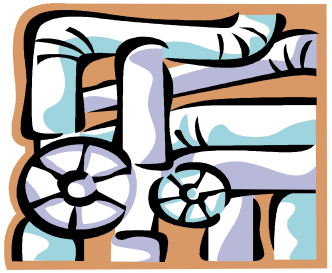
City of Oak Harbor

Capital Improvement Plan 201~~21~~–201~~86~~

December ~~1~~, 201~~21~~

DRAFT



DRAFT

Capital Improvement Plan 2012~~1~~—2018~~6~~

Approved December 1, ~~2011~~2012

This document was prepared for the City of Oak Harbor, Washington by:

The Front Street Partnership LLC
Planners and Community Development Strategists
1105 Front Street
Lynden, Washington 98264

DRAFT

Table of Contents

Section One • Introduction 1

Section Two • The Planning Context 4

Section Three • Existing Capital Facilities 13

Section Four • Future Capital Facility Needs ..... 21~~21~~~~20~~

Section Five • New Capital Facility Priorities ..... 29~~29~~~~29~~

Section Six • Capital Facility Funding Options and Projections ..... 32~~32~~~~32~~

Section Seven • Implementation Plan ..... 49~~49~~~~50~~

Appendix A • The Capital Improvements Planning Process ..... 57~~57~~~~58~~

Appendix B • Inventory of Existing Facilities ..... 59~~59~~~~60~~

Appendix C • List of Needed Capital Facilities ..... 68~~68~~~~69~~

Appendix D • Capital Facility Prioritization Process ..... 74~~74~~~~76~~

Appendix E • City of Oak Harbor Comprehensive Financial Management Policy ..... 132~~132~~~~134~~

Appendix F • Financial Resources for Capital Facility Planning and Implementation ..... 139~~139~~~~141~~

Appendix G • Maps ..... 149~~149~~~~151~~

List of Tables

Table 4-1. Level of Service Standards 222221

Table 4.2. City of Oak Harbor Population Projections 232322

Table 4.3. Non-Enterprise Activities; New Capital Facilities Needs, 2011–2016 2012–2018 252524

Table 4.4. Non-Enterprise Activities; Priority Capital Facilities Needs, 2011–2016 2012–2018 262625

Table 4.5. Enterprise Activities; New Capital Facilities Needs, 2011–2016 2012–2018 282828

Table 5.1. Non Enterprise Activities; Prioritized New Capital Facility Requests 2011–2016 2012–2018 313131

Table 6.1. Real Estate Excise Tax Revenue – Past Performance and Future Projections 343434

Table 6.2. General Fund Revenues from All Sources, 2011–2016 2012–2018 353535

Table 6.3. Impact Fee Revenue—Past Performance and Future Projections 373736

Table 6.4. Non-Enterprise Activities—Revenue Available for Capital Improvements by Source, 2011–2016 2012–2018 383837

Table 6.5. System Development Fee Revenue–Past Performance and Projections 393938

Table 6.6. Enterprise Fund Activities—Revenues/Expenditures/Available Resources 404039

Table 6.8. Schedule of Limitation of Indebtedness, December 2011–2012 434342

Table 7.1. Non Enterprise Activities; Priority Capital Facilities Needs, 2010–2016 2018 494950

Table 7.2. Priority Non-Enterprise Capital Facilities Implementation Plan 505051

Table B.1. 2007 Level of Service Standards for Traffic 595960

Table B.2. Distribution System 616162

Table B.3. Pump List 626263

Table B.4. Distribution System 636364

Table B.5. Source and Pump Station List 636364

Table B.7. Distribution System 646465

Table B.8. Capital Assets Inventory and Conditions 656566

List of Illustrations

Map 1. City of Oak Harbor Boundaries 149149151

Map 2. City of Oak Harbor Street Classification 150150152

Map 3. City of Oak Harbor Parks Inventory 153153153

Map 4. City of Oak Harbor Public Facilities Inventory 154154154

Map 5. Existing Wastewater Collection System, City of Oak Harbor Comprehensive Sewer Plan 155155155

Section One • Introduction

The Capital Improvement Plan

The Capital Improvement Plan (CIP) is a document covering a multi-year period that identifies each existing capital facility as well as new capital facility or capital maintenance project being proposed by the City during the planning term.[1] The CIP identifies the priority given each project by the City; the year each facility/project will start or be acquired; the amount of funding to be expended on the facility/project each year; and the proposed method of financing for each facility/project.

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 ~~2011~~2012 to ~~2016~~2018 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 ~~2011~~2012/2011 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 can guide 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. It provides 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 and Recreation Plan, the Windjammer Plan and Fire Service Master 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:

---

[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.

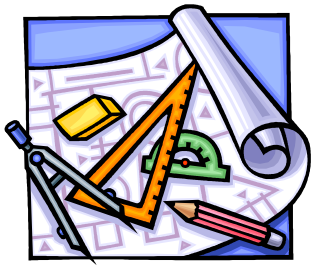
Capital Facilities Not Provided by the City

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 School District 201, 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?
- What is most important?
- 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
- Subarea 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. 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 last conducted a major update to its comprehensive plan in November of 2005 in response to a state mandate. The update consisted of a complete review of the land use, economic development, urban growth transportation, environmental elements and capital facilities elements. The comprehensive plan identifies the following goals and policies[3] 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[4] 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 understanding of the goals and policies see the *City of Oak Harbor Comprehensive Plan, December 2008*, Capital Facilities Element, page 150.

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

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, 2003
- The City of Oak Harbor Comprehensive Sewer System Plan, 2006
- The City of Oak Harbor Comprehensive Stormwater Drainage Plan 2006
- The City of Oak Harbor Park, Recreation and Open Space Plan, 2009
- The City of Oak Harbor Downtown Circulation Study, 2001
- The Windjammer Project Plan, 2005
- Shoreline Master Program, 1999
- The City of Oak Harbor Comprehensive Transportation Plan, 2007
- The Six Year Traffic Improvement Plan, ~~2011~~2012-201~~6~~8

The Comprehensive Financial Management Policy

The Comprehensive Financial Management Policy[5] 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.

[5] The complete text of the Oak Harbor Comprehensive Financial Management Policy can be found in Appendix E

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

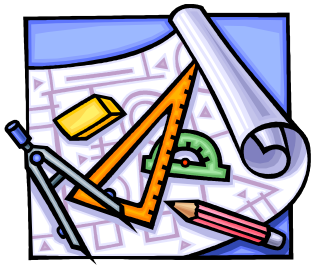
a. As a precondition to the issuance of limited tax general obligation bonds, all alternative methods of financing should have been exhausted.

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 plant as does the library district and transit system. The City does not manage any of these capital facilities. The City does have responsibility under the Growth Management Act however, 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 2012~~0~~ there were 68.74 miles of public streets in Oak Harbor. Within the City of Oak Harbor, SR 20 is the only principal arterial. 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
- NE 16th Avenue; Goldie Street to SE Regatta Drive
- Heller Street; Swantown Road to north City limits
- Midway Boulevard; 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
- 7th Avenue
- Loreland Lane
- SE 8th Street
- Barrington Drive
- Erie Street
- Scenic Heights Road

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

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 111 acres of developed land and owns over 164 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 G.

The Oak Harbor School District No. 201 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 inspection, fire investigation, and other public education programs for the City of Oak Harbor. There are 10~~3~~ full time employees, 40~~2~~ paid on-call personnel, and 1 volunteer. The department responded to 1,176~~339~~ incidents in 2001~~19~~; approximately 8~~6~~% were fires, 53~~0~~% medical, ~~and~~ 10~~7~~% service calls and 17% false alarms~~related~~. The department is currently housed in a 21,000-sq. ft. building located at the intersection of East Whidbey Avenue and Northeast Izett Street. The 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.

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 G.

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 ~~2011~~2012, the City had 103.14 miles of water lines. 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. A 20-year agreement with the City of Anacortes provides a basis for the City of Oak Harbor to provide water. Water flows from Anacortes through two City-owned transmission pipelines to the City of Oak Harbor. The transmission mains are 10 and 24 inches in diameter and are about 12 miles long.

Three City-owned wells have the capacity to produce 160 gallons per minute (gpm), 130 gpm and 160 gpm respectively. The City also operates one major pump station at Ault Field and a booster station at Heller Street. Three reservoirs store water for the system; one is a 2 million gallon (mg) tank and the two others are approximately .5 mg each. About 78% of the City's current water demand is residential with the remaining 22% of demand being commercial/industrial. Average daily demand in Oak Harbor's water system is about 2.122~~264~~ 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 0.93 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. This solution extended the threshold need for future standby storage expansion. The Capital Facilities Plan of 1999 shows the City starting a

sinking fund in the year 2000 for the construction of an additional reservoir in the 2006 to 2013 time frame. A new 30 million gallon reservoir is scheduled for construction in ~~2011~~2013.

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 54 miles of gravity sewers ranging in size from 8 to 21 inches in diameter. The system also has 9 lift stations and approximately 2.5 miles of force mains and a total of 69.81 miles of sewer lines.

The City currently operates two wastewater treatment facilities. Together, the two facilities have the capacity to treat an average daily flow of approximately 3.2 million gallons per day (mgd). The 2005 yearly average daily flow was 1.87 mgd. 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, and currently has a capacity to treat approximately 0.7 mgd (average daily flow). This plant is located adjacent to Oak Harbor Windjammer Park at approximately City Beach Street and Bayshore Drive. Plant effluent is discharged through an 18-inch outfall to Oak Harbor in accordance with the City of Oak Harbor's National Pollution Discharge Elimination System (NPDES) permit.

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 in the planning process to identify~~has decided on the Windjammer Park area as the ~~-~~site~~s~~ for the ~~a~~ new treatment plant. The goal is to replace the two aging treatment facilities with a new system by 2017.

Stormwater Detention and Treatment

A detailed analysis of storm drainage requirements in Oak Harbor are discussed in the Comprehensive Stormwater Drainage Plan dated 2006. 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 49.19 miles of storm sewers in the City. It maintains 1700 catch basins and manholes and inspects 111 private stormwater detention facilities.

Solid Waste

Municipal waste is generated in Oak Harbor at a rate of approximately 6,935 tons per year. This amounts to an average generation rate of 19 tons per day or about 2.5 pounds per person per day. 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 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 which could 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 School District No. 201. Currently the district operates one high school, two middle schools and six elementary schools. It serves students who live both within and outside the Oak Harbor Urban Growth Area Boundary. The high school is at an enrollment of 1800 students. Thanks to voter support, a new high school has been constructed at its current location. A new sports stadium that serves the high school was also built as a result of voter support and private community donations. The stadium has bleachers seating up to 3,000 spectators and parking for 750 vehicles.

The North Whidbey Middle School along with the Oak Harbor Middle School, has an enrollment of 1250 students.

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~~05~~ population of the area was 37,~~341~~813. Island County Planning and Community Development projections show the population of the Sno-Isle area increasing to 46,569 by the year 2025.

The current library meets the informational and recreational needs of community members. It serves as a resource for teachers and students in public and private schools from preschool through college. It also supports economic development and local business needs through information services and access to online data. The library also serves as the consumer health information reference center for the Sno-Isle libraries, providing services throughout the two-county area.

The library offers many services and resources to families, children and caregivers, teens, adults and seniors including reference and information, programming, access to online and physical collections (1.4 million volumes) and interlibrary loan. Library services include, but are not limited to:

- Story times and events for babies, toddlers,~~ and~~ preschoolers and caregivers to promote reading and early literacy~~readiness~~
- Programs and outreach for school aged children to promote academic success
- Homework assistance ~~to complement K-12 and college level education~~
- Access to online electronic databases via the library website
- 114,000 books, DVD's, CD's, magazines and other materials for checkout
- Library Online Catalog access to 1.4 million volumes plus electronic sources
- Interlibrary loan for materials that are not in the library catalog
- Internet ~~and Microsoft Office computer stations in the children, teen and adult areas~~areas 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 local staff
- Express check out and holds pick up
- Reference and information services during all open hours

- Online reference services available 24/7
- Outreach services to the homebound individuals, ~~care~~ retirement facilities and local daycares
- Open seven days per week during school year

In ~~2005~~2011, the library circulated ~~437,593~~457,353 items, which was an increase of ~~24.8~~28% over 2000 circulation figures. The library ~~currently holds approximately 114,000 items, a 44% increase over the library's collection of 80,000 items in 1993 when the current facility opened. Collections are at maximum capacity: As new materials are added, older items must be removed~~shares a collection of more than 1.2 million items. ~~More than 240,000 people are projected to visit the Oak Harbor Library in 2006, which is an average of nearly 800 per day. The library program kicking off Summer Reading for 2006 was attended by more than 1000 children and their families.~~ In 2011 there were 28,381 registered borrowers at the Oak Harbor Library, compared to 21,699 in 1998. The use of electronic resources by library patrons is significant and increasing. In 2011 Sno-Isle Libraries customers accessed the library web site more than 13 million times, and used electronic databases provided through the web site more than 2.2 million times.

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.

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.

It is considering plans 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 0.3% 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 seven buses and two para-transit vehicles. Ridership for the entire Island County system topped one million in 2005 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 offices.

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[6] projects are based more on traditional planning products[7] 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.

---

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

[7] 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	0.25 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	~~23,420~~22,075	26,878	29,390	31,389

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

Non-Enterprise Fund Activities—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. For detailed information on these projects ~~needed non-enterprise funded projects~~, see Appendix C.

New Non–Enterprise Fund Capital Facilities, ~~2011~~2012–~~2016~~2018

Streets

NE 7th Avenue reconstruction
Oak Harbor Multimodal Facility
SE Fourth – Ely Street to Midway Blvd
SR–20 Widening – Beeksma Dr to Swantown Ave
SR20/Pioneer Way/S. Beeksma Dr
Whidbey Avenue reconstruction
Midway Blvd/NE 7th Avenue intersection
SW Heller St improvements
SW Eagle Vista Ave extension west of SR-20
Arterial sidewalks phase II
Local Street Overlays

General Administration

New City Animal Shelter
New Senior Center

Parks and Recreation

Land acquisition for future Community and Neighborhood Park development

- Open Space adjacent to Ft.Nugent Park
- Neighborhood Park – Scenic Heights, SW of Whidbey and SR 20
- Community Park – North of Crosby Ave and West of Heller Road

Splash Park in Windjammer Park
Neighborhood Parks – playground equipment replacements
Staysail Park Upgrades
Ft. Nugent Park – kitchen shelters and trail lights
Trail extensions at Freund Marsh
Windjammer Park – Lagoon Bridge, Restrooms, Kitchen Shelters
Neighborhood/Community Park – Old High School Stadium

Windjammer

Freund Marsh
RV Park Development
Special Events Center
Windjammer Park Redevelopment
Oak Harbor Municipal Pier Project

Fire

New West Side Fire Station

Table 4.3. Non-Enterprise Activities; New Capital Facilities Needs, ~~2011~~2012–~~2016~~2018

	~~2011~~2012	2013~~2~~	2014~~3~~	2015~~4~~	2016~~5~~	2017	2018~~6~~
Streets/Roads	$~~7,650,000~~0	$470~~65~~,000	$870~~633~~,000	$3,600~~1,293~~,000	$~~6~~,~~855~~776,0~~6~~00	$2,623,000	$3~~0~~,~~758~~187,640~~0~~
Parks/Recreation	$~~49~~36,000	$~~854~~142,000	$1,~~712~~076,~~000~~500	$~~570~~100,000	$~~270~~200,000	$260,000	$~~4~~5,~~325~~475,000
Fire	$0	$0	$0	$0	$0	$0	$0
Total	**$36,000.00 ~~$7,699,000.00~~**	**$612,000.00 ~~$1,319,000.00~~**	**$1,946,500.00 ~~$2,345,000.00~~**	**$3,700,000.00 ~~$1,863,000.00~~**	**$976,000.00 ~~$7,125,600.00~~**	**$2,885,017.00**	**$8,662,600.00 ~~$35,083,400.00~~**

Unfunded Non-Enterprise Capital Facility Needs

New non-enterprise capital facility needs in Oak Harbor are considerable, as indicated in Table 4.4. It is apparent that funds do not exist for all of the needs listed. Therefore, projects will be implemented as funding becomes available in the next six year period. The projects represented in Table 4.4 are those identified as necessary to further the goals and policies of various adopted plans by the city. These capital facilities are needed for the City to continue to provide quality services to its citizens. ~~deemed a priority if LOS standards and Comprehensive Plan goals are to be met~~.

Table 4.4. Non-Enterprise Activities; Priority Capital Facilities Needs, ~~2011~~2012–2018~~6~~

Responsible Dept./Div.	Facility/Project	Estimated Total Cost
Marina	Oak Harbor Marina Redevelopment	$16,285,745
Marina	Oak Harbor Municipal Pier Project	$8,709,624
Police	New City Animal Shelter	$540,000
Senior Services	New Senior Center	$5,200,000
Fire	New West Side Fire Station	$3,200,000
Parks	Land Acquisition for Future Park Development	$4,000,000
Parks	Windjammer Park Redevelopment	$9,950,000
Development Services	Trail Extensions at Freund Marsh	$162,000
Development Services	Special Events Center	$10,030,000
Development Services	RV Park Development	$3,720,000
Development Services	Freund Marsh	$1,700,000
Streets	Local Street Overlays	$2,350,000
Streets	Pedestrian Access Improvements	$713,000
Streets	SR20 Widening Note: Total project cost is the State's responsibility. Project is shown on this list as a reflection of the importance of the improvements to the City.	$~~13,154,800~~29,900,000
	Total	**~~$96,460,369~~~~$79,715,169~~**

Enterprise-Funds Activities—Capital Facilities

Managers responsible for enterprise funded departments identified capital projects that are needed within the next six year timeframe. Following is the list of needed facilities. For detailed information on needed enterprise funded projects, see Appendix C.

New Enterprise Funds Capital Facilities Needs: ~~2011~~2012–2018~~6~~

Water	Wastewater
North Reservoir Connection Mains	Balda/Waterloo gravity extension
North Reservoir	Wastewater Treatment plant Facilities Plan
Ault Field Pump Station Alterations	Wastewater Treatment Plant – Design and Construction
North Booster Pump Stations	Biosolids removal (Lagoon Treatment Facility)
N.E. Pressure Transmission Main	Goldie Road sewer expansion phase II
N.E. O'Leary Pressure Zone Main and Connections	RBC Diversion Pump Station force main corrosion study
West Side Reservoir Connections to Mainland Zone	Sewer line replacements
Main Replacement	**Stormwater**
West Pressure Transmission Main	Liszak Outfall
	42" storm drain (Windjammer Park)
Marina	Freund Marsh stormwater improvements
Oak Harbor Marina Redevelopment	
- Dredging	

Table 4.5. Enterprise Activities; New Capital Facilities Needs, ~~2011~~2012–2016

	~~2011~~2012	2013~~2~~	2014~~3~~	2015~~4~~	2016~~5~~	2017	2018~~6~~
Water	~~$398,000~~$ 1,444,000	~~$6,178,400~~ $4,895,000	~~$967,500~~ $187,000	~~$2,340,750~~ $967,500	~~$4,382,750~~ $2,340,750	$4,382,750	$0
Wastewater	~~$1,639,570~~ $1,239,570	~~$310,000~~ $2,450,000	~~$2,667,000~~ $2,160,000	~~$170,000~~ $1,100,000	~~$4,180,000~~ $13,170,000	$12,364,000	~~$25,180,000~~ $2,608,000
Stormwater	~~$2,243,000~~	$40,000	$200,000	$1,198,000	$155,000	$0	$0
Marina	~~$2,105,285~~	~~$120,000~~	TBD	TBD	TBD		TBD
Total	$2,685,582 ~~6,387,866~~	$7,385,000 ~~$6,648,400~~	$2,547,004 ~~$3,834,503~~	$3,265,503 ~~$3,708,752~~	$15,665,753 ~~$8,717,752~~	$16,746,750.00	$2,608,004 ~~$25,180,002~~

Source: City of Oak Harbor; see Appendix C.

Non–City Funded Capital Facilities

Oak Harbor School District

District enrollment projection for the next six years shows a further decline of about 250 students. For the immediate future, the district is planning for fewer students and as many as 20 empty elementary classrooms.

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 • New Capital Facility Priorities

By definition, enterprise funded activities are designed to be self sufficient for capital and operating purposes, as they depend on users fees to maintain adequate cash flow. Non–enterprise funds, on the other hand, are not user fee dependent but rather rely on taxes, special fees and extraordinary funding. Enterprise funds should, by definition, be able to plan for new capital facilities, based on LOS, and provide funding adequate for their implementation. It is because of this basic assumption that new enterprise funded capital facility requests are listed here but not prioritized[8]. New non-enterprise funded capital facility requests, on the other hand, are in competition with each other for limited resources. Priorities must be established, as there is not funding available for every request.

The CIP process adopted by the City called for the following work to be conducted as:

Task VI—Prioritize Capital Facilities And Match Appropriate Existing Community Resources.[9]

The Working Group met on October 27, 2006, and, using ten evaluation criteria that were developed at an earlier meeting, prioritized the non-enterprise new capital facility requests.

The Prioritization Process

Evaluation

In order to fairly evaluate a request in relation to other requests, similar information in similar formats must be available. New capital facilities request forms were developed for this purpose. The form asked applicants for the facility name, location, anticipated cost of land acquisition, design and construction and implementation timeframe. They were also asked to estimate future operating costs and revenues. A significant portion of each form was devoted to responding to the ten evaluation criteria developed for the prioritization process.

To rank and prioritize requests, each must be rated and scored. Each request must be subjected to the same evaluation and criteria. The rating criteria that follow were developed for the purposes of ranking the requests and identifying the City's priorities.

---

[8] For a complete listing of needed enterprise funded capital requests, see Appendix C.

[9] For a description of the six tasks in the Capital Improvement Planning process, see Appendix A.

Tier One Criteria

An additional weighting factor of three (x3) is given to the rating score of each Tier One criterion.

- **Required by law—**projects that are required due to federal, state or local legal mandate.
- **Public health and safety—**projects that resolve potentially threatening situations to the health, safety, or physical welfare of citizens. (e.g. construction of a new fire station)
- **Preserves existing assets—**projects that save or repair structural integrity of existing buildings, extend the life of or reduces operating costs of existing public infrastructure and facilities. (e.g. seismic upgrades, insulate and re-roofing a public building)

Tier Two Criteria

An additional weighting factor of two (x2) is given to the rating score of each Tier Two criterion.

- **Impact on future operating budgets—**forecasts the extent to which the project will impact future operating budgets; will result in decreased operating costs or produce net new revenue. (e.g. new tax revenue)
- **Community wide benefit—**the scope and extent to which the community as a whole benefits from the project; projects that have the broadest community benefit or contribute to balance in the overall program would be rated highest.
- **Advances community/council goals and objectives—**projects that enhance the goals and objectives of the community or City council as identified in adopted plans and policy. (e.g. development of the Windjammer Project) will score higher

Tier Three Criteria

No additional weight (x1) is given to the rating score of each Tier Three criterion.

- **Enhances or protects the natural environment—**projects that enhance the natural environment or resolve and reduce the risk of damage to the natural environment (e.g. construction of an adequate storm water retention facility).
- **Enhances or protects the cultural, educational and social environment—**projects that enhance or protect those cultural, educational or social assets that contribute to the community's quality of life (e.g. sidewalk improvements to enhance pedestrian environment, community meeting facility).
- **Provides community economic benefit—**projects that produce additional family wage jobs, retain family wage jobs or expand the tax base of the community. The more direct the positive impact the higher a project would rate (e.g. public amenities that encourage private sector investment).
- **Advances other City capital projects—**projects that assist the development of another project or a project that must occur in a sequential manner with other capital projects will rate higher.

PLACEHOLDER – **Responds to a favorable opportunity—**projects that may be advanced by responding to an initiative from the private sector, a grant funding program or other favorable circumstance that could advance that project (e.g. a federal grant opportunity arises that could fund 80% of a project's cost).

Rating and then ranking occurred as follows:

- Scoring and hence ranking occurred by assigning a value to each criterion. A scale is from 1 to 5, one (1) being lowest and five (5) being highest.

Applying the criteria above resulted in the non enterprise funded capital facilities being prioritized as shown in Table 5.1.

Table 5.1. Non Enterprise Activities; Prioritized New Capital Facility Requests ~~2011~~2012–2018~~6~~

Priority	Rating Score	Facility/Project	Estimated Total Cost
1	309	Oak Harbor Marina Redevelopment	$16,285,745
3	281	SR 20 Widening Note: Total project cost is the State's responsibility. Project is shown on this list as a reflection of the importance of the improvements to the City.	$~~13,154,800~~29,900,000
4	259	Windjammer Park Redevelopment	$9,950,000
5	250	Pedestrian Access Improvements	$713,000
6	222	Local Street Overlays	$2,350,000
7	211	New West Side Fire Station	$3,200,000
8	184	Oak Harbor Municipal Pier Project	$8,709,624
9	182	RV Park Development	$3,720,000
10	181	Freund Marsh	$1,700,000
11	179	Land Acquisition for Future Park Development	$4,000,000
12	165	New Senior Center	$5,200,000
13	163	Trail Extensions at Freund Marsh	$162,000
14	153	Special Events Center	$10,030,000
15	70	New City Animal Shelter	$540,000
		Total	**$96,460,369~~$79,715,169~~**

Section Six • Capital Facility Funding Options and Projections

Capital facilities in Washington State are funded in a variety of ways. This is the case in the City of Oak Harbor. 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 6.1. Real Estate Excise Tax Revenue – Past Performance and Future Projections

	2011~~0~~	~~2011~~2012	2013~~2~~	2014~~3~~	2015~~4~~	2016~~5~~	2017~~6~~	2018~~7~~
Beginning Fund Balance	~~$5,454,805~~$5,078,725	$5,072,837.00 ~~$5,072,837~~	$513,565.00 ~~$513,565~~	$762,237	$1,019,115	$1,284,727	$1,559,370	$1,843,626
Revenues								
1st ¼ %	~~$159,016~~$115,544	~~$120,364~~$108,532	~~$124,336~~$110,703	~~$128,439~~$113,027	~~$132,806~~$115,457	~~$137,321~~$118,113	~~$142,128~~$120,889	~~$147,102~~$123,790
2nd ¼%	~~$159,016~~$115,544	$108,532~~$120,364~~	$110,703~~$124,336~~	$113,027~~$128,439~~	$115,457~~$132,806~~	$118,113~~$137,321~~	$120,889~~$142,128~~	$123,790~~$147,102~~
Total Revenue	$231,088~~$318,032~~	$217,064~~$240,728~~	$221,406~~$248,672~~	$226,054~~$256,878~~	$230,914~~$265,612~~	$236,226~~$274,642~~	$241,778~~$284,256~~	$247,580~~$294,204~~
Expenditures								
Parks	$0	$0	$0	$0	$0	$0	$0	$0
Streets	~~$700,000~~$2,752,000	$4,800,000	$0	$0	$0	$0	$0	$0
Total Expenditures	$2,752,000.00	$4,800,000	$0	$0	$0	$0	$0	$0
Ending Fund Balance	**~~$2,557,813~~$5,072,837**	**$513,565**	**$762,237**	**$1,019,115**	**$1,284,727**	**$1,559,369**	**$1,843,626**	**$2,137,830**

Source: City of Oak Harbor Finance Department, ~~2011~~2012

Table 6.2. General Fund Revenues from All Sources, 2011~~09~~–2018~~6~~

Description	2011~~0~~	~~2011~~2012	2013~~2~~	2014~~3~~	2015~~4~~	2016~~5~~	2017~~6~~	2018~~7~~
Property Taxes	$3,835,287 ~~$3,904,588~~	$3,876,649 ~~$2,814,283~~	$3,934,799 ~~$2,856,497~~	$3,993,821 ~~$2,899,345~~	$4,053,728 ~~$2,942,835~~	$4,114,534 ~~$2,986,977~~	$4,176,252 ~~$3,031,782~~	$4,238,896 ~~$3,077,259~~
Sales & Use Taxes	$2,858,100 ~~$2,930,791~~	$2,662,581 ~~$2,877,916~~	$2,675,894 ~~$2,906,695~~	$2,689,273 ~~$2,950,296~~	$2,709,443 ~~$3,009,301~~	$2,736,537 ~~$3,084,534~~	$2,766,639 ~~$3,161,647~~	$2,805,372 ~~$3,240,689~~
Business Taxes	$2,441,362 ~~$2,395,009~~	$2,508,715 ~~$2,445,852~~	$2,558,889 ~~$2,494,769~~	$2,610,067 ~~$2,544,664~~	$2,662,268 ~~$2,595,558~~	$2,715,514 ~~$2,647,469~~	$2,769,824 ~~$2,700,418~~	$2,825,221 ~~$2,754,427~~
Gambling Taxes	$9,686 ~~$13,738~~	$13,614 ~~$9,769~~	$13,818 ~~$9,964~~	$14,025 ~~$10,164~~	$14,236 ~~$10,367~~	$14,449 ~~$10,574~~	$14,666 ~~$10,786~~	$14,886 ~~$11,001~~
Liquor Excise Taxes	$264,097 ~~$302,885~~	$275,000 ~~$267,496~~	$281,875 ~~$274,183~~	$288,922 ~~$281,038~~	$296,145 ~~$288,064~~	$303,549 ~~$295,266~~	$311,137 ~~$302,647~~	$318,916 ~~$310,213~~
Lodging Taxes	$180,036 ~~$187,380~~	$151,029 ~~$155,925~~	$154,805 ~~$159,823~~	$158,675 ~~$163,819~~	$162,642 ~~$167,914~~	$166,708 ~~$172,112~~	$170,875 ~~$176,415~~	$175,147 ~~$180,825~~
Motor Vehicle Fuel Taxes	$465,852 ~~$503,905~~	$432,959 ~~$459,992~~	$439,453 ~~$410,139~~	$446,045 ~~$420,393~~	$452,736 ~~$430,903~~	$459,527 ~~$441,675~~	$466,420 ~~$452,717~~	$473,416 ~~$464,035~~
Excise Tax - REET 1	$115,544 ~~$159,016~~	$108,532 ~~$120,364~~	$110,703 ~~$124,336~~	$113,027 ~~$128,439~~	$115,457 ~~$132,806~~	$118,113 ~~$137,321~~	$120,889 ~~$142,128~~	$123,790 ~~$147,102~~
Excise Tax - REET 2	$115,544 ~~$159,016~~	$108,532 ~~$120,364~~	$110,703 ~~$124,336~~	$113,027 ~~$128,439~~	$115,457 ~~$132,806~~	$118,113 ~~$137,321~~	$120,889 ~~$142,128~~	$123,790 ~~$147,102~~

Total Tax Revenues	$$10,285,508 $10,556,328	$10,137,611 $9,271,961	$10,280,939 $9,360,742	$10,426,882 $9,526,597	$10,582,112 $9,710,554	$10,747,044 $9,913,249	$10,917,591 $10,120,668	$11,099,434 $10,332,653

Source: City of Oak Harbor Finance Department, 2011 2012

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 6.3. Impact Fee Revenue—Past Performance and Future Projections

Description	2011~~0~~	~~2011~~2012	2013~~2~~	2014~~3~~	2015~~4~~	2016~~5~~	2017~~6~~	2018~~7~~
Transportation	$76,471 ~~$67,102~~	$28,485 ~~$78,936~~	$29,055 ~~$81,541~~	$29,665 ~~$84,232~~	$30,303 ~~$87,096~~	$31,000 ~~$90,057~~	$31,728 ~~$93,209~~	$32,490 ~~$96,471~~
Park - Neighborhood	$10,849 ~~$23,220~~	$13,269 ~~$9,879~~	$13,534 ~~$10,205~~	$13,819 ~~$10,542~~	$14,116 ~~$10,900~~	$14,440 ~~$11,271~~	$14,780 ~~$11,665~~	$15,134 ~~$12,074~~
Park - Community	$31,547 ~~$67,122~~	$38,355 ~~$28,804~~	$39,122 ~~$29,755~~	$39,944 ~~$30,736~~	$40,802 ~~$31,781~~	$41,741 ~~$32,862~~	$42,722 ~~$34,012~~	$43,747 ~~$35,203~~
Total Impact Fees	$120,878 ~~$159,454~~	$82,121 ~~$119,630~~	$83,724 ~~$123,512~~	$85,441 ~~$127,523~~	$87,236 ~~$131,791~~	$89,197 ~~$136,205~~	$91,247 ~~$140,902~~	$93,389 ~~$145,764~~

Source: City of Oak Harbor Finance Department, ~~2011~~2012

Table 6.4. Non-Enterprise Activities—Revenue Available for Capital Improvements by Source, ~~2011~~2012–201~~8~~4

Source	~~2011~~2012	201~~3~~2	201~~4~~3	201~~5~~4	201~~6~~5	2017	201~~8~~6
Streets/Roads							
Impact Fees	~~$67,102~~$28,485	~~$78,936~~$28,485	~~$81,541~~$29,055	~~$84,232~~30,303	~~$87,096~~$31,000	$31,728	~~$90,057~~$32,490
Developer Contributions[10]	TBD	TBD	TBD	TBD	TBD		TBD
General Fund	0	0	0	0	0		0
REET	~~$700,000~~	~~4,800,000~~	0	0	0		0
Other (Grants, bonds, etc.)	~~$477,722~~	~~$1,000,000~~	Unk	Unk	Unk		Unk
Total	$1,244,824	$5,878,936	$81,541	$84,232	$87,096		$90,057
Parks/Recreation							
Impact Fees	~~$90,342~~$51,624	~~$38,683~~$52,656	~~$39,960~~$53,762	~~$41,278~~$54,918	~~$42,682~~$56,181	$57,502	~~$44,133~~$58,882
Developer Contributions	TBD	TBD	TBD	TBD	TBD		TBD
General Fund	0	0	0	0	0		0
REET	0	0	0	0	0		0
Other (Grants, bonds, etc.)	~~128,795~~	~~154,000~~	Unk	Unk	Unk		Unk
Total	$219,137	$192,683	$39,960	$41,278	$42,682		$44,133
Other (Windjammer, General Admin.)							
Impact Fees	0	0	0	0	0		0
Developer Contributions	TBD	TBD	TBD	TBD	TBD		TBD

[10] Those project expenses that can be levied on the development deemed to benefit most from the capital improvement.

Source	2011~~2012~~	2013~~2~~	2014~~3~~	2015~~4~~	2016~~5~~	2017	2018~~6~~
General Fund	0	0	0	0	0		0
REET	0	0	0	0	0		0
Other (Grants, bonds, etc.)	0	0	0	0	0		0
Total							

Source: City of Oak Harbor Finance Department, 2011~~2012~~

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 6.5. System Development Fee Revenue–Past Performance and Projections

Description	2012~~2011~~	2013~~2~~	2014~~3~~	2015~~4~~	2016~~5~~	2017~~6~~	2018~~7~~
Water	$108,276 ~~$103,204~~	$110,442 ~~$106,610~~	$112,761 ~~$110,128~~	$115,185 ~~$113,872~~	$117,834 ~~$117,744~~	$120,604 ~~$121,865~~	$123,498 ~~$126,130~~
Sewer	$74,880 ~~$50,400~~	$76,378 ~~$52,063~~	$77,982 ~~$53,781~~	$79,658 ~~$55,610~~	$81,490 ~~$57,501~~	$83,405 ~~$59,513~~	$85,407 ~~$61,596~~
Trunk Line	$5,829 ~~$10,200~~	$5,946 ~~$10,537~~	$6,070 ~~$10,884~~	$6,201 ~~$11,254~~	$6,344 ~~$11,637~~	$6,493 ~~$12,044~~	$6,648 ~~$12,466~~
Total Sys Dev. Fees	$188,985 ~~$163,804~~	$192,765 ~~$169,210~~	$196,813 ~~$174,793~~	$201,044 ~~$180,736~~	$205,668 ~~$186,881~~	$210,501 ~~$193,422~~	$215,553 ~~$200,192~~

Source City of Oak Harbor Finance Department, 2011~~2012~~

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

Table 6.6. Enterprise Fund Activities—Revenues/Expenditures/Available Resources

Water	2011~~0~~	~~2011~~2012	2013~~2~~	2014~~3~~	2015~~4~~	2016~~5~~	2017	2018~~6~~
Revenues[11]	$4,487,418 ~~$4,625,976~~	$4,456,056 ~~$5,076,871~~	$4,456,056 ~~$5,428,364~~	$4,456,056 ~~$5,752,205~~	$4,456,056 ~~$6,124,200~~	$4,456,056 ~~$6,515,937~~	$4,456,056	$4,456,056 ~~$4,298,360~~
Expenditures[12]	3,865,323 ~~$4,624,829~~	$3,658,335 ~~$5,090,779~~	$3,658,335 ~~$5,436,873~~	$3,658,335 ~~$5,751,969~~	$3,658,335 ~~$6,123,913~~	$3,658,335 ~~$6,515,792~~	$3,658,335	$3,658,335 ~~$3,909,368~~
Available	$622,095 ~~$1,147~~	$797,721 ~~(~~ ~~$13,908)~~	$797,721 ~~($8,509)~~	$797,721 ~~$236~~	$797,721 ~~$287~~	$797,721 ~~$145~~	$797,721	$797,721 ~~$388,992~~
Waste Water								
Revenues	$4,457,496 ~~$4,627,597~~	$4,379,067 ~~$4,904,290~~	$4,379,067 ~~$5,459,109~~	$4,379,067 ~~$6,049,019~~	$4,379,067 ~~$6,715,784~~	$4,379,067 ~~$7,547,145~~	$4,379,067	$4,379,067 ~~$4,802,329~~
Expenditures	3,786,001 ~~$4,650,943~~	$3,480,212 ~~$4,904,653~~	$3,480,212 ~~$5,459,198~~	$3,480,212 ~~$6,049,041~~	$3,480,212 ~~$6,715,943~~	$3,480,212 ~~$7,547,351~~	$3,480,212	$3,480,212 ~~$3,889,293~~
Available	$671,495 ~~($23,346)~~	$898,855 ~~($363)~~	$898,855 ~~($89)~~	$898,855 ~~($22)~~	$898,855 ~~($159)~~	$898,855 ~~($206)~~	$898,855	$898,855 ~~$913,036~~

[11]For all activities—Includes revenue from all sources.

[12]For all activities—Includes operational expenses and debt service for projects completed or under way.

Storm Drainage								
Revenues	$1,403,229 ~~$1,374,580~~	$1,683,495 ~~$1,439,880~~	$1,683,495 ~~$1,507,127~~	$1,683,495 ~~$1,572,350~~	$1,683,495 ~~$1,638,971~~	$1,683,495 ~~$1,707,655~~	$1,683,495	$1,683,495 ~~$1,352,235~~
Expenditures	1,214,543 ~~$1,376,748~~	$1,450,465 ~~$1,441,183~~	$1,450,465 ~~$1,508,202~~	$1,450,465 ~~$1,572,465~~	$1,450,465 ~~$1,641,211~~	$1,450,465 ~~$1,708,811~~	$1,450,465	$1,450,465 ~~1,278,890~~
Available	$188,686 ~~($2,168)~~	$233,030 ~~($1,303)~~	$233,030 ~~($1,075)~~	$233,030 ~~($115)~~	$233,030 ~~($2,240)~~	$233,030 ~~($1,156)~~	$233,030	$233,030 ~~$73,345~~
Marina								
Revenue	$1,362,574 ~~$1,315,155~~	$1,132,053 ~~$1,534,226~~	$1,132,053 ~~$1,852,417~~	$1,132,053 ~~$1,976,580~~	$1,132,053 ~~$2,077,180~~	$1,132,053 ~~$2,183,116~~	$1,132,053	$1,132,053 ~~$2,294,455~~
Expenditure	1,588,145 ~~$1,362,370~~	$784,305 ~~$1,315,141~~	$784,305 ~~$1,629,863~~	$784,305 ~~$1,725,307~~	$784,305 ~~$1,817,822~~	$784,305 ~~$1,912,349~~	$784,305	$784,305 ~~$2,011,791~~
Available	($225,571) ~~($47,215)~~	$347,748 ~~$219,085~~	$347,748 ~~$222,554~~	$347,748 ~~$251,273~~	$347,748 ~~$259,358~~	$347,748 ~~$270,767~~	$347,748	$347,748 ~~$282,664~~

Source: City of Oak Harbor Finance Department, ~~2011~~2012

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 6.8. Schedule of Limitation of Indebtedness, December ~~2011~~2012

CITY OF OAK HARBOR
Schedule of Limitation of Indebtedness
As Of December 31, 2011~~0~~

		Remaining Debt Capacity
Total Taxable Property Value	**$ 1,640,900,593**	
2.5% General purpose limit is allocated between:	41,022,515	
Up to 1.5% debt without a vote	24,613,509	
Less: Outstanding Debt	2,470,421	
Less: Excess of Debt with a Vote	0	
Add: Available Assets		
Equals remaining debt capacity without a vote		$22,143,088
Up to 2.5% debt with a vote	38,552,094	
	16,409,006	
Less: Outstanding Debt		
Add: Available Assets		
Equals remaining debt capacity with a vote		$38,552,094
2.5% Utility purpose limit, voted	41,022,515	
Less: Outstanding Debt		
Less: Contracts Payable		
Add: Available Assets		
Equals remaining debt capacity- Utility purpose, voted		$41,022,514.83
2.5% Open Space, park & capital facilities, voted	41,022,515	
Less: Outstanding Debt		
Less: Contracts Payable		
Add: Available Assets		
Equals remaining debt capacity - Open space, park & capital facilites voted		$41,022,514.83

~~**Total Taxable Property Value**~~	~~**$1,832,165,652**~~		
~~I. General Purpose Indebtedness (Legal Limit 2.5% of Taxable Property Value)~~			~~$45,804,141~~
~~A. General Purpose Indebtedness Without A Vote (Legal Limit 1.5%)~~		~~$27,482,485~~	
~~Indebtedness (Liabilities):~~			
~~GO Bonds~~	~~$0~~		
~~Others~~	~~$74,986~~		
~~Less Assets Available~~		~~$74,986~~	
~~Indebtedness Incurred - Section A~~		~~$27,407,499~~	
~~Indebtedness Margin - Section A~~			
~~B. Capital Lease Without A Vote (Legal Limit 1.5%)~~		~~$27,482,485~~	
~~Capital Leases Payable~~	~~-~~		
~~Less Assets Available~~	~~-~~		
~~Indebtedness Incurred - Section B~~		~~$0~~	
~~Indebtedness Margin - Section B~~		~~$27,482,485~~	
~~C. General Purpose Indebtedness With A Vote (Legal Limit 2.5%)~~		~~$45,804,141~~	
~~Indebtedness (Liabilities):~~			
~~GO Bonds~~	~~-~~		
~~Others~~	~~-~~		
~~Less Assets Available~~	~~-~~		
~~Indebtedness Incurred - Section C~~		~~$0~~	
~~Indebtedness Margin -~~		~~$45,804,141~~	

~~Section C~~		
~~Less:~~	~~Indebtedness Incurred - General Purposes~~	~~$74,986~~
~~Less:~~	~~Indebtedness From Section II In Excess of 2.5% Of Property Value~~	~~$0~~
~~Less:~~	~~Indebtedness From Section III In Excess of 2.5% Of Property Value~~	~~$0~~
~~Margin Of Indebtedness Available – General Purposes~~		~~$45,729,155~~

~~CITY OF OAK HARBOR~~
~~Schedule of Limitation of Indebtedness~~
~~As Of December 31, 2010~~

~~II. Indebtedness For Utility Purposes With 3/5 Vote (Legal Limit 2.5%)~~		~~$45,804,141~~
~~Indebtedness (Liabilities):~~		
~~GO Bonds~~	-	
~~Others~~	-	
~~Less Assets Available~~	-	
~~Indebtedness Incurred - Utility~~		~~$0~~
~~Indebtedness Margin - Utility Purposes~~		~~$45,804,141~~
~~III. Indebtedness For Open Space And Parks Facilities With 3/5 Vote (Legal Limit 2.5%)~~		~~$45,804,141~~
~~Indebtedness (Liabilities):~~		
~~GO bonds~~	-	
~~Others~~	-	

~~Less Assets Available~~		
~~Indebtedness Incurred - Open Space And Parks Facilities~~	~~$0~~	
~~Indebtedness margin - Open Space And Parks Facilities~~	~~$45,804,141~~	
~~Total Indebtedness Allowable (Legal Limit 7.5%)~~		~~$137,412,424~~
~~Less Indebtedness Incurred - General Purposes~~		~~$74,986~~
~~Less Indebtedness Incurred - Utility Purposes~~		~~$0~~
~~Less Indebtedness Incurred - Open Space and Parks Facilities~~		~~$0~~
~~**MARGIN OF INDEBTEDNESS AVAILABLE**~~		~~$137,337,438~~

Source: City of Oak Harbor Finance Department, ~~2011~~2012

Special Assessment Districts [13]

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 subset of citizenry, 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.

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 F.

---

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

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.

Section Seven • Implementation Plan

The ~~2011~~2012–2016 CIP is intended to serve as a framework or guide for future capital improvement planning. The process of prioritization of projects was not done as part of the ~~2011~~2012 update and therefore the priorities remain unchanged. However, some available information such as cost estimates, schedule etc. has been modified to reflect the information known at the time of the update. It is anticipated that, with the passage if time, more relevant and needed data will be available. Until that time this section will proscribe a course of action for each priority project to be considered by the elected community leadership and citizens at large. The table below identifies the priority non-enterprise capital request, the estimated cost and the unknown/funded portion of that cost.

Table 7.1. Non Enterprise Activities; Priority Capital Facilities Needs, ~~2011~~2012–201~~8~~6

Priority	Rating Score	Facility/Project	Estimated Total Cost	Unknown
1	309	Oak Harbor Marina Redevelopment	$16,285,745	9,594,809
3	281	SR-20 Widening[14]	$29~~13~~,~~154~~900,~~800~~000	$~~13~~29,~~154~~900,~~800~~000
4	259	Windjammer Park Redevelopment	$9,950,000	$9,950,000
5	250	Pedestrian Access Improvements	$713,000	$713,000
6	222	Local Street Overlays	$2,350,000	$2,350,000
7	211	New West Side Fire Station	$3,200,000	$3,200,000
8	184	Oak Harbor Municipal Pier Project	$8,709,624	$8,709,624
9	182	RV Park Development	$3,720,000	$3,720,000
10	181	Freund Marsh	$1,700,000	$1,700,000
11	179	Land Acquisition for Future Park Development	$4,000,000	$4,000,000
12	165	New Senior Center	$5,200,000	$5,200,000
13	163	Trail Extensions at Freund Marsh	$162,000	$100,000
14	153	Special Events Center	$10,030,000	$10,030,000
15	70	New City Animal Shelter	$540,000	$525,000
		Total	**$96,460,369~~$79,715,169~~**	**$89,692,433~~$72,947,233~~**

[14] Total project cost is the State's responsibility. Project is shown on this list as a reflection of the importance of the improvements to the City.

Table 7.2. Priority Non-Enterprise Capital Facilities Implementation Plan

Priority	Facility Description	Implementation Issues	Implementation Recommendations
1	**Oak Harbor Marina Redevelopment** Total Cost - $19,500,000 Phase I & II Cost - $3,204,180 Proposed Timeframe for Action— ~~2011~~2013 | 2014~~2~~ | 2015~~3~~ | 2016~~4~~ | 2017~~5~~ | 2018~~6~~ ~~X~~ | ~~X~~ Future Phases: To be determined	**Phase II Dredging is under implementation** Partial dredging of the Marina was done in 2011 under A Dock, F Dock, landing float and Fuel Dock. Future dredging will be done based on the availability of funds.	Further improvements on the Marina in accordance to the Redevelopment Plan will need to implemented in phases to match the availability in funds.
~~2~~	~~**Pioneer Way Reconstruction and Streetscape**~~ ~~SE Pioneer Way from SE Midway Boulevard to SE City Beach Street.~~ ~~Cost—$8,350,000~~ ~~Proposed Timeframe for Action—~~ ~~2011 | 2012 | 2013 | 2014 | 2015 | 2016~~ ~~X | X~~ ~~2011 – The project is in its design phase.~~ ~~2012 - Construction~~	~~**Project is under design**~~ ~~Currently under construction and is expected to be complete in 2011 – 2012.~~	

Table 7.2. Priority Non Enterprise Capital Facilities Implementation Plan (continued)

Priority	Facility Description	Implementation Issues	Implementation Recommendations
3	**SR 20 Widening** SR-20 from SW Beeksma Drive to SW Swantown Avenue. Cost— $~~13,150,000~~ 29,900,000 Proposed Timeframe for Action— ~~2011~~2013 | 2014~~2~~ | 2015~~3~~ | 2016~~4~~ | 2017~~5~~ | 2018~~6~~ Note: Total project cost is the State's responsibility. Project is shown on this list as a reflection of the importance of the improvements to the City.	**Challenges—** State responsibility. Grants and loans are limited. **Opportunities—**	Work with legislative delegation to increase state funding to fill the gap.

<table>
<tr>
<td>4</td>
<td>
Windjammer Park Redevelopment
Beeksma Drive to City Beach Street, along the waterfront.

Cost—$9,950,000 / Gap—ALL

Proposed Timeframe for Action—
<table>
<tr><td>~~2011~~2013</td><td>~~2012~~2014</td><td>~~2013~~2015</td><td>~~2014~~2016</td><td>~~2015~~2017</td><td>~~2016~~2018</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td></tr>
</table>
</td>
<td>
Challenges—
Gap is large.
Grants and loans are limited.

Opportunities—
Potential community partners.
Phasing appears possible.
</td>
<td>
Determine feasibility of phasing the project.
Investigate reducing the scope of the project.
Investigate public acceptance to a voted bond proposal.
Funding Options—
Investigate alternative funding approach (Metropolitan Parks District).
Investigate public acceptance of a “Water Front Futures” voted bond proposal.
Consider a general Parks levy.
</td>
</tr>
<tr>
<td>5</td>
<td>
Pedestrian Access Improvements
City wide.

Cost—$105,000/$110,000/$114,000/
$122,000/$128,000/$134,000 / Gap—ALL

Proposed Timeframe for Action—
<table>
<tr><td>~~2011~~2013</td><td>2014~~2~~</td><td>2015~~3~~</td><td>2016~~4~~</td><td>2017~~5~~</td><td>2018~~6~~</td></tr>
<tr><td></td><td></td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
</table>
</td>
<td>
Challenges—
Insurance and ADA requirements.
Grants and loans are limited.

Opportunities—
Is already phased.
</td>
<td>
Evaluate using the Capital Reserve Account to fill the gap
Investigate availability of REET
This project received a grant from the Safe Routes to School program and will include some pedestrian improvements around existing schools in 2012
Funding Options—
Look into Levy Lid Lift approach.
Issue non–voted bonds to fill the gap.
Investigate public acceptance to a voted bond proposal.
</td>
</tr>
</table>

Table 7.2. Priority Non Enterprise Capital Facilities Implementation Plan (continued)

Priority	Facility Description	Implementation Issues	Implementation Recommendations
6	**Local Street Overlays** Locations are established through the Pavement Management Program. Cost—$400,000/$450,000/$500,000/$550,000 Gap—ALL Proposed Timeframe for Action— ~~2011~~2013 | ~~2012~~2014 | ~~2013~~2015 | 2016~~4~~ | 2017~~5~~ | 2018~~6~~ | X | X | X | X | X	**Challenges—** Grants and loans are limited. New revenue source needed **Opportunities—** Is already phased.	Evaluate using the Capital Reserve Account. Evaluate using the Capital Reserve Account to fill the gap. Investigate availability of REET. **Funding Options—** Look into Levy Lid Lift approach. Issue non–voted bonds to fill the gap. Investigate public acceptance to a voted bond/utility tax proposal.
7	**New West Side Fire Station** Southwest section of City. Cost—$3,200,000 / Gap—ALL Timeframe Proposed Timeframe for Action— ~~2011~~2013 | 2014~~2~~ | 2015~~3~~ | 2016~~4~~ | 2017~~5~~ | 2018~~6~~ | | | | |	**Challenges—** Location unknown. Large gap. **Opportunities—** High community support usually for public safety.	**Funding Options—** Issue non-voted bonds to fill the gap. Investigate public acceptance to a voted bond proposal.

8	**Oak Harbor Municipal Pier Project** The pier itself will overlay the current location of the City dinghy dock on tideland property owned by the City. Cost—$8,709,624 / Gap—$8,709,624 Proposed Timeframe for Action— ~~2011~~2013 | 2014~~2~~ | 2015~~3~~ | 2016~~4~~ | 2017~~5~~ | 2018~~6~~ ~~X~~ | ~~X~~ Schedule Unknown	**Challenges—** Large gap. Grants and loans are limited. The City Council voted to not pursue the project in 2011 and return any grant money awarded to the project. The project will need to be revisioned and rescoped. **Opportunities—** Significant funds committed. Significant engineering and permitting work completed.	Determine feasibility of phasing. Reduce the scope of the project. Attempt to reduce scope or Phase I to the level that can be paid for by revenue bonds. **Funding Options—** Investigate public acceptance of a "Waterfront Futures" voted bond proposal. Investigate alternative funding approach Package Marina, Public Pier and Goldie Road Sewer (Port District).

Table 7.2. Priority Non Enterprise Capital Facilities Implementation Plan (continued)

Priority	Facility Description	Implementation Issues	Implementation Recommendations
9	**Windjammer RV Park Development** The project will be located on the west side of S. Beeksma Drive, north of Dillard's Addition subdivision. Cost—$3,720,000 / Gap—ALL Proposed Timeframe for Action— ~~2011~~2013 | 2014~~2~~ | 2015~~3~~ | 2016~~4~~ | 2017~~5~~ | 2018~~6~~ | | | | |	**Challenges—** Large gap. Grants and loans are limited. **Opportunities—** Potential revenue generation.	Investigate utilizing revenue stream to service bonds. Evaluate privatizing the operation.
10	**Freund Marsh Improvements** The project is located within the Freund Marsh property, south of SW Bayshore Drive and west of Beeksma Drive. Cost—$1,700,000 / Gap—ALL Proposed Timeframe for Action— ~~2011~~2013 | 2014~~2~~ | 2015~~3~~ | 2016~~4~~ | 2017~~5~~ | 2018~~6~~ | | | | |	**Challenges—** Large gap Grants and loans are limited. **Opportunities—** Community involvement possible.	Combine with # 13 Trail Extensions at Freund Marsh. **Funding Options—** Investigate possible "Environmental Heritage" voted bond proposal. Consider a Parks' Levy.

<table>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>11</td><td>Land Acquisition for Future Park Development
Developable land within close proximity to the City.

Cost—$4,000,000 / Gap—all

Proposed Timeframe for Action—
<table>
<tr><td>~~2011~~2013</td><td>2014~~2~~</td><td>2015~~3~~</td><td>2016~~4~~</td><td>2017~~5~~</td><td>2018~~6~~</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td>X</td></tr>
</table></td><td>Challenges—
Grants and loans are limited.

Opportunities—</td><td>Funding Options—
Consider a Levy Lid Lift.</td></tr>
</table>

Table 7.2. Priority Non Enterprise Capital Facilities Implementation Plan (continued)

Priority	Facility Description	Implementation Issues	Implementation Recommendations
12	**New Senior Center** Unknown. Cost— $5,200,000/ Gap— $5,200,000 Proposed Timeframe for Action— ~~2011~~2013 | 2014~~2~~ | 2015~~3~~ | 2016~~4~~ | 2017~~5~~ | 2018~~6~~ | | | | | |	**Challenges—** The gap is large. Grants and loans are limited. **Opportunities—**	**Funding Options—** Investigate the possibility of a voted bond issue.
13	**Trail Extensions at Freund Marsh** Freund Marsh, off of Beeksma Drive. Cost—$162,000 / Gap—$100,000 Proposed Timeframe for Action— ~~2011~~2013 | 2014~~2~~ | 2015~~3~~ | 2016~~4~~ | 2017~~5~~ | 2018~~6~~ | ~~X~~ | | ~~X~~ | ~~X~~ |	**Challenges—** Grants and loans are limited. **Opportunities—**	Combine with # 10 Freund Marsh Improvements. **Funding Options—** Investigate possible "Environmental Heritage" voted bond proposal. Consider a Levy Lid Lift.

Table 7.2. Priority Non Enterprise Capital Facilities Implementation Plan (continued)

<table>
<tr><th>Priority</th><th>Facility Description</th><th>Implementation Issues</th><th>Implementation Recommendations</th></tr>
<tr><td>14</td><td>Special Events Center
The project is conceptually located at the intersection of SE Bayshore Drive and SE City Beach Street.

Cost—$10,030,000 / Gap—ALL

Proposed Timeframe for Action—
<table><tr><td>~~2011~~2013</td><td>2014~~2~~</td><td>2015~~3~~</td><td>2016~~4~~</td><td>2017~~5~~</td><td>2018~~6~~</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr></table></td><td>Challenges—
The gap is large.
Grants and loans are limited.

Opportunities—
Private participation is likely.</td><td>Investigate privatizing project.
Investigate a public/private partnership.</td></tr>
<tr><td>15</td><td>New City Animal Shelter
City owned property on Technical Drive.

Cost—$540,000 / Gap—ALL

Proposed Timeframe for Action—
<table><tr><td>~~2011~~2013</td><td>2014~~2~~</td><td>2015~~3~~</td><td>2016~~4~~</td><td>2017~~5~~</td><td>2018~~6~~</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr></table></td><td>Challenges—
The gap is large.
Grants and loans are limited.

Opportunities—
The City is exploring options to accommodate/retain the facility on Navy Property.</td><td>Funding Options—
Consider a Levy Lid Lift.</td></tr>
</table>

Appendix A • The Capital Improvements Planning Process

Capital Improvements Planning Process Goal

The City of Oak Harbor Capital Improvements Planning Process shall result in a six year Capital Improvements Plan. The process will involve the staff, public, affected community agencies, and elected officials. It identifies the community's public capital facility needs, prioritizes those needs and identifies an appropriate funding strategy for each.

The planning goal above was adopted by the Capital Improvements Plan Working Group (WG) at their first meeting, July 18, 2006. This group was convened by the Mayor as part of the capital facilities planning process budgeted for and approved by City Council for completion in FY 2006. It was comprised of all City of Oak Harbor Department Heads and their designated staff. The Working Group (WG) met a total of six times. The work program approved by the WG was aggressive, ambitious, and tightly scheduled.

The Planning Process

These major work elements were pursued to complete this document:

Task I. Inventory Existing Capital Facilities.

City departments and functional areas inventoried all capital facilities with a value of more than $50,000 and a useful life of at least 20 years. Location of the facility, original cost, replacement cost and condition were identified where possible.[15]

Task II. Establish Appropriate Level of Service Standards (LOS) and Identify the Community Demand for New Capital Facilities.

Departments reviewed the current LOS[16] and determined their continued utility. Plans and strategies were consulted for facility needs. The Comprehensive Plan Citizen Advisory Committee, acting as a community sounding board, discussed, review and commented on LOS. In addition, staff met with key community stakeholders to ascertain their views and opinions on capital facilities needs.

Task III. Identify Capital Facilities Shortfall Between Level of Service Standards (Demand) and Existing Facilities.

WG members compared the current capital facilities list with the needs identified when reviewing LOS and adopted plans and strategies. A shortfall of needed capital projects was identified.[17]

---

[15] For more about existing capital facilities, see Section Three and Appendix B.

[16] For more about Level of Service Standards (LOS), see Section Four.

[17] For more about capital projects needed, see Section Five.

Task IV. Estimate Financial Resources Needed to Meet Capital Facilities Shortfall.

WG members were asked to submit New Capital Facilities Request Forms[18] for projects they felt should be funded over the next six years. On that form, WG members were asked to estimate total construction cost, operational expenses and revenue, timeframe for construction and anticipated funding sources for each project.

Task V. Identify, Analyze and Prioritize Financial Resources Available to the Community for Capital Facilities.

The City's Finance Director and Funding Strategist identified all possible funding sources for the proposed new capital facilities. Sources were reviewed for appropriateness, utility, and timeliness.

Task VI. Prioritize Capital Facilities and Match Appropriate Existing Community Resources.

The WG met on October 27, 2006 and, using ten evaluation criteria[19] that were developed at an earlier meeting, prioritized the non enterprise new capital facility requests. The financial analysis performed in Task V served as a guide for the Finance Director and Funding Strategist to match community resources to the prioritized new non–enterprise funded capital facilities.

[18] For a complete listing of requested capital facilities, see Appendix C.

[19] For a list of the evaluation criteria and the ranking matrix used to prioritize the non enterprise capital facilities requests, see Section Five and Appendix D.

Appendix B • 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 37 intersections in 2007. Daily traffic volume counts were also conducted at 23 locations. The table below summarizes the existing LOS calculated for each of the intersections and roadway section surveyed.

Table B.1. 2007 Level of Service Standards for Traffic

Peak Hour Signalized Intersections	2007 LOS
SR 20/Ault Field Road	C
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/SE Barrington Drive	C
SR 20/W Pioneer Way/Beeksma	D
SR 20/SW Erie Street	C
SR 20/Swantown Road	D
Ault Field Rd/Goldie Road	C
Ault Field Rd/Langley Road	B
Whidbey Ave/Heller Road	B
Whidbey Ave/Oak Harbor Street	C
Whidbey Ave/Midway Boulevard	C
SE 8th Ave/Midway Boulevard	A
W Pioneer Way/City Beach Dr	A
W Pioneer Way/Midway Boulevard	C
Ft Nugent Rd/Swantown Road	B

Peak Hour Signalized Intersections	2007 LOS
State Route 20	
Ault Field to Regatta Dr	A
Regatta Dr and Goldie St	C
Goldie St to 3rd Ave	A
3rd Ave to Barrington Dr	B
Barrington Dr to Pioneer Way	A
Erie St to Beeksma	D
Swantown Ave and Erie St	D
Swantown Road	
Ft Nugent Ave to SR 20	B
Heller Road to Ft Nugent Ave	A
Heller Road/Ault Field Road	
Ault Field Rd to Crosby Rd	A
Whidbey Ave and 6th	A
6th Ave and Barrington Ave	A
Pioneer Way	
City Beach and Dock Street	A
Dock Street to Midway	A
Midway to Regatta	A
Barrington Drive	
SR 20 to SE 8th	A
Midway Blvd	
Whidbey Ave and 6th Street	A
SE 8th Ave and Pioneer Way	A
Whidbey Avenue	
Heller to Oak Harbor Road	A
Oak Harbor Rd to SR 20	B
SR 20 to Midway	A
Midway to Regatta Drive	A
Crosby Avenue, Heller to Oak Harbor	A
Oak Harbor Road	
Ault Field to Crosby	A
Crosby to Whidbey	C
Goldie Road	
Ault Field to SR 20	A

Wastewater Inventory and Conditions Survey 2006

Table B.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 B.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—2006

Table B.4. Distribution System

Age (yrs.)→ Size (in.) ↓	0–20	21–30	31–40	41–50	51–60
4	28	400	2659	2371	12325
6	788	21851	33889	17766	9433
8	142832	42070	25470	7055	3555
10	15817	4183	7435	6136	2720
12	30262	10605	8212	150	0
16	10720	454	0	0	0
24	0	61852	0	0	0

Note: Numbers above are linear feet.

Table B.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	.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

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

Street Inventory And Conditions Survey 2006

Table B.6. Street Conditions

Classification	100-90	89-80	79-70	69-60	59-50	<49
Major Arterial	State owned/maintained					
Minor Arterials	7.4	30.3	11.3	3.3	0.3	0.0
Collectors	5.5	8.8	2.0	0.4	0.2	0.6
Residential	49.3	31.2	15.8	7.5	1.5	0.2

Storm Water Drainage Inventory And Conditions Survey 2006

Table B.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, 2006

Table B.8. Capital Assets Inventory and Conditions

Managing Department	Description	Address	Original Cost	Replacement Cost	Size Sq. Ft.	Year Built	Condition 1-10/10 best	Replacement Year
ADMINISTRATION								
	BIG BROTHER HOUSE	913 E. WHIDBEY AVE.	$98,252	$ 284,761	900	1970	5	NA
	CADA RENTAL HOUSE	845 SE IRELAND DRIVE	$52,559	$ 370,028	800	1940	NA	NA
	SWIMMING POOL	85 SE JEROME ST.	$412,500	NA	0	NA	NA	NA
	YACHT CLUB	1301 SE CATALINA	$250,000	NA	1,000	NA	NA	NA
	CITY HALL	865 SE BARRINGTON DR.	$1,219,943	$ 6,577,507	14,000	1949	NA	1999
	LIBRARY	100 E. REGATTA DRIVE	$1,273,080	$ 1,869,560	12,100	1993	NA	NA
	RENTAL HOUSE	945 E. WHIDBEY AVE.	$70,943	$ 320,338	900	1955	NA	NA
	RENTAL HOUSE	935 E. WHIDBEY AVE.	$79,567	$ 171,593	900	1980	NA	NA
	RENTAL HOUSE A & B	1045 IRELAND DRIVE	$117,155	$ 824,172	400	1940	NA	NA
FIRE								
	FIRE DEPARTMENT	855 E WHIDBEY AVE.	$2,527,800	$ 3,823,524	21,000	1992	NA	2042
	FIRE DEPT. TRAINING TOWER	855 E. WHIDBEY AVE.	$250,000	$ 378,147	2,100	1992	NA	NA
MARINA								
	MARINA - DRY SHEDS	1401 SE CATALINA DR.	$94,900	$ 210,000	NA	NA	6	TBD
	MARINA - FUEL TANK	1401 SE CATALINA DR.	$360,309	$ 500,000	NA	NA	8	2020
	MARINA - HARBORMASTER BUILDING	1401 SE CATALINA DR.	$119,009	$ 350,000	NA	NA	4	TBD
	MARINA - MACHINERY & EQUIPMENT	1401 SE CATALINA DR.	$1,330,100	$ 3,500,000	NA	NA	6	2010
	MARINA - WET STORAGE	1401 SE CATALINA DR.	$916,451	Incl. in next line item	NA	NA	4	2008
	MARINA DOCKS & BREAKWATER	1401 SE CATALINA DR.	$3,179,718	$ 19,294,809	166,000	1974	4	2008
PARKS								
	BEEKSMA GATEWAY PARK	1501 BEEKSMA DR.	NA	NA	.5 ACRES	NA	NA	NA
	BEEKSMA GATEWAY	1501 S. BEEKSMA DR. (.25 ACRE)	$160,581	NA	NA	NA	7	NA
	CITY BEACH PARK	BAYSHORE DRIVE	NA	NA	28.5 ACRES	NA	NA	NA
	CITY BEACH PARK - BALLFIELDS	BAYSHORE DRIVE	$75,000	NA	NA	NA	6	NA
	CITY BEACH PARK BATHHOUSE & SHOWER	BAYSHORE DRIVE	$100,000	NA	NA	1980	6	NA
	CITY BEACH PARK COMFORT STATION	BAYSHORE DRIVE	$117,823	NA	NA	NA	6	NA
	CITY BEACH PARK WINDMILL	BAYSHORE DRIVE	$77,668	NA	NA	1980	6	NA
	CITY BEACH PARK KITCHEN A & B	BAYSHORE DRIVE	$75,000	NA	NA	NA	6	NA
	CITY BEACH PARK RESTROOMS	BAYSHORE DRIVE	$100,000	NA	NA	1980	6	NA
	CITY BEACH PARK KITCHEN C	BAYSHORE DRIVE	$75,000	NA	NA	1980	6	NA
	CITY BEACH PARK POOLS & LIGHTING	BAYSHORE DRIVE	$977,684	NA	NA	NA	6	NA
	FIRESIDE PARK	NA	NA	NA	1.2 ACRES	NA	NA	NA
	FLINTSTONE /MINI HARBOR PARK	NA	NA	NA	1.5 ACRES	NA	NA	NA
	FLINTSTONE PARK RESTROOMS	FLINTSTONE PARK	$90,000	NA	NA	NA	NA	NA
	FREUND MARSH	ERIE STREET/BEEKSMA DRIVE	NA	NA	35.0 ACRES	NA	NA	NA
	FT NUGENT PARK PLAYGROUND	NA	NA	NA	40 ACRES	NA	NA	NA
	FT. NUGENT PARK - BALLFIELDS	2075 SE FT. NUGENT AVE.	$121,687	NA	0	NA	9	NA
	FT. NUGENT PARKING LOT	2075 SE FT. NUGENT AVE.	$307,300	NA	0	NA	9	NA
	FT NUGENT PARK PLAYGROUND	FT. NUGENT	$ 170,000	$ 170,000		2006	9	NA
	LUECK PARK	NA	NA	NA	1.5 ACRES	NA	NA	NA
	LUECK PARK EQUIPMENT	1270 SW BARRINGTON	$89,013	NA	0	NA	6	NA
	KIMBALL MEMORIAL PARK	NA	NA	NA	.8 ACRES	NA	NA	NA
	KOETJE PARK	500 NE ELLIS	NA	NA	3.5 ACRES	NA	NA	NA
	HAL RAMALY DISPLAY PARK	526 SE BAYSHORE DRIVE (.5 ACRES)	$78,800	NA	.5 ACRES	NA	9	NA

Managing Department	Description	Address	Original Cost	Replacement Cost	Size Sq. Ft.	Year Built	Condition 1-10/10 best	Replacement Year
PARKS								
	HOLLAND GARDENS & GIRL SCOUT HUT	759 SE 4TH AVE.	$63,654	$ 184,487	600	1970	NA	NA
	MARINA PARK	NA	NA	NA	2.9 ACRES	NA	NA	NA
	MEADOW RIDGE PARK	1577 NW 8TH AVE.	NA	NA	.5 ACRES	NA	NA	NA
	NEIL PARK EQUIPMENT	NEIL PARK (3.5 ACRES)	$120,000	NA	0	NA	NA	NA
	NEIL WATER TOWER	NE BARRON	$100,000	$ 1,096,012	400	1925	9	NA
	RED WING PARK	NA	NA	NA	1.0 ACRES	NA	NA	NA
	RIDGEHAVEN PARK	NA	NA	NA	.8 ACRES	NA	NA	NA
	HAWTHORNE PARK	NA	NA	NA	.35 ACRES	NA	NA	NA
	HOLLAND GARDEN/NEIL PARK	NA	NA	NA	3.5 ACRES	NA	NA	NA
	RIDGEWOOD PARK	NA	NA	NA	5.8 ACRES	NA	NA	NA
	RUTH COHEN MEMORIAL PARK	NA	NA	NA	5.0 ACRES	NA	NA	NA
	RUTH COHEN PARK EQUIPMENT	1678 SW 8TH AVE. (5 ACRES)	$56,250	NA	0	NA	6	NA
	SHADOW GLEN PARK	385 NW DORY DRIVE	NA	NA	.8 ACRES	NA	NA	NA
	SHADOW GLEN PARK EQUIPMENT	385 NW DORY DRIVE	$50,000	NA	0	NA	6	NA
	SKATEBOARD PARK - NORTH WHIDBEY	175 SE JEROME ST.	$67,330	$ 75,780	0	2002	6	NA
	SMITH PARK	NA	NA	NA	5.0 ACRES	NA	NA	NA
	SMITH PARK EQUIPMENT	SMITH PARK (9 ACRES)	$152,000	NA	0	NA	7	NA
	SPRING TREE PARK	NA	NA	NA	1.5 ACRES	NA	NA	NA
	SR-20 POCKET PARKS	NA	NA	NA	.25 ACRES	NA	NA	NA
	SUMMER PARK	NA	NA	NA	4.0 ACRES	NA	NA	NA
	TYHUIS PARK	NA	NA	NA	.8 ACRES	NA	NA	NA
	VFW PARK	NA	NA	NA	.8 ACRES	NA	NA	NA
	VOLUNTEER SKATE PARK	175 SE JEROME	NA	NA	6.0 ACRES	NA	NA	NA
	VOLUNTEER PARK EQUIP - BALLFIELDS	175 SE JEROME ST. (6 ACRES)	$93,562	NA	NA	NA	7	NA
	WELL SITE #10	NA	NA	NA	.5 ACRES	NA	NA	NA
PUBLIC WORKS								
	NEW CITY SHOP	1400 NW 16TH AVE.	$4,562,427	$ 5,779,546	48,000	1998	NA	NA
	OLD CITY SHOP	1000 SE CITY BEACH ST.	$62,205	$ 209,002	4,000	1965	NA	Replaced
POLICE								
	ANIMAL SHELTER	NAS WHIDBEY BLDG 297	$100,000	$ 165,285	4812	1989	4	NA
	POLICE DEPARTMENT/I-COM	860 SE BARRINGTON	$1,764,714	$ 2,669,288	12,000	1992	NA	NA
SENIOR CENTER								
	SENIOR CENTER	51 SE JEROME	715,181	$ 4,100,000	6,800	1986	7	2011 - 2012
	SENIOR CENTER GARAGE	51 SE JEROME	UNKNOWN	NA	900	1940/60	2	NA
	SKYLINE GREENBRIAR MANUFACTURED HOME	917 E. WHIDBEY AVE	$138,572	$ 155,964	2,100	2002	NA	NA

Managing Department	Description	Address	Original Cost	Replacement Cost	Size Sq. Ft.	Year Built	Condition 1-10/10 best	Replacement Year
SOLID WASTE								
	RECYCLE TRANSFER STATION	GOLDIE ROAD	$207,990	$ 248,350	NA	2000	9	NA
STREETS								
	INTERSECTION LIGHTING	ALL OTHERS	$2,800,000	NA	NA	NA	7	NA
	INTERSECTION LIGHTING	HELLER/CROSBY	$391,272	NA	NA	NA	9	NA
	LIGHT POLES	VARIOUS LOCATIONS	$411,680	NA	NA	NA	6	NA
	PARKING LOT	IRELAND	$60,000	NA	NA	NA	5	NA
	PARKING LOT	DOCK STREET & PIONEER	$60,000	NA	NA	NA	6	NA
	STREET SIGNS	VARIOUS LOCATIONS	$115,519	NA	NA	NA	7	NA
	CABOT DRIVE HANDRAILS, LIGHTING	CABOT DRIVE	$270,000	NA	NA	NA	NA	NA
WASTEWATER								
	TAFTSON LIFT STATION	1289 NE TAFTSON	$40,000	$ 81,312	100	1982	6	2012
	TREATMENT PLANT	1501 CITY BEACH	$2,121,800	$ 6,149,567	5,800	1970	2	NA
	CABOT STREET LIFT STATION	281 S.E. CABOT DR.	$40,000	$ 72,244	100	1986	5	2016
	CAPITAL STREET LIFT STATION	2831 SW CAPITAL ST.	$40,000	$ 57,030	100	1994	8	2024
	NE 7TH LIFT STATION	638 NE 7TH AVE.	$89,000	$ 230,699	100	1993	8	2023
	NE 9TH LIFT STATION	2085 NE 9TH AVE.	$40,000	$ 76,644	100	1984	3	2014
	PIONEER WAY LIFT STATION	1561 SE PIONEER WAY	$940,208	$ 2,890,936	100	1968	5	1998
	CROSBY ROAD LIFT STATION	1765 NW CROSBY RD.	$62,000	$ 88,397	100	1994	7	2024
	DIVERSION PUMP STATION	1501 CITY BEACH ST.	$250,000	$ 378,147	0	1991	6	NA
	EAST PARK LIFT STATION	2330 SW ROSARIO DR.	$61,000	NA	100	2001	2	2031
	GOLF COURSE LIFT STATION	980 S.W. UPLAND CT.	$152,494	$ 198,970	100	1997	8	2027
	LAGOON NAS	TREATMENT PLANT	$2,121,800	$ 3,115,935	8,845	1993	4	NA
WATER								
	REDWING PUMP STATION	REDWING	$550,000	$ 583,495	748	2004	9	NA
	STORAGE TANK #2	HELLER (.5 MILLION GAL)	$400,000	$ 1,425,806	1256	1963	6	NA
	STORAGE TANK #3	REGATTA (.5 MILLION GAL.)	$400,000	$ 1,604,758	1256	1959	4	NA
	STORAGE TANK #4	HELLER (2 MILLION GAL.)	$1,500,000	$ 3,640,894	5024	1976	7	NA
	AULT FIELD PUMP STATION	AULT FIELD	$253,710	$ 653,324	1539	1974	7	2024
	WELL #11	LUECK PARK (5.8 ACRES)	$39,004	$ 139,030	240	1977	7	NA
	WELL #9, KIMBALL	580 SW HELLER ST. (.8 ACRES)	$17,204	$ 65,059	144	1961	7	NA
	WESTSIDE BOOSTER PUMP STATION	WESTSIDE	$113,451	$ 187,517	256	1989	8	NA

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 C • List of Needed Capital Facilities

Non-Enterprise Funded—Future Capital Facility Needs

Table C.1. Streets/Roads Needed (Non-Enterprise Funded)

Projects	Estimated Total Costs	Schedule							
		2011~~0~~	~~2011~~2012	2013~~2~~	2014~~3~~	2015~~4~~	2016	2017	2018~~6~~
~~Pioneer Way - City Beach St - Midway Blvd~~	~~$8,350,000~~	~~$700,000~~	~~$7,650,000~~						
NE 7th Avenue reconstruction	$~~2,800,000~~4,140,000			~~65,000~~$470,000	~~233,000~~$470,000	~~517,000~~$3,200,000	~~1,985,000~~		
Oak Harbor Multimodal Facility	$~~0~~8,709,624								
SE Fourth - Ely Street to Midway Blvd	$2,300,000					~~$276,000~~	$276,000~~$2,024,000~~	$2,024,000	
SR-20 Improvements - Beeksma Dr to Swantown Ave	$~~13,000,000~~29,900,000								~~$13,000,000~~
Whidbey Avenue reconstruction	$8,300,000						~~$996,000~~		$996,000~~$7,304,000~~
Midway Blvd/NE 7th Avenue intersection	$825,000						~~$99,000~~	$99,000	$726,000
SW Heller St improvements	$7,630,000						~~$915,600~~		$915,600~~$6,714,400~~
SW Eagle Vista Ave extension west of SR-20	$2,800,000						~~$336,000~~		~~$2,464,000~~
Local Street Overlays	$2,350,000			~~$400,000~~	$400,000	$400,000~~$500,000~~	$500,000	$500,000	$550,000
Total	$~~48,355,000~~66,954,624	$~~0~~700,000	$~~7,650,000~~0	$~~465,000~~470,000	$~~633~~870,000	$~~1,293,000~~3,600,000	$~~6,855,600~~776,000	$2,623,000	$~~30,758,400~~3,187,600

Table C.2. Parks and Recreation Projects Needed (Non-Enterprise Funded)**Projects**	**Estimated Total Costs**	**Schedule**						
		~~2011~~2012	**2013~~2~~**	**2014~~3~~**	**2015~~4~~**	**2016~~5~~**	**2017~~6~~**	**2018~~7~~**
Neighborhood Park playground replacements and irrigation installation	$250,000		$50,000	$62~~50~~,000	$50,000	$50,000	$50,000	$50,000
Windjammer Park								
• Lagoon bridge	$150,000			$150,000	-			
• RV park Upgrades	$1,240,000		~~$40,000~~	~~$1,200,000~~			$40,000	$1,200,000
• Splash Park	$250,000			$250,000	~~$250,000~~			
• Existing Building replacements	$815,000	$~~10,000~~0	$~~200~~89,000	~~$200,000~~	~~$120,000~~	~~$120,000~~	$~~75~~120,000	$75,000
Scenic Heights Trailhead	$370,000	$36,000						
Trail extensions at Freund Marsh.	$162,000			~~$62,000~~		~~$50,000~~	~~$50,000~~	
Land Acquisition								
• Open space land acquisition next to Ft. Nugent Park	$250,000		~~$250,000~~	$250,000				
• Neighborhood Park - Scenic Heights, other property acq	$450,000		~~$250,000~~	$250,000	~~$100,000~~	$100,000	~~$100,000~~	$100,000
• Open Space/Community Park - North of Crosby and west of Oak Harbor	$4,000,000						~~$4,000,000~~	$4,000,000
Ft Nugent Park kitchen shelters and trail lighting	$67,000	~~$3000~~	$3~~64~~,000	$64,000				
Trail developments/links opportunities - Park Plan	$250,000		~~$50,000~~	$50,000	$50,000	$50,000	$50,000	$50,000
Total	**$7,880,000**	$~~49~~36,000	$142,000.00 ~~$854,000~~	$1,076,000.00 ~~$1,712,000~~	$100,000.00 ~~$570,000~~	**$200,000.00 ~~$270,000~~**	$260,000.00 ~~$4,325,000~~	**$5,475,000.00 ~~$175,000~~**

Table C.3. Windjammer Project (Non-Enterprise Funded)

Project Name	Location	Project Timeframe	Estimated Cost (000)
Freund Marsh	The project is located within the Freund Marsh property, south of SW Bayshore Drive and west of Beeksma Drive.	2013	$162/$1,700
~~Pioneer Way Reconstruction and Streetscape~~	~~The project is located along SE Pioneer Way from SE Midway Boulevard to SE City Beach Street.~~	~~2010/2011~~	~~$8,350~~
RV Park Development	The project will be located on the west side of S. Beeksma Drive, north of Dillard's Addition subdivision.	2016-2018~~3~~	$620/$2,800
Special Events Center	The project is conceptually located at the intersection of SE Bayshore Drive and SE City Beach Street.	~~2016 -~~ To be determined	$1,203/$8,826
Windjammer Park Redevelopment	The project site is located within the existing Windjammer Park boundaries (from Beeksma Drive to City Beach Street, along the waterfront).	2016 -	$600/$4,372/$4,372
Oak Harbor Municipal Pier	The pier itself will overlay the current location of the City dinghy dock, on tideland property owned by the City.	~~2010/2014~~To be determined	$$8,709

Table C.4. Marina (Non-Enterprise Funded)

Project Name	Location	Project Timeframe	Estimated Cost (000)
Oak Harbor Marina Redevelopment	City of Oak Harbor Marina, 1401 SE Catalina Drive.	~~2009~~2012/~~2013~~2018	$19,500

Table C.5. General Administration (Non-Enterprise Funded)

Project Name	Location	Project Timeframe	Estimated Cost (000)
New City Animal Shelter	The City owns land on Technical Drive that is currently being utilized as an off-leash park	2016 -	$507
New Senior Center	Unknown at this time	2016 -	$5,2000

Table C.6. Fire (Non-Enterprise Funded)

Project Name	Location	Project Timeframe	Estimated Cost (000)
New West Side Fire Station	It is projected that the station would be located in the SW section of the City as we would continue to work closely with North Whidbey Fire & Rescue to provide services.	~~Unknown~~To be determined	$3,200

Enterprise Funded—Future Capital Facility Needs

Table C.7. Wastewater System Needs (Enterprise Funded)

Projects	Estimated Total Costs	Schedule						
		2012~~0~~	~~2011~~2013	2014~~2~~	2015~~3~~	2016~~4~~	2017~~5~~	2018~~6~~
Balda/waterloo gravity ext	$633,000	~~$633,000~~	-	-	$633,000~~-~~	-	-	-
Treatment plant Facilities Plan	$1,089,570	$1,089,570~~-~~	~~$1,089,570~~	-	-	-	-	-
Wastewater Treatment Plant – Design and construction	$70,000,000	-	$2,000,000	$2,000,000~~-~~	-	$13,000,000~~-~~	$12,000,000 ~~$4,000,000~~	~~$25,000,000~~
Biosolids removal (lagoon Treatment	$587,000	-	$290,000 ~~$290,000~~	-	$297,000 ~~$297,000~~	-	-	-

facility)								
Goldie Road sewer expansion phase 2	$2,350,000	-	-	$150,000	$2,200,000	-	$150,000-	$2,200,000-
Technical Drive Sewer							$34,000	$228,000
Sewer Rehab on Pioneer way	$1,000,000	$1,000,000	-	-	-	-	-	-
RBC force main corrosion study	$100,000	-	$100,000	-	-	-	-	-
Sewer line replacements	$1,170,000	$150,000 $150,000	$160,000 $160,000	$160,000 $160,000	$170,000 $170,000	$170,000 $170,000	$180,000 $180,000	$180,000 $180,000
Total	**$75,829,570 $76,929,570**	**$$1,239,570. 001,783,000**	**$$2,450,000. 001,639,570**	**$$2,160,000 .00310,000**	**$$1,100,000. 002,667,000**	**$$13,170,00 0.00170,000**	**$$12,364,000 .004,180,000**	**$$2,608,000. 0025,180,000**

Table C.8. Water System Needs (Enterprise Funded)

Projects	Estimated Total Costs	Schedule						
		2011 2012	2013 2	2014 3	2015 4	2016 5	2017 6	2018
North Reservoir Connection Mains	$1,444,000 $2,490,900	$1,444,000	$2,490,900					
North Reservoir	4,620,000 $3,623,000	$223,000	$3,400,000 4,620,000					
Ault Field Pump Station Alterations	$100,000		$100,000					
North Booster Pump Station	$1,900,000				$855,000	$855,000 $1,045,000	$1,045,000	
N.E. Pressure Transmission Main	$2,145,500				$1,072,750	$1,072,750 $1,072,750	$1,072,750	
N.E. O'Leary Pressure Zone Main and Connections	$852,000				$213,000	$213,000 $639,000	$639,000	

West Side Reservoir Connection to Mainland Zone	$780,000			~~$780,000~~	$780,000				
Main Replacement	$950,000	~~$175,000~~	$175,000 ~~$187,500~~	$187,500 ~~$187,500~~	$187,500 ~~$200,000~~	$200,000 ~~$200,000~~	$200,000		
West Pressure Transmission Main	$1,426,000					~~$1,426,000~~	$1,426,000		
Total	**$14,217,500.00 ~~$14,267,400~~**	**$1,444,000.00 ~~$398,000~~**	**$4,895,000.00 ~~$6,178,400~~**	**$187,500.00 ~~$967,500~~**	**$967,500.00 ~~$2,340,750~~**	**$2,340,750.00 ~~$4,382,750~~**	**$4,382,750.00**	**$0**	**$ 0.00**

Table C.9. Stormwater System Needs (Enterprise Funded)

Projects	Estimated Total Costs	Schedule						
		~~2011~~2012	2013~~2~~	2014~~3~~	2015~~4~~	2016~~5~~	2017~~6~~	2018
Liszak outfall.	$155,000				$155,000			
42-in. storm drain (Windjammer Park).	$1,200,000		$200,000	$1,000,000				
Freund Marsh stormwater improvements.	$238,000	$40,000		$198,000				
Total	**$2,243,000**	**$40,000**	**$200,000**	**$1,198,000**	**$155,000**	**$0**	**$0**	

~~Table C.10. General Administration (Enterprise Funded)~~

~~Project Name~~	~~Location~~	~~Project Timeframe~~	~~Estimated Cost (000)~~
~~**Fuel Island upgrade.**~~	~~Public Works Shop-1400 NE 16th Avenue~~	~~2010~~	~~$80~~

Appendix D • Capital Facility Prioritization Process

This appendix contains:

- The New Capital Request Forms (for 16 projects) submitted by the departments in response to the CIP process of 2006.
- The evaluation criteria applied to each new request submitted by the departments.
- The rating score sheet used by the Working Group.

CITY OF OAK HARBOR
CAPITAL IMPROVEMENTS PLAN

NEW CAPITAL FACILITIES REQUEST FORM

Please complete the following as carefully as possible. It is not important to replicate this form but do use the information headings given. Remember the criteria by which the project will be evaluated as you complete this form. The project staff will recast this information for distribution if necessary.

Narrative Section—Oak Harbor Marina Redevelopment

Description—

The Oak Harbor Marina Redevelopment program is as follows. Oak Harbor's City-operated marina was originally constructed in 1974 and has been self sustaining since that time. This valuable asset has contributed to business, growth, tourism, and the community's identity for over 30 years, and is a key/critical component in future redevelopment of the Oak Harbor waterfront. Its redevelopment constitutes one of the "bookends" of the Windjammer Program. Due to its age and significant shifts in the marina market since construction, the marina has a number of critical issues which must be addressed to preserve its value as part of the Cities infrastructure and economic engine. An extensive master planning process was undertaken in 2005 – 2006. The resulting Redevelopment Program which best met the needs of multiple stakeholders, and the goals set forth by the City, was adopted as an official plan of the City on July 5, 2006. Since that time it has become evident that the complete package of projects as outlined in the redevelopment program may not be fundable. A level of downscoping and phasing will be necessary to develop the final project to be carried forward. Project permitting is anticipated to take 18 months - two years from the present. Construction of major project components would begin two years from present following completion of permitting. Refer to the "Oak Harbor Marina Redevelopment Program" for additional project information.

Location—

City of Oak Harbor Marina, 1401 SE Catalina Drive.

Justification—

Due to its age and significant shifts in the marina market since construction, the marina has a number of critical issues which must be addressed which include:

Slips are not sized to meet current market demands, resulting in ever increasing vacancy rates.

Docks A–E and the main approach docks are approaching the end of their useful life and have deteriorated significantly, requiring increasing maintenance and repair to remain safe and functional. Condition of facility makes it difficult for the City to optimize revenue generated by moorage rates which are currently below market.

The marina's electrical system is functionally obsolete, aging, and poses potential safety risks.

The marina's fire system does not meet current code requirements.

The facility does not meet current ADA guidelines and cannot be considered handicap accessible.

Siltation has affected most of the marina basin, and has resulted in the grounding of floats and vessels in areas at low tide.

Tier One

Required by law—The redevelopment of the marina is not mandated by any law. It should be noted however that there are elements of the existing facility which do not meet a number of current codes and standards.

Public health and safety—Redevelopment of the marina will provide a safer facility that complies with current code(s) and standards, in particular electrical, fire, ADA, and dredge depths.

Preserves existing assets—The Marina is an incredible community asset (currently fully paid for and debt free without the use of taxpayer dollars) in desperate need of redevelopment / preservation. Redevelopment is necessary because the marina market has shifted over the past 30+ years so the marina can no longer meet current and future demand and thus optimize revenue. Redevelopment is also necessary because of the physical condition of the 32 year old facility is degraded as outlined above. Preservation and improvement of the marina is not just saving a facility; it is preserving a part of the City's identity that is integral to the community's connection to the water and long term plans for the future. Reinvestment in the facility is essential to preventing this historically outstanding City asset from becoming a liability.

Tier Two

Impact on future operating budgets—A redeveloped marina will increase its net revenue by better meeting market needs at market competitive rates. The new marina will support its own operations and maintenance (as always) and repay any revenue bonds utilized in its construction. Revenue bonding will pay for a large portion of, but not the entire redevelopment costs. Operations and maintenance costs of the existing facility will continue to increase with time due the facilities age and necessary repairs. The redeveloped marina will provide a strong catalyst for future revenue generating upland development projects. The new marina would bring additional business/spending into the community estimated at $5.2 million per year (with the associated tax revenue) not including moorage fees. Currently the marina brings an estimated $3.2 million per year of additional business/spending in, but this will decrease over time if the marina is not redeveloped.

The Marina is capable of generating significant revenue, and has proven its ability to discharge debt service and cover annual operating costs.

Community wide benefit—The marina is currently Oak Harbor's primary – and only - significant connection to the water. The marina has provided a door through which thousands of people have visited Oak Harbor. The marina has enabled, and continues to foster, a vibrant boating community. The marina has brought new residents to the community.

Advances community/council goals and objectives—As a minimum the marina clearly supports the following key Council goals for the City:

- Promote a healthy and growing business community.
- Improve the appearance and livability of the community.
- Protect and enhance capital investment in the City.

Tier Three

Enhances or protects the natural environment—A healthy marina, with floats, pilings and utilities that are sound, fully functioning and compliant with code, does a better job of protecting the marine environment and ecosystems that exist in Oak Harbor Bay.

Enhances or protects the cultural, educational and social environment—The Oak Harbor Marina has served as an important center for community social activities for over 32 years. The Oak Harbor Yacht Club exists on City property because of the availability of the marina. Additionally, the marina has traditionally supported a State-sponsored salmon net pen rearing project that annually releases 30,000 young Coho into the waters of Puget Sound. This project is possible because of the existence of the marina float system. The marina has been a destination for field trips by classes from elementary and high school, as well as Skagit Valley College. It is a marine laboratory for Skagit Valley College's marine technology program as well. A thriving youth sailing association is teaching many people of all ages the skills and fun of sailing.

Provides community economic benefit—Oak Harbor Marina is one of the City's primary economic engines. The marketing professional on our master planning team estimates the marina's current contribution in direct revenue to the greater Oak Harbor retail and business community at $3.2 million per year, not counting money spent on moorage. The redeveloped facility, with its more market-friendly slip mix, is predicted to increase this annual contribution to $5.2 million.

Advances other City capital projects—The City's "Windjammer" waterfront redevelopment and marketing program charts the course for a complete overhaul of the waterfront, from Freund Marsh to the west, to the Oak Harbor Marina to the east. "Windjammer" is one of the City's most significant capital projects in decades. This program identifies the Marina as a key element of "Windjammer", and as the eastern "bookend" of Oak Harbor's waterfront. "The marina could be an incredible economic development tool for Oak Harbor and its connection to downtown is of critical importance. The marina needs much larger slips so it can compete with other area marinas, redevelopment of the upland property, and better transportation connections to downtown lodging, dining, shopping, and entertainment."

Level of Service—

Not applicable.

Comprehensive and Other Adopted Plan References—

City of Oak Harbor Parks Plan (March 2001)

Goal #8: Provide a full range of services at the Oak Harbor City Marina for the recreational boating public.
Objectives:

- 8.1 Provide a mix of uses that fulfills recognized needs, is economically feasible and which maximizes use of the marina property.
- 8.2 Continue to improve the appearance, safety and utility of the marina through needed improvements, regular maintenance and appropriate repairs.
- 8.3 Provide sufficient funding for the Marina, including operation, maintenance, and development of needed capital facilities.
  8.3.2 It is necessary at this point to investigate sources of funding in addition to marina revenues and reserves to support the Marina Master Plan.
- 8.4 Coordinate marina planning and investment decisions with City plans for transportation, parks and economic development, and related activities at Naval Air Station Whidbey Island and with Island County.

City of Oak Harbor Waterfront Redevelopment and Marketing ("Windjammer") Program

"The marina could be an incredible economic development tool for Oak Harbor and its connection to downtown is of critical importance. The marina needs much larger slips so it can compete with other area marinas, redevelopment of upland property, and better transportation connections to downtown lodging, dining, shopping and entertainment."

Estimated Budget Impact Section

Estimated Project Costs—

Project phase	Total cost	Prior years	2007	2008	2009	2010	2011	2012
Planning/design	1,251,668	145,116	276,638 829,914	0	0	0	0	0
Land acquisition	NA	NA	NA	NA	NA	NA	NA	NA
Construction	18,188,254	0	0	18,188,254 (2006 $)	0	0	0	0

Operations and Management—

Estimates	2007	2008	2009	2010	2011	2012
Estimated costs	763,779	840,157				
Estimated revenues	1,257,838	1,580,326				
Anticipated savings						
Net Annual Operations/ Maintenance expense						

Source: Marina Master Plan p. A-22.

Potential Funding Sources—

Funding program	2007	2008	2009	2010	2011	2012
General Fund						
REET						
Revenue bonds	1,106,552	8,593,448				
G.O. bonds						
Special levy						
LID						
Inter-local revenue						
Grants						
Other		9,594,809				
Total	**1,106,552**	**18,188,257**				

Notes: 1. Source of "other" funding is not identified.

2. Ability to generate $9.6 million in revenue bonds is predicated on the slip mix / configuration identified in the master plan.

CITY OF OAK HARBOR
CAPITAL IMPROVEMENTS PLAN

CAPITAL FACILITIES REQUEST FORM

Narrative Section—Pioneer Way Reconstruction and Streetscape

Description—

Pioneer Way Reconstruction and Streetscape: The project includes water, sewer and storm drain line replacement, street reconfiguration, new curbs, gutters and sidewalks, undergrounds overhead utility lines and installs new street furniture, street lights and landscaping.

Location—

The project is located along SE Pioneer Way from SE Midway Boulevard to SE City Beach Street.

Justification—

Tier One Criteria

Required by law—The project is not specifically required by law.

Public health and safety—There is no immediate threat to public health however the project will assist in protecting public health by replacing utility lines necessary for the provision of basic services.

Preservation of existing assets—Preservation of existing assets will occur only so far as any portions of the existing utility lines prove to be serviceable.

Tier Two Criteria

Impact on future operating budgets—In addition to replacing critical utility lines, the project's purpose is to create a better pedestrian environment along the street. This is viewed as an important step for downtown revitalization, which in turn is focused on increasing tax revenue for the City.

Community wide benefit—The project has community-wide benefit by improving the downtown for all residents to use and enjoy. Increased retail sales and increased property values benefit the community as a whole.

Advances community/council goals and objective—The project is included in the adopted Windjammer Plan. Implementation of this Plan is supported by the Comprehensive Plan's Economic Development Element, Goal 2. This project is also supported by City Council Goals 1, 2, 3, 4, 5 and 6.

Tier Three Criteria

Enhances or protects the natural environment—It is not expected that this project will enhance or protect the natural environment in any measurable way.

Enhances or protects the cultural, educational and social environment—The improvement in the Pioneer Way streetscape will enhance the social environment by providing a place for community gatherings and functions, on a large and small scale, whether formal or informal.

Provides community economic benefit—One of the main goals of the project is to enhance the physical environment of the downtown in order to encourage and support business development and activity. This project will provide community economic benefit in this fashion.

Advances other City capital projects—The project is actually two projects: the utility work and the streetscape improvements. In this sense each of them advances the other. Improvements to Pioneer Way are linked to other Windjammer projects taking place.

Level of Service—

The utility replacement portion of this project will help the City continue to meet adopted LOS for water, sewer and storm drain functions in the downtown. Street improvements will seek to maintain an appropriate level of service for a pedestrian-oriented, collector street.

Comprehensive and Other Adopted Plan References—

The project is included in the adopted Windjammer Plan. Implementation of this Plan is supported by the Comprehensive Plan's Economic Development Element, Goal 2. This project is also supported by City Council Goals 1, 2, 3, 4, 5 and 6.

Estimated Budget Impact Section

Estimated Project Costs—

Project phase	Total project cost	Prior years	2007	2008	2009	2010	2011	2012
Planning/design	$1,016,510		$1,016,510					
Land acquisition	n/a	n/a	n/a	n/a				
Construction	$9,633,490			$9,633,490				

Operations and Maintenance—

Estimates	2007	2008	2009	2010	2011	2012
Estimated costs						
Estimated revenues						
Anticipated savings						
Net Annual Operations/ Maintenance expense						

Potential Funding Sources—

Funding program	2007	2008	2009	2010	2011	2012
General Fund						
REET						
Revenue bonds		$4,000,000				
G.O. bonds		$2,550,000				
Special levy						
LID		$1,300,000				
Inter-local revenue						
Grants		$800,000				
Other	$1,000,000 PWTF	$1,000,000 TIF				
Total	**$1,000,000**	**$9,650,000**				

CITY OF OAK HARBOR
CAPITAL IMPROVEMENTS PLAN

NEW CAPITAL FACILITIES REQUEST FORM

Please complete the following as carefully as possible. It is not important to replicate this form but do use the information headings given. Remember the criteria by which the project will be evaluated as you complete this form. The project staff will recast this information for distribution if necessary.

Narrative Section—SR 20 Widening

Description—

The SR-20 Widening project extends from Swantown Avenue, MP 30.85, to Beeksma drive, MP 31.39. Major features of the project include roundabouts at the intersections of SR-20 and Swantown Avenue, Erie Street and Beeksma Drive. The Project would construct a two-lane roundabout at major intersections and two lanes in each direction. The conceptual urban corridor roadside treatment includes raised center landscape medians, bike lanes, landscaped planter strips, and street lighting. Landscaping and medians will be of varying width to minimize ROW impacts. Left turns would be eliminated. Roundabout couplets allow for U-turn movements thus eliminating the need for left turn lanes.

Location—

SR-20 from SW Beeksma Drive, MP 0.85, to SW Swantown Avenue, MP 31.39.

Justification—

State Route 20 serves as the major transportation corridor supporting the City and region's arterial and collector roads. Growth in the City, County and NASWI will likely remain strong in the near future. A highway system that meets the needs for movement of freight, goods and people is critical to supporting growth and economic development in the City. State Route 20 is the main north/south corridor for Whidbey Island and arguably the single most important road on the island. SR-20 is also a Highway of Statewide Significance (HSS), a priority highway for the State and a roadway where congestion needs to be kept at a reasonable level. The SR-20 Widening project will provide significant regional benefit by reducing existing and future congestion difficulties.

Project is required by law to maintain transportation concurrency at the currently adopted Level of Service E for City intersections with the State Highway

Project protects the public health and safety by reducing the accident potential and increase pedestrian safety. The section of SR-20 is listed as high accident corridor by the State.

Project has a community wide benefit, serving residents and business of the City.

Project advances Council goals #1 by promoting health and growing business community, #2 by improving the appearance and livability of the community, #3 encouraging a safe community #6 protecting and enhancing capital investment in the City.

Level of Service—

Traffic counts show that SR-20 services an average of 24,000 vehicles per day between Swantown Road and Beeksma Drive, the highest traffic volume anywhere in Island County. Within the limits of the SR-20 Widening project, the intersections of Swantown Road, Erie Street and Beeksma Drive currently operate at Level of Service D, C, & D respectively. Barring an improvement to the SR 20 corridor, all three intersections

will erode to Level of Service F by 2010. The project proposes to improve the capacity at these locations by constructing modern two lane roundabouts at each intersection. The addition of roundabouts improves the intersections to Level of Service C or better for 2010 in each case and maintains an acceptable LOS through 2030.

Comprehensive and Other Adopted Plan References—

Project has been included in the City of Oak Harbor Comprehensive Plan Transportation Element as a necessary project since 2000. Project meets the goals and objectives of the Comprehensive Plan as follows:

Goal 1- Policy 1.c The City should strive to maintain relatively free-flowing traffic along SR-20
Goal 4- Policy 4.a Bicycle paths, lanes, and routes should be provided.
Goal 5- Policy 5.c Design intersections which provide adequate safety for pedestrians and bicyclists (By reducing crossing distance roundabouts are safer for pedestrians)
Goal 6- Policy 6.b the City should encourage beautification projects along all major street in an attempt to protect corridor viewsheds
Goal 7- Policies 7.a, b. c The City shall implement a landscape median program as appropriate on major and minor arterials, collectors and local streets.

Estimated Budget Impact Section

Estimated Project Costs—

Project phase	Total project cost	Prior years	2007	2008	2009	2010	2011	2012
Planning/design	$1,371,000	$300,000		1,000,000				
Land acquisition	$2,668,000				2,668,000			
Construction	$9,115,800					9,115,800		

Note: SR20 project cost is the State's responsibility. Project is shown on this list as a reflection of the importance of the improvements to the City.

Operations and Management—

Estimates	2007	2008	2009	2010	2011	2012
Estimated costs						
Estimated revenues						
Anticipated savings						
Net Annual Operations/ Maintenance expense						

Potential Funding Sources—

Funding program	2007	2008	2009	2010	2011	2012
General Fund				$1,000,000		
REET				$500,000		
Revenue bonds						
G.O. bonds						
Special levy						
LID						
Inter-local revenue						
Grants		$1,000,000				
Other (WSDOT-impact fees-arterial funds)			$2,668,000	$7,615,800		
Total		**$1,000,000**	**$2,668,000**	**$9,115,800**		

CITY OF OAK HARBOR
CAPITAL IMPROVEMENTS PLAN

CAPITAL FACILITIES REQUEST FORM

Narrative Section—Windjammer Park Redevelopment

Description—

Windjammer Park Redevelopment: The project will redevelop the existing Windjammer Park. While referenced as a single project it is in fact comprised of a series of independent projects located within the park boundaries. These projects include new park entrances, development of specialty areas (event areas, family play areas, etc), trail redevelopment, construction of an amphitheater, and reconfiguration of the lagoon and relocation of the baseball fields.

Location—

The project site is located within the existing Windjammer Park boundaries (from Beeksma Drive to City Beach Street, along the waterfront).

Justification—

Tier One Criteria

Required by law—The project is not required by law.

Public health and safety—There are no known public health and safety issues within the existing Windjammer Park.

Preservation of existing assets—The project will extend the life of the existing park assets through redevelopment and new construction.

Tier Two Criteria

Impact on future operating budgets—Some increase in general fund revenue (as realized through sales tax receipts from additional park users) might be expected as a result of this project. It is expected that maintenance costs will increase consistent with a higher level of amenities to maintain.

Community wide benefit—The community will greatly benefit from having an enhanced public park to use. Given the regional nature of the park it is reasonable to expect that this benefit will extend outside of the corporate limits of Oak Harbor.

Advances community/council goals and objectives—The project is included in the adopted Windjammer Plan. Implementation of this Plan is supported by the Comprehensive Plan's Economic Development Element, Goal 2. This project is also supported by City Council Goals 1, 2, 5 and 6.

Tier Three Criteria

Enhances or protects the natural environment—With its location adjacent to the waterfront the proposed project will enhance with public's enjoyment of the natural environment.

Enhances or protects the cultural, educational and social environment—This project will contribute to the cultural and social environment of the community by providing an enhanced public park for community use and enjoyment.

Provides community economic benefit—Some increase in general fund revenue (as realized through sales tax receipts from additional park users) might be expected as a result of this project.

Advances other City capital projects—Completion of this project will assist in the overall implementation of the Windjammer Plan. It will have a direct impact on planned projects to the west of the project site (RV Park redevelopment and Freund Marsh). The project will support the goals of the Transportation Element through the extension of SE Bayshore Drive through this area.

Level of Service—

The proposed improvements to the park will assist the City in continuing to meet our LOS for community park space and amenities.

Comprehensive and Other Adopted Plan References—

The project is included in the adopted Windjammer Plan. Implementation of this Plan is supported by the Comprehensive Plan's Economic Development Element, Goal 2. This project is also supported by City Council Goals 1, 2, 5 and 6.

Estimated Budget Impact Section

Estimated Project Costs—

Project phase	Total project cost	Prior years	2007	2008	2009	2010	2011	2012
Planning/design	$1,200,000		$600,000	$600,000				
Land acquisition	$0							
Construction	$8,745,000			$4,372,700	$4,372,700			

Note: The above estimate arbitrarily divides the total project costs (both design and construction) into two year periods. As the project is actually comprised of a series of smaller projects it is reasonable to assume that the projects will be implemented over a longer time period than is shown above. At this time no information regarding project phasing has been generated.

Operations and Maintenance—

Estimates	2007	2008	2009	2010	2011	2012
Estimated costs	See below					
Estimated revenues	See below					
Anticipated savings	See below					
Net Annual Operations/ Maintenance expense	See below					

Note: Some increase in general fund revenue (as realized through sales tax receipts from additional park users) might be expected as a result of this project. It is expected that maintenance costs will increase consistent with a higher level of amenities to maintain.

Potential Funding Sources—

Funding program	2007	2008	2009	2010	2011	2012
General Fund						
REET						
Revenue bonds						
G.O. bonds						
Special levy						
LID						
Inter-local revenue						
Grants						
Other						
Total						

Insufficient information exists at this time to determine specific funding options. A public park redevelopment project of this size will most likely need to be funded through bond sales. Portions of the work, however, may lend themselves to community involvement. Funding will be phased to match the overall project phasing schedule.

CITY OF OAK HARBOR
CAPITAL IMPROVEMENTS PLAN

NEW CAPITAL FACILITIES REQUEST FORM

Please complete the following as carefully as possible. It is not important to replicate this form but do use the information headings given. Remember the criteria by which the project will be evaluated as you complete this form. The project staff will recast this information for distribution if necessary.

Narrative Section—Pedestrian Access Improvement

Description—

Pedestrian access improvements. ADA (Americans with Disabilities Act) required improvements to existing sidewalk and pedestrian access in the City right of way. This includes installation and repair of safety ramps and crosswalk approaches, repair and replacement of sidewalks and related facilities that restricts safe use and access to the user, installation of missing links of sidewalks and approaches for continued access of the pedestrians, and installation of sections of sidewalk for focused accessibility to schools and recreation areas.

Location—

Locations of improvements for ADA requirements are evaluated by citizen complaints, evaluation of existing facilities by the Engineering Department and Public Works. Evaluation of improvements to fill missing links and larger access concerns are evaluated by the Engineering Department from discussions and recommendations by a Public Access Committee.

Justification—

Required by law—The City of Oak Harbor has to prove that ADA related deficiencies are identified and being addressed. The City's Insurance Pool (Washington Cities Insurance Authority) also strongly recommends that we identify and reduce the potential of pedestrian access deficiencies and/or hazards.

Public health and safety—Safe public pedestrian access reduces the threat of injury to pedestrians using public sidewalks, pedestrian approaches and pathways.

Advances community goals and objectives—Provide to our citizens a safe walking environment.

Enhances or protects the natural environment—

Preserves existing assets—Maintain the existing pedestrian access infrastructure to established industry and ADA standards.

Impact on future operating budgets—The continued repair of existing sidewalks and approaches affect the operation and maintenance budget of the Street Division.

Provides community economic benefit—Safe pedestrian access improves the economic benefit by providing public access to our local commercial businesses.

Advances other city capital projects—

Community wide benefit—Safe and available pedestrian access improves the walk-ability of our community, access to local businesses and the trust of our citizens, that they feel safe on our pedestrian accesses.

Level of Service—

There is no level of service standards included in the non motorized travel section of the transportation element of the City's Comprehensive Plan.

Comprehensive and Other Adopted Plan References—

The City of Oak Harbor has identified non motorized travel in the Transportation Element of the May 2000 Comprehensive Plan. It identifies areas of disconnect of pedestrian accesses. A table of recommended improvements is listed in the plan.

Estimated Budget Impact Section

Estimated Project Costs—

Project phase	Total project cost	Prior years	2007	2008	2009	2010	2011	2012
Planning/design								
Land acquisition								
Construction			$105,000	$110,000	$114,000	$122,000	$128,000	$134,000

Operations and Management—

Estimates	2007	2008	2009	2010	2011	2012
Estimated costs						
Estimated revenues						
Anticipated savings						
Net Annual Operations/ Maintenance expense						

Potential Funding Sources—

Funding program	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
General Fund	XXX	XXX	XXX	XXX	XXX	XXX
REET						
Revenue bonds						
G.O. bonds						
Special levy						
LID						
Inter-local Revenue						
Grants						
Other						
Total						

CITY OF OAK HARBOR
CAPITAL IMPROVEMENTS PLAN

CAPITAL FACILITIES REQUEST FORM

Please complete the following as carefully as possible. It is not important to replicate this form but do use the information headings given. Remember the criteria by which the project will be evaluated as you complete this form. The project staff will recast this information for distribution if necessary.

Narrative Section—Local Street Overlays

Description—

Local Street Overlays. These overlay projects will maintain street surfaces at adopted standards on selected streets, in accordance with the Pavement Management Program. It is critical that City streets be maintained at a level of service that is acceptable to the motoring public.

Location—

Locations are established through the Pavement Management Program, evaluation by the Engineering Department and Public Works.

Justification—

Required by law—NA

Public health and safety—Safe and well maintained roads are essential for the movement of fire, rescue and police vehicles to respond to incidents.

Advances community goals and objectives—

Enhances or protects the natural environment—

Preserves existing assets—It is proven that preventive maintenance is more economical than no maintenance, and premature failure of the street will lead to costly reconstruction.

Impact on future operating budgets—

Provides community economic benefit—Safe reliable streets are important assets to the City's businesses and industry.

Advances other city capital projects—

Community wide benefit—Well maintained streets are an asset to the motoring public.

Level of Service—

There are no set level of service standards set aside for residential streets. Our Pavement Management Program rates the street in the terms of a Pavement Condition Index which evaluates the current condition and calculates the depreciated condition of a street. Breakpoint Standards have to be adopted to set the preventive maintenance conditions based on the street condition.

Comprehensive and Other Adopted Plan References—

To maintain adequate traffic flow on all streets, the condition of the street will assure that the street can accommodate the proposed traffic flow of selected streets.

Estimated Budget Impact Section

Estimated Project Costs—

Project phase	Total project cost	Prior years	2007	2008	2009	2010	2011	2012
Planning/design								
Land acquisition								
Construction			$210,000	$220,500	$231,525	$243,101	$255,256	$268,019

Operations and Management—

Estimates	2007	2008	2009	2010	2011	2012
Estimated costs						
Estimated revenues						
Anticipated savings						
Net Annual Operations/ Maintenance expense						

Potential Funding Sources—

Funding program	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
General Fund	XXX	XXX	XXX	XXX	XXX	XXX
REET						
Revenue bonds						
G.O. bonds						
Special levy						
LID						
Inter-local Revenue						
Grants						
Other						
Total						

CITY OF OAK HARBOR
CAPITAL IMPROVEMENTS PLAN

NEW CAPITAL FACILITIES REQUEST FORM

Please complete the following as carefully as possible. It is not important to replicate this form but do use the information headings given. Remember the criteria by which the project will be evaluated as you complete this form. The project staff will recast this information for distribution if necessary.

Narrative Section—New West Side Fire Station

Description—

Presently, the Oak Harbor Fire Department operates from one station located at 855 East Whidbey Ave. The station was constructed in 1992 and was funded by voter approved bonds. Those bonds retire in 2010.

Over the years, the majority of new construction has occurred to the west and southwest portions of the City. There are several projects planned in the same geographic area and it is anticipated that this trend will continue.

This project would construct a second fire station.

Location—

It is projected that the station would be located in the SW section of the City as we would continue to work closely with North Whidbey Fire & Rescue to provide services.

Justification—

Response times to the SW section of the City have increased due to the expansion of the City's boundaries and increased traffic. It is anticipated that this trend will continue as we have experienced a sizable increase in residential and multi-family occupancies in the SE and West sections of the City.

The following evaluation criteria are referenced as justification using the Tier 1, 2, & 3 criteria.

Tier One Criteria

Required by law—Not to my knowledge other than City Policy on response times are referenced in the Comprehensive Plan of 4 minutes for medical and 5 minutes for fire suppression responses.

Public health and safety—Not specifically. The City is required by law to provide for the public health and safety. This project would be considered a piece to obtain that goal and that as outlined in the Comprehensive Plan.

Preserves existing assets—Currently the City operates from one station. This project will not have a preservation impact on existing assets.

Tier Two Criteria
Impact on future operating budgets—No.

Community wide benefit—Yes. Capital and personnel resources would be more strategically located City wide balancing its resources and providing improved response times throughout the City.

Advances community/council goals and objectives—Yes. This project assists in reaching council goals and those outlined in the Comprehensive Plan.

Tier Three Criteria
Enhances or protects the natural environment—No.

Enhances or protects the cultural, educational and social environmental—Yes. This project would contribute to the community's quality of life due to the improved level of services and the could provide a community meeting place.

Provides community economic benefit—No.

Advances other City capital projects—No.

Level of Service—
This project would construct a second fire station with the intention of achieving the following goals.

- Maintain/improve level of services
- Reduce response times as traffic to that area and calls for service City wide continue to increase.

Comprehensive and Other Adopted Plan References—

Estimated Budget Impact Section

Estimated Project Costs—

Project phase	Total project cost	Prior years	2007	2008	2009	2010	2011	2012
Planning/design	$50,000 to $75,000							
Land acquisition	Existing City property or $100,000 to $125,000 per acre							
Construction	$2 - $3 million							

Operations and Management—

Estimates	2007	2008	2009	2010	2011	2012
Estimated costs						$200,000 to $300,000
Estimated revenues						0
Anticipated savings						Unknown
Net annual operations/maintenance expense						

Potential Funding Sources—

Funding program	2007	2008	2009	2010	2011	2012
General Fund	X					
REET						
Revenue bonds						
G.O. bonds	X					
Councilmanic bonds	X					
LID						
Inter-local Revenue	X					
Grants	X					
Other	Retail Sales Tax					
Total						

CITY OF OAK HARBOR
CAPITAL IMPROVEMENTS PLAN

NEW CAPITAL FACILITIES REQUEST FORM

Please complete the following as carefully as possible. It is not important to replicate this form but do use the information headings given. Remember the criteria by which the project will be evaluated as you complete this form. The project staff will recast this information for distribution if necessary.

Narrative Section—Oak Harbor Municipal Pier Project

Description—

The Oak Harbor Municipal Pier Project will construct a municipal pier and associated support / waiting facilities to serve as a multi-modal terminus for foot-passenger commuter ferries, tour boats and float planes. Additionally, the project includes a transient moorage float to provide direct access for pleasure boaters to the harborside restaurants, shops and services, as well as significant shore side park improvements with restrooms, and direct access to the City's waterfront trail.

Location—

The park area (Flintstone Park) is located at the intersection of Bayshore Drive and Dock Street, on the City's waterfront. The pier itself will overlay the current location of the City dinghy dock, on tideland property owned by the City.

Justification—

Tier One

Required by law—Project is not required by law.

Public health and safety—Project enhances safety by providing alternative means of transportation in anticipation of worsening future congestion on the one highway connecting Whidbey Island to the mainland, and on the I-5 corridor.

Project provides alternate means of access for supplies and equipment in the event of natural disaster or terrorist event.

Preserves existing assets—Project is not an existing asset.

Tier Two

Impact on future operating budgets—Sources of potential revenue resulting from this project are to be determined. Possible sources are:

- Landing fees for passenger ferries and tour boats, and for float planes.
- Day use fees for pleasure boats using the recreational float.
- Rental fees for use of the multi-purpose building for meetings and functions.
- Rental fees for use of park for special / organized events.

Project will impact the General Fund to the extent that annual O&M costs are not met from sources of revenue. Projected O&M costs were estimated by consultant as part of Final Design & Engineering, and are given below.

Community wide benefit—Project is recognized by the community and in all City planning studies as a key element in the revitalization of downtown Oak Harbor and the ongoing "Windjammer" waterfront redevelopment program.

Project site is located across the street from the Island Transit transfer station, and half a block from a park and ride lot. Facility is also located on a regional bicycle route, and on the City's waterfront trail. The combination of transit, pedestrian facilities, bicycle route and ferry terminal establishes this downtown waterfront location as a multi-modal transportation hub. Construction of the proposed municipal pier will complete this hub by enabling foot passenger ferry service as well as tour boat and pleasure boat connectivity, and it will provide connectivity with other like facilities throughout the region.

A recently completed North Sound Connecting Communities passenger ferry study proposes Oak Harbor as the only terminal serving both Whidbey and Fidalgo Islands, and establishes the Oak Harbor Terminal as key to the primary north-south route envisioned from Bellingham to Mukilteo.

Advances community/council goals and objectives—Project directly supports the following City Council goals:

- Goal 1: Promote a healthy and growing business community.
- Goal 2: Improve the appearance and livability of the community.
- Goal 4: Build and enhance community partnerships.
- Goal 5: Deliver superior quality service to our customers.
- Goal 6: Protect and enhance capital investment in the City.

Pier Project is prominent in numerous adopted City and State plans, per Item 5, below.

Tier Three

Enhances or protects the natural environment—Mitigation plan enhances the shoreline in the project area, and the environment in the critical near-shore habitat area, through regarding, reinforcing, riparian planting, construction of a "rain garden" to control runoff, transplanting of eel grass.

Enhances or protects the cultural, education and social environment—Park improvements, including a ?? sq. ft. combination waiting room / restroom / multi-purpose facility, will enhance the value and versatility of the park as a community and social asset.

Viewing / ceremonial plaza areas will enhance the waterfront experience for residents and visitors alike.

Travel / transportation / tour boat availability from the City waterfront will contribute to educational opportunities.

Provides community economic benefit—Facility promotes tourism and provides economic stimulus to harbor side restaurants, shops and services for passenger ferry customers, tour boat patrons, pleasure boaters and float plane passengers alike.

Advances other City capital projects—The City's "Windjammer" waterfront redevelopment and marketing program charts the course for a complete overhaul of the waterfront, from Freund Marsh to the west, to the Oak Harbor Marina to the east. "Windjammer" is one of the City's most significant capital projects in decades. This program identifies the pier project as a key element of "Windjammer" on the City's central waterfront.

Level of Service—

Not applicable.

Comprehensive and Other Adopted Plan References—

City of Oak Harbor Comprehensive Plan

Goal 3: Ensure viable transportation alternatives.
Goal 3.g: The City should explore all potential funding sources to finance the construction and operation of a downtown municipal pier.

City of Oak Harbor "Harbor Watch" Downtown Redevelopment Plan

"Work with marine industry associations, tour boats, etc., to enhance water links to other Puget Sound communities."

Harbor Pride: A Blueprint for Change – 2000

Identifies four "anchors" for development of the downtown, one of which is a City pier.

City of Oak Harbor Six-Year Transportation Plan

City of Oak Harbor Downtown Public Realm Plan
Identifies as a community vision the construction of a municipal pier.

City of Oak Harbor "Windjammer" Waterfront Redevelopment Program

Cites pier as "centerpiece" of waterfront, and identifies it as a project under the Windjammer umbrella.

Skagit / Island RTPO Regional Transportation Plan

Skagit / Island County RTPO, in their recently updated Regional Transportation Plan, cited the pressing need for alternative means of transportation in the region, with foot passenger ferry service as the most viable of these means. The RTP specifically identifies the City of Oak Harbor pier project as critical to this plan.

State of Washington State Transportation Improvement Program (STIP)

Project is part of the State's long-range plan, as reflected in the current STIP.

North Whidbey Diversification Action Plan

Waterfront should be reclaimed and connected to downtown. Tourism is underdeveloped.

Estimated Budget Impact Section

Estimated Project Costs

Project phase	Total project cost	Prior years	2007	2008	2009	2010	2011	2012
Planning/design	717,043	687,043	30,000	0	0	0	0	0
Land acquisition	0	0	0	0	0	0	0	0
Construction	7,962,581	0	7,962,581	0	0	0	0	0

Note: The $30,000 in 2007 is for consultant assistance in meeting requirements of Federal Highways and Federal Transit for receipt of federal funds for the project.

Operations and Management—

Estimates	2007	2008	2009	2010	2011	2012
Estimated costs	0	128,314	130,344	132,427	134,564	136,759
Estimated revenues	Unk.	Unk.	Unk.	Unk.	Unk.	Unk.
Anticipated savings	-	-	-	-	-	-
Net annual operations/maintenance expense	0	128,314	130,344	132,427	134,564	136,759

Notes: 1. Costs are in 2006 dollars.

2. Major maintenance costs (e.g., dredge, float replacement) have been annualized.

3. Source: PND Engineers, Inc., "Maintenance and Operations Preliminary Estimate" for Oak Harbor Municipal Pier.

4. Does not include capital replacement schedule.

Potential Funding Sources—

Funding program	2007	2008	2009	2010	2011	2012
General Fund	30,000					
REET	846,898					
Revenue bonds						
G.O. bonds						
Special levy						
LID						
Inter-local Revenue						
Grants	2,702,115					
Other	4,413,569					
Total	**7,992,581**					

Notes: 1. REET total represents known matching fund requirements. Although Budget specifies REET as source for matching funds, all REET funding is committed for 10 years. Match is not available.

2. "Grants" includes and presumes success as follows:

1. SAFETEA-LU Fed Transit (Grant - $836,000. Match - $209,000) (Awarded, but no match.)
2. Boating Infrastructure (BIG) (Grant - $625,219. Match - $625,219) (Pending)
3. TTHUD Earmark (Grant - $1,000,000. Match – Unknown) (Pending – Promised)
4. WSDOT Seaplane Float (Grant - $240,896. Match – 12,679) (Not yet applied for.)

CITY OF OAK HARBOR
CAPITAL IMPROVEMENTS PLAN

CAPITAL FACILITIES REQUEST FORM

Narrative Section—RV Park Development

Description—

RV Park Development: The project will relocate and redevelopment the City's existing recreational vehicle (RV) park to provide a more modern facility and increase the number of amenities.

Location—

The project will be located on the west side of S. Beeksma Drive, north of Dillard's Addition subdivision.

Justification—

Tier One Criteria

Required by law—The project is not required by law.

Public health and safety—There are no known public health and safety issues with the existing RV park.

Preservation of existing assets—As the project is the complete redevelopment of an existing facility it does not strictly preserve an existing asset. It does however extend the life of this activity for an additional 30 years (approximately).

Tier Two Criteria

Impact on future operating budgets—The project is expected to increase net revenues once construction debt has been retired.

Community wide benefit—The general fund revenues generated by the RV park assist in funding park improvements or maintenance City-wide.

Advances community/council goals and objectives—The project is included in the adopted Windjammer Plan. Implementation of this Plan is supported by the Comprehensive Plan's Economic Development Element, Goal 2. This project is also supported by City Council Goals 1, 2, 5 and 6.

Tier Three Criteria

Enhances or protects the natural environment—With its location adjacent to City-owned Freund Marsh and other wetland properties, the construction of this project in a sensitive fashion will both enhance and protect the natural environment.

Enhances or protects the cultural, educational and social environment—It is not likely that this project will enhance or protect the cultural, educational or social environment of the community on any measurable level.

Provides community economic benefit—Some additional general fund revenue, in the form of user fees, will be generated by the redeveloped RV park.

Advances other City capital projects—Completion of this project will assist in the overall implementation of the Windjammer Plan. It will have must direct impacts on planned projects to the west (Freund Marsh) and east (Windjammer Park) of the project site.

Level of Service—

There is no established level of service for the existing RV Park. It is possible that the new project will increase the number of RV spaces; this increase will equate to a higher level of service for the RV park user.

Comprehensive and Other Adopted Plan References—

The project is included in the adopted Windjammer Plan. Implementation of this Plan is supported by the Comprehensive Plan's Economic Development Element, Goal 2. This project is also supported by City Council Goals 1, 2, 5 and 6.

Estimated Budget Impact Section

Estimated Project Costs—

Project phase	Total project cost	Prior years	2007	2008	2009	2010	2011	2012
Planning/design	$420,000		$420,000					
Land acquisition	$500,000		$500,000					
Construction	$2,800,000			$2,800,000				

Operations and Maintenance—

Estimates	2007	2008	2009	2010	2011	2012
Estimated costs	See below					
Estimated revenues	See below					
Anticipated savings	See below					
Net annual operations/ maintenance expense	See below					

Note: An eventual net gain in revenue is anticipated based on the assumption of a greater number of spaces and the ability to charge a higher rental fee (due to improved site amenities). In order for this to occur, construction debt must be satisfied.

Potential Funding Sources—

Funding program	2007	2008	2009	2010	2011	2012
General Fund						
REET						
Revenue bonds						
G.O. bonds						
Special levy						
LID						
Inter-local Revenue						
Grants						
Other						
Total						

Insufficient information exists at this time to determine specific funding options. It is anticipated that funding will occur in one of three major ways:

1. Privately funded, in which case the City will likely not realize any significant revenue stream increase.
2. Public/private funding, in which case City funding will most likely be a combination of general fund and REET monies.
3. Publicly funded via general obligation bond sales.

CITY OF OAK HARBOR
CAPITAL IMPROVEMENTS PLAN

CAPITAL FACILITIES REQUEST FORM

Narrative Section—Freund Marsh

Description—

Freund Marsh: The project will complete the Freund Marsh improvements including a trails network and interpretive center. The project also looks to incorporate regional stormwater facilities as both functional and environmental site features.

Location—

The project is located within the Freund Marsh property, south of SW Bayshore Drive and west of Beeksma Drive.

Justification—

Tier One Criteria

Required by law—The project is not required by law.

Public health and safety—The stormwater component of the project will help prevent localized flooding thereby protecting property and possibly public health and safety.

Preserves existing assets— Completion of the stormwater component has the potential to reduce some of the stormwater maintenance costs for facilities located within the project vicinity.

Tier Two Criteria

Impact on future operating budgets—Completion of the trail improvements will marginally increase the Parks Division maintenance budget. Maintenance costs for the interpretive center (assuming City-ownership) will be new costs to the City.

Community wide benefit—The project will enhance passive recreational and environmental educational opportunities for the community.

Advances community/council goals and objectives—The project is included in the adopted Windjammer Plan. Implementation of this Plan is supported by the Comprehensive Plan's Economic Development Element, Goal 2. This project is also supported by City Council Goals 2, 3, 4, and 6.

Tier Three Criteria

Enhances or protects the natural environment—Construction of this project in a sensitive fashion will both enhance and protect the natural environment.

Enhances or protects the cultural, educational and social environment—The project will enhance the educational environment for the community. This enhancement will take the form of increased opportunities to study the natural environment.

Provides community economic benefit—No direct economic benefit is anticipated.

Advances other City capital projects—Completion of this project will assist in the overall implementation of the Windjammer Plan.

Level of Service—

There is no adopted level of service for this project. Completion of the project will assist the City in meeting its overall park level of service.

Comprehensive and Other Adopted Plan References—

The project is included in the adopted Windjammer Plan. Implementation of this Plan is supported by the Comprehensive Plan's Economic Development Element, Goal 2. This project is also supported by City Council Goals 2, 3, 4 and 6.

Estimated Budget Impact Section

Estimated Project Costs—

Project phase	Total project cost	Prior years	2007	2008	2009	2010	2011	2012
Planning/design	$204,000		$204,000					
Land acquisition	$0		$0					
Construction	$1,496,000			$1,496,000				

Note: The project cost shown above assumes City construction of the entire project. If the project is developed with partnerships (see 'Potential Funding Sources' below) the project cost will be reduced accordingly.

Operations and Maintenance—

Estimates	2007	2008	2009	2010	2011	2012
Estimated costs	See below					
Estimated revenues	See below					
Anticipated savings	See below					
Net annual operations/ maintenance expense	See below					

Note: Completion of the trail improvements will marginally increase the Parks Division maintenance budget. Maintenance costs for the interpretative center (assuming City-ownership) will be new costs to the City.

Potential Funding Sources—

Funding program	2007	2008	2009	2010	2011	2012
General Fund						
REET						
Revenue bonds						
G.O. bonds						
Special levy						
LID						
Inter-local revenue						
Grants						
Other						
Total						

Insufficient information exists at this time to determine specific funding options. It is anticipated that funding will occur in one of three major ways:

1. Trail construction can occur with volunteer labor. Material costs could be funded through general fund monies.
2. The stormwater improvements can be constructed through developer contributions.
3. The interpretative center could be funded through either a foundation or public/private partnership.

CITY OF OAK HARBOR
CAPITAL IMPROVEMENTS PLAN

CAPITAL FACILITIES REQUEST FORM

Please complete the following as carefully as possible. It is not important to replicate this form but do use the information headings given. Remember the criteria by which the project will be evaluated as you complete this form. The project staff will recast this information for distribution if necessary.

Narrative Section—Land Acquisition for Future Park Development

Description—

Land acquisition for future park development. To meet the goals and objectives outlined in the Oak Harbor Comprehensive Parks and Recreation Plan, it will be necessary to purchase 20 acres of land. An additional 10 acres are also needed to replace the Little League fields at Windjammer Park.

Location—

Developable land within close proximity to the City.

Justification—

Required by law—The adopted Oak Harbor Parks and Recreation Comprehensive Plan has established levels of service that require the City to increase the amount of park land available to the public.

Public health and safety—Parks and open spaces provide recreational opportunities that promote physical exercise.

Advances community goals and objectives—The acquisition of land will make it possible to relocate the ball fields from Windjammer Park. The Windjammer Master Plan proposes to use this site for a convention center, destination hotel or other recreational uses. Additional land also helps us meet the goals of the Comprehensive Parks and Recreation Plan.

Enhances or protects the natural environment—As the community continues to grow, the need to preserve our open spaces becomes increasingly more important.

Enhances or protects the cultural, educational and social environment—Parks offer the public facilities to interact socially through organized sports, community events, and to showcase our community.

Preserves existing assets—NA

Impact on future operating budgets—Additional funding will be required to maintain and operate additional park land.

Provides community economic benefit—Additional sports fields allow the community to host sports tournaments that boost tourism. Relocating the Windjammer Park ball fields also opens up the possibility of bringing in a convention center and a hotel on the waterfront.

Advances other City capital projects—Land to relocate the ball fields is a vital link towards the redevelopment of the Windjammer Park, as identified in the Roger Brooks Study.

Community wide benefit—Additional park land benefits all members of our community, offering active and passive recreational opportunities, as well a preserving open space.

Level of Service—

The adopted Parks and Recreation Comprehensive Plan has set a standard of 4 acres of developed park land per 1,000 population. An additional 20 acres are needed by 2016 to meet that need.

Comprehensive and Other Adopted Plan References—

Goals and objectives outlined within the City of Oak Harbor Comprehensive Park and Recreation Plan are incorporated into the Six Year Capital Facilities Plan, as identified in the GMA.

Estimated Budget Impact Section

Estimated Project Costs—

Project phase	Total project cost	Prior years	2007	2008	2009	2010	2011	2012
Planning/design								
Land acquisition			$200,000			$450,000		
Construction								

Operations and Management—

Estimates	2007	2008	2009	2010	2011	2012
Estimated costs						
Estimated revenues						
Anticipated savings						
Net annual operations/ maintenance expense						

Potential Funding Sources—

Funding program	2007	2008	2009	2010	2011	2012
General Fund	$50,000			$50,000		
REET	$150,000			$200,000		
Revenue bonds						
G.O. bonds						
Special levy						
LID						
Inter-local revenue						
Grants						
Other- park Impact fees				$200,000		
Total	**$200,000**			**$450,000**		

CITY OF OAK HARBOR
CAPITAL IMPROVEMENTS PLAN

CAPITAL FACILITIES REQUEST FORM

Please complete the following as carefully as possible. It is not important to replicate this form but do use the information headings given. Remember the criteria by which the project will be evaluated as you complete this form. The project staff will recast this information for distribution if necessary.

Narrative Section—New Senior Center

Description—

New Senior Center (probably using an alternate name such as "Adult Community Center" or similar)

Purpose—Facility able to handle estimated 2025 levels of demand for Senior support goods/services as well as facilitate optimizing of Senior population community involvement/volunteer work.

History—The City's current Senior Center facility was built in 1986. Building expansion feasibility studies completed in 1995 and 2004 both point out need to create additional space to meet needs of rising Senior population.

Senior population (Island County growth study estimates):

1986 (when current facility built)—12,841 (25% of population)
2025 (growth study estimate)—47,171 (47% of population/59.8% of eligible voters)

Location—

Unknown (likely within the City limits, possibly on City property/possibly outside City limits in North Whidbey geographical area)

Justification—

Action required by law—No

Addresses health & safety issues—Would act as local base of operations for nutrition (meal site/meals on wheels), Case Management, Information & Assistance, Statewide Health Insurance Advisors, exercise facilities and several other health support programs/services supporting senior health and welfare. Protects existing assets: No (although we consider seniors as assets…)

Positive impact on operating budgets—City facility/social service organizations operate within it (minimizes City having to provide/pay costs of providing social services). Example, currently free rent provided to Case Management/Information & Assistance group – result is over $1.3 million in care authorizations provided annually to North Whidbey residents from that office.

Provides community wide benefits—An important purpose of the facility will be to enlist the volunteer efforts of what will soon be the largest segment of the population (seniors) into the many community support groups operating in the local area.

Advances community/council goals—Goals 4 (community partnerships) and 5 (service) primarily getting the resources of social service groups distributed within the City (from the City's facility) and enlist the work of seniors to provide City citizens/organizations with volunteer services/support.

Enhances/protects natural environment—Not really, but we'll make it as "green" as we are able.

Enhances/protects social environment—Not sure what this means, but if protecting seniors fits, then yes.

Economic impact—Should have an "indirect" but "significant" economic benefit for the City. The plan is to make use of this large segment of the population to provide assistance in numerous citizen support programs so as to reduce taxpayers' burden to provide the same. Additionally, increasing the number of seniors who are active/fit/involved, will also reduce the amount of government assistance dollars needed to support them by reducing in length periods of diminishing health.

Advances other projects—In terms of other City physical facilities, no. Meant to assist numerous local support agencies with lowering their physical facility costs and thus enhance their ability to support citizen needs in our area.

Level of Service—

Programs – Sponsor facilities for:	2005	2025 projection
Nutrition programs - # of meals OH	18,000	33,000
Case Management - funding authorizations	$1.3M	$2.36M (no inflation)
SHIBA assistance sessions – clients assisted	32	580
OH Ctr members	1600	2900 (low estimate)
Adult Day Care clients	14	26
Community support program volunteers	0	Hundreds

Comprehensive and Other Adopted Plan References—

Government Service Element Goal 7—Continue to provide our senior residents with recreational, social, educational, and health maintenance services specifically designed to meet their current and emerging needs.

Policy 7.b The City should expand the senior center as use increases and unmet needs are identified.

Expansion of current facility not economically feasible. New center/alternate location needed to permit construction of facility(ies) adequate to house larger scale programs and services.

Estimated Budget Impact Section

Estimated Project Costs (City)—

Project phase	Total project cost	Prior years	2007	2008	2009	2010	2011	2012
Planning/design	BLDG RESERVES to be used		$50K	$100K				
Land acquisition	City land or purchase with fund- raising $			City(?) Otherwise Fundraise $1.5mil				
Construction	$5.2 Mil ($100-150K)				$1.3mil ($100-150K Match)	$1.3mil	$1.3mil	$1.3mil

Operations and Maintenance—

Estimates	2007	2008	2009	2010	2011	2012
Estimated costs						
Estimated revenues						
Anticipated savings						
Net annual operations/ maintenance expense						$11,000

Potential Funding Sources—

Funding program	2007	2008	2009	2010	2011	2012
General Fund			($100-150K Match)			
REET						
Revenue bonds						
G.O. bonds						
Councilmanic bonds						
LID						
Inter-local Revenue						
Grants			State $1M			
Other	$50K Bldg reserve	$150K Bldg reserve	Fundraising $1mil	Fundraising $1 mil	Fundraising $1 mil	Bldg sale/FR $500K/$500K
Total	**$50K**	**$150K**	**$2.1-2.15mil**	**$1 mil**	**$1 mil**	**$ 1 mil**

CITY OF OAK HARBOR
CAPITAL IMPROVEMENTS PLAN

CAPITAL FACILITIES REQUEST FORM

Please complete the following as carefully as possible. It is not important to replicate this form but do use the information headings given. Remember the criteria by which the project will be evaluated as you complete this form. The project staff will recast this information for distribution if necessary.

Narrative Section—Trail extensions at Freund Marsh

Description—

Additional trail extensions at Freund Marsh. This next phase of the trail will run north to south connecting the existing trail to the beach access west of Dillard's Addition. The trail will also connect with SW Beeksma Drive. This will add an additional 2,750 feet of trail, 8-10 feet in width. Work includes excavation and backfill of base material, covered with a gravel walking surface. Additional plantings of native plant materials will also be included in this project. Work to be performed by the Public Works crew.

Location—

Freund Marsh, off of Beeksma Drive.

Justification—

Required by law—NA

Public health and safety—Promotes a safe environment for walking, jogging and cycling.

Advances community goals and objectives—The development of Freund Marsh is identified as one of the key elements of the Roger Brooks Master Plan for the waterfront. Wetland restoration and the preservation of open space are also listed as one of the goals identified in the Oak Harbors Parks and Recreation Comprehensive Plan. Supplying the public with more pedestrian trails and bicycle pathways is also listed as one of the goals and objectives for the park system.

Enhances or protects the natural environment—This project enhances the existing wetland by planting native vegetation, which is also a natural attractor of wildlife.

Enhances or protects the cultural, educational and social environment—Walking and jogging creates social opportunities for our citizens. These trails also give the public access to a wetland area where they can learn about their environment. Interpretive signage is being used throughout the marsh site to help the public identify birds, animals and plants.

Preserves existing assets—The Freund Marsh property preserves over 40 acres of land along the City's waterfront. This project enhances the property and makes it available to the public to enjoy.

Impact on future operating budgets—There will be some operations and maintenance costs to the Parks Division, but they should be minimal.

Provides community economic benefit—NA

Advances other City capital projects—Freund Marsh is one of the identified projects of the Roger Brooks Study.

Community wide benefit—The trails are available to all the citizens of Oak Harbor and visitors to our community for biking, walking and jogging. The trails are also used for marathon running events.

Level of Service—

There are no level of service requirements within the Parks and Recreation Comprehensive Plan.

Comprehensive and Other Adopted Plan References—

The Oak harbor Parks and Recreation Comprehensive Plan lists the development of off street bicycle and pedestrian trails to connect City parks, residential areas and major activity centers as one of our goals and objectives.

Estimated Budget Impact Section

Estimated Project Cost—

Project phase	Total project cost	Prior years	2007	2008	2009	2010	2011	2012
Planning/design								
Land acquisition								
Construction	$132,000			$108,000	$24,000			

Operations and Management—

Estimates	2007	2008	2009	2010	2011	2012
Estimated costs		$3,000	$3,000	$3,500	$3,500	$3,602
Estimated revenues						
Anticipated savings						
Net annual operations/ maintenance expense						

Potential Funding Sources—

Funding program	2007	2008	2009	2010	2011	2012
General Fund		$30,000				
REET		$48,000	$24,000			
Revenue bonds						
G.O. bonds						
Special levy						
LID						
Inter-local Revenue						
Grants						
Other paths and trails 106acct		$30,000				
Total		**$108,000**	**$24,000**			

CITY OF OAK HARBOR
CAPITAL IMPROVEMENTS PLAN

CAPITAL FACILITIES REQUEST FORM

Please complete the following as carefully as possible. It is not important to replicate this form but do use the information headings given. Remember the criteria by which the project will be evaluated as you complete this form. The project staff will recast this information for distribution if necessary.

Narrative Section—Windjammer Trail Connection

Description—

Complete the trail link along the waterfront, connecting Windjammer Park and Flintstone Park. The 350 foot long trail will be 8-10 feet wide. The pathway will be a raised boardwalk bridge over the shoreline vegetation with minimal impact to the natural surroundings. It will be constructed of wood support beams on concrete anchors. The pathway/boardwalk will be constructed of recycled material such as trex decking. Low impact lighting will also be included in this project.

Location—

Along the Oak Harbor Bay shoreline, between Windjammer and Flintstone Parks.

Justification—

Required by law—NA

Public health and safety—This trailway gives the public an additional option for walking, jogging and cycling.

Advances community goals and objectives—Completing the waterfront trail by connecting the two parks with the “missing link” has been a community goal for many years. Trailways along the waterfront are identified in the Roger Brooks Plan for the renovation of the waterfront parks. The Plan also recommends that Flintstone Park become a part of Windjammer Park. Linking the two parks together along the waterfront is the optimal way of meeting that goal.

Enhances or protects the natural environment—Having the pathway suspended over the shoreline will protect the natural environment of this area.

Enhances or protects the cultural, educational and social environment—This section of the waterfront is rich with shoreline plants and wildlife. Public access to the area will give the community an appreciation and respect for the outdoor environment

Preserves existing assets—NA

Impact on future operating budgets—There will be a minimal cost to the Parks Division’s operations budget for litter control and pathway maintenance.

Provides community economic benefit—The trailway will enhance the waterfront and the downtown area, which helps to draw tourists to our community.

Advances other City capital projects—This is a part of the Windjammer Park Revitalization Plan.

Community wide benefit—Each day, numerous members of our community walk, jog or cycle along the waterfront trail. Completing this link of the trail will make it possible for individuals to stay along the waterfront and not have to detour up to Bayshore Drive to get around the private property between the two park sites.

Level of Service—

NA

Comprehensive and Other Adopted Plan References—

The Roger Brooks Plan focuses much of the plan on utilizing our assets along the waterfront to promote tourism. The Plan recommends that Flintstone Park be made a part of Windjammer Park.

Estimated Budget Impact Section

Estimated Project Costs—

Project phase	Total project cost	Prior years	2007	2008	2009	2010	2011	2012
Planning/design	$13,840 in House		$13,840					
Land acquisition								
Construction	$134,717			$134,717				

Operations and Management—

Estimates	2007	2008	2009	2010	2011	2012
Estimated costs			$750	$750	$800	$800
Estimated revenues						
Anticipated savings						
Net annual operations/ maintenance expense			$750	$750	$800	$800

Potential Funding Sources—

Funding program	2007	2008	2009	2010	2011	2012
General Fund	$13,840					
REET		$134,717				
Revenue bonds						
G.O. bonds						
Special levy						
LID						
Inter-local Revenue						
Grants						
Other						
Total						

CITY OF OAK HARBOR
CAPITAL IMPROVEMENTS PLAN

CAPITAL FACILITIES REQUEST FORM

Narrative Section—Special Events Center

Description—

The special events center will provide public assembly space for a variety of events and functions. The project is intended to meet community needs but to also attract a variety of groups to Oak Harbor. The center was originally envisioned as being 20,000-30,000 square feet in size. Staff now believes the center would be more appropriately sized at no more than 6,000 square feet.

Location—

The project is conceptually located at the intersection of SE Bayshore Drive and SE City Beach Street.

Justification—

Tier One Criteria

Required by law—The project is not required by law.

Public health and safety—The project is not necessary to protect the public health and safety.

Preserves existing assets—The project will not preserve any existing assets.

Tier Two Criteria

Impact on future operating budgets—The project is intended to help increase both hotel/motel tax receipts and sales tax receipts for the City. Net revenues could decrease, however, if the City ends up operating the facility.

Community wide benefit—The community will benefit from having this type of space available for its use and will benefit from the increased tax revenues. Increased tax revenues also benefit the community as a whole.

Advances community/council goals and objectives—The project is included in the adopted Windjammer Plan. Implementation of this Plan is supported by the Comprehensive Plan's Economic Development Element, Goal 2. This project is also supported by City Council Goals 1, 2, and 6.

Tier Three Criteria

Enhances or protects the natural environment—It is not expected that this project will enhance or protect the natural environment in any measurable way.

Enhances or protects the cultural, educational and social environment—The construction of the special events center will most certainly enhance the cultural, education and social environment of the community by providing for a space that can support a variety of events.

Provides community economic benefit—The project is intended to help increase both hotel/motel tax receipts and sales tax receipts for the City. Operation of the center will create an unknown number of jobs.

Advances other City capital projects—This project will not specifically advance any of the other Windjammer capital projects.

Level of Service—

There is no adopted level of service for a community facility such as is envisioned.

Comprehensive and Other Adopted Plan References—

The project is included in the adopted Windjammer Plan. Implementation of this Plan is supported by the Comprehensive Plan's Economic Development Element, Goal 2. This project is also supported by City Council Goals 1, 2, and 6.

Estimated Budget Impact Section

Estimated Project Costs—

Project phase	Total project cost	Prior years	2007	2008	2009	2010	2011	2012
Planning/design				$1,203,600				
Land acquisition								
Construction					$8,826,400			

Operations and Maintenance—

Estimates	2007	2008	2009	2010	2011	2012
Estimated costs						
Estimated revenues						
Anticipated savings						
Net annual operations/ maintenance expense						

Note: Operation and maintenance costs cannot be estimated at this time as these costs are highly dependent on who owns and operates the facility.

Potential Funding Sources—

Funding program	2007	2008	2009	2010	2011	2012
General Fund						
REET						
Revenue bonds						
G.O. bonds						
Special levy						
LID						
Inter-local Revenue						
Grants						
Other						
Total						

Note: A funding strategy is yet to be developed for this project.

CITY OF OAK HARBOR
CAPITAL IMPROVEMENTS PLAN

NEW CAPITAL FACILITIES REQUEST FORM

Please complete the following as carefully as possible. It is not important to replicate this form but do use the information headings given. Remember the criteria by which the project will be evaluated as you complete this form. The project staff will recast this information for distribution if necessary.

Narrative Section—New City Animal Shelter

Description—

The City operates the City Animal Shelter through a cooperative agreement with the Navy, utilizing a Navy facility for the services. Since 9/11, access to the facility has become more restrictive with the installation of a gate to the base. The facility has been utilized since the early 1970's, at a time where the City population was under 10,000. Although there have been some improvements over the years, the facility itself is not conducive towards the level of care the City has elected to provide for animals.

The current facility that we don't own is approximately 2,000 square feet. It would seem reasonable that since the City's population has more than doubled since the City has utilized this facility, an animal shelter of approximately 4,000 square feet would alleviate many of the issues currently faced by our shelter operator. To allow for future growth, a shelter of approximately 4500 square feet would be the desired outcome.

The City has an obligation to provide in some fashion for the sheltering of animals that have been impounded. In order to reduce the number of animal and stray animals, communities across the country provide a location for the surrendering and adoption of domestic animals, usually cats and dogs. This service is usually provided either by contract or in-house.

Oak Harbor has had a rather unusual arrangement, in that we do not own our own facility but rather have an agreement with the Navy to provide the service and utilize their facility. In addition, the City has contracted with a vendor to operate the facility which is owned by the Navy. This agreement has worked for a number of years, since the early 1970's. As the City has not owned the facility, maintenance and improvements over the years have been minimal. Correspondence from the Base Commander in 1989 authorized the City to build a metal covering over previously uncovered runs. This was done to increase the space needs as they had clearly outgrown the building capacity. In that correspondence, it was clear that this was considered a temporary solution as it indicated the City could not use the facility in "perpetuity" and that the base commander understood that the City's long range plans were compatible with that eventuality.

In 2004, the City Council adopted a new philosophy regarding the level of care provided to animals, that of the most humane possible with a reduction in euthanasia of animals, referring to the concept of "minimal kill" facility. With the goal being increased adoptions and fewer animals destroyed due to space restrictions, the capacity at the facility, already stressed due to the increase in population in our community, is becoming a non-viable option.

Location—

The City owns land on Technical Drive that is currently being utilized as an off-leash park. The location would be an ideal site for an animal shelter as it is located in an industrial area, next to Public Works, and at the end of the roadway. In addition, if future needs required any expansion, the City owns the land south of the off-leash park as well.

Justification—

As agreed at the Department Head Meeting on September 6th, the following prioritization questions, taken from the Capital Facilities Plan form, will be answered:

Tier 1

Required by law—No, to my knowledge there is no legal requirement for the City to operate a shelter. It would be reasonable to assume that the City would be required to maintain the ability to enforce State Law and Municipal Code regarding impounding of animals, which could be done by contract as well as operation of its own facility.

Public health and safety—No, assuming that the question was framed to address health and safety of people.

Preserves existing assets—No, currently the City does not own an animal shelter.

Tier 2

Impact on operating budgets—No.

Community wide benefit—This would simply be a guess, but I would imagine that a large percentage of residents own either a cat or dog or both, which means that the proposal would provide a benefit to that percentage of the community.

Advances community/council goals and objectives—Yes, the Council redirected Staff to initiate a process that increased the level of care provided to animals. This was done by awarding of the contract to WAIF, which promotes more humane treatment of animals. Overcrowding, which has increased due to the philosophical shift, would be alleviated by this project for the foreseeable future.

Tier 3

Enhances or protects natural environment—No.

Enhances or protects the cultural, educational and social environment—Unknown.

Provides community economic benefit—Yes, for construction. As we are now paying for utilities at the Naval Facilities, I would anticipate that utility costs would decrease on a newer facility, as the current facility is highly energy inefficient.

Advances other City projects—No, except it does align itself well with the philosophical shift adopted by Council regarding the care of animals.

Level of Service—

Our current shelter size is approximately 2,000 square feet. The building of a facility of 4,000-4,500 feet would allow ample space for our current and short term future animal shelter needs. WAIF is currently in the fund-raising stage of a large facility they envision building south of Coupeville. While the 4,000-4,500 square footage facility would be operating at close to capacity within a reasonably short time, the long term plan of WAIF's facility should prevent the City from needing expanded space in the future.

Comprehensive and Other Adopted Plan References—

Unknown.

Estimated Budget Impact Section

Estimated Project Costs—

Project phase	Total project cost	Prior years	2007	2008	2009	2010	2011	2012
Planning/design								
Land acquisition	-0-							
Construction	480,000 to 540,000 (turn-key)							

Operations and Management—

Estimates	2007	2008	2009	2010	2011	2012
Estimated costs (See Notes Below)	82,500 (contract) 13,500 operating	84,000 14,000 operating	85,000 15,000 operating	86,000 15,500 operating	87,000 16,000 operating	88,000 16,500 Operating
Estimated revenues	15,000 (licenses)	15,000	15,000	15,000	15,000	15,000
Anticipated savings						
Net annual operations/ maintenance expense	81,000	83,000	84,000	86,500	88,000	88,500

Notes: 1. It would be doubtful that an Animal Shelter would ever be self-sufficient, resulting in a net loss of revenues.

2. Estimated Costs are Broken Down to Include Current Contract Cost for Contractor, and do not include costs for animal control/code assistance officer as that position is irrelevant to this capital facilities request.

Potential Funding Sources—

Funding program	2007	2008	2009	2010	2011	2012
General Fund						
REET						
Revenue bonds						
G.O. bonds						
Special levy						
LID						
Inter-local Revenue						
Grants						
Other (License Fees)	15,000					
Total	**$15,000**					

City of Oak Harbor Capital Improvements Plan—Project Evaluation Criteria

Definition of a Capital Facility—any new public facility or public improvement of the City costing $50,000 or more, (including financing, design, permitting, environmental analysis, land acquisition and construction costs) requiring the expenditure of public funds over and above annual operational expenses and having a life expectancy of more than twenty (20) years.

A methodology is needed to pare down the lists of projects to an affordable level as well as to balance diverse and competing community values and needs. Capital project evaluation criteria are developed for this purpose.

The following are criterion to be used for this capital project evaluation and prioritization process.

Tier One Criteria

An additional weighting factor of three (x3) is given to the rating score of each Tier One criterion.

- **Required by law—**projects that are required due to federal, state or local legal mandate.
- **Public health and safety—**projects that resolve potentially threatening situations to the health, safety, or physical welfare of citizens (e.g. construction of a new fire station)
- **Preserves existing assets—**projects that save or repair structural integrity of existing buildings, extend the life of or reduces operating costs of existing public infrastructure and facilities (e.g. seismic upgrades, insulate and re-roofing a public building)

Tier Two Criteria

An additional weighting factor of two (x2) is given to the rating score of each Tier Two criterion.

- **Impact on future operating budgets—**forecasts the extent to which the project will impact future operating budgets; will result in decreased operating costs or produce net new revenue (e.g. new tax revenue) a 5 vs. significant requirement additions to personnel or other operating costs a 1.
- **Community wide benefit—**the scope and extent to which the community as a whole benefits from the project; projects that have the broadest community benefit or contribute to balance in the overall program would be rated highest.
- **Advances community/council goals and objectives—**projects that enhance the goals and objectives of the community or City council as identified in adopted plans and policy (e.g. development of the Windjammer Project) will score higher.

Tier Three Criteria

No additional weight (x1) is given the rating score of each Tier Three criterion.

- **Enhances or protects the natural environment—**projects that enhance the natural environment or resolve and reduce the risk of damage to the natural environment (e.g. construction of an adequate storm water retention facility).
- **Enhances or protects the cultural, educational and social environment—**projects that enhance or protects those cultural, educational or social assets that contribute to the community's quality of life (e.g. sidewalk improvements to enhance pedestrian environment, community meeting facility, etc.).

- **Provides community economic benefit—**projects that produce additional family wage jobs, retain family wage jobs or expand the tax base of the community. The more direct the positive impact the higher a project would rate. (E.g. public amities that encourage private sector investment).
- **Advances other City capital projects—**projects that assist the development of another project or a project that must occur in a sequential manner with other capital projects will rate higher.

PLACEHOLDER—Responds to a favorable opportunity—projects that may be advanced by responding to an initiative from the private sector, a grant funding program or other favorable circumstance that could advance that project (e.g. a federal grant opportunity arises that could fund 80% of a project's cost) (to be included in the plan text at this point.)

Prioritizing

Scoring and hence ranking can be accomplished by assigning a value to each criterion. A scale is from 1 to 5, one (1) being lowest and five (5) highest is to be used. The sum of all criterion scores can give Council and community a general idea of project importance relative to other projects. Some criterion is viewed as having more importance than other criterion. For example, the Tier One criterion Public Health/Safety is seen as having a weighted factor of three in importance in project selection while Tier Two criterion has a weight of two and Tier Three criterion has no additional weight.

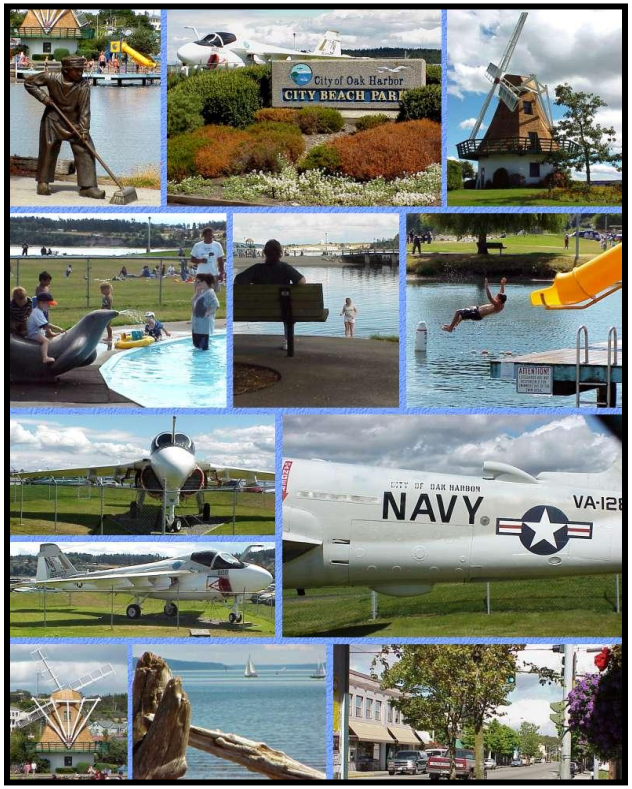
CAPITAL PROJECT PRIORITIZATION FORM

Action required by law
Addresses health & safety issue
Protects existing assets
Positive impact on operating budgets
Provides community wide benefits
Advances community/council goals
Enhances/protects natural environment
Enhances/protects social environment
Economic Impact
Advances other projects

Score each criterion 1 (lowest) through 5 (highest) for each project
Multiply each criterion score by the tier weighting factor

Project Title		Tier One x3			Tier Two x2			Tier Three				Total
EXAMPLE PROJECT	Maximum score	15	15	15	10	10	10	5	5	5	5	

Appendix E • City of Oak Harbor Comprehensive Financial Management Policy



Sound financial stewardship and the prudent use of public funds are two of the primary responsibilities given to the officials and managers of the City of Oak Harbor. Having been entrusted with this responsibility by our citizens, the establishment and maintenance of wise fiscal policy enables City officials to protect public interests and ensure public trust. The overall 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.

Introduction

This Comprehensive Financial Management Policy document incorporates past financial practices in defining the current policies to be used by the City to meet its obligations and operate in a financially prudent manner. These policies have been established to provide general fiscal guidelines and are intended to provide sound direction in the management of the City's financial affairs.

Purpose

The Comprehensive Financial Management Policy assembles all of the City's financial policies in one document. These policies are a tool to ensure that the City maintains a high level of financial solvency in order to meet the City's immediate and long-term service objectives. The purpose of the individual policies contained herein is to serve as guidelines for both the strategic long-term-financial planning and internal financial management processes of the City.

The City of Oak Harbor is accountable to its citizens for the use of public funds. The City's resources must be wisely used to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet the community's present and future needs. The importance of sound financial management makes it desirable for a City to establish goals and targets for its financial operations, so that policies will be consistent and complete, and performance can be monitored on an ongoing basis. Because a fiscally sound City government is in the best interests of the citizens of the City of Oak Harbor, this Comprehensive Financial Management Policy has been adopted as the guiding management principle to be applied in the management of the City's finances.

The City's policies are categorized in the following sections:

- General Revenue Policies
- Expenditure Policies
- Reserve Policies
- Accounting and Financial Reporting Policies
- Performance Measurement Policies

General Revenue Policies

Current revenues will be sufficient to support current expenditures.

A well-diversified and stable revenue system will be maintained to shelter public services from short-run fluctuations in any particular revenue source. Because revenues, especially those of the General Fund, are sensitive to both local and regional economic activities and legislation, revenue estimates should be calculated using an objective, analytical process, and will be neither overly optimistic nor overly conservative. Revenue estimates will be as realistic as possible based on the best available information.

Revenue forecasts will encompass all resources that can be utilized for public services. Should economic downturns develop which could result in revenue shortfalls or fewer available resources, the City will immediately compensate by making adjustments in anticipated expenditures.

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.

The City will project revenues for the next three years and will update this projection annually. The Finance Department will annually review and make available to the Finance Committee an analysis of each revenue source.

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, but only when supported by a well-documented repayment schedule of short duration.

In order to assist decision makers in prioritizing support for various City program alternatives, and tier system consisting of three levels shall be utilized. Tier 1 programs will consist of programs critical to core business functions of the City. Tier 2 programs shall consist of programs not necessarily belonging to a core business function, but shall consist of those programs assigned a high priority in meeting specific City objectives. Tier 3 programs shall consist of those programs receiving consideration as funds are available, and after all business core functions and high priority programs have been considered. As part of Council's mission statement objectives, and specific dollar amount or percentage of the annual operating budget shall be established as a not to exceed threshold for the aggregate cost of Tier programs.

Grant Revenues

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.

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. In all cases, an analysis will be performed regarding the City's ability to comply with any restrictions or long-term commitments included as a stipulation of receiving the grant award.

Enterprise Revenues

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.

Revenues received for enterprise purposes will be restricted to the respective funds.

User Fee Revenues

The City will establish all user fees and charges at a level related to the cost of providing the service. Every year, the City will regularly revise user fees with a review by the Mayor to adjust for the effects of inflation and increases in operating costs.

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. The goal of this is to provide maximum flexibility in the use of general City taxes to meet the cost of services of broader public benefit. Charges for services that benefit specific users should recover full costs, including all direct costs, capital costs, department overhead, indirect cost allocation, and City-wide overhead. Departments that impose fees or service charges should prepare and periodically update cost-of-service studies for such services.

A high level of priority will given to expenditures that will reduce future operating costs, such as increased utilization of technology, equipment, personnel, and prudent business methods.

The City of Oak Harbor strives to ensure its service programs are of high quality. If expenditure reductions are necessary, complete elimination of a specific service is preferable to lowering the quality of programs provided.

All City personnel share in the responsibility of looking at and understanding the City's long-term financial viability, its general spending trends, its projected incomes, and educating themselves, division heads, and employees on the necessary short and long-term balance between revenues and expenditures. Department heads are responsible for ensuring departmental expenditures under their control are in accordance with City Council's authorized expenditure authorization.

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.

Organizations that are not part of the City, but which receive funding from the City, shall not have their appropriation carried forward from year to year unless expressly authorized and directed by City Council. Performance measures will be established for each program receiving to ensure support is in conformance with City objectives. Annual review to include a report from the program sponsor and reauthorization of funding is required.

All externally mandated services provided by one fund for another, for an outside source, or for which full or partial funding is available will be fully costed out to allow for reimbursement of expenses. The estimated direct costs of providing the service will be budgeted and actual costs charged to the fund performing the service. Interfund service fees charged to recover these direct costs will be recognized as revenue to the providing fund.

Expenditure Policies

The City will maintain expenditure categories according to state statute and administrative regulation.

Personnel

Emphasis is placed on improving individual and workgroup productivity rather than adding to the work force. The City will hire additional personnel only after the need for a new employee is substantiated and documented.

All compensation negotiations will focus on total compensation including direct salary, health care premiums, pension contributions, and other benefits of a non-salary nature. Cost analysis of salary increases will include the effect of such increases on the employer-share of related fringe benefits.

Maintenance and Replacement

The budget process will include a multi-year projection of vehicle replacement requirements. The budget will provide sufficient funding for adequate maintenance and orderly replacement of capital plant, equipment, and vehicles. Future maintenance needs for all new capital facilities will be costed out and included as decision criteria.

Short-Term Debt Policies

Short-term debt covers a period of one year or less.

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.

The City may issue interfund loans rather than outside debt instruments to meet short-term cash flow needs. Interfund loans will be permitted only if an analysis of the affected fund indicates

excess funds are available and the use of these funds will not impact the fund's current operations. All short-term borrowing will be subject to Council approval by ordinance or resolution, and will bear interest based upon prevailing rates.

Long-Term Debt Policies

The City will confine long-term borrowing to capital improvements that cannot be financed from current revenues.

Acceptable uses of bond proceeds can be viewed as items that can be capitalized and depreciated. Refunding bond issues designed to restructure currently outstanding debt is also an acceptable use of bond proceeds.

Where possible, the City will use special assessment revenue, or other self-supporting bonds instead of general obligation bonds.

The City will not use long-term debt for current operations.

The City will maintain good communications with bond rating agencies about its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus.

General Obligation Bond Policy

1. 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.
2. 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

1. As a precondition to the issuance of limited tax general obligation bonds, all alternative methods of financing should have been exhausted.
2. Limited tax general obligation bonds should only be issued under certain 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.

Reserve Policies

Fund Balance Policy

One of the most significant policies envisioned for the City's budget is to begin each year with a targeted fund balance. The long-term goal is to obtain a rolling beginning fund balance in each operating fund equal to ten percent of the fund's operating budget, excluding the beginning fund balance, building permit revenue and any significant one-time revenue. . As a short-term objective, the 2001-2002 Biennial Budget begins with an estimated beginning fund balance of 5%, with a planned increase in the targeted fund balance of 1% per year until the long-term goal of 10% is reached.

Technology Reserve Fund

The Technology Reserve Fund is to be utilized as a sinking fund in which to set aside the necessary resources to finance the purchase or replacement of new technology or highly specialized equipment for the operational needs of the City. Each fund or operation of the City will prepare an inventory of computers, network servers, and other technological equipment. This list will include a schedule of planned retirement of such assets, and a schedule of periodic payments to be made to the Technology Reserve Fund for the purpose of replacing outdated equipment as they are retired from the City inventory.

Equipment Replacement Reserve Fund

The Equipment Replacement Reserve Fund is to be utilized as a sinking fund to set aside the necessary resources to finance the purchase or replacement of vehicles and equipment for the operational needs of the City. For each listed piece of equipment, a schedule will be made outlining

the project future cost of replacement, a listing of the current contributions made towards replacement, and the estimated service charges for maintenance. Funds or departments that participate will make regularly scheduled payments to ensure that adequate funds are available. Should a department require equipment that has not previously been scheduled, the initial acquisition of the equipment will be budgeted for and purchased from the department's own budgetary schedule. The equipment will then be donated to the equipment replacement fund. Under no circumstances will funds be withdrawn from the reserve for other operating purposes unless a corresponding reduction in the equipment listing is made be the department requesting the withdrawal.

Current Expense Reserve Fund

The Rainy Day Reserve's primary purposes are to protect the City's essential service programs during periods of economic downturn that may temporarily reduce actual resources or cut the growth rate of City resources below that necessary to maintain pre-existing service levels. Disbursement of funds will only be made upon approval of Council. The long-term goal is to reserve an amount equal to five percent of the annual General Government expense budget in this fund.

LEOFF I Post-retirement Benefit Fund

The LEOFF I Post-retirement Benefit Fund is to provide actuarial-sound fund balances to match the post-retirement liabilities accrued for covered fire and police personnel. An actuarial study is commissioned every five years to assess the status of the pension plan and to set new reserve targets as required. The pension plan is expected to service retirees until approximately the year 2040.

Cumulative Reserve 1st Quarter Percent REET Fund

The City created the Cumulative Reserve 1st Quarter Percent REET Fund to finance the repair, maintenance, and acquisition of park, library, recreational, cultural, and civic improvements; and land. The proceeds from the 1st Quarter Percent REET are authorized by RCW 82.46.010.

Cumulative Reserve 2nd Quarter Percent REET Fund

The City created the Cumulative Reserve 2nd Quarter Percent REET Fund to finance a package of improvements that will be funded from a second ¼% real estate excise tax. This tax was specifically enacted as a part of the state's growth management statutes, which call for the provision of resources for capital facilities that relate directly to growth. The long-term goal of this fund is to accumulate sufficient cash for capital needs deemed appropriate within the scope of the Growth Management Act.

Cumulative Reserve Utilities Fund

A cumulative reserve shall be established by the Water, Wastewater, Solid Waste, and Storm Drain Funds to replace utility capital, plant and equipment. This reserve will be adjusted biennially by the current year's depreciation expense less bond reserves, principal paid on outstanding debt, and purchases of replacement capital. The long-term goal of this fund is to accumulate sufficient cash for capital needs deemed appropriate within the scope operations and the Growth Management Act.

Bond reserves shall be created and maintained by the Water, Wastewater, Solid Waste, and Stormwater Utilities in accordance with the provisions set forth in the bond covenants.

Paths and Trails Reserve

The purpose of this reserve is to establish and maintain paths and trails for bicyclists, equestrians and pedestrians. The basis for revenue is a ½% of Motor Vehicle Fuel Taxes received by the Street Fund. Funds must be expended for the purpose required within ten years of receipt.

Accounting, Financial Reporting and Auditing Policies

The City of Oak Harbor will establish and maintain a high standard of accounting practices. Accounting and budgetary systems will, at all times, conform to Generally Accepted Accounting Principles, the State of Washington Budgeting Accounting Reporting System (B.A.R.S.) and local regulations.

A comprehensive accounting system will be maintained to provide all financial information necessary to effectively operate the City.

The City will meet the financial reporting standards set by the Governmental Accounting Standards Board.

Full disclosure will be provided in all City financial reports and bond representations.

An annual audit will be performed by the State Auditor's Office and will include the issuance of a financial opinion as to the financial position and the results of operations of the City.

Productivity and Performance Measurement

As the demands for new services and improvements to existing programs have strained the City's capacity to provide these in an era of fiscal restraint, new techniques for stretching resources have been developed and tested by municipalities throughout the country.

To this end, it is the policy of the City of Oak Harbor to develop a comprehensive productivity/work measurement program throughout City government to improve the efficiency and effectiveness of service delivery. The primary objectives of this City initiative should be:

- Developing accurate and fair measures of quality and effectiveness of service delivery in each City department and agency;
- Training City managers and employees to conduct performance measurement studies, to help design and implement an overall performance evaluation program, and to utilize this program on an ongoing basis;
- Integrating the work standards and measures produced by the performance evaluation effort into the City's existing budgetary and accounting systems; and
- Saving City dollars and resources in providing existing and new municipal services.

In implementing each of the phases of this performance measurement program, the City will seek to maximize the reporting and analysis of data that demonstrates progress and area for further refinement. The City believes the development of accurate and realistic productivity measures, and the integration of these measures into its budgetary and accounting systems, will enable future City Councils, City Administrations, and management personnel to make resource allocation decisions which reflect the financial requirements of all activities as well as hard information on the quality and quantity of services being delivered.

Appendix F • Financial Resources for Capital Facility Planning and Implementation[20]

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:

2. Small area and neighborhood plans,
3. Strategies and action programs to implement plans including development of codes, ordinances, and regulations, and
4. 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:

5. demonstrates that public financing of the project is necessary and appropriate to create or retain jobs,
6. provides an unconditional, irrevocable Letter of Credit in the full amount of the principal and interest of the due as collateral for the loan,
7. 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),
8. 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.

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

- 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:

9. Manufacturing and other industrial production,
10. Agricultural development or food processing,
11. Aquaculture development or seafood processing
12. Development or improved utilization of natural resources,
13. Tourism facilities,
14. Transportation or freight facilities,
15. Other activities that represent new technology or a type of economic enterprise needed to diversify the economic base of an area,
16. 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:

17. Need for assistance is appropriate given the type of project,

18. 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),
19. Proposed repayment is 20 years or less,
20. Other reasonable financing alternatives have been exhausted,
21. Request is not less than $700,000 nor more than $7,000,000,
22. 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—ombines 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:

23. The acquisition of parks and recreational facilities, or
24. 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:

25. historic preservation planning;
26. cultural resource survey and inventory;
27. nomination of properties to the National Register of Historic Places; and
28. 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:

29. Facilities for pedestrians and bicycles,
30. Safety and educational activities for pedestrians and bicycles,
31. Acquisition of scenic easements and scenic or historic sites,
32. Scenic or historic highway programs including the provision of tourist and welcome center facilities,
33. Landscaping and other scenic beautification,
34. Historic preservation,
35. Rehabilitation and operation of historic transportation buildings, structures or facilities including historic railroad facilities and canals,
36. Preservation of abandoned railway corridors including the conversion and use thereof for pedestrian or bicycle trails,
37. Control and removal of outdoor advertising,
38. Archaeological planning and research,
39. Environmental mitigation to address water pollution due to highway runoff,
40. Reduce vehicle-caused wildlife mortality while maintaining habitat connectivity, and
41. 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:

42. Urban Arterial Program—best suited for roadway projects that improve safety and mobility
43. Urban Corridor Program— best suited for roadway projects with multiple funding partners that expand capacity.
44. Sidewalk Program—suited for sidewalk projects that improve safety and connectivity.
45. Road Transfer Program—provides state funding to offset extraordinary costs associated with the transfer of state highways to cities.
46. Pedestrian Safety & Mobility Program (SCPSMP—funds pedestrian improvements for safety, pedestrian generators, convenience, public acceptance, and project cost.
47. 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:

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

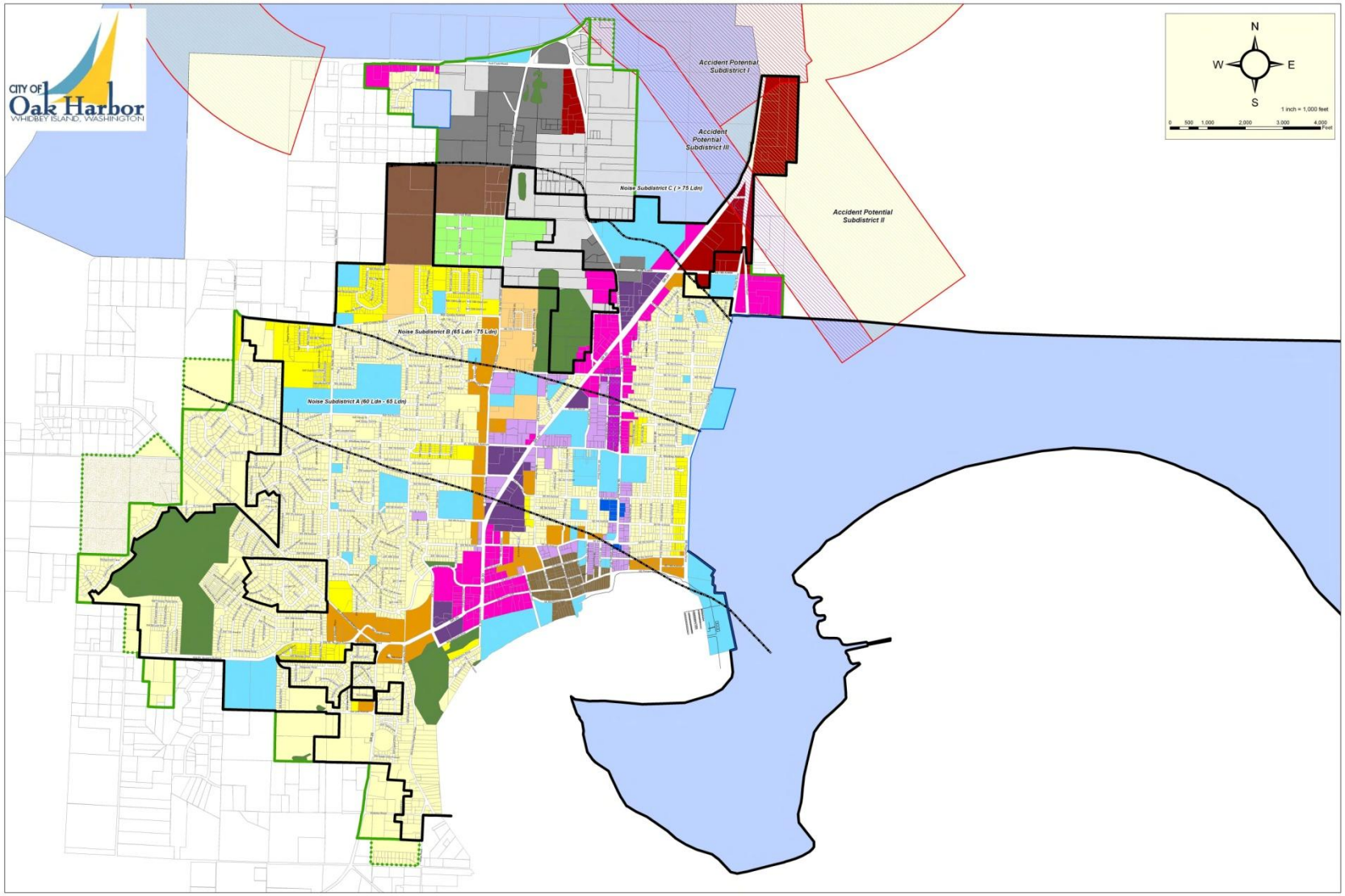
55. Section 108 Loan Guarantees

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:

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

Section Eight • Appendix G • Maps

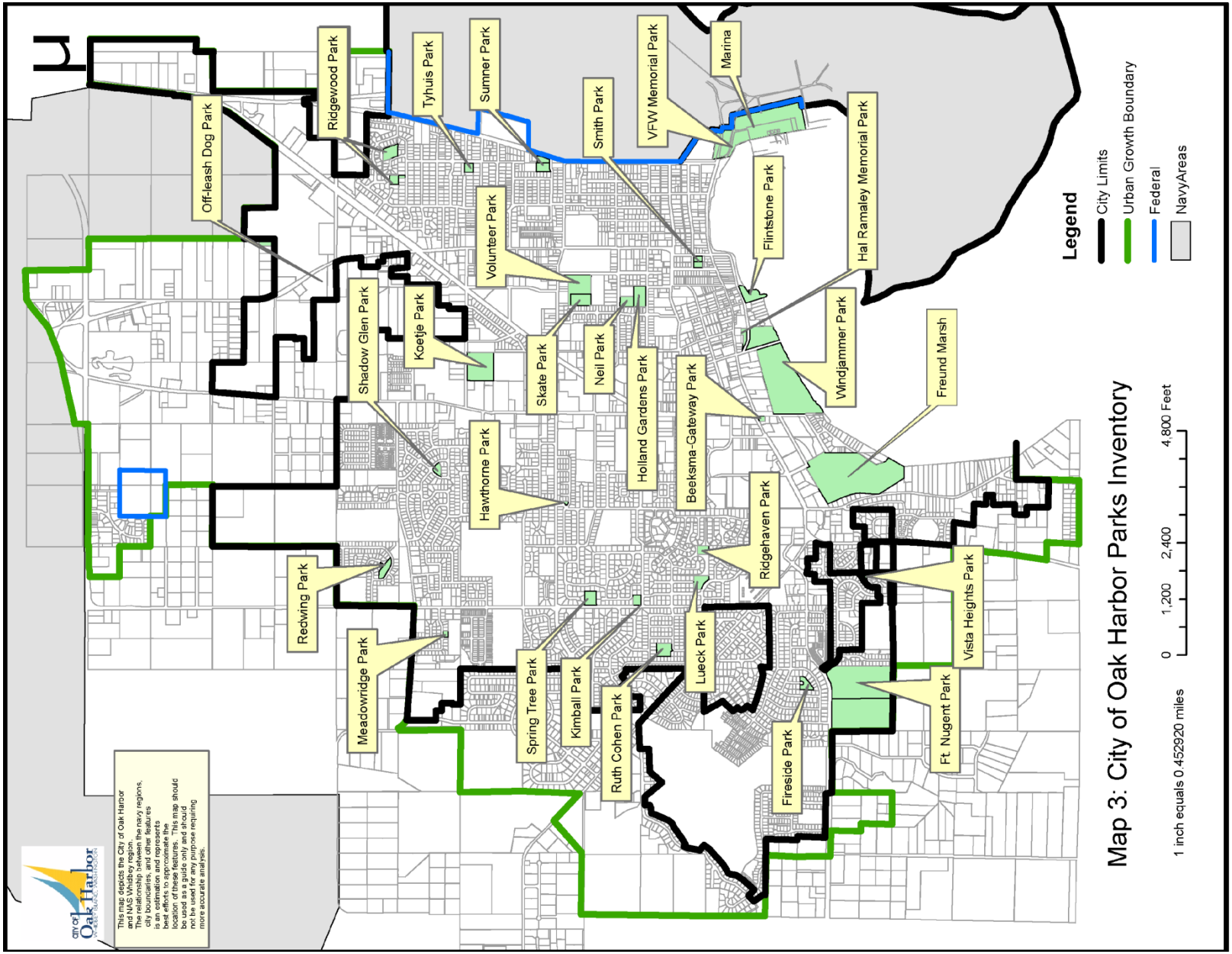
Map 1. City of Oak Harbor Boundaries



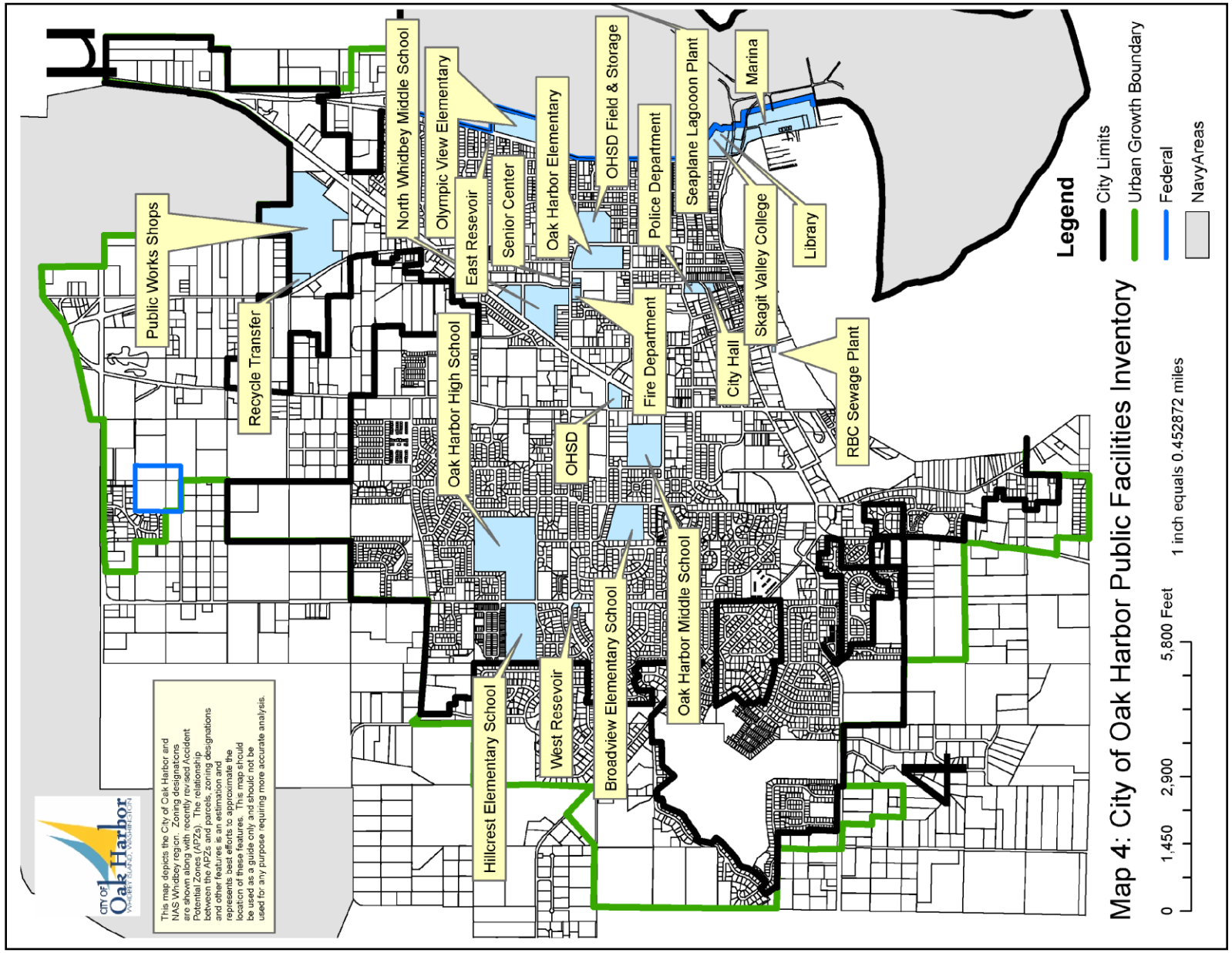
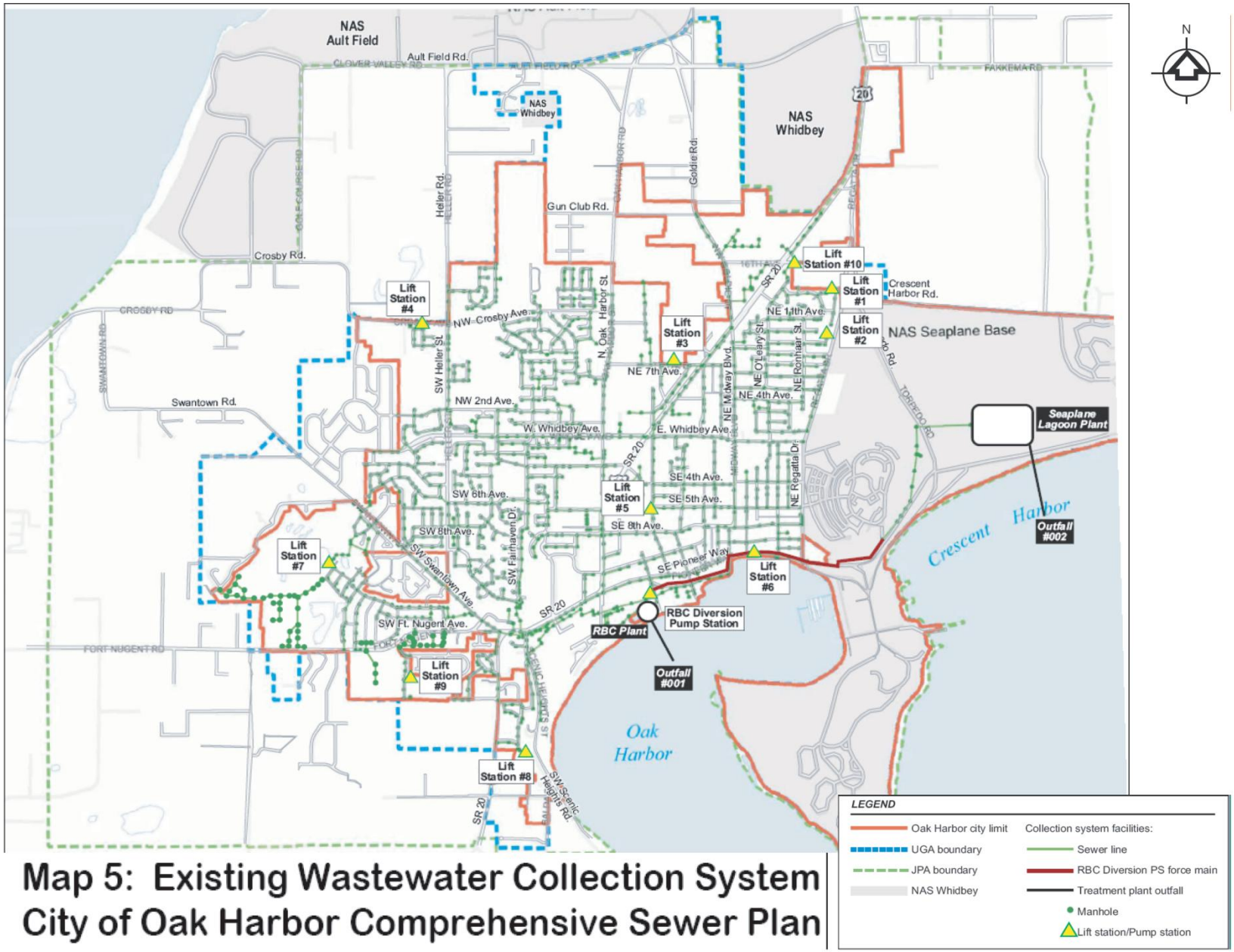
Map 2. City of Oak Harbor Street Classification

LEGEND
N
SCALE = NTS

Map 3. City of Oak Harbor Parks Inventory



Map 4. City of Oak Harbor Public Facilities Inventory



Map 5. Existing Wastewater Collection System, City of Oak Harbor Comprehensive Sewer Plan