the Comprehensive Plan and Winslow Master Plan should be based on the following criteria:

- Is it vulnerable to preemption (e.g., land acquisition or development by other parties)?
- Does it further the goals of the Comprehensive Plan?
- Can it be combined or sequenced with other City or government agency projects to provide the best cost effectiveness?
- Does it provide the least cost/highest impact public benefit?
- What is the funding source? Is it eligible for grants? Paid for in whole or in part by development fees?
- Is the project needed to accommodate growth or retain the established LOS or existing conditions?
- Can the project be completed with minimal environmental impact?