

Appendix G: Capital Facilities Financial Plan

Executive Summary

The Capital Facility Financial Plan (CFFP) presents a plan for financing capital facilities identified in Clark County's Comprehensive Growth Management Plan, as required by Washington State's Growth Management Act (GMA). It covers the following types of capital facilities: transportation; parks and open space; stormwater drainage and water quality; and county buildings and other facilities. The plan covers the 6-year period from 2016-2021.

The plan provides for:

- Expenditures totaling \$597.7 million over the 6-year period.
- Appropriated resources, such as grants, user fees, voter-approved bonds and legally dedicated revenues, to finance over 73% (or \$434.6 million) of the expenditure program.
- General purpose funding sources --To complete the financing of its overall capital facilities program, Clark County has the option to allocate additional funds from its general-purpose resources.
- Revenues from New Development – Clark County is anticipating receiving \$163 million from new development sources.
- Stormwater facilities for present and future developments are paid for by project developers, not the county.

The following table summarizes the expenditures and resources included in this plan:

Table G.1 | Capital Facilities Financial Executive Summary

	Expenditures Total Costs	Earmarked Sources Appropriated Revenues	Revenues from New Development
Transportation	\$163,818,000	\$73,136,000	\$90,682,000
Parks & Open Space	\$117,233,845	\$44,908,103	\$72,325,742
Stormwater Drainage & Water Quality	9,603,000	9,603,000	0
County Building & Other Facilities	307,000,000	307,000,000	0
TOTAL	\$597,654,845	\$434,647,103	\$163,007,742

Like any long-term plan, the financing plan laid out in this document depends upon a number of forecasts and assumptions about future conditions. As time passes, it is expected that this plan will be modified and updated to reflect changing circumstances and financial realities. Year-by-year implementation of the plan will be carried out within the County's budgeting process and other appropriate processes.

Purpose and Scope

Washington State's Growth Management Act (GMA) sets forth the requirements for local growth management plans in RCW 36.70A.070(3). One of the requirements is for a capital facilities plan, which must include at least a 6-year financial plan for funding future capital facilities within projected funding capacities, which identifies the sources of public funds. The capital facilities plan for Clark County encompasses chapters 6 and of the Comprehensive Growth Management Plan (CGMP), along with relevant portions of other supporting documentation. This document is intended to identify funding sources for the principal capital facilities provided by Clark County itself. Financing for facilities provided by entities other than Clark County, such as the cities within the county, school districts and fire districts can be found in the CGMP.

Since the CFFP is strictly financial in nature, it does not directly address capital facilities constructed by the private sector and subsequently donated to the county. Examples of such facilities include local streets constructed within subdivisions, local sewer hook-ups and on-site stormwater detention/infiltration facilities serving new developments. Such facilities are indirectly addressed in that their existence mitigates the need for impact fees or System Development Charges (SDC) to construct them.

This document is also restricted to capital costs. It does not attempt to address issues relating to the need for the on-going maintenance and operation of capital facilities. These issues will be addressed in the Clark County's biennial annual budgeting process. Since this document focuses on the 6-year time frame required by the Growth Management Act, specifically the years from 2016-2021, long-range 20-year projections of expenditures and resources are available elsewhere for most types of facilities. The CFFP is chiefly intended to demonstrate the overall financial feasibility of the Clark County's 6-year capital facilities plan, so it does not contain detailed, project-level information.

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 county's annual budgeting process or through other appropriate processes. The information presented in this document is based on data provided by county staff in both oral and written form. 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.

Expenditures and Appropriated Resources

The following pages show the planned expenditure levels for each type of capital facility along with funding sources that are earmarked for each facility type. For example, the Transportation section shows planned expenditures for road construction, along with road-related grants and traffic impact fee revenues, which may be used to finance those expenditures. For some facility types, the appropriated revenues are sufficient to finance the entire expenditure program. In other cases, general-purpose resources are needed to supplement the appropriated revenues. (Sources of general purpose funding are discussed in the following section.)

Some of the appropriated revenue sources already exist. Examples include road fund property taxes, transportation and park impact fees and the proceeds of the conservation futures bond issue. Other sources, such as certain grants, have not yet been received, but are expected without the need for

major action on the part of the Board of County Councilors. Finally, certain appropriated sources described in this section will not materialize without specific action by the Board and are identified in the following pages.

Expenditures outlined in this section are divided into those related to “existing needs” and those resulting from “new development.” This categorization is approximate and is based upon information included in the Comprehensive Growth Management Plan. The basis for categorization is identified for each facility type. Revenue sources are similarly classified for each facility type.

A. Transportation

Transportation infrastructure needs and standards are outlined in Chapter 5 Transportation Element of the 20-Year Comprehensive Growth Management Plan 2015-2035. Clark County’s Transportation Improvement Program (TIP) 2016-2021 serves as the capital facilities financial plan for roads. The TIP identifies individual projects, their expected costs and anticipated funding sources and is summarized in Table 2 below:

Table G.2 | Transportation Improvement Program 2016-2021 Summary

Expenditures	Existing Needs	New Development	Total
Road Construction Projects	\$73,136,000	\$90,682,000	\$163,818,000
Total Expenditures	\$73,136,000	\$90,682,000	\$163,818,000
Resources			
Traffic Impact Fees ¹	\$0	\$12,938,000	\$12,938,000
Grants, Loans, Partnerships (Majority projected)	16,015,000	36,794,000	52,809,000
Road Fund Revenue for Capital (Public Share for impact fee-financed projects)	52,526,000	40,404,000	92,930,000
Other Revenue (Partnerships, Reimbursable)	4,595,000	546,000	5,141,000
Total Resources	\$73,136,000	\$90,682,000	\$163,818,000

Existing Needs and New Development:

Clark County has in place a system of transportation impact fees based on analysis of the road service levels and the impact of new development on the transportation network. On this basis, project costs totaling \$90 million are allocated to “New Development.” These costs are financed with a mix of traffic impact fees and road construction grants. The remainder of the construction program, totaling \$73.6 million, reflects existing transportation needs. The public share of impact fee-financed projects, reflecting the portion of those projects allocable to current demand, is included in the “Existing Needs” column of this table.

BOCC Action Needed:

No extraordinary action by the Board of County Councilors is needed to implement the funding sources included in this portion of the plan.

Financial Impact Summary:

- General Purpose Resources Needed: none
- General Obligation Debt Needed: none
- Non-General Obligation Debt Needed: none

¹ The traffic impact fees are based on the adopted 2016-2021 Clark County Transportation Improvement Program.

B. Parks and Open Space

One of the Growth Management Act's 13 primary goals is to "Encourage the retention of open space and development of recreational opportunities, to conserve fish and wildlife habitat, increase access to natural resource lands and water and develop parks."

Clark County's standards and needs for parks and open space are outlined in Chapter 7 Parks, Recreation and Open Space Element of the 20-Year Comprehensive Growth Management Plan, which also includes the capital facilities plan for parks. The adopted County 2015 Comprehensive Parks, Recreation & Open Space Plan's capital facilities plan identifies individual acquisitions and development projects, as well as ongoing allocations for major capital repairs and improvements to existing parks. It also identifies anticipated funding sources for each project. The urban park component of the capital facilities plan is based on needs and adopted standards for residents of the Vancouver urban growth boundary as of September 2015. The parks and open space program is summarized in the table below:

Table G.3 | Comprehensive Parks, Recreation & Open Space Plan

Expenditures	Existing Needs	New Development	Total
Regional Facilities: Acquisition & Development			
Regional Parks	\$10,570,000	\$22,300,000	\$32,870,000
Regional Trails	3,025,000	4,720,000	7,745,000
Regional Conservation Areas	0	18,325,000	18,325,000
Regional Special Facilities	5,910,000	9,000,000	14,910,000
Regional Park Improvements	0	4,765,000	4,765,000
Regional Planning	0	415,000	415,000
Urban Parks	10,578,103	8,610,000	19,188,103
Urban Trails	6,030,000	3,580,742	9,610,742
Urban Conservation Areas	0	400,000	400,000
Urban Special Facilities	8,235,000	0	8,235,000
Urban Park Improvements	560,000	0	560,000
Urban Planning	0	210,000	210,000
Total Expenditures	\$44,908,103	\$72,325,742	\$117,233,845
Resources			
REET	\$25,745,600	\$6,436,400	\$32,182,000
Grant Revenues	11,072,000	2,768,000	13,840,000
Donations and Partnerships	368,000	92,000	460,000
Conservation Futures/Areas	10,032,440	2,508,110	12,540,550
Park Impact Fees (Acq. and Dev.) ¹	1,922,219	19,497,109	21,419,328
County Local Share (Acq.)	2,950,000	0	2,950,000
New Regional Park Funding (Acq. and Dev.) ²	26,256,000	0	26,256,000
New Regional Trail Funding (Acq. and Dev.) ³	10,554,000	2,620,450	13,174,450
Total Resources	\$88,900,259	\$33,922,069	\$122,822,328

Source: Adopted County 2015 Comprehensive Parks, Recreation & Open Space Plan 2006-2012, pp.92-94 & forecasted revenues were carried over from the 2007 Comprehensive Plan Update.

¹ The Park Impact Fee revenues shown here assume rate updates pursuant to Clark County Code CCC 12.65.098.

² An additional funding source for regional park acquisition and development is needed to meet current and future need, based on adopted standards. Regional park acquisition and development projects necessary to meet the needs of new development have not been included here due to the size of existing parkland deficits and the lack of a dedicated funding source.

³ An additional funding source for regional trail acquisition and development is needed to allow completion of projects outlined as part of the regional trail system envisioned in the Clark County Regional Trail & Bikeways System Plan.

Table G.4. | Clark County Parks Capital Facilities Plan 2015-2021

Project Types	Estimated Cost with Annual Inflation (3%)							Total Estimated Cost*
	2015	2016	2017	2018	2019	2020	2021	
Urban Unincorporated Area								
Urban Park Acquisition	\$1,260,000	\$1,030,000	\$1,273,080	\$710,273	\$1,125,509	\$3,477,822	\$597,026	\$9,473,710
Urban Park Development	\$0	\$1,383,908	\$1,008,364	\$546,364	\$1,760,780	\$7,070,671	\$716,431	\$12,486,518
Urban Area Trail Acquisitions	\$0	\$57,414	\$1,405,693	\$1,693,727	\$365,790	\$376,764	\$0	\$3,899,388
Urban Area Trail Development and Improvements	\$20,000	\$20,600	\$2,524,942	\$131,127	\$1,879,600	\$1,993,951	\$144,003	\$6,714,223
Urban Park Improvements and Repair	\$80,000	\$82,400	\$84,872	\$87,418	\$90,041	\$92,742	\$193,914	\$711,387
Conservation Area Acquisition	\$0	\$412,000	\$0	\$0	\$0	\$0	\$0	\$412,000
Special Facility Development and Improvements	\$0	\$0	\$302,357	\$0	\$0	\$1,833,165	\$7,522,529	\$9,658,051
Planning	\$0	\$92,700	\$63,654	\$0	\$0	\$0	\$71,643	\$227,997
Regional System								
Conservation Area Acquisition	\$975,000	\$15,244,000	\$2,440,070	\$273,182	\$0	\$0	\$0	\$18,932,252*
Regional Park Acquisition	\$0	\$515,000	\$1,060,900	\$0	\$14,406,513	\$0	\$9,552,418	\$25,534,831
Regional Park Development	\$20,000	\$0	\$0	\$7,649,089	\$225,102	\$1,738,911	\$2,208,997	\$11,842,099
Regional Park Improvements and Repair	\$575,000	\$993,950	\$769,153	\$1,092,727	\$562,754	\$579,637	\$597,026	\$5,170,247
Trail Acquisition	\$0	\$2,575,000	\$371,315	\$1,884,954	\$163,199	\$0	\$0	\$4,994,468
Trail Development and Improvements	\$0	\$2,832,500	\$106,090	\$191,227	\$0	\$0	\$0	\$3,129,817
Special Facility Acquisition	\$0	\$0	\$0	\$3,278,181	\$6,753,053	\$0	\$0	\$10,031,234
Special Facility Development	\$50,000	\$0	\$0	\$0	\$3,376,526	\$0	\$3,414,990	\$6,841,516
Planning	\$0	\$36,050	\$90,177	\$131,127	\$0	\$0	\$208,959	\$466,313
Conservation Futures Partnerships Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Urban Unincorporated Area	\$1,360,000	\$3,079,022	\$6,662,961	\$3,168,908	\$5,221,719	\$14,845,116	\$9,245,547	\$43,583,273
Total Regional System	\$1,620,000	\$22,196,500	\$4,837,704	\$11,222,306	\$18,734,094	\$2,318,548	\$15,982,390	\$76,911,542
Grand Total								\$120,494,815

*Anticipated outside costs

Source: All numbers in this table were derived from the Clark County Parks, Recreation and Open Space Plan, September 2015. All math errors originate from that table.

Existing Needs and New Development:

As with roads, the use of impact fees as a funding source has been taken as an estimate of the effect of new development, as distinct from existing park needs. The parks capital facilities plan is envisioned as a first stage of a twenty-year acquisition and development program intended to meet the park and open space needs of the community. Needs associated with new development during that twenty-year period will be met as they arise, using, in part, impact fees as a funding source.

BOCC Action Needed:

To fully implement the plan outlined in Table 3, the Board of County Councilors may establish a funding mechanism for the acquisition and development of regional parks and trails and update urban park impact fees.

Financial Impact Summary:

- General Purpose Resources Needed: none
- General Obligation Debt Needed: none
- Non-General Obligation Debt Needed: none

C. Stormwater Drainage and Water Quality

The following is a discussion of the funds available for stormwater improvements and potential future costs. Stormwater water quality improvements are funded through the Clark County Clean Water Division (CWD), which is funded through an annual fee charged to owners of property with impervious surfaces, in unincorporated areas of Clark County.

A portion of this fee is dedicated to a capital improvement program aimed at reducing stormwater impacts caused by the county stormwater system discharges to water bodies.

Existing Needs and New Development:

Stormwater infrastructure for new development is designed to meet state standards and built by the developer. Clark County is completing a stormwater plan for Whipple Creek in 2017 and additional areas are likely under the county's NPDES stormwater permit.

Financial Impact Summary:

- General Purpose Resources Needed: none
- General Obligation Debt Needed: none
- Non-General Obligation Debt Needed: none

D. County Buildings & Other Facilities

Chapter 6 of the Comprehensive Growth Management Plan outlines the county's plans for new, expanded and renovated facilities. These include the expansion of the downtown campus specifically the Law and Justice Center; development of the 78th Street Heritage Farm Property; expansion of the 149th Street – Brush Prairie site; the enhancement of the Clark County Health Campus, the Tri-Mountain Golf Course, county railroad improvements and energy conservation/renewable energy projects across a wide range of county buildings and structures. The financial impacts of the projects falling within the 2016-2021 timeframe are summarized in Table 5 below:

Table G.5: | County Buildings & Other Facilities

Expenditures	Existing Needs	New Development	Total
Campus Expansion	\$150,000,000	\$0	\$150,000,000
149 th Street-Brush Prairie Building	10,000,000		10,000,000
78 th Street Heritage Farm	5,000,000		5,000,000
VA/CCH Campus Enhancement	2,000,000		2,000,000
Tri-Mountain Golf Course	2,575,000		2,575,000
Energy conservation/renewable energy	85,000,000		85,000,000
County Railroad Improvements	12,575,000		12,575,000
Fairgrounds Master Plan	39,850,000		39,850,000
Total Expenditures	\$307,000,000	\$0	\$307,000,000
Resources			
Earmarked Sources	\$2,650,000		\$2,650,000
General Obligation Bonds	304,350,000		304,350,000
Total Resources	\$307,000,000	\$0	\$307,000,000

Note: General Purpose Funding Needed identified as current capital fund balances.

Existing Needs and New Development:

The Comprehensive Growth Management Plan does not identify the portions of the building and facility program that are attributable to existing needs and to new development. In this presentation, the full amount is shown simply as “existing needs.” Existing needs include the carryover and completion of projects that began prior to 2011. New development includes:

1. expansion of the downtown campus: the expansion of the county’s Law and Justice Center, additional courtrooms, jail space, administrative space and parking;
2. continued development of the 78th Street Heritage Farm;
3. the enhancement of the Clark County Heath Campus;
4. the construction of a new building at the Public Works 149th Street complex which will, at a minimum, house offices from the county’s Sheriff, Community Development and Weed Management Departments and the WSU Cooperative Extension Office;
5. improvements associated with the county’s Tri-Mountain Golf Course;
6. energy conservation and renewable energy projects across a wide range of county facilities (including a potential biomass power plant); and,
7. improvements associated with the county railroad.

BOCC Action Needed:

To execute this plan the Board of County Councilors will need to implement the fund actions below:

Financial Impact Summary:

- General Purpose Revenue Needed: none
- General Obligation Debt Needed: **\$304,350,000**
- Non-General Obligation Debt Needed: none

General Purpose Resources

In prior capital facilities plans, available resources included the Real Estate Excise Tax to pay for capital improvements of County Buildings and Facilities (.25%) and for Park Development (.25%). In 2002, the Board of County Councilors re-enacted the second REET splitting the percentage 50/50 for Park Development and Economic Development. Together, both of these resources are committed to existing capital needs over the period covered by this capital facilities plan. Future resources generated by the County Buildings and Facilities REET may be sufficient and available for buildings and facilities. REET is a tax on the sale of real property and can be volatile depending on economic and market conditions.

However, prior balances have been used to pay for prior capital needs. Available resources include the existing .25% Real Estate Excise Tax (REET), an additional 0.25% REET authorized by the Growth Management Act specifically to finance capital projects and accumulated fund balance. Combined, these sources will provide adequate funding for the county capital facility needs.

A. 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 .25% REET, in addition to the .25% authorized by prior legislation. The table below reflects estimated REET collections covered by this plan.

Table G. 6 | Real Estate Excise Tax

	Total REET Revenue	Park Expenses	Facility Expenses
Estimated REET Revenue – 2015-2016	\$17,680,462	\$239,500	\$1,054,797
Estimated REET Revenue – 2017-2018	18,122,474	0	0
Estimated REET Revenue – 2019-2020	19,980,027	0	0
Estimated REET Revenue – 2021-2022	22,027,980	0	0
Estimated REET Revenue – 2023-2024	24,285,848	0	0
Estimated REET Revenue – 2025-2026	26,775,148	0	0
Estimated REET Revenue-2027-2028	29,519,601	0	0
Estimated REET Revenue-2029-2030	32,545,360	0	0
Estimated REET Revenue 2031-2032	35,881,259	0	0
Estimated REET Revenue 2033-2034	39,559,088	0	0
Estimated REET Revenue 2035-2036	43,613,895	0	0
REET Fund Balance	\$187,794,894	\$239,500	\$1,054,797

Note: REET Fund Balance is the remaining amount after revenue, earnings and expenses.

The estimate of \$187.8 million is available REET. However, considerable variance from the 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.

B. Fund Balance

Fund balance represents surpluses that have been accumulated by the county in past years. Best viewed as “non-renewable resources,” fund balances are available to finance major one-time expenditures. Appropriate expenditures might include County buildings and facilities. Fund balance is probably less appropriate as a funding source for parks acquisition and development because the expenditures included in this 6-year plan are just a portion of the total 20-year parks program. An ongoing source of funds, such as the REET (see above) is needed to support the parks program. Available fund balances needed to complete the financing of the capital facilities plan are shown in Table 8, below:

Table G.7 | Fund Balances

Real Estate Tax Fund Balance	\$6,397,892
Total Fund Balance	\$6,397,892

C. Summary

Table 8, below, summarizes the total financial plan supporting the capital facilities program for the 6-year from 2016-2021.

Table G.8 | Total Financial Plan Summary 2016-2021

Total Expenditures	\$740,641,000
Appropriated Resources	538,165,893
General Purpose Funding Needed	\$202,475,107
REET (existing)	19,440,000
REET (extended in 2002)	19,440,000
Fund Balance	6,397,892
Total General Purpose Funding Available	45,277,892

Policy Implications

This section recaps the Board actions necessary to implement this financial plan, outlines the overall, long-term financial impact of this plan on the county and highlights the role of the budget process in implementing, monitoring and modifying this plan.

A. Implementation Action Needed

As discussed above, a number of Board actions are needed to implement this financial plan. These include:

- Implementing a funding mechanism (such as a property tax or tipping fee) sufficient to generate enough funds for the Conservation Areas Acquisition Program.
- Establishing a funding mechanism (such as a countywide utility) for the capital costs of water quality and drainage with a fee structure.
- Ensure that the rates charged by the county to its wholesale customers are adequate to repay bonds issued for expansions. Maintaining a sewer rate structure adequate to cover the costs of future expansion.

B. Long-Term Financial Impact

Implementation of this financial plan will have an impact on the county's financial condition extending well beyond the six-year time horizon of the plan itself. While it is difficult to foresee the implications of these effects, it is important to be aware of them. The following points should be kept in mind:

- Most or all of the revenue from the existing Conservation Futures property tax levy will be committed to servicing bonds issued in 2002 for the next twenty years. Thus, a significant source of funding for the parks program contained in this plan will not be available again until the year 2035.
- Revenues from the Real Estate Excise Tax (REET) are committed to servicing debt on the Jail Work Center, Juvenile Center and Public Service Center. Revenues from the REET may be available to meet this need, depending upon economic and market conditions and other community needs.
- A portion of the Fund balance accumulated in recent years has been expended. This may limit the county's ability to meet unanticipated needs in future years.

C. Budget Process Implications

This document is a long-term plan. Responsibility for the year-to-year financial decisions needed to implement the plan will fall to the county's budget process. Key tasks the budget process will need to perform include the following:

- Monitoring economic conditions and revenue estimates and, when necessary, modifying the financial plan to address changing conditions.
- Monitoring project expenditures to ensure that they remain within planned levels and, when necessary, modifying the financial plan to address changing conditions.

- Deciding the timing of the expenditures and debt issuance within the six-year time frame of the financial plan.
- Managing operating expenditure levels to ensure adequate funding for the maintenance of capital facilities developed under this plan.
- Reviewing the needs and priorities of the community and, when necessary, modifying the capital plan and its financial elements accordingly.

D. Impact on Households

In some areas, this financial plan calls for new fees or taxes. The following summarizes the estimated financial impact of the changes described on individual households. These are estimates only and, in certain cases, the decisions needed to precisely quantify the impacts have not yet been made.

- **Transportation:** No new taxes or fees anticipated within the 6-year time frame as outlined in this document.
- **Parks and Open Space:** A funding strategy will be needed to enable the Conservation Areas Acquisition Program. Originally contemplated using the Conservation REET, funding options also includes a property tax and garbage tipping fees, among others.
- **Stormwater Drainage and Water Quality:** A funding strategy will be necessary to pay for the capital costs of stormwater and water quality
- **County Buildings and Other Facilities:** Future funding will likely come from voter approved bond.