

**CITY OF WEST RICHLAND  
RESOLUTION NO. 16-17**

**A RESOLUTION OF THE CITY OF WEST RICHLAND, WASHINGTON,  
ADOPTING THE 2017-2022 SIX-YEAR CAPITAL IMPROVEMENT  
PROGRAM**

**WHEREAS**, by statute the City of West Richland must annually approve a Six-Year Capital Improvement Program; and


**WHEREAS**, the City Council has determined the appropriate priority for capital improvements; and

**WHEREAS**, the City Council has determined the Six-Year Capital Improvement Program is consistent with the City's adopted Comprehensive Plan;

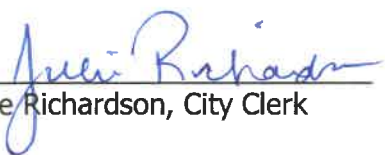
**NOW, THEREFORE**, The City Council of the City of West Richland, Washington, does hereby resolve as follows:

**Section 1.** The 2017-2022 Six-Year Capital Improvement Plan, a copy of which is attached hereto and by this reference incorporated herein, is adopted and Staff is instructed to implement the plan in an appropriate, orderly manner.

**PASSED BY THE CITY COUNCIL OF THE CITY OF WEST RICHLAND,  
WASHINGTON**, this 8th day of August, 2017.

  
Brent Gerry, Mayor

ATTEST:

  
Julie Richardson, City Clerk

APPROVED AS TO FORM:

  
Mike Rio, City Attorney

## APPENDIX 2

# 6-YEAR CAPITAL IMPROVEMENT PLAN (CIP)

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City of West Richland

2017-2022 Capital Improvement Plan

Adopted by Resolution No. XXXX

## Purpose

The State of Washington Growth Management Act (GMA) requires cities to include a six-year capital improvement plan (CIP) in their comprehensive plans. The objective is that the six-year plan should align with the city's budget and also coordinate with a longer-range Capital Facilities Plan (CFP) which includes twenty-years of projects. Both plans must include estimated costs and proposed financing methods.

For this document, the following definition of a capital improvement project is used:

*A **Capital Improvement Project** is a major, non-routine expenditure for property acquisition, new construction, or improvement to existing buildings, facilities, land, or infrastructure with an estimated useful life of five or more years, and a total cost of \$25,000 or more.*

Generally speaking, capital facilities are those services and facilities such as storm and wastewater systems, domestic water systems, street cleaning services, fire and police protection services, public transit services. These facilities and services have a Level of Service (LOS) associated with them, as identified in the Capital Facilities Element of this plan.

In addition to the items listed above, West Richland chooses to include municipal buildings, very expensive vehicles (such as vactor trucks), and the Industrial Plant in capital facilities planning. West Richland does not include public transit services or facilities in their CIP, as that is provided by an external agency (Ben-Franklin Transit). In addition, it is important to note that Benton REA, Benton County Fire District #4 and the Richland School District perform their own capital facilities planning. The city also excludes irrigation systems and city-owned equipment such as computers and air-conditioning units from the CIP.

## Previous CIP Accomplishments

The city completed many important projects from the 2014-2019 CIP including:

- Extension of the Belmont Waterline
- Paradise Way Ph. 4 Water Extension
- Construction of the Industrial Wastewater Treatment Plant (I-Plant)

- Construction of the Biosolids Processing Facility
- Construction of the Keene Road Ph. 3 Pathway
- Design for the Yakima River Gateway Project
- Design and Right-of-Way (ROW) acquisition for S 38<sup>th</sup> Ave/ Mt. Adams View Dr. Project
- Paradise Way / Belmont Blvd. road widening
- Design for Paradise Way Ext Ph. 4
- Design and ROW acquisition for Bombing Range Road Ph. 8
- Design, ROW acquisition and construction of the Bombing Range Outfall Elimination facility
- Design and construction for N. 62nd Ave Storm Water Retro-Fit Project
- Design and construction for the Fern Loop Outfall Elimination Facility
- Creation of a community garden at the Yellowstone Trail Park
- Belmont Property site improvements
- Replacement of the vector truck
- City-wide LED retrofit

## Awards:

- Ecology recognized the community garden at Yellowstone Trail Park as a model stormwater project, serving as a multi-purpose facility
- The Infrastructure Assistance Coordinating Council (IACC) named the city's I-Plant the "2016 Best Capital Facilities Project"
- IACC Energy Efficiency Award for the LED streetlight retro-fit project (2015)
- The LED Streetlight retro-fit project was featured in the national Public Works Magazine publication
- Ecology recognized the city with an Outstanding Performance Award for Compliance with Ecology NPDES Wastewater Permit in the years 2012 , 2013, 2014, and 2015 for perfect compliance with all permit requirements

# The City Budget and Finance Forecasts

The City of West Richland operates on a biennial (2-year) budget. The budgeting process includes public outreach and opportunities for public comment. The city's budget document describes fund sources and uses within the city, and provides revenue projections.

Key funds that are listed below as sources for project funding include:

*General Fund – 001*

*Park Impact Fund – 104*

*Criminal Justice Fund - 105*

*Real Estate Excise Taxes (REET 1) Fund – 301*

*Real Estate Excise Taxes (REET2) Fund- 302*

*CERB / Belmont Capital Improvements Fund – 320*

*Transportation Impact Fees Fund – 355*

*Water/ Sewer Utility Operating Fund-401*

*Solid Waste Fund - 405*  
*Water System Development Fund – 441*  
*Sewer System Development Fund – 442*  
*Water Line Development Fund – 451*

*Sewer Line Development Fund – 452*  
*Irrigation Utility Fund – 402*  
*Stormwater Utility Fund – 404*  
*Garbage Utility Fund – 405*

These funds are described in detail, with projections for revenues / planned expenditures for the budget time span (two-years) in the city’s budget document.

## **Grant, Loans, and State/ Federal Funding**

The following summarizes typical funding sources via grant and loan programs at the local, state or federal level:

**CERB (Community Economic Revitalization Board):** CERB provides funding to local governments and federally-recognized tribes for public infrastructure which supports private business growth and expansion. Eligible projects include domestic and industrial water, storm water, wastewater, public buildings, telecommunications, and port facilities.

**Department of Ecology Grants:** The Washington State Department of Ecology offers grants on an annual basis for projects that improve and protect water quality, including stormwater facilities and activities. Grants are awarded based on funding availability.

**HAEIF (Hanford Area Economic Investment Fund):** HAEIF was established by the Washington State Legislature in 1991 to finance projects to expand and diversify the economy and decrease dependence on U.S. Department of Energy operations in the Tri-Cities region. HAEIF has a Public Loan Program for municipal entities, as well as a Grant Program for governmental entities in Benton and Franklin Counties for projects that focus on creating primary jobs and that encourage new development and business expansion in targeted industry sectors that diversify the economy in Benton and Franklin Counties.

**Other Federal Grants:** Congressional transportation funding appropriations and other federal grant sources may be available to the city; future grant funding is highly volatile and dependent upon actions taken by Congress.

**PWTF (Public Works Trust Fund):** A program administered by the Public Works Board where low-interests loans and technical assistance is provided to local governments in Washington for public works projects, such as waste and water systems, streets roads and bridges, and solid-waste and recycling programs.

**RCO (Recreation and Conservation Office):** The State Recreation and Conservation Office (RCO) manages a number of different grants for recreation projects, such as the Washington Wildlife Recreation Program (WWRP), Recreational Trails Program (RTP), and Youth Athletic Facilities (YAF).

**SRF (State Revolving Fund):** The Drinking Water State Revolving Fund (DWSRF) makes funds available to drinking water systems to pay for infrastructure improvements. This loan program is funded through federal and state money and subject to state laws and additional federal regulations.

**STP (Surface Transportation Program):** This is a program of the Federal Highway Administration, and one of several federal funding sources created by the Intermodal Surface Transportation Efficiency Act to finance transportation projects. STP funds are the most “flexible” funding source since they may be used on transit projects, bicycle and pedestrian, safety, traffic monitoring and management, planning, and the development of management systems, as well as more traditional road or bridge projects. A local match of 13.5 percent is required. For pedestrian and bike facilities, a 20 percent local match is required.

- *STP-E: Surface Transportation program – Enhancement*
- *STP-U: Surface Transportation program –Urban*
- *STP-UL: Surface Transportation program – Urban, Large Area*

**TIB (Transportation Improvement Board):** The Washington State Transportation Improvement Board (TIB) funds high priority transportation projects in communities throughout Washington to enhance the movement of people, goods, and services. TIB is an independent state agency, created by the Legislature, which distributes and manages street construction and maintenance grants. Funding for TIB's grant programs comes from revenue generated by three cents of the statewide gas tax.

- **UAP (Urban Arterial Program):** The Washington State Transportation Improvement Board manages UAP grants. The purpose of the UAP Program is to provide financial assistance to local agencies to improve the state’s arterial street system by increasing capacity, reducing accident rates, correcting structural deficiencies, and providing adequate widths. The UAP receives eight percent of the gas tax revenue. Funded projects must be listed in the City’s six-year Capital Improvement Plan.

## Additional Funding Sources

The following summarizes additional funding sources that are included in the following tables:

**Criminal Justice Fund:** In August of 2014, voters in Benton County approved a county-wide increase to the sales and use tax rate for public safety (criminal justice sales tax). The new tax rate was implemented in January of 2015 and is dedicated towards current and future criminal justice needs within Benton County. Under State statute, Benton County will receive 60% of the proceeds generated from the public safety sales tax. Cities within Benton County will then share the remaining 40%, which will be allocated based on population.

**General Obligation Bonds:** General obligation bonds issued by local governments are secured by a pledge of the taxing district’s property tax authority. General obligation bonds have been the traditional form of financing for capital projects such as land acquisition, park development, and transportation

projects that are owned and operated by government. There are two basic kinds of general obligation bonds: First, limited tax general obligation bonds (also called LTGO bonds, councilmanic bonds or non-voted debt) which may be issued by a vote of the legislative body. The other type, unlimited tax general obligation bonds (UTGO bonds or voted debt), must be approved by voters.

**Interlocal Agreements and Partnerships:** Partnerships and interlocals are important to the City of West Richland. Partnering with other local jurisdictions and local agencies (with and without financial agreements or components) ensure that projects and programs can take place. Some examples include partnerships with Richland School District, Benton County, the City of Richland, and the Port of Kennewick.

**Impact Fees:** Impact fees are one-time charges assessed by local governments against a new development project to help pay for new or expanded public facilities that will directly address the increased demand created by that development. Impact fees may only be used for capital facilities that are reasonably related to the new development, will directly benefit the new development, and will also serve the community at large (in other words, impact fees may not be used to pay for private facilities that solely benefit the development).

**LIDs (Local Improvement Districts):** LIDs are special assessment districts in which improvements will specially benefit primarily the property owners in the district. They are created under the sponsorship of a municipal government and are not self-governing special purpose districts. To the extent and in the manner noted in the enabling statutes, they must be approved by both the local government and benefitted property owners.

**REET (Real Estate Excise Tax):** State law authorizes all cities and counties to levy a 0.25% tax, described as "the first quarter percent of the real estate excise tax" or "REET 1" on all sales of real estate. Since West Richland plans under the State GMA, the city must spend the first quarter percent of REET receipts solely on capital projects that are listed in the capital facilities plan element of the comprehensive plan. "REET 2" is an additional 0.25% tax, or the "second quarter percent" and the funds may be used for capital projects as defined in RCW 82.46.035(5).

**Revenue Bonds:** Revenue bonds may be issued to finance projects for any enterprise that is self-supporting. Revenue bonds are generally used to finance water and wastewater projects, airports, and stormwater systems. Payment for debt service on revenue bonds comes from user fees generated by the capital facility that is being built. The local entity is then responsible for establishing and collecting sufficient revenue (through rates) to retire the debt.

## Prioritizing Projects

Some considerations that the city must make in prioritizing funding includes:

- Life, health, and safety considerations
- Available funding
- Revenue generation for services
- Legal mandates

- Improvement to the community's tax base
- Maintenance and upkeep
- Partnerships and coordination with other agencies / entities
- Maintaining adequate levels of service
- Meeting forecasted demands

Through the development and adoption of the Capital Improvement Plan, the city uses these standards and plans improvements over time in a fiscally responsible manner.

## Project Categories

The following tables organize capital projects into the following categories:

1. Transportation (*includes trails and pathways located within the road right-of-way of federally classified roadways*)
2. Water System
3. Wastewater (Sewer) System
4. Stormwater System
5. Facilities
6. Parks and Pathways (*includes pathways which are not located within road right-of-ways*)