

Capital Facilities and Utilities Element

Purpose and Relationship to GMA

The Washington State Growth Management ACT (GMA) requires cities to prepare a Capital Facilities Element consisting of:

- a. An inventory of current capital facilities owned by public entities showing the location and capacities of those public facilities;
- b. A forecast of the future needs for such capital facilities and utilities;
- c. The proposed capacities of expanded or new capital facilities and utilities;
- d. At least a six-year plan that will finance capital facilities within the projected funding capacities and clearly identify sources of public money for such purposes; and
- e. A requirement to reassess the land use element if probable funding falls short of meeting existing needs and to ensure that the land use element, capital facilities element, and finance plan within the capital facilities plan element are coordinated and consistent.

For the purposes of this plan, a capital facility is defined as a structure or equipment, which generally costs \$10,000 or more and has a useful life of ten years or more. Capital facilities investments include major rehabilitation or maintenance projects on capital assets; construction of new buildings, streets and other facilities; acquisition of land for parks and other public purposes; and vehicle purchases.

Under the GMA, a capital facilities and utilities element is required to address all public facilities except transportation facilities, which are to be addressed separately under the transportation element of the plan. Accordingly, this Comprehensive Plan contains separate transportation and capital facilities elements. However, the discussion of finance for both capital facilities and transportation has been combined in one location under this capital facilities element.

Organization of Capital Facilities and Utilities Element

This element is presented in four parts:

1. Capital facilities and utilities inventories, alternative levels of service (LOS), and alternative LOS-driven needs projections.
2. Capital facilities and utilities revenue sources and amounts and sample revenue “packages” for capital facilities.
3. A summary discussion comparing projected capital facilities needs against funding capacity and addressing the requirements in the Growth Management Act that a balance be maintained between needs and funding.
4. Goals, policies, and actions to provide overall direction for capital facilities decisions in accordance with the Growth Management Act.

Inventories, LOS Standards and Needs Projections

This section presents summaries of existing inventories and alternative levels of service and needs projections for the following types of public capital facilities:

- City offices and support buildings
- Public Works shop facilities
- City maintenance shop facilities
- Police facilities
- Parks and recreation facilities
- Water supply, distribution, and storage facilities
- Sanitary sewage collection/treatment facilities
- Stormwater management facilities

City Offices

City offices (excluding police, fire, and Public Works shops, which are addressed separately) are located in one building. The specifications of this building are described below:

Table CF-1
City Office Inventory

Building Location	Floor Area	Types of Offices
City Hall	2,220 sq. ft.	Finance, Planning & Administration

Total floor space occupied by the Granite Falls city offices is about 2,220 square feet. The existing level of service for a City office can be calculated by dividing the existing total square footage by the existing (2014) city population of 3,390. This yields a current level of service (LOS) of 650 square feet of office space per 1,000 population. Cities similar to Granite Falls have LOS ranging from 1,000 to 1,500 square feet per 1,000.

In order to achieve an LOS of 1,000 square feet per 1,000 population while accommodating growth anticipated under this Plan, the City would need an additional 5,622 square feet of office space during the 2015-2035 time period. The City's current office building was originally constructed in 1941 as a federal Works Progress Project (WPA). The building is in poor condition and the cost benefit to remodel/add to existing space is low. The City owns property suitable to construct a new City Hall. Estimated construction cost would be \$300 per sq. ft. in 2014 dollars. The above information is summarized in Table CF-2.

Table CF-2
City Office Space Requirements¹

Time Periods	Space Required @ 1,000 sq. ft. per 1,000 Population	Space Available	Net Deficiency	Net Cost ¹
2014	3,390	2,220	(1,200)	\$360,000
2015-2025	4,300	0 ²	(4,300)	\$1,290,000
2026-2035	7,800	4,300 ³	(3,500) ³	\$1,050,000
TOTALS			(800)	\$2,340,000

1. Source: City of Granite Falls.

2. The age, condition, and configuration of the existing City Hall require a new structure to be built.

3. Assumes a new 4,300 sq. ft. City Hall is constructed in the 2015 -2025 time period.

Total cost to construct a new City Hall for City offices to replace the existing outdated structure would be \$1,290,000 for the 2016-2025 time period. To accommodate growth through 2035, total construction cost for the additional square footage needed would be \$1,050,000 in 2015 dollars.

Community Center

The Community Center was located on the corner of Pioneer and Granite Avenue. It included 18,188 square feet of useable area. This building caught fire in 2007 and was subsequently demolished in 2009. The City currently has no facility space for a Community Hall.

The LOS provided by the old Community Center was 5,960 square feet per 1,000 population. If the City were to choose to maintain this level, Table CF-3 describes the costs.

Table CF-3
Community Center Space Requirements

Time Periods	Space Required @ 5,960 sq. ft. per 1,000 population	Space Available	Net Deficiency	Net Cost¹
2004	3,100	18,460	(0)	-
2016-2025	25,630	0 ²	(25,630)	\$6,407,000
2026-2035	42,900	25,630 ³	(20,860) ³	\$5,215,000
TOTAL				\$11,622,000

1. Source: City of Granite Falls.

2. Community Center demolished in 2009.

3. Assumes new 25,630 sq. ft. Community Center constructed in the 2016-2025 time period.

The Community Center is currently not included in the Capital Facilities Project List.

Public Works Facilities

The operation building located on Wallace Street serves the treatment plant and, therefore, is included in the sewer section of this element. The City uses the basement of City Hall and a 30' x 42' metal building near the Library for storage of equipment and supplies as well as workshop space for maintenance and repair work, but no other significant maintenance facilities exist at this time. Based on future growth projection in this Plan, a second metal pole building will be needed to provide additional enclosed storage for equipment and supplies and workshop space to replace the existing Public Works shop area that will be vacated upon construction of a new City Hall. The new City Hall facility will provide office space for Public Works administration, but the workshop will be relocated to the future additional metal pole building in an effort to consolidate Public Works facilities. The estimated square footage needed to meet this future need is 1,500 square feet. Estimated cost in 2015 dollars would be \$75 per square foot, or \$112,500.

Fire and Emergency Medical Facilities

Snohomish County Fire District No. 17 provides fire and emergency services in Granite Falls and the surrounding UGA. The District is required to prepare and maintain a Capital Improvement Plan which describes the facilities, equipment and staffing necessary to maintain its insurance rating. Therefore, this Element does rely on reference to that plan for detail.

Electric, Water, Natural Gas, and Telecommunications Utilities

Electrical and Water - Snohomish County PUD provides water and electrical utilities for the City of Granite Falls. As part of this planning process, PUD reviewed this amendment and the agency's comments were addressed. There appears to be no critical level of service issues with water and electrical utilities. The PUD has a Utility Plan for the area that incorporates county growth projections for the next 20 years.

The City of Granite Falls is served by the Snohomish County Public Utility District No. 1 (PUD). State law authorizes PUD and their powers are exercised through an elected Board of Commissioners. The Federal Energy Regulatory Commission directs some basic accounting practices and generation guidelines.

The PUD obtains approximately 80% of its power from Bonneville Power Administration (BPA). The remaining power is supplied from the PUD Jackson Hydro Project and other long-term power contracts with various suppliers. The PUD services all of Snohomish County and Camano Island, including the communities of Arlington, Everett, Granite Falls, Lake Stevens, Lynnwood, Marysville, Mill Creek, Edmonds, Monroe, Snohomish, Stanwood and Woodway.

The PUD uses three major BPA delivery points in Snohomish County as the source for the 115,000-volt transmission system. From these points, the power is delivered via the PUD's transmission system to the District's substations. The PUD electrical transmission system within the Granite Falls area consists of above ground power lines, which are located along 100th Street NE and Jordan Road. The transmission facilities extend along 100th St. and Jordan Road where they terminate at the PUD "Granite Falls Substation."

The PUD "Granite Falls Substation" is located on Jordan Road, to the north of SR 92 and just south of 100th St. NE intersection. At the PUD Granite Falls Substation, the 115,000-volt transmission system voltage is transformed down to a 12,470-volt (12.47kV) *distribution system* voltage. PUD residential, commercial and public customers in the Granite Falls area are served by the 12.47kV distribution system. The PUD electrical distribution system within Granite Falls consists of above and below ground power lines. These distribution system power lines are typically located within the road right-of-way.

The current PUD 2006-2013, 7-year Capital Plan identifies the need for additional 115kV transmission facilities, additional substation capacity and additional 12kV distribution facilities in order to serve the forecasted Granite Falls area growth. The additional substation capacity is planned to be added at the existing Granite Falls substation site on Jordan Road. The additional transmission facilities are currently planned to be added from the west of the existing Granite Falls substation. The proposed distribution system extensions will "fan out" from the Granite Falls substation in all directions along the road rights-of-way.

Additional new rights-of-way for transmission and distribution electric facilities and for new substations may be developed if load growth or system reliability standards dictate the need. The PUD will continue to analyze the electric system and either upgrade and/or extend the electric system facilities as needed to handle the growth. The PUD will continue to provide reliable and safe electric service to the Granite Falls area.

State of Washington law regulates all public utility districts. The Federal Energy Regulatory Commission governs accounting practices of the utility. All rate decisions are the responsibility of the elected PUD commissions. The Snohomish County PUD District No. 1 is also a member of the Western Electricity Coordinating Council.

Natural Gas - Natural gas service is provided by Puget Sound Energy (PSE). PSE is the largest natural gas company in Washington serving approximately 400,000 customers in five counties and sixty-four cities. It is a demand-driven utility, meaning that no service is initiated until requested by a specific

customer. As natural gas is a competitive energy source, it can be assumed that the demand for it will continue to grow, particularly if substantial savings over other fuels can be effectively demonstrated (Acme, 1993).

Telecommunications - There are several companies providing satellite and fiber optic internet and telephone services in Granite Falls. The four primary companies are Frontier Communications Corporation, Comcast Corporation, Verizon, and DirecTV. The following information was obtained from their respective web sites and other internet sources.

Frontier Communications Corporation is a U. S. based telephone company, mainly serving rural areas and smaller communities including Granite Falls. Frontier is the sixth largest local exchange carrier and the 5th largest provider of DSL (based on coverage area) in the United States. In addition to local and long-distance telephone service, Frontier offers broadband Internet, digital television service, and computer technical support to residential and business customers.

Comcast Corporation is an American mass media company. It is the largest cable company and home Internet service provider in the United States, and the nation's third largest home telephone service provider. Comcast services U.S. residential and commercial customers in 40 states, including Washington State, and the District of Columbia.

Verizon provides wireline phone service, Internet access, and television to residences and small businesses, via either copper wire or fiber optic cable. Verizon's FiOS service, launched in 2005, provides Internet, television, and phone service using fiber optic cable instead of copper wire. As of September 2013, Verizon had a total of 5.9 million FiOS Internet subscribers and 5.2 million FiOS TV customers, with FiOS accounting for 75% of Verizon's revenues from fixed-line consumer retail. In September 2013, Verizon announced that FiOS TV subscribers would be able to watch some television channels live on their mobile devices.

DirecTV provides television and audio services to subscribers through satellite transmissions. Services include the equivalent of many local television stations, broadcast television networks, subscription television services, satellite radio services, and private video services. Subscribers have access to hundreds of channels, so its competitors are cable television service and other satellite-based services.

Law Enforcement Facilities

The City of Granite Falls contracts out its Law Enforcement services to the Snohomish County Sheriff. As part of the contracted services, the City leases a 3000 square foot building to the Sheriff for both a local and regional police facility. This facility is owned by the City and was formerly used as the City of Granite Falls Police Station for City services only. It currently is configured to include a small reception area, while the remaining space is divided into a small area for patrol officers to complete reports, a locker area, and an area that is used for additional storage.

In addition to the facility requirements for both local and regional services, the City of Granite Falls must also take into account accommodating parking for police vehicles. Adequate parking directly affects the law enforcement service's level of service, and it must be considered when looking at impacts related to growth.

The specifications of the law enforcement facilities are shown in Table CF-4.

Table CF-4
Law Enforcement Facility Inventory

Building Name and Location	Floor Area	Function
Existing Law Enforcement Building	3000	All

Level of Service (LOS) - Two levels of service for Law Enforcement Facility needs are projected—one representing the existing level of service, the other representing the recommended level of service.

The existing LOS for the local City law enforcement services can be calculated by dividing the existing total inventory of space by the existing 2014 City population of 3,390. This yields a current LOS of 885 square feet of police facility per 1,000 population.

Based on national standards used by other small Washington cities, the recommended square footage is 500 square feet per 1,000 population. The City would not need to increase the square footage in the next six years as shown in Table CF-5 below.

Table CF-5
Law Enforcement
Level of Service Requirements

Time Period	Pop.	Space Required at 500 sq. ft. per 1,000 Pop.	Space Avail. (sq. ft.)	Net Reserve or Net Cost* (Deficiency)
2016-2025	4,300	2,150	3,000	850
2026-2035	7,800	3,900	3,000	(950)

*Source: City of Granite Falls.

Parks and Recreation Facilities

The City's parks and recreation inventory totals just over 42 acres excluding the Snohomish County park property. The City recognizes that non-City owned parks and recreation facilities such as County parks, Department of Fish & Wildlife facilities, School District facilities and private facilities function as resources for the local population; however, these are not City facilities and are not included in the level of service calculations.

The City's existing inventory of parks and recreation facilities is provided in the Parks, Recreation, and Open Space (PRO) Element of this Plan. The PRO Element also includes an inventory of non-city owned park and recreation facilities that serve the Granite Falls community as well as the City.

Of the 42 acres of city-owned park land, 12.5 acres are developed for park purposes and the remaining 29.5 are currently undeveloped. As stated in the PRO Element, in order to maintain the existing Level of Service (LOS) for parks while accommodating growth anticipated under this Plan, the City would need to develop an additional 7.5 acres of community parks sometime during the 2015-2035 period. The PRO Element also recognizes the need to develop more trails and walkways for the enjoyment of both residents and visitors. The planned for development of the 5.5 undeveloped acres in Frank Mason Park and the 22 acres of park land on the western edge of the City purchased in 2010 will more than fulfill this need.

Six-year Capital Improvement Program

Water Supply, Distribution and Storage Facilities

Water Supply and Treatment

Inventory

The City has an agreement with Snohomish County Public Utility District #1 (PUD) for provision of water supply and storage and therefore, the only future needs will be in the replacement of the aging distribution system.

Future Needs

The City of Granite Falls currently buys its water from Snohomish County Public Utility District #1 (PUD). The PUD and City of Everett indicated that they have adequate supply and storage for their customers over the next decade.

The City has updated its Water Comprehensive Plan as of July 2013. The updated plan has been adopted and approved by the Washington State Department of Health and is hereby referenced in this Plan.

The City distribution system includes 23,840 lineal feet of an Asbestos Concrete (AC) pipe which is brittle and subject to breakage. The current capital facility plan, below, includes AC water main replacement projects:

**Table CF-6
Water System Costs**

PROJECT	Estimated Cost ¹	Project Date	Project Cost In Year Planned ²
CIP Water Projects			
Radio Read Water Meter Replacement Program (35k annually through 2020)	\$210,00	2015-20	\$35,000
Pressure Relief Valves	\$25,000	2015	\$25,000
Sample Stations	\$15,000	2015	\$16,000
South Granite Ave., Stanley to Galena	\$172,000	2015	\$172,000
Wabash Ave., AC Water Main Replacement	\$175,000	2016	\$184,000
Cascade Ave. Water Main Replacement	\$456,000	2018	\$504,000
Stanley St. Water Line and Decommissioning of Portage Ave. Master Meter	\$226,000	2020	\$263,000
Future Water Projects			
Grand St. Water Main Replacement	\$226,000		
Menzel Lake Water Main Replacement	\$453,000		
Galena St., Cascade to Prospect Water Main	\$195,000		
North Alder Ave. Water Main Replacement	\$226,000		
Annual AC Main Replacement	\$200,000		
West 100 th St. (Burn Rd.) Master Meter	\$125,000		
Mt. Loop Hwy. Master Meter	\$130,000		
TOTAL			\$1,199,000

(1) Capital project cost estimates are tied to the June 2012 Seattle Engineering News Record (ENR) Construction Cost Index (CSI).

(2) Project Costs in the year planned are based on inflating 2013 project costs by 3.0 percent annual inflation..

Sewage Treatment and Collection Facilities

Treatment Facilities

The City of Granite Falls owns and operates its own wastewater treatment facility with the capacity to treat .555 million gallons of raw sewage per day maximum month and 1.387 million gallons per day for a peak hour. Based on the population projections in this plan, the plant will need a capacity of 0.950 million gallons per day maximum month in 2035. The additional components of the system needed include new headworks with a mechanical fine screen, a second oxidation ditch, additional UV disinfection, and sludge handling facilities and upgrades to the City's lift station and force main. The City projects that the new facilities will cost about \$7,900,000 in 2013 dollars. (Note: This is to achieve the capacity above.)

In order to fund the necessary expenditures, rates will increase as follows:

Table CF-7
Estimated Sewer Rate Increases to Fund Improvements

Rate/Month Increased To:	Date
\$60	4/1/2015
\$62.50	1/1/2017
\$65	1/1/2019

The existing LOS for sewage collection is stated as "Meet the intent of the WSDOE Criteria for Sewer Works Design." The Department of Public Works has determined that this standard is also adequate to meet future planning needs. The City has recently completed an inflow and infiltration study. That study identified significant leaks into the system which have been fixed. The City should continue to remove leaks into the system.

The City recently completed a Westside Sewer Facility Plan outlining its preference for expansion of the sanitary sewer collection system to the west side of the City, west of Quarry Road. That plan identifies capital facilities improvements to extend sewer and to upgrade the capacity of the existing lift station, or divert wastewater around it. Estimated costs are approximately \$3,000,000. The cost to expand the system west of Quarry Road is approximately \$1,900,000 which will be developer funded, and thus, that cost is not included below.

Sewage Capital Improvement Plan

Sludge Handling and Compost Upgrades	\$1,110,000
Burn Road Lift Station Improvements or Bypass	\$1,100,000
Oxidation Ditch, associated piping and motors	\$5,690,000
TOTAL	\$7,900,000

Stormwater Management Facilities

The information in this section is based on the 2005 Stormwater Management Manual for Western Washington published by DOE. It establishes levels of service for stormwater facilities.

In that manual, levels of service for all new development are as follows:

- Stormwater discharge rates after development shall be less than or equal to the pre-development rate. Discharge estimates shall be made using Western Washington Continuous Simulation Hydrology Manual.

- All projects meeting specific thresholds shall provide treatment and detention of stormwater.
- Conveyance facilities, in conjunction with allowable ponding, shall be sized to convey the 100-year, 24-hour storm.

The City of Granite Falls uses Lake Gardner for regional stormwater detention for the Central Business District Basin. The stormwater from this area has been directed through pipes to Lake Gardner for many years. In 2007, the lake outlet was reconfigured to allow the lake level to fluctuate in response to stormwater runoff, in compliance with the Western Washington Stormwater Management Manual, prior to discharge to the Pilchuck River. Redevelopment in the CBD is required to provide stormwater treatment to comply with the DOE Manual.

Under the Growth Management Act, comprehensive plans must include at least a six-year plan to finance needed capital facilities. In order to comply with the Act, a balance must be maintained between the costs of the needed capital facilities projects and the probable funding for those projects. Table CF-9 sets forth a six-year forecast based on the capital facilities needs identified in this element. It also portrays the transportation facilities costs, as shown in the Transportation Element. It has been included with Capital Facilities so that a total picture of facilities costs is depicted. Since the comprehensive planning process is a continuing, evolving process, this six-year plan will have to be continuously reviewed and updated.

Revenue Sources

This section summarizes the revenue sources available to the City of Granite Falls and highlights those available for capital facilities.

There are two types of revenue sources for capital facilities:

1. Multi-use: taxes, fees, and grants which may be used for virtually any type of capital facility (but which may become restricted if and when adopted for a specific type of capital facility);
2. Single use: taxes, fees, and grants which may be used only for a particular type of capital facility.

These revenue sources are discussed below:

Multi-Use Revenue Sources

Property Tax - Local governments most often use property tax levies for operating and maintenance costs. They are not commonly used for capital improvements. The 2014 property tax rate collected by the State and distributed to the City of Granite Falls is currently \$1.60 per \$1,000 of assessed value (AV). The maximum rate allowed by state law is \$1.60 per \$1,000 AV. Local jurisdictions can limit the amount to any amount equal to or below that number.

Under state law, local governments are prohibited from raising the property tax levy more than one percent or the rate of inflation (whichever is less) of the highest amount levied in the last three years (before adjustments for new construction and annexations). However, the state authorizes temporary or permanent increases above this up to a statutory limit under local voter approval.

General Obligation Bonds & Lease-Purchase (Property Tax Excess Levy) - Voter-approved bonds increase the property tax rate, with increased revenues dedicated to paying principal and interest on the bonds. Local governments are authorized in “excess levies” to repay voter-approved bonds. Excess levies are increased in the regular property tax levy above statutory limits. Approval requires a 60 percent majority vote in favor and a turn-out of at least 40 percent of the voters from the preceding general election.

Councilmanic are authorized by a jurisdiction's legislative body without the need for voter approval. Principal and interest payments for councilmanic bonds come from general government revenues, without a corresponding increase in property taxes. Therefore, this method of bond approval does not utilize a dedicated funding source for repaying the bond holders. Lease-purchase arrangements are also authorized by vote of the legislative body and do not require voter approval.

The amount of the local government debt allowable for GO bonds is restricted by law to 7.5 percent of the taxable value of the property within the City limits. This may be divided as follows:

General Purpose Bonds	2.5 percent
Utility Bonds	2.5 percent
Open Space and Park Facilities	2.5 percent

Of the 2.5 percent for General Purpose Bonds, the City may issue up to 0.75 percent in the form of councilmanic bonds.

Depending on the amount in-term of the bonds or lease-purchase arrangement, the impact on the individual taxpayer would vary widely; however, the GO bond scenario below illustrates the effect on property tax. Please note that the annual debt service costs given are in addition to regular property taxes.

Real Estate Excise Tax - RCW 82.46 authorizes local governments to collect a real estate excise tax levy of 0.25 percent of the purchase price of real estate within the city limits. The Growth Management Act authorizes collection of another 0.25 percent. Both the first and second 0.25 percents are required to be used for financing capital facilities specified in local governments' capital facilities plans.

The first and second 0.25 percent may be used for the following capital facilities:

- (1) The planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, and storm and sanitary sewer systems; or
- (2) The planning, construction, repair, rehabilitation, or improvement of parks and recreational facilities.

In addition, the first 0.25 percent may be used for the following:

- a. The acquisition and maintenance, if authorized by code at least until 2016, of parks and recreational facilities;
- b. The planning, acquisition, construction, repair, replacement, rehabilitation, or improvement of law enforcement facilities, protection of facilities, trails, libraries, administrative and judicial facilities, and river and/or floodway/flood control projects and housing projects subject to certain limitations.

Business and Occupation Tax -RCW 35.11 authorizes cities to collect this tax on the gross or net income of businesses, not to exceed a rate of 0.2 percent. Revenue may be used for capital facilities acquisition, construction, maintenance, and operations. Voter approval is required to initiate the tax or increase the tax rate. The City has not utilized this revenue source.

Local Option Sales Tax - Local governments may collect a tax on retail sales of up to 1.1 percent, of which 0.1 percent may be used only for criminal justice purposes (public transportation-benefit authorities may levy up to 0.6 percent). Voter approval is required.

Motor Vehicle Excise Tax - This tax is paid by motor vehicle owners, and is administered by the Department of Licensing. Cities receive 17 percent of the total revenues from this tax, distributed on a per capita basis.

Utility Tax - RCW 35A.52 authorizes cities to collect a tax on gross receipts of electrical, gas, garbage, telephone, cable TV, water, sanitary sewer, and stormwater management providers. Service users pay the tax as part of their utility bill.

State law limits the utility tax to 6 percent of the total receipts for cable TV, electricity, gas, steam (not applicable to Granite Falls) and telephone, unless a majority of the voters approved a higher rate. There are no restrictions on the tax rates for sewer, water, solid waste, and stormwater. Revenue can be used for capital facilities acquisition, construction, and maintenance.

Community Development Block Grants - Community development block grant (CDBG) funding is available annually state-wide through the federal Department of Housing and Urban Development for public facilities, economic development, and housing projects which benefit low- and moderate-income households. Funds may not be used for maintenance and operations. Because the amount of CDBG funding varies substantially from year to year, it is not possible to reliably forecast revenue from these grant sources. Due to updated census data and other information used to define “low income areas” in 2014, there are no longer areas in the City limits that qualify for low income targeted CDBG grant funding.

Community Economic Revitalization Board Grant (CERB) - The State Department of Trade and Economic Development provides low-interest loans, and occasionally grants, to finance sewer, water, access roads, bridges, and other facilities for specific private sector development. Funding is available only for projects which support specific private developments or expansion which promotes the trading of goods and services outside the State. The City of Granite Falls qualifies as a “Rural Community” under CERB criteria and is eligible for funding under the Prospective Development Construction Program.

Public Works Trust Fund Grants (PWTF) - The State Department of Commerce provides low-interest loans for capital facilities planning, emergency planning, and construction of bridges, roads, domestic water, sanitary sewer, and storm sewer. The structure and availability of these low interest loans is currently being evaluated at the legislative level and may change due to funding shortfalls in other areas at the State.

Historically, however, these loans have been for construction projects and require a local match generated only from local revenues or state-shared entitlement (gas tax) revenues. Interest rates vary depending on the length of the loan and typically range from 0.5% to 3.0%.

Emergency planning loans have historically been set at a five percent interest rate. If state or federal disaster funds are received, they must be applied to the loan for the life of the project (20 years). Capital improvement planning loans are at least 0 percent interest, but require a 25 percent local match.

Single Use Revenue Sources

Special-Purpose Districts - RCW 67.38.130 authorizes cultural arts, stadium/convention special purpose districts with independent taxing authority to finance capital facilities. The District requires a majority voter approval for formation, and has a funding limit of \$0.25 per \$1,000 of assessed valuation. Typically, such a special-purpose district would serve a larger geographical area than the single city. Revenue would be based on the tax base of the area within the special service district.

Park Districts - State law authorizes metropolitan park districts and park and recreation districts, each with independent taxing authority. Granite Falls presently does not have park and recreation districts.

Park and Recreation Service Area (PRSA) - RCW 36.68.400 authorizes park and recreation service areas as junior taxing districts for the purpose of financing the acquisition, construction, improvement, maintenance, or operation of any park, senior citizen activity center, zoo, aquarium, or recreation facility. The maximum levy limit is \$0.60 per \$1,000 AV. A PRSA can generate revenue from either the regular or excess property tax levies and through general obligation bonds, subject to voter approval. Revenue

may be used for capital facilities maintenance and operations. Voters approve formation of a PRSA, and subsequently approve an excess levy for the purpose of constructing facilities.

User Fees and Program Fees - These fees are charged for using park facilities (such as field reservation fees) or participating in recreational programs (such as arts and crafts registration fees).

Park Impact Fees - RCW 80.02.050-090 authorizes local government to enact impact fees to be paid by new development for its “fair share” of system improvements, costs of parks and recreation facilities necessary to serve the development. Impact fees must be used for capital facilities necessitated by growth, and not to correct existing deficiencies in levels of service. Impact fees cannot be used for operating expenses.

State Parks and Recreation Commission Grants - These grants are for parks, capital facilities acquisition, and construction, and require a 50 percent local match. Granite Falls currently has no state parks and recreational commission grants. It is not possible to reliably forecast the amount of revenue the City would receive over 20 years from this source.

Utility Local Improvement District - A Utility Local Improvement Districts (ULID) is a method allowed under RCW 35.43 to fund utility infrastructure. ULIDs are setup to provide a special benefit to those within a defined area called an Improvement District. ULIDs can be formed either by citizens coming to the City and forming a District or by the City taking the lead. Either way, there needs to be a vote of those impacted by the forming of the District. ULIDs are typically formed when no single property development is big enough to afford the required infrastructure. The formation of an ULID requires significant administrative, engineering and legal costs and can increase the cost of the project by approximately 30 percent.

Community Facilities District - A Community Facilities District (CFD) is a Special Purpose District created to finance and potentially construct local and sub-regional improvements/infrastructure needed to support growth. RCW 36.145.090 labels a CFD as “an independently governed, special purpose district.” A CFD provides tax exempt financing which substantially lowers infrastructure costs. Inclusion in the CFD district is 100% voluntary. CFD property owners pay 100% of formation and operations costs associated with the District. A petition must be accompanied by an “obligation” signed by at least two petitioners who agree to pay the costs of the formation process. Residents and businesses located outside the CFD boundaries are not subject to assessments. CFD bonds are secured only by land inside the District. Improvements must increase property value at least as much as the assessments, and assessments must be fairly distributed. CFD improvements may be financed by the District prior to, during or after completion of improvements. All improvements must be permitted and approved by the City. A CFD does not burden municipal finances or debt capacity and is not backed by the credit of the State or City. A CFD is different than a LID because it allows a slightly broader list of improvements, shifts risk entirely to developer/property owners, and there is no claim on city funds.

Roads, Bridges, and Mass Transit

Motor Vehicle Fuel Tax - RCW 82.36 authorizes this tax, which is administered by the state Department of Licensing and paid by gasoline distributors. Cities and counties receive 11.53 percent and 22.78 percent, respectively, of motor vehicle fuel tax receipts. Revenues must be spent for “highway purposes” including the construction, maintenance, and operation of City streets, county roads, and highways.

Local Option Fuel Tax - RCW 82.80 authorizes this countywide local option tax equivalent to 10 percent of the state-wide motor vehicle fuel tax and a special fuel tax of 2.3 cents per gallon. Revenues are distributed back to the county and its cities on a per capita basis (1.5 for population in unincorporated areas and 1.0 for population in incorporated areas). Revenues must be spent for “highway purposes” as described in 21, above. Snohomish County has not enacted this local option fuel tax.

Commercial Parking Tax - RCW 82.80 authorizes a tax for commercial parking businesses, but does not set rates. Revenues must be spent for “general transportation purposes” including highway purposes, public transportation, high-capacity transportation, transportation planning and design, and other transportation-related activities.

Transportation Benefit District - RCW 35.21.225 authorizes cities to create transportation districts with independent taxing authority for the purposes of acquiring, constructing, improving, providing, and funding any City street, county road, or state highway improvement within the district. Special district’s tax base is used to finance capital facilities.

The District may generate revenue through property tax excess levies, general obligation bonds (including councilmanic bonds), local improvement districts, and development fees (see related discussions, above, for background on each of these). Voter approval is required for bonds and excess property tax levies. Council approval is required for councilmanic bonds, special assessments, and development fees.

Transportation improvements funded with district revenues must be consistent with state, regional and local transportation plans; necessitated by existing or reasonable foreseeable congestion levels attributable to economic growth; and partially funded by local government or private developer contributions, or a combination of such contributions.

Many jurisdictions in the state have formed a Transportation Benefit District. A Transportation Benefit District would address specific transportation projects reducing congestion caused by economic development. Consequently, the amount of revenue is a function of the cost of the project, rather than a levy rate, assessment amount, or fee schedule. It is, therefore, not possible to reliably forecast revenue from this source.

Road Impact Fees - RCS 82.02.050-090 authorizes cities and counties to exact road impact fees from new development for its “fair share” of the system improvements costs of roads necessary to serve the development. Impact fees must be used for capital facilities necessitated by growth and not to correct existing deficiencies in level of service. Impact fees cannot be used for operating expenses.

Local Option Vehicle License Fee - RCW 82.80 authorizes a countywide local option fee of up to \$15.00 maximum annually per vehicle registered in the county, subject to the periodic “sunset.” Revenues are distributed back to the county and cities within the county levying the tax on a weighted per capita basis (1.5 for the population in unincorporated areas and 1.0 for population in incorporated areas). Revenues must be spent for “general transportation purposes.” This fee is currently being collected in Snohomish County.

Street Utility Charge - RCW 35.95.040 authorizes cities to charge for City street utilities to maintain, operate, and preserve City streets as defined in RCW 82.80.050. Facilities which may be included in a street utility include street lighting, traffic control devices, sidewalks, curbs, gutters, parking facilities, and drainage facilities.

Businesses and households may be charged a fee of up to 50 percent of the actual cost of construction, maintenance, and operations, while cities provide the remaining 50 percent. The fee charged to businesses is based on the number of employees and may not exceed \$2 per full-time employee per month. Owners or occupants of residential properties are charged a fee per household, which may not exceed \$2 per month. The City does not currently have any street utilities.

Surface Transportation Program (STP) Grants - Puget Sound Regional Council provides grants for road construction, transit, capital projects, bridge projects, transportation planning, and research and development. Projects must be on the regional TIB list, and must be for roads with higher functional classifications and local or rural minor collectors.

Funds are available on an 86.5 percent federal/13.5 percent local match based on highest-ranking projects from the regional TIB list.

Federal Aid Bridge Replacement Program Grants - WSDOT provides grants on a state-wide priority basis for the replacement of structural deficient or functionally obsolete bridges. Funding is awarded on 80 percent federal/20 percent local match.

Urban Arterial Trust Account Grants (UATA) - The Washington State Transportation Improvement Board (TIB) provides funding for projects to alleviate and prevent traffic congestion. In order to be eligible, roads should be structurally deficient, congested by traffic, and have geometric deficiencies, or a high incidence of accidents. Funds are awarded on an 80 percent federal/20 percent local matching basis.

Transportation Improvement Account Grants (TIA) - The state TIB provides funding for projects to alleviate and prevent traffic congestion caused by economic development or growth. Eligible projects should be multi-agency, multi-modal, congestion, and economic development-related, and partially funded locally. Funds are awarded on an 80 percent/20 percent local matching basis.

Sanitary Sewer

User Fees - The state authorizes cities, counties, and special purpose utility districts to collect fees from wastewater generators. Fees may be based on the amount of potable water consumed, or may be flat fees. Revenues may be used for capital facilities or operating and maintenance costs.

System Development Charges/Connection Fees - The state authorizes a fee to connect to a sanitary sewer system based on capital costs of serving the new connection.

Centennial Clean Water Fund (CCWF) - The Department of Ecology (DOE) issues grants and loans for the design, acquisition, construction, and improvement of water pollution control facilities and related activities to meet State and Federal requirements to protect water quality. Future funding cannot be reliably forecast. DOE offers \$45 million in grants and loans annually through this program. Most facilities receive 50% of the total eligible costs with an additional 15% if the match would result in local hardship.

State Revolving Fund Loans - DOE administers low-interest loans and low-interest guarantees for water pollution control projects. Applicants must demonstrate water quality need, have a facility plan for water quality treatment, show ability to repay a loan through a dedicated source of funding, and conform to other State and Federal requirements. Granite Falls does not have any programs to qualify for these funds.

Solid Waste

Department of Ecology Grants - The state awards grants to local governments for a variety of programs related to solid waste, including a remedial action grant to assist with local hazardous waste sites, moderate risk/hazardous waste implementation grants, and waste composting grants. It is not possible to forecast revenue from this source.

Flood Control Special Purpose Districts - RCW 86.15.160 authorizes Flood Control Special Purpose Districts with independent taxing authority (up to 50 cents per \$1,000 assessed value property tax levy limit without voter approval) to finance flood control capital facilities. In addition, the District can, with voter approval, use an excess levy to pay for general obligation debt. Granite Falls does not have a Flood Control Special District.

Storm Drain Utility Fee - The state authorizes cities and counties to charge a fee to support storm drain capital improvements. The fee is usually a flat rate per residential equivalency. Residential equivalencies are based on average amount of impervious surface. Commercial property is commonly assessed a rate based on a fixed number of residential equivalencies. Granite Falls currently has a storm drain utility.

Utilities

General Obligation Bonds and Property Tax Excess Levy - See Multi-Use Revenue, above, for general discussion of GO bonds. The amount of local government debt for utility bonds is restricted by law to 2.5% of the taxable value of the property. Local government utilities tend to use bonds backed by utility user fees rather than general obligation bonds.

Water Supply

User Fees - The state authorizes cities, counties and special purpose utility districts to charge for water consumption, usually on the basis of volume of water consumed. Revenue may be used for capital facilities, operations and maintenance.

Six-Year Capital Revenue and Expenditure Study

This study analyzes revenue and expenditures for the following four separate capital facility categories: 1) Transportation; 2) Water and Sewer; 3) Parks; and 4) General Capital Facilities.

The revenue projections used for this study include projecting taxes, general facility charges for utilities, and impact fees currently earmarked for capital facilities. Also included in this analysis are funds currently available and reserved for capital facility projects.

Transportation - The Transportation CIP is located in the Transportation Element and the projected costs and timing of expenditures transferred to this Element.

Capital Facility Funding and Expenditure Summary - Table CF-8 summarizes the sources of funding and expenditures for each of the five capital facility categories addressed previously. City sources include the general fund, developer mitigation fees, and enterprise funds which include capital reserve funds for water and sewer. Other sources include state and federal sources, grants and loans.

Table CF-8
Six-Year Capital Facility Funding/Expenditures Summary – 2015-2020

Capital Facility	Total Funding Available		Total Expenses
	City Sources	Other Sources	
Transportation	\$121,350	\$2,295,650	2,417,000
Water ¹	\$1,374,000	\$0	\$1,374,000
Sewer	\$1,131,000	\$0	\$160,000
Parks	\$350,000	\$150,000	\$500,000
General Facilities ²	\$1,762,500		\$1,762,500
Totals	\$4,738,850	\$2,445,650	\$6,213,500

1. Includes reduction in reserves for capital projects.

2. Includes \$1,650,000 for new City Hall and \$112,500 for new Public Works Storage/Shop facility.

Table CF-9 describes the timing of the expenditures. These expenditures occur over the next six years.

Table CF-9
Six-Year Capital Improvement Program/Expenditure Summary

Improvements	Est. Project Cost	2015	2016	2017	2018	2019	2020
Transportation	\$2,417,000	\$507,000	\$283,000	\$80,000	\$380,000	\$612,000	\$555,000
Water ¹	\$1,374,000	\$248,000	\$219,000	\$35,000	\$539,000	\$35,000	\$298,000
Sewer ²	\$160,000	\$20,000	\$26,000	\$27,000	\$28,000	\$29,000	\$30,000
Parks	\$500,000	\$100,000	\$50,000	\$75,000	\$85,000	\$95,000	\$95,000
Gen. Facilities ³	\$1,762,500					\$1,762,500	
TOTAL	\$6,213,500	\$875,000	\$578,000	\$217,000	\$1,032,000	\$2,533,500	\$978,000

1. Includes \$35,000 annually for meter replacement.

2. Larger projects to increase treatment capacity are growth dependent and are anticipated in the 5 to 10 year time frame. Inflow repairs are reflected in the table above.

3. Includes \$1,650,000 for new City Hall and \$112,500 for new Public Works Storage/Shop facility.

Capital Facilities Goals and Policies

GOAL CF-1 To provide adequate capital facilities to meet the needs of growth.

CF-1.1 Contain extension of the sewer system within the geographic Local Service Area.

CF-1.2 The Local Service Area should coincide with the proposed Urban Growth Area.

CF-1.3 Prevent new residential development from installing septic service where sewer extensions can be installed.

CF-1.4 Consolidate new utility extensions into existing right-of-way and easements whenever possible.

CF-1.5 Enter into agreements with Snohomish County to define mutually exclusive and exhaustive spheres of influence for major public service responsibilities.

Discussion: Such agreements should be subject to periodic review, should include procedures for joint review of proposed annexations, and other adjustments to boundaries or responsibilities.

Beyond the Local Service Area, wastewater must be disposed of on-site. The Snohomish County Health District permits and regulates private disposal systems. Lot size requirements are 12,500 feet minimum depending on soils except when septic disposal and wells are on the same lot. In that case, the size requirement is one acre.

CF-1.6 Comply with state standards for collection of solid waste.

CF-1.7 Promote recycling as a method for reducing solid waste.

CF-1.8 Continue to work to improve the City's distribution system.

CF-1.9 School sites should be central to residential neighborhoods to encourage walking and to provide access during after school hours.

Discussion: The premises for planning for elementary and secondary education at the local level are: 1) that the physical and social community supports and reinforces the family and the role of learning during child rearing; and 2) that a full range of educational opportunities is provided to all citizens so that parents can choose from an increasingly diverse curriculum

for their children. School site planning is most beneficial and economical when done with consideration to educational needs, safety, land and energy conservation, and multiple use facility opportunities.

CF-1.10 Provide schools with the capital facilities and public services necessary to fulfill the purpose of education.

Discussion: This can include services such as police and fire protection, parking, sewer and water, transportation access and routes, sidewalks, trails.

CF-1.11 Require school sites to be large enough for sufficient recreation, parking, and future expansion.

Discussion: Off-street parking guidelines recommend one parking space for each twelve seats in the auditorium or assembly room, plus one space for each two employees, plus sufficient off-street spaces for the safe and convenient loading and unloading of students from school buses.

CF-1.12 Establish a cooperative relationship with the school district to permit use of school facilities for community activities.

CF-1.13 Improve the City's parks to provide both passive and active recreational opportunities for residents and visitors.

CF-1.14 Increase the amount of park space to accommodate a growing population. Base the increase on established level of service standards.

CF-1.15 Improve access to community facilities for use as activity centers for youth and elders.

Discussion: Connect facilities to schools and residential neighborhoods with walkways and bike paths.

CF-1.16 Maintain and implement an up-to-date storm drainage management plan based on the Department of Ecology Stormwater Manual and the City's National Pollution Discharge Elimination System (NPDES) Permit.

CF-1.17 Participate in the implementation of the Puget Sound Action Team's Water Quality Plan.

CF-1.18 City will consider alternative financing mechanisms and other revenue sources allowed under State law to finance the construction of community development infrastructure.

GOAL CF-2 To implement the City's Capital Facilities Plan.

CF-2.1 Carry out the recommendations in the Capital Facilities Plan regarding the wastewater treatment and collection.

CF-2.2 The 6-year Capital Improvement Program shall be updated at least bi-annually pursuant to State requirements.

CF-2.3 Periodically review and revise the Land Use Element to insure concurrency with the Capital Facilities Plan.

GOAL CF-3 To maintain level of service standards to ensure adequate service provision to all current and future residents and businesses.

CF-3.1 Survey residents and business owners to determine their level of satisfaction with public facilities and services.

CF-3.2 Determine adequate level of service standards based on public responses as well as established state and national standards.

CF-3.3 Base standards on quantitative as well as qualitative measurements.

Discussion: *Level of service standards should be established to reflect realistic expectations with respect to growth rates. Standards set too high without adequate funding could impede desired growth.*

CF-3.4 Calculate the typical cost per unit of capacity for each facility and service provided to determine funding and timing needs.

CF-3.5 Analyze the City's financial capacity to provide facilities and services at the desired level of service standard.

CF-3.6 Review and revise the Capital Facility Plan to make certain it is consistent with the level of service standards, that funding sources are identified/available, and that implementation is concurrent with proposed development.

CF-3.7 Exercise caution when considering level of standards applied by state, federal, or other agencies. Standards can be ideal and may not be practical for cities with limited resources.

GOAL CF-4 To ensure adequate capital facilities are available to serve newly annexed areas.

CF-4.1 Design an annexation plan to phase in sections of the urban growth area as needed for growth.

CF-4.2 Make certain that the Capital Facilities Plan recognizes and plans for annexations into the City from the urban growth area.

Utility Goals and Policies

GOAL U-1 To provide adequate, environmentally sensitive, and cost effective service to all utility customers.

U-1.1 Promote voluntary conservation of water and other resources.

U-1.2 Make every effort to convert to cost effective and environmentally sensitive technologies and energy sources.

U-1.3 Work with Snohomish County PUD #1 and other utility providers to assure City utility users adequate, cost effective service provisions.

U-1.4 Whenever appropriate, co-locate utility facilities to maximize land use and cost efficiencies and to minimize construction-related disruption.

U-1.5 Develop a plan for utility provisions and extensions to accompany annexation proposals.

U-1.6 Encourage locating power substations in non-residential areas due to low-frequency noise and reception interference.

U-1.7 Encourage screening and landscaping of power substations to make them compatible with surrounding areas.

U-1.8 Design, construct, and maintain utility lines in a manner that minimizes environmental impacts.

U-1.9 Encourage using utility corridor areas for agriculture and small tree production.

U-1.10 Ensure that maintenance, repair, installation, and replacement activities by utility providers are consistent with the City's critical area ordinance.

U-1.11 Encourage developers to site buildings on lots orienting houses and buildings to maximize solar access.

U-1.12 Ensure consistency with Countywide Planning Policies by coordinating with Snohomish County and other utility providers in areas concerning growth and demand for services

U-1.13 Process applications for permits and plan approvals for utility facilities in a timely manner.

