

Chapter 6. Capital Facilities

GOAL CF-1

Protect the public health, safety and welfare of residents while enhancing the quality of life in Poulsbo through the planned and proactive provision of public facilities.

Policy CF-1.1

When planning, developing and administering the City's capital improvement program, the City Council shall give priority consideration as follows:

- 1. Protect public health and safety;*
- 2. Support the continued provision of existing City services consistent with the expectations of the community, as expressed in the City's adopted Level of Service standards;*
- 3. Provide infrastructure to support the vision of Poulsbo's future as articulated in the Comprehensive Plan;*
- 4. Maintain, rehabilitate, or replace the City's facilities and infrastructure as necessary to extend the useful life of existing facilities and ensure continued efficiency and conservation of energy and resources; and*
- 5. Provide facilities, which meet the special needs of the community, such as those supported by voter-approved bonds.*

LEVEL OF SERVICE STANDARDS

GOAL CF-2

Establish capital facility level-of-service (LOS) standards in order to determine long-term capital facility and funding requirements.

Policy CF-2.1

Level of service standards are established for the following types of facilities:

- *Water system: A flow volume that meets instantaneous peak demand together with projected ed fire flows, and sufficient storage volumes to comply with Washington State Department of Health regulatory requirements.
{Suggested by Capital Projects Engineer staff}*
- *Sewer system: A conveyance system level that which allows collection of peak wastewater discharge plus infiltration and inflow. {Suggested by Capital Projects Engineer staff}*
- *Storm water: Comply with all conditions of Washington Department of Ecology's NPDES Phase II Western Washington Municipal Storm Water Permit.*
- *Parks and recreational facilities:*
 - *Citywide: 13.73 acres per 1,000 population*
 - *Neighborhood parks: 2 acres per 1,000 population*
 - *Community parks: 3.5 acres per 1,000 population*
 - *Regional parks: 1.5 acres per 1,000 population*
 - *Open space parks: 6 acres per 1,000 population*
 - *Trails: 1.0 mile or .73 acre per 1,000 population {Added to be consistent with LOS identified in current PROS Plan}*

Capital Facilities Goal and Policy Review | Feb 2023

Red ~~Strikethrough~~ and Underline = Staff Amendments

Blue ~~Strikethrough~~ and Underline = Planning Commission Amendments

Orange notes reason for amendment

- *Transportation: The transportation LOS is established to identify the need for growth-related transportation programs and projects, as well as those that serve people already living and working in Poulsbo. The transportation concurrency requirement ensures that these programs and projects are implemented proportionally with the level of growth and serve to implement the City's Land Use Plan. Transportation LOS standards are contained in the Transportation Chapter, Policies TR-2.1 through TR-2.11.*
- *Solid Waste: Weekly curbside collection of refuse for residents; and daily to every-other week collection of commercial and multi-family dumpsters. Provide opportunities for recycling to be collected from single-family and multi-family residences.*

ENSURING ADEQUATE CAPITAL FACILITIES

GOAL CF-3

Provide adequate public facilities by constructing needed capital improvements that: 1) repair or replace obsolete or ~~worn-out-degraded~~ facilities; 2) eliminate existing deficiencies; and 3) meet needs of future development, in a time frame that is consistent with the requirements of the Growth Management Act and is in concert with the City's annual biennial budget cycle. *{Suggested by Capital Projects Engineer staff}*

Policy CF-3.1

The City shall ensure that there is adequate long-term capacity for its water, sanitary sewer, solid waste utility, and storm water utility:

1. *Water. The City shall ensure there is sufficient instantaneous water demand and fire flow to support the 20-year utility needs for the water utility. This realistically results in the need to increase water utility rates periodically to ensure the utility is able to finance its necessary capital improvements. Additionally, the City shall evaluate its water rights to determine sufficient water supply as part of the six-year functional plan update cycle. If, as part of this evaluation, additional water supply is deemed necessary, the City will coordinate with Kitsap Public Utility District for potential water supply consistent with the Interlocal Agreement between the City and KPUD and included as Appendix B-1 of the City's Comprehensive Plan.*
2. *Sanitary Sewer. The City shall ensure there is sufficient financial capacity to support the 20-year utility needs for the sewer utility. This realistically results in the need to increase sewer utility rates periodically to ensure the utility is able to finance its necessary capital improvements.*
3. *Downstream Sewer Capacity. The City shall ensure there is sufficient financial capacity to support the 20-year utility needs for the sewer utility by cooperating and coordinating with Kitsap County to ensure there remains adequate capacity at the Central Kitsap Wastewater Treatment Plant (CKWTP). The City shall designate a portion of the sewer utility rate collected for future improvements to the CKWTP that the City will be required to contribute toward. The agreement with Kitsap County is included in the Sanitary Sewer Comprehensive Plan, Appendix B-2. *{Suggested by Capital Projects Engineer staff}**
4. *Storm Water System. The City shall ensure there is sufficient financial capacity to support the 20-year utility and capital improvement needs for the storm water utility. This may realistically result in the need to increase storm water utility rates periodically and evaluate the current-adopt other funding mechanisms such as a storm water general facility charge. The City shall implement a storm water utility rate increase when the projected revenue for the storm water utility cannot fully fund its operations and anticipated capital improvement needs. *{Suggested by Capital Projects Engineer staff}**
5. *Solid Waste. The City shall ensure there are sufficient capital assets and reserve funds (including operating and capital reserves) to sustain the Solid Waste Utility through 20 years of continued population and*

Capital Facilities Goal and Policy Review | Feb 2023

Red ~~Strikethrough~~ and Underline = Staff Amendments

Blue ~~Strikethrough~~ and Underline = Planning Commission Amendments

Orange notes reason for amendment

business growth. This includes providing new refuse collection and hauling equipment on a regular replacement schedule. The City shall regularly evaluate refuse collection and disposal costs and adjust solid waste collection rates appropriately to ensure adequate financial resources to sustain the Utility.

Policy CF-3.2

The City shall provide, or require others to provide, the capital improvements listed in the schedule of capital improvements in the Capital Facilities Plan. The capital improvements identified on the 6-year CIP may be modified as follows:

- *The identified capital improvements are updated in conjunction with the budget process;*
- *Pursuant to GMA, the identified capital improvements may be amended during any calendar year with annual comprehensive plan amendments or the budget process;*
- *The schedule of the capital improvement may be adjusted by ordinance not deemed to be an amendment to the Plan for corrections, updates, and modifications concerning costs or revenue sources; acceptance facilities pursuant to dedications that are consistent with the plan; or the date of construction (so long as it is completed within the 6-year period) of any facility identified as a capital improvement.*

Policy CF-3.3

The City Public Works Department, at the time of preliminary development review, shall make an evaluation of public facility capacity based upon the submitted development permit and make one of the following findings:

- *There is sufficient public facility capacity to support the proposed development and maintain the adopted level or service.*
- *There is not sufficient public facility capacity to support the proposed development, and improvements to the facility system will be required as a condition of approval, consistent with the City's CFP and Six-Year CIP.*
- *There is not sufficient public facility capacity to support the proposed development, and improvements to the facility system will be required to be made by the City, consistent with the City's CFP and Six-Year CIP.*

Policy CF-3.4

Impacts of development on public utilities occur at the same time as occupancy of development authorized by a final development permit. Verification of adequate public utilities will be required at the time a building permit is applied for and a certificate of public utility availability is issued.

CAPITAL FACILITIES PLAN

GOAL CF-4

Develop a funding strategy and financing plan to meet the City's capital facility programmatic needs identified in the City's Capital Facilities Plan.

Policy CF-4.1

The City shall develop a multi-year financing plan based on the city's capital facility needs identified in the City's Comprehensive Plan Capital Facilities Plan.

Capital Facilities Goal and Policy Review | Feb 2023

Red ~~Strikethrough~~ and Underline = Staff Amendments

Blue ~~Strikethrough~~ and Underline = Planning Commission Amendments

Orange notes reason for amendment

Policy CF-4.2

Adopt the City's Six-Year Capital Improvement Program (CIP) as the short-term budgetary process for implementing the long-term Capital Facilities Plan (CFP). Ensure that project priorities, funding allocations, and financing strategies incorporated in the CIP are consistent with the long-term CFP. The capital facility improvements included in the City's annual budget shall be consistent with the Six-Year CIP.

Policy CF-4.3

Utilize every possible funding source to finance capital improvements. Funding sources available to the City include: local taxes, monthly user fees, state revenues, county revenues, general obligation and revenue bonds, state loan programs, sale or lease of City-owned property, state and federal grants, impact and connection fees, local improvement districts or other special assessments, and donations. {Suggested by Capital Projects Engineer staff}

Policy CF-4.4

If a funding shortfall occurs as a result of change in revenue assumptions used to identify funding for programmed capital improvements, the City will:

- *Identify alternative sources of funding for needed improvements;*
- *Revise its LOS standards to match available revenues; and*
- *Reassess the Comprehensive Plan and revise it as appropriate to achieve a balance between land use, revenues and level of service.*

GOAL CF-5

Provide needed public facilities that are within the ability of the City to fund, or within the City's authority to require others to fund the facilities.

Policy CF-5.1

Existing development shall pay for the capital improvements that reduce or eliminate existing deficiencies, some or all of the replacement of obsolete or ~~worn-out~~ degraded facilities and may pay a portion of the cost of capital improvements needed by future development. The payment for these improvements may take the form of monthly user fees, charges for services, special assessments and/or taxes. {Suggested by Capital Projects Engineer staff}

Policy CF-5.2

Future development pays its fair share of the capital improvements needed to address the impact of its development. Future development's payment of its fair share of capital improvements may take the form of, but are not limited to, voluntary contributions, impact and connection fees, dedication of land, provision of public facilities, future payment of user fees, charges for services, special assessments and taxes. Upon completion of payment of its fair share of capital improvements, "future" development becomes "existing" development, and contributes to paying the costs of the replacement of obsolete or ~~worn-out~~ degraded facilities as described in Policy CF-5.1 above. {Suggested by Capital Projects Engineer staff}

Policy CF-5.3

All development permits issued by the City that require capital improvements by sources of revenue that have not been approved or implemented (such as future debt requiring referenda) shall be conditioned on the approval or implementation of the indicated revenue sources, the payment of necessary funds by private parties, or the substitution of a comparable amount of revenue from existing sources.

Capital Facilities Goal and Policy Review | Feb 2023

Red ~~Strikethrough~~ and Underline = Staff Amendments

Blue ~~Strikethrough~~ and Underline = Planning Commission Amendments

Orange notes reason for amendment

Policy CF-5.4

Follow the principle that growth shall pay for the growth-related portion of capital facilities. The City will administer an impact fee system under the authority of GMA that will:

- *Impose fees only for system improvements that are reasonably related to growth;*
- *Structure the impact fee system so that impact fees do not exceed the proportionate share of the costs of system improvements attributable to growth, and are reasonably related to the new development;*
- *Balance impact fee revenues with other public revenue sources in order to finance system improvements that serve new development;*
- *Use fee proceeds for system improvements that will reasonably benefit the new development;*
- *Prohibit the use of fee proceeds for correcting existing capital facility deficiencies; and*
- *Pool fees as appropriate to more efficiently fund capital facilities resulting from new growth.*

Policy CF-5.5

Require non city entities (such as the North Kitsap School District and Poulsbo Fire Department) that propose to have the City of Poulsbo impose impact fees for them to prepare Capital Facility Plans that include:

- *Plans for capital improvements and construction over a 20-year horizon;*
- *A demonstration of how facility and service needs are determined;*
- *An annually updated six-year (or longer) finance plan that demonstrates how capital needs are to be funded; and*
- *Population and demographic projections consistent with those used in developing the City's Comprehensive Plan.*

{Suggested by Planning Commission to ensure there is a policy to support and direct impact fee process from non-city entities}

FUNCTIONAL PLANS

GOAL CF-6

Develop and regularly update functional plans and comprehensively assess capital facility needs and strategies for addressing such needs.

Policy CF-6.1

Use functional plans to guide the development of the City's capital priorities and investment decisions in the following functional areas:

- *Water utility system;*
- *Sanitary Sewer utility system;*
- *Storm water and surface water management;*
- *Parks, recreation, and open space; ~~and~~*
- *Transportation; and*
- *Other functional areas as identified.*

{Suggested by planning staff to recognize there may be other public facilities where a functional plan is developed}

Capital Facilities Goal and Policy Review | Feb 2023

Red ~~Strikethrough~~ and Underline = Staff Amendments

Blue ~~Strikethrough~~ and Underline = Planning Commission Amendments

Orange notes reason for amendment

Policy CF-6.2

Include in the functional plans the following features necessary for maintaining an accurate account of long-term capital facility needs and associated costs to the City, and consistency with the Comprehensive Plan.

- A description of the current capital facility infrastructure and the cost of its operation and maintenance;
- A description of current capital facility deficiencies and appropriate funding strategies to remedy these deficiencies;
- An analysis of capital facilities needed through the appropriate planning period;
- An analysis specifying how capital facilities will be financed and maintained;
- ~~A public participation program describing~~ Description of the functional plan's public review process if independent from a comprehensive plan update process;
- An analysis and recommendations to prioritize projects in the City's Six-Year Capital Improvement Program; and
- An analysis indicating that the functional plan, including any subsequent revisions to or modifications of the functional plan, are consistent with the policies of the Comprehensive Plan, if independent from a comprehensive plan update process.

{To recognize that these two elements (public review process and comprehensive plan consistency) occur as part of a comprehensive plan update process – so that they would only be necessary if a functional plan was updated independently of a comprehensive plan periodic update}.

Policy CF-6.3

Functional plans shall identify conceptual alignments for necessary new capital facilities, such as roadways and utility corridors, and shall be based upon best available technical analysis at the time. Actual construction of the capital facility alignments will be based upon topography, technical final engineering design and property owner willingness.

Policy CF-6.4

Functional plans shall be updated at least every six years to ensure:

- Response to changing infrastructure needs in both developed and developing areas of Pouslbo;
- Ensure that the functional plans are consistent with the Comprehensive Plan, including compliance with the Land Use Chapter; and
- Comply with state law.

Policy CF-6.5

Require that new functional plans and updates to existing functional plans conform to the following review process:

- Administratively review updates that are consistent with and do not impede the implementation of the Comprehensive Plan; and
- Use the Comprehensive Plan amendment review process to consider new functional plans or updates for:
 - A functional plan section that responds to Growth Management Act requirements;
 - Facilities that are insufficient and therefore identify improvements necessary to serve planned growth identified in the Comprehensive Plan; or
 - New or revised policies that are to be inserted into the Comprehensive Plan.

*SITING OF ESSENTIAL PUBLIC FACILITIES*¹

GOAL CF-7

~~Participate in and implement a process for s~~Siting essential public facilities of a state, regional or local nature shall be consistent with applicable land use policies and regulations.

Policy CF-7.1

The comprehensive plan and development regulations shall not preclude the siting of Essential Public Facilities.

~~The process for review and criteria for siting Essential Public Facilities, as defined in RCW 36.70A.200, and to be located in any jurisdiction in Kitsap County, has been identified in the Kitsap Countywide Planning Policy – Element G “Siting Public Capital Facilities of a Countywide or Statewide Nature.” The City of Poulsbo shall participate as set forth in this section of the Kitsap Countywide Planning Policy, in the identification and ranking of countywide sites suitable for public facility siting. The City zoning ordinance shall identify the process for siting a local essential public facility.~~

Policy CF-7.2

Site, coordinate and process Essential Public Facilities consistent with applicable policies in the Kitsap Countywide Planning Policies Element G.

Policy CF-7.3

The City’s zoning ordinance shall identify the process for permitting Essential Public Facilities.

¹ The amendments proposed for essential public facilities goal and policies are necessitated from changes made in the Kitsap Countywide Planning Policies Element G in 2021. These changes resulted in more generalized policies and relied on the local jurisdictions to identify the siting process. The City’s current zoning ordinance (PMC 18.125) identifies siting and permitting processes for essential public facilities, and so significant amendments are not necessary. Therefore, the amendments propose: 1) identify the GMA requirement that we cannot preclude siting of essential public facilities; 2) acknowledges there is some policy and procedures in the countywide planning policies to be aware of, and 3) that our zoning ordinance is where siting procedures and permit process are adopted.