City of Oak Harbor

Capital Improvements Plan 2017-2022

_____, 2016

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Section One • Introduction

The Capital Improvement Plan

The Capital Improvement Plan (CIP) is a document covering a six-year period that identifies capital projects being proposed by the City during the planning term.[1] The CIP provides a planning schedule and provides options for financing the plan. The CIP provides a link between the various city department projects and the annual budget.

For the purposes of the CIP, a **capital facility** shall mean *any facility owned or maintained by the City costing $50,000 or more, requiring the expenditure of public funds over and above annual maintenance and operational expenses, and having a life expectancy of 20 years or more*.

In addition to planning for the acquisition of new capital facilities, the CIP assists the City in identifying what capital maintenance projects are to be funded. For the purposes of the CIP, **capital maintenance** shall mean *any maintenance or upkeep expense to an existing capital facility requiring the expense of public funds in excess of $50,000 and extending the useful life of the facility for 10 years or more.*

The City of Oak Harbor has identified the period 2017-2022 as the planning term for this CIP. The CIP should not be confused with the capital budget. The capital budget represents the first year of the CIP and in the case of this document, is the 2017/2018 biennium City budget. The projects identified in subsequent years of the CIP are not authorized until the biennium budget for those years is adopted.

The Requirement to Plan

The State Growth Management Act (GMA) of 1990 requires that communities adopt CIPs as part of their comprehensive plans. The intent of this CIP is to comply with the Growth Management Act (RCW 36.70A.070 (3) and WAC 365-195-315). It is also intended to meet the concurrency requirements of RCW 36.70A.020 (12) and (13), WAC 365-195-210.

[1] ***Planning term***—The planning horizon for the CIP is 6 years with the first year of the planning term being the capital budget for that year.

Benefits of Capital Improvement Planning

The Capital Improvements Plan serves a number of important functions. The Government Finance Officers' Association identifies four major purposes[2]. They are to:

1. ***Create a formal mechanism for decision making.*** A basic function of the CIP is to provide a framework for decision makers. Decisions about what to buy, when to buy it and how to pay for it can all be answered by a comprehensive CIP.
2. ***Provide a link to long range plans.*** The CIP guides the implementation of the community's comprehensive plan, sub area plans and strategies.
3. ***Serve as an important management tool.*** A major organizational purpose is served by the CIP providing a mechanism to help prioritize capital projects and match projects with existing funding options.
4. ***Function as a reporting document.*** A CIP communicates to citizens, businesses, and other interested parties the government's capital priorities and plans for implementing capital projects.

There are numerous benefits of a CIP. Benefits include:

- *Focused attention on community goals, needs, and financial capability.* It encourages decision makers and the public to connect future plans and the actions needed to achieve them.
- *Building public consensus for projects and improves community awareness.* The process elevates public awareness of the needs and financial resources of the community.
- *Improved inter-/intra governmental cooperation.* A CIP enhances coordination between departments and agencies thereby reducing conflicts and overlapping projects.
- *Assistance in ensuring financial stability.* Capital projects are prioritized and scheduled to fit within expected funding levels, thereby limiting the need for dramatic tax increases or unanticipated bond issues in any one year.

Determining What is Included in the CIP

The process to determine need for new capital facilities is rather straightforward. Most facility needs are easy to determine as they are based on the principle of maintaining or meeting technically derived service standards. Levels of Service (LOS) standards are established by a technical based measure, e.g. water flow levels to serve a certain population or park space needed per one thousand citizens. Capital needs are also derived from special plans and strategies developed for a special purpose. For example, the Parks, Recreation and Open Space Plan and the Windjammer Plan have identified capital needs that are necessary to meet specific goals identified and discussed by the public and adopted by the City Council in that specific planning process. The needs identified by the processes mentioned above are divided into two basic categories for further review, comparison and consideration. These categories, based on revenue source, are:

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[2] Major elements of the introduction material for this plan have been taken from *Capital Improvement Programming, A Guide for Smaller Governments*, Patricia Tigue, Government Finance Officers' Association, 1995.

- *Enterprise Fund Capital Facility Needs*. Enterprise funds are identified as those functions (departments) that derive their revenues from user fees or charges. Capital needs for these functions are identified in this document but are not prioritized, as their funding requirements are mostly met by user fees.
- *Non-Enterprise Fund Capital Facility Needs*. Non-enterprise funded activities are, for the most part, dependent on General Fund revenues, special assessments; grants and other inter-governmental transfers. Streets, parks, public safety, general administration and special projects all must compete for these revenues.

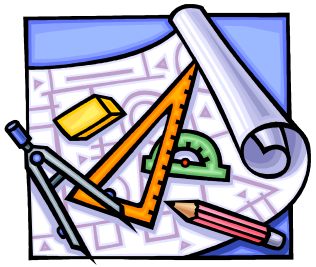
Capital Facilities Not Provided by the City

The GMA also requires jurisdictions to plan or coordinate with the responsible authorities for schools and solid waste collection and disposal. This plan, in addition to these requirements, will report the capital needs of the Oak Harbor public schools, Sno-Isle Library District, North Whidbey Parks District and Island Transit.

Summary

This document is designed to answer several questions for the community, professional managers, and elected decision makers. They are, quite simply:

- What do we have?
- What do we need?
- When do we need it?
- How do we pay for it?



Section Two • The Planning Context

Capital facilities planning does not take place in a vacuum. Plans and strategies that are developed with extensive community involvement set the framework for the decisions necessary to guide the City's economic, social and cultural evolution. The result of this community effort in Oak Harbor is contained in three basic areas of work:

- The Comprehensive Plan
- Sub area and functional area plans
- The Comprehensive Financial Management Policy

These documents have provided the framework for the CIP detailed in this document. These three critical guides are discussed below.

The Comprehensive Plan

Everyone plans all of the time. Families make financial plans, plan for vacations or plan for their children's' college education. Planning allows a look into the future, a decision on what the future should look like, and then an identification of the actions that will make that future come to pass.

A Comprehensive Plan is a community's vision for its future. The plan details what citizens want the community to look like, where streets and roads should go, how much park and open space should be provided and where growth should occur. Without a living, active and well used plan, community health and well-being would be in serious jeopardy. The Comprehensive Plan should also be a tool for helping government officials to think strategically about all aspects of the community and the way these elements interact. Without a clear picture of community wants and needs, decision-makers may not make choices that are in the best interests of its citizens. Comprehensive planning should also be a community development process that initiates action rather than simply reacting to events. A comprehensive plan without an implementation strategy is limited in its effectiveness.

The Washington State Growth Management Act (GMA) of 1990 requires that the City of Oak Harbor prepare and maintain a comprehensive plan capital facility element. This element is required "in order to assure that public facilities will be reasonably available to accommodate planned growth over the next twenty years." This requirement is referred to as concurrency and specifically means:

- Public facilities that are needed to serve new development and population within a jurisdiction or service area must be in place at the time of development.
- Such facilities must be sized to adequately serve the area without decreasing the services levels established by the jurisdiction.

The GMA identified the following goals to be obtained by local comprehensive planning efforts:

- Focus urban growth in urban areas
- Reduce sprawl
- Provide efficient transportation
- Encourage affordable housing
- Encourage sustainable economic development
- Protect property rights
- Process permits in a timely manner
- Maintain and enhance natural resource based industries
- Retain open space and habitat areas and develop recreation opportunities
- Protect the environment
- Encourage citizen participation and regional coordination
- Preserve important historic resources
- Manage shorelines wisely

The GMA also requires that the comprehensive plan be of at least a twenty year planning horizon and be based on population projections supplied by the state Office of Financial Management (OFM). Comprehensive plans must contain, at a minimum, these elements:

- A capital facilities element, with a six-year plan for financing identified capital needs.
- A land use element.
- A housing element.
- A utilities element.
- A transportation element.
- An economic development element.
- A parks and recreation element.

WAC 365.195.315 requires that the capital facilities plan address the following:

- An inventory of existing capital facilities owned by public entities, showing the locations and capacities of the capital facilities;
- At least a six year plan that will finance such capital facilities, within project funding capacities and clearly identifies sources of public money for such purposes;
- If a jurisdiction is unable to provide or finance capital facilities in a manner that meets concurrency and level-of-service requirements, it must either: (a) adopt and enforce ordinances which prohibit approval of proposed development if such development would cause levels-of-service to decline below locally established standards, or (b) lower established standards for levels-of-service.

In addition, GMA requires that comprehensive plans be put into action through zoning and development regulations.

The City is conducting a major update to its comprehensive plan in 2016 in response to a state mandate. The updated revision of the land use element and updates to other elements such as urban growth areas, housing, utilities etc. The 2016 update does not change any of the policies in the Capital Facilities Element. The comprehensive plan identifies the following goals and policies for the development and location of capital facilities in Oak Harbor and serves as a general guide for the creation of this document.

Goal 1

Provide adequate capital facilities and services necessary to serve Oak Harbor's existing and future population without causing decreased service levels below adopted LOS[3] standards.

Policy

a. Predict facility needs for the next 20 years based on projections of anticipated population and business growth.
b. Prepare phased plans to identify needed public facilities to support existing and future growth projected in policy 1.a.
c. Coordinate with other jurisdictions to establish priorities of county-wide facility improvements, identify services needed to achieve adopted service levels, and protect public health, safety and the environment.
d. Review growth projections and capital facilities plans annually congruent with the City budget process to ensure that the City's ability to provide and maintain adequate public facilities and services is consistent with growth.
e. Phase the development of capital facilities to ensure sufficient lead-time financing, planning, and construction to provide the facilities when needed.
f. Coordinate land use and public works planning activities with an ongoing program of long-range financial planning to conserve fiscal resources.
g. Support and encourage joint development and use of cultural and community facilities among governmental and/or community organizations.
h. Approve development only when the LOS for a capital facility is assured to meet the standards set forth in the Comprehensive Plan. Limited short term reduction in LOS is acceptable when a capital improvement or strategy to accommodate the impacts is made concurrent with development.
i. The City will cooperate with private developers to address Capital Improvements financing programs when necessary.

[3] For a complete discussion of Level of Service (LOS), see Section Four.

Goal 2

Implement capital facilities projects in accordance with the funding policy priorities of Oak Harbor.

Policy

a. Program and prioritize City capital improvements for consistency with the Comprehensive Plan. The City's capital improvement funding priorities should be:
   - Urgent projects which cannot reasonably be postponed including, but not limited to, those reconstructions, upgrading or new construction projects which are needed to protect public health, safety and welfare.
   - Reconstruction, major maintenance or expansion of the City's existing infrastructure in order to provide for service to the existing community.
   - New projects where the need or demand for service already exists.
   - Expansion projects in partially developed or developing areas where demand is anticipated as a result of, or in preparation for, future growth.

b. Evaluate capital projects that are included in the Six-Year Capital Facilities Plan for consistency with the Comprehensive Plan.

c. Coordinate with the Navy, Island County, and other applicable agencies during planning stage for timely siting and development of facilities of regional significance to ensure the consistency of each jurisdiction's plans.

d. Locate only compatible public facilities in designated resource lands or critical areas.

e. Promote high quality design and site planning in the construction of capital facilities.

f. Encourage citizen involvement in the planning and locating of capital facilities.

g. Ensure that all City departments review changes to the Capital Facilities Plan and participate in an annual review.

Goal 3

Finance Oak Harbor's needed capital facilities in the most economic, efficient, and equitable manner possible.

Policy

a. Ensure that the burden of financing capital improvements is equitably borne by the primary beneficiaries of the facility.
b. Use general revenue only to fund projects that provide a general benefit to the entire community.
c. Determine which services or facilities are delivered most cost-effectively by the City and which services should be contracted to private entities.
d. Where appropriate, use special assessment, revenue and other self-supporting bonds instead of tax-supported general obligation bonds.
e. Consider adopting impact fees when appropriate to mitigate the short-term fiscal impacts of increased development.

Goal 4

Provide a full range of cost-effective urban governmental services to residents within the Oak Harbor City boundaries and the Urban Growth Area as annexed.

Policy

a. Monitor annually school, fire, police, waste disposal, utilities and other capital facilities to ensure existing and future needs are met.
b. Require development proposals to be reviewed for available capacity to accommodate development and needed system improvements by the various providers of services, such as school districts, utilities, police and fire departments.
c. Encourage joint-use of corridors for major utilities, trails, and transportation rights-of-way. (See Utilities Element).

Related Plans

Each chapter of the Comprehensive Plan contains goals and policy statements. These goals and policy statements serve as the guiding principles of all City actions. Actions taken by the City should always have a comprehensive plan implementation rationale. Water Department plans would be based on the implementation of comprehensive plan goals and policies, for example, as would the other department and division actions.

Often though, these administrative sub-units of the City develop additional plans that complement the comprehensive plan by providing much more detail and specificity. The following subarea plans and strategies were also used to guide the selection of new capital facilities in this plan;

- The City of Oak Harbor Comprehensive Water System Plan, 2014
- The City of Oak Harbor Comprehensive Sewer System Plan, 2008
- The City of Oak Harbor Comprehensive Stormwater Drainage Plan 2006
- The City of Oak Harbor Park, Recreation and Open Space Plan, 2009
- The Windjammer Project Plan, 2005
- Shoreline Master Program, 2012
- The City of Oak Harbor Comprehensive Transportation Plan, 2016
- The Six Year Traffic Improvement Plan, 2016-2021
- The Marina Redevelopment Program, 2006
- The Windjammer Park Integration Plan, 2016

The Comprehensive Financial Management Policy

The Comprehensive Financial Management Policy was adopted by the Oak Harbor City Council in December 2004. The purpose of the policy was to recognize that the "financial strategy of the City of Oak Harbor is to develop a sound financial resource base for the purpose of ensuring public safety, maintaining the physical infrastructure and surroundings of the City, and promoting the social well-being of the citizens of Oak Harbor." This policy provided helpful direction in preparing this CIP. The key elements from that policy are.

General Revenue Policies

a. A well-diversified and stable revenue system will be maintained to shelter public services from short-run fluctuations in any particular revenue source. Revenue estimates will be as realistic as possible based on the best available information.

b. Revenue forecasts will encompass all resources that can be utilized for public services.

c. Revenues of a one-time, limited or indefinite term will be used for capital projects or one-time operating expenditures to ensure that no ongoing service program is lost when such revenues are reduced or discontinued.

d. The City will project revenues for the next three years and will update this projection annually.

e. The City will not utilize deficit financing or short-term borrowing as a revenue source to finance current operating needs without full financial analysis and prior approval of the City Council. Interfund loans are permissible to cover temporary gaps in cash flow.

Grant Revenues

a. All potential grants shall be carefully examined for matching requirements. If local matching funds are not available, some grants may not be accepted. Grants may also be rejected if programs must be entirely funded with local resources after the grant program is completed.
b. When considering grants for the purposes of capital construction or other projects of an acquisition nature, an analysis will be made of the City's ongoing ability to maintain, repair, or commit the facilities to a specific economic purpose.

Enterprise Revenues

a. To ensure that the enterprise funds remain self-supporting, user fees and rate structures will be incorporated to support the total direct and indirect costs of operations, capital facilities maintenance, debt service, depreciation, and pass-through rate increases from source of supply vendors.
b. Revenues received for enterprise purposes will be restricted to the respective funds.

User Fee Revenues

a. The City will establish all user fees and charges at a level related to the cost of providing the service.
b. As much as is reasonably possible, authorized City services that provide direct benefit to a specific group, organization, or citizen should be supported by fees and charges to recover the costs of providing such benefit.

General Expenditure Policies

a. A high level of priority will be given to expenditures that will reduce future operating costs, such as increased utilization of technology, equipment, personnel, and prudent business methods.
b. Before the City undertakes any agreements that would create fixed ongoing expenses, the cost implications of such agreements will be fully determined for current and future years through the use of strategic financial planning models.

Short-Term Debt Policies

a. Short-term debt covers a period of one year or less.
b. The City may use short-term debt to cover temporary cash flow shortages that may be caused by a delay in receipting tax revenues or issuing long-term debt.
c. The City may issue interfund loans rather than outside debt instruments to meet short-term cash flow needs. Interfund loans will be permitted.

Long-Term Debt Policies

a. The City will confine long-term borrowing to capital improvements that cannot be financed from current revenues.
b. Acceptable uses of bond proceeds can be viewed as items that can be capitalized and depreciated.
c. Where possible, the City will use special assessment revenue, or other self-supporting bonds instead of general obligation bonds.
d. The City will not use long-term debt for current operations.

General Obligation Bond Policy

a. Every project proposed for financing through general obligation debt should be accompanied by a full analysis of the future operating and maintenance costs associated with the project.

b. Bonds cannot be issued for a longer maturity schedule than a conservative estimate of the useful life of the asset to be financed.

Limited Tax General Obligation Bond Policies

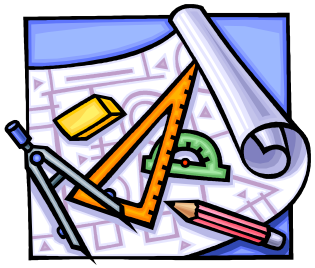
a. As a precondition to the issuance of limited tax general obligation bonds, all alternative methods of financing should have been exhausted.

b. Limited tax general obligation bonds should only be issued under the following conditions:

- A project in progress requires monies not available from alternative sources,
- Matching fund monies are available which may be lost if not applied for in a timely manner, or
- Catastrophic conditions.

Summary

The Comprehensive Plan and related sub-area and sub-unit plans detail the general and specific direction for community development in Oak Harbor. The CIP identifies what physical developments need to take place, where they are needed and how they will be paid for by the community. None of these actions can be undertaken separately without significant negative impact. The Capital Improvement Plan that follows represent the City of Oak Harbor's first for planning and coordinating the needed public capital investment.



Section Three • Existing Capital Facilities

The City of Oak Harbor owns and operates a wide array of capital facilities and performs a variety of services. Capital facilities are required to provide adequate service to the citizens of the community.

In addition to the City, a number of other governmental agencies build and manage capital facilities as well. The school district for example, owns and operates a large capital plan as does the library district and transit system. While the City does not manage any of these capital facilities, the City does have responsibility under the Growth Management Act to ensure that the planning for these facilities takes place and that provision for the facilities necessary for the orderly growth of the community is considered by the responsible agency.

City services are divided into two general categories based on the origin of their operation and maintenance revenue, as explained in Section Two. In order to maintain consistency, City assets are grouped below into these two categories. The following is a summary of each City service. Detailed information on existing capital facilities will be found in Appendix A.

Non-Enterprise Funded Activities-Capital Facilities

Streets and Roads

A detailed description of Oak Harbor's existing street and road system is discussed within the GMA Transportation Element of the City of Oak Harbor Comprehensive Plan. As of year-end 2015 there were 69.06 miles of public streets in Oak Harbor. Within the City of Oak Harbor, SR 20 and Swantown Road from SW Heller Road to SR 20 are the only principal arterials. Minor arterials include:

- Bayshore Drive; City Beach Street to Midway Blvd
- Ft. Nugent Road; Swantown Avenue to City Limits
- Whidbey Ave.; Heller Rd to SE Regatta Drive
- Heller Street; Swantown Road to north City limits
- Midway Boulevard; SE Pioneer Way to SR 20
- Goldie Street; SR 20 to north City limits
- SE Regatta Drive; E Pioneer Way to north City limits.

Collector arterials include:

- NW Crosby Road
- Oak Harbor Street
- NE 7th Avenue
- Loerland Drive
- SE 8th Street
- Barrington Drive
- Erie Street
- Scenic Heights Street
- SE Pioneer Way
- 6th Avenue

Most other streets in Oak Harbor are classed as local access roads. For a graphic representation of the street system, see Appendix C Map 2.

Parks and Recreation

A detailed description of the City's parks and recreation system is contained in the 2009 City of Oak Harbor Comprehensive Parks, Recreation and Open Space Plan and is only summarized here. North Whidbey Island has a system of parks and open areas that include approximately 2,000 acres. The City of Oak Harbor has 25 parks on 124 acres of developed land, has approximately 73 acres of open space and owns over 196 acres providing recreational opportunities such as walking trails, picnic areas, athletic fields, playgrounds, shorelines and a marina. For a graphic representation of the Parks system assets, see Appendix C Map 3.

The Oak Harbor Public Schools owns approximately 85 acres of playgrounds and athletic fields, and Naval Air Station Whidbey Island manages 207 acres of park and athletic fields for use by Navy personnel, dependents and retirees. Island County and Washington State Parks also have extensive park systems on North Whidbey Island, which are available to serve Oak Harbor residents.

Fire Protection and Suppression

The Oak Harbor Fire Department provides fire suppression, fire and life safety inspections, fire and explosion investigation services, emergency medical services, and public education programs for the City of Oak Harbor. There are 11 full time employees, 30 paid-on-call firefighters, and 2 volunteers. The department responded to 1,173 calls for service in 2015 with an average response time of 4 minutes, 17 seconds. Calls types included: 6% fire, 46% medical, 13% service calls, 21% false alarms, 5% hazardous conditions, and 9% other.

The department operates from one station located in the City’s southeast quadrant on Whidbey Avenue. The 21,000-sq. ft. facility houses apparatus, administrative offices, training facilities, meeting rooms, an emergency operations center, and

personnel quarters. The department enjoys a Class 4 rating from the Washington Survey and Rating Bureau. Ratings range from one to ten, with one representing the best score. These ratings evaluate available water supply, fire department staffing and equipment, fire alarm system, fire protection program, building department enforcement of building laws and structural conditions of buildings.

Law Enforcement

Law enforcement services within the City of Oak Harbor are provided by the Oak Harbor Police Department. While never signed, the Police Department and Navy Security have operated under a memorandum of understanding drafted in 1993, which determines the range of service available to the NAS Whidbey Seaplane Base. The Oak Harbor Police Station is located at 860 S.E. Barrington Dr. across from City Hall and consists of approximately 12,000 gross sq. ft., of which 1,250 sq. ft. is a 30-day jail holding facility.

In 2006, the Police Department maintained a staffing level of approximately 1.41 commissioned law enforcement officers for every 1,000 persons living in the City. The national average is 2.30 officers per 1,000 citizens, with the State average of 1.65 officers per 1000 citizens.

Senior Services

Oak Harbor Senior Services serves a fast growing population of citizens of Oak Harbor and North Whidbey Island who are age 50 and over. Senior Services is dedicated to improving quality of life, fostering community partnerships, responding to diverse needs and interests, enhancing dignity, supporting independence and encouraging local older adults to be involved in the community. There are three employees (one full time/two .875 FTE) and over 40 active volunteers involved in managing: over 40 activity/support groups; meals on wheels/meal services (over 20,000 meals/yr); a travel program (local, national, international trips); passport processing (900-1000 applications/yr); an information & assistance office; health insurance counseling as well as dozens of informational/special activity events throughout the year.

Senior Services operates out of three facilities: Senior Center building (6300 sq.ft.) at 51 SE Jerome Street; an adjacent garage building (900 sqft) used as a lapidary workshop; and a modular building (2000 sq.ft.) at 917 N. Whidbey Avenue on loan from a local non-profit agency (Island Thrift) used for various senior support programs.

General Governmental Services

General governmental services in the City of Oak Harbor are provided by the Mayor and City Council, City Administrator, Finance Department, City Attorney, Development Service Department and Public Works Department. These functions provide policy, legislative, regulatory and administrative services to the residents of Oak Harbor. Together, these departments have 132 regular fulltime employees.

For a graphic representation of the general physical assets of the City, see Appendix C Map 4.

Enterprise Funded Activities—Services/Capital Facilities

Water

The City of Oak Harbor Comprehensive Water System Plan contains a detailed description of the City's water system. The Oak Harbor water system currently serves about 23,360 people. As of 2016, the City operates 106 miles of water main pipe. The City's water system obtains water supply from the City of Anacortes, supplemented by three Oak Harbor owned wells. The City currently purchases approximately 99% of its water from Anacortes. An agreement with the City of Anacortes extending through the year 2025 provides a basis for the City of Oak Harbor to provide water. Water is transported from Anacortes through two City-owned transmission pipelines to the City of Oak Harbor. The 24 inch transmission main is approximately 13 miles long and the 10 inch Transmission main is approximately 6 miles long.

Three City-owned wells have the capacity to produce 160 gallons per minute (GPM), 56 GPM and 160 GPM respectively. The City also operates one major pump station at Ault Field, two booster pump stations at Heller Street and Redwing housing development. Four reservoirs store water for the system. The North Reservoir holds up to 4 million gallons (MG), the Heller reservoirs hold 2 MG and .5 MG and the East Reservoir is 0.5 MG. The East Reservoir is planned for demolition due to the age of the structure and lack of a foundation.

About 74% of the City's current water demand is residential with the remaining 26% of demand being commercial/industrial. Average daily water demand in Oak Harbor's water system is about 1.44 million gallons per day (MGD). In addition to the City's demand, the Whidbey Island Naval Air Station’s (NAS) average daily demand averages about 0.78 MGD. The water inter-ties with the NAS Whidbey Island were completed in 1999. Both the Navy and Oak Harbor view these connections as mutually beneficial. There is a planned capital project including a regional booster pump station and transmission main between the North Reservoir and the NE neighborhood. These facilities are intended to improve the level of service to the higher areas of the City and serve the southern and eastern navy facilities. The schedule and scope of the projects are pending financial commitment from the Navy.

Sewers

The City of Oak Harbor’s Comprehensive Sewerage Plan contains a detailed description of the City's sewer system. The City of Oak Harbor sewer collection system is municipally owned, operated and maintained. The existing system consists of more than 67 miles of gravity sewers ranging in size from 8 to 21 inches in diameter. The system also has 11 lift stations and approximately 2.5 miles of force mains and a total of 69.90 miles of sewer lines.

The City currently operates two wastewater treatment facilities. The first of these two facilities is the Oak Harbor Wastewater Treatment Plant, a secondary treatment plant which uses the rotating biological contactors (RBC) process. This plant is located adjacent to Oak Harbor Windjammer Park at approximately City Beach Street and Bayshore Drive. Another secondary treatment facility was established in October of 1987 when the City signed a 50-year agreement to operate and maintain the sewage lagoons at the NAS. The City owns the facility and leases the land for the facility from the Navy. The lagoons are located on Navy property, northwest of the intersection of Pioneer Way and Torpedo Road, adjacent to Crescent Harbor. These lagoons currently have the capacity to treat approximately 2.5 mgd (average daily flow).

The City is currently pumping all its wastewater flow from the RBC plant to the lagoons due to the failure of the RBC outfall. The City treats an average daily flow of 1.69 mgd of wastewater.

The City has decided on the Windjammer Park area as the site for the new treatment plant. The goal is to replace the two aging treatment facilities with a new system by 2018.

Stormwater Detention and Treatment

A detailed analysis of storm drainage requirements in Oak Harbor are discussed in the Comprehensive Stormwater Drainage Plan adopted 2007. This plan describes the existing conditions of the stormwater detention and treatment systems within the City and the requirements for improvements over the next 20 years. The City currently has approximately 49.96 miles of storm sewers in the City. It maintains 2706 catch basins and manholes and inspects 186 private stormwater detention facilities.

Solid Waste

Municipal waste is generated in Oak Harbor at a rate of approximately 10,085 tons per year. The City of Oak Harbor uses the County's transfer station site in Coupeville for disposal of its municipal solid waste. Within the City limits, 68% of Oak Harbor's present population is serviced by the City's solid waste collection and disposal system. The remainder of the City's population is resident naval personnel and their families on the Seaplane Base, who utilize solid waste disposal services provided by the Navy in a service agreement with Island Disposal. For the non-Navy portion of the population, all operating revenues are obtained through collection and container fees.

Areas outside of the Oak Harbor City limits are currently served by Island Disposal through a franchise agreement with Island County. Island Disposal has an agreement with the City to continue serving existing homes within any area being annexed for an additional seven years to twelve years. New homes within the annexed area would be served by the City.

Corrections and Detention

Oak Harbor currently has a 12-bed jail with an average daily population of 11 inmates. Prisoners are held for up to 30 days. At times, the capacity of the jail is exceeded when new inmates are awaiting preliminary court appearances. Currently, longer-term prisoners and overflow are sent to the Island County jail facility at Coupeville. As the existing jail is approximately 35 years old, it is recommended that funding sources be studied which could provide for a new facility to meet growing community needs.

Marina

The Marina was constructed in 1974 and was intended to provide the best and most affordable boat moorage in the northern Puget Sound. It was also intended to promote and encourage recreational boating in the Puget Sound and the San Juan Islands.

The marina was expanded in 1987 and again in 1998-99 to incorporate a unique breakwater design which provides superb protection to the marina while at the same time affording outstanding accommodations for visiting yacht clubs and individual boaters transiting the Sound. The breakwater dock provides 52, 40-foot slips with patios and picnic tables plus water and power. The facility is within walking distance of most retail services including motels and restaurants in the City of Oak Harbor.

Today's Oak Harbor Marina accommodates permanent moorage tenants in 217 open and 135 covered slips, ranging in size from 24 to 50 feet. Up to 100 additional vessels (depending on size) can be accommodated in guest moorage. The Marina also operates 96 dry storage garage-type sheds which are 25 feet in depth and can accommodate smaller boats on trailers.

Non City Provided Capital Facilities

Oak Harbor School District

The City of Oak Harbor is served by Oak Harbor Public Schools. In 2016, the district operated one high school, two grade 6-8 middle schools, five grade K-5 elementary schools, and an early learning center and K-12 parent-partnership school (on one site). The district serves over 5,650 students that live both within and outside the Oak Harbor Urban Growth Area Boundary. Thanks to voter support, the high school has undergone a recent major renovation and expansion that added a new Career and Technical Education wing and Student Union Building. A new sports stadium that serves the community was also built with voter support and private community donations. The stadium has bleachers seating up to 3,000 spectators and parking for 750 vehicles. Additional funding support from a recent levy has enabled the district to initiate upgrades to all schools, improving energy efficiency, maintenance and space usage to accommodate growing enrollment.

Libraries

The Oak Harbor Library is a branch of Sno-Isle Libraries, a two-county library system serving Island and Snohomish counties. The City of Oak Harbor annexed to the Sno-Isle library district through voter approval in 1981, allowing residents to pay for library services directly through their property taxes. The library facility, including all major furnishing and shelving, remains the responsibility of the City, in agreement with the library district. The Oak Harbor Library is currently located in the east end of Hayes Hall on the Whidbey Island Campus of Skagit Valley College (SVC). Completed in 1993, Hayes Hall is jointly owned and maintained by SVC and the City of Oak Harbor, although the City is responsible for all elements related to the public library. The City’s share of the building is estimated at approximately 12,000 sq. ft., or 43%. The boundaries of the Oak Harbor Library service area correspond with those of the Oak Harbor School District and include the City of Oak Harbor and the unincorporated North Whidbey area. According to the U.S census, the 2010 population of the area was 37,813. Island County Planning and Community Development projections show the population North Whidbey area increasing to 42,989 by the year 2036.

The current library meets the informational and recreational needs of community members and supports early literacy and school readiness. It serves as a resource for teachers and students in public and private schools from preschool through college.

Economic development and local business needs are met through information services, access to online data and entrepreneur/small business support.

The library offers many services and resources to families, children and caregivers, teens, adults and seniors including reference and information, programming, access to digital and physical collections and interlibrary loan. Library services include, but are not limited to:

- Story times and events for babies, toddlers, preschoolers and caregivers to promote reading and early literacy
- Programs and outreach for school aged children to promote academic success
- Homework assistance
- Access to online electronic databases via the library website
- Books, eBooks, digital materials, DVD's, CD's, magazines and other materials for checkout
- Library Online Catalog access to 1.5 million titles plus digital resources
- Internet access (including filtered access for children)
- Free eBook, audiobook, movie and music downloads
- Free classes and one-on-one computer help for adults
- Wi-Fi access throughout library and lobby areas
- Professional, friendly, well-trained staff
- Express check out and holds pick up
- Reference and information services during all open hours
- Online reference services accessible 24/7
- Outreach services to the homebound individuals, retirement facilities and local daycares
- Open seven days per week

In 2013, the library circulated more than 400,000 items, not including digital titles. The library shares a collection of more than 1.5 million items. In 2013, out of a total of 433,182 Sno-Isle Libraries customers, 28,271 were registered at the Oak Harbor Library. The use of digital resources by library customers is significant and increasing. In 2013 Sno-Isle Libraries customers accessed the library web site nearly 47 million times to access online data and download digital materials.

Usage statistics gathered by the Sno-Isle Libraries for the Oak Harbor Library indicate that 46% of borrowers are residents of the City of Oak Harbor and the remaining 54% live outside the city limits. It is advisable to use population projection estimates for both the city of Oak Harbor and unincorporated North Whidbey when planning a library facility to serve Oak Harbor Library patrons. A potential source of funding for expanded library facilities is legislation signed into law in 1995 and codified in RCW 27.15 which allows the formation of library capital facility areas in the state of Washington. A library capital facility area is an independent taxing unit formed within the boundaries of an existing rural county library district. Funds approved by voters can be used to finance a new library or remodel an existing library or building.

North Whidbey Parks and Recreation District

The District operates two primary facilities:

- Clover Valley Park which consists of a Babe Ruth level baseball field, practice field and a leash-free dog park.
- The Vanderzight Pool, on Jerome Street, which consists of a 25 meter pool and training pool.

Plans are under consideration to expand the Vanderzight Pool by adding additional swimming area, waterslide and warm water therapy pool sometime in the next few years.

Island Transit

The transit needs of the City are served by the Island County Public Transportation Benefit Area (PTBA), which operates as Island Transit. The agency's services include: fixed route service, para-transit service, a vanpool program and a ride matching program. All of Island Transit's services are fare-free to its users. The system is fully funded by a 0.9% sales tax, which is matched by funds from the Motor Vehicle Excise Tax revenues generated within the PTBA. The Levels of Service for Transit Routes in Oak Harbor will conform to that identified in Island Transit Comprehensive Plan as approved by the Public Transportation Benefit Area (PTBA).

Island Transit operates seven (7) routes within the City of Oak Harbor utilizing eleven buses and ten para-transit vehicles. Ridership for the entire Island County system topped 850,000 in 2013 with a quarter of that ridership occurring in the City. In addition to numerous bus stops the system maintains Harbor Station on Bayshore Drive. The center contains three passenger shelters and kiosks as well as an Operator lounge and administrative office.

Section Four • Future Capital Facility Needs

How Are Future Needs Determined?

Capital facility needs for the community are identified in a number of ways. First, traditional planning, involving much citizen involvement, determines the community's wishes for open space, economic development options and land use compatibility, for example. Traditional planning produces documents like the Comprehensive Plan, the Windjammer Plan and the Parks and Recreation Plan. In addition, specialized or technical planning addresses infrastructure development, generally, through the Comprehensive Sewer Plan, the Comprehensive Storm Water Plan and the Six Year Traffic Improvement Plan, to mention just three. Specialized planning relies more on traditional technical specifications or industry standards and less on general community input. Generally speaking, the non-enterprise funded[4] projects are based more on traditional planning products[5] while enterprise funded projects are derived from specialized planning exercises. The provision of both types of capital facilities is, of course, guided by the Comprehensive Plan and appropriate sub-area plans.

Determining Basic Public Service Levels

The term Level of Service Standards (LOS) refers to the minimum capacity for public facilities or service that is planned to be provided per unit of demand or other appropriate measure of need. LOS can range from a precise measurement such as the time needed for a fire engine to reach the typical call-out to as imprecise a measure as public perception of how much open space should be provided. Establishing the LOS for an area of service area then directs the decision makers and managers to make the necessary plans to ensure that LOS is met.

LOS need to be consistent with the growth projections of the Land Use Element of the Comprehensive Plan. Under the concurrency requirements of GMA, if LOS are set too high, they may result in the community not achieving its growth objectives. On the other hand, if LOS are set too low, they may adversely impact the quality of life in the community. Even if concurrency is not required, the LOS tool is valuable in planning and budgeting. LOS also provide excellent measures of system performance.

Table 4.1, below, presents the LOS for a broad array of public facilities and services in Oak Harbor. The LOS were initially proposed by City staff based on technical and industry sources. These proposed standards were then reviewed and approved by the Citizens Comprehensive Plan Task Force.

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[4]For a clear definition of non enterprise and enterprise funds, see Section Three.

[5] Street projects are the most obvious exception.

Table 4-1. Level of Service Standards

Facility	Adopted LOS
Streets and Roads	
Major and Minor Arterials	LOS D
Highway—SR20	LOS E
Transit	Comprehensive Plan
Domestic Water	
Domestic Supply	73 gpcd
Commercial/Industrial	37 gpcd
Fire Flow	Per UFC
Sewer	60 gpcd
Stormwater Detention	25 year storm
Schools	
Grades K through 6	5 acres+1 acre/per 100 students
Grades 7+	10 acres+1 acre/per 100 students
Grades K through 6	80 square feet/student
Grades 7 through 8	110 square feet/student
Grades 9 through 12	120 square feet/student
Handicapped	140 square feet/student
Fire Protection	
Fire Response	5 minutes
Medical Response	4 minutes
Law Enforcement	
Emergency	2 minute response
Non-emergency	7 minutes
Parks and Recreation	
Spatial LOS	
Neighborhood Parks	90% within ½ mile
Community Parks	90% within ½ mile
Trails	75% within ½ mile
Ratio based LOS	
Neighborhood Parks	2 acre per 1,000 population
Community Parks	7 acres per 1,000 population
Multiuse Field	1 field per 10,000 population
Basketball Courts	1 court per 5,000 population
Tennis Courts	1 court per 2,000 population
Baseball Diamond	1 field per 7,000 population
Football Field	1 field per 7,500 population
Volleyball Courts	1 court per 5,000 population

Facility	Adopted LOS
Softball Fields	1 field per 5,000 population
Little League Fields	1 field per 4,000 population
Soccer Fields	1 field per 7,5000 population
Libraries	
Building	0.7 square feet per capita
Solid Waste	2.5 pounds per capita per day
Other Government Services	450 s.f. per 1,000 population
Corrections and Detention	0.5 beds per 1,000 population

The LOS must, of course, be compared to population projections to assure that the proper ratios can be met. The following table (Table 4.2) provides that population comparison.

Table 4.2. City of Oak Harbor Population Projections

City of Oak Harbor Population Projection						
1990	2000	2005	2010	2015	2020	2025
17,176	19,795	21,720	22,075	22,000	23,937	24,541

Source: U.S. Census and projections using information from Washington State Office of Financial Management

Capital Facilities

The following is a listing of capital facility projects that have been identified in various adopted City plans. Some of these projects are needed within the six year planning timeframe to enable the City to meet Comprehensive Plan goals, LOS or to further a sub-area plan or strategy. Others are needed outside of that time frame, but within the twenty-year planning horizon. For detailed information on these projects , see Appendix C.

Capital Improvement Plan 2016-2021

Table 4.3 Streets (Non-Enterprise Funded)

Projects	**Total Project Costs**						
		2017	**2018**	**2019**	**2020**	**2021**	**2022**
Pavement Maintenance	$3,200,000	$500,000	$500,000	$550,000	$550,000	$550,000	$550,000
Whidbey Avenue Crosswalk	224,500	224,500	0	0	0	0	0
NE 7th Avenue	4,700,000	0	4,700,000	0	0	0	
Capital Project Expenditures	**$8,124,500**	**$724,500**	**$5,200,000**	**$550,000**	**$550,000**	**$550,000**	**$550,000**
Revenue Sources	**6-Year Total**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Contributions from Beginning Fund Balance:							
Streets (Fund 101)	$1,964,916	$378,810	$586,106	$250,000	$250,000	$250,000	$250,000
Arterials (Fund 104)	300,000	0	0	100,000	100,000	100,000	100,000
Transportation Capital Improvements (Fund 105)	800,000	0	0	200,000	200,000	200,000	200,000
Transportation Impact Fees	221,984	35,190	35,894	36,612	37,344	38,091	38,853
REET 1 *(50% of annual)*	525,000	87,500	87,500	87,500	87,500	87,500	87,500
REET 2 *(50% of annual)*	525,000	87,500	87,500	87,500	87,500	87,500	87,500
Motor Vehicle Fuel Tax: Non-operating	150,000	25,000	25,000	25,000	25,000	25,000	25,000
General Fund	0	0	0	0	0	0	0
Grants	4,313,500	224,500	4,089,000	0	0	0	0

Table 4.3 Streets (Non-Enterprise Funded) ***continued***

Revenue Sources (*continued*)	**6-Year Total**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Other City Funds	611,000	0	611,000	0	0	0	0
Developer Contributions	0	0	0	0	0	0	0
Total Available Revenue	**$9,411,400**	**$838,500**	**$5,522,000**	**$786,612**	**$787,344**	**$788,091**	**$788,853**
Total Revenues less Total Capital Expenditures	**$1,286,900**	**$114,000**	**$322,000**	**$236,612**	**$237,344**	**$238,091**	**$238,853**

Notes:
1. Revised project list based on new Transportation Plan
2. NE 7th Avenue is a grant funded project (87%)

Table 4.4 Parks and Recreation (Non-Enterprise Funded)

Projects	**Total Project Costs**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Windjammer Park							
Windjammer Park Integration Plan Phase 1B	$2,149,000	$0	$2,149,000	$0	$0	$0	$0
includes splash park							
Windjammer Park Integration Plan Phase 2	2,167,000	0	0	0	2,167,000	0	0
Land Acquisition	0	0	0	0	0	0	0
Open Space Land Acquisition Near Ft. Nugent Park	250,000	250,000	0	0	0	0	0
Future Park	250,000	250,000	0	0	0	0	0
Future Park	1,500,000	0	1,500,000	0	0	0	0
Total Capital Expenditures	**$6,316,000**	**$500,000**	**$3,649,000**	**0**	**$2,167,000**	**$0**	**$0**
Revenue Sources	**6-Year Total**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Contributions from Beginning Fund Balance							
Neigh. Parks (Fund 125)	$0	$0	$0	$0	$0	$0	$0
Comm. Parks (Fund 126)	50,000	0	50,000	0	0	0	0
Combined Parks (Fund 127)	0	0	0	0	0	0	0
Park Impact Fees	387,951	62,730	63,985	65,265	66,570	67,901	67,901
(Park Impact Fees: to be combined with above)	320,986		320,986				
REET 1 *(50% of annual)*	525,000	87,500	87,500	87,500	87,500	87,500	87,500
REET 2 *(50% of annual)*	525,000	87,500	87,500	87,500	87,500	87,500	87,500
Paths and Trails	16,085	2,601	2,653	2,706	2,760	2,815	2,815
General Fund	895,000	500,000	200,000	120,000	75,000	0	0
(General Fund: to be combined with above)	1,434,046		1,086,376		347,670		
Grants	5,500,000	0	4,000,000	1,500,000	0	0	0
Developer Contributions	0	0	0	0	0	0	0
Total Available Revenue	**$7,899,036**	**$740,331**	**$4,491,638**	**$1,862,971**	**$319,330**	**$245,716**	**$245,716**
Total Revenues less Total Capital Expenditures	**$1,179,036**	**$240,331**	**$116,638**	**$242,971**	**$244,330**	**$245,716**	**$245,716**

Notes:
Revised project list based in part on Windjammer Integration Plan
$1,500,000 future park funded by grant
$250,000 splash park funded by general fund

Table 4.5. Wastewater System (Enterprise Funded)

Projects	Total Project Costs	2017	2018	2019	2020	2021	2022
Wastewater Treatment Plant	$74,000,000	$64,000,000	$10,000,000	$0	$0	$0	$0
Wastewater Treatment Plant - Outfall	0	0	0	0	0	0	0
Biosolids Removal (Lagoon Treatment Facility)	587,000	0	587,000	0		0	0
Sewer Line Replacements	700,000	170,000	170,000	180,000	180,000	0	0
SW 6th Ave & Erie St Line Replacement	150,000	0	150,0000	0	0	0	0
Ely St Line Replacement	0	0	0	0	0	0	0
NE 9th to Taftson Line Installation	250,000	0	250,0000	0	0	0	0
Downtown Area Restrooms	750,000	0	250,000	250,000	250,000	0	0
Capital Project Expenditures	**$76,437,000**	**$64,170,000**	**$11,407,000**	**$430,000**	**$430,000**	**0**	**0**
Revenue Sources	**6-Year Total**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Contribution from Beginning Fund Balance							
Sewer (Fund 402)	$1,313,059	$0	$715,793	$136,369	$460,897	$0	$0
Cumulative Reserve (Fund 412)	0	0	0	0	0	0	0
System Development Charges	643,428	102,000	104,040	106,121	108,243	110,408	112,616
Trunk Line Fees	106,165	16,830	17,167	17,510	17,860	18,217	18,581
Rates	1,315,000	420,000	170,000	180,000	180,000	180,000	185,000
Loans	49,500,000	39,000,000	10,500,000	0	0	0	0
Grants	0	0	0	0	0	0	0
Revenue Bond Proceeds	25,070,000	25,070,000	0	0	0	0	0
Total Available Revenue	**$77,947,652**	**$64,608,830**	**$11,507,000**	**$440,000**	**$767,000**	**$308,625**	**$316,197**
Total Revenues less Total Capital Expenditures	**$1,510,652**	**$438,830**	**$100,000**	**$10,000**	**$337,000**	**$308,625**	**$316,197**

Notes:

Table 4.6 Water System (Enterprise Funded)

Projects	Total Project Costs	2017	2018	2019	2020	2021	2022
Well No. 9 Replacement (S-1)	$251,000	$251,000	$0	$0	$0	$0	$0
Deception Pass 10-inch Main Hanger Replacement	$750,000	$750,000	$0	$0	$0	$0	$0
Emergency Supply Study (S-2)	109,000	0	0	109,000	0	0	0
Ault Field Booster Station Surge Protection Analysis (BS-1)	46,000	46,000	0	0	0	0	0
Ault Field Booster Station Surge Protection Const. (BS-1)	208,000	0	0	208,000	0	0	0
Crescent Harbor/Regatta Water Main Lowering	240,000	240,000	0	0	0	0	0
Steel/AC line replacement (DS-9)- NE 4th	0	0	0	0	0	0	0
Steel/AC line replacement (DS-9)- NE 11th	0	0	0	0	0	0	0
O'Leary St. Water Main (PZ-1)	636,000	636,000	0	0	0	0	0
North O'Leary St. Water Main (PZ-2)	527,000	527,000	0	0	0	0	0
Telemetry upgrades wells/west tank	55,000	0	55,000	0	0	0	0
Cross City Transmission Main (T-1A)	1,751,000	0	0	1,751,000	0	0	0
Emergency Supply Well (S-4)	64,000	0	0	0	64,000	0	0
West 384 Zone Development (PZ-4) - design	71,000	0	0	0	0	71,000	0
Steel/AC line replacement (DS-9) - design	160,000	0	0	0	160,000	0	0
Telemetry upgrades wells/web viewing	54,000	0	0	0	54,000	0	0
NE Regatta Drive Pipeline (DS-1)	127,000	0	0	127,000	0	0	0
Eastside Reservoir Demolition (S-3)	110,000	0	110,000	0	0	0	0
Steel/AC line replacement (DS-9) - construction	929,000	0	0	0	929,000	0	0
Develop emergency well supply (S-4)	280,000	0	0	0	0	280,000	0
West 384 Zone development (PZ-4) - construction	294,000	0	0	0	294,000	0	0
Glencoe Street Fire Flow Improvements (DS-2) - design	217,000	0	0	0	0	217,000	0
West 384 Zone Extension: Phase 1 (T-3)	3,015,000	0	3,015,000	0	0	0	0
Capital Project Expenditures	**$9,894,000**	**$2,450,000**	**$3,180,000**	**$2,195,000**	**$1,501,000**	**$568,000**	**0**
Revenue Sources	**6-Year Total**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Contributions from Beginning Fund Balance							
Water (Fund 401)	$1,071,746	$308,000	$200,000	$200,000	$200,000	$163,746	$0
Cumulative Reserve (Fund 411)	800,000	350,000	150,000	150,000	150,000	0	0

Table 4.6 Water System (Enterprise Funded) ***continued***

Revenue Sources (*continued*)	**6-Year Total**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
System Development Charges	930,000	155,000	155,000	230,000	265,000	250,000	250,000
Rates	1,570,000	350,000	225,000	200,000	200,000	200,000	250,000
Loans	0	0	0	0	0	0	0
Grants	0	0	0	0	0	0	0
Revenue Bonds	5,776,203	1,050,000	2,487,526	1,498,677	740,000	0	0
Developer Contributions	262,500	262,500	0	0	0	0	0
Total Available Revenue	**$10,410,449**	**$2,475,500**	**$3,217,526**	**$2,233,677**	**$1,510,000**	**$568,746**	**$405,000**
Total Revenues less Total Capital Expenditures	**$516,449**	**25,500**	**$37,526**	**$38,677**	**$9,000**	**$746**	**$405,000**

Table 4.7 Stormwater System (Enterprise Funded)

Projects	**Total Project Costs**						
		2017	**2018**	**2019**	**2020**	**2021**	**2022**
Capital Project Expenditures	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Revenue Sources	**6-Year Total**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Contributions from Beginning Fund Balance							
Stormwater (Fund 404)	$0	$0	$0	$0	$0	$0	$0
Cumulative Reserve (Fund 414)	0	0	0	0	0	0	0
Rates	0	0	0	0	0	0	0
Loans	0	0	0	0	0	0	0
Grants	0	0	0	0	0	0	0
Developer Contributions	0	0	0	0	0	0	0
Total Available Revenue	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Total Revenues less Total Capital Expenditures	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Notes:

Table 4.8 General Government

Projects	**Total Project Costs**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
New West Side Fire Station	$4,000,000	$4,000,000	$0	$0	$0	$0	$0
Animal Shelter	400,000	400,000	0	0	0	0	0
Capital Project Expenditures	**$4,400,000**	**$4,400,000**	**$0**	**$0**	**$0**	**$0**	**$0**
Revenue Sources	**6-Year Total**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
General Fund	$400,000	$400,000	$0	$0	$0	$0	$0
Grants	0	0	0	0	0	0	0
Developer Contributions	0	0	0	0	0	0	0
Bond Levy Proceeds - Voter Approved	4,000,000	4,000,000	0	0	0	0	0
Total Available Revenue	**$4,570,000**	**$4,000,000**	**$0**	**$0**	**$0**	**$0**	**$0**
Total Revenues less Total Capital Expenditures	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Notes:
$4,000,000 fire station funded by bond proceeds

Table 4.9 Marina (Enterprise Funded)

Projects	**Total Project Costs**						
		2017	**2018**	**2019**	**2020**	**2021**	**2022**
Capital Project Expenditures	$0	$0	$0	$0	$0	$0	$0
Total Expenditures	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Revenue Sources	**6-Year Totals**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Contributions from Beginning Fund Balance							
Marina (Fund)	$0	$0	$0	$0	$0	$0	$0
Cumulative Reserve (Fund)	0	0	0	0	0	0	0
Rates	0	0	0	0	0	0	0
Loans	0	0	0	0	0	0	0
Grants	0	0	0	0	0	0	0
Developer Contributions	0	0	0	0	0	0	0
Total Available Revenue	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
		$0	**$0**	**$0**	**$0**	**$0**	**$0**
Total Revenues less Total Capital Expenditures	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Capital Improvement Plan 2015-2035 (Years 2021-2035)

Table 4.10 Streets (Non-Enterprise Funded)

Projects	Total Project Costs
Midway Blvd Road Diet & Reconstruction	$10,100,000
Whidbey Avenue Reconstruction	10,200,000
Whidbey Road Diet between N. Oak Harbor St./SR 20	375,000
Whidbey Avenue Crossing Improvement	200,000
Whidbey Avenue Pedestrian Refuge Island at Fairhaven Dr. and Jib St.	140,000
Fort Nugent Avenue Sidewalks	788,000
SR 20 Sidewalks	500,000
Fairhaven Drive Sidewalks	78,000
Freund Marsh Trail Improvements	156,000
SW Fort Nugent Ave Bike Lane	154,000
Midway Blvd./Goldie Road Bike Lane	180,000
Barrington Drive Bike Lane	154,000
Citywide Wayfinding Program	200,000
Total	**$23,225,000**

Table 4.11 Parks and Recreation (Non-Enterprise Funded)

Projects	Total Project Costs
RV Park Redevelopment	$1,240,000
Trail Extension at Freund Marsh	162,000
Neighborhood Park - Scenic Heights and Other	450,000
Windjammer Park Integration Plan Phase 3	3,786,000
Windjammer Park Integration Plan Phase 4	2,573,000
Windjammer Park Integration Plan Phase 5	3,497,000
Freund Marsh	1,700,000
Neighborhood Park Improvements	150,000
Open Space/Park Near Crosby & Oak Harbor	4,000,000
Trail Development/Link Opportunities - Park Plan	300,000
Total	**$17,858,000**

Table 4.12 Wastewater System (Enterprise Funded)

Projects	Total Project Costs
Goldie Road Sewer Expansion Phase 2	$2,350,000
Technical Drive Sewer	262,000
Total	$2,612,000

Table 4.13 Water System (Enterprise Funded)

Projects	Total Project Costs
Cross City Transmission Main (T-1B)	$1,809,000
Westside Water Main Extension (T-5)	7,609,000
East 384 Zone Development (PZ-3)	90,000
North Booster Pump Station (BS-3)	2,398,000
North-end Trunk Main: Phases1 and 2 (T-2)	1,767,000
Heller Reservoir Extension (DS-8)	696,000
Glencoe Street Fire Flow Improvements (DS-2) - const.	869,000
SW 10th Court Pipe Replacement (DS-3) - design	45,000
SW 11th Court Pipe Replacement (DS-4) - design	45,000
Steel/AC line replacement (DS-9) - design	174,000
Campbell Lake Main Replacement (T-6) - design	457,000
SW 10th Court Pipe Replacement (DS-3) -construction	180,000
SW 11th Court Pipe Replacement (DS-4) - construction	180,000
Steel/AC line replacement (DS-9) - construction	1,015,000
Campbell Lake Main Replacement (T-6) - construction	1,882,000
Erin Park Main Road Extension (DS-5)	691,000
Erin Park Road Tie-In (DS-6)	60,000
Industrial Avenue Tie-In (DS-7)	60,000
322 Zone Development (PZ-5)	580,000
Total	**$20,607,000**

Table 4.14 Stormwater System (Enterprise Funded)

Projects	Total Project Costs
Freund Marsh Stormwater Improvements	$238,000
Total	$238,000

Table 4.15 General Government

Projects	Total Project Costs
Oak Harbor Municipal Pier Project	$12,000,000
New Senior Center	$5,200,000
Special Events Center	$10,030,000
Total	$27,230,000

Table 4.16 Marina (Enterprise Funded)

Projects	Total Project Costs
Marina Redevelopment	$16,285,745
Total	$16,285,745

Non–City Funded Capital Facilities

Oak Harbor School District

Models used by Oak Harbor Schools predict a conservative enrollment increase of nearly 750 Navy-connected students by 2020. However, in FY2022 VQ-1 is slated for disestablishment and a drop of about 250 students is expected. Civilian growth is anticipated at about 50 students per year, which could result in up to 300 more civilian students by 2021-22. This would leave the district with a sustained enrollment of 750 more students than today, even after the drop in FY2022.

Library

Statistics indicate that currently 52% of library customers are residents of the City of Oak Harbor, and the remaining 48% live outside the City limits. Legislation signed into law in 1995 and codified in RCW 27.15 allows the formation of library capital facility areas in the state of Washington. A library capital facility area (LCFA) is an independent taxing unit formed within the boundaries of an existing rural county library district and is limited to financing construction of a new library. Two ballot issues would need to be approved by voters in the proposed LCFA. The first would ask voters to approve the formation of the LCFA; the second would ask voters to authorize financing for the new library.

In 2005, the Oak Harbor Library Board and Library Building Committee developed a building program for a new library to serve the North Whidbey community, including the City of Oak Harbor, for the next twenty years. Based on nation-wide standards, a library designed to adequately serve the current and projected population of the district would be approximately 25,000 sq. ft. In addition, circulation areas, including book drop and interior book returns areas, need to be upgraded to accommodate increasing demands of Oak Harbor citizens.

Island Transit

Island Transit foresees no new capital improvements within the City of Oak Harbor during the CIP planning period.

Section Five - Capital Facility Funding Options and Projections

Capital facilities in the State of Washington and the City of Oak Harbor are funded in a variety of ways. Capital facilities in the enterprise fund category (waste water, water, storm drainage, and the Marina) are generally funded by system user fees, one time impact fees, revenue serviced bonds and grants in aid from the county, state, and federal governments. Non-enterprise fund facilities must rely on revenue from taxes or bonding retired with general tax revenue and grants in aid.

The Growth Management Act requires the City to identify the sources of funding for each type of capital facility. This section provides a general overview of funding sources that have been or are being used, an historical look at revenues from these sources and projections for these revenues to the year 2016. In addition, some typical funding sources that are not currently being used are outlined in Appendix F, with a complete listing of grant and loan programs.

Non Enterprise Activities—Capital Facility Funding Sources

Tax Revenue

Property Tax

RCW 84.52 authorizes this tax on the assessed valuation of real and personal property. Presently the maximum rate is $3.375 per $1,000 assessed valuation, subject to two limitations: RCW 84.55 limits growth of regular property tax to 6% of the highest amount levied in the last 3-years, before adjustments for new construction and annexations; and, the State Constitution limits the total regular property taxes to 1% of assessed valuation or $10.00 per $1,000 of value.

Timber Harvest Excise Tax

RCW 84.33 imposes a 4% tax on the total value of the gross harvest value of timber. 7% of this amount is distributed to local taxing districts in lieu of property tax on timber. The City is not currently receiving funds from this source but has in the past.

Retail Sales and Use Tax

The state levies an 8.0% tax on all retail sales except for off-premises food and drugs in Oak Harbor. Of this amount, 1.0% goes to the City and 0.5% goes to the County. Of the 1.0% the City receives, 0.15% goes to the County and 0.1%± is taken by the State for administration. This leaves the City with a net of .840%. Of the 0.5% the County receives, 0.2% is distributed to the City for criminal justice purposes and the remaining 0.3% is given to the County for the Island County Public Transportation Benefit Area Authority for public transit.

Business Taxes

The City collects fees for a number of licenses and permits including business licenses, and fees for permits, plan review inspections, and utility taxes

CAPRON Funds

CAPRON funds are a reimbursement of motor vehicle license fees and are based on the City's percentage of the assessed valuation in Island County. Island and San Juan Counties and municipalities within these counties are the only recipients of CAPRON funds. Revenues are used for maintenance of the City streets.

Gambling Tax

The City levies a use tax of up to 5% on bingo, raffles, card rooms and amusement games.

Liquor Tax/Profits

RCW 82.08 authorizes a distribution of the taxes to the City from liquor sales (28% for spirituous liquors and 32% for wine) on a per capita basis. It also distributes 40% of the net profit from liquor sales.

Lodging Excise Taxes

RCW 67.28 authorizes a base 2% tax and an additional 2% tax, for a total of 4%, on all charges for lodging furnished for a continuous period of less than one month. This tax is taken as a credit against the 6.5% State sales tax and is intended or the promotion of tourism or for the development and operation of specific stadium, convention, performance or visual arts facilities.

Motor Vehicle Fuel Tax

The State of Washington provides a State-collected gasoline tax that is shared with cities. The base tax in Washington State is 17 cents per gallon. Of this amount, the City receives 6.92%. The City also receives an additional 4.61% which is restricted for the construction, improvement, chip sealing, seal-coating, and repair of arterial highways and City streets as defined in RCW 46.04.030 and 46.04.120.

Real Estate Excise Taxes

The state authorizes a tax of 1.28% on the sale of all real estate. RCW 82.46 authorizes cities, planning under the GMA, to assess an additional tax on real estate sales of ¼%. These funds must be spent for capital facility projects listed in their Capital Facilities Plan. A second ¼% may also be levied to help defray the costs of implementing the GMA. See Table 6.1 below for past performance and future projections

Table 5.1 General Fund Revenues from All Sources

Description	2015	2016	2017	2018	2019	2020
Property Taxes	$4,066,316	$4,156,979	$4,235,962	$4,316,445	$4,398,458	$4,482,028
Sales & Use Taxes	2,750,230	2,777,732	2,805,510	2,833,565	2,861,900	2,890,519
Business Taxes	2,460,736	2,524,080	2,653,746	2,760,149	2,854,853	2,948,805
Gambling Taxes	9,700	9,800	9,996	10,196	10,400	10,608
Liquor Excise Taxes	40,000	40,000	40,800	41,616	42,448	43,297
Lodging Taxes	199,000	200,000	200,000	200,000	200,000	200,000
Motor Vehicle Fuel Taxes	442,000	444,500	444,500	444,500	444,500	444,500
Excise Tax - REET 1	170,000	175,000	175,000	175,000	175,000	175,000
Excise Tax - REET 2	170,000	175,000	175,000	175,000	175,000	175,000
Total Tax Revenues	**$10,307,982**	**$10,503,091**	**$10,740,513**	**$10,956,470**	**$11,162,559**	**$11,369,758**

Impact Fees

Transportation Impact Fees

ESHB 2929 authorizes impact fees to pay for roads required to serve new development. Ordinance 1051 of the City of Oak Harbor allows for the collection of traffic mitigation fees at the time of the issuance of a Certificate of Occupancy. Impact fees are based on a flat rate for dwelling units, and per square foot for non-residential uses, based on PM peak hour trips created by the development. Adjustments have been made to the fee calculations to account for road costs that are paid by other sources of revenue. Additional credit is also given to developers who contribute land, improvements, or other assets.

Park Impact Fees

ESHB 2929 authorizes impact fees to pay for park and recreation facilities required due to new development. These fees are usually collected at the issuance of building permits or certificates of occupancy. Park and Recreation fees are usually based on a flat rate for dwelling units by type and per square foot for non-residential uses.

Adjustments must be made to fee calculations to account for park and recreation costs that are paid by other sources of revenue. Additional credit can also be given to developers who contribute land, improvements or other assets. These impact fees are in addition to any mitigation or voluntary payments authorized by SEPA or local improvement districts for example.

Impact fees must be used for capital facilities needed for growth. They can not be used to meet current deficiencies or cannot be used for operating expenses.

Table 5.2 Impact Fee Revenue

Description	2015	2016	2017	2018	2019	2020
Transportation	$33,725	$34,500	$35,190	$35,894	$36,612	$37,344
Park - Neighborhood	15,500	16,000	16,320	16,646	16,979	17,319
Park - Community	44,750	45,500	46,410	47,338	48,285	49,251
Total Impact Fees	$93,975	$96,000	$97,920	$99,878	$101,876	$103,913

Enterprise Activities—Capital Facility/Maintenance Funding Sources

System Development Fees

System development charge is an impact fee imposed on utilities such as water, sewer, natural gas, or drainage that is a proportionate share to the utility system capital costs which the City can demonstrate is attributable to the property being charged.

Table 5.3 System Development Charges Revenue

Description	2015	2016	2017	2018	2019	2020
Water	$180,000	$185,000	$188,700	$192,474	$196,323	$200,250
Sewer	100,000	100,000	102,000	104,040	106,121	108,243
Trunk Line	16,000	16,500	16,830	17,167	17,510	17,860
Total Sys Dev. Charges	$296,000	$301,500	$307,530	$313,681	$319,954	$326,353

User Fees/Rates

Water User Fees

These are state authorized rates charged to each residential and commercial customer, based on the volume of water used. Revenue may be used for capital facilities, operations and maintenance.

Wastewater User Fees

The state authorizes sewer charges to wastewater generators. In Oak Harbor, these fees are usually based on the amount of potable water consumed based on the assumption that there is a correlation between water consumption and wastewater generation.

Storm Drainage Utility Fees

These are state authorized fees usually based on a flat rate per month per residential equivalency or on the average impervious surface area. Revenue may be used for capital facilities, operations and maintenance.

Solid Waste User Fees or Tipping Fees

These fees may be charged either at the point of pickup by the container or by using a flat rate. They may also be charged at the point of delivery at the disposal facility. User or tipping fees may be used for capital facilities, as well as maintenance and operating expenses

Bonds

Bonds that are identified below are available for the use of both non-enterprise and enterprise funded capital facilities.

General Obligation Bonds.(GO)

They are backed by the full faith and credit of the City. Bondholders have legal claim on general income of the City if default occurs. There are two types:

Councilmanic Bonds (Limited Tax General Obligation Bonds)

- May be issued by a vote of City Council
- Backed by general fund revenues because voters have not been asked to pay increased property taxes
- May be used for any City purpose and does not have to be capital

Unlimited General Obligation Bonds

- Backed by the full faith and credit of the local government
- Raises property tax to pay for projects and must be approved by a 60% majority of the voters, turnout must be 40% of those voting in the last general election
- Only used for capital purposes and there are limits to amount of debt that can be issued

Debt Limits

There are three pots of 2 ½% of assessed valuation each: (1) general government purposes, (2) municipally owned water, sewer and electric utilities, and (3) open space and parks. Pots two and three are voted and must be 60% yes, 40% voter turnout. Pot 1 is a mixture of voted and non-voted.

Revenue Bonds

These bonds are used to finance projects for an enterprise fund or a facility that generates income sufficient to pay debt service. Examples include water and wastewater projects or convention center. Payment of debt service comes from user fees generated by enterprise fund or the capital facility that is being built. Interest rates are higher than in GO bonds since these bonds are not backed by the full faith and credit of the City. They are not subject to statutory debt limits. However, the bond market provides an effective limit to the amount of bonds that can be issued.

Levy Lid Lift

A simple majority of voters can approve a “levy lid lift” allowing the City to levy an amount of property tax approved by its voters up to the applicable statutory rate ($3.375 per $1000 assessed valuation) limitations. The City can lift its levy for the following year or for up to six consecutive years. This technique is particularly helpful in funding maintenance or property acquisition projects.

Table 5.4 Schedule of Limitation of Indebtedness: As of 12/31/2016

		Remaining Debt
Total Taxable Property Value	**$ 1,596,639,892**	**Capacity**
2.5% General purpose limit is allocated between:	39,915,997	
Up to 1.5% debt without a vote	23,949,598	
Less: Outstanding Debt	2,040,000	
Less: Excess of Debt with a Vote	0	
Add: Available Assets		
Equals remaining debt capacity without a vote		$21,909,598
Up to 1.0% debt with a vote	15,966,399	
Less: Outstanding Debt		
Add: Available Assets		
Equals remaining debt capacity with a vote		$15,966,399
2.5% Utility purpose limit, voted	39,915,997	
Less: Outstanding Debt		
Less: Contracts Payable		
Add: Available Assets		
Equals remaining debt capacity- Utility purpose, voted		$39,915,997

2.5% Open Space, park & capital facilities, voted	39,915,997	
Less: Outstanding Debt		
Less: Contracts Payable		
Add: Available Assets		
Equals remaining debt capacity - Open space, park & capital facilities voted		$39,915,997

Special Assessment Districts [6]

The State of Washington provides for several special assessment techniques to assist communities in funding both non-enterprise and enterprise capital projects.

Local Improvement Districts/Road Improvement District/Utility Local Improvement District

When a capital project is going to provide a benefit that primarily or wholly benefits only a portion of the community, a LID/RID/ULID can be formed as part of the project. These are commonly used for projects such as street improvements, street lights, sidewalks, water and sewer systems, and underground power lines. Property owners may petition to form an LID/RID/ULID, or council can pass a resolution of intent to form one.

Special Purpose District

RCW 67.38.130 authorizes a specified service often encompassing more than one jurisdiction. Included are districts for fire facilities, hospitals, libraries, metropolitan parks, airports, ferries, parks and recreation facilities, cultural arts/stadiums and convention centers, sewers, water flood controls, irrigation, and cemeteries.

Parks & Recreation Service Area

RCW 36.68.400 authorizes voters to approve the formation of 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 recreational facility.

Parking & Business Improvement Areas

The Transportation Improvement Act (ESHB 6358) also authorizes a tax to be collected on commercial businesses based on gross proceeds or property acreage or the number of parking stalls or the customers similar to an admissions and operations tax.

[6] For a detailed discussion of Special Assessment Districts, see Appendix F.

Community Revitalization Financing (TIF)

Designated “community revitalization financing” in RCW 39.89 but commonly called TIF (tax increment financing), this financing allows local government to capture a portion of new tax revenue resulting from the increase of valuation from new development within a designated area. The captured tax, referred to as “tax allocation revenues” in RCW 39.89, can be used to service the debt incurred by the local government when constructing “public improvements” necessary to encourage new development within the designated area.

Grants and Loans

For a complete listing of applicable grants and loans available to the City of Oak Harbor, see Appendix B.

Conclusions

It has been stated throughout this document that non-enterprise funded capital facilities have limited funding available for implementation. The discussion above points out clearly that the capital facility needs of both non-enterprise and enterprise funded activities will require user fee revenue, general and special tax revenue, bonds and/or grants in aid from outside source funding sources. Funding the capital facility needs of the City of Oak Harbor will require innovative planning, but it is a task that can be accomplished.

Appendix A • Inventory of Existing Facilities

Traffic

Level of service standards (LOS) analysis serves as an indicator of the quality of operation at an intersection. The LOS grading ranges from A to F where A is assigned when there are no delays and low volumes. E, on the other hand, represents the "at capacity" condition—more vehicles could not be added to the intersection without a breakdown in traffic flow. F is an unacceptable level of service and indicates long delays and/or strained traffic flows.

Manual p.m. peak-hour traffic volume surveys were conducted by the City of Oak Harbor at 31 intersections in 2015. Average daily traffic counts were also conducted at 53 locations. The table below summarizes the existing LOS calculated for each of the intersections and roadway section surveyed.

Table A.1. 2015 Level of Service Standards for Traffic

Peak Hour Signalized Intersections	2015 LOS
SR 20/Ault Field Road	B
SR 20/Goldie Rd/Midway Boulevard	C
SR 20/NE 7th Avenue	B
SR 20/Whidbey Avenue	C
SR 20/SW 3rd Avenue	B
SR 20/SW 8th Avenue	B
SR 20/NE 16th Avenue	A
SR 20/SE Barrington Drive	B
SR 20/W Pioneer Way/Beeksma	C
SR 20/SW Erie Street	B
SR 20/Swantown Road	C
SR 20/Scenic Heights St	C
SW Barrington Drive/SW Erie St	B
Whidbey Ave/Heller Road	B
Whidbey Ave/Oak Harbor St	C
Whidbey Ave/Midway Boulevard	D
SE 8th Ave/Midway Boulevard	B
NE 7th Ave/Midway Boulevard	C
W Pioneer Way/City Beach Dr	B
W Pioneer Way/Midway Boulevard	C
Ft Nugent Rd/Swantown Road	C
Heller St/Swantown Rd	D
Heller St/NW Crosby Rd	B

Peak Hour Signalized Intersections	2015 LOS
SE Regatta Dr/SE Pioneer Way Se Regatta Dr/E Whidbey Ave NE Regatta Dr/W Crescent Harbor Rd	C C C
Loerland/Swantown Rd W. Whidbey Ave/Fairhaven Dr. Goldie Rd/NE 16th Ave N Oak Harbor Rd/NW Crosby St.	A D B C

Wastewater Inventory and Conditions Survey 2014

Table A.2. Distribution System

Age (yrs.)→ Size (in.) ↓	0–20	21–30	31–40	41–50	51–60	61–70
4	570	2544	1400	0	0	0
6	482	500	0	607	521	0
8	126801.47	29704	50679	26273	47194	19603
10	6110	820	820	1962	2866	511
12	3109	2106	0	0	0	4190
15	7355	0	0	2963	802	0
16	8047	0	0	0	0	0
18	4493	0	0	0	0	0
20	0	0	0	0	0	0
21	3730	0	0	0	0	807
24	85	0	0	0	0	0

Note: Numbers above are linear feet.

Table A.3. Pump List

Pump Station	Location	Size	Age
No. 1	Taftson	2 – 7.5 hp	1982
No. 2	N.E. 9th	2 – 3 hp	1984
No. 3	N.E 7th	2 – 15 hp	1993
No. 4	Crosby Road	2 – 10 hp	1994
No. 5	Cabot Street	2 – 5 hp	1986
No. 6	E. Pioneer Way	2 – 15 hp	2001
No. 7	Golf Course	2 – 30 hp	1997
No. 8	Capital Street	2 – 7.5 hp	1994
No. 9	East Park	2 – 3 hp	2001
No. 10	Harbor Terrace	2 – 3 hp	2003
No. 11	Scenic heights	2 – 25 hp	2008

Note: Assumed life of sewer lines, manholes, appurtenances, etc. is 70 years.

Water System Inventory And Conditions Survey—2014

Table A.4. Distribution System

Age (yrs.)→ Size (in.) ↓	0–20	21–30	31–40	41–50	51–60
4	877	10	2029	2721	9008
6	1327	15901	25887	29661	9653
8	153117	54993	24497	10045	6445
10	14252	9065	7571	5226	349180
12	22241	23783	10270	1390	0
16	10656	1128	130	324	0
24	1067	0	0	61852	0

Note: Numbers above are linear feet.

Table A.5. Source and Pump Station List

Name	Location	Year built	Description	Initial Cost
East side Reservoir	Regatta Dr.	1959	0.5mg reservoir	$ 400,000
Westside Reservoir	Heller St.	1963	0.5mg reservoir	$ 400,000
Westside Reservoir 2mg	Heller St.	1976	2.0mg reservoir	$1,500,000
Ault Field Pump station	Ault Field	1974	pumping station	$ 253,710
Westside pump station	Heller St.	1989	booster station	$ 113,451
Redwing pump station	Redwing subdivision	2004	booster station	$ 550,000
Well # 11	Lueck Park	1977	emergency well	$ 39,004
Well # 9	Heller St.	1961	emergency well	$ 17,204
Well # 8	Heller St.	1961	Emergency well	$17,204

Note The assumed life of water system lines and appurtenances is 50 years.

Street Inventory And Conditions Survey 2014

Table A.6. Street Conditions

Classification	100-90	89-80	79-70	69-60	59-50	<49
Major Arterial		0.38	SR 20 is State owned/maintained			
Minor Arterials	2.15	5.05	1.95	0.92	0.31	0.60
Collectors	2.62	2.23	2.71	2.32	0.37	0.44
Residential/Local	12.22	14.75	7.49	6.12	1.31	6.72

Storm Water Drainage Inventory And Conditions Survey 2014

Table A.7. Distribution System

Age (yrs.)→ Size (in.) ↓	0–20	21–30	31–70
4	24	325	0
6	2619	1413	158
8	9585	20171	5946
10	3007	12408	866
12	77926	25839	8577
15	2382	3298	842
18	0	798	2343
21	24	798	0
24	343	492	1394
36	555	65672	0
42	0	2705	0
60	80	0	0

Note: Numbers above are linear feet.

Note: The assumed design life for storm drain lines, manholes, etc. is 70-years.

City Capital Assets Inventory and Conditions Survey, 2014

Table A.8. Capital Assets Inventory

Managing Department	Description	Address	Cost	Size Sq. Ft.
ADMINISTRATION				
	BIG BROTHER HOUSE	913 E. WHIDBEY AVE	$104,265	900
	CADA RENTAL HOUSE	845 SE IRELAND ST.	$55,776	800
	SWIMMING POOL	85 SE JEROME ST.	$412,500	0
	YACHT CLUB	1301 SE CATALINA	$250,000	1,000
	CITY HALL	865 SE BARRINGTON DR.	$1,294,614	14,000
	LIBRARY	100 E. REGATTA DR.	$1,351,003	12,100
	RENTAL HOUSE	945 E. WHIDBEY AVE.	$75,285	900
	RENTAL HOUSE	935 E. WHIDBEY AVE.	$84,437	900

Managing Department	Description	Address	Cost	Size Sq. Ft.
	RENTAL HOURS A & B	1045 IRELAND DR.	$124,326	400
FIRE				
	FIRE DEPARTMENT	855 E. WHIDBEY AVE.	$2,682,521	21,000
	FIRE DEPT. TRAINING TOWER	855 E. WHIDBEY AVE.	$265,302	2,100
MARINA				
	MARINA - FUEL TANK	1401 SE CATALINA DR	$382,362	
	MARINA - HARBORMASTER BUILDING	1401 SE CATALINA DR	$126,293	
	MARINA - MACHINERY & EQUIPMENT	1401 SE CATALINA DR	$1,411,513	
	MARINA - WET STORAGE	1401 SE CATALINA DR	$972,546	
	MARINAN DOCKS & BREAKWATER	1401 SE CATALINA DR	$3,374,342	
PARKS				
	BEEKSMA GATEWAY PARK	1501 BEEKSMA DR.	N/A	.5 ACRES
	BEEKSMA GATEWAY	1501 BEEKSMA DR. (.25 ACRES)	$170,410	
	FIRESIDE PARK	N/A	N/A	1.2 ACRES
	FLINTSTONE/ MINI HARBOR PARK	BAYSHORE DR.	N/A	1.5 ACRES
	FLINTSTONE PARK FLOATING DOCKS & EQUIP. (1.5 ACRES)	BAYSHORE DR.	$517,339	
	FLINTSTONE PARK RESTROOMS	BAYSHORE DR.	$95,509	
	FREUND MARSH	ERIE STREET/BEEKSMA DRIVE	N/A	35 ACRES
	FT. NUGENT PARK	2075 SE FT. NUGENT AVE.	NA	40 ACRES
	FT. NUGENT PARK BALLFIELDS	2075 SE FT. NUGENT AVE.	$129,135	
	FT. NUGENT PARK RESTROOMS	2075 SE FT. NUGENT AVE.	$211,264	
	FT. NUGENT PARK COMMUNITIY BUILT PLAYGROUND	2075 SE FT. NUGENT AVE.	$180,405	
	FT. NUGENT PARK PARKING LOT	2075 SE FT. NUGENT AVE.	$307,300	
	LUECK PARK	1270 SW BARRINGTON DR.	N/A	1.5 ACRES
	LUECK PARK EQUIPMENT	1270 SW BARRINGTON DR.	$94,461	
	KIMBALL MEMORIAL PARK	580 SW HELLER ST.	N/A	.8 ACRES
	KOETJE PARK	500 NE ELLIS	NA	3.5 ACRES
	HAL RAMALY DISPLAY PARK	526 SE BAYSHORE DR. (.5 ACRES)	$83,624	.5 ACRES
	HOLLAND GARDENS & GIRL SCOUT HUT	759 SE 4TH AVE.	$67,551	
	MARINA PARK	1401 SE CATALINA DR.	N/A	2.9 ACRES
	MEADOW RIDGE PARK	N/A	N/A	.5 ACRES
	NEIL PARK EQUIPMENT (3.5 ACRES)	500 NE ELLIS ST.	$127,345	
	NEIL WATER TOWER	NE BARRON DR.	$106,121	
	REDWING PARK			1 ACRE
	RIDGE HAVEN PARK	1000 SW KITTITAS CT.		.8 ACRES
	HAWTHORNE PARK			.35 ACRES
	HOLLAND GARDEN / NEIL PARK			3.5 ACRES
	RIDGEWOOD PARK	1587 NE NARROWS		5.8 ACRES
	RUTH COHEN MEMORIAL PARK EQUIPMENT	1678 SW 8TH AVE	$59,692	5 ACRES

Managing Department	Description	Address	Cost	Size Sq. Ft.
	SHADOW GLEN PARK	386 NW DORY DR.	NA	.8 ACRES
	SHADOW GLEN PARK EQUIPMENT	386 NW DORY DR.	$53,060	
	SKATEBOARD PARK - NORTH WHIDBEY	175 SE JEROME ST.	$71,452	
	SMITH PARK EQUIPMENT		$161,304	9 ACRES
	SPRING TREE PARK			1.5 ACRES
	SR-20 POCKET PARKS			.25 ACRES
	SUMNER PARK TENNIS COURTS & EQUIPMENT		$55,320	4 ACRES
	TYHUIS PARK			.8 ACRES
	VFW PARK			.8 ACRES
	VOLUNTEER PARK EQUIP - BALLFIELDS	175 SE JEROME ST.	$99,289	6 ACRES
	WINDJAMMER PARK	BAYSHORE DRIVE	N/A	28.5 ACRES
	WINDJAMMER PARK - BALLFIELDS	BAYSHORE DRIVE	$79,591	
	WINDJAMMER PARK BATHHOUSE & SHOWER	BAYSHORE DRIVE	$106,121	
	WINDJAMMER PARK COMFORT STATION	BAYSHORE DRIVE	$125,035	
	WINDJAMMER PARK WINDMILL	BAYSHORE DRIVE	$82,421	
	WINDJAMMER PARK KITCHEN A & B	BAYSHORE DRIVE	$79,591	
	WINDJAMMER PARK KITCHEN C	BAYSHORE DRIVE	$79,591	
	WINDJAMMER PARK RESTROOMS	BAYSHORE DRIVE	$106,121	
PUBLIC WORKS				
	NEW CITY SHOP	1400 NW 16TH AVE.	$4,841,685	
	WHIDBEY ISLAND BANK	321 SE PIONEER WAY	$2,600,000	
POLICE				
	POLICE DEPARTMENT / ICOM	860 BARRINGTON DR.	$1,872,728	
	ANIMAL SHELTER	3057 GOLDIE RD.	$267,000	
SENIOR CENTER				
	SENIOR CENTER	51 SE JEROME ST.	$758,956	
	SKYLINE GREENBRIAR MANUFACTURED HOME	917 E. WHIDBEY AVE.	$147,053	
STREETS				
	INTERSECTION LIGHTING	ALL OTHERS	$3,395,864	
	LIGHT POLES	VARIOUS LOCATIONS	$1,771,000	
	PARKING LOT	IRELAND	$63,672	
	PARKING LOT	DOCK STREET & PIONEER WAY	$63,672	
WASTEWATER				
	TREATMENT PLANT	1501 CITY BEACH ST	$2,251,671	
	TREATMENT PLANT EQUIPMENT	1501 CITY BEACH ST	$908,801	
	NE 7TH LIFTSTATION	638 NE 7TH AVE	$94,448	
	PIONEER WAY LIFT STATION		$997,756	
	CROSBY ROAD LIFT STATION	1765 NW CROSBY RD	$65,795	
	DIVERSIONN PUMP STATION	1501 CITY BEACH ST	$265,302	

Managing Department	Description	Address	Cost	Size Sq. Ft.
	EAST PARK LIFT STATION	2330 SW ROSARIO DR	$64,733	
	GOLF COURSE LIFT STATION	980 SW UPLAND CT	$161,828	
	LAGOON NAS		$2,251,671	
WATER				
	REDWING PUMP STATION	REDWING	$583,664	
	STORAGE TANK #2	HELLER (.5MILLION GAL.)	$424,483	
	STORAGE TANK #4		$424,483	
	STORAGE TANK BY OVE (2 MILLION GAL.)		$1,591,812	
	AULT FIELD PUMP STATION & EQUIPMENT	AULT FIELD	$269,239	
	WESTSIDE BOOSTER PUMP STATION	WESTSIDE	$120,395	
	DIVERSION PUMP STATION	1501 CITY BEACH ST.	$265,302	

Note: Replacement cost was calculated with an annual 3% inflation factor for the number of years from date built or acquired added to the cost of acquisition.

Appendix B • Financial Resources for Capital Facility Planning and Implementation[7]

1—General Planning

1.0. State grants—WA Office Trade & Economic Development (OTED)

- 1.0.0: Community Development Block Grants (CDBG) Planning-only – grants provide support to eligible small communities and rural counties carrying out planning activities leading to the implementation of priority projects that principally benefit low- and moderate-income persons including:

1. Small area and neighborhood plans,
2. Strategies and action programs to implement plans including development of codes, ordinances, and regulations, and
3. Infrastructure planning.

2—Business Development

2.0. State grants—WA Office of Community Development (OCD)

OCD focuses on programs that develop communities, urban areas, and economic activities directly related to urban development. Funding programs include:

- 2.0.0: Regional Micro-enterprise Development Grant Funds—a component of the Community Development Block Grant (CDBG) Program. Funds may be used to provide assistance to public and private organizations, agencies, and other entities (including nonprofits) to enable such entities to facilitate economic development. Projects must benefit low and moderate income persons.
- 2.0.1: CDBG Float Loan: Community Development Block Grant Float Loans—available to businesses from CTED through cities and counties that are eligible to receive Small Cities CDBG program assistance. Principal and interest on the loans will be due at maturity or on demand for a normal term of 24-30 months. Interest rates are negotiated based on the contribution the project will make to job creation or retention. A City or county is eligible to apply for a grant under this program in order to extend a short-term loan to a private business entity under the following conditions:

4. demonstrates that public financing of the project is necessary and appropriate to create or retain jobs,
5. provides an unconditional, irrevocable Letter of Credit in the full amount of the principal and interest of the due as collateral for the loan,
6. agrees to create jobs and make the majority of them available to qualified lower-income candidates (job retention may also be considered as a qualifying factor),

[7] Not an exclusive list. Funding programs change over time, and staff will respond as necessary.

7. agrees to enter into an agreement with CTED and the local job service center to obtain referrals of qualified lower income job candidates for new non-managerial jobs to be created.

- 2.0.2: Rural Washington Loan Fund—provides gap financing for businesses that will create new jobs or retain existing jobs, particularly for lower-income persons. Only businesses in non-entitlement areas of the state are eligible for these loans. Gap is that portion of a project that cannot be financed through other sources, but which is the last portion needed before the investment can occur. The "gap" and competitive factors determine the loan amount, which cannot exceed 33% of total project costs up to $700,000. Funds can be lent for acquisition, engineering, improvement, rehabilitation, construction, operation, or maintenance of any property, real or personal that is used or is suitable for use by an economic enterprise. Priority is give to timber-dependent and distressed areas. RWLF priority projects include:

8. Manufacturing and other industrial production,
9. Agricultural development or food processing,
10. Aquaculture development or seafood processing
11. Development or improved utilization of natural resources,
12. Tourism facilities,
13. Transportation or freight facilities,
14. Other activities that represent new technology or a type of economic enterprise needed to diversify the economic base of an area,
15. Retail or service enterprises that will expand the community's economic base rather than primarily redistribute the existing customer base.

2.1.Federal grants—Economic Development Administration (EDA)

- 2.1.0: Economic Adjustment Program—supports strategic planning, project implementation, and revolving loan funds. Strategy grants help organize and carry out a planning process resulting in a Comprehensive Economic Development Strategy (CEDS) tailored to a community's specific economic problems and opportunities. Implementation grants support activities identified in an approved CEDS which may include, but are not limited to, the creation or expansion of strategically targeted business development and financing programs such as, construction of infrastructure improvements, organizational development, and market or industry research and analysis. Revolving Loan Fund (RLF) grants may also be used to implement a CEDS.

2.2. Federal grants—Small Business Administration and HUD)

- 2.2.1: Small Business Administration Loan 7(a)—the most common SBA loan or guaranty loan. The lender lends its own funds and the SBA guarantees up to 90% of the loan against default, which the lender may sell on the secondary market. The 7(a) program may be used to obtain long-term financing for business needs including working capital, machinery, equipment, furniture, fixtures, leasehold improvements, building acquisition or construction, and in some cases, debt consolidation. Maximum size limits for SBA eligibility are under $3,500,000 in retail or service business sales, less than 100 wholesale employees, and less than 500 manufacturing employees.

- 2.2.2: Small Business Administration Loan 504—may lend loans for economic growth on a ratio of $35,000 for each job created. Loan funds can be used for fixed asset acquisition including land, building, and equipment for more than $200,000 in project size on a below market fixed rate. The SBA loan is subordinated to the first private loan or lien.

- 2.2.3: HUD Section 108 Guaranteed Loans—available to businesses from CTED through cities and counties that are eligible to receive CDBG Small Cities program assistance. A City or county eligible to apply may obtain a 108 Loan Guarantee for a private business that meets the following criteria:

16. Need for assistance is appropriate given the type of project,
17. Project will create jobs, and if qualified lower-income candidates are available, the majority of jobs will be made available to them (job retention may be considered),
18. Proposed repayment is 20 years or less,
19. Other reasonable financing alternatives have been exhausted,
20. Request is not less than $700,000 nor more than $7,000,000,
21. The sponsoring jurisdiction has less than $7,000,000 in outstanding Section 108 Loan Guarantees.

2.3. State grants—OTED Economic Development Division Business Assistance Center

- 2.3.1: Business Finance—helps businesses obtain capital for start-up and expansion projects that create or retain jobs, stimulate private investment, increase local tax base, and strengthen community economic vitality.
- 2.3.2: Community Development Finance—combines private financial resources with federal and state lending assistance and local leadership to focus on business expansion through community development activities.
- 2.3.3: Business Loan Portfolio—provides capital necessary to fund loans to small businesses statewide. Federal dollars are combined with local revolving loan fund programs and private funds from banks and other sources. Local community leadership is relied upon to access the priority of proposed projects. Projects may be funded through 1 or more of the program's 8 federally funded loan programs.
- 2.3.4: Minority and Women Business Development—assists minority and women-owned businesses to access resources and technical assistance to start or expand a business. MWBD provides entrepreneurial training, contract opportunities, bonding information, export assistance, and access to capital for start-ups or expanding businesses.

3—Infrastructure Planning and Implementation

3.0. Local multi-purposes levies

- 3.1.0: Real Estate Excise Tax—RCW 82.46 authorizes local governments to enact up to 0.25% of the annual sales for real estate for capital facilities. The Growth Management Act authorizes another 0.25% for capital facilities. Revenues must be used solely for financing new capital facilities, or maintenance and operations at existing facilities, as specified in the capital facilities plan. An additional option is available under RCW 82.46.070 for the acquisition and maintenance of conservation areas if approved by a majority of the voters of the county.

  The first and second REET may be used for 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 the planning, construction, repair, rehabilitation, or improvement of parks and recreational facilities.

  In addition, the second REET may be used for:

22. The acquisition of parks and recreational facilities, or
23. 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.

3.1. Local single purpose levies

- 3.1.0: Hotel/Motel Tax—a sales tax levy collected on certain hotel and motel business categories for the purpose of promoting tourism. Revenues may be used for planning, promotional programs, or capital facilities that directly enhance tourism and benefit the hotel and motel industry.

- 3.1.1: Transportation Improvement Board—the Washington State Transportation Improvement Board (TIB) disburses revenues generated from motor vehicle taxes to cities, urban counties, and transportation benefit districts for the purpose of alleviating and preventing traffic congestion caused by economic development or growth. Projects must be multi-agency, multi-modal, congestion related, related to economic development activities, and partially funded locally.

- 3.1.2: Local Option Vehicle License Fee—the Transportation Improvement Act (ESSB 6358 – RCW 82.80) authorizes countywide (no county levy) local option fees up to $15.00 maximum per vehicle registered in the county. Revenues are distributed back to the county and cities within the county levying the tax on a prorated per capita basis (1.0 for population in incorporated areas). Revenues must be spent for "general transportation purposes" including the construction, maintenance, and operation of county streets, country roads and state highways, policing of local roads, public transportation, high capacity transportation, transportation planning and design and other transportation related activities. The local option fee does not require voter approval.

- 3.1.3: Street Utility Charge—RCW 35.95.040 authorizes cities to charge for City street utilities to maintain, operate, and preserve City streets. Facilities that 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 up to 50% of the actual cost of construction, maintenance, and operations, while the City provides the remainder. The fee charged to businesses is based on the number of employees and may not exceed $2.00 per full-time employee per month. Owners or occupants of residential properties are charged a fee per household that may not exceed $2.00 per month.

- 3.1.4: Local Option Fuel Tax—RCW 82.80 authorizes a countywide voter approved tax equivalent to 10% of the statewide Motor Vehicle Fuel Tax and a special fuel tax of $0.023 cents per gallon. LOFT revenue is to be distributed to the City on a weighed per capita basis. Revenues must be spent for highway (City streets, county roads, and state highways) construction, maintenance, or operation; the policing of local roads; or highway related activities.

- 3.1.5: 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. The special district's tax base in used to finance capital facilities.

  The district may generate revenues through property tax excess levies, general obligation bonds (including Councilmanic bonds), local improvement districts, and development fees. 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.

- 3.1.6: Storm Drain Utility Fee—a City or county authorized fee to support storm drainage capital improvements. The fee is usually a flat rate per residential equivalency based on an average amount of impervious surface. Commercial property is commonly assessed a rate based on a fixed number of residential equivalencies.

- 3.1.7: Storm Drainage Payment in Lieu of Assessment—cities may authorize storm drainage charges in lieu of assessments that can be used for construction, maintenance, and/or repair of storm drainage facilities, acquisition of property or related debt service.

3.2. Local non-levy financing mechanisms

- 3.2.0: GMA Growth Impact Fees—the Washington State Growth Management Act (GMA - Chapter 36.70A of the Revised Code of Washington and RCW 82.02.050-090) authorizes cities and counties to collect growth impact fees from developers to offset the impact caused by new developments within each jurisdiction's boundaries. The growth impact fees may be collected from developers in an amount less than 100% of the cost of sustaining the jurisdiction's schools, transportation, and park facility existing level-of-service (ELOS) as a result of the developer's project impact. The growth impact fees are usually collected at the issuance of building permits or certificates of occupancy.

  Impact fees authorized by ESHB 2929 do not include any other form of developer contributions or exaction. Other forms of exaction that are excluded consist of mitigation or voluntary payments authorized by the Washington State Environmental Policy Act (SEPA - RCW 43.21C), local improvement districts or other special assessment districts, linkage fees, or land donations or fees in lieu of land.

  In accordance with the Washington State Growth Management Act (GMA), a City must have an adopted comprehensive plan in place that satisfies GMA requirements before the jurisdiction can implement a growth impact fee.

- 3.2.1: Storm water User Fees—under state law, cities may collect rate charges from each generator of storm water runoff. Impact or user fees are based on the amount of storm water generated per developed property that is not held on-site, on the assumption there is a correlation between off-site discharge and storm water improvements elsewhere in the City. Storm water utility user fees may be charged on a flat fee per account and are usually collected at the time of development, and thereafter on an assessed charge per volume of storm water generated per account. Fee revenues may be used for capital facilities as well as operating and maintenance fees.

- 3.2.2: Local Improvement District—property owners may petition (or vote in response to a request from a local government) to adopt an annual tax assessment for the purpose of improving the public right-of-way abutting their property.

  A majority approval (the percentage to be decided by the local government) can establish an amortized payment schedule to finance sidewalk, landscaping, parking, streetscape, or other improvements to the public or private abutting properties.

- 3.2.3: Special Assessment District—service entities completely or partially outside of the jurisdiction. Special assessments are levied against those who directly benefit from the new service or facility. Special assessment districts include local improvement districts (LIDs), road improvement districts (RIDs), utility improvement districts (UIDs), and the collection of development fees. Funds must be used solely to finance the purpose for which the special assessment district was created.

- 3.2.4: Special Purpose District—RCW 67.38.130 authorizes a specified service often encompassing more than one jurisdiction. Included are districts for fire facilities, hospitals, libraries, metropolitan parks, airports, ferries, parks and recreation facilities, cultural arts/stadiums and convention centers, sewers, water flood controls, irrigation, and cemeteries.

  Voter approval is required for airport, parks and recreation, and cultural arts/stadium and convention districts. Special assessment districts have the authority to impose levies or charges up to a funding limit of $0.25 per $1,000 assessed valuation. Special assessment district funds must be used solely to finance the purpose for which the special purpose district was created.

- 3.2.5: Parks & Recreation Service Area—RCW 36.68.400 authorizes voters to approve formation of 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 recreational facility. PRSAs may assess up to $0.15 per $1,000 assessed valuation subject to voter approval. A PRSA can generate revenue from either the regular or excess property tax levies and through general obligation bonds, subject to voter approval. Revenue must be used for capital facilities maintenance and operation.

- 3.2.6: Parking & Business Improvement Areas—the Transportation Improvement Act (ESHB 6358) also authorizes a tax to be collected on commercial businesses based on gross proceeds or property acreage or the number of parking stalls or the customers similar to an admissions

and operations tax. Like the PIA, the revenues must be spent for "general transportation or business improvement purposes" including those outlined under the PIA but also allowing for the management, operation, and accomplishment of business promotional efforts including marketing studies, tenant recruitment, advertising and promotions of special events, and other promotion related activities.

A majority approval of the participating property owners (the percentage to be decided by the local government) can establish an amortized payment schedule to finance off-street parking or other business improvements of benefit to the participating properties. The assessments may be amortized over generous time periods at low interest charges, based on each property's proportionate share of the improvement cost - usually assessed on a per linear foot, acre, parking stall or other formula.

- 3.2.7: State Environmental Protection Act—Washington State Environmental Policy Act (SEPA - RCW 43.21C) allows local governments to impose mitigated on-site improvements or fee assessments with which to finance off-site improvements that are caused by a property's development. SEPA mitigation may cover a variety of physical improvements that are affected by the property's proposed land use including sidewalks, trails, roads and parking areas, utilities, and other supporting infrastructure systems. SEPA mitigation must be proportionately related to the property's impact on infrastructure requirements.
- 3.2.8: Lease Agreements—allow the procurement of a capital facility through lease payments to the owner of a facility. Several lease package methods can be used. Under the lease-purchase method, the capital facility is built by the private sector and leased back to the local government. At the end of the lease, the facility may be turned over to the municipality without any future payment. At that point, the lease payments will have paid the construction cost plus interest.

3.3. State grants and loans

- 3.3.0: Community Economic Revitalization Board—low interest loans (rate fluctuates with state bond rate) and occasional grants to finance infrastructure projects for a specific private sector development. CERB funding is available only for projects that will result in specific private developments or expansions in manufacturing and businesses that support the trading of goods and services outside of the state's borders. CERB projects must create or retain jobs. The Department of Trade and Economic Development distributes CERF funds primarily to applicants who indicate prior commitment to project. CERB revenue is restricted in the type of project and may not be used for maintenance and operations.

  CERB supports the following business sectors: manufacturing, production, food processing, assembly, warehousing, industrial distribution, advanced technology and research and development, recycling facilities or businesses that substantially support the trading of goods and services outside of Washington State borders.

  In rural counties, CERB can support tourism development projects that meet the program’s primary goal of supporting business growth and job creation.

- 3.3.1: Historic Preservation Grants—available on an annual basis from the Office of Archaeology and Historic Preservation (OAHP) to local historic preservation programs. Historic preservation grants may be used for:

24. historic preservation planning;
25. cultural resource survey and inventory;
26. nomination of properties to the National Register of Historic Places; and
27. public education and awareness efforts.

To be eligible for grants, communities must be a Certified Local Government (CLG) as approved by OAHP. In addition, when funds are available, OAHP awards grants for the acquisition or rehabilitation of National Register listed for eligible properties. Grant awards are predicated on the availability of funds and require a match.

- 3.3.2: Historic Preservation Tax Certification Program—a federal investment tax credit available for buildings in Washington that are listed on the National Register of Historic Places. National Register properties must be income producing, which includes commercial, retail, office, residential, rental or industrial uses, to be eligible.

- 3.3.3: Certified Local Government—can be awarded to a local government that establishes a historic preservation program meeting federal and state standards. CLG status requires a local government to encourage, develop, and maintain its local preservation efforts with development plans. CLGs may also apply for special grants from the State Historic Preservation Office (SHPO), obtain technical assistance and training from the SHPO, participate in the National Register nomination process, and assist with statewide preservation programs and planning. CLGs may also quality for a Special Tax Valuation available for both commercial and residential properties that have rehabilitation costs equaling 25% of more of the buildings assessed value. The rehabilitation costs may be subtracted from the assessed value of the property for a period of 10 years.

- 3.3.4: Public Works Trust Fund—low interest loans for financing capital facility construction, public works emergency planning, and capital improvement planning. To apply for the loans, the City must have a capital facilities plan in place and must be levying the original 0.25% real estate excise tax (REET). The Washington State Department of Community Development distributes Public Works Trust Funds. Public works trust fund loans for construction projects require matching funds generated only from local revenues or state shared entitlement revenues. Public works emergency planning loans are at a 5% interest rate, and capital improvement planning loans are no interest loans with a 25% match. Public works trust fund revenue may be used to finance new capital facilities, or maintenance and operations at existing facilities. PWTF funds may be used for domestic water, storm sewer, solid waste recycling, and sanitary sewer, road, and bridge projects.

- 3.3.5: Washington State Interagency Committee for Outdoor Recreation—federal monies available for the construction of outdoor park and trail facilities from the National Park Service's Land and Water Conservation Fund (LWCF). The Washington State Interagency Committee for Outdoor Recreation (IAC) administers NPS grants.

  NPS grants usually do not exceed $150,000 per project and must be matched on an equal basis by the local jurisdiction. The IAC assigns each project application a priority on a competitive statewide basis according to each jurisdiction's need, population benefit, natural resource enhancements, and a number of other factors.

- 3.3.6: Aquatic Lands Enhancement Act—the 1985 Aquatic Lands Enhancement Act (ALEA) initiated on a trial basis, and since renewed and expanded, uses revenues obtained by the Washington Department of Natural Resources from the lease of state owned tidal lands. The ALEA program is administered by the IAC for the development of shoreline related trail improvements and may be applied for the full cost of the proposal.

- 3.3.7: Motor Vehicle Excise Tax—Paths and Trails Reserve Washington State (RCW 82.44) collects an annual excise tax that is paid by motor vehicle owners and administered by the Washington State Department of Licensing. Cities receive 17% of the base allocation. Cities are required to spend these funds for police and fire protection and the preservation of public health. The revenues may also be spent on capital facilities including roadway improvements.

  RCW 47.30.050 requires that local governments collect and dedicate not less than 0.005 of the total amount of MVET funds received during the fiscal year for the purpose of developing paths and trails (the Paths and Trails Reserve). The Paths and Trails Reserve was established under State of Washington RCW 47.30 to provide for the establishment and maintenance of paths and trails within the right-of-way of public roads.

- 3.3.8: TEA-21–SAFETEA-W— Safe, Accountable, Flexible, Efficient Transportation Equity Act. The grants, which may total up to 86.5% of a project’s cost, are decided on a competitive basis on a regional level for the purpose of expanding the inter-modal use of and transportation enhancement of roadways for other than vehicular activities, including bicycle, pedestrian, and transit. Transportation enhancement activities may include improvements to any of the following surface transportation facilities:

28. Facilities for pedestrians and bicycles,
29. Safety and educational activities for pedestrians and bicycles,
30. Acquisition of scenic easements and scenic or historic sites,
31. Scenic or historic highway programs including the provision of tourist and welcome center facilities,
32. Landscaping and other scenic beautification,
33. Historic preservation,
34. Rehabilitation and operation of historic transportation buildings, structures or facilities including historic railroad facilities and canals,
35. Preservation of abandoned railway corridors including the conversion and use thereof for pedestrian or bicycle trails,
36. Control and removal of outdoor advertising,
37. Archaeological planning and research,
38. Environmental mitigation to address water pollution due to highway runoff,
39. Reduce vehicle-caused wildlife mortality while maintaining habitat connectivity, and
40. Establishment of transportation museums.

- 3.3.9: Surface Transportation Program (STP) provides flexible funding that may be used by states and localities for projects on any Federal-aid highway, including the NHS, bridge projects on any public road, transit capital projects, and public bus terminals and facilities. An average of $700k is available annually for the Island County sub-regional transportation planning organization (RTPO)
- 3.3.10: Transportation Improvement Board invests state gas tax funds in local community through grant programs serving cities, urban counties, and transportation benefit districts in Washington State. The TIB identifies and funds the highest-ranking transportation projects based on criteria established by the Board. TIB programs include:

41. Urban Arterial Program—best suited for roadway projects that improve safety and mobility
42. Urban Corridor Program— best suited for roadway projects with multiple funding partners that expand capacity.
43. Sidewalk Program—suited for sidewalk projects that improve safety and connectivity.
44. Road Transfer Program—provides state funding to offset extraordinary costs associated with the transfer of state highways to cities.
45. Pedestrian Safety & Mobility Program (SCPSMP—funds pedestrian improvements for safety, pedestrian generators, convenience, public acceptance, and project cost.
46. New Streets for Small Cities—

- 3.3.11 Centennial Clean Water Fund—grants and loans administered by the Department of Ecology under the Centennial Clean Water Program (Referendum 39), a water quality program that provides grants for up to 75% of the cost of water quality/fish enhancement studies. CCWF monies can be applied to public and park developments that propose to restore, construct or otherwise enhance fish producing streams, ponds or other water bodies. CCWF funds are limited to the planning, design and construction of water pollution control facilities, storm water management, ground water protection, and related projects.

- 3.3.12: Water Pollution Control State Revolving Fund—low interest loans and loan guarantees for water pollution control projects. The Washington State Department of Ecology distributes WPCSRF loans. The applicant must show water quality need, have a facility plan for treatment works, and show a dedicated source of funding for repayment.
- 3.3.13: Building for the Arts—provides state grants through CTED to performing arts, art museums, and cultural organizations to defray up to 20% of the cost of new facilities or major renovation projects to match monies raised locally from non-state sources. The program intent is to fund temporary construction jobs as well as permanent arts-related jobs and employment opportunities in businesses that support new arts facilities.
- 3.3.14: Local Capital Projects—provides state appropriates for capital construction projects that benefit local governments and nonprofit organizations. Each appropriate, sponsored by the Governor or the Legislature, is tailored to the needs of the recipient organization.
- 3.3.15: Job Creation & Infrastructure—provides targeted capital facilities funding for local governments and community nonprofits to stabilize and stimulate the state's long-term economic through infrastructure development. Previous JCIP projects have funded a wide range of capital facilities including small business incubators, ball fields, wastewater treatment plants, parks, and museums.
- 3.3.16: Department of Health Water Systems Support—grants for upgrading existing water systems, ensuring effective management, and achieving maximum conservation of safe drinking water. The Washington State Department of Health (DOH) distributes DOHWSS grants through intergovernmental review and with a 60% local match requirement.

3.4. Direct Federal grants and loans

- 3.4.0: Federal Aid Urban System are revenues available for the construction and reconstruction improvements to arterial and collector roads that are planned for by an MPO and the Federal Highway Administration. FAUS funds may also be used for non-highway related public mass transit projects. The Washington State Department of Transportation distributes FAUS funds with a 16.87% local match requirement.
- 3.4.1: Federal Aid Safety Programs are revenues available for improvements at specific locations that constitute a danger to vehicles or pedestrians as shown by frequency of accidents. The Washington State Department of Transportation distributes FASP funds from a statewide priority formula with a 10% local match requirement.
- 3.4.2: CDBG: Community Development Block Grants (CDBG)—the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) program dispense discretionary funds to local governments for the development of local public facilities or services assisting low income or disadvantaged neighborhoods.
- CDBG grants are available through CTED for non-entitlement cities and towns of less than 50,000 population and counties with less than 200,000 population. Projects must principally benefit low- and moderate-income persons (less than 80% of county median income) under 8 different programs dealing with:

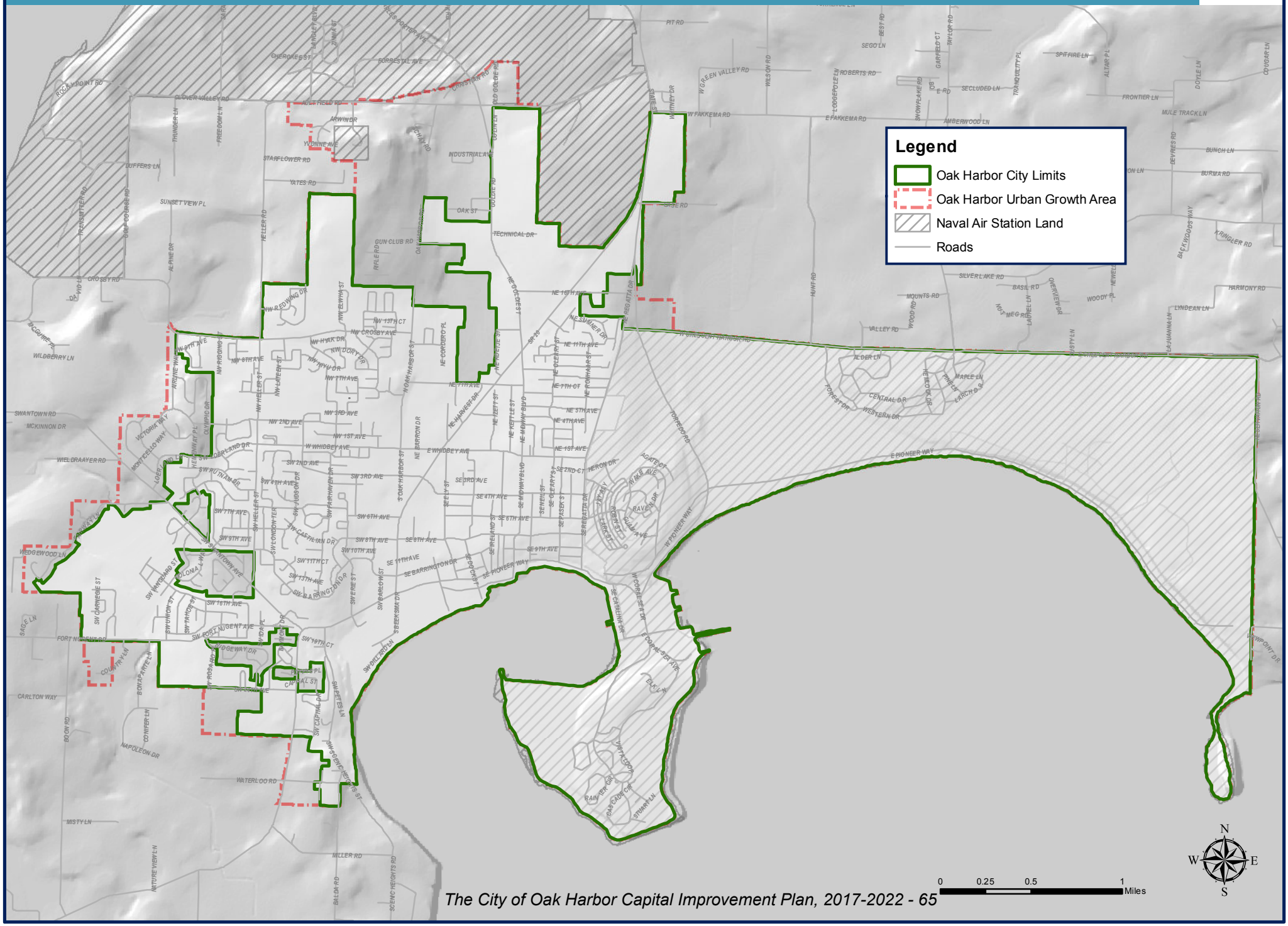
47. General Purpose Grants,
48. Planning-Only Grants,
49. Housing Enhancement Grants,
50. Float-Funded Activity Grants,
51. Community Investment Fund,
52. Public Service Grant,
53. Imminent Threat Grant

54. Section 108 Loan Guarantees

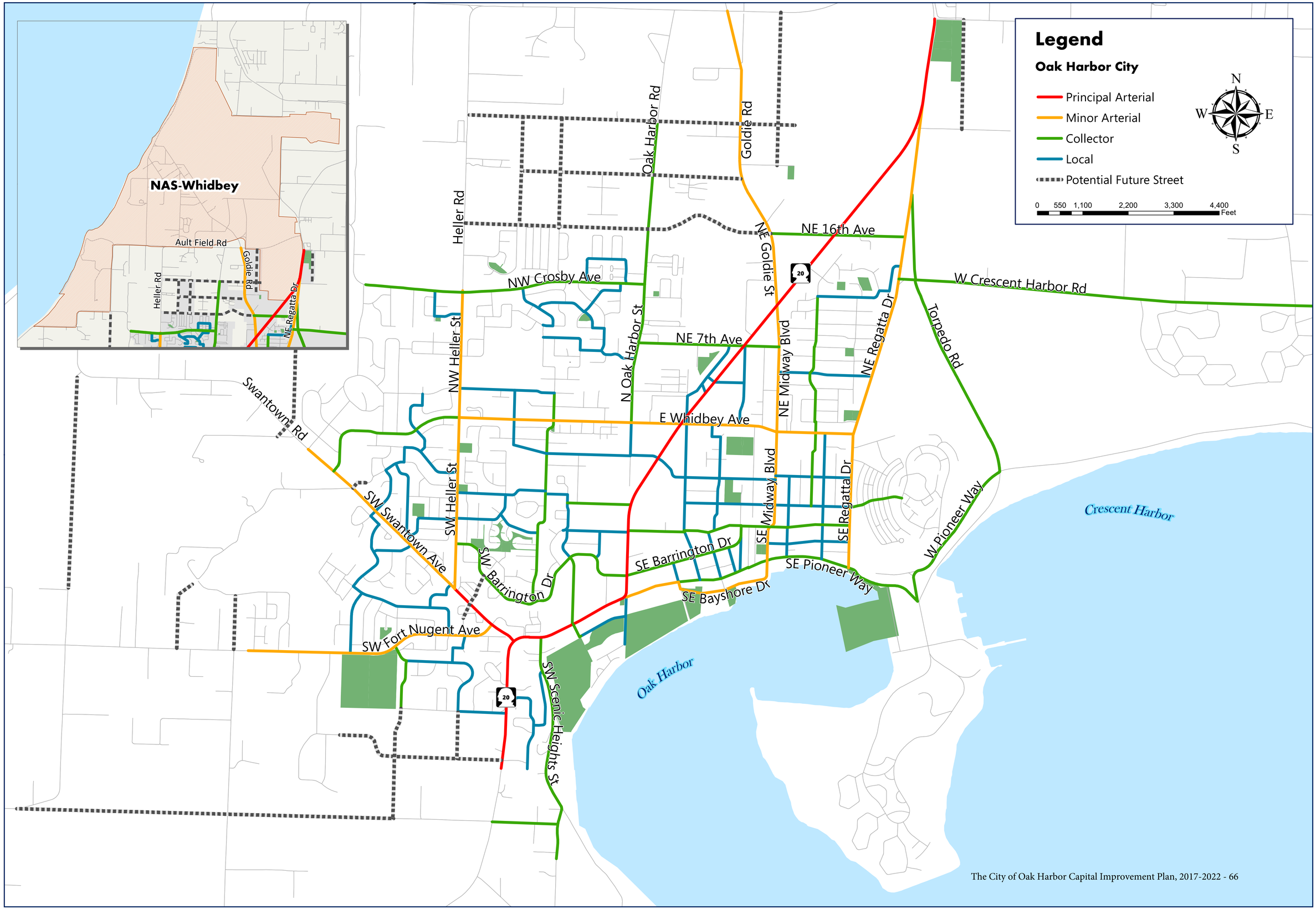
CDBG funds are primarily intended for facility construction and may not be used to finance operation and maintenance costs. The program is authorized and funded by annual federal appropriations that have fluctuated widely in recent years due to other federal budgetary needs and philosophies. Eligible activities include:

55. New housing construction and rehabilitation projects,
56. Economic development revolving loan funds, infrastructure, and incubators,
57. Community facilities including community centers, health care facilities, and ECEAP/Headstart facilities,
58. Public facilities including water, wastewater, storm sewer, and streets,
59. Comprehensive projects requiring a combination of activities such as housing rehabilitation and infrastructure improvements,
60. Public services providing counseling, job training, or other benefits,
61. Barrier removal for handicap accessibility.

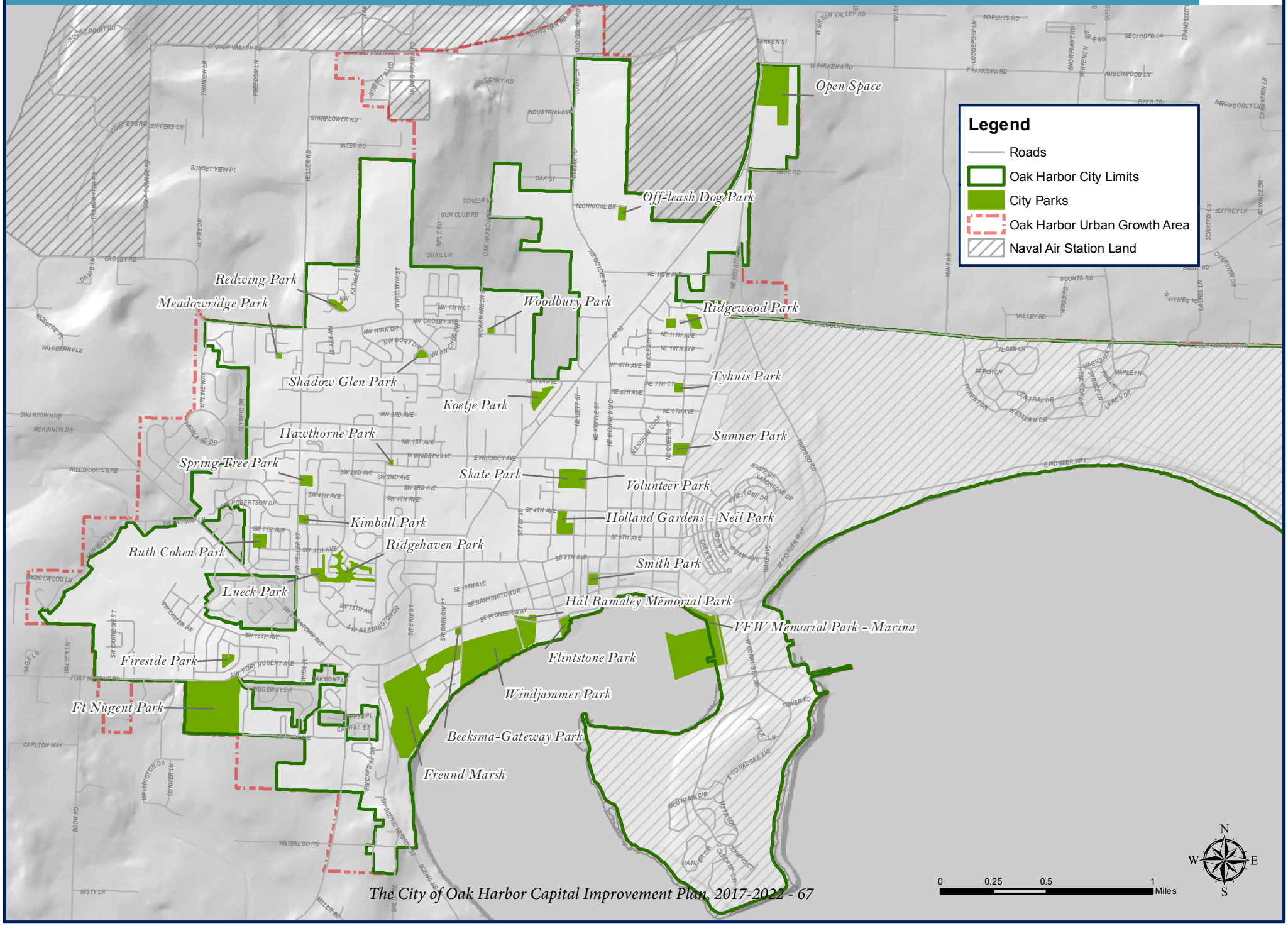
Map 1. City of Oak Harbor Boundaries



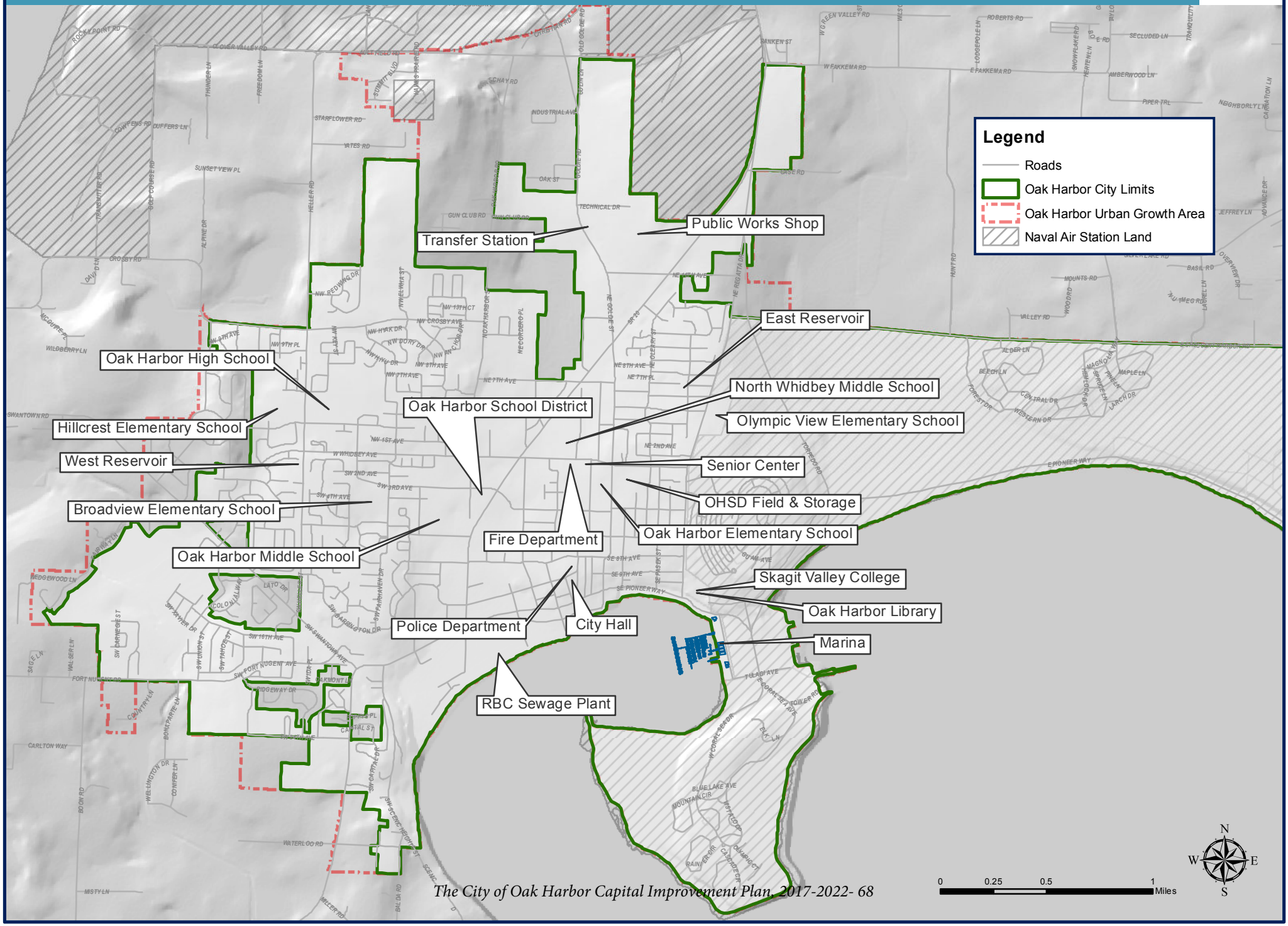
Roadway Classification



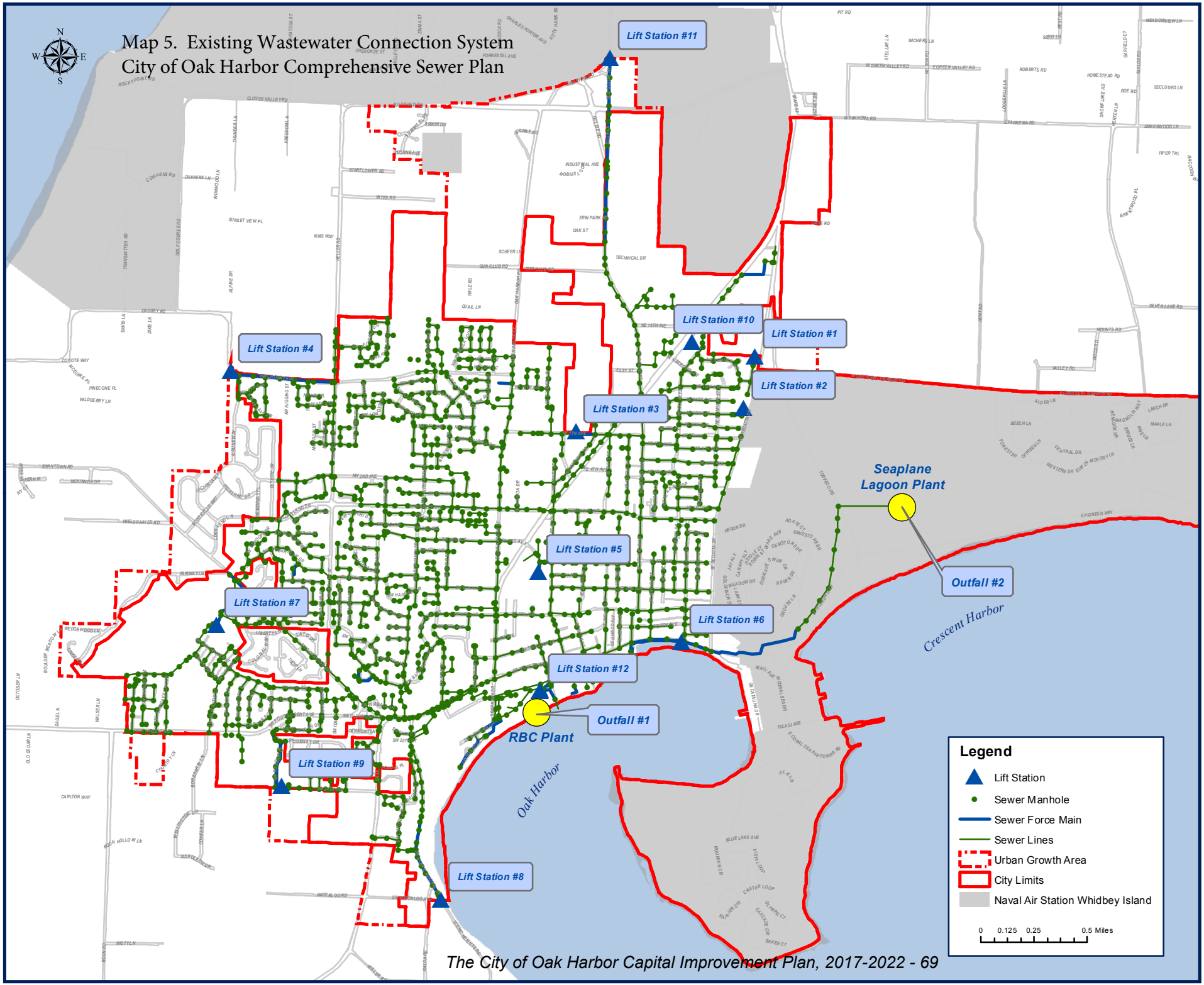
Map 3. City of Oak Parks Inventory



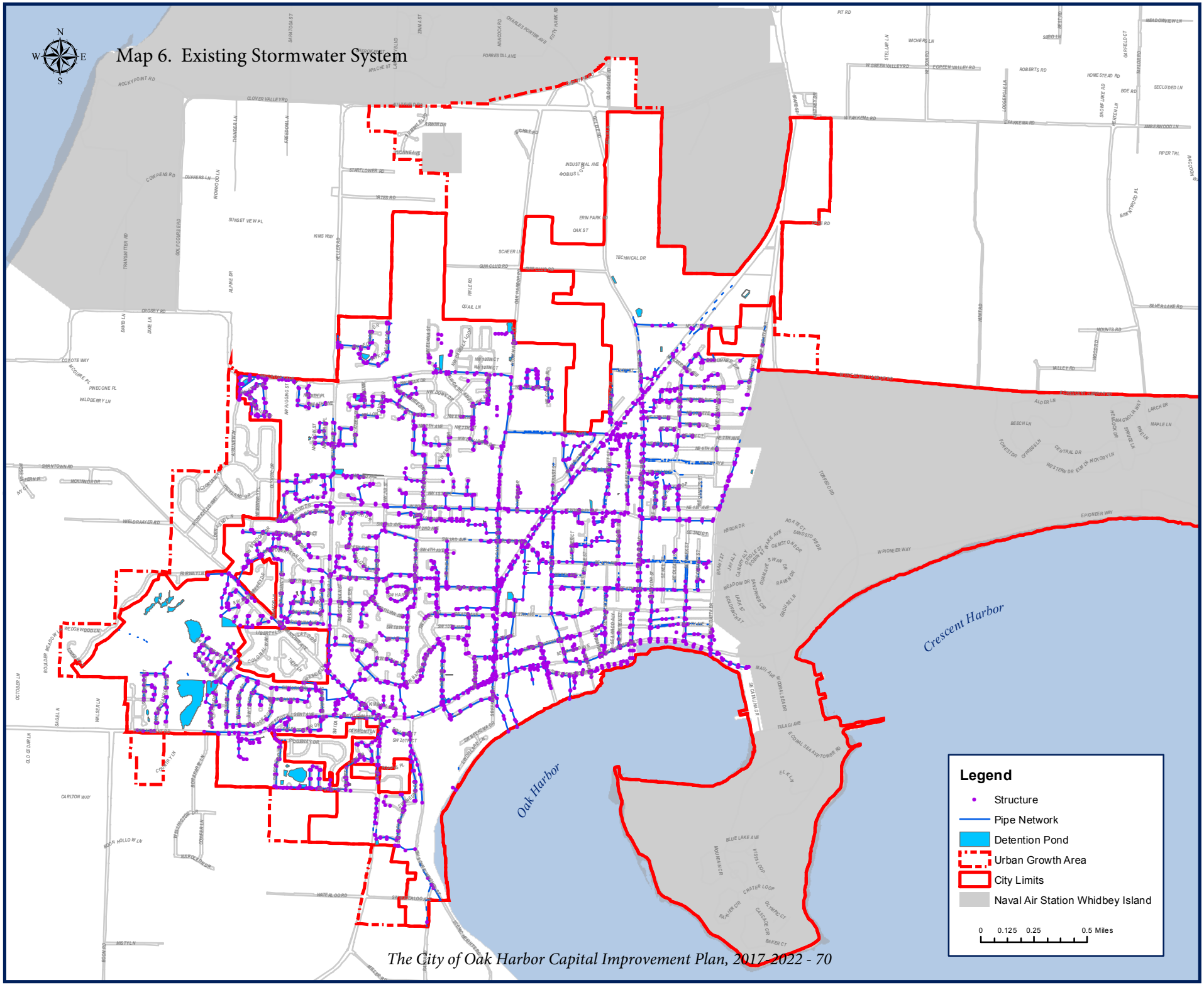
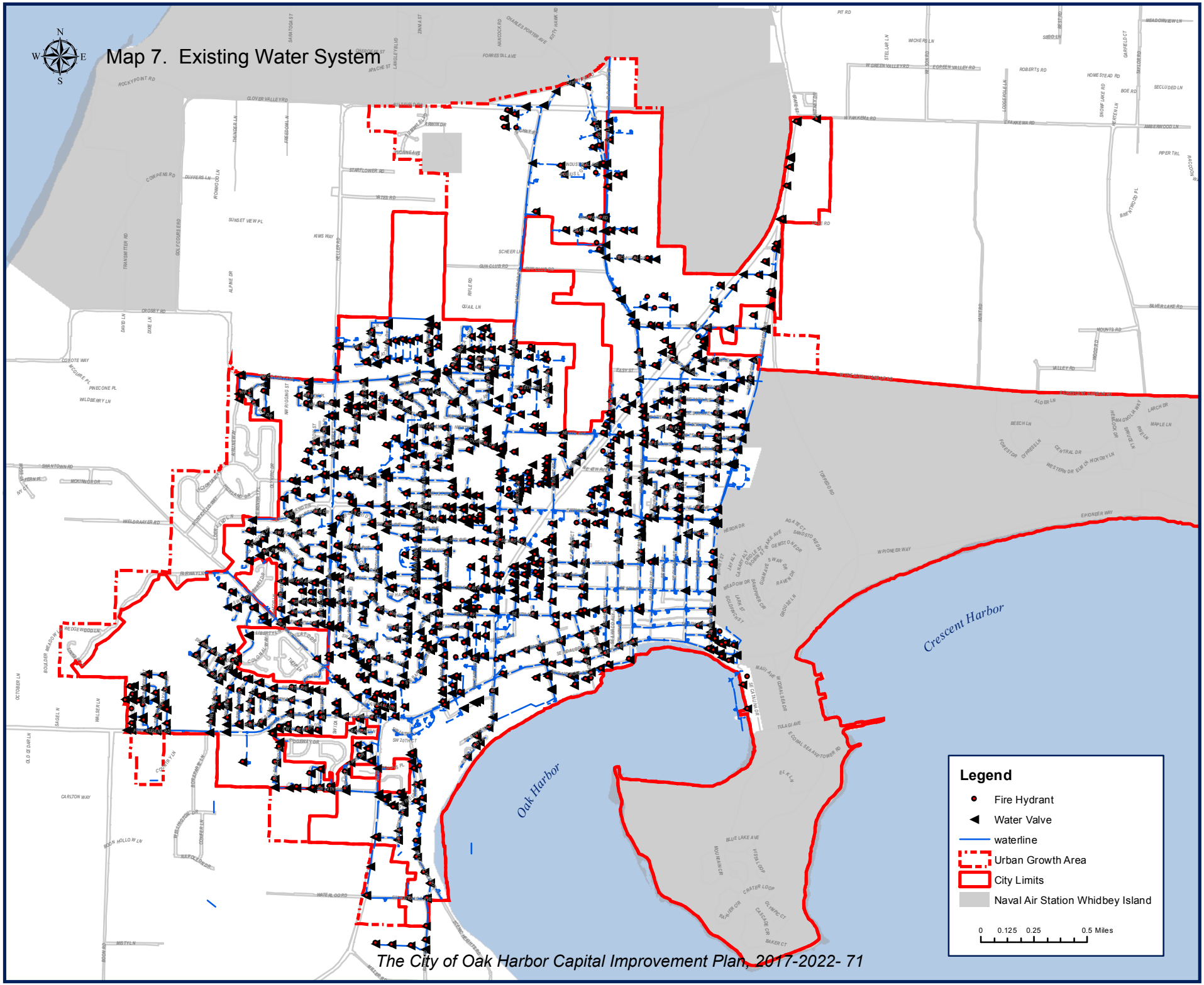
Map 4. City of Oak Public Facilities Inventory



Existing Wastewater Collection System



Existing Stormwater System



Existing Water System