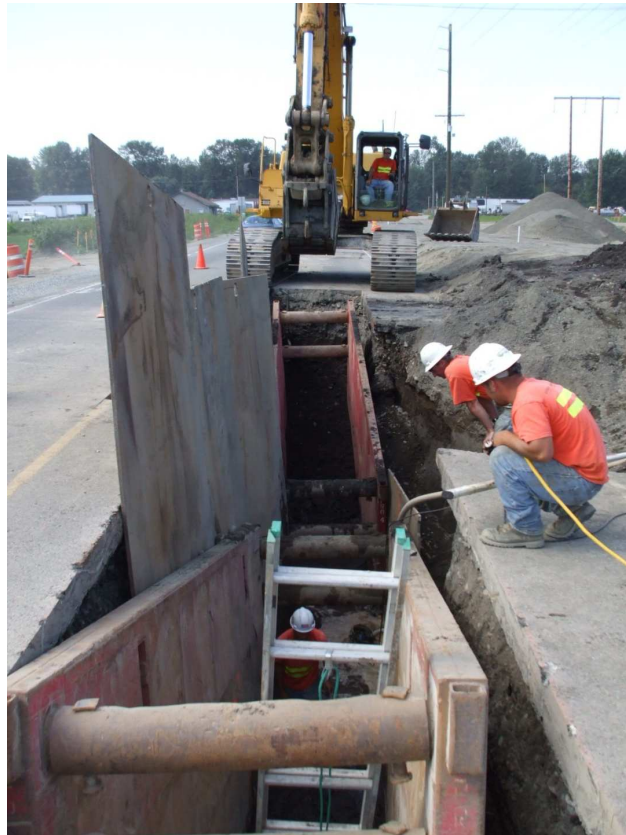




Pierce County

Capital Facilities Plan

2011-2012 Amendments



Ordinance No. 2011-41s
Adopted November 8, 2011
Effective January 1, 2012

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CAPITAL FACILITIES PLAN SUMMARY

INTRODUCTION

The Capital Improvement Program (CIP) is the operational implementation of the Capital Facilities Plan (CFP). The CFP is one of the elements of Pierce County's comprehensive plan that is required by Washington's Growth Management Act (GMA).

The GMA requires the CFP to identify public facilities that will be needed to address development expected to occur during the next six years. The CFP must identify the location and cost of the facilities and the sources of revenue that will be used to fund the facilities needed to support development. The CFP must be financially feasible; in other words, dependable revenue sources must equal or exceed anticipated costs. If the costs exceed the revenue, the County must reduce its Level of Service, reduce costs by implementing non-capital alternatives or other methods, or modify the land use element to bring development into balance with available or affordable facilities.



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

One of the goals of the GMA is to: "Ensure that those public facilities and services necessary to support development shall be adequate to serve the development at the time the development is available for occupancy and use . . ." In Pierce County, concurrency is required for sanitary sewer, septic and community systems, water, surface water, County roads, transit, and ferries. For these facilities, the following is required: (1) facilities serving the development to be in place at the time of development (or, for some types of facilities, that a financial commitment is made to provide the facilities within a specified period of time), and (2) such facilities have sufficient capacity to serve development without decreasing LOS below minimum standards adopted in the CFP. The GMA requires concurrency for transportation facilities. For transportation facilities, concurrent with development means "improvements or strategies are in place at the time of development, or that a financial commitment is in place to complete the improvements or strategies within six years."

GMA also requires public facilities and services to be "adequate." These public facilities and services include: streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, domestic water systems, storm and sanitary sewer systems, parks and recreational facilities, schools, fire protection and suppression, law enforcement, public health, education, recreation, environmental protection, and other governmental services.

The County's development regulations, adopted July 1995, implement the plan and provide detailed regulations and procedures for implementing the requirements of the plan.

Why Plan for Capital Facilities?

The purpose of the CFP is to use sound fiscal policies to provide adequate public facilities consistent with the Land Use Element on a schedule concurrent with, or prior to, the impacts of development in order to achieve and maintain adopted standards for Level of Service, and to exceed the adopted standards, when possible.

There are at least three reasons to plan for capital facilities: (1) growth management, (2) financial management, and (3) eligibility for grants and loans.

RECURRING AND NON-RECURRING CAPITAL IMPROVEMENTS

Recurring capital improvements are non-major repairs and maintenance, and minor upgrades. Pursuant to the Washington Budgeting, Accounting and Reporting System (BARS), these expenditures are generally coded in object 35 (minor equipment) or object 48 (repairs and maintenance). These expenditures are excluded from the Capital Facilities Plan.

A “non-recurring capital improvement” for the CFP expenditure must be for the acquisition of a physical asset which has a useful life of at least ten years. Excluded from the definition are such items as vehicles, office and data processing equipment, other equipment items (unless they are an integral part of the larger physical improvement), and normal repairs and maintenance. Also, projects with a total expenditure of less than \$150,000 are excluded from the CFP but are included here in order to maintain consistency with the adopted budget. Projects funded by Real Estate Excise Tax (REET) or the General Fund are usually budgeted and managed by the Facilities Management Department.

PROCESS

The Plan is updated annually to reflect a new six-year timeframe, current population projections, and changes to proposed capital improvement projects. In 2009, the schedule for adopting amendments to the CFP was adjusted to improve coordination between the CFP and preparation of the annual budget. The County uses population estimates prepared annually by the State's Office of Financial Management (OFM) and extrapolated (straight line) for out years.

The first year of the CFP is based on the Council authorized capital program expenditures for the current fiscal year. The subsequent five years of the CFP are a projection of capital facility needs and funding based upon population projections, available funding, and other factors.

The CFP projects are prepared and submitted by the Departments. Budget and Finance, and the Planning and Land Services Departments coordinate preparation and publication of the plan. The County Executive approves the draft plan and forwards it to the Planning Commission. The Planning Commission reviews the draft, holds hearings in which some departments may be asked to provide additional explanation and detail, and then forwards the plan to the County Council with recommendations. After conducting public hearings, the County Council adopts the CFP by ordinance.

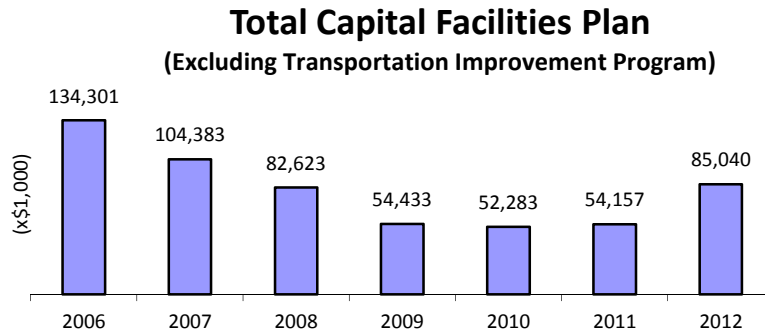
PRIORITIZATION

The County Executive and County Council establish policies and priorities to meet service and public policy goals. Generally, preservation and maintenance of existing, essential public facilities are the highest priority followed by upgrades and expansion to meet Level of Service and concurrency goals. Some projects must be undertaken to meet external mandates (such as National Pollutant Discharge Elimination System-NPDES) or to take advantage of grant opportunities (such as recent American Recovery and Investment Act-ARRA grants). Each applicable department prepares six year (14 in the case of the Ferry System) project plans and budgets to meet these goals. The Executive, Council and Departments are also guided by specific long range plans such as the Park, Recreation & Open Space Plan, and other long range and community plans. Current and anticipated revenues often fall short of identified capital needs, consequently projects are often prioritized based upon greatest need and funding availability. Projects that are identified as being needed but have no funding currently available are listed separately in the CFP in order to inform future deliberations.

State law also requires each City and County to annually adopt a six-year (14 years for ferry systems), comprehensive transportation improvement program (TIP) and file the program with State Secretary of Transportation. The CFP incorporates the TIP by reference.

Capital Facilities Plan Summary

EXPENDITURE SUMMARY



Capital facility expenditures in the past seven years (excluding the TIP) total \$527,220,000 with 2006 being the high point for expenditures. During that year there were significant expenditure increases for Courts/County-City Building remodel, Human Services building renovation, river improvement and sanitary sewer construction. Since 2006, expenditures have generally declined due to declines in available revenue.

Capital Improvement Project Summary							
Capital Cost (x1000)	2011	2012	2013	2014	2015	2016	Total
Airports	200.0	5,296.0	615.0	7,301.0	580.0	1,100.0	15,092.0
District Court	—	—	5,400.0	—	—	—	5,400.0
Emergency Mgmt	—	—	—	—	—	—	—
Ferry System	158.0	1,040.0	1.0	—	—	—	1,199.0
General Admin Buildings	2,952.1	1,050.3	200.0	200.0	200.0	200.0	4,802.4
Human Services	—	—	—	—	—	—	—
Juvenile Detention	—	420.0	—	—	—	—	420.0
Parks and Recreation	7,568.2	2,989.4	1,300.0	1,300.0	300.0	300.0	13,757.6
Roads Bldgs & Facilities	600.0	2,010.0	18,465.8	5,000.0	—	—	26,075.8
Sewer Utility	35,765.7	59,386.9	83,845.2	107,559.5	106,197.6	17,996.1	410,751.0
Sheriff	—	—	—	—	—	—	—
Sheriff's Corrections and Detention Center	215.0	—	—	—	—	—	215.0
Solid Waste	363.0	1,270.0	1,634.0	—	—	—	3,267.0
Superior Court	—	—	—	—	—	—	—
Surface Water & River	6,335.0	11,578.1	9,718.0	6,295.0	5,100.0	—	39,026.1
CFP Total Funded	54,157.0	85,040.7	121,179.0	127,655.5	112,377.6	19,596.1	520,005.9
Roads Transportation Improvement Plan	35,902.0	18,697.0	8,680.0	8,500.0	13,511.0	7,499.0	92,789.0
Total	90,059.0	103,737.7	129,859.0	136,155.5	125,888.6	27,095.1	612,794.9

Capital Improvement Projects Sources of Funds

The sources of funds for capital improvement projects have been grouped into five major categories.

Taxes/Fees. This source of revenue includes non-dedicated taxes and fees such as sales tax, property tax, court fines, licenses and permits. This category also includes dedicated taxes and fees such as park impact fees, park sales tax, and gas taxes.

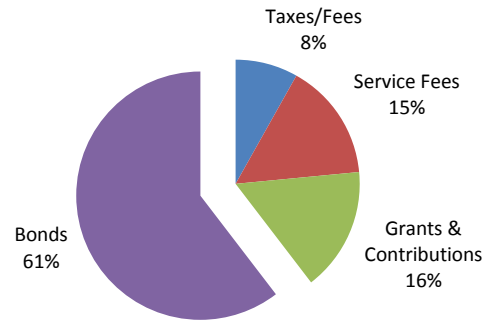
Service Fees. These fees are for specific services provided. Examples are E 9-1-1, golf course fees, sewer fees, and surface water management fees.

Grants & Contributions. This source of revenue includes federal, state and city contributions for specific projects or purposes. Examples include road funds, parks donations and grants, mental health and human services grants, and the City of Tacoma portion of the County-City Building.

Bonds. This is interest bearing debt issued by the County.

Intergovernmental Loans (none in 2011-2012). This category is used for loans from one department to another, or from a tax/fees fund to a user fee (enterprise) fund.

2012 Capital Improvement Projects Source of Funds



Capital Improvement Source of Funds							
Capital Cost (x1000)	2011	2012	2013	2014	2015	2016	Total
Taxes/Fees	10,889.3	6,937.0	31,429.3	13,015.0	500.0	500.0	63,270.6
Service Fees	8,727.7	13,019.2	5,772.0	5,349.5	13,960.5	13,441.1	60,270.0
Grants & Contributions	4,087.0	13,714.6	1,698.2	3,412.7	468.0	975.0	24,355.5
Bonds	30,453.0	51,369.9	82,279.5	105,878.3	97,449.1	4,680.0	372,109.8
Intergov't Loans	—	—	—	—	—	—	—
Total	54,157.0	85,040.7	121,179.0	127,655.5	112,377.6	19,596.1	520,005.9

IMPACT ON THE OPERATING BUDGET

Each subsection provides a forecast of the future maintenance and operating costs of capital improvement projects. The impacts of each project are presumed to begin in the year after the year in which the project is completed. Since it is not possible to forecast the completion date of each project, no attempt has been made to identify impacts for any portion of the year in which the project is completed.

The forecast of operating impacts is included because the substantial cost impacts of some facilities may be a factor in the County's decision to construct the project (and to adopt the level of service that causes the project to be needed). No "financing plan" is offered for the operating costs, and the County will be obliged to find revenue to pay for such costs. (Some of the revenue may come from increases to the tax base that accompanies

Capital Facilities Plan Summary

the new development that created the need for the capital facility. There is no assurance, however, that the increased tax revenue from new development will be sufficient to pay for the cost of operating the new facilities.)

The operating impact costs reflect the amount by which each future year's operating budget will increase compared to the current operating budget. The same project is shown to have the same annual impact on each succeeding year's operating budget. Sometimes, the completion of a capital improvement project will result in savings in operating costs rather than incur new costs. In other instances such as "maintenance" projects, there will be no impact on operating costs. In these cases, zeroes are entered. For some projects the operating impact of the capital improvement projects cannot be calculated because of too many unknown factors such as final configuration and type of facility, realignment of staffing, or the amount of shared infrastructure with current facilities.

Capital Improvement Impact on the Operating Budget							
Capital Cost (x1000)	2011	2012	2013	2014	2015	2016	Total
Airports	—	—	54.0	67.2	199.2	205.2	525.6
District Court	—	—	—	—	—	—	5,400.0
Emergency Management	—	—	—	—	—	—	—
Ferry System	—	—	—	—	—	—	—
General Admin Buildings	—	—	—	—	—	—	—
Human Services	—	—	—	—	—	—	—
Juvenile Detention	—	—	—	—	—	—	420.0
Parks and Recreation	—	228.8	236.5	243.2	250.4	258.0	13,757.6
Roads Bldgs & Facilities	—	—	—	—	—	—	—
Sewer Utility	—	—	—	—	—	—	—
Sheriff	—	—	—	—	—	—	—
Sheriff's Corrections and Detention Center	—	—	—	—	—	—	—
Solid Waste	—	—	—	—	—	—	—
Superior Court	—	—	—	—	—	—	—
Surface Water & River	—	—	—	—	—	—	—
Total	—	228.8	290.5	310.4	449.6	463.2	1,742.5

Capital Facilities Plan Summary

FUTURE NEEDS – NO FUNDING CURRENTLY AVAILABLE

The following table summarizes future capital facility needs but where a funding source has not been determined:

Unfunded Future Needs							
Capital Cost (x1000)	2011	2012	2013	2014	2015	2016	Total
Airports	—	—	—	—	—	—	—
District Court	—	—	—	—	—	—	—
Emergency Management	3,960.0	1,040.0	—	—	—	—	5,000.0
Ferry System	—	—	—	—	—	—	—
General Admin Buildings	11,284.6	1,503.2	975.2	468.0	3,607.5	20,629.5	38,468.0
Human Services	—	—	—	—	—	—	—
Juvenile Detention	—	4,123.0	6,000.0	6,000.0	—	—	16,123.0
Parks and Recreation	—	—	—	—	—	—	—
Roads Bldgs & Facilities	—	—	—	—	—	—	—
Sewer Utility	—	—	—	—	—	—	—
Sheriff	—	—	—	11,000.0	27,830.0	—	38,830.0
Sheriff's Corrections and Detention Center	—	—	—	—	4,000.0	—	4,000.0
Solid Waste	—	—	100.0	2,925.0	750.0	—	3,775.0
Superior Court	—	515.0	1,625.0	4,000.0	—	—	6,140.0
Surface Water & River	—	—	—	—	—	—	—
Total	15,244.6	7,181.2	8,700.2	24,393.0	36,187.5	20,629.5	112,336.0