

APPENDIX IV:

City of Ridgefield

2005 – 2011

General Facilities Capital Facilities Plan

This document presents a plan for financing capital facilities associated with the City's general facilities needs and will be part of the City's overall Ridgefield 20 Year Growth Management Comprehensive Plan. This document is part of the supporting documentation to the Plan that was adopted by the Ridgefield City Council in August 2008 and which is reflected in Ordinance No. 1005. Other supporting documentation associated with the Plan includes capital facilities plans for transportation, water, sewer parks and roads.

PURPOSE AND SCOPE

Washington State's Growth Management Act (GMA) sets forth the requirements for local growth management plans. One of the requirements is for a capital facilities plan, which must include a "...a six-year plan that will finance such capital facilities within projected funding capacities and clearly identifies sources of public money for such purposes..." The capital facilities plans for Ridgefield are reflected in chapters of the Comprehensive Growth Management Plan, and is provided in detail in the relevant portions of other supporting documentation.

This document is restricted to capital costs. It does not attempt to address issues relating to the need for ongoing maintenance and operation of capital facilities. These issues will be addressed in the City's budgeting process.

This document focuses on the six-year time frame required by the Growth Management Act, specifically the years from 2005 to 2011. However, long-range 20-year projections of expenditures and resources are available elsewhere for most types of facilities. For this information, see the Comprehensive Plan and associated supporting documents.

This document is not intended to provide a year-by-year spending plan or cash flow analysis. Nor does it address the specific structure or timing of bond issues, where new debt is called for. These details should be developed during the budgeting process or through other appropriate processes.

Finally, this document represents a long-range plan, and, thus, may be revised as appropriate to reflect changing financial conditions and the changing needs of the community.

FACILITIES

The projected growth in both population and jobs requires additional capital facilities in the City of Ridgefield. These include roads, parks, water distribution lines, sewer trunk lines, and other items identified in the respective capital facilities plans. Additionally, the City needs facilities for city administrative, planning, engineering and public works services and law enforcement and emergency services. The City anticipates future purchases of lands, buildings and other facilities for these facilities needs. The financial impacts of this project are summarized in Table 1.

Table 1: Facility Needs (2005-2011)

Description	Purpose	Estimated Costs (excluding soft costs)	Anticipated Revenue Sources
1. Public Works Operations/Police East Precinct Facility	Renovate existing building and acquire additional land for construction of a new operations facility that includes space for a Police Department expansion	\$500,000	Real Estate Excise Tax (REET)/System Development Charges
2. New City Hall Planning & Design	Develop space needs analysis and initiate design of a future City Hall	\$100,000	REET
3. Portable Buildings Purchase	Purchase stand-alone portables for future City staff space	\$150,000	REET

The projected costs of these facilities related capital projects during the planning period is estimated to be \$750,000 including soft costs.

REVENUES

Revenues include general obligation bonds and earmarked resources from the budgeted general fund. These funds are forecasted and do represent future revenues. Available

resources include the existing Real Estate Excise Tax (REET); authorized by the Growth Management Act specifically to finance capital projects; and accumulated fund balance. The City anticipates using REET funding for the specified capital projects in the General Facilities Plan. The ultimate funding source for each of the specified capital projects will be determined at the time of project initiation and will be authorized by the City Council through the budgeting process or through separate financial authorization.

The mix of funding shown in this section depends upon forecasts of available revenues. It may therefore be necessary to modify the funding strategy in future years to accommodate unanticipated economic conditions.

(1) General Fund:

The adopted Ridgefield 2005 Budget specified General Fund revenue of \$2.1 million. Based on anticipated growth and development in the community during the six-year the City anticipates general fund revenue to grow. The City does not anticipate spending any future appropriated General Fund Revenue to support the implementation of the General Facilities Capital Facilities Plan.

(2) Real Estate Excise Tax (REET):

The Growth Management Act, as amended by the legislature, identifies the local Real Estate Excise Tax as a capital funding option for local governments. It also gives localities the authority to levy a second 0.25 percent REET, in addition to the 0.25 percent authorized by prior legislation. Table 2, below, reflects estimated REET collections covered by this Plan.

The City estimates that through the Plan period the City will collect nearly \$3,000,000 in REET. The City anticipates using REET revenue for capital projects 2 and 3, and a portion of the REET revenue for capital project 1. However, the City recognizes that considerable variance from the total or individual year figures is possible. Careful

monitoring of this revenue source will be needed throughout the six-year planning period, and changes in financing strategy may be called for in response to changing economic conditions. The City will modify the General Facilities Capital Facilities Plan as necessary to reflect any modifications to REET funding.

**Table 2: Estimated REET Revenues
(2005-2011)**

Estimated REET Revenue – 2005	\$ 538,533
Estimated REET Revenue – 2006	\$743,327
Estimated REET Revenue – 2007	\$596,387
Estimated REET Revenue – 2008	\$220,000
Estimated REET Revenue – 2009	\$200,000
Estimated REET Revenue – 2010	\$300,000
Estimated REET Revenue – 2011	\$400,000
Total REET	\$2,998,247

(3) Fund Balance:

Fund balance represents operating surpluses that have been accumulated by the City in past years. Best viewed as “non-renewable resources,” fund balances are available to finance major one-time expenditures. Appropriate expenditures might include City buildings, land and other facilities. The City does not anticipate using any fund balances to support the implementation of the General Facilities Capital Facilities Plan.

(4) System Development Charges:

The City is authorized by statute to charge system development charges for water and sewer service. The City currently collects system development charges for water and sewer service. The City previously analyzed its rates for water and sewer system development charges that identified the need to increase these rates to address the City's long-term capital improvement needs for water and sewer. The City Council approved through ordinance action increases in these rates that are expected to support the implementation of the City's Water and Sewer Capital Facilities Plans. The City

anticipates using a portion of the City's collected water and sewer system development charges during the six-year planning period to facilitate land acquisition for the expansion of the Public Works Department Operations Facility.

LONG TERM IMPACTS:

Implementation of this financial plan will have an impact on the City's financial condition extending well beyond the six-year time horizon of the plan itself. The City recognizes that it is difficult to forecast future conditions, but the City is aware that there are economic and market forces that affect the Plan's implementation together with potential new facility needs currently unanticipated. This document is a long-term plan. Responsibility for the year-to-year financial decisions needed to implement the Plan will be addressed primarily through the City's budget process. Key tasks that City staff will need to engage in to inform future budget processes include:

- Monitoring economic conditions and revenue estimates and when necessary, modifying the Plan to address changing conditions.
- Monitoring project expenditures to ensure that they remain within planned levels and when necessary, modify the Plan to address changing conditions.
- Managing operating expenditure levels to ensure adequate long-term operations and maintenance of capital facilities developed under this Plan.
- Reviewing the needs and priorities of the community, and when necessary, modifying the Capital Facilities Plan and its financial element as needed.